

# **Support Material**

**Financial Results for the six months ended June 30, 2022**

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**August 8, 2022**



This presentation includes forward-looking information that reflects the plans and expectations of the Company. Such forward-looking information is based on the current assumptions and judgments of the Company in light of the information currently available to it, and involves known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Company's performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, without limitation:

- Price volatility and change in demand in crude oil and natural gas
- Foreign exchange rate volatility
- Change in costs and other expenses pertaining to exploration, development and production

The Company undertakes no obligation to publicly update or revise the disclosure of information in this presentation (including forward-looking information) after the date of this presentation.

## 67 Consolidated Subsidiaries

Major Subsidiaries	Country / Region	Ownership	Phase	Accounting Term
INPEX Sahul, Ltd.	Timor-Leste	100%	Production	December
INPEX Ichthys Pty Ltd	Australia	100%	Production	December
INPEX Oil & Gas Australia Pty Ltd	Australia	100%	Production	December
INPEX Southwest Caspian Sea, Ltd.	Azerbaijan	51%	Production	December
INPEX North Caspian Sea, Ltd.	Kazakhstan	51%	Production	December
Japan Oil Development Co., Ltd.	UAE	100%	Production	December
JODCO Onshore Limited	UAE	65.76 %	Production	December
JODCO Lower Zakum Limited	UAE	100%	Production	December
INPEX Eagle Ford, LLC	United States	100%	Production	December
INPEX Idemitsu Norge AS	Norway	50.5%	Production	December

## 22 Equity Method Affiliates

Major Equity Method Affiliates	Country / Region	Ownership	Phase	Accounting Term
Ichthys LNG Pty Ltd	Australia	66.245%	Production	December
MI Berau B.V.	Indonesia	44%	Production	December

# Highlights of the Consolidated Financial Results for the six months ended June 30, 2022



	2Q FY2021 (January - June '21)	2Q FY2022 (January - June '22)	Change	% Change
Net sales (Billions of yen)	498.3	1,098.4	600.0	120.4%
Crude oil sales	375.3	843.2	467.8	124.6%
Natural gas sales (including LPG)	114.8	244.6	129.7	113.1%
Others	8.2	10.6	2.4	29.7%
Operating income (Billions of yen)	223.6	584.4	360.8	161.3%
Ordinary income (Billions of yen)	219.8	626.1	406.3	184.8%
Net income attributable to owners of parent (Billions of yen)	51.9	184.4	132.4	254.9%
Net income per share* (Yen)	35.60	133.06	97.46	237.8%

Average crude oil price (Brent) (\$/bbl)	65.23	104.94	39.71	60.9%
Average exchange rate (¥/\$)	107.82	123.15	15.33yen depreciation	14.2% depreciation

\* Average number of INPEX shares issued and outstanding during the six months ended June 30, 2022: 1,386,326,951

	2Q FY2021 (January - June '21)	2Q FY2022 (January - June '22)	Change	% Change
Net sales (Billions of yen)	375.3	843.2	467.8	124.6%
Sales volume (thousand bbl)	55,454	70,956	15,502	28.0%
Average unit sales price of overseas sales (\$/bbl)	62.71	96.29	33.58	53.5%
Average unit sales price of domestic sales (¥/kl)	45,004	81,784	36,780	81.7%
Average exchange rate (¥/\$)	107.92	123.37	15.45yen depreciation	14.3% depreciation

# Natural Gas Sales (excluding LPG)

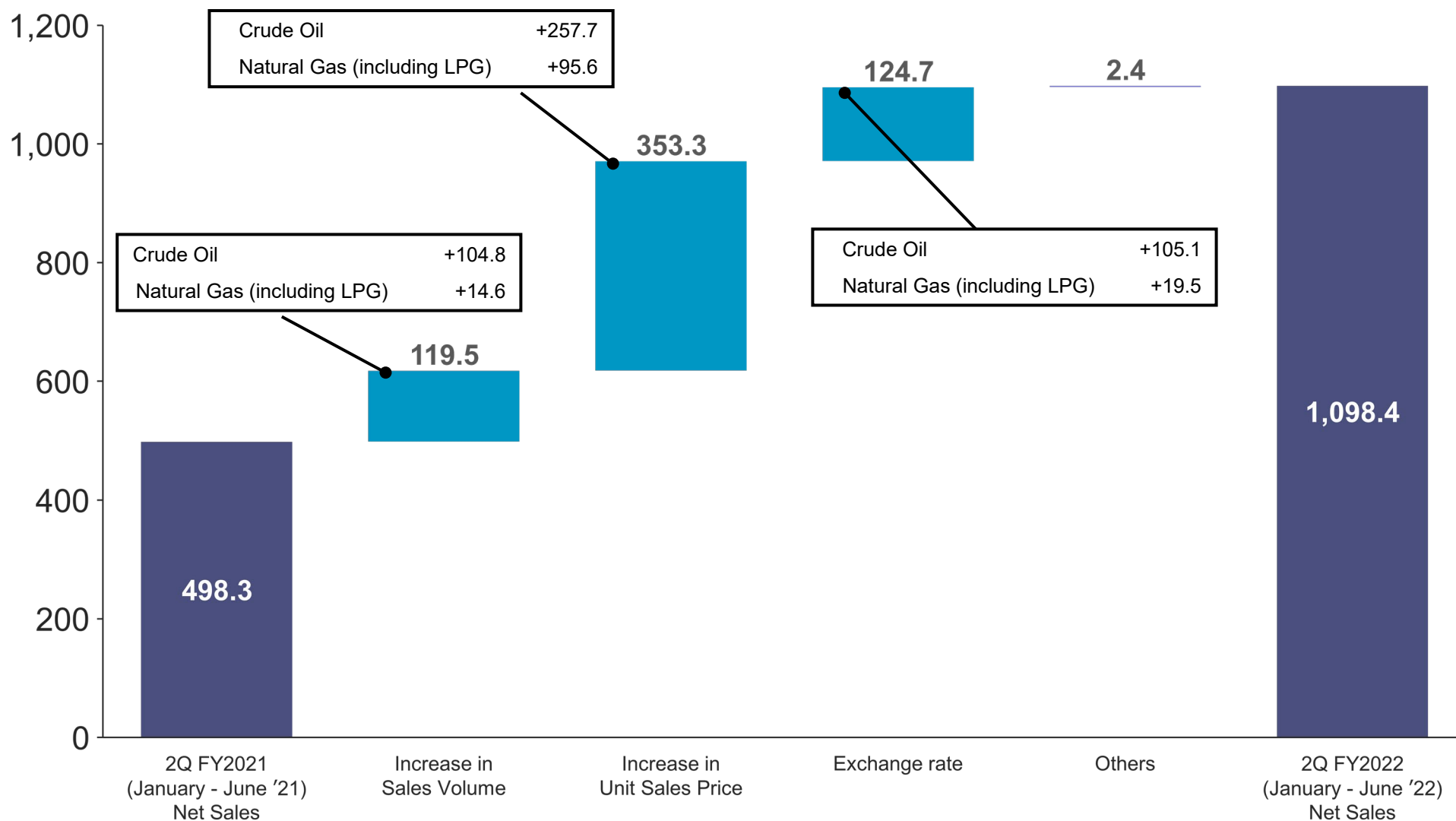


	2Q FY2021 (January - June '21)	2Q FY2022 (January - June '22)	Change	% Change
Net sales (Billions of yen)	113.3	242.4	129.0	113.9%
Sales volume (million cf)	203,293	238,760	35,466	17.4%
Average unit sales price of overseas sales (\$/thousand cf)	3.84	6.63	2.79	72.7%
Average unit sales price of domestic sales (¥/m <sup>3</sup> )	41.04	70.86	29.82	72.7%
Average exchange rate (¥/\$)	107.72	122.66	14.94yen depreciation	13.9% depreciation

\* 1m<sup>3</sup>=41.8605MJ

# 2Q FY2022 Analysis of Net Sales Increase

(Billions of Yen)



# Statement of Income



(Billions of Yen)	2Q FY2021 (January - June '21)	2Q FY2022 (January - June '22)	Change	% Change
Net sales	498.3	1,098.4	600.0	120.4%
Cost of sales	233.7	447.5	213.7	91.4%
Gross profit	264.6	650.9	386.3	146.0%
Exploration expenses	2.2	13.3	11.1	486.7%
Selling, general and administrative expenses	38.6	53.0	14.3	37.2%
Operating income	223.6	584.4	360.8	161.3%
Other income	36.7	143.1	106.4	289.8%
Other expenses	40.5	101.4	60.9	150.2%
Ordinary income	219.8	626.1	406.3	184.8%
Total income taxes	176.0	445.3	269.3	153.0%
Net income (loss) attributable to non-controlling interests	(8.1)	(3.6)	4.5	(55.7%)
Net income attributable to owners of parent	51.9	184.4	132.4	254.9%

Increase in sales volume :	+119.5
Increase in unit sales price :	+353.3
Exchange rate:	+124.7
Others :	+2.4

Cost of sales for Crude Oil: (Change)	306.5 +147.2
Cost of sales for Natural Gas*1: (Change)	135.4 +67.3

\*1 Including LPG

Main factors for change :	
Dividend income	+4.8
Equity in earnings of affiliates	+101.3

Main factors for change :	
Equity in losses of affiliates	(12.9)
Modification loss on financial assets*2	+80.0
Foreign exchange loss	(9.4)

\*2 In accordance with International Financial Reporting Standards (IFRS) 9 "Financial Instruments" implemented to foreign consolidated subsidiaries, the loss was recognized due to modification of financial assets that do not result in derecognition. It includes the loss incurred from transactions with affiliated companies. Adjusted for equity in earnings of affiliates and tax effect accounting, the impact to consolidated net income was (19.8).

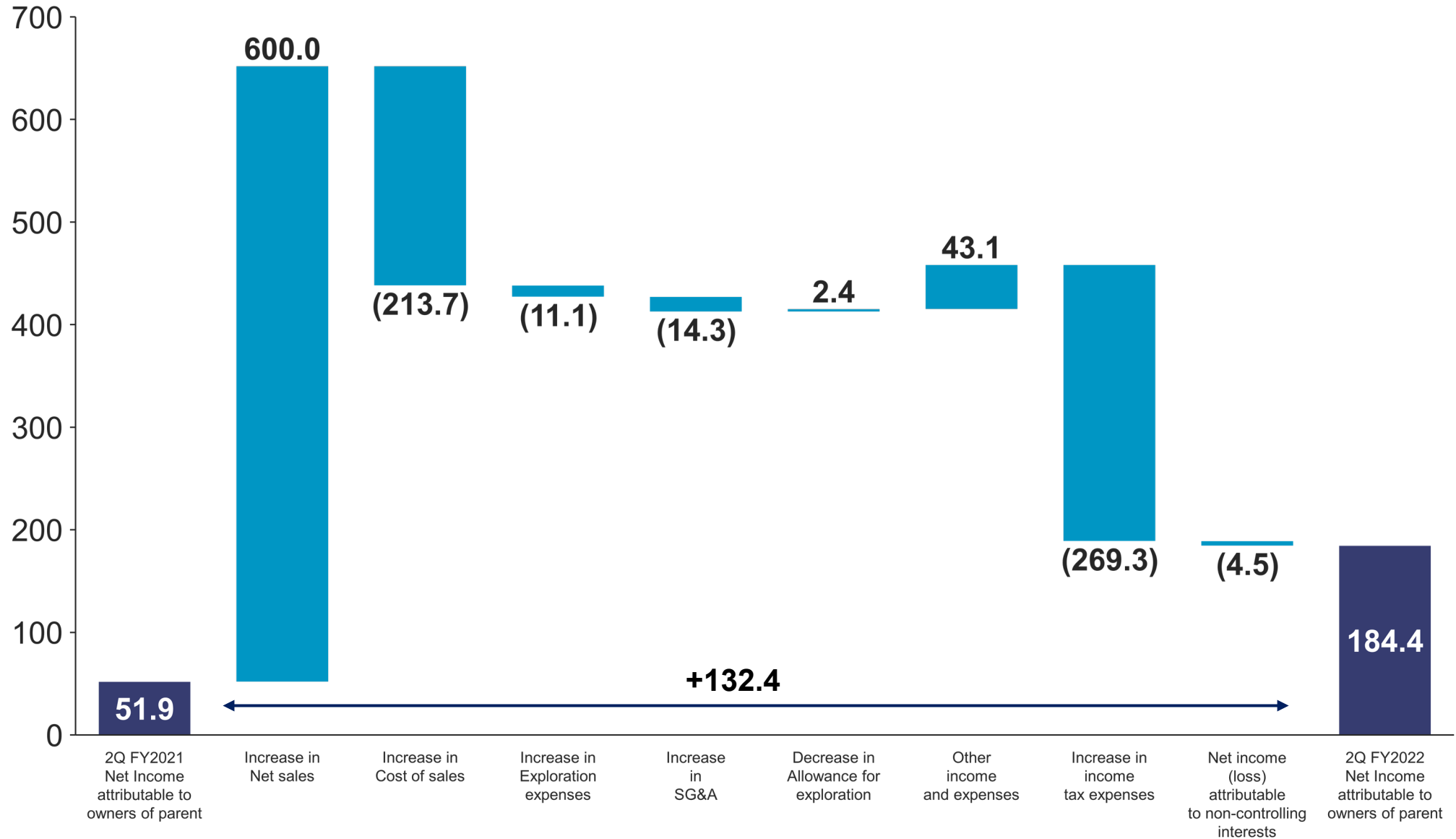


# Other Income and Expenses



(Billions of Yen)	2Q FY2021 (January - June '21)	2Q FY2022 (January - June '22)	Change	% Change
Other income	36.7	143.1	106.4	289.8%
Interest income	14.4	16.5	2.0	14.0%
Dividend income	3.4	8.3	4.8	139.9%
Equity in earnings of affiliates	-	101.3	101.3	-
Gain on reversal of allowance for recoverable accounts under production sharing	4.3	6.7	2.4	55.1%
Other	14.3	10.1	(4.2)	(29.4%)
Other expenses	40.5	101.4	60.9	150.2%
Interest expense	6.9	9.9	2.9	42.7%
Equity in losses of affiliates	12.9	-	(12.9)	(100.0%)
Foreign exchange loss	10.6	1.2	(9.4)	(88.2%)
Modification loss on financial assets	-	80.0	80.0	-
Other	9.9	10.2	0.3	3.6%

(Billions of Yen)



(Billions of yen)	December 2021	June 2022	Change	% Change
Current assets	518.8	700.6	181.7	35.0%
Tangible fixed assets	2,259.8	2,626.1	366.2	16.2%
Intangible assets	446.6	506.7	60.0	13.4%
Recoverable accounts under production sharing	548.1	527.7	(20.4)	(3.7%)
Other	1,446.5	2,116.9	670.4	46.3%
Less allowance for recoverable accounts under production sharing	(61.8)	(54.4)	7.3	(11.9%)
<b>Total assets</b>	<b>5,158.1</b>	<b>6,423.7</b>	<b>1,265.5</b>	<b>24.5%</b>
Current liabilities	348.8	602.2	253.4	72.6%
Long-term liabilities	1,462.8	1,800.9	338.0	23.1%
<b>Total net assets</b>	<b>3,346.4</b>	<b>4,020.4</b>	<b>674.0</b>	<b>20.1%</b>
(Non-controlling interests)	222.3	251.0	28.6	12.9%
<b>Total liabilities and net assets</b>	<b>5,158.1</b>	<b>6,423.7</b>	<b>1,265.5</b>	<b>24.5%</b>
Net assets per share (Yen)	2,253.17	2,720.09	466.92	20.7%

Summary of financial information for Ichthys downstream JV (100% basis - the Company equity share is 66.245%) (Billions of yen)

- Current assets : 158.5
- Fixed assets : 4,367.4
- Total assets: 4,525.9

\*Fixed Assets include interest expenses for qualified assets under the accounting standards as well as investments before FID.

The total of long-term loans and short-term loans is 1.3 trillion yen.

Adding the off-balance net loans of Ichthys downstream JV brings the total of INPEX net loans to be 1.9 trillion yen (as of June 2022).

(Billions of yen)  
 Total shareholders' equity: +144.6  
 Accumulated other comprehensive income : +500.7

- Unrealized gain (loss) from hedging instruments: +25.9
- Translation adjustments: +470.1

# Statement of Cash Flows



(Billions of Yen)	2Q FY2021 (January - June '21)	2Q FY2022 (January - June '22)	Change
Income (loss) before income taxes	219.8	626.1	406.3
Depreciation and amortization	77.2	141.1	63.9
Modification loss on financial assets	-	80.0	80.0
Recovery of recoverable accounts under production sharing (capital expenditures)	28.2	41.7	13.4
Recoverable accounts under production sharing (operating expenditures)	(0.6)	(3.9)	(3.3)
Income taxes paid	(127.8)	(350.1)	(222.2)
Other	(18.3)	(123.9)	(105.6)
<b>Net cash provided by (used in) operating activities</b>	<b>178.6</b>	<b>411.0</b>	<b>232.4</b>
Payments for time deposits / Proceeds from time deposits	-	11.0	11.0
Payments for purchases of tangible fixed assets	(63.5)	(81.8)	(18.2)
Payments for purchases of marketable securities/investment securities and proceeds from sales of marketable securities/investment securities	16.0	(67.6)	(83.7)
Investment in recoverable accounts under production sharing (capital expenditures)	(13.6)	(17.7)	(4.1)
Long-term loans made / Collection of long-term loans receivable	(1.9)	(210.1)	(208.1)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(31.4)	(31.4)
Payments for acquisitions of participating interests	(1.4)	-	1.4
Other	(1.2)	14.0	15.3
<b>Net cash provided by (used in) investing activities</b>	<b>(65.8)</b>	<b>(383.7)</b>	<b>(317.8)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(125.4)</b>	<b>12.1</b>	<b>137.6</b>
Cash and cash equivalents at end of the period	171.3	268.6	97.3

## ■ Assumptions

(May 11, 2022)	1 <sup>st</sup> half (Previous Forecasts)
Crude oil price (Brent) (US\$/bbl)	95.0
Exchange rate (yen/US\$)	120.0



(August 8, 2022)	1 <sup>st</sup> half (Actual Results)
Crude oil price (Brent) (US\$/bbl)	104.9
Exchange rate (yen/US\$)	123.2

## ■ Differences between Consolidated Financial Forecasts and Actual Results for the six months ended June 30, 2022

	Previous Forecasts (May 11, 2022)	Actual Results	Change	% Change
Net Sales (billions of yen)	1,019.0	1,098.4	79.4	7.8%
Operating income (billions of yen)	535.0	584.4	49.4	9.2%
Ordinary income (billions of yen)	613.0	626.1	13.1	2.1%
Net income attributable to owners of parent (billions of yen)	200.0	184.4	(15.6)	(7.8%)

■ Assumptions

(May 11, 2022)	1 <sup>st</sup> half (Jan-Jun)	2 <sup>nd</sup> half (Jul-Dec)	Full year
Crude oil price (Brent) (US\$/bbl)	95.0	75.0	85.0
Exchange rate (yen/US\$)	120.0	120.0	120.0



(August 8, 2022)	1 <sup>st</sup> half (Jan-Jun)	2 <sup>nd</sup> half (Jul-Dec)	Full year
Crude oil price (Brent) (US\$/bbl)	104.9	85.1	95.0
Exchange rate (yen/US\$)	123.2	126.9	125.0

■ Financial Forecasts for the year ending December 31, 2022

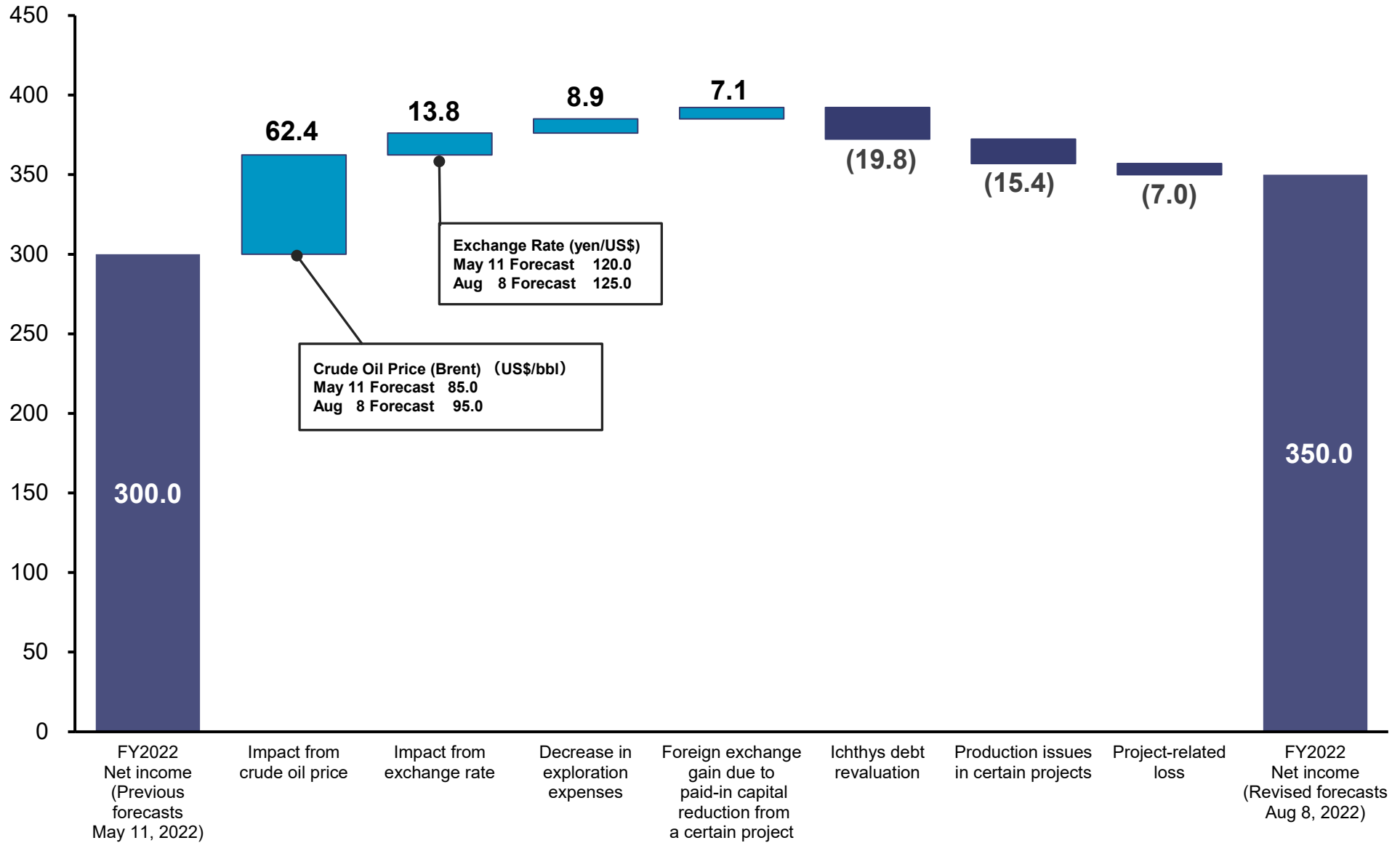
	Previous forecasts (May 11, 2022)	Revised forecasts (August 8, 2022)	Change	% Change
Net sales (billions of yen)	1,851.0	2,182.0	331.0	17.9%
Operating income (billions of yen)	924.0	1,133.0	209.0	22.6%
Ordinary income (billions of yen)	1,042.0	1,255.0	213.0	20.4%
Net income attributable to owners of parent (billions of yen)	300.0	350.0	50.0	16.7%

■ Dividend per share

End of 2Q	End of fiscal year (forecast)	Full year (forecast)
¥30.00	¥30.00	¥60.00

# FY2022 Financial Forecasts Analysis of Net Income

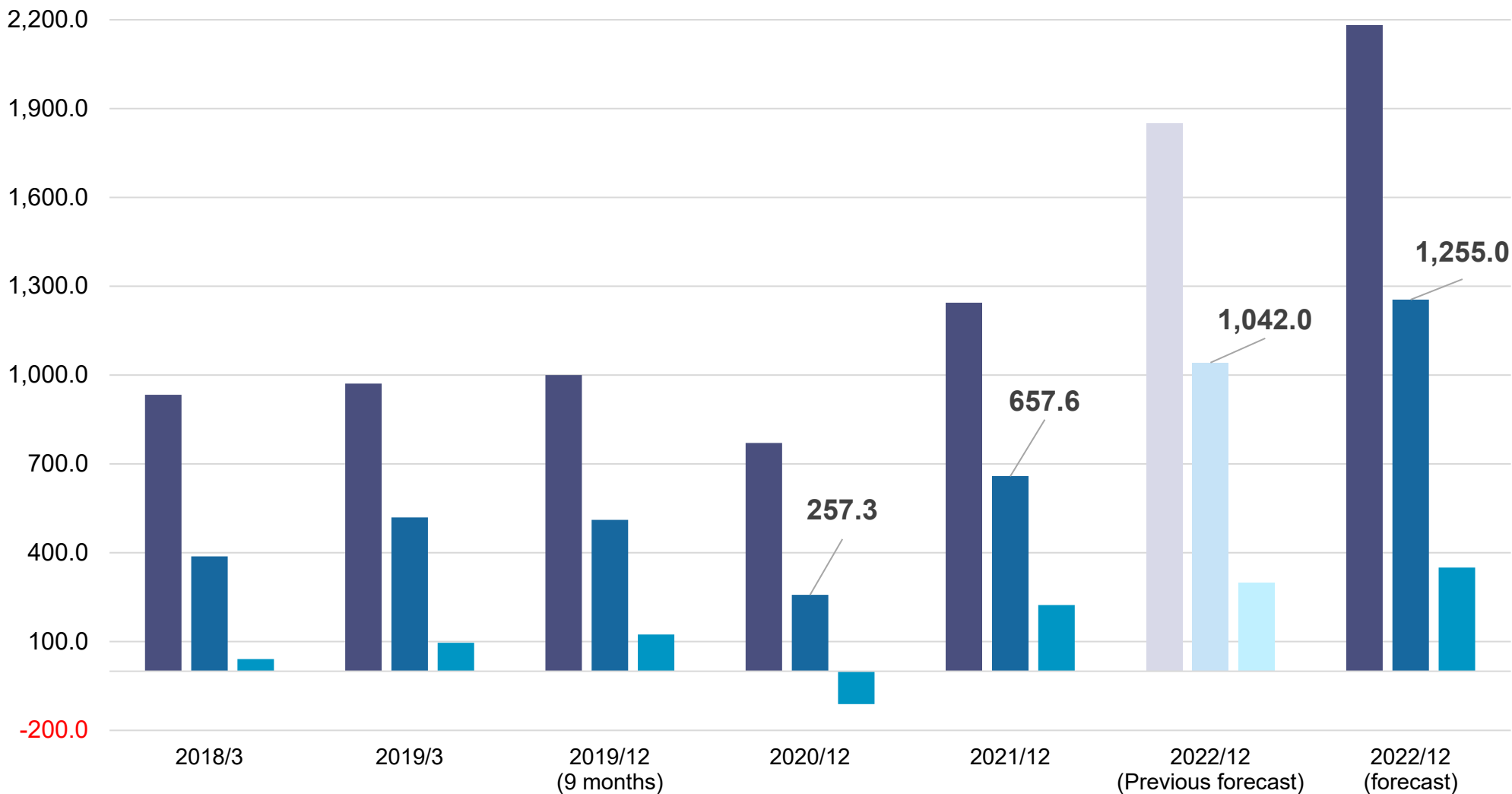
(Billions of Yen)



# Net Sales, Ordinary Income and Net Income Attributable to Owners of Parent



(Billions of Yen)



■ Net sales

■ Ordinary income

■ Net income attributable to owners of parent



# Sales and Investment Forecasts for the Year ending December 31, 2022



Forecasts for the year ending December 31, 2022		Forecasts as of February 9, 2022	Forecasts as of August 8, 2022	Change	(Reference) Half-year results
Sales Volume	Crude oil (thousand bbl) *1	133,071	140,915	7,844	70,956
	Natural gas (million cf) *2	482,857	454,767	(28,090)	238,760
	(Sales outside of Japan)	401,076	371,791	(29,285)	194,334
	(Sales in Japan)	81,781 (2,191 million m <sup>3</sup> )	82,975 (2,223 million m <sup>3</sup> )	1,195 (32 million m <sup>3</sup> )	44,426 (1,190 million m <sup>3</sup> )
	LPG (thousand bbl) *3	664	571	(93)	34

(Billions of yen)

Development expenditure *4	404.0	421.0	17.0	185.2	
Exploration expenditure	43.0	35.0	(8.0)	14.0	
Other capital expenditure	9.0	7.0	(2.0)	1.6	
<i>Exploration expenses and Provision for explorations</i> *5	<i>Exploration expenses</i> 39.9	43.4	<i>Exploration expenses</i> 32.8	(7.8)	<i>Exploration expenses</i> 13.3
	<i>Provision for explorations</i> 3.5		<i>Provision for explorations</i> 2.7		<i>Provision for explorations</i> 0.5
<i>(Non-controlling interest portion)</i> *6	26.0	21.3	(4.7)	2.0	

Note: Within the FY2022 forecasts for development expenditure and others, 120.0billion yen is attributable to expenditures for 5 net zero businesses

\*1 CF for domestic crude oil sales and petroleum products : 1kl=6.29bbl

\*2 CF for domestic natural gas sales : 1m3=37.32cf

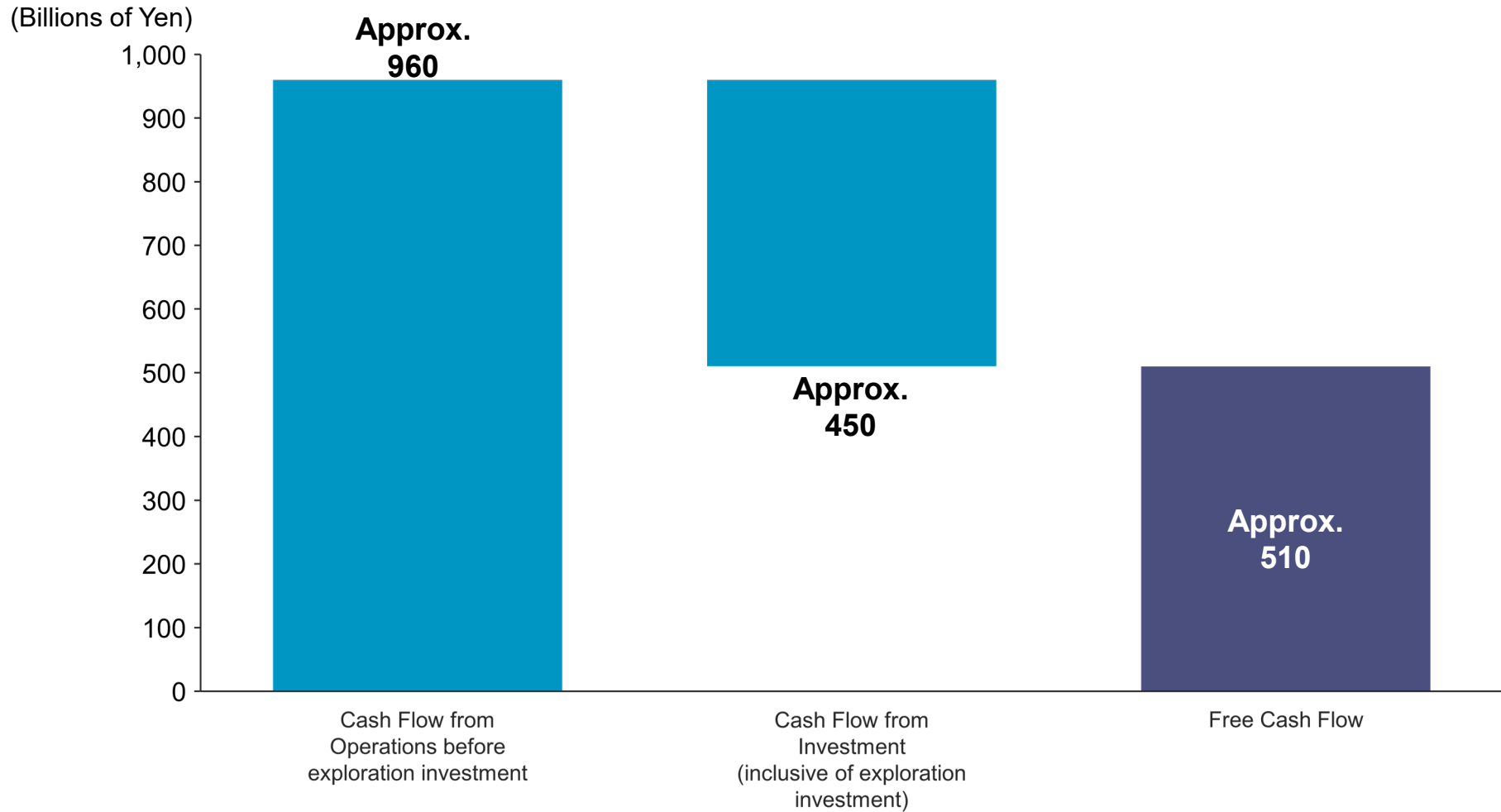
\*3 CF for domestic LPG sales : 1t=10.5bbl

\*4 Development expenditure includes investment in Ichthys downstream and acquisition costs

\*5 "Provision for allowance for recoverable accounts under production sharing" + "Provision for exploration projects", related to exploration activities

\*6 Capital increase from Non-controlling interests, etc.

- Approximately ¥510 billion in free cash flow\* forecasted for FY2022.



\* Including the Ichthys Downstream IJV (Incorporated Joint Venture)