

March 26, 2018

**Recognition of Impairment Losses, etc. and Revised Financial Forecasts**  
**for the Fiscal Year Ending March 31, 2018**

**Tokyo, Japan** - [INPEX CORPORATION](#) (INPEX) announced today that it has revised its consolidated financial forecasts for the fiscal year ending March 31, 2018 announced on February 8, 2018 as follows, in light of impairment losses, etc. and recent performance trends and other factors.

**Revised forecasts for consolidated financial results for the fiscal year ending March 31, 2018**

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income attributable to owners of parent (Millions of yen)	Net income per share (Yen)
Previous forecasts (February 8, 2018): A	917,000	349,000	368,000	52,000	35.61
Revised forecasts: B	925,000	352,000	386,000	38,000	26.02
Increase (decrease): B-A	8,000	3,000	18,000	(14,000)	
Percentage(%) change	0.9	0.9	4.9	(26.9)	
Reference: Consolidated financial results for the fiscal year ended March 31, 2017	874,423	336,452	333,891	46,168	31.61

**Impairment losses**

Impairment tests were conducted on assets of the Shale Gas Project in Canada in light of the decline in forecasted natural gas prices in the Americas, etc. As the recoverable amount of these assets is expected to fall below their carrying amount, INPEX will consequently reduce the carrying amount to the recoverable amount, posting the reductions as impairment losses amounting to approximately 76 billion yen. The impact on the net income attributable to owners of parent for the fiscal year ending March 31, 2018 is expected to be around 52 billion yen (following deduction of non-controlling interest impact).

Net loss attributable to non-controlling interests for the fiscal year ending March 31, 2018

Regarding the crude oil development and production business in the Eurasia region of a consolidated subsidiary, a net loss of approximately 25 billion yen attributable to non-controlling interests was included in INPEX's consolidated accounting process for the fiscal year ending March 31, 2018 due to an investment in the consolidated subsidiary by non-controlling interests. As a result, net income attributable to owners of parent for the fiscal year ending March 31, 2018 is expected to increase by approximately 25 billion yen (the same amount as the net loss attributable to non-controlling interests as outlined above).

With respect to INPEX's March 20, 2018 announcement entitled "INPEX Agrees with Government of Ecuador on Compensation for Termination of Ecuador's Block 18", around 12 billion yen have been included as contribution to net income attributable to owners of parent for the fiscal year ending March 31, 2018. In addition, compared with the previous financial forecasts disclosed on February 8, 2018, the impact of a one-off loss and the decline in exploration expenses in the Japan and Middle East / Africa segments have been incorporated into net income attributable to owners of parent. Meanwhile, the matter announced today in INPEX's press release entitled "INPEX-operated Ichthys LNG Project Announces Production Startup Preparation Status for Key Facilities, Updates Schedule" has no impact on the profit outlook announced on February 8, 2018.

The forecast for the year-end dividend for the fiscal year ending March 31, 2018 will remain unchanged from the previous forecast at 9 yen per share. (The annual dividend per share will be 18 yen.)

Reference: Assumptions

	Previous forecasts (February 8, 2018)		Revised forecasts (March 26, 2018)	
Crude oil price (Brent) (US\$/bbl)	1 <sup>st</sup> half (Actual)	51.5	1 <sup>st</sup> half (Actual)	51.5
	2 <sup>nd</sup> half (Forecast)	63.2	2 <sup>nd</sup> half (Forecast)	64.1※1
	Full year	57.3	Full year	57.8
Exchange rate (yen/US\$)	1 <sup>st</sup> half (Actual)	111.1	1 <sup>st</sup> half (Actual)	111.1
	2 <sup>nd</sup> half (Forecast)	111.5	2 <sup>nd</sup> half (Forecast)	111.3※2
	Full year	111.3	Full year	111.2

※1 3<sup>rd</sup> quarter (Actual): US\$61.5/bbl, 4<sup>th</sup> quarter (Forecast): US\$66.7/bbl (Actual in January and February 2018 are incorporated and US\$65.0/bbl is used as the assumption in March 2018)

※2 3<sup>rd</sup> quarter (Actual): ¥113.0/US\$, 4<sup>th</sup> quarter (Forecast): ¥109.6/US\$ (Actual in January and February 2018 are incorporated and ¥110.0/bbl is used as the assumption in March 2018)



Public Relations Group, Corporate Communications Unit  
Akasaka Biz Tower, 5-3-1 Akasaka, Minato-ku, Tokyo 107-6332 JAPAN

NB: Forecasts above are based on currently available information and contain many uncertainties. The final results may differ from the forecasts above due to changes in business conditions including oil and natural gas price levels, production and sales plans, project development schedules, government regulations and financial and tax schemes, etc.

Media Contact: INPEX Tokyo Office, Public Relations Group, Tel) +81-3-5572-0233