

(Excerpt from presentation material of financial results for the six months ended June 30, on August 9, 2023.)

INPEX CORPORATION

Sustainable Growth of Corporate Value

August 9, 2023

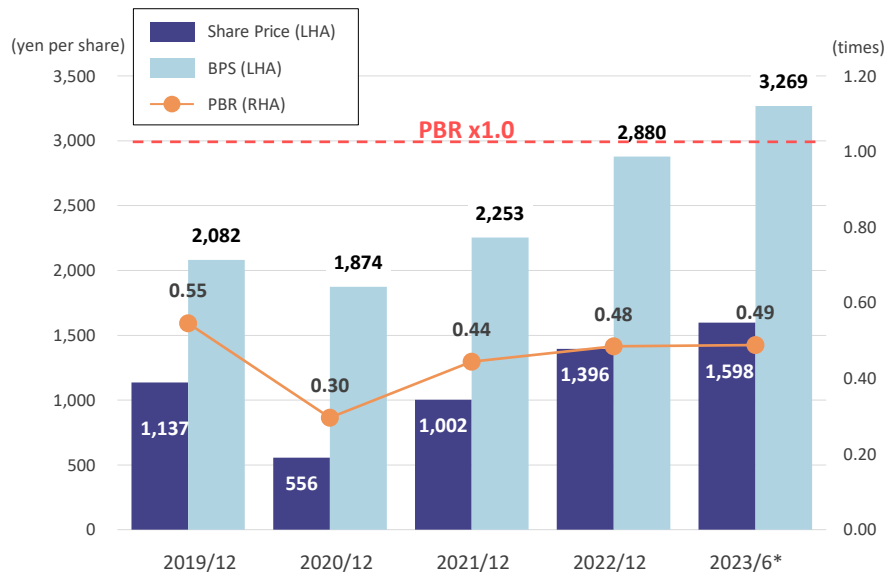


Based on sound financial performance and improved shareholder returns, PBR is on the rise although it is currently in the 0.5 to 0.6 range. Our share price also remains at a discounted level. We believe this reflects the uncertainty over the sustainability of the oil & gas business, the risk of assets being stranded and the uncertainty concerning our future shareholder returns.

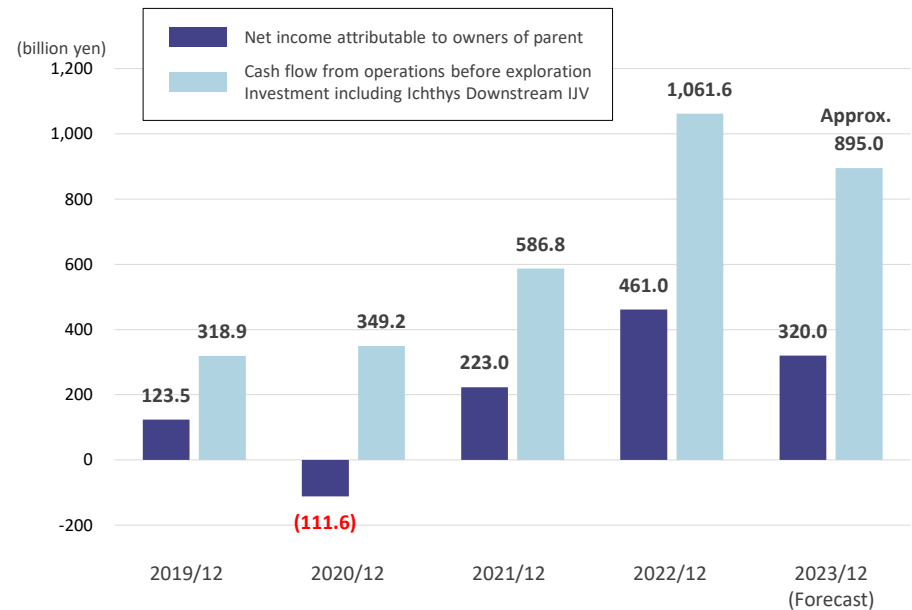
On the other hand, in view of the current global energy situation, we acknowledge there are growing expectations for the roles we play in society. Thus, we aim to thoroughly make our oil & gas business cleaner and more resilient to strengthen our stable supply of energy.

We are steadfastly pursuing our energy transformation through our 5 net zero businesses by implementing renewable energy businesses, including wind power and geothermal power projects in our core regions, and making sound progress on hydrogen and methanation initiatives.

PBR



Financial Results



*INPEX's PBR is 0.56 when calculated with the share price of 1,833 yen as of 31 July 2023, and BPS of 3,269 yen as of 30 June 2023.

In INPEX Vision @2022, we outlined our strategy to sustainably provide a stable supply of diverse energy over the long-term, and to contribute to the energy transformation as an industry pioneer. This strategy continues to be valid in view of the current global energy situation.

We will aim to sustainably grow our corporate value by investing in sources of business growth, while giving considerable weight to the long-term improvement of capital efficiency. Based on such accomplishments, we will strengthen shareholder returns.

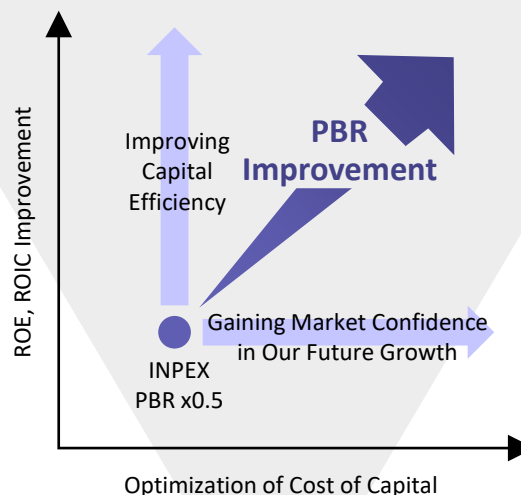
We will promote sustainability management and strategically allocate management resources to developing technology and human resources. We will also continue to provide a stable supply of energy, promote climate change response and pioneer energy transformation.

Improving Capital Efficiency

- Steady growth in net income through portfolio enhancement, cost reduction
- Introducing ROIC as a new management KPI to more precisely manage capital efficiency. With ROE and COE in mind, will aim to realize ROIC to stably exceed WACC (approx. 6% on CAPM basis) aiming for further enhancement
- Appropriate control of financial leverage

Growth Initiatives to Gain Market Confidence

- Gaining market confidence to our future business growth through following initiatives:
- Oil and Gas (Ichthys, Abadi) growth
 - Turning our renewable energy business into a contributor to stable income
 - Through CCS, reducing stranded asset risks in oil and gas
 - Capturing growth opportunities in hydrogen and ammonia



Action to improve Capital Efficiency

Confidence in Future Business Growth

Stronger Shareholder Returns and Deeper Dialogue with Investors

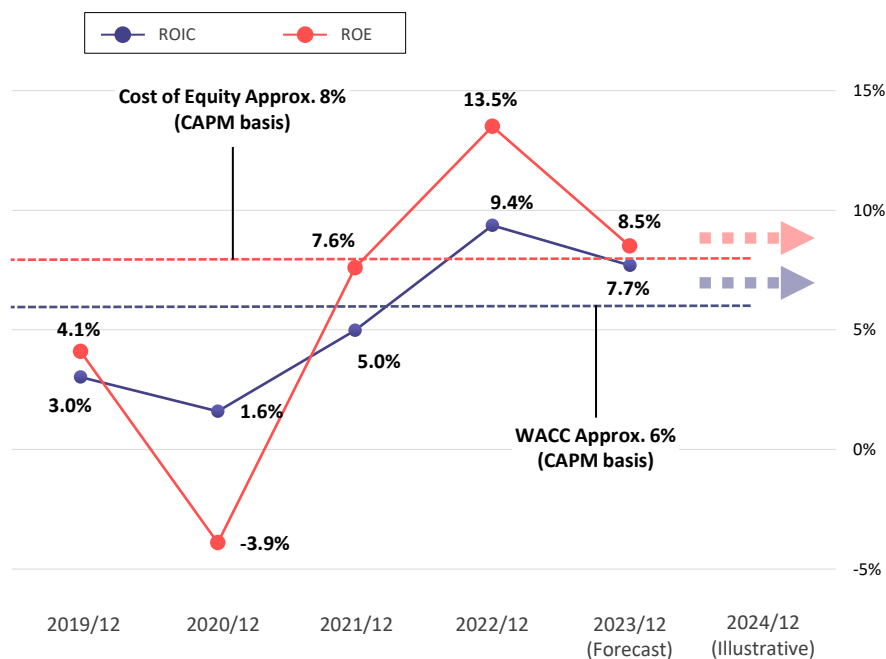
Following the start-up of Ichthys, INPEX is in the next phase of growing its business foundations. By continuing even higher quality growth investments, we aim to enlarge our portfolio and improve capital efficiency through strengthening our energy business foundations.

We aim to achieve a ROIC above WACC in each of our business areas.

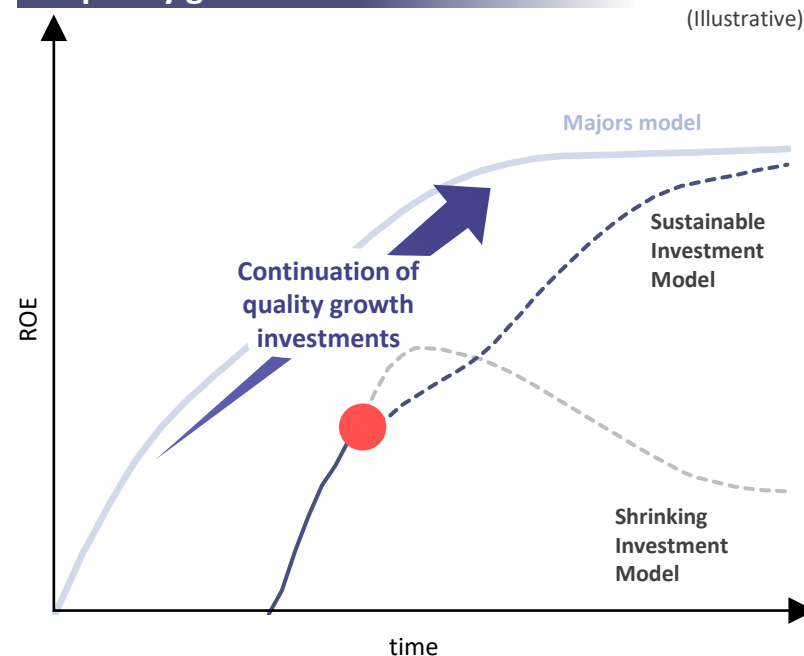
- To appropriately reflect our business characteristics, for the numerator of ROIC, we utilize adjusted net income (before interest expenses, extraordinary profit/loss and net income/loss attributable to non-controlling interests), which includes equity in earnings of affiliates such as the Ichthys Downstream IJV.

Backed by strong cashflow through factors such as stable production at Ichthys, reduction of interest-bearing debt has progressed ahead of schedule further securing our financial soundness. Going forward, we will appropriately control leverage so that the net D/E ratio remains largely within the range of 30% to 50%.

ROE, ROIC



Increasing ROE through continuation of quality growth investments



We will aim to gain the market's confidence in our future business growth, positioning Ichthys & Abadi, renewable energy and CCS & hydrogen as pillars of our future business strategy.

Source of earnings

Oil & Gas



- Through allocation of management resources to our core business regions, we will pursue synergies by leveraging our existing assets, networks and technologies to improve efficiency in our business.
- At Ichthys, we will leverage our existing assets to explore, acquire and develop discovered reserves in the vicinity of the Ichthys Field to ensure sustained, long-term stable production as well as pursue high profitability through increased production.
- Abadi is an important pillar for our future growth. We will progress discussion with our new partners, Pertamina and Petronas, to materially restart the project this year. We aim to achieve an IRR in the mid-10% range and a ROIC well above the WACC.

Aiming to establish as future source of stable earnings

Renewable Energy



- As a strategic investment for energy diversification, we will aim to pursue projects that can achieve a ROIC above the WACC.
- We entered a strategic partnership in Australia with ENEL, a leading renewable energy company. We aim to make it the center of our renewable energy business by applying efficient business models to a wide-ranging business portfolio including project development, power generation, storage and retail.

Advance investment in emerging markets

CCS, Hydrogen etc.



- CCS is the key to reducing the risk of oil & gas assets being stranded by making them cleaner. We will progressively implement the Bonaparte CCS in Australia, Abadi CCS and the advanced CCS projects in Japan.
- In our hydrogen-associated business, we will capture future growth opportunities by conducting surveys and demonstrations. Japan's first integrated hydrogen and ammonia production and usage demonstration project in Kashiwazaki, Niigata and a methanation demonstration project in Nagaoka, Niigata are in the development stage.

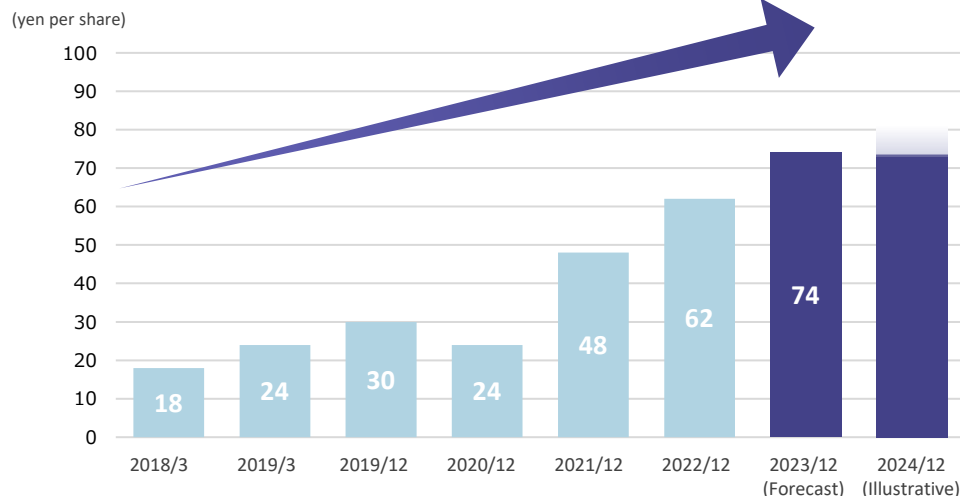
Based on our confidence in securing future business growth and as an action to improve capital efficiency, we will continue to strengthen shareholder returns.

With reduction of net interest-bearing debt steadily progressing, keeping in mind the balance with growth investments, we will expand allocation to shareholder returns and conduct the following measures.

As a result, shareholder returns in FY2023 will amount to approximately 200.0 billion yen. Dividend payout ratio and total payout ratio (including buyback) is forecasted to be approximately 30% and 61%, respectively.

- ① Annual DPS forecast increased to 74 yen per share from 62 yen in FY2022 (37 yen interim & 37 yen at year-end)
- ② Best efforts will be made for FY2024 DPS to be equal to or greater than FY2023 DPS
- ③ To conduct share buybacks amounting 100.0 billion yen in FY2023
- ④ To cancel own shares acquired in FY2022 and FY2023 (120.0 billion yen in FY2022, 100.0 billion yen in FY2023)

Increasing DPS



Share Buybacks and Cancellation

2023/12	100.0 billion yen	To be bought back and cancelled	
2022/12	120.0 billion yen	To be cancelled	About 80 million shares
2021/12	70.0 billion yen	Cancelled	About 76 million shares

Deeper Dialogue with Investors



- Institutional investors and analysts: To hold inaugural Investor Day and enhance one-on-one meetings, small meetings, conferences organized by securities companies, overseas road shows, overseas site visits
- Individual investors: To enhance presentation sessions and domestic site visits