



INPEX CORPORATION

# Financial Results

for the year ended March 31, 2013

May 13, 2013



# Agenda



- Corporate Overview
- Outlook
- Financial Results  
for the year ended March 31, 2013
- Consolidated Financial Forecasts  
for the year ending March 31, 2014

# Cautionary Statement



This presentation includes forward-looking information that reflects the plan 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 risk, 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 the 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.

---

# Corporate Overview

---

Toshiaki Kitamura  
Representative Director, President & CEO

# FY 2013/03 Corporate Highlights 1/2



■ Proved/Probable Reserves	4.09 billion BOE
■ Net Production	408 thousand BOED
■ Financial Results (Mar.2013)	<ul style="list-style-type: none"> <li>- Net sales ¥1,216.5 billion (2.5% increase YoY)</li> <li>- Net profit ¥182.9 billion (5.7% decrease YoY)</li> </ul>
■ Ichthys	<ul style="list-style-type: none"> <li>- Development works being successfully in progress since FID in January 2012</li> <li>- Secured project finance in the amount of US\$20 billion</li> <li>- Transfer of equity share to LNG buyers and TOTAL</li> </ul>
■ Abadi	<ul style="list-style-type: none"> <li>- Commencement of FEED works                             <ul style="list-style-type: none"> <li>• SURF FEED in November 2012</li> <li>• FLNG FEED in January 2013</li> </ul> </li> <li>- Part of contingent resources upgraded and booked as probable reserves (FY March 2013)</li> </ul>

## ■ Continuous Enhancement of E&P Activities– (Growth Targets 1., under Medium- to Long-Term Vision)

### -Acquisition of Production and Development Projects

- Block 14, Offshore Angola (In Production)
- Lucius Project, in the deep-water Gulf of Mexico, U.S. (In Development)

### -Acquisition of Exploration Projects

- Onshore Block 10, Iraq
- Block AC/P36, Offshore Australia
- Offshore Blocks in the UK Continental Shelf
- Block KG-DWN-2004/6, Offshore India
- West Sebuku Block, Offshore Indonesia
- Block Area 2 & 5, Offshore Mozambique

## ■ Strengthening Gas Supply Chain – (Growth Targets 2.)

-Naoetsu LNG Receiving Terminal under construction on schedule

## ■ Reinforcement of Renewable Energy Initiatives – (Growth Targets 3.)

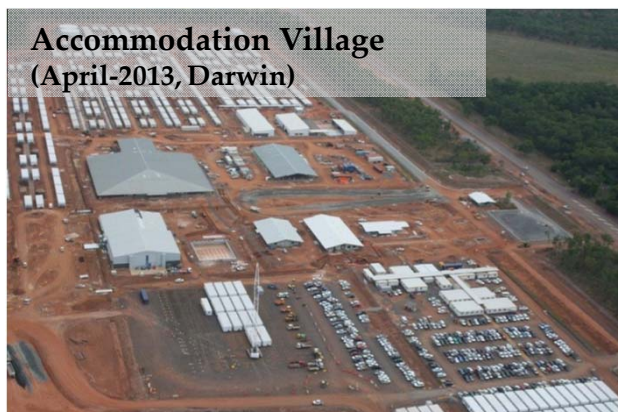
-Operation of a large-scale photovoltaic power generation system

“INPEX Mega Solar Joetsu” started

-In preparation for drilling of geothermal wells



**Onshore LNG Plant Site**  
(April-2013, Darwin)



**Accommodation Village**  
(April-2013, Darwin)



**Dredging in Darwin Harbor**  
(March-2013, Darwin)

- **Status of Current Work**
  - Engineering & procurement for offshore & onshore facilities ongoing
  - Started construction of CPF, FPSO and plant modules
  - Site preparation for onshore LNG plant ongoing
  - Dredging work in Darwin Harbor ongoing
  - Manufacturing and coating of pipes for the gas export pipeline ongoing
- **Project progress: Approx. 18%**
- **Finance: executed US\$ 20 billion project finance agreements in December, 2012**
- **Insurance: completed Construction All Risk and Third Party Liability insurance arrangements for offshore & onshore facilities during the construction period**
- **Transfer of equity share to LNG buyers and TOTAL.**

- **Proved reserves: Approx. 1,030 million BOE \***
- **Production volume (expected):**
  - 8.4 million t/y of LNG
  - Approx. 1.6 million t/y of LPG
  - Approx. 100,000 bbl/d of condensate (at peak)
- **CAPEX: US\$34.0 billion**
- **Participating Interest: INPEX (Operator) 66.07%, TOTAL 30%, Tokyo Gas 1.575%, Osaka Gas 1.200%, Toho Gas 0.420%, Chubu Electric Power 0.735%**
- **FID in January 2012**
- **Production start : By the end of 2016**

\*This figure is based on INPEX's Participating interest of 66.07%.



2012	2013	2014	2015	2016
------	------	------	------	------

Engineering, Procurement, Construction and Commissioning  
for Onshore/ Offshore Facilities

**FID**

**Production  
start-up**

Fabrication and Laying of Gas Export Pipeline

Site Preparation Work for Onshore LNG Plant,  
Dredging in Darwin Harbor

Drilling Production Wells

Signing loan agreements of project financing / financial arrangements



FPSO (Turret) Steel Cutting Ceremony in Singapore



CPF Steel Cutting Ceremony in Korea



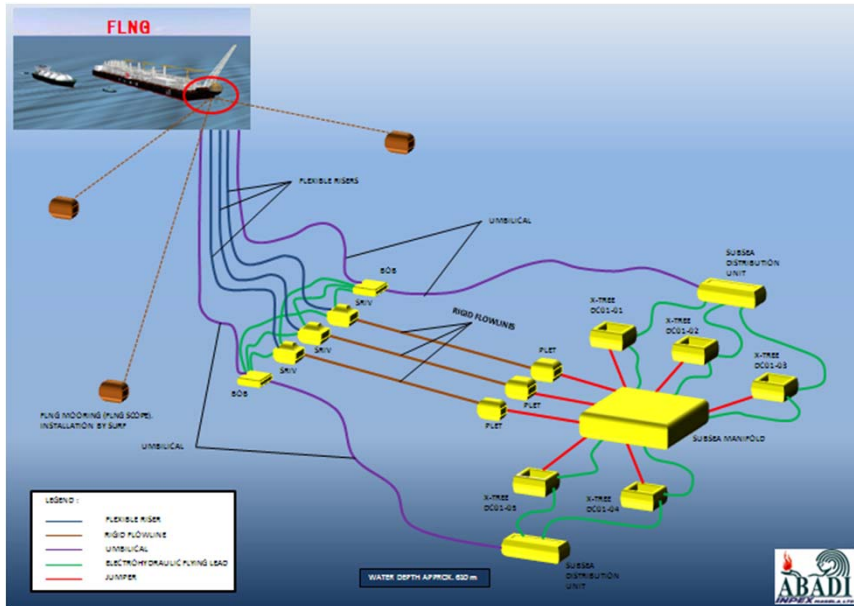
## Characteristics / Strengths of the Project

- Wet gas with rich Condensate and LPG
- Good coordination and relationship with TOTAL
- Sufficient period of FEED prior to FID
  - Thorough review on engineering works to minimize scope change
  - More accurate cost estimation
- Major/reliable EPC contractors involved
- High degree of lump-sum for EPC contracts (approx. 75% of the price)
- LNG SPAs with major/reliable buyers
- **Large-scale project finance secured**
- **Insurance arrangements for project facilities during the construction period**



- **Readiness for cost overrun risk to secure stable economics**
- **Readiness for risk management to control project schedule**
- **Fully prepared for steady progress**





Development at Abadi (image)

## Plan of Development (POD-1)

- Stage 1 Development
- Development Concept : Floating LNG
- Production Volumes : 2.5 million t/y of LNG  
8,400 bbl/d of condensate

## Participating Interest

- INPEX(Operator) : 60%, Shell 30%,  
PT EMP 10%

- SURF (subsea production facilities) FEED commenced in November 2012. FLNG FEED commenced in January 2013.
- AMDAL(Environmental & Social Impact Assessment Process) ongoing
  - Plans to complete the AMDAL report by the end of 2013 and to obtain final approval from the Ministry of Environment.
- Strategic alliance with Shell
  - Shell provides technical services and assigns secondees
- PS Contract requires to transfer a 10% participating interest to an Indonesian participant to be designated by the Indonesian Government.
- Further approach for future subsequent development utilizing the gas reserves
  - With FEED started, part of contingent resources upgraded and booked as probable reserves (FY March 2013)
  - Plans to drill 3 delineation wells and 1 exploratory well from June 2013

# Progress in Enhancing Gas Supply Chain **INPEX**



(Full view of Naoetsu LNG Receiving Terminal, as of April 2013)

- Construction of Naoetsu LNG Receiving Terminal
  - Construction work in final stage to start commercial operation in 2014
  - Equipment and instruments undergoing operational check
- Expansion of the pipeline network
  - Construction for extending “Shin Tokyo Line” completed in December 2012
  - Full construction of Toyama Line commenced in Spring 2012, construction work progressing to start operation by the end of 2014



## Acquisition of Production and Development Projects

Production Fields Platform



### ■ Offshore Angola – Block 14

- Agreed to acquire a 9.99% participating interest from Total in August 2012
- Currently producing approximately 132,000bbl/d
- Currently developing the Lianzi field in a unitized zone between R.O. Congo and Angola
- Booked our Reserves

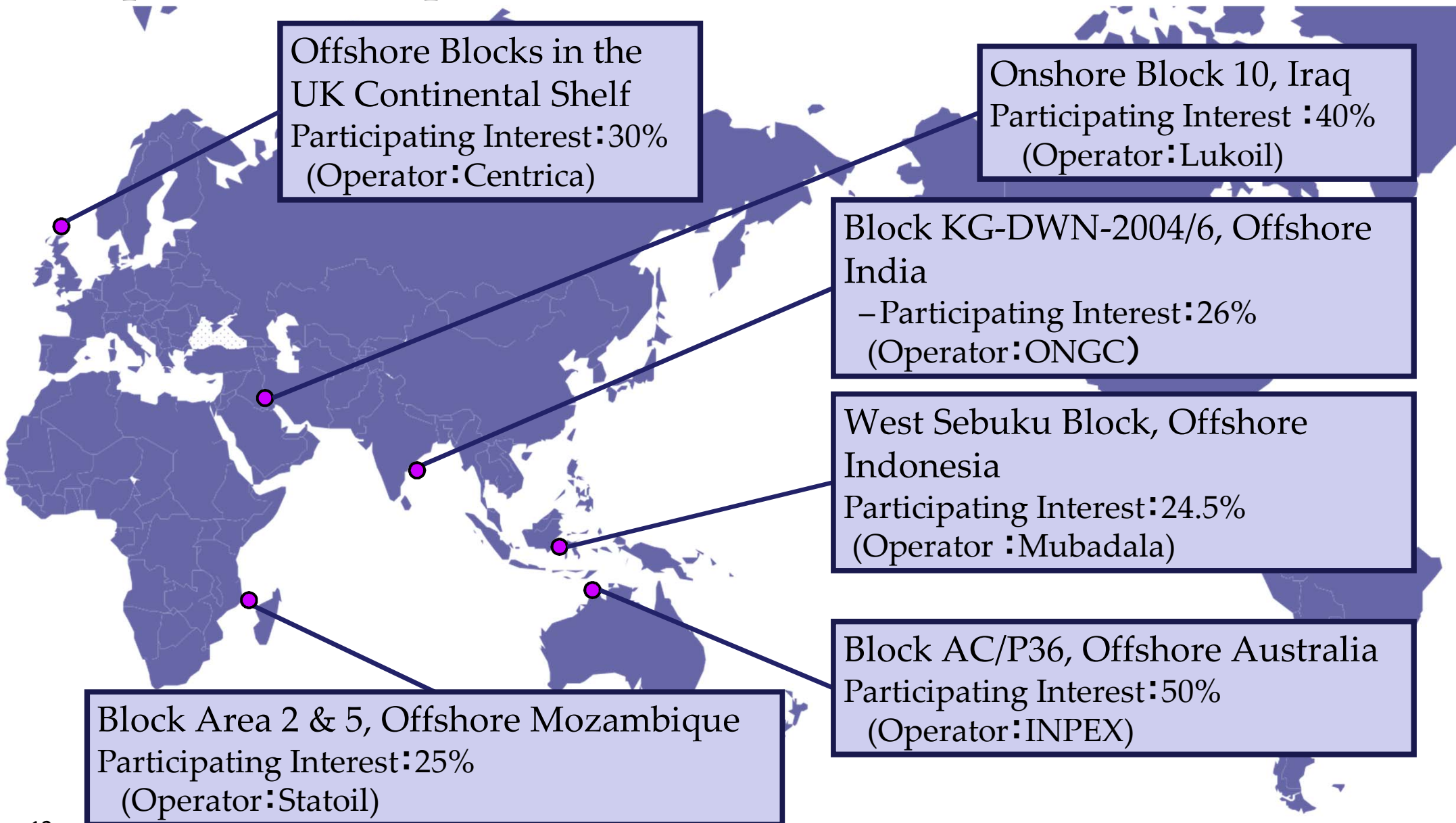
Production facility (Spar) construction site



### ■ Lucius Project – Deepwater Gulf of Mexico, U.S.

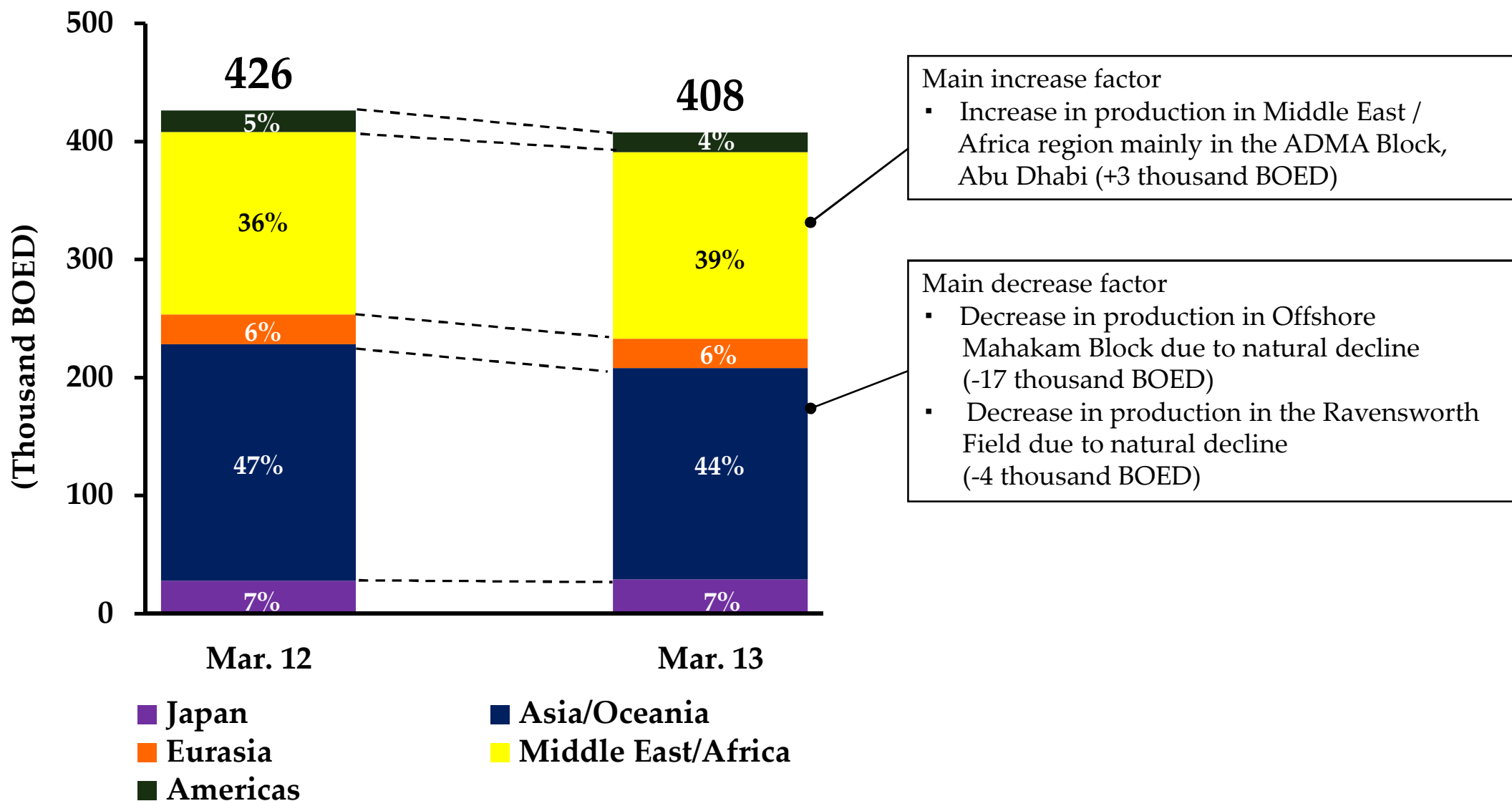
- Agreed to acquire a 7.2% participating interest from Anadarko in August 2012
- Production of crude oil and natural gas expected to start in the 2<sup>nd</sup> half of 2014
- Capacity of offshore production facility (Spar) : 80,000bbl/d and 450 million cf/d
- Drilling development wells underway
- Facilities construction works ongoing
- Booked our Reserves

## Acquisition of Exploration Blocks



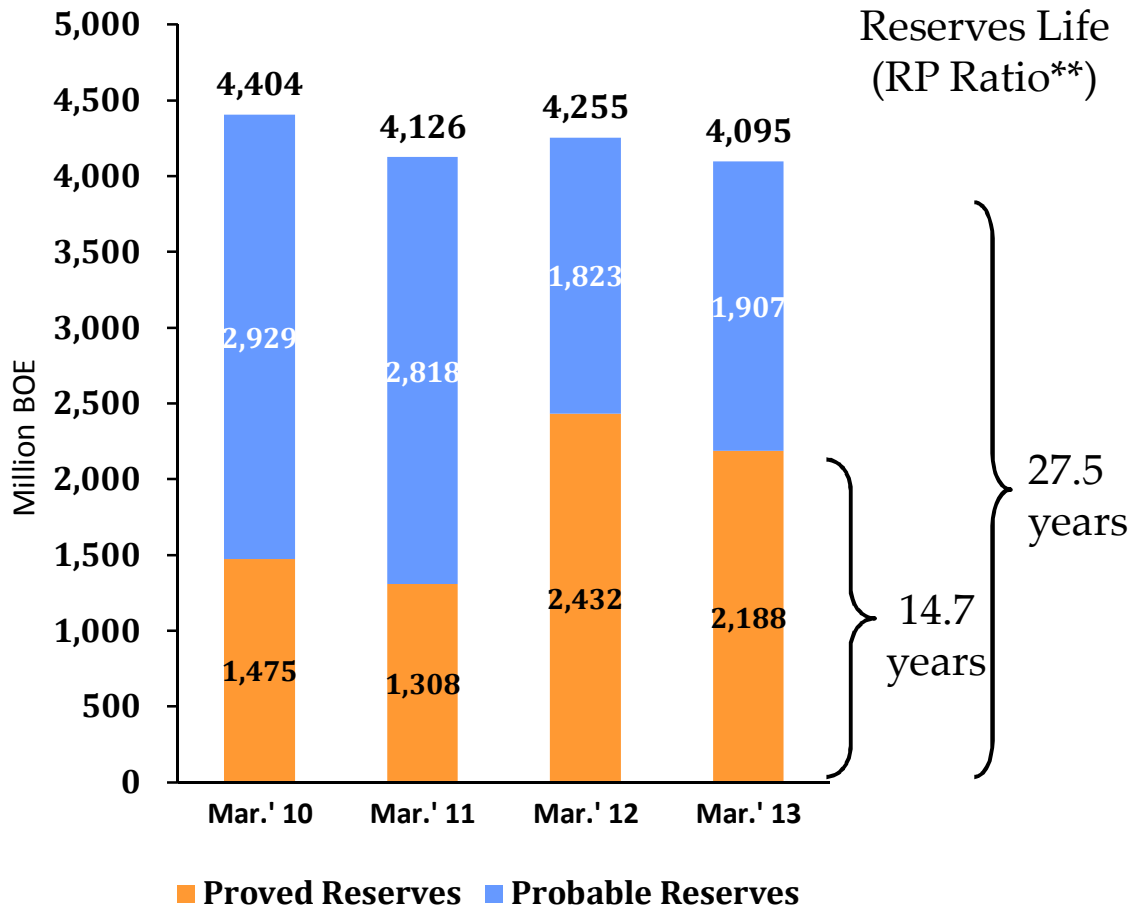


# Net Production\* (FY 2013/03)

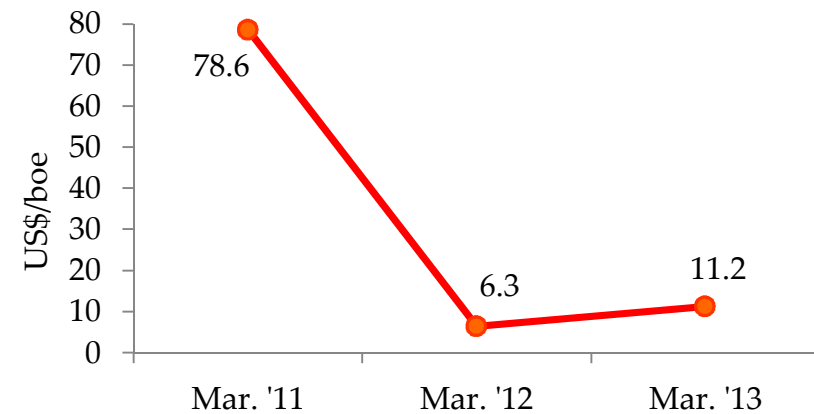


\* The production volume of crude oil and natural gas under the production sharing contracts entered into by INPEX Group corresponds to the net economic take of INPEX Group.

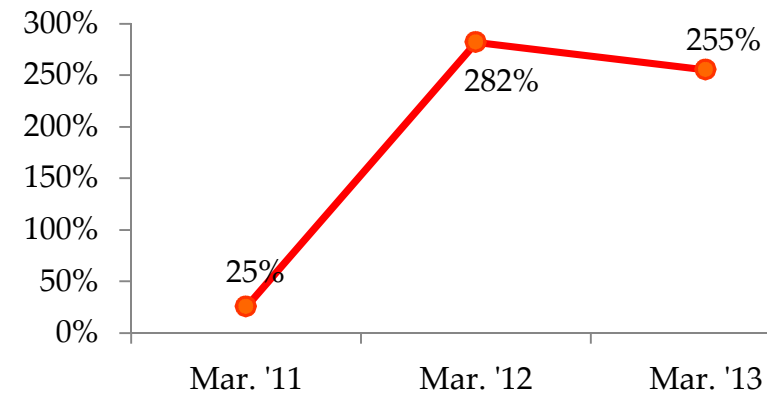
# Proved + Probable Reserves\* and Reserves Indices



Finding & Development Cost per BOE (3-year average)



Reserve Replacement Ratio (3-year average)\*\*\*



\* The reserves cover most of INPEX group projects including equity method affiliates. The reserves of the projects which are expected to be invested a large amount and affect the company' future result materially are evaluated by DeGolyer & MacNaughton, and the others are done internally. The proved reserves are evaluated in accordance with SEC regulations. The probable reserve are evaluated in accordance with SPE/WPC/AAPG/SPEE guideline (SPE-PRMS) approved in March 2007.

\*\* Reserve Life = Proved (+Probable) Reserves as of March 31, 2013 / Production for the year ended March 31, 2013 (RP Ratio: Reserve Production Ratio)

\*\*\*Reserve Replacement Ratio = Proved reserves increase including acquisition / Production

---

# Outlook

---

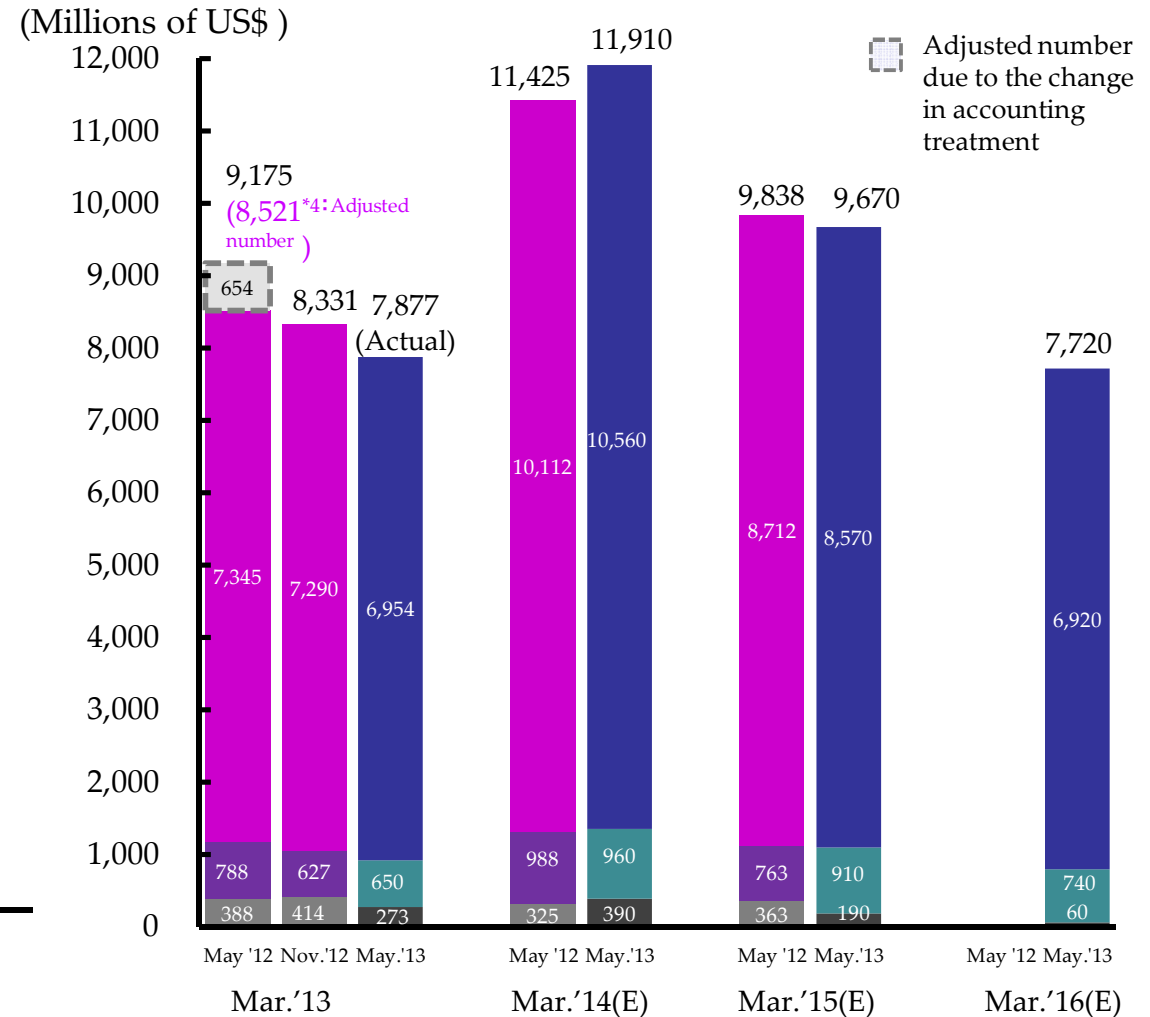
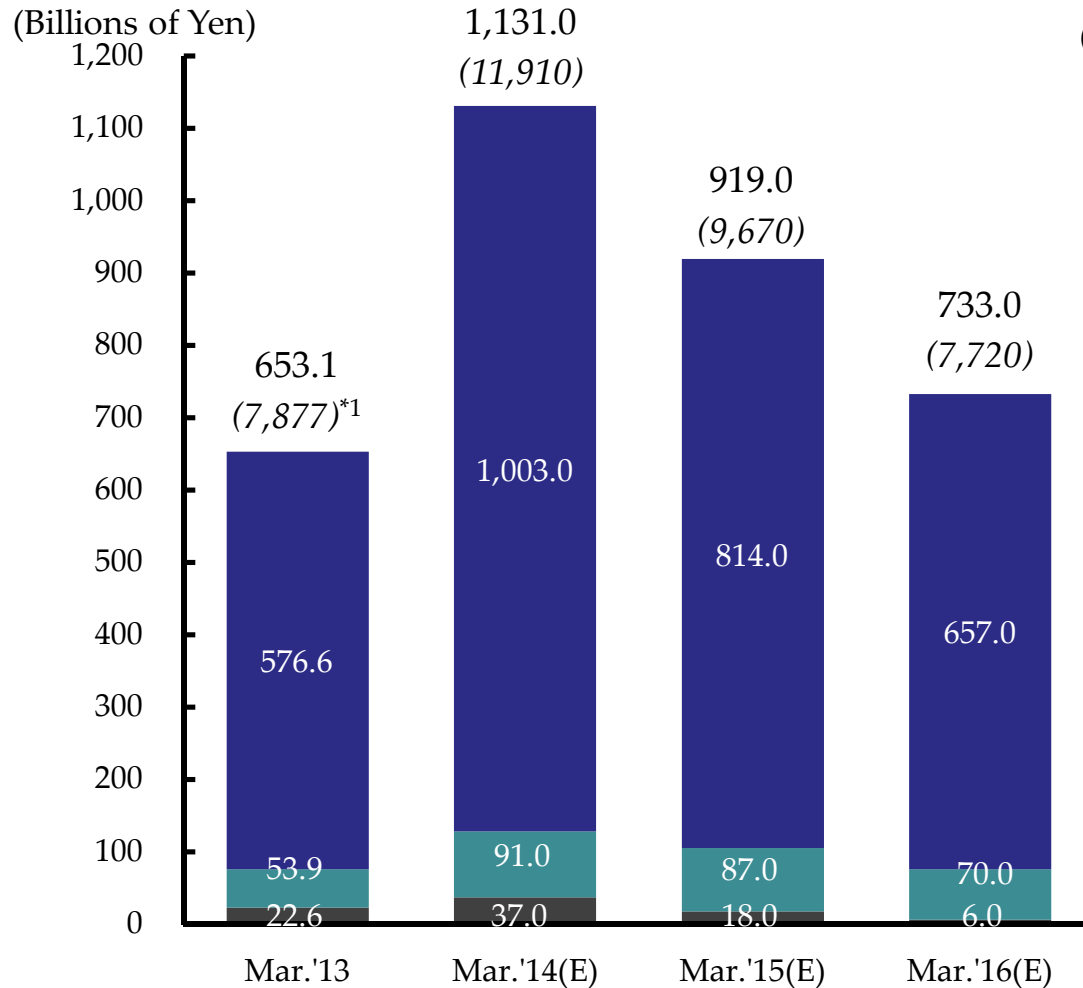
Toshiaki Kitamura  
Representative Director, President & CEO

# Investment Plan



By Activity  
(Billions of Yen)

Comparison with Plan Released FY 2012/03  
(Millions of US\$)



■ Development\*2 ■ Exploration ■ Other Capital Expenditure\*3

■ Development ■ Exploration ■ Other Capital Expenditure

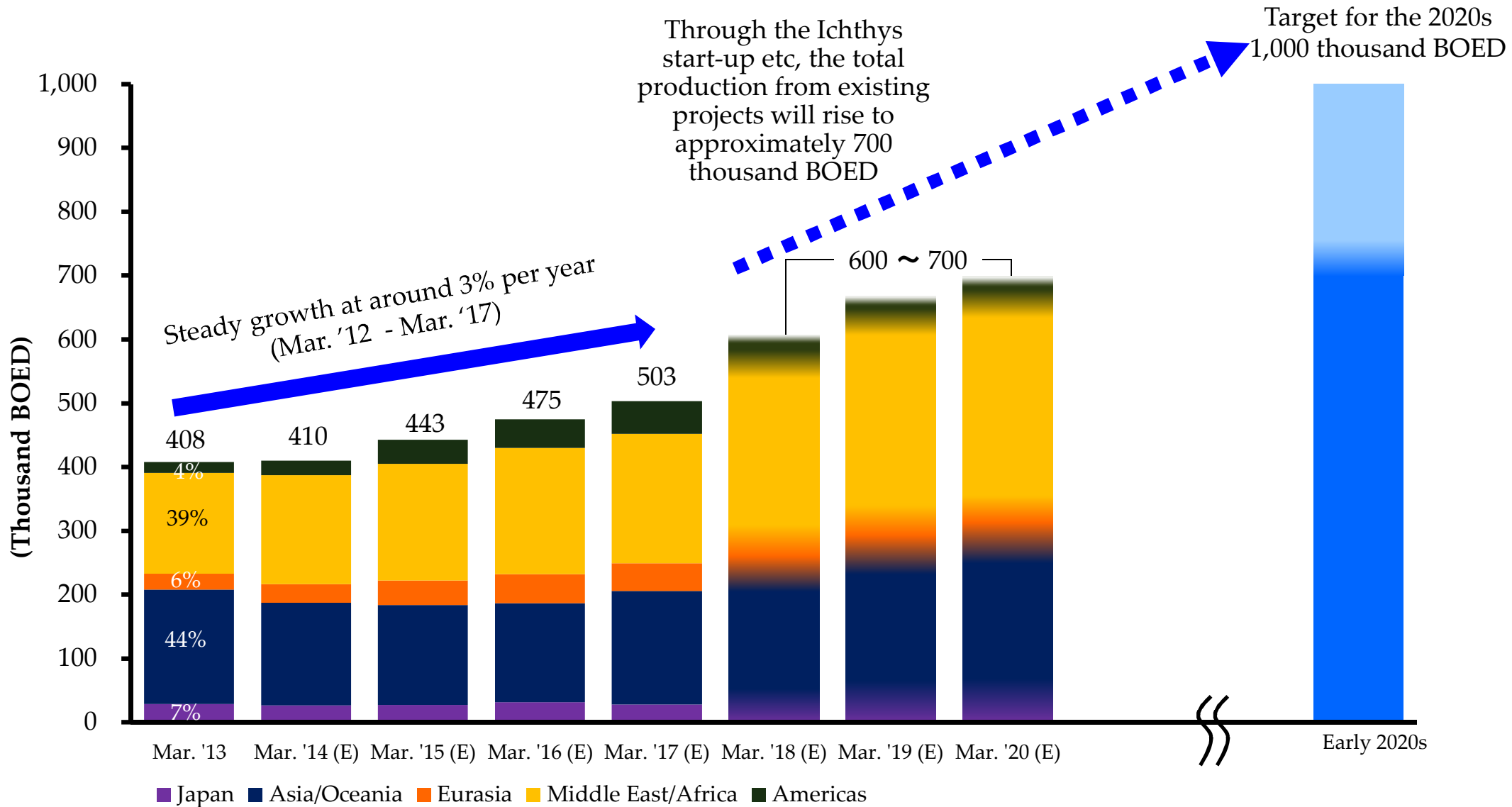
\*1 The numbers in ( ) are shown in millions of US\$.

\*2 Development includes investment in Ichthys downstream

\*3 Mainly investments in Naoetsu LNG Receiving Terminal and domestic pipeline network

\*4 Part of development expenditure decreased due to the change in accounting treatment for newly-acquired projects. This adjustment was reflected in the number(8,521). Decrease by this adjustment (from 9,175 to 8,521) is merely the change in accounting treatment, thus does not mean the decrease of the actual expenditure.

# Net Production\* Volume Projection



Note: Assumption of Brent oil price used for net production projection: \$100/bbl in the year ending March 31, 2014, \$90/bbl after the year ending March 31, 2015

\* The production volume of crude oil and natural gas under the production sharing contracts entered into by INPEX Group corresponds to the net economic take of the Group.

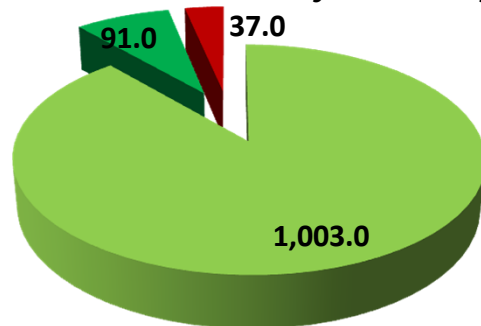


# FY 2014/03 Outlook

## Investment Plan

- Development: 1,003.0 billion Yen
- Exploration: 91.0 billion Yen
- Other capital expenditures: 37.0 billion Yen

Investment Plan By Activity



■ Development ■ Exploration ■ Other capital expenditures

## Net Production

- Target production: 410 thousand BOED (2 thousand BOED increase on FY 2013/03)

### Increase Factor

- Angola Block14
- Canada Shale Gas
- Kashagan

### Decrease Factor

- Mahakam/Attaka
- Alpha(Van Gogh /Ravensworth)
- Timor Sea
- Natuna

## Project

- Abadi LNG Project: Plans to drill 3 delineation wells and 1 exploratory well from June 2013
- Naoetsu LNG Receiving Terminal: Plans to start commercial operation in 2014
- Kashagan: Targeted production start-up in 3Q 2013



(Kashagan Oil Field)

# Credit Ratings from Moody's



## ■ Newly Obtained Credit Ratings

Subject of Ratings	Credit Ratings*	Rating Outlook
Long-term Issuer Rating	A1	Stable

\* For the detail information of the assigned credit ratings, please refer to the press release issued by Moody's (<http://www.moodys.co.jp/Pages/pressrelease.aspx>).

## ■ Purpose of obtaining New Credit Ratings

The purpose of newly obtaining credit ratings from Moody's is to further strengthen creditworthiness and reinforce corporate governance through an objective third-party assessment of our business situation and financial conditions, and we believe that it will be possible to reduce our fund raising cost. Also, obtaining new credit ratings is expected to give investors opportunities for more information.

[Reference]INPEX's assigned credit ratings by rating agencies:

Rating Agency	Subject of Ratings	Credit Ratings	Rating Outlook
Rating and Investment Information, Inc. (R&I)	Long-term Credit Ratings	AA-	Stable
Standard & Poor's Rating Services (S&P)	Short-term Credit Ratings	A-1	
	Long-term Credit Ratings	A	Stable

---

Financial Results for the year ended March 31, 2013

---

Masahiro Murayama

Director, Managing Executive Officer

Head of Finance & Accounting Division

# Highlights of the Consolidated Financial Results for the year ended March 31, 2013



	Mar. '12	Mar. '13	Change	%Change
Net Sales (Billions of yen)	1,186.7	1,216.5	29.8	2.5%
Crude Oil Sales	726.2	788.1	61.9	8.5%
Natural Gas Sales (including LPG)	429.0	397.7	(31.2)	(7.3%)
Others	31.4	30.6	(0.8)	(2.6%)
Operating Income (Billions of yen)	709.3	693.4	(15.9)	(2.2%)
Ordinary Income (Billions of yen)	767.0	718.1	(48.8)	(6.4%)
Net Income (Billions of yen)	194.0	182.9	(11.0)	(5.7%)
Net income per share (Yen)	53,137.93	50,114.22	(3,023.71)	(5.7%)

Average number of shares issued and outstanding during the year ended March 31, 2013(consolidated): 3,650,894

Average crude oil price (Brent) (\$/bbl)	114.18	110.21	(3.97)	(3.5%)
Average exchange rate (¥/\$)	79.07	82.92	3.85 Yen depreciation	4.9% Yen depreciation

# Crude Oil Sales



	Mar. '12	Mar. '13	Change	%Change
Net Sales (Billions of yen)	726.2	788.1	61.9	8.5%
Sales volume (thousand bbl)	80,738	86,189	5,452	6.8%
Average unit price of overseas production (\$/bbl)	112.97	110.11	(2.86)	(2.5%)
Average unit price of domestic production(¥/kl)	60,263	64,207	3,945	6.5%
Average exchange rate (¥/\$)	79.09	82.66	3.57 Yen depreciation	4.5% Yen depreciation
Sales volume by region (thousand bbl)	Mar. '12	Mar. '13	Change	%Change
Japan	138 (22 thousand kl)	414 (66 thousand kl)	276 (44 thousand kl)	199.6%
Asia/Oceania	15,355	19,341	3,987	26.0%
Eurasia (Europe/NIS )	9,107	9,177	69	0.8%
Middle East/Africa	56,084	57,201	1,117	2.0%
Americas	53	55	2	3.9%
Total	80,738	86,189	5,452	6.8%



# Natural Gas Sales (excluding LPG)



	Mar. '12	Mar. '13	Change	%Change
Net Sales (Billions of yen)	404.7	370.5	(34.2)	(8.5%)
Sales volume (million cf)	357,601	318,792	(38,809)	(10.9%)
Average unit price of overseas production (\$/thousand cf)	14.12	13.43	(0.69)	(4.9%)
Average unit price of domestic sales(¥/ m <sup>3</sup> )	44.56	47.02	2.46	5.5%
Average exchange rate (¥/\$)	79.15	82.87	3.71Yen depreciation	4.7% Yen depreciation

Sales volume by region (million cf)	Mar. '12	Mar. '13	Change	%Change
Japan	65,602 (1,758 million m <sup>3*</sup> )	65,429 (1,753 million m <sup>3*</sup> )	(173) (-5 million m <sup>3*</sup> )	(0.3%)
	Purchased Volume 532 million m <sup>3*</sup>	Purchased Volume 491 million m <sup>3*</sup>	(40 million m <sup>3*</sup> )	(7.6%)
Asia/Oceania	264,617	223,451	(41,166)	(15.6%)
Eurasia (Europe/NIS )	-	-	-	-
Middle East/Africa	-	-	-	-
Americas	27,382	29,912	2,530	9.2%
Total	357,601	318,792	(38,809)	(10.9%)

(FYI) LPG Sales

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

	Mar. '12	Mar. '13	Change	%Change
Net Sales (Billions of yen)	24.3	27.2	2.9	12.0%

# Statements of Income



(Billions of Yen)	Mar. '12	Mar. '13	Change	%Change	
Net Sales	1,186.7	1,216.5	29.8	2.5%	Increase in Sales Volume : +7.6 Decrease in Unit Price : (24.2) Exchange rate (Depreciation of Yen) : +47.1 Others : (0.8)
Cost of Sales	395.4	426.3	30.8	7.8%	
Exploration expenses	11.7	20.1	8.3	71.3%	Cost of sales for Crude Oil : 255.8 (Change) +31.8 Cost of sales for Natural Gas* : 148.9 (Change) (0.5)
Selling, general and administrative expenses	70.1	76.6	6.4	9.2%	
Operating Income	709.3	693.4	(15.9)	(2.2%)	Main Factors Gain on transfer of mining rights (20.0) Gain on sales of investment securities +25.4 Equity in earnings of affiliates and Gain on change in equity (13.3) Interest income +4.3
Other income	102.0	98.6	(3.4)	(3.3%)	
Other expenses	44.4	73.9	29.5	66.6%	
Ordinary Income	767.0	718.1	(48.8)	(6.4%)	
Income taxes-current	543.1	539.2	(3.9)	(0.7%)	
Income taxes-deferred	(6.2)	(9.9)	(3.7)	59.6%	Main Factors Foreign exchange loss (+15.4) Provision for exploration projects (+11.9)
Minority interests	36.1	5.9	(30.1)	(83.6%)	
Net Income	194.0	182.9	(11.0)	(5.7%)	

\* Including LPG

# Other Income/Expenses

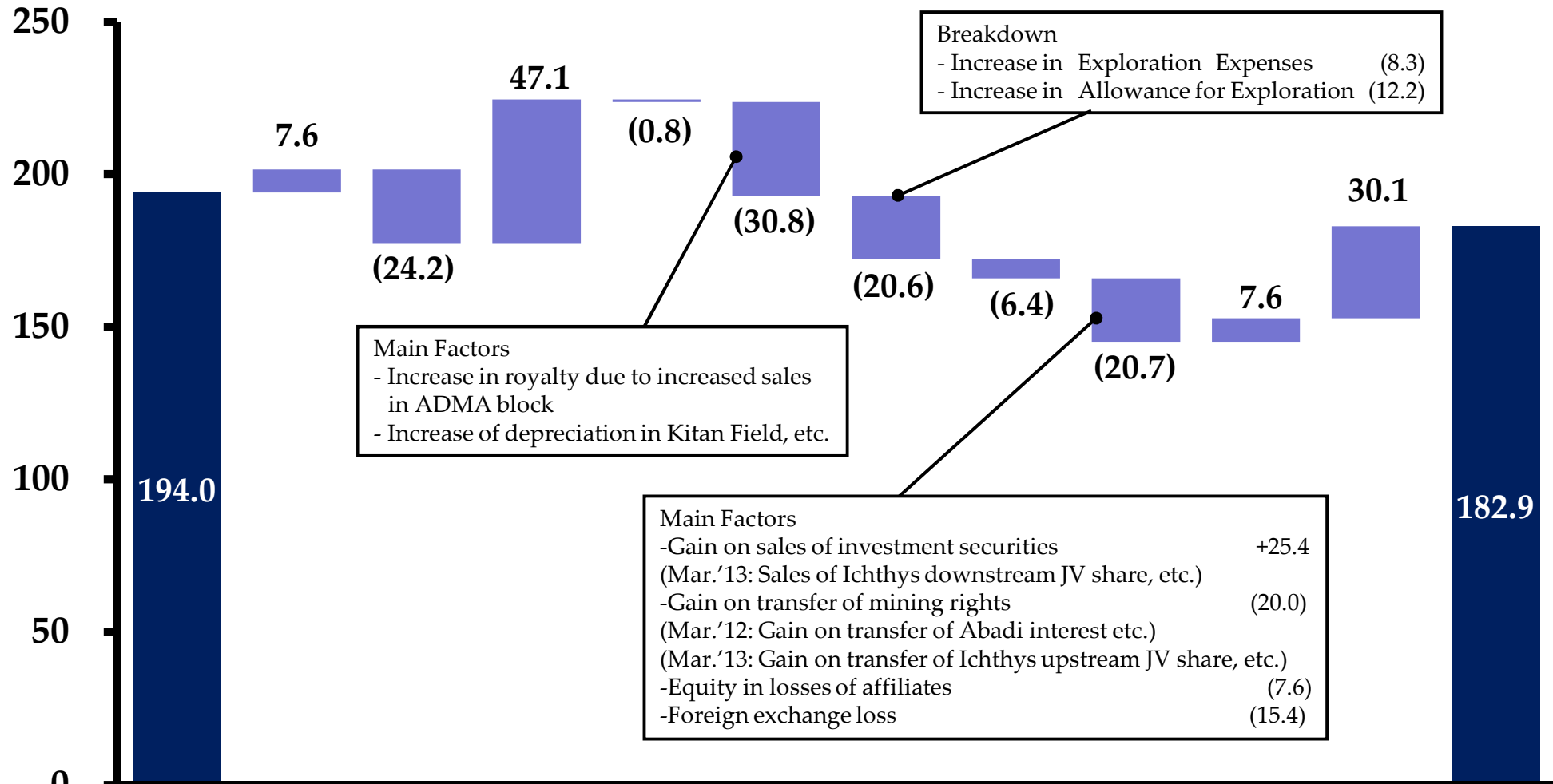


(Billions of Yen)	Mar. '12	Mar. '13	Change	%Change
Other income	102.0	98.6	(3.4)	(3.3%)
Interest income	4.3	8.7	4.3	98.5%
Dividend income	6.9	7.8	0.8	12.0%
Gain on sales of investment securities	0.0	25.4	25.4	-%
Equity in earnings of affiliates	6.6	-	(6.6)	(100.0%)
Gain on transfer of mining rights	70.2	50.1	(20.0)	(28.6%)
Other	13.7	6.4	(7.2)	(52.9%)
Other expenses	44.4	73.9	29.5	66.6%
Interest expense	1.2	1.5	0.2	23.6%
Equity in losses of affiliates	-	1.0	1.0	-%
Provision for allowance for recoverable accounts under production sharing	14.8	15.1	0.3	2.1%
Provision for exploration projects	0.5	12.4	11.9	-%
Foreign exchange loss	14.6	30.0	15.4	105.3%
Other	13.1	13.7	0.5	4.3%

# Analysis of Net Profit Decrease



(Billions of Yen)



Net Profit Mar. '12	Increase in Sales Volume	Decrease in Unit Price	Exchange Rate (Depreciation of Yen)	Others	Increase in Cost of Sales	Increase in Exploration Expenses and Allowance for Exploration*	Increase in SG&A	Other Income and Expenses	Decrease in Income Tax payable	Decrease in Minority Interest	Net Profit Mar. '13
Net Sales											

\*"Provision for allowance for recoverable accounts under production sharing" + "Provision for exploration projects"

# Balance Sheets



(Billions of yen)	Mar. '12	Mar. '13	Change	%Change
Current assets	908.7	1,106.5	197.8	21.8%
Tangible fixed assets	383.6	584.5	200.8	52.3%
Intangible assets	233.3	380.1	146.8	62.9%
Recoverable accounts under production sharing	568.3	590.5	22.2	3.9%
Other	1,073.0	1,067.2	(5.7)	(0.5%)
Less allowance for recoverable accounts under production sharing	(100.6)	(112.8)	(12.1)	12.1%
<b>Total assets</b>	<b>3,066.3</b>	<b>3,616.1</b>	<b>549.7</b>	<b>17.9%</b>
Current liabilities	367.8	414.9	47.1	12.8%
Long-term liabilities	384.3	530.1	145.8	37.9%
<b>Total net assets</b>	<b>2,314.1</b>	<b>2,670.9</b>	<b>356.7</b>	<b>15.4%</b>
(Minority interests)	134.9	189.6	54.7	40.6%
<b>Total liabilities and net assets</b>	<b>3,066.3</b>	<b>3,616.1</b>	<b>549.7</b>	<b>17.9%</b>
Net assets per share (Yen)	596,909	679,640	82,731	13.9%

Shareholders' equity	
Retained earnings :	+155.5
Accumulated other comprehensive income :	+146.4
<ul style="list-style-type: none"> <li>▪ Unrealized holding gain on securities : +27.7</li> <li>▪ Unrealized gain from hedging instruments : +12.1</li> <li>▪ Translation adjustments : +106.5</li> </ul>	



# Statements of Cash Flows

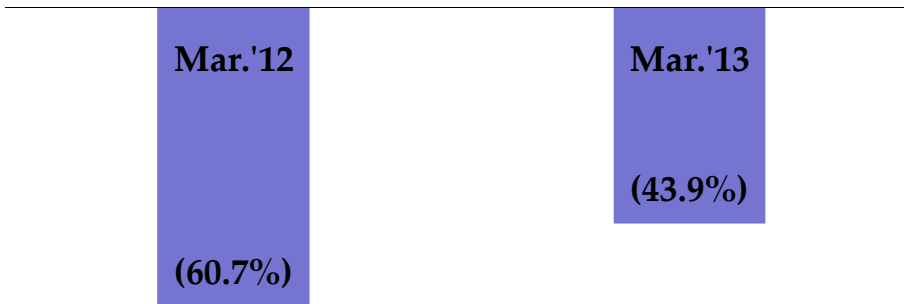


(Billions of Yen)	Mar. '12	Mar. '13	Change	%Change
Income before income taxes and minority interests	767.0	718.1	(48.8)	(6.4%)
Depreciation and amortization	48.0	51.9	3.8	8.1%
Recovery of recoverable accounts under production sharing (capital expenditures)	53.5	54.0	0.5	1.0%
Recoverable accounts under production sharing (operating expenditures)	(21.0)	(21.0)	(0.0)	0.1%
Income taxes paid	(510.7)	(540.8)	(30.1)	5.9%
Other	(16.1)	(9.8)	6.2	(38.9%)
<b>Net cash provided by operating activities</b>	<b>320.6</b>	<b>252.3</b>	<b>(68.3)</b>	<b>(21.3%)</b>
Purchase of tangible fixed assets	(68.3)	(189.1)	(120.8)	176.9%
Purchases of marketable securities/investment securities and proceeds from sales of marketable securities/investment securities (Net)	(85.3)	328.9	414.3	-%
Investment in recoverable accounts under production sharing (capital expenditures)	(82.9)	(82.6)	0.2	(0.3%)
Payments for purchase of mining rights	-	(176.2)	(176.2)	-%
Proceeds from transfer of mining rights	71.4	56.7	(14.6)	(20.6%)
Other	(115.7)	(427.5)	(311.8)	269.4%
<b>Net cash used in investing activities</b>	<b>(280.8)</b>	<b>(489.8)</b>	<b>(209.0)</b>	<b>74.4%</b>
<b>Net cash provided by financing activities</b>	<b>29.2</b>	<b>137.0</b>	<b>107.7</b>	<b>367.9%</b>
Cash and cash equivalents at end of the period	249.2	199.8	(49.3)	(19.8%)

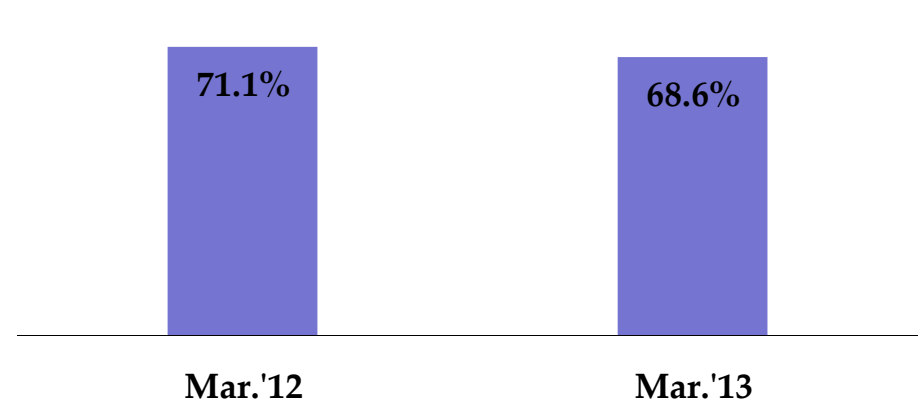
# Financial Indices



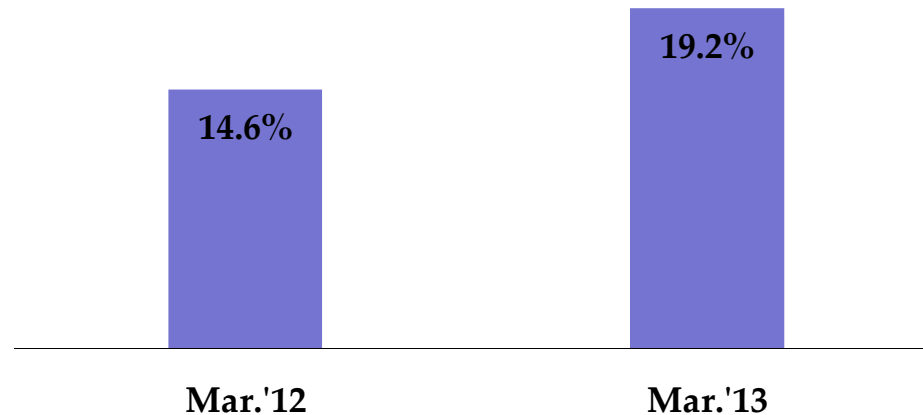
## Net Debt/Total Capital Employed (Net)\*



## Equity Ratio\*\*



## D/E Ratio\*\*\*



\* Net Debt/Total Capital Employed (Net) = (Interest-bearing debt - Cash and deposits - Public and corporate bonds and other debt securities (with determinable value) - MMF and Certificate of deposit - long term time deposits)/(Net assets + Interest-bearing debt - Cash and deposits - Public and corporate bonds and other debt securities (with determinable value) - MMF and Certificate of deposit - long term time deposits)

\*\* Equity Ratio = (Net assets - Minority interests)/Total assets

\*\*\* D/E Ratio = Interest-bearing debt/ (Net asset - Minority interests)

---

Consolidated Financial Forecasts  
for the year ending March 31, 2014

---

Masahiro Murayama  
Director, Managing Executive Officer  
Head of Finance & Accounting Division

# Consolidated Financial Forecasts for the year ending March 31, 2014



	1st Half	2nd Half	Full year
Brent oil price (\$/bbl)	100.0	100.0	100.0
Average exchange rate (¥/\$)	95.0	95.0	95.0

Full Year	Mar. '13 (Actual)	Mar. '14 (Forecasts)	Change	% Change
Net Sales (Billions of yen)	1,216.5	1,209.0	(7.5)	(0.6%)
Operating Income (Billions of yen)	693.4	594.0	(99.4)	(14.3%)
Ordinary Income (Billions of yen)	718.1	615.0	(103.1)	(14.4%)
Net Income (Billions of yen)	182.9	137.0	(45.9)	(25.1%)

## 1st Half

Net Sales (Billions of yen)	578.5	594.0	15.5	2.7%
Operating Income (Billions of yen)	337.9	292.0	(45.9)	(13.6%)
Ordinary Income (Billions of yen)	363.8	300.0	(63.8)	(17.5%)
Net Income (Billions of yen)	111.3	66.0	(45.3)	(40.7%)

Cash dividends per share (yen)	2Q End	3,500	3,600
	FY End	3,500	9.0*
	TOTAL	7,000	-

# Sales and Investment Plan for the year ending March 31, 2014



		Mar. '13 (Actual)	Mar. '14 (Forecasts)	Change	% Change
Sales Volume	Crude oil (thousand bbl) <sup>1</sup>	86,189	83,744	(2,445)	(2.8%)
	Natural gas (million cf) <sup>2</sup>	318,792	318,915	123	0.0%
	Overseas	253,363	251,589	(1,774)	(0.7%)
	Japan	65,429 (1,753 million m <sup>3</sup> )	67,326 (1,804 million m <sup>3</sup> )	1,897 (51 million m <sup>3</sup> )	2.9%
	LPG (thousand bbl) <sup>3</sup>	3,807	2,211	(1,596)	(41.9%)

(Billions of yen)	Mar. '13 (Actual)	Mar. '14 (Forecasts)	Change	% Change
Development expenditure <sup>4</sup>	576.6	1,003.0	426.4	74.0%
Other capital expenditure	22.6	37.0	14.4	63.7%
Exploration expenditure	53.9	91.0	37.1	68.8%
<i>Exploration expenses and Provision for explorations<sup>5</sup></i>	<i>Exploration expenses 20.1 Provision for explorations 27.6</i> 47.7	<i>Exploration expenses 36.7 Provision for explorations 14.2</i> 50.9	3.2	6.7%
<i>(Minority Interest Portion)<sup>6</sup></i>	9.6	17.0	7.4	77.1%

Note

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

5 "Provision for allowance for recoverable accounts under production sharing" + "Provision for exploration projects"

6 Capital increase from minority shareholders, etc.

# Net Income Sensitivities



- Estimated Impact of crude oil price and foreign exchange fluctuation on consolidated net income for the year ending March 31, 2014

(Billions of yen)

Brent Crude Oil Price; \$1/bbl decrease (increase)	-2.2 (+2.2)
Exchange Rate; ¥1 appreciation (depreciation) against the U.S. dollar	-1.0 ( $\pm 0$ )

Note: The actual impact may be subject to changes in production volumes, capital expenditures and cost recoveries, and may not be constant depending on the absolute level of oil prices and the exchange rate.

The sensitivity of the exchange rate is considered to be neutral in the phase where the yen depreciates against the U.S. dollar, due to factors such as debt amounts in the U.S. dollars.