
Financial Results for the six months ended September 30, 2019
Support Material

INPEX CORPORATION

November 6, 2019

Cautionary Statement

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.

Subsidiaries and Affiliates



64 consolidated subsidiaries

Major subsidiaries	Country/region	Ownership	Stage	Accounting term
Japan Oil Development Co., Ltd.	UAE	100%	Production	March (provisional settlement of account)
JODCO Onshore Limited	UAE	51 %	Production	December
JODCO Lower Zakum Limited	UAE	100%	Production	December
INPEX Sahul, Ltd.	Timor-Leste	100%	Production	December
INPEX Ichthys Pty Ltd	Australia	100%	Production	March (provisional settlement of account)
INPEX Southwest Caspian Sea, Ltd.	Azerbaijan	51%	Production	March (provisional settlement of account)
INPEX North Caspian Sea, Ltd.	Kazakhstan	51%	Production	March (provisional settlement of account)
INPEX Oil & Gas Australia Pty Ltd	Australia	100%	Production	December

21 equity method affiliates

Major affiliates	Country/region	Ownership	Stage	Accounting term
MI Berau B.V.	Indonesia	44%	Production	December
Angola Block 14 B.V.	Angola	49.99%	Production	December
Ichthys LNG Pty Ltd	Australia	66.245%	Production	March (provisional settlement of account)

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Highlights of the Consolidated Financial Results for the six months ended September 30, 2019



	Apr. - Sep. '18	Apr. - Sep. '19	Change	%Change
Net sales (Billions of yen)	438.2	575.2	137.0	31.3%
Crude oil sales	372.9	424.3	51.3	13.8%
Natural gas sales (including LPG)	57.9	143.2	85.2	147.0%
Others	7.2	7.7	0.4	6.5%
Operating income (Billions of yen)	226.4	280.7	54.2	24.0%
Ordinary income (Billions of yen)	246.9	271.1	24.1	9.8%
Net income attributable to owners of parent (Billions of yen)	34.0	69.4	35.4	104.2%
Net income per share (Yen)	23.31	47.59	24.28	104.2%

Average number of INPEX shares issued and outstanding during the six months ended September 30, 2019: 1,460,200,688

Average crude oil price (Brent) (\$/bbl)	75.40	65.20	(10.20)	(13.5%)
Average exchange rate (¥/\$)	110.26	108.60	1.66yen appreciation	1.5% appreciation

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Crude Oil Sales



	Apr. - Sep. '18	Apr. - Sep. '19	Change	%Change
Net sales (Billions of yen)	372.9	424.3	51.3	13.8%

Sales volume (thousand bbl)	46,462	58,868	12,406	26.7%
Average unit price of overseas production (\$/bbl)	73.16	65.95	(7.21)	(9.9%)
Average unit price of domestic production (¥/kl)	54,443	45,986	(8,456)	(15.5%)
Average exchange rate (¥/\$)	109.66	109.29	0.37yen appreciation	0.3% appreciation

Sales volume by region (thousand bbl)	Apr. - Sep. '18	Apr. - Sep. '19	Change	%Change
Japan	386 (61.4 thousand kl)	376 (59.8 thousand kl)	(10) (-1.6 thousand kl)	(2.6%)
Asia & Oceania	1,033	8,288	7,255	702.3%
Eurasia (Europe & NIS)	7,124	6,262	(862)	(12.1%)
Middle East & Africa	37,353	43,228	5,874	15.7%
Americas	566	714	149	26.3%
Total	46,462	58,868	12,406	26.7%

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Natural Gas Sales (excluding LPG)



	Apr. - Sep. '18	Apr. - Sep. '19	Change	%Change
Net sales (Billions of yen)	57.5	141.7	84.1	146.2%

Sales volume (million cf)	69,026	222,170	153,144	221.9%
Average unit price of overseas production (\$/thousand cf)	2.67	4.42	1.75	65.5%
Average unit price of domestic sales (¥/m ³)	49.85	54.50	4.65	9.3%
Average exchange rate (¥/\$)	106.84	108.62	1.78yen depreciation	1.7% depreciation

Sales volume by region (million cf)	Apr. - Sep. '18	Apr. - Sep. '19	Change	%Change
Japan	36,055 (966million m ³ *)	35,825 (960million m ³ *)	Δ 230 (-6million m ³ *)	(0.6%)
Asia & Oceania	10,147	169,150	159,003	-
Eurasia (Europe & NIS)	4,869	4,132	(737)	(15.1%)
Middle East & Africa	-	-	-	-
Americas	17,955	13,063	(4,891)	(27.2%)
Total	69,026	222,170	153,144	221.9%

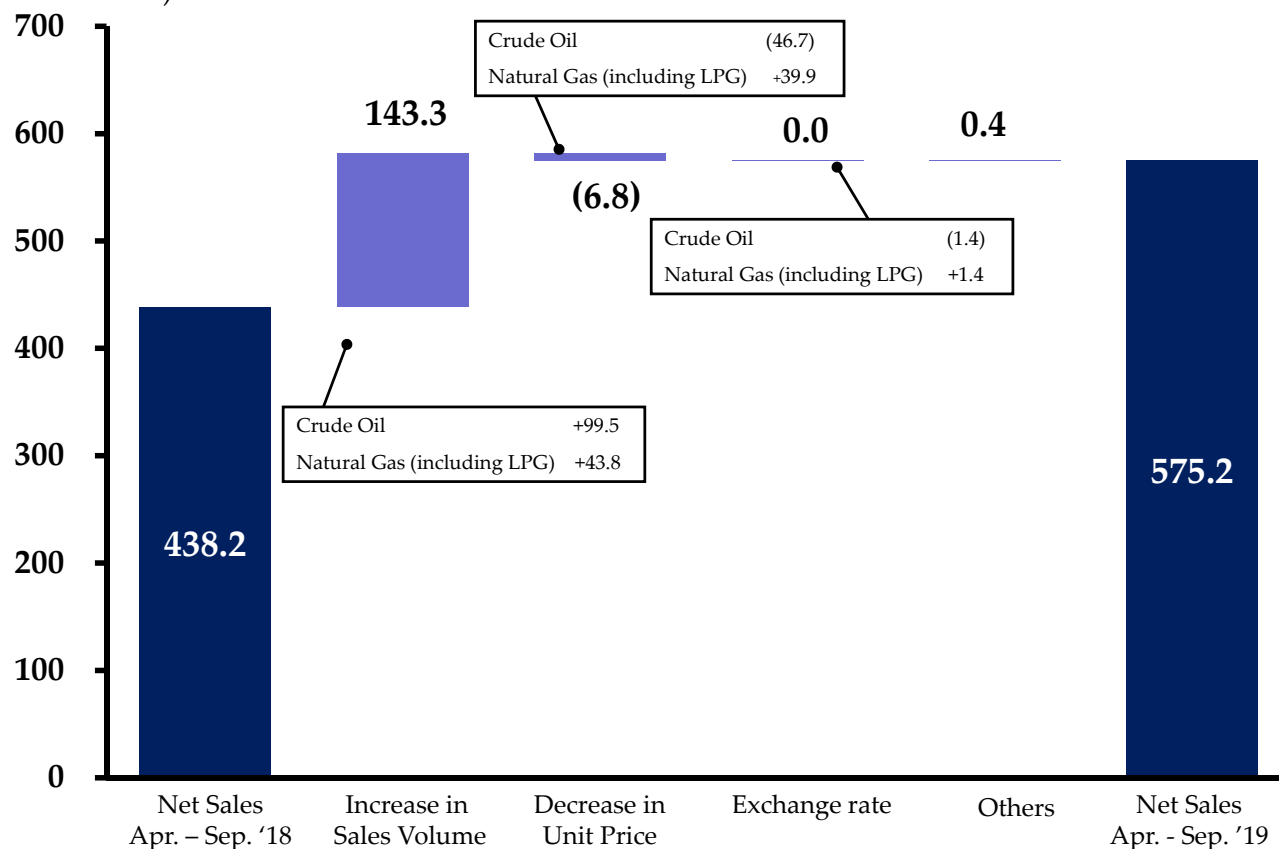
*1m³=41.8605MJ

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Analysis of Net Sales Increase

INPEX

(Billions of Yen)



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Statement of Income

INPEX

(Billions of Yen)

	Apr. - Sep. '18	Apr. - Sep. '19	Change	%Change
Net sales	438.2	575.2	137.0	31.3%
Cost of sales	176.0	245.7	69.6	39.6%
Gross profit	262.1	329.5	67.3	25.7%
Exploration expenses	1.0	11.6	10.6	-
Selling, general and administrative expenses	34.7	37.2	2.4	7.1%
Operating income	226.4	280.7	54.2	24.0%
Other income	33.6	12.0	(21.5)	(64.1%)
Other expenses	13.0	21.6	8.5	65.8%
Ordinary income	246.9	271.1	24.1	9.8%
Total income taxes	205.9	199.7	(6.2)	(3.0%)
Net income (loss) attributable to non-controlling interests	7.0	1.9	(5.0)	(72.7%)
Net income attributable to owners of parent	34.0	69.4	35.4	104.2%

Category	Change (Billions of Yen)
Increase in sales volume	+143.3
Decrease in unit price	(6.8)
Exchange rate	+0.0
Others	+0.4

Category	Change (Billions of Yen)
Cost of sales for Crude Oil	168.9
(Change)	+31.8
Cost of sales for Natural Gas*	71.4
(Change)	+37.3

Category	Change (Billions of Yen)
Compensation income	(7.4)
Equity in earnings of affiliates	(6.2)
Foreign exchange gain	(5.2)

Category	Change (Billions of Yen)
Interest expense	+9.5

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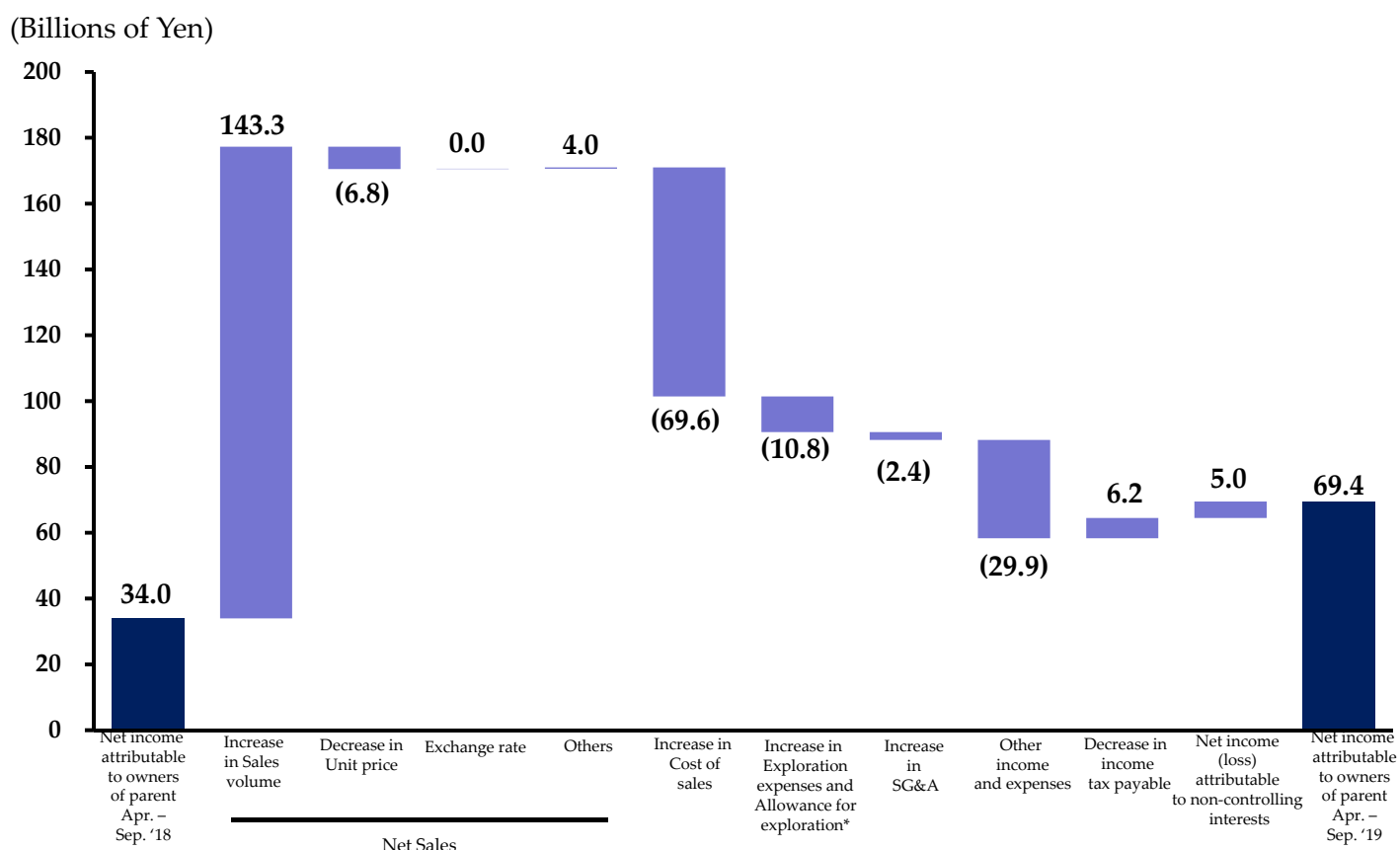
Other Income/Expenses



(Billions of Yen)	Apr. - Sep. '18	Apr. - Sep. '19	Change	%Change
Other income	33.6	12.0	(21.5)	(64.1%)
Interest income	4.1	1.7	(2.3)	(56.7%)
Dividend income	1.4	2.2	0.8	58.7%
Equity in earnings of affiliates	10.5	4.2	(6.2)	(59.6%)
Compensation income	7.4	-	(7.4)	-
Foreign exchange gain	5.2	-	(5.2)	-
Other	4.7	3.7	(0.9)	(20.9%)
Other expenses	13.0	21.6	8.5	65.8%
Interest expense	4.7	14.3	9.5	200.1%
Provision for allowance for recoverable accounts under production sharing	1.6	1.9	0.2	12.9%
Foreign exchange loss	-	0.6	0.6	-
Other	6.5	4.7	(1.8)	(27.9%)

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Analysis of Net Income Increase



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*Provision for allowance for recoverable accounts under production sharing

Balance Sheet



(Billions of yen)	Mar. '19	Sep. '19	Change	%Change
Current assets	457.7	453.5	(4.1)	(0.9%)
Tangible fixed assets	2,278.9	2,230.7	(48.2)	(2.1%)
Intangible assets	520.2	531.5	11.3	2.2%
Recoverable accounts under production sharing	568.0	571.0	3.0	0.5%
Other	1,038.5	1,040.9	2.3	0.2%
Less allowance for recoverable accounts under production sharing	(70.0)	(69.7)	0.2	(0.4%)
Total assets	4,793.5	4,758.0	(35.4)	(0.7%)
Current liabilities	372.0	380.0	8.0	2.2%
Long-term liabilities	1,163.9	1,165.1	1.1	0.1%
Total net assets	3,257.5	3,212.9	(44.6)	(1.4%)
(Non-controlling interests)	251.1	250.1	(0.9)	(0.4%)
Total liabilities and net assets	4,793.5	4,758.0	(35.4)	(0.7%)
Net assets per share (Yen)	2,058.95	2,029.00	(29.95)	(1.5%)

Summary of financial information for Ichthys downstream JV (100% basis, including the Company's equity share 66.245%)
(Billions of yen)

- Current assets : 115.8
 - Fixed assets : 3,686.7
 - Total assets : 3,802.5
- ※Fixed assets include interest expense which are not included in CAPEX, and capitalized costs before FID.

Total shareholders' equity : +48.3
Accumulated other comprehensive income (Billions of yen) : (92.1)

- Unrealized gain (loss) from hedging instruments : (34.8)
- Translation adjustments : (58.3)

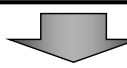
Statement of Cash Flows



(Billions of Yen)	Apr. - Sep. '18	Apr. - Sep. '19	Change	%Change
Income before income taxes	246.9	271.1	24.1	9.8%
Depreciation and amortization	41.7	83.0	41.3	99.1%
Recovery of recoverable accounts under production sharing (capital expenditures)	10.0	19.3	9.3	93.3%
Recoverable accounts under production sharing (operating expenditures)	9.8	(4.2)	(14.0)	-
Income taxes paid	(169.8)	(187.0)	(17.1)	10.1%
Other	(27.8)	(27.6)	0.1	(0.7%)
Net cash provided by (used in) operating activities	110.8	154.5	43.7	39.5%
Payments for time deposits / Proceeds from time deposits	(159.8)	0.0	159.8	-
Payments for purchases of tangible fixed assets	(116.9)	(66.2)	50.7	(43.4%)
Payments for purchases of investment securities	(1.4)	(1.0)	0.4	(30.1%)
Investment in recoverable accounts under production sharing (capital expenditures)	(15.3)	(21.8)	(6.5)	42.9%
Long-term loans made / Collection of long-term loans receivable	(182.4)	(75.1)	107.2	(58.8%)
Payments for acquisitions of participating interests	-	(30.0)	(30.0)	-
Other	18.2	(0.1)	(18.3)	-
Net cash provided by (used in) investing activities	(457.7)	(194.4)	263.3	(57.5%)
Net cash provided by (used in) financing activities	325.1	24.9	(300.2)	(92.3%)
Cash and cash equivalents at end of the period	261.0	219.1	(41.8)	(16.0%)

Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2019 **INPEX**

- Assumptions

(August 8, 2019)	2 nd half (Previous Forecasts)
Crude oil price (Brent) (US\$/bbl)	66.7
Exchange rate (yen/US\$)	110.0
	
(November 6, 2019)	2 nd half (Actual Results)
Crude oil price (Brent) (US\$/bbl)	65.2
Exchange rate (yen/US\$)	108.6

- Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2019


	Previous Forecasts (August 8, 2019)	Actual Results	Change	% Change
Net Sales (billions of yen)	581.0	575.2	△5.7	△1.0%
Operating income (billions of yen)	276.0	280.7	4.7	1.7%
Ordinary income (billions of yen)	260.0	271.1	11.1	4.3%
Net income attributable to owners of parent (billions of yen)	49.0	69.4	20.4	41.8%

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Revisions of Financial Forecasts for the year ending December 31, 2019

INPEX

- Assumptions

(August 8, 2019)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	66.7	65.0	66.2
Exchange rate (yen/US\$)	110.0	110.0	110.0
			
(November 6, 2019)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	65.2※1	60.0	63.5
Exchange rate (yen/US\$)	108.6 ※2	110.0	109.1

※1 1st quarter (Actual) : US\$ 68.5/bbl, 2nd quarter (Actual) : US\$62.0/bbl ※2 1st quarter (Actual) : ¥109.9/US\$, 2nd quarter (Actual) : ¥107.4/US\$

- Financial Forecasts for the year ending December 31, 2019

	Previous forecasts (August 8, 2019)	Revised forecasts (November 6, 2019)	Change	% Change
Net sales (billions of yen)	988.0	984.0	△4.0	△0.4%
Operating income (billions of yen)	472.0	476.0	4.0	0.8%
Ordinary income (billions of yen)	460.0	465.0	5.0	1.1%
Net income attributable to owners of parent (billions of yen)	90.0	100.0	10.0	11.1%

- Dividend per share

	End of 2Q	End of fiscal year (forecast)
Year ending December 31, 2019 (yen)	12	15

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