

Financial Result for the year ended December 31, 2019 Support Material

INPEX CORPORATION
February 12, 2020



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.

	FY2018 Adjusted actual	FY2019 Apr. - Dec. '19	Change	%Change
Net sales (Billions of yen)	800.1	1,000.0	199.8	25.0%
Crude oil sales	675.1	764.0	88.8	13.2%
Natural gas sales (including LPG)	112.7	223.0	110.3	97.8%
Others	12.2	12.8	0.6	5.0%
Operating income (Billions of yen)	413.6	498.6	84.9	20.5%
Ordinary income (Billions of yen)	445.6	511.0	65.4	14.7%
Net income attributable to owners of parent (Billions of yen)	52.3	123.5	71.2	136.1%
Net income per share (Yen)	35.84	84.61	48.77	136.1%

Average number of INPEX shares issued and outstanding during the year ended December 31, 2019: 1,460,200,987

Average crude oil price (Brent) (\$/bbl)	73.13	64.27	(8.86)	(12.1%)
Average exchange rate (¥/\$)	111.15	108.66	2.49yen appreciation	2.2% appreciation

Crude Oil Sales

	FY2018 Adjusted actual	FY2019 Apr. - Dec. '19	Change	%Change
Net sales (Billions of yen)	675.1	764.0	88.8	13.2%

Sales volume (thousand bbl)	85,138	106,950	21,812	25.6%
Average unit price of overseas production (\$/bbl)	71.56	65.61	(5.95)	(8.3%)
Average unit price of domestic production (¥/kl)	54,273	45,936	(8,337)	(15.4%)
Average exchange rate (¥/\$)	110.76	108.88	1.88yen appreciation	1.7% appreciation

Sales volume by region (thousand bbl)	FY2018 Adjusted actual	FY2019 Apr. - Dec. '19	Change	%Change
Japan	589 (93.6 thousand kl)	499 (79.4 thousand kl)	(89) (-14.2 thousand kl)	(15.1%)
Asia & Oceania	3,278	14,008	10,730	327.3%
Eurasia (Europe & NIS)	11,167	11,272	105	0.9%
Middle East & Africa	69,175	79,147	9,972	14.4%
Americas	930	2,024	1,094	117.7%
Total	85,138	106,950	21,812	25.6%

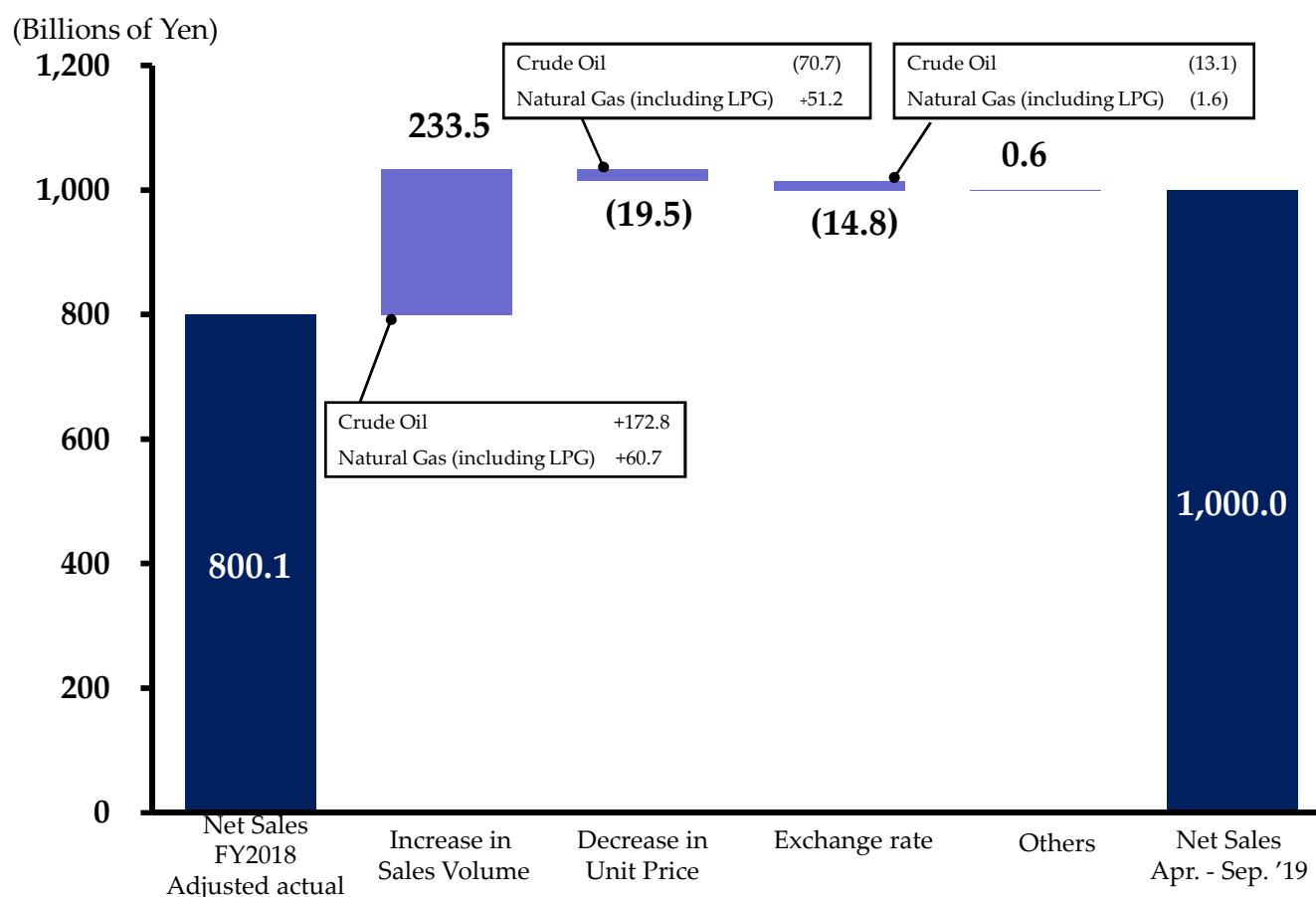
	FY2018 Adjusted actual	FY2019 Apr. - Dec. '19	Change	%Change
Net sales (Billions of yen)	111.5	219.9	108.4	97.2%

Sales volume (million cf)	157,925	345,182	187,257	118.6%
Average unit price of overseas production (\$/thousand cf)	2.94	4.45	1.51	51.4%
Average unit price of domestic sales (¥/m ³)	51.65	53.27	1.62	3.1%
Average exchange rate (¥/\$)	109.85	108.63	1.22yen appreciation	1.1% appreciation

Sales volume by region (million cf)	FY2018 Adjusted actual	FY2019 Apr. - Dec. '19	Change	%Change
Japan	57,097 (1,530million m ³ *)	56,242 (1,507million m ³ *)	△ 855 (-23million m ³ *)	(1.5%)
Asia & Oceania	58,181	262,903	204,723	351.9%
Eurasia (Europe & NIS)	7,424	6,720	(704)	(9.5%)
Middle East & Africa	-	-	-	-
Americas	35,223	19,317	(15,906)	(45.2%)
Total	157,925	345,182	187,257	118.6%

*1m³=41.8605MJ

Analysis of Net Sales Increase

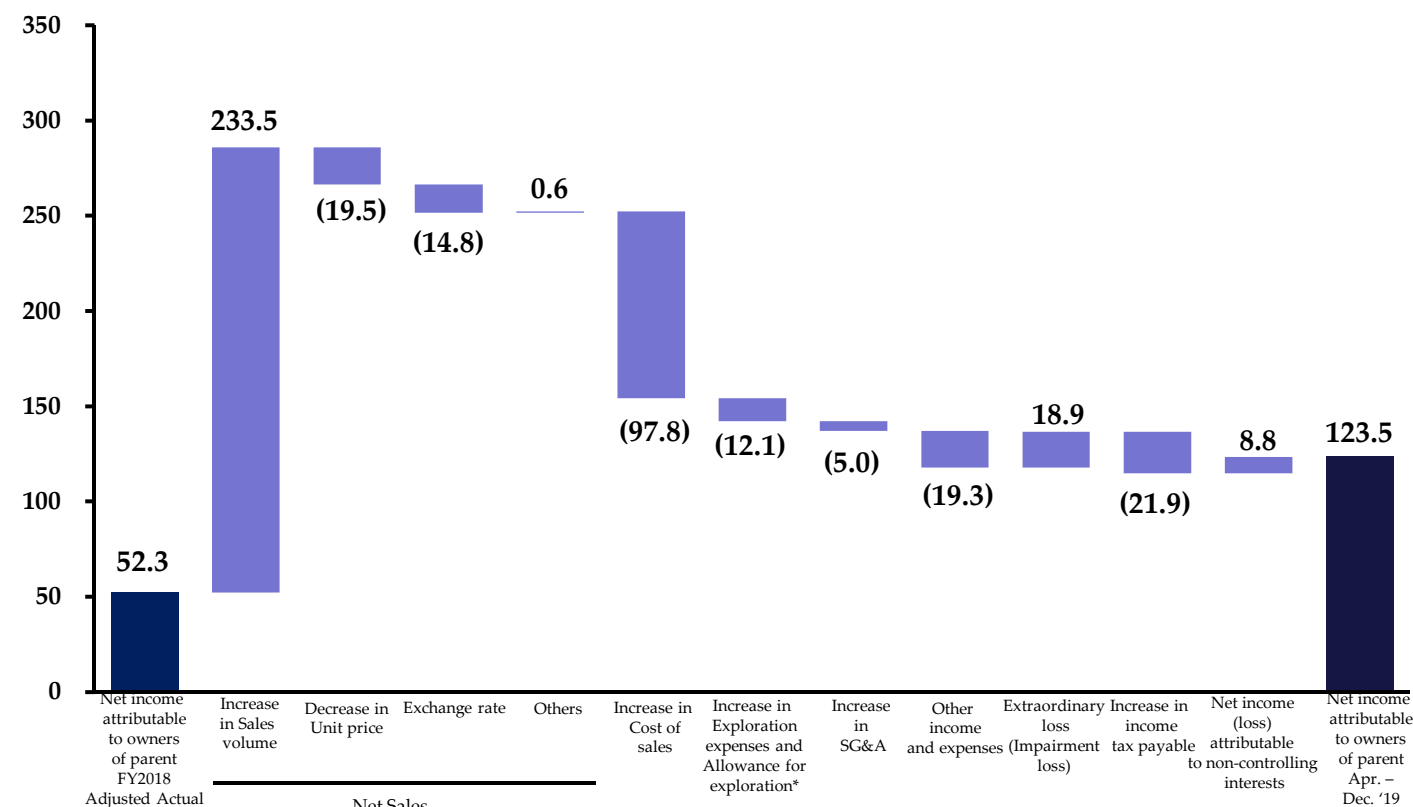


(Billions of Yen)	FY2018	FY2019	Change	%Change	
	Adjusted actual	Apr. - Dec. '19			
Net sales	800.1	1,000.0	199.8	25.0%	Increase in sales volume : +233.5 Decrease in unit price : (19.5) Exchange rate: (14.8) Others : +0.6
Cost of sales	326.8	424.7	97.8	29.9%	
Gross profit	473.3	575.3	101.9	21.5%	
Exploration expenses	3.5	15.4	11.9	338.5%	
Selling, general and administrative expenses	56.1	61.2	5.0	9.1%	
Operating income	413.6	498.6	84.9	20.5%	Main factors for change : Compensation income (7.5) Equity in earnings of affiliates +8.3 Interest income (4.4)
Other income	52.3	44.7	(7.5)	(14.4%)	
Other expenses	20.3	32.3	12.0	59.2%	
Ordinary income	445.6	511.0	65.4	14.7%	Main factor for change : Interest expense +10.4
Extraordinary loss (Impairment loss)	19.7	0.7	(18.9)	(96.0%)	
Total income taxes	363.7	385.7	21.9	6.0%	
Net income (loss) attributable to non-controlling interests	9.8	1.0	(8.8)	(89.7%)	
Net income attributable to owners of parent	52.3	123.5	71.2	136.1%	

Other Income/Expenses

(Billions of Yen)	FY2018	FY2019	Change	%Change
	Adjusted actual	Apr. - Dec. '19		
Other income	52.3	44.7	(7.5)	(14.4%)
Interest income	6.8	2.4	(4.4)	(64.9%)
Dividend income	2.4	3.2	0.8	34.2%
Gain on sales of investment securities	-	4.9	4.9	-
Equity in earnings of affiliates	15.0	23.3	8.3	55.4%
Compensation income	7.5	-	(7.5)	(100.0%)
Foreign exchange gain	3.6	2.4	(1.1)	(31.3%)
Other	16.8	8.3	(8.5)	(50.6%)
Other expenses	20.3	32.3	12.0	59.2%
Interest expense	11.4	21.8	10.4	91.3%
Provision for allowance for recoverable accounts under production sharing	2.8	3.1	0.2	8.1%
Loss on valuation of investment securities	-	3.4	3.4	-
Other	5.9	3.8	(2.1)	(35.8%)

(Billions of Yen)



*Provision for allowance for recoverable accounts under production sharing

Balance Sheet

(Billions of yen)	Mar. '19	Dec. '19	Change	%Change
Current assets	457.7	419.8	(37.9)	(8.3%)
Tangible fixed assets	2,278.9	2,275.3	(3.6)	(0.2%)
Intangible assets	520.2	535.3	15.1	2.9%
Recoverable accounts under production sharing	568.0	568.3	0.3	0.1%
Other	1,038.5	1,118.0	79.4	7.6%
Less allowance for recoverable accounts under production sharing	(70.0)	(66.8)	3.1	(4.5%)
Total assets	4,793.5	4,849.9	56.4	1.2%
Current liabilities	372.0	401.4	29.4	7.9%
Long-term liabilities	1,163.9	1,151.3	(12.6)	(1.1%)
Total net assets	3,257.5	3,297.1	39.5	1.2%
(Non-controlling interests)	251.1	256.4	5.2	2.1%
Total liabilities and net assets	4,793.5	4,849.9	56.4	1.2%
Net assets per share (Yen)	2,058.95	2,082.43	23.48	1.1%

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

- Current assets : 130.4
- Fixed assets : 3,720.0
- Total assets: 3,850.4

※Fixed assets include interest expense which are not included in CAPEX, and capitalized costs before FID.

The total of long-term loans and short term loans is 1.1trillion yen.

Adding the off-balanced net loans of the Ichthys IJV(as of Dec. 2019) brings the total of INPEX net loans to be 2.3 trillion yen (Dec., 2019).

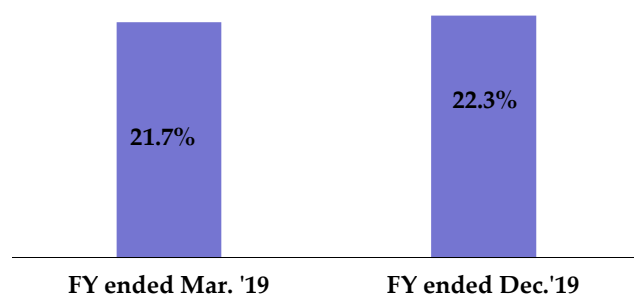
Total shareholders' equity : +84.9
Accumulated other comprehensive income (Billions of yen) : (50.6)

- Unrealized gain (loss) from hedging instruments : (24.4)
- Translation adjustments : (28.8)

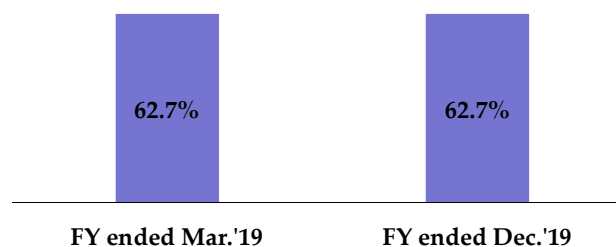
(Billions of Yen)	Reference	
	Apr. - Dec. '19	Apr.'18 – Mar. '19
Income before income taxes	510.2	494.0
Depreciation and amortization	135.6	106.8
Impairment loss	0.7	25.2
Recovery of recoverable accounts under production sharing (capital expenditures)	32.2	33.1
Recoverable accounts under production sharing (operating expenditures)	(5.4)	4.6
Income taxes paid	(337.4)	(388.0)
Other	(61.3)	(37.2)
Net cash provided by (used in) operating activities	274.7	238.5
Payments for purchases of tangible fixed assets	(109.7)	(210.7)
Payments for purchases of investment securities / Proceeds from sales of investment securities	2.1	(104.7)
Investment in recoverable accounts under production sharing (capital expenditures)	(36.6)	(31.6)
Long-term loans made / Collection of long-term loans receivable	(108.4)	(262.4)
Payments for purchases of mining rights	(35.8)	(107.8)
Other	(0.1)	35.3
Net cash provided by (used in) investing activities	(288.7)	(682.0)
Net cash provided by (used in) financing activities	(48.6)	405.1
Cash and cash equivalents at end of the period	173.7	239.6

Financial Indices

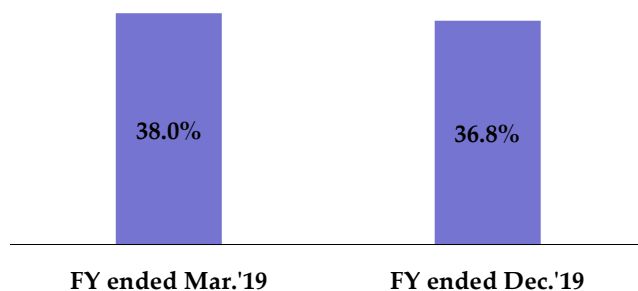
Net Debt/Total Capital Employed (Net)*



Equity Ratio**



D/E Ratio***



* Net Debt/Total Capital Employed (Net) = (Interest-bearing debt - Cash and deposits)/(Net assets + Interest-bearing debt - Cash and deposits)
 ** Equity Ratio = (Net assets - Non-controlling interests)/Total assets
 *** D/E Ratio = Interest-bearing debt/ (Net asset - Non-controlling interests)

Consolidated Financial Forecasts for the year ending December 31, 2020

INPEX

	1st Half (Jan. – Jun. '20)	2nd Half (Jul. – Dec. '20)	Full year
Brent oil price (\$/bbl)	60.0	60.0	60.0
Average exchange rate (¥/\$)	110.0	110.0	110.0

Full Year	Dec. '19 (Actual)		Dec. '19 (Adjusted actual*)	Dec. '20 (Forecasts)	Change	% Change
Net Sales (Billions of yen)	1,000.0	➔	1,171.2	1,204.0	32.8	2.8%
Operating Income (Billions of yen)	498.6		559.2	499.0	(60.2)	(10.8%)
Ordinary Income (Billions of yen)	511.0		584.6	536.0	(48.6)	(8.3%)
Net income attributable to owners of parent (Billions of yen)	123.5		167.3	145.0	(22.3)	(13.3%)

1st Half						
	Dec. '19 (Actual)		Dec. '19 (Adjusted actual*)	Dec. '20 (Forecasts)	Change	% Change
Net Sales (Billions of yen)	575.2	➔	563.1	606.0	42.9	7.6%
Operating Income (Billions of yen)	280.7		269.1	257.0	(12.1)	(4.5%)
Ordinary Income (Billions of yen)	271.1		270.7	272.0	1.3	0.5%
Net income attributable to owners of parent (Billions of yen)	69.4		82.4	70.0	(12.4)	(15.1%)

Cash dividends per share (yen)	2Q End	12.0		18.0
	FY End	18.0		18.0
	TOTAL	30.0		36.0

* As FY2019 (nine-month period ending December 2019) is an irregular fiscal year, FY2019 (ended December 2019) has been adjusted to the twelve-month accounting period (Figures for 1st half has been adjusted to the accounting period from January to June 2019).

FY 2020 dividend reference dates are June 30, 2020 for the mid-term dividend and December 31, 2020 for the year-end dividend.

Copyright © 2020 INPEX CORPORATION. All rights reserved.

12

Sales and Investment Plan for the year ending December 31, 2020

INPEX

		Dec. '19 (Actual)		Dec. '19 (Adjusted actual*)	Dec. '20 (Forecasts)	Change	% Change
Sales Volume	Crude oil (thousand bbl) ¹	106,950	➔	122,315	128,712	6,397	5.2%
	Natural gas (million cf) ²	345,182		420,109	493,815	73,707	17.5%
	Overseas	288,940		340,034	410,601	70,568	20.8%
	Japan (1,507 million m ³)	56,242		80,075 (2,145 million m ³)	83,214 (2,229 million m ³)	3,139 (84 million m ³)	3.9%
	LPG (thousand bbl) ³	412		412	570	158	38.3%

(Billions of yen)		Dec. '19 (Actual)		Dec. '19 (Adjusted actual*)	Dec. '20 (Forecasts)	Change	% Change
Development expenditure and others ⁴		221.7	➔	322.2	268.0	(54.2)	(16.8%)
Exploration expenditure		18.8		26.0	30.0	4.0	15.4%
Other expenditure		2.7		3.5	3.0	(0.5)	(14.3%)
<i>Exploration expenses and Provision for explorations⁵</i>		<i>Exploration expenses 15.4 Provision for explorations 3.1</i> 18.5		<i>Exploration expenses 23.5 Provision for explorations 1.9</i> 25.5	<i>Exploration expenses 25.5 Provision for explorations 4.5</i> 30.1	4.6	18.0%
<i>(Non-controlling Interests Portion)⁶</i>		3.0		3.3	7.9	4.6	139.4%

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 Includes Ichthys downstream and asset acquisition expenditures

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

6 Capital increase from Non-controlling interests, etc.

* As FY2019 (nine-month period ending December 2019) is an irregular fiscal year, FY2019 (ended December 2019) has been adjusted to the twelve-month accounting period. See slide 15 for details.

Copyright © 2020 INPEX CORPORATION. All rights reserved.

13

- Sensitivities of crude oil price and foreign exchange fluctuation on consolidated net income attributable to owners of parent for the year ending December 31, 2020 (Note 1) (Billions of yen)

<ul style="list-style-type: none"> ■ Brent Crude Oil Price; \$1/bbl increase (decrease) (Note 2) 	<p><u>At the Beginning of the 1Q : +6.5 (-6.5)</u> The impact on net income will change in FY2020 as below; At the beginning of the 2Q : +4.5 (-4.5) At the beginning of the 3Q : +2.5 (-2.5) At the beginning of the 4Q : +1.0 (-1.0)</p>
<ul style="list-style-type: none"> ■ Exchange Rate; ¥1 depreciation (appreciation) against the U.S. dollar (Note 3) 	<p>+2.2 (-2.2)</p>

(Note1) The sensitivities represent the impact on net income for the year ending December 31, 2020 against a \$1 /bbl increase (decrease) in the Brent crude oil price on average and a ¥1 depreciation (appreciation) against the U.S. dollar. These are based on the financial situation mainly of existing production projects at the beginning of the fiscal year. These are for reference purposes only and the actual impact may change due to fluctuations in production volumes, capital expenditures and cost recoveries, and may not be constant, depending on crude oil prices and exchange rates.

(Note2) This is a sensitivity on net income determined by fluctuations in the oil price and is subject to the average price of crude oil (Brent). As part of the sales price has been finalized at the beginning of each quarter, the sensitivity breakdown for each quarter is estimated taking into account the percentage of the finalized sales price as follows;

- ✓ At the beginning of the 1Q : +6.5 billions of yen (1Q : +1.0 billions of yen, 2Q : +1.5 billions of yen, 3Q : +2.0 billions of yen , 4Q : +2.0 billions of yen)
- ✓ At the beginning of the 2Q : +4.5 billions of yen (1Q : ----- , 2Q : +1.0 billions of yen, 3Q : +1.5 billions of yen , 4Q : +2.0 billions of yen)
- ✓ At the beginning of the 3Q : +2.5 billions of yen (1Q : ----- , 2Q : ----- , 3Q : +1.0 billions of yen , 4Q : +1.5 billions of yen)
- ✓ At the beginning of the 4Q : +1.0 billions of yen (1Q : ----- , 2Q : ----- , 3Q : ----- , 4Q : +1.0 billions of yen)

(Note3) This is a sensitivity on net income determined by fluctuation of the yen against the U.S. dollar and is subject to the average exchange rate. On the other hand, a sensitivity related to valuation for assets and liabilities denominated in the U.S. dollar on net income incurred by foreign exchange differences between the exchange rate at the end of the fiscal year and the end of the previous fiscal year is almost neutralized.

Supplementary material concerning change in accounting period (Closing date of accounting period)

- INPEX's accounting period changed to the January to December period from the April to March period
- The fiscal year ending December 31, 2019 (FY2019) is a transitional, nine-month accounting period from April 1, 2019 to December 31, 2019.
- To facilitate comparisons with FY2019/12, FY 2018 figures have been adjusted to nine-month-period "FY2018 adjusted actual figures". Also, to facilitate comparisons with FY2020, FY2019 figures have been adjusted to twelve-month-period "FY2019 Adjusted actual figures". Periods covered in the financial reporting figures (figures stated in the earnings reports, etc.)

< Financial reporting figures (figures stated in the earnings reports, etc.) >

	2018				2019			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
INPEX and subsidiaries with provisional settlements of accounts ^(Note 2)		FY2019/03				FY2019/12		
Subsidiaries with a December 31 fiscal year-end ^(Note 3)		(FY2018)				(FY2019)		

< Adjusted actual figures for FY2018 to compare with FY2019 (Note1) >

	2018				2019			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
INPEX and subsidiaries with provisional settlements of accounts ^(Note 2)		FY2018				FY2019/12		
Subsidiaries with a December 31 fiscal year-end ^(Note 3)		Adjusted actual figures				(FY2019)		

< Adjusted actual figures for FY2019 to compare with FY2020^(Note1) >

	2018				2019			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
INPEX and subsidiaries formerly with provisional settlements of accounts		FY2019				FY2020/12		
Subsidiaries with a December 31 fiscal year-end originally		Adjusted actual figures				(FY2020)		

Note 1 Adjusted actual figures are unaudited figures for reference purposes only

Note 2 INPEX, major domestic subsidiaries and overseas subsidiaries with provisional settlements of accounts. Subsidiaries with a December 31 fiscal year-end that provisionally settled their accounts on March 31 due to the relatively large impact of their performance on the Company's consolidated financial accounts.

Note 3 Subsidiaries adopting an accounting period from January to December. The accounting periods of subsidiaries with a December 31 fiscal year-end will remain unchanged (January 1 - December 31, 2019 will be settled to FY2019/12 period) while FY2019 is scheduled to be a nine-month accounting period.