

Support Material

Financial Results for the year ended December 31, 2020

February 10, 2021



Cautionary Statement

INPEX

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.

	(Reference) Same Period Last Year (Jan - Dec '19)	FY2020 (Jan - Dec '20)	Change	% Change
Net sales (Billions of yen)	1,171.2	771.0	(400.1)	(34.2%)
Crude oil sales	871.5	505.5	(366.0)	(42.0%)
Natural gas sales (including LPG)	281.0	250.5	(30.4)	(10.8%)
Others	18.6	14.9	(3.6)	(19.7%)
Operating income (Billions of yen)	559.2	248.4	(310.7)	(55.6%)
Ordinary income (Billions of yen)	584.6	257.3	(327.3)	(56.0%)
Net income (loss) attributable to owners of parent (Billions of yen)	167.3	(111.6)	(279.0)	-
Net income (loss) per share* (Yen)	114.58	(76.50)	(191.08)	-

* Average number of INPEX shares issued and outstanding during the year ended December 31, 2020: 1,460,203,728

Average crude oil price (Brent) (\$/bbl)	64.16	43.21	(20.95)	(32.7%)
Average exchange rate (¥/\$)	109.03	106.77	2.26yen appreciation	2.1% appreciation

Crude Oil Sales

	(Reference) Same Period Last Year (Jan - Dec '19)	FY2020 (Jan - Dec '20)	Change	% Change
Net sales (Billions of yen)	871.5	505.5	(366.0)	(42.0%)

Sales volume (thousand bbl)	122,315	117,282	(5,033)	(4.1%)
Average unit price of overseas production (\$/bbl)	65.32	40.31	(25.01)	(38.3%)
Average unit price of domestic production (¥/kl)	45,384	31,001	(14,383)	(31.7%)
Average exchange rate (¥/\$)	109.08	106.84	2.24yen appreciation	2.1%yen appreciation

Sales volume by region (thousand bbl)	(Reference) Same Period Last Year (Jan - Dec '19)	FY2020 (Jan - Dec '20)	Change	% Change
Japan	700 (111.2thousand kl)	621 (98.7thousand kl)	(79) (12.5thousand kl)	(11.3%)
Asia & Oceania	16,351	15,580	(771)	(4.7%)
Eurasia (Europe & NIS)	15,220	16,918	1,697	11.2%
Middle East & Africa	88,020	81,022	(6,998)	(8.0%)
Americas	2,024	3,141	1,117	55.2%
Total	122,315	117,282	(5,033)	(4.1%)

	(Reference) Same Period Last Year (Jan - Dec '19)	FY2020 (Jan - Dec '20)	Change	% Change
Net sales (Billions of yen)	277.6	247.8	(29.7)	(10.7%)

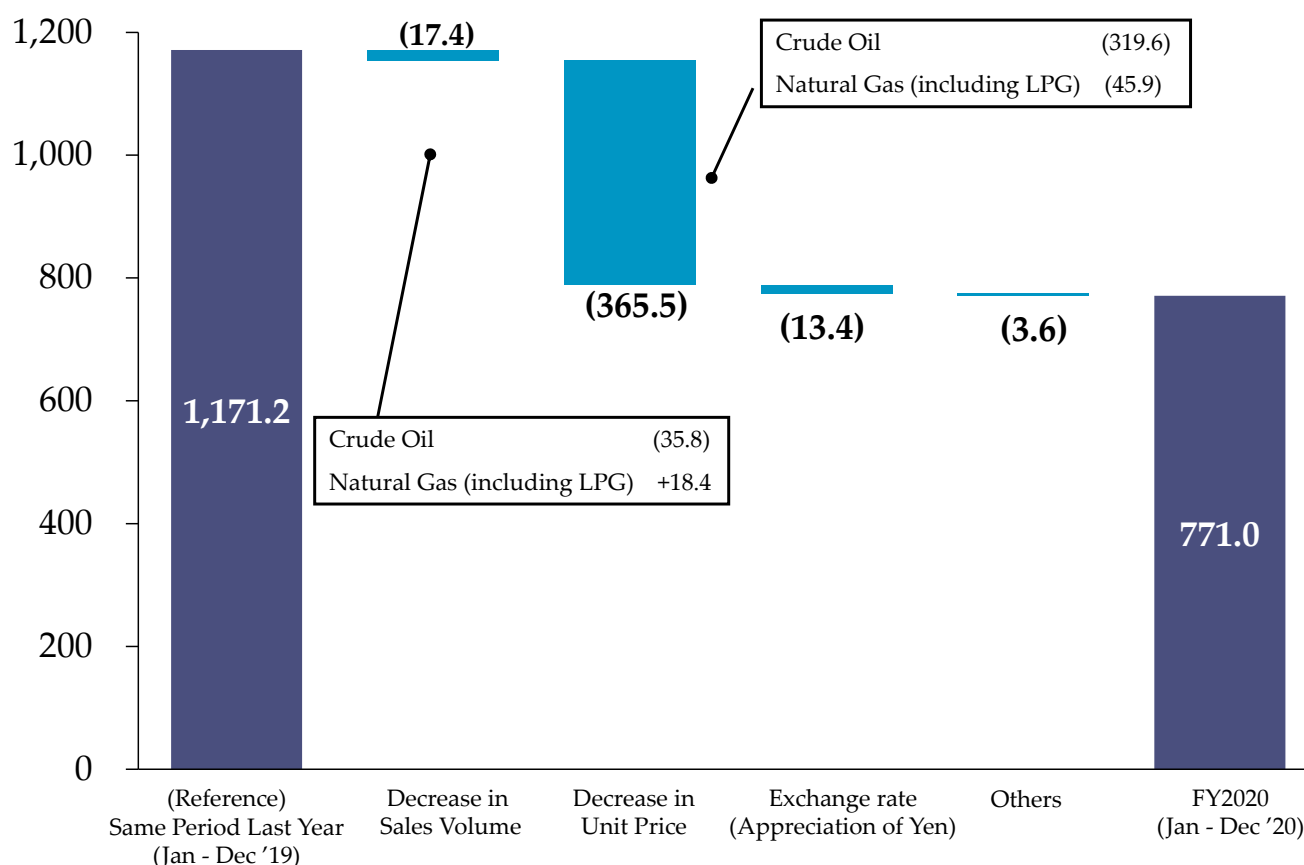
Sales volume (million cf)	420,109	467,466	47,357	11.3%
Average unit price of overseas production (\$/thousand cf)	4.33	3.61	(0.72)	(16.6%)
Average unit price of domestic sales (¥/m ³)	54.62	46.93	(7.69)	(14.1%)
Average exchange rate (¥/\$)	108.90	106.88	2.02yen appreciation	1.9% appreciation

Sales volume by region (million cf)	(Reference) Same Period Last Year (Jan - Dec '19)	FY2020 (Jan - Dec '20)	Change	% Change
Japan	80,075 (2,146million m ³ *)	77,413 (2,074 million m ³ *)	(2,663) (-71 million m ³ *)	(3.3%)
Asia & Oceania	311,426	361,864	50,439	16.2%
Eurasia (Europe & NIS)	9,291	9,086	(205)	(2.2%)
Middle East & Africa	-	-	-	-
Americas	19,317	19,102	(214)	(1.1%)
Total	420,109	467,466	47,357	11.3%

* 1m³=41.8605MJ

Analysis of Net Sales Decrease

(Billions of Yen)



Statement of Income

(Billions of Yen)	(Reference) Same Period Last Year (Jan - Dec '19)	FY2020 (Jan - Dec '20)	Change	% Change	
Net sales	1,171.2	771.0	(400.1)	(34.2%)	Decrease in sales volume : (17.4) Decrease in unit price : (365.5) Exchange rate: (13.4) Others : (3.6)
Cost of sales	511.1	439.8	(71.2)	(13.9%)	
Gross profit	660.0	331.1	(328.8)	(49.8%)	
Exploration expenses	23.5	9.0	(14.5)	(61.5%)	Cost of sales for Crude Oil: 268.3 (Change) (77.6) Cost of sales for Natural Gas*:159.2 (Change) +8.5 * Including LPG
Selling, general and administrative expenses	77.2	73.6	(3.5)	(4.6%)	
Operating income	559.2	248.4	(310.7)	(55.6%)	
Other income	63.3	63.8	0.4	0.7%	
Other expenses	37.9	54.9	17.0	44.9%	Main factors for change : Equity in losses of affiliates +12.9
Ordinary income	584.6	257.3	(327.3)	(56.0%)	
Extraordinary loss (Impairment loss)	6.2	189.9	183.6	-	Main factors for change : Prelude FLNG Project +129.0 Eagle Ford +33.2 Lucius Oil Field +18.6 Bayu-Undan +8.9
Total income taxes	419.2	171.2	(248.0)	(59.2%)	
Net income (loss) attributable to non-controlling interests	(8.1)	7.8	16.0	-	
Net income (loss) attributable to owners of parent	167.3	(111.6)	(279.0)	-	

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Other Income and Expenses

(Billions of Yen)	(Reference) Same Period Last Year (Jan - Dec '19)	FY2020 (Jan - Dec '20)	Change	% Change
Other income	63.3	63.8	0.4	0.7%
Interest income*	3.1	33.4	30.3	-
Dividend income	7.5	6.7	(0.8)	(11.2%)
Guarantee commission received*	0.3	6.6	6.3	-
Equity in earnings of affiliates*	36.6	-	(36.6)	(100%)
Foreign exchange gain	0.8	-	(0.8)	(100%)
Other	14.8	16.9	2.1	14.4%
Other expenses	37.9	54.9	17.0	44.9%
Interest expense	27.7	19.0	(8.6)	(31.2%)
Equity in losses of affiliates*	-	12.9	12.9	-
Provision for allowance for recoverable accounts under production sharing	1.7	2.5	0.8	50.8%
Provision for exploration projects	0.2	0.0	(0.2)	(99.0%)
Losses on valuation of investment securities	3.4	6.5	3.0	87.4%
Foreign exchange loss	-	8.2	8.2	-
Other	4.7	5.5	0.7	16.2%

*Presented as gross figures from FY2020 (previously presented as net figures)

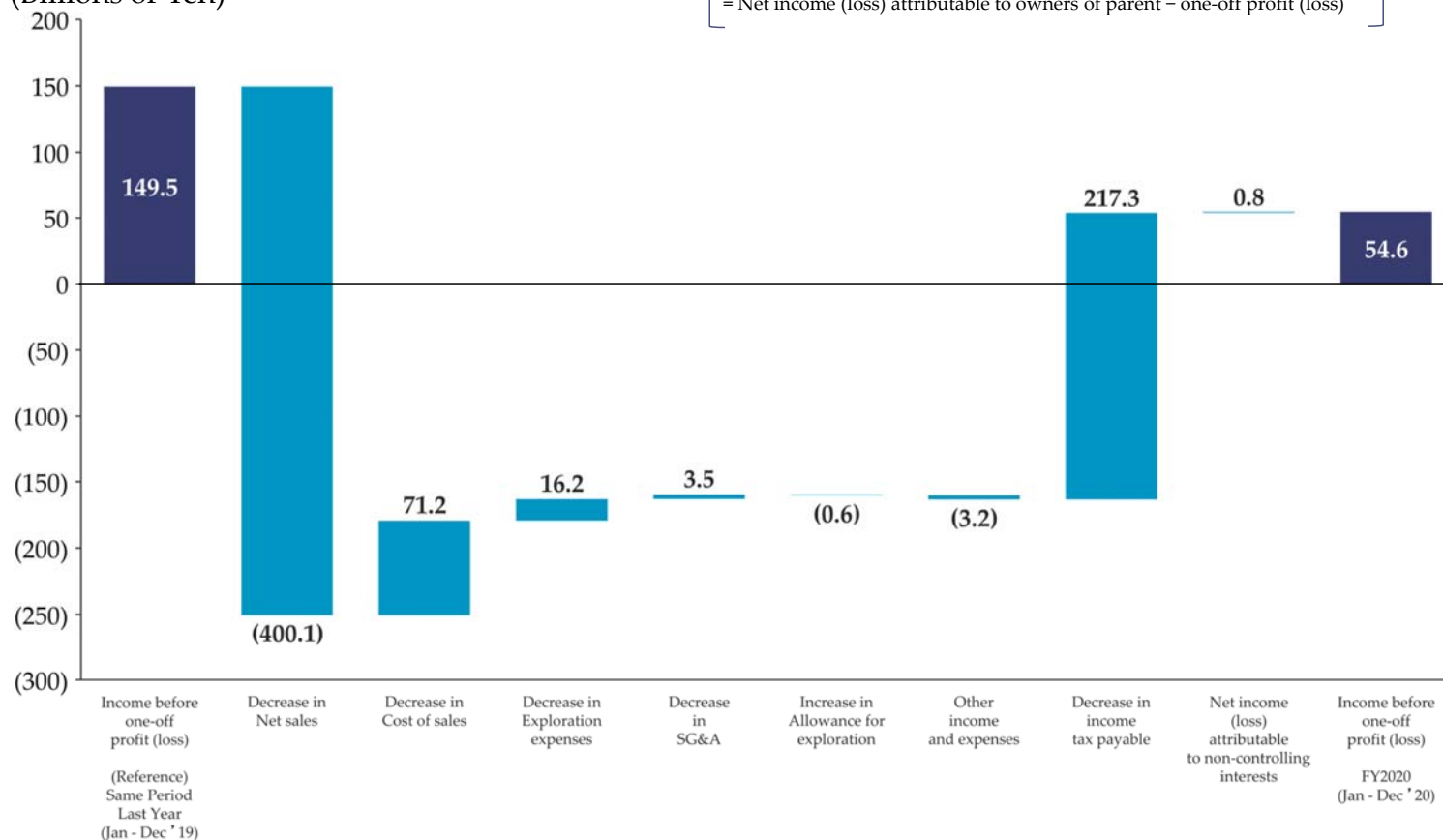
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Analysis of Income before One-off Profit (Loss) Decrease

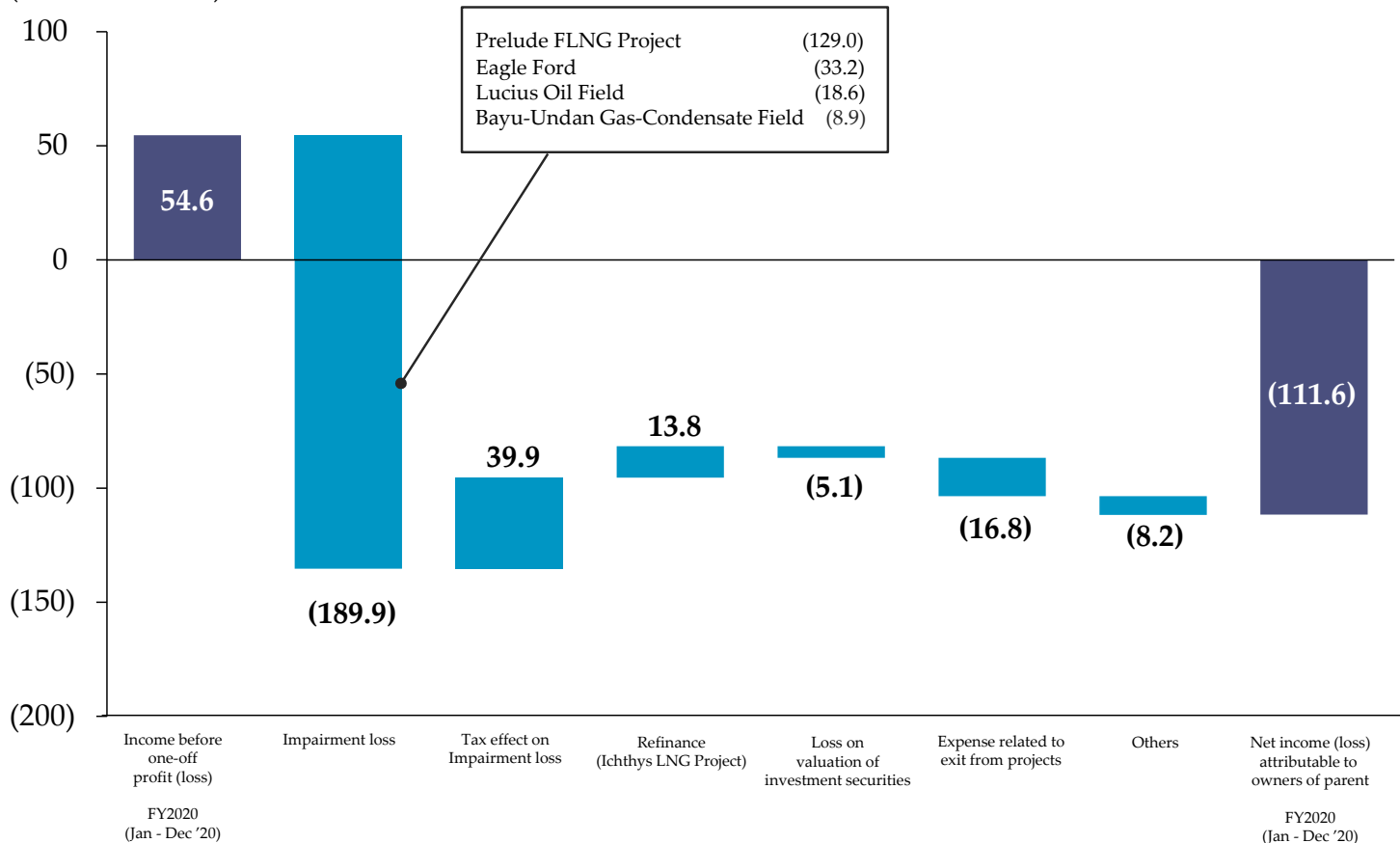
(Billions of Yen)

* Income before one-off profit (loss)
= Net income (loss) attributable to owners of parent – one-off profit (loss)



Analysis of Impact of One-off Profit (Loss)

(Billions of Yen)



(Billions of yen)	December 2019	December 2020	Change	% Change
Current assets	419.8	387.0	(32.7)	(7.8%)
Tangible fixed assets	2,275.3	2,069.7	(205.5)	(9.0%)
Intangible assets	535.3	441.8	(93.4)	(17.5%)
Recoverable accounts under production sharing	568.3	575.5	7.1	1.3%
Other	1,118.0	1,229.7	111.6	10.0%
Less allowance for recoverable accounts under production sharing	(66.8)	(69.4)	(2.5)	(3.8%)
Total assets	4,849.9	4,634.5	(215.4)	(4.4%)
Current liabilities	401.4	339.2	(62.1)	(15.5%)
Long-term liabilities	1,151.3	1,293.8	142.5	12.4%
Total net assets	3,297.1	3,001.3	(295.8)	(9.0%)
(Non-controlling interests)	256.4	264.7	8.3	3.3%
Total liabilities and net assets	4,849.9	4,634.5	(215.4)	(4.4%)
Net assets per share (Yen)	2,082.43	1,874.08	(208.35)	(10.0%)

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

- Current assets : 143.7
- Fixed assets : 3,457.6
- Total assets: 3,601.4

*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 1.2 trillion yen.

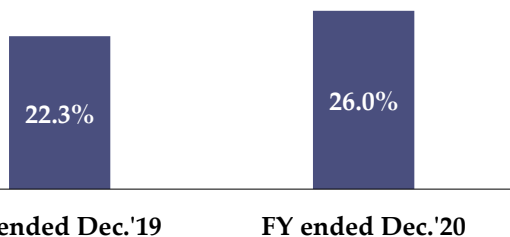
Adding the off-balanced net loans of the Ichthys IJV brings the total of INPEX net loans to be 2.1 trillion yen (as of Dec, 2020).

(Billions of yen)
Total shareholders' equity: (155.5)
Accumulated other comprehensive income : (148.7)

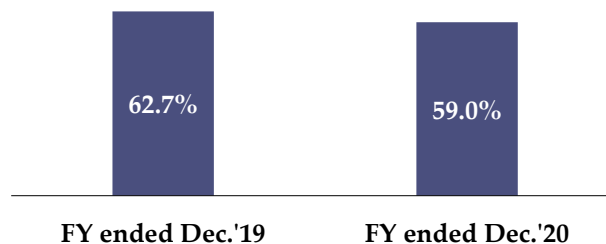
Statement of Cash Flows

(Billions of Yen)	FY2020 (Jan - Dec '20)	(Reference) FY2019/12 (Apr - Dec '19)
Income before income taxes	67.3	510.2
Depreciation and amortization	174.0	135.6
Impairment loss	189.9	0.7
Recovery of recoverable accounts under production sharing (capital expenditures)	34.6	32.2
Recoverable accounts under production sharing (operating expenditures)	(7.1)	(5.4)
Income taxes paid	(218.0)	(337.4)
Other	51.9	(61.3)
Net cash provided by (used in) operating activities	292.9	274.7
Payments for time deposits / Proceeds from time deposits	(10.8)	0.0
Payments for purchases of tangible fixed assets	(129.7)	(109.7)
Payments for purchases of marketable securities/investment securities and proceeds from sales of marketable securities/investment securities	0.8	2.1
Investment in recoverable accounts under production sharing (capital expenditures)	(35.0)	(36.6)
Long-term loans made / Collection of long-term loans receivable	(44.7)	(108.4)
Payments for purchase of long-term loans receivable	(201.7)	-
Payments for acquisitions of participating interests	(5.7)	(35.8)
Other	9.8	(0.1)
Net cash provided by (used in) investing activities	(417.1)	(288.7)
Net cash provided by (used in) financing activities	126.7	(48.6)
Cash and cash equivalents at end of the period	172.4	173.7

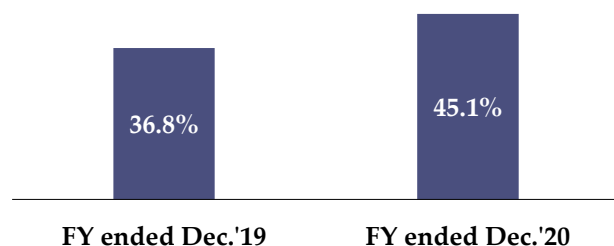
Net Debt/Total Capital Employed (Net)^{*1}



Equity Ratio^{*2}



D/E Ratio^{*3}



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

Consolidated Financial Forecasts for the year ending December 31, 2021

Assumptions	First Half (Jan to Jun 2021)	Second Half (Jul to Dec 2021)	Full Year (Jan to Dec 2021)
Brent oil price (\$/bbl)	53.0	53.0	53.0
Average exchange rate (¥/\$)	103.0	103.0	103.0

Full Year	FY2020/12 (Actual)	FY2021/12 (Forecast)	Change	% Change
Net Sales (Billions of yen)	771.0	883.0	112.0	14.5%
Operating Income (Billions of yen)	248.4	319.0	70.6	28.4%
Ordinary Income (Billions of yen)	257.3	353.0	95.7	37.2%
Net income (loss) attributable to owners of parent (Billions of yen)	(111.6)	100.0	211.6	-

1st Half	FY2020/12 2Q (Actual)	FY2021/12 2Q (Forecast)	Change	% Change
Net Sales (Billions of yen)	391.6	416.0	24.4	6.2%
Operating Income (Billions of yen)	123.7	146.0	22.3	17.9%
Ordinary Income (Billions of yen)	149.2	157.0	7.8	5.2%
Net income (loss) attributable to owners of parent (Billions of yen)	(120.7)	35.0	155.7	-

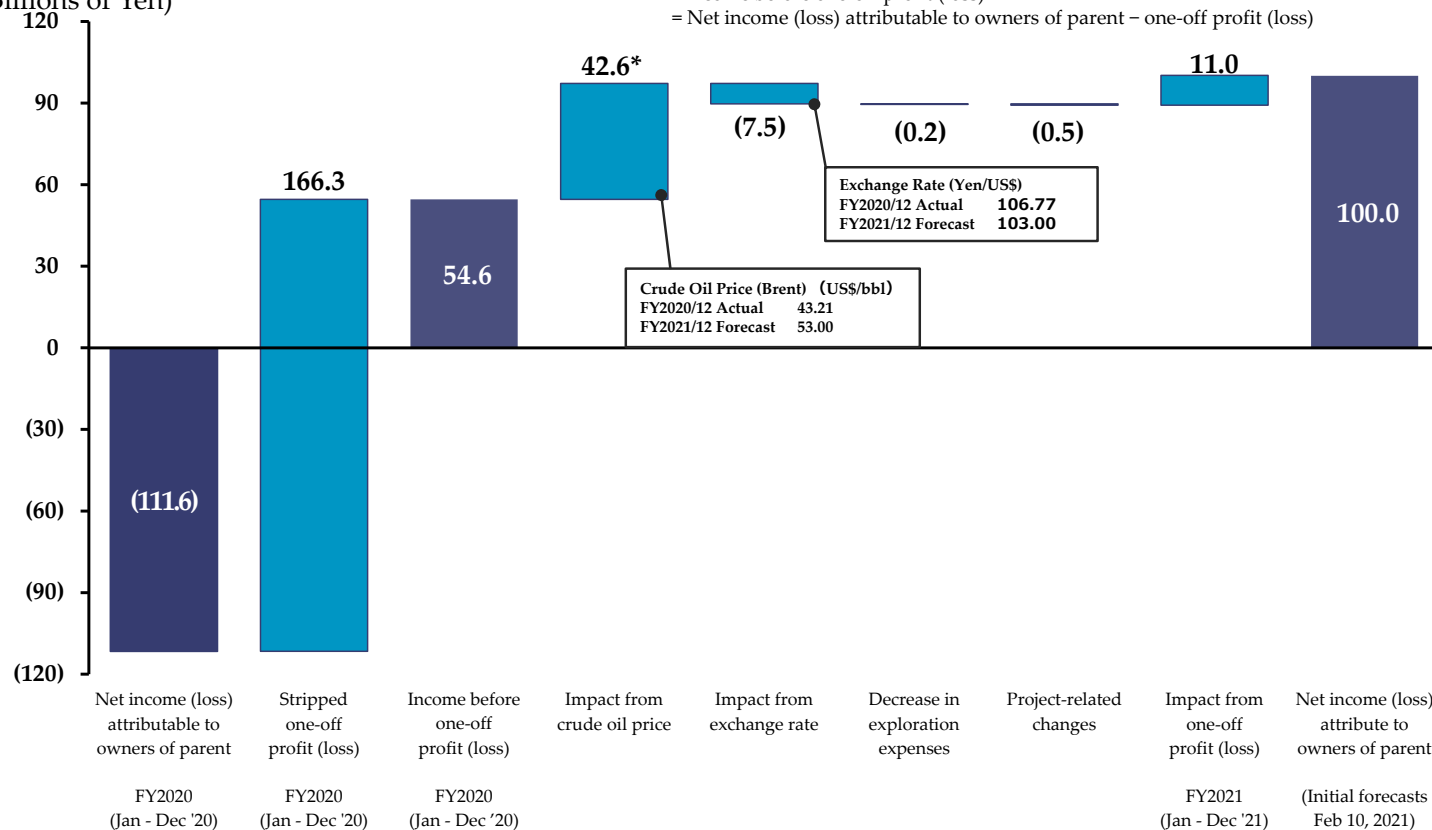
Cash dividends per share* (yen)	FY2020/12 (Actual)	FY2021/12 (Forecast)
2Q End	12.0	13.5
FY End	12.0	13.5
TOTAL	24.0	27.0

* FY2021 dividend reference dates are June 30, 2021 for the mid-term dividend and December 31, 2021 for the year-end dividend.

FY2021/12 Financial Forecasts Analysis of Increase

(Billions of Yen)

* Income before one-off profit (loss)
= Net income (loss) attributable to owners of parent – one-off profit (loss)



* The discrepancy between the oil price impact figure shown above and the oil price impact calculated from the difference in the Brent oil prices and the oil price sensitivity for FY2021 takes into consideration certain natural gas sales applying oil prices on a delayed basis.

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Sales and Investment Plan for the year ending December 31, 2021

		FY2020/12 (Actual)	FY2021/12 (Forecast)	Change	% Change
Sales Volume	Crude oil (thousand bbl) *1	117,282	111,732	(5,550)	(4.7%)
	Natural gas (million cf) *2	467,466	481,431	13,965	3.0%
	Overseas	390,053	402,758	12,705	3.3%
	Japan	77,413 (2,074 million m ³)	78,673 (2,108 million m ³)	1,260 (34 million m ³)	1.6%
	LPG (thousand bbl) *3	257	511	254	98.8%

(Billions of yen)	FY2020/12 (Actual)		FY2021/12 (Forecast)		Change	% Change
Development expenditure and others*4	167.2		231.0		63.8	38.2%
Exploration expenditure	10.7		16.0		5.3	49.5%
Other expenditure	2.8		8.0		5.2	-
Exploration expenses and Provision for explorations*5	Exploration expenses 9.0	12.4	Exploration expenses 14.0	16.5	4.1	33.1%
	Provision for explorations 3.3		Provision for explorations 2.4			
(Non-controlling Interests Portion) *6	0.9		6.8		5.9	-

*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.

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- Sensitivities of crude oil price and foreign exchange fluctuation on consolidated net income attributable to owners of parent for the year ending December 31, 2021*¹

(Billions of yen)

Brent Crude Oil Price; \$1/bbl increase (decrease)* ²	<p style="text-align: center;">At Beginning of 1Q : +6.6 (-6.6)</p> <p>The impact on net income will change in FY2021 as below;</p> <p style="text-align: center;">At beginning of 2Q : +4.6 (-4.6)</p> <p style="text-align: center;">At beginning of 3Q : +2.4 (-2.4)</p> <p style="text-align: center;">At beginning of 4Q : +1.0 (-1.0)</p>
Exchange Rate; ¥1 depreciation (appreciation) against the U.S. dollar* ³	+2.0 (-2.0)

*1 The sensitivities represent the impact on net income for the year ending December 31, 2021 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.

*2 Net income sensitivity is determined by fluctuations in the oil price and is subject to the average price of crude oil (Brent). A breakdown of quarterly sensitivity figures is listed below taking into consideration certain natural gas sales applying oil prices on a delayed basis;

- At beginning of 1Q : +6.6 billions of yen (1Q : +1.0 billions of yen, 2Q : +1.2 billions of yen, 3Q : +2.2 billions of yen, 4Q : +2.2 billions of yen)
- At beginning of 2Q : +4.6 billions of yen (1Q : -----, 2Q : +1.0 billions of yen, 3Q : +1.4 billions of yen, 4Q : +2.2 billions of yen)
- At beginning of 3Q : +2.4 billions of yen (1Q : -----, 2Q : -----, 3Q : +1.0 billions of yen, 4Q : +1.4 billions of yen)
- At beginning of 4Q : +1.0 billions of yen (1Q : -----, 2Q : -----, 3Q : -----, 4Q : +1.0 billions of yen)

*3 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, sensitivity related to the valuation of 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 largely neutralized.

Comparison of FY2020/12 Results with the same period last year

- INPEX's accounting period changed to the January to December period from the April to March period from the fiscal year ended December 31, 2019.
- FY2020/12 figures are compared with the (Reference figures) same period last year (January to December 2019).

(Reference figures) Same period last year (January to December 2019) *

2019				2020			
Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
(Reference figures) Same period last year				FY2020/12			

* Unaudited figures for reference purposes only