INPEX CORPORATION

Financial Results
for the six months ended June 30, 2023

August 10, 2023
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Agenda

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2. Sustainable Growth of Corporate Value

Takayuki Ueda
Representative Director, President & CEO

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4. Consolidated Financial Forecasts for the year ending December 31, 2023

Daisuke Yamada
Director, Managing Executive Officer, Finance & Accounting

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1. Business Overview

INPEX

Takayuki Ueda

Representative Director, President & CEO

- I am Takayuki Ueda, President & CEO of INPEX CORPORATION. Thank you very much for your attendance today. And also, for those who participating through Zoom, thank you for your interest.

- I would like to give explanations about our business activities and also our efforts to improve INPEX's corporate value. I would rather focus more on the latter today. With regards to the interim results, Mr. Yamada will give a more detailed explanation after myself.

Business Activities in FY2023 – Oil and Gas Business –

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		First half of FY2023	Second half of FY2023 (planned)
Production phase projects	Ichthys LNG (Australia)	Conducted stable production operations overall. 65 LNG cargos shipped.	Aim to increase production capacity to 9.3 million tons of LNG per annum.
	Offshore Oil Fields & Onshore Concession (Abu Dhabi)	Conducted stable production operations and continued production capacity increase.	Conduct stable production operations and continue production capacity increase.
	Snorre Oil Field etc. (Norway)	Started supplying power from floating wind farm to Snorre project.	Conduct stable production operations and explore opportunities to develop discovered but undeveloped oil and gas fields.
Pre-FID phase projects	Abadi LNG (Indonesia)	Submitted revised POD incorporating CCS.	Continue activities related to FEED and FID.
Exploration phase projects	Vicinity of the Ichthys Field	Continued exploration studies.	Plan to conduct exploratory drilling at WA-285-P.
	Abu Dhabi Onshore Block 4	Conducted exploration activities and drilling at appraisal wells.	Conduct drilling at exploration and appraisal wells. Conduct evaluation work for the block.
	Other	Awarded Blocks 4E and SK428 in Malaysia.	Commence exploration activities at both blocks.
		Continued exploratory drilling operations north of Minami-Nagaoka Gas Field in Japan.	Consider gas field development based on results of exploratory drilling.

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- I would like to give a brief overview of our business activities, so please refer to the document at your hand. The first half of this fiscal year results and the second half-year expectations are shown on our presentation. Ichthys LNG project has continued almost steady operations, and we have shipped 65 LNG cargoes.
- We had some minor temporary issues at the production, however these were already resolved. During the second half of the year, we continue to aim for establishing the production capacity of 9.3 million tons of LNG. In Abu Dhabi, we have continued stable operations, and we are working on enhancing production capacity together with ADNOC, the Abu Dhabi national oil company.
- In Norway, at the Snorre Oil Field, we were planning to supply power from a floating wind farm to our oil and gas production facility, and the power supply has started.
- In fact, 30% of the electricity used at the platform of Snorre is supplied by this floating wind farm. We continue to work on achieving stable operations and consider to develop discovered but undeveloped oil and gas fields.
- As for Abadi LNG project, where the work had been suspended for a while, we have submitted a revised plan of development that incorporated CCS to the Indonesian government.
- And new partners, after Shell, decided to join the project. We welcome both, Pertamina, the national oil company of Indonesia, and Petronas, the national oil company of Malaysia, and are going to make a restart of the Abadi Project with these new partners.
- In the vicinity of Ichthys Field, for the purpose of maintaining a long-term plateau production, we are engaged in exploration works, and are planning to drill an exploratory well at WA-285-P block.
- Also, exploration drilling has been conducted over a year at Abu Dhabi onshore Block 4. We will continue these exploration and appraisal works, and proceed evaluation work for the block.
- In addition, we have acquired blocks in Malaysia, and started various activities in that relation.
- As for domestic projects, we are continuing exploratory drilling at a location north of the Minami-Nagaoka Gas Field in Japan and will consider future activities based on the results in autumn.

Business Activities in FY2023 – 5 Net Zero Businesses –

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	First half of FY2023	Second half of FY2023 (planned)
Hydrogen & Ammonia	Completed land reclamation for Blue Hydrogen/Ammonia Project in Kashiwazaki City, Niigata Prefecture, Japan.	Held a groundbreaking ceremony and commenced construction of surface facilities in July. Aim to begin commissioning in March 2025 and complete construction in August 2025.
CCS/CCUS	Evaluated the feasibility of sequestering CO_2 captured at the INPEX-operated Ichthys LNG plant in Darwin, Australia.	Conduct 3D-seismic data surveys.
	Applied to undertake “Tohoku Region West Coast CCS Initiative” and “Tokyo Metropolitan Area CCS Project” for the FY2023 “Survey on Implementation of Advanced CCS Projects” commissioned by JOGMEC and passed screening process.	Officially selected by JOGMEC to participate in the two projects listed on left.
Renewable Energy	Acquired shares in Moray East Offshore Wind Farm, UK	Acquired 50% of shares in Enel Green Power Australia engaged in renewable energy operations including retail and trading.
Carbon Recycling & New Business	Commenced construction of CO2-methanation test facilities capable of producing 400 normal cubic meters of methane per hour in Niigata, Japan	Continue construction of facilities, aim to start production during FY2025.
Forest Conservation & Other	Marketed carbon-neutral products including gas and jet fuel.	Implement project assessments to acquire new forestation credits.

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- With regards to 5 net zero businesses, which are businesses other than the oil and gas, there are various progresses as well.
- First, as for hydrogen and ammonia business, we had the groundbreaking ceremony in July for the construction of a blue hydrogen and ammonia demonstration plant in Kashiwazaki City, Niigata Prefecture, Japan.
- We have taken a big step forward in realizing the first blue hydrogen and blue ammonia project in Japan, with the aim of commissioning in March 2025 and completing construction in August 2025.
- CCS business, which is also very important for us, there have been progresses as well. In Ichthys, Australia, we have obtained the CCS block from the Australian government. Evaluation work and appraisal drilling will be conducted going forward.
- In Japan domestically, our two projects, called “Tokyo Metropolitan Area CCS Project” and “Tohoku Region West Coast CCS Initiative” passed screening process and officially selected for “Survey on Implementation of Advanced CCS Projects” commissioned by JOGMEC. These two projects will go into the Feasibility Study phase.
- As for the field of renewable energy, we have obtained the part of the shares of Moray East Offshore Wind Farm, offshore Scotland.
- Italian utility company Enel, a leading renewable energy company in Europe has in fact a total power generation capacity of about half of all of the renewable energy capacity in Japan. Enel has a subsidiary in Australia called Enel Green Power Australia. As we have announced recently, we obtained 50% of shares in Enel Green Power Australia. We will work together with them to engage in new renewable energy business in Australia. We have already concluded contracts, and we are in the process of closing transaction.
- Like carbon recycling and other new business, including forest conservation, our various businesses are making steady progresses.

Highlights of first half FY2023 Results

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Net sales	Net production volume per day
¥1,078.7billion	647.2 thousand
(1.8% decrease YoY)	(1.0% decrease YoY)

Production cost per barrel	Net income attributable to owners of parent
US$5.7	¥254.2 billion
($0.1 decrease YoY)	(38.1% increase YoY)

*Average crude oil price (Brent) $79.91, average exchange rete ¥/$ 134.99.

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- Here is the highlights of the first six months of this fiscal year. Details will be explained by Mr. Yamada later.

- We posted 1,078.7 billion yen net sales and our net production volume per day reached about 647 thousand barrels of oil equivalent. Net income attributable to owners of parents recorded 254.2 billion yen, and production cost per barrel came to 5.7 dollars per barrel.

Forecast for the year ending December 31, 2023

Net sales

¥2,031.0 billion

(12.6% decrease YoY)

Net production volume per day

625.9 thousand

(1.0% increase YoY)

Production cost per barrel

US$6.0

($0.2 increase YoY)

Net income attributable to owners of parent

¥320.0 billion

(30.6% decrease YoY)

*Assumption: Average crude oil price (Brent) $80.0, average exchange rete ¥/$ 135.0.

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- Our forecast for fiscal year 2023 is shown here. Our forecasted net sales are 2,031.0 billion yen and estimated net production volume is 626 thousands of barrel of oil equivalent to per day, which is slightly lower. Forecasted net income attributable to owners of parent is 320.0 billion yen, and estimated production cost per barrel is approximately 6 dollars.

Progress against Medium-term Business Plan 2022-2024

		FY2022 (Actual)	2Q FY2023 (Actual)	FY2023 (Expected)	FY2024 Targets	
Assump-tions	**Brent Oil Price (US$ per barrel)**	99.04	79.91	80.0	US$60	US$70
	Exchange rate (JPY/US$)	131.64	134.99	135.0	110	110
Management Targets	**Net income attributable to owners of parent**	¥461.0 billion	¥254.2 billion	¥320.0 billion	¥170.0 billion	¥240.0 billion
	Operating Cashflow before exploration * Includes Ichthys downstream Incorporated Joint Venture and differs from institutional accounting basis	¥1,061.6 billion	¥570.5billion	About ¥895.0 billion	¥600.0 billion	¥700.0 billion
	ROE	13.5%		Around 8.5%	Around 6.0%	Around 8.0%
	Net debt/equity ratio *Includes Ichthys downstream Incorporated Joint Venture and differs from institutional accounting basis	46.0%	34.4%	Around 38%	50% or less	50% or less
Business Targets	**Net production volume (boed)**	622 thousand	647 thousand	626 thousand	Level exceeding 700 thousand boed	
	Production cost per barrel (excluding royalties)	US$5.8	US$5.7	US$6.0	Reduction towards US$5 per barrel or below	
	Net Carbon Intensity * (equity share emissions volume (Scope 1＋2) - offset) / (net production volume of upstream oil & gas business + electricity generated using renewable energy)	28kg/boe		Reduction of 2/3 of the FY2024 target or more	Reduction of 10% (4.1kg/boe) or more over a 3-year period towards 2030 target * 2030 target: Reduction of 2019 net carbon intensity (41.1kg/boe) by over 30%	
	Safety	Zero major accidents	Zero major accidents		Zero major accidents * Fatalities, major leaks and serious injuries, etc. at INPEX-operated projects	

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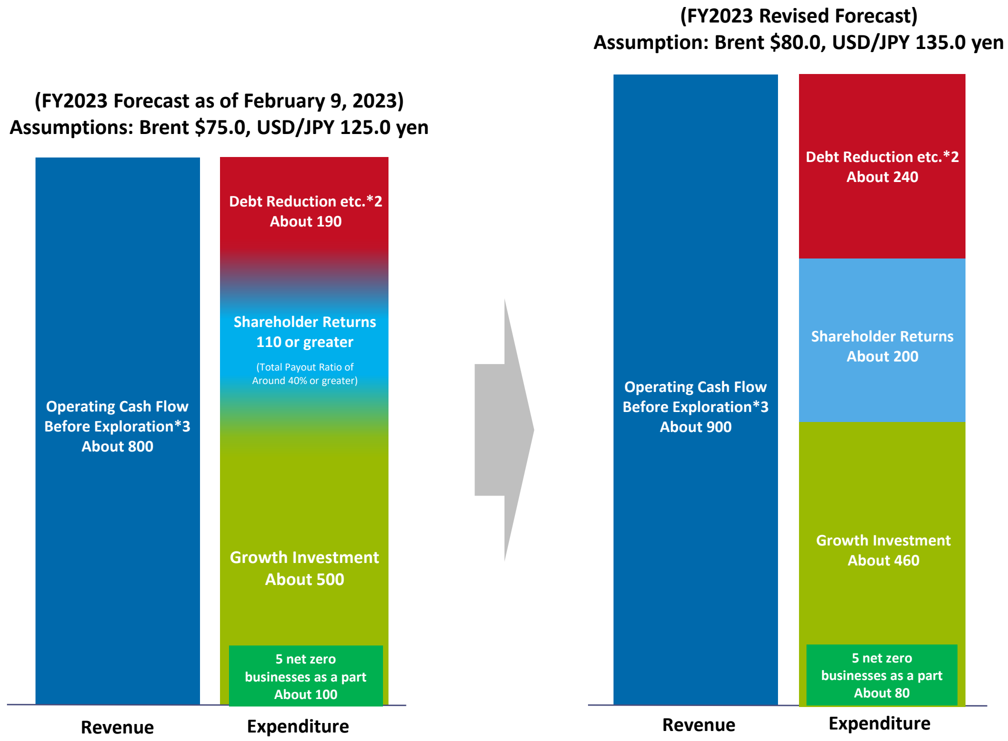
○ Here is the progress against the Medium-term Business Plan. Based on the assumption of 80 dollars average Brent oil price and average exchange rate of 135 yen, our forecasted net income is 320.0 billion yen and the forecasted Operating Cash flow before exploration is about 895 billion yen.

○ So far, we largely made steady progress towards our management targets.

FY2023 Cash Allocation Forecast of Operating Cash Flow before Exploration*1

INPEX

(Billions of Yen)



*1 Including cashflow of Ichthys LNG Pty Ltd, the Ichthys Downstream IJV (Incorporated Joint Venture), an equity method affiliate
*2 Including increase/decrease of cash and deposits etc.
*3 Figure after deducting R&D costs of approximately 8.0 billion yen related to activities including the integrated demonstration of hydrogen & ammonia production in Kashiwazaki City, Niigata Prefecture, Japan and the methanation project.

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- Next slide shows our cash flow allocation.

- We expect the operating cash flow before exploration of approximately 900 billion yen, an increase of approximately 100 billion yen from the previous forecast of 800 billion yen at the beginning of the fiscal year.

- Growth investment slightly decreased from 500 billion yen to 460 billion yen. Total amount of shareholder returns has increased to approximately 200 billion yen, which is significantly increased from the initial forecast of 110 billion yen.

ESG Initiatives

INPEX

Environment

- Received an A- score in the CDP 2022 climate change disclosure
- Received a special award as Environmentally Sustainable Company at Japan Environment Ministry's ESG Finance Awards Japan
- Identify risks and opportunities based on policies and commitments on biodiversity conservation, water management, and waste management established at the end of 2022.

Social

- Published INPEX's Supplier Code of Conduct established in 2022
- Engaged in social investment activities globally of approximately 3.0 billion yen (in 2022)
- Announced and started Reconciliation Action Plan 2023-2025 published in Australia
- Established a foundation with an endowment of 3.0 billion yen to strengthen social contribution efforts in the UAE

Governance

- Disclosed the Board of Directors Skill Matrix and continued to undertake evaluation of the effectiveness of the Board
- Operated the executive compensation system linked to the Medium-term Business Plan
- Formulated initiatives to implement management taking into account cost of capital and share prices
- Held the Board of Directors meeting in Abu Dhabi

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○ Let me explain our ESG initiatives. We have been quite proactive in this area. For example, we have received a special award as environmentally sustainable company at Japan Environment Ministry's ESG Finance Awards Japan. We are very keen to be proactive in the area of ESG.

2. Sustainable Growth of Corporate Value

INPEX

Takayuki Ueda

Representative Director, President & CEO

- And so from here, I would like to share with you my thoughts on the topic toward sustainable growth of our corporate value.

Analysis of Current Situation

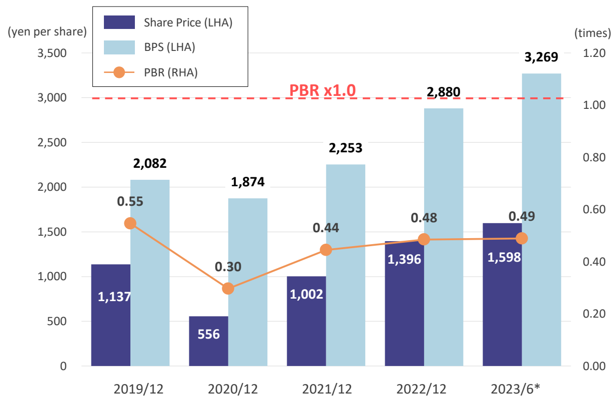
INPEX

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.

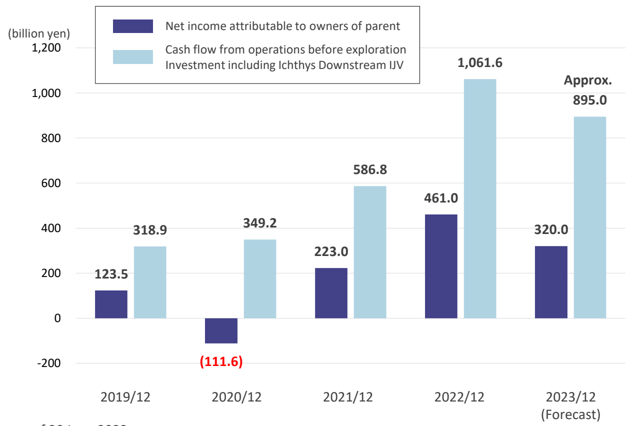
On the other hand, in view of the current global energy situation, we acknowledge there are growing expectations for the roles we play in society. Thus, we aim to thoroughly make our oil & gas business cleaner and more resilient to strengthen our stable supply of energy.

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.

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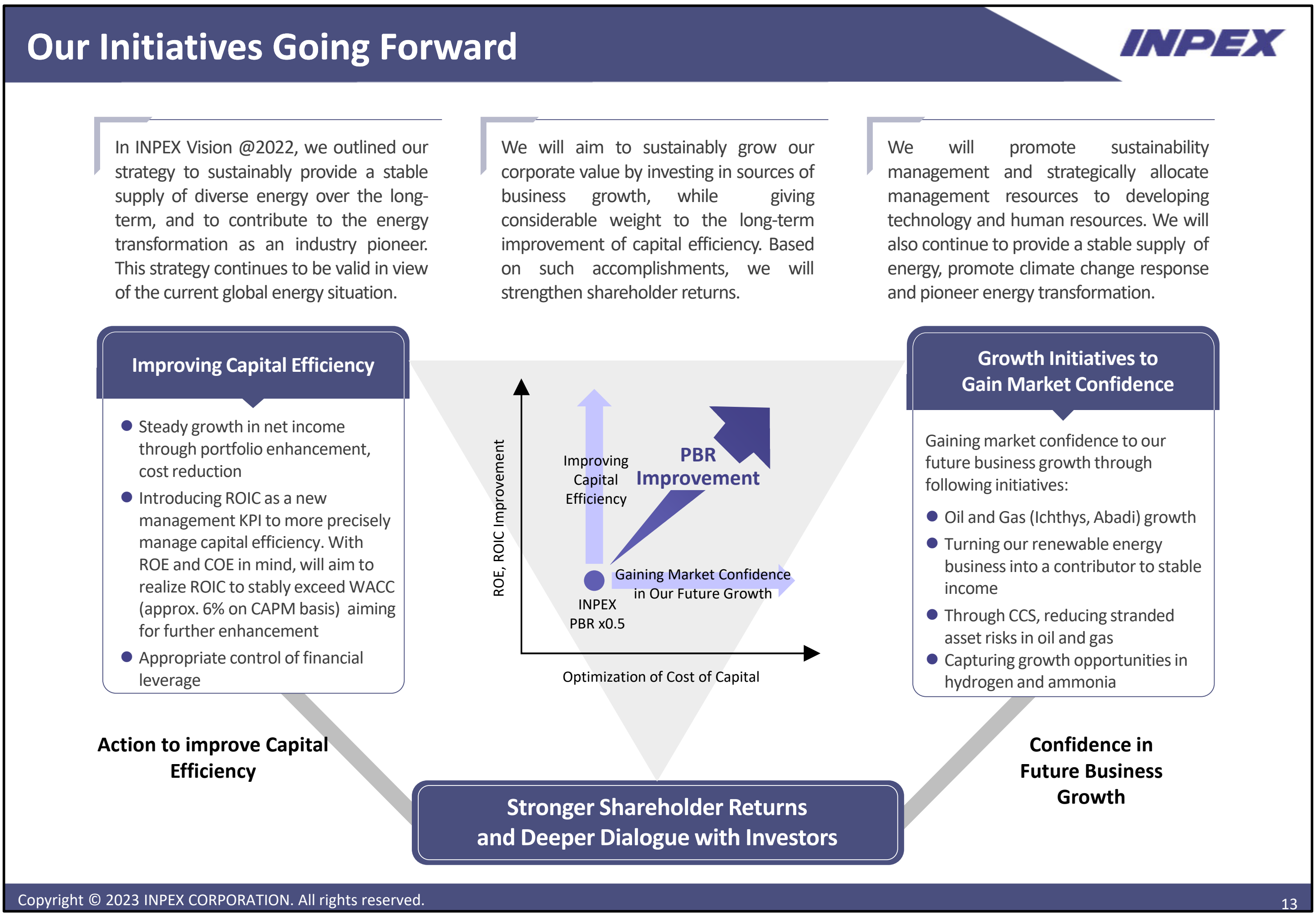
- This is essentially an analysis of our current situation. As you can see on the graph toward the right, after we started production at Ichthys, the INPEX's financial performance has progressed quite stably. I'm not going to mention the numbers, but last year and this year, we have been able to and forecast to generate reasonable level of profit and cash flow. And so from 2018, when we started production of Ichthys, except for the year that we booked a large impairment loss in 2020, the company's ability to make earnings has continued to improve.
- On the other hand, in regard to PBR that the Tokyo Stock Exchange has referred, as you are well aware, as shown on the left graph, we are still far short of the Price Book Ratio of 1 time, and so 0.49 or 0.5 was the level that we were at as of the end of June this year, and today I think it's 0.7 or so because our share price has increased, but it's still well short of 1 time.
- So why is that the case? We have been achieving strong results, and our mid-term projection is not all that negative, but still we have not been assessed highly by the market. So what is the reason for this? We had quite a thorough internal discussion on this.
- And to mention a few, first is that the market sees the hydrocarbon business, like oil and gas, with uncertainties. Would there be the possibility of our assets becoming stranded? Until when can we continue production? I think there are uncertainties and less visibility regarding hydrocarbon, which could be one of the reasons as to why we are not considered highly by the market.
- Another factor is the ability to make a profit, particularly in comparison to super majors overseas. People may think that our ability to generate earnings is not that high.
- And also on that basis, our shareholder returns policy. So when we compare against the international majors and also inclusive of what the foreign investors are saying, there are points raised that we may be able to do something more.
- And so uncertainties regarding fossil fuels and the long-term outlook of our earnings and shareholder return, I think all of these have contributed to the market assessment of INPEX at this point in time.



- So the question is, what should we do? There's the discussion. And there are three main pillars or three arrows shown here. Three directions are shown on the slide, and for each of these, I'd like to explain using one slide, respectively.

- So these three pillars, one is the increase in the capital efficiency. The second, as shown on the right, is the actual initiative to gain market confidence. And the third is at the bottom, the stronger shareholder returns and deeper dialogue with investors. These three pillars, from our perspective, are not independent, but should be worked on integrally.

- And in particular, for example, for our capital efficiency improvement, the ROIC is included in the management KPI. But including ROIC alone will not solve the uncertainties around fossil fuel business, and if that's the case, the market assessment of INPEX will still be low.

- If the shareholder returns is not enough, we won't be able to gain the market confidence.

- Therefore, these three pillars, the improvement in capital efficiency and gaining market confidence through growth initiatives and stronger shareholder returns and deeper dialogue with investors, are what we'd like to work on together comprehensively.

- So for each of these pillars, I'd like to explain them in detail using the next slide.

Initiatives to Improve Capital Efficiency

INPEX

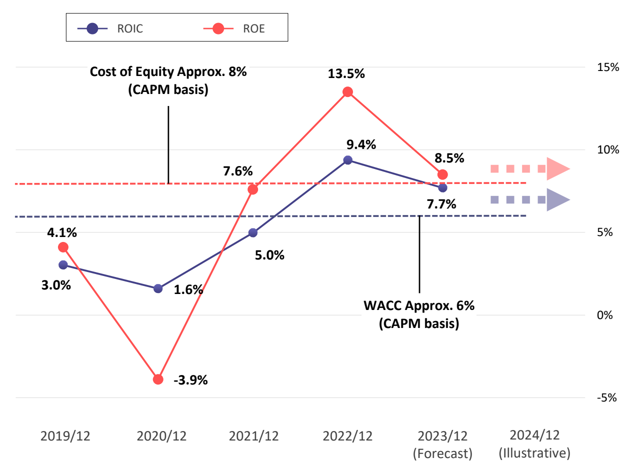
Following the start-up of Ichthys, INPEX is in the next phase of growing its business foundations. By continuing even higher quality growth investments, we aim to enlarge our portfolio and improve capital efficiency through strengthening our energy business foundations.

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.

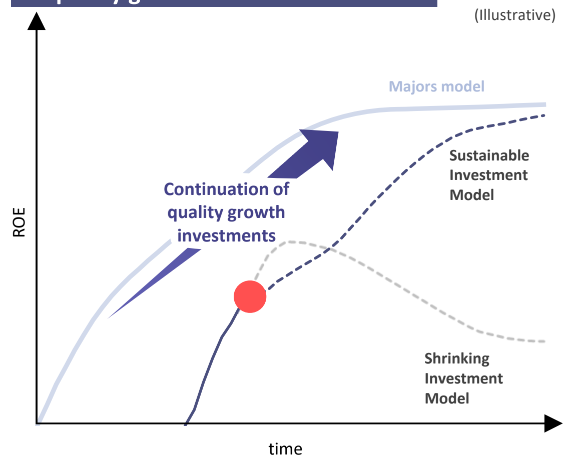
Backed by strong cashflow through factors such as stable production at Ichthys, reduction of interest-bearing debt has progressed ahead of schedule further securing our financial soundness. Going forward, we will appropriately control leverage so that the net D/E ratio remains largely within the range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

ROE、ROIC



Increasing ROE through continuation of quality growth investments

(Illustrative)



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- The first is the improvement of capital efficiency, and from our perspective, since the start of Ichthys production, we are entering the new phase to expand the business foundation.

- And by continuing even higher quality growth investments and by accumulating these good assets, we would like to enlarge our portfolio and improve capital efficiency through strengthening our energy business foundations. So that’s the first and foremost basic approach.

- And as shown in the middle, to achieve the capital efficiency improvements, we have ROIC as a new management KPI, aiming to achieve a ROIC above WACC in each of our business areas.

- And then talking about the definition of ROIC, it might be slightly different from the general definition. So based on our business characteristics, for example, we have the equity method affiliates such as the Ichthys Downstream IJV, so in the normal case you might use operating income; however, in our case, it might not be appropriate. And also, 90% of our business is overseas, therefore, there are some different tax systems. Therefore, the operating income itself is not appropriate, and from that viewpoint, as you can see, we have used the adjusted net income, which includes equity in earnings of affiliates such as the Ichthys Downstream IJV, before interest expenses, extraordinary profit/loss and net income/loss attributable to non-controlling interests as the denominator. And then we use the generally used invested capital for the numerator .

- And we aim to achieve a ROIC above WACC. As you can see, there is a trend of ROE and ROIC at the bottom left. We recognize that there are many views around how to look at figures such as ROIC, WACC and the cost of equity. And as you can see, WACC-wise, 6% or so, and the cost of capital about 8% or so. And if you look at 2023, we forecast our ROIC to be 7.7%, and ROE to be 8.5%.

- Going forward, for each of the projects, we will compare ROIC and WACC, and proceed with the projects to achieve a positive ROIC spread going forward.

- And when it comes to the cost of equity, we recognize that there are different views such as using the reciprocal of PER (P/E) The difference might come from the risk of our business, the uncertainties around oil and gas resources sector, so we'd like to pay efforts to gain confidence going forward.

- And the other thing is, for the increased capital efficiency, is the level of interest-bearing debt. As you know, we have an accumulation of large net interest-bearing debt through Ichthys investment, at once time over 2 trillion yen. And today, as we have put priority on reduction of interest-bearing debt, our net interest-bearing debt as of the end of June have come down to 1.4 trillion yen, and to net D/E ratio of 34%. We acknowledge that there are views that it is not always correct to lower the level of debt as low as possible. And we concur with such view and on the basis of understanding that having a net D/E ratio of largely within the range of 30% to 50% won't be a huge problem in the long term, going forward, we will appropriately control leverage. And by doing so, we will aim to make some positive impact on our ROE and ROIC.

- So those were the three areas to improve capital efficiency. Now, talking about our future growth, how are we going to trend going forward, compared to super majors, people might refer to our company being lower ROE. Please have a look at the bottom-right graph. There's the ROE on the vertical axis and time on the horizontal axis. We recognize that the ROE of super majors are considerably high. We believe that the main reason behind this is for the super majors, on top of their own efforts, they have acquired good assets 20 or 30 years ago and depreciation has well progressed resulting in lower level of equity. Through such accumulation of assets, we believe their ROE has gradually increased. So that is our analysis.

- So what is the case for INPEX? We do have assets like Ichthys, but most of our assets or 95% or more are assets (reserves of INPEX operator projects) we have acquired after 2010, and because of the depreciation that's still progressing, ROE will not be as high. Therefore, going forward, by continuing to accumulate investment to quality assets, we think it will take some time, and whether we can achieve the same level as super majors or not is another question, but we would like to increase ROE over the long-term period.

- So the red dot is where we are standing today as INPEX. We are a work in progress or a developing stage today. But by accumulating quality assets, we think it will take some time, but we would like to achieve the level of super majors or get close to that level in the future.

- So there are also discussions, why don't we stop investments? That might lead to higher ROE over the short term, but over the long term, because of a drop in production etc., ROE will go down, so that is not an appropriate approach.

- And living in this era, the difference between us and super majors is that they have very high performing oil and gas assets. We do have oil and gas assets, Abadi included, and we'd like to accumulate those assets, but when it comes to our asset accumulation, not only hydrocarbon but also hydrogen, renewable energy, in these areas, we would like to also accumulate assets in the future course.

- So that's all for the improvement in capital efficiency.

- Next is highlights of our growth initiatives. Our explanation of projects is shown on this slide, but as mentioned, why there is doubt about INPEX's growth is because of the worries around fossil fuel assets being stranded, and also the uncertainties around hydrocarbon businesses.
- And this is what we have mentioned in the past, but this is our view.
- For hydrocarbon, especially LNG, it will play an important role in the transition period, so increasing the production level, while also introducing CCS. By the introduction of CCS, that will lead to a large reduction of carbon dioxide, and by using that approach, we'd like to meet the future demand, so the oil and gas business will be conducted in that manner.
- On the other hand, the 5 Net Zero Businesses, such as the hydrogen and renewable business, we'd like to strengthen it as well, and we think that over the long term will form foundation of our future growth as a company.
- If energy shifts to hydrogen and various other energy sources from hydrocarbons in 2040 or 2050, INPEX will still play as an important company to supply energy, and for that reason, we'd like to unfold our strategy from today.
- So what are we doing in particular? Well, picking a leading example, I'd like to explain about Ichthys and Abadi.
- For Ichthys, as much as possible we'd like to continue the operation of the platform to produce beyond 2050. And today, we are working on exploration of the surrounding blocks and also acquisition and development of the existing discovered reserves. And for the new exploration, we'd like to conduct exploratory drilling in the latter half of this year and into the next fiscal year. So for Ichthys, over the long term, we'd like to have stable production, and we'd like to also conduct deep analysis on its expansion in around 2030.
- And for Ichthys, we would like to introduce CCS.
- We already have been awarded a CCS block by the Australian government, and today we are conducting the evaluation, and we will be drilling two evaluation wells next year. So by this drilling of appraisal wells, we would like to appraise the injectability of CO_2. In the latter half of the 2020s, we would like to apply CCS for the Ichthys Project.

- Then for Abadi, due to COVID-19 and Shell withdrawal, it was in a suspended status for a while. As reported, the Indonesian NOC, National Oil Company, Pertamina, and the Malaysian NOC, Petronas, will have a 20% and 15% stake, respectively, to participate in Abadi, and that has been mostly decided. With the new partners, we would like to restart Abadi.
- And then Abadi's goal, Abadi is a green field project and some people say that the risk might be high, but from our perspective, to accumulate quality assets long term, we are seeing Abadi as one of the major projects from that perspective.
- And as mentioned, a mid-10% level of IRR is what we would like to secure for Abadi and also we aim to achieve a ROIC well above the WACC. Having those targets in mind, we would like to progress Abadi Project going forward.
- And then, for future source of stable earnings, we have the renewable energy. We already have about 0.45 gigawatts of power generation capacity, that is generated by power plants including geothermal and wind.
- Recently, we have acquired 50% of the shares of Enel Green Power Australia from Enel Green Power, a subsidiary of Enel, Italian utility company headquartered in Rome. We have a 50/50 stake to promote this project in Australia. Engaged businesses are wind power, solar power, and also storage battery, which is a unique feature of this business.
- We do have completed facilities, but not only that, there projects under construction and projects in planning phase. Also, we would like to conduct retail business and trading business of generated power as well as part of the wide-ranging business portfolio.
- And for renewable energy, it is not easy to achieve high economics just by acquiring assets and generating power, as you know. But by getting involved in wide-ranging renewables energy business portfolio including battery storage and retail, with equal footing, we aim to increase the economics of the renewable energy business, and that is our direction.
- Next, regarding the advance investment in emerging markets. For CCS, we mentioned earlier, but for the hydrogen, in Niigata, we have the blue hydrogen project. Also on ammonia, we are looking at various projects including in UAE and United States, and we are considering to promote these projects.
- And during the visit of Prime Minister Kishida to Abu Dhabi a while ago, we signed on two projects. One is with Mitsubishi Chemical and ADNOC, which is a green hydrogen utilized petrochemical project, to produce polypropylene. And the other is with Masdar, an e-methane, methanation project. So for these we would like to continue feasibility studies.
- As to these emerging areas including hydrogen and ammonia business, it is not something we can generate earnings right away, but when it comes to the future transition, we would like to be prepared and will be the first company, the first entrants'.
- So to summarize, we think hydrocarbon, mainly natural gas, for the meantime will remain to be important. We'd like to work on the Abadi Project, and also utilize CCS so that we can have a clean LNG business over the long term.
- On the other hand, renewable energy, hydrogen, CCS, the so-called net zero business, is what we'd like to work aggressively on so that when the energy transition happens and if we have a hydrogen society in the future, INPEX will still be the supplier and may play the main role, and we'd like to prepare ourselves for that future.
- So these are the efforts we'd like to take continually so that we will take off your concerns on whether INPEX will be okay in the future or whether our oil and gas assets might get stranded.

Stronger Shareholder Returns and Deeper Dialogue with Investors

INPEX

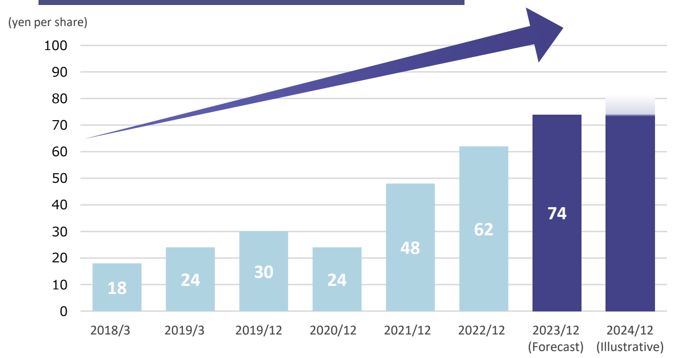
Based on our confidence in securing future business growth and as an action to improve capital efficiency, we will continue to strengthen shareholder returns.

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

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- The third is the stronger shareholder returns and deeper dialogue with investors.
- This time, as mentioned, concerning various areas, shareholder return is what we'd like to strengthen and also have deeper dialogue with our investors. As already reported in news, there are four main areas. One is the annual DPS forecast increase to 74 yen per share from 62 yen in fiscal year 2022, 37 yen on the interim and 37 yen at the year-end.
- And then for the next fiscal year, we'd like to make our best efforts so that the DPS will be equal to or greater than fiscal year 2023.
- And then, we also have the buyback amounting to 100 billion yen in fiscal year 2023. Also, we plan to cancel our own shares to be acquired in fiscal year 2023 amounting to 100.0 billion yen, together with the shares acquired in the past amounting to 120.0 billion yen.
- And based on the progressed reduction of interest-bearing debts, while controlling the net D/E ratio and also balancing with the growth investments, we'd like to continue strengthening the shareholder returns. So that is the direction as a company.
- And if we have 320 billion yen of net income, then we have a quite high level of total payout ratio which is 61%.
- And, on the many points that we have just explained, we would like to have dialogue with the investors. For the first time, we are setting up an investor day and also we would like to have increased engagement with institutional investors through one-on-one meetings and so forth, as well as with individual investors. And the tour of our facilities, domestic and overseas, is what we'd like to enhance as well.
- So that's all for our large direction and the three pillars, and working on them all together, comprehensively, is the direction to improve our corporate value.
- That's all from me. Thank you very much.

3. Consolidated Financial Results for the six months ended June 30, 2023

INPEX

Daisuke Yamada
Director, Managing Executive Officer,
Finance & Accounting

- I am Daisuke Yamada, and I am responsible for the Finance & Accounting Division. And I would like to explain the financial results for the six months ended June 30, 2023.

Highlights of the Consolidated Financial Results for the six months ended June 30, 2023

INPEX

	2Q FY2022 (Actual)	2Q FY2023 (Actual)	Change	% Change
Average crude oil price (Brent) ($/bbl)	104.94	79.91	(25.03)	(23.8%)
Average exchange rate (¥/$)	123.15	134.99	11.84yen depreciation	9.6% depreciation
Net sales (Billions of yen)	1,098.4	1,078.7	(19.6)	(1.8%)
Operating income (Billions of yen)	584.5	570.5	(14.0)	(2.4%)
Ordinary income (Billions of yen)	626.3	696.4	70.1	11.2%
Net income attributable to owners of parent*1 (Billions of yen)	184.1	254.2	70.1	38.1%
Net income per share*2 (Yen)	132.83	194.68	61.85	46.6%

*1 International Accounting Standards (IAS) 12 "Income Taxes" (amended in May 2021) has been applied to some foreign consolidated subsidiaries and foreign equity-method affiliates from FY2023, and the figures for 2Q FY2022 listed as reference to 2Q FY2023 have been revised primarily due to this.

*2 Average number of INPEX shares issued and outstanding during the six months ended June 30, 2022: 1,386,326,951 shares
Average number of INPEX shares issued and outstanding during the six months ended June 30, 2023: 1,306,002,898 shares

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- Here are some highlights from the first six months of the fiscal year.

- Net sales decreased by 19.6 billion yen to 1,078.7 billion yen. And net income increased by 70.1 billion yen to 254.2 billion yen. So our profit increased but sales decreased.

- Net income of 254.2 billion yen was a record high for the first half of a fiscal year, exceeding 184.1 billion yen for the first half of the last fiscal year.

- Now we saw Brent oil came down to the 80 dollar level, a drop by 25 dollars or by 24% year on year. On the other hand, there was a number of reasons behind our strong earnings result. Gas price has remained high due to the impact of the time lag, and the yen also weakened significantly against the dollar by 11 yen or by around 10% year on year to 135 yen based on an average yen-dollar exchange rate. And we were also able to reduce tax expenses due to the application of the group tax sharing system in Japan. And there was a positive impact due to a reduction in loss resulting from revaluation of financial assets.

- For your information, net income contribution from the Ichthys Project was around the mid-150 billion yen level, accounting for around 60% of our consolidated earnings.

Sales by Product

INPEX

		2Q FY2022	2Q FY2023	Change	% Change
Crude Oil	Net sales (Billions of yen)	843.2	766.3	(76.9)	(9.1%)
	Sales volume (thousand bbl)	70,956	69,701	(1,255)	(1.8%)
	Average unit price of overseas sales ($/bbl)	96.29	81.44	(14.85)	(15.4%)
	Average unit price of domestic sales (¥/kl)	81,784	66,691	(15,093)	(18.5%)
	Average exchange rate (¥/$)	123.37	135.01	11.64yen depreciation	9.4% depreciation
Natural Gas (excluding LPG)	Net sales (Billions of yen)	242.4	296.5	54.1	22.3%
	Sales volume (million cf)	238,760	249,555	10,795	4.5%
	Average unit price of overseas sales ($/thousand cf)	6.08	6.02	(0.06)	(1.0%)
	Average unit price of domestic sales (¥/m^3)	71.82	102.18	30.36	42.3%
	Average exchange rate (¥/$)	123.41	134.89	11.48yen depreciation	9.3% depreciation
LPG	Net sales (Billions of yen)	2.1	5.8	3.6	166.5%
	Sales volume (thousand bbl)	34	441	407	-
	Average unit price of overseas sales ($/bbl)	69.56	47.02	(22.54)	(32.4%)
	Average unit price of domestic sales (¥/kg)	108.93	-	-	-
	Average exchange rate (¥/$)	122.54	134.80	12.26yen depreciation	10.0% depreciation

* $1m^3$=41.8605MJ

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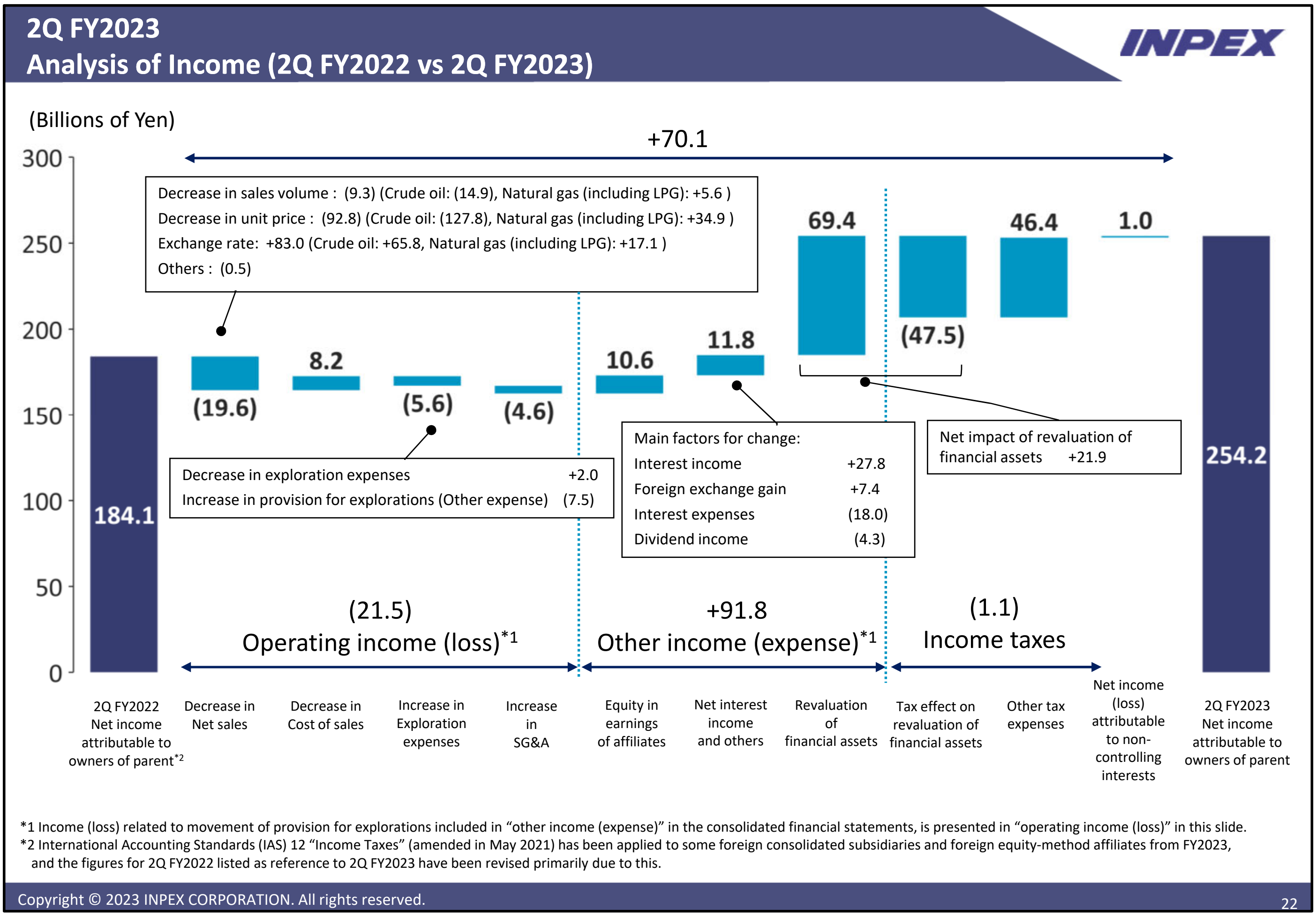
- Now I would like to explain the sales by products.

- Net sales of crude oil decreased by 76.9 billion yen to 766.3 billion yen, despite being helped by a weaker yen, due to lower oil prices, as well as lower production and sales volume resulting from exiting from some projects in the United States.

- As for natural gas, we recorded net sales of 296.5 billion yen, an increase of 54.1 billion yen, as a result of the weaker yen, in addition to higher average unit price caused by a time lag and production and sales volume increasing due to the production recovery by Prelude and other projects.



○ I would like to explain the movement in consolidated net income from the 184.1 billion yen recorded in Q2 last fiscal year to 254.2 billion yen recorded in Q2 this fiscal year, an increase by 70.1 billion yen. Net sales decreased by 19.6 billion yen. This reflects decreased net sales of crude oil and increased net sales of natural gas. On a net basis sales decreased.

○ The exploration expenses increased by 5.6 billion yen, SG&A expenses increased by 4.6 billion yen, both impacting net income negatively. The increasing SG&A expenses was due to factors such as the R&D spending related to the blue hydrogen and methanation demonstration projects.

○ The other income and expenses increased by 91.8 billion yen, accounting for a majority of increase in net income. The increase was mainly due to high equity in earnings of affiliates, mostly Ichthys Downstream IJV, and higher net interest income, and reduction in the revaluation of financial assets losses.

○ Income tax increased by 1.1 billion yen and had a slight negative impact on net income. This reflects tax effect on revaluation of financial assets, application of the group tax sharing system in Japan, and decreased tax expenses due to decreased gross profit.

Balance Sheet

INPEX

(Billions of yen)	December 2022	June 2023	Change	% Change
Current assets	729.4	907.2	177.7	24.4%
Tangible fixed assets	2,473.1	2,605.2	132.1	5.3%
Intangible assets	482.7	485.3	2.6	0.5%
Recoverable accounts under production sharing	521.5	503.4	(18.0)	(3.5%)
Other	2,106.9	2,418.1	311.2	14.8%
Less allowance for recoverable accounts under production sharing	(53.8)	(54.7)	(0.8)	1.6%
Total assets	6,259.8	6,864.7	604.8	9.7%
Current liabilities	526.7	753.3	226.6	43.0%
Long-term liabilities	1,710.7	1,575.6	(135.0)	(7.9%)
Total net assets*2	4,022.3	4,535.6	513.3	12.8%
(Non-controlling interests)	261.5	265.4	3.9	1.5%
Total liabilities and net assets*2	6,259.8	6,864.7	604.8	9.7%
Net assets per share *2 (Yen)	2,879.68	3,269.65	389.97	13.5%

Summary of financial information for Ichthys downstream JV (100% basis, including the Company's equity share 66.245%)
(Billions of yen)
- Current assets : 175.1
- Fixed assets*1 : 4,501.0
- Total assets: 4,676.1

*1 Fixed assets include interest expenses which are not included in CAPEX, and capitalized costs before FID.

The total of interest-bearing debt is 1.2 trillion yen.

Adding the off-balanced net interest-bearing debt of the Ichthys downstream IJV brings the total of INPEX net loans to be 1.4 trillion yen (as of June 30, 2023).

(Billions of yen)
Total shareholders' equity: +220.7
Accumulated other comprehensive income: +288.6
- Deferred gain (loss) on hedges: +2.8
- Translation adjustment: +286.4

*2 International Accounting Standards (IAS) 12 "Income Taxes" (amended in May 2021) has been applied to some foreign consolidated subsidiaries and foreign equity-method affiliates from FY2023, and the figures for December 2022 listed as reference to June 2023 have been revised.

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○ Next, I'd like to explain our balance sheet.

○ Total assets increased to 6,864.7 billion yen, which is an increase of about 600 billion yen. This was mainly due to the currency translation effect of dollar-denominated assets resulting from a weaker yen. As such, there were no significant changes in the substance of the balance sheet.

○ For your information, total assets of the Ichthys Downstream IJV, which is not included in our consolidated balance sheet, came to approximately 4.7 trillion yen. So if we include this amount, our consolidated total assets would come to around 8 trillion yen.

○ Net assets, due to the weaker yen, for the translation adjustments increase, net assets increased by about 500 billion yen to 4,535.6 billion yen.

○ The balance of translation adjustment was about 1.1 trillion yen, and the translation adjustments account for about 25% of our consolidated net assets.

Statement of Income

(Billions of Yen)	2Q FY2022	2Q FY2023	Change	% Change
Net sales	1,098.4	1,078.7	(19.6)	(1.8%)
Cost of sales	447.3	439.0	(8.2)	(1.8%)
Gross profit	651.1	639.6	(11.4)	(1.8%)
Exploration expenses	13.3	11.3	(2.0)	(15.3%)
Selling, general and administrative expenses	53.2	57.8	4.6	8.7%
Operating income	584.5	570.5	(14.0)	(2.4%)
Other income	143.2	163.8	20.5	14.3%
Other expenses	101.4	37.8	(63.6)	(62.7%)
Ordinary income	626.3	696.4	70.1	11.2%
Total income taxes	445.5	446.7	1.1	0.3%
Net income (loss) attributable to non-controlling interests	(3.4)	(4.4)	(1.0)	31.7%
Net income attributable to owners of parent*3	184.1	254.2	70.1	38.1%

Decrease in sales volume : (9.3)
Decrease in unit price : (92.8)
Exchange rate: +83.0
Others : (0.5)

Cost of sales for Crude Oil: 284.5
(Change) (21.8)
Cost of sales for Natural Gas*1: 148.8
(Change) +13.4

*1 Including LPG

Main factors for change :
Interest income +27.8
Modification gain on financial assets and others *2 +92.7
Equity in earnings of affiliates (92.7)
Gain on reversal of allowance for recoverable accounts under production sharing (6.7)

Main factors for change :
Interest expenses +18.0
Modification loss on financial assets and others (80.0)

*2 In accordance with International Financial Reporting Standards (IFRS) 9 “Financial Instruments” implemented to foreign consolidated subsidiaries, the gain or loss was recognized mainly due to modification of financial assets that do not result in derecognition, revisions to estimated future cash flows of financial assets, and other factors. It includes the gain or loss incurred from transactions with affiliated companies. Adjusted for equity in earnings of affiliates and tax effect accounting, the impact to consolidated net income was minimal.

*3 International Accounting Standards (IAS) 12 “Income Taxes” (amended in May 2021) has been applied to some foreign consolidated subsidiaries and foreign equity-method affiliates from FY2023, and the figures for 2Q FY2022 listed as reference to 2Q FY2023 have been revised primarily due to this.

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○ This is a statement of income, but the movements in net income attributable to owner of parents were already explained using a waterfall chart earlier in the presentation, so I will not go into details here.

Statement of Cash Flows

INPEX

(Billions of Yen)	2Q FY2022	2Q FY2023	Change
Income before income taxes*	626.3	696.4	70.1
Depreciation and amortization*	140.9	123.8	(17.0)
Modification loss on financial assets and others	80.0	-	(80.0)
Modification gain on financial assets and others	-	(92.7)	(92.7)
Recovery of recoverable accounts under production sharing (capital expenditures)	41.7	40.1	(1.6)
Recoverable accounts under production sharing (operating expenditures)	(3.9)	(4.6)	(0.7)
Equity in losses (earnings) of affiliates*	(101.4)	(8.7)	92.7
Income taxes paid	(350.1)	(398.6)	(48.5)
Other	(22.4)	76.8	99.2
Net cash provided by (used in) operating activities	411.0	432.3	21.3
Payments for time deposits / Proceeds from time deposits	11.0	2.7	(8.3)
Payments for purchases of tangible fixed assets	(81.8)	(84.8)	(3.0)
Payments for purchases of securities and investment securities / Proceeds from sales of securities and investment securities	(67.6)	(337.8)	(270.1)
Investment in recoverable accounts under production sharing (capital expenditures)	(17.7)	(17.4)	0.2
Long-term loans made / Collection of long-term loans receivable	(210.1)	84.9	295.0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(31.4)	-	31.4
Other	14.0	(14.6)	(28.7)
Net cash provided by (used in) investing activities	(383.7)	(367.2)	16.4
Net cash provided by (used in) financing activities	12.1	(120.0)	(132.1)
Cash and cash equivalents at end of the period	268.6	154.8	(113.8)

* International Accounting Standards (IAS) 12 "Income Taxes" (amended in May 2021) has been applied to some foreign consolidated subsidiaries and foreign equity-method affiliates from FY2023, and the figures for 2Q FY2022 listed as reference to 2Q FY2023 have been revised.

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- Next is a statement of cash flow.

- The consolidated cash flow statement shown here is based on statutory accounting and hence excludes the cash flows of Ichthys Downstream IJV, which is an equity method subsidiary.

- Net cash provided by operating activities increased by 21.3 billion yen to 432.3 billion yen due to an increase in our profit.

- Net cash used in investing activities decreased by 16.4 billion yen and came to 367.2 billion yen.

- Net cash used in financing activities came to 120 billion yen mainly because we made accelerated repayment of a part of our debt.

4. Consolidated Financial Forecasts for the year ending December 31, 2023

INPEX

Daisuke Yamada
Director, Managing Executive Officer,
Finance & Accounting

- Next, I would like to explain our consolidated financial forecast for the year ending December 2023.

Difference between Consolidated Financial Forecasts and Actual Result for the six months ended June 30, 2023

INPEX

	Previous Forecasts as of May 10, 2023	Actual Results	Change	% Change
Crude oil price (Brent) (US$/bbl)	81.1	79.9	(1.2)	(1.5%)
Exchange rate (yen/US$)	131.2	135.0	3.8	2.9%
Net sales (billions of yen)	1,071.0	1,078.7	7.7	0.7%
Operating income (billions of yen)	551.0	570.5	19.5	3.5%
Ordinary income (billions of yen)	630.0	696.4	66.4	10.5%
Net income attributable to owners of parent (billions of yen)	218.0	254.2	36.2	16.6%

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○ Let me first explain the difference between the first half results and the financial forecast announced back in May.

○ Net income attributable to owners of parent increased by 36.2 billion yen compared to the May forecast. We analyzed the content of net income mostly the same as the initial expectation.

○ The actual oil price was 80 dollars per barrel, which was mostly the same as forecast, while the forex was 135 yen to the dollar, about a 4 yen depreciation compared to the forecast.

○ The 36.2 billion yen increase was due recognition of the asset retirement obligations and a part of the exploration expenditure delaying into the second half, which was originally planned in the first half of this fiscal year.

Consolidated Financial Forecasts for the year ending December 31, 2023

INPEX

■ Financial Forecasts for the year ending December 31, 2023

(billions of yen)	Previous Forecasts as of May 10, 2023	Revised Forecasts as of August 10, 2023	Change	% Change
Crude oil price (Brent) (US$/bbl)	80.0 1st half:81.1 2nd half:79.0	80.0 1st half:79.9 2nd half:80.1	0.0	0.0%
Exchange rate (yen/US$)	130.0 1st half:131.2 2nd half:128.8	135.0 1st half:135.0 2nd half:135.0	5.0	3.8%
Net sales (billions of yen)	1,994.0	2,031.0	37.0	1.9%
Operating income (billions of yen)	984.0	1,009.0	25.0	2.5%
Ordinary income (billions of yen)	1,077.0	1,151.0	74.0	6.9%
Net income attributable to owners of parent (billions of yen)	300.0	320.0	20.0	6.7%

■ Shareholder Returns

End of 2Q	End of fiscal year (forecast)	Full year (forecast)
¥37.00	¥37.00	¥74.00

Total Share Buybacks
¥100 billion

Total Payout Ratio
Around 61%

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- Next, I would like to explain the full year forecast.

- As for the assumption, the full year average oil price was kept the same from the previous forecast in May, concerning the recent market, it's at 80 dollars per barrel. Based on the recent yen depreciation trend, we revised the forex assumption to 135 yen against the US dollar, a 5 yen depreciation from the previous forecast in May.

- And based on this oil price and forex assumption, we have net sales revised up by 37.0 billion yen to 2,031.0 billion yen versus the previous forecast.

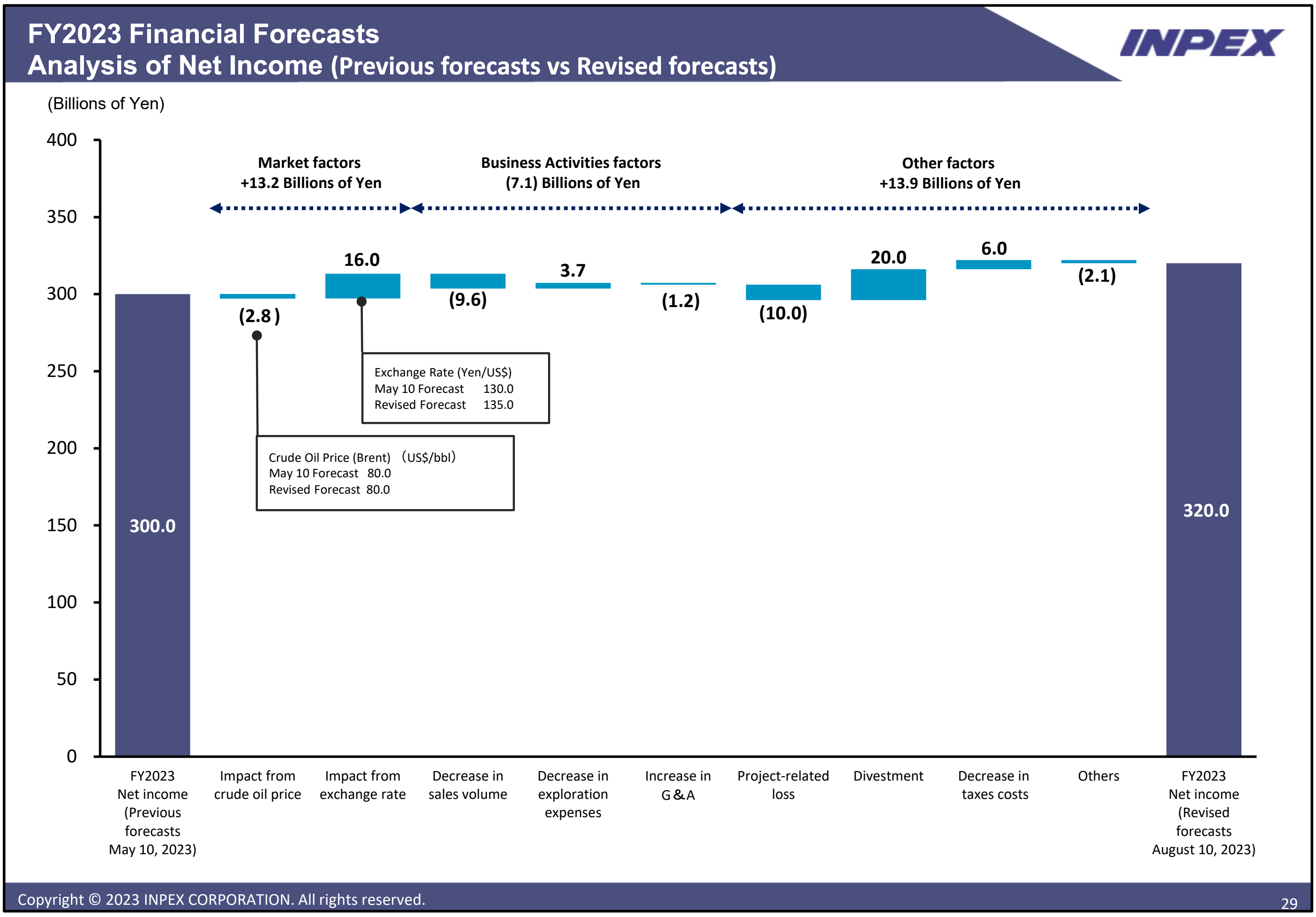
- And then for the net income attributable to owners of parent, it's up by 20.0 billion yen to 320.0 billion yen.

- Compared to the fiscal year ended December 2022, when we booked a historical level of income backed by the high oil price and yen depreciation, we forecast a decline in net sales and income; however, this net income of 320 billion is the second-highest level, followed by the previous year.

- And then, we are expecting the contribution from Ichthys to income at mid 230 billion yen, which represents around 70% of the consolidated net income.

- For the shareholder return, as our President Mr. Ueda mentioned, we made an upward revision in full-year dividend by 12 yen from 62 yen in the previous year to 74 yen per share regardless of forecast decline in net sales and net income.

- In addition, we will also conduct share buyback with the maximum amount of 100 billion yen. As a result, we forecast total payout ratio at around 61%.



- The differences between the previous forecast and the revised forecast are shown in the waterfall chart based on the impact to the net income attributable to owners of parent. Let me explain the factors contributing to the difference between the previous forecast of 300 billion yen and the revised forecast of 320 billion yen.

- For the market factors, we have the forex and oil price. The oil price assumption remained but there is some impact of minus 2.8 billion yen, and the forex is plus 16 billion yen, so net of 13.2 billion positive impact from market factors.

- And for the business activities factors, we forecasts 7.1 billion yen negative impact, due to decrease in sales volume from Ichthys and business activities in Japan about 9.6 billion yen and a slight increases in R&D about 1.2 billion yen, partly offset by a slight decline in exploration expenses about 3.7 billion yen, .

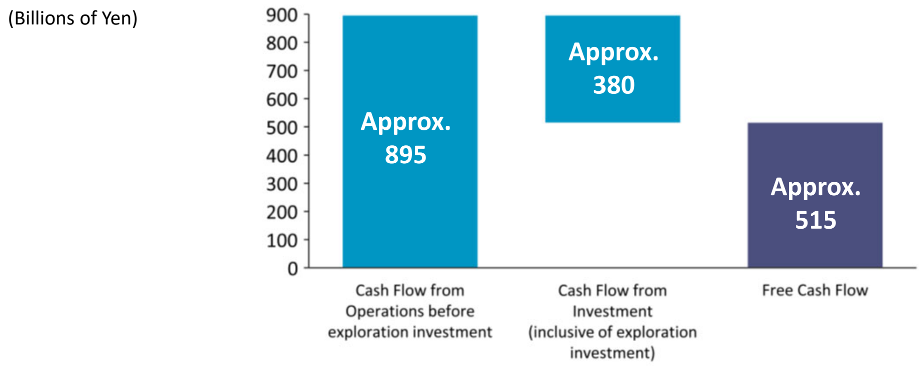
- And then, for other factors, we have a total of 13.9 billion yen increase. We have the wind power projects in Europe, which had a declining amount of power generation due to week wind conditions, leading to negative 10.0 billion yen as a project-related loss.

- And we have a divestment of some projects, leading to positive 20 billion yen, and also, the decrease in taxes costs by the application of the group tax sharing system in Japan, leading to a positive 6 billion yen or so. And other factors negative 2.1 billion yen included, we have, adding all these factors, the net income attributable to owners of parent, which is 320 billion yen.

FY2023 Cash Flow* Forecast

INPEX

(Billions of Yen)	Previous forecasts as of February 9, 2023	Previous forecasts as of May 10, 2023	FY2023 (Revised forecast)	Difference b/w May 10 forecast and Revised forecast
Development expenditure (Oil & Gas Business)	349.0	342.0	347.0	5.0
Development expenditure (5 Net Zero Businesses)	94.0	72.0	76.0	4.0
Exploration expenditure (inclusive of some 5 Net Zero Businesses)	71.0	59.0	55.0	(4.0)
Others (Divestment etc.)	(18.0)	(19.0)	(20.0)	(1.0)
Growth Investment	**496.0**	**454.0**	**458.0**	**4.0**
Others (Purchase and disposal of investment securities etc.)	14.0	111.0	(78.0)	(189.0)
Cash Flow from Investment (inclusive of exploration investment)	**510.0**	**565.0**	**380.0**	**(185.0)**



* Including cashflow of Ichthys LNG Pty Ltd, the Ichthys Downstream IJV (Incorporated Joint Venture), an equity method affiliate

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- As for the cash flow including Ichthys Downstream IJV, the cash flow from operation before exploration is 895 billion yen. And the cash flow from investment is expected to be around 380 billion.

- For the growth investment is expected to be around 458 billion, an increase of 4 billion from the May forecast. Details are the following, the oil and gas business being around 347 billion, the 5 net zero businesses around 76 billion yen, and exploration investment around 55 billion.

- And for others (purchase and disposal of investment securities etc.), we forecast about 189 billion yen decrease from the May forecast, leading to about negative 78 billion yen, as we are using the disposal of marketable securities for the share buyback and dividend

- And then free cash flow will be around 515 billion yen.

- That’s all from my presentation. Thank you very much.

Appendix

Other Income and Expenses

(Billions of Yen)	2Q FY2022	2Q FY2023	Change	% Change
Other income	143.2	163.8	20.5	14.3%
Interest income	16.5	44.3	27.8	168.6%
Dividend income	8.3	4.0	(4.3)	(51.8%)
Equity in earnings of affiliates*	101.4	8.7	(92.7)	(91.4%)
Gain on reversal of allowance for recoverable accounts under production sharing	6.7	-	(6.7)	(100.0%)
Foreign exchange gain	-	6.2	6.2	-
Modification gain on financial assets and others	-	92.7	92.7	-
Other	10.1	7.7	(2.4)	(24.0%)
Other expenses	101.4	37.8	(63.6)	(62.7%)
Interest expense	9.9	27.9	18.0	181.6%
Provision for allowance for recoverable accounts under production sharing	-	0.8	0.8	-
Foreign exchange loss	1.2	-	(1.2)	(100.0%)
Modification loss on financial assets and others	80.0	-	(80.0)	(100.0%)
Other	10.2	9.0	(1.2)	(12.0%)

* International Accounting Standards (IAS) 12 "Income Taxes" (amended in May 2021) has been applied to some foreign consolidated subsidiaries and foreign equity-method affiliates from FY2023, and the figures for 2Q FY2022 listed as reference to 2Q FY2023 have been revised.

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2Q FY2023
Net Sales

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(Billions of Yen)		Product	2Q FY2022	2Q FY2023	Change	% Change
Oil & Gas	Japan	Crude Oil	3.2	2.5	(0.7)	(22.7%)
		Natural Gas (excluding LPG)	102.7	132.3	29.6	28.8%
		LPG	0.0	-	(0.0)	(100.0%)
		Other	5.5	3.6	(1.9)	(34.3%)
		Total	111.6	138.5	26.9	24.1%
	Australia & Southeast Asia	Crude Oil	118.6	101.3	(17.3)	(14.6%)
		Natural Gas (excluding LPG)	122.7	146.7	24.0	19.6%
		LPG	0.2	2.8	2.5	967.2%
		Total	241.6	250.9	9.2	3.8%
	Europe	Crude Oil	68.3	44.1	(24.2)	(35.5%)
		Natural Gas (excluding LPG)	14.7	15.5	0.7	5.3%
		Other	0.1	0.1	(0.0)	(10.5%)
		Total	83.2	59.7	(23.5)	(28.3%)
	Abu Dhabi and others (Middle East, NIS etc.)	Crude Oil	650.1	614.6	(35.4)	(5.5%)
		Natural Gas (excluding LPG)	1.4	0.8	(0.5)	(39.8%)
		Other	1.0	0.0	(1.0)	(99.3%)
		Total	652.5	615.5	(37.0)	(5.7%)
Other		Crude Oil	2.7	3.6	0.9	34.9%
		Natural Gas (excluding LPG)	0.7	0.9	0.2	30.2%
		LPG	1.9	3.0	1.1	58.4%
		Other	3.9	6.3	2.3	60.9%
		Total	9.3	14.0	4.6	50.3%
Total		Crude Oil	843.2	766.3	(76.9)	(9.1%)
		Natural Gas (excluding LPG)	242.4	296.5	54.1	22.3%
		LPG	2.1	5.8	3.6	166.5%
		Other	10.6	10.1	(0.5)	(5.1%)
		Total	1,098.4	1,078.7	(19.6)	(1.8%)

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		Product	2Q FY2022	2Q FY2023	Change	% Change
Oil & Gas	Japan	Crude Oil (thousand bbl)	252	239	(13)	(5.2%)
		Natural Gas (excluding LPG) (million cf)	53,384	48,338	(5,046)	(9.5%)
		LPG (thousand bbl)	1	-	(1)	(100.0%)
	Australia & Southeast Asia	Crude Oil (thousand bbl)	8,853	9,273	421	4.8%
		Natural Gas (excluding LPG) (million cf)	174,261	187,484	13,223	7.6%
		LPG (thousand bbl)	34	441	407	-
	Europe	Crude Oil (thousand bbl)	5,040	3,863	(1,176)	(23.3%)
		Natural Gas (excluding LPG) (million cf)	5,254	8,278	3,024	57.5%
	Abu Dhabi and others (Middle East, NIS etc.)	Crude Oil (thousand bbl)	56,812	56,326	(486)	(0.9%)
		Natural Gas (excluding LPG) (million cf)	5,677	5,284	(393)	(6.9%)
Other		Natural Gas (excluding LPG) (million cf)	184	172	(12)	(6.7%)
Total		Crude Oil (thousand bbl)	70,956	69,701	(1,255)	(1.8%)
		Natural Gas (excluding LPG) (million cf)	238,760	249,555	10,795	4.5%
		LPG (thousand bbl)	34	441	407	-

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2Q FY2023
Net Production Volume

		Product	2Q FY2022	2Q FY2023	Change	% Change
Oil & Gas	Japan	Crude Oil (thousand bbl)	492	471	(22)	(4.4%)
		Natural Gas (million cf)	18,798	17,582	(1,216)	(6.5%)
		Iodine(ton)	286	281	(5)	(1.7%)
		Electric power generation (million kWh)	112	103	(9)	(7.7%)
	Australia & Southeast Asia	Crude Oil (thousand bbl)	9,318	9,076	(242)	(2.6%)
		Natural Gas (million cf)	213,251	216,278	3,027	1.4%
	Europe	Crude Oil (thousand bbl)	4,738	4,173	(565)	(11.9%)
		Natural Gas (million cf)	5,237	7,873	2,637	50.3%
	Abu Dhabi and others (Middle East, NIS etc.)	Crude Oil (thousand bbl)	57,262	56,572	(690)	(1.2%)
		Natural Gas (million cf)	6,050	5,173	(877)	(14.5%)
		Sulfur (thousand ton)	49	64	15	30.8%
Others		Electric power generation (million kWh)	209	724	515	246.6%
Total		Crude Oil (thousand bbl)	71,811	70,292	(1,519)	(2.1%)
		Natural Gas (million cf)	243,336	246,906	3,570	1.5%
		Iodine(ton)	286	281	(5)	(1.7%)
		Sulfur (thousand ton)	49	64	15	30.8%
		Electric power generation (million kWh)	320	827	507	158.1%

* The volume of LPG produced overseas is included in “Crude Oil.”

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