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Financial Results  
for the three months ended June 30, 2015

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INPEX CORPORATION

August 7, 2015

# Cautionary Statement



This presentation includes forward-looking information that reflects the plan and expectations of the Company. Such forward-looking information is based on the current assumptions and judgments of the Company in light of the information currently available to it, and involves known and unknown risk, uncertainties, and other factors. Such risks, uncertainties and other factors may cause the Company's performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, without limitation:

- Price volatility and change in demand in crude oil and natural gas
- Foreign exchange rate volatility
- Change in costs and other expenses pertaining to the exploration, development and production

The Company undertakes no obligation to publicly update or revise the disclosure of information in this presentation (including forward-looking information) after the date of this presentation.

# Subsidiaries and Affiliates



## 67 consolidated subsidiaries

Major subsidiaries	Country/region	Ownership	Stage	Accounting term
Japan Oil Development	UAE	100%	Production	March (provisional settlement of account)
INPEX Natuna	Indonesia	100%	Production	March
INPEX Sahul	Timor Sea Joint Petroleum Development Area	100%	Production	December
INPEX Ichthys Pty Ltd	Australia	100%	Development	March (provisional settlement of account)
INPEX Southwest Caspian Sea	Azerbaijan	51%	Production	March (provisional settlement of account)
INPEX North Caspian Sea	Kazakhstan	45%	Production suspended	March (provisional settlement of account)
INPEX Oil & Gas Australia Pty Ltd	Australia	100%	Development	December
INPEX Gas British Columbia Ltd.	Canada	45.09%	Production/ Evaluation	December

## 20 equity method affiliates

Major affiliates	Country/region	Ownership	Stage	Accounting term
MI Berau B.V.	Indonesia	44%	Production	December
Angola Block 14 B.V.	Angola	49.99%	Production/ Development	December
INPEX Offshore North Campos	Brazil	37.5%	Production	December
Ichthys LNG Pty Ltd	Australia	62.245%	Development	March (provisional settlement of account)

# Highlights of the Consolidated Financial Results for the three months ended June 30, 2015



	Apr.-Jun. '14	Apr.-Jun. '15	Change	%Change
Net sales (Billions of yen)	341.1	244.2	(96.8)	(28.4%)
Crude oil sales	226.4	155.0	(71.4)	(31.5%)
Natural gas sales (including LPG)	109.7	85.7	(24.0)	(21.9%)
Others	4.8	3.4	(1.4)	(29.6%)
Operating income (Billions of yen)	178.9	95.4	(83.5)	(46.7%)
Ordinary income (Billions of yen)	194.0	100.9	(93.1)	(48.0%)
Net income attributable to owners of parent (Billions of yen)	52.4	23.9	(28.4)	(54.3%)
Net income per share (Yen)	35.91	16.41	(19.50)	(54.3%)

Average number of INPEX shares issued and outstanding during the three months ended June 30, 2015: 1,460,357,200

Average crude oil price (Brent) (\$/bbl)	109.77	63.50	(46.27)	(42.2%)
Average exchange rate (¥/\$)	102.17	121.44	19.27 yen depreciation	18.9% yen depreciation

# Crude Oil Sales



	Apr.-Jun. '14	Apr.-Jun. '15	Change	%Change
Net sales (Billions of yen)	226.4	155.0	(71.4)	(31.5%)
Sales volume (thousand bbl)	20,319	20,661	343	1.7%
Average unit price of overseas production (\$/bbl)	108.84	61.82	(47.02)	(43.2%)
Average unit price of domestic production (¥/kl)	70,503	49,423	(21,080)	(29.9%)
Average exchange rate (¥/\$)	102.05	121.25	19.20 yen depreciation	18.8% yen depreciation
Sales volume by region (thousand bbl)	Apr.-Jun. '14	Apr.-Jun. '15	Change	%Change
Japan	210 (33.3 thousand kl)	135 (21.5 thousand kl)	(74) (-11.8 thousand kl)	(35.4%)
Asia/Oceania	2,826	4,068	1,242	43.9%
Eurasia (Europe/NIS )	3,089	2,399	(690)	(22.3%)
Middle East/Africa	14,188	13,896	(292)	(2.1%)
Americas	6	163	157	-
Total	20,319	20,661	343	1.7%

# Natural Gas Sales (excluding LPG)

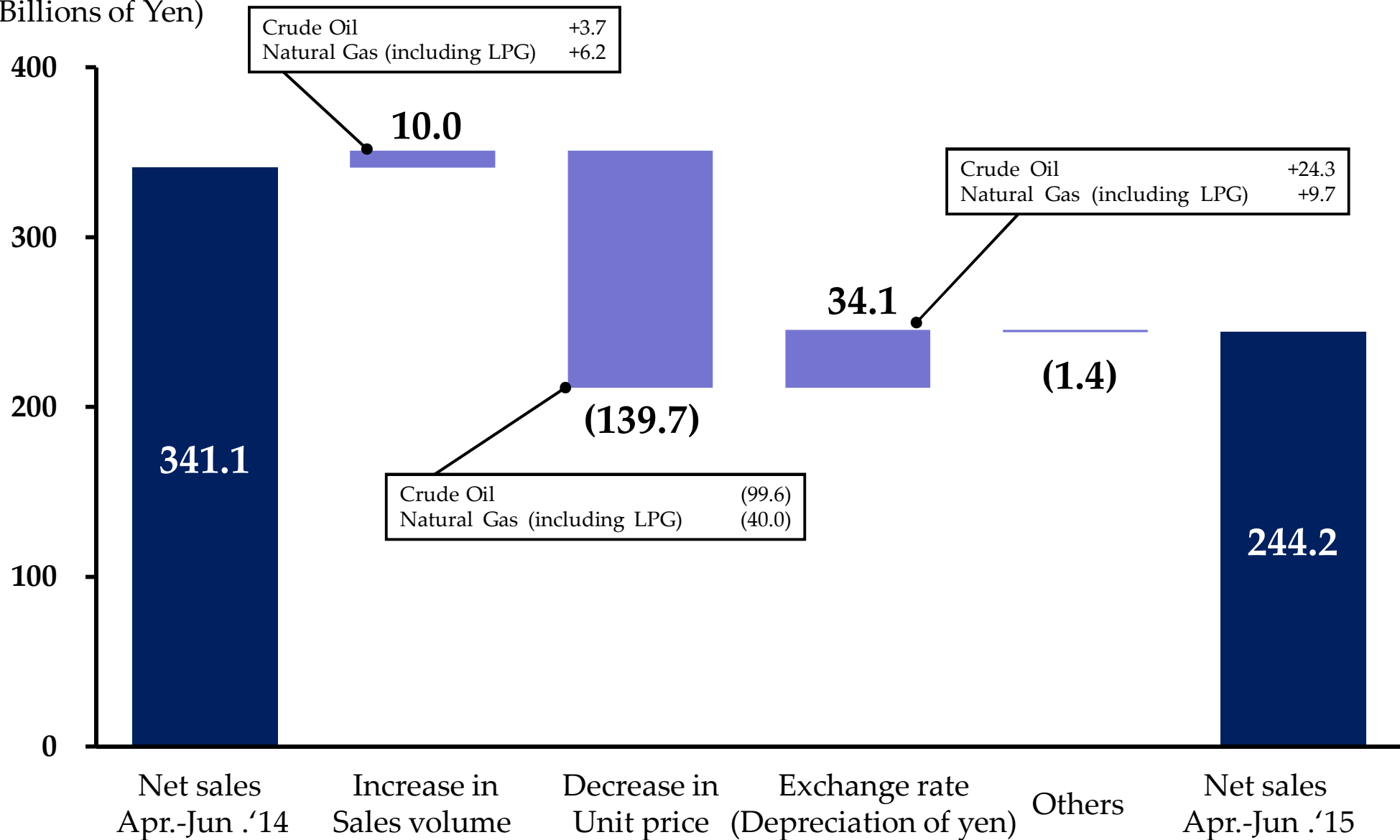


	Apr.-Jun. '14	Apr.-Jun. '15	Change	%Change
Net sales (Billions of yen)	103.8	82.9	(20.8)	(20.1%)
Sales volume (million cf)	75,512	81,459	5,947	7.9%
Average unit price of overseas production (\$/thousand cf)	13.10	7.48	(5.62)	(42.9%)
Average unit price of domestic sales (¥/m <sup>3</sup> )	57.51	57.63	0.12	0.2%
Average exchange rate (¥/\$)	101.81	120.56	18.76 yen depreciation	18.4% yen depreciation
Sales volume by region (million cf)	Apr.-Jun. '14	Apr.-Jun. '15	Change	%Change
Japan	15,158 (406 million m <sup>3*</sup> )	14,776 (396 million m <sup>3*</sup> )	(382) (-10 million m <sup>3*</sup> )	(2.5%)
Asia/Oceania	50,745	57,678	6,933	13.7%
Eurasia (Europe/NIS )	-	-	-	-
Middle East/Africa	-	-	-	-
Americas	9,609	9,005	(604)	(6.3%)
Total	75,512	81,459	5,947	7.9%

# Analysis of Net Sales Decrease



(Billions of Yen)



# Statement of Income



(Billions of Yen)	Apr.-Jun. '14	Apr.-Jun. '15	Change	%Change
Net sales	341.1	244.2	(96.8)	(28.4%)
Cost of sales	131.8	126.2	(5.5)	(4.2%)
Gross profit	209.3	118.0	(91.3)	(43.6%)
Exploration expenses	8.5	1.0	(7.5)	(87.8%)
Selling, general and administrative expenses	21.7	21.5	(0.2)	(1.3%)
Operating income	178.9	95.4	(83.5)	(46.7%)
Other income	19.0	22.7	3.7	19.5%
Other expenses	3.9	17.2	13.2	339.4%
Ordinary income	194.0	100.9	(93.1)	(48.0%)
Total income taxes	137.7	81.4	(56.2)	(40.8%)
Net income(loss) attributable to non-controlling interests	3.9	(4.4)	(8.3)	-
Net income attributable to owners of parent	52.4	23.9	(28.4)	(54.3%)

Increase in Sales Volume : +10.0  
 Decrease in Unit price : (139.7)  
 Exchange rate (Depreciation of yen) : +34.1  
 Others : (1.4)

Cost of sales for Crude Oil : 80.0  
 (Change) (3.0)  
 Cost of sales for Natural Gas\* : 43.4  
 (Change) (1.4)  
 \* Including LPG

Main Factors for change;  
 Gain on sales of investment securities +5.6  
 Foreign exchange gain (1.6)

Main Factor for change;  
 Provision for allowance for recoverable accounts under production sharing +12.6



# Other Income/Expenses

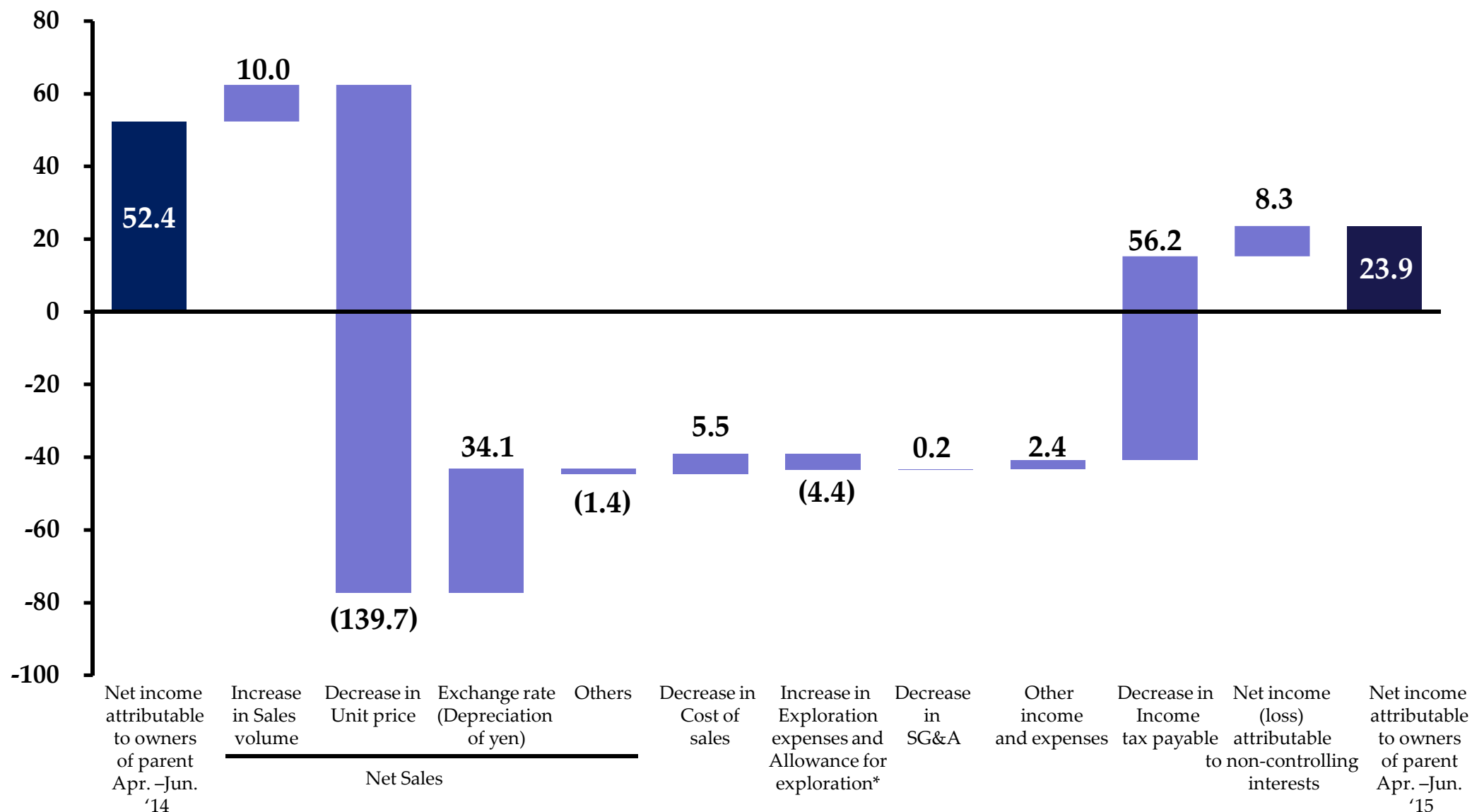


(Billions of Yen)	Apr.-Jun. '14	Apr.-Jun. '15	Change	%Change
Other income	19.0	22.7	3.7	19.5%
Interest income	2.3	2.1	(0.1)	(5.8%)
Dividend income	1.4	1.6	0.2	14.5%
Gain on sales of investment securities	-	5.6	5.6	-
Equity in earnings of affiliates	3.5	-	(3.5)	-
Foreign exchange gain	9.9	8.2	(1.6)	(16.7%)
Other	1.7	4.9	3.1	177.0%
Other expenses	3.9	17.2	13.2	339.4%
Interest expense	0.6	1.1	0.5	92.4%
Equity in losses of affiliates	-	1.0	1.0	-
Provision for allowance for recoverable accounts under production sharing	0.5	13.2	12.6	-
Provision for exploration projects	1.2	0.5	(0.6)	(52.9%)
Other	1.5	1.2	(0.2)	(16.6%)

# Analysis of Net Income Decrease



(Billions of Yen)



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

# Revised Financial Forecasts for the year ending March 31, 2016



## - Assumptions

(May 14, 2015)	1 <sup>st</sup> half	2 <sup>nd</sup> half	Full year
Crude oil price (Brent) (US\$/bbl)	65.0	65.0	65.0
Exchange rate (yen/US\$)	120.0	120.0	120.0



(Aug. 7, 2015)	1 <sup>st</sup> half	2 <sup>nd</sup> half	Full year
Crude oil price (Brent) (US\$/bbl)	61.8*1	60.0	60.9
Exchange rate (yen/US\$)	120.7*2	120.0	120.4

\*1 1st quarter (Actual) : US\$ 63.5/bbl, 2nd quarter (Forecast) : US\$60.0/bbl      \*2 1st quarter (Actual) : ¥121.4/US\$, 2nd quarter (Forecast) : ¥120.0/US\$

## - Financial Forecasts

### for the year ending March 31, 2016

	Previous forecasts (May 14, 2015)	Revised forecasts (Aug. 7, 2015)	Change	% Change
Net sales (billions of yen)	1,249.0	1,181.0	(68.0)	(5.4%)
Operating income (billions of yen)	489.0	471.0	(18.0)	(3.7%)
Ordinary income (billions of yen)	512.0	479.0	(33.0)	(6.4%)
Net income attributable to owners of parent (billions of yen)	70.0	70.0	-	-

## - Financial Forecasts for the six months ending September 30, 2015

Net sales (billions of yen)	595.0	588.0	(7.0)	(1.2%)
Operating income (billions of yen)	234.0	251.0	17.0	7.3%
Ordinary income (billions of yen)	243.0	255.0	12.0	4.9%
Net income attributable to owners of parent (billions of yen)	34.0	40.0	6.0	17.6%

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# Appendix

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# LPG Sales



	Apr.-Jun. '14	Apr.-Jun. '15	Change	%Change
Net sales (Billions of yen)	5.9	2.8	(3.1)	(52.1%)
Sales volume (thousand bbl)	735	542	(193)	(26.2%)
Average unit price of overseas production (\$/bbl)	79.26	43.44	(35.82)	(45.2%)
Average unit price of domestic production (¥/ kg)	101.17	74.63	(26.54)	(26.2%)
Average exchange rate (¥/\$)	102.31	121.07	18.76yen depreciation	18.3% yen depreciation
Sales volume by region (thousand bbl)	Apr.-Jun. '14	Apr.-Jun. '15	Change	%Change
Japan	2 (0.1 thousand ton)	2 (0.2 thousand ton)	0 (+0.0thousand ton)	16.3%
Asia/Oceania	734	541	(193)	(26.3%)
Eurasia (Europe/NIS )	-	-	-	-
Middle East/Africa	-	-	-	-
Americas	-	-	-	-
Total	735	542	(193)	(26.2%)

# Balance Sheet



(Billions of yen)	Mar. '15	Jun. '15	Change	%Change
Current assets	1,342.4	1,070.7	(271.6)	(20.2%)
Tangible fixed assets	1,497.6	1,575.2	77.5	5.2%
Intangible assets	458.7	582.9	124.1	27.1%
Recoverable accounts under production sharing	703.2	728.2	24.9	3.6%
Other	618.7	686.2	67.4	10.9%
Less allowance for recoverable accounts under production sharing	(121.7)	(134.0)	(12.3)	10.1%
<b>Total assets</b>	<b>4,499.1</b>	<b>4,509.4</b>	<b>10.2</b>	<b>0.2%</b>
Current liabilities	365.2	355.4	(9.7)	(2.7%)
Long-term liabilities	845.2	844.4	(0.7)	(0.1%)
Total net assets	3,288.7	3,309.5	20.8	0.6%
(Non-controlling interests)	222.0	242.3	20.3	9.2%
<b>Total liabilities and net assets</b>	<b>4,499.1</b>	<b>4,509.4</b>	<b>10.2</b>	<b>0.2%</b>
Net assets per share (Yen)	2,099.95	2,100.26	0.31	0.0%

Available fund (Billions of yen)  
935.1\*

Breakdown

- Cash and deposits : 672.4
- Long-term time deposits : 97.9
- Marketable securities : 127.7
- Available investment securities : 36.9

\*Amounts to be allocated for the investments for development and exploration activities until the year ending March 31, 2017 following the "Medium- To Long-Term Vision of INPEX".

Summary of financial information for Ichthys downstream JV (100% basis, including the Company's equity share 62.245%)

- (Billions of yen)
- Current assets : 22.1
  - Fixed assets : 2,411.9
  - Total assets : 2,434.1

Shareholders' equity (Billions of yen)

- Retained earnings : +10.8
- Accumulated other comprehensive income : (10.3)
- Unrealized holding gain on securities : (0.1)
- Unrealized loss from hedging instruments : +7.9
- Translation adjustments : (18.2)

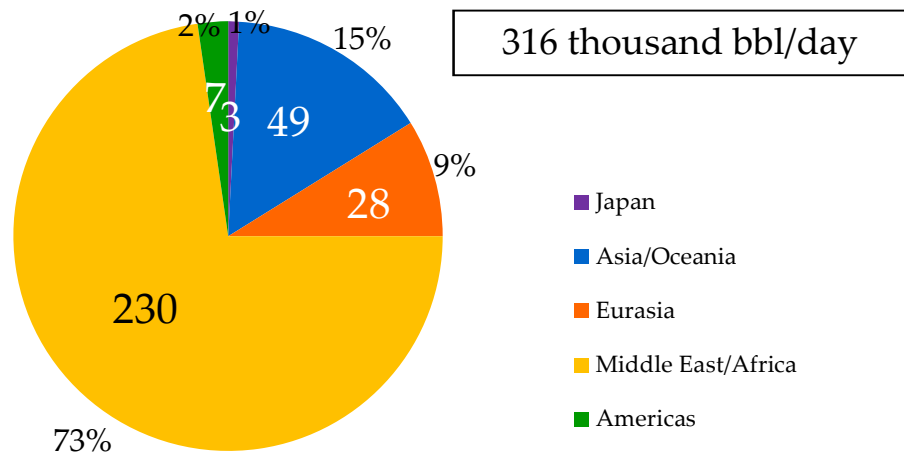
# Statement of Cash Flows



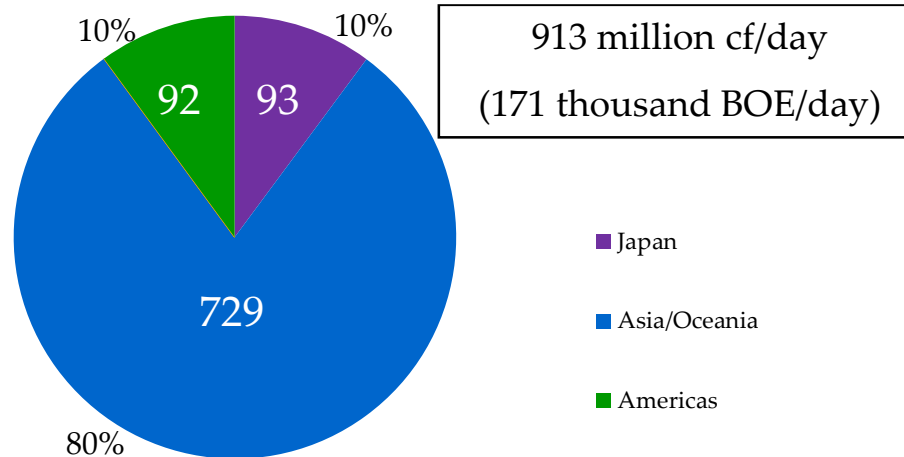
(Billions of Yen)	Apr.-Jun. '14	Apr.-Jun. '15	Change	%Change
Income before income taxes and non-controlling interests	194.0	100.9	(93.1)	(48.0%)
Depreciation and amortization	12.8	14.1	1.2	9.4%
Recovery of recoverable accounts under production sharing (capital expenditures)	18.5	14.9	(3.5)	(19.2%)
Recoverable accounts under production sharing (operating expenditures)	(13.6)	(22.1)	(8.4)	61.8%
Income taxes paid	(146.0)	(98.9)	47.0	(32.2%)
Other	(22.8)	0.5	23.4	-
<b>Net cash provided by operating activities</b>	<b>42.9</b>	<b>9.5</b>	<b>(33.4)</b>	<b>(77.9%)</b>
Payments for time deposits/Proceeds from time deposits	122.3	204.4	82.1	67.1%
Payments for long-term time deposits/Proceeds from long-term time deposits	(81.6)	(32.7)	48.9	(60.0%)
Payments for purchases of tangible fixed assets	(108.1)	(115.6)	(7.5)	7.0%
Payments for purchases of marketable securities/investment securities and proceeds from sales of marketable securities/investment securities	44.7	53.4	8.7	19.5%
Investment in recoverable accounts under production sharing (capital expenditures)	(20.5)	(16.4)	4.1	(20.2%)
Long-term loans made / Collection of long-term loans receivable	(1.9)	(95.9)	(93.9)	-
Payments for purchase of mining rights	(17.9)	(132.2)	(114.3)	-
Other	(1.7)	(4.7)	(2.9)	172.3%
<b>Net cash used in investing activities</b>	<b>(64.9)</b>	<b>(139.8)</b>	<b>(74.8)</b>	<b>115.3%</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(1.0)</b>	<b>21.3</b>	<b>22.3</b>	<b>-</b>
Cash and cash equivalents at end of the period	93.3	150.7	57.3	61.5%

# Net Production\* (Apr. 2015 – Jun. 2015) **INPEX**

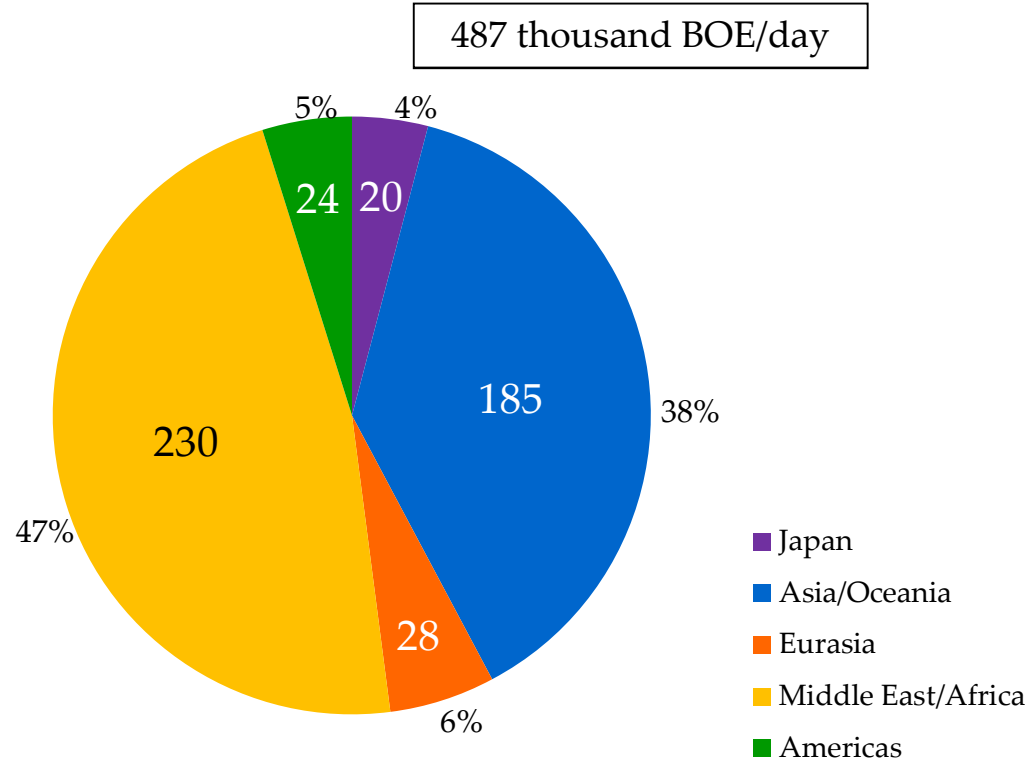
## Oil/Condensate/LPG



## Natural Gas



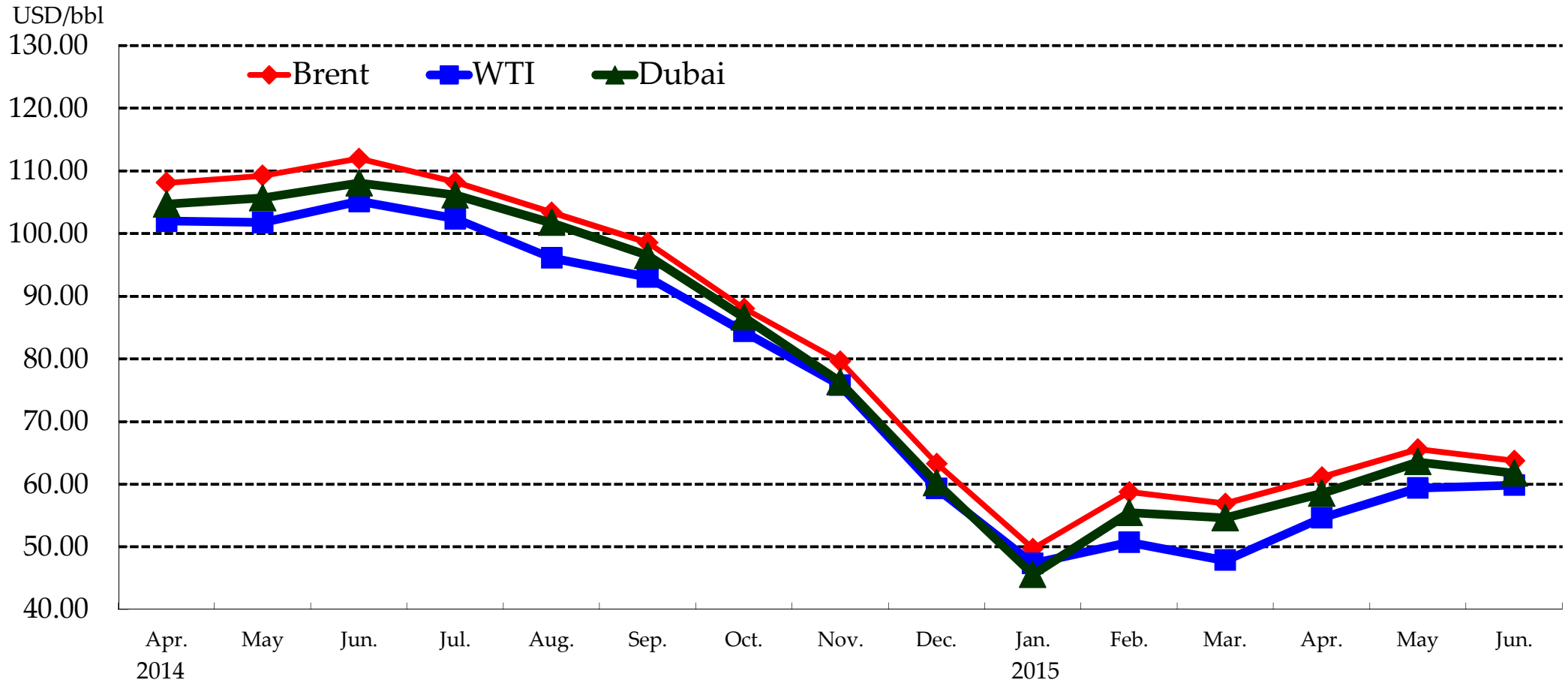
## Total



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



# Crude Oil Prices



	2014			1Q (Apr.-Jun.)	2015												1Q (Apr.-Jun.)
	Apr.	May	Jun.	Ave.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Ave.
Brent	108.09	109.24	111.97	109.77	108.19	103.40	98.57	88.05	79.63	63.27	49.76	58.80	56.94	61.14	65.61	63.75	63.50
WTI	102.03	101.79	105.15	102.99	102.39	96.08	93.03	84.34	75.81	59.29	47.33	50.72	47.85	54.63	59.37	59.83	57.94
Dubai	104.68	105.66	108.03	106.13	106.15	101.73	96.47	86.63	76.33	60.25	45.57	55.44	54.66	58.55	63.56	61.79	61.30