
Financial Results
for the three months ended June 30, 2016

INPEX CORPORATION

August 4, 2016

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



65 consolidated subsidiaries

Major subsidiaries	Country/region	Ownership	Stage	Accounting term
Japan Oil Development Co., Ltd.	UAE	100%	Production	March (provisional settlement of account)
JODCO Onshore Limited	UAE	51 %	Production	December
INPEX Natuna, Ltd.	Indonesia	100%	Production	March
INPEX Sahul, Ltd.	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, Ltd.	Azerbaijan	51%	Production	March (provisional settlement of account)
INPEX North Caspian Sea, Ltd.	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	December
INPEX Offshore North Campos, Ltd.	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, 2016



	Apr.-Jun. '15	Apr.-Jun. '16	Change	%Change
Net sales (Billions of yen)	244.2	198.1	(46.1)	(18.9%)
Crude oil sales	155.0	139.7	(15.2)	(9.9%)
Natural gas sales (including LPG)	85.7	55.6	(30.1)	(35.1%)
Others	3.4	2.7	(0.7)	(21.2%)
Operating income (Billions of yen)	95.4	70.7	(24.6)	(25.9%)
Ordinary income (Billions of yen)	100.9	60.7	(40.2)	(39.8%)
Net income attributable to owners of parent (Billions of yen)	23.9	7.8	(16.1)	(67.2%)
Net income per share (Yen)	16.41	5.39	(11.02)	(67.2%)

Average number of INPEX shares issued and outstanding during the three months ended June 30, 2016: 1,460,357,200

Average crude oil price (Brent) (\$/bbl)	63.50	47.03	(16.47)	(25.9%)
Average exchange rate (¥/\$)	121.44	108.16	13.28 yen appreciation	10.9% yen appreciation

Crude Oil Sales



	Apr.-Jun. '15	Apr.-Jun. '16	Change	%Change
Net sales (Billions of yen)	155.0	139.7	(15.2)	(9.9%)
Sales volume (thousand bbl)	20,661	30,476	9,814	47.5%
Average unit price of overseas production (\$/bbl)	61.82	41.76	(20.06)	(32.4%)
Average unit price of domestic production (¥/kl)	49,423	32,213	(17,210)	(34.8%)
Average exchange rate (¥/\$)	121.25	109.70	11.55 yen appreciation	9.5% yen appreciation
Sales volume by region (thousand bbl)	Apr.-Jun. '15	Apr.-Jun. '16	Change	%Change
Japan	135 (21.5 thousand kl)	208 (33.0 thousand kl)	72 (+11.5 thousand kl)	53.4%
Asia & Oceania	4,068	3,902	(166)	(4.1%)
Eurasia (Europe & NIS)	2,399	3,059	660	27.5%
Middle East & Africa	13,896	22,829	8,933	64.3%
Americas	163	479	316	193.8%
Total	20,661	30,476	9,814	47.5%

Natural Gas Sales (excluding LPG)

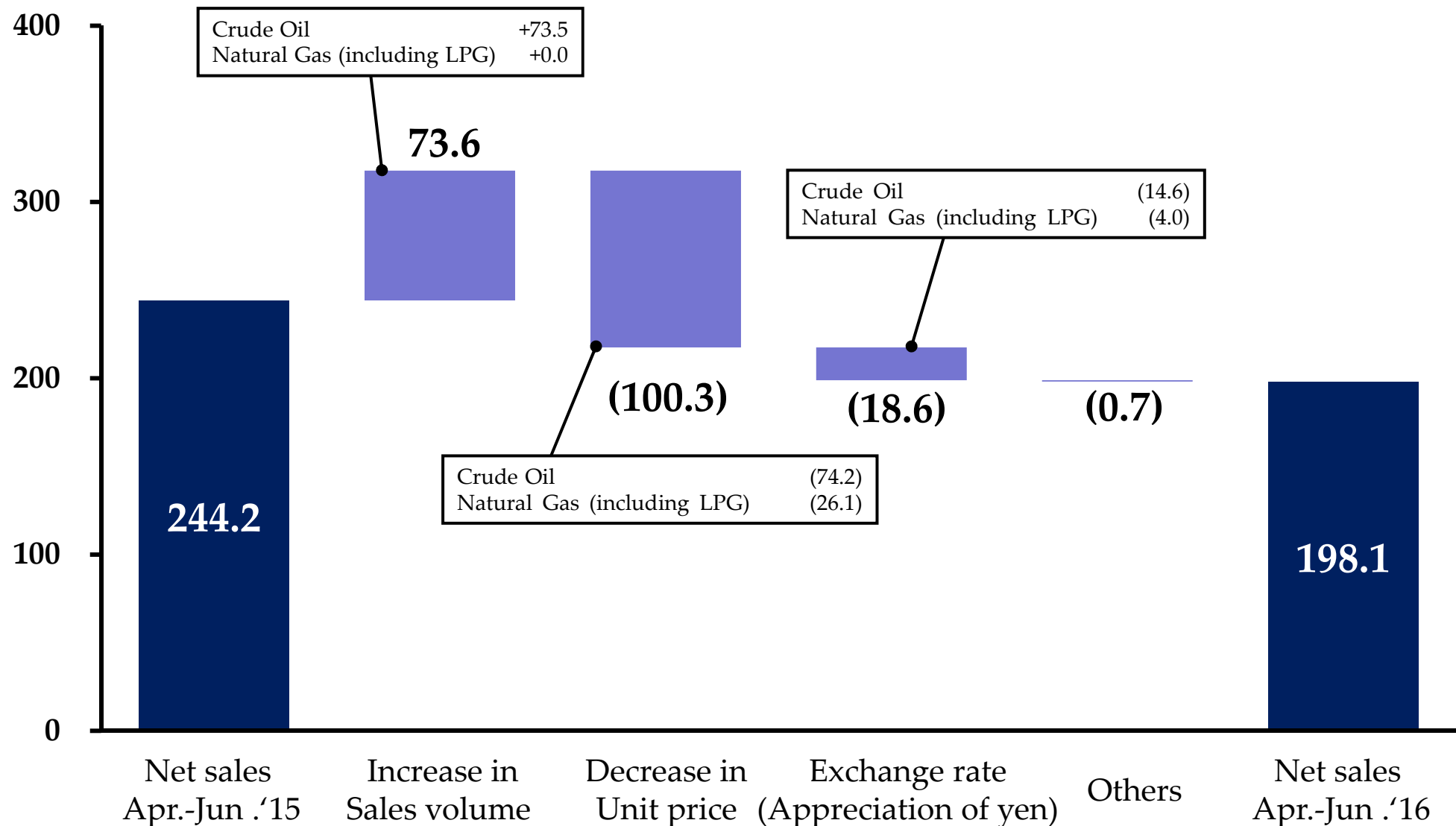


	Apr.-Jun. '15	Apr.-Jun. '16	Change	%Change
Net sales (Billions of yen)	82.9	53.4	(29.4)	(35.5%)
Sales volume (million cf)	81,459	81,184	(275)	(0.3%)
Average unit price of overseas production (\$/thousand cf)	7.48	4.88	(2.60)	(34.8%)
Average unit price of domestic sales (¥/m ³)	57.63	46.33	(11.30)	(19.6%)
Average exchange rate (¥/\$)	120.56	108.93	11.63 yen appreciation	9.6% yen appreciation
Sales volume by region (million cf)	Apr.-Jun. '15	Apr.-Jun. '16	Change	%Change
Japan	14,776 (396 million m ^{3*})	14,559 (390 million m ^{3*})	(218) (-6 million m ^{3*})	(1.5%)
Asia & Oceania	57,678	58,977	1,299	2.3%
Eurasia (Europe & NIS)	-	-	-	-
Middle East & Africa	-	-	-	-
Americas	9,005	7,649	(1,356)	(15.1%)
Total	81,459	81,184	(275)	(0.3%)

Analysis of Net Sales Decrease



(Billions of Yen)



Statement of Income



(Billions of Yen)	Apr.-Jun. '15	Apr.-Jun. '16	Change	%Change	
Net sales	244.2	198.1	(46.1)	(18.9%)	Increase in Sales Volume : +73.6 Decrease in Unit price : (100.3) Exchange rate (Appreciation of yen) : (18.6) Others : (0.7)
Cost of sales	126.2	106.5	(19.7)	(15.7%)	
Gross profit	118.0	91.6	(26.3)	(22.3%)	Cost of sales for Crude Oil : 71.5 (Change) (8.5) Cost of sales for Natural Gas* : 32.5 (Change) (10.8) * Including LPG
Exploration expenses	1.0	1.3	0.3	28.8%	
Selling, general and administrative expenses	21.5	19.5	(1.9)	(9.2%)	Main Factor for change; Foreign exchange gain (8.2)
Operating income	95.4	70.7	(24.6)	(25.9%)	
Other income	22.7	8.8	(13.8)	(60.9%)	Main Factors for change; Provision for allowance for recoverable accounts under production sharing (12.5) Foreign exchange loss +15.7
Other expenses	17.2	18.8	1.6	9.8%	
Ordinary income	100.9	60.7	(40.2)	(39.8%)	
Total income taxes	81.4	44.8	(36.6)	(45.0%)	
Net income(loss) attributable to non-controlling interests	(4.4)	8.0	12.5	-	
Net income attributable to owners of parent	23.9	7.8	(16.1)	(67.2%)	

Other Income/Expenses

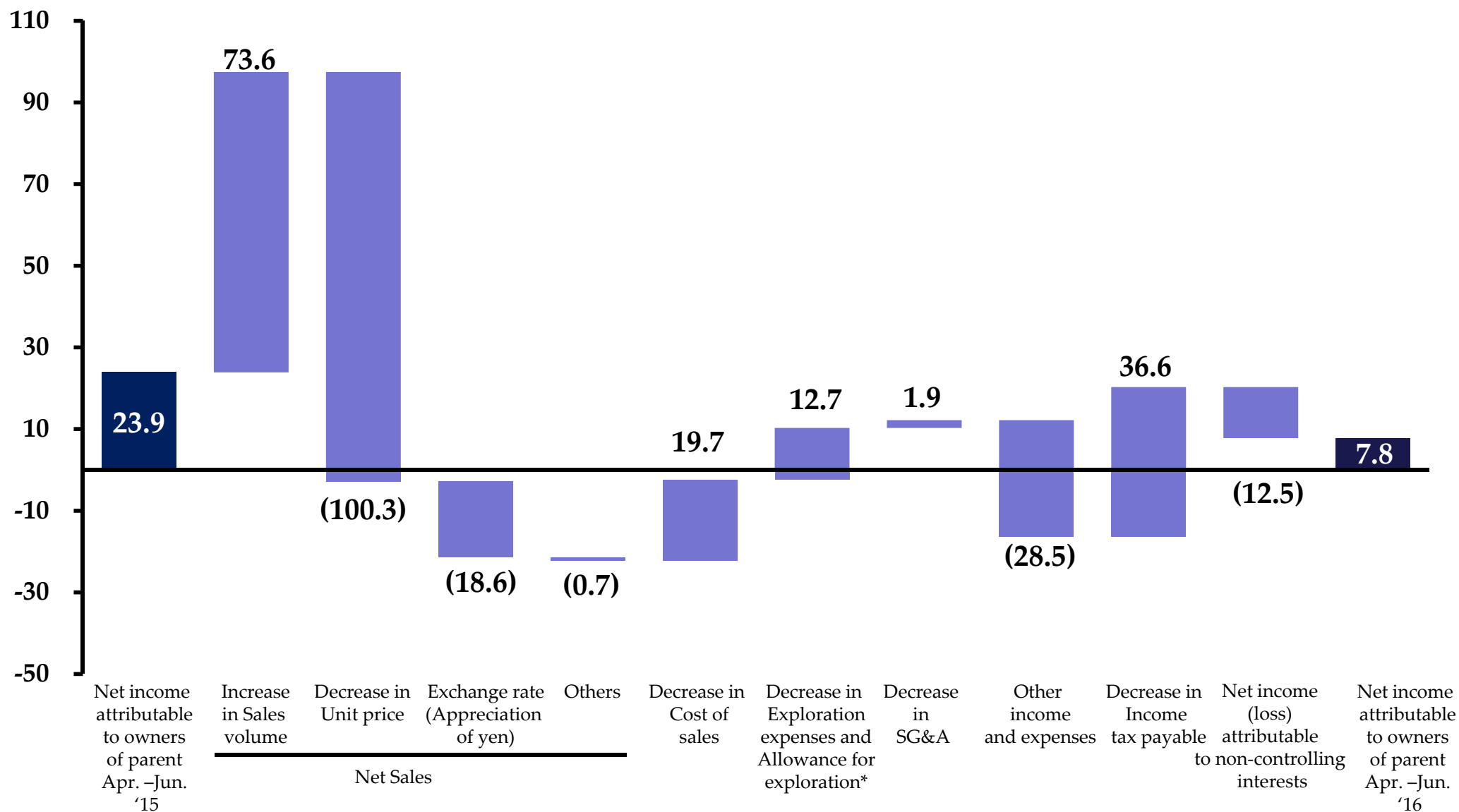


(Billions of Yen)	Apr.-Jun. '15	Apr.-Jun. '16	Change	%Change
Other income	22.7	8.8	(13.8)	(60.9%)
Interest income	2.1	2.5	0.3	18.1%
Dividend income	1.6	1.1	(0.5)	(34.6%)
Foreign exchange gain	8.2	-	(8.2)	-
Gain on sales of fixed assets	0.0	1.9	1.9	-
Other	10.5	3.2	(7.2)	(69.0%)
Other expenses	17.2	18.8	1.6	9.8%
Interest expense	1.1	1.1	0.0	0.1%
Equity in losses of affiliates	1.0	0.2	(0.7)	(78.1%)
Provision for allowance for recoverable accounts under production sharing	13.2	0.6	(12.5)	(94.8%)
Provision for exploration projects	0.5	0.0	(0.5)	(93.9%)
Foreign exchange loss	-	15.7	15.7	-
Other	1.2	1.0	(0.2)	(18.6%)

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, 2017



- Assumptions

(May 12, 2016)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	45.0	45.0	45.0
Exchange rate (yen/US\$)	110.0	110.0	110.0

↓

(Aug. 4, 2016)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	46.0 *1	45.0	45.5
Exchange rate (yen/US\$)	106.6 *2	105.0	105.8

*1 1st quarter (Actual) : US\$ 47.0/bbl, 2nd quarter (Forecast) : US\$45.0/bbl

*2 1st quarter (Actual) : ¥108.2/US\$1, 2nd quarter (Forecast) : ¥105.0/US\$1

- Financial Forecasts

for the year ending March 31, 2017

	Previous forecasts (May 12, 2016)	Revised forecasts (Aug. 4, 2016)	Change	% Change
Net sales (billions of yen)	808.0	797.0	(11.0)	(1.4%)
Operating income (billions of yen)	238.0	257.0	19.0	8.0%
Ordinary income (billions of yen)	237.0	251.0	14.0	5.9%
Net income attributable to owners of parent (billions of yen)	17.0	17.0	-	-

- Financial Forecasts for the six months ending September 30, 2016

Net sales (billions of yen)	389.0	395.0	6.0	1.5%
Operating income (billions of yen)	118.0	136.0	18.0	15.3%
Ordinary income (billions of yen)	118.0	128.0	10.0	8.5%
Net income attributable to owners of parent (billions of yen)	8.0	10.0	2.0	25.0%

Appendix

LPG Sales



	Apr.-Jun. '15	Apr.-Jun. '16	Change	%Change
Net sales (Billions of yen)	2.8	2.1	(0.6)	(23.6%)
Sales volume (thousand bbl)	542	621	79	14.5%
Average unit price of overseas production (\$/bbl)	43.44	32.69	(10.75)	(24.7%)
Average unit price of domestic production (¥/kg)	74.63	52.14	(22.49)	(30.1%)
Average exchange rate (¥/\$)	121.07	107.38	13.69 yen appreciation	11.3% yen appreciation
Sales volume by region (thousand bbl)	Apr.-Jun. '15	Apr.-Jun. '16	Change	%Change
Japan	2 (0.2 thousand ton)	1 (0.1 thousand ton)	(1) (-0.1 thousand ton)	(44.0%)
Asia & Oceania	541	620	80	14.7%
Eurasia (Europe & NIS)	-	-	-	-
Middle East & Africa	-	-	-	-
Americas	-	-	-	-
Total	542	621	79	14.5%

Balance Sheet



(Billions of yen)	Mar. '16	Jun. '16	Change	%Change
Current assets	984.3	959.4	(24.9)	(2.5%)
Tangible fixed assets	1,752.6	1,717.1	(35.4)	(2.0%)
Intangible assets	541.4	522.0	(19.4)	(3.6%)
Recoverable accounts under production sharing	727.7	721.5	(6.2)	(0.9%)
Other	495.4	364.7	(130.6)	(26.4%)
Less allowance for recoverable accounts under production sharing	(131.7)	(132.4)	(0.6)	0.5%
Total assets	4,369.8	4,152.5	(217.3)	(5.0%)
Current liabilities	319.1	285.8	(33.2)	(10.4%)
Long-term liabilities	871.9	805.2	(66.6)	(7.6%)
Total net assets	3,178.8	3,061.4	(117.3)	(3.7%)
(Non-controlling interests)	245.9	258.1	12.2	5.0%
Total liabilities and net assets	4,369.8	4,152.5	(217.3)	(5.0%)
Net assets per share (Yen)	2,008.34	1,919.57	(88.77)	(4.4%)

Available fund (Billions of yen)
857.0*

Breakdown

- Cash and deposits : 747.9
- Long-term time deposits : 92.6
- Available investment securities : 16.4

*Amounts to be allocated to the investments based on the investment plan

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

- Current assets : 31.9
- Fixed assets : 2,486.7
- Total assets : 2,518.7

Accumulated other comprehensive income (Billions of yen) : (124.3)

- Unrealized holding loss on securities : (3.9)
- Unrealized gain from hedging instruments : +0.5
- Translation adjustments: (120.9)

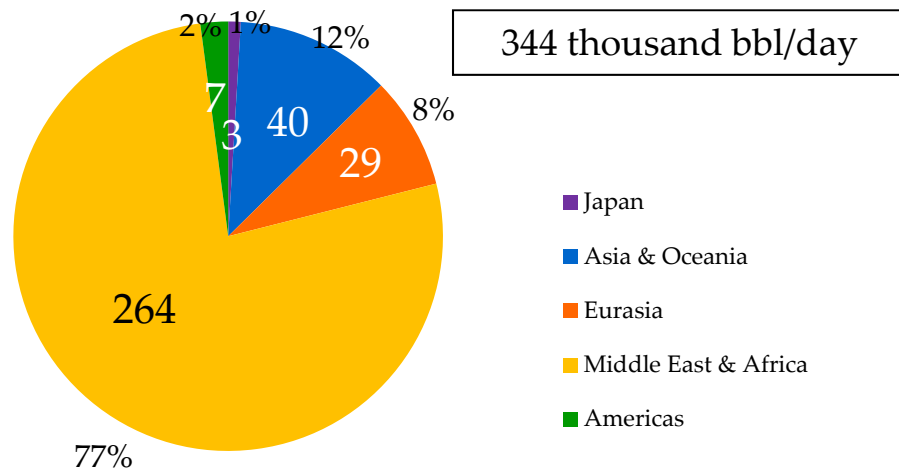
Statement of Cash Flows



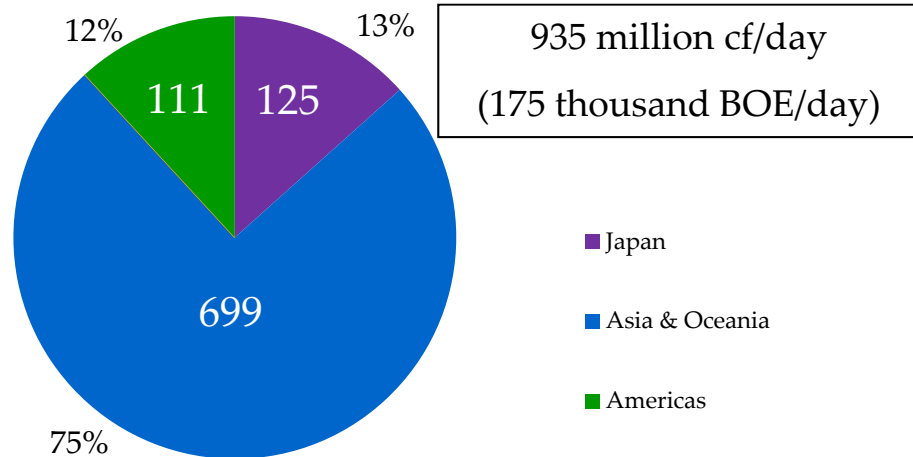
(Billions of Yen)	Apr.-Jun. '15	Apr.-Jun. '16	Change	%Change
Income before income taxes	100.9	60.7	(40.2)	(39.8%)
Depreciation and amortization	14.1	22.1	8.0	57.2%
Recovery of recoverable accounts under production sharing (capital expenditures)	14.9	21.1	6.1	41.2%
Recoverable accounts under production sharing (operating expenditures)	(22.1)	(2.9)	19.2	(86.8%)
Income taxes paid	(98.9)	(62.3)	36.5	(37.0%)
Other	0.5	6.3	5.7	-
Net cash provided by (used in) operating activities	9.5	45.0	35.5	-
Payments for time deposits / Proceeds from time deposits	204.4	97.5	(106.9)	(52.3%)
Payments for long-term time deposits	(32.7)	-	32.7	-
Payments for purchases of tangible fixed assets	(115.6)	(80.5)	35.0	(30.3%)
Payments for purchases of marketable securities/investment securities and proceeds from sales of marketable securities/investment securities	53.4	(0.1)	(53.6)	-
Investment in recoverable accounts under production sharing (capital expenditures)	(16.4)	(12.8)	3.5	(21.9%)
Long-term loans made / Collection of long-term loans receivable	(95.9)	(2.1)	93.7	(97.7%)
Payments for purchase of mining rights	(132.2)	-	132.2	-
Other	(4.7)	(3.9)	0.8	(17.0%)
Net cash provided by (used in) investing activities	(139.8)	(2.1)	137.6	(98.5%)
Net cash provided by (used in) financing activities	21.3	(15.4)	(36.7)	-
Cash and cash equivalents at end of the period	150.7	76.0	(74.7)	(49.6%)

Net Production* (Apr. 2016 – Jun. 2016) **INPEX**

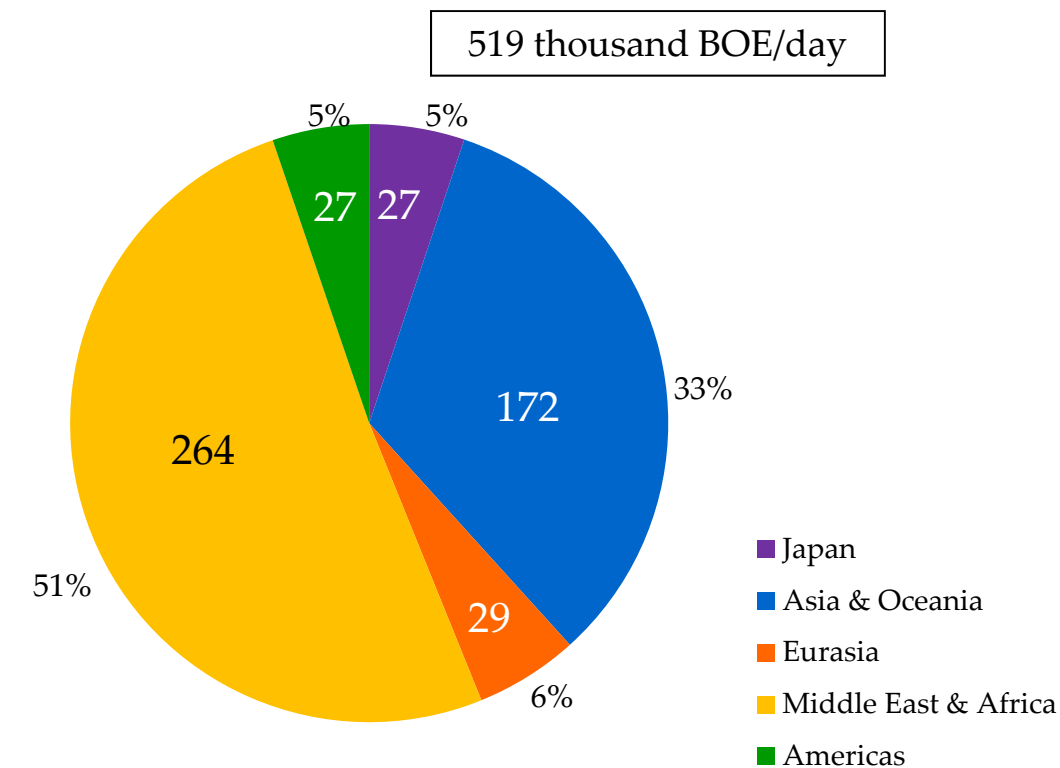
Oil/Condensate/LPG



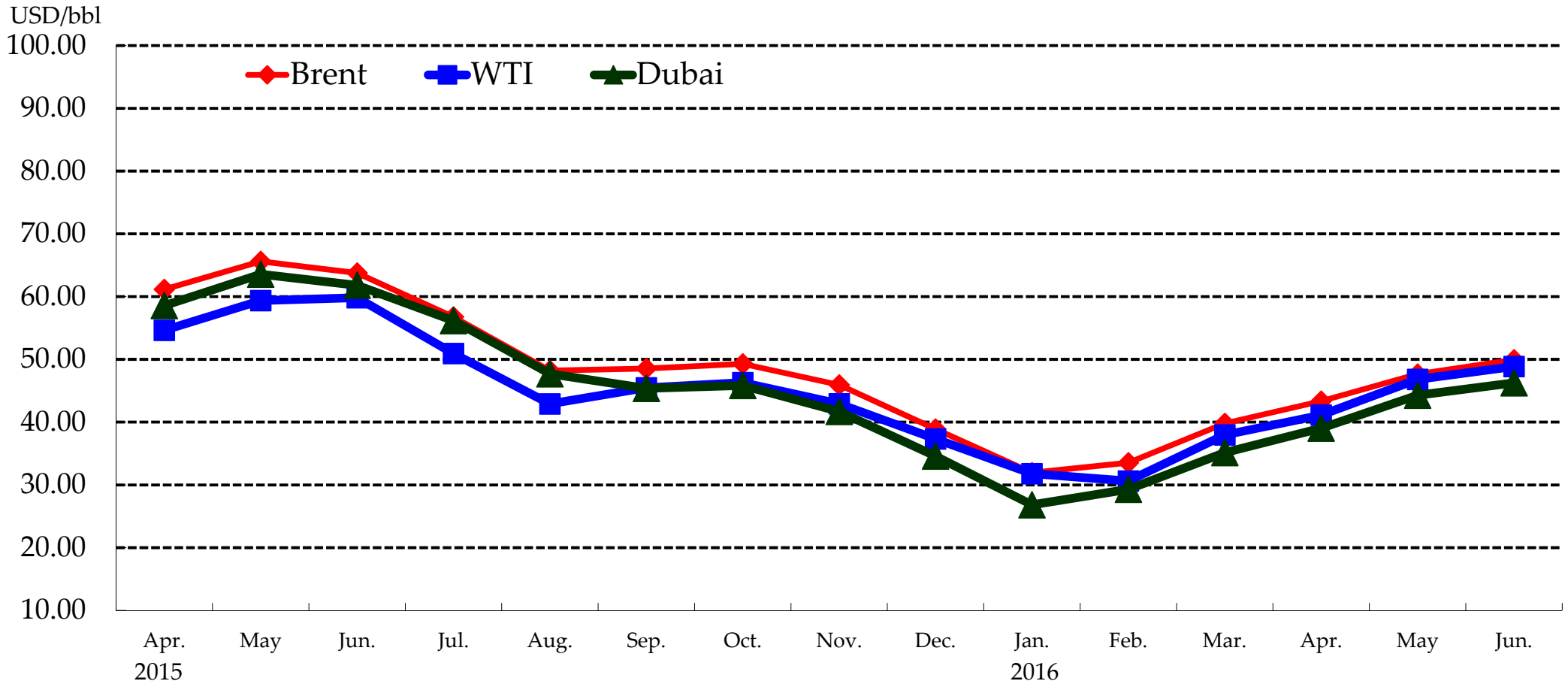
Natural Gas



Total



Crude Oil Prices



	2015			1Q (Apr.- Jun.)	2016												1Q (Apr.- Jun.)
	Apr.	May	Jun.	Ave.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Ave.
Brent	61.14	65.61	63.75	63.50	56.76	48.21	48.54	49.29	45.93	38.90	31.93	33.53	39.79	43.34	47.65	49.93	47.03
WTI	54.63	59.37	59.83	57.94	50.93	42.89	45.47	46.29	42.92	37.33	31.78	30.62	37.96	41.12	46.80	48.85	45.59
Dubai	58.55	63.56	61.79	61.30	56.17	47.69	45.38	45.84	41.69	34.59	26.81	29.30	35.14	39.03	44.27	46.26	43.18