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Financial Results for the six months ended September 30, 2016  
Support Material

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INPEX CORPORATION

November 11, 2016

# Cautionary Statement



This material 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 exploration, development and production

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

# Subsidiaries and Affiliates



## 64 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	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 six months ended September 30, 2016



	Apr.-Sep. '15	Apr.-Sep. '16	Change	%Change
Net sales (Billions of yen)	567.0	389.6	(177.3)	(31.3%)
Crude oil sales	396.8	275.8	(121.0)	(30.5%)
Natural gas sales (including LPG)	163.3	108.0	(55.2)	(33.9%)
Others	6.8	5.7	(1.0)	(15.2%)
Operating income (Billions of yen)	246.7	138.0	(108.7)	(44.1%)
Ordinary income (Billions of yen)	258.8	132.1	(126.6)	(48.9%)
Net income attributable to owners of parent (Billions of yen)	45.4	15.7	(29.7)	(65.4%)
Net income per share (Yen)	31.15	10.77	(20.38)	(65.4%)

Average number of INPEX shares issued and outstanding during the six months ended September 30, 2016: 1,460,357,186

Average crude oil price (Brent) (\$/bbl)	57.31	47.01	(10.30)	(18.0%)
Average exchange rate (¥/\$)	121.88	105.26	16.62 yen appreciation	13.6% yen appreciation

# Crude Oil Sales



	Apr.-Sep. '15	Apr.-Sep. '16	Change	%Change
Net sales (Billions of yen)	396.8	275.8	(121.0)	(30.5%)
Sales volume (thousand bbl)	57,805	59,970	2,164	3.7%
Average unit price of overseas production (\$/bbl)	56.52	43.08	(13.44)	(23.8%)
Average unit price of domestic production (¥/kl)	47,043	32,003	(15,041)	(32.0%)
Average exchange rate (¥/\$)	121.36	106.65	14.71 yen appreciation	12.1% yen appreciation
Sales volume by region (thousand bbl)	Apr.-Sep. '15	Apr.-Sep. '16	Change	%Change
Japan	290 (46.2 thousand kl)	415 (66.0 thousand kl)	125 (+19.9 thousand kl)	43.0%
Asia & Oceania	6,837	6,548	(289)	(4.2%)
Eurasia (Europe & NIS)	6,028	6,260	232	3.8%
Middle East & Africa	43,963	45,734	1,771	4.0%
Americas	687	1,012	325	47.4%
Total	57,805	59,970	2,164	3.7%

# Natural Gas Sales (excluding LPG)



	Apr.-Sep. '15	Apr.-Sep. '16	Change	%Change
Net sales (Billions of yen)	157.7	104.3	(53.3)	(33.8%)
Sales volume (million cf)	160,634	165,837	5,204	3.2%
Average unit price of overseas production (\$/thousand cf)	7.23	4.83	(2.40)	(33.2%)
Average unit price of domestic sales (¥/m <sup>3</sup> )	54.72	43.88	(10.84)	(19.8%)
Average exchange rate (¥/\$)	121.23	105.87	15.36 yen appreciation	12.7% yen appreciation
Sales volume by region (million cf)	Apr.-Sep. '15	Apr.-Sep. '16	Change	%Change
Japan	28,725 (770 million m <sup>3</sup> *)	29,523 (791 million m <sup>3</sup> *)	798 (+21 million m <sup>3</sup> *)	2.8%
Asia & Oceania	114,556	118,646	4,090	3.6%
Eurasia (Europe & NIS)	-	-	-	-
Middle East & Africa	-	-	-	-
Americas	17,353	17,668	315	1.8%
Total	160,634	165,837	5,204	3.2%

(FYI) LPG Sales

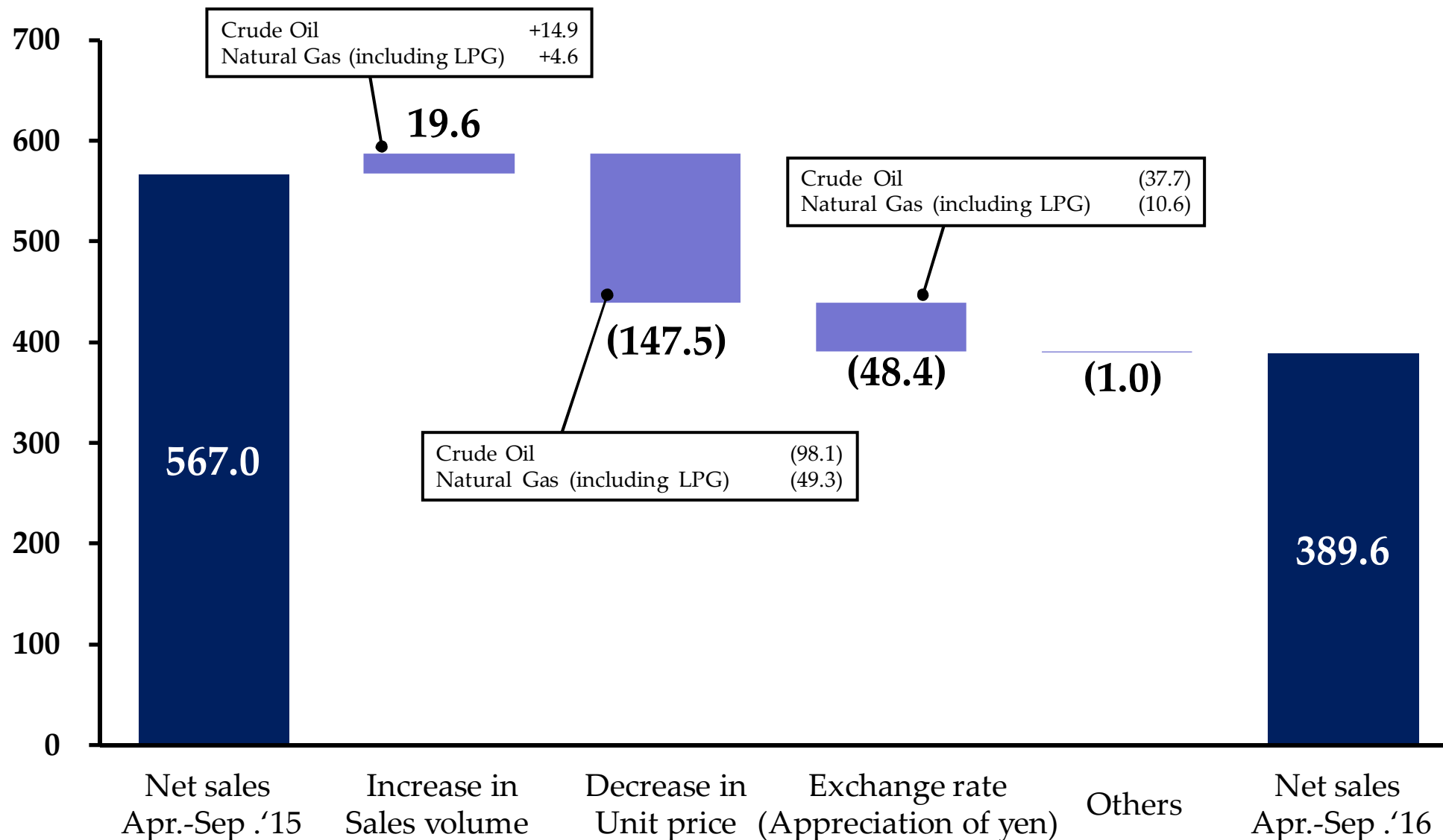
	Apr.-Sep. '15	Apr.-Sep. '16	Change	%Change
Net sales (Billions of yen)	5.5	3.6	(1.9)	(34.7%)

\*1m<sup>3</sup>=41.8605MJ

# Analysis of Net Sales Decrease



(Billions of Yen)



# Statement of Income



(Billions of Yen)	Apr.-Sep. '15	Apr.-Sep. '16	Change	%Change	
Net sales	567.0	389.6	(177.3)	(31.3%)	Increase in sales volume : +19.6 Decrease in unit price : (147.5) Exchange rate (Appreciation of Yen) : (48.4) Others : (1.0)
Cost of sales	273.5	210.1	(63.4)	(23.2%)	
Gross profit	293.4	179.5	(113.9)	(38.8%)	
Exploration expenses	4.0	2.4	(1.6)	(39.8%)	
Selling, general and administrative expenses	42.5	38.9	(3.5)	(8.4%)	Cost of sales for Crude Oil : 141.6 (Change) (45.9) Cost of sales for Natural Gas* : 63.0 (Change) (16.9) * Including LPG
Operating income	246.7	138.0	(108.7)	(44.1%)	
Other income	39.8	16.4	(23.4)	(58.7%)	Main factors for change : Absence of gain on sales of marketable securities (11.4) Absence of foreign exchange gain (9.1)
Other expenses	27.8	22.3	(5.4)	(19.7%)	
Ordinary income	258.8	132.1	(126.6)	(48.9%)	Main factors for change : Provision for allowance for recoverable accounts under production sharing (16.9) Provision for exploration projects (1.6) Foreign exchange loss +17.1
Total income taxes	219.5	107.4	(112.0)	(51.0%)	
Net income (loss) attributable to non-controlling interests	(6.1)	8.9	15.1	-	
Net income attributable to owners of parent	45.4	15.7	(29.7)	(65.4%)	



# Other Income/Expenses

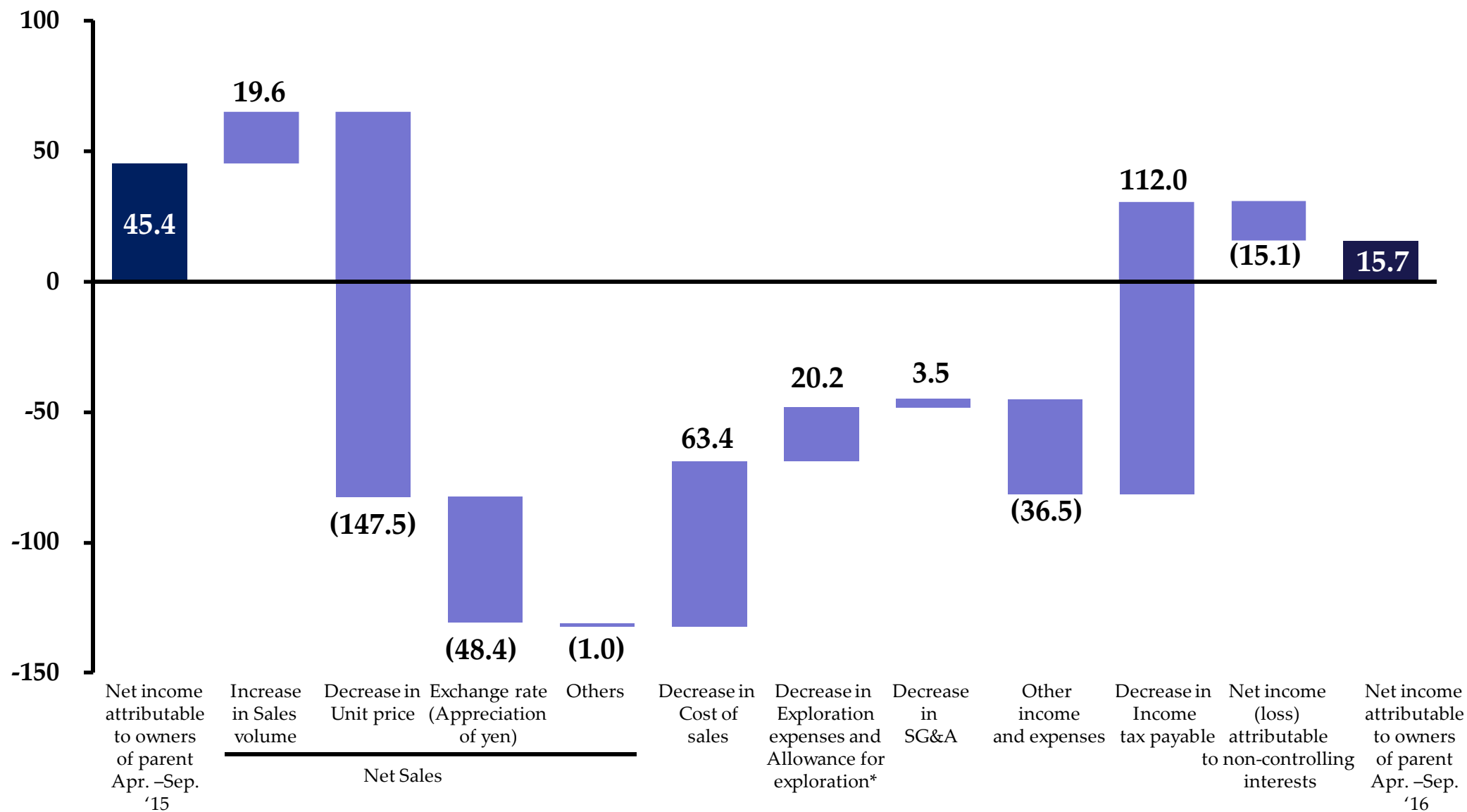


(Billions of Yen)	Apr.-Sep. '15	Apr.-Sep. '16	Change	%Change
Other income	39.8	16.4	(23.4)	(58.7%)
Interest income	4.2	5.1	0.8	19.7%
Dividend income	2.5	1.3	(1.1)	(46.4%)
Gain on sales of marketable securities	11.4	-	(11.4)	-
Foreign exchange gain	9.1	-	(9.1)	-
Other	12.4	9.9	(2.4)	(19.7%)
Other expenses	27.8	22.3	(5.4)	(19.7%)
Interest expense	2.1	2.4	0.2	9.8%
Equity in losses of affiliates	0.9	0.4	(0.4)	(53.3%)
Provision for allowance for recoverable accounts under production sharing	18.0	1.0	(16.9)	(94.3%)
Provision for exploration projects	1.6	-	(1.6)	-
Foreign exchange loss	-	17.1	17.1	-
Other	5.0	1.2	(3.7)	(74.1%)

# Analysis of Net Income Decrease



(Billions of Yen)



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

# Balance Sheet



(Billions of yen)	Mar. '16	Sep. '16	Change	%Change
Current assets	984.3	933.3	(51.0)	(5.2%)
Tangible fixed assets	1,752.6	1,716.2	(36.3)	(2.1%)
Intangible assets	541.4	497.4	(44.0)	(8.1%)
Recoverable accounts under production sharing	727.7	714.7	(13.0)	(1.8%)
Other	495.4	302.1	(193.2)	(39.0%)
Less allowance for recoverable accounts under production sharing	(131.7)	(133.3)	(1.6)	1.2%
<b>Total assets</b>	<b>4,369.8</b>	<b>4,030.5</b>	<b>(339.2)</b>	<b>(7.8%)</b>
Current liabilities	319.1	262.0	(57.1)	(17.9%)
Long-term liabilities	871.9	767.6	(104.2)	(12.0%)
Total net assets	3,178.8	3,000.9	(177.8)	(5.6%)
(Non-controlling interests)	245.9	247.2	1.3	0.5%
<b>Total liabilities and net assets</b>	<b>4,369.8</b>	<b>4,030.5</b>	<b>(339.2)</b>	<b>(7.8%)</b>
Net assets per share (Yen)	2,008.34	1,885.66	(122.68)	(6.1%)

Available fund (Billions of yen)  
768.5\*

Breakdown

- Cash and deposits : 749.6
- Available investment securities : 18.9

\*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 : 50.6
- Fixed assets : 2,549.2
- Total assets : 2,599.9

Accumulated other comprehensive income (Billions of yen) : (181.7)

- Unrealized holding gain on securities : (1.1)
- Unrealized loss from hedging instruments : +3.3
- Translation adjustments: (183.9)

# Statement of Cash Flows



(Billions of Yen)	Apr.-Sep. '15	Apr.-Sep. '16	Change	%Change
Income before income taxes	258.8	132.1	(126.6)	(48.9%)
Depreciation and amortization	35.1	43.2	8.1	23.3%
Recovery of recoverable accounts under production sharing (capital expenditures)	26.8	37.2	10.4	38.8%
Recoverable accounts under production sharing (operating expenditures)	(29.3)	(1.5)	27.8	(94.7%)
Income taxes paid	(226.7)	(110.4)	116.2	(51.3%)
Other	32.9	15.9	(16.9)	(51.5%)
<b>Net cash provided by (used in) operating activities</b>	<b>97.6</b>	<b>116.6</b>	<b>18.9</b>	<b>19.4%</b>
Payments for time deposits / Proceeds from time deposits	257.9	166.3	(91.6)	(35.5%)
Payments for long-term time deposits	(63.8)	-	63.8	-
Payments for purchases of tangible fixed assets	(243.9)	(143.1)	100.7	(41.3%)
Payments for purchases of marketable securities/investment securities and proceeds from sales of marketable securities/investment securities	124.2	(0.1)	(124.4)	-
Investment in recoverable accounts under production sharing (capital expenditures)	(40.2)	(24.3)	15.9	(39.6%)
Long-term loans made / Collection of long-term loans receivable	(192.2)	(65.4)	126.7	(65.9%)
Payments for purchase of mining rights	(133.6)	-	133.6	-
Other	(21.4)	(9.3)	12.0	(56.2%)
<b>Net cash provided by (used in) investing activities</b>	<b>(313.1)</b>	<b>(76.2)</b>	<b>236.8</b>	<b>(75.7%)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>46.9</b>	<b>(26.4)</b>	<b>(73.4)</b>	<b>-</b>
Cash and cash equivalents at end of the period	90.9	62.5	(28.4)	(31.3%)

# Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2016 **INPEX**

## - Assumptions

(August 4, 2016)	1 <sup>st</sup> half (Previous Forecasts)
Crude oil price (Brent) (US\$/bbl)	46.0
Exchange rate (yen/US\$)	106.6

↓

(November 11, 2016)	1 <sup>st</sup> half (Actual Results)
Crude oil price (Brent) (US\$/bbl)	47.0
Exchange rate (yen/US\$)	105.3

## - Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2016

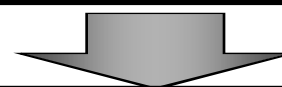
	Previous Forecasts (August 4, 2016)	Actual Results	Change	% Change
Net Sales (billions of yen)	395.0	389.6	(5.3)	(1.4%)
Operating income (billions of yen)	136.0	138.0	2.0	1.5%
Ordinary income (billions of yen)	128.0	132.1	4.1	3.3%
Net income attributable to owners of parent (billions of yen)	10.0	15.7	5.7	57.3%

# Revisions of Financial Forecasts for the year ending March 31, 2017



## - Assumptions

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



(November 11, 2016)	1 <sup>st</sup> half	2 <sup>nd</sup> half	Full year
Crude oil price (Brent) (US\$/bbl)	47.0*1	50.0	48.5
Exchange rate (yen/US\$)	105.3*2	105.0	105.1

\*1 1st quarter (Actual): US\$ 47.0/bbl, 2nd quarter (Actual): US\$47.0/bbl    \*2 1st quarter (Actual): ¥108.2/US\$1, 2nd quarter (Actual): ¥102.4/US\$

## - Financial Forecasts for the year ending March 31, 2017

	Previous forecasts (August 4, 2016)	Revised forecasts (November 11, 2016)	Change	% Change
Net sales (billions of yen)	797.0	830.0	33.0	4.1%
Operating income (billions of yen)	257.0	283.0	26.0	10.1%
Ordinary income (billions of yen)	251.0	284.0	33.0	13.1%
Net income attributable to owners of parent (billions of yen)	17.0	26.0	9.0	52.9%

## - Dividend per share

	End of 2Q	End of fiscal year (forecast)
Year ending March 31, 2017 (yen)	9	9