
Financial Results

for the three months ended June 30, 2017

INPEX CORPORATION

August 4, 2017

Cautionary Statement

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

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

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

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 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)

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Highlights of the Consolidated Financial Results for the three months ended June 30, 2017



	Apr. - Jun. '16	Apr. - Jun. '17	Change	%Change
Net sales (Billions of yen)	198.1	217.8	19.7	10.0%
Crude oil sales	139.7	156.9	17.1	12.3%
Natural gas sales (including LPG)	55.6	58.0	2.3	4.3%
Others	2.7	2.8	0.1	5.8%
Operating income (Billions of yen)	70.7	87.2	16.4	23.3%
Ordinary income (Billions of yen)	60.7	95.5	34.7	57.2%
Net income attributable to owners of parent (Billions of yen)	7.8	20.0	12.1	154.6%
Net income per share (Yen)	5.39	13.71	8.32	154.4%

Average number of INPEX shares issued and outstanding during the three months ended June 30, 2017: 1,460,357,100

Average crude oil price (Brent) (\$/bbl)	47.03	50.79	3.76	8.0%
Average exchange rate (¥/\$)	108.16	111.10	2.94yen depreciation	2.7% depreciation

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Crude Oil Sales

	Apr. - Jun. '16	Apr. - Jun. '17	Change	%Change
Net sales (Billions of yen)	139.7	156.9	17.1	12.3%

Sales volume (thousand bbl)	30,476	27,074	(3,401)	(11.2%)
Average unit price of overseas production (\$/bbl)	41.76	51.19	9.43	22.6%
Average unit price of domestic production (¥/kl)	32,213	38,265	6,052	18.8%
Average exchange rate (¥/\$)	109.70	111.71	2.01yen depreciation	1.8% depreciation

Sales volume by region (thousand bbl)	Apr. - Jun. '16	Apr. - Jun. '17	Change	%Change
Japan	208 (33.0 thousand kl)	238 (37.8 thousand kl)	30 (+4.8 thousand kl)	14.5%
Asia & Oceania	3,902	1,920	(1,982)	(50.8%)
Eurasia (Europe & NIS)	3,059	3,130	72	2.3%
Middle East & Africa	22,829	21,323	(1,506)	(6.6%)
Americas	479	463	(16)	(3.3%)
Total	30,476	27,074	(3,401)	(11.2%)

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Natural Gas Sales (excluding LPG)

	Apr. - Jun. '16	Apr. - Jun. '17	Change	%Change
Net sales (Billions of yen)	53.4	56.7	3.2	6.1%

Sales volume (million cf)	81,184	77,023	(4,162)	(5.1%)
Average unit price of overseas production (\$/thousand cf)	4.88	5.42	0.54	11.1%
Average unit price of domestic sales (¥/m ³)	46.33	45.10	(1.23)	(2.7%)
Average exchange rate (¥/\$)	108.93	110.90	1.97yen depreciation	1.8% depreciation

Sales volume by region (million cf)	Apr. - Jun. '16	Apr. - Jun. '17	Change	%Change
Japan	14,559 (390million m ³ *)	17,144 (459million m ³ *)	2,586 (+69million m ³ *)	17.8%
Asia & Oceania	58,977	47,577	(11,400)	(19.3%)
Eurasia (Europe & NIS)	-	1,783	1,783	-
Middle East & Africa	-	-	-	-
Americas	7,649	10,519	2,870	37.5%
Total	81,184	77,023	(4,162)	(5.1%)

(FYI) LPG sales

*1m³=41.8605M

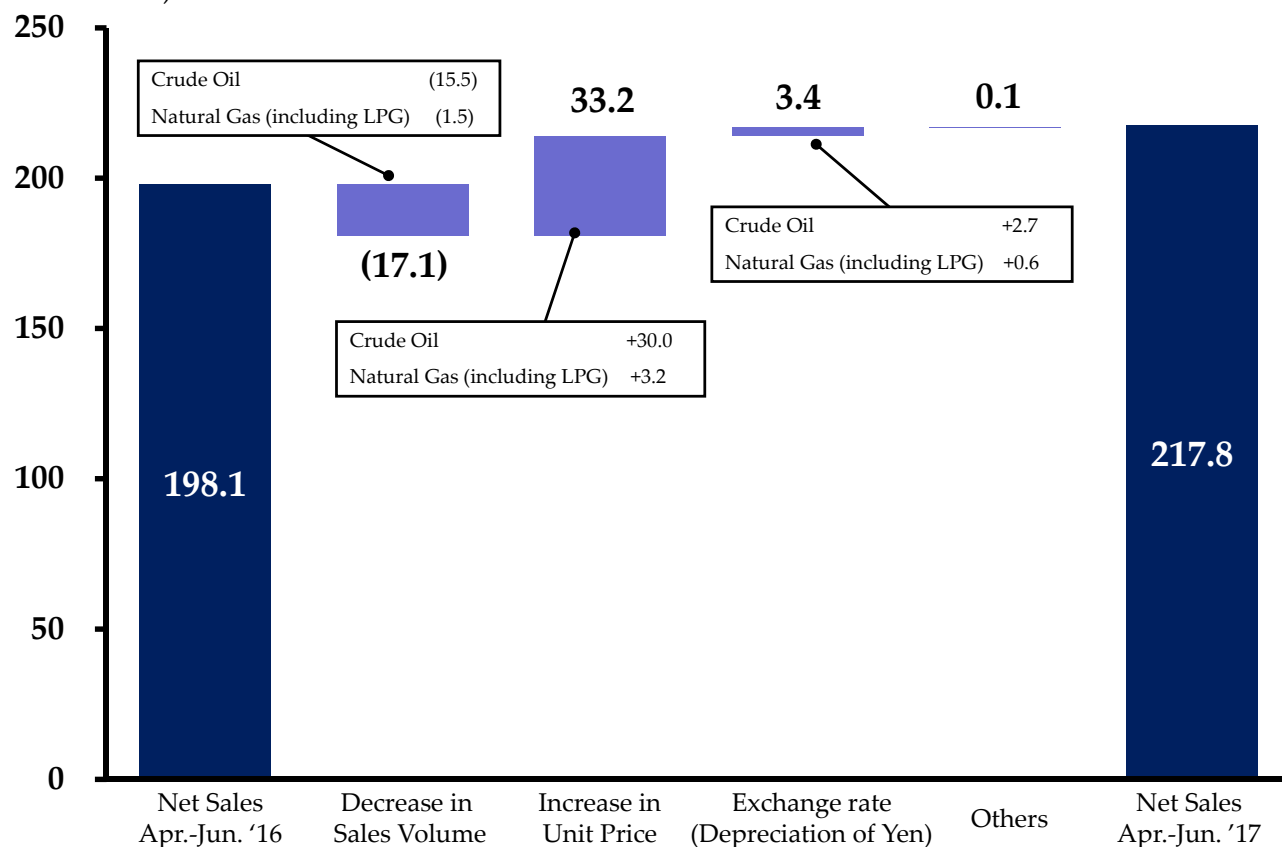
	Apr. - Jun. '16	Apr. - Jun. '17	Change	%Change
Net Sales (Billions of yen)	2.1	1.2	(0.8)	(41.1%)

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Analysis of Net Sales Increase

INPEX

(Billions of Yen)



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Statement of Income

INPEX

(Billions of Yen)

	Apr. - Jun. '16	Apr. - Jun. '17	Change	%Change
Net sales	198.1	217.8	19.7	10.0%
Cost of sales	106.5	110.9	4.4	4.2%
Gross profit	91.6	106.9	15.2	16.7%
Exploration expenses	1.3	0.4	(0.8)	(66.0%)
Selling, general and administrative expenses	19.5	19.2	(0.2)	(1.5%)
Operating income	70.7	87.2	16.4	23.3%
Other income	8.8	11.0	2.1	24.2%
Other expenses	18.8	2.7	(16.1)	(85.4%)
Ordinary income	60.7	95.5	34.7	57.2%
Total income taxes	44.8	72.6	27.8	62.2%
Net income (loss) attributable to non-controlling interests	8.0	2.8	(5.2)	(65.3%)
Net income attributable to owners of parent	7.8	20.0	12.1	154.6%

Change Component	Change (Billions of Yen)
Decrease in sales volume	(17.1)
Increase in unit price	+33.2
Exchange rate (Depreciation of yen)	+3.4
Others	+0.1

Cost of Sales Component	Change (Billions of Yen)
Cost of sales for Crude Oil (Change)	+8.0
Cost of sales for Natural Gas* (Change)	(3.5)

Main factor for change	Change (Billions of Yen)
Gain on reversal of allowance for recoverable accounts under production sharing	+4.4
Foreign exchange loss	(15.7)

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Other Income/Expenses

INPEX

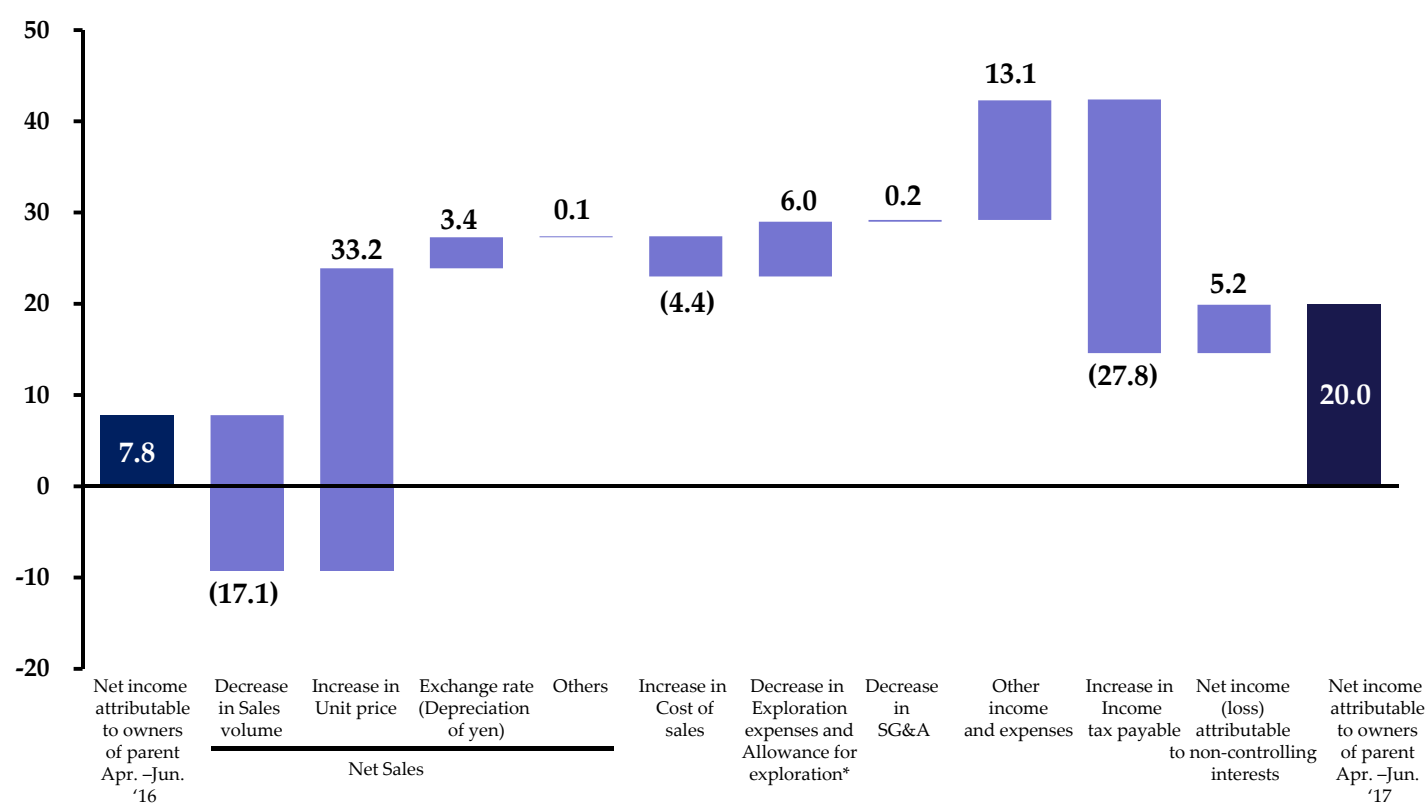
(Billions of Yen)	Apr. - Jun. '16	Apr. - Jun. '17	Change	%Change
Other income	8.8	11.0	2.1	24.2%
Interest income	2.5	1.7	(0.8)	(31.5%)
Dividend income	1.1	1.8	0.7	67.2%
Equity in earnings of affiliates	-	1.0	1.0	-
Gain on reversal of allowance for recoverable accounts under production sharing	-	4.4	4.4	-
Foreign exchange gain	-	0.0	0.0	-
Other	5.1	1.8	(3.2)	(63.6%)
Other expenses	18.8	2.7	(16.1)	(85.4%)
Interest expense	1.1	1.4	0.2	23.9%
Equity in losses of affiliates	0.2	-	(0.2)	-
Provision for allowance for recoverable accounts under production sharing	0.6	-	(0.6)	-
Provision for exploration projects	0.0	-	(0.0)	-
Foreign exchange loss	15.7	-	(15.7)	-
Other	1.0	1.3	0.2	27.7%

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Analysis of Net Income Increase

INPEX

(Billions of Yen)



*Provision for (gain on reversal of) allowance for recoverable accounts under production sharing and Provision for exploration projects

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Revised Financial Forecasts for the year ending March 31, 2018

- Assumptions

(May 12, 2017)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	50.0	50.0	50.0
Exchange rate (yen/US\$)	110.0	110.0	110.0



(Aug 4, 2017)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	50.4*1	50.0	50.2
Exchange rate (yen/US\$)	110.6*2	110.0	110.3

*1 1st quarter (Actual) : US\$ 50.8/bbl, 2nd quarter (Forecast) : US\$50.0/bbl *2 1st quarter (Actual) : ¥111.1/US\$1, 2nd quarter (Forecast) : ¥110.0/US\$

- Financial Forecasts

for the year ending March 31, 2018

	Previous forecasts (May 12, 2017)	Revised forecasts (Aug 4, 2017)	Change	% Change
Net sales (billions of yen)	844.0	839.0	Δ5.0	Δ0.6%
Operating income (billions of yen)	303.0	309.0	6.0	2.0%
Ordinary income (billions of yen)	329.0	337.0	8.0	2.4%
Net income attributable to owners of parent (billions of yen)	47.0	52.0	5.0	10.6%

- Financial Forecasts for the six months ending September 30, 2017

Net sales (billions of yen)	431.0	430.0	Δ1.0	Δ0.2%
Operating income (billions of yen)	155.0	164.0	9.0	5.8%
Ordinary income (billions of yen)	167.0	176.0	9.0	5.4%
Net income attributable to owners of parent (billions of yen)	24.0	28.0	4.0	16.7%

Appendix

LPG Sales

	Apr. - Jun. '16	Apr. - Jun. '17	Change	%Change
Net sales (Billions of yen)	2.1	1.2	(0.8)	(41.1%)
Sales volume (thousand bbl)	621	287	(335)	(53.8%)
Average unit price of overseas production (\$/bbl)	32.69	40.01	7.32	22.4%
Average unit price of domestic production (¥/kg)	52.14	65.04	12.90	24.7%
Average exchange rate (¥/\$)	107.38	111.86	4.48yen depreciation	4.2% depreciation

Sales volume by region (thousand bbl)	Apr. - Jun. '16	Apr. - Jun. '17	Change	%Change
Japan	1 (0.1 thousand ton)	1 (0.1 thousand ton)	0 (+0.0 thousand ton)	15.6%
Asia & Oceania	620	286	(335)	(54.0%)
Eurasia (Europe & NIS)	-	-	-	-
Middle East & Africa	-	-	-	-
Americas	-	-	-	-
Total	621	287	(335)	(53.8%)

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Balance Sheet

(Billions of yen)	Mar. '17	Jun. '17	Change	%Change
Current assets	942.9	836.1	(106.8)	(11.3%)
Tangible fixed assets	1,928.5	1,986.6	58.0	3.0%
Intangible assets	521.2	505.0	(16.1)	(3.1%)
Recoverable accounts under production sharing	611.9	589.6	(22.2)	(3.6%)
Other	424.2	505.1	80.8	19.1%
Less allowance for recoverable accounts under production sharing	(116.8)	(95.5)	21.2	(18.2%)
Total assets	4,312.1	4,327.1	14.9	0.3%
Current liabilities	297.4	280.9	(16.5)	(5.6%)
Long-term liabilities	807.1	855.2	48.1	6.0%
Total net assets	3,207.5	3,190.9	(16.6)	(0.5%)
(Non-controlling interests)	264.3	263.9	(0.4)	(0.2%)
Total liabilities and net assets	4,312.1	4,327.1	14.9	0.3%
Net assets per share (Yen)	2,015.38	2,004.29	(11.09)	(0.6%)

Available fund (Billions of yen)* : 586.8

Breakdown

- Cash and deposits : 576.0
- Marketable securities : 5.5
- Available investment securities : 5.3

*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 : 39.8
- Fixed assets : 3,216.6
- Total assets : 3,256.4

Total shareholders' equity : +6.8
Accumulated other comprehensive income (Billions of yen) : (23.0)

- Unrealized holding gain on securities : (0.9)
- Unrealized gain from hedging instruments : +1.2
- Translation adjustments : (23.3)

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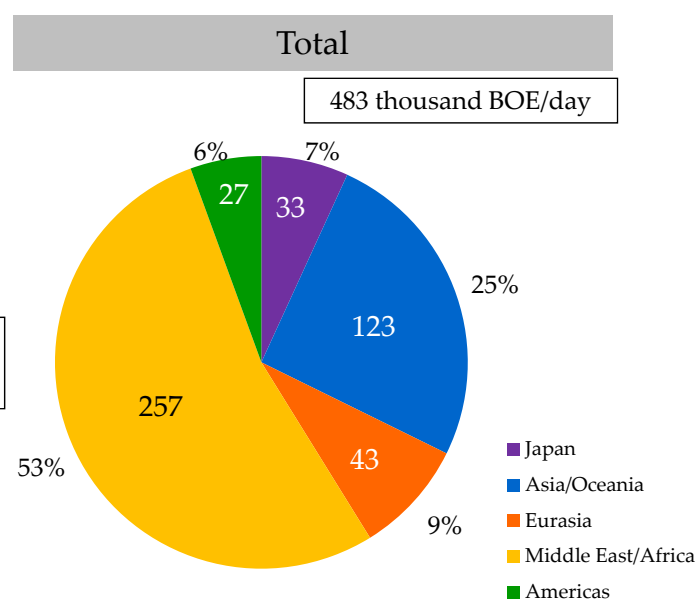
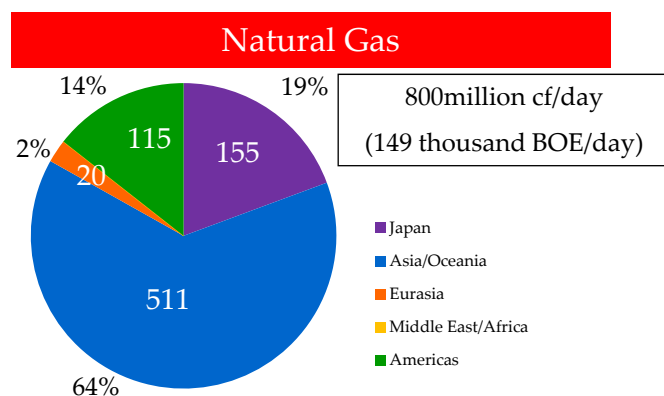
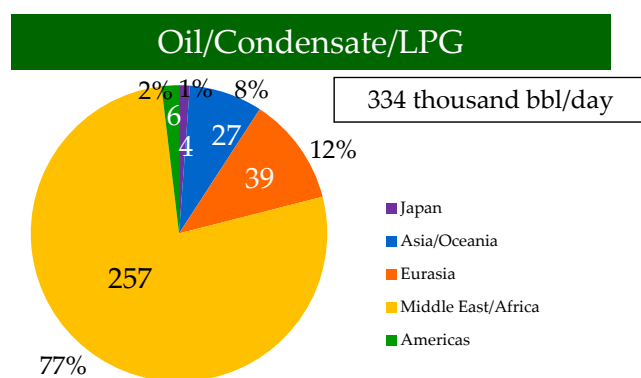
Statement of Cash Flows



(Billions of Yen)	Apr. - Jun. '16	Apr. - Jun. '17	Change	%Change
Income before income taxes	60.7	95.5	34.7	57.2%
Depreciation and amortization	22.1	23.2	1.0	4.9%
Recovery of recoverable accounts under production sharing (capital expenditures)	21.1	17.2	(3.8)	(18.3%)
Recoverable accounts under production sharing (operating expenditures)	(2.9)	0.2	3.1	-
Income taxes paid	(62.3)	(89.5)	(27.1)	43.6%
Other	6.3	16.5	10.2	163.0%
Net cash provided by (used in) operating activities	45.0	63.3	18.2	40.5%
Payments for time deposits / Proceeds from time deposits	97.5	8.6	(88.8)	(91.1%)
Payments for purchases of tangible fixed assets	(80.5)	(73.1)	7.4	(9.2%)
Payments for purchases of marketable securities/investment securities and proceeds from sales of marketable securities/investment securities	(0.1)	(89.2)	(89.1)	-
Investment in recoverable accounts under production sharing (capital expenditures)	(12.8)	(9.8)	2.9	(23.2%)
Long-term loans made / Collection of long-term loans receivable	(2.1)	0.0	2.2	-
Other	(3.9)	(4.2)	(0.3)	8.1%
Net cash provided by (used in) investing activities	(2.1)	(167.7)	(165.6)	-
Net cash provided by (used in) financing activities	(15.4)	37.4	52.8	-
Cash and cash equivalents at end of the period	76.0	248.4	172.4	226.8%

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Net Production* (Apr. 2017 – Jun. 2017)



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* 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 INPEX Group.

Crude Oil Prices

