
Financial Results

for the six months ended September 30, 2017

INPEX CORPORATION

November 8, 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



63 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 six months ended September 30, 2017



	Apr. - Sep. '16	Apr. - Sep. '17	Change	%Change
Net sales (Billions of yen)	389.6	447.9	58.2	15.0%
Crude oil sales	275.8	330.9	55.0	20.0%
Natural gas sales (including LPG)	108.0	110.8	2.8	2.6%
Others	5.7	6.1	0.3	6.6%
Operating income (Billions of yen)	138.0	185.8	47.7	34.6%
Ordinary income (Billions of yen)	132.1	195.4	63.2	47.8%
Net income attributable to owners of parent (Billions of yen)	15.7	30.1	14.4	91.7%
Net income per share (Yen)	10.77	20.65	9.88	91.7%

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

Average crude oil price (Brent) (\$/bbl)	47.01	51.49	4.48	9.5%
Average exchange rate (¥/\$)	105.26	111.05	5.79yen depreciation	5.5% depreciation

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Crude Oil Sales



	Apr. - Sep. '16	Apr. - Sep. '17	Change	%Change
Net sales (Billions of yen)	275.8	330.9	55.0	20.0%

Sales volume (thousand bbl)	59,970	57,530	(2,440)	(4.1%)
Average unit price of overseas production (\$/bbl)	43.08	51.25	8.17	19.0%
Average unit price of domestic production (¥/kl)	32,003	37,780	5,777	18.1%
Average exchange rate (¥/\$)	106.65	111.44	4.79yen depreciation	4.5% depreciation

Sales volume by region (thousand bbl)	Apr. - Sep. '16	Apr. - Sep. '17	Change	%Change
Japan	415 (66.0 thousand kl)	470 (74.8 thousand kl)	55 (+8.8 thousand kl)	13.3%
Asia & Oceania	6,548	4,160	(2,389)	(36.5%)
Eurasia (Europe & NIS)	6,260	5,981	(280)	(4.5%)
Middle East & Africa	45,734	45,979	245	0.5%
Americas	1,012	940	(72)	(7.1%)
Total	59,970	57,530	(2,440)	(4.1%)

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Natural Gas Sales (excluding LPG)



	Apr. - Sep. '16	Apr. - Sep. '17	Change	%Change
Net sales (Billions of yen)	104.3	108.3	3.9	3.7%

Sales volume (million cf)	165,837	151,351	(14,487)	(8.7%)
Average unit price of overseas production (\$/thousand cf)	4.83	5.14	0.31	6.4%
Average unit price of domestic sales (¥/m ³)	43.88	45.64	1.76	4.0%
Average exchange rate (¥/\$)	105.87	110.71	4.84yen depreciation	4.6% depreciation

Sales volume by region (million cf)	Apr. - Sep. '16	Apr. - Sep. '17	Change	%Change
Japan	29,523 (791million m ^{3*})	34,005 (911million m ^{3*})	4,482 (+120million m ^{3*})	15.2%
Asia & Oceania	118,646	92,664	(25,982)	(21.9%)
Eurasia (Europe & NIS)	-	3,724	3,724	-
Middle East & Africa	-	-	-	-
Americas	17,668	20,957	3,289	18.6%
Total	165,837	151,351	(14,487)	(8.7%)

*1m³=41.8605MJ

(FYI) LPG Sales

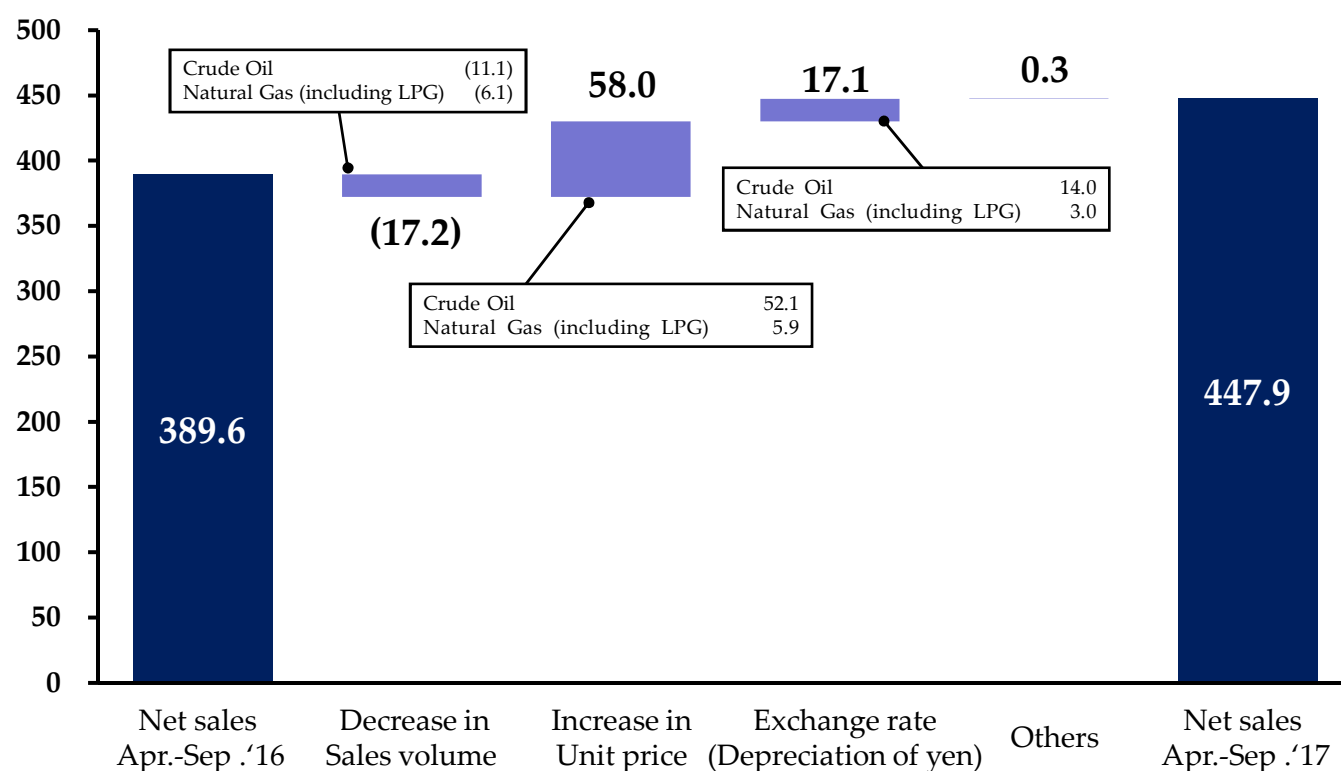
	Apr. - Sep. '16	Apr. - Sep. '17	Change	%Change
Net Sales (Billions of yen)	3.6	2.5	(1.0)	(29.7%)

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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. - Sep. '16	Apr. - Sep. '17	Change	%Change
Net sales	389.6	447.9	58.2	15.0%
Cost of sales	210.1	222.1	12.0	5.7%
Gross profit	179.5	225.7	46.2	25.7%
Exploration expenses	2.4	0.9	(1.5)	(61.6%)
Selling, general and administrative expenses	38.9	38.9	(0.0)	(0.1%)
Operating income	138.0	185.8	47.7	34.6%
Other income	16.4	15.6	(0.7)	(4.8%)
Other expenses	22.3	6.0	(16.2)	(72.8%)
Ordinary income	132.1	195.4	63.2	47.8%
Total income taxes	107.4	161.5	54.1	50.4%
Net income (loss) attributable to non-controlling interests	8.9	3.6	(5.3)	(59.2%)
Net income attributable to owners of parent	15.7	30.1	14.4	91.7%

Category	Change (Billions of Yen)
Decrease in sales volume	(17.2)
Increase in unit price	+58.0
Exchange rate (Depreciation of yen)	+17.1
Others	+0.3

Category	Crude Oil	Natural Gas*
Cost of sales for Crude Oil (Change)	156.8	+15.2
Cost of sales for Natural Gas* (Change)	60.3	(2.7)

Category	Change (Billions of Yen)
Main factor for change: Foreign exchange loss	(17.1)

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Other Income/Expenses

INPEX

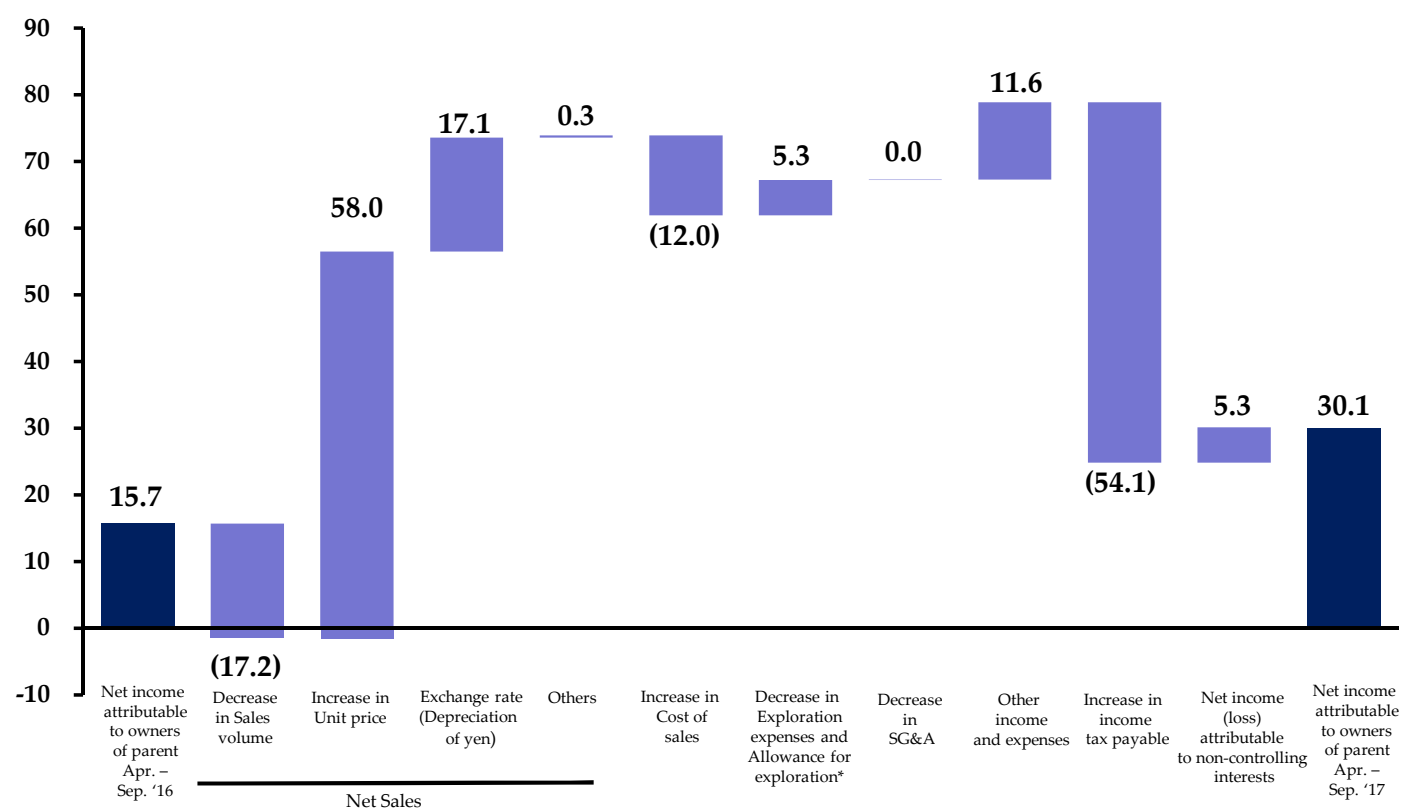
(Billions of Yen)	Apr. - Sep. '16	Apr. - Sep. '17	Change	%Change
Other income	16.4	15.6	(0.7)	(4.8%)
Interest income	5.1	4.0	(1.0)	(20.8%)
Dividend income	1.3	2.0	0.6	51.8%
Equity in earnings of affiliates	-	2.1	2.1	-
Gain on reversal of allowance for recoverable accounts under production sharing	-	2.7	2.7	-
Foreign exchange gain	-	0.0	0.0	-
Other	9.9	4.5	(5.3)	(54.0%)
Other expenses	22.3	6.0	(16.2)	(72.8%)
Interest expense	2.4	3.2	0.7	33.2%
Equity in losses of affiliates	0.4	-	(0.4)	-
Provision for allowance for recoverable accounts under production sharing	1.0	-	(1.0)	-
Foreign exchange loss	17.1	-	(17.1)	-
Other	1.2	2.8	1.5	120.8%

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Analysis of Net Income Increase

INPEX

(Billions of Yen)



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

Balance Sheet



(Billions of yen)	Mar. '17	Sep. '17	Change	%Change
Current assets	942.9	751.4	(191.4)	(20.3%)
Tangible fixed assets	1,928.5	2,045.6	117.1	6.1%
Intangible assets	521.2	499.3	(21.9)	(4.2%)
Recoverable accounts under production sharing	611.9	591.1	(20.8)	(3.4%)
Other	424.2	572.2	148.0	34.9%
Less allowance for recoverable accounts under production sharing	(116.8)	(90.2)	26.5	(22.7%)
Total assets	4,312.1	4,369.6	57.4	1.3%
Current liabilities	297.4	285.1	(12.3)	(4.2%)
Long-term liabilities	807.1	871.8	64.6	8.0%
Total net assets	3,207.5	3,212.6	5.1	0.2%
(Non-controlling interests)	264.3	263.7	(0.6)	(0.3%)
Total liabilities and net assets	4,312.1	4,369.6	57.4	1.3%
Net assets per share (Yen)	2,015.38	2,019.36	3.98	0.2%

Available fund (Billions of yen)* : 546.0

Breakdown

- Cash and deposits : 535.2
- 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 : 58.2
- Fixed assets : 3,378.9
- Total assets : 3,437.2

Total shareholders' equity : +17.0
Accumulated other comprehensive income (Billions of yen) : (11.1)

- Unrealized holding gain on securities : +1.8
- Unrealized gain from hedging instruments : +2.8
- Translation adjustments : (15.8)


Statement of Cash Flows



(Billions of Yen)	Apr. - Sep. '16	Apr. - Sep. '17	Change	%Change
Income before income taxes	132.1	195.4	63.2	47.8%
Depreciation and amortization	43.2	45.4	2.1	5.0%
Recovery of recoverable accounts under production sharing (capital expenditures)	37.2	34.9	(2.2)	(6.1%)
Recoverable accounts under production sharing (operating expenditures)	(1.5)	1.2	2.8	-
Income taxes paid	(110.4)	(143.7)	(33.2)	30.1%
Other	15.9	7.8	(8.1)	(51.1%)
Net cash provided by (used in) operating activities	116.6	141.1	24.5	21.0%
Payments for time deposits / Proceeds from time deposits	166.3	73.4	(92.8)	(55.8%)
Payments for purchases of tangible fixed assets	(143.1)	(139.2)	3.9	(2.8%)
Payments for purchases of marketable securities/investment securities	(0.1)	(126.3)	(126.1)	-
Investment in recoverable accounts under production sharing (capital expenditures)	(24.3)	(13.6)	10.6	(44.0%)
Long-term loans made / Collection of long-term loans receivable	(65.4)	(23.4)	42.0	(64.2%)
Other	(9.3)	0.7	10.1	-
Net cash provided by (used in) investing activities	(76.2)	(228.3)	(152.1)	199.6%
Net cash provided by (used in) financing activities	(26.4)	42.3	68.8	-
Cash and cash equivalents at end of the period	62.5	270.8	208.3	333.3%

Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2017 **INPEX**

- Assumptions

(August 4, 2017)	1 st half (Previous Forecasts)
Crude oil price (Brent) (US\$/bbl)	50.4
Exchange rate (yen/US\$)	110.6
	
(November 8, 2017)	1 st half (Actual Results)
Crude oil price (Brent) (US\$/bbl)	51.5
Exchange rate (yen/US\$)	111.1

- Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2017


	Previous Forecasts (August 4, 2017)	Actual Results	Change	% Change
Net Sales (billions of yen)	430.0	447.9	17.9	4.2%
Operating income (billions of yen)	164.0	185.8	21.8	13.3%
Ordinary income (billions of yen)	176.0	195.4	19.4	11.0%
Net income attributable to owners of parent (billions of yen)	28.0	30.1	2.1	7.7%

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Revisions of Financial Forecasts for the year ending March 31, 2018

INPEX

- Assumptions

(August 4, 2017)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	50.4	50.0	50.2
Exchange rate (yen/US\$)	110.6	110.0	110.3
			
(November 8, 2017)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	51.5 *1	55.0	53.3
Exchange rate (yen/US\$)	111.1 *2	110.0	110.5

*1 1st quarter (Actual) : US\$ 50.8/bbl, 2nd quarter (Actual) : US\$52.2/bbl *2 1st quarter (Actual) : ¥111.1/US\$, 2nd quarter (Actual) : ¥111.0/US\$

- Financial Forecasts for the year ending March 31, 2018

	Previous forecasts (August 4, 2017)	Revised forecasts (November 8, 2017)	Change	% Change
Net sales (billions of yen)	839.0	877.0	38.0	4.5%
Operating income (billions of yen)	309.0	341.0	32.0	10.4%
Ordinary income (billions of yen)	337.0	367.0	30.0	8.9%
Net income attributable to owners of parent (billions of yen)	52.0	52.0	-	-

- Dividend per share

	End of 2Q	End of fiscal year (forecast)
Year ending March 31, 2018 (yen)	9	9

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