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## Financial Results

### for the three months ended June 30, 2019

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## INPEX CORPORATION

August 8, 2019

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## 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



## 66 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
JODCO Lower Zakum Limited	UAE	100%	Production	December
INPEX Sahul, Ltd.	Timor Sea Joint Petroleum Development Area	100%	Production	December
INPEX Ichthys Pty Ltd	Australia	100%	Production	March (provisional settlement of account)
INPEX Southwest Caspian Sea, Ltd.	Azerbaijan	51%	Production	March (provisional settlement of account)
INPEX North Caspian Sea, Ltd.	Kazakhstan	51%	Production	March (provisional settlement of account)
INPEX Oil & Gas Australia Pty Ltd	Australia	100%	Production	December

## 21 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	66.245%	Production	March (provisional settlement of account)

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## Highlights of the Consolidated Financial Results for the three months ended June 30, 2019



	Apr. - Jun. '18	Apr. - Jun. '19	Change	%Change
Net sales (Billions of yen)	202.3	287.4	85.0	42.0%
Crude oil sales	169.4	213.0	43.5	25.7%
Natural gas sales (including LPG)	29.1	70.6	41.4	142.2%
Others	3.7	3.7	(0.0)	(0.1%)
Operating income (Billions of yen)	103.9	146.2	42.3	40.7%
Ordinary income (Billions of yen)	116.2	130.9	14.7	12.7%
Net income attributable to owners of parent (Billions of yen)	16.8	29.6	12.8	76.6%
Net income per share (Yen)	11.51	20.34	8.83	76.7%

Average number of INPEX shares issued and outstanding during the three months ended June 30, 2019: 1,460,199,941

Average crude oil price (Brent) (\$/bbl)	74.97	68.47	(6.50)	(8.7%)
Average exchange rate (¥/\$)	109.10	109.90	0.80yen depreciation	0.7% depreciation

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# Crude Oil Sales



	Apr. - Jun. '18	Apr. - Jun. '19	Change	%Change
Net sales (Billions of yen)	169.4	213.0	43.5	25.7%

Sales volume (thousand bbl)	22,066	29,231	7,165	32.5%
Average unit price of overseas production (\$/bbl)	70.52	66.22	(4.30)	(6.1%)
Average unit price of domestic production (¥/kl)	52,946	48,499	(4,447)	(8.4%)
Average exchange rate (¥/\$)	108.82	110.02	1.20yen depreciation	1.1% depreciation

Sales volume by region (thousand bbl)	Apr. - Jun. '18	Apr. - Jun. '19	Change	%Change
Japan	176 (28.0 thousand kl)	203 (32.3 thousand kl)	27 (+4.3 thousand kl)	15.3%
Asia & Oceania	428	4,276	3,848	898.7%
Eurasia (Europe & NIS)	3,906	2,468	(1,438)	(36.8%)
Middle East & Africa	17,218	22,118	4,900	28.5%
Americas	337	166	(171)	(50.7%)
Total	22,066	29,231	7,165	32.5%

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# Natural Gas Sales (excluding LPG)



	Apr. - Jun. '18	Apr. - Jun. '19	Change	%Change
Net sales (Billions of yen)	28.7	69.9	41.1	143.2%

Sales volume (million cf)	35,177	100,119	64,942	184.6%
Average unit price of overseas production (\$/thousand cf)	2.94	4.73	1.79	60.9%
Average unit price of domestic sales (¥/m <sup>3</sup> )	49.11	56.68	7.57	15.4%
Average exchange rate (¥/\$)	105.90	109.81	3.91yen depreciation	3.7% depreciation

Sales volume by region (million cf)	Apr. - Jun. '18	Apr. - Jun. '19	Change	%Change
Japan	17,715 (475million m <sup>3</sup> *)	17,949 (481million m <sup>3</sup> *)	234 (+6million m <sup>3</sup> *)	1.3%
Asia & Oceania	5,692	73,706	68,014	-
Eurasia (Europe & NIS)	2,392	1,412	(980)	(41.0%)
Middle East & Africa	-	-	-	-
Americas	9,378	7,051	(2,326)	(24.8%)
Total	35,177	100,119	64,942	184.6%

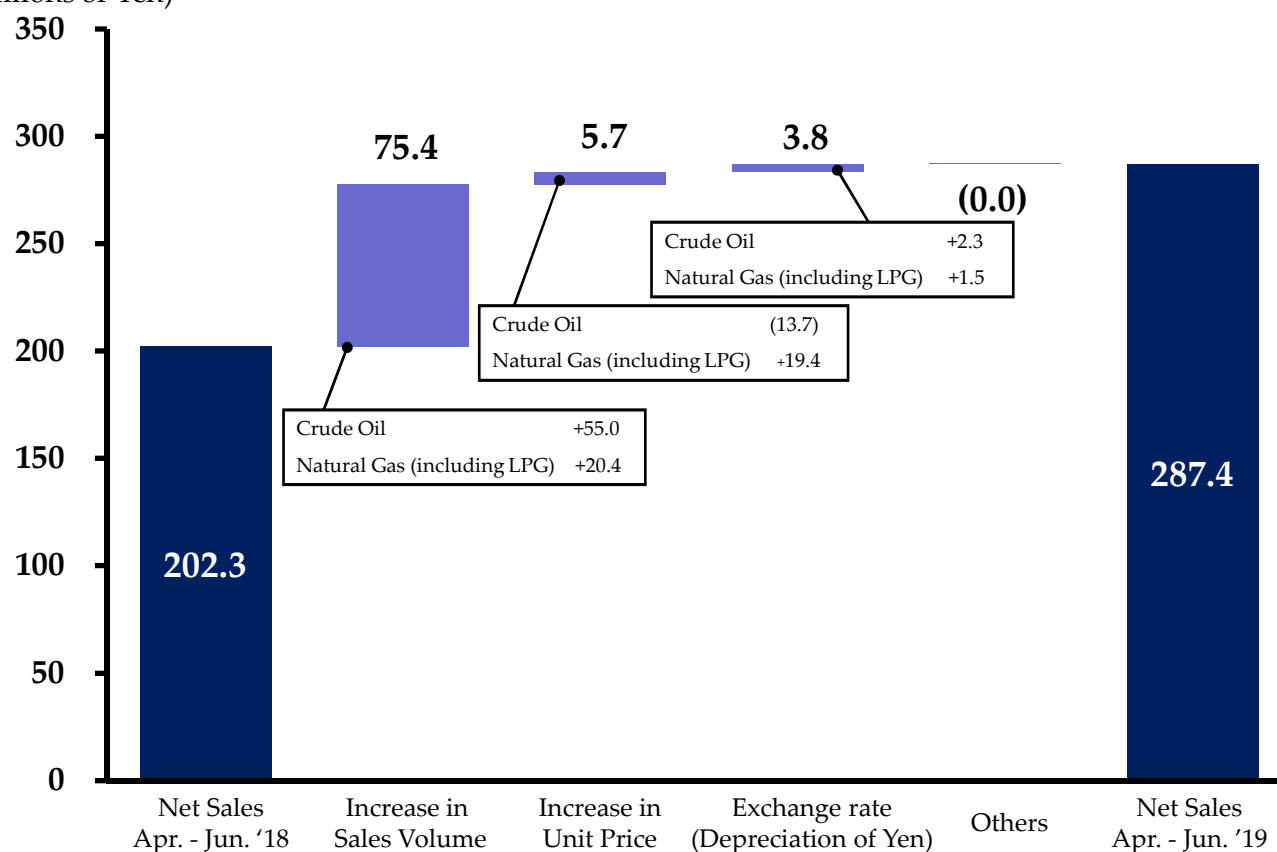
\*1m<sup>3</sup>=41.8605MJ

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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. '18	Apr. - Jun. '19	Change	%Change
Net sales	202.3	287.4	85.0	42.0%
Cost of sales	80.1	121.3	41.2	51.5%
Gross profit	122.2	166.0	43.8	35.8%
Exploration expenses	0.1	2.0	1.8	-
Selling, general and administrative expenses	18.1	17.7	(0.3)	(2.1%)
Operating income	103.9	146.2	42.3	40.7%
Other income	19.8	5.8	(14.0)	(70.7%)
Other expenses	7.6	21.1	13.5	177.5%
Ordinary income	116.2	130.9	14.7	12.7%
Total income taxes	95.2	99.8	4.6	4.9%
Net income (loss) attributable to non-controlling interests	4.1	1.3	(2.7)	(66.6%)
Net income attributable to owners of parent	16.8	29.6	12.8	76.6%

Increase in sales volume :	+75.4
Increase in unit price :	+5.7
Exchange rate (Depreciation of yen) :	+3.8
Others :	(0.0)

Cost of sales for Crude Oil : (Change)	85.0 +24.4
Cost of sales for Natural Gas* : (Change)	33.7 +16.9
* Including LPG	

Main factors for change :	
Compensation income	(7.3)
Equity in earnings of affiliates	(4.8)
Foreign exchange gain	(1.4)

Main factors for change :	
Interest expense	+5.5
Equity in losses of affiliates	+6.2
Foreign exchange loss	+4.5

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# Other Income/Expenses



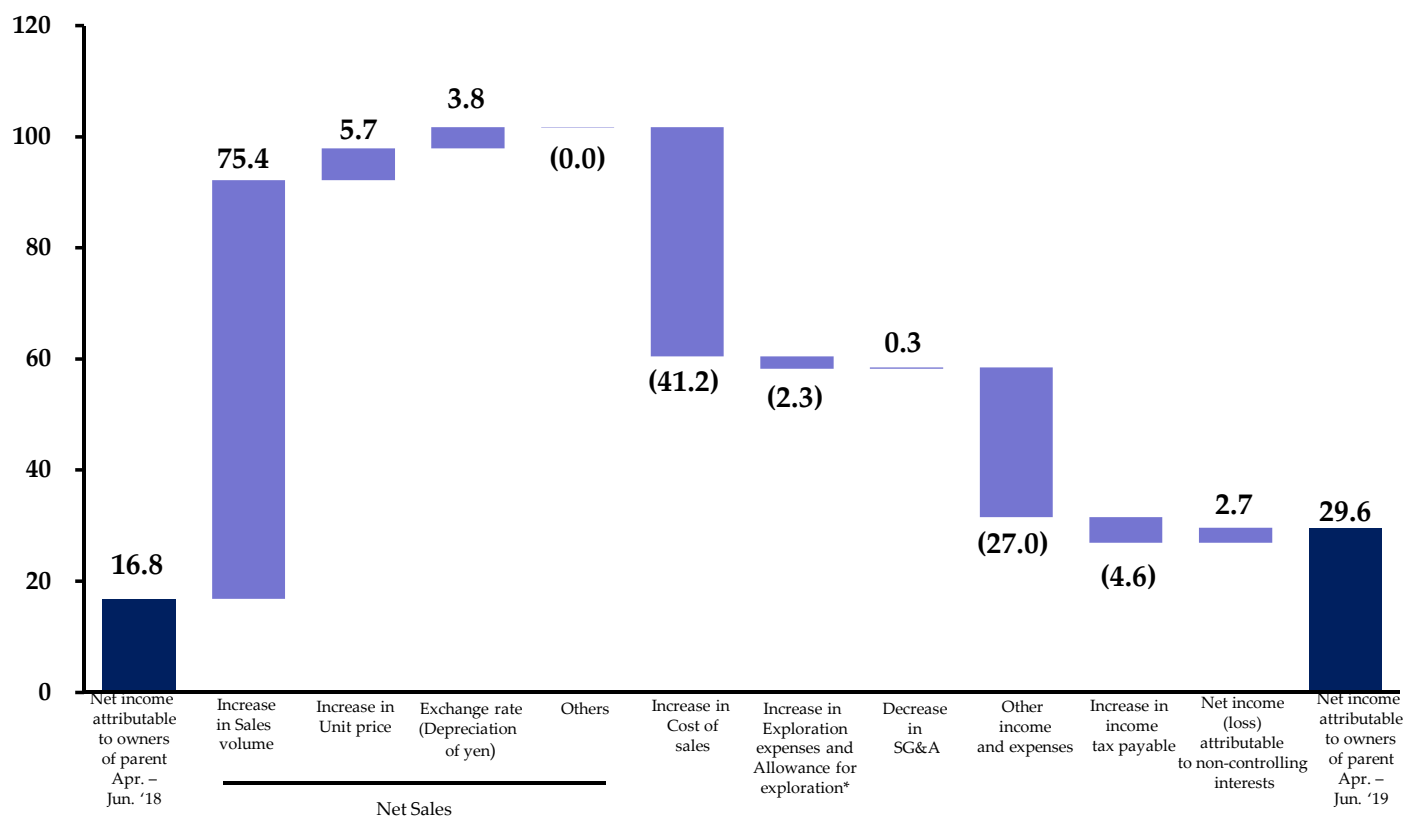
(Billions of Yen)	Apr. - Jun. '18	Apr. - Jun. '19	Change	%Change
Other income	19.8	5.8	(14.0)	(70.7%)
Interest income	1.5	1.0	(0.5)	(34.2%)
Dividend income	1.0	2.0	0.9	84.9%
Equity in earnings of affiliates	4.8	-	(4.8)	-
Compensation income	7.3	-	(7.3)	-
Foreign exchange gain	1.4	-	(1.4)	-
Other	3.5	2.8	(0.7)	(21.0%)
Other expenses	7.6	21.1	13.5	177.5%
Interest expense	2.0	7.6	5.5	264.5%
Equity in losses of affiliates	-	6.2	6.2	-
Provision for allowance for doubtful accounts	2.6	-	(2.6)	-
Provision for allowance for recoverable accounts under production sharing	0.5	1.0	0.5	92.8%
Foreign exchange loss	-	4.5	4.5	-
Other	2.3	1.6	(0.6)	(28.0%)

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# Analysis of Net Income Increase



(Billions of Yen)



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\*Provision for allowance for recoverable accounts under production sharing

# Revised Financial Forecasts for the year ending December 31, 2019 (nine-month accounting period) **INPEX**

## - Assumptions

(May 13, 2019)	1 <sup>st</sup> half(Apr. – Sep. '19)	2 <sup>nd</sup> half(Oct. – Dec. '19)	Full year
Crude oil price (Brent) (US\$/bbl)	65.0	65.0	65.0
Exchange rate (yen/US\$)	110.0	110.0	110.0



(Aug 8, 2019)	1 <sup>st</sup> half(Apr. – Sep. '19)	2 <sup>nd</sup> half(Oct. – Dec. '19)	Full year
Crude oil price (Brent) (US\$/bbl)	66.7*1	65.0	66.2
Exchange rate (yen/US\$)	110.0*2	110.0	110.0

\*1 1st quarter (Actual) : US\$ 68.5/bbl, 2nd quarter (Forecast) : US\$65.0/bbl \*2 1st quarter (Actual) : ¥109.9/US\$, 2nd quarter (Forecast) : ¥110.0/US\$

## - Financial Forecasts

### for the year ending December 31, 2019

	Previous forecasts (May 13, 2019)	Revised forecasts (Aug 8, 2019)	Change	% Change
Net sales (billions of yen)	958.0	988.0	30.0	3.1%
Operating income (billions of yen)	442.0	472.0	30.0	6.8%
Ordinary income (billions of yen)	430.0	460.0	30.0	7.0%
Net income attributable to owners of parent (billions of yen)	90.0	90.0	-	-

### - Financial Forecasts for the six months ending September 30, 2019

Net sales (billions of yen)	549.0	581.0	32.0	5.8%
Operating income (billions of yen)	244.0	276.0	32.0	13.1%
Ordinary income (billions of yen)	228.0	260.0	32.0	14.0%
Net income attributable to owners of parent (billions of yen)	44.0	49.0	5.0	11.4%

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**INPEX**

Appendix

# LPG Sales

	Apr. - Jun. '18	Apr. - Jun. '19	Change	%Change
Net sales (Billions of yen)	0.4	0.6	0.2	69.8%
Sales volume (thousand bbl)	75	72	(3)	(4.5%)
Average unit price of overseas production (\$/bbl)	49.89	45.02	(4.87)	(9.8%)
Average unit price of domestic production (¥/kg)	71.77	71.89	0.12	0.2%
Average exchange rate (¥/\$)	108.54	110.01	1.47yen depreciation	1.4% depreciation

Sales volume by region (thousand bbl)	Apr. - Jun. '18	Apr. - Jun. '19	Change	%Change
Japan	1 (0.1 thousand ton)	1 (0.1 thousand ton)	(0) (-0.0 thousand ton)	(22.8%)
Asia & Oceania	74	71	(3)	(4.2%)
Eurasia (Europe & NIS)	-	-	-	-
Middle East & Africa	-	-	-	-
Americas	-	-	-	-
Total	75	72	(3)	(4.5%)

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# Balance Sheet

(Billions of yen)	Mar. '19	Jun. '19	Change	%Change
Current assets	457.7	407.8	(49.8)	(10.9%)
Tangible fixed assets	2,278.9	2,244.1	(34.8)	(1.5%)
Intangible assets	520.2	548.9	28.7	5.5%
Recoverable accounts under production sharing	568.0	567.5	(0.5)	(0.1%)
Other	1,038.5	1,051.4	12.8	1.2%
Less allowance for recoverable accounts under production sharing	(70.0)	(68.9)	1.0	(1.6%)
<b>Total assets</b>	<b>4,793.5</b>	<b>4,750.9</b>	<b>(42.6)</b>	<b>(0.9%)</b>
Current liabilities	372.0	360.5	(11.4)	(3.1%)
Long-term liabilities	1,163.9	1,184.4	20.5	1.8%
Total net assets	3,257.5	3,205.8	(51.6)	(1.6%)
(Non-controlling interests)	251.1	253.8	2.6	1.1%
<b>Total liabilities and net assets</b>	<b>4,793.5</b>	<b>4,750.9</b>	<b>(42.6)</b>	<b>(0.9%)</b>
Net assets per share (Yen)	2,058.95	2,021.70	(37.25)	(1.8%)

Summary of financial information for Ichthys downstream JV (100% basis, including the Company's equity share 66.245%)

(Billions of yen)

- Current assets : 102.5
  - Fixed assets : 3,696.6
  - Total assets : 3,799.1
- ※Fixed assets include interest expense which are not included in CAPEX, and capitalized costs before FID.

Total shareholders' equity : +8.5  
Accumulated other comprehensive income (Billions of yen) : (62.9)

- Unrealized gain (loss) from hedging instruments : (21.9)
- Translation adjustments : (40.3)

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# Statement of Cash Flows



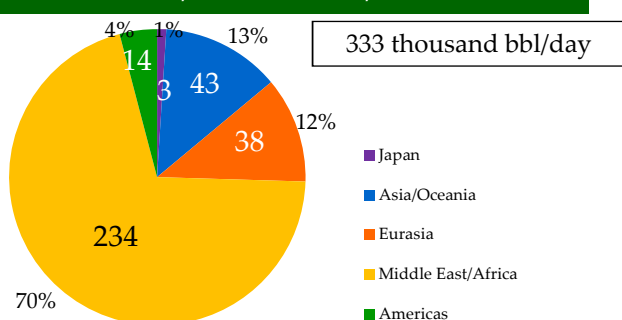
(Billions of Yen)	Apr. - Jun. '18	Apr. - Jun. '19	Change	%Change
Income before income taxes	116.2	130.9	14.7	12.7%
Depreciation and amortization	21.9	39.4	17.4	79.2%
Recovery of recoverable accounts under production sharing (capital expenditures)	2.4	7.7	5.3	216.4%
Recoverable accounts under production sharing (operating expenditures)	8.3	(2.0)	(10.4)	-
Income taxes paid	(70.0)	(90.5)	(20.5)	29.3%
Accounts receivable-trade / Accounts payable-trade	(47.8)	(54.2)	(6.3)	13.3%
Other	10.6	29.8	19.2	180.7%
<b>Net cash provided by (used in) operating activities</b>	<b>41.7</b>	<b>61.1</b>	<b>19.3</b>	<b>46.4%</b>
Payments for time deposits	(207.2)	-	207.2	-
Payments for purchases of tangible fixed assets	(64.1)	(34.4)	29.7	(46.3%)
Payments for purchases of investment securities	(1.4)	(0.9)	0.4	(31.4%)
Investment in recoverable accounts under production sharing (capital expenditures)	(9.0)	(10.5)	(1.5)	16.6%
Long-term loans made / Collection of long-term loans receivable	(154.6)	(76.0)	78.6	(50.9%)
Payments for acquisitions of participating interests	-	(30.0)	(30.0)	-
Other	11.9	0.6	(11.3)	(94.3%)
<b>Net cash provided by (used in) investing activities</b>	<b>(424.6)</b>	<b>(151.3)</b>	<b>273.2</b>	<b>(64.3%)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>261.9</b>	<b>25.0</b>	<b>(236.9)</b>	<b>(90.4%)</b>
Cash and cash equivalents at end of the period	156.5	170.3	13.7	8.8%

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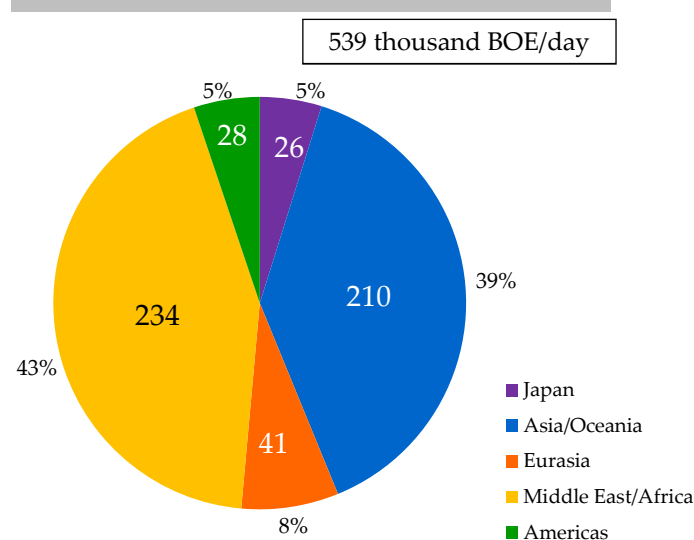
## Net Production\* (Apr. – Jun. 2019)



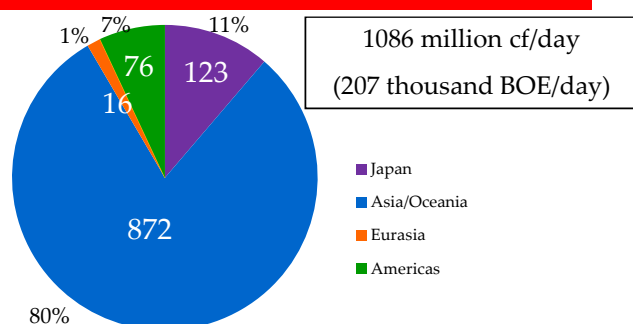
### Oil/Condensate/LPG



### Total



### Natural Gas



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

Reference information: 67 LNG cargos from the Ichthys LNG Project have been shipped from the Darwin Terminal to date, of which 55 LNG cargos shipped from the Darwin Terminal by the end of June 2019.

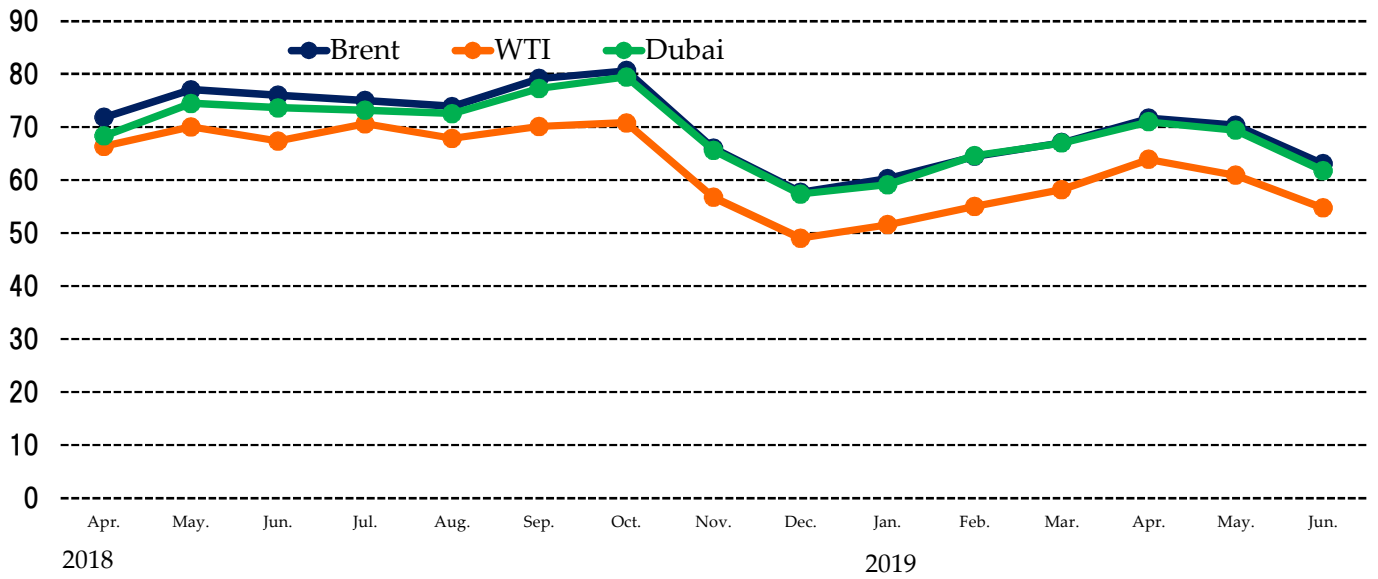
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# Crude Oil Price Movements



(US\$/bbl)



	2018			Apr.-Jun. 2018	2019												Apr.-Jun. 2019
	Apr.	May.	Jun.	Average	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Average
Brent	71.76	77.01	75.94	74.97	74.95	73.84	79.11	80.63	65.95	57.67	60.24	64.43	67.03	71.63	70.30	63.04	68.47
WTI	66.33	69.98	67.32	67.88	70.58	67.85	70.09	70.76	56.69	48.98	51.55	54.98	58.17	63.87	60.87	54.71	59.81
Dubai	68.27	74.41	73.59	72.09	73.12	72.49	77.25	79.39	65.56	57.32	59.08	64.57	66.93	70.95	69.38	61.76	67.36