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Financial Results  
for the three months ended June 30, 2014

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INPEX CORPORATION

August 6, 2014

# 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	UAE	100%	Production	March (provisional settlement of account)
INPEX Natuna	Indonesia	100%	Production	March
INPEX Sahul	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	Azerbaijan	51%	Production	March (provisional settlement of account)
INPEX North Caspian Sea	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

## 19 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/Development	December
INPEX Offshore North Campos	Brazil	37.5%	Production	December
Ichthys LNG Pty Ltd	Australia	66.07%	Development	March (provisional settlement of account)

# Highlights of the Consolidated Financial Results for the three months ended June 30, 2014



	Apr.-Jun. '13	Apr.-Jun. '14	Change	%Change
Net Sales (Billions of yen)	302.5	341.1	38.6	12.8%
Crude Oil Sales	190.6	226.4	35.8	18.8%
Natural Gas Sales (including LPG)	107.9	109.7	1.8	1.7%
Others	3.9	4.8	0.9	24.6%
Operating Income (Billions of yen)	157.3	178.9	21.6	13.7%
Ordinary Income (Billions of yen)	150.6	194.0	43.4	28.9%
Net Income (Billions of yen)	29.9	52.4	22.4	74.9%
Net income per share (Yen)*	20.54	35.91	15.37	74.9%

Average number of shares issued and outstanding during the three months ended June 30, 2014(consolidated): 1,460,357,200

Average crude oil price (Brent) (\$/bbl)	103.35	109.77	6.42	6.2%
Average exchange rate (¥/\$)	98.78	102.17	3.39 Yen depreciation	3.4% Yen depreciation

\*The company conducted a stock split at a ratio of 1:400 of common stock on October 1, 2013.

Net income per share is calculated based on the assumption that the stock split was conducted on April 1, 2013.

# Crude Oil Sales



	Apr.-Jun. '13	Apr.-Jun. '14	Change	%Change
Net Sales (Billions of yen)	190.6	226.4	35.8	18.8%
Sales volume (Mbbbl)	18,689	20,319	1,629	8.7%
Average unit price of overseas production (\$/bbl)	103.06	108.84	5.78	5.6%
Average unit price of domestic production (¥/kl)	65,310	70,503	5,193	8.0%
Average exchange rate (¥/\$)	98.80	102.05	3.25 yen depreciation	3.3% yen depreciation
Sales volume by region (Mbbbl)	Apr.-Jun. '13	Apr.-Jun. '14	Change	%Change
Japan	178 (28.2 thousand kl)	210 (33.3 thousand kl)	32 (+5.1 thousand kl)	18.0%
Asia/Oceania	2,697	2,826	129	4.8%
Eurasia (Europe/NIS )	2,519	3,089	570	22.6%
Middle East/Africa	13,284	14,188	904	6.8%
Americas	11	6	(5)	(48.2%)
Total	18,689	20,319	1,629	8.7%

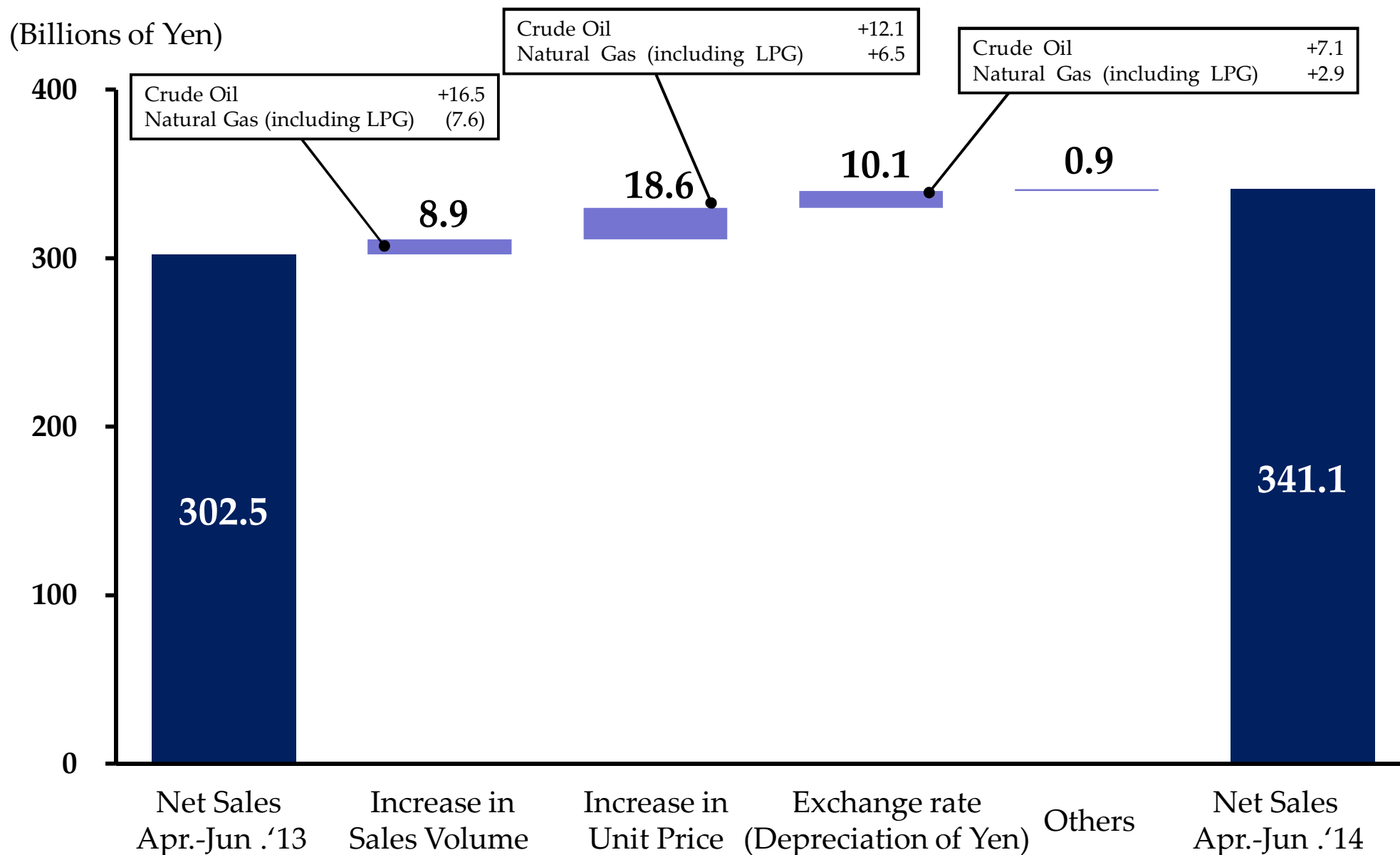
# Natural Gas Sales (excluding LPG)



	Apr.-Jun. '13	Apr.-Jun. '14	Change	%Change
Net Sales (Billions of yen)	101.9	103.8	1.8	1.8%
Sales volume (MMcf)	81,348	75,512	(5,836)	(7.2%)
Average unit price of overseas production (\$/Mcf)	12.59	13.10	0.51	4.1%
Average unit price of domestic sales (¥/ m <sup>3</sup> )	49.24	57.51	8.27	16.8%
Average exchange rate (¥/\$)	98.42	101.81	3.39 yen depreciation	3.4% yen depreciation
Sales volume by region (MMcf)	Apr.-Jun. '13	Apr.-Jun. '14	Change	%Change
Japan	14,869 (398 million m <sup>3</sup> *)	15,158 (406 million m <sup>3</sup> *)	289 (+8 million m <sup>3</sup> *)	1.9%
	Purchased Volume 129 million m <sup>3</sup> *	Purchased Volume 109 million m <sup>3</sup> *	(21 million m <sup>3</sup> *)	(16.0%)
Asia/Oceania	56,121	50,745	(5,376)	(9.6%)
Eurasia (Europe/NIS )	-	-	-	-
Middle East/Africa	-	-	-	-
Americas	10,358	9,609	(749)	(7.2%)
Total	81,348	75,512	(5,836)	(7.2%)

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

# Analysis of Net Sales Increase



# Statement of Income



(Billions of Yen)	Apr.-Jun. '13	Apr.-Jun. '14	Change	%Change
Net Sales	302.5	341.1	38.6	12.8%
Cost of Sales	118.0	131.8	13.7	11.7%
Exploration expenses	7.2	8.5	1.3	18.5%
Selling, general and administrative expenses	19.8	21.7	1.9	9.7%
Operating Income	157.3	178.9	21.6	13.7%
Other income	8.4	19.0	10.5	124.5%
Other expenses	15.2	3.9	(11.3)	(74.3%)
Ordinary Income	150.6	194.0	43.4	28.9%
Income taxes-current	95.3	137.3	41.9	44.0%
Income taxes-deferred	23.4	0.4	(22.9)	(98.1%)
Minority interests	1.8	3.9	2.0	109.3%
Net Income	29.9	52.4	22.4	74.9%

Crude Oil sales :	226.4
(Change)	+35.8
Natural Gas sales* :	109.7
(Change)	+1.8

Cost of sales for Crude Oil :	83.1
(Change)	+17.0
Cost of sales for Natural Gas* :	44.9
(Change)	(3.9)

Main Factors for change;	
Interest income	(2.3)
Equity in earnings of affiliates	+3.5
Foreign exchange gain	+9.9

Main Factor for change;	
Equity in losses of affiliates	(2.1)
Foreign exchange loss	(8.6)

\* Including LPG



# Other Income/Expenses

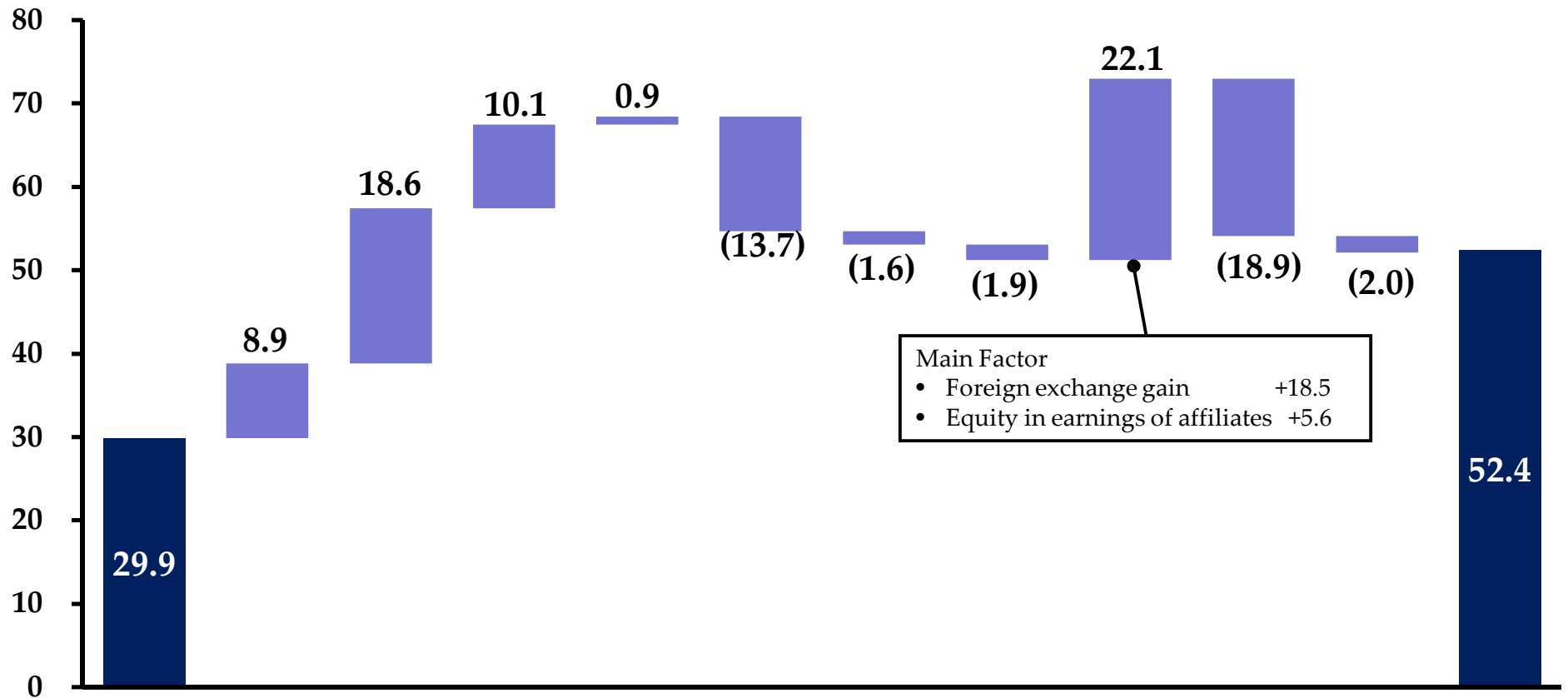


(Billions of Yen)	Apr.-Jun. '13	Apr.-Jun. '14	Change	%Change
Other income	8.4	19.0	10.5	124.5%
Interest income	4.7	2.3	(2.3)	(50.7%)
Dividend income	1.2	1.4	0.1	15.4%
Equity in earnings of affiliates	-	3.5	3.5	-
Foreign exchange gain	-	9.9	9.9	-
Other	2.4	1.7	(0.6)	(27.8%)
Other expenses	15.2	3.9	(11.3)	(74.3%)
Interest expense	0.6	0.6	(0.0)	(2.1%)
Equity in losses of affiliates	2.1	-	(2.1)	(100.0%)
Provision for allowance for recoverable accounts under production sharing	1.0	0.5	(0.5)	(46.2%)
Provision for exploration projects	0.4	1.2	0.8	198.1%
Foreign exchange loss	8.6	-	(8.6)	(100.0%)
Other	2.3	1.5	(0.7)	(34.4%)

# Analysis of Net Income Increase



(Billions of Yen)



Net Income Apr.-Jun. '13	Increase in Sales Volume	Increase in Unit Price	Exchange rate (Depreciation of Yen)	Others	Increase in Cost of Sales	Increase in Exploration Expenses and Allowance for Exploration*	Increase in SG&A	Other Income and Expenses	Increase in Income Tax payable	Increase in Minority Interest	Net Income Apr.-Jun. '14
	Net Sales										

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

# Revised Financial Forecasts for the year ending March 31, 2015



## - Assumptions

(May 9, 2014)	1 <sup>st</sup> half	2 <sup>nd</sup> half	Full year
Crude oil price (Brent) (US\$/bbl)	105.0	105.0	105.0
Exchange rate (yen/US\$)	100.0	100.0	100.0



(Aug. 6, 2014)	1 <sup>st</sup> half	2 <sup>nd</sup> half	Full year
Crude oil price (Brent) (US\$/bbl)	107.4*1	105.0	106.2
Exchange rate (yen/US\$)	101.1 *2	100.0	100.5

\*1 1st quarter (Actual) : US\$ 109.8/bbl, 2nd quarter (Forecast) : US\$105.0/bbl      \*2 1st quarter (Actual) : ¥102.2/US\$1, 2nd quarter (Forecast) : ¥100.0/US\$

## - Financial Forecasts

### for the year ending March 31, 2015

	Previous forecasts (May 9, 2014)	Revised forecasts (Aug. 6, 2014)	Change	% Change
Net Sales (billions of yen)	1,331.0	1,316.0	(15.0)	(1.1%)
Operating income (billions of yen)	638.0	635.0	(3.0)	(0.5%)
Ordinary income (billions of yen)	694.0	701.0	7.0	1.0%
Net income (billions of yen)	171.0	178.0	7.0	4.1%

## - Financial Forecasts for the six months ending September 30, 2014

Net Sales (billions of yen)	643.0	658.0	15.0	2.3%
Operating income (billions of yen)	309.0	330.0	21.0	6.8%
Ordinary income (billions of yen)	336.0	354.0	18.0	5.4%
Net income (billions of yen)	80.0	90.0	10.0	12.5%

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# Appendix

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# LPG Sales



	Apr.-Jun. '13	Apr.-Jun. '14	Change	%Change
Net Sales (Billions of yen)	5.9	5.9	0.0	0.7%
Sales volume (Mbbl)	797	735	(62)	(7.7%)
Average unit price of overseas production (\$/bbl)	76.58	79.26	2.68	3.5%
Average unit price of domestic production (¥/kg)	91.78	101.17	9.39	10.2%
Average exchange rate (¥/\$)	97.07	102.31	5.24 yen depreciation	5.4% yen depreciation
Sales volume by region (Mbbl)	Apr.-Jun. '13	Apr.-Jun. '14	Change	%Change
Japan	2 (0.2 thousand t)	2 (0.1 thousand t)	(1) (-0.0 thousand t)	(25.5%)
Asia/Oceania	795	734	(61)	(7.7%)
Eurasia (Europe/NIS )	-	-	-	-
Middle East/Africa	-	-	-	-
Americas	-	-	-	-
Total	797	735	(62)	(7.7%)

# Balance Sheet



(Billions of yen)	Mar. '14	Jun. '14	Change	%Change
Current assets	1,140.2	1,165.6	25.4	2.2%
Tangible fixed assets	951.7	1,035.1	83.4	8.8%
Intangible assets	439.1	431.5	(7.6)	(1.7%)
Recoverable accounts under production sharing	685.9	701.5	15.5	2.3%
Other	944.4	861.4	(83.0)	(8.8%)
Less allowance for recoverable accounts under production sharing	(123.4)	(126.0)	(2.5)	2.1%
<b>Total assets</b>	<b>4,038.1</b>	<b>4,069.2</b>	<b>31.1</b>	<b>0.8%</b>
Current liabilities	375.6	385.5	9.9	2.6%
Long-term liabilities	666.4	659.9	(6.4)	(1.0%)
Total net assets	2,996.0	3,023.7	27.7	0.9%
(Minority interests)	204.9	214.8	9.9	4.8%
<b>Total liabilities and net assets</b>	<b>4,038.1</b>	<b>4,069.2</b>	<b>31.1</b>	<b>0.8%</b>
Net assets per share (Yen) **	1,911.25	1,923.44	12.19	0.6%

Available fund (Billions of yen)	
	1,340.9*
Breakdown	
• Cash and deposits	: 635.2
• Long-term time deposits	: 298.6
• Marketable securities	: 184.6
• Available investment securities	: 222.3

\*Amounts to be allocated for the investments for development and exploration activities until the year ending March 31, 2017 following the "Medium- To Long-Term Vision of INPEX".

Summary of financial information for Ichthys downstream JV (100% basis, including the Company's equity share 66.07%)	
• Current assets	: 30.6
• Fixed assets	: 1,410.2
• Total assets	: 1,440.8

Shareholders' equity	
Retained earnings	: +39.5
Accumulated other comprehensive income	: (21.7)
• Unrealized holding gain on securities	: (0.3)
• Unrealized loss from hedging instruments	: +6.3
• Translation adjustments	: (27.7)

\*\*The company conducted a stock split at a ratio of 1:400 of common stock on October 1, 2013.  
Net assets per share is calculated based on the assumption that the stock split was conducted on April 1, 2013.

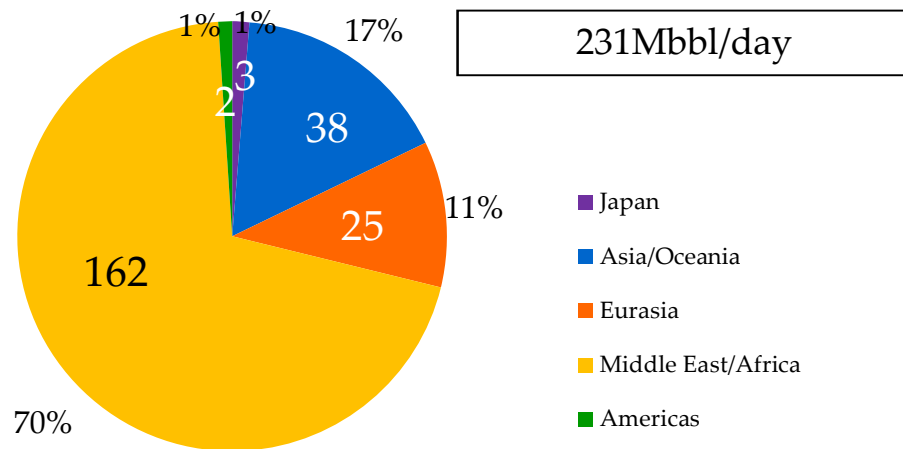
# Statement of Cash Flows



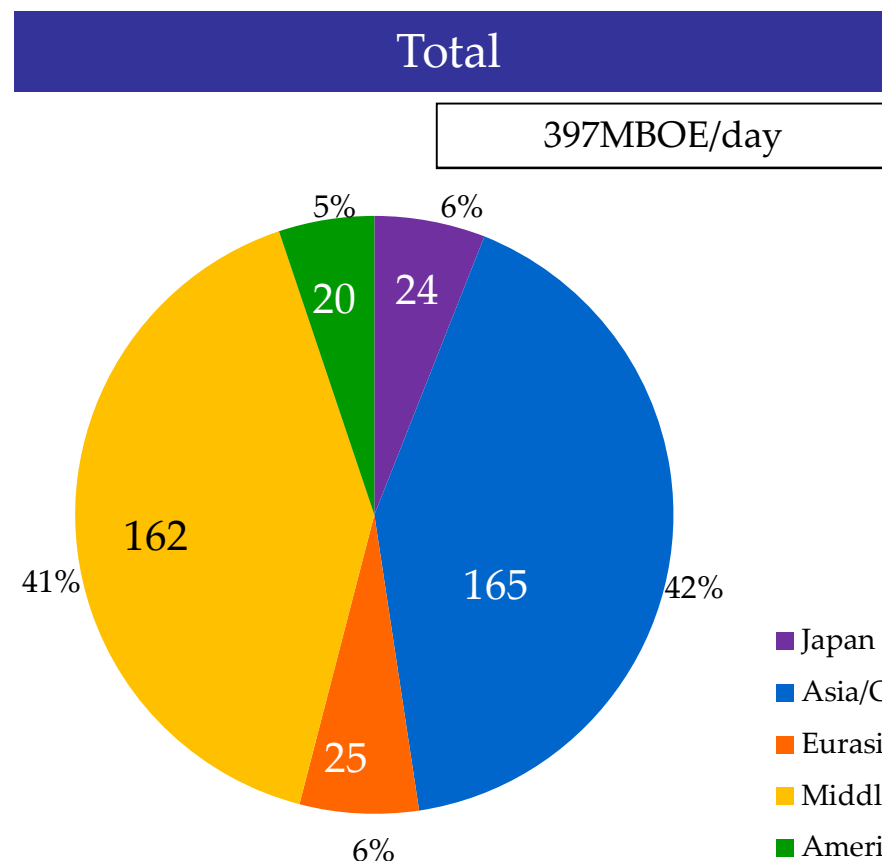
(Billions of Yen)	Apr.-Jun. '13	Apr.-Jun. '14	Change	%Change
Income before income taxes and minority interests	150.6	194.0	43.4	28.9%
Depreciation and amortization	11.8	12.8	1.0	8.9%
Recovery of recoverable accounts under production sharing (capital expenditures)	14.2	18.5	4.3	30.3%
Recoverable accounts under production sharing (operating expenditures)	(9.7)	(13.6)	(3.9)	40.9%
Income taxes paid	(156.2)	(146.0)	10.2	(6.6%)
Other	43.3	(22.8)	(66.2)	-%
<b>Net cash provided by operating activities</b>	<b>54.1</b>	<b>42.9</b>	<b>(11.1)</b>	<b>(20.6%)</b>
Purchase of tangible fixed assets	(74.1)	(108.1)	(33.9)	45.8%
Purchases of marketable securities/investment securities and proceeds from sales of marketable securities/investment securities (Net)	108.2	44.7	(63.4)	(58.6%)
Investment in recoverable accounts under production sharing (capital expenditures)	(26.3)	(20.5)	5.7	(22.0%)
Payments for purchase of mining rights	(20.2)	(17.9)	2.2	(11.3%)
Other	(58.6)	36.9	95.5	-%
<b>Net cash used in investing activities</b>	<b>(71.1)</b>	<b>(64.9)</b>	<b>6.2</b>	<b>(8.8%)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>11.9</b>	<b>(1.0)</b>	<b>(12.9)</b>	<b>-%</b>
Cash and cash equivalents at end of the period	222.8	93.3	(129.4)	(58.1%)

# Net Production\* (Apr. 2014 – Jun. 2014) **INPEX**

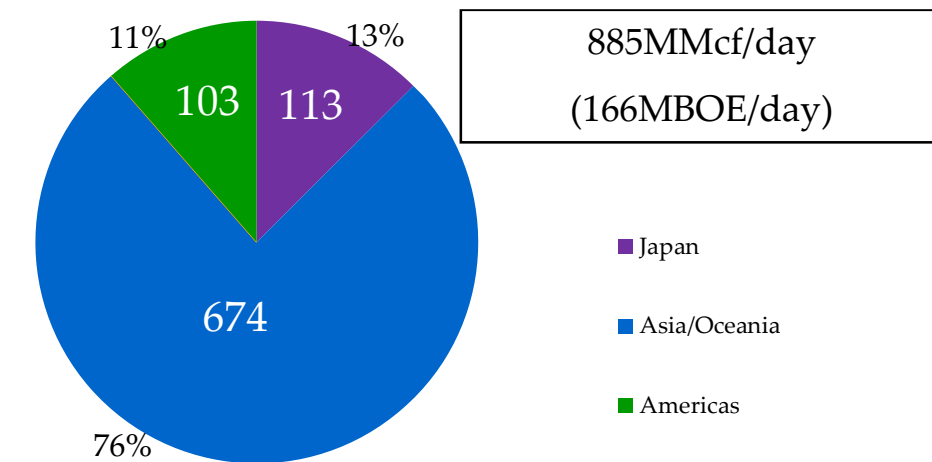
## Oil/Condensate/LPG



## Total



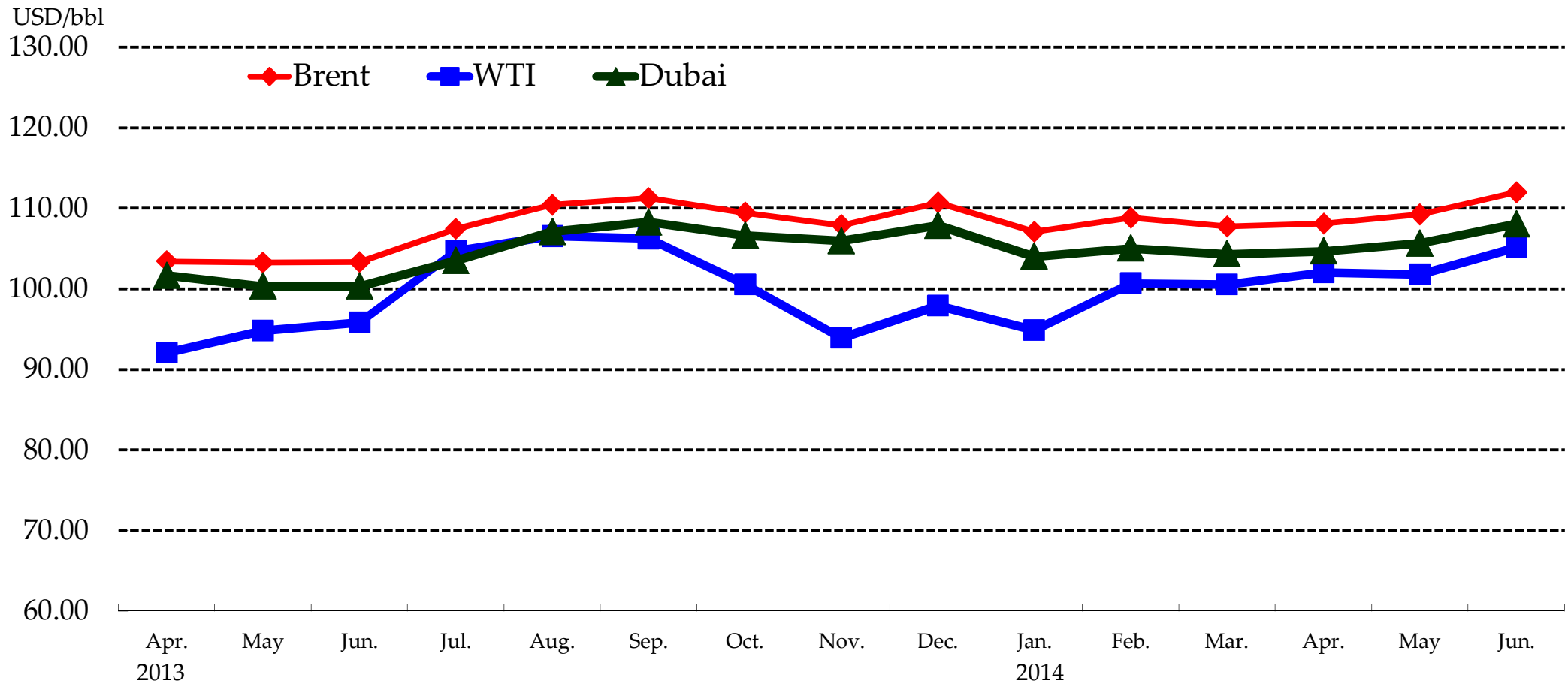
## Natural Gas



\* 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 our group.



# Crude Oil Prices



	2013			1Q (Apr.- Jun.)	2014												1Q (Apr.- Jun.)
	Apr.	May	Jun.	Ave.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Ave.
Brent	103.43	103.28	103.34	103.35	107.43	110.45	111.25	109.44	107.90	110.70	107.11	108.84	107.75	108.09	109.24	111.97	109.77
WTI	92.07	94.80	95.80	94.22	104.70	106.54	106.24	100.55	93.93	97.89	94.86	100.68	100.51	102.03	101.79	105.15	102.99
Dubai	101.68	100.33	100.32	100.78	103.52	107.11	108.28	106.64	105.95	107.86	104.02	105.04	104.32	104.68	105.66	108.03	106.13