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Financial Results for the six months ended September 30, 2014  
Support Material

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INPEX CORPORATION

November 7, 2014

# 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 the 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



## 66 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 six months ended September 30, 2014 **INPEX**

	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change
Net Sales (Billions of yen)	650.4	663.1	12.6	1.9%
Crude Oil Sales	426.7	437.6	10.8	2.5%
Natural Gas Sales (including LPG)	214.8	216.7	1.9	0.9%
Others	8.8	8.6	(0.1)	(2.0%)
Operating Income (Billions of yen)	344.2	346.7	2.4	0.7%
Ordinary Income (Billions of yen)	350.6	368.4	17.8	5.1%
Net Income (Billions of yen)	80.0	88.7	8.6	10.8%
Net income per share (Yen) *	54.84	60.77	5.93	10.8%

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

Average crude oil price (Brent) (\$/bbl)	106.53	106.56	0.03	0.0%
Average exchange rate (¥/\$)	98.86	103.01	4.15 Yen depreciation	4.2% 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.-Sep. '13	Apr.-Sep. '14	Change	%Change
Net Sales (Billions of yen)	426.7	437.6	10.8	2.5%
Sales volume (thousand bbl)	40,578	40,048	(530)	(1.3%)
Average unit price of overseas production (\$/bbl)	106.21	105.75	(0.46)	(0.4%)
Average unit price of domestic production (¥/kl)	66,878	71,325	4,447	6.6%
Average exchange rate (¥/\$)	98.86	102.93	4.07 Yen depreciation	4.1% Yen depreciation
Sales volume by region (thousand bbl)	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change
Japan	383 (61 thousand kl)	404 (64 thousand kl)	21 (+3 thousand kl)	5.4%
Asia/Oceania	6,552	5,683	(868)	(13.3%)
Eurasia (Europe/NIS)	4,978	5,538	560	11.2%
Middle East/Africa	28,644	28,409	(235)	(0.8%)
Americas	21	15	(7)	(30.4%)
Total	40,578	40,048	(530)	(1.3%)

# Natural Gas Sales (excluding LPG)



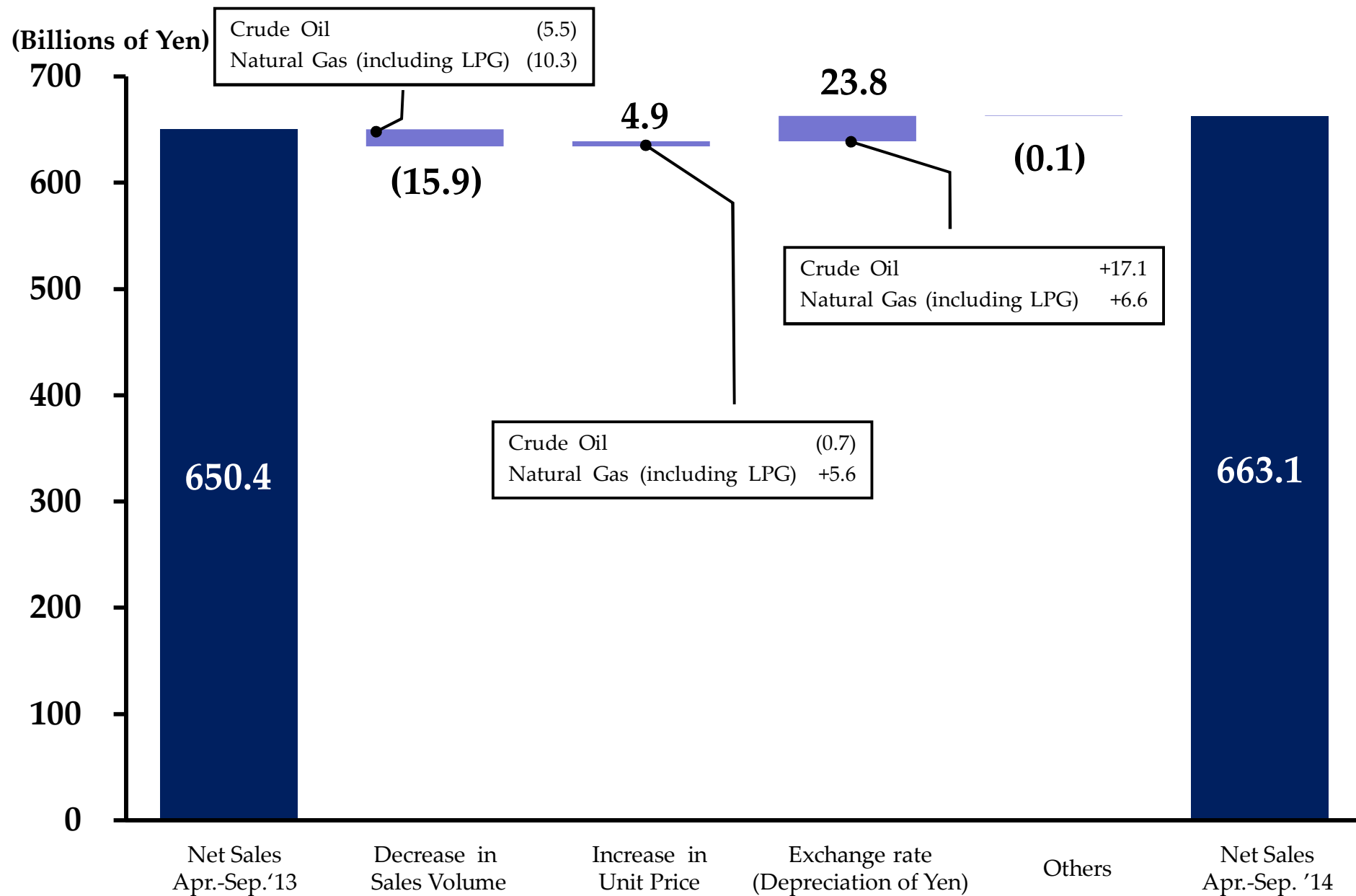
	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change
Net Sales (Billions of yen)	203.9	205.8	1.8	0.9%
Sales volume (million cf)	159,671	152,056	(7,614)	(4.8%)
Average unit price of overseas production (\$/thousand cf)	12.83	12.78	(0.05)	(0.4%)
Average unit price of domestic sales (¥/ m <sup>3</sup> )	49.68	57.14	7.46	15.0%
Average exchange rate (¥/\$)	98.60	102.56	3.96Yen depreciation	4.0% Yen depreciation
Sales volume by region (million cf)	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change
Japan	29,395 (788 million m <sup>3</sup> *)	29,694 (796 million m <sup>3</sup> *)	299 (+8 million m <sup>3</sup> *)	1.0%
	Purchased Volume 260 million m <sup>3</sup> *	Purchased Volume 215 million m <sup>3</sup> *	(45 million m <sup>3</sup> *)	(17.2%)
Asia/Oceania	110,432	103,482	(6,950)	(6.3%)
Eurasia (Europe/NIS)	-	-	-	-
Middle East/Africa	-	-	-	-
Americas	19,844	18,880	(963)	(4.9%)
Total	159,671	152,056	(7,614)	(4.8%)

(FYI) LPG Sales

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

	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change
Net Sales (Billions of yen)	10.8	10.9	0.0	0.8%

# Analysis of Net Sales Increase



# Statement of Income



(Billions of Yen)	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change	
Net Sales	650.4	663.1	12.6	1.9%	Crude Oil sales : 437.6 (Change) +10.8 Natural Gas sales* : 216.7 (Change) +1.9
Cost of Sales	249.2	257.8	8.5	3.4%	
Exploration expenses	16.6	15.5	(1.1)	(7.0%)	Cost of sales for Crude Oil : 164.2 (Change) +18.2 Cost of sales for Natural Gas* : 87.1 (Change) (9.9)
Selling, general and administrative expenses	40.3	43.0	2.7	6.8%	
Operating Income	344.2	346.7	2.4	0.7%	
Other income	18.3	30.1	11.8	64.3%	Main Factors for change; Equity in earnings of affiliates +7.9 Foreign exchange gain +5.3
Other expenses	11.9	8.4	(3.5)	(29.6%)	
Ordinary Income	350.6	368.4	17.8	5.1%	
Income taxes-current	227.7	278.3	50.5	22.2%	Main Factors for change; Equity in losses of affiliates (3.4) Foreign exchange loss (1.2)
Income taxes-deferred	42.5	(0.3)	(42.9)	-	
Minority interests	0.2	1.7	1.5	-	
Net Income	80.0	88.7	8.6	10.8%	

\* Including LPG

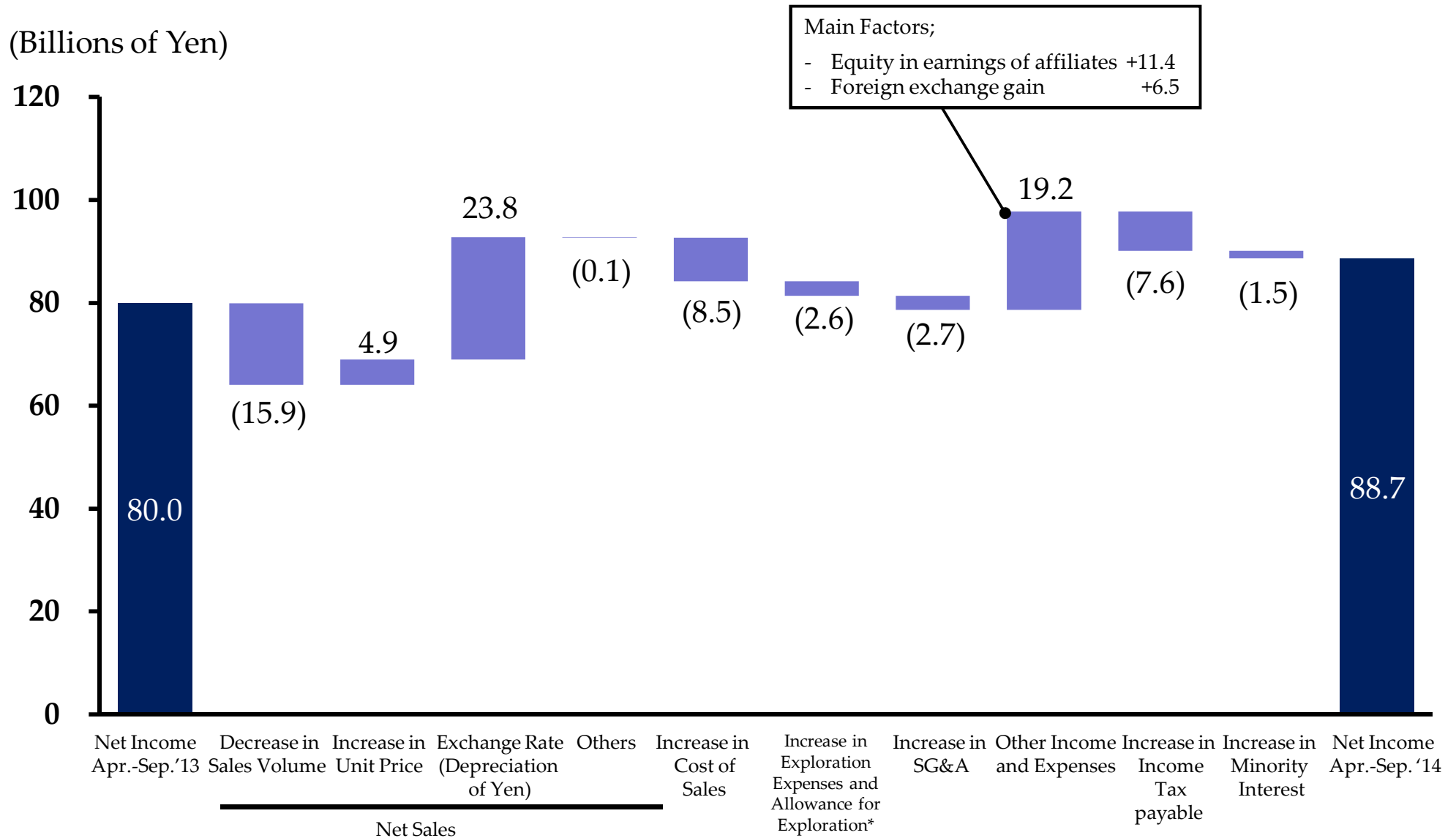


# Other Income/Expenses



(Billions of Yen)	Apr.-Sep. '13	Apr.-Sep. '14	Change	%Change
Other income	18.3	30.1	11.8	64.3%
Interest income	8.7	5.3	(3.3)	(38.7%)
Dividend income	2.1	2.2	0.0	2.8%
Equity in earnings of affiliates	-	7.9	7.9	-
Foreign exchange gain	-	5.3	5.3	-
Other	7.3	9.2	1.8	25.4%
Other expenses	11.9	8.4	(3.5)	(29.6%)
Interest expense	1.1	1.2	0.0	8.2%
Equity in losses of affiliates	3.4	-	(3.4)	(100.0%)
Provision for allowance for recoverable accounts under production sharing	0.4	4.9	4.4	-
Provision for exploration projects	0.6	0.0	(0.6)	(99.8%)
Foreign exchange loss	1.2	-	(1.2)	(100.0%)
Other	5.0	2.2	(2.7)	(55.0%)

# Analysis of Net Income Increase



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

# Balance Sheet



(Billions of yen)	Mar. '14	Sep. '14	Change	%Change
Current assets	1,140.2	1,285.0	144.8	12.7%
Tangible fixed assets	951.7	1,183.5	231.7	24.3%
Intangible assets	439.1	438.6	(0.5)	(0.1%)
Recoverable accounts under production sharing	685.9	720.6	34.6	5.1%
Other	944.4	726.0	(218.4)	(23.1%)
Less allowance for recoverable accounts under production sharing	(123.4)	(130.2)	(6.7)	5.4%
<b>Total assets</b>	<b>4,038.1</b>	<b>4,223.7</b>	<b>185.6</b>	<b>4.6%</b>
Current liabilities	375.6	385.8	10.1	2.7%
Long-term liabilities	666.4	716.2	49.8	7.5%
Total net assets	2,996.0	3,121.6	125.6	4.2%
(Minority interests)	204.9	215.5	10.6	5.2%
<b>Total liabilities and net assets</b>	<b>4,038.1</b>	<b>4,223.7</b>	<b>185.6</b>	<b>4.6%</b>
Net assets per share (Yen) **	1,911.25	1,989.98	78.73	4.1%

Available fund (Billions of yen)	
	1,350.4*
Breakdown	
• Cash and deposits	: 775.3
• Long-term time deposits	: 247.4
• Marketable securities	: 191.4
• Available investment securities	: 136.0

\*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	: 35.6
• Fixed assets	: 1,716.3
• Total assets	: 1,752.0

Shareholders' equity	
Retained earnings	: +75.8
Accumulated other comprehensive income	: +39.1
• Unrealized holding gain on securities	: (0.0)
• Unrealized loss from hedging instruments	: (8.1)
• Translation adjustments	: +47.3

\*\*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.-Sep. '13	Apr.-Sep. '14	Change	%Change
Income before income taxes and minority interests	350.6	368.4	17.8	5.1%
Depreciation and amortization	23.9	25.6	1.6	7.0%
Recovery of recoverable accounts under production sharing (capital expenditures)	30.9	36.6	5.7	18.6%
Recoverable accounts under production sharing (operating expenditures)	(20.9)	(33.1)	(12.2)	58.4%
Income taxes paid	(290.7)	(276.3)	14.4	(5.0%)
Other	(22.6)	(2.0)	20.5	(90.8%)
<b>Net cash provided by operating activities</b>	<b>71.2</b>	<b>119.2</b>	<b>48.0</b>	<b>67.4%</b>
Payments for / Proceeds from time deposits and long-term time deposits	(253.0)	63.5	316.5	-
Purchase of tangible fixed assets	(139.1)	(228.0)	(88.8)	63.9%
Purchases of marketable securities/investment securities and proceeds from sales of marketable securities/investment securities	231.8	113.0	(118.8)	(51.2%)
Investment in recoverable accounts under production sharing (capital expenditures)	(53.7)	(38.6)	15.1	(28.1%)
Long-term loans made/Collection of long-term loans receivable	57.0	(2.0)	(59.0)	-
Payments for purchase of mining rights	(27.0)	(17.8)	9.2	(34.0%)
Other	(4.3)	(4.3)	0.0	(1.1%)
<b>Net cash used in investing activities</b>	<b>(188.4)</b>	<b>(114.2)</b>	<b>74.2</b>	<b>(39.4%)</b>
<b>Net cash provided by financing activities</b>	<b>25.3</b>	<b>3.2</b>	<b>(22.1)</b>	<b>(87.2%)</b>
Cash and cash equivalents at end of the period	156.0	129.0	(26.9)	(17.3%)

# Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2014 **INPEX**

## - Assumptions

(August 6, 2014)	1 <sup>st</sup> half (Previous Forecasts)
Crude oil price (Brent) (US\$/bbl)	107.4
Exchange rate (yen/US\$)	101.1

↓

(November 7, 2014)	1 <sup>st</sup> half (Actual Results)
Crude oil price (Brent) (US\$/bbl)	106.6
Exchange rate (yen/US\$)	103.0

## - Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2014

	Previous Forecasts (August 6, 2014)	Actual Results	Change	% Change
Net Sales (billions of yen)	658.0	663.1	5.1	0.8%
Operating income (billions of yen)	330.0	346.7	16.7	5.1%
Ordinary income (billions of yen)	354.0	368.4	14.4	4.1%
Net income (billions of yen)	90.0	88.7	(1.3)	(1.4%)

# Revisions of Financial Forecasts for the year ending March 31, 2015



## - Assumptions

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

(November 7, 2014)	1 <sup>st</sup> half	2 <sup>nd</sup> half	Full year
Crude oil price (Brent) (US\$/bbl)	106.6*1	85.0	95.8
Exchange rate (yen/US\$)	103.0*2	110.0	106.5

\*1 1st quarter (Actual) : US\$ 109.8/bbl, 2nd quarter (Actual) : US\$103.5/bbl      \*2 1st quarter (Actual) : ¥102.2/US\$1, 2nd quarter (Actual) : ¥103.8/US\$

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

	Previous forecasts (August 6, 2014)	Revised forecasts (November 7, 2014)	Change	% Change
Net Sales (billions of yen)	1,316.0	1,262.0	(54.0)	(4.1%)
Operating income (billions of yen)	635.0	592.0	(43.0)	(6.8%)
Ordinary income (billions of yen)	701.0	656.0	(45.0)	(6.4%)
Net income (billions of yen)	178.0	160.0	(18.0)	(10.1%)

## - Dividend per share

	End of 2Q	End of fiscal year (forecast)
Year ending March 31, 2015 (yen)	9	9