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Financial Results  
for the nine months ended December 31, 2015

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INPEX CORPORATION

February 4, 2016

# 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



## 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

## 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/ Development	December
INPEX Offshore North Campos	Brazil	37.5%	Production	December
Ichthys LNG Pty Ltd	Australia	62.245%	Development	March (provisional settlement of account)

# Highlights of the Consolidated Financial Results for the nine months ended December 31, 2015



	Apr.-Dec. '14	Apr.-Dec. '15	Change	%Change
Net sales (Billions of yen)	926.5	809.0	(117.5)	(12.7%)
Crude oil sales	590.9	551.6	(39.3)	(6.7%)
Natural gas sales (including LPG)	321.5	247.4	(74.1)	(23.1%)
Others	14.0	10.0	(4.0)	(28.6%)
Operating income (Billions of yen)	452.6	338.3	(114.3)	(25.3%)
Ordinary income (Billions of yen)	492.3	354.3	(138.0)	(28.0%)
Net income attributable to owners of parent (Billions of yen)	101.7	67.4	(34.3)	(33.7%)
Net income per share (Yen)	69.70	46.19	(23.51)	(33.7%)

Average number of INPEX shares issued and outstanding during the nine months ended December 31, 2015 : 1,460,357,200

Average crude oil price (Brent) (\$/bbl)	96.73	53.10	(43.63)	(45.1%)
Average exchange rate (¥/\$)	106.73	121.75	15.02 yen depreciation	14.1% yen depreciation

# Crude Oil Sales



	Apr.-Dec. '14	Apr.-Dec. '15	Change	%Change
Net sales (Billions of yen)	590.9	551.6	(39.3)	(6.7%)
Sales volume (thousand bbl)	58,562	86,423	27,861	47.6%
Average unit price of overseas production (\$/bbl)	95.27	52.49	(42.78)	(44.9%)
Average unit price of domestic production (¥/kl)	68,178	42,533	(25,645)	(37.6%)
Average exchange rate (¥/\$)	105.49	121.49	16.00 yen depreciation	15.2% yen depreciation
Sales volume by region (thousand bbl)	Apr.-Dec. '14	Apr.-Dec. '15	Change	%Change
Japan	556 (88.4 thousand kl)	501 (79.6 thousand kl)	(56) (-8.8 thousand kl)	(10.0%)
Asia/Oceania	7,498	10,489	2,992	39.9%
Eurasia (Europe/NIS )	7,427	7,917	491	6.6%
Middle East/Africa	43,060	66,248	23,188	53.9%
Americas	21	1,267	1,246	-
Total	58,562	86,423	27,861	47.6%

# Natural Gas Sales (excluding LPG)



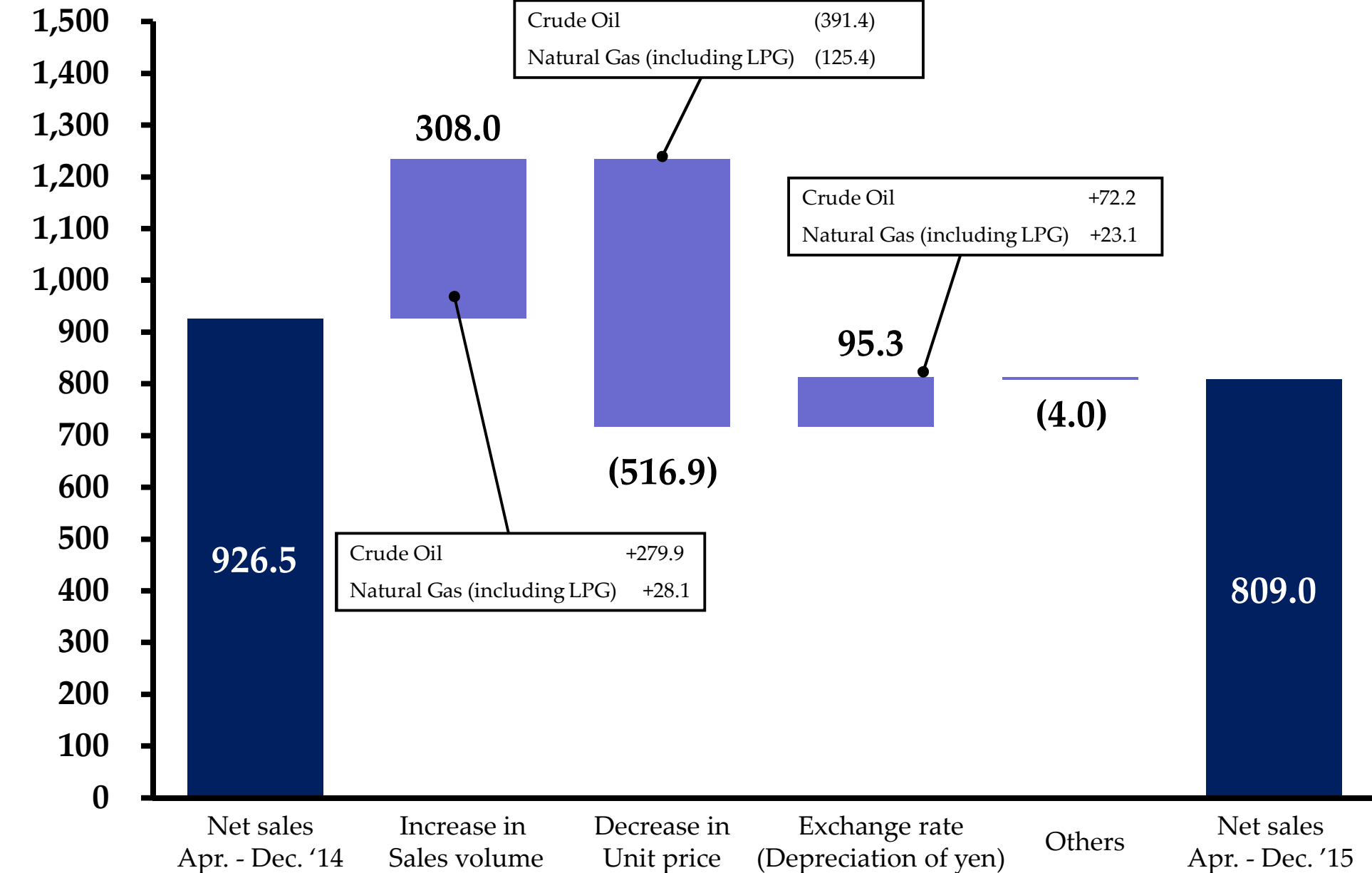
	Apr.-Dec. '14	Apr.-Dec. '15	Change	%Change
Net sales (Billions of yen)	304.5	238.2	(66.2)	(21.8%)
Sales volume (million cf)	226,605	250,110	23,505	10.4%
Average unit price of overseas production (\$/thousand cf)	12.24	7.02	(5.22)	(42.6%)
Average unit price of domestic sales (¥/m <sup>3</sup> )	57.19	53.19	(4.00)	(7.0%)
Average exchange rate (¥/\$)	105.76	121.05	15.29 yen depreciation	14.5% yen depreciation
Sales volume by region (million cf)	Apr.-Dec. '14	Apr.-Dec. '15	Change	%Change
Japan	46,765 (1,253 million m <sup>3</sup> *)	44,989 (1,206 million m <sup>3</sup> *)	(1,776) (-48 million m <sup>3</sup> *)	(3.8%)
Asia/Oceania	151,837	179,616	27,779	18.3%
Eurasia (Europe/NIS )	-	-	-	-
Middle East/Africa	-	-	-	-
Americas	28,002	25,505	(2,497)	(8.9%)
Total	226,605	250,110	23,505	10.4%

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

# Analysis of Net Sales Decrease



(Billions of Yen)



# Statement of Income



(Billions of Yen)	Apr.-Dec. '14	Apr.-Dec. '15	Change	%Change	
Net sales	926.5	809.0	(117.5)	(12.7%)	Increase in sales volume : +308.0 Decrease in unit price : (516.9) Exchange rate (Depreciation of Yen) : +95.3 Others : (4.0)
Cost of sales	388.7	402.2	13.4	3.5%	
Gross profit	537.8	406.8	(130.9)	(24.4%)	Cost of sales for Crude Oil : 266.9 (Change) +33.9 Cost of sales for Natural Gas* : 126.7 (Change) (18.4) * Including LPG
Exploration expenses	21.3	3.9	(17.3)	(81.2%)	
Selling, general and administrative expenses	63.7	64.4	0.6	1.1%	
Operating income	452.6	338.3	(114.3)	(25.3%)	
Other income	63.9	49.5	(14.3)	(22.5%)	Main factor : Equity in earnings of affiliates (9.2)
Other expenses	24.3	33.5	9.2	38.1%	
Ordinary income	492.3	354.3	(138.0)	(28.0%)	Main factor : Provision for allowance for recoverable accounts under production sharing +12.0
Total income taxes	389.9	303.3	(86.6)	(22.2%)	
Net income (loss) attributable to non-controlling interests	0.6	(16.4)	(17.0)	-	
Net income attributable to owners of parent	101.7	67.4	(34.3)	(33.7%)	



# Other Income/Expenses

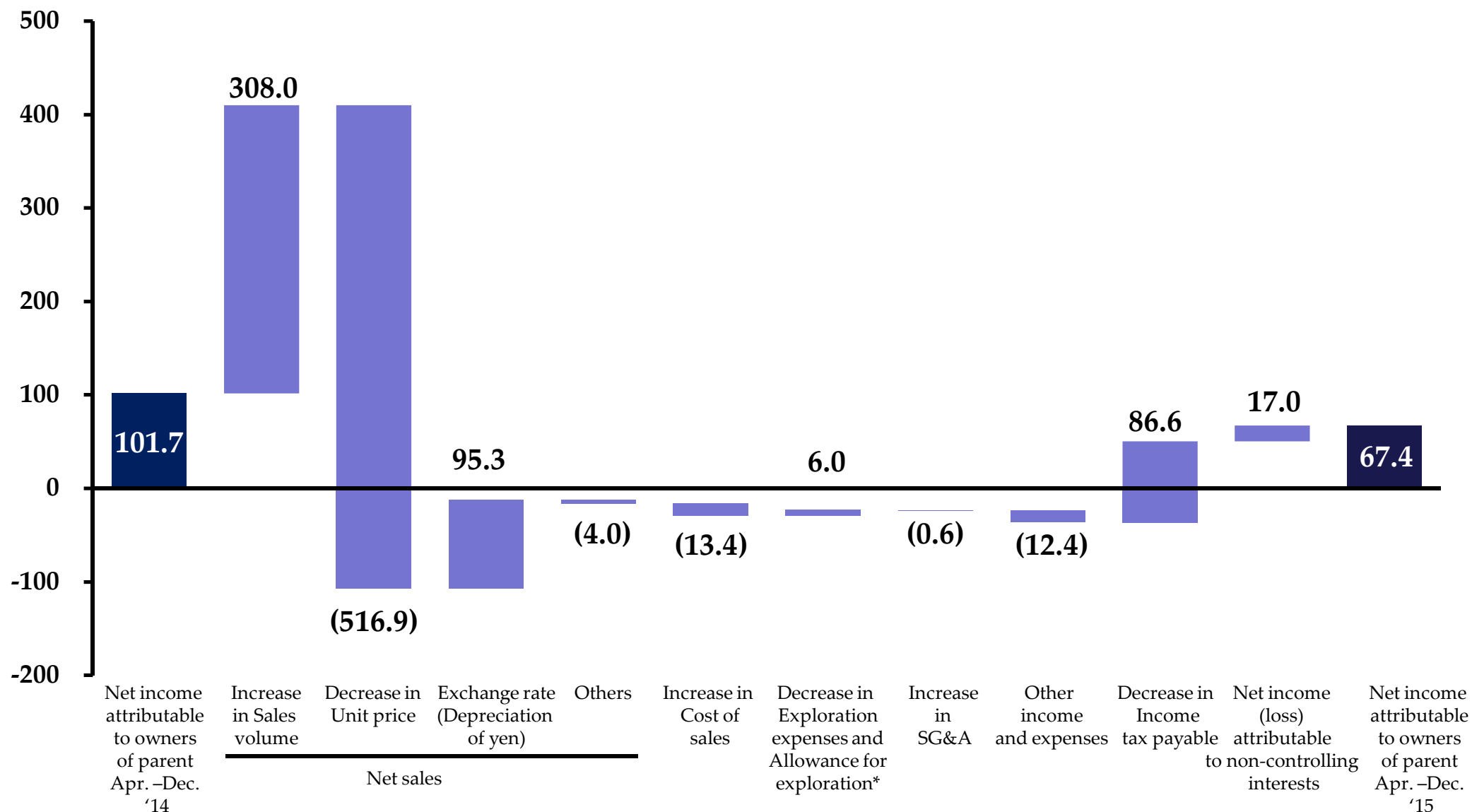


(Billions of Yen)	Apr.-Dec. '14	Apr.-Dec. '15	Change	%Change
Other income	63.9	49.5	(14.3)	(22.5%)
Interest income	8.6	7.4	(1.2)	(13.9%)
Dividend income	3.0	3.4	0.4	14.7%
Gain on sales of marketable securities	4.7	11.4	6.7	143.7%
Equity in earnings of affiliates	9.2	-	(9.2)	(100.0%)
Foreign exchange gain	6.8	12.2	5.4	79.6%
Other	31.4	14.8	(16.5)	(52.7%)
Other expenses	24.3	33.5	9.2	38.1%
Interest expense	2.0	2.9	0.8	40.2%
Equity in losses of affiliates	-	1.1	1.1	-
Provision for allowance for recoverable accounts under production sharing	10.1	22.1	12.0	118.5%
Provision for exploration projects	1.0	0.3	(0.7)	(72.2%)
Other	10.9	7.0	(3.9)	(35.7%)

# Analysis of Net Income Decrease



(Billions of Yen)



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

# Revisions of Financial Forecasts for the year ending March 31, 2016



## - Assumptions

(November 10, 2015)	1 <sup>st</sup> half	2 <sup>nd</sup> half	Full year
Crude oil price (Brent) (US\$/bbl)	57.3	50.0	53.7
Exchange rate (yen/US\$)	121.9	120.0	120.9

↓

(February 4, 2016)	1 <sup>st</sup> half	2 <sup>nd</sup> half	Full year
Crude oil price (Brent) (US\$/bbl)	57.3	37.4※1	47.3
Exchange rate (yen/US\$)	121.9	120.7※2	121.3

\*1 3rd quarter (Actual) : US\$ 44.7/bbl, 4th quarter (Forecast) : US\$30.0/bbl    \*2 3rd quarter (Actual) : ¥121.5US\$1, 4th quarter (Forecast) : ¥120.0/US\$

## - Financial Forecasts for the year ending March 31, 2016

	Previous forecasts (November 10, 2015)	Revised forecasts (February 4, 2016)	Change	% Change
Net sales (billions of yen)	1,069.0	997.0	(72.0)	(6.7%)
Operating income (billions of yen)	418.0	364.0	(54.0)	(12.9%)
Ordinary income (billions of yen)	434.0	375.0	(59.0)	(13.6%)
Net income attributable to owners of parent (billions of yen)	70.0	52.0	(18.0)	(25.7%)

In light of the substantial decline in crude oil prices, the Company is currently revaluating the assets of its upstream projects. The Company may recognize impairment losses mainly on producing projects, depending on the future outlook of crude oil prices and project reviews, etc. In the case where such impairment losses occur, the Company will issue an announcement.

## - Dividend per share

	End of 2Q	End of fiscal year (forecast)
10 Year ending March 31, 2016 (yen)	9	9

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# Appendix

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# LPG Sales



	Apr.-Dec. '14	Apr.-Dec. '15	Change	%Change
Net sales (Billions of yen)	17.0	9.1	(7.9)	(46.4%)
Sales volume (thousand bbl)	2,205	1,957	(248)	(11.2%)
Average unit price of overseas production (\$/bbl)	73.06	38.36	(34.70)	(47.5%)
Average unit price of domestic production (¥/kg)	94.95	69.59	(25.36)	(26.7%)
Average exchange rate (¥/\$)	105.72	121.46	15.74 yen depreciation	14.9% yen depreciation
Sales volume by region (thousand bbl)	Apr.-Dec. '14	Apr.-Dec. '15	Change	%Change
Japan	5 (0.4 thousand ton)	5 (0.5 thousand ton)	0 (+0.0 thousand ton)	2.6%
Asia/Oceania	2,200	1,952	(248)	(11.3%)
Eurasia (Europe/NIS )	-	-	-	-
Middle East/Africa	-	-	-	-
Americas	-	-	-	-
Total	2,205	1,957	(248)	(11.2%)

# Balance Sheet



(Billions of yen)	Mar. '15	Dec. '15	Change	%Change
Current assets	1,342.4	1,021.3	(321.1)	(23.9%)
Tangible fixed assets	1,497.6	1,751.8	254.2	17.0%
Intangible assets	458.7	574.4	115.6	25.2%
Recoverable accounts under production sharing	703.2	754.6	51.3	7.3%
Other	618.7	653.0	34.2	5.5%
Less allowance for recoverable accounts under production sharing	(121.7)	(144.1)	(22.4)	18.5%
<b>Total assets</b>	<b>4,499.1</b>	<b>4,611.0</b>	<b>111.9</b>	<b>2.5%</b>
Current liabilities	365.2	361.9	(3.3)	(0.9%)
Long-term liabilities	845.2	915.1	69.8	8.3%
Total net assets	3,288.7	3,334.0	45.3	1.4%
(Non-controlling interests)	222.0	268.8	46.8	21.1%
<b>Total liabilities and net assets</b>	<b>4,499.1</b>	<b>4,611.0</b>	<b>111.9</b>	<b>2.5%</b>
Net assets per share (Yen)	2,099.95	2,098.92	(1.03)	(0.0%)

Available fund (Billions of yen)  
1,129.2\*

Breakdown

- Cash and deposits : 722.7
- Long-term time deposits : 325.5
- Marketable securities : 61.8
- Available investment securities : 19.4

\*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 : 57.2
- Fixed assets : 2,661.7
- Total assets: 2,719.0

Shareholders' equity (Billions of yen)

- Capital surplus : (3.0)
- Retained earnings : +41.1
- Accumulated other comprehensive income : (39.6)
- Unrealized holding gain on securities : (19.8)
- Unrealized loss from hedging instruments : +18.0
- Translation adjustments: (37.8)

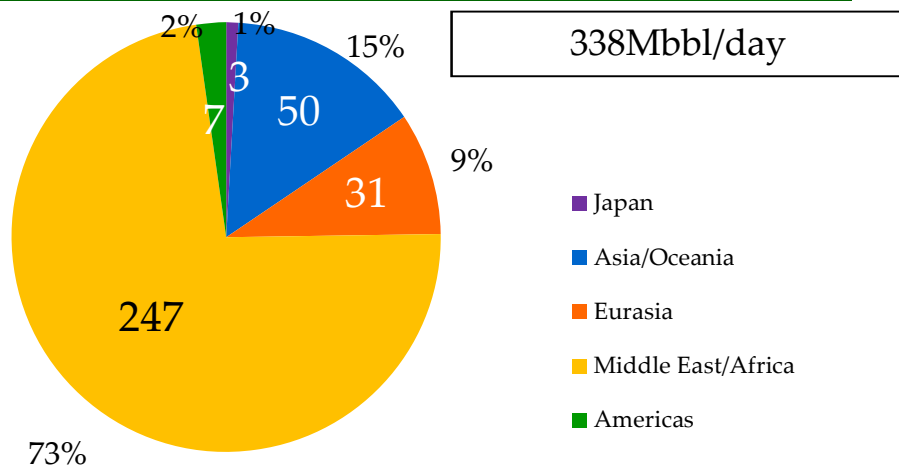
# Statement of Cash Flows



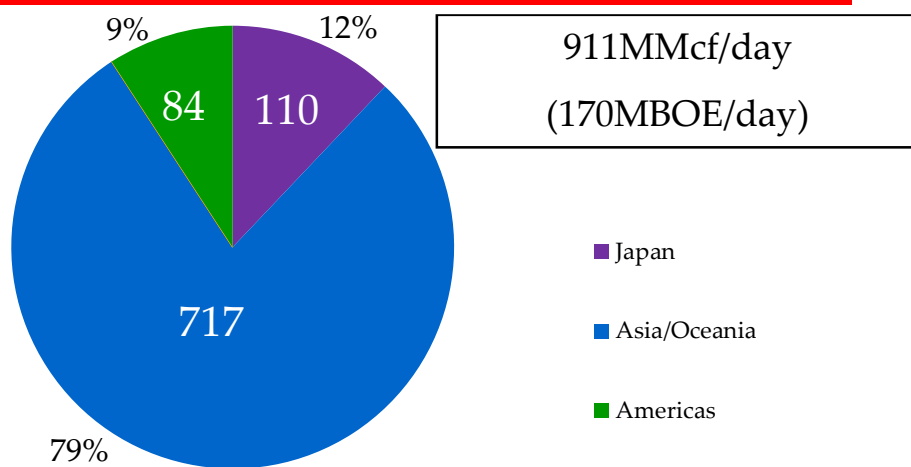
(Billions of Yen)	Apr.-Dec. '14	Apr.-Dec. '15	Change	%Change
Income before income taxes	492.3	354.3	(138.0)	(28.0%)
Depreciation and amortization	37.8	58.7	20.8	55.1%
Recovery of recoverable accounts under production sharing (capital expenditures)	54.4	39.8	(14.5)	(26.8%)
Recoverable accounts under production sharing (operating expenditures)	(50.4)	(36.7)	13.6	(27.1%)
Income taxes paid	(397.4)	(327.8)	69.6	(17.5%)
Other	(6.4)	63.0	69.5	-
<b>Net cash provided by (used in) operating activities</b>	<b>130.3</b>	<b>151.4</b>	<b>21.0</b>	<b>16.2%</b>
Payments for time deposits/Proceeds from time deposits	376.5	304.9	(71.5)	(19.0%)
Payments for long-term time deposits/Proceeds from long-term time deposits	(112.1)	(439.9)	(327.8)	292.2%
Payments for purchases of tangible fixed assets	(338.1)	(371.1)	(32.9)	9.7%
Payments for purchases of marketable securities/investment securities and proceeds from sales of marketable securities/investment securities	187.3	136.1	(51.1)	(27.3%)
Investment in recoverable accounts under production sharing (capital expenditures)	(60.4)	(54.1)	6.3	(10.4%)
Long-term loans made / Collection of long-term loans receivable	(29.3)	171.6	200.9	-
Payments for purchase of mining rights	(17.8)	(134.3)	(116.5)	-
Other	34.9	(38.6)	(73.5)	-
<b>Net cash provided by (used in) investing activities</b>	<b>40.8</b>	<b>(425.4)</b>	<b>(466.3)</b>	<b>-</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(4.4)</b>	<b>148.0</b>	<b>152.5</b>	<b>-</b>
Cash and cash equivalents at end of the period	303.3	132.5	(170.8)	(56.3%)

# Net Production\* (Apr. 2015 – Dec. 2015) **INPEX**

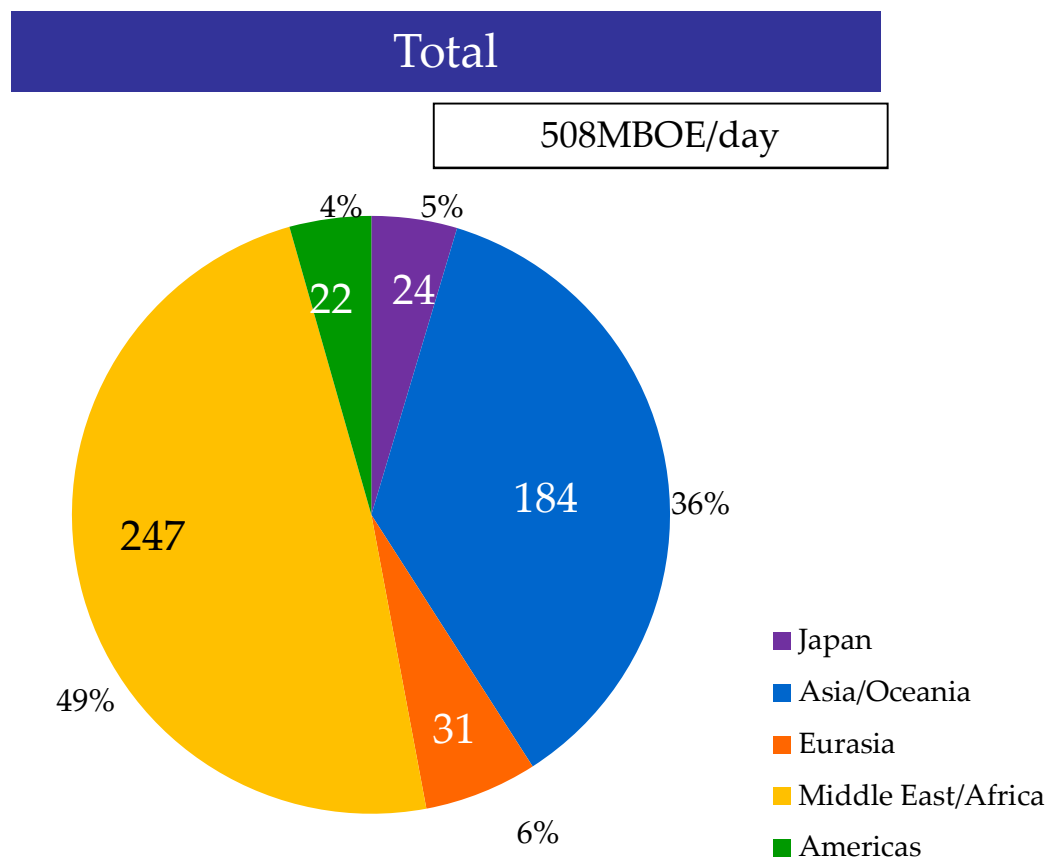
## Oil/Condensate/LPG



## Natural Gas



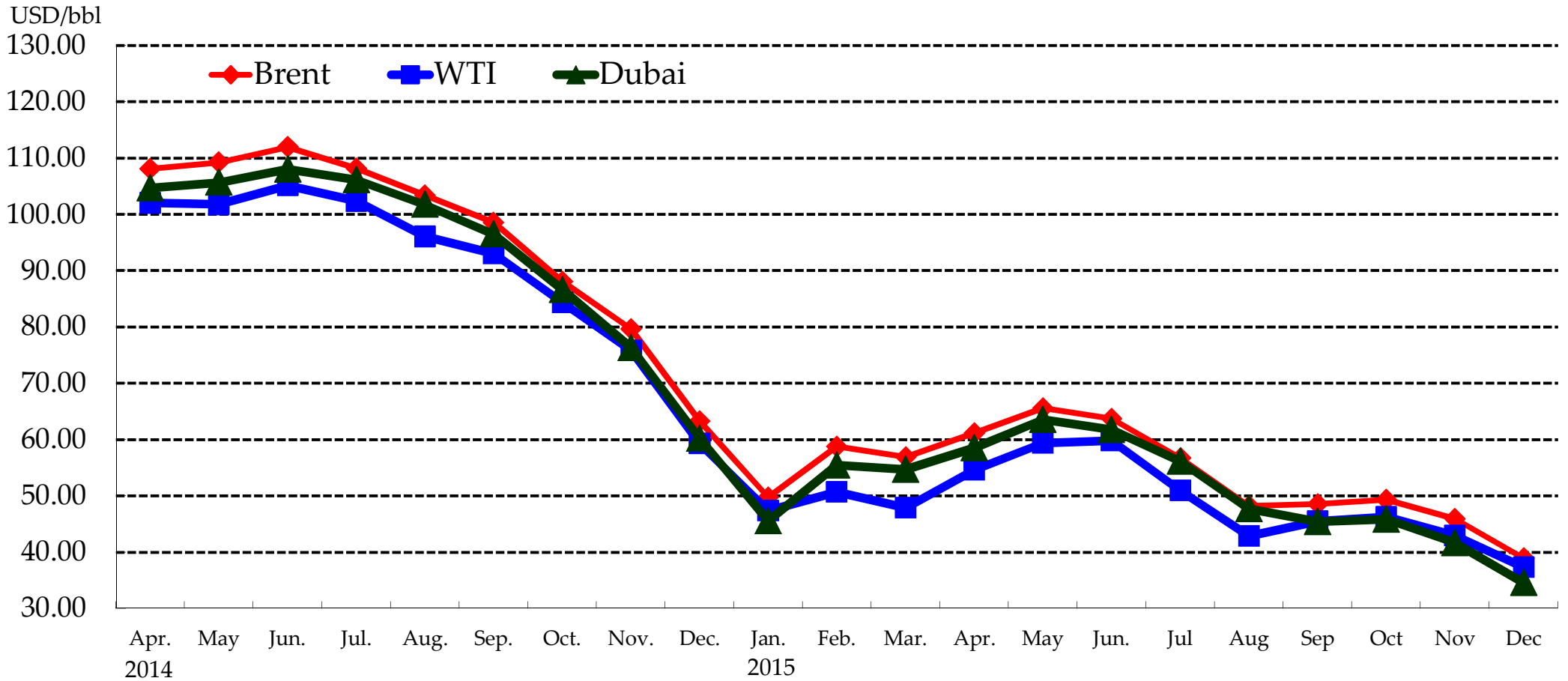
## Total



\* 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



	Apr.-Dec. 2014	Apr. 2014 -Mar. 2015	2015										Apr.-Dec. 2015
	Average	Average	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov	Dec	Average	
Brent	96.73	86.57	61.14	65.61	63.75	56.76	48.21	48.54	49.29	45.93	38.90	53.10	
WTI	91.10	80.49	54.63	59.37	59.83	50.93	42.89	45.47	46.29	42.92	37.33	48.85	
Dubai	93.99	83.47	58.55	63.56	61.79	56.17	47.69	45.38	45.84	41.69	34.59	50.58	