
Financial Results for the six months ended September 30, 2018
Support Material

INPEX CORPORATION

November 7, 2018

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
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%	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%	*	March (provisional settlement of account)

*The project commenced LNG shipment as announced on October 23, 2018.

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Highlights of the Consolidated Financial Results for the six months ended September 30, 2018



	Apr. - Sep. '17	Apr. - Sep. '18	Change	%Change
Net sales (Billions of yen)	447.9	438.2	(9.7)	(2.2%)
Crude oil sales	330.9	372.9	42.0	12.7%
Natural gas sales (including LPG)	110.8	57.9	(52.8)	(47.7%)
Others	6.1	7.2	1.0	17.7%
Operating income (Billions of yen)	185.8	226.4	40.6	21.9%
Ordinary income (Billions of yen)	195.4	246.9	51.5	26.4%
Net income attributable to owners of parent (Billions of yen)	30.1	34.0	3.8	12.9%
Net income per share (Yen)	20.65	23.31	2.66	12.9%

Average number of INPEX shares issued and outstanding during the year ended September 30, 2018: 1,460,312,157

Average crude oil price (Brent) (\$/bbl)	51.49	75.40	23.91	46.4%
Average exchange rate (¥/\$)	111.05	110.26	0.79yen appreciation	0.7% appreciation

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Crude Oil Sales



	Apr. - Sep. '17	Apr. - Sep. '18	Change	%Change
Net sales (Billions of yen)	330.9	372.9	42.0	12.7%
Sales volume (thousand bbl)	57,530	46,462	(11,068)	(19.2%)
Average unit price of overseas production (\$/bbl)	51.25	73.16	21.91	42.8%
Average unit price of domestic production (¥/kl)	37,780	54,443	16,663	44.1%
Average exchange rate (¥/\$)	111.44	109.66	1.78yen appreciation	1.6% appreciation

Sales volume by region (thousand bbl)	Apr. - Sep. '17	Apr. - Sep. '18	Change	%Change
Japan	470 (74.8 thousand kl)	386 (61.4 thousand kl)	(84) (-13.4 thousand kl)	(17.9%)
Asia & Oceania	4,160	1,033	(3,127)	(75.2%)
Eurasia (Europe & NIS)	5,981	7,124	1,143	19.1%
Middle East & Africa	45,979	37,353	(8,626)	(18.8%)
Americas	940	566	(374)	(39.8%)
Total	57,530	46,462	(11,068)	(19.2%)

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Natural Gas Sales (excluding LPG)



	Apr. - Sep. '17	Apr. - Sep. '18	Change	%Change
Net sales (Billions of yen)	108.3	57.5	(50.7)	(46.8%)
Sales volume (million cf)	151,351	69,026	(82,325)	(54.4%)
Average unit price of overseas production (\$/thousand cf)	5.14	2.67	(2.47)	(48.1%)
Average unit price of domestic sales (¥/m ³)	45.64	49.85	4.21	9.2%
Average exchange rate (¥/\$)	110.71	106.84	3.87yen appreciation	3.5% appreciation

Sales volume by region (million cf)	Apr. - Sep. '17	Apr. - Sep. '18	Change	%Change
Japan	34,005 (911million m ³ *)	36,055 (966million m ³ *)	2,050 (+55million m ³ *)	6.0%
Asia & Oceania	92,664	10,147	(82,517)	(89.0%)
Eurasia (Europe & NIS)	3,724	4,869	1,145	30.7%
Middle East & Africa	-	-	-	-
Americas	20,957	17,955	(3,002)	(14.3%)
Total	151,351	69,026	(82,325)	(54.4%)

*1m³=41.8605MJ

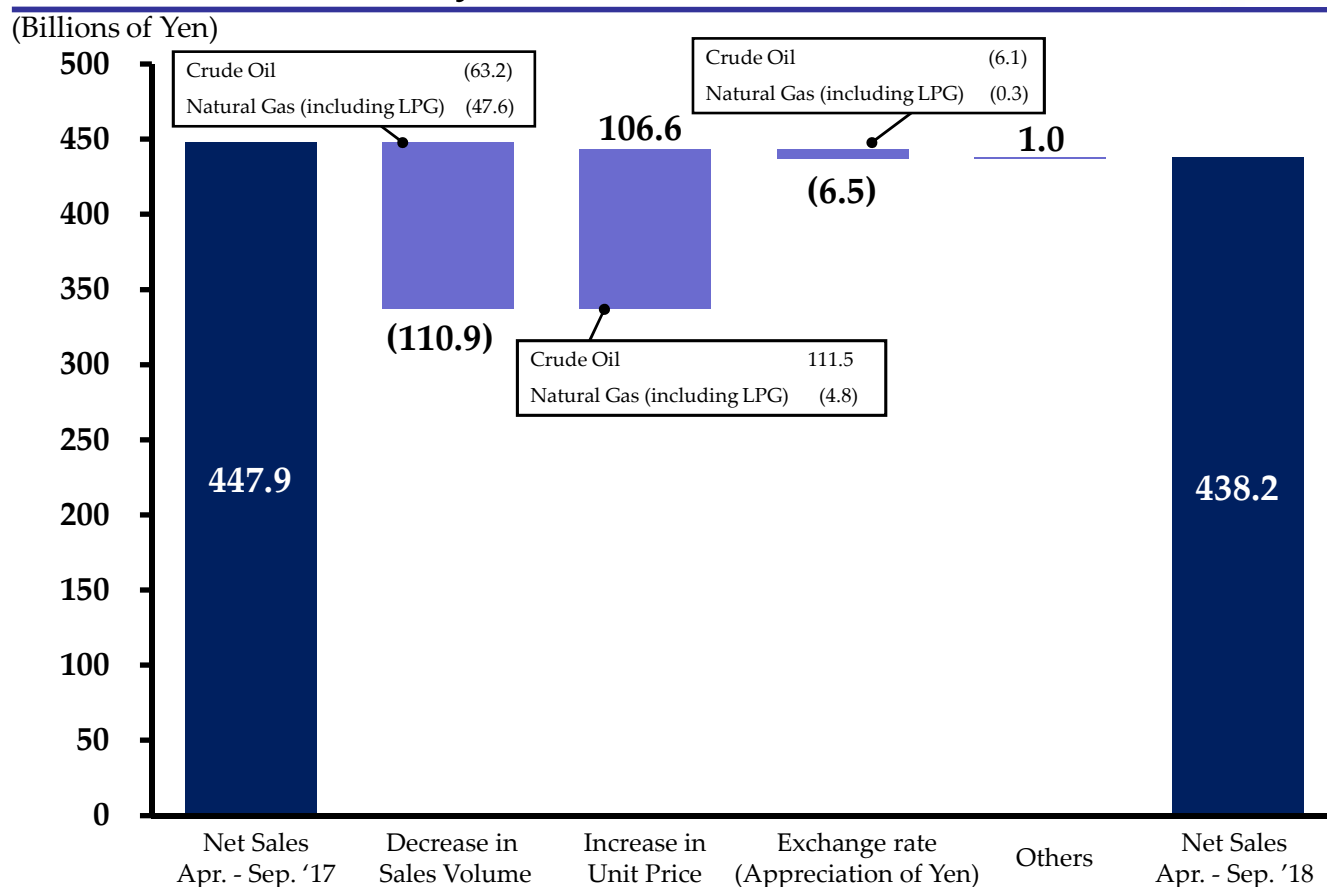
(FYI) LPG Sales

	Apr. - Sep. '17	Apr. - Sep. '18	Change	%Change
Net Sales (Billions of yen)	2.5	0.4	(2.1)	(83.6%)

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Analysis of Net Sales Decrease

INPEX



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Statement of Income

INPEX

(Billions of Yen)	Apr. - Sep. '17	Apr. - Sep. '18	Change	%Change
Net sales	447.9	438.2	(9.7)	(2.2%)
Cost of sales	222.1	176.0	(46.1)	(20.8%)
Gross profit	225.7	262.1	36.4	16.1%
Exploration expenses	0.9	1.0	0.0	6.7%
Selling, general and administrative expenses	38.9	34.7	(4.2)	(10.9%)
Operating income	185.8	226.4	40.6	21.9%
Other income	15.6	33.6	17.9	114.7%
Other expenses	6.0	13.0	6.9	115.4%
Ordinary income	195.4	246.9	51.5	26.4%
Total income taxes	161.5	205.9	44.3	27.4%
Net income (loss) attributable to non-controlling interests	3.6	7.0	3.3	91.3%
Net income attributable to owners of parent	30.1	34.0	3.8	12.9%

Decrease in sales volume : (110.9)
 Increase in unit price : +106.6
 Exchange rate (Appreciation of yen) : (6.5)
 Others : 1.0

Cost of sales for Crude Oil : 137.0
 (Change) (19.8)
 Cost of sales for Natural Gas* : 34.1
 (Change) (26.2)
 * Including LPG

Main factors for change :
 Equity in earnings of affiliates +8.4
 Compensation income +7.4

Main factors for change :
 Interest expense +1.5
 Provision for allowance for recoverable accounts under production sharing +1.6

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Other Income/Expenses

INPEX

(Billions of Yen)	Apr. - Sep. '17	Apr. - Sep. '18	Change	%Change
Other income	15.6	33.6	17.9	114.7%
Interest income	4.0	4.1	0.0	1.4%
Dividend income	2.0	1.4	(0.6)	(31.3%)
Equity in earnings of affiliates	2.1	10.5	8.4	400.6%
Gain on reversal of allowance for recoverable accounts under production sharing	2.7	-	(2.7)	(100.0%)
Foreign exchange gain	0.0	5.2	5.2	-
Compensation income	-	7.4	7.4	-
Other	4.5	4.7	0.1	3.8%
Other expenses	6.0	13.0	6.9	115.4%
Interest expense	3.2	4.7	1.5	49.8%
Provision for allowance for recoverable accounts under production sharing	-	1.6	1.6	-
Other	2.8	6.5	3.7	129.6%

Profit increase in affiliates accounted for by the equity method

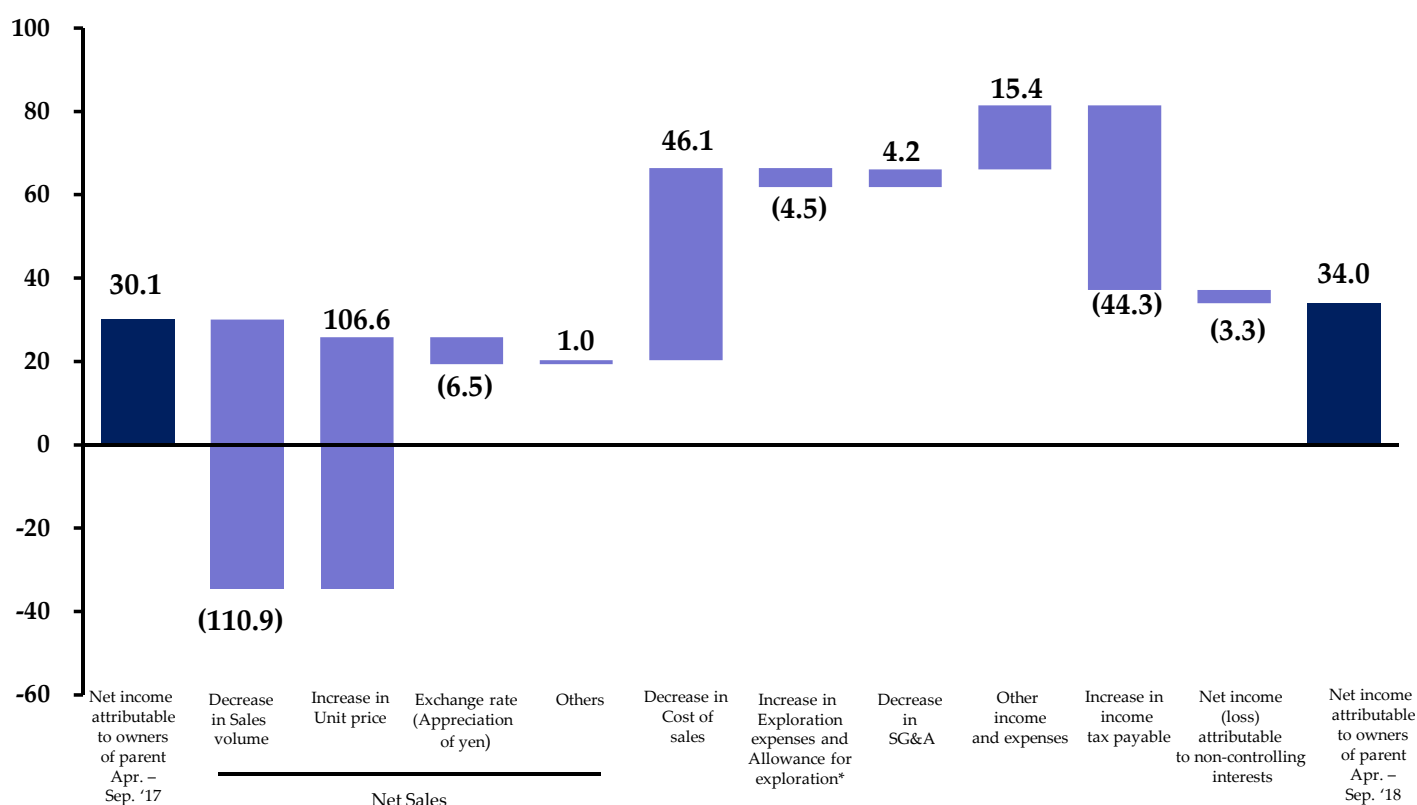
Compensation for termination of Ecuador's Block 18

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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. '18	Sep. '18	Change	%Change
Current assets	466.3	646.0	179.7	38.5%
Tangible fixed assets	2,044.6	2,207.5	162.9	8.0%
Intangible assets	541.5	524.0	(17.4)	(3.2%)
Recoverable accounts under production sharing	589.0	585.3	(3.7)	(0.6%)
Other	692.4	914.3	221.9	32.0%
Less allowance for recoverable accounts under production sharing	(81.6)	(83.3)	(1.7)	2.1%
Total assets	4,252.3	4,794.0	541.6	12.7%
Current liabilities	305.4	461.2	155.8	51.0%
Long-term liabilities	788.0	1,059.9	271.8	34.5%
Total net assets	3,158.8	3,272.8	113.9	3.6%
(Non-controlling interests)	242.1	245.7	3.5	1.5%
Total liabilities and net assets	4,252.3	4,794.0	541.6	12.7%
Net assets per share (Yen)	1,997.24	2,073.09	75.85	3.8%

Summary of financial information for Ichthys downstream JV (100% basis, including the Company's equity share 62.245%)

(Billions of yen)

- Current assets : 41.3
- Fixed assets : 3,911.4
- Total assets: 3,952.8

※Fixed assets include interest expense which are not included in CAPEX, and capitalized costs before FID.

Total shareholders' equity : +20.7
Accumulated other comprehensive income (Billions of yen) : +89.7

- Unrealized holding gain on securities : +6.1
- Unrealized gain from hedging instruments : +10.4
- Translation adjustments : +73.1

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Statement of Cash Flows

(Billions of Yen)	Apr. - Sep. '17	Apr. - Sep. '18	Change	%Change
Income before income taxes	195.4	246.9	51.5	26.4%
Depreciation and amortization	45.4	41.7	(3.7)	(8.2%)
Recovery of recoverable accounts under production sharing (capital expenditures)	34.9	10.0	(24.9)	(71.4%)
Recoverable accounts under production sharing (operating expenditures)	1.2	9.8	8.5	695.0%
Income taxes paid	(143.7)	(169.8)	(26.1)	18.2%
Other	7.8	(27.8)	(35.6)	-
Net cash provided by (used in) operating activities	141.1	110.8	(30.3)	(21.5%)
Payments for time deposits / Proceeds from time deposits	73.4	(159.8)	(233.3)	-
Payments for purchases of tangible fixed assets	(139.2)	(116.9)	22.2	(16.0%)
Payments for purchases of investment securities	(126.3)	(1.4)	124.8	(98.9%)
Investment in recoverable accounts under production sharing (capital expenditures)	(13.6)	(15.3)	(1.6)	12.5%
Long-term loans made / Collection of long-term loans receivable	(23.4)	(182.4)	(159.0)	679.5%
Other	0.7	18.2	17.5	-
Net cash provided by (used in) investing activities	(228.3)	(457.7)	(229.4)	100.5%
Net cash provided by (used in) financing activities	42.3	325.1	282.8	667.3%
Cash and cash equivalents at end of the period	270.8	261.0	(9.7)	(3.6%)

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Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2018 **INPEX**

- Assumptions

(August 9, 2018)	1 st half (Previous Forecasts)
Crude oil price (Brent) (US\$/bbl)	72.5
Exchange rate (yen/US\$)	109.6
	
(November 7, 2018)	1 st half (Actual Results)
Crude oil price (Brent) (US\$/bbl)	75.4
Exchange rate (yen/US\$)	110.3

- Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2018


	Previous Forecasts (August 9, 2018)	Actual Results	Change	% Change
Net Sales (billions of yen)	419.0	438.2	19.2	4.6%
Operating income (billions of yen)	211.0	226.4	15.4	7.3%
Ordinary income (billions of yen)	222.0	246.9	24.9	11.3%
Net income attributable to owners of parent (billions of yen)	25.0	34.0	9.0	36.1%

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Revisions of Financial Forecasts for the year ending March 31, 2019

INPEX

- Assumptions

(August 9, 2018)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	72.5	70.0	71.2
Exchange rate (yen/US\$)	109.6	110.0	109.8
			
(November 7, 2018)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	75.4 ※1	70.0	72.7
Exchange rate (yen/US\$)	110.3 ※2	110.0	110.1

※1 1st quarter (Actual) : US\$ 75.0/bbl, 2nd quarter (Actual) : US\$75.8/bbl ※2 1st quarter (Actual) : ¥109.1/US\$, 2nd quarter (Actual) : ¥111.4/US\$

- Financial Forecasts for the year ending March 31, 2019

	Previous forecasts (August 9, 2018)	Revised forecasts (November 7, 2018)	Change	% Change
Net sales (billions of yen)	945.0	1,001.0	56.0	5.9%
Operating income (billions of yen)	460.0	476.0	16.0	3.5%
Ordinary income (billions of yen)	463.0	487.0	24.0	5.2%
Net income attributable to owners of parent (billions of yen)	48.0	60.0	12.0	25.0%

- Dividend per share

	End of 2Q	End of fiscal year (forecast)
Year ending March 31, 2019 (yen)	9	15(Ordinary dividend 9, Commemorative dividend 6)

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