

Financial results for the six months ended June 30, 2020

## Supporting Material

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INPEX CORPORATION

August 6, 2020



### Cautionary Statement

**INPEX**

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.

## 65 Consolidated Subsidiaries

Major Subsidiaries	Country / Region	Ownership	Phase	Accounting Term
Japan Oil Development Co., Ltd.	UAE	100%	Production	December
JODCO Onshore Limited	UAE	51 %	Production	December
JODCO Lower Zakum Limited	UAE	100%	Production	December
INPEX Sahul, Ltd.	Timor-Leste	100%	Production	December
INPEX Ichthys Pty Ltd	Australia	100%	Production	December
INPEX Southwest Caspian Sea, Ltd.	Azerbaijan	51%	Production	December
INPEX North Caspian Sea, Ltd.	Kazakhstan	51%	Production	December
INPEX Oil & Gas Australia Pty Ltd	Australia	100%	Production	December
INPEX Eagle Ford, LLC	United States	100%	Production	December

## 20 Equity Method Affiliates

Major Affiliates	Country / Region	Ownership	Phase	Accounting Term
MI Berau B.V.	Indonesia	44%	Production	December
Angola Block 14 B.V.	Angola	49.99%	Production	December
Ichthys LNG Pty Ltd	Australia	66.245%	Production	December

Highlights of the Consolidated Financial Results  
for the six months ended June 30, 2020

	(Reference) Same Period Last Year (January - June '19)	2Q FY2020 (January - June '20)	Change	% Change
Net sales (Billions of yen)	563.1	391.6	(171.4)	(30.5%)
Crude oil sales	421.3	246.3	(175.0)	(41.5%)
Natural gas sales (including LPG)	132.3	138.2	5.8	4.5%
Others	9.4	7.1	(2.3)	(25.0%)
Operating income (Billions of yen)	269.1	123.7	(145.3)	(54.0%)
Ordinary income (Billions of yen)	270.7	149.2	(121.4)	(44.9%)
Net income (loss) attributable to owners of parent (Billions of yen)	82.4	(120.7)	(203.2)	-
Net income (loss) per share* (Yen)	56.48	(82.73)	(139.21)	-

\* Average number of INPEX shares issued and outstanding during the six months ended June 30, 2020: 1,460,203,039

Average crude oil price (Brent) (\$/bbl)	66.17	42.10	(24.07)	(36.4%)
Average exchange rate (¥/\$)	110.06	108.25	1.81 yen appreciation	1.6% appreciation

## Crude Oil Sales

	(Reference) Same Period Last Year (January - June '19)	2Q FY2020 (January - June '20)	Change	% Change
Net sales (Billions of yen)	421.3	246.3	(175.0)	(41.5%)

Sales volume (thousand bbl)	57,784	60,894	3,111	5.4%
Average unit price of overseas production (\$/bbl)	66.21	37.27	(28.94)	(43.7%)
Average unit price of domestic production (¥/kl)	46,270	31,382	(14,888)	(32.2%)
Average exchange rate (¥/\$)	110.13	108.41	1.72yen appreciation	1.6% appreciation

Sales volume by region (thousand bbl)	(Reference) Same Period Last Year (January - June '19)	2Q FY2020 (January - June '20)	Change	% Change
Japan	403 (64.1 thousand kl)	335 (53.2 thousand kl)	(68) (-10.9 thousand kl)	(17.0%)
Asia & Oceania	7,719	7,209	(510)	(6.6%)
Eurasia (Europe & NIS)	6,417	8,486	2,070	32.3%
Middle East & Africa	42,531	42,925	394	0.9%
Americas	714	1,940	1,225	171.6%
Total	57,784	60,894	3,111	5.4%

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4

## Natural Gas Sales (excluding LPG)

	(Reference) Same Period Last Year (January - June '19)	2Q FY2020 (January - June '20)	Change	% Change
Net sales (Billions of yen)	130.9	136.7	5.8	4.4%

Sales volume (million cf)	185,197	222,856	37,659	20.3%
Average unit price of overseas production (\$/thousand cf)	4.21	4.17	(0.04)	(1.0%)
Average unit price of domestic sales (¥/m <sup>3</sup> )	57.46	50.65	(6.81)	(11.9%)
Average exchange rate (¥/\$)	110.10	108.45	1.65yen appreciation	1.5% appreciation

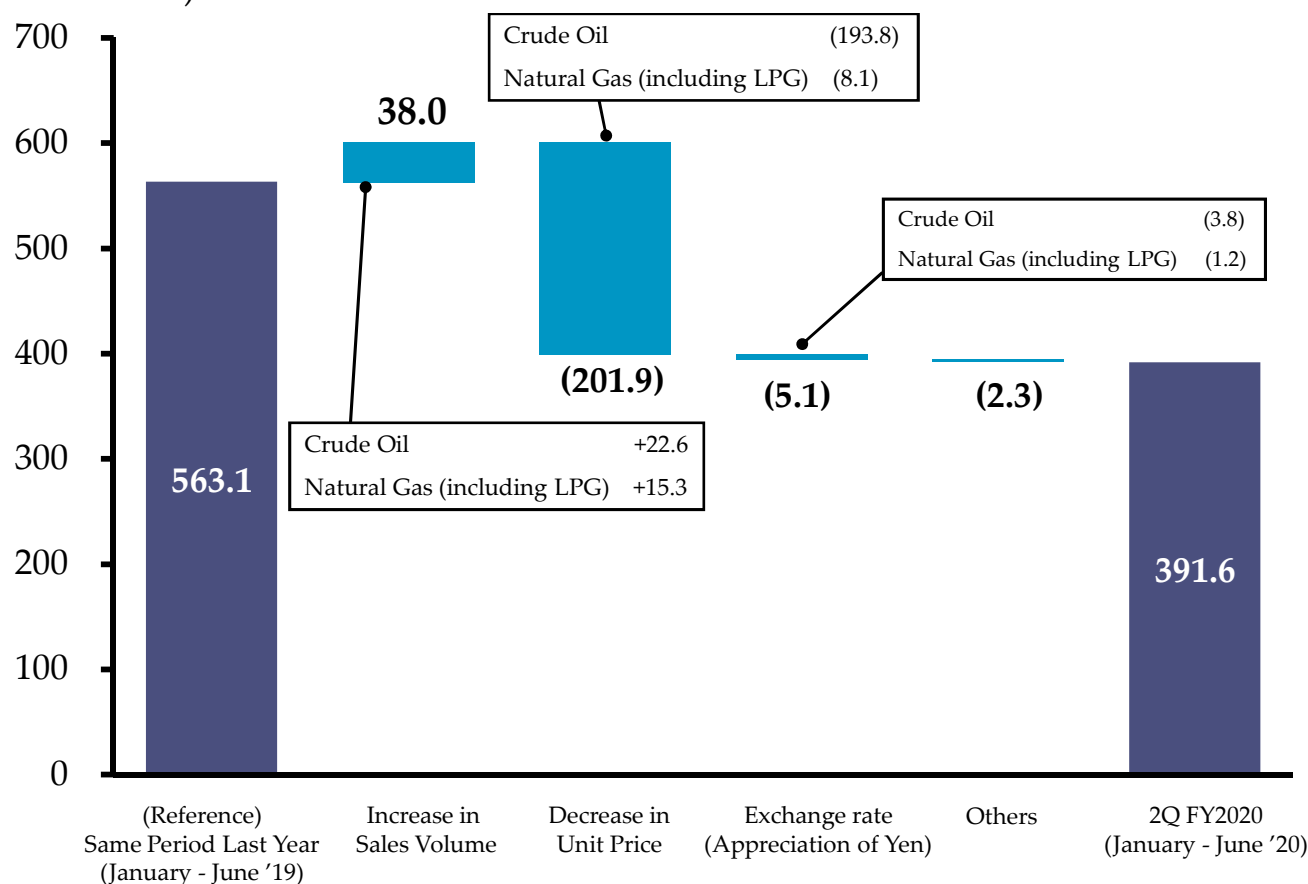
Sales volume by region (million cf)	(Reference) Same Period Last Year (January - June '19)	2Q FY2020 (January - June '20)	Change	% Change
Japan	41,866 (1,122 million m <sup>3</sup> *)	39,826 (1,067 million m <sup>3</sup> *)	(2,040) (-55 million m <sup>3</sup> *)	(4.9%)
Asia & Oceania	126,285	168,905	42,620	33.7%
Eurasia (Europe & NIS)	3,983	4,853	870	21.8%
Middle East & Africa	-	-	-	-
Americas	13,063	9,272	(3,791)	(29.0%)
Total	185,197	222,856	37,659	20.3%

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

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5

(Billions of Yen)



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6

# Statement of Income

(Billions of Yen)	(Reference) Same Period Last Year (January - June '19)	2Q FY2020 (January - June '20)	Change	% Change	
Net sales	563.1	391.6	(171.4)	(30.5%)	<ul style="list-style-type: none"> <li>Increase in sales volume : +38.0</li> <li>Decrease in unit price : (201.9)</li> <li>Exchange rate: (5.1)</li> <li>Others : (2.3)</li> </ul>
Cost of sales	246.8	226.0	(20.8)	(8.4%)	
Gross profit	316.3	165.6	(150.6)	(47.6%)	
Exploration expenses	10.2	4.6	(5.5)	(54.1%)	
Selling, general and administrative expenses	36.9	37.1	0.2	0.6%	<ul style="list-style-type: none"> <li>Cost of sales for Crude Oil: 138.3 (Change) (31.7)</li> <li>Cost of sales for Natural Gas*: 81.9 (Change) +12.6</li> <li>* Including LPG</li> </ul>
Operating income	269.1	123.7	(145.3)	(54.0%)	
Other income	23.2	45.3	22.1	95.2%	<ul style="list-style-type: none"> <li>Main factors for change:</li> <li>Equity in earnings of affiliates +21.1</li> <li>Foreign exchange gain +3.7</li> </ul>
Other expenses	21.6	19.9	(1.7)	(8.1%)	
Ordinary income	270.7	149.2	(121.4)	(44.9%)	<ul style="list-style-type: none"> <li>Main factors for change:</li> <li>Foreign exchange loss (5.6)</li> </ul>
Extraordinary loss (Impairment loss)	5.4	192.4	186.9	-	
Total income taxes	189.3	78.2	(111.0)	(58.7%)	<ul style="list-style-type: none"> <li>Main factors for change:</li> <li>Prelude FLNG Project +130.8</li> <li>Eagle Ford +33.6</li> <li>Lucius Oil Field +18.9</li> <li>Bayu-Undan +8.9</li> </ul>
Net income (loss) attributable to non-controlling interests	(6.5)	(0.6)	5.9	-	
Net income (loss) attributable to owners of parent	82.4	(120.7)	(203.2)	-	

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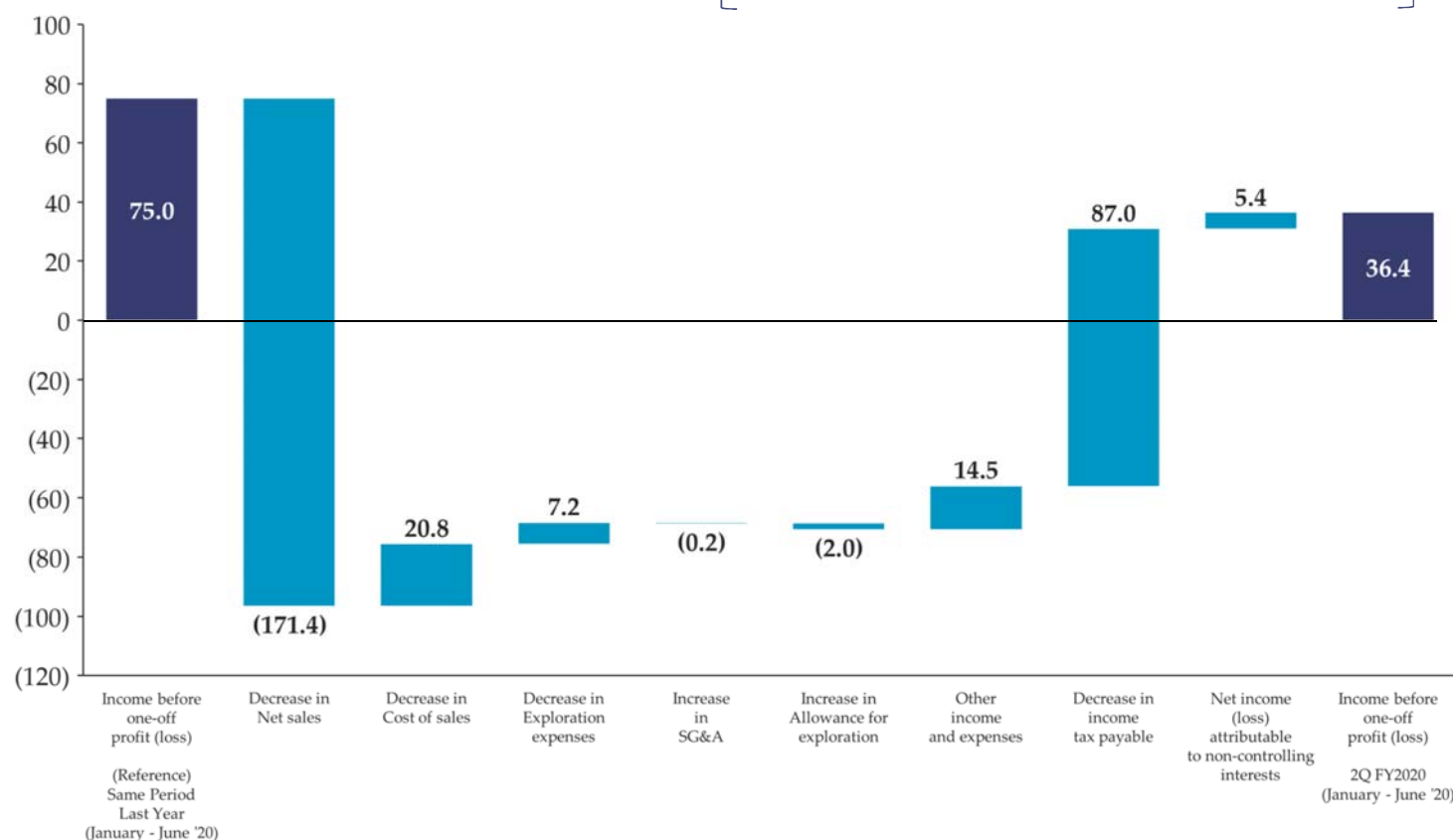
7

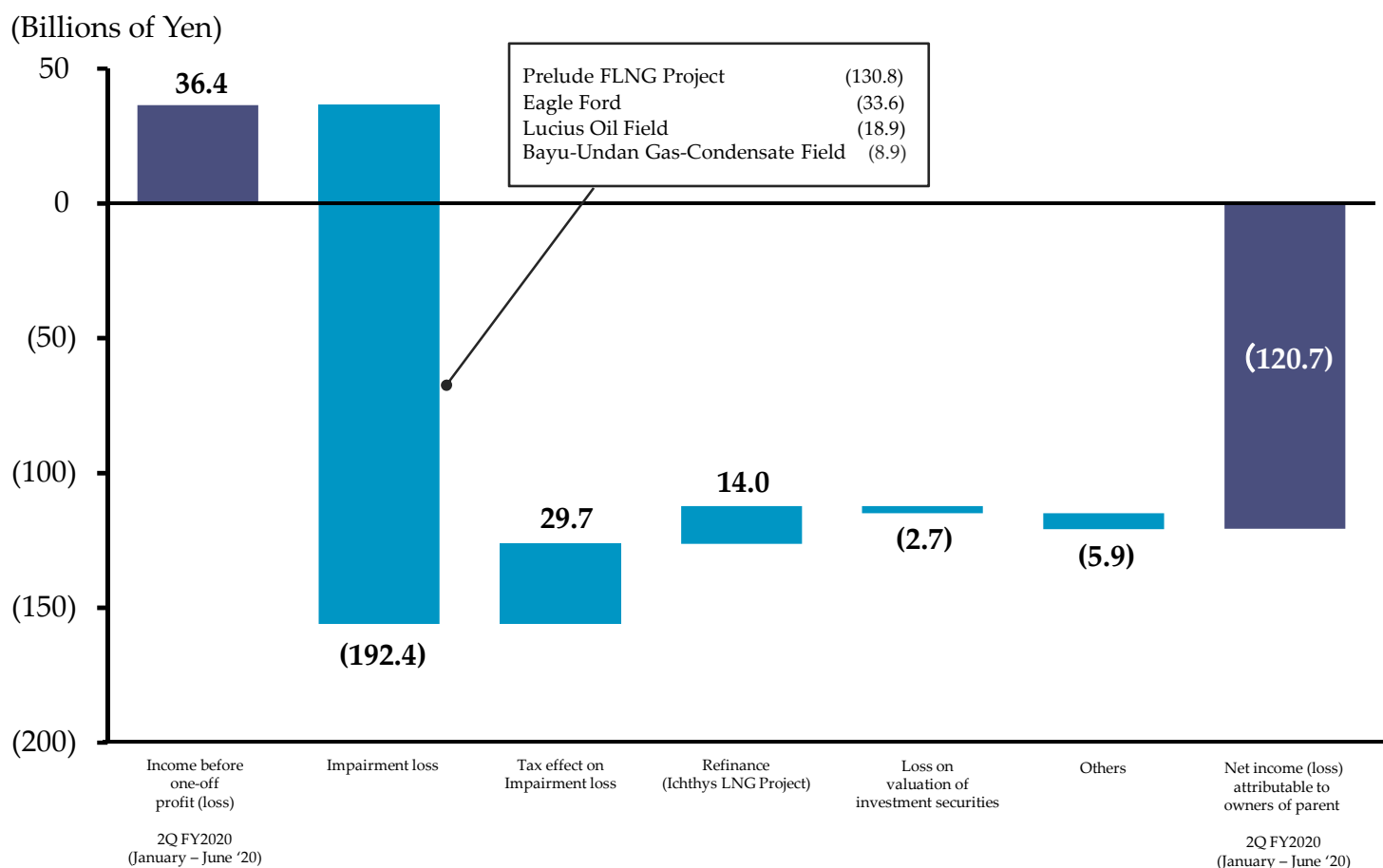
(Billions of Yen)	(Reference) Same Period Last Year (Jan - June '19)	2Q FY2020 (Jan - June '20)	Change	% Change
Other income	23.2	45.3	22.1	95.2%
Interest income	1.7	0.5	(1.2)	(67.1%)
Dividend income	6.4	5.9	(0.4)	(7.6%)
Equity in earnings of affiliates	9.5	30.7	21.1	222.8%
Foreign exchange gain	-	3.7	3.7	-
Other	5.5	4.4	(1.0)	(19.4%)
Other expenses	21.6	19.9	(1.7)	(8.1%)
Interest expense	13.4	11.5	(1.9)	(14.4%)
Provision for allowance for recoverable accounts under production sharing	-	2.2	2.2	-
Provision for exploration projects	0.2	-	(0.2)	(100.0%)
Foreign exchange loss	5.6	-	(5.6)	(100.0%)
Other	2.3	6.1	3.7	158.4%

# Analysis of Income before One-off Profit (Loss) Decrease

(Billions of Yen)

\* Income before one-off profit (loss)  
= Net income (loss) attributable to owners of parent – one-off profit (loss)





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10

## Balance Sheet

(Billions of yen)	December 2019	June 2020	Change	% Change
Current assets	419.8	512.2	92.4	22.0%
Tangible fixed assets	2,275.3	2,115.4	(159.8)	(7.0%)
Intangible assets	535.3	454.0	(81.2)	(15.2%)
Recoverable accounts under production sharing	568.3	573.4	5.0	0.9%
Other	1,118.0	1,084.9	(33.0)	(3.0%)
Less allowance for recoverable accounts under production sharing	(66.8)	(69.1)	(2.2)	3.3%
<b>Total assets</b>	<b>4,849.9</b>	<b>4,671.0</b>	<b>(178.9)</b>	<b>(3.7%)</b>
Current liabilities	401.4	372.9	(28.5)	(7.1%)
Long-term liabilities	1,151.3	1,243.9	92.6	8.0%
<b>Total net assets</b>	<b>3,297.1</b>	<b>3,054.1</b>	<b>(243.0)</b>	<b>(7.4%)</b>
(Non-controlling interests)	256.4	252.2	(4.1)	(1.6%)
<b>Total liabilities and net assets</b>	<b>4,849.9</b>	<b>4,671.0</b>	<b>(178.9)</b>	<b>(3.7%)</b>
Net assets per share (Yen)	2,082.43	1,918.88	(163.55)	(7.9%)

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

(Billions of yen)

- Current assets : 81.0
- Fixed assets : 3,630.2
- Total assets: 3,711.2

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

The total of long-term loans and short term loans is 1.2 trillion yen.

Adding the off-balanced net loans of the Ichthys IJV brings the total of INPEX net loans to be 2.2 trillion yen (as of June, 2020).

(Billions of yen)

Total shareholders' equity: (147.0)  
Accumulated other comprehensive income : (91.7)

- Unrealized gain (loss) from hedging instruments: (47.9)
- Translation adjustments: (36.3)

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11


(Billions of Yen)	2Q FY2020 (January - June '20)	(Reference) April - September '19
Income before income taxes	(43.1)	271.1
Depreciation and amortization	88.8	83.0
Impairment loss	192.4	-
Recovery of recoverable accounts under production sharing (capital expenditures)	14.8	19.3
Recoverable accounts under production sharing (operating expenditures)	(1.2)	(4.2)
Income taxes paid	(121.4)	(187.0)
Other	43.2	(27.6)
Net cash provided by (used in) operating activities	173.5	154.5
Payments for time deposits / Proceeds from time deposits	(54.1)	0.0
Payments for purchases of tangible fixed assets	(68.2)	(66.2)
Payments for purchases of marketable securities/investment securities and proceeds from sales of marketable securities/investment securities	0.8	(1.0)
Investment in recoverable accounts under production sharing (capital expenditures)	(18.9)	(21.8)
Long-term loans made / Collection of long-term loans receivable	(25.4)	(75.1)
Payments for acquisitions of participating interests	-	(30.0)
Other	(1.9)	(0.1)
Net cash provided by (used in) investing activities	(167.7)	(194.4)
Net cash provided by (used in) financing activities	124.0	24.9
Cash and cash equivalents at end of the period	303.1	219.1

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12

## Differences between Consolidated Financial Forecasts and Actual Results for the six months ended June 30, 2020

### ■ Assumptions

(May 12, 2020)	1 <sup>st</sup> half (Previous Forecasts)
Crude oil price (Brent) (US\$/bbl)	40.4
Exchange rate (yen/US\$)	109.5
	
(August 6, 2020)	1 <sup>st</sup> half (Actual Results)
Crude oil price (Brent) (US\$/bbl)	42.1
Exchange rate (yen/US\$)	108.3

### ■ Differences between Consolidated Financial Forecasts and Actual Results for the six months ended June 30, 2020

	Previous Forecasts (May 12, 2020)	Actual Results	Change	% Change
Net Sales (billions of yen)	408.0	391.6	(16.3)	(4.0%)
Operating income (billions of yen)	133.0	123.7	(9.2)	(6.9%)
Ordinary income (billions of yen)	145.0	149.2	4.2	2.9%
Net income (loss) attributable to owners of parent (billions of yen)	35.0	(120.7)	(155.7)	-

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13

■ Assumptions

(May 12, 2020)	1 <sup>st</sup> half (Jan-Jun)	2 <sup>nd</sup> half (Jul-Dec)	Full year
Crude oil price (Brent) (US\$/bbl)	40.4	30.0	35.2
Exchange rate (yen/US\$)	109.5	110.0	109.7



(August 6, 2020)	1 <sup>st</sup> half (Jan-Jun)	2 <sup>nd</sup> half (Jul-Dec)	Full year
Crude oil price (Brent) (US\$/bbl)	42.1	40.0	41.1
Exchange rate (yen/US\$)	108.3	105.0	106.6

■ Financial Forecasts for the year ending December 31, 2020

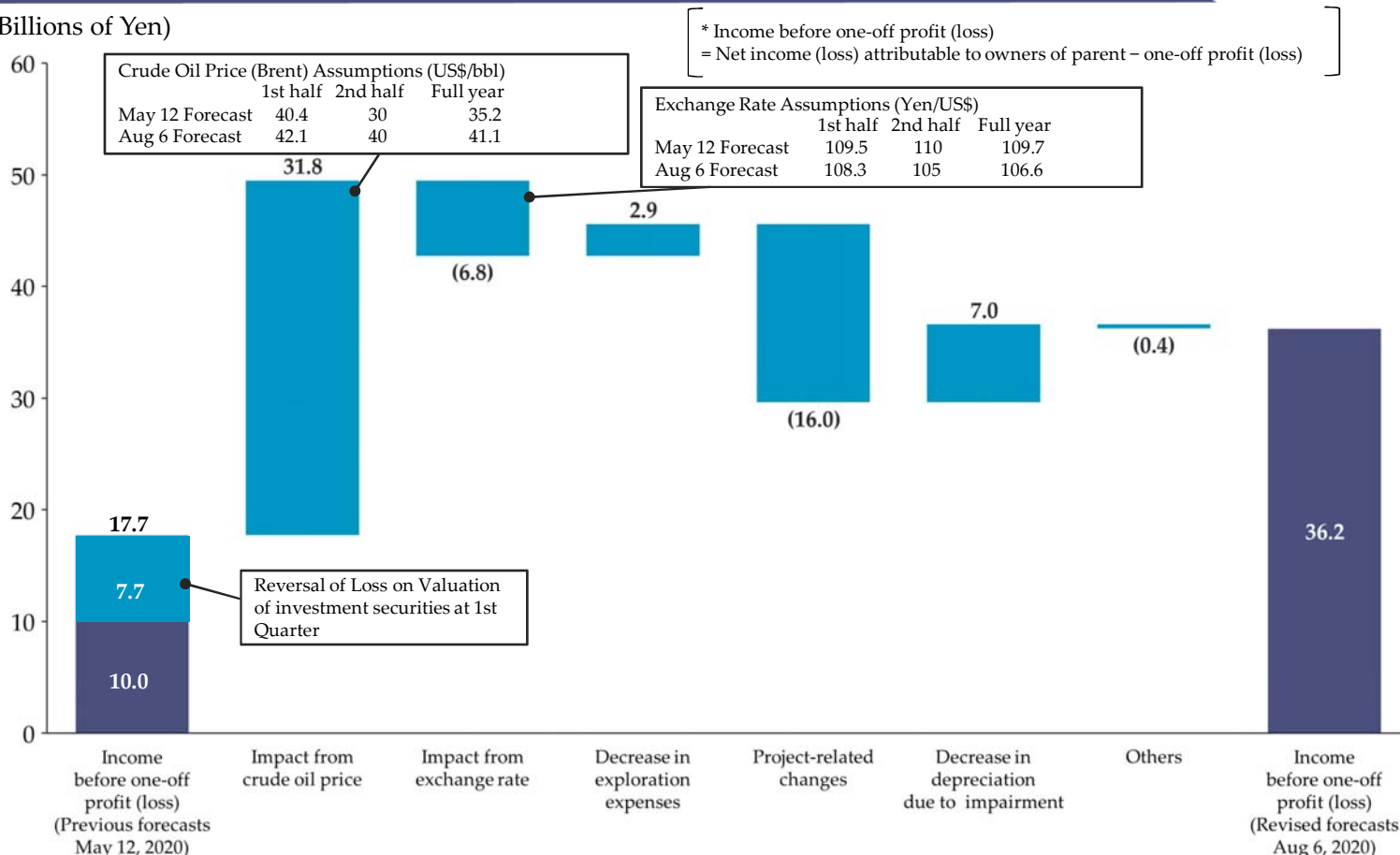
	Previous forecasts (May 12, 2020)	Revised forecasts (August 6, 2020)	Change	% Change
Net sales (billions of yen)	710.0	730.0	20.0	2.8%
Operating income (billions of yen)	172.0	203.0	31.0	18.0%
Ordinary income (billions of yen)	163.0	200.0	37.0	22.7%
Net income (loss) attributable to owners of parent (billions of yen)	10.0	(136.0)	(146.0)	-

■ Dividend per share

End of 2Q	End of fiscal year (forecast)	Full year (forecast)
¥12.00	¥12.00	¥24.00

Analysis of Income before One-off Profit (Loss) Increase

(Billions of Yen)





# Analysis of Impact of One-off Profit (Loss)

(Billions of Yen)

\* Income before one-off profit (loss)  
 = Net income (loss) attributable to owners of parent – one-off profit (loss)

