

INPEX CORPORATION

Financial Results
for the year ended December 31, 2023

February 13, 2024



1. Business Overview

2. Consolidated Financial Results for the year ended December 31, 2023

3. Consolidated Financial Forecasts for the year ending December 31, 2024

Appendix

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.

1. Business Overview

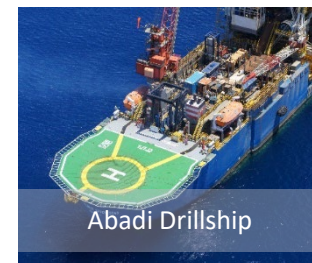


Takayuki Ueda

Representative Director, President & CEO

Business Activities in FY2023 – Oil and Gas Business –

Production phase projects	Ichthys LNG (Australia)	- Maintained stable production operations overall. Shipped 129 LNG cargoes in 2023. - Confirmed facility capacity enhancements to produce 9.3 million tons of LNG per year. - Realized net income contribution of 302.6 billion yen.
	Offshore Oil Fields & Onshore Concession (Abu Dhabi)	Conducted stable production operations and increased production capacity.
	Other	Commenced floating wind farm-generated power supply to Snorre oil field in Norway.
Pre-FID phase projects	Abadi LNG (Indonesia)	- Welcomed Pertamina and Petronas as new project partners. - Received government approval for revised plan of development incorporating a CCS component.
Exploration phase projects & other	Vicinity of the Ichthys Field	- Drilled exploration well in WA-285-P. Commenced the drilling of exploration well in WA-343-P. - Acquired stake in AC/RL7 (Cash Maple).
	Abu Dhabi Onshore Block 4	Drilled exploration and appraisal wells.
	Other	- Awarded 3 exploration licenses in Norway. - Signed 2 new PSCs for Block 4E and Block SK418 in Malaysia and commenced exploration activities. - Completed the first stage double tracking of the natural gas trunk pipeline “Ryomo Line”.



Planned Business Activities after FY2024 – Oil and Gas Business –



Production phase projects	Ichthys LNG (Australia)	- Acquire participating interest from Tokyo Gas (raising total participating interest from 66.245% to 67.82%) subject to fulfillment of certain conditions. - No large-scale shutdown maintenance work planned for 2024. - Approximately 11 LNG cargo shipments per month expected for 2024. - Aim to produce 9.3 million tons per year of LNG through safe operations and enhanced facility utilization. - Continuing evaluation of 3rd train expansion targeting start-up in the 2030s. - Expected net income contribution of 220 billion yen.
	Offshore Oil Fields & Onshore Concession (Abu Dhabi)	Conduct stable production operations and increase production capacity.
	Other	Continuing to consider development of discovered and undeveloped oil and gas fields in Norway.
Pre-FID phase projects	Abadi LNG (Indonesia)	Proceed with preparations required to reach final investment decision (FID), including front-end engineering and design (FEED) work and marketing and financing activities.
Exploration phase projects & other	Vicinity of the Ichthys Field	- Continue the drilling of exploration well in WA-343-P and evaluations for AC/RL7 and other blocks - Conduct 3D seismic data acquisition in AC/P66.
	Abu Dhabi Onshore Block 4	Drill exploration well and conduct evaluation work for potential development and production in the next phase.
	Other	- Awarded 5 exploration licenses in Norway in January 2024. Evaluate bidding opportunities at APA 2024 licensing round. - Signed new PSC for Block SK510 in Malaysia in January 2024. Continue to actively strengthen business in Malaysia.

Hydrogen & Ammonia

- Commenced construction of surface plant facilities of Kashiwazaki Clean Hydrogen/Ammonia Project in Niigata Prefecture, Japan.
- Joined global energy and chemical leaders to develop large-scale, low-carbon ammonia production export project on Houston Ship Channel in Texas.



CCS/CCUS

- Conducted pre-appraisal reservoir evaluation and preparation for planned 3D-seismic survey and exploration drilling in GHG assessment permit (G-7-AP) in Bonaparte Basin, offshore Northern Territory of Australia.
- Officially selected to participate in “Tohoku Region West Coast CCS Initiative” and “Tokyo Metropolitan Area CCS Project” in Japan as part of FY2023 “Survey on Implementation of Advanced CCS Projects” commissioned by JOGMEC.



Renewable Energy

- Acquired 50% of shares in Enel Green Power Australia (EGPA), a company engaged in renewable energy operations including retail and trading.
- Acquired shares in Moray East Offshore Wind Farm in UK.
- Reached 628MW in net renewable power generation capacity as of the end of FY2023 (Medium-term business plan target: 500MW)

Carbon Recycling & New Business

- Commenced construction of CO₂-methanation test facilities capable of producing 400 normal cubic meters of methane per hour in Niigata, Japan.



Forest Conservation & Other

- Marketed carbon-neutral products including natural gas and jet fuel.
- Implemented project studies to acquire new forestation credits.

Hydrogen & Ammonia

- Commissioning of Kashiwazaki Clean Hydrogen/Ammonia Project to begin in March 2025. Operational startup scheduled for August 2025.
- Promote clean hydrogen and ammonia projects in Japan and other countries, starting with large-scale, low-carbon ammonia project in Houston, Texas, aiming to start commercial production between late 2020s and around 2030.

CCS/CCUS

- Conduct new 3D seismic survey and exploration drilling in the GHG assessment permit (G-7-AP) in Bonaparte Basin, offshore Northern Territory of Australia during 2024 to further evaluate CO₂ storage potential and assess CCS business opportunity, aiming to begin injecting CO₂ in late-2020s.
- Implement commercialization studies on “Tohoku Region West Coast CCS Initiative” and “Tokyo Metropolitan Area CCS Project” anticipating participation in next phase of “Advanced CCS Projects” with aim of starting operations in 2030.

Renewable Energy

- Develop renewable energy power plants and build renewable power supply value chain through EGPA as a pillar of our renewable energy business, and aim to:
 - Develop & sell, enhance value-added renewable energy including retail & trading and build multi-layered revenue stream
 - Aim to increase net renewable power generation capacity to more than 1GW by 2030.

Carbon Recycling & New Business

- Commissioning of CO₂-methanation test facilities capable of producing 400 normal cubic meters of methane per hour to begin in August 2025. Operational startup scheduled for February 2026.

Forest Conservation & Other

- Market carbon-neutral products including natural gas and jet fuel.
- Obtain credits from high quality forest conservation projects, consider project participation.

Progress against Medium-term Business Plan 2022-2024



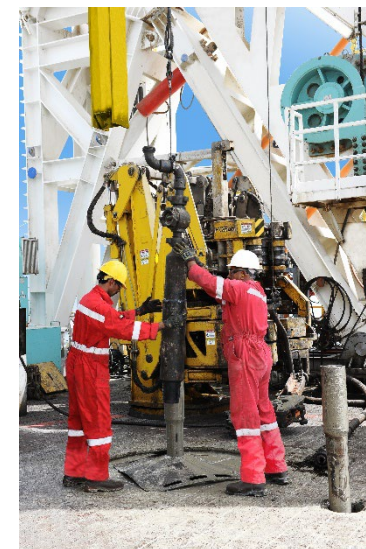
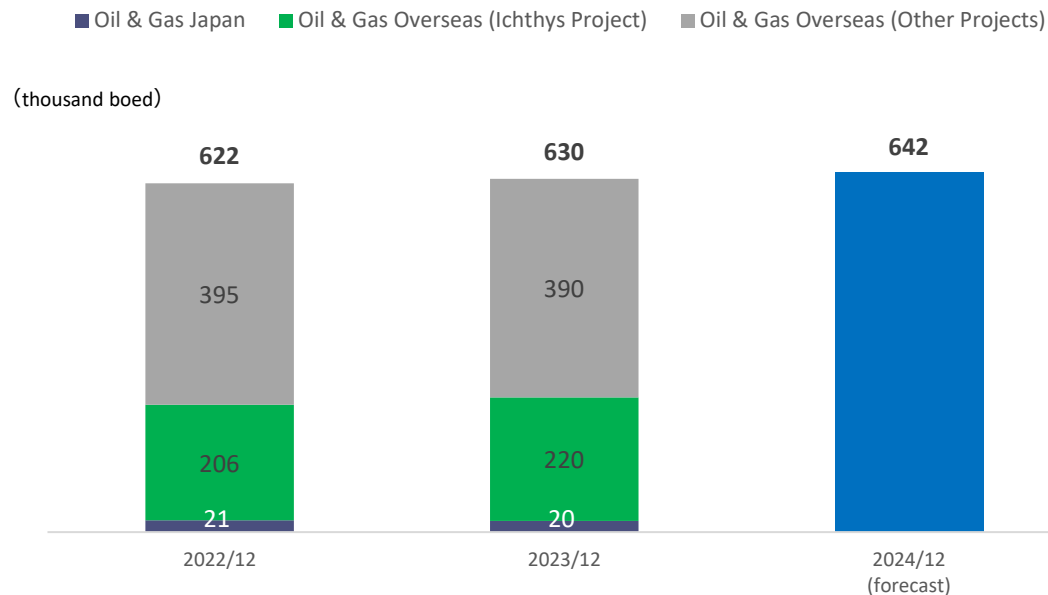
	FY2022 (actual)	FY2023 (actual)	FY2024 (Expected)	FY2024 Targets	
Assump- tions	Brent Oil Price (US\$ per barrel)	99.04	82.17	73.0	US\$60 US\$70
	Exchange rate (JPY/US\$)	131.64	140.66	138.0	110 110
Management Targets	Net income attributable to owners of parent	¥461.0 billion	¥371.5 billion	¥330 billion	¥170.0 billion ¥240.0 billion
	Operating Cashflow before exploration * Includes Ichthys downstream Incorporated Joint Venture and differs from institutional accounting basis	¥1,061.6 billion	¥1,062.0 billion	¥714 billion ^{*1}	¥600.0 billion ¥700.0 billion
	ROE	13.5%	9.4%	7.7% ^{*1}	Around 6.0% Around 8.0%
	Net debt/equity ratio *Includes Ichthys downstream Incorporated Joint Venture and differs from institutional accounting basis	46.0%	31.9%	30% ^{*1}	50% or less 50% or less
Business Targets	Net production volume (boed)	622 thousand	630 thousand	642 thousand	Level exceeding 700 thousand boed
	Production cost per barrel (excluding royalties)	US\$5.8	US\$5.6	US\$5.6	Reduction towards US\$5 per barrel or below
	Net Carbon Intensity * (equity share emissions volume (Scope 1 + 2) - offset) / (net production volume of upstream oil & gas business + electricity generated using renewable energy)	28kg/boe	29kg/boe ^{*2}	29kg/boe	Reduction of 10% (4.1kg/boe) or more over a 3-year period towards 2030 target * 2030 target: Reduction of 2019 net carbon intensity (41.1kg/boe) by over 30%
	Safety	Zero major accidents	Zero major accidents	Aim to achieve Zero major accidents	Zero major accidents * Fatalities, major leaks and serious injuries, etc. at INPEX-operated projects

^{*1} Based on IFRS

^{*2} Provisional figure based on confirmable emissions as of December 31, 2023

Progress against Medium-term Business Plan 2022-2024

Net Production Volume (boe per day)*



Upper Zakum Oil Field Operation Site

* The production volume under the production sharing contracts entered into by the INPEX Group corresponds to the net economic take of the INPEX Group.

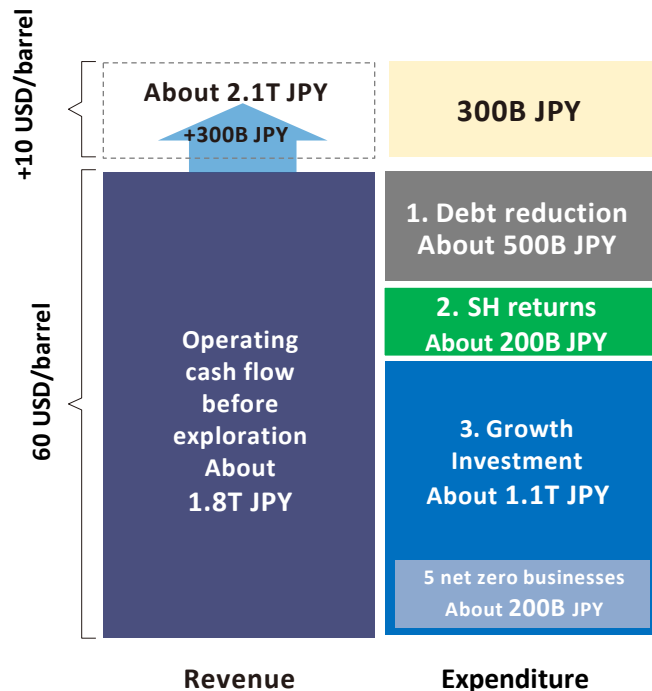
Progress against Medium-term Business Plan 2022-2024

Cash Allocation



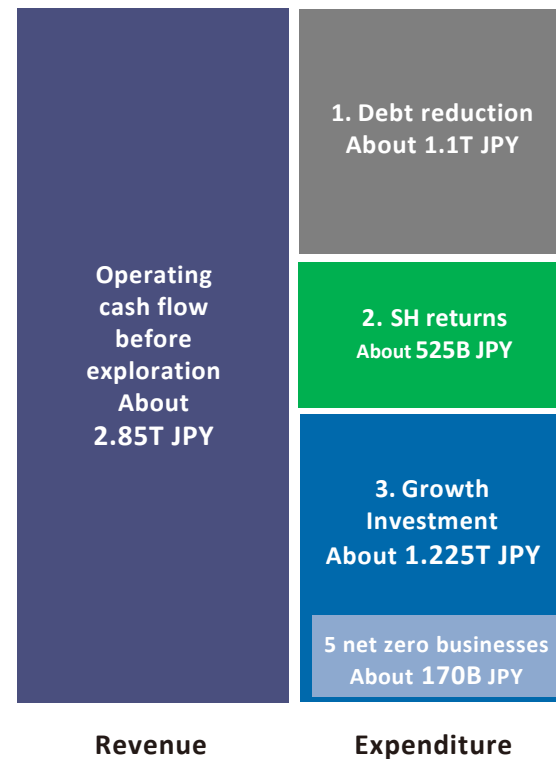
Expected cash allocation for 2022-2024 (3-year period)

Assumptions: Inclusive of Ichthys downstream IJV
110 JPY/US\$ exchange rate



Cash allocation for 2022-2024 (3-year period)

Assumptions: Inclusive of Ichthys downstream IJV
Forecasts for FY2024
3-year average: Brent \$84.7, 136.8 JPY/US\$



FY2023 Shareholder Returns
(actual)

DPS(Dividend per Share)
¥74 (+12yen)

Share Buybacks
¥100.0 billion

Total Payout Ratio 52.5%

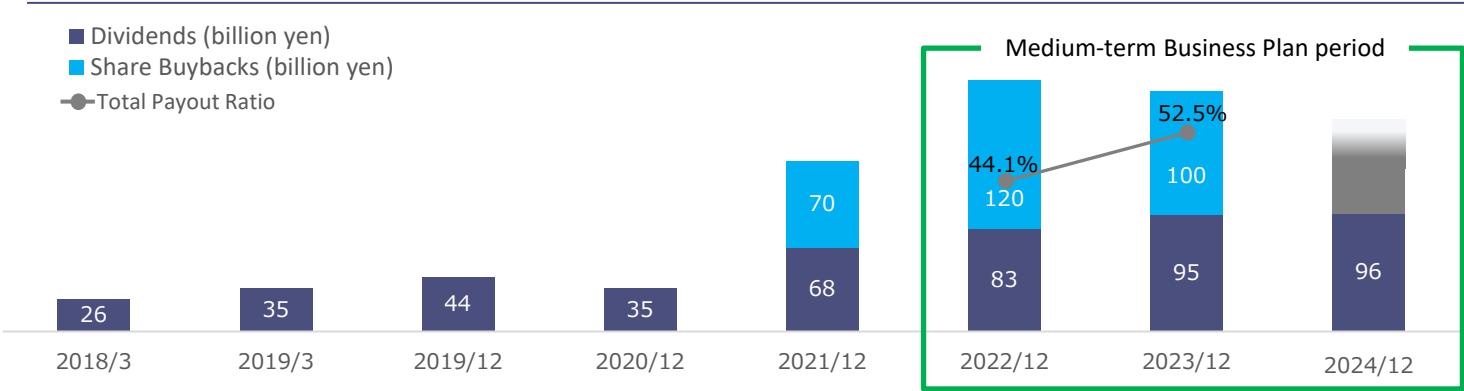
FY2024 Shareholder Returns
(forecast)

DPS(Dividend per Share)
¥76 (+2yen)

Consider additional shareholder
returns based on business
environment, financial base and
management conditions, etc.

Total Payout Ratio Above 40%

Dividends, Share Buybacks (billion yen)



Aim for ROIC to stably exceed WACC, taking ROE and COE into consideration.

	FY2023 (actual)	FY2024 (forecast)
Average crude oil price (Brent) (\$/bbl)	82.17	73.0
Average exchange rate (¥/\$)	140.66	138.0
ROIC (%)	8.7%	6.8%
WACC*1 (%)	6.4%	6.6%
ROE (%)	9.4%	7.7%
Cost of Equity (%)	8.8%	8.8%

*1 Provisional figure based on CAPM basis calculated in June 2024.

Environment

- Became first Japanese company to join OGMP 2.0*, founded by United Nations Environment Programme (UNEP). By adhering to the comprehensive and measurement-based reporting framework provided by OGMP 2.0, INPEX can ensure the accuracy and transparency of our methane emissions reports.
- Maintained A-minus rating in Carbon Disclosure Project (CDP) evaluation for FY2023.



* OGMP2.0: The Oil & Gas Methane Partnership 2.0

Social

- Based on our philosophy regarding D&I, we actively create an environment in which female employees can fully demonstrate their abilities (e.g., holding gender bias removal training, sending female employees to the Next Generation Female Leader Program, etc.). We also proactively hire females with the potential to become managers.
- Announced and started third “INPEX Reconciliation Action plan 2023-2025,” aiming to increase employment and business opportunities for Aboriginal and Torres Strait Islander peoples.



Governance

- Held a Board Meeting in Abu Dhabi, UAE and deepened the relationship between local stakeholders (partners, local communities, etc.) and the Board of Directors.
- Third-party evaluations are being conducted to evaluate the effectiveness of the Board of Directors. The validity of the board secretariat's process of compiling, analyzing and setting action-plans is being verified from the perspective of a third party. (Third party evaluations are conducted on a regular basis.)



2. Consolidated Financial Results for the year ended December 31, 2023



Daisuke Yamada

Director, Senior Managing Executive Officer,
Finance & Accounting

Highlights of the Consolidated Financial Results for the year ended December 31, 2023



	FY2022 (actual)	FY2023 (actual)	Change	% Change
Average crude oil price (Brent) (\$/bbl)	99.04	82.17	(16.87)	(17.0%)
Average exchange rate (¥/\$)	131.64	140.66	9.02yen depreciation	6.9% depreciation
Net sales (Billions of yen)	2,324.6	2,165.7	(158.9)	(6.8%)
Operating income (Billions of yen)	1,246.4	1,121.8	(124.5)	(10.0%)
Ordinary income ^{*1} (Billions of yen)	1,441.9	1,350.4	(91.5)	(6.3%)
Net income attributable to owners of parent ^{*1} (Billions of yen)	461.0	371.5	(89.5)	(19.4%)
Net income per share ^{*1 *2} (Yen)	337.37	287.05	(50.32)	(14.9%)
Net debt ^{*3} (Billions of yen)	1,731.5	1,320.2	(411.3)	(23.8%)
Net debt/equity ratio ^{*3} (%)	46.0%	31.9%	(14.1%)	-

^{*1} International Accounting Standards (IAS) 12 "Income Taxes" (amended in May 2021) has been applied to some foreign consolidated subsidiaries and foreign equity-method affiliates from FY2023, and the figures for FY2022 listed as reference to FY2023 have been revised due to this.

^{*2} Average number of INPEX shares issued and outstanding during the nine months ended December 31, 2022: 1,366,647,207 shares
Average number of INPEX shares issued and outstanding during the nine months ended December 31, 2023: 1,294,325,142 shares

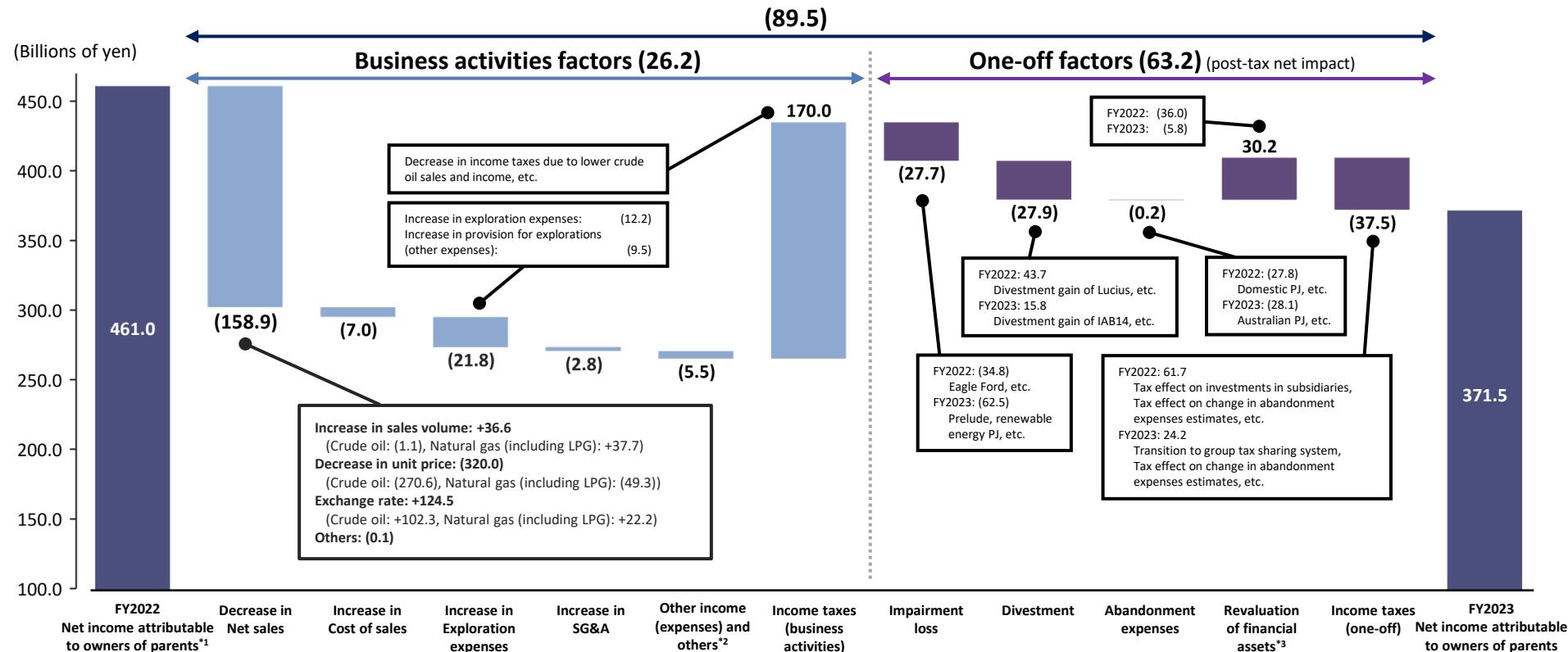
^{*3} Includes Ichthys downstream Incorporated Joint Venture and differs from financial accounting basis

Sales by Product

		FY2022	FY2023	Change	% Change
Crude Oil	Net sales (Billions of yen)	1,778.6	1,609.2	(169.4)	(9.5%)
	Sales volume (thousand bbl)	138,116	138,024	(92)	(0.1%)
	Average unit price of overseas sales (\$/bbl)	97.71	82.83	(14.88)	(15.2%)
	Average exchange rate (¥/\$)	131.80	140.78	8.98yen depreciation	6.8% depreciation
Natural Gas (excluding LPG)	Net sales (Billions of yen)	521.6	527.8	6.2	1.2%
	Sales volume (million cf)	442,416	479,814	37,398	8.5%
	Average unit price of overseas sales (\$/thousand cf)	6.89	5.62	(1.27)	(18.4%)
	Average unit price of domestic sales (¥/m ³)	81.98	90.08	8.10	9.9%
	Average exchange rate (¥/\$)	132.46	140.20	7.74yen depreciation	5.8% depreciation
LPG	Net sales (Billions of yen)	3.4	7.8	4.4	127.3%
	Sales volume (thousand bbl)	109	452	343	315.2%
	Average unit price of overseas sales (\$/bbl)	63.85	46.68	(17.17)	(26.9%)
	Average exchange rate (¥/\$)	127.86	139.65	11.79yen depreciation	9.2% depreciation

* 1m³=41.8605MJ

Analysis of Net Income FY2022 vs. FY2023



*1 International Accounting Standards (IAS) 12 "Income Taxes" (amended in May 2021) has been applied to some foreign consolidated subsidiaries and foreign equity-method affiliates from FY2023, and the figures for FY2022 listed as reference to FY2023 have been revised due to this.

*2 Net income attributable to non-controlling interests is presented in "Other income (expenses) and others" in this slide.

*3 In accordance with International Financial Reporting Standards (IFRS) 9 "Financial Instruments" implemented to foreign consolidated subsidiaries, the gain or loss was recognized mainly due to modification of financial assets that do not result in derecognition, revisions to estimated future cash flows of financial assets, and other factors.

3. Consolidated Financial Forecasts for the year ending December 31, 2023



Daisuke Yamada

Director, Senior Managing Executive Officer,
Finance & Accounting

Consolidated Financial Forecasts for the year ending December 31, 2024 (IFRS)

(Billions of Yen)

Full Year	Brent oil price (\$/bbl)	73.0
	Average exchange rate (¥/\$)	138.0
	Revenue	1,931
	Operating profit	1,010
	Profit before tax	1,043
	Profit attributable to owners of the parent	330

(Billions of Yen)

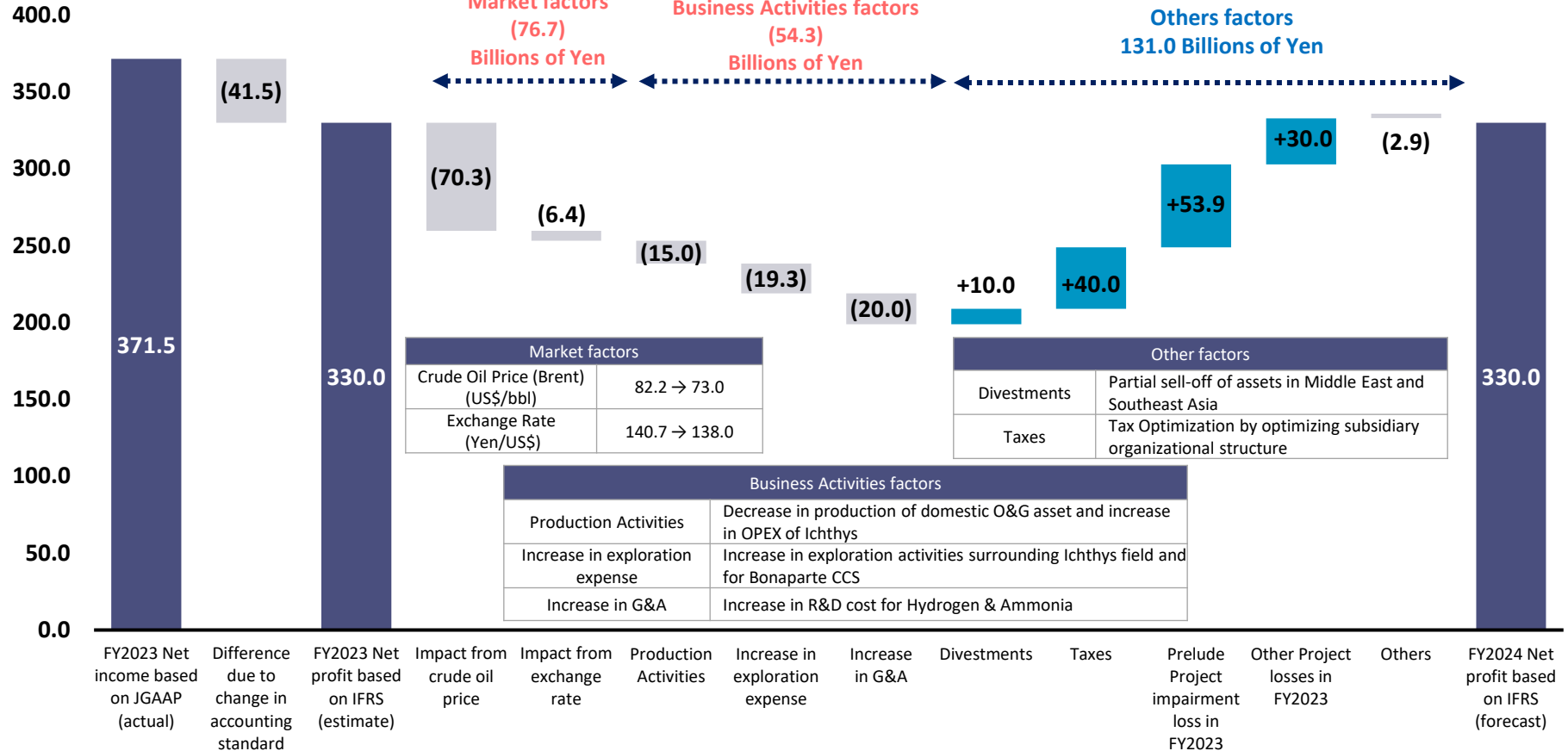
1st Half	Brent oil price (\$/bbl)	75.5
	Average exchange rate (¥/\$)	138.0
	Revenue	1,043
	Operating profit	544
	Profit before tax	559
	Profit attributable to owners of the parent	155

(Billions of Yen)

2nd Half	Brent oil price (\$/bbl)	70.5
	Average exchange rate (¥/\$)	138.0
	Revenue	888
	Operating profit	466
	Profit before tax	484
	Profit attributable to owners of the parent	175

FY2024 Financial Forecasts Analysis of Increase

(Billions of yen)



Sensitivities of crude oil price and foreign exchange fluctuation on consolidated net income attributable to owners of parent for the year ending December 31, 2024^{*1}

(Billions of Yen)

Brent Crude Oil Price; \$1/bbl increase (decrease)^{*2}	<u>At Beginning of 1Q : +6.0 (-6.0)</u> The impact on net income will change in FY2024 as below; At beginning of 2Q : +4.1 (-4.1) At beginning of 3Q : +2.2 (-2.2) At beginning of 4Q : +0.9 (-0.9)
Exchange Rate; ¥1 depreciation (appreciation) against the U.S. dollar^{*3}	+2.4 (-2.4)

^{*1} The sensitivities calculated at the beginning of the fiscal year (January 2024) represent the impact on net income for the year ending December 31, 2024 against a \$1/bbl increase (decrease) in the Brent crude oil price on average and a ¥ 1 depreciation (appreciation) against the U.S. dollar. These are based on the financial situation at the beginning of the fiscal year and are for reference purposes only. The actual impact may change due to fluctuations in production volumes, capital expenditures and cost recoveries, and may not be constant, depending on crude oil prices and exchange rates.

^{*2} Net income sensitivity is determined by fluctuations in the oil price and is subject to the average price of crude oil (Brent). A breakdown of quarterly sensitivity figures is listed below taking into consideration certain natural gas sales applying oil prices on a delayed basis;

- At beginning of 1Q : +6.0 billions of yen (1Q : +1.0 billions of yen, 2Q : +1.3 billions of yen, 3Q : +1.9 billions of yen, 4Q : +1.8 billions of yen)
- At beginning of 2Q : +4.1 billions of yen (1Q : -----, 2Q : +1.0 billions of yen, 3Q : +1.3 billions of yen, 4Q : +1.8 billions of yen)
- At beginning of 3Q : +2.2 billions of yen (1Q : -----, 2Q : -----, 3Q : +1.0 billions of yen, 4Q : +1.2 billions of yen)
- At beginning of 4Q : +0.9 billions of yen (1Q : -----, 2Q : -----, 3Q : -----, 4Q : +0.9 billions of yen)

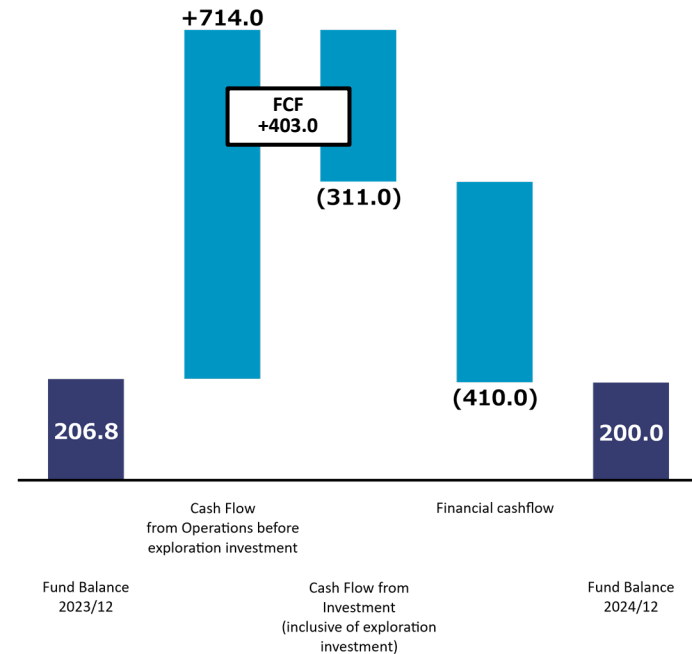
^{*3} This is a sensitivity on net income determined by fluctuation of the yen against the U.S. dollar and is subject to the average exchange rate. On the other hand, sensitivity related to the valuation of assets and liabilities denominated in the U.S. dollar on net income incurred by foreign exchange differences between the exchange rate at the end of the fiscal year and the end of the previous fiscal year is largely neutralized.

FY2024 Cash Flow* Forecast



(Billions of Yen)	FY2022 (actual)	FY2023 (actual)	FY2024 (forecast)	Total FY2022-2024
Cash Flow from Operations before exploration investment *	1,061.6	1,062.0	714.0	2,837.6
Cash Flow from Investment (inclusive of exploration investment)	(377.8)	(573.5)	(311.0)	(1,262.3)
Development expenditure (Oil & Gas Business)	(279.4)	(229.6)	(485.0)	(994.0)
Development expenditure (5 Net Zero Business)	(81.8)	(78.9)	(10.0)	(170.7)
Exploration expenditure (inclusive of some 5 Net Zero Business)	(30.4)	(44.6)	(71.0)	(146.0)
Others (inclusive of sale of interests, etc)	55.5	19.4	13.0	87.9
Growth Investment	(336.1)	(333.6)	(553.0)	(1,222.7)
Others (purchase and disposal of investment securities etc.)	(41.7)	(239.9)	242.0	(39.6)
Free Cash Flow	683.8	488.5	403.0	1,575.3
Financial Cash Flow	(634.6)	(566.2)	(410.0)	(1,610.8)
Shareholder Returns	(201.5)	(190.1)	(132.0)	(523.6)
Cash and cash equivalents at end of year	284.6	206.8	200.0	200.0

(Billions of yen)



* Including cashflow of Ichthys LNG Pty Ltd, the Ichthys Downstream IJV (Incorporated Joint Venture), an equity method affiliate

FY2024 Forecast (IFRS)

FY2023 Actual (JGAAP)

	Adjusted Profit※1 (Billions of yen)	Invested Capital as at Year-End※2 (Billions of yen)	ROIC (%)		Adjusted Profit※3 (Billions of yen)	Invested Capital as at Year-End※2 (Billions of yen)	ROIC (%)
O&G Domestic	20.0	231.1	8.5	O&G Domestic	41.4	257.7	16.1
O&G Overseas Ichthys	270.5	4,030.7	6.7	O&G Overseas Ichthys	361.0	4,059.7	8.8
O&G Overseas Others	145.4	1,351.4	10.7	O&G Overseas Others	123.1	1,258.3	9.4
Others	(13.3)	177.2	(7.7)	Others	(0.7)	151.2	(0.5)
Ref. Renewable Energy Business	(0.6)	151.6	(0.4)	Ref. Renewable Energy Business	(5.6)	153.7	(4.7)
Ref. Hydrogen and CCUS Business	(17.3)	-	-	Ref. Hydrogen and CCUS Business	(4.5)	-	-
Consolidated financial statements	421.2	6,104.7	6.8	Consolidated financial statements	539.8	6,245.9	8.7

*1 Adjusted profit (IFRS) : Net profit before deduction of Interest payments, Impairment loss etc., Non-controlling shareholder profit/loss

*2 Invested capital : The total of capital stock, interest-bearing liabilities as recorded in consolidated financial statements and project finance of the Ichthys downstream IJV

*3 Adjusted profit (JGAAP) : Net profit before deduction of Interest payments, extraordinary gains/losses, Non-controlling shareholder profit/loss

Appendix

INPEX

Ichthys project
Cargoes Shipped by Product Type



	2018	2019	2020	2021	2022
LNG	11	104	122	117	112
Plant Condensate (Onshore)	1	19	22	21	21
Field Condensate (Offshore)	4	29	34	32	29
LPG	2	27	34	32	30

FY2023	January	February	March	April	May	June	July	August	September	October	November	December	Total
LNG	11	11	12	10	10	11	9	11	11	10	11	12	129
Plant Condensate (Onshore)	2	2	2	2	1	2	2	2	2	2	2	2	23
Field Condensate (Offshore)	2	3	3	2	3	2	2	2	3	2	3	3	30
LPG	3	3	3	2	3	3	2	3	3	3	3	3	34

Balance Sheet

(Billions of yen)	December 2022	December 2023	Change	% Change
Current assets	729.4	818.2	88.8	12.2%
Tangible fixed assets	2,473.1	2,466.5	(6.5)	(0.3%)
Intangible assets	482.7	481.4	(1.2)	(0.3%)
Recoverable accounts under production sharing	521.5	483.3	(38.1)	(7.3%)
Other	2,106.9	2,329.5	222.6	10.6%
Less allowance for recoverable accounts under production sharing	(53.8)	(56.0)	(2.1)	4.1%
Total assets	6,259.8	6,523.1	263.3	4.2%
Current liabilities	526.7	565.8	39.0	7.4%
Long-term liabilities	1,710.7	1,538.1	(172.5)	(10.1%)
Total net assets*²	4,022.3	4,419.1	396.8	9.9%
of which (Translation adjustments)	815.9	1,006.7	190.7	23.4%
of which (Non-controlling interests)	261.5	279.8	18.3	7.0%
Total liabilities and net assets*²	6,259.8	6,523.1	263.3	4.2%
Net assets per share*²(Yen)	2,879.68	3,289.78	410.10	14.2%

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

(Billions of yen)	
• Current assets:	181.5
• Fixed assets* ¹ :	4,336.9
• Current liabilities:	85.9
• Long-term liabilities:	3,499.4
• Net assets:	933.0

*¹ Fixed assets include interest expenses which are not included in CAPEX, and capitalized costs before FID.

Of which the total of interest-bearing debt is 1,056.9 billion yen.
Adding the off-balanced interest-bearing debt of the Ichthys downstream JV brings the total of INPEX net debt is 1,320.2 billion yen.

(Billions of yen)	
Total shareholders' equity:	+190.0
Accumulated other comprehensive income:	+188.4

*² International Accounting Standards (IAS) 12 "Income Taxes" (amended in May 2021) has been applied to some foreign consolidated subsidiaries and foreign equity-method affiliates from FY2023, and the figures for December 2022 listed as reference to December 2023 have been revised.

Statement of Income

(Billions of Yen)	FY2022	FY2023	Change	% Change	
Net sales	2,324.6	2,165.7	(158.9)	(6.8%)	●
Cost of sales	943.4	893.9	(49.4)	(5.2%)	
Gross profit	1,381.2	1,271.7	(109.4)	(7.9%)	●
Exploration expenses	29.2	41.4	12.2	42.0%	
Selling, general and administrative expenses	105.6	108.4	2.8	2.7%	
Operating income	1,246.4	1,121.8	(124.5)	(10.0%)	
Other income ^{*2}	335.6	311.0	(24.6)	(7.3%)	
Other expenses	140.0	82.4	(57.6)	(41.1%)	
Ordinary income ^{*2}	1,441.9	1,350.4	(91.5)	(6.3%)	
Extraordinary loss (Impairment loss)	25.7	89.0	63.2	245.2%	
Total income taxes ^{*2}	951.5	880.0	(71.4)	(7.5%)	●
Net income attributable to non-controlling interests	3.6	9.8	6.1	170.8%	
Net income attributable to owners of parent ^{*2}	461.0	371.5	(89.5)	(19.4%)	

Increase in sales volume: +36.6
 Decrease in unit price: (320.0)
 Exchange rate: +124.5
 Others : (0.1)

Cost of sales for Crude Oil: 600.7
 Change: (44.4)
 Cost of sales for Natural Gas^{*1}: 276.9
 Change: (9.9)
 *1 Including LPG

Income taxes decreased mainly due to lower revenues from lower crude oil prices in some high-tax countries.

^{*2} International Accounting Standards (IAS) 12 "Income Taxes" (amended in May 2021) has been applied to some foreign consolidated subsidiaries and foreign equity-method affiliates from FY2023, and the figures for FY2022 listed as reference to FY2023 have been revised due to this.

Other Income and Expenses

(Billions of Yen)	FY2022	FY2023	Change	Note
Other income	335.6	311.0	(24.6)	
Interest income	64.6	95.3	30.7	
Dividend income	9.4	4.5	(4.9)	
Equity in earnings of affiliates ^{*2}	165.6	40.9	(124.7)	Equity in earnings of affiliates decreased due to expense related to revaluation of financial assets at the Ichthys Downstream IJV, an equity-method affiliate.
Gain on reversal of allowance for recoverable accounts under production sharing	7.3	—	(7.3)	
Foreign exchange gain	30.3	31.9	1.5	
Modification gain on financial assets and others ^{*1}	—	116.5	116.5	Income related to revaluation of financial assets ^{*1}
Other	57.9	21.7	(36.2)	
Other expenses	140.0	82.4	(57.6)	
Interest expense	32.3	55.9	23.6	
Provision for allowance for recoverable accounts under production sharing	—	2.1	2.1	
Modification loss on financial assets and others ^{*1}	85.4	—	(85.4)	Expense related to revaluation of financial assets ^{*1}
Expense related to idle assets	9.5	10.4	0.9	
Other	12.6	13.7	1.0	

^{*1} In accordance with International Financial Reporting Standards (IFRS) 9 “Financial Instruments” implemented to foreign consolidated subsidiaries, the gain or loss was recognized mainly due to modification of financial assets that do not result in derecognition, revisions to estimated future cash flows of financial assets, and other factors. It includes the gain or loss incurred from transactions with affiliated companies. Adjusted for equity in earnings of affiliates and tax effect accounting, the impact to consolidated net income was minimal.

^{*2} International Accounting Standards (IAS) 12 “Income Taxes” (amended in May 2021) has been applied to some foreign consolidated subsidiaries and foreign equity-method affiliates from FY2023, and the figures for FY2022 listed as reference to FY2023 have been revised due to this.

Statement of Cash Flows

(Billions of Yen)	FY2022	FY2023	Change
Income before income taxes*	1,416.1	1,261.4	(154.7)
Depreciation and amortization*	292.5	252.2	(40.2)
Impairment loss	25.7	89.0	63.2
Expense related to idle assets	9.5	10.4	0.9
Modification loss on financial assets and others	85.4	—	(85.4)
Modification gain on financial assets and others	—	(116.5)	(116.5)
Recovery of recoverable accounts under production sharing (capital expenditures)	70.7	84.0	13.2
Recoverable accounts under production sharing (operating expenditures)	(5.3)	(10.3)	(4.9)
Equity in losses (earnings) of affiliates	(165.6)	(40.9)	124.7
Income taxes paid	(906.0)	(829.0)	76.9
Other	(71.9)	85.9	157.9
Net cash provided by (used in) operating activities	751.2	786.3	35.0
Payments for time deposits / Proceeds from time deposits	(3.9)	(11.3)	(7.3)
Payments for purchases of tangible fixed assets	(187.1)	(174.0)	13.0
Payments for purchases of securities/investment securities / Proceeds from sales of securities/investment securities	(118.9)	(192.9)	(74.0)
Investment in recoverable accounts under production sharing (capital expenditures)	(39.0)	(35.5)	3.5
Long-term loans made / Collection of long-term loans receivable	(176.8)	148.3	325.1
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(31.4)	—	31.4
Payments for acquisitions of participating interests	(7.6)	(28.7)	(21.0)
Other	39.4	(30.0)	(69.5)
Net cash provided by (used in) investing activities	(525.5)	(324.3)	201.2
Net cash provided by (used in) financing activities	(241.9)	(480.3)	(238.4)
Cash and cash equivalents at end of the period	211.6	200.8	(10.7)

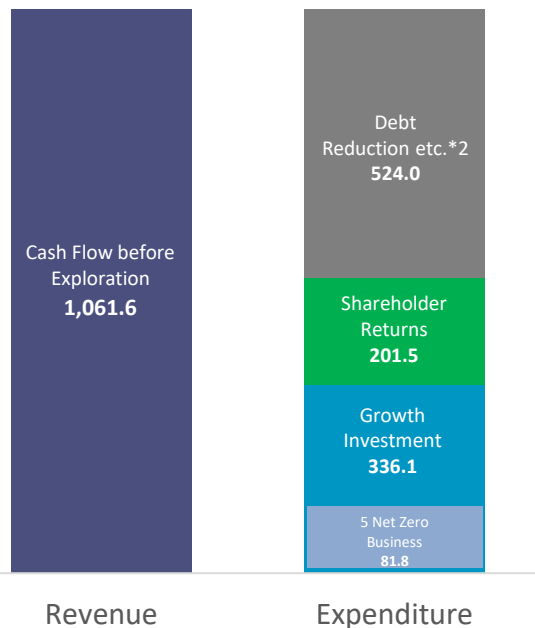
* International Accounting Standards (IAS) 12 "Income Taxes" (amended in May 2021) has been applied to some foreign consolidated subsidiaries and foreign equity-method affiliates from FY2023, and the figures for FY2022 listed as reference to FY2023 have been revised due to this.

Cash Allocation of Operating Cash Flow before Exploration*1

(Billions of yen)

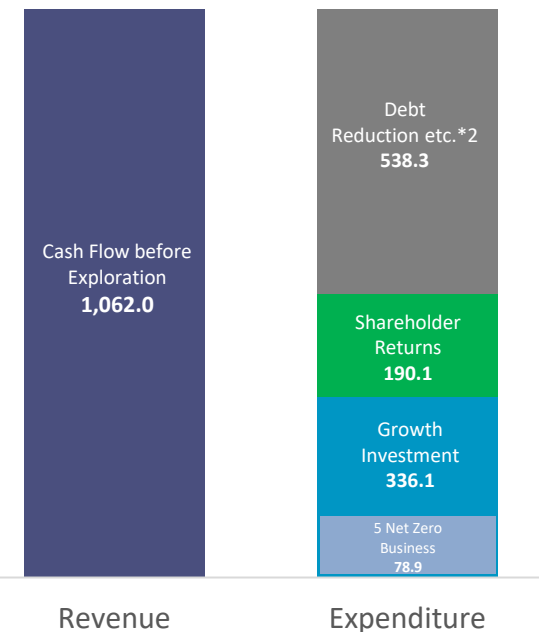
FY2022 Actual

Assumption: Brent \$99.0, US\$/JPY 131.6 yen



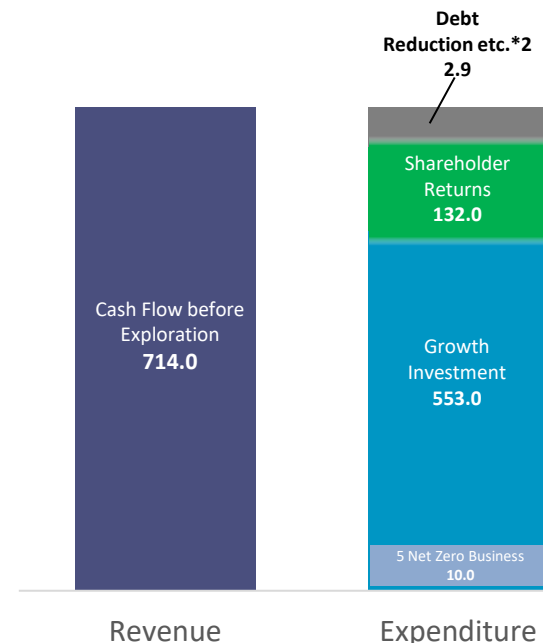
FY2023 Actual

Assumption: Brent \$82.2, US\$/JPY 140.7 yen



FY2024 Forecast

Assumption: Brent \$73.0, US\$/JPY 138.0 yen



*1 Including cashflow of Ichthys LNG Pty Ltd, the Ichthys Downstream IJV (Incorporated Joint Venture), an equity method affiliate

*2 Including increase/decrease of cash and deposits etc.

FY2023 Net Sales



(Billions of Yen)		Product	FY2022	FY2023	Change	% Change
Oil & Gas	Japan	Crude Oil	5.9	4.5	(1.4)	(24.2%)
		Natural Gas (excluding LPG)	199.7	220.8	21.1	10.6%
		LPG	0	-	(0.0)	(100.0%)
		Other	8.8	7.5	(1.3)	(15.6%)
		Total	214.6	232.8	18.2	8.5%
	Australia & Southeast Asia	Crude Oil	209.9	193.2	(16.7)	(8.0%)
		Natural Gas (excluding LPG)	274.6	277.4	2.7	1.0%
		LPG	0.8	2.9	2.0	237.9%
		Total	485.5	473.5	(11.9)	(2.5%)
	Europe	Crude Oil	120.4	92.6	(27.7)	(23.0%)
		Natural Gas (excluding LPG)	42.8	26.1	(16.7)	(39.1%)
		Other	0.2	0.2	(0.0)	(21.3%)
		Total	163.5	119.0	(44.5)	(27.2%)
	Abu Dhabi and others (Middle East, NIS etc.)	Crude Oil	1,436.9	1,308.2	(128.6)	(9.0%)
		Natural Gas (excluding LPG)	2.8	1.8	(1.0)	(35.8%)
		Other	1.4	0	(1.4)	(98.8%)
		Total	1,441.2	1,310.1	(131.1)	(9.1%)
Other		Crude Oil	5.3	10.5	5.1	96.4%
		Natural Gas (excluding LPG)	1.5	1.6	0.1	8.8%
		LPG	2.5	4.9	2.3	90.3%
		Other	10.1	12.9	2.7	27.4%
		Total	19.6	30.0	10.4	53.0%
Total		Crude Oil	1,778.6	1,609.2	(169.4)	(9.5%)
		Natural Gas (excluding LPG)	521.6	527.8	6.2	1.2%
		LPG	3.4	7.8	4.4	127.3%
		Other	20.8	20.7	(0.1)	(0.7%)
		Total	2,324.6	2,165.7	(158.9)	(6.8%)

FY2023

Sales Volume



		Product	FY2022	FY2023	Change	% Change
Oil & Gas	Japan	Crude Oil (thousand bbl)	468	412	(57)	(12.1%)
		Natural Gas (excluding LPG) (million cf)	90,917	91,502	585	0.6%
		LPG (thousand bbl)	1	-	(1)	(100.0%)
	Australia & Southeast Asia	Crude Oil (thousand bbl)	15,527	16,712	1,185	7.6%
		Natural Gas (excluding LPG) (million cf)	329,072	362,689	33,617	10.2%
		LPG (thousand bbl)	108	452	343	317.4%
	Europe	Crude Oil (thousand bbl)	8,782	7,717	(1,065)	(12.1%)
		Natural Gas (excluding LPG) (million cf)	12,889	14,821	1,932	15.0%
	Abu Dhabi and others (Middle East, NIS etc.)	Crude Oil (thousand bbl)	113,339	113,183	(156)	(0.1%)
		Natural Gas (excluding LPG) (million cf)	9,187	10,464	1,277	13.9%
Other		Natural Gas (excluding LPG) (million cf)	350	338	(12)	(3.3%)
Total		Crude Oil (thousand bbl)	138,116	138,024	(92)	(0.1%)
		Natural Gas (excluding LPG) (million cf)	442,416	479,814	37,398	8.5%
		LPG (thousand bbl)	109	452	343	315.2%

		Product	FY2022	FY2023	Change	% Change
Oil & Gas	Japan	Crude Oil (thousand bbl)	964	897	△66	△6.9%
		Natural Gas (million cf)	36,836	34,427	△2,408	△6.5%
		Iodine(ton)	559	541	△18	△3.2%
		Electric power generation (million KWh)	194	184	△10	△5.1%
	Australia & Southeast Asia	Crude Oil (thousand bbl)	16,546	16,679	133	0.8%
		Natural Gas (million cf)	382,632	416,762	34,130	8.9%
	Europe	Crude Oil (thousand bbl)	9,186	7,723	△1,463	△15.9%
		Natural Gas (million cf)	12,859	14,490	1,631	12.7%
	Abu Dhabi and others (Middle East, NIS etc.)	Crude Oil (thousand bbl)	115,773	114,409	△1,364	△1.2%
		Natural Gas (million cf)	9,879	10,386	507	5.1%
		Sulfur (thousand ton)	61	153	92	150.5%
	Others	Electric power generation (million KWh)	744	1,543	798	107.3%
Total		Crude Oil (thousand bbl)	142,468	139,708	△2,760	△1.9%
		Natural Gas (million cf)	442,205	476,065	33,860	7.7%
		Iodine(ton)	559	541	△18	△3.2%
		Sulfur (thousand ton)	61	153	92	150.5%
		Electric power generation (million KWh)	938	1,726	788	84.1%

* The volume of LPG produced overseas is included in "Crude Oil."