[Translation for Reference and Convenience Purposes Only]

CORPORATE GOVERNANCE REPORT

INPEX CORPORTION

Last Update: June 27, 2018
INPEX CORPORATION
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The corporate governance of INPEX CORPORATION (hereinafter "INPEX" or the "Company") is described below.

I Basic Views on Corporate Governance, and Basic Information on Capital Structure, Corporate Attributes, and Other Matters

1. Basic Views Updated

The mission of the Company is to contribute to the creation of a brighter future for society through our efforts to develop, produce and deliver energy in a sustainable way. Based on this mission, in order to achieve sustainable growth and increase corporate value over the mid- to long-term, the Company fulfills its social responsibilities in cooperation with its shareholders and other stakeholders, and works to enhance its corporate governance for the purpose of conducting transparent, fair, timely, and decisive decision-making.

The Company formulated the "Corporate Governance Guidelines" (hereinafter the "Guidelines") regarding the basic views and principles on corporate governance of the INPEX Group, as disclosed on the Company's website.
https://www.inpex.co.jp/english/company/pdf/e-guidelines.pdf

Reasons for Non-compliance with the Principles of the Corporate Governance Code Updated

The Company complies with all the principles of the original Corporate Governance Code, which entered into force in 2015. In addition, the Company complies with the following principles of the revised Corporate Governance Code introduced in June 2018:

- Principle 4-8 (*Effective Use of Independent Directors*)
- Principle 4-11 (*Preconditions for Board and Audit & Supervisory Board Effectiveness*)
- Principle 5-2 (*Establishing and Disclosing Business Strategies and Business Plans*)
- Supplementary Principle 4-2-1 (*Roles and Responsibilities of the Board (2)*)
- Supplementary Principle 4-10-1 (*Use of Optional Approach*).

As for the other principles in the revised Corporate Governance Code, the Company will submit the Corporate Governance Report based on the revised Corporate Governance Code by the end of December 2018.

Disclosure Based on the Principles of the Corporate Governance Code **Updated**

Of the matters subject to disclosure under the Corporate Governance Code, please refer below for the items stated as part of the Guidelines of the Company. Please note that these are based on the original Corporate Governance Code. With regard to the disclosure under Principle 3-1 (*Full Disclosure*) and Supplementary Principles 4-11-2 and 4-11-3 (*Preconditions for Board and Audit & Supervisory Board Effectiveness*), please see below.

[Principle 1-4: Cross-Shareholdings]
Article 6 of the Guidelines of the Company

[Principle 1-7: Related Party Transactions]
Article 8, Paragraphs 1 and 2 of the Guidelines of the Company

[Supplementary Principle 4-1-1: Scope and Content of the Matters Delegated to the Management]
Article 13, Paragraph 3 of the Guidelines of the Company

[Principle 4-9: Independence Standards and Qualification for Independent Directors]
Article 28 and Exhibit 2 of the Guidelines of the Company

[Supplementary Principle 4-11-1: View on the Balance of Knowledge, etc. as well as Diversity and Size of the Board of Directors as a Whole]
Article 15, Paragraphs 1 and 3 of the Guidelines of the Company

[Supplementary Principle 4-14-2: Training Policy for Directors and Audit & Supervisory Board Members]
Article 31 of the Guidelines of the Company

[Principle 5-1: Policy for Constructive Dialogue with Shareholders]
Article 32 and Exhibit 3 of the Guidelines of the Company

[Principle 3-1: Full Disclosure]

(i) Company objectives (e.g., business principles), management strategies and management plans
Please see Article 2 ("Mission and Basic Views") and Article 14 ("Business Strategy and Business Plan") of the Guidelines.
Please see the "Vision 2040: Delivering Tomorrow's Energy Solutions" and "Medium-term Business Plan 2018-2022: Growth & Value Creation" of the INPEX Group as disclosed on the Company's website.
https://www.inpex.co.jp/english/company/vision.html
https://www.inpex.co.jp/english/company/midterm.html

(ii) Basic views and principles on corporate governance
Please see the "1. Basic Views" of the "Basic Views on Corporate Governance, and Basic Information on Capital Structure, Corporate Attributes, and Other Matters" of this report.

(iii) Board policies and procedures in determining the compensation of the senior management and directors
Please see Article 26, "Compensation for Directors, etc.," of the Guidelines.
https://www.inpex.co.jp/english/company/pdf/e-guidelines.pdf

(iv) Board policies and procedures in the appointment of the senior management and the nomination of candidates for directors and audit & supervisory board members
Please see Article 24, "Directors, etc.," and Article 27, "Audit & Supervisory Board Members" of the Guidelines.
https://www.inpex.co.jp/english/company/pdf/e-guidelines.pdf

(v) Explanations with respect to the individual appointments and nominations based on the above (iv)

For the reasons for nominating the candidates for directors, please see p.5-p.24 of Notice of the 12th Ordinary General Meeting of Shareholders.
(https://www.inpex.co.jp/english/ir/shareholder/meeting.html)

The reasons for nominating the candidates for audit & supervisory board members are not described in the Notice above since the term of the office did not expire at the conclusion of the 12th Ordinary General Meeting of Shareholders. The Company has nominated candidates for audit & supervisory board members from among persons who are able to maintain a fair and unbiased stance from a position independent of executives, and have deep insight.

For the reasons for nominating outside directors/audit & supervisory board members, please see "Directors" and "Audit & Supervisory Board Members" of "1. Organizational Composition and Operation" of "II Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision of Management" of this report.

[Supplementary Principle 4-11-2: Status of Concurrent Posts Held by Directors and Audit & Supervisory Board Members as Officers at Listed Companies]

Concurrent posts as officers at other listed companies held by the Company's directors and audit & supervisory board members are disclosed in "Reference Documents for the General Meeting of Shareholders", "Business Report", "Annual Securities Report", etc.
https://www.inpex.co.jp/english/ir/shareholder/meeting.html
https://www.inpex.co.jp/ir/library/securities.html

[Supplementary Principle 4-11-3: Analysis and Evaluation of the Effectiveness of the Board of Directors as a Whole]

With the aims of regularly verifying that the Board of Directors is functioning appropriately and identifying issues to resolve for continuing improvement, the Company undertakes an evaluation of the effectiveness of the Board of Directors each year, and disclose the summary of the evaluation results. Based on this policy, an evaluation was conducted in fiscal year 2017. The evaluation method and summary of the results are as follows.

[Evaluation Method]

Prior to this FY 2017 evaluation, at a meeting between Outside Directors and Audit & Supervisory Board Members held in November 2017, the progress in the first half of the fiscal year regarding issues identified in the previous evaluation was discussed and an interim evaluation was conducted. In addition to the interim evaluation, at the Board of Directors meeting held in January 2018, overall results of the initiatives taken during the fiscal year were reviewed, and the implementation policy of the evaluation for the FY 2017 was deliberated and determined.

The evaluation items included the self-evaluation of each Director and Audit & Supervisory Board Member, the composition, operations, roles and responsibilities of the Board of Directors, as well as the status of improvement of issues identified in the previous evaluation. An anonymous survey of all Directors and Audit & Supervisory Board Members was conducted from mid-February to early March. In order to obtain more specific views and opinions from the directors, the directors were encouraged to make comments on many of the questions.

Subsequently, results of the survey were consolidated and analyzed by the Board of Directors office. The results of the analysis, new issues identified, and action plans were discussed at a meeting among the Outside Directors, Audit & Supervisory Board Members and the Representative Director. Based on such discussion,

the final evaluation results and action plans were confirmed at the Board of Directors meeting held in April 2018.

[Summary of Evaluation Results]

1) Effectiveness of the Board of Directors is ensured appropriately.
2) Compared to the previous fiscal year's evaluation results, notable improvements based on the past evaluations were seen. In particular, among issues identified in the previous evaluation, the election of a female independent Outside Director represented an improvement in diversity of the Board of Directors, and the operation of board meetings was also improved in the areas of board meeting materials and briefings for outside directors prior to board meetings. Furthermore, intensive strategic discussions conducted for the formulation of "*Vision 2040*" and "*Medium-Term Business Plan 2018-2022*" resulted in better evaluation on the status of improvement of issues identified in the previous evaluation.
3) The priority issues for further improvement in the effectiveness of the Board of Directors are as follows:

- Continue strategic discussions at Board of Directors meetings, including monitoring of the steady execution of the medium-term business plan spanning from FY 2018 to FY 2022;
- For efficient deliberation and decisive investment decisions by the Board of Directors, enhance information regarding risks and the Company's business portfolio in investment-related proposal materials; and
- Continue discussions regarding the medium-to long-term improvement of the board, such as the further advance of diversity of the Board of Directors.

Based on these evaluation results, the Company will continue striving to improve the effectiveness of the Board of Directors.

2. Capital Structure

Foreign Shareholding Ratio	30% or more

[Status of Major Shareholders] **Updated**

Name / Company Name	Number of Shares Owned (Shares)	Percentage (%)
Minister of Economy, Trade and Industry	276,922,800	18.96
Japan Petroleum Exploration Co., Ltd.	106,893,200	7.31
The Master Trust Bank of Japan, Ltd. (Trust Account)	54,594,300	3.74
Japan Trustee Services Bank, Ltd. (Trust Account)	45,456,300	3.11
JXTG Holdings, Inc.	43,810,800	3.00
Mitsui Oil Exploration Co., Ltd.	32,924,000	2.25
The Bank of New York 133524	24,028,800	1.65
State Street Bank Client Omnibus OM04	21,847,358	1.50
GOVERNMENT OF NORWAY	20,979,500	1.44
Japan Trustee Services Bank, Ltd. (Trust Account 5)	20,819,700	1.43

Controlling Shareholders (excluding Parent Company)	—
Parent Company	None

Supplementary Explanation **Updated**

* The status of major shareholders above is based on the shareholders' register as of March 31, 2018.
* The Report of Possession of Large Volume (Change Report) accessible to the public as of November 7, 2017 states that BlackRock Japan Co., Ltd. and its eight co-holders own 57,518,406 shares in total as of October 31, 2017. However, they are not included in the status of major shareholders stated above as the Company has not been able to verify the actual number of shares held by them.

3. Corporate Attributes

Listed Stock Exchange and Market Section	Tokyo Stock Exchange, First Section
Fiscal Year-End	March
Type of Business	Mining
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (consolidated) as of the End of the Previous Fiscal Year	¥100.0 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholders

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5. Other Special Circumstances Which May Have Material Impact on Corporate Governance **Updated**

The Company's Articles of Incorporation prescribe that decisions on certain important matters related to management require the resolution of a general meeting of Class A stock shareholders (hereinafter the "Class A stock shareholders' meeting"), in addition to the resolution of the general meeting of shareholders or that of the Board of Directors. The Class A stock has been issued to the Minister of Economy, Trade and Industry, and does not have voting rights at general meetings of shareholders of the Company (unless otherwise specified by laws and regulations).

The certain important matters related to management refer to the "appointment or removal of directors," "disposition of all or a portion of material assets," "amendments to the Articles of Incorporation," "business integration," "capital reduction," and "company dissolution." The "appointment or removal of directors" and "business integration" require the resolution of the Class A stock shareholders' meeting, if at least 20% of the total voting rights of the shareholders relating to common shares of the Company are held by a single shareholder other than a public entity, or by such single shareholder and its co-holders.

With respect to the exercise of the veto rights by means of the Class A stock (resolution on the disapproval at the Class A shareholders' meeting), the Minister of Economy, Trade and Industry sets forth the guidelines for the

exercise of voting rights of the Class A stock, in the Public Notice of the Ministry of Economy, Trade and Industry (No. 74, April 3, 2006). Under the guidelines, the Minister of Economy, Trade and Industry is entitled to exercise veto rights for each of the above important matters, "when it is judged there is a high probability that the Company will be managed inconsistent with its role to provide a stable supply of energy to Japan in an efficient manner as a core company," or "when it is judged there is a high probability that it may adversely affect the Company's role to provide a stable supply of energy to Japan in an efficient manner as a core company," or "when there is a possibility that it may have an effect on the exercise of voting rights of the Class A stock." The aforementioned guidelines were re-announced in the Public Notice of the Ministry of Economy, Trade and Industry (No. 220, October 9, 2008), due to partial changes in contents associated with the change of the Company's trade name on October 1, 2008. We believe the holding of the Class A stock with the aforementioned function by the Minister of Economy, Trade and Industry is an effective countermeasure to eliminate the possibility of speculative takeovers or management control by a foreign capital, resulting in inappropriate management inconsistent with the Company's role to provide a stable supply of energy to Japan in an efficient manner as a core company or causing any other adverse effects. Furthermore, we expect positive results in terms of external negotiation and credits as a national flagship company efficiently contributing to the stable supply of energy in Japan. Those are the reasons for issuing the Class A stock. The Board of Directors of the Company does not have any power over the exercise of veto rights through the exercise of voting rights of the Class A stock by Class A stock shareholders. Therefore, the Class A stock does not have the purpose of maintaining the position of the executive officers of the Company. In addition, given the limited scope of the veto rights of the Class A stock, and because the guidelines has been set forth for the exercise of veto rights, the Company believes that this measure is designed to be highly transparent to avoid unreasonable impeding the efficiency and flexibility of the Company's management and to minimize the impact thereof.

For further details on the Class A stock, please see "IV. Information on the Company, 1. Information on the Company's Stock, etc." in the Securities Report dated June 27, 2018.

II Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision of Management

1. Organizational Composition and Operation

Organizational Form	Company with Audit & Supervisory Board Members

[Directors]

Maximum Number of Directors Stipulated in the Articles of Incorporation	16
Terms of Office of Directors Stipulated in the Articles of Incorporation	1 year
Chairperson of the Board of Directors	President & CEO
Number of Directors	15
Appointment of Outside Directors	Appointed
Number of Outside Directors **Updated**	6
Number of Independent Directors	6

Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Yasuhiko Okada	Attorney											
Hiroshi Sato	From other company											
Isao Matsushita	From other company											
Jun Yanai	From other company											
Norinao Iio	From other company											
Atsuko Nishimura	Others											

* Categories for “Relationship with the Company”

* “○” When the person currently falls or has recently fallen under the category
“△” When the person fell under the category in the past

* “●” When a close relative of the person currently falls or has recently fallen under the category
“▲” When a close relative of the person fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the Company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other

property from the Company besides compensation as a director
g. Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which the Company's outside directors/audit & supervisory board members are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

Relationship with the Company (2) **Updated**

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Yasuhiko Okada	○	Mr. Okada is concurrently serving as Partner of Kitahama Partners (Tokyo Office). The INPEX Group has no transactions with Kitahama Partners. Also, Mr. Okada is concurrently serving as Outside Director of FEED ONE CO., LTD. The INPEX Group has no transactions with FEED ONE CO., LTD Group.	Although Mr. Okada has no experience in being directly involved in corporate management, he has been appointed as an outside director since he possesses extensive experience and knowledge in finance as well as professional knowledge and experience as an attorney, in addition to management experience in financial institutions. In addition, he has been designated as an independent director without the risk of a conflict of interest with ordinary shareholders since he does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.
Hiroshi Sato	○	Mr. Sato is concurrently serving as Advisor for Japan Petroleum Exploration Co., Ltd. Japan Petroleum Exploration Co., Ltd is the top 10 shareholders of the Company. The amount of the Company's	Mr. Sato has been appointed as an outside director of the Company since he is expected to utilize his extensive experience and wide-ranging insight cultivated in the oil and natural gas exploration and production

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
		transactions with Japan Petroleum Exploration Group meets the minimal criteria with respect to transactions set by the Company. The INPEX Group has had transactions related to crude oil, etc., with the Japan Petroleum Exploration Group, and the INPEX Group's sales to the Japan Petroleum Exploration Group for the fiscal year ended March 31, 2018 were less than 0.1% of the Company's consolidated net sales for the same period. In addition, the INPEX Group's purchases from the Japan Petroleum Exploration Group for the fiscal year ended March 31, 2018 were less than 0.1% of the Company's consolidated cost of sales for the same period. On the other hand, the amount of Japan Petroleum Exploration's transactions with the INPEX Group was less than 0.3% of consolidated net sales as well as consolidated cost of sales of Japan Petroleum Exploration Group that are most recently available.	industry in the management of the Company. In addition, he has been designated as an independent director without the risk of a conflict of interest with ordinary shareholders since he does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.
Isao Matsushita	○	Mr. Matsushita is concurrently serving as Senior Advisor of JXTG Holdings, Inc. JXTG Holdings, Inc. is the top 10 shareholders of the Company. The amount of the Company's transactions with JXTG Holdings Group meets the minimal criteria with respect to transactions set by the Company. The INPEX Group has had transactions related to crude oil, etc., with the JXTG Holdings	Mr. Matsushita has been appointed as an outside director since he is expected to utilize his extensive experience and wide-ranging insight as a business executive in the management of the Company. In addition, he has been designated as an independent director without the risk of a conflict of interest with ordinary shareholders since he does not fall under any of the conditions

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
		Group, and the INPEX Group's sales to the JXTG Holdings Group for the fiscal year ended March 31, 2018 were less than 10.0% of the Company's consolidated net sales for the same period. In addition, the INPEX Group's purchases from the JXTG Holdings Group for the fiscal year ended March 31, 2018 were less than 0.1% of the Company's consolidated cost of sales for the same period. On the other hand, the amount of JXTG Holding's transactions with the INPEX Group was less than 1.1% of consolidated net sales as well as consolidated cost of sales of JXTG Holdings that are most recently available. Also, Mr. Matsushita is concurrently serving as Outside Director of Sumitomo Mitsui Trust Holdings, Inc. and Matsumotokiyoshi Holdings Co., Ltd. The INPEX Group has no transactions with these companies.	stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.
Jun Yanai	○	Mr. Yanai is concurrently serving as Corporate Adviser of Mitsubishi Corporation. The amount of the Company's transactions with Mitsubishi Corporation Group meets the minimal criteria with respect to transactions set by the Company. The INPEX Group has had transactions related to crude oil, etc., with the Mitsubishi Corporation Group, and the INPEX Group's sales to the Mitsubishi Corporation Group for the fiscal year ended March 31, 2018 were less than 1.8% of the	Mr. Yanai has been appointed as an outside director since he is expected to utilize his extensive experience and wide-ranging insight cultivated in the resource/energy industry in the management of the Company. In addition, he has been designated as an independent director without the risk of a conflict of interest with ordinary shareholders since he does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211,

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
		Company's consolidated net sales for the same period. In addition, the INPEX Group's purchases from the Mitsubishi Corporation Group for the fiscal year ended March 31, 2018 were less than 0.1% of the Company's consolidated cost of sales for the same period. On the other hand, the amount of Mitsubishi Corporation's transactions with the INPEX Group was less than 0.3% of consolidated revenue as well as consolidated cost of Mitsubishi Corporation that are most recently available. Also, Mr. Yanai is concurrently serving as Outside Director of Kintetsu World Express, Inc. The INPEX Group has no transactions with Kintetsu World Express, Inc.	Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.
Norinao Iio	○	—	Mr. Iio has been appointed as an outside director since he is expected to utilize his extensive experience and wide-ranging insight cultivated in the resource/energy industry in the management of the Company. In addition, he has been designated as an independent director without the risk of a conflict of interest with ordinary shareholders since he does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.
Atsuko Nishimura	○	Ms. Nishimura is concurrently serving as Outside Director of Taisei Corporation.	Although Ms. Nishimura has no experience in being directly involved in corporate

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
		The INPEX Group has no transactions with Taisei Corporation.	management, she has been appointed as an outside director since she possesses extensive knowledge of international affairs created through her abundant experience as a diplomat, her insight into the resources and energy business, and her anticipated diverse and wide-ranging advice. In addition, she has been designated as an independent director without the risk of a conflict of interest with ordinary shareholders since she does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.

A Discretionary Committee Corresponding to a Nomination Committee or Compensation Committee **Updated**	Yes

[Details of Establishment, Members, and Attribute of Chairperson]

	Name of Committee	No. of Total Members	No. of Full-time Members	No. of In-house Directors	No. of Outside Directors	No. of Outside Experts	No. of Others	Committee Chairman
Any Committees Corresponding to the Nominating Committee	Nomination and Compensation Advisory Committee	5	0	2	2	0	1	In-house Director

Any Committees Corresponding to the Compensation Committee	Nomination and Compensation Advisory Committee	5	0	2	2	0	1	In-house Director

Supplementary Explanation **Updated**

The Nomination and Compensation Advisory Committee was established with the aim of strengthening of independence, objectivity and accountability of the Board of Directors' functions relating to the nomination and compensation of directors, and this committee discusses the nomination and compensation of the directors, etc. The members of this committee consisted of three in-house directors, two outside directors and one audit & supervisory board member. At the extraordinary Board of Directors meeting held on June 26, 2018, since two in-house directors, two outside directors and one audit & supervisory board member were appointed, a majority of the members constitute independent outside officers.

[Audit & Supervisory Board Members]

Establishment of the Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in the Articles of Incorporation	5
Number of Audit & Supervisory Board Members **Updated**	4

Cooperation among Audit & Supervisory Board Members, Accounting Auditors, and Internal Audit Department **Updated**

The audit & supervisory board members hold regular meetings with the accounting auditor, Ernst & Young ShinNihon LLC, five times a year and as necessary, and receive reports on accounting audits, reports containing reviews of quarterly results and reports on internal control audits. Additionally, opinions on important points from the audits are exchanged in order to collect a wide range of information about the current state of the Company.

In addition, the audit & supervisory board members maintain a close coordination with the internal audit department (Audit Unit) on a daily basis through means such as receiving reports about the state of internal audits and other matters as necessary. Moreover, regular meetings are held seven to eight times a year as a general rule so that the audit & supervisory board members can appropriately receive reports on internal audits evaluation conducted by the internal audit department and the state of internal controls, etc.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members **Updated**	3
Number of Independent Audit & Supervisory Board Members **Updated**	3

Relationship with the Company (1) **Updated**

Name	Attribute	Relationship with the Company (*)												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Hideyuki Toyama	From other company													
Koji Sumiya	From other company													
Masaru Funai	From other company													

* Categories for "Relationship with the Company"

* "○" When the person currently falls or has recently fallen under the category
"△" When the person fell under the category in the past

* "●" When a close relative of the person currently falls or has recently fallen under the category
"▲" When a close relative of the person fell under the category in the past

a. Executive of the Company or its subsidiary
b. Non-executive director or accounting advisor of the Company or its subsidiaries
c. Non-executive director or executive of a parent company of the Company
d. Audit & Supervisory Board member of a parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board member
i. Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board member himself/herself only)
k. Executive of a company, between which the Company's outside directors/Audit & Supervisory Board members are mutually appointed (the Audit & Supervisory Board member himself/herself only)
l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board member himself/herself only)
m. Others

Relationship with the Company (2) **Updated**

Name	Designation as Independent Auditor	Supplementary Explanation of the Relationship	Reasons of Appointment
Hideyuki Toyama	○	Mr. Toyama serves as a full-time outside audit & supervisory board member of the Company.	Although Mr. Toyama has no experience in being directly involved in corporate management, he has been appointed as an outside audit & supervisory board member since he possesses extensive experience and knowledge in finance as well as professional

Name	Designation as Independent Auditor	Supplementary Explanation of the Relationship	Reasons of Appointment
			knowledge and experience as an attorney. In addition, he has been designated as an independent audit & supervisory board member without the risk of a conflict of interest with ordinary shareholders since he does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.
Koji Sumiya	○	Mr. Sumiya serves as a full-time outside audit & supervisory board member of the Company.	Mr. Sumiya has been appointed as an outside audit & supervisory board member since he possesses extensive experience and knowledge in financial matters. In addition, he has been designated as an independent audit & supervisory board member without the risk of a conflict of interest with ordinary shareholders since he does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.
Masaru Funai	○	—	Mr. Funai has been appointed as an outside audit & supervisory board member since he is expected to utilize his extensive experience in the resource/energy industry and knowledge in financial and accounting matters as well as experience in accounting operations in the audit duties of the Company. In addition, he has been designated as an independent audit & supervisory board member without the risk of a

Name	Designation as Independent Auditor	Supplementary Explanation of the Relationship	Reasons of Appointment
			conflict of interest with ordinary shareholders since he does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.

[Independent Directors/Audit & Supervisory Board Members] **Updated**

Number of Independent Directors/ Audit & Supervisory Board Members	9

Matters relating to Independent Directors/Audit & Supervisory Board Members

The Company shall, based on the independence criteria set forth by the Tokyo Stock Exchange, determine that an outside director or an outside audit & supervisory board member of the Company is independent from the Company if he or she falls under none of the following items.

1. A major shareholder of the Company (who directly or indirectly holds 10% or more of the Company's voting rights) or an executive thereof
2. A person whose major business partner is the Company (*1) or an executive thereof
3. A major business partner of the Company (*2) or an executive thereof
4. A legal professional, accountant, or consultant who receives money or other properties of more than 10 million yen per year on average over the past three (3) years from the Company or its subsidiary, excluding compensation for directors or audit & supervisory board members (if the person receiving such properties is an organization such as a legal entity or a partnership, a person who belongs to such organization)
5. An accounting auditor of the Company or its subsidiary (if such accounting auditor is an accounting firm, a person who belongs to such accounting firm)
6. A person who receives donations or subsidies of more than 10 million yen per year on average over the past three (3) years from the Company or its subsidiary (however, if the person receiving the donation or subsidies is an organization such as a legal entity or a partnership, a person who belongs to the organization to which the amount of such donations or subsidies exceeds the greater of 10 million yen per year or 30% of the total expenses per year of such organization, on average over the past three (3) years)
7. A person who fell under any of items 1 through 6 above in the past three (3) years
8. A relative within the second degree of kinship of a person who falls under any of (1) through (4) below (excluding persons who are not material (*3))

(1) A person who falls under any of items 1 through 7 above
(2) An executive of a subsidiary of the Company

(3) A non-executive director or an accounting advisor of a subsidiary of the Company (limited to cases where said outside audit & supervisory board member is to be designated as an independent audit & supervisory board member of the Company)

(4) A person who fell under item (2) or (3) above or an executive of the Company in the most recent three (3) years (including a non-executive director, if said outside audit & supervisory board member is to be designated as an independent audit & supervisory board member of the Company)

9. Other than each of the preceding items, a person who is substantially judged by the Company to possibly cause a conflict of interest with ordinary shareholders of the Company

*1 "A person whose major business partner is the Company" refers to a business partner whose business relationship with the Company may have an influence on decision-making of business, etc. of said business partner to the same extent as said business partner's parent company, subsidiary or affiliate. Specifically, this could be a so-called subcontractor whose consolidated net sales from transactions with the Company account for a considerable part of its consolidated net sales, etc.

*2 "A major business partner of the Company" refers to a business partner whose business relationship with the Company may have an influence on decision-making of business, etc. of the Company to the same extent as the Company's parent company, subsidiary or affiliate. Specifically, this could be the counterparty in transactions from which the consolidated net sales account for a considerable part of the Company's consolidated net sales, or a supplier who provides merchandise and services which are essential to the business activities of the Company.

*3 Specifically, a "material" person is assumed to be an officer, a general manager or equivalent of each company/business partner in the case of the persons referred to in items 1 through 3 and 6, and a certified public accountant who belongs to each accounting firm or a lawyer who belongs to each law firm (including so-called associates) in the case of the persons who belong to organizations referred to in items 4 and 5.

The Company has reported all outside directors and outside audit & supervisory board members as Independent as defined by Tokyo Stock Exchange, Inc.

Taking into consideration the background noted below, the Company has set criteria as minor for transactions concerning independent directors and/or audit & supervisory board members, which the Company does not think that has influence on shareholders' decisions regarding exercise of voting rights.

(Background)

The mission of the Company is to ensure a stable supply of oil and natural gas produced throughout the world. The Company's sales structure consists mainly of wholesale to oil refining companies, electric power companies, and city gas companies, etc., in Japan and therefore the Company's customers are limited.

In addition, the Company's customers are declining in number due to consolidation of companies, etc., owing to industry reorganization, which means that the ratio of the amount of transactions with a single customer tends to be relatively high. A further peculiarity is that oil and natural gas prices are formed in the international market, and cannot be set arbitrarily by the Company or any specific company.

Therefore, the Company does not believe that the Company is able to carry out transactions particularly favorable to a director and/or an audit & supervisory board member of the Company just because that person comes from a certain business partner of the Company, and that an individual's independence is not affected at all.

Moreover, in view of these peculiarities, the Company has obtained from all directors including outside directors a written pledge to ensure that they carry out their duties as officers of the Company appropriately and with the highest regard for the importance of such matters as their duty not to compete with the Company under the Companies Act, the proper manner for dealing with conflicts of interest, and prevention of confidential information leakage, etc.

(Criteria as minor for transactions)

Both the ratio of the amount of transactions with the company in which an outside director or an outside audit & supervisory board member holds significant concurrent positions, to the Company's consolidated net sales as well as consolidated cost of sales for the most recent fiscal period, and such company's ratio of the amount of transactions with the Company, as reasonably estimated from the disclosure materials, etc., to such company's consolidated net sales as well as consolidated cost of sales for the most recent fiscal period must be less than 15%.

[Incentives]

Incentive Policies for Directors	Others

Supplementary Explanation

At the 12th Ordinary General Meeting of Shareholders on June 26, 2018, the Company resolved to introduce a stock-based remuneration system for directors of the Company (excluding outside directors and non-residents of Japan) and executive officers of the Company (excluding non-residents of Japan) (hereinafter collectively referred to as "Beneficiaries") aiming to increase the incentive for Beneficiaries to contribute to the medium- to long-term improvement of the corporate value of the Company by making clear the link between the remuneration of Beneficiaries and the Company's stock price.

As an initiative to motivate directors (excluding outside directors) and executive officers to strive for continuous enhancement of corporate value of the Company over the mid- to long-term, the Company has established guidelines for their purchase of shares in the Company.

Based on the aforementioned guidelines, directors (excluding outside directors) and executive officers purchase shares in the Company by contributing a certain portion of their monthly compensation. The Company's shares purchased must be held until their retirement from office.

Recipients of Stock Options	

Supplementary Explanation

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[Director's Compensation]

Disclosure of Individual Director's Compensation	No Individual Disclosure

Supplementary Explanation **Updated**

Compensation for the directors and the audit & supervisory board members for the 12th fiscal year (from April 1, 2017 to March 31, 2018) is as follows.[Total amount of compensation paid by classification, total amount of compensation paid by type of compensation, and the number of eligible directors and audit & supervisory board members]

Classification	Total amount of compensation paid (¥ million)	Basic compensation (¥ million)	Bonus (¥ million)	Number of eligible Directors and Audit & Supervisory Board members (persons)

Directors (excluding outside directors)	343	283	60	9
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	27	27	–	1
Outside Directors and outside Audit & Supervisory Board members	125	125	–	11

(Notes)
1. The Company does not adopt a stock option plan.
2. The Company does not uphold an accrued retirement benefits plan.
3. The bonus is the amount resolved at the ordinary general meeting of shareholders held on June 26, 2018.

[Total Amount of Consolidated Compensation for Each Directors and Audit & Supervisory Board Member of the Company]

Omitted due to the absence of applicable directors or audit & supervisory board members who received consolidated compensation of ¥100 million or more.

[Of Employee Portion of Salaries Paid to Directors or Audit & Supervisory Board Members Who Also Serve as Employees, Those of Significance]

None of the employee portion of salaries paid to the directors or the audit & supervisory board members who also serve as employees are significant.

Policy on Determining Compensation Amounts and Calculation Methods **Updated**	Established

Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

The Board of Directors shall decide on compensation for directors within the limits and terms approved at the general meeting of shareholders upon report by the Nomination and Compensation Advisory Committee. The compensation for directors (excluding outside directors) and executive officers consists of monthly compensation to be paid based on the duties of each directors and executive officers, bonus to be paid based on the Company's performance in the mid- to long-term perspective, and a stock-based remuneration (shares of the Company) to be granted to according to their rank, etc., aiming to increase the incentive for Beneficiaries to contribute to the medium- to long-term improvement of the corporate value of the Company by making clear the link between the remuneration of Beneficiaries and the Company's stock price. Outside directors' compensation consist solely of a fixed monthly compensation.

The compensation for the audit & supervisory board members consists solely of a fixed monthly compensation and is determined through consultation among the audit & supervisory board members within the limits approved at the general meeting of shareholders.

[System for Supporting Outside Directors and/or Outside Audit & Supervisory Board Members]

Updated

The Company appoints employees in Audit & Supervisory Board Member's Office to assist operations by audit & supervisory board members.

Such employees carry out their duties under the direction of the audit & supervisory board members.

[Status of persons retired from Representative Director and President, etc.]

Names, etc., of advisors (Senior Corporate Advisor etc.) who have formerly served as Representative Director and President, etc. **Updated**

Name	Title/ Position	Activity Description	Working Arrangement / Conditions (Full-time / Part-time, Compensation)	Date of Retirement from President, etc.	Term
Masatoshi Sugioka	Senior Corporate Advisor	External activities such as international exchange that make use of his experiences (non-management involvement)	Part-Time Paid	September 30, 2008	There is an internal regulation on the age of retirement.
Naoki Kuroda	Senior Corporate Advisor	External activities such as international exchange that make use of his experiences (non-management involvement)	Full-Time Paid	June 23, 2010	There is an internal regulation on the age of retirement.

Total number of Senior Corporate Advisor etc., who have formerly served as Representative Director and President, etc. **Updated**	2 persons

Other Information **Updated**

"Senior Corporate Advisor" are appointed by resolution of the Board of Directors.

2. Matters on Functions of Business Execution, Auditing, Supervision, and Decision-Making of Nomination and Compensation (Overview of Current Corporate Governance System) Updated

[Board of Directors]

The responsibilities of the Board of Directors shall be to fully exercise its supervisory function, secure fairness and transparency in management, and ensure sustainable growth and increase corporate value over the mid- to long term through implementation of effective corporate governance, with recognition of its fiduciary responsibility to shareholders.

The Company's Board of Directors comprises 15 members, six of whom are outside directors. In addition to a monthly meeting, the Board of Directors meets as necessary in order to discuss and determine matters concerning management strategy, important business execution, and also supervises the execution of duties by directors.

The term of office of directors shall be one year to enhance the ability of directors to respond to changes in the global management environment in a timely manner and to further clarify management responsibilities.

[Executive Committee]

From the perspective of accelerating the decision-making process related to the execution of business, the Company has established the Executive Committee as a body to carry out agile decision-making for matters not required to be resolved at the Board of Directors and hold discussions conducive to the decision-making by the Board of Directors. The Executive Committee meeting is held once a week and as necessary.

[Executive Officer System]

In order to respond accurately and quickly to a rapidly changing management environment and the expansion of the Company's business activities, the Company has introduced an Executive Officer System to clarify the business execution system and establish an agile and efficient management structure through the delegation of authority. The term of office of executive officers shall be one year, the same as that of directors.

[Audit & Supervisory Board Members and Audit & Supervisory Board]

The Company has adopted an audit & supervisory board members system. The Company's Audit & Supervisory Board is comprised of four audit & supervisory board members, three of which are outside audit & supervisory board members.

The three outside audit & supervisory board members possess a wealth of knowledge and experience in the Company's business, as well as in fields related to finance, accounting and legal affairs, and leverage these skills in performing auditing activities for the Company.

The audit & supervisory board members attend the Board of Directors meeting and the Executive Committee and conduct interviews with responsible departments as necessary. Based on reports submitted by responsible departments and other reports, the audit & supervisory board members audit the execution of duties by directors concerning the overall management and specific issues. Moreover, the audit & supervisory board members receive reports regarding audits from the accounting auditors on a regular and as-needed basis as well as reports regarding internal audits from the internal audit department (Audit Unit) appropriately.

[Internal Audit]

To ensure appropriateness and efficiency of the business activities, the Audit Unit was established under the direct supervision of the President & CEO (with 10 dedicated staff as of March 31, 2018) as an internal audit department independent of the divisions involved in the execution of the Company's business. The Audit Unit contributes to optimizing management controls by assessing and considering the state of internal controls of the Company's and the INPEX Group's overall management activities and the validity and the efficiency of business processes, identifying problems, making reports as necessary, conducting follow-up to ensure the improvement of Internal Control System is duly carried out, while ensuring timely exchange of opinions with accounting auditors and audit & supervisory board members.

[Accounting Audit]

The Company appoints Ernst & Young ShinNihon LLC for accounting audits pursuant to the Companies Act and the Financial Instruments and Exchange Act. The names of the certified public accountants who conducted the accounting audit for the 10th fiscal year and the accounting audit members are as follows.

(Names of certified public accountants who conducted the accounting audit)

Hiroaki Kosugi
Toru Kimura

Takeshi Yoshida

(Accounting audit members)

25 certified public accountants and 47 others

(Compensation paid to the certified public accountants and related parties)

Compensation paid to the certified public accountants and related parties for the 12th fiscal year are as follows.

Compensation for auditing services: INPEX: ¥190 million; Consolidated subsidiaries: ¥73 million

Compensation for non-auditing services: INPEX: ¥1 million; Consolidated subsidiaries: ¥11 million

(Other important compensation)

The Company's overseas consolidated subsidiary, INPEX Ichthys Pty Ltd and other overseas consolidated subsidiaries of the Company pay compensation to Ernst & Young for local statutory audits.

(Non-auditing services provided to the Company by the certified public accountants and related parties)

Non-auditing services for which the Company pays compensation to the certified public accountants and related parties are advisory and guidance services related to the showing of the reserves.

(Policy for determining compensation for audits)

Compensation for audits is determined based on the comprehensive consideration of the audit plan and the number of days of auditing work, after obtaining approval from the audit & supervisory board.

[Initiatives for Strengthening the Function of Audit & Supervisory Board Members]

(Secretariat of audit & supervisory board member)

The Company has set up the Audit & Supervisory Board Members' Office as an independent organization from the business execution departments and shall deploy dedicated employees to assist the Audit & Supervisory Board Members with auditing duties in order to enhance the effectiveness of audits by Audit & Supervisory Board Members.

(Coordination with accounting auditors)

The audit & supervisory board members hold regular meetings with the accounting auditor, Ernst & Young ShinNihon LLC, five times a year and as necessary, and receive reports on accounting audits, reports containing reviews of quarterly results and internal control audit interim reports. Additionally, opinions on important points from the audits are exchanged in order to collect a wide range of information about the current state of the Company.

(Coordination with the Internal Audit Department)

The audit & supervisory board members maintain a close coordination with the internal audit department (Audit Unit) on a daily basis through means such as receiving reports about the state of internal audits and other matters as necessary. Moreover, the regular meeting is held seven to eight times a year so that the audit & supervisory board members can appropriately receive reports on internal audits conducted by the internal audit department and the state of internal controls, etc.

(Attendance to important meetings)

The audit & supervisory board members attend important meetings such as the Board of Directors meeting and Executive Committee meeting, and if necessary, request to provide information and explanations relating to the agenda items in advance.

(Regular meeting with representative directors)

The meeting with representative directors is held twice a year for the purpose of exchanging opinions, and thereby monitor the status of implementation of management policies as well as the development and operation of the internal control systems.

(Meeting with directors)

The meeting with directors is held regularly for the purpose of conducting hearings on the status of business execution with directors in charge of respective business divisions.

(Coordination with outside directors)

The Audit & Supervisory Board members regularly hold meetings with outside directors, and ensure appropriate cooperation through a broad exchange of opinions extensively concerning the current state of the Company.

(Liaison meeting among full-time audit & supervisory board members)

The liaison meeting is held regularly for the purpose of sharing information among full-time audit & supervisory board members and enhancing the effectiveness and efficiency of audits by each audit & supervisory board members. Further explanations are requested to the representative departments whenever necessary.

[Committees]

To further enhance the efficacy of the Company's corporate governance function, the Company has established Nomination and Compensation Advisory Committee, the INPEX Advisory Committee, Compliance Committee and CSR Committee. The overview of the committees is as follows:

(Nomination and Compensation Advisory Committee)

The Nomination and Compensation Advisory Committee was established in January 2017 with the aim of strengthening of independence, objectivity and accountability of the Board of Directors' functions relating to the nomination and compensation of directors and this committee discusses the nomination and compensation of the directors. The members of this committee consisted of three in-house directors, two outside directors and one audit & supervisory board member. At the extraordinary Board of Directors meeting held on June 26, 2018, since two in-house directors, two outside directors and one audit & supervisory board member were appointed, a majority of the members constitute independent outside officers.. The committee meeting was held four times in the fiscal year ended March 31, 2018.

(INPEX Advisory Committee)

The INPEX Advisory Committee was established in October 2012 with the aim of enhancing corporate value and the corporate governance function. Comprised of external experts, the committee provides the Board of Directors with multifaceted and objective advice and recommendations across a wide range of areas including international political and economic outlook, prospects for the energy sector, ideal management strategies as a global company, and ways to strengthen corporate governance. The committee is comprised of four experts (three males and one female) from Japan and overseas, all of whom possess a wide range of knowledge related to this field, including university professors. The committee meeting was held twice in the fiscal year ended March 31, 2018.

(Compliance Committee)

The Compliance Committee was established in April 2006 with the aim of promoting compliance initiatives across the entire Group. The committee, chaired by the director in charge of compliance, is comprised of the Senior Vice Presidents of the standing organizational units, the director in charge of HSE, and the General Manager of the Audit Unit, and deliberates on basic policies and important matters of the Group relating to compliance and manages the implementation status of compliance activities. The committee meeting was held six times during the fiscal year ended March 31, 2018.

(CSR Committee)

The CSR Committee was established in April 2012 with the aim of better fulfilling the Company's corporate social responsibilities and promoting activities that contribute to the sustainable development of society. The committee, chaired by the President & CEO, is comprised of Senior Vice President, General Administration, Senior Vice President, Corporate Strategy & Planning and Chairperson of the Compliance Committee; and Chairperson of the Corporate HSE Committee, and formulates basic policies regarding CSR that includes corporate governance and important matters to promote CSR. The committee meeting was held three times during the fiscal year ended March 31, 2018.

(Others)

In addition to the aforementioned committees, the Company has established and operates the Corporate HSE Committee to promote initiatives for continuous improvement of occupational health, safety and

environment in the business activities for oil and natural gas development, the Information Security Committee to set out basic principles concerning the use and management of information assets in business activities and ensure a high level of information security in an organizational, systematic, and continuous manner, and the INPEX Value Assurance System(IVAS) Committee to monitor the status of preparations at important milestones of the oil and natural gas upstream business projects in which the Company participates, with the aim of contributing to the Company's decision-making with respect to the value improvement and promotion of the projects.

3. Reasons for Adopting the Current Corporate Governance System Updated

To ensure the continued and stable management of the Company based on its corporate mission, the Company has adopted the structure of a Company with audit & supervisory board members, whereby audit & supervisory board members audit the business execution of directors, who are well versed in their fields. In addition, the Company strives to further increase the agility and efficiency of its management by introducing an Executive Officer System aimed at further strengthening its business operation system in order to respond accurately and quickly to a rapidly changing management environment and the expansion of its business activities.

The Company frequently engages in important negotiations with the governments of oil-producing countries, the government-owned oil companies, and international oil companies. This necessarily requires internal directors and executive officers that have knowledge, expertise and international experience relating to the Company's business and both a sound knowledge of the Company and their particular fields of expertise. Internal directors in principle hold concurrent position as executive officers. By adopting this organizational structure, the Company's Board of Directors is better placed to make decisions on the execution of business in an efficient manner. At the same time, this structure helps to ensure the effective supervision of management.

The company has appointed 6 of its 15 members of the Board of Directors from outside the Company to enhance the transparency of management and strengthen the effective supervisory function of the Board of Directors. This also aims to utilize for management objective perspectives which are different from the ones of insiders: those directors from outside the Company are, from their independent standpoint, expected to provide advice based on their own knowledge and experience, monitor the management and conflict of interest transactions, and to appropriately represent the views of stakeholders in the boardroom.

The Company has selected outside directors from external persons who have extensive experience and wide-ranging insight as corporate managers, academics, or other specialists in the resource/energy industry, or in fields of finance or legal affairs, etc.

Furthermore, three of the four audit & supervisory board members are outside audit & supervisory board members. In addition, in order to strengthen the audit function by ensuring independence of audit & supervisory board members and efficiency of audits, an audit & supervisory board has been established pursuant to laws and regulations. Further efforts of the Company include the placement of employees in Audit & Supervisory Board Members' Office as an organization dedicated to assist operations by audit & supervisory board members, and efforts in strengthening the coordination between the internal audit departments(Audit Unit), outside directors, and accounting auditors.

III Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Meeting of Shareholders and Smooth Exercise of Voting Rights

Updated

	Supplementary Explanation
Early Dispatch of the Notification of General Shareholder Meeting	The convening notice for the 12th Ordinary General Meeting of Shareholders held on June 26, 2018 was dispatched three weeks prior to the meeting on June 4, 2018. In addition, the notice was posted on the Company's website on May 28, 2018 prior to the dispatch.
Scheduling of General Meeting of Shareholders Avoiding the Peak Day	The 12th Ordinary General Meeting of Shareholders was held on June 26, 2018.
Electronic Exercise of Voting Rights	The exercise of voting rights via the Internet has been implemented since the 4th Ordinary General Meeting of Shareholders held in June 2010.
Participation in the Electronic Voting Platform and Other Efforts to Enhance the Environment for the Exercise of Voting Rights by Institutional Investors	The Voting Rights Electronic Exercise Platform has been adopted since the 4th Ordinary General Meeting of Shareholders held in June 2010.
Provision of the Convocation Notice (Summary) in English	The convening notice of the general meeting of shareholders and the notice of resolutions are prepared in English and posted on TDnet and the Company's website.

2. IR Activities Updated

	Supplementary Explanation	Presentation by Representatives
Preparation and Publication of Disclosure Policies	The Disclosure Policy, internal system concerning information disclosure, outline of internal rules and IR activities are posted on the IR section of the Company's website (https://www.inpex.co.jp/english/ir/policy.html).	
Regular Investor Briefings for Individual Investors	In addition to the participation in the IR fairs for individual investors, approximately ten information meetings are held each year at venues such as the branch offices of securities firms. Video archives of such meetings are available on the IR section of the Company's website.	Available
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds biannual meetings for analysts and institutional investors covering topics ranging from financial results to financial forecasts, attended by around 200 institutional investors and analysts. Video archives of such meetings are available on the	Available

	Supplementary Explanation	Presentation by Representatives
	IR section of the Company's website with simultaneous Japanese-English interpretation.	
Regular Investor Briefings for Overseas Investors	The Company undertakes overseas IR road shows in the regions including Europe, North America and Asia, while participating in conferences and engaging in one-on-one meetings as necessary.	Available
Posting of IR Materials on the Website	Following materials in principle are posted on the IR section of the Company's website (https://www.inpex.co.jp/english/ir/index.html). Furthermore, efforts are made to disclose pertinent information such as the latest news releases, the Company's performance and financial position, as well as trends of crude oil prices, foreign currency exchange rates, the Company's share price and stock information. ・ Financial results ・ Financial results presentation materials ・ Securities reports/Quarterly securities reports ・ Annual reports ・ Fact book ・ Shareholders newsletters (reports on business activities) ・ Materials for the general meeting of shareholders (convening notice/notice of resolutions/ extraordinary reports)	
Establishment of Department and/or Manager in Charge of IR	Department in charge of IR: Corporate Communications Unit, Investor Relations Group Director in charge of IR: Kimihisa Kittaka, Director, Managing Executive Officer Senior Vice President, Corporate Strategy & Planning Person responsible for IR administration and liaison: Munehiro Hosono, General Manager of Corporate Communications Unit	
Other	Pamphlets and other materials for individual investors are prepared and distributed at the events such as investor meetings.	

3. Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanation
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The INPEX Group has formulated the Corporate Social Responsibility (CSR) Principles as basic guidelines to continue being a company that fulfills its corporate social responsibilities and is trusted by society, as well as Business Principles as basic rules that must be observed by all INPEX officers and employees in addition to applicable laws and regulations and internal rules in the performance of their duties in the INPEX Group. Respect for the interests of stakeholders is stipulated under these principles. In addition, the Code of Conduct has been formulated as rules to implement compliance so that the INPEX Group officers and employees are able to practice Business Principles in performing their duties under the mission and the CSR Principles of the INPEX Group. The Code of Conduct requires us to endeavor to build relationships of mutual trust with stakeholders and to contribute to society. In addition, the INPEX Group Human Rights Policy comprehensively clarifies our attitude towards respect for human rights. In overseas offices and local offices at project sites, a country-specific Code of Conduct is formulated, in which laws and regulations as well as custom and other circumstances of each country and region are adapted as appropriate, to the extent that it should not be in conflict with the Code of Conduct of the INPEX Group.
Implementation of Environmental Activities and CSR Activities, etc.	The INPEX Group believes that, in the course of developing its business worldwide, the protection of environment in the region where it operates its business as well as at the global level is one of its important corporate social responsibilities to be fulfilled with priority. Thus, the INPEX Group has established the Health, Safety and Environment Policy, thereby declaring the basis of the INPEX Group's engagement in occupational health, safety and environment (HSE). For its specific activities, please see the Sustainability Report and the Company's website (https://www.inpex.co.jp/english/csr/index.html). Meanwhile, the CSR Committee has been established and operated for the purpose of promoting the INPEX Group's initiatives for contributing to the sustainable development of society, through further fulfilling its corporate social responsibilities. The INPEX Group's CSR activities are promoted in line with the CSR Principles and the material CSR issues, while business activities are carried out in consideration of the interests of stakeholders in each country and region in which we carry out projects. For its specific activities, please see the Sustainability Report and the Company's website.
Development of Policies on Information Provision to Stakeholders	The Company is required, under the CSR Principles, to strive for better communication with shareholders, employees, customers, business partners and society at large, along with positive and fair disclosure of corporate information. Based on the principles, the Company, as part of its efforts to

	Supplementary Explanation
	improve the transparency of management and the accountability of managers, discloses a variety of information in a timely manner through IR activities toward shareholders and investors, general meetings of shareholders, the Company's website, public relations activities, while keeping up such efforts by periodical issuance of internal newsletters for employees. With respect to the internal system, the internal rules for corporate information disclosure have been formulated, which systematically summarize the system for timely disclosure, to prescribe information management and communication/disclosure process, etc. of the INPEX Group as a whole, in an effort to strengthen the disclosure system. The Disclosure Policy, etc., is posted on the IR section of the Company's website (https://www.inpex.co.jp/english/ir/policy.html).
Other	By respecting the diversity, personalities and individual characteristics of its employees, the Company strives to secure a safe, healthy and worker-friendly environment and provide opportunities for career development. As part of our efforts in diversity management, the Company employs talented persons, assign them to their most suited positions, and treat them regardless of their gender, age, nationality, culture, and customs, in order to provide opportunities for diverse human resources. The female workforce in the INPEX Group including overseas operations is 547 at March 31, 2018, representing approximately 17.2% of the entire workforce. We proactively continue to promote the appointment of female staff, targeting to increase the number of female managerial employees to a minimum of 3%, recruit female graduates at 25% and increase the female ratio in each job category, etc. until year 2023 in an employer action plan in accordance with the Act of Promotion of Women's Participation and Advancement in Workplace. To provide a working environment that caters to different situations in life and enable employees to demonstrate their full potential corresponding to their lifestyles, the Company creates workplaces that support versatile work styles and offer a healthy balance between work and personal life. The Company also pays close attention to external factors, such as the declining birth rate and aging population and necessity of promotion of participation and advancement, when promoting work-life balance. In a positive effort to create an environment that supports work-life balance for employees involved in raising children or providing nursing care to family members, the Company has introduced various support systems that exceed legal requirements, including limited working hours for childcare that can be used until the employees' children enter the fourth grade of elementary school, flextime system for employees to take care of sick children before graduating from elementary school or to provide nursing care for family members . The Company has also introduced a program to enable employees accompanying spouses transferred overseas to take leave for a maximum of three years

IV Matters Related to the Internal Control System

1. Basic Views on the Internal Control System and the Progress of System Development Updated

[Resolutions of the Company regarding the Development of the Systems for Ensuring Proper Operations (Internal Control Systems)]

The following is a summary of the resolutions of the Company, regarding the "Development of the Systems for Ensuring the Proper Operations as a Stock Company (Internal Control Systems)." This summary reflects a partial revision made by a resolution of the Board of Directors meeting held on March 26, 2018.

(1) Systems to Ensure that Directors and Employees of the Company Execute their Duties in Compliance with Laws and Regulations and the Articles of Incorporation

To ensure that Directors and employees of the Company execute their duties in compliance with applicable laws and regulations and the Articles of Incorporation, the Company shall develop a Corporate Social Responsibility Principles and Business Principles and establish a system to ensure complete compliance.

The Company shall establish a Compliance Committee consisting of full-time Directors and Executive Officers, etc., to deliberate basic policies or other important matters related to compliance. By monitoring the implementation of such policies and ensuring thorough dissemination through in-house training, etc., the Company ensures that its Directors and employees comply with laws and regulations and the Articles of Incorporation in the execution of their duties. Furthermore, the Company shall establish an internal whistle-blowing system with a department in charge and external experts (lawyers) as providers of consultation services.

In order to ensure effective compliance systems and relevant internal rules, the Company shall also verify and evaluate such systems and make the necessary improvements through audits, etc., carried out by the internal audit department which reports directly to the President & CEO and other related in-house departments or external experts. Based on the internal audit regulations, the internal audit department, which reports directly to the President & CEO, shall report the results of audit of the previous fiscal year and the audit plan for the current fiscal year to the Board of Directors.

Furthermore, the Company shall develop a system to ensure the accuracy and reliability of financial reporting, and employ such system properly while evaluating its effectiveness.

(2) Systems for the Storage and Management of Information Related to the Execution of Duties by Directors of the Company

In accordance with applicable laws and regulations, the Articles of Incorporation and internal rules, among others, the Directors shall develop a system for information security administration, and appropriately store and manage documents and other information related to the execution of their duties.

(3) Rules and Other Systems for Risk Management of the Company

To manage diverse risks related to the INPEX Group's business activities, Directors shall cooperate closely with the related departments to identify, analyze and evaluate such risks, and manage them in accordance with internal rules and guidelines, etc.

Furthermore, the functioning and other aspects of the risk management related to daily operations shall be verified and evaluated through audits, etc., carried out by the internal audit department under the direct control of the President & CEO of the Company and other related in-house departments or an external expert, and continually reviewed in response to changes in the business environment.

(4) Systems to Ensure the Efficient Execution of Duties by Directors of the Company

In order to ensure that the systems to execute Directors' duties efficiently are in place, the Directors shall manage business operations with particular attention to the following:

1) With regard to certain major corporate decisions, an Executive Committee meeting attended by full-time Directors and Managing Executive Officers shall be held weekly and as necessary to ensure that the duties are executed promptly and properly.
2) With regard to the execution of daily duties, the authority of the President & CEO shall be delegated in accordance with the Board of Directors' Regulations and other internal regulations, and the persons in charge at each level shall execute their duties promptly.

Furthermore, the Board of Directors shall formulate the long-term management outlook and medium-term plans, and receive progress reports on the plans and targets. The Company has adopted a division system and assigns Directors as a head of each division in order to achieve efficient management of business operations and establish a responsibility structure. Each division shall implement initiatives, which are important milestones of the business environment, while taking into account important risks and their countermeasures, so as to realize goals in the medium-term plan and other targets. The Executive Committee shall receive progress reports on the plans and targets.

(5) Systems to Ensure the Proper Operations of the INPEX Group

1) Systems for Reporting the Company Matters Related to the Execution of Duties by Directors or Other Equivalent Managerial Staff (hereinafter "Directors, etc.,") of the Company's Subsidiaries

In accordance with the internal rules on group management, the Company shall enter into agreements regarding group management with its subsidiaries, under which the Company requires that important matters of each subsidiary shall be reported to and approved by the Company.

2) Rules and Other Systems for Risk Management of the Company's Subsidiaries

For risk management of the subsidiaries of the Company, in accordance with the internal rules on group management, the Company shall conduct group-wide risk management via mutual cooperation with each subsidiary.

Furthermore, the Company shall require its subsidiaries to cooperate in audits, etc., carried out by the internal audit department under the direct control of the President & CEO of the Company and other related in-house departments or an external expert to verify and evaluate the management of risks related to the daily operations of the subsidiaries. Based on the results of such verification and evaluation, the Company shall have its subsidiaries conduct continuous review of their risk management in response to changes in the business environment.

3) Systems to Ensure the Efficient Execution of Duties by Directors, etc., of the Company's Subsidiaries

To ensure the efficient execution of duties by Directors, etc., of the Company's subsidiaries, the long-term management outlook and medium-term plan shall be shared among all the INPEX Group companies. Under the vision, the Company shall have its subsidiaries manage human resources and monetary resources efficiently and manage business operations in accordance with the Company's internal rules, etc., with particular attention to the following:

i) Important matters of a subsidiary of the Company shall be determined by resolution of the Board of Directors meetings of the subsidiary or by consultation among the Directors of the subsidiary.
ii) Authority for the execution of daily duties by the Company's subsidiaries shall be delegated based on regulations stipulating the administrative authority of subsidiaries, and the persons in charge at each level shall execute their duties promptly.

4) Systems to Ensure that Directors, etc., and Employees of the Company's Subsidiaries Execute their Duties in Compliance with Laws and Regulations and the Articles of Incorporation

The Company shall establish a compliance system (including an internal whistle-blowing system) that is applied to the entire Group, and this system shall be widely deployed and disseminated to all directors, auditors and other equivalent managerial staff, as well as to employees of the Company's subsidiaries.

In cooperation with its subsidiaries, the Company shall conduct audits, etc., of the subsidiaries, carried out by the internal audit department under the direct control of the President & CEO of the Company and other related in-house departments or an external expert.

The Company shall strive to establish a system to ensure that Directors, etc., and employees of the subsidiaries

execute their duties in compliance with laws and regulations and the Articles of Incorporation, and enter into agreements regarding group management with its subsidiaries in accordance with the internal rules on group management.

(6) Matters Regarding Employees Who Assist the Audit & Supervisory Board Members of the Company with Auditing Duties in Cases Where the Audit & Supervisory Board Member of the Company Requests the Assignment of Such Employees, Matters Regarding the Independence of Such Employees from Directors of the Company and Matters Related to Ensure the Effectiveness of Instructions Given to Such Employees

The Company has set up the Audit & Supervisory Board Members' Office as an independent organization from the business execution departments and shall deploy dedicated employees to assist the Audit & Supervisory Board Members with auditing duties in order to enhance the effectiveness of audits by Audit & Supervisory Board Members.

The employees who assist the Audit & Supervisory Board Members' duties shall follow instructions from the Audit & Supervisory Board Members. Performance appraisals, personnel changes and disciplinary action against such employees assisting the Audit & Supervisory Board Members shall require approval of the Audit & Supervisory Board Members beforehand.

(7) Systems for Reporting to the Audit & Supervisory Board Members of the Company

The Directors and employees of the Company, directors, auditors or other equivalent managerial staff, as well as employees of the Company's subsidiaries, or persons who receive a report from them, shall report and provide information to the Audit & Supervisory Board Members of the Company as to the matters provided by laws and regulations, matters that might have a significant impact on the Company and its Group companies, and other matters that an Audit & Supervisory Board Member of the Company has determined to be reported to execute his/her duties.

Also, the Audit & Supervisory Board Members of the Company shall always be able to obtain business information whenever needed by attending the Board of Directors' meetings and other important internal meetings, as well as receiving internal approval documents, etc.

Regarding the internal whistle-blowing system of the INPEX Group, the responsible section of each Group company shall report to the Company's Audit & Supervisory Board Members swiftly as to the content internally reported by directors, auditors, other equivalent managerial staff and employees of the Group companies.

(8) Systems to Ensure that Reporters in the Preceding Section Will Not Receive Detrimental Treatment on the Grounds of the Whistle-Blowing

The Company shall prohibit detrimental treatment against directors, auditors, or other equivalent managerial staff, and employees of the Group companies who reported to the Company's Audit & Supervisory Board Members. And this position shall be disseminated throughout the INPEX Group.

Regarding the internal whistle-blowing system of the INPEX Group, in case detrimental treatment against a whistle-blower is recognized, a disciplinary action will be taken against the person who treated the reporter in such a way and the head of the department to which the person belongs, pursuant to Rules of Employment, etc.

(9) Matters Related to Policies Concerning the Treatment of Expenses or Liabilities Incurred by the Execution of Duties by the Company's Audit & Supervisory Board Members such as Procedures for Prepayments or the Redemption of Such Expenses

In case the Company's Audit & Supervisory Board Members request prepayment or redemption of expenses for their execution of duties, etc., based on Article 388 of the Companies Act, the Company shall swiftly process such expenses or liabilities except in the case such expenses or liabilities are proven to be unnecessary for the execution of duties by such Auditors.

(10) Other Systems to Ensure Effective Audits by the Audit & Supervisory Board Members of the Company

The Representative Directors of the Company shall meet regularly with the Audit & Supervisory Board

Members of the Company, provide information as necessary and strive to communicate with them. At the same time, the Company shall secure opportunities for Audit & Supervisory Board Members and Outside Directors to meet regularly, and strive to enhance their mutual cooperation and information sharing.

The Company shall also improve the effectiveness of audits by establishing a system, etc., whereby the Audit & Supervisory Board Members can cooperate with the internal audit department and receive reports regularly.

Furthermore, to conduct audits by the Audit & Supervisory Board Members, the Company shall ensure close cooperation between the Audit & Supervisory Board Members and external experts such as lawyers, certified public accountants and certified tax accountants, among others.

[Outline of the Status of Operations of the Systems for Ensuring the Proper Operations of the Company (Internal Control System)]

While the Company is operating its internal control system effectively based on the contents decided on the "Development of the Systems for Ensuring the Proper Operations as a Stock Company (Internal Control Systems)," the following are the outline of its major operations of such systems during this fiscal year:

<Compliance system>

The Company has established the Code of Conduct with which all officers and employees shall comply. This obliges them to respect social norms and act with high ethical standards, not to mention comply with laws and regulations. Also, the Company has held its Compliance Committee periodically and when necessary to confirm the status of implementation of the compliance and hence report to the Board of Directors.

Based on the activity plans resolved by the Compliance Committee, the Company has also carried out compliance training and has been issuing "Compliance News Letter" once every month. The Company also holds meetings between the compliance managers in each Unit, which aim at sharing and raising compliance awareness among all personnel. As a major activity of this fiscal year and as part of strengthening the global implementation of the systems of anti-bribery and corruption within the INPEX Group, the Company conducted E-learning sessions for officers and employees, and implemented the risk assessment of overseas offices as per the previous fiscal year.

To specify its stance towards the issue of respecting human rights, the INPEX Group has formulated the "Human Rights Policy" based on the United Nation's "the UN Guiding Principles on Business and Human Rights" and announced it in May 2017. E-learning sessions were also conducted for officers and employees to raise the overall awareness of the Group in terms of respecting human rights. Furthermore, the INPEX Group published its "Modern Slavery Act Statement" as per the previous fiscal year, as disclosed on its website pursuant to the UK Modern Slavery Act 2015 enforced in October 2015, in order to clarify its initiatives against human rights violations such as slavery and human trafficking in the business and supply chain of the INPEX Group as well as the risks thereof.

The Company has established its whistle-blowing system, and an internal department in charge of compliance and outside experts (lawyers) were designated as contact points. There were however no whistle blowing cases related to material breach of laws and regulations, etc. during this fiscal year.

<Risk management system>

To respond to various risks related to business projects, first, the New Ventures Division carries out a centralized analysis/examination on whether to adopt or reject a new project, and operate the "INPEX Value Assurance System Committee" as a structure for conducting cross-sectional technical evaluation, etc. at each phase of exploration, evaluation, development, etc.

The Company has set guidelines for country risk management in countries and territories where projects are planned, which include the establishment of a maximum target amount for accumulated investment balance in high-risk countries.

Furthermore, the Company has been conducting financial risk control by identifying risks of fluctuation of currency exchange rates, interest rates, crude oil/natural gas prices and securities prices, and establishing corresponding managing/hedging methods.

With regard to HSE risks, in order to promote continuous improvement activities of industrial health and safety and environments associated with the development of crude oil and natural gas based on the HSE Risk Management

Procedures established under the HSE Management System, each business location identifies, analyzes and evaluates HSE risks, as well as establishes and implements risk countermeasures. In addition, the status of risk management is to be reported to the head office for supervising HSE risks, and the head office confirms the report. With regard to security risks, the Company is promoting company-wide management based on procedures and guidelines. In this fiscal year, besides implementing a major revision to the Company's "HSE Policy" on April 1, 2017, as the second year of the Corporate HSE 3rd Phase Medium Term Plan (targeting the five years from 2016 to 2020), the Company is promoting the enhancement of the performance and effectiveness of HSE management.

On the other hand, the Company has established an emergency/crisis response plan in order to enhance capabilities to cope with emergencies such as major accidents and disasters, etc. and is positively promoting risk management which includes conducting emergency response training regularly even in times of safety. Furthermore, the Company has drawn up a business continuity plan (BCP) in order to keep important operations from being stopped, and reviews it as necessary.

With regard to climate change issues which receives high degree of interest internationally, the Company announced and published a position paper in December 2015 which summarized the INPEX Group's basic views and actual efforts, and continues examination of the issues to be discussed in the future. This position paper is, in principle, to be reviewed once every year and was partially revised in February 2017.

Furthermore, in terms of legal risks, regarding important contracts, lawsuits, etc., the Company has developed a structure that can appropriately provide legal advice to business divisions and the management team.

Also, the Company convenes an information security committee semiannually in order to implement organizational and systematical information security measures in addition to the education and training regarding information leakage prevention.

<Systems to ensure the efficient performance of duties>

At a regular Board of Directors' meeting held in May 2017, based on the companywide policy of initiatives for the two years from fiscal year 2016 to the end of fiscal year 2017, the results of initiatives for plans and targets in fiscal year 2016 and the formulation of plans and targets for fiscal year 2017 were reported. In addition, each division is implementing initiatives that are important milestones in response to the business environment while paying attention to important risks and their countermeasure policies, the progress of which during the interim period and the year-end period are reviewed accordingly. Going forward, the results of companywide initiatives for plans and targets in fiscal year 2017 will be reported at the Board of Directors meeting in April 2018.

In May 2018, the Company formulated and announced the *"Vision 2040,"* which represents the Company's long-term management outlook until fiscal year 2040, and the *"Medium-Term Business Plan 2018-2022,"* which spans across five years from fiscal year 2018 to 2022. In the course of planning the *"Vision 2040"* and the *"Medium-Term Business Plan 2018-2022,"* the members of the Board met five times for intensive discussions on the Company's business strategies. The Company has also formulated the new companywide action plan as well as the annual business plan and target based on *"Vision 2040"* and the *"Medium-Term Business Plan 2018-2022,"* the progress and results of which will be reported to Board of Directors each year.

<Systems for corporate management of the Group companies>

Based on the Group's corporate management rule and the Group's agreements with regard to corporate management, the Company in principle urges reporting to or approval by the Company about important matters. Also, the Audit Unit, the Company's internal audit department, conducts audits of subsidiaries based on the annual auditing plan.

With regard to the operation of the Group companies, we have adopted a concurrent management system particularly with subsidiaries involved in overseas projects. For financing, we are conducting efficient business operations such as by enhancing financial efficiency through a unified management system of the Group's assets by means of the Cash Management System, and by centralized management of the INPEX Group's intercompany finance operations through the Company's financial subsidiary established in the Republic of Singapore.

The Company's whistle-blowing system is designed to be applied to all Group companies. The Company provides thorough instructions, through the Company's and each subsidiary's trainings and communication activities, to prohibit unfavorable treatment of whistle-blowers.

<Auditing system for Ensuring Effectiveness of Auditing by Audit & Supervisory Board Members>

Audit & Supervisory Board Members have been obtaining required information as well as exchanging opinions, for the purpose of improving effectiveness of their auditing, through their attendance at important meetings such as Board of Directors meetings and other management meetings, conducting hearings from each business division, and through meetings with Directors including Representative Directors.

Also, Audit & Supervisory Board Members have been receiving reports regularly from Auditing Unit concerning the internal auditing situation and also receiving necessary reports including reviews of quarterly financial results from the Accounting Auditors, thus keeping close contact with its internal auditing organization and the Accounting Auditors.

Further, the Unit in charge of the whistle-blowing system reports to Audit & Supervisory Board Members about the content and handling of whistle-blowing swiftly.

The Company established "Audit & Supervisory Board Members' Office" as an organization having employees, independent of the Company's executive team, dedicated to assisting operations by Audit & Supervisory Board Members.

2. Basic Views on Eliminating Anti-Social Forces Updated

The INPEX Group takes a firm stance of eliminating any relationship with anti-social forces that threaten the order and safety of civil society. At the same time, the Company endeavors to collect and collate information from relevant government agencies, industry associations and local companies, coordinate closely with the relevant authorities including the police as well as legal specialists and adopt a resolute attitude toward any unreasonable demands made by anti-social forces.

The above stance is stipulated in the Code of Conduct Guidance and related manuals together with details of specific response measures. Complementing these manuals and developing standard contract provisions on eliminating anti-social forces, the Company has also put in place the awareness raising, education and training programs.

V Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation

The Company's Articles of Incorporation prescribes that decisions on certain important matters related to management require the resolution of a general meeting of Class A stock shareholders (hereinafter the "Class A stock shareholders' meeting"), in addition to the resolution of a general meeting of shareholders or that of the Board of Directors. For the detailed description of the Class A Stock, please see "Other Special Circumstance Which May Have Material Impact on Corporate Governance" as aforementioned.

2. Other Matters concerning Corporate Governance System Updated

[Outline of the Timely Disclosure System]

The Company strives to promote a better understanding of the INPEX Group through the engagement with shareholders and investors as well as general meetings of shareholders, while conducting timely, appropriate and fair disclosure of information through public relations activities including press releases and operation of its website, in an effort to improve the transparency of management and the accountability of managers.

1. Internal System

The Company has appointed Senior Vice President, Corporate Strategy & Planning as Corporate Information Handling Officer responsible for the timely disclosure of its corporate information. In addition, the Company has established the Corporate Communications Unit as the unit in charge of practical matters for the timely disclosure of its corporate information.

Meanwhile, the Company reinforces the information disclosure system by establishing the internal rules for corporate information disclosure that systematically outline a timely disclosure system, in which the group-wide processes of collecting, managing and disclosing information and the disclosure method are defined.

2. Procedure for Timely Disclosure

The procedure for the disclosure of information subject to timely disclosure by the Company is as follows.

(1) The Company stipulates in the internal rules for corporate information disclosure that officers and persons in charge at all divisions including those of the Group companies are required to report immediately to the Corporate Information Handling Officer via the responsible person in the Corporate Communications Unit, when they become aware of important corporate information, or important information or any other information that may constitute such information.

(2) To complement the above process, the persons in charge of the Corporate Communications Unit attend the Executive Committee for collecting important corporate information and important information. For the Group companies, the Company also stipulates items that require its prior approval and items that are to be regularly reported by the Group companies in accordance with the internal rules on group management.

(3) The Senior Vice President, Corporate Strategy & Planning being the Corporate Information Handling Officer and the Corporate Communications Unit conduct exhaustive compilation of information for disclosure (information on decisions made by the Company, occurrence of material facts, financial results, etc.). In accordance with internal rules on administrative authority, disclosure is conducted under the direction of Senior Vice President, Corporate Strategy & Planning based on the resolution of the Board of Directors concerning matters to be resolved at the Board of Directors, or by resolution of the Executive Committee concerning other matters. For information which require prompt disclosure, such as information related to facts which occurred regardless of the Company's intent, shall be disclosed based on prior approval of the President.
(4) In accordance with internal rules against insider trading, the Company maintains comprehensive control of all important corporate information and important information, and prevents any insider trading.

3. System for Reviewing Information Disclosure

The Audit Unit, which reports directly to the President & CEO, monitors the state of the development and operations of the timely disclosure system, through internal audits and assessments based on the internal control reporting system.

[Compliance]

The Company is systematically developing a compliance system, indispensable for the sustained development of a company, and striving to ensure compliance with laws and regulations and adherence to corporate ethics. Specifically, the Compliance Committee has been established to promote initiatives throughout the INPEX Group, and has discussed the basic policies and plans related to compliance, and important matters, and has managed the status of compliance practice. The Company has established the Code of Conduct as rules to be adhered to in order to realize compliance, so that officers and employees are able to practice Business Principles which are to be respected in performing their duties under the CSR Principles. The Company is working to raise compliance awareness among officers and employees in various ways, such as appointing a compliance manager in each department and holding regular compliance meetings to strengthen compliance throughout the Company.

Furthermore, the Company has established a system in which the director in charge of compliance and the Compliance Committee promptly examine and implement response measures when important compliance-related incidents occur. The director in charge of compliance and the Compliance Committee cooperate with the audit & supervisory board members, the Audit & Supervisory Board, the accounting auditors and the Audit Unit, which is the internal audit department, as well as with the equivalent bodies and departments at subsidiaries, etc., to (1) develop and implement compliance measures, (2) monitor the implementation status, (3) raise awareness of compliance, (4) receive reports on and investigate cases of compliance violations, (5) issue warnings and take measures against violations, and (6) formulate measures to prevent the recurrence of violations.

In addition, the Company distributes the Code of Conduct and Code of Conduct Guidance and holds regular training with the aim of ensuring that each and every person at the Company practices compliance activities. Moreover, codes of conduct in accordance with the laws and regulations, and culture of each country are prepared and implemented at major overseas offices in an effort to strengthen the global compliance system.

[HSE Management System]

The INPEX Group strives to continuously improve its occupational health and safety activities and environmental conservation activities under the HSE management system encompassing health, safety, and environmental conservation initiatives that were developed with reference to ISO9000, ISO14001, occupational health and safety systems (OHSAS18001 and OHSMS guidelines) and International Association of Oil & Gas Producers (IOGP) guidelines.

This system comprises documents including the Health, Safety and Environmental Policy, the rules of HSE management system, procedures and guidelines, organization comprising the Corporate HSE Committee, priority targets and programs of HSE set out for each fiscal year.

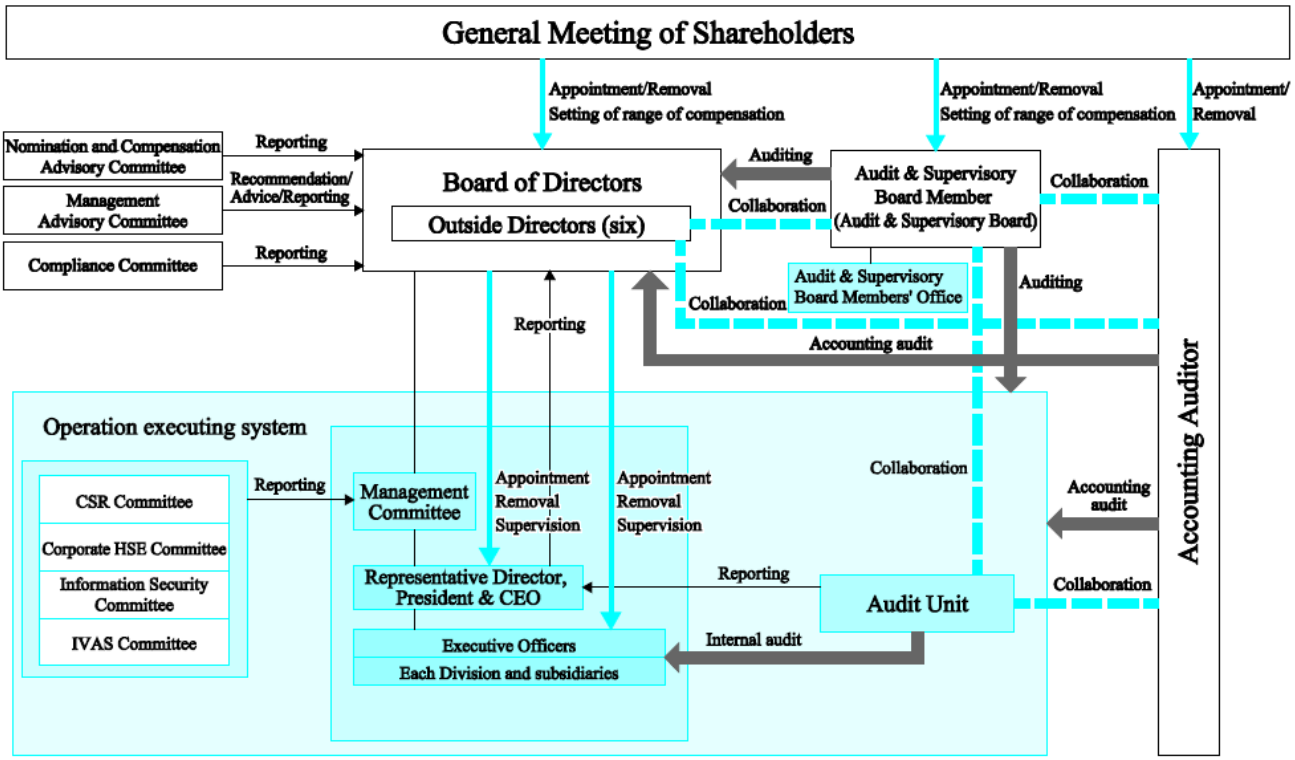
[Information Security Measures]

The INPEX Group has established the Information Security Policy to maintain the confidentiality, integrity and availability of information held by the Group. Furthermore, under the supervision of the Information Security Committee established as a company-wide supervisory body, the Group develops related rules and management systems and implements system-related, physical, and personnel measures necessary to protect its information assets in a systematic manner.

Meanwhile, the Group engages in activities, as measures against internal information leakage, such as enhancing the internal awareness of information security, thereby ingraining the value and climate that appreciate information assets in the corporate culture, in addition to system-related measures. In addition, the Group has taken measures for prompt detection and restoration against the possible external attack, let alone system-related measures to prevent invasion.

With an aim to fulfill its corporate social responsibilities, the Company will strengthen its corporate governance and promote rigorous compliance, while strengthening coordination within the INPEX Group, and thereby enhance the Group's overall strength.

Corporate Governance Framework



Internal System for Timely Disclosure

