

Energy for Life



***INPEX***

**Integrated Report 2023**

For the period ended  
December 31, 2023



## Introduction



### Our Mission

We are committed to contributing to the creation of a brighter future for society through our efforts to develop, produce and deliver energy in a sustainable way.

### Sustainability Principles

The INPEX Group is committed to continue fulfilling its corporate social responsibilities through its business activities as a credible company while increasing its corporate value sustainably over the medium- to long-term.





# About Our Reporting

## Reporting Highlights

We have incorporated information with the aim of straightforwardly conveying our business activities within the reporting period from both financial and non-financial perspectives. In editing this Integrated Report, we aimed to straightforwardly communicate our financial strategy, investment strategy, and capital allocation in an integrated manner, with a focus on implementing management that is conscious of the cost of capital and share price and have included a dialogue between the Senior Vice President of Finance & Accounting and the Senior Vice President of Corporate Strategy & Planning on [page 27](#). It also provides more information on [corporate governance](#) and [safety management](#) initiatives and other ESG factors compared to previous editions. We will continue working to enhance the information covered by our Integrated Report as a communication tool contributing to dialogue with our stakeholders.

### Scope of Coverage

Period covered: January 1, 2023, to December 31, 2023

Organizations covered: INPEX CORPORATION on a non-consolidated basis and the INPEX Group

Accounting Standards: International Financial Reporting Standards (IFRS) since the fiscal year ended December 31, 2023. (Japanese Generally Accepted Accounting Principles ("Japanese GAAP") until the year ended December 31, 2022)

### Reference Guidelines

We have referred to guidelines such as the International Integrated Reporting Council's (IIRC's) International Integrated Reporting Framework and the Guidance for Collaborative Value Creation issued by Japan's Ministry of Economy, Trade and Industry (METI).

### Publication

July 2024

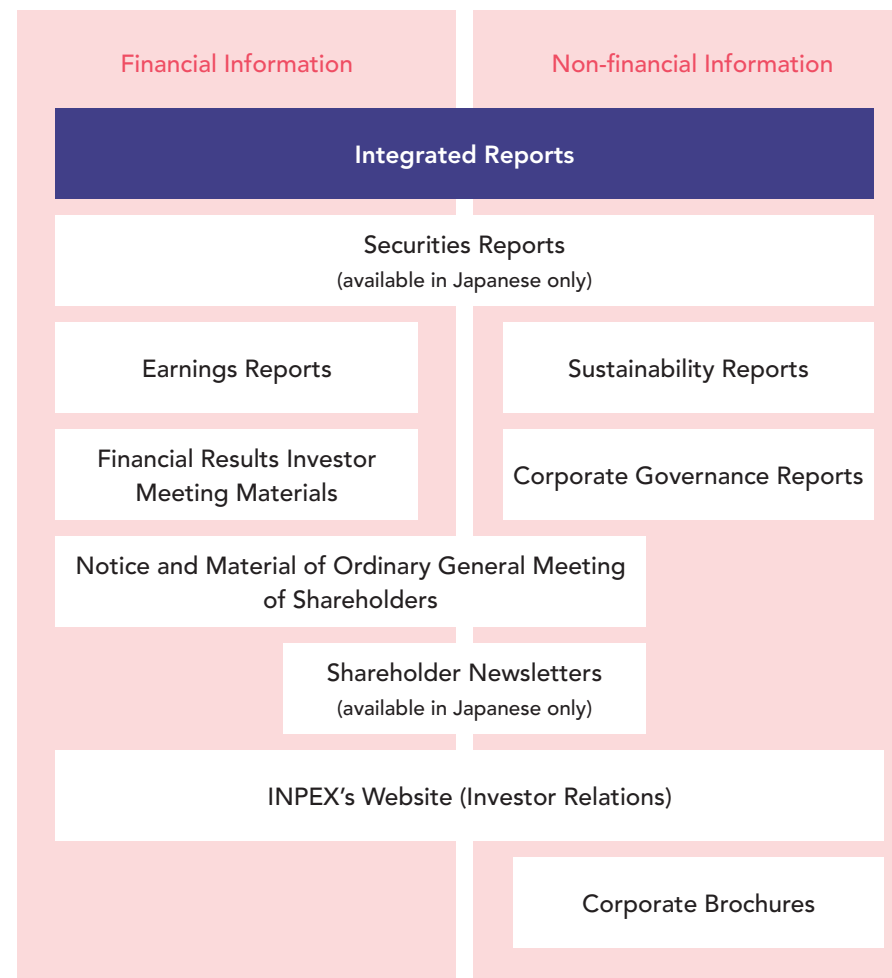
### FORWARD-LOOKING STATEMENTS

This Integrated Report includes forward-looking information that reflects the Company's plans and expectations. Such forward-looking information is based on the current assumptions and beliefs of the Company in light of the information currently available to it, and involves known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors could cause the Company's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking information. Such risks and uncertainties include, without limitations, fluctuations in the following:

- the price of and demand for crude oil and natural gas;
- exchange rates; and
- the costs associated with exploration, development, production and other related expenses.

The Company undertakes no obligation to publicly update or revise any information in this Integrated Report (including forward-looking information).

## Communication Tool Map





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# Value Creation







## Message from the President & CEO

**We will promote the supply of energy with a long-term view to bring about a sustainable future.**

Changes in the energy landscape have clouded the direction in which we must move to realize a net zero carbon society, and we must transition while considering the future. Takayuki Ueda spoke about the transition INPEX plans to execute.

**Takayuki Ueda**

Representative Director,  
President and CEO



## Message from the President & CEO

### Formulating a solution to the emerging trilemma

In recent years, the environment surrounding the energy industry has changed dramatically. Until a few years ago, the industry's primary challenge was how to transition to decarbonization in response to climate change issues. Since Russia's invasion of Ukraine, however, soaring oil and gas prices and a tight supply-demand balance have combined to spark the emergence of a trilemma: the emphasis is on ensuring energy security and affordability (stable quantities and prices), but these two factors must be balanced against sustainability—or environmental considerations toward decarbonization—and simultaneously addressed.

Amid these conditions, the term “transitional fuels” was used in the final agreement document of the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) held in Dubai, United Arab Emirates, in November and December 2023. In terms of the transition, natural gas—particularly liquefied natural gas (LNG), which, among fossil fuels, emits a relatively low volume of CO<sub>2</sub> when burned compared with oil or coal—is expected to play a key role. This is the industrial sector's shared understanding.

Meanwhile, perceptions have shifted regarding the path to a net zero carbon society. There is a growing recognition that diverse pathways need to be considered. The speed and methods employed will have to reflect the circumstances and conditions of each country and region. Certain countries and regions, for instance, could accelerate the shift to renewable energy sources. In countries and regions that rely on fossil fuels, co-firing of ammonia to reduce CO<sub>2</sub> generation will be necessary during the transition.

In light of these changes, we at INPEX will fulfill our responsibility to provide a stable supply of energy. First, we will firmly expand our business with a focus on LNG. At the same time, we will reinvest revenues into clean energy development, with the aim of becoming a world-leading company as a pioneer in energy transition.

### LNG as transitional energy

Significant growth is forecast in global demand for LNG, particularly in Asia. One reason for this is that although many Asian countries have traditionally produced and consumed natural gas locally, economic development has resulted in demand growth outpacing production within the Asian region. LNG imports from outside the region are expected to rise in order to satisfy this demand. The second reason is linked to the spread of renewable energy. Demand for natural gas is likely to increase as fuel for backup power sources to compensate for the variability of renewable energy power generation.

Since the invasion of Ukraine, European countries that had been importing oil and gas through pipelines from Russia are now moving to accept LNG imports with the aim of reducing their dependence on Russia.

LNG is the pillar of INPEX's core oil and natural gas business, whose cornerstone is [the Ichthys LNG Project](#), for which operations were launched in 2018 off the coast of Australia. The project generates approximately 8.9 million tons of LNG annually, more than 10% of the LNG Japan imports each year. Over 70% of this amount is supplied to Japanese customers.

The Ichthys LNG Project serves as the foundation of our business, generating about 70% of our profits, but

from a management perspective, we need to shift away from this overly focused approach and reduce our dependence on Ichthys. Based on this thinking, we have been working to launch [the Abadi LNG Project](#) in Indonesia as the next growth driver, and we aim to begin production around 2030. We are planning for annual LNG production of 9.5 million tons—the same scale as Ichthys—and we will provide it not only to Japanese customers but also to satisfy the growing LNG demand in Asia.





## Message from the President & CEO

### Developing, producing, and delivering energy in a sustainable way

As stated in our Mission, “we are committed to contributing to the creation of a brighter future for society through our efforts to develop, produce and deliver energy in a sustainable way.” The operation of both the Ichthys and Abadi projects will contribute to satisfying the increasing



demand for LNG, which is seen as a transitional energy source, and is nothing less than the realization of our Mission. In terms of developing, producing, and delivering energy in a sustainable way, however, it will take further efforts to reduce CO<sub>2</sub> emissions and realize net zero carbon.

Despite the environmental characteristics of LNG being superior to those of oil and coal, CO<sub>2</sub> is emitted during the LNG combustion process. To reduce emissions, we intend to introduce [carbon capture and storage \(CCS\)](#)—one of our 5 net zero businesses—into our LNG projects to mitigate emissions. CCS is a technology for geological storage of CO<sub>2</sub> that has been separated and captured. The Ichthys LNG Project has been awarded a CCS assessment block by the Australian government, and we plan to drill wells and conduct a storage assessment in 2024. For the Abadi LNG Project, our intention from the beginning has been to introduce CCS with a view to decades-long production, and we will proceed while consulting with the Indonesian government.

By making LNG—which boasts excellent environmental characteristics—even cleaner through the introduction of CCS developing renewable energy, hydrogen, ammonia, and other clean energy sources as part of our 5 net zero businesses, we hope to establish INPEX as a major player in the energy industry today and into the future.

### Advantages demonstrated by the Abadi LNG Project

The start of operations of the Abadi LNG Project is a turning point for the future of INPEX, and we have great expectations for it as a new growth pillar. With the Ichthys LNG Project, INPEX became the first Japanese company to serve as the operator of a large-scale LNG project, and through its success, we secured a tremendous reputation and trust both in Japan and abroad. Moreover, by acting as operator of the Abadi LNG Project and effectively

doubling our supply capacity, we will be able to rapidly strengthen our presence in the energy market and further enhance our position. At the same time, we must be aware of our even more significant social responsibility to satisfy the world’s energy demand and support a stable supply.

We believe that the Abadi LNG Project will allow us to demonstrate unique advantages. One such advantage is the ability to leverage [the technological capabilities, human resources, and various experience and knowledge that we cultivated through the Ichthys LNG Project](#). The deployment and effective use of these resources will ensure the smooth launch and operation of the Abadi LNG Project.

The other advantage lies in the operating conditions, which center on extraction and delivery work in Indonesia. With the global situation evolving and geopolitical risk continuing to spread, it will be necessary to avoid risks by producing and delivering LNG in a way that is as close as possible to a “local production for local consumption” model. The large demand for LNG within Indonesia and the expected concentration of other customers mainly in Japan and Asia mean that the Abadi LNG Project will be supplying LNG within a compact area, making its value very significant.

In the fiscal year ending December 31, 2024 (fiscal 2024), we intend to conduct a variety of offshore and on-shore surveys and bid on front-end engineering design (FEED) work while pressing forward with marketing and financing initiatives.





## Message from the President & CEO

### Focus themes and future developments in our 5 net zero businesses

With its oil and natural gas business at the core, INPEX delivers solutions that contribute to the reduction of CO<sub>2</sub> emissions in five areas: [CCS](#), [renewable energy](#), [hydrogen and ammonia](#), [forest conservation](#), and [carbon recycling and new business opportunities](#), with a view to achieving a net zero carbon society. [Our long-term strategy](#) calls for growth investment of up to 1 trillion yen in these 5 net zero businesses from fiscal 2022 to fiscal 2030.

All these fields are vital for the future of the energy business, but the CCS field requires top priority. As explained earlier, CCS has been introduced in the Ichthys and Abadi LNG projects, and for reasons including its connections to the hydrogen and ammonia business, it has significant synergy with other INPEX businesses. CCS is currently the only technology capable of large-scale CO<sub>2</sub> emission reduction, is being implemented in numerous countries, and has tremendous potential for growth. For the time being, INPEX will leverage CCS to reduce CO<sub>2</sub> emissions from its own operations, but going forward, it intends to respond to other companies' CO<sub>2</sub> reduction needs by turning CCS itself into a business.

Renewable energy is the next major area of focus. Our commercialized projects, most of which are overseas, include [offshore wind power initiatives](#) in Europe and [geothermal power activities](#) in Indonesia and Japan. In Australia in July 2023, we established [a joint venture with Enel Green Power](#), Europe's largest renewable energy firm. We will construct a framework that is not simply a power generation business but encompasses the entire renewable energy value chain—from planning to

construction, power generation, retail, and storage—and is also profitable.

As true clean energy sources that do not emit CO<sub>2</sub> when burned, hydrogen and ammonia are our focus. We are also taking on cutting-edge initiatives. With regard to hydrogen, we are building a plant in Kashiwazaki City in Japan's Niigata Prefecture to demonstrate [blue](#)

[hydrogen production](#), which uses CCS to reduce the CO<sub>2</sub> emitted when hydrogen is produced from natural gas. Concerning [ammonia](#), we are involved in a joint project with companies overseas to commercially produce low-carbon ammonia in the US state of Texas. We hope to be at the forefront in the market as a first mover in this domain, but this will require a certain level of





## Message from the President & CEO

investment and risk-taking. Demand for hydrogen and ammonia, however, is expected to arise among and around existing customers of oil and natural gas, so we believe that as a first mover, we can establish a dominant position by launching the market together with these customers while also leveraging the supply routes and value chains of existing businesses.

Innovation is also crucial to the future of the energy business. We will need to develop [technology](#) to realize cleaner energy and reduce costs. As such, in January 2024, we launched the Innovation Division and established a framework to focus our efforts on accelerating energy transformation (EX).

## Adopting management that is conscious of cost of capital and stock price

While impairment losses caused a year-on-year decline in profit in fiscal 2023, INPEX recorded the second highest profit in its history, buoyed by favorable oil prices and foreign exchange rates. Judging from our current share price, however, we recognize that the stock market's assessment of INPEX has room for improvement and that we need to work to increase the price book-value ratio (PBR), which is still under 1.0. Meanwhile, we believe that stock market valuations do not fully reflect all aspects of corporate value.

In response to a request from the Tokyo Stock Exchange, which asks that listed companies "implement management that is conscious of cost of capital and stock price," we conducted a series of internal discussions

through which we identified the following three issues affecting stock market valuations.

The first issue is that our corporate management efficiency falls short when compared to the return on equity (ROE) and other performance indicators of supermajors (international oil supermajors). The second centers on concerns about our future potential due to the risk of fossil fuel-related assets becoming stranded. And the third is uncertainty regarding the company's outlook for enhanced shareholder returns.

To address these issues, we will first include return on invested capital (ROIC) in measurement and evaluation to improve capital efficiency and maintain a level exceeding our weighted average cost of capital (WACC). In terms of our business strategy, we will work to capitalize on the medium- to long-term LNG demand expansion. In parallel with this, we will clearly set forth the potential of the clean energy field—our area of focus—and, through dialogue with investors, seek to earn recognition and widespread understanding in the stock market. INPEX intends to implement these measures in an integrated manner, together with the increase of shareholder returns, and we expect this to lead to an appropriate assessment of corporate value.

## Financial and capital policies in the next Medium-term Business Plan

Looking at financial and capital policies, interest-bearing debt has increased due to our priority investment in the Ichthys LNG Project—which we have been undertaking for some time—and where financial soundness is concerned, this has become an issue. For this reason, our current [Medium-term Business Plan 2022–2024](#) set forth the following priorities in terms of the allocation of operating cash flow: reducing interest-bearing debt first, strengthening shareholder returns next, and then making growth investments.

During the initial two years of the plan's implementation, however, owing to rising oil prices and the steady operation of the Ichthys LNG Project, our performance was strong, enabling us to generate operating cash flow surpassing initial expectations. Operating cash flow for the three-year period of the plan—including the forecast for fiscal 2024—is projected to total 2.85 trillion Japanese yen, an upward revision of over 1 trillion Japanese yen. We have succeeded in making significant progress in reducing interest-bearing debt, and due to the low net borrowings, our current net debt-to-equity (D/E) ratio is 0.3, already healthy enough for us to be considered financially sound.

The next Medium-term Business Plan, set to begin in fiscal 2025, will be developed in the coming months. In that plan, regarding future financial and capital policies, the operating cash flow allocation policy will be adjusted in light of these circumstances, with higher priority being given to increasing shareholder returns and growth investment.



## Message from the President & CEO

### Establishing a governance structure that contributes to enhancing corporate value

In fiscal 2024, the INPEX Board of Directors became a 10-member organization, with outside directors accounting for half (five) of the members. The Nomination and Compensation Advisory Committee, an advisory body to the Board of Directors, had been chaired by an internal director (then Chairman). Since fiscal 2024, however, it has been chaired by an outside director and comprises three outside directors and one internal director (President). The aim of these structural changes is to [enhance and strengthen corporate governance](#) and improve the effectiveness and vitality of the Board of Directors by reinforcing the monitoring of management by directors with external perspectives and effectively applying their counsel.



The Board of Directors regularly engages in frank exchanges of opinions and lively discussions. We have lunch together following each Board meeting, but the gatherings regularly become working lunch meetings because our discussions run beyond the scheduled time. We have invited people with varied backgrounds and expertise to serve as outside directors in a manner that encompasses the Board of Directors' skill matrix. This includes experienced management professionals with expertise in the energy industry, internationally active attorneys, diplomats, and experts in sustainability. They have provided very useful comments and advice regarding global business development and decisions related to major investments.

[The Nomination and Compensation Advisory Committee](#) holds discussions, particularly regarding succession planning. It confirms the qualifications and requirements of candidates for Representative Director, President and CEO and the appropriateness of the candidate selection process, among other matters, while laying the groundwork for developing the next generation of management. Since our company's directors serve one-year terms, I will be serving in my current position for the next year.

In times of rapid change, checks on management based on diverse value systems and perspectives are essential to a company achieving sustainable growth. We will establish a governance structure that contributes to enhancing corporate value by proactively applying the opinions of outside directors, who represent our stakeholders.

### Encouraging personnel growth and success and turning them into a company strength

Approximately 40% of [INPEX employees](#) are foreign nationals. We believe that one of the singular aspects of our human capital management is that we leverage this diversity in our global business development. In addition to hiring foreign nationals locally, we also actively provide them with the training required to excel in the global arena and give them opportunities to participate in various projects around the world. INPEX needs self-motivated people who can initiate and develop projects independently regardless of where they are in the world, and we are committed to encouraging their growth and success—what we see as the starting point for value creation.

Meanwhile, possibly attributable to the popular perception of the energy industry as a “masculine stereotypical,” the proportion of female employees is only about one-fifth of the total workforce, and this imbalance remains a challenge. Creating a company where women can play active roles also fosters a favorable workplace for all employees is expected to heighten employee engagement. Based on this recognition, we established a task force for women's advancement in fiscal 2024, and female employees are taking the lead in reform efforts.

We have also introduced a return-to-work program for all employees to welcome back motivated employees who had left INPEX due to unavoidable personal reasons.

The flexibility to embrace diversity is a strength for an enterprise and raises its corporate value. INPEX aims to be a company where all employees are individually aware of their roles in the supply of energy, which contributes to the creation of a brighter future for society, while at the same time broadening the scope of their activities.





# INPEX's Business

INPEX is developing its oil and gas business and its net zero businesses. In the oil and gas business, we will fulfill our responsibilities for the development and supply of energy by promoting a more resilient and cleaner business. In each of the 5 net zero businesses, we aim to secure our position as a major player.

**1 Explore**  
We use cutting-edge technologies to discover oil and natural gas reservoirs deep underground.

CCUS  P.048




**3 Produce**

The extracted oil and natural gas are processed for shipping.



**2 Drill**

We drill wells with drilling rigs to extract oil and natural gas.

Renewable energy  P.049



4 Transport

Oil and natural gas are delivered to customers.

5 Use

Energy is essential and fundamental to our everyday lives.



Realizing a net zero carbon society

We provide solutions that contribute to the reduction of greenhouse gas emissions toward the realization of a net zero carbon society.

Contributing to the creation of a brighter future for society





## A History of Value Creation

INPEX has developed as a company built around upstream businesses consisting of the exploration, development and production of oil and natural gas.

Going forward, we will contribute to the creation of a brighter future for society through the stable supply of diverse and clean energy sources, from oil and natural gas to hydrogen and renewable energy-derived electricity, while sustainably increasing our corporate value.

**1941**  
Teikoku Oil, Co., Ltd. founded

**1940**

**1942** ▶ In production

### Start of oil and natural gas production in Japan

INPEX has been engaged in the exploration, development and production of oil and natural gas in Japan since 1942. At its Minami-Nagaoka Gas Field, one of the largest of its kind in Japan, production has been continuing since 1984. In 2013, INPEX commenced operation of the Naoetsu LNG Terminal, which receives LNG from overseas. After re-gasification and calorific value adjustment, it is transported to customers through our natural gas pipeline network. The terminal began receiving LNG from the Ichthys LNG Project in 2018.

[P.043](#)



**1966**  
INPEX Corporation founded

**1972** ▶ Block returned in 2017

### Start of production at oil and gas fields in the Offshore Mahakam Block, Indonesia

INPEX acquired an interest in the Offshore Mahakam Block by concluding a production sharing contract with the Indonesian government in 1966. Then, production of crude oil and natural gas started there in 1972. The produced natural gas was supplied to the Bontang LNG Plant. The Bontang LNG Plant was one of the world's largest LNG production plants and had stably supplied LNG to customers in Japan and other parts of Asia over many years, while significantly contributing to the growth of INPEX.



**1973**  
Japan Oil Development Co., Ltd. founded

**1950**

**1960**

**1970**



**1982** ▶ In production

### Start of production at project in Abu Dhabi, United Arab Emirates

INPEX acquired a participating interest in the ADMA Block offshore Abu Dhabi in the United Arab Emirates in 1973, and in 1982, began production in the Upper Zakum Oil Field, the largest oil field in this sea area. Production has been steadily continuing, following the launch of production at the Umm Al-Dalkh Oil Field in 1985 and the Satah Oil Field in 1987. In 2015, INPEX acquired an interest in the Abu Dhabi Onshore Concession and has been continuing production there.

[P.039](#)



# 2018 ▶ In production

## Start of production at Ichthys LNG Project, Australia

In 1998, INPEX acquired an interest in the block where the project is now located. Following development studies, INPEX announced its final investment decision (FID) in 2012. After the completion and commissioning of production facilities, the project started production in 2018 and has been continuing stable operation. This is the first large-scale LNG project for which a Japanese company serves as the operator. The project has taken INPEX one step closer to the next stage of growth. 📄 P.035



1990

**2008**  
Founded INPEX CORPORATION



**2021**  
Change of Japanese corporate name to Kabushiki Kaisha INPEX

**2021**  
Announcement of strategy for 5 net zero businesses

In 2021, INPEX announced its [Business Development Strategy: Towards a Net Zero Carbon Society by 2050](#), outlining climate change response goals and business strategy towards a net zero carbon society. INPEX subsequently set out specific goals in its Medium-term Business Plan 2022–2024 and has been working towards them in the 5 net zero businesses.

2000

2010

Medium- to Long-term Vision of INPEX 📄  
Ichthys and our growth over the next decade

Vision 2040 Delivering Tomorrow's Energy Solutions  
Medium-term Business Plan 2018–2022 📄

2020

INPEX Vision @2022 📄 (Long-term Strategy and Medium-term Business Plan 2022–2024)



# 2023 ▶ Production to start in the early 2030s

## Approval of the revised development plan for Abadi Gas Field, Indonesia

INPEX acquired an interest in the Masela Block in Indonesia's Arafura Sea through an open bid in 1998. The drilling of the first exploratory well in 2000 led to the discovery of the Abadi Gas Field. This was the first time that oil and natural gas reserves had ever been discovered in the Arafura Sea of Indonesia. Our revised development plan was approved in 2023, and we will work on necessary preparations for a final investment decision (FID). 📄 P.037



2030

Vision for 2030 and 2050  
📄 P.025





## INPEX Strengths

# Experience as the company to successfully operate the Ichthys LNG Project

As the first Japanese operator of a large-scale LNG project, we have gained a wealth of experience and accumulated important knowledge and expertise.

### Employer of Choice

For INPEX Australia to continue being a desirable workplace, build a corporate culture that values the spirit of continuously taking on challenges and helps retain talented global human resources.

Australia's labor market is fluid. In this context, INPEX Australia aims to be an Employer of Choice. This initiative has spread and led to an increase in people who currently want to work at or continue working at INPEX Australia.

### Technical capabilities and project management skills

We completed the construction of four large-scale facilities (onshore LNG plant, CPF, FPSO, subsea pipeline) involving 41 countries, 3,300 companies, and 30,000 people, commenced operations in 2018, and are continuing stable operations.

The Ichthys Gas Field is located off the northwestern coast of Australia, and at the time, other companies also were discovering new gas fields in the vicinity. Therefore, we were asked to jointly develop an LNG facility, but it was challenging to make a final investment decision considering various commercial, technical, and other perspectives. Under these circumstances, the Northern Territory government with its good business environment approached us saying that Darwin was "Gas Ready," which enabled us to make a sound final investment decision and a plan to lay 890 kilometers of subsea pipeline to connect the Ichthys Gas Field to Darwin.

### Partner of Choice

Building relationships of trust with stakeholders, including governments, industry and local residents

INPEX Australia aims to be a Partner of Choice that others want to team up with. It is important to cooperate with various stakeholders to address the wide range of challenges involved in promoting business.

### Building a global gas value chain

With the start of LNG shipment from Ichthys to the Naoetsu LNG Terminal in 2018, we organically linked LNG produced in Australia with natural gas infrastructure in Japan and took a huge leap toward building a global gas value chain.



## INPEX Strengths

## Related pages

### Global human resources with diverse values

We promote a range of HR policies from a global perspective to diversify our workforce and develop human resources that can share global values. In addition, we have established a “task force for women’s advancement” to promote women’s participation from 2024. We are working to maximize organizational performance by ensuring the diversity of our talent pool.



Promoting  
**female employee**  
participation

Percentage of  
foreign employees  
(2023)  
**41.6%**

Sustainability Human Capital  
[P.070–072](#)

Promotion of Diversity  
[P.073](#)

### Technological capabilities and project management skills

We have gained experience as an operator of oil and natural gas projects in Japan since 1941. Thereafter, since acquiring exploration acreage in Australia in 1998, we have accumulated experience in exploration, development, production and project management of a large-scale LNG project as operator of the Ichthys LNG Project. In addition, we established the INPEX Research Hub for Energy Transformation (I-RHEX) in 2022 and are promoting research and development with the aim of increasing efficiency and achieving low-carbon operations in the oil and natural gas business, as well as acquiring advanced technologies.

Operator  
experience  
in Japan  
**Since 1941**

Operator  
experience in  
Ichthys  
**Since 1998**

R&D activity  
expenses  
2024 forecast  
Approximately  
**20.0 billion JPY**

Milestones and Business Policies by Business Field Project Overview  
[P.034–050](#)

Technical Strategies  
[P.051–052](#)

### Close partnerships with gas- and oil-producing nations and support from the Japanese government

We have been participating in projects in Indonesia, Abu Dhabi and Australia since 1966, 1973 and 1986, respectively, and have built long-term relationships with governments and other various stakeholders in these countries.

In Japan, we use financial support from the Japan Organization for Metals and Energy Security (JOGMEC), the Japan Bank for International Cooperation (JBIC), Nippon Export and Investment Insurance (NEXI) and other organizations to promote oil and natural gas upstream projects. We also help develop policy frameworks and provide other assistance for the sectors of our 5 net zero businesses and promote the appropriate use of financial support from the New Energy and Industrial Technology Development Organization (NEDO), JOGMEC and others.

Start of  
participation in  
projects in  
Indonesia  
**1966**

Start of  
participation in  
projects in  
Abu Dhabi  
**1973**

Start of  
participation in  
projects in  
Australia  
**1986**

Milestones and Business Policies by Business Field Project Overview  
[P.034–050](#)

### Global gas value chain

The oil and natural gas that we produce worldwide accounts for about 10 percent of Japan’s annual energy consumption. INPEX sells the oil and gas it produces to customers across the globe. We conduct our gas business using our global gas value chain (overseas production–Naoetsu LNG Terminal–domestic pipeline–customers). LNG received from the Ichthys LNG Project and other overseas projects at the Naoetsu LNG Terminal, together with natural gas produced at the Minami-Nagaoka gas field, are sold to customers in Japan through a natural gas trunk pipeline network stretching approximately 1,500 kilometers across the Kanto, Koshinetsu and Hokuriku regions.

Net oil and natural gas  
production volume  
**630 thousand barrels per day**  
(fiscal year ended December 31, 2023)  
Equivalent to approximately 10% of Japan’s annual energy consumption

Ichthys LNG  
production capacity  
**8.9 million tons per year**  
Equivalent to more than 10 percent of Japan’s annual LNG import volume

Total length of  
natural gas pipeline  
in Japan  
**1,500 km**

Project Overview (Ichthys)  
[P.035–036](#)

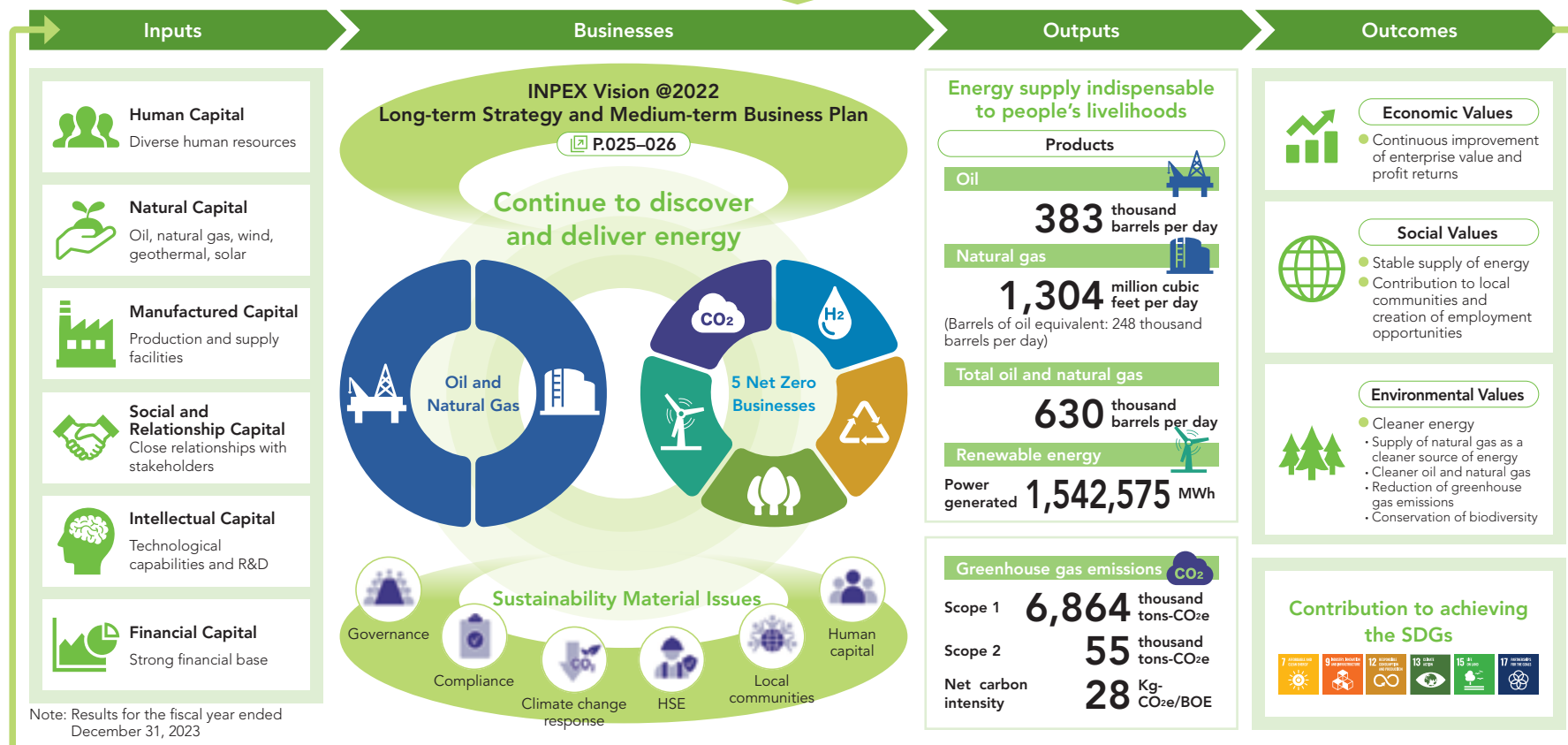
Project Overview (Japan)  
[P.043–044](#)



# Value Creation Process

**Our Mission** | We are committed to contributing to the creation of a brighter future for society through our efforts to develop, produce and deliver energy in a sustainable way.

<b>External Environment</b>	<b>Global Developments</b>	<b>Risks</b>	<b>Opportunities</b>
	<ul style="list-style-type: none"> <li>Energy trilemma               <ul style="list-style-type: none"> <li>Energy security</li> <li>Equitable access to energy</li> <li>Sustainable global environment</li> </ul> </li> <li>Rising geopolitical risk</li> <li>Raising of Japan's independent development ratio of energy</li> </ul>	<ul style="list-style-type: none"> <li>Risk of disasters, accidents, system failures, etc.</li> <li>Risk of failure in exploration, development or production</li> </ul>	<ul style="list-style-type: none"> <li>Risk of fluctuations in crude oil prices, natural gas prices, foreign exchange and interest rates</li> <li>Climate change risk</li> <li>Country risks, etc.</li> </ul>



Note: Results for the fiscal year ended December 31, 2023

**Basic management policy towards a net zero carbon society by 2050**

As a pioneer in energy transformation, INPEX will provide a stable supply of diverse and clean energy sources including oil and natural gas, hydrogen, and renewable power.

**Vision for around 2030**

INPEX will transform net zero carbon from an ideal to reality.



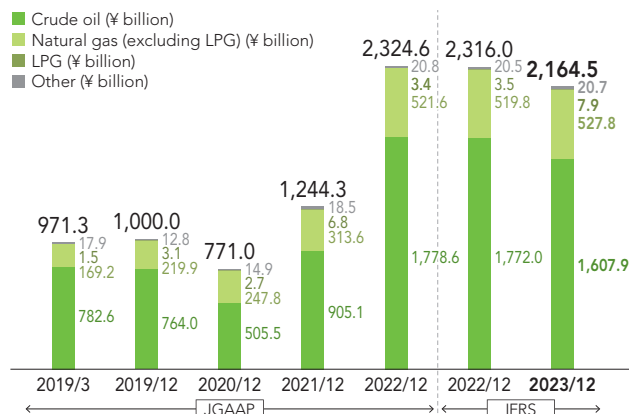


# Financial and Operating Highlights

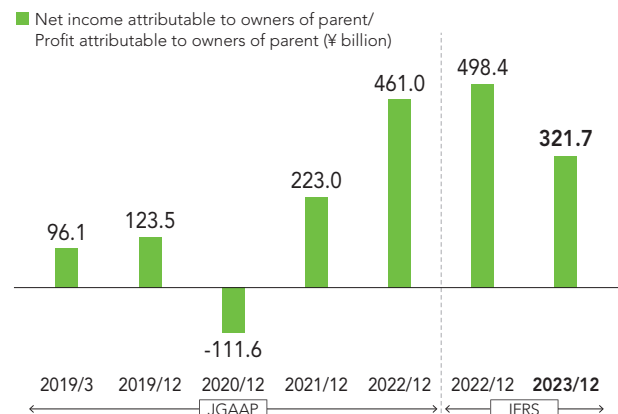
(Five-year Comparative Graphs)

## Profitability Indices

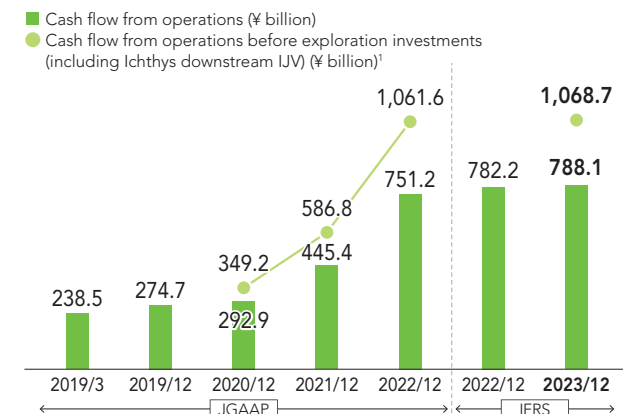
### Net Sales/Revenue



### Net Income Attributable to Owners of Parent/Profit Attributable to Owners of Parent

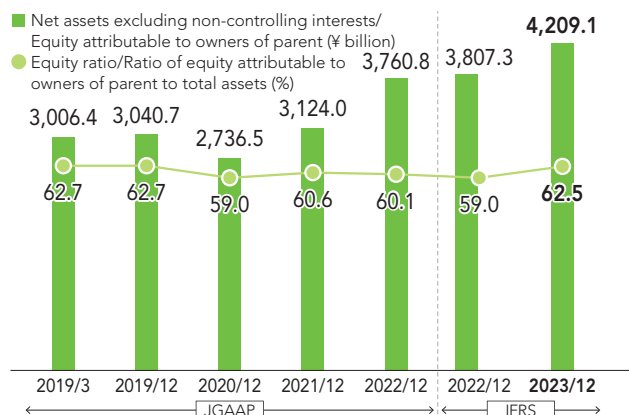


### Cash Flow from Operations

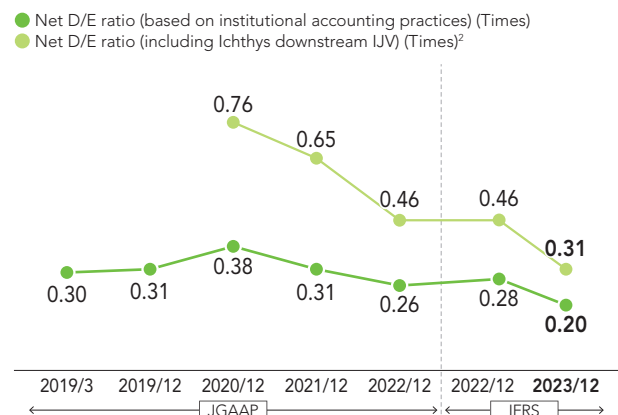


## Stability Indices

### Net Assets Excluding Non-Controlling Interests/Equity Attributable to Owners of Parent, Equity Ratio/Ratio of Equity Attributable to Owners of Parent to Total Assets



### Net D/E Ratio



Notes:

INPEX has changed its fiscal year-end from March 31 to December 31, effective from fiscal 2019.

The fiscal year ended December 31, 2019 is a transitional, nine-month accounting period from April 1, 2019 to December 31, 2019.

The Japanese GAAP figures for the year ended December 31, 2022 were adjusted retrospectively according to the changes in accounting policies, and the figures after retrospective application are presented.

1. Cash flow from operations before exploration investments (including Ichthys downstream IJV) includes figures of Ichthys downstream IJV (Ichthys LNG Pty Ltd), a jointly controlled entity, and differs from figures on an institutional accounting basis. Data for and after FY2020/12 are disclosed. Regarding cash flow from operations before exploration investments (including Ichthys downstream IJV) based on IFRS, data for FY2022 is not shown as disclosure commenced from FY2023.

2. Net D/E ratio (including Ichthys downstream IJV) includes figures of Ichthys downstream IJV (Ichthys LNG Pty Ltd), a jointly controlled entity, and differs from figures on an institutional accounting basis. Data for and after FY2020/12 are disclosed.

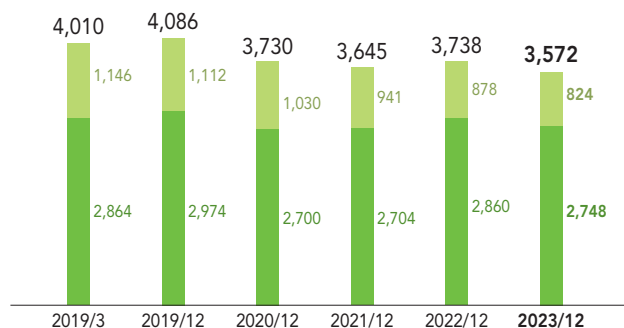


## Financial and Operating Highlights

### Reserve/Production Indices

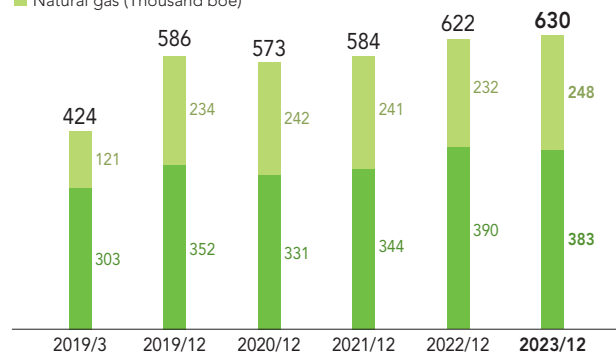
#### Net Proved Reserves<sup>1</sup>

- Crude oil (Million BOE)
- Natural gas (Million BOE)



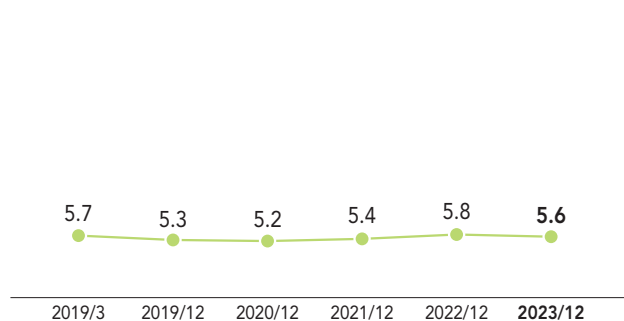
#### Net Production (barrels of oil equivalents)

- Crude oil (Thousand boe)
- Natural gas (Thousand boe)



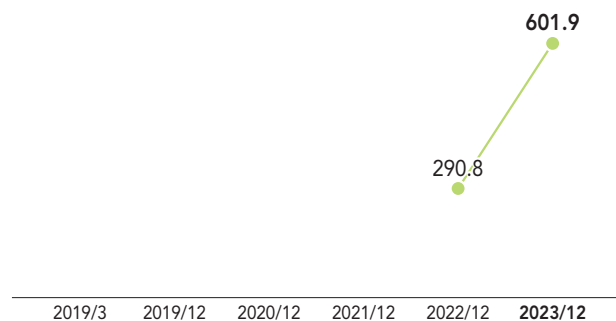
#### Average Production Cost per BOE Produced

- Average production cost per BOE produced (Excluding royalty) (US\$/BOE)<sup>2</sup>



#### Renewable Energy Generation Capacity

- Renewable Energy Generation Capacity (MW)



Notes:

- The proved reserves are evaluated internally for main projects of the Company, its subsidiaries and affiliates, etc. The proved reserves are evaluated based on the regulations of the U.S. Securities and Exchange Commission (SEC).
- Average expenses per BOE produced is the production cost per barrel of oil equivalent produced during the year.

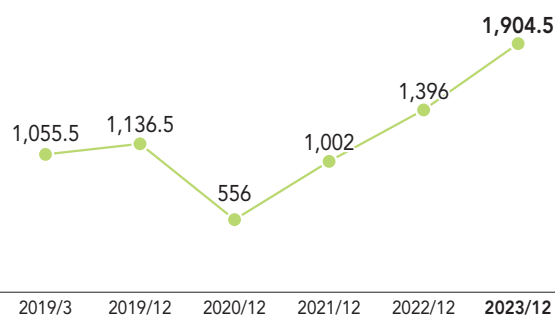


## Financial and Operating Highlights

### Performance Indices

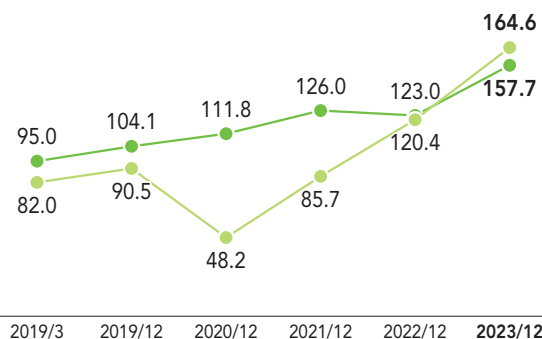
#### Share Price

● Year-end share price (Tokyo Stock Exchange closing price) (Yen)



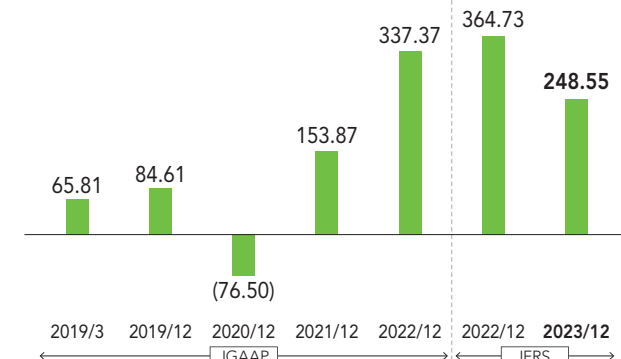
#### Total Shareholder Return (TSR)

● TSR (%)<sup>1</sup>  
● TOPIX (including dividends) (%)



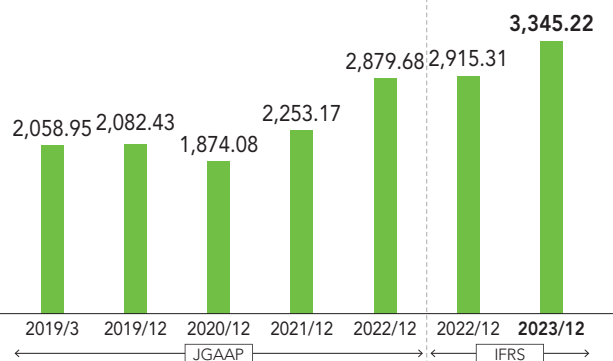
#### EPS

■ EPS (Yen/share)<sup>2</sup>



#### BPS

■ BPS (Yen/share)<sup>3</sup>



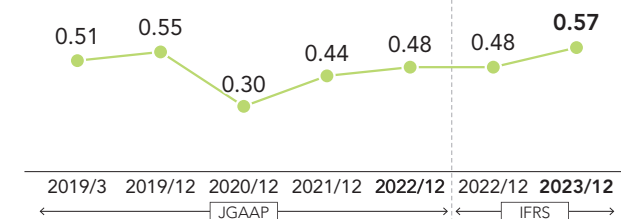
#### PER

● PER (Times)<sup>4</sup>



#### PBR

● PBR (Times)<sup>5</sup>



Notes:

1. Total shareholder return (TSR) is the yield on the closing price of our common stock on the First Section of the Tokyo Stock Exchange in FY2018/3.
2. EPS is calculated by dividing profit (loss) attributable to owners of parent by the average number of shares during the year.
3. BPS is calculated by dividing the year-end total equity (excluding year-end non-controlling interests and year-end total equity related to Class A stock) by the year-end number of common shares issued (excluding the year-end number of treasury shares).
4. PER is calculated by dividing the year-end share price by basic earnings (loss) per share. No price earnings ratio (PER) is shown for FY2020/12, as a net loss was recorded in this year.
5. PBR is calculated by dividing the year-end share price by equity attributable to owners of parent per share.

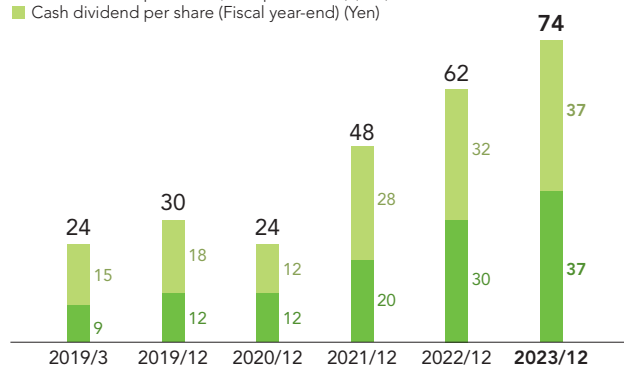


## Financial and Operating Highlights

### Performance Indices

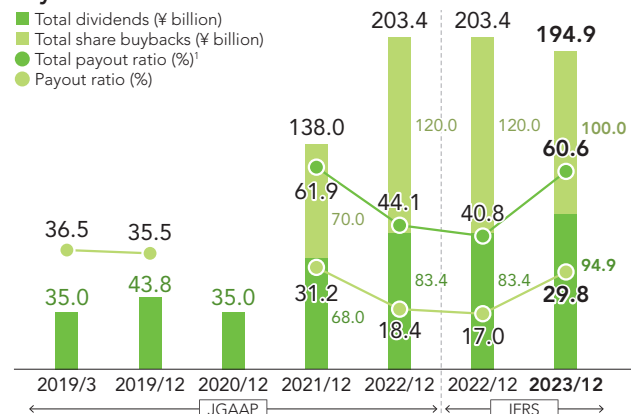
#### Cash Dividend per Share (DPS)

- Cash dividend per share (2nd quarter end) (Yen)
- Cash dividend per share (Fiscal year-end) (Yen)



#### Total Dividends, Total Share Buybacks, Total Payout Ratio<sup>1</sup>, Payout Ratio

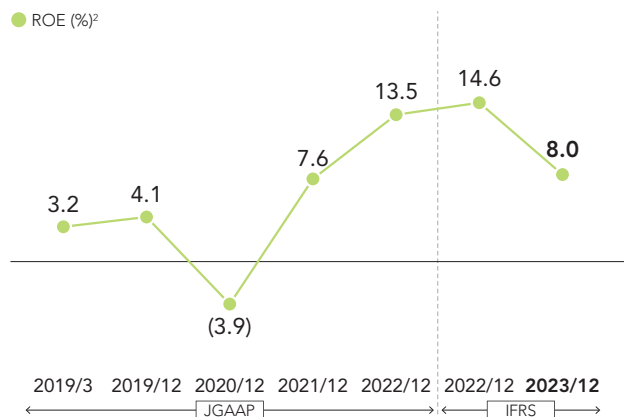
- Total dividends (¥ billion)
- Total share buybacks (¥ billion)
- Total payout ratio (%)<sup>1</sup>
- Payout ratio (%)



### Efficiency Indices

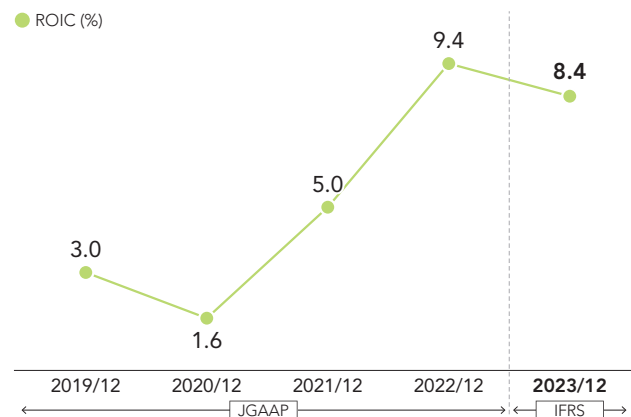
#### ROE<sup>2</sup>

- ROE (%)<sup>2</sup>



#### ROIC<sup>3</sup>

- ROIC (%)



Notes:

- Total payout ratio has been disclosed since FY2021/12. No payout ratio is shown for FY2020/12, as a net loss was recorded in this year. For FY2023/12, total payout ratio and dividend payout ratio under Japanese GAAP are 52.5% and 25.8%, respectively.
- ROE is calculated by dividing profit (loss) attributable to owners of parent by the average equity attributable to owners of parent at the beginning and end of the year.
- Return on invested capital (ROIC) is calculated by dividing the adjusted profit (net profit before deduction of interest payments, impairment loss etc. and non-controlling shareholder profit/loss) by the average of invested capital (the total of capital stock, interest-bearing liabilities as recorded in consolidated financial statements and project finance of the Ichthys downstream IJV) at the beginning and end of the year.



# Sustainability Highlights

## Environment

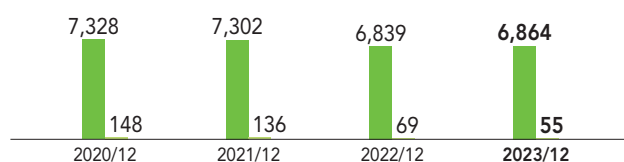
### Greenhouse Gas Emissions

(Scope 1+2)

■ Scope 1 emissions (thousand tons-CO<sub>2</sub>e)

■ Scope 2 emissions (thousand tons-CO<sub>2</sub>e)

Boundary: Equity share<sup>1</sup>



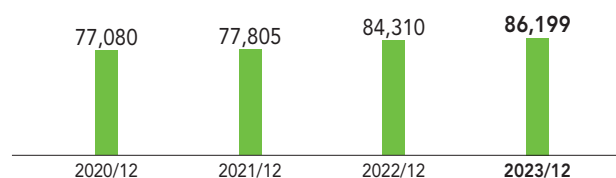
• Scope 1 emissions are direct emissions from sources that the Company owns or controls. Scope 2 emissions are indirect emissions associated with the electricity, steam, heat, and cooling that the Company purchases and consumes.

### Greenhouse Gas Emissions

(Scope 3, category 11)

■ Scope 3 emissions (thousand tons-CO<sub>2</sub>e)

Boundary: Equity share<sup>1</sup>

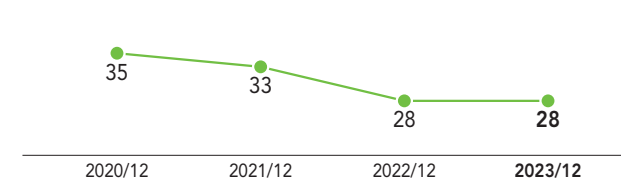


• Scope 3 emissions are indirect emissions that occur in the value chain of the reporting company.  
• Category 11 emissions are calculated by multiplying the total sales volume of crude oil, natural gas and LPG by CO<sub>2</sub>/CH<sub>4</sub>/N<sub>2</sub>O emission factor under the assumption that all amounts of crude oil, natural gas and LPG are combusted. The emissions are calculated from 2006 IPCC Guidelines for National Greenhouse Gas Inventories emissions factors.

### Net Carbon Intensity

● Net carbon intensity (kg-CO<sub>2</sub>e/BOE)

Boundary: Equity share<sup>1</sup>

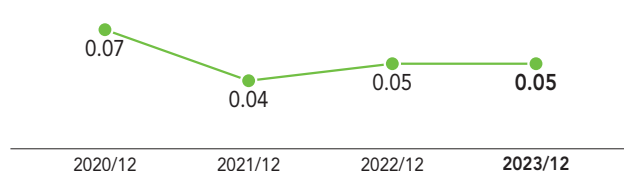


• Net carbon intensity includes offsets. Intensity indicates the volume of GHG emitted per unit of consolidated production of oil and natural gas, and electricity generated using renewable energy (converted to calorific values).

### Methane Emissions Intensity

● Methane emissions intensity (%)

Boundary: Operational control<sup>2</sup>

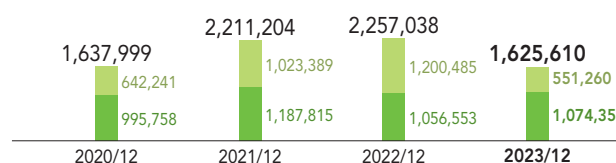


### Freshwater Consumption

■ Domestic freshwater consumption (m<sup>3</sup>)

■ Overseas freshwater consumption (m<sup>3</sup>)

Boundary: Operational control<sup>2</sup>



Notes:

1. The total amount of emissions corresponding to the net economic share of each production project.
2. These data are reported on an operational control basis, including headquarters, Technical Research Center, overseas offices and operational organizations in Japan and overseas.

## External Evaluation

INPEX has engaged in active dialogue with stakeholders through information disclosure and responded to external evaluations by third parties. The evaluations by external organizations and the major ESG Indexes for which INPEX has been selected as a component stock are shown on the right.

FTSE4Good Developed Index, FTSE4Good Japan Index



FTSE Blossom Japan, FTSE Blossom Japan Sector Relative Index



MSCI ESG Leaders Indexes



THE INCLUSION OF INPEX CORPORATION (INPEX) IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF INPEX BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

MSCI Japan ESG Select Leaders Indexes

2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

S&P/JPX Carbon Efficient Index



CDP Climate Change 2023 Score: A-



Selected as "Yearbook Member" in the S&P Global Sustainability Award 2024



Environmental Sustainability and Progress in the Ministry of Environment's ESG Finance Awards Japan





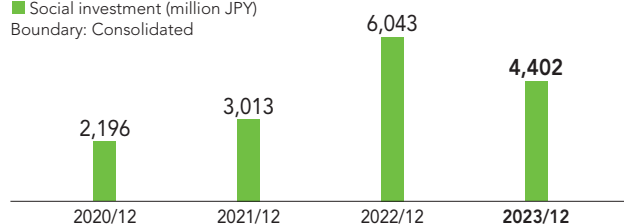


## Sustainability Highlights

### Social

#### Social Investment

■ Social investment (million JPY)  
Boundary: Consolidated



#### Employees by nationality

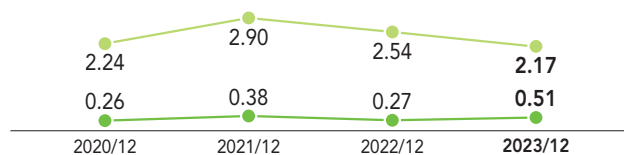
● Percentage of non-Japanese citizens (%)  
Boundary: Consolidated



#### LTIR, TRIR

● LTIR  
● TRIR  
Boundary: Operational control<sup>1</sup>

KPI  
Zero major accidents\*  
\*Major accidents: fatalities, major leakages, serious injuries in operator business



- LTIR (Lost Time Injury Frequency): Rate of injury resulting in fatalities or lost time per million hours worked
- TRIR (Total Recordable Injury Rate): Rate of total fatalities, lost work day cases, restricted work day cases, and medical treatment cases per million hours worked

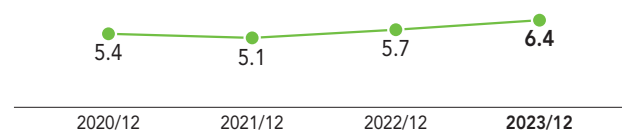
Notes:

1. These data are reported on an operational control basis, including headquarters, Technical Research Center, overseas offices and operational organizations in Japan and overseas.

#### Percentage of female executives

● Percentage of female executives (%)  
Boundary: Consolidated

KPI  
2030: 10%



#### Wage difference between males and females

■ Wage difference between males and females (%)  
Boundary: Consolidated

KPI  
2030: 80% or more

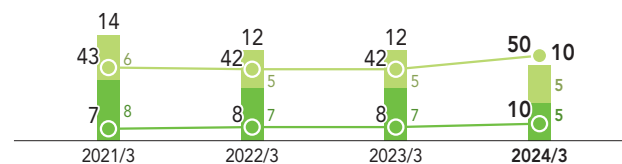


- Percentage of wage difference between males and females is calculated by (average annual wage for women) ÷ (average annual wage for men).
- Percentage of wage difference between males and females is not shown as disclosure started in 2023.

### Governance

#### Number of Directors

■ Directors (inside) ■ Directors (outside)  
● Percentage of female directors (%)  
● Percentage of outside directors (%)  
Boundary: Non-consolidated



- The number of Directors and Audit & Supervisory Board Members is the number as of the closing of the annual general meeting of shareholders held in March of each year.

#### Percentage of females among new graduate and mid-career

● Percentage of females among new graduate and mid-career (%)  
Boundary: Consolidated

KPI  
2030: 30% or more

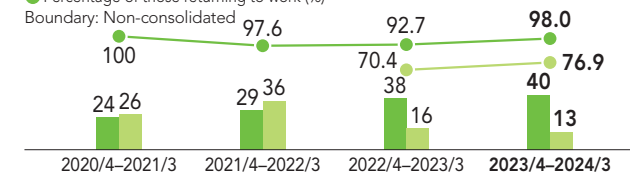


- Percentage of females among new graduate and mid-career is not shown as disclosure started in 2023.

#### Number and percentage of employees taking advantage of parental leave system by gender

■ Male employees taking parental leave (persons)  
● Rate of paternity leave  
■ Female employees taking parental leave (persons)  
● Percentage of those returning to work (%)  
Boundary: Non-consolidated

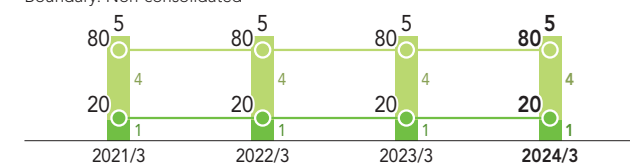
KPI  
Rate of paternity leave  
2030: 70% or more



- The data is a cumulative number. From 2022, the data represents the number of first-time acquirers during the year in line with the method used to calculate the acquisition rate.
- The rate of employees returning to work is calculated by dividing the number of employees who have returned by the number expected to return for each fiscal year, multiplied by 100.

#### Number of Audit & Supervisory Board Members

■ Audit & Supervisory Board members (inside)  
■ Audit & Supervisory Board members (outside)  
● Percentage of female Audit & Supervisory Board members (%)  
● Percentage of outside Audit & Supervisory Board members (%)  
Boundary: Non-consolidated





# Growth Strategy



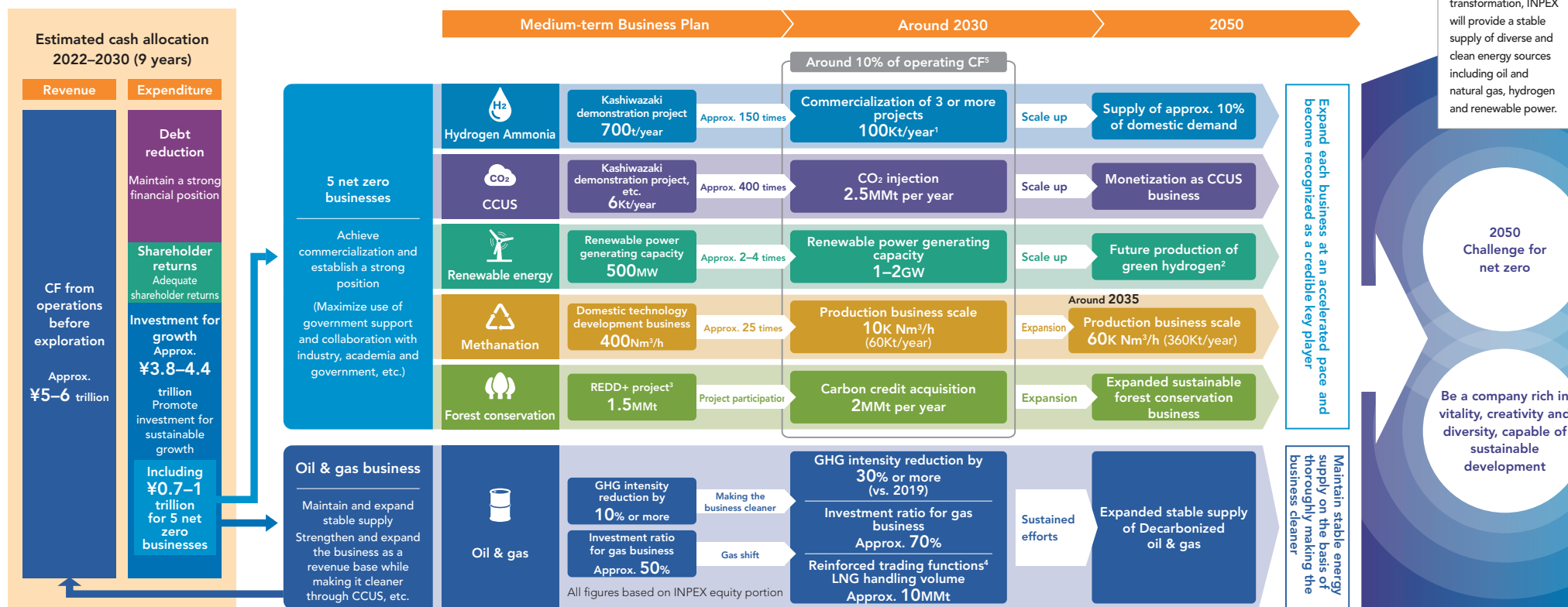


# INPEX Vision @2022 Long-term Strategy

## Vision for 2030 and 2050

We are committed to transforming net zero carbon from an aspiration to reality by 2030, and then on toward a net zero carbon society by 2050. Oil and natural gas being an essential energy source for economic and social activities, we will work to ensure their stable supply. Natural gas, for which demand is expected to be strong, especially in Asia, is a business that will be strengthened

and expanded as a revenue base while moving to thoroughly make it cleaner through the introduction of CCUS and other measures. In the 5 net zero businesses, we will aim to achieve commercialization and establish a strong position.



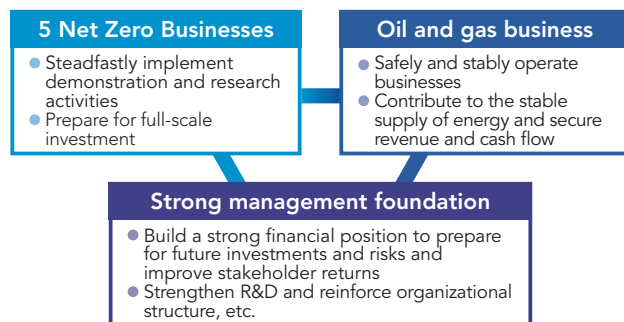
1: Ammonia volume shown in hydrogen equivalent  
 2: Hydrogen that is produced by splitting water using electricity generated from renewable energy  
 3: Concept defined at the 2010 United Nations Climate Change Conference that augments REDD (Reducing Emissions from Deforestation and forest Degradation) with the active prevention of forest degradation through forest management and enhancement of carbon stocks through forestation  
 4: Inclusive of midstream and downstream business, etc.  
 5: Operating Cash flow before exploration (including Ichthys LNG Pty Ltd, the Ichthys Downstream Incorporated Joint Venture). Cash flow from renewable energy business is estimated based on equity operating cash flow.



## INPEX Vision @2022 Medium-term Business Plan

### Positioning and Targets of the Medium-term Business Plan 2022–2024

Gaining momentum toward realizing our Vision for around 2030



### Shareholder Returns

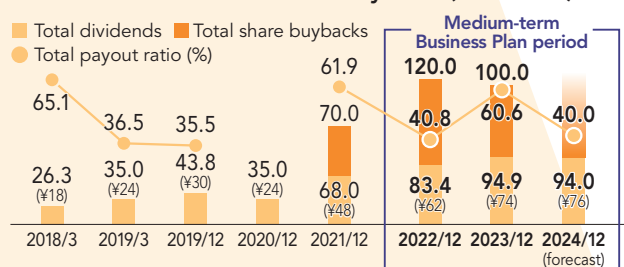
Strengthen shareholder returns in line with growth in financial performance, while maintaining the basis for stable dividends

- Aim for a total payout ratio of **40% or greater**
- Implement **share buybacks** based on business environment, financial position and management conditions

#### Fiscal 2024 shareholder returns (as of May 14, 2024 earnings report)

Annual dividend <b>76 JPY/share</b> (+2 yen year on year)	Share buybacks <b>50.0 billion JPY</b>	Total payout ratio (annual) <b>Approx. 40%</b>	Consider additional shareholder returns after the earnings report of the second quarter
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#### Total dividends and total share buybacks (billion JPY)



\*Total payout ratio for FY2022/12 and onwards are based on IFRS

\*Total payout ratio (JGAAP) for FY2022/12 and FY2023/12 are 44.1% and 52.5%.

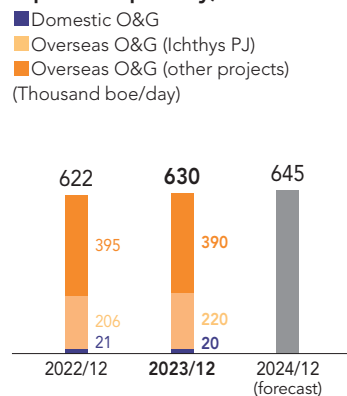
### Fiscal Year Ending December 31, 2024: Progress on Management and Business Targets

The Company expects to be able to achieve the Medium-term Plan targets for the fiscal year ending December 31, 2024 due to steady oil prices and foreign exchange rates as stable operations were carried out at the Company's key projects including the Ichthys LNG Project.

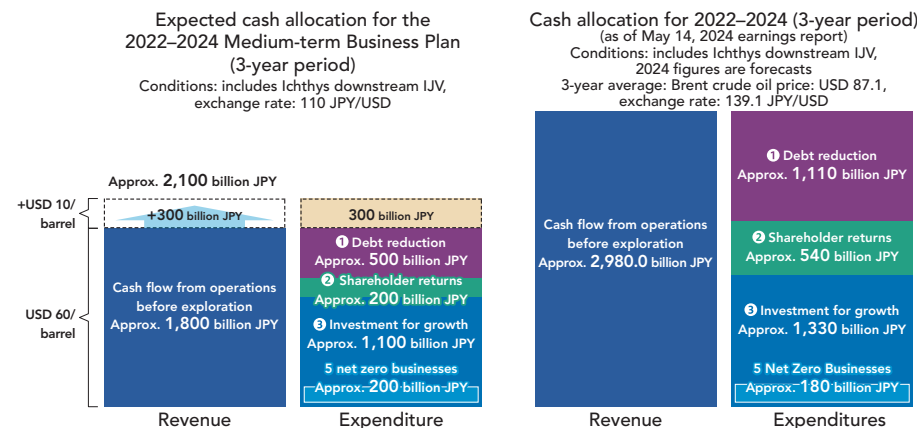
		Fiscal 2022 (J-GAAP) (Actual)	Fiscal 2023 (IFRS) (Actual)	Fiscal 2024 (IFRS) (Annual Forecast) (as of May 14, 2024 earnings report)	Fiscal 2024 (Medium-term Plan Target)	
Conditions	Brent crude oil price (USD/barrel)	99.04	82.17	80.0	60	70
	Exchange rate (JPY/USD)	131.64	140.66	145.0	110	110
Management targets	Income attributable to owners of parent <sup>1</sup> (JPY)	461.0 billion	321.7 billion	360.0 billion	170.0 billion	240.0 billion
	CF from operations before exploration <sup>2</sup> (JPY)	1,061.6 billion	1,068.7 billion	844.0 billion	600.0 billion	700.0 billion
	ROE	13.5%	8.0%	Around 8.4%	Around 6.0%	Around 8.0%
	Net D/E ratio <sup>2</sup>	0.46	0.31	Around 0.30	0.5 or less	0.5 or less
Business targets	Net production volume (barrels of oil equivalent per day)	622 thousand barrels	630 thousand barrels	645 thousand barrels	Level exceeding 700 thousand boed	
	Production cost per barrel, excl. royalties	USD 5.8/barrel	USD 5.6/barrel	USD 5.6/barrel	Reduction towards USD 5.0/barrel	
	Net carbon intensity <sup>3</sup>	28kg/BOE	28kg/BOE	29kg/BOE	Reduction of 10% (4.1 kg/BOE) or more over a 3-year period toward 2030 target <sup>4</sup>	
	Safety	Zero major accidents	Zero major accidents	Aim for zero major accidents <sup>5</sup>	Zero major accidents <sup>5</sup>	

- Profit attributable to owners of parent for the fiscal 2024 forecast
- Includes Ichthys downstream IJV and differs from cash flows based on institutional accounting practices
- Net carbon intensity = (equity share emissions volume (Scope 1+2) – offset) ÷ (net production volume of upstream oil and gas business + power generation volume of renewable energy business)
- 2030 target: reduction of 30% or more in net carbon intensity from 2019 level (41.1kg/BOE)
- Major accidents: fatalities, major leakages, serious injuries in operator business

#### Net production (barrels of oil equivalent per day)



#### Cash allocation





**Dialogue: Senior Vice President, Finance & Accounting and Senior Vice President, Corporate Strategy & Planning**

**We will support the expansion of corporate value through growth and financial strategies based on a broad perspective.**



**Transitioning to IFRS and looking back at fiscal 2023**

**Takimoto:** Beginning with the Annual Securities Report for fiscal 2023 submitted in March 2024, INPEX has adopted the International Financial Reporting Standards (IFRS). All future disclosures will be integrated under IFRS. The transition to these standards has been a daunting task for Finance & Accounting.

**Yamada:** We are now breathing a sigh of relief, having just completed a major project that took over four years. All of the global major firms and major international oil companies (IOCs) have, of course, adopted IFRS. One of our objectives in transitioning to IFRS is to facilitate comparison with such groups of companies for our

shareholders, investors and stakeholders, who evaluate our corporate value.

Another driving factor behind the transition is that most of the Group’s subsidiaries abroad have already adopted IFRS, and it has become necessary for streamlining accounting operations and unifying standards to assess the performance of subsidiaries. Although the transition to IFRS does not result in the loss of continuity in financial reporting, there are aspects where differences appear on the surface from the previous accounting standard. These include the accounting treatment relating to the capitalization, amortization, or exploration

**Toshiaki Takimoto**  
Director, Senior Managing Executive Officer  
Senior Vice President, Corporate Strategy & Planning

**Daisuke Yamada**  
Director, Senior Managing Executive Officer  
Senior Vice President, Finance & Accounting

expense, the method for recording impairment losses, the return of depreciation expenses due to the revaluation of non-current assets, and tax effect accounting and the deferral of foreign exchange effects.

**Takimoto:** In that regard, we can say that we are able to communicate the Group’s financial situation more clearly and accurately in a manner that is in line with actual business conditions.

**Yamada:** Reviewing [our consolidated results for fiscal 2023](#), profit attributable to owners of parent was 321.7 billion Japanese yen—the second highest level in the Group’s history—despite a year-on-year decline in profit





## Dialogue: Senior Vice President, Finance & Accounting and Senior Vice President, Corporate Strategy & Planning

as stable operations were carried out at the Company's key projects including the Ichthys LNG Project. Although oil prices have fallen, overall they have remained favorable throughout the year, with the external environment such as the exchange rate situation serving as a tailwind.

The decrease in profit was impacted by impairment losses on the Prelude FLNG Project in Australia, due to changes in the external environment such as increasingly stringent environmental regulations in Australia.



### Outlook for fiscal 2024 and future prospects

**Takimoto:** Fiscal 2024 marks the final year of the current three-year medium-term business plan. The focus of the work of Corporate Strategy & Planning during the year will be the formulation of the next medium-term business plan and the devising of future growth strategies. In early 2025, we plan to present a new vision and plan, predicting

what the energy industry will look like in a decade, and employing backcasting to determine what the Group should do over the next three years.

Though we will cover it in the next topic, a significant theme for us will be how to draw up a growth strategy that the market will accept and appreciate, in order to improve the stock price and price book-value ratio (PBR). Meanwhile, Corporate Strategy & Planning will take the initiative in emphasizing IR activities to accurately communicate the Group's growth strategy to institutional and individual investors to gain their understanding. [Investor Day](#), a company information session we have held since fiscal 2023, is an example of these activities.

**Yamada:** For fiscal 2024, as of [the first quarter financial results](#) announcement, we are forecasting profit of 360 billion Japanese yen on an IFRS basis. Oil prices and foreign exchange rates significantly impact the Group's performance. The current forecast assumes an oil price of 80 US dollars per barrel and an exchange rate of 145 Japanese yen against the US dollar. We will review these assumptions every quarter, and they are reflected in our earnings forecast. If we can reach this 360-billion-yen target, it will be the second highest profit level in the Group's history after fiscal 2022.

As the external environment remains favorable and production volume is stable, the challenge becomes investing in the future.

**Takimoto:** Intensive investment in the Ichthys LNG Project drove the Group's interest-bearing debt upward significantly. During the period of the current medium-term business plan, the Group has exercised a certain degree of restraint with regard to investment with the policy of using free cash flow for the repayment of borrowings to the extent possible. The repayment has progressed more than originally anticipated, and currently, the net debt/

equity (DE) ratio has fallen to 0.3, the lower limit of our financial discipline. Now that we have achieved a sound financial position, we need to steer the company into an investment phase to boost earnings over the duration of the next medium-term business plan, set for launch in fiscal 2025.

### Improving capital efficiency with awareness of share price and PBR

**Yamada:** Our PBR is currently, below 1.0 around 0.6 to 0.7. The market's seemingly unenthusiastic opinion of our stock is a source of frustration for us. The Group, as a fossil fuel-related company whose core business is oil and natural gas, is often perceived as having stranded assets, and we may not have successfully communicated our management direction and business strategy fully to shareholders and investors. We must make a steady, continuous effort to ensure this happens.

Since PBR equals to the share price divided by net assets per share, there are ways to increase the value per share by decreasing the denominator (net assets) through the purchase and cancellation of treasury stock. This will be based on the financial discipline of keeping the net D/E ratio in the range of 0.3 to 0.5. It requires appropriate controls, however, as at present we are in a situation where an excessive compression of our equity capital should be avoided, as we are preparing to make a major investment in the Abadi LNG Project.

On the other hand, in terms of capital efficiency, we intend to realize return on equity (ROE) that exceeds the cost of shareholders' equity, and return on invested





## Dialogue: Senior Vice President, Finance & Accounting and Senior Vice President, Corporate Strategy & Planning

capital (ROIC) that is higher than weighted average cost of capital (WACC). Our cost of shareholders' equity is in the high 8% range. In fiscal 2023, however, our ROE on an IFRS basis was only 8.0%—short of investor expectations—attributable primarily to the impact of foreign currency translation adjustments that expanded our equity capital. We will strive to enhance profitability while also managing our costs and equity capital.

The denominator of ROIC, introduced as a new management indicator, is invested capital, not equity capital, which enables us to understand capital efficiency on a more granular basis, by department and by project. For fiscal 2023, the ROIC was 8.4% on an IFRS basis and WACC was 6.4%. We have just left the starting line in terms of ROIC management, but we are visualizing the numbers in a manner that breaks down elements into project units.

**Takimoto:** Regarding ROE, since we completed our investment in the Ichthys LNG Project—the group's largest business—just a few short years ago, we have not made progress in the amortization of assets. Additionally, the foreign currency translation adjustment has also ballooned since the Japanese yen is weaker than it was at the time of the investment. Consequently, we have to deal with the size of net asset portion, which we cannot control immediately. While proceeding with the amortization of Ichthys-related assets, INPEX will limit the increase in equity capital through enhancement of shareholder returns by measures including the acquisition of treasury stock, and acquire assets featuring high investment efficiency, thereby striving to boost ROE.

Looking at ROIC, investors have shown their high regard for disclosure by division and project, and we will keep promoting ROIC management that contributes to the improvement of capital efficiency.

**Yamada:** The key to ROIC management is to ensure that the meaning of ROIC is understood and accepted by each Senior Vice President and even each employee, and to encourage a heightened awareness of ROIC improvement. We intend to work with Corporate Strategy & Planning concerning in-house outreach.

### Indicators (IFRS)

Unit (%)

	ROIC	WACC <sup>1</sup>	ROE	Cost of shareholders' equity <sup>1</sup>
FY2023 (results)	8.4	6.4	8.0	8.8
FY2024 (forecast)	7.5 <sup>2</sup>	6.6	8.4 <sup>2</sup>	8.8

1. INPEX estimate based on the capital asset pricing model calculated in January 2024

2. Figures as of the fiscal 2024 first quarter financial results announcement

## Stock market confidence in aggressive investment

**Takimoto:** Another theme on which Corporate Strategy & Planning should focus is gaining stock market confidence with regard to the Abadi LNG Project, in which we will be actively investing going forward. As we formulate the next medium-term business plan and vision, we must advocate for a business strategy with Abadi as a pillar given the expected growth in natural gas demand beyond 2030, and ensure the market understands that this will lead to corporate value enhancement.

**Yamada:** Among shareholders and investors, there are those who place more emphasis on the return of profit over growth investment, and we are working to boost

dividends to meet these types of expectations. A company cannot survive without growth, however, so investment is necessary to capitalize on opportunities for growth.



**Takimoto:** I would agree with that. Companies that do not grow are destined to be forced out of the market.

**Yamada:** The Abadi LNG Project, the Group's second business pillar, is a source of significant future earnings. We will further invest the earnings generated from this project in our 5 net zero businesses with an eye toward realizing a net zero carbon society, a trend that will lead to the Group's sustainable development. And there is no doubt that LNG, which features low environmental impact, will bring value to energy transitions in the medium to long term. We will do our best to accurately convey this perception to the stock market, and we hope to gain confidence on the part of the market in the Abadi LNG Project.



## Dialogue: Senior Vice President, Finance & Accounting and Senior Vice President, Corporate Strategy & Planning

### Expected cash flow level going forward

**Yamada:** As I noted earlier, we have prioritized cash allocation in [the current medium-term business plan](#) as follows: first, we will reduce interest-bearing debt, then return profits to shareholders and finally invest in growth. Since we have made more progress than expected and the net D/E ratio has fallen to the lower limit, we will shift to prioritizing shareholder returns and growth investment in the next medium-term business plan, set to launch in fiscal 2025.

We will concretely formulate the contents of the next medium-term business plan going forward, but the main focus of the plan will be a growth strategy that takes a longer-term perspective and expands the scale of business while contributing to decarbonization. Fortunately, we are in good financial stead, as our equity capital currently sits at over 4 trillion Japanese yen, and our stance should be to make appropriate decisions with regard to taking risk and be willing to make significant growth investments.



**Takimoto:** Looking back over the past decade, the Group's net sales have essentially doubled and cash flow from operations before exploration investments has increased fourfold. The most significant factor was the launch of Ichthys LNG Project operations. Over the next 10 years, we aim to augment our corporate value to match that of the previous decade through the operation of the Abadi LNG Project. Indicators that capture this type of scale expansion include capital efficiency indicators such as ROE and ROIC and cash flow levels. We previously positioned production volume as a KPI, but it reflects neither profitability nor capital efficiency. Our stance will be to prioritize value over volume, and from the perspective of enhancing corporate value, we will focus on capital efficiency and cash flow over the 10 years to come.

**Yamada:** Our group's cash flow from operations before exploration investments on an IFRS basis at 1,068.7 billion Japanese yen in fiscal 2023, and we forecast it to be 844.0 billion Japanese yen in fiscal 2024. Over the medium to long term, we hope to maintain cash flow from operations before exploration investments of 800 billion to 1 trillion Japanese yen, while taking into account taxes to be incurred on the Ichthys LNG Project and increased decarbonization-related R&D expenditures.

### Decision-making process regarding investment in projects

**Takimoto:** Concerning investment projects in the past, in an effort to effectively utilize management resources, we have sold or liquidated some items that had low profit margins in spite of the manpower expended, or were

located in remote areas that made it challenging to improve management efficiency.

For new projects, in the case of oil and natural gas, country and disaster-related risk and the possibility that the expected production volume may not be met are taken into consideration. A projected internal rate of return (IRR) of 10% or higher is one investment decision criterion, and we have also applied this to the Abadi LNG Project. Contrast this with the case of solar power generation projects in renewable energy, and we see that the risks involved in reaching monetization are not significant, resulting in project investments being executed even with expectations for single-digit IRRs. For hydrogen and ammonia and CCS/CCUS, an IRR of 10% or higher is required because the value chain has yet to be firmly established at this moment.

**Yamada:** Hydrogen and ammonia, in particular, are high-cost forms of clean energy, so securing consumers will be the key to commercialization. There are also situations where the production technology is at a more complete stage than the infrastructure required for transport. These things will naturally change in the future, and we will make decisions based on changes in the external environment.

**Takimoto:** When considering the acquisition of a new project, our INPEX Value Assurance System (IVAS) Committee meets to check whether the investment is worthwhile, primarily from a technical perspective, and to verify the technical evaluation and due diligence conducted by the business unit side. When an existing project transitions into a new investment phase, the IVAS Committee conducts a technical evaluation and verification in a similar manner, and the Management Committee decides whether or not to go forward based on the recommendation of the IVAS Committee.

Meanwhile, Corporate Strategy & Planning confirms whether the internal rate of return (IRR) of the project



### Dialogue: Senior Vice President, Finance & Accounting and Senior Vice President, Corporate Strategy & Planning

satisfies the company's internal investment criteria or whether there is potential for synergy with other businesses—after the business division side has rendered their evaluation and judgment—before the project is put before the Management Committee.

**Yamada:** Once the IVAS Committee's technical verification and Corporate Strategy & Planning's confirmation of economic feasibility are complete, the final investment decision is made by the Executive Committee or, depending on investment scale, by the Board of Directors.

### Challenges related to investing in the 5 net zero businesses

**Yamada:** Our policy for our 5 net zero businesses is to implement growth investments of up to 1 trillion Japanese yen over the nine-year period from fiscal 2022 to fiscal 2030. During the three-year period from 2022 to 2024, we expect to invest approximately 176.4 billion Japanese yen.

**Takimoto:** Currently, our particularly significant investments are focused on M&A and acquiring interests in the renewable energy sector, but for projects with large acquisition prices and goodwill, we need to be prepared to wait for some time until we recoup our investment.



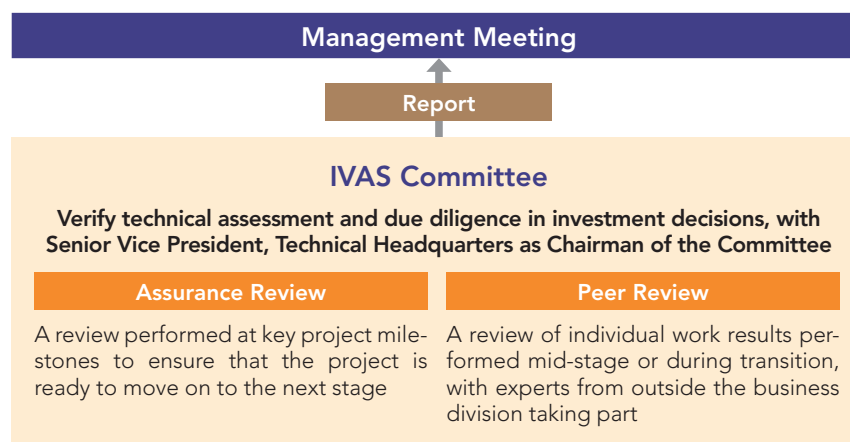
**Yamada:** The general view seems to be that oil and natural gas investments are high risk with high return and investment in renewable energy is medium risk with medium return. While upside returns from renewable energy are improbable, however, the oil and natural gas business is forecast to enter a rising oil price phase as it operates over the long term, leading to an expectation of a significant revenue increase.

**Takimoto:** From this standpoint, it makes sense for the Group to continue investing in oil and natural gas in parallel with growth investments in our 5 net zero businesses.

**Yamada:** Among those businesses, CCS and CCUS are highly significant areas to focus on because of the significant synergy with existing businesses and because they contribute to reducing CO<sub>2</sub> emissions from their own operations. Looking at impairment risk, renewable energy and hydrogen and ammonia are subject to this risk, depending on the project.

### INPEX Value Assurance System (IVAS) Committee

For projects such as oil and natural gas exploration, evaluation and development, overseas energy sales promotion, renewable energy, new business projects, electricity and heat supply and hydrogen and CCUS, the work content is assessed chiefly from a technical perspective. The results of the assessment are reported to the senior vice president or officer in charge of the business division promoting the project in question and, as necessary, to the Executive Committee.



Note: Economic feasibility is confirmed separately in advance by Corporate Strategy & Planning



## Dialogue: Senior Vice President, Finance & Accounting and Senior Vice President, Corporate Strategy & Planning

### Considering the future of shareholder returns

**Yamada:** In the current medium-term business plan, we established a policy based on stable dividends, with a target total payout ratio of 40% or greater and a minimum annual dividend of 30 yen per share. Based on this policy, we paid an annual dividend of 74 yen per share in fiscal 2023—12 yen higher than the preceding year—and executed the acquisition of treasury stock totaling 100 billion Japanese yen. This resulted in a total payout ratio of 52.5% on a Japanese GAAP basis.

For fiscal 2024, we plan to pay an annual dividend of 76 yen per share, an increase of 2 yen, based on our sufficient financial strength. Moreover, at the time of the first quarter financial results announcement, we decided to execute the acquisition of treasury stock totaling 50 billion Japanese yen.

**Takimoto:** Regarding our shareholder return policy, we have received many comments and requests from shareholders and investors, including introducing progressive dividends, formulating a standard based on cash flow and establishing a dividend on equity (DOE) ratio. We are currently mulling over our ideal return policy for the upcoming medium-term business plan.

My own view is that a listed company has the responsibility to pay dividends. Moreover, the company must work to boost profits while stressing capital efficiency, as it wants to maintain and augment its dividend payout.

**Yamada:** I also believe that the continuation of dividends is a given, and we would like to increase them if possible. As I noted earlier, the Group will transition to an active investment phase based on efficient investments, with the

Abadi LNG Project as the centerpiece. In doing so, we will aim to maintain the level of shareholder returns. We will always consider ways to return profits that will satisfy and please INPEX shareholders and investors.







## Financial Information by Segment

From the first quarter of the fiscal year ended December 2023, the Company has made changes to segment profit and reportable segments as outlined on the right.

Revenue, profit attributable to owners of parent, ROIC and ROE of each segment are as below.

Oil & Gas Japan	Minami-Nagaoka Gas Field, Naoetsu LNG Terminal	
Oil & Gas Overseas	Ichthys Project	Ichthys LNG Project in Australia and exploration of surrounding area
	Other Projects	Projects in Australia (excluding the Ichthys LNG Project), Southeast Asia, Europe, Abu Dhabi and other areas
Other	Five net zero businesses, transportation and sales business, civil engineering business, etc.	

	Consolidated	Oil & Gas Japan	Oil & Gas Overseas (Ichthys Project)	Oil & Gas Overseas (Other Projects)	Other
Revenue (billion JPY)	<p>2,324.6 (JGAAP) 2022/12 2,164.5 2023/12</p>	<p>220.7 (JGAAP) 2022/12 239.8 2023/12</p>	<p>391.8 (JGAAP) 2022/12 393.6 2023/12</p>	<p>1,721.8 (JGAAP) 2022/12 1,528.2 2023/12</p>	<p>25.1 (JGAAP) 2022/12 44.1 2023/12</p>
Profit attributable to owners of parent (billion JPY)	<p>461.0 (JGAAP) 2022/12 321.7 2023/12</p>	<p>35.7 (JGAAP) 2022/12 42.0 2023/12</p>	<p>292.8 (JGAAP) 2022/12 309.8 2023/12</p>	<p>118.3 (JGAAP) 2022/12 0.7 2023/12</p>	<p>-5.3 (JGAAP) 2022/12 -18.0 2023/12</p>
ROIC (%)	<p>9.4 (JGAAP) 2022/12 8.4 2023/12</p>	<p>17.8 2023/12</p>	<p>8.8 2023/12</p>	<p>8.1 2023/12</p>	<p>1.5 2023/12</p>
ROE (%)	<p>13.5 (JGAAP) 2022/12 8.0 2023/12</p>				

1. Revenue of Oil & Gas Overseas (Ichthys Project) does not include figures of Ichthys downstream IJV (Ichthys LNG Pty Ltd), a jointly controlled entity.
2. Return on invested capital (ROIC) is calculated by dividing the adjusted profit (net profit before deduction of interest payments, impairment loss etc. and non-controlling shareholder profit/loss) by the average of invested capital (the total of capital stock, interest-bearing liabilities as recorded in consolidated financial statements and project finance of the Ichthys downstream IJV) at the beginning and end of the year.
3. ROIC by segment for 2022 is not shown as disclosure started in 2023.



# Milestones and Business Policies by Business Field: Ichthys Project and O&G Business

## Milestones in the Medium-term Business Plan 2022–2024

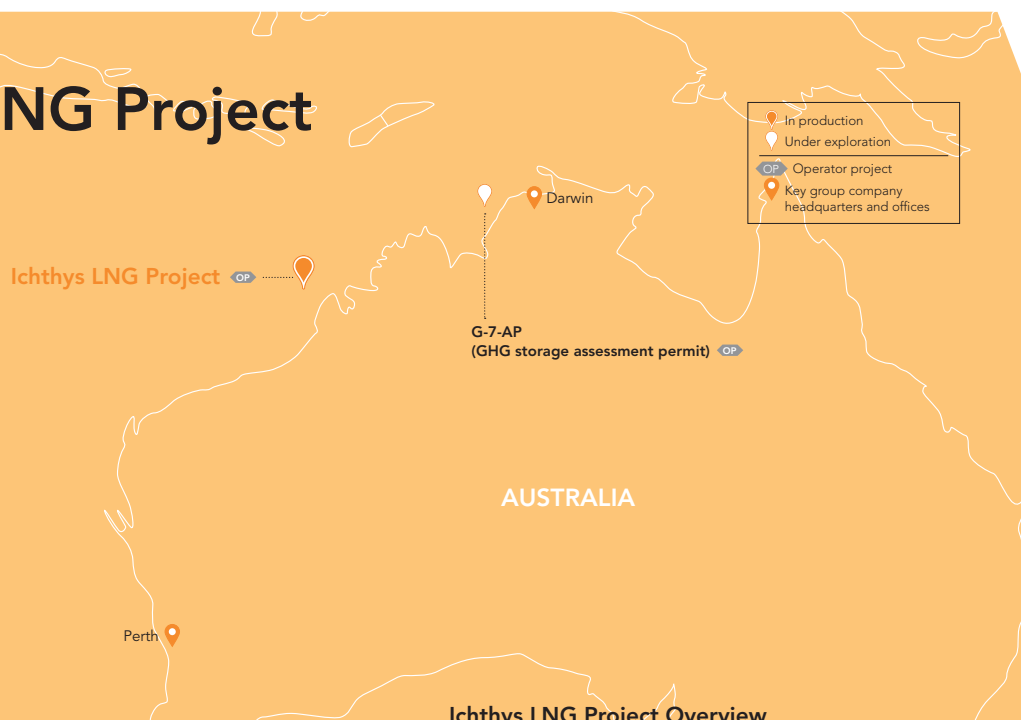
		2022	2023	2024
Ichthys		Continue safe operation and increase production capacity Confirmed an increase in capacity at facilities to produce 9.3 million tons per year; shipped 129 LNG cargoes in 2023		Aim for an annual production of 9.3 million tons
		Conduct exploration activities and acquisition of interests in surrounding areas to continue plateau production	<ul style="list-style-type: none"> <li>Completed exploratory well drilling in the WA-285-P Block, then started exploratory drilling operations in the WA-343-P Block</li> <li>Acquired a 74% interest in the AC/RL7 Block (Cash Maple), etc. through INPEX Cash Maple Pty Ltd</li> </ul>	<ul style="list-style-type: none"> <li>Continue study to develop the AC/RL7 Block (Cash Maple)</li> <li>Conduct 3D seismic data acquisition in AC/P66</li> </ul>
		Continue project evaluation for adding the third train to start operating in the 2030s		Acquire additional participating interest, etc. from Tokyo Gas Co., Ltd.
O&G	Abadi		PT Pertamina (Persero) and Petroliam Nasional Berhad (PETRONAS) joined as new partners The Indonesian government approved our revised development plan incorporating CCS	Make necessary preparations for a final investment decision (FID), including those for various surveys and front-end engineering design (FEED) work
	Abu Dhabi	[Offshore oil fields and onshore concession] Continue to work on enhancement of production capacity		
		[Block 4] Conduct evaluation activities and aim for early start of production	Conducted drilling operations for exploratory/appraisal wells	Conduct evaluation activities to determine the potential for transition to the development/production phase
	Norway	Secure stable revenues on the platform of newly acquired assets, promote development of discovered assets in surrounding areas and pursue exploration opportunities in the vicinity Acquired three blocks for new exploration	Acquired three blocks for new exploration	Acquire five blocks for new exploration
	Japan			Started to supply electricity to the Snorre Project from the Hywind Tampen floating wind farm
Enhance resilience of the supply system in Japan			Completed the first stage double tracking of the natural gas trunk pipeline "Ryomo Line"	To complete the fifth stage of construction of the Shin Tokyo Line
Continue steady and safe operation Aim to improve resistance to low oil prices by reducing cost and improving technological capabilities through optimization of plant operations and maintenance and by improving plant reliability through suitable management				
	Expand reserves and maintain production volume of existing oil and gas fields <ul style="list-style-type: none"> <li>Exploration offshore San'in region</li> <li>Increased production volume through fracturing work at Minami-Nagaoka Well No. BD-10</li> </ul>	Exploration of Green Tuff in Niigata onshore		
		Naoetsu LNG Terminal Marked its 10th anniversary of commercial operation in December 2023		





# Project Overview: O&G Business

## Ichthys LNG Project



CPF Ichthys Explorer

### Ichthys LNG Project Overview

<b>Contract area (block)</b>	WA-50-L/WA-51-L
<b>Project status</b>	In production
<b>Production capacity</b>	LNG: Approximately 8.9 million tons per year LPG: Approximately 16.5 million tons per year Condensate: Approximately 100 thousand barrels per day (at peak)
<b>Venture company (established)</b>	INPEX Ichthys Pty Ltd (April 5, 2011)

### Message from the Senior Vice President



#### Hitoshi Okawa

Director, Senior Managing Executive Officer, Senior Vice President, General Administration, Senior Vice President, Oceania Projects



The Ichthys Project shipped 129 LNG cargoes in fiscal 2023, a record high. Since beginning operations in 2018, backed by the consistent efforts of on-site employees and many others involved and their high level of attention to maintaining stable operations, we have reached a cumulative total of 1,000 cargo shipments for all products. In 2024, we will aim for annual production of 9.3 million tons of LNG to continue stably supplying energy. We will also continue with additional development and exploration of the surrounding areas to ensure the sustained growth of the Ichthys Project. Furthermore, we will keep on with decarbonization initiatives such as the introduction of CCS and afforestation, as part of our responsibility of addressing climate change to continue to operate in Australia.



## Project Overview: O&G Business

Project History	1998	Acquired an exploration permit in the block where the project is located
	2012	Final investment decision
	2018	Commenced production
	2023	Reached cumulative total of 1,000 cargo shipments for all products

## Current Project Status

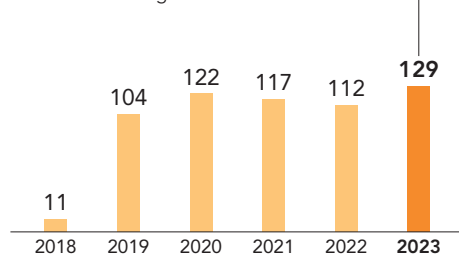
### Continuing Stable Production

The project commenced production in July 2018 and later began shipping condensate, liquified natural gas (LNG) and liquified petroleum gas (LPG). Stable production has continued since the launch of production in 2018, and the number of cargo shipments has increased steadily every year. There are no plans for any large-scale shutdown maintenance in 2024, and we expect to ship around 11 LNG cargoes per month. We have already ensured an increase in facility capacity for production of 9.3 million tons per year, and assuming that operations are stable, we aim to build a framework in 2024 for producing 9.3 million tons per year.

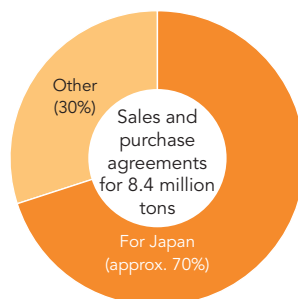
In this project, we have finalized sales and purchase agreements for 8.4 million tons per year, and approximately 70% of the LNG is destined for Japanese buyers. We produce LNG equivalent to over 10% of Japan's LNG import volume, and we will strive to provide a stable supply of energy maintaining a high level of safety awareness in operations.

### Number of LNG cargos

Target 11 cargos per month  
Achieved 550 cargoes



### LNG long-term sales agreements



## Future Strategy

### Aiming to Both Expand in Scale and Supply Clean Energy

INPEX holds interests in 16 exploration blocks in the vicinity of this project and has discovered gas in several of these blocks. We will accelerate participation in exploration activities in this area as well as the development of discovered assets to further ensure a sustained production volume in the long term, and then aim to further expand production volume visualizing the expansion of Ichthys in the future. We will also reduce CO<sub>2</sub> emissions through the introduction of CCS by the late 2020s to help decarbonize the project.

#### Exploration activities in the vicinity

INPEX finished exploratory drilling in Block WA-285-P in 2023 and is conducting exploratory drilling in Block WA-343-P from 2023 to 2024. A 3D seismic data acquisition in Block AC/P66 is also planned for the first half of 2024. Our aim is to discover promising petroleum and gas structures through these exploration activities.

#### Participation in and development of discovered assets in the vicinity

In the blocks that we hold in the vicinity of Ichthys, multiple gas structures have been discovered including Crown, Lasseter and Burnside. We also acquired a 74% interest in Block AC/RL7 (Cash Maple) in 2023. Natural gas condensate fields have already been discovered at this block, raising expectations that this will contribute to the long-term stable output of the Ichthys LNG Project going forward.

#### Train expansion

In preparation for start-up around 2030, we are considering adding a train at the LNG plant after confirming that reserves have been secured and other requirements met.

#### CCS introduction

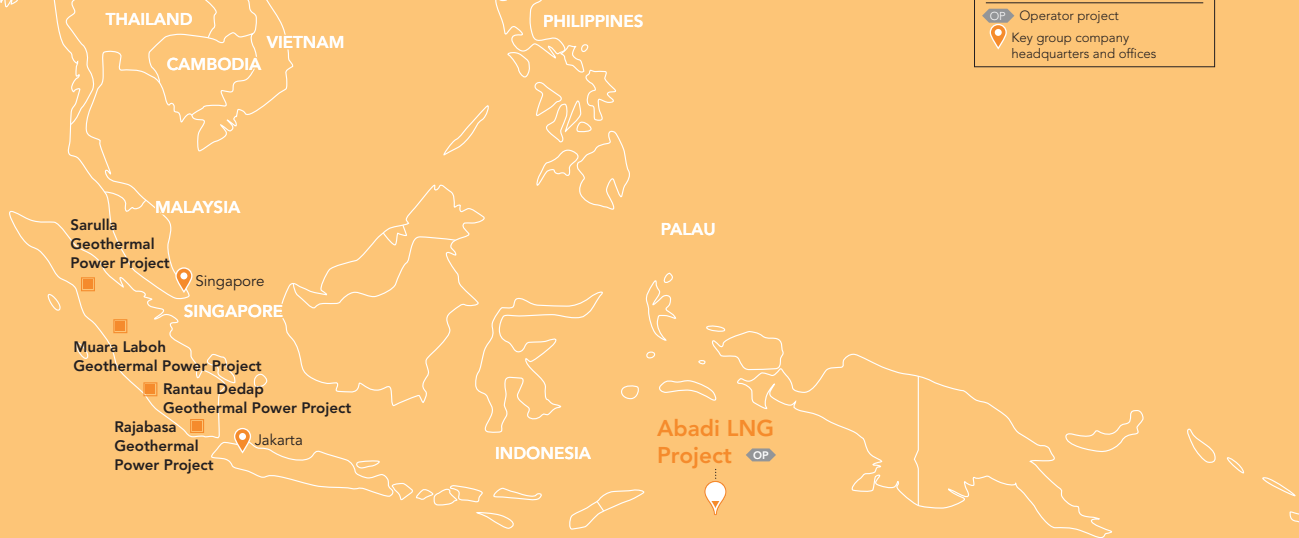
In 2022, INPEX acquired a 53% interest in the G-7-AP (Bonaparte) GHG assessment block off the northwestern coast of the Northern Territory of Australia. We aim to inject CO<sub>2</sub> from the Ichthys LNG Project here starting in the late 2020s, and appraisal work is currently underway. We are also consulting with involved parties and making other efforts to contribute to the realization of such initiatives as the NT Low Emission CCUS Hub\* led by Australia's Northern Territory Government.

\* Commonwealth Scientific and Industrial Research Organisation (CSIRO) is leading the Development of the Low-emissions CCUS Hub business case, in collaboration with the Northern Territory Government, INPEX and other industry participants.



### Project Overview: O&G Business

# Abadi LNG Project



Abadi drilling ship

#### Abadi LNG Project Overview

<b>Contract area (block)</b>	Masela
<b>Project status</b>	Preparation for development
<b>Venture company (established)</b>	INPEX Masela, Ltd. (December 2, 1998)

### Message from the Senior Vice President



#### Akihiro Watanabe

Senior Vice President, Asia Projects



The Abadi Gas Field in the Masela Block located in the Arafura Sea southeast of Indonesia is a huge gas field that can provide a stable supply of natural gas and support our business development over the long term. Since 2020, the Abadi LNG Project has needed to respond to challenges such as improving the project's sustainability with an eye toward energy transition. And in 2023, solutions came into view for the main challenges through developments including the participation of new partners and the approval of the revised development plan incorporating CCS, paving the way to mobilizing the project. In 2024, we intend to steadily implement the revised development plan with the new partners in collaboration with the Indonesian government.



## Project Overview: O&G Business

Project History	1998	Acquired 100% interest in Masela Block
	2000	Discovered Abadi Gas Field
	2019	Received approval from the Indonesian government for the development plan to produce 9.5 million tons of LNG per year
	2023	Pertamina and PETRONAS joined the project as new partners Received approval from the Indonesian government for the revised development plan incorporating CCS

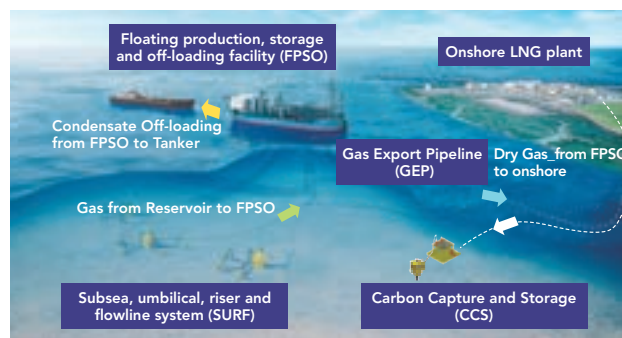
## Current Project Status

### Approval of Revised Development Plan and Participation of New Partners

This is one of the largest projects in Asia, and INPEX is participating as the operator. Once launched, this project will enable the stable supply of energy over the long term in the Asian region. Specifically, by liquefying natural gas from the Abadi Gas Field at an onshore LNG facility, the project is expected to produce approximately 9.5 million tons of LNG per year, up to 35,000 barrels of condensate per day and approximately 150 million cubic feet of natural gas per day.

The above-mentioned development plan was approved by the Indonesian government in 2019, but aspiring to make the project cleaner from the perspectives of ensuring long-term competitiveness and improving sustainability, we decided to introduce CCS and submitted a revised development plan to the Indonesian government in April 2023, which was approved in December 2023. Additionally, Indonesia's Pertamina and Malaysia's PETRONAS joined the project as new partners in October 2023. Both partners are companies with extensive experience in oil and gas development in Indonesia and LNG projects globally.

### Development Concept



## Future Strategy

### Responding to Natural Gas Demand in Asia

While closely collaborating and cooperating with our new partners, PETRONAS and Pertamina, we intend to gradually resume project activities including various on-site work, as well as move forward with front-end engineering design (FEED) work. In conjunction with FEED, we will work on marketing, finance and other necessary preparations.

### Achievement of both cleaner energy and cost competitiveness

Realizing a net zero carbon society is an urgent challenge. In this project, we plan to neutralize the CO<sub>2</sub> emitted from natural gas production at the Abadi Gas Field through the introduction of CCS. This project is the first in which CCS costs are eligible for recovery based on the production sharing contract framework governing upstream oil and natural gas projects in Indonesia.

Note: Cost recovery in production sharing contracts:

Production sharing contracts are agreements by which an oil and natural gas development company serves as a contractor that undertakes at their own expense exploration and development work on behalf of the governments of oil-producing countries and receive hydrocarbons produced from the projects as cost recovery and compensation. That is to say, when exploration and development work results in the production of oil or natural gas, the contractor recovers the exploration and development costs it incurred by means of a share in the crude oil or natural gas produced. The remaining portion is shared between the oil-producing country and the contractor according to a fixed allocation ratios.

These production sharing contracts are used in the development and production of oil and natural gas in Indonesia, but government approval is required when determining the extent of allowable cost recovery, and a greater extent of cost recovery leads to improved cash flow and project economics for the contractor.

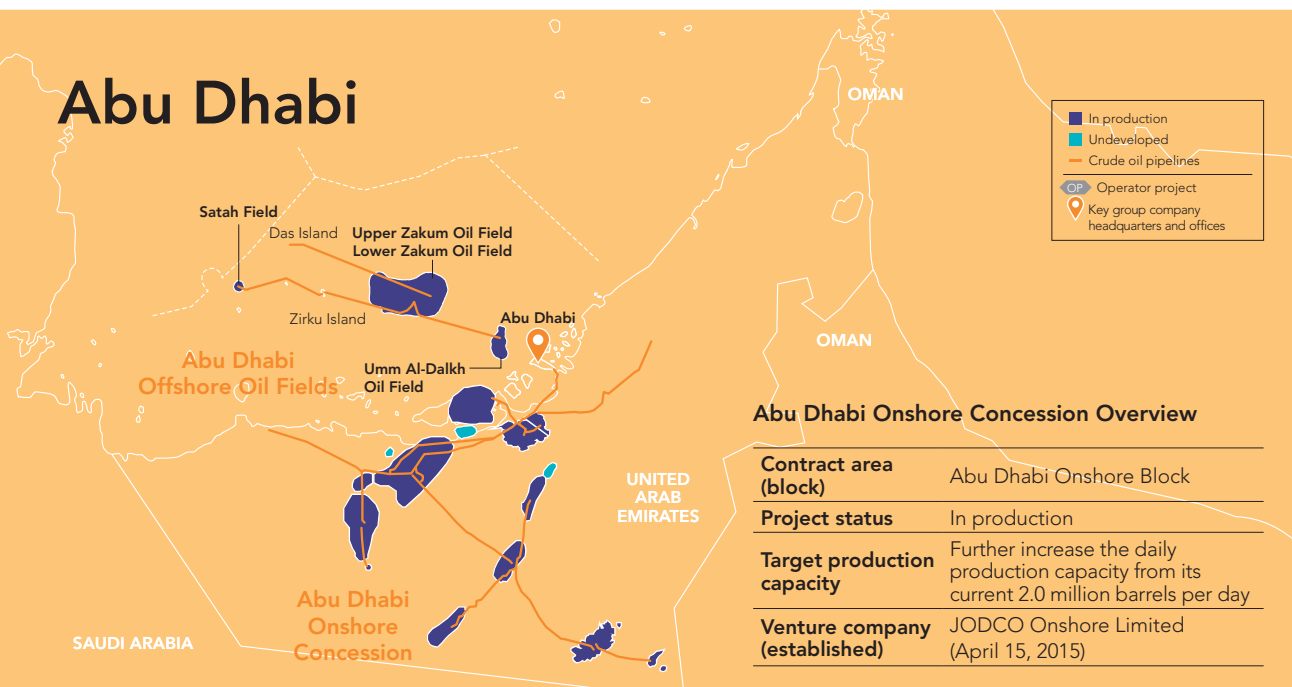
### Improvement of energy security in Asian countries

Demand for natural gas as one of the main sources of energy in the energy transition period is expected to remain robust in Asian countries. Taking advantage of the superb location of this large-scale LNG project, which is one of the few in the Asia Pacific region, we plan to widely market its LNG to buyers in Indonesia, where demand is expected to grow, as well as to traditional LNG buyers in East Asia and emerging buyers in Southeast Asia, South Asia and elsewhere.



### Project Overview: O&G Business

# Abu Dhabi



Abu Dhabi Offshore Oil Fields

### Abu Dhabi Offshore Oil Fields Overview

<b>Contract area (block)</b>	(1) Lower Zakum Oil Field (2) Upper Zakum Oil Field (3) Satah Field/Umm Al-Dalkh Oil Field
<b>Project status</b>	In production
<b>Target production capacity</b>	(1) Approximately 450 thousand barrels per day (2) Approximately 1 million barrels per day (3) Approximately 25 thousand barrels per day / Approximately 20 thousand barrels per day
<b>Venture company (established)</b>	(1) JODCO Lower Zakum Limited (January 25, 2018) (2) (3) Japan Oil Development Co., Ltd. (JODCO) (February 22, 1973)

## Message from the Senior Vice President



### Hiroshi Fujii

Senior Executive Vice President, Senior Vice President, Abu Dhabi Projects



At the Abu Dhabi Projects, in line with the aim of the Abu Dhabi National Oil Company (ADNOC) to reach 5.0 million barrels per day of crude oil production capacity by the end of 2027, INPEX is cooperating in the consideration and advancement of specific additional development plans in oil fields where it holds interests and is working toward smooth project execution. In addition, by cooperating with ADNOC's net zero by 2045 ambition and its target of reducing GHG intensity by 25% by 2030, we will further reducing carbon emissions and contribute to the stable supply of crude oil. In commemoration of the 50th anniversary of our Abu Dhabi Projects in February 2023, we held a Board of Director's meeting in Abu Dhabi, the United Arab Emirates (UAE), in January 2023. We are working to develop and produce clean energy and to strengthen social contribution activities as outlined in [the UAE Commitment Statement](#) resolved at the meeting, and we will strive to maintain and develop relations between the UAE and Japan.





## Project Overview: O&G Business

Project History	<b>1973</b>	Began participating in development and production of oil fields offshore the UAE
	<b>2014</b>	Extended the concession agreement for the Upper Zakum Oil Field (extended again to 2051 in 2017 with a commitment to raise capacity to 1.0 million BD)
	<b>2015</b>	Acquired a 5% interest in the Abu Dhabi Onshore Concession (ADCO) (to 2054)
	<b>2018</b>	Acquired an interest in the Lower Zakum Oil Field (to 2058) and extended the concession agreement for the Satah and Umm Al-Dalkh Oil Fields (to 2043)
	<b>2019</b>	Exclusively awarded Onshore Block 4 as the operator in a block bid round

## Current Project Status

### Abu Dhabi Onshore Concession

INPEX acquired a 5% interest in this concession in April 2015. The concession contains one of the world’s largest deposits of oil. Stable production of crude oil is currently underway from 11 deposits, and plans are being considered to further increase the daily production capacity from its current 2.0 million barrels per day.



Abu Dhabi Onshore Concession (oil processing facility)

### Abu Dhabi Offshore Oil Fields

INPEX has been engaged in the development and production of oil fields offshore Abu Dhabi in the UAE since 1973. INPEX is now participating in the development and production of four offshore oil fields, namely the Upper Zakum Oil Field, which is one of the largest in the world, as well as the Lower Zakum, Satah and Umm Al-Dalkh Oil Fields. INPEX was appointed as the asset leader of the Lower Zakum Oil Field concession by ADNOC. As asset leader, INPEX plays a leading role in advancing development and is working closely with ADNOC and its partners to lift the oil field’s production capacity to 450 thousand barrels per day.



Zirku Island

## Future Strategy

### Increasing the Production Capacity of Existing Oil Fields

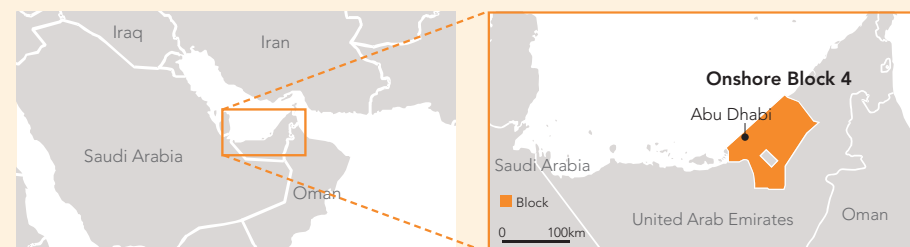
The UAE is a crude oil-producing country with a low rate of greenhouse gas (GHG) emissions per unit of energy produced, and ADNOC has announced that it will raise production capacity to increase flexibility in responding to expanded global energy demand. INPEX will cooperate with ADNOC by striving to increase the production capacity of oil fields where it holds interests.

### Onshore Block 4

INPEX participated in the first-ever block bid round conducted by ADNOC in Abu Dhabi in the UAE in 2018 and was exclusively awarded Onshore Block 4 as the operator. After drilling exploratory wells from May 2021, we have discovered multiple oil and gas reservoirs. Currently appraisal work is underway aiming for early-stage development and production commencement.

### Energy transition

The UAE is increasing the production of oil and natural gas to fulfill its responsibility as an energy supplier, while at the same time advancing the expansion of clean energy including hydrogen, ammonia and renewable energy toward the realization of a net zero society. INPEX also will promote low-carbon operations in existing projects based on ADNOC’s net zero by 2045 ambition and its target of reducing GHG intensity by 25% by 2030, and is considering collaboration on clean energy projects with ADNOC and Abu Dhabi Future Energy Company PJSC (Masdar), a renewable energy company.



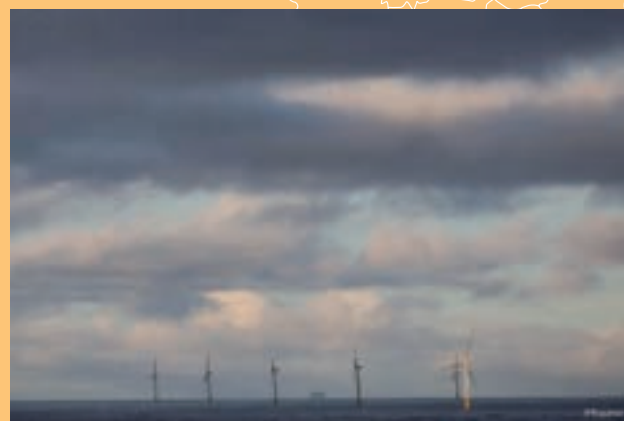
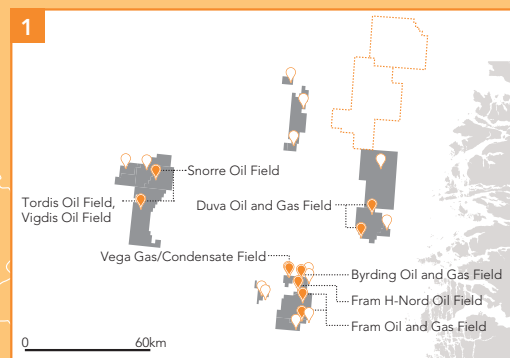
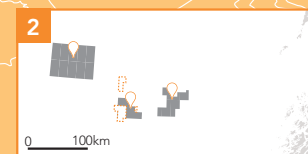


### Project Overview: O&G Business

# Norway Projects



- 📍 In production
- 📍 Under exploration
- Renewable energy project
- INPEX Idemitsu Norge AS
- Newly awarded license (exploration)
- 📍 Key group company headquarters and offices



Hywind Tampen Floating Wind Farm Project

### Norway Projects Overview

<b>Contract area (block)</b>	Snorre Oil Field and other projects
<b>Project status</b>	In production (Snorre Oil Field, etc.), under consideration for exploration/development
<b>Venture company (established)</b>	INPEX Idemitsu Norge AS (September 25, 1989)

## Message from the Senior Vice President



### Munehiro Hosono

Executive Officer, Senior Vice President, Europe & Middle East Projects



In our Norway Projects, INPEX promotes exploration, development and production in 34 blocks on the Norwegian continental shelf through its Norwegian subsidiary INPEX Idemitsu Norge AS, and has achieved stable operations. We intend to continue pursuing low-carbon operations in existing oil and gas projects, while striving to acquire new exploration blocks through bidding and build resiliency through asset purchases and M&A, and also contribute to a stable energy supply. Norway is a global leader in renewable energy development including offshore wind farms and in carbon-reduction and decarbonization initiatives including CCS projects, in which CO<sub>2</sub> is separated and stored underground. In addition to the Hywind Tampen floating wind farm in which we currently participate, we will continue to promote decarbonization, clean energy and other initiatives by pursuing opportunities to participate in decarbonization and other projects.



## Project Overview: O&G Business

Project History	2021	Joined the Snorre Project
	2022	Acquired 50.5% of shares in Idemitsu Snorre Oil Development (new corporate name: INPEX Norway)
	2023	Commenced power supply from the floating wind farm to the Snorre production facilities

## Current Project Status

### Central Hub for Business in Europe

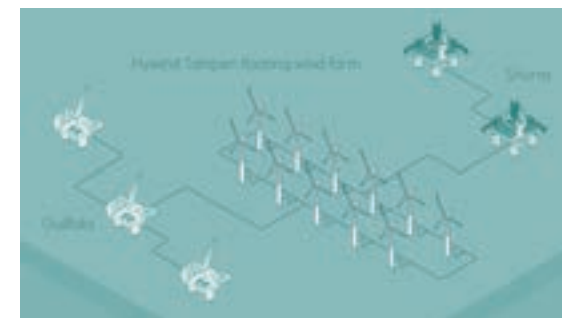
INPEX operates multiple projects through INPEX Idemitsu Norge AS (IIN), a wholly owned local subsidiary of INPEX Norway. IIN owns interests in many oil and natural gas production and exploration blocks in the northern North Sea, northern Norwegian Sea and Barents Sea. The largest producer among these is the Snorre Oil Field, which commenced production in 1992. Production is underway at eight other oil fields including the Fram Oil Field, Vega Gas/Condensate Field and Duva Oil and Gas Field. A large portion of the crude oil and natural gas produced is sold to the European market, making INPEX an integral part of the energy supply in Europe.

### The World’s First Floating Wind Farm Starts Power Supply to Oil and Gas Installations in Production

In May 2023, INPEX started supplying power to the Snorre Project from the Hywind Tampen floating wind farm built nearby. To reduce CO<sub>2</sub> emissions associated with production operations, the floating wind farm was built in collaboration with the Gullfaks oil field project located nearby, and it supplies approximately 35% of the electricity required for the production operations of both projects. This is the world’s first floating wind farm to power oil and gas installations in production.

The Hywind Tampen floating wind farm is one of the largest of its kind in the world and consists of 11 wind turbines with a combined power generation capacity of 88 megawatts. It began supplying electricity to the Gullfaks oil field project in November 2022. The supply of offshore wind power to the Gullfaks and Snorre projects is expected to reduce approximately 200,000 tons of CO<sub>2</sub> emissions per year by replacing a portion

of the electricity needed for production at the projects, which had previously been powered solely by offshore gas turbines.



Hywind Tampen floating wind farm project concept

## Future Strategy

### Aiming to Develop Multiple Discovered and Undeveloped Oil and Gas Fields

INPEX participated in Norway’s Awards in Predefined Areas (APA) 2023 licensing round through IIN and was awarded five production licenses in blocks located in the northern North Sea, southern Norwegian Sea and northern Norwegian Sea. IIN is involved in stable production operations at the existing Fram and Snorre Oil Fields while actively promoting exploration activities. The awarded licenses are expected to contribute to the further expansion of INPEX’s business portfolio. INPEX will continue to consider development of multiple discovered yet undeveloped oil and gas fields and aim for the stable supply of energy in this region.

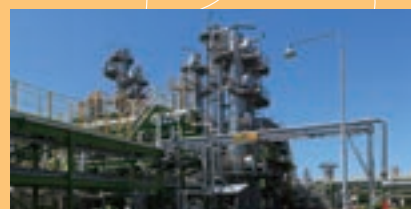
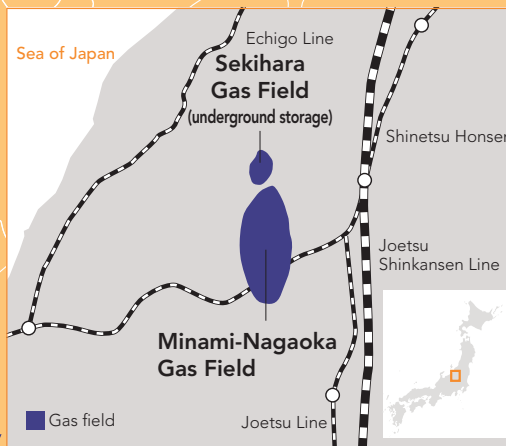
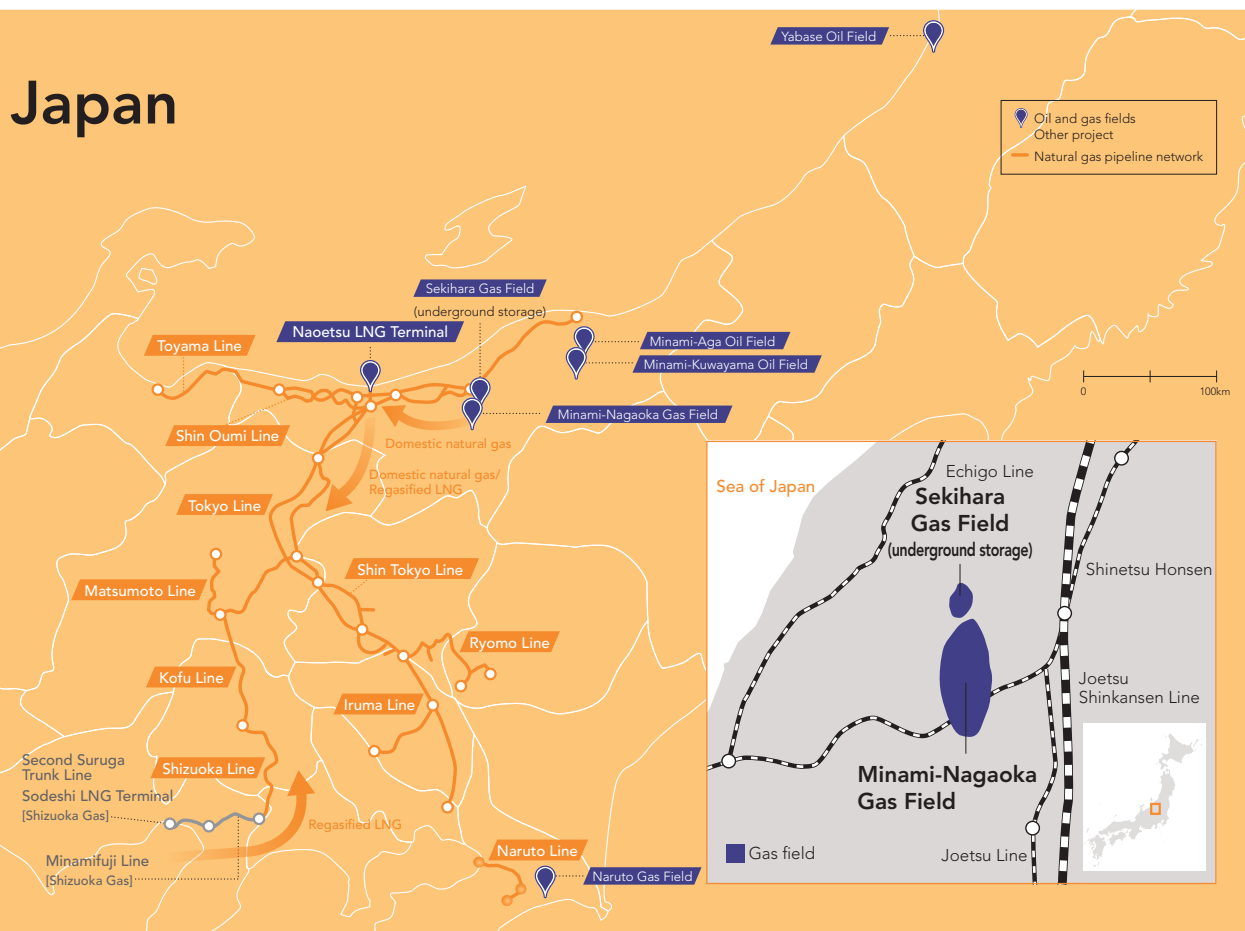
### INPEX’s Endeavors in Leading CCS Countries

Norway counts oil and gas development as a key business, but it is also a developed country in terms of initiatives in renewable energy development including offshore wind farms and low carbonization and decarbonization initiatives including CCS projects which separate CO<sub>2</sub> and inject and store it underground. Going forward, INPEX also will pursue opportunities to participate in decarbonization projects in this region and promote cleaner business.



### Project Overview: O&G Business

# Japan



Koshijihara Plant



Naoetsu LNG Terminal

### Message from the Senior Vice President



#### Hiromi Sugiyama

Managing Executive Officer, Senior Vice President, Domestic Exploration & Production



INPEX has conducted domestic natural gas and crude oil exploration and development since the 1950s and has supplied our products to local customers. The Minami-Nagaoka Gas Field (Nagaoka City, Niigata Prefecture) is one of the largest gas fields in Japan, and the gas produced there, together with gas from the Naoetsu LNG Terminal, which receives and regasifies LNG shipped from the Ichthys Project, is used by customers through a pipeline network approximately 1,500 kilometers long. The development of oil and gas fields in Japan is characterized by low country risk, and INPEX will continue working to maintain and expand reserves and production volume. Meanwhile, we are also boosting our initiatives related to our 5 net zero businesses. We are proceeding to build a methanation facility that uses CO<sub>2</sub> emitted along with gas from the Minami-Nagaoka Gas Field and a blue hydrogen and ammonia demonstration plant that uses domestic gas, while constructing a framework for operating these plants.





## Project Overview: O&G Business

Project History	1950s	Commenced natural gas exploration, development and production activities in Japan
	1984	Commenced production at the Minami-Nagaoka Gas Field
	2013	Started operation of the Naoetsu LNG Terminal
	2018	Arrival of first carrier ship from Ichthys to the Naoetsu LNG Terminal
	2023	100th ocean-going vessel, counting both LNG and LPG ships, arrived at Naoetsu LNG Terminal

## Current Project Status

### Domestic Natural Gas Business

#### ■ Minami-Nagaoka Gas Field, Koshijihara/Oyazawa Plants

INPEX discovered the Minami-Nagaoka Gas Field in 1979. Offering great potential as a domestic energy source, the Koshijihara Plant commenced gas production operations in 1984 (current processing capacity: 4.2 million normal cubic meters per day). The Oyazawa Plant has been operating since 1994 (current processing capacity 1.66 million normal cubic meters per day). In December 2023, a pipeline was connected from the Oyazawa Plant to the Koshijihara Plant to allow processing of oil and gas from the Oyazawa Plant at the Koshijihara Plant.

#### ■ Naoetsu LNG Terminal

The Naoetsu LNG Terminal (two 180,000-kiloliter LNG tanks) commenced operations in December 2013 at the Naoetsu Port, which is located in Niigata Prefecture's Joetsu City and is a strategic place in INPEX's natural gas pipeline network. The terminal regasifies LNG received from overseas, combines it with domestic natural gas produced in the Minami-Nagaoka Gas Field and adjusts the calorific value before delivering it to customers. Its maximum gas production capacity is 7.5 million normal cubic meters per day (8.25 million cubic meters per day from April 1, 2024, due to capacity revision of existing vaporizers), and the terminal began receiving LNG from the Ichthys LNG Project in October 2018. Having celebrated the terminal's 10th anniversary in December 2023, INPEX will strive to continue stable operations there.

#### ■ Natural gas pipeline

INPEX has maintained a pipeline network for the transport of natural gas since the 1960s. To provide a stable supply of gas daily, INPEX works to operate, maintain and manage the pipeline, including monitoring 24 hours a day and establishing emergency countermeasures. The natural gas from the Naoetsu LNG Terminal is supplied to city gas companies and industrial customers through a natural gas trunk pipeline network stretching across the Kanto, Koshinetsu and Hokuriku regions. This natural gas trunk pipeline is approximately 1,500 kilometers long, which is equivalent to the length of Honshu, Japan's largest island.

## Future Strategy

### Serving as a Key Player in Ensuring Stable Supply and Resilience

As a leading Japanese energy development company, INPEX believes it is our mission to secure domestic oil and natural gas. To supplement and expand reserves going forward, we will perform an integrated appraisal of sea and land in core areas including Niigata, as well as narrow down focus areas based on residual potential. As part of our global exploration strategy, we will also actively pursue an exploration strategy in Japan, one of our core areas. Of course, it is important to maintain a stable supply system in existing oil and natural gas fields, but we are also striving to improve our resistance to low oil prices through enhanced operational efficiency. We will reduce costs and improve technological capabilities by centralizing plants and conducting in-house maintenance, and also improve plant reliability through suitable management.

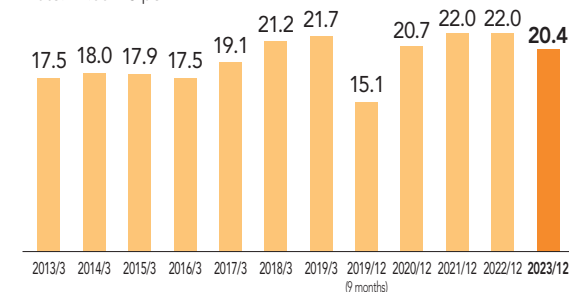
### Responding to Diversified Customer Needs

In the Japanese market, customers now have diverse needs, including those for solutions to deal with soaring energy prices, initiatives conducive to a net zero carbon society and measures to strengthen their resilience. INPEX addresses such needs by making proposals for the introduction of carbon neutral gas, e-methane (synthetic methane) and renewable diesel (fuel derived from renewable resources), in addition to conversion from other fuels to gas. Efforts are also made to help city gas providers serving as gas wholesalers by supporting their initiatives to respond to local expectations and needs through our INPEX 4U Challenge Lab and partnerships with local governments. At the Naruto Gas Field in Chiba Prefecture, natural gas is being produced from water-soluble gas fields, and after extraction of the natural gas from underground water (brine water), the brine water is used to produce iodine, which is exported to Europe, the United States and elsewhere. The uses of iodine are expected to expand and diversify in the future, for example, as a raw material for perovskite solar cells, which are attracting attention as next-generation solar cells.

Natural Gas Sales Volume in Japan

(100 million Nm<sup>3</sup> per year)

Note: 41.86 MJ per 1 m<sup>3</sup>







# Milestones and Business Policies by Business Field: 5 Net Zero Businesses

## Milestones in the Medium-term Business Plan 2022–2024

		2022	2023	2024	
5 Net Zero Businesses	Hydrogen and ammonia		Japan: Commenced construction of integrated demonstration and testing facility for blue hydrogen and ammonia project; completion targeted for 2025		
		Overseas: Promoted business expansion through feasibility studies and collaboration, aiming for development of large-scale business	[United States] • Commenced pre-FEED for a large-scale low-carbon ammonia project on the Houston Ship Channel in Texas, progressing toward completion by the end of 2024 • Concluded a joint initial study for a green hydrogen project in South Texas; now considering transition to pre-FEED		
		[Abu Dhabi] Concluded a joint study agreement for the verification of GHG emissions at an ammonia production project implemented by ADNOC			
		[Australia] Concluded a memorandum of understanding to conduct a joint feasibility study for a hydrogen hub project in New South Wales, South Australia and the Northern Territory, and a commercial viability assessment is underway			
	CCUS			CO <sub>2</sub> EOR demonstration (Agano City, Niigata Prefecture): Finished drilling and CO <sub>2</sub> injection test in 2023; consider shifting to the next phase	
		Ichthys LNG Project CCS (Australia): New 3D seismic survey and drilling work is planned in 2024 in the Bonaparte Basin off the coast of the Northern Territory of Australia Aim to inject 2.0 million tons or more CO <sub>2</sub> per year as the first step in the second half of the 2020s			
			Japan: Two projects selected for survey commissioned by JOGMEC; aim to commence CO <sub>2</sub> injection in 2030		
		CO <sub>2</sub> EOR business (Abu Dhabi): Aim to increase CCUS capacity of Abu Dhabi onshore block with ADNOC from the current 800 thousand tons per year			
	Renewable energy			Building a renewable energy-based power supply value chain: Acquired 50% of the shares of Enel Green Power Australia (EGPA).	Steady operation and development activities in existing assets. Planning to make FID on Quorn Park solar & battery project and other projects.
		European offshore wind farms	Acquired a 50% stake in the Luchterduinen offshore wind farm and a 15% stake in the Borssele III/IV offshore wind farm	Acquired a 16.7% stake in the Moray East offshore wind farm	Identify new projects
Geothermal projects		Joined the Rantau Dedap Geothermal Power Project	Started participation in the Rajabasa Geothermal Power Project	Aim to reach FID for the Phase 2 expansion of the Muara Laboh Geothermal Power Project	
Domestic geothermal projects		Decided to shift to power plant construction stage at Katatsumuri Yama Power Plant		Begin land development in preparation for geothermal drilling survey in Senpo, Hokkaido	
Methanation			Nagaoka City, Niigata Prefecture: Commenced construction of the world's largest methanation demonstration facility, aiming for commissioning in 2025		
			Abu Dhabi: Complete commercialization studies of e-methane business in Abu Dhabi, and decide whether to shift to pre-FEED		
Forest conservation		Started collaborating with ANZ Bank and Qantas Airways on carbon farming and biomass fuel business in Australia			
		Consider participation in projects in addition to acquiring credits from leading forest conservation projects			



## Milestones and Business Policies by Business Field: 5 Net Zero Businesses

### Message from the Senior Vice President of the Renewable Energy Division

INPEX is working to accelerate various renewable energy projects, including the operation of existing offshore wind farms and geothermal power projects in Europe and Indonesia, as well as the appraisal of geothermal resources in Shibetsu District, Hokkaido Prefecture, the construction of a geothermal power plant in Yuzawa City, Akita Prefecture and a floating wind farm project offshore Goto, Nagasaki Prefecture, and a strategic partnership with Enel Green Power S.p. A. We achieved renewable power generating capacity of 500 MW as targeted in INPEX Vision @2022, but we will continue to pursue the development and stable operation of domestic and overseas projects, further expand M&A projects, and work to realize a net zero carbon society by 2050.



**Kenji Kawano**  
Representative Director, Senior Executive Vice President, Senior Vice President, Renewable Energy

#### Responsibilities

Renewable energy P.049

### Message from the Senior Vice President of the Hydrogen & CCUS Development Division

This Division is responsible for the areas of hydrogen, CCUS and methanation, in which great progress was achieved during 2023 including commencing construction of a demonstration and test facility and conducting commissioned surveys. These areas have not yet been established as businesses, and there are various challenges such as how to put together and commercialize projects. Other issues include technological innovation, value chain building, social acceptance, the strengthening of public-private partnerships, legislation and support systems. Considering this rapidly changing business environment as a business opportunity, as a pioneer in energy transformation, we will continue to work toward achieving the targets in INPEX VISION @2022 and to promote initiatives toward realization of a net zero carbon society by 2050.



**Shoichi Kaganoi**  
Executive Officer, Senior Vice President, Hydrogen & CCUS Development

#### Responsibilities

Hydrogen and ammonia P.047

CCS/CCUS P.048

Methanation P.048

#### Main projects in 5 net zero businesses

##### UK and the Netherlands

- Luchterduinen offshore wind farm
- Borssele III/IV offshore wind farm
- Moray East offshore wind farm

##### Indonesia

- Geothermal power generation (Muara Laboh, Rantau Dedap, Sarulla, Rajabasa)

##### Australia

- Bonaparte CCS assessment joint venture
- Renewable energy joint venture with EGPA
- Carbon farming

##### Japan

- Methanation in Niigata Prefecture
- Blue hydrogen/ammonia in Niigata Prefecture
- Tokyo metropolitan area CCS project and the Tohoku region west coast CCS project
- Geothermal power plant in Akita Prefecture
- Floating offshore wind farm in Nagasaki Prefecture

##### United States

- Blue ammonia business
- Green Hydrogen Project

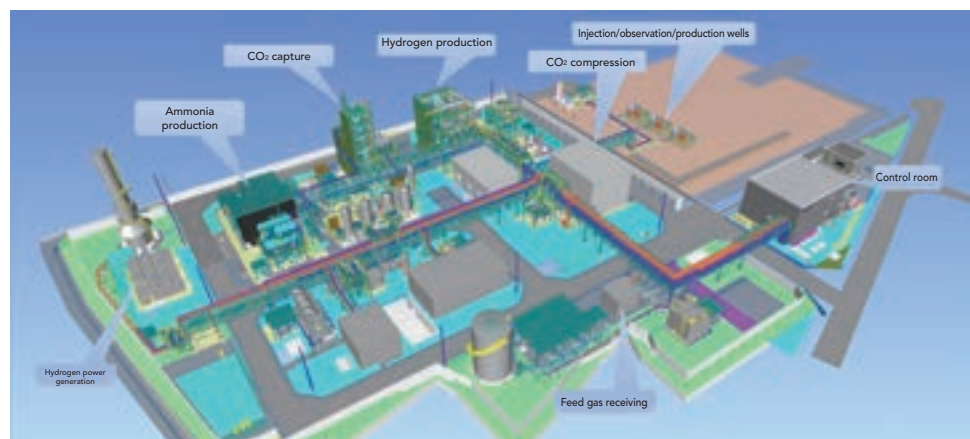


## Project Overview: 5 Net Zero Businesses

# Hydrogen and Ammonia

## Japan's First Integrated Demonstration of Hydrogen and Ammonia Production and Usage: Surface Plant

<b>Schedule</b>	<b>2025</b>	Complete construction and commence commissioning
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INPEX's integrated demonstration of blue hydrogen and ammonia production and usage is the first project in Japan to build an integrated hydrogen and ammonia value chain from production to usage. Hydrogen and ammonia are forms of clean energy that do not generate CO<sub>2</sub> when used. INPEX commenced construction of surface plant facilities in 2023.

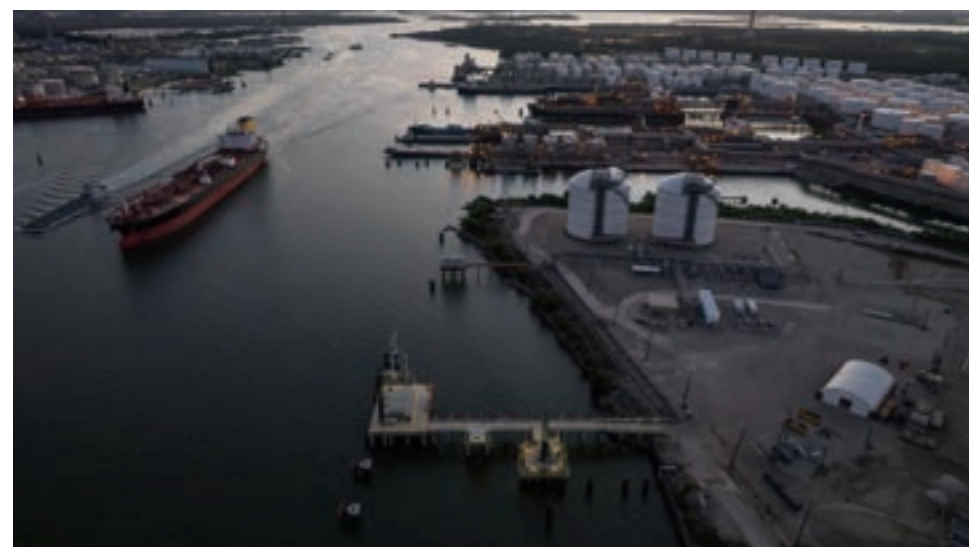
Natural gas produced at the Minami-Nagaoka Gas Field that INPEX operates in Niigata Prefecture will be used as raw material. The CO<sub>2</sub> generated during the production process will be separated, pressurized and injected in a subsurface gas reservoir in the Hirai area of the Higashi-Kashiwazaki Gas Field, where gas production has already been terminated, as a carbon dioxide capture, utilization and storage (CCUS) effort to reduce emissions into the atmosphere. Hydrogen produced in this manner is referred to as blue hydrogen. Blue hydrogen produced in the demonstration test will be converted into electricity through a hydrogen power generation system and supplied to end users in Niigata Prefecture. Some of the blue hydrogen will be used to produce blue ammonia with the aim of supplying it to customers in Niigata Prefecture.



## Blue Ammonia Project on the Houston Ship Channel, Texas

<b>Schedule</b>	<b>2027</b>	Aim for commercial production of 1.1 million tons of blue ammonia per year
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INPEX, Air Liquide Group (AL), LSB Industries (LSB) and Vopak Moda Houston (VMH) commenced the pre-FEED for the development of a blue ammonia project using an existing ammonia terminal on the Houston Ship Channel in Texas. The Port of Houston is in the Gulf of Mexico but close to the open ocean, and there are natural gas, hydrogen, CO<sub>2</sub> and other pipelines nearby, leaving room to expand production in the future at the secured site. Currently sales discussions are underway with potential off-takers in East Asia including Japan.



Houston ship channel in Texas



### Project Overview: 5 Net Zero Businesses

## CO<sub>2</sub> CCS/CCUS



### Awarded GHG Assessment Permit (G-7-AP) Off the coast of Northern Territory, Australia

<b>Schedule</b>	<b>2024</b>	Commence new 3D seismic data acquisition and drilling of assessment well
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INPEX was awarded a GHG assessment permit (G-7-AP) in August 2022 with TotalEnergies CCS Australia and Woodside Energy. We are currently conducting appraisal work, and considering this as an opportunity for underground injection and storage of CO<sub>2</sub> emitted from the Ichthys LNG Project, we aim to start injecting more than 2.0 million tons of CO<sub>2</sub> per year as the first step in the late 2020s.

We believe this will also contribute to such efforts as the NT low emission CCUS hub\* project led by the government of the Northern Territory of Australia.



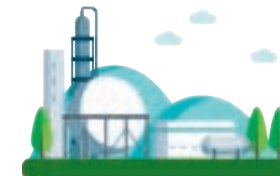
G7-AP block location

\*Commonwealth Scientific and Industrial Research Organisation (CSIRO) is leading the development of the Low-emissions CCUS Hub business case, in collaboration with the Northern Territory Government, INPEX and other industry participants.

### Awarding of "Survey on Implementation of Advanced CCS Projects" Contract

The Tokyo metropolitan area CCS project and the Tohoku region west coast CCS project were officially selected by the Japan Organization for Metals and Energy Security (JOG-MEC) in a public offering for the "Survey on the implementation of advanced CCS projects." With a view to being selected in the next phase as advanced CCS projects, we will proceed to consider commercialization and aim to commence operations in 2030.

## Recycling Methanation

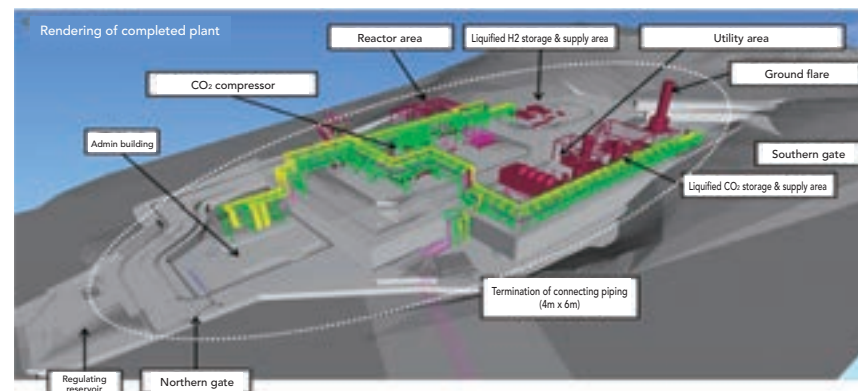


### Technical Development Initiative for CO<sub>2</sub> Emissions Reduction and Practical Application of Effective CO<sub>2</sub> Use through One of World's Largest Methanation Operations

<b>Schedule</b>	<b>2025</b>	Commence commissioning	<b>2026</b>	Complete construction
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INPEX and Osaka Gas launched a joint technical development initiative targeting the practical application of a CO<sub>2</sub>-methanation system aimed at the carbon neutralization of natural gas, based on a subsidized project commissioned to INPEX by the New Energy and Industrial Technology Development Organization (NEDO).

An engineering, procurement and construction (EPC) contract was signed with Chiyoda Corporation and construction commenced in 2023 on a test facility capable of producing 400 normal cubic meters of methane per hour, equivalent to the amount of methane consumed by about 10,000 households in Japan per day. The test facility will consist of methanation, raw material supply, utility equipment and other components, and is planned to be connected to the Koshijihara Plant at INPEX's Nagaoka Field Office in Nagaoka City, Niigata Prefecture. The project is scheduled to consist of a demonstration test involving the production of synthetic methane using CO<sub>2</sub> extracted from INPEX's Nagaoka Field Office beginning in fiscal 2025 and introduction of the produced synthetic methane into INPEX's natural gas trunk pipeline for delivery to customers.







## Project Overview: 5 Net Zero Businesses

# Renewable Energy



## Renewable Energy Business in Australia with Enel Green Power S.p.A.

Schedule

By 2030

Aim for development of one to two gigawatts in net power generation capacity

INPEX acquired 50% of shares in Enel Green Power Australia Pty. Ltd (EGPA) from Enel Green Power S.p.A. (EGP), a subsidiary of Italian utility company Enel S.p.A. and one of the world's largest renewable energy companies, and agreed as 50:50 strategic partners to target business expansion throughout Australia. While engaging in the management of EGPA's current portfolio, we will proceed to select and develop excellent, highly profitable new power generation assets with the target of further increasing power generation capacity. Additionally, EGPA promotes a value chain business model to maximize business value by supplying clean electricity in response to customer needs through storage batteries and retail electricity trade. Taking advantage of this partnership, INPEX will seek to continue building a multi-layered renewable energy revenue stream.



Bungala 1&2 PV project

## Offshore Wind Farm in Europe



Luchterduinen offshore wind farm project

In addition to our 50% stake in the Luchterduinen offshore wind farm off the coast of the Netherlands in 2022, INPEX acquired a 15% stake in the Borssele III/IV offshore wind farm. The Luchterduinen offshore wind farm has been in commercial operation since September 2015 with an output scale of 129 megawatts produced by 43 3-megawatt units. The Borssele III/IV offshore wind farm has been in commercial operation since January 2021 with an output scale of 731.5 megawatts produced by 77 9.5-megawatt units. In March 2023, INPEX also acquired a 16.7% stake in the Moray East offshore windfarm currently in operation off the coast of Scotland. The Moray East offshore wind farm has been in commercial operation since April 2022 with an output scale of 950 megawatts produced by 100 9.5-megawatt units. We will continue striving to expand our wind power business to realize a net zero carbon society by 2050.





## Project Overview: 5 Net Zero Businesses

### Geothermal Power Projects in Indonesia

Schedule

By the end of 2024

Aim to reach FID for the Phase 2 expansion of the Muara Laboh Geothermal Power Project

INPEX has joined four geothermal power projects (Muara Laboh, Rantau Dedap, Sarulla and Rajabasa) located on Sumatra Island, Indonesia. Among these, the Muara Laboh Geothermal Power Project, Rantau Dedap Geothermal Power Project and Sarulla Geothermal Power Project are in commercial operation. Combined, these three projects provide a power generation capacity of approximately 513 megawatts, an output equivalent to what is consumed annually by the approximately 2.9 million households in Sumatra. Electricity generated by the plants using geothermal resources is planned to be marketed to the Indonesian national power company over the period of about 30 years from the start of commercial operation. For the Rajabasa Geothermal Power Project, which is still in the exploration stage, surface and geophysical surveys have indicated a certain potential for geothermal resources. If sufficient geothermal resources are located through exploration activities to warrant the development of the project, this is expected to contribute to the further expansion of INPEX's geothermal business in Indonesia. We will strive to expand our geothermal business in Indonesia through new exploration and other activities.



Muara Laboh Geothermal project

### Promotion of Geothermal Power Generation Projects in Japan

In June 2022, INPEX decided to enter into the construction phase of a geothermal power plant (Katatsumuri Yama Power Plant, output: 14,990 kilowatts) in Yuzawa City, Akita Prefecture, and is currently progressing construction of said plant. The power plant will be built halfway up Katatsumuri Yama Mountain, and operation will be carried out by Oyasu Geothermal Co., Ltd. (established in September 2018), which is owned by three companies, Idemitsu Kosan Co., Ltd. and TEPCO Renewable Power, Incorporated, in addition to INPEX. The plant is scheduled to commence operations in March 2027.

INPEX has also been investigating geothermal potential in the Mt. Sempo area of Shibetsu Town in the Shibetsu County of Hokkaido Prefecture (hereafter referred to as the Mt. Sempo area), and has begun preparatory work for drilling of exploratory wells in this area. Based on the evaluation through surface and geophysical surveys, etc. in the past, as well as results from other wells nearby, the existence of some degree of geothermal resources has been confirmed in the Mt. Sempo area. If exploratory well drilling confirms sufficient geothermal resources to move toward development, we expect this area will help further expansion of domestic power generation projects that contribute to net zero led by INPEX.

## Forest Conservation



### Forest Conservation Projects

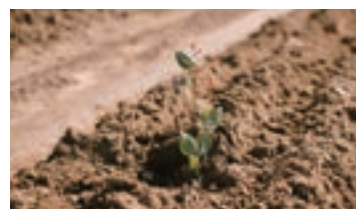
Schedule

By 2030

Aim to acquire about 2.0 million tons of forestation credits per year

In August 2023, INPEX started planting trees in collaboration with the Bank of Australia and New Zealand and Qantas Airways under the carbon farming and biomass fuel project in Australia.

We will continue to consider participation in other projects in addition to acquiring credits from leading forest conservation projects.



Preparation for tree planting



Preparation for tree planting



# Technical Strategies

## Message from the Senior Vice President



**Hideki Kurimura**

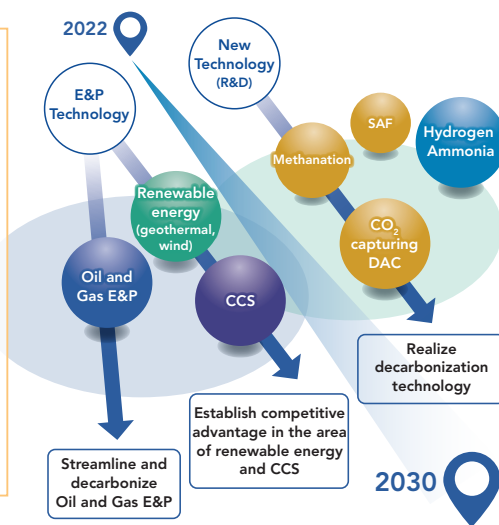
Managing Executive Officer, Senior Vice President, Technical Headquarters and Senior Vice President, Innovation, HSE

To continue providing a stable supply of energy while pursuing decarbonization, it is essential that we acquire technology to achieve cleaner outputs and more cost-competitive results. That is to say, we must improve our technological prowess in oil and natural gas development and apply these technologies to underground CO<sub>2</sub> storage and geothermal power generation, while also vigorously promoting the development of competitively advantageous energy transformation (EX) technologies including CO<sub>2</sub> capture and transport, hydrogen production and transport, clean fuel production and carbon recycling and energy storage. To this end, INPEX formed the Innovation Division in addition to our Technical Division as a base for our EX-related technological research and development. While pursuing our own research and development and strengthening our industry-government-academia partnerships including collaboration with start-ups, we will aim to accelerate research and development, acquire technologies that can be implemented in society at an early stage and create businesses.

## Basic Policies of Technical Strategies

To further promote these points, we will work to strengthen the INPEX Research Hub for Energy Transformation, or I-RHEX for short, enhance our digital infrastructure and bolster the capabilities of our human resources.

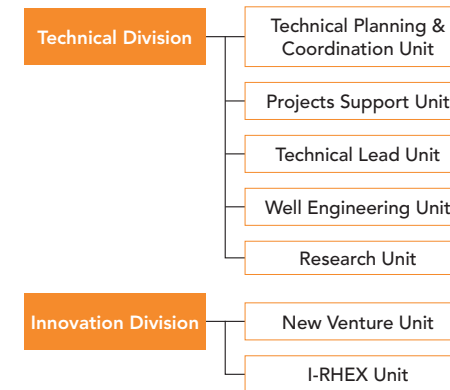
- 1 We will focus on gaining more cost-competitive results with cleaner outputs, shifting to gas as the main energy source and realizing early project development.
- 2 We will use the cutting-edge technology acquired via our oil and gas development business for environmentally friendly projects including CO<sub>2</sub> capture and storage, geothermal power generation and offshore wind power.
- 3 We will recognize and generate innovative and practical technologies that support decarbonization, such as those linked to hydrogen and ammonia generation and methanation.



## Research and Development System

INPEX established the Innovation Division in January 2024 to organically link technological R&D, collaboration with start-ups and business exploration, and accelerate the implementation of EX.

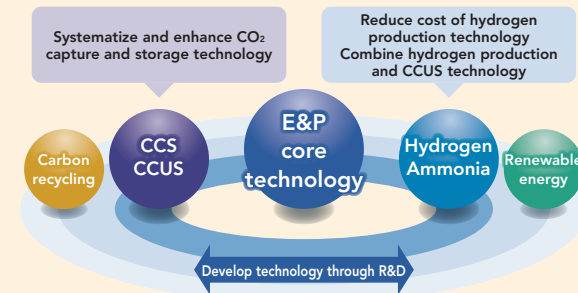
The Innovation Division's I-RHEX Unit will use the commercial affairs function of the New Venture Unit to develop clean energy technologies with commercialization in mind from the initial stages of research and development.



### About I-RHEX

I-RHEX was established within the Technical Research Center in April 2022 as an R&D hub for networks involved in the development and advancement of clean energy technologies, with the aim of strengthening the functionality of our organizational framework to pursue the strategies and plans outlined in INPEX Vision @2022. I-RHEX was elevated to the unit level upon establishment of the Innovation Division and the unit aims to accelerate R&D in clean energy technology, which it has pursued since its inception, and achieve early social implementation.

The main areas of our R&D are (1) CO<sub>2</sub> capture technologies; (2) CO<sub>2</sub> transport technologies; (3) transport technologies for hydrogen, ammonia and other substances; (4) next generation fuels and clean technologies.





## Technical Strategies

### R&D Themes

#### Oil and Natural Gas Business

##### Case 1 Investigative research on geophysical exploration to improve the accuracy of underground imaging and reduce the time and costs involved

To efficiently develop oil and gas fields, as well as safely monitor underground CO<sub>2</sub> storage, INPEX is working to improve the accuracy of underground imaging using geophysical exploration and to shorten the time and lower the cost of geophysical exploration operations. We are proceeding with field-scale demonstration tests of advanced geophysical exploration techniques including blending/deblending, dispersed source array and compressive seismic imaging, as well as high-density data recording and processing techniques using low-cost optic fiber cable that is resistant to high temperature and high pressure environments, with the aim of applying these to our oil and gas field development projects and underground CO<sub>2</sub> storage projects.

##### Case 2 CO<sub>2</sub>EOR

CO<sub>2</sub> enhanced oil recovery (CO<sub>2</sub>EOR), which involves the injection of CO<sub>2</sub> into oil reservoirs, is a remarkable technology that helps increase oil recovery and can contribute to resolving environmental issues through the storage of CO<sub>2</sub> underground. But because CO<sub>2</sub> has low fluid density and viscosity compared to oil, it selectively penetrates the upper areas and highly permeable areas of the oil reservoir, and this sometimes results in large amounts of unrecovered oil. We are researching and developing special technologies to recover underground oil more efficiently by mixing CO<sub>2</sub> and water to create foam or by mixing CO<sub>2</sub> and a thickener to increase viscosity, resulting in a substance that flows more slowly than CO<sub>2</sub> alone.

##### Case 3 Application of advanced completion techniques to the development of tight reservoirs

In general, most natural gas fields in Japan have tight reservoirs, which may cause trouble when gas is produced from these reservoirs and when CO<sub>2</sub> is injected into water layers in the vicinity of the gas field. INPEX will pursue additional R&D on tight reservoir completion techniques acquired through previous domestic gas field development projects, aiming to implement demonstration projects at our existing gas fields for advanced completion techniques including CO<sub>2</sub> fracturing and thermal fracturing.

##### Case 4 Application of robot technology to production facility maintenance

INPEX is actively working to apply robot technology to production facility maintenance on a trial basis. We are developing efficient and highly reliable maintenance methods by combining innovative ideas with the latest technologies. Applying robot technology will make it possible to collect maintenance data relatively quickly from places that are difficult for humans to directly access. Our aim is to minimize production facility shutdown time and improve the accuracy of accident and trouble prevention maintenance.

#### 5 Net Zero Businesses

##### Case 1 Evaluation of potential reservoir for CO<sub>2</sub> capture and storage

Carbon dioxide capture and storage technology (CCS) involves injecting CO<sub>2</sub> into the ground. For the effective storage of CO<sub>2</sub> underground, a suitable distribution of both permeable and impermeable rocks is necessary. One such example is a combination of sandstone that enables the injection of CO<sub>2</sub> and mudstone that seals the injected CO<sub>2</sub> and prevents leakage to the surface. Overall, this combination of sandstone and mudstone is crucial for the formation of certain oil and gas fields. Therefore, expertise in geology and geophysics, which is necessary for exploring hydrocarbons, is also used to choose suitable sites for CO<sub>2</sub> injection. INPEX has conducted exercises to select CCS sites both in Japan and abroad.

##### Case 2 Hydrogen and ammonia

One initiative in our hydrogen and ammonia business has involved building a blue hydrogen\* and ammonia production demonstration plant in Kashiwazaki City, Niigata Prefecture, and we plan to start its operation in 2024. INPEX is also examining sites for the construction of a large-scale clean ammonia production plant in Abu Dhabi, UAE. We will explore transport and storage technologies, both essential elements of the hydrogen supply chain, as part of I-RHEX's technical research.

\*Blue hydrogen is a type of clean hydrogen produced through the steam methane reforming of natural gas, combined with the capture and underground storage of CO<sub>2</sub> produced during the process, and it contributes to preventing global warming.

##### Case 3 Methanation

Methanation is a technology involving the reaction of CO<sub>2</sub> and hydrogen to synthesize methane, the main component of city gas. Synthetic methane can be supplied to customers through existing gas infrastructure so it can help promote the decarbonization of society, including sectors in which electrification is difficult, without requiring large infrastructure costs. From 2017 to 2021, INPEX undertook basic technical development of CO<sub>2</sub> methanation at its Koshijihara Plant, Nagaoka City, Niigata Prefecture. The plant has been conducting a demonstration test including methanation at a rate of 400 normal cubic meters per hour since 2021.

##### Case 4 DAC

As a negative emissions technology,\* direct air capture (DAC) is essential for a net zero carbon society. With DAC, CO<sub>2</sub> is captured directly from the atmosphere and, in combination with underground storage, the technology enables the reduction of CO<sub>2</sub> from the atmosphere. I-RHEX is developing a DAC system that uses a special absorbent amine solution that solidifies when it absorbs CO<sub>2</sub>.

\*Technology that contributes to the removal of CO<sub>2</sub> from the atmosphere by capturing, absorbing, storing and fixing atmospheric CO<sub>2</sub>.



# A Company Capable of Sustainable Development



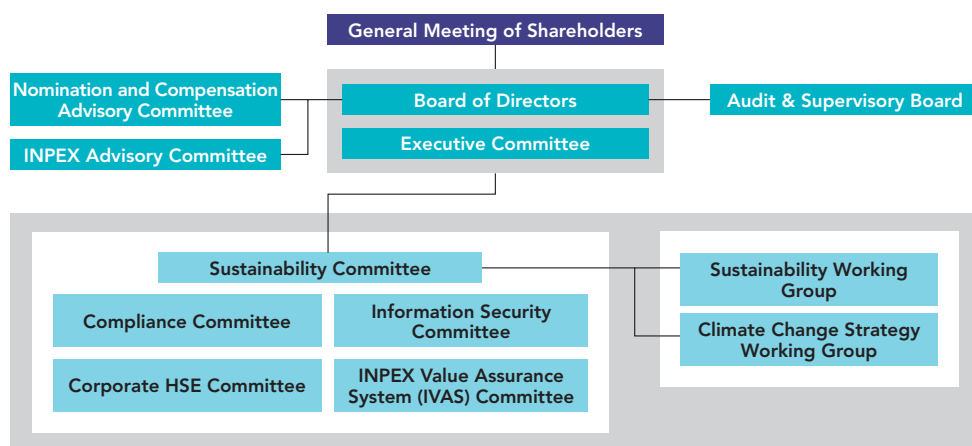


# Sustainability Management

INPEX's basic approach to sustainability management is to promote both a stable supply of energy and energy transition initiatives, while addressing climate change and other sustainability issues through its business and value chains.

Our sustainability management activities focus on the six Sustainability Material Issues of greatest importance to our business and our stakeholders. They are governance, compliance, climate change, health, safety and environment, local communities, and human capital.

## Sustainability Governance Structure



Chaired by our Representative Director, President & CEO, our Sustainability Committee was established to clearly communicate our senior management executives' vision for sustainability, discuss basic policies for sustainability, and promote Group-wide and systematic sustainability practices. The members include Representative Directors, the Senior Vice President of the General Administration Division, and the Senior Vice President of the Corporate Strategy & Planning Division (Vice-chair of the Sustainability Committee). The Chairs of our Compliance Committee and Corporate HSE Committee also attend the meetings to facilitate collaboration with their respective committees. The Sustainability Committee met three times in FY2023, and the matters addressed at those meetings were also discussed at Executive Committee and Board of Director meetings.

Under the Sustainability Committee, we have established a Sustainability Working Group and Climate Change Strategy Working Group, which comprise operational-level members from various divisions to support Group-wide, cross-sectional consultation.

▶ To support our business and sustainability objectives, we participate various organizations.

[Please click here for more information.](#)

## Sustainability Material Issues



We have identified six of the seven core sustainability themes in ISO 26000 as areas of high importance for the Company and our stakeholders, and these form our Material Issues. We have also identified priority actions (Key Tasks) for each Material Issue area and embedded these Key Tasks into our PDCA cycle to enable continuous improvement. In 2017, we reviewed and revised each Key Task through a four-step prioritization process (1. Issue identification and gap analysis; 2. Stakeholder dialogue; 3. Issue prioritization; and 4. Management review). This review also incorporated the perspective of the United Nations Sustainable Development Goals (SDGs).

In March 2022, we reviewed our Key Tasks following dialogues with major stakeholders which were conducted concurrently with the announcement of our Long-term Strategy and Medium-term Business Plan (INPEX Vision @2022) during the previous month. Our Material Issues and Key Tasks are reviewed annually through engagement with internal and external stakeholders. The results are approved by the Sustainability Committee chaired by the Representative Director, President & CEO and reported to the Board of Directors.





# Risk Management

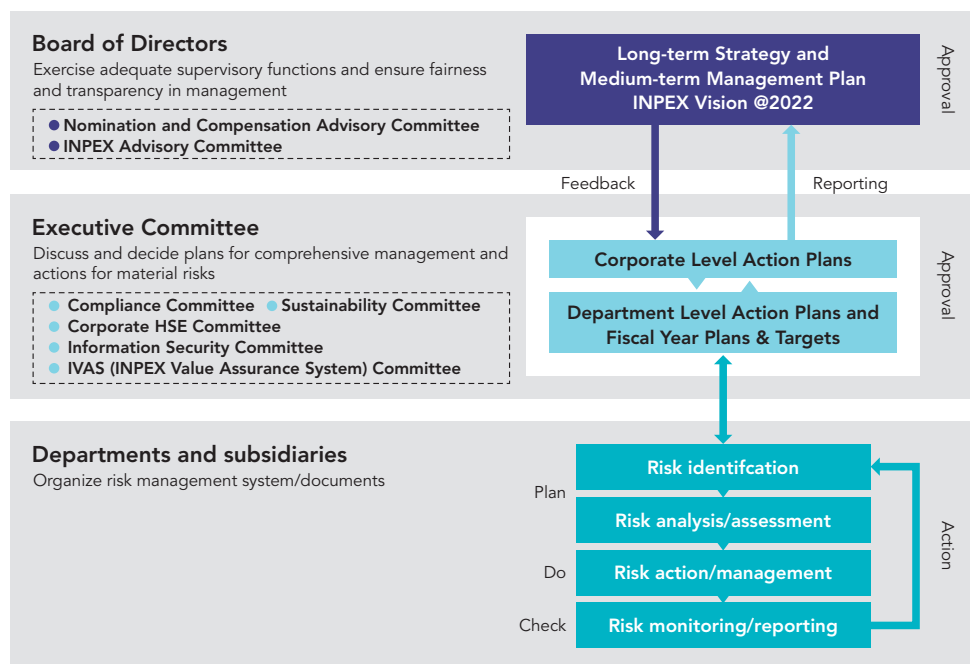
INPEX is committed to accurately identifying and assessing the complex and diverse risks inherent in its business environment, while establishing appropriate risk prevention and mitigation measures to help minimize risks. In addition to preparing for largescale natural disasters and epidemics, we also address risks related to the business environment such as changes to economic and social conditions or laws and regulations, as well as risks that exist in each process of our business. This includes exploration, production, transportation, and sales. We have established internal controls under Japan’s Financial Instruments and Exchange Act—nown as “JSOX”—based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, and each business division also conducts risk management related to occupational health, safety, and environmental protection using our [HSE\\* Management System](#). Additionally, we analyze the impact of fluctuations in crude oil prices and foreign exchange rates on our net income and disclose this information at every financial result briefing.

\*HSE: Health, safety, and environment

## Risk Management Structure

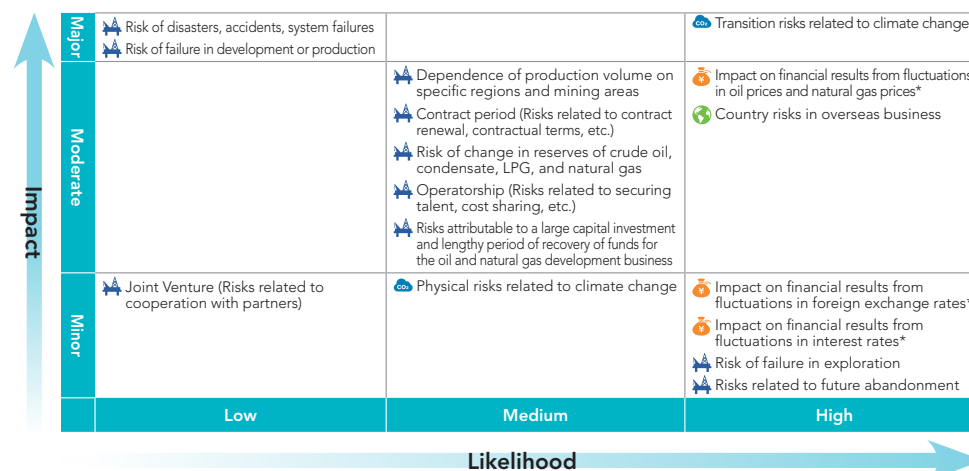
We strive to continuously improve our risk management structure, which is designed to appropriately identify and manage the risks associated with our business operations. We have established a structure to prevent, or otherwise mitigate, adverse impact. This helps us to maintain and reinforce the trust of our customers, business partners, investors, and other stakeholders, and maximize our corporate value.

### Risk Governance Structure



## Main Business Risks

The main risks in our business operations are outlined below, and basic measures for dealing with each are defined. Furthermore, we utilize risk maps to analyze specific and current risks affecting our business strategies, including risks that have already manifested themselves, from the perspectives of impact and likelihood affecting the business and financial performance. We define our response policies based on the urgency and impact of these risks, and promptly implement countermeasures.







\* Depending on market conditions, there may also be a positive effect on the Company’s financial results

Key control measures for managing various risks	
<b>Climate change-related transition risks control measures</b> <ul style="list-style-type: none"> <li>Introduction of clean energy and CO<sub>2</sub> emission reduction measures</li> </ul>	<b>Project risks control measures</b> <ul style="list-style-type: none"> <li>Cross-organizational technical evaluation (IVAS Committee)</li> <li>Periodical economic and risk evaluation</li> </ul>
<b>Market risks control measures</b> <ul style="list-style-type: none"> <li>Financial risk management</li> </ul>	<b>Operational risks control measures</b> <ul style="list-style-type: none"> <li>Formulation of Emergency and Crisis Response Plan, regular drills</li> <li>Formulation of Business Continuity Plan (BCP)</li> <li>Information Security Committee, education and training</li> </ul>
<b>Country risk control measures</b> <ul style="list-style-type: none"> <li>Setting a maximum target of accumulated investments in high-risk countries</li> </ul>	<ul style="list-style-type: none"> <li>Risks related to the characteristics of the oil and natural gas development business</li> <li>Risks related to oil prices, natural gas prices, foreign exchange rates, and interest rates</li> <li>Climate-related risks</li> <li>Overseas business and country risks</li> </ul>



# Sustainability Material Issues: Targets and Achievements

Material issues	Key tasks	FY2023 achievements	FY2024 targets	Medium- to long-term targets, initiatives, and directions
<b>Governance</b> 	Improvement of our governance structure	<ul style="list-style-type: none"> <li>Enhanced the corporate governance structure through appropriate operation of the Board of Directors, evaluated the effectiveness of the Board of Directors using a third-party evaluation organization, and continued implementing the PDCA cycle</li> <li>Built relationships between the Board of Directors and local stakeholders, such as partners and local communities (held Board of Directors meetings in countries in which we operate)</li> <li>Responded to revisions of the Companies Act and the Corporate Governance Code, and to Tokyo Stock Exchange reforms</li> <li>Published a skill matrix for Directors and Audit &amp; Supervisory Board Members</li> <li>Conducted a site visit to the Ichthys LNG plant in Darwin, Australia, for Outside Directors and Audit &amp; Supervisory Board Members</li> <li>Discussed the nomination and compensation of Directors with the appropriate involvement of the Nomination and Compensation Advisory Committee</li> <li>Assessed state of tax compliance in each country through centralized management of tax information</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the corporate governance structure through appropriate operation of the Board of Directors, and evaluate the effectiveness of the Board of Directors and continue implementing the PDCA cycle</li> <li>Continue holding comprehensive discussions in Board of Directors meetings (in particular, active discussions that contribute to formulation of the next Medium-term Business Plan)</li> <li>Expand disclosure of skill matrix details</li> <li>Further enhance the governance structure for the nomination and compensation of Directors</li> <li>Discuss the nomination and compensation of Directors with the appropriate involvement of the Nomination and Compensation Advisory Committee</li> <li>Appoint an Outside Director as the Chairman of the Nomination and Compensation Advisory Committee to strengthen the independence of the Committee</li> <li>Enhance the global tax governance structure through close communication with overseas sites</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the corporate governance structure, including enhancement of the supervisory role of the Board of Directors</li> <li>Deepen discussions by the Nomination and Compensation Advisory Committee about achieving further diversity in the Board of Directors and about a succession plan for the President &amp; CEO, and provide feedback on those discussions to the Board</li> <li>Continue efforts to achieve the Long-term Strategy and Medium-term Business Plan of INPEX Vision @2022 to realize a net zero carbon society by 2050</li> </ul>
	Improvement of our risk management structure	<ul style="list-style-type: none"> <li>Held 28 INPEX Value Assurance System (IVAS) Committee meetings</li> <li>Provided the Board of Directors with an executive summary of risk assessment results for major projects</li> <li>Held two Information Security Committee meetings</li> <li>Held one training session on targeted email attacks</li> <li>Conducted one e-learning lesson on information security</li> <li>Conducted a security assessment of operating systems</li> <li>Promoted head office-based business continuity management (BCM) activities for earthquake scenarios, and provided BCM education and training for employees</li> <li>Revised the head office business continuity plan (BCP) for infectious disease scenarios based on verification and assessment of COVID-19 responses</li> </ul>	<ul style="list-style-type: none"> <li>Hold IVAS Committee meetings as needed</li> <li>Report progress and action plans for each of our projects, including the net zero businesses, at the monthly Board of Directors meetings</li> <li>Hold two Information Security Committee meetings</li> <li>Hold two training sessions on targeted email attacks</li> <li>Conduct one e-learning lesson on information security</li> <li>Conduct a security assessment of operating systems</li> <li>Promote head office-based BCM activities for earthquake scenarios, and provide BCM education and training for employees</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor mitigation/management plans for material risks and issues identified by each division under the Medium-term Business Plan and their implementation</li> </ul>
	Supply Chain Risk Management	<ul style="list-style-type: none"> <li>Published the Supplier Code of Conduct Guidelines</li> <li>Continued self-assessment surveys (including questions on human rights and anti-bribery and anti-corruption (ABC) measures) by major domestic suppliers and contractors</li> <li>Continued risk assessment of major suppliers and contractors (including with regard to human rights and ABC measures), and improved the methods used for risk assessment</li> <li>Participated in the supply chain subcommittee of the Global Compact Network Japan</li> <li>Held a Supplier Forum</li> <li>Acquired SA8000 Basic Auditor Training Course Completion Certificate (two people)</li> </ul>	<ul style="list-style-type: none"> <li>Continue self-assessment surveys (including questions on human rights and ABC measures) by major domestic suppliers and contractors</li> <li>Continue risk assessment of major suppliers and contractors (including with regard to human rights and ABC measures), and improve the methods used for risk assessment</li> <li>Participate in the supply chain subcommittee of the Global Compact Network Japan</li> <li>Conduct CSR audit to suppliers (paper and on-site audits)</li> <li>Hold a Supplier Forum</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen supply chain risk assessment and compliance</li> </ul>
<b>Compliance</b>   	Respect for human rights	<ul style="list-style-type: none"> <li>Published respective FY2022 statements pursuant to the United Kingdom Modern Slavery Act 2015 and the Australian Modern Slavery Act</li> <li>Continued to conduct human rights training</li> <li>Worked with external human rights specialists to identify important human rights challenges (10 issues in the oil and natural gas exploration business and 11 issues in the renewable energy business)</li> </ul>	<ul style="list-style-type: none"> <li>Publish respective FY2023 statements pursuant to the United Kingdom Modern Slavery Act 2015 and the Australian Modern Slavery Act</li> <li>Continue to conduct human rights training</li> <li>Improve the methods used for risk assessment of major suppliers and contractors (including with regard to human rights)</li> </ul>	<ul style="list-style-type: none"> <li>Fully comply with and appropriately respond to the laws and regulations, including ABC laws, of the areas in which we operate, judicial/ administrative sanctions, international norms and ethics, and full respect for human rights</li> <li>Continue human rights due diligence</li> </ul>
	Compliance with laws and prevention of bribery and corruption	<ul style="list-style-type: none"> <li>Ensured awareness of compliance and enhanced education and training programs (monthly publication of compliance news, e-learning lessons, officer and manager compliance training, compliance assessments, etc.)</li> <li>Bolstered Group-wide compliance cooperation (continued operation of the INPEX Global Hotline, held a global compliance meeting, etc.)</li> <li>Ensured awareness and enhanced operation of ABC regulations (continued training, due diligence, risk assessments of ABC practices at domestic and overseas offices, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Ensure awareness of compliance and enhance education and training programs (monthly publication of compliance news, officer and executive compliance training, compliance assessments, whistleblower response personnel training, etc.)</li> <li>Bolster Group-wide compliance cooperation (structure development, continuing operation of the INPEX Global Hotline, etc.)</li> <li>Ensure awareness and enhance operation of ABC regulations (continue training, due diligence, risk assessments of ABC practices at domestic and overseas offices and subsidiaries, etc.)</li> </ul>	



## Sustainability Material Issues: Targets and Achievements

Material issues	Key tasks	FY2023 achievements	FY2024 targets	Medium- to long-term targets, initiatives, and directions
<b>Promotion of climate change response goals and disclosures based on TCFD recommendations</b>		<ul style="list-style-type: none"> <li>Continued to achieve a CDP Climate Change A- score</li> <li>Achieved net carbon intensity of 28 kg-CO<sub>2</sub>e/boe in FY2023</li> <li>Achieved methane emissions intensity (methane emissions/natural gas production) of 0.05%</li> </ul>	<ul style="list-style-type: none"> <li>Continue to achieve a CDP Climate Change A- score</li> <li>Reduce net carbon intensity by 10% (4.1 kg-CO<sub>2</sub>e/boe) or more between FY2022 and FY2024</li> <li>Check details of emissions reduction measures in individual projects for achieving the FY2030 target for net carbon intensity</li> </ul>	<ul style="list-style-type: none"> <li>Reduce net carbon intensity by 30% or more by FY2030</li> <li>Achieve zero routine flaring by FY2030</li> <li>Maintain methane emissions intensity (methane emissions/natural gas production) at its current low level (about 0.1%)</li> </ul>
		<p style="text-align: center;"><b>FY2023 achievements</b></p> <p><b>Hydrogen and ammonia</b></p> <ul style="list-style-type: none"> <li>Began construction of aboveground facilities for the integrated demonstration testing of hydrogen and ammonia production and utilization in Kashiwazaki City, Niigata Prefecture, Japan</li> <li>Signed a memorandum of understanding for a joint study with the Abu Dhabi National Oil Company (ADNOC), Japan Organization for Metals and Energy Security (JOGMEC), and Mitsui &amp; Co., Ltd. for the verification of GHG emissions at a clean ammonia production project in Abu Dhabi</li> <li>Began pre-FEED work for a large-scale, low-carbon ammonia production project at the Port of Houston, Texas, USA</li> <li>Signed a joint study agreement for a green hydrogen project in South Texas, USA</li> </ul> <p><b>CCUS</b></p> <ul style="list-style-type: none"> <li>Conducted Huff &amp; Puff tests for the CO<sub>2</sub> EOR demonstration testing in the Minamiaga Field Office</li> <li>Conducted reservoir evaluations, acquired new 3D seismic data, and conducted preparatory work for drilling in the G-7-AP GHG assessment block in Australia</li> <li>The Tokyo Metropolitan Area CCS Project and Tohoku Region West Coast CCS Initiative Project, in which we participate, were adopted under the 2023 Survey on Implementation of Advanced CCS Projects commissioned by JOGMEC</li> </ul> <p><b>Renewable energy</b></p> <ul style="list-style-type: none"> <li>Acquired a 50% stake in Enel Green Power Australia Pty Ltd, through which we began a collaboration with Enel Green Power S.p.A. for a renewable energy business in Australia</li> <li>Achieved the renewable energy generation capacity target (500 MW) in the Medium-term Business Plan</li> </ul> <p><b>Wind power generation</b></p> <ul style="list-style-type: none"> <li>Made the final investment decision (FID) for a floating offshore wind power project off Goto City, Nagasaki Prefecture, Japan</li> <li>Began investigations into domestic offshore wind power project tenders from next fiscal year</li> </ul> <p><b>Geothermal power generation</b></p> <ul style="list-style-type: none"> <li>Established and enhanced a project promotion structure in Indonesia</li> <li>Began construction for the Oyasu Geothermal Power Project in Akita Prefecture, Japan</li> </ul> <p><b>Carbon recycling and new business</b></p> <ul style="list-style-type: none"> <li>Began construction of a methanation test facility (400 Nm<sup>3</sup>/h) in Nagaoka City, Niigata Prefecture, Japan</li> <li>Currently working with Masdar, Tokyo Gas Co., Ltd., and Osaka Gas Co., Ltd. on a joint feasibility study to produce e-methane in Abu Dhabi</li> <li>Signed a joint feasibility study agreement with Masdar for a carbon recycle chemicals production project in Abu Dhabi</li> <li>Conducted 14 drone demonstration testing flights to inspect our facilities</li> <li>Invested in TeraWatt Technology Inc. (developing next-generation lithium-ion batteries), Kyoto Fusioneering Ltd. (accelerating development of fusion energy), and OCO-chem (developing green formic acid production technologies)</li> </ul>	<p style="text-align: center;"><b>FY2024 targets</b></p> <p><b>Hydrogen and ammonia</b></p> <ul style="list-style-type: none"> <li>With the aim of beginning operations in 2025, complete construction of aboveground facilities and drill three wells for CO<sub>2</sub> injection, production, and observation for the demonstration project of hydrogen and ammonia production in Kashiwazaki City, Niigata Prefecture, Japan</li> <li>Pursue opportunities to participate in clean ammonia project in Abu Dhabi</li> <li>With the aim of beginning commercial production between the late 2020s and around 2030, promote the clean hydrogen and ammonia project in Japan and overseas, starting with the large-scale, low-carbon ammonia production project at the Port of Houston, Texas, USA</li> </ul> <p><b>CCUS</b></p> <ul style="list-style-type: none"> <li>Investigate moving to the next phase of the CO<sub>2</sub> EOR demonstration testing in the Minamiaga Field Office</li> <li>Acquire new 3D seismic data, drill two evaluation wells, and conduct investigations into updating reservoir evaluations and evaluating CCS feasibility, in the G-7-AP GHG assessment block in Australia</li> <li>Conduct evaluations into CCS adoption at the Ichthys LNG Project</li> <li>Consider and launch new projects in Japan and overseas</li> </ul> <p><b>Wind power generation</b></p> <ul style="list-style-type: none"> <li>Develop a domestic offshore wind power project</li> <li>Ensure stable operations and expand business at European wind power projects</li> <li>Generate business opportunities in Southeast Asia, Australia, and the Americas</li> </ul> <p><b>Geothermal power generation</b></p> <ul style="list-style-type: none"> <li>Carry out additional development at Muara Laboh Geothermal Power Project in Indonesia</li> <li>Progress construction for Oyasu Geothermal Power Project</li> <li>Progress geothermal exploration activities in Indonesia, Japan, and other regions</li> </ul> <p><b>Carbon recycling and new business</b></p> <ul style="list-style-type: none"> <li>Construct a plant as a methanation technology development project with the aim of beginning operation during 2026</li> <li>Complete the business feasibility study for an e-methane project in Abu Dhabi, and decide whether to move to the pre-FEED stage</li> <li>Pursue further R&amp;D in artificial photosynthesis</li> <li>Use drones to inspect our facilities</li> <li>Promote collaborations with venture companies in which we have invested</li> </ul>	<p style="text-align: center;"><b>Targets to FY2030</b></p> <p><b>Hydrogen and ammonia</b></p> <ul style="list-style-type: none"> <li>Commercialize three or more projects</li> <li>Aim for hydrogen and ammonia production and supply of 100,000 tons/year or more</li> </ul> <p><b>CCUS</b></p> <ul style="list-style-type: none"> <li>Achieve annual CO<sub>2</sub> injection volume of 2.5 million tons or more</li> <li>Become a leading company in CCUS by promoting technical development and commercialization</li> </ul> <p><b>Renewable energy</b></p> <ul style="list-style-type: none"> <li>Secure 1–2 gigawatt-scale installed capacity, mainly in the offshore wind and geothermal power generation business</li> <li>Accelerate business expansion using assets acquired through M&amp;A and other means as a platform</li> </ul> <p><b>Carbon recycling and new business</b></p> <ul style="list-style-type: none"> <li>Promote the adoption of methanation in society</li> <li>Supply about 60,000 tons of synthetic methane annually via our pipeline network</li> </ul>
<b>Promotion of five net zero businesses</b>				

**Climate Change**







## Sustainability Material Issues: Targets and Achievements

Material issues	Key tasks	FY2023 achievements	FY2024 targets	Medium- to long-term targets, initiatives, and directions
<b>Climate Change</b> 	Promotion of five net zero businesses	<b>FY2023 achievements</b> <b>Forest conservation</b> <ul style="list-style-type: none"> <li>Acquired credits for outstanding forest conservation projects and investigated participating in the projects</li> <li>Began planting trees for a carbon farming and renewable biofuel project in Australia in conjunction with Australia and New Zealand Banking Group Limited (ANZ) and Qantas Airways Limited</li> </ul>	<b>FY2024 targets</b> <b>Forest conservation</b> <ul style="list-style-type: none"> <li>Participate in and pursue development opportunities for forest conservation projects</li> <li>Acquire about 1.5 million tons of forestation credits per year from leading forest conservation projects</li> </ul>	<b>Targets to FY2030</b> <b>Forest conservation</b> <ul style="list-style-type: none"> <li>Secure about 2 million tons of forestation credits per year from forest conservation projects by FY2030 through project participation, development, etc.</li> </ul>
	Cleaner oil and gas business and transition to natural gas	<b>FY2023 achievements</b> <ul style="list-style-type: none"> <li><b>Australia</b> Confirmed that the Ichthys LNG Project has increased the capacity of the facility to produce 9.3 million tons per year. In addition, promoted low-carbon operations by minimizing flaring and fuel gas emissions during production</li> <li><b>Indonesia</b> Received approval from the Indonesian government for a revised plan of development for the Abadi LNG Project to incorporate a CCS component (plan to eliminate all CO<sub>2</sub> emissions associated with natural gas from the gas field)</li> <li><b>Norway</b> Began power provision from the Hywind Tampen floating wind farm to the Snorre oil field, and converted a portion of the electricity required for production and operation of the oil and natural gas production plant to clean power by using electricity supplied from the wind farm</li> <li><b>Abu Dhabi</b> In addition to using 100% clean power at onshore facilities, worked with ADNOC to adopt clean power, including using onshore clean power to supply offshore facility power needs</li> </ul>	<b>FY2024 targets</b> <ul style="list-style-type: none"> <li><b>Australia</b> Aim to produce 9.3 million tons per year at the Ichthys LNG Project through safe operations and improved facility utilization rates. Also, continue promoting low-carbon operations</li> <li><b>Indonesia</b> Promote various surveys, studies related to CCS, preparation of basic design work (FEED), and other necessary preparations for final investment decision (FID)</li> <li><b>Abu Dhabi</b> Aim to further reduce production costs by optimizing personnel allocation and introducing new technologies, and supply offshore facilities with clean power</li> <li><b>Norway</b> <ul style="list-style-type: none"> <li>Gain knowledge through stable operation and continuous monitoring of the Hywind Tampen floating wind farm, and consider low-carbon projects based on the information gathered on renewable energy, hydrogen, and CCUS projects</li> <li>Expand the volume of carbon neutral gas sold</li> </ul> </li> </ul>	<b>Targets to FY2030</b> <ul style="list-style-type: none"> <li>Increase natural gas ratio of portfolio by raising natural gas investment ratio to about 70%</li> <li>Make our projects cleaner by achieving zero routine flaring, introducing CCUS and renewable electricity, conserving energy, utilizing forestation credits, etc.</li> </ul>
<b>HSE</b> 	Prevention of major incidents	<ul style="list-style-type: none"> <li>Reduced the number of incidents by: issuing incident bulletins; drawing lessons from incidents; statistically analyzing and benchmarking incidents; strengthening incident cause investigation; and planning and implementing a Group-wide "safety month" campaign from September to October 2023</li> <li>Steadily implemented the process safety management roadmap (identified necessary Group-wide process safety management-related competencies, published change control requirements, etc.); held process safety workshops with ADNOC; and provided support for the Hirai Blue Hydrogen project and addressed challenges through third-party committees</li> <li>Began implementing HSE management for the five net zero businesses, including the geothermal business</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen incident prevention efforts by: issuing incident bulletins; drawing lessons from incidents; strengthening contractor HSE management; implementing a "safety month" campaign; and implementing LSRs, PSFs, and other internal campaigns</li> <li>Formulate and implement management methods for achieving Group-wide process safety management-related competencies, confirm process safety risks associated with the Ichthys LNG Project, and adopt process safety management in design and operational readiness in the hydrogen and CCUS fields</li> <li>Continue implementing HSE risk management and HSE management for the five net zero businesses</li> </ul>	<ul style="list-style-type: none"> <li>Ensure compliance with LSRs for safety in high-risk operations, strengthen process safety management, and completely eliminate major incidents</li> <li>Carry out the following actions that further improve HSE management:               <ol style="list-style-type: none"> <li>Strengthen incident prevention efforts</li> <li>Further improve process safety management through systemic programs</li> <li>Help to address global environmental challenges and create environmental value</li> <li>Prepare for emerging threats</li> <li>Reinforce health management and measures for infectious diseases</li> <li>Demonstrate HSE leadership and improve effectiveness of the HSEMS</li> <li>Enhance HSE competency and secure personnel</li> <li>Implement HSE management for the five net zero businesses</li> </ol> </li> </ul>
	Securing of occupational health and safety	<ul style="list-style-type: none"> <li>Demonstrated HSE leadership by: coordinating between corporate divisions and operator projects; holding an HSE Forum; and conducting 11 management site visits</li> <li>Strengthened health management by: standardizing health management activities; strengthening mental health management; and standardizing infectious disease management</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrate HSE leadership by: reinforcing coordination between corporate divisions and operator projects; holding an HSE Forum; and conducting management site visits</li> <li>Strengthen health management by: standardizing health management activities; strengthening mental health management; and standardizing infectious disease management</li> </ul>	
	Biodiversity conservation and water risk management	<b>Biodiversity conservation</b> <ul style="list-style-type: none"> <li>Conducted nature readiness self-assessments and identified challenges with our nature-related initiatives</li> <li>Conducted trial evaluations at our domestic projects based on TNFD's LEAP approach</li> <li>Updated the database of protected areas for our project areas</li> </ul> <b>Water risk management</b> <ul style="list-style-type: none"> <li>Updated water stress assessments in our project areas</li> <li>Assessed the current state of water balance and aggregated/analyzed data on the volume of freshwater/seawater intake and use in our projects</li> <li>Considered quantitative targets for water management</li> </ul>	<b>Biodiversity conservation</b> <ul style="list-style-type: none"> <li>Conduct evaluations based on TNFD's LEAP approach for all operator projects</li> <li>Identify impacts and dependencies, and risks and opportunities, related to biodiversity</li> <li>Establish quantitative targets for biodiversity</li> <li>Implement biodiversity conservation initiatives in our project areas</li> </ul> <b>Water risk management</b> <ul style="list-style-type: none"> <li>Conduct evaluations based on TNFD's LEAP approach for all operator projects</li> <li>Identify impacts and dependencies, and risks and opportunities, related to water management</li> <li>Establish quantitative targets for water management</li> </ul>	



## Sustainability Material Issues: Targets and Achievements

Material issues	Key tasks	FY2023 achievements	FY2024 targets	Medium- to long-term targets, initiatives, and directions
<b>Local Communities</b> 	Implementation of assessments of impact on local and indigenous communities and measures to reduce impact  Contribution to local economies	<b>Japan</b> <ul style="list-style-type: none"> <li>Maintained positive relationships with stakeholders through continuous dialogue, including appropriate response to inquiries from local communities and publication of newsletters</li> </ul>	<b>Japan</b> <ul style="list-style-type: none"> <li>Maintain positive relationships with stakeholders through continuous dialogue, including appropriate response to inquiries from local communities and publication of newsletters</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to local development and the addressing of social issues through our business activities, while respecting human rights and the cultures and customs of the areas in which we operate</li> <li>Understand and respond to community needs through dialogue with stakeholders in the areas in which we operate</li> </ul>
		<b>Australia</b> <ul style="list-style-type: none"> <li>Maintained positive relationships with government agencies, industry groups, and local stakeholders through more than 300 dialogues</li> </ul>	<b>Australia</b> <ul style="list-style-type: none"> <li>Maintain positive relationships with stakeholders through proactive dialogue</li> </ul>	
<b>Human Capital</b> 	Making INPEX the best place to work	<b>Global</b> <ul style="list-style-type: none"> <li>Held a symposium with past recipients of the Value Awards as part of efforts to promote INPEX Values</li> <li>Provided opportunities for overseas office employees to be assigned to our headquarters (seven employees from Australia)</li> </ul>	<b>Global</b> <ul style="list-style-type: none"> <li>Continue promoting INPEX Values (Value Awards Symposium)</li> <li>Provide opportunities for overseas office employees to be assigned to our headquarters (expand the number of applicable overseas offices)</li> </ul>	<ul style="list-style-type: none"> <li>Implement programs and establish a corporate culture that cultivates employee satisfaction and engagement</li> <li>Expand support for employee career development</li> <li>Create a workplace environment that supports needs for diverse workstyles and employee well-being</li> </ul>
		<b>Japan</b> <ul style="list-style-type: none"> <li>Adopted a job- and role-focused personnel system for regular employees and employees working under reemployment contracts</li> <li>Secured human resources by increasing recruitment of new employees</li> <li>Overhauled the employee benefit program (introduced Cafeteria Plan)</li> </ul>	<b>Japan</b> <ul style="list-style-type: none"> <li>Continue promoting specific measures tied to the human resources strategy</li> <li>Promote measures to advance female employees as part of efforts to promote diversity, equity, and inclusion (DE&amp;I)</li> <li>Adopt a talent management system (personnel evaluation, succession planning, etc.)</li> </ul>	





# Climate Change

In line with the long-term goals of the Paris Agreement, INPEX is committed to addressing climate change and established a target in January 2021 to achieve net zero emissions by 2050 (Scope 1 and 2). In February 2022, we announced INPEX Vision @2022 as part of efforts to reform our energy structure towards the realization of a net zero carbon society by 2050, while still meeting the energy demands of Japan and the world.

Climate change forms one of our Material Issues. As such, we are working to address climate change by reducing our net carbon intensity and driving our five net zero businesses which include hydrogen and renewable energy.

## Message from the Officer in Charge of Climate Change Response



### Toshiaki Takimoto

Director, Senior Managing Executive Officer, and Senior Vice President in charge of the Corporate Strategy & Planning Division

This is the final year of our Long-term Strategy and Medium-term Business Plan of INPEX Vision @2022, which lays out our path to achieving the target of net zero emissions by 2050 as announced in 2022. This plan states that net carbon intensity should be reduced by 10% (4.1 kg-CO<sub>2</sub>-e/boe) or more over three years from 2022, and we have made good progress in 2023. We will continue to work towards achieving our targets. In 2023, we also joined OGMP 2.0\*, which is an international reporting framework for reducing methane emissions. This framework enables us to share technological innovation and information on specific initiatives among members of the partnership, while working to reduce greenhouse gas (GHG) emissions across the industry as a whole. We plan to release a new vision and Medium-term Business Plan at the start of 2025, including a roadmap to achieving our target of net zero emissions by 2050. As part of that, I would like to share our medium- to long-term climate change response policy, which will include strengthening of our efforts to achieve low-carbon energy, solutions to be provided, and how we address the energy trilemma.

\* The Oil & Gas Methane Partnership 2.0

## INPEX Climate Change Response Milestones

2020	2021	2022	2023	2024
Made the Climate Change Strategy Working Group an advisory body to the Sustainability Committee	Announced our Business Development Strategy and set climate change response goals	Announced our Longterm Strategy and Medium-term Business Plan (INPEX Vision @2022)	Implemented the financial impact assessment based on the NZE scenario	Updated our Current Initiatives based on INPEX Vision @2022
Established our Guidelines for Assessment and Management of Climate-related Risks and Opportunities	Revised our Corporate Position on Climate Change	Revised our Corporate Position on Climate Change	Updated our Current Initiatives based on INPEX Vision @2022	Joined the Oil and Gas Decarbonization Charter
Obtained a CDP Climate Change A- score	Established our Guidelines for Transactions and Management of VCUs <sup>1</sup>	Participated in the CCS+ initiative <sup>3</sup>	Joined the Oil & Gas Methane Partnership 2.0	
Disclosed greenhouse gas emissions on an equity share basis	Established our Guidelines for Climate Change Response Goals	Created a forestation credit screening form (improved the process)	Obtained a CDP Climate Change A- score	
	Obtained a CDP Climate Change A- score	Obtained a CDP Climate Change A- score	Join the GX League	
	Participated in the ICVCM <sup>2</sup> consultation group			

1. VCUs: Verified Carbon Units

2. IC-VCM: Integrity Council for Voluntary Carbon Markets, an organization promoting the development of global standards for the quality of voluntary carbon credits

3. CCS+ initiative: An international initiative to develop a methodology for creating credits from projects related to CCUS



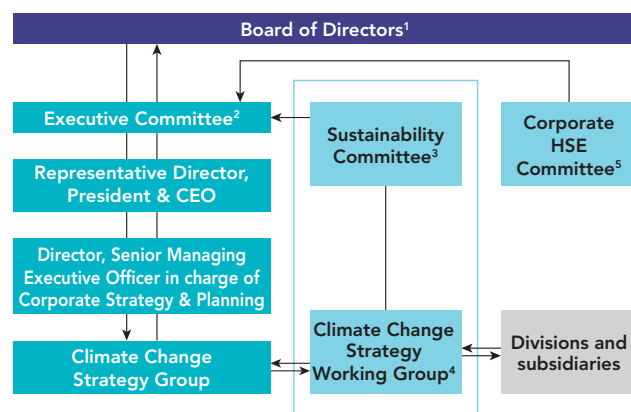
## Climate Change

### Ongoing Initiatives to Address TCFD Recommendations

At INPEX, we recognize that addressing climate change is an important management issue. Our Board of Directors maintains a supervisory role and is expanding its involvement in this area. In addition, we have established a Sustainability Committee which is chaired by the President & CEO. The Committee's advisory body, the Climate Change Strategy Working Group, assesses climate-related risks and opportunities. Matters assessed and discussed by the working group are reported to and deliberated by the Sustainability Committee, after which they are approved by the President & CEO, and then reported to the Executive Committee and the Board of Directors. Our governance structure for climate change response has been highly evaluated both in Japan and overseas, and was listed in the [TCFD's 2022 Status Report](#) as a case study.

And in FY2022, we revised our compensation system for all of our internal Directors, including Representative Directors. We adopted net carbon intensity—the indicator used in our Long-term Strategy and Medium-term Business Plan (INPEX Vision @2022)—as a key performance indicator for stock-based compensation. For the officer in charge of climate change response, qualitative targets are set each year to promote climate change response, including goals for addressing climate change, risk management, and information disclosure. The degree to which these targets have been achieved is evaluated and reflected in their compensation.

#### Governance Structure for Climate Change Response



1. Board of Directors: Decisions on Corporate Position on Climate Change, and supervision of climate change responses
2. Executive Committee: Decisions on assessments of climate-related risks and opportunities, and decisions on important goals relating to climate change responses
3. Sustainability Committee: Deliberation of basic policies on sustainability and promotion of Group-wide, systematic sustainability activities
4. Climate Change Strategy Working Group: An advisory body to the Sustainability Committee, comprising about 30 cross-organizational members and responsible for assessing climate-related risks and opportunities
5. Corporate HSE Committee: Aggregation, analysis, and reporting of GHG emissions according to the Health, Safety and Environmental Policy (HSE Policy)

### Goals for Addressing Climate Change

We have set three goals to help realize a net zero carbon society in accordance with the objectives of the Paris Agreement.

The first goal is to achieve net zero emissions by 2050 pursuant to the Paris Agreement. The second is to achieve a reduction of at least 30% in net carbon intensity (compared to 2019) by 2030 in the process of fulfilling the first goal. The third is to cooperate with all relevant stakeholders across the value chain to reduce the Scope 3 emissions from combustion of the oil and gas we sell.

In our 2022–2024 Medium-term Business Plan, we added one further goal to reduce our net carbon intensity by 10% (4.1 kg-CO<sub>2</sub>-e/boe) over that three-year time frame, in pursuit of our 2030 target.

#### INPEX's Emissions

	FY2021, Jan–Dec	FY2022, Jan–Dec	FY2023, Jan–Dec	Target
<b>Direct GHG Emissions (Scope 1)<sup>1</sup></b> (thousand tons CO <sub>2</sub> e)	7,302	6,839	6,864	<b>2050</b> NET ZERO* <sup>1</sup> in absolute emissions (Scope 1+2) *1 On INPEX equity share basis
<b>Indirect GHG Emissions (Scope 2)<sup>1</sup></b> (thousand tons CO <sub>2</sub> e)	136	69	55	
<b>Scope3 Category 11<sup>1</sup></b> (thousand tons CO <sub>2</sub> e)	77,805	84,310	86,199	Work together with all relevant stakeholders to address challenges across the value chain
<b>Net carbon intensity<sup>2</sup></b> (kg CO <sub>2</sub> e/boe)	33	28	28	<b>2030</b> 30% OR MORE* <sup>2</sup> reduction in net carbon intensity (Scope 1+2) *2 In comparison with 2019
<b>Methane emissions intensity<sup>3</sup></b> (%)	0.04	0.05	0.05	Maintain methane emissions intensity (methane emissions/natural gas production) at its current low level (approx. 0.1%)* <sup>3</sup>

1. INPEX's equity share emissions
2. Net carbon intensity including offsets
3. Methane emissions intensity on operational control basis: Calculated as methane emissions/gas production (%), the formula used by the Oil and Gas Climate Initiative



## Climate Change

### Financial Assessment of Transition Risks

We use two methods to assess the potential financial impact of climate-related risks using scenarios in the International Energy Agency (IEA) World Energy Outlook (WEO) report.

#### Two Approaches to Financial Assessment

	Assessment using internal carbon price	Assessment under various scenarios
Financial impact assessment method	Financial impact assessment of carbon pricing policies on projects	Financial impact assessment based on oil and carbon prices under the following scenarios: <ul style="list-style-type: none"> <li>■ Stated Policies Scenario (STEPS)</li> <li>■ Announced Pledges Scenario (APS)</li> <li>■ Net Zero Emissions by 2050 Scenario (NZE)</li> </ul>
Metric	IRR based on internal carbon price (base case)	The percentage of change from NPV based on application of the relevant index price (sensitivity analysis)
Status	Adopted as base case since FY2021	Implemented since FY2018; NZE scenario added from FY2022

▶ Please click [here](#) to see more information about Assessment and Management of Climate-related Risks and Opportunities

The first method is an economic assessment of our projects using our internal carbon price. We employ this method because more than 150 countries and regions have already declared net zero targets by 2050, anticipating a growing number of countries to introduce carbon pricing as they bolster policies to tackle climate change. Each year, we update our internal carbon price with reference to the carbon prices in the Stated Policies Scenario (IEA-STEPS) in the WEO. Starting in FY2023, we reflect the IEA WEO carbon price forecast and, if there is a carbon price system in the country in which we operate, reference our quoted price based on factors such as estimates provided by external experts. If there is no carbon price system in the country in which we operate, we reference variable prices linked to the IEA-STEPS EU prices (2030: US\$120/tCO<sub>2e</sub>; 2040: US\$129/tCO<sub>2e</sub>; 2050: US\$135/tCO<sub>2e</sub>).

The second method is to assess the financial impact on our business portfolio. This is an evaluation of the impact on our portfolio from the oil and carbon prices in the STEPS, Announced Pledges Scenario (APS), and Net Zero Emissions Scenario (NZE). We apply the oil and carbon prices under these three scenarios to the net present value (NPV) calculation for projects, and calculate the percentage of change from the NPV for the base case to assess the impact on our portfolio. We will continue to refine the implementation standards for this method to improve the competitiveness of our business portfolio as we factor in changes in the business environment.

### INPEX's Low-carbon Society Scenarios

In considering the outlook for the business environment, including energy demand and supply toward a low-carbon society by 2050\*, we refer to the STEPS, APS, and NZE of the IEA WEO as well as the Reference Scenario and Advanced Technologies Scenario of The Institute of Energy Economics, Japan (IEEJ).

Our Long-term Strategy and Medium-term Business Plan (INPEX Vision @2022) was developed based on these scenarios. We will continue to conduct scenario reviews to promptly identify changes in the business environment, and review management strategies and plans in line with social trends.

\*The IEA WEO sets out a panoramic view of the international energy situation through 2050.

#### Referenced Scenarios

International Energy Agency (IEA) World Energy Outlook (WEO)	Stated Policies Scenario (STEPS)
	Announced Pledges Scenario (APS)
	Net Zero Emissions by 2050 Scenario (NZE)
Institute of Energy Economics, Japan (IEEJ)	Reference Scenario
	Advanced Technologies Scenario



## Climate Change

### Efforts to Reduce Fugitive Methane Emissions

Our target is to maintain our methane emissions intensity at its existing low level (about 0.1%). In FY2023, our methane emissions intensity was 0.05%, which is below our target level.



In FY2023, we joined the Oil & Gas Methane Partnership 2.0 (OGMP 2.0), a reporting framework for methane reductions by oil and gas companies. OGMP 2.0 was established as an international reporting framework under the United Nations Environment Programme (UNEP), providing member companies with a framework for comprehensive, measurement-based reporting to promote methane reductions. By reporting methane emission reductions through the OGMP 2.0 framework, we are improving the accuracy and transparency of our methane emissions reporting. We are also actively sharing technological innovation and information on specific initiatives with other member companies with the aim of measuring and reducing methane emissions.

To manage and reduce methane emissions, we have been aggregating and reporting data on fugitive methane emissions based on international methods since FY2018.

In FY2019, we surveyed and identified fugitive emission inspection locations for equipment and facilities at our projects in Japan. We also established a structure for data aggregation and reporting. In FY2020, we brought in a laser methane detector to enable inspections at almost all applicable points. We also introduced vehicle-mounted methane detectors and drones with which we are able to inspect all 1,500 kilometers of our domestic gas pipelines. Fugitive emissions detected through this inspection process are rectified immediately.

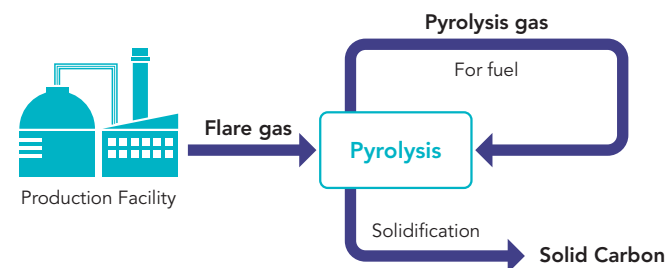
For our overseas projects, we carried out fugitive emission inspections through a leak detection and repair (LDAR) program using infrared cameras. At the Ichthys LNG Project, we inspected the central processing facility (CPF) and floating production, storage, and offloading (FPSO) facility in FY2022, and the onshore gas liquefaction plant in FY2023. We are now investigating how to achieve the level of methane emission management required by OGMP 2.0 by using drones and other methods going forward.

We are exploring the possibility of implementing similar inspections at additional projects, and will continue to take further action to reduce fugitive methane emissions across the entire Group.

### Efforts to Reduce Flaring

Having set a goal of zero routine flaring in our operator projects by 2030, relevant departments across the Company have been working together to study measures to reduce flaring.

In Japan, as part of our research and development of flaring reduction measures, we are studying the introduction of initiatives to reduce atmospheric CO<sub>2</sub> emissions by fixing carbon in flare gases through the use of methane pyrolysis technology (see the diagram below).



Since FY2022, we have also been managing our flaring along two lines—routine and non-routine flaring—in line with the Flaring Management Guidance for the Oil and Gas Industry developed by Ipieca, IOGP, and the Global Gas Flaring Reduction Partnership (GGFR).

As small quantities of non-condensable gas from oil production fields encounter challenges in feasible utilization, such gas is often incinerated in the flare system with CO<sub>2</sub> emissions. The application of methane pyrolysis technology enables the extraction of solid carbon from flare gases and consequently, reduce CO<sub>2</sub> emissions by flaring.



# Health & Safety

Through a resolution by the Board of Directors, INPEX has defined a Group-wide Health, Safety and Environmental Policy (HSE Policy) that aims to ensure the health and safety of its employees, contractors, project partners, local community members, and all other stakeholders while addressing global environmental issues and generating environmental value. The policy is applied to all employees and contractors who engage in Group activities, including our operational sites.

The HSE Policy is implemented through the combined efforts of the corporate HSE Unit—comprising the Planning, Health & Safety, Process Safety, and Environment groups—and by way of our robust HSE Management System.

## Message from the Officer in Charge of HSE



**Hideki Kurimura**

Managing Executive Officer, Senior Vice President, Technical Headquarters and in charge of HSE

To realize the sustainable energy development, we advocate as part of our Mission, we are required to conform to high ethical standards as a member of society and foster a corporate culture that prioritizes safety and environmental conservation. To maintain a stable energy supply, we must conduct our business internationally in search of natural resources. To this end, we have developed our HSE Management System (HSEMS) and conduct our activities in accordance with global standards.

To achieve a rate of zero major incidents\*, we will ensure compliance with the fundamental Life-Saving Rules and strengthen our process safety management. Through these measures and other efforts outlined in the Plan, these and other efforts, we will ensure implementation of the eight initiatives to further improve our HSE management. Going forward, through our relentless pursuit of HSE excellence, we will contribute to society by improving our resilience in the oil and gas business and fulfilling our responsibility to ensure a stable supply of clean energy.

\*Major accidents: Fatalities, major leaks, or serious injuries occurring in an operator project

## HSE Management System (HSEMS)

To ensure the successful implementation of the HSE Policy in its business activities, in FY2007 INPEX developed the HSEMS Manual, referencing standards such as ISO 9001 and ISO 14001. This manual was revised in FY2017 based on the international standard OMS510\*1, issued by the International Association of Oil & Gas Producers (IOGP). OMS510 is a system whose fundamental principles are leadership, risk management, continuous improvement, and implementation. This system forms the foundation by which we improve the performance and effectiveness of our HSEMS. Based on these fundamentals, the HSEMS Manual defines the structural elements vital to the implementation of our HSEMS. These include: the preparation and revision of key HSE documents such as corporate manuals, procedures, and guidelines; the establishment of HSE organizations; HSE technical support for each division; HSE education and training; HSE communication activities; and periodic HSE audits and reviews.

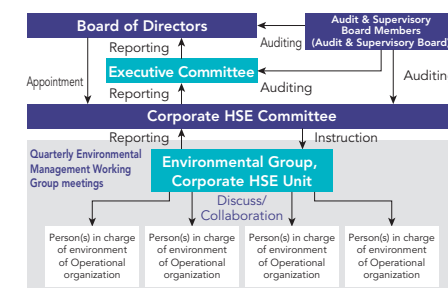


\*1 OMS510: IOGP Report No. 510: "Operating Management System Framework for controlling risk and delivering high performance in the oil and gas industry"

## HSE Management Structure

The Board of Directors and the Executive Committee oversee HSE. Our Corporate HSE Committee comprises the Senior Vice Presidents of our operational organizations that implement and manage operator projects, and head office divisions that manage non-operator projects and subsidiaries, and the General Managers of corporate divisions. The Committee meets regularly to propose and implement the Group's initiatives for tackling HSE challenges, analyze risks and opportunities, and monitor the operating status and effectiveness of the HSEMS. Important Group-wide matters resolved by the Committee are then discussed by the Executive Committee and the Board of Directors.

## HSE Management Structure







## Health & Safety

### Promotion of Health and Productivity Management

#### INPEX Group Health Statement

INPEX believes the mental and physical health of all employees is the foundation of the Company, therefore regard health management as a material management issue. [The INPEX Group Health Statement](#) issued in September 2018 sets out our position to support and improve the health of employees and their families, with the President & CEO appointed as Chief Health Officer.

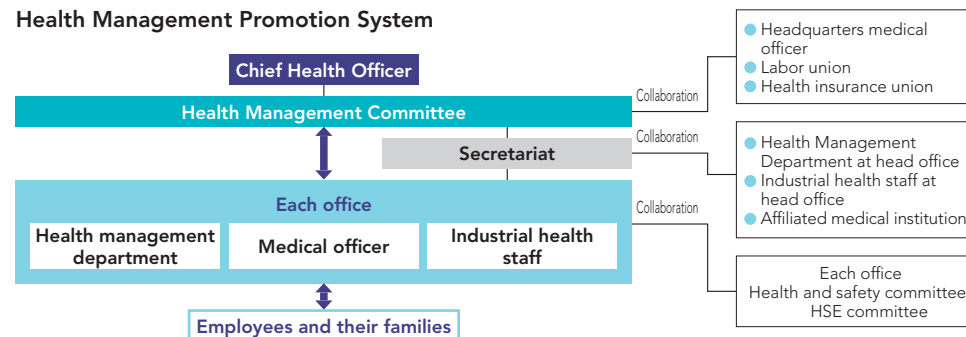
The statement declares that: the Company will maintain and improve the physical and mental health of employees as well as their families; the Company aims to build a vibrant corporate culture by creating a work environment to maximize the potential of all employees; and employees should recognize their own responsibility in improving their lifestyles and proactively strive to maintain physical and mental health.

#### Approach to Health and Productivity Management

Under the leadership of the President & CEO as Chief Health Officer, we are working with our labor union, health insurance union, and medical officers to maintain and improve the health of our employees and their families and to create a healthy workplace.

For this purpose, we have set up Health Management Committee (Committee inauguration date: September 26, 2018). The Committee meets regularly, at least once a year to identify employee health issues and consider relevant solutions, while implementing ongoing improvements through the PDCA cycle. To improve the expertise of the Committee, our head office medical officers are also members.

#### Health Management Promotion System



#### Health Management Committee

Health Management Committee					
	(Vice-chair)	(Chair)	(Vice-chair)		
	Director in Charge of HSE	Head of General Administration Division	Head of Corporate Strategy & Planning Division	Head of Domestic Energy Supply & Marketing Division	Head of Domestic Exploration and Production Division
Members	General Manager, HSE Unit	General Manager, Human Resources Unit	General Manager, Corporate Strategy & Planning Unit	General Manager, Administration Unit, Domestic Energy Supply & Marketing Division	General Manager, Planning & Coordination Administration Unit
	Labor union	Health insurance union	Headquarters medical officer		
Secretariat	HR Unit	Public health nurse			

● Agenda items:

1. Issues relating to employee health and required countermeasures
2. Groundwork for health and productivity management, steps to improve the workplace environment
3. Specific measures to address employee mental and physical health
4. Review of effectiveness of measures to maintain and improve health
5. Other important matters relating to maintaining and improving health



# Environment

We recognize the importance of addressing the increasingly diverse global environmental issues emerging in recent years connected to our business activities, including climate change, biodiversity, and water management and waste. We have therefore incorporated initiatives to address such issues and to create environmental value as part of our HSE management enhancements.

With this in mind, in FY2022, we revised our [HSE Policy](#) and published the [policies and commitments on biodiversity conservation, water management, and waste management](#).

In this way, in addition to our traditional management initiatives to avoid, mitigate, or compensate for negative impacts on the environment surrounding our projects, we can contribute to the new creation of environmental value by working to promote a net positive approach to biodiversity and help create a circular economy through appropriate management of waste.

## Policy and Commitments on Biodiversity Conservation

Recognizing biodiversity conservation as another significant global environmental issue, we have positioned this as one of our Key Tasks. We established and published our Policy and Commitments on Biodiversity Conservation in December 2022, following resolution by the Board of Directors.

<b>Our Policy</b>	We identify biodiversity related risks and opportunities in our businesses and actively promote initiatives for the conservation and sustainable use of biodiversity based on the mitigation hierarchy <sup>1</sup> .
<b>Commitments</b>	<ol style="list-style-type: none"> <li><b>1. Identify Biodiversity Related Risks and Opportunities</b> <ul style="list-style-type: none"> <li>■ We will identify risks and opportunities for biodiversity in our business and promote initiatives for sustainable use.</li> <li>■ We will promote disclosure of information on biodiversity conservation activities.</li> </ul> </li> <li><b>2. Set Exclusion Zones for Our Businesses</b> <ul style="list-style-type: none"> <li>■ We will not operate our businesses inside UNESCO World Natural Heritage site boundaries.</li> </ul> </li> <li><b>3. Promote a Net Positive Approach</b> <ul style="list-style-type: none"> <li>■ For our businesses located in critical habitats<sup>2</sup>, we will develop and implement Biodiversity Action Plans (BAP), including creating net positive impacts.</li> </ul> </li> <li><b>4. Enhance Biodiversity Conservation Activities</b> <ul style="list-style-type: none"> <li>■ For new businesses, we will identify impacts on biodiversity and develop and implement measures to avoid or reduce impacts based on the mitigation hierarchy.</li> <li>■ For existing businesses, we will reduce negative impacts on biodiversity to the extent possible and promote initiatives to create positive impacts on biodiversity.</li> </ul> </li> </ol>

1. Mitigation hierarchy: The idea that after avoiding, minimizing, or taking steps to remedy negative impacts on the environment, the final measure should be an offset to compensate for any remaining impacts  
 2. Areas of high biodiversity value as defined in IFC Performance Standard 6.

▶ At INPEX, we are enhancing our biodiversity and nature-related initiatives in line with global trends. We have participated in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum since FY2022, and gathered information related to the TNFD framework\* as well as conducting internal assessment on a trial basis. For more details, please refer to the [Sustainability Report 2023](#).

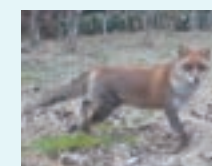
\*TNFD framework: A framework established by the Taskforce on Nature-related Financial Disclosures (TNFD) to assess nature-related risks and opportunities, and to disclose that information.

## Promotion of Biodiversity Conservation Activities

The type and degree of impact that our operations have on biodiversity differ depending on the scale, activities, or location of each project. Accordingly, the biodiversity conservation efforts required for each project also differ. Therefore, we assess the importance of biodiversity in the areas in which we operate, and the risks and impacts on biodiversity that each project brings. We then apply a mitigation hierarchy to plan strategies for avoiding, mitigating, and compensating for those risks and impacts, and to conserve biodiversity, in environmentally sensitive areas that are particularly important (protected areas, critical habitats of threatened species, forests, mangroves, coral reefs, wetlands, and tidal flats, etc.).

### Biodiversity Conservation Activities in Japan (Efforts at "Kitsunedaira Donguri-no-mori")

As part of an ongoing forestation support program launched by Niigata Prefecture in FY2010, the Kitsunedaira Donguri-no-mori (Acorn Forest) project is being conducted in Nagaoka City's Fudo-sawa district, adjacent to the Nagaoka Field Office. In addition to this forestation efforts, since FY2019, we have been conducting biodiversity surveys in Kitsunedaira Donguri-no-mori to investigate the species that are using and inhabiting the forest. As a result of the surveys conducted in FY2019 and FY2022, a wide variety of species have been observed, including antelopes and foxes.





## Environment

### Policy and Commitments on Water Management

With water management and water risk management<sup>1</sup> being internationally recognized issues, we have prioritized proper water management as one of our Key Tasks.

Additionally, we have established and published our Policy and Commitments on Water Management through a resolution of the Board of Directors in December 2022.

<b>Our Policy</b>	We consider the impact of our business on water resources and sustainability in local communities and promote efforts on impact mitigation and value creation.
<b>Commitments</b>	<ol style="list-style-type: none"> <li><b>1. Assess water-related risks in areas around operational sites</b> <ul style="list-style-type: none"> <li>■ We strive to understand the water-related risks at operating sites using internationally recognized risk assessment tools.</li> <li>■ We will develop and implement additional measures based on mitigation hierarchy for areas evaluated as high water-related risk areas.</li> </ul> </li> <li><b>2. Restrict freshwater intake in high water stress<sup>2</sup> areas</b> <ul style="list-style-type: none"> <li>■ We will limit freshwater intake where significant impact is expected on local water resources as a result of freshwater intake by our operating sites.</li> </ul> </li> <li><b>3. Implement appropriate water management (water intake, usage, and drainage)</b> <ul style="list-style-type: none"> <li>■ We will strive to understand the status of water usage (water intake, drainage, usage) at our operating sites and implement the 3Rs (reuse, reduce, recycle).</li> <li>■ We will implement appropriate treatment and wastewater management for produced water and other associated wastewater.</li> </ul> </li> <li><b>4. Collaborate with stakeholders</b> <ul style="list-style-type: none"> <li>■ We will collaborate with stakeholders to promote sustainable use of local water resources.</li> </ul> </li> </ol>

1. Water risks: Water risks related to water supply necessary for current and future business continuity and the increasing rate of occurrence from abnormal weather associated with climate change

2. Ratio of water demand to available and renewable surfacewater/groundwater

### Wastewater Management

Water produced from our oil and natural gas projects is reinjected underground, or discharged as wastewater, after being confirmed to comply with the effluent standards in local and international guidelines. In FY2023, 28% of the total produced water (approximately 0.81 million cubic meters) was reinjected, while the remainder was discharged into rivers or seas after treatment.

### Water Risk Assessment and Identification of High-water Stress Areas

We annually check the water risk in the areas where our operator projects are located using AQUEDUCT, a water risk mapping tool developed by the World Resources Institute (WRI). As of the end of 2023, among the 26 production assets and one development project in which we have an interest, both the Abu Dhabi project and the Abadi project under development are located in areas with high water stress. However, in Abu Dhabi, no freshwater is being withdrawn due to the installation of seawater desalination equipment. For the Abadi project, we plan to install a seawater desalination plant as well, so that no freshwater will be taken from the project area.

Since local water risks are influenced by various factors and change over time, going forward we will continue to identify water risks. If we find water risk to be too high, we will plan and implement additional measures according to the mitigation hierarchy.

### Use of freshwater

As one of the resources we utilize in our business operations, we recognize freshwater intake to be a major issue in our water management. We have been working to reduce our impact on water resources by managing the water intake of our operator projects in Japan and overseas, and the discharge of produced water arising from oil and natural gas production. Our operator project sites use freshwater (tap water, industrial water, and groundwater) as coolants, for power generation and excavation work. In FY2023, the volume of freshwater used across the Group totaled 1,625 thousand cubic meters. In addition to using groundwater for normal cooling and drilling operations in Japan, we also use it for melting snow in winter. We are also taking action to reduce our freshwater consumption, including by adopting a circulating system for cooling water, and equipping snow-melting systems with automatic start and shutoff mechanisms. Within the Ichthys LNG Project, we conduct investigations into freshwater use with the aim of reducing consumption in its facilities. The findings of these investigations are being used to consider the feasibility of cost-effective approaches for reducing freshwater consumption by reusing water, such as treated wastewater from processing as well as wastewater and condensed steam from power generation facilities.



## Local Communities

The support INPEX receives from local communities—underpinned by strong and trusted relationships—forms the basis of our social license to operate, and is therefore integral to the success of our business activities.

Our engagement with local communities is guided by commitments within our [Sustainability Principles](#). We are committed to engaging with, and fairly and proactively disclosing Company information to, a wide range of stakeholders, including the communities in which we operate. We seek to build and maintain relationships with our stakeholders through open and transparent engagement.

### Site tour for members of the local community

When constructing gas pipelines in Japan, we ensure free prior and informed consent (FPIC) is received from local governments, and residents and companies along the route. To do this, we offer preconstruction briefings, circulate notices about the work and provide worksite tours.

As a standard practice, we typically select pipeline routes that pass under public land, such as public roads, thereby minimizing the need for residents to relocate. As an exception, when conducting shield tunneling and jacking work, we negotiate with landowners along the route to lease the minimum area of land required for construction period. We then pay a fee to lease the land for the duration of work. When leasing agricultural land, such as rice paddies and vegetable gardens, we financially compensate farmers for the duration of our work and according to the crops being grown. Based on the construction plan, we invite landowners to briefings and site visits before work commences. After the construction is completed, we promptly restore and return land to farmers.



### Engagement with Indigenous Communities



In Australia, our commitment to working with Aboriginal and Torres Strait Islander peoples to build sustainable and mutually beneficial relationships is underpinned by our Reconciliation Action Plan (RAP).

A RAP sets out practical actions and deliverables to help advancing reconciliation in the communities in which we operate. In 2023, we launched our third [INPEX Stretch Reconciliation Action Plan \(RAP\) 2023–2025](#) which includes various actions and deliverables that are further stretching our targets, building on achievements under our previous RAPs. The implementation of actions and deliverables contained in the RAP are facilitated by a RAP Working Group with oversight from a RAP Steering Committee. Progress of the RAP implementation is shared regularly internal and externally.



## Respect for Human Rights

INPEX supports international norms such as the International Bill of Human Rights, the International Labour Standards of the International Labour Organization, the United Nations Guiding Principles on Business and Human Rights, and the human rights principles of the United Nations Global Compact. In FY2017, we issued the INPEX Group Human Rights Policy to clearly define our commitment to respecting human rights and fulfill our responsibilities in this regard. In accordance with that policy, we implement measures to address the human rights of all stakeholders in each country and region where we operate, including stakeholders in our supply chains. The policy prohibits all forced labor and child labor and affirms our respect for the protection of freedom of association and right to collective bargaining.

To comply with the United Kingdom Modern Slavery Act, Australian Modern Slavery Act and Norwegian Transparency Act, we have annually issued a statement on our website to disclose the policies, structure, and measures that we have in place to prevent slave labor and human trafficking within the Company and throughout our supply chain.

In FY2023, to enhance our supply chain management we formulated Supplier Code of Conduct Guidelines. Additionally, we reviewed our human rights due diligence assessment sheets with the aim of reassessing the risks we face in our business.

In FY2023, we plan to conduct surveys and interviews regarding human rights issues that are particularly relevant based on benchmark studies and trends across the oil, gas and renewable energy industries.

### Human Rights Due Diligence

Since FY2016, we have been conducting human rights due diligence with the assistance of outside human rights experts at our sites in Japan and overseas to enhance our human rights management. Conducted in line with [the INPEX Group Human Rights Policy](#), we have applied this due diligence to all seven of our operational sites in three countries as of the end of FY2023.

In FY2024, we added renewable energy business risks to our oil and gas industry risks and reassess human rights risks through our value chain with the cooperation of third-party organization.

These reassessments will extend to all of the stakeholders in our value chain—our employees, indigenous peoples, migrant workers, suppliers and contractors, and local communities.

### Compliance with the UK Modern Slavery Act

The INPEX Group implements measures to address the human rights of all stakeholders in each country and region where it operates, including stakeholders in its supply chains.

As part of these efforts, we issued a Modern Slavery Act Statement based on the Modern Slavery Act 2015\*, which was enacted in October 2015.

As a global company involved in the oil and gas development and renewable energy-related business with sites around the world, including the United Kingdom, this statement indicates our policies, structures, and specific initiatives related to the prevention of slavery and human trafficking in the management of the Group's supply chain.

In addition, since FY2020, INPEX Australia has annually prepared and issued the INPEX Australia Modern Slavery Statement pursuant to the Australian Modern Slavery Act 2018. Furthermore, to comply with the Norwegian Transparency Act, INPEX Idemitsu Norge performs due diligence regarding human rights and working conditions and has disclosed Transparency Act Due Diligence Report since FY2022.

The Group will continue to strive to enhance its human rights management. Through this, we will steadily live up to our social responsibility to the local communities in which we operate and we will contribute to the creation of a sustainable society.

\*Modern Slavery Act 2015: Under this act, companies that do business in the United Kingdom and meet specific conditions are required to disclose details regarding the initiatives they implement in their own supply chain to prevent modern slavery on their website.

▶ [FY2023 Statement Pursuant to the United Kingdom Modern Slavery Act](#)

▶ [FY2023 Statement Pursuant to the Australian Modern Slavery Act](#)

▶ [INPEX Idemitsu Norge Transparency Act Due Diligence Report 2023](#)





# Human Capital

Embodying the management philosophy of the INPEX Group, it is essential for INPEX to build an organizational structure and cultivate a workplace capable of amplifying its strengths in fieldwork, technology, and internationalism, and respond flexibly even in a rapidly changing business environment. Our objective is to build an organizational culture in which people feel empowered to voice their ideas without constraint fostering an environment for growth and innovation. We seek individuals who create business value through embracing diversity, a commitment to personal growth, and demonstrate autonomy. To achieve this, we are working on various key measures based on our Basic Policy on INPEX Human Resources Strategy.

## Message from the Officer in Charge of Human Capital



**Hitoshi Okawa**

Director, Senior Managing Executive Officer, Senior Vice President, General Administration and Senior Vice President, Oceania Projects

INPEX implements various human resource (HR) initiatives to make INPEX the “Employer of Choice,” the best place to work. In December 2023, we redefined the organizational culture we strive for and the human resources we seek, established the Basic Policy of Our Human Resources Strategy to achieve those ideals, and are working on various focused measures. We are pursuing new initiatives such as establishing a task force for women’s advancement, in addition to implementing a range of measures that are more challenging than ever before, such as organizational vitalization, advancement of diverse personnel and support of autonomous career development. Furthermore, we continue to implement initiatives to create a workplace environment that allows flexible workstyles, promotes psychological safety and encourages the uninhibited exchange of opinions and ideas.

To realize further growth for INPEX and to have employees break away from conventional thinking and behavior and excel at each place of business, we will actively promote human resources development and other forms of investment in human capital.

## Basic Policy of Our Human Resources Strategy

**To become the “Employer of Choice,” the most rewarding company to work for, by creating an organization, workplace and culture that encourages employees to take on challenges and act autonomously**

- Foster a corporate culture that encourages innovation by endorsing ideas and changes that are not bound by precedent
- Build a culture that encourages individual performance and collaboration to achieve goals with a “Safety Number One” mindset

**To assign the right people to the right positions and conduct appropriate evaluations and compensation in order to enable diverse human resources to play an active role**

- Develop and deploy leaders at a global level to adapt to business speed and create value by integrating human resources with diverse backgrounds
- Enhance motivation through highly transparent evaluations and competitive compensation based on such evaluations

**To secure and develop human resources capable of continuously creating value in a changing business environment and improve their engagement**

- Establish recruitment branding to build understanding and empathy for the Company’s businesses
- Provide practical growth opportunities to increase on-site and technological capabilities

## INPEX HR VISION

As a company operating across the world, we view workforce diversity and common values shared by our global workforce as essential for sustainable and responsible business management. To achieve these goals, our Human Resources (HR) Unit developed the INPEX HR Vision, comprising four key pillars as a common vision for our Group human resources departments. This vision has been developed in consultation with the heads of HR departments in each country. With these four core pillars, we are working to create an internationally competitive organization by applying a global perspective as we implement HR initiatives to improve the capabilities of our employees and team performance.





## Human Capital

### Development of INPEX Values to Become the Employer of Choice

At INPEX, we recognize that for each employee to demonstrate their full potential—regardless of age, gender, nationality, or other characteristics—it is important to adhere to the shared INPEX Group Values for both Group officers and employees to live and champion.

In addition, we regularly host psychological safety seminars for officers and employees, Open Offices (Dialogue with President & CEO, Senior Executive Vice Presidents, Senior Vice Presidents) and town hall meetings. We also foster communications through activities like team building exercises. Our aim is to create an organizational culture where people feel empowered to be themselves and contribute to innovation, ultimately striving to become the “employer of choice” at a global level.

### INPEX Values

#### Collaboration

We rely on unity and team spirit to build strong professional working relationships within INPEX as well as within the communities in which we operate.

#### Ingenuity

We embrace initiative and innovative problem-solving at every level of INPEX and celebrate our successes at every opportunity.

#### Diversity

We proactively embrace our individual differences which is central to who we are at INPEX and what makes a unique and welcoming workplace environment.

#### Safety

Anzen dai ichi – ‘Safety Number One’ – is the way we think, act and promote safety at INPEX that forms the core of a strong HSE culture.

#### Integrity

We are ethical, honest and trustworthy in our business relationships and professional in our conduct at all times.

### Promoting INPEX Values

We are pursuing various measures to promote INPEX Values, including INPEX Values Awards, INPEX Values Interviews and creation of an intranet focusing on INPEX Values. One new measure for promoting INPEX Values involves holding a symposium that features the winners of INPEX Values Awards. In fiscal 2023, the five winners of the award for safety made presentations and talked with symposium attendees about the specific safety actions that they put into practice. We will continue to promote INPEX Values and hold symposiums featuring past winners to further raise awareness of INPEX Values and share values.



### Enhancement of Group Collaboration

To achieve sustainable growth for the Group in a rapidly changing business environment, we believe it is important for our foreign employees (who account for approximately 40% of our workforce) to collaborate. We encourage teamwork to cultivate growth and innovation, by leveraging shared knowledge and individual experiences and integrating strengths and capabilities. Specifically, we are building an organization where our employees from both local and overseas subsidiaries can collaborate and support individual projects. This involves holding regular global workshop meetings and technology exchange meetings across various divisions, as well as ongoing efforts to share knowledge, experience and pursue best practices across the Group.

We support HR development by providing leadership programs and skills-related training tailored to the circumstances of each country. Our head office leadership training






## Human Capital

program, designed for emerging leaders across local and overseas subsidiaries, aims to broaden their horizons and strengthen unity within the Group. While temporarily suspended during the COVID-19 pandemic, the program resumed in FY2023, with seven employees from Australia working at our head office.

### Human Resource Development

In line with its Basic Policy on human resources (HR), INPEX implements initiatives aimed at developing employees who embody the Company's desired qualities, support positive organizational culture, and contribute to the medium- to long-term growth of its workforce. In addition to providing training on the knowledge and skills required for each job grade and managerial position, we also offer business training for personnel to acquire specialized knowledge and business skills for the energy industry. Specific leadership training has also been developed to strengthen management skills of global-level leaders. This includes programs focused on cultivating internationalism, strengthening leadership and management capabilities, as well as diversity, equity, and inclusion (DE&I) training to enable participants to work and produce results with diverse workforce. We also conduct age-specific career workshops and implement a fast-track selective program for chosen employees, to support early career development. Through these training programs, we can not only provide employees with the necessary business knowledge and skills, but to also cultivate an awareness of their own growth. In this way, we aim to support the performance and growth of program participants and contribute to long-term success and development of the organization as a whole. In FY2023, a total of 564 employees participated in our leadership development and related programs, including next-generation leader selection and development.

#### Approach to HR Development (extract from the employees' guidebook)

-  **Support based on a mid- to long-term perspective** ▶ The Company provides support to employees from a mid- to long-term perspective, so that they can achieve self-actualization through their work.
-  **Support for development with an emphasis on independence** ▶ The Company actively supports those who think and keep making efforts independently. In order to help employees to demonstrate their abilities at a higher level, the Company provides employees with opportunities to acquire human, conceptual, and technical skills.
-  **Support for autonomous career development** ▶ The Company supports all employees to have a career ownership mindset that allows them to choose their career based on their own values. The Company provides them with opportunities to think proactively and find their own role.

### HR Evaluation and Allocation

At the core of INPEX's approach to HR management, is a commitment to fairness in its personnel system. This approach is based on three concepts: a fair job-based grading system, a pay-for-job/performance compensation system, and a transparent evaluation system.

We conduct HR evaluations along two axes: work target evaluations (target management) and work behavior evaluations (competencies). Accordingly, we disclose the evaluation process and criteria to those being evaluated to ensure transparency and fairness, and connect achievement of performance targets for the organization with the growth of individuals. We do this by (1) setting targets linked to high-level targets and work responsibilities, (2) providing real-time feedback and progress confirmation, and (3) ensuring well-balanced evaluations and treatment. To fully implement this evaluation system for non-managerial employees from FY2024, we are providing briefings on HR evaluations for both those being evaluated and those conducting the evaluations.

We are also striving to set appropriate targets in line with work responsibilities, and improve understanding and awareness of the valuation system. To support the continued development of our personnel, we are working to prevent rigidity in personnel assignment, the dependency on individuals, and reduction in opportunity for promotion. We do this by regularly reviewing the position, succession plan, and talent of executives in each division. A tenure system has also been introduced for line management positions. Each year, employees are encouraged to declare their job and division preferences, to help management better understand their career outlook. We also provide regular one-on-one meetings between employees and their supervisors, where dialogue can lead to medium- to long-term career development. In addition, we provide opportunities for employees to pursue their own career paths through an internal job posting system. This leads to more appropriate personnel allocation and assignment while motivating employees. Concurrently, we run a return-to-work program to welcome back motivated employees who had resigned from the Company due to unavoidable personal reasons.



## Promotion of Diversity

INPEX respects international norms on human rights in accordance with the INPEX Group Code of Conduct. We do not discriminate based on factors such as race, skin color, gender, sexual orientation, gender identity, age, creed, religion, birth, nationality, disabilities, or educational background. We mutually respect and utilize the individuality and diversity of every employee, and strive to ensure employees have fair and equitable access to opportunities for self-fulfillment and career development. We do not tolerate harassment or behavior that could be misconstrued as harassment.

We want all personnel to fully understand the importance of DE&I. We aim to create an organization in which people can freely and openly express their opinions without being bound by preconceived notions, continue to try new things, and innovate. Therefore, we aim to build a workforce that creates business value based on acceptance of diversity, willingness to grow, and autonomous behavior.

We consider promotion of DE&I to be an essential element of INPEX becoming the employer of choice. Through this approach, we will create an active and diverse workforce to help us achieve sustainable growth even in a rapidly changing business environment.

We aim to become a company that is valued for its contributions in creating a more prosperous society.

## Promotion of Women's Empowerment

In line with our policy on DE&I, we are intent on creating an environment that enables women to showcase their full potential. We recognize there is uneven representation of females across job categories and their underrepresentation in managerial roles. To address these issues, we are actively recruiting mid-career women with management capabilities. Similarly, our graduate recruitment efforts focus on boosting female representation by participating in targeted events for female students. In this and other ways, we are working to achieve recruitment of at least 30% females in each year's new employee cohort.

Our previous target was for women to fill 4% of management positions (as defined by our grading system\*) by December 31, 2023. We were pleased to achieve this target, with women filling 4.3% of management positions by the end of 2023. Going forward, we aim to increase our target to 6% during FY2025 through more intensive mid-career recruitment of women across management roles.

When promoting or appointing personnel, we also evaluate employees who are temporarily restricted from performing their work duties due to life events in an appropriate manner to avoid impeding on their career advancement.

In FY2021 and FY2022, we held unconscious bias seminars for all personnel. In FY2023, we also held internal seminars on the subjects of gender bias and women's empowerment, with a total of 387 males and females attending. In efforts to develop greater female leadership, we selected six females from within the Company to attend an external training program. Through these initiatives, we are promoting greater diversity in the workplace and building a foundation for more active participation of female employees.

\*Non-consolidated employees including seconded employees but excluding the employees who are temporary transfer to INPEX

### Other Initiatives to Promote DE & I

In addition to the above initiatives, we are implementing the followings to achieve DE & I.

In the area of childcare support, we are actively disseminating information and details of the system regarding paternity leave for male employees, and the rate of male employees taking paternity leave is on the rise. We are also focusing on creating an environment where employees can obtain support from those around them through training for supervisors who have employees who are in the child-rearing generation.

To promote understanding towards LGBTQ+, we have conducted internal training and events in cooperation with LGBT ALLY\*. We have also worked to establish internal systems that allow employees to refuse business travel orders for the reason that they are LGBTQ+, and treat same-sex partners of employees and their children as family members.

We are also actively hiring foreign employees, and we are working to create an environment where employees can be comfortable by providing relocation support and Japanese language lessons when they come to Japan.

As an initiative to encourage autonomous activities by seniors, we offer career consultation to employees aged 55 with qualified personnel, and many of our employees who reach the retirement age are transferred to INPEX Solutions, LTD. a fully owned subsidiary, where they can make use of their expertise.

In promoting the employment of people with disabilities, we are providing appropriate support tailored to their disability status and workplace environment, while maintaining an employment rate that exceeds the legally required rate in Japan.

By continuing to promote these initiatives, we will create a work environment in which all employees can enjoy their full potential.

\*Ally: A supporter and person who understands related issues





## Roundtable with Outside Officers

We will monitor the prospects and growth strategies depicted in INPEX's long-term vision from an independent, external perspective.

### Growth strategies of energy companies must gain the confidence of the market

**Morimoto:** As the Tokyo Stock Exchange requires listed companies to "implement management that is conscious of cost of capital and stock price," INPEX announced "Sustainable Growth of Corporate Value" in August 2023 and has been making efforts accordingly. I commend company president Takayuki Ueda for leading INPEX toward its objective of improving the price book-value ratio (PBR). I believe that the market has taken a favorable view of INPEX's clear policies, including carbon neutrality.

**Nishimura:** For INPEX, which bears the social responsibility of serving as an energy supplier, it is extremely important that it gains the confidence of the market in its growth strategy. INPEX analyzed the reasons why the market's



Hideka Morimoto  
Director (Outside)

Jun Yanai  
Director (Outside)

Atsuko Nishimura  
Director (Outside)

evaluation of the company's performance was not commensurate with its reasonably strong financial results, and summarized them into three core themes of "improving capital efficiency," "growth initiatives to gain market confidence" and "stronger shareholder returns and deeper dialogue with investors." I feel we can say the company has taken a significant step forward with this integrated approach, and it is now steadily implementing each of these initiatives.

**Yanai:** Looking at shareholder returns, the announcement of INPEX's share buyback has been well received. This will contribute to enhanced capital efficiency, and with regard to market confidence, the role of the Ichthys LNG Project

is attracting renewed attention as geopolitical instability poses a threat to the stable supply of energy. I am confident that the company is in good shape with regard to the three core themes. And I think the fact that the company is expanding its business in large-scale, low-environmental-impact LNG projects from Ichthys to Abadi while steadily laying the groundwork for the future by determining the feasibility of its 5 net zero businesses is being viewed favorably from the perspective of ESG.

**Morimoto:** At Investor Day, an information session designed to reinforce dialogue with investors, many analysts inquired about ESG and the 5 net zero businesses, and I sensed a growing interest in these areas. INPEX plans to





## Roundtable with Outside Officers

make a significant, long-term investment in the Abadi LNG Project. It will be incumbent on the company to continue to communicate to the market its stance of promoting investments in smooth energy transition while minimizing risk by achieving synergy between the LNG business and the 5 net zero businesses, including making energy cleaner through carbon capture and storage (CCS).

**Nishimura:** INPEX's business is highly specialized, and its operation sites are in some ways distant and difficult to understand, but at Investor Day, the project's field staff and managers provided a frank explanation of progress and issues, and I felt it was a meaningful and effective way to share information on the project. I hope that, as an energy company that accepts the challenge of an exciting future, INPEX is able to secure the confidence of the market.

## Direction of long-term vision based on decarbonization and climate change response

**Morimoto:** In May 2023, the Japanese government enacted the GX Promotion Act and launched a policy to promote decarbonization investment in the public and private sectors combined of at least 150 trillion yen over 10 years with the aim of achieving net zero emissions by 2050. The direction that the company is taking through INPEX Vision @2022 is consistent with these developments. I believe that the integrated promotion of transitional energy supply from the LNG projects and initiatives in the 5 net zero businesses in particular is contributing significantly to bringing about a net zero carbon society in Japan.



**Nishimura:** In addressing decarbonization and climate change, companies are required to produce concrete results over an extremely long period of time, and their efforts will continue to grow in importance. For energy companies, while there is the risk of fossil fuels becoming stranded assets, if they can deliver clean, diverse energy supplies, they should be able to capitalize on significant growth opportunities given the constant expansion in energy demand. Being aware of these risks and opportunities, INPEX has clarified the fundamental principles of its long-term vision through a series of revisions to its Corporate Position on Climate Change established in 2015, identifying the upstream energy business and 5 net zero businesses as its two focus areas. To continue the upstream energy business, it will be essential to make energy cleaner, and the synergy with the 5 net zero businesses that Mr. Morimoto alluded to earlier will be very important. I also believe that the challenge in capturing opportunities in the 5 net zero businesses is to carefully evaluate the economics and profitability over time,

including such factors as working with partners, constructing supply chains and securing demand.

**Yanai:** As damage from extreme weather events owing to global warming spreads, the world's demand for energy companies, such as majors in Europe and the US—which are enjoying unprecedented profits on the back of rising resource prices—to proactively work to combat climate change and move toward net zero emissions is growing even stronger. INPEX's goal of achieving net zero emissions represents a challenge to leverage the knowledge it already possesses in discovering possibilities from projects with business potential. I think this is an excellent initiative and hope it will continue. Meanwhile, despite the many innovations that have been created worldwide, however, the demand for climate change solutions and net zero emissions technologies has not yet been significantly tapped into. In line with what Mr. Nishimura just said, we need to establish businesses while evaluating their economic potential and profitability in a manner that involves customers, and to link social value provision to INPEX's own corporate value enhancement.





## Roundtable with Outside Officers

### Evolution of the Board of Directors and findings from the effectiveness assessment

**Yanai:** Of the three of us, I have the longest tenure as an outside director of INPEX, having served since 2016. Looking back at the past eight years, I feel that the Board of Directors has evolved considerably since that time as discussions are more active and higher in quality. One element that may have helped facilitate this evolution is the annual evaluation of the Board of Directors' effectiveness. I believe that opinions being expressed so frankly and openly and the implementation of a series of remedial measures in response to those points greatly enhanced



the Board's effectiveness. Previously, many of INPEX's outside directors and outside Audit & Supervisory Board members were from the energy industry, but we now have

members with a wider range of attributes and backgrounds to ensure diversity. At meetings of the current Board, such people are raising opinions and questions from a host of different perspectives, leading to deeper discussion.

**Nishimura:** Corporate governance is the basic foundation for a company's sustainable growth. My view is that INPEX has firmly established its basic policy and is constantly working to improve it. The company also shares a lot of information with us as outside directors, such as by providing explanations and materials ahead of time, which is evidence of the company's commitment to the proactive incorporation of outside opinions.

Moreover, as Mr. Yanai noted, the company has continued to be proactive in its efforts to ensure diversity as a key theme, and I hope that this will bear fruit and lead to further progress.

**Morimoto:** I became an outside director in 2022, and I feel that company president Ueda and the other members of the Board want me to speak out, as I have been



involved in Japan's environmental administration—a different field, so to speak—and they respond to my comments with sincerity, allowing me to share my views without trepidation. I receive explanations from the executives, and have discovered many things in the process. In our interactions, which resemble playing catch, I am always considering how to contribute while deepening my understanding of the business.

**Yanai:** In the previous effectiveness assessment, it was indicated that the Nomination and Compensation Advisory Committee should provide more extensive feedback to the Board on the content of the committee's discussions. The way I see it, as I am chairing the committee from 2024, many people attend INPEX Board meetings, including members of the Secretariat, and given the nature of the committee, which is involved in nominations and compensation, not all of the specifics of our discussions can be disclosed. I do believe, however, that areas related to the foundation of management, such as the process of selecting directors and the compensation system, should be shared at Board meetings as needed.

### Future challenges related to governance

**Yanai:** I think the public is taking a hard look at our business as it is directly related to the prices they pay at the pump and other aspects of their lives. As such, in terms of corporate defense, I believe that ensuring compliance with the law remains a top priority of governance.

Moreover, risks such as geopolitics, oil prices, environmental issues and climate change facing the company are



## Roundtable with Outside Officers

increasing. As an outside director, I intend to constantly monitor INPEX's risk inventory.

**Nishimura:** I believe that governance is not only about defense—serving a check-and-balance function to monitor and supervise management execution and ensuring compliance and risk management—but also about offense, which encourages risk-taking and accepting challenges as appropriate, thereby contributing to corporate value enhancement. I would like to be more aware of this and contribute to the further growth of INPEX.

## The role of outside directors in the lead-up to the next medium-term business plan

**Morimoto:** INPEX is a company with the meaningful mission of providing Japan and the rest of the world with a stable supply of energy. And I believe that it can achieve this mission through the collective, parallel efforts of its many stakeholders. My intent is to view issues and act from the varied perspectives of this diverse group of stakeholders. In this sense, I believe there are three roles that outside directors must play. One is to firmly support efforts in the 5 net zero businesses, which have finally entered the implementation phase. Initiatives in these businesses will require institutional framework development in tandem with corporate efforts. I will keep abreast of government developments while pointing things out and offering advice that will align the company's path with the government's. Secondly, the net zero businesses are new areas, so INPEX may be somewhat lacking in aspects such as technology and human resources. I will address those



areas in particular and contribute to strengthening the company's internal systems. Thirdly, I am focusing on the value of INPEX's many infrastructures and its technological expertise—including its domestic pipeline—and one of my key themes is to see this utilized in the energy transition.

**Yanai:** I think what should be emphasized in formulating the next medium-term business plan is the communication of the company's vision to all stakeholders—including shareholders and investors—in an easy-to-understand manner. As INPEX is a company with the social responsibility of supplying energy, there are many areas in which its vision overlaps with its mission, so all employees should share that vision. While monitoring the process of drawing up such a vision, I intend to offer my thoughts as an outside director.

**Nishimura:** INPEX has steadily produced results with the current medium-term business plan by executing growth strategies based on the direction set forth in its long-term

vision. The upcoming medium-term business plan will move on to the key phase of giving shape to the vision which, given the significant changes in the external environment, will be quite a challenging task. I believe that my strong familiarity with energy security and the international order structure, which I have cultivated as a diplomat, can be put to good use in discussions on the form INPEX should take going forward as a global energy company. With regard to our mission to communicate and disseminate this vision to the younger generation, I will apply my experience as a university educator to help make an exciting future for INPEX.





# Corporate Governance

## Pursuit of Stronger Governance

### History of Efforts to Strengthen Corporate Governance

October 2008	<p>Business integration</p> <ul style="list-style-type: none"> <li>● Introduces Audit &amp; Supervisory Board Member organizational structure and Executive Officer System</li> <li>● Appoints 4 outside directors</li> </ul>	June 2018	<p>Introduces a stock-based remuneration system for directors and executive officers (excluding outside directors and non-residents in Japan)</p> <p>Changes the composition of the Nomination and Compensation Advisory Committee so that a majority of its members are outside officers</p>
June 2012	<p>Strengthens governance concerning directors and executive officers</p> <ul style="list-style-type: none"> <li>● Reduces the term of office for directors and executive officers from 2 years to 1</li> <li>● Appoints an additional independent outside director (from 4 to 5 in total)</li> <li>● Establishes the INPEX Advisory Committee (to obtain multifaceted and objective recommendations from domestic and international experts)</li> <li>● Establishes a guideline for the purchase of INPEX shares by directors and executive officers</li> <li>● Begins early mailing of notices of general meetings of shareholders (3 weeks ahead of the meeting date)</li> </ul>	June 2019	<p>Newly appoints a female Audit &amp; Supervisory Board member</p> <p>Establishes a Corporate Governance Strategy group</p>
June 2015	<p>Starts to apply the Tokyo Stock Exchange's Corporate Governance Code (CG Code)</p>	November–December 2020	<p>Evaluates the effectiveness of the Board of Directors (by hiring a third-party evaluation organization for the first time, and doing so at intervals of about 3 years thereafter)</p>
November 2015	<p>Formulates the Corporate Governance Guidelines</p>	November 2021	<p>Establishes the Sustainability Principles</p> <p>Formulates and publishes a skill matrix</p>
March–April 2016	<p>Evaluates the effectiveness of the Board of Directors (for fiscal 2015) Note: Evaluation conducted every year thereafter</p>	March 2022	<p>Newly appoints an independent outside director who has knowledge in the sustainability field</p> <p>Revises the officer compensation system</p> <ul style="list-style-type: none"> <li>● Compensation for directors and executive officers consists of basic compensation, bonuses (short-term incentive) and stock-based remuneration (medium- to long-term incentive)</li> <li>● Compensation for outside directors and Audit &amp; Supervisory Board member consists only of basic compensation</li> </ul>
May 2016	<p>Establishes the Audit &amp; Supervisory Board Members' Office</p>	March 2024	<p>Appoints an independent outside director to chair the Nomination and Compensation Advisory Committee</p>
January 2017	<p>Establishes the Nomination and Compensation Advisory Committee</p>		
June 2017	<p>Increases the number of independent outside directors (from 5 to 6)</p> <p>Newly appoints a female director</p>		



## Corporate Governance

### Overview of the Corporate Governance Structure

INPEX has adopted an Audit & Supervisory Board Member organizational structure, under which Audit & Supervisory Board members audit the execution of operations, which are in turn carried out by directors well versed in their field. In addition, the Company has introduced an Executive Officer System to pursue management with agility and efficiency. INPEX frequently engages in negotiations with the governments of oil-producing countries and overseas oil companies. This necessarily requires internal directors and executive officers who have knowledge, expertise and international experience relating to the Company's business and both a sound knowledge of the Company and their particular field of expertise.

Internal directors, in principle, hold the concurrent position of executive officers. By adopting this concurrent organizational structure, the Company's Board of Directors is better placed to execute operations in an efficient manner. At the same time, this structure helps to ensure effective operating oversight. In addition to enhancing the transparency of management and bolstering the ability of the Board of Directors to carry out its supervisory function, INPEX has appointed five of its 10-member Board of Directors from outside the Company. Through this initiative, steps have been taken to ensure that management issues are considered and deliberated with a greater degree of objectivity from an independent standpoint.

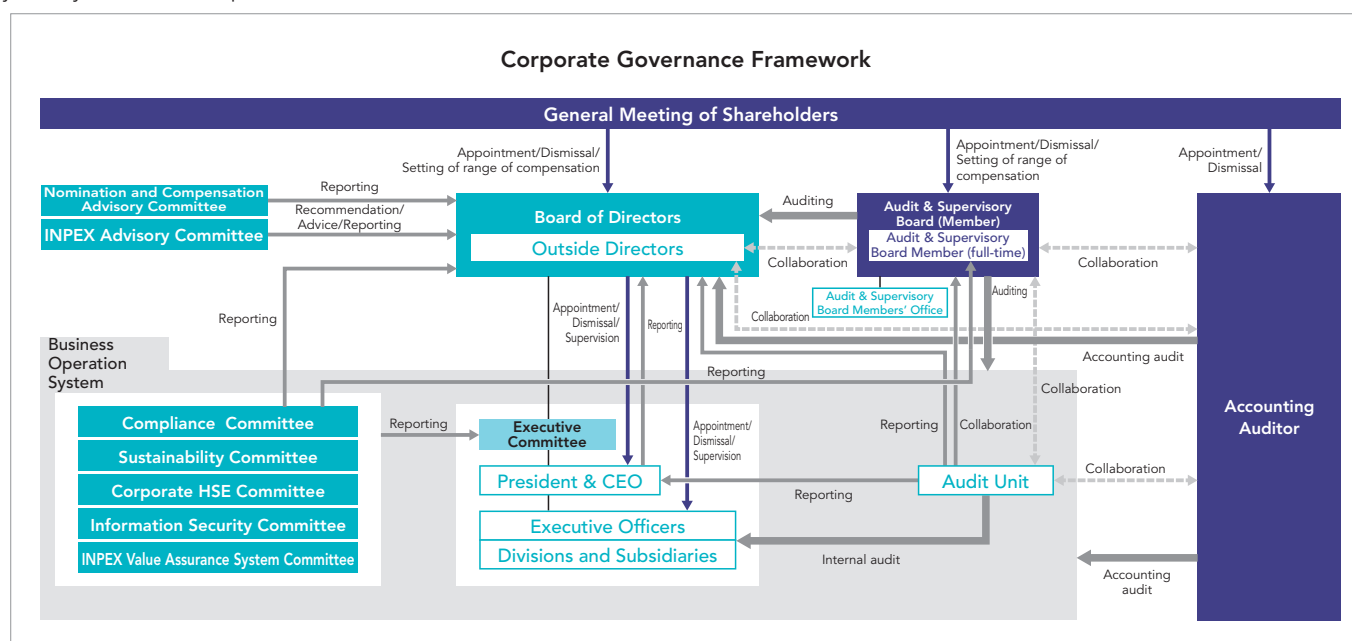
Moreover, four of the Company's five Audit & Supervisory Board members are also appointed from external sources. In addition to putting in place an Audit & Supervisory Board, INPEX has set up the Audit & Supervisory Board Members' Office and deployed dedicated staff and is reinforcing collaboration between Audit & Supervisory Board members and the Audit Unit, as well as independent auditors.

### Overview of the Corporate Governance Structure

Organizational structure	Company with Audit & Supervisory Board Members
Directors	Number of directors as stipulated by the Articles of Incorporation..... up to 16 Number of directors (number of outside directors)..... 10 (5) Term of office ..... 1 year
Audit & Supervisory Board members	Number of Audit & Supervisory Board members as stipulated by the Articles of Incorporation ..... up to 5 Number of Audit & Supervisory Board members (number of outside Audit & Supervisory Board members) ..... 5 (4) Term of office ..... 4 years
Number of independent directors and auditors	9 (5 outside directors, 4 outside Audit & Supervisory Board members)
Other	Issuance of a Class A Stock to the Minister of Economy, Trade and Industry

### Corporate Governance Guidelines

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. Through our business, we aim to become an integrated energy company that contributes to the community and makes it more agreeable and prosperous. Based on this mission, to achieve sustainable growth and increase corporate value over the medium 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 INPEX Group made clear its basic views and policies on corporate governance and, with the aim of ensuring transparency and fairness in the Company's decision making, as well as realizing effective corporate governance by carrying out the proactive dissemination of information, formulated its Corporate Governance Guidelines. Please refer to our Web site for details.







## Corporate Governance

### Overview of Each Committee

#### Directors and the 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 medium to long term through implementation of effective corporate governance, with recognition of its fiduciary responsibility to shareholders. The Company's Board of Directors comprises 10 members, five of whom are outside directors. The Representative Director, President & CEO, who is the most well versed in our operations, serves as the Chair of the Board to ensure efficient discussions.

In addition to a monthly meeting, the Board of Directors meets as necessary to discuss and determine matters concerning management strategy and important business execution, and to supervise the execution of duties by directors. The term of office for directors is set at one year. In addition to enhancing the ability of directors to respond to changes in the Company's global operating environment in a timely manner, this initiative helps to further clarify management responsibilities.

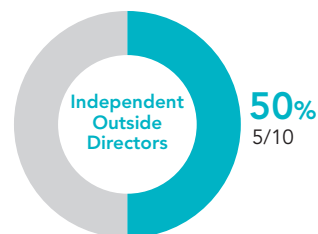
#### Composition of Board of Directors

Skill item	Number	Outside (Female)	Independent Directors	Percentage of Independent Directors
Board of Directors	10	5 (1)	5	50%
Audit & Supervisory Board Members	5	4 (1)	4	80%
Total	15	9 (2)	9	60%

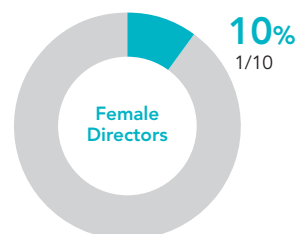
The details of specific discussions and number of deliberations at the Board of Directors meetings in fiscal year 2023 are as follows.

Details of specific discussions	Number of deliberations
Individual projects (oil and gas business)	41
Corporate Governance	23
Management Strategy, Business Strategy, and Dialogue with the Market	23
Finance & Accounting	17
HSE	10
Individual projects (5 net zero businesses)	10
General Meeting of Shareholders	8
Compliance	7
Sustainability	5
Total	144

#### Ratio of Independent Outside Directors Among All Directors

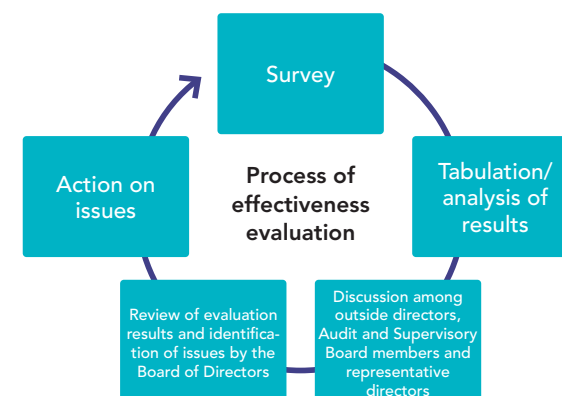


#### Ratio of Female Directors Among All Directors



### Evaluation of the Effectiveness of the Board of Directors

With the aims of regularly verifying that the Board of Directors is functioning appropriately and identifying issues to be resolved for continuous improvement, the Company undertakes an evaluation of the effectiveness of the Board of Directors each year, and discloses a summary of the evaluation results. Based on this policy, the ninth evaluation was conducted in fiscal 2023. The evaluation method and summary of the results are as follows. Based on these evaluation results, the Company will continue to strive to improve the effectiveness of the Board of Directors.



#### Evaluation of the Effectiveness of the Board of Directors

##### Evaluation method

- Updates on issues from last year and the effectiveness evaluation method for fiscal 2023 were discussed at a meeting with outside directors and Audit & Supervisory Board members. The method of self-evaluation by the Board of Directors (an anonymous questionnaire survey) was adopted.
- A major law firm was appointed as a third-party evaluation organization to validate the survey content and composition, the consolidation and analysis method used by the Board of Directors secretariat and the draft action plan.

##### Survey items

- Self-evaluation
- Composition of the Board of Directors
- Operation of the Board of Directors
- Support system for the Board of Directors
- Roles and responsibilities of the Board of Directors
- Nomination and Compensation Advisory Committee
- Actions on the previously prepared action plan
- Comments



## Corporate Governance

### Summary of fiscal 2023 evaluation results

- Regarding the composition of the Board of Directors, the knowledge and experience of its members are sufficiently diverse. Although generally there is no problem with the size of the Board of Directors and the ratio of outside directors under the current circumstances, going forward, discussions regarding the desired state of the Board of Directors, including ensuring further diversity, should be deepened.
- Initiatives to stimulate discussion at Board of Directors meetings, such as holding pre-meeting briefings, sharing discussions at Executive Committee meetings, etc., and explaining and annotating technical terms, are all effective and should be continued.
- The holding of lectures by outside experts, tours of operation sites in Japan and overseas, and other measures adequately ensured that non-executive officers were provided with opportunities to improve their knowledge and understanding, and these efforts should be continued.
- The Nomination and Compensation Advisory Committee has played a necessary role in deliberations in the fields of both nomination and compensation, etc. Going forward, the independence of the Nomination and Compensation Advisory Committee should be further enhanced, and the efforts to strengthen cooperation with the Board of Directors should also be continued and deepened.

As a result of the summary of the individual evaluation results including the above, the Board of Directors as a whole was evaluated as being sufficiently effective overall in FY2023 as in the previous fiscal year.

### Efforts towards further evaluation of effectiveness

The following action plans have been established to further ensure the effectiveness of the Board of Directors going forward.

#### Action plans

- Enhance discussions regarding strategies
- Stimulate discussion at Board of Directors meetings
- Enhancement of the function of the Nomination and Compensation Advisory Committee
- Deeper discussions regarding the desired state of the Board of Directors

The third-party evaluation organization has concluded that the Board of Directors secretariat has appropriately consolidated and analyzed the results of the evaluation, and that the action plans presented above, drawn from these results and analysis, have been suitably established. Based on these evaluation results, the Company will continue striving to improve the effectiveness of the Board of Directors.

More information on the summary of the effectiveness evaluation results for the Board of Directors is available on [our website](#).

## Discussions at Board of Directors Meetings

The following activities were conducted in fiscal 2023 in light of the results of the fiscal 2022 evaluation of the effectiveness of the Board of Directors and other factors.

### 1. Expand discussions on management strategy

- Regularly reported on the progress of INPEX Vision @2022 to the Board of Directors.
- For matters that would have a particularly large impact on achieving the plan, set up individual deliberation items and held multiple discussions.

### 2. Further revitalize discussions at Board of Directors meetings

- Provided a fuller introduction to the issues discussed at Executive Committee meetings and earlier in the Company.
- In the process of reaching a resolution on new matters, clarified the background circumstances of the matters and held multiple deliberations as needed.
- Held lectures by outside experts and exchanges of opinions with the Board of Directors on timely topics such as the situation in the Middle East. Secured opportunities for exchange such as social gatherings for officers and organized tours of major operation sites in Japan and overseas for outside officers.
- Continued to provide materials and briefings in advance and implemented new initiatives, such as the presentation of matters for intensive deliberation, for ensuring that the meeting was conducted in a smooth and effective manner even within the limited time available.

### 3. Hold in-depth discussions on the desired state of the Board of Directors

- Held more in-depth discussions through the Nomination and Compensation Advisory Committee on further expanding the diversity of Board of Directors members and on the appropriate size and composition of the Board of Directors, and provided the contents of these discussions as feedback to the Board of Directors.

### 4. Continue strengthening portfolio management

- Discussed the concept of fund allocation and other topics based on the status of each business in the 5 net zero fields.
- Organized information on net present value (NPV) and risks by core area and reported to the Board of Directors on an ongoing basis.



## Corporate Governance

### 1 Nomination and Compensation Advisory Committee

Number of meetings held in FY2023: 6 Members' attendance: 100%

The Nomination and Compensation Advisory Committee was established in January 2017 as an advisory body to the Board of Directors with the aim of strengthening the functional independence and objectivity as well as accountability of the Board of Directors in connection with the nomination and compensation of directors. It deliberates on the nomination and compensation of directors, etc. and submits reports to the Board of Directors.

One inside director and three independent outside directors (including one to serve as the chair of the committee) were appointed during the extraordinary meeting of the Board of Directors held on March 26, 2024, and they assumed their positions on the same day.

- Chair: Jun Yanai (Independent Outside Director)
- Member: Atsuko Nishimura (Independent Outside Director)
- Member: Norinao Iio (Independent Outside Director)
- Member: Takayuki Ueda (Representative Director, President & CEO)

- Issues discussed** (Nomination)
- Progress of the Medium-term Business Plan, status of major business issues and restructuring of the execution organization
  - New team of executive officers for fiscal 2024
  - Requirements for inside/outside directors (redefinition)
  - Candidates for directors and representative directors
  - Skill matrix for directors and Audit & Supervisory Board members
- (Compensation)
- Validation of compensation levels (comparison with a peer group)
  - The Company's performance, management indicator results and division-level performance in fiscal 2023
  - Performance-based compensation (bonuses and stock-based remuneration) KPI results
  - Proposal of bonuses and stock-based remuneration to be paid to directors for fiscal 2023
- (Nomination & Compensation)
- Annual discussion schedule
  - Revision of the regulations on the Nomination and Compensation Advisory Committee, reelection of the committee's members and chair

### 2 INPEX Advisory Committee

Number of meetings held in FY2023: 2 Members' attendance: 100%

The INPEX Advisory Committee was established in October 2012 with the aim of enhancing corporate value and the corporate governance function. Its external experts provide the Board of Directors with multifaceted and objective advice and recommendations across a wide range of areas, including international political and economic conditions, outlook on energy conditions, management strategy suitable for a global company and ways to bolster corporate governance. The committee comprises external experts from Japan and abroad, such as a university professor, with extensive knowledge in these areas. The Company's executives, including representative directors and the head of the Corporate Strategy & Planning Division, also attend the meetings.

- Issues discussed**
- How to address the 2050 net zero carbon world
  - Evaluation of the Basic Policy for the Realization of GX and challenges ahead, with a focus on carbon pricing
  - An outlook for and challenges in the international energy situation, with a focus on *IEEJ Outlook 2024* of the Institute of Energy Economics, Japan
  - Background and overview of the GX Implementation Council and associated international developments

I am Jun Yanai, chair of the Nomination and Compensation Advisory Committee. As the management environment surrounding energy companies becomes more complex, INPEX's mission is to continuously increase corporate value while both providing a stable energy supply and addressing climate change. To this end, our president and management team are required to have highly developed capabilities. The Nomination and Compensation Advisory Committee will steadfastly lead discussions based on extensive consideration with the understanding that the appointment of board members and an appropriate compensation system are extremely important management topics.



**Jun Yanai**  
Chair of the Nomination and Compensation Advisory Committee



## Corporate Governance

### Executive Committee

To expedite decision making related to the execution of business, we have established an Executive Committee, which flexibly decides on matters outside the scope of issues to be resolved by the Board of Directors and holds deliberations to contribute to decision making by the Board of Directors. The Executive Committee meets weekly and as necessary.

INPEX's Executive Committee consists of full-time directors, executive officers who are senior vice presidents and executive officers deemed necessary by the chair and appointed through the committee's resolution. As of the date of submission of this document, there are 15 members. For efficient proceedings of meetings, the Executive Committee is chaired by the Representative Director, President & CEO, who is most conversant in INPEX's business.

### Executive Officer System

We have introduced an Executive Officer System to respond accurately and quickly to a rapidly changing management environment and to the expansion of our business activities. By delegating authority to executive officers, we are clarifying our structure for business execution and making our management system more agile and efficient. The term of office for executive officers is set to one year to clarify operational accountability for each business year.

### Various committees related to business execution

Various committees related to business execution have been established. Established committees are Compliance Committee, Sustainability Committee, Corporate HSE Committee, Information Security Committee, and INPEX Value Assurance System (IVAS) Committee.



### 1 Compliance Committee

Number of meetings held in FY2023: 4

The Compliance Committee was established in April 2006 with the aim of promoting compliance initiatives across the entire Group. The committee is chaired by the director in charge of compliance and consists of the heads of and directors in charge of standing organizations.

- Issues discussed**
- The Group's basic policies and important matters related to compliance
  - Management of the compliance implementation status

### 2 Sustainability Committee

Number of meetings held in FY2023: 3

In April 2012, the INPEX Group established the CSR Committee with the aim of better fulfilling its corporate social responsibility and promoting activities that contribute to the sustainable development of society. The CSR Committee was renamed the Sustainability Committee in November 2021. The committee is chaired by the Representative Director, President & CEO, and consists of representative directors, the head of the General Administration Division, the head of the Corporate Strategy & Planning Division and the chairs of the Compliance Committee and Corporate HSE Committee.

- Issues discussed**
- Basic policies on sustainability matters, including corporate governance and climate change response
  - Important matters related to the implementation of the basic policies

### 3 Corporate HSE Committee

Number of meetings held in FY2023: 10

In accordance with the rules on the HSE Management System formulated by INPEX, the Corporate HSE Committee was established on September 17, 2008, with the aim of promoting health, safety and environmental initiatives. The committee is chaired by the director in charge of HSE and consists of the heads of and directors in charge of standing organizations.

- Issues discussed**
- Policies and important matters related to HSE



## Corporate Governance

### 4 Information Security Committee

Number of meetings held in FY2023: 2

The Information Security Committee was established in November 2007 with the aim of considering and determining all appropriate measures necessary to maintain, manage and strengthen information security. The committee is chaired by the director in charge of information systems.

- Issues discussed**
- Basic policies and important matters related to information security
  - Responses to information security incidents and management of preventive measures, etc.

### 5 INPEX Value Assurance System Committee

Number of meetings held in FY2023: 28

The INPEX Value Assurance System Committee was established in May 2014 with the aim of contributing to the Company's decision-making process with respect to confirmation of the status of preparations in connection with important milestones of major projects in which INPEX participates, and the improvement and promotion of projects. The committee is chaired by the head of the Technical Division.

- Issues discussed**
- Cross-organizational technical evaluations and other activities in different phases of new and existing projects, such as exploration, evaluation and development

## Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board is composed of five Audit & Supervisory Board members, four of which come from outside. In addition to attending meetings of the Board of Directors and the Executive Committee, the Audit & Supervisory Board members review the execution of business duties by directors and executive officers through reports from and interviews with related departments. Furthermore, the Audit & Supervisory Board members meet on a regular and as needed basis with the Independent Auditors to receive reports on audits from them and exchange views on key audit issues.

The Audit & Supervisory Board members also exchange views with the internal audit department (Audit Unit) as it develops annual audit plans and receive quarterly reports on internal audits conducted by the Audit Unit. In addition, the full-time Audit & Supervisory Board members are informed by the Audit Unit about internal audits and the evaluation of internal controls, as necessary. To strengthen the auditing function and ensure effective corporate governance, the Audit & Supervisory Board Members' Office has been set up with full-time staff assigned to it. In this manner, efforts are being made to promote collaboration between the Audit & Supervisory Board members, the Audit Unit and the Independent Auditors.

Moreover, we have constructed a system to strengthen the monitoring function through periodic meetings with representative directors and directors.

## Major resolutions and deliberation items at the Audit & Supervisory Board

### Resolutions and Deliberation Items

- Policy for deciding dismissal or non-reappointment of accounting auditor, preparation of audit report, reappointment of accounting auditor, consent to election of Audit & Supervisory Board Member, selection of chairman and board member (full-time) of Audit & Supervisory Board, audit plan for the current fiscal year, consent to accounting auditor remuneration, discussion with accounting auditor regarding KAM (key audit matters), implementation procedures of accounting auditor's non-assurance service etc.

### Reporting Items

- Reports on internal audit, reports on accounting audits and reports containing reviews of quarterly results by accounting auditors, reports on fieldwork and business trip by Audit & Supervisory Board Members, internal control audit report related to financial reporting etc.

## Situation of Internal Audit

The Audit Unit was established under the direct supervision of the President & CEO as an internal audit department independent of the divisions involved in the execution of the Company's business. In developing annual audit plans, the Audit Unit discusses and exchanges opinions with the Audit & Supervisory Board Members, and after obtaining the President & CEO's approval, makes reports to the Board of Directors. Additionally, the results of the internal audits are reported at meetings of the Board of Directors / Audit & Supervisory Board and to the President & CEO, full-time Audit & Supervisory Board Members, and are shared with accounting auditors. We endeavor to ensure the expertise of those involved in internal audits. Furthermore, to continuously improve the quality of internal audits, it is stipulated that an external quality assessment by an independent assessor is to be conducted at least once every five years.

## Accounting Audit and Auditor Compensation

In accordance with the Companies Act and the Financial Instruments and Exchange Act, we accept accounting audits from Ernst & Young ShinNihon LLC. The amount of auditor compensation is determined in total based on the audit plan and the number of auditing dates, after obtaining approval from the Audit & Supervisory Board.





## Corporate Governance

## Management

### Directors (As of April 1, 2024)

Portrait	Name	Title and Position	Term of office	Number of shares held	Career summary and concurrently held positions	Attendance at Board of Directors meetings	Attendance at Nomination and Compensation Advisory Committee	Reason for appointment	Skill matrix								
									Corporate management/business administration	Global	Finance/Accounting	Legal/Risk management	Sustainability	Technology/DX	Energy	Sales/Marketing	HR development/Diversity
	<b>Takayuki Ueda</b> Inside Director Member of the Nomination and Compensation Advisory Committee	Representative Director, President & CEO	5 years and 9 months	32,455	April 1980 July 2010 August 2011 September 2012 June 2013 July 2015 April 2017 August 2017 June 2018 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry) Director-General, Minister's Secretariat Director-General, Manufacturing Industries Bureau, METI Director-General, Trade Policy Bureau, METI Commissioner, Agency for Natural Resources and Energy Vice-Minister for International Affairs, METI Councillor (part-time), INPEX Corporation Senior Executive Vice President Representative Director, President & CEO (incumbent)	100% (16/16)	100% (6/6)	Has abundant operational experience in the Company and also has insights regarding management of energy development companies and global business management as well as administrative/operational affairs.	●	●			●	●	●		
	<b>Kenji Kawano</b> Inside Director	Director, Senior Executive Vice President, Renewable Energy & New Business, Americas Projects Unit and Strategic Projects Office, Compliance, Head of Overseas Projects	2 years	44,269	April 1980 March 2006 October 2008 June 2012 March 2020 January 2022 March 2022 January 2023 January 2024 March 2024 Joined Teikoku Oil Co., Ltd. General Manager, Business Development Department, International Project Division & Domestic Offshore Division Executive Officer, Vice President, Asia & Australasia, General Manager of Planning & Coordination Unit and Offshore Japan Unit of the Company Managing Executive Officer, Senior Vice President, Asia & Australasia Senior Managing Executive Officer, Senior Vice President, Asia Projects Senior Executive Vice President, Americas Projects Unit and Strategic Projects Office, Head of Overseas Projects Director, Senior Executive Vice President, Americas Projects Unit and Strategic Projects Office, Head of Overseas Projects Director, Senior Executive Vice President, Renewable Energy & New Business, Americas Projects Unit and Strategic Projects Office, Head of Overseas Projects Director, Senior Executive Vice President, Renewable Energy Strategic Projects Office, Compliance, Head of Overseas Projects Representative Director, Senior Executive Vice President, Renewable Energy & New Business, Americas Projects Unit and Strategic Projects Office, Head of Overseas Projects (incumbent)	100% (16/16)	—	Has abundant business experience in the Company as well as knowledge and experience about the business management and administrative/operational matters of energy development companies.	●	●			●	●			
	<b>Hitoshi Okawa</b> Inside Director	Director, Senior Managing Executive Officer, Senior Vice President, General Administration, Senior Vice President, Oceania Projects	—	11,844	April 1984 May 1994 October 2008 June 2018 February 2019 June 2019 January 2022 January 2023 January 2024 March 2024 Joined Japan China Oil Development Co., Ltd. (INPEX Corporation) Deputy General Manager, Perth Office of Operation Unit, Ichthys Project and Planning & Coordination Unit, Asia & Australasia Executive Officer, Vice President, Ichthys Project, Deputy General Manager, Perth Office Executive Officer, Vice President, Ichthys Project, General Manager, Perth Office Managing Executive Officer, Vice President, Oceania Projects, General Manager, Perth Office Managing Executive Officer, Senior Vice President, Oceania Projects, General Manager, Perth Office Senior Managing Executive Officer, Senior Vice President, Oceania Projects, General Manager, Perth Office Senior Managing Executive Officer, Senior Vice President, General Administration, Senior Vice President, Oceania Projects Director, Senior Managing Executive Officer, Senior Vice President, Oceania Projects, General Manager, Perth Office (incumbent)	—	—	Has abundant business experience in the Company as well as knowledge and experience about global business management and administrative/operational matters of energy development companies.		●		●				●	
	<b>Daisuke Yamada</b> Inside Director	Director, Managing Executive Officer, Senior Vice President, Finance & Accounting	4 years	23,514	April 1984 April 2011 April 2013 July 2013 April 2014 April 2018 May 2019 June 2019 March 2020 January 2024 Joined The Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.) Executive Officer, General Manager of Industry Research Division, Mizuho Corporate Bank, Ltd. Managing Executive Officer, Deputy in charge of Branch Banking Group, Mizuho Bank, Ltd., Managing Executive Officer in charge of Corporate Banking, Mizuho Corporate Bank, Ltd. Managing Executive Officer in charge of Branch Banking Group, Mizuho Bank, Ltd. Managing Executive Officer, Head of Corporate Banking Unit (Large Corporations), Mizuho Financial Group, Inc. Senior Managing Executive Officer in charge of Digital Innovation, Mizuho Financial Group, Inc. (resigned in March 2019) Councillor, INPEX Corporation Managing Executive Officer, Vice President, Finance & Accounting, General Manager, Finance Unit, Finance & Accounting Division Director, Managing Executive Officer, Senior Vice President, Finance & Accounting (incumbent) Director, Senior Managing Executive Officer, Senior Vice President, Finance & Accounting (incumbent)	100% (16/16)	—	Has abundant business experience in the Company as well as knowledge and experience concerning administrative/operational matters of energy development companies.	●		●		●				
	<b>Toshiaki Takimoto</b> Inside Director	Director, Managing Executive Officer, Senior Vice President, Hydrogen & CCUS Development	1 year	26,736	April 1987 January 2004 October 2008 June 2013 June 2016 June 2018 June 2019 March 2023 January 2024 Joined Teikoku Oil Co., Ltd. General Manager, Caracas Office Senior Coordinator, South America Unit, America & Africa Project Division General Manager, London Office General Manager, Global Exploration Unit, New Ventures Division Executive Officer, Vice President, The Americas & Africa Managing Executive Officer, Senior Vice President, New Ventures & Global Exploration Director, Managing Executive Officer, Senior Vice President, Hydrogen & CCUS Development (incumbent) Director, Senior Managing Executive Officer, Senior Vice President, Corporate Strategy & Planning, Legal Affairs, Head of Net Zero Business (incumbent)	100% (12/12)	—	Has abundant business experience in the Company as well as knowledge and experience about the business management and administrative/operational matters of oil & natural gas development and development of various clean energy such as hydrogen and CCUS.		●		●	●	●	●		








## Corporate Governance

	Name	Title and Position	Term of office	Number of shares held	Career summary and concurrently held positions	Attendance at Board of Directors meetings	Attendance at Nomination and Compensation Advisory Committee	Reason for appointment	Skill matrix							
									Corporate management/Business administration	Global	Finance/Accounting	Legal/Risk management	Sustainability	Technology/DX	Energy	Sales/Marketing
	<b>Jun Yanai</b> Outside Director Independent Director Chair of the Nomination and Compensation Advisory Committee	Director	7 years and 9 months	0	April 1973: Joined Mitsubishi Corporation April 2004: Senior Vice President, Senior Assistant to Group CEO, Energy Business Group, Mitsubishi Corporation April 2005: Senior Vice President, Division COO, Petroleum Business Division, Mitsubishi Corporation April 2008: Executive Vice President, Group COO, Energy Business Group, Mitsubishi Corporation April 2011: Executive Vice President, Group CEO, Energy Business Group, Mitsubishi Corporation April 2013: Representative Director, Senior Executive Vice President, Group CEO, Energy Business Group, Mitsubishi Corporation June 2013: Member of the Board, Senior Executive Vice President, Group CEO, Energy Business Group, Mitsubishi Corporation April 2014: Member of the Board, Senior Executive Vice President, Group CEO and COO, Energy Business Group, Mitsubishi Corporation June 2016: Corporate Advisor, Mitsubishi Corporation (incumbent) June 2016: Director (Outside), INPEX Corporation (incumbent)	100% (16/16)	100% (6/6)	Expected to provide supervision of the execution of business from an international perspective and the necessary comments and suggestions, etc. in the meetings of the Board of Directors, etc. primarily by utilizing his experience as a corporate executive and abundant experience and insight in the resource and energy industry.	●	●		●			●	●
	<b>Norinao Iio</b> Outside Director Independent Director Member of the Nomination and Compensation Advisory Committee	Director	6 years and 9 months	0	June 1973: Joined Mitsui & Co., Ltd. April 2005: Managing Officer, Chief Operating Officer, Energy Business Unit, Mitsui & Co., Ltd. April 2008: Executive Managing Officer, Chief Operating Officer, Europe Middle East and Africa Unit, Mitsui & Co., Ltd. October 2008: Senior Executive Managing Officer, Chief Operating Officer, Europe Middle East and Africa Unit, Mitsui & Co., Ltd. June 2009: Representative Director, Senior Executive Managing Officer, Mitsui & Co., Ltd. August 2009: Representative Director, Senior Executive Managing Officer, Chief Compliance Officer, Mitsui & Co., Ltd. April 2010: Representative Director, Senior Executive Managing Officer, Mitsui & Co., Ltd. April 2011: Director, Mitsui & Co., Ltd. June 2011: Counselor, Mitsui & Co., Ltd. June 2017: Director (Outside), INPEX Corporation (incumbent)	100% (16/16)	100% (6/6)	Expected to provide supervision of the execution of business from an international perspective and the necessary comments and suggestions, etc. in the meetings of the Board of Directors, etc. primarily by utilizing his experience as a corporate executive and abundant experience and insight in the resource and energy industry.	●	●					●	●
	<b>Atsuko Nishimura</b> Outside Director Independent Director Member of the Nomination and Compensation Advisory Committee	Director	6 years and 9 months	0	April 1979: Joined Ministry of Foreign Affairs June 1997: Director, First Africa Division, Middle Eastern and African Affairs Bureau August 1999: Counselor/Minister, Permanent Mission of Japan to the United Nations June 2001: Minister, Embassy of Japan in Belgium September 2004: Professor, School of Law, Tohoku University June 2008: Administrative Vice President, Japan Foundation April 2012: Senior Counselor, Japan Oil, Gas and Metals National Corporation (currently Japan Organization for Metals and Energy Security) April 2014: Ambassador Extraordinary and Plenipotentiary to the Grand Duchy of Luxembourg July 2016: Ambassador Extraordinary and Plenipotentiary in charge of Women, Human Rights and Humanitarian Affairs June 2017: Director (Outside), INPEX Corporation (incumbent) (Concurrently held positions) Outside Director, TAISEI CORPORATION	100% (16/16)	100% (6/6)	Expected to provide supervision of the execution of business from a diverse and global perspective and the necessary comments and suggestions, etc. in the meetings of the Board of Directors, etc. by utilizing her abundant experience as a diplomat and extensive insight on international conditions, in addition to expert knowledge as a university professor.		●		●	●			●
	<b>Tomoo Nishikawa</b> Outside Director Independent Director	Director	4 years	0	April 1972: Joined the Ministry of Construction (currently the Ministry of Land, Infrastructure, Transport and Tourism) April 1977: Attorney at Law admitted to practice in Japan; joined Anderson Mori & Rabinowitz (currently Anderson Mori & Tomotsune), and later served as Partner June 1979: Completed a Master of Laws (LL.M.) at Harvard Law School August 1995: Partner, Komatsu, Koma & Nishikawa (currently Asahi Law Offices) October 1996: Member of House of Representatives (for one term, Kanagawa 3rd district) October 2002: Managing Partner, Sidley Austin Nishikawa Foreign Law Joint Enterprise November 2006: Auditor-Secretary, Tohoku University April 2008: Visiting Professor, Tohoku University January 2020: Partner, Sidley Austin Nishikawa Foreign Law Joint Enterprise March 2020: Director (Outside), INPEX Corporation (incumbent)	100% (16/16)	—	Expected to provide supervision of the execution of business from a diverse and global perspective and the necessary comments and suggestions, etc. in the meetings of the Board of Directors, etc. by utilizing his abundant experience and insight as an international attorney, in addition to knowledge in a variety of fields such as expert knowledge as a university professor.	●	●	●	●				●
	<b>Hideka Morimoto</b> Outside Director Independent Director	Director	2 years	0	April 1981: Joined Environment Agency (currently Ministry of the Environment) September 1997: Private Secretary, Director General of Environment Agency February 2002: Private Secretary, Minister of the Environment July 2008: Director, General Affairs Division, Ministry's Secretariat July 2009: Director, Personnel Division, Ministry's Secretariat August 2011: Councilor, Cabinet Secretariat and Director, Cabinet Secretariat Nuclear Safety Regulation Organizational Reform Office September 2012: Deputy Director General, Nuclear Regulation Agency July 2014: Ministry's Secretariat, Ministry of the Environment July 2017: Administrative Vice-Minister, Ministry of the Environment (resigned in July 2019) April 2020: Professor, Faculty of Law, Waseda University (incumbent) June 2020: Chief Director, Institute for Promoting Sustainable Societies (incumbent) March 2022: Director (Outside), INPEX Corporation (incumbent) (Concurrently held positions) Outside Director, Takasago Thermal Engineering Co., Ltd.	100% (16/16)	—	Expected to provide supervision of the execution of business from a sustainability perspective and the necessary comments and suggestions, etc. in the meetings of the Board of Directors, etc. by utilizing his abundant experience and insight on the environment and energy policy developed at the Ministry of the Environment, in addition to expert knowledge as a university professor.				●	●		●	●



## Corporate Governance

### Audit & Supervisory Board Members (As of April 1, 2024)

	Name	Position	Term of office	Number of shares held	Career summary and concurrently held positions	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	Reason for appointment	Skill matrix								
									Corporate management/ Business administration	Global	Finance/ Accounting	Legal/Risk management	Sustainability	Technology/ DX	Energy	Sales/ Marketing	HR development/ Diversity
	<b>Akio Kawamura</b> <span style="background-color: #0070C0; color: white; padding: 2px;">Inside</span>	Audit & Supervisory Board Member (full-time)	1 year	10,359	<p>April 1987: Joined Indonesia Petroleum, Ltd. (INPEX Corporation) General Manager, Secretarial Unit, General Administration Division</p> <p>June 2010: General Manager, Accounting Unit 1, Finance &amp; Accounting Division</p> <p>June 2018: Executive Officer, Vice President, Finance &amp; Accounting General Manager, Accounting Unit 1, Finance &amp; Accounting Division</p> <p>March 2020: Executive Officer, Vice President, Finance &amp; Accounting Audit &amp; Supervisory Board Member (incumbent)</p> <p>April 2021: Executive Officer, Vice President, Finance &amp; Accounting Audit &amp; Supervisory Board Member (incumbent)</p> <p>March 2023: Executive Officer, Vice President, Finance &amp; Accounting Audit &amp; Supervisory Board Member (incumbent)</p>	100% (12/12)	100% (13/13)	Has abundant business experience in the Company as well as knowledge and experience about administration, finance and accounting for oil & natural gas development companies.		●	●					●	
	<b>Toshiya Tone</b> <span style="background-color: #0070C0; color: white; padding: 2px;">Outside</span> <span style="background-color: #E67E22; color: white; padding: 2px;">Independent</span>	Audit & Supervisory Board Member (full-time)	1 year	0	<p>April 1984: Joined Ministry of Finance Deputy Commissioner (Planning, Information System Management, Liquor Tax and Industry), National Tax Agency</p> <p>July 2012: Regional Commissioner, Sendai Regional Taxation Bureau</p> <p>June 2013: Deputy Director General, Office for the Promotion of Regulatory Reform, Cabinet Office</p> <p>July 2014: Regional Commissioner, Kantoshhatsu Regional Taxation Bureau</p> <p>July 2017: Deputy Director-General for Cybersecurity and Information Technology Management, Ministry of Finance</p> <p>July 2018: Deputy Director-General for Policy Planning, Ministry of Land, Infrastructure, Transport and Tourism (resigned in July 2020)</p> <p>July 2019: Executive Advisor, NEC Corporation (resigned in March 2023)</p> <p>November 2020: Audit &amp; Supervisory Board Member (outside) (incumbent)</p> <p>March 2023: Audit &amp; Supervisory Board Member (outside) (incumbent)</p>	100% (12/12)	100% (13/13)	Has abundant experience and extensive knowledge in the areas of finance and taxation, etc.		●	●	●					
	<b>Kenichi Aso</b> <span style="background-color: #0070C0; color: white; padding: 2px;">Outside</span> <span style="background-color: #E67E22; color: white; padding: 2px;">Independent</span>	Audit & Supervisory Board Member (full-time)	1 year	0	<p>March 1997: Joined The Export-Import Bank of Japan (currently Japan Bank for International Cooperation)</p> <p>October 2014: Chief Representative Office in Beijing Director General, Credit Department, Credit Assessment and Systems Group</p> <p>June 2016: Director General, Oil and Natural Gas Department, Energy and Natural Resources Group</p> <p>June 2017: Resident Executive Officer, Regional Head for the Asia-Pacific Managing Executive Officer, Global Head of Industry Finance Group, Director General of Marine and Aviation Finance Department</p> <p>June 2018: Managing Executive Officer, Global Head of Industry Finance Group (resigned in March 2023)</p> <p>June 2021: Audit &amp; Supervisory Board Member (outside) (incumbent)</p> <p>January 2022: Audit &amp; Supervisory Board Member (outside) (incumbent)</p> <p>March 2023: Audit &amp; Supervisory Board Member (outside) (incumbent)</p>	100% (12/12)	100% (13/13)	Has abundant experience and extensive knowledge in the areas of international financing and finance, etc.		●	●						●
	<b>Mitsuru Akiyoshi</b> <span style="background-color: #0070C0; color: white; padding: 2px;">Outside</span> <span style="background-color: #E67E22; color: white; padding: 2px;">Independent</span>	Audit & Supervisory Board Member	4 years and 9 months	0	<p>April 1978: Joined Marubeni Corporation Executive Officer, General Manager of Finance Department, Marubeni Corporation</p> <p>April 2007: Managing Executive Officer</p> <p>April 2009: Representative Director, Managing Executive Officer</p> <p>June 2010: Representative Director, Senior Managing Executive Officer</p> <p>April 2012: Representative Director, Senior Managing Executive Officer</p> <p>April 2014: Representative Director, Senior Executive Vice President</p> <p>April 2018: Director, Senior Consultant</p> <p>June 2018: Representative Director and President, MG Leasing Corporation (currently Mizuho Marubeni Leasing Corporation)</p> <p>April 2019: Audit &amp; Supervisory Board Member, INPEX Corporation (incumbent)</p> <p>June 2019: Audit &amp; Supervisory Board Member, INPEX Corporation (incumbent)</p> <p>April 2022: Senior Adviser, Mizuho Marubeni Leasing Corporation (resigned in March 2024)</p> <p>(Concurrently held positions) Outside Director, Concordia Financial Group, Ltd.</p>	100% (16/16)	100% (17/17)	Has abundant experience and extensive knowledge in the areas of finance and management, etc.	●	●	●	●					
	<b>Hiroko Kiba</b> <span style="background-color: #0070C0; color: white; padding: 2px;">Outside</span> <span style="background-color: #E67E22; color: white; padding: 2px;">Independent</span>	Audit & Supervisory Board Member	4 years and 9 months	0	<p>April 1987: Joined Tokyo Broadcasting System, Inc. (currently Tokyo Broadcasting System Television, Inc.)</p> <p>April 2001: Part-time Lecturer, Faculty of Education, Chiba University</p> <p>January 2007: Member of the Council for Regulatory Reform (PMO)</p> <p>July 2007: Member of the Ministry of Economy, Trade and Industry's Advisory Committee for Natural Resources and Energy (incumbent)</p> <p>February 2008: Member of the Education Rebuilding Council (PMO)</p> <p>March 2009: Member of the Ministry of Land, Infrastructure, Transport and Tourism's Council for Transport Policy</p> <p>April 2013: Visiting Professor, Chiba University (incumbent)</p> <p>January 2016: Policy advisor for the Japan Coast Guard (incumbent)</p> <p>November 2017: Member of the Ministry of Health, Labour and Welfare's Medical Ethics Council (incumbent)</p> <p>February 2019: Member of the Ministry of Education, Culture, Sports, Science and Technology's Central Council of Education</p> <p>June 2019: Audit &amp; Supervisory Board Member, INPEX Corporation (incumbent)</p> <p>November 2022: Member, Advisory Committee on Corporate Sound Water Cycle Efforts, Prime Minister's Office of Japan (incumbent)</p> <p>(Concurrently held position) Outside Director, Central Japan Railway Company</p>	100% (16/16)	100% (17/17)	Has a wide and diverse range of knowledge gained as a member of the Advisory Committee for Natural Resources and Energy and the Council for Transport Policy, as well as abundant experience and knowledge as a freelance newscaster and university instructor.				●		●			●



## Corporate Governance

### Reason for the selection of each skill matrix item

Skill item	Reason for selection
Corporate management/ Business administration	Under the complex management environment surrounding energy businesses, broad knowledge and experience in general management and organizational operation are required in order to formulate and implement medium- to long-term management strategies and management plans based on the Company's management philosophy, and supervise effectiveness thereof.
Global	Knowledge and experience in geopolitics, policies, etc. are required in order to adequately carry out global businesses developed by the Company, and exercise appropriate supervision thereof.
Finance/Accounting	Knowledge and experience in finance, accounting and tax affairs are required in order to plan and implement strategies for the achievement of targets, such as financial indicators and effectiveness indicators, called for in the Company's medium-term business plan, and exercise appropriate supervision thereof.
Legal/Risk management	Knowledge and experience in legal affairs, compliance, corporate government, risk management, etc. are required in order to implement appropriate risk management including observance of domestic and overseas laws and regulations, etc. related to the Company's management and businesses, and exercise supervision thereof.
Sustainability	Knowledge and experience in health, safety and environment (HSE) and sustainability management are required in the promotion of actions on various issues through the Company's businesses and value chain as well as the supervision of progress of these actions in accordance with the Sustainability Principles and HSE Policy.
Technology/DX	Technical insight on the overall E&P businesses, and broad knowledge and experience in development and innovation of diverse energies and decarbonization solutions utilizing digital and expertise are required in order to plan and implement strategies for technologies and DX, and exercise appropriate supervision thereof, contributing to the realization of a stable energy supply and decarbonization of business.
Energy	Broad knowledge and experience in not only the Company's core businesses but also commercialization, development, production and operation of diverse energies including renewable energy and hydrogen and ammonia are required in order to plan and implement energy business strategies aimed at the realization of a net-zero society in 2050, and exercise appropriate supervision thereof.
Sales/Marketing	Knowledge and experience in marketing and sales of diverse energies are required in order to provide optimal products/services and added value to all customers in Japan and overseas, plan and implement marketing strategies targeting new customers aimed at expanding customers, and exercise appropriate supervision thereof.
HR development/Diversity	Based on the belief that diversification of human resources and cultivation of human resources with whom values can be shared are important to sustainably promote responsible management as a global company, diverse knowledge and experience in the fields of human resources, education, promotion of empowerment of women, etc. are required in order to plan and implement strategies related to human resources development and diversity, and exercise appropriate supervision thereof.

### Executive Officers (As of April 1, 2024)

Name	Position	Title
Takayuki Ueda	President & CEO	
Kenji Kawano	Senior Executive Vice President	Senior Vice President, Renewable Energy, Strategic Projects Office, Compliance, Head of Overseas Projects
Hiroshi Fujii	Senior Executive Vice President	Senior Vice President, Abu Dhabi Projects
Hitoshi Okawa	Senior Managing Executive Officer	Senior Vice President, General Administration and Senior Vice President, Oceania Projects
Daisuke Yamada	Senior Managing Executive Officer	Senior Vice President, Finance & Accounting
Toshiaki Takimoto	Senior Managing Executive Officer	Senior Vice President, Corporate Strategy & Planning, Legal Affairs, Head of Net Zero Business
Yuzo Sengoku	Managing Executive Officer	Senior Vice President, New Ventures & Global Exploration
Yosuke Happo	Managing Executive Officer	Senior Vice President, Logistics & IMT
Hideki Kurimura	Managing Executive Officer	Senior Vice President, Technical Headquarters, and Senior Vice President, Innovation, HSE
Hiromi Sugiyama	Managing Executive Officer	Senior Vice President, Domestic Exploration & Production
Hiroshi Kato	Managing Executive Officer	Senior Vice President, Global Energy Marketing
Akihiro Watanabe	Managing Executive Officer	Senior Vice President, Asia Projects
Masaru Miyanaga	Managing Executive Officer	Senior Vice President, Domestic Energy Supply & Marketing
Munehiro Hosono	Executive Officer	Senior Vice President, Europe & Middle East Projects
Yukiyo Ikeda	Executive Officer	Vice President, Europe & Middle East Projects Managing Director, INPEX Idemitsu Norge AS (Oslo)
Shinichi Takada	Executive Officer	Vice President, Oceania Projects, Senior Vice President Development Director, INPEX Holdings Australia Pty Ltd (Perth)
Shoichi Kaganoi	Executive Officer	Senior Vice President, Hydrogen & CCUS Development
Tetsuhiro Murayama	Executive Officer	Vice President, Oceania Projects, President Director Australia Director, INPEX Holdings Australia Pty Ltd (Perth)
Wataru Nojiri	Executive Officer	Vice President, Domestic Energy Supply & Marketing
Kei Fukui	Executive Officer	Vice President, General Administration General Manager, General Administration Unit, General Administration Division
Koichi Okamoto	Executive Officer	Vice President, Global Energy Marketing
Isao Takahashi	Executive Officer	Vice President, Technical Headquarters and Vice President, Innovation General Manager, I-RHEX Unit, Innovation Division
Kenji Hasegawa	Executive Officer	Vice President, Asia Projects President Director Indonesia, Director, INPEX Masela, Ltd. (Jakarta)
Koji Ochiai	Executive Officer	Vice President, Europe & Middle East Projects, Deputy Managing Director, INPEX Idemitsu Norge AS (Oslo)
Yoshiro Konda	Executive Officer	Vice President, Renewable Energy, Managing Director, INPEX Europe Ltd. (London)
Shinichi Ogawa	Executive Officer	Vice President, General Administration General, Manager, Human Resources Unit, General Administration Division
Shigeru Tode	Executive Officer	Vice President, Innovation, General Manager, New Venture Unit, Innovation Division
Shinya Tauchi	Executive Officer	Vice President, Europe & Middle East Projects, Director, INPEX South Iraq, Ltd. (Dubai)
Hirohide Yabuki	Executive Officer	Vice President, Abu Dhabi Projects, General Manager, Commercial Coordination Unit, Abu Dhabi Projects Division



## Corporate Governance

### Monitoring of Management by Outside Directors and Audit & Supervisory Board Members

#### Outside Directors

Regarding the appointment of outside directors, we believe that it is important to comprehensively consider a variety of factors. These factors include the validity of business decisions and consideration of their effectiveness, expertise and objectiveness in the oversight function in addition to the perspective of independence. As corporate managers, academics or other specialists, the Company's five outside directors possess broad knowledge and many years of experience in such fields as resource/energy industry, finance and legal matters.

INPEX considers it important for all its directors to carry out their management duties while maintaining a high level of awareness at all times on matters including the obligation to prohibit competition under the Companies Act, the appropriate handling of transactions with conflicts of interest and the prevention of information leakage. The Company has therefore obtained pledges confirming these points from all directors including the outside director referred to above.

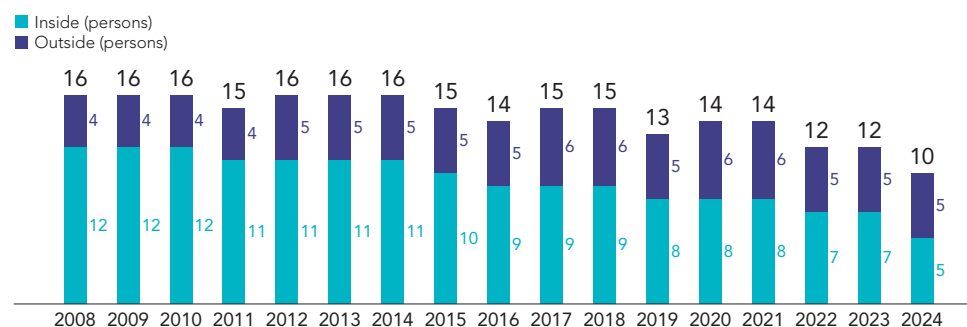
#### Outside Audit & Supervisory Board Members

When appointing outside Audit & Supervisory Board members, we believe that it is important to comprehensively consider factors such as independence, efficacy in the oversight function and professionalism. Four of the Company's five Audit & Supervisory Board members are appointed from external sources. Audit & Supervisory Board members possess a rich knowledge and experience in the Company's business as well as in such fields as finance, legal affairs and management, which they use when performing auditing activities for the Company.

#### Independence of Outside Directors and Outside Audit & Supervisory Board Members

The Company has reported all outside directors and outside Audit & Supervisory Board members as independent directors as defined by Tokyo Stock Exchange, Inc. As a part of efforts to comply with the Corporate Governance Code, INPEX has formulated independence standards for outside directors and outside Audit & Supervisory Board members taking into consideration the independence standards and qualifications for independent directors issued by the Tokyo Stock Exchange. The Company determines the independence of outside directors, including major shareholders and business partners that do not fall within the scope of these standards.

#### Composition of Directors



#### Independence Standards for Outside Directors and Outside 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 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 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 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 director or other officer managing the business of the organization to which the amount of such donations or subsidies exceeds the greater of ¥10 million 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 (a) through (d) below (excluding persons who are not material (\*3))
  - (a) A person who falls under any of items 1 through 7 above
  - (b) An executive of a subsidiary of the Company





## Corporate Governance

(c) 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)

(d) A person who fell under item (b) or (c) 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)

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 the said subcontractor's 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 with the Company whose consolidated net sales from the transactions 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, general manager or equivalent of each company/business partner in case of the persons referred to in items 1 through 3, 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 case of the persons who belong to organizations referred to in items 4 and 5.

### Support System for Outside Directors and Outside Audit & Supervisory Board Members

To support outside directors in their exercise of supervision over management, the Company ensures that they receive materials to be used at Board of Directors meetings at least three days in advance as a rule, and that they are briefed on important matters on the agenda before meetings.

The Company has also assigned four dedicated audit assistants to the Audit & Supervisory Board Members' Office, an organization that supports Audit & Supervisory Board members, including outside members. These assistants perform their duties as instructed by Audit & Supervisory Board members.

Moreover, the Company regularly organizes meetings of outside directors, Audit & Supervisory Board members and representative directors several times a year as opportunities for them to broadly exchange opinions on important management topics.

## Director Compensation

Compensation for directors (excluding outside directors) consists of basic compensation, which is paid according to the duties of each director; bonuses, which serve as a short-term incentive; and stock-based remuneration, which gives a medium- to long-term incentive. Compensation for outside directors is limited to basic compensation only from the perspective of independence of their duties.

Bonuses as a short-term incentive is linked to the Company's profit attributable to owners of parent (hereinafter "net income") and cash flows from operating activities before exploration, which are our major financial indices, as well as a safety index (zero major accidents) that serves as a non-financial index. The amount of compensation is calculated based on the evaluation weights in the table below according to the degree of achievement of these targets, and the final amount of compensation fluctuates within the range of 0% to 200%.

### KPIs used to calculate bonuses for directors (excluding outside directors)

	Bonus KPI	Evaluation weight
Financial indices	Net income	45%
	Cash flows from operating activities before exploration	45%
Non-financial index	Safety index (zero major accidents)	10%

Stock-based remuneration as a medium- to long-term incentive is paid to directors (excluding outside directors and non-residents of Japan) and executive officers (excluding non-residents of Japan) (hereinafter collectively the "eligible directors and officers"). This remuneration system is called the Board Incentive Plan Trust, and it combines performance-based elements aimed at raising the awareness among the eligible directors and officers of their contribution to the Company's medium- to long-term business performance and enhancement of corporate value, and fixed elements aimed at strengthening the awareness among the eligible directors and officers of sharing interests with shareholders through the ownership of the Company's shares. The performance-based portion of the stock-based remuneration is linked to the Company's key financial indices set forth in the Medium-term Business Plan, namely, net income, cash flows from operating activities before exploration, ROE and total payout ratio, as well as to the production cost per barrel and net carbon intensity, which are our major non-financial indices. The amount of compensation is calculated based on the evaluation weights in the table below according to the degree of achievement of these targets, and the final amount of compensation



## Corporate Governance

fluctuates within the range of 0% to 200%. In the event that any of the eligible directors and officers commit a significantly improper or violating act, the Company may cancel or forfeit their right to receive the Company's shares or other forms of compensation under the system (malus) and demand the return of cash corresponding to the Company's shares or other forms of compensation already delivered to them (clawback).

### KPIs used to calculate performance-linked stock-based remuneration for directors (excluding outside directors) and executive officers

Stock-based remuneration KPI		Evaluation weight
Financial indices	Net income	30%
	Cash flows from operating activities before exploration	30%
	ROE	10%
	Total payout ratio	10%
Non-financial indices	Production cost per barrel	10%
	Net carbon intensity	10%

Regarding the compensation for directors, the Nomination and Compensation Advisory Committee deliberates on major matters in accordance with the policy for determining the amount and calculation method of compensation, etc. for directors and the details of compensation, etc. for individual directors, and submits a report to the Board of Directors. Based on the report from the Committee, the Board of Directors decides on the compensation for directors within the limits and terms approved at the general meeting of shareholders. The amount of compensation to be paid to each director by type is decided by the Representative Director, President & CEO, who shall be entrusted to do so by a resolution of the Board of Directors, in accordance with the deliberation by the Nomination and Compensation Advisory Committee, a majority of whose members are outside officers, including independent outside directors.

Considering the external environment, social and economic trends, and other factors surrounding the Company, the Nomination and Compensation Advisory Committee will carefully deliberate on the appropriateness of the target values and calculation method for compensation and issue a report, based on which necessary adjustments may be made to the amount of compensation for each director by a resolution of the Board of Directors.

The adequacy of compensation for directors is verified by the Nomination and Compensation Advisory Committee after an external compensation research organization examines and analyzes the level of compensation for each position in a peer group of companies of the same size and similar industries.

The ratios of the basic compensation, bonuses and stock-based remuneration for inside directors are generally balanced to follow the principle that the higher the position held by a director is, the higher the weight of his or her performance-based compensation (bonuses and stock-based remuneration) is.

### Compensation for Directors and Audit & Supervisory Board Members in FY2023

Classification	Total amount of compensation paid (millions of yen)	Total compensation by type (millions of yen)			Number of eligible directors and Audit & Supervisory Board members (persons)
		Basic compensation	Bonus	Stock-based remuneration	
Directors (excluding outside directors)	544	350	141	52	8
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	34	34	-	-	2
Outside directors and outside Audit & Supervisory Board members	166	166	-	-	11

#### Notes:

- The above table includes one Director and three Audit & Supervisory Board Members (including two Outside Audit & Supervisory Board Members) who retired at the conclusion of the 17th Ordinary General Meeting of Shareholders held on March 28, 2023.
- The basic compensation for directors was resolved to be an annual amount, including bonuses, of not more than 900 million yen (including an amount not more than 100 million yen for outside directors) at the 16th Ordinary General Meeting of Shareholders held on March 25, 2022. The number of directors as of the date of this resolution was 12 (including five outside directors).
- The basic compensation for Audit & Supervisory Board members was resolved to be an annual amount of not more than 140 million yen at the 16th Ordinary General Meeting of Shareholders held on March 25, 2022. The number of Audit & Supervisory Board members as of the date of this resolution was five.
- Bonuses and stock-based remuneration are regarded as performance-based compensation. Stock-based remuneration is also regarded as non-monetary compensation.
- At the 12th Ordinary General Meeting of Shareholders held on June 26, 2018, it was resolved that a stock-based remuneration system be introduced for directors and executive officers (the BIP Trust). The amount of the stock-based remuneration presented in the table represents the fees incurred regarding the stock-based points granted during the business year under review concerning the BIP Trust for directors. At the 16th Ordinary General Meeting of Shareholders held on March 25, 2022, the maximum amount of money to be contributed per business year by the Company was revised to 434 million yen, and the maximum points granted per business year to those eligible for the system was revised to 806,000 points (equivalent to 806,000 shares of the Company). The number of directors (excluding outside directors and nonresidents of Japan) as of the date of this resolution was seven.



## Corporate Governance

### Policy Concerning Cross-shareholdings

For the purpose of achieving sustainable growth and increasing corporate value over the medium to long term, when it is deemed necessary to hold shares in corporations in order to maintain good relationships, and to promote business smoothly and generate business opportunities, the Company will hold shares in such corporations to the extent necessary.

Each year, the Company will, at the Board of Directors meeting, assess whether or not to hold each individual cross-shareholding, specifically examining whether the purpose is appropriate and whether the benefits and risks from each holding accord with the Company's cost of capital. As a result of the assessment, if it is determined that the necessity of any cross-shareholdings has decreased, such cross-shareholdings will be reduced.

With respect to the voting rights as to the cross-shareholdings, the Company will determine the matters to be confirmed for each proposal to shareholders, such as appropriation of surplus, election and compensation of officers and company reorganization. Decisions whether or not to approve proposals will be made after full consideration of the appropriateness of the proposals and whether they will contribute to the purpose of the cross-shareholdings and the sustainable growth and increased corporate value over the medium to long term of the companies invested in.

#### Cross-shareholdings (excluding deemed holdings of equity securities)

Shares other than unlisted shares	End of fiscal 2020	End of fiscal 2021	End of fiscal 2022	End of fiscal 2023
Number of issues	15	10	8	5
Total carrying amount on balance sheet	23,368 million JPY	22,866 million JPY	11,953 million JPY	11,928 million JPY

Unlisted shares	End of fiscal 2020	End of fiscal 2021	End of fiscal 2022	End of fiscal 2023
Number of issues	31	31	31	34
Total carrying amount on balance sheet	14,980 million JPY	11,136 million JPY	10,938 million JPY	11,823 million JPY

### Class A Stock

According to the stipulations of the Articles of Incorporation, INPEX issues a Class A Stock to the Minister of Economy, Trade and Industry. Unless otherwise provided by laws or ordinances, the Class A Stock does not possess voting rights at shareholders' meetings. However, it is possible for the holder of the Class A Stock to exercise veto rights for certain major corporate decisions. We believe the holding of Class A Stock by the Minister of Economy, Trade and Industry will help prevent any incidence of unusual management, allow INPEX to stably supply energy as a core company for Japan's oil & gas E&P and ensure that the Company does not incur any negative impact from a speculative acquisition or an attempt at management control through foreign capital. On this basis, INPEX's role is assured. 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.



# Financial and Other Information





# 11-Year Financial Information

INPEX CORPORATION and Subsidiaries

## JGAAP

	Millions of yen									
	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2019/12 <sup>1</sup>	2020/12	2021/12	2022/12 <sup>3</sup>
<b>Results of operations</b>										
Net sales	¥ 1,334,625	¥ 1,171,226	¥ 1,009,564	¥ 874,423	¥ 933,701	¥ 971,388	¥ 1,000,005	¥ 771,046	¥ 1,244,369	¥ 2,324,660
Cost of sales	490,416	525,443	526,757	453,846	498,039	413,300	424,702	439,852	568,921	943,414
Gross profit	844,209	645,782	482,806	420,576	435,662	558,088	575,303	331,194	675,448	1,381,245
Operating income	733,610	534,886	390,139	336,452	357,363	474,281	498,641	248,471	590,657	1,246,408
Income before income taxes	750,077	540,022	328,887	327,525	307,299	494,042	510,292	67,394	643,457	1,416,196
Net income (loss) attributable to owners of parent	¥ 183,690	¥ 77,820	¥ 16,777	¥ 46,168	¥ 40,362	¥ 96,106	¥ 123,550	¥ (111,699)	¥ 223,048	¥ 461,069
<b>Financial position</b>										
Total assets	¥ 4,038,139	¥ 4,499,153	¥ 4,369,841	¥ 4,312,174	¥ 4,252,386	¥ 4,793,545	¥ 4,849,995	¥ 4,634,518	¥ 5,158,196	¥ 6,259,853
Total liabilities	1,042,102	1,210,450	1,191,038	1,104,631	1,093,517	1,535,961	1,552,818	1,633,178	1,811,786	2,237,483
Net assets	¥ 2,996,036	¥ 3,288,703	¥ 3,178,803	¥ 3,207,542	¥ 3,158,868	¥ 3,257,584	¥ 3,297,176	¥ 3,001,339	¥ 3,346,409	¥ 4,022,370
<b>Cash flows</b>										
Cash flows from operating activities	¥ 213,513	¥ 216,749	¥ 183,707	¥ 275,810	¥ 278,539	¥ 238,566	¥ 274,730	¥ 292,915	¥ 445,457	¥ 751,284
Cash flows from investing activities	(395,555)	(81,086)	(543,534)	53,483	(351,908)	(682,005)	(288,740)	(417,189)	(130,727)	(525,574)
Cash flows from financing activities	48,961	(4,177)	156,726	(65,428)	34,742	405,184	(48,615)	126,747	(315,215)	(241,928)
Cash and cash equivalents at end of the period	¥ 117,530	¥ 260,978	¥ 53,813	¥ 316,790	¥ 276,079	¥ 239,652	¥ 173,774	¥ 172,405	¥ 191,213	¥ 211,656
<b>Per share data<sup>2</sup></b>										
Net assets per share (Yen)	¥ 1,911.25	¥ 2,099.95	¥ 2,008.34	¥ 2,015.38	¥ 1,997.24	¥ 2,058.95	¥ 2,082.43	¥ 1,874.08	¥ 2,253.17	¥ 2,879.68
Cash dividends per share (Yen)	18.00	18.00	18.00	18.00	18.00	24.00	30.00	24.00	48.00	62.00
Earnings (loss) per share (EPS) (Yen)	¥ 125.78	¥ 53.29	¥ 11.49	¥ 31.61	¥ 27.64	¥ 65.81	¥ 84.61	¥ (76.50)	¥ 153.87	¥ 337.37
<b>Financial indicators</b>										
Equity ratio (based on institutional accounting practices) (%)	69.1	68.2	67.1	68.3	68.6	62.7	62.7	59.0	60.6	60.1
Net D/E ratio (based on institutional accounting practices) (%)	(0.26)	(0.15)	(0.08)	0.01	0.15	0.30	0.31	0.38	0.31	0.26
Net D/E ratio (including Ichthys downstream IJV) (%)	—	—	—	—	—	—	—	0.76	0.65	0.46





## 11-Year Financial Information

### IFRS

The translation of yen amounts into U.S. dollar amounts is included solely for convenience, as a matter of arithmetic computation only, at ¥141.82=US\$1.00, the approximate exchange rate in effect as of December 31, 2023.

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2022/12	2023/12	2023/12
<b>Results of operations</b>			
Revenue	¥ 2,316,086	¥ 2,164,516	\$ 15,262,417
Cost of sales	818,130	848,080	5,979,974
Gross profit	1,497,956	1,316,435	9,282,435
Operating income	1,503,667	1,114,189	7,856,360
Profit before tax	1,445,382	1,253,384	8,837,850
Profit attributable to owners of parent	¥ 498,452	¥ 321,708	\$ 2,268,424
<b>Financial position</b>			
Total assets	¥ 6,448,414	¥ 6,739,476	\$ 47,521,336
Total liabilities	2,379,854	2,240,442	15,797,785
Total equity	¥ 4,068,560	¥ 4,499,033	\$ 31,723,543
<b>Cash flows</b>			
Cash flows from operating activities	¥ 782,274	¥ 788,130	\$ 5,557,255
Cash flows from investing activities	(535,123)	(320,116)	(2,257,199)
Cash flows from financing activities	(246,597)	(487,272)	(3,435,848)
Cash and cash equivalents at end of the period	¥ 208,238	¥ 201,149	\$ 1,418,340
<b>Per share data</b>			
Equity attributable to owners of parent per share (Yen) <sup>4</sup>	¥ 2,915.31	¥ 3,345.22	\$ 23.59
Cash dividends per share (Yen)	62.00	74.00	0.52
Basic earnings per share (Yen) <sup>5</sup>	¥ 364.73	¥ 248.55	\$ 1.75
<b>Financial indicators</b>			
Ratio of equity attributable to owners of parent to total assets (%) <sup>6</sup>	59.0	62.5	62.5
Net D/E ratio (based on institutional accounting practices) (%) <sup>7</sup>	0.28	0.20	0.20
Net D/E ratio (including Ichthys downstream IJV) (%) <sup>8</sup>	0.46	0.31	0.31

#### Notes:

- Effective from the year ended December 31, 2019, the Company changed its consolidated fiscal year-end from March 31 to December 31. As a result of this change, the year ended December 31, 2019 was a period of nine months from April 1 to December 31, 2019.
- The amounts for the years ended March 31, 2014 are retrospectively adjusted for a stock split at a ratio of 1:400 of common stock on October 1, 2013.
- The Japanese GAAP figures for the year ended December 31, 2022 were adjusted retrospectively according to the changes in accounting policies, and the figures after retrospective application are presented.
- Equity attributable to owners of parent per share = (Year-end total assets - Year-end non-controlling interest - Year-end total equity related to Class A stock) / (Year-end number of common shares issued - Year-end number of treasury shares)
- Basic earnings per share (loss) = Profit attributable to owners of parent (loss) / Average number of shares
- Ratio of equity attributable to owners of parent to total assets = Equity attributable to owners of parent / Total assets
- Net D/E ratio (based on institutional accounting practices) = (Interest-bearing debts - Cash and cash equivalents) / Total equity attributable to owners of parent
- Net D/E ratio (including Ichthys downstream IJV) includes Ichthys downstream IJV, a jointly controlled entity (Ichthys LNG Pty Ltd), and differs from institutional accounting basis. Data for and after FY2020/12 are disclosed.



## Management's Analysis of Financial Condition, Financial Results and Cash Flows

The following is an overview of the Group's financial condition, financial results, and cash flows (hereinafter "financial results and other") in the year ended December 31, 2023, and the content of the recognition, analysis, and discussion of the Group's financial results and other from the perspective of management.

In addition, from the year ended December 31, 2023, the Group has adopted IFRS instead of accounting principles generally accepted in Japan (Japanese GAAP). The figures for the year ended December 31, 2022, have been reclassified to IFRS for comparative analysis.

Forward-looking statements contained in this report are the judgement as of December 31, 2023.

### Overview and Analysis of Financial Results

	Millions of yen			%
	2022/12	2023/12	Change	Change
Revenue	¥ 2,316,086	¥ 2,164,516	¥ (151,569)	(6.5)%
(Of which, revenue from crude oil)	1,772,080	1,607,968	(164,111)	(9.3)
(Of which, revenue from natural gas)	523,427	535,834	12,406	2.4
Operating income	1,503,667	1,114,189	(389,477)	(25.9)
Profit before tax	1,445,382	1,253,384	(191,998)	(13.3)
Profit attributable to owners of parent	498,452	321,708	(176,744)	(35.5)

	Millions of yen			%
	2022/12	2023/12	Change	Change
Sales volume of crude oil (thousand bbl)	138,118	138,024	(94)	(0.1)%
Average sales price of crude oil (U.S. dollar/bbl)	97.64	82.83	(14.81)	(15.2)
Sales volume of natural gas (million cf)	442,389	479,814	37,425	8.5
Sales volume of overseas natural gas (million cf)	351,122	387,974	36,852	10.5
Unit sales price of overseas natural gas (U.S. dollar/thousand cf)	6.87	5.62	(1.25)	(18.2)
Sales volume of domestic natural gas (million m <sup>3</sup> )	2,436	2,452	16	0.6
Average unit sales price of domestic natural gas (Yen/m <sup>3</sup> )	81.98	90.08	8.10	9.9
Average exchange rate on revenue (Yen/U.S. dollar)	131.37	140.53	9.16	7.0

Notes:

1. Sales volume of natural gas, sales volume of overseas natural gas and sales volume of domestic natural gas exclude LPG sales volume.
2. Unit sales price of overseas natural gas and average unit sales price of domestic natural gas exclude LPG.

During the year ended December 31, 2023, the Japanese economy has recovered moderately from the impact of the novel coronavirus (COVID-19). With improvements in the employment and income environments, further recovery is expected to continue. However, the downturn of overseas economies, such as the impact of global monetary tightening and concerns about the future of China's economy, creates a risk of downward pressure on Japan's economy. In addition, there are continuing concerns about the impacts of rising prices, the Russia-Ukraine situation and the Israel-Palestine conflict, and fluctuations in financial and capital markets.

Of the international crude oil price indices, which significantly influence the financial performance of the Group, Brent crude (on a near-term closing price basis), considered a benchmark index for crude oil, started the current fiscal year at US\$82.10 per barrel, and in January, crude oil prices continued to rise against the backdrop of expectations for recovery in crude oil demand due to the end of China's zero-COVID policy, and other factors. Thereafter, crude oil prices generally remained at around US\$70 to US\$75 per barrel in early spring due to concerns that financial difficulties of several financial institutions in the U.S. and Europe would exert downward pressure on the global economy, but crude oil prices trended upward and temporarily reached a high of over US\$95 per barrel in late September. In October, with the Israel-Palestine conflict, there was an unstable period of temporary volatile fluctuation in crude oil prices. As a result of the decision at the December OPEC+ meeting to postpone the reduction of crude oil production targets (strengthening production cuts) by oil-producing countries, coupled with increased market uncertainty regarding these cuts, crude oil prices remained weak, ending the fiscal year at US\$77.04. The Group's average crude oil sales price for the year ended December 31, 2023 reflected this shift and fell to US\$82.83 per barrel, down US\$14.81 from the previous fiscal year.

The foreign exchange market, another important factor that affects the business of the Group, began to trade at ¥131 level against the U.S. dollar. During the first half of the year, there was heightened speculation about policy adjustments by the Bank of Japan, leading to a narrowing of the Japan-U.S. interest rate gap, temporarily strengthening the yen to the ¥127 level. However, the Bank of Japan's decision to maintain its policy interest rate coupled with favorable U.S. economic indicators resulted in increased interest in the dollar and a consistent depreciation of the yen. During the second half of the year, concerns about a slowdown in inflation in the U.S. and speculation about corrective measures in the Bank of Japan's monetary policy led to a temporary weakening of the dollar to the ¥138 level, but due to robust economic indicators in the U.S. and prolonged monetary easing by the Bank of Japan, the yen depreciated again, rising to the upper ¥151 level in November. Toward the end of the fiscal year, the yen appreciated slightly due to hints at rate cuts by the U.S. Federal Reserve Board and downward revisions of U.S. economic indicators, resulting in TTM closing at ¥141.82 against the U.S. dollar, ¥9.12 less than that of the end of the previous fiscal year. Reflecting these situations, the average exchange rate of the Japanese yen against the U.S. dollar on consolidated revenue depreciated by ¥9.16 to ¥140.53 per U.S. dollar from the previous fiscal year.



## Management's Analysis of Financial Condition, Results of Operations and Cash Flows

Under this business environment, consolidated revenue for the year ended December 31, 2023 decreased by ¥151.5 billion, or 6.5%, to ¥2,164.5 billion from the previous fiscal year due to a decrease in sales price of crude oil. Revenue from crude oil decreased by ¥164.1 billion, or 9.3%, to ¥1,607.9 billion, and revenue from natural gas increased by ¥12.4 billion, or 2.4%, to ¥535.8 billion. Sales volume of crude oil decreased by 94 thousand barrels, or 0.1%, to 138,024 thousand barrels, and sales volume of natural gas increased by 37,425 million cf, or 8.5%, to 479,814 million cf. Sales volume of overseas natural gas increased by 36,852 million cf, or 10.5%, to 387,974 million cf, and sales volume of domestic natural gas increased by 16 million m3, or 0.6%, to 2,452 million m3 (91,502 million cf). The average sales price of overseas crude oil decreased by US\$14.81, or 15.2%, to US\$82.83 per barrel. The average sales price of overseas natural gas decreased by US\$1.25, or 18.2%, to US\$5.62 per thousand cf, and the average sales price of domestic natural gas increased by ¥8.10, or 9.9%, to ¥90.08 per m3. The average exchange rate of the Japanese yen against the U.S. dollar on consolidated revenue depreciated by ¥9.16, or 7.0%, to ¥140.53 per U.S. dollar.

The decrease of ¥151.5 billion in revenue was mainly derived from the following factors: regarding revenue from crude oil and natural gas, an increase in sales volume contributing ¥36.5 billion to the increase, a decrease in unit sales price pushing sales down of ¥316.7 billion, the depreciation of the Japanese yen against the U.S. dollar contributing ¥128.4 billion to the increase, and an increase in revenue excluding crude oil and natural gas of ¥0.1 billion to the increase.

Meanwhile, cost of sales increased by ¥29.9 billion, or 3.7%, to ¥848.0 billion. Exploration expenses increased by ¥13.1 billion, or 103.9%, to ¥25.9 billion. Selling, general and administrative expenses increased by ¥3.7 billion, or 4.1%, to ¥95.7 billion. Other operating income decreased by ¥70.8 billion, or 73.9%, to ¥25.0 billion, while other operating expenses decreased by ¥27.7 billion, or 18.3%, to ¥124.0 billion, and share of profit (loss) of investments accounted for using the equity method decreased by ¥147.8 billion, or 88.9%, to ¥18.3 billion. As a result, operating income decreased by ¥389.4 billion, or 25.9%, to ¥1,114.1 billion.

Finance income increased by ¥143.4 billion, or 194.4%, to ¥217.3 billion. Finance costs decreased by ¥53.9 billion, or 40.9%, to ¥78.1 billion. As a result, profit before tax decreased by ¥191.9 billion, or 13.3%, to ¥1,253.3 billion.

Income tax expense decreased by ¥38.6 billion, or 4.0%, to ¥920.8 billion, and profit attributable to non-controlling interests was ¥10.8 billion, compared with loss attributable to non-controlling interests of ¥12.4 billion in the previous fiscal year. As a result of the above effects, profit attributable to owners of parent decreased by ¥176.7 billion, or 35.5%, to ¥321.7 billion.

Financial results by segment are as follows:

### 1 Oil & Gas Japan

Revenue increased by ¥18.2 billion, or 8.5%, to ¥232.8 billion due to an increase in sales price of natural gas. However, profit attributable to owners of parent decreased by ¥3.1 billion, or 7.0%, to ¥42.0 billion mainly due to increases in cost of sales and exploration expenses.

### 2 Oil & Gas Overseas—Ichthys Project

Revenue increased by ¥4.6 billion, or 1.3%, to ¥373.1 billion due to an increase in sales volume. Profit attributable to owners of parent increased by ¥21.5 billion, or 7.5%, to ¥309.8 billion.

### 3 Oil & Gas Overseas—Other Projects

Revenue decreased by ¥184.4 billion, or 10.8%, to ¥1,528.2 billion due to a decrease in sales price of crude oil. Profit attributable to owners of parent decreased by ¥117.0 billion, or 99.4%, to ¥0.7 billion.

## Overview and Analysis of Financial Condition

Total assets as of December 31, 2023 increased by ¥291.0 billion to ¥6,739.4 billion from December 31, 2022. Assets increased by ¥79.8 billion to ¥838.4 billion, mainly due to an increase in other financial assets. Non-current assets increased by ¥211.2 billion to ¥5,901.0 billion, mainly due to increases in investments accounted for using the equity method and oil and gas assets.

Meanwhile, total liabilities decreased by ¥139.4 billion to ¥2,240.4 billion from December 31, 2022. Current liabilities increased by ¥31.4 billion to ¥572.2 billion and non-current liabilities decreased by ¥170.8 billion to ¥1,668.2 billion.

Total equity increased by ¥430.4 billion to ¥4,499.0 billion from December 31, 2022. Total equity attributable to owners of parent increased by ¥401.7 billion to ¥4,209.1 billion, while non-controlling interests increased by ¥28.7 billion to ¥289.9 billion.



## Management's Analysis of Financial Condition, Results of Operations and Cash Flows

### Overview and Analysis of Cash Flows and Information on Capital Sources and Funding Liquidity

#### Overview and analysis of cash flows

The Group's cash and cash equivalents (hereinafter "cash") amounted to ¥201.1 billion as of December 31, 2023, reflecting a net decrease of ¥19.2 billion from ¥208.2 billion as of December 31, 2022, and the effect of exchange rate changes of ¥12.1 billion.

Cash flows from operating, investing, and financing activities for the year ended December 31, 2023 and their factors are as follows.

##### ① Cash flows from operating activities

Net cash provided by operating activities amounted to ¥788.1 billion, up ¥5.8 billion from the previous fiscal year. This was mainly due to a decrease in trade and other receivables and a decrease in share of profit of investments accounted for using the equity method, which is a non-cash item, despite a decrease in profit before tax due to a decline in crude oil sales prices and an increase in finance income, which is a non-cash item.

##### ② Cash flows from investing activities

Net cash used in investing activities amounted to ¥320.1 billion, down ¥215.0 billion from the previous fiscal year. This was mainly due to an increase in proceeds from sale and redemption of investments and a decrease in long-term loans made, despite an increase in payments for purchases of investments.

##### ③ Cash flows from financing activities

Net cash used in financing activities amounted to ¥487.2 billion, up ¥240.6 billion from the previous fiscal year. This was mainly due to an increase in repayments of long-term borrowings.

#### Information on capital sources and funding liquidity

Acquisition, exploration and development projects of oil, natural gas, renewable energy and others, as well as the construction of natural gas infrastructure, require significant funding. The Group relies on cash flow on hand derived from internal reserves, together with external sources, to procure funds. The Group's basic policy is to utilize cash flow on hand and external equity financing to fund exploration projects and to utilize cash flow on hand, bank loans and issuance of bonds to fund the acquisition and development projects as well as the construction of the natural gas infrastructure. The acquisition and development projects of oil and natural gas are primarily funded from long-term loans that the Group has secured from Japan Bank for International Cooperation, Japanese commercial banks and others. Japan Organization for Metals and Energy Security has provided guarantees for the principal on certain outstanding amounts of the Group's long-term loans. Development Bank of Japan Inc, Japanese commercial banks and others have provided long-term loans for the construction of domestic gas infrastructure. For the acquisition and development projects of renewable energy, the Group procures funds through project financing and green financing. The Ichthys downstream entity (Ichthys LNG Pty Ltd, which is a joint venture), as the borrower, has utilized external loans from export credit agencies and commercial banks for project financing and others.

During the year ended December 31, 2023, the Group carried out funding aimed at development expenditures, etc., while also working on reducing interest-bearing liabilities in line with its medium-term business plan. Additionally, the Group received financing from Japan Organization for Metals and Energy Security for development expenditures, exploration expenditures, etc.

The Group's basic liquidity policy is to maintain sufficient cash flow on hand to provide for steep falls in oil and gas prices. In addition, the Group has concluded commitment line contracts with multiple financial institutions to secure the line of credit.



# INPEX Green Finance Annual Report (Period: January 2023–December 2023)

30 June 2024 INPEX CORPORATION

## 1. Annual report summary

INPEX has issued its inaugural INPEX Green Bond on 15 October 2021 and concluded the loan agreement for the first INPEX Green Loan on March 31, 2023 (Hereinafter, green bonds and green loans are collectively referred to as "INPEX Green Finance"). It is designed to promote the reduction of CO<sub>2</sub> based on the "Business Development Strategy—Towards a Net Zero Carbon Society by 2050," which formulated a long-term management policy envisioning a net zero carbon society by 2050.

All the funds from the INPEX Green Finance have been allocated to the following green projects that were verified against the Climate Bond Standard version 3.0 (CBSv3.0) and other technical standards set by the Climate Bond Initiative (CBI) by December 31, 2023.

All projects are under construction or in operation as originally planned or scheduled as of December 31, 2023 and have achieved environmental benefits (CO<sub>2</sub> reductions).

### (1) Green project

**Renewable energy:** Business related to the development, construction, operation and refurbishment of renewable energy of wind and geothermal

### (2) Verification criteria

#### Common:

- CBSv3.0 and the following technical standard
  - The Marine Renewable Energy Sector Eligibility Criteria of the Climate Bonds Standard (July 2020)
  - Geothermal Energy and the Climate bond Standard (version1.0)

#### INPEX Green Bond #1:

- Green Bond Principles 2021, ICMA (GBP)
- Green Bond Guidelines 2020, Ministry of the Environment (GBGL)

#### INPEX Green Loan #1:

- Green Loan Principles 2021, LMA, APLMA, LSTA (GLP)
- Green Loan Guidelines 2022, Ministry of the Environment (GLGL)

## 2. Allocation status

Table-1: INPEX Green Bond fund allocation (as of December 2023)

No.	Project category	Amount of funds allocated (Refinancing amount)	Amount of funds unallocated
1	INPEX Green Bond eligible projects	<b>10.00 billion JPY</b> (5.24 billion JPY)	<b>0 JPY</b>

Note: Unallocated amount (0.05 billion JPY) of funds as of December 2022 has been fully allocated in August 2023 in accordance with the proceeds management procedures.

Table-2: INPEX Green Loan fund allocation (as of December 2023)

No.	Project category	Amount of funds allocated (Refinancing amount)	Amount of funds unallocated
1	INPEX Green Loan eligible projects	<b>250 million USD</b> (250 million USD)	<b>0 USD</b>

## 3. Project eligibility assessment results

INPEX has confirmed the continued compliance of the INPEX Green Projects listed in Table-1, 2 against CBSv3.0 and the relevant technical standards (see section 1. (2) by the INPEX Renewable Energy Division, the INPEX Corporate Strategy & Planning Division and the INPEX Finance & Accounting Division. The INPEX Green Projects that were eligible for fund allocation have been already qualified by a CBI approved verifier in a pre-funding verification of the Green Finance.

## 4. Environmental benefit

Table-3: INPEX Green Bond environmental improvement benefits (Period: January 2023–December 2023)

No.	Project category	Facility capacity (for INPEX share)	Environmental improvement effects (CO <sub>2</sub> Reductions)
1	INPEX Green Bond eligible projects	<b>415MW</b> (68.7 MW)	<b>329,518 t-CO<sub>2</sub>*1</b>

Table-4: INPEX Green Loan environmental improvement benefits (Period: April 2023–December 2023)

No.	Project category	Facility capacity (for INPEX share)	Environmental improvement effects (CO <sub>2</sub> Reductions)
1	INPEX Green Loan eligible projects	<b>860.5MW</b> (174.2 MW)	<b>105,604 t-CO<sub>2</sub>*2</b>

All projects are under construction or in operation as planned or scheduled as of December 31, 2023.

### ■ Calculation method for environmental benefit

\*1 : Estimated CO<sub>2</sub> reductions based on actual power generation from geothermal power

CO<sub>2</sub> Reduction = Actual power generation (MWh) x CO<sub>2</sub> Emission factor (t-CO<sub>2</sub> /MWh)

CO<sub>2</sub> Emission factor is calculated from the difference between the average CO<sub>2</sub> emission factor of the country where the project is operated and the CO<sub>2</sub> emission factor of the project.

\*2 : Estimated CO<sub>2</sub> reductions based on actual power generation from wind power

CO<sub>2</sub> Reduction = Actual power generation (MWh) x CO<sub>2</sub> Emission factor (t-CO<sub>2</sub> /MWh)

CO<sub>2</sub> Emission factor is calculated based on the average CO<sub>2</sub> emission factor of the country where the project is operated.

## 5. Post-funding verification

INPEX Green Finance has been confirmed that it conforms with CBSv3.0 and other related criteria by DNV Business Assurance Japan Co., Ltd., a CBI approved verifier, in accordance with the requirements of CBSv3.0. The result of the post-funding verification for INPEX Green Finance by the CBI approved verifier is publicly available on [our website](#).





# Oil and Gas Reserves and Production Volume

## 1. Oil and Gas Reserves

### Proved reserves

	Japan		Australia & Southeast Asia		Europe, Abu Dhabi and others		Total	
	Crude oil (MMbbls)	Gas (Bcf)	Crude oil (MMbbls)	Gas (Bcf)	Crude oil (MMbbls)	Gas (Bcf)	Crude oil (MMbbls)	Gas (Bcf)
<b>Proved developed and undeveloped reserves</b>								
INPEX CORPORATION and its subsidiaries								
As of December 31, 2021	15	610	133	3,983	2,538	208	2,686	4,801
Extensions and discoveries	—	—	—	—	—	—	—	—
Acquisitions and sales	—	—	—	—	42	51	42	51
Revisions of previous estimates	1	27	(3)	10	265	(8)	263	30
Interim production	(1)	(37)	(16)	(362)	(121)	(15)	(138)	(414)
As of December 31, 2022	15	600	114	3,632	2,723	235	2,853	4,467
Associates, etc.								
As of December 31, 2021	—	—	1	318	17	—	18	318
Extensions and discoveries	—	—	—	—	—	—	—	—
Acquisitions and sales	—	—	—	—	(6)	—	(6)	—
Revisions of previous estimates	—	—	(0)	(24)	(2)	—	(2)	(24)
Interim production	—	—	(0)	(21)	(3)	—	(3)	(21)
As of December 31, 2022	—	—	1	273	6	—	7	273
<b>Proved developed and undeveloped reserves</b>								
As of December 31, 2022	15	600	115	3,905	2,729	235	2,860	4,740
INPEX CORPORATION and its subsidiaries								
As of December 31, 2022	15	600	114	3,632	2,723	235	2,853	4,467
Extensions and discoveries	—	—	—	—	—	—	—	—
Acquisitions and sales	—	—	—	—	(10)	(12)	(10)	(12)
Revisions of previous estimates	0	9	11	123	29	33	40	165
Interim production	(1)	(33)	(17)	(394)	(121)	(25)	(138)	(452)
As of December 31, 2023	14	576	109	3,360	2,622	232	2,745	4,168
Associates, etc.								
As of December 31, 2022	—	—	1	273	6	—	7	273
Extensions and discoveries	—	—	—	—	—	—	—	—
Acquisitions and sales	—	—	—	—	—	—	—	—
Revisions of previous estimates	—	—	(0)	(16)	(3)	—	(3)	(16)
Interim production	—	—	(0)	(23)	(1)	—	(1)	(23)
As of December 31, 2023	—	—	1	234	1	—	3	234
<b>Proved developed and undeveloped reserves</b>								
As of December 31, 2023	14	576	110	3,594	2,623	232	2,748	4,402
<b>Proved developed reserves</b>								
INPEX CORPORATION and its subsidiaries								
As of December 31, 2023	14	540	77	2,676	1,642	231	1,732	3,448
Associates, etc.								
As of December 31, 2023	—	—	1	234	1	—	3	234
<b>Proved undeveloped reserves</b>								
INPEX CORPORATION and its subsidiaries								
As of December 31, 2023	1	35	32	685	980	0	1,013	720
Associates, etc.								
As of December 31, 2023	—	—	—	—	—	—	—	—

The table on the left lists the proved reserves of crude oil, condensate, LPG and natural gas of INPEX CORPORATION and its subsidiaries and associates, etc. on main projects. Disclosure contents for proved reserves are determined in accordance with the rules and regulations of the U.S. Financial Accounting Standards Board (the "FASB"), and are presented by region in accordance with the Accounting Standards Codification Topic 932 "Extractive Activities—Oil and Gas."

The Group's proved reserves as of December 31, 2023, were 2,748 million barrels for crude oil, condensate and LPG, and 4,402 billion cubic feet for natural gas, for a total of 3,572 million boe.

- Notes: 1. Based on SEC disclosure standards, the Group discloses proved reserves in each country containing 15% or more of its proved reserves. As of December 31, 2023, the Group held proved reserves in Australia of approximately 105 million barrels for crude oil and approximately 3,245 billion cubic feet for natural gas, for a total of approximately 717 million BOE.
2. Proved reserves (as of December 31, 2023) of the following blocks and fields include the portion attributable to non-controlling interests. Europe, Abu Dhabi and others, ACG Oil Field (49.00%), Kashagan Oil Field (49.00%), Snorre Oil Field, etc. (49.49%), Abu Dhabi Onshore Concession (34.24%)
3. MMbbl: Million barrels
4. Bcf: Billion cubic feet
5. Crude oil includes condensate and LPG
6. Oil and gas reserves are rounded to the nearest whole number.



## Oil and Gas Reserves and Production Volume

### Standardized measure of discounted future net cash flows and their changes relating to proved oil and gas reserves for the year ended December 31, 2023

December 31, 2022	Millions of yen			
	Total	Japan	Australia & Southeast Asia	Europe, Abu Dhabi and others
<b>INPEX CORPORATION and its subsidiaries</b>				
Future cash inflows	¥ 40,247,501	¥ 1,356,592	¥ 4,084,837	¥ 34,806,073
Future production and development costs	(12,123,550)	(370,071)	(1,255,646)	(10,497,833)
Future income tax expenses	(21,996,683)	(301,187)	(746,640)	(20,948,855)
Future net cash flows	6,127,269	685,334	2,082,551	3,359,384
10% annual discount for estimated timing of cash flows	(2,867,983)	(395,319)	(633,382)	(1,839,282)
Standardized measure of discounted future net cash flows	3,259,286	290,014	1,449,169	1,520,103
<b>Associates, etc.</b>				
Future cash inflows	494,544	—	436,632	57,912
Future production and development costs	(103,176)	—	(89,726)	(13,450)
Future income tax expenses	(148,026)	—	(112,762)	(35,265)
Future net cash flows	243,342	—	234,145	9,198
10% annual discount for estimated timing of cash flows	(92,012)	—	(90,243)	(1,769)
Share of equity-method investees' standardized measure of discounted future net cash flows	151,330	—	143,902	7,429
<b>Total consolidated and equity-method affiliates in standardized measure of discounted future net cash flows</b>	<b>¥ 3,410,616</b>	<b>¥ 290,014</b>	<b>¥ 1,593,071</b>	<b>¥ 1,527,531</b>

Notes: 1 Reserves of the following blocks and fields include the portion attributable to non-controlling interests: Europe, Abu Dhabi and others, ACG Oil Field (49.00%), Kashagan (49.00%), Snorre, etc. (49.49%), Abu Dhabi Onshore Concession (34.24%)

2 Amounts are basically rounded to the nearest million.

December 31, 2023	Millions of yen			
	Total	Japan	Australia & Southeast Asia	Europe, Abu Dhabi and others
<b>INPEX CORPORATION and its subsidiaries</b>				
Future cash inflows	¥ 35,886,906	¥ 1,620,747	¥ 3,608,516	¥ 30,657,644
Future production and development costs	(11,870,083)	(436,929)	(1,326,599)	(10,106,556)
Future income tax expenses	(18,569,006)	(356,649)	(611,294)	(17,601,064)
Future net cash flows	5,447,817	827,169	1,670,623	2,950,024
10% annual discount for estimated timing of cash flows	(2,598,632)	(495,595)	(499,901)	(1,603,136)
Standardized measure of discounted future net cash flows	2,849,185	331,574	1,170,723	1,346,888
<b>Associates, etc.</b>				
Future cash inflows	384,446	—	373,168	11,278
Future production and development costs	(99,307)	—	(94,586)	(4,721)
Future income tax expenses	(90,481)	—	(84,675)	(5,806)
Future net cash flows	194,657	—	193,906	751
10% annual discount for estimated timing of cash flows	(62,349)	—	(62,305)	(45)
Share of equity-method investees' standardized measure of discounted future net cash flows	132,308	—	131,601	706
<b>Total consolidated and equity-method affiliates in standardized measure of discounted future net cash flows</b>	<b>¥ 2,981,493</b>	<b>¥ 331,574</b>	<b>¥ 1,302,324</b>	<b>¥ 1,347,594</b>

Notes: 1 Reserves of the following blocks and fields include the portion attributable to non-controlling interests. Europe, Abu Dhabi and others, ACG Oil Field (49.00%), Kashagan (49.00%), Snorre, etc. (49.49%), Abu Dhabi Onshore Concession (34.24%)

2 Amounts are basically rounded to the nearest million.

Disclosure contents for the standardized measure of discounted future net cash flows and their changes relating to proved reserves for the year ended December 31, 2023 are determined in accordance with the rules and regulations of the FASB, and are presented by region in accordance with the Accounting Standards Codification Topic 932 "Extractive Activities—Oil and Gas."

In calculating the standardized measure of discounted future cash inflows, the arithmetic average of oil and gas prices at the first day of each month during the current fiscal year is applied to the estimated annual future production from proved reserves. Future development and production costs are estimated based upon the assumptions of constant oil and gas prices and the continuation of existing economic, operating and regulatory conditions. Future income tax expenses are calculated by applying the year-end statutory tax rates to estimated future pretax cash flows less the tax basis of the properties involved based upon laws and regulations already legislated at year-end. The discount is computed by applying a prescribed discount rate of 10% to the estimated future net cash flows.

The translation of U.S. dollar amounts into yen amounts is computed by applying the year-end exchange rates (TTM) of ¥132.70 and ¥141.82 to the U.S. dollar as of December 31, 2022 and December 31, 2023, respectively.

Since these figures are calculated in accordance with the rules set forth by the FASB, which have the following aspects, they do not represent the fair market value nor the Group's estimation for the present value of the cash flows of reserves of crude oil, condensate, LPG and natural gas.

- No economic value is attributed to potential reserves.
- A prescribed discount rate of 10% is applied.
- Oil and gas prices are subject to constant fluctuations despite the assumptions of constant oil and gas prices of Topic 932.



## Oil and Gas Reserves and Production Volume

	Millions of yen				
	Total	Japan	Australia & Southeast Asia	Europe, Abu Dhabi and others	Associates, etc.
Standardized measure at beginning of the period, as of January 1, 2023	¥ 3,410,616	¥290,014	¥ 1,449,169	¥ 1,520,103	¥151,330
Changes resulting from:	—	—	—	—	—
Sales and transfers of oil and gas produced, net of production costs	(1,832,805)	(62,879)	(495,844)	(1,247,559)	(26,523)
Net changes in oil and gas prices and production costs	(2,132,111)	79,214	(411,321)	(1,751,892)	(48,112)
Development costs incurred	168,334	4,950	75,208	85,662	2,513
Changes in estimated future development costs	(72,852)	620	67,733	(133,942)	(7,262)
Revisions of previous quantity estimates	368,083	(32,937)	141,278	271,949	(12,207)
Accretion of discount	326,104	26,942	145,996	138,071	15,095
Net change in income taxes	2,540,270	5,718	98,908	2,388,570	47,074
Extensions, discoveries and improved recoveries	(28,545)	—	—	(28,545)	—
Other	234,400	19,932	99,596	104,471	10,400
Standardized measure at end of the period, as of December 31, 2023	¥ 2,981,493	¥331,574	¥1,170,723	¥ 1,346,888	¥132,308

Notes: 1. Reserves of the following blocks and fields include the portion attributable to non-controlling interests:  
 Europe, Abu Dhabi and others, ACG Oil Field (49.00%), Kashagan (49.00%), Snorre, etc. (49.49%), Abu Dhabi Onshore Concession (34.24%)  
 2. Amounts are basically rounded to the nearest million.

## 2. Oil and Gas Production

	2019/3	2019/12	2020/12	2021/12	2022/12	2023/12
<b>Oil</b> (Thousand bbl/day):						
Oil & Gas Japan	3.5	3.1	3.0	2.9	2.6	2.5
Oil & Gas Overseas Ichthys Project	12.3	35.5	39.5	37.0	34.0	33.7
Oil & Gas Overseas Other Projects	287.5	313.8	288.6	303.6	353.6	346.6
Total	303.3	352.4	331.1	343.5	390.3	382.8
<b>Natural gas</b> (MMcf/day):						
Oil & Gas Japan	131.6	118.6	110.5	110.2	100.9	94.3
Oil & Gas Overseas Ichthys Project	293.7	889.9	950.9	910.5	883.9	970.5
Oil & Gas Overseas Other Projects	223.7	217.9	203.2	230.6	226.7	239.4
Total	649.0	1,226.4	1,264.6	1,251.3	1,211.5	1,304.3
<b>Crude oil and natural gas</b> (Thousand BOE/day):						
Oil & Gas Japan	28.2	25.4	23.7	23.6	21.0	19.7
Oil & Gas Overseas Ichthys Project	68.7	207.3	224.6	214.5	205.8	220.2
Oil & Gas Overseas Other Projects	327.4	353.5	325.1	346.2	395.4	390.4
Total	424.3	586.2	573.4	584.3	622.2	630.3

The table on the left show the Group's production by segment.

Notes: 1. Changes has been made in the segment income and reportable segments from the first quarter of the fiscal year ending December 2023. These data are based on new segments, and the segment income is profit attributable to owners of parent in the consolidated statement of income. The reportable segments are divided into "Oil & Gas Japan" and "Oil & Gas Overseas." The "Oil & Gas Overseas" segment is further classified as "Ichthys Project," which is a major operator project of the Group, and "Other Projects," which is comprised of other overseas projects.  
 2. LPG produced outside Japan is included in crude oil.  
 3. The production volumes include the equity of associates, etc.  
 4. The quantities are rounded to the first decimal place.



# Corporate Information

## Information Disclosure and Activities for Shareholders and Investors

### INPEX IR Activities

INPEX is committed to timely and appropriate disclosure of information to shareholders and investors and to close communication with them. Feedback received from shareholders and investors is regularly reported to management as part of our efforts to enhance corporate value.

### Overview of IR Activities

Starting from the fiscal year 2024, we have fully resumed face-to-face IR activities, such as overseas road shows and facility tours for institutional investors, analysts, and individual investors. INPEX's spokespersons include the Representative Director and Chairman; Representative Director, President and CEO; Senior Vice President, Corporate Strategy & Planning; and Senior Vice President, Finance & Accounting. Our Corporate Communications Unit is in charge of practical matters related to IR activities.

Over the last three fiscal years, the following meetings were held to actively exchange views on INPEX's Long-term Strategy and Medium-term Business Plan, financial forecasts, cash allocation, shareholder returns, the situation of Ichthys and other projects, climate change actions, corporate governance, and other topics. In fiscal 2023, INPEX also held its first Investor Day. Opinions and concerns raised by shareholders and investors through such dialogue have been fed back to INPEX's management and Board of Directors in principle four times a year. They are receiving such feedback about four times a year from fiscal 2023 onward.

Activities	Events in fiscal 2021	Events in fiscal 2022	Events in fiscal 2023
One-on-one meetings with Japanese institutional investors and analysts	140	128	149
One-on-one meetings with overseas institutional investors and analysts	89	100	119
Financial results briefings for institutional investors and analysts (live streaming provided since 2022 with Japanese-English simultaneous interpretation)	2	2	2
Business briefings for institutional investors and analysts	0	0	1
Overseas road shows	0	1	1
Conferences organized by securities companies	5	5	6
Briefings for individual investors	2	5	4

### General Meetings of Shareholders

The Notice of the Ordinary General Meeting of Shareholders held on March 26, which included information on how to access the materials for the meeting, was mailed to shareholders on March 4, 2024, three weeks before the Ordinary General Meeting (For shareholders who requested delivery of documents, Material of the 17th Ordinary General Meeting of Shareholders was mailed). Prior to the dispatch of the above materials, the electronic convocation of this General Meeting of Shareholders were posted on the Company's website on February 26. In addition, the proceedings of the Ordinary General Meeting of Shareholders were streamed live via the internet.

Year of Ordinary General Meeting of Shareholders	2022	2023	2024
Total number of shareholders	136,935	220,536	292,163
Number of attending shareholders at general meeting	130	205	288

### Credit Rating (As of June 30, 2024)

Credit Rating Agency	Long-Term Credit Ratings	Short-Term Credit Ratings
Moody's	A2 (stable)	—
Standard & Poor's	A (stable)	A-1
Rating & Investment Information (R&I)	AA (stable)	a-1+
Rating & Japan Credit Rating Agency	AA+ (stable)	—

### Status of Inclusion in Major Indexes (As of June 2024)

- Nikkei Stock Average (Nikkei 225)
- TOPIX
- JPX-Nikkei Index 400
- FTSE4Good Developed Index/ FTSE4Good Japan Index
- FTSE Blossom Japan Index/ FTSE Blossom Japan Sector Relative Index
- MSCI Nihonkabu ESG Select Leaders Index/ MSCI Japan ESG Select Leaders Indexes
- S&P/JPX Carbon Efficient Index
- SOMPO Sustainability Index
- iSTOXX MUTB Japan Platinum Career 150 Index
- CDP Climate Change 2023
- Selected as Yearbook Member in the S&P Global Sustainability Award 2024
- Environmental Sustainability and Progress in the Ministry of Environment's ESG Finance Awards Japan

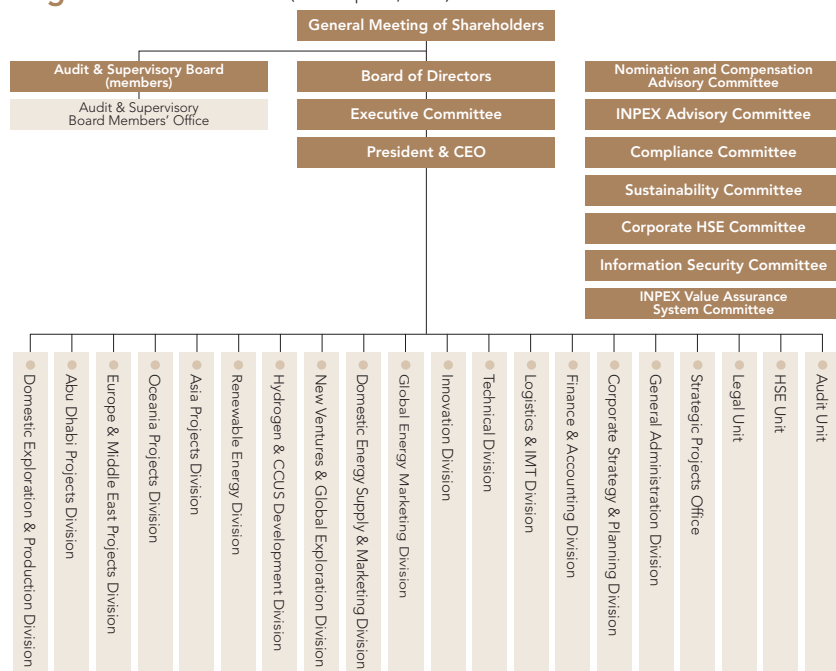


## Corporate Information

### Corporate Data (As of December 31, 2023)

<b>Company Name</b>	INPEX CORPORATION
<b>Established</b>	April 3, 2006
<b>Capital</b>	¥290,809,835,000
<b>Company Headquarters</b>	Akasaka Biz Tower, 5-3-1 Akasaka, Minato-ku, Tokyo 107-6332, Japan
<b>Number of Employees (Consolidated)</b>	3,531
<b>Main Business</b>	Research, exploration, development, production and sales of oil, natural gas and other mineral resources, other related businesses and investment and lending to the companies engaged in these activities, etc.

### Organization Chart (As of April 1, 2024)



### Stock Information (As of December 31, 2023)

<b>Securities Code</b>	1605
<b>Listed Stock Exchange</b>	Tokyo Stock Exchange (Prime Market)
<b>Business Year</b>	From January 1 to December 31 every year
<b>Ordinary General Meeting of Shareholders</b>	Every March
<b>Shareholder Registry Administrator</b>	Mizuho Trust & Banking Co., Ltd.
<b>Contact</b>	3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo Stock Transfer Agency Department of the Head Office of Mizuho Trust & Banking Co., Ltd.

<b>Share Unit</b>	100 shares
<b>Authorized Shares</b>	3,600,000,000 common stocks 1 Class A Stock
<b>Total Number of Shareholders and Issued Shares</b>	
<b>Common Stock</b>	292,163 / 1,386,667,167 shares
<b>Class A Stock*</b>	1 shareholder (Minister of Economy, Trade and Industry) / 1 share <sup>2</sup>

- As a result of the cancellation of treasury stock on January 31, 2024, the total number of issued shares has changed to 1,259,136,067.
- The Company's Articles of Incorporation stipulate that certain major corporate decisions require a resolution by the holder of the Class A Stock in addition to the approval of the shareholders' meetings or the Board of Directors.

### Stock Chart (January 2014–June 2024)



### Major Shareholders (Common Stock)

Name	Number of common shares	Percentage of total common shares* (%)
Minister of Economy, Trade and Industry	276,922,800	21.99
The Master Trust Bank of Japan, Ltd. (Trust Account)	176,384,000	14.01
Custody Bank of Japan (Trust Account)	71,213,390	5.66
Japan Petroleum Exploration Co., Ltd.	53,446,600	4.24
JAPAN SECURITIES FINANCE CO., LTD.	33,911,300	2.69
SMBC Nikko Securities Inc.	33,709,210	2.68
STATE STREET BANK WEST CLIENT - TREATY 505234	20,028,243	1.59
JPMorgan Securities Japan Co., Ltd.	17,545,677	1.39
Mitsubishi Corporation	14,623,200	1.16
The Nomura Trust and Banking Co., Ltd. (Trust Account)	14,304,100	1.14

### Shareholding by Shareholder Type

Shareholder type	Number of shareholders	Number of common shares	Percentage of total common shares <sup>2</sup> (%)
Financial Institutions (Including Trust Accounts)	104	320,697,950	23.13
Securities Companies	70	86,912,266	6.27
Other Domestic Corporations	1,605	88,711,516	6.40
Treasury Shares	1	127,531,146	9.20
Minister of Economy, Trade and Industry <sup>1</sup>	1	276,922,800	19.97
Foreign Corporations	1,580	352,252,996	25.40
Individuals and Other	288,802	133,638,493	9.64

- Excludes one Class A Stock
- The shareholder ratio is rounded off to the nearest whole number.

\*The shareholder ratio is calculated after subtracting treasury shares (127,531,146 shares).  
The shareholder ratio is rounded off to the nearest whole number.



# **INPEX**

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## **Inquiries**

For IR inquiries, as well as to offer comments and opinions about this report, please contact below.

**Corporate Strategy & Planning Division Corporate Communications Unit Investor Relations Group**

[www.inpex.co.jp/english/ir/inquiries.html](http://www.inpex.co.jp/english/ir/inquiries.html)