

[Translation for Reference Purposes Only]

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities Code 1605
June 3 2013

To Those Shareholders with Voting Rights

Toshiaki Kitamura
Representative Director, President & CEO
INPEX CORPORATION
5-3-1 Akasaka, Minato-ku, Tokyo

NOTICE OF THE 7th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

You are cordially invited to attend the 7th Ordinary General Meeting of INPEX CORPORATION (hereinafter the “Company”) to be held as described below.

In the event you are not able to attend, you may exercise your voting rights by either of the following two methods. It is requested that you review the Reference Documents for the General Meeting of Shareholders (Pages 4-32) before exercising your voting rights.

[Voting in writing]

Please indicate your votes for or against each of the proposals on the enclosed Voting Rights Exercise Form, and return the form for arrival by the close of business (5:25 p.m.) of Monday, June 24, 2013.

[Voting by electromagnetic means (the Internet, etc.)]

Please carefully read the “Exercising Voting Rights by Electromagnetic Means (e.g., via the Internet)” (Page 3) and enter your votes for or against each of the proposals by the close of business (5:25 p.m.) of Monday, June 24, 2013.

- 1. Date and Time:** Tuesday June 25, 2013 at 10:00 a.m.
- 2. Place:** Ascot Hall, B2F, South Wing, Hotel Okura, Tokyo
2-10-4 Toranomom, Minato-ku, Tokyo
- 3. Agenda of the Meeting:**
 - Matters to be reported:**
 1. Business Report, Consolidated Financial Statements for the 7th Fiscal Year (from April 1, 2012 to March 31, 2013) and results of audits by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the 7th Fiscal Year (from April 1, 2012 to March 31, 2013)
 - Proposals to be resolved:**
 - Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Partial Amendments to the Articles of Incorporation
 - Proposal No. 3:** Election of Sixteen Directors
 - Proposal No. 4:** Payment of Bonuses to Directors and Statutory Auditors
 - Proposal No. 5:** Revision to Remuneration to Outside Directors and Statutory Auditors

Proposal No. 2 also requires resolution of a class meeting of shareholders of common stock.

[Translation for Reference Purposes Only]

4. Decisions Concerning Convocation

- (1) Should you choose to exercise your voting rights via a proxy, you may designate a shareholder other than yourself, who is entitled to vote with respect to the Company, as your proxy. It should be noted, however, that it will be necessary to submit a document certifying said individual's proxy.
- (2) In the event of a diverse exercise of voting rights, it is requested that you notify the Company in writing to that effect, together with the reasons therefor, by no later than three days before the General Meeting of Shareholders.
- (3) When you exercise your voting rights both by the Voting Rights Exercise Form and via the Internet, etc., the voting right exercised via the Internet, etc. shall be deemed and treated as valid vote. When you exercise your voting rights twice or more via the Internet, etc., the voting right exercised last shall be deemed and treated as your valid vote.

-
- Those attending the General Meeting of Shareholders are requested to submit the enclosed Voting Rights Exercise Form at the reception desk.
 - In the event the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements or Reference Documents for the General Meeting of Shareholders require modification, the contents as modified will be posted on the Company's website (<http://www.inpex.co.jp/>).

[Translation for Reference Purposes Only]

Exercising Voting Rights by Electromagnetic Means (e.g., via the Internet)

When exercising voting rights for this General Meeting of Shareholders by electromagnetic means (e.g., via the Internet), please be aware of the following:

Exercising Your Voting Rights via the Internet

1. Items Required to be Agreed on for the Exercise of Voting Rights via the Internet

When exercising voting rights for this Ordinary General Meeting of Shareholders via the Internet, please be aware of the following:

- (1) You may exercise your voting rights via the Internet only through the website for exercising voting rights specified by the Company (see “Specific Procedures to Exercise Your Voting Rights via the Internet” (1) below).
- (2) When exercising your voting rights via the Internet, the “Code for the Exercise of Voting Rights” and the “Password” described in the enclosed Voting Form are required.
- (3) The “Password” and the “Code for the Exercise Your Voting Rights” sent to a shareholder shall be valid for this Ordinary General Meeting of Shareholders only. A new password and code will be issued for the next general meeting of shareholders.
- (4) If you exercise your voting rights twice, in writing and via the Internet, we will only accept the exercise of your voting rights via the Internet as your effective vote.
- (5) If you exercise your voting rights more than once via the Internet, we will only accept the last exercise of your voting rights as your effective vote.
- (6) The cost of Internet access (access fees to providers, telecommunications fees, etc.) shall be borne by the shareholder.

2. Specific Procedures to Exercise Your Voting Rights via the Internet

- (1) Access the website for exercising voting rights specified by the Company (<http://www.it-soukai.com/> or <https://daiko.mizuho-tb.co.jp/>). Please note that you will not be able to access the above URL between 3:00 a.m. and 5:00 a.m.
- (2) Enter the “Code for the Exercise of Voting Rights” and the “Password” described in the enclosed Voting Form and click on the “Log-in” button.
- (3) Exercise your voting rights by following the directions on the screen.

3. System Requirements

Personal Computer	Windows® computer
Browser	Microsoft® Internet Explorer 5.5 or higher
Internet Environment	Internet access such as through a contract with an Internet service provider
Monitor Resolution	1024×768 pixels or higher is recommended.

*Microsoft and Windows are registered trademarks or trademarks of Microsoft Corporation in the United States and other countries.

*You may not be able to use some high-functionality mobile terminals such as smartphones due to incompatibility. Also, exercise of voting rights via mobile phones is not allowed.

4. Securities

You may exercise your voting rights safely as encryption technology (SSL128bit) is used to protect your voting information from being tampered with or wiretapped.

In addition, the “Code for the Exercise of Voting Rights” and the “Password” described in the Voting Form are very important to authenticate shareholders, so please ensure that you do not disclose them to other people. Please note that the Company does not make any inquiries regarding your “Password.”

5. Inquiries

In case you need instructions for how to operate your personal computer in order to exercise your voting rights via the Internet, please contact the following support desk:

Internet Help Dial: Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. Telephone: 0120-768-524 (toll-free) Operating Hours: 9:00 a.m. to 9:00 p.m. (excluding Saturdays, Sundays and national holidays)

(For Institutional Investors)

Institutional investors may use “Voting Rights Electronic Exercise Platform” operated by ICJ Co., Ltd., if application is made in advance, as a means of exercising voting rights by electromagnetic means.

- END -

Reference Documents for the General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of Surplus

It is proposed that surplus be appropriated as indicated below.

Matters Concerning Year-End Dividend

The basic policy of the Company is, in light of the medium- to long-term prospects, to harmonize such factors as paying out cash dividends as direct compensation to shareholders and maximizing corporate value through the ongoing maintenance and enlargement of its reserves and production volumes of oil and gas through exploration and development in Japan and overseas, as well as aggressive investment primarily for the establishment and improvement of distribution infrastructure.

Based on this basic policy, it is proposed that the year-end dividend for 7th fiscal year be as follows.

- 1) Type of dividend
Cash
- 2) Matters concerning allotment of property to be distributed and total amount

Amount per common share	3,500 yen
Amount per Class A stock	3,500 yen
Total amount of dividend	12,778,129,000 yen
- 3) Effective date of distribution of surplus
June 26, 2013

This results in an annual dividend of the same amount as that of the previous fiscal year, which is ¥7,000 per share (total amount of ¥25,556,258,000), including an interim dividend of ¥3,500 per share (total amount of ¥12,778,129,000), which was already paid.

[Translation for Reference Purposes Only]

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the Proposal

(1) Proposed Amendment 1:

In order to secure personnel eligible for the positions of Outside Directors and Outside Statutory Auditors, and them to fully perform their expected roles and duties, the establishment of a new provision to the Articles of Incorporation of the Company is proposed such that the Company can enter into an agreement to limit the liability of Outside Directors and Outside Statutory Auditors in advance pursuant to the Companies Act, accompanied by an adjustment of the numbering of the other articles.

This amendment shall take effect at the closing of this Ordinary General Meeting of Shareholders.

(2) Proposed Amendment 2:

For the purpose of enlarging the Company's investor base by further improving the environment for a broader range of investors to invest in our shares through reducing the investment unit of the Company's shares, the Company has decided to conduct a stock split at a ratio of 1:400 of our common stock in line with the "Action Plan for Consolidating Trading Units," which was announced by stock exchanges nationwide in November 2007. Furthermore, the Company will adopt a share unit system under which the number of common shares that constitute one unit will be 100 shares and the share unit of Class A stock, which is not part of the stock split, will be one share.

Associated with this stock split and the share unit system, it is proposed to establish a new provision to the Articles of Incorporation of the Company to change the Total Number of Shares Available for Issuance; a provision to stipulate the number of shares that constitute one unit; and provisions relating to rights attached to and sales of shares that are less than one share unit ("odd-lot shares"). In line with the implementation of the stock split of the Company's common stock, a necessary change will be added to equalize the rights of dividends and other matters relating to the Class A stock shares, which are not part of the stock split, at the same level as the common stock before the stock split. Subsequent to the new establishment of the provisions, the numbering of the other articles will be adjusted.

These amendments to the Articles of Incorporation of the Company shall take effect on October 1, 2013.

2. Content of the Amendments

Below is the Content of the Amendments.

[Translation for Reference Purposes Only]

(1) Proposed Amendment 1

(Proposed amendments are underlined.)

Current Articles	Proposed Amendment 1
<p>Articles 1-37 (omitted)</p> <p>(Newly prescribed)</p>	<p>Articles 1-37 (same as current articles)</p> <p><u>(Limitation of Liability for Outside Directors)</u> <u>Article 38.</u> <u>This company may enter into a contract with outside directors that limits the outside directors' liability for the compensation of damage due to the neglect of their duties, pursuant to the provisions of Paragraph 1 of Article 427 of the Company Law; provided, however, that the limitation on the amount of liability based on the contract shall be the amount specified by laws and ordinances.</u></p>
<p>Articles 38-44 (omitted)</p> <p>(Newly prescribed)</p>	<p>Articles 39-45 (same as current articles)</p> <p><u>(Limitation of Liability for Outside Statutory Auditors)</u> <u>Article 46.</u> <u>This company may enter into a contract with outside statutory auditors that limits the outside statutory auditors' liability for the compensation of damage due to the neglect of their duties, pursuant to the provisions of Paragraph 1 of Article 427 of the Company Law; provided, however, that the limitation on the amount of liability based on the contract shall be the amount specified by laws and ordinances.</u></p>
<p>Articles 45-48 (omitted)</p>	<p>Articles 47-50 (same as current articles)</p>

[Translation for Reference Purposes Only]

(2) Proposed Amendment 2

(Proposed amendments are underlined.)

Articles as amended by Proposed Amendment 1	Proposed Amendment 2
<p>Chapter 1. General Provisions</p> <p>Articles 1-5 (omitted)</p> <p>Chapter 2. Shares of Stock</p> <p>(Total Number of Shares Available for Issuance)</p> <p>Article 6.</p> <p>The total number of shares available to be issued by this company shall be <u>nine million and one (9,000,001)</u> shares, whereof <u>nine million (9,000,000)</u> shares shall be the total number of common stock shares available for issue and one (1) share shall be the total number of Class A stock shares available for issue.</p> <p>(Newly prescribed)</p> <p>(Newly prescribed)</p>	<p>Chapter 1. General Provisions</p> <p>Articles 1-5 (same as articles as amended by Proposed Amendment 1)</p> <p>Chapter 2. Shares of Stock</p> <p>(Total Number of Shares Available for Issuance)</p> <p>Article 6.</p> <p>The total number of shares available to be issued by this company shall be <u>three billion six hundred million and one (3,600,000,001)</u> shares, whereof <u>three billion and six hundred million (3,600,000,000)</u> shares shall be the total number of common stock shares available for issue and one (1) share shall be the total number of Class A stock shares available for issue.</p> <p><u>(Share Unit Number)</u></p> <p><u>Article 7.</u></p> <p><u>The share unit number of this company shall be one hundred (100) shares for common stock shares and one (1) share for Class A stock shares.</u></p> <p><u>(Rights in Relation to Share Less than One Unit)</u></p> <p><u>Article 8.</u></p> <p><u>Shareholders of this company may not exercise rights other than the following rights with respect to their shares less than one unit.</u></p> <p><u>(1) Rights listed in each item of Paragraph 2 of Article 189 of the Company Law</u></p> <p><u>(2) The right to make a demand under Paragraph 1 of Article 166 of the Company Law</u></p> <p><u>(3) The right to be entitled to the allotment of shares for subscription and share options for subscription in accordance with the number of shares they hold</u></p> <p><u>(4) The right to make a demand under the next article</u></p>

[Translation for Reference Purposes Only]

Articles as amended by Proposed Amendment 1	Proposed Amendment 2
<p>(Newly prescribed)</p> <p>Articles <u>7-9</u> (omitted)</p> <p>(Record Date) Article <u>10</u>.</p> <p>1 The shareholders capable of exercising rights to vote at the ordinary general meeting of shareholders of this company for the concerned business year shall be those shareholders registered or recorded in the final shareholders' register as of March 31 of each year.</p> <p>Paragraph 2 and 3 (omitted)</p> <p>Chapter 3. Classified Stock</p> <p>Article <u>11</u>. (omitted)</p> <p>(Election and Dismissal of Directors) Article <u>12</u>. Paragraph 1 (omitted)</p>	<p><u>(Demand for the Sale of Shares Less than One Unit)</u></p> <p><u>Article 9.</u> <u>Shareholders of this company who hold shares less than one unit may demand that this company sell to them a number of shares that, together with the number of shares less than one unit held by them, will constitute one unit.</u></p> <p>Articles <u>10-12</u> (same as articles as amended by Proposed Amendment 1)</p> <p>(Record Date) Article <u>13</u>. (same as articles as amended by Proposed Amendment 1)</p> <p>Chapter 3. <u>Class A</u> Classified Stock</p> <p>Article <u>14</u>. (same as articles as amended by Proposed Amendment 1)</p> <p>(Election and Dismissal of Directors) Article <u>15</u>. Paragraph 1 (same as articles as amended by Proposed Amendment 1)</p>

[Translation for Reference Purposes Only]

Articles as amended by Proposed Amendment 1	Proposed Amendment 2
<p>2 In the event that a notice of convening of a General Meeting of Class A Shareholders is issued pursuant to Article <u>28</u>, Paragraph 3 through 5, the condition specified in the previous Paragraph (hereinafter referred to as the "20% condition relating to the election or dismissal of directors") that "At the time of a resolution of a general meeting of shareholders of this company relating to the election or dismissal of a director, if at least 20% of the total voting rights of shareholders relating to common stock of this company are held by a Single Shareholder of common stock of this company other than a Public Entity, or such Single Shareholder and its Coholder (provided, however, that the question of whether a specific incident falls under this case shall be judged in this Article based on the shareholders as of the Record Date relating to the general meeting of shareholders in question)," shall be deemed satisfied at the time of the adoption of a resolution by a general meeting of shareholders of this company relating to the election or dismissal of the director who is the subject of such resolution.</p> <p>3 In the event that the period for filing an objection as defined in Article <u>28</u>, Paragraph 4 has elapsed after the adoption of a resolution by the general meeting of shareholders of this company relating to the election or dismissal of a director without the filing of an objection by a Class A Shareholder, the 20% condition relating to the election or dismissal of directors shall be deemed not to have been satisfied at the time of the adoption of such resolution by the general meeting of shareholders of this company relating to the election or dismissal of such director.</p> <p>(Complete or Partial Disposal, etc., of Important Assets) Article <u>13</u>. Paragraph 1 (omitted)</p> <p>2 In addition to a resolution of approval by the Board of Directors pursuant to Article <u>33</u>, a resolution of a General Meeting of Class A Shareholders will be required with respect to Disposal, Etc. of Important Assets of a Subsidiary of this company.</p>	<p>2 In the event that a notice of convening of a General Meeting of Class A Shareholders is issued pursuant to Article <u>32</u>, Paragraph 3 through 5, the condition specified in the previous Paragraph (hereinafter referred to as the "20% condition relating to the election or dismissal of directors") that "At the time of a resolution of a general meeting of shareholders of this company relating to the election or dismissal of a director, if at least 20% of the total voting rights of shareholders relating to common stock of this company are held by a Single Shareholder of common stock of this company other than a Public Entity, or such Single Shareholder and its Coholder (provided, however, that the question of whether a specific incident falls under this case shall be judged in this Article based on the shareholders as of the Record Date relating to the general meeting of shareholders in question)," shall be deemed satisfied at the time of the adoption of a resolution by a general meeting of shareholders of this company relating to the election or dismissal of the director who is the subject of such resolution.</p> <p>3 In the event that the period for filing an objection as defined in Article <u>32</u>, Paragraph 4 has elapsed after the adoption of a resolution by the general meeting of shareholders of this company relating to the election or dismissal of a director without the filing of an objection by a Class A Shareholder, the 20% condition relating to the election or dismissal of directors shall be deemed not to have been satisfied at the time of the adoption of such resolution by the general meeting of shareholders of this company relating to the election or dismissal of such director.</p> <p>(Complete or Partial Disposal, etc., of Important Assets) Article <u>16</u>. Paragraph 1 (same as articles as amended by Proposed Amendment 1)</p> <p>2 In addition to a resolution of approval by the Board of Directors pursuant to Article <u>37</u>, a resolution of a General Meeting of Class A Shareholders will be required with respect to Disposal, Etc. of Important Assets of a Subsidiary of this company.</p>

[Translation for Reference Purposes Only]

Articles as amended by Proposed Amendment 1	Proposed Amendment 2
<p>(Amendment of the Articles of Incorporation) Article <u>14</u>. In addition to a resolution by a general meeting of shareholders, a resolution of a General Meeting of Class A Shareholders will be required for the amendment of the Articles of Incorporation relating to the following matters: {1} Purpose of this company {2} The granting of voting rights to stock other than common stock of this company (excluding voting rights already granted to Class A Shares in a General Meeting of Class A Shareholders).</p> <p>(Integration) Article <u>15</u>. Paragraph 1 (omitted)</p>	<p>(Amendment of the Articles of Incorporation) Article <u>17</u>. In addition to a resolution by a general meeting of shareholders, a resolution of a General Meeting of Class A Shareholders will be required for the amendment of the Articles of Incorporation relating to the following matters: {1} Purpose of this company {2} The granting of voting rights to stock other than common stock of this company (excluding voting rights already granted to Class A Shares in a General Meeting of Class A Shareholders).</p> <p>(Integration) Article <u>18</u>. Paragraph 1 (same as articles as amended by Proposed Amendment 1)</p>

[Translation for Reference Purposes Only]

Articles as amended by Proposed Amendment 1	Proposed Amendment 2
<p>2 In the event that a notice of convening of a General Meeting of Class A Shareholders is issued pursuant to Article <u>28</u>, Paragraph 3 through 5, the condition specified in Subparagraph {1} above, " cases where at least 20% of the total voting rights of shareholders relating to common stock of this company at the time of completion of a merger are held by a Single Shareholder other than a Public Entity or such Single Shareholder and the Coholder thereof (provided, however, that in this Item, the question of whether a specific incident falls under this case shall be judged based on the shareholders as of the Record Date relating to the general meeting of shareholders of each company for approval of such merger)"; the condition specified in Subparagraph {2} above, "cases where at least 20% of the total voting rights of shareholders relating to common stock of this company at the time of completion of such share exchange are held by a Single Shareholder other than a Public Entity or such Single Shareholder and the Coholder thereof (provided, however, that in this Item, the question of whether a specific incident falls under this case shall be judged based on the shareholders as of the Record Date relating to the general meeting of shareholders of each company for approval of such share exchange)"; and the condition specified in Subparagraph {3} above, "cases where at least 20% of the total voting rights of shareholders relating to common stock of such new holding company at the time of completion of such share transfer are held by a Single Shareholder other than a Public Entity or such Single Shareholder and the Coholder thereof (provided, however, that in this Item, the question of whether a specific incident falls under this case shall be judged based on the shareholders as of the Record Date relating to the general meeting of shareholders of each company for approval of such share transfer)" (hereinafter individually or collectively referred to as the "20% condition relating to the merger, share exchange or share transfer") shall be deemed satisfied at the time of the adoption of a resolution by the general meeting of shareholders of this company relating to such merger, share exchange or share transfer.</p>	<p>2 In the event that a notice of convening of a General Meeting of Class A Shareholders is issued pursuant to Article <u>32</u>, Paragraph 3 through 5, the condition specified in Subparagraph {1} above, " cases where at least 20% of the total voting rights of shareholders relating to common stock of this company at the time of completion of a merger are held by a Single Shareholder other than a Public Entity or such Single Shareholder and the Coholder thereof (provided, however, that in this Item, the question of whether a specific incident falls under this case shall be judged based on the shareholders as of the Record Date relating to the general meeting of shareholders of each company for approval of such merger)"; the condition specified in Subparagraph {2} above, "cases where at least 20% of the total voting rights of shareholders relating to common stock of this company at the time of completion of such share exchange are held by a Single Shareholder other than a Public Entity or such Single Shareholder and the Coholder thereof (provided, however, that in this Item, the question of whether a specific incident falls under this case shall be judged based on the shareholders as of the Record Date relating to the general meeting of shareholders of each company for approval of such share exchange)"; and the condition specified in Subparagraph {3} above, "cases where at least 20% of the total voting rights of shareholders relating to common stock of such new holding company at the time of completion of such share transfer are held by a Single Shareholder other than a Public Entity or such Single Shareholder and the Coholder thereof (provided, however, that in this Item, the question of whether a specific incident falls under this case shall be judged based on the shareholders as of the Record Date relating to the general meeting of shareholders of each company for approval of such share transfer)" (hereinafter individually or collectively referred to as the "20% condition relating to the merger, share exchange or share transfer") shall be deemed satisfied at the time of the adoption of a resolution by the general meeting of shareholders of this company relating to such merger, share exchange or share transfer.</p>

[Translation for Reference Purposes Only]

Articles as amended by Proposed Amendment 1	Proposed Amendment 2
<p>3 In the event that the period for filing an objection as defined in Article <u>28</u>, Paragraph 4 has elapsed without the filing of an objection by a Class A Shareholder, the 20% condition relating to the merger, share exchange, or share transfer shall be deemed not to have been satisfied at the time of the adoption of a resolution by the general meeting of shareholders of this company relating to such merger, share exchange, or share transfer.</p> <p>4 In the event that this company undergoes a merger, share exchange or share transfer, if a provision regarding the election or dismissal of directors is included in a merger agreement, share exchange agreement, share transfer agreement, or other agreement having such purpose, the question of whether a General Meeting of Class A Shareholders regarding the election or dismissal of a director shall be required shall be determined in accordance with the provisions of Paragraph 1 of this Article, notwithstanding the provisions of Article <u>12</u>, Paragraph 1.</p> <p>5 In the event that this company undergoes a merger, share exchange or share transfer, if a provision regarding the amendment of the Articles of Incorporation is included in a merger agreement, share exchange agreement, share transfer agreement, or other agreement having such purpose, the question of whether a General Meeting of Class A Shareholders regarding the amendment of the Articles of Incorporation shall be required, and in the event of share transfer where the provision of the Article of Incorporation of a new holding company is different from that of this company, the question of whether a General Meeting of Class A Shareholders regarding the approval of such share transfer agreement shall be required, shall be determined in accordance with the provisions of Article <u>14</u>, even in the cases where a resolution of a General Meeting of Class A Shareholders shall not be required regarding a merger, share exchange or share transfer pursuant to the provisions of Paragraph 1 of this Article.</p> <p>Articles <u>16-18</u> (omitted)</p>	<p>3 In the event that the period for filing an objection as defined in Article <u>32</u>, Paragraph 4 has elapsed without the filing of an objection by a Class A Shareholder, the 20% condition relating to the merger, share exchange, or share transfer shall be deemed not to have been satisfied at the time of the adoption of a resolution by the general meeting of shareholders of this company relating to such merger, share exchange, or share transfer.</p> <p>4 In the event that this company undergoes a merger, share exchange or share transfer, if a provision regarding the election or dismissal of directors is included in a merger agreement, share exchange agreement, share transfer agreement, or other agreement having such purpose, the question of whether a General Meeting of Class A Shareholders regarding the election or dismissal of a director shall be required shall be determined in accordance with the provisions of Paragraph 1 of this Article, notwithstanding the provisions of Article <u>15</u>, Paragraph 1.</p> <p>5 In the event that this company undergoes a merger, share exchange or share transfer, if a provision regarding the amendment of the Articles of Incorporation is included in a merger agreement, share exchange agreement, share transfer agreement, or other agreement having such purpose, the question of whether a General Meeting of Class A Shareholders regarding the amendment of the Articles of Incorporation shall be required, and in the event of share transfer where the provision of the Article of Incorporation of a new holding company is different from that of this company, the question of whether a General Meeting of Class A Shareholders regarding the approval of such share transfer agreement shall be required, shall be determined in accordance with the provisions of Article <u>17</u>, even in the cases where a resolution of a General Meeting of Class A Shareholders shall not be required regarding a merger, share exchange or share transfer pursuant to the provisions of Paragraph 1 of this Article.</p> <p>Articles <u>19-21</u> (same as articles as amended by Proposed Amendment 1)</p>

[Translation for Reference Purposes Only]

Articles as amended by Proposed Amendment 1	Proposed Amendment 2
<p>(Surplus Dividends and Interim Dividends) Article <u>19</u>. Surplus dividends and interim dividends for Class A Shares shall be <u>the same as</u> surplus dividends and interim dividends for common shares of this company.</p>	<p>(Surplus Dividends and Interim Dividends) Article <u>22</u>. Surplus dividends and interim dividends for Class A Shares shall be <u>the amount obtained by multiplying the</u> surplus dividends and interim dividends for common shares of this company <u>by four hundred (400)</u>.</p>
<p>(Distribution of Residual Assets) Article <u>20</u>. Class A Shareholders shall have the right to demand distribution of residual assets in <u>the same amount as</u> the amount of residual asset distribution to common shares of this company.</p>	<p>(Distribution of Residual Assets) Article <u>23</u>. Class A Shareholders shall have the right to demand distribution of residual assets in <u>the amount obtained by multiplying</u> the amount of residual asset distribution to common shares of this company <u>by four hundred (400)</u>.</p>
<p>(Claim of Acquisition and Acquisition Clauses for Classified Shares) Article <u>21</u>. Paragraph 1 and 2 (omitted)</p> <p>3 The acquisition price pursuant to this Article shall be according to the current value as of the Acquisition Request Date in cases falling under Paragraph 1 and as of the day prior to the date of acquisition in cases falling under Paragraph 2 (hereinafter collectively referred to as the "Acquisition Value Standard Date"). If common shares of this company have been listed on the Tokyo Stock Exchange, the value as of the Acquisition Value Standard Date shall be the same value as the closing price per common share of this company as of the Acquisition Value Standard Date on the Tokyo Stock Exchange. In the event that the closing price is not reported as of the Acquisition Value Standard Date, the closing price on the most recent date before such date shall be used.</p>	<p>(Claim of Acquisition and Acquisition Clauses for <u>Class A</u> Classified Shares) Article <u>24</u>. Paragraph 1 and 2 (same as articles as amended by Proposed Amendment 1)</p> <p>3 The acquisition price pursuant to this Article shall be according to <u>the amount obtained by multiplying</u> the current value as of the Acquisition Request Date in cases falling under Paragraph 1 and as of the day prior to the date of acquisition in cases falling under Paragraph 2 (hereinafter collectively referred to as the "Acquisition Value Standard Date") <u>by four hundred (400)</u>. If common shares of this company have been listed on the Tokyo Stock Exchange, the value as of the Acquisition Value Standard Date shall be the same value as the closing price per common share of this company as of the Acquisition Value Standard Date on the Tokyo Stock Exchange. In the event that the closing price is not reported as of the Acquisition Value Standard Date, the closing price on the most recent date before such date shall be used.</p>
<p>Chapter 4. General Meeting of Shareholders</p> <p>(Convocation) Article <u>22</u>. Paragraph 1 (omitted)</p>	<p>Chapter 4. General Meeting of Shareholders</p> <p>(Convocation) Article <u>25</u>. Paragraph 1 and 2 (same as articles as amended by Proposed Amendment 1)</p>

[Translation for Reference Purposes Only]

Articles as amended by Proposed Amendment 1	Proposed Amendment 2
<p>2 General meetings of shareholders shall be convened by the president of the company pursuant to a resolution approved by the board of directors. However, when circumstances prevent the president from convening a general meeting of shareholders, another director shall do so in accordance with the order of priority previously set by an approved resolution of the board of directors.</p> <p>3 With respect to matters requiring a resolution of the General Meeting of Class A Shareholders, in addition to a resolution of a general meeting of shareholders of this company, pursuant to the provisions of Chapter 3, the notice of convening of a general meeting of shareholders of this company shall state that a resolution of the General Meeting of Class A Shareholders shall be required for such resolution items. However, in cases set forth in Article <u>12</u> and Article <u>15</u>, if Class A Shareholders are notified that a General Meeting of Class A Shareholders will not be held pursuant to the provisions of Article <u>28</u>, Paragraph 3, such notice shall indicate that a resolution of a General Meeting of Class A Shareholders of this company is required if such is the case.</p> <p>(Chairman) Article <u>23</u>.</p> <p>The president of the company shall be the chairman of a general meeting of shareholders. However, when circumstances prevent the president from serving as chairman, another director shall do so in accordance with the order of priority previously set by an approved resolution of the board of directors.</p>	<p>3 With respect to matters requiring a resolution of the General Meeting of Class A Shareholders, in addition to a resolution of a general meeting of shareholders of this company, pursuant to the provisions of Chapter 3, the notice of convening of a general meeting of shareholders of this company shall state that a resolution of the General Meeting of Class A Shareholders shall be required for such resolution items. However, in cases set forth in Article <u>15</u> and Article <u>18</u>, if Class A Shareholders are notified that a General Meeting of Class A Shareholders will not be held pursuant to the provisions of Article <u>32</u>, Paragraph 3, such notice shall indicate that a resolution of a General Meeting of Class A Shareholders of this company is required if such is the case.</p> <p>(Chairman) Article <u>26</u>. (same as articles as amended by Proposed Amendment 1)</p>

[Translation for Reference Purposes Only]

Articles as amended by Proposed Amendment 1	Proposed Amendment 2
<p>(Internet Disclosure and Deemed Provision of Reference Materials for General Meeting of Shareholders, Etc.) Article <u>24</u>.</p> <p>This Company, when convening a general meeting of shareholders, may be deemed to have provided the information related to matters which should be noted or presented in the reference materials for general meeting of shareholders, business reports, accounting statements, and consolidated accounting statements to shareholders if having disclosed this information on the internet in accordance with the provisions of Ministry of Justice ordinances.</p> <p>(Approval of Resolutions) Article <u>25</u>.</p> <p>Except as otherwise provided by laws and ordinances or these Articles, resolutions of a general meeting of shareholders shall be approved by a majority of the voting rights of shareholders present at the general meeting.</p> <p>(Exercise of Voting Right through Delegate) Article <u>26</u>.</p> <p>1 A shareholder may exercise the voting rights by proxy through one other shareholder holding voting rights in this company.</p> <p>2 A shareholder or a shareholder's proxy must submit a written document certifying the right of proxy representation to this company for each individual general meeting of shareholders.</p> <p>(Minutes) Article <u>27</u>.</p> <p>Minutes of general meetings of shareholders shall be set forth in writing or by electromagnetic medium in accordance with the provisions of laws and ordinances.</p>	<p>(Internet Disclosure and Deemed Provision of Reference Materials for General Meeting of Shareholders, Etc.) Article <u>27</u>. (same as articles as amended by Proposed Amendment 1)</p> <p>(Approval of Resolutions) Article <u>28</u>. (same as articles as amended by Proposed Amendment 1)</p> <p>(Exercise of Voting Right through Delegate) Article <u>29</u>. (same as articles as amended by Proposed Amendment 1)</p> <p>(Minutes) Article <u>30</u>. (same as articles as amended by Proposed Amendment 1)</p>

[Translation for Reference Purposes Only]

Articles as amended by Proposed Amendment 1	Proposed Amendment 2
<p>(Newly prescribed)</p> <p>(General Meeting of Class A Shareholders) Article <u>28</u>. Paragraph 1 and 2 (omitted)</p> <p>3 When a notice of convening of a general meeting of shareholders of this company is issued, this company shall send a copy of such notice of convening to and notify the Class A Shareholders whether a General Meeting of Class A Shareholders will be held. Notice stating that a General Meeting of Class A Shareholders will be held shall be given by issuing a notice of convening of a General Meeting of Class A Shareholders. If a notice stating that a General Meeting of Class A Shareholders will not be held as provided in Article <u>12</u> or Article <u>15</u>, Paragraph 1, {1}, {2} or {3} is issued, this company shall submit to the Class A Shareholders all documents and the like (including but not limited to copies of large-quantity holding reports, annual securities reports of submitters of large-quantity holding reports and other information) used to determine the necessity of holding such General Meeting of Class A Shareholders.</p>	<p>(General Meeting of Common Stock Shareholders) <u>Article 31</u>. <u>1 Article 25, Paragraph 2, Article 26, Article 27, Article 28, Article 29 and Article 30 shall apply mutatis mutandis to the general meeting of common stock shareholders.</u> <u>2 Article 13, Paragraph 1 shall apply mutatis mutandis to the general meeting of common stock shareholders where it is held on the same day as the ordinary general meeting of shareholders.</u></p> <p>(General Meeting of Class A Shareholders) Article <u>32</u>. Paragraph 1 and 2 (same as articles as amended by Proposed Amendment 1)</p> <p>3 When a notice of convening of a general meeting of shareholders of this company is issued, this company shall send a copy of such notice of convening to and notify the Class A Shareholders whether a General Meeting of Class A Shareholders will be held. Notice stating that a General Meeting of Class A Shareholders will be held shall be given by issuing a notice of convening of a General Meeting of Class A Shareholders. If a notice stating that a General Meeting of Class A Shareholders will not be held as provided in Article <u>15</u> or Article <u>18</u>, Paragraph 1, {1}, {2} or {3} is issued, this company shall submit to the Class A Shareholders all documents and the like (including but not limited to copies of large-quantity holding reports, annual securities reports of submitters of large-quantity holding reports and other information) used to determine the necessity of holding such General Meeting of Class A Shareholders.</p>

[Translation for Reference Purposes Only]

Articles as amended by Proposed Amendment 1	Proposed Amendment 2
<p>4 If a Class A Shareholder receives a notice stating that a General Meeting of Class A Shareholders will not be held pursuant to Paragraph 3, and (1) a resolution electing or dismissing a director set forth in Article <u>12</u>, or (2) a resolution stating that merger, share exchange, or share transfer is to be carried out relating to this company in cases set forth in the relevant portions of Article <u>15</u>, Paragraph 1, {1}, {2} or {3} is made in a general meeting of shareholders, the Class A Shareholder shall be entitled to file an objection with this company stating that a General Meeting of Class A Shareholders should have been held. Such filing of an objection must be made within two (2) weeks from the date of the adoption of the resolution of the relevant general meeting of shareholders of this company. This company, within one (1) week from receiving such objection, shall determine whether the 20% condition relating to the election or dismissal of directors or the 20% condition relating to merger, share exchange, or share transfer has been satisfied (hereinafter referred to generally as "Conditions for Convening a General Meeting of Class A Shareholders"), and shall notify the Class A Shareholders of its decision. If this company judges that the Conditions for Convening a General Meeting of Class A Shareholders have been satisfied, it shall issue a notice of convening of a General Meeting of Class A Shareholders to the Class A Shareholders.</p> <p>Paragraph 5 (omitted)</p>	<p>4 If a Class A Shareholder receives a notice stating that a General Meeting of Class A Shareholders will not be held pursuant to Paragraph 3, and (1) a resolution electing or dismissing a director set forth in Article <u>15</u>, or (2) a resolution stating that merger, share exchange, or share transfer is to be carried out relating to this company in cases set forth in the relevant portions of Article <u>18</u>, Paragraph 1, {1}, {2} or {3} is made in a general meeting of shareholders, the Class A Shareholder shall be entitled to file an objection with this company stating that a General Meeting of Class A Shareholders should have been held. Such filing of an objection must be made within two (2) weeks from the date of the adoption of the resolution of the relevant general meeting of shareholders of this company. This company, within one (1) week from receiving such objection, shall determine whether the 20% condition relating to the election or dismissal of directors or the 20% condition relating to merger, share exchange, or share transfer has been satisfied (hereinafter referred to generally as "Conditions for Convening a General Meeting of Class A Shareholders"), and shall notify the Class A Shareholders of its decision. If this company judges that the Conditions for Convening a General Meeting of Class A Shareholders have been satisfied, it shall issue a notice of convening of a General Meeting of Class A Shareholders to the Class A Shareholders.</p> <p>Paragraph 5 (same as articles as amended by Proposed Amendment 1)</p>
<p>6 Even if a resolution of election or dismissal of a director has been adopted by a general meeting of shareholders of this company, the former director shall remain in his or her post until the necessary resolution of a General Meeting of Class A Shareholders is obtained pursuant to Article <u>12</u>, or until the period for filing of an objection has elapsed without the filing of an objection pursuant to Paragraph 4 (if a notice indicating that an objection will not be filed is issued to this company before such period for filing of an objection has elapsed, notwithstanding the provisions of Paragraph 4, the period until the point in time of receipt of such notice).</p>	<p>6 Even if a resolution of election or dismissal of a director has been adopted by a general meeting of shareholders of this company, the former director shall remain in his or her post until the necessary resolution of a General Meeting of Class A Shareholders is obtained pursuant to Article <u>15</u>, or until the period for filing of an objection has elapsed without the filing of an objection pursuant to Paragraph 4 (if a notice indicating that an objection will not be filed is issued to this company before such period for filing of an objection has elapsed, notwithstanding the provisions of Paragraph 4, the period until the point in time of receipt of such notice).</p>

[Translation for Reference Purposes Only]

Articles as amended by Proposed Amendment 1	Proposed Amendment 2
<p>7 The provisions of Article <u>23</u>, Article <u>26</u> and Article <u>27</u> shall govern General Meeting of Class A Shareholders, mutatis mutandis.</p> <p style="text-align: center;">Chapter 5. Directors and Board of Directors</p> <p>(Number of Directors and Manner of Election) Article <u>29</u>.</p> <p>1 This company shall have sixteen (16) or fewer directors, who shall be elected by an approved resolution of general meeting of shareholders, provided that the approval of the General Meeting of Class A Shareholders shall be required in cases falling under Article <u>12</u>.</p> <p>Paragraph 2 and 3 (omitted)</p> <p>Articles <u>30-32</u> (omitted)</p> <p>(Disposal, Etc., of Important Assets of Subsidiaries of This Company) Article <u>33</u>.</p> <p>1 Approval of the board of directors and a General Meeting of Class A Shareholders of this company shall be required prior to the exercise of voting rights of this company in a resolution by a general meeting of shareholders of a Subsidiary (here and hereinafter in this Article, having the meaning defined in Article <u>11</u> (7)) of this company with respect to the Disposal, Etc. of Important Assets (here and hereinafter in this Article, having the meaning defined in Article <u>11</u> (8)) of a Subsidiary of this company.</p> <p>Paragraph 2 and 3 (omitted)</p>	<p>7 The provisions of Article <u>26</u>, Article <u>29</u> and Article <u>30</u> shall govern General Meeting of Class A Shareholders, mutatis mutandis.</p> <p style="text-align: center;">Chapter 5. Directors and Board of Directors</p> <p>(Number of Directors and Manner of Election) Article <u>33</u>.</p> <p>1 This company shall have sixteen (16) or fewer directors, who shall be elected by an approved resolution of general meeting of shareholders, provided that the approval of the General Meeting of Class A Shareholders shall be required in cases falling under Article <u>15</u>.</p> <p>Paragraph 2 and 3 (same as articles as amended by Proposed Amendment 1)</p> <p>Articles <u>34-36</u> (same as articles as amended by Proposed Amendment 1)</p> <p>(Disposal, Etc., of Important Assets of Subsidiaries of This Company) Article <u>37</u>.</p> <p>1 Approval of the board of directors and a General Meeting of Class A Shareholders of this company shall be required prior to the exercise of voting rights of this company in a resolution by a general meeting of shareholders of a Subsidiary (here and hereinafter in this Article, having the meaning defined in Article <u>14</u> (7)) of this company with respect to the Disposal, Etc. of Important Assets (here and hereinafter in this Article, having the meaning defined in Article <u>14</u> (8)) of a Subsidiary of this company.</p> <p>Paragraph 2 and 3 (same as articles as amended by Proposed Amendment 1)</p>

[Translation for Reference Purposes Only]

Articles as amended by Proposed Amendment 1	Proposed Amendment 2
<p>(Minutes of Board of Directors)</p> <p>Article <u>34</u>.</p> <p>Paragraph 1 (omitted)</p> <p>2 The minutes of Article <u>32</u>, Paragraph 5 shall be set forth in writing or by electromagnetic medium in accordance with the provisions of laws and ordinances.</p> <p>Articles <u>35-50</u> (omitted)</p>	<p>(Minutes of Board of Directors)</p> <p>Article <u>38</u>.</p> <p>Paragraph 1 (same as articles as amended by Proposed Amendment 1)</p> <p>2 The minutes of Article <u>36</u>, Paragraph 5 shall be set forth in writing or by electromagnetic medium in accordance with the provisions of laws and ordinances.</p> <p>Articles <u>39-54</u> (same as articles as amended by Proposed Amendment 1)</p>

[Translation for Reference Purposes Only]

Proposal No. 3: Election of Sixteen Directors

As the term of office of all sixteen Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders, the election of sixteen Directors is proposed.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, position and significant concurrently-held positions	Number of shares of the Company held
1	Naoki Kuroda (December 18, 1940)	<p>April 1963 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p>June 1992 Director-General for the Agency of Natural Resources and Energy</p> <p>August 1993 Advisor to the Bank of Tokyo Ltd. / Advisor to the Mitsui Marine Insurance, Ltd. (currently Bank of Tokyo-Mitsubishi UFJ, Ltd. / Mitsui Sumitomo Insurance Co., Ltd.)</p> <p>August 1995 Advisor to Sumitomo Corporation</p> <p>June 1996 Managing Executive Director of Sumitomo Corporation</p> <p>June 1999 Director of Indonesia Petroleum, Ltd. (INPEX Corporation)</p> <p>April 2001 Representative Director, Executive Vice President of Sumitomo Corporation</p> <p>August 2004 Senior Advisor to Sumitomo Corporation</p> <p>September 2004 Representative Director, Executive Senior Vice President of INPEX Corporation</p> <p>June 2005 Representative Director, President of INPEX Corporation</p> <p>April 2006 Representative Director, President of INPEX Holdings Inc. (currently the Company)</p> <p>June 2010 Representative Director, Chairman, the Company (incumbent)</p>	Common shares: 62 shares
2	Masatoshi Sugioka (January 1, 1945)	<p>April 1968 Joined Teikoku Oil Co., Ltd.</p> <p>April 1994 General Manager of Engineering Department of Teikoku Oil Co., Ltd.</p> <p>March 1995 Senior General Manager of Teikoku Oil Co., Ltd.</p> <p>March 1996 Director of Teikoku Oil Co., Ltd.</p> <p>March 1999 Managing Director of Teikoku Oil Co., Ltd.</p> <p>March 2002 Senior Managing Director of Teikoku Oil Co., Ltd.</p> <p>March 2005 Representative Director, President of Teikoku Oil Co., Ltd.</p> <p>April 2006 Representative Director of INPEX Holdings Inc. (currently the Company)</p> <p>October 2008 Representative Director, Chief Technical Executive, HSE and Compliance of the Company</p> <p>June 2010 Representative Director, Vice Chairman, Chief Technical Executive, in charge of HSE and Compliance of the Company (incumbent)</p>	Common shares: 67 shares

[Translation for Reference Purposes Only]

No.	Name (Date of birth)	Career summary, position and significant concurrently-held positions	Number of shares of the Company held
3	Toshiaki Kitamura (November 15, 1948)	<p>April 1972 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p>July 2002 Director-General, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry</p> <p>July 2003 Director-General, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry</p> <p>June 2004 Director-General, Trade Policy Bureau, Ministry of Economy, Trade and Industry</p> <p>July 2006 Vice-Minister for International Affairs, Ministry of Economy, Trade and Industry</p> <p>November 2007 Adviser to Tokio Marine & Nichido Fire Insurance Co., Ltd.</p> <p>April 2008 Visiting Professor of Waseda University Graduate School</p> <p>August 2009 Executive Vice President of the Company</p> <p>June 2010 Representative Director, President & CEO of the Company (incumbent)</p>	Common shares: 37 shares
4	Seiji Yui (March 17, 1949)	<p>April 1975 Joined Indonesia Petroleum, Ltd. (INPEX Corporation)</p> <p>September 1999 General Manager of Jakarta Office, INPEX Corporation</p> <p>June 2000 Director, General Manager of Jakarta Office, INPEX Corporation</p> <p>March 2003 Director, Coordinator of Exploration Department 1 and Exploration Department 2, INPEX Corporation</p> <p>June 2003 Managing Director of INPEX Corporation</p> <p>April 2004 Managing Director of Japan Oil Development Co., Ltd.</p> <p>March 2006 Representative Director, Managing Director of Japan Oil Development Co., Ltd.</p> <p>April 2006 Director, Deputy Senior General Manager of Corporate Strategy & Planning Division and Technology Division of INPEX Holdings Inc. (currently the Company)</p> <p>March 2007 Managing Director, Senior General Manager of Technology and HSE Division, in charge of Oceania & America projects of INPEX Holdings Inc.</p> <p>June 2007 Managing Director, Senior General Manager of Technology and HSE Division and Oceania & America Project Division of INPEX Holdings Inc.</p> <p>October 2008 Director, Senior Managing Executive Officer, Senior Vice President, Asia & Australasia of the Company</p> <p>June 2012 Director, Senior Vice President, Corporate Strategy & Planning of the Company (incumbent)</p>	Common shares: 36 shares

[Translation for Reference Purposes Only]

No.	Name (Date of birth)	Career summary, position and significant concurrently-held positions	Number of shares of the Company held
5	Masaharu Sano (April 17, 1951)	<p>April 1974 Joined Teikoku Oil Co., Ltd.</p> <p>April 2000 General Manager of Technical Planning Department of Teikoku Oil Co., Ltd.</p> <p>March 2001 Senior General Manager of Teikoku Oil Co., Ltd.</p> <p>March 2001 General Manager of New Ventures Department, International Projects Division of Teikoku Oil Co., Ltd.</p> <p>March 2002 Director, General Manager of New Ventures Department, International Projects Division of Teikoku Oil Co., Ltd.</p> <p>March 2005 Managing Director, President of International Projects Division / Domestic Offshore Division of Teikoku Oil Co., Ltd.</p> <p>April 2006 Director, Deputy Senior General Manager of Corporate Strategy & Planning Division / Technology Division of INPEX Holdings Inc. (currently the Company)</p> <p>October 2008 Director, Senior Managing Executive Officer, Senior Vice President, Americas & Africa of the Company</p> <p>June 2012 Director, Senior Vice President, Technical Headquarters of the Company (incumbent)</p>	Common shares: 40 shares
6	Shunichiro Sugaya (November 27, 1952)	<p>April 1976 Joined Indonesia Petroleum, Ltd. (INPEX Corporation)</p> <p>April 1997 General Manager of Development Department of Indonesia Petroleum, Ltd.</p> <p>June 2001 Director, General Manager of Development Department of INPEX Corporation</p> <p>June 2002 Director, Coordinator in charge of Development Department of INPEX Corporation</p> <p>September 2005 Director, Senior General Manager of Asia Project Division, Assistant Senior General Manager of Technology and HSE Division and Coordinator in charge of Asia region / technology and HSE of INPEX Corporation</p> <p>June 2007 Managing Director, Senior General Manager of Asia Project Division, INPEX Corporation</p> <p>October 2008 Director, Managing Executive Officer, Senior Vice President of Masela Project of the Company (incumbent)</p>	Common shares: 30 shares

[Translation for Reference Purposes Only]

No.	Name (Date of birth)	Career summary, position and significant concurrently-held positions	Number of shares of the Company held
8	Seiya Ito (September 14, 1954)	<p>April 1977 Joined Indonesia Petroleum, Ltd. (INPEX Corporation)</p> <p>April 2002 General Manager of Corporate Planning & Management Department of INPEX Corporation</p> <p>June 2003 Director, General Manager of Corporate Planning & Management Department of INPEX Corporation</p> <p>November 2004 Director, General Manager of Corporate Planning & Management Department and Public Affairs Department of INPEX Corporation</p> <p>September 2005 Director, Assistant Senior General Manager of Corporate Strategy & Administration Division, General Manager of Corporate Strategy & Planning Unit and Public Affairs Unit of INPEX Corporation</p> <p>April 2006 Director, Assistant Senior General Manager of Corporate Strategy & Administration Division, General Manager of Corporate Strategy & Planning Unit of INPEX Corporation</p> <p>April 2006 Director, Assistant Senior General Manager of Corporate Strategy & Planning Division of INPEX Holdings Inc. (currently the Company)</p> <p>July 2006 Director, Deputy Senior General Manager of Oceania & America Project Division of INPEX Corporation</p> <p>October 2008 Director, Managing Executive Officer, Senior Vice President of Ichthys Project of the Company (incumbent)</p>	Common shares: 29 shares
9	Wataru Tanaka (May 25, 1953)	<p>April 1977 Joined Indonesia Petroleum, Ltd. (INPEX Corporation)</p> <p>June 2000 General Manager of Planning & New Ventures Department of INPEX Corporation</p> <p>June 2003 Director, General Manager of Planning & New Ventures Department of INPEX Corporation</p> <p>June 2004 Director, Coordinator in charge of the Middle East and Caspian Sea regions of INPEX Corporation</p> <p>October 2004 Director, Deputy General Manager of Tehran Office of INPEX Corporation</p> <p>February 2007 Director, Coordinator in charge of Middle East projects of INPEX Corporation</p> <p>April 2007 Director, Assistant Senior General Manager of General Administration and Corporate Planning Division of INPEX Corporation</p> <p>October 2008 Managing Executive Officer, Deputy Senior General Manager of General Administration Division of the Company</p> <p>June 2009 Director, Managing Executive Officer, Senior Vice President of General Administration of the Company</p> <p>June 2011 Director, Managing Executive Officer, Senior Vice President of General Administration (incumbent), Corporate Strategy & Planning of the Company</p>	Common shares: 46 shares

[Translation for Reference Purposes Only]

No.	Name (Date of birth)	Career summary, position and significant concurrently-held positions	Number of shares of the Company held
10	Takahiko Ikeda (January 18, 1955)	<p>April 1978 Joined Teikoku Oil Co., Ltd.</p> <p>March 2002 General Manager of Production Department, Domestic Operating Division of Teikoku Oil Co., Ltd.</p> <p>March 2004 Senior General Manager of Teikoku Oil Co., Ltd.</p> <p>March 2005 Director of Teikoku Oil Co., Ltd.</p> <p>April 2006 General Manager of Domestic Project Planning and Administration Unit of Corporate Strategy & Administration Division of INPEX Holdings Inc. (currently the Company)</p> <p>June 2007 Managing Director, President of Domestic Operation Division and General Manager of Niigata District Department of Teikoku Oil Co., Ltd.</p> <p>October 2008 Director, Managing Executive Officer, Senior Vice President of Domestic Projects of the Company (incumbent)</p>	Common shares: 43 shares
11	Yoshikazu Kurasawa (February 15, 1956)	<p>April 1982 Joined Japan National Oil Corporation</p> <p>February 2004 Deputy General Manager of Planning & New Ventures Department of INPEX Corporation</p> <p>April 2005 General Manager of Planning & New Ventures Department of INPEX Corporation</p> <p>September 2005 General Manager of Business Development and Legal Unit, General Administration & Corporate Planning Division of INPEX Corporation</p> <p>April 2006 General Manager of Overseas Project Planning and Administration Unit of Corporate Strategy & Administration Division of INPEX Holdings Inc. (currently the Company)</p> <p>June 2007 Executive Officer, General Manager of Business Development and Legal Unit, General Administration & Corporate Planning Division of INPEX Corporation</p> <p>October 2008 Executive Officer, Assistant Senior General Manager of Corporate Strategy & Planning, General Manager of Business Development and Legal Unit of the Company</p> <p>June 2011 Managing Executive Officer, Vice President of Corporate Strategy & Planning of the Company</p> <p>June 2012 Director, Senior Vice President, New Ventures of the Company (incumbent)</p>	Common shares: 17 shares

[Translation for Reference Purposes Only]

No.	Name (Date of birth)	Career summary, position and significant concurrently-held positions	Number of shares of the Company held
12	Kazuo Wakasugi (March 22, 1931)	<p>April 1953 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p>June 1984 Vice-Minister for International Affairs, Ministry of International Trade and Industry</p> <p>September 1986 Advisor to Long-Term Credit Bank of Japan, Ltd. (currently Shinsei Bank, Ltd.)</p> <p>June 1993 Representative Director, Executive Vice President of Mitsubishi Electric Corporation</p> <p>May 1995 Advisor to Japan Petroleum Exploration Co., Ltd. (“JAPEX”)</p> <p>June 1995 Representative Director, President of JAPEX</p> <p>June 1996 Director of Indonesia Petroleum, Ltd. (INPEX Corporation)</p> <p>June 2001 Representative Director, Chairman of JAPEX</p> <p>April 2006 Director of INPEX Holdings Inc. (currently the Company) (incumbent)</p> <p>May 2007 Counsellor for JAPEX (incumbent)</p>	Common shares: 0 shares
13	Yoshiyuki Kagawa (November 22, 1946)	<p>April 1970 Joined Mitsui & Co., Ltd.</p> <p>September 2001 Director of Mitsui Oil Exploration Co., Ltd.</p> <p>October 2001 Chief Operating Officer of Energy Business Unit of Energy Group, Mitsui & Co., Ltd.</p> <p>April 2002 Managing Officer, Chief Operating Officer of Energy Business Unit of Energy Group, Mitsui & Co., Ltd.</p> <p>April 2003 Executive Managing Officer, Chief Operating Officer of Energy Business Unit, Mitsui & Co., Ltd.</p> <p>April 2005 Representative Director, Executive Vice President, Mitsui Oil Exploration Co., Ltd.</p> <p>June 2005 Representative Director, President, CEO, Mitsui Oil Exploration Co., Ltd. (incumbent)</p> <p>June 2006 CCO, Mitsui Oil Exploration Co., Ltd.</p> <p>June 2007 Director of INPEX Holdings Inc. (currently the Company) (incumbent)</p> <p>June 2012 Senior Adviser, Mitsui Oil Exploration Co., Ltd. (incumbent)</p>	Common shares: 0 shares

[Translation for Reference Purposes Only]

No.	Name (Date of birth)	Career summary, position and significant concurrently-held positions	Number of shares of the Company held
14	Seiji Kato (August 3, 1948)	<p>April 1971 Joined Mitsubishi Corporation</p> <p>July 1997 General Manager of LNG Business Department A, Mitsubishi Corporation</p> <p>April 2003 Senior Vice President, Division COO of Natural Gas Business Division, Mitsubishi Corporation</p> <p>April 2006 Senior Vice President, Division COO of Natural Gas Business Division B, Mitsubishi Corporation</p> <p>April 2007 Executive Vice President, Group COO of Energy Business Group, Mitsubishi Corporation</p> <p>April 2008 Executive Vice President, Group CEO of Energy Business Group, Mitsubishi Corporation (incumbent)</p> <p>June 2010 Director of the Company (incumbent)</p> <p>June 2011 Corporate Adviser of Mitsubishi Corporation (incumbent)</p>	Common shares: 0 shares
15	Rentaro Tonoike (September 6, 1953)	<p>April 1978 Joined Nippon Mining Co., Ltd.</p> <p>April 2000 General Manager, Planning & Coordination Dept., Metal Division of Nippon Mining & Metals Co., Ltd.</p> <p>October 2003 General Manager (Group Companies Coordination), Planning & Coordination Dept. of Nippon Mining & Metals Co., Ltd.</p> <p>April 2006 Executive Officer, General Manager (Planning & Coordination), Planning & Coordination Dept. of Nippon Mining & Metals Co., Ltd.</p> <p>April 2008 Executive Officer, General Manager (Planning & Coordination), Planning & Coordination Dept.; General Manager of Coordination Dept., Metals Group; General Manager, Planning Dept., Copper Division, Metals Group of Nippon Mining & Metals Co., Ltd.</p> <p>April 2009 Executive Officer, General Manager (Planning & Coordination), Planning & Coordination Dept.; General Manager, Coordination Dept., Metals Group; General Manager on Special Assignment, Copper Division, Metals Group of Nippon Mining & Metals Co., Ltd.</p> <p>April 2010 Executive Officer, General Manager, Corporate Planning Dept.1 of JX Holdings, Inc.</p> <p>June 2012 Director of the Company (incumbent)</p> <p>June 2012 Director, Senior Vice President, JX Holdings, Inc. (incumbent)</p>	Common shares: 0 shares

[Translation for Reference Purposes Only]

No.	Name (Date of birth)	Career summary, position and significant concurrently-held positions	Number of shares of the Company held
16	Yasuhiko Okada (June 1, 1943)	<p>April 1966 Joined Ministry of Finance</p> <p>July 1994 Director-General, the Tokyo Regional Taxation Bureau</p> <p>May 1995 Secretary-General of Executive Bureau, Securities and Exchange Surveillance Commission</p> <p>July 1999 Administrative Vice-Minister, Environment Agency (currently Ministry of the Environment)</p> <p>June 2003 President, National Association of Labour Banks; President, The Rokinren Bank</p> <p>January 2012 Attorney at Law admitted to practice in Japan; Partner, Kitahama Partners (Tokyo Office) (incumbent)</p> <p>June 2012 Director of the Company (incumbent)</p>	Common shares: 0 shares

Notes: 1. Significant concurrently-held positions

Significant concurrently-held positions of prospective Directors are as below.

Prospective Directors Naoki Kuroda, Masatoshi Sugioka, and Toshiaki Kitamura have significant concurrently-held positions in the Company's subsidiaries, all of which have been established as legal entities for acquiring participating interest in blocks and promoting projects.

Naoki Kuroda: Representative Director

INPEX Natuna Ltd., INPEX Masela, Ltd., INPEX Alpha, Ltd., INPEX Browse, Ltd., INPEX North Caspian Sea, Ltd., INPEX Southwest Caspian Sea, Ltd.

Masatoshi Sugioka: Representative Director

INPEX Natuna Ltd., INPEX Masela, Ltd., INPEX Alpha, Ltd., INPEX Browse, Ltd., INPEX North Caspian Sea, Ltd., INPEX Southwest Caspian Sea, Ltd.

Toshiaki Kitamura: Representative Director, President & CEO

INPEX Natuna Ltd., INPEX Masela, Ltd., INPEX Alpha, Ltd., INPEX Browse, Ltd., INPEX North Caspian Sea, Ltd., INPEX Southwest Caspian Sea, Ltd.

Kazuo Wakasugi: Counsellor

Japan Petroleum Exploration Co., Ltd.

Yoshiyuki Kagawa: Senior Adviser

Mitsui Oil Exploration Co., Ltd.

Seiji Kato: Corporate Adviser

Mitsubishi Corporation

Rentaro Tonoike: Director, Senior Vice President

JX Holdings, Inc.

Yasuhiko Okada: Partner

Kitahama Partners

2. Prospective Directors' special interests in the Company

(1) Rentaro Tonoike concurrently holds the position of Director, Senior Vice President, JX Holdings, Inc. Some of this company's businesses belong to the same categories as those of the Company.

(2) There are no special interests between other candidates and the Company.

3. Items related to the candidates for Outside Directors

Prospective Directors Kazuo Wakasugi, Yoshiyuki Kagawa, Seiji Kato, Rentaro Tonoike and Yasuhiko Okada are candidates for Outside Directors as stipulated in Article 2, paragraph 3, item 7 of the Ordinance for Enforcement of the Companies Act. Each candidate has been notified as an Independent Officer as defined by the Tokyo Stock Exchange, Inc.

Candidate No. 12 Kazuo Wakasugi (reappointment)

(1) Reasons for nominating for Outside Director and term of office as Outside Director of the Company

Kazuo Wakasugi is nominated as Outside Director of the Company and his election is requested so

[Translation for Reference Purposes Only]

that his extensive experience and wide-ranging insight as a business executive can be utilized in the management of the Company. His term of office as Outside Director of the Company is seven years.

(2) Relationships between the Company and any companies in which the candidate holds significant concurrently-held positions

Japan Petroleum Exploration Co., Ltd. is a major shareholder of the Company. Some of its businesses belong to the same categories as those of the Company.

The INPEX Group has had transactions related to natural gas, etc., with the Japan Petroleum Exploration Group, and the INPEX Group's sales to the Japan Petroleum Exploration Group in this fiscal year are less than 0.1% of the Company's consolidated net sales for the same period. Meanwhile, the INPEX Group's purchase from the Japan Petroleum Exploration Group in this fiscal year is less than 0.5% of the Company's consolidated cost of sales for the same period.

(3) Activities for the Board of Directors

He attended 15 out of the 16 Board of Directors meetings during this fiscal year (93% attendance), and appropriately made necessary comments during deliberations of proposals, etc., based on his viewpoint as an experienced business executive.

Candidate No. 13 Yoshiyuki Kagawa (reappointment)

(1) Reasons for nominating for Outside Director and term of office as Outside Director of the Company

Yoshiyuki Kagawa is nominated as Outside Director of the Company and his election is requested so that his extensive experience and wide-ranging insight as a business executive, can be utilized in the management of the Company. His term of office as Outside Director of the Company is six years by the time of the closing of this Ordinary General Meeting of Shareholders.

(2) Relationships between the Company and any companies in which the candidate holds significant concurrently-held positions

Mitsui Oil Exploration Co., Ltd. is a major shareholder of the Company. Some of its businesses belong to the same categories as those of the Company.

The INPEX Group has no business transactions with the Mitsui Oil Exploration Group.

(3) Activities for the Board of Directors

He attended 15 out of the 16 Board of Directors meetings during this fiscal year (93% attendance), and appropriately made necessary comments during deliberations of proposals, etc., based on his viewpoint as an experienced business executive.

Candidate No. 14 Seiji Kato (reappointment)

(1) Reasons for nominating for Outside Director and term of office as Outside Director of the Company

Seiji Kato is nominated as Outside Director of the Company and his election is requested so that his extensive experience and wide-ranging insight cultivated in the resource/energy industry can be utilized in management of the Company. His term of office as Outside Director of the Company is three years by the time of the closing of this Ordinary General Meeting of Shareholders.

(2) Relationships between the Company and any companies in which the candidate holds significant concurrently-held positions

Mitsubishi Corporation is a major shareholder of the Company. Some of its businesses belong to the same categories as those of the Company.

The INPEX Group has had transactions related to crude oil, etc., with the Mitsubishi Corporation Group, and the INPEX Group's sales to the Mitsubishi Corporation Group in this fiscal year are less than 2.0% of the Company's consolidated net sales for the same period. Meanwhile, the INPEX Group made no purchase from the Mitsubishi Corporation Group in this fiscal year. Meanwhile, the INPEX Group's purchase from the Japan Petroleum Exploration Group in this fiscal year is less than 0.1% of the Company's consolidated cost of sales for the same period.

(3) Activities for the Board of Directors

He attended all of the 16 Board of Directors meetings during this fiscal year (100% attendance), and appropriately made necessary comments during deliberations of proposals, etc., based on his many years of experience and knowledge in this field.

Candidate No. 15 Rentaro Tonoike (reappointment)

(1) Reasons for nominating for Outside Director and term of office as Outside Director of the Company

Rentaro Tonoike is nominated as Outside Director of the Company and his election is requested so that his extensive experience and wide-ranging insight cultivated in the resource/energy industry can be utilized in management of the Company. His term of office as Outside Director of the Company is one year by the time of the closing of this Ordinary General Meeting of Shareholders.

[Translation for Reference Purposes Only]

(2) Relationships between the Company and any companies in which the candidate holds significant concurrently-held positions

JX Holdings, Inc. is a major shareholder of the Company. Some of its businesses belong to the same categories as those of the INPEX Group.

The INPEX Group has had transactions related to crude oil sales, etc., with JX Holdings Group and the INPEX Group's sales to JX Holdings Group in this fiscal year are less than 6.5% of the Company's consolidated net sales for the same period. Meanwhile, the INPEX Group's purchase from JX Holdings Group in this fiscal year is less than 0.5% of the company's consolidated cost of sales for the same period.

(3) Activities for the Board of Directors

Director Rentaro Tonoike attended all 12 of 12 meetings of the Board of Directors held after he assumed office on June 26, 2012 (100% attendance), and appropriately made necessary comments during deliberations of proposals, etc., based on his many years of experience and knowledge in this field.

Candidate No. 16 Yasuhiko Okada (reappointment)

(1) Reasons for nominating for Outside Director and term of office as Outside Director of the Company

Although Yasuhiko Okada has no experience in being directly involved in corporate management, he is nominated as Outside Director of the Company and his election is requested, as his extensive experience and knowledge in finance as well as his professional knowledge and experience as an attorney, in addition to management experience in financial institutions as the Director of The Rokinren Bank, are expected to be fully utilized in the execution of his duties as Outside Director.

His term of office as Outside Director of the Company is one year by the time of the closing of this Ordinary General Meeting of Shareholders.

(2) Relationships between the Company and any companies in which the candidate holds significant concurrently-held positions

There is no business relationship between the INPEX Group and the Kitahama Partners.

(3) Activities for the Board of Directors

Director Yasuhiko Okada attended all 12 of 12 meetings of the Board of Directors held after he assumed office on June 26, 2012 (100% attendance), and made necessary comments concerning the deliberation of proposals and other important matters based on his ample experience and wide range of knowledge in finance and professional knowledge and experience as an attorney.

4. In addition to common shares, the Company has issued one class A stock share, which is held by the Minister of Economy, Trade and Industry.
5. As regards the resolution on "Proposal No. 3: Election of Sixteen Directors", pursuant to Article 12, Paragraph 1 of the Articles of Incorporation of the Company, in the event at least 20% of the total voting rights of shareholders relating to common shares of the Company are held by a Single Shareholder of common shares of the Company other than a public entity, or by such Single Shareholder and its Co-holder, at the time of the adoption of a resolution by this General Meeting of Shareholders, the resolution of a general meeting of class A stock shareholders will be required in addition to the resolution of this Ordinary General Meeting of Shareholders. Although the Company determined that a general meeting of class A stock shareholders should not be required as of the date this notice was posted, a resolution by a general meeting of class A stock shareholders may be required depending on such factors as subsequent findings. Further, pursuant to Article 28, Paragraph 4 of the Articles of Incorporation of the Company, a class A stock shareholder may file an objection within two weeks from the date of the adoption of the resolution by this Ordinary General Meeting of Shareholders, stating that a general meeting of class A stock shareholders should be held.

[Translation for Reference Purposes Only]

Proposal No. 4: Payment of Bonuses to Directors and Statutory Auditors

In consideration of such factors as the business results of the period under review, it is proposed that a total of 101,200,000 yen (of which 4,000,000 yen are for four Outside Directors) be paid to the fifteen incumbent Directors as of March 31, 2013 and a total of 9,200,000 yen be paid to the five incumbent Statutory Auditors as of March 31, 2013, as bonuses.

It is also proposed that the amount to be paid to each person be entrusted to the Board of Directors as to the Directors and to the consultation of Statutory Auditors as to the Statutory Auditors.

[Translation for Reference Purposes Only]

Proposal No. 5: Revision to Remuneration to Outside Directors and Statutory Auditors

The maximum monthly remuneration for Directors and Statutory Auditors of the Company has been within ¥47 million (of which the monthly remuneration for Outside Directors is within ¥1.2 million), and the maximum monthly remuneration for Statutory Auditors of the Company has been within ¥7.5 million as resolved by the 2nd Ordinary General Meeting of Shareholders held on June 25, 2008.

To further reinforce corporate governance, we reviewed the current remuneration for Outside Directors and Statutory Auditors of the Company and determined to abolish bonuses for Outside Directors and Statutory Auditors, and apply a unified fixed remuneration system. While maintaining the maximum monthly remuneration of ¥47 million for Directors of the Company, we propose that the maximum monthly remuneration for Outside Directors of the Company be modified to ¥3 million and that for Statutory Auditors be modified to ¥8 million.

The amount of remuneration for Directors does not include salary for their service as employees of the Company as prior to the proposed change.

The current number of Directors is 16 (of which five are Outside Directors) and that of Statutory Auditors is five. If Proposal No. 3 is approved by resolution of this general meeting of shareholders, the number of Directors will still be 16 (of which five are Outside Directors).

(Attachment)

Business Report

(April 1, 2012 to March 31, 2013)

I. Present State of the Corporate Group

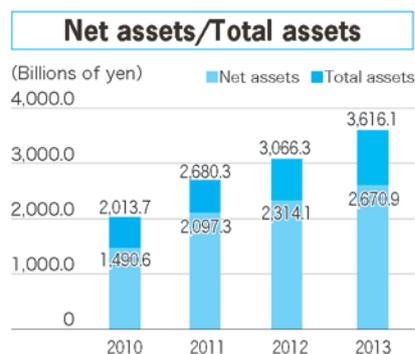
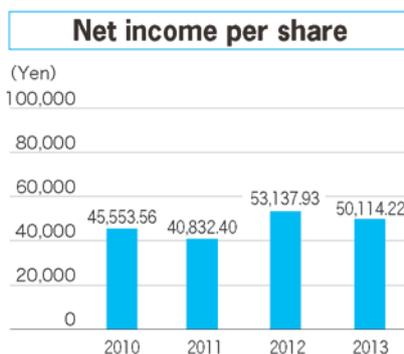
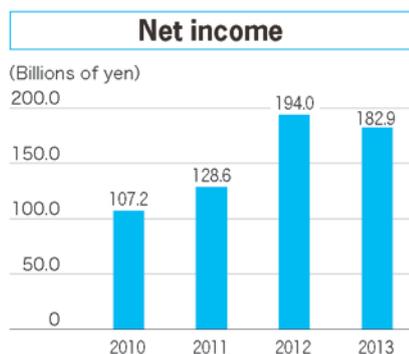
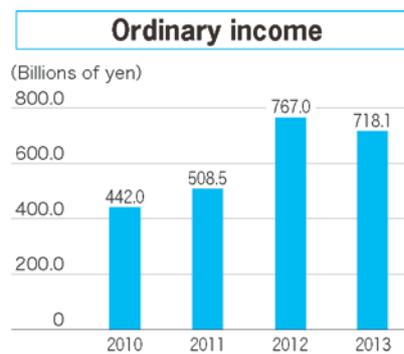
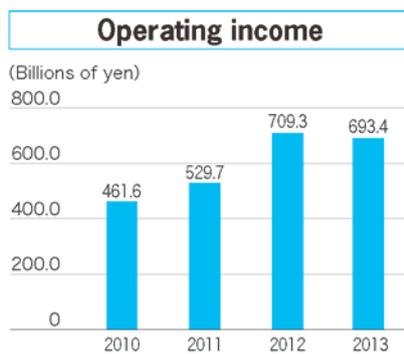
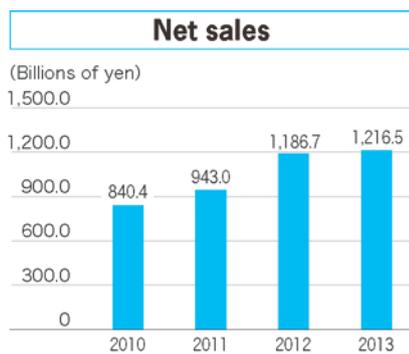
1. Progress and Results of Operations

During this fiscal year, the Japanese economy showed a gradual recovery owing to the reconstruction demand for the Great East Japan Earthquake. Though it got weaker as affected by spreading slowdown of the global economy stemming from the European debt crisis in the second half of the fiscal year towards its end, there is a growing expectation for economic upturn, coming from the effect of the Government's economic policy and monetary policy.

Amid this business environment, Brent crude oil, a typical indicator of global crude oil prices that affect our group's businesses, started from US\$125.43 per barrel, but fell to US\$89.23 per barrel in late June due to the mounting crude oil inventories worldwide and the European debt crisis. However, after EU leaders agreed on the solution for the debt issues, the upward trend began and came to US\$116.90 per barrel in mid-August, remaining at around US\$ 110 per barrel level until the end of the year. As economic indicators in the U.S. and Europe were strong since the beginning of year 2013, Brent crude oil prices went up to US\$118.90 per barrel in early February, but it began to decline again from the fear of recurrence of the European debt crisis, and finished at US\$110.02 per barrel at end of this fiscal year. Meanwhile, crude oil and petroleum product prices in the domestic market changed correlating with the international crude oil prices. Reflecting these circumstances, the average sales price of crude oil for this fiscal year for the Group was US\$110.11 per barrel, which is US\$2.86 lower than that of the previous fiscal year.

The foreign exchange market, another important factor that affects the Group's business, began to trade at the middle of ¥83 level to the U.S. dollar. The yen steadily appreciated against the U.S. dollar from around the beginning of this fiscal year, reaching the lower ¥77 range in mid-September, which trends were caused by the U.S. economy showing a decelerating recovery and concerns over the financial crisis in Europe. With the Bank of Japan's decision to introduce additional monetary easing, coupled with growing expectations concerning the new administration's economic policy, the yen began to depreciate sharply against the U.S. dollar. In light of this situation, yen selling accelerated, which was further propelled by Japan's trade deficit. At the start of the new year, the yen continued to depreciate against the U.S. dollar. In March, the yen temporarily dropped to the ¥96 range, which was the lowest level in three and a half years. As a result, TTM closed at ¥93.99 to the U.S. dollar, ¥11.85 lower than that of the previous fiscal year-end. Reflecting these conditions, the average sales exchange rate for the INPEX Group for this fiscal year was ¥82.68 to the U.S. dollar, ¥3.55 lower than that of the previous fiscal year.

Consolidated net sales for this fiscal year increased by ¥29.8 billion, or 2.5%, to ¥1,216.5 billion from the previous fiscal year due to an increase in sales volume of crude oil and a positive effect of depreciation of Japanese yen against the U.S. dollar, despite a decrease in sales price of crude oil and gas. Net sales of crude oil increased by ¥61.9 billion, or 8.5%, to ¥788.1 billion, and net sales of natural gas decreased by ¥31.2 billion, or 7.3%, to ¥397.7 billion. The increase of ¥29.8 billion in net sales was mainly derived from the following factors: an increase in sales volume contributing ¥7.6 billion to the increase, a decrease in unit sales price pushing sales down of ¥24.2 billion, and the depreciation of Japanese yen against the U.S. dollar contributing ¥47.1 billion to the increase, and in addition, a decrease in net sales excluding crude oil and natural gas of ¥0.8 billion. Cost of sales for the year ended March 31, 2013 increased by ¥30.8 billion, or 7.8%, to ¥426.3 billion due to an increase in royalty in the ADMA Block owing to an increase in sales, an increase in depreciation and amortization in the Kitan Oil Field, a trend of the yen depreciation, and others. Exploration expenses increased by ¥8.3 billion, or 71.3%, to ¥20.1 billion, and selling, general and administrative expenses increased by ¥6.4 billion, or 9.2%, to ¥76.6 billion. As a result, operating income decreased by ¥15.9 billion, or 2.2%, to ¥693.4 billion. Other income decreased by ¥3.4 billion, or 3.3 %, to ¥98.6 billion due to a decrease in gain on transfer of mining rights, despite an increase in gain on sales of investment securities. Other expenses increased by ¥29.5 billion, or 66.6%, to ¥73.9 billion due to an increase in provisions for exploration projects owing to an increase in exploration projects in Asia and an increase in foreign exchange loss. As a result, ordinary income decreased by ¥48.8 billion, or 6.4%, to ¥718.1 billion. Total amount of current income taxes and deferred income taxes decreased by ¥7.6 billion, or 1.4%, to ¥529.2 billion. As a result of the above effects, net income for the year ended March 31, 2013 decreased by ¥11.0 billion, or 5.7%, to ¥182.9 billion from the previous fiscal year.



[Translation for Reference Purposes Only]

The following is a summary of the INPEX Group's key business operations.

(1) Japan

Domestically, the Company continued steady production mainly at the Minami Nagaoka Gas Field in Niigata Prefecture. In addition, to ensure that the Company has sufficient natural gas supply capacity over the medium- to long-term, the Company continued with construction of an LNG receiving terminal in the Naoetsu Port of Joetsu City, aimed to commence operation in 2014. To improve its natural gas supply infrastructure, the construction of Stage 4 of the extension to the Shin Tokyo Line undertaken to expand the supply capacity of the Company's pipeline network stretching across the Kanto-Koshinetsu region, was completed and its operation started in December 2012. Furthermore, the Company continued construction work to lay a pipeline (the Toyama Line) between Itoigawa City in Niigata Prefecture and Toyama City in Toyama Prefecture in order to fulfill expectations for the promotion of natural gas usage in the Hokuriku region, which hitherto has lacked a trunk pipeline for natural gas.

Additionally, as part of our initiatives for renewable energy, we constructed a solar power generation plant (2-megawatt) in Joetsu City in Niigata Prefecture, and its operation started in March 2013.

Regarding the performance of the INPEX Group's business in Japan, the INPEX Group recorded net sales of ¥118.9 billion (increased by 4.6% from the previous fiscal year) due to an increase in sales price of natural gas, and operating income of ¥28.5 billion (increased by 16.1% from the previous fiscal year).

Domestic Facilities and Project Sites



[Translation for Reference Purposes Only]

(2) Asia and Oceania

In Indonesia, the Company continued steady production at its directly-owned Offshore Mahakam Block and Attaka Unit. During the fiscal year under review, the Company drilled additional development wells in existing oil and gas fields to maintain its production capacity. In the Offshore Mahakam Block, we newly started production of gas at the South Mahakam Gas Fields in October 2012.

Furthermore, INPEX Masela, Ltd. (subsidiary) is conducting preparations for development as the operator of the Abadi gas field in the Masela Block of the Arafura Sea, Indonesia. Based on the plan of Stage-1 Development, which was approved by the Indonesian government and aiming toward development using the Floating LNG (FLNG: a floating offshore facility where natural gas is processed, liquefied, stored and offloaded) concept, the Company commenced front-end engineering and design (FEED) for its undersea production facility in November 2012 and for the FLNG in January 2013. In addition, we are currently preparing to commence drilling of appraisal wells and exploratory wells in the middle of this year.

Similarly in Indonesia, INPEX Natuna, Ltd. (subsidiary) continues steady production at existing oil and gas fields in the South Natuna Sea Block B. During the fiscal year under review, the Company started production at the Bawaru Gas Field in July 2012 and is conducting development work at the South Brut Gas Field as well.

Furthermore, at INPEX South Makassar, Ltd. (subsidiary), development work is underway in the Ruby Gas Field of the Sebuk Block in the South Makassar Strait with a view to commencing production in the fourth quarter of the fiscal year ending March 2014. The Company is also participating in the Tangguh LNG Project through MI Berau B.V. (affiliate), which owns interests in the Berau Block in the West Papua province of Indonesia. Under this project, gas production and LNG offloading are continuing steadily.

Moreover, INPEX Babar Selaru, Ltd. (subsidiary), is currently conducting exploration as the operator in the Babar Selaru Block in the eastern ocean of Indonesia. During the fiscal year under review, the company conducted a 3-D seismic survey.

In Malaysia, INPEX Offshore North West Sabah, Ltd. (subsidiary), is currently conducting exploration as the operator in the deepwater Block S located offshore Sabah. During the fiscal year under review, the company conducted a 3-D seismic survey.

In Australia, for the development of the Ichthys Gas-Condensate Field located offshore Western Australia (Ichthys LNG Project), INPEX Browse, Ltd. (subsidiary) is currently conducting development work as the operator through local corporations with a view to commencing production in 2016. With regard to LNG produced from the Ichthys Project, 70% of the planned annual production of LNG is to be exported to Japan. Concerning participating interest in the Ichthys LNG Project, the company completed a procedure to transfer part of its participating interest to Tokyo Gas Co., Ltd., Osaka Gas Co., Ltd., Toho Gas Co., Ltd., Chubu Electric Power Co., Inc., and TOTAL by February 2013, resulting in the INPEX Group retaining an interest of 66.070%. In December 2012, the Company signed the loan-related agreement for project financing and prepared the funding structure.

In addition to the above, in exploration permits including the WA-285-P within the same offshore area, evaluation of the remaining exploration potential continues to progress. At the WA-274-P Block, the presence of gas was confirmed by test drilling in December 2012. Also, as a new project, the INPEX Group acquired a 50% participating interest in the AC/P36 Block located within the same offshore area from Murphy Oil Corporation in July 2012 and is currently conducting exploration as the operator.

INPEX Alpha, Ltd. (subsidiary) has continued steady production in the Van Gogh Oil Field located offshore Western Australia and the Ravensworth Oil Field. Furthermore, in the Coniston Oil Field near the Van Gogh Oil Field, development work is underway aiming to start production in the second quarter of the fiscal year ending March 2015.

Moreover, for the Prelude FLNG Project, which is under development in the WA-44-L Block offshore Western Australia with participation by INPEX Oil & Gas Australia Pty Ltd (subsidiary), development work is underway aiming to start production in 2017.

Regarding INPEX Sahul, Ltd. (subsidiary), which has an interest in the Bayu-Undan Gas-Condensate Field in the Timor Sea Joint Petroleum Development Area (JPDA), which lies between Australia and East Timor, production continues to proceed steadily, with gas being supplied to an onshore LNG plant in Darwin, Australia which is partly owned by INPEX DLNGPL Pty Ltd (subsidiary), before being transported to Japan.

Regarding INPEX Timor Sea, Ltd. (subsidiary), which holds a participating interest in the JPDA06-105 Block, steady production is ongoing in the Kitan Oil Field.

In Asia & Oceania, the INPEX Group recorded net sales of ¥485.2 billion (increased by 0.4% from the previous fiscal year) due to an increase in sales volume of crude oil and the depreciation of the Japanese yen against the U.S. dollar, despite a decrease in sales volume and sales price of natural gas. Due to an increase in depreciation and amortization and others, operating income was ¥281.6 billion (decreased by 6.0% from the previous fiscal year).

Overseas Facilities and Project Sites



[Translation for Reference Purposes Only]

(3) Eurasia (Europe and NIS)

Regarding the region surrounding the Caspian Sea, in Kazakhstan in the Offshore North Caspian Sea Contract Area, in which INPEX North Caspian Sea, Ltd. (subsidiary) participates, development work is progressing based on the revised field development plan for the Kashagan Oil Field, which was approved by the Kazakhstan government in May 2012. In addition, the Company is continuing to assess the Kalamkas, Aktote, Kairan, and Kashagan Southwest structures, where exploratory well drilling has confirmed the presence of hydrocarbon.

In Azerbaijan, crude oil is being produced in the Azeri-Chirag-Gunashli (ACG) oil fields, and INPEX Southwest Caspian Sea, Ltd. (subsidiary) is participating in this project. Furthermore, a large-scale additional development operation in the western part of the Chirag Oil Field is underway aiming to commence production at the end of this year.

INPEX BTC Pipeline, Ltd. (subsidiary) is involved in the BTC Pipeline project to secure transportation route for the crude oil produced in the Offshore North Caspian Sea Contract Area and the ACG oil fields. The Pipeline, which connects the Caspian and Mediterranean seas by traveling from Baku, Azerbaijan to Ceyhan, Turkey via Tbilisi, Georgia, is currently in smooth operation without major issues.

In Eurasia (Europe and NIS), the INPEX Group recorded net sales of ¥85.5 billion (increased by 1.4% from the previous fiscal year) due to yen depreciation despite a decrease in the sales price of crude oil. Due to an increase in administrative expenses, operating income was ¥41.7 billion (decreased by 11.3% from the previous fiscal year).

Overseas Facilities and Project Sites



[Translation for Reference Purposes Only]

(4) Middle East and Africa

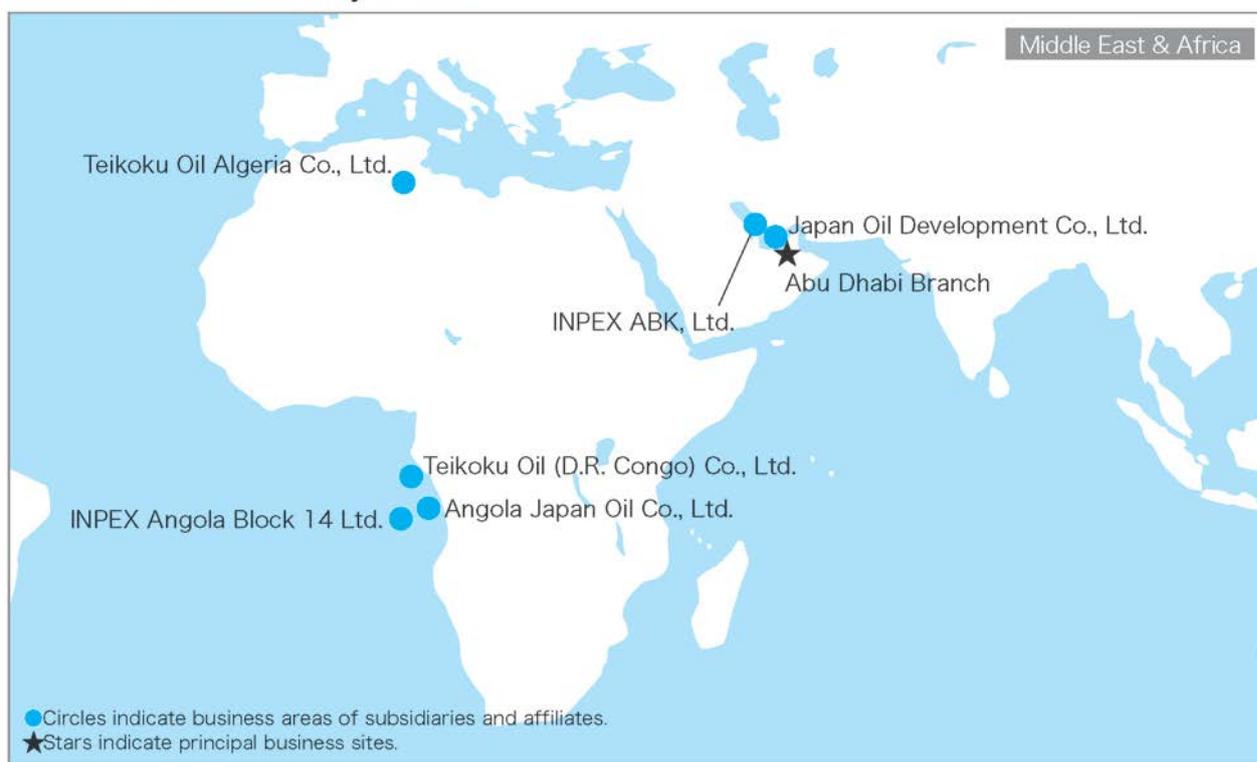
Japan Oil Development Co., Ltd. (subsidiary), which has oil concessions pertaining to major oil fields offshore Abu Dhabi in the United Arab Emirates, is steadily producing crude oil from the Upper Zakum (UZ), Umm Al-Dalkh (UA), Satah (ST), Umm Shaif (US), and Lower Zakum (LZ) oil fields in the ADMA Block. Amongst various production and maintenance activities, key operations during this fiscal year were continued drilling of production and water injection wells, horizontalization of existing wells and water injection activities. In three of the above five oil fields: UZ, UA, and LZ oil fields, redevelopment plans are being considered to boost production. Particularly for the UZ field, the construction of artificial islands is in progress. As for the ST field, a redevelopment plan has been agreed, and development work is already underway. Regarding the undeveloped fields in the ADMA Block, namely the Umm Lulu and Nasr fields, Phase 1 of the development work aimed at early production is already ongoing, while plans for the full development phase are under consideration. In the Abu Al Bukhoosh Block, also offshore Abu Dhabi, where INPEX ABK, Ltd. (subsidiary) owns a part of the concessions, crude oil is being produced. To maintain production levels, drilling of production wells, horizontalization and work over of existing wells, production facilities upgrades and other related activities have been carried out during this year.

Regarding Africa, in the Democratic Republic of Congo, stable production of crude oil is continuing in the Offshore D. R. Congo Block, where Teikoku Oil (D.R. Congo) Co., Ltd. (subsidiary) participates in operations.

In Angola, via INPEX Angola Block 14 Ltd. (subsidiary), the Company holds part of the shares in Angola Block 14 B.V., an affiliate of TOTAL, and acquired a 9.99% participating interest in the Angola Block 14, located offshore Angola, where production of crude oil is ongoing.

In the Middle East and Africa, the INPEX Group recorded net sales of ¥520.8 billion (increased by 4.2% from the previous fiscal year) due to an increase in sales volume of crude oil and yen depreciation despite a decrease in the sales price of crude oil. Operating income was ¥357.3 billion (increased by 0.9% from the previous fiscal year)

Overseas Facilities and Project Sites



(5) Americas

In Brazil, at the Frade Oil Field development project, with participation by INPEX Offshore North Campos, Ltd. (affiliate), through a Brazilian company, Frade Japão Petróleo Limitada, production had been temporarily suspended as an impact of the oil sheen problem that occurred in the oil field during the previous fiscal year. The temporary suspension of production was taken as a precautionary measure while a comprehensive technical study was conducted to investigate the cause of the problem and better understand the geological

[Translation for Reference Purposes Only]

features of the area. After obtaining government approval, production was resumed in April 2013.

In Venezuela, through a local joint venture established pursuant to an agreement with Petroleos de Venezuela S.A. (PDVSA) and through a local joint venture, Teikoku Oil (Venezuela) Co., Ltd. (subsidiary), is engaged in reestablishing operations and conducting new exploratory projects and development work on an onshore oil and gas field. Production of natural gas in the Copa Macoya Block and crude oil in the Guarico Oriental Block is also proceeding smoothly. Furthermore, in the Carabobo Block, Project 3, in the onshore Carabobo region lying in the Orinoco Oil Belt, a consortium comprising the Company, Chevron, Mitsubishi Corporation and another company has established a joint venture with PDVSA and is preparing to perform development work there.

In Suriname, Teikoku Oil (Suriname) Co., Ltd. (subsidiary), is conducting exploratory well drilling in the offshore Block 31 as an operator.

In Canada, INPEX Canada, Ltd. (subsidiary), which is involved in the Joslyn Oil Sands Upstream Project in Alberta, is currently assessing and studying development potential with a view to commencing production through large-scale open-cut mining development sometime between 2014 and 2017. As the Company's initial participation in shale gas development and production projects, the Company acquired a 40% participating interest in the shale gas projects in the Horn River, Cordova and Liard basins in British Columbia through INPEX Gas British Columbia Ltd. (subsidiary) in August 2012. In the Horn River basin, production of gas as well as development work is already underway, and in the Cordova and Liard basins, assessments are being conducted.

In the United States, Teikoku Oil (North America) Co., Ltd. (subsidiary), is continuing steady production of crude oil and natural gas through its participation in a joint development project of oil and gas fields in the Gulf of Mexico and in the state of Louisiana.

In addition, in August 2012, the Company acquired a 7.2% participating interest in the Lucius Oil Field in the deepwater of the Gulf of Mexico, for which the development work is underway aiming to start production in 2014.

In the Americas, the INPEX Group recorded net sales of ¥5.9 billion (increased by 7.6% from the previous fiscal year) due to an increase in sales volume of natural gas and operating loss of ¥6.0 billion (increased by 10.4% from the previous fiscal year).

Overseas Facilities and Project Sites



[Translation for Reference Purposes Only]

The following information concerns production and sales by the INPEX Group's main business divisions for the year ended March 31, 2013.

(1) Production

The following table shows actual production of crude oil, natural gas, etc. by the INPEX Group for the year ended March 31, 2013.

Category	For the year ended March 31, 2013	Changes from the previous fiscal year (%)
Crude oil	89.8 MMbbls (245.9 Mbbls per day)	(2.4)
Natural gas	315.1 Bcf (863.4 MMcf per day)	(7.2)
Subtotal	148.8 MMboe (407.8 Mboe per day)	(4.6)
Petroleum products	157.5 Mkl (991.0 Mbbls)	(35.5)
Iodine	444.8 tons	0.3
Electric power generation	185.7 million kWh	(8.4)

Notes:

1. The production volume of crude oil and natural gas under the production sharing contracts entered into by the INPEX Group corresponds to the net economic take of the INPEX group. Figures calculated by multiplying the gross production volume by the INPEX Group's interest share are 120.3 MMbbls (329.7 Mbbls per day) of crude oil, 431.2 Bcf (1,181.2 MMcf per day) of natural gas, and in total 201.5 MMboe (551.9 Mboe per day).
2. The volume of LPG produced overseas is included in "Crude oil." On the other hand, the volume of LPG produced in the domestic refinery is included in "Petroleum products."
3. A portion of crude oil production volume is consumed as material for petroleum products.
4. A portion of crude oil and natural gas production volume is consumed as fuel to generate electricity.
5. The production by the Company's affiliates accounted for by the equity method is included in the figures above. Also the production volume is a result for the years ended March 31 regardless of the closing date of the fiscal periods of its subsidiaries or affiliates.
6. Boe means barrels of oil equivalent.
7. The volume of petroleum products is converted to bbl in parentheses. Applied coefficient is 6.29 bbls per kl.
8. Iodine is refined by another company on consignment.
9. Figures are rounded to the first decimal place.

[Translation for Reference Purposes Only]

(2) Sales

The INPEX Group sells the allocated volume of crude oil produced overseas to Japanese customers such as refinery companies and other domestic and foreign customers. Natural gas produced in Indonesia is sold to Japanese power companies and city gas companies, Korean and Taiwanese customers and others mainly in the form of LNG. The majority is sold through PERTAMINA. In addition, the INPEX Group sells natural gas produced in Japan to customers such as Japanese city gas companies through our pipelines.

The following table shows sales for the year ended March 31, 2013.

(Billions of yen)

Segment	Category	For the year ended March 31, 2013		Changes from the previous fiscal year (%)	
		Sales volume	Net sales	Sales volume	Net sales
Japan	Crude oil	414 Mbbls	4.2	199.6	219.2
	Natural gas (excluding LPG)	65,429 MMcf	82.4	(0.3)	5.2
	LPG	148 Mbbls	1.6	(33.5)	(36.1)
	Other		30.6		(2.6)
	Subtotal		118.9		4.6
Asia & Oceania	Crude oil	19,341 Mbbls	177.0	26.0	26.3
	Natural gas (excluding LPG)	223,451 MMcf	282.6	(15.6)	(12.0)
	LPG	3,659 Mbbls	25.6	13.9	17.6
	Subtotal		485.2		0.4
Eurasia (Europe & NIS)	Crude oil	9,177 Mbbls	85.5	0.8	1.4
Middle East & Africa	Crude oil	57,201 Mbbls	520.8	2.0	4.2
Americas	Crude oil	55 Mbbls	0.4	3.9	19.0
	Natural gas (excluding LPG)	29,912MMcf	5.4	9.2	6.7
	Subtotal		5.9		7.6
Total	Crude oil	86,189 Mbbls	788.1	6.8	8.5
	Natural gas (excluding LPG)	318,792 MMcf	370.5	(10.9)	(8.5)
	LPG	3,807 Mbbls	27.2	10.8	12.0
	Other		30.6		(2.6)
	Total		1,216.5		2.5

Notes:

1. The above amounts do not include the related consumption tax.
2. The Company's consolidated subsidiaries having a fiscal year closing date of December 31 consolidated their operating results for the year from January to December except those subsidiaries preparing their financial statements for consolidation purpose as of the consolidation closing date. However, significant transactions occurring between the consolidation closing date were properly adjusted in the consolidation.
3. Sales volumes are rounded to the nearest whole number.
4. The principal items under "Other" are sales of petroleum products and iodine.

[Translation for Reference Purposes Only]

2. Investments

The Company's investments during this fiscal year totaled ¥653.2 billion. They comprise exploration expenditures of ¥53.9 billion, and investments of ¥599.2 billion including oil and natural gas development expenditures on production facilities, other capital expenditures on constructing facilities for the sales of natural gas and other investments.

The above development expenditures include ¥139.1 billion corresponding to the amount of development expenditures capitalized within "Recoverable accounts under production sharing" under production sharing contracts and other expenditures.

The above development expenditures also include the Company's portion of investments in major affiliates accounted for by the equity method, such as Ichthys LNG Pty Ltd.

3. Funding

During this fiscal year, the Company utilized internal cash flow and external loans of ¥129.9 billion from the Japan Bank for International Cooperation, Mizuho Corporate Bank and others to raise funds for oil and natural gas development expenditures for production facilities, other capital expenditures for constructing facilities for the sale of natural gas, expenditures for the acquisition of interests in upstream projects and others. Most of the money raised through loans includes funds for the development of the Prelude FLNG Project, Shale Gas Project in Canada and the Offshore North Caspian Sea Contract Area Project and construction funds for the Naoetsu LNG Receiving Terminal and the Toyama Line. Moreover, during this fiscal year, to raise funds for the Ichthys LNG Project in Australia, the Company started to utilize external loans through project financing from 8 export credit agencies (ECAs) and 24 commercial banks, with Ichthys LNG Pty Ltd., an equity method affiliate, as the borrower.

In addition, the Company utilized internal cash flow and external equity financing of ¥55.8 billion from the Japan Oil, Gas and Metals National Corporation and others to fund exploration projects.

4. Management Initiatives

The key management initiatives for the Company in developing oil and natural gas resources are to produce oil and natural gas in a stable manner ensuring safety and taking care of the environment, and achieving sustainable growth by maintaining and expanding reserves through reinvesting the cash flow obtained from its existing oil and gas fields. The INPEX Group strives to ensure HSE management and preservation of the environment, formulating the safety-conscious and environmental sound system or framework across the INPEX Group based on the internationally recognized standards. By combining projects that promise high growth potential through the expansion of reserves with projects that potentially promise stable profitability, and taking into account country risks, foreign exchange risks and business risks arising from discrepancies between project stages, we are seeking qualitative improvements in our asset portfolio. At the same time, by leveraging our business resources more effectively through an organic linkage of our overseas assets and our domestic infrastructure, we aim to further enhance our corporate value.

In May 2012, we set the targets to achieve sustainable growth over the medium- to long-term, and clarified key initiatives for the medium term as described in the "MEDIUM- TO LONG-TERM VISION OF INPEX". It sets three growth targets as "(1) Continuous Enhancement of E&P Activities," "(2) Strengthening Gas Supply Chain" and "(3) Reinforcement of Renewable Energy Initiatives," and to support such growth, it sets three management policies as "(1) Securing / Developing Human Resources and Building an Efficient Organizational Structure," "(2) Investment for Growth and Return for Shareholders" and "(3) Responsible Management as a Global Company." Through achieving our Vision, the Company intends to further enhance our corporate value and our reputation among our shareholders and more broadly our stakeholders as a company serving an essential role in the global community.

As our immediate business challenges, we recognize the importance of steady development activities of the two large scale LNG projects in Australia (Ichthys) and Indonesia (Abadi), stable production activities under the existing producing projects including Mahakam in Indonesia, ADMA Block offshore Abu Dhabi and ACG oil fields in Azerbaijan, proactive exploration activities for acquiring new oil and gas reserves, and pursuit of opportunities to acquire good projects. In our domestic gas business, we consider that the sustainable growth of natural gas business is important to respond to growing social requirements for expanding natural gas use. To meet such requirements, we have been enhancing domestic gas infrastructure including the construction of Naoetsu LNG Receiving Terminal, the expansion of Shin Tokyo Line and the construction of Toyama Line, and we have been developing the Gas Supply Chain which optimizes usage of overseas natural gas assets and domestic gas supply infrastructure.

Our policy of business operation and approach to address the challenges are as follows;

[Translation for Reference Purposes Only]

(1) Continuous Enhancement of E&P Activities

i) Achieve a Well Balanced Asset Portfolio

- Regional Diversification

The operating areas and asset portfolio of the Company have diversified to not only Japan, Asia and Oceania where we have a wealth of experience and assets, but also the Middle East, the Caspian Sea, Central and South America, Africa and so on. We will proactively continue to invest in Asia, Oceania and other regions taking the regional balance into consideration.

- Output ratio between Crude Oil and Gas

According to the outputs by products, the share of crude oil is around 60% while the share of natural gas is around 40%.

Crude oil is utilized all over the world as an easily handled fuel with various uses as well as its ease of transportation and storage. As crude oil is a rather sensitive commodity, the sales prices are often influenced by the conditions of the market. However, the customers are not fixed in a long term, and the amount of the investment for production and transportation facilities is small in comparison with that of natural gas. Furthermore, the time required for the development stage is relatively short so that the company can gain profit comparatively quickly once the oil fields are discovered.

Natural gas is the most environmentally friendly fuel among fossil energies and its utilization is expected to be promoted as a quick effective measure against global warming. Commercial production of natural gas requires substantial investment and a long lead time of preparation for constructing liquefaction plants or pipelines. Since the buyer also must make large investment in LNG receiving facilities, stable and long-term sales contracts are essential. With an assurance of long term LNG supply to the customers, a relatively stable profitability is achieved while it is sensitive to oil price fluctuations.

In acquiring new projects, we focus on a balance between crude oil and natural gas production to ensure efficient investment with a view to securing long-term cash flow.

- Balancing the Project Phases among Exploration, Development and Production

Because crude oil and gas reserves are limited, we continuously seek to acquire new reserves in order to ensure stable profitability. Therefore, we reinvest in exploration to discover new reserves while maintaining our cash flow from production. Projects must be carried out continuously in order to allocate and balance our assets among exploration, development and production stages. To achieve this balance, we will continue to negotiate the extension of the contracts for the offshore Mahakam area and ADMA Block, which are our major production projects while investing in exploration, producing and undeveloped oil and gas assets and further pursuing corporate M&A opportunities.

- Balancing Contractual Arrangements

We intend to diversify the risk of oil price volatility by balancing contractual arrangements among production sharing contracts or concession contracts, for which profit is linked to the price of oil, with service contracts or fixed margin contracts, for which profitability is less influenced by oil prices.

ii) Enhance Activities and Capabilities as Operator

In acting as Operator, we face managerial issues such as the difficulty in securing manpower and the heavy burden of financing. However, involvement as Operator also increases our opportunities to obtain new working interests by improving our technological capabilities and winning recognition from oil and gas producing countries and international oil companies. The Company is pursuing opportunities to act as Operator, such as Ichthys and Abadi, with enhanced technological capabilities resulting from business integration.

iii) Strengthening Relationships with Leading Domestic and International Oil and Gas Companies

Developing petroleum and gas involves considerable risks. Large-scale projects in particular require huge investment, presenting an insuperable obstacle for a single company. Companies form a consortium to share the risks, and this is an international practice, too. The Company plans to expand its business and to diversify risks by increasing opportunities to participate in projects through enhanced cooperation with major international oil companies, national oil companies in oil and gas producing countries as well as leading private oil resource developers, trading companies and other energy-related companies.

(2) Strengthening Gas Supply Chain

The Company aims to expand operations in the domestic natural gas market, which represents a stable base of earnings that is expected to grow. As well as building a natural gas pipeline network to supply the

[Translation for Reference Purposes Only]

promising market in the Kanto-Koshinetsu region, we plan to strengthen production system in the key Minami Nagaoka gas field. We also own promising assets, primarily natural gas, mainly in Australia and Indonesia. To ensure the long-term growth of the INPEX Group, we aim to strengthen our Gas Supply Chain, which organically links these overseas gas assets with our domestic infrastructure, capitalizing on the upcoming completion of the Naoetsu LNG Receiving Terminal during 2013 as a milestone. To this end, we will conduct efficient and integrated operation and management of the Naoetsu LNG Receiving Terminal and the pipeline networks. In addition, we determined to newly establish the Gas Supply & Infrastructure Division in June 2013, which conducts planning and adjustment related to domestic natural gas supply projects. Leveraging these footholds, we will strive to enlarge our business domain including the power generation field.

(3) Strengthening Our Efforts for Renewable Energies

The Company is positioned for “Evolvement into a company that offers diversified forms of energy” as one of our medium-to long-term strategies, and has been doing businesses based on this strategy. Our main goal is to live with the global community and to contribute to the sustainable social development by growing ourselves to be an energy company, which is capable of supplying a variety of environmentally friendly energies in addition to oil and natural gas. We are challenging to develop new business areas in cooperation with domestic and international companies, universities and others. In particular, we pursue opportunities to participate in or develop new business for renewable energies such as photovoltaic and solar thermal power generation, wind power generation, geothermal power generation, biomass fuel, and energy utilization technologies using hydrogen, fuel cell and high performance batteries.

(4) Securing / Developing Human Resources and Building an Efficient Organizational Structure

In the pursuit of our Vision, we established the New Ventures Division in June 2012 and in June 2013 we are going to reorganize our overseas business divisions and units for flexible and efficient promotion of our overseas businesses and newly establish the Gas Supply & Infrastructure Division for structural streamlining to reinforce our Gas Supply Chain. We will continue to promote an efficient organizational structure, as well as secure and utilize global human resources with diverse experience and values. Through these efforts, we will establish an efficient business execution system.

(5) Investment for Growth and Return for Shareholders

For the growth of the Company, we will steadily carry out investment activities in the medium- to long-term while maintaining the soundness of our financial position. Considering the production startup schedule of Ichthys and other operator projects, we will realize an appropriate level of return for shareholders. We will also enhance management efficiency befitting top class international oil and gas E&P companies.

(6) Responsible Management as a Global Company

i) Enhance stakeholder communications, establish corporate governance and compliance system and Promote CSR management

The Company will continue to promote active information disclosure and communication so as to reach out to our broadly based stakeholders. We implemented some measures to reinforce our corporate governance from a global perspective in 2012. Specifically we established the “INPEX Advisory Committee” in October 2012. We will further improve corporate governance, compliance and HSE (Health, Safety and Environment) management systems. The CSR Committee was set up to push forward a company-wide CSR promoting system to reinforce CSR management.

ii) Health, Safety and Environmental Efforts

The Company has organized integrated HSE management system in line with international standards and has been trying hard to secure the safety and health of people concerned in our business and the environment. The Company places prevention of incident as the top priority and positively address to improve required documents including manuals and to develop skills through personnel training and education for emergency situation. As for environmental issues, particularly global warming, we make every effort to minimize the effects on surrounding areas when we explore for, develop energy resources, produce and sell energy resources. Also we are working to reduce our greenhouse gas emission unit, reduce emissions of chemical substances, suppress emissions into the atmosphere and river systems, prevent soil pollution and reduce waste and conserve biological diversity. And through our global activities, we appropriately evaluate security risks of each country and area where we operate, and will implement measures for minimizing and protecting from them.

[Translation for Reference Purposes Only]

Based on the mission to supply energy in a stable and efficient manner thereby contribute to the good of society, and the activities in line with the Vision, the Company will improve our corporate value over the long term with a view to securing steady growth.

We therefore kindly request the continued support and understanding of our shareholders.

[Translation for Reference Purposes Only]

5. Assets and Profit/Loss

Years ended March 31

Category	4th Fiscal Year 2010	5th Fiscal Year 2011	6th Fiscal Year 2012	7th Fiscal Year (This fiscal year) 2013
Net sales (Billions of yen)	840.4	943.0	1,186.7	1,216.5
Ordinary income (Billions of yen)	442.0	508.5	767.0	718.1
Net income (Billions of yen)	107.2	128.6	194.0	182.9
Net income per share (Yen)	45,553.56	40,832.40	53,137.93	50,114.22
Net assets (Billions of yen)	1,490.6	2,097.3	2,314.1	2,670.9
Total assets (Billions of yen)	2,013.7	2,680.3	3,066.3	3,616.1

Note:

Amounts under ¥ 0.1 billion are rounded down. Net income per share figures are rounded off to two decimal places.

[Translation for Reference Purposes Only]

6. Important Subsidiaries Etc.

(1) Important Subsidiaries

At the end of this fiscal year, the Company had 71 subsidiaries (as defined under Article 2, Item 3, of the Companies Act). During this fiscal year, 6 new subsidiaries were established, 4 subsidiaries were liquidated and one subsidiary was eliminated due to a change in ownership caused by merger. The operations of the Company's subsidiaries are generally administered by the Company through concurrent posts and the secondment of directors and employees. Details of important subsidiaries are shown in the table below.

Business area	Company name	Issued capital (Millions of yen)	Ownership (%)	Main business
Japan	Teiseki Pipeline Co., Ltd.	100	100.00	Natural gas transportation, pipeline operation, maintenance and management under contract from the Company
Indonesia	INPEX Natuna, Ltd.	5,000	100.00	Exploration, development, production, and sale of oil and natural gas in the South Natuna Sea Block B in the Republic of Indonesia
	INPEX Tengah, Ltd.	1,020	100.00	Exploration, development, production, and sale of oil and natural gas in the Tengah Block in the Offshore Mahakam in the Republic of Indonesia
	INPEX Masela, Ltd.	33,348	51.93	Exploration and development of oil and natural gas in the Masela Block in the Arafura Sea in the Republic of Indonesia
	INPEX South Makassar, Ltd.	1,097	100.00	Exploration and development of oil and natural gas in the Sebuku Block in the Offshore South Makassar in the Republic of Indonesia
	INPEX Babar Selaru, Ltd.	1,107	27.18	Exploration of oil and natural gas in the Babar Selaru Block in the Eastern Offshore in the Republic of Indonesia
Malaysia	INPEX Offshore North West Sabah, Ltd.	2,045	100.00	Exploration of oil and natural gas in the deepwater Block S in the Offshore Sabah in Malaysia

Note:

Although the Company's ownership of INPEX Babar Selaru, Ltd., is less than 50%, the Company actually controls INPEX Babar Selaru, Ltd., which is therefore categorized as its subsidiary.

[Translation for Reference Purposes Only]

Business area	Company name	Issued capital (Millions of yen)	Ownership (%)	Main business
Australia	INPEX Alpha, Ltd.	8,014	100.00	Exploration, development, production, and sale of oil and natural gas in the Commonwealth of Australia
	INPEX Oil & Gas Australia Pty Ltd	37,596 (US\$400,000 thousand)	100.00	Exploration and development of oil and natural gas in the Commonwealth of Australia
	INPEX Browse, Ltd.	305,690	100.00 (0.05)	Supply of funds for the exploration and development of oil and natural gas in the Commonwealth of Australia and for the Ichthys LNG Project to promote development projects via local subsidiaries
Australia/JPDA	INPEX DLNGPL Pty Ltd	8,427 (A\$86,135 thousand)	100.00	Investment in Darwin LNG Pty Ltd., which is engaged in laying an undersea gas pipeline between Bayu-Unden Gas-Condensate Field and the LNG plant in Darwin, Australia, and manages the construction of the LNG plant
JPDA	INPEX Sahul, Ltd.	4,600	100.00	Exploration, development, production, and sale of oil and natural gas in the Bayu-Undan Gas-Condensate Field
	INPEX Timor Sea, Ltd.	6,712	100.00	Exploration, development, production, and sale of oil in the JPDA06-105 Block (the Kitan Oil Field)

Notes:

1. JPDA: Joint Petroleum Development Area (located in the Timor Sea between Australia and East Timor)
2. Foreign-currency-denominated capital amounts were converted into yen using the exchange rate at fiscal year end.
3. Figures in parentheses in the column for the percentage stake held by the Company is the portion of the stake accounted for by indirect stakes.

[Translation for Reference Purposes Only]

Business area	Company name	Issued capital (Millions of yen)	Ownership (%)	Main business
Region surrounding the Caspian Sea	INPEX North Caspian Sea, Ltd.	50,680	45.00	Exploration and development of oil in the Offshore North Caspian Sea Contract Area in the Republic of Kazakhstan
	INPEX Southwest Caspian Sea, Ltd.	53,594	51.00	Exploration, development, production, and sale of oil in the ACG Oil Fields in the Republic of Azerbaijan
	INPEX BTC Pipeline, Ltd.	5,996 (US\$63,800 thousand)	100.00	Investment in a project to construct and operate an oil pipeline between Baku in the Republic of Azerbaijan, Tbilisi in Georgia, and Ceyhan in the Republic of Turkey
Middle East	Japan Oil Development Co., Ltd.	18,800	100.00	Exploration, development, production, and sale of oil in the ADMA Block in offshore Abu Dhabi in the United Arab Emirates
	INPEX ABK, Ltd.	2,500	100.00	Exploration, development, production, and sale of oil in the Abu Al Bukhoosh Block in offshore Abu Dhabi in the United Arab Emirates
Africa	Teikoku Oil Algeria Co., Ltd.	708	100.00	Exploration and development of oil and natural gas in El Ouar I/II Blocks in People's Republic of Algeria
	INPEX Angola Block 14 Ltd.	44,701 (US\$475,600 thousand)	100.00	Investments in the exploration, development, production and sale of oil in the Offshore 14 Block in the Republic of Angola
	Teikoku Oil (D.R. Congo) Co., Ltd.	10	100.00	Exploration, development, production, and sale of oil in the Offshore D.R. Congo Block
South America	Teikoku Oil (Venezuela) Co., Ltd.	100	100.00	Development, production, and sale of oil and natural gas in the Copa Macoya Block and the Guarico Oriental Block in the Bolivarian Republic of Venezuela
	Teikoku Oil (Suriname) Co., Ltd.	7,257	56.78	Exploration of oil in the offshore Block 31 in the Republic of Suriname

Notes:

1. Foreign-currency-denominated capital amounts were converted into yen using the exchange rate at fiscal year end.
2. Although the Company's ownership of INPEX North Caspian Sea, Ltd., is less than 50%, the Company actually controls INPEX North Caspian Sea, Ltd., which is therefore categorized as its subsidiary.

[Translation for Reference Purposes Only]

Business area	Company name	Issued capital (Millions of yen)	Ownership (%)	Main business
North America	INPEX Canada, Ltd.	19,645	100.00	Exploration and development of oil including oil sands in Canada
	INPEX Gas British Columbia Ltd.	96,533 (C\$1,043,488 thousand)	45.09	Exploration, development, production and sale of natural gas in Canada
	Teikoku Oil (North America) Co., Ltd.	1,715 (US\$18,253 thousand)	100.00	Development, production, and sale of oil and natural gas in the United States of America
				45 other affiliates

Notes:

1. Foreign-currency-denominated capital amounts were converted into yen using the exchange rate at fiscal year end.
2. Although the Company's ownership of INPEX Gas British Columbia Ltd., is less than 50%, the Company actually controls INPEX Gas British Columbia Ltd., which is therefore categorized as its subsidiary.

[Translation for Reference Purposes Only]

(2) Important Affiliates

At the end of this fiscal year, the Company had 22 affiliates (as defined under Article 2, Paragraph 3, Item 18 of the Ordinance on Accounting of Companies). During this fiscal year, one new affiliate was established and one affiliate was included due to a change in ownership percentage caused by merger. Details of important affiliates are shown in the table below.

Business area	Company name	Issued capital (Millions of yen)	Ownership (%)	Main business
Indonesia	MI Berau B.V.	79,180 (€ 56,279 thousand)	44.00	Exploration, development, production, and sale of natural gas in Berau Block and Tangguh LNG Project in West Papua province in the Republic of Indonesia
Angola	Angola Japan Oil Co., Ltd.	8,000	19.60	Development and production of oil in the Offshore 3/05 Block in the Republic of Angola
Brazil	INPEX Offshore North Campos, Ltd.	6,852	37.50	Financing for oil and natural gas exploration, development, production, and sale projects in the Frade Block in the Federative Republic of Brazil
				19 other affiliates

Note:

Foreign-currency-denominated capital amounts were converted into yen using the exchange rate at fiscal year end.

[Translation for Reference Purposes Only]

7. Primary Business

Exploration, development, production, sale and purchase of oil, natural gas, and other mineral resources

8. Principal Business Sites

Corporate Network	
Head Office	: 5-3-1, Akasaka, Minato-ku, Tokyo
Technical Research Center	: Setagaya-ku, Tokyo
Niigata Marketing Office	: Joetsu City
Akita District Office	: Akita City
Chiba District Office	: Sammu City
Niigata District Office	: Niigata City
Jakarta Office	: Indonesia
Perth Office	: Australia
Caracas Office	: Venezuela
Houston Office	: The United States of America
Rio de Janeiro Office	: Brazil
London Office	: The United Kingdom
Subsidiaries	
Japan Oil Development Co., Ltd	
Head Office	: 5-3-1, Akasaka, Minato-ku, Tokyo
Abu Dhabi Branch	: United Arab Emirates
INPEX Browse, Ltd.	
Head Office	: 5-3-1, Akasaka, Minato-ku, Tokyo
Perth Office / Darwin Office	: Australia
INPEX Sahul, Ltd., INPEX Alpha, Ltd., etc.	
Head Office	: 5-3-1, Akasaka, Minato-ku, Tokyo
Perth Office	: Australia
INPEX Offshore North West Sabah, Ltd.	
Head Office	: 5-3-1, Akasaka, Minato-ku, Tokyo
Kuala Lumpur Office	: Malaysia
INPEX Gas British Columbia Ltd.	
Head Office	: Calgary, Alberta State, Canada
Calgary Office	: Canada

[Translation for Reference Purposes Only]

9. Employees

Number of employees	Year-on-year change
2,455 (1,023)	+309

Notes:

1. The number of employees shown above excludes the INPEX Group (The Company and its consolidated subsidiaries) employees seconded to other companies outside the INPEX Group, but includes non- INPEX Group employees working temporarily at companies within the INPEX Group.
2. The figure in parentheses is the average number of temporary employees during this fiscal year and is indicated separately. It includes local contract employees working under contracts on overseas development projects and domestic contract employees, non-regular contract staff and temporary staff, etc. who are employed in operations relating to oil and natural gas in Japan.

10. Primary Lenders

Lender	Outstanding borrowings (Billions of yen)
Japan Bank for International Cooperation	187.6
Mizuho Corporate Bank, Ltd.	108.8
Development Bank of Japan Inc.	59.0
Bank of Tokyo-Mitsubishi UFJ, Ltd.	51.6
Sumitomo Mitsui Banking Corporation	40.9
Minister of Economy, Trade and Industry	24.9

Note:

Borrowings from the Minister of Economy, Trade and Industry are the result of loans to a subsidiary from the former Japan National Oil Corporation. Ownership of these loans was transferred to the Minister when the corporation was dissolved.

[Translation for Reference Purposes Only]

II. Items Related to Shares

1. Total Number of Shares Authorized to be Issued	(Common Stock)	9,000,000
	(Class A Stock)	1
2. Type and Total Number of Issued Shares	(Common Stock)	3,655,809
	(Including 4,916 Treasury Shares)	
	(Class A Stock)	1
3. Number of Shareholders	(Common Stock)	40,610
	(Class A Stock)	1

4. Major Shareholders

Name	Number of Shares			Shareholding Ratio (%)
	Common Stock	Class A Stock	Total Stock	
Minister of Economy, Trade and Industry	692,307	1	692,308	18.96
Japan Petroleum Exploration Co., Ltd.	267,233	—	267,233	7.32
The Chase Manhattan Bank, N.A. London S.L. Omnibus Account	149,800	—	149,800	4.10
Mitsui Oil Exploration Co., Ltd.	146,760	—	146,760	4.02
Japan Trustee Services Bank, Ltd. (Trust Account)	131,960	—	131,960	3.61
Mitsubishi Corporation	114,500	—	114,500	3.14
The Master Trust Bank of Japan, Ltd. (Trust Account)	113,748	—	113,748	3.12
JX Holdings, Inc.	109,527	—	109,527	3.00
CB New York Orbis Funds	78,166	—	78,166	2.14
JP Morgan Chase Bank 380055	76,155	—	76,155	2.09

Notes:

1. The company shares owned by Japan Trustee Services Bank, Ltd. (Trust Account) and The Master Trust Bank of Japan, Ltd. (Trust Account) are shares related to trust operation.
2. The shareholding ratio is calculated after subtracting the treasury shares (4,916 shares).
3. The shareholding ratio is rounded to the nearest whole number.

[Translation for Reference Purposes Only]

III. Items Related to Stock Acquisition Rights

None

IV. Items Related to Officers and Statutory Auditors

1. Members of the Board and Statutory Auditors

Name	Company Position & Responsibility	Significant Concurrently-Held Positions
Naoki Kuroda	Representative Director, Chairman	Representative Director: INPEX Natuna Ltd. INPEX Masela, Ltd. INPEX Alpha, Ltd. INPEX Browse, Ltd. INPEX North Caspian Sea, Ltd. INPEX Southwest Caspian Sea, Ltd.
Masatoshi Sugioka	Representative Director, Vice Chairman Chief Technical Executive HSE and Compliance	Representative Director: INPEX Natuna Ltd. INPEX Masela, Ltd. INPEX Alpha, Ltd. INPEX Browse, Ltd. INPEX North Caspian Sea, Ltd. INPEX Southwest Caspian Sea, Ltd.
Toshiaki Kitamura	Representative Director, President & CEO	Representative Director, President & CEO: INPEX Natuna Ltd. INPEX Masela, Ltd. INPEX Alpha, Ltd. INPEX Browse, Ltd. INPEX North Caspian Sea, Ltd. INPEX Southwest Caspian Sea, Ltd.
Seiji Yui	Director, Senior Managing Executive Officer Senior Vice President, Corporate Strategy & Planning Division	
Masaharu Sano	Director, Senior Managing Executive Officer Senior Vice President, Technical Headquarters	
Shunichiro Sugaya	Director, Managing Executive Officer Senior Vice President, Masela Project Division	
Masahiro Murayama	Director, Managing Executive Officer Senior Vice President, Finance & Accounting Division	
Seiya Ito	Director, Managing Executive Officer Senior Vice President, Ichthys Project Division	
Wataru Tanaka	Director, Managing Executive Officer Senior Vice President, General Administration Division	
Takahiko Ikeda	Director, Managing Executive Officer Senior Vice President, Domestic Project Division	
Yoshikazu Kurasawa	Director, Managing Executive Officer Senior Vice President, New Ventures Division	

[Translation for Reference Purposes Only]

Name	Company Position & Responsibility	Significant Concurrently-Held Positions
Kazuo Wakasugi	Director	Counsellor for Japan Petroleum Exploration Co., Ltd.
Yoshiyuki Kagawa	Director	Senior Adviser of Mitsui Oil Exploration Co., Ltd.
Seiji Kato	Director	Corporate Adviser of Mitsubishi Corporation
Rentaro Tonoike	Director	Director, Senior Vice President, JX Holdings, Inc.
Yasuhiko Okada	Director	Attorney, Partner, Kitahama Partners
Yoshitsugu Takai	Statutory Auditor	
Haruhito Totsune	Statutory Auditor	
Koji Sumiya	Statutory Auditor	
Hiroshi Sato	Statutory Auditor (part time)	Executive Vice President & Executive Officer of Japan Petroleum Exploration Co., Ltd.
Masaru Funai	Statutory Auditor (part time)	Special Advisor of Marubeni Corporation

Notes:

1. Directors Kazuo Wakasugi, Yoshiyuki Kagawa, Seiji Kato, Rentaro Tonoike and Yasuhiko Okada are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
2. Statutory Auditors Haruhito Totsune, Koji Sumiya, Hiroshi Sato and Masaru Funai are Outside Statutory Auditors as stipulated in Article 2, Item 16 of the Companies Act.
3. The Company reported all the Outside Directors and Outside Statutory Auditors as Independent Officers as stipulated by Tokyo Stock Exchange, Inc.
4. Directors Yoshikazu Kurasawa, Rentaro Tonoike and Yasuhiko Okada were elected and assumed their position at the 6th Ordinary General Meeting of Shareholders held on June 26, 2012.
5. Statutory Auditor Haruhito Totsune possesses extensive knowledge of financial and related matters.
6. Statutory Auditor Koji Sumiya possesses extensive knowledge of finance and related matters.
7. Statutory Auditor Hiroshi Sato has extensive experience with accounting operations, and possesses extensive knowledge of financial matters and accounting.
8. Statutory Auditor Masaru Funai possesses extensive knowledge of financial matters, accounting, and related matters. Mr. Funai resigned from Special Advisor of Marubeni Corporation as of April 1, 2013.
9. The following individuals are the Directors transferred during this fiscal year. The words in parentheses indicate the individual's position and responsibility prior to being transferred.

June 26, 2012	Seiji Yui:	Director, Senior Managing Executive Officer, Senior Vice President, Corporate Strategy & Planning Division (Director, Senior Managing Executive Officer, Senior Vice President, Asia & Australasia Division)
	Masaharu Sano:	Director, Senior Managing Executive Officer, Senior Vice President, Technical Headquarters (Director, Senior Managing Executive Officer, Senior Vice President, Americas & Africa Division)
	Wataru Tanaka:	Director, Managing Executive Officer, Senior Vice President, General Administration Division (Director, Managing Executive Officer, Senior Vice President, General Administration Division, Senior Vice President, Corporate Strategy & Planning Division)
	Yoshikazu Kurasawa:	Director, Managing Executive Officer, Senior Vice President, New Ventures Division (Managing Executive Officer, Vice President, Corporate Strategy & Planning Division)

[Translation for Reference Purposes Only]

Directors and Statutory Auditors who retired during the fiscal year are as follows.

Name	Positions and Responsibilities at the Company at the Time of Retirement	Date of Retirement	Reason for Retirement
Noboru Tezuka:	Director, Senior Managing Executive Officer Senior Vice President, Eurasia & Middle East Project Division Senior Vice President, Abu Dhabi Project Division	June 26, 2012	Expiration of Term
Shigeo Hirai	Director (Outside Director)	June 26, 2012	Expiration of Term

2. Compensation for Directors and Statutory Auditors during this fiscal year

18 Directors: ¥517 million (Including 6 Outside Directors: ¥17 million)

5 Statutory Auditors: ¥90 million (Including 4 Outside Statutory Auditors: ¥62 million)

Notes:

- Salaries for Directors who are also employees are not included in the above compensation amount.
- Compensation includes provision for accrued bonuses to officers during this fiscal year.
- The number of persons who received compensation includes two Directors who had resigned due to the expiration of their term at the time of the closing of the 6th Ordinary General Meeting of Shareholders.
- Other than the above compensation amount, the total amount of compensation that the Outside Directors and Outside Statutory Auditors of the Company received from the Company's subsidiaries during this fiscal year was ¥2 million.

3. Items Related to Outside Directors and Statutory Auditors

(1) Director Kazuo Wakasugi

- A. Relationships between the Company and any companies in which the Director holds significant concurrently-held positions

Japan Petroleum Exploration Co., Ltd. is a major shareholder of the Company. Some of its businesses belong to the same categories as those of the Company.

The INPEX Group has had transactions related to natural gas, etc., with the Japan Petroleum Exploration Group, and the INPEX Group's sales to the Japan Petroleum Exploration Group in this fiscal year are less than 0.1% of the Company's consolidated net sales for the same period. Meanwhile, the INPEX Group's purchase from the Japan Petroleum Exploration Group in this fiscal year is less than 0.5% of the Company's consolidated cost of sales for the same period.

- B. Major activities

He attended 15 of the 16 (93% attendance) Board of Directors meetings during this fiscal year, and appropriately made necessary comments during deliberations of proposals, etc., based on his viewpoint as an experienced business executive.

(2) Director Yoshiyuki Kagawa

- A. Relationships between the Company and any companies in which the Director holds significant concurrently-held positions

Mitsui Oil Exploration Co., Ltd. is a major shareholder of the Company. Some of its businesses belong to the same categories as those of the Company.

The INPEX Group has no business transactions with the Mitsui Oil Exploration Group.

- B. Major activities

He attended 15 of the 16 (93% attendance) Board of Directors meetings during this fiscal year, and appropriately made necessary comments during deliberations of proposals, etc., based on his viewpoint as an experienced business executive.

[Translation for Reference Purposes Only]

(3) Director Seiji Kato

A. Relationships between the Company and any companies in which the director holds significant concurrently-held positions

Mitsubishi Corporation is a major shareholder of the Company. Some of its businesses belong to the same categories as those of the Company.

The INPEX Group has had transactions related to crude oil, etc., with the Mitsubishi Corporation Group, and the INPEX Group's sales to the Mitsubishi Corporation Group in this fiscal year are less than 2.0% of the Company's consolidated net sales for the same period. Meanwhile, the INPEX Group's purchase from the Mitsubishi Corporation Group in this fiscal year is less than 0.1% of the Company's consolidated cost of sales for the same period.

B. Major activities

He attended all of the 16 (100% attendance) Board of Directors meetings during the period, and appropriately made necessary comments during deliberations of proposals, etc., based on his many years of experience and knowledge in this field.

(4) Director Rentaro Tonoike

A. Relationships between the Company and any companies in which the director holds significant concurrently-held positions

JX Holdings, Inc. is a major shareholder of the Company. Some of the JX Holdings Group's businesses belong to the same categories as those of the INPEX Group.

The INPEX Group has had transactions related to crude oil, etc., with the JX Holdings Group, and the INPEX Group's sales to the JX Holdings Group in this fiscal year are less than 6.5% of the Company's consolidated net sales for the same period. Meanwhile, the INPEX Group's purchase from the JX Holdings Group in this fiscal year is less than 0.5% of the Company's consolidated cost of sales for the same period.

B. Major activities

He attended all of the 12 (100% attendance) Board of Directors meetings held after he assumed office on June 26, 2012, and appropriately made necessary comments during deliberations of proposals, etc., based on his many years of experience and knowledge in this field.

(5) Director Yasuhiko Okada

A. Relationships between the Company and any companies in which the director holds significant concurrently-held positions

There is no business transactions between the INPEX Group and Kitahama Partners.

B. Major activities

He attended all the 12 (100% attendance) of the Board of Directors meetings held after he assumed office on June 26, 2012, and appropriately made necessary comments during deliberations of proposals, etc., based on his many years of experience and broad range of insights in the financial field and his professional knowledge and experience as a lawyer.

(6) Statutory Auditor Haruhito Totsune

A. Relationships between the Company and any companies in which the auditor holds significant concurrently-held positions

None

B. Major activities

He attended 15 of the 16 (93% attendance) Board of Directors meetings and attended 14 of the 15 (93% attendance) Board of Statutory Auditors meetings during this fiscal year, and made necessary comments during deliberations of proposals, etc., based on his knowledge related to financial matters, etc.

(7) Statutory Auditor Koji Sumiya

A. Relationships between the Company and any companies in which the auditor holds significant concurrently-held positions

None

B. Major activities

He attended all of the 16 (100% attendance) Board of Directors meetings as well as all of the 15 (100% attendance) Board of Statutory Auditors meetings during this fiscal year, and made necessary comments during deliberations of proposals, etc., based on his knowledge related to finance, etc.

[Translation for Reference Purposes Only]

(8) Statutory Auditor Hiroshi Sato

A. Relationships between the Company and any companies in which the auditor holds significant concurrently-held positions

Japan Petroleum Exploration Co., Ltd. is a major shareholder of the Company. Some of its businesses belong to the same categories as those of the Company.

The INPEX Group has had transactions related to natural gas, etc., with the Japan Petroleum Exploration Group, and the INPEX Group's sales to the Japan Petroleum Exploration Group in this fiscal year are less than 0.1% of the Company's consolidated net sales for the same period. Meanwhile, the INPEX Group's purchase from the Japan Petroleum Exploration Group in this fiscal year is less than 0.5% of the Company's consolidated cost of sales for the same period.

B. Major activities

He attended 13 of the 16 (81% attendance) Board of Directors meetings and attended 12 of the 15 (80% attendance) Board of Statutory Auditors meetings held during this fiscal year, and appropriately made necessary comments during deliberations of proposals, etc., based on his many years of experience and knowledge in this field.

(9) Statutory Auditor Masaru Funai

A. Relationships between the Company and any companies in which the auditor holds significant concurrently-held positions

Some of the businesses of the Marubeni Corporation belong to the same categories as those of the Company.

The INPEX Group has had transactions related to petroleum products, etc., with the Marubeni Corporation Group, and the INPEX Group's sales to the Marubeni Corporation Group in this fiscal year are less than 0.5% of the Company's consolidated net sales for the same period. Meanwhile, the INPEX Group's purchase from the Marubeni Corporation Group in this fiscal year is less than 0.5% of the Company's consolidated cost of sales for the same period.

B. Major activities

He attended all of the 16 (100% attendance) Board of Directors meetings as well as all of the 15 (100% attendance) Board of Statutory Auditors meetings during this fiscal year, and appropriately made necessary comments during deliberations of proposals, etc., based on his abundant international experience and knowledge related to the field.

[Translation for Reference Purposes Only]

V. Items Related to Accounting Auditors

1. Name of Accounting Auditor

Ernst & Young ShinNihon LLC

2. Amount of Compensation for Accounting Auditors

(1) Amount of Compensation, etc., for Accounting Auditors during this fiscal year

¥130 million

(2) Total amount of money and other financial benefits paid by the Company and its subsidiaries

¥235 million

Notes:

1. Under the audit agreement between the Company and the Accounting Auditors, compensation for audits based on the Companies Act and compensation for audits based on the Financial Instruments and Exchange Act are not distinguished, and such amounts are effectively indistinguishable. Therefore, the amounts noted above include the total amount of compensation.
2. Teikoku Oil (D.R. Congo) Co., Ltd. and other subsidiaries of the Company were audited by auditing firms other than our Accounting Auditors.

3. Contents of Non-Audit Operations

The Company has paid compensation for advisory services related to the internal audit.

4. Policy for Determination of Dismissal or Non-Reappointment of Accounting Auditors

At the Company, the Board of Statutory Auditors shall determine the dismissal of the Accounting Auditors according to Article 340 of the Companies Act. In addition, in the event it is determined necessary including any situation in which the Accounting Auditors are unable to perform their duties appropriately, the Company shall, upon the consent of or a request from the Board of Statutory Auditors, propose the dismissal or non-reappointment of the Accounting Auditors at the General Meeting of Shareholders.

[Translation for Reference Purposes Only]

VI. Systems and Policies of the Company

1. Systems for Ensuring that the Execution of the Duties by Directors Complies with Laws and Regulations and the Articles of Incorporation of the Company, and Other Systems for Ensuring the Properness of Operations

The following is a summary of the resolutions of the Company regarding the “Development of the Systems for Ensuring the Properness of Operations as a Stock Company (Internal Control Systems)”.

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

In order to ensure that Directors and employees execute their duties in compliance with applicable laws and regulations and the Articles of Incorporation, the Company shall develop a Corporate Social Responsibility Policy and a system to ensure strict compliance with the Policy.

The Representative Director shall be elected to be the Director in charge of compliance, and the Company shall establish a Compliance Committee chaired by that Director to ensure that Directors and employees comply with applicable laws and regulations and the Articles of Incorporation in executing their duties. Furthermore, the Company shall establish an internal notification system with related departments and an external expert (lawyer) as providers of consultation services.

In order to ensure effective compliance systems and relevant internal rules, the Company shall also verify and evaluate such systems and make the necessary improvements through audits carried out by the internal audit department (Audit Unit) which reports directly to the President & CEO.

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

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

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

(3) Rules and Other Systems for Risk Management

To manage diverse risks related to the INPEX Group’s business activities, Directors shall cooperate closely with the related departments to identify, analyze and evaluate such risks, and manage them in accordance with internal rules and guidelines. Additionally, based on the internal rules on group management, Directors shall manage group-wide risk by cooperating with each Group company.

Directors shall also verify and evaluate the management of risks related to daily operations and carry out a constant review of the management in response to changes in the business environment through audits carried out by the Audit Unit, related departments and an external expert.

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

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

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

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

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

With regard to risk management, compliance management and internal auditing at its subsidiaries, the Company shall cooperate with each subsidiary based on the internal rules on group management.

(6) Matters Regarding Employees in Cases Where a Statutory Auditor Requests the Assignment of Employees to Assist Its Duties

Two employees shall be assigned to concurrently serve as assistants to support the Statutory Auditors’ duties. These assistants shall execute their duties under the instruction of Statutory Auditors.

(7) Matters Regarding the Independence of Employees from Directors Mentioned in the Preceding Clause

Any changes in personnel of the Statutory Auditors’ assistants shall be discussed with the Statutory Auditors.

[Translation for Reference Purposes Only]

(8) Systems for Reporting to Statutory Auditors by Directors and Employees and Other Systems for Reporting to Statutory Auditors

Directors and employees shall report and provide information to Statutory Auditors for matters provided by laws and regulations, matters that may have a significant impact on the Company and its Group companies, and other matters necessary for Statutory Auditors to execute their duties.

Statutory Auditors shall always have the right to obtain business information by attending the Board of Directors' meetings and other important internal meetings as well as receiving internal approval documents.

(9) Other Systems to Ensure Effective Audits by Statutory Auditors

When conducting audits, the Company shall ensure close cooperation with external experts such as lawyers, certified public accountants and certified tax accountants.

The Company shall also ensure close cooperation with the Audit Unit and improve effectiveness of the audits by receiving regularly reports and by other means.

2. Basic Policy Regarding Control of the Company

(1) Contents of Basic Policy

The INPEX Group shall make maximum use of its well-balanced asset portfolio, its presence as a leading international mid-tier company, and its technological capabilities as a high quality operator to achieve early commercial production of large-scale oil and gas fields that have already been discovered. At the same time, as a core company in Japan with international competitiveness, the INPEX Group will strive to proactively expand its business aiming to further enhance its corporate value through expanding investments to acquire high-quality oil and gas fields.

(2) Efforts for Effective Utilization of Resources and for Preventing Inappropriate Control

While further enhancing its financial strength, and aiming to expand its operating base in order to secure a stable and efficient supply of oil and natural gas resources, the INPEX Group will invest aggressively in exploration and development activities as well as the maintenance and expansion of its supply infrastructure. The Company intends to harmonize the enhancement of corporate value by maintaining and expanding its reserves and production of oil and natural gas through these activities, and returning profits directly to its shareholders through the payment of dividends from a medium- to long-term perspective.

In order to eliminate the possibility of speculative takeovers or the possibility of management control by foreign capital, the Company has issued a class A stock to the Minister of Economy, Trade and Industry. The class A stock includes the right to exercise its voting rights in accordance with the guidelines set forth in the Ministry of Economy, Trade and Industry Notice (No. 220, 2008) in meetings of the holder of the class A stock which shall be held when certain conditions are met to make decisions on i) the appointment or removal of Directors; ii) the disposition of all or a portion of material assets; iii) amendments to the Articles of Incorporation relating to the Company's business objectives and granting voting rights to any shares other than the common shares of the Company (excluding voting rights in the meetings of the holder of the class A stock which is already granted to the class A stock); iv) business integration; v) capital reduction and vi) company dissolution.

According to the guidelines, a resolution regarding the aforementioned items i) and iv) shall be vetoed only "when it is judged there is a high probability that the management of the Company will be engaged inconsistent with its role to provide a stable supply of energy to Japan in an efficient manner as a core company," and a resolution to change the Articles of Incorporation related to granting voting rights to any shares other than the common shares of the Company (excluding voting rights in the meetings of the holder of the class A stock which is already granted to the class A stocks) in the aforementioned item iii) shall be vetoed only "when there is a possibility that it may have an effect on the exercise of the voting rights of the class A stocks" and the aforementioned item ii) and amendment to the Articles of Incorporation related to the Company's business objectives in the aforementioned item iii), and resolutions related to items v) and vi) shall be vetoed only "when it is judged there is a high probability that it may adversely affect its role to provide a stable supply of energy to Japan in an efficient manner as a core company."

In addition, the Articles of Incorporation of the Company's subsidiaries stipulate that, upon disposing material assets, a resolution of a general meeting of shareholders of the subsidiary is required when it constitutes a "disposition of all or a portion of material assets" in the aforementioned item ii). In this case, a resolution of the meeting of the holders of the class A stock is required in addition to a resolution of the Board of Directors of the Company.

[Translation for Reference Purposes Only]

(3) Decisions of Board of Directors' Meeting for the Efforts in the Above-Mentioned (2)

The efforts set forth in the above-mentioned (2) are aiming to ensure stable profitability of the Company and to continuously improve the Company's corporate value in the medium- to long-term, and are in accordance with the basic policy set forth in the above-mentioned (1).

Since the scope of the veto right of the class A stock in the above-mentioned (2) is limited, and the veto rights shall be exercised in accordance with the guidelines in the Ministry of Economy, Trade and Industry Notice (No. 220, 2008), the Company believes that this is a minimum required and a highly transparent measure that does not unreasonably impede efficiency and flexibility of management, and that it does not have the purpose of maintaining the positions of its executive officers or impairing the common interests of the Company's shareholders.

Note: Fractions less than the indicated units are truncated for amounts shown in the business report except for amounts with other notes.

[Translation for Reference Purposes Only]

Consolidated Balance Sheet

Unit: millions of yen (Amounts truncated to millions of yen)

Accounts	As of March 31, 2013	Accounts	As of March 31, 2013
(Assets)		(Liabilities)	
Current assets	1,106,504	Current liabilities	414,976
Cash and deposits	483,814	Accounts payable-trade	41,401
Accounts receivable-trade	117,411	Short-term loans	8,560
Marketable securities	281,642	Income taxes payable	152,681
Inventories	15,409	Accounts payable-other	133,232
Deferred tax assets	10,111	Provision for exploration projects	26,856
Accounts receivable-other	94,333	Accrued bonuses to officers	127
Other	118,701	Asset retirement obligations	3,812
Allowance for doubtful accounts	(14,919)	Other	48,303
Fixed assets	2,509,654	Long-term liabilities	530,198
Tangible fixed assets	584,541	Long-term debt	466,908
Buildings and structures	102,965	Deferred tax liabilities	34,987
Wells	19,777	Accrued retirement benefits to employees	8,580
Machinery, equipment and vehicles	71,477	Provision for loss on business	3,705
Land	19,560	Accrued special repair and maintenance	277
Construction in progress	359,429	Asset retirement obligations	13,581
Other	11,330	Other	2,156
Intangible assets	380,155	Total liabilities	945,174
Goodwill	87,840	(Net assets)	
Exploration and development rights	118,869	Shareholders' equity	2,339,956
Mining rights	167,178	Common stock	290,809
Other	6,266	Capital surplus	679,287
Investments and other assets	1,544,957	Retained earnings	1,375,106
Investment securities	673,129	Treasury stock	(5,248)
Long-term loans receivable	7,263	Accumulated other comprehensive income	141,336
Long-term time deposits	287,273	Unrealized holding gain on securities	34,741
Recoverable accounts under production sharing	590,565	Unrealized gain from hedging instruments	16,243
Deferred tax assets	40,076	Translation adjustments	90,350
Other	65,433	Minority interests	189,691
Allowance for doubtful accounts	(793)		
Allowance for recoverable accounts under production sharing	(112,870)		
Allowance for investments in exploration	(5,119)	Total net assets	2,670,983
Total assets	3,616,158	Total liabilities and net assets	3,616,158

[Translation for Reference Purposes Only]

Consolidated Statement of Income

Unit: millions of yen (Amounts truncated to millions of yen)

Accounts	For the year ended March 31, 2013	
Net sales		1,216,533
Cost of sales		426,326
Gross profit		790,206
Exploration expenses		20,124
Selling, general and administrative expenses		76,634
Operating income		693,447
Other income		
Interest income	8,734	
Dividend income	7,832	
Gain on sales of investment securities	25,449	
Gain on transfer of mining rights	50,173	
Other	6,477	98,666
Other expenses		
Interest expense	1,518	
Equity in losses of affiliates	1,041	
Provision for allowance for recoverable accounts under production sharing	15,131	
Provision for exploration projects	12,452	
Foreign exchange loss	30,055	
Other	13,769	73,968
Ordinary income		718,146
Income before income taxes and minority interests		718,146
Income taxes-current	539,207	
Income taxes-deferred	(9,932)	529,275
Income before minority interests		188,870
Minority interests		5,909
Net income		182,961

[Translation for Reference Purposes Only]

Consolidated Statement of Changes in Net Assets

(For the year ended March 31, 2013)

Unit: millions of yen (Amounts truncated to millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2012	290,809	679,287	1,219,526	(5,248)	2,184,375
Changes during the period					
Cash dividends paid			(27,381)		(27,381)
Net income			182,961		182,961
Other changes in items other than those in shareholders' equity, net					
Total changes during the period	—	—	155,580	—	155,580
Balance as of March 31, 2013	290,809	679,287	1,375,106	(5,248)	2,339,956

	Accumulated other comprehensive income				Minority interests	Total net assets
	Unrealized holding gain on securities	Unrealized gain from hedging instruments	Translation adjustments	Total accumulated other comprehensive income		
Balance as of April 1, 2012	6,952	4,118	(16,195)	(5,124)	134,941	2,314,193
Changes during the period						
Cash dividends paid						(27,381)
Net income						182,961
Other changes in items other than those in shareholders' equity, net	27,788	12,125	106,546	146,460	54,749	201,210
Total changes during the period	27,788	12,125	106,546	146,460	54,749	356,790
Balance as of March 31, 2013	34,741	16,243	90,350	141,336	189,691	2,670,983

[Translation for Reference Purposes Only]

Notes to Consolidated Financial Statements

[Basis of Presenting Consolidated Financial Statements, etc.]

1. Scope of consolidation

(1) Number of consolidated subsidiaries and names of major consolidated subsidiaries

Number of consolidated subsidiaries: 61

Names of major consolidated subsidiaries:

Japan Oil Development Co., Ltd., INPEX Alpha, Ltd., INPEX Natuna, Ltd., INPEX Sahul, Ltd., INPEX Southwest Caspian Sea, Ltd., INPEX Gas British Columbia Ltd., INPEX North Caspian Sea, Ltd., INPEX Browse, Ltd., INPEX Holdings Australia Pty Ltd, INPEX Ichthys Pty Ltd, INPEX Oil & Gas Australia Pty Ltd and INPEX Masela, Ltd.

During this period:

Number of companies newly included in the scope of consolidation: 7

Number of companies excluded from the scope of consolidation: 5

Details for the above changes:

(a) INPEX South Iraq, Ltd., INPEX Angola Block 14 Ltd., INPEX Offshore East India, Ltd., INPEX Mozambique, Ltd. and another company have been newly included due to establishment of the companies.

(b) INPEX Oil & Gas Australia Pty Ltd and INPEX Gas British Columbia Ltd. have been newly included due to increase in materiality of the companies.

(c) INPEX Offshore Northeast Mahakam, Ltd., INPEX West Arguni, Ltd., INPEX East Arguni, Ltd. and The Egyptian Petroleum Development Co., Ltd. have been excluded due to completion of liquidation.

(d) Teiseki Propane Co., Ltd. has been excluded due to a decrease in ownership percentage caused by merger with Tokyo Gas Energy Co., Ltd. on July, 1, 2012.

(2) Names of major non-consolidated subsidiaries

Names of major non-consolidated subsidiaries:

Sakata Natural Gas, Co., Ltd., Teikoku Oil de Burgos, S.A. de C.V. and TELNITE CO., LTD.

Reason for exclusion from the scope of consolidation

These companies are not consolidated because their total assets, total net sales, total net income (the equity portion) and total retained earnings (the equity portion) do not have significant impact on the consolidated financial statements.

(3) Name of an entity that is not accounted for as our subsidiary even though the Company owns the majority vote

Name of an entity that is not accounted for as our subsidiary even though the Company owns the majority vote:

Ichthys LNG Pty Ltd

Reason for not accounted for as our subsidiary

The Company owns the majority vote of Ichthys LNG Pty Ltd through INPEX Holdings Australia Pty Ltd. However, since both parties' affirmative votes are required for important resolutions based on the shareholders agreement between INPEX Holdings Australia Pty Ltd and TOTAL E&P Holding Ichthys, Ichthys LNG Pty Ltd is considered to be an affiliate accounted for by the equity method.

2. Application of equity method

(1) Number of non-consolidated subsidiaries and affiliates accounted for by the equity method and names of major non-consolidated subsidiaries and affiliates accounted for by the equity method

Number of non-consolidated subsidiaries accounted for by the equity method: None

Number of affiliates accounted for by the equity method: 15

Names of major affiliates accounted for by the equity method:

Angola Block 14 B.V., MI Berau B.V., Angola Japan Oil Co., Ltd., INPEX Offshore North Campos, Ltd. and Ichthys LNG Pty Ltd

During this period:

Number of companies newly included as affiliates accounted for by the equity method: 2

Details for the above change:

(a) Angola Block 14 B.V. has been newly included due to establishment of the company.

(b) Tokyo Gas Energy Co., Ltd. has been newly included due to a change in ownership percentage caused by merger.

(2) Names of non-consolidated subsidiaries and affiliates not accounted for by the equity method

Names of major non-consolidated subsidiaries and affiliates not accounted for by the equity method:

Sakata Natural Gas, Co., Ltd., Teikoku Oil de Burgos, S.A. de C.V., TELNITE CO., LTD. and Tangguh project management Co., Ltd.

Reason for not applying the equity method

These subsidiaries and affiliates are not accounted for by the equity method because their total net income (the equity portion) and total retained earnings (the equity portion) do not have significant impact on the

[Translation for Reference Purposes Only]

consolidated financial statements.

(3) Procedures for application of the equity method

Regarding affiliates accounted for by the equity method having a different closing date from the consolidated closing date, the Company used the financial statements of each affiliate prepared as of its closing date. For certain affiliates, however, the Company used financial statements prepared for consolidation purposes as of the consolidated closing date.

3. Closing dates for the fiscal year of consolidated subsidiaries

For the 43 companies for which the closing dates differ from the consolidated closing date, including, but not limited to, INPEX Sahul, Ltd. and INPEX Masela, Ltd., the Company uses the financial statements for the year ended December 31. However, the necessary adjustments have been made to the financial statements of those companies to reflect any significant transactions made between the Company's closing date and those of the consolidated subsidiaries. For the 11 companies including, but not limited to, Japan Oil Development, Co., Ltd., INPEX Southwest Caspian Sea, Ltd., INPEX North Caspian Sea, Ltd., INPEX Holdings Australia Pty Ltd and INPEX Ichthys Pty Ltd, we use their financial statements for the year ended on the consolidated closing date even though their closing date is December 31.

4. Accounting policies

(1) Valuation method for significant assets

(a) Securities

Other securities

With a determinable market value

Other securities with a determinable market value are stated at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Cost of securities sold is determined by the moving-average method.

Without a determinable market value

Other securities without a determinable market value are stated at cost determined by the moving-average method.

(b) Derivatives

Fair value

(c) Inventories

Overseas inventories

Carried mainly at cost, determined by the average cost method (balance sheet value is carried at the lower of cost or market)

Domestic inventories

Carried mainly at cost, determined by the moving-average method (balance sheet value is carried at the lower of cost or market)

(2) Depreciation method of significant depreciable assets

(a) Tangible fixed assets (except leased assets)

Depreciation of mining facilities is mainly computed by the unit-of-production method. For other tangible fixed assets, straight-line method of depreciation is applied. Useful lives of significant fixed assets are as follows:

Buildings and structures	2-60 years
--------------------------	------------

Wells	3 years
-------	---------

Machinery, equipment and vehicles	2-22 years
-----------------------------------	------------

(b) Intangible assets (except leased assets)

Exploration and development rights

Exploration and development rights at the exploration stage are fully amortized in the consolidated fiscal year. Such rights which are at the production stage are amortized by the unit-of-production method.

Mining rights

Mining rights are mainly amortized by the unit-of-production method.

Other

Other intangible assets are mainly amortized by the straight-line method.

Software for internal use is amortized over 5 years.

(c) Leased assets

Leased assets for financing lease transactions whose ownership are not to be transferred:

Depreciation of these assets is calculated based on the straight-line method over the lease period assuming no residual value.

[Translation for Reference Purposes Only]

- (3) Basis for significant allowances
- (a) Allowance for doubtful accounts
Allowance for doubtful accounts is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers which are experiencing financial difficulties.
 - (b) Allowance for recoverable accounts under production sharing
Allowance for recoverable accounts under production sharing is provided for probable losses on specific investments made under production sharing contracts.
 - (c) Allowance for investments in exploration
Allowance for investments in exploration is provided for future potential losses on investments in exploration companies at an estimated amount based on the net assets of the investees.
 - (d) Provision for exploration projects
Provision for exploration projects is provided for future expenditures of consolidated subsidiaries at exploration stage based on schedule of investments in exploration.
 - (e) Accrued bonuses to officers
Accrued bonuses to officers are provided at expected payment amount for this fiscal year.
 - (f) Accrued retirement benefits to employees
Accrued retirement benefits to employees are provided at the amount calculated based on the expected retirement benefit obligation and the estimated value of pension plan assets at the end of this period. Because certain subsidiaries are classified as small enterprises, we employ a simplified method (at the amount which would be required to be paid if all active employees voluntarily terminated their employment as of the balance sheet date) for the calculation of the retirement benefit obligation of the subsidiaries. Actuarial gains and losses are charged or credited to income as incurred.
 - (g) Provision for loss on business
Provision for loss on business is provided for future potential losses on the development, production and sales of crude oil and natural gas at an estimated amount based on the situation of each business.
 - (h) Accrued special repair and maintenance
Accrued special repair and maintenance are provided for planned major repair and maintenance activities on tanks in certain subsidiaries at the amount being accumulated through the next activity.
- (4) Other basis of presenting consolidated financial statements
- (a) Translation of consolidated subsidiaries' significant assets and liabilities denominated in foreign currencies into yen in preparation of the consolidated financial statements
Monetary assets and liabilities denominated in foreign currencies are translated into yen at the exchange rates prevailing at the balance sheet date. The resulting exchange gain or loss is credited or charged to income. The revenue and expense accounts of the overseas subsidiaries are translated into yen at the average rates of exchange during the period. The balance sheet accounts are translated into yen at the rates of exchange in effect at the balance sheet date. Translation differences are presented as a component of translation adjustments and minority interests.
 - (b) Accounting for major hedge transactions
 - 1) Hedge accounting
The deferred hedge accounting method is used to process hedging transactions. The allocation method is applied to foreign exchange forward transactions that meet its requirements, and the special treatment is applied to interest rate swap transactions that satisfy its requirements.
 - 2) Hedging instruments and hedged items
(Foreign currency)

Hedging instruments:	Foreign exchange forward transactions
Hedged items:	Forecasted transactions in foreign currencies

(Interest rate)

Hedging instruments:	Interest rate swap transactions
Hedged items:	Interest payments on borrowings
 - 3) Hedging policy
The nominal amount of the derivative transaction is limited to within the scope of actual demand, and the Company does not engage in speculative derivative transactions.
 - 4) Hedge effectiveness assessment method
The Company does not perform hedge effectiveness assessment of foreign exchange forward transactions since the main conditions match with forecasted transactions in foreign currencies. The Company does not perform hedge effectiveness assessment of interest rate swap transactions since the special treatment is applied.
 - (c) Amortization of Goodwill
Goodwill is amortized by the straight-line method over 20 years.

[Translation for Reference Purposes Only]

(d) Consumption tax

Transactions subject to the consumption tax are recorded at amounts exclusive of the consumption tax.

(e) Recoverable accounts under production sharing

Cash investments made by the Company during exploration, development and production phases under a production sharing contract are recorded as “Recoverable accounts under production sharing” so long as they are recoverable under the terms of the relevant contract. When the Company receives crude oil and natural gas in accordance with the contract, an amount corresponding to the purchase costs of the products (i.e., a cost recovery portion of the investments) is released from this account.

[Changes in the Presentation]

(Consolidated Balance Sheet)

“Long-term time deposits”, which had been included in “Other” in investments and other assets at the end of the previous fiscal year, has been separately presented at the end of this fiscal year because the amount became significant.

(Consolidated Statement of Income)

“Gain on sales of investment securities”, which had been included in “Other” in other income for the previous fiscal year, has been separately presented for this fiscal year because the amount became significant.

“Loss on business withdrawal”, which had been separately presented in other expenses for the previous fiscal year, has been included in “Other” in other expenses for this fiscal year because the amount became insignificant. The amount of “Loss on business withdrawal” for this fiscal year was ¥1,564 million.

[Notes to Consolidated Balance Sheet]

1. Assets provided as collateral and collateral-backed debt are as follows:

(Collateralized assets)		Millions of yen
Buildings and structures	2,091	(2,091)
Wells	1,213	(1,213)
Machinery, equipment and vehicles	8,974	(8,974)
Other (tangible fixed assets)	0	(0)
Investment securities	7,395	(—)
Other (investments and other assets)	226	(—)
Total	19,901	(12,279)

(Secured debt)		Millions of yen
Short-term loans	996	(980)
Accounts payable-other	5,118	(4,733)
Long-term debt	1,437	(1,403)
Others (long-term liabilities)	16	(—)
Total	7,569	(7,116)

Amounts in parentheses () above represent foundation collateral and liabilities.

In addition, the following assets are pledged as collateral for the Ichthys LNG project financing and the BTC pipeline project financing.

The Ichthys LNG project financing	Millions of yen
Cash and deposits	3,602
Accounts receivable-other	160
Other (current assets)	64,631
Land	133
Construction in progress	172,377
Investment securities	15,758
Total	256,662

The BTC pipeline project financing	Millions of yen
Investment securities	5,239

2. Accumulated depreciation

Accumulated depreciation of tangible fixed assets is ¥606,742 million.

[Translation for Reference Purposes Only]

3. Contingent liabilities

(1) The Company and its consolidated subsidiaries are contingently liable as guarantors of indebtedness of the following:

	Millions of yen
Tanggung Trustee*	15,463
Fujian Tranche*	5,481
Sakhalin Oil and Gas Development Co., Ltd.	3,460
INPEX Offshore North Campos, Ltd.	1,969
Employees (housing loans)	153
Total	26,529

*Debt for investment funds of the Tangguh LNG project through MI Berau B.V. and MI Berau Japan Ltd.

(2) Guarantee of contingent liabilities related to derivative transactions

Ichthys LNG Pty Ltd ¥(4,872) million

The purpose of the above derivative transactions is to manage exchange fluctuation risk related to payments of development costs for the Ichthys LNG project, presenting the relevant gain (loss) on valuation.

(3) Completion guarantee

Effective from this fiscal year, in connection with the Ichthys LNG project financing, the Company and other project participants provide lenders with a liabilities guarantee during the construction phase based on each participating interest in addition to collateralizing its assets. (Completion guarantee)

The amount guaranteed by the Company at the end of this fiscal year was ¥128,863 million.

[Notes to Consolidated Statement of Changes in Net Assets]

1. Type and number of shares issued and treasury shares

	(Shares)			
	Balance as of April 1, 2012	Increase	Decrease	Balance as of March 31, 2013
Number of shares				
Common stock	3,655,809	—	—	3,655,809
Class A stock	1	—	—	1
Total	3,655,810	—	—	3,655,810
Treasury shares				
Common stock	4,916	—	—	4,916
Total	4,916	—	—	4,916

2. Dividends

(1) Cash dividends paid

Resolution	Type of share	Cash dividends paid (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders: June 26, 2012	Common stock	14,603	4,000	March 31, 2012	June 27, 2012
	Class A stock	0	4,000	March 31, 2012	June 27, 2012
Board of directors' meeting: November 6, 2012	Common stock	12,778	3,500	September 30, 2012	December 3, 2012
	Class A stock	0	3,500	September 30, 2012	December 3, 2012

[Translation for Reference Purposes Only]

(2) Dividends, whose record date was in the year ended March 31, 2013, and whose effective date will be in the next fiscal year

Resolution	Type of share	Source of dividends	Cash dividends paid (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders: June 25, 2013	Common stock	Retained earnings	12,778	3,500	March 31, 2013	June 26, 2013
	Class A stock	Retained earnings	0	3,500	March 31, 2013	June 26, 2013

[Translation for Reference Purposes Only]

[Notes to Financial Instruments]

1. Status of financial instruments

The Company raises funds for oil and gas development and production, construction or expansion of domestic pipelines and LNG receiving terminal primarily from cash flow on hand and from bank loans.

In line with the criteria for trading and credit exposure management, the Company properly analyzes the credit status of trading partners and reduction of default risks related to accounts receivable-trade of its clients. For marketable securities and investment securities exposed to market price fluctuation risk, analysis of market values is regularly reported to the Management Committee.

Although the Company generally borrows with variable interest rates, some loans are with fixed interest rates including interest rate swap transactions depending on the nature of each project. For exchange rate fluctuation risk related to assets and liabilities denominated in foreign currencies, the Company maintains the position between assets and liabilities in foreign currencies, and manages exchange fluctuation risk through derivative transactions such as foreign exchange forward transactions and others, as necessary, based on the Company's policy. For derivative transactions, the Company follows internal rules.

2. Fair value of financial instruments

Carrying value on the consolidated balance sheet as of March 31, 2013, fair value and the difference between them are as shown below.

	(Millions of yen)		
	Carrying value	Fair value	Difference
(1) Cash and deposits	483,814	483,847	32
(2) Accounts receivable-trade	117,411	117,411	—
(3) Marketable securities and investment securities	808,389	808,389	—
(4) Long-term time deposits	287,273	289,006	1,733
Total assets	1,696,887	1,698,654	1,766
(1) Short-term loans	8,560	8,507	(53)
(2) Long-term debt	466,908	456,403	(10,505)
Total liabilities	475,469	464,910	(10,558)
Derivatives*	31,329	31,329	—

*Net claims and debts arising from derivative transactions are presented on a net basis. In case the total amount is a debt amount, the above figure is negative.

Note 1: Methods of calculating the fair value of financial instruments

Assets

(1) Cash and deposits

The fair value of the current portion of long-term time deposits included in cash and deposits is calculated by the same method as (4) Long-term time deposits. Regarding other cash and deposits, because they are settled in a short period of time and their fair values are almost the same as their carrying values, the relevant carrying values are used.

(2) Accounts receivable-trade

Since this item is settled in a short period of time and its fair value is almost the same as its carrying value, the relevant carrying value is used.

(3) Marketable securities and investment securities

The fair value of shares is determined by the market prices of exchanges, and the fair value of bonds is determined by the market prices of exchanges or the prices presented by financial institutions.

(4) Long-term time deposits

The fair value of long-term time deposits is calculated by applying a discount rate to the total of principal and interest. The discount rate is based on the assumed interest rate if a similar new deposit is entered into.

Liabilities

(1) Short-term loans

The fair value of current portion of long-term debt included in short-term loans, is calculated by the same method as (2) Long-term debt. For the other short-term loans, the relevant carrying value is used since this item is settled in a short period of time and its market value is almost the same as the carrying value.

(2) Long-term debt

The fair value of long-term debt is calculated by applying a discount rate to the total of principal and interest. The discount rate is based on the assumed interest rate if a similar new loan is entered into.

Derivatives

The fair value of derivatives is calculated based on the price obtained from the counterparty financial institutions.

The fair value of derivatives to which a special treatment of interest rate swap transactions is applied is

[Translation for Reference Purposes Only]

included in the fair value of long-term debt, since the interest rate swap is processed together with long-term debt subject to hedging (refer to Liabilities (2) above).

Note 2: Unlisted securities (carrying value on the consolidated balance sheet: ¥30,728 million), preferred securities (carrying value on the consolidated balance sheet: ¥5,000 million), and stocks of subsidiaries and affiliates (carrying value on the consolidated balance sheet: ¥110,654 million) are assumed to have no market values and it is extremely difficult to determine their fair value. Accordingly, these financial instruments are not included in “Assets (3) Marketable securities and investment securities”. For shares of exploration companies among unlisted securities and stocks of subsidiaries and affiliates, the allowance is provided for investments in exploration at an estimated amount based on the financial position of the investees.

[Notes to Per Share Information]

1. Net assets excluding minority interests per share ¥679,639.63
2. Net income per share ¥50,114.22

[Translation for Reference Purposes Only]

[Notes to Significant Subsequent Events]

Stock Split and Adoption of Share Unit System

The Company, at the Board of Directors meeting held on May 10, 2013, resolved to conduct a stock split for its common stock and adopt a share unit system for its common stock and class A stock. The execution of the stock split and the adoption of the share unit system are subject to the approval thereof at the 7th Ordinary General Meeting of Shareholders which is scheduled for June 25, 2013 and the required general meeting of class A stock shareholders.

1. Purpose of the Stock Split and Adoption of the Share Unit System

The Company resolved to conduct a stock split at a rate of 400 shares per common stock for the purpose of increasing the number of investors by reducing the investment lot of shares for the Company's shares. This measure is aimed at improving the investment environment for a variety of investors, including individual investors, to facilitate their investments in the Company's stock in consideration of the price zone of stocks that is common among the listed companies on the First Section of the Tokyo Stock Exchange as an investment lot.

In addition, taking into account the guidelines indicated in "Action Plan for Consolidating Trading Units" issued by the Japanese stock exchanges, the Company intends to adopt the share unit system of which the number of the trading unit for common stock is 100. With these initiatives implemented, the amount per investment lot of the Company's shares will be one-fourth (1/4) compared with the necessary amount before the stock split is conducted and the share unit system is adopted.

Meanwhile, the stock split will not be conducted for class A stock (unlisted) for which the number of share units shall be one (1).

2. Outline of the Stock Split

(1) Stock splitting method

With Monday, September 30, 2013, as the record date, shares of common stock held by shareholders whose names are registered or recorded in the last shareholders' register as of the same date shall be split at a rate of 400 shares per common stock.

(2) Number of shares to be increased through the stock split

Total number of issued shares before the stock split	Common stock:	3,655,809
	Class A stock :	1
	Total:	3,655,810
Number of shares to be increased by the stock split	Common stock:	1,458,667,791
Total number of issued shares after the stock split	Common stock:	1,462,323,600
	Class A stock:	1
	Total:	1,462,323,601
Total number of shares authorized to be issued after the stock split	Common stock:	3,600,000,000
	Class A stock:	1
	Total:	3,600,000,001

(3) Schedule for the stock split

Date of public notice of the record date:	Friday, September 13, 2013
Record date:	Monday, September 30, 2013
Effective date:	Tuesday, October 1, 2013

3. Adoption of the Share Unit System

(1) Number of share unit to be newly established

The Company will adopt the share unit system as of the effective date stated in "2. Outline of the Stock Split" above, according to which the share unit number for common stock shall be 100 and that for class A stock shall be one (1).

(2) Schedule for the new establishment

Effective date: Tuesday, October 1, 2013

(Reference)

The trading unit of the Company's shares at the Tokyo Stock Exchange will be changed from one (1) to 100 as of Thursday, September 26, 2013.

[Translation for Reference Purposes Only]

4. Other

Had the stock split been made at the beginning of the fiscal year ended March 31, 2013, the per share information for this fiscal year would be as follows:

Net assets excluding minority interests per share:	¥1,699.10
Net income per share:	¥125.29

[Translation for Reference Purposes Only]

Non-Consolidated Balance Sheet

Unit: millions of yen (Amounts truncated to millions of yen)

Accounts	As of March, 31, 2013	Accounts	As of March, 31, 2013
(Assets)		(Liabilities)	
Current assets	824,389	Current liabilities	891,725
Cash and deposits	430,958	Accounts payable-trade	3,524
Accounts receivable-trade	28,442	Current portion of long-term debt	3,616
Marketable securities	272,080	Lease obligations	43
Finished goods	2,516	Accounts payable-other	32,136
Work in process and partly-finished construction	55	Accrued expenses	2,863
Raw materials and supplies	1,628	Income taxes payable	18,428
Advance payments-trade	15	Deferred tax liabilities	597
Prepaid expenses	738	Advances received	86
Short-term loans receivable from subsidiaries and affiliates	45,213	Deposits payable	367
Other	45,055	Deposits received from subsidiaries and affiliates	797,757
Allowance for doubtful accounts	(2,315)	Accrued bonuses to officers	110
		Asset retirement obligations	845
		Other	31,345
Fixed assets	2,353,227		
Tangible fixed assets	235,708	Long-term liabilities	189,764
Buildings	9,556	Long-term debt	153,671
Structures	86,765	Lease obligations	114
Wells	1,786	Deferred tax liabilities	5,973
Machinery and equipment	25,487	Accrued retirement benefits to employees	8,156
Vehicles	39	Provision for loss on business	3,705
Tools, furniture and fixtures	1,605	Provision for loss on business of subsidiaries and affiliates	14,509
Land	16,769	Asset retirement obligations	2,219
Leased assets	152	Other	1,414
Construction in progress	93,545		
		Total liabilities	1,081,489
Intangible assets	94,012	(Net assets)	
Goodwill	90,388	Shareholders' equity	2,061,300
Mining right	0	Common stock	290,809
Software	2,020	Capital surplus	1,023,802
Other	1,603	Legal capital surplus	1,023,802
		Retained earnings	751,936
Investments and other assets	2,023,506	Other retained earnings	751,936
Investment securities	527,778	Reserve for special depreciation	647
Investments in stock of subsidiaries and affiliates	1,188,459	Reserve for overseas investment loss	38,603
Investments in capital	0	Mine prospecting reserve	8,581
Investments in capital of subsidiaries and affiliates	0	Retained earnings brought forward	704,104
Long-term loans receivable	2	Treasury stock	(5,248)
Long-term loans receivable from employees	22	Valuation, translation adjustments and others	34,827
Long-term loans receivable from subsidiaries and affiliates	85,872	Unrealized holding gain on securities	34,827
Long-term prepaid expenses	550		
Long-term time deposits	287,273		
Recoverable accounts under production sharing	110,072		
Other	18,596		
Allowance for doubtful accounts	(97)		
Allowance for recoverable accounts under production sharing	(673)		
Allowance for investments in exploration	(194,348)		
		Total net assets	2,096,127
Total assets	3,177,617	Total liabilities and net assets	3,177,617

[Translation for Reference Purposes Only]

Non-Consolidated Statement of Income

Unit: millions of yen (Amounts truncated to millions of yen)

Accounts	For the year ended March 31, 2013	
Net sales		399,496
Cost of sales		173,695
Gross profit		225,800
Exploration expenses		175
Selling, general and administrative expenses		44,347
Operating income		181,278
Other income		
Interest income	4,557	
Interest income on securities	2,099	
Dividend income	69,276	
Foreign exchange gain	20,849	
Other	5,192	101,975
Other expenses		
Interest expense	2,000	
Provision of allowance for investment loss in exploration	23,402	
Provision for loss on business	3,705	
Provision for loss on business of subsidiaries and affiliates	2,526	
Other	4,249	35,885
Ordinary income		247,369
Income before income taxes		247,369
Income taxes-current	99,192	
Income taxes-deferred	1,087	100,279
Net income		147,090

[Translation for Reference Purposes Only]

Non-Consolidated Statement of Changes in Net Assets

(For the year ended March 31, 2013)

Unit: millions of yen (Amounts truncated to millions of yen)

	Shareholders' equity									Valuation, translation adjustments and others	Total net assets
	Common stock	Capital surplus	Retained earnings					Treasury stock	Total shareholders' equity	Unrealized holding gain on securities	
		Legal capital surplus	Other retained earnings				Total retained earnings				
			Reserve for special depreciation	Reserve for overseas investment loss	Mine prospecting reserve	Retained earnings brought forward					
Balance as of April 1, 2012	290,809	1,023,802	—	40,869	9,291	582,067	632,227	(5,248)	1,941,592	7,198	1,948,790
Changes during the period											
Provision of reserve for special depreciation			647			(647)	—				—
Reversal of reserve for overseas investment loss				(2,266)		2,266	—				—
Provision of mine prospecting reserve					8,560	(8,560)	—				—
Reversal of mine prospecting reserve					(9,269)	9,269	—				—
Cash dividends paid						(27,381)	(27,381)		(27,381)		(27,381)
Net income						147,090	147,090		147,090		147,090
Other changes in items other than those in shareholders' equity, net										27,628	27,628
Total changes during the period	—	—	647	(2,266)	(709)	122,037	119,708	—	119,708	27,628	147,337
Balance as of March 31, 2013	290,809	1,023,802	647	38,603	8,581	704,104	751,936	(5,248)	2,061,300	34,827	2,096,127

[Translation for Reference Purposes Only]

Notes to Non-Consolidated Financial Statements

[Significant Accounting Policies]

1. Valuation method for assets
 - (1) Valuation method for securities
 - Shares of subsidiaries and affiliates Stated at cost determined by the moving-average method
 - Other securities
 - With a determinable market value Stated at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Cost of securities sold is determined by the moving-average method.
 - Without a determinable market value Stated at cost determined by the moving-average method
 - (2) Valuation method for derivatives
 - Derivatives Fair value
 - (3) Valuation method for inventories
 - Finished goods, raw materials and supplies Determined by the moving-average method
 - Work in process and partly-finished construction Stated at identified cost method
2. Depreciation method of fixed assets
 - Tangible fixed assets (except leased assets)
 - Straight-line method of depreciation is applied.
 - Useful lives of significant fixed assets are as follows:
 - Buildings 2-50 years
 - Structures 2-60 years
 - Wells 3 years
 - Machinery and equipment 2-22 years
 - Intangible assets (except leased assets) Straight-line method of amortization is applied.
 - Leased assets Goodwill is amortized over 20 years.
Software for internal use is amortized over 5 years.
Depreciation of leased assets for financing lease transactions whose ownership are not to be transferred is calculated based on the straight-line method over the lease period assuming no residual value.
3. Basis for allowances
 - Allowance for doubtful accounts Allowance for doubtful accounts is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers which are experiencing financial difficulties.
 - Allowance for recoverable accounts under production sharing Allowance for recoverable accounts under production sharing is provided for probable losses on specific investments made under production sharing contracts.
 - Allowance for investments in exploration Allowance for investments in exploration is provided for future potential losses on investments in exploration companies at an estimated amount based on the net assets of the investees.
 - Accrued bonuses to officers Accrued bonuses to officers are provided at expected payment amount for this fiscal year.

[Translation for Reference Purposes Only]

Accrued retirement benefits to employees	Accrued retirement benefits to employees are provided at the amount calculated based on the expected retirement benefit obligation and the estimated value of pension plan assets at the end of this period. Actuarial gains and losses are charged or credited to income as incurred.
Provision for loss on business	Provision for loss on business is provided for future potential losses on the development, production and sales of crude oil and natural gas conducted by the Company at an estimated amount based on the situation of each business.
Provision for loss on business of subsidiaries and affiliates	Provision for loss on business of subsidiaries and affiliates is provided for future potential losses on business operations of subsidiaries and affiliates at an estimated amount based on the financial positions of these companies.
4. Accounting for hedge transactions	
Hedge accounting	The special treatment is applied to interest rate swaps.
Hedging instruments and hedged items	Hedging instruments: Interest rate swap transactions Hedged items: Interest payments on borrowings
Hedging policy	The nominal amount of the derivative transaction is limited to within the scope of actual demand, and the Company does not engage in speculative derivative transactions.
Hedge effectiveness assessment method	Since the special treatment is applied, the Company does not perform hedge effectiveness assessment.
5. Other basis of presenting non-consolidated financial statements	
Consumption tax	Transactions subject to the consumption tax are recorded at amounts exclusive of the consumption tax.
Recoverable accounts under production sharing	Cash investments made by the Company during exploration, development and production phases under a production sharing contract are recorded as “Recoverable accounts under production sharing” so long as they are recoverable under the terms of the relevant contract. When the Company receives crude oil and natural gas in accordance with the contract, an amount corresponding to the purchase costs of the products (i.e., a cost recovery portion of the investments) is released from this account.

[Changes in the Presentation]

“Short-term loans receivable from subsidiaries and affiliates,” which had been included in “Other” in current assets at the end of the previous fiscal year, has been separately presented at the end of this fiscal year because the amount became significant.

[Translation for Reference Purposes Only]

[Notes to Non-Consolidated Balance Sheet]

1. Assets provided as collateral and collateral-backed debt are as follows:

		Millions of yen
	(Collateralized assets)	
Buildings	1,056	(1,056)
Structures	1,023	(1,023)
Wells	1,213	(1,213)
Machinery and equipment	8,973	(8,973)
Investment securities	7,395	(—)
Other (investments and other assets)	226	(—)
Total	19,889	(12,267)

		Millions of yen
	(Secured debt)	
Accounts payable-other	385	(—)
Long-term debt (including current portion)	2,434	(2,383)
Others (long-term liabilities)	16	(—)
Total	2,836	(2,383)

Amounts in parentheses () above represent foundation collateral and liabilities.

In addition, investment securities of ¥6,536 million are pledged as collateral for the payment extension of the gasoline tax and the local road tax of the subsidiaries.

2. Accumulated depreciation

Accumulated depreciation of tangible fixed assets is ¥211,879 million.

[Translation for Reference Purposes Only]

3. Contingent liabilities

(1) The Company is contingently liable as a guarantor of indebtedness of the following:

	Millions of yen
INPEX North Caspian Sea, Ltd.	85,732
Tanggung Trustee*	15,463
Fujian Tranche*	5,481
INPEX Trading, Ltd.	5,351
Sakhalin Oil and Gas Development Co., Ltd.	3,460
INPEX Offshore North Campos, Ltd.	1,969
Employees (housing loans)	153
Teiseki Topping Plant Co., Ltd.	60
Total	117,672

*Debt for investment funds of the Tangguh LNG project through MI Berau B.V. and MI Berau Japan Ltd.

(2) Guarantee of contingent liabilities related to derivative transactions

Ichthys LNG Pty Ltd ¥(4,872) million

The purpose of the above derivative transactions is to manage exchange fluctuation risks related to payments of development costs for the Ichthys LNG project, presenting the relevant gain (loss) on valuation.

(3) Completion guarantee

Effective from this fiscal year, in connection with the Ichthys LNG project financing, the Company and other project participants provide lenders with a liabilities guarantee during the construction phase based on each participating interest. (Completion guarantee)

The amount guaranteed by the Company at the end of this fiscal year was ¥128,863 million.

4. Monetary assets and liabilities from/to subsidiaries and affiliates

	Millions of yen
Short-term monetary assets from subsidiaries and affiliates	54,308
Long-term monetary assets from subsidiaries and affiliates	85,872
Short-term monetary liabilities to subsidiaries and affiliates	805,640
Long-term monetary liabilities to subsidiaries and affiliates	30

[Notes to Non-Consolidated Statement of Income]

Transactions with subsidiaries and affiliates

	Millions of yen
Operating transactions	
Net sales	51,986
Purchases	1,487
Other operating transactions	14,002
Transactions other than operating transactions	71,388

[Notes to Non-Consolidated Statement of Changes in Net Assets]

Type and number of treasury shares at end of this period

	Shares
Common stock	4,916

[Translation for Reference Purposes Only]

[Notes to Tax Effect Accounting]

Significant components of deferred tax assets and liabilities

	Millions of yen
Deferred tax assets	
Allowance for investments in exploration	59,878
Loss on valuation of investment securities	3,164
Loss on revaluation of land	3,959
Accrued retirement benefits to employees	2,510
Provision for loss on business	1,140
Provision for loss on business of subsidiaries and affiliates	4,465
Asset retirement obligations	964
Accrued bonuses to employees	752
Allowance for recoverable accounts under production sharing	207
Other	8,672
Total deferred tax assets	<u>85,715</u>
Valuation allowance	<u>(83,695)</u>
Total deferred tax assets	2,020
Deferred tax liabilities	
Unrealized holding gain on securities	1,420
Reserve for overseas investment loss	5,376
Translation differences due to an application of purchase accounting method	1,303
Mine prospecting reserve	401
Other	89
Total deferred tax liabilities	<u>8,591</u>
Net deferred tax liabilities	<u>6,571</u>

[Translation for Reference Purposes Only]

[Notes to Transactions with Related Parties]

Type	Name of related party	Voting interest (Owned)	Description of the business relationship	Transaction detail	Amounts (Millions of yen)	Accounts	Balance (Millions of yen)
Subsidiary	INPEX Trading, Ltd.	Directly 100.00% (Owned) -%	Serve the officer concurrently, capital subscription	Sales of crude oil (*1)	50,167	Accounts receivable-trade	5,138
	INPEX North Caspian Sea, Ltd.	Directly 45.00% (Owned) -%	Serve the officer concurrently, capital subscription	Loans of funds (denominated in US\$) (*2)	33,297 (in millions of US\$) 412	—	—
				Loans of funds (*3)	—	Long-term loans receivable	39,852
				Loans of funds (denominated in US\$) (*4)	—	Short-term loans receivable	1,084 (in millions of US\$) 11
						Long-term loans receivable	25,072 (in millions of US\$) 266
				Loans of funds (denominated in US\$) (*5)	13,637 (in millions of US\$) 146	Long-term loans receivable	13,797 (in millions of US\$) 146
				Guarantee (*6)	85,732	—	—
	INPEX Browse, Ltd.	Directly 99.95% Indirectly 0.05% (Owned) -%	Serve the officer concurrently, capital subscription	Investment in additional shares (*7)	284,000	—	—
	Japan Oil Development Co., Ltd.	Directly 100.00% (Owned) -%	Serve the officer concurrently, capital subscription	Cash management(*8)	—	Deposits received from subsidiaries and affiliates	86,681
	INPEX Southwest Caspian Sea, Ltd.	Directly 51.00% (Owned) -%	Serve the officer concurrently, capital subscription	Cash management(*8)	—	Deposits received from subsidiaries and affiliates	107,435
	INPEX Holdings Australia Pty Ltd	Indirectly 100.00% (Owned) -%	Serve the officer concurrently	Cash management(*8)	—	Deposits received from subsidiaries and affiliates	468,578
	INPEX Oil & Gas Australia Pty Ltd	Directly 100.00% (Owned) -%	Serve the officer concurrently, capital subscription	Loans of funds (denominated in US\$) (*9)	58,942 (in millions of US\$) 744	—	—
				Investment in additional shares (*10)	107,567	—	—
	INPEX Gas British Columbia Ltd.	Directly 45.09% (Owned) -%	Serve the officer concurrently, capital subscription	Loans of funds (denominated in US\$) (*11)	63,029 (in millions of US\$) 762	Short-term loans receivable	5,660 (in millions of US\$) 60
Investment in additional shares (*12)				37,210	—	—	
INPEX Angola Block 14 Ltd.	Directly 100.00% (Owned) -%	Serve the officer concurrently, capital subscription	Investment in additional shares (*13)	43,790	—	—	
Affiliate	Ichthys LNG Pty Ltd	Indirectly 66.07% (Owned) -%	Serve the officer concurrently	Guarantee (*14)	128,863	—	—

[Translation for Reference Purposes Only]

- Note 1: The Company sells crude oil to INPEX Trading, Ltd. based on its market price, in accordance with the sales of crude oil contract.
- Note 2: The Company determines the interest rate based on its market interest rates upon loans of funds (denominated in US\$) in a reasonable and appropriate manner. There is no loan balance as of the end of this period because the loan was repaid on February 28, 2013. The Company did not accept any collateral.
- Note 3: The Company determines the interest rate based on its market interest rates upon loans of funds (denominated in JPY) in a reasonable and appropriate manner. The contract due date and the payment due date are December 17, 2024. The Company did not accept any collateral.
- Note 4: The Company determines the interest rate based on its market interest rates upon loans of funds (denominated in US\$) in a reasonable and appropriate manner. The contract due date and the payment due date are December 17, 2019. The Company did not accept any collateral.
- Note 5: The Company determines the interest rate based on its market interest rates upon loans of funds (denominated in US\$) in a reasonable and appropriate manner. The contract due date and the payment due date are December 17, 2028. The Company did not accept any collateral.
- Note 6: This refers to the guarantee that was set against the loans from financial institutions as a fund for business development. Amount of transactions represents the balance of guarantees at the end of this period.
- Note 7: This refers to the investment by the Company in the rights issue undertaken by INPEX Browse, Ltd. at the price of ¥50,000 per share.
- Note 8: The Company adopts a cash management system (hereinafter “CMS”) for the purpose of efficient fund management within the Group. The amount of funds transactions through the CMS are not stated above because it is difficult to identify the amounts by transaction detail. The Company determines the interest rate based on its market interest rate.
- Note 9: The Company determines the interest rate based on its market interest rates upon loans of funds (denominated in US\$) in a reasonable and appropriate manner. There is no loan balance as of the end of this period because the loan was repaid on December 27, 2012. The Company did not accept any collateral.
- Note 10: This refers to the investment by the Company in the rights issue undertaken by INPEX Oil & Gas Australia Pty Ltd at the price of US\$1 per share.
- Note 11: The Company determines the interest rate based on its market interest rates upon loans of funds (denominated in US\$) in a reasonable and appropriate manner. The contract due date and the payment due date are January 31, 2014. The Company did not accept any collateral.
- Note 12: This refers to the investment by the Company in the rights issue undertaken by INPEX Gas British Columbia Ltd. at the price of Canadian \$1 per share.
- Note 13: This refers to the investment by the Company in the rights issue undertaken by INPEX Angola Block 14 Ltd. at the price of US\$1,000 per share.
- Note 14: This refers to the completion guarantee provided to lenders based on each participating interest of the Company in connection with the Ichthys LNG project financing. Amount of transactions represents the balance of guarantees provided by the Company at the end of this period.

[Translation for Reference Purposes Only]

[Notes to Per Share Information]

1. Net assets per share	¥574,140.93
2. Net income per share	¥40,288.77

[Notes to Significant Subsequent Events]

Stock Split and Adoption of Share Unit System

The Company, at the Board of Directors meeting held on May 10, 2013, resolved to conduct a stock split for its common stock and adopt a share unit system for its common stock and class A stock. The execution of the stock split and the adoption of the share unit system are subject to the approval thereof at the 7th Ordinary General Meeting of Shareholders which is scheduled for June 25, 2013 and the required general meeting of class A stock shareholder.

1. Purpose of the Stock Split and Adoption of the Share Unit System

The Company resolved to conduct a stock split at a rate of 400 shares per common stock for the purpose of increasing the number of investors by reducing the investment lot of shares for the Company's shares. This measure is aimed at improving the investment environment for a variety of investors, including individual investors, to facilitate their investments in the Company's stock in consideration of the price zone of stocks that is common among the listed companies on the First Section of the Tokyo Stock Exchange as an investment lot.

In addition, taking into account the guidelines indicated in "Action Plan for Consolidating Trading Units" issued by the Japanese stock exchanges, the Company intends to adopt the share unit system of which the number of the trading unit for common stock is 100. With these initiatives implemented, the amount per investment lot of the Company's shares will be one-fourth (1/4) compared with the necessary amount before the stock split is conducted and the share unit system is adopted.

Meanwhile, the stock split will not be conducted for class A stock (unlisted) for which the number of share units shall be one (1).

2. Outline of the Stock Split

(1) Stock splitting method

With Monday, September 30, 2013, as the record date, shares of common stock held by shareholders whose names are registered or recorded in the last shareholders' register as of the same date shall be split at a rate of 400 shares per common stock.

(2) Number of shares to be increased through the stock split

Total number of issued shares before the stock split	Common stock:	3,655,809
	Class A stock :	1
	Total:	3,655,810
Number of shares to be increased by the stock split	Common stock:	1,458,667,791
Total number of issued shares after the stock split	Common stock:	1,462,323,600
	Class A stock:	1
	Total:	1,462,323,601
Total number of shares authorized to be issued after the stock split	Common stock:	3,600,000,000
	Class A stock:	1
	Total:	3,600,000,001

(3) Schedule for the stock split

Date of public notice of the record date:	Friday, September 13, 2013
Record date:	Monday, September 30, 2013
Effective date:	Tuesday, October 1, 2013

3. Adoption of the Share Unit System

(1) Number of share unit to be newly established

The Company will adopt the share unit system as of the effective date stated in "2. Outline of the Stock Split" above, according to which the share unit number for common stock shall be 100 and that for class A stock shall be one (1).

(2) Schedule for the new establishment

Effective date:	Tuesday, October 1, 2013
-----------------	--------------------------

(Reference)

The trading unit of the Company's shares at the Tokyo Stock Exchange will be changed from one (1) to 100 as of

[Translation for Reference Purposes Only]

Thursday, September 26, 2013.

4. Other

Had the stock split been made at the beginning of the fiscal year ended March 31, 2013, the per share information for this fiscal year would be as follows:

Net assets per share:	¥1,435.35
Net income per share:	¥100.72

Independent Auditor's Report

May 10, 2013

The Board of Directors
INPEX CORPORATION

Ernst & Young ShinNihon LLC

Kazuhiko Umemura
Certified Public Accountant
Designated and Engagement Partner

Satoshi Takahashi
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of INPEX CORPORATION (the "Company") applicable to the 7th fiscal year from April 1, 2012 through March 31, 2013.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the INPEX Group, which consisted of the Company and consolidated subsidiaries, applicable to the 7th fiscal year ended March 31, 2013 in conformity with accounting principles generally accepted in Japan.

[Translation for Reference Purposes Only]

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Independent Auditor's Report

May 10, 2013

The Board of Directors
INPEX CORPORATION

Ernst & Young ShinNihon LLC

Kazuhiko Umemura
Certified Public Accountant
Designated and Engagement Partner

Satoshi Takahashi
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of INPEX CORPORATION (the "Company") applicable to the 7th fiscal year from April 1, 2012 through March 31, 2013.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

[Translation for Reference Purposes Only]

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of INPEX CORPORATION applicable to the 7th fiscal year ended March 31, 2013 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Audit Report

With respect to the Directors' performance of their duties during the 7th business year (from April 1, 2012 to March 31, 2013), the Board of Statutory Auditors has prepared this audit report, and hereby report as follows:

1. Method and Contents of Audit by Statutory Auditors and the Board of Statutory Auditors

The Board of Statutory Auditors has established the audit policies, assignment of duties, etc. and received a report from each Statutory Auditor regarding the status of implementation of their audits and results thereof. In addition, the Board of Statutory Auditors has received reports from the Directors, etc., and the accounting auditor regarding the status of performance of their duties, and requested explanations as necessary.

In conformity with each Statutory Auditor, auditing standards established by the Board of Statutory Auditors, and in accordance with the audit policies and assignment of duties, etc., each Statutory Auditor endeavored to facilitate a mutual understanding with the Directors, the internal audit division and other employees, etc., endeavored to collect information and maintain and improve the audit environment, has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and other employees, etc. and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets. Also, each Statutory Auditor received periodic reports from Directors and employees, etc. on the status of developments and operations concerning the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties complied with all laws, regulations and the articles of incorporation of the company and other systems that are set forth in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a stock company, and the systems (internal control systems) based on such resolutions, described in the business report, requested explanations as necessary and expressed its opinion. Furthermore, each Statutory Auditor received reports from the Directors, etc. and Ernst & Young ShinNihon LLC concerning the evaluation and audit of the internal controls relating to financial reporting, and requested explanations as necessary. The contents of the basic policies set forth in Article 118, item 3, sub-item (a) of the Ordinance for Enforcement of the Companies Act of Japan and undertakings set forth in the same item 1, sub-item (b) of said article, as described in the business report, were also considered in light of the circumstances, etc. of deliberations by the Board of Directors and other bodies. With respect to the subsidiaries, each Statutory Auditor endeavored to facilitate a mutual understanding and exchanged information with the Directors and Statutory Auditors, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary. Based on the above-described methods, each Statutory Auditor examined the business report and annexed specifications for the business year under consideration.

In addition, each Statutory Auditor monitored and verified whether the accounting auditor maintained its independence and properly conducted its audit, received a report from the accounting auditor on the status of its performance of duties, and requested explanations as necessary. Each Statutory Auditor was notified by the accounting auditor that it had established a "system to ensure that the performance of the duties of the accounting auditor was properly conducted" (the matters listed in the items of Article 131 of the Company Accounting Regulations) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005), and requested explanations as necessary. Based on the above-described methods, each Statutory Auditor examined the accounting documents (balance sheet, profit and loss statement, shareholders' equity variation statement, and schedule of individual notes) and the annexed specifications thereto, as well as the consolidated accounting documents (consolidated balance sheet, consolidated profit and loss statement, consolidated shareholders' equity variation statement, and schedule of consolidated notes), for the business year under consideration.

[Translation for Reference Purposes Only]

2. Results of Audit

(1) Results of Audit of Business Report, etc.

- (i) We acknowledge that the business report and the annexed specifications thereto fairly present the status of the company in conformity with the applicable laws and regulations and the articles of incorporation of the company.
- (ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the articles of incorporation of the company was found with respect to the Directors' performance of their duties.
- (iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the business report concerning the internal control systems and the Directors' performance of their duties. In addition, with respect to internal controls over financial reporting, at the time of preparation of this audit report, we received a report from both the Directors, etc., and Ernst & Young ShinNihon LLC that states that the said controls were effective.
- (iv) We did not find any matter to be mentioned with respect to the basic policies, described in the business report, concerning control of the corporation. Undertakings, described in the business report, set forth in Article 118, item 3, sub-item (b) of the Ordinance for Enforcement of the Companies Act of Japan are in line with the basic policies, do not impair the common interests of the company's shareholders, and are not directed to the purpose of maintaining the status of the company's officers.

(2) Results of Audit of Accounting Documents and their Annexed Specifications

We acknowledge that the methods and results of audit performed by the accounting auditor, Ernst & Young ShinNihon LLC, are appropriate.

(3) Results of Audit of Consolidated Accounting Documents

We acknowledge that the methods and results of audit performed by the accounting auditor, Ernst & Young ShinNihon LLC, are appropriate.

May 17, 2013

The Board of Statutory Auditors, INPEX Corporation

Statutory Auditor:	Yoshitsugu Takai (Seal)
Outside Statutory Auditor:	Haruhito Totsune (Seal)
Outside Statutory Auditor:	Koji Sumiya (Seal)
Outside Statutory Auditor (part-time):	Hiroshi Sato (Seal)
Outside Statutory Auditor (part-time):	Masaru Funai (Seal)