

**[Translation for Reference Purposes Only]**

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Securities Code: 1605  
June 3, 2014

**To Those Shareholders with Voting Rights**

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

**NOTICE OF THE 8<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

You are cordially invited to attend the 8<sup>th</sup> 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 5-25) before exercising your voting rights.

[Voting in writing]

Please carefully read the “Procedures to Exercise Your Voting Rights” (pages 3-4 of this document), indicate your votes for or against each of the proposals on the enclosed Voting Rights Exercise Form and return the form for arrival no later than the close of business (5:25 p.m.) on Tuesday, June 24, 2014.

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

Please carefully read the “Procedures to Exercise Your Voting Rights” (pages 3-4 of this document) and enter your votes for or against each of the proposals by the close of business (5:25 p.m.) of Tuesday, June 24, 2014.

- 1. Date and Time:** Wednesday, June 25, 2014 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 8<sup>th</sup> Fiscal Year (from April 1, 2013 to March 31, 2014) 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 8<sup>th</sup> Fiscal Year (from April 1, 2013 to March 31, 2014)
  - Proposals to be resolved:**
    - Proposal No. 1:** Appropriation of Surplus
    - Proposal No. 2:** Election of Sixteen Directors
    - Proposal No. 3:** Payment of Bonuses to Directors

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**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, 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.

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- 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/>).

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**Procedures to Exercise Voting Rights**

At INPEX CORPORATION, you may exercise your voting rights in writing (on the Voting Rights Exercise Form) or by electromagnetic means (via the Internet, etc.).

If you attend the 8<sup>th</sup> Ordinary General Meeting, neither procedure of sending your Voting Rights Exercise Form by writing nor via electromagnetic means is necessary.

**Exercise of Voting Rights by Attending the Ordinary General Meeting**

Please bring the enclosed Voting Rights Exercise Form, and submit the form at the reception desk.

**Exercise of Voting Rights in Writing (on the Voting Rights Exercise Form)**

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.) on Tuesday, June 24, 2014. In case there is no indication of your vote for or against a proposal, such a missing vote is treated as a vote “for” the proposal.

**Exercise of Voting Rights by Electromagnetic Means (via the Internet)**

To exercise your voting rights via the Internet, please carefully read “Items Required to be Agreed on for the Exercise of Voting Rights via the Internet” on the next page and exercise your voting rights no later than the close of business (5:25 p.m.) on Tuesday, June 24, 2014.

If you have any questions, please contact the Internet Help Dial indicated at the “Inquiries Concerning Voting Rights via the Internet” on the next page.

For Institutional Investors:

Institutional investors may use the “Voting Rights Electronic Exercise Platform” operated by ICJ Co., Ltd.

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

1. You may exercise your voting rights via the Internet only through the Web site for exercising voting rights specified by the Company (see 1. of “Specific Procedures to Exercise Your Voting Rights via the Internet” 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. 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.
4. 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.
5. The cost of Internet access (access fees to providers, telecommunications fees, etc.) shall be borne by the shareholder.

**Specific Procedures to Exercise Your Voting Rights via the Internet**

1. Access the Web site for exercising voting rights specified by the Company (<http://www.it-soukai.com/>).  
Note: The above Web site address is different from that for the previous year.
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.  
Note: To ensure security, you will need to change the password at the initial log-in.
3. Exercise your voting rights by following the directions on the screen.

**System Requirements**

Personal Computer	Windows® computer
Browser	Microsoft® Internet Explorer 5.01SP2 or higher
Internet Environment	Internet access such as through a contract with an Internet service provider
Monitor Resolution	800×600 dots (SVGA) or higher is recommended.

\*Microsoft® and Internet Explorer are registered trademarks or trademarks of Microsoft Corporation in the United States and other countries.

**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.”

**Inquiries Concerning Exercise of Voting Rights via the Internet**

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)
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- 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 8<sup>th</sup> 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	9 yen
Amount per Class A stock	3,600 yen
Total amount of dividend	13,143,218,400 yen
- 3) Effective date of distribution of surplus  
June 26, 2014

The Company conducted a stock split at a ratio of 1:400 of its common stock on October 1, 2013. If adjusted to reflect the number of shares prior to the stock split, the amount of the year-end dividend would be ¥3,600.

The total amount of dividends, including the interim dividend already paid totaling ¥13,143,218,400 (¥3,600 per share if adjusted to reflect the number of shares prior to the stock split), is ¥26,286,436,800 (¥7,200 per share if adjusted to reflect the number of shares prior to the stock split).

Note: A stock split was not implemented for the Class A stock of the Company. The amount of the year-end dividend of the Class A stock was determined by multiplying the year-end dividend of common share of the Company by 400, resulting in an amount equivalent to the dividend of common share prior to the stock split, as specified in the Company's Articles of Incorporation.

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**Proposal No. 2: 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. 1	<b>Naoki Kuroda</b> (Date of birth: December 18, 1940)	Reappointment
Number of common shares of the Company held by the candidate: 29,000 shares  Term of office as Director: 8 years  Attendance at Board of Directors meetings in fiscal 2013: 15 out of 15 (100%)	<b>Career summary and position</b>	
	April 1963	Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)
	June 1992	Director-General for the Agency of Natural Resources and Energy
	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.)
	August 1995	Advisor to Sumitomo Corporation
June 1996	Managing Executive Director of Sumitomo Corporation	
June 1999	Director of Indonesia Petroleum, Ltd. (INPEX Corporation)	
April 2001	Representative Director, Executive Vice President of Sumitomo Corporation	
August 2004	Senior Advisor to Sumitomo Corporation	
September 2004	Representative Director, Executive Senior Vice President of INPEX Corporation	
June 2005	Representative Director, President of INPEX Corporation	
April 2006	Representative Director, President of INPEX Holdings Inc. (currently the Company)	
June 2010	Representative Director, Chairman, the Company (incumbent)	
	<b>Significant concurrently-held positions</b>	
	Representative Director	
	INPEX Natuna Ltd., INPEX Masela, Ltd., INPEX Browse, Ltd., INPEX North Caspian Sea, Ltd., INPEX Southwest Caspian Sea, Ltd.	
	The above companies in which Mr. Kuroda holds significant concurrently held positions are the Company's subsidiaries, all of which have been established as legal entities for acquiring participating interests in blocks and promoting projects.	
	<b>Special remarks concerning the candidate for Director</b>	
	Special interest between the Company and the candidate	
	There is no special interest between Mr. Kuroda and the Company.	

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No. 2	<p><b>Masatoshi Sugioka</b> (Date of birth: January 1, 1945)</p>	Reappointment
<p>Number of common shares of the Company held by the candidate: 31,000 shares</p> <p>Term of office as Director: 8 years</p> <p>Attendance at Board of Directors meetings in fiscal 2013: 14 out of 15 (93%)</p>	Career summary and position	
	April 1968	Joined Teikoku Oil Co., Ltd.
	April 1994	General Manager of Engineering Department of Teikoku Oil Co., Ltd.
	March 1995	Senior General Manager of Teikoku Oil Co., Ltd.
	March 1996	Director of Teikoku Oil Co., Ltd.
March 1999	Managing Director of Teikoku Oil Co., Ltd.	
March 2002	Senior Managing Director of Teikoku Oil Co., Ltd.	
March 2005	Representative Director, President of Teikoku Oil Co., Ltd.	
April 2006	Representative Director of INPEX Holdings Inc. (currently the Company)	
October 2008	Representative Director, Chief Technical Executive, HSE and Compliance of the Company	
June 2010	Representative Director, Vice Chairman, Chief Technical Executive, in charge of HSE and Compliance of the Company (incumbent)	
Significant concurrently-held positions		
<p>Representative Director INPEX Natuna Ltd., INPEX Masela, Ltd., INPEX Browse, Ltd., INPEX North Caspian Sea, Ltd., INPEX Southwest Caspian Sea, Ltd.</p> <p>The above companies in which Mr. Sugioka holds significant concurrently-held positions are the Company's subsidiaries, all of which have been established as legal entities for acquiring participating interest in blocks and promoting projects.</p>		
Special remarks concerning the candidate for Director		
<p>Special interest between the Company and the candidate There is no special interest between Mr. Sugioka and the Company.</p>		

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No. 3	<p><b>Toshiaki Kitamura</b> (Date of birth: November 15, 1948)</p>	Reappointment
<p>Number of common shares of the Company held by the candidate: 18,700 shares</p> <p>Term of office as Director: 4 years</p> <p>Attendance at Board of Directors meetings in fiscal 2013: 15 out of 15 (100%)</p>	Career summary and position	
	April 1972	Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)
	July 2002	Director-General, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry
	July 2003	Director-General, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry
	June 2004	Director-General, Trade Policy Bureau, Ministry of Economy, Trade and Industry
	July 2006	Vice-Minister for International Affairs, Ministry of Economy, Trade and Industry
	November 2007	Adviser to Tokio Marine & Nichido Fire Insurance Co., Ltd.
April 2008	Visiting Professor of Waseda University Graduate School	
August 2009	Executive Vice President of the Company	
June 2010	Representative Director, President & CEO of the Company (incumbent)	
Significant concurrently-held positions		
<p>Representative Director, President &amp; CEO INPEX Natuna Ltd., INPEX Masela, Ltd., INPEX Browse, Ltd., INPEX North Caspian Sea, Ltd., INPEX Southwest Caspian Sea, Ltd. The above companies in which Mr. Kitamura holds significant concurrently-held positions are the Company's subsidiaries, all of which have been established as legal entities for acquiring participating interest in blocks and promoting projects.</p>		
Special remarks concerning the candidate for Director		
<p>Special interest between the Company and the candidate There is no special interest between Mr. Kitamura and the Company.</p>		



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No. 4	<p><b>Seiji Yui</b> (Date of birth: March 17, 1949)</p>	Reappointment																								
<p>Number of common shares of the Company held by the candidate: 16,400 shares</p> <p>Term of office as Director: 8 years</p> <p>Attendance at Board of Directors meetings in fiscal 2013: 15 out of 15 (100%)</p>	<p><b>Career summary and position</b></p>																									
	<table border="0"> <tr> <td data-bbox="549 322 766 362">April 1975</td> <td data-bbox="766 322 1449 362">Joined Indonesia Petroleum, Ltd. (INPEX Corporation)</td> </tr> <tr> <td data-bbox="549 362 766 403">September 1999</td> <td data-bbox="766 362 1449 403">General Manager of Jakarta Office, INPEX Corporation</td> </tr> <tr> <td data-bbox="549 403 766 474">June 2000</td> <td data-bbox="766 403 1449 474">Director, General Manager of Jakarta Office, INPEX Corporation</td> </tr> <tr> <td data-bbox="549 474 766 546">March 2003</td> <td data-bbox="766 474 1449 546">Director, Coordinator of Exploration Department 1 and Exploration Department 2, INPEX Corporation</td> </tr> <tr> <td data-bbox="549 546 766 586">June 2003</td> <td data-bbox="766 546 1449 586">Managing Director of INPEX Corporation</td> </tr> <tr> <td data-bbox="549 586 766 627">April 2004</td> <td data-bbox="766 586 1449 627">Managing Director of Japan Oil Development Co., Ltd.</td> </tr> <tr> <td data-bbox="549 627 766 698">March 2006</td> <td data-bbox="766 627 1449 698">Representative Director, Managing Director of Japan Oil Development Co., Ltd.</td> </tr> <tr> <td data-bbox="549 698 766 797">April 2006</td> <td data-bbox="766 698 1449 797">Director, Deputy Senior General Manager of Corporate Strategy &amp; Planning Division and Technology Division of INPEX Holdings Inc. (currently the Company)</td> </tr> <tr> <td data-bbox="549 797 766 896">March 2007</td> <td data-bbox="766 797 1449 896">Managing Director, Senior General Manager of Technology and HSE Division, in charge of Oceania &amp; America projects of INPEX Holdings Inc.</td> </tr> <tr> <td data-bbox="549 896 766 994">June 2007</td> <td data-bbox="766 896 1449 994">Managing Director, Senior General Manager of Technology and HSE Division and Oceania &amp; America Project Division of INPEX Holdings Inc.</td> </tr> <tr> <td data-bbox="549 994 766 1066">October 2008</td> <td data-bbox="766 994 1449 1066">Director, Senior Managing Executive Officer, Senior Vice President, Asia &amp; Australasia of the Company</td> </tr> <tr> <td data-bbox="549 1066 766 1137">June 2012</td> <td data-bbox="766 1066 1449 1137">Director, Senior Vice President, Corporate Strategy &amp; Planning of the Company (incumbent)</td> </tr> </table>	April 1975	Joined Indonesia Petroleum, Ltd. (INPEX Corporation)	September 1999	General Manager of Jakarta Office, INPEX Corporation	June 2000	Director, General Manager of Jakarta Office, INPEX Corporation	March 2003	Director, Coordinator of Exploration Department 1 and Exploration Department 2, INPEX Corporation	June 2003	Managing Director of INPEX Corporation	April 2004	Managing Director of Japan Oil Development Co., Ltd.	March 2006	Representative Director, Managing Director of Japan Oil Development Co., Ltd.	April 2006	Director, Deputy Senior General Manager of Corporate Strategy & Planning Division and Technology Division of INPEX Holdings Inc. (currently the Company)	March 2007	Managing Director, Senior General Manager of Technology and HSE Division, in charge of Oceania & America projects of INPEX Holdings Inc.	June 2007	Managing Director, Senior General Manager of Technology and HSE Division and Oceania & America Project Division of INPEX Holdings Inc.	October 2008	Director, Senior Managing Executive Officer, Senior Vice President, Asia & Australasia of the Company	June 2012	Director, Senior Vice President, Corporate Strategy & Planning of the Company (incumbent)	
April 1975	Joined Indonesia Petroleum, Ltd. (INPEX Corporation)																									
September 1999	General Manager of Jakarta Office, INPEX Corporation																									
June 2000	Director, General Manager of Jakarta Office, INPEX Corporation																									
March 2003	Director, Coordinator of Exploration Department 1 and Exploration Department 2, INPEX Corporation																									
June 2003	Managing Director of INPEX Corporation																									
April 2004	Managing Director of Japan Oil Development Co., Ltd.																									
March 2006	Representative Director, Managing Director of Japan Oil Development Co., Ltd.																									
April 2006	Director, Deputy Senior General Manager of Corporate Strategy & Planning Division and Technology Division of INPEX Holdings Inc. (currently the Company)																									
March 2007	Managing Director, Senior General Manager of Technology and HSE Division, in charge of Oceania & America projects of INPEX Holdings Inc.																									
June 2007	Managing Director, Senior General Manager of Technology and HSE Division and Oceania & America Project Division of INPEX Holdings Inc.																									
October 2008	Director, Senior Managing Executive Officer, Senior Vice President, Asia & Australasia of the Company																									
June 2012	Director, Senior Vice President, Corporate Strategy & Planning of the Company (incumbent)																									
	<p><b>Special remarks concerning the candidate for Director</b></p>																									
	<p><b>Special interest between the Company and the candidate</b> There is no special interest between Mr. Yui and the Company.</p>																									

**[Translation for Reference Purposes Only]**

No. 5	<p><b>Masaharu Sano</b> (Date of birth: April 17, 1951)</p>	Reappointment
<p>Number of common shares of the Company held by the candidate: 18,200 shares</p> <p>Term of office as Director: 8 years</p> <p>Attendance at Board of Directors meetings in fiscal 2013: 15 out of 15 (100%)</p>	Career summary and position	
	April 1974	Joined Teikoku Oil Co., Ltd.
	April 2000	General Manager of Technical Planning Department of Teikoku Oil Co., Ltd.
	March 2001	Senior General Manager of Teikoku Oil Co., Ltd.
	March 2001	General Manager of New Ventures Department, International Projects Division of Teikoku Oil Co., Ltd.
March 2002	Director, General Manager of New Ventures Department, International Projects Division of Teikoku Oil Co., Ltd.	
March 2005	Managing Director, President of International Projects Division / Domestic Offshore Division of Teikoku Oil Co., Ltd.	
April 2006	Director, Deputy Senior General Manager of Corporate Strategy & Planning Division / Technology Division of INPEX Holdings Inc. (currently the Company)	
October 2008	Director, Senior Managing Executive Officer, Senior Vice President, Americas & Africa of the Company	
June 2012	Director, Senior Vice President, Technical Headquarters of the Company (incumbent)	
Special remarks concerning the candidate for Director		
Special interest between the Company and the candidate There is no special interest between Mr. Sano and the Company.		

No. 6	<p><b>Shunichiro Sugaya</b> (Date of birth: November 27, 1952)</p>	Reappointment
<p>Number of common shares of the Company held by the candidate: 14,200 shares</p> <p>Term of office as Director: 5 years</p> <p>Attendance at Board of Directors meetings in fiscal 2013: 14 out of 15 (93%)</p>	Career summary and position	
	April 1976	Joined Indonesia Petroleum, Ltd. (INPEX Corporation)
	April 1997	General Manager of Development Department of Indonesia Petroleum, Ltd.
	June 2001	Director, General Manager of Development Department of INPEX Corporation
	June 2002	Director, Coordinator in charge of Development Department of INPEX Corporation
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	
June 2007	Managing Director, Senior General Manager of Asia Project Division, INPEX Corporation	
October 2008	Director, Managing Executive Officer, Senior Vice President of Masela Project of the Company (incumbent)	
Special remarks concerning the candidate for Director		
Special interest between the Company and the candidate There is no special interest between Mr. Sugaya and the Company.		

[Translation for Reference Purposes Only]

No. 7	<p><b>Masahiro Murayama</b> (Date of birth: July 16, 1953)</p>	Reappointment
<p>Number of common shares of the Company held by the candidate: 13,500 shares</p> <p>Term of office as Director: 5 years</p> <p>Attendance at Board of Directors meetings in fiscal 2013: 15 out of 15 (100%)</p>	Career summary and position	
	April 1976	Joined The Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd., etc.)
	June 1999	General Manager, Financial Institutions Banking Division No. 2, The Industrial Bank of Japan, Ltd.
	June 2001	General Manager, Corporate Banking Department No. 2, The Industrial Bank of Japan, Ltd.
	April 2002	General Manager, Corporate Banking Division No. 9 of Head Office, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd., etc.)
	December 2002	General Manager, Syndicated Finance Structuring Division No. 1, Mizuho Corporate Bank, Ltd.
	October 2003	General Manager, Syndicated Finance Distribution Division No. 1, Mizuho Corporate Bank, Ltd.
	April 2004	Executive Officer, General Manager of Syndicated Finance Distribution Division No. 1, Mizuho Corporate Bank, Ltd.
	October 2004	Executive Officer, General Manager of Loan Trading Division, Mizuho Corporate Bank, Ltd.
	April 2005	Managing Executive Officer, in charge of corporate banking, Mizuho Corporate Bank, Ltd.
	April 2008	Director, Deputy President of Mizuho Securities Co., Ltd.
	April 2009	Council of Mizuho Securities Co., Ltd.
	May 2009	Advisor to the Company
	June 2009	Director, Managing Executive Officer, Senior Vice President of Finance & Accounting of the Company (incumbent)
	Special remarks concerning the candidate for Director	
	Special interest between the Company and the candidate There is no special interest between Mr. Murayama and the Company.	

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No. 8	<p><b>Seiya Ito</b> (Date of birth: September 14, 1954)</p>	Reappointment
<p>Number of common shares of the Company held by the candidate: 13,600 shares</p> <p>Term of office as Director: 8 years</p> <p>Attendance at Board of Directors meetings in fiscal 2013: 15 out of 15 (100%)</p>	Career summary and position	
	<p>April 1977</p> <p>April 2002</p> <p>June 2003</p> <p>November 2004</p> <p>September 2005</p> <p>April 2006</p> <p>April 2006</p> <p>July 2006</p> <p>October 2008</p>	<p>Joined Indonesia Petroleum, Ltd. (INPEX Corporation)</p> <p>General Manager of Corporate Planning &amp; Management Department of INPEX Corporation</p> <p>Director, General Manager of Corporate Planning &amp; Management Department of INPEX Corporation</p> <p>Director, General Manager of Corporate Planning &amp; Management Department and Public Affairs Department of INPEX Corporation</p> <p>Director, Assistant Senior General Manager of Corporate Strategy &amp; Administration Division, General Manager of Corporate Strategy &amp; Planning Unit and Public Affairs Unit of INPEX Corporation</p> <p>Director, Assistant Senior General Manager of Corporate Strategy &amp; Administration Division, General Manager of Corporate Strategy &amp; Planning Unit of INPEX Corporation</p> <p>Director, Assistant Senior General Manager of Corporate Strategy &amp; Planning Division of INPEX Holdings Inc. (currently the Company)</p> <p>Director, Deputy Senior General Manager of Oceania &amp; America Project Division of INPEX Corporation</p> <p>Director, Managing Executive Officer, Senior Vice President of Ichthys Project of the Company (incumbent)</p>
	Special remarks concerning the candidate for Director	
	<p>Special interest between the Company and the candidate</p> <p>There is no special interest between Mr. Ito and the Company.</p>	

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No. 9	<p><b>Wataru Tanaka</b> (Date of birth: May 25, 1953)</p>	Reappointment
<p>Number of common shares of the Company held by the candidate: 22,700shares</p> <p>Term of office as Director: 5 years</p> <p>Attendance at Board of Directors meetings in fiscal 2013: 15 out of 15 (100%)</p>	Career summary and position	
	<p>April 1977</p> <p>June 2000</p> <p>June 2003</p> <p>June 2004</p> <p>October 2004</p> <p>February 2007</p> <p>April 2007</p> <p>October 2008</p> <p>June 2009</p> <p>June 2011</p>	<p>Joined Indonesia Petroleum, Ltd. (INPEX Corporation)</p> <p>General Manager of Planning &amp; New Ventures Department of INPEX Corporation</p> <p>Director, General Manager of Planning &amp; New Ventures Department of INPEX Corporation</p> <p>Director, Coordinator in charge of the Middle East and Caspian Sea regions of INPEX Corporation</p> <p>Director, Deputy General Manager of Tehran Office of INPEX Corporation</p> <p>Director, Coordinator in charge of Middle East projects of INPEX Corporation</p> <p>Director, Assistant Senior General Manager of General Administration and Corporate Planning Division of INPEX Corporation</p> <p>Managing Executive Officer, Deputy Senior General Manager of General Administration Division of the Company</p> <p>Director, Managing Executive Officer, Senior Vice President of General Administration of the Company</p> <p>Director, Managing Executive Officer, Senior Vice President of General Administration (incumbent), Corporate Strategy &amp; Planning of the Company</p>
	Special remarks concerning the candidate for Director	
	<p>Special interest between the Company and the candidate</p> <p>There is no special interest between Mr. Tanaka and the Company.</p>	

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No. 10	Takahiko Ikeda (Date of birth: January 18, 1955)	Reappointment
Number of common shares of the Company held by the candidate: 20,300 shares  Term of office as Director: 5 years  Attendance at Board of Directors meetings in fiscal 2013: 15 out of 15 (100%)	Career summary and position	
	April 1978	Joined Teikoku Oil Co., Ltd.
	March 2002	General Manager of Production Department, Domestic Operating Division of Teikoku Oil Co., Ltd.
	March 2004	Senior General Manager of Teikoku Oil Co., Ltd.
	March 2005	Director of Teikoku Oil Co., Ltd.
	April 2006	General Manager of Domestic Project Planning and Administration Unit of Corporate Strategy & Administration Division of INPEX Holdings Inc. (currently the Company)
	June 2007	Managing Director, President of Domestic Operation Division and General Manager of Niigata District Department of Teikoku Oil Co., Ltd.
	October 2008	Director, Managing Executive Officer, Senior Vice President of Domestic Projects of the Company (incumbent)
	Special remarks concerning the candidate for Director	
	Special interest between the Company and the candidate There is no special interest between Mr. Ikeda and the Company.	

No. 11	Yoshikazu Kurasawa (Date of birth: February 15, 1956)	Reappointment
Number of common shares of the Company held by the candidate: 9,300 shares  Term of office as Director: 2 years  Attendance at Board of Directors meetings in fiscal 2013: 15 out of 15 (100%)	Career summary and position	
	April 1982	Joined Japan National Oil Corporation
	February 2004	Deputy General Manager of Planning & New Ventures Department of INPEX Corporation
	April 2005	General Manager of Planning & New Ventures Department of INPEX Corporation
	September 2005	General Manager of Business Development and Legal Unit, General Administration & Corporate Planning Division of INPEX Corporation
	April 2006	General Manager of Overseas Project Planning and Administration Unit of Corporate Strategy & Administration Division of INPEX Holdings Inc. (currently the Company)
	June 2007	Executive Officer, General Manager of Business Development and Legal Unit, General Administration & Corporate Planning Division of INPEX Corporation
	October 2008	Executive Officer, Assistant Senior General Manager of Corporate Strategy & Planning, General Manager of Business Development and Legal Unit of the Company
	June 2011	Managing Executive Officer, Vice President of Corporate Strategy & Planning of the Company
	June 2012	Director, Senior Vice President, New Ventures of the Company (incumbent)
	Special remarks concerning the candidate for Director	
	Special interest between the Company and the candidate There is no special interest between Mr. Kurasawa and the Company.	

[Translation for Reference Purposes Only]

No. 12	<b>Kazuo Wakasugi</b> (Date of birth: March 22, 1931)	Candidate for: Outside Director Independent Officer	Reappointment																						
Number of common shares of the Company held by the candidate: 0 shares  Term of office as Director: 8 years  Attendance at Board of Directors meetings in fiscal 2013: 14 out of 15 (93%)	<b>Career summary and position</b> <table border="0"> <tr> <td style="vertical-align: top;">April 1953</td> <td>Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</td> </tr> <tr> <td style="vertical-align: top;">June 1984</td> <td>Vice-Minister for International Affairs, Ministry of International Trade and Industry</td> </tr> <tr> <td style="vertical-align: top;">September 1986</td> <td>Advisor to Long-Term Credit Bank of Japan, Ltd. (currently Shinsei Bank, Ltd.)</td> </tr> <tr> <td style="vertical-align: top;">June 1993</td> <td>Representative Director, Executive Vice President of Mitsubishi Electric Corporation</td> </tr> <tr> <td style="vertical-align: top;">May 1995</td> <td>Advisor of Japan Petroleum Exploration Co., Ltd. (“JAPEX”)</td> </tr> <tr> <td style="vertical-align: top;">June 1995</td> <td>Representative Director, President of JAPEX</td> </tr> <tr> <td style="vertical-align: top;">June 1996</td> <td>Director of Indonesia Petroleum, Ltd. (INPEX Corporation)</td> </tr> <tr> <td style="vertical-align: top;">June 2001</td> <td>Representative Director, Chairman of JAPEX</td> </tr> <tr> <td style="vertical-align: top;">April 2006</td> <td>Director of INPEX Holdings Inc. (currently the Company) (incumbent)</td> </tr> <tr> <td style="vertical-align: top;">May 2007</td> <td>Counselor of JAPEX</td> </tr> <tr> <td style="vertical-align: top;">June 2013</td> <td>Advisor of JAPEX (incumbent)</td> </tr> </table>			April 1953	Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)	June 1984	Vice-Minister for International Affairs, Ministry of International Trade and Industry	September 1986	Advisor to Long-Term Credit Bank of Japan, Ltd. (currently Shinsei Bank, Ltd.)	June 1993	Representative Director, Executive Vice President of Mitsubishi Electric Corporation	May 1995	Advisor of Japan Petroleum Exploration Co., Ltd. (“JAPEX”)	June 1995	Representative Director, President of JAPEX	June 1996	Director of Indonesia Petroleum, Ltd. (INPEX Corporation)	June 2001	Representative Director, Chairman of JAPEX	April 2006	Director of INPEX Holdings Inc. (currently the Company) (incumbent)	May 2007	Counselor of JAPEX	June 2013	Advisor of JAPEX (incumbent)
April 1953	Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)																								
June 1984	Vice-Minister for International Affairs, Ministry of International Trade and Industry																								
September 1986	Advisor to Long-Term Credit Bank of Japan, Ltd. (currently Shinsei Bank, Ltd.)																								
June 1993	Representative Director, Executive Vice President of Mitsubishi Electric Corporation																								
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June 1995	Representative Director, President of JAPEX																								
June 1996	Director of Indonesia Petroleum, Ltd. (INPEX Corporation)																								
June 2001	Representative Director, Chairman of JAPEX																								
April 2006	Director of INPEX Holdings Inc. (currently the Company) (incumbent)																								
May 2007	Counselor of JAPEX																								
June 2013	Advisor of JAPEX (incumbent)																								
<b>Significant concurrently-held positions</b>																									
Advisor Japan Petroleum Exploration Co., Ltd.																									
<b>Special remarks concerning the candidate for Director</b>																									
<ol style="list-style-type: none"> <li>1. Special interest between the Company and the candidate            There is no special interest between Mr. Wakasugi and the Company.</li> <li>2. Registration of Independent Officer            Mr. Wakasugi is a candidate for Outside Director as stipulated in Article 2, Paragraph 3, Item 7, of the Companies Act. The Company reported Mr. Wakasugi as an Independent Officer as stipulated by Tokyo Stock Exchange, Inc. If the election of Mr. Wakasugi is approved as proposed, he is scheduled to continue to be an Independent Officer.</li> <li>3. Reason for nominating as candidate for Outside Director            Mr. Wakasugi 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.</li> <li>4. Term of office as Outside Director of the Company            Mr. Wakasugi’s term of office as Outside Director of the Company will have been eight years by the time of the closing of this Ordinary General Meeting of Shareholders.</li> <li>5. 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 crude oil, etc., with the Japan Petroleum Exploration Group, and the INPEX Group’s sales to the Japan Petroleum Exploration Group in this fiscal year were less than 0.1% of the Company’s consolidated net sales for the same period. Meanwhile, the INPEX Group’s purchases from the Japan Petroleum Exploration Group</li> </ol>																									

**[Translation for Reference Purposes Only]**

	<p>in this fiscal year were less than 0.1% of the Company's consolidated cost of sales for the same period.</p> <p>6. Outline of the liability limitation agreement</p> <p>Based on Article 427, Paragraph 1, of the Companies Act, the Company has entered into a liability limitation agreement with Mr. Wakasugi to limit liabilities to the Company to the effect that with regard to such liabilities as stipulated in Article 423, Paragraph 1, of the Companies Act, the limit of liability under such agreement shall be the total of the amounts stipulated in each Item under Paragraph 1 of Article 425 of the Companies Act. If the election of Mr. Wakasugi is approved as proposed, the Company intends to continue this contract with him.</p>
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[Translation for Reference Purposes Only]

No. 13	<p><b>Yoshiyuki Kagawa</b> (Date of birth: November 22, 1946)</p>	<p>Candidate for: Outside Director Independent Officer</p>	<p>Reappointment</p>																				
<p>Number of common shares of the Company held by the candidate: 0 shares</p> <p>Term of office as Director: 7 years</p> <p>Attendance at Board of Directors meetings in fiscal 2013: 14 out of 15 (93%)</p>	<p>Career summary and position</p> <table border="0"> <tr> <td>April 1970</td> <td>Joined Mitsui &amp; Co., Ltd.</td> </tr> <tr> <td>September 2001</td> <td>Director of Mitsui Oil Exploration Co., Ltd.</td> </tr> <tr> <td>October 2001</td> <td>Chief Operating Officer of Energy Business Unit of Energy Group, Mitsui &amp; Co., Ltd.</td> </tr> <tr> <td>April 2002</td> <td>Managing Officer, Chief Operating Officer of Energy Business Unit of Energy Group, Mitsui &amp; Co., Ltd.</td> </tr> <tr> <td>April 2003</td> <td>Executive Managing Officer, Chief Operating Officer of Energy Business Unit, Mitsui &amp; Co., Ltd.</td> </tr> <tr> <td>April 2005</td> <td>Representative Director, Executive Vice President, Mitsui Oil Exploration Co., Ltd.</td> </tr> <tr> <td>June 2005</td> <td>Representative Director, President, CEO, Mitsui Oil Exploration Co., Ltd. (incumbent)</td> </tr> <tr> <td>June 2006</td> <td>CCO, Mitsui Oil Exploration Co., Ltd.</td> </tr> <tr> <td>June 2007</td> <td>Director of INPEX Holdings Inc. (currently the Company) (incumbent)</td> </tr> <tr> <td>June 2012</td> <td>Senior Adviser, Mitsui Oil Exploration Co., Ltd. (incumbent)</td> </tr> </table>			April 1970	Joined Mitsui & Co., Ltd.	September 2001	Director of Mitsui Oil Exploration Co., Ltd.	October 2001	Chief Operating Officer of Energy Business Unit of Energy Group, Mitsui & Co., Ltd.	April 2002	Managing Officer, Chief Operating Officer of Energy Business Unit of Energy Group, Mitsui & Co., Ltd.	April 2003	Executive Managing Officer, Chief Operating Officer of Energy Business Unit, Mitsui & Co., Ltd.	April 2005	Representative Director, Executive Vice President, Mitsui Oil Exploration Co., Ltd.	June 2005	Representative Director, President, CEO, Mitsui Oil Exploration Co., Ltd. (incumbent)	June 2006	CCO, Mitsui Oil Exploration Co., Ltd.	June 2007	Director of INPEX Holdings Inc. (currently the Company) (incumbent)	June 2012	Senior Adviser, Mitsui Oil Exploration Co., Ltd. (incumbent)
April 1970	Joined Mitsui & Co., Ltd.																						
September 2001	Director of Mitsui Oil Exploration Co., Ltd.																						
October 2001	Chief Operating Officer of Energy Business Unit of Energy Group, Mitsui & Co., Ltd.																						
April 2002	Managing Officer, Chief Operating Officer of Energy Business Unit of Energy Group, Mitsui & Co., Ltd.																						
April 2003	Executive Managing Officer, Chief Operating Officer of Energy Business Unit, Mitsui & Co., Ltd.																						
April 2005	Representative Director, Executive Vice President, Mitsui Oil Exploration Co., Ltd.																						
June 2005	Representative Director, President, CEO, Mitsui Oil Exploration Co., Ltd. (incumbent)																						
June 2006	CCO, Mitsui Oil Exploration Co., Ltd.																						
June 2007	Director of INPEX Holdings Inc. (currently the Company) (incumbent)																						
June 2012	Senior Adviser, Mitsui Oil Exploration Co., Ltd. (incumbent)																						
<p>Significant concurrently-held positions</p>																							
<p>Senior Adviser Mitsui Oil Exploration Co., Ltd.</p>																							
<p>Special remarks concerning the candidate for Director</p>																							
<ol style="list-style-type: none"> <li>1. Special interest between the Company and the candidate There is no special interest between Mr. Kagawa and the Company.</li> <li>2. Registration of Independent Officer Mr. Kagawa is a candidate for Outside Director as stipulated in Article 2, Paragraph 3, Item 7, of the Companies Act. The Company reported Mr. Kagawa as an Independent Officer as defined by Tokyo Stock Exchange, Inc. If the election of Mr. Kagawa is approved as proposed, he is scheduled to continue to be an Independent Officer.</li> <li>3. Reason for nominating as candidate for Outside Director Mr. 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.</li> <li>4. Term of office as Outside Director of the Company Mr. Kagawa's term of office as Outside Director of the Company will have been seven years by the time of the closing of this Ordinary General Meeting of Shareholders.</li> <li>5. 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 transactions with Mitsui Oil Exploration.</li> <li>6. Outline of the liability limitation agreement Based on Article 427, Paragraph 1, of the Companies Act, the Company has entered into a liability limitation agreement with Mr. Kagawa to limit liabilities to the Company to the effect that with regard to such liabilities as stipulated in Article 423, Paragraph 1, of the Companies Act, the limit of</li> </ol>																							

**[Translation for Reference Purposes Only]**

	liability under such agreement shall be the total of the amounts stipulated in each Item under Paragraph 1 of Article 425 of the Companies Act. If the election of Mr. Kagawa is approved as proposed, the Company intends to continue this contract with him.
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[Translation for Reference Purposes Only]

No. 14	Seiji Kato (Date of birth: August 3, 1948)	Candidate for: Outside Director Independent Officer	Reappointment
<p>Number of common shares of the Company held by the candidate: 0 shares</p> <p>Term of office as Director: 4 years</p> <p>Attendance at Board of Directors meetings in fiscal 2013: 14 out of 15 (93%)</p>	Career summary and position		
	<p>April 1971</p> <p>July 1997</p> <p>April 2003</p> <p>April 2006</p> <p>April 2007</p> <p>April 2008</p> <p>June 2010</p> <p>June 2011</p>	<p>Joined Mitsubishi Corporation</p> <p>General Manager of LNG Business Department A, Mitsubishi Corporation</p> <p>Senior Vice President, Division COO of Natural Gas Business Division, Mitsubishi Corporation</p> <p>Senior Vice President, Division COO of Natural Gas Business Division B, Mitsubishi Corporation</p> <p>Executive Vice President, Group COO of Energy Business Group, Mitsubishi Corporation</p> <p>Executive Vice President, Group CEO of Energy Business Group, Mitsubishi Corporation (incumbent)</p> <p>Director of the Company (incumbent)</p> <p>Corporate Adviser of Mitsubishi Corporation (incumbent)</p>	
	Significant concurrently-held positions		
	<p>Corporate Adviser Mitsubishi Corporation</p>		
	Special remarks concerning the candidate for Director		
	<p>1. Special interest between the Company and the candidate There is no special interest between Mr. Kato and the Company.</p> <p>2. Registration of Independent Officer Mr. Kato is a candidate for Outside Director as stipulated in Article 2, Paragraph 3, Item 7, of the Companies Act. The Company reported Mr. Kato as an Independent Officer as stipulated by Tokyo Stock Exchange, Inc. If the election of Mr. Kato is approved as proposed, he is scheduled to continue to be an Independent Officer.</p> <p>3. Reason for nominating as candidate for Outside Director Mr. 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.</p> <p>4. Term of office as Outside Director of the Company Mr. Kato's term of office as Outside Director of the Company will have been four years by the time of the closing of this Ordinary General Meeting of Shareholders.</p> <p>5. Relationships between the Company and any companies in which the candidate holds significant concurrently-held positions 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 0.01% of the Company's consolidated cost of sales for the same period.</p> <p>6. Outline of the liability limitation agreement Based on Article 427, Paragraph 1, of the Companies Act, the Company has entered into a liability limitation agreement with Mr. Kato to limit liabilities to the Company to the effect that with regard to such liabilities as stipulated in Article 423, Paragraph 1, of the Companies Act, the limit of liability under such agreement shall be the total of the amounts stipulated in each</p>		

**[Translation for Reference Purposes Only]**

	Item under Paragraph 1 of Article 425 of the Companies Act. If the election of Mr. Kato is approved as proposed, the Company intends to continue this contract with him.
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[Translation for Reference Purposes Only]

No. 15	Rentaro Tonoike (Date of birth: September 6, 1953)	Candidate for: Outside Director Independent Officer	Reappointment
Number of common shares of the Company held by the candidate: 0 shares  Term of office as Director: 2 years  Attendance at Board of Directors meetings in fiscal 2013: 15 out of 15 (100%)	Career summary and position		
	April 1978	Joined Nippon Mining Co., Ltd.	
	April 2000	General Manager, Planning & Coordination Dept., Metal Division of Nippon Mining & Metals Co., Ltd.	
	October 2003	General Manager (Group Companies Coordination), Planning & Coordination Dept. of Nippon Mining & Metals Co., Ltd.	
	April 2006	Executive Officer, General Manager (Planning & Coordination), Planning & Coordination Dept. of Nippon Mining & Metals Co., Ltd.	
	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.	
	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.	
	April 2010	Executive Officer, General Manager, Corporate Planning Dept.1 of JX Holdings, Inc.	
	June 2012	Director of the Company (incumbent)	
	June 2012	Director, Senior Vice President, JX Holdings, Inc. (incumbent)	
Significant concurrently-held positions			
Director, Senior Vice President JX Holdings, Inc.			
Special remarks concerning the candidate for Director			
1. Special interest between the Company and the candidate Mr. 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. Registration of Independent Officer Mr. Tonoike is a candidate for Outside Director as stipulated in Article 2, Paragraph 3, Item 7, of the Companies Act. The Company reported Mr. Tonoike as an Independent Officer as stipulated by Tokyo Stock Exchange, Inc. If the election of Mr. Tonoike is approved as proposed, he is scheduled to continue to be an Independent Officer.			
3. Reason for nominating as candidate for Outside Director Mr. 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 the management of the Company.			
4. Term of office as Outside Director of the Company Mr. Tonoike's term of office as Outside Director of the Company will have been two years by the time of the closing of this Ordinary General Meeting of Shareholders.			
5. Relationships between the Company and any companies in which the candidate holds significant concurrently-held positions			

**[Translation for Reference Purposes Only]**

	<p>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 5.5% 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 0.1% of the company's consolidated cost of sales for the same period.</p> <p>6. Outline of the liability limitation agreement</p> <p>Based on Article 427, Paragraph 1, of the Companies Act, the Company has entered into a liability limitation agreement with Mr. Tonoike to limit liabilities to the Company to the effect that with regard to such liabilities as stipulated in Article 423, Paragraph 1, of the Companies Act, the limit of liability under such agreement shall be the total of the amounts stipulated in each Item under Paragraph 1 of Article 425 of the Companies Act. If the election of Mr. Tonoike is approved as proposed, the Company intends to continue this contract with him.</p>
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[Translation for Reference Purposes Only]

No. 16	<b>Yasuhiko Okada</b> (Date of birth: June 1, 1943)	Candidate for: Outside Director Independent Officer	Reappointment														
Number of common shares of the Company held by the candidate: 0 shares  Term of office as Director: 2 years  Attendance at Board of Directors meetings in fiscal 2013: 15 out of 15 (100%)	<b>Career summary and position</b>																
	<table border="0"> <tr> <td data-bbox="571 338 746 376">April 1966</td> <td data-bbox="772 338 1449 376">Joined Ministry of Finance</td> </tr> <tr> <td data-bbox="571 376 746 414">July 1994</td> <td data-bbox="772 376 1449 414">Director-General, the Tokyo Regional Taxation Bureau</td> </tr> <tr> <td data-bbox="571 414 746 488">May 1995</td> <td data-bbox="772 414 1449 488">Secretary-General of Executive Bureau, Securities and Exchange Surveillance Commission</td> </tr> <tr> <td data-bbox="571 488 746 555">July 1999</td> <td data-bbox="772 488 1449 555">Administrative Vice-Minister, Environment Agency (currently Ministry of the Environment)</td> </tr> <tr> <td data-bbox="571 555 746 629">June 2003</td> <td data-bbox="772 555 1449 629">President, National Association of Labour Banks; President, The Rokinren Bank</td> </tr> <tr> <td data-bbox="571 629 746 696">January 2012</td> <td data-bbox="772 629 1449 696">Attorney at Law admitted to practice in Japan; Partner, Kitahama Partners (Tokyo Office) (incumbent)</td> </tr> <tr> <td data-bbox="571 696 746 734">June 2012</td> <td data-bbox="772 696 1449 734">Director of the Company (incumbent)</td> </tr> </table>	April 1966	Joined Ministry of Finance	July 1994	Director-General, the Tokyo Regional Taxation Bureau	May 1995	Secretary-General of Executive Bureau, Securities and Exchange Surveillance Commission	July 1999	Administrative Vice-Minister, Environment Agency (currently Ministry of the Environment)	June 2003	President, National Association of Labour Banks; President, The Rokinren Bank	January 2012	Attorney at Law admitted to practice in Japan; Partner, Kitahama Partners (Tokyo Office) (incumbent)	June 2012	Director of the Company (incumbent)		
April 1966	Joined Ministry of Finance																
July 1994	Director-General, the Tokyo Regional Taxation Bureau																
May 1995	Secretary-General of Executive Bureau, Securities and Exchange Surveillance Commission																
July 1999	Administrative Vice-Minister, Environment Agency (currently Ministry of the Environment)																
June 2003	President, National Association of Labour Banks; President, The Rokinren Bank																
January 2012	Attorney at Law admitted to practice in Japan; Partner, Kitahama Partners (Tokyo Office) (incumbent)																
June 2012	Director of the Company (incumbent)																
	<b>Significant concurrently-held positions</b>																
	Partner Kitahama Partners																
	<b>Special remarks concerning the candidate for Director</b>																
	<ol style="list-style-type: none"> <li>1. Special interest between the Company and the candidate            There is no special interest between Mr. Okada and the Company.</li> <li>2. Registration of Independent Officer            Mr. Okada is a candidate for Outside Director as stipulated in Article 2, Paragraph 3, Item 7, of the Companies Act. The Company reported Mr. Okada as an Independent Officer as stipulated by Tokyo Stock Exchange, Inc. If the election of Mr. Okada is approved as proposed, he is scheduled to continue to be an Independent Officer.</li> <li>3. Reason for nominating as candidate for Outside Director            Although Mr. 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.</li> <li>4. Term of office as Outside Director of the Company            Mr. Okada's term of office as Outside Director of the Company will have been two years by the time of the closing of this Ordinary General Meeting of Shareholders.</li> <li>5. 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.</li> <li>6. Outline of the liability limitation agreement            Based on Article 427, Paragraph 1, of the Companies Act, the Company has entered into a liability limitation agreement with Mr. Okada to limit liabilities to the Company to the effect that with regard to such liabilities as stipulated in Article 423, Paragraph 1, of the Companies Act, the limit of liability under such agreement shall be the total of the amounts stipulated in each Item under Paragraph 1 of Article 425 of the Companies Act. If the election of Mr. Okada is approved as proposed, the Company intends to continue this contract with him.</li> </ol>																

**[Translation for Reference Purposes Only]**

- Notes:
1. 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.
  2. As regards the resolution on “Proposal No. 2: Election of Sixteen Directors,” pursuant to Article 15, 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 32, 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.
  3. As the term of office for each Director is expressed in years, partial years have been truncated.



**[Translation for Reference Purposes Only]**

**Proposal No. 3: Payment of Bonuses to Directors**

In consideration of such factors as the business results of the period under review, it is proposed that a total of ¥97,200,000 be paid to the eleven incumbent Directors, excluding Outside Directors, as of March 31, 2014 as bonuses.

It is also proposed that the amount to be paid to each person be entrusted to the Board of Directors.

## **Business Report**

(April 1, 2013, to March 31, 2014)

### **I. Present State of the Corporate Group**

#### **1. Progress and Results of Operations**

During this fiscal year, the Japanese economy followed a gradual recovery trend, such as a pickup in consumer spending and productive activity and improvement of low employment, owing to the Government's economic policy and the Bank of Japan's monetary easing.

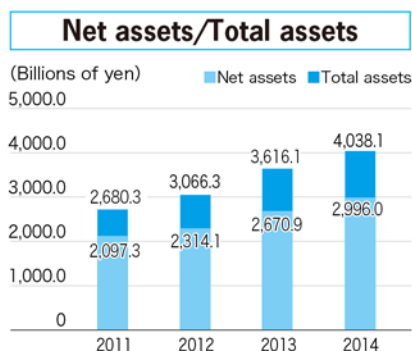
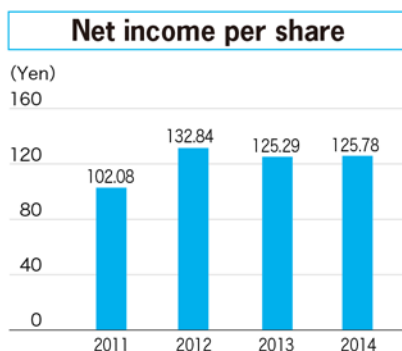
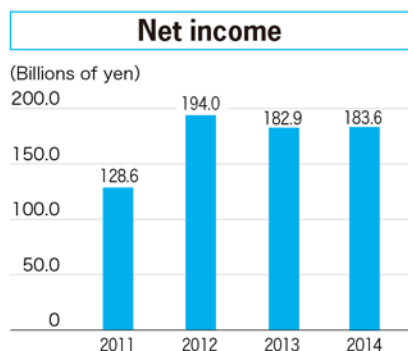
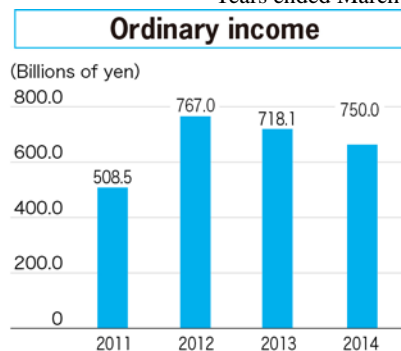
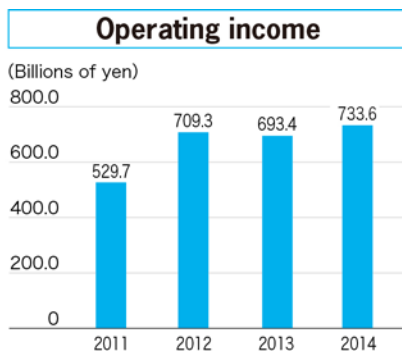
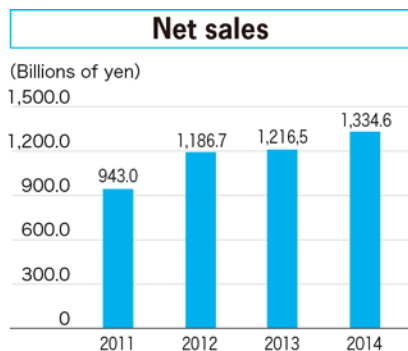
International oil prices gave a significant impact on the performance of our Group. Brent crude oil, which is one of the typical indicators, started from US\$111.08 per barrel. Although Brent crude oil price fell to US\$97.69 per barrel at one point due to stagnation in economic indicators in the U.S., followed by the growing tension in Syria, an upward trend began and reached US\$116.61 per barrel in late August. After mid-September, when military intervention in Syria was avoided, Brent crude oil price grew weaker and dropped to US\$103.46 per barrel in early November. Afterward, against the backdrop of the expectation of increased crude oil demand due to suspension of crude oil production in some oilfields in Libya and improvement in economic indicators in various countries, an upward trend resumed and remained at the US\$110 per barrel level in December. Since the beginning of the year 2014, Brent crude oil price continued to stay at around US\$110 and finished at US\$107.76 per barrel at the 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 for crude oil for this fiscal year for the Group was US\$107.78 per barrel, which is US\$2.33 lower than that of the previous fiscal year.

The foreign exchange market, another important factor that affects the business of our Group, began to trade at the ¥94 level to the U.S. dollar. The yen depreciation steadily continued against the U.S. dollar to the ¥103 level while the Bank of Japan decided to introduce monetary easing exceeding market expectations in April. When the Chairman of Federal Reserve Board implied that the FRB would downscale its quantitative monetary easing in late May, the yen recovered to the ¥93 level. However, yen selling became dominant again after interest rates of the U.S. rose. In the face of U.S. economic recovery after November 2013 as well as the decision to downscale the quantitative monetary easing by the FRB, the yen depreciated against the U.S. dollar to the ¥105.40 level after 5 years of appreciation. Although the yen once appreciated to the ¥100 level due to concerns over emerging economies from the beginning of 2014, the TTM closed at ¥102.92 to the U.S. dollar which turned out to be ¥8.93 lower than that of the fiscal year end of March 31, 2013. Reflecting these situations, the average sales exchange rate for our Group for this fiscal year was ¥100.20 to the U.S. dollar, which is ¥17.52 lower than that of the previous fiscal year.

Consolidated net sales for the year ended March 31, 2014 increased by ¥118.0 billion, or 9.7%, to ¥1,334.6 billion from the previous fiscal year due to the depreciation of Japanese yen against the U.S. dollar, despite decreases in sales price and sales volume of crude oil. Net sales of crude oil increased by ¥70.6 billion, or 9.0%, to ¥858.7 billion, and net sales of natural gas increased by ¥57.6 billion, or 14.5%, to ¥455.4 billion. The increase of ¥118.0 billion in net sales was mainly derived from the following factors: regarding net sales of crude oil and natural gas, a decrease in sales volume pushing sales down of ¥60.4 billion, and unit sales price pushing sales down of ¥23.2 billion, and the depreciation of Japanese yen against the U.S. dollar contributing ¥211.9 billion to the increase, in addition, a decrease in net sales excluding crude oil and natural gas of ¥10.1 billion. Cost of sales for the year ended March 31, 2014 increased by ¥64.0 billion, or 15.0%, to ¥490.4 billion due mainly to the depreciation of Japanese yen against the U.S. dollar. Exploration expenses increased by ¥8.0 billion, or 40.2%, to ¥28.2 billion. Selling, general and administrative expenses increased by ¥5.7 billion, or 7.5%, to ¥82.3 billion. As a result, operating income increased by ¥40.1 billion, or 5.8%, to ¥733.6 billion. Other income decreased by ¥47.9 billion, or 48.6 %, to ¥50.7 billion due mainly to a decrease in gain on transfer of mining rights and others, despite an increase in gain on sales of marketable securities. Other expenses decreased by ¥39.7 billion, or 53.7%, to ¥34.2 billion due to decreases in provision for exploration projects and foreign exchange loss. As a result, ordinary income increased by ¥31.9 billion, or 4.4%, to ¥750.0 billion. Total amount of current income taxes and deferred income taxes increased by ¥33.8 billion, or 6.4%, to ¥563.1 billion. As a result of the above effects, net income for the year ended March 31, 2014 increased by ¥0.7 billion, or 0.4%, to ¥183.6 billion.

[Translation for Reference Purposes Only]

Years ended March 31



Note:

The Company conducted a stock split at a ratio of 1:400 of its common stock with October 1, 2013 as the effective date. Net income per share is calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2011.

## [Translation for Reference Purposes Only]

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

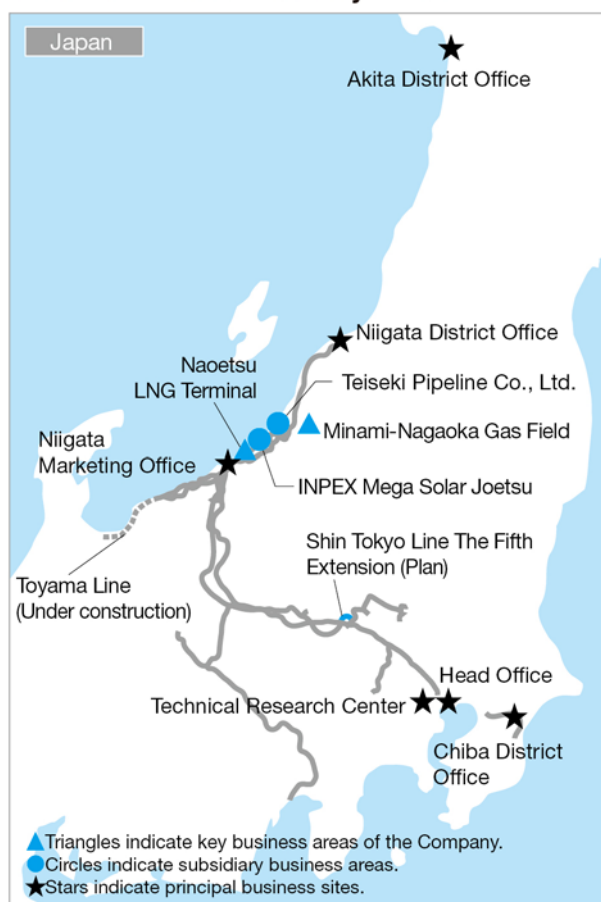
### (1) Japan

Domestically, the Company continued steady production mainly at the Minami Nagaoka Gas Field in Niigata Prefecture. In addition, the Company conducted a seismic survey in the Shimane and Yamaguchi offshore areas and in the Niigata onshore area. Meanwhile, the construction of the Naoetsu LNG Terminal, which had been under way since 2009 at the Naoetsu Port of Joetsu City, was completed and operation commenced in December 2013. The purpose of this terminal is to ensure that the Company has sufficient natural gas supply capacity over the medium to long term. The Company continued construction work to lay the Toyama Line (the pipeline 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. Moreover, in the Kita-Kanto region, to ensure consistent natural gas supply capacity, we began a preliminary survey toward the construction of the extension to the existing Shin Tokyo Line (The Fifth Extension).

Additionally, as part of our initiatives regarding renewable energy, the construction of a solar power generation plant (a mega solar plant) was completed at the end of the previous fiscal year in Joetsu City in Niigata Prefecture and its operation is proceeding smoothly. In March 2014, we decided to construct a second mega solar plant in the adjacent area. Furthermore, in Hokkaido and Akita Prefectures, we are conducting joint surveys aiming to commercialize geothermal power generation and we started drilling exploratory wells in July 2013. In our joint geothermal survey in Fukushima Prefecture, we are conducting a land surface survey on the outskirts of Mt. Bandai.

Regarding the performance of the INPEX Group's business in Japan, the INPEX Group recorded net sales of ¥120.2 billion (increased by 1.1% from the previous fiscal year) due to increases in sales price and sales volume of natural gas, and operating income of ¥22.7 billion (decreased by 20.3% from the previous fiscal year) due to increases in net purchase of natural gas and exploration expenses.

### 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 this fiscal year, to maintain the current production levels, the Company continued the workover of production wells in existing oil and gas fields and drilled additional production wells, as during the previous fiscal year.

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 has been working on the front-end engineering and design (FEED) for its subsea production facilities and for the FLNG, of which the project for the subsea production facilities was completed in January 2014. In addition, we commenced continual drilling of three appraisal wells and one exploratory well in June 2013. Also, in May 2013, we concluded a contract to acquire part of the concession from our partner, PT EMP Energi Indonesia, followed by the completion of the procedures to obtain the interest upon approval by the Indonesian government in June 2013, resulting in the Group attaining an interest of 65%.

Similarly in Indonesia, INPEX Natuna, Ltd. (subsidiary) continues steady production at existing oil and gas fields in the South Natuna Sea Block B. In April 2014, the company started production at the South Belut Gas Field. Furthermore, at INPEX South Makassar, Ltd. (subsidiary), production started in October 2013 at the Ruby Gas Field of the Sebuku Block in the South Makassar Strait. 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 this fiscal year, the company continued processing the data obtained through a 3-D seismic survey conducted during the previous fiscal year.

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 this fiscal year, the company continued processing the data obtained through a 3-D seismic survey conducted during the previous fiscal year, aiming to start exploratory work in the second half of 2014.

In Australia, for the development of the Ichthys Gas-Condensate Field, located offshore Western Australia (Ichthys LNG Project), the INPEX Group, through INPEX Browse, Ltd. (subsidiary) together with an Australian subsidiary and related parties, is currently conducting development work as the operator, with a view to commencing production by the end of 2016. Aggressive, full-scale construction of an onshore LNG plant and offshore production facilities is already in progress. With regard to LNG produced from the Ichthys LNG 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 concluded an agreement in June 2013 to transfer 2.625% of its participating interest to CPC Corporation, Taiwan, which is scheduled to take effect once prerequisites under the participating interest transfer agreement such as the approval of the Australian government are satisfied.

In addition to the above, in exploration permits including the WA-285-P Block within the same offshore area, evaluation of the remaining exploration potential continues to progress. In June 2013, as a new exploration project, the company acquired a 100% participating interest in the WA-494-P Block within the same offshore area, conducting evaluation of the exploration potential as the operator.

INPEX Alpha, Ltd. (subsidiary) has continued steady production from the Van Gogh Oil Field located offshore Western Australia and the Ravensworth Oil Field. Furthermore, at the Coniston Oil Field near the Van Gogh Oil Field, development work is underway aiming to start production in the second half of 2014.

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 at 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.

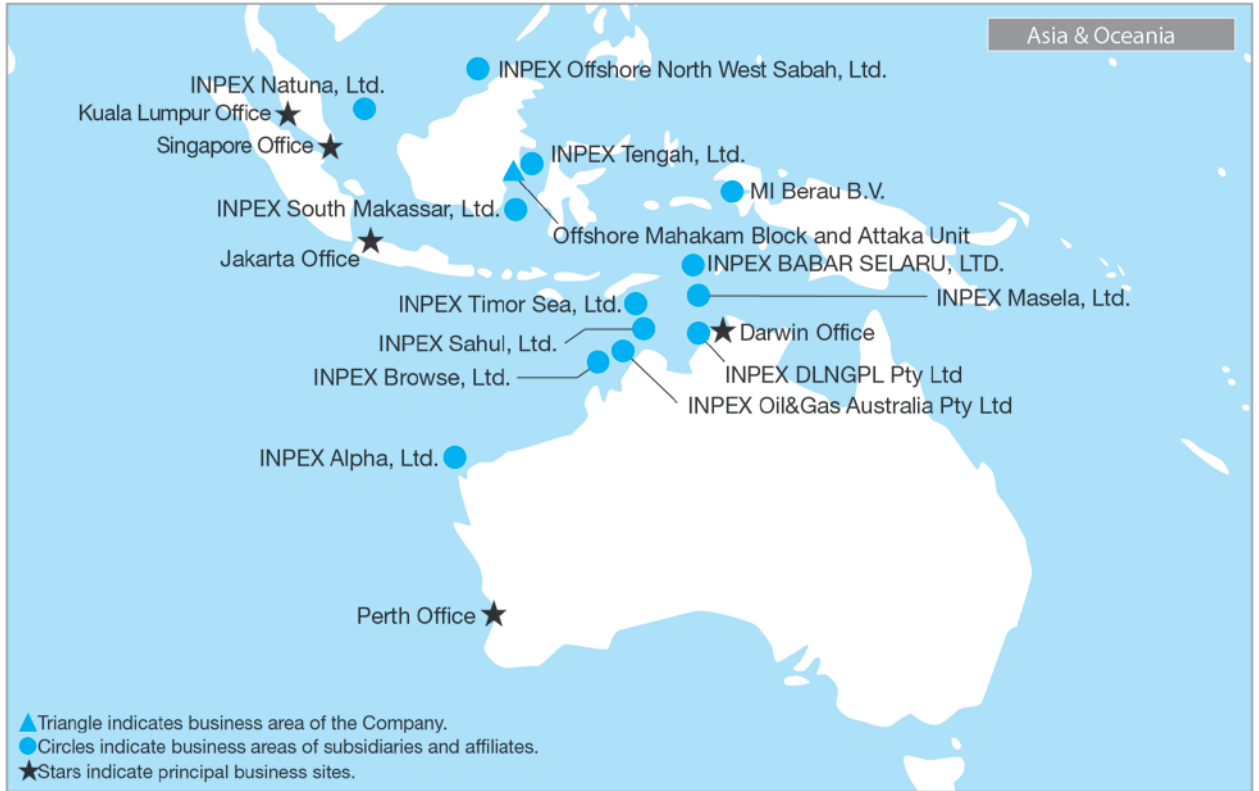
Regarding INPEX Timor Sea, Ltd. (subsidiary), which holds a participating interest in the JPDA06-105 Block, steady production is ongoing at the Kitan Oil Field. In addition, assuming a natural decline in production volume, the company conducted drilling at additional production wells.

In Asia & Oceania, the INPEX Group recorded net sales of ¥485.0 billion (decreased by 0.0% from the previous fiscal year) due to decreases in sales price of crude oil and sales volume, despite the depreciation of the Japanese yen against the U.S. dollar, and operating income of ¥264.8 billion (decreased by 6.0% from the

**[Translation for Reference Purposes Only]**

previous fiscal year) due to the depreciation of the Japanese yen against the U.S. dollar and an increase in cost of sales caused by increases in administrative expenses and others.

**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 at the Kashagan Oil Field. Although the initial-stage production started in September 2013, production is currently suspended due to a malfunction of the pipelines, for which investigation and partial recovery work are under way toward resuming production. In addition, among the structures at which exploratory well drilling has confirmed the presence of hydrocarbon, at the Kalamkas structure, appraisal was completed and preparation is under way toward development. At the Aktote, Kairan, and Kashagan Southwest structures, appraisal is continuing.

In Azerbaijan, crude oil is being produced from the Azeri-Chirag-Gunashli (ACG) Oil Fields, and INPEX Southwest Caspian Sea, Ltd. (subsidiary) is participating in this project. Furthermore, at the western part of the Chirag Field, where a large-scale additional development operation was under way, production commenced in January 2014.

INPEX BTC Pipeline, Ltd. (subsidiary) is involved in the BTC Pipeline project to secure transportation route for the crude oil produced from 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 ¥96.3 billion (increased by 12.6% from the previous fiscal year) due to the depreciation of the Japanese yen against the U.S. dollar, despite decreases in sales price and sales volume of crude oil, and operating income of ¥42.6 billion (increased by 2.0% 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) fields in the ADMA Block. Furthermore, in four of the above five oil fields—the UZ, UA, US and LZ fields—the company continued to work on redevelopment plans. Regarding the UZ Field, for which the company’s participating interest expires in March 9, 2026, the Abu Dhabi government decided to extend the company’s interest another 15 years and revise the financial terms and conditions. As for the ST Field, a redevelopment plan was agreed, and development work is underway.

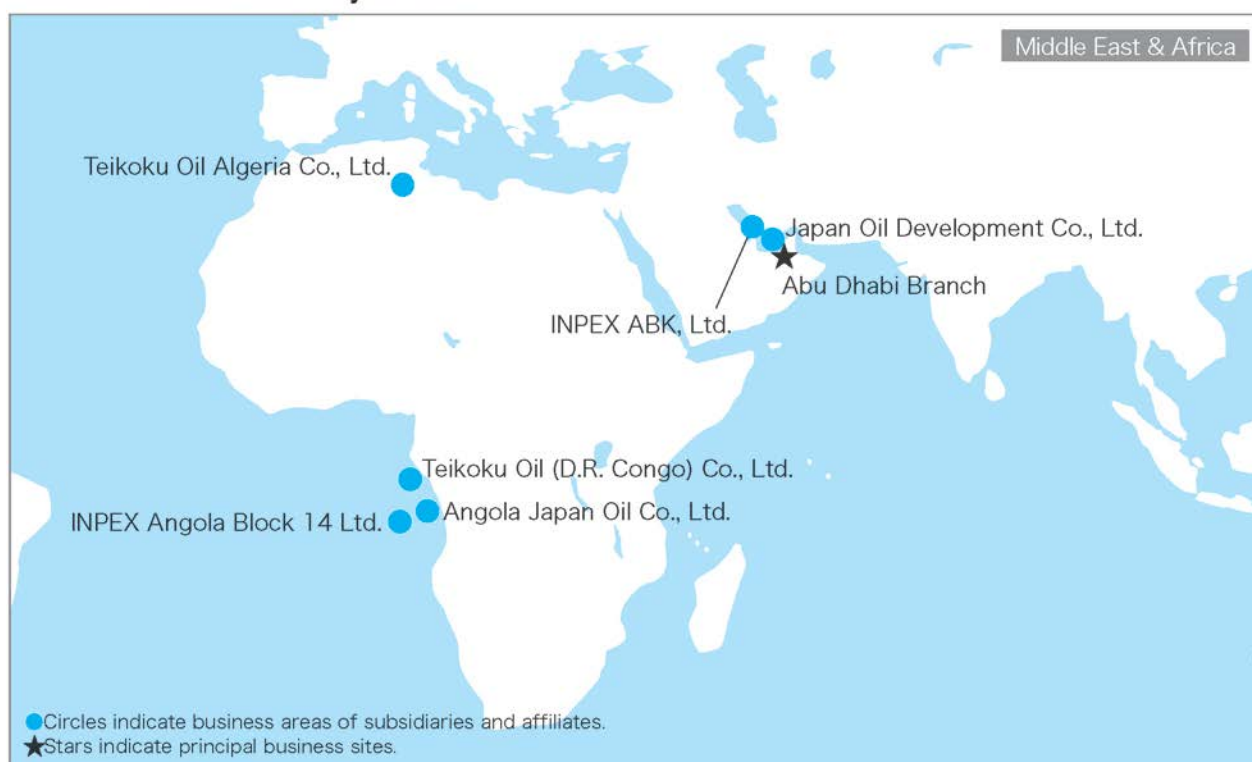
Regarding the Umm Lulu Field, the development work continued. At the Nasr Field, development work aimed at early production is ongoing, while preparation for the full development phase is also under way. In the Abu Al Bukhoosh Block, also offshore Abu Dhabi, where INPEX ABK, Ltd. (subsidiary) owns a part of the concessions, crude oil is being produced. To maintain production levels, drilling of production wells, horizontalization and workover of existing wells, production facilities upgrades and other related activities have been carried out during this year.

Regarding Africa, in the Democratic Republic of the 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, INPEX Angola Block 14 Ltd. (subsidiary) is conducting production of crude oil via Angola Block 14 B.V., a joint venture with TOTAL, in the development areas in the Angola Block 14, located offshore Angola. The company is also conducting development and exploration of discovered undeveloped fields.

In Middle East and Africa, the INPEX Group recorded net sales of ¥621.5 billion (increased by 19.3% 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 price of crude oil, and operating income of ¥421.1 billion (increased by 17.9% 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 its Brazilian subsidiary, Frade Japão Petróleo Limitada, production was suspended voluntarily when an oil sheen problem was discovered at the oil field. After the temporary suspension,



## [Translation for Reference Purposes Only]

production was resumed at some wells from the beginning of this fiscal year. Furthermore, after obtaining government approval, since March 2014 crude oil has been produced at additional wells at which production can be resumed.

In Venezuela, based on the joint venture agreement with Petroleos de Venezuela S.A. (PDVSA) and through a local joint venture, Teikoku Oil and Gas Venezuela, C.A. (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. 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.

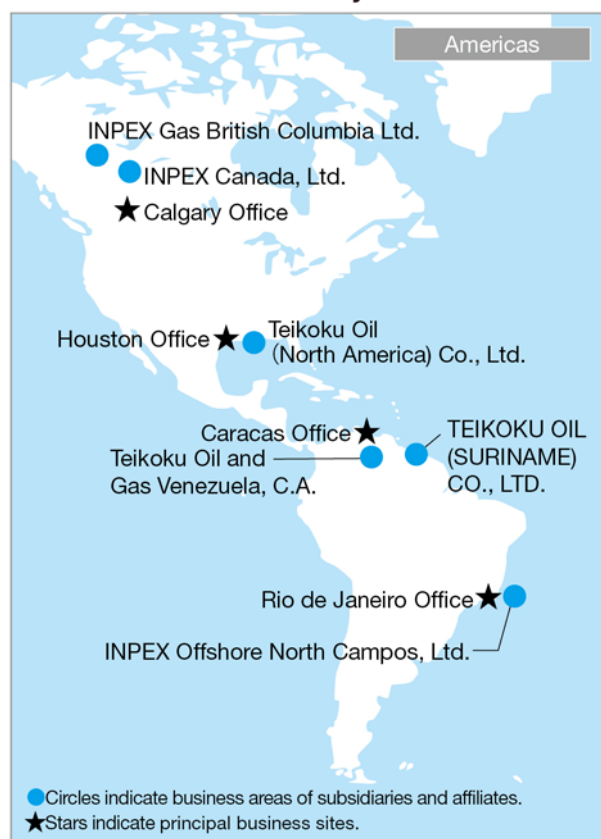
In Canada, INPEX Canada, Ltd. (subsidiary), which is involved in the Joslyn Oil Sands Upstream Project in Alberta, is currently assessing and studying development potential with a view to commencing production through large-scale open-cut mining development sometime between 2014 and 2017.

Under the shale gas development and production projects in which INPEX Gas British Columbia Ltd. (subsidiary) participates in British Columbia, production of gas and development work are already under way in the Horn River Block, and appraisal is continuing in the Cordova and Liard Blocks. In addition, under consideration for the commercialization of LNG, as a prospective location for plant construction, we acquired a survey right in November 2013 at the Grassy Point in western British Columbia, located on the Pacific Ocean coastline.

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 shallow waters of the Gulf of Mexico and in the state of Louisiana. In addition, steady development work is under way at the Lucius Field in the deepwater of the Gulf of Mexico aiming to start production during the second half of 2014.

In Americas, the INPEX Group recorded net sales of ¥11.4 billion (increased by 92.4% from the previous fiscal year) due to an increase in sales volume of natural gas and operating loss of ¥7.6 billion (increased by 25.6% from the previous fiscal year) due to an increase in cost of sales caused by increases in administrative expenses and others.

### 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, 2014.**

**(1) Production**

The following table shows actual production of crude oil, natural gas, etc. by the INPEX Group for the year ended March 31, 2014.

Category	For the year ended March 31, 2014	Changes from the previous fiscal year (%)
Crude oil	89.4 MMbbls (244.9 Mbbls per day)	(0.4)
Natural gas	319.9 Bcf (876.4 MMcf per day)	1.5
Subtotal	149.2 MMboe (408.8 Mboe per day)	0.2
Petroleum products	— Mkl (— Mbbls)	(100.0)
Iodine	471.9 tons	6.1
Electric power generation	214.3 million kWh	15.4

Notes:

1. The production volume of crude oil and natural gas under the production sharing contracts entered into by 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 118.5 MMbbls (324.7 Mbbls per day) of crude oil, 434.7 Bcf (1,191.0 MMcf per day) of natural gas, and in total 200.0 MMboe (548.0 Mboe per day).
2. The volume of LPG produced overseas is included in 'Crude oil.'
3. A portion of crude oil and natural gas production volume is consumed as fuel to generate electricity.
4. The production by the Company's affiliates accounted for by the equity method is included in the figures above. Also the production volume reflects the results during the year ended March 31, 2014, regardless of the closing dates of the fiscal periods of its subsidiaries or affiliates.
5. Boe means barrels of oil equivalent.
6. Iodine is refined by another company on consignment.
7. The refining business that had been conducted through a subsidiary of the Company at the Kubiki Refinery in Joetsu City, Niigata Prefecture was terminated in December 2012. Therefore, no production volume of petroleum products was recorded for this fiscal year.
8. 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, 2014.

(Billions of yen)

Segment	Category	For the year ended March 31, 2014		Changes from the previous fiscal year (%)	
		Sales volume	Net sales	Sales volume	Net sales
Japan	Crude oil	861 Mbbls	9.2	107.7	119.4
	Natural gas (excluding LPG)	67,106 MMcf	90.4	2.6	9.7
	LPG	8 Mbbls	0	(94.9)	(95.4)
	Other		20.4		(33.2)
	Subtotal		120.2		1.1
Asia & Oceania	Crude oil	12,151 Mbbls	131.0	(37.2)	(26.0)
	Natural gas (excluding LPG)	219,771 MMcf	329.8	(1.6)	16.7
	LPG	2,937 Mbbls	24.1	(19.7)	(5.7)
	Subtotal		485.0		(0.0)
Eurasia (Europe & NIS)	Crude oil	8,697 Mbbls	96.3	(5.2)	12.6
Middle East & Africa	Crude oil	57,420 Mbbls	621.5	0.4	19.3
Americas	Crude oil	43 Mbbls	0.5	(22.0)	23.3
	Natural gas (excluding LPG)	40,240 MMcf	10.8	34.5	98.4
	Subtotal		11.4		92.4
Total	Crude oil	79,171 Mbbls	858.7	(8.1)	9.0
	Natural gas (excluding LPG)	327,117 MMcf	431.1	2.6	16.4
	LPG	2,944 Mbbls	24.2	(22.7)	(11.1)
	Other		20.4		(33.2)
	Total		1,334.6		9.7

Notes:

1. The above amounts do not include the related consumption tax.
2. The Company's subsidiaries having a closing date for their fiscal year on December 31 are principally consolidated with reference to their operating results for the year ended December 31 except those subsidiaries that prepared their financial statements for consolidation purpose as of the consolidation closing date. However, the significant transactions occurring between the consolidated closing date were properly adjusted in 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 ¥962.9 billion. They comprise exploration expenditures of ¥71.0 billion, and investments of ¥891.9 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 ¥181.6 billion corresponding to the amount of development expenditures and others capitalized within "Recoverable accounts under production sharing" under production sharing contracts.

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 ¥77.2 billion from the Japan Bank for International Cooperation, Mizuho 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 and Shale Gas Project in Canada. Moreover, during this fiscal year, to raise funds for the Ichthys LNG Project in Australia, the Company continued to utilize external loans through project financing from domestic and foreign export credit agencies (ECAs) and 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 ¥10.2 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 internationally recognized standards. By combining overseas projects that promise high growth potential arising from expansion of reserves with domestic projects that do not carry country risks or foreign exchange risks, 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". This initiative establishes 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 establishes 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 the pursuit of opportunities to acquire quality projects. In our domestic gas business, we consider the sustainable growth of our natural gas business to be 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 completion of Naoetsu LNG Receiving Terminal 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 include 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 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. Although the customers are not fixed in a long term, 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 fuels 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 gas buyers are also required to make large investments 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 oil prices, 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 challenges 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 oil 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. In addition to building a natural gas pipeline network to supply the

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promising market in the Kanto-Koshinetsu region, we plan to strengthen our production system at the key Minami Nagaoka gas field. We also own promising assets, primarily natural gas, in Indonesia and Australia and other areas to ensure our long-term growth. With the last year's completion of Naoetsu LNG Receiving Terminal as a turning point, we will continue an aggressive pursuit of the enlarged business domain including power generation, taking the reforms of electricity and gas business sector into consideration, in order to strengthen our gas business integration that organically links these overseas gas assets with our domestic infrastructure (gas supply chain).

### (3) Reinforcement of renewable energy initiatives

The Company is positioned for "Evolution 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 coexist with the global community and to contribute to sustainable development of society by developing into an energy company capable of supplying a variety of environmentally friendly energies in addition to oil and natural gas. We take on the challenge 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 businesses 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

The Company established its "New Ventures Division" to advance our vision in June 2012. This fiscal year, we reorganized overseas project divisions and units to promote our overseas business in a flexible and efficient manner. We also newly established "Gas Supply & Infrastructure Division" to strengthen our business execution system that will allow us to meet our expanded gas supply chain. We will continue building an efficient organizational structure and will secure and utilize global human resources with diverse experiences 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 a top class international oil and gas E&P company.

### (6) Responsible Management as a Global Company

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

The Company has been striving to develop its responsible management system as a global company. We are engaging in various efforts to continuously strengthen our CSR management under the CSR Committee where our chairman serves as president. We 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" on October 2012. We will further improve corporate governance and compliance management systems.

ii) Efforts for Health, Safety and Environment

The Company has organized an integrated HSE management system in line with international standards and has been striving to secure the safety and health of people concerned in our business and the environment. The Company places incident prevention as a top priority and is actively working to improve necessary documents including manuals and to develop skills through personnel training and education to address emergency situations. 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 our products. 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 the security risks of each country and area in which we operate, and will implement measures for minimizing and protecting from such risks.

Based on our mission to supply energy in a stable and efficient manner and thereby contribute to the good of society, and through the above activities in line with the Vision, the Company will improve our corporate value

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over the long term with a view to securing steady growth.

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

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**5. Assets and Profit/Loss**

Years ended March 31

Category	5th Fiscal Year 2011	6th Fiscal Year 2012	7th Fiscal Year 2013	8th Fiscal Year (This fiscal year) 2014
Net sales (Billions of yen)	943.0	1,186.7	1,216.5	1,334.6
Ordinary income (Billions of yen)	508.5	767.0	718.1	750.0
Net income (Billions of yen)	128.6	194.0	182.9	183.6
Net income per share (Yen)	102.08	132.84	125.29	125.78
Net assets (Billions of yen)	2,097.3	2,314.1	2,670.9	2,996.0
Total assets (Billions of yen)	2,680.3	3,066.3	3,616.1	4,038.1

Notes:

1. Amounts under ¥ 0.1 billion are rounded down. Net income per share figures are rounded off to two decimal places.
2. The Company conducted a stock split at a ratio of 1:400 of its common stock with October 1, 2013 as the effective date. Net income per share is calculated based on the assumption that the stock split was conducted at the beginning of the 5th fiscal year.



**[Translation for Reference Purposes Only]**

**6. Important Subsidiaries, Etc.**

**(1) Important Subsidiaries**

At the end of this fiscal year, the Company had 75 subsidiaries (as defined under Article 2, Item 3, of the Companies Act). During this fiscal year, 5 new subsidiaries were established and 1 subsidiary was eliminated due to 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.	35,428	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, development, production, and sale 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	41,168 (US\$400,000 thousand)	100.00	Exploration and development of oil and natural gas in the Commonwealth of Australia
	INPEX Browse, Ltd.	418,190	100.00	Supply of funds for the exploration and development of oil and natural gas in the Commonwealth of Australia and for the Ichthys LNG Project, etc., to promote exploration and development projects via local subsidiaries
Australia/ JPDA	INPEX DLNGPL Pty Ltd	8,199 (A\$86,135 thousand)	100.00	Investment in Darwin LNG Pty Ltd., which is engaged in laying an undersea gas pipeline between Bayu-Undan 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.

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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.	6,566 (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.	48,948 (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 (Suriname) Co., Ltd.	7,257	56.78	Exploration of oil in the offshore Block 31 in the Republic of Suriname
	Teikoku Oil and Gas Venezuela, C.A.	26 (Bs.F1,620 thousand)	100.00	Exploration, development, production and sale of natural gas in the Copa Macoya Block in the Bolivarian Republic of Venezuela and exploration, development, production and sale of oil in the Guarico Oriental Block in the same country

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.	20,580	100.00	Exploration and development of oil including oil sands in Canada
	INPEX Gas British Columbia Ltd.	97,211 (C\$1,043,488 thousand)	45.09	Exploration, development, production and sale of natural gas in Canada
	Teikoku Oil (North America) Co., Ltd.	2,037 (US\$19,793 thousand)	100.00	Development, production, and sale of oil and natural gas in the United States of America
49 other subsidiaries				

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 25 affiliates (as defined under Article 2, Paragraph 3, Item 18, of the Ordinance on Accounting of Companies). During this fiscal year, 4 new affiliates were established and 1 affiliate was eliminated due to the completion of liquidation. 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.	91,454 (US\$888,601 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
				22 other affiliates

Note:

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

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**7. Primary Business**

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

**8. Principal Business Sites**

Name	Location
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
Naoetsu LNG Terminal	Joetsu City
Jakarta Office	Indonesia
Kuala Lumpur Office	Malaysia
Perth Office	Australia
Darwin Office	Australia
Singapore Office	Singapore
London Office	The United Kingdom
Abu Dhabi Office	United Arab Emirates
Rio de Janeiro Office	Brazil
Caracas Office	Venezuela
Calgary Office	Canada
Houston Office	The United States of America

Note:

The above includes operational bases of the Company's subsidiaries.

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**9. Employees**

Number of employees	Year-on-year change
2,874 (1,441)	+419

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	233.8
Mizuho Bank, Ltd.	136.2
Bank of Tokyo-Mitsubishi UFJ, Ltd.	73.9
Development Bank of Japan Inc.	57.0
Sumitomo Mitsui Banking Corporation	52.0
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.

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**II. Items Related to Shares**

<b>1. Total Number of Shares Authorized to be Issued</b>	(Common Stock)	3,600,000,000
	(Class A Stock)	1
<b>2. Type and Total Number of Issued Shares</b>	(Common Stock)	1,462,323,600
	(Including 1,966,400 Treasury Shares)	
	(Class A Stock)	1
<b>3. Number of Shareholders</b>	(Common Stock)	39,546
	(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	276,922,800	1	276,922,801	18.96
Japan Petroleum Exploration Co., Ltd.	106,893,200	—	106,893,200	7.32
Mitsui Oil Exploration Co., Ltd.	53,154,000	—	53,154,000	3.64
Japan Trustee Services Bank, Ltd. (Trust Account)	45,528,500	—	45,528,500	3.12
JX Holdings, Inc.	43,810,800	—	43,810,800	3.00
The Master Trust Bank of Japan, Ltd. (Trust Account)	41,004,300	—	41,004,300	2.81
The Chase Manhattan Bank, N.A. London S.L. Omnibus Account	40,224,357	—	40,224,357	2.75
CB New York Orbis Funds	28,738,943	—	28,738,943	1.97
JP Morgan Chase Bank 385632	21,032,265	—	21,032,265	1.44
State Street Bank and Trust Company 505223	19,446,693	—	19,446,693	1.33

Notes:

1. The shareholding ratio is calculated after subtracting the treasury shares (1,966,400 shares).
2. The shareholding ratio is rounded to the nearest whole number.

**5. Other Significant Matters Related to the Company's Stock**

As of October 1, 2013, the Company conducted a stock split at a ratio of 1:400 of its common stock, adopting a share unit system, in which 100 common shares constitute one unit of common stock and one Class A stock share constitutes one Class A unit. Associated with this, the total number of shares authorized to be issued increased by 3,591,000,000 shares to 3,600,000,001 shares and the total number of issued common shares increased by 1,458,667,791 shares to 1,462,323,601 shares.



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**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 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 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 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	

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Name	Company Position & Responsibility	Significant Concurrently-Held Positions
Kazuo Wakasugi	Director	Advisor of 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)	

Notes:

- 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.
- 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.
- The Company reported all the Outside Directors and Outside Statutory Auditors as Independent Officers as stipulated by Tokyo Stock Exchange, Inc.
- Statutory Auditor Haruhito Totsune possesses extensive knowledge of financial matters and related matters.
- Statutory Auditor Koji Sumiya possesses extensive knowledge of finance and related matters.
- Statutory Auditor Hiroshi Sato has extensive experience with accounting operations, and possesses extensive knowledge of financial matters and accounting.
- Statutory Auditor Masaru Funai possesses extensive knowledge of financial matters, accounting, and related matters.
- Statutory Auditor Hiroshi Sato is scheduled to retire as Executive Vice President & Executive Officer of Japan Petroleum Exploration Co., Ltd., on June 25, 2014, and assume office as Corporate Advisor at the same company.

**2. Compensation for Directors and Statutory Auditors during This Fiscal Year**

16 Directors: ¥511 million (Including 5 Outside Directors: ¥26 million)

5 Statutory Auditors: ¥91 million (Including 4 Outside Statutory Auditors: ¥64 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.
- 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 ¥0.9 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 crude oil, 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 0.1% of the Company's consolidated cost of sales for the same period.

- B. Major activities

He attended 14 of the 15 (93% attendance) Board of Directors meetings held during this fiscal year, and

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

(3) Director Seiji Kato

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

Some of Mitsubishi Corporation's 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 0.01% of the Company's consolidated cost of sales for the same period.

B. Major activities

He attended 14 of the 15 (93% attendance) Board of Directors 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.

(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 5.5% 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 0.1% of the Company's consolidated cost of sales for the same period.

B. Major activities

He attended all of the 15 (100% attendance) Board of Directors 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.

(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 of the 15 (100% attendance) of the Board of Directors meetings held during this fiscal year, 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

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He attended 14 of the 15 (93% attendance) Board of Directors meetings and attended 13 of the 14 (93% attendance) Board of Statutory Auditors meetings held 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 15 (100% attendance) Board of Directors meetings as well as all of the 14 (100% attendance) Board of Statutory Auditors meetings held during this fiscal year, and made necessary comments during deliberations of proposals, etc., based on his knowledge related to finance, etc.

(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 crude oil, 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 0.1% of the Company's consolidated cost of sales for the same period.

B. Major activities

He attended 11 of the 15 (73% attendance) Board of Directors meetings and attended 10 of the 14 (71% 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

None

B. Major activities

He attended all of the 15 (100% attendance) Board of Directors meetings as well as all of the 14 (100% attendance) Board of Statutory Auditors meetings held 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

¥131 million

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

¥231 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 and guidance services related to the International Financial Reporting Standards (IFRS).

**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 having 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 Company will be managed inconsistent with its role to provide a stable supply of energy to Japan in an efficient manner as a core company," 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.

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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, 2014	Accounts	As of March 31, 2014
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>1,140,204</b>	<b>Current liabilities</b>	<b>375,670</b>
Cash and deposits	650,187	Accounts payable-trade	46,811
Accounts receivable-trade	110,395	Short-term loans	21,954
Marketable securities	201,000	Income taxes payable	91,198
Inventories	25,485	Accounts payable-other	131,904
Deferred tax assets	7,745	Provision for exploration projects	9,816
Accounts receivable-other	121,120	Accrued bonuses to officers	110
Other	41,912	Asset retirement obligations	2,353
Less allowance for doubtful accounts	(17,643)	Other	71,521
<b>Fixed assets</b>	<b>2,897,935</b>	<b>Long-term liabilities</b>	<b>666,432</b>
<b>Tangible fixed assets</b>	<b>951,779</b>	Long-term debt	561,674
Buildings and structures	145,936	Deferred tax liabilities	54,959
Wells	25,348	Provision for loss on business	6,977
Machinery, equipment and vehicles	112,898	Accrued special repair and maintenance	234
Land	19,736	Net defined benefit liability	7,793
Construction in progress	626,520	Asset retirement obligations	25,954
Other	21,339	Other	8,838
<b>Intangible assets</b>	<b>439,178</b>	<b>Total liabilities</b>	<b>1,042,102</b>
Goodwill	81,080	<b>(Net assets)</b>	
Exploration and development rights	125,621	<b>Shareholders' equity</b>	<b>2,497,725</b>
Mining rights	221,411	Common stock	290,809
Other	11,065	Capital surplus	679,287
<b>Investments and other assets</b>	<b>1,506,977</b>	Retained earnings	1,532,876
Investment securities	476,407	Treasury stock	(5,248)
Long-term loans receivable	33,091	<b>Accumulated other comprehensive income</b>	<b>293,382</b>
Long-term time deposits	364,103	Unrealized holding gain on securities	44,737
Recoverable accounts under production sharing	685,990	Unrealized loss from hedging instruments	(17,578)
Deferred tax assets	13,821	Translation adjustments	266,224
Other	61,159	<b>Minority interests</b>	<b>204,928</b>
Allowance for doubtful accounts	(885)		
Allowance for recoverable accounts under production sharing	(123,483)	<b>Total net assets</b>	<b>2,996,036</b>
Allowance for investments in exploration	(3,226)	<b>Total liabilities and net assets</b>	<b>4,038,139</b>
<b>Total assets</b>	<b>4,038,139</b>		

[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, 2014	
<b>Net sales</b>		1,334,625
<b>Cost of sales</b>		490,416
<b>Gross profit</b>		<b>844,209</b>
<b>Exploration expenses</b>		28,205
<b>Selling, general and administrative expenses</b>		82,392
<b>Operating income</b>		<b>733,610</b>
<b>Other income</b>		
Interest income	17,462	
Dividend income	9,227	
Gain on sales of marketable securities	10,335	
Other	13,709	50,734
<b>Other expenses</b>		
Interest expense	2,335	
Equity in losses of affiliates	5,053	
Provision for allowance for recoverable accounts under production sharing	8,028	
Provision for exploration projects	1,165	
Foreign exchange loss	4,279	
Other	13,404	34,266
<b>Ordinary income</b>		<b>750,077</b>
<b>Income before income taxes and minority interests</b>		<b>750,077</b>
Income taxes-current	514,015	
Income taxes-deferred	49,121	563,136
<b>Income before minority interests</b>		<b>186,941</b>
Minority interests		3,250
<b>Net income</b>		<b>183,690</b>

[Translation for Reference Purposes Only]

## Consolidated Statement of Changes in Net Assets

(For the year ended March 31, 2014)

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

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	290,809	679,287	1,375,106	(5,248)	2,339,956
Changes during the period					
Cash dividends paid			(25,921)		(25,921)
Net income			183,690		183,690
Other changes in items other than those in shareholders' equity, net					
Total changes during the period	-	-	157,769	-	157,769
Balance at the end of the period	290,809	679,287	1,532,876	(5,248)	2,497,725

	Accumulated other comprehensive income				Minority interests	Total net assets
	Unrealized holding gain on securities	Unrealized gain (loss) from hedging instruments	Translation adjustments	Total accumulated other comprehensive income		
Balance at the beginning of the period	34,741	16,243	90,350	141,336	189,691	2,670,983
Changes during the period						
Cash dividends paid						(25,921)
Net income						183,690
Other changes in items other than those in shareholders' equity, net	9,995	(33,822)	175,873	152,046	15,236	167,283
Total changes during the period	9,995	(33,822)	175,873	152,046	15,236	325,052
Balance at the end of the period	44,737	(17,578)	266,224	293,382	204,928	2,996,036

[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: 66

Names of major 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: 6

Number of companies excluded from the scope of consolidation: 1

Details for the above changes:

(a) INPEX Uruguay, Ltd., INPEX West Sebuk, Ltd., INPEX Energy Trading Singapore Pte Ltd. and another have been newly included due to establishment of the companies.

(b) INPEX Offshore Timor-Leste, Ltd., INPEX West of Shetland Limited have been newly included due to an increase in materiality of the companies.

(c) Teiseki Transport System Co. Ltd. has been excluded due to a merger.

#### (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

Those 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: 19

Names of major affiliates:

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: 4

Details for the above change:

(a) Japan South Sakha Oil Co., Ltd., IT MARINE TRANSPORT PTE. LTD., Ocean Breeze LNG Transport S.A. have been newly included due to establishment of the companies.

(b) Greenland Petroleum Exploration Co., Ltd. has been newly included due to an increase in materiality of the company.

#### (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 consolidated financial statements.

## [Translation for Reference Purposes Only]

### (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 48 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 12 companies including, but not limited, Japan Oil Development, Co., Ltd., INPEX Southwest Caspian Sea, Ltd., and 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 the fiscal year.
  - (f) Provision for loss on business  
Provision for loss on business is provided for future potential losses on crude oil and natural gas development, production and sales business individually estimated for each project.
  - (g) 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) Accounting for retirement benefits
- 1) Method of recording expected retirement benefits in proper terms  
When calculating retirement benefit obligations, the straight-line method is used for attributing expected retirement benefits to periods through March 31, 2014. Because certain subsidiaries are classified as small enterprises, a simplified method (the amount which would be required to be paid if all active employees voluntarily terminated their employment as of the balance sheet date) is applied for the calculation of the retirement benefit obligation of the subsidiaries.
  - 2) Method of expenses for actuarial differences  
Actuarial gains and losses are charged or credited to income as incurred.
- (5) 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 for hedging transactions. The allocation method is applied to foreign exchange forwards that meet certain criteria. The special treatment is applied to the interest rate swaps that meet certain criteria.
    - 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.

## [Translation for Reference Purposes Only]

(c) Amortization of Goodwill

Goodwill is amortized by the straight-line method over 20 years.

(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 Accounting Policies]

Effective the end of the year ended March 31, 2014, the Company has applied the “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan Statement No. 26, issued on May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, issued on May 17, 2012), except for the provisions stated in Clause 35 of the Accounting Standard for Retirement Benefits and Clause 67 of the Guidance on Retirement Benefits. The Company has changed its accounting method to post retirement benefit obligations less plan assets as “Net defined benefit liability.”

As a result of the change, the consolidated balance sheet as of March 31, 2014 shows a net defined benefit liability of ¥7,793 million. The change does not affect accumulated other comprehensive income because actuarial gains and losses are charged or credited to income as incurred.

### [Changes in the Presentation]

#### (Consolidated Statement of Income)

“Gain on sales of investment securities” and “Gain on transfer of mining rights,” previously presented separately in other income, are included in “Other” since they have become less significant. The amounts of “Gain on sales of investment securities” and “Gain on transfer of mining rights” for this fiscal year were ¥168 million and ¥797 million respectively.

“Gain on sales of marketable securities,” previously included in “Other” in other income, is presented separately since it has become more significant.

### [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	2,082	(2,082)
Wells	181	(181)
Machinery, equipment and vehicles	8,026	(8,026)
Investment securities	790	(—)
Other (investments and other assets)	221	(—)
Total	11,301	(10,289)

(Secured debt)		Millions of yen
Short-term loans	945	(929)
Accounts payable-other	385	(—)
Long-term debt	491	(474)
Others (long-term liabilities)	16	(—)
Total	1,839	(1,403)

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

In addition, the followings 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	7,835
Other (current assets)	5,429
Land	145
Construction in progress	382,224
Long-term loans receivable	27,308
Total	422,943

**[Translation for Reference Purposes Only]**

The BTC pipeline project financing  
Investment securities ¥6,378 million

2. Accumulated depreciation  
Accumulated depreciation of tangible fixed assets is ¥638,744 million.

3. Contingent liabilities

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

	Millions of yen
Tangguh Trustee*	15,484
Fujian Tranche*	5,489
Sakhalin Oil and Gas Development Co., Ltd.	2,457
INPEX Offshore North Campos, Ltd.	1,617
Employees (housing loans)	112
Japan Canada Oil Sands Limited	25
<b>Total</b>	<b>25,186</b>

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

(2) Guarantee for derivatives

Ichthys LNG Pty Ltd ¥(17,531) million

The aforementioned derivative transactions are utilized to hedge exchange rate fluctuation risk regarding payments of development costs for the Ichthys LNG project. The amount is valuation gain (loss) on the derivatives.

(3) Completion guarantee

In connection with the Ichthys LNG project financing, the Company and other project participants provide lenders with a guarantee of liabilities during the construction phase based on each participating interest in addition to collateralizing its assets.

The portion guaranteed by the Company at the end of this fiscal year was ¥600,029 million.

**[Notes to Consolidated Statement of Changes in Net Assets]**

1. Type and number of shares issued and treasury stock

(Shares)

	Balance as of April 1, 2013	Increase	Decrease	Balance as of March 31, 2014
<b>Number of shares</b>				
Common stock	3,655,809	1,458,667,791	–	1,462,323,600
Class A stock	1	–	–	1
<b>Total</b>	<b>3,655,810</b>	<b>1,458,667,791</b>	<b>–</b>	<b>1,462,323,601</b>
<b>Treasury stock</b>				
Common stock	4,916	1,961,484	–	1,966,400
<b>Total</b>	<b>4,916</b>	<b>1,961,484</b>	<b>–</b>	<b>1,966,400</b>

Note:

The increases of 1,458,667,791 shares in total number of shares and 1,961,484 shares in treasury stock were derived from a stock split at a ratio of 1:400 of its common stock.



**[Translation for Reference Purposes Only]**

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 25, 2013	Common stock	12,778	3,500	March 31, 2013	June 26, 2013
	Class A stock	0	3,500	March 31, 2013	June 26, 2013
Board of directors' meeting: November 7, 2013	Common stock	13,143	3,600	September 30, 2013	December 2, 2013
	Class A stock	0	3,600	September 30, 2013	December 2, 2013

(2) Dividends, whose record date was in the year ended March 31, 2014, 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, 2014	Common stock	Retained earnings	13,143	9	March 31, 2014	June 26, 2014
	Class A stock	Retained earnings	0	3,600	March 31, 2014	June 26, 2014

Note:

The Company conducted a stock split at a ratio of 1:400 of its common stock with October 1, 2013 as the effective date. Dividends per share, whose effective date will be June 26, 2014 is calculated with the number of shares after the stock split was conducted. For Class A stock (which is not listed), no stock split was implemented. The article, which shows that dividends of Class A stock are equivalent to dividends of a common stock prior to the stock split, is specified in the Articles of Incorporation.

[Notes to Financial Instruments]

1. Status of financial instruments

The Company raises funds for oil and gas development and production, construction or expansion of pipelines and LNG 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 for 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 Executive 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 forwards 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, 2014, fair value and the difference between them are as shown below.

	(Millions of yen)		
	Carrying value	Fair value	Difference
(1) Cash and deposits	650,187	654,694	4,506
(2) Accounts receivable-trade	110,395	110,395	-
(3) Marketable securities and investment securities	525,989	525,989	-
(4) Long-term time deposits	364,103	367,841	3,738
Total assets	1,650,675	1,658,920	8,245
(1) Short-term loans	21,954	21,744	(210)
(2) Long-term debt	561,674	551,721	(9,952)
Total liabilities	583,628	573,465	(10,163)
Derivatives*	-	-	-

\*Net claims and debts arising from derivative transactions are presented on a net basis. In case the total amount is a

## [Translation for Reference Purposes Only]

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

##### (2) Accounts receivable-trade

Since the item is settled in a short period of time and its fair value is almost the same as the 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 market prices of exchanges or the prices presented by financial institutions.

##### (4) Long-term time deposits

The fair value of long-term 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 the 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.

#### Derivative Transactions

Fair value of derivatives for which special treatment of interest rate swaps is applied is included in the fair value of long-term debt since the interest rate swap is treated together with long-term debt subject to hedging (refer to Liabilities (2) above).

Note 2: Unlisted securities (carrying value on the consolidated balance sheet: ¥33,842 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: ¥112,576 million) are assumed to have no quoted market prices 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	¥1,911.25
2. Net income per share	¥125.78

#### Note:

The Company conducted a stock split at a ratio of 1:400 of its common stock with October 1, 2013 as the effective date. Net assets excluding minority interests per share and net income per share are calculated based on the assumption that the stock split was conducted on April 1, 2013.

[Translation for Reference Purposes Only]

## Non-Consolidated Balance Sheet

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

Accounts	As of March 31, 2014	Accounts	As of March 31, 2014
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>991,025</b>	<b>Current liabilities</b>	<b>1,026,473</b>
Cash and deposits	612,825	Accounts payable-trade	3,760
Accounts receivable-trade	34,987	Current portion of long-term debt	5,565
Marketable securities	201,000	Lease obligations	56
Finished goods	2,536	Accounts payable-other	13,950
Work in process and partly-finished construction	57	Accrued expenses	3,076
Raw materials and supplies	8,119	Income taxes payable	21,196
Advance payments-trade	21	Deferred tax liabilities	1,111
Prepaid expenses	693	Advances received	30
Short-term loans receivable from subsidiaries and affiliates	92,468	Deposits payable	390
Other	43,081	Deposits received from subsidiaries and affiliates	976,253
Allowance for doubtful accounts	(4,766)	Accrued bonuses to officers	97
		Asset retirement obligations	845
		Other	139
<b>Fixed assets</b>	<b>2,551,072</b>	<b>Long-term liabilities</b>	<b>241,310</b>
<b>Tangible fixed assets</b>	<b>249,693</b>	Long-term debt	203,077
Buildings	17,844	Lease obligations	149
Structures	121,032	Deferred tax liabilities	5,306
Wells	477	Accrued retirement benefits to employees	7,371
Machinery and equipment	65,110	Provision for loss on business	6,977
Vehicles	34	Provision for loss on business of subsidiaries and affiliates	15,424
Tools, furniture and fixtures	2,693	Asset retirement obligations	2,206
Land	16,933	Other	797
Leased assets	198		
Construction in progress	25,370	<b>Total liabilities</b>	<b>1,267,783</b>
		<b>(Net assets)</b>	
<b>Intangible assets</b>	<b>90,746</b>	<b>Shareholders' equity</b>	<b>2,229,718</b>
Goodwill	83,435	<b>Common stock</b>	<b>290,809</b>
Mining right	1	<b>Capital surplus</b>	<b>1,023,802</b>
Software	2,408	Legal capital surplus	1,023,802
Other	4,901	<b>Retained earnings</b>	<b>920,354</b>
		Other retained earnings	920,354
<b>Investments and other assets</b>	<b>2,210,632</b>	Reserve for advanced depreciation of non-current assets	18
Investment securities	326,583	Reserve for special account for advanced depreciation of non-current assets	50
Investments in stock of subsidiaries and affiliates	1,490,660	Reserve for special depreciation	13,044
Investments in capital	0	Reserve for overseas investment loss	38,542
Investments in capital of subsidiaries and affiliates	0	Mine prospecting reserve	8,815
Long-term loans receivable from employees	30	Retained earnings brought forward	859,882
Long-term loans receivable from subsidiaries and affiliates	98,009	<b>Treasury stock</b>	<b>(5,248)</b>
Long-term prepaid expenses	425	<b>Valuation, translation adjustments and others</b>	<b>44,595</b>
Long-term time deposits	364,103	<b>Unrealized holding gain on securities</b>	<b>44,595</b>
Recoverable accounts under production sharing	112,313		
Other	12,451	<b>Total net assets</b>	<b>2,274,314</b>
Allowance for doubtful accounts	(103)		
Allowance for recoverable accounts under production sharing	(732)	<b>Total liabilities and net assets</b>	<b>3,542,098</b>
Allowance for investments in exploration	(193,110)		
<b>Total assets</b>	<b>3,542,098</b>		

[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, 2014	
<b>Net sales</b>		456,325
<b>Cost of sales</b>		199,009
<b>Gross profit</b>		<b>257,316</b>
<b>Exploration expenses</b>		3,656
<b>Selling, general and administrative expenses</b>		43,824
<b>Operating income</b>		<b>209,835</b>
<b>Other income</b>		
Interest income	9,393	
Interest income on securities	1,560	
Dividend income	56,027	
Foreign exchange gain	28,025	
Other	22,998	<b>118,004</b>
<b>Other expenses</b>		
Interest expense	4,747	
Provision of allowance for investment loss in exploration	9,359	
Provision for loss on business	3,272	
Provision for loss on business of subsidiaries and affiliates	1,264	
Other	4,525	<b>23,169</b>
<b>Ordinary income</b>		<b>304,670</b>
<b>Income before income taxes</b>		<b>304,670</b>
Income taxes-current	110,866	
Income taxes-deferred	(535)	<b>110,330</b>
<b>Net income</b>		<b>194,339</b>

[Translation for Reference Purposes Only]

## Non-Consolidated Statement of Changes in Net Assets

(For the year ended March 31, 2014)

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

	Shareholders' equity						
	Common stock	Capital surplus		Retained earnings			
		Legal capital surplus	Total capital surplus	Other retained earnings			
				Reserve for advanced depreciation of non-current assets	Reserve for special account for advanced depreciation of non-current assets	Reserve for special depreciation	Reserve for overseas investment loss
Balance at the beginning of the period	290,809	1,023,802	1,023,802	—	—	647	38,603
Changes during the period							
Provision of reserve for advanced depreciation of non-current assets				18			
Provision of reserve for special account for advanced depreciation of non-current assets					50		
Provision of reserve for special depreciation						12,490	
Reversal of reserve for special depreciation						(92)	
Reversal of reserve for overseas investment loss							(60)
Provision of mine prospecting reserve							
Reversal of mine prospecting reserve							
Cash dividends paid							
Net income							
Other changes in items other than those in shareholders' equity, net							
Total changes during the period	—	—	—	18	50	12,397	(60)
Balance at the end of the period	290,809	1,023,802	1,023,802	18	50	13,044	38,542

[Translation for Reference Purposes Only]

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

	Shareholders' equity					Valuation, translation adjustments and others		Total net assets
	Retained earnings			Treasury stock	Total shareholders' equity	Unrealized holding gain on securities	Total valuation, translation adjustments and others	
	Other retained earnings		Total retained earnings					
	Mine prospecting reserve	Retained earnings brought forward						
Balance at the beginning of the period	8,581	704,104	751,936	(5,248)	2,061,300	34,827	34,827	2,096,127
Changes during the period								
Provision of reserve for advanced depreciation of non-current assets		(18)	—					—
Provision of reserve for special account for advanced depreciation of non-current assets		(50)	—					—
Provision of reserve for special depreciation		(12,490)	—					—
Reversal of reserve for special depreciation		92	—					—
Reversal of reserve for overseas investment loss		60	—					—
Provision of mine prospecting reserve	8,832	(8,832)	—					—
Reversal of mine prospecting reserve	(8,598)	8,598	—					—
Cash dividends paid		(25,921)	(25,921)		(25,921)			(25,921)
Net income		194,339	194,339		194,339			194,339
Other changes in items other than those in shareholders' equity, net						9,768	9,768	9,768
Total changes during the period	234	155,778	168,418	—	168,418	9,768	9,768	178,186
Balance at the end of the period	8,815	859,882	920,354	(5,248)	2,229,718	44,595	44,595	2,274,314

[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. Goodwill is amortized over 20 years. Software for internal use is amortized over 5 years.
  - Leased assets 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 the 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 crude oil and natural gas development, production and sales business individually estimated for each project.
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.



**[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	1,048	(1,048)
Structures	1,033	(1,033)
Wells	181	(181)
Machinery and equipment	8,026	(8,026)
Investment securities	790	(—)
Other (investments and other assets)	221	(—)
<b>Total</b>	<b>11,301</b>	<b>(10,289)</b>
(Secured debt)		
Accounts payable-other	385	(—)
Long-term debt (including current portion)	1,437	(1,403)
Others (long-term liabilities)	16	(—)
<b>Total</b>	<b>1,839</b>	<b>(1,403)</b>

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

2. Accumulated depreciation

Accumulated depreciation of tangible fixed assets is ¥227,814 million.

**[Translation for Reference Purposes Only]**

3. Contingent liabilities

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

	Millions of yen
INPEX North Caspian Sea, Ltd.	99,150
Tangguh Trustee*	15,484
Fujian Tranche*	5,489
Sakhalin Oil and Gas Development Co., Ltd.	2,457
INPEX Offshore North Campos, Ltd.	1,617
Employees (housing loans)	112
Japan Canada Oil Sands Limited	25
<b>Total</b>	<b>124,336</b>

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

(2) Guarantee for derivatives

Ichthys LNG Pty Ltd ¥(17,531) million

The aforementioned derivative transactions are utilized to hedge exchange rate fluctuation risk regarding payments of development costs for the Ichthys LNG project. The amount is valuation gain (loss) on the derivatives.

(3) Completion guarantee

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.

The portion guaranteed by the Company at the end of this fiscal year was ¥600,029 million.

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

	Millions of yen
Short-term monetary assets from subsidiaries and affiliates	104,238
Long-term monetary assets from subsidiaries and affiliates	98,009
Short-term monetary liabilities to subsidiaries and affiliates	977,988
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	65,457
Purchases	468
Other operating transactions	15,500
Transactions other than operating transactions	61,482

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

Type and number of treasury stock at end of this period

	Shares
Common stock	1,966,400

**[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	59,497
Loss on valuation of investment securities	3,164
Loss on revaluation of land	235
Accrued retirement benefits to employees	2,268
Provision for loss on business	2,147
Provision for loss on business of subsidiaries and affiliates	4,747
Asset retirement obligations	939
Accrued bonuses to employees	711
Allowance for recoverable accounts under production sharing	225
Other	10,238
Total deferred tax assets	84,176
Valuation allowance	(81,515)
Total deferred tax assets	2,660
Deferred tax liabilities	
Unrealized holding gain on securities	1,802
Reserve for overseas investment loss	4,670
Translation differences due to an application of purchase accounting method	1,338
Mine prospecting reserve	394
Reserve for special depreciation	583
Other	288
Total deferred tax liabilities	9,077
Net deferred tax liabilities	6,417

**[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)	63,742	Accounts receivable-trade	7,773	
	INPEX North Caspian Sea, Ltd.	Directly 45.00% (Owned) -%		Loans of funds (*2)	—	Long-term loans receivable from subsidiaries and affiliates	39,852	
				Loans of funds (denominated in US\$) (*3)	—	Short-term loans receivable from subsidiaries and affiliates	3,586 (in millions of US\$) 34	
						Long-term loans receivable from subsidiaries and affiliates	23,868 (in millions of US\$) 231	
				Loans of funds (denominated in US\$) (*4)	13,043 (in millions of US\$) 131	Long-term loans receivable from subsidiaries and affiliates	28,611 (in millions of US\$) 278	
				Guarantee (*5)	99,150	—	—	
	INPEX Browse, Ltd.	Directly 100.00% (Owned) -%		Serve the officer concurrently, capital subscription	Investment in additional shares (*6)	225,000	—	—
	Japan Oil Development Co., Ltd.	Directly 100.00% (Owned) -%		Serve the officer concurrently, capital subscription	Cash management (*7)	—	Deposits received from subsidiaries and affiliates	76,215
	INPEX Southwest Caspian Sea, Ltd.	Directly 51.00% (Owned) -%		Serve the officer concurrently, capital subscription	Cash management (*7)	—	Deposits received from subsidiaries and affiliates	146,462
	INPEX Holdings Australia Pty Ltd	Indirectly 100.00% (Owned) -%		Serve the officer concurrently	Cash management (*7)	—	Deposits received from subsidiaries and affiliates	651,052
Payment of interest (*7)			2,589		Accrued expenses	336		
INPEX Oil & Gas Australia Pty Ltd	Directly 100.00% (Owned) -%	Serve the officer concurrently, capital subscription	Investment in additional shares (*8)	59,350	—	—		
Affiliate	Ichthys LNG Pty Ltd	Indirectly 66.07% (Owned) -%	Serve the officer concurrently	Guarantee (*9)	600,029	—	—	

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 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 3: 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 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, 2028. The Company did not accept any collateral.

Note 5: 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 6: 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 7: 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.

**[Translation for Reference Purposes Only]**

Note 8: 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 9: 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 | ¥1,557.37 |
| 2. Net income per share | ¥133.08   |

Note: The Company conducted a stock split at a ratio of 1:400 of its common stock with October 1, 2013 as the effective date. Net assets per share and net income per share are calculated respectively, based on the assumption that the stock split was conducted on April 1, 2013.

## Independent Auditor's Report

May 09, 2014

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 8th fiscal year from April 1, 2013 through March 31, 2014.

### *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 8th fiscal year ended March 31, 2014 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 09, 2014

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 8th fiscal year from April 1, 2013 through March 31, 2014.

### *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 8th fiscal year ended March 31, 2014 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 8th business year (from April 1, 2013, to March 31, 2014), the Board of Statutory Auditors of the Company deliberated based on the audit report made by each Statutory Auditor and 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 plan including the audit policies, audit method, 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 the Statutory Auditor auditing standards established by the Board of Statutory Auditors, and in accordance with the audit plan, 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; 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 at the Head Office and major business sites. Also, each Statutory Auditor received 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 periodic 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 3, 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 16, 2014

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)