

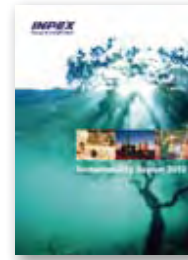
Corporate Social Responsibilities (CSR)

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Corporate Social Responsibility

INPEX takes an active approach to Corporate Social Responsibility (CSR) based on our recognition that CSR is inextricably linked to our business operations. We seek to meet our social responsibilities, which increase as our business grows, and contribute to building a sustainable society through the stable and efficient supply of energy.



For further details on our activities, please refer to Sustainability Report 2012.
inpx.co.jp/english/csr

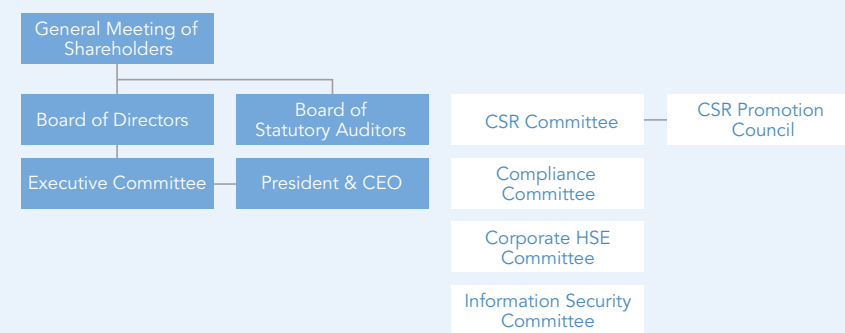
Strengthening Our CSR Efforts

The following are the major steps taken in 2012 to strengthen our CSR.

1. Promoting CSR Management: Establishment of the CSR Committee

We established the CSR Committee, which is chaired by the President & CEO in April 2012 with the goal of promoting systematic CSR companywide. The Committee deliberates basic policies on a variety of CSR-related activities. In addition, the CSR Promotion Council, which is comprised of members from various divisions, has been organized at the working level in each division to serve as a sub-organization under the CSR Committee for the promotion of CSR efforts coordinated between the executives and each workplace, of which awareness is shared at all levels of the INPEX Group.

CSR Promotion Structure



2. Establishment of Key CSR Subjects

The INPEX Group collected, organized and classified opinions of people within the Company concerning what our main CSR efforts should be henceforth, using the seven core themes listed in ISO26000* as a reference. Of these, we selected five that have a large impact on both the INPEX Group and its stakeholders, and which therefore we believe currently require strengthening our efforts.

Key CSR Subjects

Compliance	Comply with laws and social norms (including human rights)
HSE initiatives	Practice safety and environmental protection in operations
Community contribution	Build trust and contribute to local communities (including education)
Greenhouse gas countermeasures	Address climate change
Employee development	Develop and utilize human resources as a global company

*The seven core themes of ISO26000 (International Standard for guidance on social responsibility for organizations): organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development

3. Endorsement of the UN Global Compact

INPEX endorsed the UN Global Compact in December 2011. The UN Global Compact was launched by the UN Headquarters in 2000 as an initiative for corporations and other entities to voluntarily commit to 10 universally accepted principles of four fields of human rights, labor, environment and anti-corruption, so as to act as good

corporate citizens and contribute to the sustainable development of the international community. As a globally active corporation, INPEX will conduct business in accordance with the 10 principles of the Global Compact and will actively seek to inform stakeholders within and outside the company of our activities.



Basic HSE Policy

INPEX engages in HSE (Health, Safety and Environment) activities based on an integrated HSE Management System to coordinate our efforts in those areas.

HSE Management System

Outline of the HSE Management System and Its Operational Structure

Our HSE Management System encompasses a document architecture that includes ① the HSE Policy, ② the HSE Management System Manual, ③ corporate HSE procedures and guidelines, ④ an organizational structure comprising the HSE committees and ⑤ the HSE objectives and programs devised each fiscal year. The system is implemented by the Headquarters HSE Unit, the Corporate HSE Committees that implement group-wide HSE initiatives and the HSE Committees within the Operational Organizations (the Headquarters and organizations executing operator projects).

HSE Audits

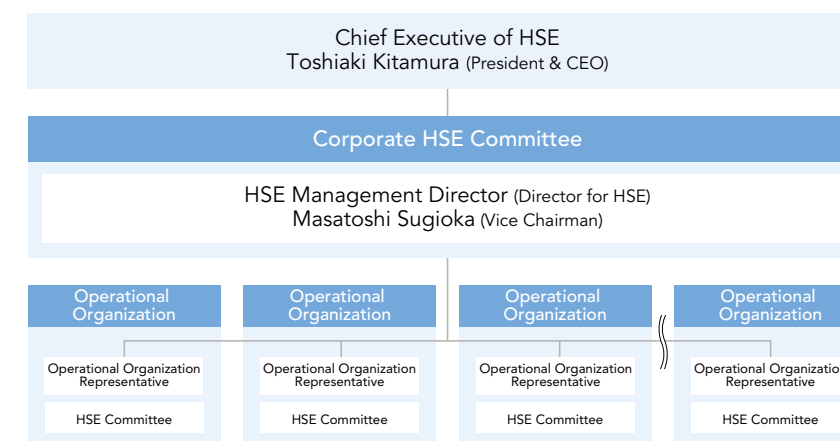
We conduct HSE audits of Corporate (e.g., Headquarters) and Operational Organizations to continually improve our HSE performance. HSE audits cover each organization's HSE management system, its operations and all related HSE activities. The focus categories for the HSE audits are set each year. For the year ended March 31, 2012, we newly added the "Effectiveness Assessment of Emergency Response" as a key parameter and audited the Ichthys LNG and Abadi LNG projects.

HSE Training and HSE Communication

We conducted the HSE Cultural Maturity Survey for the year ended March 31, 2012 to examine our internal HSE structure and employee consciousness about HSE. For the year ending March 31, 2013, we have established two important targets: "Improve company-wide HSE competence" and "Strengthen HSE communication." At our headquarters, we conduct HSE training programs every year, with a total of 625 trainees logging a total of 357 hours in 27 subjects for the year ended March 31, 2012. For the year ending March 31, 2013, in addition to specialized area training for young engineers, we are also planning to conduct more comprehensive HSE on-the-job training (OJT).

We held the HSE Annual Meeting to report to executives concerning the status of HSE and issues involving HSE execution, as well as the HSE Managers Meeting to deepen discussions of HSE efforts at the Operational Organization level. Both meetings have been held annually since the year ended March 31, 2009. In this way, we seek to improve HSE consciousness and enliven internal communication.

Initiatives for Promoting and Implementing the HSE Management System



Message from the Director in Charge of HSE



Masatoshi Sugioka
 Vice Chairman,
 in charge of HSE

One aspect of CSR activities on which we focus in particular is HSE. INPEX's mission is "to contribute to the creation of affluent societies by realizing stable and efficient supplies of energy," so it is imperative that we maintain thorough safety and environmental preservation controls, as well as build and nurture a relationship of trust with communities within and outside Japan. The demands of society, as well as our environmental response, are changing day by day according to the state of society, and it is important to us that what does not change is our record of safety and environmental preservation and coexistence and coprosperity with the communities where we operate.



HSE Meeting



OJT at the Nagaoka Field

HSE Initiatives in Projects The Ichthys LNG Project

Our HSE system at the Ichthys LNG Project, which is in the development stage, makes safety our top operational priority.

We incorporate the lessons learned from the 2009 Montara Oil Field (Australia) and 2010 Gulf of Mexico oil spills in putting together the environmental and accident response plans at each project facility. We participate in efforts with other oil companies operating in Australia during accidents and other emergencies to prevent problems.

Safety Management

We identify and evaluate latent risks, taking all necessary measures for their minimization. Our HSE Management System provides the foundation for thoroughly safe operations.

Risk Management

Business Continuity Plan (BCP)

Our Business Continuity Plan (BCP) prepares us for the smooth continuity of operations during emergency conditions without interrupting key headquarter functions. It has been compiled as an earthquake response manual that stipulates ① the basic BCP policy, ② the BCP for continuation of our key headquarter operations and ③ an earthquake response manual to transit to a BCP system.

We renewed the BCP Manual in June 2011, drawing on our experiences in the Great East Japan Earthquake. The BCP Manual exhaustively covers measures to be taken in the event of a major earthquake centered directly under Tokyo, stipulating every

step from the first response measures through transition to the BCP structure. Responses to outbreaks of new strains of influenza are also included in the BCP, with a response manual that is distributed to all employees to cope with an operational disruption caused by an outbreak.

Climate Change Risk

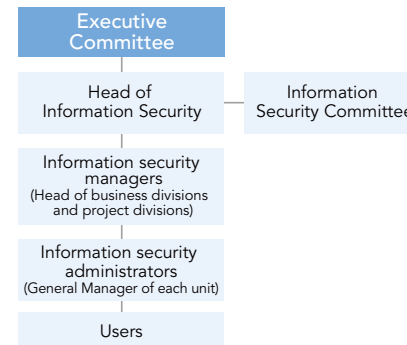
Among the risks to the INPEX Group imposed by climate change are damage to production facilities or pipelines from climatic events, water shortages at operational sites, the impact on operations of rising water levels and regulations on greenhouse gas emissions. We take all of these risks under consideration in implementing projects. For example, we

have designed offshore facilities for the Ichthys LNG Project in Australia that can withstand major cyclones, and we have taken a rise in sea levels in consideration in placing our facilities there. The offshore facilities at the Abadi LNG Project also incorporate cyclone-proof design.

Information Security Measures

INPEX has established a Basic Policy for Information Security, and through the work of the Information Security Committee we have instituted a set of information security-related regulations, as well as an information security control structure. In addition to putting in place security measures to guard confidential information, we seek to improve consciousness about information security through employee training.

Information Security Management System



Emergency Response System and Business Continuation Response Level of Operation



Measures Against Serious Accidents

Accident Frequency Occurrence Targets

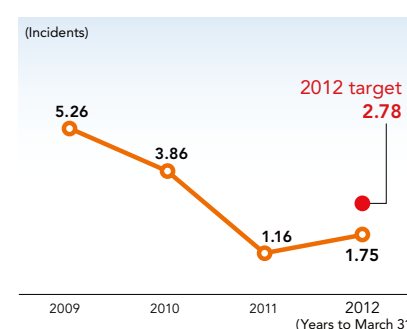
We promote HSE efforts at all Operational Organizations with the goal of "zero accidents" and conduct safety activities to reduce the number that do occur.

We set companywide Accident Frequency Occurrence Targets every year and engage in efforts to reduce accident frequency. For the year ended March 31, 2012, we set a target value

LTIF



TRIR



for LTIF (rate of injuries resulting in fatalities or lost time per million hours worked) of 0.68 and achieved 0.62, and a TRIR (rate of recordable injuries (fatalities, lost time, restricted workdays and medical treatment) per million hours worked) of 2.78 and achieved 1.75, for success in both categories.

Serious Accident Prevention Measures

Our measures to prevent serious accidents include risk evaluations that begin by identifying the hazards at each Operational Organization, studying those together. We also conduct regular HSE Reviews to confirm the HSE efforts at each project, with eight such reviews conducted at various projects for the year ended March 31, 2012. We also publish a monthly journal, *Safety Highlights*, which provides numerical values for the latest accidents and covers associated topics. The aim of this journal is to share information about accident prevention with employees.

Accident Prevention Together with Contractors

In accordance with the Corporate Procedure for Contractors' HSE Management, we are promoting HSE management initiatives for companies that are contracted to conduct operations at all Operational Organizations in Japan and

overseas. For example, each contractor is requested to include the HSE management methods and past accident record in the proposal documents, and after the contractors have been selected we continue to strengthen HSE communications through process meetings, operational procedure briefings and pre-work meetings. We also confirm the level of achievement of contractor HSE management through HSE audits.

Accident Response

The Operational Organizations and the headquarters' corporate departments mount a coordinated response in the event of a serious accident or other emergency. As prescribed in the Corporate Emergency Response Procedures and the Corporate Emergency Response Manual, if the emergency status exceeds a specific level, a Corporate Crisis Management Team is formed to work together with the Operational Organization Emergency Response Team established at the site where the emergency has occurred to conduct an emergency response, including arranging for medical care.

After an accident has occurred, a report is composed that summarizes the incident, its causes and recurrence prevention measures. The report is then disseminated throughout the Operational Organizations, with the goal of companywide recurrence prevention.



Monthly journal, *Safety Highlights*



Operational procedure briefing



The Corporate Crisis Management Team engages in discussion

Project Safety Management: The Ichthys LNG Project

Risk management standards and accident prevention targets have been established at the Ichthys LNG Project based on the HSE Management System, which is in accordance with INPEX rules and Australian government regulations.

We conduct internal audits of local offices during the construction of plants and other facilities to maintain safety. We place safety engineers in each facility design department, which brings about thoroughly safety-aware design by providing extensive support for the safety management aspects.

During our detailed engineering work, we establish design safety cases as part of the serious accident risk management and safety maintenance process. We also work at the early stages with the Australian government to ensure that the design of each important facility meets stringent Australian safety requirements.



Ichthys LNG Project HSE Forum

Environmental Response

Efforts to reduce environmental impact are under way at each project.

Global Warming Mitigation

We are working to prevent global warming through our HSE Management System.

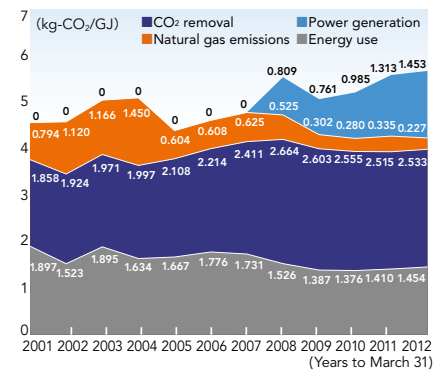
The main sources of greenhouse gas (GHG) emissions in INPEX's operations are ① energy used in operations of the oil and gas business, ② dissipation of the CO₂ separated from natural gas, ③ CO₂ emissions resulting from the emission of natural gas and ④ CO₂ from electrical power generation, and we are responding to each. For example, we are dealing with ③ (natural gas emissions) through the staged introduction of equipment at sites to curb the temporary dissipation of small amounts of natural gas that occurs for operational reasons.

We control greenhouse gas emissions from our business in Japan as required under the Energy Conservation Law (Law Concerning the Rational Use of Energy) and the Global Warming Law (Law Concerning the Promotion of Measures to Cope with Global Warming). Emissions from our business in Japan rose by 5% year-on-year for the

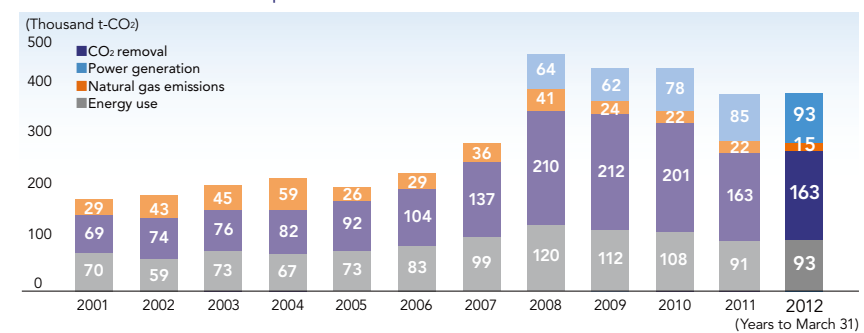
year ended March 31, 2012, because construction of the LNG receiving terminal approached peak activity levels during the year and emission volumes for our overall business increased as a result of the increase in power generation caused by the power shortages.

We set up an in-house working group concerning the control of greenhouse gas emissions in Japan and overseas in 2011, in anticipation of the start of full-scale operations at our overseas projects.

GHG Emissions per Unit of Production (Japan)



Total GHG Emissions (Japan)



Biodiversity at Our Projects

Naoetsu LNG Receiving Terminal

The construction of our Naoetsu LNG Receiving Terminal includes plans for the greening of 25% of the total area of the site in accordance with the law. Our basic policy is to plant local varieties of vegetation and manage the cultivation of green spaces according to climate requirements and positioning. We also make efforts to maintain the ecosystem by seeking to keep the difference in temperature between the discharged



Greening of operational sites

seawater used in regasification and the ambient seawater to -4°C or less.

Ichthys LNG Project

The development work for the Ichthys LNG Project is being conducted according to a plan that takes the ecosystem into consideration. We are taking care to minimize the impact on the dolphin and dugong populations of Darwin Harbor by using a special cutter to dredge the shipping channel rather than blasting.



Darwin harbor dolphin

Abu Dhabi Project

Responding to a request from the Abu Dhabi Environment Agency to cooperate in efforts to restore coral reefs that are bleaching in the Arabian Gulf, INPEX took part in a joint coral restoration study in the Arabian Sea off Abu Dhabi for a two-year period starting March 2010. We are currently looking into the next phase of activities based on the results of coral spawning season studies, etc.



Coral reef restoration study

Reducing Environmental Impact

Preventing Air Pollution

We monitor atmospheric emissions of SO_x, NO_x and VOCs (volatile organic compounds) at our Operational Organizations both within and outside Japan, and work to reduce them. The VOCs emitted in our operations include substances such as benzene, toluene and xylene (BTX) contained in fossil fuels such as crude oil and natural gas, and n-Hexane, which are emitted mainly through natural gas emission, losses from oil storage tanks and losses when loading trucks or shipping in tankers. INPEX achieved a 21% year-on-year reduction in VOC emissions for the year ended March 31, 2012, due to a reduction of losses from storage tanks at the Kubiki Refinery, and facilities improvements, such as the installation of VOC removal equipment at the Niigata Sekihara Plant.

Preventing Water Pollution

Each of our Operational Organizations manages effluent in accordance with the environmental laws of their respective countries. We separate and extract groundwater from the oil and natural gas that is produced, but the extracted groundwater must also be treated for residual oil. The effluent from each of our production facilities is released into bodies of water after processing to bring residual oil concentrations to values lower than those required under the emission standards of the respective country.

Fighting Climate Change

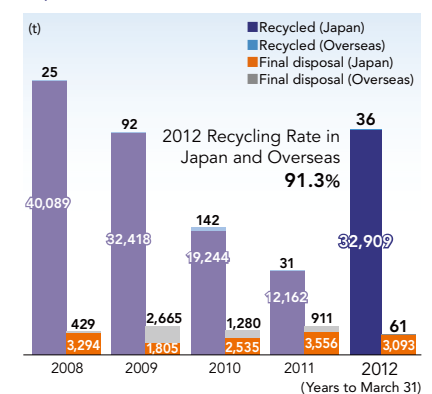
Fighting Climate Change

Although we are focused on developing and supplying natural gas, which of the fossil fuels has the least environmental impact, we are also making efforts to develop a variety of renewable energy sources. In addition, we are engaging in greenhouse gas offset efforts.

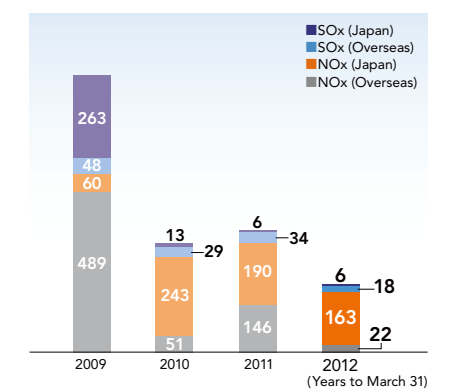
Waste Management

Most of the industrial waste generated in our operations consists of drill cuttings and sludge from the oil and gas well-digging and production, as well as from construction waste generated at LNG receiving terminal sites. Of the industrial waste we produce in Japan, more than 90% is recycled by our contractors, with the sludge from drilling treated through a waste mud treatment device and reused. Construction waste increased for the year ended March 31, 2012, due to increased building of LNG receiving terminals and natural gas pipelines, but more than 90% of it was recycled.

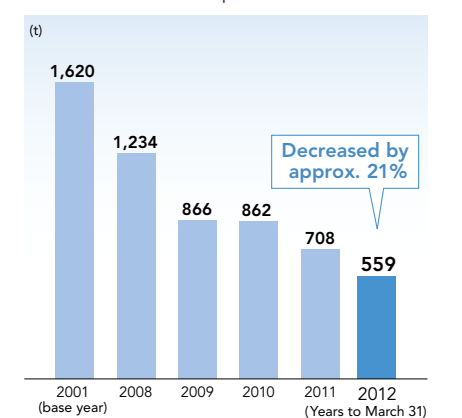
Industrial Waste Material from Operations



Emissions of NO_x and SO_x



VOC Emissions (Japan)



Developing Environmental Impact Reduction Technologies

Efforts toward practical application of Japanese GTL (gas-go-liquid) technology	Joint research on CO ₂ EOR at offshore Abu Dhabi
Reducing CO ₂ emissions through photocatalytic reaction	Advancing research into CO ₂ capture and storage (CCS)
Methane production technology research for a sustainable carbon-cycle system	

Reforestation Project in Australia

INPEX launched our pilot reforestation project in Australia in 2008 as a CO₂ offset measure, planting 1.4 million eucalyptus saplings on 645 ha of land in the southwest of Western Australia. Over the next 50 years, the trees are expected to absorb around 450,000 tons of CO₂. This project was launched to offset the CO₂ emitted from the Ichthys LNG Project, in response to an Australian government greenhouse gas offset program.



Eucalyptus trees grow at an Australian plantation

Contributing to Local Communities

We strive to coexist with local communities in conducting our oil and gas development through active community contribution efforts.

Community Contribution Efforts in Japan

Restoration of Areas Affected by the Great East Japan Earthquake

We have been conducting volunteer efforts to restore areas hit by the Great East Japan Earthquake since June 2011. Efforts in Rikuzentakata City in Iwate Prefecture are focused on clearing rubble, grass cutting and cleaning works. Meanwhile, our efforts in Niigata Prefecture are focused on snow removal and support for dealing with water damage from heavy rains. A total of 445 INPEX employees had participated in 41 such efforts as of May 2012.

Contributing to Local Communities

Forest Management Support Program
INPEX participates in the forest management support program backed by Niigata Prefecture. We have planted local tree species in a 0.8-ha area adjacent to the Minami Nagaoka Gas Field. This effort had been conducted three times through autumn 2011, with approximately 250 participants, including employees and their families, as well as local citizens. For the year ended March 31, 2012, we worked to save saplings that had been knocked over in the snow and planted a total of 260 trees of 13 types, mainly broad-leaved trees and

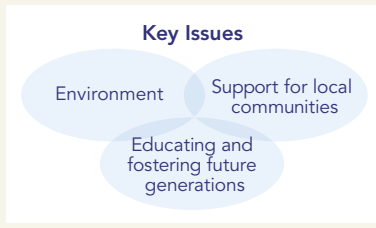
fruit-yielding trees such as persimmon and chestnut.

Supporting and Participating in Community Events

We actively support and participate in a variety of community events in Japan. INPEX sponsors the fireworks celebration of the Nagaoka Festival in Nagaoka City, Niigata Prefecture. In Kashiwazaki City, Niigata Prefecture, we support the Road / Relay Marathon, as well as the Gion Kashiwazaki Festival. INPEX hopes to promote understanding in local communities of our business through our support and participation in such events.

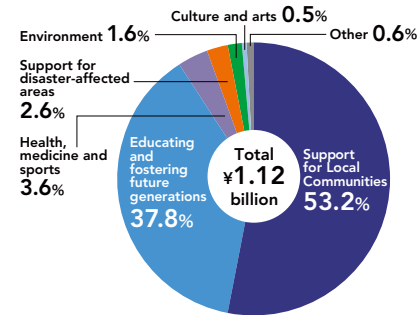
Basic Policy for Building Trust with and Contributing to Local Communities

As a global energy supplier, INPEX must respond to the demands of society and gain its trust. To do so, we contribute to the realization of a sustainable society by engaging in dialog with stakeholders to participate effectively in the resolution of societal issues and community development.



CSR Expenditure by Issue

(For the year ended March 31, 2012)



Niigata Prefecture

Forest Management Support Program

Approximately 250 participants, including employees and their families, as well as local citizens, participate in the Forestation Management Support Program.



Snow Removal Volunteers

Niigata Prefecture experiences heavy snowfalls, and we conduct volunteer snow removal in Kashiwazaki City and Nagaoka City.



Iwate Prefecture

Post-Earthquake Restoration Volunteers

Volunteer efforts in Rikuzentakata City in Iwate Prefecture are focused on clearing rubble, grass cutting and cleaning works.



Community Contribution Efforts Overseas

We try to contribute to the development of the local communities in which we operate through activities with our operatorship at the core.

D.R. Congo

Support for Electrification

We placed gas equipment at the facilities in Muanda City in 2011 and ran a cable to a nearby power plant.



Azerbaijan and Georgia

Support for Microfinance

We support microfinance and technological development for Azerbaijan and Georgia in the BTC Pipeline Project through the European Bank for Reconstruction and Development (EBRD).



Indonesia

Support for Improving the Education Environment

In 2011, we provided computers and language labs to high schools in the vicinity of the Mahakam operational area, and conducted English language and other skill training for teachers, with the goal of improving the educational level.



Venezuela

Port Dredging

We dredged the harbor at Zazarida, which is the main fishing port in the vicinity of our exploration project. The dredging removed sand buildup, allowing fishing vessels to use the port.



Before and after dredging

Abu Dhabi

Inviting Students from the UAE to Japan for Training

We have been conducting study programs in oil development technology for UAE students since 1993. At the request of the UAE, on the 20th anniversary of this program for the year ending March 31, 2013, for the first time all of the students participating were female.



East Timor

Heliport Construction

Through the Bayu-Undan Project, we cooperated with the East Timor government in an infrastructure project to build a heliport in Dili, the capital city.



Australia

Support for Establishment of Research Centre for Oil and Gas

As part of the Ichthys LNG Project, INPEX provided A\$3 million for the establishment of the Charles Darwin University's North Australian Centre for Oil and Gas. The Centre will provide leading oil and gas technology education, as well as high-quality training, and will help to create a workforce to support the growing energy sector in the Northern Territory.



Sponsorship of a Local Football Club

INPEX contributes to local education and next-generation development through our sponsorship of the NT Thunder, a Northern Territory Australian Rules Football club, of which 70% of the members are indigenous.



► For details, please visit our Web site. inpex.co.jp/english/csr

Fair Trading / Human Resources Development

We are building a human management resources system that will contribute to our continuous growth, while conducting fair and honest trading with our business partners.

Fair Trading

Fair Trade with Business Partners

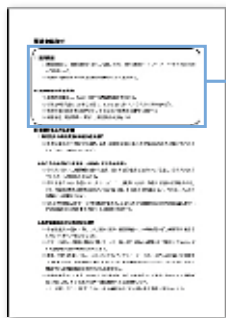
We strive to procure goods from suppliers in a transparent, fair and responsible manner. We have established the Guidelines for Fair Business Conduct with Suppliers and Contractors, and make sure employees are well-versed in them.

We comply with the laws in every country in which we conduct projects and make particularly strong efforts to prevent corruption and ensure transparency in our materials procurement. For example, in the Ichthys LNG Project we came to an agreement with the Northern Territory and Australian governments on an Industry Participation Plan, based on which we pledge to offer fair, responsible and sufficient opportunities for Australian companies in bidding and procurement.

We will also reinforce human rights in light of our CSR perspective when procuring materials during large-scale overseas projects. Although our overseas project operations are unlikely to engage in child or forced labor, we will

further enforce our human rights policy where we operate in line with our Corporate Social Responsibility Policy and the 10 principles of the UN Global Compact.

Guidelines for Fair Business Conduct with Suppliers and Contractors



I. Scope
 (1) Procurement activities are activities related to contracts for purchasing (purchases, and services and construction using materials and equipment), borrowing (renting and leasing of materials) and other related activities.
 (2) These guidelines apply to all employees engaged in procurement activities in the logistics division.

II. Basic Guidelines for Procurement Activities
 (1) Ensure transparency and realize fair and open procurement activities.
 (2) Strive to create a symbiotic relationship with suppliers based on mutual trust and equal standing.
 (3) Comply with and implement applicable laws and the INPEX Corporate Social Responsibility Policy.
 (4) Conduct procurement activities with consideration of their effects on resource protection and environmental conservation.

Human Resources Development

Human Resource Development and Utilization

We provide a range of level-based employee training programs based on personnel requirements, anticipated future role and the required capabilities of each employee's categorization. We also provide a range of programs to rapidly develop employees who can thrive in an international business environment, including overseas language study, training at overseas sites and study at specialized overseas training facilities.

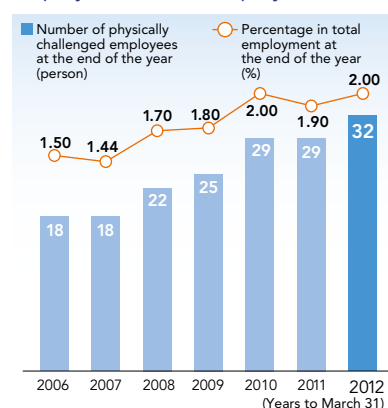
we anticipate full-scale development and production at our large projects. Maintaining competitive working conditions and fair compensation keeps our local employees highly motivated and improves our employee retention rates.

Employing the Physically Challenged

We actively hire the physically challenged, taking into account matters such as work content and workplace en-

vironment. As of March 31, 2012, there were 32 physically challenged employees at INPEX, a hiring rate of 2%, and we will continue to make efforts to increase this rate.

Percentage of Physically Challenged Employees in Total Employment



Number of Employees (Consolidated)

As of March 31, 2012

Category	Male		Female		Short-term employees*	Total
	Managerial staff thereof	Non-managerial staff thereof	Managerial staff thereof	Non-managerial staff thereof		
By region						
Japan	1,361	467	193	5	315	1,554
Asia & Oceania	301	128	130	6	429	431
Eurasia	7	5	2	0	3	9
Middle East & Africa	41	16	6	0	15	47
North & Central America	8	4	2	0	4	10
South America	70	11	25	1	22	95
Number of Employees	1,788	631	358	12	788	2,146

* Contract employees, fixed-term employees, temporary employees, etc.

Staff Turnover Rate* (Unconsolidated)

(For the year ended March 31, 2012)

0.77% *Excludes retirees