

[Translation for Reference Purposes Only]

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Securities Code: 1605

June 5, 2017

To Those Shareholders with Voting Rights

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

NOTICE OF THE 11th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

You are cordially invited to attend the 11th Ordinary General Meeting of Shareholders 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 Ordinary General Meeting of Shareholders (pages 5 - 26) 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 5:25 p.m. Japan Time on Monday, June 26, 2017.

[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 5:25 p.m. Japan Time on Monday, June 26, 2017.

1. Date and Time: Tuesday, June 27, 2017 at 10:00 a.m.

2. Place: Ascot Hall, B2F, South Wing, Hotel Okura, Tokyo
2-10-4 Toranomon, Minato-ku, Tokyo

3. Agenda of the Meeting:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements for the 11th Fiscal Year (from April 1, 2016 to March 31, 2017) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the 11th Fiscal Year (from April 1, 2016 to March 31, 2017)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Election of Fifteen (15) Directors
Proposal No. 3: Payment of Bonuses to Directors
Proposal No. 4: Revision to Remuneration to Outside Directors and Audit & Supervisory Board Members

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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 your 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 Ordinary General Meeting of Shareholders on the day are requested to submit the enclosed Voting Rights Exercise Form at the reception desk.
 - Since “Notes to Consolidated Financial Statements” out of the Consolidated Financial Statements and “Notes to Non-Consolidated Financial Statements” out of the Non-Consolidated Financial Statements are posted on the Company’s website (<http://www.inpex.co.jp/english/index.html>) pursuant to the applicable laws and regulations and Article 27 of the Company’s Articles of Incorporation, there are no mentions in the attachments of this Notice of the 11th Ordinary General Meeting of Shareholders. Meanwhile, the above-mentioned Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements are included in the documents that are required to be audited by the Accounting Auditors and Audit & Supervisory Board Members.
 - In the event that the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements or Reference Documents for the Ordinary General Meeting of Shareholders require modification, the contents as modified will be posted on the Company’s website (<http://www.inpex.co.jp/english/index.html>).

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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 11th Ordinary General Meeting of Shareholders on the day, 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 of Shareholders

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 5:25 p.m. Japan Time on Monday, June 26, 2017. 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 5:25 p.m. Japan Time on Monday, June 26, 2017.

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/>
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 Version 7 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 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 contact you 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 (available only in Japan): 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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Reference Documents for the Ordinary 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 natural gas through exploration and development in Japan and overseas, as well as investment primarily for the establishment and improvement of distribution infrastructure.

Based on this basic policy, it is proposed that the year-end dividend for 11th 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	13,143,217,500 yen
- 3) Effective date of distribution of surplus
June 28, 2017

Including the already-paid interim dividend, which amounted to 13,143,217,500 yen (9 yen per common share and 3,600 yen per Class A stock), the annual dividend was 26,286,435,000 yen in total (18 yen per common share and 7,200 yen per Class A stock).

Note: Although the Company conducted a stock split at a ratio of 1:400 of its common stock on October 1, 2013, a stock split was not implemented for the Class A stock of the Company. Accordingly, the amount of the dividend of the Class A stock was determined by multiplying the dividend of the common shares of the Company by 400, resulting in an amount equivalent to the dividend of the common shares prior to the stock split, as specified in the Company's Articles of Incorporation.

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Proposal No. 2: Election of Fifteen (15) Directors

The term of office of all fourteen (14) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. In order to further strengthen our corporate governance structure, we will increase the number of Outside Directors who are Independent Directors by one (1) to six (6) Outside Directors, and the election of fifteen (15) Directors, including six (6) Outside Directors, is proposed.

The candidates for Directors are as follows:

Candidate number	For reappointment or new candidate	Name	Current Company position & Responsibility	Attendance at Board of Directors meetings in fiscal year 2016
1	For reappointment	Toshiaki Kitamura	Representative Director, President & CEO	100% (17/17)
2	For reappointment	Masaharu Sano	Director, Senior Executive Vice President, Senior Vice President, Chief Technical Executive, in charge of HSE and Compliance	100% (17/17)
3	For reappointment	Masahiro Murayama	Director, Senior Managing Executive Officer, Senior Vice President of Finance & Accounting	94% (16/17)
4	For reappointment	Seiya Ito	Director, Senior Managing Executive Officer, Senior Vice President of Ichthys Project	94% (16/17)
5	For reappointment	Shunichiro Sugaya	Director, Managing Executive Officer, Senior Vice President of Masela Project	100% (17/17)
6	For reappointment	Takahiko Ikeda	Director, Managing Executive Officer, Senior Vice President of Technical Headquarters	100% (17/17)
7	For reappointment	Yoshikazu Kurasawa	Director, Managing Executive Officer, Senior Vice President, New Ventures	100% (17/17)
8	For reappointment	Kimihisa Kittaka	Director, Managing Executive Officer, Senior Vice President of Corporate Strategy & Planning	100% (12/12) (Note 1)
9	For reappointment	Nobuharu Sase	Director, Managing Executive Officer, Senior Vice President of General Administration	100% (12/12) (Note 1)
10	For reappointment Outside Director Independent Director	Yasuhiko Okada	Director	100% (17/17)
11	For reappointment Outside Director Independent Director	Hiroshi Sato	Director	100% (17/17)
12	For reappointment Outside Director Independent Director	Isao Matsushita	Director	92% (11/12) (Note 1)
13	For reappointment Outside Director Independent Director	Jun Yanai	Director	100% (12/12) (Note 1)
14	New candidate Outside Director Independent Director	Norinao Iio	-	(Note 2)
15	New candidate Outside Director Independent Director	Atsuko Nishimura	-	(Note 2)

Note 1: For Messrs. Kimihisa Kittaka, Nobuharu Sase, Isao Matsushita and Jun Yanai, the status after their assumption of the post as of June 28, 2016 is stated.

Note 2: The attendance of the Board of Directors meetings in fiscal year 2016 is not applicable because Mr. Norinao Iio and Ms. Atsuko Nishimura are new candidates.

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No. 1	Toshiaki Kitamura (Date of birth: November 15, 1948)	Reappointment
Number of common shares of the Company held by the candidate: 31,300 shares Term of office as Director: 7 years Attendance at Board of Directors meetings in fiscal year 2016: 17 out of 17 (100%)	Career summary and position	
	April 1972 July 2002 July 2003 June 2004 July 2006 November 2007 August 2009 June 2010	Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry) Director-General, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry Director-General, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry Director-General, Trade Policy Bureau, Ministry of Economy, Trade and Industry Vice-Minister for International Affairs, Ministry of Economy, Trade and Industry Adviser to Tokio Marine & Nichido Fire Insurance Co., Ltd. Senior Executive Vice President of the Company Representative Director, President & CEO of the Company (to date)
	Reason for nominating as candidate for Director	
	Mr. Toshiaki Kitamura has superior insights and actual achievement built through his career at the Ministry of Economy, Trade and Industry. He joined the Company as Senior Executive Vice President in 2009 and has been President and Chief Operating Officer since June 2010. Thus, he has abundant operational experience in the Company and he also has insights regarding management in general of oil/gas development companies and global business management as well as administrative/operational affairs. For these reasons, we have nominated him again for reappointment as Director.	
	Special remarks concerning the candidate for Director	
	Special interest between the Company and the candidate There is no special interest between Mr. Toshiaki Kitamura and the Company.	

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No. 4	<p>Seiya Ito (Date of birth: September 14, 1954)</p>	Reappointment
<p>Number of common shares of the Company held by the candidate: 19,900 shares</p> <p>Term of office as Director: 11 years</p> <p>Attendance at Board of Directors meetings in fiscal year 2016: 16 out of 17 (94%)</p>	<p>Career summary and position</p>	
	<p>April 1977 April 2002 June 2003 November 2004 September 2005 April 2006 July 2006 October 2008 June 2016</p>	<p>Joined Indonesia Petroleum, Ltd. (INPEX Corporation) General Manager of Corporate Planning & Management Department of INPEX Corporation Director, General Manager of Corporate Planning & Management Department of INPEX Corporation Director, General Manager of Corporate Planning & Management Department and Public Affairs Department of INPEX Corporation Director, Assistant Senior General Manager of Corporate Strategy & Administration Division, General Manager of Corporate Strategy & Planning Unit and Public Affairs Unit of INPEX Corporation Director, Assistant Senior General Manager of Corporate Strategy & Administration Division, General Manager of Corporate Strategy & Planning Unit of INPEX Corporation (currently the Company) Director, Deputy Senior General Manager of Oceania & America Project Division of INPEX Corporation Director, Managing Executive Officer, Senior Vice President of Ichthys Project of the Company Director, Senior Managing Executive Officer, Senior Vice President of Ichthys Project of the Company (to date)</p>
	<p>Significant concurrently held positions</p>	
	<p>Representative Director, President & CEO INPEX Browse, Ltd. The above company in which Mr. Ito holds significant concurrently held positions is the Company's subsidiary, which has been established as a legal entity to acquire participating interests in mining areas and to promote projects.</p>	
	<p>Reason for nominating as candidate for Director</p>	
	<p>Mr. Seiya Ito has been engaged in the matters of General Affairs/Corporate Planning/Business since he joined the Company, and presently assumes the post of Senior Vice President of Ichthys Project having had experience in the post of Deputy Senior General Manager of Oceania and Americas Division. He is currently the Senior Vice President of Ichthys Project and has abundant business experience in the Company as well as knowledge and experience about global business management and administrative/operational matters of oil/natural gas development companies. For these reasons, we have nominated him again for reappointment as Director.</p>	
	<p>Special remarks concerning the candidate for Director</p>	
	<p>Special interest between the Company and the candidate There is no special interest between Mr. Seiya Ito and the Company.</p>	

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No. 5	Shunichiro Sugaya (Date of birth: November 27, 1952)	Reappointment
Number of common shares of the Company held by the candidate: 20,500 shares Term of office as Director: 8 years Attendance at Board of Directors meetings in fiscal year 2016: 17 out of 17 (100%)	Career summary and position	
	April 1976 April 1997 June 2001 June 2002 September 2005 June 2007 October 2008	Joined Indonesia Petroleum, Ltd. (INPEX Corporation) General Manager of Development Department of Indonesia Petroleum, Ltd. Director, General Manager of Development Department of INPEX Corporation Director, Coordinator in charge of Development Department of INPEX Corporation Director, Senior General Manager of Asia Project Division, Assistant Senior General Manager of Technology and HSE Division Managing Director, Senior General Manager of Asia Project Division of INPEX Corporation Director, Managing Executive Officer, Senior Vice President of Masela Project of the Company (to date)
	Significant concurrently held positions	
	Representative Director, President & CEO INPEX Masela, Ltd. The above company in which Mr. Sugaya holds significant concurrently held positions is the Company's subsidiary, which has been established as a legal entity to acquire participating interests in mining areas and to promote projects.	
	Reason for nominating as candidate for Director	
	Mr. Shunichiro Sugaya has been engaged mainly in the affairs of oil development and overseas project departments since he joined the Company, and thus he is currently the Senior Vice President of Masala Project and has abundant business experience and insights on the global business management as well as administrative/operational matters of oil/natural gas development companies. For these reasons, we have nominated him again for reappointment as Director.	
	Special remarks concerning the candidate for Director	
	Special interest between the Company and the candidate There is no special interest between Mr. Shunichiro Sugaya and the Company.	

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No. 6	Takahiko Ikeda (Date of birth: January 18, 1955)	Reappointment
Number of common shares of the Company held by the candidate: 26,800 shares Term of office as Director: 8 years Attendance at Board of Directors meetings in fiscal year 2016: 17 out of 17 (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 and General Manager, Production, Domestic Headquarters of Teikoku Oil Co., Ltd.
	March 2005	Director and General Manager, Production, Domestic Headquarters 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
	June 2014	Director, Managing Executive Officer, Senior Vice President of Gas Supply & Infrastructure Division of the Company
	April 2017	Director, Managing Executive Officer, Senior Vice President of Technical Headquarters of the Company (to date)
Reason for nominating as candidate for Director		
Mr. Takahiko Ikeda has been engaged mainly in the matters of oil development technical departments, domestic and overseas projects, and he was Senior Vice President of Domestic Projects and Senior Vice President of Gas Supply & Infrastructure since he joined the Company, and presently he assumes the post of Senior Vice President of Technical Headquarters. Thus, he has abundant business experience as well as knowledge and experience about the business management and administrative/operational matters of oil/natural gas development companies. For these reasons, we have nominated him again for reappointment as Director.		
Special remarks concerning the candidate for Director		
Special interest between the Company and the candidate There is no special interest between Mr. Takahiko Ikeda and the Company.		

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No. 7	Yoshikazu Kurasawa (Date of birth: February 15, 1956)	Reappointment
Number of common shares of the Company held by the candidate: 17,200 shares Term of office as Director: 5 years Attendance at Board of Directors meetings in fiscal year 2016: 17 out of 17 (100%)	Career summary and position	
	April 1982 February 2004 April 2005 September 2005 April 2006 June 2007 October 2008 June 2011 June 2012	Joined Japan National Oil Corporation Deputy General Manager of Planning & New Ventures Department of INPEX Corporation General Manager of Planning & New Ventures Department of INPEX Corporation General Manager of Business Development and Legal Unit, General Administration & Corporate Planning Division of INPEX Corporation General Manager of Overseas Project Planning and Administration Unit of Corporate Strategy & Administration Division of INPEX Holdings Inc. (currently the Company) Executive Officer, General Manager of Business Development and Legal Unit, General Administration & Corporate Planning Division of INPEX Corporation Executive Officer, Assistant Senior Vice President of Corporate Strategy & Planning, General Manager of Business Development and Legal Unit of the Company Managing Executive Officer, Deputy Senior Vice President of Corporate Strategy & Planning of the Company Director, Managing Executive Officer, Senior Vice President, New Ventures of the Company (to date)
	Reason for nominating as candidate for Director	
	Mr. Yoshikazu Kurasawa has superior insights and actual performance results created through his career at Japan National Oil Corporation. Since he joined the Company in 2004, he has been engaged in Project Planning and Business Development matters, and presently assumes the post of Senior Vice President, New Ventures through the career of Deputy Senior Vice President of Corporate Strategy & Planning. Thus, he has abundant experience in the Company as well as knowledge and experience about the global business management and administrative/operational matters of oil/natural gas development companies. For these reasons we have nominated him again for reappointment as Director.	
	Special remarks concerning the candidate for Director	
	Special interest between the Company and the candidate There is no special interest between Mr. Yoshikazu Kurasawa and the Company.	

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No. 8	Kimihisa Kittaka (Date of birth: September 23, 1957)	Reappointment														
Number of common shares of the Company held by the candidate: 6,100 shares Term of office as Director: 1 year Attendance at Board of Directors meetings after he assumed the current position on June 28, 2016: 12 out of 12 (100%)	<p>Career summary and position</p> <table border="1"> <tr> <td data-bbox="572 315 756 344">April 1981</td> <td data-bbox="775 315 1445 376">Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</td> </tr> <tr> <td data-bbox="572 376 724 405">October 2007</td> <td data-bbox="775 376 1326 436">Director-General for Consumer Policy, Ministry of International Trade and Industry</td> </tr> <tr> <td data-bbox="572 436 684 465">July 2008</td> <td data-bbox="775 436 1414 497">Director-General, Kyushu Bureau of Ministry of Economy, Trade and Industry</td> </tr> <tr> <td data-bbox="572 497 756 526">November 2010</td> <td data-bbox="775 497 1437 589">Joined the Company and assumed the post of Senior Coordinator, Business Development & Legal Unit, Corporate Strategy & Planning Division</td> </tr> <tr> <td data-bbox="572 589 687 618">June 2011</td> <td data-bbox="775 589 1418 680">General Manager, Corporate Strategy & Planning Unit, and Corporate Communication Unit, Corporate Strategy & Planning Division of the Company</td> </tr> <tr> <td data-bbox="572 680 687 710">June 2012</td> <td data-bbox="775 680 1437 801">Executive Officer, Vice President of Corporate Strategy & Planning Division, General Manager of Corporate Strategy & Planning Unit, and Corporate Communication Unit of the Company</td> </tr> <tr> <td data-bbox="572 801 687 831">June 2016</td> <td data-bbox="775 801 1430 862">Director, Managing Executive Officer, Senior Vice President of Corporate Strategy & Planning of the Company (to date)</td> </tr> </table> <p>Reason for nominating as candidate for Director</p> <p>Mr. Kimihisa Kittaka has superior insights and performance results in the field of policies, etc. through his career at the Ministry of Economy, Trade and Industry. After he joined the Company in 2010, he engaged in the affairs of Corporate Strategy & Planning/Legal division, has been in the post of General Manager, Corporate Strategy & Planning Unit, and Corporate Communication Unit, Corporate Strategy & Planning Division and is currently Senior Vice President of Corporate Strategy & Planning. Thus, he has experience in critical tasks at the Company and also has knowledge and experience regarding business management and administrative/operational matters of oil/natural gas development companies. For these reasons we have nominated him again for reappointment as Director.</p> <p>Special remarks concerning the candidate for Director</p> <p>Special interest between the Company and the candidate There is no special interest between Mr. Kimihisa Kittaka and the Company.</p>		April 1981	Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)	October 2007	Director-General for Consumer Policy, Ministry of International Trade and Industry	July 2008	Director-General, Kyushu Bureau of Ministry of Economy, Trade and Industry	November 2010	Joined the Company and assumed the post of Senior Coordinator, Business Development & Legal Unit, Corporate Strategy & Planning Division	June 2011	General Manager, Corporate Strategy & Planning Unit, and Corporate Communication Unit, Corporate Strategy & Planning Division of the Company	June 2012	Executive Officer, Vice President of Corporate Strategy & Planning Division, General Manager of Corporate Strategy & Planning Unit, and Corporate Communication Unit of the Company	June 2016	Director, Managing Executive Officer, Senior Vice President of Corporate Strategy & Planning of the Company (to date)
April 1981	Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)															
October 2007	Director-General for Consumer Policy, Ministry of International Trade and Industry															
July 2008	Director-General, Kyushu Bureau of Ministry of Economy, Trade and Industry															
November 2010	Joined the Company and assumed the post of Senior Coordinator, Business Development & Legal Unit, Corporate Strategy & Planning Division															
June 2011	General Manager, Corporate Strategy & Planning Unit, and Corporate Communication Unit, Corporate Strategy & Planning Division of the Company															
June 2012	Executive Officer, Vice President of Corporate Strategy & Planning Division, General Manager of Corporate Strategy & Planning Unit, and Corporate Communication Unit of the Company															
June 2016	Director, Managing Executive Officer, Senior Vice President of Corporate Strategy & Planning of the Company (to date)															

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No. 10	Yasuhiko Okada (Date of birth: June 1, 1943)	Candidate for: Outside Director Independent Director	Reappointment
Number of common shares of the Company held by the candidate: 0 shares Term of office as Director: 5 years Attendance at Board of Directors meetings in fiscal years 2016: 17 out of 17 (100%)	Career summary and position		
	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) (to date)	
	June 2012	Outside Director of the Company (to date)	
	Significant concurrently held positions		
	Partner, Kitahama Partners (Tokyo Office) Outside Director of FEED ONE CO., LTD.		
Reason for nominating as candidate for Outside Director			
Although Mr. Yasuhiko Okada has no experience in being directly involved in corporate management, he is nominated as a candidate for Outside Director of the Company and his election is requested, as his extensive experience and knowledge on finance, etc. as well as his professional knowledge and experience as an attorney-at-law, in addition to management experience in financial institutions, are expected to be fully utilized in the execution of his duties as an Outside Director appropriately. Mr. Okada was previously an Outside Director of a subsidiary of the Company.			
Special remarks concerning the candidate for Director			
<ol style="list-style-type: none"> 1. Special interest between the Company and the candidate There is no special interest between Mr. Yasuhiko Okada and the Company. 2. Registration of Independent Director Mr. Okada is a candidate for Outside Director as stipulated in Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act. The Company reported Mr. Okada as an Independent Director 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 Director. For the independence standards for Outside Directors of the Company, please refer to Page 25 of this Notice. 3. Term of office as Outside Director of the Company Mr. Okada's term of office as an Outside Director of the Company will be five years at the conclusion of this Ordinary General Meeting of Shareholders. 4. Relationships between the Company and any companies in which the candidate holds significant concurrently held positions The INPEX Group has no business relationship with the Kitahama Partners and FEED ONE CO., LTD. 5. 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 stipulated in Article 423, Paragraph 1, of the Companies Act to 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. 			

[Translation for Reference Purposes Only]

No. 11	Hiroshi Sato (Date of birth: January 22, 1947)	Candidate for: Outside Director Independent Director	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 year 2016: 17 out of 17 (100%)	<p>Career summary and position</p> <table border="1"> <tr> <td>April 1970</td> <td>Joined Japan Petroleum Exploration Co., Ltd. (JAPEX)</td> </tr> <tr> <td>June 2002</td> <td>Director, General Manager of Finance and Accounting Department of JAPEX</td> </tr> <tr> <td>June 2005</td> <td>Managing Executive Officer of JAPEX</td> </tr> <tr> <td>April 2006</td> <td>Audit & Supervisory Board Member (part-time) of INPEX Holdings Inc. (currently INPEX CORPORATION)</td> </tr> <tr> <td>June 2006</td> <td>Managing Director & Executive Officer of JAPEX</td> </tr> <tr> <td>June 2007</td> <td>Senior Managing Director & Executive Officer of JAPEX</td> </tr> <tr> <td>June 2010</td> <td>Executive Vice President & Executive Officer of JAPEX</td> </tr> <tr> <td>June 2014</td> <td>Advisor of JAPEX (to date)</td> </tr> <tr> <td>June 2015</td> <td>Outside Director of the Company (to date)</td> </tr> </table> <p>Significant concurrently held positions</p> <p>Advisor, JAPEX</p> <p>Reason for nominating as candidate for Outside Director</p> <p>Mr. Hiroshi Sato's election is requested since his extensive experience and wide-ranging insight cultivated in the oil and natural gas exploration and production industry can be utilized in the management of the Company.</p> <p>Special remarks concerning the candidate for Director</p> <ol style="list-style-type: none"> Special interest between the Company and the candidate There is no special interest between Mr. Hiroshi Sato and the Company. Registration of Independent Director Mr. Sato is a candidate for Outside Director as stipulated in Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act. The Company reported Mr. Sato as an Independent Director as stipulated by Tokyo Stock Exchange, Inc. If the election of Mr. Sato is approved as proposed, he is scheduled to continue to be an Independent Director. For the independence standards for Outside Directors of the Company, please refer to Page 25 of this Notice. Term of office as Outside Director of the Company Mr. Sato's term of office as an Outside Director of the Company will be two years at the conclusion of this Ordinary General Meeting of Shareholders. Relationships between the Company and any companies in which the candidate holds significant concurrently held positions JAPEX is one of the top ten shareholders 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 JAPEX Group, and the INPEX Group's sales to the JAPEX 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 JAPEX Group in this fiscal year were less than 0.1% of the Company's consolidated cost of sales for the same period. Outline of the liability limitation agreement Based on Article 427, Paragraph 1, of the Companies Act, the Company has a liability limitation agreement with Mr. Sato to limit liabilities to the Company stipulated in Article 423, Paragraph 1, of the Companies Act to the total of the amounts stipulated in each Item under Paragraph 1 of Article 425 of the Companies Act. If the election of Mr. Sato is approved as proposed, the Company intends to continue this contract with him. 			April 1970	Joined Japan Petroleum Exploration Co., Ltd. (JAPEX)	June 2002	Director, General Manager of Finance and Accounting Department of JAPEX	June 2005	Managing Executive Officer of JAPEX	April 2006	Audit & Supervisory Board Member (part-time) of INPEX Holdings Inc. (currently INPEX CORPORATION)	June 2006	Managing Director & Executive Officer of JAPEX	June 2007	Senior Managing Director & Executive Officer of JAPEX	June 2010	Executive Vice President & Executive Officer of JAPEX	June 2014	Advisor of JAPEX (to date)	June 2015	Outside Director of the Company (to date)
April 1970	Joined Japan Petroleum Exploration Co., Ltd. (JAPEX)																				
June 2002	Director, General Manager of Finance and Accounting Department of JAPEX																				
June 2005	Managing Executive Officer of JAPEX																				
April 2006	Audit & Supervisory Board Member (part-time) of INPEX Holdings Inc. (currently INPEX CORPORATION)																				
June 2006	Managing Director & Executive Officer of JAPEX																				
June 2007	Senior Managing Director & Executive Officer of JAPEX																				
June 2010	Executive Vice President & Executive Officer of JAPEX																				
June 2014	Advisor of JAPEX (to date)																				
June 2015	Outside Director of the Company (to date)																				

[Translation for Reference Purposes Only]

No. 12	Isao Matsushita (Date of birth: April 3, 1947)	Candidate for: Outside Director Independent Director	Reappointment																																								
Number of common shares of the Company held by the candidate: 0 shares Term of office as Director: 1 year Attendance at Board of Directors meetings after he assumed the current position on June 28, 2016: 11 out of 12 (92%)	<table border="1"> <tr> <td colspan="2" data-bbox="564 300 1460 331">Career summary and position</td> </tr> <tr> <td data-bbox="564 331 766 362">April 1970</td> <td data-bbox="766 331 1460 362">Joined Nihon Kogyo Co., Ltd.</td> </tr> <tr> <td data-bbox="564 362 766 394">April 2001</td> <td data-bbox="766 362 1460 394">Executive Officer, Assistant to General Manager of Corporate Planning Department and Corporate Planning Department Principal (in charge of Finance) of Japan Energy Corporation</td> </tr> <tr> <td data-bbox="564 394 766 425">September 2002</td> <td data-bbox="766 394 1460 425">Member of the Board Finance Group, in charge of Finance of Nippon Mining Holdings, Inc.</td> </tr> <tr> <td data-bbox="564 425 766 456">June 2003</td> <td data-bbox="766 425 1460 456">Executive Board Member of Nippon Mining Holdings, Inc.</td> </tr> <tr> <td data-bbox="564 456 766 488">April 2004</td> <td data-bbox="766 456 1460 488">Executive Vice President of Japan Energy Corporation</td> </tr> <tr> <td data-bbox="564 488 766 519">June 2004</td> <td data-bbox="766 488 1460 519">Member of the Board, Executive Vice President of Japan Energy Corporation</td> </tr> <tr> <td data-bbox="564 519 766 551">April 2005</td> <td data-bbox="766 519 1460 551">Member of the Board, Senior Executive Vice President of Japan Energy Corporation</td> </tr> <tr> <td data-bbox="564 551 766 582">June 2006</td> <td data-bbox="766 551 1460 582">President and Representative Director of Japan Energy Corporation</td> </tr> <tr> <td data-bbox="564 582 766 613">April 2010</td> <td data-bbox="766 582 1460 613">Member of the Board of JX Holdings, Inc. (part-time)</td> </tr> <tr> <td data-bbox="564 613 766 645">July 2010</td> <td data-bbox="766 613 1460 645">Executive Vice President of JX Nippon Oil & Energy Corporation</td> </tr> <tr> <td data-bbox="564 645 766 676">June 2012</td> <td data-bbox="766 645 1460 676">Representative Director and President, President and Chief Executive Officer of JX Holdings, Inc.</td> </tr> <tr> <td data-bbox="564 676 766 707">June 2015</td> <td data-bbox="766 676 1460 707">Senior Adviser of JX Holdings, Inc.</td> </tr> <tr> <td data-bbox="564 707 766 739">June 2016</td> <td data-bbox="766 707 1460 739">Outside Director of the Company (to date)</td> </tr> <tr> <td data-bbox="564 739 766 770">April 2017</td> <td data-bbox="766 739 1460 770">Senior Executive Adviser of JXTG Holdings, Inc. (to date)</td> </tr> <tr> <td colspan="2" data-bbox="564 770 1460 801">Significant concurrently held positions</td> </tr> <tr> <td colspan="2" data-bbox="564 801 1460 833">Senior Executive Adviser, JXTG Holdings, Inc.</td> </tr> <tr> <td colspan="2" data-bbox="564 833 1460 864">Outside Director, Matsumotokiyoshi Holdings Co., Ltd.</td> </tr> <tr> <td colspan="2" data-bbox="564 864 1460 896">Reason for nominating as candidate for Outside Director</td> </tr> <tr> <td colspan="2" data-bbox="564 896 1460 927">Mr. Isao Matsushita is nominated as a candidate for Outside Director of the Company and his reelection is requested so that his extensive experience and wide-ranging insight as a business executive can be utilized in the management of the Company.</td> </tr> </table>			Career summary and position		April 1970	Joined Nihon Kogyo Co., Ltd.	April 2001	Executive Officer, Assistant to General Manager of Corporate Planning Department and Corporate Planning Department Principal (in charge of Finance) of Japan Energy Corporation	September 2002	Member of the Board Finance Group, in charge of Finance of Nippon Mining Holdings, Inc.	June 2003	Executive Board Member of Nippon Mining Holdings, Inc.	April 2004	Executive Vice President of Japan Energy Corporation	June 2004	Member of the Board, Executive Vice President of Japan Energy Corporation	April 2005	Member of the Board, Senior Executive Vice President of Japan Energy Corporation	June 2006	President and Representative Director of Japan Energy Corporation	April 2010	Member of the Board of JX Holdings, Inc. (part-time)	July 2010	Executive Vice President of JX Nippon Oil & Energy Corporation	June 2012	Representative Director and President, President and Chief Executive Officer of JX Holdings, Inc.	June 2015	Senior Adviser of JX Holdings, Inc.	June 2016	Outside Director of the Company (to date)	April 2017	Senior Executive Adviser of JXTG Holdings, Inc. (to date)	Significant concurrently held positions		Senior Executive Adviser, JXTG Holdings, Inc.		Outside Director, Matsumotokiyoshi Holdings Co., Ltd.		Reason for nominating as candidate for Outside Director		Mr. Isao Matsushita is nominated as a candidate for Outside Director of the Company and his reelection is requested so that his extensive experience and wide-ranging insight as a business executive can be utilized in the management of the Company.	
Career summary and position																																											
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Significant concurrently held positions																																											
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Reason for nominating as candidate for Outside Director																																											
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[Translation for Reference Purposes Only]

	<p>Special remarks concerning the candidate for Director</p> <ol style="list-style-type: none">1. Special interest between the Company and the candidate There is no special interest between Mr. Isao Matsushita and the Company.2. Registration of Independent Director Mr. Matsushita is a candidate for Outside Director as stipulated in Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act. The Company reported Mr. Matsushita as an Independent Director as stipulated by Tokyo Stock Exchange, Inc. If the election of Mr. Matsushita is approved as proposed, he is scheduled to continue to be an Independent Director. For the independence standards for Outside Directors of the Company, please refer to Page 25 of this Notice.3. Term of office as Outside Director of the Company Mr. Matsushita's term of office as an Outside Director of the Company will be one year at the conclusion of this Ordinary General Meeting of Shareholders.4. Relationships between the Company and any companies in which the candidate holds significant concurrently held positions JX Holdings, Inc. (present JXTG Holdings, Inc.) is one of the top ten shareholders 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 4.8% 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. The INPEX Group has no business relationship with Matsumotokiyoshi Holdings Co., Ltd.5. Outline of the liability limitation agreement contract Based on Article 427, Paragraph 1, of the Companies Act, the Company has a liability limitation agreement with Mr. Matsushita to limit liabilities to the Company stipulated in Article 423, Paragraph 1, of the Companies Act to the total of the amounts stipulated in each Item under Paragraph 1 of Article 425 of the Companies Act. If the election of Mr. Matsushita is approved as proposed, the Company intends to continue this contract with him.
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[Translation for Reference Purposes Only]

No. 13	Jun Yanai (Date of birth: July 5, 1950)	Candidate for: Outside Director Independent Director	Reappointment																																
Number of common shares of the Company held by the candidate: 0 shares Term of office as Director: 1 year Attendance at Board of Directors meetings after he assumed the current position on June 28, 2016: 12 out of 12 (100%)	<table border="1"> <tr> <th colspan="2" data-bbox="536 297 1460 331">Career summary and position</th> </tr> <tr> <td data-bbox="536 331 754 365">April 1973</td> <td data-bbox="754 331 1460 365">Joined Mitsubishi Corporation</td> </tr> <tr> <td data-bbox="536 365 754 432">May 2001</td> <td data-bbox="754 365 1460 432">Senior Assistant to Group CEO of Energy Business Group of Mitsubishi Corporation</td> </tr> <tr> <td data-bbox="536 432 754 521">April 2004</td> <td data-bbox="754 432 1460 521">Senior Vice President, Senior Assistant to Senior Executive Vice President, Group CEO, Energy Business Group of Mitsubishi Corporation</td> </tr> <tr> <td data-bbox="536 521 754 589">April 2005</td> <td data-bbox="754 521 1460 589">Senior Vice President, Division COO, of Petroleum Business Div. of Mitsubishi Corporation</td> </tr> <tr> <td data-bbox="536 589 754 656">April 2008</td> <td data-bbox="754 589 1460 656">Executive Vice President and Group COO of Energy Business Group of Mitsubishi Corporation</td> </tr> <tr> <td data-bbox="536 656 754 723">April 2011</td> <td data-bbox="754 656 1460 723">Executive Vice President and Group COO of Energy Business Group of Mitsubishi Corporation</td> </tr> <tr> <td data-bbox="536 723 754 790">April 2013</td> <td data-bbox="754 723 1460 790">Member of the Board, Executive Vice President and Group CEO, Energy Business Group of Mitsubishi Corporation</td> </tr> <tr> <td data-bbox="536 790 754 857">June 2013</td> <td data-bbox="754 790 1460 857">Member of the Board, Senior Executive Vice President and Group CEO, Energy Business Group of Mitsubishi Corporation</td> </tr> <tr> <td data-bbox="536 857 754 947">April 2014</td> <td data-bbox="754 857 1460 947">Member of the Board, Senior Executive Vice President, Group CEO and COO, Energy Business Group of Mitsubishi Corporation</td> </tr> <tr> <td data-bbox="536 947 754 981">June 2016</td> <td data-bbox="754 947 1460 981">Corporate Advisor, Mitsubishi Corporation (to date)</td> </tr> <tr> <td data-bbox="536 981 754 1014">June 2016</td> <td data-bbox="754 981 1460 1014">Outside Director of the Company (to date)</td> </tr> <tr> <th colspan="2" data-bbox="536 1014 1460 1048">Significant concurrently held positions</th> </tr> <tr> <td colspan="2" data-bbox="536 1048 1460 1104">Corporate Advisor, Mitsubishi Corporation</td> </tr> <tr> <th colspan="2" data-bbox="536 1104 1460 1137">Reason for nominating as candidate for Outside Director</th> </tr> <tr> <td colspan="2" data-bbox="536 1137 1460 1270"> Mr. Jun Yanai is nominated as an Outside Director of the Company and his reelection is requested since his extensive experience and wide-ranging insight cultivated in the resource/energy industry can be utilized in the management of the Company. </td> </tr> </table>			Career summary and position		April 1973	Joined Mitsubishi Corporation	May 2001	Senior Assistant to Group CEO of Energy Business Group of Mitsubishi Corporation	April 2004	Senior Vice President, Senior Assistant to Senior Executive Vice President, Group CEO, Energy Business Group of Mitsubishi Corporation	April 2005	Senior Vice President, Division COO, of Petroleum Business Div. of Mitsubishi Corporation	April 2008	Executive Vice President and Group COO of Energy Business Group of Mitsubishi Corporation	April 2011	Executive Vice President and Group COO of Energy Business Group of Mitsubishi Corporation	April 2013	Member of the Board, Executive Vice President and Group CEO, Energy Business Group of Mitsubishi Corporation	June 2013	Member of the Board, Senior Executive Vice President and Group CEO, Energy Business Group of Mitsubishi Corporation	April 2014	Member of the Board, Senior Executive Vice President, Group CEO and COO, Energy Business Group of Mitsubishi Corporation	June 2016	Corporate Advisor, Mitsubishi Corporation (to date)	June 2016	Outside Director of the Company (to date)	Significant concurrently held positions		Corporate Advisor, Mitsubishi Corporation		Reason for nominating as candidate for Outside Director		Mr. Jun Yanai is nominated as an Outside Director of the Company and his reelection is requested since his extensive experience and wide-ranging insight cultivated in the resource/energy industry can be utilized in the management of the Company.	
Career summary and position																																			
April 1973	Joined Mitsubishi Corporation																																		
May 2001	Senior Assistant to Group CEO of Energy Business Group of Mitsubishi Corporation																																		
April 2004	Senior Vice President, Senior Assistant to Senior Executive Vice President, Group CEO, Energy Business Group of Mitsubishi Corporation																																		
April 2005	Senior Vice President, Division COO, of Petroleum Business Div. of Mitsubishi Corporation																																		
April 2008	Executive Vice President and Group COO of Energy Business Group of Mitsubishi Corporation																																		
April 2011	Executive Vice President and Group COO of Energy Business Group of Mitsubishi Corporation																																		
April 2013	Member of the Board, Executive Vice President and Group CEO, Energy Business Group of Mitsubishi Corporation																																		
June 2013	Member of the Board, Senior Executive Vice President and Group CEO, Energy Business Group of Mitsubishi Corporation																																		
April 2014	Member of the Board, Senior Executive Vice President, Group CEO and COO, Energy Business Group of Mitsubishi Corporation																																		
June 2016	Corporate Advisor, Mitsubishi Corporation (to date)																																		
June 2016	Outside Director of the Company (to date)																																		
Significant concurrently held positions																																			
Corporate Advisor, Mitsubishi Corporation																																			
Reason for nominating as candidate for Outside Director																																			
Mr. Jun Yanai is nominated as an Outside Director of the Company and his reelection is requested since his extensive experience and wide-ranging insight cultivated in the resource/energy industry can be utilized in the management of the Company.																																			

[Translation for Reference Purposes Only]

	<p>Special remarks concerning the candidate for Director</p> <ol style="list-style-type: none">1. Special interest between the Company and the candidate There is no special interest between Mr. Jun Yanai and the Company.2. Registration of Independent Director Mr. Yanai is a candidate for Outside Director as stipulated in Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act. The Company reported Mr. Yanai as an Independent Director as stipulated by Tokyo Stock Exchange, Inc. If the election of Mr. Yanai is approved as proposed, he is scheduled to continue to be an Independent Director. For the independence standards for Outside Directors of the Company, please refer to Page 25 of this Notice.3. Term of office as Outside Director of the Company Mr. Yanai's term of office as an Outside Director of the Company will be one year at the conclusion of this Ordinary General Meeting of Shareholders.4. Relationships between the Company and any companies in which the candidate 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 0.4% of the Company's consolidated net sales for the same period. Meanwhile, the INPEX Group's purchase from the Mitsubishi Corporation Group in this fiscal year is less than 0.1% of the Company's consolidated cost of sales for the same period.5. Outline of the liability limitation agreement Based on Article 427, Paragraph 1, of the Companies Act, the Company has a liability limitation agreement with Mr. Yanai to limit liabilities to the Company stipulated in Article 423, Paragraph 1, of the Companies Act to the total of the amounts stipulated in each Item under Paragraph 1 of Article 425 of the Companies Act. If the election of Mr. Yanai is approved as proposed, the Company intends to continue this contract with him.
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[Translation for Reference Purposes Only]

No. 14	<p>Norinao Iio (Date of birth: March 2, 1951)</p>	<p>Candidate for: Outside Director Independent Director</p>	<p>New candidate</p>
<p>Number of common shares of the Company held by the candidate: 0 shares</p>	<p>Career summary and position</p>		
	<p>June 1973</p>	<p>Joined Mitsui & Co., Ltd. /Accounting Department</p>	
	<p>April 2001</p>	<p>General Manager, Natural Gas Second Division Tokyo Head Office, Mitsui & Co., Ltd.</p>	
	<p>April 2005</p>	<p>Managing Officer, Chief Operating Officer, Energy Business Unit, Mitsui & Co., Ltd.</p>	
	<p>April 2008</p>	<p>Executive Managing Officer, Chief Operating Officer, Europe Middle East and Africa Unit, Mitsui & Co., Ltd., Managing Director of Mitsui & Co, Europe Holdings Plc, Managing Director of Mitsui & Co, Europe Plc</p>	
	<p>October 2008</p>	<p>Senior Executive Managing Officer, Chief Operating Officer, Europe Middle East and Africa Unit, Mitsui & Co., Ltd., Managing Director of Mitsui & Co., Europe Holdings Plc, Managing Director of Mitsui & Co., Europe Plc</p>	
<p>June 2009</p>	<p>Representative Director, Senior Executive Managing Officer, Mitsui & Co., Ltd., Director of Mitsui & Co. (Asia Pacific) Pte. Ltd., Ltd.</p>		
<p>August 2009</p>	<p>Representative Director, Senior Executive Managing Officer, Mitsui & Co., Ltd., Chief Compliance Officer, Director of Mitsui & Co. (Asia Pacific) Pte., Ltd.</p>		
<p>April 2010</p>	<p>Representative Director, Senior Executive Managing Officer, Mitsui & Co., Ltd.</p>		
<p>April 2011</p>	<p>Director, Mitsui & Co., Ltd.</p>		
<p>June 2011</p>	<p>Counselor, Mitsui & Co., Ltd.</p>		
<p>Reason for nominating as candidate for Outside Director</p>			
<p>Mr. Norinao Iio is nominated as Outside Director of the Company and his election is requested since his extensive experience and wide-ranging insight cultivated in the resource/energy industry can be utilized in the management of the Company.</p>			
<p>Special remarks concerning the candidate for Director</p>			
<ol style="list-style-type: none"> 1. Special interest between the Company and the candidate There is no special interest between Mr. Norinao Iio and the Company. 2. Registration of Independent Director Mr. Iio is a candidate for Outside Director of the Company as stipulated in Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act. The Company will report Mr. Iio as an Independent Director as stipulated by Tokyo Stock Exchange, Inc. if the election of Mr. Iio is approved as proposed. For the independence standards for Outside Directors of the Company, please refer to Page 25 of this Notice. 3. Term of office as Outside Director of the Company Mr. Iio is a new candidate for Outside Director. 4. Outline of the liability limitation agreement If the election of Mr. Iio is approved as proposed, the Company will, based on Article 427, Paragraph 1, of the Companies Act, enter into a liability limitation agreement with Mr. Iio to limit liabilities to the Company stipulated in Article 423, Paragraph 1, of the Companies Act to the total of the amounts stipulated in each Item under Paragraph 1 of Article 425 of the Companies Act. 			

[Translation for Reference Purposes Only]

No. 15	Atsuko Nishimura (Date of birth: May 5, 1953)	Candidate for: Outside Director Independent Director	New candidate
Number of common shares of the Company held by the candidate: 0 shares	Career summary and position		
	April 1979	Joined Ministry of Foreign Affairs	
	August 1999	Counselor/Minister, Permanent Mission of Japan to the United Nations	
	June 2001	Minister, Embassy of Japan in Belgium	
	September 2004	Professor, School of Law, Tohoku University	
	June 2008	Administrative Vice President, Japan Foundation	
	April 2012	Senior Councilor, Japan Oil, Gas and Metals National Corporation	
	April 2014	Ambassador Extraordinary and Plenipotentiary to the Grand Duchy of Luxembourg	
	July 2016	Ambassador Extraordinary and Plenipotentiary in charge of Women, Human Rights and Humanitarian Affairs	
Reason for nominating as candidate for Outside Director			
<p>Although Ms. Atsuko Nishimura has no experience in being directly involved in corporate management, she is nominated as a candidate for Outside Director of the Company and her election is requested, as her extensive knowledge of international affairs created through her abundant experience as a diplomat, her insight into the resources and energy business, and her anticipated diverse and wide-ranging advice are expected to be fully utilized in the execution of her duties as an Outside Director appropriately.</p>			
Special remarks concerning the candidate for Director			
<ol style="list-style-type: none"> 1. Special interest between the Company and the candidate. There is no special interest between Ms. Atsuko Nishimura and the Company. 2. Registration of Independent Director Ms. Nishimura is a candidate for Outside Director of the Company as stipulated in Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act. The Company will report Ms. Nishimura as an Independent Director as stipulated by Tokyo Stock Exchange, Inc. if the election of Ms. Nishimura is approved as proposed. For the independence standards for Outside Directors of the Company, please refer to Page 25 of this Notice. 3. Term of office as Outside Director of the Company Ms. Nishimura is a new candidate for Outside Director 4. Outline of the liability limitation agreement If the election of Ms. Nishimura is approved as proposed, the Company will, based on Article 427, Paragraph 1, of the Companies Act, enter into a liability limitation agreement with Ms. Nishimura to limit liabilities to the Company stipulated in Article 423, Paragraph 1, of the Companies Act to the total of the amounts stipulated in each Item under Paragraph 1 of Article 425 of the Companies Act. 			

[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. Regarding the resolution on “Proposal No. 2: Election of Fifteen (15) 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 Ordinary 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. The Company considers it important for all of its Directors including Outside Directors to engage in corporate management with a high consciousness to adequately perform the duties as Directors of the Company in coping with the duty not to compete and to avoid conflict-of-interest transactions as well as not to disclose confidential information as provided for in the Companies Act. For these reasons the Company has obtained from all the candidates for Directors including candidates for Outside Directors a letter of commitment to confirm these points.
 4. As the term of office for each Director is the term of office at the conclusion of this Ordinary General Meeting of Shareholders, partial years have been truncated.

[Translation for Reference Purposes Only]

(Reference) Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members

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

1. A major shareholder of the Company (who directly or indirectly holds 10% or more of the Company's voting rights) or an executive thereof
2. A person whose major business partner is the Company (*1) or an executive thereof
3. A major business partner of the Company (*2) or an executive thereof
4. A legal professional, accountant, or consultant who receives money or other properties of more than 10 million yen per year on average over the past three (3) years from the Company or its subsidiary, excluding compensation for Directors or Audit & Supervisory Board Members (if the person receiving such properties is an organization such as a legal entity or a partnership, a person who belongs to such organization)
5. An accounting auditor of the Company or its subsidiary (if such accounting auditor is an accounting firm, a person who belongs to such accounting firm)
6. A person who receives donations or subsidies of more than 10 million yen per year on average over the past three (3) years from the Company or its subsidiary (however, if the person receiving the donation or subsidies is an organization such as a legal entity or a partnership, a person who belongs to the organization to which the amount of such donations or subsidies exceeds the greater of 10 million yen per year or 30% of the total expenses per year of such organization, on average over the past three (3) years)
7. A person who fell under any of items 1 through 6 above in the past three (3) years
8. A relative within the second degree of kinship of a person who falls under any of (1) through (4) below (excluding persons who are not material (*3))
 - (1) A person who falls under any of items 1 through 7 above
 - (2) An executive of a subsidiary of the Company
 - (3) A non-executive director or an accounting advisor of a subsidiary of the Company (limited to cases where said outside Audit & Supervisory Board Member is to be designated as an Independent Audit & Supervisory Board Member)
 - (4) A person who fell under item (2) or (3) above or an executive of the Company in the most recent three (3) years (including a non-executive Director, if said Outside Audit & Supervisory Board Member is to be designated as an Independent Audit & Supervisory Board Member)
9. Other than each of the preceding items, a person who is substantially judged by the Company to possibly cause a conflict of interest with ordinary shareholders of the Company

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

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

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

[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 55,700,000 yen be paid to the nine (9) incumbent Directors, excluding Outside Directors, as of March 31, 2017 as bonuses.

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

Proposal No. 4: Revision to Remuneration to Outside Directors and Audit & Supervisory Board Members

The maximum monthly remuneration for Directors and Audit & Supervisory Board Members of the Company has been within ¥47 million for Directors (of which the monthly remuneration for Outside Directors is within ¥3 million) and the maximum monthly remuneration for Audit & Supervisory Board Members of the Company has been within ¥8 million as resolved by the 7th Ordinary General Meeting of Shareholders held on June 25, 2013.

In view of the circumstances that the number of Outside Directors will increase by one (1), subject to Proposal No. 2 being approved as proposed, and that the responsibilities and expected roles of Outside Directors and Audit & Supervisory Board Members will increase due to the further strengthening of corporate governance system, we propose that the maximum monthly remuneration for Outside Directors of the Company be modified to within ¥6 million and that the maximum monthly remuneration for Audit & Supervisory Board Members of the Company be modified to within ¥9 million while the maximum monthly remuneration for Directors of the Company will be maintained (within ¥47 million).

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

The current number of Directors is 14 (of which five are Outside Directors) and that of Audit & Supervisory Board Members is five. If Proposal No. 2 is approved as proposed by resolution of this general meeting of shareholders, the number of Directors will be 15 (of which six are Outside Directors). There will be no change in the number of Audit & Supervisory Board Members.

[Translation for Reference Purposes Only]

(Attachment)

Business Report

(April 1, 2016 to March 31, 2017)

I. Present State of the Corporate Group

1. Progress and Results of Operations

In the fiscal year ended March 31, 2017, the Japanese economy continued on a path of gradual recovery overall driven by improvements in employment and income levels, although improvement in certain segments of the economy was delayed.

Of the international crude oil price indices, which significantly influence the financial performance of the INPEX Group, Brent crude, commonly considered a benchmark index, started at US\$38.67 per barrel on April 1, 2016 and increased to US\$52.51 per barrel in early June due to concerns over crude oil supply shortages caused by large-scale wildfires in Canada and political instability in Libya and Nigeria. Thereafter, the index dropped to US\$41.80 per barrel in early August due to increased oil production from major OPEC countries. The index then bounced back following the agreement in principle to reduce oil production at the OPEC Meeting in late September contrary to market expectations, and rose to US\$53.14 in mid-October. While the index then dropped again to US\$44.43 in mid-November due to high levels of output in Russia, Saudi Arabia and other countries as well as skepticism over OPEC's plans to cut back on production, the agreement to reduce production at the OPEC Meeting in late November was a turning point that saw the index rise again and reach a high of US\$57.10 in early January. Brent then hovered at around US\$55 per barrel for some time, after which it dropped in early March following revelations that the U.S. crude oil inventory had risen to unprecedented levels, ultimately closing at US\$52.83 per barrel on March 31, 2017. Meanwhile, in Japan too, the prices of crude oil and petroleum products shifted in correlation with international oil prices. The INPEX Group's average crude oil sales price for the fiscal year ended March 31, 2017 reflected this shift and fell to US\$46.41 per barrel, down US\$1.54 from the previous fiscal year.

The foreign exchange market, another important factor that affects the business of our Group, began to trade at ¥112 level against the U.S. dollar. In late-April, the Bank of Japan passed on the additional monetary easing. Therefore, the Yen appreciated to ¥105 level. Thereafter, the suggestion by Chairman of Federal Reserve Board, which showed a possibility to raise Federal Funds rate within a few months, brought the dollar buying to ¥111 level. However, the Yen rose sharply after the referendum in Britain held in late June voted to leave the E.U., which accelerated the Yen buying to under ¥100 level for the first time in two and a half years. From July onward, the Yen remained at around the ¥100 to ¥105 level to the U.S. dollar. In November, Donald Trump won the United States Presidential election, which raised the expectation for easing the restrictions and changing the trade policy and finance policy. In addition, after FOMC appreciated the interest-rate in December, the Yen depreciated to ¥118 level. The U.S. dollar remained stable after the New Year, and the TTM closed at ¥112.20 to the U.S. dollar which turned out to be ¥0.49 higher than that of the fiscal year end of March 31, 2016.

Reflecting these situations, the average sales exchange rate for our Group for this fiscal year was ¥108.60 to the U.S. dollar, which is ¥11.95 higher than that of the previous fiscal year.

Consolidated net sales for the year ended March 31, 2017 decreased by ¥135.1 billion, or 13.4%, to ¥874.4 billion from the previous fiscal year due to a decrease in unit sales price and the appreciation of the Japanese yen against the U.S. dollar.

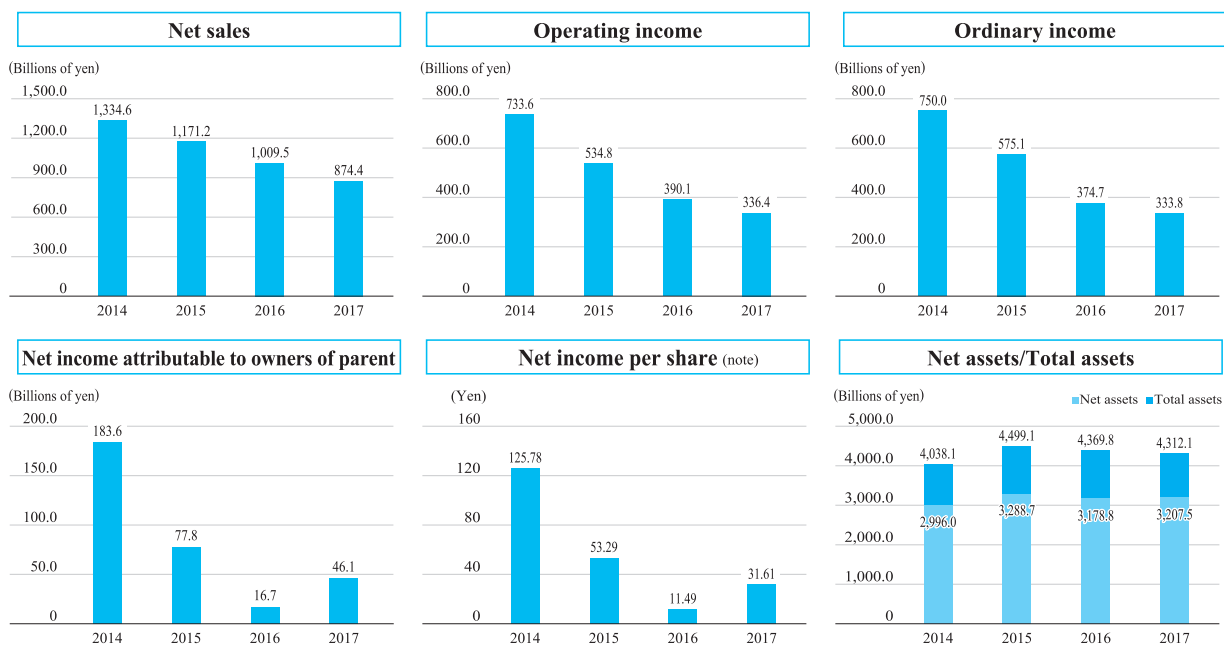
Net sales of crude oil decreased by ¥62.0 billion, or 9.1%, to ¥617.1 billion, and net sales of natural gas decreased by ¥74.1 billion, or 23.4%, to ¥242.5 billion. The decrease of ¥135.1 billion in net sales was mainly derived from the following factors: regarding net sales of crude oil and natural gas, an increase in sales volume contributing ¥34.8 billion to the increase, a decrease in unit sales price pushing sales down of ¥85.9 billion, the appreciation of the Japanese yen against the U.S. dollar contributing ¥85.1 billion to the decrease, and an increase in net sales excluding crude oil and natural gas of ¥1.0 billion. Cost of sales for the year ended March 31, 2017 decreased by ¥72.9 billion, or 13.8%, to ¥453.8 billion due mainly to the appreciation of the Japanese yen against the U.S. dollar. Exploration expenses increased by ¥0.5 billion, or 9.2%, to ¥6.7 billion, and selling, general and administrative expenses decreased by ¥9.1 billion, or 10.5%, to ¥77.3 billion. As a result, operating income decreased by ¥53.6 billion, or 13.8%, to ¥336.4 billion.

Other income decreased by ¥30.8 billion, or 44.1%, to ¥39.0 billion due to decreases in gain on sales of

[Translation for Reference Purposes Only]

marketable securities and dividend income and others. Other expenses decreased by ¥43.6 billion, or 51.2%, to ¥41.6 billion due to decreases in equity in losses of affiliates and provision for allowance for recoverable accounts under production sharing and others. As a result, ordinary income decreased by ¥40.8 billion, or 10.9%, to ¥333.8 billion.

Extraordinary loss was ¥6.3 billion as a result of posting impairment loss for certain projects due to a drop in oil prices and others. Total amount of current income taxes and deferred income taxes decreased by ¥83.0 billion, or 23.4%, to ¥271.3 billion, and net income attributable to non-controlling interests was ¥9.9 billion. As a result of the above effects, net income attributable to owners of parent for the year ended March 31, 2017 increased by ¥29.3 billion, or 175.2%, to ¥46.1 billion.



Note:

The Company conducted a stock split at a ratio of 1:400 of 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, 2014.

[Translation for Reference Purposes Only]

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

(1) Japan

The Company continued steady production mainly at the Minami Nagaoka Gas Field in Niigata Prefecture. In this fiscal year, we completed the facility expansion work that we have been undertaking at this gas field since 2014, and the increase in recoverable reserves resulting from the improved gas recovery rate has led to extended production periods. Additionally, we drilled mining wells in the Niigata onshore area and also implemented a site survey (basic test drilling) in the Shimane and Yamaguchi offshore areas. Furthermore, in the Akita onshore area, we drilled a well for data gathering for the purpose of a technological study of productivity improvement in oil deposits where it is difficult for the oil to flow.

Meanwhile, steady operation has been continuing at the Naoetsu LNG Terminal in Joetsu City. In June 2016, we completed construction of the Toyama Line (between Itoigawa City in Niigata Prefecture and Toyama City in Toyama Prefecture) as part of our initiatives to expand a natural gas pipeline network. We commenced the complete service of the line in October.

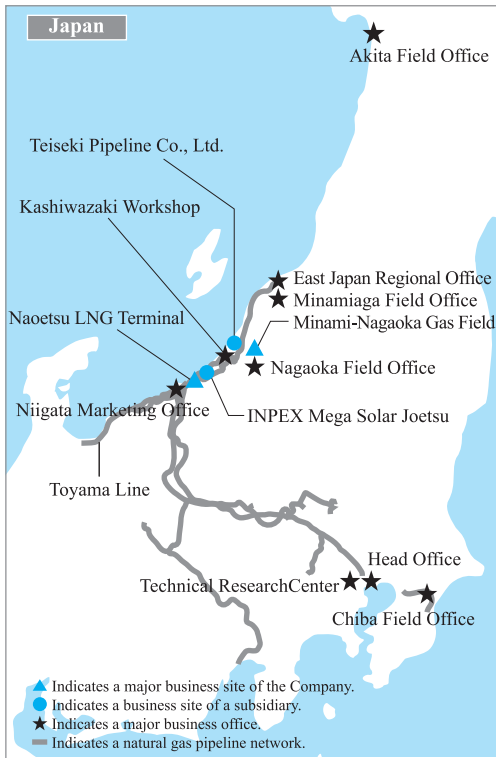
Besides the above, in July 2015 we commenced joint business with city gas companies that procure natural gas supplies from the Company for the supply of wholesale electricity jointly with Chubu Electric Power Company in order to respond to the full deregulation of retail sales of electric power and gas. Furthermore, in order to respond to the intensifying competition accompanying the full deregulation of gas retail sales that started in April 2017, we are restructuring related organizations and are also working to strengthen the structure of the domestic gas business.

Additionally, as part of our initiatives regarding renewable energy, in addition to generating solar power at our mega solar plant in Joetsu City, we are continuing to conduct joint surveys of the geothermal power generation project aiming at commercialization in Hokkaido and Akita, and drilled survey wells as we did during the previous fiscal year. Furthermore, in our joint geothermal survey in Fukushima, we implemented drilling work for survey wells on the outskirts of Mt. Bandai.

In Japan, the INPEX Group recorded net sales of ¥102.6 billion (decreased by 6.3% from the previous fiscal year) due to a decrease in sales price of natural gas, despite an increase in sales volume. Meanwhile, operating income recorded ¥18.0 billion (increased by 49.1% from the previous fiscal year) due to a decrease in cost of sales and others.

[Translation for Reference Purposes Only]

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. The Offshore Mahakam Block will face its expiration of the current production sharing contract at the end of 2017 but we are pursuing negotiation with the Indonesian government authority and the state-owned oil company PERTAMINA toward our participation in the Block jointly with our partner TOTAL. In March, we entered into several contracts with PERTAMINA and TOTAL concerning the transfer of operations as one of the steps towards full-swing negotiations over our participation in the Block from 2018.

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 in Indonesia. The gas field had been planned to be developed by the method of Floating LNG (a floating structure equipped with natural gas liquefaction, storage and offloading facilities). However, in April the Indonesian government authority requested the reconsideration of the plan to an onshore-based LNG development. We are continuing earnest negotiations with the Indonesian government authority over the optimum development of the gas field centered on the on-shore LNG method, with the goal of early realization of the project.

Additionally, “INPEX Natuna, Ltd.” (subsidiary), which owns an interest in South Natuna Sea Block B, has been contributing to the Company’s earnings up until now. However, production began about forty years ago and, as a result of a comprehensive study, including the optimization of the Group’s asset portfolio and the future outlook of the Block, the Company decided to sell all of its shares in INPEX Natuna, Ltd.

Furthermore, at “INPEX South Makassar, Ltd.” (subsidiary), steady production is continuing at the Ruby Gas Field of the Sebuku Block in the South Makassar Strait.

The Company is participating in the Tangguh LNG Project through “MI Berau B.V.” (affiliate), which owns an interest in the Berau Block in the West Papua Province of Indonesia, and is steadily continuing gas production and LNG shipments. In July, the project operators made the final investment decision (FID) to continue the development of the LNG Expansion Project. The Expansion Project will add a third LNG process line with 3.8 million tons per annum (mtpa) of production capacity to the existing facility (two lines with 7.6 mtpa of production capacity). We are aiming to commence the production in the new line during 2020.

Moreover, “INPEX Babar Selaru, Ltd.” (subsidiary) is currently conducting exploration activity as the operator in the Babar Selaru Block in the eastern ocean of Indonesia. The company is also conducting the geological evaluation.

Furthermore, the Company is participating in the Sarulla geothermal power generation project in Indonesia, which has one of the largest geothermal power generation capacities in the world, through “INPEX Geothermal Sarulla, Ltd.” (subsidiary), and commenced commercial operation of the first power plant in March 2017. At present we are proceeding with the construction of a power generation plant as well as drilling operations of geothermal production wells with the aim of the commencement of power generation at the second and third power plants.

In Australia, for the development of the Ichthys Gas-Condensate Field, located offshore Western Australia (the Ichthys LNG Project), “INPEX Browse, Ltd.” (subsidiary) has been working as the operator through an Australian subsidiary. During this fiscal year, the subsidiary completed the construction of a Central Processing Facility (CPF) and Floating Production Storage and Offloading (FPSO) facility, and has been proceeding with the preparation to tow them to Ichthys Gas-Condensate Field, including test operations, and in April this year began towing the Central Processing Facility (CPF). Additionally, we connected the undersea and onshore sections of the approx. 890 km-long gas transport pipeline in November 2016, and completed the installation of most of facilities including a subsea production system (SPS), steadily proceeding with the preparation toward the commencement of production.

Meanwhile at our onshore LNG plant in Darwin, we completed the delivery and installation of all 230 modules that were constructed overseas, and main work is currently shifting from construction works to preparation for trial operations and production. Along with these facility works, we continue the drilling of production wells.

With regard to LNG produced in this project, approximately 70% of the planned annual production of LNG is

[Translation for Reference Purposes Only]

scheduled to be exported to Japan.

In addition to the above, at the same offshore exploration areas including the WA-285-P, we have continued geological and geophysical evaluation of the remaining exploration potential as well as various procedures for maintaining the mining lots.

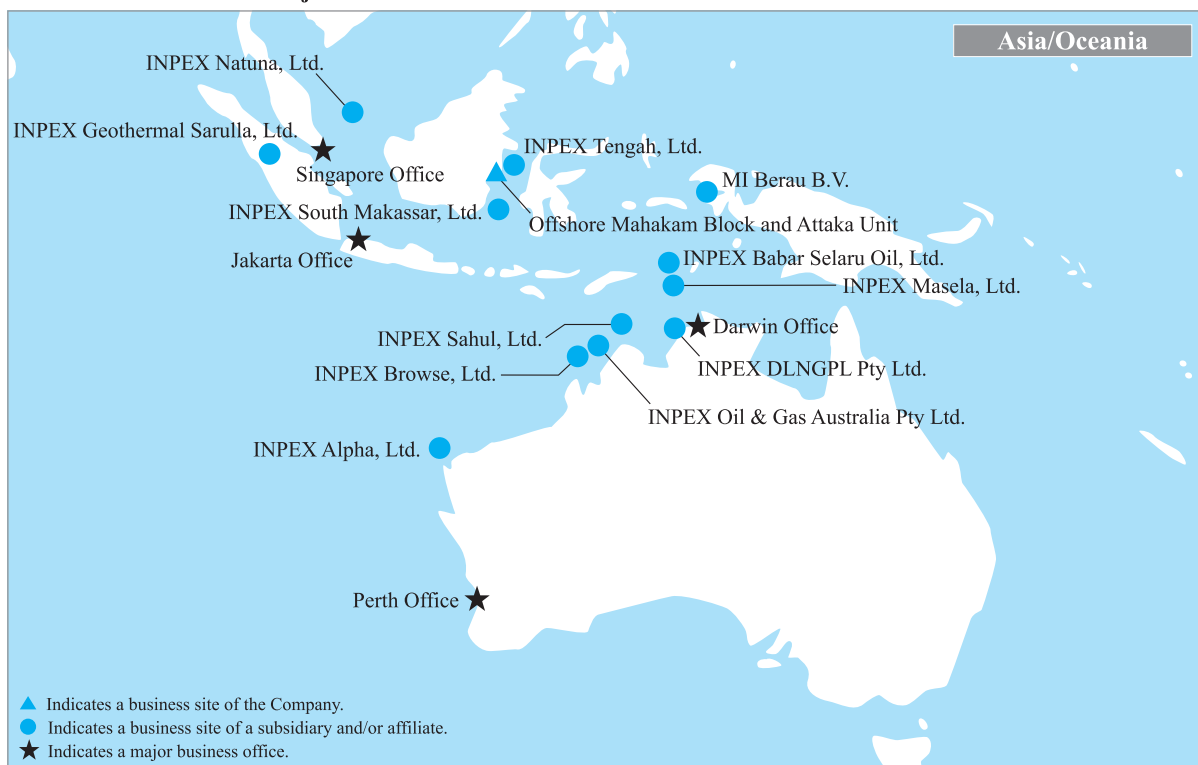
“INPEX Alpha, Ltd.” (subsidiary) has continued steady production from the Ravensworth Oil Field and the Van Gogh Oil Field located offshore western Australia. Furthermore, in the nearby Coniston Oil Field, an additional development was completed in June, and production commenced in July.

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

Regarding INPEX Sahul, Ltd. (subsidiary) participates, which has an interest in the Bayu-Undan Gas-Condensate Field in the Timor Sea Joint Petroleum Development Area (JPDA) located between Australia and East Timor, production continues to proceed steadily, while supplying natural gas to an onshore LNG plant in Darwin, Australia where “INPEX DLNGPL Pty Ltd” (subsidiary) participates and the subsidiary is exporting gas to Japan.

In Asia & Oceania, the INPEX Group recorded net sales of ¥218.0 billion (decreased by 28.0% from the previous fiscal year) due to decreases in sales volume and unit sales price, and the appreciation of the Japanese yen against the U.S. dollar, and operating income of ¥51.5 billion (decreased by 47.0% from the previous fiscal year).

Overseas Facilities and Project Sites



[Translation for Reference Purposes Only]

(3) Eurasia (Europe and NIS)

Regarding the Caspian Sea coastal area, in Kazakhstan, production resumed at the Kashagan Oil Field in the Offshore North Caspian Sea Contract Area, in which “INPEX North Caspian Sea, Ltd.” (subsidiary), has an interest. Although the initial-stage production started in September 2013, production was suspended due to a malfunction of the pipelines. We completed recovery work on the pipeline and resumed production in September 2016, and we commenced crude oil shipments in October 2016. In addition, among the structures where the presence of oil layers was confirmed through exploratory drilling, at the Kalamkas structure, a feasibility study is underway into joint development with adjacent blocks. At the Aktote and Kairan structures, appraisal activity 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.

“INPEX BTC Pipeline, Ltd.” (subsidiary) is involved in the BTC Pipeline Project which is a main transportation route for the crude oil produced from 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 operating smoothly.

In Russia, through Japan South Sakha Oil Co., Ltd. (subsidiary), we are participating in oil exploration operations of the ZY and BT Blocks in Irkutsk province. We have been able to confirm the crude oil reserves sufficient for commercial production in the Ichyodinskoye Oil Field located in the ZY Block, therefore, moved onto its development and production stages upon approval by the Russian government in December.

In Eurasia (Europe and NIS), the INPEX Group recorded net sales of ¥60.1 billion (decreased by 10.0% from the previous fiscal year) due to a decrease in sales volume of crude oil and the appreciation of the Japanese yen against the U.S. dollar, and operating income of ¥12.1 billion (decreased by 12.4% from the previous fiscal year).

Overseas Facilities and Project Sites



[Translation for Reference Purposes Only]

(4) Middle East and Africa

In the Middle East, crude oil production in the United Arab Emirates is steadily continuing in seven fields in the ADMA Block in offshore Abu Dhabi where “Japan Oil Development Co., Ltd.” (subsidiary) holds an interest, at the Abu Al Bukhoosh Block also in offshore Abu Dhabi where “INPEX ABK, Ltd.” (subsidiary) holds an interest, and at the ADCO Block in onshore Abu Dhabi where “JODCO Onshore Ltd.” (subsidiary) holds an interest.

In January, we reached a basic agreement with Abu Dhabi National Oil Company (ADNOC) on the 25-year extension of our participating interest in the Satah and Umm Al Dalkh fields, the agreements of which expire in March 2018.

In the Republic of Iraq, exploration activities are being undertaken in Block 10 in which “INPEX South Iraq, Ltd.” (subsidiary) participates. As the result of drilling the first exploratory well in this fiscal year, we discovered a highly productive oil reservoir. Going forward, we will investigate the potential for commercial development.

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), has a participating interest.

In Angola, “INPEX Angola Block 14 Ltd.” (subsidiary) is steadily continuing production of crude oil via Angola Block 14 B.V., a joint venture with TOTAL, in the Angola Block 14, located offshore Angola.

In the Middle East and Africa, the INPEX Group recorded net sales of ¥482.1 billion (decreased by 6.6% from the previous fiscal year) due to a decrease in unit sales price and the appreciation of the Japanese yen against the U.S. dollar, despite an increase in sales volume, and operating income of ¥276.8 billion (decreased by 4.8% from the previous fiscal year).

Overseas Facilities and Project Sites



[Translation for Reference Purposes Only]

(5) Americas

In Brazil, production of crude oil has been continuing in the Frade Oil Field development project where “INPEX Offshore North Campos, Ltd.” (affiliate) has an interest through its Brazilian subsidiary, “Frade Japão Petróleo Limitada.”

In Venezuela, based on a joint venture agreement with Petróleos de Venezuela, S.A. (PDVSA) and through a local joint venture, “Teikoku Oil & Gas Venezuela, C.A.” (subsidiary) is conducting development and production at onshore oil and gas fields. 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, the Company is preparing for development, through a joint venture including with PDVSA.

In Canada, 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 under way in the Horn River Block, and appraisal activity is continuing in the Cordova and Liard Blocks. In addition, a feasibility study for commercialization of LNG is being conducted.

In the United States, “Teikoku Oil (North America) Co., Ltd.” (subsidiary), started production at the Lucius Field in the deepwater of the Gulf of Mexico in January 2015, and production of crude oil and gas is steadily continuing. The company is also participating in a joint development project of oil and gas fields in the shallow waters of the Gulf of Mexico.

In Americas, the INPEX Group recorded net sales of ¥11.2 billion (decreased by 17.8 % from the previous fiscal year) due to a decrease in sales price of natural gas and the appreciation of the Japanese yen against the U.S. dollar, despite an increase in sales volume. Meanwhile, operating loss recorded ¥9.3 billion (decreased by 33.1% from the previous fiscal year) due to a decrease in cost of sales 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, 2017.

(1) Production

The following table shows actual production of crude oil, natural gas, etc. by the INPEX Group for the year ended March 31, 2017.

Category	For the year ended March 31, 2017	Changes from the previous fiscal year
Crude oil	127.1 MMbbls (348.3 Mbbls per day)	2.4%
Natural gas	336.8 Bcf (922.7 MMcf per day)	(1.4)%
Subtotal	190.3 MMboe (521.3 Mboe per day)	1.2%
Iodine	565.2 tons	10.0%
Electric power generation	209.5 million kWh	2.9%

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 Group. Figures calculated by multiplying the gross production volume by the Company's interest share are 150.5 MMbbls (412.2 Mbbls per day) of crude oil, 422.9 Bcf (1,158.6 MMcf per day) of natural gas, and in total 229.9 MMboe (629.8 Mboe per day) for the year ended March 31, 2017.
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. Production by the Company's affiliates accounted for by the equity method is included in the figures above. Also, the production volume includes actual results for the period of April 1 through March 31 regardless of the closing date of fiscal periods of its subsidiaries or affiliates.
5. Boe means barrels of oil equivalent.
6. Iodine is refined by other company on consignment.
7. Figures are rounded off 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, Taiwanese and Singaporean customers and others mainly in the form of LNG. 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, 2017.

(Billions of yen)

Segment	Category	For the year ended March 31, 2017		Changes from the previous fiscal year	
		Sales volume	Net sales	Sales volume	Net sales
Japan	Crude oil	900 Mbbls	5.1	21.4%	14.3%
	Natural gas (excluding LPG)	71,295 MMcf	82.8	9.2%	(9.5)%
	LPG	5 Mbbls	0.0	(20.6)%	(32.4)%
	Other		14.6		8.1%
	Subtotal		102.6		(6.3)%
Asia & Oceania	Crude oil	12,246 Mbbls	61.2	(9.3)%	(25.4)%
	Natural gas (excluding LPG)	230,183 MMcf	150.0	(3.6)%	(28.6)%
	LPG	1,855 Mbbls	6.7	(21.2)%	(35.8)%
	Subtotal		218.0		(28.0)%
Eurasia (Europe & NIS)	Crude oil	11,336 Mbbls	59.9	(2.8)%	(10.4)%
	Natural gas (excluding LPG)	1,947 MMcf	0.2	-%	-%
	Subtotal		60.1		(10.0)%
Middle East & Africa	Crude oil	95,495 Mbbls	482.1	6.7%	(6.6)%
Americas	Crude oil	2,230 Mbbls	8.6	21.9%	(6.6)%
	Natural gas (excluding LPG)	39,569 MMcf	2.6	19.4%	(41.2)%
	Subtotal		11.2		(17.8)%
Total	Crude oil	122,207 Mbbls	617.1	4.2%	(9.1)%
	Natural gas (excluding LPG)	342,994 MMcf	235.7	1.7%	(23.0)%
	LPG	1,860 Mbbls	6.7	(21.2)%	(35.8)%
	Other		14.6		8.1%
	Total		874.4		(13.4)%

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 effects of the difference in fiscal periods 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 ¥605.2 billion. They comprise exploration expenditures of ¥16.1 billion, and investments of ¥589.0 billion including oil and natural gas development expenditures on production facilities, among others, other capital expenditures on construction of natural gas infrastructure and other investments.

The above development expenditures include ¥88.4 billion corresponding to the amount of development expenditures capitalized within "Recoverable accounts under production sharing" under production sharing contracts and others.

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 ¥11.6 billion from the Development Bank of Japan to raise funds for oil and natural gas development expenditures for production facilities, among others, and other capital expenditures for constructing natural gas infrastructure and other investments. The funds raised through loans were for construction of the Toyama Line.

In addition, the Company utilized internal cash flow and external equity financing of ¥16.1 billion from the Japan Oil, Gas and Metals National Corporation to fund exploration projects, etc.

4. Management Initiatives

The INPEX Group positions itself to become a top class international oil and gas exploration and production company through sustainable growth in the oil and gas development business. The Group's mission is to provide a stable and efficient supply of energy to its customers through the exploration and development of oil and natural gas resources throughout the world with the aim of becoming an integrated energy company that contributes to the prosperity and well-being of the communities it serves and in which it operates.

With natural gas as our core business, we will grow into an integrated energy company by contributing to a stable energy supply to broader communities. We will continue to play a significant role in enhancing Japan's energy self-sufficiency rate while contributing to global economic growth and social development. Through these efforts, we intend to further advance our reputation among our shareholders and more broadly our stakeholders as a company that plays an essential role in the global community.

In May 2012, we set targets to achieve sustainable growth over the medium- to long-term, and laid out the MEDIUM- TO LONG-TERM VISION OF INPEX-Ichthys and our growth beyond—to clarify key initiatives over the five years leading up to the startup of the Ichthys LNG Project. The three growth targets outlined in the vision are: 1) Continuous Enhancement of our E&P Activities; 2) Strengthening our Gas Supply Chain; and 3) Reinforcement of our Renewable Energy Initiatives. Our three management policies designed to support these growth targets are: 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 realizing its vision, the Group intends to further enhance its corporate value.

Based on the above stated management policy and the business environment, we will adequately address the operational challenges below taking into account our business environment.

Our challenges are as follows:

In its current business environment, the INPEX Group is faced with the immediate challenge of responding to the drop in oil prices since the second half of 2014. To this end, we have until now worked on a continuous basis on evaluating individual project investments and reducing operating expenditures as well as sales, general and administrative expenses. Going forward, we will build a resilience that will allow us to ensure the continuity of efficient business operations even with oil prices remaining at relatively low levels for a sustained period of time.

We will also make appropriate use of the "Bill for the Act for Partial Revision of the Act on the Japan Oil, Gas and Metals National Corporation, Independent Administrative Agency," which was passed last year in an effort to help Japan achieve its independent development goals at an early stage.

Business operations geared towards our medium to long-term growth must proceed continuously and steadily. First, as for the continuous enhancement of our E&P activities, on the Ichthys LNG Project in Australia, in February 2017 we completed the Central Processing Facility (CPF) and Floating Production Storage and Offloading (FPSO) facility, which are key components of the project. In April this year, the CPF sailed away route to the Ichthys Gas-Condensate Field. Following the arrival of the CPF and the FPSO, installation and commissioning work will be undertaken and production from the wellhead will commence. Thereafter, the Ichthys LNG Project will, during the current fiscal year (ending March 31, 2018), begin production of

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condensate, LNG and LPG in sequence and then ship these products, and will continue to steadfastly work on development activities toward these targets. With regard to the Abadi LNG Project in Indonesia, in September 2015 we submitted to the Indonesian government authorities a revised plan of development (POD) envisioning the adoption of a floating LNG with an annual LNG processing capacity of 7.5 million tons. In April, we received a notification from the Indonesian government authorities instructing to re-propose a plan of development based on onshore LNG development. Currently, we are continuing to work closely with the Indonesian government authorities aiming for the early start-up of development. Elsewhere, we agreed in principle with the Abu Dhabi National Oil Company (ADNOC) to extend the duration of the joint development of the Satah and Umm Al Dalkh offshore oil fields in the United Arab Emirates in January. Meanwhile, we continue our efforts to secure stable production at our existing projects including the Offshore Mahakam Block in Indonesia, the ADMA Block offshore Abu Dhabi and the ACG oil fields in Azerbaijan. In terms of exploration activities, we were jointly awarded an exploration license for Block 3 located in the Mexican sector of the northern Gulf of Mexico in December, and succeeded in discovering deposits of quality oil through the drilling of an exploration well at the onshore Exploration Block 10 in the Republic of Iraq in February. We continue to undertake exploration activities aimed at the acquisition of new oil and gas reserves and pursue opportunities to join viable projects. Next, with regard to strengthen our gas supply chain, construction work on the Toyama Line in Japan was completed in June and full operations along the pipeline commenced in October to respond to the growing demand for natural gas supplies. This will strengthen the framework of a stable natural gas supply and is expected to lead to the efficient, long-term and stable supply of natural gas to potential customers based along the pipeline's route. Lastly, as for the reinforcement of renewable energy initiatives, we are advancing our efforts as an integrated energy company that contributes to the global community through various initiatives including the commencement of commercial operations in March in the Sarulla Geothermal Independent Power Producer Project in Indonesia.

The Group's fundamental business operation policies and initiatives to address the challenges are as follows.

(1) Continuous Enhancement of E&P Activities

i) Balanced Asset Portfolio

- Regional Diversification

The Group's operations have diversified beyond Japan, Asia, Oceania and the Middle East, where we have a wealth of operational experience, to include locations around the world such as the Caspian Sea region, Central and South America and Africa. We will continue to pursue a portfolio of assets taking geographical mix into consideration.

- Crude Oil and Natural Gas Product Ratio

The INPEX Group's ratio of crude oil products versus natural gas products is approximately 67:33.

Crude oil, which has diverse applications and is considered a convenient fuel source that can be easily handled, transported and stored, is widely used all over the world. As crude oil is a sensitive commodity, its sales prices are often influenced by market conditions. While crude oil customers are not bound to long-term sales contracts, capital investments in crude oil production and transportation are relatively small in comparison to natural gas including LNG. Furthermore, the time required for crude oil development is comparatively short, enabling quick returns on investment once oil fields are discovered.

Natural gas has the lowest environmental impact among fossil fuels, and demand for natural gas as a quick and effective measure against global warming is expected to increase. Commercial production of natural gas requires substantial investment and a long lead-time for the preparation of infrastructure such as liquefaction plants or pipelines. Since gas buyers are also required to make large investments in LNG receiving facilities, stable and long-term sales and purchase contracts are essential. Such LNG contracts, while influenced to an extent by oil price fluctuations, enable long-term profit stability.

When acquiring interests in new projects, it is important to achieve a sound balance between crude oil and natural gas production to ensure efficient investment with a view to securing long-term cash flow.

- Balancing Project Stages (Exploration, Development and Production)

Because oil and gas reserves become depleted as production advances, the INPEX Group must constantly seek to acquire fresh reserves to ensure stable profitability. For this, it is important to reinvest production revenue in exploration and create an operational cycle of discovering, developing and producing at new oil and gas fields to generate revenue, ensuring the stability and continuity of projects at every stage.

To maintain this cyclical balance, we will continue to focus on stable production at key assets including the

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Offshore Mahakam Block, the ADMA Block and the ACG Oil Fields as well as the diligent development of the Ichthys LNG Project, while investing in new exploration opportunities.

ii) Implementation of Operator Projects

As Operator, we require significant management resources in terms of organization, human resources and financing. However, being Operator also presents us with significant opportunities to acquire new participating interests through improved technological capabilities and greater recognition from oil and gas producing countries as well as international oil companies. The group is committed to pursuing and implementing projects as Operator, starting with the Ichthys LNG Project, by further enhancing its technological capabilities, ensuring safety in all operations and integrating with local communities.

iii) Strengthening Relationships with Leading Oil and Gas Companies Globally

Developing oil and gas involves considerable risks. Large-scale projects in particular require investments too large for any one company to shoulder individually. Companies therefore typically form consortiums to share the risks and jointly undertake business operations. The INPEX Group is committed to increasing its chances of participating in viable projects, expanding its business and dispersing risks through enhanced cooperation with major international oil companies and national oil companies in oil and gas producing countries as well as leading private oil resource developers, Japanese trading companies and other energy-related enterprises.

(2) Strengthening Gas Supply Chain

The INPEX Group aims to build a solid network of operations in the Japanese natural gas market, which represents a stable source of revenue, and reorganized its natural gas business operations in Japan to respond to the growing competition triggered by the full liberalization of the Japanese gas retail market in April 2017. We will also strive to continue enhancing our natural gas business in Japan through our natural gas trunk pipeline network supplying the promising markets in the Kanto-Koshinetsu and Hokuriku regions, and plan to increase production at the Minami-Nagaoka gas field, one of the largest gas fields in Japan. We also own numerous promising natural gas assets primarily in Australia and Indonesia. To ensure our long-term growth, we will actively pursue the strengthening of our gas supply chain by organically linking such international assets and our infrastructure in Japan, with our Naoetsu LNG Terminal serving as the gateway.

(3) Reinforcement of Renewable Energy Initiatives

As an E&P company, one of our most important challenges is to reduce environmental impact through greenhouse gas reduction initiatives, etc. We are pursuing the development of renewable energy resources such as photovoltaic, wind and geothermal power generation and biomass fuels, as well as next-generation energy solution technologies based on hydrogen, fuel cells and high performance batteries in cooperation with Japanese and international companies, universities and organizations. Through these activities, we seek to locate new business opportunities while helping reduce environmental impact.

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

We introduced INPEX Values, a set of core values designed to be shared by all INPEX directors and employees, and are working on creating foundations to establish a global HR management system. We continued to take steps to instill group-wide adherence to INPEX Values and are steadfastly pursuing measures in accordance with the INPEX Action Plan based on the Act of Promotion of Women's Participation and Advancement in the Workplace. Going forward, we will continue to develop an efficient organizational structure and secure experienced global talent.

(5) Investment for Growth and Shareholder Returns

To ensure growth for the Group, we will progressively carry out investment activities in the medium- to long-term while maintaining sound financial standing. With an eye on the Ichthys production startup schedule, we will look to deliver appropriate shareholder returns that meet the standards of top-class international oil and gas E&P companies.

(6) Responsible Management as a Global Company

i) CSR Management Promotion, Enhanced Stakeholder Communications and Corporate Governance

As a global entity, the INPEX Group has strived to develop a responsible management system. We are

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engaged in various ways to progressively strengthen our CSR management under the guidance of the CSR Committee chaired by the President & CEO. We will continue to promote active disclosure practices so as to reach out to our stakeholders based in many locations around the world. We have already implemented measures through the INPEX Advisory Committee to reinforce our corporate governance from a global perspective, and will continue to strengthen internal management in accordance with the Corporate Governance Code on June.

ii) Strengthening Health, Safety and Environment (HSE) Initiatives

We have organized our HSE management system based on global standards, and through the implementation and continuous enhancement of HSE activities, we have strived to ensure the safety and health of stakeholders involved in our business and to protect the environment. As for safety and health, we are implementing occupational safety control at drilling, construction and operational sites, instilling process safety management practices essential for preventing major incidents and disaster and managing the health of employees. We are also actively working on enhancing HSE competency through HSE training and personnel development, as well as the preparing emergency response manuals strengthening corporate preparedness through emergency response drills. In the area of environmental protection, we are making every effort to minimize the impact of our activities on the environment particularly in terms of global warming by means of greenhouse gas emissions control, prevention of air pollution and water contamination, chemical substance control, effective utilization of water resources, prevention of soil pollution, waste management and biodiversity conservation. Through our global initiatives, we will continue to suitably address and evaluate health and security risks in every country and area in which we operate, and implement measures to mitigate risks.

We therefore kindly request your continuous support and understanding.

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5. Assets and Profit/Loss

Years ended March 31

Category	8th Fiscal Year 2014	9th Fiscal Year 2015	10th Fiscal Year 2016	11th Fiscal Year (This fiscal year) 2017
Net sales (Billions of yen)	1,334.6	1,171.2	1,009.5	874.4
Ordinary income (Billions of yen)	750.0	575.1	374.7	333.8
Net income attributable to owners of parent (Billions of yen)	183.6	77.8	16.7	46.1
Net income per share (Yen)	125.78	53.29	11.49	31.61
Net assets (Billions of yen)	2,996.0	3,288.7	3,178.8	3,207.5
Total assets (Billions of yen)	4,038.1	4,499.1	4,369.8	4,312.1

Notes:

1. Amounts under ¥0.1 billion are rounded down. Net income per share figures are rounded off to two decimal place.
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 8th fiscal year.

[Translation for Reference Purposes Only]

6. Important Subsidiaries, etc.

(1) Important Subsidiaries

At the end of this fiscal year, the Company had 74 subsidiaries (as defined under Article 2, Item 3, of the Companies Act). From the previous fiscal year, two (2) new subsidiaries were established and one (1) subsidiary was eliminated due to the completion of liquidation. 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.	12,690	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.	58,518	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.	1,426	26.68	Exploration of oil and natural gas in the Babar Selaru Block in the Eastern Offshore in the Republic of Indonesia
	INPEX Geothermal Sarulla, Ltd.	10	100.00	Geothermal power generation business in the Sarulla Geothermal Field area in Indonesia
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	83,701 (US\$746,000 thousand)	100.00	Exploration and development of oil and natural gas in the Commonwealth of Australia

Notes:

1. All shares in INPEX Natuna, Ltd. will be sold as the result of a transfer agreement on March 27, 2017.
2. Although the Company's ownership of INPEX Babar Selaru, Ltd. is 50% or less, the Company actually controls INPEX Babar Selaru, Ltd., which is therefore categorized as a subsidiary.
3. Foreign-currency-denominated capital amounts were converted into yen using the exchange rate at fiscal year end.

[Translation for Reference Purposes Only]

Business area	Company name	Issued capital (Millions of yen)	Ownership (%)	Main business
Australia	INPEX Browse, Ltd.	423,190	100.00	Financing, etc. for the exploration and development of oil and natural gas in the Commonwealth of Australia and development work at the Ichthys LNG Project, etc.
Australia/ JPDA	INPEX DLNGPL Pty Ltd	7,391 (A\$86,135 thousand)	100.00	Financing, etc. for Darwin LNG Pty Ltd., which is engaged in laying an undersea gas pipeline between the 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
Region surrounding the Caspian Sea	INPEX North Caspian Sea, Ltd.	50,680	45.00	Exploration, development, production and sale 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.	7,158 (US\$63,800 thousand)	100.00	Financing, etc. for 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

Notes:

1. JPDA: Timor Sea Joint Petroleum Development Area (located in the Timor Sea between the Commonwealth of Australia and the Democratic Republic of Timor-Leste)
2. Foreign-currency-denominated capital amounts were converted into yen using the exchange rate at fiscal year end.
3. Although the Company's ownership of INPEX North Caspian Sea, Ltd. is 50% or less, the Company actually controls INPEX North Caspian Sea, Ltd., which is therefore categorized as a subsidiary.

[Translation for Reference Purposes Only]

Business area	Company name	Issued capital (Millions of yen)	Ownership (%)	Main business
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
	JODCO Onshore Ltd.	12 (US\$111 thousand)	51.00	Exploration, development, production, and sale of oil in the ADCO Block in onshore Abu Dhabi in the United Arab Emirates
	INPEX South Iraq, Ltd.	1,807	100.00	Exploration of oil and natural gas in Block 10 in onshore the Republic of Iraq
Africa	INPEX Angola Block 14 Ltd.	53,362 (US\$475,600 thousand)	100.00	Financing, etc. for 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 & Gas Venezuela, C.A.	0 (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
North America	INPEX Canada, Ltd.	10	100.00	Exploration and development of oil including oil sands in Canada
	INPEX Gas British Columbia Ltd.	87,684 (C\$1,043,488 thousand)	45.09	Exploration, development, production and sale of natural gas in Canada
	Teikoku Oil (North America) Co., Ltd.	2,220 (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 50% or less, 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 26 affiliates (as defined under Article 2, Paragraph 3, Item 18, of the Ordinance on Accounting of Companies). The most 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.	66,041 (US\$588,601 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
Russia	Japan South Sakha Oil Co., Ltd.	1,563	16.99	Exploration and development of oil in the ZY Block and BT Block in Russian Federation
Angola	Angola Japan Oil Co., Ltd.	8,000	19.60	Exploration, development, production and sale of oil, natural gas and other hydrocarbons in the Offshore 3/05 Block and 3/05 Block A 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.

(3) Items related to a specified wholly-owned subsidiary

Company name	Address	Total book value (Millions of yen)	INPEX's total assets (Millions of yen)
INPEX Browse, Ltd.	5-3-1, Akasaka, Minato-ku, Tokyo	823,390	3,137,704

[Translation for Reference Purposes Only]

7. Primary Business

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

8. Principal Business Sites

Name	Location
Head Office	5-3-1, Akasaka, Minato-ku, Tokyo
Technical Research Center	Setagaya-ku, Tokyo
Niigata Marketing Office	Joetsu City, Niigata Prefecture
East Japan Regional Office	Niigata City, Niigata Prefecture
East Japan Regional Office, Akita Field Office	Akita City, Akita Prefecture
East Japan Regional Office, Chiba Field Office	Sammu City, Chiba Prefecture
East Japan Regional Office, Minamiaga Field Office	Agano City, Niigata Prefecture
East Japan Regional Office, Nagaoka Field Office	Nagaoka City, Niigata Prefecture
Kashiwazaki Workshop	Kashiwazaki City, Niigata Prefecture
Naoetsu LNG Terminal	Joetsu City, Niigata Prefecture
Jakarta Office	Indonesia
Perth Office	Australia
Darwin Office	Australia
Singapore Office	Singapore
London Office	The United Kingdom
Oslo Office	Norway
Astana Office	Kazakhstan
Abu Dhabi Office	United Arab Emirates
Caracas Office	Venezuela
Houston Office	The United States of America
Rio de Janeiro Office	Brazil
Calgary Office	Canada

Note:

1. The above includes operational bases of the Company's subsidiaries.
2. The Niigata Marketing Office was closed as of April 1, 2017.

9. Employees

Number of employees	Year-on-year change
3,228 [1,185]	-221

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	223.2
Mizuho Bank, Ltd.	143.2
Bank of Tokyo-Mitsubishi UFJ, Ltd.	78.1
Development Bank of Japan Inc.	72.0
Sumitomo Mitsui Banking Corporation	56.6

[Translation for Reference Purposes Only]

II. Items Related to Shares

1. Total Number of Shares Authorized to be Issued	(Common Stock)	3,600,000,000
	(Class A Stock)	1
2. Type and Total Number of Issued Shares	(Common Stock)	1,462,323,600
	(Including 1,966,500 Treasury Shares)	
	(Class A Stock)	1
3. Number of Shareholders	(Common Stock)	43,726
	(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
Japan Trustee Services Bank, Ltd. (Trust Account)	51,887,100	-	51,887,100	3.55
The Master Trust Bank of Japan, Ltd. (Trust Account)	51,688,000	-	51,688,000	3.54
JX Holdings, Inc.	43,810,800	-	43,810,800	3.00
Mitsui Oil Exploration Co., Ltd.	40,154,000	-	40,154,000	2.75
CBNY-GOVERNMENT OF NORWAY	39,531,495	-	39,531,495	2.71
Japan Trustee Services Bank, Ltd. (Trust Account 5)	21,684,700	-	21,684,700	1.48
The Bank of New York Mellon SA/NV10	21,290,334	-	21,290,334	1.46
The Bank of New York, Treaty Jasdec Account	17,261,016	-	17,261,016	1.18

Notes:

1. The shareholding ratio is calculated after subtracting treasury shares (1,966,500 shares).
2. The shareholding ratio is rounded off to the nearest whole number.

[Translation for Reference Purposes Only]

III. Items Related to Stock Acquisition Rights

None

IV. Items Related to Officers and Audit & Supervisory Board Members

1. Members of the Board and Audit & Supervisory Board Members

Name	Company Position & Responsibility	Significant Concurrently held Positions
Toshiaki Kitamura	Representative Director, President & CEO	
Masaharu Sano	Director, Senior Executive Vice President Senior Vice President, Technical Headquarters In charge of HSE and Compliance	Outside Director, Japan Drilling Co., Ltd.
Masahiro Murayama	Director, Senior Managing Executive Officer Senior Vice President, Finance & Accounting	Representative Director, INPEX Browse, Ltd. Representative Director, INPEX Masela, Ltd.
Seiya Ito	Director, Senior Managing Executive Director, Senior Vice President, Ichthys Project	Representative Director, President & CEO, INPEX Browse, Ltd.
Shunichiro Sugaya	Director, Managing Executive Officer Senior Vice President, Masela Project	Representative Director, President & CEO, INPEX Masela, Ltd.
Takahiko Ikeda	Director, Managing Executive Officer Senior Vice President, Gas Supply & Infrastructure	
Yoshikazu Kurasawa	Director, Managing Executive Officer Senior Vice President, New Ventures	
Kimihisa Kittaka	Director, Managing Executive Officer Senior Vice President, Corporate Strategy & Planning	
Nobuharu Sase	Director, Managing Executive Officer Senior Vice President, General Administration	
Yoshiyuki Kagawa	Director (Outside)	
Yasuhiko Okada	Director (Outside)	Partner, Kitahama Partners (Tokyo Office) Outside Director, FEED ONE CO., LTD.
Hiroshi Sato	Director (Outside)	Advisor, Japan Petroleum Exploration Co., Ltd.
Isao Matsushita	Director (Outside)	Senior Executive Adviser, JX Holdings, Inc. Outside Director, Matsumotokiyoshi Holdings Co., Ltd.
Jun Yanai	Director (Outside)	Corporate Adviser, Mitsubishi Corporation
Kazuo Yamamoto	Audit & Supervisory Board Member	
Hideyuki Toyama	Audit & Supervisory Board Member (Outside)	
Koji Sumiya	Audit & Supervisory Board Member (Outside)	
Masaru Funai	Audit & Supervisory Board Member (part time, Outside)	
Michiro Yamashita	Audit & Supervisory Board Member (part time, Outside)	Managing Executive Officer, Japan Petroleum Exploration Co., Ltd.

Notes:

1. Directors Kimihisa Kittaka, Nobuharu Sase, Isao Matsushita and Jun Yanai were elected and assumed their position at the 10th Ordinary General Meeting of Shareholders held on June 28, 2016.
2. The following changes occurred in Directors' positions and responsible areas of duties during this fiscal year. Inside the parentheses are their positions and areas of responsibility before the change.

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Name	Date	Company Position & Responsibility
Masaharu Sano	June 28, 2016	Director, Senior Executive Vice President Senior Vice President, Technical Headquarters In charge of HSE and Compliance (Director, Senior Vice President, Technical Headquarters of the Company, in charge of HSE)
Masahiro Murayama	June 28, 2016	Director, Senior Managing Executive Officer Senior Vice President, Finance & Accounting (Director, Managing Executive Officer Senior Vice President, Finance & Accounting)
Seiya Ito	June 28, 2016	Director, Senior Managing Executive Director, Senior Vice President, Ichthys Project (Director, Managing Executive Officer Senior Vice President, Ichthys Project)

3. The following changes occurred in Directors' positions and responsible areas of duties after the end of this fiscal year. Inside the parentheses are their positions and areas of responsibility before the change.

Name	Date	Company Position & Responsibility
Masaharu Sano	April 1, 2017	Director, Senior Executive Vice President Chief Technical Executive In charge of HSE and Compliance (Director, Senior Vice President, Technical Headquarters of the Company, in charge of HSE and Compliance)
Takahiko Ikeda	April 1, 2017	Director, Managing Executive Officer Senior Vice President, Technical Headquarters (Director, Managing Executive Officer Senior Vice President, Gas Supply & Infrastructure)

4. The Company reported all the Outside Directors and Outside Audit & Supervisory Board Members as Independent Officers as stipulated by Tokyo Stock Exchange, Inc.
5. Audit & Supervisory Board Member Hideyuki Toyama possesses extensive knowledge of finance and its related matters.
6. Audit & Supervisory Board Member Koji Sumiya possesses extensive knowledge of finance and its related matters.
7. Audit & Supervisory Board Member Masaru Funai possesses extensive knowledge of finance and accounting, etc.
8. Audit & Supervisory Board Member Michiro Yamashita possesses extensive knowledge of financial and accounting matters, etc.
9. Directors Naoki Kuroda, Seiji Yui, Wataru Tanaka, Seiji Kato and Hiroji Adachi resigned at the expiration of their terms of office as of June 28, 2016.

2. Outline of Liability Limitation Agreement

Based on Article 427, Paragraph 1 of the Companies Act, the Company has entered into a liability limitation agreement with Directors (excluding those who are Executive Directors, etc.) and Audit & Supervisory Board Members to limit liabilities to the Company stipulated in Article 423, Paragraph 1, of the Companies Act. The maximum liability under such agreement shall be the total of the amounts stipulated in each Item under Article 425, Paragraph 1 of the Companies Act.

3. Compensation for Directors and Audit & Supervisory Board Members during This Fiscal Year

19 Directors: ¥391 million (Including 7 Outside Directors: ¥30 million)

5 Audit & Supervisory Board Members: ¥94 million (Including 4 Outside Audit & Supervisory Board Members: ¥66 million)

[Translation for Reference Purposes Only]

Notes:

1. Salaries for Directors who are also employees do not include the portion of salary for an employee in the above compensation amount.
2. Compensation includes provision for accrued bonuses to officers during this fiscal year.

4. Items Related to Outside Directors and Audit & Supervisory Board Members

Relationships between the Company and any companies in which the Director or the Audit & Supervisory Board Member holds significant concurrently held positions and major activities

i) Director Yoshiyuki Kagawa

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

None

- B. Major activities

He attended 17 of the 17 (100% attendance) Board of Directors held during this fiscal year, and appropriately made necessary comments during deliberations of proposals, etc. based on his extensive experience and broad range of insights as a business executive.

ii) Director Yasuhiko Okada

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

There are no business transactions between the INPEX Group and Kitahama Partners and between the INPEX Group and FEED ONE CO., LTD.

- B. Major activities

He attended 17 of the 17 (100% attendance) Board of Directors meetings held during this fiscal year, and appropriately made necessary comments during deliberations of proposals, etc. based on his management experience in financial institutions as well as his many years of experience and broad range of insights in the financial field and his professional knowledge and experience as a lawyer.

iii) Director Hiroshi Sato

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

Japan Petroleum Exploration Co., Ltd. is one of the top 10 shareholders 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 17 of the 17 (100% attendance) Board of Directors meetings held during this fiscal year, and appropriately made necessary comments during deliberations of proposals, etc. based on his extensive experience and broad range of insights in the oil and gas development industry.

iv) Director Isao Matsushita

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

JX Holdings, Inc. is one of the top 10 shareholders 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 4.8% 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.

The INPEX Group has no transactions with Matsumotokiyoshi Holdings Co., Ltd.

- B. Major activities

He attended 11 of the 12 (91.7% attendance) Board of Directors meetings held after his appointment on June 28, 2016 and appropriately made necessary comments during deliberations of proposals, etc. based on his many years of experience and broad range of insights as a business executive.

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v) Director Jun Yanai

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 0.4% of the Company's consolidated net sales for the same period. Meanwhile, the INPEX Group's purchase from the Mitsubishi Corporation Group in this fiscal year is less than 0.1% of the Company's consolidated cost of sales for the same period.

B. Major activities

He attended 12 of the 12 (100% attendance) Board of Directors meetings held after his appointment on June 28, 2016 and appropriately made necessary comments during deliberations of proposals, etc. based on his many years of experience and broad range of insights in the resource/energy industry.

vi) Audit & Supervisory Board Member Hideyuki Toyama

A. Relationships between the Company and any companies in which the Audit & Supervisory Board Member holds significant concurrently held positions

None

B. Major activities

He attended 17 of the 17 (100% attendance) Board of Directors meetings and attended 17 of the 17 (100% attendance) Audit & Supervisory Board meetings held during this fiscal year, and made necessary comments during deliberations of proposals, etc. based on his extensive experience and broad range of insights in the field of finance and his expertise and experience as a lawyer.

vii) Audit & Supervisory Board Member Koji Sumiya

A. Relationships between the Company and any companies in which the Audit & Supervisory Board Member holds significant concurrently held positions

None

B. Major activities

He attended 17 of the 17 (100% attendance) Board of Directors meetings as well as 17 of the 17 (100% attendance) Audit & Supervisory Board meetings held during this fiscal year, and made necessary comments during deliberations of proposals, etc. based on his extensive experience and broad range of insights in the field of finance and its related matters.

viii) Audit & Supervisory Board Member Masaru Funai

A. Relationships between the Company and any companies in which the Audit & Supervisory Board Member holds significant concurrently held positions

None

B. Major activities

He attended 17 of the 17 (100% attendance) Board of Directors meetings as well as 17 of the 17 (100% attendance) Audit & Supervisory Board meetings held during this fiscal year, and appropriately made necessary comments during deliberations of proposals, etc. based on his extensive experience in accounting operations, his knowledge and experience in the resource/energy industry as well as broad range of insights in areas of finance and accounting.

ix) Audit & Supervisory Board Member Michiro Yamashita

A. Relationships between the Company and any companies in which the Audit & Supervisory Board Member holds significant concurrently held positions

Japan Petroleum Exploration Co., Ltd. is one of the top 10 shareholders 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 16 of the 17 (94.1% attendance) Board of Directors meetings as well as 15 of the 17 (88% attendance) Audit & Supervisory Board meetings held during this fiscal year and appropriately made necessary comments during deliberations of proposals, etc. based on his extensive experience in

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accounting operations, his many years of experience in the oil and gas development industry as well as his broad range of insights in finance and accounting, etc.

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

¥162 million

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

¥268 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. The Audit & Supervisory Board has given its consent by judging it as appropriate in view of ensuring the audit quality with respect to Article 399, Paragraph 1 of the Companies Act of Japan for the remuneration paid to the Accounting Auditor, following the confirmation and examination of the status of the Accounting Auditor's performance of duties, the details of audit plan, basis for the estimated amount of compensation and others, in light of the "Practical Guidelines for Coordination with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association.
3. 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 representation of reserves.

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

The Audit & Supervisory Board of the Company 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 Audit & Supervisory Board shall determine the content of the proposal for the dismissal or non-reappointment of the Accounting Auditors and the Board of Directors shall submit the proposal to the General Meeting of Shareholders.

5. Business Suspension Penalty Imposed on the Accounting Auditor for the past two years

A business suspension penalty was imposed by the Financial Services Agency on Ernst & Young ShinNihon LLC as of December 22, 2015 to suspend its operations related to the conclusion of new contracts for three months (from January 1, 2016 to March 31, 2016).

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VI. Systems and Policies of the Company

1. Overview of systems to Ensure that the Execution of the Duties by Directors of the Company Complies with Laws and Regulations and the Articles of Incorporation of the Company, and Other Systems for Ensuring the Proper Operations of the INPEX Group and Status of Operations of such Systems

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

The following is a summary of the resolutions of the Company, regarding the “Development of the Systems for Ensuring the Proper Operations as a Stock Company (Internal Control Systems).” This summary is a partial revision made by a resolution of the Board of Directors meeting held on March 27, 2017.

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

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

The Company shall establish a Compliance Committee consisting of full-time Directors and Executive Officers, etc., to deliberate basic policies or other important matters related to compliance. By monitoring the implementation of such policies, the Company ensures that its Directors and employees comply with laws and regulations and the Articles of Incorporation in the execution of their duties. Furthermore, the Company shall establish an internal whistle-blowing system with 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, etc., carried out by the internal audit department which reports directly to the President & CEO and other related in-house departments or an external expert.

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

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

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

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

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

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

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

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

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

Furthermore, the Board of Directors shall approve annual plans and targets for the Company as a whole based on Important Basic Policies and relevant polices concerning the management of the entire company and each division, and shall receive progress reports on the plans and targets. The Company has adopted a division system and assigns Directors as a head of each division in order to achieve efficient management of business operations and establish a responsibility structure, and each division shall implement initiatives, which are important milestones of the business environment, while taking into account important risks and

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their countermeasures in accordance with the Important Basic Policies. At the same time, the Executive Committee shall receive reports on reviews of the achievement levels of the annual plans and targets.

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

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

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

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

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

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

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

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

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

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

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

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

In accordance with the internal rules on group management, the Company shall enter into group management-related contracts with its subsidiaries, under which the Company shall strive to have its subsidiaries implement the above and establish a system to ensure that Directors, etc., and employees of the subsidiaries execute their duties in compliance with laws and regulations and the Articles of Incorporation.

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

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

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

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

The Directors and employees of the Company, directors, auditors or other equivalent managerial staff, as

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

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

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

(8) Systems to Ensure that Reporters in the Preceding Section Will Not Receive Detrimental Treatment because of the Reporting

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

Regarding the internal whistle-blowing system of the INPEX Group, in case detrimental treatment against a reporter is recognized, a disciplinary action may be taken against the person who treated the reporter in such a way and against the General Manager, etc., of the department to which the person belongs pursuant to employment rules, etc.

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

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

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

The Representative Directors of the Company shall meet regularly with the Audit & Supervisory Board Members of the Company, provide information as necessary and strive to communicate with them.

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

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

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

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

<Compliance system>

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

Based on the activity plans resolved by the Compliance Committee, the Company has also carried out compliance training seminars and has been issuing "Compliance News" once every month. The Company has made October the Month of Compliance when the Compliance Committee Chairperson issues messages which aim at sharing and raising compliance awareness among all personnel. As a major activity of this fiscal year and as part of strengthening the global implementation of the systems of anti-bribery and corruption within the INPEX Group, in addition to revising the anti-bribery and corruption guidelines implemented in

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October 2014 based on the results of risk assessment by external experts, the Company has also set forth the relevant procedures and begun implementing them from January.

The INPEX Group has published its “Modern Slavery Act Statement FY2015” as disclosed on its website pursuant to the UK Modern Slavery Act 2015 enforced in October 2014, in order to clarify its initiatives against human rights violations such as slavery and human trafficking in the business and supply chain of the INPEX Group as well as the risks thereof.

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

<Risk management system>

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

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

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

With regard to HSE risks, in order to promote continuous improvement activities of industrial health and safety and environments associated with the development of crude oil and natural gas based on the HSE Risk Management Procedures established under the HSE Management System, each business location identifies, analyzes and evaluates HSE risks, as well as establishes and implements risk countermeasures. In addition, the status of risk management is to be reported to the head office for supervising HSE risks, and the head office confirms the report. With regard to security risks, the Company is promoting company-wide management based on procedures and guidelines. In this fiscal year, as the first year of the Corporate HSE 3rd Phase Medium Term Plan (targeting the five years from 2016 to 2020), we set “leadership,” “risk management,” “continuous improvement” and “implementation” as the fundamental principles of the plan, and established a basis to enhance the performance and effectiveness of HSE management.

On the other hand, the Company has established an emergency/crisis response plan in order to enhance capabilities to cope with emergencies such as major accidents and disasters, etc. and is positively promoting risk management which includes conducting emergency response training regularly even in times of safety. Furthermore, the Company has drawn up a business continuity plan in order to keep important operations from being stopped. In January 2017, we revised the basic business continuity plan assuming the occurrence of an earthquake striking directly below the Tokyo metropolitan area and further developed and clarified the earthquake response at the head office.

With regard to climate change issues which receives high degree of interest internationally, the Company announced and published a position paper in December 2015 which summarized the INPEX Group’s basic views and actual efforts, and continues examination of the issues to be discussed in the future. This position paper is, in principle, to be reviewed every year and was most recently partially revised in February 2017. For effective and prompt response to climate change issues, the Company assigned the Corporate Strategy & Planning Division to compile the responses from the entire Company, allocated a new designated project general manager for the issue, and established a cross-sectional study network, creating a framework to address the issue. Furthermore, the Company convenes an information security committee every three months in order to implement organizational and systematical information security measures in addition to the education and training regarding information leakage prevention.

<Systems to ensure the efficient performance of duties>

A regular Board of Directors’ meeting held in May 2016 approved Important Basic Policies concerning the operations of each division until the end of fiscal year 2018, and the fiscal year 2017 companywide plans and targets based on the relevant policies. In addition, each division is implementing initiatives that are important milestones in response to the business environment while paying attention to important risks and their countermeasure policies. We are also reviewing the progress status of the plans and targets during the interim period. Going forward, we will review the achievement level of the annual plan at the end of the fiscal year, prepare the annual plans and targets for the following fiscal year, and the Executive Committee will receive those reports.

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<Systems for corporate management of the Group companies>

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

With regard to the operation of the Group companies, we have adopted a concurrent management system particularly with subsidiaries involved in overseas projects. For financing, we are conducting efficient business operations by enhancing financial efficiency through a unified management system of the Group's assets by means of the Cash Management System.

In January 2017, we established a wholly-owned finance subsidiary in the Republic of Singapore in order to create a more efficient and centralized system to manage the INPEX Group's intercompany finance operations and to strengthen the framework to support the financial administration of the INPEX Group's projects in Asia and Oceania.

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

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

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

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

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

The Company established "Audit & Supervisory Board Members' Office" in May 2016 to assist operations by Audit & Supervisory Board Members as an organization having an employee dedicated to such work, independent of the Company's executive team.

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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, among others, 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 that is internationally competitive, the INPEX Group will strive to proactively expand its business aiming to provide a stable energy supply for Japan in an efficient manner and 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, etc., 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.

Based on the basic policy under (1) above, the Company has issued a Class A stock to the Minister of Economy, Trade and Industry to eliminate the possibility of speculative takeovers or management control by foreign capital, resulting in inappropriate management inconsistent with the Company's role to provide a stable supply of energy to Japan in an efficient manner as a core company, or causing any other adverse effects.

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 are already granted to the Class A stock); iv) business integration; v) capital reduction and vi) company dissolution, a resolution of a meeting of the holder of the Class A stock (hereinafter "a general meeting of Class A stock shareholders") is required in addition to resolutions of the shareholders' meeting or the Board of Directors of the Company. However, concerning i) the appointment or removal of Directors and iv) business integration, resolution of a general meeting of Class A stock shareholders is required only when certain conditions under the Articles of Incorporation are met. Concerning the exercise of voting rights at a general meeting of Class A stock shareholders, the Class A stock shareholder can exercise his/her voting rights in accordance with the guidelines set forth in a Ministry of Economy, Trade and Industry Notice (No. 220, 2008).

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. The Company's Board of Directors does not have any power over the exercise of the veto right through the exercise of the voting rights of Class A stock by Class A stock shareholders. Therefore, Class A stock does not have the purpose of maintaining the position of the executive officers of the Company.

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

The efforts set forth in the above-mentioned (2), which aim to provide a stable supply of energy to Japan in an efficient manner and to improve the Company's corporate value continuously, are in line with the basic policy set forth in the above-mentioned (1).

Given the limited scope of the veto right of the Class A stock in the above-mentioned (2), and because the voting rights shall be exercised in accordance with the guidelines for the exercise of voting rights by the Minister of Economy, Trade and Industry, which are set forth in a Ministry of Economy, Trade and Industry Notice (No. 220, 2008), this measure is designed to be highly transparent to avoid unreasonably impeding the efficiency and flexibility of the Company's management to minimize the impact thereof. For these reasons, the

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Company believes that this measure is in line with the basic policy set forth in the above-mentioned (1) and does not impair the common interests of the Company's shareholders.

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

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Consolidated Balance Sheet

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

Accounts	As of March 31, 2017	Accounts	As of March 31, 2017
(Assets)		(Liabilities)	
Current assets	942,960	Current liabilities	297,465
Cash and deposits	652,614	Accounts payable-trade	51,105
Accounts receivable-trade	72,364	Short-term loans	44,252
Marketable securities	5,503	Income taxes payable	45,219
Inventories	30,720	Accounts payable-other	73,721
Deferred tax assets	7,264	Provision for loss on business	2,920
Accounts receivable-other	83,291	Provision for exploration projects	4,478
Recoverable accounts under production sharing	47,263	Accrued bonuses to officers	62
Other	68,403	Asset retirement obligations	4,301
Less allowance for doubtful accounts	(20,763)	Other	71,403
Less allowance for recoverable accounts under production sharing	(3,701)		
Fixed assets	3,369,213	Long-term liabilities	807,166
Tangible fixed assets	1,928,597	Long-term debt	643,432
Buildings and structures	214,575	Deferred tax liabilities	45,615
Wells	44,980	Accrued special repair and maintenance	331
Machinery, equipment and vehicles	120,713	Liability for retirement benefits	5,952
Land	19,189	Asset retirement obligations	104,845
Construction in progress	1,511,660	Other	6,989
Other	17,478		
Intangible assets	521,253	Total liabilities	1,104,631
Goodwill	60,798	(Net assets)	
Exploration and development rights	154,556	Shareholders' equity	2,556,852
Mining rights	298,370	Common stock	290,809
Other	7,528	Capital surplus	676,273
Investments and other assets	919,362	Retained earnings	1,595,018
Investment securities	246,085	Treasury stock	(5,248)
Long-term loans receivable	134,235	Accumulated other comprehensive income	386,316
Recoverable accounts under production sharing	611,937	Unrealized holding gain on securities	6,479
Deferred tax assets	25,750	Unrealized gain from hedging instruments	717
Other	29,248	Translation adjustments	379,119
Less allowance for doubtful accounts	(8,282)	Non-controlling interests	264,372
Less allowance for recoverable accounts under production sharing	(116,842)		
Less allowance for investments in exploration	(2,769)		
		Total net assets	3,207,542
Total assets	4,312,174	Total liabilities and net assets	4,312,174

[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, 2017	
Net sales		874,423
Cost of sales		453,846
Gross profit		420,576
Exploration expenses		6,734
Selling, general and administrative expenses		77,389
Operating income		336,452
Other income		
Interest income	10,460	
Dividend income	2,802	
Gain on sales of investment securities	4,999	
Equity in earnings of affiliates	2,175	
Other	18,652	39,090
Other expenses		
Interest expense	5,228	
Provision of allowance for doubtful accounts	8,308	
Provision for allowance for recoverable accounts under production sharing	14,374	
Foreign exchange loss	3,759	
Loss on disposal of fixed assets	4,786	
Other	5,193	41,651
Ordinary income		333,891
Extraordinary loss		
Impairment loss	6,366	6,366
Income before income taxes		327,525
Income taxes-current	304,620	
Income taxes-deferred	(33,227)	271,393
Net income		56,131
Net income attributable to non-controlling interests		9,963
Net income attributable to owners of parent		46,168

[Translation for Reference Purposes Only]

Consolidated Statement of Changes in Net Assets

(For the year ended March 31, 2017)

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	676,273	1,575,136	(5,248)	2,536,971
Changes during the period					
Cash dividends paid			(26,286)		(26,286)
Net income attributable to owners of parent			46,168		46,168
Purchase of treasury stock				(0)	(0)
Net changes in items other than those in shareholders' equity					
Total changes during the period	-	-	19,881	(0)	19,881
Balance at the end of the period	290,809	676,273	1,595,018	(5,248)	2,556,852

	Accumulated other comprehensive income				Non-controlling 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	4,958	(6,660)	397,622	395,921	245,910	3,178,803
Changes during the period						
Cash dividends paid						(26,286)
Net income attributable to owners of parent						46,168
Purchase of treasury stock						(0)
Net changes in items other than those in shareholders' equity	1,521	7,377	(18,503)	(9,604)	18,462	8,857
Total changes during the period	1,521	7,377	(18,503)	(9,604)	18,462	28,739
Balance at the end of the period	6,479	717	379,119	386,316	264,372	3,207,542

[Translation for Reference Purposes Only]

Non-Consolidated Balance Sheet

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

Accounts	As of March 31, 2017	Accounts	As of March 31, 2017
(Assets)		(Liabilities)	
Current assets	1,130,302	Current liabilities	380,666
Cash and deposits	617,554	Accounts payable-trade	2,956
Accounts receivable-trade	22,403	Current portion of long-term debt	10,176
Marketable securities	5,503	Lease obligations	53
Finished goods	2,233	Accounts payable-other	13,867
Work in process and partly-finished construction	58	Accrued expenses	2,781
Raw materials and supplies	9,701	Income taxes payable	9,902
Advance payments-trade	72	Advances received	44
Prepaid expenses	401	Deposits payable	270
Short-term loans receivable from subsidiaries and affiliates	420,507	Deposits received from subsidiaries and affiliates	337,339
Deferred tax assets	5,758	Accrued bonuses to officers	62
Recoverable accounts under production sharing	47,263	Provision for loss on business	2,920
Other	37,249	Asset retirement obligations	163
Allowance for doubtful accounts	(23,547)	Other	129
Allowance for investments in exploration	(11,158)		
Allowance for recoverable accounts under production sharing	(3,701)		
Fixed assets	2,007,401	Long-term liabilities	352,961
Tangible fixed assets	283,229	Long-term debt	333,708
Buildings	17,119	Lease obligations	86
Structures	176,747	Deferred tax liabilities	2,919
Wells	1,218	Accrued retirement benefits to employees	5,506
Machinery and equipment	65,711	Provision for loss on business of subsidiaries and affiliates	7,568
Vehicles	16	Asset retirement obligations	2,985
Tools, furniture and fixtures	2,263	Other	187
Land	16,984	Total liabilities	733,627
Leased assets	120	(Net assets)	
Construction in progress	3,047	Shareholders' equity	2,397,599
Intangible assets	68,642	Common stock	290,809
Goodwill	62,576	Capital surplus	1,023,802
Mining right	2	Legal capital surplus	1,023,802
Software	2,080	Retained earnings	1,088,235
Other	3,982	Other retained earnings	1,088,235
Investments and other assets	1,655,530	Reserve for advanced depreciation of non-current assets	2,108
Investment securities	68,964	Reserve for special depreciation	4,536
Investment in stock of subsidiaries and affiliates	1,491,638	Mine prospecting reserve	10,035
Long-term loans receivable from employees	10	Retained earnings brought forward	1,071,554
Long-term loans receivable from subsidiaries and affiliates	210,091	Treasury stock	(5,248)
Long-term prepaid expenses	50	Valuation, translation adjustments and others	6,476
Other	7,386	Unrealized holding gain on securities	6,476
Allowance for doubtful accounts	(17,490)		
Allowance for investments in exploration	(105,122)	Total net assets	2,404,076
Total assets	3,137,704	Total liabilities and net assets	3,137,704

[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, 2017	
Net sales		258,160
Cost of sales		148,521
Gross profit		109,639
Exploration expenses		3,879
Selling, general and administrative expenses		40,967
Operating income		64,792
Other income		
Interest income	20,472	
Dividend income	87,273	
Guarantee commission received	17,574	
Other	12,715	138,036
Other expenses		
Loss on valuation of shares of subsidiaries and affiliates	42,246	
Provision of allowance for doubtful accounts	14,546	
Provision of allowance for investment loss in exploration	4,479	
Provision for loss on business of subsidiaries and affiliates	2,423	
Foreign exchange loss	7,137	
Other	9,677	80,511
Ordinary income		122,317
Extraordinary loss		
Impairment loss	2,033	2,033
Income before income taxes		120,283
Income taxes-current	38,559	
Income taxes-deferred	(7,196)	31,362
Net income		88,920

[Translation for Reference Purposes Only]

Non-Consolidated Statement of Changes in Net Assets

(For the year ended March 31, 2017)

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 overseas investment loss
Balance at the beginning of the period	290,809	1,023,802	1,023,802	225	7,480	35,226
Changes during the period						
Provision of reserve for advanced depreciation of non-current assets				1,937		
Reversal of reserve for advanced depreciation of non-current assets				(54)		
Reversal of reserve for special depreciation					(2,943)	
Reversal of reserve for overseas investment loss						(35,226)
Provision of mine prospecting reserve						
Reversal of mine prospecting reserve						
Cash dividends paid						
Net income						
Purchase of treasury stock						
Other changes in items other than those in shareholders' equity (net)						
Total changes during the period	—	—	—	1,883	(2,943)	(35,226)
Balance at the end of the period	290,809	1,023,802	1,023,802	2,108	4,536	—

[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	20,448	962,221	1,025,601	(5,248)	2,334,965	4,954	4,954	2,339,920
Changes during the period								
Provision of reserve for advanced depreciation of non-current assets		(1,937)	—		—			—
Reversal of reserve for advanced depreciation of non-current assets		54	—		—			—
Reversal of reserve for special depreciation		2,943	—		—			—
Reversal of reserve for overseas investment loss		35,226	—		—			—
Provision of mine prospecting reserve	5,322	(5,322)	—		—			—
Reversal of mine prospecting reserve	(15,734)	15,734	—		—			—
Cash dividends paid		(26,286)	(26,286)		(26,286)			(26,286)
Net income		88,920	88,920		88,920			88,920
Purchase of treasury stock				(0)	(0)			(0)
Other changes in items other than those in shareholders' equity (net)						1,522	1,522	1,522
Total changes during the period	(10,412)	109,333	62,634	(0)	62,634	1,522	1,522	64,156
Balance at the end of the period	10,035	1,071,554	1,088,235	(5,248)	2,397,599	6,476	6,476	2,404,076

Independent Auditor's Report

May 12, 2017

The Board of Directors
INPEX CORPORATION

Ernst & Young ShinNihon LLC

Kazuhiko Umemura
Certified Public Accountant
Designated and Engagement Partner

Toru Kimura
Certified Public Accountant
Designated and Engagement Partner

Takeshi Yoshida
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 11th fiscal year from April 1, 2016 through March 31, 2017.

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

[Translation for Reference Purposes Only]

financial position and results of operations of the INPEX Group, which consisted of the Company and consolidated subsidiaries, applicable to the 11th fiscal year ended March 31, 2017 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.

[Translation for Reference Purposes Only]

< Copy of the Report of the Accounting Auditors on the Non-Consolidated Financial Statements >

Independent Auditor's Report

May 12, 2017

The Board of Directors
INPEX CORPORATION

Ernst & Young ShinNihon LLC

Kazuhiko Umemura
Certified Public Accountant
Designated and Engagement Partner

Toru Kimura
Certified Public Accountant
Designated and Engagement Partner

Takeshi Yoshida
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 11th fiscal year from April 1, 2016 through March 31, 2017.

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 and the related supplementary schedules 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 11th fiscal year ended March 31, 2017 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.

[Translation for Reference Purposes Only]

< Certified Copy of the Audit Report of the Audit & Supervisory Board >

Audit Report

With respect to the Directors' performance of their duties during the 11th business year (from April 1, 2016 to March 31, 2017), the Audit & Supervisory Board of the Company deliberated based on the audit report made by each Audit & Supervisory Board Member and has prepared this audit report, and hereby report as follows:

1. Method and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board has established the audit plan including the audit policies, audit method, assignment of duties, etc., and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board 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 Audit & Supervisory Board Member auditing standards established by the Audit & Supervisory Board, and in accordance with the audit plan, each Audit & Supervisory Board Member 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 Audit & Supervisory Board Member 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 as stated in the business reports 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 of a group of companies consisting of the company and its subsidiaries and/or affiliates, and the systems (internal control systems) based on such resolutions; and, requested explanations as necessary and expressed its opinion. Furthermore, each Audit & Supervisory Board Member 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 Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchanged information with the Directors and Audit & Supervisory Board Members, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary. Based on the above-described methods, each Audit & Supervisory Board Member examined the business report and annexed specifications for the business year under consideration.

In addition, each Audit & Supervisory Board Member 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 Audit & Supervisory Board Member 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 Audit & Supervisory Board Member examined the non-consolidated financial statements (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 financial statements (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 contents of the statement in the business reports and the Directors' performance of their duties concerning the internal control systems. 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 Non-consolidated Financial Statements 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 Financial Statements

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

May 12, 2017

The Audit & Supervisory Board, INPEX Corporation

Audit & Supervisory Board Member:	Kazuo Yamamoto (Seal)
Outside Audit & Supervisory Board Member:	Hideyuki Toyama (Seal)
Outside Audit & Supervisory Board Member:	Koji Sumiya (Seal)
Outside Audit & Supervisory Board Member (part-time):	Michiro Yamashita (Seal)
Outside Audit & Supervisory Board Member (part-time):	Masaru Funai (Seal)

[Translation for Reference Purposes Only]

[Reference]

Basic viewpoints on “Corporate Governance Guidelines”

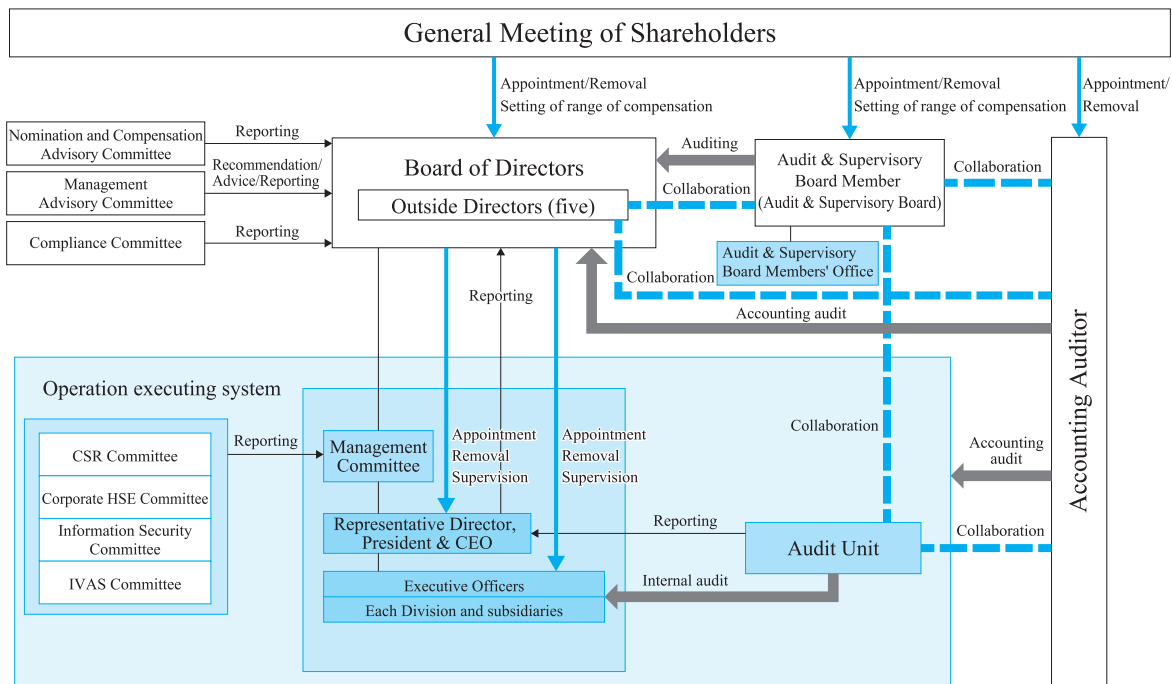
Our mission is to provide a stable and efficient supply of energy to our customers by exploring and developing oil and natural gas resources throughout the world in an aim to contribute to the creation of an affluent society. Under this corporate philosophy, the Company will engage in enhancing its corporate governance by transparent, fair, timely and decisive decision-making and fulfill social responsibilities in cooperation with our stakeholders including shareholders and aim to increase our sustained growth and corporate value from a medium- and long-term standpoint.

The Company announced its basic policy regarding its Corporate Governance Guidelines in November 2015 for the purpose of ensuring transparency and fairness in its decision-making by making proactive transmission of information so that it can achieve effective corporate governance.

For the details of our “Corporate Governance Guidelines” please refer to the Company’s website:

<http://www.inpex.co.jp/english/company/pdf/e-guidelines.pdf>

The Company’s Corporate Governance Structure (pattern diagram)



[Translation for Reference Purposes Only]

(Please use these pages for your notes)