



Recovery and protection of mangrove forests in Indonesia

# 4

## Corporate Responsibility and Management

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# Corporate Social Responsibility

INPEX actively implements corporate social responsibility (CSR) activities based on the recognition that CSR is inextricably linked to our business operations. We fulfill the social responsibility that grows together with the expansion of our business and contribute to building a sustainable society through the stable supply of energy.

## 1. HSE (Health, Safety and Environment) Basic Policies

INPEX continually improves and enhances our labor health and safety and environmental preservation under our in-house HSE Management System, which coordinates our health, safety and environmental practices.

For details, refer to the CSR Report 2011 pp. 20-23

### Overview of the HSE Management System

INPEX has a unique HSE Management System that is based on the guidelines of ISO9000, ISO14001, the occupational Health and Safety Management System (OHSAS18001, OSHMS) and the International Association of Oil & Gas Producers (OGP).

The HSE Management System encompasses a document architecture that includes the HSE Policy, which declares our company's basic policies for environmental preservation and ensuring operating safety; the HSE Management System Manual; and sets of Corporate

HSE Procedures and Guidelines. The organizational structure comprises HSE Committees established at headquarters and in the Operational Organizations. The HSE Objectives and action plans for the HSE Programs are devised each year. The effectiveness of the HSE Management System is heightened through HSE reviews during the design stage and by HSE audits for the A-PDCA (Access-Plan-Do-Check-Act) management cycle, which begins by risk assessment.

### Initiatives for Promoting and Implementing the HSE Management System

The HSE Management System is implemented by the HSE Unit at headquarters. When necessary, implementation is performed by the HSE Groups organized for our Operational Organizations.\* To promote systematic and Group-wide HSE initiatives, we established the Corporate HSE Committee. Together with the HSE Committees

in each Operational Organization, the committee deliberates and follows up on the HSE Activity Plans and the Corporate HSE Procedures, and conducts a review for fostering the HSE culture.

We held eight Corporate HSE Committee meetings during the year ended March 31, 2011. Discussion was held regarding the content and record



For further details on our activities, please refer to the CSR Report 2011. <http://www.inpex.co.jp/english/csr>

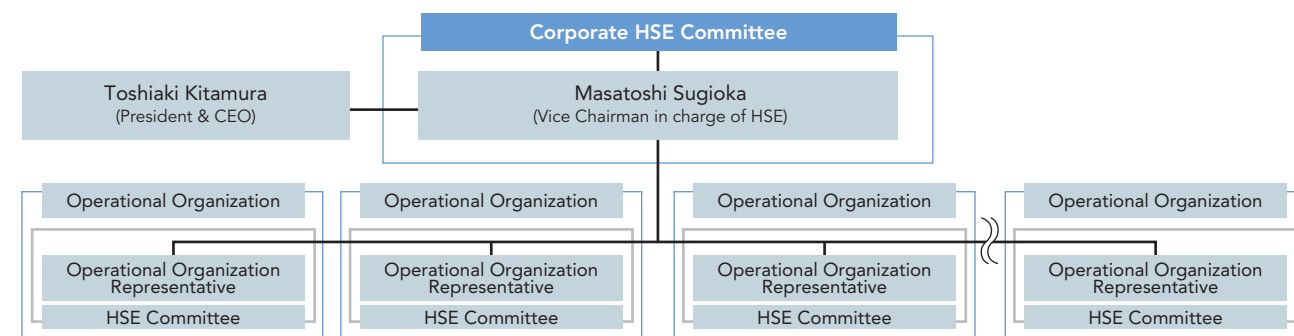
### Philosophy of CSR and HSE Activities

We place particular focus on HSE activities, which are a part of our CSR initiatives. The mission of the INPEX Group is to provide a stable and efficient supply of energy to customers so as to contribute to the community and make it more livable and prosperous. To fulfill our mission, it is essential that we conduct thorough safe management and environmental preservation and that we build a trusting relationship with both domestic and overseas customers. Requests from society and measures toward the environment change every day according to conditions in global society. However, we view operational safe management, environmental preservation and coexistence/mutual prosperity with the community as essential and continuing activities.

of the HSE objectives and programs, as well as the results of the HSE audit. Furthermore, the HSE Units and the HSE Groups have been working on further improvement of HSE activities by hiring HSE specialists and conducting employee training through OJT (on-the-job training).

\* Operational Organization: Department in charge of operator projects

### Framework for implementing the HSE Management System



## 2. Environmental Impact of Our Business

INPEX monitors how business activities in each process affect the natural environment and tackles the reduction of any adverse impact by reducing emissions of VOCs (Volatile Organic Compounds), PRTR (Pollution Release and Transfer Register) substances, etc.

For details, refer to the CSR Report 2011 pp. 26-27

### Business processes and emission amounts for main substances

	Exploration, Development and Construction		Production and Power Generation		Refining, Transportation and Sales	
	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2011
GHGs (greenhouse gases) (t)	24,605	22,280	388,495	348,695	26,342	21,530
PRTR substances (t)	0	0	12	11	8	23
VOCs (t)	1	3	448	343	433	386

Note: Data on the output of PRTR substances was collected only from our operations in Japan.

## 3. Environmental Technologies

INPEX contributes to reduced environmental impact through technology for underground/ocean storage of CO<sub>2</sub> and through R&D for technology that uses CO<sub>2</sub> and water as materials for generating methane.

For details, refer to the CSR Report 2011 pp. 32-33

### Methane Generated by Photocatalytic Reactions

As a technological development for the efficient usage of CO<sub>2</sub>, we are currently performing research and development for photocatalytic reactions, which generate methane from CO<sub>2</sub> and water. We have already achieved research results of generating methane and a by-product

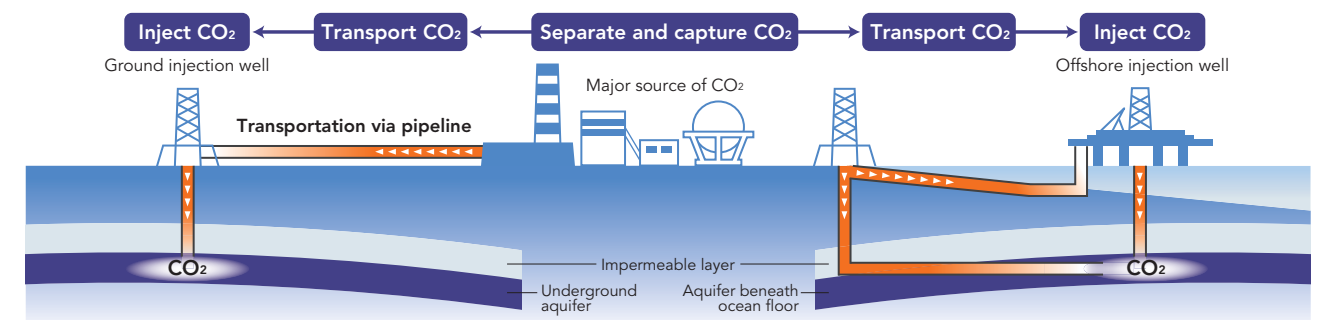
of a high-value-added organic material. We are working to realize future practical application of this research as an effective technology for reducing CO<sub>2</sub> emissions.

### Research for Carbon Dioxide Capture and Storage (CCS)

INPEX is active in CCS technology, which

separates, captures and stores CO<sub>2</sub> underground. We conduct various surveys and research jointly with Japan CCS Co., Ltd., in cooperation with industry, government and academia to spread the CCS technology and respond to global warming.

### Conceptual diagram of CCS



## 4. Operational Safety

INPEX promotes thorough operational safety in order to ensure the stable production and supply of oil and natural gas. In addition to implementing safety activities in accordance with the country of operation and operating conditions, each Operational Organization works to perform accident prevention together with contractors and to reduce environmental impact.

### Ensuring Operational Safety

Every year, we set numerical targets for safety management by referring to safety data owned (assessed) by the OGP. In response to the oil spill incident at another company's project that occurred in the Gulf of Mexico, we have revised our safety management policy, including HSE review for our operator projects. The Operational Organizations in Japan work to strengthen construction inspections and ensure thorough safety management in conformance with the HSE plans. Through such activities, the Operational Organizations achieved significant reductions in work-related accidents and disasters. The Overseas Operational Organizations conduct safety actions in accordance with each operation. In case of an operation-related emergency, the Corporate Crisis

Management Team will respond. When the Great East Japan Earthquake occurred in March 2011, the Team took action to check the damage within the first two days. We also revised our Business Continuity Plan (BCP) assuming the Tokyo metropolitan area as the epicenter of an earthquake based on the experience of this disaster.



Discussion among members of the Corporate Crisis Management Team after the Great East Japan Earthquake

For details, refer to the CSR Report 2011 pp. 38-41

### Number of work-related accidents per year

Year ended		Fatal incident	Lost time injury*1	Restricted workday injury*2	Medical treatment injury*3
Year ended March 31, 2009	Company	0	3	1	7
	Contractor	2	4	5	23
	Overall	2	7	6	30
Year ended March 31, 2010	Company	0	0	1	3
	Contractor	0	9	3	13
	Overall	0	9	4	16
Year ended March 31, 2011	Company	0	2	0	2
	Contractor	0	3	0	2
	Overall	0	5	0	4

\*1. Incident involving a nonfatal injury that results in at least one day off work \*2. Incident involving a nonfatal injury that results in restricted duties \*3. Incident involving a nonfatal injury that requires treatment by a medical professional

### Safety Management by Contractors

INPEX promotes all contractors having an understanding of our HSE Policy, and we work closely with them in an effort to prevent work-related incidents and reduce environmental impact. Operational Organizations both domestic and overseas have translated the Corporate HSE Procedure for Contractors' HSE Management into their own Contractors' HSE Management Manual that meets regional requirements

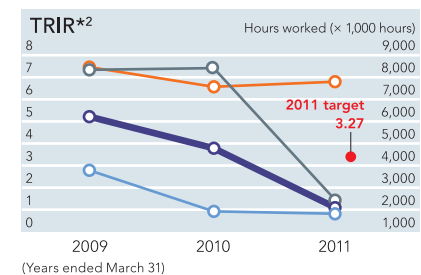
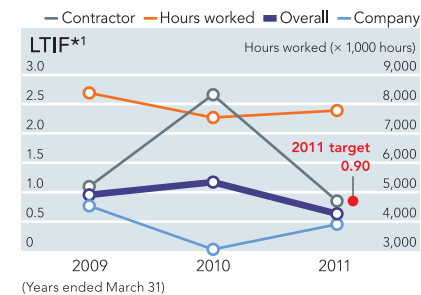
and the specific needs of particular projects. Furthermore, we are working to conduct even safer onsite construction by strengthening HSE-related communications through process meetings with contractors and through pre-work meetings. Safe management by contractors is a priority objective of our company and one that shall be improved further in the future.

### Marine Blowouts and Related Responses

In April 2010, an oil drilling rig exploded and caught fire at another company's well drilling site in the U.S. Gulf of Mexico. Eleven people were killed and large quantities of leaked crude oil gushed into the Gulf of Mexico. The flow of crude oil was stopped approximately three months after the accident. Related government agencies in the United States are still investigating the causes of the accident. While monitoring the progress of that investigation, we are

reviewing and implementing reforms for the methodology of selecting drilling contractors, the form of HSE Management, the design standards for drilling wells, the policy documentation for drilling wells and the content of our prevention/response plan for oil leaks. An assessment of response conditions at major oil companies issued by the OGP is also used to formulate reforms. Through these actions, we are working to prevent marine blowouts.

### Accident Frequency by Year



\*1. Lost time injury frequency (LTIF): Rate of injuries resulting in fatalities or lost time per million hours worked  
\*2. Total recordable injury rate (TRIR): Rate of recordable injuries (fatalities, lost time, restricted workdays and medical treatment) per million hours worked  
Note: Targets for LTIF and TRIR are calculated annually by considering a reduction rate that is applied to the target for the previous year.

## 5. Community Support

In addition to actively communicating in the communities where our projects are operated, INPEX conducts numerous activities for contributing to the sustainable development of communities while also seeking harmony with local society.

For details, refer to the CSR Report 2011 pp. 48-51

### Overseas Community Support Activities

#### ■ Repaired Elementary School Facilities in Venezuela

In 2010, Gas Guarico, S.A., which is capitalized and operated by INPEX, received a request from local citizens regarding renovating an elementary school. Based on their requests, we have refurbished the classrooms, kitchen facilities and playgrounds, as well as installed new water supply facilities and flush toilets, at three schools including San Antonio Elementary School, which is located close to the gas fields.



Students and teachers from San Antonio Elementary School

#### ■ Exhibited in the Abu Dhabi International Hunting and Equestrian Exhibition

Since 2004, we have been exhibiting every year in the UAE Abu Dhabi International Hunting and Equestrian Exhibition. In 2010, our booth introduced traditional Japanese culture by featuring Japanese falconry and sword-making. Visitors to our booth were served green tea.



Participating in the Abu Dhabi International Hunting and Equestrian Exhibition

#### ■ Supporting Project for Greenhouse Agriculture in Regions with Pipelines

We support greenhouse agriculture in villages in Azerbaijan, a region through which the BTC pipeline passes. In addition to installing greenhouses and providing crop seeds, we conduct education and training for the villagers.



A representative from the BTC pipeline instructs a local worker

### Domestic Community Support Activities

#### ■ Reforestation Support Project

INPEX participates in the Reforestation Support Project conducted by Niigata Prefecture. In the project, not well-kept lands are provided free-of-charge by landowners. We then raise trees that are ideal for that region. Activities held in the autumn of 2010 and the spring of 2011 featured participation from approximately 160 volunteers, including INPEX employees and their families, as well as local citizens. We planted 300 trees including beech and oak, held eco-workshops and provided assistance to seedlings that had been knocked over by snow. In the autumn of 2011, we planted walnut trees in addition to other trees that had been planted in the past.

#### ■ Support Activities for Local Communities

We actively participate in and cooperate with a variety of events held in the local communities where we operate our business. Every year, we support the Nagaoka Festival Fireworks Show held in Nagaoka City, Niigata Prefecture, which is where our main domestic production base is located. Also in Niigata Prefecture, our employees volunteer to support a local marathon in Kashiwazaki City and participate in the Gion Kashiwazaki Festival. More than 100 representatives of our company participated as dancers in the Gion Kashiwazaki Folk Parade and the Niigata Festival Giant Folk Parade held in the summer of 2010. We also participated in the 65th National Sports Festival in Chiba Prefecture.



Reforestation support project



Gion Kashiwazaki Festival

# Corporate Governance

## 6. Development of Human Resources

### Training of global professionals

INPEX hires and trains the necessary personnel regardless of nationality. Employees of various nationalities work at our Tokyo headquarters and our overseas offices. Furthermore, for overseas operator projects, local employees are directly hired and trained.

### Leveraging Global Human Resources

#### Actions in Ichthys, Australia

At our domestic and overseas Australian offices, we employ more than 400 workers including Australians, British, French and Japanese. Workers are involved in projects such as the Ichthys LNG Project. In Australia, we recruit staff in accordance with Australian employment guidelines to provide equal opportunity employment. Beginning from 2010, we launched the INPEX@heart program in order to create a comfortable working environment. In March 2011, in conjunction with Harmony Week in Australia, we held workshops and social gatherings in our offices as part of the INPEX@heart program. Through such activities, we seek to create a workplace environment and team atmosphere that fosters equality among workers of different races and nationalities.

#### Actions in Abadi, Indonesia

As part of the Abadi Project in Indonesia, 176 employees from seven countries work at our Jakarta Office. The majority of employees are Indonesian (103) or Japanese (52). As work proceeds in the future, we forecast that even more global professionals will work at the Jakarta Office. In March 2011, we established a Code of Conduct that applies to all personnel working at the office. This code is intended to ensure respect and the continuity of a safe and harmonious workplace environment that is based on the principles of integrity, trust and fairness. Senior management from the office explained the Code of Conduct to local employees, and actions are being taken to ensure that the code is firmly instilled among the staff.

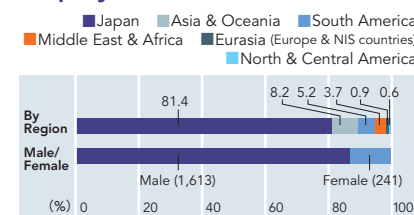


INPEX@heart Program (Australia)



Briefing session on the Code of Conduct (Indonesia)

### Employee Breakdown (Consolidated)



### Employee Statistics

As of March 31, 2011, the INPEX Group employed a total of 1,854 persons (consolidated) consisting of 1,613 males and 241 females. We also hire an average of 774 temporary employees, including local contract employees, domestic part-

time staff, non-full-time contract staff and temporary staff. The number of employees from outside Japan accounts for slightly less than 20%.

## Recovery Support for Disaster-Affected Areas of the Great East Japan Earthquake

### Support for Affected Areas

To contribute to the recovery of disaster-affected areas, we have made financial donations through the Japanese Red Cross Society, provided relief aid including oil products such as gasoline, and additionally supplied crude oil/LNG in order to deal with the shortage of electricity.

### Volunteer Activity in Affected Areas

INPEX supports employees who volunteer to assist with efforts to recover from the recent earthquake. We provide them with accommodation, transportation fare and expenses, as well as the tools to perform recovery work, as well as providing volunteer leave. In July 2011, 31 employees from the Tokyo head office participated in such activity as removing rubble and debris, cleaning up farms and mowing grass in the city of Rikuzentakata, Iwate Prefecture.



Volunteer Activity in Rikuzentakata City

To raise the corporate value and to continue to exist as a company that is trusted by stakeholders such as shareholders and all of society, we recognize the importance of thoroughly implementing compliance and improving the efficiency and transparency of management, and we are working to enhance corporate governance.

(The information below is current as of the end of June 2011, unless otherwise stated.)

## 1. Management System

### [1] Directors and Board of Directors

Regarding deliberation and decision making related to conducting important business in the development of oil and natural gas, INPEX appoints outside directors in addition to the knowledgeable directors from within our company. This ensures the validity of decision making through a rational, efficient and objective perspective.

Our Board of Directors consists of 15 directors, four of which are outside directors. In addition to a monthly meeting, the Board of Directors meets as necessary in order to discuss and determine the execution of important matters. The board also supervises the execution of duties by directors.

Furthermore, our Board of Directors collects written pledges from all directors including outside directors. This is done to ensure conformance with the Companies Act when taking a proper response toward the duty of noncompetition, the prevention of information leakage and the implementation of appropriate measures toward transactions with a potential conflict of interest.

### [2] Executive Committee and Executive Officer System

From the perspective of increasing the speed of decision making related to the execution of business, we have established

an Executive Committee with attendance by full-time directors and managing executive officers. The meetings are held weekly and as necessary. At the Executive Committee, flexible decision making is conducted for resolutions not affiliated with the Board of Directors, and deliberation is held to contribute to decision making by the Board of Directors.

Moreover, we implemented an Executive Officer System from October 2008 in order to respond accurately and quickly to a rapidly changing management environment and the expansion of our business activities. The Executive Officer System seeks to clarify a system for the execution of business and strengthen a flexible and efficient management system.

### [3] Board of Statutory Auditors and Statutory Auditors

INPEX has adopted a statutory auditor system. The Board of Statutory Auditors is composed of five members, including four outside auditors.

In addition to attending meetings of the Board of Directors and the Executive Committee, the statutory auditors review the execution of business duties by directors through reports given by and hearings for related departments. Furthermore, the statutory auditors receive reports from the independent auditors regarding audits held six times per year and as necessary. They also conduct

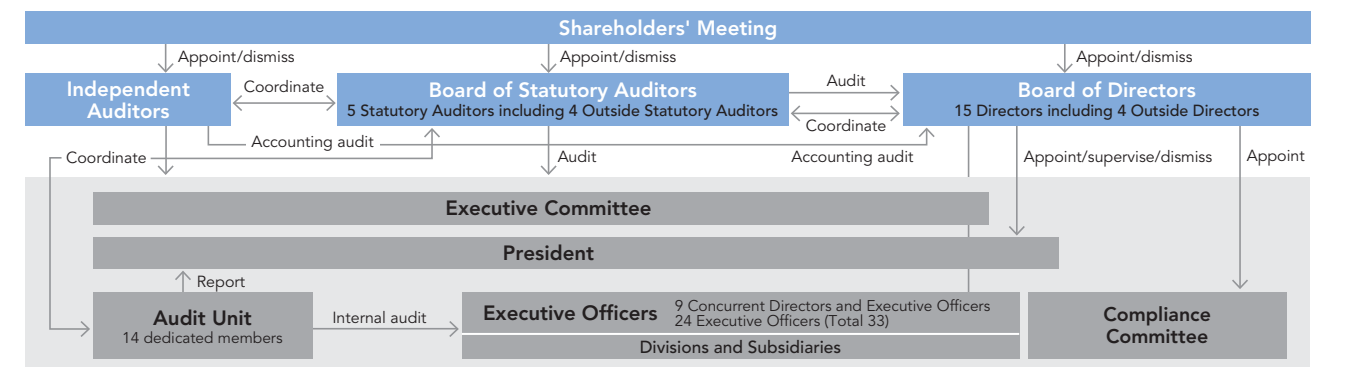
### Overview of the corporate governance system

■ Organizational structure	Company with statutory auditors
■ Percentage of shares held by foreigners (as of March 31, 2011)	40.2%
■ Directors	Number of directors as stipulated by the Articles of Incorporation: 16 Number of directors (number of outside directors): 15 (4) Term: 2 years
■ Statutory auditors	Number of statutory auditors as stipulated by the Articles of Incorporation: 5 Number of statutory auditors (number of outside auditors): 5 (4) Term: 4 years
■ Rights plan and other measures to protect against acquisition	None
■ Other	Issuance of a special-class share to the Minister of Economy, Trade and Industry

regular meetings (five or six times per year or as necessary) with the internal audit department (Internal Audit Unit) to receive reports regarding internal audits and the evaluation of internal controls.

To strengthen the function of the statutory auditors and to ensure viable corporate governance, we are working to enhance ancillary staff for the statutory auditors and form partnerships through periodic meetings between the statutory auditors, the Internal Audit Unit and the independent auditors. Moreover, we have constructed a system to strengthen the monitoring function through periodic meetings with the representative directors and directors.

### Corporate governance framework



#### [4] Accounting Audit and Auditor Compensation

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

#### Compensation paid to the CPAs and related parties (Year ended March 31, 2011)

Name of the CPA firm:	Ernst & Young ShinNihon LLC
Names of the CPAs:	Kenji Endo, Yusuke Kosugi, Satoshi Takahashi
Accounting audit members:	12 CPAs, 12 assistant CPAs and 16 others
Compensation for auditing services:	INPEX: ¥137 million; Consolidated subsidiaries: ¥80 million
Compensation for non-auditing services:	INPEX: ¥39 million; Consolidated subsidiaries: ¥6 million

## 2. Independence of Outside Directors and Director Compensation

### [1] Independence of Outside Directors/Outside Auditors

Regarding the appointment of outside directors, we place importance on evaluation for the validity of business decisions and consideration of their efficacy, professionalism and objectiveness in the oversight function in addition to the perspective of independence.

Each of our company's four outside directors possesses a broad range of knowledge and many years of experience in the energy industry. Also, these directors are shareholders of our company and serve as directors and an advisor of companies that conduct business in the same field as we do. Therefore, we recognize the importance of paying special attention to the possibility of competition and other conflicts of interest. In response, we collect written pledges from outside directors in order to ensure conformance with the Companies Act when taking a proper response toward the duty of noncompetition, the prevention of information leakage and the implementation of appropriate measures towards transactions with a conflict of interest. These written pledges are the

same as those submitted by internal appointees.

When appointing outside auditors, we believe that it is important to comprehensively consider factors such as independence, efficacy in the oversight function and professionalism.

The four outside auditors form a majority on the Board of Statutory Auditors with a total of five members. The outside auditors possess rich knowledge and experience in our company's business, as well as in fields such as finance and accounting. The statutory auditors utilize these qualities when performing auditing activities for our company. One of the outside auditors also serves as a director at Japan Petroleum Exploration Co., Ltd. (JAPEX), a corporation that owns stock in our company. JAPEX conducts business in the same fields as the business of our group. Listed companies are required to appoint an independent executive in order to protect general shareholders. Our company has appointed the outside auditor Haruhito Totsune as an independent director required by the Tokyo Stock Exchange, Inc. from the perspective of the protection of investors.

### [2] Director Compensation

In the business of developing oil and natural gas, a long period of time is required from starting business until the recovery of investment. Therefore, we believe that it is inappropriate to reflect short-term performance in director compensation.

Compensation for directors consists of monthly compensation (basic compensation), which is issued based on the business duties for each director position, and a bonus based on company performance. Compensation is decided by the Board of Directors. Similarly, compensation for the statutory auditors consists of monthly compensation (basic compensation) and a bonus, decided through consultation with the statutory auditors.

The table below shows the amount of compensation for directors and statutory auditors for the year ended March 2011. Note that the retirement benefits plan was abolished in 2008 as a result of a revision in the form of the director compensation system.

#### Attendance at board meetings

(Year ended March 31, 2011)

	Name	Attendance times
Outside directors	Kazuo Wakasugi	Board of Directors meetings 17/17
	Yoshiyuki Kagawa	Board of Directors meetings 13/17
	Seiji Kato	Board of Directors meetings 11/14
	Shigeo Hirai	Board of Directors meetings 14/17
Outside auditors	Haruhito Totsune	Board of Directors meetings 15/17 Board of Auditors meetings 15/15
	Koji Sumiya	Board of Directors meetings 14/14 Board of Auditors meetings 11/11
	Hiroshi Sato	Board of Directors meetings 16/17 Board of Auditors meetings 14/15
	Masaru Funai	Board of Directors meetings 12/14 Board of Auditors meetings 11/11

#### Compensation paid to directors and auditors

(Year ended March 31, 2011)

Director classification	Total amount of compensation paid (¥ million)	Total amount of compensation paid by type of compensation (¥ million)		Number of directors eligible for basic compensation
		Basic compensation	Bonus	
Directors (excluding outside directors)	546	448	98	14
Statutory Auditors (excluding outside auditors)	33	31	2	2
Outside Directors	68	58	9	9

Notes:  
 1. The Company does not maintain a stock option plan. 2. The Company does not maintain an accrued retirement benefits plan. 3. The total amount of compensation paid includes a provision to accrued bonuses to directors for the year ended March 31, 2011. 4. The number of directors eligible for compensation includes three directors including one outside director who retired by termination during this term and two statutory auditors including one outside auditor who retired by resignation from the Company effective June 23, 2010 at our 4th ordinary General Meeting of Shareholders. 5. Compensation was not paid to one of the 16 directors as of March 31, 2011.

## 3. Internal Control and Compliance System

### [1] Internal Control Systems

For proper and efficient company operations and to prevent the occurrence and expansion of losses, INPEX conducts appropriate business management by our Board of Directors and Executive Committee, and develops internal rules such as our Articles of Incorporation, job demarcation, administrative authority and group companies management. We also created our Corporate Social Responsibility Policy, developed a system for its adherence and thorough implementation, and developed a compliance system, internal notification system, risk management system and internal audits.

In accordance with the Internal Controls Reporting System (enacted April 2008) stipulated by the Financial Instruments and Exchange Act, we formed a special evaluation team within the Internal Audit Unit and evaluate the maintenance and operation of internal controls related to financial reporting for our company and the group companies. As the result of evaluations performed at the end of March 2011, we have judged that internal controls associated with financial reporting are functioning effectively. In June 2011, details of the evaluation were submitted to regulatory agencies in the form of a report on internal controls. Furthermore, our internal controls report received an unqualified opinion of appropriateness from its independent auditors.

### [2] Actions for Improving the Efficacy of Compliance

To conduct integrated actions throughout our entire company, we established a Compliance Committee in April 2006. Our company's Vice Chairman serves as the chairperson (director in charge of compliance) of the committee. The committee works together with the statutory auditors, the Board of Statutory Auditors, the independent auditors and the Internal Audit Unit, which is the internal audit department. Through this cooperation, the committee proposes/implements compliance measures, monitors the status of implementation and holds activities to increase compliance awareness. Moreover, the committee receives reports on violations and implements stoppage recommendations and other responses to investigated violations. The committee also formulates measures to prevent the recurrence of violations.

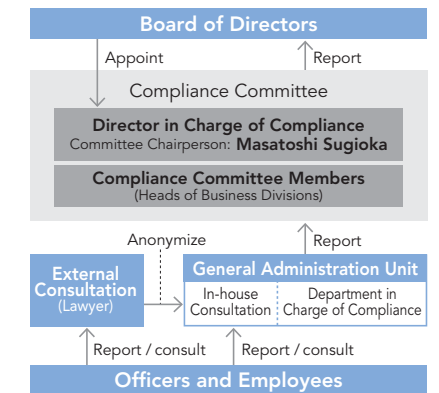
In addition, an internal notification system was established in April 2006 in accordance with the Whistleblower Protection Act. The system is available for use by the directors and employees of our company. Anonymous reporting is possible and whistleblowers are thoroughly protected to ensure that they are not subject to unfair treatment.

As a form of compliance education, we distribute a compliance manual and compliance Q&A. The goal of these materials is to have each employee implement compliance activities. Furthermore, we conducted domestic compliance training seminars and programs a total of 66 times from March

to July of 2010. The training was based on results of a compliance questionnaire distributed in December 2009 to all directors and employees of our company. At the training, an explanation was given for the themes and suggested reforms ascertained through the questionnaire. The training also sought to reconfirm fundamental compliance concepts, increase awareness mainly toward information security and provide education on human rights related to various forms of harassment. In addition, we established a compliance committee Web site on our company intranet in December 2010, and we began publishing a monthly internal newsletter titled *Compliance Journal*. Through all these measures, we are working to increase the level of awareness toward compliance.

#### Compliance framework

(Internal notification system)



Compliance manuals



Compliance Q&A

Compliance Journal

## 4. A Special-Class Share

According to the stipulations of the Articles of Incorporation, INPEX issues a special-class share to the Minister of Economy, Trade and Industry. This share possesses influence on certain major corporate decisions. The special-class share does not possess voting rights at shareholders' meetings. However, it is possible for the holder of the special-class share to exercise veto rights for certain major corporate decisions. For

our company, the issuance of the special-class share to the Minister of Economy, Trade and Industry is an effective countermeasure to prevent control over the business of our company or against hostile takeovers for speculative purposes. Furthermore, we expect positive results in terms of external negotiation and credits.

(For details, please refer to the section titled "Special-Class Share" on pages 95-96.)

## 5. Disclosure

To improve the transparency of management and the accountability of managers, we conduct timely, appropriate and fair disclosure of information through our Web site, public relations activities and IR activities toward shareholders and investors.

### 1. For invigorating the general meeting of shareholders and promoting effective voting

	Supplementary explanation
<b>Early delivery of convocation notices for the general meeting of shareholders</b>	At the 5th Ordinary General Meeting of Shareholders held on June 28, 2011, we sent convocation notices on June 10, which was earlier than the period stipulated by law.
<b>Use of voting rights through the Internet</b>	We implemented the use of voting rights via the Internet. We also adopted a platform for the electronic use of voting rights.
<b>Other</b>	The convocation notice and other related documentation are available in both Japanese and English (summary) on our company's Web site. On the day of the shareholders' meeting we used videos and a slide show to explain our business prior to opening the meeting.



The 5th Ordinary General Meeting of Shareholders (held June 28, 2011)



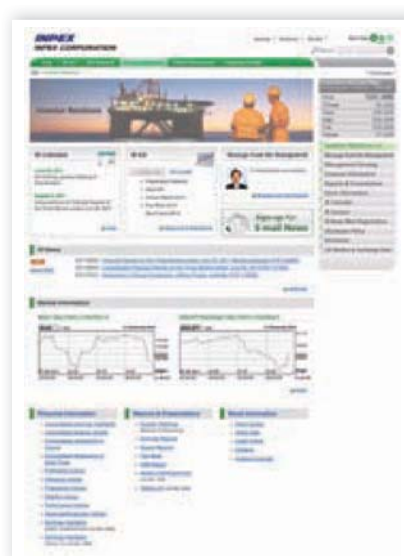
IR fair for individual investors (held March 2011)



IR meeting for individual investors in Nagoya (held October 2010)

### 2. Enhancing IR activities

	Supplementary explanation	Explanation by representative: Yes/No
<b>Regular IR presentations for individual investors</b>	We participate in events such as IR fairs for individual investors and meetings in venues such as branches of brokerage firms. For the year ended March 31, 2011, we held 13 meetings in six cities throughout Japan. The meetings were attended by more than 1,500 individual investors.	Yes
<b>Regular IR presentations for analysts and institutional investors</b>	We hold biannual meetings on financial results for analysts and institutional investors. Our president and director in charge of finance & accounting explain our financial details and business forecast to approximately 200 analysts and institutional investors. Video archives of the meeting are made available on the same day on our company's Web site. An English translation is included in the transmission. Furthermore, we held two onsite tours (domestic and overseas) for analysts and institutional investors in the year under review.	Yes
<b>IR meetings</b>	We held more than 500 IR meetings with analysts and institutional investors in the year under review. Meetings included overseas IR road shows, conferences and one-on-one meetings.	Yes
<b>IR materials available on Web site</b>	Our Web site (IR section) features financial reports, stock information, presentation materials, videos and brochures for individual investors. <a href="http://www.inpex.co.jp/english/ir/">http://www.inpex.co.jp/english/ir/</a>	



IR Web site

## Disclosure Policies

To achieve the appropriate disclosure of information, we have established internal regulations for corporate information disclosure and defined the process for collecting, managing, transmitting and disclosing information throughout our company. A summary of disclosure and other policies based on the aforementioned regulations is listed below. Please refer to our company's Web site (<http://www.inpex.co.jp/english/ir/policy.html>) for further details.

### 1. Basic Policy

Our basic approach is to disclose the information that our shareholders and investors need in a timely, appropriate and fair manner in order for them to make decisions concerning investment in our securities. We also actively engage in public relations activities to foster a deeper understanding among all stakeholders concerning our business activities.

timely disclosure of our corporate information.

Senior General Manager, Corporate Strategy & Planning Division, and the Corporate Communications Unit conduct exhaustive compilation of information for disclosures (information on decisions made by the Company, occurrence of material facts, and business results, etc.), and in accordance with the internal rules, the Corporate Communications Unit in principle conducts its disclosure upon authorization made by the board of directors and by the management committee concerning other information. In addition, we maintain comprehensive control of all important internal information and prevent any insider trading in line with the internal rules against insider trading.

The following chart shows our internal system for timely disclosure of our company information.

### 2. Internal System for Timely Disclosure

We have appointed the Senior General Manager, Corporate Strategy & Planning Division, as Corporate Information Handling Officer responsible for the timely disclosure of our corporate information. In addition, we have established Corporate Communications Unit, as the Unit in charge of practical matters for the

### 3. Quiet Period

The two weeks prior to the announcement of business results (including quarterly reports) are deemed as the "quiet period," in order to prevent information leaks and to maintain disclosure fairness. During this quiet period, we will refrain from commenting on and answering inquiries related to business results. However, should it prove necessary to substantially revise forecasts during the quiet period, this information will be appropriately released.

### 4. IR Activities

Representative directors and responsible directors as well as dedicated staff members conduct proactive IR activities for investors. For any questions regarding financial reporting or other IR information, please contact Investor Relations Group indicated below.

### Internal system for timely disclosure



Corporate Strategy and Planning Division, Corporate Communications Unit, Investor Relations Group

Tel.: +81-3-5572-0234 IR Web site: <http://www.inpex.co.jp/english/ir/>  
Inquiries via the Internet: <http://www.inpex.co.jp/english/ir/inquiries.html>

# Board of Directors, Auditors and Executive Officers

(As of June 30, 2011)

## Directors and Auditors

Chairman	Naoki Kuroda	Director (Adjunct)	Kazuo Wakasugi
Vice Chairman	Masatoshi Sugioka	Director (Adjunct)	Yoshiyuki Kagawa
President & CEO	Toshiaki Kitamura	Director (Adjunct)	Seiji Kato
Director	Seiji Yui	Director (Adjunct)	Shigeo Hirai
Director	Masaharu Sano	Statutory Auditor	Yoshitsugu Takai
Director	Noboru Tezuka	Statutory Auditor	Haruhito Totsune
Director	Shunichiro Sugaya	Statutory Auditor	Koji Sumiya
Director	Masahiro Murayama	Statutory Auditor (Adjunct)	Hiroshi Sato
Director	Seiya Ito	Statutory Auditor (Adjunct)	Masaru Funai
Director	Wataru Tanaka		
Director	Takahiko Ikeda		

Notes:  
 1. Directors Kazuo Wakasugi, Yoshiyuki Kagawa, Seiji Kato and Shigeo Hirai are Outside Directors as stipulated in Article 2, Paragraph 15 of the Companies Act.  
 2. Statutory Auditors Haruhito Totsune, Koji Sumiya, Hiroshi Sato and Masaru Funai are Outside Statutory Auditors as stipulated in Article 2, Paragraph 16 of the Companies Act.



**Seiji Yui**  
 Director,  
 Senior Vice President, Asia & Australasia



**Masaharu Sano**  
 Director,  
 Senior Vice President, The Americas & Africa



**Noboru Tezuka**  
 Director,  
 Senior Vice President, Eurasia & the Middle East,  
 Abu Dhabi Project



**Shunichiro Sugaya**  
 Director,  
 Senior Vice President, Masela Project



**Masahiro Murayama**  
 Director,  
 Senior Vice President, Finance & Accounting



**Seiya Ito**  
 Director,  
 Senior Vice President, Ichthys Project



**Naoki Kuroda**  
 Chairman



**Masatoshi Sugioka**  
 Vice Chairman  
 Chief Technical Executive, HSE and Compliance



**Toshiaki Kitamura**  
 President & CEO



**Wataru Tanaka**  
 Director,  
 Senior Vice President, General Administration,  
 Corporate Strategy & Planning



**Takahiko Ikeda**  
 Director,  
 Senior Vice President, Domestic Projects



**Yoshitsugu Takai**

Statutory Auditor



**Haruhito Totsune**

Statutory Auditor



**Koji Sumiya**

Statutory Auditor

## Executive Officers

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Toshiaki Kitamura\*

---

Seiji Yui\*

---

Masaharu Sano\*

---

Noboru Tezuka\*

---

Kunio Kanamori

---

Shunichiro Sugaya\*

---

Masahiro Murayama\*

---

Seiya Ito\*

---

Wataru Tanaka\*

---

Takahiko Ikeda\*

---

Sadafumi Tanigawa

---

Kasaburo Tamura

---

Akinori Sakamoto

---

Kazuo Yamamoto

---

Kazuhiko Itano

---

Shuhei Miyamoto

---

Yoshikazu Kurasawa

---

---

Noboru Himata

---

Takashi Kubo

---

Kenji Kawano

---

Yasuhisa Kanehara

---

Toshihiko Fukasawa

---

Hirohisa Ota

---

Yoshinori Yamamoto

---

Hajime Kawai

---

Atsushi Sakamoto

---

Arihiro Kezuka

---

Kimiya Hirayama

---

Nobuharu Sase

---

Shigeharu Yajima

---

Tetsuro Tochikawa

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Yoshiro Ishii

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Toshiya Oshita

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\*Member of the Board