



Public Relations Group, Corporate Communications Unit
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February 17, 2025

INPEX Announces Retention and Partial Revision of Stock-Based Remuneration System for Directors and Executive Officers

TOKYO, JAPAN - [INPEX CORPORATION](#) (INPEX) announced today that its Board of Directors resolved at a meeting held on February 17, 2025 to submit a proposal to the 19th Ordinary General Meeting of Shareholders to be held on March 28, 2025 (hereinafter the “General Shareholders’ Meeting”) relating to the retention and partial revision of the stock-based remuneration system (hereinafter the “System”) introduced in fiscal year 2018 for Directors (excluding Outside Directors and non-residents in Japan; the same applies hereinafter) and Executive Officers (excluding non-residents in Japan; the same applies hereinafter) of the Company (hereinafter collectively “Directors, etc.”).

1. Retention of the System

(1) The Company will revise certain details of the System and retain it with the aim of clarifying the linkage between its medium- to long-term management strategy and the remuneration system of Directors, etc., raising the awareness of Directors, etc. towards increasing corporate value, and further increasing their willingness to contribute to maximizing shareholder value as well as promoting initiatives to achieve a sustainable society.

(2) The System is a stock-based remuneration system using the Board Incentive Plan Trust (hereinafter the “BIP Trust”). The BIP Trust is a performance-based stock remuneration (Performance Share) and stock-based compensation plan with transfer restrictions (Restricted Stock), and serves as a platform to conduct the delivery and payment (hereinafter “delivery, etc.”) of the Company’s shares and cash amounts corresponding to the Company’s shares converted (hereinafter “the Company’s shares, etc.”) to Directors, etc. based on their positions, performance, etc.

(3) The Company will revise certain details of the System by extending the trust period of the BIP Trust the Company has already established, in order to retain it.

(4) The partial revision of the System is subject to approval at the General Shareholders’ Meeting. For the purpose of ensuring transparency and objectivity in the process of determining remuneration, the Company has set up the Nomination and Compensation Advisory Committee which holds a majority of independent outside directors including the chairperson as a voluntary advisory body to the Board of Directors. The retention and partial revision of the System was deliberated by the Nomination and Compensation Advisory Committee.

2. Purpose of revision of the System

Against the backdrop of increasing geopolitical risk in recent years, the business environment surrounding the Company, including the energy landscape, has become more uncertain. To prioritize the stable and safe operation of its projects, ensure continued stable energy supply, and steadily advance toward achieving net zero by 2050, the Company announced “INPEX Vision 2035 - Realizing a ‘Responsible Energy Transition’” in February 2025. This vision outlines INPEX’s long-term strategy towards 2035 and also consists of a mid-term business plan that presents specific goals and a clear roadmap for the three-year period between 2025 and 2027.

From this perspective, the Nomination and Compensation Advisory Committee held numerous discussions regarding an executive compensation system required to realize the Company’s vision and



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mission. The Company has maintained that it can clarify the linkage between its medium- to long-term management strategy and the compensation system of Directors, etc., raise the awareness of Directors, etc. towards increasing corporate value, and further increase their willingness to contribute to maximizing shareholder value as well as promote initiatives to achieve a sustainable society. Therefore, the Company has determined that the details of the System will be partially revised.

3. Overview of the System after revision

(1) Overview of the System

The System is a stock-based compensation system for Directors, etc., where, using the Company's contribution for compensation for Directors, etc. as funds, a trust acquires the Company's shares and conducts the delivery, etc. thereof to Directors, etc. as executive compensation based on their positions, performance etc. The timing of the delivery, etc. of the Company's shares, etc. to Directors, etc. is after their retirement from office in principle.

The details of the System after the revision are described as follows. Regarding items not described below, the details of the System introduced in fiscal year 2018 will be maintained.

(2) Target period of the System and maximum amount of money the Company contributes

The revised System will cover fiscal years corresponding to the mid-term business plan the Company has newly presented (hereinafter the "Target Period"). The initial Target Period after the revision of the System will be the three fiscal years from the fiscal year ending on December 31, 2025, until the fiscal year ending on December 31, 2027 (hereinafter the "initial Target Period after the revision").

In accordance with the revision of the System, the Company will change the maximum amount of trust funds contributed as compensation for Directors, etc. for each Target Period to the amount calculated by multiplying 460 million yen by the number of years of the said Target Period (1.38 billion yen for the three fiscal years: the initial Target Period after the revision). Then, the Company will contribute the trust funds as compensation for Directors, etc. and extend the trust period and make additional contributions to the trust (hereinafter referred to as "the Trust") with Directors, etc. fulfilling the beneficiary requirements as beneficiaries, thereby continuing the System. The Trust during the initial Target Period after the revision will be established through changing a trust currently established based on the System before the revision (hereinafter the "existing Trust") and making additional contributions to the Trust within a total amount of 1.38 billion yen, covering the three fiscal years from the fiscal year ending on December 31, 2025, until the fiscal year ending on December 31, 2027.

The Company's shares (excluding the Company's shares assigned as a corresponding number of points to Directors, etc. as those until the fiscal year ended on December 31, 2024 where delivery has not been made) and cash that remain in the existing Trust (hereinafter collectively "remaining shares, etc. before the revision") shall be used for the initial Target Period after the revision, and the total amount of trust funds through the abovementioned additional contributions to the Trust and the remaining shares, etc. before the revision shall be within 1.38 billion yen. By following directions from the trust administrator, using money contributed to the trust as funds, the Trust will acquire the Company's shares from the stock market.

When the trust period of the Trust expires, the Trust may be continued through amending the trust agreement and making additional contributions to the Trust in place of the establishment of a new Trust. In such case, years corresponding to a medium-term business plan the Company will present at that



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point in time shall be set as a new Target Period and the trust period of the Trust shall be extended for the same period as the said new Target Period. The Company will make additional contributions, not exceeding the total maximum amount of trust funds contributed for the Trust as approved by the General Shareholders' Meeting, and continue to grant Directors, etc. points during the extended trust period. However, in the abovementioned case of additional contributions, if the Company's shares (excluding the Company's shares to be assigned as a corresponding number of points to Directors, etc. where delivery has not been made) and cash (hereinafter collectively "remaining shares, etc.") remain in the trust on the final day of the trust period before the extension, the sum of the remaining shares, etc. and the amount of additional contributions to the Trust shall not exceed the total maximum amount of trust funds contributed for the Trust during the said new Target Period as approved by the General Shareholders' Meeting.

Such extension of the trust period shall not be limited to one extension, and the trust period may be extended thereafter in the same manner.

- (3) Calculation method and maximum amount of the Company's shares, etc. acquired by Directors, etc.

On the premise of the delivery, etc. of the Company's shares, etc., Directors, etc. shall be provided with "performance-based points" that aim to raise the willingness of Directors, etc. towards increasing the Company's medium- to long-term performance and corporate value as well as "fixed points" that aim to enhance the sharing of interests with shareholders through share ownership, for a certain period each year during the trust period.

Standard point by position (fractions are rounded down)

= stock-based remuneration base amount according to position / average closing price (fractions are rounded down) of the Company's shares on the Tokyo Stock Exchange in April 2022 (if the Trust is extended, the month before the month when the fiscal year that the extension date falls under begins)

- (i) Performance-based point

Calculated through multiplying a pre-determined standard point for each position by a performance-based coefficient based on a target achievement level for each fiscal year during the Target Period.

A performance-based coefficient shall be evaluated using indicators, etc. cited in the Company's mid-term business plan. For the initial Target Period after the revision, it shall be determined to range from 0 to 200 percent in line with a target achievement level of financial indicators (net income, cash flows from operating activities before exploration, ROE, ROIC and total payout ratio) as well as non-financial indicators (net carbon intensity) for each fiscal year. For a Target Period that will begin after the fiscal year ending on December 31, 2028, it will be separately determined by the Board of Directors based on a medium-term business plan at that point in time.

- (ii) Fixed point

Calculated through based on a pre-determined standard point by a position.



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One point shall be equal to one share of the Company, and the delivery, etc. of Company's shares, etc. corresponding to the accumulated value of performance-based points and fixed points (hereinafter "accumulated points") shall be conducted to each Director, etc. at the time of their retirement from office (in the case where the said Director, etc. passes away, when they pass away). Regarding the Company's shares, if a share split, share consolidation and such occurs during the trust period, depending on the ratio of the share split or consolidation, the number of the Company's shares corresponding to one point shall be adjusted.

The maximum number of points to be assigned to Directors, etc. during the trust period of the Trust shall be 466,000 points multiplied by the number of years of the Target Period. The maximum number of the Company's shares that the Trust acquires to conduct the delivery, etc. thereof to Directors, etc. during the trust period shall be the number of shares corresponding to the said maximum number of points (hereinafter the "maximum number of shares to be assigned"). Therefore, the maximum number of shares to be assigned corresponding to the initial Target Period after the revision covering three fiscal years shall be 1,398,000 shares (806,000 shares in each fiscal year under the current system). The upper limit of points and the maximum number of shares to be assigned are set based on the abovementioned maximum amount of money the Company contributes and by considering the current market price of shares.

If the Trust is continued, the maximum number of points to be assigned to Directors, etc. during the extended trust period shall be 466,000 points multiplied by the number of years of a new Target Period. The maximum number of the Company's shares that the Trust will acquire to conduct the delivery, etc. thereof to Directors, etc. during the trust period shall be the number of shares corresponding to the said maximum number of points.

(4) Method and timing of delivery, etc. of the Company's shares, etc. to Directors, etc.

After retiring from office, Directors, etc. who fulfill the beneficiary requirements will be provided with the Company's shares etc. corresponding to the accumulated points calculated based on (3) above. The said Directors, etc. will receive the Company's shares (rounded off to the nearest share unit) corresponding to 70 percent of the accumulated points, and receive the cash converted from the Company's shares in the Trust in an amount corresponding to the remaining accumulated points.

If a Director, etc. who fulfills the beneficiary requirements passes away during the trust period, the Company's shares corresponding to the accumulated points calculated at that point in time will be converted to cash in the Trust, and the corresponding converted cash amount will be paid to the heir of the said Director, etc. If a Director, etc. who fulfills the beneficiary requirements is posted overseas during the trust period, the Company's shares corresponding to the accumulated points calculated at that point in time will be converted to cash in the Trust, and the corresponding converted cash amount will be paid to the said Director, etc.

(5) Clawback system, etc.

Under this system, in the event that a Director, etc. commits a significant improper or illegal act, the Company may cancel or forfeit their right to receive the Company's shares under the System (malus) and demand the return of cash corresponding to the Company's shares already delivered to them (clawback).



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(6) Voting rights related to the Company's shares in the Trust

With regard to the Company's shares in the Trust (the Company's shares before the delivery, etc. to Directors, etc.), voting rights shall not be exercised during the trust period in order to ensure the neutrality of management.

(7) Treatment of dividends of the Company's shares in the Trust

Dividends related to Company shares within the Trust will be received by the Trust and used for trust fees and trust expenses.

(8) Treatment at the end of the trust period

If there are shares remaining upon the expiry of the trust period due to a decrease in the number of Directors, etc. or any other reason during the Target Period (excluding the Company's shares scheduled to be delivered after retirement to Directors, etc. who have not retired by the time the trust is terminated and who may fulfill the beneficiary requirements), the Trust may continue to be used as the System or an incentive plan of the same kind as the System through amending the trust agreement and making additional contributions to the Trust. If the Trust is terminated due to the expiry of the trust period, the said remaining shares shall be transferred from the Trust to the Company without consideration, and the Company shall cancel the said shares by a resolution of a Board of Directors meeting in order to increase shareholder return.

Furthermore, remaining dividends with respect to the Company shares held in the Trust upon expiry of the trust period will be utilized as share acquisition funds, if the Trust continues to be used. In the case of termination of the Trust following the expiry of the trust period, the portion in excess of the reserve for trust expenses will be donated to organizations that have no interest in the Company or its Directors, etc.

(9) Other terms of the System

Other terms related to the System will be determined by the Board of Directors in each of the following occasions: establishment of a Trust, amendments of the trust agreement, and additional contributions to the Trust.

(Reference)

[Details of the trust agreement]

(i) Type of trust	Cash trust other than individually-operated designated cash trust (third-party benefit trust)
(ii) Purpose of trust	Granting incentives to Directors, etc.
(iii) Settlor	The Company
(iv) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(v) Beneficiaries	Persons who have retired from positions of Directors, etc. and who fulfill the beneficiary requirements
(vi) Trust administrator	A third party that does not have any interest in the Company (certified public accountant)
(vii) Trust agreement date	May 2022 (Planned to be changed in May 2025)
(viii) Trust period	From August 2018 until May 31, 2025



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	(Planned to be extended until May 2028 in accordance with the amendments of the trust agreement in May 2025)
(ix) Plan start date	August 2018
(x) Exercise of voting rights	No exercise of voting rights
(xi) Type of acquired shares	Common shares of the Company
(xii) Upper limit of trust funds	1.38 billion yen (planned) (including trust fees and expenses)
(xiii) Method of acquisition of shares	To be acquired from the stock market
(xiv) Timing of acquisition of shares	From May 21, 2025 (planned) until June 12, 2025 (planned) (excluding the period from five business days prior to the closing date of accounting periods (including interim and quarterly periods) to such closing date)
(xv) Holder of vested rights	The Company
(xvi) Residual assets	Residual assets that the Company (holder of vested rights) may receive shall be within the amount of the reserve for trust expenses, which is the trust funds less share acquisition funds.