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Corporate Governance

Our Policy

INPEX's Mission is to contribute to the creation of a brighter future for society through our efforts to develop, produce and deliver energy in a sustainable way. Based on this Mission, to achieve sustainable growth and enhance our corporate value over the mid to long term, we fulfill our social responsibilities in cooperation with shareholders and other stakeholders. Furthermore, we continually strive to strengthen our corporate governance to ensure transparent, fair, and timely decision-making.

Please refer to the [Corporate Governance](#) section on our website for details on the Basic Policy on Corporate Governance and Corporate Governance Report.

Management Structure

To ensure efficient corporate management and highly effective supervision based on our Mission, we have adopted the structure of a company with Audit & Supervisory Board Members, whereby Audit & Supervisory Board Members audit the business execution of Directors, who are well-versed in their fields. In addition, to further increase the agility and efficiency of our management, we have introduced an Executive Officer System. This system strengthens our business execution structure to respond accurately and quickly to a rapidly changing management environment and business growth.

We have many opportunities to engage in important negotiations with governments and international energy companies. This requires Executive Directors and Executive Officers who possess knowledge, expertise, and international experience related to our business. They must also have in-depth knowledge of both the Company and their fields of expertise. Typically, Directors who were initially the Company's employees also serve as Executive Officers. This ensures the Board of Directors is well-versed in the current management and business environments, enabling them to make informed decisions regarding optimal business execution while maintaining effective management supervision functions. At the same time, at least one third of the Board comprises of Independent Outside Directors. The measure aims to improve management transparency and strengthen the effective supervisory function of the Board. We leverage the objective perspectives of Independent Outside Directors, which may differ from those of Executive Directors. Given their independent standing, Independent Outside Directors are expected to provide advice based on their personal knowledge and experience. They oversee management and conflicts of interest transactions, and appropriately represent the views of stakeholders at Board of Directors meetings. Our Independent Outside Directors bring backgrounds in corporate management, academia, or specialized fields such as the resource and energy industry, finance, or legal affairs. They have been appointed based on their extensive experience and comprehensive insights.

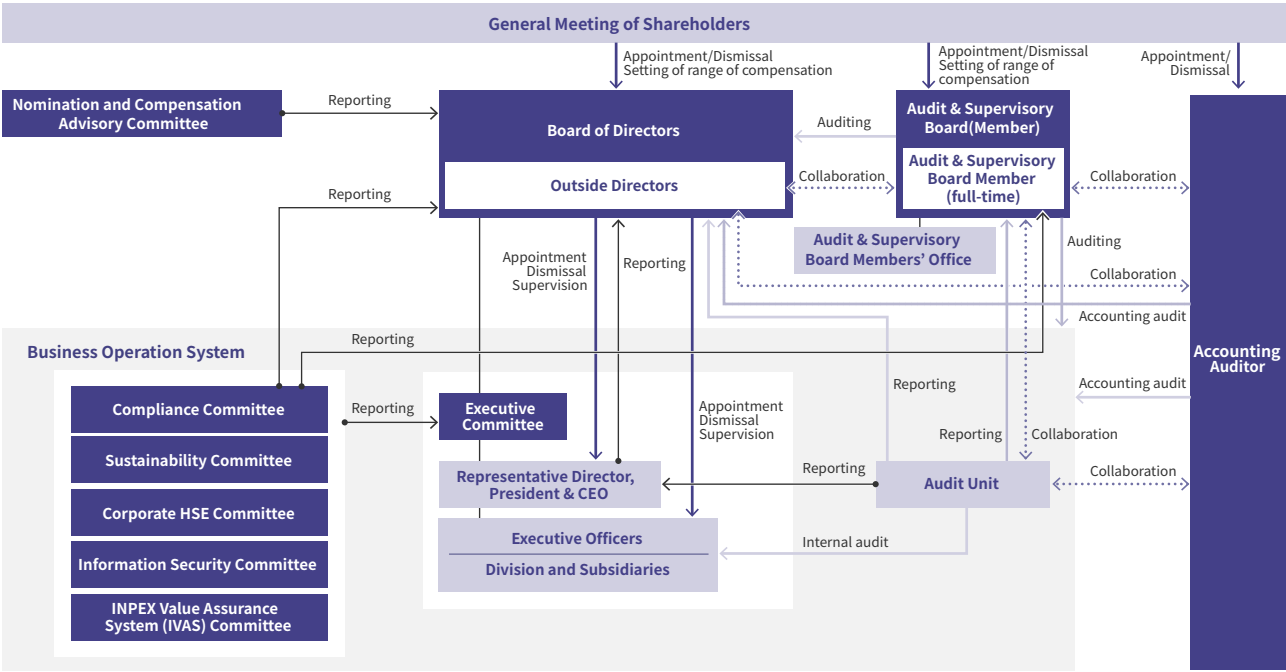
We are making steady progress to increase the diversity of the Board in terms of gender and nationality. We have appointed a female Outside Director, a female Outside Audit & Supervisory Board Member, and a foreign national as a Director. Currently, two of the members of the Board, which includes Audit & Supervisory Board Members, are women, accounting for 13% of the total Board membership. We have also appointed two female employees to the role of Executive Officer through internal promotion, ensuring diversity in our management structure.

The Nomination and Compensation Advisory Committee deepens discussions on ensuring further diversity and the appropriate size and composition of the Board. The Committee then shares the content of these discussions with the Board. Diversity here includes age, gender, work history, field of expertise, cross-cultural backgrounds, wide-ranging knowledge, and more.

Four of the five members of our Audit & Supervisory Board are Independent Outside Audit & Supervisory Board Members. The Board has been established pursuant to the Japanese law to strengthen the audit function, ensuring the independence of Audit & Supervisory Board Members and effectiveness of audits. Further efforts include assigning audit assistants to the Audit & Supervisory Board Members' Office – which assist Audit & Supervisory Board operations – and strengthening the Board's collaboration with the internal audit department (Audit Unit) and audit firm. Engagement partners of the audit firm are appropriately rotated into the role of accounting auditor in accordance with the Certified Public Accountants Act of Japan, with none of them involved in auditing duties for more than seven consecutive fiscal years. In addition, the lead engagement partner is not involved in auditing duties for more than five consecutive fiscal years.

We hold regular meetings for Outside Directors, Representative Directors, Audit & Supervisory Board Members, and the accounting auditor. These include meetings attended by Outside Directors, Audit & Supervisory Board Members, and Representative Directors; meetings attended by Outside Directors and Audit & Supervisory Board Members (which can include the accounting auditor); and meetings attended by Audit & Supervisory Board Members and Representative Directors. Meeting participants exchange opinions on a wide range of management-related material issues, the development and operation of internal control systems, and other corporate governance-related matters.

Corporate Governance Structure



Directors and Board of Directors

The responsibilities of the Board of Directors include exercising its supervisory function to the full extent, ensuring fairness and transparency in management, fostering sustainable growth, and increasing corporate value over the mid to long term. This is achieved through effective corporate governance, acknowledging fiduciary responsibility to shareholders.

The Board consists of 10 members, including five Independent Outside Directors. The Representative Director, President & CEO, who is the most well-versed in our operations, serves as the Chair of the Board to ensure efficient discussions.

In addition to regular monthly meetings, the Board meets as needed to discuss and decide on matters concerning management strategy and material business operations. It also supervises the execution of duties by Directors.

The Articles of Incorporation state that the term of office of Directors shall be one year. This is to enhance their ability to promptly respond to changes in the global management environment and to further clarify management responsibilities.

Directors, Board of Directors Meeting Attendance, and Activities

The table below shows the composition of the Board of Directors as of April 1, 2025, and attendance at Board of Directors meetings in FY2024. Notice and materials of the 19th Ordinary General Meeting of Shareholders (pages 20 and 62)

Attendance of All Directors at Board of Directors Meetings (FY2024)

Position	Name	Responsibilities	Attendance at Board of Directors Meetings
Representative Director, President & CEO	Takayuki Ueda	–	100% (15/15 times)
Representative Director, Senior Executive Vice President	Hiroshi Fujii	Senior Executive Vice President, Europe & Middle East Projects	_ ¹
Director, Senior Executive Vice President	Hitoshi Okawa	Senior Executive Vice President, General Administration and Oceania Projects, Head of Overseas Projects	91% (11/12 times) ²
Director, Senior Managing Executive Officer	Daisuke Yamada	Executive Vice President, Finance & Accounting	100% (15/15 times)
Director, Senior Managing Executive Officer	Toshiaki Takimoto	Executive Vice President, Corporate Strategy & Planning, Legal Affairs, Compliance, Head of Low Carbon Solutions	100% (15/15 times)
Director (Outside)	Jun Yanai	Director (Outside)	100% (15/15 times)
Director (Outside)	Norinao Iio	Director (Outside)	100% (15/15 times)
Director (Outside)	Atsuko Nishimura	Director (Outside)	100% (15/15 times)
Director (Outside)	Hideka Morimoto	Director (Outside)	100% (15/15 times)
Director (Outside)	Bruce Miller	Director (Outside)	_ ¹

¹ Attendance in this fiscal year is not applicable because Representative Director Hiroshi Fujii and Outside Director Bruce Miller were appointed on March 28, 2025.

² Director Hitoshi Okawa was appointed on March 26, 2024.

* Representative Director Toshiaki Kitamura and Directors Kimihisa Kittaka and Nobuharu Sase resigned on March 26, 2024. They attended all three Board of Directors meetings held during their term of office.

** Representative Director Kenji Kawano and Director Tomoo Nishikawa resigned on March 28, 2025. They attended all 15 Board of Directors meetings held in FY2024.

Specific Content of Deliberations

Specific Content of Deliberations			Number of Items Deliberated
Individual projects	(Oil and gas business)	Current status of the Ichthys Project, overseas projects, and domestic projects, confirmed value of proved reserves, actual and forecast production volumes, etc.	32
	(Five net zero businesses)	Current status of the five net zero businesses, individual overseas and domestic projects, etc.	10
Corporate governance		Matters related to the General Meeting of Shareholders, evaluation of the effectiveness of the Board of Directors, reports from the Nomination and Compensation Advisory Committee, revision of the basic policy on corporate governance and other policies, revision of various regulations, officer appointment and compensation, Director and officer (D&O) insurance, limited liability agreements, audit plans, internal audit reports, etc.	30
Management strategy/business strategy/market dialogue		Share price movements and investor comment feedback, progress and summary of the Mid-term Business Plan, discussion on formulation of the next corporate vision, formulation of the advertising activity policy, formation of separate companies for domestic projects, reports from the INPEX Advisory Committee, organizational restructuring, verification of cross-shareholdings, formulation of the shareholder returns policy	20
Finance/accounting		Settlement of accounts and budgeting, financing plans, fiscal year plans, etc.	13
HSE		Regular HSE reports, etc.	12
Compliance		Compliance activity reports, reports on compliance with the United Kingdom Modern Slavery Act, etc.	3
Sustainability		Initiatives to address sustainability-related issues, publishing of the Integrated Report and Sustainability Report, etc.	3
Total			123

Audit & Supervisory Board

We have adopted an Audit & Supervisory Board Member system which comprises a five-member Board, including four Outside Audit & Supervisory Board Members. These four Outside Audit & Supervisory Board Members have abundant experience and knowledge of our business, finances, tax, international financing, management, and other fields, which they apply to their auditing duties. We have also established an Audit & Supervisory Board Members' Office, which is an organization independent from executive divisions that assists Audit & Supervisory Board Members in the execution of their duties. Four full-time employees with relevant knowledge and ability have been assigned to the Office. In principle, the Audit & Supervisory Board meets monthly on the same day as Board of Directors meetings, or as necessary. The Audit & Supervisory Board makes decisions on statutory matters including audit plans, and receives reports from the internal audit department and accounting auditor on the performance of their duties, requesting explanations when necessary. In addition, Audit & Supervisory Board Members share information on issues and other matters identified through audit activities and hold discussions on these as necessary.

In FY2024, a total of 15 Audit & Supervisory Board meetings were held and all Audit & Supervisory Board Members attended each of these meetings, as shown in the table below.

Audit & Supervisory Board Members

Position	Name	Attendance at Audit & Supervisory Board Meetings in FY2024
Full-time Audit & Supervisory Board Member	Akio Kawamura	100% (15/15 times)
Full-time Audit & Supervisory Board Member (Outside)	Toshiya Tone	100% (15/15 times)
Full-time Audit & Supervisory Board Member (Outside)	Kenichi Aso	100% (15/15 times)
Audit & Supervisory Board Member (Outside)	Mitsuru Akiyoshi	100% (15/15 times)
Audit & Supervisory Board Member (Outside)	Hiroko Kiba	100% (15/15 times)

Advisory Bodies

As an advisory body to the Board of Directors, we have established the Nomination and Compensation Advisory Committee, the majority of which consists of Independent Outside Directors and Chair of which is an Outside Director. The purpose is to strengthen the independence, objectivity, and accountability of the functions of the Board regarding the nomination and compensation of Directors and contribute to the further enhancement of the corporate governance structure.

The table below shows the composition of the Nomination and Compensation Advisory Committee as of April 1, 2025, and attendance at Nomination and Compensation Advisory Committee meetings in FY2024.

Nomination and Compensation Advisory Committee

	Name	Attendance
Committee Chair	Jun Yanai (Independent Outside Director)	100% (6/6 times)
Committee member	Norinao Iio (Independent Outside Director)	100% (6/6 times)
Committee member	Atsuko Nishimura (Independent Outside Director)	100% (6/6 times)
Committee member	Takayuki Ueda (Representative Director, President & CEO)	100% (6/6 times)

<Specific content of deliberations>

Nomination:

- Status of discussions about the new INPEX Vision 2035 and Mid-Term Business Plan
- New Executive Officer structure for the fiscal year ending December 31, 2025
- Executive Officer structure in the new organization from April 2025
- Requirements for Executive and Outside Directors (redefining of requirements)
- Succession plan
- Candidates for Directors and Representative Directors
- Director and Audit & Supervisory Board Member skill matrix

Compensation:

- Review of the appropriateness of compensation levels (comparison with peer group)
- Revision of compensation for Directors
- Partial revision of the stock-based compensation system for Directors and Executive Officers
- Partial revision of the policy for determining the content of compensation and such for individual Directors
- Company financial results, management metric results, and individual division results for the fiscal year ended December 31, 2024
- Performance-linked compensation (bonuses and stock-based compensation) KPI results
- Proposal of Director bonuses and stock-based compensation for the fiscal year ended December 31, 2024

Nomination and compensation:

- Annual deliberation schedule

In terms of the other committees related to business execution, please refer to our [Corporate governance](#).

Internal Control Related to Financial Reporting

Our Representative Director, President & CEO has responsibility for organizing and operating internal control related to financial reporting. Organization and operation of internal control related to financial reporting is conducted in accordance with the basic framework for internal control as indicated in "On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" published by the Business Accounting Council. Results are reported to the Board of Directors and an internal control report is issued.

Evaluation Results of Effectiveness of Board of Directors in FY2024

With the aims of regularly verifying that the Board of Directors is functioning appropriately and identifying issues to resolve for continuing improvement, the Company undertakes an evaluation of the effectiveness of the Board of Directors each year, and discloses the summary of the evaluation results. Based on this policy, the tenth evaluation was conducted in FY2024. Please refer to the [evaluation method and summary of the results](#).

Skill Matrix

The Board of Directors is composed of Directors and Audit & Supervisory Board Members who have diverse and abundant experience and insight for executing INPEX Vision 2035 – Realizing a Responsible Energy Transition aimed at realizing net zero emissions in 2050.

Director and Audit & Supervisory Board Member Skill Matrix

			Field								
			Corporate management/ Organizational Operation	Global	Finance/ Accounting	Legal Affairs/ Risk management	Sustainability	Technology/ DX	Energy	Sales/ Marketing	HR Development/ Diversity
Position											
Director	Inside	Takayuki Ueda	●	●				●	●	●	
	Inside	Hiroshi Fujii	●	●						●	
	Inside	Hitoshi Okawa		●	●	●		●	●		●
	Inside	Daisuke Yamada	●		●			●			
	Inside	Toshiaki Takimoto		●		●	●	●	●		
	Outside	Jun Yanai	●	●		●			●	●	
	Outside	Norinao Iio	●	●					●	●	
	Outside	Atsuko Nishimura		●		●	●				●
	Outside	Hideka Morimoto				●	●		●		●
	Outside	Bruce Miller		●		●	●				●
Audit & Supervisory Board Member	Inside	Akio Kawamura		●	●				●		
	Outside	Toshiya Tone		●	●	●					
	Outside	Kenichi Aso		●	●						●
	Outside	Mitsuru Akiyoshi	●	●	●	●	●				
	Outside	Hiroko Kiba					●		●		●

* The ● symbol indicates fields in which the Company has particular expectations of the candidate. The table does not represent the complete knowledge and experience of Directors and Audit & Supervisory Board Members.

Reasons for the Selection of Each Skill Matrix Item

Skill Item	Reason for Selection
Corporate management/organizational operation	Under the complex management environment surrounding energy businesses, broad knowledge and experience of overall management and organizational operation are required to formulate and implement mid- to long-term management strategies and plans based on our Mission, and supervise effectiveness thereof.
Global	Knowledge and experience in the fields such as geopolitics and policies are required to effectively conduct global businesses we operate, and exercise appropriate supervision thereof.
Finance/accounting	Knowledge and experience in finance, accounting and tax affairs are required to plan and implement strategies for the achievement of targets, such as financial metrics and effectiveness metrics, called for in our Mid-term Business Plan, and exercise appropriate supervision thereof.
Legal affairs/risk management	Knowledge and experience in the fields such as legal affairs, compliance, corporate governance, and risk management are required to implement appropriate risk management and exercise supervision thereof. This includes compliance of domestic and overseas laws and regulations related to our management and businesses.
Sustainability	Knowledge and experience in health, safety, and environment (HSE) and sustainability management are required in the promotion of actions on various issues through our businesses and value chain, as well as the supervision of progress of these actions, in accordance with the Sustainability Principles and HSE Policy.
Technology/DX	Technical insight on the overall exploration and production (E&P) business as well as broad knowledge and experience in development, innovation, and progress of diverse energies and decarbonization solutions utilizing digital and expertise are required to plan and implement strategies for technologies and DX that help the realization of a stable energy supply and a low-carbon business footprint, and exercise appropriate supervision thereof.
Energy	Broad knowledge and experience are required in not only our core businesses but also commercialization, development, production, and operation of diverse energies, including renewable energy, carbon capture and storage (CCS), hydrogen, and ammonia, to plan and implement our energy business strategies for the realization of a responsible energy transition, and exercise appropriate supervision thereof.
Sales/marketing	Knowledge and experience in sales and marketing of diverse energies are required to provide optimal products/services and added value to all customers in Japan and overseas, plan and implement marketing strategies for new customers to expand customer base, and exercise appropriate supervision thereof.
HR development/diversity	As a global corporation, we recognize the significance of diversifying our human resources (workforce) and cultivating human resources (individuals) who resonate with our values to foster responsible management in a sustainable manner. Diverse knowledge and experience in the fields such as human resources, education, and women's empowerment are required to plan and implement strategies related to human resource development and diversity, and exercise appropriate supervision thereof.

Compensation for Directors

Basic Policy for Compensation

Our basic policy on compensation for Directors is as follows. The compensation shall:

- be attractive to recruit and retain qualified management human resources to realize our Mission
- raise awareness of the need to contribute to the sustainable growth and mid- to long-term enhancement of our corporate value
- be highly transparent and objective to ensure accountability to shareholders and other stakeholders.

Based on the basic policy, we have passed a resolution at a Board of Directors’ meeting as detailed below, on matters such as the policy for determining the content of compensation for individual Directors. In determining the content of compensation and such for each individual Director, as an advisory body to the Board, the Nomination and Compensation Advisory Committee, the Chair and majority of members of which are Outside Directors, conducts a multifaceted review including consistency between the draft and the decision policy. The Board respects the Committee’s report and confirms it aligns with the decision policy.

Compensation Levels

The levels of compensation for our Directors shall be set by a resolution of the Board of Directors once the Nomination and Compensation Advisory Committee reviews the appropriateness of the levels after conducting surveys and analysis of the levels for each position among peer groups in companies of similar sizes and industries by using data from an external research organization. The compensation shall be reviewed as necessary based on factors such as changes in the external environment.

Compensation Composition

The compensation composition of our Directors (excluding Outside Directors) consists of basic compensation in accordance with the duties and other aspects of each position, bonuses as short-term incentive compensation, and stock-based compensation as mid- to long-term incentive, as shown in the table below. Compensation for Outside Directors and Audit & Supervisory Board Members consists only of basic compensation from the perspective of the independence of their duties. The compensation for Directors, which includes basic compensation and bonuses, is paid from the total amount approved at the General Meeting of Shareholders.

Composition of Compensation for Members of the Board of Directors

	Content	KPIs, etc.		
Basic compensation	<ul style="list-style-type: none">Cash compensation paid to Directors as a fixed monthly compensation in accordance with the duties of each position.In addition to the above, cash compensation paid as an allowance to Outside Directors also serving as committee members, and to Outside Directors requiring payment for expenses incurred in performance of their duties.	The Nomination and Compensation Advisory Committee reviews the appropriateness of compensation levels, once surveys and analysis have been done on the levels for each position among peer groups in companies of similar sizes and industries by using data from an external research organization.		
Bonuses (Not applicable to Outside Directors)	<ul style="list-style-type: none">Performance-linked cash compensation paid each June, taking into account the Company’s performance for the fiscal year in question and the performance of the division in charge.In addition to the Company’s key financial metrics of net income attributable to owners of the parent company (hereinafter “net income”) and cash flows from operating activities before exploration, the Company adopts non-financial metrics including safety metrics (zero major incidents), which are indispensable to fulfill the Company’s mission of stable energy supply. Depending on the degree of achievement of these goals, the amount of compensation is calculated based on the evaluation weights in the table on the right. The final amount of compensation fluctuates within the range of 0% to 200%.	Bonus KPIs		Evaluation weight
		Financial metrics	Net income	45%
			Cash flows from operating activities before exploration	45%
	Non-financial metrics	Safety metrics (zero major incidents)	10%	
Stock-based compensation (Not applicable to Outside Directors)	<ul style="list-style-type: none">Stock-based compensation to be paid to Directors after their retirement is a combination of performance-linked elements aimed at raising Directors’ awareness of their contribution to enhancing the Company’s mid- to long-term business performance and corporate value, and fixed elements aimed at strengthening Directors’ awareness of sharing interests with shareholders through ownership of the Company’s shares.The standard amount of stock-based compensation is set for each position, and a portion of the standard amount is linked to performance share, while the remainder is comprised of non-financial performance share.The Company’s performance metrics for the performance share portion are based on the key financial metrics in the Mid-term Business Plan—such as net income, cash flows from operating activities before exploration, return on equity (ROE), return on invested capital (ROIC), and total payout ratio—and its key non-financial metric of net carbon intensity. Depending on the degree of achievement of these goals, the amount of compensation is calculated based on the evaluation weights in the table on the right. The final amount of compensation fluctuates within the range of 0% to 200%.The non-performance share portion is paid as stock-based compensation with a fixed number of shares to be delivered, from the perspective of strengthening Directors’ awareness of sharing interests with shareholders.Stock-based compensation is provided through a system using the Board Incentive Plan Trust. Under this system, points are granted annually to those eligible for the system based on their position, performance, and other factors, and in principle, the Company’s shares equivalent to the accumulated number of points are delivered from the trust after the retirement of those eligible for the system.For stock-based compensation, in the event that any Director commit 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).	Stock-based compensation KPIs		Evaluation weight
		Financial metrics	Net income	30%
			Cash flows from operating activities before exploration	30%
			ROE	10%
			ROIC	10%
			Total payout ratio	10%
		Non-financial metric	Net carbon intensity	10%

The ratio of the President's basic compensation, bonuses, and stock-based compensation when the target achievement level for each metric is 100% is set generally at 50%:30%:20%, respectively.

Process for Determining Compensation for Directors

As an advisory body to the Board of Directors, we have established the Nomination and Compensation Advisory Committee, the majority of which consists of Independent Outside Directors. The purpose is to strengthen the independence, objectivity, and accountability of the Board's function in determining Directors' compensation. Based on the report of the Committee, the Board establishes a policy for determining the amount of compensation for Directors and the method of calculating such amount.

The Committee shall, in principle, meet at least four times a year to deliberate major matters concerning the policy for determining the amount and calculation method of compensation and such for Directors and the details of compensation and such for each Director, and to provide advice and proposals to the Board. The Board makes decisions with the utmost respect for the content of such advice and proposals. The amount of compensation to be paid to each Director (including the final amount of bonuses based on the evaluation of the performance of the division in charge) shall be decided by the Representative Director, President & CEO, who is most familiar with our management situation, based on the content of the advice and proposals of the Committee.

Considering the external environment, social and economic trends, and other situations surrounding the Company, the Committee shall carefully deliberate on the appropriateness of the target value and calculation method for performance-based compensation and may make adjustments to the calculation of the amount of compensation for each Director by resolution of the Board.

We do not disclose the total amount of consolidated compensation and such paid to each Director or Audit & Supervisory Board Member. This is because there is no one Director or Audit & Supervisory Board Member whose consolidated compensation is 100 million yen or more, which is the disclosure standard stipulated in the Cabinet Office Ordinance on Disclosure of Corporate Affairs issued by the Financial Services Agency of Japan.

Training for Directors and Audit & Supervisory Board Members

To ensure that Directors and Audit & Supervisory Board Members can effectively fulfill their roles and responsibilities, we provide comprehensive explanations on material matters such as our business and management strategies, along with business risks, to newly appointed members. We also provide each Director and Audit & Supervisory Board Member with the necessary training opportunities (training by experts, site visits, etc.). In FY2024, we provided training sessions for Executive Directors (one session) and Outside Directors (four sessions). These include two sessions on business risks.

In addition, we strive to enhance collaboration and business knowledge among the Board of Directors by arranging regular lectures and opinion exchange meetings with external experts on topics such as affairs in the Middle East.

/ Risk Management

Our Policy

INPEX strives to continuously improve its risk management structure, which is designed to appropriately identify and manage the risks associated with its business operations, including sustainability-related risks. We have established a structure to prevent, or otherwise mitigate, adverse impact. This helps us to maintain and reinforce the trust of our customers, business partners, investors, and other stakeholders, and maximize our corporate value.

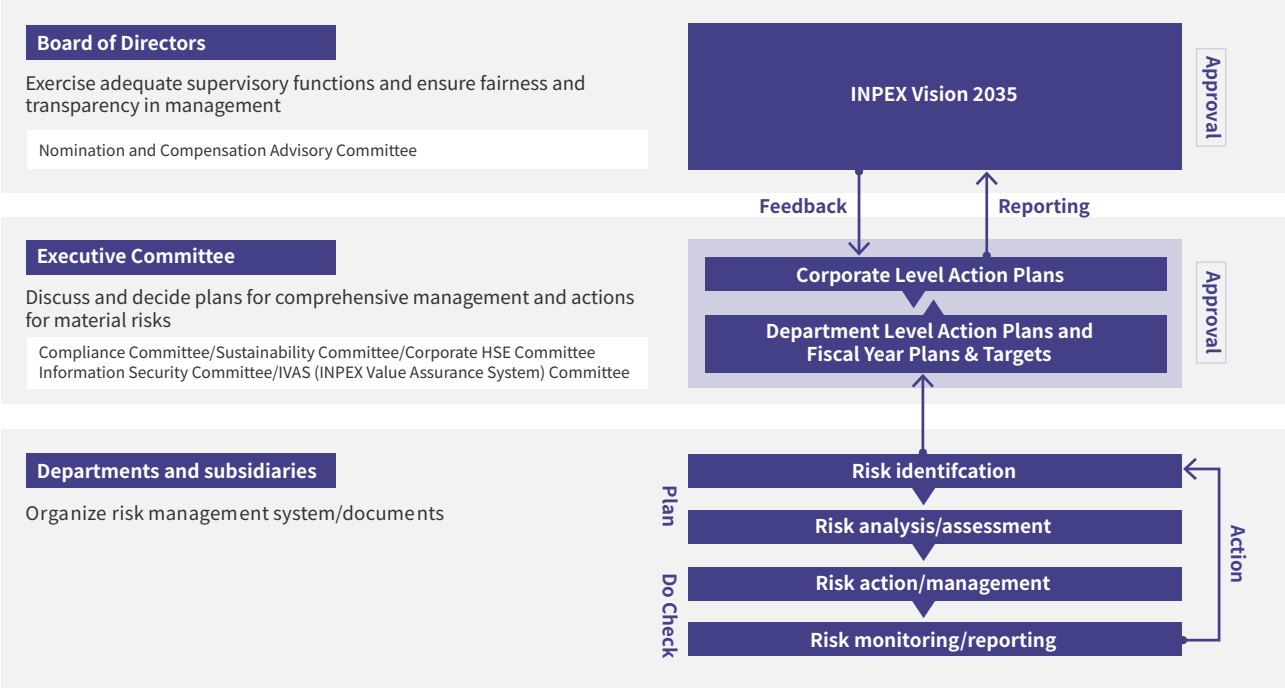
Risk Management Structure

We have adopted a divisional system and assigned Directors and other officers as the Senior Vice President of each division. This system ensures responsibility and efficient management of business operations. This enables the divisions to work closely together to conduct risk identification, specification, analysis, and assessment in accordance with our internal regulations and guidelines. The Executive Committee discusses and determines comprehensive management and action plans for material operational risks associated with individual projects. The Committee also reports the above to the Board of Directors as necessary to exercise adequate supervisory functions and ensure fairness and transparency in management. As an example, when acquiring a new oil and natural gas E&P project, the Corporate Strategy & Planning Division centrally analyzes and considers whether to adopt the project based on guidelines related to economic and risk assessments and works with relevant departments to deal with any risks. Our internal audit department under the direct control of the President & CEO, and other relevant internal departments or external experts, also conduct audits to verify and assess management of risks related to daily operations, and then constantly review risk management activities in response to changes in the business environment. Every year, we select departments for audit and ensure exhaustive audits of each relevant department. In FY2024, we conducted an internal audit of our information security management structure. We conducted the audit with the support of an outside third-party organization, which is independent of the Group and has specialist knowledge of information security. We confirmed appropriateness and other aspects of our information security management structure in light of the Cyber Security Framework (CSF v2.0), an international standard framework formulated by the U.S. National Institute of Standards and Technology (NIST).

Furthermore, to realize our Mid-term Business Plan and other key business objectives, annual plans and targets are developed for each department, aligning with our mid- to long-term goals. These plans incorporate identified material risks and associated mitigation/management plans and are determined by the Executive Committee. Each department subsequently carries out initiatives to achieve its targets and manage any risks and reviews its progress at the mid-term and end of each fiscal year.

In accordance with our internal regulations on Group management, we conduct Group-wide risk management in collaboration with each subsidiary. We also ask our subsidiaries to cooperate in audits conducted by the internal audit department under the direct control of the President & CEO, and other relevant internal departments or external experts. We use the results of the audits to verify and assess the subsidiaries' management of risks related to their daily operations. Based on the verification and assessment results, we then ask them to constantly review their risk management activities in response to changes in the business environment.

Risk Governance Structure



Business Risk

The following is a list of key items that can be considered potential risk factors relating to the business operations of the INPEX Group. From the standpoint of information disclosure to investors and shareholders, we actively communicate matters that are not necessarily the business risks but can be considered to have important effects on the investment decisions of investors. The following discussion does not completely cover all risks relating to the Group's businesses.

1. Characteristics and risks of the oil and natural gas development business
 - Risk of disasters, accidents, system failures, etc.
 - Risks of failure in exploration, development, or production
 - Dependence of production volume on specific regions and mining areas
 - Contract period
 - Risks of change in reserves of oil, condensate, LPG, and gas
 - Operatorship
 - Joint Venture
 - Risks attributable to a large capital investment and a lengthy period of recovery of funds for the oil and natural gas development business
 - Risks related to future abandonment.
2. Impact on financial results from fluctuations in oil and natural gas prices, foreign exchange rates, and interest rates
 - Impact on financial results from fluctuations in oil and natural gas prices
 - Impact on financial results from fluctuations in foreign exchange rates
 - Impact on financial results from fluctuations in interest rates
3. Climate change-related risks
4. Country risks in overseas business

Business Risk Management

To manage the diverse risks related to our business, we have introduced guidelines for economic and risk assessments for each project. We evaluate the feasibility of potential new projects based on identified material risks and respond to these risks accordingly. When acquiring a new oil and natural gas E&P project, the Corporate Strategy & Planning Division centrally analyzes and considers whether to adopt the project. We also convene the IVAS Committee as a mechanism for cross-organizational technical evaluation in each phase, including exploration, evaluation, and development. We conduct economic and risk assessments in principle at least once a year, regularly review risks and action plans for each project, and provide an annual summary report on major projects to the Board of Directors.

The Renewables, Power & Energy Solutions Division and Low Carbon Solutions Division comprehensively coordinate projects under their control in the renewable energy business and CCS and hydrogen business. In addition to the IVAS Committee and external experts conducting verifications, we also report on important projects to the Board of Directors.

To enhance our ability to respond to emergencies caused by large-scale incidents or disasters, we also formulate and maintain emergency and crisis response plans, and regularly conduct emergency response drills, to proactively manage Group-wide risks. Additionally, we establish a business continuity plan (BCP) to ensure continuity of critical operations and review it as necessary.

With respect to HSE risks, we identify, analyze, and assess those risks for each site based on the HSE Risk Management Procedure established under the HSE Management System. This aims to promote continuous improvement in our business activities in terms of health and safety, process safety, and environmental conservation. While establishing and implementing measures to address risks, we monitor HSE risks by ensuring that headquarters regularly receive and reviews risk management status reports. We are also working on the Group-wide management of security-related risks based on the relevant guidelines and standards. For HSE management of our non-operator projects, we also actively promote HSE involvement based on the risks of each project.

We have also developed guidelines for managing risks specific to the countries and regions in which we operate and mitigate these risks by setting target limits on the cumulative investment balance within high-risk countries.

We manage financial risks by identifying the individual risk of fluctuations in foreign exchange rates, interest rates, oil and natural gas prices, securities prices, and by establishing methods for managing and hedging those risks.

Furthermore, we have established the Legal Unit as an independent body and enhanced our legal risk management to create an organization able to provide appropriate legal advice to divisions and senior management executives on major contracts and lawsuits, and to further enhance our legal support functions for businesses in Japan and overseas.

Information Security and Digitalization

We also consider it important to respond to information security risks and utilize digital technologies, so we have included maximizing use of digital technology in the 2025–2027 Mid-term Business Plan as well. The INPEX business has long benefited from the widespread use of digital technology in the oil and gas industry. In recent years, cutting-edge digital technology has made data processing faster and more sophisticated, enabling us to utilize large volumes of diverse data. We are actively working to transform the energy landscape to help achieve a net-zero carbon society by 2050, while meeting the energy demands of Japan and the world. The use of new digital technology centered on AI is positioned as an important pillar of these efforts. Making use of digital technologies can help eliminate labor shortages and lead to new business opportunities. At the same time, failure to implement sufficient information security measures can increase the likelihood of various risks materializing from suspension of Group business activities to leaks of private and confidential information. For these reasons, we implement the following initiatives.

Information Security

Our information security initiatives are as follows. We have established our Basic Policy for Information Security to uphold confidentiality, integrity, and availability of information. Similarly, our Basic Policy for the Appropriate Handling of Individual Numbers and Personally Identifiable Information is implemented to protect personal information. Furthermore, under the supervision of the Information Security Committee established as a Group-wide supervisory body, we establish related regulations and management structures, and systematically implement systems-related, physical, and personnel-related measures necessary to protect our information assets. The Committee normally meets twice a year and is chaired by the Senior Vice President, Technical Headquarters – who is also a member of the Executive Committee – and consists of the Senior Vice Presidents of the General Administration, Corporate Strategy & Planning, Finance & Accounting, and Technical divisions, as well as the Group General Counsel of the Legal Unit. The matters determined by the Committee are reported to and deliberated by the Executive Committee. Results are then reported to the Board of Directors as needed.

Information security strategies and measures are developed following determinations by the Executive Committee during annual budget deliberations. We aim to prevent information leaks from within the Company by raising employee awareness of information security. We also firmly embed the values and culture essential for the proactive safeguarding of our information assets. These efforts include not only system enhancements but also information security briefings for new employees and mid-career hires, monthly publication of Information Security News, regular e-learning courses, and targeted email drills. We collect and analyze the latest threat information, provided from time to time by public institutions, police authorities, and information security vendors in Japan and overseas, and implement system-related measures for detecting and preventing external attacks. We also monitor 24 hours a day, 365 days a year to promptly address and deal with incidents and have created and utilize a Computer Security Incident Response Team (CSIRT) to respond to incidents. Furthermore, an external security vendor performs periodic assessments is conducted.

In FY2024, there were zero incidents caused by major cyberattacks requiring public disclosure.

Also in FY2024, as in FY2023, we carried out two targeted email drills and one e-learning session to boost awareness of information security across the Group. In addition to that, we established a hotline in preparation for incidents, should they occur, and we raised awareness of contact information and how to use the hotline through the e-learning session, information security briefings, and regular publications.

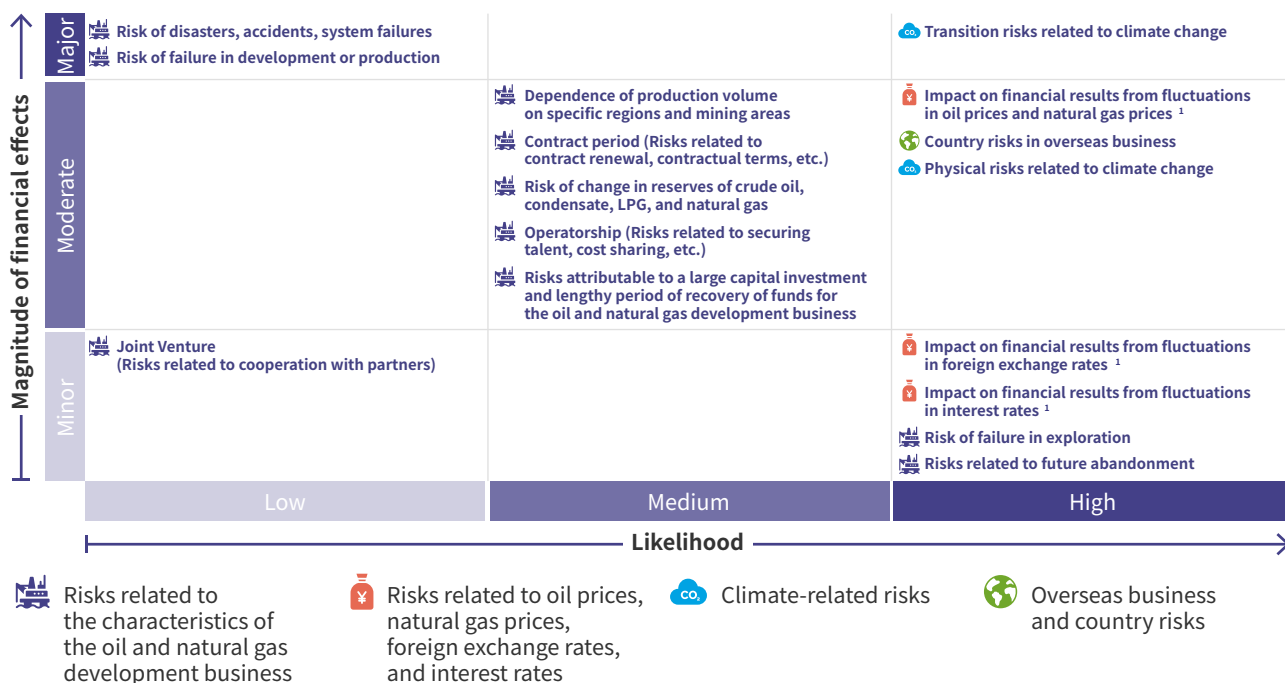
Digitalization

We established the AIR structure for promoting internal use of artificial intelligence (AI), and while we are driving the use of AI-based services under the concept of “Where AI naturally belongs in the workplace, like the air we breathe,” we are also working to raise awareness of associated risks. At INPEX Australia, which is operating Ichthys LNG, we launched an advisory group focused on generative AI-related governance and developed documentation for responding to AI risks to ensure employee understanding.

Digital data management: We operate a data platform called AI-land for our seismic exploration data and well data, which are particularly important technical data for us, and we use the platform for managing various access rights and for approvals for data viewing. We also catalogue this data, manage related ownership rights and expiration dates, and use the data under appropriate access rights.

Risk Maps

The main risks in our business operations are outlined below, and basic measures for dealing with each are defined. Furthermore, we utilize risk maps to analyze specific and current risks affecting our financial effects in terms of magnitude of financial effects and likelihood. These risks include those that have already manifested themselves in our business strategy. We define our response policies based on the urgency and impact of these risks, and promptly implement countermeasures.



¹ Depending on market conditions, there may also be a positive effect on the Company's financial results.

Key Control Measures for Managing Various Risks

Climate change-related transition risks control measures

- Introduction of clean energy and implementation of CO₂ emission reduction measures

Market risks control measures

- Management of financial risk

Country risk control measures

- Setting of a maximum target of accumulated investments in high-risk countries

Project risks control measures

- Implementation of cross-organizational technical evaluation (IVAS Committee)
- Implementation of periodical economic evaluation and risk management

Operational risks control measures

- Formulation of emergency and crisis response plan, implementation of drills
- Formulation of business continuity plan (BCP)
- Establishment of the Information Security Committee, implementation of education and training

/ Initiatives for Emergency Response and BCP

INPEX has established emergency response procedures and a BCP to address all types of emergencies. As an infrastructure company responsible for ensuring the continued supply of oil and natural gas even during crisis situations, we are fully prepared to fulfill our duties.

Emergency Response

We are preparing emergency response plans for incidents such as fires, explosions, and oil spills, with consideration given to recent trends such as geopolitical risks, infectious diseases, and natural disasters. We focus on strengthening our response capabilities through drills and continually work to enhance and improve security management to ensure the safety of employees traveling or stationed overseas.

We have established an emergency response system that corresponds to the level of crisis. In the event of the highest-level emergency, a Corporate Crisis Management Team will be set up, with the Representative Director, President & CEO serving as the Executive Crisis Management Director (ECMD). This system ensures company-wide information sharing and formulates and implements company-wide response measures. During the outbreak of the COVID-19 pandemic starting in 2020, we set up the Corporate Crisis Management Team to establish an information-sharing framework and implement comprehensive measures throughout the company.

Additionally, our corporate divisions, domestic and international entities, and operational sites have developed systems to respond to emergencies. We have also established collaborative frameworks with external response organizations to prepare for any potential emergencies. Our operational organizations, both in Japan and abroad, conduct emergency response drills outlined in annual plans, including those addressing MAE (Major Accident Events) identified through risk assessments. These drills are carried out either independently or in coordination with the head office. Emergency response documents are regularly verified and updated, along with efforts to maintain and upgrade necessary facilities and supplies. Furthermore, we focus on enhancing coordination among organizations during emergencies and fostering familiarity with inter-organizational collaboration. For initiatives to prevent accidents, please refer to [Safety](#).

BCP

Large-scale Natural Disaster Countermeasures

We assess the risk of natural disasters at our business sites and implement appropriate prevention and mitigation measures for each natural disaster, such as earthquakes, heavy rainfall, and flooding. In addition, we have prepared a BCP to protect lives in unexpected events and quickly restore business operations.

We have developed a BCP and an initial response manual tailored for our head office area. These protocols are in place in the event of an earthquake centered directly under the Tokyo metropolitan area, based on the damage assumptions made by the National Disaster Management Council of the Cabinet Office of Japan. Our policy on business continuity clearly expresses Group-wide values, prioritizing the maintenance of stable energy supply while ensuring human safety and environmental preservation. The BCP and other manuals stipulate not only for setting up temporary offices, but also for guiding employee responses in the event of an earthquake occurring during a holiday or at night, as well as procedures for returning home from the office.

Response to the 2024 Noto Peninsula Earthquake

The Noto Peninsula Earthquake of January 1, 2024, caused shaking in Joetsu City which measured 5 upper on the Japanese seismic intensity scale. Although the Naoetsu LNG Terminal stopped operating due to this earthquake, domestic natural gas, natural gas in pipelines, and natural gas loaned to us by other companies enabled us to maintain a stable supply of natural gas for our customers. Once the tsunami warnings and advisories were lifted, we rapidly confirmed safety conditions and resumed supplying gas from the terminal in less than a day. The earthquake was an unusually large one for an inland crustal earthquake in Japan, but all employees worked with safety as their highest priority. We were able to resume supplying gas extremely quickly, with no injuries, living up to our mission of stable energy supply.

Furthermore, to assist the people affected by the disaster and to provide support in disaster-stricken areas, we donated 30 million yen and 5,000 liters of oil through The Nippon Foundation. Our employee dormitories in Kashiwazaki City and Joetsu City welcomed members of the local community who evacuated due to the tsunami warnings, and in Joetsu City, we also provided evacuees with emergency food supplies.

Responses to Infectious Diseases and Epidemic Risk Management

We have long had in place an infection prevention manual for implementation against pandemics of any infectious disease. We have also developed a BCP for handling related crises during the pandemic. This commitment to pandemic preparedness is an essential aspect of fulfilling our responsibility as an infrastructure company, ensuring the continuous supply of oil and gas even during crisis situations.

/ Tax Governance

Our Policy

Aligned with our Sustainability Principles – and under the leadership of our senior management executives – INPEX is committed to ensuring tax compliance in the countries in which it operates. We adhere to both the spirit and the letter of the laws of respective countries, and engage in ethical business conduct in accordance with all international and social norms. Our officers and other employees acknowledge that one of our key social responsibilities is to foster the socioeconomic development of the countries and regions in which we operate. This is achieved through responsible tax payments in accordance with relevant laws and regulations, as well as ensuring the transparency of our tax practices.

As part of our commitment to maximizing shareholder value, we strive to optimize tax expenses by utilizing available tax incentives and eliminating double taxation in the normal course of business activities. We will not apply schemes (using tax structures with no commercial entity) or engage in tax planning with the intent to avoid taxes, nor will we migrate created value to countries with low tax rates (using tax havens) with the intent to avoid taxation.

In addition, the transfer prices we apply to international transactions are calculated in accordance with the independent enterprise principles, as prescribed in the OECD Transfer Pricing Guidelines.

Tax Governance Structure

As a global business, our overseas subsidiaries and cross-border transactions with those subsidiaries are increasing. Following the publication of the 2015 Final Reports issued by the OECD/G20 Base Erosion and Profit Shifting (BEPS) Project ^① in October 2015, a global consensus was reached to address tax-related issues resulting from the digitalization of the economy in the form of the OECD/G20 Inclusive Framework on BEPS in October 2021. Legislation governing international transactions has been developed in Japan and other countries based on the consensus, and the environment surrounding international taxation continues to undergo significant change. In this context, we are working to strengthen our tax governance to appropriately respond to tax risks related to international transactions. As a part of our efforts, with the aim of raising awareness of tax compliance among all our officers and other employees, we established our Tax Policy by determination of the Board of Directors and publish it on our website. The Senior Vice President of the Finance & Accounting Division is responsible for such efforts.

In FY2021, we developed Tax Management Rules to promote tax compliance actions by our officers and other employees in line with our Tax Policy. We also introduced our Tax Management Policy, which stipulates the establishment and operation of a tax management structure in accordance with the Tax Management Rules. Our Tax Management Rules stipulate that we shall not carry out transactions that are at odds with the spirit of tax treaties or laws and regulations solely for the purpose of tax reduction.

^① OECD/G20 Base Erosion and Profit Shifting (BEPS) Project: Project to review overall international taxation rules to prevent excessive tax avoidance by global companies using gaps and loopholes in the international taxation system.

Taxation Risks

We identify taxation risks as an important business issue. In compliance with our Tax Policy, our division in charge of tax affairs works to mitigate taxation risks by developing a deeper understanding of the tax laws in each country in which we operate, transfer pricing taxation, other international tax laws, and OECD tax guidelines. The division also cooperates and communicates closely with other divisions to mitigate taxation risks. We also make effective use of external expert advice in mitigating these risks.

Relationships with Tax Authorities

We strive to build constructive and trusting relationships with tax authorities and pay taxes appropriately, such as by obtaining certainty through advanced pricing agreements.

Tax Transparency

There is global movement for greater transparency and information disclosure in relation to corporate tax-related activities. As an example, the government of Australia – one of our core business areas – issued a set of principles (the Voluntary Tax Transparency Code) stipulating the voluntary disclosure of tax information by large corporations. In accordance with these principles, we annually publish a tax transparency report ² that consolidates our Australia-related tax information, including an overview of our local tax governance and cross-border transactions, and how much tax we pay, on our website. We also annually publish the amounts of tax and other payments made to the governments of countries participating in the Extractive Industries Transparency Initiative (EITI). Please refer to the [Performance Data](#).

As a global company, we will continue to closely monitor international taxation trends and legislative developments in each country and strive to adapt to them in a timely and appropriate manner.

² [INPEX Australia 2023 Tax Transparency Report](#)

/ Initiatives Towards Promoting Compliance

Compliance Structure

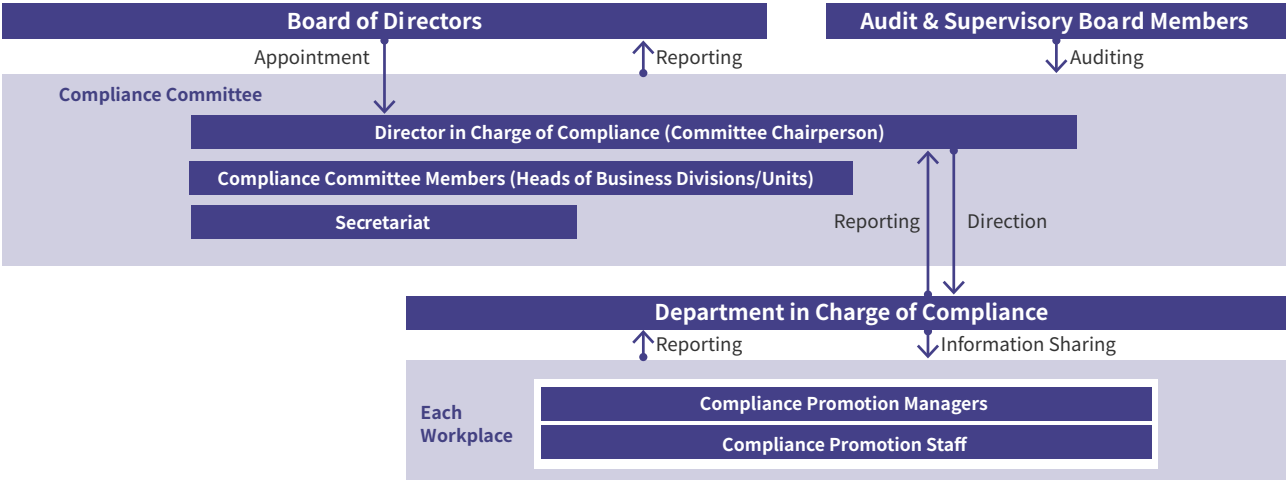
INPEX has systematically established a compliance system that is indispensable for its sustainable development and strives to ensure compliance with laws and regulations and corporate ethics. Specifically, we have established the Compliance Committee, which deliberates important matters, such as basic policies and activity plans pertaining to compliance, and monitors the activities, including raising awareness of compliance and measures to prevent the recurrence of violations, to promote consistent compliance efforts across the entire INPEX Group.

A system has been established in which the Director in charge of compliance and the Compliance Committee promptly consider and implement the necessary countermeasures in the event of serious compliance-related incidents. The Director in charge of compliance and the Compliance Committee cooperate with the Audit & Supervisory Board and its members, the accounting auditor, and the Audit Unit, as well as with the equivalent bodies and departments at subsidiaries. The Director in charge of compliance makes regular and timely reports to the Board of Directors.

There were no confirmed cases of significant compliance violations in FY2024.

We are also working to expand and strengthen compliance activities throughout the workplace by holding semi-annual meetings between compliance promotion staff assigned to each department and the department in charge of compliance.

Compliance Structure



As ongoing initiatives to enhance cooperation with compliance across the Group, we also regularly share information and exchange views on compliance activities with our overseas sites, including subsidiaries in Perth, Jakarta, Oslo and others, and provide support for compliance training at our subsidiaries in Japan.

Establishment of the Business Principles and Code of Conduct

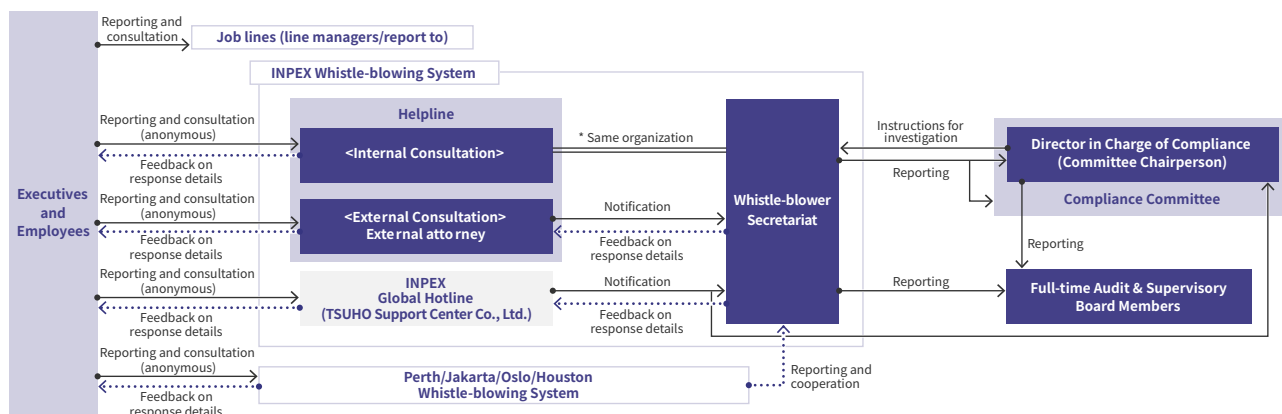
In line with the Sustainability Principles, we have established the Business Principles that must be observed by all officers and employees without exception in the performance of their duties, as well as the Code of Conduct for implementing these Principles. Furthermore, the Audit Unit checks the status of compliance with the Code of Conduct in its annual assessment of internal controls, and the status of mechanisms and structures for timely and appropriate corrective action in the event of non-compliant behavior being discovered. If behavior that does not comply with the Code of Conduct is discovered in internal audits, the Audit Unit issues improvement instructions and each responsible division or subsidiary implements the necessary measures.

Establishment of Whistle-blowing System

We operate whistle-blowing systems in accordance with the 2022 revision of the Whistleblower Protection Act to accept reports and consultations from officers and employees of the INPEX Group. In the systems, we have a helpline for receiving reports and consultations, and the INPEX Global Hotline for receiving reports and consultations in three areas where the effect of compliance violations on management are particularly significant. The three areas are bribery and corruption, violation of the Antimonopoly Act, and accounting fraud. The use of the systems is introduced in employee training and newsletters. The helpline has internal and external (law firm) desks, while the INPEX Global Hotline is operated by an external service provider. Reports and consultations can be made anonymously through each of them.

Response to Whistle-blower Reports

Whistle-blowing structure



In accordance with the whistle-blowing rules, the Compliance Unit, which serves as the internal whistle-blowing desk, and the external law firm, which serves as the external whistle-blowing desk, notify whistle-blowers within 20 days from receiving a report of its intention to start a factual investigation or its intention, on justifiable grounds, not to start such an investigation. On the investigation, details of reports are kept confidential, and the whistle-blower shall not be treated disadvantageously. The Director in charge of compliance cooperates with relevant departments, as necessary, to conduct investigations. If harassment or other compliance violations are identified, corrective action, including disciplinary action as stipulated in rules of employment, and recurrence prevention measures, including training and internal notice are taken. In addition, the details of reports are promptly reported to the Audit & Supervisory Board Members, and the results of factual investigations/details of measures are also reported to them in a timely manner, to ensure the whistle-blowing system functions more effectively.

During FY2024, the whistle-blowing desks received nine internal and three external whistle-blowing reports and consultations. Of these, one was related to suspected accounting fraud, eight were related to suspected human rights, discrimination, and harassment violations, one was related to employment, and two were related to other matters. There were no compliance violations among the reported cases that were subject to disciplinary action as stipulated in the Code of Conduct. The number of reports and consultations for each country is stated in the [Performance Data](#).

Anti-bribery and Anti-corruption Initiatives

Anti-bribery and anti-corruption (ABC) laws and regulations are becoming increasingly stringent. As a global company operating in approximately 20 countries worldwide, we recognize the importance of a zero-tolerance policy towards bribery and corruption. Accordingly, all officers and employees are required to always act with high ethical standards based on integrity, which is one of the INPEX Values shared across the Group. These values are also integrated as a component of the competency framework used for assessing work behavior in our human resource evaluations.

In addition to requiring compliance with the ABC laws and regulations in the countries where we operate, the Business Principles and Code of Conduct stipulate the establishment of sound and appropriate relationships with governments and administrative authorities. They also prohibit political donations and facilitation payments, except where legally permitted. We have participated in the United Nations Global Compact since FY2011 and have declared our commitment to preventing corruption.

To strengthen our ABC structure, we have ABC policies and procedures as part of our internal regulations. We established the INPEX Group Global Anti-bribery and Anti-corruption (ABC) Policy in FY2019 as a clear and comprehensive statement of our position on ABC. The policy is disclosed on our website.

In line with these policies and procedures, we have established rules on giving and receiving gifts or entertainment, as well as social contributions such as donations. We conduct appropriate and necessary due diligence, based on how high ABC risks are, when engaging in transactions with new business partners, contractors and agents, and include ABC clauses in each contract. In FY2024, 140 cases of due diligence were conducted in Japan.

Since FY2015, we have been working to strengthen our ABC system, rooted in a risk-based approach. This involves regularly conducting risk assessments in Japan and overseas and implementing improvement measures based on the results of those assessments. In FY2024, we conducted risk assessments at the Abu Dhabi Projects Division (now the Europe & Middle East Projects Division) and seven subsidiaries in Japan, and at four subsidiaries conducting business in Abu Dhabi. No significant violations or risks related to ABC were identified at any of these locations.

Enhancement of Transparency Through Participation in EITI

Since FY2012, we have been participating in and supporting the efforts of the Extractive Industries Transparency Initiative (EITI). This multinational initiative aims to improve the transparency and sound management of the flow of funds from extractive industries to the governments of resource-producing countries. As of March 2025, 55 resource-producing countries and many supporting countries including Japan, companies in extractive industries, and nongovernmental organizations were participating in the EITI. We provide the EITI with data concerning the participating countries where we operate projects.

Promotion of Compliance Training

We regularly conduct training by business theme, including the prevention of harassment and discrimination, by job level. These sessions use examples of past incidents within the Group to strengthen employees' compliance awareness and encourage the practice of compliance in their daily work. The table below shows our main training programs in FY2024. Data on training held in each country is also outlined in the [Performance Data](#).

Program	Target Participants	Topics
Compliance Training for New Graduates and Mid-career Employees	New graduates and mid-career employees	Harassment prevention, anti-bribery and anti-corruption, whistle-blowing and other compliance issues.
Compliance Training by Job Level	New employees from their first to third years, and newly appointed Managerial employees.	Harassment prevention awareness based on past cases and others
Compliance Training for Managerial Employees	Managerial employees at the Head Office and the Technical Research Center	(1) Harassment prevention, (2) Corporate fraud prevention
Compliance Training for Officers	CEO, Executive Officers, and Full-time Audit & Supervisory Board Members	(1) Diversity and discrimination, (2) Inappropriate language and responsibility
Training for Personnel in charge of whistle-blowing	Personnel in charge of whistle-blowing desks at INPEX	Overview and practical considerations regarding the revised Whistle-blower Protection Act in Japan
Practical Whistle-blower Response Training for Subsidiaries	Personnel in charge of whistle-blowing desks at subsidiaries	Practical responses to whistle-blower reports and violations
The Subcontract Act Briefing	INPEX Group employees engaged in transactions with subcontractors	Overview and practices to the Subcontract Act in Japan
Anti-bribery and Anti-corruption (ABC) Training	Officers and employees of seven subsidiaries conducting business in Japan and four subsidiaries conducting business in Abu Dhabi	Anti-bribery and anti-corruption (ABC) rules at INPEX, including ABC policies and procedures.