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INPEX CORPORATION

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Securities Code: 1605

<https://www.inpex.co.jp/english/>

The corporate governance of INPEX CORPORATION (hereinafter “INPEX” or the “Company”) is described below.

## **I Basic Views on Corporate Governance, and Basic Information on Capital Structure, Corporate Attributes, and Other Matters**

### **1. Basic Views**

The mission of the Company 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, in order to achieve sustainable growth and increase corporate value over the medium- to long-term, the Company fulfills its social responsibilities in cooperation with its shareholders and other stakeholders, and works to enhance its corporate governance for the purpose of conducting transparent, fair, timely, and decisive decision-making.

The Company formulated the “Corporate Governance Guidelines” (hereinafter the “Guidelines”) regarding the basic views and principles on corporate governance of the INPEX Group, as disclosed on the Company’s website.

[https://www.sustainability-report.inpex.co.jp/fy2022/en/\\_assets/downloads/e-guidelines.pdf](https://www.sustainability-report.inpex.co.jp/fy2022/en/_assets/downloads/e-guidelines.pdf)

### **Reasons for Non-compliance with the Principles of the Corporate Governance Code**

The Company complies with all the principles of the Corporate Governance Code.

### **Disclosure Based on the Principles of the Corporate Governance Code **Updated****

[Principle 1-4: Cross-Shareholdings]

See Article 7 (“Policy Concerning Cross-Shareholdings”) of the Guidelines of the Company.

Fiscal year 2022’s situation is as follows.

The Company assessed whether or not to hold each individual cross-shareholding by comprehensively examining the purpose of the cross-shareholding, dividend income, current transactions with the company, medium-to long-term opportunities for expanding transactions, business synergies and risks, etc., while considering the Company’s cost of capital. The Company confirmed that it will consider selling shares for which the Company assessed the necessity to hold has decreased.

[Principle 1-7: Related Party Transactions]

See Article 9 (“Related Party Transactions and Submission of Pledges”), Paragraphs 1 and 2 of the Guidelines of the Company.

[Principle 2-4-1: Ensuring Diversity in the Promotion to Core Human Resources]

See “3. Measures to Ensure Due Respect for Stakeholders” of this report.

[Principle 2-6: Roles of Corporate Pension Funds as Asset Owners]

The Company entrusts the management and administration of its trust-type defined benefit corporate pension plans to financial institutions which have accepted the Stewardship Code.

For the purpose of maintaining appropriate management of the Company’s pension funds, the Company established the Pension Committee which consists of board members in charge of Human Resources and Finance & Accounting

and representatives from the labor union. Matters of financial administration, including formulation and revision of investment basic policy, investment management and political asset mix shall be discussed in the Pension Committee and minutes of the Pension Committee's meetings are disclosed to the beneficiaries.

An internal department monitors and manages conflicts of interest for fund investment. Members of the Pension Committee also are encouraged to participate in various training courses for strengthening their professional expertise.

[Principle 3-1: Full Disclosure]

- (i) Company objectives (e.g., business principles), management strategies and management plans  
See "Long-term Strategy and Medium-term Business Plan (INPEX Vision @2022)" as disclosed on the Company's website.  
[https://www.inpex.co.jp/english/company/pdf/inpex\\_vision\\_2022.pdf](https://www.inpex.co.jp/english/company/pdf/inpex_vision_2022.pdf)
- (ii) Basic views and principles on corporate governance  
See the "1. Basic Views" of the "Basic Views on Corporate Governance, and Basic Information on Capital Structure, Corporate Attributes, and Other Matters" of this report.
- (iii) Board policies and procedures in determining the compensation of the senior management and Directors  
See Article 27 ("Compensation for Directors, etc.") of the Guidelines.
- (iv) Board policies and procedures in the appointment and dismissal of the senior management and the nomination of candidates for Directors and Audit & Supervisory Board Members  
See Article 25 ("Directors, etc.") and Article 28 ("Audit & Supervisory Board Members") of the Guidelines.
- (v) Explanations with respect to the individual appointments, dismissals and nominations based on the above (iv)  
For the reasons for nominating the candidates for Directors and Audit & Supervisory Board Members, see Notice and Material of Ordinary General Meeting of Shareholders  
For the reasons for nominating Outside Directors/Audit & Supervisory Board Members, see "Directors" and Integrated Report "Audit & Supervisory Board Members" of "1. Organizational Composition and Operation" of "II Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision of Management" of this report.  
<https://www.inpex.co.jp/english/ir/shareholder/meeting.html>

[Principle 3-1-3: Sustainability measures ]

<Initiatives on sustainability>

See "Implementation of Environmental Activities and CSR Activities, etc." of this report.

<Investment in human capital and intellectual property>

Investment in human capital

Details regarding investment in human capital are outlined in the "Integrated Report" and "Sustainability Report," etc. Integrated Report

[https://www.inpex.co.jp/english/ir/library/pdf/integrated\\_report/inpex\\_integratedreport202212\\_en.pdf](https://www.inpex.co.jp/english/ir/library/pdf/integrated_report/inpex_integratedreport202212_en.pdf)

- "Human Capital" is listed as a part of Value Creation Process.
- "Our policy" for human resources, "Human Resource Development", "Developing of next-generation leaders", "HR Evaluation and Placement" and "Promoting Diversity" are listed as part of sustainability management.

2022 Sustainability Report

<https://www.sustainability-report.inpex.co.jp/fy2022/en/>

- Importance of human resource development is listed as our policy toward employees.
- Amount of investment (unconsolidated) in human resource development is specified in the ESG Performance Data

The Company provides a combination of group training, practical training overseas and e-learning to ensure employees have the skills such as leadership and motivation needed to carry out their duties so that employees may contribute to the business for the long term and aim to pursue their own development. Further, to facilitate the development of our future business in support of a net zero carbon society, we have internal programs such as internal job posting and secondary work schemes that support autonomous growth. Externally we have connections with research development ventures and startups to facilitate engagement with human resources.

Investment in intellectual property

In August 2022, the INPEX Group devised the “INPEX Technical Strategies,” which outline our core technologies as well as the ideal state and orientation of technologies supporting new business development and our future targets. These strategies are positioned to help us contribute to the realization of the energy transition and fulfill our responsibilities as a major energy supplier based on “INPEX Vision @2022.” In April 2022, we established the “INPEX Research Hub for Energy Transformation” (I-RHEX) at our Technical Research Center to promote research and development in our net-zero businesses.

Details regarding company activities are outlined on the corporate website.

<https://www.inpex.co.jp/english/business/technology/>

[Supplementary Principle 4-1-1: Scope and Content of the Matters Delegated to the Management]

See Article 14 (“Roles and Responsibilities of the Board of Directors”), Paragraph 3 of the Guidelines of the Company.

[Principle 4-1-3: Succession Plan]

See Article 32 (“Succession Plan”) of the Guidelines of the Company.

[Principle 4-9: Independence Standards and Qualification for Independent Directors]

See Article 29 (“Independence Standards”) and Exhibit 2 (“Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members”) of the Guidelines of the Company.

[Principle 4-10-1: The Mandates and Rolls as well as the Policy regarding the Independence of the Composition of each Committee]

See Article 13 (“Organizational Structure”) Paragraph 3, Article 25 (“Directors, etc.”) Paragraphs 2 and 3, Article 27 (“Compensation for Directors, etc.”) Paragraph 1 and Article 32 (“Succession plan”) of the Guidelines of the Company.

[Supplementary Principle 4-11-1: View on the Balance of Knowledge, etc. as well as Diversity and Size of the Board of Directors as a Whole]

See Article 16 (“Composition of the Board of Directors”), Paragraphs 1 and 3 of the Guidelines of the Company.

See skills matrix of the Board of Directors as disclosed on Notice and Material of Ordinary General Meeting of Shareholders.

<https://www.inpex.co.jp/english/ir/shareholder/pdf/e20230227.pdf>

[Supplementary Principle 4-11-2: Status of Concurrent Posts Held by Directors and Audit & Supervisory Board Members as Officers at Listed Companies]

Concurrent posts as officers at other listed companies held by the Company’s Directors and Audit & Supervisory Board Members are disclosed in “Reference Documents for the General Meeting of Shareholders”, “Business Report”, “Annual Securities Report”, etc.

<https://www.inpex.co.jp/english/ir/shareholder/meeting.html>

<https://www.inpex.co.jp/ir/library/securities.html>

[Supplementary Principle 4-11-3: Analysis and Evaluation of the Effectiveness of the Board of Directors as a Whole]

With the aims of regularly verifying that the Board of Directors is functioning as intended and continuing to identify issues and effectuate 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 eighth evaluation was conducted in FY 2022. The evaluation method and summary of the results are as follows.

[Evaluation Method]

An interim review of the issues identified in the effectiveness evaluation for the FY 2021 was undertaken at the meeting with Outside Directors and Audit & Supervisory Board Members held in August 2022. The specific implementation method of effectiveness evaluation was also discussed, including the involvement of third-party evaluation organizations. As a result, the Board of Directors decided to adopt the self-evaluation method by the Board of Directors itself, which was confirmed to be appropriate by the third-party evaluation organization in the FY 2020 evaluation. Subsequently, the implementation policy and evaluation items for FY 2022 were deliberated at the meeting of the Board of Directors meeting held in October 2022, including the content and composition of the survey prepared by the Board of Directors secretariat. The evaluation items included the self-evaluation of each Director and Audit & Supervisory Board Member, the composition, operations, roles and responsibilities of the Board of Directors, operations of the Nomination and Compensation Advisory Committee, as well as the status of improvement of issues identified in the previous evaluation. An anonymous online survey of all Directors and Audit

& Supervisory Board Members was conducted in December. In order to obtain more specific views and opinions from the Directors, the Directors were encouraged to comment on many of the questions. Subsequently, results of the survey were consolidated and analyzed by the Board of Directors secretariat. The results of the consolidation and analysis as well as issues and initiatives for the future were discussed at a meeting among the Outside Directors, Audit & Supervisory Board Members, and the Representative Director in February 2023. Based on this discussion, the following evaluation results were confirmed at the Board of Directors meeting held in February 2023.

[Summary of Evaluation Results]

- 1) The overall effectiveness of the Board of Directors was confirmed to be sufficient, as in the previous fiscal year.
- 2) The implementation of pre-meeting briefings for non-Executive Officers prior to Board of Directors meetings, enhancement of explanation of background information in discussion of new matters, and the implementation of a lecture and opinion exchange meeting for the Board of Directors by external experts all received positive evaluations, and their continuation was requested.
- 3) The following challenges were established in order to secure even greater effectiveness for the Board of Directors.

- Enhance discussions regarding strategies
- Further revitalize discussion at Board of Directors meetings
- Deeper discussions regarding the desired state of the Board of Directors
- Ongoing reinforcement of portfolio management

Based on these evaluation results, the Company will continue striving to improve the effectiveness of the Board of Directors.

[Supplementary Principle 4-14-2: Training Policy for Directors and Audit & Supervisory Board Members]

See Article 33 (“Training Policy”) of the Guidelines of the Company.

[Principle 5-1: Policy for Constructive Dialogue with Shareholders]

See Article 34 (“Constructive Dialogue with Shareholders”) and Exhibit 3 (“Policy concerning the Development of a System and Initiatives for Promoting Constructive Dialogue with Shareholders”) of the Guidelines of the Company.

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

The Company will work to continuously increase corporate value by improving capital efficiency and gaining the market’s confidence in the Company’s future business growth.

Please refer to pages 11 to 16 of the “Financial Results for the six months ended June 30, 2023” presentation posted on the IR section of the company’s website.

<https://www.inpex.co.jp/english/ir/library/pdf/presentation/e-Presentation20230810-a.pdf>

[Implementation of Dialogue with Shareholders, etc.]

To contribute to sustainable growth and increase corporate value over the medium- to long-term, the company is committed to communicating closely with shareholders and investors. Opinions raised by shareholders and investors are relayed to management and the Board of Directors.

Please refer to the “Information Disclosure and Activities for Shareholders and Investors” section of our Integrated Report below for more information.

[https://www.inpex.co.jp/english/ir/library/pdf/integrated\\_report/inpex\\_integratedreport202212\\_en.pdf](https://www.inpex.co.jp/english/ir/library/pdf/integrated_report/inpex_integratedreport202212_en.pdf)

## 2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%
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### [Status of Major Shareholders] **Updated**

Name / Company Name	Number of Shares Owned (Shares)	Percentage (%)
Minister of Economy, Trade and Industry	276,922,801	21.19
The Master Trust Bank of Japan, Ltd. (Trust Account)	192,279,700	14.71
Custody Bank of Japan, Ltd. (Trust Account)	71,299,800	5.46
Japan Petroleum Exploration Co., Ltd.	53,446,600	4.09
JAPAN SECURITIES FINANCE CO., LTD.	33,237,500	2.54
SMBC Nikko Securities Inc.	23,125,959	1.77
–CEP LUX – ORBIS SICAV	22,427,792	1.72
STATE STREET BANK WEST CLIENT - TREATY 505234	19,520,243	1.49
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	18,585,118	1.42
JPMorgan Securities Japan Co., Ltd.	15,849,882	1.21

Controlling Shareholders (excluding Parent Company)	—
Parent Company	None

### Supplementary Explanation **Updated**

- Number of shares owned by Minister of Economy, Trade and Industry includes one Class A stock.
- The status of major shareholders above is based on the shareholders' register as of June 30, 2023.
- In a Report on Major Shareholders provided for public viewing on March 22, 2023, indicated that BlackRock Japan Co., Ltd., and its seven joint shareholders owned the following shares as of March 15, 2022. The content of the Report on Major Shareholders is as follows.  
The Company, however, has not been able to confirm the actual holding of shares as of the end of June 2023, and they are not included in the status of major shareholders above.  
Name or Company Name: BlackRock Japan Co., Ltd. and its seven joint shareholders  
Number of Shares Owned: 69,831,037  
Percentage of Number of Shares Owned by Total Number of Issued Shares : 5.04%
- In a Report on Major Shareholders provided for public viewing on April 20, 2023, indicated that Sumitomo Mitsui Trust Asset Management Co., LTD, and it's joint shareholder Nikko Asset Management Co., Ltd. Owned the following shares as of April 14, 2023. The content of the Report on Major Shareholders is as follows.  
The Company, however, has not been able to confirm the actual holding of shares as of the end of June 2023, and they are not included in the status of major shareholders above.  
Name or Company Name: Sumitomo Mitsui Trust Asset Management Co., Ltd.  
Number of Shares Owned: 44,398,100  
Percentage of Number of Shares Owned by Total Number of Issued Shares: 3.20%  
Name or Company Name: Nikko Asset Management Co., Ltd.  
Number of Shares Owned: 26,397,100  
Percentage of Number of Shares Owned by Total Number of Issued Shares: 1.90%
- In a Report on Major Shareholders (Change Report) provided for public viewing on June 21, 2023, indicated that Orbis Investment Management Limited owned the following shares as of June 19, 2023. The content of the Report on Major Shareholders (Change Report) is as follows.  
The Company, however, has not been able to confirm the actual holding of shares as of the end of June 2023, and it is not included in the status of major shareholders above.  
Name or Company Name: Orbis Investment Management Limited  
Number of Shares Owned: 75,673,101  
Percentage of Number of Shares Owned by Total Number of Issued Shares : 5.46%

### 3. Corporate Attributes

Listed Stock Exchange and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	December
Type of Business	Mining
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000 employees
Net Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	50 to less than 100

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholders

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### 5. Other Special Circumstances Which May Have Material Impact on Corporate Governance

The Company's Articles of Incorporation prescribe that decisions on certain important matters related to management require the resolution of a general meeting of Class A stock shareholders (hereinafter the "Class A stock shareholders' meeting"), in addition to the resolution of the general meeting of shareholders or that of the Board of Directors. The Class A stock has been issued to the Minister of Economy, Trade and Industry, and does not have voting rights at general meetings of shareholders of the Company (unless otherwise specified by laws and regulations).

The certain important matters related to management refer to the "appointment or removal of Directors," "disposition of all or a portion of material assets," "amendments to the Articles of Incorporation," "business integration," "capital reduction," and "company dissolution." The "appointment or removal of Directors" and "business integration" require the resolution of the Class A stock shareholders' meeting, if at least 20% of the total voting rights of the shareholders relating to common shares of the Company are held by a single shareholder other than a public entity, or by such single shareholder and its co-holders.

With respect to the exercise of the veto rights by means of the Class A stock (resolution on the disapproval at the Class A shareholders' meeting), the Minister of Economy, Trade and Industry sets forth the guidelines for the exercise of voting rights of the Class A stock, in the Public Notice of the Ministry of Economy, Trade and Industry (No. 74, April 3, 2006). Under the guidelines, the Minister of Economy, Trade and Industry is entitled to exercise veto rights for each of the above important matters, "when it is judged there is a high probability that the Company will be managed inconsistent with its role to provide a stable supply of energy to Japan in an efficient manner as a core company," or "when it is judged there is a high probability that it may adversely affect the Company's role to provide a stable supply of energy to Japan in an efficient manner as a core company," or "when there is a possibility that it may have an effect on the exercise of voting rights of the Class A stock." The aforementioned guidelines were re-announced in the Public Notice of the Ministry of Economy, Trade and Industry (No. 54, March 24, 2022), due to partial changes in contents associated with the change of the Company's trade name.

We believe the holding of the Class A stock with the aforementioned function by the Minister of Economy, Trade and Industry is an effective countermeasure to eliminate the possibility of speculative takeovers or management control by a foreign capital, resulting in inappropriate management inconsistent with the Company's role to provide a stable supply of energy to Japan in an efficient manner as a core company or causing any other adverse effects. Furthermore, we expect positive results in terms of external negotiation and credits as a national flagship company efficiently contributing to the stable supply of energy in Japan. Those are the reasons for issuing the Class A stock. The Board of Directors of the Company does not have any power over the exercise of veto rights through the exercise of voting rights of the Class A stock by Class A stock shareholders. Therefore, the Class A stock does not have the purpose of maintaining the position of the executive officers of the Company. In addition, given the limited scope of the veto rights of the Class A stock, and because the guidelines has been set forth for the exercise of veto rights, the Company believes that this measure is designed to be highly transparent to avoid unreasonable impeding the efficiency and flexibility of the Company's management and to minimize the impact thereof.

For further details on the Class A stock, please see "IV. Information on the Company, 1. Information on the Company's Stock, etc." in the Securities Report dated March 29, 2023.

**1. Organizational Composition and Operation**

Organizational Form	Company with Audit & Supervisory Board Members
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**[Directors]**

Maximum Number of Directors Stipulated in the Articles of Incorporation	16
Terms of Office of Directors Stipulated in the Articles of Incorporation	1 year
Chairperson of the Board of Directors	President & CEO
Number of Directors	12
Appointment of Outside Directors	Appointed
Number of Outside Directors	5
Number of Independent Directors	5

**Relationship with the Company (1)**

Name	Attribute	Relationship with the Company (*)											
		a	b	c	d	e	f	g	h	i	j	k	
Jun Yanai	From other company												
Norinao Iio	From other company												
Atsuko Nishimura	Others												
Tomoo Nishikawa	Attorney												
Hideka Morimoto	Others												

\* Categories for “Relationship with the Company”

\* “○” When the person currently falls or has recently fallen under the category

“△” When the person fell under the category in the past

\* “●” When a close relative of the person currently falls or has recently fallen under the category

“▲” When a close relative of the person fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive Director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the Company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a Director

g. Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the Director himself/herself only)

i. Executive of a company, between which the Company’s Outside Directors/Audit & Supervisory Board Members are mutually appointed (the Director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the Director himself/herself only)

k. Others

Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Jun Yanai	○	<p>Although Mr. Yanai was a board member and Senior Executive Vice President of Mitsubishi Corporation, he has not been involved in the execution of business operations of that company since June 2016.</p> <p>The amount of the Company's transactions with Mitsubishi Corporation Group meets the minimal criteria with respect to transactions set by the Company.</p> <p>The INPEX Group has had transactions related to crude oil and natural gas, etc., with the Mitsubishi Corporation Group, and the INPEX Group's sales to the Mitsubishi Corporation Group in this fiscal year are less than 0.3% of the Company's consolidated net sales for the same period. Meanwhile, the INPEX Group's purchase from the Mitsubishi Corporation Group in this fiscal year is less than 0.1% of the Company's consolidated cost of sales for the same period. On the other hand, the amount of Mitsubishi Corporation's transactions with the INPEX Group was less than 0.1% of consolidated revenue as well as consolidated cost of Mitsubishi Corporation that are most recently available.</p>	<p>Mr. Jun Yanai has been appointed as an Outside Director since it has been determined that he is able to appropriately execute his duties as Outside Director due to being expected to provide supervision of the execution of business from an international perspective and the necessary comments and suggestions, etc. in the meetings of the Board of Directors, etc. primarily by utilizing his experience as a corporate executive and abundant experience and insight in the resource and energy industry. In addition, he has been designated as an independent Director without the risk of a conflict of interest with ordinary shareholders since he does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.</p>
Norinao Iio	○	—	<p>Mr. Iio has been appointed as an Outside Director since it has been determined that he is able to appropriately execute his duties as Outside Director due to being expected to provide supervision of the execution of business from an international perspective and the necessary comments and suggestions, etc. in the meetings of the Board of Directors, etc. primarily by utilizing his experience as a corporate executive and abundant experience and insight in the resource and energy industry.</p> <p>In addition, he has been designated as an independent Director without the risk of a conflict of interest with ordinary shareholders since he does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article</p>



Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
			211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.
Atsuko Nishimura	○	Ms. Nishimura is concurrently serving as Outside Director of Taisei Corporation. The INPEX Group has no vested interest in Taisei Group.	Ms. Nishimura has been appointed as an Outside Director since it has been determined that she is able to appropriately execute her duties as Outside Director due to being expected to provide supervision of the execution of business from a diverse and global perspective and the necessary comments and suggestions, etc. in the meetings of the Board of Directors, etc. by utilizing her abundant experience as a diplomat and extensive insight on international conditions, in addition to expert knowledge as a university professor. In addition, she has been designated as an independent Director without the risk of a conflict of interest with ordinary shareholders since she does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.
Tomoo Nishikawa	○	—	Mr. Nishikawa has been appointed as an Outside Director since it has been determined that he is able to appropriately execute his duties as Outside Director due to being expected to provide supervision of the execution of business from a diverse and global perspective and the necessary comments and suggestions, etc. in the meetings of the Board of Directors, etc. by utilizing his abundant experience and insight as an international attorney, in addition to knowledge in a variety of fields such as expert knowledge as a university professor. In addition, he has been designated as an independent Director without the risk of a conflict of interest with ordinary shareholders since he does not fall under any of the conditions stipulated in the

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
			Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.
Hideka Morimoto	○	Mr. Morimoto is concurrently serving as Outside Director of Takasago Thermal Engineering Co., Ltd. The INPEX Group has no vested interest in Takasago Thermal Engineering Group.	Mr. Hideka Morimoto has been appointed as an Outside Director since it has been determined that he is able to appropriately execute his duties as Outside Director due to being expected to provide supervision of the execution of business from a sustainability (ESG) perspective and the necessary comments and suggestions, etc. in the meetings of the Board of Directors, etc. by utilizing his abundant experience and insight on the environment and energy policy developed through his career in the Ministry of the Environment, in addition to expert knowledge as a university professor. In addition, he has been designated as an independent Director without the risk of a conflict of interest with ordinary shareholders since he does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6

A Discretionary Committee Corresponding to a Nomination Committee or Compensation Committee

Yes

#### Details of Establishment, Members, and Attribute of Chairperson

	Name of Committee	No. of Total Members	No. of Full-time Members	No. of In-house Directors	No. of Outside Directors	No. of Outside Experts	No. of Others	Committee Chairman
Any Committees Corresponding to the Nominating Committee	Nomination and Compensation Advisory Committee	5	0	2	3	0	0	In-house Director
Any Committees	Nomination and	5	0	2	3	0	0	In-house Director

Corresponding to the Compensation Committee	Compensation Advisory Committee																		
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#### Supplementary Explanation

The Nomination and Compensation Advisory Committee was established in January 2017 with the aim of strengthening the independence, objectivity and accountability of the Board of Directors' functions relating to the nomination and compensation of Directors. This committee deliberates on the nomination and compensation of Directors, etc. and reports its findings to the Board of Directors. At the extraordinary Board of Directors meeting held on March 28, 2023, two in-house Directors and three Outside Directors were appointed as members of this committee and assumed their positions on the same date. The composition of the committee is as described on "2. Matters on Functions of Business Execution, Auditing, Supervision, and Decision-Making of Nomination and Compensation (Overview of Current Corporate Governance System)" of this report.

#### [Audit & Supervisory Board Members]

Establishment of the Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in the Articles of Incorporation	5
Number of Audit & Supervisory Board Members	5

#### Cooperation among Audit & Supervisory Board Members, Accounting Auditors, and Internal Audit Department

In addition to the regular meetings, the Audit & Supervisory Board Members hold ad hoc meetings with the accounting auditor as necessary, request clarifications on audit plans and policies, and receive reports containing reviews of quarterly results and interim reports on internal control audits. The Audit & Supervisory Board Members also hold about 10 meetings per year on select themes, exchange opinions on important points, and maintain close contact with the accounting auditor to gather information on a wide range of matters concerning the current state of the Company.

The Audit & Supervisory Board Members exchange opinions with the internal audit department (Audit Unit) upon the development of annual internal audit plans and receive reports on internal audits conducted by the Audit Unit at quarterly basis.

In addition, the full-time Audit & Supervisory Board Members maintain regular contact with the internal audit department (Audit Unit) through such means as holding about 10 scheduled meetings per year, in order to receive reports as appropriate on internal audit assessment conducted by the internal Audit Unit and the state of internal controls over financial reporting, etc.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	4
Number of Independent Audit & Supervisory Board Members	4

#### Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*)																	
		a	b	c	d	e	f	g	h	i	j	k	l	m					
Toshiya Tone	From other company																		
Kenichi Aso	From other company																		
Mitsuru Akiyoshi	From other company																		
Hiroko Kiba	Others																		

\* Categories for "Relationship with the Company"

\* "○" When the person currently falls or has recently fallen under the category

"△" When the person fell under the category in the past

\* "●" When a close relative of the person currently falls or has recently fallen under the category

"▲" When a close relative of the person fell under the category in the past

a. Executive of the Company or its subsidiary

b. Non-executive Director or accounting advisor of the Company or its subsidiaries

- c. Non-executive Director or executive of a parent company of the Company
- d. Audit & Supervisory Board member of a parent company of the Company
- e. Executive of a fellow subsidiary company of the Company
- f. A party whose major client or supplier is the Company or an executive thereof
- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board member
- i. Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a legal entity)
- j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board member himself/herself only)
- k. Executive of a company, between which the Company's Outside Directors/Audit & Supervisory Board members are mutually appointed (the Audit & Supervisory Board member himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board member himself/herself only)
- m. Others

Relationship with the Company (2)
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Name	Designation as Independent Auditor	Supplementary Explanation of the Relationship	Reasons of Appointment
Toshiya Tone	○	Mr. Tone serves as a full-time Outside Audit & Supervisory Board Member of the Company.	Mr. Tone has been appointed as an Outside Audit & Supervisory Board Member since he possesses extensive experience and a broad range of insights in the fields of finance and taxation. In addition, he has been designated as an independent Audit & Supervisory Board Member without the risk of a conflict of interest with ordinary shareholders since he does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.
Kenichi Aso	○	Mr. Aso serves as a full-time Outside Audit & Supervisory Board Member of the Company.	Mr. Aso has been appointed as an Outside Audit & Supervisory Board Member since he possesses extensive experience and a broad range of insights in the fields of international financing and finance. In addition, he has been designated as an independent Audit & Supervisory Board Member without the risk of a conflict of interest with ordinary shareholders since he does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.
Mitsuru Akiyoshi	○	Mr. Akiyoshi is concurrently serving as Senior Adviser of Mizuho Marubeni Leasing Corporation.	Mr. Akiyoshi has been appointed as an Outside Audit & Supervisory Board Member since he possesses

Name	Designation as Independent Auditor	Supplementary Explanation of the Relationship	Reasons of Appointment
		<p>The INPEX Group has no vested interest in Mizuho Marubeni Leasing Group.</p> <p>Also, Mr. Akiyoshi is concurrently serving as Outside Director of Concordia Financial Group, Ltd.</p> <p>The INPEX Group has no vested interest in Concordia Financial Group, Ltd.</p>	<p>extensive experience and knowledge in on finance and management, etc.</p> <p>In addition, he has been designated as an independent Audit &amp; Supervisory Board Member without the risk of a conflict of interest with ordinary shareholders since he does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.</p>
Hiroko Kiba	○	<p>Ms. Kiba is concurrently serving as Outside Director of Central Japan Railway Company.</p> <p>The INPEX Group has no vested interest in Central Japan Railway Company.</p>	<p>Ms. Kiba has been appointed as an Outside Audit &amp; Supervisory Board Member since she possesses extensive experience and knowledge as a freelance newscaster and university instructor.</p> <p>In addition, she has been designated as an independent Audit &amp; Supervisory Board Member without the risk of a conflict of interest with ordinary shareholders since she does not fall under any of the conditions stipulated in the Ordinance for Enforcement of the Securities Listings Regulations, Article 211, Item 4, Sub-Item 6 and Article 226, Item 4, Sub-Item 6.</p>

#### [Independent Directors/Audit & Supervisory Board Members]

Number of Independent Directors/ Audit & Supervisory Board Members	9
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#### Matters relating to Independent Directors/Audit & Supervisory Board Members

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

1. A major shareholder of the Company (who directly or indirectly holds 10% or more of the Company's voting rights) or an executive thereof
2. A person whose major business partner is the Company (\*1) or an executive thereof
3. A major business partner of the Company (\*2) or an executive thereof
4. A legal professional, accountant, or consultant who receives money or other properties of more than 10 million yen per year on average over the past three (3) years from the Company or its subsidiary, excluding compensation for Directors or Audit & Supervisory Board Members (if the person receiving such properties is an organization such as a legal entity or a partnership, a person who belongs to such organization)
5. An accounting auditor of the Company or its subsidiary (if such accounting auditor is an accounting firm, a person who belongs to such accounting firm)
6. A person who receives donations or subsidies of more than 10 million yen per year on average over the past three (3) years from the Company or its subsidiary (however, if the person receiving the donation or subsidies is an organization

such as a legal entity or a partnership, a Director or other officer managing the business of the organization to which the amount of such donations or subsidies exceeds the greater of 10 million yen per year or 30% of the total expenses per year of such organization, on average over the past three (3) years)

7. A person who fell under any of items 1 through 6 above in the past three (3) years

8. A relative within the second degree of kinship of a person who falls under any of (1) through (4) below (excluding persons who are not material (\*3))

(1) A person who falls under any of items 1 through 7 above

(2) An executive of a subsidiary of the Company

(3) A non-executive Director or an accounting advisor of a subsidiary of the Company (limited to cases where said Outside Audit & Supervisory Board member is to be designated as an independent Audit & Supervisory Board Member of the Company)

(4) A person who fell under item (2) or (3) above or an executive of the Company in the most recent three (3) years (including a non-executive Director, if said Outside Audit & Supervisory Board Member is to be designated as an independent Audit & Supervisory Board Member of the Company)

9. Other than each of the preceding items, a person who is substantially judged by the Company to possibly cause a conflict of interest with ordinary shareholders of the Company

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

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

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

The Company has reported all Outside Directors and Outside Audit & Supervisory Board Members as Independent as defined by Tokyo Stock Exchange, Inc.

Taking into consideration the background noted below, the Company has set criteria as minor for transactions concerning independent Directors and/or Audit & Supervisory Board Members, which the Company does not think that has influence on shareholders’ decisions regarding exercise of voting rights.

(Background)

The mission of the Company is to ensure a stable supply of oil and natural gas produced throughout the world. The Company’s sales structure consists mainly of wholesale to oil refining companies, electric power companies, and city gas companies, etc., in Japan and therefore the Company’s customers are limited.

In addition, the Company’s customers are declining in number due to consolidation of companies, etc., owing to industry reorganization, which means that the ratio of the amount of transactions with a single customer tends to be relatively high. A further peculiarity is that oil and natural gas prices are formed in the international market, and cannot be set arbitrarily by the Company or any specific company.

Therefore, the Company does not believe that the Company is able to carry out transactions particularly favorable to a Director and/or an Audit & Supervisory Board Member of the Company just because that person comes from a certain business partner of the Company, and that an individual’s independence is not affected at all.

Moreover, in view of these peculiarities, the Company has obtained from all Directors including Outside Directors a written pledge to ensure that they carry out their duties as officers of the Company appropriately and with the highest regard for the importance of such matters as their duty not to compete with the Company under the Companies Act, the proper manner for dealing with conflicts of interest, and prevention of confidential information leakage, etc.

(Criteria as minor for transactions)

Both the ratio of the amount of transactions with the company in which an Outside Director or an Outside Audit & Supervisory Board Member holds significant concurrent positions, to the Company’s consolidated net sales as well as consolidated cost of sales for the most recent fiscal period, and such company’s ratio of the amount of transactions with the Company, as reasonably estimated from the disclosure materials, etc., to such company’s consolidated net sales as well as consolidated cost of sales for the most recent fiscal period must be less than 15%.

**[Incentives]**

## Incentive Policies for Directors

## Others

## Supplementary Explanation

As described in “Disclosure of Policy on Determining Compensation Amounts and Calculation Methods” the compensation of Directors (excluding Outside Directors) consists of basic compensation in accordance with the duties of each position, bonuses as a short-term incentive, and stock-based compensation as a medium- to long-term incentive.

The annual bonus as a short-term incentive is calculated based on the Company’s main financial indicators, including net income attributable to owners of parent (hereinafter “net income”) and cash flow from operating activities before exploration, as well as non-financial indicators in the form of safety indicators (zero major accidents), which are indispensable to fulfill the Company’s mission of stable energy supply. The final compensation amount will vary within the range of 0 percent to 200 percent.

Stock-based compensation to be paid to Directors (excluding Outside Directors and non-residents in Japan; hereinafter the same shall apply in this proposal) and Executive Officers (excluding non-residents in Japan) of the Company (hereinafter collectively “Directors, etc.”) combines performance-based elements aimed at raising Directors’ awareness of their contribution to the Company’s medium- to long-term business performance and enhancement of corporate value, and fixed elements aimed at strengthening Directors’ awareness of sharing interests with shareholders through ownership of the Company’s shares. The Company’s performance indicators for the performance share portion will be based on the key management indicators in the medium-term business plan, such as net income, cash flow from operating activities before exploration, ROE and total payout ratio, as well as on the key performance indicators for production cost per BOE and net carbon intensity. The final amount of compensation will vary within the range of 0 percent to 200 percent. For stock-based compensation, in the event that a Director, etc. commits a significantly 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).

## Recipients of Stock Options

## Supplementary Explanation

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**[Director’s Compensation]**

## Disclosure of Individual Director’s Compensation

## No Individual Disclosure

## Supplementary Explanation

Compensation for Directors and Audit & Supervisory Board Members for the 17th fiscal year (from January 1, 2022 to December 31, 2022) is as follows.

[Total amount of compensation paid by classification, total amount of compensation paid by type of compensation, and the number of eligible Directors and Audit & Supervisory Board Members]

Classification	Total amount of compensation paid (¥ million)	Total compensation by type (¥ million)			Number of eligible Directors and Audit & Supervisory Board members (persons)
		Basic compensation	Bonus	Stock-based compensation	
Directors (excluding Outside Directors)	525	368	119	37	9
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	33	33	-	-	1
Outside Directors and Outside Audit & Supervisory Board Members	165	165	-	-	11

- Notes 1. The above table includes four Directors (including two Outside Directors) who retired at the conclusion of the 16th Ordinary General Meeting of Shareholders held on March 25, 2022.
2. The basic compensation for Directors was set to be an annual amount within ¥900 million including bonuses (including within ¥100 million for Outside Directors) at the 16th Ordinary General Meeting of Shareholders held on March 25, 2022, and the number of Directors as of the date of such resolution was twelve (12) (including five (5) Outside Directors).
3. The basic compensation for Audit & Supervisory Board Members was resolved at the 16th Ordinary General Meeting of Shareholders held on March 25, 2022 to be an annual amount within ¥140 million, and the number of Audit & Supervisory Board Members as of the date of such resolution is five (5).
4. Bonus and Stock-based compensation are performance linked compensations. Stock-based compensation is non-monetary compensation.
5. The Company resolved to introduce stock-based compensation system for Directors and Executive Officers (the Board Incentive Plan Trust) at the 12th Ordinary General Meeting of Shareholders held on June 26, 2018. The stock-based compensation figures in the table above represent the fees incurred with regard to the stock-based points assigned to Directors in the year ended December 31, 2022 concerning the Board Incentive Plan Trust. At the 16th Ordinary General Meeting of Shareholders held on March 25, 2022, the maximum amount of money to be contributed by the Company in one (1) fiscal year was revised to ¥434 million and the maximum amount of points granted in one (1) fiscal year to those eligible for the system was revised to 806,000 points (equivalent to 806,000 shares of the Company), and the number of Directors (excluding Outside Directors and non-residents in Japan) as of the date of such resolution is seven (7).

[Total Amount of Consolidated Compensation for Each Directors and Audit & Supervisory Board Member of the Company]

Omitted due to the absence of applicable Directors or Audit & Supervisory Board Members who received consolidated compensation of \100 million or more.

[Of Employee Portion of Salaries Paid to Directors or Audit & Supervisory Board Members Who Also Serve as Employees, Those of Significance]

None of the employee portion of salaries paid to the Directors or the Audit & Supervisory Board Members who also serve as employees are significant.

Policy on Determining Compensation Amounts and Calculation Methods

Established

#### Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

The compensation of the Directors (excluding Outside Directors) consists of basic compensation in accordance with the duties of each position, bonuses as short-term incentives, and stock-based compensation as a medium- to long-term incentive. Compensation for Outside Directors consists only of basic compensation from the perspective of the independence of their duties.

Based on the report of the Nomination and Compensation Advisory Committee, the Board of Directors establishes a policy for determining the amount of compensation for Directors and the method of calculating such amount. The compensation, etc., of Directors shall be paid within the approved ceiling of the compensation amount, etc., based on the resolution at the General Meeting of Shareholders.

The Nomination and Compensation Advisory Committee shall deliberate major matters concerning the policy for determining the amount and calculation method of compensation, etc. for Directors and the details of compensation, etc. for each individual, and to provide a report to the Board of Directors, and the Board of Directors makes decisions with the utmost respect for the content of such report. The amount of compensation to be paid to each Director shall be decided by the President based on the delegation of authority by the Board of Directors and in accordance with the report of the Committee.

Considering the external environment and social and economic trends, etc. surrounding the Company, the Nomination and Compensation Advisory Committee shall carefully deliberate on the appropriateness of the KPI target and calculation method for performance-based compensations and may make adjustments, as necessary, to the amount of compensation for each Director in accordance with the Board of Directors' decision.

The level of compensation for Directors of the Company shall be verified by the Nomination and Compensation Advisory Committee based on comparisons against each position in a peer group of companies of the same scale and in similar industries, utilizing data from external research organizations.



The ratio of the Directors' (excluding Outside Directors) basic compensation, bonus and stock-based compensation will vary for each position and a higher ratio of performance-based compensation (bonus and stock-based compensation) will in principle be allocated to top executive positions.

**[System for Supporting Outside Directors and/or Outside Audit & Supervisory Board Members]**

The Company provides Outside Directors with the materials of Board of the Directors meeting at least three days prior to the meeting, and provides them with briefings of important agenda items prior to Board of Directors meetings in order to strengthen their management supervisory function.

The Company appoints employees in Audit & Supervisory Board Member's Office to assist operations by Audit & Supervisory Board Members. Such employees carry out their duties under the direction of the Audit & Supervisory Board Members.

Furthermore, The Company hold regular meetings with Outside Directors, Audit & Supervisory Board Members and Representative Directors several times a year to provide opportunities for a wide range of exchanges of opinions on important management themes.

**[Status of persons retired from Representative Director and President, etc.]**

Names, etc., of advisors (Senior Corporate Advisor etc.) who have formerly served as Representative Director and President, etc. **Updated**

Name	Title/ Position	Activity Description	Working Arrangement / Conditions (Full-time / Part-time, Compensation)	Date of Retirement from President, etc.	Term
Masatoshi Sugioka	Senior Corporate Advisor	External activities such as business community relations and technical exchanges, etc. in the industrial sector and academic societies (non-management involvement)	Part-Time Paid	September 30, 2008	Determined in accordance with internal regulation
Naoki Kuroda	Special Corporate Advisor	External activities such as business community relations and international exchanges, etc. (non-management involvement)	Part-Time Paid	June 23, 2010	Determined in accordance with internal regulation

Total number of Senior Corporate Advisor etc., who have formerly served as Representative Director and President, etc.

2 persons

Other Information **Updated**

“Senior Corporate Advisor” and “Corporate Advisor” are appointed by resolution of the Board of Directors.

**2. Matters on Functions of Business Execution, Auditing, Supervision, and Decision-Making of Nomination and Compensation (Overview of Current Corporate Governance System)**

[Board of Directors]

The responsibilities of the Board of Directors shall be to fully exercise its supervisory function, secure fairness and transparency in management, and ensure sustainable growth and increase corporate value over the mid- to long term through implementation of effective corporate governance, with recognition of its fiduciary responsibility to shareholders.

The Company's Board of Directors comprises 12 members, five of whom are Outside Directors. In addition to a monthly meeting, the Board of Directors meets as necessary in order to discuss and determine matters concerning management strategy, important business execution, and also supervises the execution of duties by Directors.

The term of office of Directors shall be one year to enhance the ability of Directors to respond to changes in the global management environment in a timely manner and to further clarify management responsibilities.

[Executive Committee]

From the perspective of accelerating the decision-making process related to the execution of business, the Company has established the Executive Committee as a body to carry out agile decision-making for matters not required to be resolved at the Board of Directors and hold discussions conducive to the decision-making by the Board of Directors. The Executive Committee meeting is held once a week and as necessary.

[Executive Officer System]

In order to respond accurately and quickly to a rapidly changing management environment and the expansion of the Company's business activities, the Company has introduced an Executive Officer System to clarify the business execution system and establish an agile and efficient management structure through the delegation of authority. The term of office of Executive Officers shall be one year to further clarify executive accountabilities.

[Audit & Supervisory Board Members and Audit & Supervisory Board]

(Organization and Members)

The Company has adopted an audit & supervisory board members system. The Company's Audit & Supervisory Board is comprised of five Audit & Supervisory Board Members, four of which are Outside Audit & Supervisory Board Members.

The four Outside Audit & Supervisory Board Members possess considerable knowledge and experience in the Company's business, as well as in fields related to finance, accounting and legal affairs, and leverage these skills in performing auditing activities for the Company.

The Company has set up the Audit & Supervisory Board Members' Office as an independent organization from the business execution departments and shall deploy 4 dedicated employees possessing the necessary and appropriate knowledge and ability to assist the Audit & Supervisory Board Members with auditing duties in order to enhance the effectiveness of audits by Audit & Supervisory Board Members.

(Activities of Audit & Supervisory Board Members and Audit & Supervisory Board)

- a) The number of Audit & Supervisory Board meetings held during the fiscal year ended December 31, 2022 and attendance of each Audit & Supervisory Board Member

19 Audit & Supervisory Board meetings were held during the fiscal year. All the Audit & Supervisory Board Members attended all the audit & supervisory board meetings as follows.

Title	Name	Attendance Ratio of Audit & Supervisory Board Meetings
Audit & Supervisory Board Member	Noboru Himata	100% (19/19 times)
Audit & Supervisory Board Member (Outside)	Hideyuki Toyama	100% (19/19 times)
Audit & Supervisory Board Member (Outside)	Shinya Miyake	100% (19/19 times)
Audit & Supervisory Board Member (Outside)	Mitsuru Akiyoshi	100% (19/19 times)
Audit & Supervisory Board Member (Outside)	Hiroko Kiba	100% (19/19 times)

- b) Activities of the Audit & Supervisory Board

In principle, the Audit & Supervisory Board meeting is held on a monthly basis on the same date as the Board of Directors meeting. Additionally, the Audit & Supervisory Board has ad hoc meetings as necessary. The Audit & Supervisory Board resolves statutory matters including audit plans and receives reports on the execution of duties from the internal audit department (Audit Unit) and the accounting auditor, Ernst & Young ShinNihon LLC, and requests clarifications if necessary. Further, Audit & Supervisory Board Members share information they gather through their individual auditing activities and have discussions as necessary.

- c) Activities of Audit & Supervisory Board Members

The Audit & Supervisory board members, according to the auditing standard adopted by the Audit & Supervisory Board and in compliance with the audit plan, maintain close contact with Directors, the internal audit department(Audit Unit)

and the dedicated employees, gather information, develop an auditing environment and attend strategic meetings including Board of Directors meetings, and where necessary, seek clarifications or provide statements on agenda items.

Regular meetings with representative Directors are held for the purpose of exchanging opinions and monitoring the implementation of management policies as well as the development and operation of internal control systems. Further, meetings with Directors are held regularly for the purpose of conducting hearings on the status of business executions with Directors in charge of the Company's respective business divisions.

Additionally, full-time Audit & Supervisory Board Members attend regular and ad hoc Executive Committee meeting and ad hoc Compliance Committee meetings, gather information through reviewing internal approval documents, and if necessary, request clarifications from business divisions.

Further, full-time Audit & Supervisory Board Members receive reports on internal whistle-blowing cases from the Director in charge of compliance.

#### [Internal Audit]

To enforce the supervisory function of internal controls of business activities, the Audit Unit was established under the direct supervision of the President & CEO (with 13 dedicated staff as of March 29, 2023) as an internal audit department independent of the divisions involved in the execution of the Company's business. The Audit Unit seeks to optimize management control by assessing and considering the state of internal controls of the Company's and the INPEX Group's overall management activities and the validity and efficiency of business processes through internal audits conducted by division or in a cross-divisional manner. The result of the internal audit is reported at meetings of the Board of Directors / Audit & Supervisory Board and to the President & CEO and full-time Audit & Supervisory Board Members and shared with accounting auditors. The Audit Unit follows up on any matter requiring improvement until the issue has been solved. In addition, the Audit Unit contributes to raising and establishing awareness of internal control among officers and employees of the Company.

#### [Accounting Audit]

The Company appoints Ernst & Young ShinNihon LLC for accounting audits pursuant to the Companies Act and the Financial Instruments and Exchange Act. The names of the certified public accountants who conducted the accounting audit for the 17th fiscal year and the accounting audit members are as follows.

(Continuous audit period)

47years

(Names of certified public accountants who conducted the accounting audit)

Kazuhiko Yamazaki

Satoshi Takahashi

Mikio Shimizu

Kentaro Moronuki

(Accounting audit members)

33 certified public accountants, 5 successful examinees of certified public accountants and 30 others

(Remuneration paid to the certified public accountants and related parties)

Remuneration paid to the certified public accountants and related parties for the 17th fiscal year are as follows.

Remuneration for auditing services: INPEX: \352 million; Consolidated subsidiaries: \88 million

Remuneration for non-auditing services: INPEX: \3 million; Consolidated subsidiaries: \7 million

(Other important remuneration)

The Company's overseas consolidated subsidiary, INPEX Ichthys Pty Ltd and other overseas consolidated subsidiaries of the Company pay remuneration to Ernst & Young for local statutory audits.

(Non-auditing services provided to the Company by the certified public accountants and related parties)

Non-auditing services for which the Company pays remuneration to the certified public accountants and related parties are training related to accounting standards, etc.

(Policy for determining remuneration for audits)

Remuneration for audits is determined based on the comprehensive consideration of the audit plan and the number of days of auditing work, after obtaining approval from the Audit & Supervisory Board.

#### [Initiatives for Strengthening the Function of Audit & Supervisory Board Members]

(Secretariat of audit & supervisory board member)

The Company has set up the Audit & Supervisory Board Members' Office as an independent organization from the business execution departments and shall deploy dedicated employees (4 dedicated staff as of March 29, 2023) to assist the Audit & Supervisory Board Members with auditing duties in order to enhance the effectiveness of audits by Audit & Supervisory Board Members.

(Coordination with accounting auditors)

In addition to the regular meetings, the Audit & Supervisory Board Members hold ad hoc meetings with the accounting auditor as necessary, request clarifications on audit plans and policies, and receive reports containing reviews of quarterly results and interim reports on internal control audits. The Audit & Supervisory Board Members

also hold about 10 meetings per year on select themes, exchange opinions on important points, and maintain close contact with the accounting auditor to gather information on a wide range of matters concerning the current state of the Company.

(Coordination with the Internal Audit Department)

The Audit & Supervisory Board Members exchange opinions with the internal audit department (Audit Unit) upon the development of annual internal audit plans and receive reports on internal audits conducted by the Audit Unit at quarterly basis.

In addition, the full-time Audit & Supervisory Board Members maintain regular contact with the internal audit department (Audit Unit) through such means as holding about 10 scheduled meetings per year, in order to receive reports as appropriate on internal audits and on the state of the assessment of internal controls over financial reporting, etc., conducted by the internal audit department.

(Attendance to important meetings)

The Audit & Supervisory Board Members attend important meetings such as the Board of Directors meetings and Executive Committee meetings, and if necessary, request an explanation relating to the agenda items and provide a statement.

(Regular meeting with representative Directors)

The meeting with representative Directors is held twice a year for the purpose of exchanging opinions, and thereby monitor the status of implementation of management policies as well as the development and operation of the internal control systems.

(Meeting with Directors)

The meeting with Directors is held regularly for the purpose of conducting hearings on the status of business execution with Directors in charge of respective business divisions.

(Coordination with Outside Directors)

The Audit & Supervisory Board members regularly hold meetings with Outside Directors, and ensure appropriate cooperation through a broad exchange of opinions extensively concerning the current state of the Company.

(Liaison meeting among full-time Audit & Supervisory Board Members)

The liaison meeting is held regularly for the purpose of sharing information among full-time Audit & Supervisory Board Members and enhancing the effectiveness of audits by each Audit & Supervisory Board Member. Further explanations are requested to the executive departments and meetings for the purpose of exchanging views are held among full-time Audit & Supervisory Board Members.

[Committees]

To further enhance the efficacy of the Company's corporate governance function, the Company has established Nomination and Compensation Advisory Committee, the INPEX Advisory Committee, Compliance Committee and Sustainability Committee (renamed from CSR Committee in November 2021). The overview of the committees is as follows:

(Nomination and Compensation Advisory Committee)

The Nomination and Compensation Advisory Committee was established in January 2017 with the aim of strengthening the independence, objectivity and accountability of the Board of Directors' functions relating to the nomination and compensation of Directors. This committee deliberates on the nomination and compensation of Directors, etc. and reports its findings to the Board of Directors. The committee meeting was held five times during the fiscal year ended December 31, 2022. . At the extraordinary Board of Directors meeting held on March 28, 2023, two in-house Directors and three independent Outside Directors were appointed.

The current members of the committee are as follows;

Chairman: Toshiaki Kitamura (Representative Director, Chairman)

Members: Takayuki Ueda (Representative Director, President & CEO), Jun Yanai (Independent Outside Director), Norinao Iio (Independent Outside Director), Atsuko Nishimura (Independent Outside Director)

(INPEX Advisory Committee)

The INPEX Advisory Committee was established in October 2012 with the aim of enhancing corporate value and corporate governance. Comprised of external experts, the committee provides the Board of Directors with multifaceted and objective counsel and recommendations across a wide range of areas including international political and economic outlook, prospects for the energy sector, ideal management strategies as a global company, and ways to strengthen corporate governance. The committee is comprised of experts from Japan and overseas, all of whom possess a wide range of knowledge related to this field, including university professors. The committee meeting was held twice during the fiscal year ended December 31, 2022.

The current members of the committee are as follows;  
Members: Dr. Kent Eyring Calder, Dr. Ken Koyama, Ms. Sumiko Takeuchi, Dr. Ryuji Yasuda, Dr. Masayuki Yamauchi

(Compliance Committee)

The Compliance Committee was established in April 2006 with the aim of promoting compliance initiatives across the entire Group. The committee, chaired by the Director in charge of compliance, is comprised of the Senior Vice Presidents of the standing organizational units, and deliberates on basic policies and important matters of the Group relating to compliance and manages the implementation status of compliance activities. The committee meeting was held six times during the fiscal year ended December 31, 2022.

The current members of the committee are as follows;  
Chairman: Kenji Kawano (Senior Vice President, Renewable Energy & New Business Americas Projects Unit and Strategic Projects Office, Compliance, Head of Overseas Projects)  
Vice Chairman: Kimihisa Kittaka (Senior Vice President, Corporate Strategy & Planning Legal Affairs), Nobuharu Sase (Senior Vice President, General Administration)  
Members: Daisuke Yamada (Senior Vice President, Finance & Accounting), Yosuke Happo (Senior Vice President, Logistics & IMT), Hideki Kurimura (Senior Vice President, Technical Headquarters HSE), Hiroshi Kato (Senior Vice President, Global Energy Marketing General Manager, Gas Business Development Unit, Global Energy Marketing Division), Kazuyoshi Miura (Senior Vice President, Domestic Energy Supply & Marketing), Nobusuke Shimada (Senior Vice President, New Ventures & Global Exploration), , Toshiaki Takimoto (Senior Vice President, Hydrogen & CCUS Development ), Akihiro Watanabe (Senior Vice President, Asia Projects )Hitoshi Okawa (Senior Vice President, Oceania Projects), Yuzo Sengoku (Senior Vice President, Europe & Middle East Projects), Hiroshi Fujii (Senior Vice President, Abu Dhabi Projects), Hiromi Sugiyama (Senior Vice President, Domestic Exploration & Production)

(Sustainability Committee)

The Sustainability Committee was established in April 2012 (originally named as CSR Committee and changed its name to Sustainability Committee in November 2021) with the aim of better fulfilling the Company's corporate social responsibilities and promoting activities that contribute to the sustainable development of society. The committee is chaired by the Representative Director, President & CEO and is comprised of Representative Director, Chairman; Senior Vice President, General Administration; Senior Vice President, Corporate Strategy & Planning; Chairperson of the Compliance Committee; and Chairperson of the Corporate HSE Committee. The committee discusses basic policies regarding sustainability, important matters pertaining to sustainability implementation including without limitation to corporate governance and climate change response. The committee met twice during the fiscal year ended December 31, 2022.

The current members of the committee are as follows;  
Chairman: Takayuki Ueda (Representative Director, President & CEO)  
Members: Toshiaki Kitamura (Representative Director, Chairman), Kenji Kawano (Senior Vice President, Renewable Energy & New Business, Americas Projects Unit and Strategic Projects Office, Compliance, Head of Overseas Projects), Kimihisa Kittaka (Senior Vice President, Corporate Strategy & Planning, Legal Affairs), Nobuharu Sase (Senior Vice President, General Administration), Hideki Kurimura (Senior Vice President, Technical Headquarters, HSE)

(Others)

In addition to the aforementioned committees, the Company has established and operates the Corporate HSE Committee to promote initiatives for continuous improvement of the activities for occupational health and safety, process safety, and environmental conservation in the Company's business activities, the Information Security Committee to set out basic principles concerning the use and management of information assets in business activities and ensure a high level of information security in an organizational, systematic, and continuous manner, and the INPEX Value Assurance System (IVAS) Committee to monitor the status of preparations at important milestones of the projects in which the Company participates, with the aim of contributing to the Company's decision-making with respect to the value improvement and promotion of the projects.

### 3. Reasons for Adopting the Current Corporate Governance System

To ensure efficient corporate management and highly effective supervision based on its corporate mission, the Company has 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, the Company strives to further increase the agility and efficiency of its management by introducing an Executive Officer System aimed at further strengthening its business operation system in order to respond accurately and quickly to a rapidly changing management environment and the expansion of its business activities.

The Company frequently engages in important negotiations with the governments of oil-producing countries, the government-owned oil companies, and international oil companies. This necessarily requires internal Directors and executive officers that have knowledge, expertise and international experience relating to the Company's business and both a sound knowledge of the Company and their particular fields of expertise. Internal Directors in principle hold concurrent position as executive officers. By adopting this organizational structure, the Company's Board of Directors is better placed to make decisions on the execution of business in an efficient manner. At the same time, this structure helps to ensure the effective supervision of management.

The company has appointed 5 of its 12 members of the Board of Directors from Outside the Company to enhance the transparency of management and strengthen the effective supervisory function of the Board of Directors. This also aims to utilize for management objective perspectives which are different from the ones of insiders: those Directors from outside the Company are, from their independent standpoint, expected to provide advice based on their own knowledge and experience, monitor the management and conflict of interest transactions, and to appropriately represent the views of stakeholders in the boardroom.

The Company has selected Outside Directors from external persons who have extensive experience and wide-ranging insight as corporate managers, academics, or other specialists in the resource/energy industry, or in fields of finance or legal affairs, etc.

Furthermore, four of the five Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members. In addition, in order to strengthen the audit function by ensuring independence of Audit & Supervisory Board Members and efficiency of audits, an Audit & Supervisory Board has been established pursuant to laws and regulations. Further efforts of the Company include the placement of employees in Audit & Supervisory Board Members' Office as an organization dedicated to assist operations by Audit & Supervisory Board Members, and efforts in strengthening the coordination between the internal audit departments(Audit Unit), Outside Directors, and accounting auditors.

### III Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Vitalize the General Meeting of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanation
Early Dispatch of the Notification of General Shareholder Meeting	The convening notice describing how to access the material for the General Meeting of Shareholders(for shareholder who requested delivery of the paper document, material for the General Meeting of Shareholder) for the 17 <sup>th</sup> Ordinary General Meeting of Shareholders held on March 28, 2023 was dispatched three weeks prior to the meeting on March 3, 2022. In addition, the notice was posted on the Company's website on February 27, 2023 prior to the dispatch.
Scheduling of General Meeting of Shareholders Avoiding the Peak Day	The 17 <sup>th</sup> Ordinary General Meeting of Shareholders was held on March 28, 2023.
Electronic Exercise of Voting Rights	The exercise of voting rights via the Internet has been implemented since the 4 <sup>th</sup> Ordinary General Meeting of Shareholders held in June 2010. QR code-based smartphone service (Smart Ko-Shi) for exercising voting rights has been offered since the 12 <sup>th</sup> Ordinary General Meeting of Shareholders held in June 2018.
Participation in the Electronic Voting Platform and Other Efforts to Enhance the Environment for the Exercise of Voting Rights by Institutional Investors	The Voting Rights Electronic Exercise Platform has been adopted since the 4 <sup>th</sup> Ordinary General Meeting of Shareholders held in June 2010.
Provision of the Convocation Notice (Summary) in English	The convening notice of the general meeting of shareholders and the notice of resolutions are prepared in English and posted on TDnet and the Company's website at the same time as the Japanese notices.
Others	In consideration of the convenience of our shareholders, the Company offers an online version of the convening notice.

## 2. IR Activities

	Supplementary Explanation	Presentation by Representatives
Preparation and Publication of Disclosure Policies	The Disclosure Policy, internal system concerning information disclosure, outline of internal rules and IR activities are posted on the IR section of the Company's website ( <a href="https://www.inpex.co.jp/english/ir/policy.html">https://www.inpex.co.jp/english/ir/policy.html</a> ).	
Regular Investor Briefings for Individual Investors	Investor briefings for individual investors are held regularly. (Either virtually or in-person depending on the circumstances)	Available
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds biannual financial results meetings with Japanese and English simultaneous interpretation for foreign and domestic analysts and institutional investors covering topics ranging from financial results to financial forecasts. (Meetings are held in-person and via live streaming at the same time) Archived videos of the meetings are viewable on the IR section of the Company's website both in Japanese and in English after the meeting.	Available
Regular Investor Briefings for Overseas Investors	The Company undertakes overseas IR road shows in the regions including Europe, North America and Asia, while participating in conferences and engaging in one-on-one meetings as necessary. (Either virtually or in-person depending on the circumstances)	Available
Posting of IR Materials on the Website	Following materials in principle are posted on the IR section of the Company's website ( <a href="https://www.inpex.co.jp/english/ir/index.html">https://www.inpex.co.jp/english/ir/index.html</a> ). Furthermore, efforts are made to disclose pertinent information such as the latest news releases, the Company's performance and financial position, as well as trends of crude oil prices, foreign currency exchange rates, the Company's share price and stock information. <ul style="list-style-type: none"> <li>• Financial results</li> <li>• Financial results presentation materials</li> <li>• Securities reports/Quarterly securities reports</li> <li>• Integrated Report</li> <li>• Fact book</li> <li>• Shareholders newsletters (reports on business activities)</li> <li>• Materials for the general meeting of shareholders (convening notice/notice of resolutions/extraordinary reports)</li> </ul>	
Establishment of Department and/or Manager in Charge of IR	Department in charge of IR: Corporate Communications Unit, Investor Relations Group Director in charge of IR: Kimihiisa Kittaka, Director, Senior Managing Executive Officer Senior Vice President, Corporate Strategy & Planning, Legal Affairs Person responsible for IR administration and liaison: Yoshihiro Wakita, General Manager of Corporate Communications Unit	
Other	—	

### 3. Measures to Ensure Due Respect for Stakeholders **Updated**

	Supplementary Explanation
<p>Stipulation of Internal Rules for Respecting the Position of Stakeholders</p>	<p>The INPEX Group formulated the Sustainability Principles (renamed from CSR Principles in November 2021) as basic guidelines to continue being a company that fulfills its corporate social responsibilities and is trusted by society, as well as Business Principles as basic rules that must be observed by all INPEX officers and employees in addition to applicable laws and regulations and internal rules in the performance of their duties in the INPEX Group. Respect for the interests of stakeholders is stipulated under these principles.</p> <p>In addition, the Code of Conduct has been formulated as rules to implement compliance so that the INPEX Group officers and employees are able to practice Business Principles in performing their duties under the mission and the Sustainability Principles of the INPEX Group. The Code of Conduct requires us to endeavor to build relationships of mutual trust with stakeholders and to contribute to society.</p> <p>In addition, the INPEX Group Human Rights Policy comprehensively clarifies our attitude towards respect for human rights.</p> <p>In overseas offices and local offices at project sites, a country-specific Code of Conduct is formulated, in which laws and regulations as well as custom and other circumstances of each country and region are adapted as appropriate, to the extent that it should not be in conflict with the Code of Conduct of the INPEX Group.</p>
<p>Implementation of Environmental Activities and CSR Activities, etc.</p>	<p>The INPEX Group's activities and initiatives on Sustainability including ESG are promoted in line with the Sustainability Principles and the material themes on the Group's sustainability, and also in consideration of the interests of stakeholders in each country and region in which we carry out business operations. Also, the Sustainability Committee has been established and operated for the purpose of promoting these activities and initiatives.</p> <p>For those specific activities, please see the Sustainability Report and the Company's website (<a href="https://www.sustainabilityreport.inpex.co.jp/fy2022/en/">https://www.sustainabilityreport.inpex.co.jp/fy2022/en/</a>).</p> <p>The INPEX Group believes that, in the course of developing its business worldwide, the protection of environment in the region where it operates its business as well as the global level is one of its important activities on sustainability issues. Therefore, the INPEX Group has established the Health, Safety and Environmental Policy, thereby declaring the basis of the INPEX Group's engagement in HSE (Health, Safety and Environment).</p>
<p>Development of Policies on Information Provision to Stakeholders</p>	<p>The Company is required, under the Sustainability Principles, to strive to better communicate with shareholders, employees, customers, business partners and community members, and ensure positive and fair disclosure of corporate information. Based on these principles, the Company, as part of its efforts to improve the transparency of management and the accountability of managers, discloses a variety of information in a timely and proactive manner through IR activities aimed at shareholders and investors, general meetings of shareholders, the Company's website and public relations activities, while issuing internal, regularly updated online newsletters to employees. With respect to the internal system, the internal rules for corporate information disclosure have been formulated, which systematically summarize the system for timely disclosure, to prescribe information management and communication/disclosure process, etc. of the INPEX Group as a whole, in an effort to strengthen the disclosure system. The Disclosure Policy, etc., is posted on the IR section of the Company's website (<a href="https://www.inpex.co.jp/english/ir/policy.html">https://www.inpex.co.jp/english/ir/policy.html</a>).</p>



## Supplementary Explanation

The Company respects the diversity, personalities and individual characteristics of employees and ensures mental and physical well-being by securing a safe and healthy environment that is employee-friendly and provides opportunities for career development.

In addition, the company has made managing health and safety a management issue and enacted the “INPEX group health declaration” in 2018. The Company holds regular meetings of the “committee for the management of health and safety,” which consists of representatives of the Company, the labor union and health insurance union. The company also formulated the “Health Management Strategy Map” in 2022 and promotes health management by verifying the effects of health improvement measures on an ongoing basis. The company has engaged in promoting mental and physical well-being and work-life balance so that all employees can work productively and perform to their highest potential. The company has engaged in promoting mental and physical health and work-life balance so that all employees can work productively and perform to their highest potential.

The company takes the following measures which define the principles for the engagement of women, non-Japanese nationals and mid-career professionals in management roles, the securing of a diverse workforce, and the setting of voluntary and measurable targets for the employment of women, non-Japanese nationals and mid-career professionals.

### **Principles for the engagement of women, non-Japanese nationals and mid-career professionals in management roles and the securing of a diverse workforce**

To sustainably strengthen responsible management as a global business, the company understands the importance of developing a diverse and globally minded workforce. To realize this, the Human Resources department developed the INPEX HR Vision, based on which the HR policy is prepared from a global perspective and a diverse workforce is being secured to enable maximum organizational performance.

### **Targets for the engagement of women in management roles**

The Action Plan to Promote Women’s Participation and Advancement in the Workplace, which was established in 2018 for a five-year period ending in March 2023, set a target of elevating the proportion of women in management positions (\*manager level or above) to 3 percent. As of December 31, 2022,, the proportion of women in management roles is 4.2 percent, achieving the above target. Further, the company appointed its first female senior executive through internal promotion on March 25, 2020.

The company will continue to focus on the placement of women in management roles through positive action including recruitment of mid-career professionals to double the current proportion target of female managers to 6 percent in 2025. Furthermore, employees who face temporary work restrictions due to life events such as childbirth and child raising will not be disadvantaged in terms of promotion or engagement, and their selection will be based on ability.

### **Target for the engagement of non-Japanese nationals and mid-career professionals in management roles**

The company seeks to secure outstanding human resources regardless of nationality, which has led to a 1.0 percent proportion of managers being non-Japanese nationals. Further, the company regularly recruits individuals with specialized knowledge from external sources according to business requirements. As of December 31, 2022, the proportion of mid-career

Other

professionals in management roles is 32 percent.

The company aims to maintain or exceed the current proportion of non-Japanese and mid-career professionals and will continue its efforts to optimize staffing planning within the organization.

As outlined in the Action Plan to Promote Women's Participation and Advancement in the Workplace, the company plans to increase the proportion of female managers to a minimum of 3 percent, ensure that women make up about 25 percent of recruited graduates and increase the female to male ratio in each job category, and is actively engaging women within the business. As a result, the proportion of female employees in the group including overseas offices is 19.8 percent of all employees, or 667 people, as of December 31, 2022.

Regarding the development of human resources, based on "INPEX Vision @2022" the company will develop and support an autonomous workforce and promote a working environment that enables a variety of working styles.

#### **Employee development for a diverse workforce**

- (1) The company is developing a job-focused employment structure to enable a diverse workforce to feel engaged in the business.

The company will assign employees to roles and positions they are most suited to and will introduce a new structure that provides employees with clarity regarding their roles and responsibilities. Succession planning and talent management will be carried out to prepare the new structure and raise awareness of employee development requirements. Managing the positions within the framework will realize sustainable and effective business administration and employee placement, supporting employee engagement, which will contribute to further business development (job-focused employment structure for management positions has been implemented in April 2022).

- (2) The company is implementing a leadership development program to support the autonomy required by the new role-based HR framework. The "autonomous employees" select development opportunities themselves, and as leaders they can make use of the system for their own growth, resulting in a sustainable pool of candidates for leadership positions. Employees identified to have the potential to become leaders in the near term are given challenging assignments to accelerate their growth over a short period. Importance is placed on diversity during candidate selection.

#### **A working environment that supports diverse working styles**

- The work from home scheme, superflex, internal job posting and secondary work schemes, job return policy and annual leave in half-day units are introduced.
- Establishment of INPEX Solutions as a group company and placement of senior personnel throughout the group
- Creating a workplace that is reassuring for all employees by holding seminars on psychological safety and unconscious bias
- LGBT educational sessions, positive action from the LGBT ally (supporter) network
- Career focused seminars for female employees and training for line managers with subordinates raising children
- Career focused seminars for employees aged 30, 40 and 50
- Japanese lessons for non-Japanese employees

In addition to the above, the company is introducing measures that exceed

## Supplementary Explanation

legal requirements such as policies for employees who are balancing work and familial responsibilities including full salary for the first five days of childcare leave, shortened working hours to enable care for children up to the fourth grade of elementary school and for elderly family members, and paid leave to provide care.

These measures were recognized in the company's certification as a "White 500" organization under the Certified Health & Productivity Management Outstanding Organizations Recognition Program for five consecutive years as well as the Health and Productivity Stock Selection Program for four consecutive years.

Additionally, the Company was awarded a gold certification in PRIDE Index 2022. This is the highest level of achievement in the PRIDE Index program established in 2016 by "work with Pride," a Japan-based voluntary organization promoting diversity management concerning LGBT acceptance at the workplace.

## IV Matters Related to the Internal Control System

### 1. Basic Views on the Internal Control System and the Progress of System Development

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

The following is a summary of the resolutions of the Company, regarding the "Development of the Systems for Ensuring the Proper Operations as a Stock Company (Internal Control Systems)." This summary reflects a partial revision made by a resolution of the Board of Directors meeting.

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

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

The Company shall establish a Compliance Committee consisting of the Director in charge of compliance, the Senior Vice Presidents of the standing organizational units, etc., to deliberate basic policies or other important matters related to compliance. By monitoring the implementation of such policies and ensuring thorough dissemination through in-house training, etc., the Company ensures that its Directors and employees comply with laws and regulations and the Articles of Incorporation in the execution of their duties. Furthermore, the Company shall establish an internal whistle-blowing system with a department in charge and external experts (lawyers), etc. as providers of consultation services.

In order to ensure effective compliance systems and relevant internal rules, the Company shall also verify and evaluate such systems and make the necessary improvements through audits, etc., carried out by the internal audit division, which reports directly to the President & CEO and other related in-house departments or external experts. Based on the internal audit regulations, the internal audit division, which reports directly to the President & CEO, shall report the results of audit of the previous fiscal year and the audit plan for this fiscal year to the Board of Directors, full-time Audit & Supervisory Board Members and the Audit & Supervisory Board.

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

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

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

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

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

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

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

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

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

Furthermore, the Board of Directors shall formulate long-term management strategies and medium-term management plans, and receive progress reports on the plans and targets.

The Company has adopted a division system and assigns Directors as a head of each division in order to achieve efficient management of business operations and establish a responsibility structure. Each division shall implement initiatives, which are important milestones of the business environment, while taking into account important risks and their countermeasures, so as to realize goals in the management plan and other targets. The Executive Committee shall receive progress reports on the plans and targets.

#### **(5) Systems to Ensure the Proper Operations of the Group**

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

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

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

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

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

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

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

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

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

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

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

The Company shall strive to establish a system to ensure that Directors, etc., and employees of the subsidiaries execute their duties in compliance with laws and regulations and the Articles of Incorporation and enter into agreements regarding group management with its subsidiaries in accordance with the internal rules on group management.

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

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

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

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

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

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

Regarding the internal whistle-blowing system of the Group, the Director in charge of compliance shall report to the Company's full-time Audit & Supervisory Board Members swiftly as to the content internally reported by

Group company directors, auditors, other equivalent managerial staff, employees, and former employees within one year of leaving employment.

**(8) Systems to Ensure that Reporters in the Preceding Section Will Not Receive Detrimental Treatment on the Grounds of the Whistle-Blowing**

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

Regarding the internal whistle-blowing system of the Group, in case detrimental treatment against a whistleblower is recognized, a disciplinary action will be taken against the person who treated the reporter in such a way and the head of the department to which the person belongs, pursuant to Rules of Employment, etc.

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

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

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

The Representative Directors of the Company shall meet regularly with the Audit & Supervisory Board Members of the Company, provide information as necessary and strive to communicate with them. At the same time, the Company shall secure opportunities for Audit & Supervisory Board Members and Outside Directors to meet regularly, and strive to enhance their mutual cooperation and information sharing.

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

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

**2. Basic Views on Eliminating Anti-Social Forces**

The INPEX Group takes a firm stance of eliminating any relationship with anti-social forces that threaten the order and safety of civil society. At the same time, the Company endeavors to collect and collate information from relevant government agencies, industry associations and local companies, coordinate closely with the relevant authorities including the police as well as legal specialists and adopt a resolute attitude toward any unreasonable demands made by anti-social forces.

**1. Adoption of Anti-Takeover Measures**

Adoption of Anti-Takeover Measures

Not Adopted

Supplementary Explanation

The Company’s Articles of Incorporation prescribes that decisions on certain important matters related to management require the resolution of a general meeting of Class A stock shareholders (hereinafter the “Class A stock shareholders’ meeting”), in addition to the resolution of a general meeting of shareholders or that of the Board of Directors. For the detailed description of the Class A Stock, please see “Other Special Circumstance Which May Have Material Impact on Corporate Governance” as aforementioned.

**2. Other Matters concerning Corporate Governance System**

[Outline of the Timely Disclosure System]

The Company strives to promote a better understanding of the INPEX Group through the engagement with shareholders and investors as well as general meetings of shareholders, while conducting timely, appropriate and fair disclosure of information through public relations activities including press releases and operation of its website, in an effort to improve the transparency of management and the accountability of managers.

1. Internal System

The Company has appointed Senior Vice President, Corporate Strategy & Planning as Corporate Information Handling Officer responsible for the timely disclosure of its corporate information. In addition, the Company has established the Corporate Communications Unit as the unit in charge of practical matters for the timely disclosure of its corporate information.

Meanwhile, the Company reinforces the information disclosure system by establishing the internal rules for corporate information disclosure that systematically outline a timely disclosure system, in which the group-wide processes of collecting, managing and disclosing information and the disclosure method are defined.

2. Procedure for Timely Disclosure

The procedure for the disclosure of information subject to timely disclosure by the Company is as follows.

- (1) The Company stipulates in the internal rules for corporate information disclosure that officers and persons in charge at all divisions including those of the Group companies are required to report immediately to the Corporate Information Handling Officer via the responsible person in the Corporate Communications Unit, when they become aware of important corporate information, or important information or any other information that may constitute such information.
- (2) To complement the above process, the persons in charge of the Corporate Communications Unit attend the Executive Committee for collecting important corporate information and important information. For the Group companies, the Company also stipulates items that require its prior approval and items that are to be regularly reported by the Group companies in accordance with the internal rules on group management.
- (3) The Senior Vice President, Corporate Strategy & Planning being the Corporate Information Handling Officer and the Corporate Communications Unit conduct exhaustive compilation of information for disclosure (information on decisions made by the Company, occurrence of material facts, financial results, etc.). In accordance with internal rules on administrative authority, disclosure is conducted under the direction of Senior Vice President, Corporate Strategy & Planning based on the resolution of the Board of Directors concerning matters to be resolved at the Board of Directors, or by resolution of the Executive Committee concerning other matters. For information which require prompt disclosure, such as information related to facts which occurred regardless of the Company’s intent, shall be disclosed based on prior approval of the President.
- (4) In accordance with internal rules against insider trading, the Company maintains comprehensive control of all important corporate information and important information, and prevents any insider trading.

3. System for Reviewing Information Disclosure

The Audit Unit, which reports directly to the President & CEO, monitors the state of the development and operations of the timely disclosure system, through internal audits and assessments based on the internal control reporting system.

[Compliance]

The Company is systematically developing a compliance system, which is indispensable for the sustainable development of the company and striving to ensure compliance with laws and regulations and adherence to corporate ethics. Specifically, INPEX has established the Compliance Committee, which formulates basic policies and plans pertaining to compliance, deliberates significant matters and supervises the implementation of compliance programs to promote unified compliance initiatives throughout the INPEX Group. The Company has established the Code of Conduct as rules to be adhered to in order to realize compliance, so that officers and employees are able to practice Business Principles which are to be respected in performing their duties under the Sustainability Principles. The Company is working to raise compliance awareness among officers and employees in various ways, such as appointing a compliance promotion staff in each workplace and holding regular compliance meetings to strengthen compliance throughout the Company.

The Company has established a system in which the Director in charge of Compliance and the Compliance Committee promptly examine and implement response measures when important compliance-related incidents occur. The Director in charge of Compliance and the Compliance Committee cooperate with the Audit & Supervisory Board and its members, the accounting auditors, and the Audit Unit, which is the internal audit department, as well as with the equivalent bodies and departments at subsidiaries, etc., to (1) develop and implement compliance measures, (2) monitor the implementation status, (3) raise awareness of compliance, (4) receive reports on compliance violations and conduct investigation, (5) issue warnings and take measures against violations, and (6) formulate measures to prevent the recurrence of violations.

In addition, the Company sets up a whistle-blowing system, which is accessible to officers and employees of all Group companies, and regularly conducts compliance trainings regarding various compliance matters to all level of employees. Furthermore, codes of conduct in accordance with the laws, regulations and culture of each host country are established and implemented at each overseas office in an effort to strengthen the global compliance system.

#### [HSE Management System]

The INPEX Group strives to continuously improve its occupational health and safety activities, process safety activities, and environmental conservation activities under the HSE management system encompassing health, safety, and environmental conservation initiatives that were developed with reference to ISO9001 ISO14001, ISO45001 and International Association of Oil & Gas Producers (IOGP) guidelines.

This system comprises documents including the Health, Safety and Environmental Policy, the rules of HSE management system, standards and guidelines, organization and is managed by the Corporate HSE Committee and HSE departments.

#### [Information Security Measures]

The INPEX Group has established the Information Security Policy to maintain the confidentiality, integrity and availability of information held by the Group. Furthermore, under the supervision of the Information Security Committee established as a company-wide supervisory body, the Group develops related rules and management systems and implements system-related, physical, and personnel measures necessary to protect its information assets in a systematic manner.

Meanwhile, the Group engages in activities, as measures against internal information leakage, such as enhancing the internal awareness of information security, thereby ingraining the value and climate that appreciate information assets in the corporate culture, in addition to system-related measures. In addition, the Group has taken measures for prompt detection and restoration against the possible external attack, let alone system-related measures to prevent invasion.

With an aim to fulfill its corporate social responsibilities, the Company will strengthen its corporate governance and promote rigorous compliance, while strengthening coordination within the INPEX Group, and thereby enhance the Group's overall strength.

# Corporate Governance Framework

