



INPEX



INPEX CORPORATION



**VISION
2040**



**Delivering tomorrow's
energy solutions**



May 2018

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Overview

1. In May 2012, INPEX formulated its "MEDIUM- TO LONG-TERM VISION OF INPEX: Ichthys and our growth beyond¹" with a view to sustaining future growth. As part of that vision, INPEX laid out specific measures for the five-year period up to the start of production of the large-scale Ichthys LNG Project (hereafter, "Ichthys")².
2. Since formulating that vision, INPEX reached a series of milestones³ including commencing production at the large-scale Kashagan Oil Field in Kazakhstan, acquiring and extending its interests in Abu Dhabi⁴ and taking significant steps towards commencing production at Ichthys.
3. In terms of its gas supply chain, INPEX has completed and started operating the Naoetsu LNG Terminal and the Toyama Line, a natural gas trunk pipeline. In the field of renewable energy, we have commenced commercial operations at the Sarulla Geothermal IPP⁵ Project in Indonesia.
4. To strengthen the organizational foundation that supports these operations, INPEX has been continuously enhancing its CSR management focusing on governance, compliance, health, safety and environment (HSE), local communities, climate change and our employees.
5. Energy companies are expected to meet global energy demand, which will continue to grow. On the other hand, the long-term business environment is undergoing major changes, with greater emphasis on addressing climate change and transitioning to a low-carbon society.
6. INPEX will reach a major milestone with the commencement of production at Ichthys. Therefore, the company has decided to present its long-term Vision for the period until 2040 in the form of "VISION 2040 Delivering tomorrow's energy solutions."
7. Together with the announcement of Vision 2040, INPEX has revised its Mission and Corporate Goals.



Our Mission

We are committed to contributing to the creation of a brighter future for society through our efforts to develop, produce and deliver energy in a sustainable way.

1. Energy is vital to the world's economic and social development, and a stable supply of energy remains essential.
2. INPEX contributes to global economic growth and social development by being a stable supplier of energy.
3. Beyond our core business of oil and gas, we deliver alternative energy solutions including renewable energy, while responsibly promoting environment, social and governance (ESG) initiatives to increase our long-term corporate value as well as to contribute to the creation of a brighter future for society.

Our Goal

Sustainable Growth of Oil and Natural Gas E&P Activities

Becoming a top-class oil and natural gas E&P company

Development of Global Gas Value Chain Business

Expanding gas supply and enhancing flexibility in LNG supply

Reinforcement of Renewable Energy Initiatives

Expanding businesses in potential growth areas with a view to responding to climate change

We aim to become a leading energy company serving an essential role in global society by meeting the energy needs of Japan and countries around the world.

Promoting CSR management

Fulfilling social responsibilities and increasing long-term corporate value

Building a Vibrant Corporate Culture

Creating a culture that enables the company and its employees to grow together

1. Looking toward the year 2040, our goal is to become a leading energy company serving an essential role in society by fulfilling our mission to deliver energy in a sustainable way.
2. To achieve this goal, INPEX will:
 - 1) Promote sustainable growth in its core business of oil and natural gas exploration and production (E&P), aiming to be a top-class oil and gas company.
 - 2) Develop a global gas value chain to expand natural gas supply and enhance flexibility in LNG supply.
 - 3) Reinforce its renewable energy initiatives by expanding businesses in future growth areas with a view to responding to climate change.
3. INPEX is fully aware of the social responsibilities it must fulfill as a corporate citizen and the various expectations of its stakeholders. INPEX aims to sustainably increase its corporate value over the long term by continuously enhancing its CSR management while building a vibrant corporate culture.



Energy demand continues to increase, with a particularly substantial increase in demand for natural gas and renewable energy.



Japan's priorities are in securing stable energy supplies and improving the self-development ratio of oil and natural gas.



Proactive initiatives to address climate change are needed.

1. According to the *World Population Prospects 2017*¹ issued by the United Nations in June 2017, the world population is forecast to grow from the current 7.6 billion to 9.2 billion by 2040, while the global middle-class population is forecast to grow from the current 3 billion to 5 billion by 2030², with the Asia/Oceania region accounting for the majority of this growth. Economic growth is expected to continue driving demand for primary energy sources³ mainly in emerging countries.
2. Demand for oil is expected to continue to grow steadily. Demand for natural gas, which has lower CO₂ emissions than other fossil fuels, is expected to increase substantially over the long term along with demand for renewable energy⁴, which has a lower environmental impact.
3. According to the New Policies Scenario in the IEA's⁵ *World Energy Outlook 2017*⁶, demand for primary energy sources will continue to grow in the period until 2040, increasing annually by an average of 1%, or approximately 3.8 billion tons of oil equivalent (TOE)⁷, from 2016 to 2040. Of this amount, the average annual increases for oil and natural gas will be 0.4% and 1.6%, respectively, and oil and natural gas together will account for 52.2% of total demand. On the other hand, renewable energy, excluding hydro-power and biomass, accounts for 6.4% of total demand, and is expected to grow fivefold at an average of 7% annually, from approximately 0.2 billion TOE in 2016 to approximately 1.1 billion TOE, in 2040.
4. Ensuring the stable supply of resources and energy is essential for Japan, which relies on imports for the majority of its oil and natural gas. Japan's self-development ratio⁸ of oil and natural gas was 27.4% in 2016 FY, and the Japanese government has set a target of 40% or higher for 2030 FY.
5. In addition, the Paris Agreement⁹, which was adopted in 2015 and entered into force in 2016, sets a target of limiting the increase in the average global temperature to less than 2°C above pre-industrial levels, with efforts to limit the increase even further to 1.5°C, as a long-term, globally shared goal. The agreement also proposes the virtual elimination of greenhouse gas emissions in the second half of this century, requiring proactive measures by the entire international community.



Meet growing global energy demand

Expand oil and natural gas E&P activities as a core business
Advance large-scale LNG projects as operator



Help increase Japan's self-development ratio of oil and natural gas

Provide a stable supply of oil and natural gas to Japan from projects in Australia, Abu Dhabi, Indonesia, Japan and elsewhere



Accelerate response to climate change and promote low-carbon footprint in operations

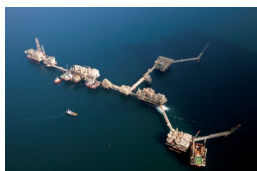
Promote development of natural gas, enhance renewable energy initiatives, manage emissions from operations and pursue practical CCS applications

1. INPEX believes that, given the changing dynamics of the energy landscape, the following actions will be required during the period until 2040.
2. First, to meet growing global energy demand, INPEX will continue to position oil and natural gas E&P activities as its core business and expand its E&P activities by efficiently engaging in large-scale LNG operator projects and other exploration, development and production projects.
3. Next, to increase Japan's self-development ratio, INPEX will steadily supply oil and natural gas to the Japanese market from projects in its core business areas of Australia, Abu Dhabi, Indonesia and Japan, as well as other areas around the world.
4. Finally, to accelerate our response to climate change and promote a low-carbon footprint in operations, INPEX will promote the development of natural gas and step up renewable energy initiatives. In addition, INPEX will appropriately manage greenhouse gas emissions from its operations and develop technologies for the practical application of CCS¹ to capture and store CO₂.
5. With regard to energy demand scenarios and the transition to a low-carbon society, INPEX has set the IEA's New Policies Scenario² as the base case scenario, and will also consider transition scenarios including a scenario of additional growth in demand for renewable energy and electric vehicles compared to the New Policies Scenario, spurred by cost reductions based on market principles, and a scenario with stronger climate change policies in various nations, based on the Paris Agreement.
6. INPEX views this current situation as a transition period to a low-carbon society and recognizes the need for business strategies that balance society's two critical needs of meeting growing global energy demand and reducing CO₂ emissions.

INPEX's Strengths



Abu Dhabi



Australia



Indonesia



Japan



- ▶ A highly competitive project portfolio centered on our core business areas of Australia, Abu Dhabi, Indonesia and Japan
- ▶ Close partnerships with oil-producing countries
- ▶ Technical capabilities to efficiently carry out projects
- ▶ Diverse human resources experienced in exploration, development, operations, marketing and other areas
- ▶ Steady growth in cash flow and a solid and stable financial base
- ▶ Support from the government of Japan

1. INPEX believes that fully utilizing its strengths will be crucial to implementing the initiatives required of the company in the period until 2040.
2. INPEX has a highly competitive global project portfolio, primarily in its core business areas of Australia, Abu Dhabi, Indonesia and Japan, and is working to further enhance its corporate value by engaging in various projects and achieving strategic project portfolio flexibility. INPEX is also promoting projects by strengthening close partnerships with the governments of oil-producing countries.
3. The Ichthys project in Australia is a key project with a production capacity of approximately 8.9 million tons of LNG per year, 1.65 million tons of LPG per year and 100,000 barrels of condensate¹ per day at peak, and is expected to be operational for 40 years. INPEX also holds participating interests in numerous exploration blocks in the vicinity of the Ichthys gas-condensate field and has confirmed the presence of natural gas in several of these. INPEX will seek to increase production of LNG using natural gas from these blocks.
4. In Abu Dhabi, based on its long-standing relationship of trust with the Abu Dhabi government and ADNOC, INPEX has acquired interests in the ADCO Onshore Concession, which contains significant reserves, as well as in the Lower Zakum Oil Field, and extended its interests in the Upper Zakum, Satah and Umm Al Dalkh Oil Fields. Production from these oil fields with significant reserves continues to increase and is expected to extend into the 2040s and 2050s.
5. Through the Abadi LNG Project in Indonesia (hereafter, "Abadi"), INPEX, as operator, plans to pursue development work in cooperation with the Indonesian government and expects stable production from the Abadi Gas Field's large-scale reserves from the latter half of the 2020s.
6. Also in Indonesia, INPEX is participating in the Sarulla Geothermal IPP Project, one of the world's largest geothermal power projects.
7. In Japan, INPEX's gas supply infrastructure includes the Minami-Nagaoka Gas Field, one of the largest natural gas fields in the country and a stable gas supply source, as well as its natural gas trunk pipeline network² and the Naoetsu LNG Terminal.
8. In addition, INPEX participates in development and production activities at the Kashagan Oil Field in Kazakhstan, which has significant oil reserves, as well as the ACG Oil Fields in Azerbaijan.
9. INPEX effectively carries out these major projects either as operator or as an active partner³ with steady growth in cash flow and a solid and stable financial base. Moreover, by strategically investing in R&D, human resources and other areas, INPEX is improving its technical and operational capabilities in exploration, development and production, and is cultivating a highly diverse workforce active around the world.
10. In engaging in projects that entail high risk and require large, long-term investments, INPEX makes use of the financial support provided by JOGMEC⁴, JBIC⁵, NEXI⁶ and other organizations, while also benefiting from the Japanese government's diplomatic support at the highest level.

Targets for the Period until 2040



Sustainable Growth of
Oil and Natural Gas
E&P Activities

A top 10

international oil company



Development of
Global Gas Value Chain
Business

A key player

in natural gas development
and supply in Asia & Oceania



Reinforcement of
Renewable Energy
Initiatives

10%

of project portfolio

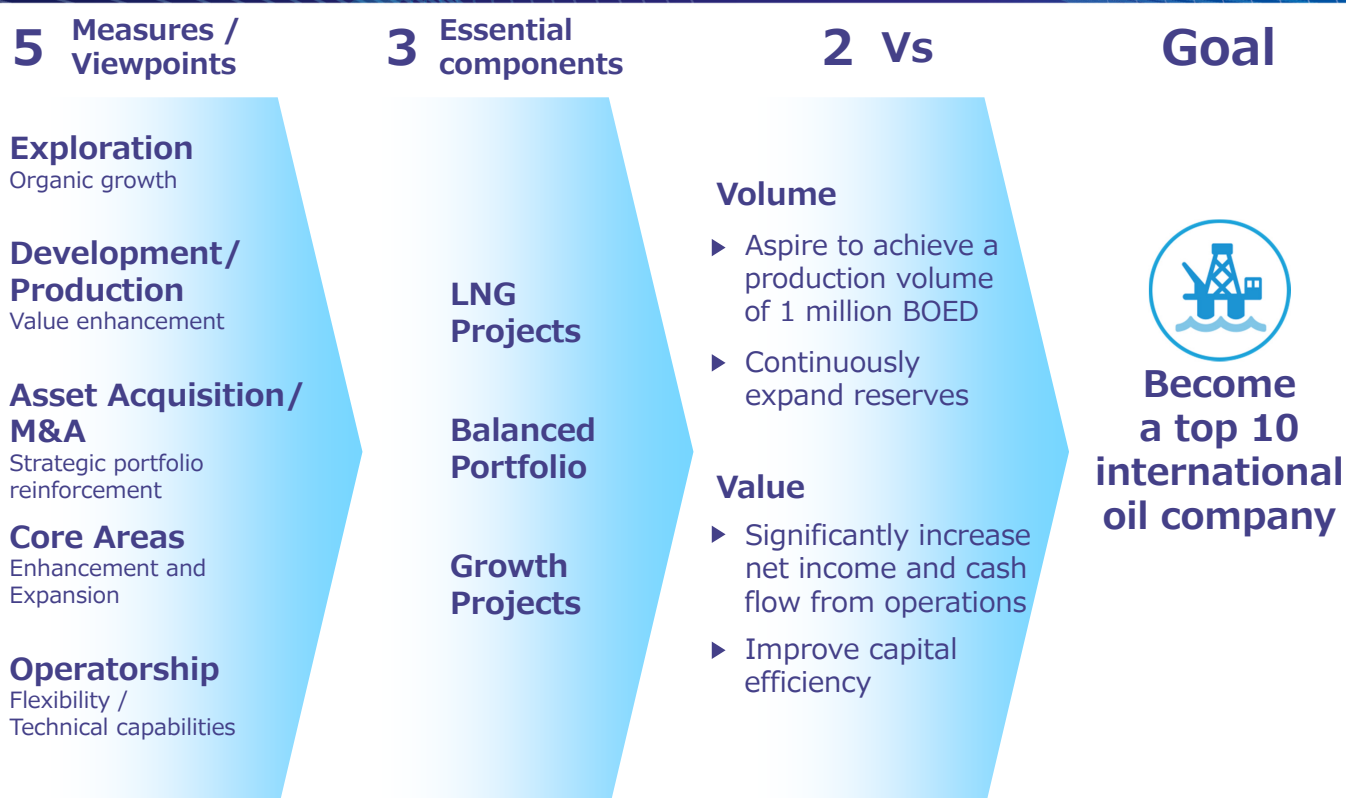
INPEX's Strengths

Strong portfolio, partnerships with oil-producing countries, project execution capabilities, diverse human resources, financial soundness, support from the Japanese government

Reduce carbon footprint

Continuously and sustainably increase corporate value

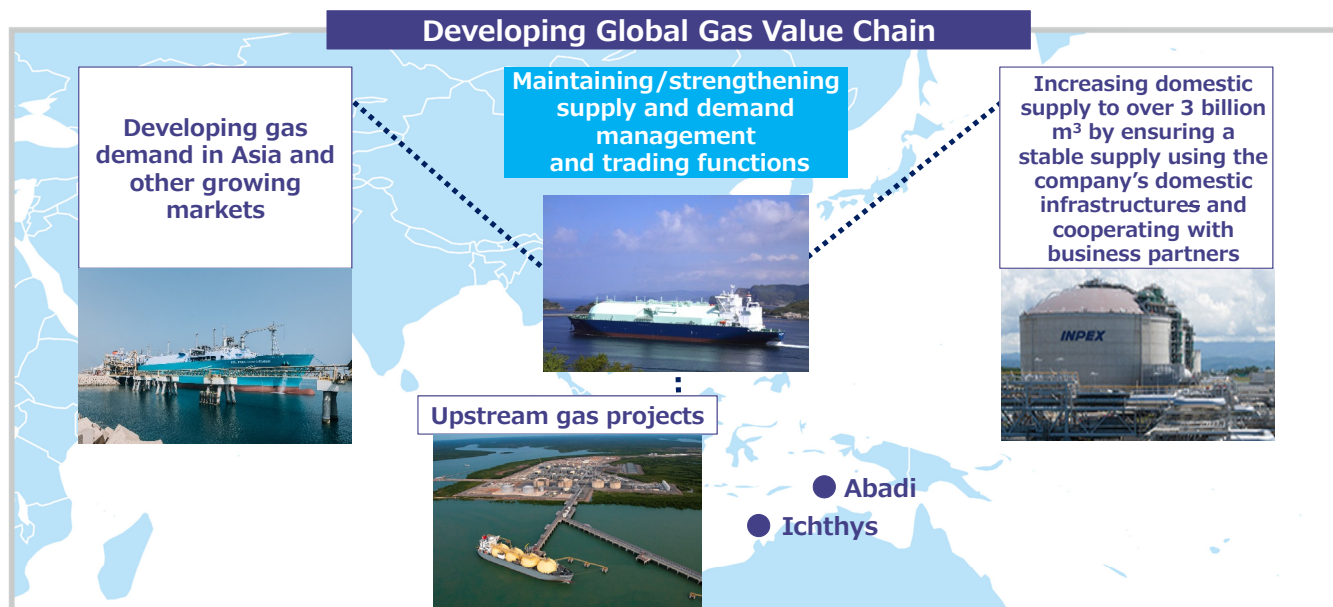
1. In light of the current state of energy demand, the importance of renewable energy is expected to increase significantly while the importance of oil and natural gas will remain unchanged.
2. Based on its existing strengths, as well as what is expected of the company going forwards, INPEX has set "continued growth of oil and natural gas E&P activities," "development of global gas value chain" and "reinforcement of renewable energy initiatives" as its business targets for the period until 2040.
3. In its core oil and natural gas E&P activities, INPEX aims to become one of the top 10 international oil companies¹ in terms of production volume, reserves, profitability, technical capabilities and other criteria.
4. INPEX's development and supply of natural gas has so far focused on the company's domestic gas supply chain². To expand this supply chain and create a global gas value chain³, INPEX aims to be a key player in natural gas development and supply, mainly focusing on Asia and Oceania, as well as Japan.
5. In the field of renewable energy, INPEX aims for renewable energy projects to account for 10% of its project portfolio.
6. While reducing its own carbon footprint in its operations, INPEX will work to continuously increase its corporate value by conducting operations flexibly to respond to changes in the business environment between now and 2040.



- Five measures and viewpoints to achieve sustainable growth of the company's core oil and natural gas E&P activities are as follows:
 - Promote new exploration for organic growth¹
 - Enhance the value of existing development and production projects through greater efficiency, improved recovery factors, and expansion of existing oil and gas fields
 - Acquire strategic assets and conduct M&A
 - Enhance and Expand core areas to enable broader business development
 - Execute INPEX-operated projects to respond flexibly to changes in the business environment and improve the company's technical capabilities
- By successfully implementing these five measures and viewpoints, INPEX will acquire three essential components for the growth of its E&P activities:
 - A balanced project portfolio in terms of location, operational stage and other factors
 - Stable and efficient development and operation of the INPEX-operated Ichthys and Abadi projects
 - Generation of new growth projects through successful exploration, asset acquisitions and other means
- By acquiring these three essential components for growth, INPEX's project portfolio will grow both quantitatively and qualitatively to achieve the following two Vs:
 - In quantitative (Volume) terms, aspire to achieve net production of 1 million barrels per day² over the long term while maintaining and expanding reserves
 - In qualitative (Value) terms, significantly increase net income and cash flow from operations and improve capital efficiency
- By achieving the two Vs, INPEX aims to achieve its goal of becoming one of the top ten international oil companies in terms of production volume, reserves, profitability, technical capabilities and other criteria during the period until 2040.



Be a key player in natural gas development and supply in Asia & Oceania



1. As part of its ongoing efforts to lower its carbon footprint, INPEX will expand its business in natural gas, which emits less CO₂ and nitrogen oxides (NO_x) than other fossil fuels and no sulfur oxides (SO_x), and create a global gas value chain.
2. In the LNG market, the following initiatives are necessary for the sustainable growth of INPEX's natural gas business:
 - 1) In its natural gas development and supply business in Japan, INPEX will continue to provide a stable supply using its existing infrastructure and cooperate with other business partners to increase its domestic supply volume of natural gas to over 3 billion m³ annually.
 - 2) In addition to the stable supply of LNG to Japan, INPEX will supply natural gas from its upstream projects to growing markets such as Indonesia, other Asian countries and elsewhere while developing gas demand in these countries by promoting gas usage and by participating in gas infrastructure projects including IPP, FSRU¹ and LNG bunkering².
 - 3) INPEX will strengthen its global trading functions including its transportation and supply chain capabilities.
3. By creating a global gas value chain through these initiatives, INPEX will maximize the value of the Ichthys and Abadi projects as well as other upstream gas projects and establish a flexible supply system capable of responding to market changes.
4. During the period until 2040, INPEX aims to be a key player in natural gas development and supply in the Asia & Oceania region.



**Reinforce renewable energy initiatives
to manage climate change**

10% of portfolio



Develop new renewable energy projects

**Lead R&D for reducing
greenhouse gas emissions**

1. To proactively address climate change and meet long-term demand for renewable energy, INPEX will accelerate the development of its renewable energy business.
2. INPEX intends to expand its participation in wind power generation and other areas in addition to its existing geothermal power business, which draws on synergies with its oil and natural gas E&P activities.
3. INPEX will consider leading projects as operator and aims for renewable energy to account for 10% of its project portfolio in the long term.
4. At the same time, INPEX will continue to develop technologies such as CCUS¹ to reduce greenhouse gas emissions, and to conduct research and development of other renewable energy business areas such as battery storage, artificial chemical photosynthesis² and methane recycling using microbes³.

Establishing INPEX as a technical leader in an evolving energy landscape

Technology Roadmap 2013
2013 - 2017
Build a framework for
technical capabilities



Technology Roadmap 2018
2018 - 2022

Steadily improve core
technologies and enhance
the competitiveness of
technical strengths



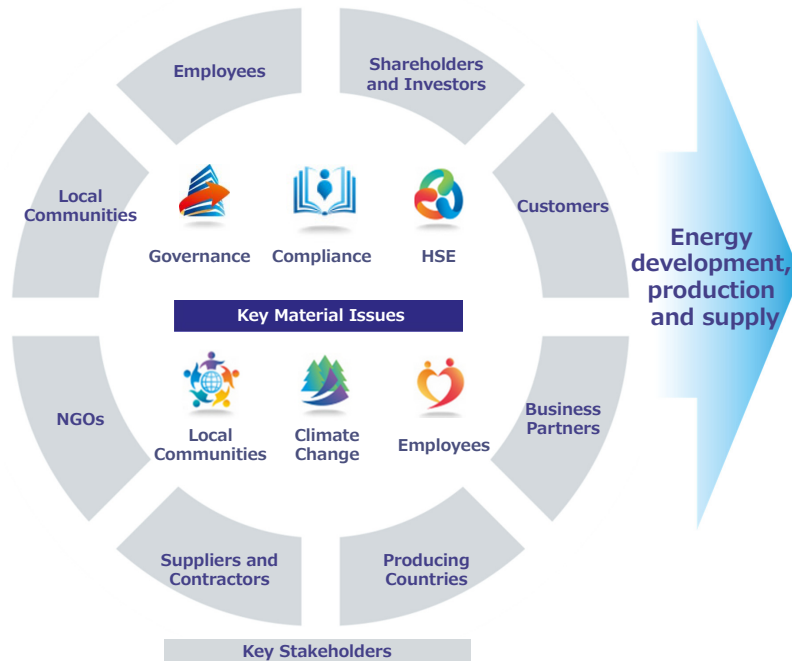
2040

Increase asset/project value
with core technologies,
generate competitiveness from
technical strengths, and pursue
next-generation energy
solutions



1. INPEX has been working to enhance its exploration, development and production capabilities in accordance with *Technology Roadmap 2013*¹ formulated in 2013. In addition, the experience gained during the development of the Ichthys LNG Project as operator during this period enabled it to further accumulate expertise and develop its human resources.
2. Building on the technical capabilities gained through the Ichthys LNG Project, INPEX will develop and apply new innovative technologies as a technical leader in the period up to 2040. Specifically, to achieve the "Sustainable growth of oil and natural gas E&P activities," "Development of global gas value chain business" and "Reinforcement of renewable energy initiatives" outlined in this Vision, INPEX recognizes the need to continuously enhance its technical capabilities to further improve project operations and address climate change issues.
3. Under the *Technology Roadmap 2018*¹, which sets forth technical targets for the next five years, INPEX will conduct the following initiatives to steadily improve its core technologies and enhance the competitiveness of its technical strengths.
 4. For sustainable growth of oil and natural gas E&P activities, INPEX will:
 - 1) maintain and improve INPEX's technologies for exploration, development and production of conventional oil and natural gas;
 - 2) improve and enhance INPEX's technologies for the development of shale gas, shale oil and other tight reservoirs² to technical strengths; and
 - 3) take on the technical issues of deepwater oil and gas field development³ and measures to improve recovery factors (such as CO₂ EOR⁴) and make them part of the company's core technologies.
 5. For the developing global gas value chain business, INPEX will apply the technical expertise it has acquired from the development and operation of the Ichthys and Abadi LNG projects, and the Naoetsu LNG Terminal to cultivate new demand for natural gas.
 6. For the reinforcement of renewable energy initiatives, INPEX will develop technologies related to offshore wind power generation and CCUS into core technologies to complement its expertise in geothermal power generation. Moreover, looking ahead to 2040, INPEX will strive to acquire innovative technologies to further reduce its carbon footprint.
 7. By maximizing the application of digital transformation in its various technologies, INPEX will work to further improve operational efficiency and build a resilient corporate structure.
 8. Through these efforts, INPEX will increase the value of its projects and strengthen its position in the evolving next-generation energy landscape.

- ▶ Strengthen ESG initiatives while building relationships of mutual trust with stakeholders
- ▶ Contribute to realize the sustainable development goals (SDGs) through sustainable business growth



SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD



- INPEX has identified six key material issues for our management to address in order to ensure our sustained growth. Specific initiatives are as follows:
 - Governance:** INPEX strives to continuously enhance its corporate governance by improving the effectiveness of its Board of Directors, appropriately disclosing information to shareholders through dialogue and promoting cooperation with stakeholders.
 - Compliance:** INPEX ensures thorough global compliance by observing the laws, regulations and sanctions relating to the countries and regions where it does business, preventing bribery and corruption, and respecting international norms and ethics and human rights, among other measures.
 - HSE:** INPEX management, administrators and staff implement the HSE management system pursuant to the declarations of the Health, Safety and Environmental Policy¹. In addition, INPEX puts 'Safety Number One' in conducting its business at all times and aims to achieve zero incidents and prevent major disasters.
 - Local communities:** INPEX contributes to the development of local communities and the creation of social benefits through its business activities. The company values engaging with stakeholders and respects human rights of people in the communities in which it operates.
 - Climate change:** INPEX recognizes the importance of addressing climate change. Its measures are explained in detail on the next slide.
 - Employees:** Recognizing that employees are the company's most important asset, INPEX strives to establish a workplace environment that allows a diverse workforce to demonstrate their individual abilities effectively, enabling both the company and its employees to grow and prosper together. INPEX is also strengthening its governance and technical capability to become a more competitive organization. Furthermore, through its diverse workforce, the company promotes autonomy, strong values and a sense of mission in line with the INPEX Values².
- INPEX strives to maintain respectful communications and build trust with its stakeholders. INPEX fulfills its responsibilities in the ESG³ initiatives throughout the supply chain, including strengthening corporate governance, promoting thorough compliance, ensuring human rights, securing safety, preserving the environment and contributing to local communities.
- Moreover, INPEX will contribute to the achievement of SDGs⁴ through its businesses by strengthening existing measures to provide a stable supply of energy and address climate change.

Accelerating Response to Climate Change

Strengthen systems for responding to climate change
and disclosing information to stakeholders

Basic Policy on Climate Change Response

Governance System

Oversight by the Board of Directors

Business Strategies

Resilience to a 2°C scenario

Assessment of Risks and Opportunities

Annual cycle of evaluation and management

Managing Emissions

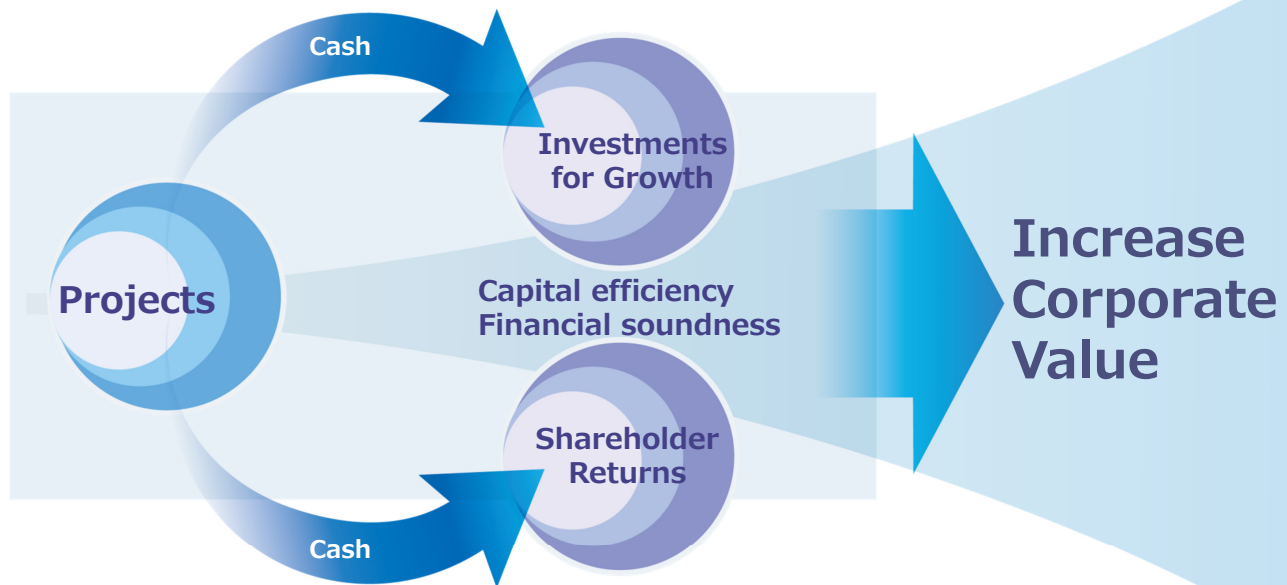
Set and manage targets in line with international standards

Information Disclosure

► Promote ongoing initiatives in accordance with TCFD Recommendations

1. Pursuant to its basic policy on responding to climate change¹, INPEX strives to enhance its governance system, business strategies, risk & opportunity assessments and management of emissions in order to proactively contribute to a low-emissions world based on the long-term targets outlined in the Paris Agreement.
2. Specific initiatives are as follows:
 - 1) Governance system: INPEX will work to maintain and expand the scope of involvement of its Board of Directors.
 - 2) Business strategies: INPEX will assess how effectively its business strategies are able to respond to a number of scenarios, including a 2 °C scenario², and how these scenarios affect portfolio decisions.
 - 3) Risk and opportunity assessments³: INPEX will continue to assess and manage climate related risks and opportunities on an annual basis and implement measures based on this process.
 - 4) Management of emissions: INPEX will strive to set and manage targets in line with international standards while observing the rules of each country in which it does business based on the Paris Agreement.
3. Furthermore, regarding the disclosure of information obtained through these initiatives, INPEX will act in accordance with the TCFD Recommendations⁴.

Allocate cash generated from projects to
shareholder returns and investments for growth
with the aim of continuously increasing corporate value



1. INPEX will ensure an appropriate equity ratio to maintain sound finances as it raises capital efficiency by increasing profitability through efficient project management.
2. While ensuring capital efficiency and sound finances, INPEX will strive to generate new cash and increase shareholder value through a well-balanced allocation of cash generated from projects to investment in promising new projects and shareholder returns, with the aim of continuously increasing corporate value.
3. In this way, INPEX strives to retain shareholders' trust in our long-term growth through continuous dialogue.

P1 Contents

1. See <https://inpx.co.jp/english/news/pdf/2012/e20120511.pdf>
2. See <https://www.inpx.co.jp/english/ichthys/index.html>
3. In addition to the notes below, see publicly disclosed material on the details of INPEX's businesses, including material listed on its website at <https://www.inpx.co.jp/english/business/index.html>
4. See <https://www.inpx.co.jp/english/business/africa.html>
5. Independent Power Producer

P4 Future Energy Landscape

1. See <https://esa.un.org/unpd/wpp/>
2. Source: Brookings Institution. See <https://www.brookings.edu/>
3. Naturally existing energy sources that are converted and processed for use by humans. Includes coal, oil, natural gas, hydropower, wind power, solar power and nuclear power.
4. Specified in the Act on Sophisticated Methods of Energy Supply Structures as solar power, hydropower, geothermal energy, solar heat, atmospheric heat and other naturally existing heat, and biomass.
5. International Energy Agency
6. See <http://www.iea.org/weo/>
7. A unit of energy representing approximately 42 gigajoules of energy generated by burning one metric ton of oil, albeit with no standardized global figure
8. At the web site of Ministry of Economy, Trade and Industry, defined as the share of the offtake amount of oil and natural gas that is under the control of Japanese enterprises (including domestic production), out of the total amount of imported and domestically produced oil and natural gas.
See http://www.meti.go.jp/english/press/2017/0714_004.html
9. An international agreement on the reduction of greenhouse gas emissions and other items from 2020 onward, adopted in December 2015 at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21).
See <https://unfccc.int/process-and-meetings/the-paris-agreement/what-is-the-paris-agreement>

P8 Sustainable Growth of Oil and Natural Gas E&P Activities

1. In oil and natural gas E&P activities, organic growth refers to the discovery of new company reserves through exploration and their development and production, rather than through corporate M&A or asset acquisition.
2. Net production as the production volume corresponding to the participating interests held by INPEX Group. The production volume of crude oil and natural gas under the production sharing contracts entered into by the INPEX Group corresponds to the net economic take of the INPEX Group.

P9 Development of Global Gas Value Chain Business

1. Floating Storage and Regasification Unit. The photo of upper left side is provided by Mitsui O.S.K. Lines, Ltd.
2. LNG fuel supply to ships

P10 Reinforcement of Renewable Energy Initiatives

1. Carbon dioxide Capture, Utilization and Storage: Uses separated and stored CO₂. For example, CCUS in the United States involves pumping CO₂ into old oil fields to extract the remaining oil through pressure while sequestering the CO₂ underground. (Source: Agency for Natural Resources and Energy)
2. A technology that uses solar energy to convert low-energy substances such as water and carbon dioxide into high-energy substances such as hydrogen and organic compounds.
3. A sustainable carbon recycling system for reuse of CO₂ as an energy source. It starts with the application of CO₂-to-methane biotechnologies, and CCS.

P11 Strengthening Technical Capabilities

1. See the *Medium-term Business Plan 2018-2022 for Technology Roadmap 2013*, which was formulated in 2013, and an overview of *Technology Roadmap 2018*, which will be formulated this year, at https://www.inpx.co.jp/english/company/pdf/business_plan.pdf
2. Generally refers to all reservoir rocks which have the low permeability, and is not limited to the shale.
3. The definition of deepwater has changed over time; currently "deepwater" is commonly used for exploration at depths of 300 to 1,500 meters and "ultra-deepwater" for depths exceeding 1,500 meters. Typical deepwater oil and gas fields are in regions including the Gulf of Mexico and offshore areas of West Africa and Brazil (Source: JOGMEC)
4. Carbon Dioxide Enhanced Oil Recovery: A process for improving crude oil and natural gas recovery by injecting CO₂ into oil and gas fields. The technology has also received attention in recent years for its ability to help suppress greenhouse gas emissions.

P5 Priorities for INPEX in the Period until 2040

1. Carbon dioxide Capture and Storage: Techniques for separating, recovering and transporting carbon dioxide for long-term storage underground in geological structures.
2. A scenario centered on energy demand projections announced by the IEA in its annual *World Energy Outlook*. The energy demand projections incorporate the IEA's judgements based on climate policies already implemented by countries worldwide and expected additional climate policies premised on the achievement of emission reduction targets set under the Paris Agreement.

P6 INPEX's Strengths

1. A type of crude oil extracted in liquid form from a gas field. It exists as a gas underground but condenses into a liquid above ground upon extraction.
2. In addition to INPEX's existing natural gas trunk pipeline network, which includes the Shin Tokyo Line, the Toyama Line was completed in 2016, extending the company's domestic natural gas trunk pipeline network to approximately 1,500 kilometers, one of the longest in Japan.
3. Includes serving as asset leader of the Lower Zakum Oil Field offshore Abu Dhabi, where the company plays a leading role in development and production operations at the oil field by devoting its human and technical resources in support of the operator
4. Japan Oil, Gas and Metals National Corporation
5. Japan Bank for International Cooperation
6. Nippon Export and Investment Insurance

P7 Targets for the Period until 2040

1. Refer to oil and gas majors and internationally-operating independent upstream companies excluding national oil companies.
2. A series of components supporting a sequence through which natural gas is supplied to users in Japan, including INPEX's upstream natural gas assets, its LNG vessel fleet, natural gas trunk pipeline network and LNG receiving terminal in Japan.
3. The sequence of processes that creates value across upstream, midstream and downstream businesses. They organically link INPEX's upstream natural gas assets with midstream and downstream businesses to create a flexible supply system that can meet diversifying customer needs.

P12 CSR Management for Business Development and Society

1. See https://www.inpx.co.jp/english/company/hse_policy.html
2. INPEX Values serve as a common foundation to unite our global workforce as one team focusing on "Safety", "Integrity", "Diversity", "Ingenuity" and "Collaboration." See <https://www.inpx.co.jp/english/company/value.html>
3. Environment, Social and Governance
4. Sustainable Development Goals. Global goals consisting of 17 goals and 169 targets set forth by United Nations.
See <http://www.un.org/sustainabledevelopment/>

P13 Accelerating Response to Climate Change

1. For the current basic policy, see the position paper INPEX formulated in December 2015 and revised in February 2017 at <http://www.inpx.co.jp/english/csr/weather/index.html>
2. A 2°C Scenario is an energy supply and demand scenarios such as the Sustainable Development Scenario shown in the International Energy Agency's (IEA) *World Energy Outlook 2017*, whereby the increase in global average temperature is limited to less than 2°C compared with pre-industrial levels.
3. Risk assessment means assessment of transition risks (policy and legal risk, technology risk, market risk, and reputation risk), and physical risks (acute risks such as increased severity of extreme weather events (i.e. cyclones and floods), and chronic risks such as changes in precipitation patterns and extreme variability in weather patterns, rising mean temperature, and rising sea). Assessment of opportunities explores examination of climate related opportunities such as making efficient use of resources, promoting low-carbon energy sources, providing products and services that contribute to a low-carbon society, and opportunities in developing markets.
4. Disclosure guidelines for analysis of climate-related corporate financial risks from the perspective of investment and lending, announced in June 2017 by the Task Force on Climate-related Financial Disclosures (TCFD), a working group of the Financial Stability Board (FSB).
See <https://www.fsb-tcdf.org/publications/final-recommendations-report/>

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This Vision includes forward-looking information that reflects the company's plans and expectations. Such forward-looking information is based on the current assumptions and judgments of the company in light of the information currently available to it, and involves known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the company's performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking information. Such risks and uncertainties include, without limitation:

- Price volatility and change in demand for crude oil and natural gas
- Foreign exchange rate volatility
- Change in costs and other expenses pertaining to exploration, development and production

The company undertakes no obligation to publicly update or revise the disclosure of information in this Vision (including forward-looking information).