

Presentation of Financial Results for the Six Months Ended September 30, 2004

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November 12, 2004



NIPPON OIL
Your Choice of Energy

Outline of Today's Presentation

- 1. Review of Operations for the Interim Period**
- 2. Progress of the Second Medium-Term Consolidated Management Plan (2nd Mid-Term Plan) and Directions for the Third Medium-Term Consolidated Management Plan (3rd Mid-Term Plan)**

Fumiaki Watari

President and Representative Director (CEO)

1. Review of Operations for the Interim Period

<FY05 1st Half Highlights of Consolidated Income>

(¥ billion)

	FY04 1H (‘03/4-‘03/9)	FY05 1H (‘04/4-‘04/9)	Change
Crude oil price (\$/Bbl)	26.7	35.2	+8.5
Yen/dollar exchange rate (¥/\$)	118.6	109.5	-9.1
Domestic fuel oil sales, including crude oil (10,000kl)	2,542	2,614	+72
Net sales	1,994.1	2,257.7	+263.6
Operating income	18.5	90.2	+71.7
Non-operating income and loss, net	1.3	3.8	+2.5
Recurring income	19.8	94.0	+74.2
(Excluding inventory valuation factors)	(37.1)	(38.9)	(+1.8)
Extraordinary income and loss, net	1.4	2.8	+1.4
Net income	10.2	58.0	+47.8

< FY05 1st Half Analysis of Changes in Recurring Income (YoY) >

< Recurring Income > ¥37.1 billion ¥38.9 billion (+¥1.8 billion)
 (excluding inventory valuation factors)

(¥ billion)

(1) Sales volume, profit margin, and time lag* ¹	-20.6
(2) Cost reductions and increases in efficiency	+14.7
(3) Impact of temporary refinery shutdowns, other	+6.9
(4) Operating income in the E&P* ² division	-1.7
(5) Improvements of net non-operating profit	+2.5
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Recurring income (excluding inventory valuation factors)	+1.8

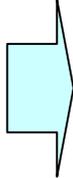
< Inventory valuation factors +72.4 (-17.3 55.1) >

*¹ Time lag between the cost increase and selling prices

*² Exploration and production

2. Progress of the 2nd Mid-Term Plan and Directions for the 3rd Mid-Term Plan

< Progress of the 2nd Mid-Term Plan and Directions for the 3rd Mid-Term Plan >

	Progress of the 2nd Mid-Term Plan			Change from initial plan	
	FY03 (^{'02/4-} '03/3)	FY04 (^{'03/4-} '04/3)	FY05 Forecast (^{'04/4-} '05/3)		
Crude oil price (\$ /Bbl)	26.3	27.8	36.2		
Yen/dollar exchange rate (¥/\$)	122.4	113.4	109.8		
Domestic fuel oil sales, including crude oil (10,000kl)	5,548	5,542	5,520		
	Fixed asset impairment loss - ¥171.5 billion		(¥ billion)		
Recurring income	90.8	57.1	190.0	< +60.0 >	
(Excluding inventory valuation factors)	(42.7)	(81.3)	(135.0)	< +5.0 >	
Net income	32.3	-133.5	115.0	< +50.0 >	
Consolidated ROE	3.5%	-	13.2%	< +6.7% >	
	Excluding inventory valuation factors		9.6%	< +3.1% >	
Cost reduction and increase in efficiency	42.2	22.7	33.6		Total for FY03 through FY05
Interest-bearing debt	1,064.0	946.0	900.0		(98.5)
Capital expenditure (Actual expenditure basis)	148.5	136.9	137.6		(-189.0)
					(423.0)
					Change from initial plan
					< - 1.5 >
					< + 5.0 >
					< +63.0 >

Plan scheduled for introduction Mar . 31, '05

General outline of the 3rd Mid-Term Plan (currently being prepared)

FY06 to FY08
(^{'05/4-}'06/3 to ^{'07/4-}'08/3)

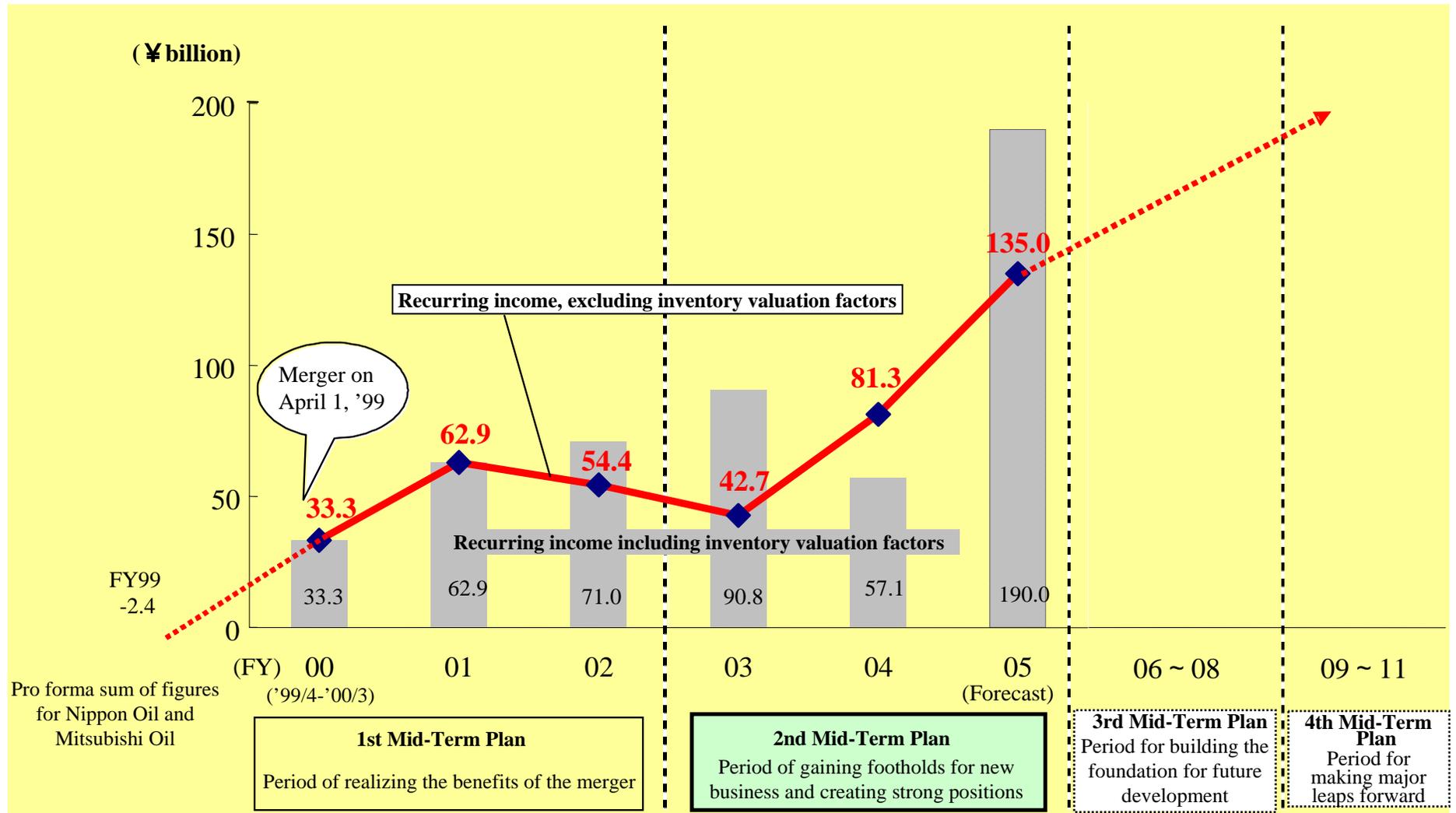
Recurring income:
¥140.0 billion +

ROE: 10%

Cost reduction:
Will continue to reduce costs through supply chain management (SCM) and other initiatives

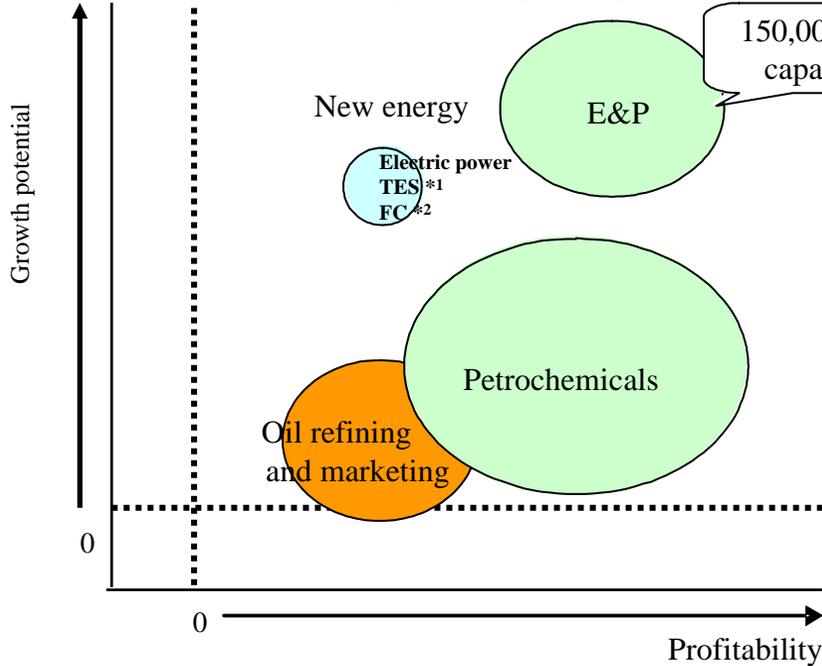
Capital investment:
Expand investment in E&P and petrochemical businesses

< Recurring Income (Loss), Excluding Inventory Valuation Factors >

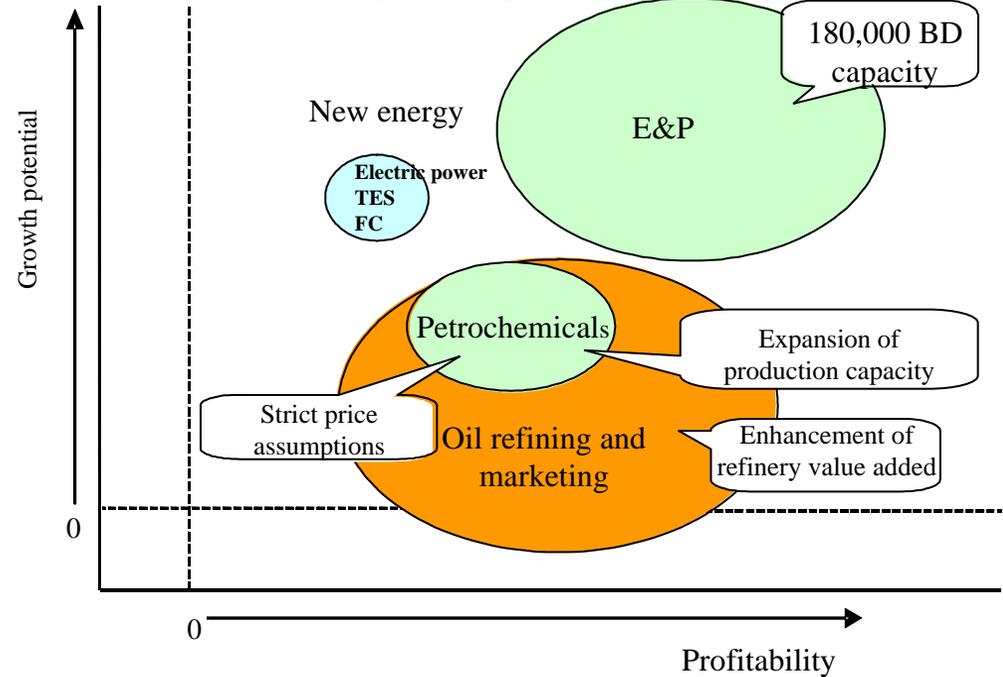


< Business Portfolio: FY05 ('04/4-'05/3) versus FY08 ('07/4-'08/3) >

Outline of earnings from principal businesses in FY05



Outline of earnings from principal businesses in FY08



[Business Portfolio Strategy]

- Oil refining and marketing
- E&P, Petrochemicals
- New energy (Electric power, TES*, FC**)

Areas for improvements in efficiency and generation of cash flow

Areas for expansion, aim for growth

Areas for implementation of market niche strategies (electric power)



Allocate cash flow to these two areas

*1 TES : Total Energy System, NERS

*2 FC : Fuel cells

< Implementation of Specific Policies >

1. Strengthening Core Businesses

	FY03 ('02/4-'03/3)	FY04	FY05	FY06 ~ 08
E&P	About 50,000BD (Actual output from Jan. to Dec. '02)	About 70,000BD (Actual output from Jan. to Dec. '03) • Start of commercial production of natural gas in Malaysia	Establish a 150,000BD capability (On a project companies' entitlement basis, June '05) - Start of commercial production at the Dampier oil field in Western Australia from June '05	Establish a 180,000BD capability (On a project companies' entitlement basis) - Start of commercial production of natural gas in Indonesia in '08
Making Use of Surplus Capacity			Eliminate excess refining capacity and stabilize margins	
1) Alliances (Refining alliance with Idemitsu)	-	40,000BD	40,000BD	
2) Expansion of IPP/PPS businesses	-	10,000BD	30,000BD	
3) Accept orders for refining on behalf of Chinese companies and export output to China	-	-	30,000BD Promote CRI*1 project	Consider expanding exports of kerosene and diesel fuel oil C
4) Increase in production of petrochemicals (propylene production capacity) (paraxylene production capacity)	10,000BD (0.6 million t/year) (1 million t/year)	10,000BD	50,000BD	FY11 (0.8 million t/year) (1.3 million t/year) 1 million t/year 2 million t/year
Total	10,000BD	60,000BD	150,000BD	
Marketing Strategy			Transition from "volume" to "quality"	
1) Providing highly competitive products	ENEOS VIGO marketed from Apr. '02	- Began supplying nationwide (in Nov. '03) - Nationwide marketing of diesel fuel with 50ppm sulfur content from Apr. '03		• Launch from early '05 of sulfur-free gasoline and diesel fuel
2) Building a network of high-value-added service stations	1,610 Dr. Drive*2 facilities at Mar. 31, '03		1,912 Dr. Drive Facilities at Sept. 30, '04	Goal of 2,500 (by Mar. 31, '06)
3) Restructuring of affiliated SS*3 network	Number of affiliated SS owned 50% or more: 15		5 companies managed as 3 groups	Further concentration

*1 CRI : Chemical refinery integration for refining and petrochemical operations

*2 Dr. Drive : Facilities to handle vehicle checkups, maintenance, and periodic statutory vehicle inspections as well as such everyday car care services as car washing.

*3 SS : Service stations

2. Expanding New Energy-Type Businesses (Electric Power, TES*¹, FC*²)

	FY03 ('02/4-'03/3)	FY04	FY05	FY06 ~ FY08
Electric Power	IPP plants at Osaka and Yokohama Refineries	IPP plant at Negishi Refinery begins operating from end of June '03 Start of PPS business from July '03	IPP plants at Marifu and Muroran Refineries begin operating from Apr. and Oct. '04, respectively Establishing 0.7 million kW IPP capacity	Frontier Energy Niigata Co., Ltd., scheduled for July '05 Kawasaki Natural Gas Generation Co., Ltd., scheduled for FY09 Establishing 1.9 million kW capacity in FY09 (1,000kW) IPP 700 PPS 1,000 NERS 200 Wind Power 10 Total 1,900
TES	- Sales of cogeneration system developed by Nippon Oil (ECO TOYOU) began Oct. '02 - Distributed-type power generation (NERS* ³)		Sept. 30, '04: 160,000kW	
FC	Stationary fuel cells - Start of monitor testing of 1kW-class household-use fuel cells (in '03) Automotive fuel cells - Continuing collaborative research with automobile manufacturers Hydrogen SS - Participation in national hydrogen SS project in July '02 - Construction of hydrogen SS from Mar. '03	Start of monitor testing of 10kW-class commercial-use fuel cells (in '04) - Start of pilot testing from Apr. '03		Commercialization (Household-use: from FY06 Commercial-use: from FY07)

*¹ TES : Total Energy System, Distributed-type power generation

*² FC : Fuel cells

*³ NERS : Nippon Oil Energy Retail System. NERS is a new business model under which Nippon Oil installs co-generation equipment at its own expense on the premises of its customers and supplies the electric power and heat generated at relatively low prices to customers.

3. Overseas Businesses

	FY03 ('02/4-'03/3)	FY04	FY05	FY06 ~ FY08
China and Southeast Asia	- Establishment of Shanghai-based subsidiary to supervise Chinese operations in Oct. '02			
Lubricants	- Tianjin Nisseki (from Sept. '95)	25,000KL	35,000KL	Increase in production capacity during FY06, +40%
	- Taiwan Nisseki (from Sept. '88)	9,000KL	11,000KL	
	- Nippon Oil Thailand (from Jan. '95)	11,000KL	14,000KL	
	- Also, in Korea, Vietnam, India and elsewhere			
	Introduction and development of the ENEOS brand (beginning Oct. '02) ENEOS Oil introduced in nine countries in Asia	7,300KL	9,200KL	Planned sales in CY05: 12,000KL
	<Refrigeration lubricant> Karamay Refinery in China (from July '02)	Signed exclusive sales contract with China Oil (Aug. '03)	4,000KL	Planned sales in CY06: 15,000KL
Retail Sales		Nippon Oil Malaysia Two full-line car shops		
Terminal Operations	- Guangdongcheng Huachuang Petro-Chemical Storage & Trans in China (from May '00) Provide storage services for diesel and fuel oil (storage capacity of 34,000KL)			
	- Rizhao Lanshan Caltex Asphalt in China (from June '95) Storage, shipment, and sales of imported asphalt (storage capacity of 12,000 tons)			
LC Film			Nippon Oil LC Film (Suzhou) to begin production in Feb. '05	
United States and Europe Lubricants	Technical tie-ups with oil majors and supplies Japanese users overseas	25,000KL	29,000KL	
Petrochemicals	Manufacturing and sales of CLAF*1 and SAS*2 in the United States	Ethylidene narbornene production plant began operations in Dec. '03		

*1 CLAF: Polyethylen unwoven fabric

*2 SAS: Super aromatic solvent

< Appendix >

1. Accounting Results

(1) Results for the interim period	2
(2) Results for the fiscal year	5

2. Data Related to Progress of the 2nd Mid-Term Plan	10
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3. Data Related to the Oil Businesses	15
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1. Accounting Results (1) Results for the interim period

< FY05 1st Half Breakdown of Extraordinary Income (Loss) >

(¥ billion)

(1) Profit on disposal of assets	5.7
(2) Gain on return of the substitutional portion of the employee retirement benefit fund	3.5
(3) Losses on revaluation of fixed assets, losses due to natural disasters, other losses	-6.4
<hr/>	
Total	2.8

<FY05 1st Half Principal Data by Operating Segment>

(1) Net sales

(¥billion)

Total 2,257.7 (+263.6)			
Petroleum fuel and crude oil	Petrochemical operations	Construction	Other
1,941.2 (+240.3)	155.5 (+35.4)	126.4 (-12.2)	34.6 (+0.1)

→ Figures include ¥31.9 billion (- ¥ 3.7 billion YoY) in net sales of the E&P division.

Note: Figures in parentheses are YoY changes.

(2) Operating income

(¥ billion)

Total 90.2 (+71.7)			
Petroleum fuel and crude oil	Petrochemical operations	Construction	Other
78.7 (+67.6)	7.9 (+4.3)	-0.1 (+0.3)	3.7 (-0.5)

→ Figures include ¥13.3 billion (- ¥ 1.7 billion YoY) in net sales of the E&P division.

Note: Figures in parentheses are YoY changes.

<FY05 1st Half Sales Volume (Unconsolidated) >

	FY04 1H (⁰³ / ₄ - ⁰³ / ₉)	Change	FY05 1H (⁰⁴ / ₄ - ⁰⁴ / ₉)
	(10,000 kl)	%	(10,000 kl)
Gasoline	707	+7.4	759
(Premium)	(139)	(+3.1)	(144)
(Regular)	(560)	(+8.5)	(608)
Naphtha	284	+2.4	291
Jet fuel	62	-8.2	57
Kerosene	185	+8.3	200
Diesel fuel	418	+3.0	430
Heavy fuel oil A	344	+6.2	366
Heavy fuel oil C	432	-9.2	393
(For electric power)	(205)	(-9.0)	(187)
(For general use)	(227)	(-9.3)	(206)
Total domestic fuel oil sales	2,432	+2.6	2,496
Crude oil	110	+7.8	118
Total domestic fuel oil sales, including crude oil	2,542	+2.9	2,614
Barter joint, other	1,340	+16.6	1,563
Total	3,882	+7.6	4,117

1. Accounting Results (2) Results for the fiscal year

<FY05 Forecast of Consolidated Statements of Operations>

		(¥ billion)		
		FY04 (⁰³ / ₄ - ⁰⁴ / ₃)	FY 05 (Forecast) (⁰⁴ / ₄ - ⁰⁵ / ₃)	Change
Crude oil price	(\$/Bbl)	27.8	36.2	+ 8.4
¥/dollar exchange rate	(Yen/\$)	113.4	109.8	-3.6
Domestic fuel oil sales, including crude oil	(10,000kl)	5,542	5,520	-22
Net sales		4,279.8	4,780.0	+ 500.2
Operating income		55.9	183.0	+ 127.1
Non-operating income and loss, net		1.2	7.0	+ 5.8
Recurring income		57.1	190.0	+ 132.9
(Excluding inventory valuation factors)		(81.3)	(135.0)	(+53.7)
Extraordinary income and loss, net		-206.8	7.0	+ 213.8
Net income (loss)		-133.5	115.0	+ 248.5

<FY05 Analysis of Changes in Recurring Income (YoY)>

<Recurring Income> ¥81.3 billion ¥135.0 billion (+¥53.7 billion)
 (excluding inventory valuation factors)

	(¥ billion)
(1) Sales volume, profit margin, and time lag*	-1.2
(2) Cost reductions and increases in efficiency	+33.6
(3) Impact of temporary refinery shutdowns, other	+10.1
(4) Operating income in the E&P division	+5.4
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Operating income (excluding inventory valuation factors)	+47.9
(5) Improvements of net non-operating profit	+5.8
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Recurring income (excluding inventory valuation factors)	+53.7
<Inventory valuation factors +79.2 (-24.2 +55.0)>	

Note: *Time lag between the cost increase and selling prices

<FY05 Breakdown of Extraordinary Income (Loss)>

(¥ billion)

(1) Profit on disposal of assets	11.7
(2) Gain on return of the substitutional portion of the employee retirement benefit fund	3.5
(3) Losses on revaluation of fixed assets, losses due to natural disasters, other losses	-8.2
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Total	7.0

<FY05 Principal Data by Operating Segment>

(1) Net sales

(¥ billion)

Total 4,780.0 (+500.2)			
Petroleum fuel and crude oil	Petrochemical operations	Construction	Other
4,032.0 (+425.6)	310.0 (+62.1)	365.0 (+11.4)	73.0 (+1.1)

→ Figures include ¥68.2 billion (+¥6.6 billion YoY) in net sales of the E&P division.

Note: Figures in parentheses are YoY changes.

(2) Operating income

(¥ billion)

Total 183.0 (+127.1)			
Petroleum fuel and crude oil	Petrochemical operations	Construction	Other
151.0 (+117.3)	18.4 (+9.7)	7.0 (+1.5)	6.6 (-1.4)

→ Figures include ¥29.0 billion (+¥5.4 billion YoY) in operating income of the E&P division.

Note: Figures in parentheses are YoY changes.

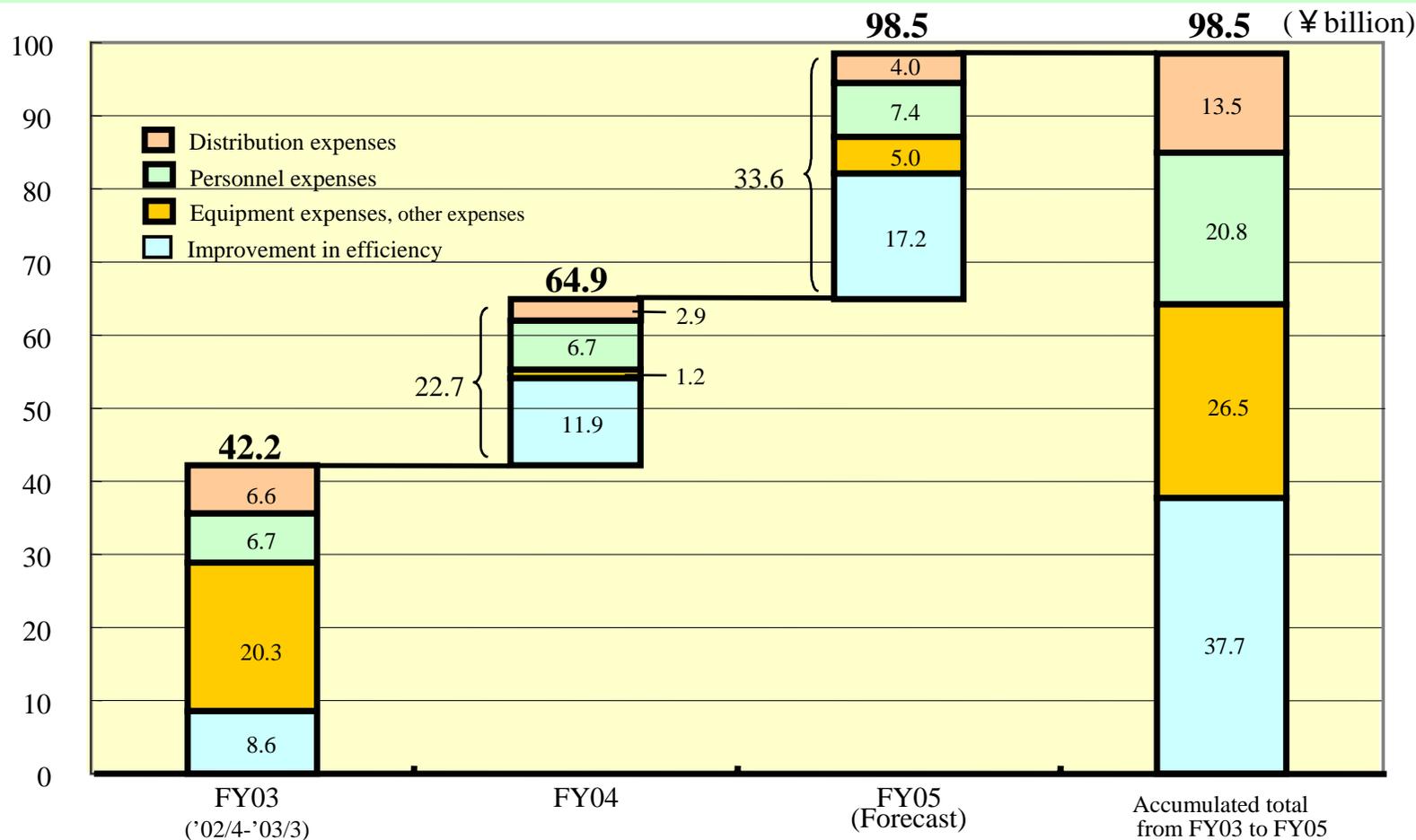
<FY05 Forecast of Sales Volume (Unconsolidated)>

	FY04 ('03/4-'04/3)	Change	FY05 (Forecast) ('04/4-'05/3)
	(10,000 kl)	%	(10,000 kl)
Gasoline	1,409	+4.7	1,475
(Premium)	(276)	(+6.2)	(293)
(Regular)	(1,118)	(+4.4)	(1,167)
Naphtha	605	+5.6	639
Jet fuel	122	-6.6	114
Kerosene	683	+7.3	733
Diesel fuel	849	+1.1	858
Heavy fuel oil A	775	+9.2	846
Heavy fuel oil C	887	-20.1	709
(For electric power)	(426)	(-33.8)	(282)
(For general use)	(461)	(-7.4)	(427)
Total domestic fuel oil sales	5,330	+0.8	5,374
Crude oil	212	-31.1	146
Total domestic fuel oil sales, including crude oil	5,542	-0.4	5,520
Barter joint, other	3,076	+1.4	3,120
Total	8,618	+0.3	8,640

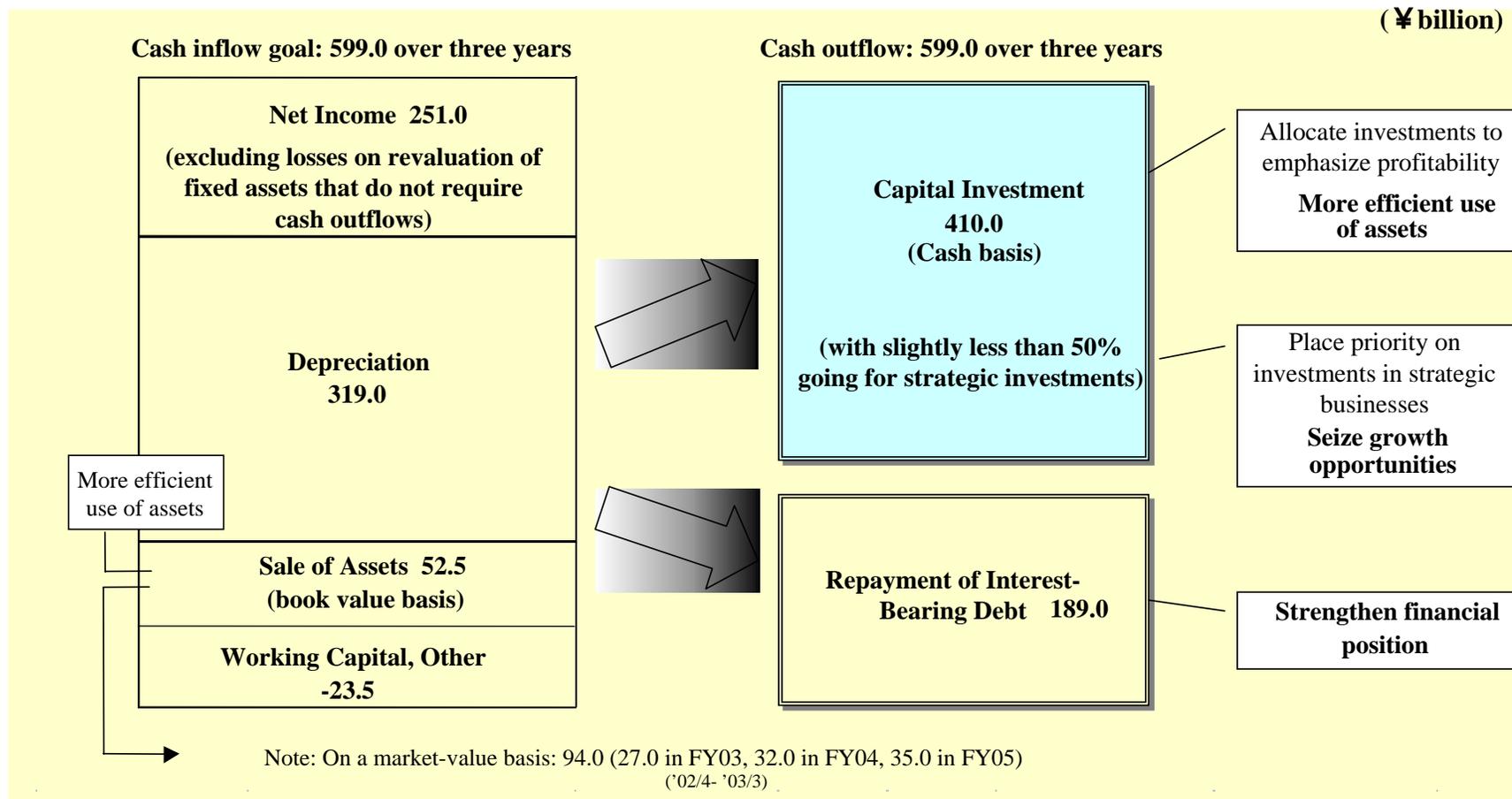
2. Data Related to Progress of the 2nd Mid-Term Plan <Cost Reductions and Improvements in Efficiency>

Forecast: ¥98.5 billion over three years

Virtually attain goal of ¥100 billion over three years



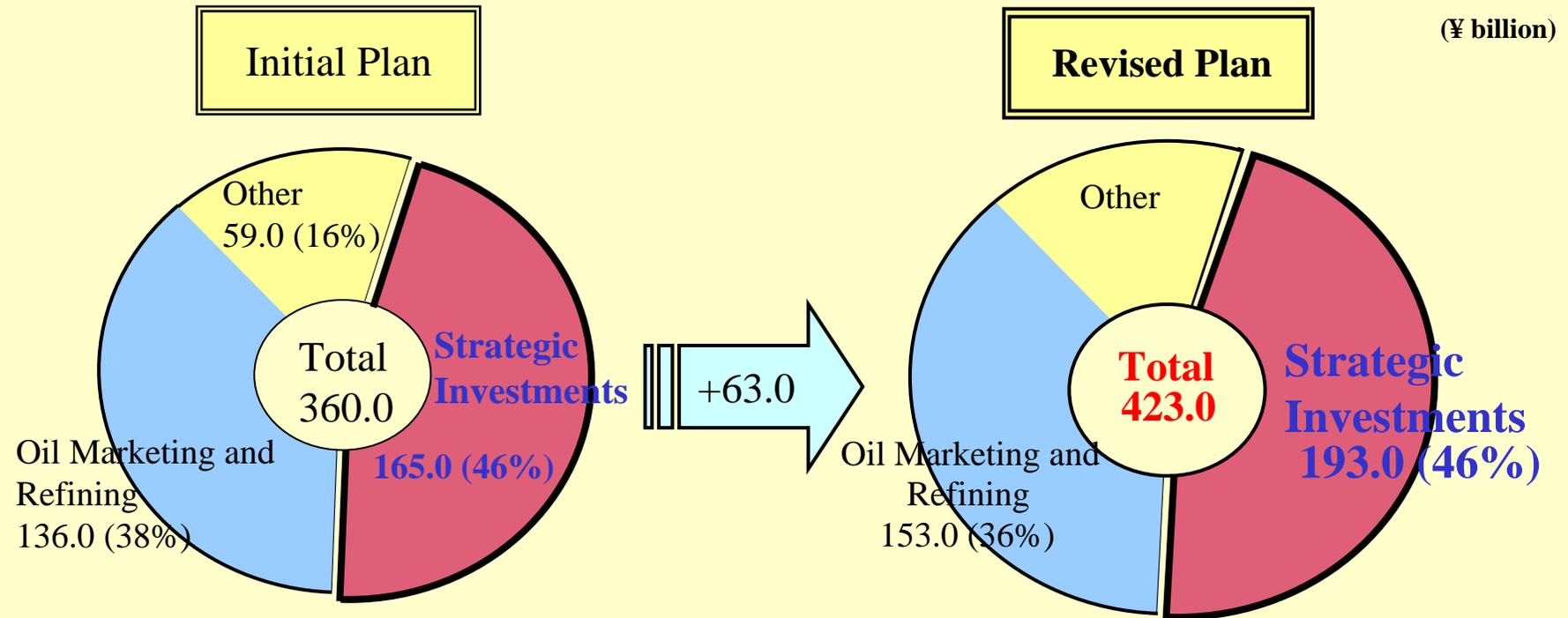
<Creation and Allocation of Cash Flow>



<Accumulated Capital investment from FY03 through FY05 (Actual Expenditure Basis) >

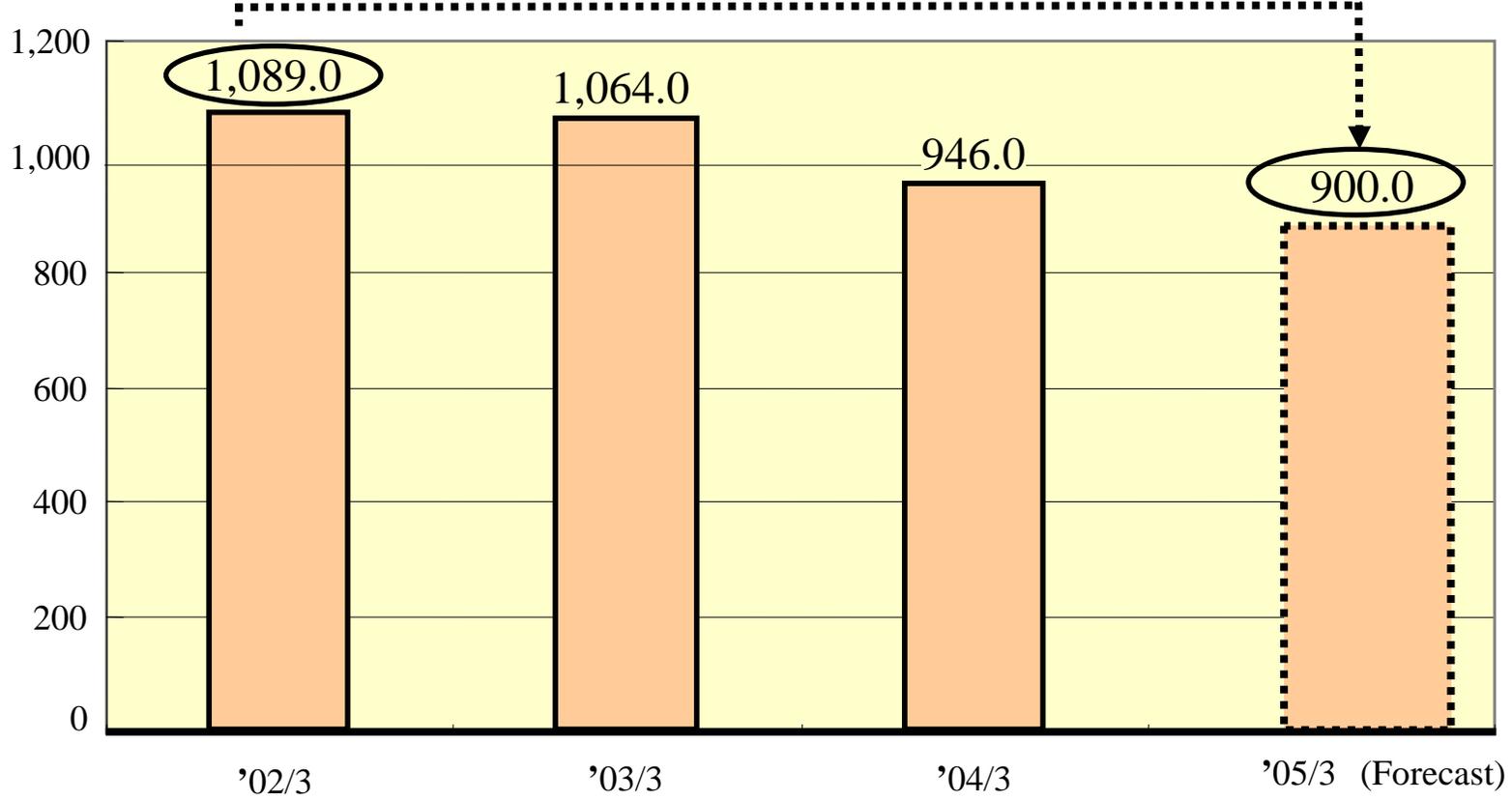
Selectivity and Concentration, Seizing Growth Opportunities

Place Priority on Investments in Strategic Businesses



<Reducing Interest-Bearing Debt>

(¥ billion) Actual reduction in interest-bearing debt of about ¥190 billion over three years from FY03 to FY05



Note: Debt associated with deposits made by overseas financial subsidiaries to secure loans is not included.

<Information by Segment >

Net Sales, Operating Income

(¥ billion)

Segment	Net sales			Operating income		
	FY03 ('02/4-'03/3)	FY04	FY05 (Forecast)	FY03	FY04	FY05 (Forecast)
Petroleum fuel and crude oil	3,599.6	3,606.4	4,032.0	72.9	33.7	151.0
(portion from E&P)	(45.8)	(61.6)	(68.2)	(15.1)	(23.6)	(29.0)
Petrochemical operations	219.9	247.9	310.0	5.7	8.7	18.4
Construction	304.0	353.6	365.0	8.0	5.5	7.0
Other	63.9	71.9	73.0	10.0	8.0	6.6
Total	4,187.4	4,279.8	4,780.0	96.6	55.9	183.0

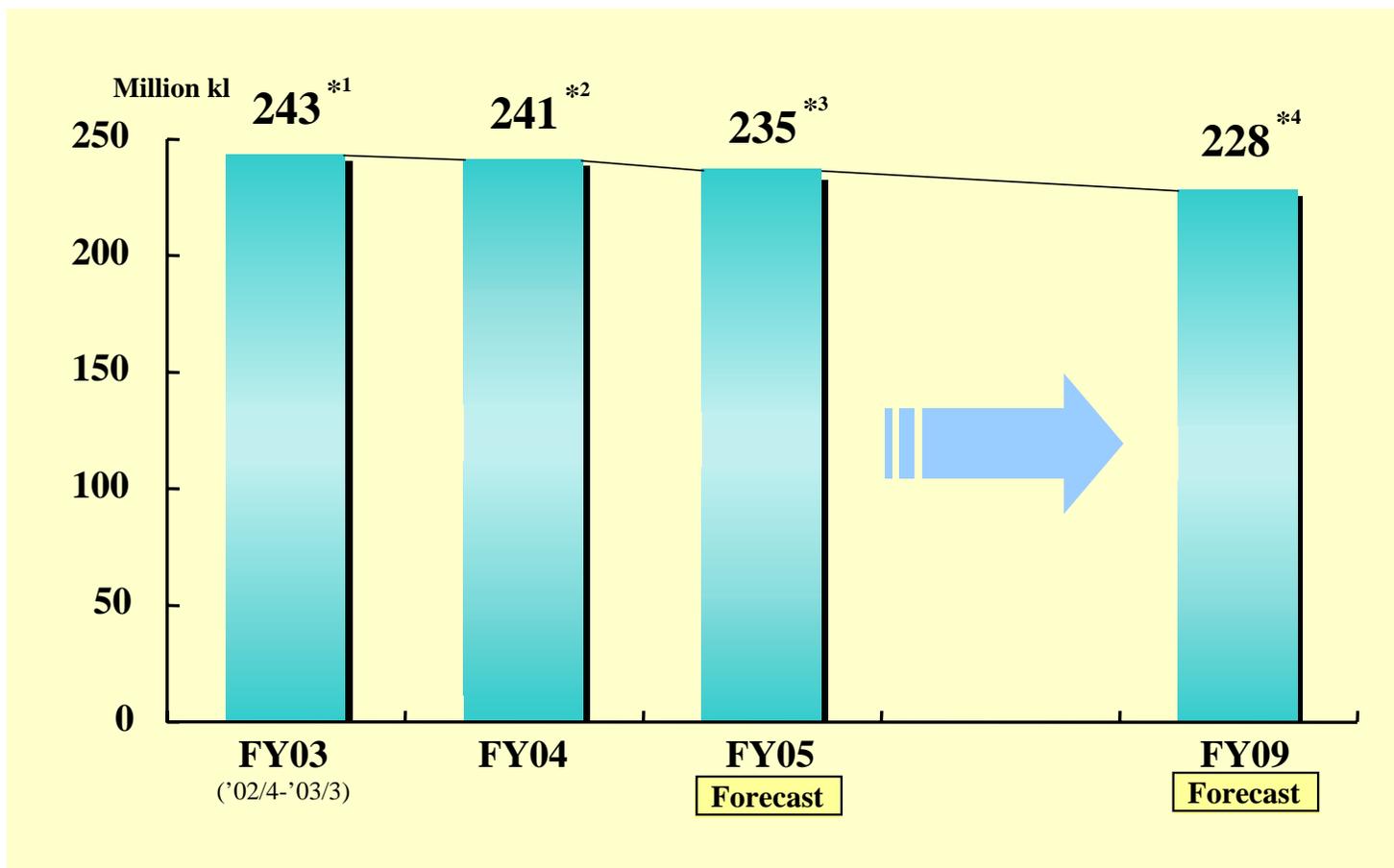
Capital Investment and Depreciation

(¥ billion)

Segment	Capital investment			Depreciation		
	FY03 ('02/4-'03/3)	FY04	FY05 (Forecast)	FY03	FY04	FY05 (Forecast)
Petroleum fuel and crude oil	121.7	107.8	111.6	81.6	87.7	92.3
Petrochemical operations	7.3	10.5	11.1	6.1	6.8	7.8
Construction	13.0	7.4	8.4	5.2	5.4	4.8
Other	6.5	11.2	6.5	6.5	7.1	7.6
Total	148.5	136.9	137.6	99.4	107.0	112.5

3. Data Related to the Oil Businesses

< Forecast of Fuel Oil Demand >



Notes: *1 About 4.20 million BD *2 About 4.15 million BD
*3 About 4.05 million BD *4 About 3.95 million BD
Source: Agency of Natural Resources and Energy

< Forecast of Fuel Oil Demand (by Type of Petroleum Product) >

(thousand kl)

Type of Product	FY03 (’02/4-’03/3)	FY04	FY05 FY05/FY04 [+0.4%]	Forecast			FY09 FY09/FY04 [+2.0%]
				FY06	FY07	FY08	
Gasoline	59,830	60,565	60,835 [-0.4%]	61,146	61,368	61,633	61,786 [-2.5%]
Naphtha	48,598	48,655	48,460 [+2.0%]	47,491	47,461	47,338	47,447 [+4.2%]
Jet fuel	4,603	4,502	4,590 [+1.8%]	4,620	4,647	4,681	4,689 [+0.8%]
Kerosene	30,622	29,053	29,588 [-3.6%]	29,490	29,427	29,468	29,285 [-14.3%]
Diesel fuel	39,489	38,137	36,753 [+1.8%]	35,711	34,699	33,707	32,694 [+1.6%]
Heavy fuel oil A	30,138	29,751	30,299 [-19.0%]	30,333	30,326	30,279	30,233 [-27.2%]
Heavy fuel oil C	29,517	30,195	24,456 [-41.9%]	22,916	21,938	21,849	21,978 [-54.3%]
(For electric power)	(10,843)	(12,455)	(7,241) [-3.0%]	(5,839)	(5,140)	(5,317)	(5,695) [-8.2%]
(For general use)	(18,674)	(17,740)	(17,215) [-2.4%]	(17,077)	(16,798)	(16,532)	(16,283) [-5.3%]
Total	242,797	240,858	234,981	231,707	229,866	228,955	228,112

Source: Agency of Natural Resources and Energy

< Refining Capacity and Utilization Rates >

	FY96 (^{'95/4-'96/3})	FY97	FY98	FY99	Merger Creating NOC	(million BD)	
					FY00	FY01	FY02
NOC Group *1	1.35 (77%) *2	1.35 (75%)	1.35 (80%)	1.37 (78%)	1.35 (74%)	1.35 (76%)	1.23 (81%)
Total for Japan	5.27 (79%) *2	5.27 (79%)	5.32 (81%)	5.37 (78%)	5.35 (77%)	5.27 (79%)	4.97 (81%)
	FY03			FY04			FY05
	1H	2H	Total	1H	2H	Total	1H
NOC Group	1.23 (77%) *2	1.22 (91%)	1.22 (84%)	1.22 (79%)	1.27 (88%)	1.27 (83%)	1.22 (83%)
Total for Japan	4.97 (75%) *2	4.98 (88%)	4.98 (81%)	4.92 *3 (80%)	4.89 *4 (86%)	4.89 (83%)	4.77 *5 (80%)

Notes: *1. Figures through FY99 are the sum of figures for Nippon Oil Company and Mitsubishi Oil Company, which merged in Apr.'99.

*2. Figures in parentheses are averages for the fiscal years.

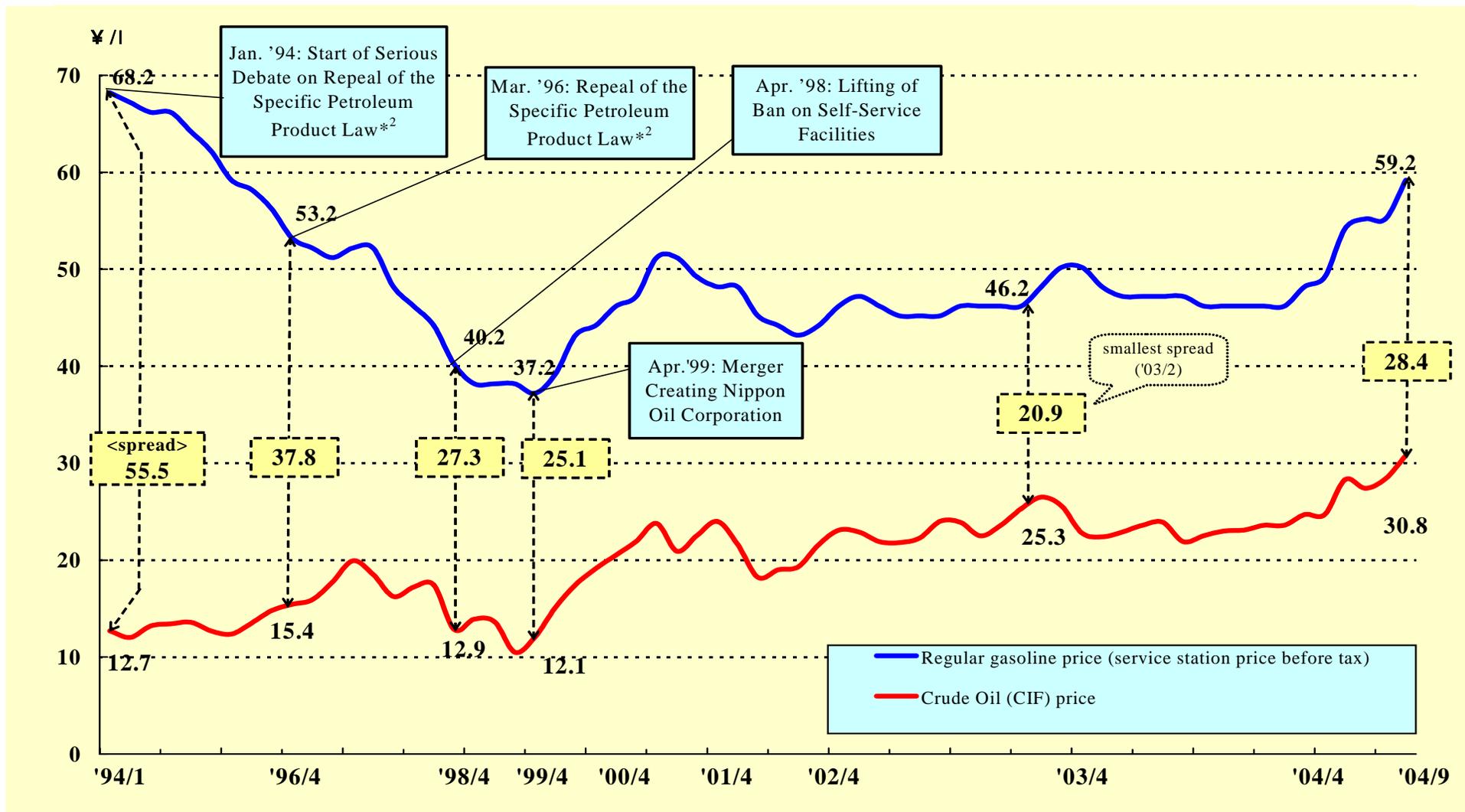
*3. Discontinuation of crude oil processing at the Idemitsu Kosan Hyogo Refinery. in Apr. '03

*4. Discontinuation of crude oil processing at the Idemitsu Kosan Group Okinawa Refinery in Nov. '03

*5. Discontinuation of crude oil processing at the Idemitsu Kosan Group Toho Oil in Apr. '04, and partial discontinuation of crude oil processing at Nippon Oil Negishi Refinery in Apr.'04 and Showa Shell Oil Group Showa Yokkaichi Oil in June '04.

Sources: Ministry of Economy, Trade and Industry; Petroleum Association of Japan; and Others.

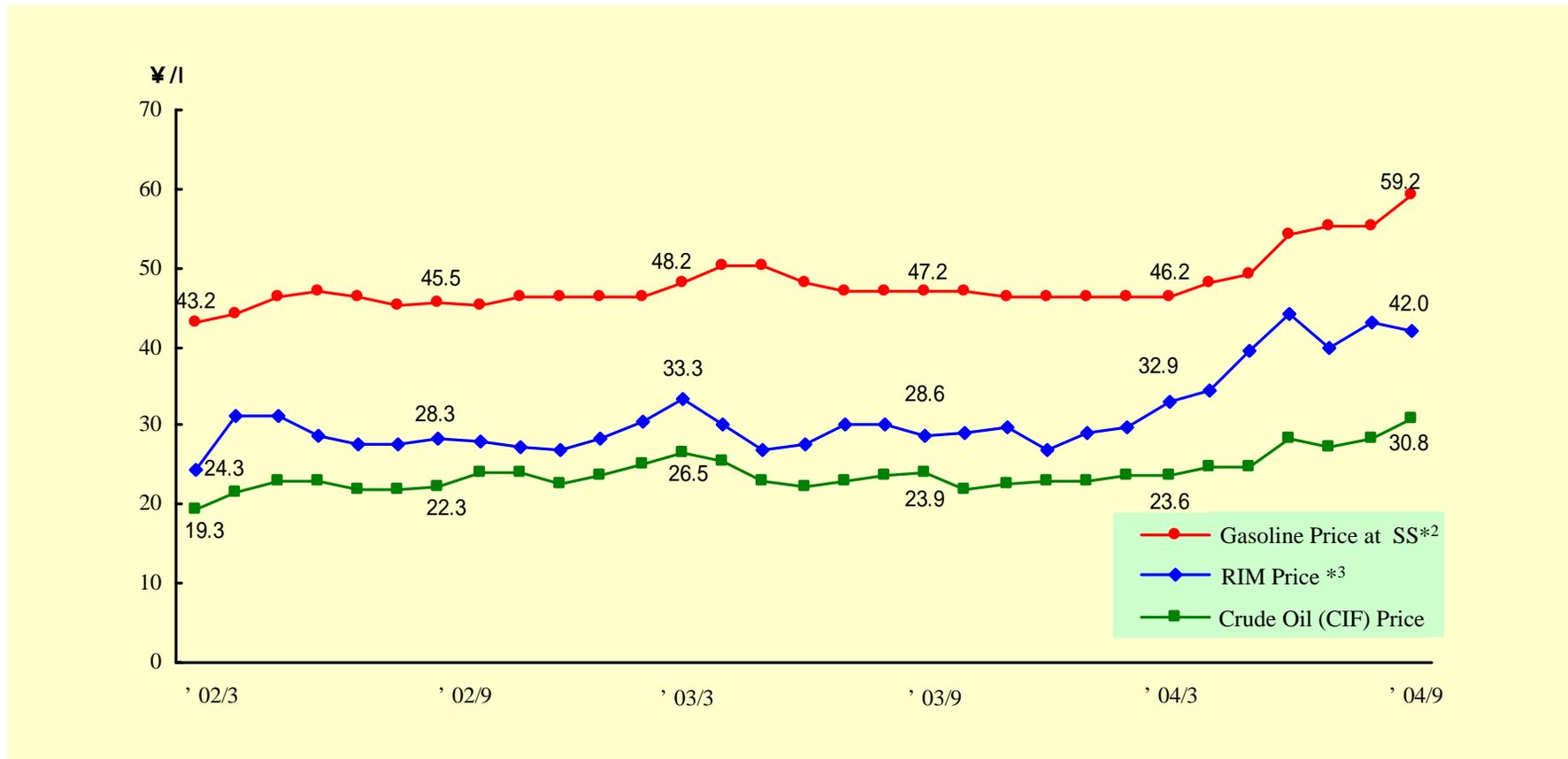
< Spread (Retail Gasoline Price – Crude Oil CIF Price*¹) >



Notes: *¹CIF: Cost, insurance, and freight basis

*²The Repeal of the Specific Petroleum Product Law is officially known as the Provisions Measures Law on the Importation of Specific Petroleum Refined Products.

< Gasoline at Service Stations, RIM*1, and Crude Oil CIF Price >



Notes: *1 Rim Intelligence Co., an intelligence agency providing information on the spot market prices of oil products

*2 Gasoline Prices at SS (Service Stations): Surveys conducted by the Oil Information Service Center (excludes consumption tax and ¥53.8 gasoline tax)

*3 Gasoline RIM Price (excludes a ¥53.8 gasoline tax/liter)

< NOC's Share of Sales of the Four Light Oil Products >

(Consumption basis)

Type of product	Merger Creating NOC						(%)
	FY00 (^{'99} / ₄ - ^{'00} / ₃)	FY01 (^{'00} / ₄ - ^{'01} / ₃)	FY02 (^{'01} / ₄ - ^{'02} / ₃)	FY03 (^{'02} / ₄ - ^{'03} / ₃)	FY04 (^{'03} / ₄ - ^{'04} / ₃)	FY05 1H	
Gasoline	23.2	22.9	22.8	23.2	23.3	24.3	
Kerosene	22.3	22.4	23.0	23.6	23.5	27.0	
Diesel fuel	22.4	22.1	21.7	22.4	22.3	22.8	
Heavy fuel oil A	21.5	22.1	22.5	24.1	26.1	28.0	
Total	22.5	22.4	22.5	23.2	23.6	24.9	

Source: Agency of Natural Resources and Energy

< Domestic Fuel Oil Sales, NOC Sales, Share of Sales >

(%)

Type of Product	Domestic Fuel Oil Sales (FY05 1H/YOY)	NOC Shares (FY05 1H/YOY)	Share of Sales (Consumption basis)		
			FY03 (^{'02/4} - ^{'03/3})	FY04 (^{'03/4} - ^{'04/3})	FY05 1H
Total	-0.7	+2.6	21.9	22.2	22.7
(Gasoline)	(+ 2.4)	(+7.4)	(23.2)	(23.3)	(24.3)
(Kerosene)	(-4.3)	(+8.3)	(23.6)	(23.5)	(27.0)
(Diesel fuel)	(+0.5)	(+3.0)	(22.4)	(22.3)	(22.8)
(Heavy fuel oil A)	(-0.8)	(+6.2)	(24.1)	(26.1)	(28.0)
(Heavy fuel oil C)	(-11.6)	(-9.2)	(29.9)	(29.4)	(29.5)

Source: Agency of Natural Resources and Energy

Number of Service Stations (Fixed-Type)

	Repeal of the Specific Petroleum Product Law*5		Merger Creating NOC								FY96 FY04	Sept. '04
	FY96 ('95/4 - '96/3)	FY97 ('96/4 - '97/3)	FY98 ('97/4 - '98/3)	FY99 ('98/4 - '99/3)	FY00 ('99/4 - '00/3)	FY01 ('00/4 - '01/3)	FY02 ('01/4 - '02/3)	FY03 ('02/4 - '03/3)	FY04 ('03/4 - '04/3)			
NOC*1	14,895	14,690	14,283	13,739	13,162	12,669	11,987	11,694	11,333	76.1%	11,171	
EMGK*2	9,283	9,276	8,893	8,459	8,101	7,898	7,597	7,278	6,904	74.4%	6,778	
Idemitsu Kosan	9,037	8,879	7,706	7,032	6,493	6,114	5,896	5,624	5,508	60.9%	5,454	
Showa Shell Sekiyu	7,091	6,937	6,728	6,229	5,962	5,642	5,402	5,153	4,968	70.1%	4,876	
Cosmo Oil	6,857	6,802	6,573	6,278	5,916	5,600	5,373	5,152	4,926	71.8%	4,825	
Japan Energy	6,384	6,232	6,079	5,217	4,952	4,646	4,476	4,296	4,150	65.0%	4,106	
Others*3	2,314	2,510	2,418	2,300	2,128	1,916	1,733	1,642	1,593	68.8%	1,552	
Oil companies	55,861 (96.9%)	55,326 (96.4%)	52,680 (93.8%)	49,254 (90.4%)	46,714 (87.6%)	44,485 (85.6%)	42,464 (83.4%)	40,839 (82.3%)	39,382 (80.4%)	70.5%	38,762 (-)	
Private brands and other	1,792 (3.1%)	2,079 (3.6%)	3,469 (6.2%)	5,236 (9.6%)	6,593 (12.4%)	7,472 (14.4%)	8,436*4 (16.6%)	8,761*4 (17.7%)	9,618*4 (19.6%)	536.7%	- -	
Total	57,653	57,405	56,149	54,490	53,307	51,957	50,900*4	49,600*4	49,000*4	85.0%	-	

Notes: *1. Figures through FY99 are pro forma summations of figures for the former Nippon Oil Company and the former Mitsubishi Oil Company.

*2. Figures are pro forma summations of figures for Esso, Mobil, Tonen General Sekiyu, and Kyushu Oil Corporation.

*3. Figures are pro forma summations of figures for Maruzen Oil, Taiyo Petroleum, and Mitsui Oil & Gas.

*4. Estimates by Nippon Oil.

*5. The Repeal of the Specific Petroleum Product Law is officially known as the Provisions Measures Law on the Importation of Specific Petroleum Refined Products.

Source: Agency of Natural Resources and Energy

< Number of Company-Owned Service Stations >

	Merger Creating NOC					
	FY00 (^{'99/4} - ^{'00/3})	FY01 (^{'00/4} - ^{'01/3})	FY02 (^{'01/4} - ^{'02/3})	FY03 (^{'02/4} - ^{'03/3})	FY04 (^{'03/4} - ^{'04/3})	Sept. '04
NOC	3,053	2,945	2,857	2,746	2,607	2,551

< Number of Self-Service Facilities >

	Merger Creating NOC					
	FY00 (^{'99/4} - ^{'00/3})	FY01 (^{'00/4} - ^{'01/3})	FY02 (^{'01/4} - ^{'02/3})	FY03 (^{'02/4} - ^{'03/3})	FY04 (^{'03/4} - ^{'04/3})	Sept.'04
NOC	21	54	142	342	520	603
Total for Japan	191	422	1,353	2,522	3,423	3,232[*]

Note: * This figure indicates only self-service retail outlets that are affiliated to oil wholesale companies.
Sources: Oil Information Service Center and Others

< Number of Dr. Drive Service Stations >

	Merger Creating NOC					
	FY00 (^{'99/4} - ^{'00/3})	FY01 (^{'00/4} - ^{'01/3})	FY02 (^{'01/4} - ^{'02/3})	FY03 (^{'02/4} - ^{'03/3})	FY04 (^{'03/4} - ^{'04/3})	Sept. '04
NOC	44	390	1,283	1,610	1,871	1,912

< Number of Depots >

	Merger Creating NOC '99/4	'00/4	'01/4	'02/4	'03/4	'04/4	Forecast '05/4
NOC	109	93	75	62	55	51	50

< Number of Employees >

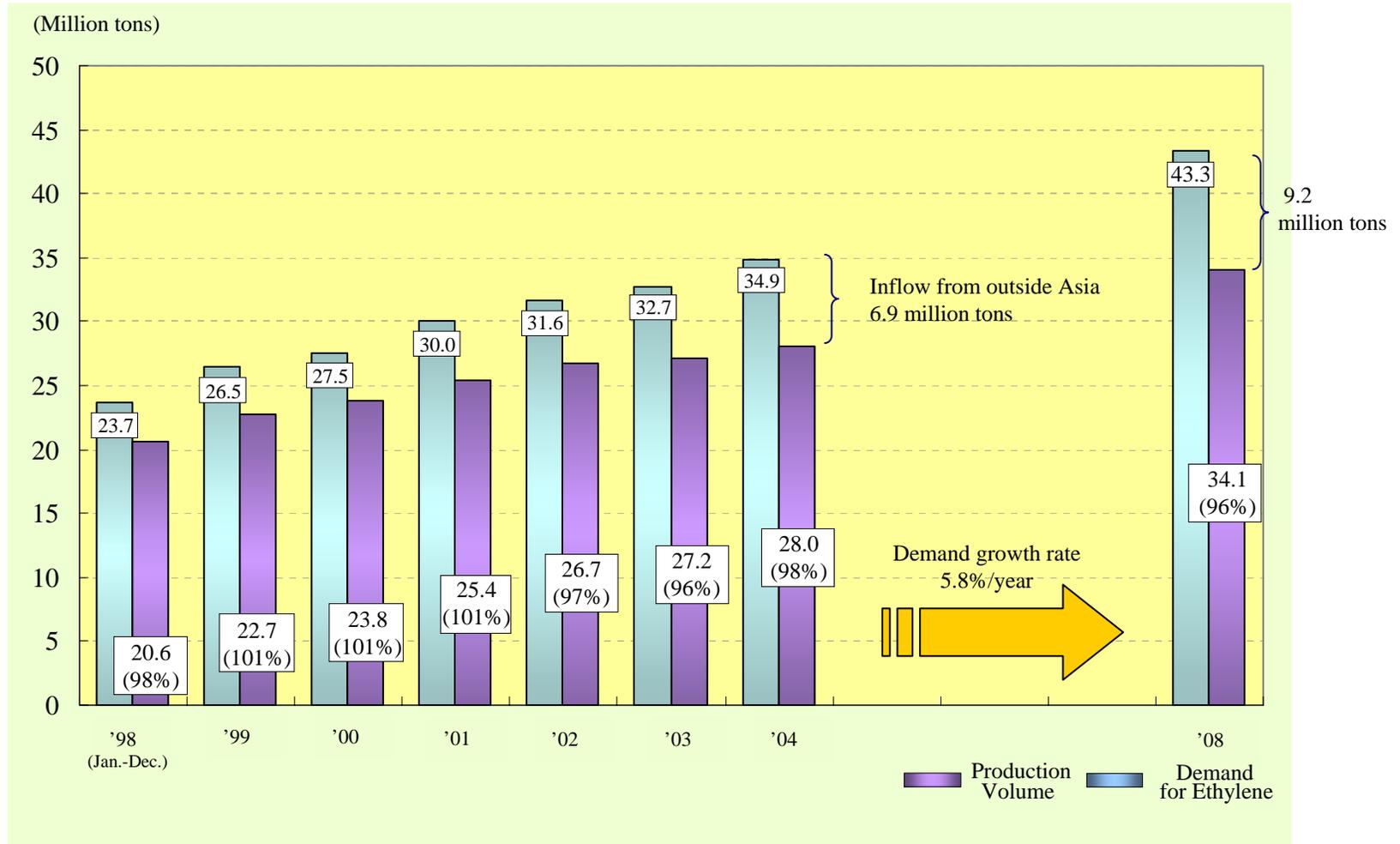
	'99/3	Merger Creating NOC '00/3	'01/3	'02/3	'03/3	'04/3	'04/9
NOC Group	15,964	15,570	14,895	14,368	13,882	14,347^{*2}	13,586
(portion from NOC and NPRC^{*3})	(5,163)	(4,602)	(4,290)	(4,108)	(4,990)^{*1}	(4,920)	(4,509)

Notes: *1. The number of employees increased because of the merger (in Apr. 02) of the former NISSEKI Mitsubishi Refining, the former Tohoku Oil, and the former Koa Oil.

*2. The number of employees increased as a result of the inclusion of Dai Nippon Construction Co., Ltd., within the scope of consolidation.

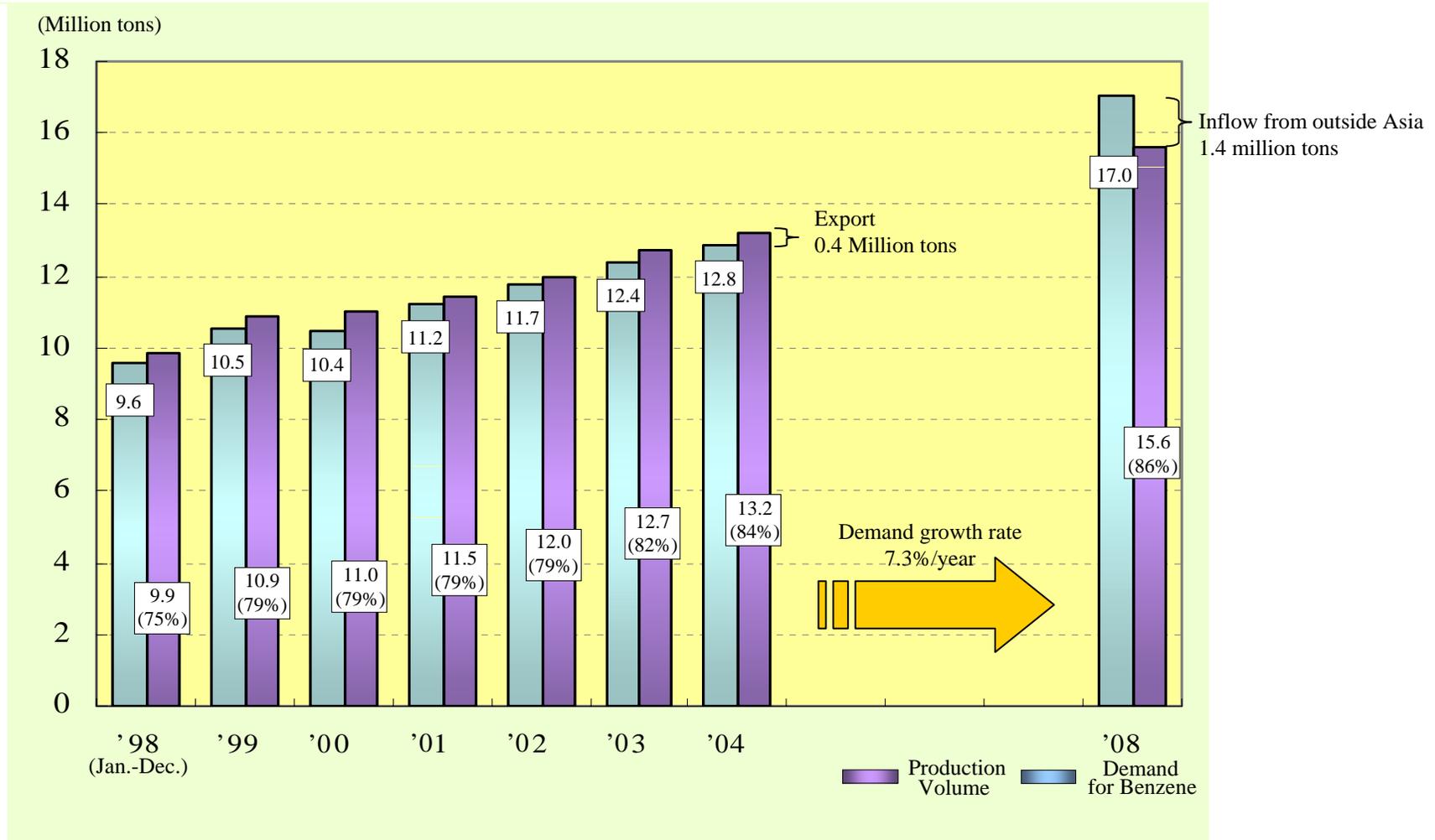
*3. NPRC: Nippon Petroleum Refining Company, Limited

< Balance of Supply and Demand for Ethylene in Asia >



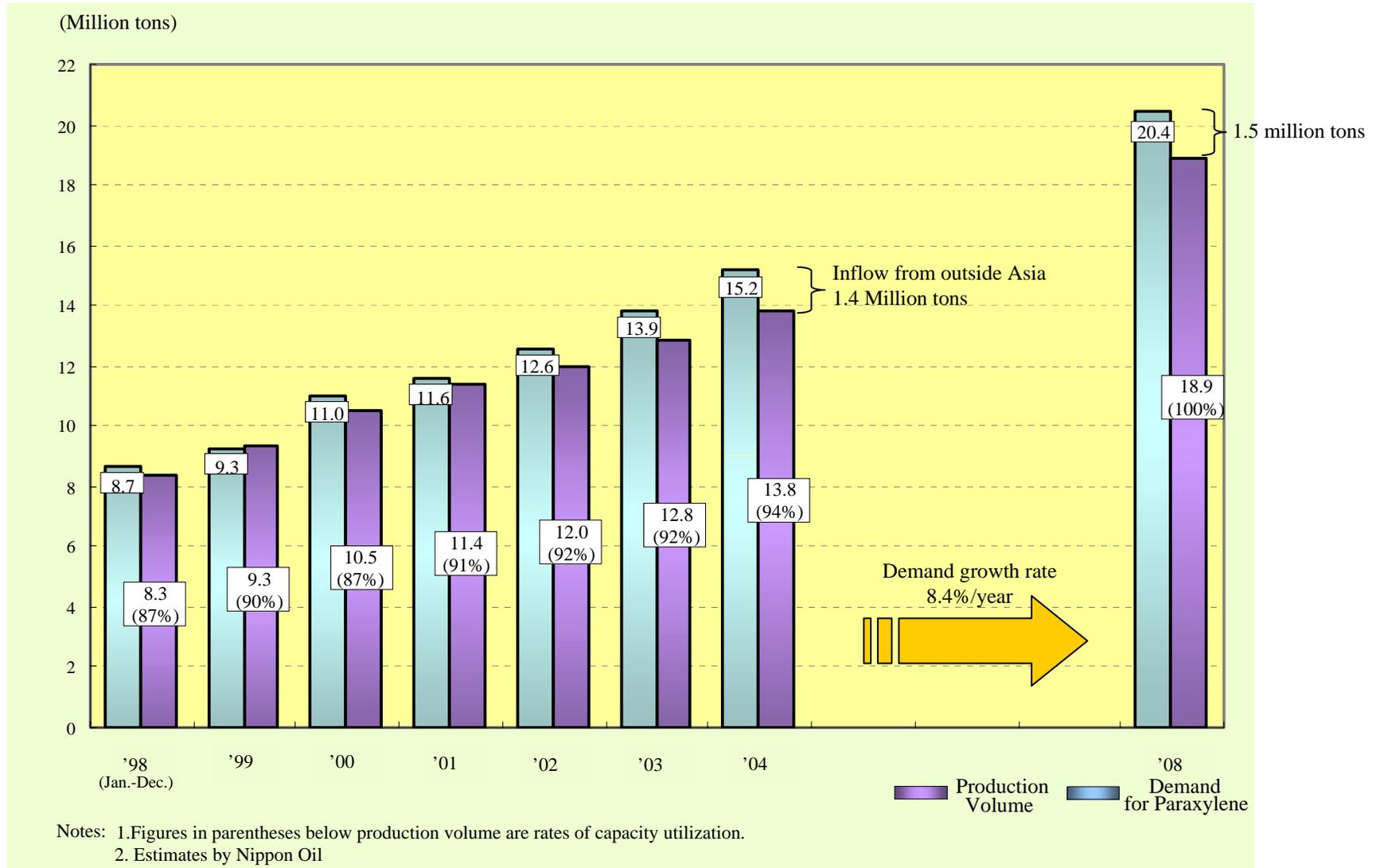
Notes: 1. Figures in parentheses below production volume are rates of capacity utilization.
2. Estimates by Nippon Oil

< Balance of Supply and Demand for Benzene in Asia >

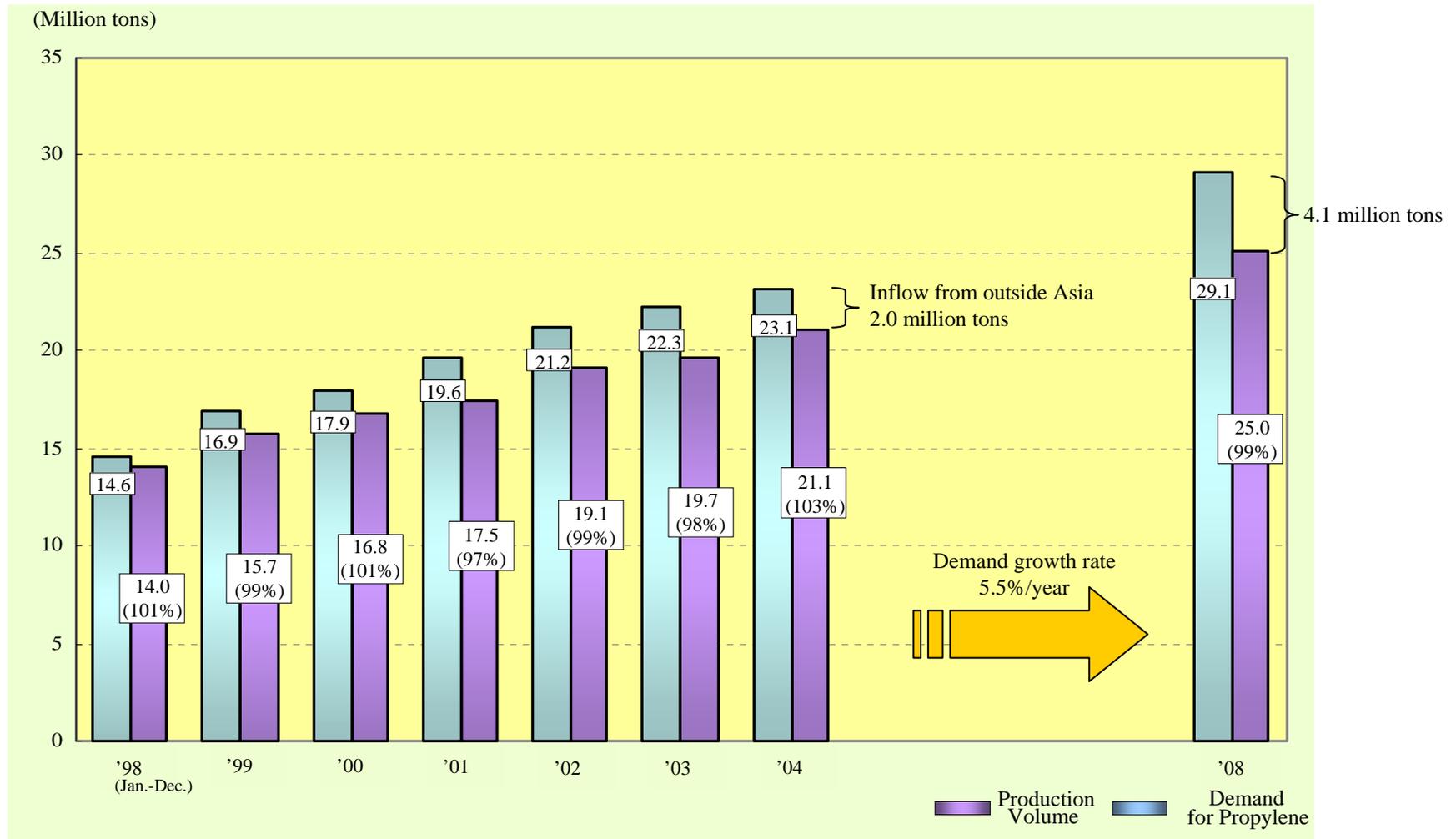


Notes: 1. Figures in parentheses below production volume are rates of capacity utilization.
 2. Estimates by Nippon Oil

< Balance of Supply and Demand for Paraxylene in Asia >

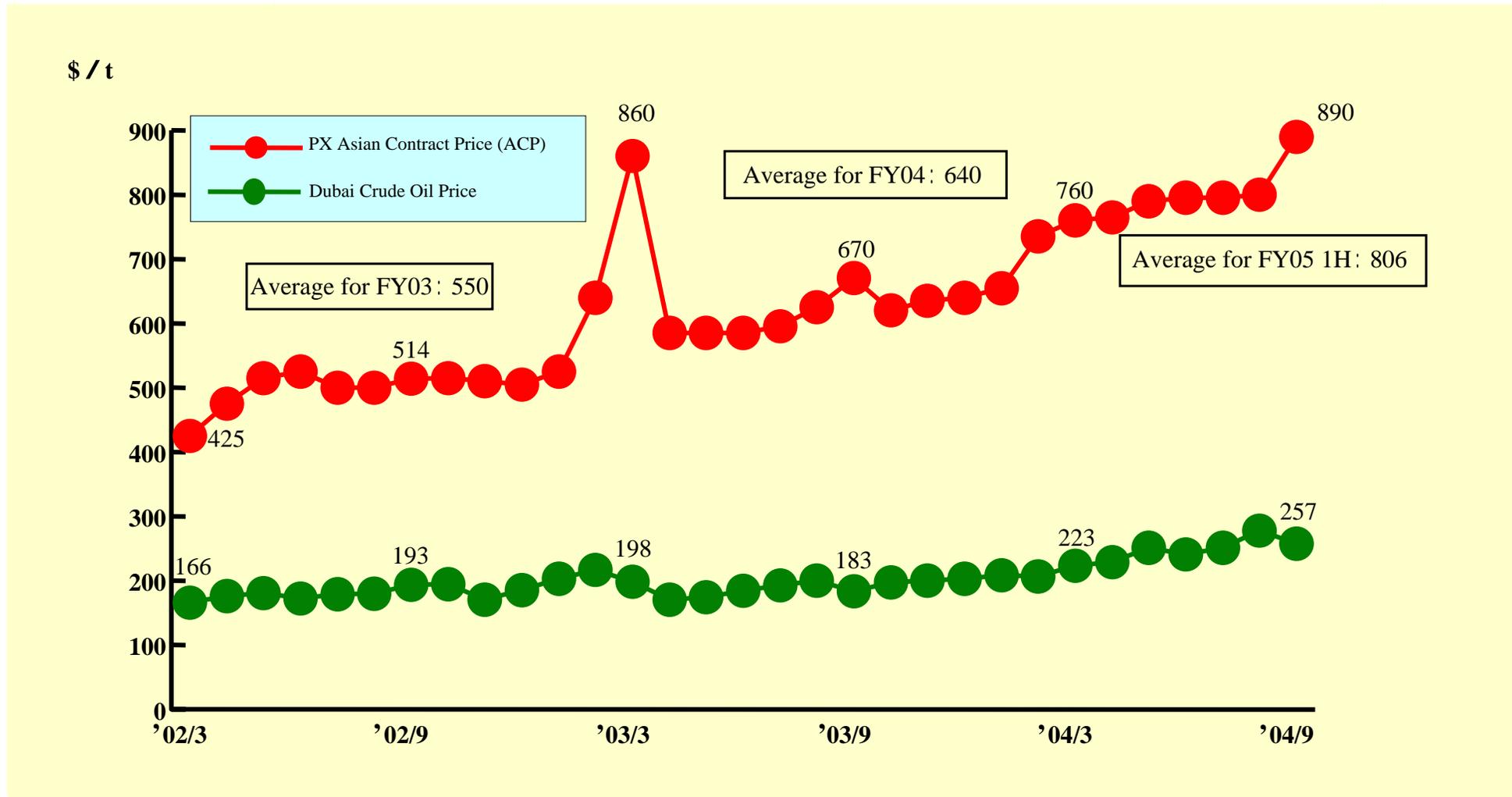


< Balance of Supply and Demand for Propylene in Asia >



Notes: 1. Figures in parentheses below production volume are rates of capacity utilization.
2. Estimates by Nippon Oil

< Paraxylene (PX) Contract Price for Asia and Dubai Crude Oil Price >



< Principal Overseas Operating Bases >



< Principal E&P Operations >



< Outline of Principal E&P Projects >

Project Name/Company*1	Name of Oil/Gas Field	Total Production (BD)	Oil Rights (BD)		Reserves*2
			PC Basis	NOC Ownership Basis	PC Basis (1 million Bbl)
<U.S.A.> Gulf of Mexico (U.S.A.) Nippon Oil Exploration U.S.A. Limited	Orchard North, Fordham, Virgo, Aconcagua and others	42,400	7,500	7,500	14
<U.K.> North Sea, U.K. MOC Exploration (U.K.) LTD. Nippon Oil Exploration and Production	Andrew, Mungo, Monan, Pierce Magnus, Brae	115,500 172,300	6,600 10,500	3,300 10,500	42
<Southeast Asia> Vietnam Japan Vietnam Petroleum Co., Ltd.	Rang Dong	50,100	18,300	9,700	496
Myanmar Nippon Oil Exploration (Myanmar),	Yetagun	54,400	7,300	3,700	
Malaysia*3 Nippon Oil Exploration (Malaysia), Nippon Oil Exploration (Sarawak), Limited	Helang Serai, Jintan	51,600 23,700	30,500 6,400	12,200 2,500	
<Oceania> Papua New Guinea Japan Papua New Guinea Petroleum Company, Limited	Kutubu, Moran, Gobe	41,900	1,900	700	26
<Canada> Canada *4 Mocal Energy Limited	Syncrude	241,800	12,100	12,100	284
Total	-	793,700	101,100	62,200	862

Notes: *1. The E&P activities of the Nippon Oil Group are administered by Nippon Oil Exploration Limited, a wholly owned subsidiary of Nippon Oil Corporation.

*2. Proved Reserves and Probable Reserves as of Dec.'03. Including reserves from projects currently under development.

*3. Figures for daily production in Malaysia (Serai and Jintan gas fields) were computed by dividing accumulated daily production volume at each gas field since the start-up (June 9 for Serai and Aug.31 for Jintan) through the end of Sept. by the total number of days from Jan. through Sept.

*4. Synthetic oil

Cautions with Respect to Forward-Looking Statement

The financial forecasts, management targets, and any other estimates and projections of the Company presented in this report are based on information available to management as of the date set forth within.

Please note that actual results may vary significantly from projected forecasts due to various uncertain factors, and as such, readers should take care when making investment decisions based solely on the forecasts herein.

The factors affecting actual results include but are not limited to economic conditions, crude oil prices, demand for and market conditions of oil-related products, and exchange rate and interest rate trends.