

FLASH REPORT (CONSOLIDATED BASIS)

Nov 14, 2003

Company name : Nippon Oil Corporation

Stock listings: Tokyo, Osaka, Nagoya, Fukuoka, and Sapporo Exchanges

Code number: 5001

(URL <http://www.eneos.co.jp>)

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Date for Convening the Board of Directors Meeting for the Settlement of Accounts: November 14, 2003

U.S. accounting standard: not applied

1 .Results for the six months ended September 30, 2003

(1)Operating results

(Figures less than ¥ 1 million have been omitted)

	Net Sales (% change from the previous interim period)	Operating income (% change from the previous interim period)	Recurring income (% change from the previous interim period)
	Millions of yen	Millions of yen	Millions of yen
Interim period	1,994,152 (7.4)	18,540 (20.1)	19,775 (0.3)
Previous interim period	1,856,936 (3.9)	23,194 (69.1)	19,712 (71.7)
Previous fiscal year	4,187,392	96,586	90,796

	Net income (% change from the previous interim period)	Net income per share	Net income per share after dilution
	Millions of yen	Yen	Yen
Interim period	10,170 (-)	6.76	
Previous interim period	512 (98.5)	0.34	
Previous fiscal year	32,281	21.03	20.76

Notes: 1.Equity in earnings (losses) of unconsolidated subsidiaries and affiliates:

Six months ended September 30, 2003: ¥ 1,202 million

Six months ended September 30, 2002: ¥ 817 million

Year ended March 31, 2003: ¥ 2,108 million

2.Average number of shares outstanding during fiscal years

Six months ended September 30, 2003: 1,509,047,418

Six months ended September 30, 2002: 1,511,486,663

Year ended March 31, 2003: 1,510,645,090

3.There was no change in accounting methods.

4.Percentages indicate year-on-year increase/(decrease) in net sales, operating income, recurring income, and net income.

(2)Financial position

	Total assets	Total shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Interim period	3,289,374	955,627	29.1	633.30
Previous interim period	3,277,653	912,217	27.8	603.75
Previous fiscal year	3,350,237	929,987	27.8	615.89

Notes: Number of shares outstanding at end of the period

Six months ended September 30, 2003: 1,508,961,920

Six months ended September 30, 2002: 1,510,913,564

Year ended March 31, 2003: 1,509,131,033

(3)Cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Interim period	95,064	46,645	67,370	97,032
Previous interim period	63,661	23,177	15,591	175,367
Previous fiscal year	49,549	16,170	55,948	109,638

(4)Number of subsidiaries and affiliates

Consolidated subsidiaries: 57, Unconsolidated subsidiaries accounted for by the equity method: 10,
Affiliates accounted for by the equity method: 29

(5)Changes in the scope of consolidation

There were two new consolidated subsidiaries.

Two existing consolidated subsidiaries were excluded.

There were eight new affiliated companies accounted for by the equity method.

2 . Forecast for fiscal 2004 (April 1, 2003 to March 31,2004)

	Net Sales	Recurring income	Net income
	Millions of yen	Millions of yen	Millions of yen
Fiscal year	4,210,000	44,000	14,000

(Reference) Consolidated net income per share for the fiscal year is forecast to be ¥ 8.94

* The aforementioned forecasts are forward-looking statements based on all information available to the management at the time of this document's release. Factors including, but not limited to, economic conditions, oil prices, demand trends for petroleum products, market trends, currency exchange rates, and interest rates, may cause actual results to differ substantially from the anticipated results. Please see p.7 of the attached document for more information regarding the aforementioned forecasts.

Management Performance and Financial Position

(1) Management Performance

Review of Operations for the Interim Period

During the interim period ended September 30, 2003, although private capital investment showed signs of rebounding, the Japanese economy failed to make a full-fledged recovery, hampered by weak personal consumption due mainly to severe employment and income conditions.

Petroleum Fuel and Crude Oil

Demand for oil products in Japan rose above the level for the previous interim period as ongoing robust growth in sales of heavy fuel oil C for thermal power generation plants accompanying the suspension of power generation at nuclear plants since the beginning of last fall more than made up for sluggish summer gasoline sales due to unseasonable weather and depressed diesel fuel sales spurred by progress in distribution streamlining. However, weakness in product prices persisted due to fierce competition attributable to the rapid increase in the number of self-service stations in the distribution stage.

Amid this environment, the NOC Group made concerted efforts to bolster the profitability of its core business and create new energy businesses.

First, in respect to sales, starting in July 2003, sales of ENEOS VIGO, a sulfur-free (10ppm or less) environmentally friendly premium gasoline product, were expanded to the Shikoku, Chugoku, and Kyushu areas, and, in November 2003, NOC made this product available throughout Japan. ENEOS VIGO is now sold at approximately 12,000 service stations in Japan. As for overseas operations, NOC has entered into an exclusive contract with a government-run oil company in China regarding the production and distribution of refrigerant oil for household electrical appliances, and in September 2003, NOC began the commercial production and distribution of this product in China.

Next, in the refining division, NOC developed a new technology called “ROK-Finer” that markedly reduces the sulfur content of gasoline. In July 2003, NOC began the construction of a demonstration plant at its Sendai Refinery to commercialize this technology. NOC’s efforts to create new energy businesses included steady advancement into the electricity supply business marked by the June 2003 launch of independent power producer (IPP) operations at the Company’s Negishi Refinery as well as the launch of retail sales of electricity from this refinery’s power generation facilities.

NOC’s consolidated net sales for the interim period ended September 30, 2003, in the petroleum fuel and crude oil business segment rose 6.3%, to ¥1,700.9 billion, as compared with the same period of the previous fiscal year. On the other hand, despite a rise in the volume of sales to electric power companies and an improvement in the sales margin for fuel oil, a temporary shutdown of production equipment at the Marifu and Osaka refineries accompanying the discovery of inadequate safety inspections as well as an increase in the cost of sales related to inventory valuation conducted under the average method caused operating income to decline ¥4.0 billion, to ¥11.1 billion, as compared with the same period of the previous fiscal year.

Petrochemical Operations

The petrochemical industry was marked by an ongoing recovery in domestic demand, owing primarily to strong sales in IT-related fields amid a hike in the price of naphtha, and exports to the rest of Asia picked up after the SARS scare wound down. In addition, as a result of the positive impact of measures to rationalize operations and increase efficiency, the profitability of petrochemical companies showed improvement. Amid these developments, the NOC Group worked to promote sales and set prices at appropriate levels, according to current raw material prices. Moreover, the NOC Group implemented thorough measures to reduce costs and rationalize operations, worked to increase the cost-competitiveness of its standard chemical business through closer teamwork with oil refining operations, and focused efforts on strengthening and further developing its

lineup of specialty and high-performance chemicals.

Consolidated net sales in petrochemical operations for the interim period rose 16.7%, to ¥120.1 billion, as compared with the same period of the previous fiscal year. In addition, although naphtha prices rose, overall market conditions were favorable and the volume of sales of ethylene and propylene increased. This, coupled with efforts to reduce costs, resulted in operating income for these operations amounting to ¥3.6 billion, a ¥1.6 billion increase as compared with the same period of the previous fiscal year.

Construction

In the highway and construction sectors, private capital investment showed signs of recovery; however, public investment remained weak as a result of a substantial reduction in the public works budget, and conditions for winning new orders continued to be harsh. Against this backdrop, the NOC Group proactively worked to win orders for construction work and market products.

In the construction segment, consolidated net sales for the interim period jumped 17.1%, to ¥138.6 billion, as compared with the same period of the previous fiscal year. However, despite cost reductions and activities to improve the efficiency of operations, a drop in construction margins attributable to intensifying competition resulted in an operating loss of ¥0.4 billion, as compared with operating income amounting to ¥0.9 billion in the same period of the previous fiscal year.

Other

As conditions in the oil distribution business have become more challenging, NOC has stepped up its activities to aggressively market a wide array of automobile-related products, focusing especially on ENEOS brand goods. In addition, in its real estate operations, NOC has worked to enhance its management and service framework as well as upgrade facilities to provide tenants with superior office environments as part of

efforts to combat the impact from increasing vacancy rates and falling rent prices brought about by intensified competition for tenants due to an oversupply of office space, owing to the completion of many major office building projects.

Consolidated net sales in the other business segment edged down 1.9%, to ¥34.5 billion, as compared with the same period of the previous fiscal year. Despite cost reductions and efforts to improve the efficiency of operations, operating income in this segment declined ¥0.8 billion, to ¥2.7 billion, primarily owing to a decrease in real estate income.

Consolidated Financial Results

As a result of the previously mentioned trends by business segment, consolidated net sales of the NOC Group for the interim period ended September 30, 2003, rose 7.4%, to ¥1,994.1 billion, as compared with the same period of the previous fiscal year. Consolidated operating income declined ¥4.7 billion, to ¥18.5 billion, owing to the temporary shutdown of two refineries and an increase in the cost of sales related to inventory valuation conducted under the average method, which offset an increase in sales volume and an improvement in cost margins. Consolidated recurring income edged up ¥0.1 billion, to ¥19.8 billion, as compared with the same period of the previous fiscal year. Also, net gains (losses) on the disposal of fixed assets improved, and consolidated net income for the interim period rose ¥9.7 billion, to ¥10.2 billion, as compared with the same period of the previous fiscal year.

Taking into account business performance and other factors, NOC has set interim dividends at ¥3 per share.

Outlook for the Full Fiscal Year

For the fiscal year ending March 31, 2004, NOC projects consolidated net sales of ¥4,210.0 billion (non-consolidated net sales of ¥3,270.0 billion), consolidated recurring income of ¥44.0 billion (non-consolidated recurring income of ¥13.0 billion), and consolidated net income of ¥14.0 billion

(non-consolidated net loss of ¥5.0 billion).

Please note that these forecasts assume an average crude oil price of US\$26.4 a barrel and an average exchange rate of ¥110 to one U.S. dollar for the second half of the fiscal year ending March 31, 2004.

(2) Financial Position

Cash Flows

Consolidated cash and cash equivalents (hereinafter, cash) at the end of the interim period under review amounted to ¥97.0 billion, representing a decline of ¥12.6 billion from the end of the previous fiscal year (March 31, 2003). The factors influencing cash flows were as follows:

Cash provided by operating activities climbed to ¥95.1 billion. This increase results from the fact that net income before tax adjustments for the interim period of the previous fiscal year, depreciation costs, and declines in accounts receivable in the petroleum fuel and crude oil segment as well as the construction segment due to seasonal factors exceeded decreases in accounts payable.

Cash used in investing activities rose to ¥46.6 billion, mainly due to capital investments in petroleum distribution facilities as well as the IPP business at refineries.

Cash used in financing activities rose to ¥67.4 billion, owing to the payment of cash dividends and efforts to reduce interest-bearing debt.

Trends in the cash flow indicators of the NOC Group are as follows.

	Year ended March 31, 2001	Year ended March 31, 2002	Year ended March 31, 2003	Year ended September 30, 2003
Shareholders' equity ratio (%)	22.6	26.8	27.8	29.1
Ratio of market capitalization to total assets (%)	23.1	26.9	22.5	22.6
Years needed to retire debt (years)	6.1	5.6	- *	-
Interest coverage ratio (times)	5.1	5.7	- *	8.3

Notes:

1. Asterisks indicate that the figures for years needed to retire debt and interest coverage have not been shown. This is because during the fiscal year ended March 31, 2003, operating cash flow was negative because of a one-time increase in working capital requirements due to the sharp rise in oil prices stemming from the Iraq problem and the falling of the last day of the previous fiscal year on a Japanese national holiday, which resulted in a large decline in unpaid gasoline and other taxes for the previous year.
2. Definitions of indicators are as follows:
 - Shareholders' equity ratio: Shareholders' equity/Total assets
 - Ratio of market capitalization to total assets: Total value of stock at market price/Total assets
 - Years needed to retire debt: Interest-bearing debt/Operating cash flow
 - Interest coverage ratio: Cash flow from operations/Interest paid
3. All indicators have been calculated based on consolidated financial data.
4. Market capitalization has been calculated by multiplying the Company's stock price at the end of the fiscal year by the number of shares outstanding at the end of the fiscal year (after exclusion of treasury stock).
5. Operating cash flow is the cash flow from operations shown in the Consolidated Statement of Cash Flows.

6. Interest-bearing debt is actual interest-bearing debt, defined as the interest-bearing liabilities shown on the consolidated balance sheets less the funds managed (credit assets) of finance subsidiaries. In addition, interest paid has been calculated by subtracting the amount of interest paid by finance subsidiaries to fund their credit asset portfolios from the amount of interest paid shown in the Consolidated Statement of Cash Flows.

Commitment Line Contracts

To raise working capital efficiently, NOC has concluded a commitment line contract with a syndicate of 11 banks with which it has transaction relationships. This commitment line provides the Company with funding up to ¥80 billion and US\$200 million. There were no borrowings under these commitment lines during the fiscal year under review.

CONSOLIDATED BALANCE SHEETS

	Previous interim period		Current interim period		Change from the previous fiscal year-end	Previous fiscal year	
	September 30, 2002		September 30, 2003			March 31, 2003	
	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen	%
ASSETS							
<u>Current assets</u>	<u>1,262,622</u>	38.5%	<u>1,242,504</u>	37.8%	<u>86,726</u>	<u>1,329,230</u>	39.7%
Cash and cash time deposits	56,570		104,755		11,629	116,385	
Trade notes and accounts receivable	451,411		480,692		111,485	592,178	
Short-term investments in securities	66,116		10,295		3,746	14,042	
Inventories	458,731		534,855		55,723	479,131	
Deferred income taxes	37,158		30,358		2,388	27,969	
Other current assets	192,634		81,548		17,975	99,523	
<u>Fixed assets</u>	<u>2,015,002</u>	61.5%	<u>2,046,835</u>	62.2%	<u>25,863</u>	<u>2,020,971</u>	60.3%
Property, plant and equipment	1,543,782		1,554,487		11,583	1,542,904	
Buildings and Structures	(306,292)		(300,118)		(1,130)	(301,249)	
Oil tanks· Machinery and equipment· Other	(298,272)		(337,322)		(43,493)	(293,828)	
Land	(865,626)		(864,192)		(167)	(864,025)	
Construction in progress	(73,590)		(52,854)		(30,946)	(83,801)	
Intangible fixed assets	57,550		56,978		2,314	59,293	
Investments and other assets	413,670		435,369		16,595	418,774	
Investment securities	(271,802)		(280,626)		(29,805)	(250,821)	
Deferred income taxes	(32,071)		(27,798)		(9,755)	(37,554)	
Other investment and assets	(109,795)		(126,943)		(3,454)	(130,398)	
<u>Deferred assets</u>	<u>28</u>	0.0%	<u>33</u>	0.0%	<u>0</u>	<u>34</u>	0.0%
Bond issuance expenses and other	28		33		0	34	
Total assets	3,277,653	100.0%	3,289,374	100.0%	60,862	3,350,237	100.0%

CONSOLIDATED BALANCE SHEETS

	Previous interim period		Current interim period		Change from the previous fiscal year-end	Previous fiscal year	
	September 30, 2002		September 30, 2003			March 31, 2003	
	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen	%
LIABILITIES							
<u>Current liabilities</u>	<u>1,328,306</u>	40.5%	<u>1,261,899</u>	38.4%	<u>126,497</u>	<u>1,388,397</u>	41.4%
Trade notes and accounts payable	290,657		303,895		50,568	354,463	
Short-term loans	235,147		229,387		24,814	254,201	
Commercial paper	70,000		145,000		14,000	131,000	
Accounts payable	382,976		382,248		17,226	399,475	
Other current liabilities	349,524		201,367		47,888	249,256	
<u>Long-term liabilities</u>	<u>929,475</u>	28.4%	<u>958,922</u>	29.1%	<u>38,042</u>	<u>920,879</u>	27.5%
Bonds	198,407		233,304		21,258	212,045	
Convertible bonds	69,628		69,628		-	69,628	
Long-term loans	400,054		372,301		549	372,851	
Deferred income taxes	75,905		79,947		2,211	77,735	
Retirement allowances for employees	98,705		111,427		8,240	103,186	
Other long-term liabilities	86,773		92,313		6,881	85,432	
Total liabilities	2,257,781	68.9%	2,220,821	67.5%	88,455	2,309,276	68.9%
Minority interests in consolidated subsidiaries	107,653	3.3%	112,925	3.4%	1,952	110,973	3.3%
SHAREHOLDERS' EQUITY							
Common stock	139,436	4.3%	139,436	4.2%	-	139,436	4.2%
Capital surplus	274,829	8.4%	274,836	8.4%	6	274,829	8.2%
Retained earnings	485,979	14.8%	519,877	15.8%	6,677	513,199	15.3%
Evaluation differences on other securities	20,691	0.6%	28,152	0.9%	16,244	11,907	0.4%
Translation adjustments	6,748	0.2%	3,775	0.1%	2,771	6,546	0.2%
Less treasury common stock, at cost	1,970	0.1%	2,899	0.1%	60	2,839	0.1%
Total shareholders' equity	911,457	25.1%	912,217	27.8%	11,922	924,140	26.8%
Total liabilities, minority interests, and shareholders' equity	3,626,262	100.0%	3,277,653	100.0%	167,089	3,444,742	100.0%

CONSOLIDATED STATEMENTS OF INCOME

	Previous interim period April 1, 2001 ~ September 30, 2001	Current interim period April 1, 2002 ~ September 30, 2002	Change from the previous interim period- end	Previous fiscal year April 1, 2001 ~ March 31, 2002
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Recurring items				
Operating gains and expenses				
Net sales	1,856,936	1,994,152	137,215	4,187,392
Cost of sales	1,692,210	1,828,953	136,743	3,785,291
Selling, general and administrative expenses	141,532	146,658	5,126	305,514
Operating income	23,194	18,540	4,654	96,586
Non-operating profits and expenses				
Non-operating profits	14,461	15,688	1,226	29,110
Interest and dividend income	(3,495)	(3,084)	(411)	(6,317)
Foreign exchange gains	(-)	(1,306)	(1,306)	(-)
Equity in earnings of unconsolidated subsidiaries and affiliates	(817)	(1,202)	(384)	(2,108)
Other	(10,148)	(10,094)	(53)	(20,683)
Non-operating expenses	17,943	14,452	3,490	34,900
Interest	(13,459)	(10,876)	(2,582)	(26,329)
Foreign exchange losses	(1,211)	(-)	(1,211)	(775)
Other	(3,272)	(3,575)	(303)	(7,796)
Recurring income	19,712	19,775	63	90,796
Special Items				
Special gains	5,239	11,869	6,629	18,122
Special losses	23,126	10,416	12,709	44,715
Income before income taxes and minority interests	1,825	21,228	19,402	64,203
Income taxes	3,929	8,540	4,611	18,692
Deferred income taxes	4,410	511	3,899	7,649
Minority interests in earnings of consolidated subsidiaries	1,793	3,028	1,235	5,580
Net income	512	10,170	9,657	32,281

APPROPRIATION OF CONSOLIDATED RETAINED EARNINGS

	Previous interim period	Current interim period	Previous fiscal year
	April 1 ,2002 ~ September 30, 2002	April 1 ,2003 ~ September 30, 2003	April 1 ,2002 ~ March 31, 2003
	Millions of yen	Millions of yen	Millions of yen
Capital reserve			
. Balance at beginning of the period	274,829	274,829	274,829
. Increase in additional paid-in-capital	-	6	-
Consolidation profit	(-)	(6)	(-)
. Capital reserve at end of the period	274,829	274,836	274,829
Retained earnings			
. Balance at beginning of the period	492,236	513,199	492,236
. Increase in retained earnings	512	13,235	32,338
Net income	(512)	(10,170)	(32,281)
Increase due to decrease in companies accounted by the equity method	(-)	(3,065)	(-)
Increase due to increase in companies accounted by the equity method	(-)	(-)	(57)
. Appropriations of retained earnings	6,769	6,557	11,375
Cash dividends	(6,056)	(6,045)	(10,595)
Directors' bonuses	(548)	(509)	(614)
Loss on disposal of treasury stock	(-)	(2)	(-)
Decrease due to increase in companies accounted by the equity method	(165)	(-)	(165)
. Retained earnings at end of the period	485,979	519,877	513,199

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Previous interim period	Current interim period	Previous fiscal year
	April 1, 2002 ~ September 30, 2002	April 1, 2003 ~ September 30, 2003	April 1, 2002 ~ March 31, 2003
	Millions of yen	Millions of yen	Millions of yen
. Cash flow from operating activities			
Income before income taxes and minority interests	1,825	21,228	64,203
Depreciation and amortization	46,504	50,751	99,358
Decrease (increase) in notes and accounts receivable	99,520	137,728	39,823
(Increase) decrease in inventories	81,335	24,606	101,784
Decrease (increase) in notes and accounts payable	93,641	58,250	31,420
Other	2,447	10,441	12,386
Sub-total	<u>24,678</u>	<u>116,410</u>	<u>2,919</u>
Interest and dividends received	3,756	5,356	9,522
Interest paid	13,928	11,775	27,248
Income taxes paid	13,822	14,927	19,504
Expenditures for additional early retirement benefits	14,988	-	15,238
Net cash provided by (used in) operating activities	<u>63,661</u>	<u>95,064</u>	<u>49,549</u>
. Cash flows from investing activities			
(Increase) decrease in time deposits	27,170	678	27,163
Additions to property, plant and equipment	33,751	57,694	86,186
Proceeds from sales of property, plant and equipment	9,908	10,481	22,693
Net decrease (increase) in marketable and investment securities	27,495	7,112	57,585
Other	7,645	5,865	37,426
Net cash (used in) provided by investing activities	<u>23,177</u>	<u>46,645</u>	<u>16,170</u>
. Cash flows from financing activities			
Increase (decrease) in short-term loans	10,914	17,440	49,576
Decrease (increase) in long-term loans and bonds	2,869	74,751	92,547
Other	7,546	10,059	12,977
Net cash (used in) provided by financing activities	<u>15,591</u>	<u>67,370</u>	<u>55,948</u>
. Effect of exchange rate changes on cash and cash equivalents	<u>3,751</u>	<u>94</u>	<u>3,888</u>
. Decrease in cash and cash equivalents	59,827	18,858	125,556
. Cash and cash equivalents at beginning of the period	235,044	109,638	235,044
. Increase in cash and cash equivalents due to inclusion in consolidation	150	6,252	150
. Cash and cash equivalents at end of the period	<u><u>175,367</u></u>	<u><u>97,032</u></u>	<u><u>109,638</u></u>

Segment Information

Business Segment

Previous interim period (April 1 ,2002 ~ September 30, 2002)

	Petroleum fuel and crude oil	Petrochemical operations	Construction	Other	Total	Eliminations	Consolidated
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Net sales							
(1) Sales to third parties	1,600,428	102,970	118,355	35,182	1,856,936		1,856,936
(2) Intergroup sales and transfers	69,513	8,348	313	7,811	85,987	(85,987)	
Total sales	1,669,941	111,319	118,669	42,993	1,942,924	(85,987)	1,856,936
Operating expenses	1,654,823	109,297	117,749	39,566	1,921,437	(87,694)	1,833,742
Operating income (loss)	15,117	2,021	920	3,426	21,487	1,707	23,194

Notes:

- Business segments are based on the classifications used by the Company internally for management of its businesses.
- Principal products by business segment are as follows:
 - Petroleum fuel and crude oil: Petroleum products, including gasoline, naphtha, kerosene, diesel fuel, and fuel oil, as well as oil exploration and development
 - Petrochemical operations: Petrochemical products, including ethylene, paraxylene, and other products
 - Construction: Asphalt paving, civil engineering construction, building construction
 - Other: Activities include sales of automotive products, such as tires, lease financing, insurance agency business, real estate rentals, travel agency business, computer-related operations, financial services, and food product business

Current interim period (April 1 ,2003 ~ September 30, 2003)

	Petroleum fuel and crude oil	Petrochemical operations	Construction	Other	Total	Eliminations	Consolidated
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Net sales							
(1) Sales to third parties	1,700,937	120,135	138,579	34,499	1,994,152		1,994,152
(2) Intergroup sales and transfers	79,809	9,446	348	7,213	96,817	(96,817)	
Total sales	1,780,746	129,581	138,928	41,713	2,090,969	(96,817)	1,994,152
Operating expenses	1,769,696	125,942	139,320	39,048	2,074,007	(98,395)	1,975,611
Operating income (loss)	11,050	3,639	392	2,664	16,962	1,578	18,540

Notes:

- Business segments are based on the classifications used by the Company internally for management of its businesses.
- Principal products by business segment are as follows:
 - Petroleum fuel and crude oil: Petroleum products, including gasoline, naphtha, kerosene, diesel fuel, and fuel oil, as well as oil exploration and development
 - Petrochemical operations: Petrochemical products, including ethylene, paraxylene, and other products
 - Construction: Asphalt paving, civil engineering construction, building construction
 - Other: Activities include sales of automotive products, such as tires, lease financing, insurance agency business, real estate rentals, travel agency business, computer-related operations, financial services, and food product business

Previous fiscal year (April 1 ,2002 ~ March 31, 2003)

	Petroleum fuel and crude oil	Petrochemical operations	Construction	Other	Total	Eliminations	Consolidated
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Net sales							
(1) Sales to third parties	3,599,622	219,904	303,982	63,883	4,187,392		4,187,392
(2) Intergroup sales and transfers	155,527	19,318	1,545	18,202	194,593	(194,593)	
Total sales	3,755,149	239,223	305,527	82,085	4,381,986	(194,593)	4,187,392
Operating expenses	3,682,211	233,508	297,547	75,833	4,289,100	(198,294)	4,090,806
Operating income (loss)	72,938	5,714	7,980	6,252	92,885	3,700	96,586

Notes:

1. Business segments are based on the classifications used by the Company internally for management of its businesses.

2. Principal products by business segment are as follows:

- (1) Petroleum fuel and crude oil: Petroleum products, including gasoline, naphtha, kerosene, diesel fuel, and fuel oil, as well as oil exploration and development
- (2) Petrochemical operations: Petrochemical products, including ethylene, paraxylene, and other products
- (3) Construction: Asphalt paving, civil engineering construction, building construction
- (4) Other: Activities include sales of automotive products, such as tires, lease financing, insurance agency business, real estate rentals, travel agency business, computer-related operations, financial services, and food product business