



Consolidated Financial Results for the First Half of Fiscal 2008

October 29, 2008

Company name Nippon Oil Corporation

Code number: 5001

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

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

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Scheduled date of commencement of dividend payments : December 8, 2008

1. Results for the First Half of Fiscal 2008 (From April 1, 2008 to September 30, 2008)

(1) Operating Results (Consolidated Basis)

(Figures less than ¥ 1 million have been omitted)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Half of FY2008	4,283,629	-	86,451	-	58,156	-	20,166	-
First Half of FY2007	3,335,776	4.3	142,723	24.3	159,152	20.6	84,826	32.3

	Net income per share	Net income per share after dilution
	Yen	Yen
First Half of FY2008	13.81	-
First Half of FY2007	58.04	-

(2) Financial Position (Consolidated Basis)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First Half of FY2008	5,139,264	1,390,906	24.9	877.48
FY2007	4,594,197	1,429,266	28.5	896.06

2. Dividends

	Cash dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of 4th quarter	Total
	Yen	Yen	Yen	Yen	Yen
FY2007	-	6.00	-	6.00	12.00
FY2008	-	10.00	-	-	-
FY2008 (Forecast)	-	-	-	10.00	20.00

Revisions of the dividends forecast in the first half ended September 30, 2008: None

3. Forecasts of Consolidated Performance in Fiscal 2008 (From April 1, 2008 to March 31, 2009)

(% of Fiscal year is versus previous Fiscal year)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year	8,850,000	17.6	(12,000)	-	5,000	(98.2)	(23,000)	-	(15.78)

Revisions of the consolidated forecasts in the first half ended September 30, 2008: Yes

4.Others

- (1) Changes in number of material subsidiaries during the term under review : None
- (2) Adoption of simplified accounting treatment and accounting treatment peculiar to quarterly consolidated financial statements preparation : Yes
- (3) Changes in accounting treatment principles, procures and expressions related to quarterly consolidated financial statements preparation
(entries of changes in material matters that are basic to quarterly consolidated financial statements)
- (i) Changes related to the revision of accounting standards : Yes
- (ii) Other changes : None
- (4) Number of shares of treasury issued (Common stock)
- (i) Number of shares issued (including treasury stock)
- First Half of FY2008 ended September 30, 2008 : 1,464,508,343 shares
- FY2007 ended March 31, 2008 : 1,464,508,343 shares
- (ii) Number of shares of treasury issued
- First Half of FY2008 ended September 30, 2008 : 6,620,039 shares
- FY2007 ended March 31, 2008 : 2,788,574 shares
- (iii) Average number of shares of treasury issued
- First Half of FY2008 ended September 30, 2008 : 1,460,705,228 shares
- First Half of FY2007 ended September 30, 2007 : 1,461,416,587 shares

(Reference)

Forecasts of Non-consolidated Performance in Fiscal 2008 (From April 1, 2008 to March 31,2009)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal Year	8,090,000	20.6	(149,000)	-	(142,000)	-	(96,000)	-	(65.63)

* The aforementioned forecasts are forward-looking statements based on all information available to the management at the time of this document's release. Please note that actual results may vary significantly from projected forecasts due to various uncertain factors. The factors affecting actual results include but are not limited to economic conditions, crude oil prices, demand for and market conditions of petroleum products and petrochemical products, and exchange rate and interest rate trends.

*Beginning in this consolidated accounting year, "Accounting standards for quarterly financial statements"(Accounting Standards Board of Japan Statement No. 12) and "Accounting standards implementation guidance for quarterly financial statements" (Accounting Standards Board of Japan Statements Application Guidance No. 14) are applied. Quarterly consolidated financial statements are based on "Quarterly consolidated financial statements rules".

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit : millions of yen)

	First Half of FY2008 As of September 30, 2008	FY2007 As of March 31, 2008
ASSETS		
Current assets		
Cash and cash time deposits	281,317	228,907
Trade notes and accounts receivable	933,334	901,675
Inventories	1,448,822	1,157,959
Other current assets	232,701	198,982
Total current assets	2,896,176	2,487,526
Noncurrent assets		
Property, plant and equipment		
Land	668,157	648,325
Other, net	730,429	657,535
Total property, plant and equipment	1,398,586	1,305,860
Intangible noncurrent assets	48,887	36,260
Investments and other assets	795,606	764,541
Total noncurrent assets	2,243,080	2,106,662
Deferred assets	7	9
Total assets	5,139,264	4,594,197
LIABILITIES		
Current liabilities		
Trade notes and accounts payable	646,806	672,950
Short-term loans	521,344	362,523
Commercial papers	557,000	428,000
Income taxes payable	39,182	64,166
Allowance	4,183	7,018
Other current liabilities	817,218	723,470
Total current liabilities	2,585,735	2,258,130
Noncurrent liabilities		
Bonds	205,043	135,047
Long-term loans	586,673	411,035
Retirement allowances for employees	61,556	64,076
Other allowances	75,514	71,048
Other noncurrent liabilities	233,835	225,593
Total noncurrent liabilities	1,162,622	906,800
Total liabilities	3,748,358	3,164,930

Consolidated Balance Sheets

(Unit : millions of yen)

	First Half of FY2008 As of September 30, 2008	FY2007 As of March 31, 2008
NET ASSETS		
Shareholder's equity		
Common stock	139,437	139,437
Capital surplus	275,748	275,782
Retained earnings	793,748	782,037
Less treasury common stock, at cost	(4,827)	(2,595)
Total shareholder's equity	1,204,106	1,194,662
Valuation and translation adjustments		
Net unrealized gain on securities	61,815	85,725
Deferred gains and losses on hedges	9,620	18,355
Translation adjustments	3,720	11,045
Total valuation and translation adjustments	75,155	115,125
Minority interests in consolidated subsidiaries	111,644	119,478
Total net assets	1,390,906	1,429,266
Total liabilities and net assets	5,139,264	4,594,197

(2) Consolidated Statements of Income

	(Unit : millions of yen)
	First Half of FY2008 From April 1, 2008 to September 30, 2008
Net sales	4,283,629
Cost of sales	4,056,773
Gross profit	226,856
Selling, general and administrative expenses	140,405
Operating income	86,451
Non-operating income	
Interest and dividends income	20,421
Asset rental income	3,639
Equity in earnings of affiliates	2,262
Other	5,344
Total non-operating income	31,667
Non-operating expenses	
Interest expenses	14,789
Foreign exchange losses	425
Loss on valuation of derivatives	37,767
Other	6,979
Total non-operating expenses	59,962
Ordinary income	58,156
Extraordinary income	
Gain on sales of noncurrent assets	2,382
Other	215
Total extraordinary income	2,597
Extraordinary losses	
Loss on sales and retirement of noncurrent assets	5,187
Impairment loss	6,507
Other	5,308
Total extraordinary losses	17,003
Income before income taxes and minority interests	43,750
Income taxes	20,652
Minority interests in earnings of consolidated subsidiaries	2,930
Net income	20,166

Explanatory Notes to Consolidated Financial Statements

Consolidated Balance Sheets

	First Half of FY2008 As of September 30, 2008	FY2007 As of March 31, 2008
	millions of yen	millions of yen
Merchandise and finished goods	622,304	447,024
Goods in process	111,215	94,713
Raw material and inventory goods	715,302	616,221
Accumulated depreciation and amortization	2,229,572	2,068,553
Allowance for doubtful accounts	9,265	9,635

Consolidated Statement of Income

	First Half of FY2008 From April 1, 2008 to September 30, 2008
	millions of yen
Carriage on goods	52,335
Labor cost	33,001

(Reference)

Financial statements of previous year

[Summary] Consolidated Statement of Income

	First Half of FY2007 (April 1, 2007 - September 30,2007)
	Millions of yen
Net sales	3,335,776
Cost of sales	3,058,250
Gross profit	277,525
Selling, general and administrative expenses	134,801
Operating income	142,723
Non-operating income	36,300
Interest and dividends income	16,433
Asset rental income	4,993
Equity in earnings of unconsolidated subsidiaries and affiliates	1,456
Foreign exchange gains	5,954
Other	7,463
Non-operating expenses	19,870
Interest expenses	13,380
Other	6,490
Ordinary income	159,152
Extraordinary gains	9,952
Gain on sales of noncurrent assets	9,063
Other	888
Extraordinary losses	13,729
Loss on disposal and sales of noncurrent assets	5,078
Impairment loss	7,210
Other	1,440
Income before income taxes and minority interests	155,376
Income taxes	64,485
Minority interests in earnings of consolidated subsidiaries	6,063
Net income	84,826