



## Consolidated Financial Results for the Third Quarter of Fiscal 2008

January 30, 2009

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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Note: Figures less than ¥1 million have been omitted.

### 1. Results for the Third Quarter of Fiscal 2008 (From April 1, 2008 to December 31, 2008)

#### (1) Operating Results (Consolidated Basis)

(Percentage figures are changes from the same period of the previous Fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Third Quarter of FY2008	6,082,426	-	(356,628)	-	(351,304)	-	(224,522)	-
Third Quarter of FY2007	5,317,822	8.9	223,506	71.8	244,581	57.5	135,703	89.4

	Net income per share	Net income per share after dilution
	Yen	Yen
Third Quarter of FY2008	(153.80)	-
Third Quarter of FY2007	92.87	-

#### (2) Financial Position (Consolidated Basis)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Third Quarter of FY2008	4,356,169	1,084,012	22.3	667.37
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 third quarter ended December 31, 2008: None

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

(Percentage figures are changes from the same period of the 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	7,600,000	1.0	(304,000)	-	(270,000)	-	(240,000)	-	(164.61)

Revisions of the consolidated forecasts in the third quarter ended December 31, 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)
- Third Quarter of FY2008 ended December 31, 2008 : 1,464,508,343 shares
- FY2007 ended March 31, 2008 : 1,464,508,343 shares
- (ii) Number of shares of treasury issued
- Third Quarter of FY2008 ended December 31, 2008 : 6,558,254 shares
- (iii) Average number of shares of treasury issued
- Third Quarter of FY2008 ended December 31, 2008 : 1,459,795,777 shares
- Third Quarter of FY2007 ended December 31, 2007 : 1,461,291,461 shares

#### (Reference)

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

(Percentage figures are changes from the same period of the 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	6,800,000	1.4	(430,000)	-	(105,000)	-	68,000	(20.6)	46.57

Revisions of the non-consolidated forecasts in the third quarter ended December 31, 2008: Yes

\* 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)

	Third Quarter of FY2008 As of December 31, 2008	FY2007 As of March 31, 2008
<b>ASSETS</b>		
Current assets		
Cash and cash time deposits	360,231	228,907
Trade notes and accounts receivable	719,574	901,675
Inventories	751,913	1,157,959
Other current assets	313,513	198,982
Total current assets	2,145,232	2,487,526
Noncurrent assets		
Property, plant and equipment		
Land	666,940	648,325
Other, net	709,099	657,535
Total property, plant and equipment	1,376,040	1,305,860
Intangible noncurrent assets	48,346	36,260
Investments and other assets	786,542	764,541
Total noncurrent assets	2,210,929	2,106,662
Deferred assets	7	9
Total assets	4,356,169	4,594,197
<b>LIABILITIES</b>		
Current liabilities		
Trade notes and accounts payable	360,976	672,950
Short-term loans	696,213	362,523
Commercial papers	170,000	428,000
Income taxes payable	33,418	64,166
Allowance	3,343	7,018
Other current liabilities	888,081	723,470
Total current liabilities	2,152,033	2,258,130
Noncurrent liabilities		
Bonds	184,938	135,047
Long-term loans	635,559	411,035
Retirement allowances for employees	59,567	64,076
Other allowances	73,102	71,048
Other noncurrent liabilities	166,954	225,593
Total noncurrent liabilities	1,120,123	906,800
Total liabilities	3,272,157	3,164,930

## Consolidated Balance Sheets

(Unit : millions of yen)

	Third Quarter of FY2008 As of December 31, 2008	FY2007 As of March 31, 2008
<b>NET ASSETS</b>		
Shareholder's equity		
Common stock	139,437	139,437
Capital surplus	275,702	275,782
Retained earnings	534,458	782,037
Less treasury common stock, at cost	(4,361)	(2,595)
Total shareholder's equity	945,236	1,194,662
Valuation and translation adjustments		
Net unrealized gain on securities	33,504	85,725
Deferred gains and losses on hedges	3,500	18,355
Translation adjustments	(9,248)	11,045
Total valuation and translation adjustments	27,756	115,125
Minority interests in consolidated subsidiaries	111,019	119,478
Total net assets	1,084,012	1,429,266
Total liabilities and net assets	4,356,169	4,594,197

## (2) Consolidated Statements of Income

	(Unit : millions of yen)
	Third Quarter of FY2008 From April 1, 2008 to December 31, 2008
Net sales	6,082,426
Cost of sales	6,224,649
Gross loss on sales	(142,223)
Selling, general and administrative expenses	214,405
Operating loss	(356,628)
Non-operating income	
Interest and dividends income	24,497
Foreign exchange gain	6,343
Asset rental income	6,017
Equity in earnings of affiliates	5,268
Other	7,051
Total non-operating income	49,179
Non-operating expenses	
Interest expenses	22,166
Loss on valuation of derivatives	10,517
Other	11,171
Total non-operating expenses	43,854
Ordinary loss	(351,304)
Extraordinary income	
Gain on sales of noncurrent assets	12,442
Other	369
Total extraordinary income	12,811
Extraordinary losses	
Loss on sales and retirement of noncurrent assets	7,517
Impairment loss	8,405
Loss on revaluation of investments in securities	8,113
Other	5,224
Total extraordinary losses	29,261
Loss before income taxes and minority interests	(367,753)
Income taxes	(147,134)
Minority interests in earnings of consolidated subsidiaries	3,903
Net loss	(224,522)

## Explanatory Notes to Consolidated Financial Statements

## Consolidated Balance Sheets

	Third Quarter of FY2008 As of December 31, 2008	FY2007 As of March 31, 2008
	millions of yen	millions of yen
Merchandise and finished goods	341,616	447,024
Goods in process	121,440	94,713
Raw material and inventory goods	288,856	616,221
Accumulated depreciation and amortization	2,240,380	2,068,553
Allowance for doubtful accounts	8,940	9,635

## Consolidated Statement of Income

	Third Quarter of FY2008 From April 1, 2008 to December 31, 2008
	millions of yen
Carriage on goods	79,213
Labor cost	49,301

(Reference)

Financial statements of previous year

[Summary] Consolidated Statement of Income

	Third Quarter of FY2007 ( April 1, 2007 - December 31, 2007 )
	Millions of yen
Net sales	5,317,822
Cost of sales	4,890,254
Gross profit on sales	427,568
Selling, general and administrative expenses	204,062
Operating income	223,506
Non-operating income	51,116
Interest and dividends income	21,304
Asset rental income	7,416
Equity in earnings of unconsolidated subsidiaries and affiliates	2,572
Foreign exchange gain	8,612
Other	11,210
Non-operating expenses	30,041
Interest expenses	20,637
Other	9,403
Ordinary income	244,581
Extraordinary gains	18,321
Gain on sales of noncurrent assets	9,993
Other	8,328
Extraordinary losses	16,748
Loss on disposal and sales of noncurrent assets	7,553
Impairment loss	7,212
Other	1,983
Income before income taxes and minority interests	246,154
Income taxes	101,136
Minority interests in earnings of consolidated subsidiaries	9,313
Net income	135,703