



**4. Others** (for details, please refer to (Attachments) “2. Other information” on page 3)

(1) Change in major subsidiaries in the current quarter period: No

(Note) This indicates a change in designated subsidiaries resulting in a change in the scope of consolidation.

(2) Adoption of simplified accounting method and special accounting method: Yes

(Note) This indicates adoption of simplified accounting method and special accounting method for quarterly consolidated financial statements.

(3) Change in accounting principle/procedure and presentation for preparation

a. Changes with accounting standards revisions : Yes

b. Changes other than above : No

(Note) This indicates a change of accounting principle/procedure and presentation for preparation of quarterly consolidated financial statements which are reported in “Changes in significant accounting policies,” a part of the Quarterly Securities Report.

(4) Number of shares issued (Common Stock)

a. Number of shares issued at the end of period (includes treasury stock)

3Q 2011	565,182,000	shares	Full year 2010	565,182,000	shares
---------	-------------	--------	----------------	-------------	--------

b. Number of treasury stock at the end of period

3Q 2011	800,759	shares	Full year 2010	757,140	shares
---------	---------	--------	----------------	---------	--------

c. Average number of shares during the period

3QYTD 2011	564,391,685	shares	3Q YTD 2010	564,496,059	shares
------------	-------------	--------	-------------	-------------	--------

• **Review status of Quarterly Securities Report (*Shihanki-Houkokusho*) for the third quarter 2011**

This report is not required to be included and is not included in the scope of external audit quarterly review conducted pursuant to the Financial Instruments and Exchange Act of Japan. However, PricewaterhouseCoopers Aarata has separately completed their quarterly review of the quarterly consolidated financial statements included in “Financial information,” a part of the Quarterly Securities Report for the Third Quarter 2011. The auditor expressed the conclusion on November 11, 2011 that “nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries as of September 30, 2011, the results of their operations for the three-month period and the nine-month period then ended and their cash flows for the nine-month period then ended in conformity with accounting principles for quarterly consolidated financial statements generally accepted in Japan.”

• **Explanatory note on the use of projections / other notes**

This filing contains forward-looking statements based on projections and estimates that involve many variables. The Company operates in an extremely competitive business environment and in an industry characterized by rapid changes in supply-demand balance. Certain risks and uncertainties including, without limitation, general economic conditions in Japan and other countries, crude and product prices and the exchange rate between the yen and the U.S. dollar, could cause the Company’s results to differ materially from any projections and estimates presented.

For further information regarding the projections above, please refer to (Attachments) “1. Discussion of quarterly consolidated financial results (3) Discussion of projected consolidated operating results” on page 3.

**(Reference)**

**Projected non-consolidated operating results for 2011 (January 1, 2011 through December 31, 2011)**

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	2,650,000	10.8	211,000	577.3	214,000	266.4	128,000	184.6	226.79

(Note) Revision to the consolidated earnings forecast in the current quarter: Yes

(Attachments)

Table of contents of attachments

1. Discussion of quarterly consolidated financial results .....	2
(1) Discussion of consolidated operating results .....	2
(2) Discussion of consolidated financial condition .....	2
(3) Discussion of projected consolidated operating results .....	3
2. Other information .....	3
(1) Summary of change in major subsidiaries .....	3
(2) Summary of simplified accounting method and special accounting method .....	3
(3) Summary of change in accounting principles/procedures and presentation .....	3
(4) Business and other risks .....	4
(5) Issue to be addressed .....	4
3. Quarterly consolidated financial statements .....	5
(1) Quarterly consolidated balance sheet .....	5
(2) Quarterly consolidated statement of income .....	7
(3) Quarterly consolidated statement of cash flows .....	9
(4) Notes on assumption of going concern .....	10
(5) Segment information .....	10
(6) Notes on significant changes in the amount of shareholders' equity .....	11

## 1. Discussion of quarterly consolidated financial results

### (1) Discussion of consolidated operating results

Net sales for the third quarter year-to-date 2011 period totaled 1,980.7 billion yen, a 11.2% increase from the same period last year, primarily reflecting higher product prices partly offset by lower sales volume.

Operating income was 212.0 billion yen, up 170.7 billion yen from the same period last year, primarily due to the significant positive inventory-related effects driven by the inventory valuation method change from the last-in-first-out (LIFO) method which used to be applied until December 2010 to the weighted average cost (WAC) method applied beginning on January 1, 2011.

Ordinary income totaled 214.4 billion yen (up 171.3 billion yen) and net income was 127.4 billion yen (up 81.6 billion yen).

The results by Segments are as follows:

#### a. Oil segment

Oil segment income totaled 204.7 billion yen, a 165.7 billion yen increase from the same period last year. This includes positive inventory-related effects of 187.0 billion yen associated primarily with the inventory valuation method change from LIFO to WAC. Also, beginning this year, the Company has changed the timing of cost recognition for crude and feedstocks to arrival point from loading point.

Excluding inventory related effects and crude cost recognition timing effects as noted in the table below, adjusted segment income for the first nine-month period was 17.7 billion yen, a 4.0 billion yen decrease from the same period last year. Oil product margins were modestly lower, and sales volumes declined in part due to the decrease in industry demand and some unplanned refinery unit outages in the period. However, operating expenses were lower reflecting the company's continuous focus on costs.

Oil segment income compared with the same period last year

(Unit: billion yen)

	3QYTD 2011	3QYTD 2010	Difference
Segment income as reported	204.7	39.0	165.7
Inventory-related gains	187.0	13.3	173.7
Effect of difference in timing of crude cost accounting	-	4.0	(4.0)
Segment income excluding above special factors	17.7	21.7	(4.0)

#### b. Chemical segment

Chemical segment income totaled 7.3 billion yen, a 5.0 billion yen increase from the same period last year. This result includes the positive 2.0 billion yen inventory effects primarily associated with the LIFO-WAC change. Segment income without this effect was 5.3 billion yen, a 3.0 billion yen increase from 2.3 billion yen of the same period last year.

The primary factor in the improvement is the absence of last year's major turnaround at the Kawasaki plant.

### (2) Discussion of consolidated financial condition

#### a. Financial position

Total assets as of September 30, 2011 totaled 1,031.2 billion yen, a 124.4 billion yen increase from December 31, 2010, mainly attributable to the increases in inventory book value due to the valuation method change. Liabilities as of September 30, 2011 amounted to 677.0 billion yen, an 18.4 billion yen increase from December 31, 2010, which is mainly attributable to the significant increase in deferred tax liabilities included in other current/noncurrent liabilities associated with the inventory valuation method change. Partially offsetting were decreases in trade accounts payable and gasoline taxes payable. Total net assets as of September 30, 2011 amounted to 354.2 billion yen, a 106.0 billion yen increase from December 31, 2010, which is mainly attributable to the 127.4 billion yen of net income.

**b. Cash flows**

At the end of September 2011, the outstanding balance of cash and cash equivalent was 192 million yen, a decrease of 85 million yen versus 2010 year-end. Key factors influencing cash flows are summarized below.

In the third quarter year-to-date 2011 cash flows from operating activities were positive 54.8 billion yen versus a positive 67.1 billion yen in the same period last year.

Positive factors such as operating income and depreciation outweighed negative factors such as decreases in gasoline tax and other excise tax payables.

Cash flows from investing activities were negative 8.5 billion yen versus a negative 14.2 billion yen in the same period last year. The cash outflows were mainly for capital expenditures.

Cash flows from financing activities were negative 46.3 billion yen versus a negative 53.0 billion yen in the same period last year. Short-term loans receivable were increased as a result of increase in cash from operating activities.

**(3) Discussion of projected consolidated operating results**

The full-year earnings forecast for 2011 announced on August 12, 2011 has been revised downwards reflecting recent developments. The factors considered in the forecast for the revision include smaller inventory-related gains affected by the decrease in crude prices in yen term due to yen appreciation and weaker basic chemical margins than assumed in the previous forecast.

There is no change to the full-year dividend forecast of 38 yen per share.

Revision of consolidated earnings forecast figures for full-year 2011 (January 1 through December 31, 2011)

(Unit: million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (yen)
Revised forecast (A)	2,660,000	220,000	223,000	133,000	235.65
Previous forecast (B)	2,800,000	240,000	242,000	145,000	256.91
Difference (A-B)	(140,000)	(20,000)	(19,000)	(12,000)	—————
Increase/ (decrease) (%)	(5.0)	(8.3)	(7.9)	(8.3)	—————

**2. Other information****(1) Summary of change in major subsidiaries**

No items to report.

**(2) Summary of simplified accounting method and special accounting method**Simplified accounting methods**a. Provision for income taxes**

Income taxes are accrued to identify the amount of income taxes payable by applying the simplified method, where only material tax adjustment items are included in the calculation of the provision.

Both current and deferred income taxes are included in the consolidated statement of income line titled "Income taxes."

**b. Recoverability test of deferred tax assets**

The recoverability test of deferred tax assets is performed in the same way as at the prior year end, utilizing the same earnings forecast and tax planning bases, because there have been no significant changes in the business environment or in the balance of temporary differences.

**(3) Summary of change in accounting principles/procedures and presentation****a. Inventories**

In accordance with the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9 issued on September 26, 2008), the Company changed its inventory valuation method from LIFO to WAC (weighted average cost method) beginning in the first quarter period. Inventories during the current period are carried at the lower of net realizable value or cost, generally determined under the WAC method.

During the current period, the change in accounting method had a favorable 169,551 million yen impact on operating income, ordinary income, and income before incomes taxes and minority interests, respectively, compared to the results as measured under the previous LIFO method.

b. Asset Retirement Obligations

The Company adopted the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18 issued on March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21 issued on March 31, 2008) beginning in the first quarter period.

During the current period, this had an unfavorable 21 million yen impact on operating income and ordinary income, respectively, and an unfavorable 566 million yen impact on income before income taxes and minority interest.

c. Application of the “Accounting Standard for Equity Method of Accounting for Investments” and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”

The Company adopted the “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16 issued on March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (ASBJ Practical Issues Task Force (PITF) No. 24 issued on March 10, 2008) beginning in the first quarter period.

There is no earnings impact from this change.

d. Application of the “Accounting Standard for Consolidated Financial Statements”

The “Cabinet Office Ordinance on the Partial Amendments to the Regulation for Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No.5 issued on March 24, 2009) based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22 issued on December 26, 2008) has been applied beginning in the first quarter period.

The section “Income before minority interests” is newly presented accordingly.

**(4) Business and other risks**

No new business risks or other risks have arisen during the third quarter period.

There were no material changes to the business and other risks which were already reported in the first quarter report.

**(5) Issue to be addressed**

There were no material changes to the issues to be addressed by the Company during the third quarter period.

**3. Quarterly consolidated financial statements****(1) Quarterly consolidated balance sheet**

(Unit: Million yen)

	<b>3Q 2011</b> <b>(September 30, 2011)</b>	<b>2010 (Summary)</b> <b>(December 31, 2010)</b>
<b>Assets</b>		
Current assets		
Cash and deposits	192	278
Notes and accounts receivable-trade	366,282	414,435
Merchandise and finished goods	75,263	28,937
Semi-finished goods	67,871	25,512
Raw materials	149,899	67,520
Supplies	5,049	5,043
Short-term loans receivable	111,273	74,349
Other	8,361	21,438
Allowance for doubtful accounts	(44)	(44)
Total current assets	784,148	637,471
Noncurrent assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	47,016	55,263
Land	76,258	76,623
Other, net	54,030	56,073
Total property, plant and equipment	177,305	187,960
Intangible assets	4,141	4,302
Investments and other assets		
Investment securities	51,410	51,900
Other	14,533	25,507
Allowance for doubtful accounts	(295)	(295)
Total investments and other assets	65,648	77,112
Total noncurrent assets	247,095	269,375
Total assets	1,031,243	906,846

(Unit: Million yen)

	<b>3Q 2011</b> <b>(September 30, 2011)</b>	<b>2010 (Summary)</b> <b>(December 31, 2010)</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	268,467	280,210
Gasoline taxes payable	137,281	185,170
Short-term loans payable	61,860	49,029
Income taxes payable	27,323	498
Provision	2,883	1,978
Other	77,334	80,878
Total current liabilities	575,151	597,766
Noncurrent liabilities		
Long-term loans payable	2,584	3,985
Provision for retirement benefits	41,198	37,187
Provision for repairs	17,286	16,615
Other	40,773	2,996
Total noncurrent liabilities	101,842	60,784
Total liabilities	676,994	658,551
<b>Net assets</b>		
Shareholders' equity		
Capital stock	35,123	35,123
Capital surplus	20,742	20,741
Retained earnings	299,207	193,234
Treasury stock	(690)	(647)
Total shareholders' equity	354,382	248,451
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	28	5
Foreign currency translation adjustment	(161)	(161)
Total valuation and translation adjustments	(132)	(156)
Total net assets	354,249	248,295
Total liabilities and net assets	1,031,243	906,846

**(2) Quarterly consolidated statement of income**  
**Third quarter YTD period**

(Unit: Million yen)

	3Q YTD 2010 (January 1, 2010 through September 30, 2010)	3Q YTD 2011 (January 1, 2011 through September 30, 2011)
Net sales	1,780,605	1,980,738
Cost of sales	1,714,923	1,745,057
Gross profit	65,681	235,681
Selling, general and administrative expenses	24,453	23,726
Operating income	41,228	211,955
Non-operating income		
Interest income	85	102
Dividends income	80	85
Foreign exchange gains	1,234	1,656
Equity in earnings of affiliates	800	761
Other	47	72
Total non-operating income	2,248	2,678
Non-operating expenses		
Interest expenses	265	226
Other	96	34
Total non-operating expenses	361	261
Ordinary income	43,115	214,371
Extraordinary income		
Gain on sales of noncurrent assets	793	754
Gain on change in equity	20,174	-
Total extraordinary income	20,968	754
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	593	400
Impairment loss	838	43
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	545
Total extraordinary losses	1,432	989
Income before income taxes and minority interests	62,651	214,137
Income taxes	16,806	86,716
Income before minority interests	-	127,420
Net income	45,845	127,420

**Third quarter period**

(Unit: Million yen)

	3Q 2010 (July 1, 2010 through September 30, 2010)	3Q 2011 (July 1, 2011 through September 30, 2011)
Net sales	607,585	675,244
Cost of sales	571,544	672,826
Gross profit	36,041	2,417
Selling, general and administrative expenses	8,444	8,286
Operating income (loss)	27,597	(5,868)
Non-operating income		
Interest income	9	14
Dividends income	0	0
Foreign exchange gains	829	1,665
Other	28	13
Total non-operating income	867	1,693
Non-operating expenses		
Interest expenses	83	74
Equity in losses of affiliates	5	106
Other	47	19
Total non-operating expenses	136	201
Ordinary income (loss)	28,328	(4,375)
Extraordinary income		
Gain on sales of noncurrent assets	450	248
Total extraordinary income	450	248
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	329	277
Impairment loss	133	43
Total extraordinary losses	463	320
Income (loss) before income taxes and minority interests	28,315	(4,447)
Income taxes	11,057	(1,875)
Loss before minority interests	–	(2,571)
Net income (loss)	17,257	(2,571)

**(3) Quarterly consolidated statement of cash flows**

(Unit: Million yen)

	<b>3Q YTD 2010</b> <b>(January 1, 2010</b> <b>through September 30, 2010)</b>	<b>3Q YTD 2011</b> <b>(January 1, 2011</b> <b>through September 30, 2011)</b>
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	62,651	214,137
Depreciation and amortization	20,178	19,735
Equity in (earnings) losses of affiliates	(800)	(761)
Impairment loss	838	43
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	545
Increase (decrease) in provision for retirement benefits	2,838	4,011
Increase (decrease) in provision for repairs	(690)	670
Interest and dividends income	(165)	(188)
Interest expenses	265	226
Loss (gain) on change in equity	(20,174)	–
Loss (gain) on sales and retirement of noncurrent assets	(199)	(353)
Decrease (increase) in notes and accounts receivable-trade	57,602	48,153
Decrease (increase) in inventories	(221)	(171,069)
Increase (decrease) in notes and accounts payable-trade	(40,799)	(11,742)
Decrease (increase) in accounts receivable-other	(433)	146
Increase (decrease) in accounts payable-other	(42,217)	(60,331)
Other, net	31,736	4,911
Subtotal	70,407	48,135
Interest and dividends income received	155	1,208
Interest expenses paid	(297)	(236)
Payments for early extra retirement payments	(238)	(0)
Income taxes refund	181	7,206
Income taxes paid	(3,123)	(1,533)
Net cash provided by (used in) operating activities	67,085	54,779
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(15,316)	(9,357)
Proceeds from sales of property, plant and equipment	1,194	1,075
Purchase of intangible assets	(167)	(326)
Payments of long-term loans receivable	–	(7)
Collection of long-term loans receivable	87	100
Net cash provided by (used in) investing activities	(14,201)	(8,516)
Net cash provided by (used in) financing activities		
Net decrease (increase) in short-term loans receivable	3,038	(36,924)
Net increase (decrease) in short-term loans payable	(33,767)	12,831
Repayment of long-term loans payable	(1,401)	(1,401)
Purchase of treasury stock	(84)	(49)
Proceeds from sales of treasury stock	16	7
Cash dividends paid	(20,804)	(20,812)
Net cash provided by (used in) financing activities	(53,001)	(46,348)
Effect of exchange rate change on cash and cash equivalents	(11)	–
Net increase (decrease) in cash and cash equivalents	(128)	(85)
Cash and cash equivalents at beginning of period	789	278
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(479)	–
Cash and cash equivalents at end of period	182	192

**(4) Notes on assumption of going concern**

No items to report.

**(5) Segment information****a. Information by business line****Third quarter 2010 period (July 1, 2010 through September 30, 2010)**

(Unit: Million yen)

	Oil	Chemical	Total	Eliminations	Consolidated
Net sales					
(1) Sales to third parties	568,184	39,401	607,585	–	607,585
(2) Internal transactions	37,781	4,857	42,638	(42,638)	–
Total	605,966	44,258	650,224	(42,638)	607,585
Operating income (loss)	33,114	(5,517)	27,597	–	27,597

**Third quarter YTD 2010 period (January 1, 2010 through September 30, 2010)**

(Unit: Million yen)

	Oil	Chemical	Total	Eliminations	Consolidated
Net sales					
(1) Sales to third parties	1,617,049	163,556	1,780,605	–	1,780,605
(2) Internal transactions	150,087	22,030	172,117	(172,117)	–
Total	1,767,136	185,586	1,952,723	(172,117)	1,780,605
Operating income	38,957	2,271	41,228	–	41,228

(Note) 1. Classification by business line is based on the internal control procedure the Company has adopted.

2. The major products of each business line:

- (1) Oil: Gasoline, Naphtha, Jet Fuel, Kerosene, Diesel Fuel, Fuel Oils, Lubricants, LPG, Construction Management, etc.
- (2) Chemical: Ethylene, Propylene, Benzene, Toluene, Paraxylene, Battery Separator Film, etc.

**b. Segment information by geographic area****Third quarter 2010 period (July 1, 2010 through September 30, 2010)**

The information is omitted, because there is no subsidiary or branch in foreign countries.

**Third quarter YTD 2010 period (January 1, 2010 through September 30, 2010)**

The information is omitted, because over 90% of total net sales originated in Japan.

**c. Overseas sales****Third quarter 2010 period (July 1, 2010 through September 30, 2010)**

I.	Overseas sales	(Million yen)	62,973
II.	Consolidated net sales	(Million yen)	607,585
III.	Percentage of (I) vs. (II)	(%)	10.4

**Third quarter YTD 2010 period (January 1, 2010 through September 30, 2010)**

The information is omitted, because overseas sales are less than 10% of consolidated net sales.

**d. Segment information**

## 1. Overview of reportable segments

The business segments of the Company's group are the functional segments for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors of the Company to make decisions about resources to be allocated to the segment and assess its performance.

"Oil segment" and "Chemical segment" are identified as reportable segments in accordance with the nature of the operations undertaken and products sold by the Company's group. The Oil segment is organized and operates to manufacture and sell petroleum products, and the Chemical segment is organized and operates to manufacture and sell petrochemical products.

The major products or services by each segment are as follows:

- (1) Oil: Gasoline, Naphtha, Jet Fuel, Kerosene, Diesel Fuel, Fuel Oils, Lubricants, LPG, Construction Management, etc.
- (2) Chemical: Ethylene, Propylene, Benzene, Toluene, Paraxylene, etc.

## 2. Net sales and Segment income by reportable segments

**Third quarter YTD 2011 period (January 1, 2011 through September 30, 2011)**

(Unit: Million yen)

	Oil	Chemical	Total
Net sales			
(1) Sales to third parties	1,788,345	192,393	1,980,738
(2) Internal transactions	178,597	25,617	204,214
Total	1,966,942	218,010	2,184,953
Segment income	204,670	7,284	211,955

(Note) Total segment income is the same as operating income in the quarterly consolidated statement of income.

**Third quarter 2011 period (July 1, 2011 through September 30, 2011)**

(Unit: Million yen)

	Oil	Chemical	Total
Net sales			
(1) Sales to third parties	612,243	63,001	675,244
(2) Internal transactions	61,384	8,813	70,198
Total	673,627	71,815	745,443
Segment loss	(3,457)	(2,411)	(5,868)

(Note) Total segment loss is the same as operating loss in the quarterly consolidated statement of income.

## &lt;Additional information&gt;

The "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17 issued on March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20 issued on March 21, 2008) have been applied beginning in the first quarter period.

**(6) Notes on significant changes in the amount of shareholders' equity**

No items to report.