NIPPON OIL CORPORATION
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FASF MEMBERSHIP

FLASH REPORT (CONSOLIDATED BASIS)

May 20, 2004

Company name : Nippon Oil Corporation
Stock listings: Tokyo, Osaka, Nagoya, Fukuoka, and Sapporo Exchanges
Code number: 5001
(URL http://www.eneos.co.jp)
President and Representative Director(CEO): Fumiaki Watari
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Date for Convening the Board of Directors Meeting for the Settlement of Accounts: May 20, 2004
U.S. accounting standard: not applied

1. Results for Year ended March 31, 2004 (from April 1, 2003 to March 31, 2004)
(Figures less than ¥1 million have been omitted)

(1)Operating results

	Net Sales (% change from the previous fiscal year)	Operating income (% change from the previous fiscal year)	Recurring income (% change from the previous fiscal year)
	Millions of yen	Millions of yen	Millions of yen
Fiscal 2004	4,279,751 (2.2)	55,918 (△42.1)	57,089 (△37.1)
Fiscal 2003	4,187,392 (6.0)	96,586 (28.4)	90,796 (27.8)

	Net income (% change from the previous fiscal year)	Net income per share	Net income per share after dilution	Return on equity	Ratio of recurring income to total assets	Ratio of recurring income to net sales
	Millions of yen	Yen	Yen	%	%	%
Fiscal 2004	△ 133,526 (−)	△88.76	−	△15.2	1.7	1.3
Fiscal 2003	32,281 (34.5)	21.03	20.76	3.5	2.7	2.2

Notes: 1.Equity in earnings (losses) of unconsolidated subsidiaries and affiliates:
Year ended March 31, 2004: ¥2,357 million
Year ended March 31, 2003: ¥2,108 million
2.Average number of shares outstanding during fiscal years
Year ended March 31, 2004: 1,508,930,524
Year ended March 31, 2003: 1,510,645,090
3.There was a 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
Fiscal 2004	3,265,503	821,202	25.1	544.04
Fiscal 2003	3,350,237	929,987	27.8	615.89

Notes: Number of shares outstanding at the end of the period
Year ended March 31, 2004: 1,508,659,792
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
Fiscal 2004	279,969	△79,060	△139,309	174,535
Fiscal 2003	△49,549	△16,170	△55,948	109,638

(4)Number of subsidiaries and affiliates

Consolidated subsidiaries: 55, Unconsolidated subsidiaries accounted for by the equity method: 10, Affiliates accounted for by the equity method: 30

(5)Changes in the scope of consolidation

Two affiliates were included into consolidated subsidiaries.
Four existing consolidated subsidiaries were excluded.
Nine affiliates were included into affiliates accounted for by the equity method.
No existing affiliate accounted for by the equity method was excluded.

2. Forecast for fiscal 2005 (April 1, 2004 to March 31,2005)

	Net Sales	Recurring income	Net income
	Millions of yen	Millions of yen	Millions of yen
Interim period	1,970,000	44,000	30,000
Fiscal year	4,190,000	125,000	76,000

(Reference) Consolidated net income per share for the fiscal year is forecast to be ￥50.11

* 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. Further information related to these performance forecasts and targets may be found on page 8 of the accompanying supplementary

Management Performance and Financial Position

(1) Management Performance

Review of Operations for the Fiscal Year

During the fiscal year ended March 31, 2004, the U.S. economy acted as a locomotive in strengthening the trend of recovery in the global economy. Against this backdrop, the Japanese economy began showing signs of recovery toward the end of the year, reflecting such trends as the growing firmness of personal consumption, and a rise in exports to China and other Asian countries that was accompanied by growth in corporate capital investment.

Petroleum Fuel and Crude Oil

Overall demand for oil products in Japan was below the level in the previous fiscal year. Gasoline demand was up somewhat, and, during the first half of the year, a delay in the restart of power generation at certain nuclear plants led to a large surge in demand for heavy fuel oil C for thermal power generation plants. However, unseasonably warm winter weather depressed kerosene demand, while such factors as the progressive rationalization of distribution operations caused a fall in demand for diesel fuel.

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

Regarding oil and gas development projects, in November 2003, commercial production commenced at the Helang Gas Field offshore Sarawak, Malaysia, for which an NOC Group company is the operator. As a result, NOC became the first Japanese company to establish integrated gas operations ranging from exploration and development through LNG production and sales.

With respect to refining, NOC has developed a new technology called ROKFiner that markedly reduces the sulfur content of gasoline. Aiming to commercialize this technology, the Company is proceeding with the construction of a demonstration plant at its Sendai Refinery that is scheduled to begin operating in autumn 2004.

In marketing operations, NOC progressively expanded the marketing region for ENEOS VIGO, a sulfur-free (10ppm or less) environment-friendly premium gasoline product, and this product has been marketed throughout Japan since November 2003. The company also proceeded with the upgrading of service stations into Dr. Drive facilities offering a broad range of services and products, and the number of such facilities stood at approximately 2,000 at the end of the fiscal year.

In line with its goal of creating new energy businesses, NOC steady advanced with the development of electric power supply operations, as reflected in the June 2003 launch of independent power producer (IPP) operations at the Company's Negishi Refinery as well as the start of retail sales of electricity from that refinery's power generation facilities. Regarding fuel cells, NOC completed the development of an 1kW-class household fuel cell system that utilizes liquefied petroleum gas (LPG) as a fuel as well as a 10kW commercial-use fuel cell system that uses kerosene as a fuel. NOC is looking toward the early commercialization of this system, and monitor tests are currently in progress.

NOC's consolidated net sales for the fiscal year under review in the petroleum fuel and crude oil business segment edged up 0.2% from the previous year, to ¥3,606.4 billion. Profitability was positively affected by a rise in the volume of sales to electric power companies, an improvement in fuel oil profit margins, and an increase in profit from oil and natural gas development operations. However, operating income declined ¥39.3 billion, to ¥33.7 billion, owing to such factors as a temporary refinery shutdowns and an increase in the cost of sales that reflected the use of the gross average method for inventory valuation.

Petrochemical Operations

Against the backdrop of rising naphtha prices, the petrochemical industry benefited from a continued recovery in domestic demand and a surge in exports that reflected robust demand in China and other Asian countries. These benefits and the results of rationalization programs supported improvement in the performance of petrochemical companies.

Amid these developments, the NOC Group worked to promote sales and set prices at levels that are appropriate in light of current raw materials prices.

The Group also took thorough cost reduction and operational rationalization measures, worked to increase the cost-competitiveness of its commodity products operations by coordinating them more closely 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 rose 12.7% from the previous year, to ¥247.9 billion. In addition, although naphtha prices rose, overall market conditions were favorable, and the volume of sales of such products as ethylene and propylene increased. This trend and the results of the Company's cost-cutting and efficiency-raising measures boosted operating income ¥3.0 billion, to ¥8.7 billion.

Construction

Despite signs of recovery in private capital investment, Japan's road building and construction industries continued to operate in a harsh environment for winning new orders as public investment remained weak owing to a substantial reduction in the annual public works budget. Against this backdrop, the NOC Group proactively worked to win orders for construction work.

Consolidated net sales in NOC's construction segment rose 16.3%, to ¥353.6 billion. Despite the implementation of cost-cutting and efficiency-boosting measures, however, a drop in profit margins attributable to intensifying competition depressed operating income ¥2.5 billion, to ¥5.5 billion, compared with the previous year.

Other

As conditions for petroleum product distribution operations have become severer, NOC has proactively expanded its marketing of a wide array of automobile-related products, focusing especially on ENEOS brand goods. In its real estate operations, NOC has faced challenges associated with the completion of major office building projects, which have placed a considerable volume of new office space on the market, increased vacancy rates, intensified competition for tenants, and thereby depressed office rental prices. However, the Company has worked effectively to overcome those challenges by upgrading its administration and service systems as well as improving facilities so that it can supply higher-quality office environments.

Consolidated net sales in the other business segment grew 12.4%, to ¥71.8 billion. Despite cost reductions and efforts to improve the efficiency of operations, however, a decrease in revenue from real estate operations and other factors caused operating income to decline ¥1.4 billion, to ¥4.9 billion.

Consolidated Financial Results

On a consolidated basis, net sales of the NOC Group were up 2.2%, to ¥4,279.8 billion. Operating income declined ¥40.7 billion, to ¥55.9 billion, owing to the temporary shutdown of two refineries and an increase in the cost of sales associated with the use of the gross average method for inventory valuation, which offset the benefits of the rise in profit margins and the implementation of cost-cutting and efficiency-boosting measures.

In line with its second consolidated medium-term management plan, the Company has set the target of implementing cost reductions and operational streamlining measures during the three years that reduce annual costs by ¥100.0 billion over the three-year period through March 2005. During the first two years of this period, the Company has reduced costs ¥64.9 billion.

The balance of nonoperating income and expenses rose ¥7.0 billion to income of ¥1.2 billion. This reflected such factors as a drop in interest expense owing to declines in interest rates and in the Company’s balance of interest-bearing debt.

Consequently, recurring income amounted to ¥57.1 billion. In real terms excluding the effect of inventory factors, recurring income would have been ¥81.3 billion and advanced ¥38.6 billion.

The balance of extraordinary income and expenses was an expense of ¥206.8 billion. This resulted from such factors as the Company's autonomous decision to apply accounting standards for the impairment of fixed assets before such application was legally required with the goal of expeditiously increasing the soundness of its balance sheet, which led to ¥171.5 billion in special losses, and a voluntary early retirement program, which necessitated the provision of an additional ¥12.1 billion in special allowance for early retirement plans.

Thus, a net loss of ¥133.5 billion was recorded, compared with net income of ¥32.3 billion in the previous year. This was primarily owing to extraordinary expenses greatly exceeding the value of operating income.

Based on the consideration of this performance and other factors, NOC declared a year-end cash dividend of ¥4 per share.

Outlook for the Current Fiscal Year

The fiscal year ending March 31, 2005, is the final year of NOC's second consolidated medium-term management plan, and all NOC Group units will work concertedly to attain the targets of the plan, which include increasing ROE to 6.5% and reducing the balance of interest-bearing debt to ¥900 billion.

NOC projects consolidated net sales of ¥4,190.0 billion (non-consolidated net sales of ¥3,270.0 billion), down 2.1%. This reflects the prospect of a decline in petroleum product sales volume owing to a decrease in sales to power companies.

Reflecting the benefits of cost-cutting and efficiency-raising measures along with a recovery from the impact of the temporary shutdown of the refineries seen during the period under review, consolidated recurring income is projected to surge to ¥125.0 billion (non-consolidated recurring income of ¥41.0 billion), and the value of adjusted consolidated recurring income which excludes the effect of inventory factors is projected to be ¥130.0 billion.

Thus, the Company anticipates consolidated net income of ¥76.0 billion (non-consolidated net income of ¥31.0 billion). This projected level of net income would boost NOC's ROE to 8.9% and enable the Company to attain a key performance target of the second consolidated medium-term management plan.

Please note that these forecasts assume an average crude oil price of US$29.70 a barrel and an average exchange rate of ¥105 to one U.S. dollar.

(2) Financial Position

Balance Sheets

At the balance-sheet date, consolidated total assets amounted to ¥3,265.5 billion, down ¥84.7 billion from the level at the previous fiscal year-end. This balance was increased by such factors as a rise in the level of stock prices that increased latent gains on cross-stockholdings and the effect of the last day of the fiscal year falling on a Japanese national holiday, which caused the payment of excise taxes payable for the fiscal year to be delayed until after the start of the next fiscal year. However, these effects were more than offset by the accelerated application of accounting standards for fixed asset impairment and a ¥118.0 billion drop in the balance of interest-bearing debt, from ¥1,064.0 billion to ¥946.0 billion. The second consolidated medium-term management plan calls for further reducing the balance of interest-bearing debt by ¥200.0 billion over three years; the balance has already been reduced ¥143.0 billion in the first two of those years.

Consolidated shareholders' equity amounted to ¥821.2 billion, down ¥108.8 billion from the level at the previous fiscal year-end. Despite a rise in net unrealized gains on securities, shareholders' equity decreased due to the effect of the net loss on retained earnings. As a result, the shareholders' equity ratio was 25.1%.

Cash Flows

Consolidated cash and cash equivalents (hereinafter, cash) at the end of the fiscal year under review amounted to ¥174.5 billion, representing a rise of ¥64.9 billion from the end of the previous fiscal year. The factors influencing cash flows were as follows:

Cash provided by operating activities climbed to ¥280.0 billion as the ¥149.7 billion net loss before tax adjustments was offset by such non-cash items as ¥107.0 billion in depreciation, a ¥171.5 billion loss on the impairment of fixed assets, and ¥12.1 billion in special allowance for early retirement plans. These factors considerably boosted the cash provided by operating activities. In addition, the delay to the subsequent fiscal year of payment of gasoline and other taxes created a temporary rise in the level of cash provided by operating activities.

Cash used in investing activities decreased to ¥79.1 billion and was mainly due to capital investments in IPP facilities at refineries and petroleum marketing facilities.

Cash used in financing activities fell to ¥139.3 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 March 31, 2004
Shareholders' equity ratio (%)	22.6	26.8	27.8	25.1
Ratio of market capitalization to total assets (%)	23.1	26.9	22.5	27.5
Years needed to retire debt (years)	6.1	5.6	—*	3.4
Interest coverage ratio (times)	5.1	5.7	—*	13.3

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 fiscal year March 31, 2003		Year ended March 31, 2004		Change from the previous
	Millions of yen	%	Millions of yen	%	Millions of yen
Assets					
Current assets	1,329,230	39.7%	1,395,336	42.7%	66,105
Cash and cash time deposits	116,385		178,846		62,460
Trade notes and accounts receivable	592,178		578,850		△ 13,327
Short-term investments in securities	14,042		3,009		△ 11,032
Inventories	479,131		498,857		19,725
Deferred income taxes	27,969		41,543		13,573
Other current assets	99,523		94,228		△ 5,295
Fixed assets	2,020,971	60.3%	1,870,137	57.3%	△ 150,834
Property, plant and equipment	1,542,904		1,385,774		△ 157,130
Buildings and Structures	(301,249)		(282,455)		(△ 18,793)
Oil tanks・Machinery and equipment・Other	(293,828)		(340,024)		(46,195)
Land	(864,025)		(701,519)		(△ 162,505)
Construction in progress	(83,801)		(61,774)		(△ 22,026)
Intangible fixed assets	59,293		56,396		△ 2,896
Investments and other assets	418,774		427,967		9,193
Investment securities	(250,821)		(291,003)		(40,181)
Deferred income taxes	(37,554)		(24,426)		(△ 13,127)
Other investment and assets	(130,398)		(112,537)		(△ 17,860)
Deferred assets	34	0.0%	29	0.0%	△ 5
Bond issuance expenses and other	34		29		△ 5
Total assets	3,350,237	100.0%	3,265,503	100.0%	△ 84,734

CONSOLIDATED BALANCE SHEETS

	Previous fiscal year March 31, 2003		Year ended March 31, 2004		Change from the previous fiscal year
	Millions of yen	%	Millions of yen	%	Millions of yen
Liabilities					
Current liabilities	1,388,397	41.4%	1,433,424	43.9%	45,026
Trade notes and accounts payable	354,463		347,401		△ 7,062
Short-term loans	254,201		175,119		△ 79,081
Commercial paper	131,000		121,000		△ 10,000
Accounts payable	399,475		521,350		121,875
Other current liabilities	249,256		268,551		19,295
Long-term liabilities	920,879	27.5%	909,763	27.9%	△ 11,116
Bonds	212,045		231,968		19,923
Convertible bonds	69,628		—		△ 69,628
Long-term loans	372,851		398,556		25,705
Deferred income taxes	77,735		78,013		277
Retirement allowances for employees	103,186		111,725		8,539
Other long-term liabilities	85,432		89,498		4,066
Total liabilities	2,309,276	68.9%	2,343,187	71.8%	33,910
Minority interests in consolidated subsidiaries	110,973	3.3%	101,113	3.1%	△ 9,859
Shareholders' equity					
Common stock	139,436	4.2%	139,436	4.3%	—
Capital surplus	274,829	8.2%	274,838	8.4%	8
Retained earnings	513,199	15.3%	371,471	11.4%	△ 141,728
Net unrealized gain on securities	11,907	0.4%	46,766	1.4%	34,859
Translation adjustments	△ 6,546	△0.2%	△ 8,123	△ 0.3%	△ 1,576
Less treasury common stock, at cost	△ 2,839	△0.1%	△ 3,186	△ 0.1%	△ 347
Total shareholders' equity	929,987	27.8%	821,202	25.1%	△ 108,784
Total liabilities, minority interest, and shareholders' equity	3,350,237	100.0%	3,265,503	100.0%	△ 84,734

CONSOLIDATED STATEMENTS OF INCOME

	Previous fiscal year April 1 ,2002 ～ March 31, 2003	Year ended April 1 ,2003～ March 31, 2004	Change from the previous fiscal year
	Millions of yen	Millions of yen	Millions of yen
Net sales	4,187,392	4,279,751	92,358
Cost of sales	△ 3,785,291	△ 3,928,505	△ 143,213
Selling, general and administrative expenses	△ 305,514	△ 295,328	10,186
Operating income	96,586	55,918	△ 40,668
Non-operating profits and expenses			
Non-operating profits	29,110	28,991	△ 118
Interest and dividend income	(6,317)	(5,380)	(△ 937)
Foreign exchange gains	(－)	(635)	(635)
Equity in earnings of unconsolidated subsidiaries and affiliates	(2,108)	(2,357)	(248)
Other	(20,683)	(20,618)	(△ 64)
Non-operating expenses	△ 34,900	△ 27,820	7,080
Interest	(△ 26,329)	(△ 20,829)	(5,499)
Expenses for bonds	(△ 744)	(△ 359)	(385)
Foreign exchange losses	(△ 775)	(－)	(775)
Other	(△ 7,052)	(△ 6,631)	(420)
Recurring income	90,796	57,089	△ 33,706
Special gains	18,122	19,399	1,277
Special losses	△ 44,715	△ 226,162	△ 181,446
Income before income taxes and minority interests	64,203	△ 149,672	△ 213,875
Income taxes	△ 18,692	△ 14,925	3,766
Deferred income taxes	△ 7,649	22,780	30,429
Minority interests in earnings of consolidated subsidiaries	△ 5,580	8,291	13,872
Net income	32,281	△ 133,526	△ 165,807

APPROPRIATION OF CONSOLIDATED RETAINED EARNINGS

	Previous fiscal year April 1 ,2002 ～ March 31, 2003	Year ended April 1 ,2003 ～ March 31, 2004
	Millions of yen	Millions of yen
Capital reserve		
Ⅰ. Balance at beginning of the period	274,829	274,829
Ⅱ. Increase in Capital reserve	－	8
Gains from mergers	(－)	(8)
Ⅲ. Balance at end of the period	274,829	274,838
Retained earnings		
Ⅰ. Balance at beginning of the period	492,236	513,199
Ⅱ. Increase in retained earnings	32,338	2,956
Net income	(32,281)	(－)
Increase due to increase in companies accounted by the equity method	(－)	(2,956)
Increase due to decrease in companies accounted by the equity method	(57)	(－)
Ⅲ. Appropriations of retained earnings	11,375	144,685
Net loss	(－)	(133,526)
Cash dividends	(10,595)	(10,579)
Directors' bonuses	(614)	(509)
Write-off of shares held in a merged company	(－)	(67)
Net loss on retirement of treasury stock	(－)	(2)
Decrease due to increase in companies accounted by the equity method	(165)	(－)
Ⅳ. Retained earnings at end of the period	513,199	371,471

Segment Information

Business Segment

Year ended March 31, 2003 （April 1 ,2002 ～March 31, 2003）

	Petroleum fuel and crude oil	Petrochemical	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
Ⅰ 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
Ⅱ Assets, Depreciation and Capital expenditures							
Assets	2,861,159	172,298	328,492	151,475	3,513,425	(163,188)	3,350,237
Depreciation	81,824	6,127	5,131	6,538	99,621	(262)	99,358
Capital expenditures	112,817	4,774	10,047	6,616	134,256	－	134,256

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

Year ended March 31, 2004 （April 1 ,2003 ～March 31, 2004）

	Petroleum fuel and crude oil	Petrochemical	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	3,606,365	247,927	353,636	71,822	4,279,751		4,279,751
（2） Intergroup sales and transfers	170,345	19,842	741	13,840	204,769	(204,769)	－
Total sales	3,776,710	267,769	354,378	85,662	4,484,521	(204,769)	4,279,751
Operating expenses	3,743,048	259,089	348,905	80,792	4,431,835	(208,002)	4,223,833
Operating income (loss)	33,662	8,680	5,472	4,870	52,686	3,232	55,918
Ⅱ Assets, Depreciation and Capital expenditures							
Assets	2,775,163	167,181	360,087	145,844	3,448,276	(182,773)	3,265,503
Depreciation	87,733	6,771	5,456	7,092	107,054	(9)	107,045
Losses on revaluation	149,414	－	16,701	5,365	171,482	－	171,482
Capital expenditures	102,676	10,234	7,392	11,153	131,457	－	131,457

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