

Report on Performance in the Six Months Ended September 30, 2005

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November 7, 2005



NIPPON OIL
Your Choice of Energy

Outline of Today's Presentation

- 1. Review of Operations for the FY06 1st Half**
<'05/4~'05/9>
- 2. FY06 Forecast**
<'05/4~'06/3>
- 3. Performance during the FY06 1st Half**
<'05/4~'05/9>

Shigeo Hirai

**Director, Senior Vice President,
Executive Director of the Corporate Management Division I**

1. Review of Operations for the FY06 1st Half

<'05/4~'05/9>

〈Highlights of Consolidated Income (FY06 1st Half)〉

<'05/4~'05/9>

		FY05 1H ('04/4-'04/9)	Change	FY06 1H ('05/4-'05/9)	Change	FY06 1H ('05/4-'05/9) <small>(Announced in Aug.)</small>
Crude oil price	(\$/Bbl)	35.2	+16.6	51.8	+1.4	50.4
Yen/dollar exchange rate	(¥/\$)	109.5	-0.7	108.8	+0.2	108.6
Domestic fuel oil sales, including crude oil	(10,000kl)	2,660	+39	2,699	+79	2,620
						(¥billion)
Net sales		2,257.7	+443.3	2,701.0	+71.0	2,630.0
Operating income		90.2	+55.3	145.5	+12.5	133.0
Non-operating income and loss, net		3.8	+0.8	4.6	+3.6	1.0
Recurring income <small>(Excluding inventory valuation factors)</small>		94.0 (38.9)	+56.1 (-1.3)	150.1 (37.6)	+16.1 (-3.4)	134.0 (41.0)
Extraordinary income and loss, net		2.8	-5.6	-2.8	-2.8	0.0
Net income		58.0	+23.9	81.9	+7.9	74.0

< Analysis of Changes in Operating Income by Operating Segment (YoY) (FY06 1st Half) >

<'05/4~'05/9>

< Operating Income > ¥90.2 billion ⇒ ¥145.5 billion (+¥55.3 billion)

	(¥ billion)
1. Refining and Marketing (Petroleum fuel and crude oil, petrochemical operations)	+ 32.0
(1) Inventory valuation factors (55.1 → 112.5)	+ 57.4
(2) Increase in sales volume	+ 1.0
(3) Higher cost due to in-house fuel use	-10.1
(4) Time lag ^{*1}	-8.3
(5) Cost reductions and increases in efficiency (Increase in expenses)	-2.3
(6) Profit margin and others	-5.7
2. E&P of Oil and Natural Gas	+ 22.5
(1) Increase in sales volume	+ 10.9
(2) Increase in price	+ 10.8
(3) Effect of purchasing of E&P ^{*2} project company shares held by JNOC ^{*3}	+ 0.8
3. Construction and Other	+ 0.8
(1) Cost reductions and increases in efficiency (Increase in expenses)	-0.1
(2) Profit margin and others	+ 0.9

*1 Time lag between the cost increase and selling prices

*2 Exploration and production

*3 Japan National Oil Corporation

2. Forecast for FY06 ('05/4-'06/3)

<Forecast for Consolidated Income (FY06)>

<'05/4~'06/3>

	FY05 (('04/4-'05/3))	Change	FY06 (('05/4-'06/3) Forecast	Change	FY06 (('05/4-'06/3) Forecast <small>(Announced in Aug.)</small>
Crude oil price (\$/Bbl)	36.7	+15.7	52.4	+4.5	47.9
Yen/dollar exchange rate (¥/\$)	107.5	+2.5	110.0	+3.3	106.7
Domestic fuel oil sales, including crude oil (10,000kl)	5,753	-133	5,620	+100	5,520
	(¥billion)				
Net sales	4,924.2	+835.8	5,760.0	+360.0	5,400.0
Operating income	201.5	+21.5	223.0	+34.0	189.0
Non-operating income and loss, net	10.9	-3.9	7.0	+4.0	3.0
Recurring income (Excluding inventory valuation factors)	212.4 (151.7)	+17.6 (-11.7)	230.0 (140.0)	+38.0 (-10.0)	192.0 (150.0)
Extraordinary income and loss, net	8.6	-7.6	1.0	+1.0	0.0
Net income	131.5	-10.5	121.0	+21.0	100.0
Consolidated ROE (%)	14.8	-2.8	12.0	+1.7	10.3

(2H)
53.0

(2H)
111.0

<Forecast Net Sales and Operating Income by Operating Segment (FY06)>

<'05/4~'06/3>

(1) Net sales

(¥ billion)

Total 5,760.0 (+835.8)					
Refining and Marketing		E&P of Oil and Natural Gas	Construction	Other	
Petroleum fuel and crude oil	Petrochemical operations				
4,740.0 (+677.4)	410.0 (+51.7)	5,150.0 (+729.1)	170.0 (+102.3)	370.0 (+10.5)	70.0 (-6.1)

Note: Figures in parentheses are YoY changes.

(2) Operating income

(¥ billion)

Total 223.0 (+21.5)					
Refining and Marketing		E&P of Oil and Natural Gas	Construction	Other	
Petroleum fuel and crude oil	Petrochemical operations				
88.0 (-12.8)	38.8 (-21.4)	126.8 (-34.2)	82.5 (+55.4)	7.0 (+0.3)	6.7 (±0.0)

Note: Figures in parentheses are YoY changes.

< Forecast Analysis of Changes in Operating Income by Operating Segment (YoY) (FY06) > <'05/4~'06/3>

< Operating Income > ¥201.5 billion ⇒ ¥223.0 billion (¥ +21.5 billion)

	(¥ billion)
1. Refining and Marketing (Petroleum fuel and crude oil, petrochemical opera	-34.2
(1) Inventory valuation factors (60.7→90.0)	+ 29.3
(2) Increase in sales volume	+ 3.1
(3) Higher cost due to in-house fuel use	-24.5
(4) Time lag ^{*1}	-5.6
(5) Cost reductions and increases in efficiency (Increase in expenses)	-8.8
(6) Profit margin and others	-27.7
2. E&P of Oil and Natural Gas	+ 55.4
(1) Increase in sales volume	+ 28.4
(2) Increase in price	+ 15.6
(3) Effect of purchasing of E&P ^{*2} project company shares held by JNOC ^{*3}	+ 11.4
3. Construction and Other	+ 0.3
(1) Cost reductions and increases in efficiency (Decrease in expenses)	+ 1.4
(2) Profit margin and others	-1.1

*1 Time lag between the cost increase and selling prices

*2 Exploration and production

*3 Japan National Oil Corporation

3. Performance during the FY06 1st Half <'05/4~'05/9>

(1) Oil Refining and Marketing, Petrochemical Business (CRI Business)

■ Third Medium-Term Consolidated Management Plan

- (1) Upgrade CRI* to make most effective use of refining capacity
- (2) Further pursuit of a transition from “volume to quality”

NOC production capacity (thousand ton / year)

	FY05	FY06-08	FY11 (Target)
Propylene	600	800	1,000
Paraxylene	1,000	1,400	2,000

*CRI: Chemical refinery integration for refining and petrochemical operations

■ Performance during the first half of FY2006 (05/4-05/9)

- (1) Increase value-added at the Sendai Refinery
 - a. Construction of new capacity for xylene, propylene, and other products expected to show growth
(Operations scheduled to begin in FY2008 (07/4-08/3))
⇒ Increases in capacity: Xylene, 300,000 tons/year; Propylene, 100,000 tons/year; Benzene, 60,000 tons/year
 - b. Installation of high-efficiency electric power generation facilities using off-gas
(Operations scheduled to begin in FY2008 (07/4-08/3))
- (2) Alliance with Mitsubishi Gas Chemical in the paraxylene business (April 2006)
Joint investment with Mizushima Paraxylene (NOC's share: 51%)
⇒ NOC's paraxylene production capacity: At time of start-up, 160,000 tons/year; In 2007, 350,000 tons/year
- (3) Integration and restructuring of marketing subsidiaries
Integration of two affiliated SS* operators; Invest jointly with SS* operators to establish two companies to operate SS directly; Purchase shares in SS* operators.
⇒ Improve efficiency of SS network; increase competitiveness of SS

*SS: Service Station

(2) New Energy-Type Business

■ Third Medium-Term Consolidated Management Plan

- (1) Adopt Market Niche Strategy for Electric Power Production
- (2) Pave the Way for Future Hydrogen (Fuel Cell (FCs)) Business

Marketing plan target for household-use FCs that use LPG as fuel:
 FY06, 150 units—FY08, 1,000 units—FY11, 26,500 units

(thousand kW)

	< FY08 >	< FY09 >
IPP	700	700
PPS	200*	1,000*
Cogeneration System	230	250
Wind Power	10	10
Total	1,140	1,960

*On a project company basis

■ Performance during the first half of FY2006 (05/4-05/9)

- (1)
 - a. Frontier Energy Niigata began power producer and supplier (PPS) (July 2005)
 - ⇒ Power sold: 100,000kW; Supplied to NOC and Nippon Steel (NOC investment 35%)
 - b. Considering PPS business using high-efficiency power generation facilities installed at the Sendai Refinery
 - ⇒ Generating capacity: Of about 100,000kW generated, a portion will be used in-house and the remainder to PPS business.
- (2)
 - a. 1kW-class household-use FCs that use LPG as fuel: 50 units installed. ⇒ Reached target for the first half of FY06 (05/4-05/9)
 - ⇒ Scheduled to reach target of 150 units installed during the current fiscal year
 - b. Pilot testing has begun for 10kW-class commercial-use FCs (June 2005) and 1kW-class household-use FCs (September 2005) that use kerosene as fuel
 - ⇒ Commercialization scheduled during FY2007

(3) Overseas Operations

(thousand BD)

Third Medium-Term Consolidated Management Plan

- (1) E&P Oil and natural gas: Active expansion mainly in priority areas
- (2) Overseas lubricants business: Expand sales principally to Japanese users overseas

Plans for production

'04: 110 ⇨ '07: 180 ⇨ <'10: 200 (Target)>
(Production was 150 as of March 31, '05)

Targets for Lubricant Oil Product Sales (Total for Asia, Europe, and the Americas)

Actual for FY05: 142,000kl/year ⇨ FY08 target: 220,000kl/year



■ Performance during the first half of FY2006 (05/4-05/9)

- (1) a. Acquired oil and production assets in the U.S. Gulf of Mexico (April 2005)
 - b. Shifted to development activities at the U.K. North Sea Blain Oil Field (July 2005)
 - c. Acquired new exploration blocks in U.K. North Sea (September 2005)
 - d. Acquired new exploration blocks in Libya (October 2005)

- (2) a. New lubricant manufacturing plants in the southern United States and China, where automakers are establishing a strong presence
 - ⇒ Alabama, U.S. (October 2006): 39,000kl/year; Guangzhou, China (September 2006): 27,000kl/year
- b. Tianjin Nisseki expanded production capacity
 - ⇒ Current capacity: 35,000kl/year; Expanded capacity 55,000kl/year by end of 2005

Cautions with Respect to Forward-Looking Statement

The financial forecasts, management targets, and any other estimates and projections of the Company presented in this report are based on information available to management as of the date set forth within.

Please note that actual results may vary significantly from projected forecasts due to various uncertain factors, and as such, readers should take care when making investment decisions based solely on the forecasts herein.

The factors affecting actual results include but are not limited to economic conditions, crude oil prices, demand for and market conditions of oil-related products, and exchange rate and interest rate trends.

Performance in the Six Months Ended September 30, 2005

Appendix

November 7, 2005



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< Contents >

1. Data Related Financial Results for FY06 1H ('05/4~'05/9)

Net Sales and Operating Income by Operating Segment (YoY) (FY06 1H)	P3
Net Sales and Operating Income by Operating Segment (Change from the August forecast) (FY06 1H)	P4
Sales Volume (Unconsolidated) (FY06 1H)	P5

2. Data Related Financial Forecast for FY06 ('05/4~'06/3)

Forecast Net Sales and Operating Income by Operating Segment (Change from the August forecast) (FY06)	P6
Forecast Sales Volume (Unconsolidated) (FY06)	P7

3. Data Related to Business Operations

Spread (Retail Gasoline Price – Crude Oil CIF Price)	P8
Spread (PX Price – Dubai Crude Oil Price)	P9
Spread (Benzene Price – Dubai Crude Oil Price)	P10
Spread (Propylene Price – Dubai Crude Oil Price)	P11
Balance of Supply and Demand for Paraxylene in Asia	P12
Balance of Supply and Demand for Benzene in Asia	P13
Balance of Supply and Demand for Propylene in Asia	P14
Refining Capacity and Utilization Rates	P15
NOC's Share of Sales of the Four Light Oil Products (Consumption Basis)	P16
Number of Service Stations (Fixed-Type)	P17
Number of Company-Owned Service Stations, Number of Self-Service Facilities, Number of Dr. Drive Service Stations	P18
Number of Depots, Number of Employees	P19
Principal Overseas Operating Bases	P20
Principal E&P of Oil and Natural Gas Projects	P21
Outline of Principal E&P of Oil and Natural Gas Projects	P22

1. Data Related Financial Results for FY06 1H ('05/4~'05/9)

<Net Sales and Operating Income by Operating Segment (YoY) (FY06 1H)> <'05/4~'05/9>

(1) Net sales

(¥ billion)

Total 2,701.0 (+443.3)					
Refining and Marketing		E&P of Oil and Natural Gas	Construction	Other	
Petroleum fuel and crude oil	Petrochemical operations				
2,253.9 (+348.4)	195.2 (+35.9)	2,449.1 (+384.3)	76.1 (+44.2)	140.5 (+14.1)	35.3 (+0.7)

Note: Figures in parentheses are YoY changes.

(2) Operating income (loss)

(¥ billion)

Total 145.5 (+55.3)					
Refining and Marketing		E&P of Oil and Natural Gas	Construction	Other	
Petroleum fuel and crude oil	Petrochemical operations				
87.1 (+35.0)	19.0 (-3.0)	106.1 (+32.0)	35.8 (+22.5)	-0.4 (-0.3)	4.0 (+1.1)

Note: Figures in parentheses are YoY changes.

<Net Sales and Operating Income by Operating Segment

(Change from the August forecast) (FY06 1H) >

(1) Net sales

<'05/4~'05/9>

(¥ billion)

Total 2,701.0 (+71.0)					
Refining and Marketing			E&P of Oil and Natural Gas	Construction	Other
Petroleum fuel and crude oil	Petrochemical operations				
2,253.9 (+57.9)	195.2 (+3.2)	2,449.1 (+61.1)	76.1 (-0.9)	140.5 (+10.5)	35.3 (+0.3)

Note: Figures in parentheses are changes from the August forecast.

(2) Operating income (loss)

(¥ billion)

Total 145.5 (+12.5)					
Refining and Marketing			E&P of Oil and Natural Gas	Construction	Other
Petroleum fuel and crude oil	Petrochemical operations				
87.1 (+15.6)	19.0 (-1.8)	106.1 (+13.8)	35.8 (-1.6)	-0.4 (-0.5)	4.0 (+0.8)

Note: Figures in parentheses are changes from the August forecast.

<Sales Volume (Unconsolidated) (FY06 1H) >

<'05/4~'05/9>

	FY05 1H ('04/4-'04/9)	Change	FY06 1H ('05/4-'05/9)
	(10,000 kl)	%	(10,000 kl)
Gasoline	759	-1.8	746
(Premium)	(144)	(+1.6)	(146)
(Regular)	(608)	(-2.6)	(592)
Naphtha	291	+11.3	324
Jet fuel	57	+0.6	57
Kerosene	207	+13.5	235
Diesel fuel	436	-1.1	431
Heavy fuel oil A	394	-4.6	376
Heavy fuel oil C	397	+7.7	427
(For electric power)	(187)	(+14.6)	(214)
(For general use)	(210)	(+1.5)	(213)
Total domestic fuel oil sales	2,541	+2.2	2,596
Crude oil	119	-12.9	103
Total domestic fuel oil sales, including crude oil	2,660	+1.5	2,699
Barter joint, other	1,517	+6.9	1,622
Total	4,177	+3.4	4,321

2. Data Related Financial Forecast for FY06 ('05/4~'06/3)

<Forecast Net Sales and Operating Income by Operating Segment (Change from the August forecast) (FY06) > <'05/4~'06/3>

(1) Net sales

(¥ billion)

Total 5,760.0 (+360.0)					
Refining and Marketing			E&P of Oil and Natural Gas	Construction	Other
Petroleum fuel and crude oil	Petrochemical operations				
4,740.0 (+323.0)	410.0 (+32.0)	5,150.0 (+355.0)	170.0 (+7.0)	370.0 (+2.0)	70.0 (-4.0)

Note: Figures in parentheses are changes from the August forecast.

(2) Operating income

(¥ billion)

Total 223.0 (+34.0)					
Refining and Marketing			E&P of Oil and Natural Gas	Construction	Other
Petroleum fuel and crude oil	Petrochemical operations				
88.0 (+30.9)	38.8 (-6.4)	126.8 (+24.5)	82.5 (+9.1)	7.0 (-0.2)	6.7 (+0.6)

Note: Figures in parentheses are changes from the August forecast.

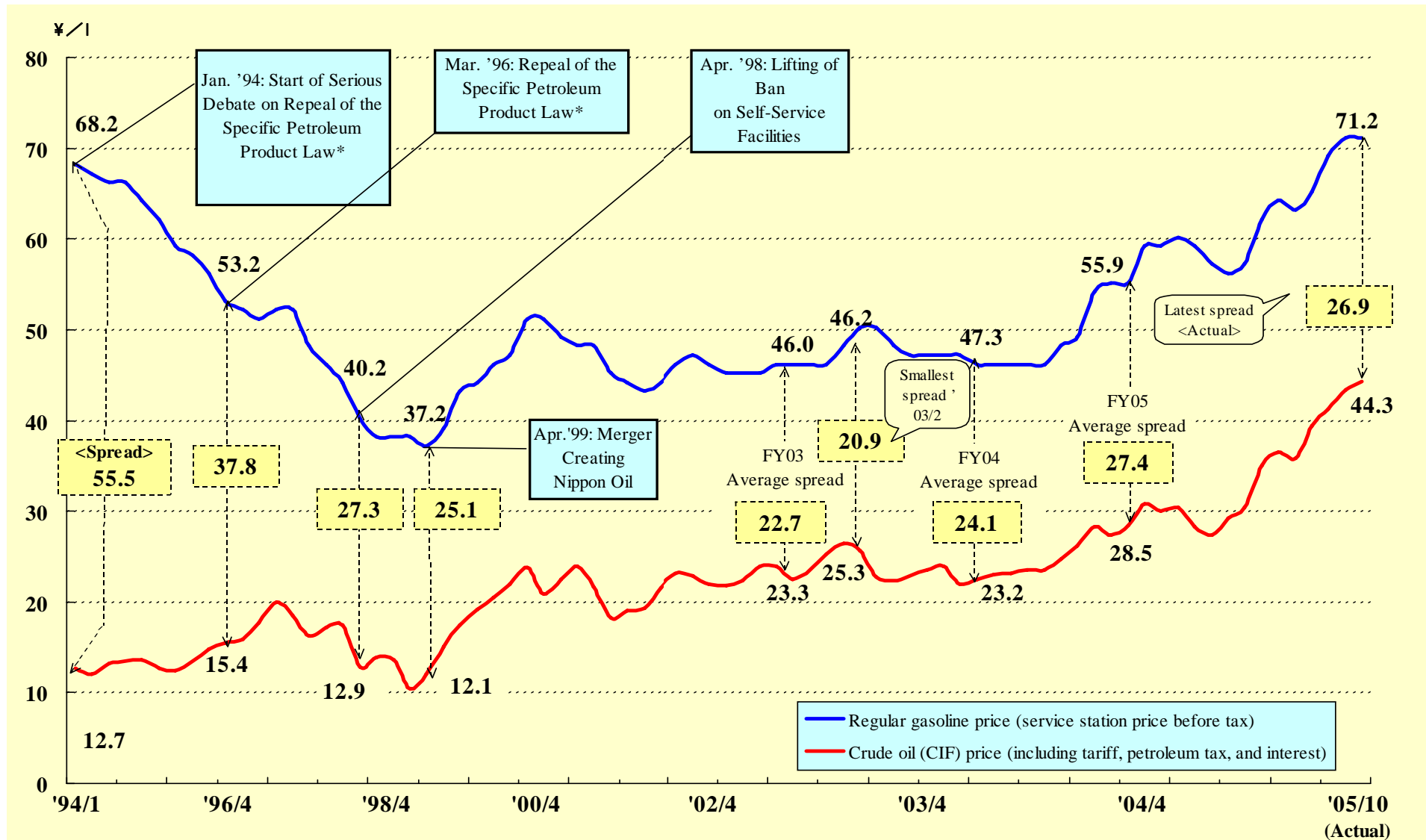
<Forecast Sales Volume (Unconsolidated) (FY06) >

<'05/4~'06/3>

	FY05 ('04/4-'05/3) (Actual)	Change	FY06 ('05/4-'06/3) (Forecast)
	(10,000 kl)	%	(10,000 kl)
Gasoline	1,472	+0.5	1,479
(Premium)	(278)	(+4.3)	(290)
(Regular)	(1,179)	(-0.4)	(1,174)
Naphtha	628	+4.4	651
Jet fuel	121	-5.8	115
Kerosene	771	+2.7	793
Diesel fuel	877	-1.3	866
Heavy fuel oil A	884	-6.2	828
Heavy fuel oil C	795	-4.6	758
(For electric power)	(355)	(-3.9)	(341)
(For general use)	(440)	(-5.3)	(417)
Total domestic fuel oil sales	5,548	-1.0	5,490
Crude oil	205	-36.8	130
Total domestic fuel oil sales, including crude oil	5,753	-2.2	5,620
Barter joint, other	2,991	+18.7	3,550
Total	8,744	+4.9	9,170

3. Data Related to Business Operations

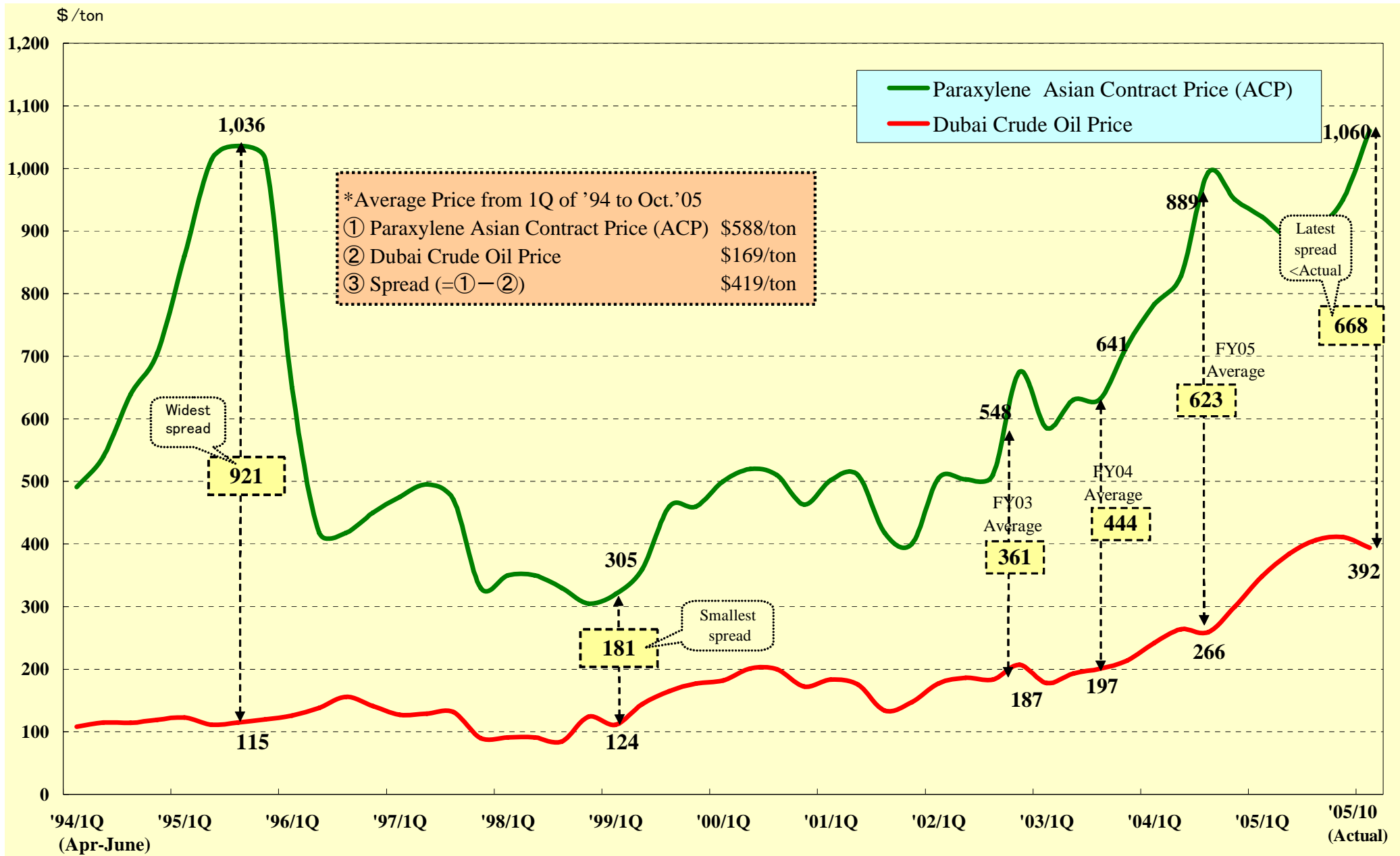
< Spread (Retail Gasoline Price – Crude Oil CIF Price) >



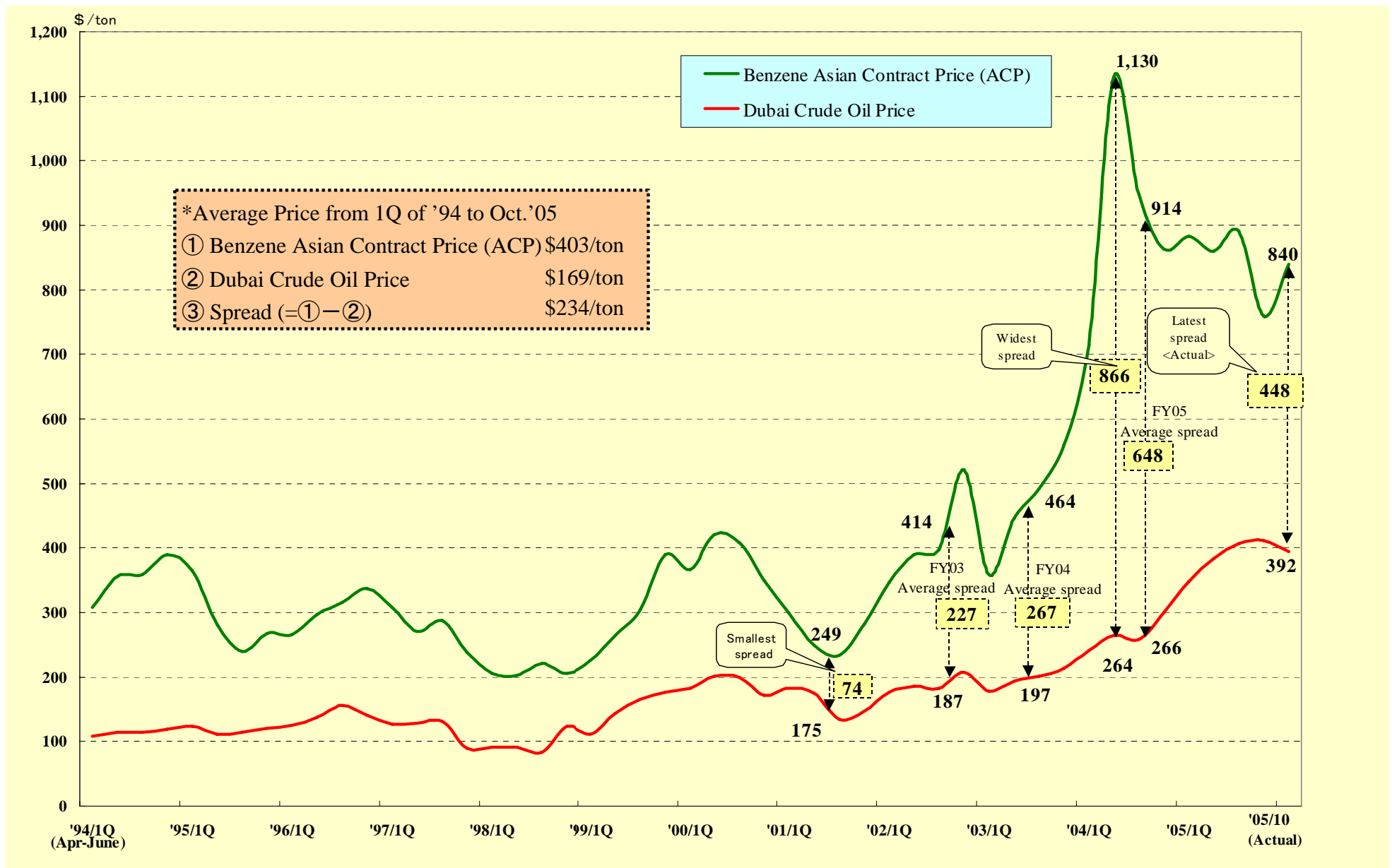
Source: Agency of Natural Resources and Energy and other publications

*The Repeal of the Specific Petroleum Product Law is officially known as the Provisions Measures Law on the Importation of Specific Petroleum Refined Products.

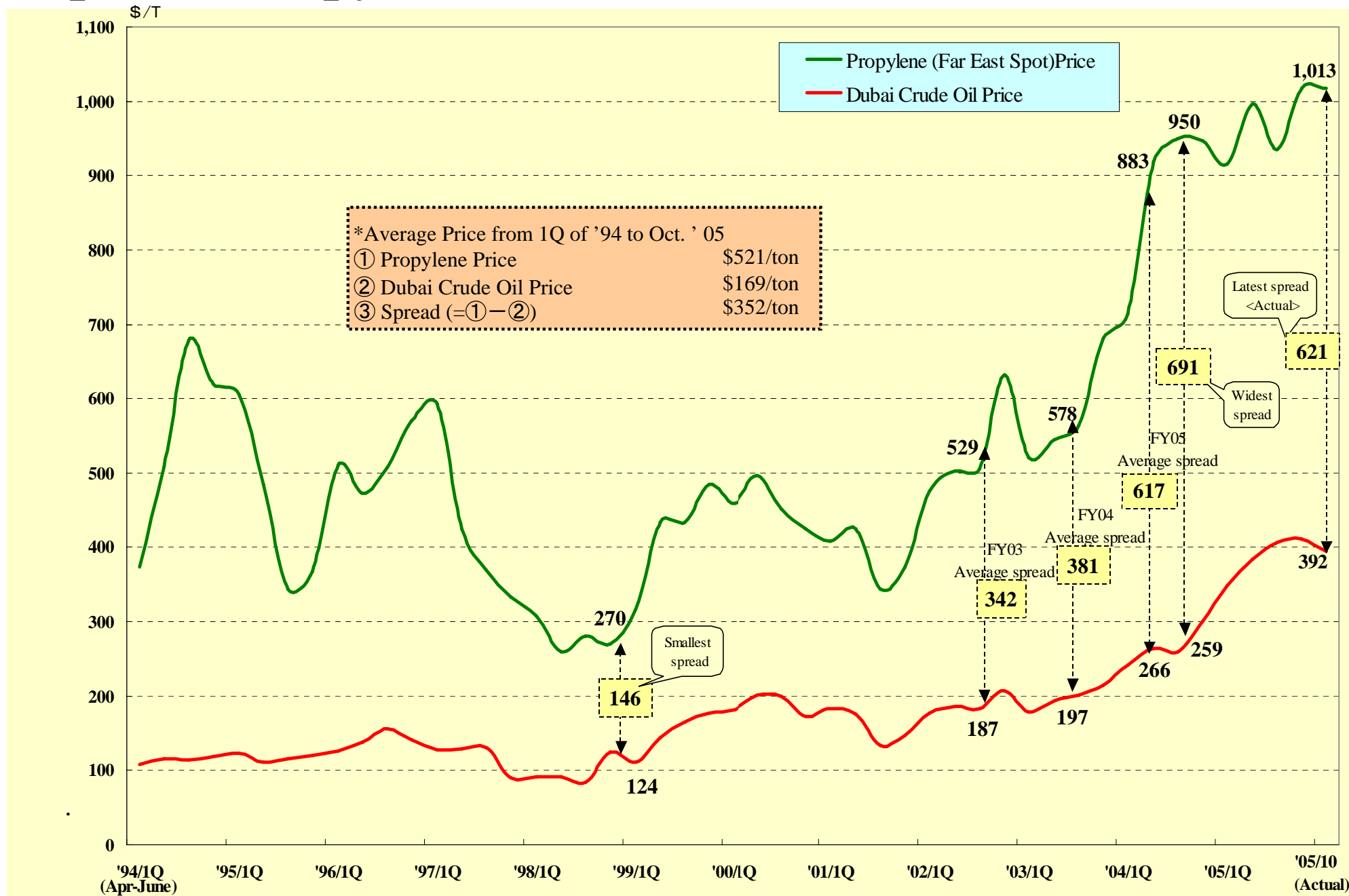
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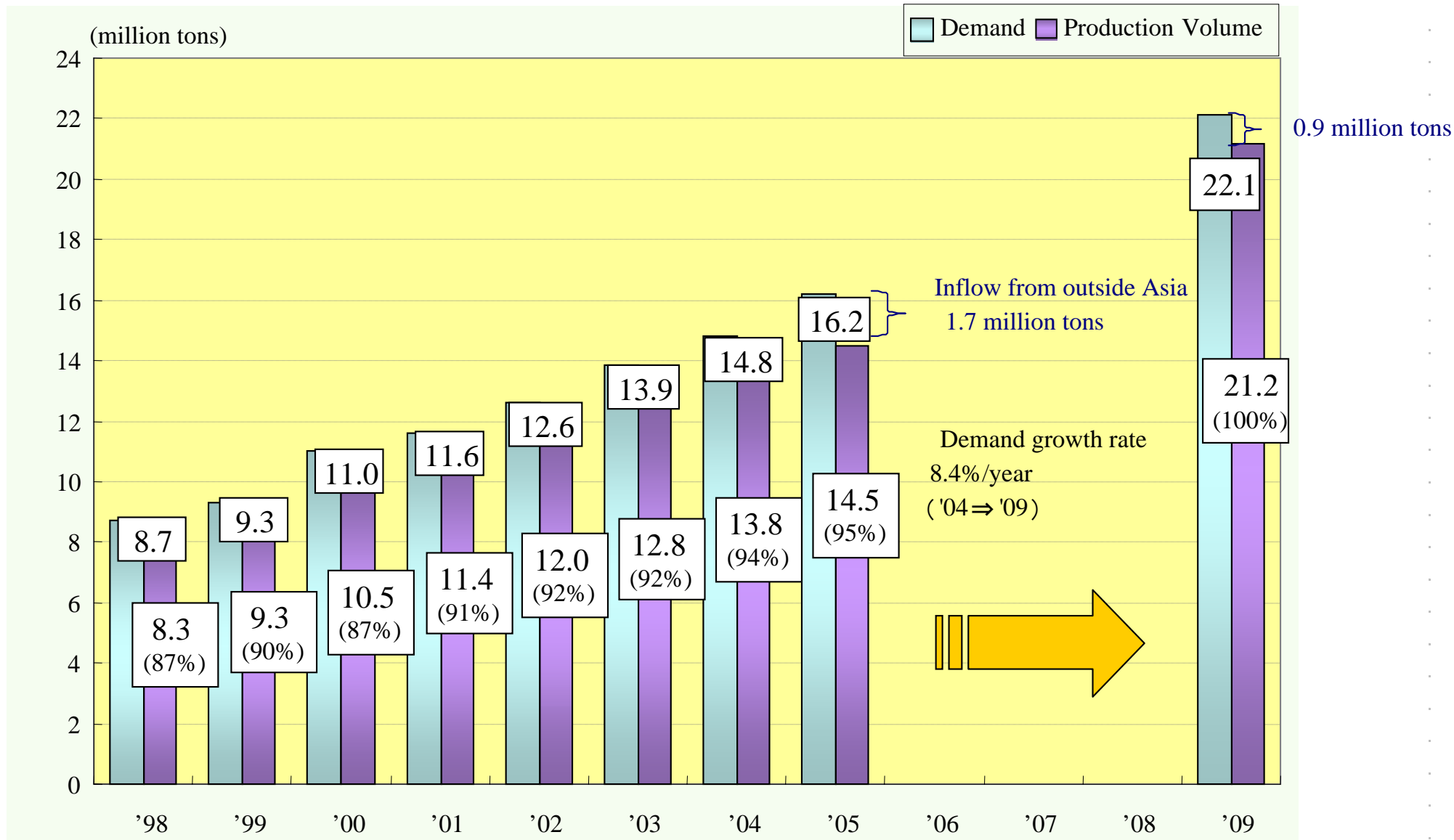
< Spread (Benzene Price – Dubai Crude Oil Price) >



< Spread (Propylene Price – Dubai Crude Oil Price) >

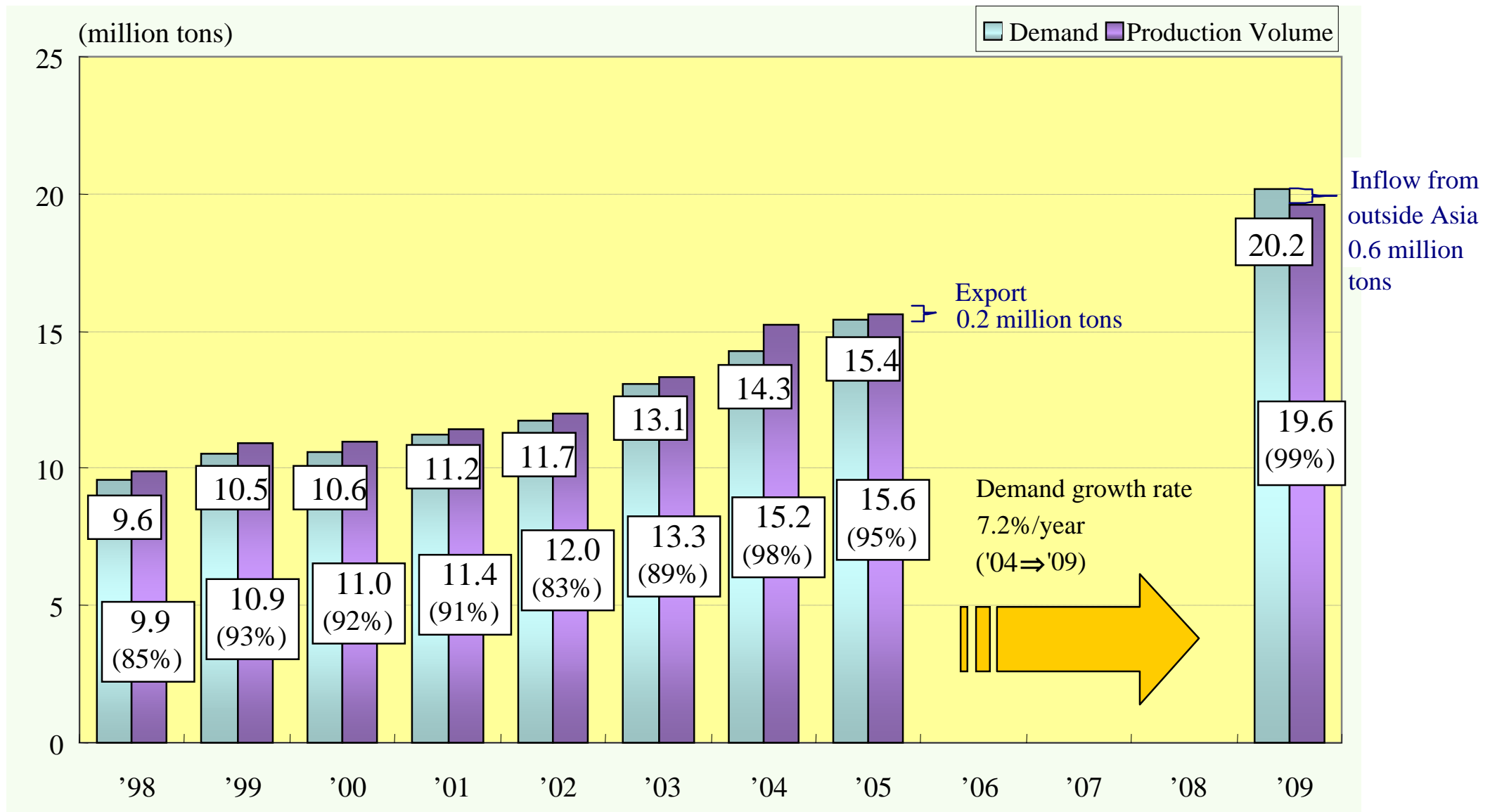


<Balance of Supply and Demand for Paraxylene in Asia>



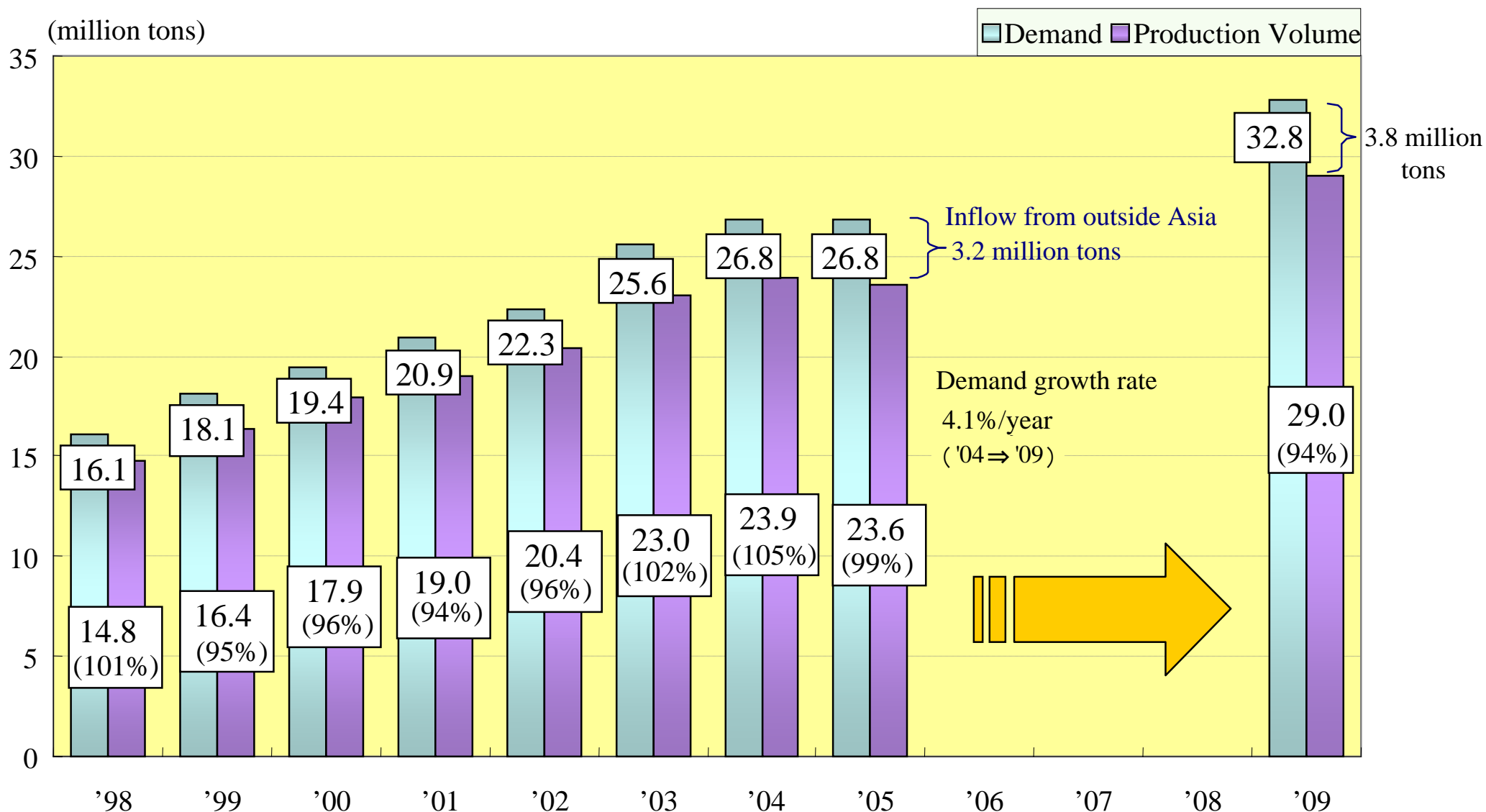
1. Figures in parentheses below production volume are rates of capacity utilization.
2. These figures have been compiled by the Company making use of data prepared by external research organizations.

<Balance of Supply and Demand for Benzene in Asia>



1. Figures in parentheses below production volume are rates of capacity utilization.
2. These figures have been compiled by the Company making use of data prepared by external research organizations.

<Balance of Supply and Demand for Propylene in Asia>



1. Figures in parentheses below production volume are rates of capacity utilization.
2. These figures have been compiled by the Company making use of data prepared by external research organizations.

〈Refining Capacity and Utilization Rates〉

	(million BD)						
	Merger Creating NOC						
	FY97 (^{'96/4 - '97/3})	FY98 (^{'97/4 - '98/3})	FY99 (^{'98/4 - '99/3})	FY00 (^{'99/4 - '00/3})	FY01 (^{'00/4 - '01/3})	FY02 (^{'01/4 - '02/3})	FY03 (^{'02/4 - '03/3})
NOC Group^{*1}	1.35 (75%)	1.35 (80%)	1.37 (78%)	1.35 (74%)	1.35 (76%)	1.23 (81%)	1.22 (84%)
Total for Japan	5.27 (79%)	5.32 (81%)	5.37 (78%)	5.35 (77%)	5.27 (79%)	4.97 (81%)	4.98 (81%)
	FY04 (^{'03/4 - '04/3})			FY05 (^{'04/4 - '05/3})			FY06 (^{'05/4 - '06/3})
	1H (Apr.- Sep.)	2H (Oct.-Mar.)	Total	1H (Apr.- Sep.)	2H (Oct.-Mar.)	Total	1H (Apr.- Sep.)
NOC Group	1.22 (79%) ^{*2}	1.27 (88%)	1.27 (83%)	1.22 (79%)	1.22 (92%)	1.22 (87%)	1.22 (84%)
Total for Japan	4.92 (80%) ^{*2}	4.89 (86%) ^{*4}	4.89 (83%)	4.77 (80%) ^{*5}	4.77 (89%)	4.77 (84%)	4.77 (83%)

Notes: *1. Figures through FY99 are the sum of figures for Nippon Oil Company and Mitsubishi Oil Company, which merged in Apr. '99.

*2. Figures in parentheses are averages for the fiscal years.

*3. Discontinuation of crude oil processing at the Idemitsu Kosan Hyogo Refinery in Apr. '03

*4. Discontinuation of crude oil processing at the Idemitsu Kosan Group's Okinawa Refinery in Nov. '03

*5. Discontinuation of crude oil processing at the Idemitsu Kosan Group Toho Oil in Apr. '04, and partial discontinuation of crude oil processing at Nippon Oil's Negishi Refinery in Apr. '04 and Showa Shell Oil Group's Showa Yokkaichi Oil in June '04.

Sources: Ministry of Economy, Trade and Industry; Petroleum Association of Japan; and others.

◀NOC's Share of Sales of the Four Light Oil Products

(Consumption Basis) >

Type of product	Merger Creating NOC							(%)
	FY00 ('99/4 - '00/3)	FY01 ('00/4 - '01/3)	FY02 ('01/4 - '02/3)	FY03 ('02/4 - '03/3)	FY04 ('03/4 - '04/3)	FY05 ('04/4 - '05/3)	FY06 1H ('05/4 - '05/9)	
Gasoline	23.2	22.9	22.8	23.2	23.3	23.9	23.8	
(Premium)	23.4	23.2	24.1	24.6	24.6	25.4	26.7	
Kerosene	23.4	23.3	23.9	24.4	24.3	27.6	30.6	
Diesel fuel	22.8	22.4	22.0	22.7	22.6	23.0	23.5	
Heavy fuel oil A	23.4	23.9	24.3	26.3	28.1	30.4	29.4	
Total four light oil products	23.2	23.0	23.1	23.9	24.2	25.5	25.5	

Note: Figures are calculated by the Company based on publicly announced data from the Agency for Natural Resources and Energy.

〈Number of Service Stations (Fixed-Type)〉

	Repeal of the Specific Petroleum Product Law*5	Merger Creating NOC									FY96 (^{95/4-96/3})	Sept. '05
	FY96 (^{95/4-96/3})	FY97 (^{96/4-97/3})	FY98 (^{97/4-98/3})	FY99 (^{98/4-99/3})	FY00 (^{99/4-00/3})	FY01 (^{00/4-01/3})	FY02 (^{01/4-02/3})	FY03 (^{02/4-03/3})	FY04 (^{03/4-04/3})	FY05 (^{04/4-05/3})	FY05 (^{04/4-05/3})	
NOC*1	14,895	14,690	14,283	13,739	13,162	12,669	11,987	11,694	11,333	11,059	74.2%	10,936
EMGK*2	9,283	9,276	8,893	8,459	8,101	7,898	7,597	7,278	6,904	6,701	72.2%	6,597
Idemitsu Kosan	9,037	8,879	7,706	7,032	6,493	6,114	5,896	5,624	5,508	5,358	59.3%	5,310
Showa Shell Sekiyu	7,091	6,937	6,728	6,229	5,962	5,642	5,402	5,153	4,968	4,808	67.8%	4,755
Cosmo Oil	6,857	6,802	6,573	6,278	5,916	5,600	5,373	5,152	4,926	4,709	68.7%	4,622
Japan Energy	6,384	6,232	6,079	5,217	4,952	4,646	4,476	4,296	4,150	4,023	63.0%	3,976
Others*3	2,314	2,510	2,418	2,300	2,128	1,916	1,733	1,642	1,593	1,500	64.8%	1,461
Oil companies	55,861 (96.9%)	55,326 (96.4%)	52,680 (93.8%)	49,254 (90.4%)	46,714 (87.6%)	44,485 (85.6%)	42,464 (83.4%)	40,839 (82.3%)	39,382 (80.4%)	38,158 (79.5%)	68.3%	37,657 (-)
Private brands and other	1,792 (3.1%)	2,079 (3.6%)	3,469 (6.2%)	5,236 (9.6%)	6,593 (12.4%)	7,472 (14.4%)	8,436*4 (16.6%)	8,761*4 (17.7%)	9,618*4 (19.6%)	9,842*4 (20.5%)	549.2%	- -
Total	57,653	57,405	56,149	54,490	53,307	51,957	50,900*4	49,600*4	49,000*4	48,000*4	83.3%	-

Notes: *1. Figures through FY99 are pro forma summations of figures for the former Nippon Oil Company and the former Mitsubishi Oil Company.

*2. Figures are pro forma summations of figures for Esso, Mobil, Tonen General Sekiyu, and Kygnus Sekiyu.

*3. Figures are pro forma summations of figures for Kyushu Oil, Taiyo Petroleum, and Mitsui Oil & Gas.

*4. Estimates by Nippon Oil

*5. The Repeal of the Specific Petroleum Product Law is officially known as the Provisions Measures Law on the Importation of Specific Petroleum Refined Products.

Source: Agency of Natural Resources and Energy and other publications

<Number of Company-Owned Service Stations>

	Merger Creating NOC						
	FY00 (⁹⁹ /4- ⁰⁰ /3)	FY01 (⁰⁰ /4- ⁰¹ /3)	FY02 (⁰¹ /4- ⁰² /3)	FY03 (⁰² /4- ⁰³ /3)	FY04 (⁰³ /4- ⁰⁴ /3)	FY05 (⁰⁴ /4- ⁰⁵ /3)	Sept.05
NOC	3,053	2,945	2,857	2,746	2,607	2,518	2,473

<Number of Self-Service Facilities>

	Merger Creating NOC						
	FY00 (⁹⁹ /4- ⁰⁰ /3)	FY01 (⁰⁰ /4- ⁰¹ /3)	FY02 (⁰¹ /4- ⁰² /3)	FY03 (⁰² /4- ⁰³ /3)	FY04 (⁰³ /4- ⁰⁴ /3)	FY05 (⁰⁴ /4- ⁰⁵ /3)	Sept.05
NOC	21	54	142	342	520	651	698
Total for Japan	191*	422*	1,353*	2,522*	3,423*	3,493*	3,790*

* This figure includes only self-service retail outlets that are affiliated to oil wholesale companies.

Sources: Agency of Natural Resources and Energy; *The Daily Nenryo Yushi*

<Number of Dr. Drive Service Stations>

	Merger Creating NOC						
	FY00 (⁹⁹ /4- ⁰⁰ /3)	FY01 (⁰⁰ /4- ⁰¹ /3)	FY02 (⁰¹ /4- ⁰² /3)	FY03 (⁰² /4- ⁰³ /3)	FY04 (⁰³ /4- ⁰⁴ /3)	FY05 (⁰⁴ /4- ⁰⁵ /3)	Sept.05
NOC	44	390	1,283	1,610	1,871	1,963	2,136

<Number of Depots>

	Merger Creating NOC							
	'99/4	'00/4	'01/4	'02/4	'03/4	'04/4	'05/4	'05/9
NOC	109	93	75	62	55	51	50	50

<Number of Employees>

	Merger Creating NOC							
	'99/3	'00/3	'01/3	'02/3	'03/3	'04/3	'05/3	'05/9
NOC Group	15,964	15,570	14,895	14,368	13,882	14,347^{*2}	13,424	13,327
(portion from NOC and NPRC^{*3})	(5,163)	(4,602)	(4,290)	(4,108)	(4,990)^{*1}	(4,920)	(4,437)	(4,715)

*1. The number of employees increased because of the merger (in Apr. '02) of the former NiSSEKI Mitsubishi Refining, the former Tohoku Oil, and the former Koa Oil.

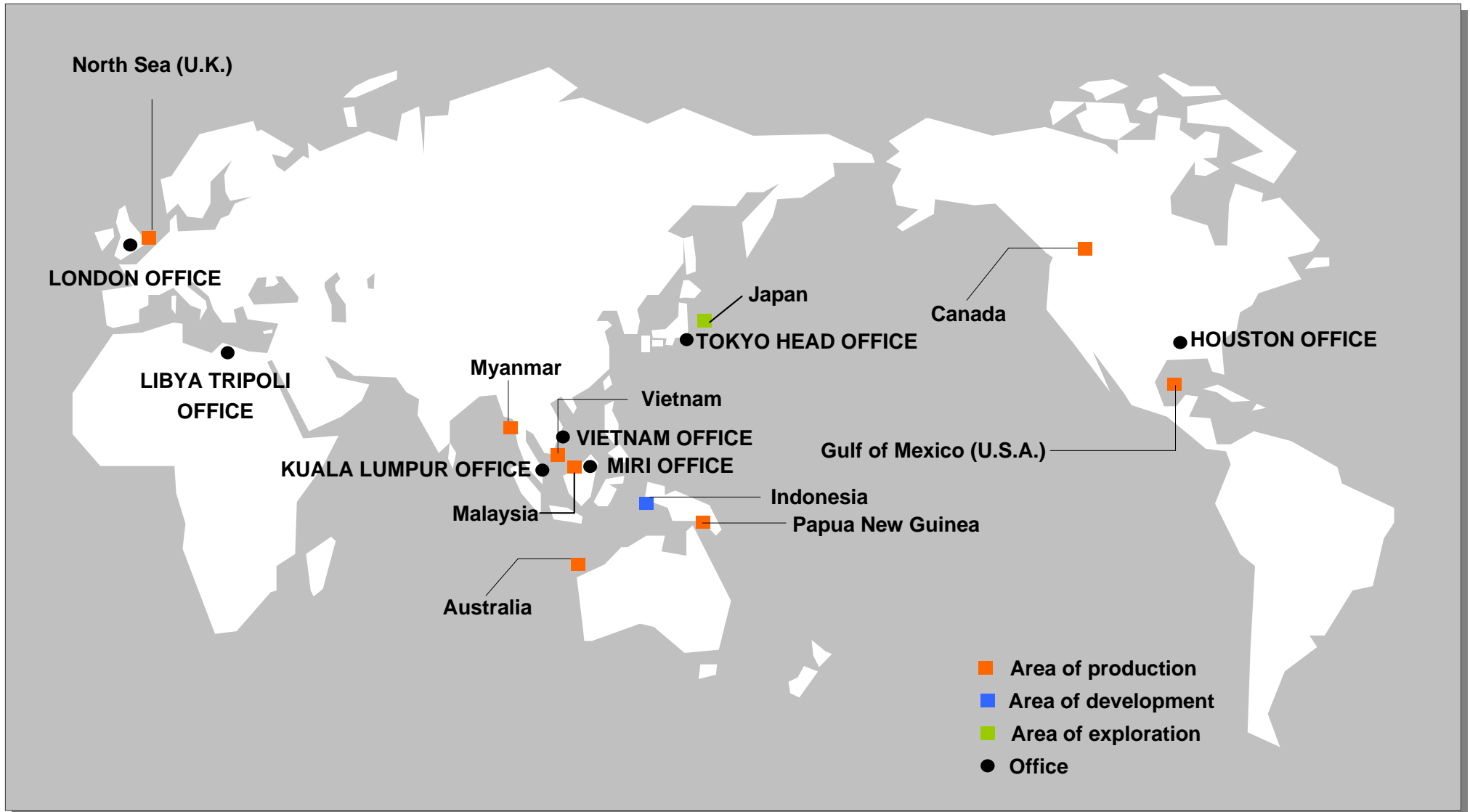
*2. The number of employees increased as a result of the inclusion of Dai Nippon Construction Co., Ltd., within the scope of consolidation.

*3. NPRC: Nippon Petroleum Refining Company, Limited

<Principal Overseas Operating Bases>



<Principal E&P of Oil and Natural Gas Projects>



< Outline of Principal E&P of Oil and Natural Gas Projects >

(Average for Jan.-Sept.'05)

Project Area/Company	Total Production (1,000 BD)	Oil Rights (1,000 BD)		Reserves *1	
		PC Basis	NOC Ownership Basis	PC Basis (1 million Bbl)	
<U.S.A.>					
Gulf of Mexico (U.S.A.)					
Nippon Oil Exploration U.S.A. Limited	39	10	10	10	
<U.K.>					
MOC Exploration (U.K.) LTD.	115	7	3		
Nippon Oil Exploration and Production U.K.	171	11	11	37	
<Southeast Asia>					
Vietnam					
Japan Vietnam Petroleum Co., Ltd.	53	20	16	(Total for Southeast Asia)	
Myanmar					
Nippon Oil Exploration (Myanmar), Limited	83	12	6		
Malaysia					
Nippon Oil Exploration (Malaysia), Limited	54	30	20	526	
Nippon Oil Exploration (Sarawak), Limited	149	39	25		
<Oceania>					
Papua New Guinea					
Japan Papua New Guinea Petroleum Company, Limited	46	2	1	(Total for Oceania)	
Australia					
NOEX Australia Pty. Ltd.	50	13	13	16	
<Canada>					
Canada*2					
Mocal Energy Limited	210	11	11	276	
Total	970	154	114	865	

*1. Proved reserves and probable reserves as of Dec.'04. Including reserves from projects currently under development.

*2. Synthetic oil

Cautions with Respect to Forward-Looking Statements

The financial forecasts, management targets, and any other estimates and projections of the Company presented in this report are based on information available to management as of the date set forth within.

Please note that actual results may vary significantly from projected forecasts due to various uncertain factors, and as such, readers should take care when making investment decisions based solely on the forecasts herein.

The factors affecting actual results include but are not limited to economic conditions, crude oil prices, demand for and market conditions for oil-related products, and exchange rate and interest rate trends.