Consolidated Financial Results (Kessan Tanshin) for the First Half 2008

August 14, 2008

Listed company :	TonenGeneral Sekiyu Kabushiki Kaisha		Listed on :	Tokyo Stock Exchange, the First Section
Code number :	5012		URL :	http://www.tonengeneral.co.jp
Representative :	K. Suzuki	Representative Director and President		
Contact person :	K. Kai	ExxonMobil Y.K., Public Affairs, Communications and Media Division Manager		Tel. : (03) 6713-4400

Semiannual Financial Report will be submitted on September 26, 2008
Dividend will be paid from September 16, 2008

(Amounts shown in truncated millions of yen)

1. Consolidated Financial Results for the First Half 2008 (January 1, 2008 through June 30, 2008)

(1) Consolidated Financial Results (Percentage figures are comparisons with the previous accounting period)

	Sales Revenue		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1H 2008	1,692,649	(20.4)	△ 2,321	(-)	3,783	(△86.7)	5,851	(△65.8)
1H 2007	1,405,435	(△ 5.0)	26,443	(132.7)	28,413	(86.0)	17,088	(69.8)
Full Year 2007	3,049,842	-	7,063	-	15,073	-	7,014	-

	Net Income per Share	Net Income per Share after Adjustments
	Yen	Yen
1H 2008	10.36	-
1H 2007	29.30	-
Full Year 2007	12.12	-

(Ref.) Equity Companies Earnings 1H 2008 430 million yen 1H 2007 781 million yen 2007 1,598 million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Owners' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
1H 2008	911,342	208,104	22.8	368.36
1H 2007	937,741	255,191	27.1	436.08
Full Year 2007	1,045,536	214,279	20.4	377.41

(Ref.) Owner's Equity 1H 2008 208,104 million yen 1H 2007 254,278 million yen 2007 213,236 million yen

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
1H 2008	41,603	3,041	△ 44,672	586
1H 2007	15,098	△ 10,642	△ 4,608	512
Full Year 2007	6,682	△ 19,479	12,748	614

2. Dividend

	Dividend per Share		
(Reference date)	First Half	Year-end	Full Year
	Yen	Yen	Yen
2007	18.50	19.00	37.50
1H 2008 (Actual)	19.00	———	38.00
YE 2008 (Forecast)	———	19.00	

3. Consolidated Projected Business Performance for 2008 (January 1, 2008 through December 31, 2008)

(Percentage figures are comparisons with the previous accounting period)

	Sales Revenue		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	3,900,000	(27.9)	18,000	(154.8)	25,000	(65.9)	19,000	(170.9)	33.63

4. Others

(1) Change in Major Subsidiaries in this Accounting Period : Yes

(Change in designated subsidiaries, which has alteration in the scope of consolidation)

Excluded 1 company (Name: Nansei Sekiyu K.K.)

(Note) As for the detail, please refer to "Profile of Group Companies' on page 6

(2) Change in Accounting Policy, Procedure, Expression and so on for Interim Consolidated Financial Statements

① There are changes due to a revision of accounting standards : No

② There are changes other than ① : No

(3) Number of Outstanding Shares (Common Stock)

① Number of outstanding shares at the end of the period (Including Treasury Stock)

1H 2008 565,182,000 shares 1H 2007 583,400,000 shares 2007 565,182,000 shares

② Treasury Stock at the end of the period

1H 2008 240,187 shares 1H 2007 303,648 shares 2007 180,951 shares

(Note) As to the number of shares, which is the basis to calculate the net income per share, please refer to 'Financial Data per Share' on page 22

(Ref.) Summary of Parent Company's Financial Results

1. Financial Results for the First Half 2008 (January 1, 2008 through June 30, 2008)

(1) Financial Results (Percentage figures are comparisons with the previous accounting period)

	Sales Revenue		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1H 2008	1,683,919	(22.2)	△ 15,579	(-)	△ 5,214	(-)	1,707	(△ 82.7)
1H 2007	1,378,185	(△ 5.2)	10,008	(-)	14,333	(△ 50.7)	9,864	(△ 64.0)
Full Year 2007	3,014,375	-	△ 24,130	-	△ 1,226	-	4,368	-

	Net Income per Share
	Yen
1H 2008	3.02
1H 2007	16.92
Full Year 2007	7.55

(2) Financial Position

	Total Assets	Net Assets	Owners' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
1H 2008	866,766	175,081	20.2	309.91
1H 2007	884,859	220,810	25.0	378.69
Full Year 2007	1,004,819	184,358	18.3	326.30

(Ref.) Owner's Equity 1H 2008 175,081 million yen 1H 2007 220,810 million yen 2007 184,358 million yen

2. Parent's Projected Business Performance for 2008 (January 1, 2008 through December 31, 2008)

(Percentage figures are comparisons with the previous accounting period)

	Sales Revenue		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	3,800,000	(26.1)	△ 8,000	(-)	2,000	(-)	6,000	(37.4)	10.62

Projections of business performance in this report of Consolidated and Parent Financial Results (Kessan Tanshin) are revised from the previous projections disclosed on February 14, 2008

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 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.

1. Financial Results

(1) Analysis of Financial Results

① Business Overview

The FOB spot price for Dubai crude oil (generally used as a reference price for our industry in the Asia-Pacific region), which averaged 60 dollars per barrel in the first half of 2007, increased more than 40 dollars to an average of 104 dollars per barrel in the first half of 2008. Domestic demand for major oil products showed a continued downward trend, with demand for gasoline, kerosene, diesel oil and FOA having decreased by 2.1%, 4.3%, 2.6% and 6.3% respectively, according to data published by the Ministry of Economy, Trade and Industry. In that difficult business environment, consolidated earnings results for the January-June, 2008 period were as follows: sales revenue, 1,692.6 billion yen; operating income, -2.3 billion yen; ordinary income, 3.8 billion yen and net income, 5.9 billion yen.

Sales Revenue

Consolidated sales revenue rose 287.2 billion yen to 1,692.6 billion yen versus the same period last year. The sales revenue increase was mostly due to product price increases. Domestic sales volumes declined reflecting the general demand trend, partly offset by increases in exports.

Operating Income

Consolidated operating income for the first half of 2008 was -2.3 billion yen, a decrease of 28.8 billion yen versus the same period last year. Factors affecting earnings in each segment are as follows:

<u>Oil segment</u>

Operating income in our oil segment decreased 12.5 billion yen versus the same period last year, resulting in an operating loss of 20.3 billion yen for the first half of 2008. The following key factors affected the change in oil segment earnings:

For accounting purposes, TonenGeneral Sekiyu recognizes crude oil price in its cost of goods when our crude is purchased at load port, whereas other Japanese oil companies account for crude cost when it arrives in Japan, so that crude price changes affect our accounting results approximately one month earlier than other industry participants. For this reason, crude price increases during the first half of 2008 are fully reflected in our first half results. With significant crude price hikes in the January-June period (the Dubai crude oil FOB spot price increased from 85.6 dollars to 127.8 dollars per barrel), we estimate that this difference adversely affected our results by about 49 billion yen versus the other oil companies' accounting methods. This adverse effect was 26 billion yen greater than in the first half of 2007.

Effects on operating income from the realization of latent inventory gains related to our sale of Nansei Sekiyu Kabushiki Kaisha stock are estimated to be positive 11 billion yen.

Inventory volume fluctuations had a positive effect on earnings of 19.6 billion yen in the first half 2008, 0.3 billion yen less than in the same period last year. These effects include inventory valuation gains resulting from application of the LIFO inventory method (due primarily to reductions in crude and kerosene inventory volumes in the period), as well as increased costs due to inventory buildup when crude prices rose significantly in the second quarter.

Aside from the effect of the factors described above, oil segment earnings were about 2 billion yen greater than the same period last year.

<u>Chemicals segment</u>

Earnings in our chemicals segment decreased 16.4 billion yen versus the same period last year to 17.9 billion yen. Sales of chemical products in the first half of 2008 increased versus first half 2007, when we conducted turnarounds in our chemical plants. The increase in the cost of materials due to rising crude prices exceeded the increase in chemical product prices, resulting in significantly decreased margins, especially for paraxylene and other aromatics.

<u>Other</u>

Operating income for engineering, maintenance services and other businesses was 135 million yen.

Ordinary Income

Net non-operating income was 6.1 billion yen, an increase of 4.1 billion yen versus the same period last year, principally due to foreign exchange gains. This contributed to an ordinary income of 3.8 billion yen, which was 24.6 billion yen less than the same period last year.

Net Income

Net income was 5.9 billion yen, 11.2 billion yen lower than the same period in 2007.

② Earnings Forecast Revision

The consolidated earnings forecast for full year 2008 is as follows: sales revenue, 3,900 billion yen; operating income, 18 billion yen; ordinary income, 25 billion yen and net income, 19 billion yen.

Consolidated operating income for the full year 2008 is forecast to be 18 billion yen, 33 billion yen less than our previous forecast. The major element in the reduction from the prior forecast is the negative difference between our first half actual results and the original forecast for the first half. Projections related to the second half include the following:

We expect essentially the same second-half margins for petroleum products as announced in our previous forecast in February. Neither our original nor current projections make any assumptions about the effects arising from cost of goods accounting described above.
We expect some portion of the inventory valuation gains resulting from our application of the LIFO method to reverse by year end.
Earnings in the petrochemicals segment for the July-December period are expected to be slightly lower than forecast in February, based on the assumption of lower aromatics margins than previously forecast.

There is no change in the original projected full-year dividends forecast of 38 yen per share.

(2) Analysis of Financial Condition

① Cash Flows in the First Half of 2008

Cash and Cash Equivalents were 586 million yen at the end of this semi-annual accounting period. This was a 28 million yen decrease from the end of the previous accounting period.

Cash Flows from Operating Activities were positive 41,603 million yen. Positive factors such as positive before-tax income and a decrease in trade accounts receivable outweighed negative factors such as a decrease in certain accounts payable, including gasoline tax payable.
Cash Flows from Investing Activities were positive 3,041 million yen, mainly because cash inflow from the sale of Nansei Sekiyu K.K. stock was larger than investments in fixed assets.

Cash Flows from Financing Activities were negative 44,672 billion yen mainly due to dividend payments and short-term lending.

② Outlook on Cash Flows

Combined cash flows from operating activities and investing activities in full year 2008 are expected to improve versus 2007, with forecast higher earnings than in 2007, although working capital increase is anticipated to increase due to higher crude price levels than in the prior year.
Net cash generation will be applied to distributions to shareholders and to repayment of debt.

③ Trends in Cash Flows

	FY 2004	FY 2005	FY 2006	FY 2007	1st Half 2008
Owner's Equity Ratio (%) - Book Base	26.4%	23.8%	24.3%	20.4%	22.8%
Owner's Equity Ratio (%) - Market Base	58.4%	76.4%	67.4%	59.6%	59.8%
Cash flow vs. Interest Bearing Debt (times)	1.7	1.9	0.8	16.7	- (*)
Interest Coverage Ratio (times)	58.5	69.7	108.3	9.4	- (*)

(*): Cash flow vs. Interest Bearing Debt and Interest Coverage Ratio are not shown in interim reporting

* All indicators have been calculated based on consolidated financial data
* Definitions:
  - Owner's Equity Ratio - Book Base:
    - (Period-end Total Net Assets - Period-end Minority Interests) / Period-end Total Assets
  - Owner's Equity Ratio - Market Base:
    - Total Value of Stock ex. Treasury Stock at Period-end Market Price / Period-end Total Assets
  - Cash flow vs. Interest Bearing Debt:
    - Period-end interest-bearing debt / Operating Cash Flows
  - Interest coverage ratio:
    - Operating Cash Flows / Interest paid
* Operating Cash Flows is the cash flow from operations shown in the Consolidated Statement of Cash Flows
* Interest-bearing debt is actual interest-bearing debt, defined as S/T debts, Commercial Paper and L/T debts on the Consolidated Balance Sheet. Interest Paid is the amount shown in the Consolidated Statement of Cash Flows.

(3) Dividend Policy and Dividend in Current Period

① Dividend Policy

TonenGeneral considers providing superior total returns to shareholders as one of its top management priorities, with the objective of steadily increasing shareholder value over time. Our basic policy is to deliver appropriate dividends to shareholders, while maintaining a sound financial structure and giving due consideration to consolidated cash flow trends and future capital investments.

② Dividend in Current Period

The Board of Directors has decided today to pay 19 yen per share as an interim dividend to the Company's shareholders as of June 30, 2008. The company projects a payment to its shareholders as of December 31, 2008, of 19 yen per share as a final dividend for the term ended December 31, 2008, subject to the necessary corporate decisions regarding dividends, taking into account the full-year business performance and cash flow. The interim and projected full-year dividends are the same as original forecast in February.

2. Profile of Group Companies

Major businesses and positions of group companies (the Company, 7 Consolidated Subsidiaries, 2 Equity Companies, 1 Non-consolidated Subsidiary, 1 Affiliated Company and 1 Parent Company) are as follows:

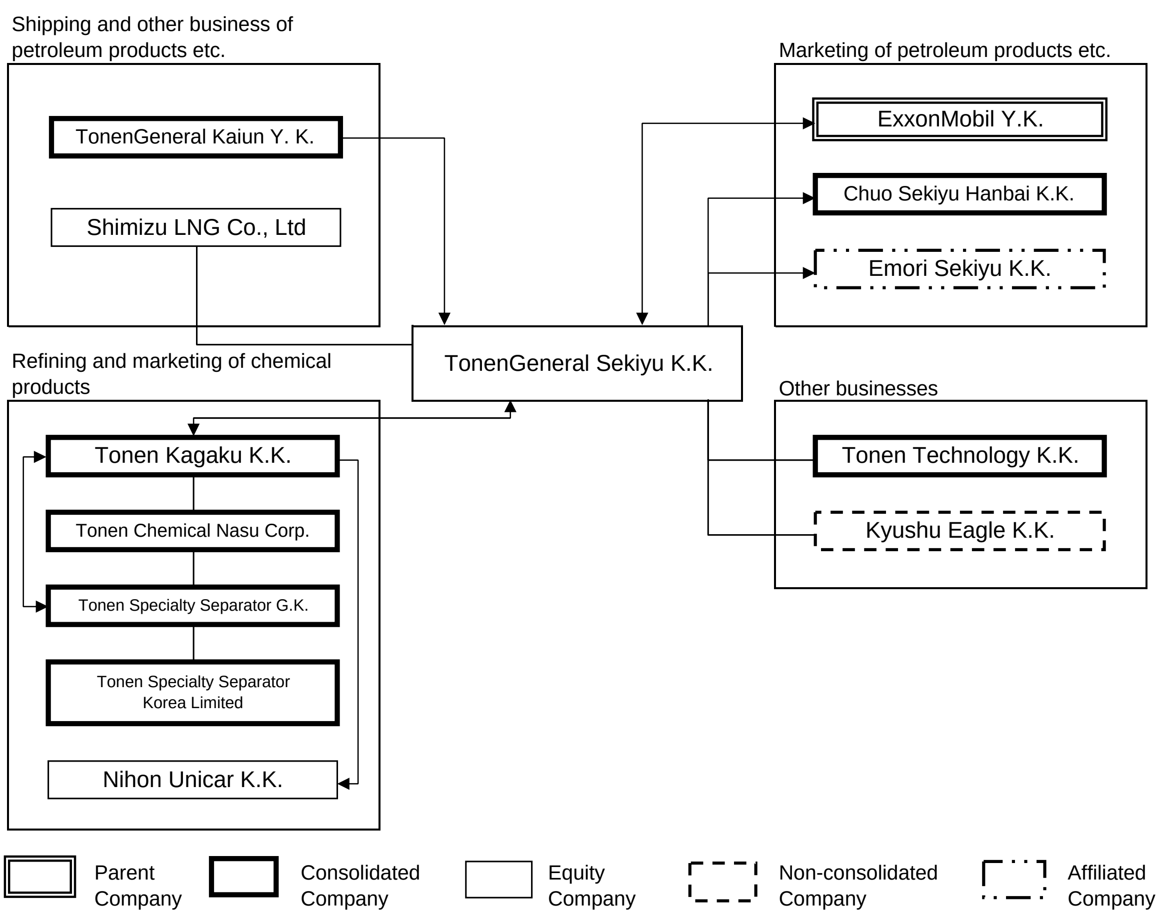
Segment	Function	Major Business	Name of Company	Number of Companies
Petroleum Products	Marketing	Sales of Petroleum Products	TonenGeneral Sekiyu K.K., ExxonMobil Y. K., Chuo Sekiyu Hanbai K.K., Emori Sekiyu K.K.	4
	Refining	Manufacturing, Processing and Sales of Petroleum Products	TonenGeneral Sekiyu K.K.	1
	Shipping	Marine Transportation of Crude Oil and Petroleum Products	TonenGeneral Kaiun Y. K.	1
	Others	Purchases and Sales of LNG	Shimizu LNG Co., Ltd.	1
Chemical Products	Refining and Marketing	Manufacturing, Processing and Sales of Chemical Products	TonenGeneral Sekiyu K.K., ExxonMobil Y. K., Tonen Kagaku K.K., Tonen Chemical Nasu Corp., Tonen Specialty Separator G.K., Tonen Specialty Separator Korea Limited, Nippon Unicar K.K.	7
Others		Engineering, Maintenance Service	Tonen Technology K.K., Kyushu Eagle K.K.	2

(Note) 1 Exxon Mobil Corporation, which indirectly owns 100% of the equity of ExxonMobil Y.K. via subsidiaries, is another parent company, but it is not included in the "Profile of Group Companies" as there are no material business transactions with the Company.

2 Tonen Specialty Separator Korea Limited was newly established on February 22, 2008 in Republic of Korea.

3 The shares in Nansei Sekiyu K.K., which were owned by TonenGeneral Sekiyu K. K. were sold to Petrobras International Braspetro B.V. on April 1, 2008.

Business structure of the group (as of June 30, 2008) is shown below:



3. Corporate Policy

Information regarding (1) Management Policy, (2) Target Indices, (3) Medium- and Long-term Corporate Strategy and (4) Our Challenges is omitted because there is no material change to the previous disclosure in Consolidated Financial Results (Kessan Tanshin) for 2007 disclosed on February 14, 2008. Please refer to the following URL for Consolidated Financial Results (Kessan Tanshin) for 2007.

TonenGeneral's Homepage
http://www.tonengeneral.co.jp/apps/tonengeneral/english/

Tokyo Stock Exchange Homepage (Company Search Page)
http://www.tse.or.jp/tseHpFront/HPLCDS0101E.do?method=init&callJorEFlg=1

4. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

Account Title	Prior Period (June 30, 2007) Amounts (Million yen)		Ratio (%)	Current Period (June 30, 2008) Amounts (Million yen)		Ratio (%)	December 31, 2007 Amounts (Million yen)		Ratio (%)	Jun. 30, 2008 vs. Dec. 31, 2007
(ASSETS)										
Ⅰ Current Assets										
1 Cash and Cash Equivalents		512			586			614		△ 28
2 Notes and Trade Accounts Receivable		442,215			412,851			553,198		△ 140,346
3 Inventories		161,727			153,540			168,477		△ 14,936
4 Income Tax Refund Receivable		-			710			4,504		△ 3,793
5 Deferred Tax Assets		7,432			17,087			16,053		1,033
6 Short-term Loans Receivable		21,842			42,853			264		42,589
7 Others		6,298			6,385			9,220		△ 2,834
8 Bad Debt Allowance		△ 147			△ 80			△ 72		△ 7
Total Current Assets		639,881	68.2		633,936	69.6		752,260	72.0	△ 118,324
Ⅱ Long-term Assets										
1 Property, Plant and Equipment										
(1) Buildings and Structures	214,302			208,886			214,799			
Accumulated Depreciation	160,306	53,996		158,680	50,206		161,983	52,816		△ 2,609
(2) Tanks	78,237			65,147			78,360			
Accumulated Depreciation	71,993	6,244		59,980	5,166		72,232	6,128		△ 961
(3) Machinery, Equipment and Vehicles	607,880			593,493			615,232			
Accumulated Depreciation	521,458	86,422		517,124	76,369		528,521	86,710		△ 10,341
(4) Tools, Furniture and Fixtures	11,520			10,831			11,159			
Accumulated Depreciation	9,933	1,587		9,375	1,455		9,742	1,417		38
(5) Land		88,041			82,906			87,946		△ 5,039
(6) Incomplete Construction		14,547			14,333			11,392		2,941
Total Property, Plant and Equipment		250,839	(26.8)		230,438	(25.2)		246,410	(23.6)	△ 15,971
2 Intangible Assets										
(1) Goodwill		1,633			980			1,306		△ 326
(2) Leasehold		1,909			1,917			1,917		0
(3) Software		3,111			3,056			3,144		△ 87
(4) Others		315			334			350		△ 15
Total Intangible Assets		6,970	(0.7)		6,288	(0.7)		6,718	(0.6)	△ 429
3 Investments and Other Assets										
(1) Investment Securities		15,153			14,601			15,063		△ 461
(2) Long-term Loans Receivable		1,127			916			1,041		△ 125
(3) Deferred Tax Assets		6,991			5,582			5,728		△ 145
(4) Others		17,281			19,963			18,753		1,210
(5) Bad Debt Allowance		△ 503			△ 385			△ 439		54
Total Investments and Other Assets		40,049	(4.3)		40,679	(4.5)		40,146	(3.8)	532
Total Long-term Assets		297,859	31.8		277,406	30.4		293,275	28.0	△ 15,869
Total Assets		937,741	100.0		911,342	100.0		1,045,536	100.0	△ 134,194

Account Title	Prior Period (June 30, 2007) Amounts (Million yen)	Ratio (%)	Current Period (June 30, 2008) Amounts (Million yen)	Ratio (%)	December 31, 2007 Amounts (Million yen)	Ratio (%)	Jun. 30, 2008 vs. Dec. 31, 2007
(LIABILITIES)							
Ⅰ Current Liabilities							
1 Notes and Trade Accounts Payable	279,683		369,522		381,690		△ 12,167
2 Gasoline Tax etc., Payable	198,775		114,152		219,836		△ 105,684
3 Short-term Debt	73,643		100,669		101,429		△ 760
4 Accrued Income Taxes	11,020		4,523		7,273		△ 2,749
5 Accrued Consumption Taxes	7,602		9,312		6,814		2,497
6 Guarantee Deposits Payable	11,787		10,203		11,213		△ 1,010
7 Reserve for Bonuses	1,484		1,415		1,298		116
8 Deferred Tax Liabilities	-		0		-		0
9 Others	34,216		34,414		38,828		△ 4,413
Total Current Liabilities	618,213	65.9	644,213	70.7	768,385	73.5	△ 124,171
Ⅱ Long-term Liabilities							
1 Long-term Debt	11,278		8,370		10,153		△ 1,783
2 Deferred Tax Liabilities	2,057		2,299		2,352		△ 52
3 Reserve for Accrued Pension Costs	33,900		29,781		31,561		△ 1,779
4 Reserve for Officers' Retirement Allowance	163		167		167		0
5 Reserve for Repairs	13,479		14,948		15,428		△ 479
6 Reserve for Offshore Well Abandonment	2,227		1,871		2,069		△ 197
7 Others	1,229		1,586		1,140		446
Total Long-term Liabilities	64,336	6.9	59,025	6.5	62,871	6.0	△ 3,846
Total Liabilities	682,549	72.8	703,238	77.2	831,256	79.5	△ 128,018
(NET ASSETS)							
Ⅰ Owners' Equity							
1 Paid-in Capital	35,123		35,123		35,123		-
2 Capital Surplus	20,767		20,741		20,741		-
3 Earned Surplus	198,309		152,319		157,216		△ 4,896
4 Treasury Stock	△ 369		△ 243		△ 202		△ 41
Total Owners' Equity	253,829	27.1	207,940	22.8	212,878	20.4	△ 4,938
Ⅱ Valuation and Translation Adjustments							
1 Valuation Difference on Available-for-Sale Securities	448		163		357		△ 193
2 Foreign Currency Translation Adjustments	-		△ 0		-		△ 0
Total Valuation and Translation Adjustments	448	0.0	163	0.0	357	0.0	△ 194
Ⅲ Minority Interests	913	0.1	-	-	1,043	0.1	△ 1,043
Total Net Assets	255,191	27.2	208,104	22.8	214,279	20.5	△ 6,175
Total Liabilities and Net Assets	937,741	100.0	911,342	100.0	1,045,536	100.0	△ 134,194

(2) Interim Consolidated Statement of Income

Account Title	1H 2007 (Jan. 1 through Jun. 30)			1H 2008 (Jan. 1 through Jun. 30)			1H 2008 vs. 1H 2007	2007 (Jan. 1 through Dec. 31)		
	Amounts (Million yen)		Ratio (%)	Amounts (Million yen)		Ratio (%)		Amounts (Million yen)		Ratio (%)
Ⅰ Sales Revenue		1,405,435	100.0		1,692,649	100.0	287,213		3,049,842	100.0
Ⅱ Cost of Sales		1,362,453	96.9		1,678,112	99.1	315,658		3,009,758	98.7
Gross Margin		42,982	3.1		14,537	0.9	△ 28,444		40,084	1.3
Ⅲ Selling, General and Administrative Expenses		16,538	1.2		16,858	1.0	320		33,020	1.1
Operating Income (△Loss)		26,443	1.9		△ 2,321	△0.1	△ 28,765		7,063	0.2
Ⅳ Non-operating Income										
1 Interest Income	45			72				76		
2 Dividends Received	57			55				64		
3 Foreign Exchange Gain	1,522			5,931				7,069		
4 Equity Earnings of Affiliates	781			430				1,598		
5 Others	42	2,449	0.2	64	6,555	0.4	4,106	77	8,886	0.3
Ⅴ Non-operating Expenses										
1 Interest Expenses	400			329				719		
2 Loss on Sales and Disposals of Supplies	9			9				19		
3 Others	69	479	0.0	111	450	0.0	△ 29	137	876	0.0
Ordinary Income		28,413	2.1		3,783	0.3	△ 24,629		15,073	0.5
Ⅵ Extraordinary Gain										
1 Gain on Sales of Subsidiary Company's Stock	-			6,049				-		
2 Gain on Sales of Property, Plant and Equipment	351			489				386		
3 Gain on Sales of Investment Securities	-			71				-		
4 Gain on Sales of Golf Membership	66	418	0.0	-	6,610	0.4	6,192	66	453	0.0
Ⅶ Extraordinary Loss										
1 Loss on Sales and Disposals of Property, Plant and Equipment	171			560				749		
2 Loss on Asset Impairment	660			437				732		
3 Accrued Loss on Sales of Subsidiary Company's Stock	-			-				2,803		
4 Surcharge	142	974	0.1	-	997	0.1	22	142	4,427	0.1
Interim (Annual) Income before Income Taxes		27,856	2.0		9,396	0.6	△ 18,460		11,099	0.4
Current Income Taxes	11,023			4,520				11,219		
Deferred Income Tax	△ 234	10,788	0.8	△ 979	3,540	0.2	△ 7,248	△ 7,243	3,975	0.1
Minority Interests (△Loss)		△ 20	△0.0		4	0.0	25		109	0.0
Interim (Annual) Net Income		17,088	1.2		5,851	0.4	△ 11,237		7,014	0.3

(3) Interim Consolidated Statement of Changes in Net Assets

1H 2007 (January 1, 2007 through June 30, 2007)

(Unit: Million yen)

	Owner's Equity					Valuation and Translation Adjustments		Minority Interests	Net Assets
	Paid-in Capital	Capital Surplus	Earned Surplus	Treasury Stock	Total Owner's Equity	Valuation Difference on Available-for-Sale Securities	Total Valuation and Translation Adjustments		
Balance at December 31, 2006	35,123	20,766	192,010	△ 206	247,693	527	527	933	249,155
Changes of Items during the Period									
Dividends from Surplus	-	-	△ 10,789	-	△ 10,789	-	-	-	△ 10,789
Interim Net Income	-	-	17,088	-	17,088	-	-	-	17,088
Purchases of Treasury Stock	-	-	-	△ 181	△ 181	-	-	-	△ 181
Disposal of Treasury Stock	-	0	-	18	18	-	-	-	18
Net Changes of Items Other than Owners' Equity	-	-	-	-	-	△ 79	△ 79	△ 20	△ 100
Total Changes of Items during the Period	-	0	6,299	△ 163	6,136	△ 79	△ 79	△ 20	6,036
Balance at June 30, 2007	35,123	20,767	198,309	△ 369	253,829	448	448	913	255,191

1H 2008 (January 1, 2008 through June 30, 2008)

(Unit: Million yen)

	Owner's Equity					Valuation and Translation Adjustments			Minority Interests	Net Assets
	Paid-in Capital	Capital Surplus	Earned Surplus	Treasury Stock	Total Owner's Equity	Valuation Difference on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments		
Balance at December 31, 2007	35,123	20,741	157,216	△ 202	212,878	357	-	357	1,043	214,279
Changes of Items during the Period										
Dividends from Surplus	-	-	△ 10,735	-	△ 10,735	-	-	-	-	△ 10,735
Interim Net Income	-	-	5,851	-	5,851	-	-	-	-	5,851
Purchases of Treasury Stock	-	-	-	△ 134	△ 134	-	-	-	-	△ 134
Disposal of Treasury Stock	-	-	△ 13	93	79	-	-	-	-	79
Net Changes of Items Other than Owners' Equity	-	-	-	-	-	△ 193	△ 0	△ 194	△ 1,043	△ 1,237
Total Changes of Items during the Period	-	-	△ 4,896	△ 41	△ 4,938	△ 193	△ 0	△ 194	△ 1,043	△ 6,175
Balance at June 30, 2008	35,123	20,741	152,319	△ 243	207,940	163	△ 0	163	-	208,104

2007 (January 1, 2007 through December 31, 2007)

(Unit: Million yen)

	Owner's Equity					Valuation and Translation Adjustments		Minority Interests	Net Assets
	Paid-in Capital	Capital Surplus	Earned Surplus	Treasury Stock	Total Owner's Equity	Valuation Difference on Available-for-Sale Securities	Total Valuation and Translation Adjustments		
Balance at December 31, 2006	35,123	20,766	192,010	△ 206	247,693	527	527	933	249,155
Changes of Items during the Period									
Dividends from Surplus	-	-	△ 21,576	-	△ 21,576	-	-	-	△ 21,576
Net Income	-	-	7,014	-	7,014	-	-	-	7,014
Purchases of Treasury Stock	-	-	-	△ 20,301	△ 20,301	-	-	-	△ 20,301
Disposal of Treasury Stock	-	△ 24	△ 20,231	20,305	48	-	-	-	48
Net Changes of Items Other than Owners' Equity	-	-	-	-	-	△ 170	△ 170	109	△ 60
Total Changes of Items during the Period	-	△ 24	△ 34,794	3	△ 34,814	△ 170	△ 170	109	△ 34,875
Balance at December 31, 2007	35,123	20,741	157,216	△ 202	212,878	357	357	1,043	214,279

(4) Interim Consolidated Statement of Cash Flows

(Unit: Million yen)

Title	1H 2007 (Jan. 1 through Jun. 30)	1H 2008 (Jan. 1 through Jun. 30)	2007 (Jan. 1 through Dec. 31)
	Amounts	Amounts	Amounts
Ⅰ Cash Flows from Operating Activities			
Interim (Annual) Income before Income Taxes	27,856	9,396	11,099
Depreciation and Amortization	10,075	13,795	23,377
Amortization of Goodwill	326	326	653
Loss on Asset Impairment	660	437	732
Increase(△Decrease) in Reserve for Bonuses	109	179	△ 75
Decrease in Reserve for Accrued Pension Costs	△ 2,644	△ 959	△ 4,983
Increase(△Decrease) in Reserve for Repairs	△ 1,918	162	30
Interest and Dividend Income	△ 102	△ 128	△ 140
Interest Expenses	400	329	719
Equity Earnings of Affiliates	△ 781	△ 430	△ 1,598
Loss on Sales and Disposals of Property, Plant and Equipment	171	560	749
Gain on Sales and Disposals of Property, Plant and Equipment	△ 351	△ 489	△ 386
Gain on Sales of Investment Securities	-	△ 71	-
Accrued Loss on Sales of Subsidiary Company's Stock	-	-	2,803
Gain on Sales of Subsidiary Company's Stock	-	△ 6,049	-
Surcharge	142	-	142
Decrease(△Increase) in Trade Accounts Receivable	75,377	127,731	△ 35,655
Decrease(△Increase) in Inventories	26,326	△ 14,269	19,576
Decrease in Other Accounts Receivable	1,308	203	803
Increase(△Decrease) in Trade Accounts Payable	△ 74,778	10,847	27,228
Decrease in Other Accounts Payable	△ 42,079	△ 99,494	△ 21,404
Others	2,655	3,380	△ 1,147
Sub-Total	22,754	45,457	22,523
Interest and Dividend Received	37	155	149
Interest Paid	△ 321	△ 372	△ 714
Payments of Additional Allowance for Early Retirement	△ 8	-	△ 9
Payments of Surcharge	-	-	△ 142
Refund of Income Taxes Paid	1,715	4,538	1,715
Income Taxes Paid	△ 9,078	△ 8,175	△ 16,840
Cash Flows from Operating Activities	15,098	41,603	6,682
Ⅱ Cash Flows from Investing Activities			
Payments for Purchases of Property, Plant and Equipment	△ 11,987	△ 7,796	△ 21,406
Proceeds from Sales of Property, Plant and Equipment	1,643	821	1,997
Payments for Purchases of Intangible Assets	△ 412	△ 328	△ 911
Payments for Purchases of Investment Securities	△ 82	-	△ 82
Proceeds from Sales of Investment Securities	-	603	-
Proceeds from Sales of Subsidiary Company's Stock with Change in Scope of Consolidation	-	9,601	-
Payments of Long-term Loans Receivable	△ 2	△ 4	△ 2
Collection of Long-term Loans Receivable	103	145	195
Proceeds from Share Buy Back by an Equity-method Subsidiary	-	-	633
Others	94	-	94
Cash Flows from Investing Activities	△ 10,642	3,041	△ 19,479
Ⅲ Cash Flows from Financing Activities			
Decrease(△Increase) in Short-term Loans Receivable	△ 21,507	△ 42,605	64
Increase in Short-term Debt	33,976	9,894	61,762
Decrease in Commercial Paper	△ 5,000	-	△ 5,000
Payments of Long-term Debt	△ 1,125	△ 1,116	△ 2,250
Payments for Repurchase of Treasury Stock	△ 181	△ 134	△ 20,301
Proceeds from Sales of Treasury Stock	18	79	48
Cash Dividends Paid	△ 10,789	△ 10,735	△ 21,577
Payments of Dividends to Minority Interests	-	△ 55	-
Cash Flows from Financing Activities	△ 4,608	△ 44,672	12,748
Ⅳ Decrease in Cash and Cash Equivalents	△ 152	△ 28	△ 49
Ⅴ Cash and Cash Equivalents at the Beginning of the Period	664	614	664
Ⅵ Cash and Cash Equivalents at the End of the Period	512	586	614

(5) Fundamental and Important Items for Interim Consolidated Financial Statements

1H 2007 (Jan.1, 2007 through Jun. 30, 2007)	1H 2008 (Jan.1, 2008 through Jun. 30, 2008)	2007 (Jan.1, 2007 through Dec. 31, 2007)
Ⅰ Scope of Consolidation 1 Consolidated Subsidiaries: 6 companies Nansei Sekiyu K.K., Tonen Kagaku K.K., Chuo Sekiyu Hanbai K.K., TonenGeneral Kaiun Y.K., Tonen Chemical Nasu Corp. and Tonen Technology K.K.	Ⅰ Scope of Consolidation 1 Consolidated Subsidiaries: 7 companies Tonen Kagaku K.K., Chuo Sekiyu Hanbai K.K., TonenGeneral Kaiun Y.K., Tonen Technology K.K., Tonen Chemical Nasu Corp., Tonen Specialty Separator G.K. and Tonen Specialty Separator Korea Private Limited In this interim consolidated accounting period, one company has been included, and one company has been excluded from the scope of consolidation. Newly established in Republic of Korea Tonen Specialty Separator Korea Private Limited Sold the shares owned by the Company Nansei Sekiyu K.K.	Ⅰ Scope of Consolidation 1 Consolidated Subsidiaries: 7 companies Nansei Sekiyu K.K., Tonen Kagaku K.K., Chuo Sekiyu Hanbai K.K., TonenGeneral Kaiun Y.K., Tonen Chemical Nasu Corp., Tonen Technology K.K. and Tonen Specialty Separator G.K. In this period, one company has been included in the scope because Tonen Specialty Separator G.K. was established.
2 Non-consolidated Subsidiaries: 1 company Kyushu Eagle K.K. 3 The Reason to Exclude the Subsidiary from the Scope of Consolidation The subsidiary is excluded from the scope of consolidation because its assets, sales revenue, net income, earned surplus and so on have no material impact on the interim consolidated financial statements	2 Non-consolidated Subsidiaries: 1 company No Change 3 The Reason to Exclude the Subsidiary from the Scope of Consolidation No Change	2 Non-consolidated Subsidiaries: 1 company No Change 3 The Reason to Exclude the Subsidiary from the Scope of Consolidation The subsidiary is excluded from the scope of consolidation because its assets, sales revenue, net income, earned surplus and so on have no material impact on the consolidated financial statements
Ⅱ Application of Equity Method 1 Affiliates Accounted for by the Equity Method: 2 companies Nippon Unicar K.K. Shimizu LNG Co., Ltd 2 Non-equity-method Companies Non-consolidated subsidiaries: 1 company Kyusyu Eagle K.K. Affiliated companies: 1 company Emori Sekiyu K.K.	Ⅱ Application of Equity Method 1 Affiliates Accounted for by the Equity Method: 2 companies No Change 2 Non-equity-method Companies No Change	Ⅱ Application of Equity Method 1 Affiliates Accounted for by the Equity Method: 2 companies No Change 2 Non-equity-method Companies No Change
3 The Reason not to Apply Equity Method The non-consolidated subsidiary and affiliated company, which are mentioned, are not accounted by equity method because the companies do not have material impact on interim net income, earned surplus, etc.	3 The Reason not to Apply Equity Method No Change	3 The Reason not to Apply Equity Method The non-consolidated subsidiary and affiliated company, which are mentioned, are not accounted by equity method because the companies do not have material impact on net income, earned surplus, etc.

1H 2007 (Jan.1, 2007 through Jun. 30, 2007)	1H 2008 (Jan.1, 2008 through Jun. 30, 2008)	2007 (Jan.1, 2007 through Dec. 31, 2007)
Ⅲ Interim Closing Date of Consolidated Subsidiaries Interim closing dates of consolidated subsidiaries are the same as that of the Company	Ⅲ Interim Closing Date of Consolidated Subsidiaries No Change	Ⅲ Closing Date of Consolidated Subsidiaries Closing dates of consolidated subsidiaries are the same as that of the Company
Ⅳ Summary of Significant Accounting Procedures In order to prepare each companies' financial statements, which are basis of the interim consolidated financial statements, the Company and its subsidiaries applied following accounting procedures	Ⅳ Summary of Significant Accounting Procedures In order to prepare each companies' financial statements, which are basis of the interim consolidated financial statements, the Company and its subsidiaries applied following accounting procedures	Ⅳ Summary of Significant Accounting Procedures In order to prepare each companies' financial statements, which are basis of the consolidated financial statements, the Company and its subsidiaries applied following accounting procedures
1 Evaluation Rules and Methods for Important Assets	1 Evaluation Rules and Methods for Important Assets	1 Evaluation Rules and Methods for Important Assets
(1) Inventories Goods, products, unfinished products and crude: Generally LIFO method at the lower of cost or market Supplies: The moving-average method	(1) Inventories No Change	(1) Inventories No Change
(2) Securities Other securities ① Marketable Market value at the interim closing date (Valuation difference on available-for-sales securities is directly reflected in Owners' Equity, and cost of sales is calculated using the moving-average method)	(2) Securities Other securities ① Marketable No Change	(2) Securities Other securities ① Marketable Market value at the closing date (Valuation difference on available-for-sales securities is directly reflected in Owners' Equity, and cost of sales is calculated using the moving-average method)
② Non-marketable The moving-average method	② Non-marketable No Change	② Non-marketable No Change
(3) Derivatives transactions, etc Market value at the closing date	(3) Derivatives transactions, etc No Change	(3) Derivatives transactions, etc No Change

1H 2007 (Jan.1, 2007 through Jun. 30, 2007)	1H 2008 (Jan.1, 2008 through Jun. 30, 2008)	2007 (Jan.1, 2007 through Dec. 31, 2007)
2 Depreciation and Amortization of Fixed Assets (1) Property, Plant and Equipment Generally the declining-balance method The service life ranges of major types of assets are: Buildings and Structures: 10 to 50 years Tanks: 10 to 25 years Machinery and Equipment: 8 to 15 years <Change of Accounting Method> In accordance with the revision of the Corporate Tax Law, the depreciation method for Property, Plant and Equipment, which was acquired on or after April 1, 2007 was aligned with the method under revised Corporate Tax Law from this accounting period. As a result, Operating Income, Ordinary Income and Interim Income before Income Taxes decreased by 249 million yen, respectively. (2) Intangible Assets The straight-line method In-house computer software is amortized over its service life (5 to 15 years) using the straight-line method	2 Depreciation and Amortization of Fixed Assets (1) Property, Plant and Equipment No Change (2) Intangible Assets No Change	2 Depreciation and Amortization of Fixed Assets (1) Property, Plant and Equipment No Change <Change of Accounting Method> In accordance with the revision of the Corporate Tax Law, the depreciation method for Property, Plant and Equipment, which was acquired on or after April 1, 2007 was aligned with the method under revised Corporate Tax Law from this accounting period. As a result, Operating Income, Ordinary Income and Income before Income Taxes decreased by 1,145 million yen, respectively. (2) Intangible Assets No Change
3 Accounting Standards for Major Reserves (1) Bad Debt Allowance To provide for losses due to bad debt, the Company and its consolidated subsidiaries accrue an estimated bad debt allowance on ordinary receivables based on historical bad debt ratios, and on highly doubtful receivables based on the financial conditions or individual customers (2) Reserve for Bonuses To provide for the payment of employees' bonuses, the Company and its consolidated subsidiaries accrue an estimated reserve for the interim consolidated accounting period	3 Accounting Standards for Major Reserves (1) Bad Debt Allowance No Change (2) Reserve for Bonuses No Change	3 Accounting Standards for Major Reserves (1) Bad Debt Allowance No Change (2) Reserve for Bonuses To provide for the payment of employees' bonuses, the Company and its consolidated subsidiaries accrue an estimated reserve for the consolidated accounting period

1H 2007 (Jan.1, 2007 through Jun. 30, 2007)	1H 2008 (Jan.1, 2008 through Jun. 30, 2008)	2007 (Jan.1, 2007 through Dec. 31, 2007)
(3) Reserve for Accrued Pension Costs To provide for the payment of employees' post-retirement benefits, the Company and its consolidated subsidiaries accrue an estimated reserve based on the projected benefit obligations and estimated pension plan assets as of the interim closing date. Any differences in actuarial calculations of retirement benefits are amortized beginning with the next accounting period, where the declining-balance method is employed over a period which is set within employees' average remaining service years (12 years). Prior service liabilities are amortized using the straight-line method over employees' average remaining service years (Before 2004: 15.5 years Since 2004: Parent 12.9 years Consolidated Subsidiaries 11.4 years Since 2007: Parent 11.9 years Consolidated Subsidiaries 11.0 years)	(3) Reserve for Accrued Pension Costs No Change	(3) Reserve for Accrued Pension Costs To provide for the payment of employees' post-retirement benefits, the Company and its consolidated subsidiaries accrue an estimated reserve based on the projected benefit obligations and estimated pension plan assets as of the closing date. Any differences in actuarial calculations of retirement benefits are amortized beginning with the next accounting period, where the declining-balance method is employed over a period which is set within employees' average remaining service years (12 years). Prior service liabilities are amortized using the straight-line method over employees' average remaining service years (Before 2004: 15.5 years Since 2004: Parent 12.9 years Consolidated Subsidiaries 11.4 years Since 2007: Parent 11.9 years Consolidated Subsidiaries 11.0 years)
(4) Reserve for Officers' Retirement Allowance To provide for the payment of officers' post-retirement allowance, the Company and its consolidated subsidiaries accrue an estimated amount of lump sum retirement allowance assuming that officers retire at the interim closing date.	(4) Reserve for Officers' Retirement Allowance No Change	(4) Reserve for Officers' Retirement Allowance To provide for the payment of officers' post-retirement allowance, the Company and its consolidated subsidiaries accrue an estimated amount of lump sum retirement allowance assuming that officers retire at the closing date.
(5) Reserve for Repairs To provide for periodic tank inspections required under the Fire Service Law and for periodic repairs of machinery and equipment, the Company and two of its subsidiaries accrue an estimated reserve for the interim consolidated accounting period, based on actual payments and repair plans, respectively.	(5) Reserve for Repairs To provide for periodic tank inspections required under the Fire Service Law and for periodic repairs of machinery and equipment, the Company and one of its subsidiaries accrue an estimated reserve for the interim consolidated accounting period, based on actual payments and repair plans, respectively.	(5) Reserve for Repairs To provide for periodic tank inspections required under the Fire Service Law and for periodic repairs of machinery and equipment, the Company and two of its subsidiaries accrue an estimated reserve for the consolidated accounting period, based on actual payments and repair plans, respectively.
(6) Reserve for Offshore Well Abandonment To provide for expenses for offshore well abandonment to be incurred when natural gas production is terminated, the Company accrues an estimated amount using the unit of production method.	(6) Reserve for Offshore Well Abandonment No Change	(6) Reserve for Offshore Well Abandonment No Change

1H 2007 (Jan.1, 2007 through Jun. 30, 2007)	1H 2008 (Jan.1, 2008 through Jun. 30, 2008)	2007 (Jan.1, 2007 through Dec. 31, 2007)
4 Translation Method for Foreign Currency Assets and Liabilities Foreign currency assets and liabilities are translated into yen at the spot rate at the interim closing date, and any difference in exchange rate is reflected in income. 5 Accounting Method for Major Lease Transactions The accounting treatment for finance lease transactions, which ownership do not transfer to lessee, is as same as the method applied to ordinary operating lease transactions. 6 Accounting Method for Consumption Tax Consolidated Statement of Income does not include consumption tax. V Scope of Cash and Cash Equivalents in Interim Consolidated Statement of Cash Flows Cash and cash equivalents are composed of cash on hand, deposits draw able at any time, and readily convertible and price change insensitive short-term advances whose maturity comes generally within three months.	4 Translation Method for Foreign Currency Assets and Liabilities No Change 5 Accounting Method for Major Lease Transactions No Change 6 Accounting Method for Consumption Tax No Change V Scope of Cash and Cash Equivalents in Interim Consolidated Statement of Cash Flows No Change	4 Translation Method for Foreign Currency Assets and Liabilities Foreign currency assets and liabilities are translated into yen at the spot rate at the closing date, and any difference in exchange rate is reflected in income. 5 Accounting Method for Major Lease Transactions No Change 6 Accounting Method for Consumption Tax No Change V Scope of Cash and Cash Equivalents in Consolidated Statement of Cash Flows No Change

Additional Information

1H 2007 (Jan.1, 2007 through Jun. 30, 2007)	1H 2008 (Jan.1, 2008 through Jun. 30, 2008)	2007 (Jan.1, 2007 through Dec. 31, 2007)
―――――――	<Depreciation of Fixed Assets> In accordance with the revision of the Corporate Tax Law, the differences between the limit of depreciation (5% of the first cost) and the memorandum value of Property, Plant and Equipment, which were acquired before March 31, 2007, are depreciated on straight-line bases over 5 years from the next year when the assets were fully depreciated to the limit of depreciation (5% of the first cost), and the Company and its subsidiaries recognize them as depreciation costs. As a result, Operating Income, Ordinary Income and Interim Income before Income Taxes decreased by 2,635 million yen, respectively. <Sales of Subsidiary Company's Stock> The shares in Nansei Sekiyu K.K., which were owned by the Company were sold to Petrobras International Braspetro B.V. on April 1, 2008. The gain of 6,049 million yen was recognized as "Gain on Sales of Subsidiary Company's Stock" in Extraordinary Gain. The "Gain on Sales of Subsidiary Company's Stock" includes the reversal of accrued loss on Subsidiary Stock Sales, which was recognized in the prior period, by 2,803 million yen.	―――――――

(6) Notes to Interim Consolidated Financial Statements

(Segment Information)

1 Information by Business Line

1H 2007 (January 1, 2007 through June 30, 2007)

(Unit: Million yen)

	Oil	Chemicals	Others	Total	Elimination	Consolidated
Sales Revenue						
(1) Sales to Third Parties	1,247,157	157,621	656	1,405,435	-	1,405,435
(2) Internal Transactions	193,652	20,946	5	214,603	(214,603)	-
Total	1,440,809	178,568	661	1,620,039	(214,603)	1,405,435
Operating Expenses	1,448,644	144,293	657	1,593,595	(214,603)	1,378,992
Operating Income (△Loss)	△ 7,834	34,274	4	26,443	(-)	26,443

(Note) 1 Classification of business lines is based on the internal control procedure the Company has adopted.
2 Major products of each business line:
(1) Oil: Gasoline, Naphtha, Jet Fuel, Kerosene, Diesel Fuel, Fuel Oils, Lubricants, LPG, etc.
(2) Chemicals: Ethylene, Propylene, Benzene, Toluene, Paraxylene, Battery Separator Film, etc.
(3) Others: Engineering, Maintenance Service, etc.
3 Change of Accounting Method
In accordance with the revision of the Corporate Tax Law, the depreciation method for Property, Plant and Equipment which was acquired on or after April 1, 2007, was aligned with the method under revise Corporate Tax Law from this accounting period.
Due to the new method, Oil Segment and Chemical Segment had unfavorable impact by 241 million yen and 7 million yen respectively.

1H 2008 (January 1, 2008 through June 30, 2008)

(Unit: Million yen)

	Oil	Chemicals	Others	Total	Elimination	Consolidated
Sales Revenue						
(1) Sales to Third Parties	1,503,785	187,964	899	1,692,649	-	1,692,649
(2) Internal Transactions	207,016	24,375	3	231,394	(231,394)	-
Total	1,710,801	212,339	902	1,924,044	(231,394)	1,692,649
Operating Expenses	1,731,145	194,453	766	1,926,365	(231,394)	1,694,971
Operating Income (△Loss)	△ 20,343	17,886	135	△ 2,321	(-)	△ 2,321

(Note) 1 Classification of business lines is based on the internal control procedure the Company has adopted.
2 Major products of each business line:
(1) Oil: Gasoline, Naphtha, Jet Fuel, Kerosene, Diesel Fuel, Fuel Oils, Lubricants, LPG, etc.
(2) Chemicals: Ethylene, Propylene, Benzene, Toluene, Paraxylene, Battery Separator Film, etc.
(3) Others: Engineering, Maintenance Service, etc.

2007 (January 1, 2007 through December 31, 2007)

(Unit: Million yen)

	Oil	Chemicals	Others	Total	Elimination	Consolidated
Sales Revenue						
(1) Sales to Third Parties	2,717,571	330,785	1,486	3,049,842	-	3,049,842
(2) Internal Transactions	436,095	46,040	6	482,142	(482,142)	-
Total	3,153,667	376,825	1,492	3,531,985	(482,142)	3,049,842
Operating Expenses	3,202,338	321,173	1,409	3,524,921	(482,142)	3,042,778
Operating Income (△Loss)	△ 48,670	55,651	83	7,063	(-)	7,063

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

2 Major products of each business line:

(1) Oil: Gasoline, Naphtha, Jet Fuel, Kerosene, Diesel Fuel, Fuel Oils, Lubricants, LPG, etc.

(2) Chemicals: Ethylene, Propylene, Benzene, Toluene, Paraxylene, Battery Separator Film, etc.

(3) Others: Engineering, Maintenance Service, etc.

3 Change of Accounting Method

In accordance with the revision of the Corporate Tax Law, the depreciation method for Property, Plant and Equipment which was acquired on or after April 1, 2007, was aligned with the method under revise Corporate Tax Law from this accounting period. Due to the new method, Oil Segment and Chemical Segment had unfavorable impact by 1,138 million yen and 6 million yen respectively.

2 Segment Information by Geographic Area

The information was omitted for the previous interim and fiscal consolidated accounting periods, because the Company doesn't have overseas consolidated companies or important overseas branches. As for this interim consolidated accounting period, the information is also omitted, since sales revenue in the domestic market comprise over 90% to total sales revenue.

3 Overseas Sales

1H 2007 (January 1, 2007 through June 30, 2007)

This information is omitted, since overseas sales revenue is less than 10% of total sales revenue in this interim consolidated accounting periods.

1H 2008 (January 1, 2008 through June 30, 2008)

(1) Overseas Sales Revenue	(Million yen)	174,999
(2) Consolidated Sales Revenue	(Million yen)	1,692,649
(3) Percentage of (1) vs. (2)	(%)	10.3

(Note) 1 Overseas sales revenues are not given by country or region as the information is not deemed to be material.

2 The major countries or regions in the category: Asia Pacific

3 Overseas sales revenue is the Company and its consolidated subsidiaries' sales amount outside of Japan.

2007 (January 1, 2007 through December 31, 2007)

This information is omitted, since overseas sales revenue is less than 10% of total sales revenue in this consolidated accounting periods.

(Financial Data per Share)

1H 2007 (Jan.1, 2007 through Jun. 30, 2007)	1H 2008 (Jan.1, 2008 through Jun. 30, 2008)	2007 (Jan.1, 2007 through Dec. 31, 2007)
Net Assets per Share 436.08 Yen Net Income per Share 29.30 Yen Net Income per Share after adjustment is not noted because the Company has not issued any residual securities	Net Assets per Share 368.36 Yen Net Income per Share 10.36 Yen No Change	Net Assets per Share 377.41 Yen Net Income per Share 12.12 Yen No Change

(Note) Basis of the Calculation

1 Net Assets per Share

	1H 2007 (Jan. 1, 2007 through Jun. 30, 2007)	1H 2008 (Jan. 1, 2008 through Jun. 30, 2008)	2007 (Jan. 1, 2007 through Dec. 31, 2007)
Net Assets on the Consolidated Balance Sheet (Million yen)	255,191	208,104	214,279
Net Assets per Common Share (Million yen)	254,278	208,104	213,236
The difference between "Net Assets on the Consolidated Balance Sheet" and "Net Assets per Common Share" which is the basis of the calculation for "Net Assets per Share" (Million yen)	913	-	1,043
(Minority Interests) (Million yen)	(913)	(-)	(1,043)
Number of outstanding common Shares (Shares)	583,400,000	565,182,000	565,182,000
Number of common shares owned by the Company (Shares)	303,648	240,187	180,951
Number of common shares used for the basis of the calculation for "Net Assets per Share" (Shares)	583,096,352	564,941,813	565,001,049

2 Net Income per Share

	1H 2007 (Jan. 1, 2007 through Jun. 30, 2007)	1H 2008 (Jan. 1, 2008 through Jun. 30, 2008)	2007 (Jan. 1, 2007 through Dec. 31, 2007)
Net Income (Million yen)	17,088	5,851	7,014
Net Income not relating to common shareholders (Million yen)	-	-	-
Net Income per Common Share (Million yen)	17,088	5,851	7,014
Average number of outstanding Common Shares (Shares)	583,148,902	564,983,020	578,585,407

(Omitted Notes)

Notes concerning lease transaction, securities, and derivative transactions are omitted because those items are not material.

5. Interim Financial Statements

(1) Interim Balance Sheets

Account Title	Prior Period (June 30, 2007) Amounts (Million yen)		Ratio (%)	Current Period (June 30, 2008) Amounts (Million yen)		Ratio (%)	December 31, 2007 Amounts (Million yen)		Ratio (%)	Jun. 30, 2008 vs. Dec. 31, 2007
(ASSETS)										
Ⅰ Current Assets										
1 Cash and Cash Equivalents	270			311			52			259
2 Notes and Trade Accounts Receivable	436,133			405,219			556,362			△ 151,143
3 Inventories	144,959			147,940			154,186			△ 6,246
4 Income Tax Refund Receivable	-			710			4,504			△ 3,793
5 Deferred Tax Assets	5,570			16,263			14,394			1,869
6 Short-term Loans Receivable	39,822			54,494			17,011			37,482
7 Other Accounts Receivable	3,984			4,217			4,948			△ 730
8 Others	2,058			1,738			4,365			△ 2,627
9 Bad Debt Allowance	△ 147			△ 80			△ 72			△ 7
Total Current Assets		632,652	71.5		630,816	72.8		755,752	75.2	△ 124,936
Ⅱ Long-term Assets										
1 Property, Plant and Equipment										
(1) Buildings	15,296			14,406			14,912			△ 506
(2) Structures	31,060			29,753			30,485			△ 732
(3) Tanks	5,073			4,848			4,998			△ 149
(4) Machinery, Equipment	70,620			65,473			72,069			△ 6,595
(5) Land	73,275			72,632			73,180			△ 548
(6) Others	15,769			15,003			12,221			2,781
Total Property, Plant and Equipment	211,095		(23.9)	202,117		(23.3)	207,867		(20.7)	△ 5,750
2 Intangible Assets	5,135		(0.6)	5,195		(0.6)	5,204		(0.5)	△ 9
3 Investments and Other Assets										
(1) Investment Securities	5,693			4,655			5,547			△ 891
(2) Stock of Subsidiaries	13,487			6,599			13,487			△ 6,887
(3) Long-term Loans Receivable	1,040			849			958			△ 109
(4) Deferred Tax Assets	5,970			5,453			5,574			△ 121
(5) Others	10,233			11,465			10,811			653
(6) Bad Debt Allowance	△ 449			△ 385			△ 385			0
Total Investments and Other Assets	35,975		(4.0)	28,637		(3.3)	35,993		(3.6)	△ 7,355
Total Long-term Assets		252,206	28.5		235,950	27.2		249,066	24.8	△ 13,116
Total Assets		884,859	100.0		866,766	100.0		1,004,819	100.0	△ 138,052

Account Title	Prior Period (June 30, 2007) Amounts (Million yen)		Ratio (%)	Current Period (June 30, 2008) Amounts (Million yen)		Ratio (%)	December 31, 2007 Amounts (Million yen)		Ratio (%)	Jun. 30, 2008 vs. Dec. 31, 2007
(LIABILITIES)										
Ⅰ Current Liabilities										
1 Notes and Trade Accounts Payable	289,337			369,086			405,988			△ 36,902
2 Gasoline Tax etc., Payable	190,283			114,152			210,489			△ 96,337
3 Short-term Debt	71,153			102,468			99,159			3,308
4 Accrued Income Taxes	4,057			-			-			-
5 Accrued Consumption Taxes	4,551			7,427			3,205			4,222
6 Reserve for Bonuses	1,156			1,043			1,025			18
7 Others	44,208			43,576			43,647			△ 70
Total Current Liabilities		604,749	68.3		637,755	73.6		763,516	76.0	△ 125,761
Ⅱ Long-term Liabilities										
1 Long-term Debt	10,537			8,370			9,449			△ 1,079
2 Reserve for Accrued Pension Costs	32,367			28,585			29,966			△ 1,380
3 Reserve for Officers' Retirement Allowance	160			167			164			3
4 Reserve for Repairs	12,902			14,107			14,269			△ 161
5 Reserve for Offshore Well Abandonment	2,227			1,871			2,069			△ 197
6 Others	1,104			827			1,026			△ 198
Total Long-term Liabilities		59,299	6.7		53,929	6.2		56,944	5.7	△ 3,014
Total Liabilities		664,048	75.0		691,684	79.8		820,461	81.7	△ 128,776
(NET ASSETS)										
Ⅰ Owners' Equity										
1 Paid-in Capital		35,123	4.0		35,123	4.1		35,123	3.5	-
2 Capital Surplus										
(1) Capital Legal Surplus	20,741			20,741			20,741			-
(2) Other Capital Surplus	25			-			-			-
Total Capital Surplus		20,767	2.4		20,741	2.4		20,741	2.0	-
3 Earned Surplus										
(1) Earned Legal Reserve	8,780			8,780			8,780			-
(2) Other Legal Reserve										
Reserve for replacement of Property	17,573			16,642			17,089			△ 446
Reserve for Mine Exploration	178			-			-			-
Reserve for Special Depreciation	14			-			8			△ 8
Earned Surplus Brought Forward	138,305			93,872			102,459			△ 8,587
Total Earned Surplus		164,853	18.6		119,296	13.7		128,337	12.8	△ 9,041
4 Treasury Stock		△ 369	△0.0		△ 243	△0.0		△ 202	△0.0	△ 41
Total Owners' Equity		220,373	25.0		174,917	20.2		184,000	18.3	△ 9,082
Ⅱ Valuation and Translation Adjustments										
1 Valuation Difference on Available-for-Sale Securities		436			163			357		△ 193
Total Valuation and Translation Adjustments		436	0.0		163	0.0		357	0.0	△ 193
Total Net Assets		220,810	25.0		175,081	20.2		184,358	18.3	△ 9,276
Total Liabilities and Net Assets		884,859	100.0		866,766	100.0		1,004,819	100.0	△ 138,052

(2) Interim Consolidated Statement of Income

	1H 2007 (Jan. 1 through Jun. 30)			1H 2008 (Jan. 1 through Jun. 30)			1H 2008 vs. 1H 2007	2007 (Jan. 1 through Dec. 31)		
Account Title	Amounts (Million yen)		Ratio (%)	Amounts (Million yen)		Ratio (%)		Amounts (Million yen)		Ratio (%)
Ⅰ Sales Revenue		1,378,185	100.0		1,683,919	100.0	305,734		3,014,375	100.0
Ⅱ Cost of Sales		1,357,119	98.5		1,688,377	100.3	331,257		3,016,220	100.1
Gross Margin (△Loss)		21,066	1.5		△ 4,457	△ 0.3	△ 25,523		△ 1,844	△ 0.1
Ⅲ Selling, General and Administrative Expenses		11,057	0.8		11,121	0.7	64		22,285	0.7
Operating Income (△Loss)		10,008	0.7		△ 15,579	△ 1.0	△ 25,588		△ 24,130	△ 0.8
Ⅳ Non-operating Income										
1 Interest Income	326			325				626		
2 Dividends Received	3,054			4,146				16,061		
3 Foreign Exchange Gain	1,318			6,241				6,876		
4 Others	18	4,718	0.3	27	10,740	0.6	6,021	51	23,616	0.8
Ⅴ Non-operating Expenses										
1 Interest Expenses	375			332				668		
2 Loss on Sales and Disposals of Supplies	8			7				15		
3 Others	10	394	0.0	35	375	0.0	△ 19	28	712	0.0
Ordinary Income (△Loss)		14,333	1.0		△ 5,214	△ 0.4	△ 19,547		△ 1,226	△0.0
Ⅵ Extraordinary Gain										
1 Gain on Sales of Subsidiary Company's Stock	-			5,639				-		
2 Gain on Sales of Property, Plant and Equipment	-			298				35		
3 Gain on Sales of Investment Securities	-			71				-		
4 Gain on Sales of Golf Membership	66	66	0.0	-	6,008	0.4	5,942	66	102	0.0
Ⅶ Extraordinary Loss										
1 Loss on Asset Impairment	492			437				564		
2 Loss on Sales and Disposals of Property, Plant and Equipment	134			249				680		
3 Accrued Loss on sales of Subsidiary Company's Stock	-	627	0.0	-	686	0.0	59	1,822	3,067	0.1
Interim (Annual) Income before Income Taxes (△Loss)		13,772	1.0		108	0.0	△ 13,664		△ 4,191	△ 0.1
Current Income Taxes	4,154			16				59		
Deferred Income Tax	△ 246	3,907	0.3	△ 1,615	△ 1,598	△ 0.1	△ 5,506	△ 8,619	△ 8,560	△ 0.2
Interim (Annual) Net Income		9,864	0.7		1,707	0.1	△ 8,157		4,368	0.1

(3) Interim Statement of Change in Net Assets

1H 2007 (January 1, 2007 through June 30, 2007)

(Unit: Million yen)

	Owner's Equity			
	Paid-in Capital	Capital Surplus		
		Capital Legal Reserve	Other Capital Surplus	Total
Balance at Dec. 31, 2006	35,123	20,741	24	20,766
Changes of Items during the period				
Dividends from Surplus	-	-	-	-
Interim Net Income	-	-	-	-
Purchases of Treasury Stock	-	-	-	-
Disposal of Treasury Stock	-	-	0	0
Addition/Withdrawal of Other Earned Surplus	-	-	-	-
Net Changes of Items other than Owner's Equity	-	-	-	-
Total Changes of Items during the Period	-	-	0	0
Balance at Jun. 30, 2007	35,123	20,741	25	20,767

	Owner's Equity							
	Earned Surplus						Treasury Stock	Total
	Earned Legal Reserve	Other Earned Surplus				Total		
		Reserve for Replacement Property	Reserve for Mine Exploration	Reserve for Special Depre.	Earned Surplus brought Forward			
Balance at Dec. 31, 2006	8,780	18,067	239	20	138,670	165,778	△ 206	221,461
Changes of Items during the period								
Dividends from Surplus	-	-	-	-	△ 10,789	△ 10,789	-	△ 10,789
Interim Net Income	-	-	-	-	9,864	9,864	-	9,864
Purchases of Treasury Stock	-	-	-	-	-	-	△ 181	△ 181
Disposal of Treasury Stock	-	-	-	-	-	-	18	18
Addition/Withdrawal of Other Earned Surplus	-	△ 493	△ 60	△ 6	560	-	-	-
Net Changes of Items other than Owner's Equity	-	-	-	-	-	-	-	-
Total Changes of Items during the Period	-	△ 493	△ 60	△ 6	△ 364	△ 924	△ 163	△ 1,087
Balance at Jun. 30, 2007	8,780	17,573	178	14	138,305	164,853	△ 369	220,373

	Valuation and Translation Adjustments		Total Net Assets
	Valuation Difference on Available-for-Sales Securities	Total	
Balance at Dec. 31, 2006	448	448	221,909
Changes of Items during the period			
Dividends from Surplus	-	-	△ 10,789
Interim Net Income	-	-	9,864
Purchases of Treasury Stock	-	-	△ 181
Disposal of Treasury Stock	-	-	18
Addition/Withdrawal of Other Earned Surplus	-	-	-
Net Changes of Items other than Owner's Equity	△ 11	△ 11	△ 11
Total Changes of Items during the Period	△ 11	△ 11	△ 1,099
Balance at Jun. 30, 2007	436	436	220,810

1H 2008 (January 1, 2008 through June 30, 2008)

(Unit: Million yen)

	Owner's Equity		
		Capital Surplus	
	Paid-in Capital	Capital Legal Reserve	Total
Balance at Dec. 31, 2007	35,123	20,741	20,741
Changes of Items during the period			
Dividends from Surplus	-	-	-
Interim Net Income	-	-	-
Purchases of Treasury Stock	-	-	-
Disposal of Treasury Stock	-	-	-
Addition/Withdrawal of Other Earned Surplus	-	-	-
Net Changes of Items other than Owner's Equity	-	-	-
Total Changes of Items during the Period	-	-	-
Balance at Jun. 30, 2008	35,123	20,741	20,741

	Owner's Equity						
	Earned Surplus						
		Other Earned Surplus					
	Earned Legal Reserve	Reserve for Replacement Property	Reserve for Special Depre.	Earned Surplus brought Forward	Total	Treasury Stock	Total
Balance at Dec. 31, 2007	8,780	17,089	8	102,459	128,337	△ 202	184,000
Changes of Items during the period							
Dividends from Surplus	-	-	-	△ 10,735	△ 10,735	-	△ 10,735
Interim Net Income	-	-	-	1,707	1,707	-	1,707
Purchases of Treasury Stock	-	-	-	-	-	△ 134	△ 134
Disposal of Treasury Stock	-	-	-	△ 13	△ 13	93	79
Addition/Withdrawal of Other Earned Surplus	-	△ 446	△ 8	454	-	-	-
Net Changes of Items other than Owner's Equity	-	-	-	-	-	-	-
Total Changes of Items during the Period	-	△ 446	△ 8	△ 8,587	△ 9,041	△ 41	△ 9,082
Balance at Jun. 30, 2008	8,780	16,642	-	93,872	119,296	△ 243	174,917

	Valuation and Translation Adjustments		Total Net Assets
	Valuation Difference on Available-for-Sales Securities	Total	
Balance at Dec. 31, 2007	357	357	184,358
Changes of Items during the period			
Dividends from Surplus	-	-	△ 10,735
Interim Net Income	-	-	1,707
Purchases of Treasury Stock	-	-	△ 134
Disposal of Treasury Stock	-	-	79
Addition/Withdrawal of Other Earned Surplus	-	-	-
Net Changes of Items other than Owner's Equity	△ 193	△ 193	△ 193
Total Changes of Items during the Period	△ 193	△ 193	△ 9,276
Balance at Jun. 30, 2008	163	163	175,081

2007 (January 1, 2007 through December 31, 2007)

(Unit: Million yen)

	Owner's Equity			
		Capital Surplus		
	Paid-in Capital	Capital Legal Reserve	Other Capital Surplus	Total
Balance at Dec. 31, 2006	35,123	20,741	24	20,766
Changes of Items during the period				
Dividends from Surplus	-	-	-	-
Net Income	-	-	-	-
Purchases of Treasury Stock	-	-	-	-
Disposal of Treasury Stock	-	-	△ 24	△ 24
Addition/Withdrawal of Other Earned Surplus	-	-	-	-
Net Changes of Items other than Owner's Equity	-	-	-	-
Total Changes of Items during the Period	-	-	△ 24	△ 24
Balance at Dec. 31, 2007	35,123	20,741	-	20,741

	Owner's Equity							
	Earned Surplus						Treasury Stock	Total
		Other Earned Surplus				Total		
	Earned Legal Reserve	Reserve for Replacement Property	Reserve for Mine Exploration	Reserve for Special Depre.	Earned Surplus brought Forward			
Balance at Dec. 31, 2006	8,780	18,067	239	20	138,670	165,778	△ 206	221,461
Changes of Items during the period								
Dividends from Surplus	-	-	-	-	△ 21,576	△ 21,576	-	△ 21,576
Net Income	-	-	-	-	4,368	4,368	-	4,368
Purchases of Treasury Stock	-	-	-	-	-	-	△ 20,301	△ 20,301
Disposal of Treasury Stock	-	-	-	-	△ 20,231	△ 20,231	20,305	48
Addition/Withdrawal of Other Earned Surplus	-	△ 977	△ 239	△ 12	1,229	-	-	-
Net Changes of Items other than Owner's Equity	-	-	-	-	-	-	-	-
Total Changes of Items during the Period	-	△ 977	△ 239	△ 12	△ 36,210	△ 37,440	3	△ 37,460
Balance at Dec. 31, 2007	8,780	17,089	-	8	102,459	128,337	△ 202	184,000

	Valuation and Translation Adjustments		Total Net Assets
	Valuation Difference on Available-for-Sales Securities	Total	
Balance at Dec. 31, 2006	448	448	221,909
Changes of Items during the period			
Dividends from Surplus	-	-	△ 21,576
Net Income	-	-	4,368
Purchases of Treasury Stock	-	-	△ 20,301
Disposal of Treasury Stock	-	-	48
Addition/Withdrawal of Other Earned Surplus	-	-	-
Net Changes of Items other than Owner's Equity	△ 91	△ 91	△ 91
Total Changes of Items during the Period	△ 91	△ 91	△ 37,551
Balance at Dec. 31, 2007	357	357	184,358

(4) Fundamental and Important Items for Interim Financial Statements

1H 2007 (Jan.1, 2007 through Jun. 30, 2007)	1H 2008 (Jan.1, 2008 through Jun. 30, 2008)	2007 (Jan.1, 2007 through Dec. 31, 2007)
1 Evaluation Rules and Methods for Important Assets (1) Securities ① Stocks of Subsidiaries and Affiliated Companies The moving-average method ② Other Securities - Marketable Market value at the interim closing date (Valuation difference on available-for-sales securities is directly reflected in Owners' Equity, and cost of sales is calculated using the moving-average method) - Non-marketable The moving-average method	1 Evaluation Rules and Methods for Important Assets (1) Securities ① Stocks of Subsidiaries and Affiliated Companies No Change ② Other Securities - Marketable No Change - Non-marketable No Change	1 Evaluation Rules and Methods for Important Assets (1) Securities ① Stocks of Subsidiaries and Affiliated Companies No Change ② Other Securities - Marketable Market value at the closing date (Valuation difference on available-for-sales securities is directly reflected in Owners' Equity, and cost of sales is calculated using the moving-average method) - Non-marketable No Change
(2) Inventories Goods, products, unfinished products and crude: Generally LIFO method at the lower of cost or market Supplies: The moving-average method	(2) Inventories No Change	(2) Inventories No Change
(3) Derivatives transactions, etc Market value at the closing date	(3) Derivatives transactions, etc No Change	(3) Derivatives transactions, etc No Change
2 Depreciation and Amortization of Fixed Assets (1) Property, Plant and Equipment The declining-balance method The service life ranges of major types of assets are: Buildings and Structures: 10 to 50 years Tanks: 10 to 25 years Machinery and Equipment: 8 to 15 years	2 Depreciation and Amortization of Fixed Assets (1) Property, Plant and Equipment No Change	2 Depreciation and Amortization of Fixed Assets (1) Property, Plant and Equipment No Change
<Change of Accounting Method> In accordance with the revision of the Corporate Tax Law, the depreciation method for Property, Plant and Equipment, which was acquired on or after April 1, 2007 was aligned with the method under revised Corporate Tax Law from this accounting period. As a result, Operating Income, Ordinary Income and Interim Income before Income Taxes decreased by 248 million yen, respectively.		<Change of Accounting Method> In accordance with the revision of the Corporate Tax Law, the depreciation method for Property, Plant and Equipment, which was acquired on or after April 1, 2007 was aligned with the method under revised Corporate Tax Law from this accounting period. As a result, Operating Income, Ordinary Income and Income before Income Taxes decreased by 1,135 million yen, respectively.
(2) Intangible Assets The straight-line method In-house computer software is amortized over its service life (5 to 15 years) using the straight-line method	(2) Intangible Assets The straight-line method No Change	(2) Intangible Assets The straight-line method No Change

1H 2007 (Jan.1, 2007 through Jun. 30, 2007)	1H 2008 (Jan.1, 2008 through Jun. 30, 2008)	2007 (Jan.1, 2007 through Dec. 31, 2007)
3 Accounting Standards for Major Reserves (1) Bad Debt Allowance To provide for losses due to bad debt, the Company accrues an estimated bad debt allowance on ordinary receivables based on historical bad debt ratios, and on highly doubtful receivables based on the financial conditions	3 Accounting Standards for Major Reserves (1) Bad Debt Allowance No Change	3 Accounting Standards for Major Reserves (1) Bad Debt Allowance No Change
(2) Reserve for Bonuses To provide for the payment of employees' bonuses, the Company accrues an estimated reserve for the interim accounting period	(2) Reserve for Bonuses No Change	(2) Reserve for Bonuses To provide for the payment of employees' bonuses, the Company accrues an estimated reserve for the accounting period
(3) Reserve for Accrued Pension Costs To provide for the payment of employees' post-retirement benefits, the Company accrues an estimated reserve based on the projected benefit obligations and estimated pension plan assets as of the interim closing date. Any differences in actuarial calculations of retirement benefits are amortized beginning with the next accounting period, where the declining-balance method is employed over a period which is set within employees' average remaining service years (12 years). Prior service liabilities are amortized using the straight-line method over employees' average remaining service years (Before 2004: 15.5 years Since 2004: 12.9 years Since 2007: 11.9 years	(3) Reserve for Accrued Pension Costs No Change	(3) Reserve for Accrued Pension Costs To provide for the payment of employees' post-retirement benefits, the Company accrues an estimated reserve based on the projected benefit obligations and estimated pension plan assets as of the closing date. Any differences in actuarial calculations of retirement benefits are amortized beginning with the next accounting period, where the declining-balance method is employed over a period which is set within employees' average remaining service years (12 years). Prior service liabilities are amortized using the straight-line method over employees' average remaining service years (Before 2004: 15.5 years Since 2004: 12.9 years Since 2007: 11.9 years
(4) Reserve for Officers' Retirement Allowance To provide for the payment of officers' post-retirement allowance, the Company and its consolidated subsidiaries accrue an estimated amount of lump sum retirement allowance assuming that officers retire at the interim closing date.	(4) Reserve for Officers' Retirement Allowance No Change	(4) Reserve for Officers' Retirement Allowance To provide for the payment of officers' post-retirement allowance, the Company and its consolidated subsidiaries accrue an estimated amount of lump sum retirement allowance assuming that officers retire at the closing date.
(5) Reserve for Repairs To provide for periodic tank inspections required under the Fire Service Law and for periodic repairs of machinery and equipment, the Company accrues an estimated reserve for the interim accounting period, based on actual payments and repair plans, respectively.	(5) Reserve for Repairs No Change	(5) Reserve for Repairs To provide for periodic tank inspections required under the Fire Service Law and for periodic repairs of machinery and equipment, the Company accrues an estimated reserve for the accounting period, based on actual payments and repair plans, respectively.

1H 2007 (Jan.1, 2007 through Jun. 30, 2007)	1H 2008 (Jan.1, 2008 through Jun. 30, 2008)	2007 (Jan.1, 2007 through Dec. 31, 2007)
(6) Reserve for Offshore Well Abandonment To provide for expenses for offshore well abandonment to be incurred when natural gas production is terminated, the Company accrues an estimated amount using the unit of production method.	(6) Reserve for Offshore Well Abandonment No Change	(6) Reserve for Offshore Well Abandonment No Change
4 Translation Method for Foreign Currency Assets and Liabilities Foreign currency assets and liabilities are translated into yen at the spot rate at the interim closing date, and any difference in exchange rate is reflected in income.	4 Translation Method for Foreign Currency Assets and Liabilities No Change	4 Translation Method for Foreign Currency Assets and Liabilities Foreign currency assets and liabilities are translated into yen at the spot rate at the closing date, and any difference in exchange rate is reflected in income.
5 Accounting Method for Major Lease Transactions The accounting treatment for finance lease transactions, which ownership do not transfer to lessee, is as same as the method applied to ordinary operating lease transactions.	5 Accounting Method for Major Lease Transactions No Change	5 Accounting Method for Major Lease Transactions No Change
6 Accounting Method for Consumption Tax Statement of Income does not include consumption tax.	6 Accounting Method for Consumption Tax No Change	6 Accounting Method for Consumption Tax No Change

Additional Information

1H 2007 (Jan.1, 2007 through Jun. 30, 2007)	1H 2008 (Jan.1, 2008 through Jun. 30, 2008)	2007 (Jan.1, 2007 through Dec. 31, 2007)
――――――――――	<Depreciation of Fixed Assets> In accordance with the revision of the Corporate Tax Law, the differences between the limit of depreciation (5% of the first cost) and the memorandum value of Property, Plant and Equipment, which were acquired before March 31, 2007, are depreciated on straight-line bases over 5 years from the next year when the assets were fully depreciated to the limit of depreciation (5% of the first cost), and the Company recognizes them as depreciation costs. As a result, Operating Income, Ordinary Income and Interim Income before Income Taxes decreased by 2,282 million yen, respectively. <Sales of Subsidiary Company's Stock> The shares in Nansei Sekiyu K.K., which were owned by the Company were sold to Petrobras International Braspetro B.V. on April 1, 2008. The gain of 5,639 million yen was recognized as "Gain on Sales of Subsidiary Company's Stock" in Extraordinary Gain. The "Gain on Sales of Subsidiary Company's Stock" includes the reversal of accrued loss on Subsidiary Stock Sales, which was recognized in the prior period, by 1,822 million yen.	――――――――――

6. Other

Consolidated Sales Volume and Sales Amounts

Business Segment	Products	1H 2007 (January 1 through June 30) Volume	1H 2007 Amounts	1H 2008 (January 1 through June 30) Volume	1H 2008 Amounts	2007 (January 1 through December 31) Volume	2007 Amounts
Petroleum Products	Gasoline	6,456 37.2	692,801 55.5	5,822 35.4	725,399 48.3	13,175 37.8	1,499,654 55.2
	Naphtha	56 0.3	2,513 0.2	32 0.2	1,903 0.1	151 0.4	7,697 0.3
	Kerosene	2,514 14.5	136,692 11.0	2,312 14.0	184,132 12.2	4,726 13.5	287,453 10.6
	Diesel fuel	2,749 15.9	154,066 12.4	3,041 18.5	255,165 17.0	5,881 16.9	367,836 13.5
	Fuel Oils and Crude	4,045 23.4	183,809 14.7	3,793 23.0	243,912 16.2	8,164 23.4	403,549 14.8
	Lubricants	189 1.1	18,270 1.5	203 1.2	19,652 1.3	370 1.1	34,687 1.3
	LPG	1,209 7.0	45,475 3.6	1,157 7.0	58,675 3.9	2,193 6.3	89,511 3.3
	Other Products	98 0.6	13,532 1.1	107 0.7	14,947 1.0	205 0.6	27,184 1.0
	Sub Total	17,317 100.0	1,247,158 100.0	16,467 100.0	1,503,786 100.0	34,865 100.0	2,717,571 100.0
Chemical Products	Olefins etc.	956 73.1	113,910 72.3	927 68.2	134,054 71.3	1,872 70.5	234,839 71.0
	Aromatics etc.	352 26.9	43,711 27.7	432 31.8	53,911 28.7	783 29.5	95,946 29.0
	Sub Total	1,309 100.0	157,622 100.0	1,360 100.0	187,964 100.0	2,655 100.0	330,785 100.0
Others	Other Operating Revenue		657		900		1,486
	Grand Total	18,626	1,405,436	17,827	1,692,650	37,520	3,049,842

(Notes) 1. Amounts shown in truncated millions of yen.
2. The second figure in each cell shows percentage against total.
3. Volumes for Petroleum Products are shown in KKL, and those for Chemical Products in Kton.