



#### 4. Others

(1) Change in Major Subsidiaries in this Accounting Period

(Change in designated subsidiaries, which has alteration in the scope of consolidation) : No

(2) Adoption of Simplified Methods in Accounting Treatment and Special Accounting Treatment for Quarterly Reporting

: Yes

(Note) For further details, please refer to 【Qualitative Information and Financial Statements】 '4. Others' on page 4.

(3) Change of Accounting Principle/Procedure and Disclosure in Accounts for preparation of Quarterly Financial Statements

① Changes with Accounting Standards Revisions : Yes

② Changes other than above : Yes

(Note) For further details, please refer to 【Qualitative Information and Financial Statements】 '4. Others' on page 4.

(4) Outstanding Share (Common Stock)

① Number of Outstanding Share at Period End (includes Treasury Stock)

1Q 2009	565,182,000 Shares	Full Year 2008	565,182,000 Shares
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② Number of Treasury Stock at Period End

1Q 2009	379,531 Shares	Full Year 2008	328,555 Shares
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③ Average Number of Shares during the period (Quarter YTD)

1Q 2009	564,825,401 Shares	1Q 2008	565,007,735 Shares
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#### ※ Explanatory note on the use of projections / Other notes

1. 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.

As for the information of the projections above, please refer to 【Qualitative Information and Financial Statements】 '3. Qualitative Information of Projected Consolidated Business Performance' on page 4.

2. "Accounting Standards for Quarterly Financial Reporting" and "Guideline on Accounting Standard for Quarterly Financial Reporting" are applied beginning in this consolidated accounting period. And Financial Statements are prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements".

#### (Reference) Projected Parent's Business Performance for 2009 (January 1, 2009 through December 31, 2009)

(Percentage figures are comparisons with the previous accounting period)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	2,200,000	△ 32.5	10,000	△ 90.3	10,000	△ 91.5	5,000	△ 93.1	8.85

(Note) Revision to the parent's earnings forecast in this quarter: No

## 【Qualitative Information and Financial Statements】

### 1. Qualitative Information of Financial Results

#### (1) Net Sales

Consolidated net sales decreased 393.2 billion yen versus the same period last year to 484.2 billion yen, reflecting lower product prices resulting from the drop in crude costs. Domestic sales volumes decreased with the downturn in demand for petroleum products, while export volumes increased slightly.

#### (2) Operating Income

Consolidated operating income decreased 49.7 billion yen versus the same period last year to 13.1 billion yen principally due to the following factors:

##### ① Oil segment earnings

Operating income in the oil segment was 15.3 billion yen, down 38.0 billion yen versus the same period last year.

Operating income for the same period last year included 52.3 billion yen from the effects of inventory valuation resulting from a temporary reduction in crude inventory. Operating income for 1Q 2009 includes approximately 1.8 billion yen in valuation gains resulting from similar effects. Petroleum margins in this period improved as compared to the same period last year, and operating income excluding these inventory valuation effects was 13.5 billion yen, up 12.5 billion yen versus the same period last year.

##### ② Chemical segment earnings

Operating income in our Chemical segment fell 11.6 billion versus the same period last year to a loss of 2.3 billion yen.

This reflects reduced demand for basic chemical products beginning in the latter half of last year.

#### (3) Ordinary Income

Non-operating loss was 0.3 billion yen, down 6.4 billion from the same period last year, mainly due to the absence in this period of the large foreign exchange gains that occurred in 2008. Ordinary income was 12.7 billion yen, 56.1 billion yen less than the same period last year.

#### (4) Net Income

Net income for the January – March 2009 period decreased 33.0 billion yen versus the same period last year to 7.7 billion yen.

Please note that the numbers above compared with the same period last year are just reference data because those consolidated financial figures in the same period last year were not prepared in accordance with the standards for quarterly consolidated financial statements.

### 2. Qualitative Information of Financial Condition

#### (1) Financial Position

Total assets as of March 31, 2009 totaled 836.5 billion yen, a 65.1 billion yen decrease from December 31, 2008. The change was mainly attributable to a decreases in Notes and accounts receivable-trade due to the decline of product price.

Liabilities amounted to 569.2 billion yen, a 61.9 billion yen decrease from December 31, 2008, which is mainly due to a decrease in Gasoline taxes payable and Income taxes payable partially offset by an increase of Short-term loans payable.

Total net assets as of March 31, 2009 amounted to 267.3 billion yen, a 3.2 billion yen decrease from December 31, 2008, which is mainly due to the dividend paid partially offset by an increase in Earned Surplus.

#### (2) Cash Flows

At the end of March 2009, the outstanding balance of cash and cash equivalent was 442 million yen, a decrease of 45 million yen versus 2008 year-end. Our Company's basic policy, for reasons of financial efficiency, is to try to minimize holding cash except where impracticable in operations or where there is economic benefit to the Company. In the current period, surpluses which cannot be used to pay down term debt have been placed as short-term loans. Key factors of cash flows are summarized below.

In the period from January to March 2009, Cash Flows from Operating Activities were negative 5,990 million yen. Negative factors such as income tax payment and decreases in gasoline tax and other excise tax payables outweighed positive factors such as pre-tax earnings and working capital movements related to changes in trade account receivables and trade account payables. In this period, four-months' equivalent of gasoline tax, etc. was paid, and the amount of the extra months' payment was 33,069 million yen. Excluding this extra months' payment, Cash Flows from Operating Activities were positive 27,078 million yen. This extra effect will be reversed by the end of 2009.

Cash Flows from Investing Activities were negative 4,670 million yen. The cash outflows mainly came from capital expenditures.

Cash Flows from Financing Activities were positive 10,636 million yen. The cash inflows from an increase in short term borrowings exceeded the cash outflows for payments of dividends and increase in short term loan receivables.

3. Qualitative Information of Projected Consolidated Business Performance

There is no change in our 2009 interim or full-year earnings forecasts announced on February 13, 2009.

There is no change in the projected full-year dividends forecast of 38 yen per share announced on February 13, 2009.

4. Others

(1) Change in Major Subsidiaries in this Accounting Period

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

N.A.

(2) Adoption of Simplified Accounting Treatment and Special Accounting Treatment

Simplified Accounting Treatment

① Provision of Income Taxes

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

Deferred income tax is included in "Income taxes".

② Recoverability Test of Deferred Tax Assets

The recoverability test of deferred tax assets is performed in the way which utilizes the earnings forecast and tax planning used for the recoverability test conducted at the previous year end, because there have been no significant changes in business environment and the balance of temporary difference.

(3) Change of Accounting Principles/ Procedures and Presentation in Accounts for Preparation of Quarterly Financial Statements

① Application of Standards of Quarterly Financial Reporting

"Accounting Standards for Quarterly Financial Reporting" and "Guideline on Accounting Standard for Quarterly Financial Reporting" are applied beginning in this consolidated accounting period. And Financial Statements are prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements".

② Application of Accounting Standard for Inventory Valuation

LIFO method at the lower of cost or market had been applied to products, goods, unfinished products and crude, and the moving-average method had been applied to supplies. In accordance with the introduction of "Accounting standard for inventory valuation", the lower of cost as determined using the LIFO method and their net realizable value is generally applied to inventories beginning in the first quarter consolidated accounting period.

There is no earnings impact from this change.

③ Application of Accounting Standard for lease transaction

The accounting treatment for finance lease transaction, which ownership do not transfer to lessee, had been as same as the method applied to ordinary operating lease transaction.

In accordance with the revisions in "Accounting Standard for Lease Transaction" and "Accounting Guideline for Lease Transaction" which made themselves applicable to the quarterly financial statements for the consolidated accounting period beginning after April 1, 2008, these standards were applied to the finance lease, which ownership do not transfer to lessee, to treat it in the same method as ordinary purchase and sale transaction beginning in this first quarter consolidated accounting period.

As for the depreciation method for the lease assets related to finance lease transaction, which ownership do not transfer to lessee, straight-line method is employed, where leasing period is deemed as the service life and residual value is set as zero.

The accounting treatment for finance lease transaction, which ownership do not transfer to lessee and which became effective before the beginning of the period, is as same as the method applied to ordinary operating lease transaction.

There is no earnings impact from this change.

④ Application of Provisional Accounting Guideline for Foreign Subsidiaries in Consolidated Financial Statements

"Provisional Accounting Guideline for Foreign Subsidiaries in Consolidated Financial Statements" is applied beginning in this first quarter consolidated accounting period.

There is no earnings impact from this change.

(Additional Information)

- Change in Service Life of Tangible Fixed Assets

In accordance with the revision of the useful life stipulated in the Corporate Tax Law, the service life for machineries for the use of such as refining and electric power generation owned by the Company and its domestic subsidiaries were changed beginning in this first quarter consolidated accounting period.

As a result, Operating Income, Ordinary Income, and Income before Taxes decreased by 516 million yen, respectively.

The impacts for segment earnings are described in the relevant part of this report.

## 5. Consolidated Quarterly Financial Statements

## (1) Consolidated quarterly balance sheets

	(Unit: Million yen)	
	Current Period (Mar. 31, 2009)	Prior Period (Dec. 31, 2008)
<b>Assets</b>		
Current assets		
Cash and deposits	442	488
Notes and accounts receivable-trade	309,821	390,733
Merchandise and finished goods	34,430	39,658
Semi-finished goods	26,971	24,879
Raw materials	77,300	67,473
Supplies	4,850	4,959
Short-term loans receivable	103,410	91,485
Other	14,755	13,237
Allowance for doubtful accounts	△ 70	△ 71
Total current assets	571,912	632,843
Noncurrent assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	70,343	74,405
Land	80,437	80,883
Other, net	68,987	67,687
Total property, plant and equipment	219,768	222,976
Intangible assets	5,898	5,822
Investments and other assets		
Investment securities	14,388	13,873
Other	24,865	26,425
Allowance for doubtful accounts	△ 343	△ 343
Total investments and other assets	38,910	39,955
Total noncurrent assets	264,578	268,754
Total assets	836,491	901,598

	(Unit: Million yen)	
	Current Period (Mar. 31, 2009)	Prior Period (Dec. 31, 2008)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	216,103	221,355
Gasoline taxes payable	139,014	189,199
Short-term loans payable	100,174	67,085
Income taxes payable	5,426	40,204
Provision	3,294	1,310
Other	43,504	52,675
<b>Total current liabilities</b>	<b>507,517</b>	<b>571,830</b>
Noncurrent liabilities		
Long-term loans payable	6,969	7,493
Provision for retirement benefits	30,712	28,432
Provision for repairs	17,210	16,393
Other provision	3,062	3,124
Other	3,705	3,825
<b>Total noncurrent liabilities</b>	<b>61,660</b>	<b>59,267</b>
<b>Total liabilities</b>	<b>569,178</b>	<b>631,097</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	35,123	35,123
Capital surplus	20,741	20,741
Retained earnings	211,926	215,002
Treasury stock	△ 353	△ 307
<b>Total shareholders' equity</b>	<b>267,438</b>	<b>270,559</b>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	75	135
Foreign currency translation adjustment	△ 200	△ 194
<b>Total valuation and translation adjustments</b>	<b>△ 125</b>	<b>△ 59</b>
<b>Total net assets</b>	<b>267,313</b>	<b>270,500</b>
<b>Total liabilities and net assets</b>	<b>836,491</b>	<b>901,598</b>

## (2) Consolidated quarterly statements of income

	(Unit: Million yen)
	Current Period (Jan. 1, 2009 through Mar. 31, 2009)
Net sales	484,223
Cost of sales	462,880
Gross profit	21,342
Selling, general and administrative expenses	8,289
Operating income	13,052
Non-operating income	
Interest income	19
Dividends income	2
Equity in earnings of affiliates	623
Other	19
Total non-operating income	663
Non-operating expenses	
Interest expenses	88
Foreign exchange losses	846
Other	69
Total non-operating expenses	1,004
Ordinary income	12,712
Extraordinary loss	
Impairment loss	335
Loss on sales and retirement of noncurrent assets	321
Total extraordinary losses	657
Income before income taxes and minority interests	12,055
Income taxes	4,398
Net income	7,656

## (3) Consolidated quarterly statements of cash flows

	(Unit: Million yen)
	Current Period (Jan. 1, 2009 through Mar. 31, 2009)
<b>Net cash provided by (used in) operating activities</b>	
Income before income taxes and minority interests	12,055
Depreciation and amortization	7,017
Amortization of goodwill	163
Equity in (earnings) losses of affiliates	△ 623
Impairment loss	335
Increase (decrease) in provision for retirement benefits	2,280
Increase (decrease) in provision for repairs	816
Interest and dividends income	△ 21
Interest expenses	88
Loss (gain) on sales and retirement of noncurrent assets	321
Decrease (increase) in notes and accounts receivable-trade	80,911
Decrease (increase) in inventories	△ 6,582
Increase (decrease) in notes and accounts payable-trade	△ 5,251
Decrease (increase) in accounts receivable-other	△ 631
Increase (decrease) in accounts payable-other	△ 57,751
Other, net	1,148
Subtotal	34,278
Interest and dividends income received	26
Interest expenses paid	△ 158
Income taxes paid	△ 40,137
Net cash provided by (used in) operating activities	△ 5,990
<b>Net cash provided by (used in) investment activities</b>	
Purchase of property, plant and equipment	△ 4,503
Proceeds from sales of property, plant and equipment	37
Purchase of intangible assets	△ 261
Collection of long-term loans receivable	56
Net cash provided by (used in) investment activities	△ 4,670
<b>Net cash provided by (used in) financing activities</b>	
Net decrease (increase) in short-term loans receivable	△ 11,921
Net increase (decrease) in short-term loans payable	33,088
Repayment of long-term loans payable	△ 524
Purchase of treasury stock	△ 49
Proceeds from sales of treasury stock	4
Cash dividends paid	△ 9,961
Net cash provided by (used in) financing activities	10,636
Effect of exchange rate change on cash and cash equivalents	△ 20
Net increase (decrease) in cash and cash equivalents	△ 45
Cash and cash equivalents at beginning of period	488
Cash and cash equivalents at end of period	442



"Accounting Standards for Quarterly Financial Reporting" and "Guideline on Accounting Standard for Quarterly Financial Reporting" are applied beginning in this consolidated accounting period. And Financial Statements are prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements".

(4) Notes on Premise of Going Concern

No item to report.

(5) Segment Information

**【Information by Business Line】**

Current Consolidated Quarterly Accounting Period (Jan. 1, 2009 through Mar. 31, 2009)

(Unit: Million yen)

	Oil	Chemical	Others	Total	Elimination	Consolidated
Net Sales						
(1) Sales to Third Parties	449,071	34,975	176	484,223	-	484,223
(2) Internal Transactions	36,146	4,902	4	41,052	(41,052)	-
Total	485,217	39,877	180	525,275	(41,052)	484,223
Operating Income (△Loss)	15,323	△ 2,255	△ 14	13,052	-	13,052

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

2 The major products of each business line:

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

3 Additional Information

As noted in **【Qualitative Information and Financial Statements】**' 4. Others' (Additional Information), in accordance with the revision of the useful life stipulated in the Corporate Tax Law, the service life for machineries for the use of such as refining and electric power generation owned by the Company and its domestic subsidiaries are changed beginning in this first quarter consolidated accounting period.

As a result, the Oil Segment had an unfavorable impact of 500 million yen on its Operating Income and Chemical Segment had an unfavorable impact of 16 million yen on its Operating Loss.

**【Segment Information by Geographic Area】**

Current Consolidated Quarterly Accounting Period (Jan. 1, 2009 through Mar. 31, 2009)

The information was omitted for this consolidated quarterly accounting period, because net sales in domestic market is over 90% of total net sales.

**【Overseas Sales】**

Current Consolidated Quarterly Accounting Period (Jan. 1, 2009 through Mar. 31, 2009)

The information was omitted for this consolidated quarterly accounting period, because overseas sales is less than 10% of total net sales.

(6) Notes on Significant Changes in the Amount of Shareholders' Equity

No item to report.

**(Reference Information)****Consolidated Financial Statements of Prior Accounting Period****(1) Consolidated Quarterly Statement of Income**

(Unit: Million yen)

Account Title	Prior Period (Jan. 1, 2008 through Mar. 31, 2008)
I Sales Revenue	877,457
II Cost of Sales	806,568
Gross Margin	70,889
III Selling, General and Administrative Expenses	8,145
Operating Income	62,743
IV Non-operating Income	
1 Interest Income	22
2 Dividends Received	2
3 Foreign Exchange Gain	6,432
4 Others	17
Total Non-operating Income	6,475
V Non-operating Expenses	
1 Interest Expenses	217
2 Equity Earnings of Affiliates	127
3 Others	38
Total Non-operating Expenses	383
Ordinary Income	68,835
VI Extraordinary Gain	
1 Gain on Sales of Property, Plant and Equipment	288
2 Gain on Sales of Investment Securities	71
Total Extraordinary Gain	359
VII Extraordinary Loss	
Loss on Sales and Disposals of Property, Plant and Equipment	450
Total Extraordinary Loss	450
Interim Income before Income Taxes	68,744
Current Income Taxes	15,543
Deferred Income Tax	12,548
Minority Interests	4
Interim Net Income	40,647

**(2) Consolidated Quarterly Statements of Cash Flows**

(Unit: Million yen)

Title	Prior Period (Jan. 1, 2008 through Mar. 31, 2008)
<b>I Cash Flows from Operating Activities</b>	
Interim Income before Income Taxes	68,744
Depreciation and Amortization	6,932
Amortization of Goodwill	163
Increase(△Decrease) in Reserve for Bonuses	2,080
Increase(△Decrease) in Reserve for Accrued Pension Costs	△ 332
Increase(△Decrease) in Reserve for Repairs	775
Decrease(△Increase) in Trade Accounts Receivable	83,847
Decrease(△Increase) in Inventories	△ 9,991
Decrease(△Increase) in Other Accounts Receivable	△ 239
Increase(△Decrease) in Trade Accounts Payable	△ 85,990
Increase(△Decrease) in Other Accounts Payable	△ 70,050
Others	△ 1,120
Sub-Total	△ 5,180
Interest and Dividend Received	17
Interest Paid	△ 250
Income Taxes Paid	△ 7,328
Cash Flows from Operating Activities	△ 12,741
<b>II Cash Flows from Investing Activities</b>	
Payments for Purchases of Property, Plant and Equipment	△ 4,250
Proceeds from Sales of Property, Plant and Equipment	489
Payments for Purchases of Intangible Assets	△ 168
Proceeds from Sales of Investment Securities	603
Payments of Long-term Loans Receivable	△ 2
Collection of Long-term Loans Receivable	61
Cash Flows from Investing Activities	△ 3,267
<b>III Cash Flows from Financing Activities</b>	
Decrease(△Increase) in Short-term Loans Receivable	△ 1,852
Increase(△Decrease) in Short-term Debt	8,507
Increase(△Decrease) in Commercial Paper	20,000
Payments of Long-term Debt	△ 772
Payments for Repurchase of Treasury Stock	△ 20
Proceeds from Sales of Treasury Stock	26
Cash Dividends Paid	△ 9,958
Payments of Dividends to Minority Interests	△ 55
Cash Flows from Financing Activities	15,874
IV Increase(△Decrease) in Cash and Cash Equivalents	△ 133
V Cash and Cash Equivalents at the Beginning of the Period	614
VI Cash and Cash Equivalents at the End of the Period	480

**(3)Segment Information**  
**[Information by Business Line]**

**Prior Consolidated Quarterly Accounting Period (Jan. 1, 2008 through Mar. 31, 2008)**

(Unit: Million yen)

	Oil	Chemicals	Others	Total	Elimination	Consolidated
Sales Revenue						
(1)Sales to Third Parties	783,856	92,934	667	877,457	-	877,457
(2)Internal Transactions	124,724	12,959	-	137,684	(137,684)	-
Total	908,581	105,893	667	1,015,142	(137,684)	877,457
Operating Expenses	855,261	96,588	549	952,399	(137,684)	814,714
Operating Income	53,320	9,305	118	62,743	-	62,743