

Nihonkai Oil's Toyama Refinery : Plans to Cease Refining Operations / to Convert Facility into an Oil Terminal

~ Nihonkai Oil will work to remain a stable supplier of petroleum products. ~

Nippon Oil Corporation (Headquarters: Minato Ward, Tokyo; President: Shinji Nishio) and its consolidated oil refining subsidiary Nihonkai Oil Co., Ltd. (Headquarters: Toyama City, Toyama Prefecture; President And Representative Director: Akio Sakon) announced that the companies would consider to cease refining operations at Nihonkai Oil's Toyama Refinery and to convert this facility into an oil terminal as of the end of March 2009.

Nihonkai Oil has to date been a Nippon Oil Group's refining company that owns and operates the Toyama Refinery, which processes 60,000 barrels of crude oil per day. In the nearly 40 years since it commenced operations in 1969, the Toyama Refinery has produced petroleum products and is now the sole operating refinery in Japan's Hokuriku region.

However, the decline in domestic petroleum demand and the increase in crude oil prices have created a difficult business environment for the domestic petroleum industry. Since the Toyama Refinery, which does not have heavy oil cracking units, must use light crude oil for refining, this has led to a continued deterioration in its refining margin. The companies have considered multiple possible options for the future use of the Toyama Refinery, which is not cost-competitive compared with other domestic refineries, and have concluded the best course of action would be to cease refining operations at this facility and convert it into an oil terminal.

Even after the Toyama Refinery ceases refining operations, Nihonkai Oil will continue to be a part of the Nippon Oil Group as a large oil terminal company and will contribute to the development of the local economy as a stable supplier of petroleum products.

● Company Profile

Nihonkai Oil Co., Ltd.

Head Office Location: Toyama City, Toyama Prefecture

Representative: President and representative director: Akio Sakon

Paid-in Capital: ¥4.0 billion

Shareholders: Nippon Oil Corporation (66%); Hokuriku Electric Power Company (28%); and Nissan Chemical Industries, Ltd. (6%)

Main Businesses: Production of petroleum products

Net Sales: ¥135.7 billion in fiscal 2007

Ordinary Loss: -¥1.9 billion in fiscal 2007

For inquiries:

Nippon Oil, Public Relations Division, Public Relations Group

Tel.: 81-3-3502-1124

Nihonkai Oil, General Affairs Division, General Affairs Group

Tel.: 81-7-6435-1250

[Attachments]  [Map of the Domestic Refineries of the Nippon Oil Group \(PDF:60KB\)](#)