

Cease of Refining Operation at Toyama Refinery of Nihonkai Oil Co., Ltd. / Conversion of Refinery to an oil terminal

Nippon Oil Corporation (hereinafter referred to Nippon Oil; President: Shinji Nishio) and its consolidated refining subsidiary, Nihonkai Oil Co., Ltd. (hereinafter referred to Nihonkai Oil; President: Akio Sakon), hereby announce that both companies have decided a schedule for the cease of refining operation at Nihonkai Oil's Toyama refinery and an outline for the conversion to an oil terminal as follows.

Initially, we planned the cease of refining operation at the end of March 2009. However, given an unexpectedly serious decrease in domestic demand of oil, we reviewed the situation and have decided to cease the operation at the end of January 2009, earlier than originally planned for production adjustment.

Transition to an oil terminal company will be completed in April 2009. Even after ceasing refining operation and becoming an oil terminal company, we will continue to contribute to the development of the local economy through the stable supply of petroleum products.

1. Outline of the oil terminal company

Operations	Staging and supply base of crude oil and oil products for Nippon Oil customers in Hokuriku region (oil terminal)
Oil handled	Gasoline, kerosene, diesel oil, naphtha, fuel C and crude oil etc.
Volume of oil handled	Approximately 1.5 million KL/year (estimate for fiscal year 2009)
Number of employees	Approximately 30 (planned)
Address	500 Heikin, Aza Maejima, Kitakubo, Yokata, Toyama city, Toyama prefecture (unchanged)

* Name, representative and capital of the company are to be announced

2. Schedule

End of January 2009	Cease of refining operation (Shutdown of facilities for production adjustment)
End of March 2009	Discontinuation of oil refining business
April 1, 2009	Commencement of warehousing business (transition to an oil terminal company)
July 2009	Commencement of the new structure (organization and staff)

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