

## Tianjin Nisseki Lubricants & Grease Co., Ltd.: Production Capacity Upgrade for Lubricant Plant

Tianjin Nisseki Lubricants & Grease Co., Ltd. (President: Koichi Kido) (hereinafter “Tianjin Nisseki”), a Chinese subsidiary of Nippon Oil Corporation (President: Shinji Nishio) engaging in the production and sale of lubricating oil and grease, has upgraded the production capacity of its lubricant manufacturing plant (in Tianjin, China) to enable an annual production volume of 80,000KL.

Although demand for lubricants in China has temporarily been declining due to the global economic downturn, it is expected to improve and show an upward trend, particularly in important industries including the automotive and construction machinery industries that are major clients of lubricant suppliers.

Under these circumstances, Tianjin Nisseki, Nippon Oil Corporation’s first-ever overseas subsidiary, which launched operations in 1996 and runs the lubricant manufacturing plant, has had additional blending tanks installed in order to be ready for the potential increase in domestic demand for lubricating oil. As a result, Tianjin Nisseki’s lubricant production capacity has now reached 80,000KL per year, demonstrating a significant increase from its previous capacity of 55,000KL per year.

Together with the production capacity of the Nippon Oil (Guangzhou) Lubricants Corporation (Guangzhou, People’s Republic of China), 90% of whose shares are held by Nippon Oil Corporation, the production capacity of the Nippon Oil Corporation Group within China has now reached 107,000KL per year.

Nippon Oil Corporation will continue to develop its lubricants business on a global level and provide products and services that meet the needs of its customers.

### Overview of Tianjin Nisseki:

1. Name of the company: Tianjin Nisseki Lubricants & Grease Co., Ltd.
2. Representatives: Chairman: Jiang Yunde  
President: Koichi Kido
3. Number of employees: 111 (as of May, 2009)
4. Address: Hangu, Tianjin, China
5. Founded: November, 1995
6. Shareholder composition: China Petroleum and Chemical Corporation: 50%  
Nippon Oil Corporation: 40%  
Meiwa Corporation: 10%
7. Business summary: Production and sales of lubricants and grease
8. Production/shipment capacity: 80,000KL/year

Nippon Oil Corporation’s oil production system in China:

