

TonenGeneral Sekiyu K.K.

1Q 2010 Financial Results

May 14, 2010



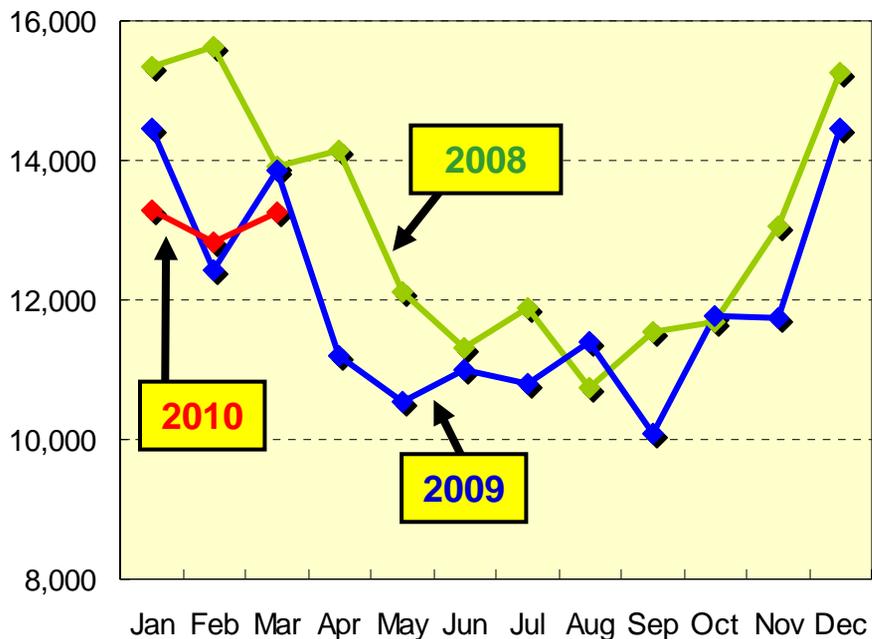
- This material contains forward-looking statements based on projections and estimates that involve many variables. TonenGeneral operates in an extremely competitive business environment and in an industry characterized by rapid changes in supply-demand balance. Certain risks and uncertainties including, 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 in this publication.
- The official language for TonenGeneral's filings with the Tokyo Stock Exchange and Japanese authorities, and for communications with our shareholders, is Japanese. We have posted English versions of some of this information on this web site. While these English versions have been prepared in good faith, TonenGeneral does not accept responsibility for the accuracy of the translations, and reference should be made to the original Japanese language materials.

Business Environment



- 1Q10 downstream margins remained at low levels
 - » Poor margins in both export and domestic markets
 - » Weak domestic petroleum product demand
- Chemical margins and demand are recovering somewhat compared to 1Q09
- Overall, 1Q results improved versus 2H 2009; downstream margins recovered somewhat in March

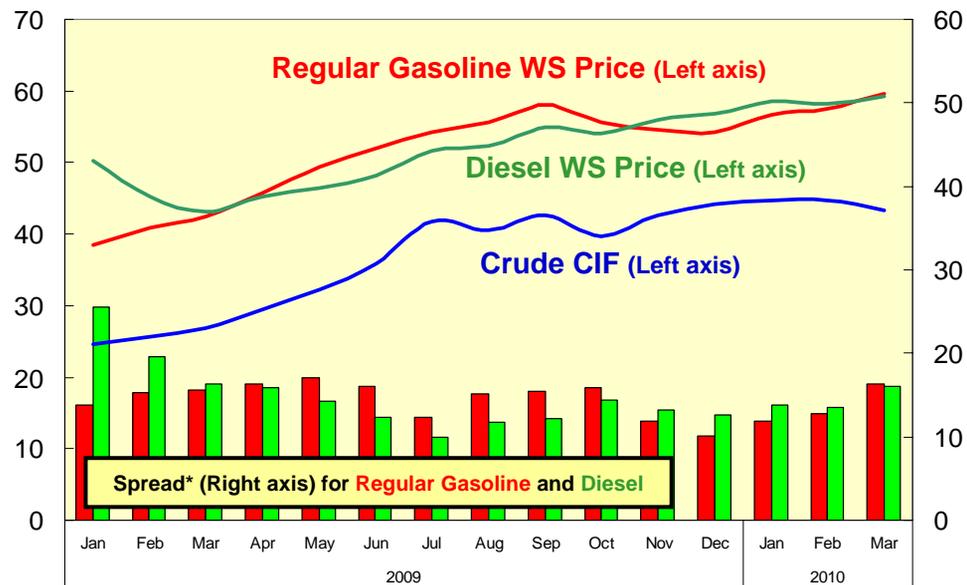
Domestic Petroleum Product Demand (2008-)
(5 Major products*, KKL)



(*) Gasoline/Diesel/Kerosene/FOA/FOC

Source: METI Statistics

Price Trend for Crude and Products (2009-)
(Crude CIF vs. Gasoline/Diesel Wholesale Prices, ¥/L)



(*) Spread: Domestic WS prices – crude CIF

Source: PAJ and Oil Information Center

Financial Highlights



- 1Q10 Operating income 53 oku yen higher than 1Q09
- After adjustment for inventory and lead lag effects, 1Q10 adjusted operating income was 186 oku yen lower than 1Q09
- 202 oku yen one-time gain related to BSF JV formation realized as Extraordinary income

(100M yen = oku yen)	<u>1Q09</u>	<u>1Q10</u>	<u>Inc/Dec</u>
Net sales	4,842	5,869	1,026
┌ Operating income	131	184	53
Ordinary income	127	186	59
Extraordinary income/loss	-7	203	209
Net income	77	316	239

┌ Reverse inventory effects	-18	-187	-169
┌ Reverse lead lag effects	90	20	-70
└ Adjusted operating income	203	17	-186
└ Oil segment	225	-48	-273
└ Chemical segment	-23	64	87

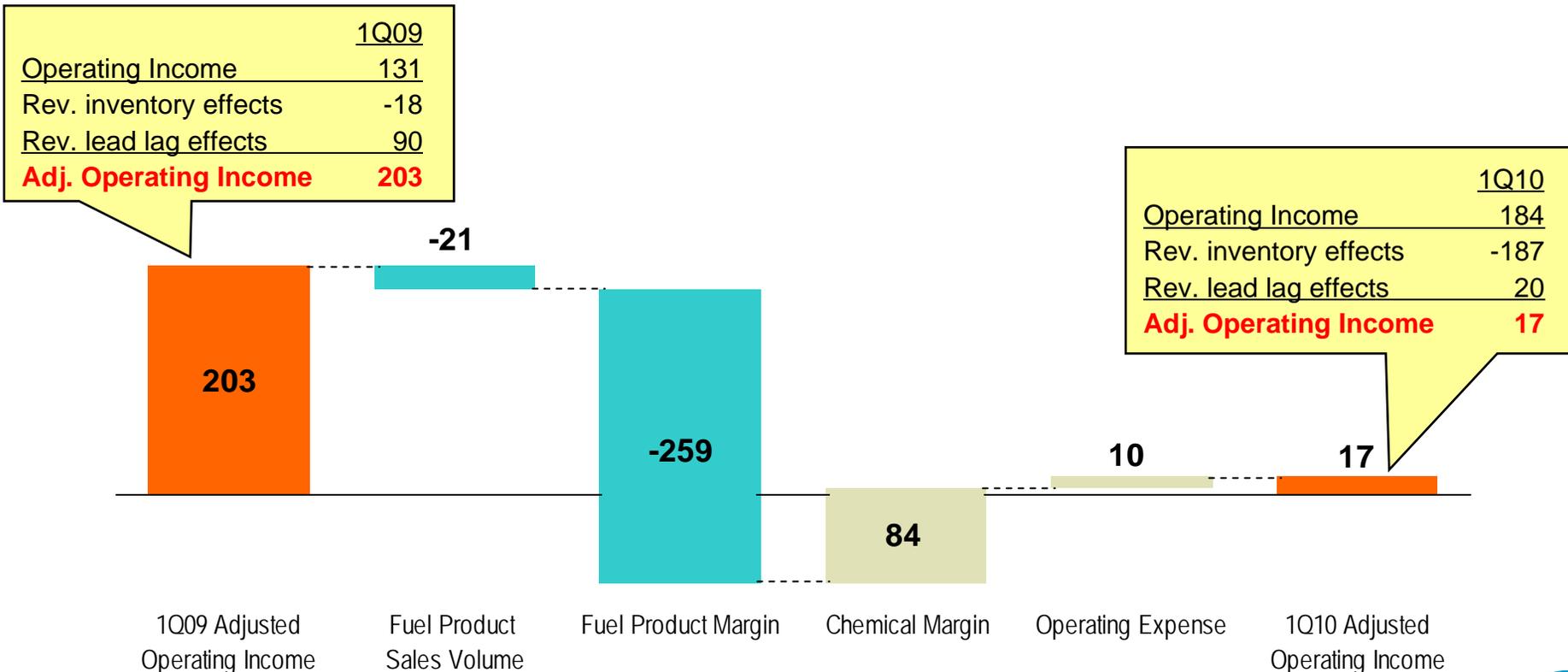
- Net sales increased by 21% reflecting higher average crude prices than 1Q09
- No material non-operating income/loss in 1Q'10

Factor Analysis of Operating Income (1)

[1Q10 Results vs. 1Q09 Results; Consolidated]

- Low downstream margin environment starting from 2Q09 for both domestic and export market: 1Q10 adjusted operating income contrasts with strong downstream margin environment in 1Q09
- Chemical operating income improved mainly due to higher margins for both aromatics & olefins and higher olefins volume than 1Q09, which was low point of global demand

(100M yen)

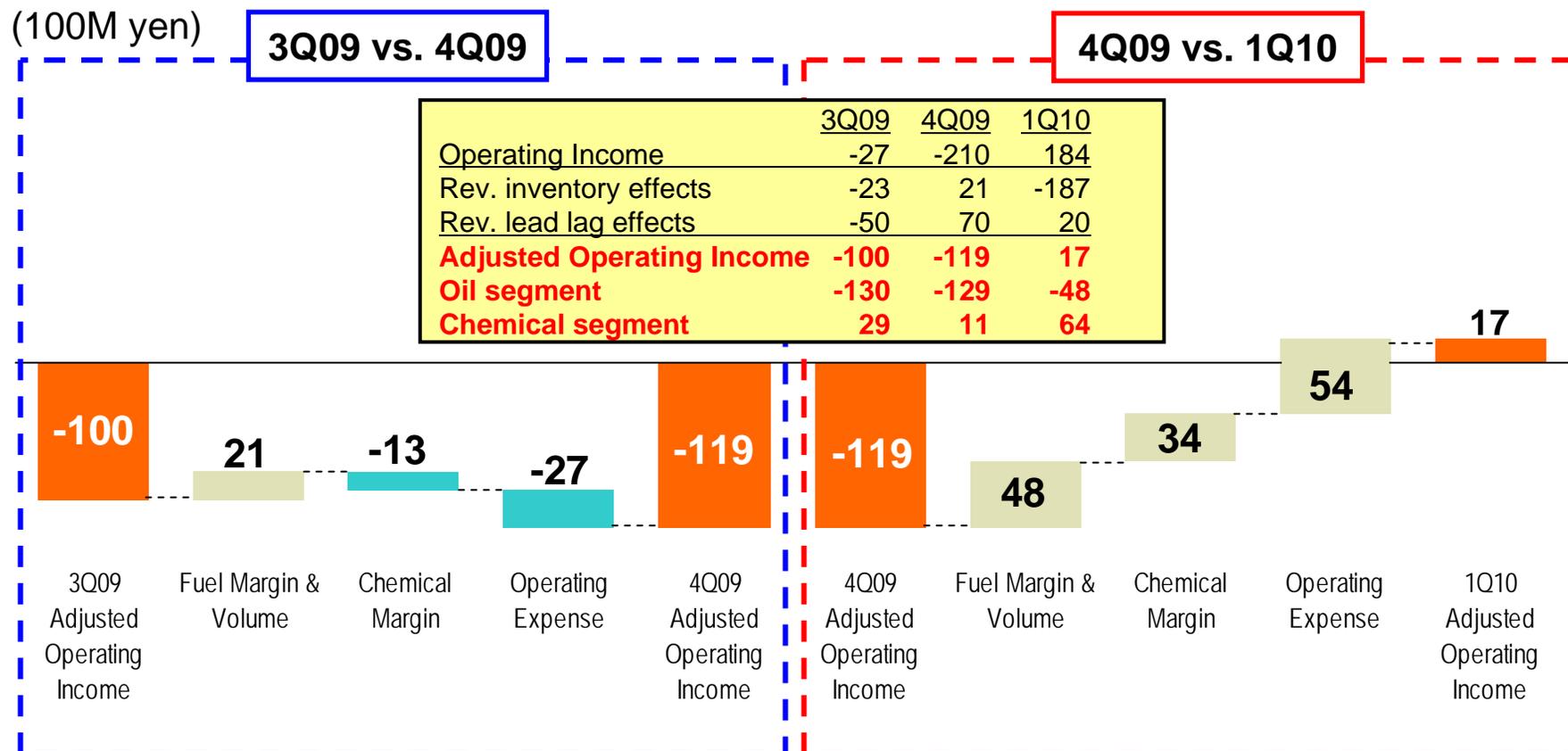


Factor Analysis of Operating Income (2)



[1Q10 Results vs. 3Q09 / 4Q09 Results; Consolidated]

- Adjusted Oil segment operating income recovered somewhat in 1Q10 from poor 2H 2009, due to recovery in downstream margins toward March 2010
- BSF business no longer reported in operating income (from February.) Improvement in Aromatics margin substantially contributed to increasing overall chemical operating income



Sales Volume



- Continuing attention to profitability of each sales channel
 - » Decreased domestic volume reflecting severe downstream environment and our attention to margins
 - » Severe export market: export volume dropped by 41% versus 1Q09
- Recovered olefins volume compared with 1Q09 (trough in demand) in line with general industry pattern

Oil Products*

(KKL)	1Q09	1Q10	Inc./Dec.	Industry Inc./Dec. ****	
Japan Inland Sales	Gasoline	2,652	2,494	-6.0%	+0.1%
	Kerosene	1,046	883	-15.6%	-0.7%
	Diesel fuel	758	721	-4.9%	+0.2%
	Fuel oil A	594	512	-13.8%	-3.3%
	Fuel oil C	334	397	+19.1%	-22.4%
	5 Major Fuels Total	5,383	5,007	-7.0%	-3.4%
	LPG and others	646	669	+3.6%	
	Sub Total	6,029	5,675	-5.9%	
	Exports**	1,343	797	-40.6%	
	Others***	871	881	+1.1%	
G. Total	8,243	7,353	-10.8%		

Chemical Products (Consolidated)

(Kton) Olefins and others (TCC)	371	418	+12.8%
Aromatics and others (TG)	213	202	-5.2%
Chemical Total	584	620	+6.2%

Topper Utilization	79%	72%	81%
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Notes:

- * Consolidated and excluding Barter
- ** Excluding bond sales
- *** Others include crude, product exchanges within ExxonMobil Japan Group, etc.
- **** Data Source; METI Statistics

Earnings Forecast [Consolidated]

- We have not changed 2010 earnings forecasts announced in February
 - » Higher chemical operating income by 20 Oku-yen
 - » Took into account negative 20 Oku-yen of 1Q10 lag effects; no lag assumed in rest of 2010
 - » Assumed 1Q10 inventory gain reversed in 2Q10; forecast no inventory P/L in 2010
- Sensitivities in future earnings:
 - » Global and domestic economy and S&D balance for oil and chemical sectors
 - » Crude price movements
 - » Small changes in inventory levels and consequential P/L effects

(100M yen)	Actual <u>1Q10</u>	Feb. Forecast		May Update *	
		<u>2QYTD</u>	<u>FY10</u>	<u>2QYTD</u>	<u>FY10</u>
Net sales	5,869	12,000	24,000		
Operating income	184	70	120	} No change	
Ordinary income	186	70	140		
Extraordinary income/loss	203	200	190		
Net income	316	250	290		
<hr/>					
Reverse inventory effects	-187	0	0		
Reverse lead lag effects	20	0	0	→	20 20
Adjusted operating income	17	70	120	→	90 140
Oil segment	-48	10	30		
Chemical segment	64	60	90	→	80 110

(*) Based on \$77.3/Bbl (Dubai) and ¥90.5/\$ < March 2010 monthly average >



Cash Flows, Debt/Equity [Consolidated]

(100M yen)

Operating / Investing Activities

Net income before taxes	389
Income tax payment	-17
Depreciation	65
Equity valuation gain	-202
Change in working capital etc.	-119*
Investing activities	-50

Financing Activities

Increase in net debt	34
Dividend to shareholders	-100

Net Cash Change

1Q10

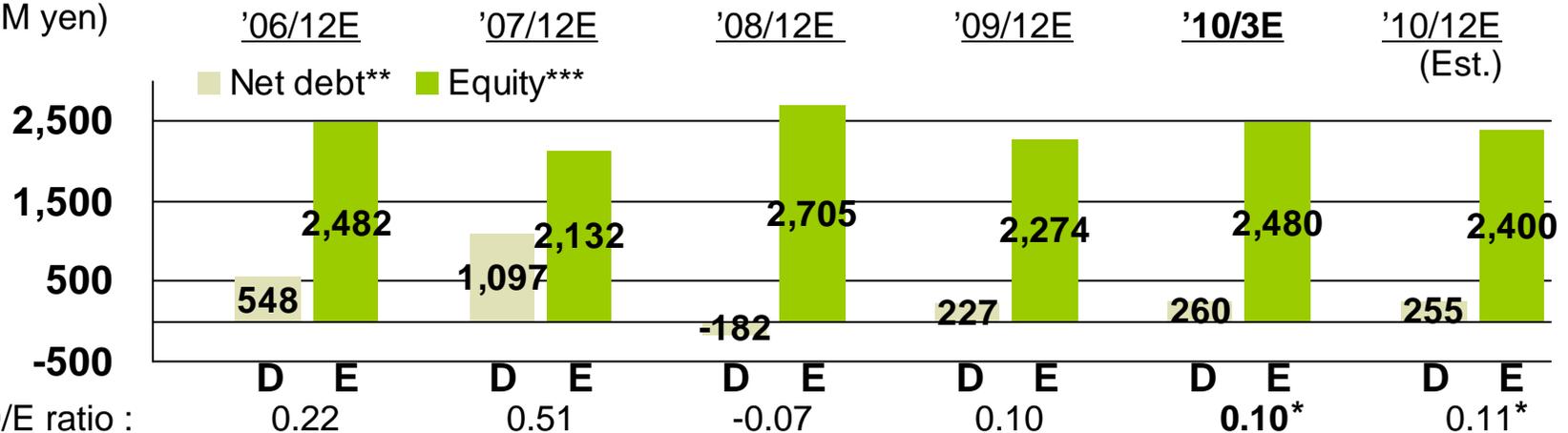
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- Net debt slightly increased at 1Q10 end mainly due to the calendar effect of excise tax payment
- Financial position remains healthy

(100M yen)



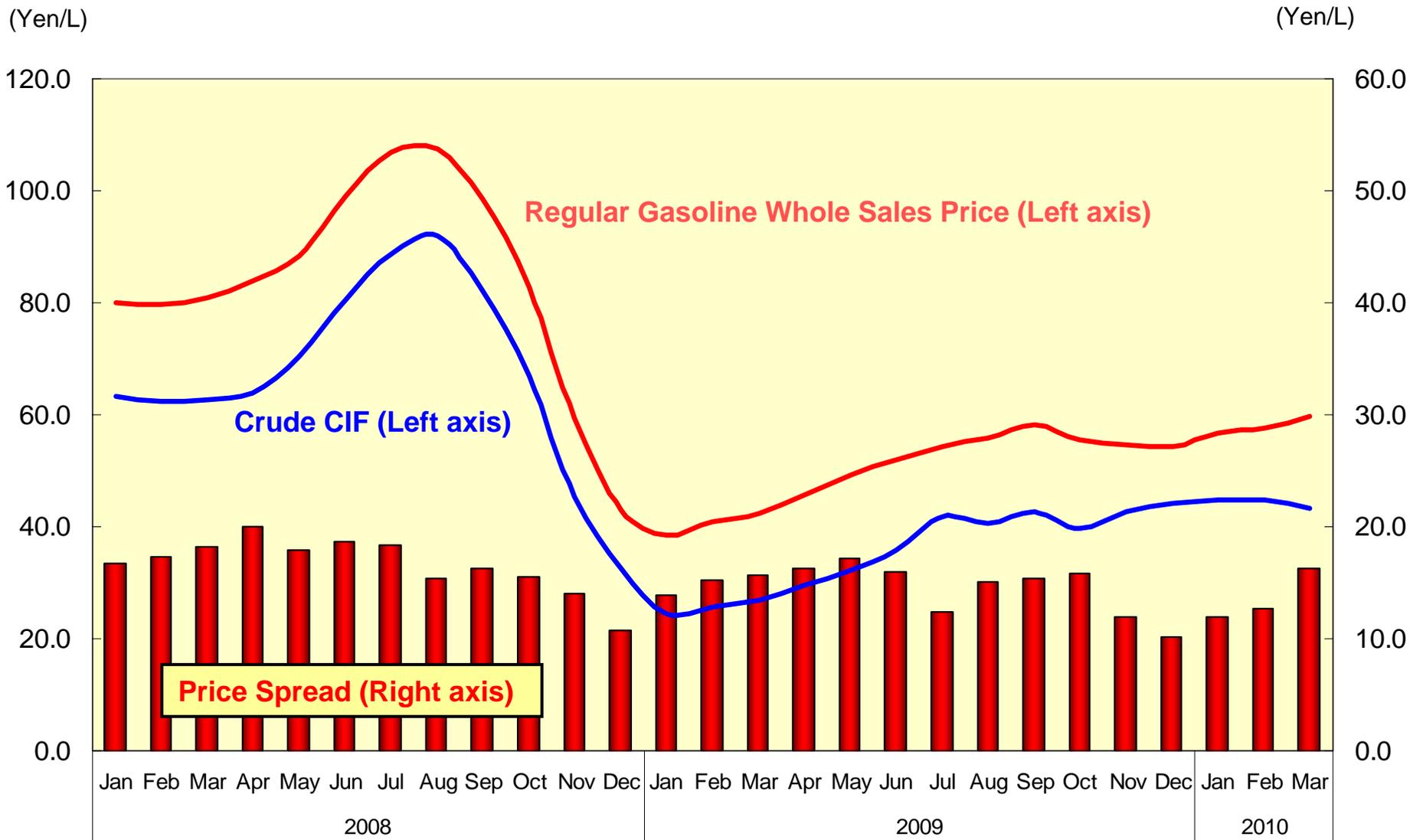
* Excl. effect of cash deposit from new JV

** Net debt excludes cash and loans receivable

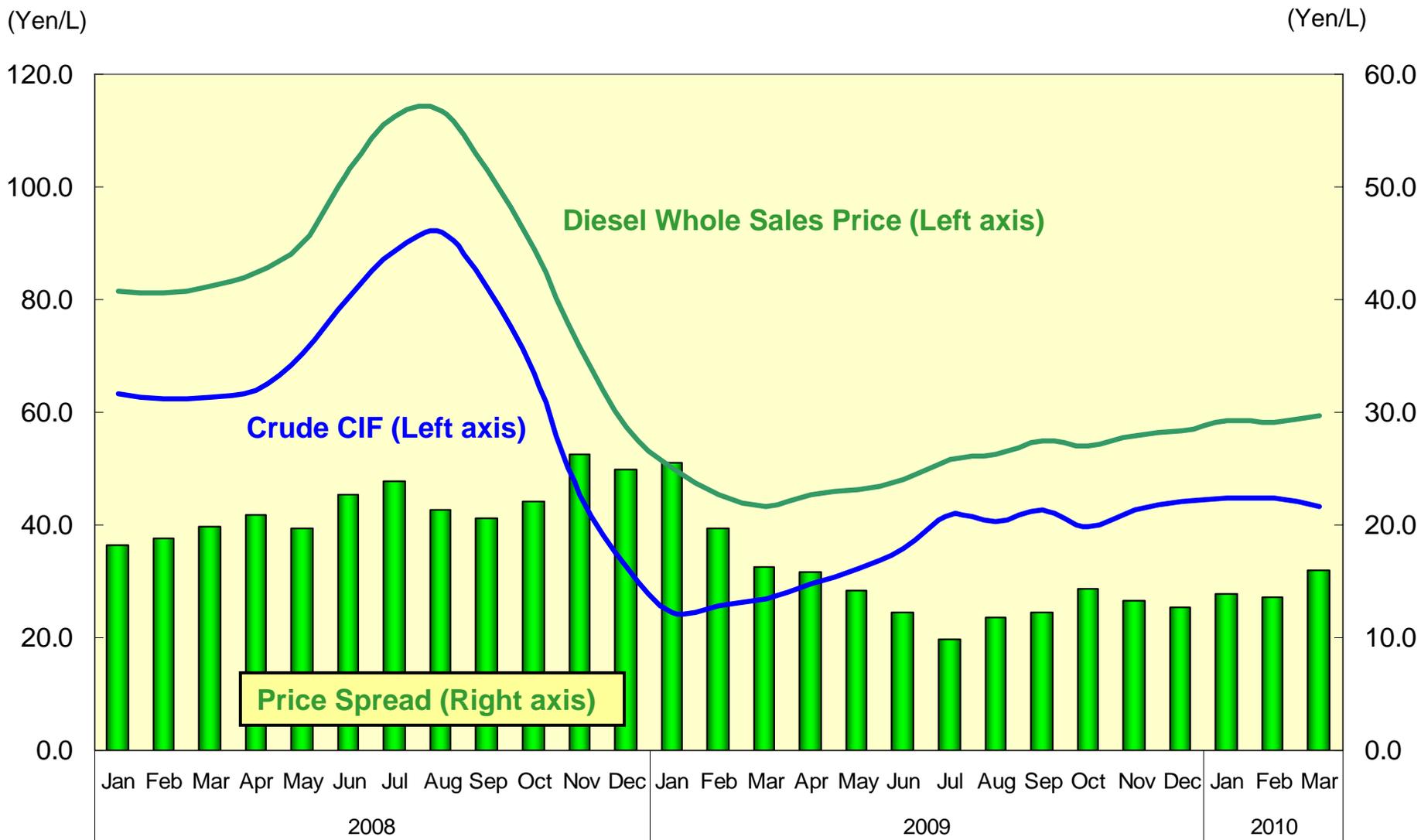
*** Net Worth excl. Minority Interest

Supplemental Information

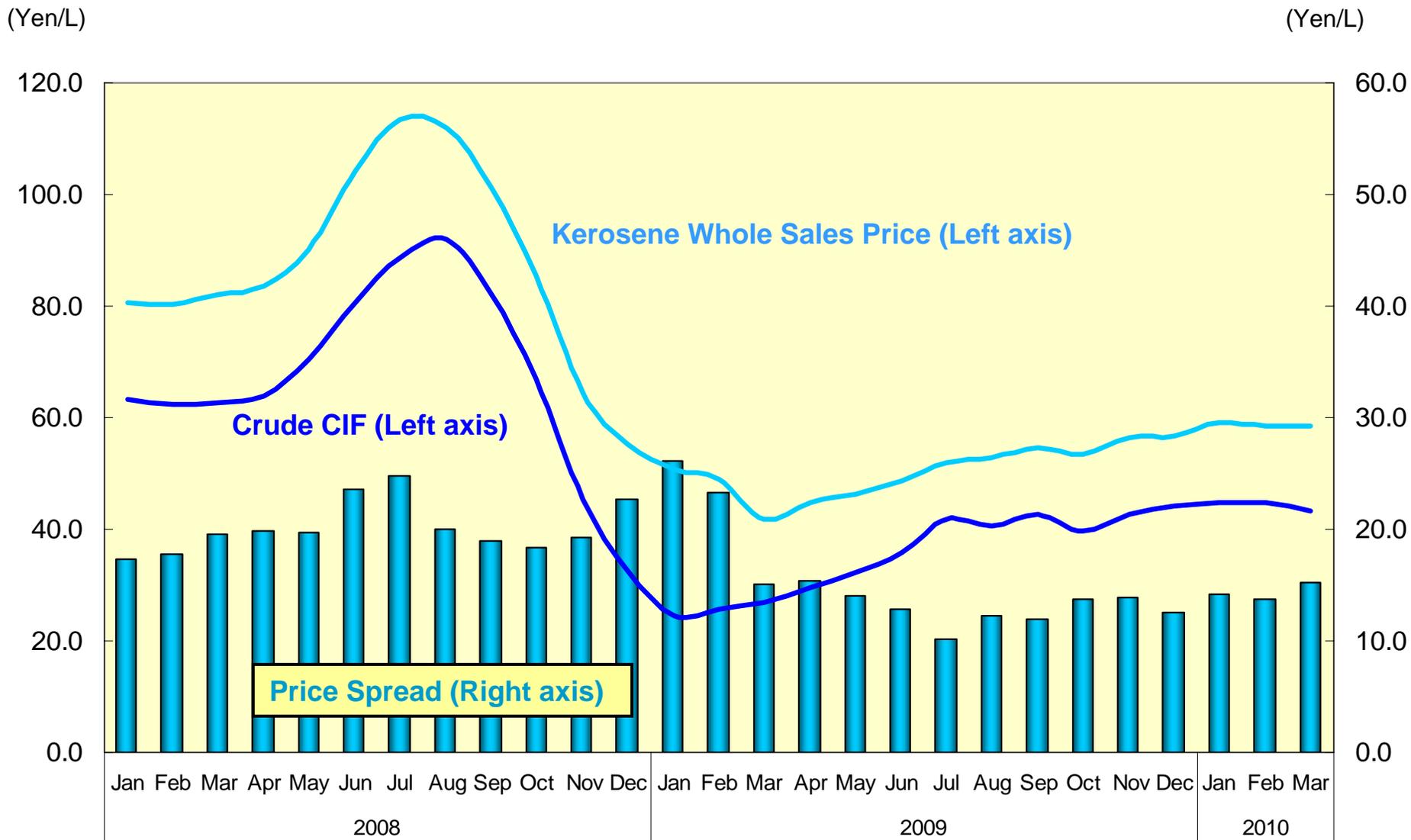
Price Spread (Gasoline Wholesale Price vs. Crude CIF)



Price Spread (Diesel Wholesale Price vs. Crude CIF)



Price Spread (Kerosene Wholesale Price vs. Crude CIF)



Details of Operating Income (2008-1Q10)



TonenGeneral

営業利益内訳 (単位: 億円)	Breakdown of Operating Income (Unit: 100MYen = Oku Yen)	'10 1-3月期 1Q10	'10 4-6月期 2Q10	'10 7-9月期 3Q10	'10 10-12月期 4Q10	'10 通期 FY2010
石油部門(実質)	Oil segment and others (Substantial)	-48				
石油化学部門	Chemical segment	64				
在庫関連利益	Inventory effects	187				
原油コスト認識時点の差による影響	Lead lag effects	-20				
総合計	Total	184				

営業利益内訳 (単位: 億円)	Breakdown of Operating Income (Unit: 100MYen = Oku Yen)	'09 1-3月期 1Q09	'09 4-6月期 2Q09	'09 7-9月期 3Q09	'09 10-12月期 4Q09	'09 通期 FY2009
石油部門 他(実質)	Oil segment and others (Substantial)	225	-74	-130	-129	-108
石油化学部門	Chemical segment	-23	21	29	11	38
在庫関連利益	Inventory effects	18	54	23	-21	74
原油コスト認識時点の差による影響	Lead lag effects	-90	-240	50	-70	-350
総合計	Total	131	-239	-27	-210	-346

営業利益内訳	Breakdown of Operating Income	'08 1-3月期 1Q08	'08 4-6月期 2Q08	'08 7-9月期 3Q08	'08 10-12月期 4Q08	'08 通期 FY2008
石油部門 他(実質)	Oil segment and others (Substantial)	-114	-10	-149	355	82
石油化学部門	Chemical segment	93	86	70	-110	139
在庫関連利益	Inventory effects	523	-327	130	-186	141
原油コスト認識時点の差による影響	Lead lag effects	15	-400	430	700	745
資産売却に伴う利益	Gain related to divestment	110				110
総合計	Total	627	-650	481	760	1,217