



April 24, 2015

TonenGeneral Sekiyu K.K.
(Stock Code: 5012 Tokyo Stock Exchange)
Representative Director, President
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Announcement on Complete Acquisition of Consolidated Subsidiary and Absorption-type Merger by Simple Merger

TonenGeneral Sekiyu K.K. (“the Company”) hereby announces that its Board of Directors on April 24, 2015, passed a resolution to merge Kyokuto Petroleum Industries, Ltd., a wholly owned consolidated subsidiary of the Company’s consolidated subsidiary EMG Marketing Godo Kaisha, effective July 1, 2015.

The merger will be conducted through a simple merger for the absorption-type merger of a wholly owned subsidiary; accordingly, some of the matters and details for disclosure relating the merger have been omitted.

1. Purpose of merger

The merged company, Kyokuto Petroleum Industries, Ltd., has a refinery in Chiba. In order to streamline the capital structure of the TonenGeneral Group and achieve further operational efficiency with the Company’s three existing refineries, the Company has decided to acquire all interest in Kyokuto Petroleum Industries, Ltd., currently owned by 99% Company-owned subsidiary EMG Marketing Godo Kaisha, thus making Kyokuto Petroleum Industries, Ltd., the Company’s wholly owned subsidiary. The Company will subsequently conduct an absorption-type merger, with itself as the merging company.

2. Summary of merger

(1) Schedule

Resolution of Board of Directors	April 24, 2015
Signing of merger agreement	May 1, 2015
Scheduled date of merger (effective date)	July 1, 2015

According to Article 796, Paragraph 3, of the Companies Act applicable to the Company, an absorption-type merger does not require the approval of the shareholders’ meeting of the Company. The Company will enter into an agreement with EMG Marketing Godo Kaisha on May 1, 2015, for the acquisition of all interest in Kyokuto Petroleum Industries, Ltd., owned by EMG Marketing Godo Kaisha effective July 1, 2015.

Kyokuto Petroleum Industries, Ltd., will obtain consent for the merger agreement from its member company EMG Marketing Godo Kaisha before the effective date of the merger.

(2) Type of merger

This is an absorption-type merger in which the Company is the merging company and Kyokuto Petroleum Industries, Ltd., shall dissolve upon the merger.

(3) Details of allotment upon the merger
Not applicable since the Company will absorb a wholly owned consolidated subsidiary.

(4) Share acquisition rights and bonds with stock acquisition rights of the merged company
Not applicable since Kyokuto Petroleum Industries, Ltd., has not given any share acquisition rights or issued any bonds with stock acquisition rights.

3. Overview of merging and merged companies

	Merging company	Merged company
(1) Company name	TonenGeneral Sekiyu K.K.	Kyokuto Petroleum Industries, Ltd.
(2) Location	1-8-15 Kohnan, Minato-ku, Tokyo, Japan	1, Chigusa-kaigan, Ichihara City, Chiba, Japan
(3) Name and title of representative	Jun Mutoh, Representative Director and President	Representative: EMG Marketing Godo Kaisha Executing person: Tomohide Miyata, President
(4) Major business	Manufacturing, processing and sales of petroleum products, and transportation of crude oil and petroleum products Manufacturing, processing and sales of petrochemical products	Manufacturing and processing of petroleum products
(5) Capital stock	35,123 million yen	7,000 million yen
(6) Date of incorporation	July 26, 1947	June 15, 1963
(7) Total number of issued shares	565,182,000 shares (includes treasury shares)	—
(8) Accounting end period	December 31	December 31
(9) Major shareholders and shareholding (equity) ratio	MOBIL OIL EXPLORATION AND PRODUCING SOUTHEAST INC. 7.41% MITSUI & CO., LTD. 6.37% Japan Trustee Services Bank, Ltd. (Trust account) 2.24% The Master Trust Bank of Japan, Ltd. (Trust account) 2.12% Kochi Shinkin Bank 1.51% (As of Dec 31, 2014)	EMG Marketing Godo Kaisha 100% (As of Dec 31, 2014)
(10) Financial position and operating results from the previous year (for the fiscal year from January 1, 2014 through December 31, 2014)		
Net assets	335,858 million yen	9,599 million yen
Total assets	1,296,635 million yen	169,400 million yen
Net assets per share	921.51 yen	—
Net sales	2,979,545 million yen	703,110 million yen
Operating income	△60,775 million yen	△2,346 million yen
Ordinary income	8,137 million yen	△2,841 million yen
Net income	75,969 million yen	△1,771 million yen
Net income per share	208.51 yen	—

Note: 1. Treasury shares (200,876,000 shares) are excluded from the above list.

2. The Company will acquire all interest in Kyokuto Petroleum Industries, Ltd., from EMG Marketing Godo Kaisha and merge Kyokuto Petroleum Industries, Ltd., effective July 1, 2015.

4. Status of the merging company after the merger

There will be no change in company name, location of head office, name and title of representative, major business, capital, or accounting period after the merger.

5. Future prospects

The merger will have no material effect on TonenGeneral's 2015 projected consolidated operating results.

[The official language for TonenGeneral Sekiyu'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 website. While these English versions have been prepared in good faith, TonenGeneral Sekiyu does not accept responsibility for the accuracy of the translations, and reference should be made to the original Japanese language materials.]