TonenGeneral Sekiyu K.K.
2QYTD 2014 Financial Results

August 15, 2014

at BelleSalle Yaesu

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- 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.

東燃ゼネラル石油株式会社

Agenda

- 2QYTD 2014 Business Overview

  Representative Director, President J. Mutoh

- 2QYTD 2014 Results and FY 2014 Forecast

  Managing Director D. R. Csapo

- Q & A

2QYTD 2014 Business Overview

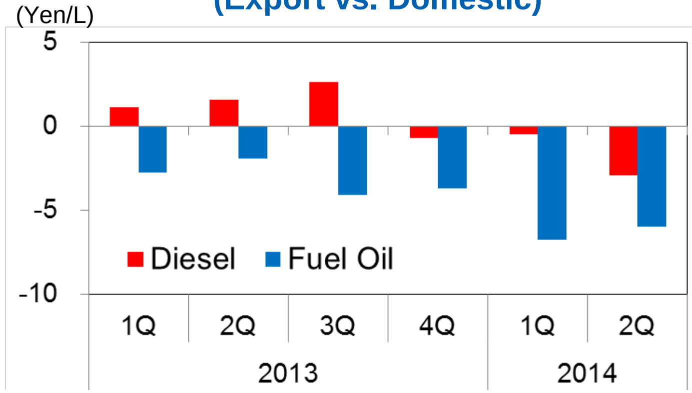
J. Mutoh

Representative Director, President
TonenGeneral Sekiyu K.K.

2Q14YTD Business Environment & TG Results

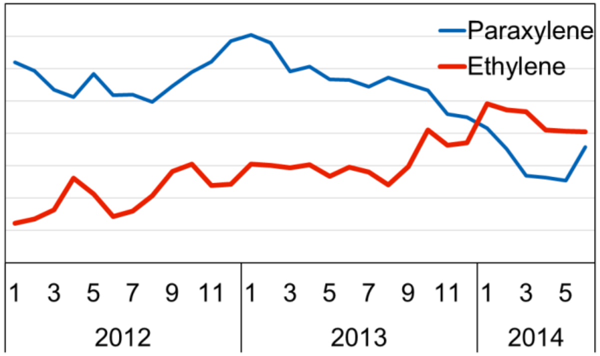
- **Oil**
  - Crude prices moved in the range of $100-110/bbl
  - Weak domestic fuel demand: -2.3%
    - Gasoline & Distillate: -1.1% and Fuel Oil : -8.4%
  - Industry crude runs were 3.32MBD, 4% lower than 1H13 due to turnaround activities
  - 2Q14 domestic margins recovered from poor 1Q14
  - Export product prices below domestic in 1H14
- **Chemical**
  - Olefin margins supported by high levels of planned maintenance and robust regional demand
  - Paraxylene margins adversely impacted by new capacity starting up primarily in Korea and China

Products Price Difference
(Export vs. Domestic)



Estimated from industrial resources

Chemical Price Spread vs. Naphtha



Data derived from Bloomberg

TG Results

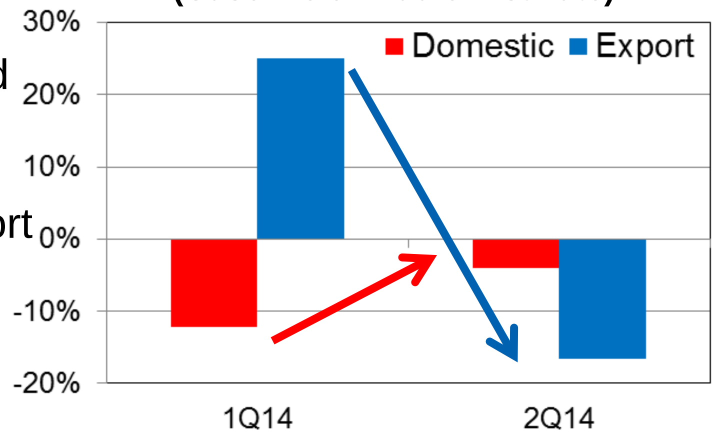
(billion yen)	1H13	1H14	Delta
Operating Income	30.9	-16.4	-47.4
Adj. Operating Income*	13.5	-4.3	-17.8
Oil Segment	3.1	-16.6	-19.7
Chemical Segment	10.5	12.3	1.9

* Excluding goodwill amortization and inventory effects

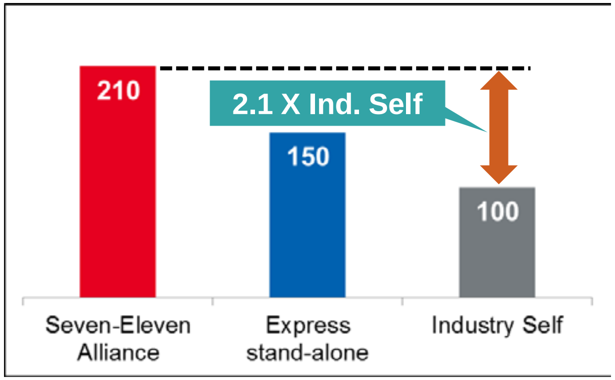
2Q14YTD Business Progress - Oil Segment

- Crude throughput*[1] was 572KBD, 4% lower vs. 1H13 impacted by weak 1Q14 domestic margin, 2Q14 Kawasaki turnaround and decline in export margins
  - Mainly due to H-Oil turnaround, fuel oil C yield increased
- Flexibly managed sales volume in response to margin environment
  - 1Q: Managed low margin domestic sales, shifted to export
  - 2Q: Reduced low margin exports, focused on domestic
  - Retail gasoline sales performance exceeded industry
- Seven-Eleven Japan alliance success growing
  - Seven-Eleven alliance site number increased to 91
  - Number of nanaco*[2] point program users at Express sites increased by 43% vs. last year to 980,000
- Number of Express sites exceeded 1,000
- Expanding aviation jet fuel sales by acquiring new business from international flights at Haneda Airport
- Favorable lubricants business developments
  - Increased Mobil 1 sales volume by 2% vs. 1H13
  - Started selling Mobil 1 at MOC Marketing(MOCM) sites

Domestic/Export Volume vs. Last Year
(Gasoline & Middle Distillate)



Gasoline & Diesel Volume of Seven-Eleven Alliance Sites
(Industry Self = 100)



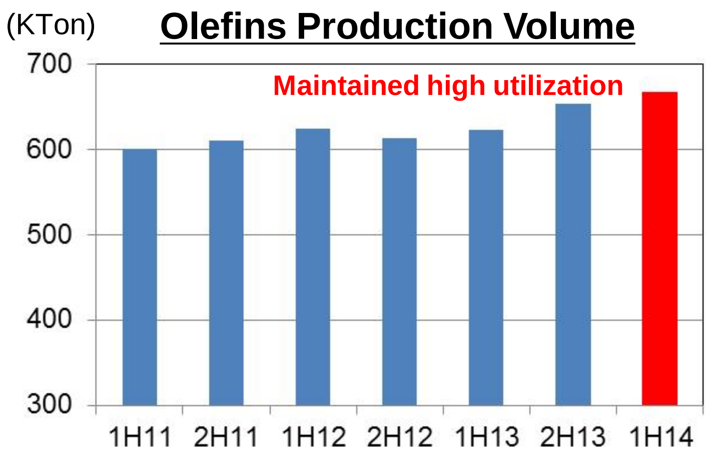
*1 Includes Kyokuto Petroleum Industries (KPI)
*2 "nanaco" is a prepaid payment tool with loyalty point program issued by Seven Card Service that can be used at Seven-Eleven, Denny's, ItoYokado, Sogo and Seibu.

2Q14YTD Business Progress - Chemical Segment

- Maintained high utilization of steam cracker with improved reliability and benefited favorable olefins margins

- As paraxylene margins declined in 2Q14, carefully managed aromatics vs. gasoline production to capture highest molecule value
  - Medium-term strategy of shifting from fuels to petrochemical unchanged – commenced project to build mixed xylene recovery unit at Chiba Refinery of KPI

- Stable and profitable specialty products
  - MEK(methyl ethyl ketone) and resins continue to have favorable margins and maintained high sales volume



Steam Cracker (Tonen Chemical / Kawasaki)

Progress and Next Steps for Focused Areas

Current Progress	Actions to be taken

MOCM / KPI Integration

Current Progress

- Integrated supply functions at March end fully optimizing all four refineries
- Transferred MOCM sales businesses into EMGM effective July 1, 2014
- Already converted 24 MOCM direct operated SS to Express (as of July end)

Actions to be taken

- Demonstrate value of integration with TG
  - Roll-out Express to all 57 MOCM direct operated sites in 2014
  - Convert MOCM dealer operated SS to Esso at earliest timing
  - Achieve synergy target of 4 billion yen in 2015

Collaboration in industrial complexes and with others

Current Progress

- Continued progress with Cosmo Oil Chiba Refinery to capture large scale collaboration
  - Tactical steps capturing near-term savings
- Optimized feedstock with Toa Oil Keihin Refinery
- Substantial agreement achieved to integrate four-group LPG businesses

Actions to be taken

- Establish a joint organization with Cosmo Oil in January 2015 to construct pipelines and maximize pace of benefit capture
- Expand the collaboration with Toa Oil to optimize the recent H-Oil expansion
- Proceed with the establishment of LPG integrated company to start-up in April 2015

Entering into Electricity Businesses

Current Progress

- Sought business development combining power generation and retailing as one of TG growth options

Actions to be taken

- Organization unit established to:
  - Develop generation projects
  - Define retail strategy for 2016 deregulation

Conclusions

Strengthen Core Businesses

- Synergy captures with MOCM
- Collaboration with others
- Investment for core businesses and cost competitiveness

Develop Growth Options

- Develop power generation and retail businesses
- Seek growth options in light of our core strengths to enhance shareholders' value

Unchanged Core Values

- Safety, environmental and ethical objectives
- Rigorous investment evaluation and continuous efficiency mindset
- Maintain financial resilience and emphasize stable returns to shareholders

2Q14YTD Business Results and FY 2014 Financial Forecast

D. R. Csapo

Managing Director, Financial Services
TonenGeneral Sekiyu K.K.

2Q14 YTD Financial Highlights

- Net sales: +135.7 billion yen mainly due to adding MOCM / KPI from April 2014
- Operating income:
  - Inventory: -29.4 billion yen mainly due to absence of 2Q13YTD gains
  - Oil: -19.7 billion yen, negative factors were poor 1Q14 domestic margins, weaker 2Q14 export margins, Kawasaki turnaround, partly offset by 2Q14 domestic margin upturn
  - Chemical: +1.9 billion yen, good olefin margins partly offset by slow down in paraxylene
- Non-operating items: +1.9 billion yen improvement mainly from lower exchange loss
- Extraordinary items: -1.9 billion yen mainly from SDF bidding case settlement and asset retirement / sales loss

(billion yen)	2Q13 YTD	2Q14 YTD	Inc./Dec.
Net Sales	**1,556.7**	**1,692.4**	135.7
Operating income	**30.9**	**-16.4**	-47.4
Ordinary income	**28.0**	**-17.5**	-45.5
Extraordinary gain/loss	**-0.3**	**-2.2**	-1.9
Net income	**15.0**	**-14.9**	-30.0
(Breakdown of operating income)			
Inventory gain/loss	**25.9**	**-3.5**	-29.4
Goodwill amortization	**-8.5**	**-8.6**	-0.1
Adjusted Operating income	**13.5**	**-4.3**	-17.8
Oil segment	**3.1**	**-16.6**	-19.7
Chemical segment	**10.5**	**12.3**	1.9

Oil segment
2Q13YTD 3.1
- Margin -22.4
- Volume -1.4
- Opex 4.1

2Q14YTD -16.6

Chemical segment
2Q13YTD 10.5
- Margin/vol. -0.3
- Opex 2.1

2Q14YTD 12.3

Factor Analysis of 2Q14 Operating Income

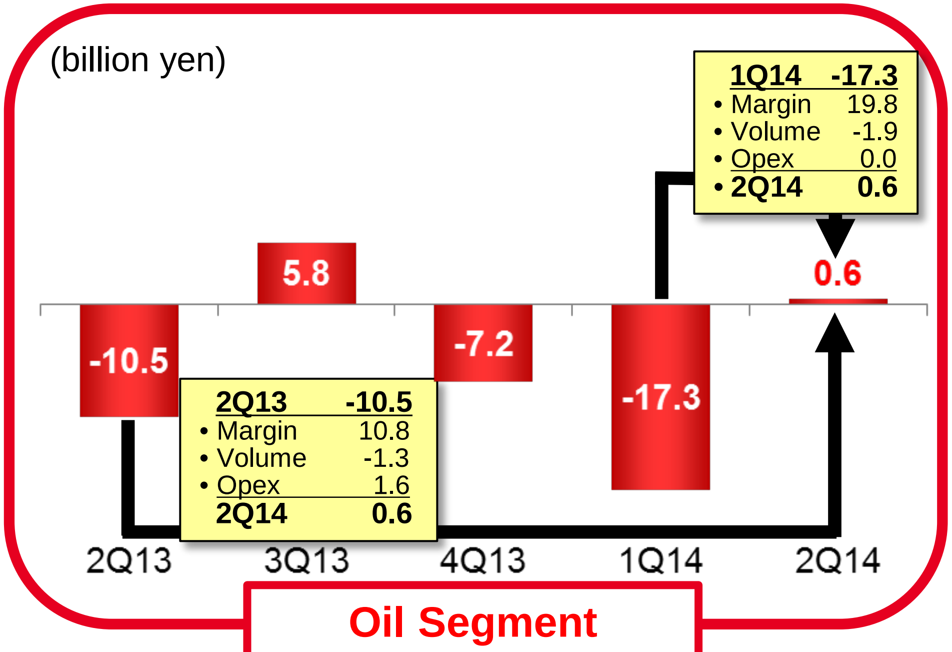
Oil

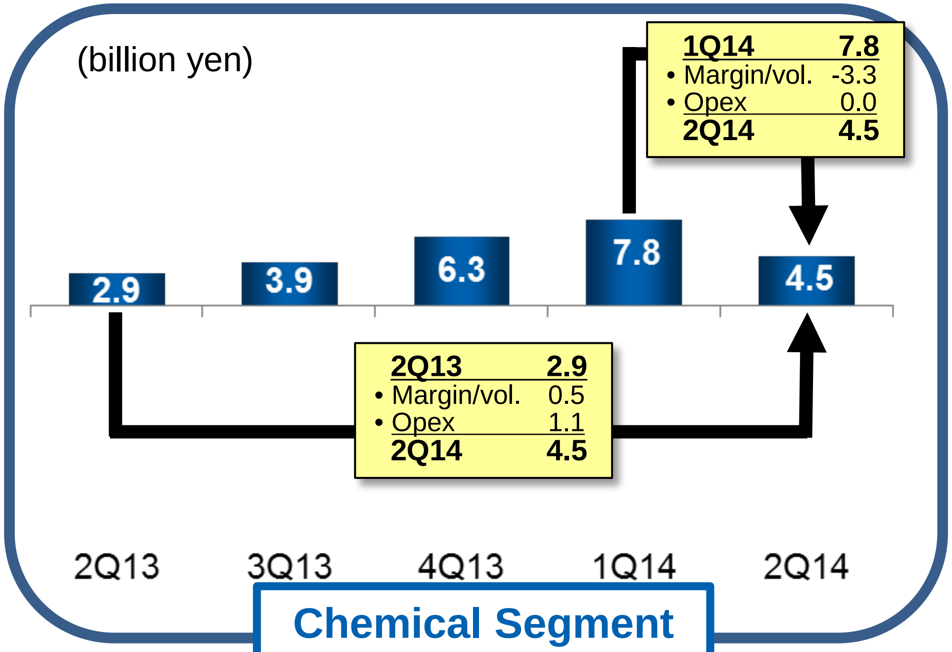
- 2Q14 domestic margin recovery but weakening export market for fuel oil and distillate
- Kawasaki turnaround including H-Oil unit worsened yields and volume
- Modest contribution from successful MOCM integration

Chemical

- 2Q14 favorable ethylene margins, steady specialty profitability, and weakening paraxylene

Quarter to Quarter Adjusted Operating Income (2Q13 through 2Q14)





Sales Volume*1

Product	2Q13 YTD	2Q14 YTD	Inc./Dec.	Inc./Dec. Industry
Oil products (KKL)				
Gasoline	5,692	**5,171**	-9.1%	-1.6%
Kerosene	1,880	**1,474**	-21.6%	-5.7%
Diesel Fuel	2,038	**1,966**	-3.6%	+2.3%
Fuel Oil A	855	**813**	-4.9%	-0.0%
Fuel Oil C	1,174	**1,119**	-4.7%	-8.4%
LPG/Jet/Others	2,087	**2,519**	+20.7%	
Domestic sales total*2	13,726	**13,062**	-4.8%	
Export	3,225	**3,417**	+5.9%	
Oil products	16,951	**16,479**	-2.8%	
Chemical Products (Kton)				
Olefins and others	815	**850**	+4.2%	
Aromatics	351	**405**	+15.2%	
Specialties	118	**120**	+1.7%	
Chemical products	1,284	**1,374**	+7.0%	

	2Q13 YTD	2Q14 YTD		Industry 2Q14 YTD
Topper Utilization*3	82%	**79%**		80%

- TG domestic volumes closer to industry in 2Q
  - 1Q: -7.5% in poor margin environment
  - 2Q: -1.7% as margins recovered
- MOCM added 1,300kkl in 2Q14
  - MOCM Gasoline performance vs. 2Q13 better than industry
- Olefins operations close to max
- Aromatics reflect absence of 2Q13 Sakai turnaround and gasoline to chemical shift

*1 Restated volume data to include MOCM acquisition effects for both periods
*2 Bonded sales volume included in domestic sales
*3 Utilization for TonenGeneral four refineries and excluding the decommissioned 2 toppers for both periods

FY2014 Earnings Forecast

- FY2014 operating income 6 billion yen, 17 billion yen lower than May projection
  - Oil: 20 billion yen reduction reflects weak 2Q14 results and lower export margins in 2H14
  - Chemical: 3 billion yen increase to reflect current commodity chemical market situation
- Net income includes 50 billion yen tax effect from group capital structure optimization involving 4Q14 planned de-capitalization of a subsidiary
- 38 yen per share dividend forecast reaffirmed

(billion yen)	May Forecast		Actual	Aug.Update
	1H14	FY2014	1H14	FY2014
Net Sales	1,700	3,700	1,713.4	**3,600**
Operating income	0	23	-16.4	**6**
Ordinary income	-1	21	-17.5	**4**
Extraordinary gain/loss	-1	-1	-2.2	**-2**
Net income	-4	7	-14.9	**47**

(Breakdown of operating income)

Inventory gain/loss	0	0	-3.5	**0**
Goodwill amortization	-8.5	-17	-8.6	**-17**
Adjusted Operating income	8.5	40	-4.3	**23**
Oil segment	-4.5	27	-16.6	**7**
Chemical segment	13	13	12.3	**16**

Note) Assumed July Dubai price ($106/bbl) and Forex (102Yen/$) to continue through 2014

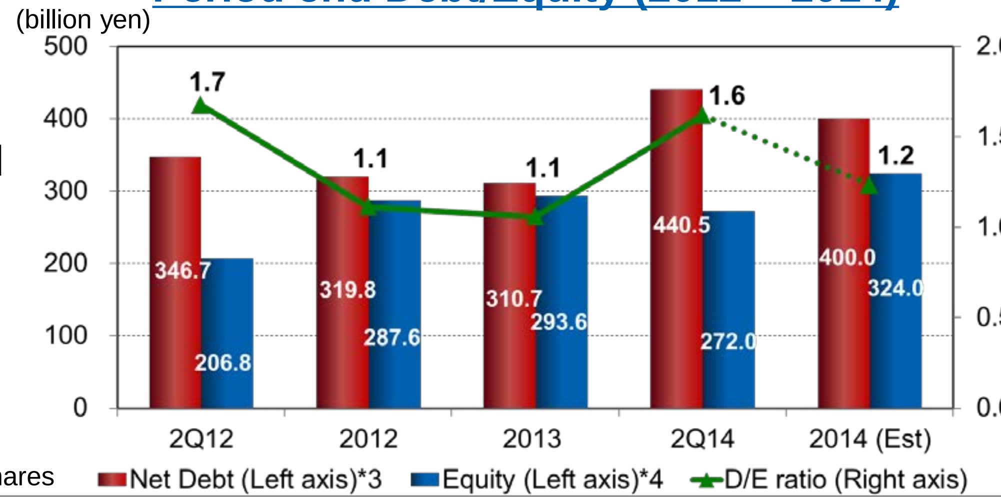
Cash Flows, Debt/Equity

- 2QYTD 2014 adjusted free cash flow was 23.2 billion yen
  - Working capital optimization for MOCM / KPI and seasonality partly offset by net loss before tax
- Refinancing activities improved maturity profile of debt:
  - 40G refinance planned in August with a new syndicated loan
  - Approximately 50% of debt at 2014 end will be long-term
- Net D/E ratio to improve from 1.6 at 2Q14 end to 1.2 toward year end
  - Equity increase due to 2H net income
  - Absence of excise tax timing effects and further working capital optimization

2QYTD 2014 Cash flow (billion yen)

Net income before taxes	-19.7
Depreciation[*1] / (Capex)	8.4
Working capital changes and others	34.5
Adjusted Free Cash Flow	**23.2**
MOCM acquisition	-25.5
Timing of excise tax payment	-48.2
Free Cash Flow[*2]	**-50.5**
Dividend to shareholders	-6.9
MOCM/KPI debt addition and others	-72.5
Net Debt[*3] (Increase) / Decrease	**-129.9**

Period end Debt/Equity (2012 – 2014)



*1 Includes goodwill amortization
*2 Sum of cash flows from operating and investing activities
*3 Debt deducting cash and cash equivalents
*4 Net assets deducting minority interests and subscription rights to shares

Supplemental Information

Sales Volume

- Sales volume consistent with net sales (TonenGeneral + 2Q14 MOCM effects)

Product	2Q13*1 YTD	2Q14*1 YTD	Inc./Dec.	Inc./Dec. Industry	MOCM effects*2	2Q14 YTD new base
Oil products (KKL)						
Gasoline	5,043	**4,548**	-9.8%	-1.6%	334	**4,882**
Kerosene	1,507	**1,129**	-25.1%	-5.7%	111	**1,241**
Diesel Fuel	1,611	**1,608**	-0.2%	+2.3%	199	**1,807**
Fuel Oil A	760	**714**	-6.1%	-0.0%	53	**766**
Fuel Oil C	1,006	**1,015**	+0.9%	-8.4%	52	**1,067**
LPG/Jet/Others	1,807	**2,100**	+16.2%		214	**2,314**
Domestic sales total	11,734	**11,113**	-5.3%		964	**12,077**
Export	3,053	**2,908**	-4.7%		320	**3,229**
Oil products	14,787	**14,021**	-5.2%		1,284	**15,305**
Chemical Products (Kton)						
Olefins and others	796	**830**	+4.2%		11	**840**
Aromatics	351	**405**	+15.2%			**405**
Specialties	118	**120**	+1.7%			**120**
Chemical products	1,265	**1,354**	+7.0%		11	**1,365**
				Industry 2Q14 YTD		
Topper Utilization*3	87%	**77%**		80%		

*1 Previous TG basis before MOCM acquisition

*2 Added volume in 2Q14 resulting from MOCM acquisition

*3 Utilization for TonenGeneral three refineries and excluding the decommissioned 2 toppers for both periods

Sensitivities for 2014 Earnings Forecast

- Base assumptions for the earnings forecast

Key Factors	Unit	Base	Reference
Dubai FOB	US$/bbl	106	July 2014 average
Exchange Rate	Yen/US$	102	July 2014 average

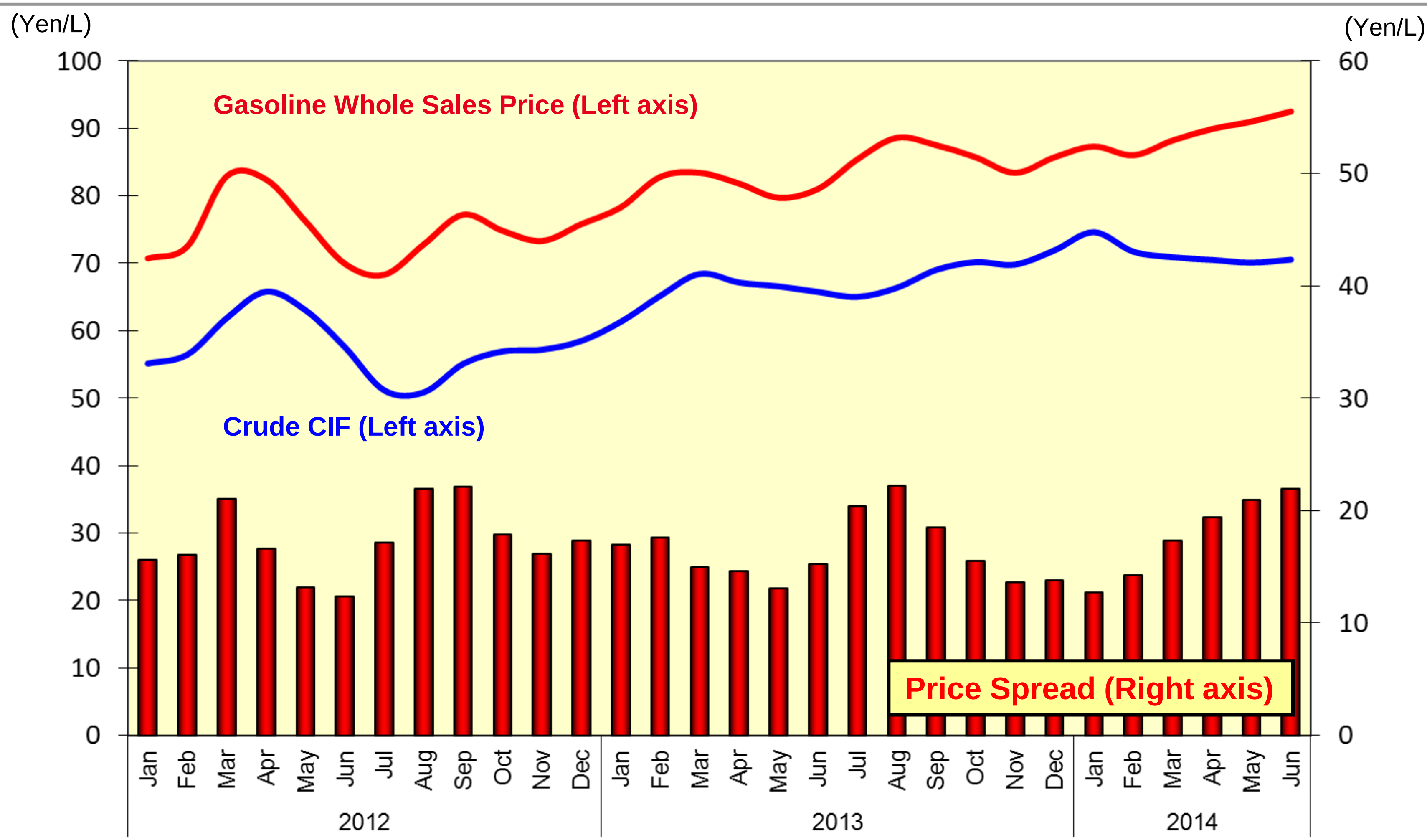
Above assumptions used for net sales and inventory effects calculation

- Full year sensitivities in the future operating income

Key Factors	Unit	Appreciation by	Annual Impact (billion yen) Operating income*1
Dubai FOB	US$/bbl	10	25*1
Exchange Rate	Yen/US$	10	-26*1
Refining margin	Yen/L	1	37*2

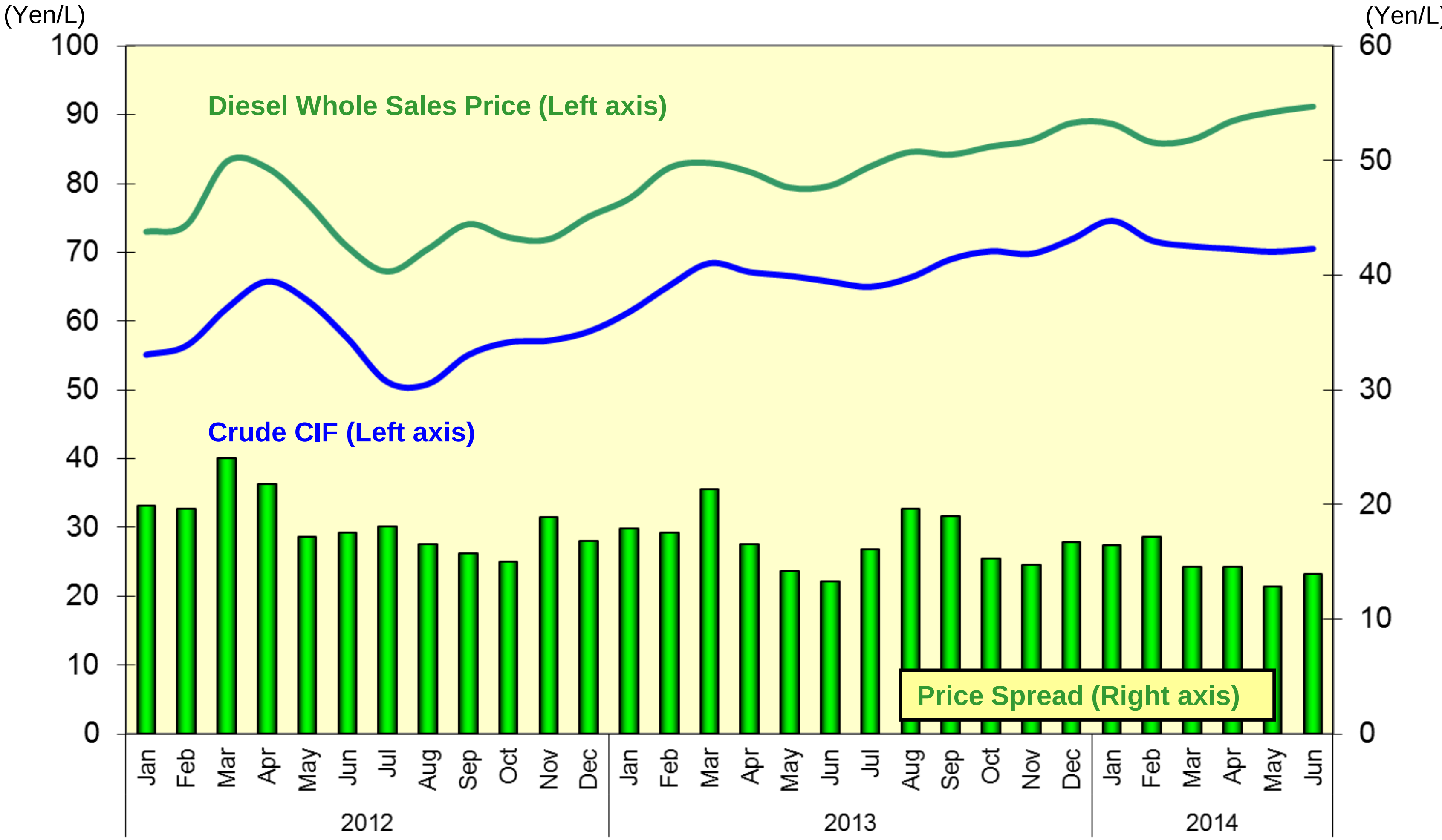
*1 Inventory effects only, the sensitivity would change subject to timing of crude price fluctuation and inventory volume
*2 Impact to operating income on annual basis rounded to nearest billion yen subject to change in sales volume

Price Spread (Gasoline Wholesale Price vs. Crude CIF)



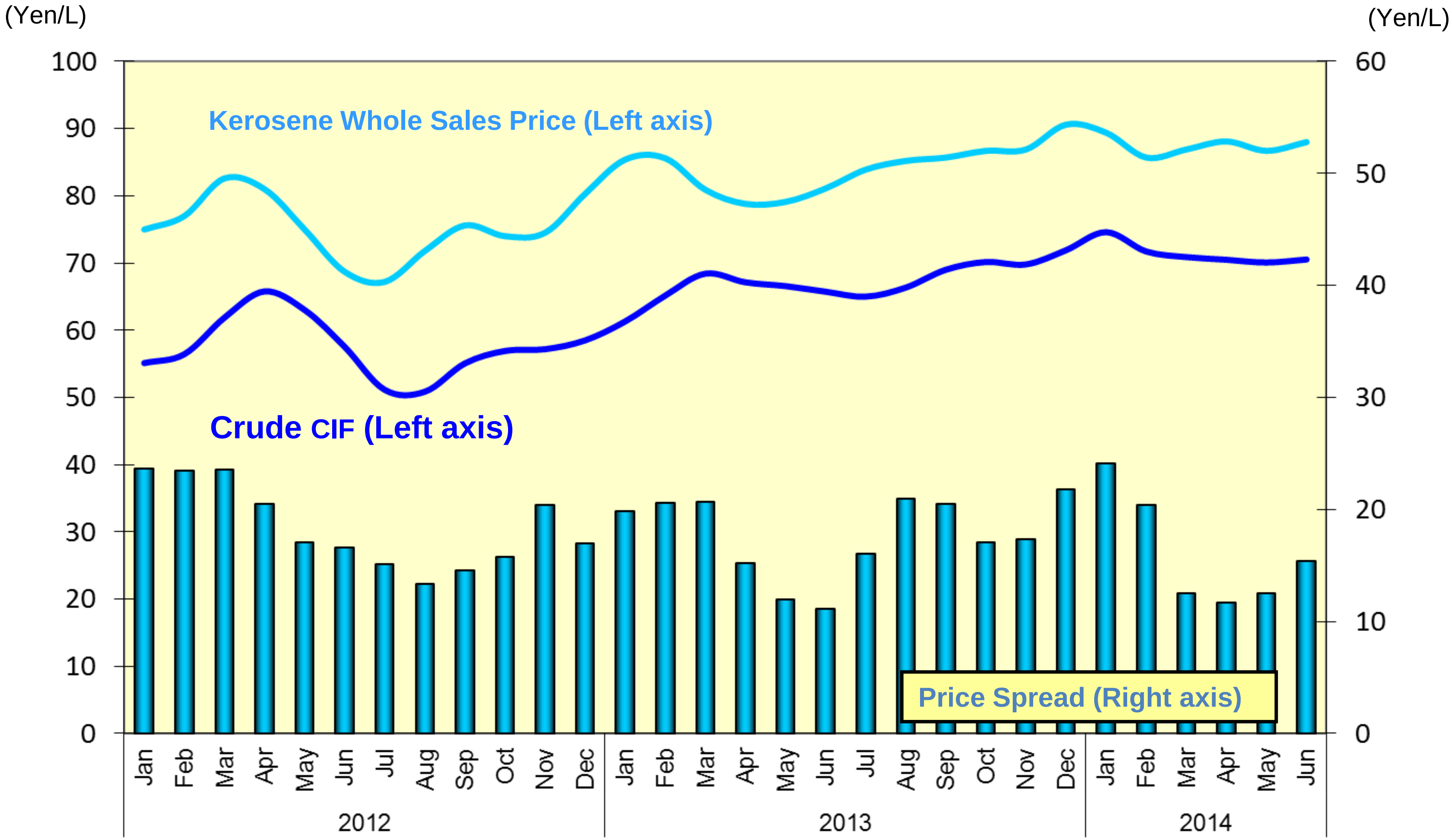
Source: PAJ and The Oil Information Center

Price Spread (Diesel Wholesale Price vs. Crude CIF)



Source: PAJ and The Oil Information Center

Price Spread (Kerosene Wholesale Price vs. Crude CIF)



Source: PAJ and The Oil Information Center

Details of Operating Income (2012 – 2Q14)

2014

(Unit: billion yen)

Breakdown of Operating Income	1Q14	2Q14	3Q14	4Q14	FY2014	1H14	3Q14YTD
Oil segment (Substantial)	-17.3	0.6				-16.6	
Chemical segment (Substantial)	7.8	4.5				12.3	
Inventory effects	0.1	-3.6				-3.5	
Goodwill amotization	-4.2	-4.4				-8.6	
Total	-13.6	-2.8				-16.4	

2013

Breakdown of Operating Income	1Q13	2Q13	3Q13	4Q13	FY2013	1H13	3Q13YTD
Oil segment (Substantial)	13.6	-10.5	5.8	-7.2	1.7	3.1	8.9
Chemical segment (Substantial)	7.6	2.9	3.9	6.3	20.6	10.5	14.3
Inventory effects	25.7	0.1	13.2	7.9	47.0	25.9	39.0
Goodwill amotization	-4.2	-4.2	-4.2	-4.2	-16.9	-8.5	-12.7
Total	42.7	-11.8	18.6	2.8	52.3	30.9	49.5

2012

Breakdown of Operating Income	1Q12	2Q12	3Q12	4Q12	FY2012	1H12	3Q12YTD
Oil segment (Substantial)	9.1	-13.0	20.8	14.7	31.5	-4.0	16.8
Chemical segment (Substantial)	2.1	-3.5	0.8	0.4	-0.1	-1.4	-0.6
Inventory effects	19.2	-28.3	4.0	9.5	4.4	-9.1	-5.1
Goodwill amotization	-	-	-4.2	-4.2	-8.5	-	-4.2
Total	30.4	-44.8	21.3	20.4	27.3	-14.4	6.9