

Summary of Financial Statements for 2005 (Parent)

February 24, 2006

Listed Company: TonenGeneral Sekiyu Kabushiki Kaisha

Listed on: Tokyo Stock Exchange

Code # : 5012

Location of Head Office: Tokyo

(URL <http://www.tonengeneral.co.jp>)

Representative:

Position: Representative Director, Chairman and President

Name: G. W. Pruessing

For further information, please contact:

Position: ExxonMobil Y.K. Public Affairs Manager

Name: K. Morishita Phone : (03) 6713-4400

Date of Board Meeting for Year-end Closing: February 24, 2006

Interim Dividend Plan: Yes

First Date of Dividend Payment Scheduled for: March 29, 2006

Date of Annual General Shareholders' Meeting:

Unit Share System: Yes (One Unit = 1,000 Shares)

March 28, 2006

1. Business Performance for 2005 (January 1, 2005 through December 31, 2005)

(1) Business Performance

(Note) Amounts are shown in truncated millions of yen.

	Sales Revenues		Operating Income		Ordinary Income	
	Million Yen	%	Million Yen	%	Million Yen	%
2005	2,800,894	(18.2)	△ 1,363	(-)	7,075	(△ 86.5)
2004	2,370,549	(9.2)	42,549	(56.6)	52,316	(59.8)

	Net Income	Net Income per Share	Net Income per Share after Adjustments	Income Ratio to Shareholders' Equity	Ordinary Income Ratio to Total Assets	Ordinary Income Ratio to Sales Revenue
	Million Yen %	Yen	Yen	%	%	%
2005	4,055 (△ 90.0)	6.86	—	2.3	0.8	0.3
2004	40,542 (69.5)	68.51	—	21.9	5.9	2.2

(Note) ① Average Number of Issued Shares

2005: 591,379,999 Shares 2004: 591,790,532 Shares

② Change in Accounting Policies: No

③ Percentages shown in Sales Revenues, Operating Income, Ordinary Income and Net Income are comparisons with those for the previous accounting period.

(2) Dividends

	Annual Dividends Declared per Share			Total Amount of Dividends (Annual)	Payout Ratio	Dividends Ratio to Shareholders' Equity
	Interim	Year-end				
	Yen	Yen	Yen	Million Yen	%	%
2005	36.50	18.00	18.50	21,439	528.6	12.8
2004	36.00	18.00	18.00	21,302	52.5	11.0

(3) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	Million Yen	Million Yen	%	Yen
2005	917,982	166,442	18.1	285.33
2004	889,420	193,897	21.8	327.71

(Note) ① Number of Outstanding Shares

2005: 583,329,495 Shares 2004: 591,683,207 Shares

② Number of Treasury Stocks

2005: 70,505 Shares 2004: 859,811 Shares

2. Projected Business Performance for 2006 (January 1, 2006 through December 31, 2006)

	Sales Revenues	Ordinary Income	Net Income	Annual Dividends per Share		
				Interim	Year-end	
	Million Yen	Million Yen	Million Yen	Yen	Yen	Yen
First Half	1,510,000	38,500	33,000	18.50	-	-
Full Year	3,030,000	52,000	40,000	-	18.50	37.00

(Reference) Projected Net Income per Share 68.57 Yen

This filing contains forward-looking statements based on projections and estimates that involve many variables. The Company 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.

VIII. Financial Statements

Balance Sheet

(Unit: Million Yen)

Account Title	December 31, 2004	December 31, 2005	Dec. 31, 2005 vs. Dec. 31, 2004
Assets	889,420	917,982	28,562
Current Assets	643,639	680,000	36,360
Cash and Cash Equivalents	19	115	96
Trade Accounts Receivable	446,050	492,211	46,160
Inventories	161,715	151,104	△ 10,611
Income Tax Refund Receivable	-	11,979	11,979
Deferred Tax Assets	4,356	5,186	829
Short-term Loans Receivable	24,328	13,172	△ 11,155
Other Accounts Receivable	5,575	4,547	△ 1,027
Others	2,528	2,306	△ 222
Bad Debt Allowance	△ 935	△ 623	312
Long-term Assets	245,780	237,982	△ 7,798
Property, Plant and Equipment	203,180	195,448	△ 7,731
Buildings	18,498	16,756	△ 1,741
Structures	34,772	33,297	△ 1,474
Tanks	5,924	5,626	△ 297
Machinery and Equipment	57,108	53,504	△ 3,603
Land	78,854	76,024	△ 2,829
Others	8,021	10,238	2,216
Intangible Assets	5,433	5,322	△ 110
Investments and Other Assets	37,167	37,211	43
Investment Securities	5,803	5,720	△ 83
Stock of Subsidiaries	12,520	12,520	-
Investment in Subsidiaries	967	967	-
Long-term Loans Receivable	1,860	1,288	△ 571
Deferred Tax Assets	5,829	6,531	702
Others	11,770	10,821	△ 948
Bad Debt Allowance	△ 1,584	△ 638	945
Total Assets	889,420	917,982	28,562

(Note) Amounts are shown in truncated millions of yen.

Balance Sheet

(Unit: Million Yen)

Account Title	December 31, 2004	December 31, 2005	Dec. 31, 2005 vs. Dec. 31, 2004
Liabilities	695,523	751,539	56,016
Current Liabilities	624,357	681,973	57,615
Trade Accounts Payable	264,017	311,043	47,025
Gasoline Tax etc., Payable	228,455	226,730	△ 1,724
Short-term Debt	63,786	75,069	11,282
Commercial Paper	-	15,000	15,000
Other Accounts Payable	12,405	11,428	△ 976
Accrued Income Tax	14,770	-	△ 14,770
Accrued Consumption Tax	11,115	10,458	△ 657
Guarantee Deposits Payable	11,844	12,335	491
Reserve for Bonuses	1,194	1,165	△ 29
Others	16,767	18,743	1,975
Long-term Liabilities	71,165	69,566	△ 1,598
Long-term Debt	15,720	13,801	△ 1,919
Reserve for Accrued Pension Costs	37,858	37,588	△ 270
Reserve for Officers' Retirement Allowance	228	233	4
Reserve for Repairs	12,374	14,371	1,996
Reserve for Offshore Well Abandonment	1,608	1,567	△ 40
Others	3,374	2,004	△ 1,370
Shareholders' Equity	193,897	166,442	△ 27,454
Common Stock	35,123	35,123	-
Additional Paid-in Capital	20,753	20,770	16
Legal Capital Surplus	20,741	20,741	-
Other Legal Capital Surplus	11	28	16
Retained Earnings	138,417	110,160	△ 28,257
Legal Earned Reserve	8,780	8,780	-
Voluntary Reserves	24,352	21,887	△ 2,464
Unappropriated Retained Earnings	105,284	79,491	△ 25,792
Net Unrealized Holding Gains on Securities	326	474	148
Treasury Stock	△ 723	△ 85	637
Total Liabilities and Shareholders' Equity	889,420	917,982	28,562

(Note) Amounts are shown in truncated millions of yen.

Statement of Income

(Unit: Million Yen)

Account Title		2004 (Jan. 1 through Dec. 31)	2005 (Jan. 1 through Dec. 31)	2005 vs. 2004	
Ordinary P/L	Operating P/L	Sales Revenues	2,370,549	2,800,894	430,345
		Cost of Sales	2,294,660	2,774,637	479,976
		Gross Margin	75,888	26,257	△ 49,631
		Selling, General and Administrative Expenses	33,338	27,621	△ 5,717
	Operating Income (△Loss)	42,549	△ 1,363	△ 43,913	
	Non-operating P/L	Non-operating Income			
		Interest Income	409	383	△ 26
		Dividends Received	7,116	7,364	248
		Foreign Exchange Gain	3,058	1,362	△ 1,695
		Others	74	53	△ 20
Total Non-operating Income		10,659	9,164	△ 1,494	
Non-operating Expenses					
Interest Expenses		686	617	△ 69	
Loss on Sales and Disposal of Supplies	107	81	△ 25		
Others	97	25	△ 72		
Total Non-operating Expenses	892	725	△ 166		
Ordinary Income		52,316	7,075	△ 45,241	
Extraordinary P/L	Extraordinary Gain				
	Gain on Sales of Property, Plant and Equipment	3,302	2,536	△ 766	
	Gain on Sales of Golf Membership	-	37	37	
	Gain on Sales of Investment Securities	4,564	-	△ 4,564	
	Gain on Sales of Stock of Subsidiaries	6,767	-	△ 6,767	
	Gain on Return of Substitutional Portion of Employee Pension Fund	5,191	-	△ 5,191	
	Settlement Package etc. Related to Withdrawal from Power Generation Business	1,929	-	△ 1,929	
	Total Extraordinary Gain	21,755	2,574	△ 19,181	
	Extraordinary Loss				
	Additional Allowance for Employee's Early Retirement	2,132	3,203	1,070	
	Loss on Sales and Disposals of Property, Plant and Equipment	4,404	2,818	△ 1,585	
	Loss on Asset Impairment	3,370	868	△ 2,501	
	Evaluation Loss on Investment Securities	-	664	664	
Total Extraordinary Loss	9,907	7,554	△ 2,352		
Income before Income Taxes		64,165	2,095	△ 62,069	
Current Income Taxes		23,133	32	△ 23,100	
Prior Year's Income Taxes		-	△ 359	△ 359	
Deferred Income Tax		489	△ 1,633	△ 2,123	
Net Income		40,542	4,055	△ 36,486	
Unappropriated Retained Earnings Brought Forward		75,394	97,098	21,704	
Retirement of Repurchased Treasury Stocks		-	11,014	11,014	
Interim Dividends Declared		10,652	10,648	△ 4	
Unappropriated Retained Earnings at End of Period		105,284	79,491	△ 25,792	

(Note) Amounts are shown in truncated millions of yen.

Statement of Appropriations

(Unit: Million Yen)

Account Titles	2004 (January 1 through December 31)	2005 (January 1 through December 31)	2005 vs. 2004
Unappropriated Retained Earnings at the End of Period	105,284	79,491	△ 25,792
Reversal of Voluntary Reserves:			
Reserve for Replacement of Property	2,357	1,980	△ 377
Reserve for Mine Exploration	6	8	2
Reserve for Special Depreciation	100	103	2
Total	107,748	81,583	△ 26,165
Appropriation:			
Dividends to Shareholders	10,650 18.00 yen per share	10,791 18.50 yen per share	141
Retained Earnings Carried Forward	97,098	70,791	△ 26,306

(Note) Amounts are shown in truncated millions of yen.

Notes to Financial Statements

1. Evaluation Methods for Securities
 - (1) Stocks of subsidiaries and affiliated companies: the moving-average method
 - (2) Others Securities
 - Marketable: market value at the closing date
(Unrealized holding gain/loss is directly reflected in shareholders' equity, and cost of sales is calculated using the moving-average method.)
 - Non-marketable: the moving-average method at cost
2. Evaluation Methods for Derivatives Transactions, etc.: market value at the closing date
3. Evaluation Methods for Inventories
 - (1) Products, goods, unfinished products and crude: generally LIFO at the lower of cost or market
 - (2) Supplies: the moving-average method at cost
4. Depreciation and Amortization of Fixed Assets
 - (1) Property, Plant and Equipment: generally the declining-balance method
The service life ranges of major types of assets are:

Buildings and Structures:	10 to 50 years
Tanks:	10 to 25 years
Machinery and Equipment:	8 to 15 years
 - (2) Intangible Assets: the straight-line method
In-house computer software is amortized over its service life (5 to 15 years) using the straight-line method.
5. Translation Method for Foreign Currency Assets and Liabilities
Foreign currency assets and liabilities are translated into yen at the spot rate of the closing date, and any differences in the exchange rates is reflected into income.
6. Accounting Standards for Major Reserves
 - (1) Bad Debt Allowance
To provide for losses due to bad debt, the Company accrues an estimated bad debt allowance on ordinary receivables based on historical bad debt ratios, and on highly doubtful receivables based on the financial conditions of individual customers.
 - (2) Reserve for Bonuses
To provide for the payment of employees' bonus, the Company accrues an estimated reserve for the accounting period.
 - (3) Reserve for Accrued Pension Costs
To provide for the payment of employees' post-retirement benefits, the Company accrues an estimated reserve based on projected benefit obligations and estimated pension plan assets as of the closing date. Any difference caused in actuarial calculations of retirement benefits is amortized beginning with the next accounting period, where the declining balance method is employed over a period which is set within employees' average remaining service years (12 years). Prior service obligations are amortized using the straight-line method over employees' average remaining service years (15.5 years for 2003 and before, and 12.9 years thereafter).
 - (4) Reserve for Officers' Retirement Allowance
To provide for the payment of officers' post-retirement allowance, the Company accrues an estimated amount of lump sum retirement allowance assuming that officers retire at the closing date.

(5) Reserve for Repairs

To provide for periodic tank inspections required under the Fire Service Law and for periodic repairs of machinery and equipment, the Company accrues estimated reserves for the accounting period, based on actual payments and repair plans, respectively.

(6) Reserve for Offshore Well Abandonment

To provide for expenses for offshore well abandonment to be incurred when natural gas production is terminated, the Company accrues an estimated amount using the unit of production method.

7. Accounting for Finance Lease Transactions

The same accounting treatment is employed for finance lease transactions without transfer of ownership of leased items to lessee as ordinary operating lease transactions.

8. Others

Statement of Income does not include consumption tax.

Additional Information

1. Return of Substitutional Portion of Employee Pension Fund (EPF)

With the implementation of the Defined Benefit Pension Plan Act, the Company was granted approval by the Minister of Health, Labor and Welfare on the return of its past substitutional government portion in the previous accounting period. The return was completed on May 31, 2005. The variance in the return amounts between the estimate in the previous accounting period and the actual amount determined in the current accounting period amounted to 89 million yen. As a result, operating loss for this accounting period decreased by 89 million yen.

2. Pro Forma Standard Taxation

With the promulgation of amendments to the Local Tax Law (Law No.9 for 2003) on March 31, 2003, and the implementation of the Pro Forma Standard Taxation effective with accounting periods that started after April 1, 2004, the Company recognized the value-added and capital-proportionate portions of Enterprise Tax as Cost of Sales and Selling, General and Administrative Expense in accordance with "the guideline on how to show pro forma portions of Enterprise Tax on the Income Statement" (Corporate Accounting Standards Committee - Accounting Practice Report No.12). As a result, Cost of Sales, Selling, General and Administrative Expenses and Operating Loss increased by 108 million yen, 31 million yen and 140 million yen, respectively, and Ordinary Income and Income before Taxes decreased by 140 million yen.

Other Notes

Parent(7)

1. Balance Sheet

	<u>December 31, 2004</u>	<u>December 31, 2005</u>
(1) Accumulated Depreciation on Tangible Fixed Assets:	622,733 Million Yen	632,874 Million Yen
(2) Contingent Liabilities:	4,660 Million Yen	3,760 Million Yen
(3) Number of Shares Issued: Number of Common Stock	592,543,018 Shares	583,400,000 Shares
(4) Treasury Stock: Number of Shares	859,811 Shares	70,505 Shares
Amount	723 Million Yen	85 Million Yen

2. Statement of Income

(1) Gain on Sales of Property, Plant and Equipment

	<u>2004</u>	<u>2005</u>
• Land (Service Stations, etc.)	2,518 Million Yen	2,468 Million Yen
• Buildings(Service Stations, etc.)	727 Million Yen	22 Million Yen
• Others	57 Million Yen	45 Million Yen
Total	<u>3,302 Million Yen</u>	<u>2,536 Million Yen</u>

(2) Loss on Sales and Disposal of Property, Plant and Equipment

	<u>2004</u>	<u>2005</u>
• Land (Service Stations, etc.)	3,196 Million Yen	892 Million Yen
• Buildings(Service Stations, etc.)	521 Million Yen	802 Million Yen
• Machinery and Equipment (Refinery facilities, etc.)	301 Million Yen	485 Million Yen
• Structures(Service Stations, etc.)	300 Million Yen	220 Million Yen
• Others	83 Million Yen	417 Million Yen
Total	<u>4,404 Million Yen</u>	<u>2,818 Million Yen</u>

3. Lease Transactions

Finance Lease without Transfer of Ownership of Leased Items to Lessee

- (1) Acquisition Cost Equivalent, Accumulated Depreciation Equivalent and Net Book Value Equivalent at the Closing Dates

(Unit: Million Yen)

December 31, 2004			December 31, 2005				
	Acquisition Amount Equivalent	Accumulated Depreciation Equivalent	Outstanding Balance		Acquisition Amount Equivalent	Accumulated Depreciation Equivalent	Outstanding Balance
Tanks	-	-	-	Tanks	301	184	117
Machinery and Equipment	238	208	30	Machinery and Equipment	238	229	9
Other Property, Plant and Equipment	336	102	234	Other Property, Plant and Equipment	44	28	16
Intangible Assets	88	73	14	Intangible Assets	-	-	-
Total	663	383	280	Total	585	442	142

(Note) The acquisition cost equivalent includes interest-equivalent expenses, since interest-equivalent expenses are immaterial considering the total amount of property, plant and equipment.

- (2) Outstanding Balance of Accrued Lease Fees at the Closing Dates

	December 31, 2004	December 31, 2005
Due within One Year	145 Million Yen	109 Million Yen
Due over One Year	134 Million Yen	33 Million Yen
Total	280 Million Yen	142 Million Yen

(Note) Outstanding balances of accrued lease fees include interest-equivalent expenses, since interest-equivalent expenses are immaterial in comparison with the total amount of property, plant and equipment.

- (3) Lease Fees Paid and Depreciation Expense Equivalent

	2004	2005
Lease Fees Paid	146 Million Yen	145 Million Yen
Depreciation Expense Equivalent	146 Million Yen	145 Million Yen

- (4) Depreciation Method

The straight-line method with no residual value, where a lease period is treated as a period of depreciation.

4. Securities

December 31, 2004

There were no stocks of subsidiaries or investments in securities that had market values in the previous accounting period or the current accounting period.

December 31, 2005

There were no stocks of subsidiaries or investments in securities that had market values in the previous accounting period or the current accounting period.

5. Deferred Tax Accounting

(1) Breakdown of Deferred Tax Assets and Deferred Tax Liabilities

(Unit: Million Yen)

	December 31, 2004	December 31, 2005
(Deferred Tax Assets)		
Excess over Deduction Limit of Reserve for Retirement Allowance	16,178	15,636
Excess over Deduction Limit of Reserve for Turnaround	3,088	3,807
Variance from Different Inventory Evaluations	1,521	1,857
Tax Loss Carry Forward	-	1,239
Accrued Allowance for Employee's Early Retirement	194	826
Loss on Asset Impairment	1,371	807
Others	5,153	4,372
Total Deferred Tax Assets	27,507	28,548
(Deferred Tax Liabilities)		
Reserve for Replacement of Property	△ 14,728	△ 13,369
Enterprise Tax Receivable	-	△ 1,004
Unrealized Holding Gains on Securities	△ 223	△ 325
Other	△ 2,369	△ 2,131
Total Deferred Tax Liabilities	△ 17,321	△ 16,830
Net of Deferred Tax Assets	10,186	11,718

(2) Factors in the Difference between the Statutory Effective Tax Rate and the Actual Effective Tax Rate

	December 31, 2004	December 31, 2005
Statutory Effective Tax Rate	42.1 %	40.7 %
(Adjustment)		
Items Never Recognized as Loss, Such as Entertainment Expense	0.1 %	1.6 %
Items Never Recognized as Profit, Such as Dividends Received	△ 4.6 %	△ 141.9 %
Others	△ 0.8 %	6.0 %
Actual Effective Tax Rate	36.8 %	△ 93.6 %