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.

〔ENGLISH TRANSLATION〕

Securities Code: 5012
March 7, 2013

To the Shareholders

Jun Mutoh
Representative Director and President
TonenGeneral Sekiyu K.K.
8-15, Kohnan 1-chome, Minato-ku, Tokyo

Notice of the Ordinary General Meeting of Shareholders

You are cordially invited to attend the 93rd Ordinary General Meeting of Shareholders of TonenGeneral Sekiyu K. K. ("TG" or the "Company") to be held as specified below. When you attend the meeting in person, please present the enclosed voting rights exercise form to the reception desk.

In the event you are unable to attend, you are kindly requested to exercise your voting rights in writing or via the Internet as follows: review the attached Reference Materials for the Shareholders' Meeting; to exercise your voting rights in writing, respond "yes" or "no" to each agenda item on the enclosed form and return the form to us by 5:00 p.m. on Monday, March 25, 2013; or to vote via the Internet, access the web-site (http://www.evote.jp/) that has been designated by the Company and exercise your voting rights in accordance with "Procedures For Exercising Voting Rights" on page 61.

1. Date & Time: Tuesday, March 26, 2013 at 10:00 a.m.
2. Venue: In the room "Pegasus", 1F, Hotel Nikko Tokyo
9-1, Daiba 1-chome, Minato-ku, Tokyo
(Directions are provided on the last page.)
3. Purposes:
Report Items :
Item No.1: Business Report, and Consolidated Financial Statements for the 93rd Business Term (from January 1, 2012 to

December 31, 2012), and Audit Reports for Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors

Item No.2: Report of Non-consolidated Financial Statements for the 93rd Business Term (from January 1, 2012 to December 31, 2012)

Items for Resolution:

Proposal No. 1: Retained Earnings Distribution

Proposal No. 2: Election of Nine Directors to the Board

Proposal No. 3: Election of One Alternate Statutory Auditor

Proposal No. 4: Presentation of Retirement Allowance to Retiring Director, and Final Payment of Retirement Benefits to Directors Following the Abolition of the Directors' Retirement Benefits Program

Proposal No. 5: Introduction of Compensation of Directors in the Form of Stock Acquisition Rights as Stock Options

4. Exercise of Voting Rights:

<Internet Disclosure>

Information concerning the items below is not included in the Attachment to the Notice of Ordinary General Meeting of Shareholders, but is posted on the Company's web-site at (http://www.tonengeneral.co.jp/apps/tonengeneral/ir/stockinformation/g-mtg.html), pursuant to the Laws of Japan and the Articles 15 of the Company's Articles of Incorporation.

① Notes to the Consolidated Financial Statements

② Notes to the Non-consolidated Financial Statements

<How we handle Multiple Votes for the Same Proposal>

(1) If the voting right is exercised multiple times both in writing and via the Internet, the exercise of the voting right via the Internet will be deemed effective.

(2) If the voting right is exercised multiple times via the Internet, the last exercise of the voting right via the Internet will be deemed effective. If the voting right is exercised multiple times both by personal computer and by mobile phone, the last exercise of the voting right will be deemed effective.

- Any required corrections to the Attachment to the Notice of Ordinary General Meeting of Shareholders (the Business Report, Consolidated Financial Statements and/or Financial Statements) and/or the Reference Materials for the Shareholders' Meeting, will be placed on the Company's web-site.(http://www.tonengeneral.co.jp)
- A convocation notice, attachments (the Business Report, Consolidated Financial Statements and Financial Statements), and Reference Materials have been placed on the Company's web-site.
- An English translation of these documents has been placed on the Company's web-site.

(Attachment to the Convocation Notice)

BUSINESS REPORT

(For the year ended December 31, 2012)

1. Business Overview

(1) Developments and Results of Operations

< General Business and Industry Conditions >

In the first half of the period, the Japanese economy achieved a domestic demand-led economic recovery owing to a rebound from the Great East Japan Earthquake in the first half of the period. However, in the second half, the economy declined with the prolonged stagnation of the world economy, aggravated relations between Japan and China, and the end of the eco-car subsidy program.

The Dubai spot price, used as a crude price benchmark in the Asia region, fluctuated significantly in the first half of the year then moved moderately around 110 dollars per barrel in the second half ending the year at 108 dollars per barrel. The average price for the year was 109 dollars per barrel, an increase of $3 (3 percent) versus the previous year. The yen-US dollar exchange rate (TTS) hovered around 80 yen per dollar until October and rapidly depreciated to a rate of 88 yen per dollar by the end of the year. The average rate for the year was 80.81 yen per dollar, a similar level to the previous year. As a result, the yen equivalent average price for Dubai crude (at loading point) for the period was 55.4 yen per liter, an increase of 1.3 yen (2 percent) versus the previous period.

Demand for all fuel products, except for Fuel Oil A, was higher than the previous year due to economic growth in the first half of the period and recovery from lower demand caused by the Great East Japan Earthquake in the previous year.

In the petrochemical industry, the challenging environment of 2011 continued in 2012. There was no significant economic recovery from factors such as the

European economic slowdown and the unfavorable China (PRC) monetary policy which took place in 2011. Domestic ethylene production in 2012 decreased from the previous year by 10 percent, affected by factors such as continuous penetration of low- cost polyethylene from Middle Eastern ethane gas crackers to Asia, and decreased cost competitiveness of Japanese polyethylene products in the Asian market exacerbated by the yen's appreciation.

< Transition to the New Structure and the Vision >

In June 2012, the Company acquired 99% of the issued share capital of EMG Marketing (former ExxonMobil Yugen Kaisha, EMGM) to which the Company has entrusted much of its sales and administrative work. At that time, the Company moved into a new structure with an integrated operation, and entered into a new business alliance with Exxon Mobil Corporation that had previously been a parent company of EMGM. TG and EMGM (collectively, together with the Company's subsidiaries and affiliates, the "Company Group") have taken full advantage of Exxon Mobil Corporation's high level of technology and industry know-how. Following the transition, in order for the Company to respond to changing market demands and the domestic operating environment, the Company reviewed its business structure and began adjusting its strategy to greater customize it to the Japanese market.

Exxon Mobil Corporation is a major but non-controlling shareholder of the Company owning 22% of the Company's shares. The Company Group will continue to deliver products and services under the "Esso", "Mobil", and "General" brands to customers, distributors and dealers, and also continue to enjoy the use of Exxon Mobil Corporation's technology and technological support relating to oil refining and petrochemicals.

The Company Group is taking significant new steps toward further enhancing the competitiveness of its existing four businesses (Refining and Supply, Fuels marketing, Lubricants and Specialties, and Chemical) to realize the goals below:

- Further strengthen cooperation among the business through common management of production and marketing; and achieve more nimble operations capable of adjusting to domestic market changes.
- Look for investment opportunities that are appropriate for the Japanese market environment in order to enhance cost competitiveness and expand business opportunities. Moreover, strengthen sales competitiveness of petroleum products through collaborative marketing with companies in other sectors, and pursue more sophisticated collaboration with other companies in the petroleum complexes as well as effective investments in energy conservation.
- As bases for implementing these measures, the Company aims to generate stable and continuous profits and cash flows by combining the Company's portfolio with that of EMGM, whose petroleum products sales business has high efficiency and profitability.

<Mission of TonenGeneral Group>

At the start of the new structure, we set the following mission to share with all the employees of the Group.

As a premier petroleum and petrochemical company,

- Maintain a stable supply of high-quality petroleum and petrochemical products
- Respond swiftly to the ever-changing business environment and customer needs while offering high-value-added services
- Make meaningful contributions to our customers, employees, shareholders, local communities, and greater society

In order to achieve this mission, on top of our strengths such as flawless operation, financial discipline, functional excellence, powerful brands, quality facilities, and people, we will integrate our operations to improve, enhance, and expand each business area.

< TonenGeneral Sekiyu's Results for the Term >

TonenGeneral Sekiyu K. K. (TG) consolidated net sales for 2012 amounted to 2,804.9 billion yen, an increase of 127.8 billion yen or 4.8 percent versus the previous year, primarily due to the inclusion of EMG Marketing Godo Kaisha as a consolidated subsidiary from the second half of this year.

Consolidated operating income was 27.3 billion yen, a decrease of 188.9 billion yen versus the previous year. Oil segment operating income was 34.4 billion yen, a decrease of 177.4 billion yen versus the previous year. The Chemical segment had 1.4 billion yen of operating income, a decrease of 3.0 billion yen versus the previous year. In addition, there was 8.5 billion yen of goodwill amortization cost this year related to the acquisition of the interest in EMG Marketing Godo Kaisha. The decline in Oil segment results was mainly attributable to the absence of inventory gains recognized last year associated with the inventory valuation method change. Excluding inventory effects in both terms, Oil segment income for the current term improved from the previous term. The current year result benefited from the additional contribution to the Oil business attributable to the new consolidated subsidiary EMG Marketing Godo Kaisha. The decrease in Chemical results versus the previous year was mainly due to the decline in commodity chemical product margins affected by the domestic and external weak economic environments.

Consolidated ordinary income was 22.5 billion yen, a decrease of 195.0 billion yen versus the previous year, primarily due to the addition of non-operating items including interest expense and foreign exchange losses.

With extraordinary items including the gain from redemption upon dissolution of the battery separator film joint venture, favorable income tax, and other adjustments, consolidated net income amounted to 54.8 billion yen, a decrease of 78.0 billion yen versus the previous year.

The following table shows net sales and segment income by segment in 2012.

Unit: Million yen

	Oil	Chemicals	Adjustment	Consolidated
Net Sales	2,533,844	271,085	-	2,804,929
Segment Income	34,369	1,391	-8,462	27,298

(Note) Total segment income is the same as operating income on the consolidated statement of income

The Company paid an interim dividend of 19 yen per share in accordance with a resolution made at the Board of Directors Meeting held on August 14, 2012.

<Oil Business Results>

- Production -

Crude runs at the Kawasaki, Sakai and Wakayama refineries in 2012 increased by 2.6 percent versus the previous year to a total of 26,471 thousand kl, with topper utilization at 69 percent.

At the Kawasaki refinery, we safely accomplished a large-scale scheduled turnaround and made facility modifications in order to improve reliability and efficiency. We expanded base stock production facilities at the Wakayama refinery for lubes profitability improvement. We continue to enhance and implement our Profit Improvement Programs. These programs include optimal utilization of secondary units, full use of integration synergies among the Refining and Chemical businesses, and diversification of our sources of manufacturing feedstock. Closer communication with our marketing function contributed to profit improvement as well.

- Marketing -

Overall sales volumes for oil products in 2012 increased by 1.2 percent to 28,963 thousand kl.

The following table shows sales results by product in 2012.

Oil Product	Sales Volume Thousand kl	Net Sales Millions of yen
Gasoline	11,185	1,377,971
Kerosene & Diesel Fuel	9,457	680,164
Fuel Oil and Crude	5,413	308,915
Lube	460	54,708
LPG and Others	2,448	112,084
Total	28,963	2,533,844

We firmly believe that the crucial elements to success are solid brand value aligned with customer needs, and the pursuit of operational efficiency at all of our service stations. Consequently, we share a challenging common objective with our dealers, with whom we endeavor to achieve maximum operational efficiency while increasing added value to our services and products.

The TG group has expanded the network for our self-service brand, Express, to over 900 sites. The Express sites have earned a high degree of customer satisfaction. In addition, the number of Express service stations with Seven-Eleven convenience stores reached 70 in 2012 and we continue to pursue the further expansion of the network. Express stations account for approximately 26 percent of the total number of TG Group service stations, and the total retail gasoline and diesel oil volume of Express stations had reached 60 percent of our retail sales volume in 2012.

Regarding initiatives to enhance customer service, we aim to further enhance convenience and value to customers through our new participation in the Nanaco point program offered by the Seven & i Group. The new Nanaco functionality addition to Speedpass (a special keychain attachable wireless payment device) also contributed to improving customer convenience.

The Synergy Card has achieved great success; we issued about 180,000 new cards in 2012, bringing the total number of Synergy Card holders to over 1,070,000 this year. The number of corporate card users reached almost 660,000.

As for the expansion of the aforementioned Speedpass, which is designed to enhance the quality of self-service, we issued about 480,000 new devices in 2012. Further initiatives to increase convenience for customers and promote added value include the implementation of effective promotions with Doutor Coffee Shops, promotions of lube sales highlighting Mobil 1, and improved customer service and service station cleanliness.

In addition, we continue to strengthen the customer base in our Industrial & Wholesale sector by providing a stable supply to our domestic customers.

In our Lubricants business, we have focused on sales expansion of high-value products while maintaining our sales channels, product lineup and supply chain since the transition to the new relationship with ExxonMobil. We enhanced sales of Mobil 1, our flagship passenger vehicle lubricant products; and expanded sales of Mobil SHC, which contributes to energy saving. Furthermore, we continued to supply our products globally by utilizing our close relationships with major Japanese car manufacturers and ocean ship customers.

In Research & Development, through collaborative development with Japanese car manufacturers, we successfully developed a transmission fluid with outstanding fuel economy performance, thus contributing to the development of new vehicles with lower environmental impact.

After the transition to the new relationship with ExxonMobil, we have strengthened our sales organization to provide more efficient and comprehensive services to our customers, and also promoted review and improvement activities to maximize synergy capture effects.

<Chemical Business Results>

In our Basic Chemicals business, which includes olefins and aromatics, olefins sales volume was higher than the previous year mainly due to high process reliability, while our production rate was affected by the economics of low demand for ethylene and propylene along with export margins compressed by yen appreciation.

Our Sakai and Wakayama petrochemical units continued high operating rates throughout the year, and paraxylene and benzene sales volume significantly increased versus the previous year, when scheduled turnarounds were conducted.

The following table shows sales results by product in 2011.

Chemical Product	Sales Volume Thousand tons	Net Sales Millions of yen
Olefins and Others	1,530	158,495
Aromatics	760	83,598
Specialties	225	28,991
Total	2,515	271,085

In Specialty Chemicals, continued growth occurred in specialty solvents widely used in the electronics materials sector, and production and sales of solvents at the Wakayama petrochemical unit resumed. Sales volumes of adhesives for disposable diapers and tires continued at a high level despite temporary interruptions due to boycotts of Japanese products in China. Production and sales of 'T-REZ', our own brand of adhesives, also commenced in 2012.

＜CSR Management＞

- Approach to CSR -

The TonenGeneral Group believes that a company is one of the citizens that makes up a society and we strive to be a good corporate citizen in every community in which we operate. This mentality survives the Group’s June 2012 transition to the new structure. Retaining the corporate ideals we cultivated as a member of the ExxonMobil group, we will continue to comply with relevant laws and regulations as we endeavor to improve and expand initiatives contributing to the development and vitality of the communities where we operate. Fundamental to these efforts is the Group’s mission. Careful thought has been given to the role of the Group in society under the new corporate structure that took effect in June 2012, resulting in the establishment of our 3 fold mission as a premier energy company with firm foundations in Japan described at the beginning of this report. The TonenGeneral Group will make every effort to fulfill this mission alongside stakeholders who support it.

- Toward the Establishment of a CSR Policy -

For almost 12 years, from July 2000 to May 2012, we operated according to global standards established by ExxonMobil. Comprising rigorous safety standards, controls (see page 18) and rules, the global standards permeated all layers of the organization, facilitating activities to bring about continuous improvements. These activities are now firmly rooted in our corporate culture and are a source of strength for the TonenGeneral Group. As we move forward with our newfound independence, we will clarify the changes that need or needn’t be made in the promotion of our CSR activities. In addition, we will establish a CSR policy to give substance to the model we have put in place. On June 1, 2012 after the new structure was launched, the Group established the CSR Department within our Public and Government Relations division to promote CSR activities in a positive manner. Our plan is to build a CSR management framework around this department.

- TonenGeneral Group Stakeholders -

The TonenGeneral Group views everyone who supports our mission, including employees and those who support our business, as stakeholders. Specifically, our stakeholders are customers, suppliers and other business partners; shareholders; employees who work to see our mission realized; contractors; and people in local communities. It is our hope that our stakeholders will approve of our values and support the Group.

- Communication with Stakeholders -

In order to carry out our mission, the TonenGeneral Group places importance on two-way communication with customers, shareholders, employees, local communities and business partners. By actively engaging in communication with stakeholders, we aim to build up robust cooperative relationships.

(2) Financing

The outstanding debt balance of TG on a consolidated basis was 333.2 billion yen at the end of 2012, an increase of 269.9 billion yen versus 2011. This was mainly to finance acquisition of the 99.0% interest in EMG Marketing Godo Kaisha and to finance the Company's working capital needs. Our basic policy is to maintain healthy financial conditions while maximizing profits through efficient operations and selection of business investments that meet rigorous return criteria. There are no changes after the transition to the new structure.

(3) Capital Investment

Capital expenditures for 2012 totaled 18.1 billion yen. In Refining, we had system-related investments including next-generation process control systems, and continued our modification program of tanks at each refinery to improve safety in case of earthquake.

In Chemical, we invested in enhancement of export logistic facilities and further improvement to the process safety of our production units.

(4) Issues to be Addressed By The TG Group

< Refinery Capacity Management >

In order to optimize our refining facility configuration, the Company has decided to decommission two pipestills at Kawasaki and Wakayama thereby reducing capacity by a total of 105 KBD capacity. In addition, the Company intends to expand its residual oil hydro conversion capability. As a result of these actions, the Company projects achieving pipestill utilization of more than 90% and a reduction in the yield of high sulfur fuel oil. These two actions have been submitted to METI in February 2013 as a compliance plan under the METI Regulation which requires oil companies to improve the ratio of residual oil cracking capacity to pipestill capacity.

< Sakai Incident>

The company learned in July 2012 that a leakage of molten sulfur from a product shipping pipeline at Sakai Refinery in June 2011 had not been reported to the regulatory authority. In September, the company was referred to the public prosecutors for violating Article 23 (mandatory reporting of abnormal conditions) of the Act for the Prevention of Disasters at Petrochemical Complexes. In December, the Company received a summary order from the Sakai Summary Court in connection with the case. As the Company has a strict policy of legal compliance, the Company deeply regrets this matter and the Company would like to offer its sincere apologies for the incident to shareholders and people concerned.

After learning of this matter, the company immediately reported it to the regulatory authority and set up an Independent Investigation Committee to investigate the causes and to work out measures for preventing the recurrence of such an incident. The Company provided its full cooperation to the investigation by the Committee. The Company received the investigation report compiled by the Committee which includes the recommendations for preventing recurrence described below.

<u>Measures to prevent recurrence of the molten sulfur leak</u>

- Strengthen refinery safety controls
- Raise employee safety awareness for on-site operations

<u>Measures to prevent recurrence of violation of reporting duty for abnormal events in accordance with the Petroleum Disaster Law</u>

- Through education and retraining, ensure that all employees have a thorough understanding of refinery rules and procedures based on laws and regulations
- Clarify the reporting system
- Re-establish a system to audit and verify refinery legal compliance
- Under Head Office Management leadership, once again inform all employees of the importance of safety and legal compliance

After receiving these recommendations, the company immediately took action and has almost completed implementation. Additionally, the Company has entrusted a new Independent Investigation Committee to confirm the Sakai refinery's progress regarding the actions recommended by the original

Independent Investigation Committee. The new Committee will be also entrusted with an investigation of the Company's other two refineries to determine whether any other potential issue exists. A report from the new Committee is expected by April 2013.

The conduct of safe and reliable operations at our refineries based on legal requirements and solid practices consistent with and in full compliance with those requirements is one of our most basic obligations as an oil refiner. Efficient operations built on this foundation executed correctly by all of our management and employees every day are essential to carrying out our social responsibility as a corporate citizen to provide a safe and stable supply of energy. We will utilize the committee's recommendations to fortify both our procedures and actions in order to prevent reoccurrence of such an incident.

< Mid Term Plan>

In order to take specific actions to achieve our vision under the new structure, the Company released its mid-term management plan in February 2013, the first since the Tonen and General merger in 2000. The plan summarizes courses of actions and goals over the 5 years from 2013 to 2017. As a premier petroleum and petrochemical company, in the short term, the Company will focus on capturing maximum synergy effects as early as possible and solidifying the core business. In the mid to long term, the Company will enhance its corporate value by strategic investments in the core businesses and will evaluate options to evolve in growing areas. By implementing the plan, the Company projects to achieve 70 billion yen of operating income excluding goodwill amortization and inventory effects in 2015, and 80 to 100 billion yen in 2017. This includes synergy effects of 15 billion yen to be captured by 2015.

Strategies for each area of business are described below.

Refining/Distribution/Supply

In the Refining/Distribution/Supply business, the Company will achieve continuous efficient operations on top of safety and reliability, as well as supply chain optimization in close integration with marketing plans. The three main measures are; capacity management, enhancing supply and distribution, and shifting production to petrochemicals from gasoline.

Chemical

In the Chemical business, the Company will grow by upgrading refineries' molecules through a further integrated Refinery-Chemical operation. The Chemical business will concentrate on expanding the aromatics business, strengthening high value chemical products and strengthening the olefins business.

Fuels Marketing/Lubricants

In the Fuels Marketing and Lubricants business, the Company will increase sales by strengthening its alliance with its strategic partners (Seven Eleven Japan, Doutor Coffee), enhancing marketing brand values (Express, Mobil 1) and optimizing sales channel mix.

Growth Options

For the mid to long term, in order to profitably optimize business portfolios and pursue appropriate industry cooperation to increase core profits, the Company also will evaluate various growth strategy options. Options include; business alliance/collaboration in the domestics energy business where our strength can be applied, overseas opportunities where the Company can leverage its relationship with ExxonMobil and potential new entrance into growing markets.

Finance

In the financial area, there is no change in the Company's strategy to maintain the ability to pay stable dividends, retain its debt rating, and fund attractive investments. There may be short term earnings fluctuations, but on a 5-year business cycle basis, the Company's cash flow from operating activities is resilient with limited variability. Projected 5-year cumulative cash flow from operating activities (330 billion yen) supports the strategy objectives.

The Company Group shall endeavor to achieve the mission, challenges, and plans which we have stated. The continued interest and support of our shareholders will always be highly appreciated.

(5) Changes in Financial Results and Asset Status of the Group

	90th Term (2009)	91st Term (2010)	92nd Term (2011)	93rd Term (2012)
Sales revenue (M ¥)	2,111,753	2,398,718	2,677,115	2,804,929
Operating income (M¥)	(34,559)	33,528	216,191	27,298
Ordinary income (M¥)	(34,545)	37,011	217,552	22,529
Net income (M ¥)	(21,718)	42,873	132,779	54,770
Net income per share (¥)	(38.46)	75.95	235.26	122.38
Total assets (M¥)	875,177	906,846	1,113,517	1,385,014
Net assets (M ¥)	227,359	248,295	359,473	288,384
Number of consolidated companies	7	5	5	5
Number of affiliates on equity basis	2	6	6	7

Notes: 1. The business year of the Company is from January 1 each year to December 31 same year.

2. Net income per share is calculated on the basis of the average number of shares outstanding during the term (excluding the number of treasury shares held during the term).
3. ( ) represents loss.
4. The operating income of the 90th term was adversely affected by our use of prompt (i.e. loading basis) cost recognition accounting methods as the crude market exhibited an upward trend during the term.
5. From the 92nd term, crude recognition timing was changed from a loading basis to an arrivals basis at the same time the accounting method was changed from last-in-first-out (LIFO) to weighted average cost (WAC). The improved

operating income of the 92nd term was mainly attributable to inventory effects of 187.7 billion yen related to the inventory valuation method change.

6. From the 93rd term, EMG Marketing G.K. has been included in the scope of consolidation from the deemed acquisition date of June 30, 2012 following the Company's acquisition of 99.0% ownership interest in EMG Marketing G.K on June 1.

(6) Parent Company and Affiliates

1) Relationship with Parent Company

On June 1, 2012, the Company acquired a 99.0% interest in EMG Marketing Godo Kaisha (prior name - ExxonMobil Yugen Kaisha), which was formerly the parent company of the Company. As a consequence, there has been no parent company of the Company since then.

2) Consolidated Companies and Equity Companies

The numbers of consolidated companies and equity companies are five and seven respectively as follows:

(i) Consolidated Companies

Name of Company	Capital	Ownership	Major Business
	¥ million	%	
Oil Segment			
TonenGeneral Kaiun Yugen Kaisha	243	100.0	Marine transportation of crude oil and petroleum products
Tonen Technology Godo Kaisha	50	100.0	Construction management
Chuo Sekiyu Hanbai Kabushiki Kaisha	30	100.0	Sales of petroleum products
EMG Marketing Godo Kaisha	50,000	99.0	Sales of petroleum products
Chemical Segment			
Tonen Chemical Corporation	1,000	100.0	Manufacture and sale of petrochemicals

(ii) Equity Companies

Name of Company	Capital	Ownership	Major Business
	¥ million	%	
Oil Segment			
Kyokuto Petroleum Industries, Ltd.	7,000	49.5	Manufacture of petroleum products
Kobe Standard Sekiyu K. K.	70	43.1	Sales of petroleum products
Nissei Sekiyu K.K.	80	38.7	Sales of petroleum products
Standard Sekiyu Osaka Hatsubaisho Co., Ltd.	198	36.3	Sales of petroleum products
Shimizu LNG Co., Ltd	3,000	35.0	Purchase and sale of LNG
Japan Biofuels Supply Limited Liability Partnership	400	20.5	Procurement and delivery of biofuels
Chemical Segment			
Nippon Unicar Company Limited	2,000	50.0	Manufacture and sale of polyethylene

Notes: 1. Ownership ratio includes a portion of indirect holding via subsidiaries.

2. On June 1, 2012, the Company acquired 99.0% of shares of EMG Marketing Godo Kaisha. As a consequence, EMG Marketing Godo Kaisha became a consolidated subsidiary of the Company, and Kyokuto Petroleum Industries, Ltd., K. K., Kobe Standard Sekiyu, Nissei Sekiyu K. K. and Standard Sekiyu Osaka Hatsubaisho Co. Ltd., which are all affiliates of EMG Marketing Godo Kaisha, became equity-method affiliates of the Company.

3. As a consequence of redemption of the TG subsidiaries’ interests in Toray Tonen Specialty Separator Godo Kaisha, the Company’s ownership ratio of Toray Tonen Specialty Separator Godo Kaisha, Toray Tonen Specialty Separator Korea Limited and Toray Tonen Services Godo Kaisha became zero as of January 31, 2012. These three companies therefore have been removed from the list of companies accounted for under the equity method beginning in 2012.

4. On November 1, 2012, Tonen Chemical Nasu Corporation, which was a consolidated subsidiary of the Company, merged with Tonen Chemical Corporation.

5. On January 31, 2013, the Company concluded "Sale and Purchase Agreement" with Union Carbide Corporation to acquire 50% of the shares of Nippon Unicar Company Limited ("NUC"). Closing is planned for third quarter 2013, pending receipt of all required regulatory approvals following which NUC will become 100% subsidiary of the Company.

3) Other Important Relationships

On June 1, 2012, the Company entered into alliance agreements with Exxon Mobil Corporation (including its subsidiaries). The major agreements are those pertaining to trademark license in the area of fuel products, business alliance regarding manufacture and sale of lubricant products (including trademark and technical license), and license for technologies and intellectual properties regarding production of petroleum and petrochemical products.

(7) Major Business of the Group (As of December 31, 2012)

Segment	Business	Major Products Handled
Oil Segment	Manufacturing, Processing and Sales of Petroleum Products, and Transportation of Crude oil and Petroleum Products, and Construction Management	Gasoline, Naphtha, Kerosene, Jet Fuel, Automotive Diesel Oil, Fuel Oils, Lube Oils, and LPG, etc.
Chemical Segment	Manufacturing, Processing and Sales of Petrochemical Products	Ethylene, Propylene, Benzene, Toluene, Paraxylene, etc.

(8) Principal Places of Operation of the Group (As of December 31, 2012)

Company Name	Division	Location
The Company	Head Office Kawasaki Refinery Sakai Refinery Wakayama Refinery Research Center Singapore Branch	Minato-ku, Tokyo Kawasaki City, Kanagawa Pref. Sakai City, Osaka Pref. Arida City, Wakayama Pref. Kawasaki City, Kanagawa Pref. Singapore
Tonen Chemical Corporation	Head Office Kawasaki Plant	Minato-ku, Tokyo Kawasaki City, Kanagawa Pref.
EMG Marketing Godo Kaisha	Head Office Tsurumi Lube Oil Blending Plant East Japan Branch Tokyo No. 1 Branch Tokyo No.2 Branch Nagoya Branch Osaka No. 1 Branch Osaka No.2 Branch West Japan Branch	Minato-ku, Tokyo Yokohama City, Kanagawa Pref. Sendai City, Miyagi Pref. Minato-ku, Tokyo Yokohama City, Kanagawa Pref. Nagoya City, Aichi Pref. Toyonaka City, Osaka Pref. Toyonaka City, Osaka Pref. Fukuoka City, Fukuoka Pref.

(9) Employees of the Group (As of December 31, 2012)

Segment	Number of Employees	Change from Previous Term
Oil Segment	2,334 (1,558)	Increase of 548
Chemical Segment	471 (43)	Increase of 86
Total	2,805 (1,601)	Increase of 634

Notes: 1. The number of employees is the number of regular employees.
2. The average number of temporary employees during the current term is given in parentheses separately.
3. The increase vs. previous term end is mainly due to consolidation of EMG Marketing Godo Kaisha.

(10) Major Sources of Loans (As of December 31, 2012)

Lender	Amount of Loan Outstanding
	¥ million
Japan Oil, Gas and Metals National Corporation	71,924

Note: Other than the above, the Company has a syndicated loan of ¥160,000 million, which was arranged by Sumitomo Mitsui Banking Corporation with 11 lenders (Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd, Mitsubishi UFJ Trust and Banking Corporation and other 7 financial institutions).

(11) Other Important Items for the Group

There are no applicable items.

2. Shares of the Company (As of December 31, 2012)

(1) Total number of shares authorized to be issued: 880,937,982 shares

(2) Total number of shares issued: 565,182,000 shares

(Number of treasury shares of above: 200,628,166 shares)

(3) Number of shareholders: 49,794

(Increase of 720 from the end of the previous term)

(4) Major Shareholders (Top 10)

Name	Number of Shares Held	Shareholding Ratio
	thousands	%
Exxon Mobile Bay Limited Partnership	80,000	21.94
Japan Trustee Services Bank, Ltd. (Trust Account)	11,176	3.07
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,724	2.67
Kochi Shinkin Bank	8,509	2.33
Barclays Securities Japan Limited	6,000	1.65
SSBT OD05 Omnibus Account – Treaty Clients	5,558	1.52
Nippon Life Insurance Company	4,181	1.15
State Street Bank West Client – Treaty	2,993	0.82
Japan Trustee Services Bank, Ltd. (Trust Account 1)	2,836	0.78
Japan Trustee Services Bank, Ltd. (Trust Account 6)	2,803	0.77

Notes: 1. Treasury shares (200,628 thousand shares) are excluded from the above major shareholders.

2. Shareholding ratio represents the number of common shares held, divided by the number of common shares issued excluding treasury shares.

3. The Company purchased 199,808 thousand treasury shares from EMG Marketing Godo Kaisha on November 21, 2012.

3. Stock Acquisition Rights of the Company

The Company has not issued stock options, although the Company will submit a proposal to grant stock acquisition rights at the General Meeting of Shareholders to be held in March 2013.

4. Directors and Statutory Auditors of the Company

(1) Directors and Statutory Auditors (As of December 31, 2012)

Name	Position	Responsibility and Important Concurrent Status
P. P. Ducom	Representative Director and Chairman of the Board	(Coverage) Financial Services, General Services, Human Resources
Jun Mutoh	Representative Director and President	(Coverage) Safety, Security, Health & Environment, Refining & Distribution, Manufacturing, Research & Engineering, Public & Government Relations
Takashi Hirose	Representative Director and Vice President	(Coverage) Marketing & Sales, Marketing & Supply Coordination, Supply & Trading, Corporate Planning President, EMG Marketing Godo Kaisha
Masaoki Funada	Director and Vice President	(Coverage) Chemical, Lubricants & Specialties
Harunari Miyashita	Senior Managing Director	Lubricants & Specialties Vice President, EMG Marketing Godo Kaisha
Tomohide Miyata	Managing Director	Kawasaki Refinery Manager
Toyofumi Imazawa	Managing Director	Marketing & Sales Vice President, EMG Marketing Godo Kaisha
D. R. Csapo	Director	Financial Services

Yasushi Onoda	Director	Chemical President, Tonen Chemical Corporation President, Tonen Technology Godo Kaisha Representative Director and Chairman, Nippon Unicar Company Limited
Yukinori Ito	Director	
Tetsuro Yamamoto	Full-time Statutory Auditor	
Masaaki Ayukawa	Full-time Statutory Auditor	
Masahiro Iwasaki	Full-time Statutory Auditor	

Notes: 1. Mr. M. J. Aguiar, Director and Chairman of the Board, and Mr. S. K. Arnet, Director, resigned as Director effective June 1, 2012.

2. Mr. Yukinori Ito is an Outside Director and the Company has notified the Tokyo Stock Exchange that he is an Independent Director.

3. Mr. Tetsuro Yamamoto and Mr. Masaaki Ayukawa are Outside Statutory Auditors and the Company has the Tokyo Stock Exchange that they are Independent Statutory Auditors.

4. Mr. Tetsuro Yamamoto, Statutory Auditor, served as a Director of a financial institution, and as a full-time statutory auditor of a business corporation, and Mr. Masaaki Ayukawa, Statutory Auditor, is qualified as a Certified Public Accountant of Japan. Therefore they have a significant amount of knowledge and experience concerning accounting and finance.

5. Mr. Takashi Hirose, Mr. Harunari Miyashita and Mr. Toyofumi Imazawa were first elected as Directors at the Ordinary General Meeting of Shareholders held on March 27, 2012, and assumed their positions on the same date.

6. Changes in positions and responsibilities of Directors during the current term

Name	New	Previous	Date of Change
P. P. Ducom	Representative Director, Chairman of the Board (Coverage) Financial Services, General Services, Human Resources	Representative Director, President	June 1, 2012
Jun Mutoh	Representative Director, President (Coverage) Safety, Security, Health & Environment, Refining & Distribution, Manufacturing, Research & Engineering, Public & Government Relations	Representative Director, and Managing Director,	June 1, 2012
Takashi Hirose	Representative Director, Vice President (Coverage) Marketing & Sales, Marketing & Supply Coordination, Supply & Trading, Corporate Planning	Director	June 1, 2012
Masaoki Funada	Director, Vice President (Coverage) Chemical, Lubricants & Specialties	Director	June 1, 2012
Harunari Miyashita	Senior Managing Director (In-charge) Lubricants & Specialties	Director	June 1, 2012
Tomohide Miyata	Managing Director, Kawasaki Refinery Manager	Director, Kawasaki Refinery Manager	June 1, 2012
Toyofumi Imazawa	Managing Director (In-charge) Marketing & Sales	Director	June 1, 2012
D. R. Csapo	Director (In-charge) Financial Services	Director	June 1, 2012
Yasushi Onoda	Director (In-charge) Chemical	Director	June 1, 2012

7. After the change described above 6., Director Masaoki Funada is no longer an Outside Director.

8. Mr. Tomohide Miyata, Director, was appointed as Kawasaki Refinery Manager in place of Mr. Jun Mutoh, Representative Director and Managing Director, as of February 6, 2012.

(2) Amount of Remuneration Paid to Directors and Statutory Auditors

	Number	Current Payment
		¥ Million
Directors	10	307
(Outside Directors of Above)	(2)	(25)
Statutory Auditors	3	61
(Outside Statutory Auditors of Above)	(2)	(41)
Total	13	369
	(4)	(67)

Notes: 1. The above amount includes an increase in the reserve for retirement allowance for Directors and Statutory Auditors.

2. The above amount does not include the salary for Directors who also work as employees.

(3) Matters concerning Outside Officers

1) Major activities at Board Meetings

Mr. Yukinori Ito, Director, attended all the Board of Directors' meetings which were convened twenty times during the current term, demonstrating his expertise and useful experience derived from having been an outside director and outside statutory auditor of other companies. Through his asking questions and offering opinions, the Company benefited from his active participation.

Mr. Masaoki Funada, Director, attended all the Board of Directors' meetings which were convened ten times during his term as Outside Director, demonstrating his expertise and useful experience concerning business operations, asking questions and offering opinions. The Company benefited from his active participation.

Mr. Tetsuro Yamamoto, Statutory Auditor, attended all the Board of Directors' meetings and Board of Statutory Auditors' Meetings which were convened twenty times and four times respectively during the current term, demonstrating his expertise and useful experience concerning international finance and business operations, asking questions and offering opinions. The

Company benefited from his active participation.

Mr. Masaaki Ayukawa, Full-time Statutory Auditor, attended all the Board of Directors' meetings and Board of Statutory Auditors' Meetings which were convened twenty times and four times respectively during the current term, demonstrating his expertise and useful experience concerning accounting and finance, asking questions and offering opinions. The Company benefited from his active participation.

In July 2012, the Company learned that a leakage of molten sulfur at Sakai Refinery in June, 2011, which was undergoing a scheduled maintenance shutdown, had not been reported to the regulatory authority. Outside Director Y. Ito, as well as Outside Statutory Auditors T. Yamamoto and M. Ayukawa, have routinely emphasized the importance of safety and stability-focused plant operations and thorough compliance. Messrs. Y. Ito, T. Yamamoto and M. Ayukawa expressed their opinions at the Board of Directors with regard to establishment of independent investigation committee to investigate the root cause of the incident and reporting failure, and to draw up measures to prevent recurrence. After the establishment of the committee, they requested to report progress of the committee activities and verified the progress at the Board of Directors.

2) Outline of Limited Liability Contracts

The Company has entered into "limited liability contracts" with an Outside Director and Outside Statutory Auditors respectively to limit their liability for damages provided by Article 423, Paragraph 1 of the Companies Act to the amount provided by laws and ordinances.

5. Accounting Auditor

(1) Name of Accounting Auditor

PricewaterhouseCoopers Aarata

(2) Compensation Paid to Accounting Auditor

1) Compensation amount as an Accounting Auditor paid by the Company

163 ¥ million

2) Compensation amount of fee paid by the Company and its affiliates

163 ¥ million

Note: The amount in 1) above is the total of the compensation for auditing pursuant to the Companies Act and the compensation for auditing pursuant to the Financial Instruments and Exchange Law since the audit contract between the Company and the Accounting Auditor does not segregate these audits.

(3) Contents of Non-Auditing Activities

There are no applicable items.

(4) Policies for Decision-making on Dismissal or Non-reappointment of Accounting Auditor

The Company would propose dismissal or non-reappointment of the Accounting Auditor if it is judged that exercise of their duties cannot be relied upon due to occurrence of incidents such as those stipulated in the Paragraph 1 of Article 340 of the Companies Act.

6. Systems for Ensuring Appropriate Business Conduct

The following was adopted as the Internal Governance System for the Company.

a. System for maintenance and preservation of information pertaining to exercise of Directors' duties

To provide a system for the maintenance and preservation of information pertaining to the exercise of the Directors' duties, all Directors and employees shall comply with the Company's Information Protection and Management Guidelines and Records Management Guidelines, which have been previously adopted and made available to all Directors and employees.

b. Regulations and other systems for management of risk of loss

To ensure appropriate management of risk of loss, the following shall be required:

1) All of the Company's refineries, terminals and service stations shall be operated in accordance with the Operations Integrity Management System ("OIMS") to help ensure management of risk of loss and to ensure safety, health and environmental soundness in all aspects of the Company's operations. OIMS has been adopted by the Company and information relating to it has been made available to all employees. The OIMS framework includes a number of elements, each with clearly defined expectations, which must be achieved by all functions in the Company. These include: management leadership, commitment and accountability; risk assessment; facilities design and construction; information and documentation; personnel and training; operations and maintenance; management of change; third party services; incident investigation and analysis; community awareness and emergency preparedness; and operations integrity assessment and improvement.

2) The Company's Controls Integrity Management System ("CIMS") which has been adopted by the Company and information relating to which has been made available to all employees, shall be complied with to ensure: (i) a systematic framework for the effective execution of controls; (ii) a structured, standardized, prevention-based approach to managing risks and concerns; and (iii) a process for ensuring that corporate policies are implemented and effectively

sustained over time. The system is comprised of a number of elements including management leadership, commitment and accountability; risk assessment; business procedure management and improvement; personnel and training; management of change; reporting and resolution of control weakness; and controls integrity assessment.

c. Systems to ensure that Directors' duties are executed efficiently

To ensure Directors' duties are executed efficiently, the following shall be required:

1) Board of Directors meetings shall be held in accordance with the Company's Articles of Incorporation and the Rules of the Board of Directors. Items to be reviewed shall be decided in accordance with such rules and proposed by responsible functions.

2) Directors shall be required to follow the Company's established delegations of authority regarding approval, endorsement and review of business and other matters relating to the Company.

3) Issuance of powers of attorney and use of corporate seals shall be implemented appropriately in accordance with the Company's "Guidelines for Powers of Attorney" and "Company Seal Administration Guide," respectively, to ensure among other things, compliance with the authority delegations referred to in item 2) above.

d. Systems to ensure that the execution of Directors' and employees' duties shall be performed in conformity with applicable laws or regulations and the Articles of Incorporation.

To ensure that the execution of Directors' and employees' duties shall be performed in conformity with applicable laws and regulations and the Articles of Incorporation, the following shall be required:

1) Directors and employees shall comply with the Company's System of Management Control Basic Standards ("SMC"), which have been made available to all employees and defines the basic principles, concepts and standards that form our internal control system. Internal controls comprise the means to direct, restrain, govern and check upon various activities. The basic purpose of such controls is to assure that business is conducted properly in accordance with management's general and specific directives. The SMC consists of four major elements. The Foundation and Framework section sets out

the standards for the formulation and administration of company policies. The Administrative and Operating Controls section deals with standards for activities such as budgeting, financing, contracting and computer systems. The Internal Accounting Controls section deals with standards to ensure the integrity and objectivity of accounting records. Lastly, Checks on the System describes the roles of organizations which serve as checks on the system's effectiveness.

2) Directors and employees shall comply with the Company's Standards of Business Conduct ("SBC"), which apply both to the Directors and employees. The SBC has been made available to all Directors and employees and they are expected to review these policies annually in order to ensure compliance and to apply them to all aspects of their work. The SBC contains foundation policies and major guidelines, and also contains provisions and related procedures for receiving and handling questions, concerns and suggestions regarding our business practices, and open communication. These policies include, among others, the Company's Ethics Policy, Conflicts of Interest Policy and Antitrust Policy. Also, formal Business Practices Review training sessions, Antitrust Compliance training, and new employee training shall be conducted periodically for employees to bring about appropriate understanding of the relevant requirements.

3) The Company shall continue to follow the Statutory Auditor system. The Statutory Auditors and The Board of Statutory Auditors ("BOSA") are independent from the Board of Directors. Its major role is to audit the execution of business by Directors. It monitors business decisions and execution by the Board of Directors to confirm compliance with laws and the Company's Articles of Incorporation as well as the SBC. It also confirms establishment and state of implementation of the Company's internal control systems, including the SMC to ensure that the shareholders' interests are properly protected.

4) Internal audit review shall be conducted by the Audit Department of EMG Marketing G.K. ("EMGM"), the Company's affiliate company, pursuant to an agreement between the Company and EMGM under which administrative and service functions are entrusted by the Company to EMGM (the "Comprehensive Service Agreement"). The Audit Department shall independently assess compliance with policies and procedures, and evaluate the effectiveness of all control systems related to the business and financial reporting. Directors and

managers shall be obligated to consider all internal audit findings and recommendations and take appropriate actions.

5) Using its existing internal control system, the Company shall, under the Financial Instruments and Exchange Act, evaluate the reliability and effectiveness of the Company and the Group's financial reporting, and prepare a report on internal controls.

e. Systems for ensuring the appropriateness of practices of corporate groups formed by the Company and its subsidiaries

To ensure the appropriateness of practices of corporate groups formed by the Company and its subsidiaries (the "Group"), the following shall be required:

1) employees and Directors of the Company shall comply with the SMC and SBC;

2) internal audit reviews of the Company shall be conducted by the Audit Department in order to assess compliance with appropriate policies and procedures;

3) there are reporting channels available inside and outside the Company to employees in accordance with Open Door Policy of the Company and Directors and Statutory Auditors shall periodically receive a report on utilization of the whistleblower system and trends/statistics relative to information reported;

4) Directors and employees of the Company, as appropriate, shall receive training to ensure awareness of the principles applicable to appropriate interactions among members of the Company's corporate group; and

5) the Company shall also cause those subsidiaries which it controls to adopt the systems provided for in this Paragraph e.

f. Items concerning employees who will assist the Statutory Auditors where requested by the Statutory Auditors to provide such assistance

Assistance to the Statutory Auditors shall, upon their request, be provided by employees of the Company. This assistance shall consist of:

1) discussions with the Statutory Auditors of the Company of Annual Audit Plans;

2) regarding the implementation of each internal audit:

   (i) provision to the Statutory Auditors of the engagement letter,

   (ii) invitation to attend the Closing Meeting between the Audit Department and the relevant department, and

   (iii) provision of a report on the internal audit results;

3) reports to and consultation with the Statutory Auditors semiannually regarding material items; and

4) investigations based on requests by the Statutory Auditors.

g. Items concerning such employees' independence from the Directors

Assistance to the Statutory Auditors is primarily provided by the Audit Department. No employees assigned in the Audit Department concurrently serve as staff responsible for businesses.

h. Systems for reports to the Statutory Auditors from Directors and employees

1) A Director who has found a fact that is likely to cause significant damage to the Company shall present himself to the BOSA and report the fact at the BOSA.

2) In support of the foregoing, each Director shall submit a written statement in the form attached to BOSA at the end of each year.

3) The Audit Department shall report timely to the BOSA any information it receives from an employee or any other source regarding a Director's breach of duty.

4) Law, Controllers and other departments of EMGM shall report material items to BOSA periodically and as required by the BOSA.

5) Pursuant to the Rules of the BOSA, the Statutory Auditors shall have meetings with Representative Directors of the Company as required and exchange opinions on important audit related matters.

i. System (in addition to the foregoing) to ensure that Statutory Auditors' audits are performed effectively

To ensure that the Statutory Auditors' audits are performed effectively, the following shall apply:

1) The Statutory Auditors shall have access to important information of the Company, including receiving explanations of relevant matters in advance and access to employees who may have knowledge of such information.

2) The Statutory Auditors shall have access to the Company's external audit firm and other appropriate outside professionals.

3) The Statutory Auditors shall also have access to the services and assistance of Law, Controllers and other service functions pursuant to the Comprehensive Services Agreement.

****

Date:

To: Statutory Auditor, TonenGeneral Sekiyu K.K.

From: Director

STATEMENT

I confirm that there is nothing that I should report to the Statutory Auditors under the provisions of Article 357 of the New Company Law for the year ended December 31, XXXX.

[Note,
Article 357: A director who has found a fact that is likely to cause significant damage to the Company shall immediately report it to the Statutory Auditors.]

Consolidated Balance Sheet

As of December 31, 2012

(Unit: Million yen)

Account Title	Amounts	Account Title	Amounts
Assets		**Liabilities**	
Current assets		**Current liabilities**	
Cash and deposits	13,369	Notes and account payable-trade	279,567
Notes and accounts receivable-trade	249,604	Gasoline taxes payable	220,034
Merchandise and finished goods	95,270	Short-term loans payable	102,616
Semi-finished goods	58,506	Commercial papers	64,000
Raw materials	213,052	Income taxes payable	2,461
Supplies	6,678	Accrued consumption taxes	5,310
Income taxes receivable	28,087	Guarantee deposits payable	19,864
Deferred tax assets	9,242	Deferred tax liabilities	10
Short-term loans receivable	15,081	Provision for bonuses	1,476
Other	17,486	Other	49,687
Allowance for doubtful accounts	(343)	**Total current liabilities**	**745,030**
Total current assets	**706,036**		
		Noncurrent liabilities	
		Bonds payable	30,000
Noncurrent assets		Long-term loans payable	136,539
Property, plant and equipment		Deferred tax liabilities	30,705
Buildings and structures	54,129	Provision for retirement benefits	128,066
Tanks	4,947	Provision for directors' retirement benefits	81
Machinery, equipment and vehicles	39,613	Provision for repairs	17,817
Tools, furniture and fixtures	2,479	Asset retirement obligations	2,319
Land	146,419	Other	6,070
Construction in progress	3,388	**Total noncurrent liabilities**	**351,599**
Total Property, plant and equipment	**250,978**	**Total liabilities**	**1,096,630**
Intangible assets		**Net assets**	
Goodwill	330,033	**Shareholders' equity**	
Leasehold right	7,716	Capital stock	35,123
Software	7,682	Capital surplus	52,743
Other	7,428	Retained earnings	341,684
Total intangible assets	**352,861**	Treasury stock	(141,966)
		Total shareholders' equity	**287,584**
Investments and other assets			
Investment securities	34,855	**Accumulated other comprehensive income**	
Deferred tax assets	19,602	Valuation difference on available-for-sale securities	(21)
Other	20,952		
Allowance for doubtful accounts	(271)	**Total accumulated other comprehensive's income**	**(21)**
Total investments and other assets	**75.138**		
Total noncurrent assets	**678,978**	**Minority interests**	**821**
		Total net assets	**288,384**
Total assets	**1,385,014**	**Total liabilities and net assets**	**1,385,014**

Consolidated Statement of Income

January 1, 2012 through December 31, 2012

(Unit: Million yen)

Account Title	Amounts	
Net sales		**2,804,929**
Cost of sales		**2,711,086**
Gross profit		**93,843**
Selling, general and administrative expenses		**66,544**
Operating income		**27,298**
Non-operating income		
Interest income	90	
Dividends income	367	
Other	283	740
Non-operating expenses		
Interest expenses	2,116	
Foreign exchange losses	2,053	
Equity in losses of affiliates	1,105	
Bond issuance cost	148	
Other	85	5,509
Ordinary income		**22,529**
Extraordinary income		
Gain from redemption upon dissolution of a joint venture	16,354	
Gain on sales of noncurrent assets	1,226	
Gain on distribution of residual assets	103	17,684
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	1,341	
Impairment loss	63	1,404
Income before income taxes and minority interests		**38,809**
Income taxes - current	16,611	
Income taxes - deferred	(33,085)	(16,473)
Income before minority interests		**55,283**
Minority interests in income		512
Net income		**54,770**

Consolidated Statement of Changes in Net Assets

January 1, 2012 through December 31, 2012

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	35,123	20,742	304,566	(697)	359,734
Changes of items during the period					
Dividends from surplus	―	―	(17,649)	―	(17,649)
Net income	―	―	54,770	―	54,770
Purchase of treasury stock	―	―	―	(25)	(25)
Disposal of treasury stock	―	(0)	(2)	20	17
Increase due to business combination	―	―	―	(141,264)	(141,264)
Purchase of treasury stock from a consolidated subsidiary	―	32,001	―	―	32,001
Net changes of items other than shareholders' equity	―	―	―	―	―
Total changes of items during the period	―	32,000	37,118	(141,269)	(72,150)
Balance at the end of current period	35,123	52,743	341,684	(141,966)	287,584

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	(72)	(188)	(261)	―	359,473
Changes of items during the period					
Dividends from surplus	―	―	―	―	(17,649)
Net income	―	―	―	―	54,770
Purchase of treasury stock	―	―	―	―	(25)
Disposal of treasury stock	―	―	―	―	17
Increase due to business combination	―	―	―	―	(141,264)
Purchase of treasury stock from a consolidated subsidiary	―	―	―	―	32,001
Net changes of items other than shareholders' equity	51	188	239	821	1,061
Total changes of items during the period	51	188	239	821	(71,088)
Balance at the end of current period	(21)	―	(21)	821	288,384

Balance Sheet

As of December 31, 2012

(Unit: Million yen)

Account Title	Amounts	Account Title	Amounts
Assets		**Liabilities**	
Current assets		**Current liabilities**	
Cash and deposits	10,417	Account payable-trade	277,172
Accounts receivable-trade	381,126	Gasoline taxes payable	219,346
Merchandise and finished goods	74,563	Short-term loans payable	101,924
Semi-finished goods	58,293	Current portion of long-term loans payable	692
Raw materials	213,052	Short-term loans payable to subsidiaries and affiliates	143,373
Supplies	4,354		
Prepaid expenses	4,401	Commercial papers	64,000
Income taxes receivable	13,717	Accounts payable-other	9,135
Deferred tax assets	6,902	Accrued expenses	12,851
Short-term loans receivable	64	Accrued consumption taxes	4,310
Short-term loans receivable from subsidiaries and affiliates	2,260	Advances received	3,984
		Guarantee deposits payable	8,514
Accounts receivable-other	5,731	Provision for bonuses	886
Other	2,101	Other	3,501
Allowance for doubtful accounts	(54)	**Total current liabilities**	**849,691**
Total current assets	**776,933**	**Noncurrent liabilities**	
		Bonds payable	30,000
Noncurrent assets		Long-term loans payable	136,539
Property, plant and equipment		Deferred tax liabilities	57,011
Buildings	10,141	Provision for retirement benefits	44,614
Structures	23,958	Provision for directors' retirement benefits	79
Tanks	4,219	Provision for repairs	15,113
Machinery and equipment	30,367	Asset retirement obligation	636
Vehicles	28	Other	4,507
Tools, furniture and fixtures	1,505	**Total non-current liabilities**	**288,502**
Land	66,910	**Total liabilities**	**1,138,193**
Construction in progress	2,416		
Total property, plant and equipment	**139,548**	**Net assets**	
		Shareholders' equity	
Intangible assets		Capital stock	35,123
Leasehold right	1,492	Capital surplus	
Software	3,905	Legal capital surplus	20,741
Technology royalty	7,038	Total capital surplus	20,741
Right of using facilities	159	Retained earnings	
Total intangible assets	**12,595**	Legal retained earnings	8,780
		Other retained earnings	
Investments and other assets		Reserve for property replacement	14,360
Investment securities	4,212	Retained earnings brought forward	325,268
Stocks of subsidiaries and affiliates	1,056	Total retained earnings	348,410
Investments in capital of subsidiaries and affiliates	457,621	Treasury stock	(142,965)
		Total shareholders' equity	**261,309**
Long-term deposits	2,086	**Valuation and translation adjustments**	
Other	5,592	Valuation difference on available-for-sale securities	(0)
Allowance for doubtful accounts	(144)		
Total investments and other assets	**470,425**	**Total valuation and translation adjustments**	**(0)**
Total non-current assets	**622,569**	**Total net assets**	**261,309**
Total assets	**1,399,502**	**Total liabilities and net assets**	**1,399,502**

Statement of Income

January 1, 2012 through December 31, 2012

(Unit: Million yen)

Account Title	Amounts	
Net sales		**2,731,312**
Cost of sales		**2,681,107**
Gross profit		**50,205**
Selling, general and administrative expenses		**27,684**
Operating income		**22,520**
Non-operating income		
Interest income	153	
Dividends income	1,114	
Other	104	1,372
Non-operating expenses		
Interest expenses	1,997	
Interest on bonds	19	
Foreign exchange losses	2,644	
Bond issuance cost	148	
Other	28	4,838
Ordinary income		**19,054**
Extraordinary income		
Gain on sales of noncurrent assets	429	
Gain on distribution of residual assets	103	533
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	894	894
Income before income taxes		**18,693**
Income taxes – current	535	
Income taxes – deferred	(26,541)	(26,005)
Net income		**44,699**

Statement of Changes in Net Assets

January 1, 2012 through December 31, 2012

(Unit: Million yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of current period	35,123	20,741	0	20,742
Changes of items during the period				
Dividends from surplus	―	―	―	―
Net income	―	―	―	―
Purchase of treasury stock	―	―	―	―
Disposal of treasury stock	―	―	(0)	(0)
Reversal of reserve for property replacement	―	―	―	―
Net changes of items other than shareholders' equity	―	―	―	―
Total changes of items during the period	―	―	(0)	(0)
Balance at the end of current period	35,123	20,741	―	20,741

	Shareholders' equity					
	Retained earnings				Treasury stock	Total shareholders' equity
	Legal retained earnings	Other retained earnings		Total retained earnings		
		Reserve for property replacement	Retained earnings brought forward			
Balance at the beginning of current period	8,780	15,297	301,081	325,159	(697)	380,328
Changes of items during the period						
Dividends from surplus	―	―	(21,446)	(21,446)	―	(21,446)
Net income	―	―	44,699	44,699	―	44,699
Purchase of treasury stock	―	―	―	―	(142,289)	(142,289)
Disposal of treasury stock	―	―	(2)	(2)	20	17
Reversal of reserve for property replacement	―	(937)	937	―	―	―
Net changes of items other than shareholders' equity	―	―	―	―	―	―
Total changes of items during the period	―	(937)	24,187	23,250	(142,268)	(119,018)
Balance at the end of current period	8,780	14,360	325,268	348,410	(142,965)	261,309

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	(72)	(72)	380,255
Changes of items during the period			
Dividends from surplus	―	―	(21,446)
Net income	―	―	44,699
Purchase of treasury stock	―	―	(142,289)
Disposal of treasury stock	―	―	17
Reversal of reserve for property replacement	―	―	―
Net changes of items other than shareholders' equity	71	71	71
Total changes of items during the period	71	71	(118,946)
Balance at the end of current period	(0)	(0)	261,309

Independent Auditors' Report

(English Translation*)

February 15, 2013

To the Board of Directors of TonenGeneral Sekiyu K.K.

PricewaterhouseCoopers Aarata

Akio Kobayashi, CPA
Designated and Engagement Partner

Takahiro Nakazawa, CPA
Designated and Engagement Partner

We have audited, pursuant to Article 444 (4) of the Companies Act of Japan, the consolidated financial statements, which consist of the consolidated balance sheet, consolidated profit and loss statement, consolidated statement of change in net assets and notes to the consolidated financial statements of TonenGeneral Sekiyu K.K. (hereinafter referred to as the "Company") for the fiscal year from January 1, 2012 to December 31, 2012.

Management's Responsibility for the financial statements and the supplementary schedules

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements, that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statements audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as examining the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Company and its subsidiaries for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Conflict of Interest

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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* The original audit report is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original audit report in Japanese.

Independent Auditor's Report

(English Translation*)

February 15, 2013

To the Board of Directors of TonenGeneral Sekiyu K.K.

PricewaterhouseCoopers Aarata

Akio Kobayashi, CPA
Designated and Engagement Partner

Takahiro Nakazawa, CPA
Designated and Engagement Partner

We have audited, pursuant to Article 436 (2) (i) of the Companies Act of Japan, the financial statements, which consist of the balance sheet, profit and loss statement, statement of change in net assets and notes to the financial statements, and the supplementary schedules of TonenGeneral Sekiyu K.K. (hereinafter referred to as the "Company") for the 93rd fiscal year from January 1, 2012 to December 31, 2012.

Management's Responsibility for the financial statements and the supplementary schedules

Management is responsible for the preparation and fair presentation of the financial statements, and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements, and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and supplementary schedules are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statements audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as examining the overall presentation of the financial statements and supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and its financial performance for the period covered by the financial statements and supplementary schedules in conformity with accounting principles generally accepted in Japan.

Conflict of Interest

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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* The original audit report is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original audit report in Japanese.

Audit Report

The Board of Statutory Auditors (BOSA) has reviewed the audit reports individually prepared by each Statutory Auditor (Auditor) and reached a consensus to prepare this Audit Report, after deliberation among the Auditors, regarding Directors' execution of duties for the 93rd fiscal period from January 1, 2012 to December 31, 2012, as follows.

1. The methods and results of the Statutory Audit by individual Auditors and by the BOSA.

(1) On March 27, 2012, the BOSA held a meeting attended by all Auditors, and passed a resolution on the audit policy, audit plan, and assignment of work among the Auditors. The Auditors conducted the audit based on the resolution. However, for those items deemed necessary or appropriate, individual Auditors conducted audits from time to time, outside the scope of the above resolution.

(2) Individual Auditors made every effort to maintain good communication with the Directors and Internal Audit and other functions and to collect information and maintain an appropriate audit environment. At the same time, we attended the Board of Directors (BOD) meetings, monthly management meetings and other important meetings.

(3) As to the BOD meetings, all Auditors examined proposals in advance, and observed the process and results of their reviews covering the matters brought up for resolution and report by attending the BOD meetings. We also asked questions and expressed opinions.

(4) We audited the Head Office departments, ExxonMobil Y.K. (EMYK became EMG Marketing Godo Kaisha, a TonenGeneral subsidiary, on May 21), the refineries, the terminals, the oil storage site, the major branches of ExxonMobil Y.K. (EMG Marketing G.K.), and the ExxonMobil overseas affiliate, with whom the Company entrusts its administrative operations, by visiting those sites based on the assigned responsibilities.

(5) For the subsidiaries, we maintained communications and exchanged information with the members of the Management Committee of EMG Marketing G.K., the Directors and Auditors of other Kabushiki Kaisha subsidiaries, and the members of Management Committees of other Godo Kaisha subsidiaries. In addition, we periodically received reports on their business performance and visited the sites based on the assigned responsibilities.

(6) We examined the content and monitored the implementation of the BOD resolution regarding the Internal Controls Systems that ensure compliance of Directors' execution of duties with applicable laws and regulations and the Articles of Incorporation, and appropriate business conduct of the Company.

(7) As to the Internal Audit function, we received briefings in advance on the audit plans and detailed explanations regarding the results of the internal audits, from both auditees and auditors at the managerial level. Also, we discussed the state of the internal controls systems, from time to time, and audited how necessary countermeasures were implemented.

(8) For the accounting audit, we received an explanation of the audit plan from the Accounting Auditor in advance, had discussions with them, and received the reports of their audit results. Furthermore, we monitored and verified that they maintained independence and conducted appropriate audits, received reports on the status of their audit work, and asked for explanations. We were also advised by the Accounting Auditor that they had their own internal controls systems in place.

(9) As to the issue of acquisition of share capital of ExxonMobil Yugen Kaisha, we audited the way the Directors carried out their duties, concerning the setting of objectives for the deal, the formation of transaction structures, the contents of various contracts, the process of price setting, and especially whether they paid proper attention to the benefits of minor shareholders, with the help of outside specialists.

(10) As to the execution of the acquisition of share capital of ExxonMobil Yugen Kaisha, the structuring of the new management system, and its implementation, we carefully audited by means of frequent exchange of opinions with the new management, and information gathering from a wide range of the sources.

(11) As to the incident at Sakai Refinery in which a sulfur leak was not reported to the authorities, we requested the establishment of an independent investigation committee to search for the causes of the incident and to make recommendations to prevent recurrence, when the incident was revealed. We audited the proceedings of the investigation, and also the way preventive measures were implemented.

(12) We periodically held BOSA and auditors meetings in order to discuss the results of the audits conducted by individual Auditors and to exchange opinions for the purpose of sharing information. We communicated our opinion as necessary, in writing or verbally, about the result of our survey or audit to the responsible director or manager in charge of each business unit.

(13) Based on the above stated steps, we examined the business report and supplements for the current fiscal year. We also examined the financial statements (balance sheet, income statement, statement of changes in net assets, and notes thereon), supplements, and the consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of changes in net assets, and consolidated notes thereon).

2. Result of the audit

(1) Result of the audit of the business report and supplements

It is our opinion that

(i) the business report and supplements present fairly the status of the Company's business conditions in conformity with the applicable laws and regulations and the Articles of Incorporation,

(ii) there is no indication of significant wrongdoing or violation of laws and regulations and the Articles of Incorporation in the Directors' execution of duties,

(iii) the content of the BOD resolution on the internal control systems was appropriate. Also, there are no items to be noted on the Directors' executions of duties regarding the internal control systems.

(2) Result of the audit of the financial statements and supplements

The methods and results of audits conducted by Aarata Audit Corporation, our Accounting Auditor, are appropriate.

(3) Result of the audit of the consolidated financial statements

The methods and results of audits conducted by Aarata Audit Corporation, our Accounting Auditor, are appropriate.

February 18, 2013

The Board of Statutory Auditors,
TonenGeneral Sekiyu K.K.

Tetsuro Yamamoto, Full-time Statutory Auditor (Outside Auditor)

Masaaki Ayukawa, Full-time Statutory Auditor (Outside Auditor)

Masahiro Iwasaki, Full-time Statutory Auditor

Reference Materials for General Meeting of Shareholders

Proposals and References

Proposal No. 1: Retained Earnings Distribution

The Company considers providing superior total returns to shareholders as one of its top management priorities, with the objective of steadily increasing shareholder value over time. Our basic policy is to continue to deliver stable dividends to shareholders, while maintaining a sound financial structure and giving due consideration to trends in cash flows and future investment opportunities. We continue with our view that the company’s wealth that is not otherwise required in our business in a way that meets our rigorous profitability standards or necessary to maintain a solid financial position should be returned to shareholders.

In accordance with the basic policy, it is proposed that the Company pay a term-end dividend for the 93rd Business Term, as described below:

1. A dividend of ¥19.00 per common share, totaling ¥6,926,522,846
   (As the Company paid an interim dividend of ¥19.00 per share, the total amount of dividends for the 93rd term shall be ¥38.00 per share.)
2. The dividend will take effect on March 27, 2013.

Proposal No. 2: Election of Nine Directors of the Board

The term of office of all (10) of the Directors will expire at the close of this Ordinary General Meeting of Shareholders. Hence, it is hereby proposed that nine Directors be elected.

The candidates for Directors are as follows:

No.	Name (Date of Birth)	Brief History, Position and Business in Charge in the Company, and Important Concurrent Status	Number of Shares of the Company Held
1	Jun Mutoh (August 20, 1959)	4/1982 Joined General Sekiyu K.K. (Currently TG) 3/2004 Director, Wakayama Refinery Manager, TG 3/2006 Representative Director, Managing Director, Wakayama Refinery Manager, TG 4/2006 Representative Director, Managing Director, Kawasaki Refinery Manager, TG 2/2012 Representative Director, Managing Director, TG 6/2012 Representative Director, President, TG (Present) [Currently in charge] Safety, Security, Health & Environment, Refining & Distribution, Manufacturing, Research & Engineering, Public & Government Relations	3,000
2	Takashi Hirose (March 29, 1961)	11/1988 Joined Mobil Sekiyu K. K. (currently EMG Marketing G. K. "EMGM") 11/2007 Assistant Fuels Marketing Manager, ExxonMobil Y. K. ("EMYK") 9/2008 Director, Retail Manager, EMYK 3/2012 Director, TG 6/2012 Representative Director, Vice President, TG (Present) 6/2012 President, EMGM (Present) [Currently in charge] Marketing & Sales, Marketing & Supply Coordination, Supply & Trading, Corporate Planning	None
3	Masaoki Funada (June 3, 1942)	4/1965 Joined Mitsubishi Chemical Corporation ("MCC") 6/2004 Deputy Chief Executive Officer, Representative Director, Member of the Board, MCC 10/2005 Member of the Board, Mitsubishi Chemical Holdings Corporation 3/2011 Director, TG 6/2012 Director, Vice President, TG (Present) [Currently in charge] Chemical, Lubricants & Specialties	None

4	Tomohide Miyata (May 8, 1965)	4/1990 Joined Tonen Corporation (Currently TG) 4/2006 Wakayama Refinery Manager 7/2008 General Manager and Wakayama Refinery Manager 3/2011 Director, Wakayama Refinery Manager 2/2012 Director, Kawasaki Refinery Manager 6/2012 Managing Director, Kawasaki Refinery Manager (Present)	None
5	Toyofumi Imazawa (March 15, 1955)	4/1977 Joined General Sekiyu K. K. (currently TG) 8/2002 New Business Manager, ExxonMobil Yugen Kaisha (“EMYK,” currently EMG Marketing G. K.) 9/2008 Director, FM Planning & Projects Manager and New Business Manager, EMYK 10/2008 Director, Assistant Retail Manager and Planning & Strategy Manager, EMYK 7/2009 Director, Assistant Retail Manager and Strategic Accounts Manager, EMYK 11/2010 Director, Assistant Retail Manager, EMYK 3/2012 Director, TG 6/2012 Managing Director, TG (Present) 6/2012 Vice President, EMGM (Present) [Currently in charge] Marketing & Sales	5,000
6	D. R. Csapo (June 17, 1955)	7/1979 Joined Exxon Corporation 1/2008 Controller/Treasurer, ExxonMobil Yugen Kaisha (“EMYK,” currently EMG Marketing G. K.) 9/2008 Director, Controller/Treasurer, EMYK 3/2009 Director, TG (Present) 10/2010 Director, Business Services Manager/Controller, EMYK 10/2010 Representative Director, Tonen Chemical Corporation [Currently in charge] Financial Services	None
7	Yasushi Onoda (December 30, 1962)	4/1985 Joined Tonen Corporation (Currently TG) 4/2006 Sakai Refinery Manager, TG 7/2008 General Manager and Sakai Refinery Manager, TG 12/2009 SHE Senior Advisor, ExxonMobil Corporation 3/2011 Director, TG (Present) 6/2012 President, Tonen Chemical Corporation (Present) 6/2012 President, Tonen Technology G. K. (Present) 6/2012 Representative Director and Chairman, Nippon Unicar Company Limited (Present) [Currently in charge] Chemical	None

8	Yukinori Ito (March 8, 1936)	4/1962 Joined The Export-Import Bank of Japan(currently Japan Bank for international Cooperation) 6/1991 Senior Executive Director, The Export-Import Bank of Japan 1/2003 Statutory Auditor, AOC Holdings, Ltd. 6/2007 Director, Shinsei Bank, Limited 3/2011 Director, TG (Present)	None
9	G. W. Wilson (December 12, 1966)	7/1989 Joined Exxon Company U.S.A., a Division of Exxon Corporation 6/2007 Manager of the Baytown Refinery, ExxonMobil Refining and Supply Company, a Division of Exxon Mobil Corporation 4/2010 Executive Assistant to the Chairman, Exxon Mobil Corporation 8/2011 Director, Asia Pacific Refining for ExxonMobil Asia Pacific Pte. Ltd. (Present)	None

Notes: 1. There are no special interests between each candidate and the Company.

2. Mr. Yukinori Ito is a candidate for Outside Director.
3. The Company has notified the Tokyo Stock Exchange that Mr. Yukinori Ito is an Independent Director. If his reelection is approved, the Company will continue to make notifications regarding his status as an Independent Director.
4. The Company has nominated Mr. Yukinori Ito as a candidate for Outside Director since he has served as an Outside Director and as a Statutory Auditor of other companies, and he can take advantage of his abundant expertise to perform his duties as an Outside Director.
5. In July 2012, the Company learned that a leakage of molten sulfur at Sakai Refinery in June, 2011, which was undergoing a scheduled maintenance shutdown, had not been reported to the regulatory authority. Mr. Yukinori Ito in his capacity as Outside Director when the Company learned of the above, has routinely emphasized the importance of safety and stability-focused plant operations and thorough compliance. He expressed his opinion at the Board of Directors with regard to the establishment of an independent investigation committee to investigate the root cause of the incident and reporting failure, and to draw up measures to prevent recurrence. After the establishment of the committee, he requested reports on the progress of the committee activities and verified the progress at the Board of Directors.
6. Mr. Yukinori Ito currently serves as an Outside Director. His term of office as Outside Director will be two (2) years upon the closing of this General Meeting of Shareholders.
7. The Company has entered into a contract for limitation of liability with Mr.

Yukinori Ito, setting forth that the maximum extent of the damage liability prescribed in Article 423, Paragraph 1 of the Companies Act should be the minimum liability amount provided by laws and ordinances. If re-election of the Outside Director is approved, this contract will continue to be in effect.

Proposal No. 3: Election of One Alternate Statutory Auditor

Since the term of the Alternate Statutory Auditor expires at the commencement of this General Meeting of Shareholders, the following candidate is proposed for election as an Alternate Statutory Auditor in order to fill any vacancy caused by a Statutory Auditor not fulfilling his term for any reason, as the minimum number of Statutory Auditors required by law is three.

The Board of Statutory Auditors has consented to this proposal.

The candidate for Alternate Statutory Auditors is as follows:

Name (Date of Birth)	Personal History, Incumbent Position, and Important Concurrent Status	Number of Shares of the Company Held
Hisayoshi Kobayakawa (January 18, 1941)	10/1964 Joined Price Waterhouse Accounting Office 7/1996 Executive Representative Partner, Aoyama and Senior Partner of P&W Japan 3/2000 Statutory Auditor, General Sekiyu K. K. (currently TonenGeneral Sekiyu K. K., "TG") 7/2000 Full-time Statutory Auditor, TG 3/2007 Statutory Auditor, TG 6/2007 Full-time Statutory Auditor, TG 3/2009 Alternate Statutory Auditor, TG (Present)	None

Notes: 1. The above candidate has no special interest in the Company.

2. Mr. Hisayoshi Kobayakawa is a candidate for Alternate Outside Statutory Auditor.
3. The Company has nominated Mr. Hisayoshi Kobayakawa as a candidate for Alternate Outside Statutory Auditor since he is qualified as a Certified Public Accountant of Japan and has served for years as an Outside Statutory Auditor of the Company, and he can take advantage of his abundant expertise to perform his duties as an Outside Statutory Auditor.
4. The Company has entered into a contract for limitation of liability with Outside Statutory Auditors, setting forth that the maximum extent of the damage liability prescribed in Article 423, Paragraph 1 of the Companies Act should be the minimum liability amount provided by laws and ordinances. If Mr. Hisayoshi Kobayakawa assumes office of Statutory Auditor, the same contract will be concluded with him.

Proposal No. 4: Presentation of Retirement Allowance to Retiring Director, and Final Payment of Retirement Benefits to Directors Following the Abolition of the Directors Retirement Benefits Program

In consideration of the meritorious services of Mr. Harunari Miyashita, it is proposed that retirement allowances, in a reasonable amount, be presented in accordance with the standards set by the Company, to Mr. Harunari Miyashita, Director, who will retire at the close of the Ordinary General Meeting of Shareholders for the 93rd Business Term. It shall also be proposed that the specific amount, timing and manner of presentation be left to the resolution of the Board of Directors for the retiring director.

His personal history is as follows:

Name	Brief History
Harunari Miyashita	3/2012 Director 6/2012 Director, Sr. Managing Director (Present)

Also, in line with the review of the remuneration system for Directors, the Company adopted a resolution at a meeting of the Board of Directors held on February 21, 2013 to abolish the retirement benefits program for Directors effective as of July 1, 2013, subject to the approval by the Ministry of Health, Labor and Welfare for the amendment to the Defined Benefits Pension Plan.

Following this resolution, it is proposed that the final payment of retirement benefits to Directors be made to Mr. Jun Mutoh, Mr. Tomohide Miyata, Mr. Toyofumi Imazawa and Mr. Yasushi Onoda, four Directors in total proposed for re-election subject to the approval and resolution of the proposal No. 2, in reward for their services during their respective terms of office up to the abolishment of the retirement benefits program, within a reasonable range based on the standards set by the Company.

To be specific, it is also proposed that the total amount of retirement allowance to retiring Directors and the final payment of retirement benefits to Directors following the abolition of the Directors retirement benefits program shall not be more than ¥100 million, that the final payments be made after the retirement of the concerned Directors, and that the decision as to the specific amount to be paid to the individual Directors and manner of payment, etc. be left to the resolution of the Board of Directors.

The personal histories of the Directors to whom the final payments are to be made, are as follows.

Name	Brief History
Jun Mutoh	3/2004 Director 3/2006 Representative Director, Managing Director 6/2012 Representative Director, President (Present)
Tomohide Miyata	3/2011 Director 6/2012 Director, Managing Director (Present)
Toyofumi Imazawa	3/2012 Director 6/2012 Director, Managing Director (Present)
Yasushi Onoda	3/2011 Director (Present)

Proposal No. 5: Introduction of Compensation of Directors in the Form of Stock Acquisition Rights as Stock Options

At the 92nd Ordinary General Meeting of Shareholders held on March 27, 2012, the maximum amount of remuneration for Directors was approved as an amount not to exceed ¥700 million per annum (including up to ¥70 million per annum for Outside Directors).

The Company has abolished the retirement benefits program for Directors in line with the review of the remuneration system for Directors, and with the purpose to share the interest in stock price movement with shareholders and further motivate Directors to contribute towards the enhancement of the Company's corporate value, it is proposed that the Company grant stock acquisition rights to Directors (excluding Outside Directors) as stock options, within the maximum amount of compensation for Directors as mentioned above, in the manner described as follows.

This stock option is a "stock compensation-type" stock option which requires a cash contribution of one (1) yen upon the exercise of each stock acquisition right, with the purpose to further motivate Directors to make contribution towards the enhancement of the Company's corporate value. As mentioned above, considering all relevant factors including the contributions by Directors to the Company, the Company believes that the use of stock options is appropriate.

Such stock options will be granted by the Company by providing the Directors allotted stock acquisition rights with cash compensation equivalent to the amount to be paid for the stock acquisition rights. The value of the stock options granted (i.e. the amount to be paid for the stock acquisition rights) is designed to offset such equivalent amount of cash compensation which might otherwise be paid. The value of the stock options granted will be determined based on the fair value per one stock acquisition right.

Currently the number of Directors excluding one Outside Director is nine and subject to the approval and resolution of the proposals No. 2 as proposed, the number of Directors excluding the Outside Director will be eight at the conclusion of this General Meeting of Shareholders.

- Details of Stock Acquisition Rights as Stock Options for Directors (excluding Outside Directors) -

(1) Class and number of shares underlying the stock acquisition rights
The class of shares to be issued upon the exercise of stock acquisition rights shall be Company's common stock, and the number of shares underlying each stock acquisition right (the "Number of Shares Granted") shall be 100; provided, however, that in the event the Company carries out a stock split (includes a gratis allocation) or share consolidation of common stock of the Company, after the date of the resolution of this proposal (the "Resolution Date"), the Number of Shares Granted shall be adjusted according to the following formula below, with any fractional shares resulting from such adjustment being rounded down.

Number of Shares Granted after adjustment = Number of Shares Granted before adjustment x Ratio of stock split or share consolidation

If an event occurs after the Resolution Date that makes it necessary to adjust the Number of Shares Granted, the Company shall appropriately adjust the Number of Shares Granted as reasonable to keeping with the above.

(2) Total number of stock acquisition rights
The maximum number of stock acquisition rights that may be allocated to Directors (excluding Outside Directors) within one year after the date of the Ordinary General Meeting of Shareholders for the corresponding business year is 4,000.

(3) Amount of assets to be contributed upon the exercise of stock acquisition rights
The amount of assets to be contributed by the holder of the stock acquisition rights upon the exercise of each stock acquisition right shall be 100 yen, the amount obtained by multiplying (i) the exercise price per shares times (ii) the Number of Shares Granted, where the exercise price per shares to be received upon the exercise of stock acquisition rights shall be one (1) yen.

(4) Exercise period of stock acquisition rights

The exercise period of the stock acquisition rights shall be 30 years starting from the day following the Allocation Date which means the day on which the stock acquisition rights shall be allocated (the "Allocation Date").

(5) Restriction on acquisition of stock acquisition rights by transfer
Any transfer of stock acquisition rights shall be subject to the approval of the Board of Directors of the Company by resolution.

(6) Conditions for the exercise of stock acquisition rights
The person who has been granted stock acquisition rights shall be entitled to exercise such rights the earlier of the day 4 years after the day following the Allocation Date, and the day following the person's retirement from a Director's position in the Company. Any other conditions for the exercise of stock acquisition rights shall be determined by the Board of Directors of the Company by resolution.

Procedures for exercising voting rights via the Internet

Please exercise your voting rights via the Internet after confirming the following items. If you attend the meeting in person, the procedures for exercising voting rights both in writing and via the Internet will not be necessary.

1. Web-site for Exercising Voting Rights
   (1) It is only available to access the web-site that has been designated by the Company for exercising voting rights. (However, the web-site is not accessible from 2:00 a.m. to 5:00 a.m.) The web-site is accessible by a computer or a mobile phone (i-mode, EZweb, Yahoo! Keitai) with an Internet connection, and directs you to exercise voting rights on your Internet usage environment.
   * i-mode, EZweb and Yahoo! Are the trademarks or registered trademarks of NTT DoCoMo Inc., KDDI Corporation and Yahoo! Inc. (U.S.A.), respectively.

   (2) The web-site for exercising voting rights by a computer may not be accessible, if an anti-virus software is installed in your computer or if your computer environment (OS, Browser, etc.) is not acceptable.

   (3) If you exercise your voting rights by a mobile phone, please use either i-mode, EZweb or Yahoo! Keitai service. For security reason, the voting system only supports a model with the encryption (SSL) communication function and the capability of sending the mobiles phone information.

   (4) The Exercising voting rights via Internet will be accepted until 5:00 p.m. on Monday, March 25, 2013. However, the Company recommends that you vote earlier than this time. If you have any questions, please contact the following Help Desk.

2. Procedure for Exercising voting rights via the Internet
   (1) Please log in to the designated site (http://www.evote.jp/) using the login ID and provisional password on the voting form and enter your vote for each proposal as the directions on the screen guide you.

   (2) The Company recommends that the provisional password be changed to avoid unjustly accessing to the web-site or falsifying the exercising voting rights by third parties.

   (3) The Company will inform you of a new "Log in ID" and "Provisional Password" whenever the company sends you the Notice of the Ordinary General Meeting of Shareholders.

3. Online Access Cost
   Any connection fees to provides or telephone charges, etc. for accessing the site for exercising voting rights shall be borne by Shareholders. In exercising voting rights via mobile phone website, any access charges such as packet

communication charges and mobile phone charges assessed by mobiles phone service providers shall be also borne by the Shareholders.

4. Introduction to Exercising Voting Right(s) through the Electronic Voting Platform

Institutional investors are able to use the "electronic proxy voting platform" operated by ICJ, Inc., as a means to exercise voting right(s) through electronic means.

Please contact the following if you have any questions about the system. Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division (Help Desk) Telephone: 0120-173-027 (toll free) (available in Japanese only) Service Hours: 9:00 – 21:00 (Japan time)