

November 15, 2005

**Press Release**

TonenGeneral Sekiyu K.K.  
(Code #: 5012 Tokyo Stock Exchange, First Section)  
Representative Director,  
Chairman and President  
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**Notice of Stock Repurchase**

The Board of Directors of TonenGeneral Sekiyu K.K. ("TonenGeneral") resolved a share repurchase plan at today's meeting, in accordance with Article 211-3-1-2 of Commercial Code and its Articles of Incorporation, as a measure of returning wealth to shareholders.

**1. Stock repurchase plan**

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|---|---|
| (1) Type of shares to be acquired           | Common stock  |
| (2) Maximum amount of acquisition           | 10 billion yen  |
| (3) Maximum number of shares to be acquired | 10 million shares<br>(1.7% of the outstanding shares)   |
| (4) Method of the repurchase                | Tender offer (The detailed schedule and pricing will be decided at a future Board meeting and be disclosed promptly.) |

**2. Purpose**

The Company acquired 67 million of its own shares at a cost of 60 billion yen in 2001 and 41 million of treasury stock in 2002, in order to improve its capital structure. As a result of these repurchases, TonenGeneral's outstanding shares decreased by 15.6%, increasing its earnings per share as well as return on equity.

Considering TonenGeneral's appropriate capital structure and cash flow projections as well as the relatively large place held by shareholders' equity in its capital structure, the Board of Directors has proposed to engage in a further stock repurchase plan. By repurchasing its own shares, TonenGeneral intends to adjust its capital structure in consideration of industry levels, and to provide financial benefits to all shareholders.

TonenGeneral intends to use borrowings to effect the repurchase plan, as we did at the past two stock repurchases. The Company's borrowing capacity is ample for this purpose, in addition to our business operating needs, and expects that loans taken for the repurchase plan will be repaid from operating cash flow in the reasonably near future.

The Company is considering cancellation of its treasury stock, including stock acquired under this repurchase plan as well as its own shares currently held, through a Board resolution after completion of the stock repurchase.

### **3. Plan for 2005 final dividend**

Based on current earnings projections, the Board of Directors is prepared to consider a plan to increase the dividend per share to an amount that would result in the total dividends paid to shareholders remaining at substantially the same aggregate level as the level before this stock repurchase. Subject to the number of stocks actually repurchased in the proposed buyback, the terms of their purchase and the necessary decision of the general meeting of shareholders, this could result in a final dividend per share of about 18.5 yen/share from the current 18.0 yen/share.

### **4. Relationship with the parent company**

The Company believes that its parent company, ExxonMobil Yugen Kaisha, will participate in the stock repurchase plan so that its ownership share in the Company, currently 50.02%, will remain constant after completion of the stock repurchase.

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