

## 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 consolidated cash flows and future capital expenditures. 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 should be returned to shareholders.

In accordance with the basic policy, it is proposed that the Company pay a term-end dividend for the 92nd Business Term, as described below:

1. A dividend of ¥19.00 per common share, totaling ¥10,723,097,792  
(As the Company paid an interim dividend of ¥19.00 per share, the total amount of dividends for the 92nd term shall be ¥38.00 per share.)
2. The dividend will take effect on March 28, 2012

## Proposal No. 2: Partial Amendments to the Articles of Incorporation

### 1. Reason for amendment

The Company decided to acquire share capital of ExxonMobil Yugen Kaisha (“EMYK”) and following the acquisition, EMYK will become a subsidiary of the Company. For this reason, the Company proposes that Articles 2 (Purpose) of its Article of Incorporation be amended to include business purposes of EMYK.

### 2. Contents of amendment

Described below are the current provisions of the Articles of Incorporation and the proposed amendments.

(The amendments are underlined.)

Current Provisions	Provisions to be amended
<p>Article 2. (Purpose) The purpose of the Company shall be to engage in the following business:</p> <ol style="list-style-type: none"> <li>1. Manufacture, processing, purchase and sale, and import and export of petroleum and its by-products.</li> <li>1. Manufacture, processing, purchase and sale, and import and export of petrochemical products and their feedstocks.</li> <li>1. Manufacture, processing, purchase and sale, and import and export of liquefied gas, other gas and their by-products.</li> <li>1. Manufacture, processing, purchase and sale, and import and export of animal and plant oils, fuels, oil containers, gas apparatuses, automobile accessories, apparel and sundries.</li> <li>1. Manufacture, processing, purchase and sale, and import and export of pharmaceutical products, agricultural and industrial chemicals.</li> </ol> <p>[Newly provided]</p>	<p>Article 2. (Purpose) The purpose of the Company shall be to engage in the following business:</p> <ol style="list-style-type: none"> <li>1. Manufacture, processing, purchase and sale, and import and export of petroleum and its by-products.</li> <li>1. Manufacture, processing, purchase and sale, and import and export of petrochemical products and their feedstocks.</li> <li>1. Manufacture, processing, purchase and sale, and import and export of liquefied gas, other gas and their by-products.</li> <li>1. Manufacture, processing, purchase and sale, and import and export of animal and plant oils, fuels, oil containers, gas apparatuses, automobile accessories, apparel and sundries.</li> <li>1. Manufacture, process, purchase and sale, and import and export of pharmaceutical products, agricultural and industrial chemicals.</li> <li>1. <u>Purchase or otherwise acquire, store, hold, transport, use, market, distribute, exchange, sale or otherwise dispose of, import, export, manufacture and generally deal in, petroleum and petroleum products of all kinds and descriptions, including the manufacture, import and sale of drugs, quasi drugs and cosmetics and raw</u></li> </ol>

<p>1. <u>Planning, inspection, construction, maintenance, selling and buying, and export and import of equipment and facilities covering petroleum, petrochemicals, LPG, coal, pharmaceutical products and agricultural and industrial chemicals.</u></p>	<p>material thereof, and such other products and goods, including tires, batteries and other automotive products and petrochemicals, as the Company shall desire to deal in connection with the business of dealing in petroleum and petroleum products.</p> <p>1. <u>Planning, acquisition, operation, construction, export and import, maintenance and purchase and sale or other disposition of equipment, facilities and accessories of all kinds and descriptions required or deemed desirable in carrying into effect the operation of petroleum, petrochemicals, LPG, coal, pharmaceutical products and agricultural and industrial chemicals businesses.</u></p>
<p>[Newly provided]</p>	<p>1. <u>Explore, drill/produce and market petroleum, inflammable natural gas, bitumen, sulfur, and other general minerals.</u></p>
<p>1. Planning, inspection, construction, and <u>selling and buying</u> of civil engineering works and structures.</p>	<p>1. Planning, inspection, construction, and purchase and <u>sale or other disposition</u> of civil engineering works and structures.</p>
<p>1. Development, manufacture, lease, purchase and sale, and import and export or otherwise dispose of transportation machines/appliances, electric machines/appliances, electronic machines/appliances, communication machines/appliances and software.</p>	<p>1. Development, manufacture, lease, purchase and sale, and import and export or otherwise dispose of transportation machines/appliances, electric machines/appliances, electronic machines/appliances, communication machines/appliances and software.</p>
<p>1. <u>Selling and buying, and leasing</u> of real estate.</p>	<p>1. <u>Sale, purchase, exchange, rent and lease real estate, and act as intermediary and administrator</u> of real estate.</p>
<p>[Newly provided]</p>	<p>1. <u>Restaurant and Convenience store business.</u></p>
<p>[Newly provided]</p>	<p>1. <u>Marine transportation business.</u></p>
<p>[Newly provided]</p>	<p>1. <u>Warehousing operation business.</u></p>
<p>1. Operation of travel business.</p>	<p>1. Operation of travel business.</p>
<p>1. Electricity Supply Business.</p>	<p>1. Electricity Supply Business.</p>
<p>1. Custody, transportation, various kinds of agency, and insurance agency that are related to the businesses described above.</p>	<p>1. Custody, transportation, various kinds of agency, and insurance agency that are related to the businesses described above.</p>
<p>1. Engineering work, acquisition of industrial proprietary rights and</p>	<p>1. Engineering work, acquisition of industrial proprietary rights and</p>

<p>consent to the exercise of them all associated with the items mentioned above.</p> <p>1. Business <u>incidental to</u> the businesses described above.</p>	<p>consent to the exercise of them all associated with the items mentioned above.</p> <p>1. Business <u>incidental to or connected with</u> the businesses described above.</p>
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### Proposal No.3: Election of Three Directors

It is proposed that three Directors be elected increasing the number of Directors for the purpose of reinforcing the management of the Company to function as an integrated production-distribution operation.

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	Harunari Miyashita (May 21, 1952)	4/1975 Joined General Sekiyu K. K. (currently TonenGeneral Sekiyu K. K.) 6/2002 Director, Industrial & Wholesale Manager, ExxonMobil Yugen Kaisha (“EMYK”) 12/2002 Representative Director, Vice President (Lubricants & Petroleum Specialties), EMYK (Present)	None
2	Takashi Hirose (March 29, 1961)	11/1988 Joined Mobil Sekiyu K. K. (currently ExxonMobil Yugen Kaisha (“EMYK”)) 5/2005 Senior Strategy Advisor, ExxonMobil Corporation 11/2007 Assistant Fuels Marketing Manager, EMYK 9/2008 Director, Retail Manager, EMYK (Present)	None
3	Toyofumi Imazawa (March 15, 1955)	4/1977 Joined General Sekiyu K. K. (currently TonenGeneral Sekiyu K. K.) 8/2002 New Business Manager, ExxonMobil Yugen Kaisha (“EMYK”) 9/2008 Director, FM Planning & Projects Manager and New Business Manager, EMYK 9/2008 Director, Chuo Sekiyu Hanbai Kabushiki Kaisha (Present) 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 (Present)	5,000

Notes: 1. The above candidates Messrs. H. Miyashita, T. Hirose and T. Imazawa are Directors of EMYK. EMYK is a parent company of TG, and is engaged in the same business as the Company (sales of petroleum products). The Company supplies petroleum products and entrusts its marketing and administrative functions to EMYK. In addition, EMYK entrusts logistics services to the Company.

2. A subsequent event which occurred after the 92<sup>nd</sup> term closing with significant implications for the relationship between the Company and EMYK is described in “1. Business Overview - (4) Issues to be Addressed By The TG Group”.

**Proposal No. 4: 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 3/2004 Statutory Auditor, Tonen Chemical Corporation (“TCC”) 3/2007 Full-time Statutory Auditor, TCC 3/2007 Statutory Auditor, TG 6/2007 Full-time Statutory Auditor, TG 6/2007 Statutory Auditor, TCC 3/2009 Alternate Statutory Auditor, TG (Present)	10,000

- Notes: 1. The above candidate has no special interest with the Company.
2. Mr. Hisayoshi Kobayakawa is a candidate for an 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 duties as an Outside Statutory Auditor.

## **Proposal No. 5: Revision of the Amount of Remuneration for Directors**

The amount of remuneration to be paid to Directors of the Company was approved at the 78th Ordinary General Meeting of Shareholders held on June 26, 1998, as no more than 30 million yen per month for Directors and this has continued to the present.

Considering that the Company intends to increase in the number of Directors for the purpose of reinforcing the management of the Company to function as an integrated production-distribution operation, and the possibility that the intended revision will necessitate greater flexibility in our future remuneration policy, we propose changing the basis of remuneration from a monthly basis to a yearly basis, and revising amount of remuneration for Directors to no more than 700 million yen per year (including no more than 70 million yen per year for Outside Directors).

In addition, the Director compensation ceiling is being increased to reflect the fact that when the Company acquires the share capital of ExxonMobil Yugen Kaisha (“EMYK”), the portion of their total remuneration that some directors receive from holding concurrent positions in EMYK will be reduced and as a consequence more of that remuneration will be provided by the Company as Director’s compensation.

As has been the case until now, the amount of compensation for Directors to be proposed will not include the portion of compensation allocated to the position of an employee who is serving concurrently as a Director.

Currently there are nine Directors including two Outside Directors. When Proposal No.3 is approved, there will be 12 directors including two Outside Directors.