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 8, 2012

To the Shareholders

P. P. Ducom
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 92nd 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, 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 26, 2012 or to 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" in 52 page.

1. Date & Time: Tuesday, March 27, 2012 at 10:00 a.m.
2. Venue: In the room "Pegasus", 1F, Hotel Nikko Tokyo
   9-1, Odaiba 1-chome, Minato-ku, Tokyo
3. Purposes:

Items for Report:

Item No.1: Report of Business Report, and Consolidated Financial Statements for the 92nd Business Term (from January 1, 2011 to December 31, 2011), and Audit Reports for Consolidated Financial Statements by Accounting Auditor and the Board of Statutory Auditors

Item No.2: Report of Financial Statements for the 92nd Business Term (from January 1, 2011 to December 31, 2011)

Items for Resolution:

Proposal No. 1: Retained Earnings Distribution

Proposal No. 2: Partial amendment to the Articles of Incorporation

Proposal No. 3: Election of Three Directors of the Board

Proposal No. 4: Election of One Alternate Statutory Auditor

Proposal No. 5: Revision to the Amount of Director Compensation

4. Exercise of Voting Rights:

<Internet Disclosure>

Information concerning the items 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 of the Consolidated Financial Statements

② Notes to the 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.

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- 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)
- This is a convocation notice, attachments (the Business Report, Consolidated Financial Statements and Financial Statements), and Reference Materials for the TG Shareholders' Meeting on March 27, 2012.
- An English translation of these documents has been placed on the Company's web-site.

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BUSINESS REPORT

(For the year ended December 31, 2011)

1. Business Overview

(1) Developments and Results of Operations

< General Business and Industry Conditions >

The Japanese economy experienced negative growth due to stagnant private consumption and export capacity disruption caused by the Great East Japan Earthquake Disaster in March. The economy recovered sharply at the beginning of the second half of the period, owing to supply chain recovery. However, growth weakened late in the year as a result of the European economic slowdown arising from sovereign debt concerns and the flooding in Thailand.

The Dubai spot price, used as a crude price benchmark in the Asia region, increased from around 90 dollars per barrel reaching around 120 dollar per barrel in late April. The price fluctuated between around 100 and 110 dollars per barrel later in the year and closed at 105 dollars per barrel by the end of the year. The average price for the year was 106 dollars per barrel, up 28 dollars (36 percent) from the previous year. The yen-US dollar exchange rate (TTS) hovered between 80 and 85 yen per dollar during the first half of the year, but appreciated to between 77 and 80 yen per dollar in the second half of the period ending with a rate of 78 yen per dollar. The 2010 average rate was 80.83 yen per dollar, an appreciation of 7.97 yen versus the previous year. As a result, the yen equivalent average price for Dubai crude (at loading point) for the period was 54.1 yen per liter, an increase of 10.5 yen (24 percent) versus the previous period.

The Great East Japan Earthquake Disaster adversely affected domestic petroleum demand. Whereas Fuel Oil C demand surged due to the shutdowns of nuclear power plants following the Earthquake, demand for all other products was lower than the previous year. Mogas had shown some recovery in 2009 and 2010, but returned to a negative trend this year.

The petrochemical industry experienced several major challenges in 2011. Ethylene demand loosened due to pressure on ethylene derivatives within Asia from low-cost ethane gas crackers in Middle East. Factors such as the European economic slowdown and China (PRC) monetary policy were also unfavorable for commodity chemical demand. In addition, flooding in Thailand interrupted automobile production in that country causing an excess of supply over demand for both propylene and butadiene which are widely used for automotive applications.

< TonenGeneral Sekiyu's Results for the Term >

TonenGeneral Sekiyu K. K. (TG) consolidated net sales for 2011 amounted to 2,677.1 billion yen, an increase of 278.4 billion yen or 11.6 percent versus the previous year, primarily due to higher prices for petroleum and petrochemical products versus 2010.

Consolidated operating income was 216.2 billion yen, an increase of 182.7 billion yen versus the previous year. Oil segment operating income was 211.8 billion yen, an increase of 180.3 billion yen versus the previous year. The Chemical segment had 4.4 billion yen of operating income, an increase of 2.4 billion yen versus the previous year. Improved Oil segment results were mainly attributable to inventory effects of 187.7 billion yen in this segment related to the inventory valuation method change from LIFO (last in first out) to WAC (weighted average cost). The factors slightly offsetting the improvement versus the previous year's result were a modest decline in oil product margins, reduced domestic demand, and some unplanned refinery unit outages. The increase in Chemical results versus the previous year was mainly due to factors such as positive inventory effects of 1.4 billion yen due to the inventory valuation method change noted in the Oil segment, and the absence of last year's unfavorable impact attributable to the regular turnaround at the Kawasaki site.

Consolidated ordinary income was 217.6 billion yen, an increase of 180.5 billion yen versus the previous year, primarily due to the addition of non-operating items including foreign exchange gains.

With extraordinary items such as asset divestment gains and losses and income tax charges, consolidated net income amounted to 132.8 billion yen, an increase of 89.9 billion yen versus the previous year.

The following table shows net sales and operating income by segment in 2011.

Millions of yen

	Oil	Chemicals	Consolidated
Net Sales	2,425,189	251,925	2,677,115
Operating Income	211,791	4,399	216,191

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 12, 2011.

<Oil Business Results>

- Production -

Crude runs at the Kawasaki, Sakai and Wakayama refineries in 2011 decreased by 4.1 percent versus the previous year to a total of 25,807 thousand kl, with topper utilization at 67 percent.

The Kawasaki Refinery experienced an emergency shutdown on March 11, 2011, but had restarted full operation by March 18. At the Sakai Refinery, we accomplished a large-scale scheduled turnaround without any incidents and made facility modifications in order to improve reliability and efficiency. We installed gasoline product export facilities at Wakayama for export profitability improvement.

We are continuing 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 refining feedstocks. Closer communication with marketing function contributed profit improvement as well.

- Marketing -

Overall sales volumes for oil products in 2011 decreased by 3.1 percent to 28,633 thousand kl mainly reflecting weakening domestic demand after the earthquake and some unplanned refinery unit outages.

The following table shows sales results by product in 2011.

Oil Product	Sales Volume Thousand kl	Net Sales Millions of yen
Gasoline	11,591	1,395.430
Kerosene & Diesel Fuel	8,816	586,273
Fuel Oil and Crude	5,470	298,935
Lube	430	43,025
LPG and Others	2,325	101,525
Total	28,633	2,425,189

TG has entrusted its marketing business to ExxonMobil Yugen Kaisha (EMYK), TG's parent company. EMYK operates the marketing business through one integrated marketing strategy for the ExxonMobil Japan Group, using the ESSO and Mobil brands and the Company's GENERAL brand. The information provided on marketing activities below makes reference to ExxonMobil Japan Group statistics unless noted otherwise.

We hold a firm belief 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 ExxonMobil Japan Group including TG has expanded the network of 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 60 in 2011. Express stations account for approximately 24 percent of the total number of ExxonMobil Japan Group (including TG) service stations, and the total retail gasoline and diesel oil volume of Express stations had reached 57 percent of our retail sales volume in 2011.

Regarding initiatives to enhance customer service, the Synergy Card program was renewed in 2010 with an aim to further enhance convenience and value to customers. Since then, the Synergy Card has achieved great success; we have issued about 150,000 new cards in 2011 bringing the total number of Synergy Card holders to over 1,000,000 this year. The number of our corporate card users reached almost 640,000 and as a combined result of these achievements, the card sales ratio of ExxonMobil Japan Group's entire Retail sales stood at 35 percent.

As for the expansion of Speedpass (the ExxonMobil Japan Group's special key-chain attachable wireless payment device), which is designed to enhance the quality of self service, cumulative Speedpass issuance surpassed 3,000,000 by the end of 2011. As further initiatives to elevate convenience for customers and promote added value, we have implemented effective promotions together with Doutor Coffee Shops, promotions of lube sales highlighting Mobil 1 and improved customer service and service station cleanliness. In addition, we commenced a pilot test of a "compact type" Seven-Eleven convenience store at 4 company-operated Express stations. This is a completely new concept utilizing existing facilities at service stations. We are reviewing the performance of the pilot sites with an eye to a nationwide launch in the near future.

<Chemical Business Results>

In our basic chemicals business, which includes olefins and aromatics, the impact of the East Japan Disaster was fortunately modest. Our Kawasaki petrochemical plant continued normal operation after a temporary cutback. However, ethylene production was reduced in June due to a mechanical issue at the steam cracker. In the second half of the period, production decreased due to unfavorable economics. As a result, our olefins sales volume was lower than the annual plan although higher than the previous year when the large-scale scheduled turnaround was conducted.

Our paraxylene and benzene sales volume decreased versus the previous year due to the impact of scheduled turnarounds at Sakai and Wakayama petrochemical units which typically occur every four years.

The following table shows sales results by product in 2011.

Chemical Product	Sales Volume Thousand tons	Net Sales Millions of yen
Olefins and Others Aromatics	1,561 735	170,922 81,002
Total	2,296	251,925

In specialty chemicals, a major competitor's plant producing specialty solvents widely used in the electronics materials sectors was shut down due to damage by the East Japan Disaster. As a consequence, a country-wide shortage of the product developed, especially for critical sectors such as daily necessities, infrastructure and basic industrial materials. We allocated volume to certain prioritized end-use sectors in cooperation with Ministry of Economy, Trade and Industry (METI), and successfully secured supply for those sectors most critical to society. Sales volumes of adhesives for disposable diapers and tires continuously increased due to expanding demand in China.

As for our battery separator film (BSF) business joint venture with Toray Industries, Inc., an amicable dissolution of the joint venture with the agreement of both partners became effective January 31, 2012. The Company anticipates a one-time extraordinary income of 16.4 billion yen from the transaction for full-year 2012.

While the business will now continue under Toray's sole ownership, we remain proud of our historical role in developing the BSF technology that has made lithium-ion batteries smaller, less expensive and safer. Meanwhile, we recognize that given the characteristics of the BSF business, its future may be best ensured via a single owner possessing a broad portfolio of films and other products.

We would also like to note the contribution made by the co-generation unit of our Kawasaki petrochemical plant during the power shortage in the summer of 2011. We fully utilized gas turbine generation with tail gas from the steam cracker not only to maintain our production but also to supply electricity to the public power grid during the summer.

<Corporate Citizenship>

Based on our belief that a company is one of the citizens that makes up a society, we strive to be a good corporate citizen in all of the communities in which we operate. To this end, we pursued the continuation of flawless operations by conducting all of our business activities with high standards of safety, concern for the environment, and an unwavering commitment to business integrity and corporate ethics.

To maintain our high standards of safety, we continued to implement safety management for both our people and our work processes. In order to ensure the safety of our employees, contractors, customers and local communities, we employed the Loss Prevention System in all of our workplaces. With this system, we focus on human behavior to identify and eliminate the root causes of incidents as well as near-misses and the undesirable behavior that precedes them. In the interest of conducting our business operations in an environmentally sound manner, we are actively addressing the difficult challenge of providing the energy needed to meet demand while reducing greenhouse gas emissions associated with the production and use of petroleum and petrochemical products. These efforts yielded further energy efficiency improvements in 2011. In accordance with our commitment to business integrity and high ethical standards, our directors and employees undergo periodic training to ensure that they conduct their business activities in an appropriate manner. In addition, we continued to have our directors and employees complete an annual written compliance statement indicating that they have executed their operations in compliance with company policies or noting any exceptions. We also continued to strengthen our ties with local communities through our wide-ranging social contributions and support for cultural activities, including our efforts to promote health and welfare, community interaction, education, and culture and the arts.

In response to the March 11 Great East Japan Earthquake, the ExxonMobil Japan Group including TonenGeneral Sekiyu initiated action in accordance with the Group's earthquake disaster response plan immediately after the quake occurred. An emergency task force team was rapidly activated to address issues such as the safety of employees and their families, impacts on the environment, a system for supplying oil products and joint support activities in cooperation with industry and the government.

With all of the oil facilities along the Pacific coast of the Tohoku region rendered inoperable by the earthquake and tsunami, the ExxonMobil Japan Group, including TonenGeneral Sekiyu, took immediate action for the restoration of the Shiogama terminal in Miyagi Prefecture, enabling the resumption of product shipments just nine days after the quake. Once restored, the terminal was also used by other oil companies and fulfilled an important role as a base for supplying fuel to the Tohoku region in the wake of the disaster.

One month after the quake, all of the service stations in the city of Rikuzentakata in Iwate Prefecture were still inoperable due to damage from the disaster. To remedy the situation, the ExxonMobil Group including TonenGeneral Sekiyu, with the cooperation of the Ministry of the Economy, Trade and Industry and the Fire and Disaster Management Agency, installed a temporary service station in Rikuzentakata equipped with containers normally used for transporting specialty chemicals, the first of its kind. The facility, which was completed on April 21 and handed over to the city of Rikuzentakata free of charge the following day, became an important base for supplying much-needed fuel to local residents.

In an effort to contribute directly to the communities in the quake-stricken region, we distributed 100,000 coupons redeemable for 10 liters of gasoline, diesel or kerosene to approximately 30 local government bodies in Iwate, Miyagi and Fukushima, the three prefectures worst-hit by the disaster, where local officials determined how to utilize the coupons most effectively.

(2) Financing

Capital expenditures in 2011 were financed by the Company's own funds, without depending on new long-term bank borrowings or issuance of either equity or corporate bonds. The outstanding debt balance of TG on a consolidated basis was 63.3 billion yen at the end of 2011, an increase of 10.3 billion yen versus 2010. 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.

(3) Capital Investment

Capital expenditures for 2011 totaled 12.9 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 energy efficiency of our production units. We also continued the investment begun past year in a next-generation process control system at Kawasaki.

(4) Issues to be Addressed By The TG Group

< Business Environment Related>

As for the guideline by METI in July 2010 requiring that all refining companies increase the ratio of bottom-cracking to topper capacity by March 2014, we continue to assess both investment and capacity reduction options. We will only make a final decision much closer to the required compliance date driven by the practical aspects of implementing the chosen compliance approach.

In addition to the above, the business environment in which we operate is anticipated to experience continued pressure on volumes and margins in 2012. In this business environment, all functions of our Oil and Chemical segments will continue to work together to pursue efficiency and profitability improvement.

In our Oil business, we will continue to focus on effective utilization of secondary units and full capture of integration synergies among the refining and chemical businesses. In marketing, we will continue to focus on further enhancement of the Express brand value and further expansion of the alliance network with convenience stores. In our Chemical business, we will continue to enhance the cost competitiveness of our basic chemicals business and to further enhance our specialty chemicals business.

< Acquisition of Share Capital of ExxonMobil Yugen Kaisha and the Transition to a New Alliance with Exxon Mobil Corporation >

On January 29, 2012, the Company agreed with an affiliate of Exxon Mobil Corporation (*1) that it would acquire 99% of the issued share capital of ExxonMobil Yugen Kaisha (EMYK) through a transaction expected to close on June 1, 2012. The affiliate and EMYK are currently both wholly-owned subsidiaries of Exxon Mobil Corporation, which currently owns a controlling interest in the Company indirectly through EMYK. ExxonMobil affiliates will retain 80 million of the TG shares now owned by EMYK. Consequently, after the transaction is completed, an Exxon Mobil Corporation affiliated company will continue to be a major but non-controlling shareholder of the Company. The acquisition involves a purchase price of 302 billion yen (*2) and the Company intends to use a part of its cash on hand (which totaled approximately 100 billion yen at the end of December 2011) as well as bank borrowings to fund the purchase price.

(*1) ExxonMobil Asia International Limited Liability Company SARL

(*2) Prior to the acquisition, there will be some adjustments to the purchase price such as taking into account the cash ExxonMobil Yugen Kaisha will have received through the divestment of a part of the asset and business.

Further details regarding these transactions are described in “Notes of the Consolidated Financial Statements - 7. Significant subsequent events” which is posted on the Company’s web-site.
(http://www.tonengeneral.co.jp/apps/tonengeneral/english/ir/stockinformation/g-mtg.html)

In addition to this transaction maintaining capital ties with Exxon Mobil Corporation, the Company and EMYK (collectively, together with the Company’s subsidiaries and affiliates, the “Company Group”) will combine to form an integrated production-distribution-marketing operation, and enter into a new business alliance with Exxon Mobil Corporation. The Company hereby endeavors to take a new step toward further enhancing the competitiveness of the Company Group, and its existing four businesses (Refining and Supply, Fuels Marketing, Lubricants and Specialties, and

Chemical). Through the Transaction, the Company aims to realize the goals below:

i. Further strengthen integration among the businesses through common management of production and marketing.

ii. Develop and secure local investment opportunities that are appropriate for the Japanese market environment including greater collaboration with other companies as well as effective investments in energy conservation.

iii. Generate stable and continuous profits and cash flows by combining the Company's portfolio with that of EMYK whose petroleum products sales business has high efficiency and profitability.

The Company Group will have exclusive rights to use Exxon Mobil Corporation's brands in Japan. The Company Group will continue to deliver products and services under the 'Esso', 'Mobil', and 'General' brands to customers, distributors and dealers, and also further strengthen its business alliance with Exxon Mobil Corporation affiliated companies as it relates to the lubricant business represented by the 'Mobil 1' brand. Moreover, the company continues to enjoy use of Exxon Mobil Corporation affiliated companies' technology and technological support relating to oil refining and petrochemicals, and also continues cooperation with Exxon Mobil Corporation affiliated companies in crude procurement.

< Business Strategy Ahead>

While the restructuring described above is a significant step for the Company and presents many opportunities, the Company fully intends to retain the fundamental principles that have guided the Company Group successfully in the past as we move into the new organization. The first is our emphasis on flawless operations. The new organization is predicated on a firm foundation of operations integrity management that has given us industry-leading performance in safety and environmental protection. The second, our high ethical standards, effective corporate governance and standards of business conduct, and transparency in our financial reporting are consistent principles in the management of the new organization. Third, all investment proposals will be subject rigorous evaluation as they are today. We are known in the industry for our strong self-help measures and relentless focus on increased efficiency, and for maintaining a healthy financial base. Finally, we will maintain the current shareholder-oriented management policies of competitiveness, capital efficiency, and provision of a stable dividend.

Through adapting quickly to changing customer needs and providing high value-added products and services, we will strive to maximize shareholder returns, and furthermore contribute to society as an energy company, fulfilling its social responsibilities to provide a reliable supply of energy.

The continued interest and support of our shareholders will always be highly appreciated.

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

	89th Term Jan. 1,'08-Dec.31,'08	90th Term Jan. 1,'09-Dec.31,'09	91st Term Jan. 1,'10-Dec.31,'10	92nd Term Jan. 1,'11-Dec.31,'11
Sales revenue (M ¥)	3,272,429	2,111,753	2,398,718	2,677,115
Operating income (M¥)	121,742	(34,559)	33,528	216,191
Ordinary income (M¥)	131,290	(34,545)	37,011	217,552
Net income (M ¥)	79,285	(21,718)	42,873	132,779
Net income per share (¥)	140.34	(38.46)	75.95	235.26
Total assets (M¥)	901,598	875,177	906,846	1,113,517
Net assets (M ¥)	270,500	227,359	248,295	359,473
Number of consolidated companies	7	7	5	5
Number of affiliates on equity basis	2	2	6	6

Notes: 1. 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).

2. ( ) represents loss.

3. 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.

4. Note that from 2011, 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).

(6) Parent Company and Affiliates

1) Relationship with Parent Company

The Company's parent company is ExxonMobil Yugen Kaisha ("EMYK," Head Office: Minato-ku, Tokyo), which holds 282,708 thousand shares, or 50.02% of shares outstanding. The capital amount of EMYK is ¥50 billion and its main business is sales of petroleum products. EMYK is a 100% indirect subsidiary of Exxon Mobil Corporation of the U.S.A ("EMC").

The main elements of the relationship between the Group and EMYK are as follows.

- The Company supplies petroleum and chemical products to EMYK.
- The Company is entrusted with certain logistics functions of EMYK.
- EMYK is entrusted with marketing and administrative functions of the Group.
- The Company and Tonen Chemical Corporation, the Company's wholly-owned subsidiary, utilize EMYK as an agent to centralize its sales and logistics operations in the chemical business.
- Employees of both the Group and EMYK have been dispatched to the other in relation to the entrustment agreements above.
- Four Directors of the Company are serving concurrently as Directors of EMYK.
- The Group has concluded agreements in relation to crude oil, products and feedstocks supply, services, and technical support with some ExxonMobil affiliated companies abroad.

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

2) Consolidated Companies and Equity Companies

The numbers of consolidated companies and equity companies are five and six 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
Chemical Segment			
Tonen Chemical Corporation	1,000	100.0	Manufacture and sale of petrochemicals
Tonen Chemical Nasu Corporation	300	100.0	Manufacture and sale of petrochemicals

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

2. Tonen Technology Kabushiki Kaisha and Tonen Chemical Corporation converted their entity forms from *Kabushiki Kaisha* to *Godo Kaisha* as of December 5, 2011.

(ii) Equity Companies

Name of Company	Capital	Ownership	Major Business
	¥ million	%	
Oil Segment			
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
Toray Tonen Specialty Separator Godo Kaisha	301	50.0	Manufacture and sale of petrochemicals
Toray Tonen Specialty Separator Korea Limited	67.8 won billion	50.0	Manufacture and sale of petrochemicals
Toray Tonen Services Godo Kaisha	300	50.0	Manufacture and sale of petrochemicals

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

2. The capital of Toray Tonen Specialty Separator Korea Limited became 67.8 won billion as of December 8, 2011 due to a capital injection to support business expansion.

3. As a consequence of redemption of the TG subsidiaries' interests in Toray Tonen Specialty Separator Godo Kaisha, TG'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.

(7) Major Business of the Group (As of December 31, 2011)

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, Battery Separator Film, etc.

(8) Principal Places of Operation of the Group (As of December 31, 2011)

Company Name	Division	Location
The Company	Head Office	Minato-ku, Tokyo
	Kawasaki Refinery	Kawasaki City, Kanagawa Pref.
	Sakai Refinery	Sakai City, Osaka-fu
	Wakayama Refinery	Arida City, Wakayama Pref.
	Research Center	Kawasaki City, Kanagawa Pref.
Tonen Chemical Corporation	Head Office	Minato-ku, Tokyo
	Kawasaki Plant	Kawasaki City, Kanagawa Pref.

(9) Employees of the Group (As of December 31, 2011)

Segment	Number of Employees	Change from Previous Term
Oil Segment	1,786	Increase of 6
Chemical Segment	385	Decrease of 13
Total	2,171	Decrease of 7

Notes: 1. The number of employees does not include loaned-out employees, but includes loaned-in employees.

2. The Group has concluded business entrustment agreements with EMYK as shown in "1) Relationship with Parent Company of (6) Profile of TonenGeneral Group and Development of Business Affiliation," which resulted in 260 loaned-out employees to EMYK and 116 loaned-in employees from EMYK.

(10) Major Sources of Loans (As of December 31, 2011)

Lender	Amount of Loan Outstanding
	¥ million
Japan Oil, Gas and Metals National Corporation	59,133
Sumitomo Mitsui Banking Corporation	2,223
Development Bank of Japan	1,762

(11) Other Important Items for the Group

There are no applicable items.

2. Shares of the Company (As of December 31, 2011)

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: 808,432 shares)

3) Number of shareholders: 49,074

(Decrease of 2,444 from the end of the previous term)

4) Major Shareholders (Top 10)

Name	Number of Shares Held	Shareholding Ratio
	thousands	%
ExxonMobil Yugen Kaisha	282,708	50.09
Japan Trustee Services Bank, Ltd. (Trust Account)	12,412	2.20
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,779	1.91
Kochi Shinkin Bank	8,574	1.52
Barclays Capital Securities Co. Ltd	6,000	1.06
SSBT OD05 Omnibus Account – Treaty Clients	5,692	1.01
Nippon Life Insurance Company	4,181	0.74
State Street Bank and Trust Company 505225	2,966	0.53
State Street Bank West Client – Treaty	2,714	0.48
Japan Trustee Services Bank, Ltd. (Trust Account 1)	2,439	0.43

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

3. Stock Options of the Company

The Company has not issued stock options.

4. Directors and Statutory Auditors of the Company

(1) Directors and Statutory Auditors (As of December 31, 2011)

Name	Position	Responsibility and Important Concurrent Status
M. J. Aguiar	Director and Chairman of the Board	Chairman & Managing Director, ExxonMobil Asia Pacific Pte. Ltd. Director, ExxonMobil Yugen Kaisha ("EMYK")
P. P. Ducom	Representative Director and President	Representative Director and President, EMYK President, Tonen Chemical Corporation ("TCC") Representative Director and Chairman, Nippon Unicar Company Limited ("NUC")
Jun Mutoh	Representative Director and Managing Director	Kawasaki Refinery Manager
S. K. Arnet	Director	Representative Director, Vice President (Fuels Marketing), EMYK
D. R. Csapo	Director	Director, Business Services Manager/Controller, EMYK
Yasushi Onoda	Director	
Tomohide Miyata	Director	Wakayama Refinery Manager
Yukinori Ito	Director	
Masaoki Funada	Director	
Tetsuro Yamamoto	Full-time Statutory Auditor	
Masaaki Ayukawa	Full-time Statutory Auditor	
Masahiro Iwasaki	Full-time Statutory Auditor	

Notes: 1. Mr. Yukinori Ito and Mr. Masaoki Funada are Outside Directors and the names of them were notified to the Tokyo Stock Exchange as Independent Directors.

2. Mr. Tetsuro Yamamoto and Mr. Masaaki Ayukawa are Outside Statutory Auditors and the names of them were notified to the Tokyo Stock Exchange as Independent Statutory Auditors.

3. 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.

4. Mr. Yasushi Onoda, Mr. Tomohide Miyata, Mr. Yukinori Ito and Mr. Masaoki Funada were first elected as Directors at the Ordinary General Meeting of Shareholders held on March 25, 2011, and assumed their positions on the same date.

5. Mr. Masahiro Iwasaki, Statutory Auditor, assumed the position of Full-time Statutory Auditor as of December 6, 2011.

6. 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.

7. The relationship of the Company with EMYK, TCC and NUC is described in “1. Business Overview - (6) Parent Company and Affiliates”.

8. ExxonMobil Asia Pacific Pte. Ltd. is a 100% indirect subsidiary of Exxon Mobil Corporation, as is EMYK, the parent company of the Company.

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

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

	Number	Current Payment
		¥ Million
Directors	4	127
(Outside Directors of Above)	(2)	(22)
Statutory Auditors	3	53
(Outside Statutory Auditors of Above)	(2)	(41)
Total	7	180
	(4)	(63)

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 employees for those who also work as Directors.

(3) Matters concerning Outside Officers

Major activities at Board Meetings

Mr. Yukinori Ito, Director, attended all the Board of Directors' meetings which were convened twelve times during the current term since his assumption of the position, 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 twelve times during the current term, demonstrating his expertise and useful experience concerning business operation, 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 fourteen times and seven 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 fourteen times and seven 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.

Outline of Limited Liability Contract

The Company, pursuant to Article 427, Paragraph 1 of the Companies Act and Article 25 of its Articles of Incorporation, has entered into contracts (limited liability contracts) with two Outside Directors to limit their liability for damages provided by Article 423, Paragraph 1 of the Companies Act to the amount provided by laws and ordinances.

The Company, pursuant to Article 427, Paragraph 1 of the Companies Act and

Article 33 of its Articles of Incorporation, has entered into contracts (limited liability contracts) with two Outside Statutory Auditors 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

21 ¥ million

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

23 ¥ 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.

1. **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.

2. **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.

3. 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.

4. 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 Board of Statutory Auditors ("BOSA") is an independent organ 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 Corporate Audit Service Department ("CAS") of ExxonMobil Yugen Kaisha ("EMYK"), the Company's parent company, pursuant to an agreement between the Company and EMYK under which administrative and service functions are entrusted by the Company to EMYK (the "Comprehensive Service Agreement"). CAS shall independently assess compliance with policies and procedures, and evaluate the effectiveness of all control systems related to the business. Directors and managers shall be obligated to consider all internal audit findings and recommendations and take appropriate actions.

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

5. Systems for ensuring the appropriateness of practices of corporate groups formed by the company, its parent companies and its subsidiaries.

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

(1) consistent with the requirements of other members of the Group, employees and

Directors of the Company shall comply with the SMC and SBC;

(2) consistent with the requirements of other members of the Group, internal audit reviews of the Company shall be conducted by CAS under the Comprehensive Service Agreement in order to assess compliance with appropriate policies and procedures;

(3) consistent with the requirements of other members of the group, 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

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

6. 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 CAS pursuant to the Comprehensive Service Agreement. This assistance shall consist of:

(1) discussions with the Statutory Auditors of the Company on 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 CAS and the relevant department, and
iii) provision of a report on the internal audit results;

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

(4) investigations based on requests by the Statutory Auditors.

7. Items concerning such employees' independence from the Directors

CAS is the internal audit service for the ExxonMobil group in Japan including the Company. It is a separately established organization within EMYK, and functions independently from the Directors of the Company.

8. 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) CAS 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 EMYK shall report material items to BOSA periodically and as required by the BOSA, based on the Comprehensive Service Agreement.

(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.

9. 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 and relevant service providers under the Comprehensive Service Agreement 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, 2011

(Unit: Million yen)

Account Title	Amounts	Account Title	Amounts
Assets		**Liabilities**	
Current assets		**Current liabilities**	
Cash and deposits	280	Notes and account payable-trade	302,516
Notes and accounts receivable-trade	445,227	Gasoline taxes payable	180,890
Merchandise and finished goods	62,013	Short-term loans payable	61,056
Semi-finished goods	57,850	Income taxes payable	22,019
Raw materials	188,853	Accrued consumption taxes	9,728
Supplies	5,168	Guarantee deposits payable	7,822
Deferred tax assets	519	Deferred tax liabilities	8,471
Short-term loans receivable	103,846	Provision for bonuses	1,121
Other	8,726	Other	57,154
Allowance for doubtful accounts	(41)	**Total current liabilities**	**650,780**
Total current assets	**872,445**		
		Noncurrent liabilities	
Noncurrent assets		Long-term loans payable	2,231
Property, plant and equipment		Deferred tax liabilities	40,909
Buildings and structures	39,626	Provision for retirement benefits	40,870
Tanks	4,377	Provision for directors' retirement benefits	62
Machinery, equipment and vehicles	45,007	Provision for repairs	17,330
Tools, furniture and fixtures	2,124	Asset retirement obligations	691
Land	76,040	Other	1,168
Construction in progress	5,558	**Total noncurrent liabilities**	**103,262**
Total Property, plant and	**172,734**	**Total liabilities**	**754,043**
		Net assets	
Intangible assets		**Shareholders' equity**	
Leasehold right	1,492	Capital stock	35,123
Software	2,575	Capital surplus	20,742
Other	206	Retained earnings	304,566
Total intangible assets	**4,274**	Treasury stock	(697)
		Total shareholders' equity	**359,734**
Investments and other assets		**Accumulated other comprehensive income**	
Investment securities	50,805	Valuation difference on available-for-sale securities	(72)
Deferred tax assets	163		
Other	13,386	Foreign currency translation adjustment	(188)
Allowance for doubtful accounts	(293)		
Total investments and other assets	**64,062**	**Total accumulated other comprehensive's income**	**(261)**
Total noncurrent assets	**241,071**		
		Total net assets	**359,473**
Total assets	**1,113,517**	**Total liabilities and net assets**	**1,113,517**

Consolidated Statement of Income

January 1, 2011 through December 31, 2011

(Unit: Million yen)

Account Title	Amounts	
Net sales		**2,677,115**
Cost of sales		**2,428,148**
Gross profit		**248,966**
Selling, general and administrative expenses		**32,775**
Operating income		**216,191**
Non-operating income		
Interest income	117	
Dividends income	85	
Foreign exchange gains	1,083	
Equity in earnings of affiliates	345	
Other	79	1,710
Non-operating expenses		
Interest expenses	299	
Other	49	348
Ordinary income		**217,552**
Extraordinary income		
Gain on sales of noncurrent assets	1,958	
Reversal of provision for offshore well abandonment	654	2,613
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	644	
Loss on adjustment for changes of accounting standard for asset retirement obligations	545	
Impairment loss	43	1,233
Income before income taxes and minority interests		**218,933**
Income taxes - current	22,459	
Income taxes - deferred	63,693	86,153
Income before minority interests		**132,779**
Net income		**132,779**

Consolidated Statement of Changes in Net Assets

January 1, 2011 through December 31, 2011

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous year	35,123	20,741	193,234	(647)	248,451
Changes of items during the period					
Dividends from surplus	—	—	(21,447)	—	(21,447)
Net income	—	—	132,779	—	132,779
Purchase of treasury stock	—	—	—	(58)	(58)
Disposal of treasury stock	—	0	—	9	9
Net changes of items other than Shareholders' equity	—	—	—	—	—
Total changes of items during the period	—	0	111,332	(49)	111,283
Balance at the end of current year	35,123	20,742	304,566	(697)	359,734

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at the end of previous year	5	(161)	(156)	248,295
Changes of items during the period				
Dividends from surplus	—	—	—	(21,447)
Net income	—	—	—	132,779
Purchase of treasury stock	—	—	—	(58)
Disposal of treasury stock	—	—	—	9
Net changes of items other than Shareholders' equity	(78)	(26)	(105)	(105)
Total changes of items during the period	(78)	(26)	(105)	111,178
Balance at the end of current year	(72)	(188)	(261)	359,473

Balance Sheet

As of December 31, 2011

(Unit: Million yen)

Account Title	Amounts	Account Title	Amounts
Assets		**Liabilities**	
Current assets		**Current liabilities**	
Cash and deposits	16	Account payable-trade	306,228
Accounts receivable-trade	445,847	Gasoline taxes payable	180,890
Merchandise and finished goods	58,553	Short-term loans payable	59,133
Semi-finished goods	57,660	Current portion of long-term payable	1,754
Raw materials	188,853	Short-term loans payable to subsidiaries and affiliates	832
Supplies	4,079		
Prepaid expenses	3,054	Accounts payable-other	10,064
Short-term loans receivable	103,475	Accrued expenses	11,962
Short-term loans receivable from subsidiaries and affiliates	9,509	Income taxes payable	20,850
		Accrued consumption taxes	8,542
Accounts receivable-other	4,358	Deferred tax liabilities	8,471
Other	855	Advances received	4,851
Allowance for doubtful accounts	(41)	Guarantee deposits payable	7,813
Total current assets	**876,222**	Provision for bonuses	914
		Other	2,268
		Total current liabilities	**624,576**
Noncurrent assets		**Noncurrent liabilities**	
Property, plant and equipment		Long-term loans payable	2,231
Buildings	10,616	Deferred tax liabilities	68,139
Structures	25,995	Provision for retirement benefits	39,794
Tanks	4,246	Provision for directors' retirement benefits	62
Machinery and equipment	37,392	Provision for repairs	16,320
Vehicles	46	Asset retirement obligation	691
Tools, furniture and fixtures	1,926	Other	406
Land	67,227	**Total non-current liabilities**	**127,645**
Construction in progress	4,352	**Total liabilities**	**752,221**
Total property, plant and equipment	**151,803**	**Net assets**	
		Shareholders' equity	
		Capital stock	35,123
Intangible assets		Capital surplus	
Leasehold right	1,492	Legal capital surplus	20,741
Software	2,281	Other capital surplus	0
Right of using facilities	182	Total capital surplus	20,742
Total intangible assets	**3,955**	Retained earnings	
		Legal retained earnings	8,780
		Other retained earnings	
Investments and other assets		Reserve for property replacement	15,297
Investment securities	4,101	Retained earnings brought forward	301,081
Stocks of subsidiaries and affiliates	1,056	Total retained earnings	325,159
Investments in capital of subsidiaries and affiliates	88,500	Treasury stock	(697)
		Total shareholders' equity	**380,328**
Long-term deposits	2,353	**Valuation and translation adjustments**	
Other	4,778	Valuation difference on available-for-sale securities	(72)
Allowance for doubtful accounts	(293)		
Total investments and other assets	**100,495**	**Total valuation and translation adjustments**	**(72)**
Total non-current assets	**256,254**	**Total net assets**	**380,255**
Total assets	**1,132,477**	**Total liabilities and net assets**	**1,132,477**

Statement of Income

January 1, 2011 through December 31, 2011

(Unit: Million yen)

Account Title	Amounts	
Net sales		**2,680,197**
Cost of sales		**2,444,299**
Gross profit		**235,898**
Selling, general and administrative expenses		**25,946**
Operating income		**209,951**
Non-operating income		
Interest income	178	
Dividends income	1,524	
Foreign exchange gains	1,288	
Other	79	3,071
Non-operating expenses		
Interest expenses	248	
Other	27	276
Ordinary income		**212,746**
Extraordinary income		
Gain on sales of subsidiaries' stocks	86,383	
Gain on sales of noncurrent assets	1,958	
Reversal of provision for offshore well abandonment	654	88,996
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	612	
Loss on adjustment for changes of accounting standard for asset retirement obligations	545	
Impairment loss	44	1,202
Income before income taxes		**300,541**
Income taxes - current	20,878	
Income taxes - deferred	91,990	112,868
Net income		**187,672**

Statement of Changes in Net Assets

January 1, 2011 through December 31, 2011

(Unit: Million yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the end of previous period	35,123	20,741	—	20,741
Changes of items during the period				
Dividends from surplus	—	—	—	—
Net income	—	—	—	—
Purchase of treasury stock	—	—	—	—
Disposal of treasury stock	—	—	0	0
Provision 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 year	35,123	20,741	0	20,742

	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 end of previous period	8,780	14,733	135,420	158,934	(647)	214,152
Changes of items during the period						
Dividends from surplus	—	—	(21,447)	(21,447)	—	(21,447)
Net income	—	—	187,672	187,672	—	187,672
Purchase of treasury stock	—	—	—	—	(58)	(58)
Disposal of treasury stock	—	—	—	—	9	9
Provision of reserve for property replacement	—	563	(563)	—	—	—
Net changes of items other than Shareholders' equity	—	—	—	—	—	—
Total changes of items during the period	—	563	165,661	166,224	(49)	166,176
Balance at the end of current period	8,780	15,297	301,081	325,159	(697)	380,328

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the end of previous period	5	5	214,158
Changes of items during the period			
Dividends from surplus	—	—	(21,447)
Net income	—	—	187,672
Purchase of treasury stock	—	—	(58)
Disposal of treasury stock	—	—	9
Provision of reserve for property replacement	—	—	—
Net changes of items other than Shareholders' equity	(78)	(78)	(78)
Total changes of items during the period	(78)	(78)	166,097
Balance at the end of current period	(72)	(72)	380,255

1. Details of property, plant and equipment and intangible assets

(Unit: Million yen)

Category	Assets	Opening balance	Increase	Decrease	Current period depreciation	Closing balance	Accumulated depreciation	Closing acquisition cost
Property, plant and equipment	Buildings	11,346	261	184	806	10,616	27,954	38,570
	Structures	28,390	1,250	97	3,548	25,995	128,208	154,203
	Tanks	4,636	713	12	1,091	4,246	60,049	64,295
	Machinery and equipment	46,062	8,088	217	16,540	37,392	492,890	530,282
	Vehicles	76	0	0	30	46	830	877
	Tools, furniture and fixtures	1,336	1,414	18	806	1,926	8,698	10,625
	Land	67,812	-	584 (44)	-	67,227	-	67,227
	Construction in progress	5,328	10,640	11,616	-	4,352	-	4,352
	Total	164,989	22,370	12,731 (44)	22,825	151,803	718,632	870,435
Intangible assets	Leasehold right	1,511	-	19	-	1,492	-	1,492
	Software	2,272	1,197	705	482	2,281	5,950	8,231
	Rights of using facilities	211	7	0	35	182	2,578	2,760
	Total	3,995	1,204	725	518	3,955	8,528	12,484

(Note) 1. Impairment loss amounts are shown in parentheses in the “Decrease” column.

2. Major items included in the increase in property, plant and equipment are refinery operation system renewal (1.8 billion yen), terminal automation system replacement (0.9 billion yen), minor improvements to manufacturing facilities (about 270 items, 9.0 billion yen) at refineries and facility improvements for service stations (0.3 billion yen).

2. Details of provisions

Categories	Opening balance	Increase	Decrease		Closing balance
			Appropriation	Others	
	Million yen	Million yen	Million yen	Million yen	Million yen
Allowance for doubtful accounts	339	—	4	—	334
Provision for bonuses	935	914	935	—	914
Provision for offshore well abandonment	824	—	170	654	—
Provision for retirement benefits	36,050	6,399	2,656	—	39,794
Provision for directors' retirement benefits	48	14	—	—	62
Provision for repairs	16,329	5,808	5,817	—	16,320

(Note) Decrease-Others reflects the gain attributable to the full reversal of provision for offshore well abandonment reflecting fulfillment of the Company's obligation for site restoration.

3. Details of Selling, general and administrative expenses

Character of expense	Amounts	Remarks
	Million yen	
Employees' salaries and bonuses	6,360	
Retirement benefit expenses	1,598	
Provision for bonuses	257	
Directors' compensations	166	
Provision for directors' retirement benefits	14	
Freightage expenses	2,012	
Selling expenses	3,205	
Rent expenses	1,502	
Depreciation	1,482	
Repair expenses	1,192	
Subcontract expenses	2,072	
Business consignment expenses	437	
Taxes and dues	466	
Other	5,177	
Total	25,946	

Independent Auditors' Report
(English Translation*)

February 15, 2012

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 "Corporate Law" 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, 2011 to December 31, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit is performed on a test basis and includes assessing the accounting principles used by management including how they are applied and estimates made by management, as well as examining the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our 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.

Emphasis of Matter

1. As described in Change of accounting method, the Company changed its inventory valuation method form LIFO to WAC beginning in the current period in accordance with the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No.9 issued on September 26, 2008).

2. As described in Significant subsequent events, the Company entered into an agreement with ExxonMobil Asia International Limited Liability Company SARL to acquire 99.0% shares of ExxonMobil Yugen Kaisha based on the resolution at the Board of Directors meeting held on January 29, 2012.

3. As described in Significant subsequent events, the Company restructured its BSF joint venture with Toray Industries Inc, on January 31, 2012. Tonen Specialty Separator G.K. redeemed all units.

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountant Law 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 Auditors' Report

(English Translation*)

February 15, 2012

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) 1 of the "Corporate Law" 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 92nd fiscal year from January 1, 2011 to December 31, 2011. These financial statements and supplementary schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we obtain reasonable assurance about whether the financial statements and supplementary schedules are free of material misstatement. An audit is performed on a test basis and includes assessing the accounting principles used by management including how they are applied and estimates made by management, as well as examining the overall presentation of the financial statements and supplementary schedules. We believe that our audit provides a reasonable basis for our opinion.

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

Emphasis of Matter

1. As described in Change of accounting method, the Company changed its inventory valuation method form LIFO to WAC beginning in the current period in accordance with the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No.9 issued on September 26, 2008).

2. As described in Significant subsequent events, the Company entered into an agreement with ExxonMobil Asia International Limited Liability Company SARL to acquire 99.0% shares of ExxonMobil Yugen Kaisha based on the resolution at the Board of Directors meeting held on January 29, 2012.

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

（Translation）

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 92nd fiscal period from January 1, 2011 to December 31, 2011, as follows.

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

(1) On March 25, 2011, 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 (including business operations entrusted to ExxonMobil Y.K.), the refineries, the terminals, the oil storage site, the overseas affiliate, the major branches of ExxonMobil Y.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 their directors and Auditors. 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, which began in the middle of the year, we carefully followed the whole process of internal discussions and negotiations, from the beginning to the final stage, concerning the way to set objectives of the deal, the formation of transaction structures, the contents of various contracts, and the process of price setting. We audited the way the directors carried out their duties, especially whether they paid proper attention to the benefits of minor shareholders, with the help of outside specialists.

(10) 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.

(11) 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).

(Translation)

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 17, 2012

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 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
Article 2. (Purpose) The purpose of the Company shall be to engage in the following business:	Article 2. (Purpose) The purpose of the Company shall be to engage in the following business:
1. Manufacture, processing, purchase and sale, and import and export of petroleum and its by-products.	1. Manufacture, processing, purchase and sale, and import and export of petroleum and its by-products.
1. Manufacture, processing, purchase and sale, and import and export of petrochemical products and their feedstocks.	1. Manufacture, processing, purchase and sale, and import and export of petrochemical products and their feedstocks.
1. Manufacture, processing, purchase and sale, and import and export of liquefied gas, other gas and their by-products.	1. Manufacture, processing, purchase and sale, and import and export of liquefied gas, other gas and their by-products.
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.	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.
1. Manufacture, processing, purchase and sale, and import and export of pharmaceutical products, agricultural and industrial chemicals.	1. Manufacture, process, purchase and sale, and import and export of pharmaceutical products, agricultural and industrial chemicals.
[Newly provided]	1. 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

	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.
1. 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.	1. 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.
[Newly provided]	1. Explore, drill/produce and market petroleum, inflammable natural gas, bitumen, sulfur, and other general minerals.
1. Planning, inspection, construction, and selling and buying of civil engineering works and structures.	1. Planning, inspection, construction, and purchase and sale or other disposition of civil engineering works and structures.
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.	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.
1. Selling and buying, and leasing of real estate.	1. Sale, purchase, exchange, rent and lease real estate, and act as intermediary and administrator of real estate.
[Newly provided]	1. Restaurant and Convenience store business.
[Newly provided]	1. Marine transportation business.
[Newly provided]	1. Warehousing operation business.
1. Operation of travel business.	1. Operation of travel business.
1. Electricity Supply Business.	1. Electricity Supply Business.
1. Custody, transportation, various kinds of agency, and insurance agency that are related to the businesses described above.	1. Custody, transportation, various kinds of agency, and insurance agency that are related to the businesses described above.
1. Engineering work, acquisition of industrial proprietary rights and	1. Engineering work, acquisition of industrial proprietary rights and

consent to the exercise of them all associated with the items mentioned above. 1. Business incidental to the businesses described above.	consent to the exercise of them all associated with the items mentioned above. 1. Business incidental to or connected with the businesses described above.

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 92nd 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	10,000
	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)	

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.

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 26, 2012. 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.

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)