

[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.]

[Translation]

Reference Materials for the General Meeting of Shareholders (Additional Volume)

Agenda No. 3: Approval of the Absorption-type Merger Agreement with EMG Marketing Godo Kaisha

The Contents of the Financial Statements of EMG Marketing Godo Kaisha
for the Last Fiscal Year (from January 1, 2015 to December 31, 2015)

Balance Sheet	Page 1
Statement of Income	Page 2
Statements of Changes in Net Assets	Page 3
Notes to Non-Consolidated Financial Statements	Page 4 to Page 5

TonenGeneral Sekiyu K.K.

Balance Sheet

As of December 31, 2015

(Unit : MYen)

Account title	Amounts	Account title	Amounts
Assets		Liabilities	
Current Assets		Current Liabilities	
Cash and deposits	3,238	Accounts payable-trade	129,747
Accounts receivable-trade	63,068	Short-term loans payable	5,000
Merchandise and finished goods	13,236	Accounts payable-other	2,051
Prepaid expenses	3,391	Accrued expenses	6,801
Income taxes receivable	28	Gasoline taxes payable	1,103
Deferred tax assets	266	Income taxes payable	1
Short-term loans receivable	54,911	Consumption tax payable	1,146
Accounts receivable-other	3,925	Guarantee deposits payable	9,434
Allowance for doubtful accounts	(282)	Advances received	14,777
Total current assets	141,785	Provision for bonuses	378
Non-current Assets		Asset retirement obligation	250
Property, plant and equipment		Other	387
Buildings	9,045	Total current liabilities	171,080
Structures	9,881	Non-current Liabilities	
Tanks	295	Provision for retirement benefits	51,873
Machinery and equipment	3,495	Provision for repairs	963
Vehicles	25	Asset retirement obligation	1,569
Tools, furniture and fixtures	1,097	Other	1,616
Land	68,516	Total non-current liabilities	56,022
Construction in progress	327	Total liabilities	227,102
Total property, plant and equipment	92,685	Net assets	
Intangible assets		Partners' capital	
Leasehold right	6,174	Capital	20,000
Software	4,773	Retained earnings	
Other	892	Retained earnings brought forward	12,960
Total intangible assets	11,840	Total retained earnings	12,960
Investments and other assets		Total partners' capital	32,960
Deferred tax asset	8,958	Valuation and translation adjustments	
Investment securities	1,761	Valuation difference on available-for-sale securities	835
Investment of capital of subsidiaries and affiliates	321	Total valuation and translation adjustments	835
Long-term loans receivable	31	Total net assets	33,796
Long-term prepaid expenses	769	Total liabilities and net assets	260,899
Long-term deposits	2,518		
Other	260		
Allowance for doubtful accounts	(33)		
Total investments and other assets	14,588		
Total non-current assets	119,114		
Total assets	260,899		

Statement of Income

From January 1, 2015

To December 31, 2015

Account title	Millions of Yen	
Net sales		1,452,035
Costs of sales		1,387,204
Gross profit		64,830
Selling, general and administrative expenses		53,794
Operating income		11,036
Non-operating income		
Interest income	132	
Dividends income	84	
Other	80	297
Non-operating expenses		
Interest expenses	124	
Foreign exchange losses	103	
Other	44	272
Ordinary income		11,061
Extraordinary income		
Gain on transfer of business	2,280	
Gain on sales of noncurrent assets	1,562	3,843
Extraordinary loss		
Settlement package	70,049	
Loss on sales and retirement of noncurrent assets	577	
Impairment loss	779	71,406
Loss before income taxes		△ 56,501
Income taxes-current	1	
Income taxes-deferred	5,602	5,604
Net loss		△ 62,106

Statements of Changes in Net Assets

From January 1, 2015

To December 31, 2015

(Unit : MYen)

	Partners' capital		
	Partners' capital	Retained earnings	
		Legal retained earnings	Other retained earnings
			Reserve for property replacement
Balance as of YE2014	20,000	5,375	12,924
Changes of items during the period			
Dividend paid			
Net income			
Reversal of legal retained earnings		Δ 5,375	
Reversal of reserve for property replacement			Δ 12,924
Net changes of Items other than partners' capital			
Total balance changes in current period	-	Δ 5,375	Δ 12,924
Balance as of YE2015	20,000	-	-

	Partners' capital		
	Retained earnings		Total
	Other retained earnings	Total	
	Retained earnings brought forward		
Balance as of YE2014	56,766	75,066	95,066
Changes of items during the period			
Dividend paid			
Net income	Δ 62,106	Δ 62,106	Δ 62,106
Reversal of legal retained earnings	12,924	-	-
Reversal of reserve for property replacement	5,375	-	-
Net changes of Items other than partners' capital			
Total balance changes in current period	(43,805)	(62,106)	(62,106)
Balance as of YE2015	12,960	12,960	32,960

	Valuation and translation adjustments		Net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance as of YE2014	574	574	95,641
Changes of items during the period			
Dividend paid			
Net income			(62,106)
Reversal of legal retained earnings			-
Reversal of reserve for property replacement			-
Net changes of Items other than partners' capital	261	261	261
Total balance changes in current period	261	261	(61,845)
Balance as of YE2015	835	835	33,796

Notes to Non-consolidated financial statements

1. Significant accounting policies

(1) Valuation rules and methods for assets

1) Securities

-Stock of subsidiaries and affiliated companies The moving-average cost method

-Other securities

 Securities with readily determinable fair values Market value at the closing date
 (Valuation difference on available-for-sales securities is directly reflected in net assets, and cost of sales is calculated using the moving-average method)

 Securities without readily determinable fair values The moving-average cost method

2) Inventories Generally the lower of acquisition costs determined by the WAC method or their net realizable value

(2) Depreciation and amortization method for noncurrent assets

1) Property, plant and equipment (excluding leased assets)

 Generally the declining-balance method

 The service life ranges by major assets are:

Buildings and structures	10 to 50 years
Tanks	10 to 25 years
Machinery, equipment and vehicles	7 to 15 years

2) Intangible assets (excluding leased assets)

 The straight-line method

 In-house computer software is amortized over its service life (5 to 15 years) using the straight-line method.

3) Leased assets

 The straight-line method is employed, where leasing period is deemed as the service life and residual value is set as zero. The accounting treatment for finance lease transaction, in which ownership is not transferred to the lessee and which became effective on or before Dec 31,2008, is the same as the method applied to ordinary operating lease transactions.

(3) Basis for significant provisions

-Allowance for doubtful accounts

 To provide for losses due to bad debt, the Company reserves an estimated bad debt allowance on ordinary receivables based on historical bad debt ratios, and on highly doubtful receivables based on the recoverability from individual customers.

-Provision for bonuses

To provide for the payment of employees' bonuses, the Company accrues an estimated reserve for the period.

-Provision for retirement benefits

To provide for the payment of employees' post-retirement benefits, the Company accrues an estimated reserve based on the projected benefit obligations and estimated pension plan assets as of the closing date.

Actuarial differences are amortized into pension expenses beginning with the next period, using the declining-balance method over a period determined based on employees' average remaining service years (12 years).

Prior service liabilities are amortized into pension expenses using the straight-line method over employees' average remaining service years (13.4 to 15.5 years).

-Provision for repairs

To provide for periodic tank inspections required under the Fire Service Act, the Company reserves an estimated cost for the period, based on actual payments.

(4) Other important items for financial statements

- Accounting method for consumption taxes

Each item in the statement of income does not include consumption taxes.

2. Additional information

Amounts are shown in truncated millions of yen.