

TonenGeneral Sekiyu K.K.

2008 1Q Results and 1H/FY Forecast

May 15, 2008



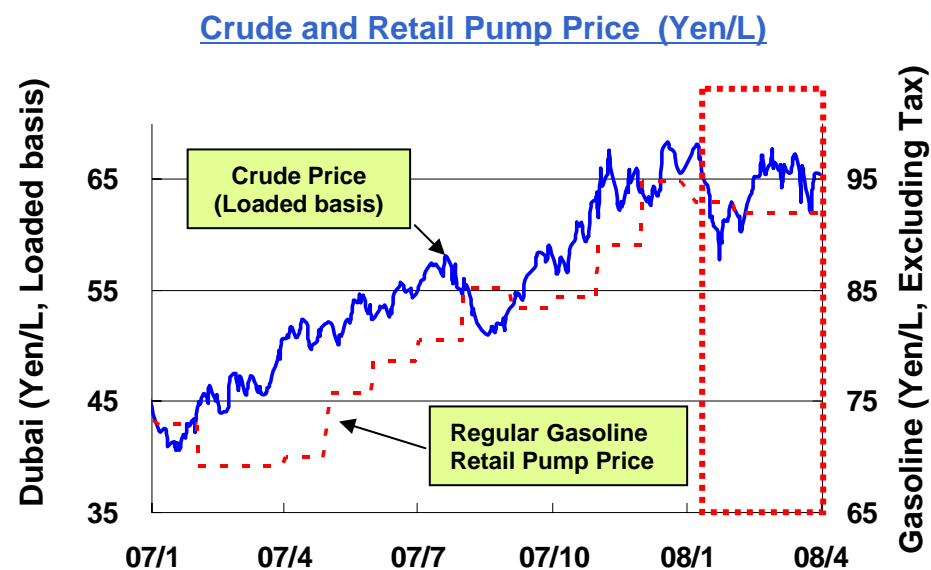
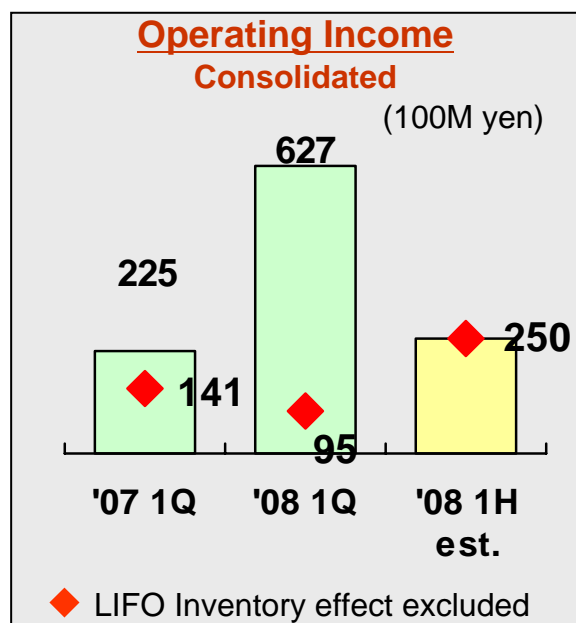
TonenGeneral

This material contains forward-looking statements based on projections and estimates that involve many variables. TonenGeneral operates in an extremely competitive business environment and in an industry characterized by rapid changes in supply-demand balance.

Certain risks and uncertainties including, without limitation, general economic conditions in Japan and other countries, crude prices and the exchange rate between the yen and the U.S. dollar, could cause the Company's results to differ materially from any projections and estimates presented in this publication.

Business Highlights

- Operating income significantly up vs. 1Q '07, on inventory gains
 - » TonenGeneral's downstream margins (ex. inventory effects) increased
 - Positive effect from realization of NSS inventory gains associated with NSS stock sale
 - Higher crude price squeezed margins under declining domestic demand situation
 - » Chemicals continued positive contribution
 - Basic chemicals margins lower than last year
 - » Large positive inventory effect, mostly from temporary operational factors
- Dividend and earnings forecast unchanged



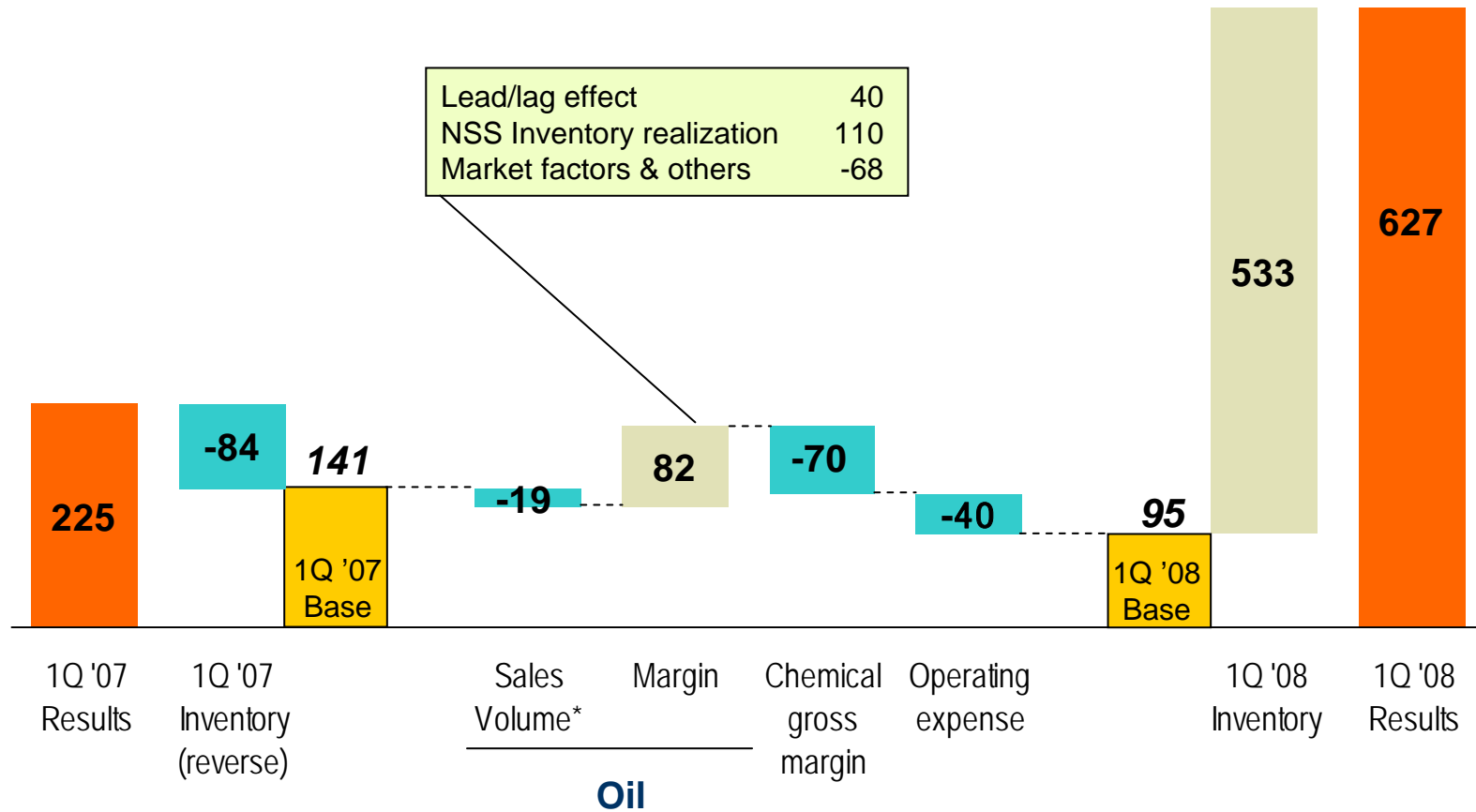
Earnings Results [1Q, Consolidated]

(100M yen)	<u>1Q '07</u>	<u>1Q '08</u>	<u>Inc/Dec</u>
Sales revenue	7,088	8,775	1,686
Operating income	225	627	402
Ordinary income	236	688	452
Extraordinary gain/loss	0	-1	-1
Net income	144	406	263
Reverse inventory effects	-84	-533	-449
Adjusted operating income	141	95	-47
Oil segment and others	-27	2	28
Chemical segment	168	93	-75
<Note> Profit/Loss(-) from Lead/lag effect	-20	20	

Factor Analysis of Operating Income

[1Q '08 Results vs. 1Q '07 Results; Consolidated]

(100M yen)



* Major products, per VG5

Sales Volume/ Capacity Utilization

- Domestic fuel sales decreased versus 1Q '07 due to slow demand
- Continuing attention to profitability of sales channels including export opportunities
 - » Gasoline and Middle Distillates exports increased to more than double of 1Q '07 actual and partially offset domestic demand decrease
- Higher Aromatics sales due to absence of turn-around at Wakayama in 1Q'07

Oil Products*		<u>1Q 2007</u>	<u>1Q 2008</u>	<u>Inc./Dec.</u>	<u>Industry Inc./Dec.</u>
(KKL)					
Japan Inland Sales	Gasoline	2,793	2,512	-10.1%	-5.3%
	Kerosene	1,310	1,155	-11.9%	-3.4%
	Diesel fuel	986	778	-21.1%	-4.3%
	Fuel oil A	920	754	-18.0%	-4.7%
	Fuel oil C	595	461	-22.4%	31.3%
	5 Major Fuels Total	6,604	5,661	-14.3%	-0.2%
	LPG and others	739	756	+2.3%	
	Sub Total	7,343	6,417	-12.6%	
	Exports**	732	1,287	+75.8%	
	Others***	1,281	1,460	+14.0%	
G. Total	9,356	9,164	-2.1%		

Notes:
 *: Consolidated and excluding Barter
 **: Excluding bond sales
 ***: Others include crude, product exchanges within ExxonMobil Japan Group, etc.

Chemical Products (Consolidated)					
(Kton)					
	Olefins and others (TCC)	471	475	0.7%	
	Aromatics and others (TG)	171	230	34.9%	
	Chemical Total	642	705	9.8%	

Topper Utilization (Parent/Consoli.) 86%/79% 82%/75% 88%

Earnings Forecast [Consolidated]

- We have not changed 2008 earnings forecasts announced in February
 - » However, forecast subject to sensitivities, including:
 - Crude price movements
 - Basic chemicals margin
 - Inventory levels and LIFO effects

(100M yen)	1Q '08 Act. (B)	February Forecast		(Bal. to Forecast)
		1H '08 (A)	FY '08	2Q '08 (A)-(B)
Sales revenue	8,775	17,500	35,000	8,725
Operating income	627	250	510	-377
Ordinary income	688	260	520	-428
Extraordinary gain/loss	-1	0	0	1
Net income	406	160	320	-246
Reverse inventory effects	-533	0	0	+533
Adjusted operating income	95	250	510	155
Oil segment and others	2	20	50	18
Chemical segment	93	230	460	137

Supplemental Information

May 15, 2008

Cash Flows, Debt/Equity [Consolidated]

(100M yen)

Operating / Investing Activities

Net income before taxes	687
Net capex / Depreciation	25
Inventory	-100
TAR/TAP/Gas tax & other payables	-722
Income tax payment	-73
Others	22

Financing Activities

Change in debt	277
Dividend to shareholders	-100
Others	-19

Net Cash Change

1Q '08 Adjusted

-160 210

687

25

-100

-722 -352

-73

22

159 -211

277 -93

-100

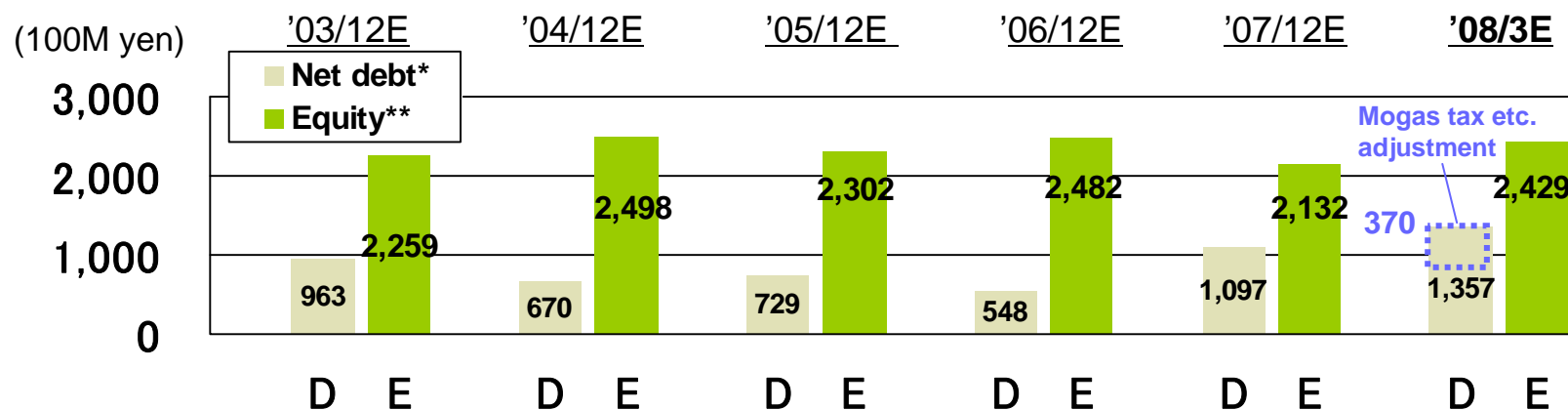
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■ Financial position remains healthy

■ Net D/E ratio 56% (40% after adjusting mogas tax etc. payable impact to normal December end condition)

One-month extra payment of mogas tax etc. in 1Q due to calendar effects. Net TAP (TAP + gas tax payable - TAR) decreased by 370 oku yen, reflected in higher debt to same extent



Net D/E ratio : 0.43 0.27 0.32 0.22 0.51 **0.56**
 (Tax Adjusted) 0.40

* Debt excl. cash and loans receivable ** Net Worth excl. Minority Interest