



February 14, 2008

## ***Press Release***

TonenGeneral Sekiyu K.K.  
(Stock Code: 5012 Tokyo Stock Exchange)  
Representative Director,  
Chairman and President  
D.G. Wascom  
Contact:  
Public Affairs  
ExxonMobil Yugen Kaisha  
Tel: 03-6713-4400

### **ExxonMobil Yugen Kaisha Earnings Results for 2007**

ExxonMobil Yugen Kaisha (EMYK, 100% subsidiary of ExxonMobil Asia International, SARL, number of shares owned: 461,500) and parent company of TonenGeneral Sekiyu K.K., today announces its earnings results for the 2007 fiscal year (January 1-December 31, 2007).

#### **1. 2007 Financial Results**

We provide below our 2007 accounting results, together with a comparison with 2006 results, in accordance with Japanese accounting principles and standards. However, the 2006 results were significantly affected by goodwill amortization associated with the transactions leading to the 2002 merger between Esso Sekiyu Pte. Ltd. and Mobil Sekiyu Pte. Ltd. In addition, non-operating income consists mostly of dividends from TonenGeneral Sekiyu K.K. For that reason, we provide below, in addition to our financial results prepared on a statutory accounting basis, our 2006 and 2007 results presented on a pro forma basis to remove those effects and to illustrate more concretely the financial results of EMYK's actual business operations.

#### **Statutory Financial Results**

(Unit: billion yen)

	<b>Sales Revenue</b>	<b>Operating Income/Loss</b>	<b>Ordinary Income/Loss</b>	<b>Net Income/Loss</b>
<b>Jan – Dec 2007 (A)</b>	1,983.0	29.9	42.4	34.8
<b>Jan – Dec 2006 (B)</b>	2,074.9	1.2	11.8	▲0.3
<b>Difference (A-B)</b>	▲91.9	28.6	30.6	35.1
<b>Increase/Decrease (%)</b>	▲4.4	-	259.9	-

### **Sales Revenue**

Although product prices increased with the steep rise in crude prices, sales volumes declined and consolidated sales revenue fell 4.4% versus the previous year to 1,983 billion yen.

### **Operating Income**

Operating income increased 28.6 billion yen versus the previous year to 29.9 billion yen. This increase is mainly the result of the elimination from 2007 of amortization of goodwill resulting from the transactions leading to the 2002 merger of companies including Esso Sekiyu Y.K. and Mobil Sekiyu Y.K. to form EMYK. The goodwill was amortized over five years and reduced operating income.

Aside from the foregoing, improved margins in fuel product marketing and in the lubricant segment, and favorable results in the chemicals segment contributed to the increase in operating income. Another contributing factor was a decrease in operating expenses of 4 billion yen due to lower pension expenses, a reduction in labor costs and other efficiencies.

### **Net Income**

Non-operating income continues to consist mostly of dividends from TonenGeneral Sekiyu K.K. There was an increase of 2 billion yen versus the previous year to 12.5 billion yen, due to dividends from our other subsidiaries, reduced interest costs, foreign exchange effects and other factors. Ordinary income rose 30.6 billion yen versus the previous year to 42.4 billion yen. Including gains on stock sold to TonenGeneral in its share repurchase program, net extraordinary gains for the year were 1.6 billion yen versus net extraordinary losses of 5.1 billion yen in 2006. The resulting net income after tax was 34.8 billion yen, a 35.1 billion yen increase versus the previous year.

### **Pro Forma Financial Results**

As discussed above, we believe that the pro forma presentation of our 2006 and 2007 results reflects more appropriately the actual 2006 and 2007 operating performance of EMYK's businesses. The pro forma accounts shown below remove the accounting earnings effects remaining from the transactions leading to the 2002 merger that formed EMYK, and dividends from TonenGeneral.

(Unit: billion yen)

	<b>Sales Revenue</b>	<b>Operating Income</b>	<b>Ordinary Income</b>	<b>Net Income</b>
<b>Jan – Dec 2007 (A)</b>	1,983.0	29.9	31.6	24.0
<b>Jan – Dec 2006 (B)</b>	2,074.9	21.9	21.6	9.6
<b>Difference (A-B)</b>	▲91.9	8.0	10.0	14.4
<b>Increase/Decrease (%)</b>	▲4.4	36.4	46.0	150.7

(A) Excluding good will amortization and dividends from TonenGeneral Sekiyu

(B) Excluding dividends from TonenGeneral Sekiyu

## **2. Corporate Initiatives**

### **Sound Operations Considering Safety, Health and the Environment**

EMYK's most important role is to supply our products at a fair price, using safe and environmentally-conscious methods. Attention to safety, health and the environment is the top priority in all of our business activities, and our basic principle is to continuously improve the standards of excellence in all aspects of our operations.

### **Marketing**

EMYK offers customers the superior service and convenience of a powerful nation-wide network through one integrated marketing strategy for the Esso, Mobil and General brands of the ExxonMobil Japan Group. Expanding the branded self-service station "Express", with the concept of "Quickest", "Easiest", and "Cleanest", the ExxonMobil Japan Group has proactively shifted its format to self service stations offering customers superior service. In 2007, the number of memberships in Speedpass, our special keychain attachment wireless payment device, reached 1,500,000. The ExxonMobil Japan Group also developed a unique card reader that accepts a number of contact-less IC credit cards, and installed the readers at more than 650 "Express" stations. We actively expanded the "Mobil 1 Center", which provides oil change service with "Mobil 1", the premier auto lubricant brand, in our "Express" network. In addition, based on an alliance with Seven-Eleven Japan Co. Ltd, the ExxonMobil Japan Group continued to develop and test combined convenience stores and service stations.

###

## Statement of Income

From January 1, 2007

To December 31, 2007

Account Title	Millions of Yen	
Sales Revenues		1,983,002
Costs of Sales		1,892,853
Gross Margin		90,149
Selling, General, and Administrative Expenses		60,287
Operating Income		29,862
Non-Operating Income		
Interest Income and Dividends Received	13,267	
Foreign Exchange Gain	135	
Others	139	
		13,542
Non-Operating Expenses		
Interest Expenses	1,016	
Others	1	
		1,017
Ordinary Income		42,387
Extraordinary Gain		
Gain on Sales of a Subsidiary Stocks	2,577	
Gain on Sales of Property, Plant, and Equipment	617	
Gain in Sales of Investment Securities	179	
Gain on Sales of Golf Membership	29	
		3,403
Extraordinary Loss		
Loss on Sales and Disposals of Property, Plant, and Equipment	1,262	
Loss on Assets Impairment	535	
		1,798
Income before Income Taxes		43,992
Current Income Taxes	9,366	
Deferred Income Tax	△ 193	
Net Income		34,819

## Balance Sheet

(As of December 31, 2007)

Account Title	Millions of Yen	Account Title	Millions of Yen
Assets	724,552	Liabilities	588,717
Current Assets	236,788	Current Liabilities	506,519
Cash and Cash Equivalents	1,403	Trade Accounts Payable	371,822
Trade Accounts Receivable	172,324	Short-term Debt	1,525
Products and Merchandise	10,816	Other Accounts Payable	58,660
Prepaid Expenses	3,734	Accrued Expenses	6,381
Deferred Tax Assets	1,052	Gasoline Tax etc. Payable	36,098
Short-term Loans Receivable	1,804	Accrued Income Taxes	7,828
Other Accounts Receivable	46,131	Accrued Consumption Taxes	19
Others	5	Guarantee Deposits Payable	15,586
Bad Debt Allowance	△ 484	Advance from Customers	7,150
		Reserve for Bonus	484
		Others	961
Long Term Assets	487,763		
Property, Plant, and Equipment	124,340	Long Term Liabilities	82,197
Buildings	14,091	Deferred Tax Liabilities	29,159
Structures	12,550	Reserve for Accrued Pension Costs	47,809
Tanks	868	Reserve for Repairs	401
Machinery and Equipment	8,090	Reserve for Offshore Well Abandonment	4,827
Cars and Vehicles	13		
Tools, Furniture, and Fixtures	1,682	Net Assets	135,835
Land	85,819		
Incomplete Construction	1,224	Owners' Equity	135,721
Intangible Assets	10,797	Paid-in Capital	50,000
Leasehold	7,419	Capital Surplus	14,264
Software	2,967	Capital Legal Reserve	14,264
Others	410	Earned Surplus	71,457
Investment and Other Assets	352,626	Earned Legal Reserve	5,375
Investment Securities	583	Other Earned Surplus	66,081
Stocks of Subsidiaries	334,396	Reserve for Condensed Booking	20,738
Long-term Loans Receivable	605	Earned Surplus brought Forward	45,343
Long-term Prepaid Charges	5,790	Valuation and Translation Adjustments	113
Long-term Deposits	11,479	Valuation Difference	
Others	355	on Available-for-Sale Securities	113
Bad Debt Allowance	△ 584		
Total Assets	724,552	Total Liabilities and Net Assets	724,552

As of December 31, 2007

## **Board of Directors**

### **ExxonMobil Yugen Kaisha (EMYK)**

D.G. Wascom	Representative Director and President
J. F. Spruill	Representative Director and Vice President
W.J. Bogaty	Representative Director and Vice President
Harunari Miyashita	Representative Director and Vice President
P. P. Ducom	Representative Director and Vice President
Kazuo Suzuki	Director
Kenichi Taniguchi	Director
Kyoji Yoshida	Director
Yoshinori Miyahara	Director