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**Press Release**

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

**Third Quarter 2010 Earnings Results**

TonenGeneral Sekiyu K.K. today announces its consolidated financial results for the third quarter year-to-date (January 1-September 30) 2010.

(Unit: million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
3Q YTD 2010 (A)	1,780,605	41,228	43,115	45,845
3Q YTD 2009 (B)	1,524,668	(13,602)	(11,982)	(7,426)
Difference (A-B)	255,936	54,831	55,098	53,271
Increase/(decrease) (%)	16.8	-	-	-

Consolidated net income for the nine months ended in September reached 45.8 billion yen, a 53.3 billion yen increase compared to the same period of 2009 mostly attributable to improved oil segment margins.

Consolidated net sales increased 16.8% versus the same period last year to 1,780.6 billion yen, mainly due to higher product prices compared to the same period last year, reflecting crude price trends.

Consolidated operating income increased 54.8 billion yen versus the same period last year to 41.2 billion yen. Non-operating income was 1.9 billion yen due to factors such as foreign exchange gains. Consolidated ordinary income was 43.1 billion yen, 55.1 billion yen greater than the same period last year. Extraordinary income was 19.5 billion yen, resulting from factors such as equity valuation gains arising from the formation of a joint venture involving our battery separator film subsidiary. Consolidated net income for the period was 45.8 billion yen versus a loss of 7.4 billion yen in 2009.

The following describes the primary factors related to the change in consolidated operating income.

(1) Oil segment

Operating income in our oil segment for the nine month period this year was 39.0 billion yen, an increase of 55.3 billion yen versus the same period last year.

Nine month results last year were adversely affected by the rise in crude oil prices, which were promptly reflected in our costs under the loading-basis crude cost accounting method employed by the Company, an element not significant this year. The table below shows reported operating income adjusted for inventory effects and estimated crude accounting. After making such adjustments, oil operating income increased by an estimated 19.5 billion yen versus the same period last year, primarily due to strong margins in our oil segment and favorable domestic demand during the third quarter this year.

Reference: Oil segment operating income compared with the previous year (Unit: billion yen)

	3Q YTD 2010	3Q YTD 2009	Difference
Operating income as reported	39.0	(16.4)	55.3
Effect of difference in timing of crude cost accounting (estimate)	4.0	(28.0)	32.0
Inventory-related gains	13.3	9.5	3.8
Operating income excluding above special factors (estimate)	21.7	2.2	19.5

(2) Chemical segment

Chemical segment operating income for 2010 year-to-date was 2.3 billion yen, 0.5 billion yen less than the same period last year. Although operating income in this segment was 7.8 billion yen for the January-June period this year, an operating loss of 5.5 billion yen was incurred in the third quarter due to factors such as a decline in margins for commodity products and a scheduled shutdown at our Kawasaki site.

Reference: Inventory valuation method change planned for 2011

In accordance with the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9), the last-in, last-out inventory valuation method currently employed by the Company will no longer be permitted beginning in 2011. The Company plans to adopt the weighted average method beginning in January 2011. The impact of this change on next year's financial results cannot be determined at this time as the final values will depend on crude and product prices and inventory volumes in 2011. However, if prices, inventory volumes and other factors remained approximately the same as those in place at the end of September 2010, we estimate that the change in inventory valuation method would result in a pre-tax gain of about 100 billion yen to be realized during 2011.

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*[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 website. 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.]*