



March 29, 2011

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

### **Notice Regarding TonenGeneral Sekiyu K.K.'s Controlling Shareholder**

The following is a notice regarding the parent companies of TonenGeneral Sekiyu K.K. (the Company) and its controlling shareholder ExxonMobil Yugen Kaisha (ExxonMobil Y.K.).

#### **1. Names of Parent Companies**

As of December 31, 2010

Name	Relationship	Percentage of voting rights (%)	Trade style or name of the stock exchange in which the parent company is listed
ExxonMobil Y.K.	Parent Company	50.5	Not applicable
Exxon Mobil Corporation	Parent Company	50.5	New York Stock Exchange

- (1) Exxon Mobil Corporation, which indirectly owns 100% of the outstanding shares of ExxonMobil Y.K. via subsidiaries, is one of the Company's parent companies, but there are no material business transactions with the company.
- (2) Voting rights of Exxon Mobil Corporation are indirectly owned via ExxonMobil Y.K.
- (3) ExxonMobil Y.K. holds 50.02% of the issued shares of the Company.

#### **2. Name of the parent company considered to be the most influential and reason**

Name	Reason
ExxonMobil Y.K.	ExxonMobil Y.K. directly owns the majority of shareholder voting rights in the company. In addition, ExxonMobil Y.K. has extensive personnel and trading relations with the Company as described in Item 3 below.

### 3. Relationship with Parent Companies

Within the ExxonMobil Japan Group, including ExxonMobil Y.K. and the Company, all of the businesses are organized along functional lines.

The objective of this organization is to take advantage of economies of scale, synergies across companies, and rapid implementation of ExxonMobil best practices from around the world. The main elements of the relationship between the Company and other ExxonMobil Japan Group companies are as follows.

- The Company supplies petroleum products to ExxonMobil Y.K. under an agreement related to supply and offtake for petroleum products.
- The Company has concluded an agreement with ExxonMobil Y.K. under which the Company is entrusted with certain logistic functions of ExxonMobil Y.K.
- The Company has concluded agreements for comprehensive services with ExxonMobil Y.K. to entrust petroleum product marketing functions and administrative functions to ExxonMobil Y.K.
- The Company has concluded agreements in relation to crude oil, products and feedstock supply, services, and technical support with some ExxonMobil-affiliated companies abroad.
- Tonen Chemical Corporation has concluded an agency agreement with ExxonMobil Y.K., under which ExxonMobil Y.K. acts as agent to centralize chemicals sales and logistics operations.
- Of nine directors of the Company, four are serving concurrently as directors of ExxonMobil Y.K.
- One-hundred-three employees from ExxonMobil Y.K. have been dispatched to the Company head office refining and supply division and to the Company terminals, refineries, etc. In addition, 240 employees from the Company have been dispatched to ExxonMobil Y.K. mainly in the service, administrative and marketing functions in order to make the most effective use of the companies' respective employees for the overall benefit of the group. (Figures are as of December-end 2010.)
- The Company conducts business efficiently while maintaining close cooperative relationships with ExxonMobil Y.K. and other companies in the ExxonMobil Japan Group.
- Having directors appointed to concurrent positions at ExxonMobil Y.K. and accepting employees dispatched from ExxonMobil Y.K. does not impede independent business judgment. Business independence and independent governance systems have been established to ensure that actions are taken in pursuit of the Company's best interests.

(Concurrent positions of directors)

As of March 25, 2011

Position	Name	Position at parent company, etc.	Reason for appointment
Director and Chairman	M. J. Aguiar	Director	Broad experience on a global level, well-qualified for position as Director and Chairman
Representative Director and President	P. P. Ducom	Representative Director and President	Deep insight into all aspects of the company's business, contribution to business operations.
Director	S.K. Arnet	Representative Director and Vice President	Great deal of experience in marketing, contribution to business operations.
Director	D. R. Csapo	Director	Deep insight into financial management, contribution to business operations.

(Dispatched employees)

As of December 31, 2010

Dispatched to	Number of employees	Employed by	Reason for dispatch
Head office refining and supply division, distribution, etc.	64	ExxonMobil Y.K.	To utilize the business expertise of ExxonMobil Y.K. employees
Refineries (Kawasaki, Wakayama, Sakai)	39	ExxonMobil Y.K.	Same as above

#### 4. Transactions with controlling shareholders

Full year 2010 (January 1, 2010 through December 31, 2010, consolidated basis)

##### (1) Transactions between the Company and controlling shareholders

Attribute	Name of company	Location	Capital (Million yen)	Business	Percentage of voting shares in the Company (%)	Relationship of related party	Contents of transaction	Transaction amount (Million yen)	Account title	Outstanding balance at the closing date (Million yen)
Parent company	ExxonMobil Y.K.	Minato-ku, Tokyo	50,000	Sales of oil products, etc.	Direct 50.5	Interlocking directors, purchases and sales of products, provision of services, and group finances	Product sales	1,309,232	Accounts receivable- trade	275,649
							Product purchases	172,933	Accounts payable- trade	78,581
							Provision of services	8,754	Accounts receivable- other	1,288
								13,077	Accrued expenses	1,667
							Interest income	25	Short-term loans receivable	6,219

(Note)

- Transaction terms and policies for determining transaction terms:

- (i) Purchase and sales prices of oil products are determined at fair market prices.
- (ii) Accounts receivable—other and accrued expenses are accrued amounts that the Company should incur or charge to based on the "Amendment and Restated Agreement for Comprehensive Administrative Services."
- (iii) The interest rates applied to the group financing are based on the rates on the domestic financial market.

- In the amounts above, consumption taxes are included in the outstanding balances at the closing date, but not in transaction amounts.

##### (2) Transactions between the consolidated subsidiaries of the Company and controlling shareholders

Attribute	Name of company,	Location	Capital (Million yen)	Business	Percentage of voting shares in the consolidate d subsidiary (%)	Relationship of related party	Contents of transaction	Transaction amount (Million yen)	Account title	Outstanding balance at the closing date (Million yen)
Parent company	ExxonMobil Y.K.	Minato-ku, Tokyo	50,000	Sales of oil products, etc.	Indirect 50.5	Interlocking directors, purchases and sales of chemical products, and provision of services	Chemical products sales	138,357	Accounts receivable- trade	16,235
							Chemical products purchase	12,883	Accounts payable- trade	2,630
							Provision of services	668	Accounts receivable —other	47
								3,423	Accrued expenses	312

(Note)

- Name of the consolidated subsidiary: Tonen Chemical Corporation

- Transaction terms and policies for determining transaction terms

- (i) Purchase and sales prices of raw materials are determined at fair market prices.
- (ii) Accounts receivable—other and accrued expenses are accrued amounts that the consolidated subsidiaries of the Company should incur or charge to based on the "Sole Agency Agreement."

- In the amounts above, consumption taxes are included in the outstanding balances at the closing date, but not in transaction amounts.

## **5. Protection of minority shareholders in relation to transactions with the controlling shareholder**

In the execution of their duties, upon fully ensuring the protection of minority shareholders, Directors request deliberation by the Board of Directors of important elements of transactions with controlling shareholders, and abide by the resulting decisions and direction. Statutory Auditors, from a standpoint of protecting minority shareholders, perform activities such as auditing the Directors' execution of duties on an ongoing basis, attending deliberations by the Board of Directors and auditing the content and results of those deliberations, thoroughly ensuring the fairness of the Company and controlling shareholders.

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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 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.]*