

Summary of The Financial Statements for 2001

February 27, 2002

Registration Company Name : TonenGeneral Sekiyu K.K

Registered to : Tokyo Stock Exchange

Stock Code No. 5012

H.O. Address : Tokyc

For further information, please contact

Position : Management Support Manager

Telephone : (03) 5425-9000

Name : T.Uchimura

Date of BOD for Year-End Closing : February 27, 2002

Interim Dividend Plan : Available

Date of General Shareholders' Meeting : March 28, 2002

Unit Share Adoption : Available
(Number of Unit Share 1,000 Shares)

1. Business Performance for 2001 (January 1, 2001 ~ December 31, 2001)

(1) Business Performance

(Note) Amounts are shown in truncated Million Yen

	Sales Revenue		Operating Income		Ordinary Income	
	M Yen	%	M Yen	%	M Yen	%
2001/12	1,924,672	(-)	41,818	(-)	85,406	(-)
2000/12	1,212,060	(-)	21,204	(-)	30,657	(-)

	Net Income		Net Income Per Share		Income Ratio to Shareholders' Equity		Ordinary Income Ratio to Total Assets		Ordinary Income Ratio to Sales Revenue	
	M Yen	%	Yen	Yen	%	%	%	%		
2001/12	57,864	(-)	87.04	-	23.8	9.3	4.4			
2000/12	15,291	(-)	28.35	-	9.1	4.8	2.5			

(Note) Average No. of Issued Shares 2001/12 664,771,544 Shares 2000/12 539,356,261 Shares

Change in Accounting Policies No

Percentage shown in Sales Revenue, Operating Income, Ordinary Income and Net Income are comparison with previous accounting period.

Due to the merger with Tonen Corporation on July 1, 2000, comparison with previous accounting period is omitted.

(2) Dividends

	Annual Dividend Per Share			Total Amount of Dividend (Annual)	Payout Ratio	Dividend Ratio to Shareholders' Equity
	Yen	Interim Yen	Year-end Yen			
2001/12	34.00	17.00	17.00	21,579	37.3	9.4
2000/12	21.25	6.25	15.00	12,915	84.5	5.0

(Note) Detail of Dividend Per Share Paid for in December, 2001 Regular Dividend 17.00 Yen

(3) Financial Position

	Total Assets		Shareholders' Equity		Net Worth Ratio		Net Worth Per Share	
	M Yen	%	M Yen	%	%	Yen	Yen	
2001/12	921,833		230,758		25.0	363.61		
2000/12	919,657		255,842		27.8	364.21		

(Note) Number of Outstanding Shares as of December 31, 2001 2001/12 634,636,543 Shares
2000/12 702,462,018 Shares

Number of Treasury Stocks as of December 31, 2001 2001/12 105,475 Shares
2000/12 8,920 Shares

2. Projected Earnings for 2002 Annual Accounting Period (January 1, 2002 ~ December 31, 2002)

	Sales Revenue	Ordinary Income	Net Income	Annual Dividend Per Share		
				Interim	Year-end	Yen
First Half	950,000	26,000	17,000	18.00	-	-
Full Year	1,900,000	50,000	35,000	-	18.00	36.00

(Reference) Projected Net Income Per Share 57.65 Yen

(Note) Since the Stock Repurchase is scheduled in 2002, according to the clause 210 of the Commercial Code, the above Net Income per Share is divided by the Estimated Average No. of Outstanding Shares in 2002

Balance Sheet

(Unit : Millions of Yen)

Account Titles	December End 2000	December End 2001	Dec. End 2000 vs. Dec. End 2001
Assets	919,657	921,833	2,176
Current Assets	622,141	610,098	-12,042
Cash on Hand and In Bank	941	1,011	70
Trade Accounts Receivable	355,647	424,927	69,280
Marketable Securities	7,007	-	-7,007
Inventories	143,966	128,238	-15,727
Deferred Tax Assets	9,211	2,993	-6,217
Short-term Loans Receivable	38,624	38,090	-533
Other Accounts Receivable	61,960	11,390	-50,570
Others	5,892	4,634	-1,257
Allowance for Bad Debt	-1,109	-1,188	-78
Fixed Assets	297,516	311,735	14,219
Property, Plant and Equipment	225,597	240,994	15,396
Buildings, Structures & Tanks	71,102	74,472	3,369
Machinery and Equipment	64,753	65,991	1,237
Land	85,104	93,629	8,525
Others	4,636	6,900	2,263
Intangible Assets	5,985	5,840	-144
Investments and Other Assets	65,933	64,900	-1,032
Stocks of Subsidiaries	27,331	12,937	-14,394
Investment in Securities	11,339	23,946	12,607
Deferred Tax Assets	4,883	7,124	2,241
Others	22,378	20,891	-1,487
Total Assets	919,657	921,833	2,176

(Note) Amounts are reported in truncated Million Yen.

Balance Sheet

(Unit : Millions of Yen)

Account Titles	December End 2000	December End 2001	Dec. End 2000 vs. Dec. End 2001
Liabilities	663,814	691,075	27,260
Current Liabilities	576,932	599,234	22,302
Trade Accounts Payable	175,472	210,383	34,910
Gasoline Tax etc., Payable	226,201	231,189	4,987
Short-term Loans Payable	102,257	97,130	-5,126
Commercial Paper	-	5,000	5,000
Other Accounts Payable	25,448	15,640	-9,808
Guarantee Deposits Payable	13,083	12,365	-718
Others	34,467	27,526	-6,941
Long Term Liabilities	86,882	91,841	4,958
Long-term Loans Payable	24,342	20,702	-3,639
Res. for Retirement Allowance	42,193	-	-42,193
Res. for Accrued Pension Cost	-	44,822	44,822
Res. Retirement Allowance for Officer	364	544	180
Reserve for Repairs	12,497	12,278	-218
Others	7,484	13,492	6,008
Shareholders' Equity	255,842	230,758	-25,084
Capital	35,123	35,123	-
Legal Capital Surplus	20,741	20,741	-
Legal Earned Reserve	12,839	8,780	-4,058
Retained Earnings	187,137	164,281	-22,856
Res. for Replacement of Property	21,636	20,738	-898
Res. for Mine Exploration	95	162	67
Res. for Special Depreciation	574	511	-62
General Reserve	2,803	-	-2,803
Unappropriated	162,028	142,868	-19,159
Retained Earnings (Net Income / Loss)	(15,291)	(57,864)	(42,573)
Unrealized Holding Gains on Securities	-	1,929	1,929
Treasury Stocks	-	-98	-98
Total Liabilities and Shareholders' Equity	919,657	921,833	2,176

(Note) Amounts are reported in truncated Million Yen.

Income Statements

(Unit : Millions of Yen)

Account Titles		2000 (January 2000 ~ December 2000)	2001 (January 2001 ~ December 2001)	
Ordinary Income Section	Operating Income Section	Sales Revenue	1,212,060	1,924,672
		Cost of Goods Sales	1,147,986	1,838,675
		Selling, General and Administrative Expenses	42,869	44,178
		Operating Income	21,204	41,818
	Non-Operating Income Section	Non-Operating Credits		
		Interest Income	845	684
		Dividends Received	11,083	44,792
		Others	554	155
		Non-Operating Expenses		
		Interest Expenses	1,050	1,301
Foreign Exchange Loss	1,366	311		
Others	613	430		
Ordinary Income		30,657	85,406	
Extraordinary Income Section	Extraordinary Gain			
	Gain on Sales of Property, Plant and Equipment	1,606	746	
	Gain on Liquidation of Subsidiary Company	-	389	
	Gain on Sales of Investment Securities	81	65	
	Reversal of Bad Debt Allowance	687	-	
	Extraordinary Loss			
	Amortization of Retroactive Costs due to Pension Accounting	-	15,732	
	Loss on Sales and Disposal of Property, Plant and Equipment	2,474	1,417	
	Evaluation Loss on Golf Club Membership	421	719	
	Evaluation Loss on Investment Securities and Other Assets	2,699	330	
	Additional Allowance for Early Retirement	7,065	298	
	Provision of Reserve for Repairs	-	217	
	Loss on Sales of Investment Securities	38	11	
	Restructuring Cost for Subsidiary Companies	1,358	-	
Penalty for Past Transaction	542	-		
Net Income Before Income Taxes		18,433	67,879	
Current Income Taxes Enterprise Tax		93	8,496	
Deferred Income Taxes		3,049	1,518	
Net Income		15,291	57,864	
Retained Earnings Brought Forward		10,424	159,247	
Retirement of Repurchased Treasury Stocks		-	59,999	
Receipt of Unappro. Retained Earnings due to Merger		117,526	3,027	
Loss on Retirement of KSS Stocks		-	6,480	
Retroactive Tax Effect Adjustments due to D.Tax Accounting		6,962	-	
Reversal of Reserve for Replacement of Property due to D.Tax Accounting		13,882	-	
Reversal of Reserve for Mine Exploration due to D.Tax Accounting		277	-	
Reversal of Reserve for Special Depreciation due to D.Tax Accounting		41	-	
Interim Dividend		2,378	10,790	
Unappropriated Retained Earnings		162,028	142,868	

(Note) 1. Amounts are reported in truncated Millions of Yen.

2. Due to the merger with Tonen Corporation on July 1, 2000, no comparison versus previous period has been made

Statement of Appropriations

(Unit:Millions of Yen)

Account Titles	2000 (January 1, 2000 ~ December 31, 2000)	2001 (January 1, 2001 ~ December 31, 2001)
Unappropriated Retained Earnings	162,028	142,868
Reversal of Legal Reserve		
Legal Earned Reserve	4,058	-
Reversal of Voluntary Reserves		
Reserve for Special Depreciation	62	41
Reserve for Replacement of Property	898	892
General Reserve	2,803	-
Total	169,851	143,802
Appropriation:		
Cash Dividends	10,536	10,788
	15.00 yen per share	17.00 yen per share
Reserve for Mine Exploration	67	40
Retained Earnings Carried Forward	159,247	132,974
Total	169,851	143,802

(Note) 1. Amount are reported in truncated Million Yen

2. Due to the merger with Tonen Corporation on July 1, 2000, no comparison versus previous period has been made

Notes Related to Balance Sheet and Income Statements

1. Important Accounting Policies

(1) Costing Methods for Securities

- Stocks of Subsidiaries and Related Companies--- Moving Average at Cost
- Others
 - Marketable --- Market Value on December 31, 2001
(Unrealized Holding Gain or Loss is directly charged to Shareholders' Equity and Cost of Sales is based on Moving Average Cost)
 - Non-Marketable --- Moving Average at Cost

(2) Costing Method for Derivative Transactions, etc.

- Derivatives --- Current Market Value

(3) Costing Methods for Inventories

- Products, Goods, Unfinished Products, Crude and Raw Materials
--- LIFO at the Lower of Cost or Market
- Supplies --- Moving Average at Cost
- Products And Crude Oil In Transit --- Cost by Vessel

(4) Depreciation Method for Fixed Assets

- Property, Plant and Equipmet --- Declining-Balance Method
- Intangible Assets --- Straight-line Method

In-House computer software is amortized in straight-line method over the economic useful life (5 years) when they are in service.

(5) Calculation Procedure for Reserve

- Reserve for Bad Debt

To provide for the losses due to bad debt, TG has accrued an estimated reserve for bad debt on ordinary receivables based on experienced bad debt ratio; and on highly doubtful receivables based on individual customers' financial position.
- Reserve for Accrued Pension Costs

To provide for the payment of employees' retirement benefits, TG accrue an estimated reserve based on projected benefit obligation and fair value of plan asset at December 31, 2001. The retroactive costs incurred at the change of the accounting standards for retirement Benefits (15,732 M yen) be expensed at lump-sum basis in this accounting period and recorded as Extraordinary Loss.

Moreover, any different cost caused by the actuarial calculation for retirement benefits are amortized on a declining balance method over the certain years (12 years) within the average employees' remaining service years as incurred and expensed starting from the following accounting years. Prior service obligations are amortized on a straight-line method over the certain years (15.5 years) within the average employees' remaining service years as incurred.

- Reserve for Retirement Allowance for Officers

To provide for the payment of officers' postretirement, TG has accrued the estimated total amount of lump sum retirement allowance for current officers if they retired at December 31, 2001.

- Reserve for Repairs

TG has accrued an estimated reserve for periodic tank opening inspection expenses, as required by The Fire Service Law, based on past actual payments; and for turnaround repair expenses relating to machinery & equipment based on actual payments and repair plans.

(6) Translation Method for Foreign Currency Assets and Liabilities

Foreign currency assets and liabilities were converted into yen at spot rate at the closing date and any converted gain/loss between the booking rate and the closing rate were recorded as the foreign exchange gain/loss.

(7) Finance Lease Transaction

Finance lease without transfer of ownership of leased items are treated in the same way as ordinary lease transaction, not capitalized.

(8) The accounting method for consumption tax, etc. excludes the consumption tax, etc. from sales revenue and purchase cost etc.

Additional Information

1. Treasury Stocks

Although Treasury Stocks was conventionally included and disclosed on Marketable Securities, it is disclosing on the end of the part of Shareholders' Equity as a deduction item in this accounting period. In addition, Treasury Stocks amount was 5M yen as of December 31, 2000.

2. Pension Accounting

Starting from this accounting period, TG has adopted the accounting standards on the postretirement benefits ("Opinion on Establishment of Accounting Regulation on Postretirement Benefit (Corporate Accounting Council, June 16, 1998)). As a result, as compared with the procedure TG had taken, the Accrued Pension Expenses include Lump-sum Recognition of Retroactive Costs due to Pension Accounting has increased by 10,192M yen. The retroactive costs incurred due to the pension accounting adoption (15,732M Yen) has been changed to Extraordinary Loss at a lump sum basis in this accounting period, the Ordinary Income has increased by 5,540M yen, Net Income Before Income Tax has decreased by 10,192M yen respectively.

Due to the adoption of the pension accounting in the accounting period, reserve for retirement allowance, was redefined as the reserve for accrued pension costs. Responding to this change, the severance allowance payable within the next one year of 2,125M yen in the reserve for retirement allowance was reclassified to Others in current liabilities, and remaining severance allowance of 5,978M yen was reclassified to Others in long-term liabilities.

3. Financial Instruments Accounting

Starting from this accounting period, TG has adopted the accounting standards on the financial instruments ("Opinion on Establishment of Accounting Regulation on Financial Instruments"(Corporate Accounting Council, January 22, 1999)) and, consequently, changed costing method for the securities, Costing Methods for Derivative Transaction and also changed calculation procedure for the bad debt reserve. As a result, the Ordinary Profit and the Net Profit Before Income Tax have increased by 731M yen respectively, as compared with the procedure TG had taken.

Also, as a result of the mark to market revaluation of other securities, the "Investment in Securities" has increased by 3,328M yen, "Deferred Tax Assets" has decreased by 1,399M yen and the "Unrealized Holding Gains on Securities" in the Shareholders' Equity has increased by 1,929M yen respectively.

In addition, TG examined the holding purpose of Marketable Securities at the beginning of this accounting period and decided to transfer all of the amount to Investment in Securities account. Monetary Fund Trust, 1,834M yen, in the Long Term Deposit account also were transferred to Investment in Security account. As a result, Marketable Securities account in Current Assets Section and Long Term Deposit account decreased by 7,001 M yen and 1,834 M yen respectively. On the contrary, Investment in Securities account increased by 8,835 M yen.

4. Foreign Currency Transaction Accounting

Starting from this accounting term, TG has adopted revised accounting standards on the foreign currency transactions ("Opinion on Establishment of Revised Accounting Regulation on Foreign Currency Transaction" (Corporate Accounting Council, October 22, 1999)). The impact of this change to the Income Statement is not material.

Notes

1. Retirement of Repurchased Treasury Stocks

(1) Number of shares repurchased	: 67,720,000 shares
(2) Acquisition Amount	: 59,999,920,000 Yen

2. Balance Sheet

	As of Dec. 31, 2000	As of Dec. 31, 2001
(1) Accumulated Depreciation on Property, Plant and Equipment	534,817 M Yen	611,367 M Yen
(2) Long-term Allowance for Bad Debt	488 M Yen	994 M Yen
(3) Contingent Liabilities	7,766 M Yen	9,337 M Yen
(4) Treasury Stocks		
No. of Shares	8,920 Shares	105,475 Shares
Amount	5 M Yen	98 M Yen

3. Income Statements

(1) Extraordinary Gain	As of	As of
- Gain on Fixed Assets Sold	Dec. 31, 2000	Dec. 31, 2001
· Gain on Land for Terminal Site	552 M Yen	590 M Yen
· Gain on Land for SS	345 M Yen	87 M Yen
· Gain on Land for LPG Bottling Plant	98 M Yen	67 M Yen
· Gain on Land for Dormitory	610 M Yen	- M Yen
(2) Extraordinary Loss		
- Loss on Fixed Assets Sold or Retired		
· Sales and Retirement of Machinery & Equipment	986 M Yen	740 M Yen
· Sales and Retirement of Buildings, Structures, Tanks, etc.	1,011 M Yen	327 M Yen
· Sales of Land for Terminal Site	- M Yen	194 M Yen
· Retirement of Tools, Furniture and Fixture	26 M Yen	78 M Yen
· Sales of Land for SS	- M Yen	34 M Yen
· Retirement of Intangible Assets, etc.	62 M Yen	32 M Yen
· Sales and Retirement of Land for LPG Bottling Plant	322 M Yen	- M Yen
· Sales and Retirement of Land and Building for Dormitory	64 M Yen	- M Yen

4. Lease Transactions

Finance lease without transfer of ownership of leased items to Lessee

- (1) Acquisition Equivalent Amount, Accumulated Depreciation Equivalent Amount and Outstanding Balance as of December 31, 2001.

	<u>As of Dec. 31, 2000</u>	<u>As of Dec. 31, 2001</u>
	Tool, Furniture and Fixture	Tool, Furniture and Fixture
Acquisition Equivalent Amount	1,444 M Yen	759 M Yen
Accumulated Depreciation Equivalent Amount	<u>1,118 M Yen</u>	<u>570 M Yen</u>
Outstanding Balance	326 M Yen	188 M Yen

- (Note) Acquisition equivalent amount includes interest equivalent expense based on its materiality. Interest equivalent expense is very small in comparison with total property, plant and equipment.

- (2) Outstanding Balance of Accrued Lease Fees as of December 31, 2001.

	<u>As of Dec. 31, 2000</u>	<u>As of Dec. 31, 2001</u>
Due One Year	236 M Yen	76 M Yen
Over One Year	89 M Yen	112 M Yen
<u>Total</u>	<u>326 M Yen</u>	<u>188 M Yen</u>

- (Note) Outstanding Balance of accrued lease expense as of December 31, 2001 includes interest equivalent expense based on its materiality. Interest equivalent expense is very small in comparison with total property, plant and equipment.

- (3) Lease Fees paid and Depreciation Expenses for 2001.

	<u>As of Dec. 31, 2000</u>	<u>As of Dec. 31, 2001</u>
Lease Fees Paid	293 M Yen	189 M Yen
Depreciation Equivalent Expense	293 M Yen	189 M Yen

- (4) Calculation Method for Depreciation

Straight-Line Method with no residual value

5. Current Market Value of Securities, etc.

Information related to the "Marketable Securities" (excluding the Subsidiaries and Investment in Securities with market values) for this consolidated accounting period and the information related to the "Current Market Value of Securities" in the previous consolidated accounting period are disclosed in the notes of the Consolidated Financial Statements.

2001 (as of December 31, 2001)

There are no market value on Stocks of Subsidiaries and Investment in Securities.

. Sales Volume & Sales Amounts

(Unit : KKL, Millions of Yen)

Products	2000 (January 1, 2000 - December 31, 2000)		2001 (January 1, 2001 - December 31, 2001)	
	Volume	Amount	Volume	Amount
Gasoline	7,312 23.9	600,485 50.8	12,147 26.3	1,047,198 55.6
Naphtha	2,676 8.8	62,069 5.3	4,433 9.6	104,187 5.5
Kerosene	3,450 11.3	102,395 8.7	5,756 12.4	158,673 8.5
A.D.O.	4,103 13.4	116,992 9.9	6,810 14.7	182,835 9.7
Fuel, Crude	9,052 29.6	204,054 17.3	11,978 25.9	263,066 14.0
Lubes	195 0.6	13,199 1.1	367 0.8	24,940 1.3
LPG	3,012 9.9	60,532 5.1	3,725 8.1	74,717 4.0
Chemical	549 1.8	18,317 1.5	565 1.2	19,183 1.0
Other Products	226 0.7	4,060 0.3	464 1.0	7,976 0.4
Sub Total	30,580 100.0	1,182,106 100.0	46,249 100.0	1,882,779 100.0
Other Operating Revenue		29,954		41,893
Grand Total	30,580	1,212,060	46,249	1,924,672

(Note) 1. Figure in lower line in each column shows the percent of total sales.

2. Due to the merger with Tonen Corporation on July 1, 2000, comparison with previous accounting year is omitted.

X. Change in Board Members

(1) Newly Appointed Directors (Plan)

Representative Director, Chairman and President

G. W. Pruessing (Current : Representative Director, President)

Representative Director, Managing Director, Kawasaki Refinery Manager

K. Sugiyama (Current : Director, Kawasaki Refinery Manager)

Representative Director, Managing Director, Supply & Distribution Manager

K. Suzuki (Current : Director, Supply & Distribution Manager)

(2) Director to Retire (Plan)

Chairman, Representative Director

M. Okai

(3) Newly Appointed Statutory Auditor (Plan)

Statutory Auditor

S. Ikeda (Retired Former President, ExxonMobil Chemical Japan)

(4) Statutory Auditor to Retire (Plan)

Statutory Auditor

T. Hosokawa

(5) Effective Date of Appointment : March 28, 2002