

Kessan Tanshin (Consolidated) for 2003

February 24, 2004

Registration Company Name : TonenGeneral Sekiyu K.K.

Registered to : Tokyo Stock Exchange

Stock Code No. 5012

Location of Head Office: Tokyo

(URL <http://www.tonengeneral.co.jp>)

Representative

Position: Representative Director, Chairman and President

Name: G. W. Pruessing

For further information, please contact:

Position: ExxonMobil Y.K. Director, Management Support Manager

Name: T. Uchimura

Date of Board Meeting for Year-End Closing : February 24, 2004

Telephone : (03) 5425-9000

Name of The Parent Company : ExxonMobil Yugen Kaisha

Holding Ratio of The Parent Company 50.02%

Adoption of U.S. GAAP Accounting Standard : No

1. Business Performance for 2003 (January 1, 2003 ~ December 31, 2003)

(1) Consolidated Business Performance

(Note) Amounts are shown in truncated Million Yen.

	Sales Revenue		Operating Income		Ordinary Income	
	M Yen	%	M Yen	%	M Yen	%
2003	2,135,289	(10.7)	33,992	(602.2)	38,386	(364.6)
2002	1,928,868	(6.5)	4,840	(90.9)	8,261	(83.9)

	Net Income		Net Income Per Share	Net Income Per Share, Diluted	Income Ratio to Shareholders' Equity	Ordinary Income Ratio to Total Assets	Ordinary Income Ratio to Sales Revenue
	M Yen	%	Yen	Yen	%	%	%
2003	27,712	(227.0)	46.82	-	12.5	4.0	1.8
2002	8,474	(58.8)	13.92	-	3.5	0.8	0.4

(Note) Investment P/L on Equity Method 2003/12 1,597 M Yen 2002/12 803 M Yen
 Average No. of Issued Shares (Consolidated)
 12/31/2003 591,867,896 Shares 12/31/2002 608,833,591 Shares
 Change in Accounting Policies No
 Percentages shown in Sales Revenue, Operating Income, Ordinary Income and Net Income are comparisons with previous accounting period.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Net Worth Ratio	Net Worth Per Share
	M Yen	M Yen	%	Yen
12/31/2003	932,586	225,882	24.2	381.66
12/31/2002	964,494	216,638	22.5	366.03

(Note) Number of Outstanding Shares (Consolidated)
 12/31/2003 591,846,572 Shares 12/31/2002 591,853,559 Shares

(3) Consolidated Cash Flows Position

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of Period
	M Yen	M Yen	M Yen	M Yen
2003	50,115	28,909	80,036	658
2002	25,596	11,742	39,827	1,670

(4) The Scope of Consolidation and Application of Equity Method

No. of Consolidated Subsidiaries : 11 Companies
 No. of Subsidiary Companies which apply Equity Method : - Companies
 No. of Affiliated Companies which apply Equity Method : 4 Companies

(5) Movement in the Scope of Consolidation and Application of Equity Method

Full-Consolidation : (Addition) - Companies (Exclusion) 2 Companies
 Equity Method : (Addition) - Companies (Exclusion) 1 Company

2. Projected Consolidated Business Performance for 2004 (January 1, 2004 ~ December 31, 2004)

	Sales Revenue	Ordinary Income	Net Income
	M Yen	M Yen	M Yen
First Half	980,000	20,000	12,000
Full Year	2,030,000	42,000	27,000

(Reference) Projected Net Income Per Share 45.62 Yen
 The forecast is based on the information available at the issued date, and may differ from actual results.
 See attached information . Financial results (2) in respect of the forecast above.

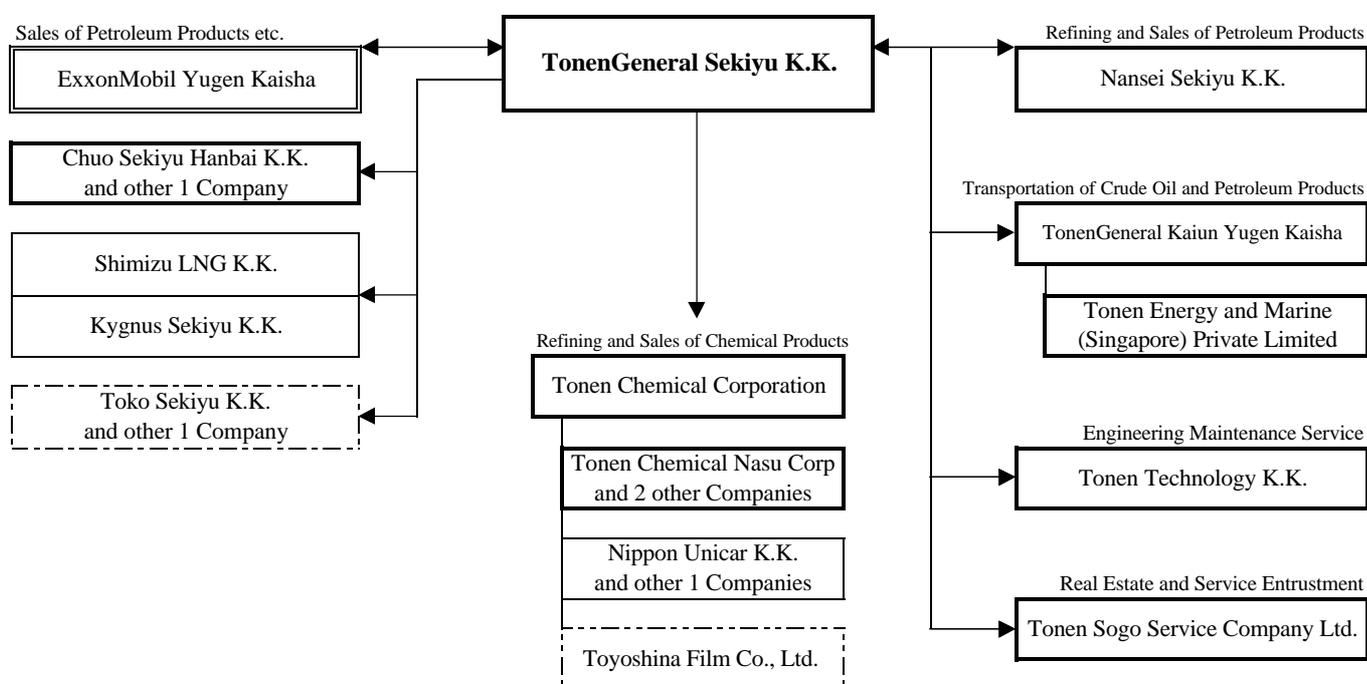
. Profile of Group Companies

Followings show the 21 group companies' (The Company, 11 Consolidated Subsidiaries, 4 Equity Companies, 4 Non-consolidated Subsidiaries and Connected Companies and 1 Parent Company) major businesses and position.

Segment	Function	Major Business	Name of Company	Number of Companies
Oil Products	Marketing	Sales of Petroleum Products	TonenGeneral Sekiyu K.K., ExxonMobil Yugen Kaisha, Kygnus Sekiyu K.K., Chuo Sekiyu Hanbai K.K., K.K. General Sekiyu Hanbaisho and 2 other companies	7
	Refining	Refining and Sales of Petroleum Products	TonenGeneral Sekiyu K.K. and Nansei Sekiyu K.K.	2
	Shipping	Transportation of Crude Oil and Petroleum Products	TonenGeneral Kaiun Yugen Kaisha and Tonen Energy and Marine(Singapore) Private Ltd.	2
	Others	Insurance, and Purchase and Sales of LNG	Shimizu LNG K.K. and 1 other company	2
Chemical Products	Refining & Marketing	Refining and Sales of Petro-chemical Products	TonenGeneral Sekiyu K.K., Tonen Chemical Corporation, Tonen Chemical Nasu Corp, Nippon Unicar K.K. Tonex Co., Ltd. and 3 other companies	8
Others		Engineering Maintenance Service	Tonen Technology K.K.	1
		Real Estate and Service Entrustment	Tonen Sogo Service Company Limited	1

(Note) 1. Tonen Chemical Corporation (TCC), TG's consolidated subsidiary, sold all the shares (Ratio of Voting Rights 35%) of Japan Polychem Corp., one of TG's equity companies (Capital 20 BYen) to Mitsubishi Chemical Corp. in on June 2, 2003
Tonen Chemical Corporation also sold all the shares (Ratio of Voting Rights 100%) of Tonen Tapyrus Co. Ltd. one of TG's Consolidated Subsidiaries (Capital 50 MYen) to Nichiei Kogyo K.K on December 12, 2003

Business structure is as follows;



Parent Company



Consolidated Company



Equity Company



Affiliated Company

. Corporate Policy

(1) Mission of TonenGeneral

TonenGeneral will help lead Japan into the future by stably providing quality products, as the Japan's premier refiner and supplier, leveraging ExxonMobil's global network, to quickly and reliably respond to customers and circumstances so as to valuably contribute to shareholders, customers, employees, local communities and society.

(2) Corporate Strategy

Reflecting our slogan, "Power to Drive the 21st Century," TonenGeneral have announced the goal of its corporate strategy which is defined by the company as "Marketing" among best class in Japan and "Refinery and Supply" whose cost competitiveness and technology are on par with global standard.

TonenGeneral will continue to grow and develop in the future, accelerating its efforts to enhance business efficiency and profitability with global level.

(3) Key Principle

To realize our corporate strategy, we will strongly promote following items:

- Secure Safety, Healthy and Environment
- Secure Integrity of Business and Maintain Flawless Operations
- Enhance efficiency and global competitiveness
- Provide attractive service and high add value
- Maintain a vital organization with creative employees

(4) Dividend Policy

TonenGeneral considers providing superior total returns to shareholders as one of its top management priorities, with the objective of steadily increasing shareholder value over time. Our basic policy is to continue to provide returns to shareholders through stable dividends, while maintaining a solid financial structure and considering issues such as trends in consolidated cash flows and future capital expenditures.

(5) Lowering the Trading Unit

TonenGeneral regards raising liquidity of our stock as one of important management issues. However, it is estimated that lowering the trading unit requires a huge cost. Therefore, at present we do not believe that it is necessarily in the best interest of all of our shareholders. We continue to monitor market conditions, while investigating the best way to enhance both liquidity and the interests of all of our shareholders.

(6) Corporate Governance

TonenGeneral expects everyone - directors, officers, employees and suppliers acting on our behalf to maintain the highest ethical standards, in addition to compliance with all applicable laws and regulations. We are also dedicated to running safe and environmentally responsible operations.

TonenGeneral has long established 'Standards of Business Conduct' consisting of various policies applied to the employees, including those related to business ethics, conflicts of interest, antitrust, information control and protection, safety, and health and environmental performance. All employees are subject to the 'Standards of Business Conduct'.

Moreover, the top priority in our basic policy is maintaining superior standards for safety, health, and environmental protection. We have introduced the "Operations Integrity Management System (OIMS)" into all refineries, terminals and service stations, originally developed by Exxonmobil, to ensure safety, health and environmental soundness in all our operations. To strengthen our safety soundness, we conduct yearly internal audits regarding OIMS compliance, by employees who have no direct relationship with audited department. Specialists from overseas Exxonmobil affiliates also audit our refineries or terminals every three years.

. Financial Results

(1) Business Overview

During 2003, crude oil prices continued to be fairly volatile, due to uncertainties surrounding the Middle East, reduced crude inventory levels in the US, and OPEC decisions. The annual average hovered at 26 – 27 dollars, an increase of around 3 dollars a barrel versus the previous year. On the other hand, the yen strengthened in the second half, partially mitigating the dollar increase in crude oil cost. The annual average of crude oil cost in yen terms increased around 2 yen per liter from the previous year.

Product margins increased significantly for a brief period after the Iraq hostilities in the first half of the year, as rapid increases in crude prices were passed through to inland product prices. In the second half, severe price competition for market share constrained recovery of these crude oil cost increases, again depressing margins. Overall, industry margins for the whole year slightly improved against the previous year.

[Financial Results by Segment]

1) Petroleum Products

Industry petroleum product demand had been decreasing for the past several years due to the sluggish economy, abnormal weather and changes in environmental regulations. However, demand increased by 2.5% in 2003 from the previous year for the first time in 4 years. Key components were the increase of kerosene demand (1.5%), owing to the colder weather than 2002, and sharp demand increase of Fuel Oil C (18.1%) because of the continuing nuclear power plant shutdowns. On the other hand, with the long rainy season and low temperature in the summer, gasoline marked only a 1% increase over the previous year. Diesel sales decreased by 3.8% over the previous year due to the decreased number of diesel vehicles, a result of transportation streamlining and environmental regulation.

TonenGeneral group's sales revenue expanded to 1,975.1 billion yen, mainly due to the increase of marketing selling price following the rise in crude oil price.

Operating income increased by 15.8 billion yen from the previous period to 13.5 billion yen.

This is due to margin improvement of kerosene and fuel oil A and sales volume increase of gasoline and kerosene. With the implementation of our new systems and reduction in employee numbers, operating cost reduction contributed to the profit increase.

TonenGeneral applies the LIFO/LOCOM method for inventory evaluation. Operating income

includes inventory valuation gains of 4.3 billion yen. These inventory valuation effects do not affect our cash earnings.

2) Petrochemical Products

Industry ethylene production in Japan was more than 7.3 million tons in 2003, showing a slight sign of quantitative recovery after three consecutive years of decline since it peaked in 1999. On the other hand, the price of crude and fuel significantly fluctuated in the first half of the year and then soared toward the end of year, making it difficult to shift the increase cost of crude and fuel to product prices.

Our chemical sales revenue stood at 158.1 billion yen, reflecting the rise in unit price of petrochemical products triggered by the increase in naphtha price. An increase in sales volume, mainly in olefins, brought about by the recovery in demand for petrochemical products, also contributed. Operating income went up by 13.7 billion yen from last year to 20.1 billion yen, as demands for aromatics such as paraxylene were active and both sales volume and margin were high.

3) Other Segments

As for real estate, engineering & maintenance business for refineries and terminals, sales revenue was 1.9 billion yen and operating income was negative 4 million yen.

(2) Earnings Forecast

Our earnings forecasts for the period ending December 2004 are as follows:

Unit: billion yen

	<u>Consolidated</u>	<u>Parent-own</u>
Sales Revenue	2,030.0	2,070.0
Operating Income	41.0	32.0
Ordinary Income	42.0	35.0
Net Income	27.0	22.0

These estimates assume no inventory valuation effects on profits. Some considerations leading to the forecasts include the following:

Sales volume is presumed to be approximately at the same level as the preceding year.

Product margins are expected to slightly improve, on the assumption that, although market conditions will continue to be severe, we will benefit from continuing cost-reduction efforts. Extraordinary income will include divestment of some non-operating assets, a gain related to transfer to the government of certain portions of our company pension plans, and costs related to possible implementation of an early retirement program for our employees. At this point, neither the details nor the timing of the latter two items are certain.

.Consolidated Financial Statements

Consolidated

Consolidated Balance Sheets

(Unit: Millions of Yen)

Account Titles	As of December 31, 2002	As of December 31, 2003	Dec. 31, 2003 vs. Dec. 31, 2002
Assets	964,494	932,586	-31,907
Current Assets	627,862	610,649	-17,213
Cash on Hand and In Bank	1,670	658	-1,011
TNR & TAR	424,045	418,655	-5,389
Inventories	154,715	169,111	14,396
Deferred Income Tax Assets	4,735	6,964	2,229
S/T Loans Receivable	29,700	4,893	-24,806
Others	13,795	11,371	-2,423
Reserve for Bad Debt	-799	-1,006	-206
Fixed Assets	336,631	321,936	-14,694
Property, Plant and Equipment	266,951	257,651	-9,300
Buildings, Structures & Tanks	73,362	72,118	-1,243
Machinery and Equipment	70,201	70,432	231
Land	105,686	103,435	-2,251
Others	17,699	11,663	-6,036
Intangible Fixed Assets	6,487	6,764	276
Investments, etc.	63,192	57,521	-5,671
Investment in Securities	34,005	31,851	-2,153
L/T Loans Receivable	1,917	2,705	787
Deferred Income Tax Assets	10,063	4,736	-5,326
Others	17,206	18,227	1,021
Total Assets	964,494	932,586	-31,907

(Note) Amounts are shown in truncated millions of Yen.

Consolidated

Consolidated Balance Sheets

(Unit: Millions of Yen)

Account Titles	As of December 31, 2002	As of December 31, 2003	Dec. 31, 2003 vs. Dec. 31, 2002
Liabilities	746,884	705,788	-41,095
Current Liabilities	652,184	615,401	-36,783
TAP	215,489	213,943	-1,545
Gasoline Tax etc., Payable	225,197	232,492	7,295
S/T Loans	136,311	90,194	-46,116
Commercial Paper	10,000	-	-10,000
Deferred Income Tax Liabilities	-	9	9
Guarantee Deposits Payable	11,772	11,697	-74
Others	53,414	67,064	13,649
Long-Term Liabilities	94,699	90,386	-4,312
L/T Debt	17,361	14,384	-2,977
Deferred Income Tax Liabilities	435	-	-435
Res. for Accrued Pension Costs	50,021	53,295	3,274
Res. Retirement Allowance for Officers	550	382	-167
Res. for Repairs	14,065	14,123	58
Res. for Offshore Well Abandonment	1,776	1,608	-168
Consolidation Adjusting Account	954	-	-954
Others	9,535	6,593	-2,941
Minority Interests in Consolidated Subsidiaries	971	915	-56
Shareholders' Equity	216,638	225,882	9,244
Common Stock	35,123	35,123	-
Additional Paid-in Capital	20,741	20,741	-
Retained Earnings	159,727	166,131	6,404
Unrealized Holding Gains on Securities	1,608	4,454	2,845
Foreign Currency Translation Adjustments	-14	-10	4
Treasury Stock	-548	-558	-9
Total Liabilities, Minority Interests and Shareholders' Equity	964,494	932,586	-31,907

(Note) Amounts are shown in truncated millions of Yen.

Consolidated Income Statements

(Unit: Millions of Yen)

Accounts Titles		2002 (January 1, 2002 ~ December 31, 2002)	2003 (January 1, 2003 ~ December 31, 2003)	2003 vs. 2002	
Ordinary P/L Section	Operating P/L Section	Sales Revenue	1,928,868	2,135,289	206,421
		Cost of Sales	1,866,573	2,050,573	184,000
		Selling , General and Administrative Expenses	57,454	50,723	-6,730
		Operating Income	4,840	33,992	29,151
	Non-Operating P/L Section	Non-Operating Income			
		Interest Income	484	409	-74
		Dividends Received	247	137	-110
		Foreign Exchange Gain	1,791	2,253	461
		Consolidation Adjustments Account	1,166	954	-211
		Equity in Earnings of Affiliates	803	1,597	793
		Others	635	532	-103
		Non-Operating Expenses			
		Interest Expenses	1,012	935	-77
		Others	694	554	-140
Ordinary Income		8,261	38,386	30,124	
Extraordinary P/L Section	Extraordinary Gain				
	Gain on Sales of Property, Plant and Equipment	10,323	9,366	-956	
	Gain on Sales of Investment Securities	2,593	4,322	1,728	
	Gain on Sales of Technical License	-	669	669	
	Gain on Reversal of Reserve for Offshore Well Abandonment	-	259	259	
	Gain on Reversal of Bad Debt Allowance	105	37	-67	
	Gain on Business Transfer of Lubricants Oil Blending	848	-	-848	
	Others	31	69	37	
	Extraordinary Loss				
	Loss on Retirement Allowance Expense for Transferred Employment	-	3,699	3,699	
	Loss on Sales and Disposal of Property, Plant and Equipment	2,934	3,383	448	
	Loss on Sales of Investment Securities	885	139	-745	
	Evaluation Loss on Investment Securities	840	126	-714	
	Loss on Sales of Subsidiary Company Stocks	-	115	115	
Additional Allowance for Early Retirement	4,364	27	-4,337		
LPG Collection related Expense	768	-	-768		
Others	147	90	-56		
Net Income Before Income Taxes		12,224	45,529	33,305	
Current Income Taxes, Enterprise Tax		2,888	17,073	14,185	
Deferred Income Taxes		686	778	91	
Minority Interests		174	-35	-209	
Net Income		8,474	27,712	19,238	

(Note) Amounts are shown in truncated millions of Yen.

Consolidated

Consolidated Statement of Retained Earnings

(Unit: Millions of Yen)

Account Titles	2002 (January 1, 2002 ~ December 31, 2002)		2003 (January 1, 2003 ~ December 31, 2003)	
	Additional Paid in Capital			
Outstanding Balance at Beginning of Period		20,741		20,741
Outstanding Balance at End of Period		20,741		20,741
Retained Earnings				
Outstanding Balance at Beginning of Period		213,007		159,727
Increase in Consolidated Retained Earnings				
Net Income	8,474	8,474	27,712	27,712
Decrease in Consolidated Retained Earnings				
Cash Dividends Declared	21,452		21,307	
Retirement of Repurchased Treasury Stocks	40,301		-	
Loss on Disposal of Treasury Stock	-	61,754	0	21,308
Outstanding Balance at End of Period		159,727		166,131

(Note) Amounts are shown in truncated millions of yen.

Consolidated

Consolidated Statements of Cash Flows

(Unit: Million Yen)

Title	2002	2003
	(Jan. 1, 2002 ~ Dec. 31, 2002)	(Jan. 1, 2003 ~ Dec. 31, 2003)
	Amounts	Amounts
.Cash Flows from Operating Activities		
Net Income before Income Taxes	12,224	45,529
Depreciation, Depletion and Amortization	24,210	21,673
Increase in TAR	6,596	5,212
Increase (Decrease) in Inventories	10,648	14,547
Increase (Decrease) in TAP	6,196	1,518
Others	4,854	4,384
Sub-Total	33,724	60,735
Interest and Dividend Income Received	720	610
Proceeds from Business Transfer of Lubricants Oil Blending	848	-
Interest Paid	1,048	992
Payments for Additional Allowance for Early Retirement	1,611	6,475
Payments for LPG Collection related Expenses	1,021	-
Income Taxes Paid	6,016	3,761
Net Cash Provided by Operating Activities	25,596	50,115
.Cash Flows from Investing Activities		
Payments for Additions to Property, Plant and Equipment	19,199	19,558
Proceeds from Sales of Property, Plant and Equipment	18,804	14,531
Payments for Additions to Intangible Assets	1,284	1,180
Proceeds from Sales of Investment in Securities	9,137	10,949
Decrease in Short-term Loans Receivable, net	2,443	20,644
Long-term Loans	487	12
Collection of Long-term Loans Receivable	1,907	3,387
Proceeds from Sales of Subsidiary Stocks According to Change in Scope of Consolidation	-	59
Others	419	90
Net Cash Provided(Used) in Investing Activities	11,742	28,909
.Cash Flows from Financing Activities		
Increase in Short-term Borrowings, net	22,301	22,678
Increase (Decrease)in Commercial Paper	5,000	10,000
Repayment of Long-term Debt	4,224	26,018
Payments for Repurchase of Treasury Stock for Retirement Purpose	40,301	-
Payments for Purchase of Treasury Stock	450	127
Proceeds for Sales of Treasury Stock	-	116
Dividends Paid	21,452	21,307
Dividends Paid to Minority Interests in Consolidated Subsidiaries	42	-
Payment to Minority Interests due to Capital Reduction	657	21
Net Cash Used in Financing Activities	39,827	80,036
.Decrease in Cash and Cash Equivalents	2,487	1,011
.Cash and Cash Equivalents at the Beginning of the Period	4,158	1,670
.Cash and Cash Equivalents at the End of the Period	1,670	658

(Note) Amounts are shown in truncated Million Yen.

Notes to the Consolidated Financial Statements

1. Scope of Consolidation

- Consolidated Subsidiaries: 11 Companies, see "I. Profile of Companies Group"
- Subsidiary Eliminated from Consolidation during the period: 2 Companies,
Sun East (Dublin) Company Ltd., Tonen Tapyrus Co., Ltd.
- Non-consolidated Subsidiary: 1 Company, Kyushu Eagle K.K.

2. Scope of Application of Equity Method

- Companies Accounted for by the Equity Method: 4 Companies, see "I. Profile of Companies Group"
- Decrease during the period: Nihon Polychem, Inc
- Non-equity Method Companies: 1 Non-consolidated Subsidiary and 3 Affiliated Companies
- Decrease during the period: Taketsuru Yugyo K.K., Nichiei Industry Co., Ltd.

3. Closing Date of Consolidated Subsidiaries

The closing dates of consolidated subsidiaries are the same dates as that of TonenGeneral Sekiyu K.K. (TG).

4. Significant Accounting Procedures

(1) Evaluation Methods for Important Assets

Inventories

- Goods, Products, Unfinished Products, and Crude: generally LIFO at the Lower of Cost or Market
- Supplies: Moving Average Method

Securities

- Other securities
 - Marketable: Market Value at the Closing Date
 - Non-marketable: Moving Average Method

Derivative Transactions, etc.: Market Value at the Closing Date

(2) Depreciation and Amortization Method for Fixed Assets

- Property, Plant and Equipment: generally the Declining Balance Method excluding one Consolidated Subsidiary
In addition, service life ranges of major types of assets are:
 - Buildings & Structures: 10 to 50 years
 - Tanks: 10 to 25 years
 - Machinery and Equipment: 8 to 15 years
- Intangible Assets: Straight Line Method
In-house computer software is amortized over its service life (5 ~ 15years) under the straight line method.

(3) Accounting Standards for Major Reserves

- Reserve for Bad Debt
To provide for losses due to bad debt, TG and consolidated subsidiaries accrue an estimated reserve for bad debt on ordinary receivables based on the experienced bad debt ratio; and on highly doubtful receivables based on the financial position of individual customer.
- Reserve for Accrued Pension Costs
To provide for the payment of employees' post-retirement benefits, TG and consolidated subsidiaries accrue an estimated reserve based on the projected benefit obligation and estimated pension plan assets at closing date. Any differences in cost caused by the actuarial calculation of retirement benefits are amortized in starting from next accounting period using the declining balance method over a period which is within the average employees' remaining service years (12 years). Prior service obligations are amortized using the straight line method over the average employees' remaining service years (15.5 years).

- Reserve for Retirement Allowance for Officers Consolidated

To provide for the payment of officers' post-retirement allowance, TG and consolidated subsidiaries accrue an estimated amount of lump sum retirement allowance, on the basis that officers retire at the closing date.

- Reserve for Repairs

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

- Reserve for Offshore Well Abandonment

In recognition of expenses required for offshore well abandonment when natural liquid gas production is terminated, TG accrues an estimated amount using the unit of production method.

(4) Translation Method for Foreign Currency Assets and Liabilities

Foreign currency assets and liabilities are translated into yen at spot rate at closing date and any difference of exchange rate is reflected into Income.

(5) Accounting Procedure for Lease Transactions

Finance lease transactions without transfer of ownership of leased items to lessee are treated using the same accounting method as ordinary operating lease transactions.

(6) Other

The Income Statement does not include any consumption tax transactions.

5. Scope of Cash and Cash Equivalents

Assets and liabilities of the consolidated companies are evaluated using the part-market price basis method.

6. Scope of Amortization of Consolidation Adjustment Accounts

Consolidation adjustment accounts are amortized by the straight line method over five years.

When the amount is immaterial, the consolidation adjustment is amortized on a lump-sum basis.

However, if the period of the amortization can be estimated at less than five years, the consolidation adjustment accounts are amortized using the straight line method over the estimated years.

7. Scope of the Retained Earnings Distribution

The Consolidated Statement of Retained Earnings is based on the appropriation during the current accounting period of TG and the consolidated subsidiaries.

8. Scope of Cash and Cash Equivalents in the Consolidated Cash Flow Statement

Cash and Cash Equivalents include cash on hand, deposits which are drawable at any time, and short-term advances, generally with original maturity of three months or less, which are readily convertible and present insignificant risk of change in value.

Additional Information

Consolidated

1. Shareholders' Equity

According to the revision in accounting standards, revised version of Accounting Standards for Financial Statement is applied to Shareholders' Equity of Balance Sheet.

2. Information of Earnings Per Share

"Accounting Standard for Earnings Per Share" (issued by the Accounting Standards Board of Japan on September 25, 2002, Accounting Standards Board Statement No.2) and related guidance, "Implementation Guidance for Accounting Standard for Earnings Per Share" (issued by the Accounting Standards Board of Japan on September 25, 2002, Accounting Standards Board Statement No.4) are adopted from this accounting period. There is no impact on earnings per share due to this change.

Remarks**1. Consolidated Balance Sheet related Information**

	<u>As of December 31, 2002</u>	<u>As of December 31, 2003</u>
(1) Accumulated Depreciation of Property, Plant and Equipment	721,046 M Yen	718,797 M Yen
(2) Long-term Reserve for Bad Debt	1,217 M Yen	1,705 M Yen
(3) Contingent Liabilities	9,089 M Yen	5,777 M Yen
(4) Number of Shares Issued: Common Stock	592,543,018 shares	592,543,018 shares
(5) Treasury Stocks		
Number of Shares	689,459 shares	696,446 shares
Amount	548 M Yen	558 M Yen

- By way of loan participations, total principal amount of loans receivable sold by a consolidated subsidiary to third parties recorded in accordance with Report No.3 of The Accounting Institution Committee of The Japanese Institute of Certified Public Accountants, issued on June 1, 1995.

161,262 M Yen	210,449 M Yen
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2. Consolidated Statement of Cash Flows related Information

- (1) The Relationship between Cash and Cash Equivalents at the Closing Dates and some Accounts in Balance

	<u>As of December 31, 2002</u>	<u>As of December 31, 2003</u>
Cash on Hand and in Banks	1,670 M Yen	658 M Yen
Cash and Cash Equivalents	<u>1,670 M Yen</u>	<u>658 M Yen</u>

- (2) Major Items of Assets and Liabilities of Subsidiaries Eliminated from Consolidation by sales of stock

Tonen Tapyrus Co., Ltd.

Current Assets	342 M Yen
Fixed Assets	363 M Yen
Total Assets	706 M Yen

Current Liabilities	511 M Yen
Long-Term Liabilities	16 M Yen
Total Liabilities	528 M Yen

3 .Lease Transactions

Finance lease without transfer of ownership of leased items to Lessee

(1) Acquisition Cost Equivalent Amount, Accumulated Depreciation Equivalent Amount and Net Book Value Equivalent Amount at the Closing Dates

	<u>As of Dec. 31, 2002</u>	<u>As of Dec. 31, 2003</u>
	Tool, Furniture & Fixtures	Tool, Furniture and Fixture
Acquisition Equivalent Amount	517 M Yen	586 M Yen
Accumulated Depreciation Equivalent Amount	<u>424 M Yen</u>	<u>502 M Yen</u>
Outstanding Balance	93 M Yen	84 M Yen

(Note) The acquisition equivalent amounts include interest equivalent expense. These amounts should be separately disclosed. However, they are not disclosed as the total is immaterial in comparison to the total property, plant and equipment.

(2) Outstanding Balance of Accrued Lease Fees at the Closing Dates

	<u>As of Dec. 31, 2002</u>	<u>As of Dec. 31, 2003</u>
Due within One Year	70 M Yen	57 M Yen
Due over One Year	<u>23 M Yen</u>	<u>26 M Yen</u>
Total	93 M Yen	84 M Yen

(Note) The outstanding Balance of accrued lease expense as of December 31, 2003 includes interest-equivalent expense. These amounts should be separately disclosed. However, they are not disclosed as the total is immaterial in comparison to the total property, plant and equipment.

(3) Lease Fees Paid and Depreciation Equivalent Expenses

	2002 <u>(January 1, 2002 ~ Dec. 31, 2002)</u>	2003 <u>(January 1, 2003 ~ Dec. 31, 2003)</u>
Lease Expenses Paid	144 M Yen	150 M Yen
Depreciation Expense Equivalent	144 M Yen	150 M Yen

(4) Calculation Method for Depreciation

Straight Line Method with no residual value

4. Securities

2002 (January 1, 2002 ~ December 31, 2002)

Marketable Securities

(1) Other Securities with Market Value (As of December 31, 2002)

(Unit: Million of Yen)

	Type	Purchase Price	Book Value	Gain/Loss
Book Value exceeds Purchase Price	(1) Stocks	1,847	4,447	2,600
	(2) Bonds	-	-	-
	National & Local Government Bonds	-	-	-
	Corporate Bonds	-	-	-
	Others	-	-	-
	(3) Others	-	-	-
	Sub-Total	1,847	4,447	2,600
Book Value does not exceed Purchase Price	(1) Stocks	833	790	-42
	(2) Bonds	-	-	-
	National & Local Government Bonds	-	-	-
	Corporate Bonds	-	-	-
	Others	-	-	-
	(3) Others	-	-	-
	Sub-Total	833	790	-42
Total		2,680	5,238	2,557

(Note) TG and Consolidated Subsidiaries have adopted Evaluation Loss Accounting for Marketable Securities (806M yen) in this Consolidated Accounting Period.

(2) Available-for-Sale Securities sold during in this Consolidated Accounting Period

(Unit: Million of Yen)

Sales Amounts	Total Amount Gained on the Sale of Securities	Total Amount Lost on the Sale of Securities
7,293	2,593	885

(3) Breakdown of Non-Marketable Securities (As of December 31, 2002)

(Unit: Million of Yen)

	Book Value	Notes
Other Securities		
Non-listed Stocks (excluding Over-the-counter Stocks)	28,766	
Investment Securities	11	

2003 (January 1, 2003 ~ December 31, 2003)

Marketable Securities

(1) Other Securities with Market Value (As of December 31, 2003)

(Unit: Million of Yen)

	Type	Purchase Price	Book Value	Gain/Loss
Book Value exceeds Purchase Price	(1) Stocks	2,372	9,648	7,275
	(2) Bonds	-	-	-
	National & Local Government Bonds	-	-	-
	Corporate Bonds	-	-	-
	Others	-	-	-
	Ⓒ) Others	-	-	-
	Sub-Total	2,372	9,648	7,275
Book Value does not exceed Purchase Price	(1) Stocks	-	-	-
	(2) Bonds	-	-	-
	National & Local Government Bonds	-	-	-
	Corporate Bonds	-	-	-
	Others	-	-	-
	Ⓒ) Others	-	-	-
	Sub-Total	-	-	-
Total		2,372	9,648	7,275

(2) Available-for-Sale Securities sold during in this Consolidated Accounting Period

(Unit: Million of Yen)

Sales Amounts	Total Amount Gained on the Sale of Securities	Total Amount Lost on the Sale of Securities
10,944	4,322	139

(3) Breakdown of Non-Marketable Securities (As of December 31, 2003)

(Unit: Million of Yen)

	Book Value	Notes
Other Securities		
Non-Listed Stocks	22,203	
Investment Securities	5	

5. Derivative Transactions

Contract Amount etc., Market Value and Unrealized Gain or Loss of Derivative Transactions

Currency Related

(Unit: Million Yen)

Subject of Deal	Type of Instrument	As of December 31, 2002				As of December 31, 2003			
		Contract Amount		Market Value	Unrealized Gain/ (Loss)	Contract Amount		Market Value	Unrealized Gain/ (Loss)
			Over One Year				Over One Year		
Transactions Other than Market Transactions	Foreign Exchange Forward US\$ Buying	40,024	-	39,528	495	48,719	-	48,604	115
	Total	40,024	-	39,528	495	48,719	-	48,604	115

Previous Accounting Period
 (Note) Calculation Method for Market Value
 Closing market price is calculated
 based on current market price.

Current Accounting Period
 (Note) Calculation Method for Market Value
 Ditto

Qualitative information regarding the derivative transaction above is omitted.

6 .Payment for employees' postretirement benefits

1 .Outline of Adopted Retirement Benefit Scheme

TG and consolidated subsidiaries have adopted qualified retirement pension plan and lump sum pension payment schemes, mainly as defined benefit pension schemes.

The former Tonen Corporation and one consolidated subsidiary have also adopted employee's pension fund system.

TG's qualified pension plan changed on April 1, 1982 for the employees of the former General Sekiyu K.K.,

and in 1980 for the employees of the former Tonen Corporation.

As of December 31, 2003, a qualified retirement pension plan was adopted by four companies of the consolidated group, while a employee's pension fund system was adopted by two, and a lump sum pension payment scheme by four companies.

2 .Items of Projected Benefit Obligations

(Unit Millions of Yen)

	As of December 31, 2002	As of December 31, 2003
Projected Benefit Obligations	165,457	157,013
Plan Assets	74,906	91,901
Non-deposited retirement pay obligations (+)	90,550	65,111
Unrecognized differences in costs due to actuarial calculation	46,325	19,128
Unrecognized prior service cost (Reduction of liabilities)	1,547	1,434
Consolidated balance sheet appropriation pure frame (+ +)	42,678	44,548
Prepaid Pension Costs	7,343	8,747
Reserve for Accrued Pension Costs (-)	50,021	53,295

(Note) 1 .Substitute portion of employee pension programs is included.

2 . Some consolidated subsidiaries adopt the simple method to calculate projected benefit obligations.

3 .Items of Accrued Pension Costs

(Unit Millions of Yen)

	2002 (January 31, 2002 ~ December 31, 2002)	2003 (January 31, 2003 ~ December 31, 2003)
Service expense	4,568	4,573
Interest expense	3,838	3,312
Expected return on plan assets	5,719	4,332
Amortization of differences due to actuarial calculation	3,398	9,306
Charging off of a prior service cost	112	112
Employee premium frame of employee's pension fund	394	367
Accrued Pension Costs (+ + + + +)	5,804	12,606

(Note) 1 .Employee contributions to the employee's pension fund are excluded.

2 .Accrued Pension Costs of the consolidated subsidiary that have adopted the simple method is recognized as Service expense.

3 .Other than above Accrued Pension Costs, 4,364 million yen of 'Additional Allowance for Early Retirement' for 2002, and 2,201 million yen of 'Additional Allowance for Transferred Employment' is included in 'Loss on Retirement Allowance Expense for Transferred Employment'. They are both recognized as Extra-ordinary Loss.

4 .Items Related to the calculation method of Projected Benefit Obligations

	As of December 31, 2002	As of December 31, 2003
Period distribution method of estimated retirement benefits	Period fixed amount standard	Period fixed amount standard
Discount rate	2.10%	2.30%
Rate of expected return on plan assets	2.10%	6.00%
Amortization Period for prior service cost	15.5 years	Ditto
	(Prior service obligations are amortized using the straight line method over the average employees' remaining service years)	Ditto
Amortization Period for different costs due to actuarial calculation	12 years	12 years
	(Amortization using the declining balance method over the certain years within the average employees' remaining service years)	Ditto

7. Deferred Tax Accounting

(1) Items of Major Reasons for Deferred Tax Assets and Deferred Tax Liabilities

(Unit :Millions of Yen)

	As of December 31,2002	As of December 31, 2003
(Deferred Tax Assets)		
Excess of Reserve for Retirement Allowance	21,637	20,303
Excess of Accumulated Depreciation	672	542
Excess of Reserve for Turnaround	2,569	3,312
Tax Loss Carry Forward Balance	2,239	1,424
Others	7,448	10,033
Total Deferred Tax Assets	34,566	35,616
(Deferred Tax Liabilities)		
Reserve for Replacement of Property	16,037	16,473
Unrealized Holding Gains of Securities	1,075	2,999
Other	3,090	4,451
Total Deferred Tax Liabilities	20,202	23,923
Net of Deferred Tax Assets	14,363	11,692

The following items are included in deferred tax assets, net, on the consolidated Balance Sheet.

(Unit :Millions of Yen)

	As of December 31,2002	As of December 31, 2003
Current Assets - Deferred Tax Assets	4,735	6,964
Fixed Assets - Deferred Tax Assets	10,063	4,736
Current Liabilities - Deferred Tax Liabilities	-	9
Long Term Liabilities - Deferred Tax Liabilities	435	-

(2) Major Factors in the difference between the Statutory Effective Tax Rate and the Actual Effective Tax Rate

	As of December 31,2002	As of December 31, 2003
Statutory Effective Tax Rate	42.1 %	42.1 %
(Adjustment)		
Items Such as Entertainment Expense Never Recognized as Loss	0.6 %	0.1 %
Items Such as Dividends Received Never Recognized as Profit	0.7 %	0.1 %
Equity Earnings	-	1.5
Adjustment of Gain/ Loss on Sales of Investment Securities	-	0.9
Amortization in Consolidation Adjustments Account	4.0	0.9
Introduction of Non Income Base Tax System	- %	0.5 %
Unrecognized Deferred Tax Assets for Unrealized Loss	-8.4	-
Others	0.3 %	0.1 %
Actual Effective Tax Rate	29.3 %	39.2 %

Introduction of Non Income Base Tax System

According to the law revising the calculation method of the statutory enterprise local tax proclaimed on March 31, 2003, the tax rate on the previous basis is applied for deferred income tax assets scheduled to realize by the end of December, 2004, and the tax rate on the new basis is applied for deferred income tax assets scheduled to realize after the beginning of 2005.

As a result, the amount of deferred income tax assets decreased by 238 million yen, unrealized gains on holding securities increased by 4 million yen, and deferred income tax charge of current accounting period increased by 242 million yen compared with the amount on the previous basis.

8 .Segment Information

Consolidated

1. Business Segment Information

2002 (January 1, 2002 ~ December 31, 2002)

(Unit: Millions of Yen)

	Oil	Chemicals	Others	Total	Elimination	Consolidated
. Net Sales and Operating Income						
(1) Sales Revenue to Third Parties	1,799,685	125,457	3,725	1,928,868	-	1,928,868
(2) Internal Transactions	272,041	23,518	2,288	297,848	(297,848)	-
Total	2,071,727	148,976	6,013	2,226,717	(297,848)	1,928,868
Operating Expenses	2,074,001	142,535	5,654	2,222,191	(298,164)	1,924,027
Operating Income (Loss)	2,274	6,440	359	4,525	315	4,840
. Assets, Depreciation and Capital Expenditures						
Assets	926,058	157,083	3,196	1,086,338	(121,844)	964,494
Depreciation	19,781	4,410	18	24,210	-	24,210
Capital Expenditure	17,648	2,833	1	20,483	-	20,483

(Note)

- The Classification of business lines has been based on the internal control procedure the Company has adopted.
- Classification of business lines and major products which belong to each business line:
 - Oil : Gasoline, Naphtha, Jet Fuel, Kerosene, Diesel Fuel, Heavy Fuel, Lubricants, LPG, etc.
 - Chemicals: Ethylene, Propylene, Benzene, Toluene, Paraxylene, etc.
 - Others: Real Estate, Engineering, Maintenance Service, etc.
- Change in Accounting Procedure, etc.
 - Starting from this accounting period, TonenGeneral Sekiyu K.K. and Nansei Sekiyu K.K. (NSS) , a consolidated subsidiary, changed the evaluation method of crude and products in transit, from the acquisition cost by vessel, to LIFO at the lower of cost or market. (combined with landed crude and products, respectively)
As a result, Cost of Goods Sold and Operating Loss for the oil segment increased 12,811 million yen, respectively, in comparison with the method previously used.
 - Starting from this accounting period, NSS changed the depreciation method for property, plant and equipment from the straight line method to the declining balance method.
As a result, Operating Expenses and Operating Loss for oil segment increased by 15 million yen, respectively, in comparison with the method previously used.

2003 (January 1, 2003, ~ December 31, 2003)

(Unit: Millions of Yen)

	Oil	Chemicals	Others	Total	Elimination	Consolidated
. Net Sales and Operating Income						
(1) Sales Revenue to Third Parties	1,975,199	158,101	1,987	2,135,289	-	2,135,289
(2) Internal Transactions	343,610	24,438	2,008	370,057	(370,057)	-
Total	2,318,810	182,540	3,995	2,505,347	(370,057)	2,135,289
Operating Expenses	2,305,230	162,390	4,000	2,471,622	(370,325)	2,101,297
Operating Income(Loss)	13,579	20,149	4	33,724	267	33,992
. Assets, Depreciation and Capital Expenditures						
Assets	912,962	104,003	2,892	1,019,858	(87,272)	932,586
Depreciation	17,963	3,705	4	21,673	-	21,673
Capital Expenditure	17,377	3,361	0	20,739	-	20,739

(Note)

- The Classification of business lines has been based on the internal control procedure the Company has adopted.
- The Classification of business lines and major products which belongs to each business lines:
 - Oil : Gasoline, Naphtha, Jet Fuel, Kerosene, Diesel Fuel, Heavy Fuel, Lubricants, LPG, etc.
 - Chemicals: Ethylene, Propylene, Benzene, Toluene, Paraxylene,, etc.
 - Others: Real Estate, Engineering, Maintenance Service, and etc.

2. Segment Information by Geographical Area

This information is omitted, since Sales Revenues and Assets in the domestic market comprise over 90% of total Sales Revenues and total Assets, respectively, in the previous consolidated period and this consolidated period.

3. Overseas Sales

This information is omitted, since Overseas Sales Revenues are less than 10% of consolidated sales revenues in the previous consolidated period and this consolidated period.

9. Transactions with Affiliated Companies

Consolidated

2002 (January 1, 2002 - December 31, 2002)

(1)The Parent Company and Main Corporate Shareholders

Affiliation	Name	Address	Capital	Business	Equity Ratio to Total Voting Right	Relationship		Contents of Transaction	Transaction Amount	Account Titles	Outstanding Balance at Year End	
						Representing Officers	Business					
Parent Company	ExxonMobil Private Ltd.	Minato-ku Tokyo	M Yen	Sales of Oil Products	Direct	3 persons	Sales of Oil Products and Provision of Services	Trade Transactions	M Yen	TAR	M Yen	
			50,000						50.9%	851,083	257,227	
										158,637	TAP	67,868
										10,336	Account Receivable	2,433
										4,150	Account Expenses	2,194
			Capital Transactions	Non-Operating transaction	-	Short-Term Loans Payable	333					

Transaction Terms and Policies for Determination of Terms, etc.

- (1) Sales prices of oil products were determined at fair value market prices.
- (2) Accounts receivables and Accounts payables were accrued amounts that the company should be paid or charged to affiliated companies based on "Comprehensive Administrative Service Agreement", "Comprehensive Management Service Agreement" and "Logistics Service Agreement".
- (3) As for the rate of interest on capital transaction, loans receivable attract the rate of the next day weighted banker's call rate without mortgage on the last bank business day of the week just before the date of loan, less 0.02%. Loans payable attract the Japanese yen one-month rate (365 days lease) for Tokyo interbanks transactions as published two bank business days before the end of the previous month, plus 0.3%.

(Note) Esso Sekiyu Y.K., which was the Controlling Company of TG, merged with Mobil Sekiyu Y.K., ExxonMobil Business Services Y.K. and ExxonMobil Marketing Services Y.K. to form EMYK as of June 1st, 2002.

The transaction with Mobil Sekiyu Y.K., ExxonMobil Business Services Y.K. and ExxonMobil Marketing Services Y.K. from January 1, 2002 to May 1, 2002 is not included in the amounts above.

In the amounts above, consumption taxes were included in the outstanding balance of accounts receivables and payables, but not included in the transaction amounts.

(2)Officers and Main Individual Shareholders

Nil

(3)Subsidiaries

Nil

(4)Affiliated Companies

Affiliation	Name	Address	Capital	Business	Equity Ratio to Total Voting Right	Relationship		Contents of Transaction	Transaction Amount	Account Titles	Outstanding Balance at Year End	
						Representing Officers	Business					
Parent Company's Subsidiaries	Mobil Sekiyu Private Ltd.	Minato-ku Tokyo	M Yen	Sales of Oil Products	Direct	1 person	Sales of Oil Products, Provision of Services and Group Finance	Trade Transactions	M Yen	TAR	M Yen	
			1,100						22.5%	215,651	-	
										41,588	TAP	-
										1,767	Account Receivable	-
		621	Provision of Services	Account Expenses	-							

Transaction Terms and Policies for Determination of Terms, etc.

- (1) Sales prices of oil products were determined at fair value market prices.
- (2) Accounts receivables and Accounts payables were accrued amounts that the company should be paid or charged to affiliated companies based on "Comprehensive Administrative Service Agreement", "Comprehensive Management Service Agreement" and "Logistics Service Agreement".

(Note) The amounts above shows only transaction from January 1, 2002 to May 1, 2002.

In the amounts above, consumption taxes were included in the outstanding balance of accounts receivables and payables, but not included in the transaction amounts.

Affiliation	Name	Address	Capital	Business	Equity Ratio to Total Voting Right	Relationship		Contents of Transaction	Transaction Amount	Account Titles	Outstanding Balance at Year End
						Representing Officers	Business				
Parent Company's Subsidiaries	ExxonMobil Business Services Private Ltd.	Minato-ku Tokyo	M Yen	Administrative Services	None	1 person	Administrative Services	Trade Transactions	M Yen	Account Receivable	M Yen
			5						2,633	-	
									8,180	Account Expenses	-

Transaction Terms and Policies for Determination of Terms, etc.

Accounts receivables and Accounts payables were accrued amounts that the company should be paid or charged to affiliated companies based on "Comprehensive Administrative Service Agreement".

(Note) The amounts above shows only transactions from January 1, 2002 to May 1, 2002.

In the amounts above, consumption taxes were included in the outstanding balance of accounts receivables and payables, but not included in the transaction amounts.

Attribute	Name	Address	Capital	Business	Equity Ratio. to Total Voting Right	Relationship		Contents of Transaction		Transaction Amount	Account Titles	Outstanding Balance at Year End
						Representing Officers	Business					
Parent Company's Subsidiaries	ExxonMobil Marketing Services Private Ltd.	Minato-ku Tokyo	M Yen	Marketing Sales	None	1 person	Marketing Sales	Trade Transactions	Provision of Services	M Yen 1,126	Account Receivable	M Yen -
			5							2,031	Account Expenses	-

Transaction Terms and Policies for Determination of Terms, etc.

Accounts receivables and Accounts payables were accrued amounts that the company should be paid or charged to affiliated companies based on "Comprehensive Management Service Agreement".

(Note) The amounts above shows only transactions from January 1, 2002 to May 1, 2002.

In the amounts above, consumption taxes were included in the outstanding balance of accounts receivables and payables, but not included in the transaction amounts.

Attribute	Name	Address	Capital	Business	Equity Ratio. to Total Voting Right	Relationship		Contents of Transaction		Transaction Amount	Account Titles	Outstanding Balance at Year End
						Representing Officers	Business					
ExxonMobil Affiliated Company	ExxonMobil Asia Pacific Private Ltd.	Singapore	K U.S. \$ 1,169,463	Sales of Oil Products	None	1 person	Sales and Purchase of Oil Products	Trade Transactions	Sales of Oil Products	M Yen 3,119	TAR	-
									Purchase of Oil Products	120,776	TAP	14,325
								Capital Transactions	Non-Operating transactions	Interest Expenses	0	Short-Term Loans Payable

Transaction Terms and Policies for Determination of Terms, etc.

Purchase and sales prices of oil products in other than exchange transactions were determined at fair value market prices. Loan conditions are adjusted to be equivalent to the financial market conditions in Japan.

(Note) Consumption tax was excluded from the amount.

Attribute	Name	Address	Capital	Business	Equity Ratio. to Total Voting Right	Relationship		Contents of Transaction		Transaction Amount	Account Titles	Outstanding Balance at Year End
						Representing Officers	Business					
ExxonMobil Affiliated Company	ExxonMobil Sales and Supply	Fairfax Virginia U.S.A.	K U.S. \$ 50,890	Sales of Oil Products and Crude	None	None	Sales and Purchase of Oil Products and Crude	Trade Transactions	Sales of Oil Products and Crude	M Yen 21,846	TAR	1,510
									Purchase of Crude	628,638	TAP	49,706

Transaction Terms and Policies for Determination of Terms, etc.

(Note) Consumption tax was excluded from the amount.

Attribute	Name	Address	Capital	Business	Equity Ratio. to Total Voting Right	Relationship		Contents of Transaction		Transaction Amount	Account Titles	Outstanding Balance at Year End
						Representing Officers	Business					
ExxonMobil Affiliated Company	Esso Capital B.V.	Netherlands	K U.S. \$ 670,400	Financing Vehicle for Affiliates	None	None	Group Finances	Non-Operating Transactions	Interest Expenses	M Yen 2	Short-term Loans Payable	-

Transaction Terms and Policies for Determination of Terms, etc.

Loan conditions are adjusted to be equivalent to the financial market conditions in Japan.

(Note) Short-Term Loan from Esso Capital B.V. has been repaid in full on July 31, 2002.

Attribute	Name	Address	Capital	Business	Equity Ratio. to Total Voting Right	Relationship		Contents of Transaction		Transaction Amount	Account Titles	Outstanding Balance at Year End
						Representing Officers	Business					
ExxonMobil Affiliated Company	Mobil International Petroleum Corporation	Irving Texas U.S.A.	K U.S. \$ 3,619,152	Financing Vehicle for Affiliates	None	None	Group Finances	Non-Operating Transactions	Interest Expenses	M Yen 2	Short-term Loans Payable	40,001

Transaction Terms and Policies for Determination of Terms, etc.

Loan conditions are adjusted to be equivalent to the financial market conditions in Japan.

2003(January 1, 2003 - December 31, 2003)

(1)The Parent Company and Main Corporate Shareholders

Affiliation	Name	Address	Capital	Business	Equity Ratio. to Total Voting Right	Relationship		Contents of Transaction	Transaction Amount	Account Titles	Outstanding Balance at Year End	
						Representing Officers	Business					
Parent Company	ExxonMobil Private Ltd.	Minato-ku Tokyo	M Yen 50,000	Sales of Oil Products	Direct 50.8%	3 persons	Sales of Oil Products and Provision of Services	Trade Transaction	Purchase, and Sales of Oil Products	M Yen 1,135,717	TAR	M Yen 262,347
										175,761	TAP	75,462
									Provision of Services	8,101	Account Receivable	2,002
										2,378	Account Expenses	1,805
	Capital Transaction	Non-Operating transaction	-	Short-Term Loans Payable	197							

Transaction Terms and Policies for Determination of Terms, etc.

- (1) Sales prices of oil products were determined at fair value market prices.
- (2) Accounts receivables and Accounts payables were accrued amounts that the company should be paid or charged to affiliated companies based on "Comprehensive Administrative Service Agreement", "Comprehensive Management Service Agreement" and "Logistics Service Agreement".
- (3) As for the rate of interest on capital transaction, loans receivable attract the rate of the next day weighted banker's call rate without mortgage on the last bank business day of the week just before the date of loan, less 0.02%.
Loans payable attract the Japanese yen one-month rate (365 days lease) for Tokyo interbanks transactions as published two bank business days before the end of the previous month, plus 0.3%.

(2)Officers and Main Individual Shareholders

Nil

(3)Subsidiaries

Nil

(4)Affiliated Companies

Affiliation	Name	Address	Capital	Business	Equity Ratio. to Total Voting Right	Relationship		Contents of Transaction	Transaction Amount	Account Titles	Outstanding Balance at Year End	
						Representing Officers	Business					
ExxonMobil Affiliated Company	ExxonMobil Asia Pacific Private Ltd.	Singapore	K U.S. \$ 1,557,981	Sales of Oil Products	None	None	Sales and Purchase of Oil Products	Trade Transaction	Sales of Oil Products	M Yen 9,006	TAR	M Yen 549
									Purchase of Oil Products	126,768	TAP	6,915
								Fund Transaction	Non-Operating transaction	Interest Expenses	1	Short-term Loans Payable

Transaction Terms and Policies for Determination of Terms, etc.

Purchase and sales prices of oil products were determined at fair value market prices.

(Note) Consumption tax was excluded from the amount.

Affiliation	Name	Address	Capital	Business	Equity Ratio. to Total Voting Right	Relationship		Contents of Transaction	Transaction Amount	Account Titles	Outstanding Balance at Year End	
						Representing Officers	Business					
ExxonMobil Affiliated Company	ExxonMobil Sales and Supply	Fairfax Virginia U.S.A.	K U.S. \$ 50,890	Sales of Oil Products and Crude	None	None	Sales and Purchase of Oil Products and Crude	Trade Transaction	Sales of Oil Products and Crude	M Yen 14,036	TAR	M Yen 1,001
									Purchase of Crude	744,447	TAP	52,177

Transaction Terms and Policies for Determination of Terms, etc.

Purchase and sales prices of oil products in other than exchange transactions were determined at fair value market prices.

(Note) Consumption tax was excluded from the amount.

Affiliation	Name	Address	Capital	Business	Equity Ratio. to Total Voting Right	Relationship		Contents of Transaction		Transaction Amount	Account Titles	Outstanding Balance at Year End
						Representing Officers	Business					
ExxonMobil Affiliated Company	Mobil International Petroleum Corporation	Irving Texas U.S.A.	K U.S. \$ 3,619,152	Financing Vehicle for Affiliates	None	None	Group Finances	Non- Operating Transaction	Interest Expenses	M Yen 10	Short-term Loans Payable	M Yen 40,011

Transaction Terms and Policies for Determination of Terms, etc.

Loan conditions are adjusted to be equivalent to the financial market conditions in Japan.

. Productions, Consignments and Sales

1. Actual Production Volume

Actual production volume by business segment

(Unit: Kkl, KTon)

Business Segment	2003 (Jan. 1, 2003 ~ Dec. 31, 2003)	Comparison with Previous Accounting Period (%)	Major Products
Oil Products	36,015	1.3	Gasoline, Naphtha, Kerosene, Diesel Fuel, LPG, etc.
Chemical Products	2,709	10.7	Ethylene, Propylene, etc.

(Note) The volume shown above is the total volume produced by the consolidated refining companies.

2. Actual Consignment Volume

No consolidated companies received an order of consignment from a third party in this accounting period.

3. Actual Sales Amounts

Actual sales amounts by business segment

(Unit: Millions of Yen)

Business Segment	2003 (Jan. 1, 2003 ~ Dec. 31, 2003)	Comparison with Previous Accounting Period (%)	Major Products
Oil Products	1,975,199	9.8	Gasoline, Naphtha, Kerosene, Diesel Fuel, LPG, etc.
Chemical Products	158,101	26.0	Ethylene, Propylene, etc.
Others	1,987	46.6	Real Estate and Lease, Maintenance Service, etc.
Total	2,135,289	10.7	

(Note) (1) Actual Sales Amounts to Major Customers

(Unit: Millions of Yen)

Customer Name	2003 (Jan. 1, 2003 ~ Dec. 31, 2003)	Comparison with Previous Accounting Period (%)	Major Products	vs. Total Sales Amounts
ExxonMobil Y.K.	1,135,717	5.7	Gasoline, Kerosene, Diesel Fuel, LPG, etc.	53.19%

(2) No consumption tax is included in the above amounts.

(3) The above actual sales volume shows sales amount to each customer.

(4) Esso Sekiyu Y.K., which was the Controlling Company, merged with Mobil Sekiyu Y.K. to be ExxonMobil Y.K.. Volume and amounts of prior period show a total of EMYK and ExxonMobil Chemical Y.K., because they merged as of January 1, 2003.