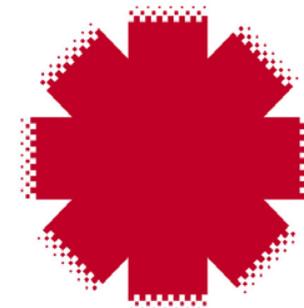


TonenGeneral Sekiyu K.K.

2006 1Q Results and 1H/FY Forecast

May 15, 2006



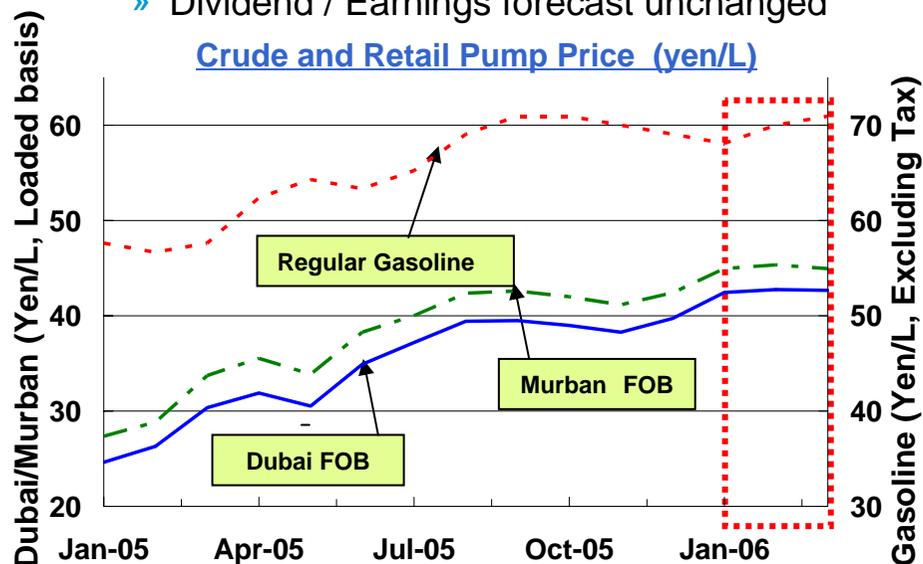
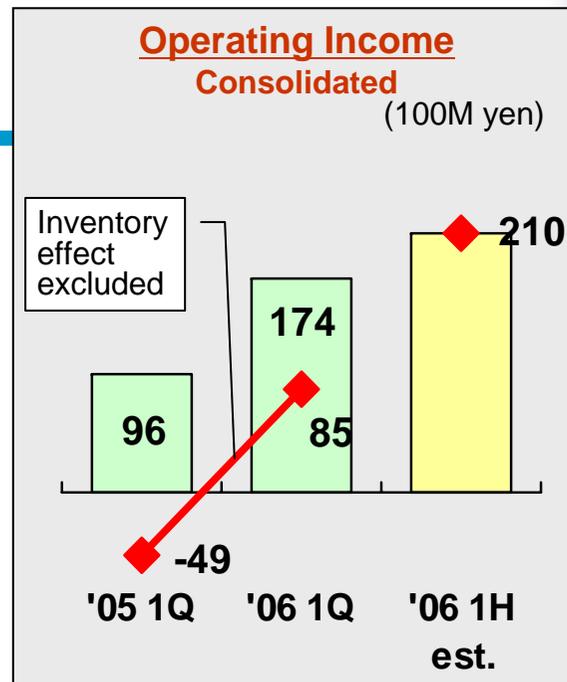
TonenGeneral

This material contains forward-looking statements based on projections and estimates that involve many variables. TonenGeneral operates in an extremely competitive business environment and in an industry characterized by rapid changes in supply-demand balance.

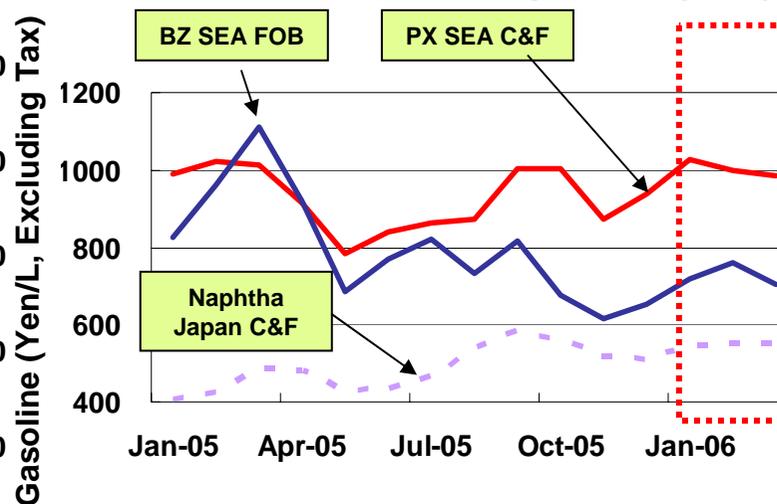
Certain risks and uncertainties including, without limitation, general economic conditions in Japan and other countries, crude prices and the exchange rate between the yen and the U.S. dollar, could cause the Company's results to differ materially from any projections and estimates presented in this publication.

Business Highlights

- Operating income increased vs. 1Q '05
 - » Continued robust margin/profits in Chemicals
 - » Oil margin improved
 - Lower negative effect from prompt crude cost recognition due to somewhat milder crude price increase than 1Q '05
- Dubai FOB Difference (\$/BBL, 1Q end vs Year-end):
 2005: +13.4 2006: +7.0
- Narrower price spread between light and heavy crude
- » Lower sales volume
 - » Positive inventory effect
 - » OPEX reduction on plan
 - » Dividend / Earnings forecast unchanged



Aromatics Products Asian Spot Price (\$/ton)



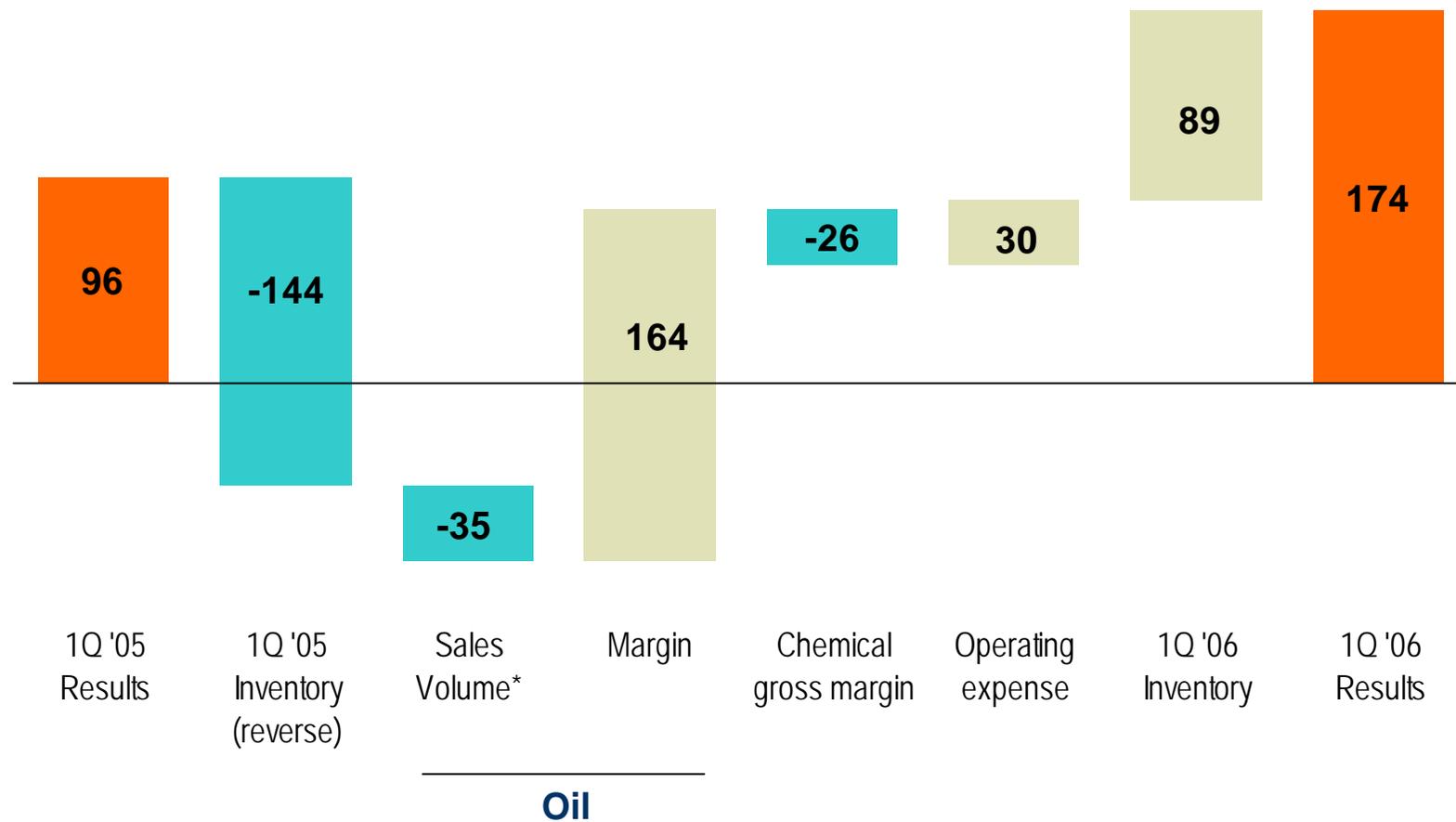
Earnings Results [1Q, Consolidated]

(100M yen)	<u>1Q '05</u>	<u>1Q '06</u>	<u>Inc/Dec</u>
Sales revenue	6,633	7,689	1,056
Operating income	96	174	78
Ordinary income	104	196	92
Extraordinary P/L	-4	-1	3
Net income	64	117	54
Reverse inventory effects	-144	-89	55
Adjusted operating income	-49	85	133
Oil segment and others	-205	-50	155
Chemical segment	157	135	-22

Factor Analysis of Operating Income

[1Q '06 Results vs. 1Q '05 Results; Consolidated]

(100M yen)

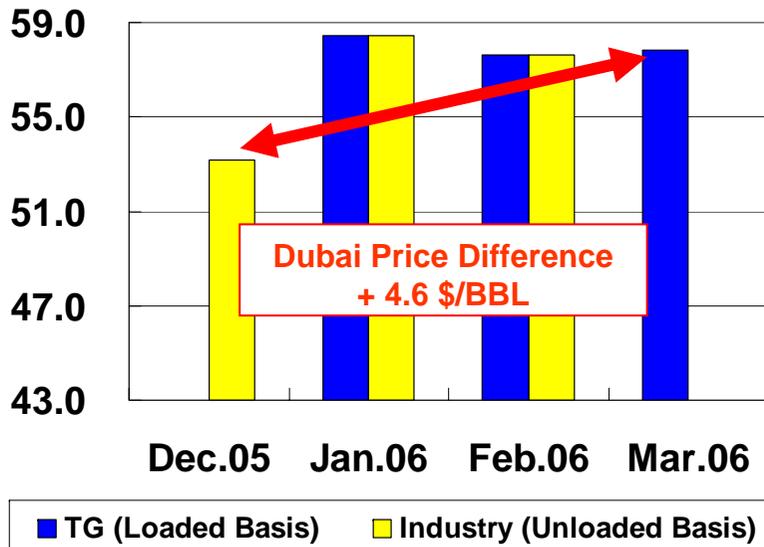


* Major products, per VG6

Effect of Prompt Crude Cost Recognition / Inventory Effects

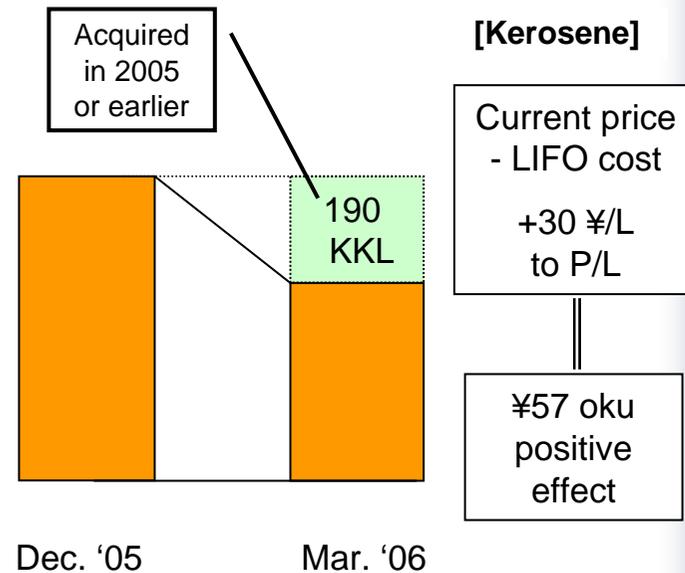
One month lag effect of crude cost

TG accounts for crude price on loaded base; this recognizes effects of changes in crude prices about one month earlier than rest of industry
 "Lag effect" on Dubai basis was approx. ¥110 oku



LIFO profit from Draw-down

Net ¥89 oku inventory gain in operating income from draw-down of crude oil and products; ¥22 oku from crude oil, ¥57 oku from kerosene, and ¥10 oku from others



Sales Volume/ Capacity Utilization

- Most fuels decreased versus a very strong 1Q 2005, particularly Kerosene due to warmer winter
- Monitored trend of product prices of on-shore & off-shore market and crude prices
- Pursued profitability of sales including exports
- Reflecting focus on marginal profitability, capacity utilization was lower than 1Q 2005

Oil Products (Consolidated, Excluding Barter)

(KKL)		1Q 2005	1Q 2006	Inc./Dec.	Industry Inc./Dec.
by Product	Gasoline	3,005	2,884	-4.0%	-1.3%
	Kerosene	1,936	1,438	-25.7%	-9.9%
	Diesel fuel	1,294	1,103	-14.8%	-3.3%
	Fuel oil A	1,126	912	-19.0%	-10.0%
	Fuel oil C	906	731	-19.3%	+6.2%
	LPG and others	971	935	-3.6%	N/A
by Channel	<i>General (Marketing)</i>	<i>2,448</i>	<i>2,078</i>	<i>-15.1%</i>	
	<i>Esso/Mobil/Kygnus</i>	<i>6,789</i>	<i>5,925</i>	<i>-12.7%</i>	
	Sub Total	9,237	8,003	-13.4%	-4.2%
	Others*	1,984	1,926	-2.9%	**Others* includes lube, crude, exports, product exchanges within ExxonMobil Japan Group, etc.
	G. Total	11,221	9,929	-11.5%	

Chemical Products (Consolidated)

(Kton)	Olefins and others (TCC)	455	469	3.0%
	Aromatics (TG)	222	217	-1.9%
	Chemical Total	676	686	1.4%

Capacity Utilization (Parent/Consoli.) 93%/87% 87%/82% 93%

Cash Flows, Debt/Equity [Consolidated]

(100M yen)

Operating / Investing Activities

	1Q '06
Net income before taxes	195
Net capex / Depreciation	-36
Inventory	-96
TAR/TAP/Gas tax payable	-196
Income tax payment	-49
Others	5

Financing Activities

	1Q '06
Change in debt	279
Dividend to shareholders	-101
Treasury stock repurchase	-7
Others	4

Net Cash Change

0

Adj.(G tax)

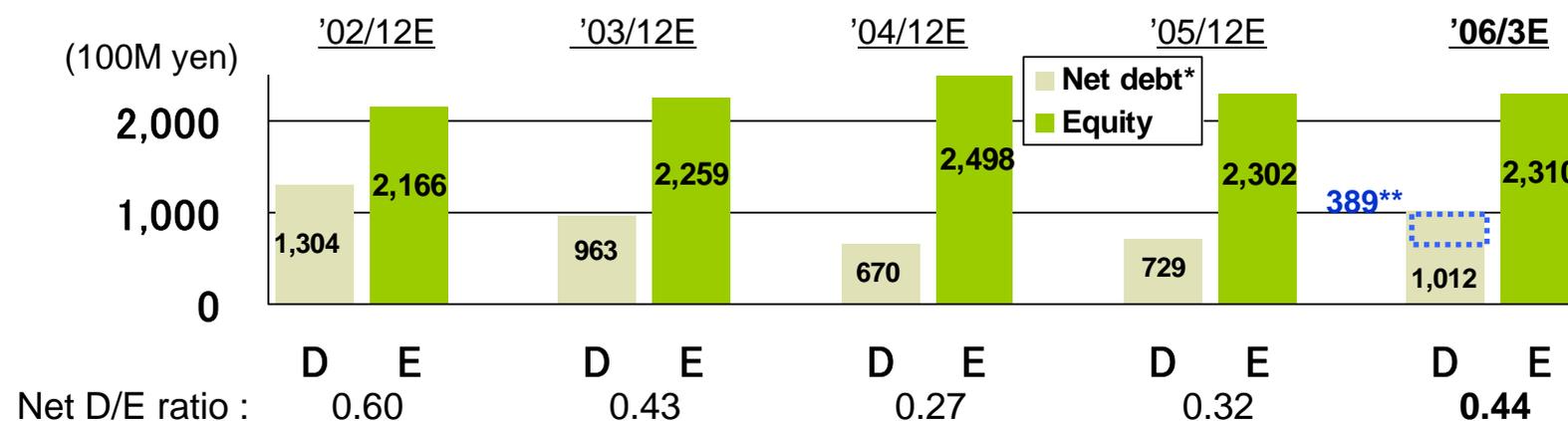
213

■ Financial position remains healthy

193

-110

One-month extra payment of gas tax in 1Q due to calendar effects. Net TAP (TAP + gas tax payable - TAR) decreased by 389 oku yen, reflected in higher debt to same extent



* Debt excl. cash and loans receivable ** Effect of one-month gas tax

Earnings Forecast [Consolidated]

- We have not changed 2006 earnings forecast announced in February.
 - » However, adverse effects since end of 1Q need to be watched:
 - Abrupt crude price increases will have adverse effect, depending on reaction of product prices during 2Q
 - Impacts of Sakai refinery incident not yet clear

(100M yen)	1Q '06	February Forecast		(Bal. to Forecast)
	Act. (B)	1H '06 (A)	FY '06	2Q '06 (A)-(B)
Sales revenue	7,689	15,400	30,800	7,711
Operating income	174	210	400	36
Ordinary income	196	210	410	14
Extraordinary gain/loss	-1	-5	-20	-4
Net income	117	130	250	13
Reverse inventory effects	-89	0	0	+89
Adjusted operating income	85	210	400	125
Oil segment and others	-50	30	60	80
Chemical segment	135	180	340	45