

*** Notes**

(1) Change in major subsidiaries in the current quarter year-to-date (change in designated subsidiaries resulting in a change in the scope of consolidation): No

(2) Adoption of special accounting method in preparing quarterly consolidated financial statements: No

(3) Change in accounting method, change in accounting estimates and restatements

- a. Change in accounting method with accounting standards revisions : No
- b. Change in accounting method other than above : No
- c. Change in accounting estimates : No
- d. Restatements : No

(4) Number of shares issued (Common Stock)

| | | | | | |
|---|-------------|--------|----------------|-------------|--------|
| a. Number of shares issued at the end of period (includes treasury stock) | | | | | |
| 2Q2013 | 565,182,000 | shares | Full year 2012 | 565,182,000 | shares |
| b. Number of treasury stock at the end of period | | | | | |
| 2Q2013 | 200,766,276 | shares | Full year 2012 | 200,628,166 | Shares |
| c. Average number of shares during the period | | | | | |
| 2QYTD2013 | 364,488,232 | shares | 2Q YTD 2012 | 531,436,165 | Shares |

• **Review status of Quarterly Securities Report (*Shihanki-Houkokusho*) for the second quarter 2013**

This report is not required to be included and is not included in the scope of external audit quarterly review conducted pursuant to the Financial Instruments and Exchange Act of Japan. However, PricewaterhouseCoopers Aarata has separately completed their quarterly review of the quarterly consolidated financial statements included in “Financial information,” a part of the Quarterly Securities Report for the Second Quarter 2013. The auditor expressed the conclusion on August 13, 2013 that “nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries as of June 30, 2013, the results of their operations and their cash flows for the six-month period then ended in conformity with accounting principles for quarterly consolidated financial statements generally accepted in Japan.”

• **Explanatory note on the use of projections / other notes**

This filing contains forward-looking statements based on projections and estimates that involve many variables. Tomen General Sekiyu K.K. (the “Company”) 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 and product 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.

For further information regarding the projections above, please refer to (Attachments) “1. Discussion of quarterly consolidated financial results (3) Discussion of projected consolidated operating results” on page 3.

(Reference) Summary of non-consolidated financial results**1. Non-consolidated financial results for the second quarter 2013 (January 1, 2013 through June 30, 2013)****(1) Operating results**

(Percentage figures are the changes from the same period prior year)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|------------|-------------|-----|------------------|---|-----------------|---|-------------|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| 2QYTD 2013 | 1,485,123 | 9.8 | 29,769 | — | 28,721 | — | 20,269 | — |
| 2QYTD 2012 | 1,352,325 | 3.8 | (13,071) | — | (12,260) | — | (6,657) | — |

| | Net income per share | Diluted net income per share |
|------------|----------------------|------------------------------|
| | Yen | Yen |
| 2QYTD 2013 | 55.61 | 55.61 |
| 2QYTD 2012 | (11.80) | — |

(2) Financial position

| | Total assets | Net assets | Shareholders' equity ratio |
|---------------------|--------------|-------------|----------------------------|
| | Million yen | Million yen | % |
| As of Jun. 30, 2013 | 1,308,886 | 274,621 | 21.0 |
| Dec. 31, 2012 | 1,399,502 | 261,309 | 18.7 |

(Reference) Net assets excluding subscription rights to shares:

274,548 Million yen as of June 30, 2013

261,309 Million yen as of December 31, 2012

2. Projected non-consolidated operating results for 2013 (January 1, 2013 through December 31, 2013)

(Percentage figures are the changes from the same period prior year)

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|-----------|-------------|-----|------------------|-------|-----------------|-------|-------------|--------|----------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 3,000,000 | 9.8 | 50,000 | 122.0 | 48,000 | 151.9 | 32,000 | (28.4) | 87.80 |

(Note) Revision to the most recent consolidated earnings forecast: Yes

(Attachments)

Table of contents of attachments

| | |
|---|---|
| 1. Discussion of quarterly consolidated financial results | 2 |
| (1) Discussion of consolidated operating results | 2 |
| (2) Discussion of consolidated financial condition | 2 |
| (3) Discussion of projected consolidated operating results | 3 |
| 2. Information relating to Notes in summary information | 3 |
| (1) Summary of change in major subsidiaries..... | 3 |
| (2) Business and other risks | 3 |
| (3) Issues to be addressed | 3 |
| 3. Quarterly consolidated financial statements | 4 |
| (1) Quarterly consolidated balance sheet | 4 |
| (2) Quarterly consolidated statement of income and comprehensive income | 6 |
| a. Consolidated statement of income | 6 |
| b. Consolidated statement of comprehensive income..... | 7 |
| (3) Quarterly consolidated statement of cash flows | 8 |
| (4) Notes on assumption of going concern..... | 9 |
| (5) Notes on significant changes in the amount of shareholders' equity | 9 |
| (6) Segment information | 9 |

1. Discussion of quarterly consolidated financial results

(1) Discussion of consolidated operating results

Consolidated net sales for the second quarter year-to-date period amounted to 1,556.7 billion yen, an increase of 211.0 billion yen versus the same period of the previous year, mainly due to higher product prices in response to rising raw material costs caused by the recent yen depreciation.

Consolidated operating income was 30.9 billion yen, an increase of 45.4 billion yen versus the same period of the previous year, due to inventory valuation gains mainly caused by crude and product price increases during the period and an improvement in the business results of the Oil and Chemical segments as described below.

Consolidated ordinary income, which includes non-operating items such as foreign exchange losses, equity in earnings of affiliates, and interest expense, was 28.0 billion yen, an increase of 42.2 billion yen versus the same period of the previous year. Consolidated net income which includes extraordinary items and income taxes was 15.0 billion yen, an increase of 16.4 billion yen versus the same period last year.

Operating income by segments discussed below excludes all goodwill amortization expense related to the acquisition of the interest in EMG Marketing Godo Kaisha (8.5 billion yen in the current year's second quarter year-to-date period) which has not been allocated to segments.

a. Oil segment

Oil segment income was 27.2 billion yen, an increase of 40.2 billion yen versus the same period last year. Inventory effects during the current period were 24.1 billion yen, a 33.2 billion yen increase versus the same period previous year. Oil segment income excluding inventory effects was 3.1 billion yen, a 7.0 billion yen increase versus the same period of the previous year. The result benefits from lower operating expenses and the additional contribution to the Oil business attributable to the newly consolidated subsidiary EMG Marketing Godo Kaisha and synergies realized following the acquisition of EMG Marketing Godo Kaisha, more than offset drop in oil margins.

Oil segment income compared with the same period of the previous year

| | (Unit: billion yen) | | |
|---|---------------------|----------------|------------|
| | 2Q YTD 2013 | 2Q YTD 2012 | Difference |
| Segment income (loss) as reported | 27.2 | (13.1) | 40.2 |
| Inventory effects | 24.1 | (9.1) | 33.2 |
| Segment income (loss) excluding above inventory effects | 3.1 | (4.0) | 7.0 |

b. Chemical segment

Chemical segment income was 12.2 billion yen, a 13.6 billion yen increase from the same period of the previous year, mainly due to improvements in commodity product margins. Inventory effects included in Chemical segment income were 1.8 billion yen in the current period and none in the prior period.

(2) Discussion of consolidated financial condition

a. Total assets, liabilities and net assets

Total assets as of June 30, 2013 were 1,336.0 billion yen, a 49.0 billion yen decrease from December 31, 2012, mainly due to a decrease in trade accounts receivable, which is partly offset by an increase of cash and deposits and inventory value reflecting higher product prices. Liabilities as of June 30, 2013 amounted to 1,039.5 billion yen, a 57.1 billion yen decrease from December 31, 2012, mainly due to a decrease in trade accounts payable and gasoline taxes payable, which is partly offset by an increase in commercial paper. Total net assets as of June 30, 2013 amounted to 296.5 billion yen, an 8.1 billion yen increase from December 31, 2012.

b. Cash flows

At the end of June 2013, the outstanding balance of cash and cash equivalents was 27.5 billion yen, an increase of 14.2 billion yen versus December 31, 2012. Key factors influencing cash flows are summarized below.

In the second quarter year-to-date period, cash flows from operating activities were positive 6.8 billion yen versus a negative 44.3 billion yen in the same period last year. Positive factors such as income before income taxes and minority interests and an income tax refund outweighed negative factors such as an increase in working capital.

Cash flows from investing activities were negative 3.7 billion yen versus the negative 337.5 billion yen driven largely by the EMG Marketing Godo Kaisha acquisition in the same period last year. The current period cash outflows are due mainly to capital expenditures.

Cash flows from financing activities were positive 11.0 billion yen versus a positive 394.2 billion yen in the same period last year. This is mainly to finance the Company's working capital needs.

(3) Discussion of projected consolidated operating results

Consolidated operating income forecast for full-year 2013 is 52.0 billion yen, down 11.0 billion yen from the previous forecast (announced on May 15, 2013) reflecting the significantly lower margins for Oil products experienced in the second quarter partly offset by higher chemical results and inventory valuation gains than the previous forecast. 26.0 billion yen in inventory-related gains are included in the operating income forecast.

The Company's Board as of August 14, 2013, has approved a mid-year dividend of 19 yen per share, same as the previous period. The Company reaffirms the full-year dividend of 38 yen per share stated in our announcement in February 2013.

Revision of consolidated earnings forecast figures for full-year 2013 (January 1 through December 31, 2013)

| | Net Sales | Operating Income | Ordinary Income | Net Income | Net Income per share (yen) |
|--------------------------|-----------|------------------|-----------------|------------|----------------------------|
| Previous forecast (A) | 3,100,000 | 63,000 | 61,000 | 33,000 | 90.52 |
| Revised forecast (B) | 3,200,000 | 52,000 | 48,000 | 25,000 | 68.60 |
| Difference (B-A) | 100,000 | (11,000) | (13,000) | (8,000) | - |
| Increase/ (decrease) (%) | 3.2 | (17.5) | (21.3) | (24.2) | - |

(Unit: million yen)

2. Information relating to Notes in summary information**(1) Summary of change in major subsidiaries**

Not applicable.

(2) Business and other risks

No new business risks or other risks have arisen during the second quarter year-to-date period.

There were no material changes to the business and other risks which were already reported in the year-end report for 2012.

(3) Issues to be addressed

There were no material changes to the business issues to be addressed by the Company Group during the second quarter year-to-date period.

3. Quarterly consolidated financial statements**(1) Quarterly consolidated balance sheet**

(Unit: Million yen)

| | 2012 (December 31, 2012) | 2Q 2013 (June 30, 2013) |
|--|---|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 13,369 | 27,530 |
| Notes and accounts receivable-trade | 249,604 | 215,505 |
| Merchandise and finished goods | 95,270 | 107,012 |
| Semi-finished goods | 58,506 | 66,926 |
| Raw materials | 213,052 | 210,650 |
| Supplies | 6,678 | 6,942 |
| Short-term loans receivable | 15,081 | 15,073 |
| Other | 54,817 | 28,163 |
| Allowance for doubtful accounts | (343) | (343) |
| Total current assets | 706,036 | 677,462 |
| Noncurrent assets | | |
| Tangible assets | | |
| Machinery, equipment and vehicles, net | 39,613 | 34,546 |
| Land | 146,419 | 145,624 |
| Other, net | 64,945 | 64,036 |
| Total tangible assets | 250,978 | 244,207 |
| Intangible assets | | |
| Goodwill | 330,033 | 321,570 |
| Other | 22,827 | 22,091 |
| Total intangible assets | 352,861 | 343,662 |
| Investments and other assets | | |
| Investment securities | 34,855 | 36,552 |
| Other | 40,555 | 34,327 |
| Allowance for doubtful accounts | (271) | (216) |
| Total investments and other assets | 75,138 | 70,664 |
| Total noncurrent assets | 678,978 | 658,534 |
| Total assets | 1,385,014 | 1,335,997 |

(Unit: Million yen)

| | 2012 (December 31, 2012) | 2Q 2013 (June 30, 2013) |
|---|---|--|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 279,567 | 226,770 |
| Gasoline taxes payable | 220,034 | 204,505 |
| Short-term loans payable | 102,616 | 83,929 |
| Commercial papers | 64,000 | 91,000 |
| Income taxes payable | 2,461 | 4,184 |
| Provision | 1,476 | 1,548 |
| Other | 74,874 | 76,556 |
| Total current liabilities | 745,030 | 688,494 |
| Noncurrent liabilities | | |
| Bonds payable | 30,000 | 40,000 |
| Long-term loans payable | 136,539 | 136,368 |
| Deferred tax liabilities | 30,705 | 21,689 |
| Provision for retirement benefits | 128,066 | 126,128 |
| Provision for repairs | 17,817 | 20,352 |
| Other | 8,470 | 6,500 |
| Total noncurrent liabilities | 351,599 | 351,038 |
| Total liabilities | 1,096,630 | 1,039,533 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 35,123 | 35,123 |
| Capital surplus | 52,743 | 52,743 |
| Retained earnings | 341,684 | 349,806 |
| Treasury stock | (141,966) | (142,095) |
| Total shareholders' equity | 287,584 | 295,578 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | (21) | (97) |
| Total accumulated other comprehensive income | (21) | (97) |
| Subscription rights to shares | — | 72 |
| Minority interests | 821 | 910 |
| Total net assets | 288,384 | 296,463 |
| Total liabilities and net assets | 1,385,014 | 1,335,997 |

(2) Quarterly consolidated statement of income and comprehensive income
a. Consolidated statement of income
Second quarter YTD period

(Unit: Million yen)

| | 2Q YTD 2012 (January 1, 2012 through June 30, 2012) | 2Q YTD 2013 (January 1, 2013 through June 30, 2013) |
|--|---|---|
| Net sales | 1,345,659 | 1,556,683 |
| Cost of sales | 1,343,720 | 1,480,250 |
| Gross profit | 1,938 | 76,432 |
| Selling, general and administrative expenses | 16,388 | 45,490 |
| Operating income (loss) | (14,449) | 30,942 |
| Non-operating income | | |
| Interest income | 20 | 649 |
| Dividends income | 341 | 105 |
| Equity in earnings of affiliates | 215 | 2,907 |
| Other | 44 | 52 |
| Total non-operating income | 622 | 3,714 |
| Non-operating expenses | | |
| Interest expenses | 382 | 1,919 |
| Foreign exchange losses | 20 | 4,674 |
| Bond issuance cost | — | 46 |
| Other | 14 | 38 |
| Total non-operating expenses | 418 | 6,677 |
| Ordinary income (loss) | (14,245) | 27,979 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 194 | 271 |
| Gain from redemption upon dissolution of a joint venture | 16,354 | — |
| Gain on distribution of residual assets | 103 | — |
| Total extraordinary income | 16,652 | 271 |
| Extraordinary loss | | |
| Loss on sales and retirement of noncurrent assets | 77 | 527 |
| Impairment loss | — | 12 |
| Total extraordinary losses | 77 | 539 |
| Income before income taxes and minority interests | 2,329 | 27,710 |
| Income taxes | 3,691 | 12,572 |
| Income (loss) before minority interests | (1,362) | 15,137 |
| Minority interests in income | — | 89 |
| Net income (loss) | (1,362) | 15,048 |

b. Consolidated statement of comprehensive income
Second quarter YTD period

(Unit: Million yen)

| | 2Q YTD 2012 (January 1, 2012 through June 30, 2012) | 2Q YTD 2013 (January 1, 2013 through June 30, 2013) |
|--|--|--|
| Income (loss) before minority interests | (1,362) | 15,137 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 153 | (111) |
| Share of other comprehensive income of associates accounted for using equity method | 188 | 34 |
| Total other comprehensive income | 342 | (76) |
| Comprehensive income | (1,019) | 15,060 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (1,019) | 14,972 |
| Comprehensive income attributable to minority interests | — | 88 |

(3) Quarterly consolidated statement of cash flows

(Unit: Million yen)

| | 2Q YTD 2012 (January 1, 2012 through June 30, 2012) | 2Q YTD 2013 (January 1, 2013 through June 30, 2013) |
|--|---|---|
| Net cash provided by (used in) operating activities | | |
| Income before income taxes and minority interests | 2,329 | 27,710 |
| Depreciation and amortization | 12,145 | 11,118 |
| Amortization of goodwill | - | 8,462 |
| Equity in (earnings) losses of affiliates | (215) | (2,907) |
| Impairment loss | - | 12 |
| Increase (decrease) in provision for retirement benefits | 3,244 | (1,938) |
| Increase (decrease) in provision for repairs | (2,552) | 2,534 |
| Interest and dividends income | (362) | (754) |
| Interest expenses | 382 | 1,919 |
| Gain from redemption upon dissolution of a joint venture | (16,354) | - |
| Gain on distribution of residual assets | (103) | - |
| Loss (gain) on sales and retirement of noncurrent assets | (116) | 256 |
| Decrease (increase) in notes and accounts receivable-trade | 81,207 | 34,099 |
| Decrease (increase) in inventories | (14,576) | (18,025) |
| Increase (decrease) in notes and accounts payable-trade | (43,327) | (52,797) |
| Decrease (increase) in accounts receivable-other | (13,504) | (399) |
| Increase (decrease) in accounts payable-other | (25,752) | (13,109) |
| Other, net | (4,457) | (7,449) |
| Subtotal | (22,015) | (11,269) |
| Interest and dividends income received | 1,138 | 1,596 |
| Interest expenses paid | (995) | (1,636) |
| Income taxes refund | 87 | 28,628 |
| Income taxes paid | (22,531) | (10,497) |
| Net cash provided by (used in) operating activities | (44,316) | 6,821 |
| Net cash provided by (used in) investing activities | | |
| Purchase of property, plant and equipment | (7,013) | (4,128) |
| Proceeds from sales of property, plant and equipment | 314 | 950 |
| Purchase of intangible assets | (3,386) | (563) |
| Proceeds from distribution of residual assets | 103 | - |
| Collection of investments in capital | 50,099 | - |
| Acquisition of share capital of a subsidiary resulting in change in scope of consolidation | (377,639) | - |
| Payments of long-term loans receivable | - | (5) |
| Collection of long-term loans receivable | 45 | 47 |
| Net cash provided by (used in) investing activities | (337,476) | (3,700) |
| Net cash provided by (used in) financing activities | | |
| Net decrease (increase) in short-term loans receivable | 49,029 | - |
| Net increase (decrease) in short-term loans payable | 131,381 | (18,337) |
| Repayment of long-term loans payable | (521) | (50,521) |
| Proceeds from long-term payable | 175,000 | 50,000 |
| Increase (decrease) in commercial papers | 50,000 | 27,000 |
| Proceeds from issuance of bonds | - | 9,953 |
| Purchase of treasury stock | (13) | (130) |
| Proceeds from sales of treasury stock | 11 | 2 |
| Cash dividends paid | (10,723) | (6,926) |
| Net cash provided by (used in) financing activities | 394,165 | 11,040 |
| Net increase (decrease) in cash and cash equivalents | 12,371 | 14,161 |
| Cash and cash equivalents at beginning of period | 280 | 13,369 |
| Cash and cash equivalents at end of period | 12,651 | 27,530 |

(4) Notes on assumption of going concern

Not applicable.

(5) Notes on significant changes in the amount of shareholders' equity

Not applicable.

(6) Segment information**Second quarter YTD 2012 period (January 1, 2012 through June 30, 2012)**

Net sales and segment income by reportable segments

(Unit: Million yen)

| | Oil | Chemical | Total | Adjustment (Note) 1 | Quarterly consolidated statement of income amount |
|------------------------|-----------|----------|-----------|------------------------|--|
| Net sales | | | | | |
| Sales to third parties | 1,210,074 | 135,584 | 1,345,659 | – | 1,345,659 |
| Internal transactions | 127,931 | 17,324 | 145,256 | (145,256) | – |
| Total | 1,338,006 | 152,909 | 1,490,915 | (145,256) | 1,345,659 |
| Segment loss | (13,058) | (1,391) | (14,449) | – | (14,449) |

(Note) 1. Adjustment of (145,256) million yen represents an elimination of inter-segment transactions.

2. Total segment loss is the same as operating loss in the quarterly consolidated statement of income.

Second quarter YTD 2013 period (January 1, 2013 through June 30, 2013)

Net sales and segment income by reportable segments

(Unit: Million yen)

| | Oil | Chemical | Total | Adjustment (Note) 1, 2 | Quarterly consolidated statement of income amount |
|------------------------|-----------|----------|-----------|---------------------------|--|
| Net sales | | | | | |
| Sales to third parties | 1,396,421 | 160,261 | 1,556,683 | – | 1,556,683 |
| Internal transactions | 948,901 | 114,828 | 1,063,729 | (1,063,729) | – |
| Total | 2,345,323 | 275,089 | 2,620,412 | (1,063,729) | 1,556,683 |
| Segment income | 27,172 | 12,231 | 39,404 | (8,462) | 30,942 |

(Note) 1. Adjustment of (1,063,729) million yen represents an elimination of inter-segment transactions.

2. Goodwill amortization of (8,462) million yen is shown in the adjustment column as it is not allocated to each segment.

3. Total segment income plus "Adjustment" is the same as operating income in the quarterly consolidated statement of income.