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## Consolidated Financial Results for the Third Quarter 2013 (Japanese GAAP basis)

November 14, 2013

Company name: TonenGeneral Sekiyu K.K.      Listed on: Tokyo Stock Exchange  
Code number: 5012      URL: <http://www.tonengeneral.co.jp>  
Representative: J. Mutoh      Representative Director and President  
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Scheduled date of filing Quarterly Securities Report: November 14, 2013

Scheduled date of start of dividends payment: -

Preparation of presentation material for quarterly results: Yes

Briefing for institutional investors: Yes

(Amounts shown in truncated millions of yen)

### 1. Consolidated financial results for the third quarter 2013 (January 1, 2013 through September 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	%
3QYTD 2013	2,410,479	18.1	49,535	616.3	46,853	666.8	25,555	205.5
3QYTD 2012	2,041,745	3.1	6,915	(96.7)	6,110	(97.1)	8,366	(93.4)

(Note) Comprehensive income: 25,866 Million yen [192.5%] for 3QYTD 2013      8,842 Million yen [-93.1%] for 3QYTD 2012

	Net income per share	Diluted net income per share
	Yen	Yen
3QYTD 2013	70.12	70.11
3QYTD 2012	17.60	-

#### (2) Financial position

As of	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Sep. 30, 2013	1,399,715	300,324	21.4
Dec. 31, 2012	1,385,014	288,384	20.8

(Reference) Net assets excluding minority interests and subscription rights to shares:

299,274 Million yen as of September 30, 2013      287,563 Million yen as of December 31, 2012

### 2. Dividends

	Annual dividend				
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Full-year
2012	-	19.00	-	19.00	38.00
2013	-	19.00	-		
2013(Forecast)				19.00	38.00

(Note) Revision to the most recent dividend forecast: No

### 3. Projected 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	3,200,000	14.1	52,000	90.5	48,000	113.1	25,000	(54.4)	68.60

(Note) Revision to the most recent consolidated earnings forecast: No

**\* 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)					
3Q2013	565,182,000	shares	Full year 2012	565,182,000	shares
b. Number of treasury stock at the end of period					
3Q2013	200,788,676	shares	Full year 2012	200,628,166	Shares
c. Average number of shares during the period					
3QYTD2013	364,458,650	shares	3Q YTD 2012	475,405,236	Shares

• **Review status of Quarterly Securities Report (*Shihanki-Houkokusho*) for the third 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 Third Quarter 2013. The auditor expressed the conclusion on November 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 September 30, 2013, the results of their operations and their cash flows for the nine-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. 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: No

(Attachments)

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## 1. Discussion of quarterly consolidated financial results

### (1) Discussion of consolidated operating results

Consolidated net sales for the third quarter year-to-date period amounted to 2,410.5 billion yen, an increase of 368.7 billion yen versus the same period of the previous year, mainly due to higher product prices caused by the recent yen depreciation and higher export sales volume.

Consolidated operating income was 49.5 billion yen, an increase of 42.6 billion yen versus the same period of the previous year, due to an increase in inventory valuation gains mainly caused by yen depreciation and crude and product price increases during the period.

Consolidated ordinary income, which includes non-operating items such as equity in earnings of affiliates, foreign exchange losses and interest expenses, was 46.9 billion yen, an increase of 40.7 billion yen versus the same period of the previous year. Consolidated net income which includes extraordinary items and income taxes was 25.6 billion yen, an increase of 17.2 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 (12.7 billion yen in the current year's third quarter year-to-date period) which has not been allocated to segments.

#### a. Oil segment

Oil segment income was 46.0 billion yen, an increase of 35.8 billion yen versus the same period last year. Inventory effects during the current period were 37.1 billion yen, a 43.7 billion yen increase versus the same period previous year. Oil segment income excluding inventory effects was 8.9 billion yen, a 7.9 billion yen decrease versus the same period of the previous year, as a result of reduced industry margins which more than offset positive factors such as higher export sales volume, lower operating expenses, 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.

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

(Unit: Billion yen)

	3Q YTD 2013	3Q YTD 2012	Difference
Segment income as reported	46.0	10.2	35.8
Inventory effects	37.1	(6.6)	43.7
Segment income excluding above inventory effects	8.9	16.8	(7.9)

#### b. Chemical segment

Chemical segment income was 16.3 billion yen, a 15.3 billion yen increase from the same period of the previous year, mainly due to improvement in commodity product margins. Inventory effects included in Chemical segment income were 1.9 billion yen in the current period, a 0.4 billion yen increase versus the same period of the previous year.

### (2) Discussion of consolidated financial condition

#### a. Total assets, liabilities and net assets

Total assets as of September 30, 2013 were 1,399.7 billion yen, a 14.7 billion yen increase from December 31, 2012, mainly due to an increase of inventory value reflecting higher product prices. Liabilities as of September 30, 2013 amounted to 1,099.4 billion yen, a 2.8 billion yen increase from December 31, 2012, mainly due to increases in trade accounts payable and short-term loans payable, which are partly offset by decreases in gasoline taxes payable and commercial papers. Total net assets as of September 30, 2013 amounted to 300.3 billion yen, an 11.9 billion yen increase from December 31, 2012.

#### b. Cash flows

At the end of September 2013, the outstanding balance of cash and cash equivalents was 20.4 billion yen, an increase of 7.0 billion yen versus December 31, 2012. Key factors influencing cash flows are summarized below.

In the third quarter year-to-date period, cash flows from operating activities were positive 2.8 billion yen versus a negative 26.0 billion yen in the same period last year. Positive factors such as income before income taxes and minority interests and an income taxes refund outweighed negative factors such as a decrease in excise tax payables including gasoline tax due to the timing of excise tax payment.

Cash flows from investing activities were negative 9.5 billion yen versus a negative 343.2 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 13.7 billion yen versus a positive 418.9 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**

There is no change to the projected consolidated and non-consolidated earnings results for full year 2013 that was announced on August 14, 2013. The full year consolidated operating income forecast remains at 52 billion yen. However, the composition now includes an increase in inventory gains (14.0 billion yen) mainly due to higher crude and product prices and an offsetting reduction (14.0 billion yen) in Oil segment operating income excluding inventory effects due to lower margins for Oil products in 3Q13 and 4Q13. There is also no change to the dividend forecast of 38 yen per share announced on February 14, 2013.

**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 third 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 third quarter year-to-date period.

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

(Unit: Million yen)

	<b>2012</b> <b>(December 31, 2012)</b>	<b>3Q 2013</b> <b>(September 30, 2013)</b>
<b>Assets</b>		
Current assets		
Cash and deposits	13,369	20,402
Notes and accounts receivable-trade	249,604	243,019
Merchandise and finished goods	95,270	118,397
Semi-finished goods	58,506	74,901
Raw materials	213,052	244,518
Supplies	6,678	8,197
Short-term loans receivable	15,081	15,085
Other	54,817	22,850
Allowance for doubtful accounts	(343)	(325)
Total current assets	706,036	747,047
Noncurrent assets		
Tangible assets		
Machinery, equipment and vehicles, net	39,613	33,549
Land	146,419	145,690
Other, net	64,945	67,146
Total tangible assets	250,978	246,386
Intangible assets		
Goodwill	330,033	317,339
Other	22,827	21,754
Total intangible assets	352,861	339,094
Investments and other assets		
Investment securities	34,855	36,125
Other	40,555	31,201
Allowance for doubtful accounts	(271)	(139)
Total investments and other assets	75,138	67,187
Total noncurrent assets	678,978	652,668
Total assets	1,385,014	1,399,715

(Unit: Million yen)

	<b>2012</b> <b>(December 31, 2012)</b>	<b>3Q 2013</b> <b>(September 30, 2013)</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	279,567	310,133
Gasoline taxes payable	220,034	157,146
Short-term loans payable	102,616	169,950
Commercial papers	64,000	20,000
Income taxes payable	2,461	9,601
Provision	1,476	3,913
Other	74,874	76,555
Total current liabilities	745,030	747,300
Noncurrent liabilities		
Bonds payable	30,000	40,000
Long-term loans payable	136,539	137,492
Deferred tax liabilities	30,705	18,564
Provision for retirement benefits	128,066	127,049
Provision for repairs	17,817	22,365
Other	8,470	6,619
Total noncurrent liabilities	351,599	352,090
Total liabilities	1,096,630	1,099,391
Net assets		
Shareholders' equity		
Capital stock	35,123	35,123
Capital surplus	52,743	52,743
Retained earnings	341,684	353,389
Treasury stock	(141,966)	(142,116)
Total shareholders' equity	287,584	299,140
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(21)	134
Total accumulated other comprehensive income	(21)	134
Subscription rights to shares	—	72
Minority interests	821	976
Total net assets	288,384	300,324
Total liabilities and net assets	1,385,014	1,399,715



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

(Unit: Million yen)

	3Q YTD 2012 (January 1, 2012 through September 30, 2012)	3Q YTD 2013 (January 1, 2013 through September 30, 2013)
Net sales	2,041,745	2,410,479
Cost of sales	1,993,552	2,291,618
Gross profit	48,192	118,861
Selling, general and administrative expenses	41,277	69,325
Operating income	6,915	49,535
Non-operating income		
Interest income	61	670
Dividends income	352	111
Foreign exchange gains	779	—
Equity in earnings of affiliates	—	3,530
Other	70	93
Total non-operating income	1,264	4,405
Non-operating expenses		
Interest expenses	1,179	2,511
Foreign exchange losses	—	4,478
Bond issuance cost	—	46
Equity in losses of affiliates	770	—
Other	118	52
Total non-operating expenses	2,069	7,088
Ordinary income	6,110	46,853
Extraordinary income		
Gain on sales of noncurrent assets	862	776
Gain on negative goodwill	—	134
Gain on step acquisitions	—	127
Gain from redemption upon dissolution of a joint venture	16,354	—
Gain on distribution of residual assets	103	—
Total extraordinary income	17,320	1,038
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	915	684
Impairment loss	58	12
Total extraordinary losses	973	696
Income before income taxes and minority interests	22,456	47,194
Income taxes	13,994	21,485
Income before minority interests	8,462	25,708
Minority interests in income	96	153
Net income	8,366	25,555

**b. Consolidated statement of comprehensive income**  
**Third quarter YTD period**

(Unit: Million yen)

	3Q YTD 2012 (January 1, 2012 through September 30, 2012)	3Q YTD 2013 (January 1, 2013 through September 30, 2013)
Income before minority interests	8,462	25,708
Other comprehensive income		
Valuation difference on available-for-sale securities	191	120
Share of other comprehensive income of associates accounted for using equity method	188	37
Total other comprehensive income	379	157
Comprehensive income	8,842	25,866
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,746	25,711
Comprehensive income attributable to minority interests	95	154

**(3) Quarterly consolidated statement of cash flows**

(Unit: Million yen)

	3Q YTD 2012 (January 1, 2012 through September 30, 2012)	3Q YTD 2013 (January 1, 2013 through September 30, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	22,456	47,194
Depreciation and amortization	20,037	16,950
Amortization of goodwill	4,231	12,693
Gain on negative goodwill	-	(134)
Equity in (earnings) losses of affiliates	770	(3,530)
Impairment loss	58	12
Increase (decrease) in provision for retirement benefits	4,716	(2,935)
Increase (decrease) in provision for repairs	(953)	4,499
Interest and dividends income	(414)	(781)
Interest expenses	1,179	2,511
Loss (gain) on step acquisition	-	(127)
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	52	(92)
Decrease (increase) in notes and accounts receivable-trade	21,463	6,505
Decrease (increase) in inventories	(6,946)	(63,042)
Increase (decrease) in notes and accounts payable-trade	(12,710)	29,735
Decrease (increase) in accounts receivable-other	2,195	1,144
Increase (decrease) in accounts payable-other	(24,521)	(66,573)
Other, net	(2,114)	2,095
Subtotal	13,044	(13,874)
Interest and dividends income received	931	1,635
Interest expenses paid	(1,657)	(2,265)
Income taxes refund	87	28,628
Income taxes paid	(38,415)	(11,340)
Net cash provided by (used in) operating activities	(26,009)	2,783
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(9,806)	(7,734)
Proceeds from sales of property, plant and equipment	1,471	2,094
Purchase of intangible assets	(4,630)	(2,723)
Proceeds from sales of intangible assets	323	-
Proceeds from distribution of residual assets	103	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(1,164)
Acquisition of share capital of a subsidiary resulting in change in scope of consolidation	(380,788)	-
Collection of investments in capital	50,099	-
Payments of long-term loans receivable	(9)	(9)
Collection of long-term loans receivable	74	64
Net cash provided by (used in) investing activities	(343,162)	(9,473)

(Unit: Million yen)

	<b>3Q YTD 2012</b> <b>(January 1, 2012</b> <b>through September 30, 2012)</b>	<b>3Q YTD 2013</b> <b>(January 1, 2013</b> <b>through September 30, 2013)</b>
Net cash provided by (used in) financing activities		
Net decrease (increase) in short-term loans receivable	49,031	-
Net increase (decrease) in short-term loans payable	95,875	63,239
Repayment of long-term loans payable	(692)	(51,807)
Proceeds from long-term payable	175,000	50,000
Increase (decrease) in commercial papers	117,000	(44,000)
Proceeds from issuance of bonds	-	9,953
Purchase of treasury stock	(18)	(152)
Proceeds from sales of treasury stock	14	3
Cash dividends paid	(17,283)	(13,514)
Net cash provided by (used in) financing activities	418,926	13,723
Net increase (decrease) in cash and cash equivalents	49,755	7,032
Cash and cash equivalents at beginning of period	280	13,369
Cash and cash equivalents at end of period	50,035	20,402

**(4) Change in scope of consolidation or scope of equity method**

In July 2013, a consolidated subsidiary of the Company acquired all of the shares of NUC Corporation held by Union Carbide Corporation. As a result, NUC Corporation has been excluded from the scope of the equity method and included in the scope of consolidation effective from the third quarter period.

**(5) Notes on assumption of going concern**

Not applicable.

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

Not applicable.

**(7) Segment information****Third quarter YTD 2012 period (January 1, 2012 through September 30, 2012)**

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	1,845,687	196,058	2,041,745	–	2,041,745
Internal transactions	566,603	62,047	628,650	(628,650)	–
Total	2,412,290	258,106	2,670,396	(628,650)	2,041,745
Segment income	10,223	922	11,146	(4,231)	6,915

(Note) 1. Adjustment of (628,650) million yen represents an elimination of inter-segment transactions.

2. Goodwill amortization of (4,231) million yen is shown in adjustment, 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.

**Third quarter YTD 2013 period (January 1, 2013 through September 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	2,159,230	251,248	2,410,479	–	2,410,479
Internal transactions	1,401,891	159,743	1,561,634	(1,561,634)	–
Total	3,561,121	410,991	3,972,113	(1,561,634)	2,410,479
Segment income	45,974	16,254	62,229	(12,693)	49,535

(Note) 1. Adjustment of (1,561,634) million yen represents an elimination of inter-segment transactions.

2. Goodwill amortization of (12,693) 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.