

*** 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): Yes
Added: 1 company (Name: Kyokuto Petroleum Industries, Ltd)

(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 shares)					
3Q2014	565,182,000	shares	Full year 2013	565,182,000	shares
b. Number of treasury shares at the end of period					
3Q2014	200,855,570	shares	Full year 2013	200,813,664	shares
c. Average number of shares during the period					
3QYTD2014	364,347,302	shares	3Q YTD 2013	364,458,650	shares

• **Review status of Quarterly Securities Report (*Shihanki-Houkokusho*) for the third quarter 2014**

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 2014. The auditor expressed the conclusion on November 14, 2014 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, 2014, 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. TonenGeneral 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

Projected non-consolidated operating results for 2014 (January 1, 2014 through December 31, 2014)

(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	2,900,000	(4.4)	(33,000)	(180.0)	37,000	(7.9)	101,000	285.5	277.21

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

(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 2,618.4 billion yen, an increase of 208.0 billion yen compared to the same period of the previous year, primarily due to the inclusion of MOC Marketing G.K. (previously, Mitsui Oil Co., Ltd.), as a consolidated subsidiary with effect from the current period and higher product prices. Consolidated operating income was a loss of 6.9 billion yen, a decrease of 56.4 billion yen versus the same period of the previous year, as a result of lower oil product margins and a significant decrease in inventory valuation gains which had a favorable effect on the last year's earnings, more than offsetting the contribution from the new consolidation of MOC Marketing G.K. Consolidated ordinary income which incorporates non-operating items including equity in earnings of affiliates, foreign exchange gains and interest expense was a loss of 7.2 billion yen, a decrease of 54.0 billion yen versus the same period of the previous year. Consolidated net income which includes extraordinary items and income taxes was a loss of 9.0 billion yen, a decrease of 34.5 billion yen versus the same period of the previous year. Segment results based on operating income less goodwill amortization are shown as follows:

a. Oil segment

Oil segment income was a loss of 8.7 billion yen, a decrease of 54.6 billion yen versus the same period of the previous year. Inventory effects during the current period were a loss of 9.6 billion yen, a 46.7 billion yen decrease versus the same period of the previous year. Oil segment income excluding inventory effects was 1.0 billion yen, a 7.9 billion yen decrease versus the same period of the previous year. A recovery of oil product margins during the April to September period and the additional contribution attributable to MOC Marketing G.K. were partly offset by lower oil product margins for the first quarter (January - March).

Oil segment income (loss) compared with the same period of the previous year

	(Unit: Billion yen)		
	3Q YTD 2013	3Q YTD 2014	Difference
Segment income (loss) as reported	46.0	(8.7)	(54.6)
Inventory effects (loss)	37.1	(9.6)	(46.7)
Segment income excluding above inventory effects	8.9	1.0	(7.9)

b. Chemical segment

Chemical segment income was 14.7 billion yen, a 1.6 billion yen decrease from the same period of the previous year. This year, Chemical segment income experienced a 0.1 billion yen inventory valuation loss versus a 1.9 billion yen inventory valuation gain for the same period of the previous year. Excluding inventory effects, the segment income for this period was 14.8 billion yen compared to 14.3 billion yen for the same period of the previous year as favorable olefins margins offset the decline in aromatics margins and the effect of planned maintenance at the Kawasaki site.

(2) Discussion of consolidated financial condition

a. Total assets, liabilities and net assets

The consolidated balance sheet as of September 30, 2014 reflects the Company's acquisition of 95.5% of the shares of MOC Marketing G.K. with a deemed date of acquisition of March 31, 2014 and the impact of Kyokuto Petroleum Industries Ltd.'s change from an associated company accounted for by the equity method to a consolidated subsidiary as of the same date as described in "Summary of change in major subsidiaries."

Total assets as of September 30, 2014 were 1,473.4 billion yen, a 64.4 billion yen increase from December 31, 2013, mainly attributable to increases in inventories and fixed assets more than offsetting decreases in accounts receivable - trade and short-term loans receivable. Liabilities as of September 30, 2014 amounted to 1,200.6 billion yen, an 86.1 billion yen increase from December 31, 2013, mainly attributable to increases in short-term loans payable and bonds payable more than offsetting decreases in accounts payable - trade and long-term loans payable. Total net assets as of September 30, 2014 amounted to 272.9 billion yen, a 21.8 billion yen decrease from December 31, 2013.

b. Cash flows

At the end of September 2014, the outstanding balance of cash and cash equivalents was 51.3 billion yen, an increase of 32.6 billion yen versus December 31, 2013. Key factors influencing cash flows are summarized below.

In the third quarter year-to-date period, cash flows from operating activities were positive 6.9 billion yen versus a positive 2.8 billion yen in the same period of the previous year. Positive factors such as depreciation and amortization of goodwill outweighed negative factors such as loss before income taxes and minority interests and income tax payment.

Cash flows from investing activities were negative 41.1 billion yen versus a negative 9.5 billion yen in the same period of the previous year. The current period cash outflows are due mainly to the acquisition of shares of MOC Marketing G.K.

Cash flows from financing activities were positive 66.1 billion yen versus a positive 13.7 billion yen in the same period of the previous year. This is due mainly to increases in short-term loans payable to meet the Company's working capital needs and in long-term loans payable to finance the acquisition of shares of MOC Marketing G.K.

(3) Discussion of projected consolidated operation results

Projections for full year 2014 have been revised as noted below reflecting lower crude and product prices. Consequently net sales will be lower and projected consolidated operating income includes 35.0 billion yen of inventory losses versus zero in the prior forecast. There is no change to operating income excluding inventory effects and the company reaffirms the full year dividend of 38 yen per share stated in our previous announcement.

Revision of consolidated earnings forecast figures for full-year 2014 (January 1 through December 31, 2014)

(Unit: million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (yen)
Previous forecast (A)	3,600,000	6,000	4,000	47,000	129.00
Revised forecast (B)	3,400,000	(29,000)	(30,000)	26,000	71.36
Difference (B-A)	(200,000)	(35,000)	(34,000)	(21,000)	-
Increase/ (decrease) (%)	(5.6)	-	-	(44.7)	-

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

In February 2014, the Company acquired 95.5% of the issued stocks of Mitsui Oil Co., Ltd. (currently, MOC Marketing G.K.; its entity form converted from Kabushiki Kaisha to Godo Kaisha as of August 1, 2014). As a result, MOC Marketing G.K. and Toyo Sekiyu Hanbai K.K. whose entire shares are held by the said company have been included in the scope of consolidation effective from the first quarter period with a deemed date of acquisition of March 31, 2014.

MOC Marketing G.K. and another subsidiary of the Company each owned 50% interests in Kyokuto Petroleum Industries, Ltd. As a result, Kyokuto Petroleum Industries, Ltd. has been excluded from the scope of the equity method and included in the scope of consolidation effective from the first quarter period with a deemed date of acquisition of March 31, 2014. This change in the scope of consolidation will have a material effect on consolidated financial statements for the annual period ending December 31, 2014.

A summary of operating results and financial position of MOC Marketing G.K. and Kyokuto Petroleum Industries, Ltd. is provided below.

MOC Marketing G.K. (*)		Kyokuto Petroleum Industries, Ltd.	
	as of March 31, 2014		as of December 31, 2013
Net sales	388,206 million yen	Net sales	638,566 million yen
Ordinary income	1,025 million yen	Ordinary income	7,027 million yen
Net income	2,198 million yen	Net income	4,265 million yen
Net assets	7,895 million yen	Net assets	31,371 million yen
Total assets	85,877 million yen	Total assets	249,524 million yen

Kyokuto Petroleum Industries, Ltd. is a designated subsidiary of the Company.

* The Company name as of March 31, 2014, was MOC Marketing K.K.

(2) Business and other risks

In the context of the business and other risks which were already reported in the Annual Securities Report for 2013, as a result of an ordinance of the Ministry of Economy, Trade and Industry (METI) issued on July 31, 2014 (Ministerial Ordinance for Partial Revision of the Ordinance for Enforcement of the Act on Promotion of Utilization of Non-Fossil Energy Sources and Effective Utilization of Fossil Energy Materials by Energy Suppliers), further improvement in the ratio of the Company's residual oil cracking capacity to its atmospheric distillation capacity is required by March 31, 2017. The Company will examine and implement the most economical measures to respond to this requirement including the potential to reduce atmospheric distillation capacity.

Other than as noted above, no new business risks or other risks have arisen during the third quarter year-to-date period nor up to the filing date of this report.

The statements relative to future events reflect the Company's judgment as of the filing date of this report.

(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)

	2013 (December 31, 2013)	3Q 2014 (September 30, 2014)
Assets		
Current assets		
Cash and deposits	18,655	51,288
Notes and accounts receivable - trade	277,929	226,612
Merchandise and finished goods	108,039	125,270
Semi-finished goods	67,358	103,919
Raw materials	251,701	265,704
Supplies	8,371	10,744
Short-term loans receivable	15,069	59
Other	23,151	25,454
Allowance for doubtful accounts	(325)	(321)
Total current assets	769,953	808,733
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	30,959	34,890
Land	145,927	176,128
Other, net	67,096	82,185
Total property, plant and equipment	243,984	293,203
Intangible assets		
Goodwill	313,108	310,678
Other	21,537	23,093
Total intangible assets	334,646	333,772
Investments and other assets		
Investment securities	35,592	16,819
Other	25,044	21,027
Allowance for doubtful accounts	(139)	(118)
Total investments and other assets	60,496	37,728
Total non-current assets	639,127	664,704
Total assets	1,409,081	1,473,437

(Unit: Million yen)

	2013 (December 31, 2013)	3Q 2014 (September 30, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	321,262	250,568
Gasoline taxes payable	193,193	200,132
Short-term loans payable	123,129	252,719
Commercial papers	30,000	30,000
Income taxes payable	13,822	1,713
Provision	1,537	4,314
Other	88,352	97,750
Total current liabilities	771,297	837,198
Non-current liabilities		
Bonds payable	40,000	75,000
Long-term loans payable	136,197	124,378
Deferred tax liabilities	15,663	16,166
Provision for retirement benefits	122,238	120,870
Provision for repairs	22,369	22,487
Other	6,675	4,474
Total non-current liabilities	343,143	363,377
Total liabilities	1,114,440	1,200,576
Net assets		
Shareholders' equity		
Capital stock	35,123	35,123
Capital surplus	49,561	49,561
Retained earnings	350,736	327,924
Treasury shares	(142,140)	(142,180)
Total shareholders' equity	293,280	270,428
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	315	484
Total accumulated other comprehensive income	315	484
Subscription rights to shares	72	146
Minority interests	971	1,801
Total net assets	294,640	272,860
Total liabilities and net assets	1,409,081	1,473,437

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

(Unit: Million yen)

	3Q YTD 2013 (January 1, 2013 through September 30, 2013)	3Q YTD 2014 (January 1, 2014 through September 30, 2014)
Net sales	2,410,479	2,618,444
Cost of sales	2,291,618	2,550,710
Gross profit	118,861	67,733
Selling, general and administrative expenses	69,325	74,638
Operating income (loss)	49,535	(6,905)
Non-operating income		
Interest income	670	77
Dividend income	111	200
Foreign exchange gains	-	731
Share of profit of entities accounted for using equity method	3,530	601
Compensation income	-	292
Other	93	659
Total non-operating income	4,405	2,562
Non-operating expenses		
Interest expenses	2,511	2,300
Foreign exchange losses	4,478	-
Bond issuance cost	46	156
Other	52	397
Total non-operating expenses	7,088	2,854
Ordinary income (loss)	46,853	(7,196)
Extraordinary income		
Gain on sales of non-current assets	776	1,692
Gain on step acquisitions	127	431
Gain on bargain purchase	134	-
Total extraordinary income	1,038	2,124
Extraordinary losses		
Loss on sales and retirement of non-current assets	684	2,399
Impairment loss	12	113
Settlement package	-	1,169
Total extraordinary losses	696	3,683
Income (loss) before income taxes and minority interests	47,194	(8,756)
Income taxes	21,485	114
Income (loss) before minority interests	25,708	(8,870)
Minority interests in income	153	96
Net income (loss)	25,555	(8,967)

b. Consolidated statement of comprehensive income
Third quarter YTD period

(Unit: Million yen)

	3Q YTD 2013 (January 1, 2013 through September 30, 2013)	3Q YTD 2014 (January 1, 2014 through September 30, 2014)
Income (loss) before minority interests	25,708	(8,870)
Other comprehensive income		
Valuation difference on available-for-sale securities	120	167
Share of other comprehensive income of entities accounted for using equity method	37	1
Total other comprehensive income	157	169
Comprehensive income	25,866	(8,701)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	25,711	(8,798)
Comprehensive income attributable to minority interests	154	96

(3) Quarterly consolidated statement of cash flows

(Unit: Million yen)

	3Q YTD 2013 (January 1, 2013 through September 30, 2013)	3Q YTD 2014 (January 1, 2014 through September 30, 2014)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	47,194	(8,756)
Depreciation	16,950	17,162
Amortization of goodwill	12,693	12,956
Gain on bargain purchase	(134)	-
Share of (profit) loss of entities accounted for using equity method	(3,530)	(601)
Impairment loss	12	113
Increase (decrease) in provision for retirement benefits	(2,935)	(4,044)
Increase (decrease) in provision for repairs	4,499	(2,130)
Interest and dividend income	(781)	(277)
Interest expenses	2,511	2,300
Foreign exchange losses (gains)	-	(741)
Loss (gain) on step acquisitions	(127)	(431)
Settlement package	-	1,169
Compensation income	-	(292)
Loss (gain) on sales and retirement of non-current assets	(92)	706
Decrease (increase) in notes and accounts receivable - trade	6,505	77,643
Decrease (increase) in inventories	(63,042)	25,694
Increase (decrease) in notes and accounts payable - trade	29,735	(73,868)
Decrease (increase) in accounts receivable - other	1,144	921
Increase (decrease) in accounts payable - other	(66,573)	(19,075)
Other, net	2,095	(6,091)
Subtotal	(13,874)	22,359
Interest and dividend income received	1,635	1,119
Interest expenses paid	(2,265)	(2,336)
Income taxes refund	28,628	4,554
Income taxes paid	(11,340)	(17,925)
Settlement package paid	-	(1,169)
Proceeds from compensation	-	292
Net cash provided by (used in) operating activities	2,783	6,893
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,734)	(15,337)
Proceeds from sales of property, plant and equipment	2,094	2,461
Purchase of intangible assets	(2,723)	(2,754)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,164)	(25,503)
Payments of long-term loans receivable	(9)	(27)
Collection of long-term loans receivable	64	63
Net cash provided by (used in) investing activities	(9,473)	(41,098)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	63,239	61,397
Repayments of long-term loans payable	(51,807)	(85,860)
Proceeds from long-term loans payable	50,000	70,000
Net increase (decrease) in commercial papers	(44,000)	-
Redemption of bonds	-	(1,000)
Proceeds from issuance of bonds	9,953	34,843
Purchase of treasury shares	(152)	(41)
Proceeds from sales of treasury shares	3	1
Cash dividends paid	(13,514)	(13,245)
Net cash provided by (used in) financing activities	13,723	66,096
Effect of exchange rate change on cash and cash equivalents	-	741
Net increase (decrease) in cash and cash equivalents	7,032	32,633
Cash and cash equivalents at beginning of period	13,369	18,655
Cash and cash equivalents at end of period	20,402	51,288

(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**Third quarter YTD 2013 period (January 1, 2013 through September 30, 2013)**

Net sales and segment income (loss) by reportable segments

(Unit: Million yen)

	Oil	Chemical	Total	Adjustment (Note) 1, 2	Quarterly consolidated statement of income amount
Net sales					
Sales to customers outside the Company group	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.

Third quarter YTD 2014 period (January 1, 2014 through September 30, 2014)

Net sales and segment income (loss) by reportable segments

(Unit: Million yen)

	Oil	Chemical	Total	Adjustment (Note) 1, 2	Quarterly consolidated statement of income amount
Net sales					
Sales to customers outside the Company group	2,354,348	264,095	2,618,444	-	2,618,444
Internal transactions	1,777,236	44,257	1,821,494	(1,821,494)	-
Total	4,131,584	308,353	4,439,938	(1,821,494)	2,618,444
Segment income (loss)	(8,650)	14,702	6,051	(12,956)	(6,905)

(Note) 1. Adjustment of (1,821,494) million yen represents an elimination of inter-segment transactions.

2. Goodwill amortization of (12,956) million yen is shown in the adjustment column as it is not allocated to each segment.

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