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Press Release

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TonenGeneral Sekiyu Revision of the Full Year Earnings Forecast for 2008

TonenGeneral Sekiyu K.K. has revised its consolidated and parent income forecasts for January 1 through December 31, 2008, which were previously announced on November 14, 2008.

1. Revision of the full year earnings forecast for January 1 - December 31, 2008

Consolidated:

(Unit: million yen)

	Sales Revenue	Operating Income/Loss	Ordinary Income/Loss	Net Income/Loss
Revised Forecast (A)	3,272,400	121,700	131,300	79,300
Previous Forecast (B)	3,300,000	49,000	56,000	36,000
Difference (A-B)	△27,600	72,700	75,300	43,300
Increase/Decrease	△1%	148%	134%	120%

(B) announced on November 14, 2008

Parent:

(Unit: million yen)

	Sales Revenue	Operating Income/Loss	Ordinary Income/Loss	Net Income/Loss
Revised Forecast (A)	3,260,800	102,800	117,300	72,600
Previous Forecast (B)	3,200,000	29,000	41,000	28,000
Difference (A-B)	60,800	73,800	76,300	44,600
Increase/Decrease	2%	255%	186%	159%

(B) announced on November 14, 2008

2. Reasons for the revision

Our full-year 2008 consolidated operating income forecast has been revised to 121.7 billion yen, an increase of 72.7 billion yen versus our full-year forecast announced in November 2008.

We recognize crude oil prices in our cost of goods when the crude is purchased at load port, whereas other industry competitors recognize changes in cost of goods when crude oil is landed in Japan, a difference of about one month. Due to this practice, for the past few years, while crude prices increased nearly continuously, the high crude prices were captured in our accounting system before the subsequent rises in domestic product prices, resulting in pressure on our profits. However, due to this accounting lead effect, the decline in crude prices in the second half of 2008, particularly the steep drop in the fourth quarter, reversed the adverse effects on our profits.

In our November 2008 forecast, the positive impact from the decline in crude prices was projected at 36 billion yen, based on price conditions generally prevailing in late October. However, we now estimate that the further decline in crude prices since that time has led to an increase in the positive lead effect to about 100 billion yen for the year.

The forecast for our parent operating income has been revised to 102.8 billion yen, a 73.8 billion yen increase versus our November 2008 forecast, also due to the factors described above.

There is no change in the full-year dividends forecast of 38 yen per share.

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