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Press Release

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### **Second Quarter 2010 Earnings Results**

TonenGeneral Sekiyu K.K. today announces its consolidated financial results for the second quarter year-to-date (January 1 - June 30) 2010.

(Unit: million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
2Q YTD 2010 (A)	1,173,019	13,631	14,787	28,587
2Q YTD 2009 (B)	964,645	(10,861)	(10,681)	(6,423)
Difference (A-B)	208,373	24,492	25,469	35,011
Increase/(decrease) (%)	21.6	-	-	-

Consolidated net sales increased 22% versus the same period last year to 1,173.0 billion yen due to a shift to higher product prices reflecting crude price trends, which more than offset reduced product sales volumes.

Consolidated operating income increased 24.5 billion yen versus the same period last year, to 13.6 billion yen. Non-operating income was 1.2 billion yen due to factors such as profits from companies accounted for on the equity method. Consolidated ordinary income of 14.8 billion yen was 25.5 billion yen greater than the same period last year. Extraordinary income was 19.5 billion yen, resulting from factors such as equity valuation gains arising from the formation of a joint venture involving our battery separator film subsidiary. Consolidated net income for the period was 28.6 billion yen, 35.0 billion yen greater than last year.

Please see below for the primary factors related to consolidated operating income.

(1) Oil segment

Operating income in our oil segment this term was 5.8 billion yen, an increase of 16.5 billion yen versus the same period last year.

Last year's results were adversely affected by the rise in crude oil prices which were promptly taken into our costs under the loading-basis crude cost accounting method employed by this company, an element not significant this year. The table below adjusts reported operating income for crude accounting and inventory effects. After making such adjustments, oil operating income declined by an estimated 17.6 billion yen versus last year, reflecting the absence this year of last year's strong first quarter margins.

Reference 1: Oil segment operating income compared with previous year (Unit: billion yen)

	2Q 2010 YTD	2Q 2009 YTD	Difference
Operating income as reported	5.8	(10.7)	16.5
Effect of difference in timing of crude cost accounting (estimate)	(1.0)	(33.0)	32.0
Inventory-related gains	9.3	7.2	2.1
Operating income excluding above special factors (estimate)	(2.5)	15.1	(17.6)

Reported oil operating income for the second quarter this year was negative 6.1 billion yen, versus positive 11.9 billion yen for the first quarter. Both quarters were affected by movements in inventory-related gains/losses, highly positive in the first quarter and negative in the second quarter. The table below adjusts reported operating income for these factors. As adjusted, oil operating income for the second quarter returned to profitability following the severe margin environment that had persisted since the second quarter of last year.

Reference 2: Oil segment operating income - comparison of the first and second quarters 2010 (Unit: billion yen)

	2Q 2010	1Q 2010	Difference
Operating income as reported	(6.1)	11.9	(18.0)
Effect of difference in timing of crude cost accounting (estimate)	1.0	(2.0)	3.0
Inventory-related gains	(9.4)	18.7	(28.1)
Operating income excluding above special factors (estimate)	2.3	(4.8)	7.1

(2) Chemical segment

Chemical segment operating income this term was 7.8 billion yen, 8.0 billion yen greater than the same period last year. The increase was due to improvements in domestic demand and margins, especially in the first quarter, versus the same period last year.

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*[The official language for TonenGeneral's filings with the Tokyo Stock Exchange and Japanese authorities, and for communications with our shareholders, is Japanese. We have posted English versions of some of this information on this website. While these English versions have been prepared in good faith, TonenGeneral does not accept responsibility for the accuracy of the translations, and reference should be made to the original Japanese language materials.]*