The occurrence of the molten sulfur leak at the Sakai refinery of TonenGeneral Sekiyu K.K. ("the Company"; head office: Minato-ku, Tokyo) and the violation of the duty to report the abnormal event in accordance with the Act on the Prevention of Disaster in Petroleum Industrial Complexes and Other Petroleum Facilities (Petroleum Disaster Law) (reported on July 18, 2012), including the fact that these two items were brought to light by an anonymous report, caused a great deal of trouble and anxiety from a social aspect, especially for the local community, as well as for the authorities concerned, for which we once again offer our heartfelt apologies. Furthermore, as we have a strict policy of legal compliance, we deeply regret the fact that the incident necessitated a police investigation and a referral of the case to prosecutors. We would once again like to offer our sincere apologies for the incident.

Pursuant to the incident, the Company entrusted the Sulfur Leak Independent Investigation Committee with the investigation of root causes and making recommendations for preventing reoccurrence. On October 29, 2012, the Company received the investigation report compiled by the Committee. We hereby disclose a summary thereof in the attached documents. We take the Committee’s recommendations very seriously and will implement all of the following measures (refer to the attachment for details) to prevent reoccurrence of such an incident.

Measures to prevent reoccurrence of the molten sulfur leak
- Strengthen refinery safety controls
- Raise employee safety awareness for on-site operations

Measures to prevent reoccurrence of violation of reporting duty for abnormal events in accordance with the Petroleum Disaster Law
- Through education and retraining, ensure that all employees have a thorough understanding of refinery rules and procedures based on laws and regulations
- Clarify the reporting system
- Re-establish a system to audit and verify refinery legal compliance
- Under Head Office Management leadership, once again inform all employees of the importance of safety and legal compliance

Furthermore, as a lesson learned from the incident at Sakai Refinery, we will take steps to implement the recommendations of the above Sulfur Leak Independent Investigation Committee, and in addition, we have entrusted a new Independent Investigation Committee (Chairman:
Professor Masamitsu Tamura) with an investigation of our other refineries (Kawasaki Refinery, Wakayama Refinery) to determine whether any other potential issues have occurred. A report from this Committee is expected by the end of the year.

The conduct of safe and reliable operations at our refineries based on legal requirements and solid practices consistent with and in full compliance with those requirements is one of our most basic obligations as an oil refiner. Efficient operations built on this foundation executed correctly by all of our management and employees every day are essential to carrying out our social responsibility as a corporate citizen to provide a safe and stable supply of energy. We will utilize the committee’s recommendations to fortify both our procedures and actions in order to prevent reoccurrence of such an incident.

Attachment: Summary of the Report by the Independent Investigation Committee for the Sulfur Leak at TonenGeneral Sekiyu K.K. Sakai Refinery

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