TonenGeneral Sekiyu K.K.
2QYTD 2013 Financial Results

August 15, 2013
at Bellesalle Yaesu

東燃ゼネラル石油株式会社

Agenda

- Business Overview — J. Mutoh
- 2QYTD 2013 Business Results and FY 2013 Financial Forecast — D. R. Csapo
- Q & A

Business Overview

J. Mutoh

Representative Director, President
TonenGeneral Sekiyu K.K.

- Summary of the year since new TG group established
- Growing capabilities of the new TG group
- Progress of core business strategies
- Synergy capture
- Cash flow balance
- Focus areas looking ahead

Summary of the Year since New TG Group Established

Establishment of New TG Group (June 2012)

- Integrated operation
- Seek investment opportunities appropriate for the evolving Japanese market environment
- Expand stable profits and cash flow bases

Medium-term plan (February 2013)

- Maximize synergy capture
- Further strengthen core businesses
- Seek opportunities in growth areas
- Maintain financial resilience and emphasize stable returns to shareholders

TonenGeneral Group

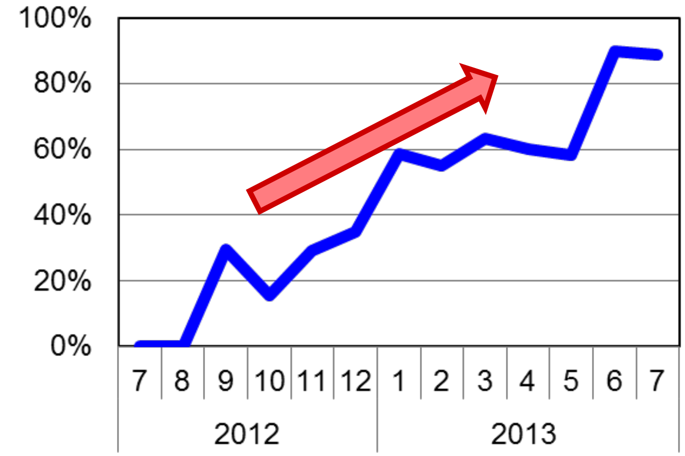
One-year achievement

- Seamless transition and growing capabilities of the new TG group
- Advanced core business strategies
  - Responsive to changing business conditions
- Accelerated synergy capture
- Debt reduction and stable dividend

Growing Capabilities of the New TG Group

- Successful transition from ExxonMobil supported supply and trading to effective own capability
  - Growth in direct deals with Middle East suppliers
  - Vessel procurement capability at 100%
  - Since 2013, handled 100% of fuel products trading
  - Maintain appropriate mix of term / spot deals to seek flexible crude slate
- Established new customer service and delivery management center in Yokohama previously held in Bangkok & Shanghai
  - Merged a part of back-office operation of fuel and lubricants to enhance efficiency / simplify customer interface
  - Enhanced customer experience
- Outsourced administrative services that were held in Bangkok to IBM Dalian
  - High service quality
  - Cost advantage versus alternatives

Crude Self-Purchase Ratio



Dalian Service Center

Progress of Core Business
- Oil Segment (Manufacturing & Supply)

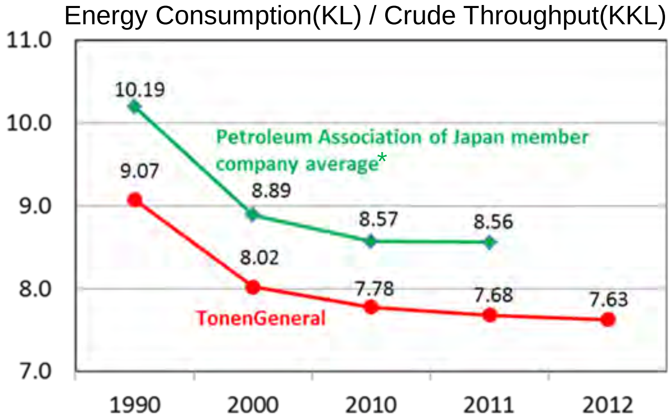
- Optimized manufacturing capabilities
  - Two toppers decommissioned
  - 1H13 utilization at 87% excluding these 2 toppers
  - H-Oil expansion scheduled in March 2014

- Collaboration in industrial complexes
  - Feedstock optimization with Keihin Refinery of Toa Oil
  - H2 optimization together with JX Nippon Oil & Energy Kawasaki Plant

- Refining / chemical optimization of energy usage
  - Kawasaki 2013 energy savings of 2 billion yen

- Multi-year agreement for LPG purchase with North America price linkage:
  - Benefit from growth in shale gas availability
  - Diversification of energy sources

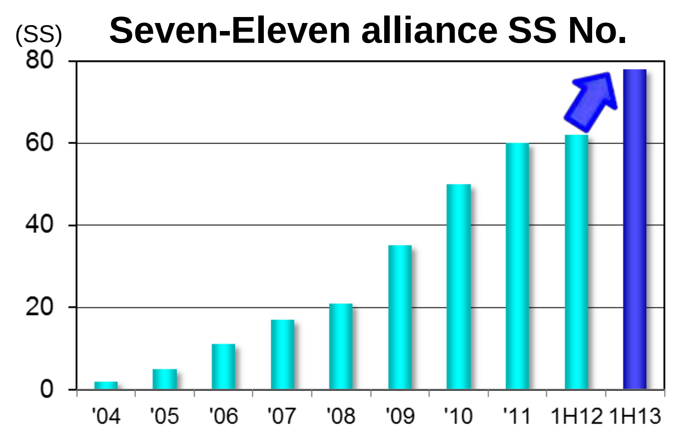
Refinery Specific Energy Consumption

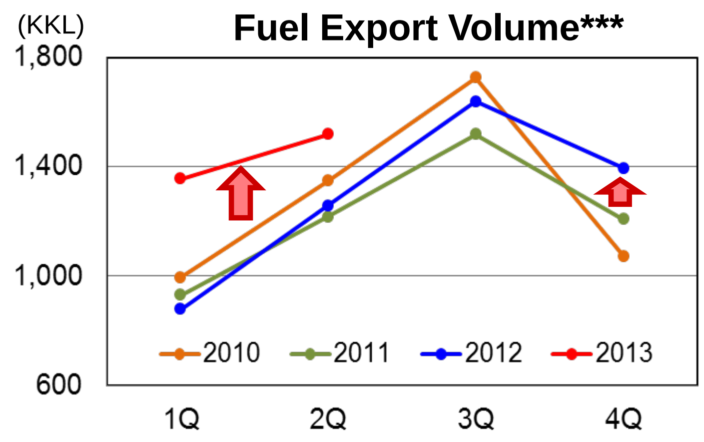


* 2012 actual data will be published in autumn 2013

Progress of Core Business - Oil Segment (Marketing)

- Accelerated alliance with Seven-Eleven Japan
  - 16 Seven-Eleven alliance service stations(SS) added bringing total to 78
  - Express site customers can now benefit from participation in "nanaco"* program
- Accelerating Speedpass** growth as users now exceeded 4 million
- 10 new lubricant products introduced to fulfill customer needs
- Responsive to opportunities in the export market for fuel products
  - Favorable margin opportunity in 4Q12 and 1H13 versus domestic sales





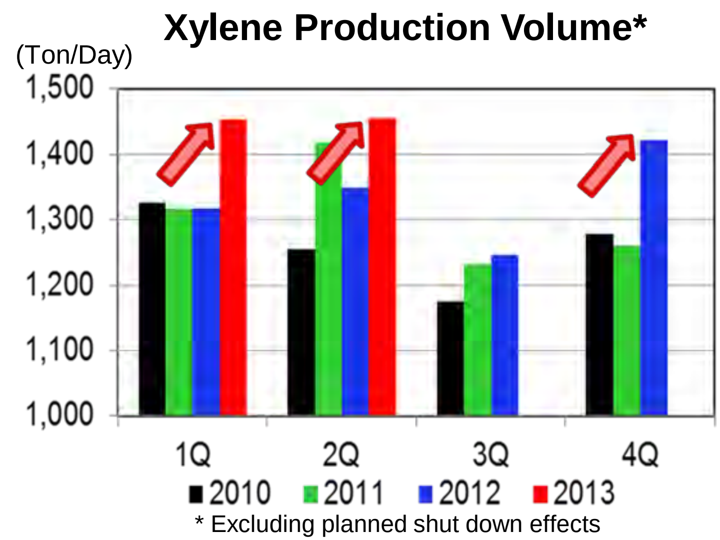
* Prepaid payment tool issued by Seven Card Service that can be used at Seven-Eleven, Denny's, ItoYokado, Sogo and Seibu.
** TG group's contactless device
*** Including Chiba refinery in Kyokuto Petroleum Inc.

Progress of Core Business - Chemical Segment

- Upgrading fuels to higher value chemical products
  - Strong collaboration among sites and production process yielding record levels of aromatics production
  - Growing direct sales channels for para-xylene, ortho-xylene and mixed xylene
  - Investment plans advancing to further expand aromatics

- Feedstock advantages via C4 cracking and improvements in naphtha sourcing

- Full ownership of NUC Corporation effective July 1, 2013 allows:
  - Optimized operation from crude procurement through the polyethylene manufacturing & marketing process
  - Growth potential in higher value added polyethylene products

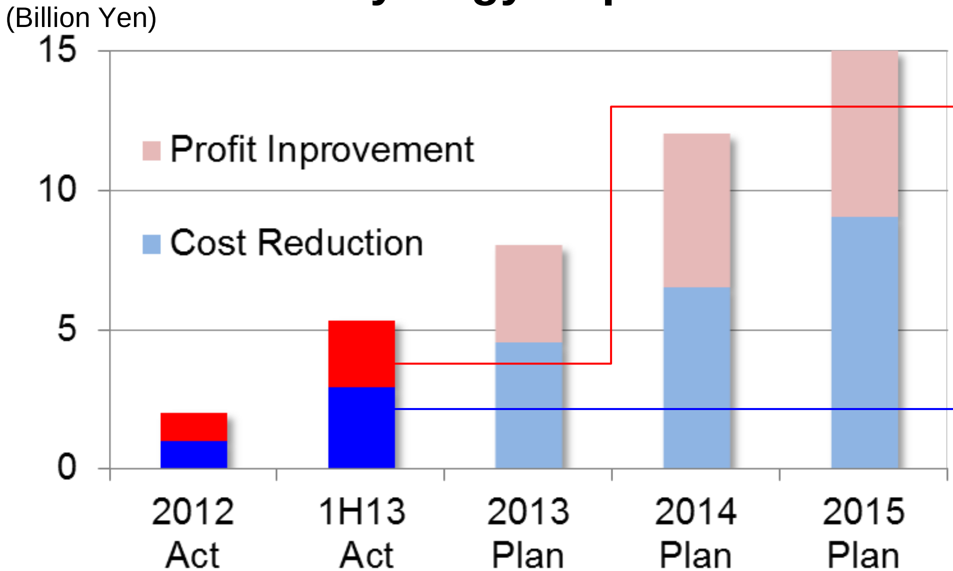



Specialty Polyethylene used for wire & cable purposes

Synergy Capture

- 1H13 aggregated synergy capture faster & larger than plan
  - 2.4 billion yen of margin improvement and 2.9 billion yen of cost reduction

Synergy Capture



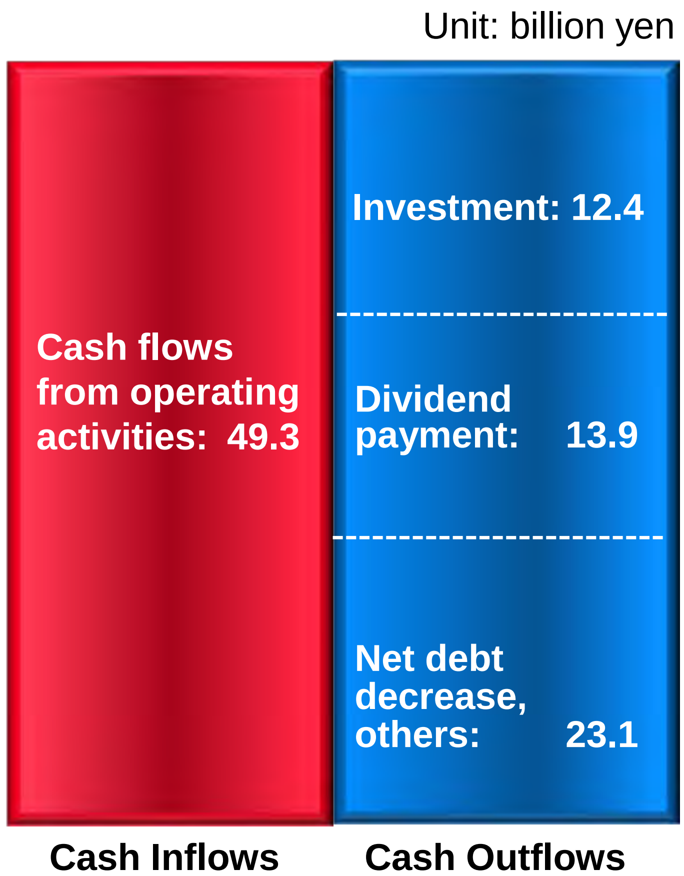
Examples of Synergy Effects

Margin improvement
- Sales channel expansion for chemical products and aviation fuels
- Introducing certain lubricants and chemical businesses

Cost reduction
- Outsourced administrative activities to IBM in Dalian
- Accelerated own trading capability (crude procurement, tanker chartering, product import & export)
- Optimized energy usage in Kawasaki

Cash Flow Balance

One-year Cash Flow Balances
(July 2012 – June 2013)



- Cash flow supports achievement of financial objectives
  - Fund attractive investments (12.4 billion yen)
  - Maintain resilient financial condition (net debt reduced by 23 billion yen)
  - Stable dividend (38 yen per share)
- Funding sources diversified on attractive terms
  - Two straight bond issuances (total 40 billion yen)
  - New 50 billion yen syndicated loan
  - Repayment amount of long-term debt evenly distributed and average maturity of long-term debt extended from 4.1 years to 5.5 years

Focus Areas Looking Ahead

- Safety, environmental and ethical objectives unaltered
- Solid bases established to expand cooperation with neighbors at key refinery sites
- Marketing plans aligning with customer needs and market environment
  - Continue to expand Seven-Eleven alliance SS
  - Shift from fuel to chemicals - Growing focus on higher value products
  - Strengthen TonenGeneral brand of chemical products
- Various teams evaluating growth opportunities
  - Evaluate options to expand business area in light of our core strengths
- Maintain financial resilience and emphasize stable returns to shareholders

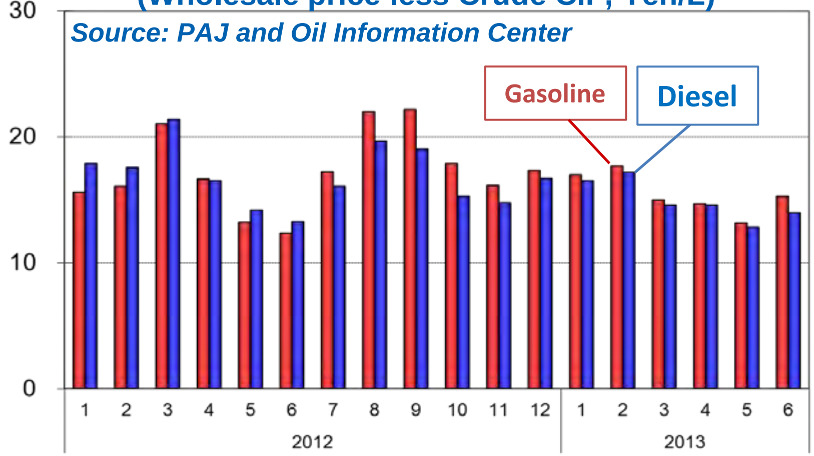
2Q13YTD Business Results and FY 2013 Financial Forecast

D. R. Csapo

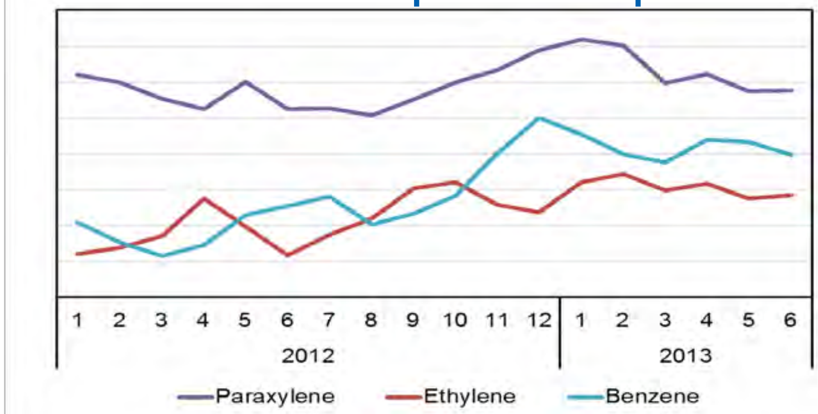
Managing Director, Financial Services
TonenGeneral Sekiyu K.K.

2Q13 Business Environment

Domestic Petroleum Product Margins
(Wholesale price less Crude CIF, Yen/L)



Chemical Price Spread vs. Naphtha



Data derived from Bloomberg

Oil Segment

- 2Q13 pressure on domestic margins
  - 3.2 MBD industry run rates yielded well-supplied market
  - Inventory overhang from 1Q13 partially reversed
- YTD domestic product demand: -5.7%
  - Gasoline -1.9%, Diesel +1.4%
  - Fuel Oil C -19.8% (less power use demand)
- Average 2Q13 export margins above domestic

Chemical Segment

- Aromatics margins below 1Q13, but continue to be favorable
- Olefins impacted by weak butadiene although ethylene and propylene stable

2Q13 YTD Financial Highlights

- Operating income of 30.9 billion yen increased by 45.4 billion yen
  - Inventory effects: +35 billion yen
  - Oil: +7 billion yen - lower Opex and EMG Marketing (EMGM) profit more than offset drop in oil margins
  - Chemical: +11.9 billion yen - margin improvement largely in aromatics
  - 8.5 billion yen goodwill amortization recognized
- Non-operating items: 3 billion yen current year loss reflects foreign exchange loss from yen depreciation and interest expense partly offset by equity earnings

billion yen	2Q12 YTD	2Q13 YTD	Inc./Dec.
Net Sales	1,345.7	**1,556.7**	211.0
Operating income	-14.4	**30.9**	45.4
Ordinary income	-14.2	**28.0**	42.2
Extraordinary gain/loss	16.6	**-0.3**	-16.8
Net income	-1.4	**15.0**	16.4

(Breakdown of operating income)

Inventory gain/loss	-9.1	**25.9**	35.0
Goodwill amortization	-	**-8.5**	-8.5
Adjusted Operating income	-5.3	**13.5**	18.9
Oil segment	-4.0	**3.1**	7.0
Chemical segment	-1.4	**10.5**	11.9

Oil segment

2Q12YTD	**-4.0**
• Margin	-4.5
• Volume	0.4
• Opex	7.0
• EMGM	4.2
2Q13YTD	**3.1**

Chemical segment

2Q12YTD	**-1.4**
• Margin/vol.	10.9
• Opex	1.0
2Q13YTD	**10.5**

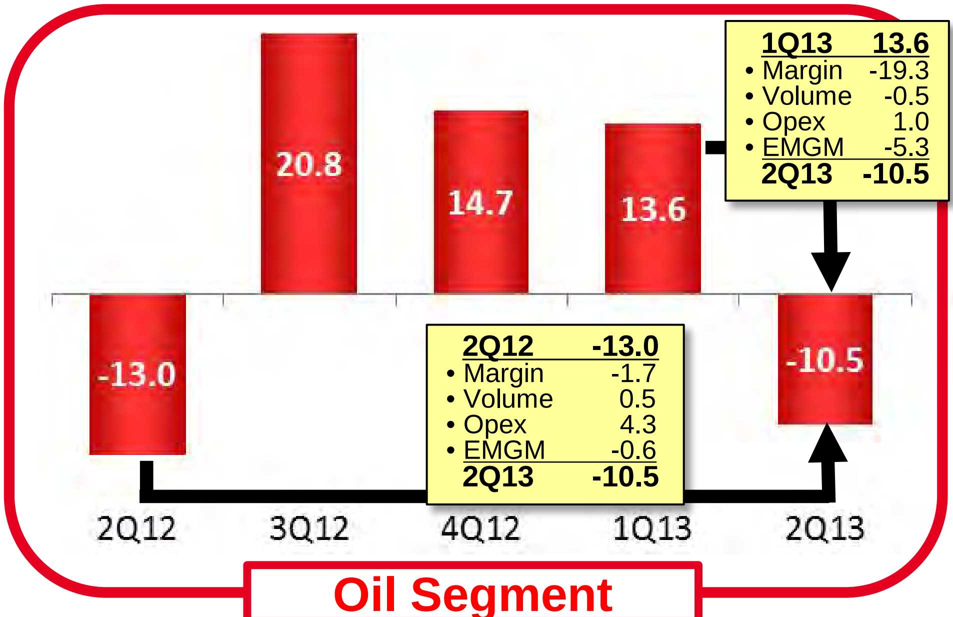
Factor Analysis of 2Q13 Operating Income

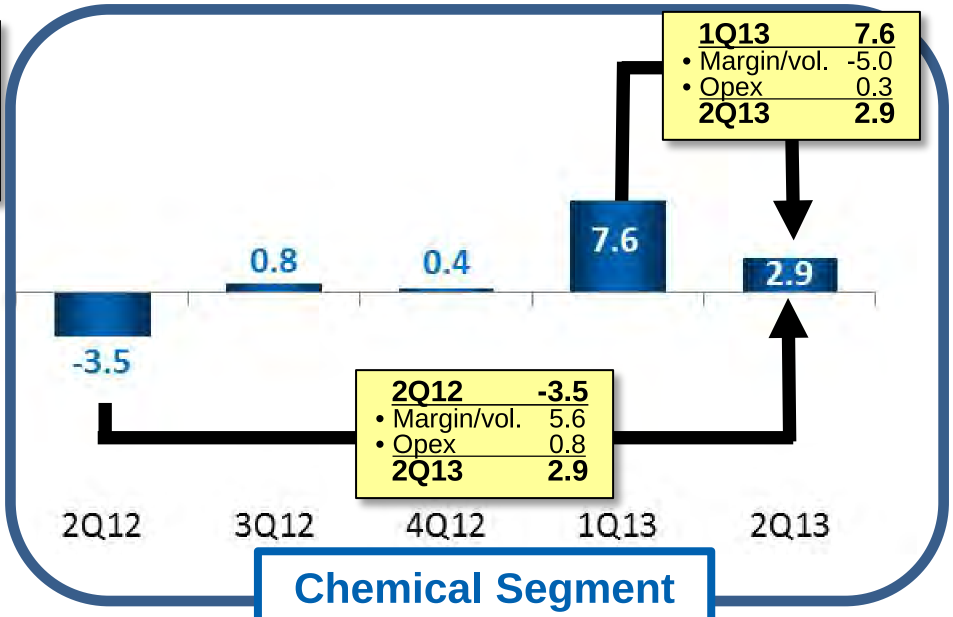
Oil

- Versus 1Q13: Steep domestic margin drop partially mitigated by export volumes
- Versus 2Q12: Opex savings helped but weak margins in both periods

Chemical

- Versus 1Q13: Paraxylene and butadiene margins weakened, Sakai planned maintenance reduced volume
- Versus 2Q12: General upturn in commodity chemical margins, ex butadiene





Sales Volume*

Product	2Q12 YTD	2Q13 YTD	Inc./Dec.
Oil products (KKL)			
Gasoline	5,304	**5,043**	-4.9%
Kerosene	1,628	**1,507**	-7.4%
Diesel Fuel	1,602	**1,657**	+3.4%
Fuel Oil A	969	**760**	-21.6%
Fuel Oil C	1,012	**1,006**	-0.6%
LPG/Jet/Others	1,643	**1,903**	+15.8%
Domestic sales total	12,157	**11,876**	-2.3%
Export	2,135	**2,970**	+39.1%
Oil products	14,292	**14,846**	+3.9%
Chemical Products (Kton)			
Olefins and others	794	**796**	+0.2%
Aromatics	330	**351**	+6.6%
Specialties	126	**118**	-6.5%
Chemical products	1,250	**1,265**	+1.2%
Topper Utilization**	67%	**87%*****	

Inc./Dec.
Industry
-1.9%
-7.7%
+1.4%
-9.0%
-19.8%

- YTD topper utilization was 87%, but 91% excluding planned maintenance shutdown
- Maximized export volumes to capture price premium versus domestic
- Maximum aromatics production under fuels to chemical strategy
  - Sakai planned maintenance reduced aromatics by 28 kton

* Restated volume data to include EMGM acquisition effects for 2Q12YTD
** Utilization for TonenGeneral three refineries
*** Excludes Kawasaki and Wakayama toppers to be decommissioned

FY2013 Earnings Projection

- FY2013 operating income 52 billion yen, 11 billion yen lower than May projection
  - Oil: 2H13 unchanged, but 2Q13 weakness recognized -22 billion yen
  - Chemical: 2H13 unchanged, 1H13 ahead of forecast +5 billion yen
  - Inventory: 1H13 gain assumed same as full year +6 billion yen

billion yen	May Forecast		Actual	Aug.Update
	1H13	FY2013	1H13	FY2013
Net Sales	1,500	3,100	1,556.7	**3,200***
Operating income	41	63	30.9	**52**
Ordinary income	39	61	28.0	**48**
Extraordinary gain/loss	0	0	-0.3	**-**
Net income	22	33	15.0	**25**

(Breakdown of operating income)

Inventory gain/loss	20.0	20	25.9	**26***
Goodwill amortization	-8.5	-17	-8.5	**-17**
Adjusted Operating income	29.5	60	13.5	**43**
Oil segment	24.5	50	3.1	**28**
Chemical segment	5.0	10	10.5	**15**

- 38 yen per share dividend forecast reaffirmed

* Based on June Dubai ($100/bbl) and Forex (98Yen/$)

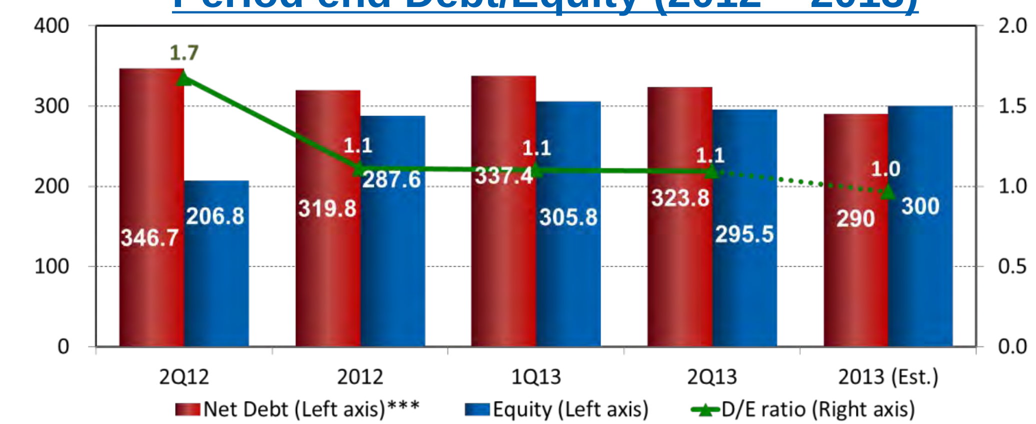
Cash Flows, Debt/Equity

- 1H13 cash flow limited by working capital rise:
  - Compared to 1Q13 end net debt declined by 13.6 billion yen
  - Further reductions projected for 2H13 due to income and seasonal working capital decline
- Continued success in diversifying debt structure:
  - Straight bond issuance (10 billion yen)
  - New syndicated loan (50 billion yen)
  - TG debt rating reaffirmed by JCR rating agency
- Full year cash flow projection readily supports 13.8 billion yen full year dividend

1H13 Cash flow (billion Yen)

	1H13	
Free Cash Flow *	**3.1**	
Net income before taxes		27.7
Depreciation/(Capex)**		14.9
Inventory (increase) / decrease		-18.0
Working capital change		-32.2
Income tax refund / (payment)		18.1
All others		-7.4
Dividend to shareholders	**-6.9**	
Net Debt* Increase / (Decrease)**	**3.9**	

Period end Debt/Equity (2012 – 2013)



* Sum of cash flows from operating and investing activities
** Include goodwill amortization
*** Deduct cash and cash equivalents

Supplemental Information

2Q13 Company Key Items

- Good operating performance:
  - Planned shutdown at Sakai completed on schedule / no significant unplanned unit downtime in 2Q13
  - 2Q13 topper utilization at 91% excluding two toppers not in service and Sakai planned shut down
- Core business strategies in medium term plan progressed on schedule:
  - Expanded collaboration with nearby companies in Kawasaki
  - H-Oil expansion planned for March 2014
  - Continue to seek maximization of xylene production and sales
  - Acquisition of NUC Corporation completed allowing fully integrated ethylene / polyethylene operation
  - Added 8 Seven-Eleven alliance service stations in 1H13
  - Synergy capture of 5.3 billion yen in 1H13 ahead of expectations
- Diversified funding sources via new syndicated loan and straight bond issuances

Sales Volume

- Sales volume consistent with net sales (TonenGeneral + 2Q13YTD EMGM effects)

Product	2Q12 YTD*	2Q13 YTD*	Inc./Dec.	Inc./Dec. Industry	EMGM effects**	2Q13 YTD new base
Oil products (KKL)						
Gasoline	4,640	**4,643**	+0.1%	-1.9%	400	**5,043**
Kerosene	1,422	**1,389**	-2.4%	-7.7%	118	**1,507**
Diesel Fuel	1,347	**1,406**	+4.4%	+1.4%	250	**1,657**
Fuel Oil A	841	**696**	-17.3%	-9.0%	64	**760**
Fuel Oil C	835	**834**	-0.1%	-19.8%	172	**1,006**
LPG/Jet/Others	1,381	**1,517**	+9.8%		386	**1,903**
Domestic sales total	10,467	**10,485**	+0.2%		1,391	**11,876**
Export	1,837	**2,813**	+53.1%		157	**2,970**
Oil products	12,304	**13,298**	+8.1%		1,548	**14,846**
Chemical Products (Kton)						
Olefins and others	794	**796**	+0.2%		-	**796**
Aromatics	330	**351**	+6.6%		-	**351**
Specialties	98	**94**	-4.0%		24	**118**
Chemical products	1,222	**1,241**	+1.6%		24	**1,265**
Topper Utilization	76%	**87%*** **	-			

* Previous TG basis before EMGM acquisition
** Added volume in 1H13 resulting from EMGM acquisition
*** Excludes Kawasaki and Wakayama toppers to be decommissioned

Sensitivities for 2013 Earnings Forecast

- Base assumption for August disclosure

Key Factors	Unit	Base	Reference
Dubai FOB	US$/Bbl	100	June 2013 average
Exchange Rate	Yen/US$	98	June 2013 average

Above assumptions used for net sales and inventory effects calculation

- Full year sensitivities in the future operating income

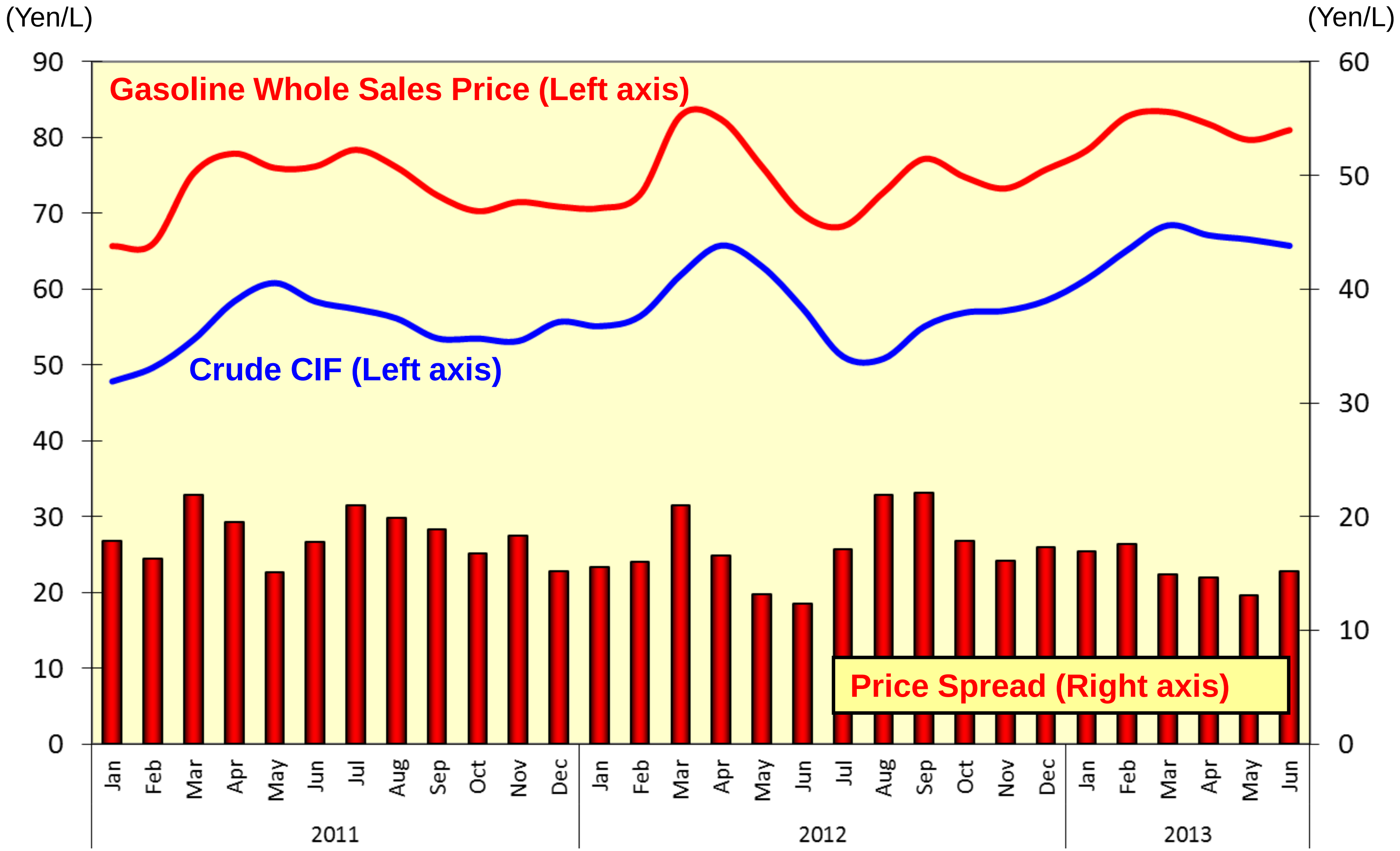
Key Factors	Unit	Appreciation by	Annual Impact (billion yen) Operating / Ordinary income*1
Dubai FOB	US$/Bbl	10	22 / 23*2
Exchange Rate	Yen/US$	10	- 22 / -23 *2
Refining margin	Yen/L	1	32*3

*1 Including equity earnings for Kyokuto Petroleum Industry (50% after tax) as non-operating income

*2 Inventory effects only, the sensitivity would change subject to timing of crude price fluctuation and inventory volume

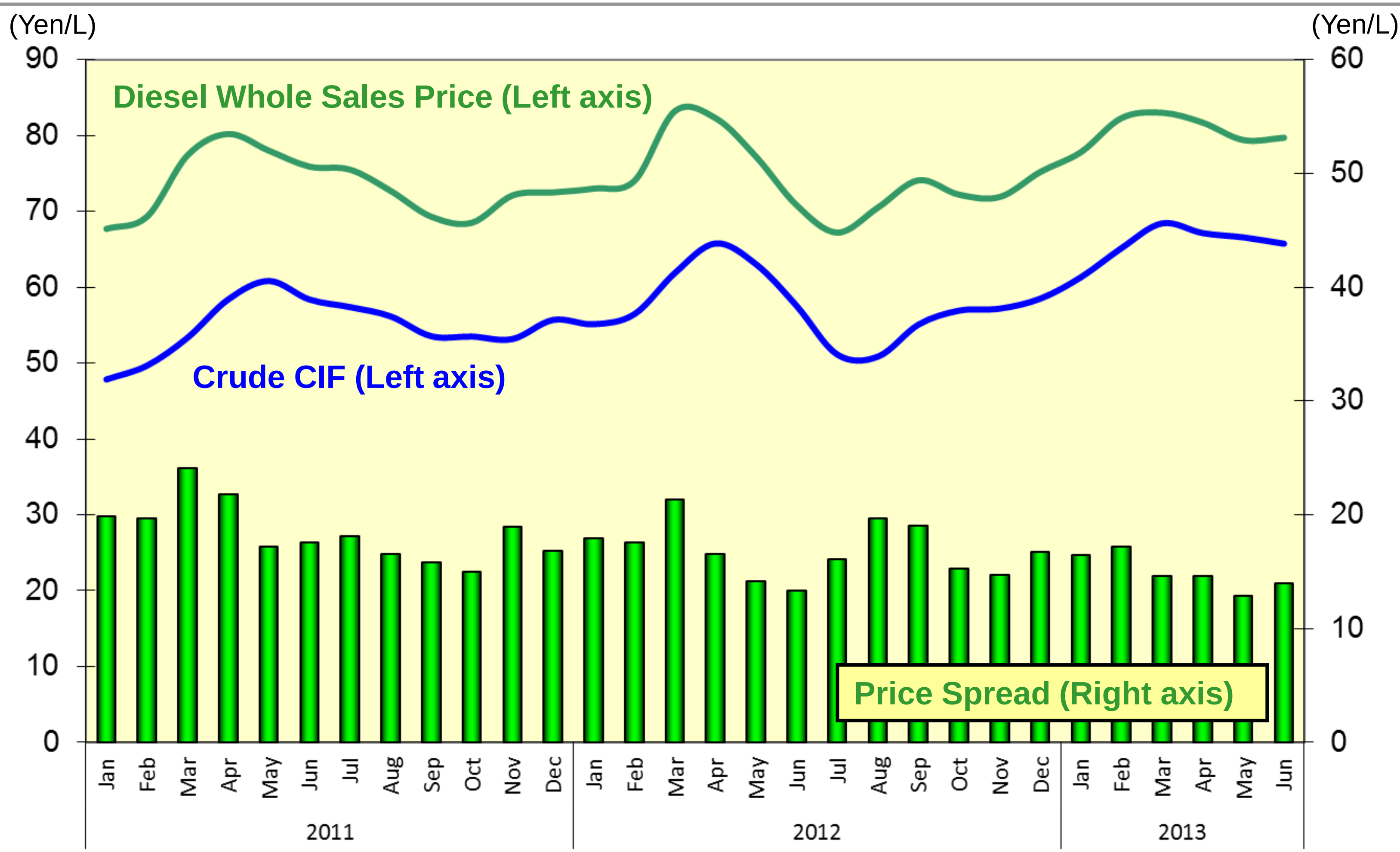
*3 Impact to operating income on annual basis rounded to nearest billion yen subject to change in sales volume

Price Spread (Gasoline Wholesale Price vs. Crude CIF)



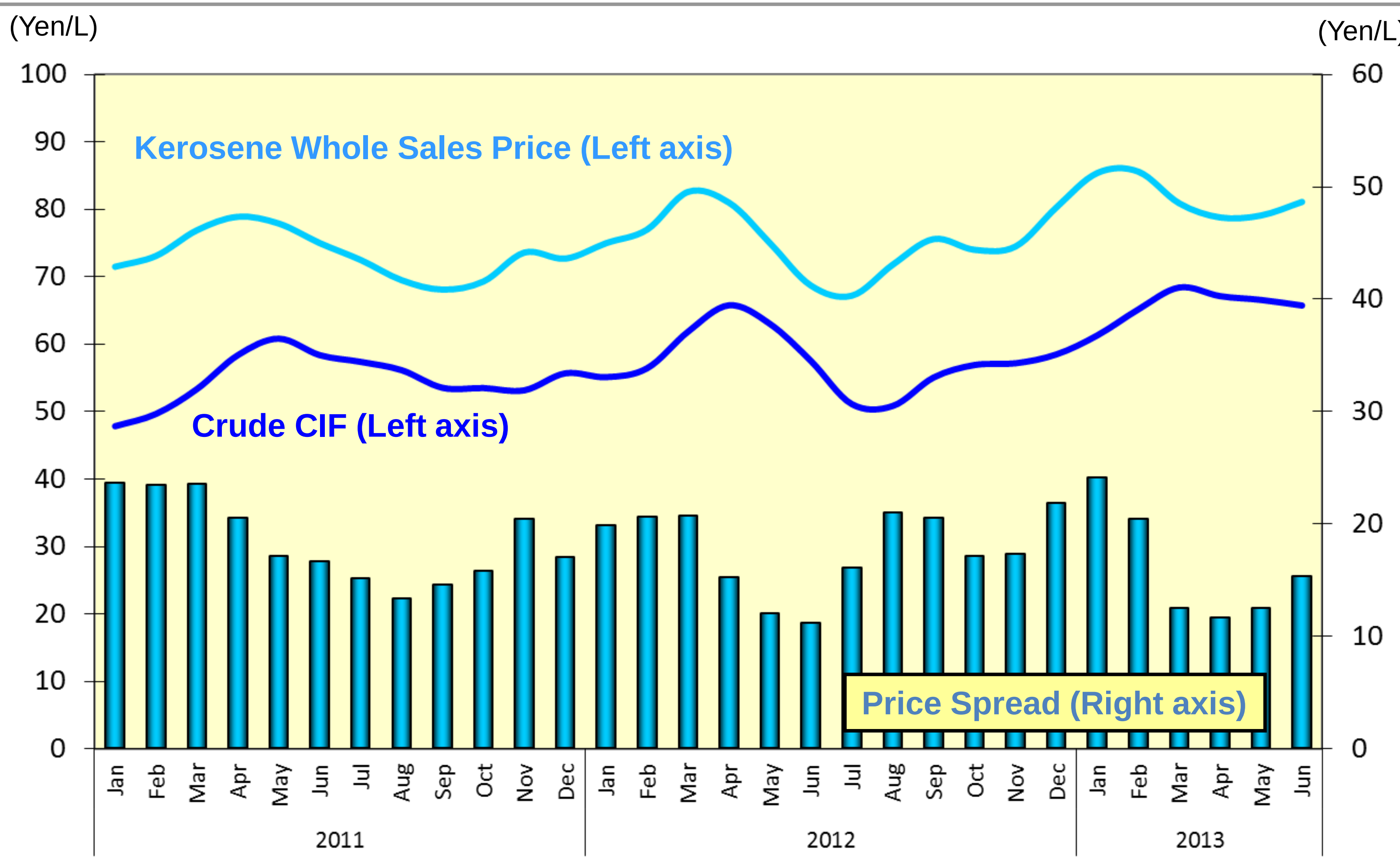
Source: PAJ and The Oil Information Center

Price Spread (Diesel Wholesale Price vs. Crude CIF)



Source: PAJ and The Oil Information Center

Price Spread (Kerosene Wholesale Price vs. Crude CIF)



Source: PAJ and The Oil Information Center

Details of Operating Income (2011 – 2Q13)

2013

(Unit: billion yen)

Breakdown of Operating Income	1Q13	2Q13	3Q13	4Q13	FY2013	1H13	3Q13YTD
Oil segment and others (Substantial)	13.6	-10.5				3.1	
Chemical segment	7.6	2.9				10.5	
Inventory effects	25.7	0.1				25.9	
Goodwill Amochization	-4.2	-4.2				-8.5	
Total	42.7	-11.8				30.9	

2012

Breakdown of Operating Income	1Q12	2Q12	3Q12	4Q12	FY2012	1H12	3Q12YTD
Oil segment and others (Substantial)	9.1	-13.0	20.8	14.7	31.5	-4.0	16.8
Chemical segment	2.1	-3.5	0.8	0.4	-0.1	-1.4	-0.6
Inventory effects	19.2	-28.3	4.0	9.5	4.4	-9.1	-5.1
Goodwill Amochization			-4.2	-4.2	-8.5		-4.2
Total	30.4	-44.8	21.3	20.4	27.3	-14.4	6.9

2011

Breakdown of Operating Income	1Q11	2Q11	3Q11	4Q11	FY2011	1H11	3Q11YTD
Oil segment and others (Substantial)	10.7	-1.8	8.7	6.4	24.1	8.9	17.7
Chemical segment	7.2	0.5	-2.4	-2.3	3.0	7.7	5.3
Inventory effects	173.2	28.0	-12.2	0.1	189.1	201.2	189.0
Total	191.1	26.7	-5.9	4.2	216.2	217.8	212.0