TonenGeneral Sekiyu K.K.
Full Year 2013 Financial Results

February 17, 2014

at TSE Arrows

- This material contains forward-looking statements based on projections and estimates that involve many variables. TonenGeneral Sekiyu 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 in this publication.
- The official language for TonenGeneral Sekiyu'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 Sekiyu does not accept responsibility for the accuracy of the translations, and reference should be made to the original Japanese language materials.

東燃ゼネラル石油株式会社

Agenda

- 2013 Business Overview

  Representative Director, President J. Mutoh

- 2013 Results and 2014 Forecast

  Managing Director D. R. Csapo

- Q & A

2013 Business Overview

J. Mutoh

Representative Director, President
TonenGeneral Sekiyu K.K.

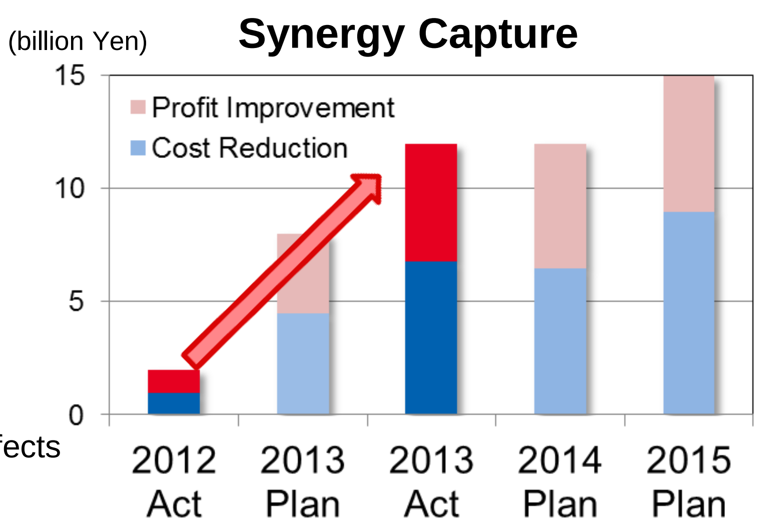
- 2013 Business Progress
  - Key parameters and synergies
  - Steps to strengthen the core and grow
  - Core businesses (Manufacturing & Supply, Marketing and Chemical)
- 2013 Financial Condition
- 2014 Focused Areas

2013 Business Progress - Key Parameters & Synergies

Key Parameters (billion yen)	2013 Act	2013 Plan	2015 Plan	2017 Plan
❑ **Operating income** *1	**22.2**	**60**	**70**	**80-100**
❑ **Capital Expenditure**	**16.8**	←	**130+α*3**	→
❑ **Free Cash Flow** *2	**30.0**	←	**200*3**	→
❑ **Dividend (Yen/Share)**	**38.0**	←	**Stable dividend**	→

Synergy Capture

- In 2013, synergy savings totaled 12 billion yen exceeding our mid-term plan
  - Profit improvement :
    Sales channel expansion for chemical products and aviation fuels
  - Cost reduction :
    Accelerated own trading capability (crude procurement, tanker chartering, product import & export)
    Optimized energy usage in Kawasaki



*1 Excluding goodwill amortization of 16.9 billion yen per year and inventory effects
*2 The sum of cash flows from operating net of investing activities
*3 Five year cumulative amounts for 2013-2017

2013 Business Progress
– Steps to Strengthen the Core and Grow

- Completed MOC Marketing K.K.(MOCM)*1 acquisition – key benefits:
  - Expand business portfolio due to the inclusion of MOCM's strong businesses
  - Synergy effects taking advantage of economies of scale and best practices
  - New management structure in place to drive integration and synergy

- Continuing progress on study of collaboration opportunities between Cosmo Oil's Chiba Refinery and Kyokuto Petroleum Industries' Chiba Refinery

- Expanding collaboration opportunities with Showa Shell Sekiyu
  - Growing feedstock optimization

- Began discussions among four corporate groups to integrate liquefied petroleum gas (LPG) business operations
  - Achieve cost reduction and scale merits

- Acquired 100% of NUC Corporation on 1 July, 2013
  - Realized integrated business from feedstock purchase to high value added polyethylene sales

*1 The company name changed from Mitsui Oil Co., Ltd. to MOC Marketing K.K. (MOCM) effective February 4, 2014

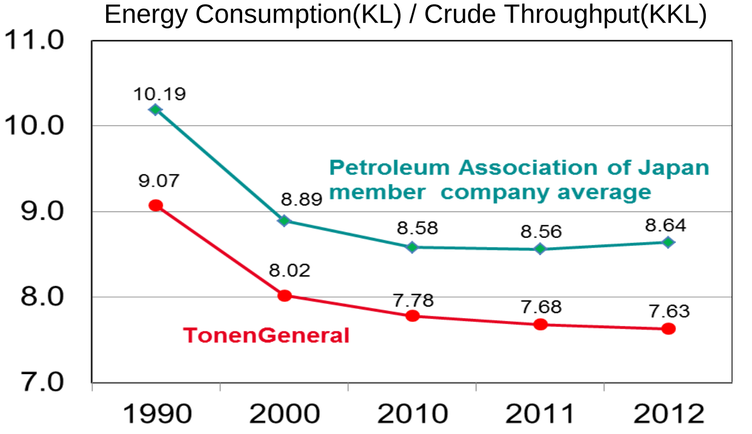
2013 Business Progress
– Oil Segment (Manufacturing & Supply)

- Optimization of manufacturing capabilities
  - Two toppers will be decommissioned in March 2014
  - H-Oil expansion on schedule for March 2014
  - De-rate plan for KPI Chiba topper is under consideration

- Enhancement of supply chain
  - Trading capability expanded to achieve 100% own crude, vessel and fuel products trading
  - Multi-year agreement for LPG purchase with North America price linkage

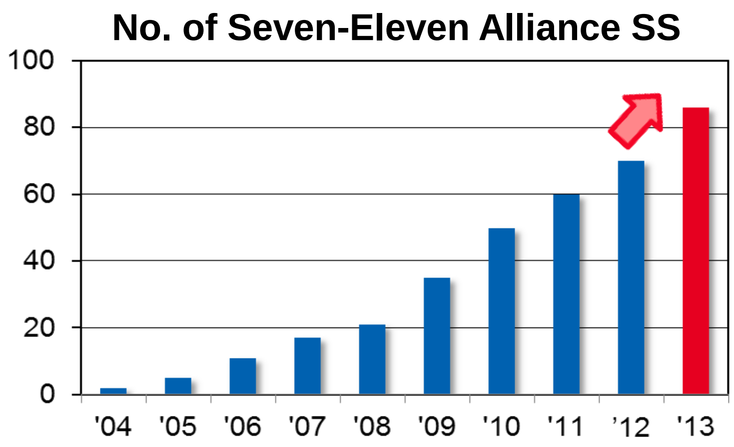
- Improvement of operating efficiency
  - Two TG companies recognized for achievement of energy conservation law benchmarks
  - Supply CO_2 gas at Kawasaki for Air Water Carbonic, Inc. for liquefied CO_2 (Plan)

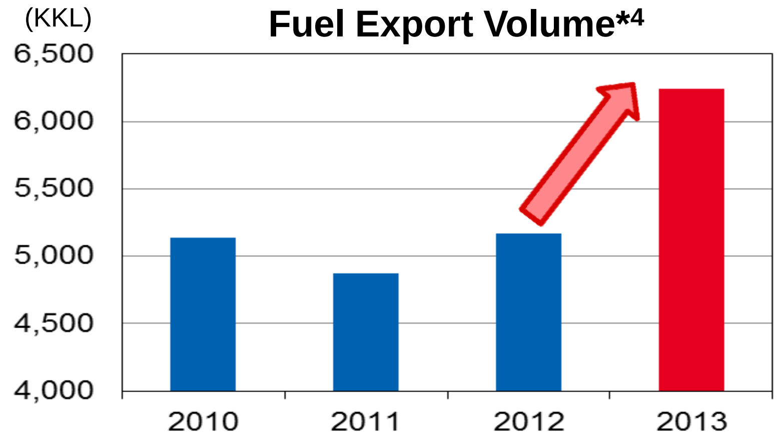
Refinery Specific Energy Consumption



2013 Business Progress - Oil Segment (Marketing)

- Seven-Eleven Japan alliance success growing
  - Added 16 Seven-Eleven alliance sites
  - Popular nanaco*1 program available at Express sites
- Speedpass*2 popularity accelerating as the issuances now exceed 4.2 million
  - Number of Speedpass-plus*3 with nanaco exceeded 150 thousand
- Favorable lubricants business developments
  - Increased Mobil 1 sales volume by 3%
  - New sales of premium eco-friendly / efficiency focused industrial premium lubricants
- Responsive to fuels export market opportunities
  - Export distillate margins exceeded domestic
  - New gasoline export outlets developed

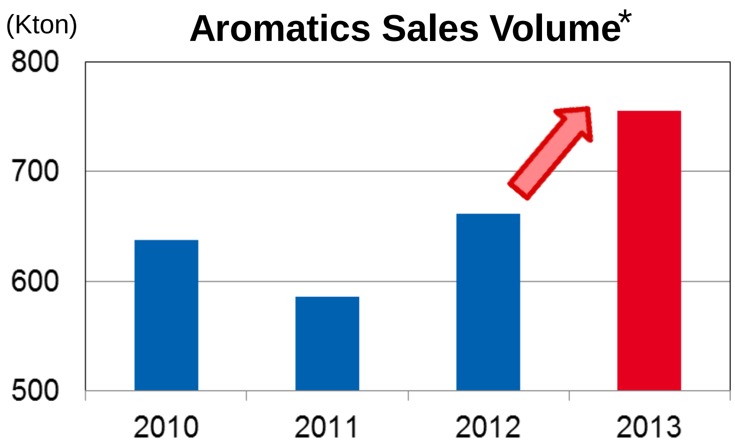




*1 Prepaid payment tool issued by Seven Card Service that can be used at Seven-Eleven, Denny's, ItoYokado, Sogo and Seibu.
*2 Contactless payment device that can be used at "Express".
*3 Contactless payment device with "nanaco" which can be used at member's stores of QUICPay including TonenGeneral group.
*4 Including 50% of Kyokuto Petroleum Industry.

2013 Business Progress - Chemical Segment

- Focus on upgrading gasoline components to aromatics yielded aromatics record volume
  - Expanding sales channels of paraxylene / orthoxylene
  - Developing new outlets for mixed xylenes and toluene
  - In total, 96 KT aromatics sales volume added from the above
- Enhancing steam cracker cost competitiveness through energy conservation and feedstock optimization
- Attained record production volume for adhesion
- Expanded export capability at Kawasaki
- Achieved 6 billion yen profit improvement through above initiatives

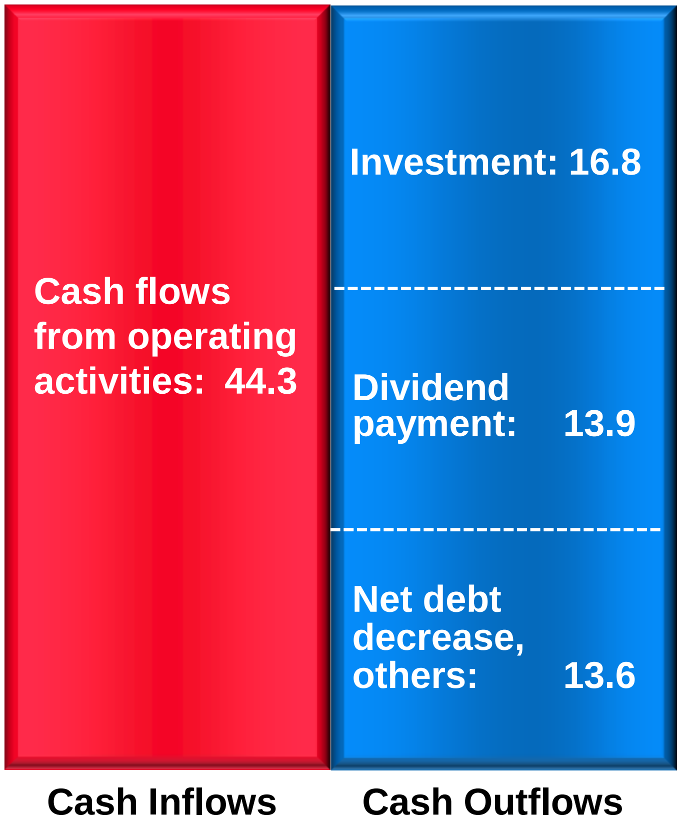


* Including turnaround effects at Wakayama in 1Q11 and at Sakai in 2Q11 and 2Q13


Steam cracker

2013 Strengthened Financial Condition

2013 Cash Flow Balances
(January – December 2013)
Unit: billion yen



- Unchanged financial objectives to achieve our mid-term plan, though 2013 earnings lower than plan reflecting deteriorated oil product margins
  - Fund attractive investments
  - Maintain resilient financial condition
    - Net debt reduced by 16 billion yen
    - 1.1 net debt equity ratio at year-end
  - Stable dividend (38 yen per share)

2014 Focused Areas

Firm bases established and strong platform built in 2013 for continued progress in 2014 to achieve mid-term plan and further growth in the future

Achieve mid-term plan and further growth in the future

Core Businesses

Synergy Captures with MOCM
- Establishment of strong SS network
- Optimum operation of four refineries
- Cost reduction due to economies of scale

Investment for core businesses
- H-Oil and aromatics facility expansions
- Extend Seven-Eleven alliance SS

Collaboration with others
- Collaboration in industrial complexes with Cosmo Oil and Showa Shell
- Acceleration of integrated LPG operation study

Growth Opportunities

Evaluate options to expand business area in light of our core strengths

Unaltered Financial Policy

Maintain financial resilience, fund attractive investment and emphasize stable returns to shareholders

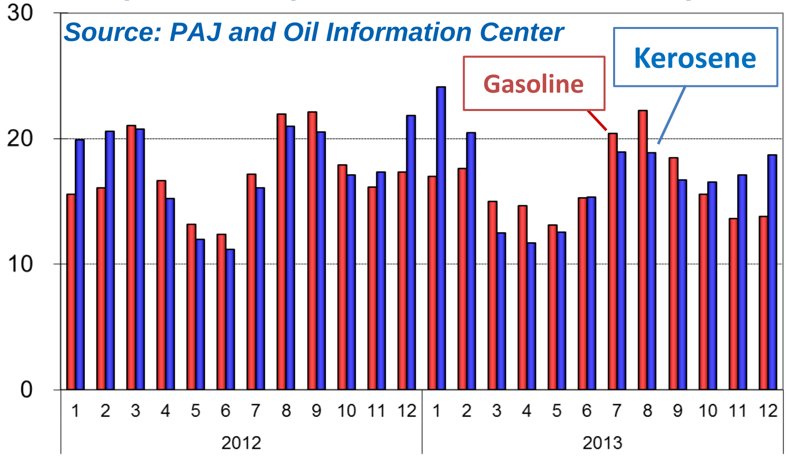
2013 Business Results and 2014 Financial Forecast

D. R. Csapo

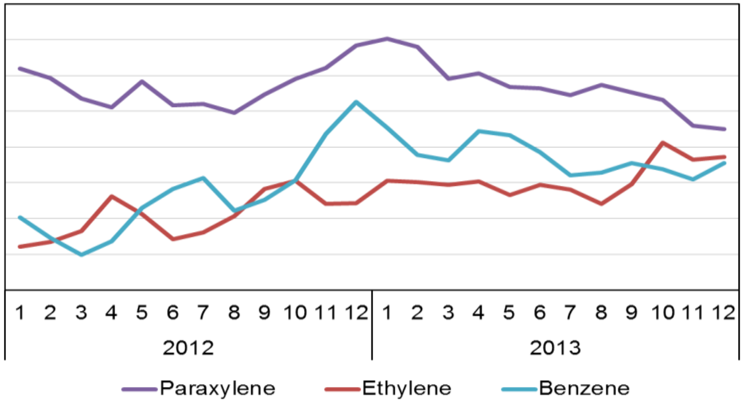
Managing Director, Financial Services
TonenGeneral Sekiyu K.K.

4Q13 Business Environment

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



Chemical Price Spread vs. Naphtha



Data derived from Bloomberg

Oil Segment

- Foreign exchange (FX) drove supply cost rise in weak product price environment

	vs. 4Q12	vs. 3Q13
Yen depreciation	24%	2%
Crude (Yen/L)	+23%	+6%
Gasoline (Yen/L)	+14%	-3%

- 2013 domestic product demand: -6.0%
  - Gasoline -1.5%, Diesel +1.5%, Kerosene -8.2%
  - Fuel Oil C -22.3% (less power use demand)
- Volatile middle distillates export margins ended the year higher than domestic level

Chemical Segment

- Paraxylene margins supported by yen depreciation
- Olefins margins favorable due to improved supply and demand balances

2013 Financial Highlights

- Operating income of 52.3 billion yen increased by 25.0 billion yen vs. 2012
  - Inventory effects: +42.6 billion yen due to yen depreciation
  - Oil : -29.8 billion yen due to competitive pressure while supply costs rose
  - Chemical: +20.7 billion yen as commodity chemical margins expanded
  - Opex savings: 14.1 billion yen reflects both synergy and other improvements
  - Goodwill amortization: -8.5 billion yen – recognized for the full year (2H only for 2012)
- Non-operating loss – foreign exchange loss and interest expense partly offset by equity earnings

billion yen	FY2012	FY2013	Inc./Dec.
Net Sales	2,804.9	**3,241.2**	436.2
Operating income	27.3	**52.3**	25.0
Ordinary income	22.5	**49.8**	27.3
Extraordinary gain/loss	16.3	**-1.6**	-17.9
Net income	54.8	**22.9**	-31.9
(Breakdown of operating income)			
Inventory gain/loss	4.4	**47.0**	42.6
Goodwill amortization	-8.5	**-16.9**	-8.5
Adjusted Operating income	31.4	**22.2**	-9.1
Oil segment	31.5	**1.7**	-29.8
Chemical segment	-0.1	**20.6**	20.7

Oil segment

FY2012	**31.5**
• Margin	-45.9
• Volume	1.5
• Opex	10.8
• EMGM	3.8
FY2013	**1.7**

Chemical segment

FY2012	**-0.1**
• Margin/vol.	17.4
• Opex	3.3
FY2013	**20.6**

* EMG Marketing Godo Kaisha (EMGM)

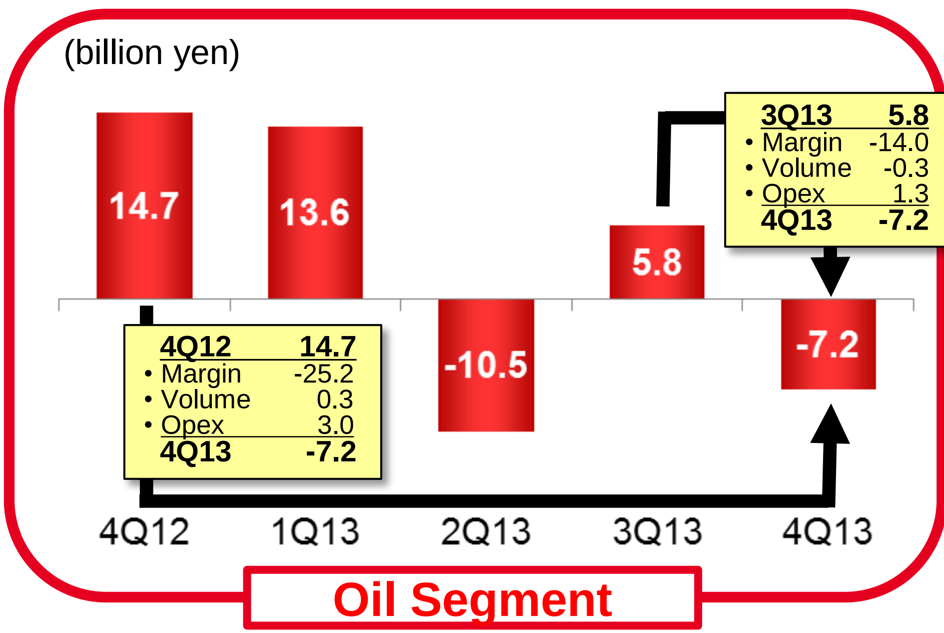
Factor Analysis of 4Q13 Operating Income

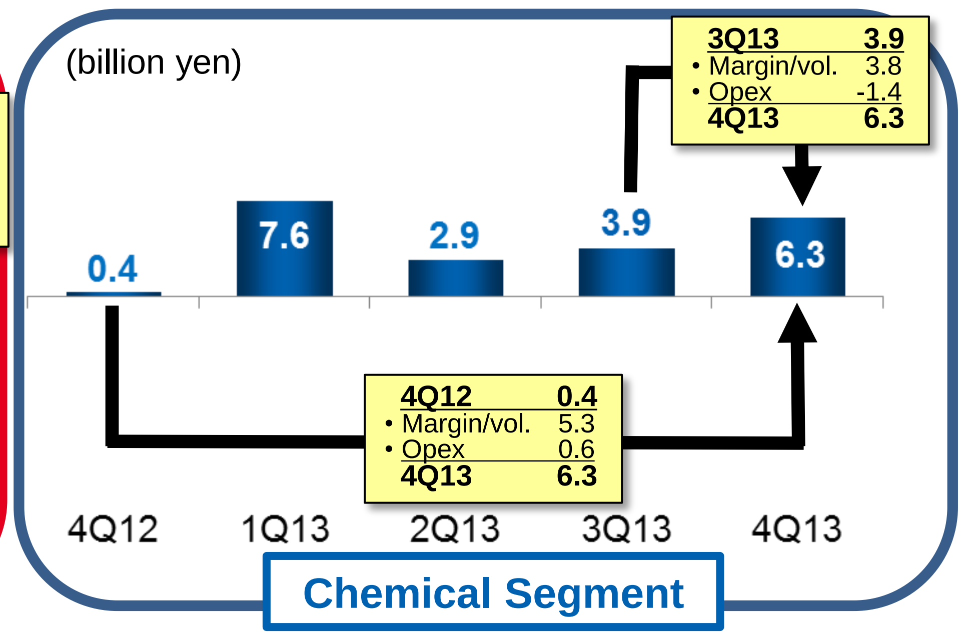
Oil Segment

- 4Q rise in crude costs outpaced products depressing margins
- Past 9 months declining demand in a rising cost environment caused weak results

Chemical Segment

- 6 quarters of continued profitability for first time since 2008
- Olefins / aromatics / specialties all profitable in 2013





Sales Volume*1

Product	FY 2012	FY 2013	Inc./Dec.	Inc./Dec. Industry
Oil products (KKL)				
Gasoline	10,928	**10,116**	-7.4%	-1.5%
Kerosene	3,119	**2,640**	-15.3%	-8.2%
Diesel Fuel	3,214	**3,240**	0.8%	1.5%
Fuel Oil A	1,776	**1,438**	-19.1%	-6.1%
Fuel Oil C	2,145	**2,247**	4.8%	-22.3%
LPG/Jet/Others	3,189	**4,043**	26.8%	
Domestic sales total*2	24,371	**23,725**	-2.7%	
Export	5,168	**6,240**	20.7%	
Oil products	29,539	**29,965**	1.4%	
Chemical Products (Kton)				
Olefins and others	1,630	**1,623**	-0.4%	
Aromatics	661	**755**	14.2%	
Specialties	252	**245**	-2.7%	
Chemical products	2,544	**2,624**	3.1%	
Topper Utilization*3	69%	**84%*4**		

- 2013 topper utilization: 84%, but 88% ex planned maintenance
- Domestic low gasoline demand managed by:
  - Incremental exports : 420kkl
  - Gasoline to chemical : 110kkl
- Express retail gasoline sales performance higher than industry
- Export growth reflects diesel / jet sales to capture export premium
- Record aromatics production

*1 Restated volume data to include EMGM acquisition effects for 2Q12YTD
*2 Bond sales volume included in domestic sales
*3 Utilization for TonenGeneral three refineries
*4 Excludes Kawasaki and Wakayama decommissioned toppers

2014 Earnings Projection

- FY2014 operating income 35 billion yen, 6.5 billion yen in 1H recovering to 28.5 in 2H
  - Oil: Weak 1Q margin situation to recover as supply / demand balance improves
    - MOCM acquisition: modest contribution as transition costs limit 2014 profits
  - Chemical: Aromatics margins to decline due to planned capacity additions in Asia Pacific and scheduled steam cracker maintenance at Tonen Chemical Corporation in Kawasaki
  - No inventory effects assumed

billion yen	Forecast 1H14	Forecast 2H14	Forecast FY14		Memo FY13	FY14 vs. FY13
Net Sales	1,800	2,100	**3,900**		3,241.2	658.8
Operating income	6.5	28.5	**35**		52.3	-17.3
Ordinary income	6	28	**34**		49.8	-15.8
Extraordinary gain/loss	0	0	**0**		-1.6	1.6
Net income	1	14	**15**		22.9	-7.9

(Breakdown of operating income)

Inventory gain/loss	0	0	**0**		47.0	-47.0
Goodwill amortization	-8.5	-8.5	**-17**		-16.9	-
Adj. Operating income	15	37	**52**		22.2	29.8
Oil segment	8	32	**40**		1.6	38.4
Chemical segment	7	5	**12**		20.6	-8.6

- 38 yen per share dividend forecast

Note) Assume Dec 2013 actual at Dubai $108/bbl, Forex (103Yen/$) would continue until the end of 2014.

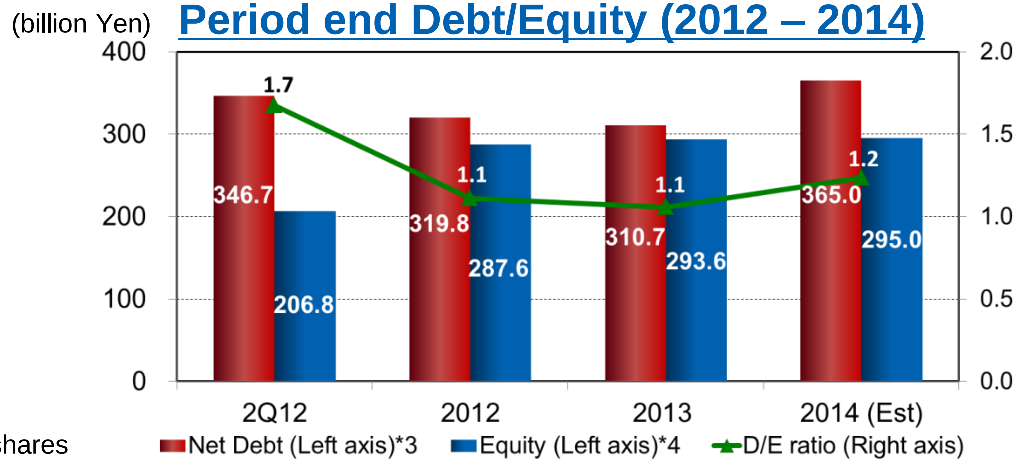
Cash Flows, Debt/Equity

- 2013 free cash flow directed towards debt reduction and dividends
- Continued success in diversifying debt structure during 2013:
  - Straight bond issuance (10 billion yen)
  - New syndicated loan (50 billion yen)
  - 1.4 year extension in long-term debt maturity since EMGM acquisition
- FY2014 year-end debt levels reflect:
  - MOCM acquisition cost and debt consolidation effects
  - Growing capital expenditures on attractive projects
  - Steady dividend

FY13 Cash flow (billion Yen)

Free Cash Flow [*1]	**30.0**	
Net income before taxes		48.2
Depreciation/(Capex)[*2]		24.3
Inventory (increase) / decrease		-52.5
Working capital change		-9.4
Income tax refund / (payment)		17.3
All others		2.1
Dividend to shareholders	**-13.9**	
Net Debt* Increase / (Decrease)**	**-16.1**	

Period end Debt/Equity (2012 – 2014)



*1 Sum of cash flows from operating and investing activities
*2 Include goodwill amortization
*3 Debt deducting cash and cash equivalents
*4 Net assets deducting minority interests and subscription rights to shares

Supplemental Information

Sensitivities for 2014 Earnings Forecast

- Base assumption for February disclosure

Key Factors	Unit	Base	Reference
Dubai FOB	US$/Bbl	108	December 2013 average
Exchange Rate	Yen/US$	103	December 2013 average

Above assumptions used for net sales and inventory effects calculation

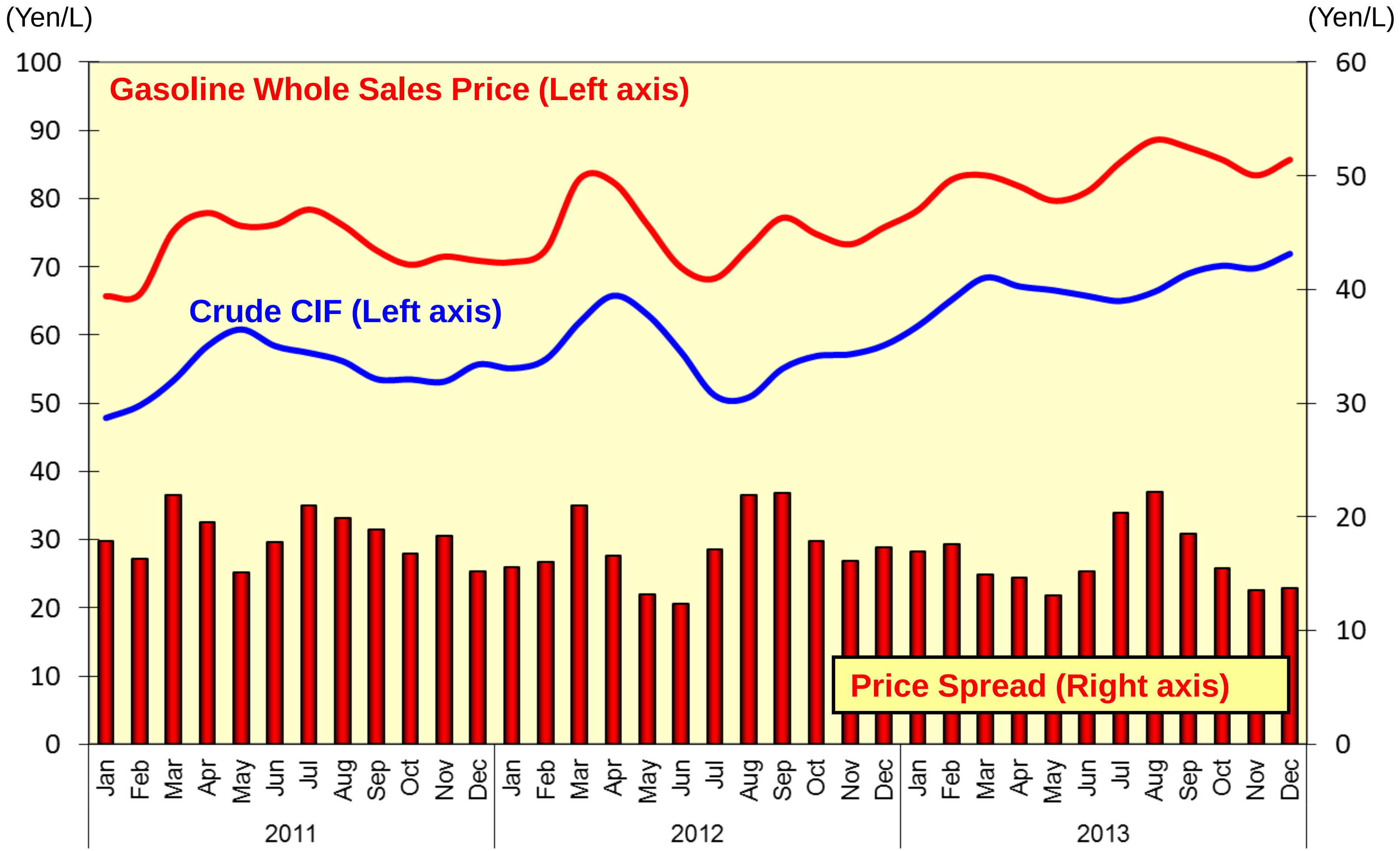
- Full year sensitivities in the future operating income (incl. MOCM acquisition effects)

Key Factors	Unit	Appreciation by	Annual Impact (billion yen) Operating Income
Dubai FOB	US$/Bbl	10	25*1
Exchange Rate	Yen/US$	10	-27*1
Refining margin	Yen/L	1	37*2

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

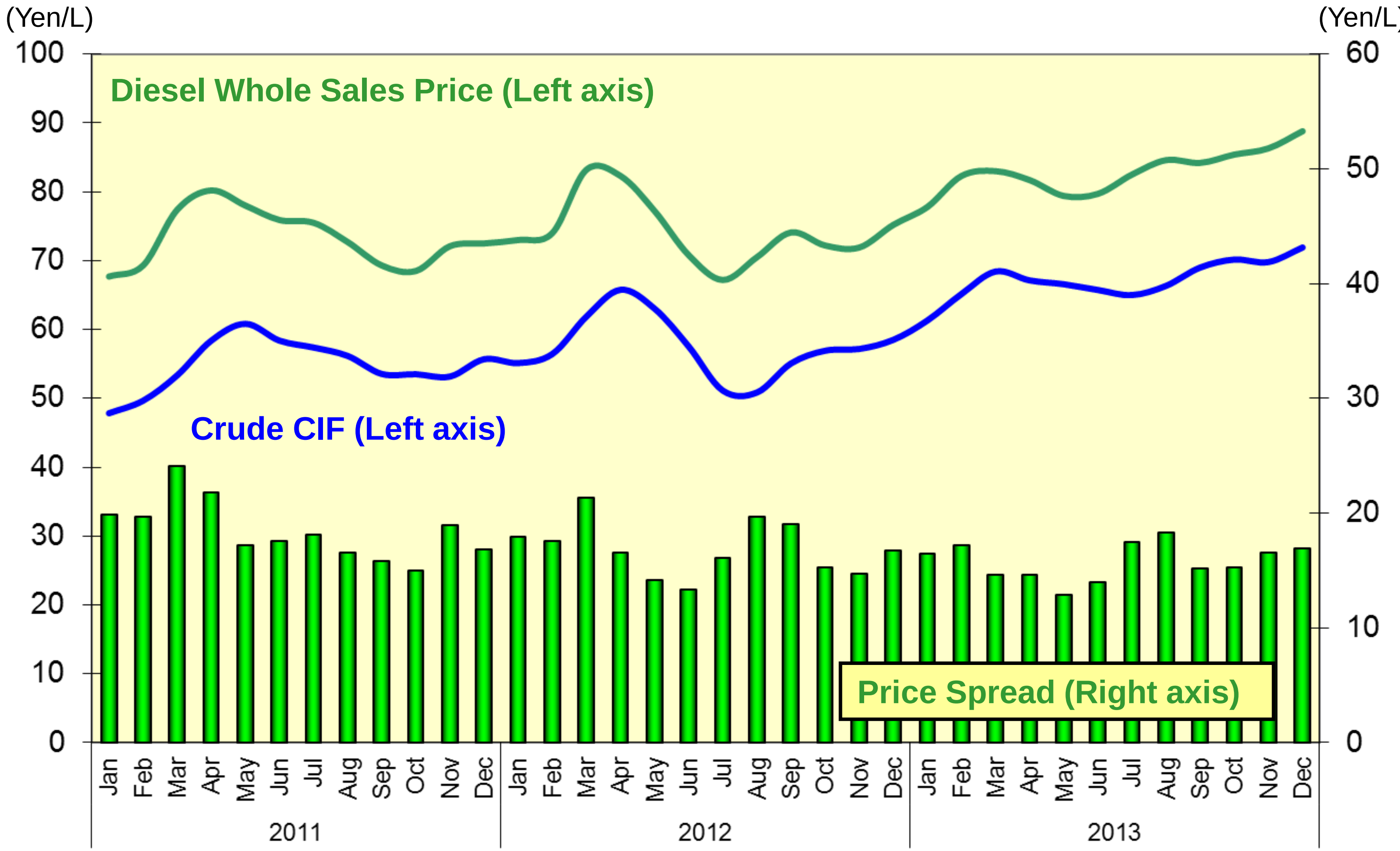
*2 Impact to operating income on annual basis rounded to nearest billion yen subject to change in sales volume

Price Spread (Gasoline Wholesale Price vs. Crude CIF)



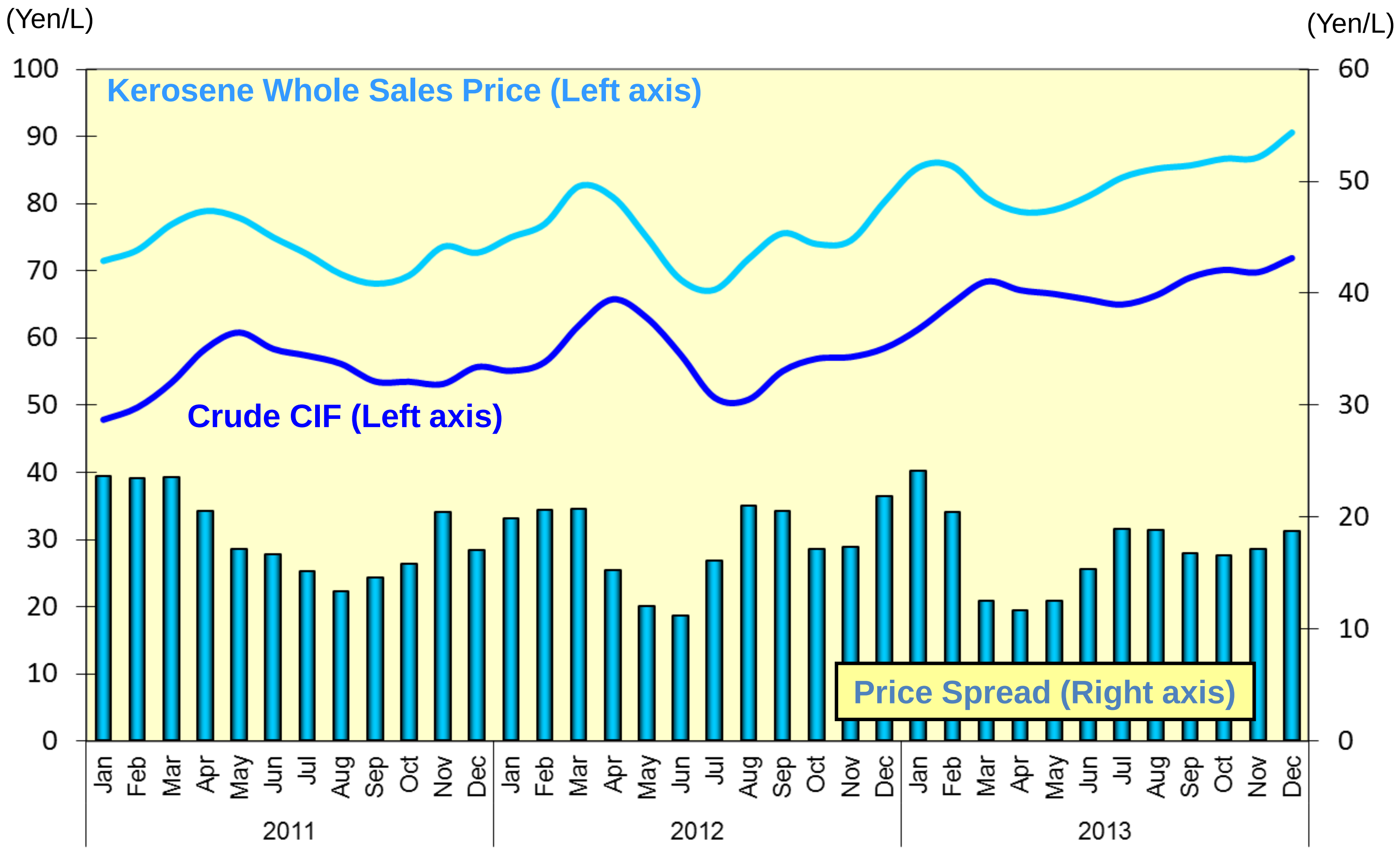
Source: PAJ and The Oil Information Center

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 – 2013)

2013

(Unit: billion yen)

Breakdown of Operating Income	1Q13	2Q13	3Q13	4Q13	FY2013
Oil segment (Substantial)	13.6	-10.5	5.8	-7.2	1.6
Chemical segment (Substantial)	7.6	2.9	3.9	6.3	20.6
Inventory effects	25.7	0.1	13.2	7.9	47.0
Goodwill amotization	-4.2	-4.2	-4.2	-4.2	-16.9
Total	42.7	-11.8	18.6	2.8	52.3

2012

Breakdown of Operating Income	1Q12	2Q12	3Q12	4Q12	FY2012
Oil segment (Substantial)	9.1	-13.0	20.8	14.7	31.5
Chemical segment (Substantial)	2.1	-3.5	0.8	0.4	-0.1
Inventory effects	19.2	-28.3	4.0	9.5	4.4
Goodwill amotization	-	-	-4.2	-4.2	-8.5
Total	30.4	-44.8	21.3	20.4	27.3

2011

Breakdown of Operating Income	1Q11	2Q11	3Q11	4Q11	FY2011
Oil segment (Substantial)	10.7	-1.8	8.7	6.4	24.1
Chemical segment (Substantial)	7.2	0.5	-2.4	-2.3	3.0
Inventory effects	173.2	28.0	-12.2	0.1	189.1
Total	191.1	26.7	-5.9	4.2	216.2