TonenGeneral Sekiyu K.K.
Medium Term Management Plan and Full Year 2012 Financial Results

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at TSE Arrows

東燃ゼネラル石油株式会社

- Medium Term Management Plan — J. Mutoh
- FY2012 Business Results and FY2013 Financial Forecast — D. R. Csapo
- Q & A

Medium Term Management Plan

Jun Mutoh

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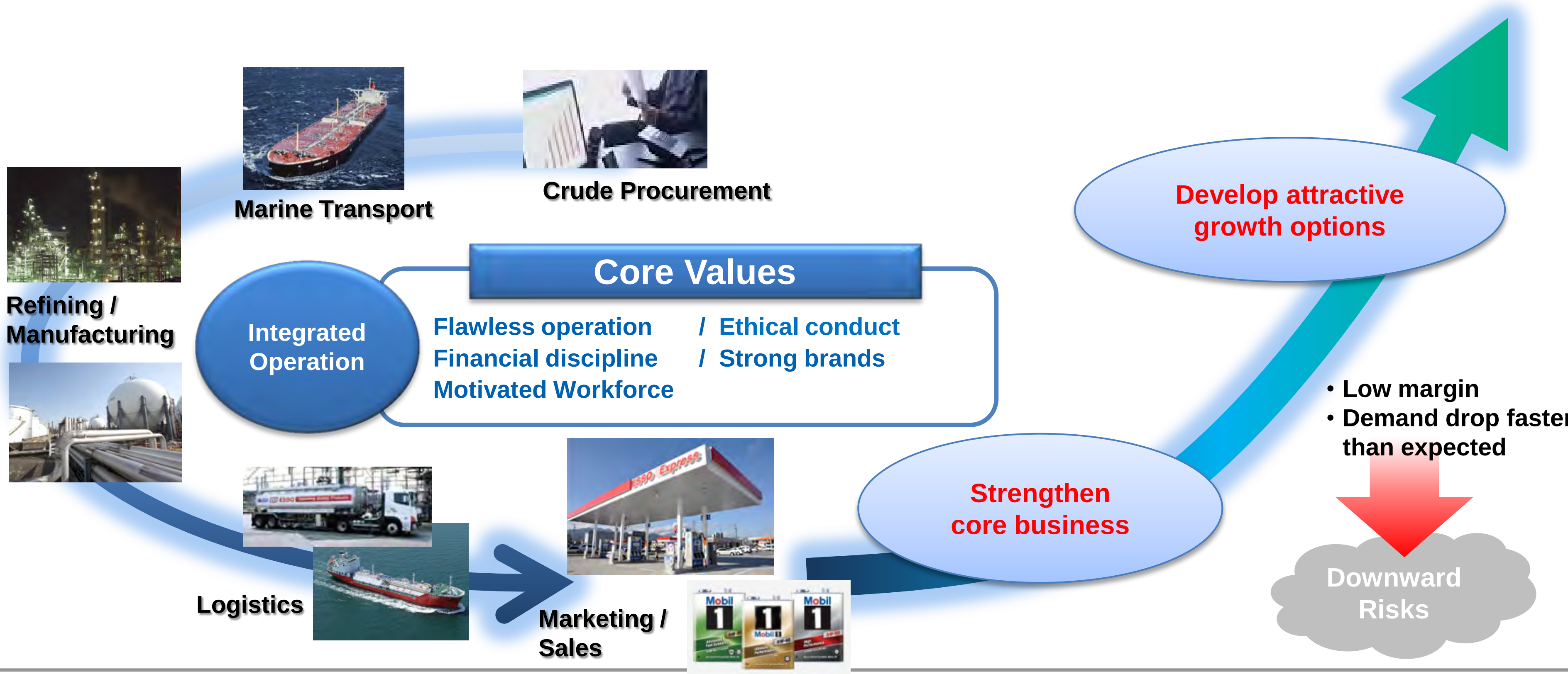
Agenda

- Base Strategy
- Key Parameters and Assumptions
- Operating Income Projection and Synergy
- Key Business and Investment Strategies
- Finance Plan

Base Strategy

As Japan's premier petroleum and petrochemical company,

- Short term (2013-2014), strengthen core business / maximize synergy capture
- Mid to long term (2015-2017), expand investment in core businesses and evaluate opportunities in growth areas



Key Parameters and Assumptions

Key Parameters

(billion yen)	2015	2017
❑ Operating Income*	70	80-100
❑ Cumulative Capital Expenditure (2013-2017)	130+α	
❑ Cumulative Free Cash Flows** (2013-2017)	200	
❑ Dividend Policy	Stable dividend	

Key Assumptions

- ❑ Crude Price (Dubai FOB): 106 $/bbl***
- ❑ Forex: 84 Yen/$***
- ❑ Fuel Demand: Domestic declining while Asia Pacific (AP) region increasing
- ❑ Fuel Margins: Modest declining trend in medium term
- ❑ Aromatics Margins: AP demand growth supports modest improvement
- ❑ Olefin Margins: Maintain profitability with margins of specialty co-products

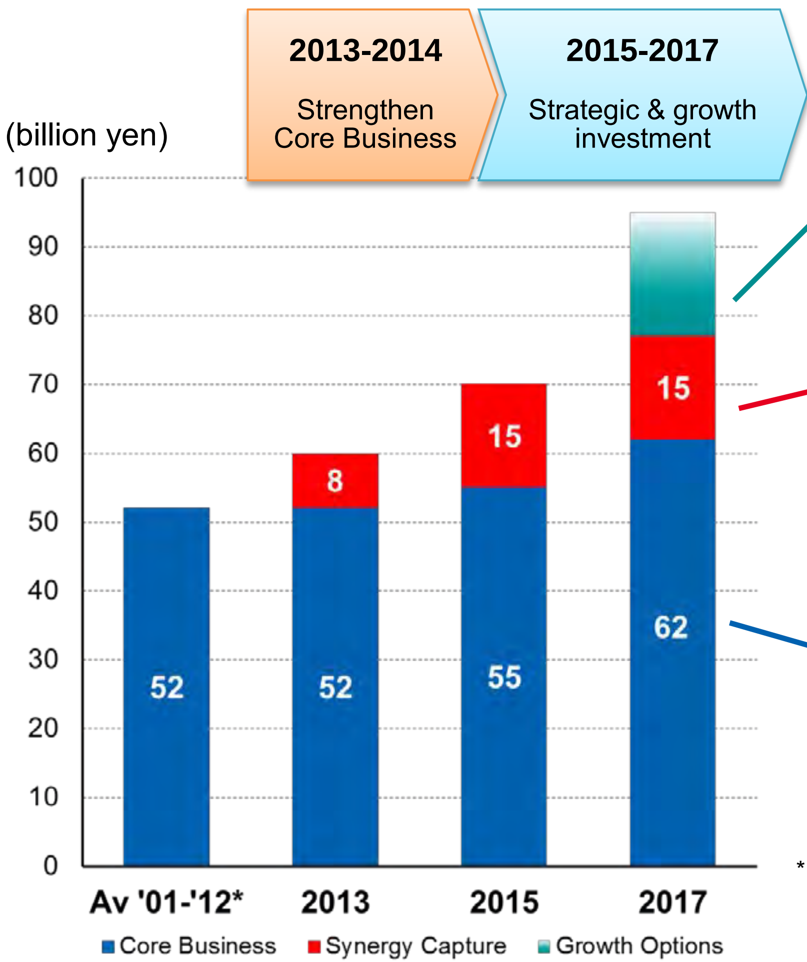
* Excluding goodwill amortization of 16.9 billion yen per year and inventory effects

** The sum of cash flows from operating activities and cash flows from investing activities

*** December 2012 actual

Operating Income Projection

Operating Income*



Growth Options

- Collaboration / Alliance in domestic market
- Related energy businesses
- Overseas opportunities

Synergy Capture

- Maximize synergy capture (15 billion yen) by 2015

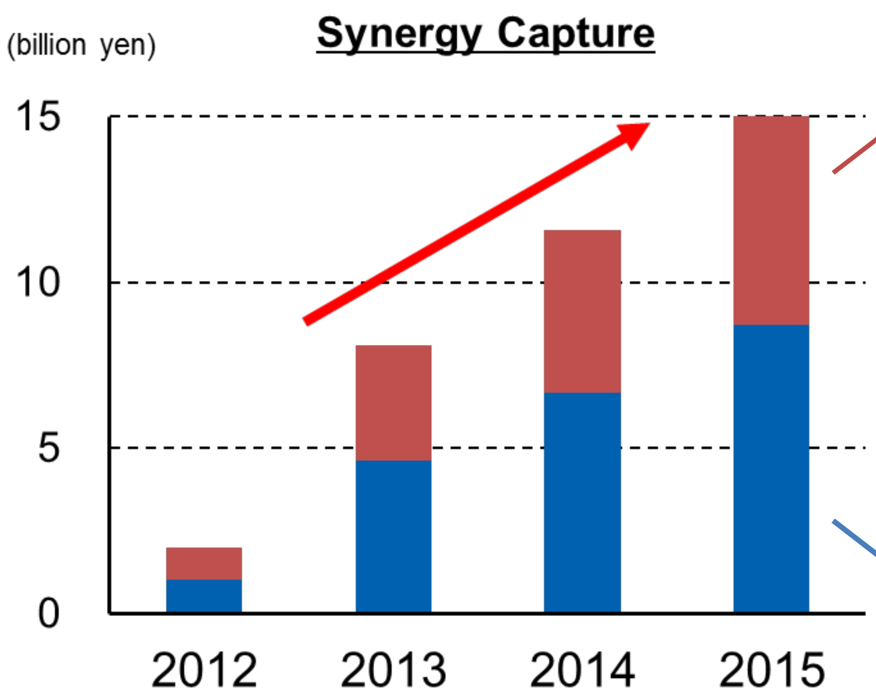
Core Businesses Management

- Improve profitability to offset negative impact from declining demand
  - Refining capacity aligned with market
  - Marketing plans to better serve customers
  - Intense cost and efficiency focus

* Added financial performance of EMG Marketing G.K.(EMGM), acquired in 2012, to TG's for 12 year average performance of 2001-12 for a comparison purpose; the figure does not include goodwill amortization and inventory effects for the change in inventory valuation method in 2012

Synergy Capture

- ❑ Integrated Company-wide effort identified 70+ initiatives after the EMGM acquisition
- ❑ Projected to capture 15 billion yen by 2015



Profit improvement with transition

- Domestic market oriented approaches
  - Flexibility enhancement by in-house crude acquisition
  - Fuel business growth based on long term view

Cost Reduction

- Overhead cost savings
- Streamlining organization and processes
- Further integration between refining and chemical manufacturing

Core Business Strategy - Manufacturing & Supply

- ❑ Efficient operation on top of safety and reliability
- ❑ Integrated refining / chemical operation pursue to higher value added production

Capacity & Operating Efficiency

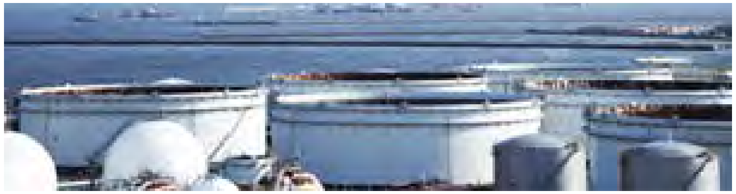
- Manufacturing capacity optimization
  - Topper decommission in Kawasaki (67KBD*) and Wakayama (38KBD)
  - H-Oil expansion (34.5KBD)
  - Plan above submitted to METI for resid. conversion ratio improvement
- Expand production & sales of high value products through NUC** acquisition
- 1% energy improvement per year (2 billion yen per year)
- Collaboration in industrial complex

Enhance Supply Chain

- In-house crude procurement / tanker charter
- Domestic supply network enhancement

Shift to Petrochemicals

- Upgrade gasoline components to Aromatics
  - 10+ billion yen investment
  - 300-400KTA*** capacity enhancement
- Increase FCC propylene production



* KBD thousand barrels per day
** NUC Nippon Unicar Company Limited
*** KTA thousand tons per annum

Core Business Strategy - Retail

Strengthen alliance with strategic partners

No.1
Retailers

Invest	200 new sites with 7-11 alliance
Synergies	Leverage nanaco & Speedpass+
Extend	Study to expand new alliance area

No.1
Coffee chain

Further collaboration for sales promotion

Enhance marketing brand value

Express

No.1
Self-serve
format

Customer Convenience

- ❑ Expand Express network
- ❑ Launch Speedpass+
- ❑ Introduce "Express" advantage to full-serve sites

Mobil 1

The world's leading synthetic engine oil

Growth Options

❑ Pursue growth options to enhance shareholder value

Business Alliance/Collaboration

- Explore further alliance opportunities
- Enhance domestic supply chain by collaboration/alliance with oil industry companies

Related Energy Business

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

Overseas Opportunities

- Evaluate opportunities to expand our business into growing markets
- ExxonMobil relationship may yield mutually advantageous opportunities

Investment Plan

- Plan to invest 40+α billion yen for strategic items by 2017, in addition to 90 billion yen for base investments

Base investment to maintain our competitiveness in core businesses

- Safety / Environment / Efficiency oriented investments

90 billion yen

Strategic investment in core business

- Manufacturing
  - Reinforce chemical business
  - Expand H-Oil capacity and reduce high sulfur fuel oil yield
- Marketing
  - Enhance marketing network
  - Expand lubricants business

40 billion yen

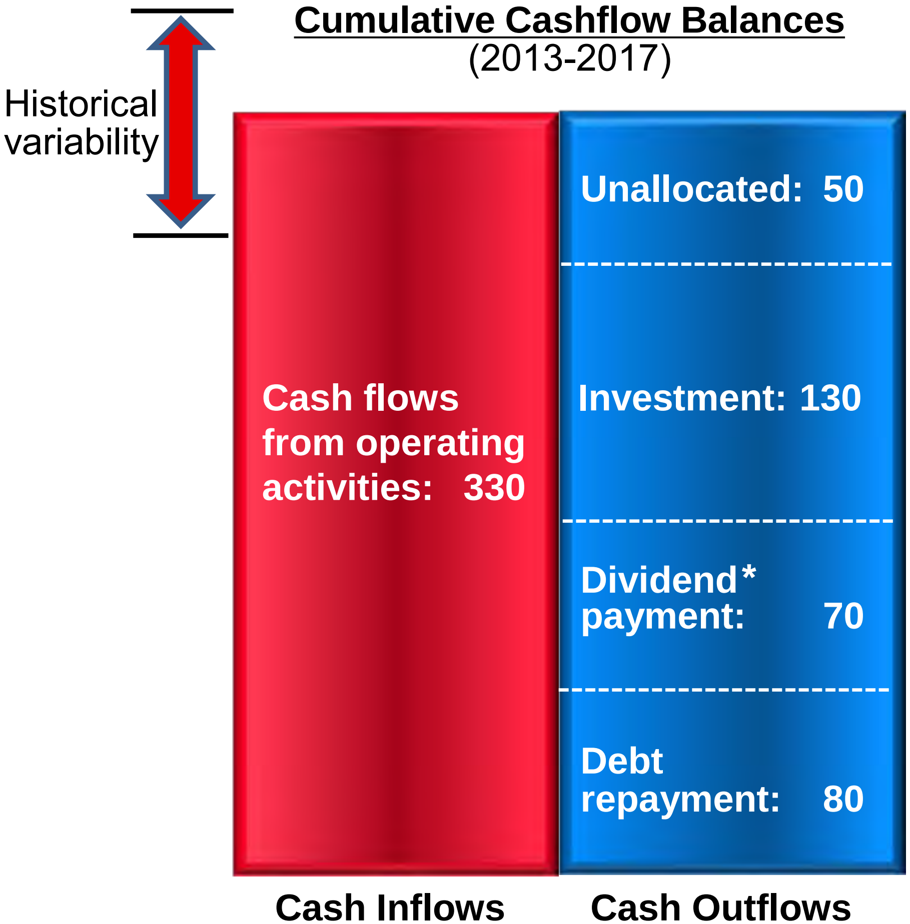
Investment for Growth options

- Investment to expand our business portfolios

+α billion yen

Finance Plan - Cash Flows

Cumulative Cashflow Balances
(2013-2017)

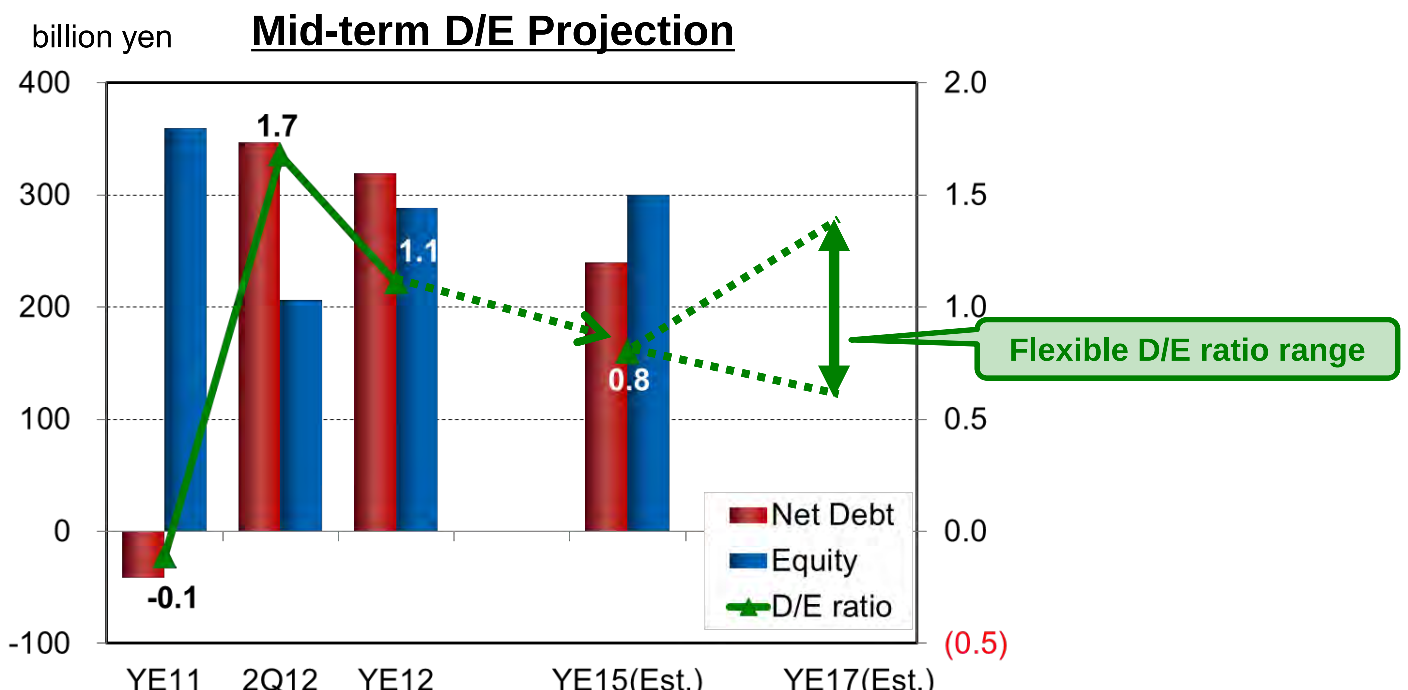


- No change in financial strategy to maintain our ability to:
  - Pay stable dividend
  - Retain credit rating
  - Fund attractive investments
- Plan basis cash inflow of 330 billion yen supports achievement of strategy objectives
- Resilient to business cycle on a 5-year basis
  - Historical 5 year variability +/- 50 billion yen
  - Cash flows meet objectives at low end, allows flexibility at high end

* Dividends subject to an approval of annual general meeting

Finance Plan - Debt & Equity Management

- In the short term: Strengthen financial position to increase flexibility to capture attractive investment opportunities
- In the medium to long term: Utilize financial flexibility to improve shareholder value
  - Additional debt capacity to fund attractive projects while maintaining sound financial structure
  - Potential use of equity for growth strategies



Mid-Term Plan Conclusion

TonenGeneral Group

- Unchanged core values

- Mid-Term plan strategies capture opportunities in a challenging market
  - Core business focus with maximum synergy capture near term
  - Innovative steps to align manufacturing capacity to market demand
  - Customer focused actions linked with manufacturing and supply
  - Strategic investment discipline to offset market decline
  - Flexibility to capture growth while continuing to reward shareholders

FY2012 Business Results and FY2013 Financial Forecast

D. R. Csapo

Director, Financial Services
TonenGeneral Sekiyu K.K.

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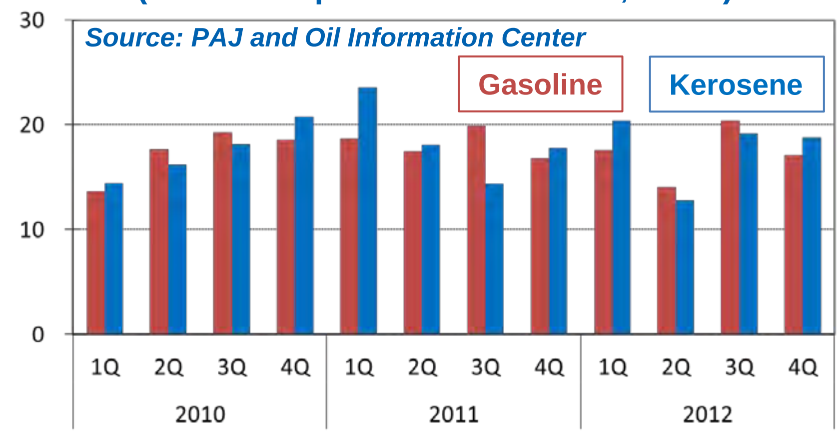
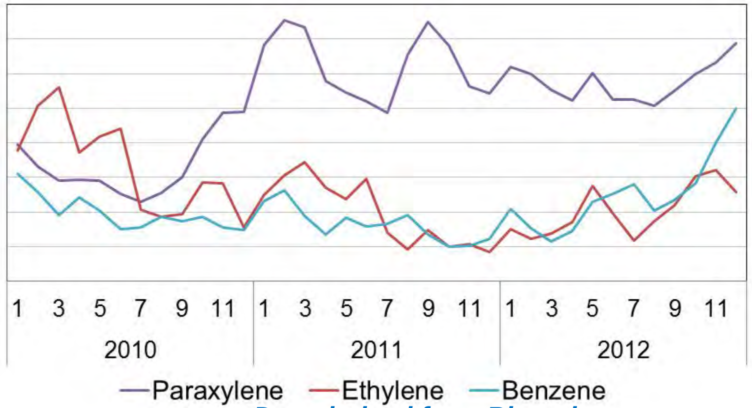
Company Key Items

- Successful transition - synergy capture on track, one-time costs below plan
- Wakayama Refinery 4Q turnaround successful
- Oil margins finished the year on upward vector
  - Strong kerosene demand
  - Distillate exports profitable
- Chemical margins - continued stable specialties while commodities remained weak
- Successful 30 billion yen straight bond placement
- In January 2013, agreed to purchase 50% of Nippon Unicar Company Ltd. Full control will allow optimization by integrated operations of steam cracker and polyethylene unit.

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



Chemical Product Spread



Data derived from Bloomberg

FY2012 Financial Highlights

- 27.3 billion yen operating income, 188.9 billion yen decrease from FY2011
  - 184.7 billion yen lower inventory gains reflecting absence of LIFO/WAC change in 2011
  - EMGM business added 12.2 billion yen partially offset by 8.5 billion yen goodwill amortization
- 4.8 billion yen of non-operating costs due mainly to interest expense and forex loss
- Net income was 54.8 billion yen boosted by tax effects

billion yen	FY2011	FY2012	Inc./Dec.
Net sales	2,677.1	**2,804.9**	127.8
Operating income	216.2	**27.3**	-188.9
Ordinary income	217.6	**22.5**	-195.0
Extraordinary gain/loss	1.4	**16.3**	14.9
Net income	132.8	**54.8**	-78.0

(Breakdown of operating income)

Inventory gain/loss	189.1	**4.4**	-184.7
Goodwill amortization	-	**-8.5**	-8.5
Adjusted Operating income	27.1	**31.4**	4.3
Oil segment	24.1	**31.5**	7.4
Chemical segment	3.0	**-0.1**	-3.1

Oil segment

FY2011	**24.1**
• Margin	-6.3
• Volume	0.1
• Opex	1.8
• EMGM	11.8
FY2012	**31.5**

Chemical segment

FY2011	**3.0**
• Margin/vol.	-4.2
• Opex	1.1
FY2012	**-0.1**

Factor Analysis of 4Q12 Operating Income

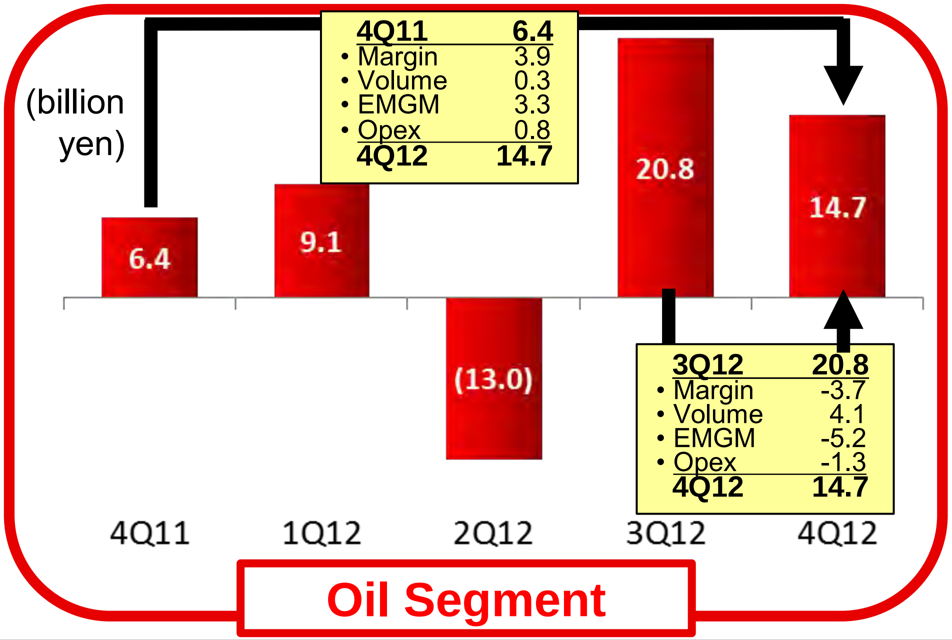
Oil

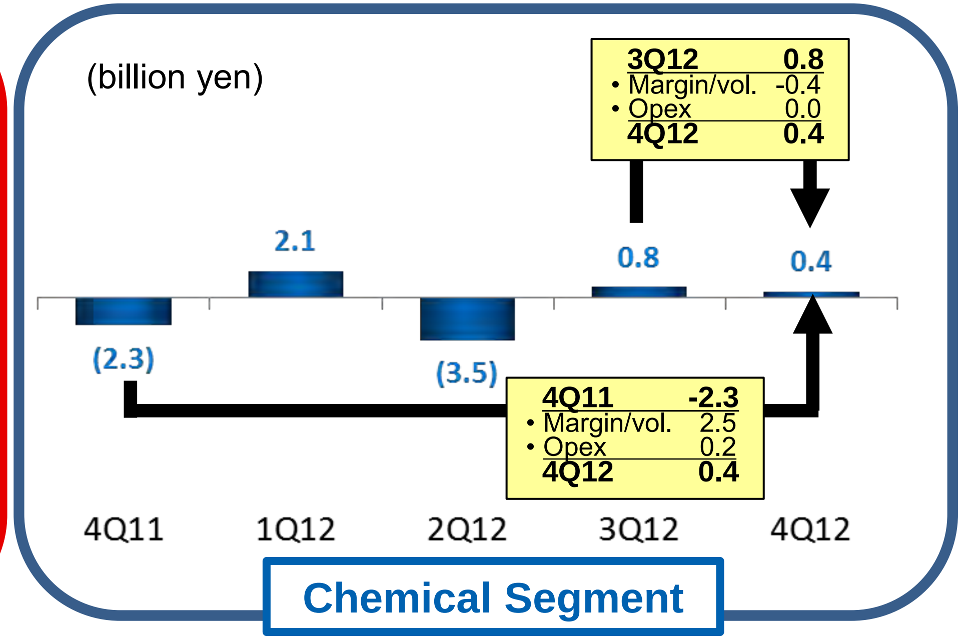
- 4Q12 includes 3.3 billion yen from EMGM, margins lower than very strong 3Q12
- Export margins continue to favor utilization rates to meet export demand

Chemical

- 4Q12 specialties margins stable, economics favored maximum aromatics, olefins still weak

Quarter to Quarter Adjusted Operating Income (4Q11 through 4Q12)





Sales Volume *

Product	FY 2011	FY 2012	Inc./Dec.	Inc./Dec.
Oil products (KKL)				Industry
Gasoline	11,080	**10,928**	-1.4%	+0.4%
Kerosene	2,846	**3,119**	+9.6%	+2.8%
Diesel Fuel	3,388	**3,214**	-5.1%	+2.3%
Fuel Oil A	2,020	**1,776**	-12.0%	-2.3%
Fuel Oil C	1,887	**2,145**	+13.7%	+37.4%
LPG/Jet/Others	3,134	**3,189**	+1.8%	
Domestic sales total	24,355	**24,371**	+0.1%	
Export	4,873	**5,168**	+6.1%	
Oil products	29,227	**29,539**	+1.1%	
Chemical Products (Kton)				
Olefins and others	1,531	**1,630**	+6.5%	
Aromatics	586	**661**	+12.8%	
Specialties	240	**252**	+5.4%	
Chemical products	2,357	**2,544**	+7.9%	
Topper Utilization**	67%	**69%**		

- Domestic demand increased in 2012
- TonenGeneral Group performance
  - Maximized Kerosene to meet demand / margin opportunities
  - Distillate shift to exports capturing favorable margin
  - FOC shift to domestic
  - Maximized profitable aromatics, with absence of 2011 turnarounds

* Restated volume data to include EMGM acquisition effects for both 2011 and 2012

** Utilization for TonenGeneral three refineries

FY 2013 Earnings Forecast

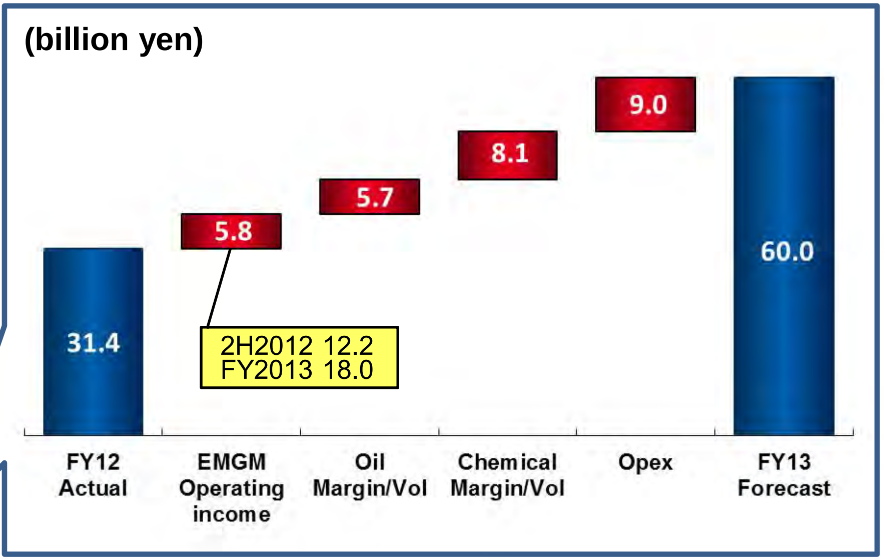
- 2013 operating income forecast assumptions
  - Stable oil margins, recovering aromatics, olefins by-products supply / demand improving
  - Transfer price change between Oil and Chemical segments (Oil -3 Billion, Chemical +3 Billion)
  - Factors below include: Added synergy 6 billion, lower transition cost 2 billion, lower base opex 7 billion

billion yen	Forecast 1H 2013	Forecast 2H 2013	Forecast 2013
Net Sales*	1,500	1,500	**3,000**
Operating income	21	22	**43**
Ordinary income	21	21	**42**
Extraordinary gain/loss	0	0	**0**
Net income	10	10	**20**

(Breakdown of operating income)

Inventory gain/loss*	0	0	**0**
Goodwill Amortization	-8.5	-8.5	**-17.0**
Adj. operating income	29.5	30.5	**60.0**
Oil segment	24.5	25.5	**50.0**
Chemical segment	5.0	5.0	**10.0**

FY2013 Adjusted Operating Income Forcast



* Assume Dec 2012 actual at Dubai $106/bbl, Forex 84 Yen/$ would continue until the end of 2013

- Forecast 38 yen per share dividend for full year 2013 (same as 2012)

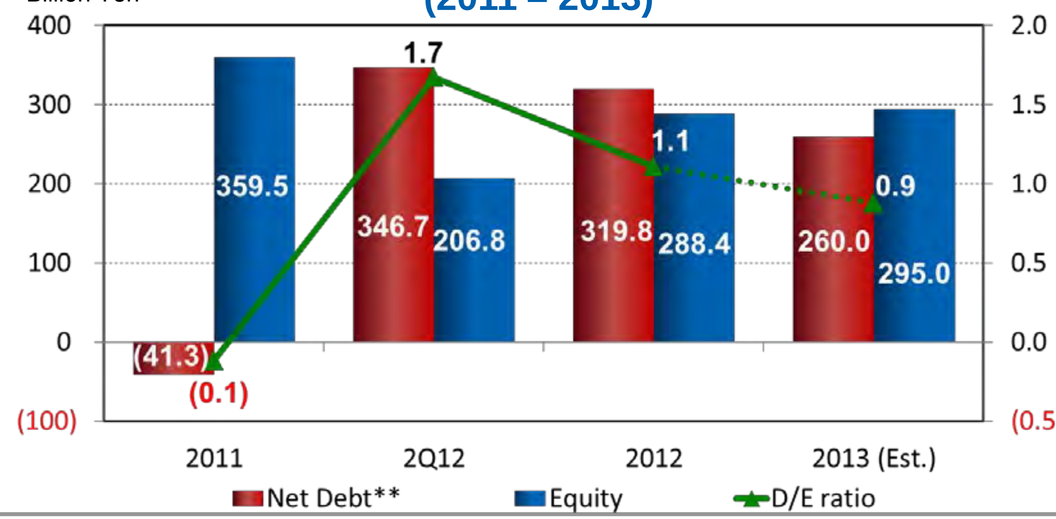
Cash Flows, Debt/Equity

- 2H12 cash generation allowed 26.5 billion yen debt reduction
- D/E ratio down from post EMGM acquisition peak of 1.7 to 1.1 at year-end
- Further strengthening of financial position projected for 2013
- TG Board continues to focus on stable dividends based on long-term view of profitability

FY2012 Cash flow summary (billion yen)

	1H 2012	2H2012
Free Cash Flow*	**-381.8**	**34.1**
Financing Activities	**394.2**	**-33.4**
Increase in net debt. etc.	404.9	-26.5
Dividend to shareholders	-10.7	-6.9
Net Cash Change	**12.4**	**0.7**

Debt, Equity and Debt/Equity Ratio (2011 – 2013)



* Sum of cash flows from operating and investing activities
** Total debt minus cash and cash equivalents

Supplemental Information

Outlook of Business Performance

billion yen		FY2012 Actual	FY2013 Forecast	FY2015 Plan	FY2017 Plan*
Operating income		27.3	43	53	60
Ordinary income		22.5	42	53	60
Net income		54.8	20	26	33

(Breakdown of operating income)

Oil Segment		31.5	50	58	62
Chemical Segment		-0.1	10	12	15
Goodwill Amortization		-8.5	-17	-17	-17
Inventory Effects		4.4	0	0	0
Total Operating Income		27.3	43	53	60

* Expect some earnings addition from growth strategies

Sales Volume

- Sales volume consistent with net sales (TonenGeneral + 2H12 EMGM effects)

Product	FY 2011*	FY 2012*	Inc./Dec.	Inc./Dec. Industry	EMGM effects**	New base FY 2012
Oil products (KKL)						
Gasoline	9,997	**9,652**	-3.5%	+0.4%	612	**10,264**
Kerosene	2,501	**2,773**	+10.9%	+2.8%	141	**2,913**
Diesel Fuel	2,864	**2,699**	-5.8%	+2.3%	260	**2,960**
Fuel Oil A	1,823	**1,553**	-14.8%	-2.3%	96	**1,649**
Fuel Oil C	1,600	**1,773**	+10.8%	+37.4%	195	**1,968**
LPG/Jet/Others	2,822	**2,774**	-1.7%		205	**2,980**
Domestic sales total	21,608	**21,224**	-1.8%		1,510	**22,733**
Export	4,011	**4,411**	+10.0%		459	**4,870**
Oil products	25,619	**25,635**	+0.1%		1,969	**27,604**
Chemical Products (Kton)						
Olefins and others	1,531	**1,630**	+6.5%		-	**1,630**
Aromatics	586	**661**	+12.8%		-	**661**
Specialties	179	**195**	+9.1%		29	**221**
Chemical products	2,296	**2,486**	+8.3%		29	**2,515**
Topper Utilization	67%	**69%**	-			

* Previous TG basis before EMGM acquisition

** Added volume in 2H12 resulting from EMGM acquisition

Sensitivities for 2013 Earnings Forecast

- Base assumption for February disclosure

Key Factors	Unit	Base	Reference
Dubai FOB	US$/Bbl	106	December 2012 average
Exchange Rate	Yen/US$	84	December 2012 average

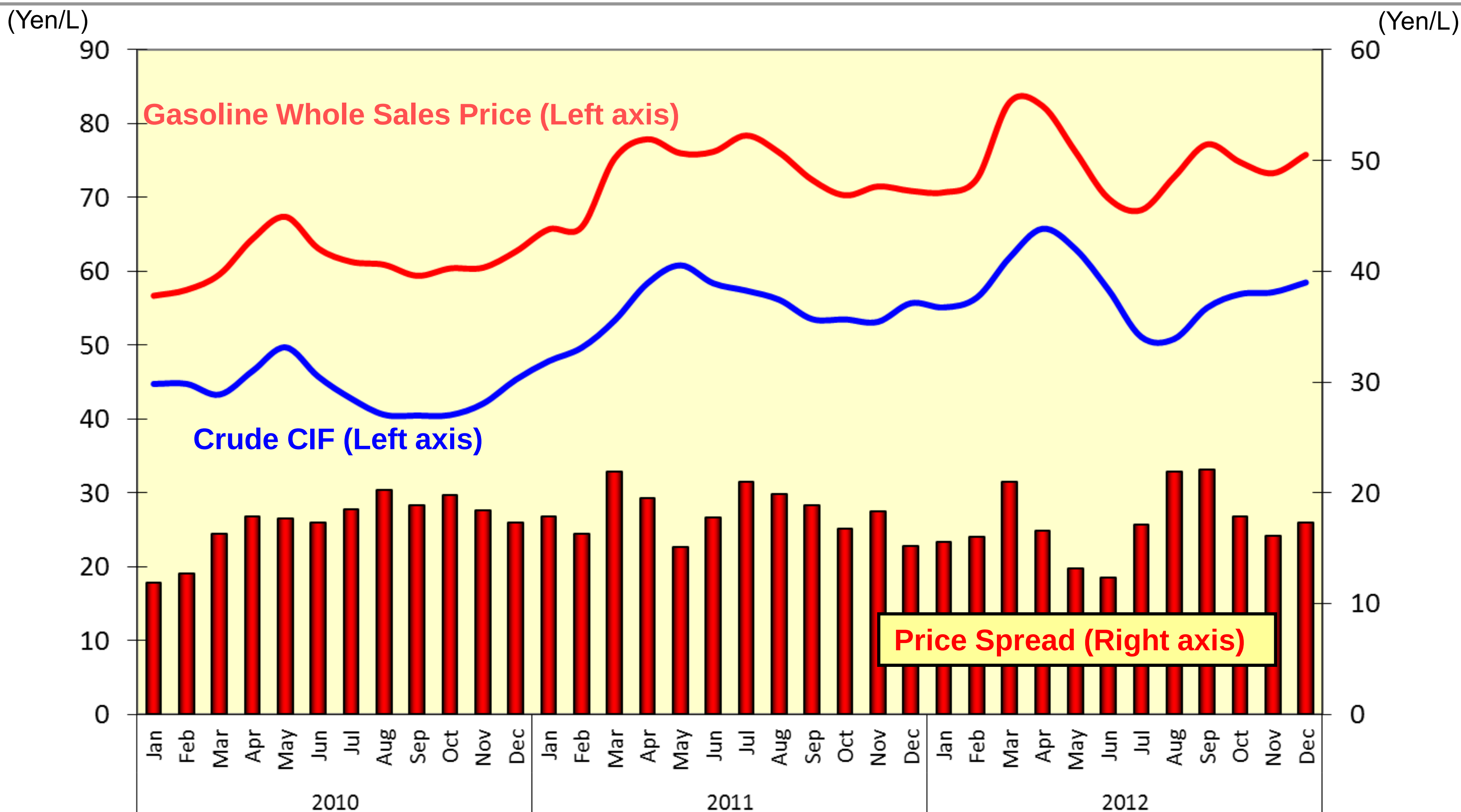
Above assumptions used for net sales and inventory effects calculation

- Full year sensitivities in the future earnings

Key Factors	Unit	Appreciation by	Annual Impact (billion yen) Operating / Ordinary income*1
Dubai FOB	US$/Bbl	10	19 / 20*2
Exchange Rate	Yen/US$	10	- 24 / -26 *2
Refining Margin	Yen/L	1	32*3

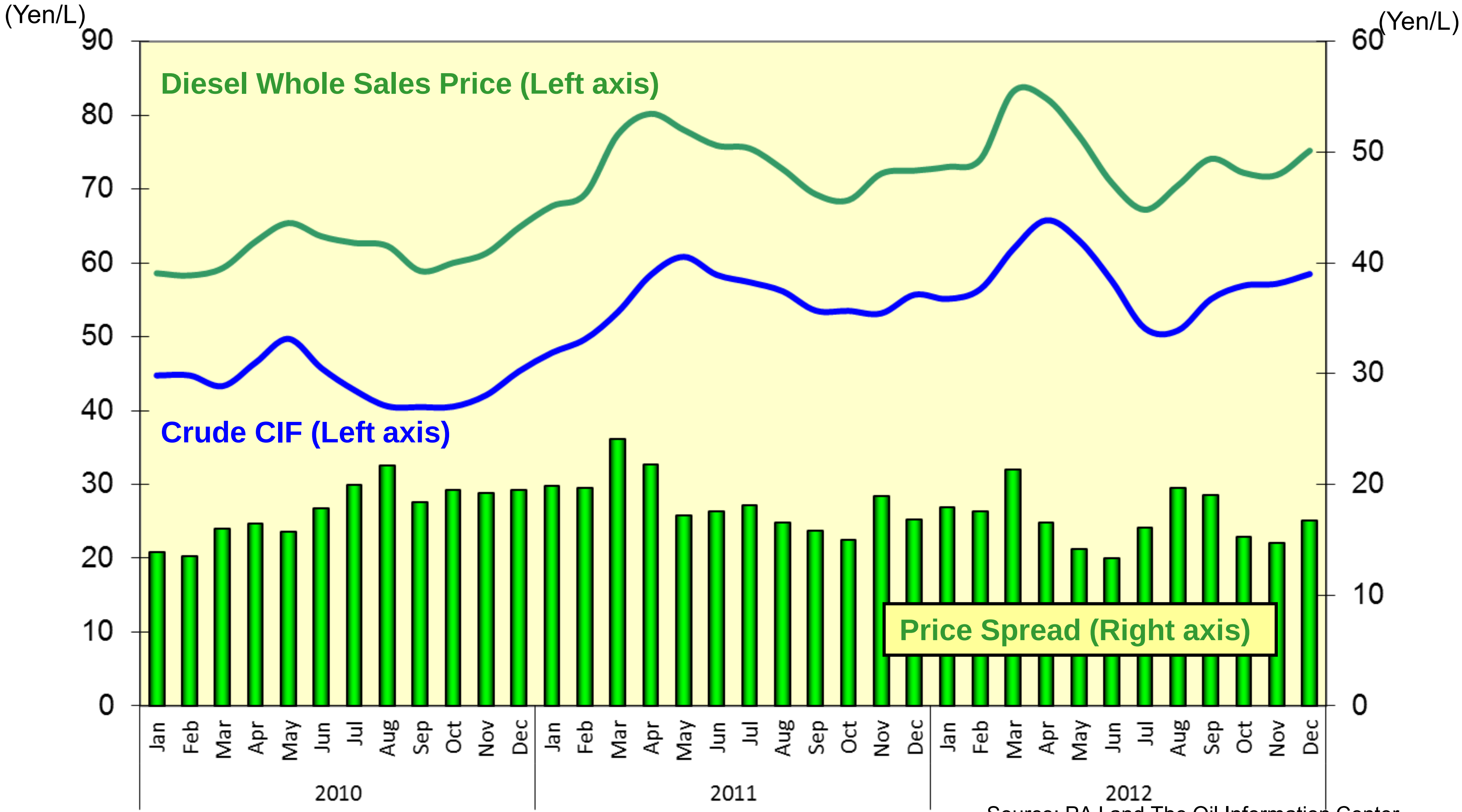
*1 Including equity earnings for Kyokuto Petroleum Industry (50% after tax) as non-operating income
*2 Inventory effects only, the sensitivity would change subject to timing of crude price fluctuation and inventory volume
*3 Impact to operating income on annual basis rounded to nearest billion yen subject to change in sales volume

Price Spread (Gasoline Wholesale Price vs. Crude CIF)



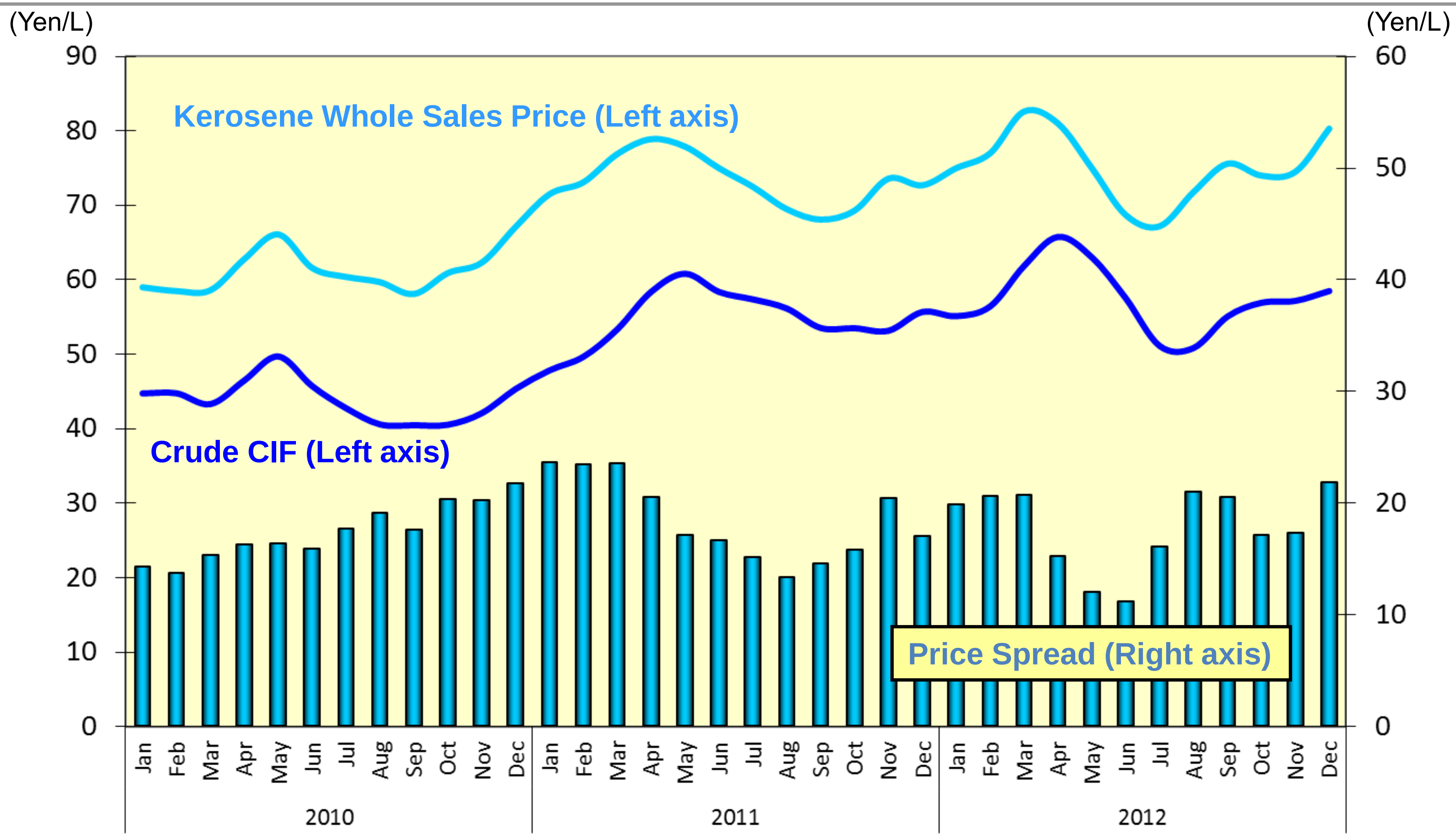
Source: PAJ and The Oil Information Center

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 (2010 – 2012)

2012

Breakdown of Operating Income	1Q12	2Q12	3Q12	4Q12	FY2012
Oil segment and others (Substantial)	9.1	-13.0	20.8	14.7	31.5
Chemical segment	2.1	-3.5	0.8	0.4	-0.1
Inventory effects	19.2	-28.3	4.0	9.5	4.4
Goodwill Amochization			-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 and others (Substantial)	10.7	-1.8	8.7	6.4	24.1
Chemical segment	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

2010

Breakdown of Operating Income	1Q10	2Q10	3Q10	4Q10	FY2010
Oil segment and others (Substantial)	-4.8	2.3	24.1	18.1	39.7
Chemical segment	6.4	1.3	-5.5	-0.3	2.0
Inventory effects	18.7	-9.4	4.0	-13.5	-0.2
Lead lag effects	-2.0	1.0	5.0	-12.0	-8.0
Total	18.4	-4.7	27.6	-7.7	33.5