[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 web site. 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.]

March 8, 2012

To the Shareholders

Internet Disclosure

of the 92nd Ordinary General Meeting of Shareholders

The above information is disclosed on the internet website of the Company （http://www.tonengeneral.co.jp） to the shareholders pursuant to the Laws of Japan and the Articles 15 of the Company's Article of Incorporation.

TonenGeneral Sekiyu K.K.

Notes to Consolidated financial statements

1. Significant accounting policies

(1) Scope of consolidation

1) Number and name of consolidated subsidiaries

(i) Number of consolidated subsidiaries: 5 companies

(ii) Name of consolidated subsidiaries:

Tonen Chemical Corporation, Chuo Sekiyu Hanbai K. K., Tonen Technology G. K., TonenGeneral Kaiun Y. K., Tonen Chemical Nasu Corporation

(2) Application of the equity method

1) Number and name of affiliates accounted for by the equity method

(i) Number of affiliates accounted for by the equity method: 6 companies

(ii) Name of affiliates accounted for by the equity method:

Shimizu LNG K. K., Nippon Unicar Company Limited,

Toray Tonen Specialty Separator G. K,

Toray Tonen Specialty Separator Korea Limited, Toray Tonen Services G.K.,

Japan Biofules Supply LLP

2) Name of non-equity-method company and reason equity method was not applied

(i) Name of non-equity-method company: Emori Sekiyu K. K.

(ii) Reason equity method was not applied

The affiliated company is not accounted for by the equity method because it does not have a material impact on net income (loss), retained earnings, etc. on a consolidated basis.

(3) Summary of significant accounting procedures

1) Valuation rules and methods for significant assets

(i) Inventories	Generally the lower of acquisition costs determined by the weighted average cost method or their net realizable value
(ii) Securities	
-Other securities	
Securities with readily determinable fair values	Market value at the closing date (Valuation difference on available-for-sales securities is directly reflected in net assets, and cost of sales is calculated using the moving-average method)
Securities without readily determinable fair values	The moving-average cost method
(iii) Derivatives transactions, etc.	Market value at the closing date

2) Depreciation and amortization method of significant noncurrent assets

(i) Property, plant and equipment (excluding leased assets)

Generally the declining-balance method

The service life ranges by major assets are:

Buildings and structures	10 to 50 years
Tanks	10 to 25 years
Machinery, equipment and vehicles	7 to 15 years

(ii) Intangible assets (excluding leased assets)

The straight-line method

In-house computer software is amortized over its service life (5 to 15 years) using the straight-line method.

(iii) Leased assets

The straight-line method is employed, where the leasing period is deemed as the service life and residual value is set as zero. The accounting treatment for finance lease transactions, in which ownership is not transferred to the lessee and which became effective before January 1, 2009, is the same as the method applied to ordinary operating lease transactions.

3) Basis for significant provisions

- Allowance for doubtful accounts

To provide for losses due to bad debt, the Company and its consolidated subsidiaries reserve an estimated bad debt allowance on ordinary receivables based on historical bad debt ratios, and on highly doubtful receivables based on the estimated recoverability from individual customers.

- Provision for bonuses

To provide for the payment of employees' bonuses, the Company and its consolidated subsidiaries accrue an estimated reserve for the period.

- Provision for retirement benefits

To provide for the payment of employees' post-retirement benefits, the Company and its consolidated subsidiaries accrue an estimated reserve based on the projected benefit obligations and estimated pension plan assets as of the closing date.

Any differences in actuarial calculations of retirement benefits are amortized beginning with the next period, using the declining-balance method over a period determined based on employees' average remaining service years (12 years).

Prior service liabilities are amortized using the straight-line method over employees' average remaining service years;

Before 2004:		15.5 years
Since 2004:	The Company	12.9 years
	Consolidated subsidiaries	11.4 years
Since 2007:	The Company	11.9 years
	Consolidated subsidiaries	11.0 years

- Provision for directors' retirement benefits

To provide for the payment of officers' post-retirement allowance, the Company and its consolidated subsidiaries reserve an estimated amount of lump sum retirement allowance assuming that officers retire at the closing date.

- Provision for repairs

To provide for periodic tank inspections required under the Fire Service Act and for periodic repairs of machinery and equipment, the Company and one consolidated subsidiary reserve an estimated cost for the period, based on actual payments and repair plans, respectively.

4) Other important items for consolidated financial statements

(i) Translation method for foreign currency assets and liabilities

Foreign currency assets and liabilities are translated into yen at the spot rate at the closing date, and any difference from exchange rate change is reflected in income.

(ii) Accounting method for consumption taxes

Each item in the consolidated statement of income does not include consumption taxes.

(4) Change in significant accounting policies

1) Change of accounting method

- Inventories

In accordance with the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9 issued on September 26, 2008), the Company changed its inventory valuation method from LIFO to WAC (weighted average cost method) beginning in the current period. Inventories during the current period are carried at the lower of net realizable value or cost, generally determined under the WAC method.

During the current period, the change in accounting method had a favorable 190,331 million yen impact on operating income, ordinary income, and income before incomes taxes and minority interests, respectively, compared to the results as measured under the previous LIFO method.

- Asset retirement obligation

The Company adopted the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18 issued on March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 issued on March 31, 2008) beginning in the current period.

During the current period, this had an unfavorable 28 million yen impact on operating income and ordinary income, respectively, and an unfavorable 574 million yen impact on income before income taxes and minority interest.

- Application of the "Accounting Standard for Equity Method of Accounting for Investments" and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method"

The Company adopted the "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16 issued on March 10, 2008) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (ASBJ Practical Issues Task Force (PITF) No. 24 issued on March 10, 2008) beginning in the current period.

There is no earnings impact from this change.

2) Change in presentation

- Consolidated statement of income

The "Cabinet Office Ordinance on the Partial Amendments to the Regulation for Terminology, Forms and Preparation of Financial Statements" (Cabinet Office Ordinance No. 5 issued on March 24, 2009) based on the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 issued on December 26, 2008) has been applied beginning in the current period.

The section "Income before minority interests" is newly presented accordingly.

(5) Additional information

- Consolidated balance sheet

The Company adopted the "Partial amendments to the ordinance on Accounting of companies" (Ordinance of the Ministry of Justice No.33 of 2010 on September 30, 2010) based on "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25 issued on June 30, 2010) beginning in the current period. The items which had been categorized as "Valuation and translation adjustments" in the section of Net assets in the prior periods are now presented in the section of "Accumulated other comprehensive income" accordingly.

2. Consolidated balance sheet

(1) Security rights established on assets

Mortgaged assets and mortgaged liabilities by security rights are as shown below:

Book value of mortgaged assets	Amounts (Million yen)	(Including plant mortgage) (Million yen)
Buildings and structures	3,914	(3,914)
Tanks	611	(611)
Machinery, equipment and vehicles	10,360	(10,360)
Land	12,203	(4,628)
Total	27,090	(19,515)

Mortgaged liabilities by security right	Amounts (Million yen)	(Including plant mortgage) (Million yen)
Gasoline taxes payable	48,756	(19,515)

(Note)
1. In the summary of mortgaged assets, plant mortgage is shown in parentheses.
2. In the summary of mortgaged liabilities by security rights, plant mortgage is shown in parentheses.
3. In addition to the above, the Company committed to offer upon lender's demand a contract of mortgage over the asset noted below to support the current portion of short-term loans payable (1,412 million yen) and long-term loans payable (350 million yen).

Assets	Amounts (Million yen)
Buildings and structures	12,029
Tanks	1,032
Machinery, equipment and vehicles	13,439
Land	12,300
Others	858
Total	39,660

(2) Accumulated depreciation of property, plant and equipment 794,830 million yen

(3) Obligations for guaranties

1) Bank borrowing, etc.

Guarantees	Amounts (Million yen)
Japan Biofuels Supply LLP	1,832
Employees of the Company and consolidated subsidiaries	148
Total	1,980

2) Letters of credit

Guarantees	Amounts (USD)	(Yen equivalent)
Japan Biofuels Supply LLP	33,860 thousand USD	(2,632 million yen)

3) Deferral of import consumption tax payment

Guarantees	Amounts
Japan Biofuels Supply LLP	249 million yen

3. Consolidated statement of changes in net assets

(1) Class and total number of shares issued as of December 31, 2011

Common stock 565,182,000 shares

(2) Dividends in the current period

Resolution	Class of shares	Total dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on March 25, 2011	Common stock	10,724	19.00	December 31, 2010	March 28, 2011
Board of Directors Meeting held on August 12, 2011	Common stock	10,723	19.00	June 30, 2011	September 14, 2011

(3) Planned resolution at annual general meeting of shareholders on March 27, 2012

Planned resolution	Class of shares	Dividend resource	Total dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on March 27, 2012	Common stock	Retained earnings	10,723	19.00	December 31, 2011	March 28, 2012

4. Financial instruments

(1) Detail of financial instruments

The Company and its subsidiaries and affiliated companies (“TG group companies” hereinafter) finance their working capital and capital investment through a combination of internally generated funds, external borrowing with banks and other financial institutions and issuance of commercial paper. Short-term surplus cash has been lent to ExxonMobil group companies within Japan and/or overseas. Derivative transactions are made in accordance with consistent guidelines and are limited to the forward purchase of foreign exchange for settlement of net payable exposures arising from import transactions net of export transactions.

Trade accounts receivable are exposed to credit risk but TG group companies mitigate the risk in accordance with consistent guidelines. Trade accounts receivable include foreign currency denominated product exports which are exposed to the risk of foreign currency rate fluctuations offset by the foreign currency denominated payable for import transactions.

Short-term loans receivable solely result from transactions with ExxonMobil group companies within Japan and overseas. Investment securities are limited to stock of companies with which TG group companies have a business relationship. Part of these stock investments is exposed to the risk of market stock price fluctuations.

Trade accounts payable outstanding are largely due within six months. Also trade accounts payable resulting from import transactions including crude oil import are exposed to the risk of foreign currency rate fluctuations but the risk has been mitigated through the use of foreign currency forwards as noted above.

Loans payable result from external loans with financial institutions including banks and the issuance of commercial paper. The interest rate of such loans payable is in part determined with market reference rates and therefore the variable interest rate loans are exposed to the risk of interest fluctuations. Derivative transactions are limited to aforementioned foreign exchange transactions.

(2) Fair value of financial instruments

The following table indicates the amounts recorded in the consolidated balance sheet, the fair value and the difference as of December 31, 2011.

(Unit: Million yen)

	Amounts recorded in the consolidated balance sheet	Fair value	Difference
1) Cash and deposits	280	280	–
2) Accounts receivable-trade (*1)	445,185	445,185	–
3) Short-term loans receivable	103,846	103,846	–
4) Investment securities			
-Other securities	1,134	1,134	–
Total assets	550,445	550,445	–
5) Accounts payable-trade	302,516	302,516	–
6) Gasoline taxes payable	180,890	180,890	–
7) Short-term loans payable	61,056	61,056	–
8) Income taxes payable	22,019	22,019	–
9) Accrued consumption taxes	9,728	9,728	–
10) Guarantee deposits payable	7,822	7,822	–
11) Long-term loans payable	2,231	2,179	(51)
Total liabilities	586,264	586,212	(51)
12) Derivative transactions (*2)	(44)	(44)	–

(*1) The amounts of related allowance for notes and accounts receivable-trade are deducted from the values.

(*2) The values of assets and liabilities arising from derivative transactions are shown at net value.

(Note) Calculation method for the fair value of financial instruments, and notes to securities and derivatives

Assets:

1) Cash and deposits, 2) Accounts receivable-trade and 3) Short-term loans receivable

Fair value is deemed the same as book value because these assets are settled within a short period of time and there is little rationale for fair and book values to diverge.

4) Investment securities

Fair value of stocks is based on the prices traded at the stock exchange. Among “Other securities,” securities with a book value of 49,671 million yen are excluded from the above table because there is no ascertainable market value for those securities and it is deemed extremely difficult to calculate their fair value.

Liabilities:

5) Accounts payable-trade, 6) Gasoline taxes payable, 7) Short-term loans payable, 8) Income taxes payable, 9) Accrued consumption taxes and 10) Guarantee deposits payable

Fair value is deemed the same as book value because these liabilities are settled within a short period of time and there is little rational for fair and book value to diverge.

11) Long-term loans payable

Fair value is calculated based on the present value estimated by discounting the total principal and interest, using discount rates which would be applied for similar new borrowings.

12) Derivatives

Fair value of derivatives is based on the actual market exchange rate.

5. Real estate for lease etc.

(1) Overview of real estate for lease, etc.

The Company and one consolidated subsidiary lease a part of lands at their refining and manufacturing sites, as well as certain service station assets and other assets in Kanagawa and other areas in Japan. The net of leasing income and related expense of these transactions is 708 million yen (the income is included in net sales and the expense is included in cost of sales or selling, general and administrative expenses). A gain on sales and retirement of real estate for lease assets of 1,573 million yen is included in extraordinary gain/loss, and impairment loss related to real estate for lease assets of 43 million yen is included in extraordinary loss in the current period.

(2) Fair value of real estates for lease, etc.

(Million yen)

Balance sheet amount	Fair value
25,670	39,327

(Note) 1. The balance sheet amount is the acquisition cost reduced by the accumulated depreciation and the accumulated impairment loss.

2. The fair value at the closing date is an amount calculated by the Company using public price indexes including roadside value and property tax value by reference to valuation guidelines including “Real Estate Appraisal Standards”.

6. Financial data per share

(1)	Net assets per share	636.94	yen
(2)	Net income per share	235.26	yen

7. Significant subsequent events

(Acquisition of share capital of ExxonMobil Yugen Kaisha)

Based on the resolution at the Board of Directors meeting held on January 29, 2012, the Company entered into an agreement with ExxonMobil Asia International Limited Liability Company SARL, a company indirectly and wholly owned by Exxon Mobil Corporation, to acquire 99.0% shares of ExxonMobil Yugen Kaisha.

Prior to the Acquisition, the following businesses and assets of ExxonMobil Yugen Kaisha will be transferred to other affiliates of Exxon Mobil Corporation ("EM Group Companies"). The Company will not acquire nor will ExxonMobil Yugen Kaisha own the following businesses and assets after the Transaction.

i. 80 million common shares of the Company
ii. Part of the Chemicals business (butyl, specialty elastomer, synthetics, polyolefin sales, and catalyst licensing)
iii. Shares of Japan Butyl Co. Ltd., operating butyl rubber business in Japan (50% of the total shares)
iv. Shares of Mobil Korea Lube Oil Inc., operating a lubricants business in Korea (50% of the total shares)

In addition to the transfer of the Company's shares mentioned in i. above, ExxonMobil Yugen Kaisha will sell approximately three million of the Company shares it currently owns to third parties outside of the EM Group Companies before the Transaction. As a result, the number of shares ExxonMobil Yugen Kaisha holds at the time of the Transaction is expected to be approximately 200 million shares.
Since the 200 million shares held by ExxonMobil Yugen Kaisha after the Acquisition will lose their voting rights, the total number of the Company's voting shares will be approximately 360 million shares. As a result, Exxon Mobil Corporation will own approximately 22% of voting shares in the Company after the Acquisition.

The overview of the acquired company is as follows:

(1) Overview of the acquired company

(As of December 31, 2011)

1) Company name	ExxonMobil Yugen Kaisha
2) Business	Sales of petroleum products and petrochemical products
3) Date of incorporation	December 11, 1961
4) Paid-in capital	50,000 million yen

(2) Background and objectives of the transaction

Through this newly-formed integrated production-distribution operation, the Company will be able to more effectively execute locally driven investments and other business decisions that will help the Company adapt to the challenging domestic operating environment. Moreover, the Company will be able to further enhance its efficiency and profitability by increasing the level of integration between the marketing and production business divisions, and pursuing business opportunities that will enable it to respond to the changing market demands and domestic operating environment.

(3) Closing of the Transaction

June 1, 2012 (Plan)

(4) Legal form of the business combination

Acquisition of share capital

(5) Name of the acquired company after the Transaction

To be determined

(6) Shareholding acquired through the transaction, the purchase price, and percentage of shareholding after the transaction

1)	Acquired shareholding	99.0%
2)	Purchase price	302.0 billion yen (Note)
3)	Percentage of shareholding after the transaction	99.0%

ExxonMobil Yugen Kaisha, which will become a consolidated subsidiary of the Company after the Acquisition, is expected to transform to a *godo kaisha* structure prior to the Acquisition. As such, the percentage of shareholding acquired through the Acquisition and the changes in percentage of shareholding before and after the Acquisition as shown above refer to those values after ExxonMobil Yugen Kaisha has become a *godo kaisha*. The Company will be entitled to 99.0% of the profits of the godo kaisha as will be established in the Articles of the godo kaisha entity.

(Note) Adjustments will be made to add to the Purchase Price the cash proceeds of certain transactions between ExxonMobil Yugen Kaisha and affiliates of Exxon Mobil Corporation expected to be completed prior to June 1, 2012.

(7) Background of decision for acquiring company

As described in “(2) Background and objectives of the transaction”.

(Redemption associated with the restructuring of the battery separator film (BSF) joint venture)

The Company restructured its BSF joint venture with Toray Industries Inc. on January 31, 2012, because the Company recognizes that the growth of the BSF business is best ensured with streamlined business decision-making processes via a single owner processing a broad portfolio of films and other products. Toray Tonen Specialty Separator G.K. (TTGK), the joint venture company, redeemed all units owned by the Company’s consolidated subsidiaries Tonen Chemical Corporation (TCC) and Tonen Chemical Nasu Corporation (TCN) to achieve the restructuring. The business will continue under the 100% ownership of Toray Industries Inc. and the Company has no further ownership or involvement in the BSF business.

The details of this transaction are as follows:

(1) Reason for the redemption

Due to dissolution of the joint venture as described above.

(2) Date of the redemption

January 31, 2012

(3) Overview of the joint venture company

(As of December 31, 2011)

1) Company name	Toray Tonen Specialty Separator G.K.
2) Business	Manufacturing and sales of the synthetic resin films

(4) Redeemed shareholding, the redemption amount, gain from the redemption and percentage of shareholding after the redemption

1) Redeemed shareholding	50.0%
2) Redemption amount	53.6 billion yen
3) Gain associated with the redemption	Approx. 16.4 billion yen (Extraordinary income)
4) Percentage of shareholding after the redemption	0.0%

As a result of the redemption, TTGK, Toray Tonen Specialty Separator Korea, Inc., and Toray Tonen Services G.K. (both of which are wholly-owned by TTGK), will no longer be accounted for by the equity method from the 2012 period and onward.

8. Other note

- Adjustments of deferred tax assets and liabilities due to the change in statutory effective tax rate

The "Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction from the Great East Japan Earthquake" (Act No. 117 of 2011) were issued on December 2, 2011 and the income tax rate is to be changed accordingly with effect from business term beginning on April 1, 2012 and onward.

In accordance with the change, statutory effective tax rates for the Company to calculate the amounts of deferred tax assets and liabilities have been applied as follows depending on the reversal timing of each temporary item.

Timing of reversal	Tax rate
December 31, 2012 and before	40.69%
January 1, 2013 through December 31, 2015	38.01%
January 1, 2016 onward	35.64%

Due to the change, on the balance sheet as of December 31, 2011, the net amount of deferred tax assets decreased by 20 million yen, the net amount of deferred tax liabilities decreased by 4,520 million yen and valuation difference on available-for-sale securities decreased by 5 million yen, respectively. On the income statement for the current period, Income taxes-deferred decreased by 4,504 million yen.

9. Monetary unit used for reporting

Amounts are shown in truncated millions of yen.

Notes to Non-consolidated financial statements

1. Significant accounting policies

(1) Valuation rules and methods for assets

1) Inventories	Generally the lower of acquisition costs determined by the WAC (weighted average cost) method or their net realizable value
2) Securities	
-Stock of subsidiaries and affiliated companies	The moving-average cost method
-Other securities	
Securities with readily determinable fair values	Market value at the closing date (Valuation difference on available-for-sales securities is directly reflected in net assets, and cost of sales is calculated using the moving-average method)
Securities without readily determinable fair values	The moving-average cost method
3) Derivatives transactions, etc.	Market value at the closing date

(2) Depreciation and amortization method for noncurrent assets

1) Property, plant and equipment (excluding leased assets)

Generally the declining-balance method

The service life ranges by major assets are:

Buildings and structures	10 to 50 years
Tanks	10 to 25 years
Machinery, equipment and vehicles	7 to 15 years

2) Intangible assets (excluding leased assets)

The straight-line method

In-house computer software is amortized over its service life (5 to 15 years) using the straight-line method.

3) Leased assets

The straight-line method is employed, where the leasing period is deemed as the service life and residual value is set as zero. The accounting treatment for finance lease transaction, in which ownership is not transferred to the lessee and which became effective before January 1, 2009, is the same as the method applied to ordinary operating lease transactions.

(3) Basis for significant provisions

-Allowance for doubtful accounts

To provide for losses due to bad debt, the Company reserves an estimated bad debt allowance on ordinary receivables based on historical bad debt ratios, and on highly doubtful receivables based on the estimated recoverability from individual customers.

-Provision for bonuses

To provide for the payment of employees' bonuses, the Company accrues an estimated reserve for the period.

-Provision for retirement benefits

To provide for the payment of employees' post-retirement benefits, the Company accrues an estimated reserve based on the projected benefit obligations and estimated pension plan assets as of the closing date.

Any differences in actuarial calculations of retirement benefits are amortized beginning with the next period, using the declining-balance method over a period determined based on employees' average remaining service years (12 years).

Prior service liabilities are amortized using the straight-line method over employees' average remaining service years;

Before 2004:	15.5 years
Since 2004:	12.9 years
Since 2007:	11.9 years

-Provision for directors' retirement benefits

To provide for the payment of officers' post-retirement allowance, the Company reserves an estimated amount of lump sum retirement allowance assuming that officers retire at the closing date.

-Provision for repairs

To provide for periodic tank inspections required under the Fire Service Act and for periodic repairs of machinery and equipment, the Company reserves an estimated cost for the period, based on actual payments and repair plans, respectively.

(4) Other important items for financial statements

1) Translation method for foreign currency assets and liabilities

Foreign currency assets and liabilities are translated into yen at the spot rate at the closing date, and any difference from exchange rate change is reflected in income.

2) Accounting method for consumption taxes

Each item in the consolidated statement of income does not include consumption taxes.

(5) Change of accounting method

1) Inventories

In accordance with the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9 issued on September 26, 2008), the Company changed its inventory valuation method from LIFO (last in first out) to WAC beginning in this current period. Inventories during the current period are carried at the lower of net realizable value or cost, generally determined under the WAC method.

During the current period, the change in accounting method had a favorable 188,894 million yen impact on operating income, ordinary income, and income before incomes taxes and minority interests, respectively, compared to the results as measured under the previous LIFO method.

2) Asset retirement obligation

The Company adopted the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18 issued on March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21 issued on March 31, 2008) beginning in the current period.

During the current period, this had an unfavorable 28 million yen impact on operating income and ordinary income, respectively, and an unfavorable 574 million yen impact on income before income taxes.

2. Balance sheet

(1) Security rights established on assets

Mortgaged assets and mortgaged liabilities by security rights are as shown below:

Book value of mortgaged assets	Amounts (Million yen)	(Including plant mortgage) (Million yen)
Buildings	1,215	(1,215)
Structures	2,698	(2,698)
Tanks	611	(611)
Machinery and equipment	10,360	(10,360)
Land	12,203	(4,628)
Total	27,090	(19,515)

Mortgaged liabilities by security right	Amounts (Million yen)	(Including plant mortgage) (Million yen)
Gasoline taxes payable	48,756	(19,515)

(Note) 1. In the summary of mortgaged assets, plant mortgage is shown in parentheses.

2. In the summary of mortgaged liabilities by security rights, plant mortgage is shown in parentheses.

3. In addition to the above, the Company committed to offer upon lender’s demand a contract of mortgage over the asset noted below to support the current portion of short-term loans payable (1,412 million yen) and long-term loans payable (350 million yen).

Assets	Book value (Million yen)
Buildings	1,833
Structures	10,196
Tanks	1,032
Machinery and equipment	13,439
Land	12,300
Others	858
Total	39,660

(2) Accumulated depreciation of property, plant and equipment 718,632 million yen

(3) Obligations for guarantees

1) Bank borrowing, etc.

Guarantees	Amounts (Million yen)
Japan Biofuels Supply LLP	1,832
Employees of the Company	128
Total	1,960

2) Letters of credit

Guarantees	Amounts (USD)	(Yen equivalent)
Japan Biofuels Supply LLP	33,860 thousand USD	(2,632 million yen)

3) Deferral of import consumption tax payment

Guarantees	Amounts
Japan Biofuels Supply LLP	249 million yen

(4) Details of receivable from and payable to associated companies

Receivable		
Accounts receivable-trade	319,643	million yen
Short-term loans receivable	9,509	
Accounts receivable-trade	2,183	
Payable		
Accounts payable-trade	94,430	million yen
Short-term loans payable	832	
Accrued expenses	3,830	
Guarantee deposits payable	1,230	

3. Statement of income

Transaction with associated companies

Trade transaction	Net sales	1,660,363	million yen
	Cost of sales	359,672	
Others		1,553	

4. Statement of changes in net assets

Treasury stock

Class	December 31, 2010	Increase	Decrease	December 31, 2011
Common stock	757,140 shares	62,144 shares	10,852 shares	808,432 shares

(Major cause of movement)

Increase and decrease of shares in treasury stock is due to purchase and sales of odd-lot shares.

5. Deferred tax accounting

Breakdown of deferred tax assets and deferred tax liabilities

(Deferred tax assets)		
Provision for retirement benefits	14,424	million yen
Provision for repairs	4,422	
Accumulated impairment loss	1,660	
Accrued enterprise tax payable	1,472	
Other	1,700	
Total deferred tax assets	23,679	
(Deferred tax liabilities)		
Deferred taxation on the gain from inventory valuation method change	(59,530)	million yen
Gain on sales of subsidiaries' stocks	(30,396)	
Reserve for property replacement	(8,615)	
Other	(1,747)	
Total deferred tax liabilities	(100,289)	
Net amount of deferred tax liabilities	(76,610)	

- Adjustments of deferred tax assets and liabilities due to the change in statutory effective tax rate

The "Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction from the Great East Japan Earthquake" (Act No. 117 of 2011) were issued on December 2, 2011 and the income tax rate is to be changed accordingly with effect from business terms beginning on April 1, 2012 and onward.

In accordance with the change, statutory effective tax rates for the Company to calculate the amounts of deferred tax assets and liabilities have been applied as follows depending on the reversal timing of each temporary item.

Timing of reversal	Tax rate
December 31, 2012 and before	40.69%
January 1, 2013 through December 31, 2015	38.01%
January 1, 2016 onward	35.64%

Due to the change, on the balance sheet as of December 31, 2011, the net amount of deferred tax liabilities decreased by 8,336 million yen and the valuation difference on available-for-sale securities decreased by 5 million yen. On the income statement for the current period, Income taxes-deferred decreased by 8,342 million yen.

6. Lease transactions

Finance leases in which ownership is not transferred to the lessee

(For transactions which became effective on or before December 31, 2008)

(1) Acquisition cost equivalent, accumulated depreciation equivalent and net book value equivalent at the closing date

Assets	Acquisition cost equivalent (Million yen)	Accumulated depreciation equivalent (Million yen)	Net book value equivalent at the closing date (Million yen)
Buildings	89	14	75
Machinery	210	81	129
Total	300	95	204

(Note) The acquisition cost equivalent includes interest-equivalent expenses with no adjustment made since the outstanding balance of future lease payment at the closing date is immaterial considering the total value of property, plant and equipment.

(2) Outstanding balance of future lease payment at the closing date

Due within one year	30	million yen
Due in over one year	173	
Total	204	

(Note) The outstanding balance of future lease payment includes interest-equivalent expenses with no adjustment made since the outstanding balance of future lease payments at the closing date is immaterial considering the total value of property, plant and equipment.

(3) Lease fees paid and depreciation expense equivalent

Lease fees paid	28	million yen
Depreciation expense equivalent	28	

(4) Calculation method for depreciation expense equivalent

The straight-line method with no residual value, where the lease period is deemed to be the same as the period of depreciation.

7. Financial data per share

(1)	Net assets per share	673.77	yen
(2)	Net income per share	332.52	yen

8. Significant subsequent events

(Acquisition of share capital of ExxonMobil Yugen Kaisha)

Based on the resolution at the Board of Directors meeting held on January 29, 2012, the Company entered into an agreement with ExxonMobil Asia International Limited Liability Company SARL, a company indirectly and wholly owned by Exxon Mobil Corporation, to acquire 99.0% shares of ExxonMobil Yugen Kaisha.

For further details, please refer to “7. Significant subsequent events” in Notes to Consolidated financial statements.

9. Other note

- Gain on sales of subsidiaries’ stocks

The Company sold 75% of Tonen Chemical Corporation stocks, 100% of TonenGeneral Kaiun Y.K. and Chuo Sekiyu Hanbai K.K. stocks to its subsidiary Tonen Technology G.K. on December 19, 2011. As a result, the Company recognized a gain of 86,383 million yen shown as “gain on sales of subsidiaries’ stocks” as reflected in the extraordinary gain section in the current period.

10. Monetary unit used for reporting

Amounts are shown in truncated millions of yen.