

# Summary of Financial Statements for 1st - 3rd Quarter of 2002

November 14, 2002

Registered Company Name: TonenGeneral Sekiyu K.K

(Stock Code Number: 5012

Tokyo Stock Exchange )

(URL <http://www.tonengeneral.co.jp>)

For further information, please contact

(Telephone: (03) 5425-9000)

Position: Management Support Manager

Name: T.Uchimura

## 1. The matter concerning compilation of a quarter consolidated income statement etc.

The standard based on the occasion of compilation of a financial statement etc. (The standard based of semiannually consolidated financial settlements)

·Existence of change of an accounting method. : Yes ( )  No

·Existence of different accounting treatment from interim closing etc. : Yes ( )  No

Change in Scope of Consolidation and Application of Equity Method. : Yes ( )  No

Existence of participation by the certified public accountant or the audit corporation : Yes ( )  No

## 2. Business Performance for 1st - 3rd Quarter 2002 (January 1, 2002 through September 30, 2002)

### (1) Consolidated Business Performance

(Note) Amounts are shown in truncated millions of yen

	Sales Revenue		Operating Income( Loss)		Ordinary Income( Loss)		Interim Net Income	
	M Yen	%	M Yen	%	M Yen	%	M Yen	%
2002/12 1st-3rd Quarter	1,373,879	( - )	6,989	( - )	3,366	( - )	1,301	( - )
2001/12 1st-3rd Quarter	-	( - )	-	( - )	-	( - )	-	( - )
2001/12	2,062,274		53,018		51,187		20,559	

	Interim Net Income per Share		Diluted Net Income per share	
	Yen		Yen	
2002/12 1st-3rd Quarter	2	12	-	
2001/12 1st-3rd Quarter	-		-	
2001/12	30	93	-	

(Note)The display of the percentage in sales, operating profit, etc. is the rate of increase or decrease of the amounts to those in previous year.

During the July-September period, the company's product sales volumes rose by 2.7% over the corresponding period of the previous year, showing a large recovery from the April-June period (down 17.4% from a year earlier level). Sales revenue during the July-September period amounted to 503.1 billion yen. Together with 870.7 billion yen posted during the January - June period, consolidated sales revenue for the January - September period totaled 1,373.8 billion yen.

Despite the recovery in sales volume of products, consolidated operating income during the July - September period was 0.1 billion yen, due to the lower product margins, particularly for gasoline and diesel fuel, against the previous quarter. Together with January - June operating income of negative 7.0 billion yen, consolidated operating income for the January -September period totaled 6.9 billion yen. An inventory valuation gain of 3.2 billion yen is included in operating income during the July - September period, against an loss of 7.0 billion yen mainly associated with inventory valuation accounting change from landed LIFO to loading LIFO during the January - June period.

Consolidated ordinary income during the July - September period was 0.8 billion yen, reflecting mostly from profits of affiliated companies. Together with an ordinary loss of 4.1 billion yen during the January - June period, consolidated ordinary income for the January - September period was negative 3.3 billion yen.

Consolidated net income during the July - September period amounted to 2.5 billion yen. A contributing factor was profit from divestments of a number of assets no longer required in our business. As a result, consolidated net income during the first nine months rose to 1.3 billion yen from a deficit of 1.2 billion yen posted during the first half of 2002.

## (2) Consolidated Financial Overview

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	M Yen	M Yen	%	Yen
2002/12 1st-3rd Quarter	884,149	211,008	23.9	356 . 21
2001/12 1st-3rd Quarter	-	-	-	-
2001 / 12	1,000,349	271,747	27.2	428 . 19

## [Consolidated Cash Flows Overview]

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the end of the Period
	M Yen	M Yen	M Yen	M Yen
2002/12 1st-3rd Quarter	21,528	1,982	26,343	1,325
2001/12 1st-3rd Quarter	-	-	-	-
2001 / 12	75,753	25,958	50,057	4,158

Total assets as of September 30, 2002 totaled 884.1 billion yen, or 116.2 billion yen lower than December 31, 2001, mainly due to lower trade accounts receivable associated with lower sales volume, depreciation, and sales of assets. Total shareholders' equity as of September 30, 2002 was 211.0 billion yen, or 60.7 billion yen lower than December 31, 2001, arising from our share buy-back in May and payment of year-end and interim dividends.

YTD September 2002 operating cash flow was a surplus of 21.5 billion yen mainly due to depreciation and favorable working capital movements. Cash flow from investment activities was 1.9 billion yen mainly resulting from sales of tangible assets and investment securities. Cash flow from financing activities was negative 26.3 billion yen related to our 40.0 billion yen share buy-back in May and payment of year-end interim dividends, offset in part by an increase of overall loans payable of 35.5 billion yen.

## (Reference 1) Results of parent business performance (January 1, 2002 through September 30, 2002)

	Sales Revenue	Operating Income( Loss)	Ordinary Income( Loss)	Interim Net Income( Loss)
	M Yen	M Yen	M Yen	M Yen
2002/12 1st-3rd Quarter	1,378,534	12,329	6,362	729

	Total Assets	Shareholders' Equity
	M Yen	M Yen
2002/12 1st-3rd Quarter	802,193	168,080

3. Estimated Consolidated Business Performance for Full Year 2002 (January 1, 2002 through December 31, 2002)

	Estimated Sales Revenue	Estimated Ordinary Income	Estimated Net Income	Estimated Net Income per Share	
	M Yen	M Yen	M Yen	Yen	
Semi Annual	-	-	-	-	-
Full Year	1,890,000	6,000	4,000	6	53

We forecast an increase in sales revenue by 20.0 billion yen versus our previous projection(Aug.29), due both to sales volume increases, and to increased sales prices.

Although sales volume during the third quarter period exceeded the previous projection, earnings fell sharply from the previous projection because of lower-than-expected product margins. Regarding the fourth quarter period, we forecast that high sales volumes levels will continue and product margins will improve over the third quarter, reflecting improving product margins currently being seen in the market. We therefore, expect further improvement in earnings for the fourth quarter compared to the third quarter. Full-year operating costs are expected to be on track versus previous projection.

(Note)Parent Business Performance for Full Year 2002 (January 1, 2002 through December 31, 2002)

	Estimated Sales Revenue	Estimated Ordinary Income	Estimated Net Income	Estimated Dividend per Share		
				Interim closing	End of a term	
	M Yen	M Yen	M Yen	Yen	Yen	Yen
Semi Annual	-	-	-	18.00	-	-
Full Year	1,920,000	2,000	4,000	-	18.00	36.00

This material contains forward-looking statements based on projections and estimates that involve many variables. TonenGeneral 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 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.