

Summary of Consolidated Financial Statements for 1st Quarter of 2003

May 14, 2003

Registered Company Name: TonenGeneral Sekiyu K.K.

(Stock Code Number: 5012

Tokyo Stock Exchange)

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

Representative:

Position: Representative Director, Chairman and President

Name: G. W. Pruessing

For further information, please contact:

Position: ExxonMobil Y.K. Director, Management Support Manager

Name: T. Uchimura (Telephone: (03) 5425-9000)

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

Existence of an accounting method change regarding recognition of sales revenue from recent consolidated accounting period :

Yes • No

2 . Business Performance for 1st Quarter 2003 (January 1, 2003 through March 31, 2003)

(1) Consolidated Business Performance

(Note) Amounts are shown in truncated millions of yen.

	Sales Revenue		Operating Income		Ordinary Income		Interim Net Income	
	M Yen	%	M Yen	%	M Yen	%	M Yen	%
2003/12 1st Quarter	571,898	(-)	6,854	(-)	7,853	(-)	6,186	(-)
2002/12 1st Quarter	-	(-)	-	(-)	-	(-)	-	(-)
2002/12	1,928,868		4,840		8,261		8,474	

	Interim Net Income per Share	Diluted Net Income per share
	Yen	Yen
2003/12 1st Quarter	10 . 46	-
2002/12 1st Quarter	-	-
2002/12	13 . 92	-

(Note) The display of the percentage in sales, operating income, etc. shows the rate of increase or decrease in the amounts from those in previous year.

Consolidated sales revenue stood 571.9 billion yen due to the increase in sales volumes and marketing selling price. Consolidated operating income stood at 6.9 billion yen for the 1st quarter, 2003. Severe market conditions drove down the wholesale margin of gasoline and diesel fuel. The positive effects of sales volume increases by 9.5% in gasoline and by 7.0% in kerosene partly offset the decreased wholesale margins. Oil segment earnings were assisted by 3.4 billion yen in favorable inventory valuation effects (a non-cash item). Chemical segment earnings were a significant contributor to the earnings results, including good sales and margins of paraxylene.

Consolidated ordinary income was 7.9 billion yen, due to 1.0 billion yen of non-operating income on a consolidated basis during the January - March period. The consolidated non-operating income mainly includes equity earnings and exchange gain.

Consolidated net income amounted to 6.2 billion yen, including 3 billion yen of extraordinary income from the sales of assets and securities.

(2) Important Items which Affected the Company's Financial Condition and Business Performance

[Consolidated Financial Condition Overview]

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	M Yen	M Yen	%	Yen
2003/12 1st Quarter	904,206	211,814	23.4	357 . 88
2002/12 1st Quarter	-	-	-	-
2002 / 12	964,494	216,638	22.5	366 . 03

[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
2003/12 1st Quarter	21,896	739	22,100	1,134
2002/12 1st Quarter	-	-	-	-
2002 / 12	25,596	11,742	39,827	1,670

Total assets as of March 31, 2003 totaled 904.2 billion yen, or 60.3 billion yen decreased from December 31, 2002, mainly due to lower trade accounts receivable and gasoline tax etc. payables, associated with delayed settlement of accounts in 2002 to next year, which was a result of closure of financial institutions. Total shareholders' equity as of March 31, 2003 was 211.8 billion yen, or 4.8 billion yen lower than December 31, 2002, arising from payment of year-end dividends.

YTD March 2003 operating cash flow was negative 21.9 billion yen, mainly due to delayed settlement of gasoline tax etc. payables in 2002 because of closure of financial institutions, which was settled on March 31, 2003. Cash flows from investment activities was negative 0.7 billion yen. Although much investment was carried out such as increase in efficiency of production equipment in refineries or equipment reconstruction of service stations, it was offset by revenue from sales of tangible assets and investment securities. Cash Flows from Financing Activities was 22.1 billion yen, mainly due to increase in short-term loans payable resulting from delay of settlement of gasoline tax etc. payables in 2002 because of closure of financial institutions. As a result, cash and cash equivalents at the end of the period was 1.1 billion yen, or 0.5 billion yen decreased from December 31, 2002.

3. Consolidated Earnings Outlook for First-half 2003 (January 1, 2003 through June 30, 2003)

	Estimated Sales Revenue	Estimated Ordinary Income	Estimated Net Income	Estimated Interim Net Income per Share	
	M Yen	M Yen	M Yen	Yen	
Semi Annual	980,000	14,000	11,000	18	59

Consolidated ordinary income for the 1st half of 2003 is expected to be 14.0 billion yen, an increase of 8.0 billion yen from the previous forecast announced in February 2003. This upward revision reflects more favorable earnings in the 1st quarter and April than expected. It also assumes that 1st quarter favorable inventory effects will be reversed, and that margins have the potential for deterioration from the favorable levels achieved in April after the sudden drop in crude oil prices.

We announced the full year earnings forecast in February 2003 with the projection of sales revenue by 1,990 billion yen, ordinary income by 28 billion yen and net income by 24 billion yen on a consolidated basis, and we are not making any revised projection to full-year 2003 earnings, given lack of sufficient information at this early date, especially related to crude prices and product margins, on which to base any revision. We will reconsider our projection for full-year earnings together with our disclosure of 1st half earnings, in August. Similarly, we are making no revision to our projection for total dividend payments for the year, or 36 Yen per share.

(Reference) Earnings Outlook and Dividend Plan for TonenGeneral Parent for First-half 2003

(January 1, 2003 through June 30, 2003)

	Estimated Sales Revenue	Estimated Ordinary Income	Estimated Net Income	Estimated Dividend per Share		
				Interim closing	End of the term	
	M Yen	M Yen	M Yen	Yen	Yen	Yen
Semi Annual	1,000,000	14,000	10,000	18.00	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 uncertainty 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.