TonenGeneral Sekiyu K.K.
1H 2006 Financial Results and Business Strategy

August 23, 2006

at TSE Arrows

TonenGeneral

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.

■ Business Overview	K. Suzuki
■ 1H 2006 Business Results and Revised FY 2006 Financial Forecast	W. J. Bogaty
■ Refining & Supply	J. Mutoh
■ Chemicals	D. L. Schuessler

Business Overview

K. Suzuki

Representative Director, Vice President,
TonenGeneral Sekiyu K.K.
Director,
ExxonMobil Y.K.

Management Change

- D. G. Wascom was elected Representative Director, Chairman and President of TonenGeneral on July 27
  - » Also elected the Japan Chairman of ExxonMobil Japan Group
  - » Career background in Refining & Supply as well as Marketing

- G. W. Pruessing, the retiring Representative Director, served since March, 2001
  - » Focused on:
    - Consolidation of ExxonMobil affiliates in Japan after merger
    - Consolidating a part of administrative works with other ExxonMobil Group companies in the Asia Pacific region to increase efficiencies
    - Growing core businesses by investing in refining facilities and strengthening integration of refining and chemical operations

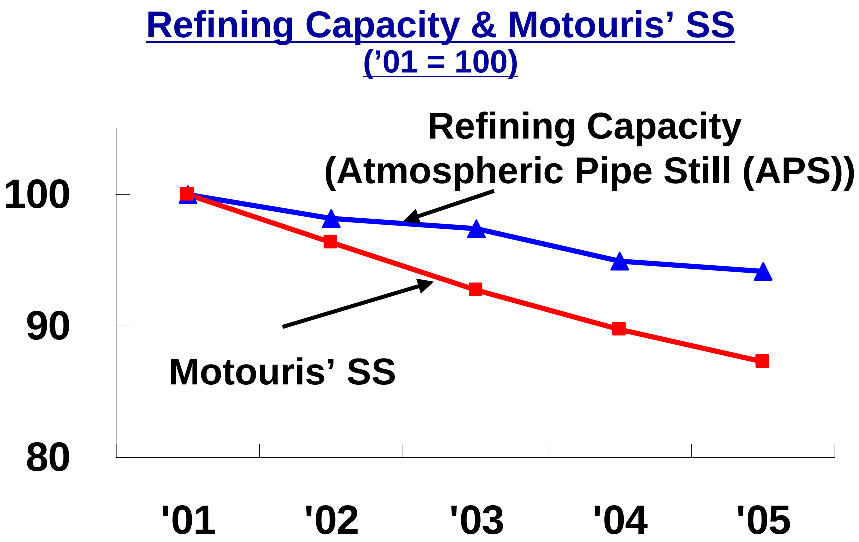
Our long-term strategy will remain constant under the new leadership

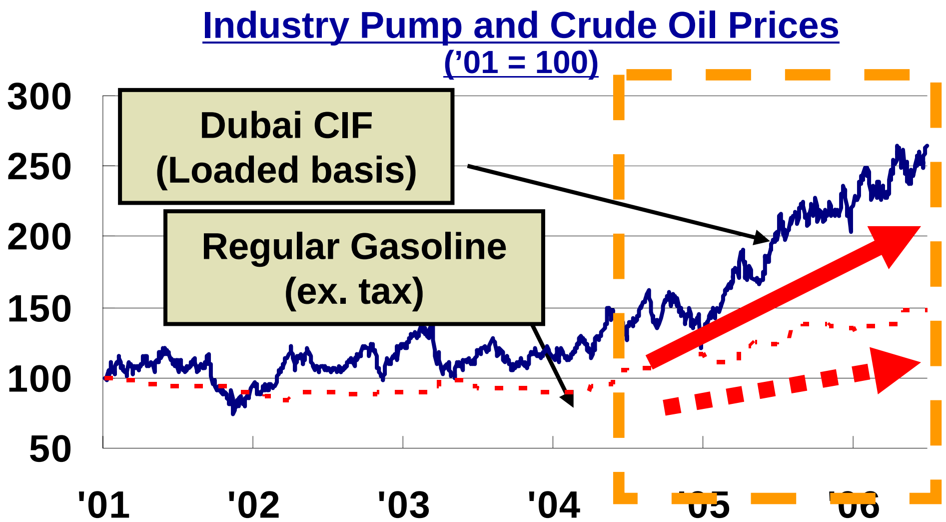
Industry Overview

- Tough business environment in downstream oil business
  - » Surplus capacity both in refining and marketing
  - » Product prices have not stayed in line with crude oil price hike
  - » Impact of environmental protection measures (e.g. product spec change)

- Chemicals business supported by strong demand

- TonenGeneral consistently continues to respond to industry challenges, taking a long-term perspective
  - » Focus on core business and growth where we have competitive advantage
  - » In the "commodity environment", efficiency in opex and capital is the critical driver
  - » Long-term objective is efficiency and profitability under any set of prevailing market conditions

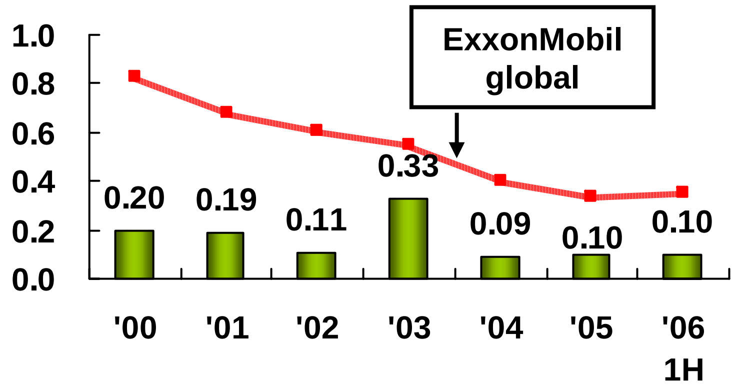




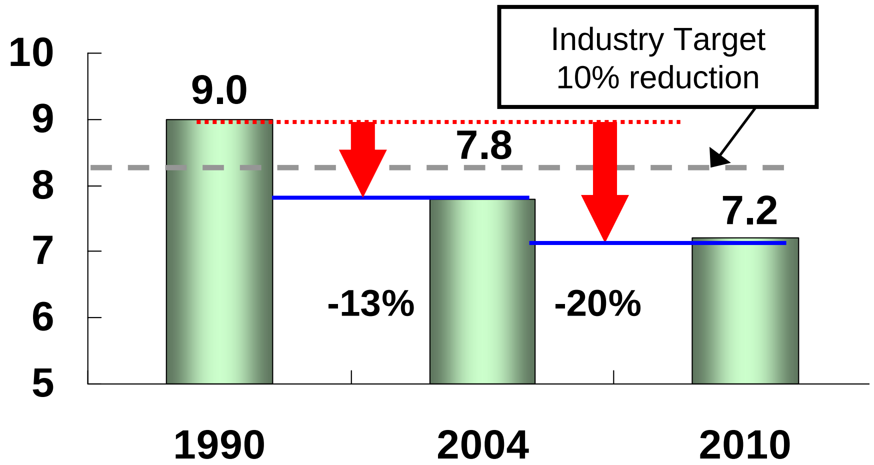
Corporate Citizenship

- **Safety**
  - » Top priority in all our activities
  - » Commitment to our vision: "Nobody Gets Hurt"
- **Incident at Sakai Refinery - April**
  - » A fire from a safety valve discharge line on April 10
    - No injury
    - All facilities resumed operation in mid-June after repair work and planned turn-around
  - » Strengthened safety measures
    - Further improvement in effectiveness of ExxonMobil's safety systems (OIMS, LPS, etc)
- **Environmental Protection**
  - » Reduction of greenhouse gases
    - Steady energy conservation efforts at refineries
- **Governance and Integrity**
  - » BOD resolution reconfirmed our rigorous internal governance system required by the new Company Law which became effective in May

Total Recordable Incident Rate (#/ 0.2Mil Hrs)
(TonenGeneral & Nansei Sekiyu vs ExxonMobil global）



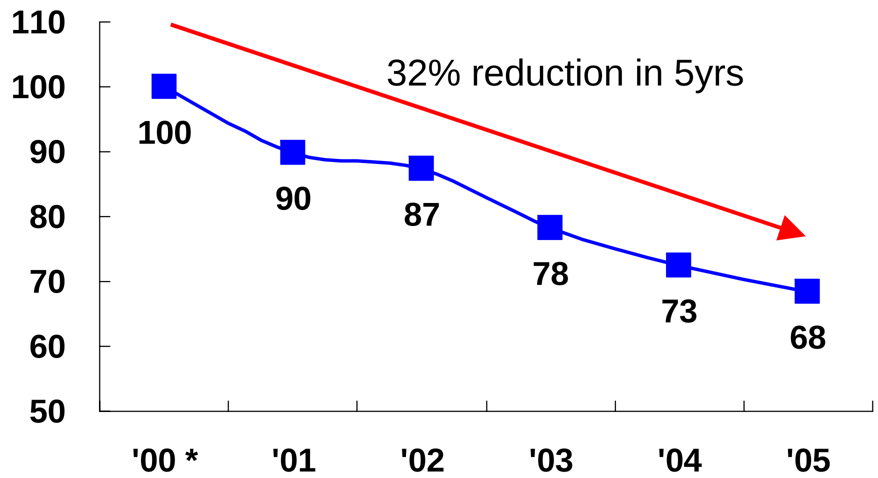
Unit Energy Consumption in refineries
Energy consumption (KL)/ APS throughput (KKL)



Business Strategy - Overall

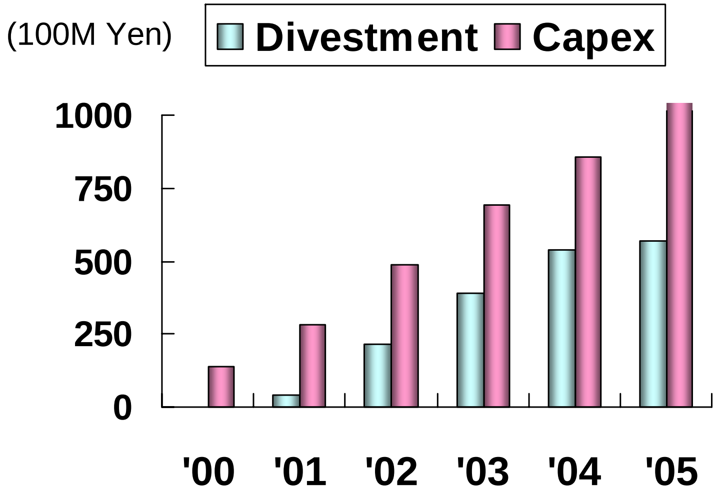
- Make maximum use of competitive advantages of our membership in the ExxonMobil group
  - » Business Centers for services
  - » Global Supply network: exchange, imports, exports
- Rigorous attention to operating cost efficiency
  - » Opex reduction about 6% p.a. since merger
- Pursue optimal balance of margin and volume
  - » Joint strategy in refinery/ marketing operation
- Effective capital investments and asset utilization
  - » Maintain long-term perspective
  - » Selective divestment of assets where sale is higher value than retention

TonenGeneral Opex Reduction Index
(Consolidated)



* Tonen+General (unaudited pro forma combined)

Cumulative Capex and Divestment of Assets
(Consolidated, Book Value basis)



Business Strategy – by Function

- Refining: Targeting World-class Efficiency
  - » Lowest cost refinery
  - » Promote profit improvement initiatives
    - Raw materials flexibility
    - Enhancement of export capability
  - » Seek optimal use of facilities & investment opportunities
    - Full utilization of upgrading facilities
    - Incremental 25G yen investment by 2007
- Marketing: Differentiation
  - » Pursue best balance of margin and sales volume
  - » Expand “Express” branded self SS
  - » Introduce new technologies
    - Speed pass
    - Video Pump
    - Express Wash
  - » Business alliance with top services brand
    - Doutor Coffee shop
    - Seven-Eleven Japan
- Chemicals: Cope with chemical business cycle
  - » Pursue maximization of Chemical/ Refining integration synergy
  - » Continuous focus on cost management
  - » Grow speciality business segments

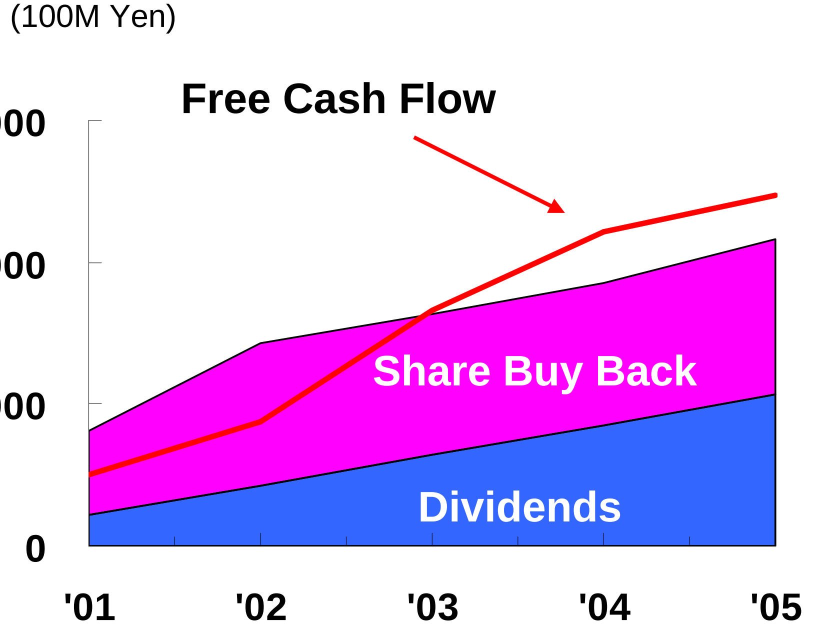
Superior Shareholder Distributions

- Our principles
  - » Company wealth, that is not required in our business in the foreseeable future, should be returned to shareholders
  - » Balance creation of long-term shareholder value and distributions

- From cash flow generated in the last 5 years：
  - » 90G yen for capex
  - » 217G yen for distributions (107G yen for dividends and 110G yen for share buy back)

- Prudent review of trends in the business environment and analysis of best mix and timing of distributions

Free Cash Flow & Distributions (Cumulative)



Our Commitments

For profitable and sustained growth, we will strive to:

» Focus on safe, environmentally sound, and reliable operations in all of our facilities as well as Compliance of Business Ethics

Our business foundation

» Address the needs of our four constituencies (shareholders, customers, employees, and communities)

As a good corporate citizen

» Reduce operating expense over the long term through our many efficiency projects

» Remain competitive in all aspects of business: Products, Offerings, Pricing

» Actively invest in profitable growth areas, and where required to meet safety, reliability and environemtnal standards

Seek world class efficiency by leveraging ExxonMobil net-work

» Maximize cash generation for long term returns to shareholders

- Maintain a long-term view to increase shareholders' wealth
- Over 100 years in Japan and for another 100 years

Targeting industry-leading returns

1H 2006 Business Results and Revised FY 2006 Financial Forecast

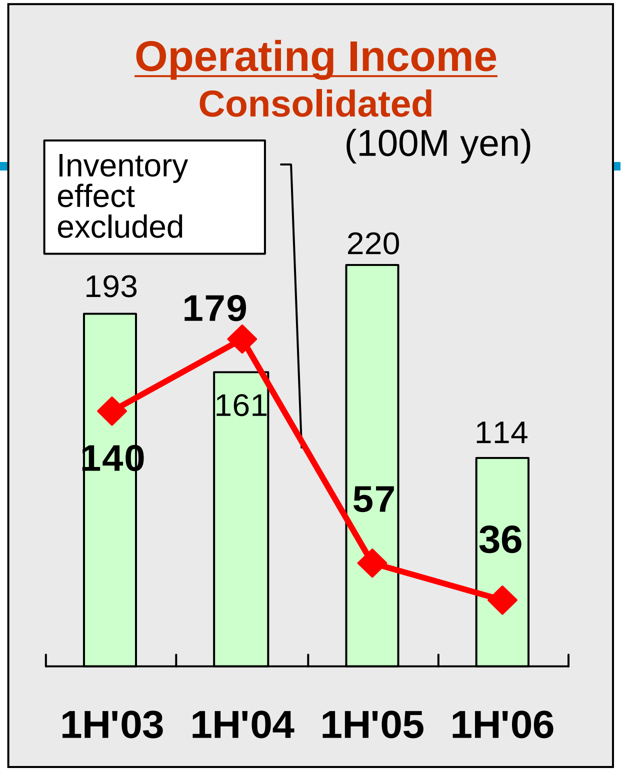
W. J. Bogaty

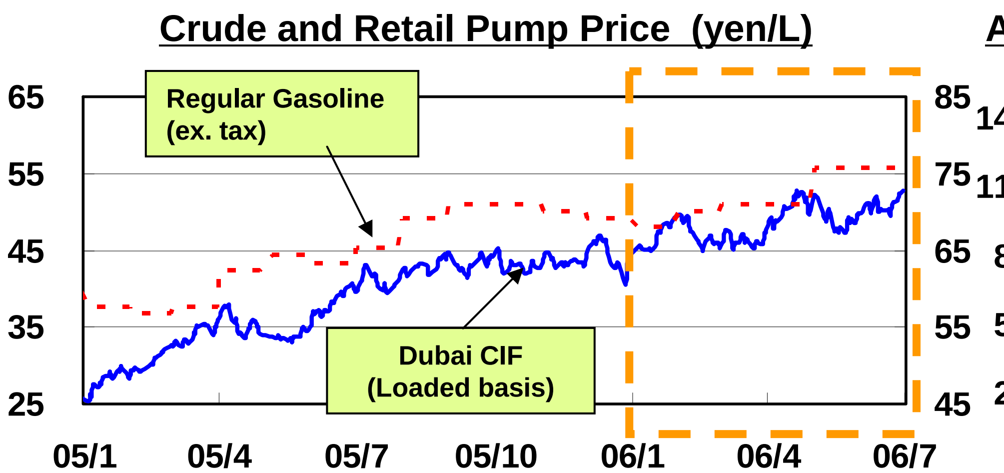
Director,
TonenGeneral Sekiyu K.K.

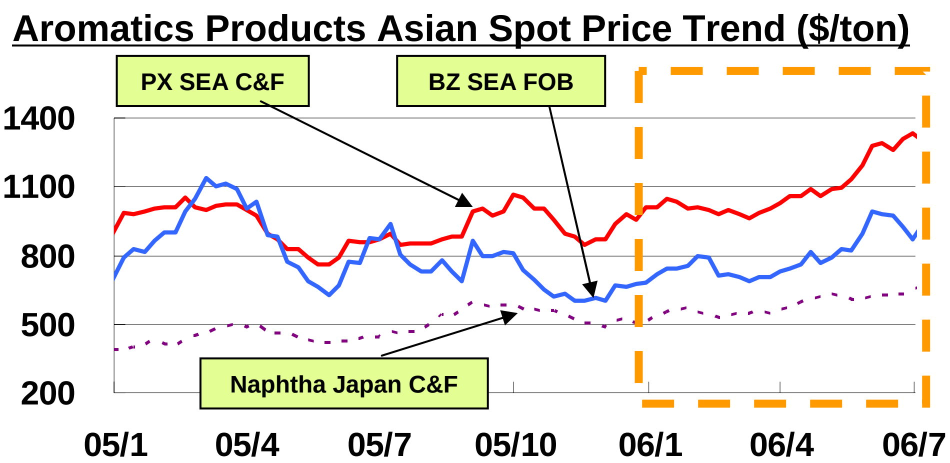
Representative Director and Vice President,
ExxonMobil Y.K.

Business Highlights

- Oil industry supply/demand and margin environment appears to have deteriorated vs. 1H '05
  - » Continued struggle to realize crude price increases in product
- Within this environment TonenGeneral's position has somewhat improved
  - » Lower negative effect from prompt crude cost recognition due to somewhat milder crude price increase than 1H '05
  - » Profit improvement initiatives under way
  - » Continued robust margin/profits in Chemicals
  - » OPEX reduction on plan
- Sale volumes down from extremely strong 1H '05, due to weather and absence of special demand factors in '05
- Financial position remains healthy
  - » No revision to the projection of total dividend payments of 37 yen per share for the year







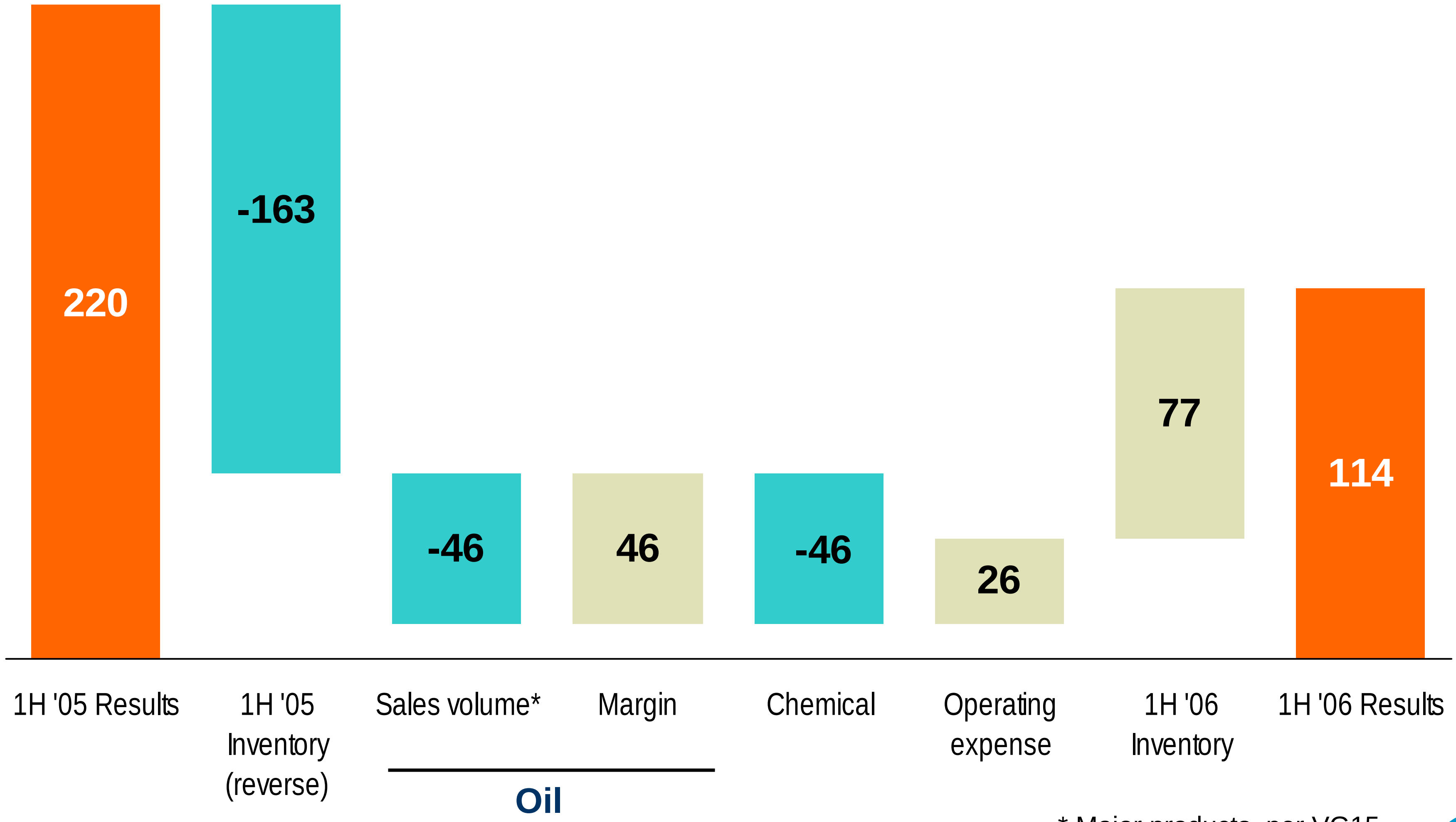
Earnings Results [Consolidated]

(100M yen)	1H '05	1H '06	Inc./Dec.
Sales revenue	13,249	**14,798**	1,549
Operating income	220	**114**	-107
Ordinary income	239	**153**	-86
Extraordinary gain/loss	-1	**-5**	-4
Net income	148	**101**	-47
Reverse inventory effects	-163	**-77**	86
Adjusted operating income	57	**36**	-21
Oil segment	-204	**-183**	21
Chemical segment	261	**219**	-42

Factor Analysis of Operating Income

[1H '06 Results vs. 1H'05 Results; Consolidated]

(100M yen)



* Major products, per VG15

Sales Volume/ Capacity Utilization

- Most fuels volumes lower versus a very strong 1H 2005, particularly Kerosene due to warmer winter. In addition, for all fuels, absence of special demand factors that prevailed in 2005
- Attention to profitability of sales including export opportunities
- Lower capacity utilization: refinery shut down & turn-around at Sakai; turn-around at Kawasaki

Oil Products (Consolidated, Excluding Barter)

(KKL)		1H 2005	**1H 2006**	Inc./Dec.	Industry Inc./Dec.
by Product	Gasoline	5,981	**5,584**	-6.6%	-1.0%
	Kerosene	2,649	**1,994**	-24.7%	-8.0%
	Diesel fuel	2,531	**2,104**	-16.8%	-2.7%
	Fuel oil A	2,058	**1,705**	-17.1%	-10.2%
	Fuel oil C	1,565	**1,314**	-16.0%	+1.8%
	LPG and others	1,823	**1,677**	-8.0%	N/A
by Channel	*General (Marketing)*	*4,444*	***3,810***	*-14.3%*	
	Esso/Mobil/Kygnus	*12,162*	***10,568***	*-13.1%*	
	Sub Total	16,606	**14,378**	-13.4%	-3.7%
	Others*	3,741	**4,291**	14.7%	
	G. Total	20,347	**18,669**	-8.2%	

*Others" includes lube, crude, exports, product exchanges within ExxonMobil Japan Group, etc.

Chemical Products (Consolidated)

(Kton)	1H 2005	**1H 2006**	Inc./Dec.	Industry Inc./Dec.
Olefins and others (TCC)	939	**954**	1.6%	
Aromatics (TG)	401	**364**	-9.2%	
Chemical Total	1,340	**1,318**	-1.6%	
Capacity Utilization (Parent/Consoli.)	**86%/80%**	**76%/72%**		**86%**

One month lag effect of Crude cost / Inventory Effects

Sharp rise in crude price (in 1H '06: $12/bbl Dubai) triggered one month lag and LIFO gain

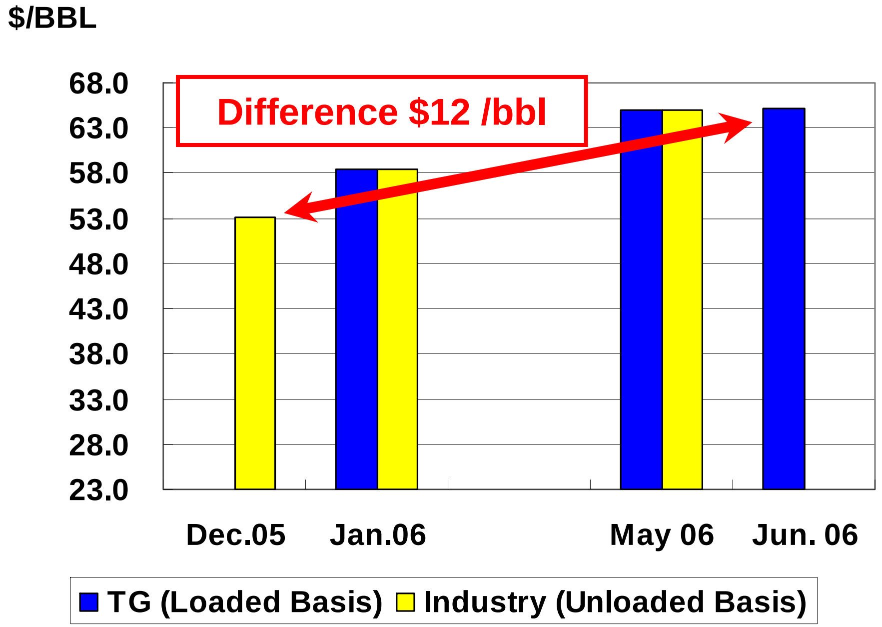
One month lag effects

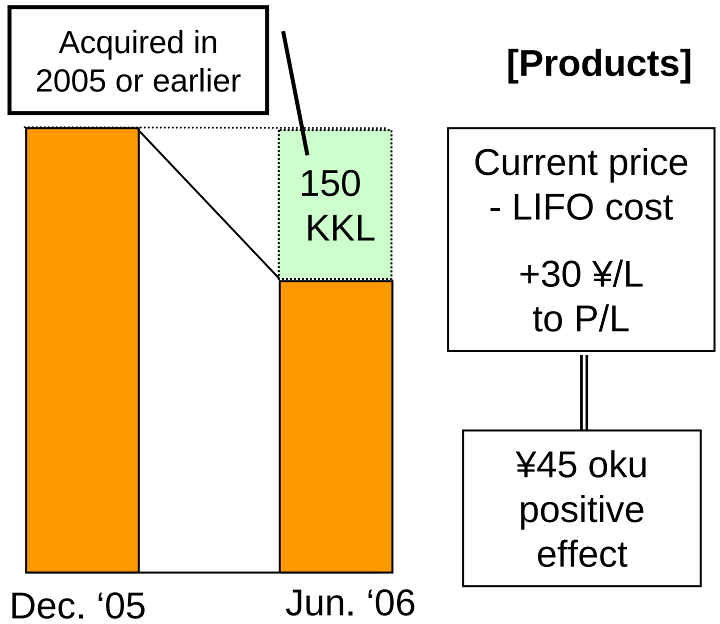
TG accounts for crude price on loaded base; this recognizes effects of changes in crude prices about one month earlier than rest of industry

"Lag effect" on Dubai basis was approx. ¥200 oku

LIFO profit

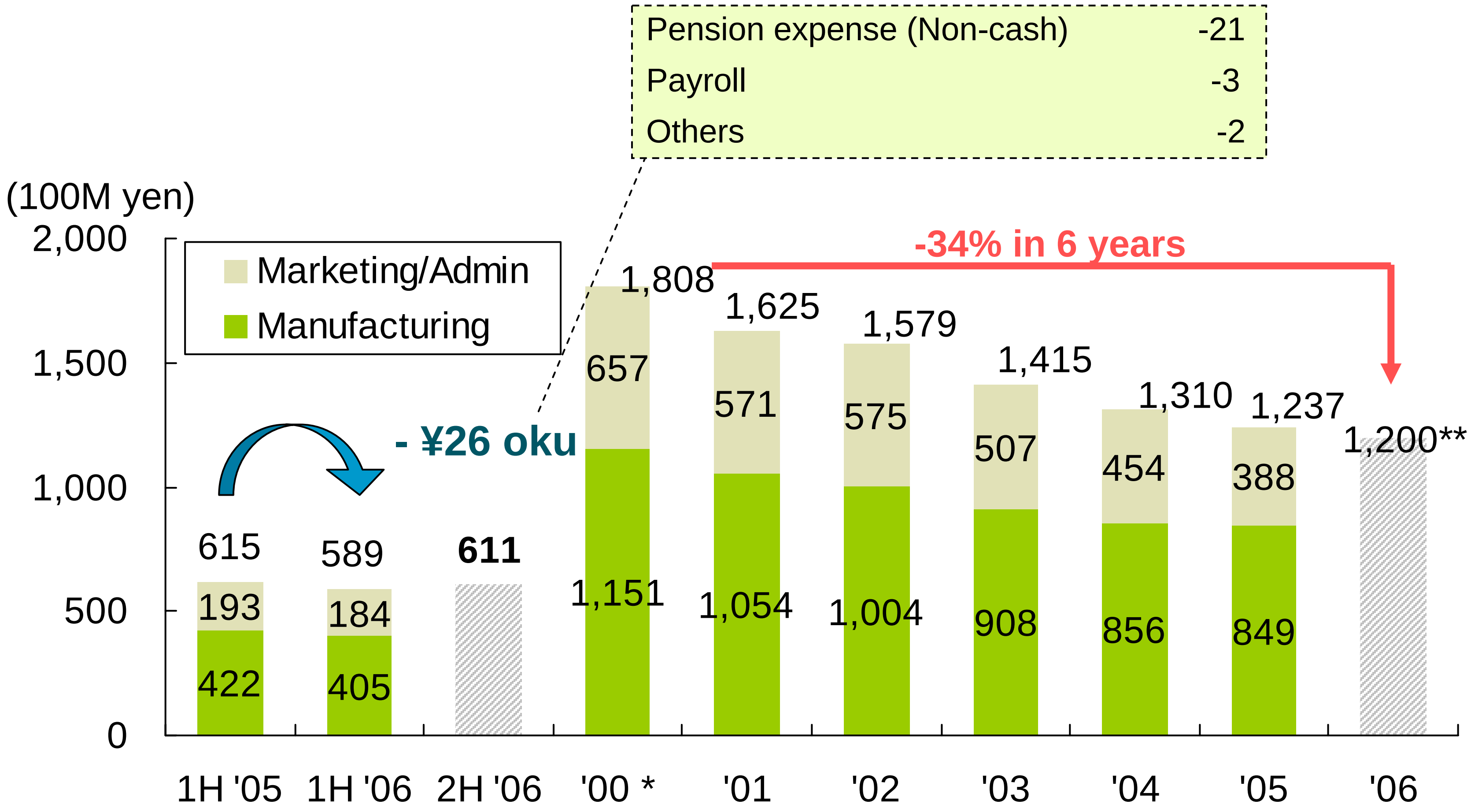
Net ¥77 oku inventory gain in operating income mainly due to draw-down of Kerosene and a part of crude; ¥56 oku from products and ¥21 oku from crude





Operating Expenses [Consolidated]

- Continued reductions in opex



* Tonen+General (unaudited pro forma combined)

** Shown as ¥1,140 oku yen in February. ¥60 oku in original forecast transferred from projected cost of goods to opex. No effect on forecast operating income

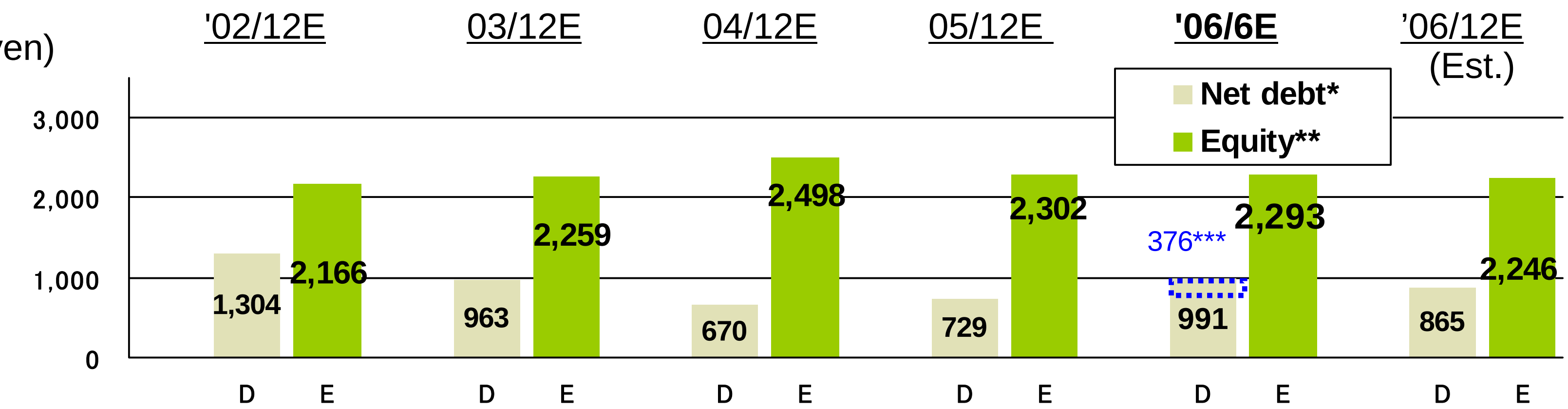
Cash Flows, Debt/Equity [Consolidated]

(100M yen)	1H '06	Adj.(G tax)
Operating / Investing Activities	**-146**	**230**
Net income before taxes	148	
Net capex / Depreciation	-69	
Inventory	-336	
TAR/TAP/Gas tax & other payable	102	478
Others	10	
Financing Activities	**146**	
Change in debt	265	-111
Dividend to shareholders	-108	
Treasury stock repurchase	-7	
Others	-3	
Net Cash Change	**0**	

- Continued sound financial situation

As a result of one-month extra payment of gas tax in 1H '06, net TAP (TAP + gas tax payable - TAR) decreased by 376 oku yen, reflected in higher debt to same extent

(100M yen)



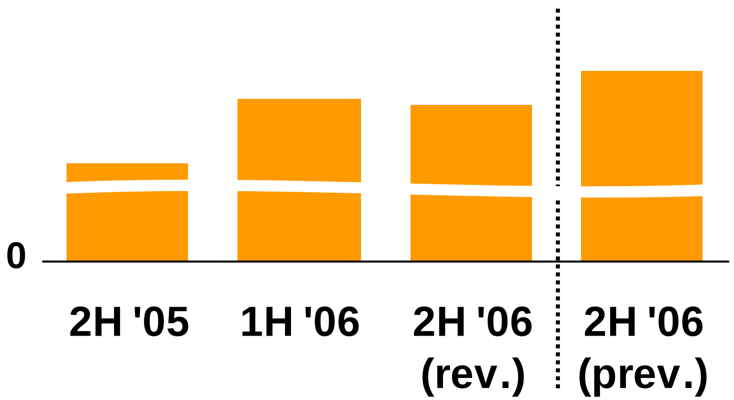
Net D/E ratio*:	0.60	0.43	0.27	0.32	**0.43**	0.39

* Debt excl. cash, loans receivable, **Net Worth excl. Minority Interest, ***Effect of one-month gas tax

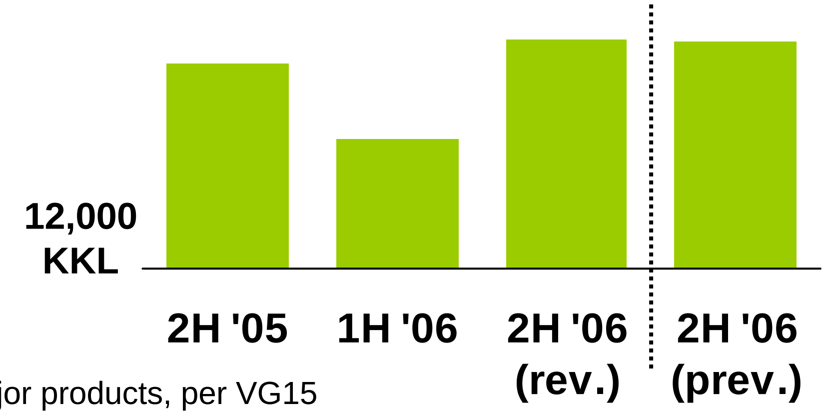
Revised Assumptions for 2H 2006

- Fuels Margins — Slightly lower than 1H ’06 (taking into July crude price increases)
- Fuels Sales volumes — Slightly lower than February forecast, higher than 1H’06
- Chemicals Margins and volumes
  - Aromatics: Lower than February forecast
  - Olefins: Higher than February forecast
- Operating expense — Continuing reduction
- Inventory effects — Assume reversal of all LIFO gain to date, except for ¥50 oku
- Crude cost, FX — 67.6 $/BBL(Dubai), 114.9 ¥/$ -- values as of July-end '06 [for sales revenues only]
- Inventory accounting — LIFO/LOCOM

Unit Margin (Fuels)*



Sales Volume (Fuels)*

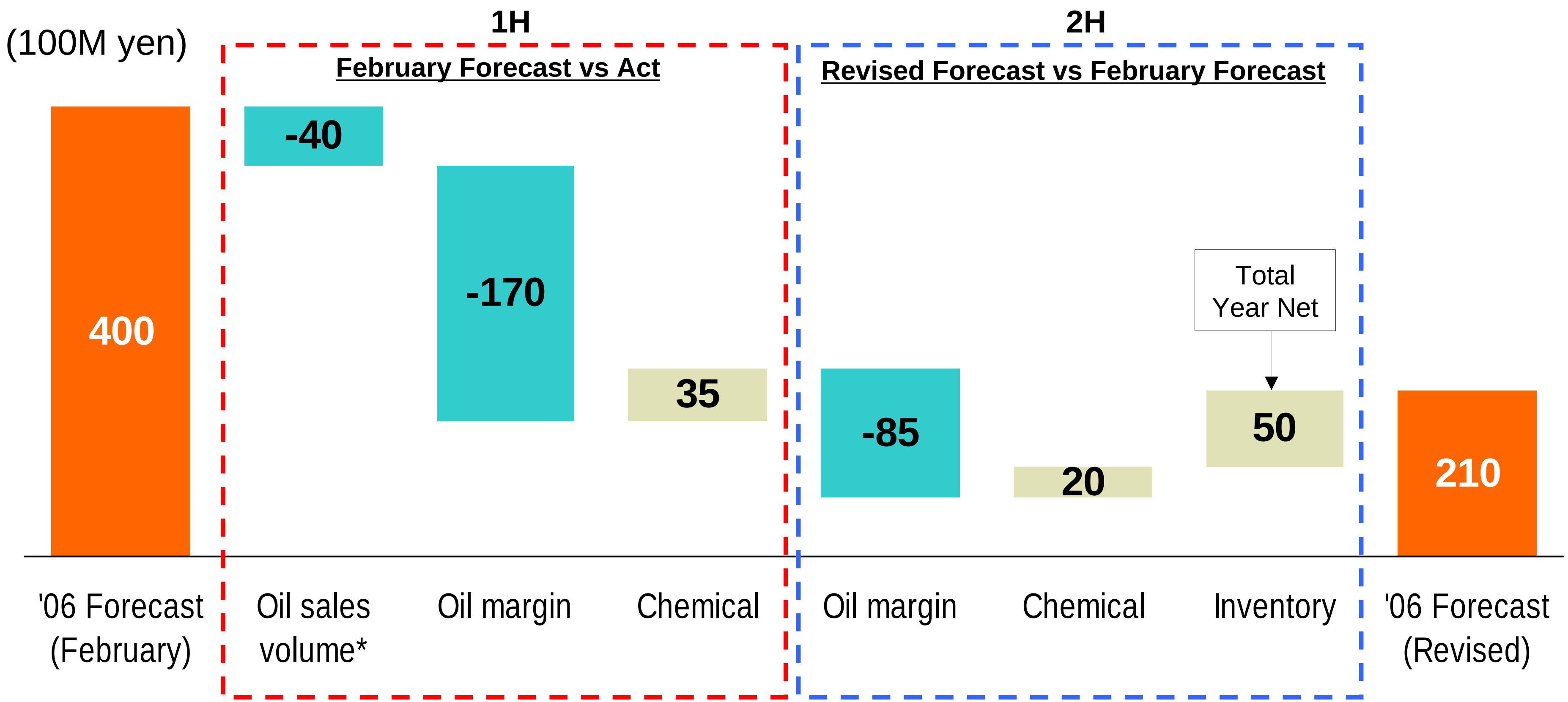


* Major products, per VG15

Factor Analysis of Operating Income

[FY '06 Forecast; Revised vs. February; Consolidated]

- Operating income for full-year 2006 is projected to be ¥190 oku less than the February forecast
- Key reason for change is lower oil margin associated with crude price increases and “one-month lag effects” in crude price recognition

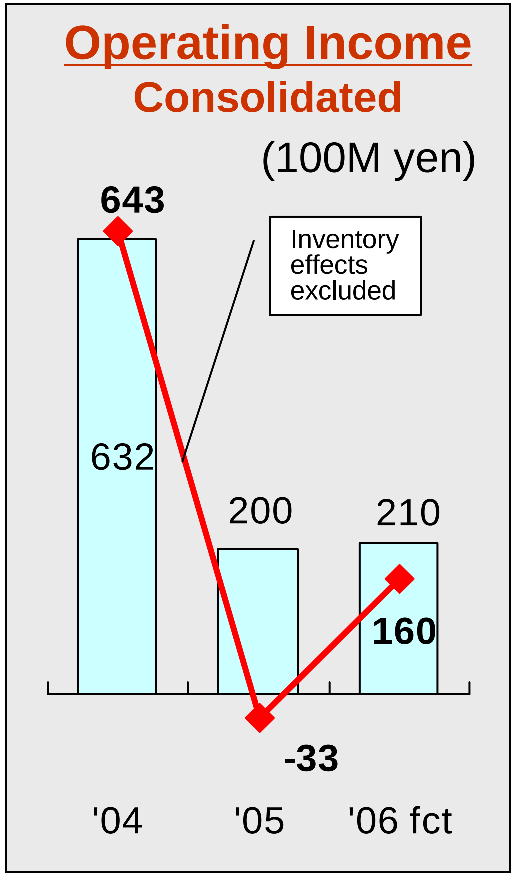


* Major products, per VG15

Revised Earnings Forecast [Consolidated]

- Operating income for full-year 2006, adjusted for inventory profit/loss effects, is projected to increase by ¥193 oku from 2005
  - » Improvement in Downstream more than offsets decline in Chemicals earnings
  - » Projection for 2H Chemicals earnings slightly increased versus February forecast
- ¥50 oku residual positive LIFO effect in 2006, taking into account projected inventory levels; assumes no material change in crude prices during rest of year

(100M yen)	'05 act	**'06 fct.**	1H act.	2H fct.
Sales revenue	28,562	**31,760**	14,798	16,962
Operating income	200	**210**	114	96
Ordinary income	228	**270**	153	117
Extraordinary gain/loss	-24	**-10**	-5	-5
Net income	130	**160**	101	59
Reverse inventory effects	-232	**-50**	-77	27
Adjusted operating income	-33	**160**	36	124
Oil segment and others	-487	-230	-183	-47
Chemical segment	455	390	219	171



Dividend Policy and Projection for 2006

- Philosophy
  - » Maintain appropriate capital structure
  - » Maintain stable dividend payment levels
  - » Consider free cash flows and cash needs; net income coverage
  - » Focus on total return to shareholders

- Financial strength and shareholder focus unchanged
  - » Strong free cash flows and D/E ratio
  - » Project total dividend of 37 yen per share in 2006

    Interim dividend of 18.5 yen per share and year-end of 18.5 yen per share
  - » Continuous close study on various capital structure options in unclear industry environment

Refining & Supply

- Challenge to Global Market -

J. Mutoh

Representative Director, Managing Director, Kawasaki Refinery Manager
Tonen General Sekiyu K.K.

Strategic Focus

- Secure safety and environmental protection

- Promote profit improvement initiatives
  - » Raw materials flexibility
    - Process “Challenged” Crude, New Crude, Condensates

      *) Crude oil whose price is discounted because of technical processing challenges

  - » Increase exports
    - Taking advantage of ExxonMobil global network

- Capital investments to Enhance Competitive Edge

Secure Safety and Environmental Protection

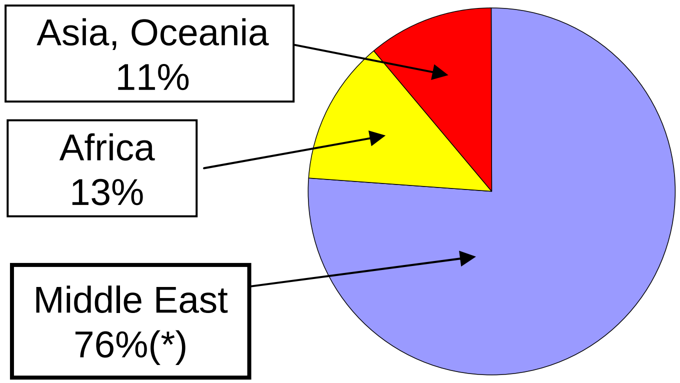
- Safety performance improvement
  - Top priority in operation
  - Utilize ExxonMobil’s comprehensive system
    - Operations Integrity Management System (OIMS)
    - Loss Prevention System (LPS)
  - An incident at Sakai in April deteriorated reliability record in 1H ‘06
    - Further improvement in effectiveness of the safety system underway

- Environmental protection
  - Steady energy conservation efforts
    - Enhancing Global Energy Management System by focusing on factors influencing to energy consumption
  - Air & water pollution prevention
    - Survey for emission level of Volatile Organic Compounds (VOC)
      - Effective survey of VOC emission level using latest gas imaging technology
      - Proactive action following international standard (US EPA)
    - Stricter self standards for SOx and NOx emission level
- Effective internal control
  - Control Integrity Management System (CIMS)

Profit Improvement: Raw Materials Flexibility

- Process Challenged Crude, New Crude, Condensates
  - » Maximizing capability of existing facilities to secure high margin crude
  - » Utilize crude supply network of ExxonMobil
    - Crude source diversified to Africa, Sakhalin, etc.
    - Enjoy supply flexibility of equity crude
      - – Newly developed crude (Sokol) from Sakhalin 1 in 2H06
        - » ExxonMobil has 30% interest in Sakhalin 1 project
        - » Extra light grade
        - » Low sulfur
        - » Logistics advantage
        - » Can ship during winter time

Crude Import Source by Region (1H2006)



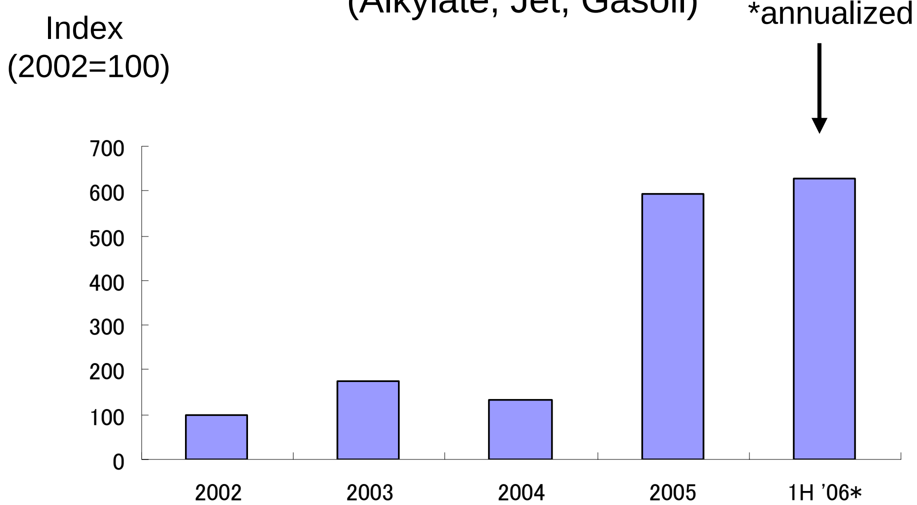
(*) 1H2006 Industry Ave. 88%

Profit Improvement: Increase Exports

- Background of increase in export
  - Excess refining capacity versus demand
  - Japanese quality specs meet or exceed the requirements for majority of countries
  - Markets for Japan export
    - Emerging opportunity in Americas due to spec change
    - Europe is structurally short of diesel/heating oil
    - AP likely to be long term principal market

- Taking advantage of ExxonMobil global network
  - Strategic System Move
  - ADO/Jet export for profitability improvement

Trend of Export Volume
(Alkylate, Jet, Gasoil)



Capital Investments to Enhance Competitive Edge

- Raw materials flexibility
  - » Increase flexibility of raw materials due to installation of new unit to produce low sulfur petroleum products
  - » Capture challenged crude incentives by material upgrading and inhibitor injection
  - » Increase condensate processing capability
- Export increase
  - » Berth expansion
  - » Tank assignment for export vessel
  - » Loading speed enhancement
- High value products & cost reduction
  - » Capacity enhancement of secondary units (FCC / CCR) to increase production of value added products
  - » High quality/ High value added Lube production
  - » Energy efficiency improvement
    - Improve energy efficiency by installing FCC Expander Turbine for power generation using emission energy

New unit
at Wakayama
to produce low sulfur
petroleum products

Chemicals

–Well Positioned for the Future

D.L. Schuessler

Representative Director, President,
Tonen Chemical Corp.

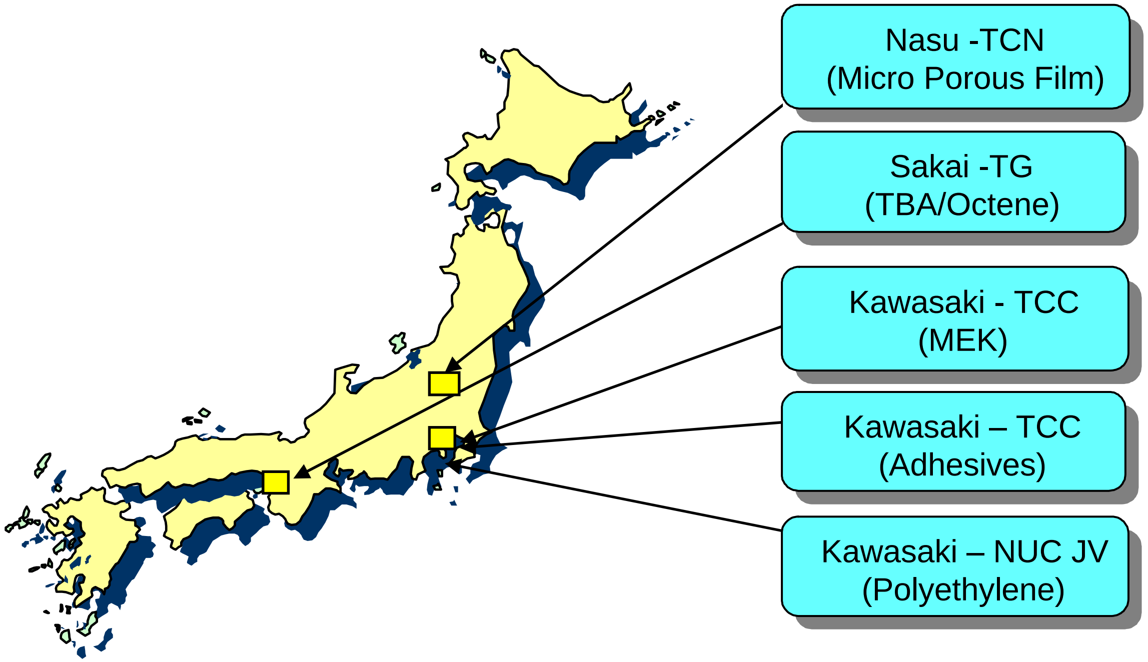
Representative Director and Vice President,
ExxonMobil Y.K.

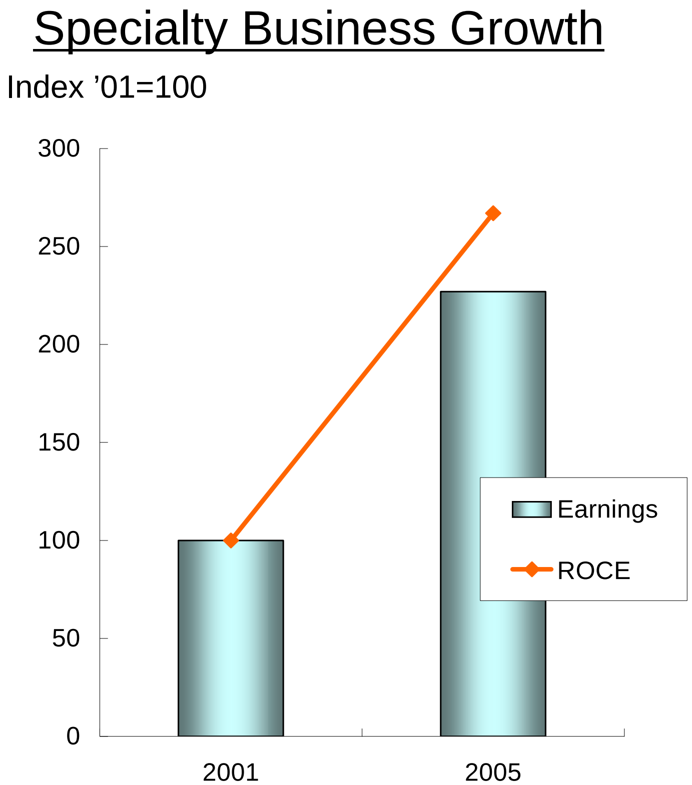
Strategies have positioned the business for the future

- Grow our specialty business segments-Micro Porous Film, Intermediates, Polyethylene and Adhesives

- Enhance cost competitiveness for Olefins and Aromatics to be the most efficient supplier in Japan through
  - High return/ low cost capacity debottleneck projects
  - Feedstock optimization, through capitalizing on strong synergies with downstream operations
  - Focus on cost management and reliability improvement

Specialty Business Growth

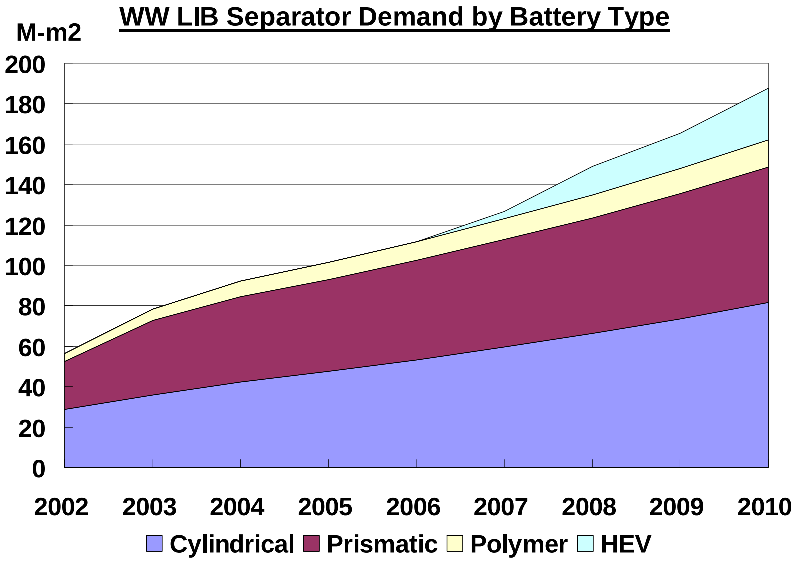




- Specialties earnings growth driven by recent investments in additional capacity

- Continue to pursue opportunities for selective specialty business segment capacity debottleneck

Micro Porous Film (MPF) Business Strategy



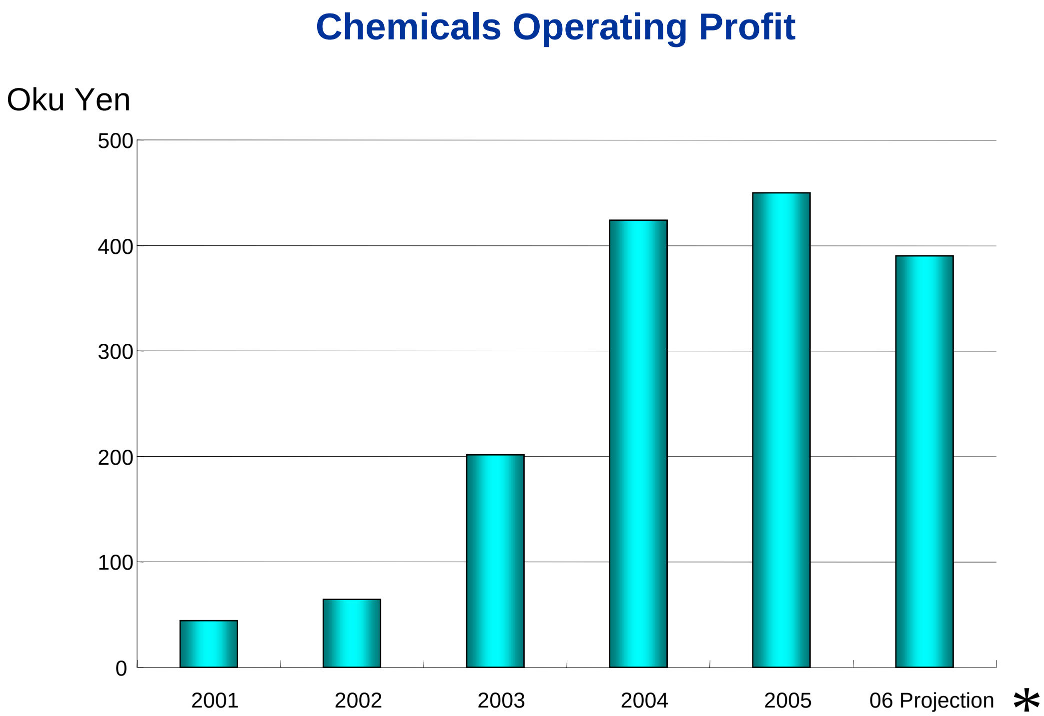
Lithium Ion Battery (LIB) Separator Demand Growth

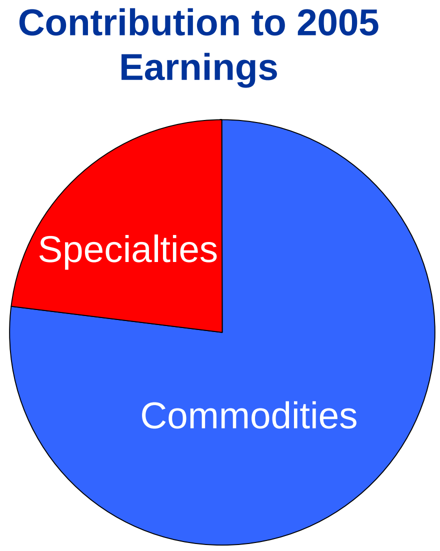
- LIB separator: 107M-m2 market in ‘05
  - » 15%+ growth led by demand for cell phone, notebook PC and new power tool application
- Introduction of LIB in Hybrid Electric Vehicle (HEV) expected in ’08/’09

MPF Strategy

- **Successful start-up of new two production lines to meet market demand growth**
- **Developing new applications for further growth**
  - » **Hybrid Electric Vehicle Lithium Ion Battery application in synergy with ExxonMobil Chemical Research & Development**
- **Maintain intellectual property & technology leadership**

Strategies have delivered increase in Chemical Earnings

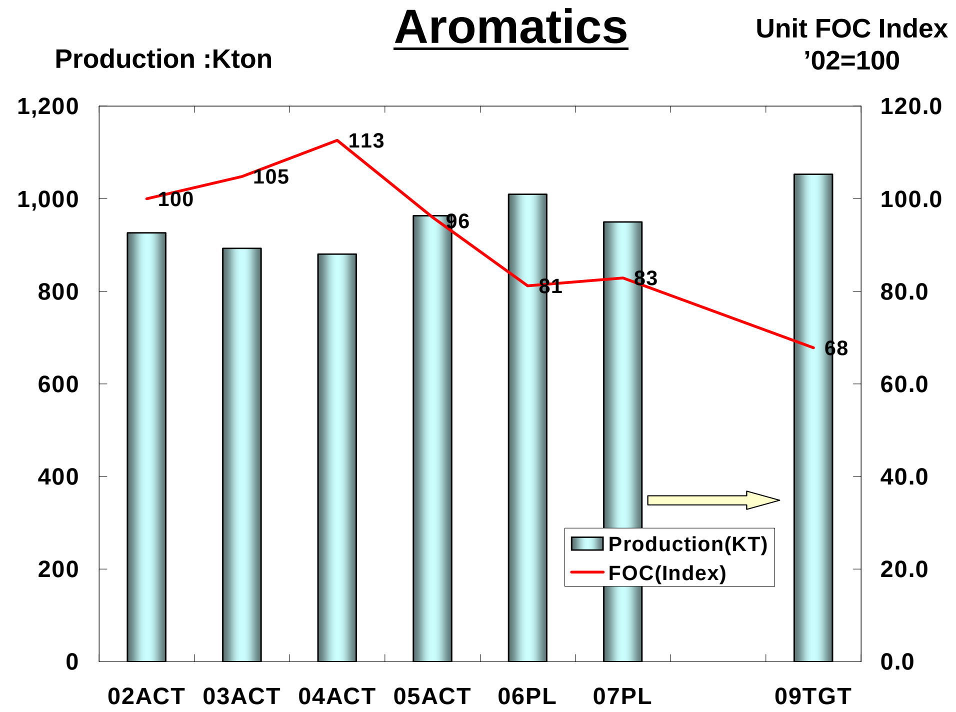


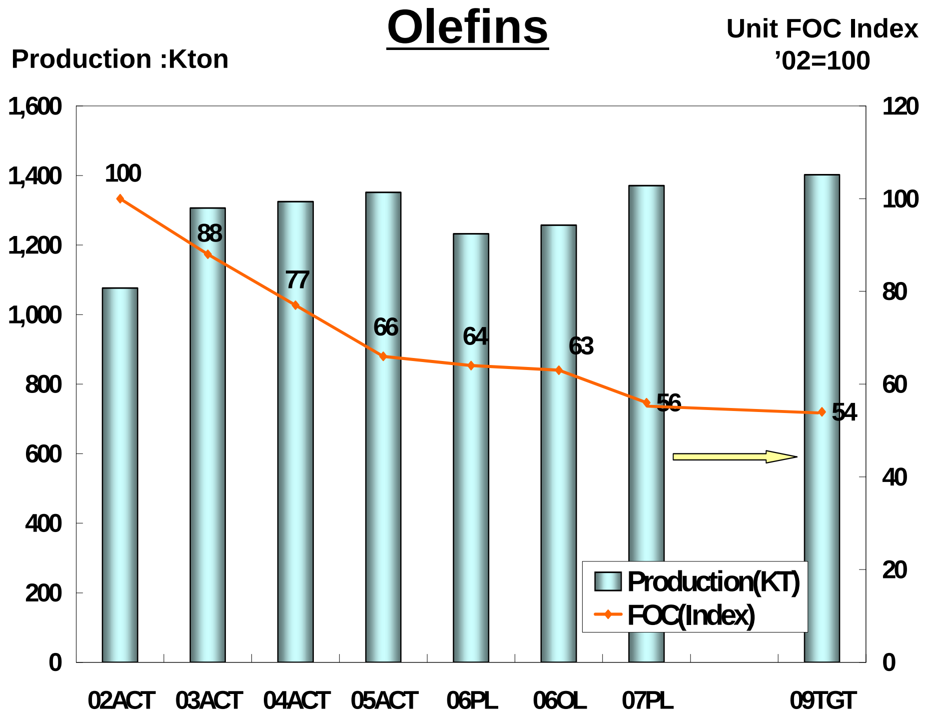


*Projection Profit decreases mainly due to TCC Kawasaki TA in 3Q, '06

- Commodities earnings improved through volume growth, cost reduction, feedstock optimization, and improved market environment
- Specialties earnings growth driven by recent investments in additional capacity

Aromatics /Olefins Competitiveness Improvement



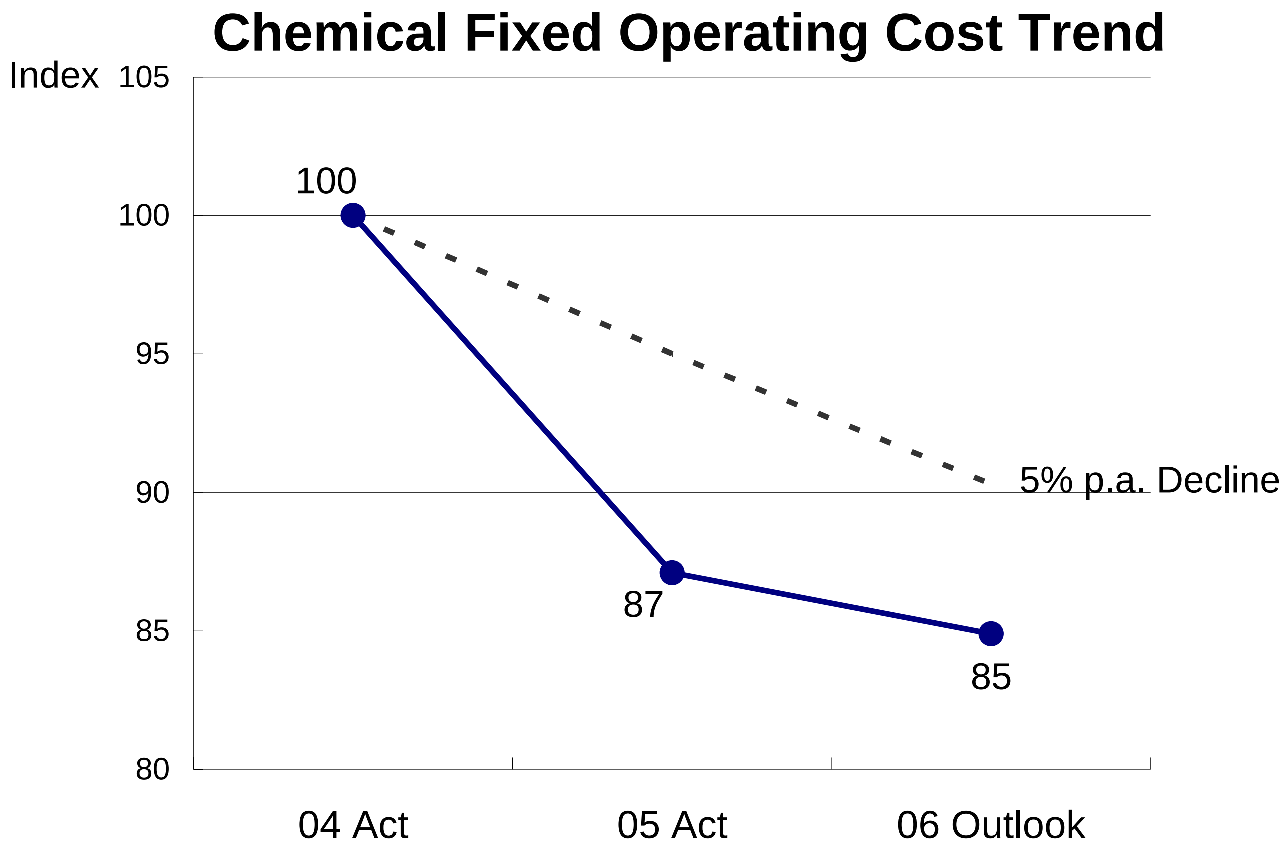


■**Aggressive cost reduction and "Capacity Debottleneck/Energy Projects" (200+kta 2002-2008 plan) improving Aromatics/Olefins competitiveness**

- » **Wakayama /Sakai Aromatics Capacity Debottleneck Projects**
- » **Kawasaki Propylene Recovery Project**
- » **Refining/Chemicals Synergies**
- » **Continued decrease in Fixed Operating Cost (FOC)***

*Fixed Operating Cost: Opex excluding variable cost

Continuous Focus on Cost Management



- We have surpassed our 5 %/year target for fixed operating cost reduction through restructuring and refining/chemicals synergies