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

February 20, 2007
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 — D. G. Wascom
- 2006 Business Results and 2007 Financial Forecast — W. J. Bogaty
- Refining & Supply — J. Mutoh
- Marketing — Y. Miyahara
- Chemicals — D. L. Schuessler
- Q&A

Business Overview

D. G. Wascom

Representative Director, Chairman and President,
TonenGeneral Sekiyu K.K.

Japan Chairman of ExxonMobil Group Companies

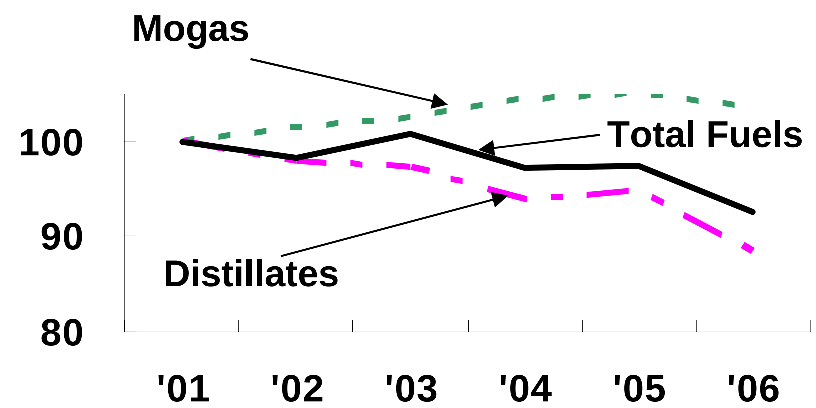
Industry Overview

- Downstream oil business environment in Japan
  - Mature domestic product demand
  - Surplus capacity
    - 15-20% surplus in topping capacity
    - Low Mofuel sales per SS vs International standard
  - Product price movements have not fully absorbed crude price increases
    - Dubai FOB price +32% vs '05; Mogas +17%
  - Impact of environmental protection measures
    - Product spec changes
  - Growing opportunities for product export

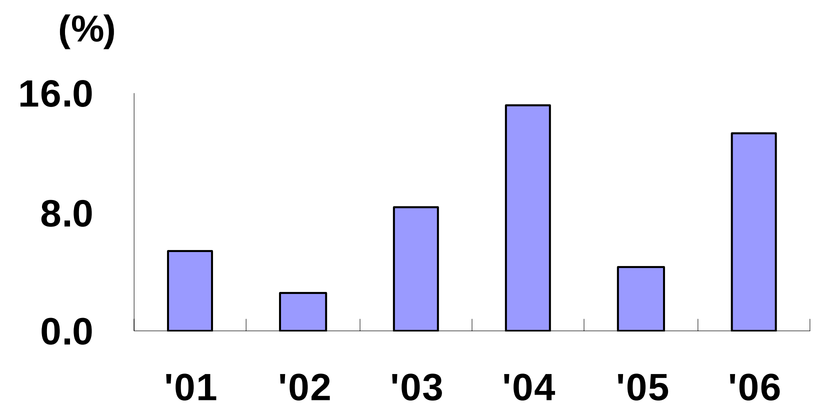
- Chemicals business environment
  - Strong demand continues on global basis
  - "Cyclical" nature of basic chemicals profitability
  - Full optimization of specialty chemicals

- TonenGeneral continues to respond to industry challenges
  - 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
  - Focus on core business and growth where we have competitive advantage
    - Through key business strategies – described next

Domestic Product Demand
('01 = 100)



Trend of Return on Capital Employed (ROCE)
(Consolidated)



ROCE: Net income before interest and after tax /
(Average shareholders' equity+Average net debt)

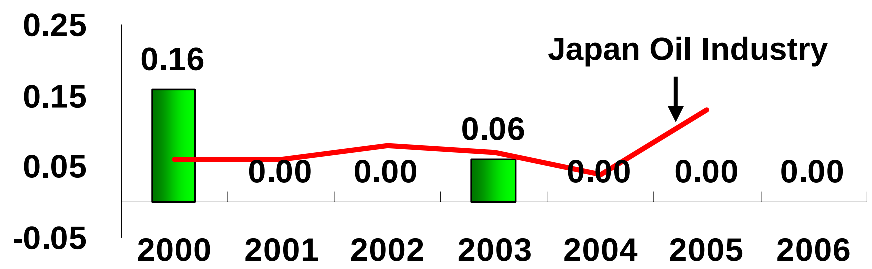
Business Strategy

- Fully Integrated business approach across our businesses
  - Pursue optimized integrated economics across the entire business: Refining & Supply, Marketing, and Chemical
  - Optimized mix of feedstock, product supply, and market channels for the highest added-value
    - Pursuit of highest profitability (not necessarily market share) – while meeting the supply expectations of our customers and partners in Japan
  - Key component to enable success : use the competitive advantages of our membership in ExxonMobil Group to optimize our feedstock and product slates
    - Global refinery optimization models
    - Global technical knowledge/experience in using feedstocks with unusual characteristics
    - Global supply network and market knowledge – expert trading in refined and semi-refined products
    - Global freight flexibility
- Refining: Targeting World-class Efficiency
  - Promote profit improvement initiatives (raw materials flexibility, enhancement of export capability)
  - Targeting optimal full use of facilities & investments
    - Full and most profitable use of all upgrading facilities (including new equipment on-line in 2007)
    - Focus on optimal feedstocks for each unit and for all units as a system
- Marketing: Differentiation
  - Continue to lead the format shift to self serve at the lowest cost in the industry – Expand “Express” brand
  - Business alliance with top brands (Doutor Coffee, Seven-Eleven Japan)
- Chemical: Manage the cyclical nature of Chemical business
  - Pursue maximization of Chemical & Refining integration synergies, including feedstock selection
  - Grow speciality business segments

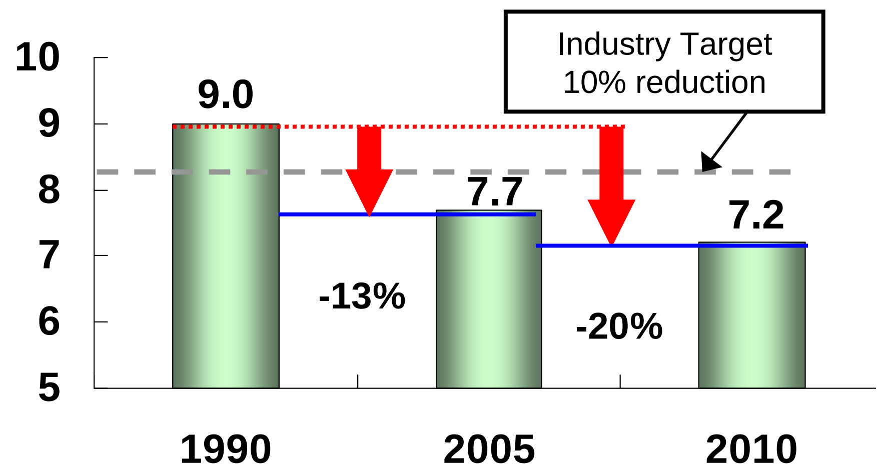
Corporate Citizenship

- Safety
  - » Top priority in all our activities
  - » Commitment to our vision: "Nobody Gets Hurt"
  - » 3rd consecutive year without any employee incurring a Lost Time Injury
- Environmental Protection
  - » Our vision: "Protect Tomorrow. Today."
  - » Implement action plans to improve environmental performance
    - Green House Gas emissions reduction
      - – Already achieved PAJ voluntary action plan
    - Industrial waste reduction
    - Volatile Organic Compounds (VOC) emissions reduction
- Governance and Integrity
  - » Another foundation of our business
  - » Board resolution reconfirmed our rigorous internal governance system and our compliance with the new Company Law which became effective in May, 2006
  - » Periodic refresher training for employees

Lost Time Injury Rate of Employees (#/ 0.2Mil Hrs)
(Refining and Supply)



Unit Energy Consumption in refineries



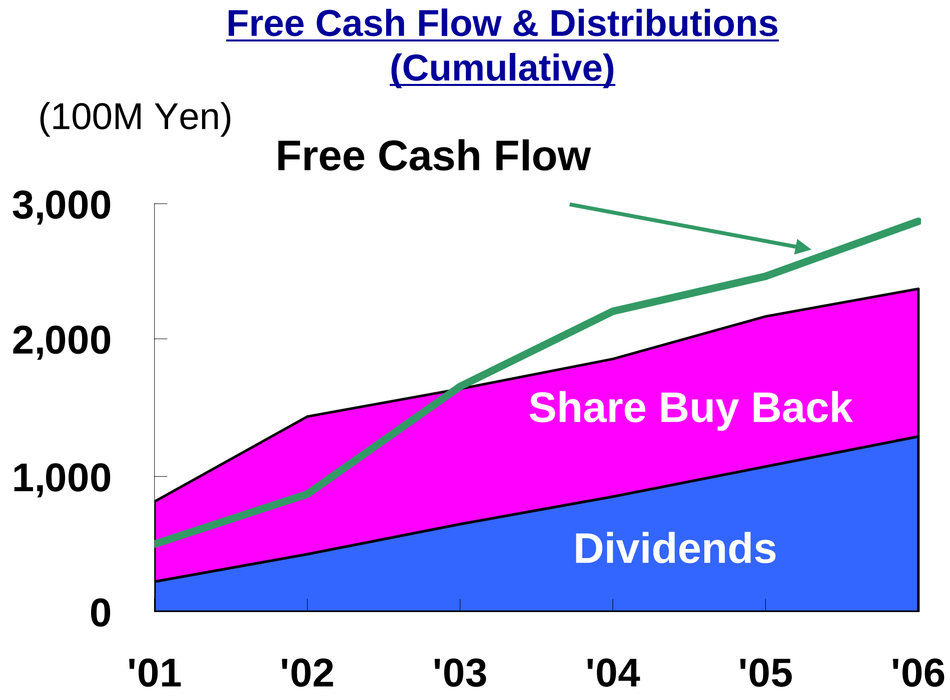
Energy consumption (KL)/ APS throughput (KKL)

Superior Shareholder Distributions

- Our principles
  - » Company cash flow not required in our business should be returned to shareholders
  - » Balance long-term shareholder value with distributions

- From cash flow generated in the last 6 years：
  - » 126G yen for capex
  - » 238G yen for distributions (128G 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



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)

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 to meet safety, reliability and enviromental standards

Seek world class efficiency by leveraging ExxonMobil network

- Maximize cash generation for long term returns to shareholders
  - Maintain a long-term view to increase shareholder value
  - Over 100 years in Japan and for the foreseeable future

Targeting industry-leading returns

2006 Business Results and 2007 Financial Forecast

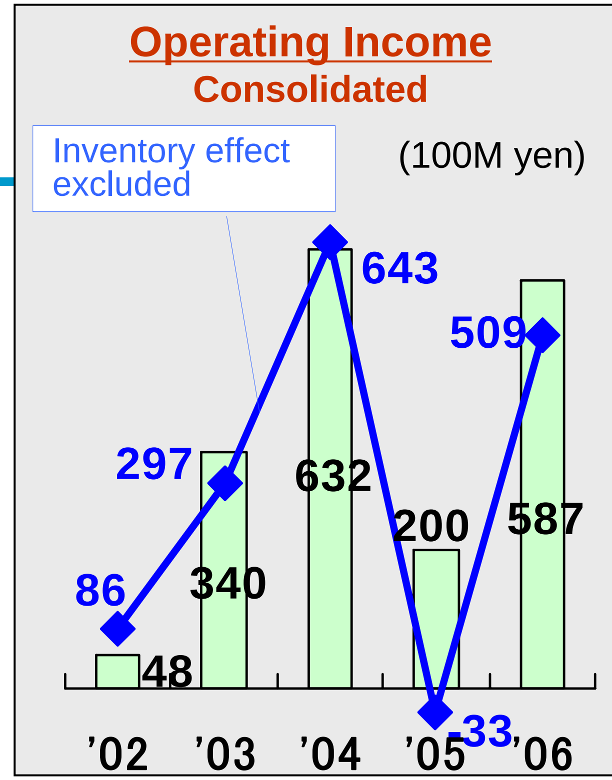
W. J. Bogaty

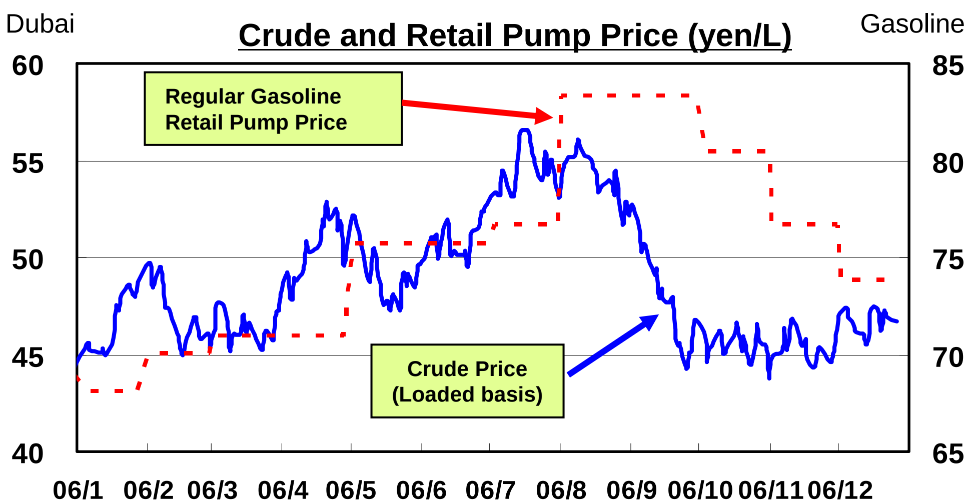
Director,
TonenGeneral Sekiyu K.K.

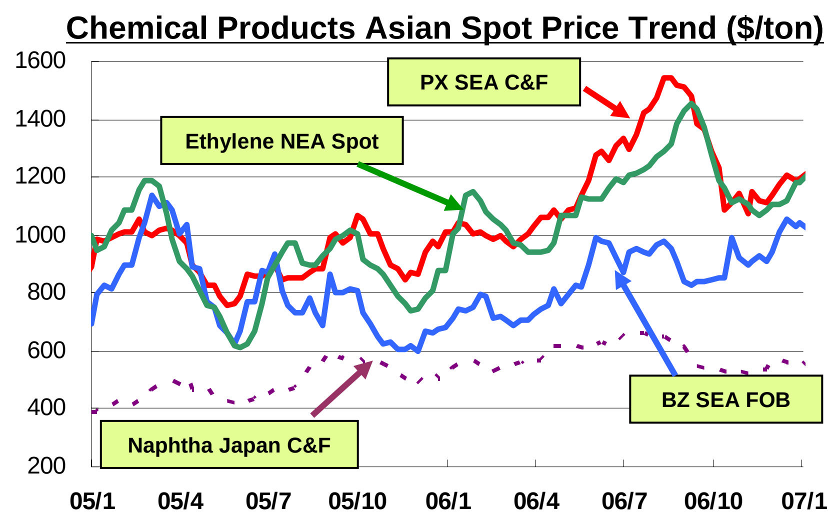
Representative Director and Vice President,
ExxonMobil Y.K.

Business Highlights

- Operating income significantly improved from the previous year
  - » Downstream margin increased
    - Negative effect from prompt crude cost recognition, but less than ‘05
    - Spread between crude price and retail price widened in 2H
  - » Chemicals continued to contribute to profits
    - Good Olefins and PX performance supported by strong demand
    - BZ price increase in 4Q
  - » OPEX reduction on plan
  - » Positive inventory effect
  - » No revision to total dividend payment of 37 yen per share for the year







* Source: Platt’s, The Oil Information Center, etc.

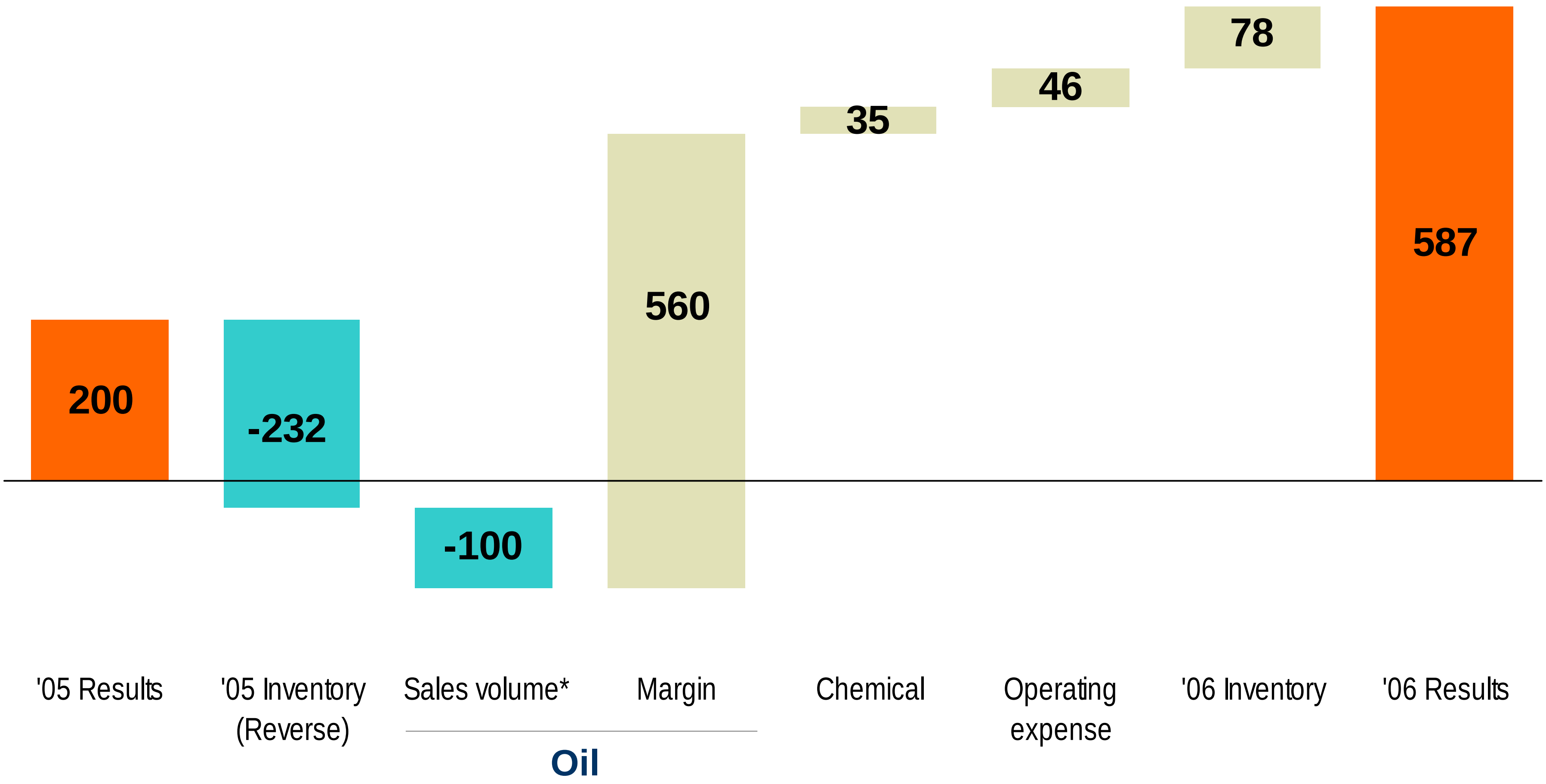
Earnings Results [Consolidated]

(100M yen)	'05	'06	Inc./Dec.
Sales revenue	28,562	**30,788**	2,226
Operating income	200	**587**	387
Ordinary income	228	**660**	432
Extraordinary P/L	-24	**-33**	-8
Net income	130	**398**	268
Reverse inventory effects	-232	**-78**	154
Adjusted operating income	-33	**509**	541
Oil segment and others	-487	14	502
Chemical segment	455	494	39

Factor Analysis of Operating Income

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

(100M yen)



* Major products, per VG13

Sales Volume/ Capacity Utilization

- Domestic fuel sales decreased versus FY 2005, while exports increased
- Industry demand dropped as well, especially in Kerosene due to warmer winter and in Fuel oil due to energy shift in industrial sector
- Lower Chemical production: Turn-around at Kawasaki and Sakai

Oil Products (Consolidated, Excluding Barter)

(KKL)		2005	2006	Inc./Dec.	Industry Inc./Dec.
by Product	Gasoline	12,204	**11,775**	-3.5%	-1.1%
	Kerosene	4,539	**3,797**	-16.3%	-11.2%
	Diesel fuel	5,005	**4,333**	-13.4%	-1.7%
	Fuel oil A	4,066	**3,515**	-13.6%	-11.9%
	Fuel oil C	3,070	**2,734**	-10.9%	-7.2%
	LPG and others	3,477	**2,927**	-15.8%	N/A
by Channel	*General (Marketing)*	*8,600*	***7,480***	*-13.0%*	
	Esso/Mobil/Kygnus	*23,761*	***21,602***	*-9.1%*	
	Sub Total	32,361	**29,082**	-10.1%	-5.4%
	Others*	8,082	**9,303**	15.1%	
	G. Total	40,443	**38,385**	-5.1%	

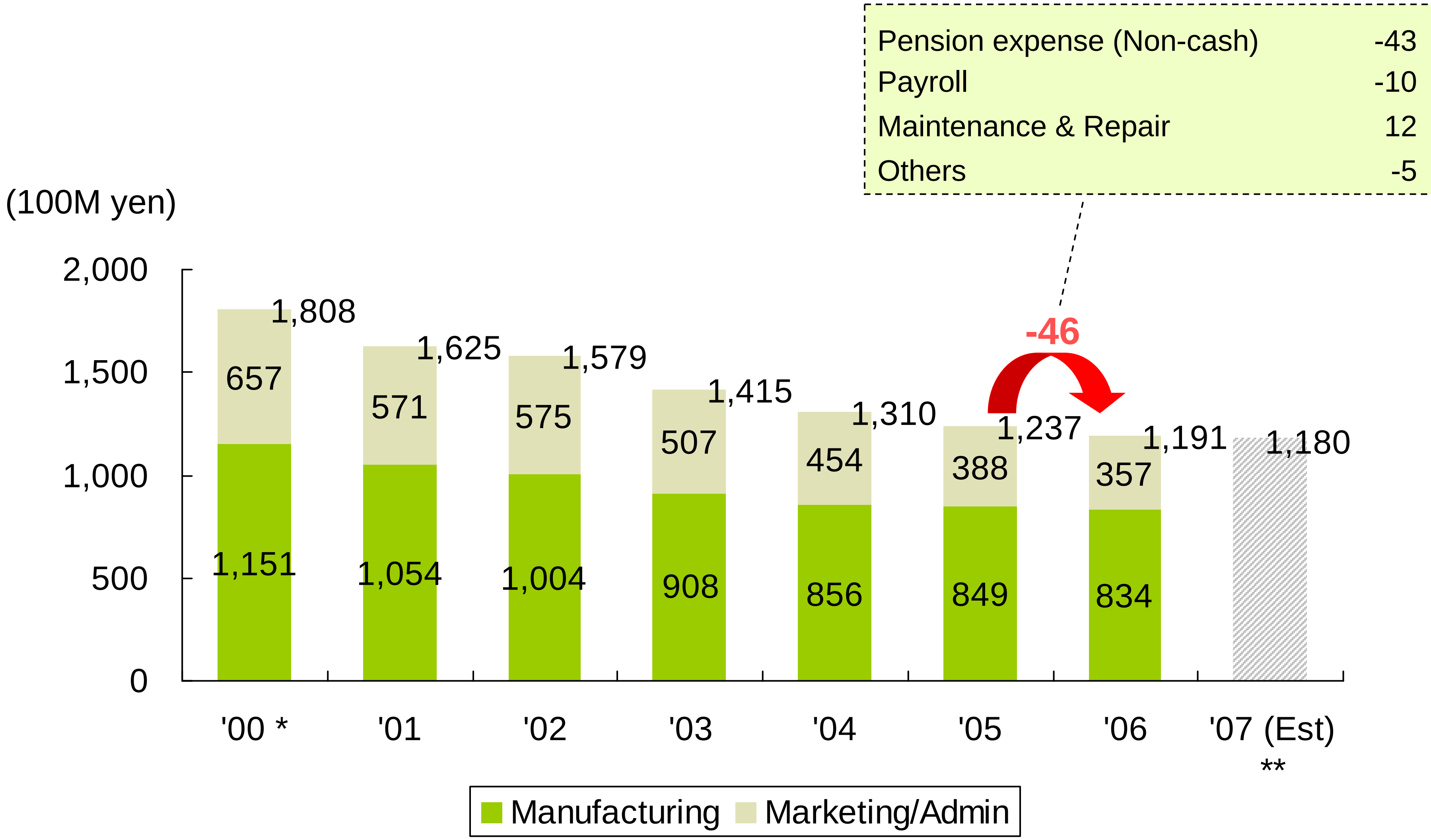
*Others" includes lubes, crude oil, exports, and product exchanges within ExxonMobil Japan Group, etc.

Chemical Products (Consolidated)

(Kton)	2005	2006	Inc./Dec.
Olefins and others (TCC)	1,852	**1,778**	-4.0%
Aromatics (TG)	820	**785**	-4.3%
Chemical Total	2,672	**2,563**	-4.1%

Topper Utilization (Parent/Consoli.) 86%/81% 79%/74% 84%

Operating Expenses [Consolidated]



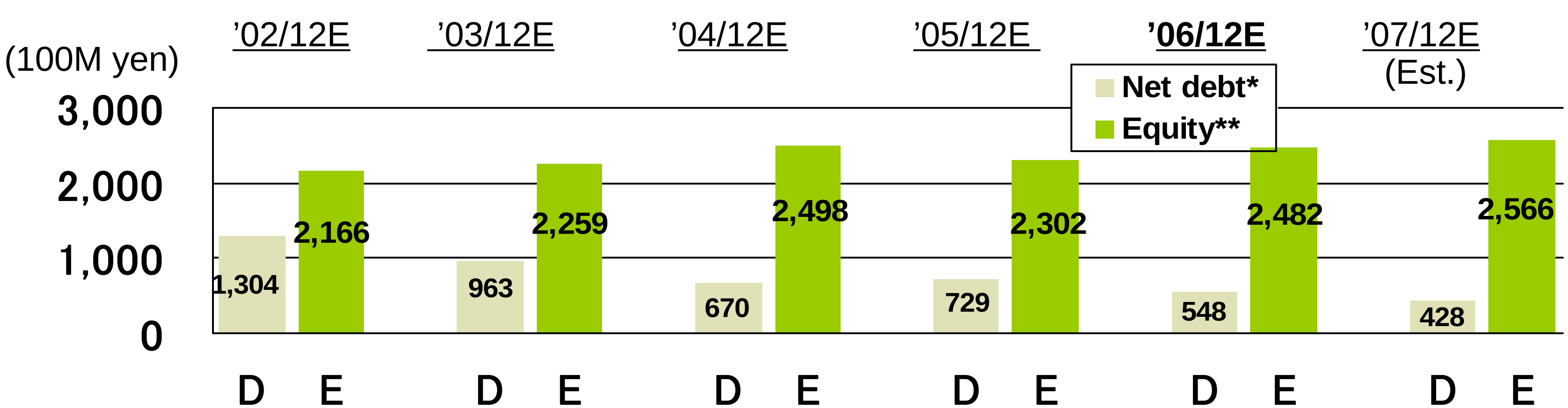
*Tonen+General (unaudited pro forma combined)

**Assuming no change of depreciation rule

Cash Flows, Debt/Equity [Consolidated]

(100M yen)	2006	
Operating / Investing Activities	**407**	
Net income before taxes		627
Net capex / Depreciation		-166
Inventory		-212
TAR/TAP/Gas tax & other payable		308
Others		-151
Financing Activities	**-406**	
Change in debt		-185
Dividend to shareholders		-216
Others		-5
Net Cash Change	**1**	

- Larger Capex due to strategic investments which were financed out of cash flow
- Paid 216 Oku yen dividends
- Financial position remains healthy



Net D/E ratio : 0.60 0.43 0.27 0.32 **0.22** 0.17

* Debt excl. cash and loans receivables ** Net Worth excl. Minority Interests

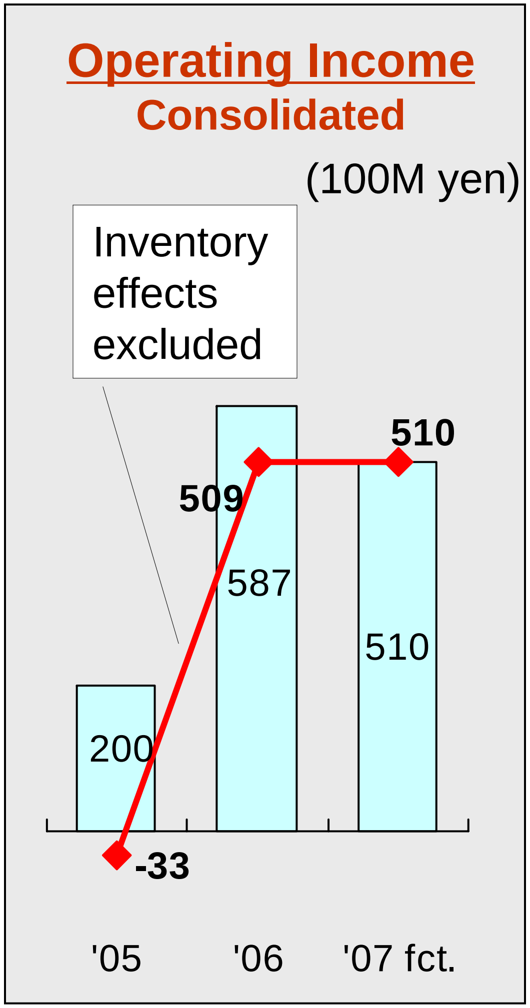
Assumptions for 2007

Fuels margins	Slightly higher than ’06 actuals reflecting our self help efforts (ex crude price leads/lags)
Fuels sales volumes	Total slightly higher than ’06: higher exports and slightly lower domestic sales
Chemicals margins	Lower than ‘06 actuals for both Aromatics and Olefins
Chemicals volumes	Higher than ’06 actuals for both Aromatics and Olefins
Operating expenses	Continuing to decline offsetting higher depreciation
Inventory effects	Assume zero impact in 2007
Crude cost, FX	56.6 $/BBL(Dubai), 119.1 ¥/$ -- values as of year-end '06 [for sales revenues only]
Inventory accounting	LIFO/LOCOM

Earnings Forecast [Consolidated]

- Adjusted operating income for FY ‘07 is projected to be 510 Oku yen
- We assume no benefit or further adverse effect from crude lead/lag effect
- Zero inventory gain/loss assumed

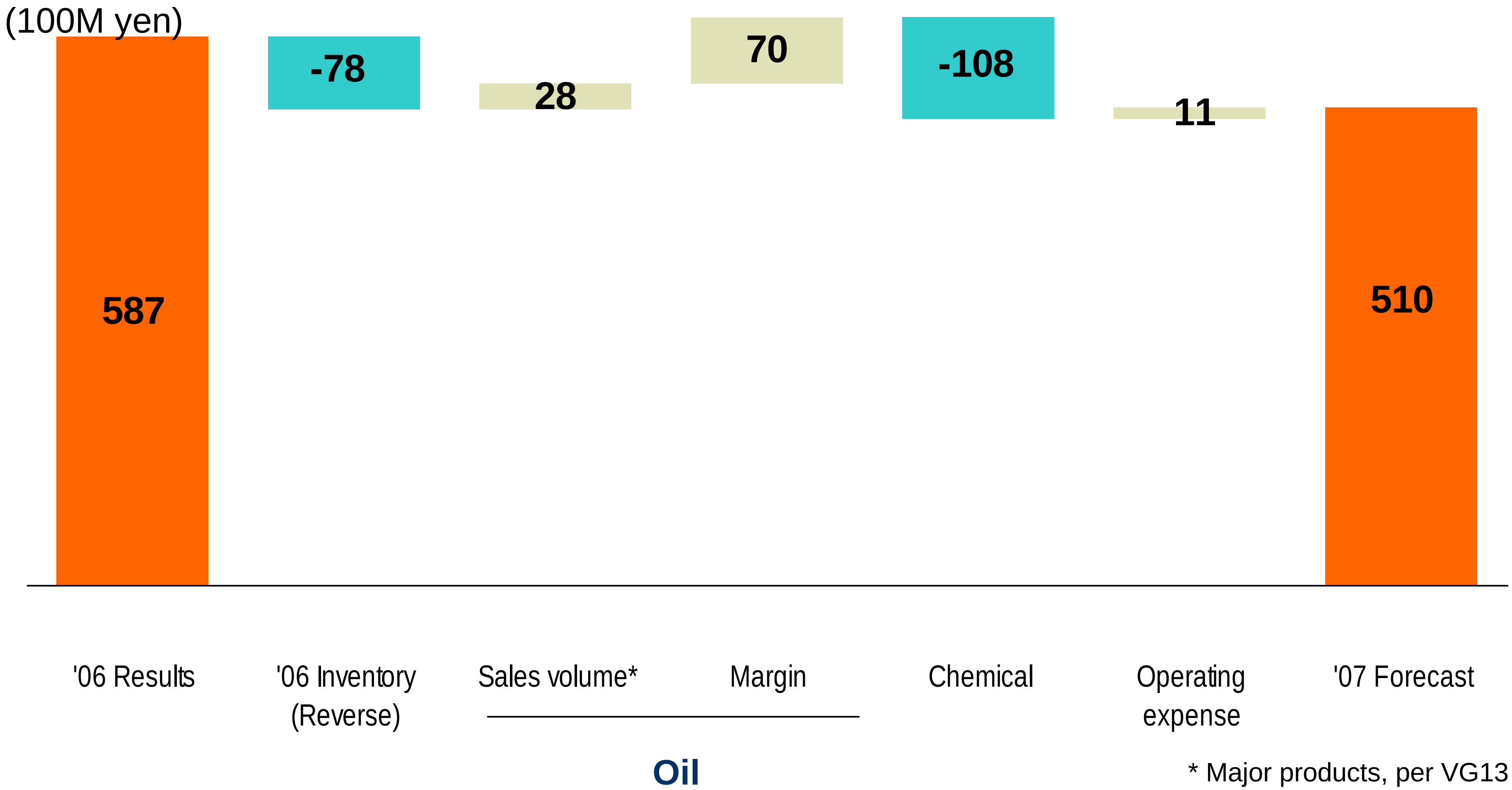
(100M yen)	'06	'07 fct.	1H fct.	2H fct
Sales revenue	30,788	**30,300**	15,100	15,200
Operating income	587	**510**	220	290
Ordinary income	660	**520**	220	300
Extraordinary gain/loss	-33	**-20**	-10	-10
Net income	398	**300**	130	170
Reverse inventory effects	-78	**0**	0	0
Adjusted operating income	509	**510**	220	290
Oil segment and others	14	110	40	70
Chemical segment	494	400	180	220



Factor Analysis of Operating Income

[FY '06 Results vs. '07 Forecast; Consolidated]

- Although Downstream earnings are expected to improve, operating income for full-year 2007 is projected to decrease by ¥77 Oku from 2006 actual due to the anticipated decline in Chemical earnings



* Major products, per VG13

Dividend Philosophy and Projection for 2007

- 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 2007

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

Refining & Supply

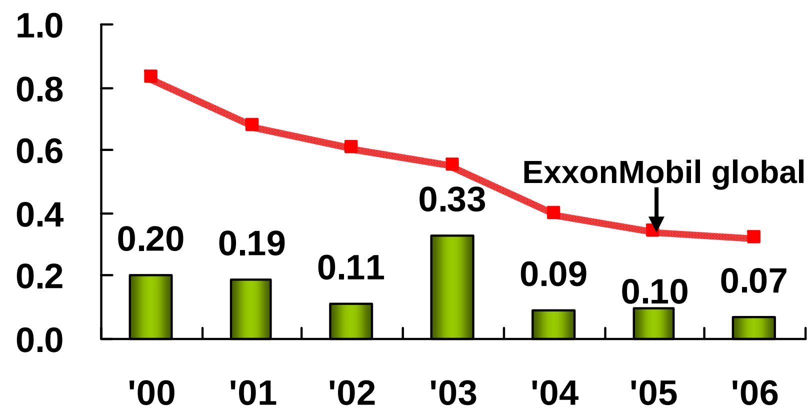
J. Mutoh

Managing Director, Kawasaki Refinery Manager
TonenGeneral Sekiyu K.K.

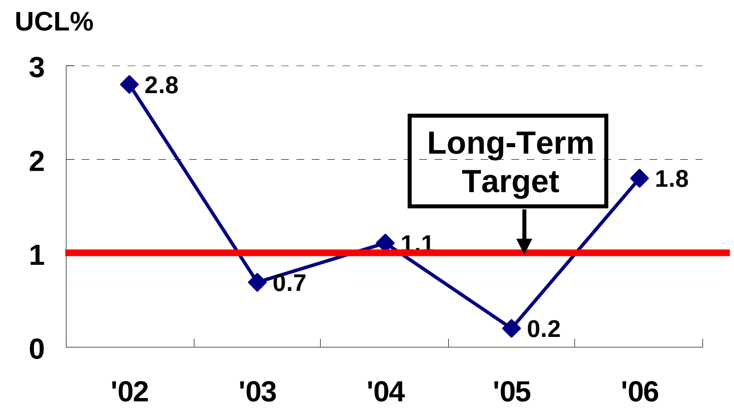
"Flawless Operations"

- Effective use of Operations Integrity Management System (OIMS)
  - "Nobody gets hurt"
  - Trusted members in the communities
- Implement Global Reliability System (GRS)
  - Outstanding record of operational excellence
  - To be the most reliable manufacturing sites in the world
  - To be the most efficient dependable suppliers of quality products
- Implementation of Global Product Quality Management System (GPQMS)
  - Enhance customer confidence in product quality
  - Enhance efficient product manufacturing and effective product quality control

Total Recordable Incident Rate (#/ 0.2Mil Hrs)
(Refining and Supply)



Unplanned Capacity Loss (%)*



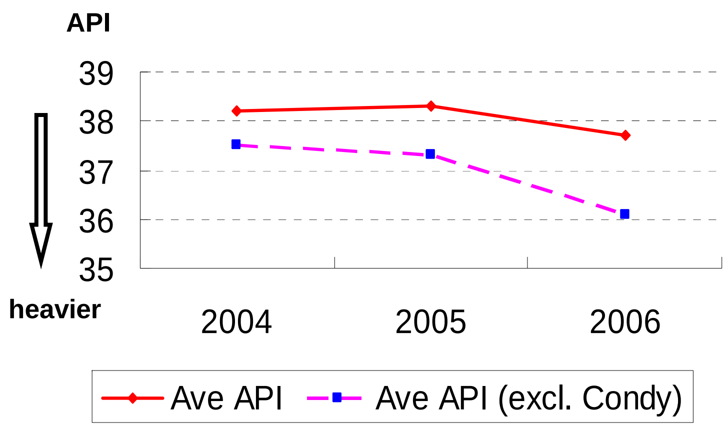
*) Ratio of refining capacity not utilized mainly due to mechanical problems

Raw Material Cost Reduction

Crude Slate "Heavy Up"

- Lt/ Hvy crude price spread widening
- Pursue further crude slate heavy up opportunities
  - » Maximum use of cracking facilities to contend with reduction in domestic distillate demand

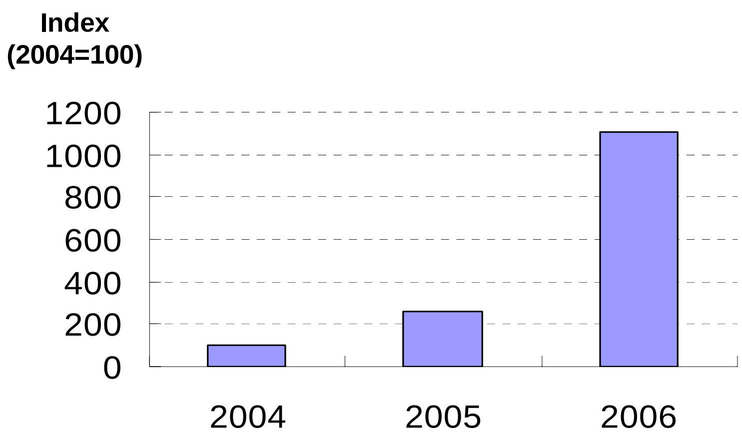
Average API of Process Crude



New Crude/ Discounted Crude Processing

- Some crudes are discounted in the market due to qualities that make them difficult to process
- We have significantly decreased raw materials cost during 2006 by increased processing of Discounted Crudes
- Our capability will continue to expand with the planned facilities upgrades

Discounted Crude Process Volume

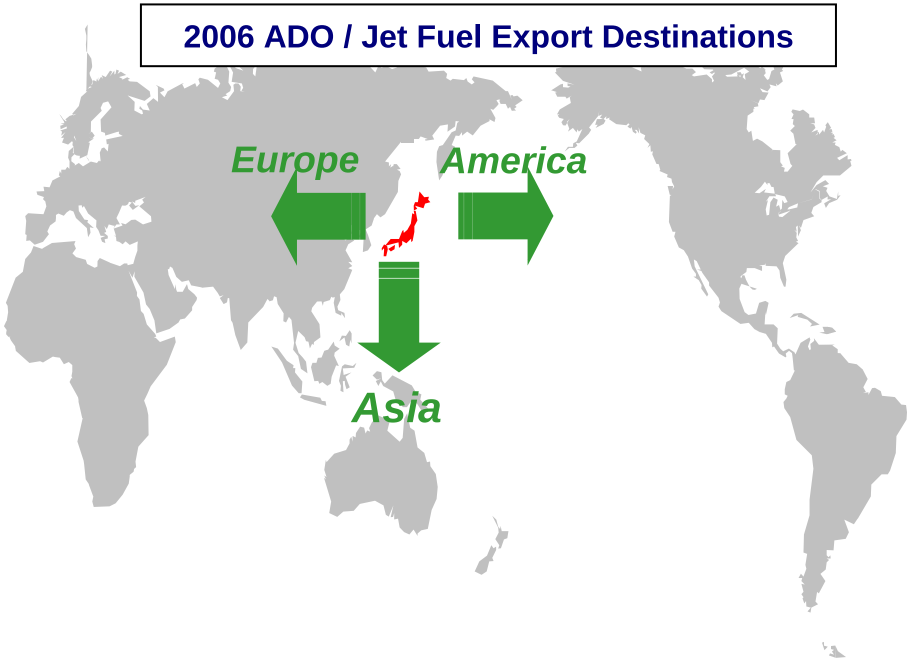


Product Exports

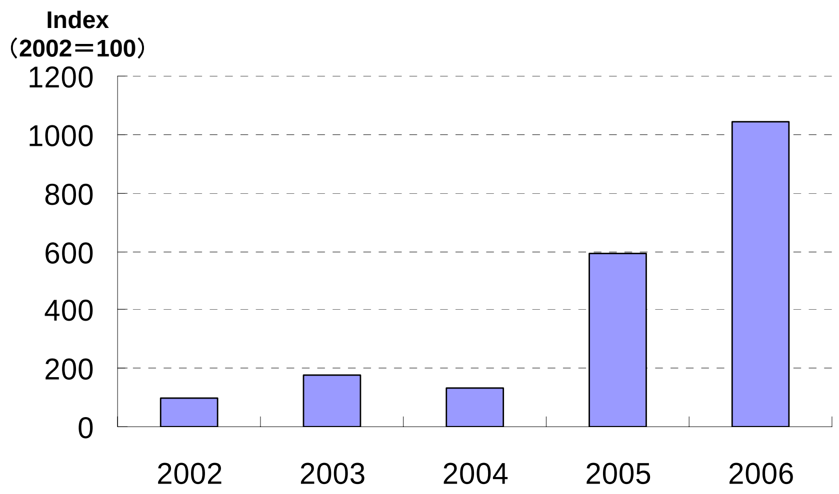
Capturing competitive advantage of ExxonMobil global system

- Increase margins by exporting products, while continually assessing domestic demand to ensure stable supply
- We can increase our supply of niche products to the ExxonMobil international supply chain

2006 ADO / Jet Fuel Export Destinations



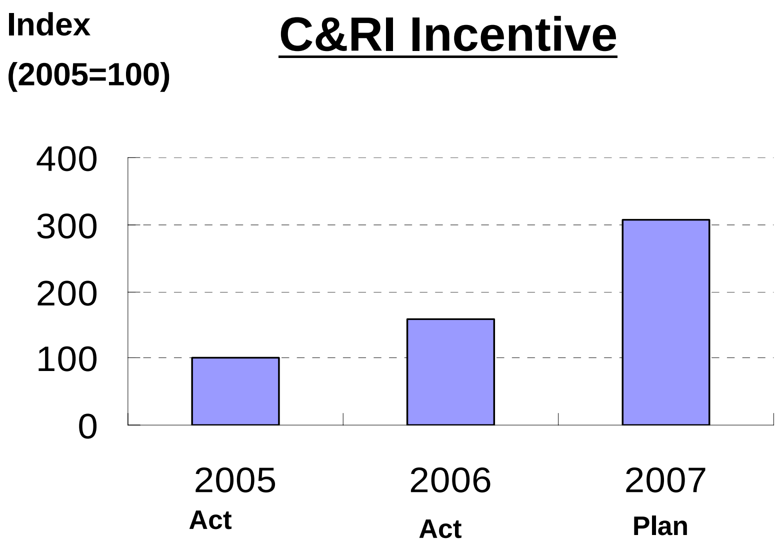
Product Export (Alkylate, Jet Fuel, Gasoil)



Chemical & Refining Integration (C&RI)

Molecule optimization between Refining and Chemical

- Steam Cracker feed diversification
  - » Diversify to lower cost feedstocks for Olefins
    - LPG C4, Condy, Kerosene, etc.
  - » Allows prompt response to market price changes
- Regional optimization of Reformate/ Aromatics
  - » Maximize upgrade of fuels molecules into Aromatics
  - » Utilize return streams for Mogas blending



Effective Asset Management

■ Investment Plan

1) Investing in high return business opportunities

- » Facilities for efficient low sulfur motor fuel production
- » Facilities modifications to process new crude and discounted crude
- » Increase condensate processing capability
- » Enhance export facilities
- » Capacity creep/ Conversion up
  - CCR/ FCC
- » Energy efficiency improvements
- » Shimizu LNG Project

New unit to produce low sulfur petroleum products at Kawasaki Refinery

2) Investing in Safety/ Environment Protection measures

- » Earthquake countermeasures
- » Introduction of Biofuels

■ Asset Divestments

- » Review efficiency and effectiveness of asset utilization regularly

Marketing Overview

Y. Miyahara

Director,
TonenGeneral Sekiyu K.K.

Director,
ExxonMobil Y.K.

Strategic Focus

- Customer Focus:

  Value-conscious motorists who appreciate convenience and innovative concepts (Auto-Enthusiasts and New Pragmatists)

- Winning Proposition:

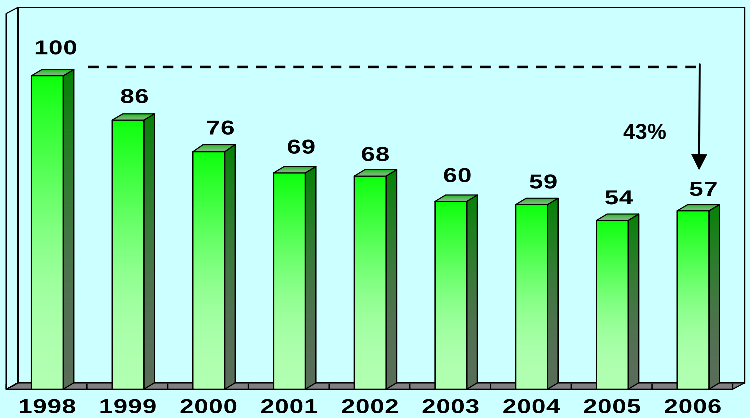
  Lead the format shift to self service by operating at the highest productivity in the industry while providing the quickest and easiest purchase experience in the cleanest and most pleasant facilities

- Key Priorities
  - » 1. Superior Operational Efficiency: eliminate waste providing funds to enhance service & expand Express
  - » 2. RSOI*: leader in on-site and dealer head-office productivity
  - » 3. Network Planning: best sites (divestments, rebuilds, new developments)
  - » 4. Technology: new concepts valued by customers
  - » 5. Alliance: Doutor and 7-11
  - » 6. Express: build the brand
  - » 7. Integrated Business Alignment, including Mobil 1

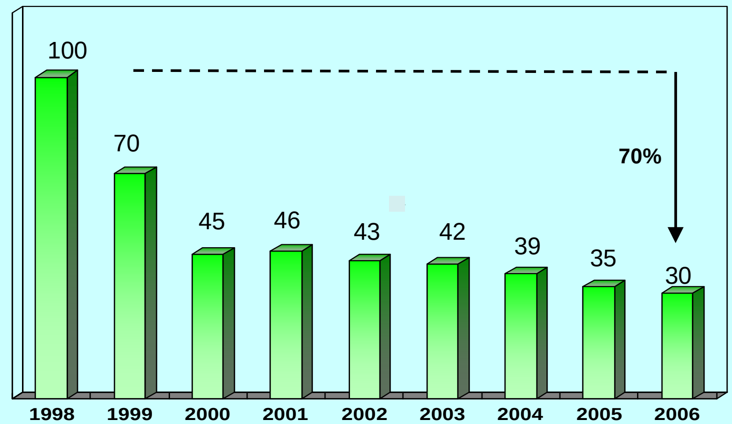
* Retail Site Operating Initiatives: Our retail site operation efficiency improvement program

Superior Operational Efficiency

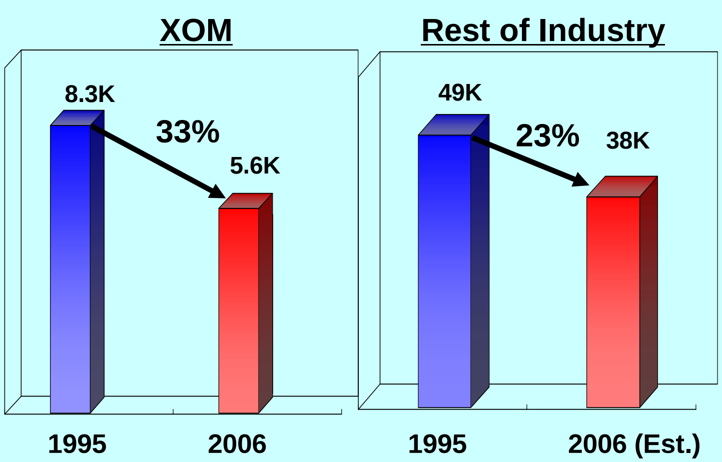
Market Unit Cost Index



Manpower Index



Site Rationalization



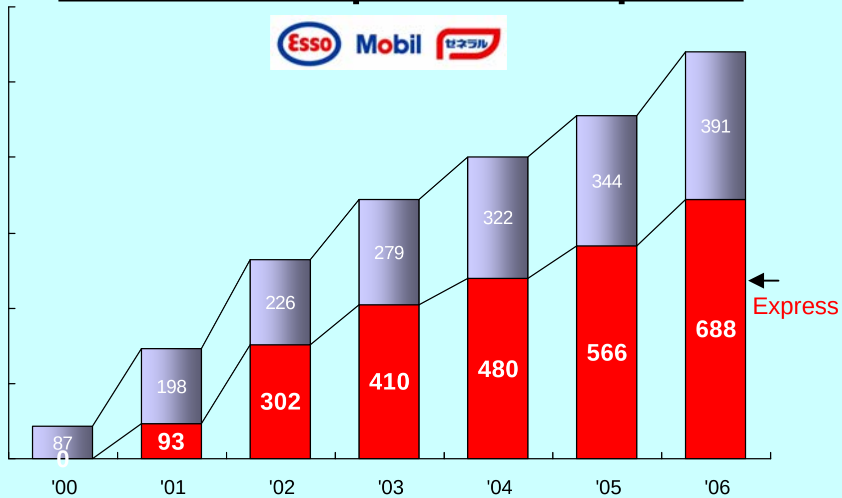
Enablers

- **Network Rationalization:**
  - **57 COSS(*) & 330 DOSS(*) in 2006**
- **Fleet Efficiency :**
  - **"Order Practice Alignment Project"**
  - **"Fleet Optimization"**
- **Effective restructuring of marketing organization**

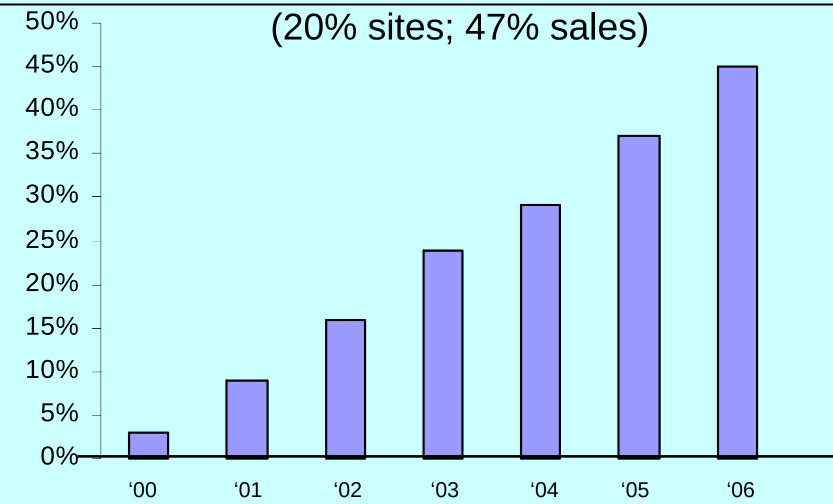
(*) COSS: Company Owned SS
DOSS: Dealer Owned SS

Express: Branded Self-Serve Sites

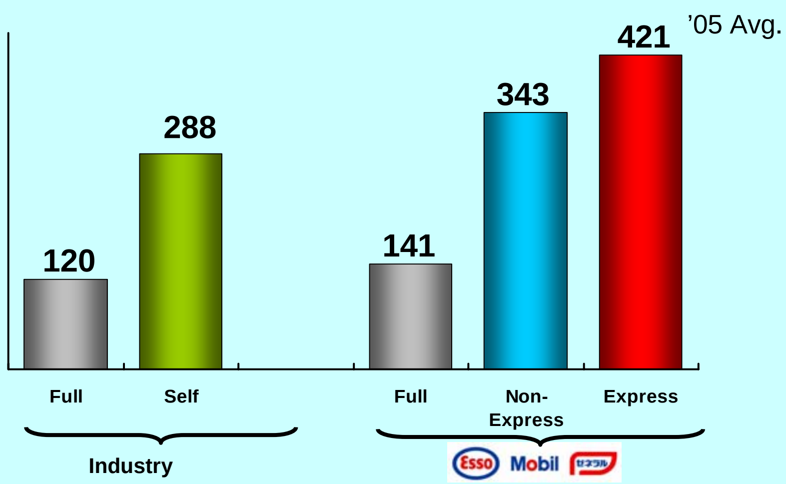
Self-serve / Express Development



Self-serve Percent of Total Motor Fuel Sales



Motor Fuel Thruput (k liters/Mo/SS)



JD POWER: Self Service Leader

Express: Synergy with Top Brands

Mobil 1 Center

- Developed “easy and quality” by offering Mobil 1 lubricants

  (84 sites opened by the end of 2006)

Doutor

- Continuous focus on drawing all customers; fuels customers
  and Doutor customers by offering cross promotions on Video Pumps

  (110 sites opened by the end of 2006)

Seven-Eleven

- Pilot almost complete; Expect to rollout in 2007

  (11 sites opened by the end of 2006)

Chemical

D.L. Schuessler

Representative Director, President,
Tonen Chemical Corp.

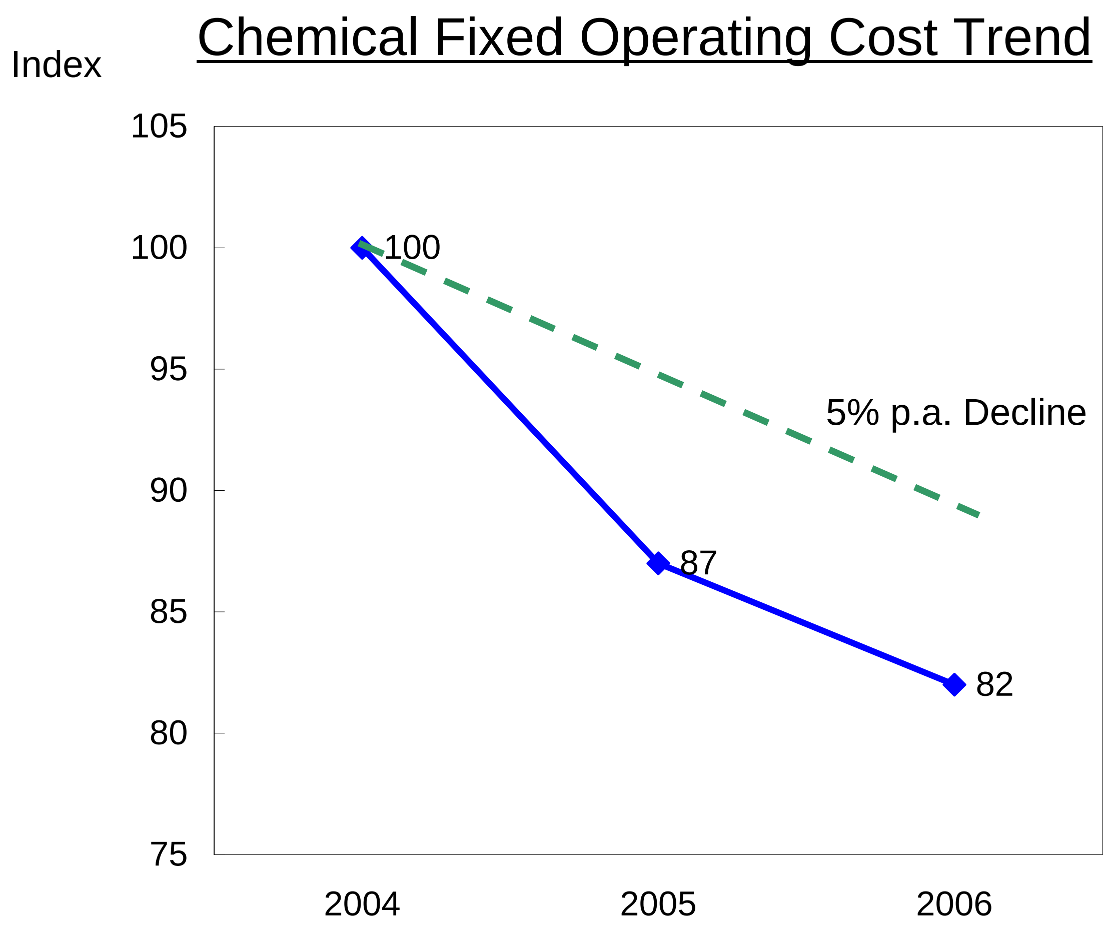
Representative Director and Vice President,
ExxonMobil Y.K.

Specialties Growth and Commodities Optimization

- Grow our specialty business segments-Micro Porous Film, Intermediates, Polyethylene and Adhesives
  - Micro Porous Film (MPF) capacity growth
  - Methyl Ethyl Ketone (MEK) capacity creep
  - Specialty Polyethylene (PE) capacity creep
  - Adhesives capacity creep

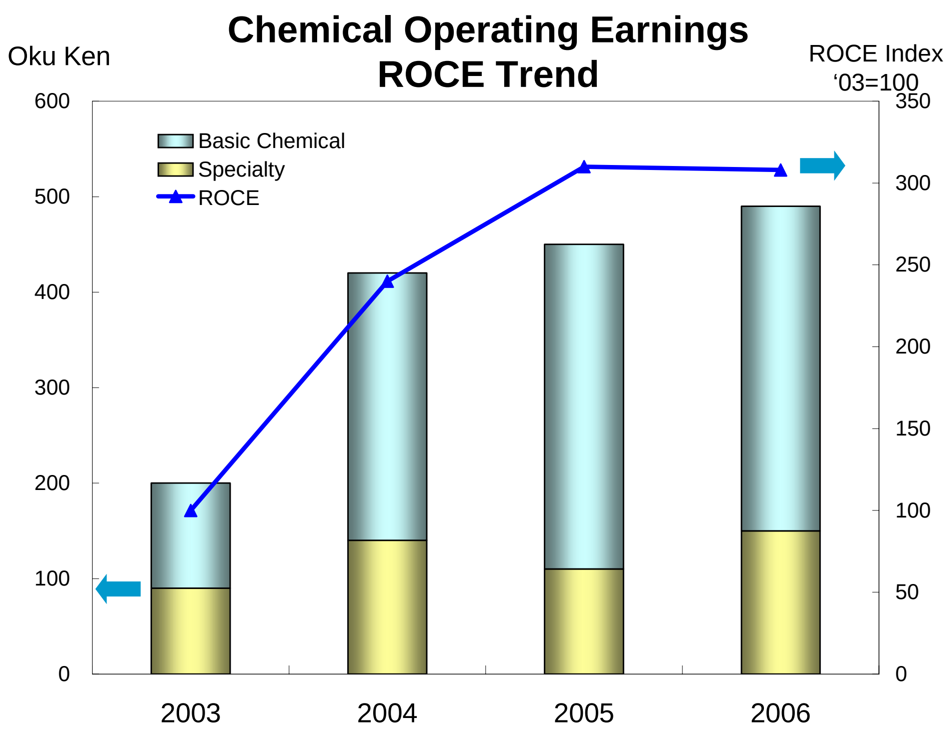
- Enhance Olefins and Aromatics cost competitiveness to be the most efficient supplier in Japan through:
  - High return/ low cost capacity debottleneck projects
  - Feedstock optimization through capitalizing on strong synergies with downstream operations
  - Focus on cost management and reliability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

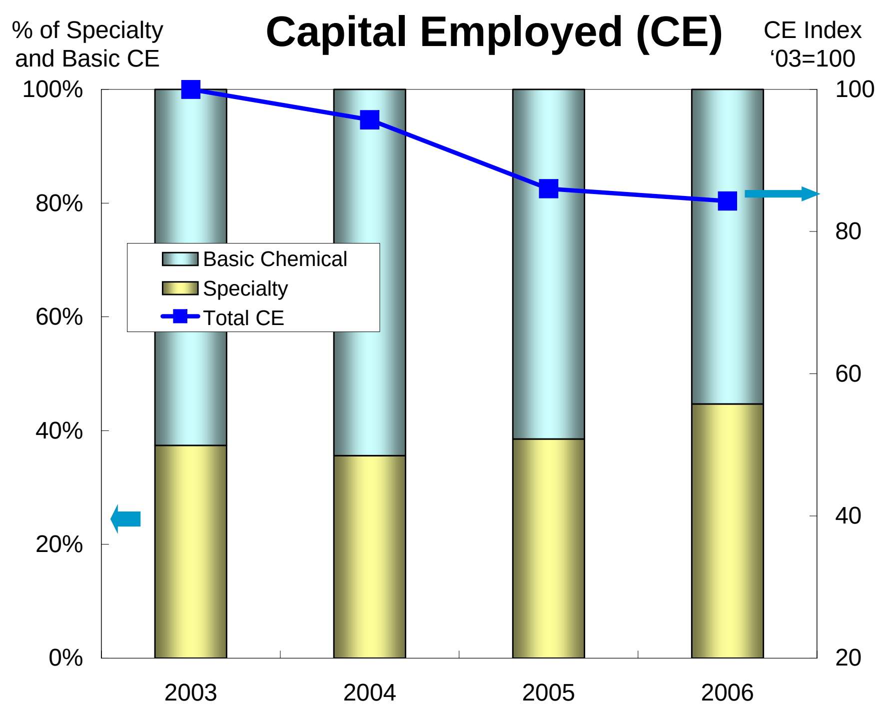
Continuous Focus on Cost Management



- We have surpassed our 5%/year target for fixed operating cost reductions through restructuring and refining & chemical synergies

Strategy Has Delivered Results

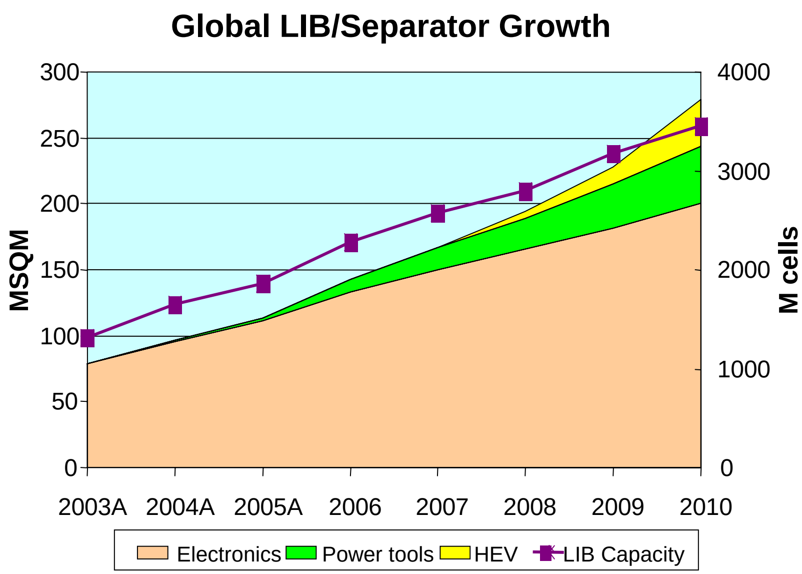




- Basic chemical earnings improved through restructuring, refining & chemical synergies, cost reduction and improved market environment
- Specialties earnings growth driven by Micro Porous Film (MPF) and Intermediates with current growth investments
- Capital employed reduced through divestments and shortened payment terms

Specialty Business Growth

■Micro Porous Film (MPF) Strategy



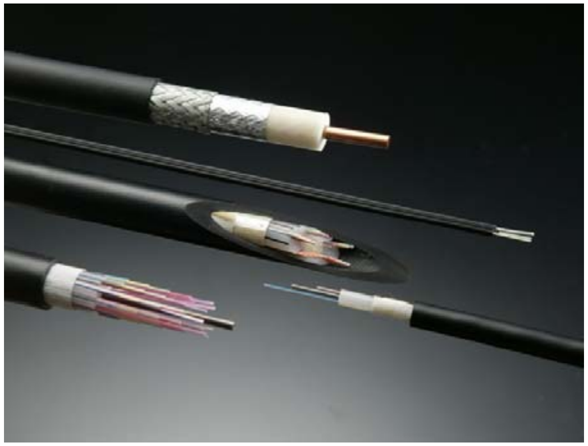
- » Two new production lines started in 2006 to meet market demand growth
- » Developing new applications for further growth
  - Hybrid Electric Vehicle Lithium Ion Battery (LIB) application in synergy with ExxonMobil Chemical Research & Development
  - Next generation films for small LIB electronics application
- » Maintain intellectual property and technology leadership

Specialty Business Growth

■Specialty Polyethylene (PE) Strategy

Specialty PE application

Power Cable Jacket



Communication wire Jacket

Restructuring of Nippon Unicar Co., Ltd* (NUC) underway

» Enhance NUC specialty PE business by increasing its capacity

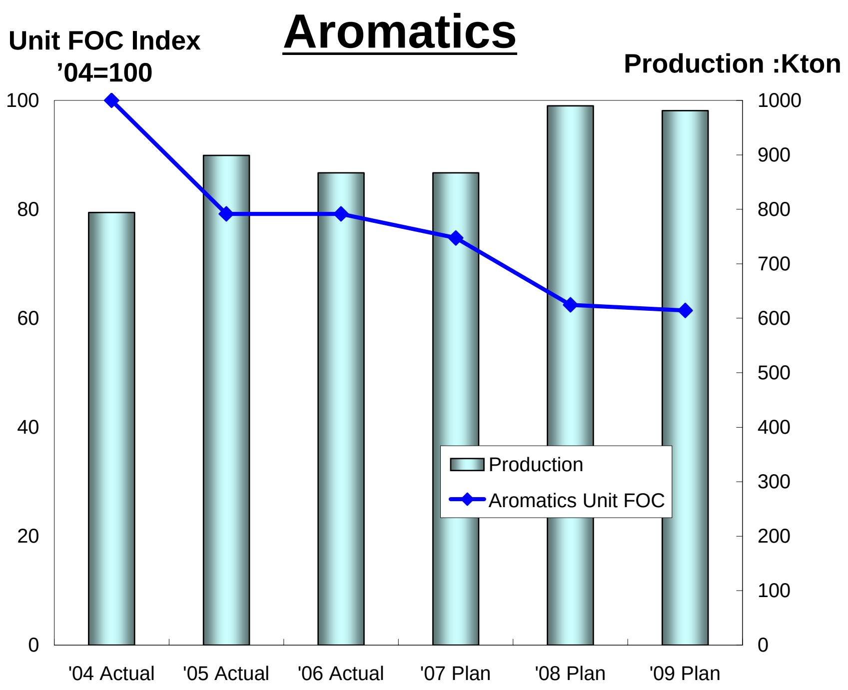
» Enhance NUC cost competitiveness through shareholders' support

» Continue ethylene supply from TCC to NUC

*50/50 joint venture between Tonen Chemical Corp (TCC) and Union Carbide Corporation, an affiliate of The Dow Chemical Company

Aromatics /Olefins Competitiveness Improvement

- Aggressive cost reductions and “Capacity Debottleneck/Energy Projects” (200+kta 2002-2008 plan)



» Wakayama /Sakai Aromatics Capacity Debottleneck Projects

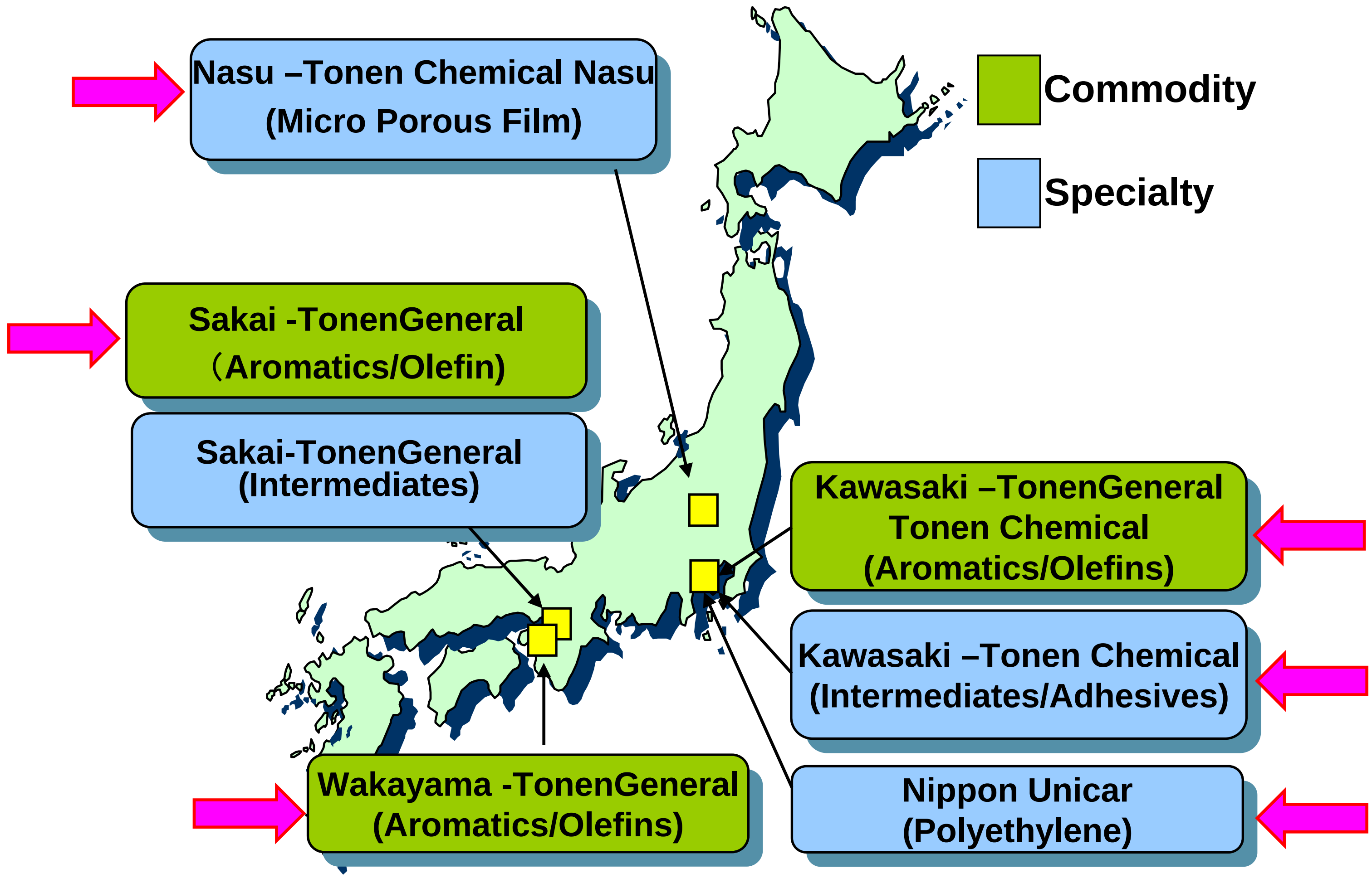
» Kawasaki Olefins Capacity Debottleneck Project

» Refining & Chemical Synergies

» Continued decrease in Fixed Operating Cost (FOC)*

*Fixed Operating Cost: Operating cost ex excluding variable cost

Investing for Profitable Growth



Active 2006-2008 capital investment program for high return capacity growth