

TonenGeneral Sekiyu K.K.

2007 1Q Results and 1H/FY Forecast

May 15, 2007



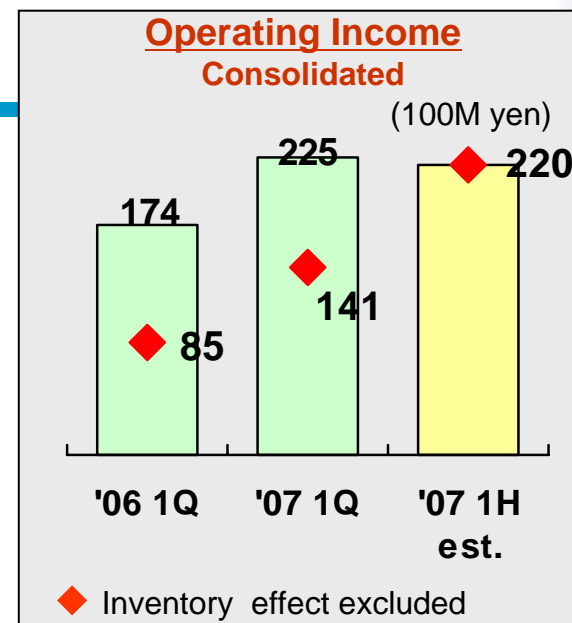
TonenGeneral

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.

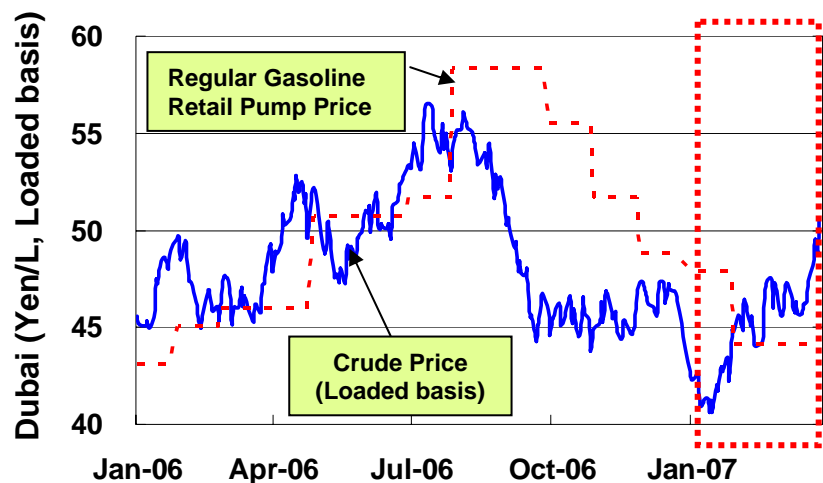
Certain risks and uncertainties including, without limitation, general economic conditions in Japan and other countries, crude prices and the exchange rate between the yen and the U.S. dollar, could cause the Company's results to differ materially from any projections and estimates presented in this publication.

Business Highlights

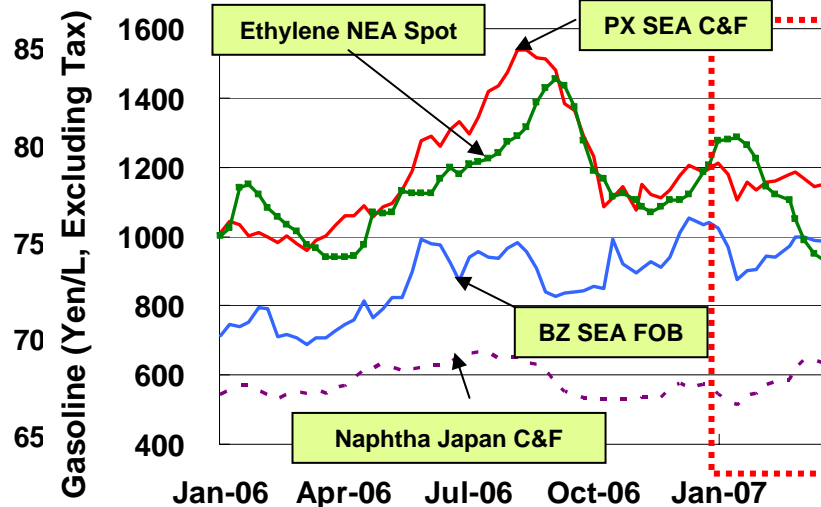
- Operating income improved from 1Q '06
 - » TG Downstream gross margin increased
 - Lower negative effect from prompt crude cost recognition vs. competition
 - But spread between crude and retail prices has deteriorated since Feb
 - » Continued robust margin in Chemicals
 - Good basic chemicals performance supported by strong demand
 - » Positive inventory effect
 - » Dividend and earnings forecast unchanged



Crude and Retail Pump Price (yen/L)



Chemical Products Asian Spot Price (\$/ton)



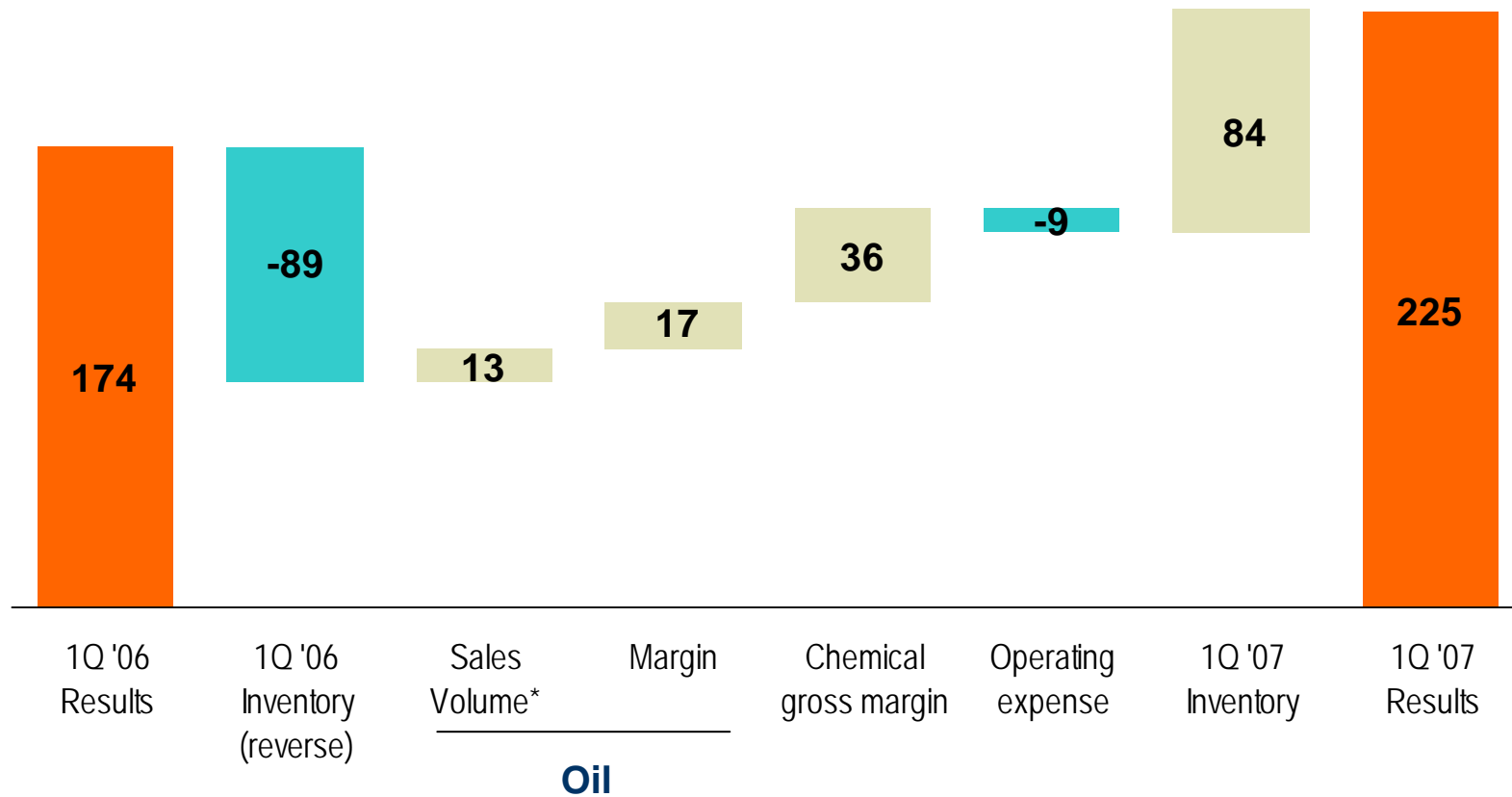
Earnings Results [1Q, Consolidated]

(100M yen)	<u>1Q '06</u>	<u>1Q '07</u>	<u>Inc/Dec</u>
Sales revenue	7,689	7,088	-601
Operating income	174	225	52
Ordinary income	196	236	40
Extraordinary gain/loss	-1	0	1
Net income	117	144	26
Reverse inventory effects	-89	-84	5
Adjusted operating income	85	141	57
Oil segment and others	-50	-27	24
Chemical segment	135	168	33

Factor Analysis of Operating Income

[1Q '07 Results vs. 1Q '06 Results; Consolidated]

(100M yen)



* Major products, per VG5

Sales Volume/ Capacity Utilization

- Most fuels volumes lower versus 1Q 2006: Kerosene due to warmer winter, ADO due to increase of export
- Attention to profitability of sales including export opportunities
- Lower Aromatics sales : Turn-around of aromatics plant at Wakayama

Oil Products (Consolidated, Excluding Barter)

(KKL)		1Q 2006	1Q 2007	Inc./Dec.		Industry Inc./Dec.
by Product	Gasoline	2,884	2,793	-3.2%		-2.4%
	Kerosene	1,440	1,310	-9.0%		-15.9%
	Diesel fuel	1,103	986	-10.5%		-2.1%
	Fuel oil A	909	920	1.2%		-16.8%
	Fuel oil C	731	595	-18.7%		-26.2%
	LPG and others	935	739	-21.0%		N/A
by Channel	<i>General (Marketing)</i>	<i>2,078</i>	<i>1,865</i>	<i>-10.2%</i>		
	<i>Esso/Mobil/Other</i>	<i>5,925</i>	<i>5,478</i>	<i>-7.5%</i>		
	Sub Total	8,003	7,343	-8.2%	5 major fuels	5 major fuels -11.2%
	Others*	1,926	2,013	4.5%	**"Others" includes exports, crude, product exchanges within ExxonMobil Japan Group, etc.	
	G. Total	9,929	9,356	-5.8%		

Chemical Products (Consolidated)

(Kton)	Olefins and others (TCC)	469	471	0.4%
	Aromatics (TG)	217	171	-21.2%
	Chemical Total	686	642	-6.4%

Topper Utilization (Parent/Consoli.)

87%/82% 86%/79%

88%

Earnings Forecast [Consolidated]

- We have not changed 2007 earnings forecasts announced in February.
 - » However, both adverse and favorable effects since 1Q need to be watched:
 - Abrupt crude price increases could have adverse effect, depending on movement of product prices
 - Favorable impacts of Chemical business

(100M yen)	1Q '07	February Forecast		(Bal. to Forecast)
	Act. (B)	1H '07 (A)	FY '07	2Q '07 (A)-(B)
Sales revenue	7,088	15,100	30,300	8,012
Operating income	225	220	510	-5
Ordinary income	236	220	520	-16
Extraordinary gain/loss	0	-10	-20	-10
Net income	144	130	300	-14
Reverse inventory effects	-84	0	0	+84
Adjusted operating income	141	220	510	79
Oil segment and others	-27	40	110	67
Chemical segment	168	180	400	12

Supplemental Information

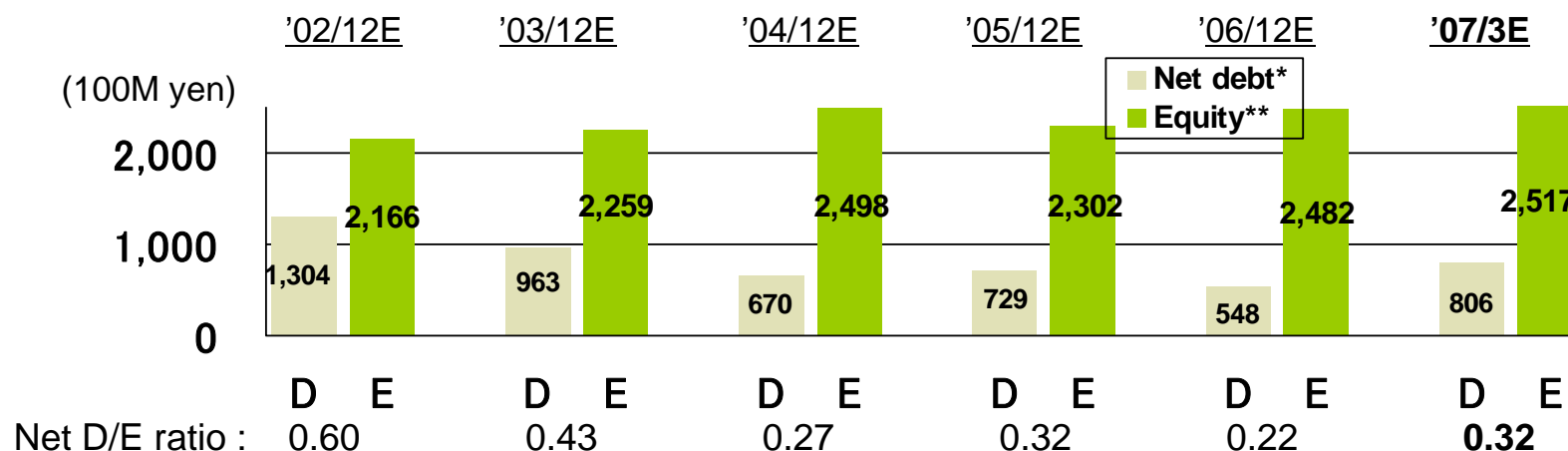
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Cash Flows, Debt/Equity [Consolidated]

(100M yen)

	<u>1Q '07</u>
Operating / Investing Activities	-157
Net income before taxes	236
Net capex / Depreciation	-25
Inventory	-45
TAR/TAP/Gas tax & other payables	-287
Income tax payment	-84
Others	49
Financing Activities	153
Change in debt	254
Dividend to shareholders	-100
Others	-1
Net Cash Change	-4

- Net debt increased at 1Q end due to temporary factors affecting working capital (bank holiday at quarter-end affecting receivables)
- No change in year-end 2007 Net D/E ratio forecast of 17%
- Financial position remains healthy



* Debt excl. cash and loans receivable ** Net Worth excl. Minority Interest