TonenGeneral Sekiyu K.K.
1H 2007 Financial Results and Business Strategy

August 15, 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 — K. Suzuki
- 1H 2007 Business Results and Revised FY 2007 Financial Forecast — W. J. Bogaty
- Q & A

Business Overview

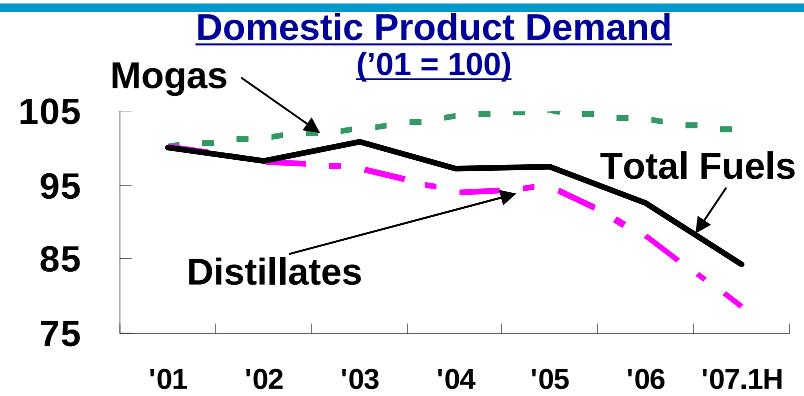
K. Suzuki

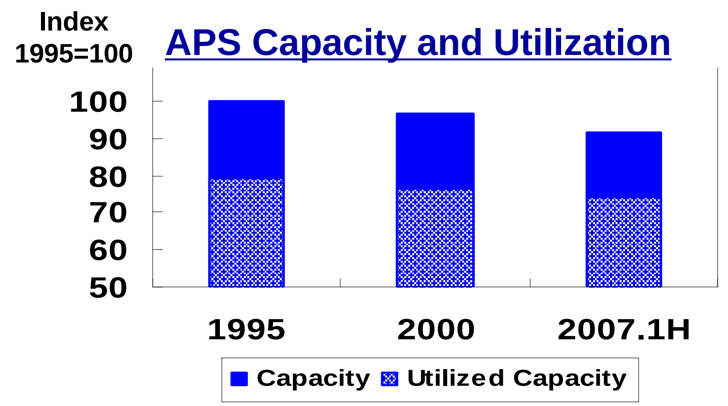
Representative Director, Vice President,
TonenGeneral Sekiyu K.K.

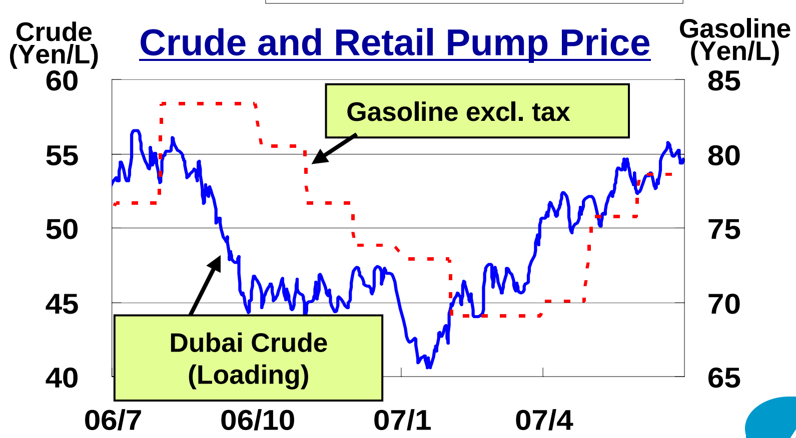
Director,
ExxonMobil Y.K.

Business Challenges

- Downstream oil business environment in Japan
  - » Declining domestic product demand
    - Government forecasts long-term demand decline
  - » Surplus capacity
    - Low industry APS utilization
    - Low sales volume per SS vs. International standard
  - » Product price movements have not fully absorbed large crude price increases, especially in 1H 2007
  - » Growing opportunities for product export
  - » Increase of environmental protection cost
    - Product spec changes
    - Additional investment
    - Production costs up
- Chemicals business environment
  - » Strong demand continues on global basis
  - » Risk to "Cyclical" nature of basic chemicals profitability





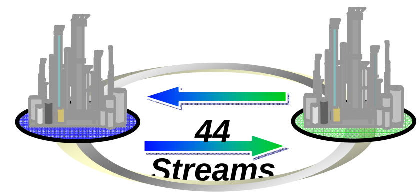


Our Basic Strategies

- Focus on core functional excellence in each business
  - » Global networks and expertise: technology; operations; management system; personnel
- Fully integrated approach across our businesses
  - » Pursue optimized integrated economics across the entire business: Refining & Supply, Fuels Marketing, and Chemical
  - » Optimized mix of feedstock, and global market channels via ExxonMobil global supply chain
- Continue focus on being most cost-effective producer
  - » Cost efficiency is the critical driver in the “commodity environment” which is difficult to differentiate products
- Asset optimization

Fully Integrated Approach Across Our Businesses

- Combine the power of consistent globally-supported functional excellence with integrated strategies across all our businesses to maximize value
- Optimize market channels within and outside Japan



Refining Chemical

Refining & Supply

Raw material cost reduction
- Crude heavy-up
- Discounted crude processing
- Transfer of semi-product within ExxonMobil world-wide network

Optimized sales channel
- Profitable domestic sales
- Increase of export

C&RI
- Organizational integration
- Raw material diversification
- Maximizing value of semi-product

Optimization of cost and sales strategy

Fuels Marketing

Differentiation through "Express"
- Expansion of "Express" network
- Customer focus new technology
- Alliance with Doutor and Seven-Eleven

Chemical

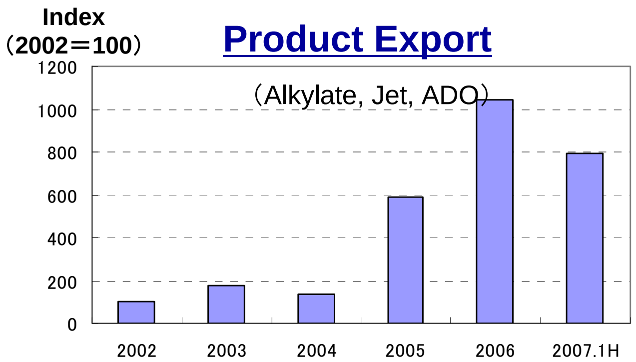
Throughput maximization from high return/ low cost capacity debottleneck projects

Grow our specialty business segments

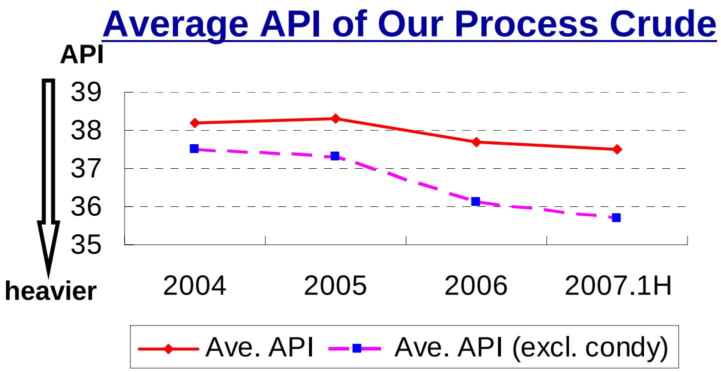
1H 2007 Achievements (1)

- Completion of low sulfur fuel oil production equipment at Kawasaki and Sakai
  - » Wakayama completed last year
  - » Use of H-Oil with cracking operation mode

- Expansion of export volumes and export capacity, especially middle distillates
  - » Expansion of export facilities at Wakayama
  - » Starting exports from Shimizu Terminal from 2H 2007



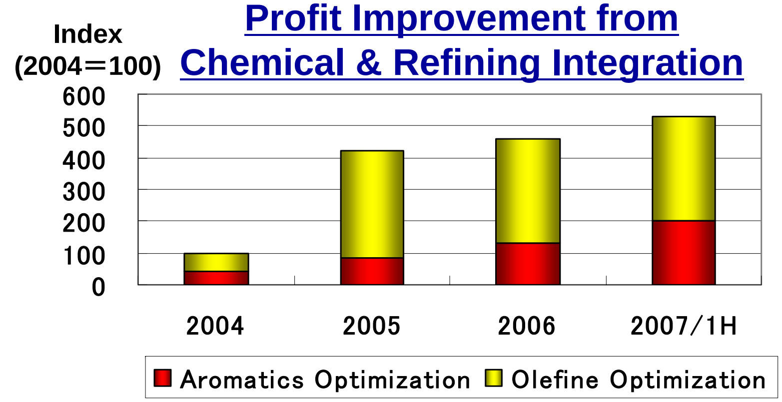
- Crude heavy-up
  - » Increase of processing of discounted crude
  - » Crude heavy-up with combination of condensate processing (light material)



1H 2007 Achievements (2)

- Expansion of synergy of refining and chemical
  - » Increase of chemical feedstock diversification
  - » Optimum utilization of reformate naphtha and aromatics molecules
  - » Further integration of operating organizations for refining and chemical

Profit Improvement from Chemical & Refining Integration



- Completion of major TA at Sakai after 4 years' consecutive operation without injury
  - » Capacity expansion of aromatics plants also completed during TA work

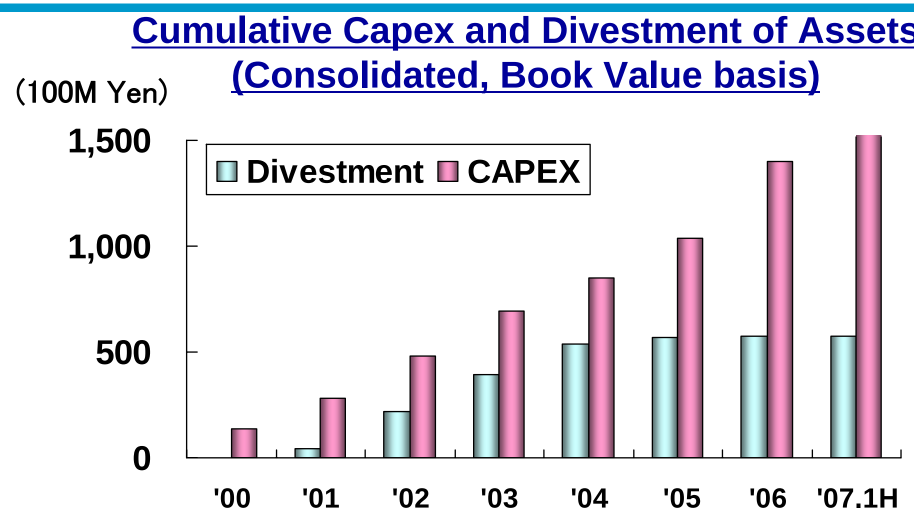
- Further value for customer at "Express"
  - » To start accepting contact-free IC credit card
    - Accepting increasingly popular contact-free IC credit card as well as "Speedpass"
      QUICPay、VISA Touch（Smart Plus）、iD
  - » Collaborated on sales campaign with Seven-Eleven

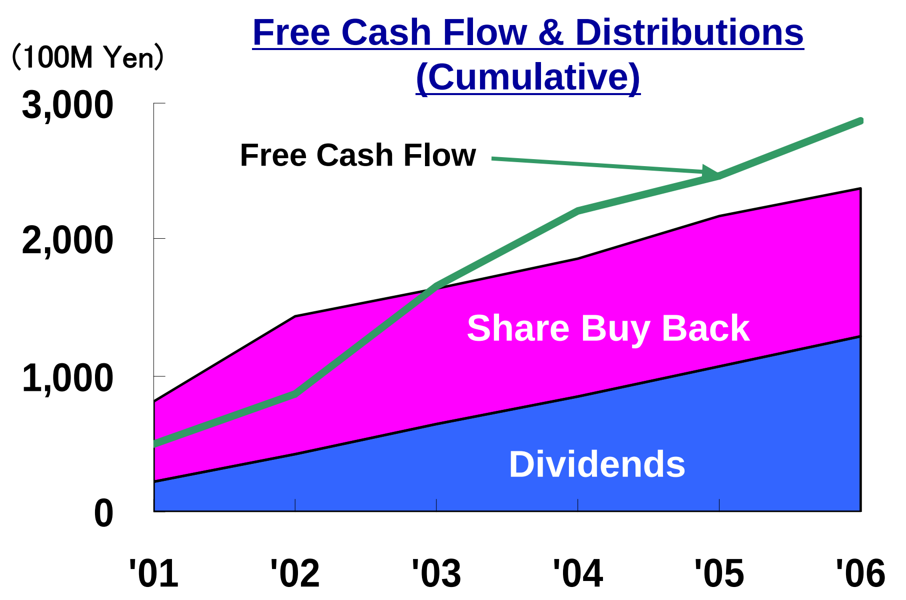
- Start of test sales of Bio-fuel gasoline

Asset Management and Shareholder Distributions

- Asset optimization
  - » Investment in high return opportunities and safety/environment projects
  - » Divestment of assets that are either inefficient or worth more to others

- Superior shareholder distributions
  - » Our principles
    - •Best balance of (1) long-term shareholder value through investments and (2) distributions
    - •Company wealth not required in our business should be returned to shareholders
  - » From free 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 backs)
  - » Prudent review of trends in the business environment and analysis of best mix and timing of distributions





1H 2007 Business Results and Revised FY 2007 Financial Forecast

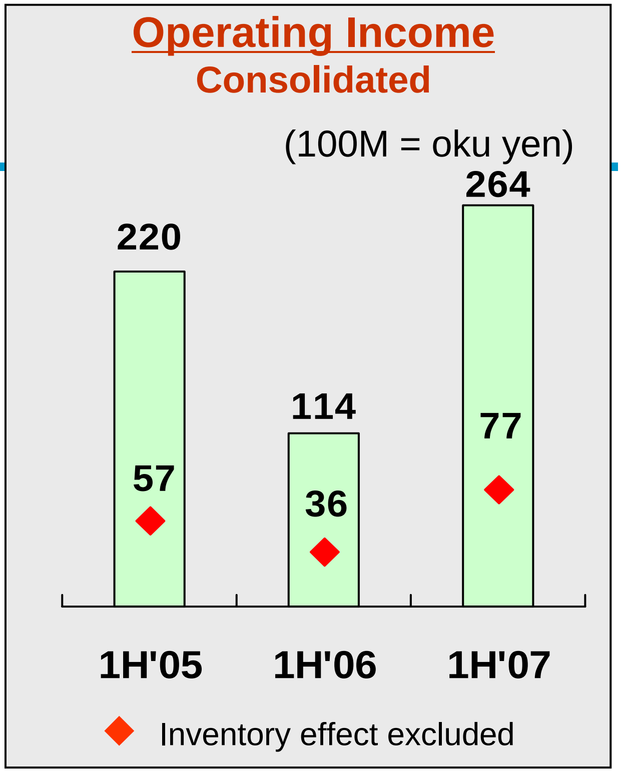
W. J. Bogaty

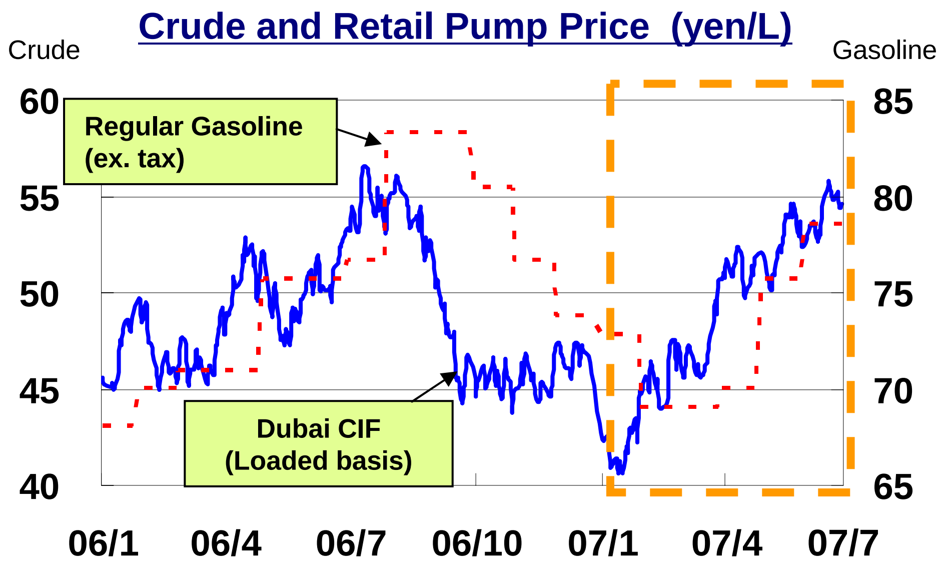
Director,
TonenGeneral Sekiyu K.K.

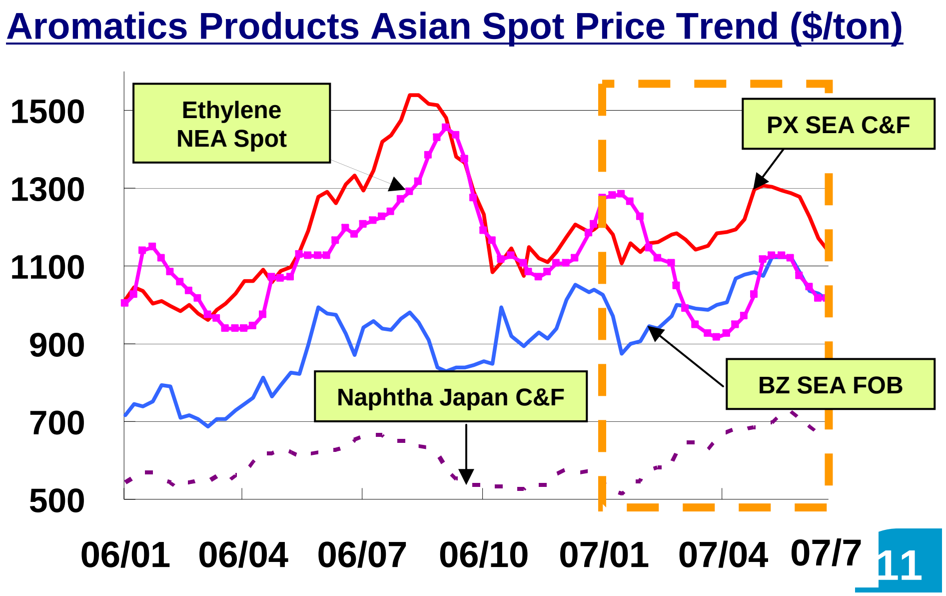
Representative Director and Vice President,
ExxonMobil Y.K.

Business Highlights

- Operating income improved from the previous year
  - » TonenGeneral's Downstream gross margin decreased
    - Domestic industry demand decreased
    - Margin dropped on large, rapid, crude price increase
    - Negative effect from prompt crude cost recognition accounting
  - » Chemicals continued to contribute to profits
    - Historical high half-year segment earnings
    - Good performance for basic chemicals
  - » Positive inventory effect
- TonenGeneral's position has been strengthened
  - » Completion of facility construction to enhance operation flexibility
  - » Profit improvement initiatives under way
- Financial position remains healthy







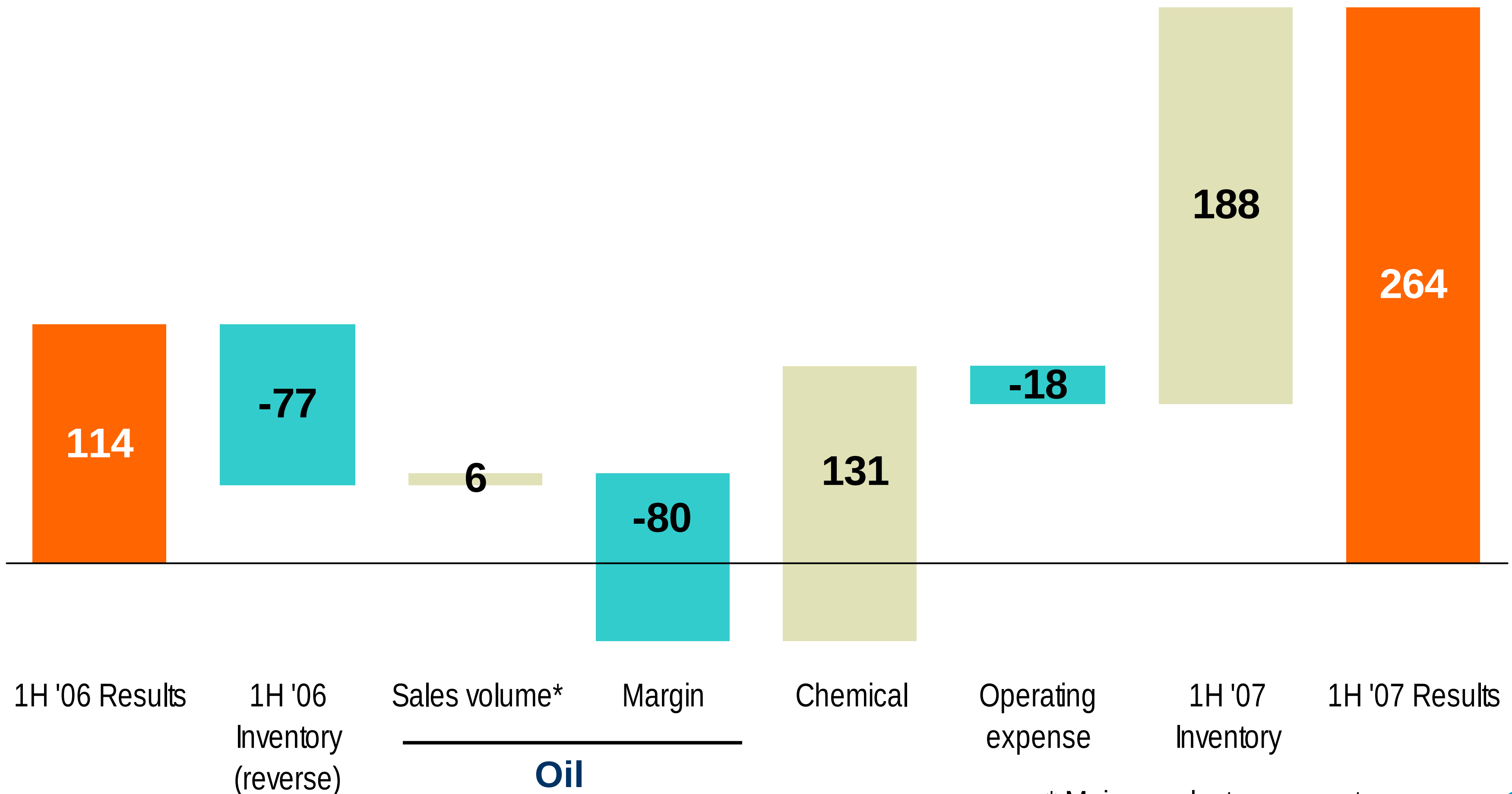
Earnings Results [Consolidated]

(100M yen)	1H '06	1H '07	Inc./Dec.
Sales revenue	14,798	**14,054**	-744
Operating income	114	**264**	151
Ordinary income	153	**284**	131
Extraordinary gain/loss	-5	**-6**	0
Net income	101	**171**	70
Reverse inventory effects	-77	**-188**	-111
Adjusted operating income	36	**77**	40
Oil segment and others	-183	**-266**	-83
Chemical segment	219	**343**	124

Factor Analysis of Operating Income

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

(100M yen)



* Major products, per next page

Sales Volume/ Capacity Utilization

- All fuels volumes lower versus 1H 2006 due to inactive demand and warmer winter
- Attention to profitability of sales including export opportunities
  - » Gasoline and Middle Distillates exports excl. bond business: Twice 1H ’06 actual
- Lower Aromatics sales due to turn-around of aromatics plant at Wakayama in 1Q
- Lower Topper Utilization due to planned shut-downs at Kawasaki, Sakai, and Okinawa in 2Q
  - » Completion of major facility construction at Kawasaki and Sakai

Oil Products (Consolidated, Excluding Barter)

(KKL)		1H 2006	1H 2007	Inc./Dec.	Industry Inc./Dec.
Japan Inland Sales	Gasoline	5,584	**5,415**	-3.0%	-1.6%
	Kerosene	1,994	**1,915**	-4.0%	-15.4%
	Diesel fuel	2,104	**1,804**	-14.3%	-1.2%
	Fuel oil A	1,705	**1,656**	-2.9%	-16.2%
	Fuel oil C	1,314	**1,084**	-17.6%	-19.6%
	5 Major Fuels Total	12,701	**11,873**	-6.5%	-8.8%
	LPG and others	1,677	**1,305**	-22.2%	
	Sub Total	14,378	**13,179**	-8.3%	
	Others*	4,291	**4,138**	-3.6%	
	G. Total	18,669	**17,317**	-7.2%	

Others include exports, crude, product exchanges within ExxonMobil Japan Group, etc.

Chemical Products (Consolidated)

(Kton)	1H 2006	1H 2007	Inc./Dec.
Olefins and others (TCC)	954	**956**	0.2%
Aromatics (TG)	364	**352**	-3.3%
Chemical Total	1,318	**1,309**	-0.7%

Topper Utilization (Parent/Consoli.) 76%/72% 75%/70% 81%

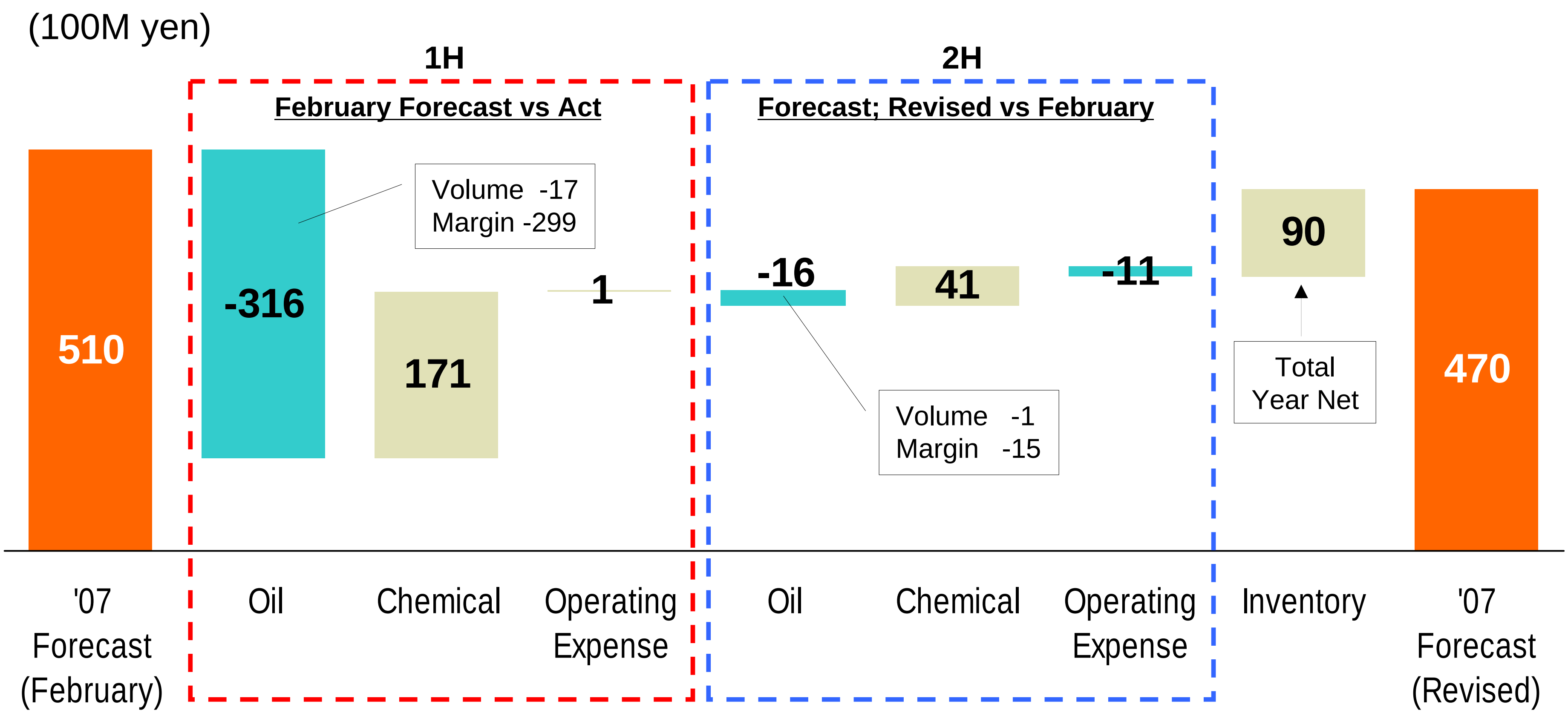
Assumptions for 2H 2007

■ Fuels margins	Higher than 1H ’07 actuals
■ Fuels sales volumes	Higher than 1H ’07
■ Chemicals margins	Lower than 1H ’07 actuals for both Aromatics and Olefins
■ Chemicals volumes	Higher than 1H ’07 actuals for both Aromatics and Olefins
■ Operating expenses	Continuing to decline, offsetting higher depreciation expenses Total year amount within plan after reflecting depreciation method change by New Tax Law
■ Inventory accounting	LIFO/LOCOM
■ Inventory effects	Assume reversal of about half of 1H LIFO earnings gain
■ Crude cost, FX	66.1 $/BBL(Dubai), 123.3 ¥/$ -- values as of June-end '07 [for sales revenue only]

Factor Analysis of Operating Income

[FY '07 Forecast; Revised vs. February, Consolidated]

- Operating income for full-year ‘07 is projected to be 40 oku yen less than the February forecast
- Key reason for change is 1H lower oil margin associated with crude price increases and “one-month lag effects” in crude price recognition

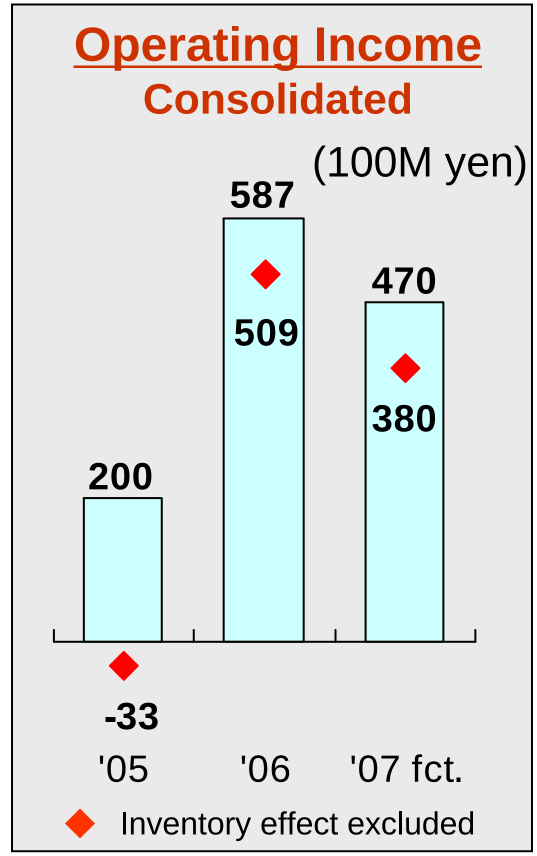


* Major products, per VG 14

Revised Earnings Forecast [Consolidated]

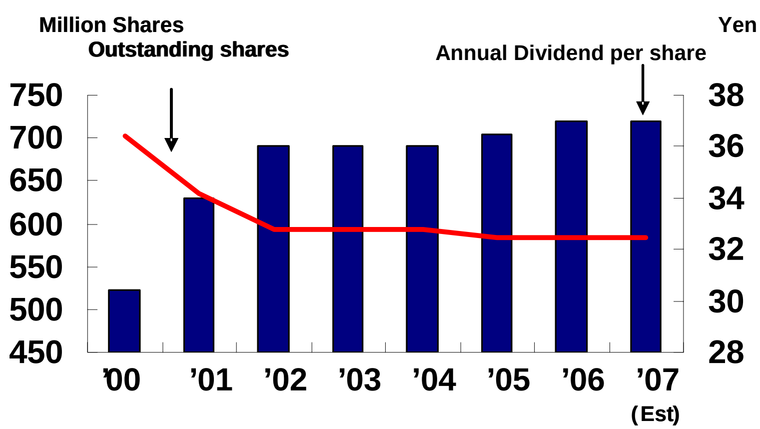
- Adjusted operating income for FY ’07 is projected to be 380 oku yen
- 90 oku yen residual positive LIFO effect in 2007, taking into account projected inventory levels; assumes no material change in crude prices during rest of year

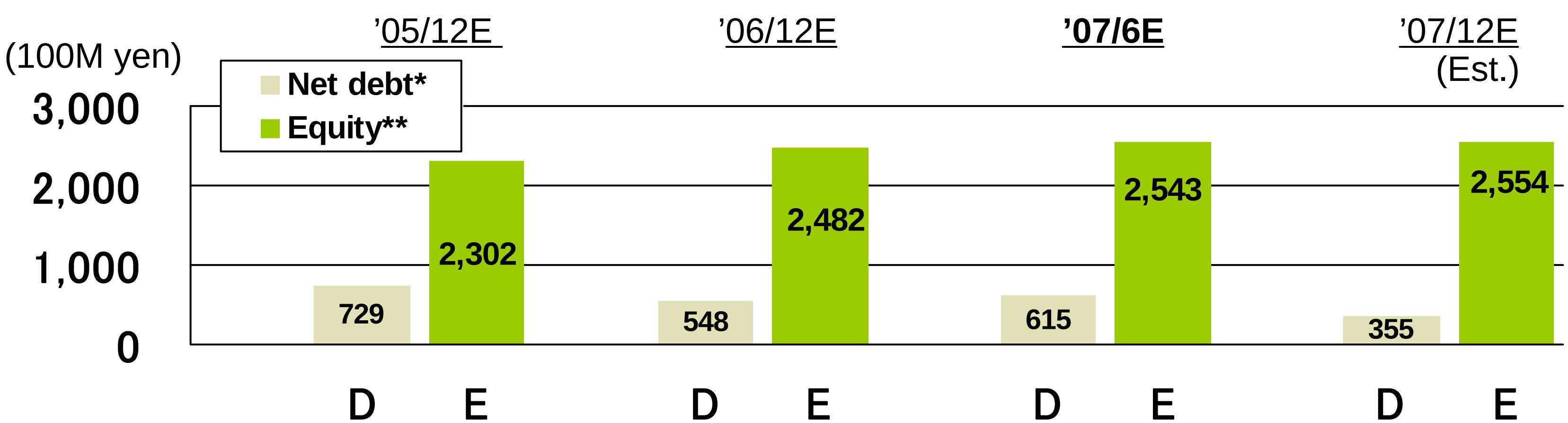
(100M yen)	'06	'07 fct.	1H act.	2H fct.
Sales revenue	30,788	**30,900**	14,054	16,846
Operating income	587	**470**	264	206
Ordinary income	660	**490**	284	206
Extraordinary gain/loss	-33	**-20**	-6	-14
Net income	398	**290**	171	119
Reverse inventory effects	-78	**-90**	-188	98
Adjusted operating income	509	**380**	77	303
Oil segment and others	14	-220	-266	46
Chemical segment	494	600	343	257



Financial Policies; 2007 Dividends

- Focus on robust financial condition and return to shareholders
  - » Maintain appropriate capital structure
  - » Maintain stable dividend payment level
  - » Consider free cash flows and cash needs; Net income coverage
  - » Focus on total return to shareholders
  - » Strong free cash flows and D/E ratio
  - » No change in project total dividend of 37.0 yen per share in 2007
  - » Continuing close review of capital structure options in unclear industry environment





Net D/E ratio : 0.32 0.22 **0.24** 0.14

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

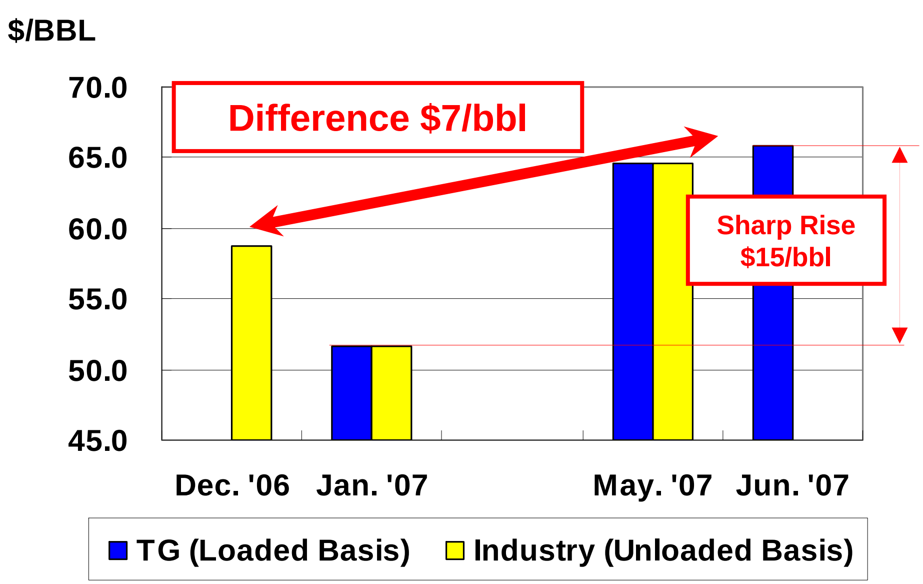
Supplemental Information

August 15, 2007

One month lag effect of Crude cost / Inventory Effects

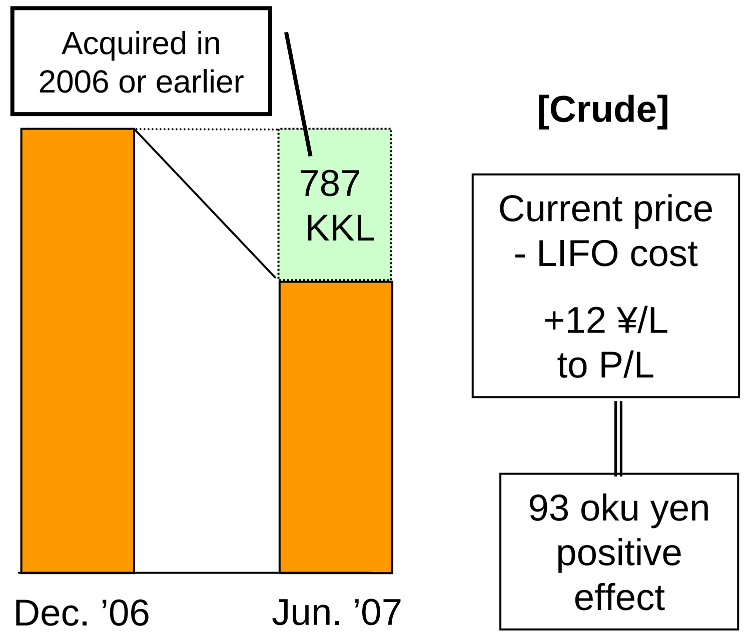
One month lag effects

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. 170 oku yen



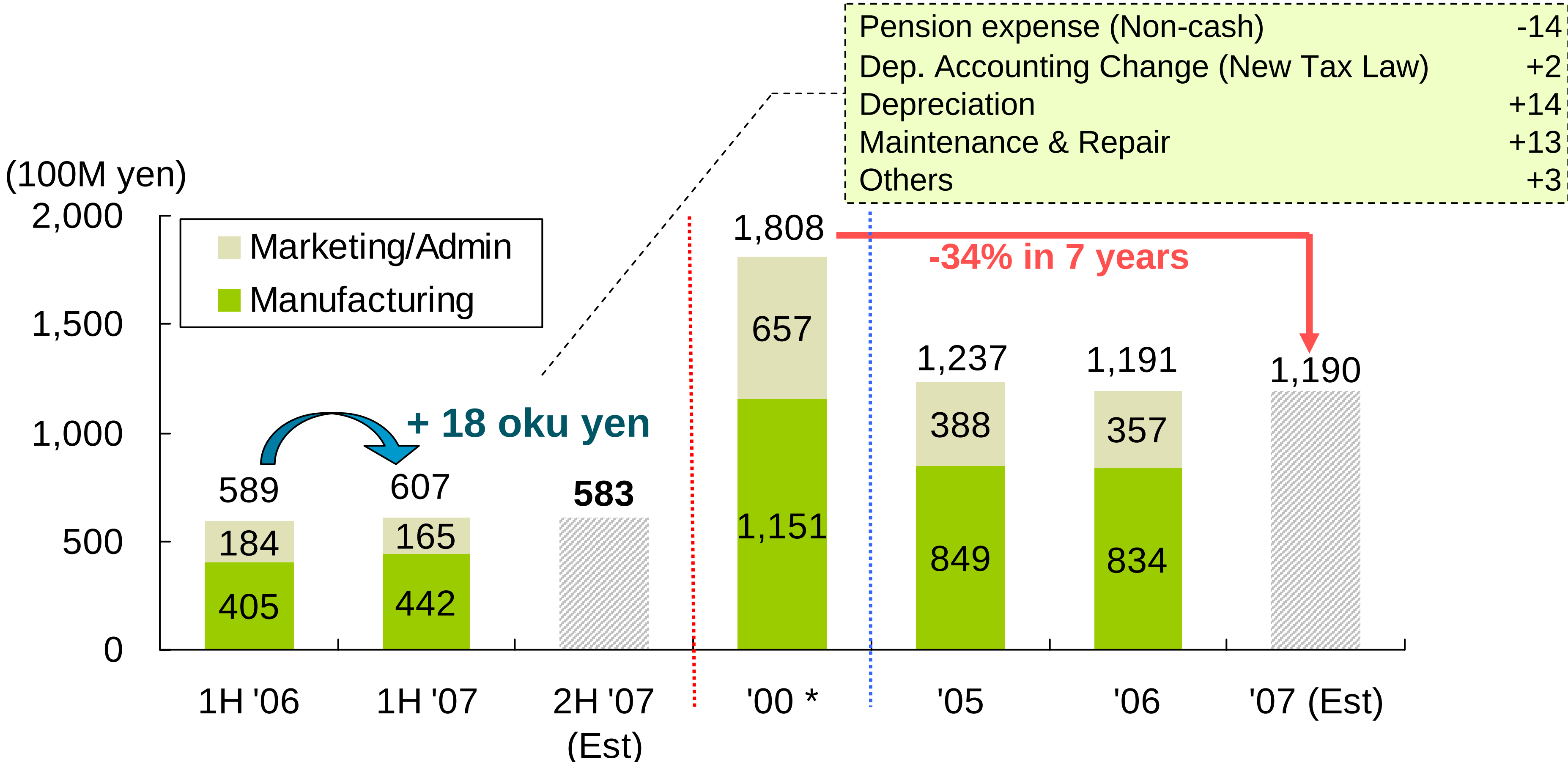
LIFO profit

Net 188 oku yen inventory gain in operating income mainly due to draw-down of crude and Kerosene; 93 oku yen from crude and another 95 oku yen from products



Operating Expenses [Consolidated]

- Continued reductions in opex is the key driver of Business
  - » Increased depreciation expenses for the new facilities
  - » Change on depreciation method due to New Tax Law;
    - 1H ’07: 2 oku yen, 2H ’07: 12 oku yen (Forecast)



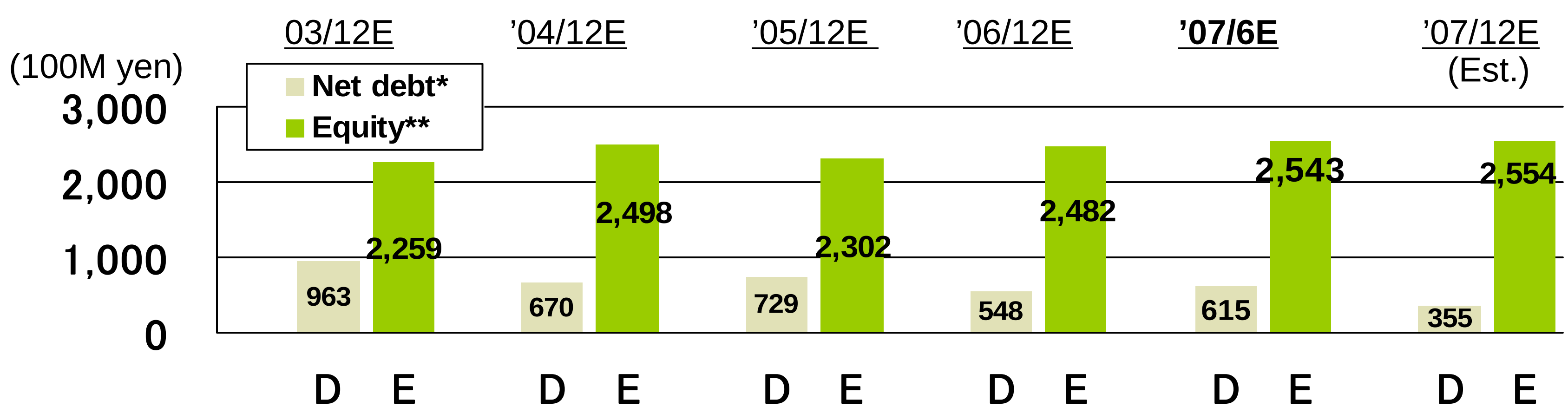
* Tonen+General (unaudited pro forma combined)

Cash Flows, Debt/Equity [Consolidated]

(100M yen)

	1H '07	
Operating / Investing Activities	**45**	
Net income before taxes		279
Net capex / Depreciation		-23
Inventory		263
TAR/TAP/Gas tax & other payable		-413
Others		-61
Financing Activities	**-46**	
Change in debt		64
Dividend to shareholders		-108
Others		-2
Net Cash Change	**-2**	

- Net debt increased at 2Q end due to temporary factors affecting working capital (bank holiday at quarter-end affecting receivables)
- Year-end Net D/E Ratio forecast to be 14%
- Financial position remains healthy



Net D/E ratio :	0.43	0.27	0.32	0.22	**0.24**	0.14

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