[The official language for TonenGeneral's filings with the Tokyo Stock Exchange and Japanese authorities, and for communications with our shareholders, is Japanese. We have posted English versions of some of this information on this web site. While these English versions have been prepared in good faith, TonenGeneral does not accept responsibility for the accuracy of the translations, and reference should be made to the original Japanese language materials.]

Consolidated Financial Results (Kessan Tanshin) for 2009

February 12, 2010

Listed company : TonenGeneral Sekiyu Kabushiki Kaisha
Listed on : Tokyo Stock Exchange, the First Section
Code number : 5012
URL : http://www.tonengeneral.co.jp
Representative : K. Suzuki Representative Director and President
Contact person : K. Kai ExxonMobil Y.K., Public and Government Affairs, Communications and Media Division Manager
Tel. : (03) 6713-4400

Annual General Shareholders' Meeting will be held on: March 26, 2010
Annual Securities Report will be filed on: March 26, 2010
Dividend will be paid from: March 29, 2010

(Amounts shown in truncated millions of yen)

1. Consolidated Financial Results for 2009 (January 1, 2009 through December 31, 2009)

(1) Consolidated Financial Results (Percentage figures are comparisons with the prior accounting period)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2009	2,111,753	(35.5)	(34,559)	—	(34,545)	—	(21,718)	—
2008	3,272,429	7.3	121,742	—	131,290	771.0	79,285	—

	Net Income per Share	Diluted Net Income per Share	Net Income per Shareholders' Equity	Ordinary Income per Total Assets	Operating Income per Net Sales
	Yen	Yen	%	%	%
2009	(38.46)	-	(8.7)	(3.9)	(1.6)
2008	140.34	-	32.8	13.5	3.7

(Ref.) Equity Earnings (Losses) 2009 (1,007) million yen 2008 (238) million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
2009	875,177	227,359	26.0	402.72
2008	901,598	270,500	30.0	478.89

(Ref.) Shareholders' equity 2009 227,359 million yen 2008 270,500 million yen

(3) Consolidated Cash Flows

	Net Cash from Operating Activities	Net Cash from Investing Activities	Net Cash from Financing Activities	Cash and Cash Equivalents at the End of the Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2009	5,418	(24,063)	18,691	789
2008	145,092	(6,469)	(138,595)	488

2. Dividend

	Dividend per Share					Total Amount (Full Year)	Payout Ratio (Consolidated)	Dividend per Net Assets (Consolidated)
(Record date)	1Q End	2Q End	3Q End	4Q End	Full Year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
2008	-	19.0	-	19.0	38.0	21,466	27.1	8.9
2009	-	19.0	-	19.0	38.0	21,457	-	8.6
2010 (Forecast)	-	19.0	-	19.0	38.0		74.0	

3. Projected Consolidated Business Performance for 2010 (January 1, 2010 through December 31, 2010)

(Percentage figures are comparisons with the prior accounting period)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2Q YTD	1,200,000	24.4	7,000	-	7,000	-	25,000	-	44.27
Full Year	2,400,000	13.6	12,000	-	14,000	-	29,000	-	51.35

4. Others

(1) Change in Major Subsidiaries in this Accounting Period : No

(Change in designated subsidiaries, which has alteration in the scope of consolidation)

(2) Change of Accounting Principle/Procedure and Disclosure in Accounts for Preparation of Consolidated Financial Statements

(Items to be described in Change in Significant Accounting Policies for Consolidated Financial Statements)

① Changes with accounting standards revisions : Yes

② Changes other than above : No

(Note) For further details, please refer to "(7) Change in Significant Accounting Policies for Consolidated Financial Statements" on page 19.

(3) Outstanding Share (Common Stock)

① Number of outstanding shares at period end (Including Treasury stock)

2009 565,182,000 shares 2008 565,182,000 shares

② Treasury stock at period end

2009 619,801 shares 2008 328,555 shares

(Note) As to the number of shares, which is the basis to calculate net income per share, please refer to "Financial Data per Share" on page 35.

(Ref.) Summary of Non-consolidated Financial Results

1. Financial Results for 2009 (January 1, 2009 through December 31, 2009)

(1) Financial Results (Percentage figures are comparisons with the prior accounting period)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2009	2,089,668	(35.9)	(39,094)	-	(37,517)	-	(22,550)	-
2008	3,260,775	8.2	102,837	-	117,298	-	72,600	-

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
2009	(39.93)	-
2008	128.51	-

(2) Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
2009	827,831	190,907	23.1	338.15
2008	859,357	235,133	27.4	416.27

(Ref.) Shareholders' Equity 2009 190,907 million yen 2008 235,133 million yen

2. Projected Non-consolidated Business Performance for 2010 (January 1, 2010 through December 31, 2010)

(Percentage figures are comparisons with the prior accounting period)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	2,300,000	10.1	7,000	-	7,000	-	3,000	-	5.31

※Explanatory notes for an appropriate use of projections / Other notes

This filing contains forward-looking statements based on projections and estimates that involve many variables. The Company 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.

For further information regarding the projections above, please refer to 1. Financial Results (1) Analysis of Financial Results②Earnings Forecast for Full Year 2010 on page 3.

I. Financial Results

(1) Analysis of Financial Results

① Business Overview

Consolidated net sales for 2009 amounted to 2,111.8 billion yen, 1,160.7 billion yen, or 35.5%, less than the previous year. This substantial decrease was primarily due to lower prices for petroleum products versus 2008, reflecting significant crude oil price decreases.

Consolidated operating income showed a loss of 34.6 billion yen, a 156.3 billion yen decrease from the previous year. By segment, operating income showed a loss of 38.4 billion yen for the oil segment (146.1 billion yen less than the previous year), and a 3.8 billion yen profit in the chemical segment (10.1 billion yen lower than the previous year).

(a) Oil segment

The loss in the oil segment was primarily due to declining margins resulting from decreasing fuel demand and the negative impact from our prompt crude cost recognition accounting methods.

We account for crude procurement costs when crude oil is loaded, in contrast to the arrival basis cost accounting method generally employed by other companies in the industry, so that the impact of fluctuations in crude prices is recognized earlier. When crude prices rise, we are adversely affected, and we benefit when crude prices drop.

With the cost of the benchmark Dubai crude rising from 36 dollars per barrel at December 31, 2008 to 77 dollars by December 31, 2009, we estimate the adverse effect of this accounting difference during this period to be approximately 35.0 billion yen (the effect was positive 74.5 billion yen in the previous year).

We provide below a comparison of our estimates for operating income for our oil segment, excluding special factors including such as that referred to above.

Analysis of oil segment and others operating income comparison versus the previous period

(Unit: Billion yen)

	2009	2008	Difference
Operating Income	(38.4)	107.8	(146.2)
Effect of difference in timing of crude cost accounting (estimate)	(35.0)	74.5	(109.5)
Inventory-related gains	7.4	14.1	(6.7)
Divestment-related gains	-	11.0	(11.0)
Operating income excluding above special factors (estimate)	(10.8)	8.2	(19.0)

(b) Chemical Segment

The decline in results in our chemical segment versus the prior year was due mainly to low margins and volumes reflecting the severe economic conditions of 2009.

Consolidated ordinary income showed a loss of 34.5 billion yen (165.8 billion yen less than the previous year), with net non-operating income of 13 million yen, reflecting foreign exchange gains and a loss in companies accounted for on the equity method.

Extraordinary items including losses from idle asset divestments and asset impairments resulted in a net extraordinary loss of 1.6 billion yen. As a result, consolidated net income showed a loss of 21.7 billion yen (a 101.0 billion yen decrease from the previous year).

② Earnings Forecast for Full Year 2010

(Unit: Million Yen)

Net Sales	Operating Income	Ordinary Income	Net Income
2,400,000	12,000	14,000	29,000

We expect the business environment in the oil segment to continue to be difficult in 2010, but are forecasting a very small improvement in margins from the depressed conditions of the second half of 2009. Consolidated operating income for full year 2010 is forecast to increase by 46.6 billion yen versus 2009 to 12.0 billion yen. Operating income in our oil segment and chemical segment are projected 3.0 billion yen (41.4 billion yen higher than 2009) and 9.0 billion yen (5.2 billion yen higher than 2009), respectively.

TonenGeneral does not forecast prices of crude oil or petroleum products, and our forecast above assumes no effects from inventory related gains and losses resulting from crude price fluctuations (7.4 billion yen gain in 2009) or effects resulting from differences in the timing of crude cost recognition in our accounting process (35.0 billion yen loss in 2009).

The above forecast also includes approximately 20 billion yen of net income resulting from extraordinary gains from the establishment of Toray Tonen Specialty Separator Godo Kaisha, our battery separator film joint venture with Toray Industries, Inc.

(2) Analysis of Financial Condition

① Total Assets, Liabilities and Net Assets

Total Assets as of December 31, 2009 totaled 875.2 billion yen, a 26.4 billion yen decrease from December 31, 2008. The change was mainly attributable to decreases in Short-term loans receivable. Liabilities amounted to 647.8 billion yen, a 16.7 billion yen increase from December 31, 2008, which is mainly due to an increase in Accounts payable-trade reflecting higher crude prices at the end of the year, partially offset by a decrease in Income taxes payable. Net assets as of December 31, 2009 amounted to 227.4 billion yen, a 43.1 billion decrease from December 31, 2008, which was mainly due to current year net loss and dividends paid.

② Cash Flow in full year accounting period 2009

At the end of December 31, 2009, the outstanding balance of cash and cash equivalent was 789 million yen, an increase of 301 million yen versus 2008 year end. Our Company's basic policy, for reasons of financial efficiency, is to try to minimize the holding cash except where impracticable in operations or where there is economic benefit to the Company. In the current period, surpluses which cannot be used to pay down term debt have been placed as short-term loans to group companies. Key factors of cash flows are summarized below.

In the period from January to December 2009, Cash Flows from Operating Activities were positive 5,418 million yen. Positive factors such as depreciation, reductions in inventory, an increase in trade account payables outweighed negative factors such as pre-tax loss and income tax payments.

Cash Flows from Investing Activities were negative 24,063 million yen. The cash outflows mainly came from capital expenditures.

Cash Flows from Financing Activities were positive 18,691 million yen. The cash inflows from a decrease in short term lending and an increase in short term borrowing exceeded the cash outflows for payments of dividends.

③ Outlook on Cash Flow

In 2010, Free Cash Flow (the sum of Operating Cash flows and Investing Cash Flows) is anticipated to increase versus 2009, with forecast larger earnings.

④ Trends in Cash Flows

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Shareholders' Equity Ratio (%) - Book Base	23.8%	24.3%	20.4%	30.0%	26.0%
Shareholders' Equity Ratio (%) - Market Base	76.4%	67.4%	59.6%	56.1%	50.0%
Cash flow vs. Interest-bearing Debt (times)	1.9	0.8	16.7	0.5	16.3
Interest Coverage Ratio (times)	69.7	108.3	9.4	205.0	14.5

* All indicators have been calculated based on consolidated financial data

* Definitions:

Shareholders' Equity Ratio - Book Base:
(Period-end Total net assets - Period-end minority interests) / Period-end Total assets

Shareholders' Equity Ratio - Market Base:
Total Value of Stock ex. Treasury stock at Period-end Market Price / Period-end Total assets

Cash flow vs. Interest-bearing Debt:
Period-end Interest-bearing Debt / Operating Cash Flows

Interest coverage ratio:
Operating Cash Flows / Interest paid

* Operating Cash Flows is Net cash provided by (used in) operating activities shown in the Consolidated Statement of Cash Flows

* Interest-bearing debt is actual interest-bearing debt, defined as S/T debts and L/T debts on the Consolidated balance sheet. Interest paid is the amount shown in the Consolidated statements of cash flows.

(3) Dividend Policy, Dividend in Current Period and Dividend in Next Period

① Dividend Policy

Our basic policy is to deliver appropriate dividends to shareholders, while maintaining a sound financial structure, and giving due consideration to consolidated cash flow trends and future capital investments. We continue with our view that the company's wealth that is not otherwise required in our business in a way that meets our rigorous profitability standards should be returned to shareholders.

② Dividend in Current Period

The company projects a payment to its shareholders as of December 31, 2009, of 19 yen per share as a final dividend for the term ended December 31, 2009, subject to a resolution by the general meeting of shareholders.

③ Dividend in Next Period

Full-year dividends for 2010 are forecast to be 38 yen per share, subject to review of our full year business performance and cash flow results and the decision of both our Board of Directors and shareholders.

(4) Risk Factors Affecting Future Results

The following are risk factors that may affect earnings, consolidated financial statements and stock prices, etc. in the TonenGeneral Group (the TG Group).

① Competitive Factors

The energy and petrochemical industries are highly competitive. There is competition within the industry, as well as with other industries, in supplying products to customers. A key component of the Company's competitive position, particularly given the commodity-based nature of many of its products, is its ability to manage expenses successfully, which requires continuous management focus on reducing unit costs and improving efficiency.

② Political Factors

The operations and earnings of the Company and its affiliates have been, and may in the future be, affected from time to time in varying degrees by political developments and governmental activity including new laws and regulations. Examples of potential activities or events include: forced divestiture of assets, restrictions on production, imports and exports; war or other international conflicts; civil unrest and local security concerns that threaten the safe operation of company facilities; price controls; change in taxation; expropriation of property; cancellation of contract rights; and environmental regulations. Both the likelihood of such occurrences and their overall effect upon the Company vary greatly and are not predictable.

③ Environmental Policies

It is possible that government action related to environmental matters could adversely affect the business results of the Company and its affiliates.

④ Industry and Economic Factors

The operations and earnings of the Company and its affiliates are affected by local, regional and global events or conditions that in turn affect supply and demand for oil, petroleum products and petrochemical products. These events and conditions are generally not predictable and include, among other things, general economic growth rates and the occurrence of economic recessions, supply disruptions, weather, including seasonal patterns that affect energy demand and severe weather events that can disrupt operations; technological advances, including advances in technology relating to energy usage in refining and production; changes in demographics, including population growth rates and consumer preferences; and the competitiveness of alternative hydrocarbon or other energy sources or product substitutes.

⑤ Market Risks, Inflation and other Uncertainties

Crude oil, petroleum product and chemical prices have fluctuated widely in response to changing market forces. The impacts of these price fluctuations on earnings are generally not predictable.

⑥ Information Management Risk

In an effort to secure proper use and management of confidential information including personal data, we have taken appropriate measures such as installation of firewalls on computer networks, introduction of computer antivirus software to protect internal database and PC operations, monitoring of computer networks, and use of dedicated lines for data exchange with external parties. We have required that service providers to whom we have outsourced our customer data adopt the same security policies, to ensure that our customer data has been properly managed and monitored. Nevertheless, in cases of loss, leak or falsification of internal information including customer data, our business activities might be negatively affected.

Among the risks stated above, the risks relative to the future events are the perception as of the closing date of this period. The risks stated above do not necessarily cover all risks relative to the TG Group.

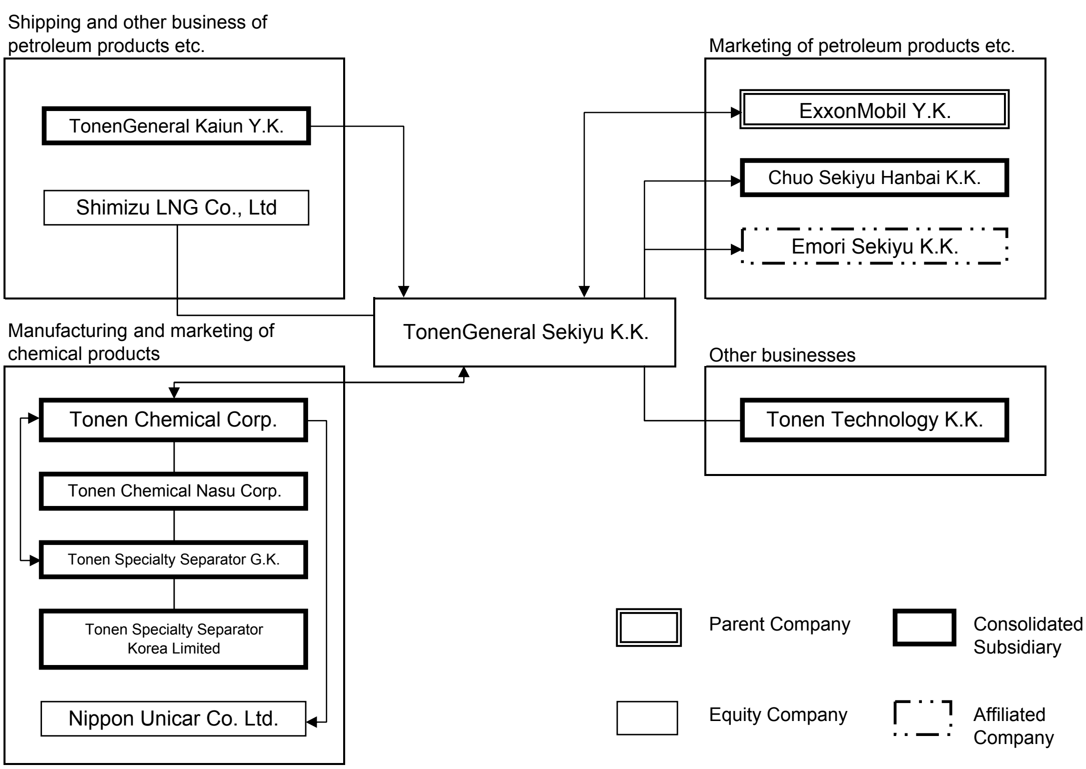
2. Profile of Group Companies

Major businesses and positions of group companies (the Company, 7 Consolidated Subsidiaries, 2 Equity Companies, 1 Affiliated Company and 1 Parent Company) are as follows:

Segment	Function	Major Business	Name of Company	Number of Companies
Oil	Marketing	Sales of Petroleum Products	TonenGeneral Sekiyu K.K., ExxonMobil Y.K., Chuo Sekiyu Hanbai K.K., Emori Sekiyu K.K.	4
	Refining	Manufacturing, Processing and Sales of Petroleum Products	TonenGeneral Sekiyu K.K.	1
	Shipping	Marine Transportation of Crude Oil and Petroleum Products	TonenGeneral Kaiun Y.K.	1
	Others	Purchases and Sales of LNG	Shimizu LNG Co., Ltd.	1
Chemical	Refining and Marketing	Manufacturing, Processing and Sales of Chemical Products	TonenGeneral Sekiyu K.K., ExxonMobil Y.K., Tonen Chemical Corp., Tonen Chemical Nasu Corp., Tonen Specialty Separator G.K., Tonen Specialty Separator Korea Limited, Nippon Unicar Company Limited	7
Others		Construction Management	Tonen Technology K.K.	1

(Note)
1 Exxon Mobil Corporation, which indirectly owns 100% of the equity of ExxonMobil Y.K. via subsidiaries, is another parent company, but it is not included in the "Profile of Group Companies" as there are no material business transactions with the Company.
2 Tonen Chemical Nasu Corporation changed its corporate form from a kabushiki kaisha to a godo kaisha as of October 1, 2009.
3 The shares in Kyusyu Eagle K.K., which were owned by TonenGeneral Sekiyu K. K. were sold on December 15, 2009.

<u>Business structure of the group (as of December 31, 2009) is shown below:</u>



3. Corporate Policy

(1) Basic Corporate Policy

The TG Group conducts its business operations in accordance with the following policy in order to achieve a prominent position in the Japan oil industry and within the global ExxonMobil group.

- Strive to be a good corporate citizen in all the places we operate, making valuable contributions to shareholders, customers, employees, local communities and society. We are committed to maintaining the highest ethical standards and complying with all applicable laws and regulations. Furthermore, we are dedicated to running our operations with the utmost attention to safety, health and the environment.
- Respond quickly and reliably to changing circumstances and customer needs by leveraging the ExxonMobil group network in the most effective manner possible.
- Conduct our operations in an economically, environmentally and socially responsible manner. Stay committed to operating a sustainable and profitable business in Japan.
- Respond to energy demands with a stable supply of high-quality products.

(2) Operating Strategies, Objectives and Indicators

The TG Group's corporate goal is to maintain and enhance our operations in order to remain one of the best petroleum and petrochemical companies in Japan, with world-class cost competitiveness and technology. TG will continue to strive toward global levels of operational efficiency and profitability.

- Commitment to Safety, Health and Environment

  To achieve safe, healthy and environmentally sound operations, with effective application of systems and energy-saving methods. Our commitment to safety, health and the environment is our first priority.
- Business Integrity and Governance

  To operate with the highest standards of business ethics.
- Oil Segment
  - Refining and Supply

    To achieve a first quartile position in the refinery efficiency rankings (Solomon survey). Our long-term objective is a sustainable 12% return on capital employed (ROCE).
  - Marketing

    To promote cost competitive self-service network, enhance the value of our "Express" brand, and pursue the best balance between margins and sales volume.
- Chemical Segment

  To promote integration of petrochemical and refining operations for our commodity chemical business, while strengthening specialties business with high growth potential.
- As a Member of the ExxonMobil Group

  To leverage ExxonMobil's global technology, network, and experience.

(3) Future Prospects and Our Challenges

The business environment in which the TG group operates is forecast to continue to be severe in 2010. Even in this business environment, in order to achieve our goal of maintaining a prominent position in our industry, all functions of our oil and chemical segments will continue to work together to pursue efficiency and profitability improvement.

In the Oil business, we will continue to focus on effective utilization of secondary units, full use of integration synergies among the refining and chemical businesses, as well as maximum utilization of the ExxonMobil global network. In marketing, we will continue to focus on further enhancement of our "Express" brand value and further expansion of the alliance network with Seven-Eleven Japan.

In the Chemical business, we will continue to enhance cost competitiveness of our basic chemicals business and to further enhance our specialty chemicals business. In particular, we will progress the execution of our growth strategies in our battery separator film business through the joint venture with Toray Industries, Inc.

To steadily enhance shareholders' value from long-term perspective is another important objective for us. We continue with our view that the company's wealth that is not otherwise required in our business in a way that meets our rigorous profitability standards should be returned to shareholders.

The TG group firmly determined to ensure the implementation of the above measures in the respective business segments and will continue working to achieve safe and reliable operations, stable supply of high-quality products, high level of environmental protection, while maintaining commitment to our legal compliance and ethical conduct.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Unit: Million yen)

	2008 (Dec. 31, 2008)	2009 (Dec. 31, 2009)
Assets		
Current assets		
Cash and deposits	488	789
Notes and accounts receivable-trade	390,733	397,307
Inventories	136,970	—
Merchandise and finished goods	—	28,908
Semi-finished goods	—	24,053
Raw materials	—	65,536
Supplies	—	5,115
Income taxes receivable	79	130
Deferred tax assets	5,855	7,120
Short-term loans receivable	91,485	65,077
Other	7,302	10,090
Allowance for doubtful accounts	(71)	(42)
Total current assets	632,843	604,086
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	208,279	207,977
Accumulated depreciation	(159,691)	(161,629)
Buildings and structures, net	48,588	46,348
Tanks	65,377	66,005
Accumulated depreciation	(60,401)	(61,232)
Tanks, net	4,976	4,773
Machinery, equipment and vehicles	599,446	608,201
Accumulated depreciation	(525,041)	(543,679)
Machinery, equipment and vehicles, net	74,405	64,522
Tools, furniture and fixtures	10,465	10,469
Accumulated depreciation	(9,077)	(9,173)
Tools, furniture and fixtures, net	1,387	1,296
Land	80,883	79,265
Construction in progress	12,734	18,924
Total property, plant and equipment	222,976	215,130
Intangible assets		
Goodwill	653	—
Leasehold right	1,714	1,678
Software	3,151	3,760
Other	303	274
Total intangible assets	5,822	5,714
Investments and other assets		
Investment securities	13,873	12,786
Long-term loans receivable	839	674
Deferred tax assets	6,591	21,972
Other	18,994	15,151
Allowance for doubtful accounts	(343)	(339)
Total investments and other assets	39,955	50,246
Total noncurrent assets	268,754	271,090
Total assets	901,598	875,177

(Unit: Million yen)

	2008 (Dec. 31, 2008)	2009 (Dec. 31, 2009)
Current liabilities		
Notes and accounts payable-trade	221,355	267,188
Gasoline taxes payable	189,199	185,983
Short-term loans payable	67,085	82,823
Income taxes payable	40,204	2,342
Accrued consumption taxes	10,311	1,547
Guarantee deposits payable	9,926	9,009
Provision for bonuses	1,310	1,314
Provision for offshore well abandonment	—	2,549
Other	32,437	33,537
Total current liabilities	571,830	586,295
Noncurrent liabilities		
Long-term loans payable	7,493	5,739
Deferred tax liabilities	2,478	1,391
Provision for retirement benefits	28,432	35,027
Provision for directors' retirement benefits	170	126
Provision for repairs	16,393	17,847
Provision for offshore well abandonment	2,953	—
Other	1,347	1,391
Total noncurrent liabilities	59,267	61,523
Total liabilities	631,097	647,818
Net assets		
Shareholders' equity		
Capital stock	35,123	35,123
Capital surplus	20,741	20,741
Retained earnings	215,002	171,814
Treasury stock	(307)	(539)
Total shareholders' equity	270,559	227,140
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	135	162
Foreign currency translation adjustment	(194)	56
Total valuation and translation adjustments	(59)	219
Total net assets	270,500	227,359
Total liabilities and net assets	901,598	875,177

(2) Consolidated Statement of Income

(Unit: Million yen)

	2008 (Jan. 1, 2008 through Dec. 31, 2008)	2009 (Jan. 1, 2009 through Dec. 31, 2009)
Net sales	3,272,429	2,111,753
Cost of sales	3,116,603	2,109,076
Gross profit	155,825	2,676
Selling, general and administrative expenses	34,082	37,236
Operating income (loss)	121,742	(34,559)
Non-operating income		
Interest income	128	98
Dividends income	62	93
Foreign exchange gains	10,354	1,283
Other	150	92
Total non-operating income	10,696	1,566
Non-operating expenses		
Interest expenses	657	366
Equity in losses of affiliates	238	1,007
Other	251	178
Total non-operating expenses	1,148	1,552
Ordinary income (loss)	131,290	(34,545)
Extraordinary income		
Gain on sales of noncurrent assets	1,396	1,005
Gain on sales of subsidiaries and affiliates' stocks	5,970	—
Gain on sales of investment securities	71	—
Total extraordinary income	7,439	1,005
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	1,738	1,602
Impairment loss	2,085	436
Early extra retirement payments	—	328
Settlement package	—	213
Loss on provision for offshore well abandonment	1,185	—
Total extraordinary losses	5,009	2,580
Income (loss) before income taxes and minority interests	133,720	(36,121)
Income taxes-current	44,999	3,354
Income taxes-deferred	9,430	(17,757)
Total income taxes	54,429	(14,402)
Minority interests in income	4	—
Net income (loss)	79,285	(21,718)

(3) Consolidated statements of changes in net assets

(Unit: Million yen)

	2008 (Jan. 1, 2008 through Dec. 31, 2008)	2009 (Jan. 1, 2009 through Dec. 31, 2009)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	35,123	35,123
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	35,123	35,123
Capital surplus		
Balance at the end of previous period	20,741	20,741
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	20,741	20,741
Retained earnings		
Balance at the end of previous period	157,216	215,002
Changes of items during the period		
Dividends from surplus	(21,468)	(21,462)
Net income (loss)	79,285	(21,718)
Disposal of treasury stock	(30)	(6)
Total changes of items during the period	57,786	(43,187)
Balance at the end of current period	215,002	171,814
Treasury stock		
Balance at the end of previous period	(202)	(307)
Changes of items during the period		
Purchase of treasury stock	(331)	(293)
Disposal of treasury stock	226	61
Total changes of items during the period	(105)	(231)
Balance at the end of current period	(307)	(539)
Total shareholders' equity		
Balance at the end of previous period	212,878	270,559
Changes of items during the period		
Dividends from surplus	(21,468)	(21,462)
Net income (loss)	79,285	(21,718)
Purchase of treasury stock	(331)	(293)
Disposal of treasury stock	195	55
Total changes of items during the period	57,681	(43,419)
Balance at the end of current period	270,559	227,140
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	357	135
Changes of items during the period		
Net changes of items other than shareholders' equity	(222)	26
Total changes of items during the period	(222)	26
Balance at the end of current period	135	162
Foreign currency translation adjustment		
Balance at the end of previous period	—	(194)
Changes of items during the period		
Net changes of items other than shareholders' equity	(194)	251
Total changes of items during the period	(194)	251
Balance at the end of current period	(194)	56
Total valuation and translation adjustments		
Balance at the end of previous period	357	(59)
Changes of items during the period		
Net changes of items other than shareholders' equity	(417)	278
Total changes of items during the period	(417)	278
Balance at the end of current period	(59)	219
Minority interests		
Balance at the end of previous period	1,043	—
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,043)	—
Total changes of items during the period	(1,043)	—
Balance at the end of current period	—	—

(Unit: Million yen)

	2008 (Jan. 1, 2008 through Dec. 31, 2008)	2009 (Jan. 1, 2009 through Dec. 31, 2009)
Total net assets		
Balance at the end of previous period	214,279	270,500
Changes of items during the period		
Dividends from surplus	(21,468)	(21,462)
Net income (loss)	79,285	(21,718)
Purchase of treasury stock	(331)	(293)
Disposal of treasury stock	195	55
Net changes of items other than shareholders' equity	(1,460)	278
Total changes of items during the period	56,220	(43,140)
Balance at the end of current period	270,500	227,359

(4) Consolidated statements of cash flows

(Unit: Million yen)

	2008 (Jan. 1, 2008 through Dec. 31, 2008)	2009 (Jan. 1, 2009 through Dec. 31, 2009)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	133,720	(36,121)
Depreciation and amortization	28,800	30,579
Amortization of goodwill	653	653
Increase (decrease) in provision for bonuses	74	4
Increase (decrease) in provision for retirement benefits	(2,308)	6,595
Increase (decrease) in provision for repairs	1,607	1,454
Loss (gain) on sales and retirement of noncurrent assets	341	596
Loss (gain) on sales of investment securities	(71)	―
Loss (gain) on sales of stocks of subsidiaries and affiliates	(5,970)	―
Early extra retirement payments	―	328
Settlement package	―	213
Loss on provision for offshore well abandonment	1,185	―
Impairment loss	2,085	436
Interest and dividends income	(191)	(191)
Interest expenses	657	366
Equity in (earnings) losses of affiliates	238	1,007
Decrease (increase) in notes and accounts receivable-trade	149,848	(6,616)
Decrease (increase) in inventories	2,300	13,356
Decrease (increase) in accounts receivable-other	(2,216)	(868)
Increase (decrease) in notes and accounts payable-trade	(137,319)	45,832
Increase (decrease) in accounts payable-other	(20,608)	(8,052)
Other, net	1,250	(2,272)
Subtotal	154,078	47,304
Interest and dividends income received	212	180
Interest expenses paid	(707)	(372)
Payments for early extra retirement payments	―	(87)
Settlement package paid	―	(213)
Income taxes refund	4,538	660
Income taxes paid	(13,029)	(42,053)
Net cash provided by (used in) operating activities	145,092	5,418
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(18,215)	(25,144)
Proceeds from sales of property, plant and equipment	2,051	1,867
Purchase of intangible assets	(757)	(1,076)
Proceeds from sales of investment securities	603	―
Payments of long-term loans receivable	(4)	(5)
Collection of long-term loans receivable	236	171
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	9,601	―
Other, net	14	125
Net cash provided by (used in) investing activities	(6,469)	(24,063)
Net cash provided by (used in) financing activities		
Net decrease (increase) in short-term loans receivable	(91,251)	26,408
Net increase (decrease) in short-term loans payable	(23,689)	15,737
Repayment of long-term loans payable	(1,993)	(1,754)
Purchase of treasury stock	(331)	(293)
Proceeds from sales of treasury stock	195	55
Cash dividends paid	(21,469)	(21,462)
Cash dividends paid to minority shareholders	(55)	―
Net cash provided by (used in) financing activities	(138,595)	18,691
Effect of exchange rate change on cash and cash equivalents	(153)	255
Net increase (decrease) in cash and cash equivalents	(126)	301
Cash and cash equivalents at beginning of period	614	488
Cash and cash equivalents at end of period	488	789

(5) Note to Going Concern

Not Applicable

(6) Significant Accounting Policies for Consolidated Financial Statements

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
Ⅰ Scope of Consolidation 1 Consolidated Subsidiaries: 7 companies Each company's name is omitted as those are listed on "2. Profile of Group Companies". In this period, one company has been added and one company has been excluded from the scope of consolidation as follows; Newly established in Republic of Korea: Tonen Specialty Separator Korea Private Limited Sold the shares owned by the Company: Nansei Sekiyu K.K. 2 Non-consolidated Subsidiaries: 1 company Kyushu Eagle K.K. 3 The Reason to Exclude the Subsidiary from the Scope of Consolidation The subsidiary is excluded from the scope of consolidation because its assets, net sales, net income, retained earnings, etc. have no material impact on the consolidated financial statements.	Ⅰ Scope of Consolidation 1 Consolidated Subsidiaries: 7 companies Each company's name is omitted as those are listed on "2. Profile of Group Companies". 2 ――――――― 3 ―――――――
Ⅱ Application of Equity Method 1 Affiliates Accounted for by the Equity Method: 2 companies Nippon Unicar Company Limited Shimizu LNG Co., Ltd 2 Non-equity-method Companies Non-consolidated subsidiaries: 1 company Kyushu Eagle K.K. Affiliated companies: 1 company Emori Sekiyu K.K. 3 The Reason not to Apply Equity Method The non-consolidated subsidiary and affiliated company are not accounted for by the equity method because the companies do not have a material impact on net income, retained earnings, etc.	Ⅱ Application of Equity Method 1 Affiliates Accounted for by the Equity Method: 2 companies No Change 2 Non-equity-method Companies Affiliated companies: 1 company Emori Sekiyu K.K. 3 The Reason not to Apply Equity Method The non-consolidated affiliated company are not accounted for by the equity method because the companies do not have a material impact on net income, retained earnings, etc.
Ⅲ Closing Date of Consolidated Subsidiaries Closing dates of consolidated subsidiaries are the same as that of the Company.	Ⅲ Closing Date of Consolidated Subsidiaries No Change

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
Ⅳ Summary of Significant Accounting Procedures In order to prepare each company's financial statements, which form the basis of these consolidated financial statements, the Company and its subsidiaries applied the following accounting procedures.	Ⅳ Summary of Significant Accounting Procedures In order to prepare each company's financial statements, which form the basis of these consolidated financial statements, the Company and its subsidiaries applied the following accounting procedures.
1 Valuation Rules and Methods for Important Assets	1 Valuation Rules and Methods for Important Assets
(1) Inventories Merchandise and finished goods, Semi-finished goods, and Raw materials: Generally LIFO method at the lower of cost or market Supplies: The moving-average method	(1) Inventories Generally the lower of acquisition costs determined by the LIFO method or their net realizable value <Change of Accounting Method> With regard to inventories held for sale in the ordinary course of business, last-in first-out (LIFO) method at the lower of cost or market had been applied to merchandise and finished goods, semi-finished goods and raw materials, and the moving-average method had been applied to supplies. In accordance with the introduction of "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 issued on July 5, 2006), inventories are generally stated on the balance sheet at the lower of acquisition cost determined by the LIFO method or their net realizable value beginning in this consolidated accounting period.
(2) Securities Other securities ① Marketable Market value at the closing date (Valuation difference on available-for-sales securities is directly reflected in Shareholders' Equity, and cost of sales is calculated using the moving-average method)	(2) Securities Other securities ① Marketable No Change
② Non-marketable The moving-average method	② Non-marketable No Change
(3) Derivatives transactions, etc. Market value at the closing date	(3) Derivatives transactions, etc. No Change

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
2 Depreciation and Amortization of Fixed Assets (1) Property, Plant and Equipment Generally the declining-balance method The service life ranges by major assets are: Buildings and Structures 10 to 50 years Tanks 10 to 25 years Machinery, Equipment and Vehicles 8 to 15 years (2) Intangible Assets The straight-line method In-house computer software is amortized over its service life (5 to 15years) using the straight-line method. (3) ―――――	2 Depreciation and Amortization of Fixed Assets (1) Property, Plant and Equipment (excluding Lease Assets) Generally the declining-balance method The service life ranges by major assets are: Buildings and Structures 10 to 50 years Tanks 10 to 25 years Machinery, Equipment and Vehicles 7 to 15 years (2) Intangible Assets (excluding Lease Assets) No Change (3) Lease Assets Straight-line method is employed, where leasing period is deemed as the service life and residual value is set as zero. The accounting treatment for finance lease transaction, in which ownership is not transferred to lessee and which became effective before the beginning of this consolidated accounting period, is the same as the method applied to ordinary operating lease transactions. <Change of Accounting Method> The accounting treatment for finance lease transactions, in which ownership is not transferred to the lessee, had been the same as the method applied to ordinary operating lease transactions. Revisions in "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13 issued on June 17, 1993, amended on March 30, 2007) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16 issued on January 18, 1994, amended on March 30, 2007) which is applied for the consolidated accounting period beginning after April 1, 2008, were applied to finance leases in which ownership is not transferred to the lessee, so that they are treated in the same way as ordinary purchase and sale transactions beginning in this consolidated accounting period. As to the depreciation method for lease assets related to finance lease transactions in which ownership is not transferred to the lessee, straight-line is employed, where leasing period is deemed as the service life and residual value is set as zero. The accounting treatment for finance lease transactions, in which ownership is not transferred to the lessee and which became effective before the beginning of the period, is the same as the method applied to ordinary operating lease. There is no earnings impact from this change.

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
3 Basis for Significant Reserves (1) Allowance for doubtful accounts To provide for losses due to bad debt, the Company and its consolidated subsidiaries accrue an estimated bad debt allowance on ordinary receivables based on historical bad debt ratios, and on highly doubtful receivables based on the recoverability from individual customers.	3 Basis for Significant Reserves (1) Allowance for doubtful accounts No Change
(2) Provision for Bonuses To provide for the payment of employees' bonuses, the Company and its consolidated subsidiaries accrue an estimated reserve for the consolidated accounting period.	(2) Provision for Bonuses No Change
(3) Provision for Retirement Benefits To provide for the payment of employees' post-retirement benefits, the Company and its consolidated subsidiaries accrue an estimated reserve based on the projected benefit obligations and estimated pension plan assets as of the closing date. Any differences in actuarial calculations of retirement benefits are amortized beginning with the next accounting period, where the declining-balance method is employed over a period which is set within employees' average remaining service years. (12 years) Prior service liabilities are amortized using the straight-line method over employees' average remaining service years; (Before 2004: 15.5 years Since 2004: The Company 12.9 years Consolidated Subsidiaries 11.4 years Since 2007: The Company 11.9 years Consolidated Subsidiaries 11.0 years)	(3) Provision for Retirement Benefits No Change
(4) Provision for Directors' Retirement Benefits To provide for the payment of officers' post-retirement allowance, the Company and its consolidated subsidiaries accrue an estimated amount of lump sum retirement allowance assuming that officers retire at the closing date.	(4) Provision for Directors' Retirement Benefits No Change
(5) Provision for Repairs To provide for periodic tank inspections required under the Fire Service Law and for periodic repairs of machinery and equipment, the Company and one consolidated subsidiary accrue an estimated reserve for the consolidated accounting period, based on actual payments and repair plans, respectively.	(5) Provision for Repairs No Change
(6) Provision for Offshore Well Abandonment To provide for expenses for offshore well abandonment to be incurred when natural gas production is terminated, the Company accrues the estimated amount anticipated to be spent.	(6) Provision for Offshore Well Abandonment To provide for expenses for offshore well abandonment accompanied by the termination of gas production, the Company accrues the estimated amount anticipated to be spent.

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
4 Translation Method for Foreign Currency Assets and Liabilities Foreign currency assets and liabilities are translated into Yen at the spot rate at the closing date, and any difference from exchange rate change is reflected in income.	4 Translation Method for Foreign Currency Assets and Liabilities No Change
5 Accounting Method for Major Lease Transactions The accounting treatment for finance lease transactions, in which ownership is not transferred to the lessee, is the same as the method applied to ordinary operating lease transactions.	5 ――――――――――
6 Accounting Method for Consumption Taxes Each item in the consolidated statement of income does not include consumption taxes.	6 Accounting Method for Consumption Taxes No Change
Ⅴ Valuation Method for Assets and Liabilities of Consolidated Subsidiaries The assets and liabilities excluding minority interests of consolidated subsidiaries are evaluated using the fair market value at each time when the Company acquires equity interest of the respective subsidiaries.	Ⅴ Valuation Method for Assets and Liabilities of Consolidated Subsidiaries No Change
Ⅵ Amortization of Goodwill and Negative Goodwill Goodwill and negative goodwill are both amortized over 5 years using a straight line method.	Ⅵ Amortization of Goodwill and Negative Goodwill No Change
Ⅶ Scope of Cash and Cash Equivalents in Consolidated Statement of Cash Flows Cash and cash equivalents are composed of cash on hand, deposits drawable at any time, deposits readily convertible to cash and price change insensitive short-term advances whose maturity comes generally within three months.	Ⅶ Scope of Cash and Cash Equivalents in Consolidated Statement of Cash Flows No Change

(7) Change in Significant Accounting Policies for Consolidated Financial Statements

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
	<Application of Accounting Standard for Inventory Valuation> With regard to inventories held for sale in the ordinary course of business, last-in first-out (LIFO) method at the lower of cost or market had been applied to merchandise and finished goods, semi-finished goods and raw materials, and the moving-average method had been applied to supplies. In accordance with the introduction of "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 issued on July 5, 2006), inventories are generally stated on the balance sheet at the lower of acquisition cost determined by the LIFO method or their net realizable value beginning in this consolidated accounting period. There is no earnings impact from this change. <Application of Accounting Standard for Lease Transaction> The accounting treatment for finance lease transactions, in which ownership is not transferred to the lessee, had been the same as the method applied to ordinary operating lease transactions. Revisions in "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13 issued on June 17, 1993, amended on March 30, 2007) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16 issued on January 18, 1994, amended on March 30, 2007) which is applied for the consolidated accounting period beginning after April 1, 2008, were applied to finance leases in which ownership is not transferred to the lessee, so that they are treated in the same way as ordinary purchase and sale transactions beginning in this consolidated accounting period. As to the depreciation method for lease assets related to finance lease transactions in which ownership is not transferred to the lessee, straight-line is employed, where leasing period is deemed as the service life and residual value is set as zero. The accounting treatment for finance lease transactions, in which ownership is not transferred to the lessee and which became effective before the beginning of the period, is the same as the method applied to ordinary operating lease. There is no earnings impact from this change. <Application of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"> Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force (PITF) No. 18 issued on May 17, 2006) is applied beginning in this consolidated accounting period. There is no earnings impact from this change.

Change in Presentation

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
Although, "Loss on Sales and Disposals of Supplies" was listed in "Non-operating Expenses" in the prior consolidated accounting period, it is included in "Others" in this consolidated accounting period due to lower materiality. The amount included in "Others" in this accounting period is 49 million yen.	―――――――――――――

Additional Information

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
<Depreciation of Fixed Assets> In accordance with the revision of the Corporate Tax Law, the differences between the limit of depreciation (5% of the acquisition cost) and the memorandum value of Property, Plant and Equipment, which were acquired before March 31, 2007, are depreciated on a straight-line basis over 5 years from the next year after the assets are fully depreciated up to the limit of depreciation (5% of the acquisition cost), and the Company and its domestic subsidiaries recognize the resulting differences as depreciation costs. As a result, Operating Income, Ordinary Income and Income before Income Taxes decreased by 5,120 million yen, respectively. The impact of the change to each segment is stated in "Segment Information". <Provisional Loss for Offshore Well Abandonment> Following the cessation of production concerning the Offshore Iwaki Gas Project, the Company has estimated updated costs of offshore well abandonment, and the difference of 1,185 million yen from the previously accrued amount is shown as an extraordinary loss in this accounting period.	<Change in Service Life of Tangible Fixed Assets> In accordance with the revision of the useful life stipulated in the Corporate Tax Law, the service life for machinery such as refining and electric power generation assets owned by the Company and its domestic subsidiaries was changed beginning in this consolidated accounting period. As a result, Operating loss, Ordinary loss and Loss before income taxes increased by 2,139 million yen, respectively. The impact of the change to each segment is stated in "Segment Information".

(8) Notes to Consolidated Financial Statements

(Consolidated Balance Sheet)

Prior Period (December 31, 2008)

1 The accumulated reduced-value entry, which is directly deducted from Property, Plant and Equipment amounted to 1,749 million yen. The reduced-value entry is applied due to insurance proceeds etc.
(Buildings and Structures 40 million yen, Tanks 40 million yen, Machinery, Equipment and Vehicles 1,657 million yen, Tools, Furniture and Fixtures 11 million yen)

2 Non-consolidated Subsidiary and Affiliated Company
The item shown below is included in Investments and Other Assets and relates to non-consolidated subsidiaries and affiliated companies.
Investment Securities (Stocks) 9,259 million yen

3 Mortgaged Assets
Mortgaged assets and mortgaged liabilities by security rights are as shown below;

Mortgaged Assets	Amounts (Million yen)	(Plant Mortgage) (Million yen)
Buildings and Structures	5,641	(5,641)
Tanks	639	(639)
Machinery, Equipment and Vehicles	17,522	(17,522)
Land	23,657	(4,628)
Total	47,460	(28,431)

Mortgaged Liabilities by Security Right	Amounts (Million yen)	(Plant Mortgage) (Million yen)
Short-term debt	202	(-)
Gasoline Taxes Payable	47,257	(28,431)
Total	47,459	(28,431)

(Note) 1 In the summary of mortgaged assets, plant mortgage is shown in parentheses.
2 In the summary of mortgaged liabilities by security rights, plant mortgage is shown in parentheses.
3 In addition to the above and the obligations for guarantees shown in item "4 Obligations for Guarantees", the Company committed to offer upon lender's demand a contract of mortgage over the assets noted below to support borrowings undertaken. Current amounts outstanding under this loan agreement are for short-term debt (1,412 million of yen) and long-term debt (4,586 million of yen)

Buildings and Structures	12,723 million yen
Tanks	1,382
Machinery, Equipment and Vehicles	25,305
Tools, Furniture and Fixtures	412
Land	847

Current Period (December 31, 2009)

1 The accumulated reduced-value entry, which is directly deducted from Property, Plant and Equipment amounted to 1,749 million yen. The reduced-value entry is applied due to insurance proceeds etc.
(Buildings and Structures 40 million yen, Tanks 40 million yen, Machinery, Equipment and Vehicles 1,657 million yen, Tools, Furniture and Fixtures 11 million yen)

2 Non-consolidated Subsidiary and Affiliated Company
The item shown below is included in Investments and Other Assets and relates to non-consolidated subsidiaries and affiliated companies.
Investment Securities (Stocks) 8,252 million yen

3 Mortgaged Assets
Mortgaged assets and mortgaged liabilities by security rights are as shown below;

Mortgaged Assets	Amounts (Million yen)	(Plant Mortgage) (Million yen)
Buildings and Structures	5,008	(5,008)
Tanks	514	(514)
Machinery, Equipment and Vehicles	15,664	(15,664)
Land	23,657	(4,628)
Total	44,845	(25,816)

Mortgaged Liabilities by Security Right	Amounts (Million yen)	(Plant Mortgage) (Million yen)
Gasoline Taxes Payable	51,186	(25,816)
Total	51,186	(25,816)

(Note) 1 In the summary of mortgaged assets, plant mortgage is shown in parentheses.
2 In the summary of mortgaged liabilities by security rights, plant mortgage is shown in parentheses.
3 In addition to the above and the obligations for guarantees shown in item "4 Obligations for Guarantees", the Company committed to offer upon lender's demand a contract of mortgage over the assets noted below to support borrowings undertaken. Current amounts outstanding under this loan agreement are for short-term debt (1,412 million of yen) and long-term debt (3,174 million of yen)

Buildings and Structures	12,520 million yen
Tanks	1,155
Machinery, Equipment and Vehicles	21,465
Tools, Furniture and Fixtures	423
Land	847

Prior Period (December 31, 2008)	Current Period (December 31, 2009)
4 Obligations for Guarantees The Company has guaranteed the following bank borrowing etc., for employees of the Company, its consolidated subsidiaries and equity companies, and dealers etc. Shimizu LNG K.K. 1,580 million yen Company Employees 235 K.K. Ryuseki Nenryo 95 Others (4 companies) 109 Total 2,020 (Note) For the debt (1,822 million of yen) of Shimizu LNG K.K. from the Development Bank of Japan etc., the Company has a contractual obligation to reserve its land for a mortgage. (book value 747 million of yen)	4 Obligations for Guarantees (1) Bank Borrowing, etc. The Company has guaranteed the bank borrowing, etc. for its equity company, etc. as follows. Shimizu LNG K.K. 1,174 million yen Japan Biofuels Supply LLP 376 Company Employees 206 Others (5 companies) 130 Total 1,887 (Note) For the debt (892 million of yen) of Shimizu LNG K.K. from the Development Bank of Japan etc., the Company has a contractual obligation to reserve its land for a mortgage. (book value 747 million of yen) (2) Letter of Credit The Company has guaranteed the letter of credit as follows. Guarantees / Amounts(USD) / (Yen Equivalent) Japan Biofuels Supply LLP / 11,137 thousand USD / (1,025) million yen (3) Deferral of Import Consumption Tax Payment The Company has guaranteed the deferral of import consumption tax payment as follows. Guarantees / Amounts Japan Biofuels Supply LLP / 292 million yen

(Statement of Income)

Prior Period (Jan.1, 2008 through Dec. 31, 2008)

1 The loss on valuation of inventories by the lower cost or market method, which is included in cost of sales, is 3,076 million yen.

2 The major items and amounts in selling, general and administrative expenses are as follows.

Salaries and Bonuses	12,431	million yen
Transportation Costs	3,067	
Outside Order Expenses	3,745	
Rent	2,058	
Depreciation Expenses	2,271	
Sales Commissions	3,230	
Pension Expenses	(748)	
Provisions for Bonuses	338	

3 Research and development costs included in administrative and manufacturing costs were 4,076 million yen.

4 Gain on Sales of Property, Plant and Equipment

Land (Service Stations)	1,133	million yen
Vessels	185	
Others	78	
Total	1,396	

5 Loss on Sales and Disposals of Property, Plant, and Equipment

Buildings and Structures (Service Stations, etc.)	669	million yen
Machinery, Equipment and Vehicles (Refinery Facilities, etc.)	526	
Leasehold rights (Service Stations, etc.)	202	
Land (Service Stations, etc.)	101	
Tools, Furniture and Fixtures (Refinery Facilities, etc.)	84	
Others	153	
Total	1,738	

6 Loss on Asset Impairment

Used for	Location	Type	Amount (million yen)
Service Station	TonenGeneral Sekiyu K.K., Suma Central Dai-ichi SS (Suma-ku, Kobe-City, Hyogo Pref.) and other 22 items	Land	2,085
Total			2,085

The Company recognized an impairment loss on 23 items, whose recoverable value is significantly lower than net book value, by reducing the NBV to the recoverable value. The deduction was 2,085 million yen and is shown as an extraordinary loss.
Net selling value, which is a market price based on official values, is applied to evaluate the recoverable value.

Current Period (Jan.1, 2009 through Dec. 31, 2009)

1 Inventories are stated on the balance sheet at the lower of acquisition costs or their net realizable value. The following net gain from the reversal of the valuation loss incurred in the prior period and the loss incurred in the current period is included in cost of sales.

2,899 million yen

2 The major items and amounts in selling, general and administrative expenses are as follows.

Salaries and Bonuses	11,444	million yen
Transportation Costs	2,620	
Outside Order Expenses	3,264	
Rent	1,872	
Depreciation Expenses	2,007	
Sales Commissions	3,291	
Pension Expenses	3,550	
Provisions for Bonuses	315	

3 Research and development costs included in administrative and manufacturing costs were 4,047 million yen.

4 Gain on Sales of Property, Plant and Equipment

Land (Service Stations)	933	million yen
Others	71	
Total	1,005	

5 Loss on Sales and Disposals of Property, Plant, and Equipment

Buildings and Structures (Service Stations, etc.)	877	million yen
Land (Service Stations, etc.)	334	
Machinery, Equipment and Vehicles (Refinery Facilities, etc.)	311	
Others	77	
Total	1,602	

6 Loss on Asset Impairment

Used for	Location	Type	Amount (million yen)
Service Station	TonenGeneral Sekiyu K.K., Mobara SS (Mobara-City, Chiba Pref.) and other 15 items	Land	436
Total			436

The Company recognized an impairment loss on 16 items, whose recoverable value is significantly lower than net book value, by reducing the NBV to the recoverable value. The deduction was 436 million yen and is shown as an extraordinary loss.
Net selling value, which is a market price based on official values, is applied to evaluate the recoverable value.

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
7 Sale of Nansei Sekiyu K.K.'s Stock The shares in Nansei Sekiyu K.K., which were owned by the Company were sold to Petrobras International Braspetro B.V. on April 1, 2008. The gain of 5,970 million yen was recognized as "Gain on sales of subsidiaries and affiliates' stocks" and shown as an Extraordinary Gain. The "Gain on sales of subsidiaries and affiliates' stocks" includes the reversal of the accrued loss on subsidiary stock sale of 2,803 million yen, which was a recognized in the prior period.	7 ――――――――

(Consolidated Statement of Changes in Shareholders' Equity)

Prior Consolidated Accounting Period (January 1, 2008 through December 31, 2008)

1 Number of Shares Issued

Type of shares	Dec. 31, 2007	Increase	Decrease	Dec. 31, 2008
Common Stock (Shares)	565,182,000	-	-	565,182,000

2 Treasury Stock

Type of shares	Dec. 31, 2007	Increase	Decrease	Dec. 31, 2008
Common Stock (Shares)	180,951	372,332	224,728	328,555

(Major cause of movement) Increase and decrease of Treasury Stock is due to repurchase and sales of odd-lot stocks.

3 Dividends

(1) Dividends Paid

Resolution	Type of shares	Total Dividends (Million Yen)	Dividend per Share (Yen)	Record date	Effective date
Annual General Shareholders' Meeting held on March 26, 2008	Common Stock	10,735	19.00	December 31, 2007	March 27, 2008
Board of Directors held on August 14, 2008	Common Stock	10,733	19.00	June 30, 2008	September 16, 2008

(2) Dividends whose Record Dates are in The Current Period but whose Effective Date Falls in The Next Period

Planned Resolution	Type of shares	Dividend Resource	Total Dividends (Million Yen)	Dividend per Share (Yen)	Record date	Effective date
March 26, 2009	Common Stock	Retained Earnings	10,732	19.00	December 31, 2008	March 27, 2009

Current Consolidated Accounting Period (January 1, 2009 through December 31, 2009)

1 Number of Shares Issued

Type of shares	Dec. 31, 2008	Increase	Decrease	Dec. 31, 2009
Common Stock (Shares)	565,182,000	-	-	565,182,000

2 Treasury Stock

Type of shares	Dec. 31, 2008	Increase	Decrease	Dec. 31, 2009
Common Stock (Shares)	328,555	359,766	68,520	619,801

(Major cause of movement) Increase and decrease of Treasury Stock is due to repurchase and sales of odd-lot stocks.

3 Dividends

(1) Dividends Paid

Resolution	Type of shares	Total Dividends (Million Yen)	Dividend per Share (Yen)	Record date	Effective date
Annual General Shareholders' Meeting held on March 26, 2009	Common Stock	10,732	19.00	December 31, 2008	March 27, 2009
Board of Directors held on August 14, 2009	Common Stock	10,730	19.00	June 30, 2009	September 15, 2009

(2) Dividends whose Record Dates are in The Current Period but whose Effective Date Falls in The Next Period

Planned Resolution	Type of shares	Dividend Resource	Total Dividends (Million Yen)	Dividend per Share (Yen)	Record date	Effective date
March 26, 2010	Common Stock	Retained Earnings	10,726	19.00	December 31, 2009	March 29, 2010

(Consolidated Statement of Cash Flows)

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
1 Cash and Cash Equivalents at the closing date and accounts on the balance sheets (December 31, 2008) Cash on Hand and in Banks 488 million yen Cash and Cash Equivalents 488 2 Breakdown of assets and liabilities of the subsidiary excluded from the scope of consolidation by stock sales Current assets 42,005 million yen Long-term assets 9,150 Current liabilities (44,383) Long-term liabilities (2,149) Minority interests (992) Gain on sale of stock 5,970 Sale price of stock 9,601 Cash and cash equivalents - Net proceeds from sales 9,601	1 Cash and Cash Equivalents at the closing date and accounts on the balance sheets (December 31, 2009) Cash on Hand and in Banks 789 million yen Cash and Cash Equivalents 789 2 ―――

(Segment Information)

1 Segment Information by Business Line

Prior Consolidated Accounting Period (January 1, 2008 through December 31, 2008)

(Unit: Million yen)

	Oil	Chemical	Others	Total	Elimination	Consolidated
Ⅰ Net Sales and Operating Income						
Net Sales						
(1) Sales to Third Parties	2,917,761	353,320	1,347	3,272,429	-	3,272,429
(2) Internal Transactions	373,241	51,320	5	424,567	(424,567)	-
Total	3,291,003	404,641	1,352	3,696,997	(424,567)	3,272,429
Operating Expenses	3,183,353	390,723	1,178	3,575,254	(424,567)	3,150,686
Operating Income	107,650	13,917	174	121,742	-	121,742
Ⅱ Assets, Depreciation, Loss on Asset Impairment and Capital Expenditures						
Assets	859,571	98,093	1,463	959,127	(57,529)	901,598
Depreciation Expenses	24,123	4,676	0	28,800	-	28,800
Loss on Asset Impairment	2,085	-	-	2,085	-	2,085
Capital Expenditure	15,273	3,699	0	18,972	-	18,972

(Note) 1 Classification by business lines is based on the internal control procedure the Company has adopted.

2 The major products of each business line:

(1) Oil: Gasoline, Naphtha, Jet Fuel, Kerosene, Diesel Fuel, Fuel Oils, Lubricants, LPG, etc.

(2) Chemical: Ethylene, Propylene, Benzene, Toluene, Paraxylene, Battery Separator Film, etc.

(3) Others: Engineering, Maintenance Service, etc.

3 Additional Information

In accordance with the revision of the Corporate Tax Law, the differences between the limit of depreciation (5% of the acquisition cost) and the memorandum value of Property, Plant and Equipment, which were acquired before March 31, 2007 are depreciated on a straight-line basis over 5 years from the next year after the assets are fully depreciated up to the limit of depreciation (5% of the acquisition cost), and the Company and its domestic subsidiaries recognize the resulting differences as depreciation costs.
As a result, the Oil Segment and Chemical Segment had an unfavorable impact of 4,573 million yen and 546 million yen on Operating Income respectively.

Current Consolidated Accounting Period (January 1, 2009 through December 31, 2009)

(Unit: Million yen)

	Oil	Chemical	Others	Total	Elimination	Consolidated
Ⅰ Net Sales and Operating Income						
Net Sales						
(1) Sales to Third Parties	1,917,453	193,518	781	2,111,753	-	2,111,753
(2) Internal Transactions	171,644	25,992	4	197,640	(197,640)	-
Total	2,089,097	219,510	785	2,309,394	(197,640)	2,111,753
Operating Expenses	2,127,512	215,689	752	2,343,953	(197,640)	2,146,312
Operating Income (loss)	(38,414)	3,821	33	(34,559)	-	(34,559)
Ⅱ Assets, Depreciation, Loss on Asset Impairment and Capital Expenditures						
Assets	821,986	117,906	622	940,514	(65,336)	875,177
Depreciation Expenses	25,814	4,676	0	30,579	-	30,579
Loss on Asset Impairment	436	-	-	436	-	436
Capital Expenditure	14,956	11,265	-	26,221	-	26,221

(Note) 1 Classification by business lines is based on the internal control procedure the Company has adopted.

2 The major products of each business line:

(1) Oil: Gasoline, Naphtha, Jet Fuel, Kerosene, Diesel Fuel, Fuel Oils, Lubricants, LPG, etc.

(2) Chemical: Ethylene, Propylene, Benzene, Toluene, Paraxylene, Battery Separator Film, etc.

(3) Others: Construction Management

3 Additional Information

In accordance with the revision of the useful life stipulated in the Corporate Tax Law, the service life for machinery such as refining and electric power generation assets owned by the Company and its domestic subsidiaries was changed beginning in this consolidated accounting period.

As a result, the Oil Segment and Chemical Segment had an unfavorable impact of 2,072 million yen on Operation Loss and 66 million yen on Operating Income respectively.

2 Segment Information by Geographic Area

The information is omitted for both the previous and the current accounting periods, because the share of net sales in Japan (including export) versus total net sales is over 90%.

3 Overseas Sales

Prior Consolidated Accounting Period (January 1, 2008 through December 31, 2008)

(1) Overseas Sales	(Million yen)	390,374
(2) Consolidated Net Sales	(Million yen)	3,272,429
(3) Percentage of (1) vs. (2)	(%)	11.9

Current Consolidated Accounting Period (January 1, 2009 through December 31, 2009)

(1) Overseas Sales	(Million yen)	217,689
(2) Consolidated Net Sales	(Million yen)	2,111,753
(3) Percentage of (1) vs. (2)	(%)	10.3

(Note) 1 Overseas Sales are not given by country or region as the information is not deemed to be material.
2 The major countries or regions in the category: Asia Pacific
3 Overseas Sales above include export of the Company and its consolidated subsidiaries.

(Deferred Tax Accounting)

Prior Period (December 31, 2008)	Current Period (December 31, 2009)
1 Detail of Deferred Tax Assets and Deferred Tax Liabilities	1 Detail of Deferred Tax Assets and Deferred Tax Liabilities
(Deferred Tax Assets)	(Deferred Tax Assets)
Provision for Retirement Allowance 11,201 million yen	Tax Loss Carry Forward 16,499 million yen
Provision for Turnaround 4,585	Provision for Retirement Allowance 13,927
Accrued Enterprise Tax Payable 2,869	Provision for Turnaround 5,392
Asset Impairment 2,452	Asset Impairment 1,980
Variance from different Inventory Valuations 1,637	Variance from different Inventory Valuations 1,298
Provision for Offshore Well Abandonment 1,201	Provision for Offshore Well Abandonment 1,037
Accrued Removal Expenses 601	Accrued Removal Expenses 601
Others 2,238	Others 2,039
26,788	42,776
(Deferred Tax Liabilities)	(Deferred Tax Liabilities)
Provision for Property Replacement (11,337) million yen	Provision for Property Replacement 10,404 million yen
Provision for Retirement Allowance (3,220)	Provision for Retirement Allowance (2,503)
Unrealized Holding Gains on Securities (94)	Unrealized Holding Gains on Securities (111)
Others (2,167)	Others (2,055)
Total Deferred Tax Liabilities (16,819)	Total Deferred Tax Liabilities (15,074)
Net of Deferred Tax Assets 9,969	Net of Deferred Tax Assets 27,701
The amount "Net of Deferred Tax Assets" includes the accounts below;	
Current Assets - Deferred Tax Assets 5,855 million yen	
Long-term Assets - Deferred Tax Assets 6,591	
Long-term Liabilities - Deferred Tax Liabilities (2,478)	
2 Factors in the Difference between the Statutory Effective Tax Rate and Actual Effective Tax Rate	2 Factors in the Difference between the Statutory Effective Tax Rate and Actual Effective Tax Rate
Statutory Effective Tax Rate 40.7 %	This note is omitted since difference between the statutory effective tax rate and actual effective tax rate is below 5% of the statutory effective tax rate.
(Adjustments)	
Equity Earnings 0.1	
Amortization of Goodwill 0.2	
Tax Credit (0.2)	
Consolidated Adjustment for Accrued Loss on Sales of Subsidiary Company's Stock (0.1)	
Others 0.1	
Actual Effective Tax Rate 40.8	

(Employees' Post-retirement Benefits)

1 Outline of Adopted Retirement Benefit Scheme
As of the end of the consolidated accounting period, the Company and two of its consolidated subsidiaries operated a defined benefit plan and six companies had retirement allowance plans.

2 Breakdown of Projected Benefit Obligations

	Prior Period (December 31, 2008)	Current Period (December 31, 2009)
	million yen	million yen
(1) Projected Benefit Obligations	(159,476)	(159,887)
(2) Plan Assets	80,131	94,039
(3) Unfunded Benefit Obligations ((1)+(2))	(79,344)	(65,848)
(4) Unrecognized Actuarial Gain/Loss	62,171	40,334
(5) Unrecognized Prior Service Liabilities	(2,440)	(2,526)
(6) Amount Booked on Consolidated Balance Sheet ((3)+(4)+(5))	(19,613)	(28,040)
(7) Prepaid Pension Costs	8,818	6,987
(8) Reserve for Accrued Pension Costs ((6)－(7))	(28,432)	(35,027)

(Note) Some of the consolidated subsidiaries apply simplified methods in calculating projected benefit obligations.

3 Breakdown of Accrued Pension Costs

	Prior Period (Jan. 1, 2008 through Dec. 31, 2008)	Current Period (Jan. 1, 2009 through Dec. 31, 2009)
Accrued Pension Costs	million yen	million yen
(1) Service Costs	3,020	2,637
(2) Interest Expense	3,453	3,115
(3) Expected Return on Plan Assets	(7,885)	(4,522)
(4) Amortization of Unrecognized Actuarial Gain/Loss	(1,058)	10,753
(5) Amortization of Prior Service Liabilities	86	86
(6) Accrued Pension Costs ((1)+(2)+(3)+(4)+(5))	(2,384)	12,069

(Note) Accrued Pension Costs for the consolidated subsidiaries that adopt simplified method are included in (1) Service Costs.

4 Information on the Calculation of Projected Benefit Obligations

	Prior Period (December 31, 2008)	Current Period (December 31, 2009)
(1) Period Distribution Method of Estimated Retirement Benefits	Period fixed amount standard	Ditto
(2) Discount Rate	2.0%	2.1%
(3) Rate of Expected Return on Plan Assets	6.0%	Ditto
(4) Amortization Period for Prior Service Liabilities	15.5 years for 2003 and before, 12.9 and 11.4 years since 2004 and 11.9 and 11.0 years since 2007 for the Company and its consolidated subsidiary. (Prior service liabilities are amortized using the straight-line method over employees' average remaining service years)	Ditto
(5) Amortization Period for Actuarial Differences	12 years (Actuarial differences are amortized using the declining-balance method over employees' average remaining service years)	Ditto

(Business Combination)

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
――――――――	<Important Subsequent Events> - Start-up of Battery Separator Film Joint Venture On January 29, 2010, the Company started a 50:50 joint venture in the Battery Separator Film business through a new contribution of about 60 billion yen by Toray Industries Inc. into Tonen Specialty Separator Godo Kaisha, in which the Company held a 100% interest through fully-owned subsidiaries Tonen Chemical Corporation and Tonen Chemical Nasu Corporation. Overview of the joint venture company is as follows: 1 Name: Toray Tonen Specialty Separator Godo Kaisha 2 Capital stock: 301 million yen 3 Start-up Date: January 29, 2010 4 Business description: Development, production and sales of Battery Separator Film 5 Name of joint venture partner: Toray Industries, Inc. 6 Equity holding ratio: TonenGeneral group 50% Toray Industries, Inc. 50% Tonen Specialty Separator Korea Limited., which is fully-owned by Tonen Specialty Separator Godo Kaisha was renamed Toray Tonen Specialty Separator Korea Limited on January 29, 2010. As a result, the Company will recognize an estimated 20 billion yen as "Gain on change in equity" and shown as an Extraordinary Gain on the Consolidated Statement of Income in the next consolidated accounting period. Toray Tonen Specialty Separator Godo Kaisha (former Tonen Specialty Separator Godo Kaisha) and Toray Tonen Specialty Separator Korea Limited (former Tonen Specialty Separator Korea Limited) which were the consolidated subsidiaries of the Company will become equity companies from the next consolidated accounting period.

(Financial Data per Share)

Prior Period (Jan. 1, 2008 through Dec. 31, 2008)		Current Period (Jan. 1, 2009 through Dec. 31, 2009)	
Net Assets per Share	478.89 Yen	Net Assets per Share	402.72 Yen
Net Income per Share	140.34 Yen	Net Income per Share	(38.46) Yen

(Note) Basis of the Calculation

1 Diluted Net Income per Share is not noted because the Company has not issued any dilutive securities.

2 Net Assets per Share

	Prior Period (Jan. 1, 2008 through Dec. 31, 2008)	Current Period (Jan. 1, 2009 through Dec. 31, 2009)
Net Assets on the Consolidated Balance Sheet (Million yen)	270,500	227,359
Net Assets per Common Share (Million yen)	270,500	227,359
The difference between "Net Assets on the Consolidated Balance Sheet" and "Net Assets per Common Share" which is the basis of the calculation for "Net Assets per Share" (Million yen)	-	-
(Minority Interests) (Million yen)	(-)	(-)
Number of outstanding common shares (Shares)	565,182,000	565,182,000
Number of common shares owned by the Company (Shares)	328,555	619,801
Number of common shares used for the basis of the calculation for "Net Assets per Share" (Shares)	564,853,445	564,562,199

2 Net Income per Share

	Prior Period (Jan. 1, 2008 through Dec. 31, 2008)	Current Period (Jan. 1, 2009 through Dec. 31, 2009)
Net Income (Million yen)	79,285	(21,718)
Net Income not relating to common shareholders (Million yen)	-	-
Net Income per Common Share (Million yen)	79,285	(21,718)
Average numbers of outstanding Common Shares (Shares)	564,938,170	564,759,828

(Omitted Notes)

Notes concerning lease transaction, transactions with related parties, securities, and derivative transactions are omitted because these items are not material.

5. Consolidated Sales Volume and Sales Amounts

Business Segment	Products	Prior Period (Jan. 1, 2008 through Dec. 31, 2008)		Current Period (Jan. 1, 2009 through Dec. 31, 2009)	
		Volume	Amounts	Volume	Amounts
Oil	Gasoline	11,769 36.7	1,468,907 50.3	11,789 38.5	1,152,326 60.1
	Naphtha	79 0.2	4,736 0.2	69 0.2	2,059 0.1
	Kerosene	4,246 13.2	328,287 11.2	4,029 13.1	177,181 9.2
	Diesel fuel	6,278 19.6	500,666 17.2	6,353 20.7	271,347 14.2
	Fuel Oils and Crude	6,938 21.6	443,312 15.2	5,968 19.4	219,732 11.5
	Lubricants	348 1.1	38,543 1.3	332 1.1	22,714 1.2
	LPG	2,209 6.9	104,908 3.6	1,948 6.3	54,095 2.8
	Other Products	212 0.7	28,398 1.0	203 0.7	17,994 0.9
	Sub Total	32,079 100.0	2,917,761 100.0	30,691 100.0	1,917,453 100.0
Chemical	Olefins etc.	1,771 68.4	258,069 73.0	1,615 66.7	132,250 68.3
	Aromatics etc.	820 31.6	95,251 27.0	807 33.3	61,268 31.7
	Sub Total	2,591 100.0	353,320 100.0	2,422 100.0	193,518 100.0
Others	Other Operating Revenue		1,347		781
	Grand Total		3,272,429		2,111,753

(Notes)
1. Amounts shown in truncated millions of yen.
2. The second figure in each cell shows percentage of the total for Petroleum Products and Chemical Products.
3. Volumes for Petroleum Products are shown in KKL, and those for Chemical Products in Kton.

6. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheet

(Unit: Million yen)

	2008 (Dec. 31, 2008)	2009 (Dec. 31, 2009)
Assets		
Current assets		
Cash and deposits	36	44
Accounts receivable-trade	389,931	393,552
Merchandise and finished goods	36,176	26,044
Semi-finished goods	23,736	22,996
Raw materials	67,473	65,536
Supplies	3,641	3,800
Prepaid expenses	2,216	2,208
Deferred tax assets	5,137	6,240
Short-term loans receivable	90,935	38,868
Short-term loans receivable to subsidiaries and affiliates	8,370	35,486
Accounts receivable-other	4,065	4,861
Other	213	1,915
Allowance for doubtful accounts	(70)	(42)
Total current assets	631,863	601,513
Noncurrent assets		
Property, plant and equipment		
Buildings	41,826	40,482
Accumulated depreciation	(28,089)	(27,728)
Buildings, net	13,736	12,753
Structures	149,913	150,598
Accumulated depreciation	(121,020)	(122,845)
Structures, net	28,892	27,753
Tanks	62,778	63,405
Accumulated depreciation	(58,087)	(58,864)
Tanks, net	4,690	4,541
Machinery and equipment	520,073	528,937
Accumulated depreciation	(455,811)	(472,589)
Machinery and equipment, net	64,261	56,347
Vehicles	836	875
Accumulated depreciation	(712)	(754)
Vehicles, net	123	121
Tools, furniture and fixtures	9,495	9,451
Accumulated depreciation	(8,304)	(8,333)
Tools, furniture and fixtures, net	1,191	1,118
Land	70,604	68,985
Construction in progress	10,958	8,554
Total property, plant and equipment	194,458	180,175
Intangible assets		
Leasehold right	1,714	1,678
Software	3,016	3,049
Right of using facilities	277	248
Total intangible assets	5,008	4,976

(Unit: Million yen)

	2008 (Dec. 31, 2008)	2009 (Dec. 31, 2009)
Investments and other assets		
Investment securities	4,599	4,520
Stocks of subsidiaries and affiliates	6,599	6,596
Long-term loans receivable	21	26
Long-term loans receivable from employees	754	591
Long-term deposits	4,321	3,379
Deferred tax assets	6,455	21,745
Other	5,618	4,644
Allowance for doubtful accounts	(343)	(339)
Total investments and other assets	28,026	41,165
Total noncurrent assets	227,494	226,318
Total assets	859,357	827,831

(Unit: Million yen)

	2008 (Dec. 31, 2008)	2009 (Dec. 31, 2009)
Liabilities		
Current liabilities		
Accounts payable-trade	223,092	269,309
Gasoline taxes payable	189,199	185,983
Short-term loans payable	65,121	80,054
Current portion of long-term loans payable	1,956	1,754
Short-term loans payable to subsidiaries and affiliates	3,468	1,484
Accounts payable-other	9,917	12,639
Accrued expenses	12,053	11,637
Income taxes payable	38,226	—
Accrued consumption taxes	8,595	272
Advances received	6,950	3,958
Guarantee deposits payable	9,917	8,999
Provision for bonuses	1,031	1,022
Provision for offshore well abandonment	—	2,549
Other	952	1,123
Total current liabilities	570,483	580,787
Noncurrent liabilities		
Long-term loans payable	7,493	5,739
Provision for retirement benefits	27,239	33,669
Provision for directors' retirement benefits	170	126
Provision for repairs	15,340	16,010
Provision for offshore well abandonment	2,953	—
Other	544	591
Total noncurrent liabilities	53,741	56,136
Total liabilities	624,224	636,924
Net assets		
Shareholders' equity		
Capital stock	35,123	35,123
Capital surplus		
Legal capital surplus	20,741	20,741
Total capital surpluses	20,741	20,741
Retained earnings		
Legal retained earnings	8,780	8,780
Other retained earnings		
Reserve for property replacement	16,371	15,165
Retained earnings brought forward	154,286	111,473
Total earned surpluses	179,439	135,419
Treasury stock	(307)	(539)
Total shareholders' equity	234,996	190,745
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	137	162
Total valuation and translation adjustments	137	162
Total net assets	235,133	190,907
Total liabilities and net assets	859,357	827,831

(2) Non-Consolidated Statement of Income

(Unit: Million yen)

	2008 (Jan. 1, 2008 through Dec. 31, 2008)	2009 (Jan. 1, 2009 through Dec. 31, 2009)
Net sales	3,260,775	2,089,668
Cost of sales	3,135,139	2,103,690
Gross profit (loss)	125,636	(14,021)
Selling, general and administrative expenses	22,798	25,072
Operating income (loss)	102,837	(39,094)
Non-operating income		
Interest income	512	195
Dividends income	4,152	896
Foreign exchange gains	10,473	815
Other	95	59
Total non-operating income	15,233	1,968
Non-operating expenses		
Interest expenses	662	362
Other	110	28
Total non-operating expenses	773	391
Ordinary income (loss)	117,298	(37,517)
Extraordinary income		
Gain on sales of noncurrent assets	1,192	934
Gain on sales of subsidiaries and affiliates' stocks	5,560	—
Gain on sales of investment securities	71	—
Total extraordinary income	6,824	934
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	1,367	1,515
Impairment loss	2,085	436
Early extra retirement payments	—	328
Settlement package	—	213
Loss on provision for offshore well abandonment	1,185	—
Total extraordinary losses	4,637	2,494
Income (loss) before income taxes	119,484	(39,077)
Income taxes-current	38,357	32
Income taxes for prior periods	—	(148)
Income taxes-deferred	8,526	(16,411)
Total income taxes	46,884	(16,527)
Net income (loss)	72,600	(22,550)

(3) Non-Consolidated Statements of Changes in Net Assets

(Unit: Million yen)

	2008 (Jan. 1, 2008 through Dec. 31, 2008)	2009 (Jan. 1, 2009 through Dec. 31, 2009)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	35,123	35,123
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	35,123	35,123
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	20,741	20,741
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	20,741	20,741
Total capital surplus		
Balance at the end of previous period	20,741	20,741
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	20,741	20,741
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	8,780	8,780
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	8,780	8,780
Other retained earnings		
Reserve for property replacement		
Balance at the end of previous period	17,089	16,371
Changes of items during the period		
Reversal of reserve for property replacement	(717)	(1,206)
Total changes of items during the period	(717)	(1,206)
Balance at the end of current period	16,371	15,165
Reserve for special depreciation		
Balance at the end of previous period	8	
Changes of items during the period		
Reversal of reserve for special depreciation	(8)	—
Total changes of items during the period	(8)	—
Balance at the end of current period	—	—
Retained earnings brought forward		
Balance at the end of previous period	102,459	154,286
Changes of items during the period		
Dividends from surplus	(21,468)	(21,462)
Net income (loss)	72,600	(22,550)
Disposal of treasury stock	(30)	(6)
Reversal of reserve for property replacement	717	1,206
Reversal of reserve for special depreciation	8	—
Total changes of items during the period	51,827	(42,812)
Balance at the end of current period	154,286	111,473
Total retained earnings		
Balance at the end of previous period	128,337	179,439
Changes of items during the period		
Dividends from surplus	(21,468)	(21,462)
Net income (loss)	72,600	(22,550)
Disposal of treasury stock	(30)	(6)
Total changes of items during the period	51,101	(44,019)
Balance at the end of current period	179,439	135,419
Treasury stock		
Balance at the end of previous period	(202)	(307)
Changes of items during the period		
Purchase of treasury stock	(331)	(293)
Disposal of treasury stock	226	61
Total changes of items during the period	(105)	(231)
Balance at the end of current period	(307)	(539)
Total shareholders' equity		
Balance at the end of previous period	184,000	234,996
Changes of items during the period		
Dividends from surplus	(21,468)	(21,462)
Net income (loss)	72,600	(22,550)
Purchase of treasury stock	(331)	(293)
Disposal of treasury stock	195	55
Total changes of items during the period	50,995	(44,250)
Balance at the end of current period	234,996	190,745

(Unit: Million yen)

	2008 (Jan. 1, 2008 through Dec. 31, 2008)	2009 (Jan. 1, 2009 through Dec. 31, 2009)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	357	137
Changes of items during the period		
Net changes of items other than shareholders' equity	(220)	24
Total changes of items during the period	(220)	24
Balance at the end of current period	137	162
Total valuation and translation adjustments		
Balance at the end of previous period	357	137
Changes of items during the period		
Net changes of items other than shareholders' equity	(220)	24
Total changes of items during the period	(220)	24
Balance at the end of current period	137	162
Total net assets		
Balance at the end of previous period	184,358	235,133
Changes of items during the period		
Dividends from surplus	(21,468)	(21,462)
Net income (loss)	72,600	(22,550)
Purchase of treasury stock	(331)	(293)
Disposal of treasury stock	195	55
Net changes of items other than shareholders' equity	(220)	24
Total changes of items during the period	50,775	(44,226)
Balance at the end of current period	235,133	190,907

(4) Note to Going Concern
Not Applicable

(5) Significant Accounting Policies

<table>
<tr><th>Prior Period
(Jan.1, 2008 through Dec. 31, 2008)</th><th>Current Period
(Jan.1, 2009 through Dec. 31, 2009)</th></tr>
<tr><td>1 Valuation Standards and Method for Stocks
(1) Stocks of subsidiaries and affiliated companies
The moving-average method
(2) Other Securities
① Marketable
Market value at the closing date
(Valuation differences on available-for-sales securities are directly reflected in Shareholders' Equity, and cost of sales is calculated using the moving-average method)
② Non-marketable
The moving-average method
2 Valuation Standards and Method for Derivative Transactions etc.
Market value at the closing date
3 Valuation Standards and Method for Inventories
(1) Merchandise and finished goods, semi-finished goods, and raw materials
LIFO method at the lower of cost or market
(2) Supplies
The moving-average method</td><td>1 Valuation Standards and Method for Stocks
(1) Stocks of subsidiaries and affiliated companies
No Change
(2) Other Securities
① Marketable
No Change
② Non-marketable
No Change
2 Valuation Standards and Method for Derivative Transactions etc.
No Change
3 Valuation Standards and Method for Inventories
Generally the lower of acquisition cost determined by the LIFO method or their net realizable value
<Change of Accounting Method>
With regard to inventories held for sale in the ordinary course of business, last-in first-out (LIFO) method at the lower of cost or market had been applied to merchandise and finished goods, semi-finished goods and raw materials, and the moving-average method had been applied to supplies. In accordance with the introduction of "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 issued on July 5, 2006), inventories are generally stated on the balance sheet at the lower of acquisition cost determined by the LIFO method and their net realizable value beginning in this accounting period.</td></tr>
<tr><td>4 Depreciation and Amortization Method for Fixed Assets
(1) Property, Plant and Equipment
Generally the declining-balance method
The service life ranges by major assets are:
Buildings and Structures 10 to 50 years
Tanks 10 to 25 years
Machinery and Equipment 8 to 15 years
(2) Intangible Assets
The straight-line method
In-house computer software is amortized over its service life (5 to 15years) using the straight-line method.</td><td>4 Depreciation and Amortization Method for Fixed Assets
(1) Property, Plant and Equipment (excluding Lease Assets)
Generally the declining-balance method
The service life ranges by major assets are:
Buildings and Structures 10 to 50 years
Tanks 10 to 25 years
Machinery and Equipment 7 to 15 years
(2) Intangible Assets (excluding Lease Assets)
No Change</td></tr>
</table>

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
(3) ――――――――	(3) Lease Assets Straight-line method is employed, where leasing period is deemed as the service life and residual value is set as zero. The accounting treatment for finance lease transaction, in which ownership is not transferred to lessee and which became effective before the beginning of this accounting period, is the same as the method applied to ordinary operating lease transactions. <Change of Accounting Method> The accounting treatment for finance lease transactions, in which ownership is not transferred to the lessee, had been the same as the method applied to ordinary operating lease transactions. Revisions in "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13 issued on June 17, 1993, amended on March 30, 2007) and " Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16 issued on January 18, 1994, amended on March 30, 2007) which is applied for the accounting period beginning after April 1, 2008, were applied to finance leases in which ownership is not transferred to the lessee, so that they are treated in the same way as ordinary purchase and sale transactions beginning in this accounting period. As to the depreciation method for lease assets related to finance lease transactions in which ownership is not transferred to the lessee, straight-line is employed, where leasing period is deemed as the service life and residual value is set as zero. The accounting treatment for finance lease transactions in which ownership is not transferred to the lessee, and which became effective before the beginning of this period, is the same as the method applied to ordinary operating lease transactions. There is no earnings impact from this change.
5 Translation Method for Foreign Currency Assets and Liabilities Foreign currency assets and liabilities are translated into Yen at the spot rate at the closing date, and any difference from exchange rate change is reflected in income.	5 Translation Method for Foreign Currency Assets and Liabilities No Change
6 Basis for Significant Reserves (1) Allowance for Doubtful Accounts To provide for losses due to bad debt, the Company accrues an estimated bad debt allowance on ordinary receivables based on historical bad debt ratios, and on highly doubtful receivables based on the recoverability from individual customers.	6 Basis for Significant Reserves (1) Allowance for Doubtful Accounts No Change
(2) Provision for Bonuses To provide for the payment of employees' bonuses, the Company accrues an estimated reserve for the accounting period.	(2) Provision for Bonuses No Change

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
(3) Provision for Retirement Benefits To provide for the payment of employees' post-retirement benefits, the Company accrues an estimated reserve based on the projected benefit obligations and estimated pension plan assets as of the closing date. Any differences in actuarial calculations of retirement benefits are amortized beginning with the next accounting period, where the declining-balance method is employed over a period which is set within employees' average remaining service years. (12 years) Prior service liabilities are amortized using the straight-line method over employees' average remaining service years; (Before 2004: 15.5 years Since 2004: 12.9 years Since 2007: 11.9 years)	(3) Provision for Retirement Benefits No Change
(4) Provision for Directors' Retirement Benefits To provide for the payment of officers' post-retirement allowance, the Company accrues an estimated amount of lump sum retirement allowance assuming that officers retire at the closing date.	(4) Provision for Directors' Retirement Benefits No Change
(5) Provision for Repairs To provide for periodic tank inspections required under the Fire Service Law and for periodic repairs of machinery and equipment, the Company accrues an estimated reserve for the accounting period, based on actual payments and repair plans.	(5) Provision for Repairs No Change
(6) Provision for Offshore Well Abandonment To provide for expenses for offshore well abandonment to be incurred when natural gas production is terminated, the Company accrues the estimated amount anticipated to be spent.	(6) Provision for Offshore Well Abandonment To provide for expenses for offshore well abandonment accompanied by the termination of natural gas production, the Company accrues the estimated amount anticipated to be spent.
7 Accounting for Lease Transactions The accounting treatment for finance lease transactions, in which ownership does not transfer to the lessee, uses the same method as applied to ordinary operating lease transactions.	7 ―――――――
8 Others Accounting Method for Consumption Taxes Each item in the statement of income does not include consumption taxes.	8 Others Accounting Method for Consumption Taxes No Change

(6) Change in Significant Accounting Policies

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
	<Application of accounting standard for inventory valuation> With regard to inventories held for sale in the ordinary course of business, last-in first-out (LIFO) method at the lower of cost or market had been applied to merchandise and finished goods, semi-finished goods and raw materials, and the moving-average method had been applied to supplies. In accordance with the introduction of "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 issued on July 5, 2006), inventories are generally stated on the balance sheet at the lower of acquisition cost determined by the LIFO method or their net realizable value beginning in this accounting period. There is no earnings impact from this change. <Application of accounting standard for lease transaction> The accounting treatment for finance lease transactions, in which ownership is not transferred to the lessee, had been the same as the method applied to ordinary operating lease transactions. Revisions in "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13 issued on June 17, 1993, amended on March 30, 2007) and " Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16 issued on January 18, 1994, amended on March 30, 2007) which is applied for the accounting period beginning after April 1, 2008, were applied to finance leases in which ownership is not transferred to the lessee, so that they are treated in the same way as ordinary purchase and sale transactions beginning in this accounting period. As to the depreciation method for lease assets related to finance lease transactions in which ownership is not transferred to the lessee, straight-line is employed, where leasing period is deemed as the service life and residual value is set as zero. The accounting treatment for finance lease transactions in which ownership is not transferred to the lessee, and which became effective before the beginning of this period, is the same as the method applied to ordinary operating lease transactions. There is no earnings impact from this change.

Change in Presentation

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
Although, "Loss on Sales and Disposals of Supplies" was listed in "Non-operating Expenses" in the prior accounting period, it is included in "Others" in this accounting period due to lower materiality. The amount included in "Others" in this accounting period is 15 million yen.	―――――――

Additional Information

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
<Depreciation of Fixed Assets> In accordance with the revision of the Corporate Tax Law, the differences between the limit of depreciation (5% of the acquisition cost) and the memorandum value of Property, Plant and Equipment, which were acquired before March 31, 2007, are depreciated on a straight-line basis over 5 years from the next year after the assets are fully depreciated up to the limit of depreciation (5% of the acquisition cost), and the Company and its domestic subsidiaries recognize the resulting differences as depreciation costs. As a result, Operating Income, Ordinary Income and Income before Income Taxes decreased by 4,494 million yen, respectively. <Provision Loss on Reserve for Offshore Well Abandonment> Following the cessation of production concerning the Offshore Iwaki Gas Project, the Company has estimated updated costs of offshore well abandonment, and the difference of 1,185 million yen from the previously accrued amount is shown as an extraordinary loss in this accounting period.	<Change in Service Life of Tangible Fixed Assets> In accordance with the revision of the useful life stipulated in the Corporate Tax Law, the service life for machinery such as refining and electric power generation assets owned by the Company was changed beginning in this accounting period. As a result, Operating loss, Ordinary loss and Loss before income taxes increased by 2,072 million yen, respectively.

(7) Notes to Financial Statements

(Balance Sheet)

Prior Period (December 31, 2008)

1 The accumulated reduced-value entry, which directly deducted from Property, Plant and Equipment is amounted by 1,674 million yen. The reduced-value entry is applied due to insurance money etc.

(Structures 33 million yen, Machinery and Equipment 1,629 million yen, Tools, Furniture and Fixtures 11 million yen)

2 Mortgaged Assets
Mortgaged assets and mortgaged liabilities by security rights are as shown below;

Mortgaged Assets	Amounts (Million yen)	(Plant Mortgage) (Million yen)
Building	1,414	(1,414)
Structures	4,227	(4,227)
Tanks	639	(639)
Machinery and Equipment	17,522	(17,522)
Land	23,657	(4,628)
Total	47,460	(28,431)

Mortgaged Liabilities by Security Right	Amounts (Million yen)	(Plant Mortgage) (Million yen)
Long-term debt due 1 year	202	(-)
Gasoline Taxes Payable	47,257	(28,431)
Total	47,459	(28,431)

(Note) 1 In the summary of mortgaged assets, plant mortgage is shown in parenthesis.
2 In the summary of mortgaged liabilities by security rights, plant mortgage is shown in parenthesis.
3 In addition to the above and the obligations for guarantees shown in item "3 Obligations for Guarantees", the Company committed to offer upon lender's demand a contract of mortgage over the assets noted below to support borrowings undertaken. Current amounts outstanding under this loan agreement are for short-term debt (1,412 million of yen) and long-term debt (4,586 million of yen)

Buildings	1,860 million yen
Structures	10,863
Tanks	1,382
Machinery and Equipment	25,297
Land	847
Others	420

Current Period (December 31, 2009)

1 The accumulated reduced-value entry, which directly deducted from Property, Plant and Equipment is amounted by 1,674 million yen. The reduced-value entry is applied due to insurance money etc.

(Structures 33 million yen, Machinery and Equipment 1,629 million yen, Tools, Furniture and Fixtures 11 million yen)

2 Mortgaged Assets
Mortgaged assets and mortgaged liabilities by security rights are as shown below;

Mortgaged Assets	Amounts (Million yen)	(Plant Mortgage) (Million yen)
Building	1,350	(1,350)
Structures	3,657	(3,657)
Tanks	514	(514)
Machinery and Equipment	15,664	(15,664)
Land	23,657	(4,628)
Total	44,845	(25,816)

Mortgaged Liabilities by Security Right	Amounts (Million yen)	(Plant Mortgage) (Million yen)
Gasoline Taxes Payable	51,186	(25,816)
Total	51,186	(25,816)

(Note) 1 In the summary of mortgaged assets, plant mortgage is shown in parenthesis.
2 In the summary of mortgaged liabilities by security rights, plant mortgage is shown in parenthesis.
3 In addition to the above and the obligations for guarantees shown in item "3 Obligations for Guarantees", the Company committed to offer upon lender's demand a contract of mortgage over the assets noted below to support borrowings undertaken. Current amounts outstanding under this loan agreement are for short-term debt (1,412 million of yen) and long-term debt (3,174 million of yen)

Buildings	2,009 million yen
Structures	10,510
Tanks	1,155
Machinery and Equipment	21,465
Land	847
Others	423

Prior Period (December 31, 2008)	Current Period (December 31, 2009)
3 Obligations for Guarantees The Company has guaranteed the following bank borrowing etc., for employees of the Company, its equity company, and dealers etc. Shimizu LNG K.K. 1,580 million yen Company Employees 189 K.K. Ryuseki Nenryo 95 Others (4 companies) 109 Total 1,974 (Note) For the debt (3,366 million of yen) of Shimizu LNG K.K. from the Development Bank of Japan etc., the Company has a contractual obligation to reserve its land for a mortgage. (book value 747 million of yen)	3 Obligations for Guarantees (1) Bank Borrowing, etc. The Company has guaranteed the bank borrowing, etc. for its equity company, etc. as follows. Shimizu LNG K.K. 1,174 million yen Japan Biofuels Supply LLP 376 Company Employees 171 Others (5 companies) 130 Total 1,852 (Note) For the debt (892 million of yen) of Shimizu LNG K.K. from the Development Bank of Japan etc., the Company has a contractual obligation to reserve its land for a mortgage. (book value 747 million of yen) (2) Letter of Credit The Company has guaranteed the letter of credit as follows. Guarantees / Amounts(USD) / (Yen Equivalent) Japan Biofuels Supply LLP / 11,137 thousand USD / (1,025) million yen (3) Deferral of Import Consumption Tax Payment The Company has guaranteed the deferral of import consumption tax payment as follows. Guarantees / Amounts Japan Biofuels Supply LLP / 292 million yen
4 Notes related to Associated Companies Following are included in the accounts, which are not independently represented as transactions with associated companies. Account Receivable- 265,401 million yen Account Payable- 71,315	4 Notes related to Associated Companies Following are included in the accounts, which are not independently represented as transactions with associated companies. Account Receivable- 269,899 million yen Account Payable- 72,321

(Statement of Income)

Prior Period
(Jan.1, 2008 through Dec. 31, 2008)

1 Transactions with Associated Companies included in Net Sales in the Current Period

Net Sales	1,941,840	million yen

2 Transactions with Associated Companies included in Purchases in the Current Period

Purchases	423,797	million yen

The amount above includes the amounts related to mogas tax, local road tax and ADO tax.

3 Transactions with Associated Companies included in Non-operating Income and Expenses

Dividends income	4,094	million yen

4 Marketing expenses and administrative expenses are approximately 62% and 38% respectively.
Major expenses and amounts are as follows;

Salaries and Bonuses	8,047	million yen
Transportation Costs	2,668	
Outside Order Expenses	2,247	
Rent	1,895	
Depreciation Expenses	1,833	
Sales Commissions	1,764	
Pension Expenses	(516)	
Provisions for Bonuses	338	

5 Research and development costs included in administrative and manufacturing costs are amounted by 1,868 million yen.

6 Gain on Sales of Property, Plant and Equipment

Land (Service Stations)	1,119	million yen
Others	72	
Total	1,192	

7 Loss on Sales and Disposals of Property, Plant, and Equipment

Building (Service Stations, etc.)	340	million yen
Machinery and Equipment (Refinery Facilities, etc.)	331	
Structures (Service Stations, etc.)	289	
Leasehold (Service Stations, etc.)	202	
Others	203	
Total	1,367	

8 Loss on Asset Impairment

Used for	Location	Type	Amount (million yen)
Service Station	The Company Suma Central Dai-ichi SS (Suma-ku, Kobe-City, Hyogo Pref.) and other 22 items	Land	2,085

The Company recognized an impairment loss on the 23 items, whose recoverable value is significantly lower than net book value, by deducting the NBV to the recoverable value. The deduction is amounted by 2,085 million yen and presented as an extraordinary loss.
Net selling value, which is a market price based on official values, is applied to evaluate the recoverable value.

Current Period
(Jan.1, 2009 through Dec. 31, 2009)

1 Transactions with Associated Companies included in Net Sales in the Current Period

Net Sales	1,260,196	million yen

2 Transactions with Associated Companies included in Purchases in the Current Period

Purchases	245,765	million yen

The amount above includes the amounts related to mogas tax, local road tax and ADO tax.

3 Transactions with Associated Companies included in Non-operating Income and Expenses

Dividends income	804	million yen

4 Marketing expenses and administrative expenses are approximately 56% and 44% respectively.
Major expenses and amounts are as follows;

Salaries and Bonuses	7,240	million yen
Transportation Costs	2,201	
Outside Order Expenses	2,121	
Rent	1,702	
Depreciation Expenses	1,577	
Sales Commissions	2,155	
Pension Expenses	2,735	
Provisions for Bonuses	314	

5 Research and development costs included in administrative and manufacturing costs are amounted by 1,880 million yen.

6 Gain on Sales of Property, Plant and Equipment

Land (Service Stations)	933	million yen
Others	0	
Total	934	

7 Loss on Sales and Disposals of Property, Plant, and Equipment

Building (Service Stations, etc.)	626	million yen
Land (Service Stations, etc)	334	
Structures (Service Stations, etc.)	250	
Machinery and Equipment (Service Stations, etc.)	226	
Others	77	
Total	1,515	

8 Loss on Asset Impairment

Used for	Location	Type	Amount (million yen)
Service Station	The Company Mobara SS (Mobara-City, Chiba Pref.) and other 15 items	Land	436

The Company recognized an impairment loss on the 16 items, whose recoverable value is significantly lower than net book value, by deducting the NBV to the recoverable value. The deduction is amounted by 436 million yen and presented as an extraordinary loss.
Net selling value, which is a market price based on official values, is applied to evaluate the recoverable value.

Prior Period (Jan.1, 2008 through Dec. 31, 2008)	Current Period (Jan.1, 2009 through Dec. 31, 2009)
9 Gain on Sale of Subsidiary Company's Stock The shares in Nansei Sekiyu K.K., which were owned by the Company were sold to Petrobras International Braspetro B.V. on April 1, 2008. The gain of 5,560 million yen was recognized as "Gain on sales of subsidiaries and affiliates' stocks" in Extraordinary Gain. The "Gain on sales of subsidiaries and affiliates' stocks" includes the reversal of the 1,822 million yen accrued loss on Sale of Subsidiary Stock, which was recognized in the prior period.	9 ――――

(Statement of Changes in Shareholders' Equity)

Prior Accounting Period (January 1, 2008 through December 31, 2008)

1 Treasury Stock

Type of shares	Dec. 31, 2007	Increase	Decrease	Dec. 31, 2008
Common Stock (Shares)	180,951	372,332	224,728	328,555

(Major cause of movement) Increase and decrease of Treasury Stock is due to purchase and sales of odd-lot stocks.

Current Accounting Period (January 1, 2009 through December 31, 2009)

1 Treasury Stock

Type of shares	Dec. 31, 2008	Increase	Decrease	Dec. 31, 2009
Common Stock (Shares)	328,555	359,766	68,520	619,801

(Major cause of movement) Increase and decrease of Treasury Stock is due to purchase and sales of odd-lot stocks.

(Deferred Tax Accounting)

Prior Period (December 31, 2008)	Current Period (December 31, 2009)
1 Detail of Deferred Tax Assets and Deferred Tax Liabilities	1 Detail of Deferred Tax Assets and Deferred Tax Liabilities
(Deferred Tax Assets)	(Deferred Tax Assets)
Provision for Retirement Allowance 11,152 million yen	Tax Loss Carry Forward 16,238 million yen
Provision for Turnaround 4,097	Provision for Retirement Allowance 13,751
Accrued Enterprise Tax Payable 2,703	Provision for Turnaround 4,550
Asset Impairment 2,383	Asset Impairment 1,912
Variance from different Inventory Valuations 1,637	Variance from different Inventory Valuations 1,298
Provision for Offshore Well Abandonment 1,201	Provision for Offshore Well Abandonment 1,037
Others 1,860	Others 1,633
Total Deferred Tax Assets 25,036	Total Deferred Tax Assets 40,421
(Deferred Tax Liabilities)	(Deferred Tax Liabilities)
Reserve for Property Replacement (11,231) million yen	Reserve for Property Replacement (10,404) million yen
Others (2,212)	Others (2,030)
Total Deferred Tax Liabilities (13,444)	Total Deferred Tax Liabilities (12,435)
Net of Deferred Tax Assets 11,592	Net of Deferred Tax Assets 27,986
2 Factors in the Difference between Statutory Effective Tax Rate and Actual Effective Tax Rate	2 Factors in the Difference between Statutory Effective Tax Rate and Actual Effective Tax Rate
Statutory Effective Tax Rate 40.7 %	This note is omitted since difference between the statutory effective tax rate and actual effective tax rate is below 5% of the statutory effective tax rate.
(Adjustments)	
Items not Recognized as Loss, such as Entertainment Expense 0.1	
Items not Recognized as Income, such as Dividends Income (1.4)	
Others (0.2)	
Actual Effective Tax Rate 39.2	

7. Others

(1) Personnel Changes in Members of the Board of Directors and Statutory Auditors
Please refer to "Personnel Change in Representative Director" which is separately disclosed today (Feb. 12, 2010).

(2) Other
Not Applicable