

4. Others (for details, please refer to (Attachments) “2. Other information” on page 6)

(1) Change in major subsidiaries in the current quarter period: No

(Note) This indicates a change in designated subsidiaries resulting in a change in the scope of consolidation.

(2) Adoption of simplified accounting method and special accounting method: Yes

(Note) This indicates adoption of simplified accounting method and special accounting method for quarterly consolidated financial statements.

(3) Change of accounting principle/procedure and presentation for preparation

a. Changes with accounting standards revisions : No

b. Changes other than above : No

(Note) This indicates a change of accounting principle/procedure and presentation for preparation of quarterly consolidated financial statements which are reported in “Changes in significant accounting policies,” a part of Quarterly Securities Report.

(4) Number of shares issued (Common Stock)

a. Number of shares issued at the end of period (includes treasury stock)

2Q 2010	565,182,000	shares	Full year 2009	565,182,000	shares
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b. Number of treasury stock at the end of period

2Q 2010	699,116	shares	Full year 2009	619,801	shares
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c. Average number of shares during the quarter YTD period

2Q 2010	564,505,352	Shares	2Q 2009	564,804,749	shares
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• **Review status of Quarterly Securities Report (*Shihanki-Houkokusho*) for the second quarter 2010**

This report is not required to be included and is not included in the scope of external audit quarterly review conducted pursuant to the Financial Instruments and Exchange Act of Japan. However, PricewaterhouseCoopers Aarata has separately completed their quarterly review on the quarterly consolidated financial statements included in “Financial information,” a part of Quarterly Securities Report for the Second Quarter 2010. The auditor expressed the conclusion on August 12, 2010 that “nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of June 30, 2010, the results of their operations for the three-month period and six-month period then ended and their cash flows for the six-month period then ended in conformity with accounting principles for quarterly consolidated financial statements generally accepted in Japan.”

• **Explanatory note on the 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.

As for the information of the projections above, please refer to (Attachments) “1. Qualitative information of quarterly financial results (3) Qualitative information of projected consolidated operating results” on page 6.

(Reference) Summary of non-consolidated financial results**1. Non-consolidated financial results for the second quarter 2010 (January 1, 2010 through June 30, 2010)****(1) Operating results**

(Parentage figures are the changes from the same period previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2QYTD 2010	1,168,273	22.3	9,840	—	35,557	—	30,564	—
2QYTD 2009	955,490	—	(10,901)	—	(10,529)	—	(6,101)	—

	Net income per share	Diluted net income per share
	Yen	Yen
2QYTD 2010	54.14	—
2QYTD 2009	(10.80)	—

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2010	709,630	210,614	29.7	373.11
Dec. 31, 2009	827,831	190,907	23.1	338.15

(Reference) Net assets: 210,614 Million yen as of June 30, 2010 190,907 Million yen as of December 31, 2009

2. Projected non-consolidated operating results for 2010 (January 1, 2010 through December 31, 2010)

(Percentage figures are the changes from the same period previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	2,300,000	10.1	9,000	—	34,000	—	30,000	—	53.14

(Note) Revision to the consolidated earnings forecast in the current quarter: Yes

(Attachments)

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1. Qualitative information of quarterly consolidated financial results

(1) Qualitative information of consolidated operating results

Consolidated net sales during the second quarter year-to-date 2010 period (January 1, 2010 through June 30, 2010) increased 22% versus the same period last year to 1,173.0 billion yen due to a shift to higher product prices reflecting crude price trends, which more than offset reduced product sales volumes.

Consolidated operating income increased 24.5 billion yen versus the same period last year, to 13.6 billion yen.

Non-operating income was 1.2 billion yen due to factors such as profits from companies accounted for on the equity method. Consolidated ordinary income of 14.8 billion yen was 25.5 billion yen greater than the same period last year. Extraordinary income was 19.5 billion yen, resulting from factors such as equity valuation gains arising from the formation of a joint venture involving our battery separator film subsidiary. Consolidated net income for the period was 28.6 billion yen, 35.0 billion yen greater than last year.

Please see below for the primary factors related to consolidated operating income.

a. Oil segment

Operating income in our oil segment for the second quarter year-to-date 2010 period was 5.8 billion yen, an increase of 16.5 billion yen versus the same period last year.

Last year's results were adversely affected by the rise in crude oil prices which were promptly taken into our costs under the loading-basis crude cost accounting method employed by this company, an element not significant this year. The table below adjusts reported operating income for crude accounting and inventory effects. After making such adjustments, oil operating income declined by an estimated 17.6 billion yen versus last year, reflecting the absence this year of last year's strong first quarter margins.

Reference 1: Oil segment operating income compared with previous year

	(Unit: billion yen)		
	2Q YTD 2010	2Q YTD 2009	Difference
Operating income as reported	5.8	(10.7)	16.5
Effect of difference in timing of crude cost accounting (estimate)	(1.0)	(33.0)	32.0
Inventory-related gains	9.3	7.2	2.1
Operating income excluding above special factors (estimate)	(2.5)	15.1	(17.6)

Reported oil operating income for the second quarter this year was negative 6.1 billion yen, versus positive 11.9 billion yen for the first quarter. Both quarters were affected by movements in inventory-related gains/losses, highly positive in the first quarter and negative in the second quarter. The table below adjusts reported operating income for these factors. As adjusted, oil operating income for the second quarter returned to profitability following the severe margin environment that had persisted since the second quarter of last year.

Reference 2: Oil segment operating income - comparison of first and second quarters 2010

	(Unit: billion yen)		
	2Q 2010	1Q 2010	Difference
Operating income as reported	(6.1)	11.9	(18.0)
Effect of difference in timing of crude cost accounting (estimate)	1.0	(2.0)	3.0
Inventory-related gains	(9.4)	18.7	(28.1)
Operating income excluding above special factors (estimate)	2.3	(4.8)	7.1

b. Chemical segment

Chemical segment operating income in the second quarter year-to-date 2010 period was 7.8 billion yen, 8.0 billion yen greater than the same period last year. The increase was due to improvements in domestic demand and margins, especially in the first quarter, versus the same period last year.

(2) Qualitative information of consolidated financial condition**a. Financial position**

Total assets as of June 30, 2010 totaled 780.3 billion yen, a 94.9 billion yen decrease from December 31, 2009, mainly because of decreases in trade accounts receivable and short-term loans receivable. Liabilities as of June 30, 2010 amounted to 535.4 billion yen, a 112.4 billion yen decrease from December 31, 2009, which is mainly due to decreases in trade accounts payable, gasoline taxes payable and short-term loans payable. Total net assets as of June 30, 2010 amounted to 244.9 billion yen, a 17.6 billion yen increase from December 31, 2009, which is mainly attributable to net income exceeding cash dividends paid.

b. Cash flows

At the end of June 2010, the outstanding balance of cash and cash equivalent was 305 million yen, a 484 million yen decrease from December 31, 2009. Key factors influencing cash flows are summarized below.

In the period from January to June 2010, cash flows from operating activities were positive 10.8 billion yen. Inflow from factors such as operating income, cash deposit from our joint venture and depreciation exceeded outflow arising from factors such as decreases in gasoline tax and other payables.

Cash flows from investing activities were negative 9.5 billion yen, mainly due to capital expenditures.

Cash flows from financing activities were negative 1.3 billion yen. Dividend payments were financed partly by additional debt and partly by business cash generation.

(3) Qualitative information of projected consolidated operating results

Full-year earnings forecast for 2010 announced on February 12, 2010 has been revised, reflecting recent developments in our earnings. For the detail of the revised earnings forecast, please refer to "Earnings Forecast Revision" announced today (August 13, 2010.)

There is no change to the full-year dividend forecast of 38 yen per share announced on February 12, 2010.

2. Other information**(1) Summary of change in major subsidiaries**

No item to report.

(2) Summary of simplified accounting method and special accounting methodSimplified accounting methods**a. Provision for income taxes**

Income taxes are accrued to identify the amount of income taxes payable by applying the simplified method, where only material tax adjustment items are included in the calculation of the provision.

Deferred income taxes are included in "Income taxes."

b. Recoverability test of deferred tax assets

The recoverability test of deferred tax assets is performed in the same way as at the prior year end, utilizing the same earnings forecast and tax planning, because there have been no significant changes in business environment and the balance of temporary differences.

(3) Summary of change of accounting principles/procedures and presentation

No item to report.

(4) Business and other risks

The following statement is included in the Quarterly Securities Report for the Second Quarter 2010 which is filed today (August 13, 2010) relative to business and other risks reported in the Annual Securities Report for the year ended December 31, 2009:

In the context of the risks as described in the Annual Securities Report for the year ended December 31, 2009, the Ministry of Economy, Trade and Industry has issued new regulations on July 5, 2010 (Ministerial Ordinance on Rational Utilization of Crude Oil etc. by Fuel Oil Products Providers, etc) which may require changes in refinery configuration, including investments to increase residual treating refining capacity and/or reductions in atmospheric distillation capacity, by March 2014. The impacts on the Company are under study.

Other than as noted above, no new business risks or other risks have arisen during the second quarter period or up to the filing date of this report.

The statements relative to the future events reflect the Company's judgment as of the filing date of this report.

(5) Future prospects and our challenges

Other than as noted in "(4) Business and other risks", there were no material changes to the business and financial issues faced by the TG Group.

3. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Unit: Million yen)

	2Q 2010 (June 30, 2010)	2009 (Summary) (December 31, 2009)
Assets		
Current assets		
Cash and deposits	305	789
Notes and accounts receivable-trade	322,055	397,307
Merchandise and finished goods	27,936	28,908
Semi-finished goods	33,512	24,053
Raw materials	67,952	65,536
Supplies	4,821	5,115
Short-term loans receivable	19,417	65,077
Other	21,801	17,341
Allowance for doubtful accounts	(45)	(42)
Total current assets	497,757	604,086
Noncurrent assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	53,716	64,522
Land	77,548	79,265
Other, net	63,734	71,342
Total property, plant and equipment	194,999	215,130
Intangible assets	5,000	5,714
Investments and other assets		
Investment securities	51,972	12,786
Other	30,925	37,799
Allowance for doubtful accounts	(341)	(339)
Total investments and other assets	82,555	50,246
Total noncurrent assets	282,555	271,090
Total assets	780,312	875,177

(Unit: Million yen)

	2Q 2010 (June 30, 2010)	2009 (Summary) (December 31, 2009)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	221,684	267,188
Gasoline taxes payable	122,583	185,983
Short-term loans payable	47,537	82,823
Income taxes payable	1,244	2,342
Provision	2,594	3,863
Other	77,737	44,094
Total current liabilities	473,382	586,295
Noncurrent liabilities		
Long-term loans payable	4,862	5,739
Provision for retirement benefits	36,397	35,027
Provision for repairs	18,208	17,847
Other	2,547	2,908
Total noncurrent liabilities	62,015	61,523
Total liabilities	535,398	647,818
Net assets		
Shareholders' equity		
Capital stock	35,123	35,123
Capital surplus	20,741	20,741
Retained earnings	189,674	171,814
Treasury stock	(599)	(539)
Total shareholders' equity	244,940	227,140
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	91	162
Foreign currency translation adjustment	(116)	56
Total valuation and translation adjustments	(25)	219
Total net assets	244,914	227,359
Total liabilities and net assets	780,312	875,177

(2) Quarterly consolidated statement of income
Second quarter YTD period

(Unit: Million yen)

	2Q YTD 2009 (January 1, 2009 through June 30, 2009)	2Q YTD 2010 (January 1, 2010 through June 30, 2010)
Net sales	964,645	1,173,019
Cost of sales	958,010	1,143,379
Gross profit	6,635	29,640
Selling, general and administrative expenses	17,496	16,009
Operating income (loss)	(10,861)	13,631
Non-operating income		
Interest income	48	76
Dividends income	92	79
Foreign exchange gains	-	405
Equity in earnings of affiliates	503	806
Other	33	18
Total non-operating income	677	1,385
Non-operating expenses		
Interest expenses	187	181
Foreign exchange losses	240	-
Other	69	48
Total non-operating expenses	498	230
Ordinary income (loss)	(10,681)	14,787
Extraordinary income		
Gain on change in equity	-	20,174
Gain on sales of noncurrent assets	-	343
Total extraordinary income	-	20,518
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	537	264
Impairment loss	363	705
Total extraordinary losses	900	969
Income (loss) before income taxes and minority interests	(11,582)	34,336
Income taxes	(5,159)	5,748
Net income (loss)	(6,423)	28,587

Second quarter period

(Unit: Million yen)

	2Q 2009 (April 1, 2009 through June 30, 2009)	2Q 2010 (April 1, 2010 through June 30, 2010)
Net sales	480,422	586,160
Cost of sales	495,129	582,764
Gross profit (loss)	(14,706)	3,396
Selling, general and administrative expenses	9,207	8,144
Operating loss	(23,914)	(4,748)
Non-operating income		
Interest income	29	21
Dividends income	90	79
Foreign exchange gains	605	780
Equity in earnings of affiliates	–	173
Other	14	2
Total non-operating income	739	1,057
Non-operating expenses		
Interest expenses	99	91
Equity in losses of affiliates	119	–
Other	0	26
Total non-operating expenses	219	117
Ordinary loss	(23,394)	(3,808)
Extraordinary income		
Gain on sales of noncurrent assets	–	178
Total extraordinary income	–	178
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	215	212
Impairment loss	28	672
Total extraordinary losses	243	884
Loss before income taxes and minority interests	(23,638)	(4,515)
Income taxes	(9,557)	(1,522)
Net loss	(14,080)	(2,992)

(3) Quarterly consolidated statement of cash flows

(Unit: Million yen)

	2Q YTD 2009 (January 1, 2009 through June 30, 2009)	2Q YTD 2010 (January 1, 2010 through June 30, 2010)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(11,582)	34,336
Depreciation and amortization	14,327	13,035
Amortization of goodwill	326	-
Equity in (earnings) losses of affiliates	(503)	(806)
Impairment loss	363	705
Increase (decrease) in provision for retirement benefits	4,534	1,480
Increase (decrease) in provision for repairs	3,064	360
Interest and dividends income	(140)	(155)
Interest expenses	187	181
Loss (gain) on change in equity	-	(20,174)
Loss (gain) on sales and retirement of noncurrent assets	537	(79)
Decrease (increase) in notes and accounts receivable-trade	92,941	72,866
Decrease (increase) in inventories	1,741	(12,350)
Increase (decrease) in notes and accounts payable-trade	(605)	(45,280)
Decrease (increase) in accounts receivable-other	(521)	1,207
Increase (decrease) in accounts payable-other	(65,776)	(65,377)
Other, net	(304)	32,640
Subtotal	38,590	12,588
Interest and dividends income received	132	145
Interest expenses paid	(204)	(203)
Payments for early extra retirement payments	-	(236)
Income taxes refund	660	181
Income taxes paid	(40,299)	(1,683)
Net cash provided by (used in) operating activities	(1,119)	10,791
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(11,676)	(10,112)
Proceeds from sales of property, plant and equipment	141	681
Purchase of intangible assets	(489)	(127)
Payments of long-term loans receivable	(3)	-
Collection of long-term loans receivable	110	65
Net cash provided by (used in) investing activities	(11,916)	(9,493)
Net cash provided by (used in) financing activities		
Net decrease (increase) in short-term loans receivable	8,319	45,659
Net increase (decrease) in short-term loans payable	16,594	(35,286)
Repayment of long-term loans payable	(877)	(877)
Purchase of treasury stock	(82)	(74)
Proceeds from sales of treasury stock	11	13
Cash dividends paid	(10,732)	(10,726)
Net cash provided by (used in) financing activities	13,233	(1,291)
Effect of exchange rate change on cash and cash equivalents	(124)	(11)
Net increase (decrease) in cash and cash equivalents	73	(4)
Cash and cash equivalents at beginning of period	488	789
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(479)
Cash and cash equivalents at end of period	561	305

(4) Notes on assumption of going concern

No item to report.

(5) Segment information**a. Information by business line****Second quarter 2009 period (April 1, 2009 through June 30, 2009)**

(Unit: Million yen)

	Oil	Chemical	Others	Total	Elimination	Consolidated
Net Sales						
(1) Sales to third parties	434,291	45,969	161	480,422	–	480,422
(2) Internal transactions	38,991	5,973	–	44,965	(44,965)	–
Total	473,283	51,943	161	525,387	(44,965)	480,422
Operating income (loss)	(26,006)	2,086	5	(23,914)	–	(23,914)

Second quarter 2010 period (April 1, 2010 through June 30, 2010)

(Unit: Million yen)

	Oil	Chemical	Total	Elimination	Consolidated
Net Sales					
(1) Sales to third parties	523,652	62,507	586,160	–	586,160
(2) Internal transactions	57,901	8,745	66,646	(66,646)	–
Total	581,553	71,253	652,807	(66,646)	586,160
Operating income (loss)	(6,090)	1,341	(4,748)	–	(4,748)

Second quarter YTD 2009 period (January 1, 2009 through June 30, 2009)

(Unit: Million yen)

	Oil	Chemical	Others	Total	Elimination	Consolidated
Net Sales						
(1) Sales to third parties	883,363	80,944	337	964,645	–	964,645
(2) Internal transactions	75,137	10,876	4	86,018	(86,018)	–
Total	958,500	91,821	341	1,050,663	(86,018)	964,645
Operating loss	(10,682)	(169)	(9)	(10,861)	–	(10,861)

(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 etc.

3. Additional information

In accordance with the revision of the useful life stipulated in the Corporation Tax Act, 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 the first quarter.

This had an unfavorable 1,036 million yen impact on Oil segment Operating income and 33 million yen unfavorable impact on Chemical segment Operating income.

Second quarter YTD 2010 period (January 1, 2010 through June 30, 2010)

(Unit: Million yen)

	Oil	Chemical	Total	Elimination	Consolidated
Net Sales					
(1) Sales to third parties	1,048,864	124,154	1,173,019	–	1,173,019
(2) Internal transactions	112,305	17,173	129,479	(129,479)	–
Total	1,161,170	141,328	1,302,498	(129,479)	1,173,019
Operating income	5,843	7,788	13,631	–	13,631

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

b. Segment information by geographic area**Second quarter 2009 period (April 1, 2009 through June 30, 2009)
and Second quarter YTD 2009 period (January 1, 2009 through June 30, 2009)**

The information is omitted, because over 90% of total net sales originated in Japan.

Second quarter 2010 period (April 1, 2010 through June 30, 2010)

The information is omitted, because there is no subsidiary or branch in foreign countries.

Second quarter YTD 2010 period (January 1, 2010 through June 30, 2010)

The information is omitted, because over 90% of total net sales originated in Japan.

c. Overseas sales**Second quarter 2009 period (April 1, 2009 through June 30, 2009)**

I.	Overseas sales	(Million yen)	50,308
II.	Consolidated net sales	(Million yen)	480,422
III.	Percentage of (I) vs. (II)	(%)	10.5

(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 are the Company's and its consolidated subsidiaries' net sales to customers outside of Japan.

Second quarter YTD 2009 period (January 1, 2009 through June 30, 2009)

The information is omitted, because overseas sales are less than 10% of consolidated net sales.

Second quarter 2010 period (April 1, 2010 through June 30, 2010)**and Second quarter YTD 2010 period (January 1, 2010 through June 30, 2010)**

The information is omitted, because overseas sales are less than 10% of consolidated net sales.

(6) Notes on significant changes in the amount of shareholders' equity

No item to report.