[The official language for TonenGeneral Sekiyu'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 website. While these English versions have been prepared in good faith, TonenGeneral Sekiyu does not accept responsibility for the accuracy of the translations, and reference should be made to the original Japanese language materials.]

Consolidated Financial Results for 2013
(Japan GAAP basis)

February 14, 2014

Company name: TonenGeneral Sekiyu K.K. Listed on: Tokyo Stock Exchange
Code number: 5012 URL: http://www.tonengeneral.co.jp
Representative: Jun Mutoh Representative Director and President
Contact person: Kosuke Kai Manager, Media Relations, Public and Government Relations, EMG Marketing Godo Kaisha Tel: 03-6713-4400
Scheduled date of Annual General Shareholders' Meeting: March 25, 2014
Scheduled date of filing Annual Securities Report: March 25, 2014
Scheduled date of start of dividends payment: March 26, 2014
Preparation of presentation material for yearly results: Yes
Briefing for institutional investors: Yes

(Amounts shown in truncated millions of yen)

1. Consolidated financial results for the full year 2013 (January 1, 2013 through December 31, 2013)

(1) Operating results

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2013	3,241,150	15.6	52,289	91.5	49,816	121.1	22,902	(58.2)
2012	2,804,929	4.8	27,298	(87.4)	22,529	(89.6)	54,770	(58.8)

(Note) Comprehensive income: 23,388Million yen for 2013 [-57.9%] 55,523Million yen for 2012 [-51.2 %]

	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	%	%	%
2013	62.84	62.83	7.9	3.6	1.6
2012	122.38	–	16.9	1.8	1.0

(Reference) Equity earnings: 2,722 Million yen for 2013 (1,105)Million yen for 2012

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
Dec. 31, 2013	1,409,081	294,640	20.8	805.77
Dec. 31, 2012	1,385,014	288,384	20.8	788.81

(Reference) Net assets excluding minority interests and subscription rights to shares:
293,596Million yen as of December 31, 2013 287,563Million yen as of December 31, 2012

(3) 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
	Million yen	Million yen	Million yen	Million yen
2013	44,310	(14,270)	(24,753)	18,655
2012	(1,884)	(345,794)	360,767	13,369

2. Dividends

	Annual dividend					Total amount (full year)	Payout ratio (consolidated)	Dividend per net assets (consolidated)
	1Q end	2Q end	3Q end	4Q end	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
2012	–	19.00	–	19.00	38.00	17,649	31.1	5.3
2013	–	19.00	–	19.00	38.00	13,846	60.5	4.8
2014(Forecast)		19.00	–	19.00	38.00		92.3	

3. Projected consolidated operating results for 2014 (January 1, 2014 through December 31, 2014)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q YTD	1,800,000	15.6	6,500	(79.0)	6,000	(78.6)	1,000	(93.4)	2.74
Full year	3,900,000	20.3	35,000	(33.1)	34,000	(31.7)	15,000	(34.5)	41.17

4. Others

(1) Change in major subsidiaries in the current period (change in designated subsidiaries resulting in a change in the scope of consolidation): No

(2) Change in accounting method, change in accounting estimates and restatements

a. Change in accounting method with accounting standards revisions : No
b. Change in accounting method other than above : No
c. Change in accounting estimates : No
d. Restatements : No

(3) Number of shares issued (Common Stock)

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

2013	565,182,000 shares	2012	565,182,000 shares

b. Number of shares of treasury stock at period end

2013	200,813,664 shares	2012	200,628,166 shares

c. Average number of shares during the period

2013	364,438,926 shares	2012	447,541,274 shares

(Reference) Summary of non-consolidated financial results

1. Financial results for 2013 (January 1, 2013 through December 31, 2013)

(1) Operating results

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

	Net sales		Operating income		Ordinary income			
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2013	3,033,225	11.1	41,238	83.1	40,179	110.9	26,198	(41.4)
2012	2,731,312	1.9	22,520	(89.3)	19,054	(91.0)	44,699	(76.2)

	Net income per share	Diluted net income per share
	Yen	Yen
2013	71.89	71.88
2012	82.47	–

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
Dec. 31, 2013	1,413,287	273,676	19.4	750.90
Dec. 31, 2012	1,399,502	261,309	18.7	716.79

(Reference) Net assets excluding subscription rights to shares:
: 273,604Million yen as of December 31, 2013 261,309Million yen as of December 31, 2012

2. Projected non-consolidated operating results for 2014 (January 1, 2014 through December 31, 2014)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	3,200,000	5.5	35,000	(15.1)	47,000	17.0	34,000	29.8	93.31

- **Audit status of Annual Securities Report *(Yukashoken-Houkokusho)* for 2013**
  This report is not required to be included and is not included in the scope of the external audit conducted pursuant to the Financial Instruments and Exchange Act of Japan. The audit procedures for the consolidated financial statements under the Financial Instruments and Exchange Act of Japan have not been completed as of the timing of disclosure of this report.

- **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 and product 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 "1. Analysis of operating results and financial condition (1) Analysis of operating results b. Earnings forecast for full year 2014" on page 2.

(Attachments)

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1. Analysis of operating results and financial condition

(1) Analysis of operating results

a. Business overview

Consolidated net sales for 2013 amounted to 3,241.2 billion yen, an increase of 436.2 billion yen or 15.6 percent versus the previous year, primarily due to the higher product prices caused by the recent yen depreciation and higher export volume.

Consolidated operating income was 52.3 billion yen, an increase of 25.0 billion yen versus the previous year. Oil segment operating income was 46.6 billion yen, an increase of 12.3 billion yen versus the previous year. The Chemical segment had 22.6 billion yen of operating income, an increase of 21.2 billion yen versus the previous year. Goodwill amortization, related to last year's acquisition of the interest in EMG Marketing Godo Kaisha, totaled 16.9 billion yen and increased by 8.5 billion yen versus the previous year reflecting a full-year of amortization versus one half year in the prior period.

Consolidated ordinary income which incorporates non-operating items including equity in earnings of affiliates, interest expense and foreign exchange losses was 49.8 billion yen, an increase of 27.3 billion yen versus the previous year.

Consolidated net income which includes extraordinary items and income taxes amounted to 22.9 billion yen, a decrease of 31.9 billion yen versus the previous year. The decline reflects the absence of last year's extraordinary gain on the dissolution of the battery separator film joint venture as well as change in income tax effects.

Segment results based on operating income less goodwill amortization are shown as follows:

1) Oil segment

Oil segment operating income was 46.6 billion yen, an increase of 12.3 billion yen versus the previous year. The increase was mainly attributable to an increase in inventory gains largely caused by the yen's depreciation and resultant crude and product price increases during the current period. Inventory effects during the current period were 45.0 billion yen, a 42.1 billion yen increase versus the previous year. Oil segment income excluding inventory effects was 1.7 billion yen, a 29.9 billion yen decrease versus the previous year, as a result of weaker oil product margins partially offset by operating expense savings.

Oil segment income compared with the previous year

(Unit: billion yen)

	2013	2012	Difference
Segment income as reported	46.6	34.4	12.3
Inventory-related gain (loss)	45.0	2.9	42.1
Segment income excluding above special factors	1.7	31.5	(29.9)

2) Chemical segment

Chemical segment income was 22.6 billion yen, a 21.2 billion yen increase from the previous year, mainly due to improvement in commodity product margins and somewhat lower operating expenses. Inventory effects included in Chemical segment income were 2.0 billion yen in the current period, a 0.5 billion yen increase versus the previous year.

b. Earnings forecast for full year 2014

(unit: million yen)

Net sales	Operating income	Ordinary income	Net income
3,900,000	35,000	34,000	15,000

Consolidated operating income for the full year 2014 is forecast as 35.0 billion yen including 40.0 billion yen from the Oil segment, 12.0 billion yen from the Chemical segment and a negative 17.0 billion yen of goodwill amortization (related to the acquisition of the interest in EMG Marketing Godo Kaisha) which is not allocated by segment. Inventory effects are assumed to be zero in the forecast. Though the operating income from MOC Marketing K.K. acquired in February 2014 was included in this forecast, the impact is limited as one-time transition costs will largely offset their 2014 base profits.

Compared to 2013 operating income of 52.3 billion yen, the 17.3 billion yen decrease reflects the absence of the 47.0 billion yen of inventory gains realized in 2013 and weakened margins in Chemical segment assumed compared with 2013. Partially offsetting is a projected upturn in Oil segment margins due to improvement in supply / demand balances arising from anticipated industry capacity reductions.

2014 net income including non-operating items, extra-ordinary items and income taxes is forecast to be 15.0 billion yen.

(2) Analysis of financial condition

a. Total assets, liabilities and net assets

Total assets as of December 31, 2013 were 1,409.1 billion yen, a 24.1 billion yen increase from December 31, 2012, mainly attributable to the increase in notes and accounts receivable-trade and raw materials reflecting the increases in raw-material and product prices, partly offset by a decrease in fixed assets including goodwill due to the progress of depreciation and amortization. Total liabilities as of December 31, 2013 amounted to 1,114.4 billion yen, a 17.8 billion yen increase from December 31, 2012, which is mainly due to an increase in notes and accounts payable-trade and income tax payable. Total net assets as of December 31, 2013 amounted to 294.6 billion yen, a 6.3 billion yen increase from December 31, 2012, which were mainly attributable to an increase in retained earnings due to net income offset by dividends paid.

b. Cash flows

As of December 31, 2013, the outstanding balance of cash and cash equivalent was 18.7 billion yen, an increase of 5.3 billion yen versus December 31, 2012. Key factors influencing cash flows are summarized below.

In 2013, cash flows from operating activities were positive 44.3 billion yen versus a negative 1.9 billion yen in the prior period. Positive factors such as income before income taxes and minority interests and an income tax refund outweighed negative factors such as an increase in working capital.

Cash flows from investing activities were negative 14.3 billion yen versus the negative 345.8 billion yen driven largely by the EMG Marketing Godo Kaisha acquisition in the prior period. The current period cash outflows are due mainly to capital expenditures.

Cash flows from financing activities were negative 24.8 billion yen versus a positive 360.8 billion yen in the prior period. This is mainly due to a decrease in interest-bearing debts in the current period.

c. Key financial indices

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Shareholders’ equity ratio (%) - book base	26.0	27.4	32.3	20.8	20.8
Shareholders’ equity ratio (%) - market base	50.0	55.3	42.6	19.6	25.0
Cash flow vs. interest-bearing debt (Times)	16.3	0.6	1.2	-	8.0
Interest coverage ratio (Times)	14.5	234.8	172.5	-	14.5

(Note) 1. Definitions are as follows:

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 flow

Interest coverage ratio: operating cash flows / interest paid

2. All indicators have been calculated based on consolidated financial data.
3. Operating cash flow is net cash provided by (used in) operating activities shown in the Consolidated statement of cash flows.
4. Interest-bearing debt is actual interest-bearing debt, defined as short-term loans payable, commercial papers, bonds payable and long-term loans payable on the Consolidated balance sheet. Interest paid is the amount shown in the Consolidated statement of cash flows.
5. No number of cash flow vs. interest-bearing debt and interest coverage ratio are shown in FY 2012 as operating cash flow was negative.

(3) Dividend policy, dividend in current period and dividend in next period

a. Dividend policy

The Company intends to continue to carry out its stable dividend policy, while taking into account factors such as the need to maintain a solid balance sheet, generation of cash flows, and capital expenditure plans.

b. Dividend in current period

The Company projects a payment to its shareholders as of December 31, 2013 of 19 yen per share as a final dividend for the term ended December 31, 2013, subject to approval at the general meeting of shareholders.

c. Dividend in next period

Full-year dividends for 2014 are forecast to be 38 yen per share unchanged from 2013, 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) Business and other risks

The following are risk factors that may affect the operating results and financial position of the TG Group (TonenGeneral Sekiyu K.K. [the Company] and its consolidated subsidiaries) as well as the share price of the Company.

a. 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 effectively, which requires continuous management focus on reducing unit costs and improving efficiency.

b. Political factors

The Company's facilities are located in Japan. The Company acquires crude and feedstock supplies from a wide diversity of sources worldwide and conducts export sales primarily within Asia. Consequently, the Company's business operations may in the future be affected from time to time by both domestic and worldwide political developments and governmental activities that might interfere with normal supply, production and sales activities. Both the likelihood of such occurrences and their overall effect upon the TG Group vary greatly and are not predictable.

c. Regulatory factors

It is possible that the earnings of the TG Group could be affected by laws and regulations applicable to the energy and petrochemical industries. Examples of such laws and regulations include: environmental regulations; restrictions on production, imports and exports, and facilities; price controls; changes in taxation.

In July 2010, the Ministry of the Economy, Trade and Industry (METI) issued regulations requiring companies operating refineries to increase the ratio of residual oil cracking capacity to atmospheric pipestill capacity. In February 2013, the Company submitted a compliance plan to METI involving a 105 kbd reduction in atmospheric pipestill capacity and an expansion to residual hydroconversion capability. Regarding the Chiba refinery of KPI that became a subsidiary of the Company on February 4, 2014, the Company is evaluating the submission of a compliance plan to METI involving a reduction in KPI Chiba's pipestill capacity.

d. Industry and economic factors

The operations and earnings of the TG Group 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 difficult to predict and include 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 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.

e. Market risks, inflation and other uncertainties

Crude oil, petroleum product and chemical prices have fluctuated widely in response to changing market forces and the dollar-yen exchange rates. The impacts of these fluctuations on the TG Group earnings are generally not predictable.

f. Disaster and accident risk

All of the Company's refineries, terminals and operated service stations are operated in accordance with the Company's Operations Integrity Management System to help ensure management of risk of loss and to ensure safety, health and environmental soundness in all aspects of the Company's operations. In spite of such thorough efforts to pursue safety, our business activities might be negatively affected by natural disasters, unexpected accidents, and resulting shutdowns at our business sites.

The Company generally carries property insurance against natural disaster and accidents to the extent feasible and reasonable. However, it is uncertain as to whether the insurance would cover any conceivable loss.

g. Information management risk

In an effort to secure proper use and management of confidential information including personal data, the TG Group has taken appropriate measures such as installation of firewalls on computer networks, introduction of computer antivirus software to protect internal databases 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.

h. Financing risk

The Company and its subsidiaries finance their working capital and capital investment through a combination of internally generated funds, borrowing from banks and other financial institutions, and issuance of corporate bonds and commercial papers. The interest rate of such financing, except for fixed rate long-term loans and bonds, is determined with market reference rates and therefore interest rate increase may affect the Company’s financial results. In addition, some of the bank loans contain covenants, and any significant inability of the Company to comply with such covenants may have a material effect on the Company’s financial position and operating results.

i. Pension liability and pension asset

The Company and its subsidiaries recognize pension liabilities and pension expenses based on reasonable assumptions including those for the discount rate and expected return on pension assets as required by applicable Accounting Standards. However, unexpected changes in the basis for these assumptions including share prices, foreign exchange rates, and interest rates in domestic or foreign markets may result in either a deterioration of the performance of pension fund or significant increase in pension liability causing a material effect on the Company’s financial position and operating results.

j. Goodwill

In conjunction with the acquisition of the 99.0% of the interest in EMG Marketing Godo Kaisha in 2012, the Company recognized 338,495 million yen of goodwill as an original value in its June 30, 2012 balance sheet to be amortized over 20 years. The goodwill asset primarily reflects the future profitability and cash flow generation of EMG Marketing Godo Kaisha. As is the case for other fixed assets, the goodwill asset is subject to impairment under current accounting standards.

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

2. Description of group companies

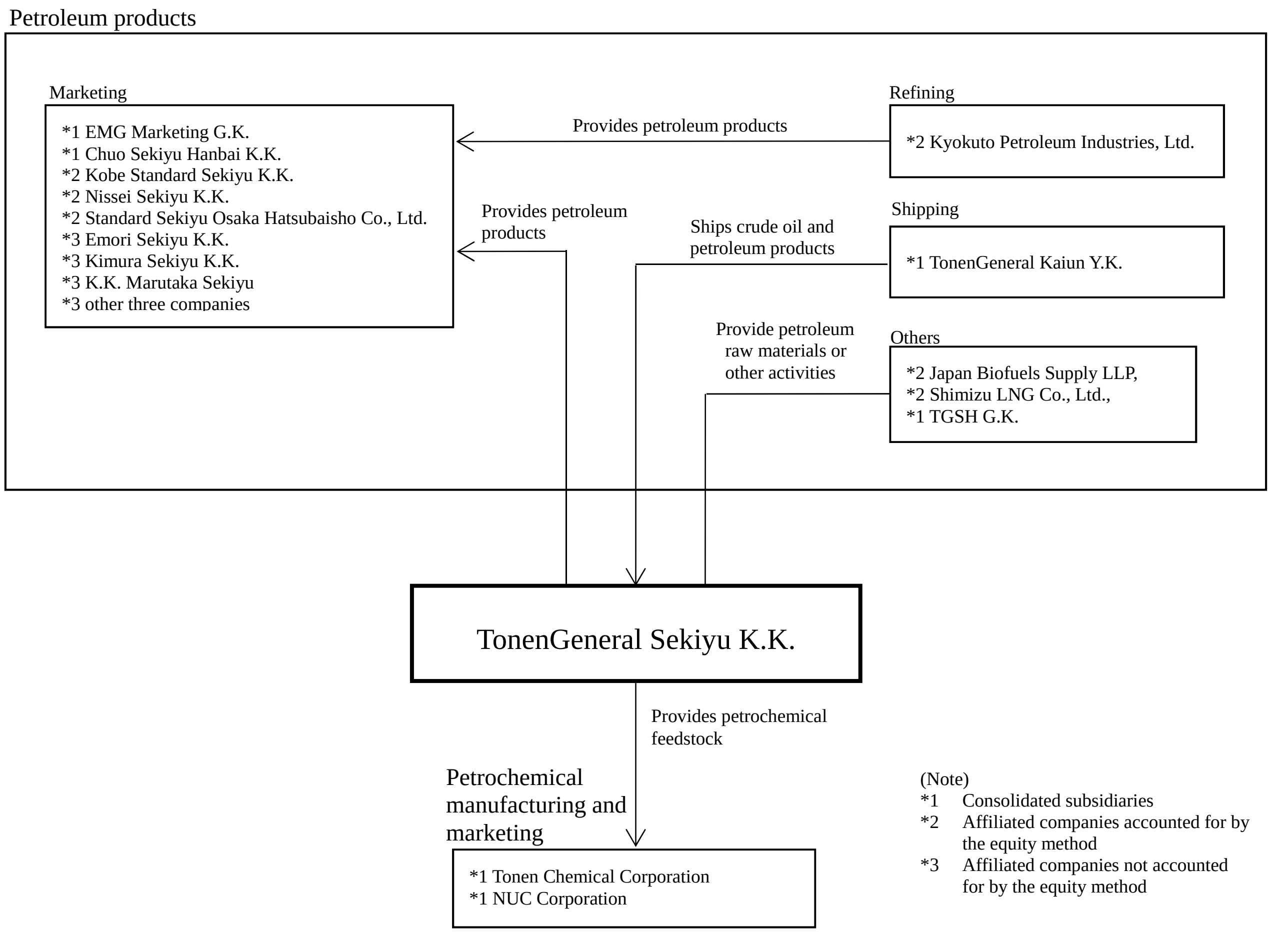
The major businesses of our 19 companies (the Company, 6 subsidiaries, and 12 affiliated companies) are importing, shipping, refining and marketing of crude oil, petroleum products, chemical products and related products.
The following table shows our business activities.

(As of December 31, 2013)

Segment	Function	Major business	Name of companies
Oil	Marketing	Sales of petroleum products	TonenGeneral Sekiyu K.K., EMG Marketing G.K., Chuo Sekiyu Hanbai K.K., Kobe Standard Sekiyu K.K., Nissei Sekiyu K.K., Standard Sekiyu Osaka Hatsubaisho Co., Ltd., Emori Sekiyu K.K., Kimura Sekiyu K.K., K.K. Marutaka Sekiyu, and other three companies
	Refining	Manufacturing, processing and sales of petroleum products	TonenGeneral Sekiyu K.K., Kyokuto Petroleum Industries, Ltd.
	Shipping	Marine transportation of crude oil and petroleum products	TonenGeneral Kaiun Y.K.
	Others	Purchases and sales of LNG Purchases and sales of bio-fuel Stock and equity share holding	Shimizu LNG Co., Ltd., Japan Biofuels Supply LLP, TGSH G.K.
Chemical	Manufacturing and Marketing	Manufacturing, processing and sales of chemical products	TonenGeneral Sekiyu K.K., Tonen Chemical Corporation, NUC Corporation

(Note)
1. A consolidated subsidiary of the Company acquired all of the shares of NUC Corporation held by Union Carbide Corporation as of July 1, 2013. As a result, NUC Corporation has been excluded from the scope of the equity method and included in the scope of consolidation.
2. Tonen Technology K.K. was renamed as TGSH Godo Kaisha as of July 5, 2013.
3. NUC Corporation changed its company name in Japanese to Kabushiki Kaisha NUC as of January 1, 2014
4. The Company acquired 89.93% interest of the stock of Mitsui Oil Co., Ltd. which was renamed as MOC Marketing K.K. as of February 4, 2014. MOC Marketing K.K. owns a 50% interest in Kyokuto Petroleum Industries, Ltd as of February 4, 2014. As a result, both MOC Marketing K.K. and Kyokuto Petroleum Industries, Ltd. became consolidated subsidiaries of the Company in 2014 period

Business structure of the TG Group as of December 31, 2013 is shown below:



3. Corporate principles

(1) Basic corporate philosophy

As a premier energy company with a firm foundation in Japan, the TonenGeneral group is committed to

- Maintain a stable supply of high-quality petroleum and petrochemical products
- Respond swiftly to the ever-changing business environment and customer needs while offering high-value-added services
- Make meaningful contributions to our customers, employees, shareholders, local communities, and greater society

The TonenGeneral Group will make every effort to fulfill this mission alongside stakeholders who support it.

(2) Operating strategies, objectives and indicators

In order to take specific actions to achieve our vision under the new structure, the Company released its first mid-term management plan in February 2013. The plan summarizes courses of actions and goals over the 5 years from 2013 to 2017. As a premier petroleum and petrochemical company, in the short term, the Company will focus on solidifying its core oil and petrochemical businesses. In the mid to long term, the Company will enhance its corporate value by strategic investments in the core businesses and will evaluate options to evolve in growing areas. By implementing the plan, the Company projects to achieve 70 billion yen of operating income excluding goodwill amortization and inventory effects in 2015, and 80.0 to 100.0 billion yen in 2017. This includes synergy effects, enabled by the June 2012 restructuring of the Group, of 15.0 billion yen to be captured by 2015.

(3) Issues to be addressed

a. Acquisition of Mitsui Oil Co., Ltd. Stock

The Company acquired 89.93% of the issued stocks of Mitsui Oil including all of the stock owned by Mitsui & Co., Ltd as of February 4, 2014. Mitsui Oil (whose name changed to MOC Marketing K.K. on February 4, 2014) and Kyokuto Petroleum Industries Ltd., a joint venture of Mitsui Oil and the Company's subsidiary EMG Marketing G.K., became consolidated subsidiaries of the Company as a result of the transaction.

A separate agreement was reached between ExxonMobil and Mitsui & Co. for the purchase of 36 million shares of TG stock by Mitsui & Co. from ExxonMobil. Mitsui & Co. will become TG's second-largest shareholder after ExxonMobil thereby continuing the long and successful business relations. TG will maintain the cooperative relationship with ExxonMobil.

As a result of the transaction, we expect further strengthening of our core businesses, increase of profitability due to the inclusion of Mitsui Oil group's strong businesses, and synergy effects taking advantage of economies of scale and best practices.

b. Sakai Incident

The Company received a report and recommendations for improvement from the Sulfur Leak Independent Investigation Committee in connection with the molten sulfur leak that occurred at the Sakai Refinery in June 2012 and the subsequent violation of the duty to report the incident to relevant authorities. The Company subsequently entrusted a new third-party committee, the Independent Investigation Committee for Operational Abnormality Reporting; with an investigation to ascertain whether the recommendations contained in the above report had been soundly implemented, and whether the potential for a similar incident existed at any of its other refineries.

The Investigation Committee compiled its findings in a report, a summary of which has been received by the Company in October 2013. The report concludes that effective follow-up actions to the Sulfur Leak Independent Investigation Committee recommendations have been taken, and that during the period subject to the investigation by the Independent Investigation Committee for Operational Abnormality Reporting there had been no reporting violations similar to the one that occurred at Sakai Refinery.

The Company takes the recommendations contained in these reports very seriously, and will continue to implement the recommendations effectively.

4. Consolidated financial statements

(1) Consolidated balance sheet

(Unit: Million yen)

	Prior period (December 31, 2012)	Current period (December 31, 2013)
Assets		
Current assets		
Cash and deposits	13,369	18,655
Notes and accounts receivable-trade	249,604	277,929
Merchandise and finished goods	95,270	108,039
Semi-finished goods	58,506	67,358
Raw materials	213,052	251,701
Supplies	6,678	8,371
Income taxes receivable	28,087	3,954
Deferred tax assets	9,242	1,834
Short-term loans receivable	15,081	15,069
Other	17,486	17,362
Allowance for doubtful accounts	(343)	(325)
Total current assets	706,036	769,953
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	269,387	281,000
Accumulated depreciation	(215,257)	(226,315)
Buildings and structures, net	54,129	54,684
Tanks	73,938	74,956
Accumulated depreciation	(68,991)	(69,799)
Tanks, net	4,947	5,156
Machinery, equipment and vehicles	637,815	671,017
Accumulated depreciation	(598,202)	(640,058)
Machinery, equipment and vehicles, net	39,613	30,959
Tools, furniture and fixtures	17,978	21,743
Accumulated depreciation	(15,499)	(19,651)
Tools, furniture and fixtures, net	2,479	2,092
Land	146,419	145,927
Construction in progress	3,388	5,163
Total property, plant and equipment	250,978	243,984
Intangible assets		
Goodwill	330,033	313,108
Leasehold right	7,716	7,678
Software	7,682	7,397
Other	7,428	6,461
Total intangible assets	352,861	334,646
Investments and other assets		
Investment securities	34,855	35,592
Deferred tax assets	19,602	6,345
Other	20,952	18,698
Allowance for doubtful accounts	(271)	(139)
Total investments and other assets	75,138	60,496
Total noncurrent assets	678,978	639,127
Total assets	1,385,014	1,409,081

(Unit: Million yen)

	Prior period (December 31, 2012)	Current period (December 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	279,567	321,262
Gasoline taxes payable	220,034	193,193
Short-term loans payable	102,616	123,129
Commercial papers	64,000	30,000
Income taxes payable	2,461	13,822
Accrued consumption taxes	5,310	10,856
Guarantee deposits payable	19,864	18,659
Deferred tax liabilities	10	7,978
Provision for bonuses	1,476	1,537
Other	49,687	50,857
Total current liabilities	745,030	771,297
Noncurrent liabilities		
Bonds payable	30,000	40,000
Long-term loans payable	136,539	136,197
Deferred tax liabilities	30,705	15,663
Provision for retirement benefits	128,066	122,238
Provision for directors' retirement benefits	81	36
Provision for repairs	17,817	22,369
Asset retirement obligation	2,319	2,399
Other	6,070	4,239
Total noncurrent liabilities	351,599	343,143
Total liabilities	1,096,630	1,114,440
Net assets		
Shareholders' equity		
Capital stock	35,123	35,123
Capital surplus	52,743	49,561
Retained earnings	341,684	350,736
Treasury stock	(141,966)	(142,140)
Total shareholders' equity	287,584	293,280
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(21)	315
Total accumulated other comprehensive income	(21)	315
Subscription rights to shares	-	72
Minority interests	821	971
Total net assets	288,384	294,640
Total liabilities and net assets	1,385,014	1,409,081

(2) Consolidated statement of income and comprehensive income

a. Consolidated statement of income

(Unit: Million yen)

	Prior period (January 1, 2012 through December 31, 2012)	Current period (January 1, 2013 through December 31, 2013)
Net sales	2,804,929	3,241,150
Cost of sales	2,711,086	3,095,285
Gross profit	93,843	145,864
Selling, general and administrative expenses	66,544	93,575
Operating income	27,298	52,289
Non-operating income		
Interest income	90	701
Dividends income	367	126
Equity in earnings of affiliates	-	2,722
Other	283	269
Total non-operating income	740	3,820
Non-operating expenses		
Interest expenses	2,116	3,207
Foreign exchange losses	2,053	2,974
Equity in losses of affiliates	1,105	-
Bond issuance cost	148	46
Other	85	64
Total non-operating expenses	5,509	6,293
Ordinary income	22,529	49,816
Extraordinary income		
Gain on sales of noncurrent assets	1,226	858
Gain on negative goodwill	-	134
Gain on step acquisitions	-	127
Gain from redemption upon dissolution of a joint venture	16,354	-
Gain on distribution of residual assets	103	-
Total extraordinary income	17,684	1,119
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	1,341	2,629
Impairment loss	63	93
Total extraordinary losses	1,404	2,723
Income before income taxes and minority interests	38,809	48,212
Income taxes-current	16,611	23,377
Income taxes-deferred	(33,085)	1,785
Total income taxes	(16,473)	25,162
Income before minority interests	55,283	23,050
Minority interests in Income	512	147
Net income	54,770	22,902

b. Consolidated statement of comprehensive income

(Unit: Million yen)

	Prior period (January 1, 2012 through December 31, 2012)	Current period (January 1, 2013 through December 31, 2013)
Income before minority interests	55,283	23,050
Other comprehensive income		
Valuation difference on available-for-sale securities	51	301
Share of other comprehensive income of associates accounted for using equity method	188	37
Total other comprehensive income	239	338
Comprehensive income	55,523	23,388
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	55,010	23,239
Comprehensive income attributable to minority interests	512	149

(3) Consolidated statement of changes in net assets

Prior period (January 1, 2012 through December 31, 2012)

(Unit: Million yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	35,123	20,742	304,566	(697)	359,734
Changes of items during the period					
Dividends from surplus	-	-	(17,649)	-	(17,649)
Net income	-	-	54,770	-	54,770
Purchase of treasury stock	-	-	-	(25)	(25)
Disposal of treasury stock	-	(0)	(2)	20	17
Increase due to business combination	-	-	-	(141,264)	(141,264)
Purchase of treasury stock from a consolidated subsidiary	-	32,001	-	-	32,001
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during the period	-	32,000	37,118	(141,269)	(72,150)
Balance at the end of current period	35,123	52,743	341,684	(141,966)	287,584

	Accumulated other comprehensive income			Minority interest	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	(72)	(188)	(261)	-	359,473
Changes of items during the period					
Dividends from surplus	-	-	-	-	(17,649)
Net income	-	-	-	-	54,770
Purchase of treasury stock	-	-	-	-	(25)
Disposal of treasury stock	-	-	-	-	17
Increase due to business combination	-	-	-	-	(141,264)
Purchase of treasury stock from a consolidated subsidiary	-	-	-	-	32,001
Net changes of items other than shareholders' equity	51	188	239	821	1,061
Total changes of items during the period	51	188	239	821	(71,088)
Balance at the end of current period	(21)	-	(21)	821	288,384

Current period (January 1, 2013 through December 31, 2013)

(Unit: Million yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	35,123	52,743	341,684	(141,966)	287,584
Changes of items during the period					
Dividends from surplus	-	-	(13,850)	-	(13,850)
Net income	-	-	22,902	-	22,902
Purchase of treasury stock	-	-	-	(178)	(178)
Disposal of treasury stock	-	1	-	4	5
Deferred tax adjustment due to purchase of treasury stock of prior year	-	(3,182)	-	-	(3,182)
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during the period	-	(3,181)	9,051	(174)	5,696
Balance at the end of current period	35,123	49,561	350,736	(142,140)	293,280

	Accumulated other comprehensive income		Subscription rights to shares	Minority interest	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at the beginning of current period	(21)	(21)	-	821	288,384
Changes of items during the period					
Dividends from surplus	-	-	-	-	(13,850)
Net income	-	-	-	-	22,902
Purchase of treasury stock	-	-	-	-	(178)
Disposal of treasury stock	-	-	-	-	5
Deferred tax adjustment due to purchase of treasury stock of prior year	-	-	-	-	(3,182)
Net changes of items other than shareholders' equity	336	336	72	150	559
Total changes of items during the period	336	336	72	150	6,255
Balance at the end of current period	315	315	72	971	294,640

(4) Consolidated statement of cash flows

(Unit: Million yen)

	Prior period (January 1, 2012 through December 31, 2012)	Current period (January 1, 2013 through December 31, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	38,809	48,212
Depreciation and amortization	28,436	24,168
Amortization of goodwill	8,462	16,924
Gain on negative goodwill	-	(134)
Equity in (earnings) losses of affiliates	1,105	(2,722)
Increase (decrease) in provision for bonuses	(64)	(35)
Increase (decrease) in provision for retirement benefits	1,265	(7,746)
Increase (decrease) in provision for repairs	(430)	4,503
Loss (gain) on sales and retirement of noncurrent assets	114	1,771
Impairment loss	63	93
Interest and dividends income	(457)	(828)
Interest expenses	2,116	3,207
Loss (gain) on step acquisitions	-	(127)
Gain from redemption upon dissolution of a joint venture	(16,354)	-
Gain on distribution of residual assets	(103)	-
Decrease (increase) in notes and accounts receivable-trade	18,487	(28,404)
Decrease (increase) in inventories	(44,645)	(52,499)
Decrease (increase) in accounts receivable-other	2,956	345
Increase (decrease) in notes and accounts payable-trade	19,781	40,865
Increase (decrease) in accounts payable-other	153	(22,205)
Other	(9,426)	2,825
Subtotal	50,271	28,215
Interest and dividends income received	1,240	1,681
Interest expenses paid	(2,328)	(2,851)
Income taxes refund	87	28,628
Income taxes paid	(51,154)	(11,362)
Net cash provided by (used in) operating activities	(1,884)	44,310
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(13,161)	(12,490)
Proceeds from sales of property, plant and equipment	2,426	2,461
Purchase of intangible assets	(4,898)	(3,159)
Proceeds from sales of intangible assets	323	0
Proceeds from distribution of residual assets	103	-
Collection of investments in capital	50,099	-
Payments of long-term loans receivable	(9)	(15)
Collection of long-term loans receivable	110	98
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(1,164)
Acquisition of share capital of a subsidiary resulting in change in scope of consolidation	(380,788)	-
Net cash provided by (used in) investing activities	(345,794)	(14,270)

(Unit: Million yen)

	Prior period (January 1, 2012 through December 31, 2012)	Current period (January 1, 2013 through December 31, 2013)
Net cash provided by (used in) financing activities		
Net decrease (increase) in short-term loans receivable	49,043	-
Net increase (decrease) in short-term loans payable	101,336	17,463
Proceeds from long-term loans payable	175,000	50,000
Repayment of long-term loans payable	(40,692)	(54,147)
Net increase (decrease) in commercial papers	64,000	(34,000)
Proceeds from issuance of bonds	29,851	9,953
Purchase of treasury stock	(25)	(178)
Proceeds from sales of treasury stock	17	5
Cash dividends paid	(17,649)	(13,850)
Repayments to minority shareholders	(114)	-
Net cash provided by (used in) financing activities	360,767	(24,753)
Net increase (decrease) in cash and cash equivalents	13,089	5,286
Cash and cash equivalents at beginning of period	280	13,369
Cash and cash equivalents at end of period	13,369	18,655

(5) Note to consolidated financial statements

(Notes on assumption of going concern)

No items to report.

(Significant accounting policies)

a. Scope of consolidation

Number of consolidated subsidiaries: 6 companies

EMG Marketing G.K., Tonen Chemical Corporation, TGSH G.K., TonenGeneral Kaiun Y. K.,
Chuo Sekiyu Hanbai K. K., NUC Corporation

On July 1, 2013, a consolidated subsidiary of the Company acquired all of the shares of NUC Corporation held by Union Carbide Corporation. As a result, NUC Corporation has been excluded from the scope of the equity method and included in the scope of consolidation at the same date.

b. Application of equity method

1) Number of affiliates accounted for by the equity method: 6 companies

Shimizu LNG K. K., Kyokuto Petroleum Industries, Ltd., Kobe Standard Sekiyu K.K.,
Nissei Sekiyu K.K., Standard Sekiyu Osaka Hatsubaisho Co., Japan Biofuels Supply LLP

On July 1, 2013, NUC Corporation has been excluded from the scope of equity method as referred to in “a. Scope of consolidation”.

2) Name of major non-equity-method companies

Emori Sekiyu K.K., Kimura Sekiyu K.K., K.K. Marutaka Sekiyu

3) Reason equity method was not applied

These affiliated companies are not accounted for by the equity method because they do not have a material impact on net income (loss), retained earnings, etc. on a consolidated basis and the total amount as a whole does not have a material impact to the consolidated financial statements.

4) Notes to the procedures of applying equity method

Reasonable adjustments are made to the most recent available financial statements of companies accounted for by the equity method, whose closing dates are not the same as the Company.

c. Closing date of consolidated subsidiaries

Closing dates of consolidated subsidiaries are the same as that of the Company.

d. 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 method

- Securities

Other securities:

・Securities with readily determinable fair values

Market value at the closing date (Valuation difference on available-for-sales securities is directly reflected in net assets, and cost of sales is calculated using the moving-average method)

・Securities without readily determinable fair values

The moving-average cost method

-Derivative transactions, etc.

Market value at the closing date

- Inventories

Generally the lower of acquisition costs determined by the weighted average cost method or their net realizable value

2) Depreciation and amortization of significant noncurrent assets

- Property, plant and equipment (excluding leased 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

- Intangible assets (excluding leased assets)

The straight-line method

In-house computer software is amortized over its service life (5 to 15 years) using the straight-line method

- Lease assets

The straight-line method is employed, where the 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 on or before December 31, 2008, is the same as the method applied to ordinary operating lease transactions.

3) Basis for significant provisions

- Allowance for doubtful accounts

To provide for losses due to bad debt, the Company and its consolidated subsidiaries reserve an estimated bad debt allowance on ordinary receivables based on historical bad debt ratios, and on highly doubtful receivables based on the estimated recoverability from individual customers.

- Provision for bonuses

To provide for the payment of employees' bonuses, the Company and its consolidated subsidiaries accrue an estimated reserve for the period.

- 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.

Actuarial differences are amortized into pension expenses beginning with the next period, using the declining-balance method over a period determined based on employees' average remaining service years (12 years).

Prior service liabilities are amortized into pension expenses using the straight-line method over employees' average remaining service years (11.0 to 12.9 years)

- Provision for directors' retirement benefits

To provide for the payment of statutory auditors' post-retirement allowance, the Company and its consolidated subsidiaries reserve an estimated amount of lump sum retirement allowance assuming that statutory auditors retire at the closing date.

- Provision for repairs

To provide for periodic tank inspections required under the Fire Service Act and for periodic repairs of machinery and equipment, the Company and two consolidated subsidiaries reserve an estimated cost for the consolidated accounting period, based on actual payments and repair plans, respectively

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.

5) Principal methods of hedge accounting

- Method of hedge accounting

Exceptional treatment permitting the effects of the interest rate swaps to be netted against the underlying interest expense of the loans payable subject to the swap agreement is adopted for the swap agreements that satisfy the requirements for exceptional treatment.

-Hedging instrument and hedged item

Hedging instrument:	Interest rate swap
Hedged item:	Interest on loans payable

-Hedging policy

Upon the completion of internal approval procedures prescribed by the Company, interest rate swaps are carried out to convert floating interest rates associated with certain loans payable to fixed interest rates.

-Method of evaluating hedge effectiveness

Hedge effectiveness of interest rate swaps is not evaluated because they are accounted for with exceptional treatment.

6) Amortization method and period of Goodwill

Goodwill is amortized by the straight-line method over 20 years.

7) 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.

8) Accounting method for consumption taxes

Each item in the consolidated statement of income does not include consumption taxes.

(Segment information)

a. Segment information

1) Overview of reportable segments

The reportable segments of the Company's group are the functional segments for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors of the Company to make decisions about resources to be allocated to the segment and assess its performance.

"Oil segment" and "Chemical segment" are identified as reportable segments in accordance with the nature of the operations undertaken and products sold by the Company's group. The Oil segment is organized and operates to manufacture and sell petroleum products, and the Chemical segment is organized and operates to manufacture and sell petrochemical products.

The major products or services by each segment are as follows:

(1) Oil: Gasoline, Naphtha, Jet Fuel, Kerosene, Diesel Fuel, Fuel Oils, Lubricants, LPG, etc.
(2) Chemical: Olefins, Aromatics, Hydrocarbon Fluids, Petroleum Resins, Polyethylene, etc.

2) Measurement method of net sales and segment income, assets, liabilities and others by reportable segments

The accounting methods used in the reportable segments are the same as described in "Significant accounting policies."

The basis for the reporting of segment income is the same as for operating income.

The amounts of internal transactions between segments are based on fair market value.

3) Net sales, segment income, assets, liabilities and other information by reportable segments

Prior period (January 1, 2012 through December 31, 2012)

(Unit: Million yen)

	Oil	Chemical	Total	Adjustment (Note)1, 2	Quarterly consolidated statement of income amount
Net sales					
(1) Sales to third parties	2,533,844	271,085	2,804,929	-	2,804,929
(2) Internal transactions	1,073,078	117,975	1,191,054	(1,191,054)	-
Total	3,606,923	389,060	3,995,984	(1,191,054)	2,804,929
Segment income	34,369	1,391	35,760	(8,462)	27,298
Other items					
Depreciation and amortization	24,072	4,363	28,436	-	28,436

(Note) 1. Adjustment of (1,191,054) million yen represents an elimination of inter-segment transactions.
2. Goodwill amortization of (8,462) million yen is shown in the adjustment column as it is not allocated to each segment.
3. Total segment income plus "Adjustment" is the same as operating income in the consolidated statement of income.
4. The information of assets is omitted because the Company does not allocate assets into segments.

Current period (January 1, 2013 through December 31, 2013)

(Unit: Million yen)

	Oil	Chemical	Total	Adjustment (Note) 1, 2	Quarterly consolidated statement of income amount
Net sales					
Sales to third parties	2,896,844	344,305	3,241,150	-	3,241,150
Internal transactions	1,850,316	177,922	2,028,238	(2,028,238)	-
Total	4,747,160	522,228	5,269,388	(2,028,238)	3,241,150
Segment income	46,622	22,591	69,214	(16,924)	52,289
Other items					
Depreciation and amortization	20,432	3,735	24,168	-	24,168

(Note) 1. Adjustment of (2,028,238) million yen represents an elimination of inter-segment transactions.
2. Goodwill amortization of (16,924) million yen is shown in the adjustment column as it is not allocated to each segment.
3. Total segment income plus “Adjustment” is the same as operating income in the consolidated statement of income.
4. The information of assets is omitted because the Company does not allocate assets into segments.

b. Related information

Prior period (January 1, 2012 through December 31, 2012)

1) Information by products and services

This information is omitted, because the same information is presented in “Segment information”.

2) Information by geographic area

- Net sales

(Unit: Million yen)

Japan	Other area	Total
2,451,252	353,677	2,804,929

(Note) 1. Net sales are classified into countries or regions based on customers’ location
2. Overseas sales are not given by countries or regions as net sales for each major country or region is not deemed to be material.
3. Major countries or regions included in other area: Asia Pacific

- Tangible assets

This information is omitted, because the Company does not own any tangible assets outside of Japan.

3) Information by major customers

(Unit: Million yen)

Customer name	Net sales	Related segment
EMG Marketing G.K. (former ExxonMobil Y.K.)	812,521	Oil, Chemical
Kygnus Sekiyu K.K.	380,115	Oil

(Note) Net sales to EMG Marketing G.K. (former ExxonMobil Y.K.) covers only transaction amounts from January 1, 2012 to June 30, 2012, as EMG Marketing G.K. became a consolidated subsidiary of the Company on the deemed acquisition date of June 30, 2012.

Current period (January 1, 2013 through December 31, 2013)

1) Information by products and services

This information is omitted, because the same information is presented in “Segment information”.

2) Information by geographic area

- Net sales

(Unit: Million yen)

Japan	Other area	Total
2,556,228	684,921	3,241,150

(Note) 1. Net sales are classified into countries or regions based on customers’ location
2. Overseas sales are not given by countries or regions as net sales for each major country or region is not deemed to be material.

3. Major countries or regions included in other area: Asia Pacific

- Tangible assets
  This information is omitted, because the Company does not own any tangible assets outside of Japan.

3) Information by major customers

(Unit: Million yen)

Customer name	Net sales	Related segment
Kygnus Sekiyu K.K.	433,209	Oil

c. Impairment loss of noncurrent assets by reportable segments

Prior period (January 1, 2012 through December 31, 2012)

(Unit: Million yen)

	Oil	Chemical	Total
Impairment loss	63	-	63

Current period (January 1, 2013 through December 31, 2013)

(Unit: Million yen)

	Oil	Chemical	Total
Impairment loss	62	30	93

d. Amortization and residual balance of goodwill by reportable segments

Prior period (January 1, 2012 through December 31, 2012)

Amortization expense and residual balance of goodwill are not allocated to reportable segments.

(Unit: Million yen)

	Company total
Amortization expense	8,462
Residual balance at the end of the period	330,033

Current period (January 1, 2013 through December 31, 2013)

Amortization expense and residual balance of goodwill are not allocated to reportable segments.

(Unit: Million yen)

	Company total
Amortization expense	16,924
Residual balance at the end of the period	313,108

e. Negative goodwill by reportable segments

Prior period (January 1, 2012 through December 31, 2012)

Not applicable.

Current period (January 1, 2013 through December 31, 2013)

The Company acquired all of the shares of NUC Corporation, which became a consolidated subsidiary of the Company. In this connection, the Company recognized 134 million of yen of gain on negative goodwill in the Chemical segment.

(Financial data per share)

Prior period (January 1, 2012 through December 31, 2012)

Net assets per share	788.81 yen
Net income per share	122.38 yen

(Note) Basis of the calculation

1. Diluted net income per share for the current period is not noted because the Company has not issued any dilutive securities.
2. Net income per share

Net income	54,770 million yen
Net income not relating to common shareholders	-
Net income pertaining to common stock	54,770 million yen
Average number of outstanding common shares	447,541,274 shares

Current period (January 1, 2013 through December 31, 2013)

Net assets per share	805.77 yen
Net income per share	62.84 yen

(Note) Basis of the calculation

Net income	22,902 million yen
Net income not relating to common shareholders	-
Net income pertaining to common stock	22,902 million yen
Average number of outstanding common shares	364,438,926 shares

Diluted net income per share	62.83 yen

(Note) Basis of the calculation

Adjustments in net income	-
Increase in number of common shares	64,298 shares

(Significant subsequent events)

-Acquisition of share capital of Mitsui Oil Co., Ltd

On February 4, 2014, the Company acquired Mitsui & Co., Ltd's entire 89.93% shares in Mitsui Oil Co., Ltd.
The details of the transaction are stated below:

1) Overview of the company acquired

	(As of December 31, 2013)
a. Name of company	Mitsui Oil Co., Ltd.
b. Business	Sales of petroleum products
c. Date of establishment	February 18, 1961
d. Paid-in capital	3,000 million yen

2) Background and objectives of the transaction
The Company plans to enhance its core businesses by integrating the newly acquired businesses into the existing ones, e.g. expansion and strengthening of the sales network and optimization of the supply system.

3) Closing of the transaction
February 4, 2014

4) Legal form of business combination
Acquisition of shares in exchange for cash

5) Acquired entity name after combination
MOC Marketing K.K.

6) Percentage of shares acquired through the transaction, the purchase price and percentage of voting rights after the transaction

a. Percentage of shares acquired:	89.93%
b. Purchase price:	24,856 million yen
c. Percentage of voting rights after the transaction:	89.93%

7) Reason for designating the Company as acquiring company
The Company intends to own the majority control of the acquired company through the acquisition of 89.93% of the voting shares thereof.

8) Others
In addition to the above transaction, the Company entered into contracts by no later than February 5, 2014 to acquire an additional 5.57% of the voting shares in MOC Marketing K.K. from other shareholders effective February 19, 2014.

5. Non-consolidated financial statements

(1) Non-consolidated balance sheet

(Unit: Million yen)

	Prior period (December 31, 2012)	Current period (December 31, 2013)
Assets		
Current assets		
Cash and deposits	10,417	14,938
Accounts receivable-trade	381,126	361,575
Merchandise and finished goods	74,563	77,331
Semi-finished goods	58,293	67,163
Raw materials	213,052	251,372
Supplies	4,354	4,402
Prepaid expenses	4,401	4,893
Income taxes receivable	13,717	-
Deferred tax assets	6,902	-
Short-term loans receivable	64	54
Short-term loans receivable to subsidiaries and affiliates	2,260	8,860
Accounts receivable-other	5,731	5,557
Other	2,101	2,275
Allowance for doubtful accounts	(54)	(36)
Total current assets	776,933	798,387
Noncurrent assets		
Property, plant and equipment		
Buildings	38,660	38,557
Accumulated depreciation	(28,519)	(28,706)
Buildings, net	10,141	9,850
Structures	154,815	155,993
Accumulated depreciation	(130,856)	(133,439)
Structures, net	23,958	22,554
Tanks	65,432	66,627
Accumulated depreciation	(61,212)	(61,949)
Tanks, net	4,219	4,677
Machinery and equipment	534,341	529,835
Accumulated depreciation	(503,974)	(507,694)
Machinery and equipment, net	30,367	22,141
Vehicles	873	872
Accumulated depreciation	(845)	(852)
Vehicles, net	28	19
Tools, furniture and fixtures	10,928	11,125
Accumulated depreciation	(9,422)	(9,925)
Tools, furniture and fixtures, net	1,505	1,199
Land	66,910	67,571
Construction in progress	2,416	4,268
Total property, plant and equipment	139,548	132,283
Intangible assets		
Goodwill	-	1,117
Leasehold right	1,492	1,491
Software	3,905	3,781
Technology royalty	7,038	6,089
Right of using facilities	159	148
Total intangible assets	12,595	12,628

(Unit: Million yen)

	Prior period (December 31, 2012)	Current period (December 31, 2013)
Investments and other assets		
Investment securities	4,212	4,399
Stocks of subsidiaries and affiliates	1,056	1,056
Investments in capital of subsidiaries and affiliates	457,621	457,621
Long-term deposits	2,086	2,053
Other	5,592	4,926
Allowance for doubtful accounts	(144)	(66)
Total investments and other assets	470,425	469,988
Total noncurrent assets	622,569	614,900
Total assets	1,399,502	1,413,287
Liabilities		
Current liabilities		
Notes payable-trade	-	26,274
Accounts payable-trade	277,172	288,473
Gasoline taxes payable	219,346	192,571
Short-term loans payable	101,924	116,587
Current portion of long-term loans payable	692	342
Short-term loans payable to subsidiaries and affiliates	143,373	130,036
Commercial papers	64,000	30,000
Accounts payable-other	9,135	8,802
Accrued expenses	12,851	15,423
Income taxes payable	-	9,309
Accrued consumption taxes	4,310	9,495
Deferred tax liabilities	-	7,976
Advances received	3,984	6,744
Guarantee deposits payable	8,514	8,556
Provision for bonuses	886	864
Other	3,501	1,204
Total current liabilities	849,691	852,663
Noncurrent liabilities		
Bonds payable	30,000	40,000
Long-term loans payable	136,539	136,197
Deferred tax liabilities	57,011	44,454
Provision for retirement benefits	44,614	43,900
Provision for directors' retirement benefits	79	36
Provision for repairs	15,113	18,890
Asset retirement obligation	636	615
Other	4,507	2,853
Total noncurrent liabilities	288,502	286,947
Total liabilities	1,138,193	1,139,610

(Unit: Million yen)

	Prior period (December 31, 2012)	Current period (December 31, 2013)
Net assets		
Shareholders' equity		
Capital stock	35,123	35,123
Capital surplus		
Legal capital surplus	20,741	20,741
Other capital surplus	-	1
Total capital surplus	20,741	20,743
Retained earnings		
Legal retained earnings	8,780	8,780
Other retained earnings		
Reserve for property replacement	14,360	13,814
Retained earnings brought forward	325,268	338,163
Total retained earnings	348,410	360,758
Treasury stock	(142,965)	(143,139)
Total shareholders' equity	261,309	273,485
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(0)	119
Total valuation and translation adjustments	(0)	119
Subscription rights to shares	-	72
Total net assets	261,309	273,676
Total liabilities and net assets	1,399,502	1,413,287

(2) Non-consolidated statement of income

(Unit: Million yen)

	Prior period (January 1, 2012 through December 31, 2012)	Current period (January 1, 2013 through December 31, 2013)
Net sales	2,731,312	3,033,225
Cost of sales	2,681,107	2,963,539
Gross profit	50,205	69,685
Selling, general and administrative expenses	27,684	28,446
Operating income	22,520	41,238
Non-operating income		
Interest income	153	400
Dividends income	1,114	7,390
Other	104	43
Total non-operating income	1,372	7,833
Non-operating expenses		
Interest expenses	1,997	2,688
Interest on bonds	19	311
Foreign exchange loss	2,644	5,789
Bond issuance cost	148	46
Other	28	56
Total non-operating expenses	4,838	8,892
Ordinary income	19,054	40,179
Extraordinary income		
Gain on sales of noncurrent assets	429	47
Gain on distribution of residual assets	103	-
Total extraordinary income	533	47
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	894	1,406
Impairment loss	-	7
Total extraordinary losses	894	1,414
Income before income taxes	18,693	38,813
Income taxes-current	535	10,359
Income taxes-deferred	(26,541)	2,255
Total income taxes	(26,005)	12,614
Net income	44,699	26,198

(3) Non-consolidated statement of changes in net assets

Prior period (January 1, 2012 through December 31, 2012)

(Unit: Million yen)

	Share holders' equity							
	Capital stock	Total capital surplus			Retained earnings			
		Capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						Reserve for property replacement	Retained earnings brought forward	
Balance at the beginning of current period	35,123	20,741	0	20,742	8,780	15,297	301,081	325,159
Changes of items during the period								
Dividends from surplus	-	-	-	-	-	-	(21,446)	(21,446)
Net income	-	-	-	-	-	-	44,699	44,699
Purchase of treasury stock	-	-	-	-	-	-	-	-
Disposal of treasury stock	-	-	(0)	(0)	-	-	(2)	(2)
Reversal of reserve for property replacement	-	-	-	-	-	(937)	937	-
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-	-
Total changes of items during the period	-	-	(0)	(0)	-	(937)	24,187	23,250
Balance at the end of current period	35,123	20,741	-	20,741	8,780	14,360	325,268	348,410

	Shareholders' equity		Valuation and translation adjustment		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustment	
Balance at the beginning of current period	(697)	380,328	(72)	(72)	380,255
Changes of items during the period					
Dividends from surplus	-	(21,446)	-	-	(21,446)
Net income	-	44,699	-	-	44,699
Purchase of treasury stock	(142,289)	(142,289)	-	-	(142,289)
Disposal of treasury stock	20	17	-	-	17
Reversal of reserve for property replacement	-	-	-	-	-
Net changes of items other than shareholders' equity	-	-	71	71	71
Total changes of items during the period	(142,268)	(119,018)	71	71	(118,946)
Balance at the end of current period	(142,965)	261,309	(0)	(0)	261,309

Current period (January 1, 2013 through December 31, 2013)

(Unit: Million yen)

	Shareholders' equity							
	Capital stock	Total capital surplus			Retained earnings			
		Capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						Reserve for property replacement	Retained earnings brought forward	
Balance at the beginning of current period	35,123	20,741	-	20,741	8,780	14,360	325,268	348,410
Changes of items during the period								
Dividends from surplus	-	-	-	-	-	-	(13,850)	(13,850)
Net income	-	-	-	-	-	-	26,198	26,198
Purchase of treasury stock	-	-	-	-	-	-	-	-
Disposal of treasury stock	-	-	1	1	-	-	-	-
Reversal of reserve for property replacement	-	-	-	-	-	(546)	546	-
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-	-
Total changes of items during the period	-	-	1	1	-	(546)	12,895	12,348
Balance at the end of current period	35,123	20,741	1	20,743	8,780	13,814	338,163	360,758

	Shareholders' equity		Valuation and translation adjustment		Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustment		
Balance at the beginning of current period	(142,965)	261,309	(0)	(0)	-	261,309
Changes of items during the period						
Dividends from surplus	-	(13,850)	-	-	-	(13,850)
Net income	-	26,198	-	-	-	26,198
Purchase of treasury stock	(178)	(178)	-	-	-	(178)
Disposal of treasury stock	4	5	-	-	-	5
Reversal of reserve for property replacement	-	-	-	-	-	-
Net changes of items other than shareholders' equity	-	-	119	119	72	192
Total changes of items during the period	(174)	12,175	119	119	72	12,367
Balance at the end of current period	(143,139)	273,485	119	119	72	273,676