Consolidated Financial Results for the 2014
(Japanese GAAP basis)

February 13, 2015

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, 2015
Scheduled date of filing Annual Securities Report: March 25, 2015
Scheduled date of start of dividends payment: March 26, 2015
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 2014 (January 1, 2014 through December 31, 2014)

(1) Operating results (Percentage 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	%
2014	3,451,097	6.5	(72,948)	-	(73,383)	-	(13,975)	-
2013	3,241,150	15.6	52,289	91.5	49,816	121.1	22,902	(58.2)

(Note) Comprehensive income: (13,609) Million yen [-%] for 2014 23,388 Million yen [-57.9%] for 2013

	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	%	%	%
2014	(38.36)	-	(5.0)	(5.3)	(2.1)
2013	62.84	62.83	7.9	3.6	1.6

(Reference) Equity earnings: 791 Million yen for 2014 2,722 Million yen for 2013

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
Dec. 31, 2014	1,376,212	262,753	19.0	718.35
Dec. 31, 2013	1,409,081	294,640	20.8	805.77

(Reference) Net assets excluding minority interests and subscription rights to shares:
261,699 Million yen as of December 31, 2014 293,596 Million yen as of December 31, 2013

(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
2014	99,896	(52,388)	(31,828)	35,048
2013	44,310	(14,270)	(24,753)	18,655

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	%	%
2013	–	19.00	–	19.00	38.00	13,846	60.5	4.8
2014	–	19.00	–	19.00	38.00	13,844	—	5.0
2015(Forecast)		19.00	–	19.00	38.00		86.5	

3. Projected consolidated operating results for 2015 (January 1, 2015 through December 31, 2015)

(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	1,350,000	(20.2)	23,000	-	23,000	-	5,000	-	13.72
Full year	3,000,000	(21.8)	45,000	-	45,000	-	16,000	-	43.92

*** Notes**

(1) Change in major subsidiaries in the current period (change in designated subsidiaries resulting in a change in the scope of consolidation): Yes
Added: 1 company (Name: Kyokuto Petroleum Industries, Ltd)

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

a. Change in accounting method with accounting standards revisions	: Yes
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 issued at the end of period (includes treasury shares)

2014	565,182,000	shares	2013	565,182,000	shares

b. Number of treasury shares at the end of period

2014	200,876,446	shares	2013	200,813,664	shares

c. Average number of shares during the period

2014	364,338,663	shares	2013	364,438,926	shares

(Reference) Summary of non-consolidated financial results

1. Financial results for 2014 (January 1, 2014 through December 31, 2014)

(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	%
2014	2,979,545	(1.8)	(60,775)	-	8,137	(79.7)	75,969	190.0
2013	3,033,225	11.1	41,238	83.1	40,179	110.9	26,198	(41.4)

	Net income per share	Diluted net income per share
	Yen	Yen
2014	208.51	208.42
2013	71.89	71.88

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
Dec. 31, 2014	1,296,635	335,858	25.9	921.51
Dec. 31, 2013	1,413,287	273,676	19.4	750.90

(Reference) Net assets excluding subscription rights to shares:
: 335,712 Million yen as of December 31, 2014 273,604 Million yen as of December 31, 2013

2. Projected non-consolidated operating results for 2015 (January 1, 2015 through December 31, 2015)

(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	2,300,000	(22.8)	37,000	-	35,000	330.1	7,000	(90.8)	19.21

- **Audit status of Annual Securities Report *(Yukashoken-Houkokusho)* for 2014**
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 2015" on page 2.

(Attachments)

Table of contents of attachments

1. Analysis of operating results and financial condition

(1) Analysis of operating results

a. Business overview

Consolidated net sales for 2014 amounted to 3,451.1 billion yen, an increase of 209.9 billion yen or 6.5 percent versus the previous year, primarily due to the inclusion of MOC Marketing G.K. (previously, Mitsui Oil Co., Ltd.), as a consolidated subsidiary.
Consolidated operating income was a loss of 72.9 billion yen, a decrease of 125.2 billion yen versus the previous year. The current period includes inventory valuation losses of 86.5 billion yen caused by the sharp crude and product price decline at year end compared to inventory valuation gains of 47.0 billion yen for the previous year. Excluding inventory effects operating income was improved in the Oil segment and below last year in the Chemical segment. Consolidated ordinary income which incorporates non-operating items including equity in earnings of affiliates, foreign exchange gains and interest expense was a loss of 73.4 billion yen, a decrease of 123.2 billion yen versus the previous year.
Consolidated net income which includes extraordinary items and income taxes was a loss of 14.0 billion yen, a decrease of 36.9 billion yen versus the previous year. Net income includes favorable tax effects amounting to approximately 40 billion yen arising from decapitalization of subsidiary of EMG Marketing G.K..

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

1) Oil segment

Oil segment income was a loss of 68.0 billion yen, a decrease of 114.6 billion yen versus the previous year. Inventory effects during the current year were a loss of 85.7 billion yen, a 130.6 billion yen decrease versus the previous year. Oil segment income excluding inventory effects was 17.7 billion yen, a 16.0 billion yen increase versus the previous year due to a recovery of oil product margins since the second quarter and the additional contribution attributable to MOC Marketing G.K.

Oil segment income (loss) compared with the previous year

(Unit: billion yen)

	2013	2014	Difference
Segment income (loss) as reported	46.6	(68.0)	(114.6)
Inventory-related gain (loss)	45.0	(85.7)	(130.6)
Segment income excluding above special factors	1.7	17.7	16.0

2) Chemical segment

Chemical segment income was 12.4 billion yen, a 10.2 billion yen decrease from the previous year. This year, Chemical segment income included a 0.8 billion yen inventory valuation loss, a decrease of 2.8 billion yen versus the previous year. Excluding inventory effects, the segment income was 13.2 billion yen compared to 20.6 billion yen for the previous year as strong olefins margins were more than offset by the lower aromatics margins and the effect of planned maintenance at the Kawasaki site.

b. Earnings forecast for full year 2015

(Unit: million yen)

Net sales	Operating income	Ordinary income	Net income
2,700,000	45,000	45,000	16,000

Consolidated operating income for the full year 2015 is forecasted as 45.0 billion yen including 51.0 billion yen from the Oil segment, 11.0 billion yen from the Chemical segment and a negative 17.0 billion yen of goodwill amortization (related to the acquisitions of the interest in EMG Marketing Godo Kaisha etc) which is not allocated by segment. Inventory effects are assumed to be zero in the forecast.
Compared to 2014 operating income of a negative 72.9 billion yen, the 117.9 billion yen improvement mainly reflects the absence of the 86.5 billion yen of inventory losses realized in 2014, continuation of the second half 2014 favorable domestic margin level in Oil segment and increased contribution from MOC Marketing G.K. and Kyokuto Petroleum Industries, Ltd. which became consolidated subsidiaries in 2014.
Consolidated ordinary income is forecasted as 45.0 billion yen and consolidated net income is forecasted as 16.0 billion yen. The net income forecast includes a 10 billion yen extraordinary gain upon the formation of our LPG joint venture and negative 16 billion yen tax effects due to the anticipated tax reform in the first quarter 2015.

(2) Analysis of financial condition

a. Total assets, liabilities and net assets

The consolidated balance sheet as of December 31, 2014 reflects the Company's acquisition of 95.5% of the shares of MOC Marketing G.K. with a deemed date of acquisition of March 31, 2014 and the impact of Kyokuto Petroleum Industries Ltd.'s change from an associated company accounted for by the equity method to a consolidated subsidiary as of the same date as described in "(5) Notes to consolidated financial statements" of "4. Consolidated financial statements".

Total assets as of December 31, 2014 were 1,376.2 billion yen, a 32.9 billion yen decrease from December 31, 2013, mainly attributable to a decrease in inventories caused by the crude and product price decline which was partly offset by an increase in fixed assets due to the impact of Kyokuto Petroleum Industries Ltd and MOC Marketing G.K.'s change to consolidated subsidiaries. Liabilities as of December 31, 2014 amounted to 1,113.5 billion yen, an 1.0 billion yen decrease from December 31, 2013, mainly attributable to a decrease in account payable-trade reflecting the crude price decline which was partly offset by increases in gasoline taxes payable. Total net assets as of December 31, 2014 amounted to 262.8 billion yen, a 31.9 billion yen decrease from December 31, 2013.

b. Cash flows

At the end of December 2014, the outstanding balance of cash and cash equivalents was 35.0 billion yen, an increase of 16.4 billion yen versus December 31, 2013. Key factors influencing cash flows are summarized below.

In 2014, cash flows from operating activities were positive 99.9 billion yen versus a positive 44.3 billion yen in the previous year. Positive factors such as working capital decrease attributable to the crude oil and product price drop and a decrease in inventories, depreciation and amortization of goodwill outweighed negative factors such as a loss before income taxes and minority interests and income tax payment.

Cash flows from investing activities were negative 52.4 billion yen versus a negative 14.3 billion yen in the previous year. The current period cash outflows include 25.5 billion yen related to the acquisition of MOC Marketing G.K., and capital expenditure.

Cash flows from financing activities were negative 31.8 billion yen versus a negative 24.8 billion yen in the previous year. The current period cash outflows are mainly due to a decrease in short-term loans and commercial paper outstanding, as well as dividends paid.

c. Key financial indices

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Shareholders' equity ratio (%) - book base	27.4	32.3	20.8	20.8	19.0
Shareholders' equity ratio (%) - market base	55.3	42.6	19.6	25.0	27.2
Cash flow vs. interest-bearing debt (Times)	0.6	1.2	-	8.0	3.9
Interest coverage ratio (Times)	234.8	172.5	-	14.5	37.0

(Note) Definitions are as follows:

Shareholders' equity ratio - book base: (period-end total net assets - period-end minority interests and subscription rights to shares) / period-end total assets

Shareholders' equity ratio - market base: total value of stock ex. treasury shares 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

1. All indicators have been calculated based on consolidated financial data.
2. Operating cash flow is net cash provided by (used in) operating activities shown in the Consolidated statement of cash flows.
3. 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.
4. No ratios 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 business performance in the mid to long term, and capital expenditure plans.

b. Dividend in current period

The Company projects a payment to its shareholders as of December 31, 2014 of 19 yen per share as a final dividend for the term ended December 31, 2014, subject to approval at the general meeting of shareholders.

c. Dividend in next period

Full-year dividends for 2015 are forecast to be 38 yen per share unchanged from 2014, subject to 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. 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; decrease in domestic oil product demand due to changes in demographics including population growth rates and consumer preferences; and the competitiveness of alternative hydrocarbon or other energy sources or product substitutes.

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. 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.

d. 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.

e. 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.

As a result of an ordinance of the Ministry of Economy, Trade and Industry (METI) issued on July 31, 2014 (Ministerial Ordinance for Partial Revision of the Ordinance for Enforcement of the Act on Promotion of Utilization of Non-Fossil Energy Sources and Effective Utilization of Fossil Energy Materials by Energy Suppliers), further improvement in the ratio of the Company's residual oil cracking capacity to its atmospheric distillation capacity is required by March 31, 2017. The Company will examine and implement the most economical measures to respond to this requirement including the potential to reduce atmospheric distillation capacity.

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. The Company Group generally carries property insurance against natural disasters and accidents to the extent that such insurance is available and can be obtained on reasonable terms. However, a major natural disaster or an unexpected accident might negatively affect our business activities through resulting shutdowns at our business sites and property losses in excess of insurance thereby causing a serious impact on the financial position and operating results of the Company Group.

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 an effect on the Company’s financial position.

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 the pension fund or significant increase in pension liability causing a material effect on the Company’s financial position.

j. Goodwill

The company recognized 306.3 billion yen of goodwill asset as of December 31, 2014 balance sheet. The goodwill asset was mainly related to the acquisition of the 99.0% of the interest in EMG Marketing Godo Kaisha in 2012 and primarily reflects the future profitability and cash flow generation of EMG Marketing Godo Kaisha. The goodwill asset is amortized over 20 years. 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 22 companies (the Company, 9 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, 2014)

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., MOC Marketing G.K., Toyo 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., and one other company
	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, Kyokuto Petroleum Industries, Ltd.

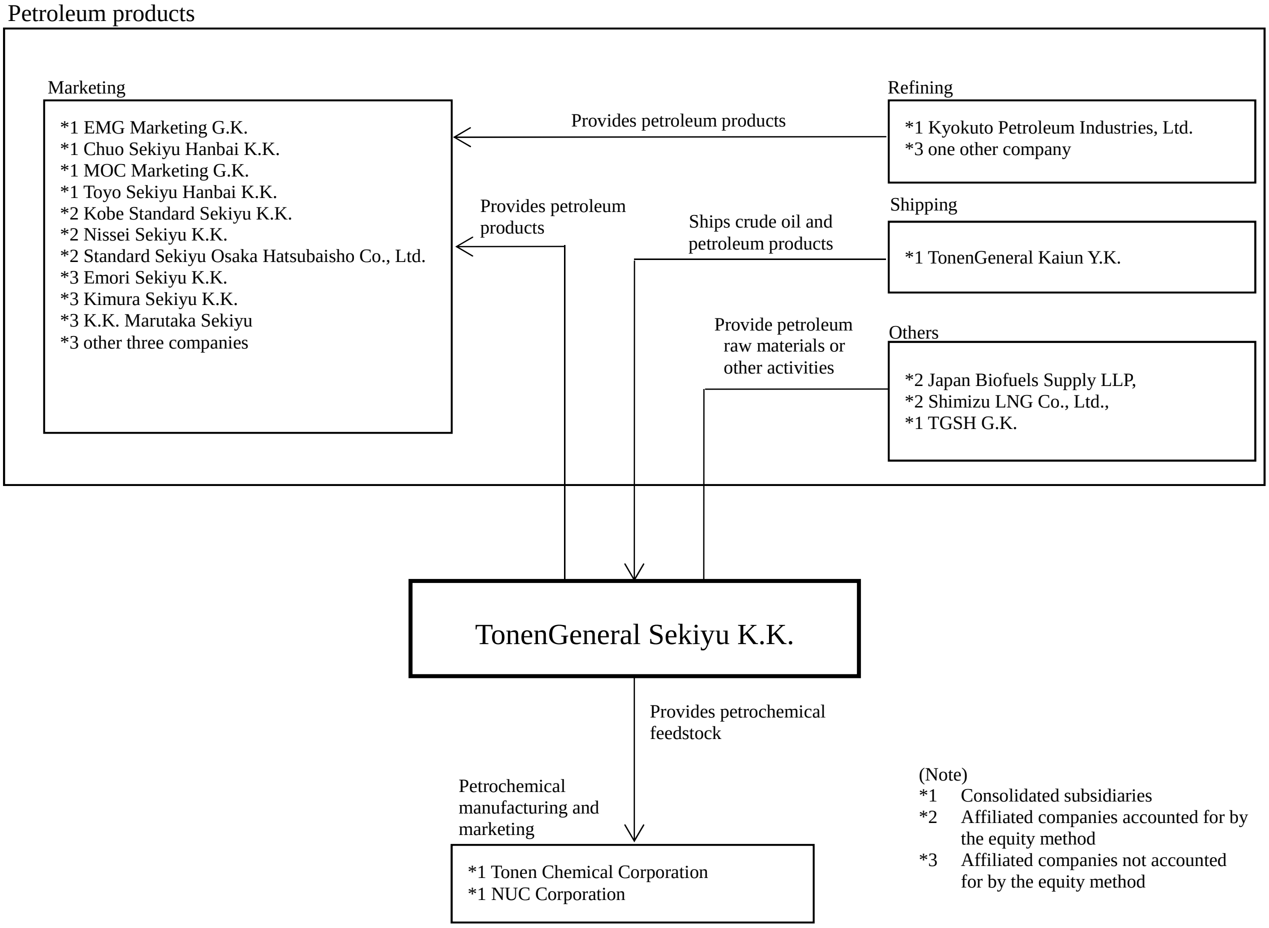
(Note) 1. NUC Corporation changed its company name in Japanese to *Kabushiki Kaisha NUC* as of January 1, 2014.

2. The Company acquired 95.5% of the issued stocks of Mitsui Oil Co., Ltd. (currently, MOC Marketing Godo Kaisha; its entity form converted from Kabushiki Kaisha to Godo Kaisha as of August 1, 2014) in February 2014. MOC Marketing Godo Kaisha held 100% of the shares of Toyo Sekiyu Hanbai Kabushiki Kaisha and owned a 50% interest in Kyokuto Petroleum Industries, Ltd., which was an equity company of the Company. As a result, Kyokuto Petroleum Industries, Ltd., MOC Marketing Godo Kaisha and Toyo Sekiyu Hanbai Kabushiki Kaisha became consolidated subsidiaries of the Company during the current period.

3. TGSH acquired all the stocks of Toyo Sekiyu Hanbai Kabushiki Kaisha which were owned by MOC Marketing Godo Kaisha as of December 22, 2014.

Business structure of the TG Group as of December 31, 2014 is shown below:

Petroleum products



3. Corporate principles

(1) Basic corporate philosophy

As a premier energy company with a firm foundation in Japan, the TonenGeneral group has established the following threefold mission.

- 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 products and 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, and we will continue to contribute to society as a good corporate citizen, trusted by our stakeholders.

(2) Operating strategies, objectives and indicators

Giving full consideration to the situation of declining oil demand, 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. The Company will continue implementing measures based on the mid-term management plan.

(3) Issues to be addressed

The Company moved forward with steady progress consistent with the mid-term plan as noted below.

a. LPG business integration

As part of strengthening its core business, the Company, Cosmo Oil Co., Ltd., Showa Shell Sekiyu K.K. and Sumitomo Corporation made steady progress on discussions to integrate the liquefied petroleum gas (LPG) business operations owned by their respective corporate groups. These discussions are expected to result in a more effective and lower cost organization well-equipped to respond to business changes occurring in terms of domestic inter-fuel competition and overall demand decline as well as changes internationally impacting supply opportunities.

b. Electric power business

The Company, addressing its electric power business as one of the growth strategies in its medium-term business plan, started its efforts to expand its electric power business through projects such as the development of competitive power sources in conjunction with other power businesses and retailers. As a first step toward the development of its electric power business, TonenGeneral acquired a 10% stake in eREX New Energy Saiki Co., Ltd. This investment will facilitate the acquisition of expertise in fuel procurement, operations management and electric power sales. In January of 2015, the Company announced that it has submitted a “preliminary environmental impact statement” as part of an environmental assessment according to the relevant law, in conjunction with its evaluation of construction of a natural gas-fueled power generation plant on the premises of the Shimizu terminal located in Shizuoka City, Shizuoka, We will continue conducting necessary studies and final decisions regarding the investment will be made after taking into account factors such as environmental assessment results, construction costs, economic returns, the domestic electricity business environment including policy trends, and energy trends and policies both in Japan and abroad. We continue to study further options to utilize our tangible and intangible assets for electric power development, considering region, scale, type of electric power, economic feasibility, business partners and other factors, while taking into account environmental considerations as well as competitive thermal power generation projects.

4. Consolidated financial statements

(1) Consolidated balance sheet

(Unit: Million yen)

	Prior period (December 31, 2013)	Current period (December 31, 2014)
Assets		
Current assets		
Cash and deposits	18,655	35,048
Notes and accounts receivable - trade	277,929	221,098
Merchandise and finished goods	108,039	101,860
Semi-finished goods	67,358	70,701
Raw materials	251,701	167,362
Supplies	8,371	10,599
Income taxes receivable	3,954	25,232
Deferred tax assets	1,834	7,711
Other	32,432	18,471
Allowance for doubtful accounts	(325)	(320)
Total current assets	769,953	657,765
Non-current assets		
Property, plant and equipment		
Buildings and structures	281,000	296,345
Accumulated depreciation	(226,315)	(233,767)
Buildings and structures, net	54,684	62,578
Tanks	74,956	77,998
Accumulated depreciation	(69,799)	(70,694)
Tanks, net	5,156	7,303
Machinery, equipment and vehicles	671,017	686,575
Accumulated depreciation	(640,058)	(650,499)
Machinery, equipment and vehicles, net	30,959	36,075
Tools, furniture and fixtures	21,743	23,031
Accumulated depreciation	(19,651)	(20,181)
Tools, furniture and fixtures, net	2,092	2,850
Land	145,927	176,022
Construction in progress	5,163	9,780
Total property, plant and equipment	243,984	294,610
Intangible assets		
Goodwill	313,108	306,316
Leasehold right	7,678	8,195
Software	7,397	7,292
Other	6,461	7,314
Total intangible assets	334,646	329,118
Investments and other assets		
Investment securities	35,592	19,870
Deferred tax assets	6,345	58,703
Net defined benefit asset	-	3,920
Other	18,698	12,341
Allowance for doubtful accounts	(139)	(118)
Total investments and other assets	60,496	94,718
Total non-current assets	639,127	718,447
Total assets	1,409,081	1,376,212

(Unit: Million yen)

	Prior period (December 31, 2013)	Current period (December 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	321,262	174,552
Gasoline taxes payable	193,193	248,473
Short-term loans payable	123,129	153,347
Commercial papers	30,000	15,000
Income taxes payable	13,822	2,905
Accrued consumption taxes	10,856	19,491
Guarantee deposits payable	18,659	16,573
Deferred tax liabilities	7,978	749
Provision for bonuses	1,537	1,683
Other	50,857	94,777
Total current liabilities	771,297	727,554
Non-current liabilities		
Bonds payable	40,000	85,000
Long-term loans payable	136,197	132,298
Deferred tax liabilities	15,663	7,317
Provision for retirement benefits	122,238	-
Net defined benefit liability	-	132,997
Provision for directors’ retirement benefits	36	-
Provision for repairs	22,369	23,863
Asset retirement obligations	2,399	2,772
Other	4,239	1,655
Total non-current liabilities	343,143	385,904
Total liabilities	1,114,440	1,113,459
Net assets		
Shareholders’ equity		
Capital stock	35,123	35,123
Capital surplus	49,561	57,400
Retained earnings	350,736	322,911
Treasury shares	(142,140)	(142,201)
Total shareholders’ equity	293,280	273,233
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	315	576
Remeasurements of defined benefit plans	-	(12,109)
Total accumulated other comprehensive income	315	(11,533)
Subscription rights to shares	72	146
Minority interests	971	907
Total net assets	294,640	262,753
Total liabilities and net assets	1,409,081	1,376,212

(2) Consolidated statement of income and comprehensive income

a. Consolidated statement of income

(Unit: Million yen)

	Prior period (January 1, 2013 through December 31, 2013)	Current period (January 1, 2014 through December 31, 2014)
Net sales	3,241,150	3,451,097
Cost of sales	3,095,285	3,421,654
Gross profit	145,864	29,442
Selling, general and administrative expenses	93,575	102,391
Operating income (loss)	52,289	(72,948)
Non-operating income		
Interest income	701	92
Dividend income	126	217
Foreign exchange gains	-	880
Share of profit of entities accounted for using equity method	2,722	791
Compensation income	-	292
Other	269	872
Total non-operating income	3,820	3,146
Non-operating expenses		
Interest expenses	3,207	2,791
Foreign exchange losses	2,974	-
Bond issuance cost	46	208
Other	64	581
Total non-operating expenses	6,293	3,581
Ordinary income (loss)	49,816	(73,383)
Extraordinary income		
Gain on sales of non-current assets	858	2,200
Gain on step acquisitions	127	431
Gain on bargain purchase	134	-
Total extraordinary income	1,119	2,631
Extraordinary losses		
Loss on sales and retirement of non-current assets	2,629	3,848
Impairment loss	93	191
Settlement package	-	1,169
Total extraordinary losses	2,723	5,210
Income (loss) before income taxes and minority interests	48,212	(75,961)
Income taxes - current	23,377	5,940
Income taxes – deferred	1,785	(68,030)
Total income taxes	25,162	(62,090)
Income (loss) before minority interests	23,050	(13,871)
Minority interests in income	147	104
Net income (loss)	22,902	(13,975)

b. Consolidated statement of comprehensive income

(Unit: Million yen)

	Prior period (January 1, 2013 through December 31, 2013)	Current period (January 1, 2014 through December 31, 2014)
Income (loss) before minority interests	23,050	(13,871)
Other comprehensive income		
Valuation difference on available-for-sale securities	301	259
Share of other comprehensive income of entities accounted for using equity method	37	1
Total other comprehensive income	338	261
Comprehensive income	23,388	(13,609)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	23,239	(13,714)
Comprehensive income attributable to minority interests	149	104

(3) Consolidated statement of changes in net assets

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

(Unit: Million yen)

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

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

Current period (January 1, 2014 through December 31, 2014)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	35,123	49,561	350,736	(142,140)	293,280
Changes of items during period					
Dividends of surplus	-	-	(13,845)	-	(13,845)
Net income (loss)	-	-	(13,975)	-	(13,975)
Purchase of treasury shares	-	-	-	(63)	(63)
Disposal of treasury shares	-	0	-	2	3
Deferred tax adjustment due to purchase of treasury shares of prior year	-	7,837	-	-	7,837
Increase of consolidated subsidiaries - minority interests	-	-	(4)	-	(4)
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during period	-	7,838	(27,825)	(60)	(20,047)
Balance at end of current period	35,123	57,400	322,911	(142,201)	273,233

	Accumulated other comprehensive income			Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	315	-	315	72	971	294,640
Changes of items during period						
Dividends of surplus	-	-	-	-	-	(13,845)
Net income (loss)	-	-	-	-	-	(13,975)
Purchase of treasury shares	-	-	-	-	-	(63)
Disposal of treasury shares	-	-	-	-	-	3
Deferred tax adjustment due to purchase of treasury shares of prior year	-	-	-	-	-	7,837
Increase of consolidated subsidiaries - minority interests	-	-	-	-	-	(4)
Net changes of items other than shareholders' equity	260	(12,109)	(11,848)	74	(64)	(11,839)
Total changes of items during period	260	(12,109)	(11,848)	74	(64)	(31,886)
Balance at end of current period	576	(12,109)	(11,533)	146	907	262,753

(4) Consolidated statement of cash flows

(Unit: Million yen)

	Prior period (January 1, 2013 through December 31, 2013)	Current period (January 1, 2014 through December 31, 2014)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	48,212	(75,961)
Depreciation	24,168	24,066
Amortization of goodwill	16,924	17,319
Gain on bargain purchase	(134)	-
Share of (profit) loss of entities accounted for using equity method	(2,722)	(791)
Increase (decrease) in provision for bonuses	(35)	(430)
Increase (decrease) in provision for retirement benefits	(7,746)	-
Increase (decrease) in liability for retirement benefits	-	(10,626)
Increase (decrease) in provision for repairs	4,503	(755)
Loss (gain) on sales and retirement of non-current assets	1,771	1,647
Impairment loss	93	191
Interest and dividend income	(828)	(309)
Interest expenses	3,207	2,791
Foreign exchange losses (gains)	-	(713)
Loss (gain) on step acquisitions	(127)	(431)
Settlement package	-	1,169
Compensation income	-	(292)
Decrease (increase) in notes and accounts receivable - trade	(28,404)	83,158
Decrease (increase) in inventories	(52,499)	180,809
Decrease (increase) in accounts receivable - other	345	(999)
Increase (decrease) in notes and accounts payable - trade	40,865	(149,884)
Increase (decrease) in accounts payable - other	(22,205)	45,461
Other, net	2,825	3,680
Subtotal	28,215	119,102
Interest and dividend income received	1,681	1,152
Interest expenses paid	(2,851)	(2,699)
Income taxes refund	28,628	4,554
Income taxes paid	(11,362)	(21,336)
Settlement package paid	-	(1,169)
Proceeds from compensation	-	292
Net cash provided by (used in) operating activities	44,310	99,896
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,490)	(24,440)
Proceeds from sales of property, plant and equipment	2,461	3,565
Purchase of intangible assets	(3,159)	(3,336)
Proceeds from sales of intangible assets	0	0
Purchase of investment securities	-	(2,727)
Payments of long-term loans receivable	(15)	(29)
Collection of long-term loans receivable	98	83
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,164)	(25,503)
Net cash provided by (used in) investing activities	(14,270)	(52,388)

Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	17,463	(38,874)
Proceeds from long-term loans payable	50,000	79,000
Repayments of long-term loans payable	(54,147)	(86,040)
Net increase (decrease) in commercial papers	(34,000)	(15,000)
Redemption of bonds	-	(1,000)
Proceeds from issuance of bonds	9,953	44,791
Purchase of treasury shares	(178)	(63)
Proceeds from sales of treasury shares	5	3
Cash dividends paid	(13,850)	(13,845)
Cash dividends paid to minority shareholders	-	(559)
Repayments to minority shareholders	-	(240)
Net cash provided by (used in) financing activities	(24,753)	(31,828)
Effect of exchange rate change on cash and cash equivalents	-	713
Net increase (decrease) in cash and cash equivalents	5,286	16,392
Cash and cash equivalents at beginning of period	13,369	18,655
Cash and cash equivalents at end of period	18,655	35,048

(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: 9 companies

EMG Marketing G.K., Tonen Chemical Corporation, TGSH G.K., TonenGeneral Kaiun Y. K., Chuo Sekiyu Hanbai K.K., NUC Corporation, MOC Marketing G.K., Toyo Sekiyu Hanbai K.K., Kyokuto Petroleum Industries, Ltd.

In February 2014, the Company acquired 95.5% of the issued stocks of Mitsui Oil Co., Ltd. (currently, MOC Marketing G.K.; its entity form converted from Kabushiki Kaisha to Godo Kaisha as of August 1, 2014). As a result, MOC Marketing G.K. and Toyo Sekiyu Hanbai K.K. whose entire shares were held by the said company have been included in the scope of consolidation effective in the current period from the deemed date of acquisition of March 31, 2014.

MOC Marketing G.K. and another subsidiary of the Company each owned 50% interests in Kyokuto Petroleum Industries, Ltd. As a result, Kyokuto Petroleum Industries, Ltd. has been excluded from the scope of the equity method and included in the scope of consolidation effective in the current period from the deemed date of acquisition of March 31, 2014.

b. Application of equity method

1) Number of affiliates accounted for by the equity method: 5 companies

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

On March 31, 2014, Kyokuto Petroleum Industries, Ltd. has been excluded from the scope of equity method as referred to in “(1) 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 affiliates above 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 accounting procedures

1) Valuation rules and methods for significant assets

- 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

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 that do not transfer ownership to the lessee and became effective on or before December 31, 2008 is calculated pursuant to 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 repairs

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

4) Accounting method related to retirement benefits

- Method of attributing expected retirement benefits to periods

In the calculation of retirement benefit obligations, the straight-line basis is adopted as the method of attributing expected retirement benefits to the period up to the end of the current period.

- Method of amortizing actuarial difference, and the past service liabilities

Actuarial differences are generally 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 (mainly 12 years). Past service liabilities are amortized into pension expenses using the straight-line method over employees' average remaining service years (11.0 to 12.9 years). Unrecognized actuarial gains and losses, and unrecognized prior service cost are included in accumulated other comprehensive income after adjusting deferred tax.

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.

6) 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.

7) Amortization method and period of Goodwill

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

8) 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.

9) Accounting method for consumption taxes

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

(Change in accounting policies)

- Application of Accounting Standard, etc. for Retirement Benefits

The Company has adopted the “Accounting Standard for Retirement Benefits” (The Accounting Standards Board of Japan(ASBJ) Statement No.26, May 17, 2012) (“Accounting Standard”), and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25, May 17, 2012) (“Guidance”), effective from the end of the current period (excluding the provisions set forth in the main clause of paragraph 35 of the Accounting Standard, and the main clause of paragraph 67 of the Guidance). As a result, the Company has changed the accounting method to one that records, as a net defined benefit liability, the amount of retirement benefit obligations after deducting the amount of pension assets. Accordingly, the unrecognized actuarial difference and the unrecognized past service liabilities are recognized as a net defined benefit liability.

The Accounting Standard and other relevant rules are applied in accordance with the transitional measures provided in paragraph 37 of the Accounting Standard. The amount of impact resulting from the changes has been reflected in the measurements of defined benefit plans in the accumulated other comprehensive income at the end of the current period.

As a result of these changes, a net defined benefit asset of 3,920 million yen and a net defined benefit liability of 132,907 million yen have been recognized at the end of the current period, and the accumulated other comprehensive income has decrease by 12,109 million yen, with the minority interests being reduced by 5 million yen.

Net assets per share decreased by 33.26 yen.

(Accounting standards and other regulations to be applied)

“Accounting Standard for Retirement Benefits” (ASBJ Statement No.26, May 17, 2012) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25, May 17,2012).

a. Overview

The above accounting standards were amended mainly focusing on the accounting method of unrecognized actuarial gains and losses, and the unrecognized prior service costs, and the calculation method of retirement benefit obligations and current service costs, and enhancement of disclosures.

2. Application schedule

The amendment to the calculation method of retirement benefit obligations and current service costs will be applied, effective from the beginning of 2015. As there are transitional measures for the above accounting standards, the amendment will not be applied retroactively to the consolidated financial statements for the previous year.

3. Effect of application of accounting standards and other regulations

The impact of the application of this Accounting Standard on the consolidated financial statements is minor.

(Change in presentation)

“Short-term loans receivable” which had been separately presented in the section of “Current assets” in the prior period, is included in “Other” in the current period because its amount is immaterial.

The outstanding balance of “Short-term loans receivable” at the end of the current period, 15,069 million yen is reclassified in “Other” to reflect this presentation change.

(Deferred tax accounting)

a. Detail of deferred tax assets and deferred tax liabilities

	Prior period (December 31, 2013)	Current period (December 31, 2014)
Deferred tax assets		
Tax loss carry forward	20,077 million yen	103,530 million yen
Provision for retirement benefits	43,952	-
Net defined benefit liability	-	46,506
Valuation difference on securities	24,915	24,915
Land valuation difference	8,270	14,877
Provision for repairs	7,028	7,860
Accumulated impairment loss	2,887	2,611
Non-refundable deposits	2,290	2,331
Unrealized gains and losses	-	1,414
Accrued enterprise tax payable	1,100	198
Other	6,357	8,627
Subtotal	116,880	212,874
Valuation allowance	(51,373)	(86,062)
Total deferred tax assets	65,506	126,811
Deferred tax liabilities		
Deferred taxation on the gain from inventory valuation method change	(40,843)	(32,285)
Land valuation difference	(21,649)	(16,759)
Reserve for property replacement	(15,086)	(15,089)
Prepaid pension costs	(1,263)	-
Net defined benefit asset	-	(1,192)
Other	(2,126)	(3,136)
Total deferred tax liabilities	(80,968)	(68,463)
Net of deferred tax assets and liabilities	(15,461)	58,348

b. Reconciliation of significant differences between the statutory effective tax rate and the actual effective tax rate after application of deferred tax accounting

	Prior period (December 31, 2013)	Current period (December 31, 2014)
Statutory effective tax rate	38.0 %	38.0%
(Adjustments)		
Valuation difference on shares	-	74.7
Items not recognized as income, such as dividend received	0.2	23.1
Valuation allowance	2.3	(40.3)
Goodwill amortization	13.2	(8.7)
Differences in applicable tax rates	0.3	(7.7)
Equity earnings	(2.1)	(0.4)
Others	0.4	3.0
Actual effective tax rate	52.2	81.7

(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, 2013 through December 31, 2013)

(Unit: Million yen)

	Oil	Chemical	Total	Adjustment (Note) 1, 2	Consolidated statement of income amount
Net sales					
Sales to customers outside the Company group	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.

Current period (January 1, 2014 through December 31, 2014)

(Unit: Million yen)

	Oil	Chemical	Total	Adjustment (Note) 1, 2	Consolidated statement of income amount
Net sales					
Sales to customers outside the Company group	3,104,214	346,882	3,451,097	-	3,451,097
Internal transactions	2,424,080	60,960	2,485,041	(2,485,041)	-
Total	5,528,294	407,843	5,936,138	(2,485,041)	3,451,097
Segment income (loss)	(68,004)	12,375	(55,628)	(17,319)	(72,948)
Other items					
Depreciation and amortization	20,804	3,262	24,066	-	24,066

(Note) 1. Adjustment of (2,485,041) million yen represents an elimination of inter-segment transactions.
2. Goodwill amortization of (17,319) million yen is shown in the adjustment column as it is not allocated to each segment.
3. Total segment income (loss) plus "Adjustment" is the same as operating income (loss) 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, 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 TG Group 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

Current period (January 1, 2014 through December 31, 2014)

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
2,745,810	705,286	3,451,097

(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 TG Group 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.	408,533	Oil

c. Impairment loss of noncurrent assets by reportable segments

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

(Unit: Million yen)

	Oil	Chemical	Total
Impairment loss	62	30	93

Current period (January 1, 2014 through December 31, 2014)

(Unit: Million yen)

	Oil	Chemical	Total
Impairment loss	191	-	191

d. Amortization and residual balance of goodwill by reportable segments

Prior 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

Current period (January 1, 2014 through December 31, 2014)

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

(Unit: Million yen)

	Company total
Amortization expense	17,319
Residual balance at the end of the period	306,316

e. Negative goodwill by reportable segments

Prior 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.

Current period (January 1, 2014 through December 31, 2014)

Not applicable.

(Financial data per share)

Prior 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
(Number of stock acquisition rights included)	(64,298 shares)

Current period (January 1, 2014 through December 31, 2014)

Net assets per share	718.35 yen
Net income (loss) per share	(38.36 yen)

(Note) Basis of the calculation

Net income (loss)	(13,975) million yen
Net income not relating to common shareholders	-
Net income (loss) pertaining to common stock	(13,975) million yen
Average number of outstanding common shares	364,338,663 shares

Diluted net income per share

Diluted net income per share is not noted even though the Company has issued dilutive securities, because the per share data is a net loss per share.

(Significant subsequent events)

Not applicable.

5. Non-consolidated financial statements

(1) Non-consolidated balance sheet

(Unit: Million yen)

	Prior period (December 31, 2013)	Current period (December 31, 2014)
Assets		
Current assets		
Cash and deposits	14,938	27,975
Accounts receivable - trade	361,575	308,743
Merchandise and finished goods	77,331	60,533
Semi-finished goods	67,163	60,042
Raw materials	251,372	129,878
Supplies	4,402	4,427
Prepaid expenses	4,893	4,716
Income taxes receivable	-	21,033
Deferred tax assets	-	4,274
Short-term loans receivable	54	42
Short-term loans receivable from subsidiaries and associates	8,860	32,477
Accounts receivable - other	5,557	15,843
Other	2,275	910
Allowance for doubtful accounts	(36)	(33)
Total current assets	798,387	670,865
Non-current assets		
Property, plant and equipment		
Buildings	9,850	9,575
Structures	22,554	21,775
Tanks	4,677	5,395
Machinery and equipment	22,141	20,708
Vehicles	19	14
Tools, furniture and fixtures	1,199	1,396
Land	67,571	67,979
Construction in progress	4,268	7,122
Total property, plant and equipment	132,283	133,966
Intangible assets		
Goodwill	1,117	838
Leasehold right	1,491	1,473
Software	3,781	3,379
Technology royalty	6,089	5,140
Right of using facilities	148	188
Total intangible assets	12,628	11,020

(Unit: Million yen)

	Prior period (December 31, 2013)	Current period (December 31, 2014)
Investments and other assets		
Investment securities	4,399	7,192
Shares of subsidiaries and associates	1,056	1,056
Investments in capital of subsidiaries and associates	457,621	454,584
Long-term deposits	2,053	1,751
Deferred tax assets	-	12,499
Other	4,926	3,732
Allowance for doubtful accounts	(66)	(32)
Total investments and other assets	469,988	480,783
Total non-current assets	614,900	625,770
Total assets	1,413,287	1,296,635
Liabilities		
Current liabilities		
Notes payable - trade	26,274	10,930
Accounts payable - trade	288,473	192,885
Gasoline taxes payable	192,571	208,934
Short-term loans payable	116,587	123,269
Current portion of long-term loans payable	342	342
Short-term loans payable to subsidiaries and associates	130,036	65,446
Commercial papers	30,000	15,000
Accounts payable - other	8,802	21,496
Accrued expenses	15,423	12,562
Income taxes payable	9,309	36
Accrued consumption taxes	9,495	17,455
Deferred tax liabilities	7,976	-
Advances received	6,744	7,309
Guarantee deposits payable	8,556	7,589
Provision for bonuses	864	851
Other	1,204	1,047
Total current liabilities	852,663	685,155
Non-current liabilities		
Bonds payable	40,000	85,000
Long-term loans payable	136,197	129,855
Deferred tax liabilities	44,454	-
Provision for retirement benefits	43,900	40,453
Provision for directors’ retirement benefits	36	-
Provision for repairs	18,890	19,483
Asset retirement obligations	615	543
Other	2,853	285
Total non-current liabilities	286,947	275,621
Total liabilities	1,139,610	960,777

(Unit: Million yen)

	Prior period (December 31, 2013)	Current period (December 31, 2014)
Net assets		
Shareholders' equity		
Capital stock	35,123	35,123
Capital surplus		
Legal capital surplus	20,741	20,741
Other capital surplus	1	1
Total capital surpluses	20,743	20,743
Retained earnings		
Legal retained earnings	8,780	8,780
Other retained earnings		
Reserve for property replacement	13,814	13,406
Retained earnings brought forward	338,163	400,694
Total retained earnings	360,758	422,882
Treasury shares	(143,139)	(143,200)
Total shareholders' equity	273,485	335,548
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	119	163
Total valuation and translation adjustments	119	163
Subscription rights to shares	72	146
Total net assets	273,676	335,858
Total liabilities and net assets	1,413,287	1,296,635

(2) Non-consolidated statement of income

(Unit: Million yen)

	Prior period (January 1, 2013 through December 31, 2013)	Current period (January 1, 2014 through December 31, 2014)
Net sales	3,033,225	2,979,545
Cost of sales	2,963,539	3,013,489
Gross profit (loss)	69,685	(33,944)
Selling, general and administrative expenses	28,446	26,831
Operating income (loss)	41,238	(60,775)
Non-operating income		
Interest income	400	140
Dividend income	7,390	73,046
Other	43	259
Total non-operating income	7,833	73,445
Non-operating expenses		
Interest expenses	2,688	1,987
Interest on bonds	311	510
Foreign exchange losses	5,789	1,651
Bond issuance cost	46	208
Other	56	174
Total non-operating expenses	8,892	4,533
Ordinary income	40,179	8,137
Extraordinary income		
Gain on sales of non-current assets	47	1,802
Total extraordinary income	47	1,802
Extraordinary losses		
Loss on sales and retirement of non-current assets	1,406	1,072
Impairment loss	7	125
Settlement package	-	559
Total extraordinary losses	1,414	1,757
Income before income taxes	38,813	8,181
Income taxes - current	10,359	1,441
Income taxes - deferred	2,255	(69,229)
Total income taxes	12,614	(67,787)
Net income	26,198	75,969

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

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

(Unit: Million yen)

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

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

Current period (January 1, 2014 through December 31, 2014)

(Unit: Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal 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 beginning of current period	35,123	20,741	1	20,743	8,780	13,814	338,163	360,758
Changes of items during period								
Dividends of surplus	-	-	-	-	-	-	(13,845)	(13,845)
Net income	-	-	-	-	-	-	75,969	75,969
Purchase of treasury shares	-	-	-	-	-	-	-	-
Disposal of treasury shares	-	-	0	0	-	-	-	-
Reversal of reserve for property replacement	-	-	-	-	-	(407)	407	-
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-	-
Total changes of items during period	-	-	0	0	-	(407)	62,530	62,123
Balance at of current period	35,123	20,741	1	20,743	8,780	13,406	400,694	422,882

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	(143,139)	273,485	119	119	72	273,676
Changes of items during period						
Dividends of surplus	-	(13,845)	-	-	-	(13,845)
Net income	-	75,969	-	-	-	75,969
Purchase of treasury shares	(63)	(63)	-	-	-	(63)
Disposal of treasury shares	2	3	-	-	-	3
Reversal of reserve for property replacement	-	-	-	-	-	-
Net changes of items other than shareholders' equity	-	-	44	44	74	118
Total changes of items during period	(60)	62,063	44	44	74	62,181
Balance at end of current period	(143,200)	335,548	163	163	146	335,858