［ENGLISH TRANSLATION］

(Securities Code: 5012)

March 10, 2009

To the Shareholders

Kazuo Suzuki
Representative Director and President
TonenGeneral Sekiyu K.K.
8-15, Kohnan 1-chome, Minato-ku, Tokyo

Notice of the Ordinary General Meeting of Shareholders

You are cordially invited to attend the 89th Ordinary General Meeting of Shareholders of TonenGeneral Sekiyu K. K. (“TG” or the “Company”) to be held as specified below.

When you attend the meeting in person, please present the enclosed voting rights exercise form to the reception desk.

In the event you are unable to attend, you are kindly requested to exercise your voting rights in writing as follows: review the attached Reference Materials for the Shareholders’ Meeting; to exercise your voting rights, respond "yes" or "no" to each agenda item on the enclosed form; and return the form to us.

1. Date & Time: Thursday, March 26, 2009 at 10:00 a.m.
2. Venue: In the room "Pegasus", 1F, Hotel Nikko Tokyo
   9-1, Odaiba 1-chome, Minato-ku, Tokyo
   (Please confirm the venue with the attached map on the last page.)
3. Purposes:

Items for Report:

Item No.1: Report of Business Report, and Consolidated Financial Statements for the 89th Business Term (from January 1, 2008 to December 31, 2008), and Audit Reports for Consolidated Financial Statements by Accounting Auditor and the Board of Statutory Auditors

Item No.2: Report of Financial Statements for the 89th Business Term (from January 1, 2008 to December 31, 2008)

Items for Resolution:

Proposal No.1: Approval of Proposed Retained Earnings Distribution

Proposal No.2: Amendments to the Articles of Incorporation

Proposal No.3: Election of Nine Directors to the Board of Directors

Proposal No.4: Election of One Statutory Auditor

Proposal No.5: Election of One Alternate Statutory Auditor

Proposal No.6: Presentation of Retirement Reward to Retiring Statutory Auditor

………………………………………………………………………………………………

- Any required corrections to the Attachment to the Notice of Ordinary General Meeting of Shareholders (the Business Report, Consolidated Financial Statements and/or Financial Statements) and/or the Reference Materials for the Shareholders' Meeting, will be placed on the Company's web-site. (http://www.tonengeneral.co.jp)
- This is a convocation notice, attachments (the Business Report, Consolidated Financial Statements and Financial Statements), and Reference Materials for the TG Shareholders' Meeting on March 26, 2009. An English translation of these documents has been placed on the Company's web-site.

Attachment

BUSINESS REPORT

(For the year ended December 31, 2008)

1. Business Overview

(1) Developments and Results of Operations

< General Business and Industry Conditions >

The 2008 Japanese economy stagnated in the first half mainly due to the slowing of exports and capital investments in the global economy. The global financial crisis led to a more drastic downturn in the Japanese economic environment toward the end of the year.

Unprecedented fluctuations were observed last year in crude oil prices. The price per barrel for Dubai crude, generally used as a reference price for our industry in the Asia-Pacific region, dropped briefly from the 90-to-99-dollar range around the first of the year to the 80-to-84-dollar range in mid-January, but subsequently increased steadily to an historic high of 140 dollars at the beginning of July. The price then began to drop, falling to 36 dollars by the end of the year. The average price for the year was 94.2 dollars per barrel, an increase of 25.8 dollars (38%) versus the previous year. The yen appreciation trend gained momentum in the beginning of October, with the yen-US dollar exchange rate (TTS) averaging 104.5 yen per dollar for 2008, about 14.4 yen stronger than the average for 2007. The average Dubai price for 2008, in yen terms, on a loaded basis, was 61.9 yen per liter, an increase of 10.8 yen (21%) versus 2007.

When crude oil prices rose in the first part of the year, domestic product prices did not rise to fully reflect the increased cost of crude oil. In the latter part of the year, the fast decline in crude prices outpaced declines in product prices. These swift changes significantly affected our domestic operating environment. In addition to such abrupt margin changes, the temporary discontinuation of the ADO tax and the provisional gasoline tax in April caused confusion among our customers, making 2008 a turbulent year.

Overall demand for petroleum products continued to decrease in 2008 as it has since

2006. Gasoline demand decreased, due to higher prices and a reduction in the gasoline-engine car population. Kerosene demand decreased mainly due to higher prices. Sales of heavier products, such as Diesel and Fuel Oil A, declined due to more efficient operations in the transportation sector, fuel switching to other energy sources, and the recession in late 2008. Demand for Fuel Oil C for power generation began to increase in mid-2007 after a nuclear power plant shutdown, and continued to increase in 2008.

Japan petrochemical demand and production in 2008 were much lower than in the previous year, affected by the significant change in the global business economy, especially in the second half of 2008. The production of ethylene in Japan in 2008 decreased by 11% compared to the previous year and reached its lowest level since 1995. Paraxylene and benzene production have decreased by 8% and 13% respectively versus the previous year. The global economic changes together with the crude price drop in the second half of 2008 caused sharp declines in the Asian spot market for chemical products. The ethylene spot market price dropped from 1,673 $/Ton in July to 473 $/Ton in December. The paraxylene spot market prices dropped from 1,608 $/Ton in July to 668$/Ton in December.

< TonenGeneral’s Results for the Term >

TonenGeneral Sekiyu K. K. (“TG”) consolidated Sales Revenue for 2008 increased 7.3% from the previous year, and amounted to ¥3,272.4 billion.

The TG group accounts for purchased crude when it is loaded, whereas most oil companies in Japan account for crude costs when it arrives in Japan, so that crude price changes affect our results approximately one month earlier than other oil companies in Japan. Due to the difference in the crude cost recognition method, we estimate that the crude price decrease favorably affected our Downstream operating earnings by approximately ¥102 billion (about ¥149 billion greater than the impact in the previous year) despite the very severe business conditions. As a result, Downstream segment earnings were ¥107.7 billion, an increase of ¥156.3 billion, including profit from inventory evaluation of ¥14.1 billion.

In the Chemical segment, the demand for basic chemicals decreased, particularly in the fourth quarter, reflecting the global economic downturn. Segment earnings were

¥13.9 billion, a decrease of ¥41.7 billion from the previous year. The downturn particularly affected the Chemicals segment in the fourth quarter.

Overall, TG consolidated Operating Income was ¥121.7 billion, an increase of ¥114.7 billion versus the previous year, which was a record high since the formation of TG in 2000.

Net non-operating Income was ¥9.5 billion due mainly to gains in foreign exchange. Ordinary Income was ¥131.3 billion in 2008, an increase of ¥116.2 billion from the previous year. Extraordinary items resulted in a Net Extraordinary Loss of ¥2.4 billion in 2008; major elements were losses from asset sales and asset impairment, and a gain from the sale of our shares in Nansei Sekiyu, formerly a consolidated company. As a result, Net Income amounted to ¥79.3 billion in 2008, ¥72.3 billion higher than the previous year.

Total assets at the end of 2008 were ¥901.6 billion, ¥143.9 billion lower than the year before, associated mainly with decreases in Trade Accounts Receivable reflecting lower product prices at the end of the year. Net Assets increased in 2008 by ¥56.2 billion from the previous year to ¥270.5 billion, reflecting current year earnings, partially offset by dividends paid.

The following table shows segment Sales Revenue and Operating Income in 2008.

Millions of yen

	Oil	Chemicals	Others	Consolidated
Net Sales	2,917,761	353,320	1,347	3,272,429
Operating Income/Loss	107,650	13,917	174	121,742

TG paid an interim dividend of ¥19 per share in accordance with the resolution made at the Board of Directors’ Meeting held on August 14, 2008.

<Oil Business Results>

- Production -

Crude runs at the Kawasaki, Sakai and Wakayama refineries in the current term decreased by 5.9% versus the previous term to a total of 27,579 thousand kl, with topper utilization at 72%.

In Refining, TG continued to focus on raising efficiency and making optimal use of existing facilities, especially secondary units. In 2008, TG made capital investments for energy conservation and export capacity enhancements in addition to minor facility modifications. Facilities to produce ultra low sulfur fuel products began operating at all of our refineries by mid 2007. These facilities gave TG more flexibility to choose various crude oils for operations, and the ability to reduce raw material costs by processing a heavier mix of crude oils.

TG is continuing to enhance and implement its “Profit Improvement Programs”. These programs include diversifying crude oil procurement and increasing profitable exports. As a result of these efforts, our product exports, including those of Heavy Fuel Oil, increased by 42% in 2008 versus 2007.

- Marketing -

Sales volumes for oil products for the term decreased by 8.0% to 32,079 thousand-kl. All major product groups decreased from the prior year.

TG has entrusted its marketing business to ExxonMobil Yugen Kaisha (“EMYK”), TG’s parent company. EMYK operates the marketing business through one integrated marketing strategy for the ExxonMobil Japan Group, using the “ESSO” and “Mobil” brands and the Company’s “GENERAL” brand.

EMYK will continue building a higher-value-added business by improving competitiveness though optimization of marketing channels and the shift to the self service stations, aiming at being the most efficient and maximizing productivity.

In 2008, based on these strategies, EMYK continued to concentrate on building a self-serve network, under the self-serve brand “Express,” which offers the quickest, easiest service in the cleanest, most pleasant facilities to customers. Surveys indicate a high level of customer satisfaction. EMYK also continued to strengthen and more firmly establish the Express brand value by enhancing related services and programs, such as Video Pump, Speedpass, Express Wash, Mobil 1 Center and alliances with Doutor coffee and Seven-Eleven Japan, as well as improving high standards of customer service and cleanliness at sites. During 2008, membership in Speedpass, the ExxonMobil Japan Group’s special key-chain attachment wireless payment device, exceeded 1,900,000 and is expected to reach 2,000,000 in the near future.

The following table shows 2008 sales results by product in 2008.

Oil Product	Sales Volume Thousand kl	Sales Revenue Millions of yen
Gasoline	11,769	1,468,907
Kerosene & Diesel Fuel	10,524	828,954
Fuel Oil and Crude	6,938	443,312
Lube	348	38,543
LPG and Others	2,501	138,043
Total	32,079	2,917,761

<Chemical Business Results>

There are two fundamental long-term strategy themes in our Chemical business. The first is to continue to grow our specialty chemicals business and the second is to increase the cost competitiveness of our basic chemicals business.

In specialty chemicals, we have continued to focus on battery separator film as one of our key business areas. Battery separator film is used primarily in lithium-ion batteries for small electronics (i.e., cell phone, laptop PC) and power tools. In order to respond to the expected long term demand growth, we initiated a major expansion of our battery separator film business and started construction of a new production facility in Korea in October 2008. This new facility is planned to start operation in 4Q 2009.

We also continued implementing improvements in our specialty polyethylene business at Nippon Unicar Company Limited (Nippon Unicar), a 50%/50% joint venture between our subsidiary, Tonen Kagaku K.K., and a subsidiary of The Dow Chemical Company. We have supported Nippon Unicar in this program by introducing know-how which both Tonen Kagaku and the Dow group have developed in areas ranging from technology development to production and sales in order to enhance Nippon Unicar’s competitiveness.

In our basic chemicals business, especially in olefins and aromatics production, we continued to focus on feedstock diversification, fixed cost, energy efficiency, and the reliability of operations. We have also pursued chemical and refinery integration for its synergy effects, and, to support the optimum utilization of molecules in our group of companies.

The following table shows our sales results by product in 2008.

Chemical Product	Sales Volume Thousand ton	Sales Revenue Millions of yen
Olefins and Others	1,771	258,069
Aromatics	820	95,251
Total	2,591	353,320

<Corporate Citizenship>

The TG group strives to be a good corporate citizen in all of its business activities. Maintaining safe, reliable and environmentally responsible operations is the foundation of our business and is our "license" to operate in local communities. The TG group conducts its operations based on OIMS (Operations Integrity Management System), a system for ensuring the highest standards in the areas of safety, health and the environment. In order to further enhance the quality of operations, we introduced LPS (Loss Prevention System), which focuses on human behavior to increase safety awareness and prevent the occurrence of incidents.

Based on a program implemented globally by the ExxonMobil Group in 2005 called "Protect Tomorrow. Today," TG has formulated an Environmental Business Plan to achieve the highest level of environmental protection at all of our refineries and we are implementing that plan. In particular, we have improved energy efficiency of refineries and chemical plants rationally and deliberately by utilizing the Global Energy Management System ("GEMS") which ExxonMobil has developed.

High standards of business conduct constitute another foundation of our business. Our reputation and our commitment to legal compliance and ethical conduct are true assets. We periodically implement refresher training for employees to increase their understanding of business practices and compliance with the law. Information about our internal controls systems is available on our website.

(http://www.tonengeneral.co.jp/tonengeneral/english/index.html)

(2) Financing

Capital expenditures in the current term were financed by the Company's own funds, without depending on new long-term bank borrowings or issuance of either stocks or corporate bonds. The outstanding debt balance of TG on a consolidated basis was ¥74.6

billion at the end of 2008, a decrease of ¥37.0 billion versus 2007. Our basic policy is to maintain healthy financial conditions and continue stable distributions to shareholders while maximizing profits through efficient operations and selection of business investments that meet rigorous return criteria.

(3) Capital Investment

Capital expenditures for the year totaled ¥19.0 billion. In the refinery segment, TG invested in its Kawasaki, Sakai and Wakayama refineries to enhance export capacity and cope with heavier crude oil, and enhanced its power generation facilities in Kawasaki refinery.

In the chemical segment, the construction of a new facility to manufacture battery separator films in Korea began in the current term.

(4) Business Transfer

TG continuously and rigorously assesses its business portfolio, including business expansion, realignment and divestment opportunities from the viewpoint of effective use of our assets. In line with this strategy, TG sold its shares of Nansei Sekiyu on April 1, 2008.

(5) Issues To Be Addressed By The TG Group

With respect to domestic demand for major oil products, the drastic decline in demand associated with the steep rise in crude prices last summer was reversed to some extent by the downturn in crude prices since autumn. However, due to factors such as the falling birthrate, the aging population, energy conservation, conversion by customers to other energy sources, improving energy efficiency and continued streamlining in the transportation industry, we cannot assume that domestic demand for major oil products will increase in 2009. In order to maintain a sound business foundation under these circumstances, we need to place even greater emphasis on optimization and efficiency in our refining and marketing segments.

Given this challenging environment, the TG group must pursue further operating efficiencies in order to maintain our competitiveness. Our approach, as in the past, is long term, without undue focus on near-term marketplace or price developments. TG will continue to enhance our integrated approach, with all segments of our oil and chemical businesses working together toward an optimal mix of feedstocks, product supply, and marketing channels. Specifically, we are working to effectively utilize the secondary units at our refineries, maximize synergies with our petrochemical business, and optimize marketing channels including exports. In these efforts, we will take full advantage of the ExxonMobil Group’s global network for feedstock procurement, product supply systems, and product manufacturing and marketing technologies.

In the Chemical business, it is essential to strengthen cost competitiveness in our basic business to cope with its cyclical nature. At the same time, we will continue to work to enhance our specialty chemicals business, which is less affected by the chemicals commodity cycle, to support overall earnings in our chemical business. In particular, we will progress execution of our growth strategies in our battery separator film business to capture business opportunities in new applications for lithium ion batteries, including electric vehicles.

Good corporate citizenship is a key foundation of our business. The TG Group considers that it is critically important to contribute to the development of the societies in which we operate, and we therefore will continue to strengthen ties with local communities through social contribution and cultural activities. In addition, we will also place great importance on legal compliance and ethical conduct.

Taking measures to address global warming is one of our key initiatives for the ExxonMobil Japan Group. In this area, we have taken the lead by improving energy efficiency at refineries and petrochemical plants. We will continue working on other initiatives for the reduction of greenhouse gas in all business areas including Marketing and Business Services divisions.

The TG group will continue working to achieve the above mentioned goals with all our efforts and requests its shareholders’ continued interest and support.

(6) Changes in Financial Results and Asset Status of TG Group

Item \ Term	86th Term Jan. 1,'05-Dec.31,'05	87th Term Jan. 1,'06-Dec.31,'06	88th Term Jan. 1,'07-Dec.31,'07	89th Term Jan. 1,'08-Dec.31,'08
Sales revenue (M ¥)	2,856,182	3,078,772	3,049,842	3,272,429
Operating income (M¥)	19,978	58,694	7,063	121,742
Ordinary income (M¥)	22,822	65,987	15,073	131,290
Net income (M ¥)	13,015	39,820	7,014	79,285
Net income per share (¥)	22.01	68.27	12.12	140.34
Total assets (M¥)	968,334	1,019,517	1,045,536	901,598
Net assets (M ¥)	230,159	249,155	214,279	270,500
Number of consolidated companies	7	6	7	7
Number of affiliates on equity basis	2	2	2	2

Notes: 1. Net income per share amount is based on the weighted average of the number of shares outstanding during the term.

2. From the 87th Term, the Company has applied "Accounting Standard for Presentation of Net Assets in the Balance Sheet". Net assets for the 86th term shown above represent "Shareholders' equity" based on the accounting standard then in force.

(7) Profile of TG Group and Development of Business Affiliation

1) Relationship with Parent Company (As of December 31, 2008)

TG's parent company is ExxonMobil Yugen Kaisha ("EMYK," Head Office: Minato-ku, Tokyo), which holds 282,708 thousand shares, or 50.55 % of TG's total shareholders' voting rights. The capital amount of EMYK is ¥50 billion and its main business is sales of petroleum products. EMYK is a 100% indirect subsidiary of Exxon Mobil Corporation of the U.S.A.

The main elements of the relationship between TG Group and EMYK are as follows.

- TG supplies petroleum products to EMYK.
- TG is entrusted with certain logistic functions of EMYK.
- EMYK is entrusted with marketing functions and administrative functions of the TG Group.
- Tonen Kagaku K. K., TG's wholly-owned subsidiary, utilizes EMYK as an agent to centralize its sales and logistics operations.
- TG Group has concluded agreements in relation to crude oil, products and

feedstocks supply, services, and technical support with some ExxonMobil affiliated companies abroad.

- Three directors of TG are serving concurrently as directors of EMYK.
- Employees of both TG Group and EMYK have been dispatched to the other.

2) Principal Subsidiaries and Affiliates (As of December 31, 2008)

The numbers of consolidated companies and equity companies are seven and two respectively as follows:

① Consolidated Companies

Name of Company	Capital	Voting Ratio	Major Business
	¥ million	%	
Oil business			
TonenGeneral Kaiun Y.K.	243	100.0	Marine transportation of crude oil and petroleum products
Chuo Sekiyu Hanbai K. K.	30	100.0	Sales of petroleum products
Chemical business			
Tonen Kagaku K. K.	4,500	100.0	Manufacture and sale of petrochemicals
Tonen Chemical Nasu Corp.	300	100.0	Manufacture and sale of petrochemicals
Tonen Specialty Separator Godo Kaisha	101	100.0	Manufacture and sale of petrochemicals
Tonen Specialty Separator Korea Limited	6,550 won million	100.0	Manufacture and sale of petrochemicals
Others			
Tonen Technology K. K.	50	100.0	Engineering and maintenance service

Note: 1. TG indirectly owns the shares of Tonen Chemical Nasu Corp., Tonen Specialty Separator Godo Kaisha, and Tonen Specialty Separator Tonen Specialty Separator Korea Limited through Tonen Kagaku K. K.

2. The capital of Tonen Specialty Separator Korea Limited became 10,050 won million as of January 13, 2009.

② Equity Companies

Name of Company	Capital	Voting Ratio	Major Business
	¥ million	%	
Oil business			
Shimizu LNG Co., Ltd	3,000	35.0	Purchase and sale of LNG
Chemical business			
Nippon Unicar K.K.	2,000	50.0	Manufacture and sale of polyethylene

Note: TG indirectly owns 50% of the shares of Nippon Unicar K.K. through Tonen Kagaku K. K.

3) Changes in Business Affiliation

- TG established Tonen Specialty Separator Korea Limited in Korea as of February 22, 2008. This company became one of TG's consolidated companies.
- TG sold all of its shares in Nansei Sekiyu K. K., whose major business was manufacturing petroleum products, to Petrobras International Braspetro B.V. as of April 1, 2008. Therefore Nansei Sekiyu K. K. is excluded from TG's consolidated companies.

(8) Major Business of TG Group (As of December 31, 2008)

Segment	Business	Major Products Handled
Oil Segment	Manufacturing, Processing and Sales of Petroleum Products, and Transportation of Crude oil and Petroleum Products	Gasoline, Naphtha, Kerosene, Jet Fuel, Automotive Diesel Oil, Fuel Oils, Lube Oils, and LPG, etc.
Chemical Segment	Manufacturing, Processing and Sales of Petrochemical Products	Ethylene, Propylene, Benzene, Toluene, Paraxylene, Battery Separator Film, etc.
Others	Engineering and Maintenance Service	

(9) Principal Places of Operation of TG Group (As of December 31, 2008)

Company Name	Division	Location
TG	Head Office Kawasaki Refinery Sakai Refinery Wakayama Refinery Research Center	Minato-ku, Tokyo Kawasaki City, Kanagawa Pref. Sakai City, Osaka-fu Arida City, Wakayama Pref. Kawasaki City, Kanagawa Pref.
Tonen Kagaku K. K.	Head Office Kawasaki Plant	Minato-ku, Tokyo Kawasaki City, Kanagawa Pref.

(10) Employees of TG Group (As of December 31, 2008)

Segment	Number of Employees	Change from Previous Term
Oil Products	1,725	Decrease of 103
Chemical Products	527	Increase of 22
Others	26	Increase of 2
Total	2,278	Decrease of 79

Notes: 1. The number of employees does not include loaned-out employees, but includes loaned-in employees.

2. TG Group has concluded business entrustment agreements with EMYK, which resulted in 351 loaned-out employees to EMYK and 113 loaned-in employees from EMYK.

3. The number of employees in Oil Products Segment decreased during the term mainly due to exclusion of Nansei Sekiyu K. K. from TG's consolidated companies.

(11) Major Sources of Loans (As of December 31, 2008)

Lender	Amount of Loan Outstanding
	¥ million
Japan Oil, Gas and Metals National Corporation	65,121
Development Bank of Japan	6,200
Sumitomo Mitsui Banking Corporation	3,249

(12) Other Important Items for the Company

There are no applicable items.

2. Shares of the Company (As of December 31, 2008)

1) Total number of shares authorized to be issued: 880,937,982 shares

2) Total number of shares issued: 565,182,000 shares

3) Number of shareholders: 53,156

(Decrease of 789 from the end of the previous term)

4) Top Ten Major Shareholders

Shareholder	Shares Held	
	Number of Shares	Voting Ratio
	thousands	%
ExxonMobil Yugen Kaisha	282,708	50.55
Japan Trustee Services Bank, Ltd. (Trust Account)	13,583	2.42
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	12,621	2.25
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,966	1.78
Kochi Shinkin Bank	8,514	1.52
Sompo Japan Insurance Inc.	7,319	1.30
Nippon Life Insurance Company	4,544	0.81
Trustee & Custody Services Bank, Ltd. (Securities Trust Account)	4,196	0.75
Investors Bank and Trust Company (West) - Treaty	3,839	0.68
The Dai-ichi Mutual Life Insurance Company	3,376	0.60

3. Stock Options of the Company

The Company has not issued stock options.

4. Officers of the Company

(1) Directors and Statutory Auditors (As of December 31, 2008)

Name	Position and Responsibility	Representative Positions and Concurrent Positions in Other Entities
D. G. Wascom	Representative Director and Chairman	Representative Director, President, EMYK
Kazuo Suzuki	Representative Director and President	Representative Director, President, TonenGeneral Kaiun Yugen Kaisha Representative Director, Tonen Kagaku K. K. Director, EMYK
Jun Mutoh	Representative Director and Managing Director, Kawasaki Refinery Manager	Director, Kyokuto Petroleum Industries Ltd
W. J. Bogaty	Representative Director and Managing Director	Representative Director, Vice President, EMYK
Nobuaki Miyajima	Full-time Statutory Auditor	Statutory Auditor, Tonen Kagaku K. K.
Hisayoshi Kobayakawa	Full-time Statutory Auditor	Statutory Auditor, Tonen Kagaku K. K.
Tetsuro Yamamoto	Statutory Auditor	Full-time Statutory Auditor, Tonen Kagaku K. K.

Notes:
1. Messrs. Hisayoshi Kobayakawa and Tetsuro Yamamoto are Outside Statutory Auditors.
2. Mr. Nobuaki Miyajima, Full-time Statutory Auditor, is qualified as a Certified Public Accountant of the U.S.A., and Mr. Hisayoshi Kobayakawa, Full-time Statutory Auditor, is qualified as a Certified Public Accountant of Japan. Mr. Tetsuro Yamamoto, Statutory Auditor, served as a Director of a financial institution, and as a full-time statutory auditor of a business corporation. Therefore they have a significant amount of knowledge and experience concerning accounting and finance.
3. Mr. Yoshinori Miyahara, Director, resigned from the office as of September 30, 2008.
4. Relationship of the Company with EMYK, Tonen Kagaku K. K. and TonenGeneral Kaiun Yugen Kaisha is described in “1. Business Overview - (7) Profile of TG Group and Development of Business Affiliation.”
5. EMYK, TG’s parent company, owns 50% of shares of Kyokuto Petroleum Industries Ltd whose major business is manufacturing, processing and refining of petroleum products.

(2) Remuneration Paid to Directors and Statutory Auditors

	Number	Current Payment
		¥ Million
Directors	5	289
Statutory Auditors	3	43
(Outside Statutory Auditors)	(2)	(25)

Notes: 1. The above amount includes an increase of ¥ 6 million in the reserve for retirement allowance for Statutory Auditors.

2. Besides the above amounts, two Outside Statutory Auditors were paid ¥ 7 million as remuneration by TG's subsidiary, which is also a subsidiary of TG's parent company, since they concurrently served as statutory auditor of the subsidiary.

(3) Matters concerning Outside Officers

1) Concurrent positions in other companies as an Outside Officer

Messrs. Hisayoshi Kobayakawa and Tetsuro Yamamoto are Outside Statutory Auditors of the Company. They also serve as Outside Statutory Auditors of Tonen Kagaku K. K., which is a subsidiary of the Company.

2) Major activities at Board Meetings

Ten Board of Directors' meetings and five Board of Statutory Auditors' Meetings were convened during this business term. Mr. Hisayoshi Kobayakawa, Full-time Statutory Auditor, attended all the meetings, and demonstrating his expertise and useful experience, asked questions and offered opinions. The Company benefited from his active participation.

Ten Board of Directors' meetings and five Board of Statutory Auditors' Meetings were convened during this business term. T. Yamamoto, Statutory Auditor, attended all the meetings, and demonstrating his expertise and useful experience, asked questions and offered opinions. The Company benefited from his active participation.

5. Accounting Auditor

(1) Name of Accounting Auditor

PricewaterhouseCoopers Aarata

(2) Compensation Paid to Accounting Auditor

1) Compensation amount as an Accounting Auditor paid by the Company

14 ¥ million

2) Compensation amount of fee paid by the Company and its affiliates

16 ¥ million

Note: The amount in 1) above is the total of the compensation for auditing pursuant to the Companies Act and the compensation for auditing pursuant to the Financial Instruments and Exchange Law since the audit contract between the Company and the Accounting Auditor does not segregate these audits.

(3) Contents of Non-Auditing Activities

There are no applicable items.

(4) Policies for Decision-making on Dismissal or Non-reappointment of Accounting Auditor

The Company would propose dismissal or non-reappointment of the Accounting Auditor if it is judged that exercise of their duties cannot be relied upon due to occurrence of the incidents such as those stipulated in the Paragraph 1 of Article 340 of the Companies Act.

6. Systems for Ensuring Appropriate Business Conduct

The following was adopted as the Internal Governance System for the Company.
In connection with J-SOX implementation, the Board of Directors resolved at its February 20, 2009 meeting to add (5) in 4. below, “Systems to ensure that the execution of Directors’ and employees’ duties shall be performed in conformity with applicable laws or regulations and the articles of incorporation.”

1. System for maintenance and preservation of information pertaining to exercise of Directors’ duties

To provide a system for the maintenance and preservation of information pertaining to the exercise of the Directors’ duties, all Directors and employees shall comply with the Company’s Information Protection and Management Guidelines and Records Management Guidelines, which have been previously adopted and made available to all Directors and employees.

2. Regulations and other systems for management of risk of loss

To ensure appropriate management of risk of loss, the following shall be required:

(1) All of the company’s refineries, terminals and service stations shall be operated in accordance with the Operations Integrity Management System (“OIMS”) to help ensure management of risk of loss and to ensure safety, health and environmental soundness in all aspects of the Company’s operations. OIMS has been adopted by the Company and information relating to it has been made available to all employees. The OIMS framework includes a number of elements, each with clearly defined expectations, which must be achieved by all functions in the Company. These include: management leadership, commitment and accountability; risk assessment; facilities design and construction; information and documentation; personnel and training; operations and maintenance; management of change; third party services; incident investigation and analysis; community awareness and emergency preparedness; and operations integrity assessment and improvement.

(2) The Company’s Controls Integrity Management System (“CIMS”) which has been adopted by the Company and information relating to which has been made available to all employees, shall be complied with to ensure: (i) systematic framework for the effective execution of controls; (ii) a structured, standardized, prevention-based approach to managing risks and concerns; and (iii) a process for ensuring that corporate policies are implemented and effectively sustained over time. The system is comprised of a number of elements including management leadership; commitment and accountability; risk assessment; business procedure management and improvement; personnel and training; management of change; reporting and resolution of control weakness; and

controls integrity assessment.

3. Systems to ensure that Directors' duties are executed efficiently

To ensure Directors' duties are executed efficiently, the following shall be required:

(1) Board of Directors meetings shall be held in accordance with the Company's Articles of Incorporation and the Rules of the Board of Directors. Items to be reviewed shall be decided in accordance with such rules and proposed by responsible functions.

(2) Directors shall be required to follow the Company's established delegations of authority regarding approval, endorsement and review of business and other matters relating to the Company.

(3) Issuance of powers of attorney and use of corporate seals shall be implemented appropriately in accordance with the Company's "Guidelines for Powers of Attorney" and "Company Seal Administration Guide", respectively, to ensure among other things, compliance with the authority delegations referred to in item (2) above.

4. Systems to ensure that the execution of Directors' and employees' duties shall be performed in conformity with applicable laws or regulations and the articles of incorporation.

To ensure that the execution of Directors' and employees' duties shall be performed in conformity with applicable laws and regulations and the articles of incorporation, the following shall be required:

(1) Directors and employees shall comply with the Company's System of Management Control Basic Standards ("SMC"), which have been made available to all employees and defines the basic principles, concepts and standards that form our internal control system. Internal controls comprise the means to direct, restrain, govern and check upon various activities. The basic purpose of such controls is to assure that business is conducted properly in accordance with management's general and specific directives. The SMC consists of four major elements. The Foundation and Framework section sets out the standards for the formulation and administration of company policies. The Administrative and Operating Controls section deals with standards for activities such as budgeting, financing, contracting and computer systems. The Internal Accounting Controls section deals with standards to ensure the integrity and objectivity of accounting records. Lastly, Checks on the System describes the roles of organizations which serve as checks on the system's effectiveness.

(2) Directors and employees shall comply with the Company's Standards of

Business Conduct ("SBC"), which apply both to the Directors and employees. The SBC has been made available to all Directors and employees and they are expected to review these policies annually in order to ensure compliance and to apply them to all aspects of their work. The SBC contains foundation policies and major guidelines, and also contains provisions and related procedures for receiving and handling questions, concerns and suggestions regarding our business practices, and open communication. These policies include, among others, the Company's Ethics Policy, Conflicts of Interest Policy and Antitrust Policy. Also, formal Business Practices Review training sessions, Antitrust Compliance training, and new employee training shall be conducted periodically for employees to bring about appropriate understanding of the relevant requirements.

(3) The Company shall continue to follow the Statutory Auditor system. The Board of Statutory Auditors ("BOSA") is an independent organ from the Board of Directors. Its major role is to audit the execution of business by Directors. It monitors business decisions and execution by the Board of Directors to confirm compliance with laws and the Company's articles of incorporation as well as the SBC. It also confirms establishment and state of implementation of the Company's internal control systems, including the SMC to ensure that the shareholders' interests are properly protected.

(4) Internal audit review shall be conducted by the Corporate Audit Service Department ("CAS") of ExxonMobil Yugen Kaisha ("EMYK"), the Company's parent company, pursuant to an agreement between the Company and EMYK under which administrative and service functions are entrusted by the Company to EMYK (the "Comprehensive Service Agreement"). CAS shall independently assess compliance with policies and procedures, and evaluate the effectiveness of all control systems related to the business. Directors and managers shall be obligated to consider all internal audit findings and recommendations and take appropriate actions.

(5) Using its existing internal controls system, the Company shall, under the Financial Instruments and Exchange Law, evaluate the reliability and effectiveness of the Company and the Group's financial reporting, and prepare a report on internal controls.

5. Systems for ensuring the appropriateness of practices of corporate groups formed by the company, its parent companies and its subsidiaries.

To ensure the appropriateness of practices of corporate groups formed by the Company, its parent companies and its subsidiaries (the "Group"), the following shall be required:

(1) consistent with the requirements of other members of the Group, employees and Directors of the Company shall comply with the SMC and SBC;

(2) consistent with the requirements of other members of the Group, internal audit reviews of the Company shall be conducted by CAS under the Comprehensive Service Agreement in order to assess compliance with appropriate policies and procedures;

(3) consistent with the requirements of other members of the group, Directors and employees of the Company, as appropriate, shall receive training to ensure awareness of the principles applicable to appropriate interactions among members of the Company's corporate group; and

(4) the Company shall also cause those subsidiaries which it controls to adopt the system provided for in this Paragraph 5.

6. Items concerning employees who will assist the Statutory Auditors where requested by the Statutory Auditors to provide such assistance

Assistance to the Statutory Auditors shall, upon their request, be provided by CAS pursuant to the Comprehensive Service Agreement. This assistance shall consist of:

(1) discussions with the Statutory Auditors of the Company on Annual Audit Plans;

(2) regarding the implementation of each internal audit:

i) provision to the Statutory Auditors of the engagement letter,
ii) invitation to attend the Closing Meeting between CAS and the relevant department, and
iii) provision of a report on the internal audit results;

(3) report to and consultation with the Statutory Auditors semiannually regarding material items; and

(4) investigations based on requests by the Statutory Auditors.

7. Items concerning such employees' independence from the Directors

CAS is the internal audit service for the ExxonMobil group in Japan including the Company. It is a separately established organization within EMYK, and functions independently from the Directors of the Company.

8. Systems for reports to the Statutory Auditors from Directors and employees

(1) A Director who has found a fact that is likely to cause significant damage to the Company shall present himself to the BOSA and report the fact at the BOSA.

(2) In support of the foregoing, each Director shall submit a written statement in the

form attached to BOSA at the end of each year.

(3) CAS shall report timely to the BOSA any information it receives from an employee or any other source regarding a Director's breach of duty.

(4) Law, Controllers and other departments of EMYK shall report material items to BOSA periodically and as required by the BOSA, based on the Comprehensive Service Agreement.

(5) Pursuant to the Rules of the BOSA, the Statutory Auditors shall have meetings with Representative Directors of the Company as required and exchange opinions on important audit related matters.

9. System (in addition to the foregoing) to ensure that Statutory Auditors' audits are performed effectively

To ensure that the Statutory Auditors' audits are performed effectively, the following shall apply:

(1) The Statutory Auditors shall have access to important information of the Company, including receiving explanations of relevant matters in advance and access to employees and relevant service providers under the Comprehensive Service Agreement who may have knowledge of such information.

(2) The Statutory Auditors shall have access to the Company's external audit firm and other appropriate outside professionals.

(3) The Statutory Auditors shall also have access to the services and assistance of Law, Controllers and other service functions pursuant to the Comprehensive Services Agreement.

****

Date:
To: Statutory Auditor, TonenGeneral Sekiyu K.K.
From: Director

STATEMENT

I confirm that there is nothing that I should report to the Statutory Auditors under the provisions of Article 357 of the New Company Law for the year ended December 31, XXXX.

[Note,
Article 357: A director who has found a fact that is likely to cause significant damage to the Company shall immediately report it to the Statutory Auditors.]

Consolidated Balance Sheet

(As of December 31, 2008)

(Unit: Million yen)

Account Title	Amounts	Account Title	Amounts
(ASSETS)		(LIABILITIES)	
Ⅰ Current Assets		Ⅰ Current Liabilities	
Cash and Cash Equivalents	488	Trade Accounts Payable	221,355
Trade Accounts Receivable	390,733	Gasoline Tax etc., Payable	189,199
Inventories	136,970	Short-term Debt	67,085
Prepaid Expenses	2,296	Other Accounts Payable	13,735
Income Tax Refund Receivable	79	Accrued Expense	10,614
Deferred Tax Assets	5,855	Accrued Income Taxes	40,204
Short-term Loans Receivable	91,485	Accrued Consumption Taxes	10,311
Other Accounts Receivable	4,420	Guarantee Deposits Payable	9,926
Others	585	Advance from Customers	6,912
Bad Debt Allowance	△ 71	Reserve for Bonuses	1,310
Total Current Assets	**632,843**	Others	1,175
		Total Current Liabilities	**571,830**
Ⅱ Long-term Assets		Ⅱ Long-term Liabilities	
Property, Plant and Equipment		Long-term Debt	7,493
Buildings and Structures	48,588	Deferred Tax Liabilities	2,478
Tanks	4,976	Reserve for Accrued Pension Costs	28,432
Machinery, Equipment and Vehicles	74,405	Reserve for Officers' Retirement Allowance	170
Tools, Furniture and Fixtures	1,387		
Land	80,883	Reserve for Repairs	16,393
Incomplete Construction	12,734	Reserve for Offshore Well Abandonment	2,953
Total Property, Plant and Equipment	**222,976**	Others	1,347
		Total Long-term Liabilities	**59,267**
Intangible Assets		**Total Liabilities**	**631,097**
Goodwill	653		
Software	3,151	(NET ASSETS)	
Others	2,018	Ⅰ Owners' Equity	
Total Intangible Assets	**5,822**	Paid-in Capital	35,123
		Capital Surplus	20,741
		Earned Surplus	215,002
Investments and Other Assets		Treasury Stock	△ 307
Investment Securities	13,873	**Total Owners' Equity**	**270,559**
Long-term Loans Receivable	839		
Long-term Deposits	4,364	Ⅱ Valuation and Translation Adjustments	
Deferred Tax Assets	6,591	Valuation Difference on Available-for-Sale Securities	135
Others	14,630		
Bad Debt Allowance	△ 343	Foreign Currency Translation Adjustment	△ 194
Total Investments and Other Assets	**39,955**	**Total Valuation and Translation Adjustments**	△ 59
Total Long-term Assets	**268,754**		
		Total Net Assets	**270,500**
Total Assets	**901,598**	**Total Liabilities and Net Assets**	**901,598**

Consolidated Statement of Income

From: January 1, 2008
To: December 31, 2008

(Unit: Million yen)

Account Title	Amounts	
Ⅰ Sales Revenue		3,272,429
Ⅱ Cost of Sales		3,116,603
Gross Margin		**155,825**
Ⅲ Selling, General and Administrative Expenses		34,082
Operating Income		**121,742**
Ⅳ Non-operating Income		
Interest Income	128	
Dividends Received	62	
Foreign Exchange Gain	10,354	
Others	150	10,696
Ⅴ Non-operating Expenses		
Interest Expenses	657	
Equity Earnings Loss of Affiliates	238	
Others	251	1,148
Ordinary Income		**131,290**
Ⅵ Extraordinary Gain		
Gain on Sales Subsidiary Company's Stock	5,970	
Gain on Sales of Property, Plant and Equipment	1,396	
Gain on Sales of Investment Security	71	7,439
Ⅶ Extraordinary Loss		
Loss on Asset Impairment	2,085	
Loss on Sales and Disposals of Property, Plant and Equipment	1,738	
Provision Loss on Reserve for Offshore Well Abandonment	1,185	5,009
Income Before Income Taxes		**133,720**
Current Income Taxes	44,999	
Deferred Income Tax	9,430	54,429
Minority Interests		4
Net Income		**79,285**

Consolidated Statement of Changes in Net Assets

From: January 1, 2008
To: December 31, 2008

(Unit: Million yen)

	Owners' Equity				
	Paid-in Capital	Capital Surplus	Earned Surplus	Treasury Stock	Total Owners' Equity
Balance at December 31, 2007	35,123	20,741	157,216	△ 202	212,878
Changes of Items during the Period					
Dividends from Surplus	-	-	△ 21,468	-	△ 21,468
Net Income	-	-	79,285	-	79,285
Purchases of Treasury Stock	-	-	-	△ 331	△ 331
Disposals of Treasury Stock	-	-	△ 30	226	195
Net Changes of Items Other than Owners' Equity	-	-	-	-	-
Total Changes of Items during the Period	-	-	57,786	△ 105	57,681
Balance at December 31, 2008	35,123	20,741	215,002	△ 307	270,559

	Valuation and Translation Adjustments			Minority Interests	Total Net Assets
	Valuation Difference on Available-for-Sale Securities	Foreign Currency Translation Adjustment	Total Valuation and Translation Adjustment		
Balance at December 31, 2007	357	-	357	1,043	214,279
Changes of Items during the Period					
Dividends from Surplus	-	-	-	-	△ 21,468
Net Income	-	-	-	-	79,285
Purchases of Treasury Stock	-	-	-	-	△ 331
Disposals of Treasury Stock	-	-	-	-	195
Net Changes of Items Other than Owners' Equity	△ 222	△ 194	△ 417	△ 1,043	△ 1,460
Total Changes of Items during the Period	△ 222	△ 194	△ 417	△ 1,043	56,220
Balance at December 31, 2008	135	△ 194	△ 59	-	270,500

Notes to Consolidated Statements

Ⅰ. Notes to Basics for the Development of Consolidated Financial Statements

1. Scope of Consolidation

(1) Number and Name of Consolidated Subsidiaries:

① Number of consolidated subsidiaries: 7 companies

② Name of consolidated subsidiaries:
Tonen Kagaku K.K., Chuo Sekiyu Hanbai K.K., TonenGeneral Kaiun Y.K., Tonen Kagaku Nasu K.K., Tonen Technology K.K., Tonen Specialty Separator G.K., Tonen Specialty Separator Korea Private Limited

In this consolidated accounting period, one company has been included, and one company has been excluded from the scope of consolidation. Detail is as follows;

- Newly established in Republic of Korea: Tonen Specialty Separator Korea Private Limited
- Sold the shares owned by the Company: Nansei Sekiyu Kabushiki Kaisha

(2) Name of Non-consolidated Subsidiary and Reason for Excluding the Subsidiary from Consolidation

① Name of non-consolidated subsidiary: Kyushu Eagle K.K.

② The Reason for excluding the subsidiary from consolidation:
The Subsidiary is excluded from the scope of consolidation because its assets, sales revenue, net income, earned surplus and so on have no material impact on the consolidated financial statements.

2. Application of the Equity Method

(1) Number and Name of Affiliated Companies Accounted for by the Equity Method

① Number of Affiliated Companies Accounted for by the Equity Method: 2 companies

② Name of Affiliated Companies Accounted for by the Equity Method:
Shimizu LNG K.K., Nippon Unicar K.K.

(2) Name of Non Equity-method Companies and Reason for not applying the Equity Method

① Name of non equity-method companies: Non-consolidated subsidiary: Kyushu Eagle K.K.
Affiliated Company: Emori Sekiyu K.K.

② The Reason for not applying the equity method:
The non-consolidated subsidiary and the affiliated company are not accounted for by the equity method because the companies do not have a material impact on net income, earned surplus, etc.

3. Summary of Significant Accounting Procedures

(1) Evaluation Rules and Methods for Important Assets

① Inventories

- Products, goods, unfinished products and crude: Generally LIFO at the lower of cost or market
- Supplies: The moving-average method

② Securities

- Other securities

Marketable: Market value at the closing date

(Valuation difference on available-for-sales securities is directly reflected in Owners' Equity, and cost of sales is calculated using the moving-average method.)

Non-marketable: The moving-average method

③ Derivatives transactions: Market value at the closing date

(2) Depreciation and Amortization Method of Depreciable Assets

① Property, Plant and Equipment: Generally the declining-balance method

The service life ranges of major types of assets are:

Buildings and Structures:	10 years to 50 years
Tanks:	10 years to 25 years
Machinery, Equipment and Vehicles:	8 years to 15 years

② Intangible Assets: The straight-line method

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

(3) Accounting Standards for Major Reserves

- Bad Debt Allowance

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

- Reserve for Bonuses

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

- Reserve for Accrued Pension Costs

To provide for the payment of employees' post-retirement benefits, the Company and its consolidated subsidiaries accrue an estimated reserve based on the projected benefit obligations and estimated pension plan assets as of the closing date. Any differences in actuarial calculations of retirement benefits are amortized beginning with the next accounting period, where the declining-balance method is employed over a period which is set within employees' average remaining service years (12 years). Prior service liabilities are amortized using the straight-line method over employees' average remaining service years (Before 2004: 15.5 years, Since 2004: Parent 11.9 years, Consolidated Subsidiary 11.4 years, Since 2007: Parent 11.9 years, Consolidated Subsidiary 11.0 years).

- Reserve for Officers Retirement Allowance

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

- Reserve for Repairs

To provide for periodic tank inspections required under the Fire Service Law and for periodic repairs of machinery and equipment, the Company and one of its consolidated subsidiary accrue an estimated reserves for the consolidated accounting period, based on actual payments and repair plans, respectively.

- Reserve for Offshore Well Abandonment

To provide for expenses for offshore well abandonment to be incurred when natural gas production is terminated, the Company accrues the estimated amount anticipated to be spent.

(4) Other Important Items for Consolidated Financial Statements

① 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 in exchange rate is reflected in income.

② Accounting Method for Major Lease Transactions

The accounting treatment for finance lease transactions, in which ownership does not transfer to the lessee, is as same as the method applied to ordinary operating lease transactions.

③ Consolidated Statement of Income does not include consumption tax.

4. Evaluation Method for Assets and Liabilities of Consolidated Subsidiaries

Partial fair value method is applied to evaluate the consolidated subsidiaries' assets and liabilities.

Ⅱ. Notes to Consolidated Balance Sheet

1. Security Rights Established on Assets

(1) Mortgaged Assets

Assets	Amounts	Mortgage on Factory Foundation
Building and Structures	5,641 million yen	5,641 million yen
Tanks	639	639
Machinery, Equipment and Vehicles	17,522	17,522
Land	23,657	4,628
Total	47,460	28,431

(2) Mortgaged Liabilities by Security Rights Corresponding with the Mortgaged Assets above

Liabilities	Amounts	Mortgage on Factory Foundation
Short-term Debt	202 million yen	- million yen
Gasoline Tax etc., Payable	47,257	28,431
Total	47,459	28,431

In addition to the above and the obligations for guarantees shown in item "3 Obligations for Guarantees", the Company committed to offer upon lender's demand a contract of mortgage over the assets noted below to support borrowings undertaken. Current amounts outstanding under this loan agreement are for Short-term Debt (1,412 million yen) and Long-term Debt (4,586 million yen) .

Assets	Amounts
Building and Structures	12,723 million yen
Tanks	1,382
Machinery, Equipment and Vehicles	25,305
Tools, Furniture and Fixtures	412
Land	847
Total	40,671

2. Accumulated Depreciation Directly Deducted from Property, Plant and Equipment 754,211 million yen

3. Obligations for Guarantees

Guarantees	Amounts	Contents
Shimizu LNG K.K.	1,580 million yen	Reserved Guarantee for Bank Loan
Company Employees	235	Guarantee for Bank Loan
K.K. Ryuseki Nenryo	95	〃
Others (4 companies)	109	〃
Total	2,020	

(Note) For the debt (1,822 million yen) of Shimizu LNG K.K. from the Development Bank of Japan etc., the Company has a contractual obligation to reserve its land for a mortgage. (book value 747 million yen)

Ⅲ. Notes to Consolidated Statement of Changes in Net Assets

1. Number of Shares Issued as of December 31,2008

Category	Dec. 31,2007	Increase	Decrease	Dec. 31, 2008
Common Stock	565,182,000 Shares	- Shares	- Shares	565,182,000 Shares

2. Dividends

Resolution	Category	Total Amount of Dividend	Dividend per Share	Reference date	Effective date
Annual General Shareholder's Meeting held on March 26, 2008	Common Stock	10,735 million of yen	19.00 yen	December 31, 2007	March 27, 2008
Board of Directors held on August 14, 2008	Common Stock	10,733 million of yen	19.00 yen	June 30, 2008	September 16, 2008

3. Planned Resolution at Annual General Shareholder's Meeting on March 26, 2009

Planned Resolution	Category	Source of Dividend	Total Amount of Dividend	Dividend per Share	Reference date	Effective date
March 26, 2009	Common Stock	Earned Surplus	10,732 million of yen	19.00 yen	December 31, 2008	March 27, 2009

Ⅳ. Notes to Financial Data per Share

Net Assets per share	478.89 yen
Net Income per share	140.34 yen

Ⅴ. Other Notes

- Depreciation of Fixed Assets

In accordance with the revision of the Corporate Tax Law, the differences between the limit of depreciation (5% of the acquisition cost) and the memorandum value of Property, Plant and Equipment, which were acquired before March 31, 2007, are depreciated on straight-line bases over 5 years from the next year after the assets were fully depreciated up to the limit of depreciation (5% of the acquisition cost), and the Company and its subsidiaries recognize them as depreciation costs.

As a result, Operating Income, Ordinary Income and Income before Income Taxes decreased by 5,120 million yen, respectively.

- Sale of Nansei Sekiyu K.K.'s Stock

The Company's shares in Nansei Sekiyu K.K. were sold to Petrobras International Braspetro B.V. on April 1, 2008. The gain of 5,970 million yen was recognized as a "Gain on Sales Subsidiary Company's Stock" and shown as an Extraordinary Gain. The "Gain on Sale of Subsidiary Company's Stock" includes the reversal of an accrued loss on subsidiary stock sale of 2,803 million yen, which was recognized in the prior period.

- Provision Loss on Reserve for Offshore Well Abandonment

Following the cessation of production, the Company estimates updated costs of offshore well abandonment, and the difference of 1,185 million yen from the previously accrued amount is shown as an extra-ordinary loss in this consolidated accounting period.

Ⅵ. Unit of Amount

Amounts are shown in truncated million of yen.

Balance Sheet

(As of December 31, 2008)

(Unit: Million yen)

Account Title	Amounts	Account Title	Amounts
(ASSETS)		(LIABILITIES)	
Ⅰ Current Assets		Ⅰ Current Liabilities	
Cash and Cash Equivalents	36	Trade Accounts Payable	223,092
Trade Accounts Receivable	389,931	Gasoline Tax etc., Payable	189,199
Products and Goods	36,176	Short-term Debt	70,545
Unfinished Products	23,736	Other Accounts Payable	9,917
Crude Oil	67,473	Accrued Expense	12,053
Supplies	3,641	Accrued Income Taxes	38,226
Prepaid Expenses	2,216	Accrued Consumption Taxes	8,595
Deferred Tax Assets	5,137	Guarantee Deposits Payable	9,917
Short-term Loans Receivable	99,306	Advance from Customers	6,950
Other Accounts Receivable	4,065	Reserve for Bonuses	1,031
Others	213	Others	952
Bad Debt Allowance	△ 70	**Total Current Liabilities**	**570,483**
Total Current Assets	**631,863**	Ⅱ Long-term Liabilities	
		Long-term Debt	7,493
Ⅱ Long-term Assets		Reserve for Accrued Pension Costs	27,239
Property, Plant and Equipment		Reserve for Officers' Retirement Allowance	170
Buildings	13,736	Reserve for Repairs	15,340
Structures	28,892	Reserve for Offshore Well Abandonment	2,953
Tanks	4,690	Others	544
Machinery and Equipment	64,261	**Total Long-term Liabilities**	**53,741**
Cars and Vehicles	123	**Total Liabilities**	**624,224**
Tools, Furniture and Fixtures	1,191		
Land	70,604	(NET ASSETS)	
Incomplete Construction	10,958	Ⅰ Owners' Equity	
Total Property, Plant and Equipment	**194,458**	1 Paid-in Capital	35,123
		2 Capital Surplus	
Intangible Assets		(1) Capital Legal Surplus	20,741
Leasehold	1,714	**Total Capital Surplus**	**20,741**
Software	3,016	3 Earned Surplus	
Utility Rights	277	(1) Earned Legal Surplus	8,780
Total Intangible Assets	**5,008**	(2) Other Earned Surplus	
		Reserve for Replacement of Property	16,371
Investments and Other Assets		Earned Surplus Brought Forward	154,286
Investment Securities	4,599	**Total Earned Surplus**	**179,439**
Stock of Subsidiaries	6,599	4 Treasury Stock	△ 307
Long-term Loans Receivable	775	**Total Owners' Equity**	**234,996**
Long-term Deposits	4,321		
Deferred Tax Assets	6,455	Ⅱ Valuation and Translation Adjustments	
Others	5,618	Valuation Difference on Available-for-Sales Securities	137
Bad Debt Allowance	△ 343		
Total Investments and Other Assets	**28,026**	**Total Valuation and Translation Adjustments**	**137**
Total Long-term Assets	**227,494**		
		Total Net Assets	**235,133**
Total Assets	**859,357**	**Total Liabilities and Net Assets**	**859,357**

Statement of Income

From: January 1, 2008
To: December 31, 2008

(Unit : Million yen)

Account Title	Amounts	
Ⅰ Sales Revenue		3,260,775
Ⅱ Cost of Sales		3,135,139
Gross Margin		**125,636**
Ⅲ Selling, General and Administrative Expenses		22,798
Operating Income		**102,837**
Ⅳ Non-operating Income		
Interest Income	512	
Dividends Received	4,152	
Foreign Exchange Gain	10,473	
Others	95	15,233
Ⅴ Non-operating Expenses		
Interest Expenses	662	
Others	110	773
Ordinary Income		**117,298**
Ⅵ Extraordinary Gain		
Gain on Sales Subsidiary Company's Stock	5,560	
Gain on Sales of Property, Plant and Equipment	1,192	
Gain on Sales of Investment Security	71	6,824
Ⅶ Extraordinary Loss		
Loss on Asset Impairment	2,085	
Loss on Sales and Disposals of Property, Plant and Equipment	1,367	
Provision Loss on Reserve for Offshore Well Abandonment	1,185	4,637
Income Before Income Taxes		**119,484**
Current Income Taxes	38,357	
Deferred Income Tax	8,526	46,884
Net Income		**72,600**

Statement of Changes in Net Assets

From: January 1, 2008
To: December 31, 2008

(Unit: Million yen)

	Owners' Equity		
		Capital Surplus	
	Paid-in Capital	Capital Legal Reserve	Total
Balance at December 31, 2007	35,123	20,741	20,741
Changes of Items during the Period			
Dividends from Surplus	-	-	-
Net Income	-	-	-
Purchase of Treasury Stock	-	-	-
Disposal of Treasury Stock	-	-	-
Addition/ Withdrawal of Other Earned Surplus	-	-	-
Net Changes of Items other than Owners' Equity	-	-	-
Total Changes of Items during the Period	-	-	-
Balance at December 31, 2008	35,123	20,741	20,741

	Owners' Equity						
	Earned Surplus						
		Other Earned Surplus					
	Earned Legal Reserve	Reserve for Replacement of Property	Reserve for Special Depreciation	Earned Surplus Brought Forward	Total	Treasury Stock	Total
Balance at December 31, 2007	8,780	17,089	8	102,459	128,337	△ 202	184,000
Changes of Items during the Period							
Dividends from Surplus	-	-	-	△ 21,468	△ 21,468	-	△ 21,468
Net Income	-	-	-	72,600	72,600	-	72,600
Purchase of Treasury Stock	-	-	-	-	-	△ 331	△ 331
Disposal of Treasury Stock	-	-	-	△ 30	△ 30	226	195
Addition/ Withdrawal of Other Earned Surplus	-	△ 717	△ 8	725	-	-	-
Net Changes of Items other than Owners' Equity	-	-	-	-	-	-	-
Total Changes of Items during the Period	-	△ 717	△ 8	51,827	51,101	△ 105	50,995
Balance at December 31, 2008	8,780	16,371	-	154,286	179,439	△ 307	234,996

	Valuation and Translation Adjustments		
	Valuation Difference on Available-for-Sales Securities	Total	Total Net Assets
Balance at December 31, 2007	357	357	184,358
Changes of Items during the Period			
Dividends from Surplus	-	-	△ 21,468
Net Income	-	-	72,600
Purchase of Treasury Stock	-	-	△ 331
Disposal of Treasury Stock	-	-	195
Addition/ Withdrawal of Other Earned Surplus	-	-	-
Net Changes of Items other than Owners' Equity	△ 220	△ 220	△ 220
Total Changes of Items during the Period	△ 220	△ 220	50,775
Balance at December 31, 2008	137	137	235,133

Notes to Statements

I. Notes to Important Accounting Policies

1. Evaluation Rules and Methods for Assets

(1) Inventories

- Products, goods, unfinished products and crude: LIFO at the lower of cost or market
- Supplies: The moving-average method

(2) Securities

- Stock of subsidiaries and affiliated companies: The moving-average method
- Other securities

Marketable: Market value at the closing date

(Valuation difference on available-for-sales securities is directly reflected in Owners' equity, and cost of sales is calculated using the moving-average method.)

Non-marketable: The moving-average method at cost

(3) Derivatives Transactions: Market value at the closing date

2. Depreciation and Amortization Method of Fixed Assets

(1) Property, Plant and Equipment: Generally the declining-balance method

The service life ranges of major types of assets are:

Buildings and Structures:	10 years to 50 years
Tanks:	10 years to 25 years
Machinery and Equipment and Vehicles:	8 years to 15 years

(2) Intangible Assets: The straight-line method

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

3. Accounting Standards for Major Reserves

- Bad Debt Allowance

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

- Reserve for Bonuses

To provide for the payment of employees' bonuses, the Company accrues an estimated reserve for the accounting period.

- Reserve for Accrued Pension Costs

To provide for the payment of employees' post-retirement benefits, the Company accrues an estimated reserve based on the projected benefit obligations and estimated pension plan assets as of the closing date. Any differences in actuarial calculations of retirement benefits are amortized beginning with the next accounting period, where the declining-balance method is employed over a period which is set within employees' average remaining service years (12 years). Prior service liabilities are amortized using the straight-line method over employees'

average remaining service years (Before 2004: 15.5 years, Since 2004: 12.9 years, Since 2007: 11.9 years).

- Reserve for Officers Retirement Allowance

To provide for the payment of officers' post-retirement allowance, the Company accrues an estimated amount of lump sum retirement allowance assuming that officers retire at the closing date.

- Reserve for Repairs

  To provide for periodic tank inspections required under the Fire Service Law and for periodic repairs of machinery and equipment, the Company accrues an estimated reserves for the accounting period, based on actual payments and repair plans, respectively.

- Reserve for Offshore Well Abandonment

  To provide for expenses for offshore well abandonment to be incurred when natural gas production is terminated, the Company accrues the estimated amount anticipated to be spent.

4. Other Important Items for Financial Statements

(1) 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 in exchange rate is reflected in income.

(2) Accounting for Major Lease Transactions

The accounting treatment for finance lease transactions, in which ownership does not transfer to the lessee, is as same as the method applied to ordinary operating lease transactions.

(3) Statement of Income does not include consumption tax.

II. Notes to Balance Sheet

1. Security Rights Established on Assets

(1) Mortgaged Assets

Assets	Amounts	Mortgage on Factory Foundation
Building	1,414 million yen	1,414 million yen
Structures	4,227	4,227
Tanks	639	639
Machinery and Equipment	17,522	17,522
Land	23,657	4,628
Total	47,460	28,431

(2) Mortgaged Liabilities by Security Rights Corresponding with the Mortgaged Assets above

Liabilities	Amounts	Mortgage on Factory Foundation
Short-term Debt	202 million yen	- million yen
Gasoline Tax etc., Payable	47,257	28,431
Total	47,459	28,431

In addition to the above and the obligations for guarantees shown in item "3 Obligations for Guarantees", the Company committed to offer upon lender's demand a contract of mortgage over the assets noted below to support borrowings undertaken. Current amounts outstanding under this loan agreement are for Short-term Debt (1,412 million yen) and Long-term Debt (4,586 million yen) .

Assets	Amounts
Building	1,860 million yen
Structures	10,863
Tanks	1,382
Machinery and Equipment	25,297
Land	847
Others	420
Total	40,671

2. Accumulated Depreciation Directly Deducted from Property, Plant and Equipment 672,026 million yen

3. Obligations for Guarantees

Guaranteed Parties	Amounts	Contents
Shimizu LNG K.K.	1,580 million yen	Reservation Guarantee for Bank Loan
Company Employees	189	Guarantee for Bank Loan
K.K. Ryuseki Nenryo	95	〃
Others (4 companies)	109	〃
Total	1,974	

(Note) For the debt (1,822 million yen) of Shimizu LNG K.K. from the Development Bank of Japan etc., the Company has a contractual obligation to reserve its land for a mortgage. (book value 747 million yen)

4. Details of Receivable from and Payable to Associated Companies

Receivable

Notes and Trade Accounts Receivable	265,401	million yen
Short-term Loans Receivable	8,370	million yen
Other Accounts Receivable	1,908	million yen

Payable

Notes and Trade Accounts Payable	71,315	million yen
Short-term Debt	3,468	million yen
Accrued Expense	3,234	million yen
Advance from Customers	2,001	million yen

III. Notes to Statement of Income

Transaction with Subsidiaries

Trade Transaction	Sales Revenues	1,941,840	million yen
	Cost of Sales, etc.	423,797	million yen
	Total	2,365,637	million yen
Others		4,536	million yen

IV. Notes to Statement of Changes in Net Assets

Treasury Stock

Category	Dec. 31,2007	Increase	Decrease	Dec. 31, 2008
Common Stock	180,951 Shares	372,332 Shares	224,728 Shares	328,555 Shares

(Major Cause of Movement)

Increase and decrease of Treasury Stock is due to purchase and sales of odd-lot stocks.

Ⅴ. Notes to Deferred Tax Accounting

Breakdown of Deferred Tax Assets and Deferred Tax Liabilities

(Deferred Tax Assets)		
Reserve for Retirement Allowance	11,152	million yen
Reserve for Turnaround	4,097	
Asset Impairment	2,383	
Variance from different Inventory Evaluations	1,637	
Accrued Enterprise Tax Payable	2,703	
Others	3,062	
Total Deferred Tax Assets	25,036	
(Deferred Tax Liabilities)		
Reserve for Replacement of Property	△ 11,231	million yen
Unrealized Holding Gains on Securities	△ 94	
Others	△ 2,118	
Total Deferred Tax Liabilities	△ 13,444	
Net of Deferred Tax Assets	11,592	

VI. Notes to Lease Transactions

Finance Leases without Transfer of Ownership to Lessees

1. Acquisition Cost Equivalent, Accumulated Depreciation Equivalent and Net Book Value Equivalent at the Closing Dates

Assets	Acquisition Amount Equivalent	Accumulated Depreciation Equivalent	Outstanding Balance
Buildings	89 million yen	1 million yen	88 million yen
Machinery and Equipment	210	2	208
Cars and Vehicles	100	60	39
Others	53	47	5
Total	453	111	342

(Note) The acquisition cost equivalent amounts include interest-equivalent expenses, since the outstanding balance of accrued lease fees at the end of period is immaterial considering the total value of property, plant and equipment.

2. Outstanding Balance of Accrued Lease Fees at the Closing Dates

Due within one year	55 million yen
Due over one year	286
Total	342

(Note) The outstanding balances of accrued lease fees include interest-equivalent expenses, since the outstanding balance of accrued lease fees at the end of period is immaterial considering the total value of property, plant and equipment.

3. Lease Fees Paid and Depreciation Expense Equivalent

Lease Fees Paid	31 million yen
Depreciation Expenses Equivalent	31 million yen

4. Calculation Method for Depreciation Expense Equivalent

The Straight-line method with no residual value, where a lease period is treated as a period of depreciation.

Ⅶ Notes to Transactions with Associated Companies

Subsidiary and Associated Companies

Category	Name of Company	Voting Ratio	Relationship with the Company	Detail of Transactions	Transaction Amount (Million yen)	Account Title	Closing Balance (Million yen)
Subsidiary	Nansei Sekiyu K.K.	Direct 87.5%	Vendor of Petroleum Product	Purchase of Petroleum Product	29,984	Trade Accounts Payable	-

(Note) 1 The price of petroleum product purchasing from Nansei Sekiyu K.K.(NSS) is reasonably determined based on an agreement between NSS and the Company.

2 The Company's shares in Nansei Sekiyu K.K. were sold on April 1, 2008.

3 Transactions with parent company (ExxonMobil Y.K.) or other associated companies, which are not shown in above table, are omitted because those transactions are "General transactions based on fair price such as market price, etc." or immaterial.

Ⅷ. Notes to Financial data per share

Net Assets per share	416.27	yen
Net Income per share	128.51	yen

Ⅸ. Other Notes

- Depreciation of Fixed Assets

In accordance with the revision of the Corporate Tax Law, the differences between the limit of depreciation (5% of the first cost) and the memorandum value of Property, Plant and Equipment, which were acquired before March 31, 2007, are depreciated on straight-line bases over 5 years from the next year when the assets were fully depreciated to the limit of depreciation (5% of the first cost), and the Company recognizes them as depreciation costs.

As a result, Operating Income, Ordinary Income and Income before Income Taxes decreased by 4,494 million yen, respectively.

- Sale of Nansei Sekiyu K.K.'s Stock

The Company's shares in Nansei Sekiyu K.K. were sold to Petrobras International Braspetro B.V. on April 1, 2008. The gain of 5,560 million yen was recognized as a "Gain on Sales Subsidiary Company's Stock" and shown as an Extraordinary Gain. The "Gain on Sale of Subsidiary Company's Stock" includes the reversal of an accrued loss on subsidiary stock sale of 1,822 million yen, which was recognized in the prior period.

- Provision Loss on Reserve for Offshore Well Abandonment

Following the cessation of production, the Company estimates updated costs of offshore well abandonment, and the difference of 1,185 million yen from the previously accrued amount is shown as an extra-ordinary loss in this accounting period.

Ⅹ. Unit of Amount

Amounts are shown in truncated million of yen.

<u>Independent Auditors' Report</u>
(English Translation*)

February 17, 2009

To the Board of Directors of TonenGeneral Sekiyu K.K.

PricewaterhouseCoopers Aarata

Masahiro Yamamoto, CPA
Designated and Engagement Partner

Kazuhiko Tomoda, CPA
Designated and Engagement Partner

We have audited, pursuant to Article 444 (4) of the "Corporate Law" of Japan, the consolidated financial statements, which consist of the consolidated balance sheet, consolidated profit and loss statement, consolidated statement of change in net assets and notes to the consolidated financial statements of TonenGeneral Sekiyu K.K. (hereinafter referred to as the "Company") for the fiscal year from January 1, 2008 to December 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit is performed on a test basis and includes assessing the accounting principles used by management including how they are applied and estimates made by management, as well as examining the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Company and its subsidiaries for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountant Law of Japan.

---

* The original audit report is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original audit report in Japanese.

Independent Auditors' Report
(English Translation*)

February 17, 2009

To the Board of Directors of TonenGeneral Sekiyu K.K.

PricewaterhouseCoopers Aarata

Masahiro Yamamoto, CPA
Designated and Engagement Partner

Kazuhiko Tomoda, CPA
Designated and Engagement Partner

We have audited, pursuant to Article 436 (2) 1 of the "Corporate Law" of Japan, the financial statements, which consist of the balance sheet, profit and loss statement, statement of change in net assets and notes to the financial statements, and the supplementary schedules of TonenGeneral Sekiyu K.K. (hereinafter referred to as the "Company") for the 89th fiscal year from January 1, 2008 to December 31, 2008. These financial statements and supplementary schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we obtain reasonable assurance about whether the financial statements and supplementary schedules are free of material misstatement. An audit is performed on a test basis and includes assessing the accounting principles used by management including how they are applied and estimates made by management, as well as examining the overall presentation of the financial statements and supplementary schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations for the period covered by the financial statements and supplementary schedules in conformity with accounting principles generally accepted in Japan.

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountant Law of Japan.

---

* The original audit report is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original audit report in Japanese.

(Translation)

Audit Report

The Board of Statutory Auditors (BOSA) has reviewed the audit reports individually prepared by each auditor and reached the consensus to prepare this Audit Report, after deliberation among the auditors, regarding Directors' execution of duties for the 89th fiscal period from January 1, 2008 to December 31, 2008, as follows:

1. The methods and results of the Statutory Audit by Individual Auditors and by the BOSA

(1) On March 26, 2008, the BOSA held the meeting with attendance of all the statutory auditors, and resolved on the audit standards, audit policy, audit plan, and assignment of work among the auditors. The statutory auditors conducted the audit based on the resolution. However, for those items deemed necessary or appropriate, individual auditors conducted audit from time to time, despite the above resolution.

(2) Individual statutory auditors made their best efforts to keep good communications with the directors and the internal audit and other functions and to collect information and maintain an appropriate audit environment. At the same time, we attended the Board of Directors (BOD) meetings, monthly management meetings and other important meetings. As to the BOD meetings, all the statutory auditors examined proposals in advance, and observed the process and results of their reviews covering the matters brought up for resolution and/or report by attending the BOD meetings. Also we asked questions and expressed opinions as necessary.

(3) We audited the Head Office departments (including business operations entrusted to ExxonMobil Y. K.), the refineries, the research laboratory, the terminals, the major branches of ExxonMobil Y. K., and an ExxonMobil overseas affiliate, with whom the Company entrusts its administrative operations, by visiting those sites based on the assigned responsibilities.

(4) For the subsidiaries, we maintained communications and exchanged information with their directors and Statutory Auditors. Also, we periodically received reports on their business performance and visited their sites as necessary based on the assigned responsibilities.

(5) Regarding the internal control systems that ensure directors' execution of duties be in compliance with applicable laws and the Articles of

Incorporation and ensure appropriate business conduct of the Company, we examined the BOD resolution thereon and monitored the state of their implementation.

(6) As to the internal audit function, we received briefings in advance on the audit plans and detailed explanations regarding the results of the internal audits, from both auditees and auditors at the managerial level as those audits were completed. Also, we discussed the state of the internal control systems, from time to time, and confirmed that the necessary countermeasures for the audit comments were implemented in a timely manner.

(7) For the accounting audit by PwC, we received an explanation of the audit plan from the Accounting Auditor in advance, had discussions with them, and received the reports of their audit results. Furthermore, we monitored and verified that they maintained independence and conducted appropriate audits, received reports on the status of their audit work, and asked for explanations as necessary. Also, we were advised by the Accounting Auditor that they had their own internal control systems in place and asked for explanations as necessary.

(8) We periodically held the BOSA or auditors' periodic meetings in order to discuss the results of the audits conducted by individual auditors and to exchange opinions in order to share information. We communicated our opinion as necessary, in writing or verbally, about the result of our survey or audit to the responsible director or manager in charge of each business unit.

(9) Based on the above stated steps, we examined the business report for the current fiscal year. We also examined the financial statements (balance sheet, income statement, statement of changes in net assets, and notes thereon), the attached specifications, and the consolidated financial statements (consolidated B/S, consolidated I/S, consolidated statement of changes in net assets, and consolidated notes thereon).

2. Result of the audit

(1) Result of the business report audit

It is our opinion that:

(i) the business report presents fairly the status of the Company's business conditions in conformity with the applicable laws and the Articles of Incorporation.

(ii) there is no indication of significant wrongdoings or violation of laws and the Articles of Incorporation in Directors' execution of duties.

(iii) the contents of the BOD resolution on the internal control systems were appropriate.

Also, there is no item to be noted on the Directors' executions of duties regarding the internal control systems.

(2) Result of the financial statements /attached specifications audit

The methods and results of audits conducted by Aarata Audit Corporation, our Accounting Auditor, are appropriate.

(3) Result of the consolidated financial statements audit

The methods and results of audits conducted by Aarata Audit Corporation, our Accounting Auditor, are appropriate.

February 19, 2009

The Board of Statutory Auditors
TonenGeneral Sekiyu Kabushiki Kaisha

Nobuaki Miyajima, Statutory Auditor-Full Time

Hisayoshi Kobayakawa, Statutory Auditor-Full Time
(Outside Auditor)

Tetsuro Yamamoto, Statutory Auditor (Outside Auditor)

Reference Materials for the General Meeting of Shareholders

Proposals and References

Proposal No.1: Approval of Proposed Retained Earnings Distribution

Matters concerning the term-end dividend

The Company considers providing superior total returns to shareholders as one of its top management priorities, with the objective of steadily increasing shareholder value over time. Our basic policy is to continue to deliver stable dividends to shareholders, while maintaining a sound financial structure and giving due consideration to trends in consolidated cash flows and future capital expenditures.

In accordance with the basic policy, it is proposed that the Company pay a term-end dividend for the 89th Business Term, as described below:

1. A dividend of ¥19.00 per common share, totaling ¥10,732,215,455
   (As the Company paid an interim dividend of ¥19.00 per share, the total amount of dividends for the 89th term shall be ¥38.00 per share.)
2. The dividend will take effect on March 27, 2009

Proposal No. 2: Amendments to the Articles of Incorporation

1. Backgrounds and reasons for amendments

Due to the enforcement of the *Law Concerning Book-entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement of Trades of Stocks and Other Securities* (Law No. 88 of 2004), paperless stock transactions for all listed companies were implemented as of January 5, 2009. Therefore it is proposed that provisions concerning share certificates, the beneficial owner, the beneficial owners’ list etc be deleted, and the numbers of articles be adjusted as needed.

2. Proposed draft of amendments

Described below are the current provisions of the Articles of Incorporation and the proposed amendments.

(The amendments are underlined.)

Current Provisions	Provisions to be amended
Article 8. (Number of Shares Constituting One Voting Unit and No Issuance of Certificates of Shares Representing Less Than One Voting Unit) 1) The number of shares constituting one voting unit of the Company shall be one thousand (1,000) shares. 2) The company shall not issue certificates of shares representing less than one voting unit, except as otherwise may be provided by the Stock Handling Rules.	Article 8. (Number of Shares Constituting One Voting Unit) The number of shares constituting one voting unit of the Company shall be one thousand (1,000) shares.
Article 9. (Kaimashi for Shares Representing Less than One Voting Unit) A shareholder (including the beneficial owner; to be applied hereinafter) who holds shares representing less than one voting unit may request the Company to sell him a number of shares which, when added to the number of shareholder's owning shares, shall constitute the number of shares constituting one voting unit in accordance with the Stock Handling Rules.	Article 9. (Kaimashi for Shares Representing Less than One Voting Unit) A shareholder who holds shares representing less than one voting unit may request the Company to sell him a number of shares which, when added to the number of shareholder's owning shares, shall constitute the number of shares constituting one voting unit in accordance with the Stock Handling Rules.
Article 10. (Share Certificates) 1) The Company shall issue share certificates of its shares. 2) The denominations of share certificates to be issued by the Company shall be specified in the Stock Handling Rules established by resolution of the Board of Directors.	[To be deleted]

Current Provisions	Provisions to be amended
Article 11. (Shareholder Register Manager) The Company shall have a shareholder register manager. The shareholder register manager and its place of business shall be designated by resolution of the Board of Directors and public notice thereof shall be given. The shareholder register and the beneficial owners' list (hereinafter called 'the shareholder register, etc.'), the list of lost share certificates and register of stock acquisition rights of the Company shall be maintained at the place of business of the shareholder register manager, and procedure relating to shares and stock acquisition rights such as the registration or recording in the shareholder register, the list of lost share certificates and register of stock acquisition rights, and purchase of and selling for shares representing less than one voting unit, etc. shall be handled by the shareholder register manager and not by the Company.	Article 10. (Shareholder Register Manager) The Company shall have a shareholder register manager. The shareholder register manager and its place of business shall be designated by resolution of the Board of Directors and public notice thereof shall be given. The shareholder register and register of stock acquisition rights of the Company shall be maintained at the place of business of the shareholder register manager, and procedure relating to shares and stock acquisition rights such as the registration or recording in the shareholder register and register of stock acquisition rights, and purchase of and selling for shares representing less than one voting unit, etc. shall be handled by the shareholder register manager and not by the Company.
Article 12. (Record date) [Provision omitted]	Article 11. (Record date) [Provision unchanged]

Current Provisions	Provisions to be amended
Article 13. (Stock Handling Rules) Procedure relating to shares and stock acquisition rights such as the registration or recording in the shareholder register etc., the list of lost share certificates and register of stock acquisition rights, and purchase of and selling for shares representing less than one voting unit, etc. shall be governed by the Stock Handling Rules adopted by the Board of Directors.	Article 12. (Stock Handling Rules) Procedure relating to shares and stock acquisition rights such as the registration or recording in the shareholder register and register of stock acquisition rights, and purchase of and selling for shares representing less than one voting unit, etc. shall be governed by the Stock Handling Rules adopted by the Board of Directors.
Article 14. (Convocation of General Meeting of Shareholders) [Provision omitted]	Article 13. (Convocation of General Meeting of Shareholders) [Provision unchanged]
Article 15. (Chairman) [Provision omitted]	Article 14. (Chairman) [Provision unchanged]
Article 15-2 (Disclosure and deemed delivery of the reference document, etc. on the Internet for purposes of a General Meeting of Shareholders) [Provision omitted]	Article 15 (Disclosure and deemed delivery of the reference document, etc. on the Internet for purposes of a General Meeting of Shareholders) [Provision unchanged]

Proposal No.3: Election of Nine Directors to the Board of Directors

The Company currently has four Directors as a result of the resignation of one Director. The term of office for all incumbent directors expires at the close of the Ordinary General Meeting of Shareholders for the 89th Business Term. The following nine candidates are proposed for election as Directors of the Company increasing the number of directors by five in order to reinforce the management of the Company.

No.	Name (Date of Birth)	Personal History, Incumbent Representative Directorship of Other Companies, and Incumbent Position/Responsibility of the Company	Number of Shares of the Company Held
1	D. G. Wascom (Apr. 17, 1956)	2/1979 Joined Exxon Company USA 1/2004 Manager, Global Logistic Optimization, Exxon Mobil Refining and Supply Company, a Division of Exxon Mobil Corporation 2/2005 Vice President, Industrial and Wholesale Fuels, ExxonMobil Fuels Marketing Company, a Division of Exxon Mobil Corporation 3/2006 Director, TonenGeneral Sekiyu K. K. ("TG") 7/2006 Representative Director, Tonen Chemical Corporation ("TCC") 7/2006 Representative Director, Chairman & President, TG 7/2006 Representative Director, President, ExxonMobil Yugen Kaisha ("EMYK") (Present) 3/2008 Representative Director, Chairman, TG (Present)	None
2	Kazuo Suzuki (July 21, 1947)	4/1972 Joined Tonen Corporation (currently TG) 7/2000 Director, ExxonMobil Business Services Y.K. (currently EMYK) (Present) 3/2001 Director, Manager Supply & Demand, TG 7/2001 Representative Director, President, TonenGeneral Kaiun Y.K. (Present) 3/2002 Representative Director, Managing Director/Manager Supply & Demand, TG 10/2003 Representative Director, Managing Director/Supply Manager, TG 6/2005 Representative Director, Vice President, TG 3/2008 Representative Director, President, TG (Present) 7/2008 Representative Director, TCC (Present)	2,000
3	Jun Mutoh (Aug. 20, 1959)	4/1982 Joined General Sekiyu K.K. (Currently TG) 3/2003 Wakayama Refinery Manager, TG 3/2004 Director, Wakayama Refinery Manager, TG 3/2006 Representative Director, Managing Director, Wakayama Refinery Manager, TG 3/2006 Director, Kyokuto Petroleum Industries, Ltd. (Present) 4/2006 Representative Director, Managing Director, Kawasaki Refinery Manager, TG (Present)	2,000

No.	Name (Date of Birth)	Personal History, Incumbent Representative Directorship of Other Companies, and Incumbent Position/Responsibility of the Company	Number of Shares of the Company Held
4	W. J. Bogaty (Sept. 13, 1947)	6/1972 Joined Mobil Corporation 7/2000 Representative Director, President, ExxonMobil Business Services Y.K. (currently EMYK) 7/2000 Director, TG 6/2002 Representative Director, Vice President (Services), EMYK (Present) 11/2007 Director, Tonen Chemical Nasu Corp. (Present) 3/2008 Representative Director, Managing Director, TG (Present) 7/2008 Director, TCC (Present)	11,000
5	M. J. Aguiar (March 10, 1957)	8/1980 Joined Exxon Chemical Company, a Division of Exxon Corporation 8/2002 Baton Rouge Chemical Plant Site Manager, ExxonMobil Chemical Company, a Division of Exxon Mobil Corporation ("EMCC") 7/2004 Vice President of EMCC, Aromatics Global Business Unit 11/2006 Vice President, Basic Chemicals Global Business Unit, EMCC (Present)	None
6	S. K. Arnet (May 12, 1959)	6/1984 Joined Esso Norway 4/2002 Manager Retail Services, Europe, ExxonMobil Petroleum & Chemical 9/2004 Manager Project Implementation Company Operated Retail Stores, Europe & Africa, ExxonMobil Petroleum & Chemical 5/2008 Manager Company Operated Retail Stores, Europe & Africa, ExxonMobil Petroleum & Chemical 9/2008 Director, EMYK 10/2008 Representative Director, Vice President (Fuels Marketing), EMYK (Present)	None
7	D. R. Csapo (June 17, 1955)	7/1979 Joined Exxon Corporation 11/2003 Vice President and Controller, ExxonMobil Mediterranean 9/2006 Assistant Treasurer, Credit, Exxon Mobil Corporation 1/2008 Controller/Treasurer, EMYK 9/2008 Director, Controller/Treasurer, EMYK (Present)	None

No.	Name (Date of Birth)	Personal History, Incumbent Representative Directorship of Other Companies, and Incumbent Position/Responsibility of the Company	Number of Shares of the Company Held
8	P. P. Ducom (January 5, 1965)	7/1987 Joined Exxon Chemical France 5/2003 Chemicals Senior Advisor, Exxon Mobil Corporation 1/2005 Intermediates Global Supply and Planning Manager, ExxonMobil Chemical Company, a Division of Exxon Mobil Corporation 12/2007 Representative Director, Vice President and Chemical Division Manager, EMYK (Present) 12/2007 Representative Director, President, TCC (Present) 12/2007 Representative Director, President, Tonen Chemical Nasu Corp. (Present) 12/2007 Representative Director, Chairman, Nippon Unicar Co., Ltd. (Present) 12/2007 Representative Director, Advanced Elastomer Systems Korea Limited (Present) 2/2008 Director, Advanced Elastomer Systems Japan Limited (Present)	None
9	Kyoji Yoshida (January 23, 1955)	4/1978 Joined Esso Sekiyu K. K. (Currently EMYK) 6/2002 Manager, Retail Service, EMYK 12/2002 Director, Manager, Industrial & Wholesale Fuels, EMYK 9/2008 Director, EMYK (Present) 9/2008 General Manager, TG (Present)	None

Notes: 1. The above candidates Messrs. D. G. Wascom, W. J. Bogaty, P. P. Ducom and S. K. Arnet are Representative Directors of EMYK and Messrs. Kazuo Suzuki, D. R. Csapo and Kyoji Yoshida are Directors of EMYK. EMYK is a parent company of TG, and is engaged in the same business as the Company (sales of petroleum products). The Company supplies petroleum products and entrusts its marketing and administrative functions to EMYK. In addition, EMYK entrusts logistics services to the Company.

2. The other candidates have no special interest with the Company.

Proposal No.4: Election of One Statutory Auditor

Since Mr. Hisayoshi Kobayakawa, Statutory Auditor, is going to resign at the close of this meeting, the following candidate is proposed for the office of Statutory Auditor to fill the vacancy caused by Mr. Hisayoshi Kobayakawa's resignation before expiration of his term of office.

The Board of Statutory Auditors has consented to this proposal.

Name (Date of Birth)	Personal History, Incumbent Representative Directorship of Other Companies, and Incumbent Position/Responsibility of the Company		Number of Shares of the Company Held
Masaaki Ayukawa (July 28, 1945)	4/1969	Joined Chuo Audit Corporation (Later renamed ChuoAoyama Audit corporation)	None
	2/1971	Registered with Japanese Institute of Certified Public Accountants	
	5/2000	Executive Board Member/International Liaison Department Leader, ChuoAoyama Audit Corporation	
	4/2004	Deputy Chairman, ChuoAoyama Audit Corporation	
	9/2006	Executive Board Member, Misuzu Audit Corporation (Renamed from ChuoAoyama Audit Corporation)	
	8/2007	Liquidator, Misuzu Audit Corporation (Present)	

Notes: 1.The above candidate has no special interest with the Company.

2. Mr. Masaaki Ayukawa is a candidate for an Outside Statutory Auditor.

3. The Company has nominated Mr. Masaaki Ayukawa as a candidate for Outside Statutory Auditor since he has years of experience as a CPA auditing several listed companies, and he can take advantage of his abundant expertise to perform duties as an Outside Statutory Auditor from an independent position.

Proposal No. 5: Election of One Alternate Statutory Auditor

Since the term of the Alternate Statutory Auditor expires at the commencement of this General Meeting of Shareholders, the following candidate is proposed for election as an Alternate Statutory Auditor in order to fill any vacancy caused by a Statutory Auditor not fulfilling his term for any reason, as the minimum number of Statutory Auditors required by law is three.

The Board of Statutory Auditors has consented to this proposal.

Name (Date of Birth)	Personal History, Incumbent Representative Directorship of Other Companies, and Incumbent Position/Responsibility of the Company		Number of Shares of the Company Held
Hisayoshi Kobayakawa (Jan. 18, 1941)	10/1964	Joined Price Waterhouse Accounting Office	10,000
	3/2000	Statutory Auditor, General Sekiyu K. K. (currently TG)	
	7/2000	Full-time Statutory Auditor, TG	
	3/2004	Statutory Auditor, TCC	
	3/2007	Full-time Statutory Auditor, TCC	
	3/2007	Statutory Auditor, TG	
	6/2007	Full-time Statutory Auditor, TG (Present)	
	6/2007	Statutory Auditor, TCC (Present)	

Notes: 1. The above candidate has no special interest with the Company.

2. Mr. H. Kobayakawa is a candidate for an Alternate Outside Statutory Auditor.

3. The Company has nominated Mr. H. Kobayakawa as a candidate for Alternate Outside Statutory Auditor since he has served for years as an Outside Statutory Auditor of the Company and its affiliates, and he can take advantage of his abundant expertise to perform duties as an Outside Statutory Auditor from an independent position. Mr. H. Kobayakawa will have served for nine years in the position of Statutory Auditor at the close of this General Meeting of Shareholders.

Proposal No. 6: Presentation of Retirement Reward to Retiring Statutory Auditor

In consideration of Mr. Hisayoshi Kobayakawa's meritorious service, it is proposed that retirement reward, in a reasonable amount, be presented in accordance with the standards set by the Company, to Mr. Hisayoshi Kobayakawa, Statutory Auditor, who will retire at the close of the Ordinary General Meeting of Shareholders for the 89th Business Term. It is also proposed that the specific amount, timing, and manner of presentation be left to the discretion of the Statutory Auditors.

His personal history is as follows:

Name	Personal History
Hisayoshi Kobayakawa	3/2000 Statutory Auditor, General Sekiyu K.K. (currently TG) 7/2000 Full-time Statutory Auditor, TG 3/2007 Statutory Auditor, TG 6/2007 Full-time Statutory Auditor, TG (Present)