

Last updated: March 25, 2011

TonenGeneral Sekiyu K.K.

Representative Director, President P.P. Ducom

Inquiries: Public and Government Affairs, ExxonMobil Yugen Kaisha

Code Number: 5012

<http://www.tonengeneral.co.jp>

TonenGeneral Sekiyu K.K. (the Company) provides below information on its Corporate Governance:

I. Corporate governance fundamental philosophy, capital structure, corporate attributes and other basic information

1. Fundamental Philosophy

The Company's focus on good corporate citizenship begins with our commitment to high ethical standards, effective corporate governance, sound financial controls, operational integrity and safety, health and environmental care. We believe our straightforward business model, culture of integrity and legal compliance, governance practices, and management control systems are keys to achieving long-term sustainable results.

The Company's directors and employees are responsible for developing, approving, and implementing plans and actions designed to achieve the Company's objectives. We believe that the methods we employ to attain results are as important as the results themselves. The Company's directors and employees are expected to observe the highest standards of integrity in the conduct of its business. In addition, we are committed to fairness, honesty, and integrity in the reports that we make to our investors.

2. Capital Structure

Ratio of foreign stock holding Less than 10%

[Major Shareholders]

Name	No. of shares	%
ExxonMobil Yugen Kaisha (ExxonMobil. Y.K.)	282,708,344	50.02
Japan Trustee Services Bank, Ltd. (Trust a/c)	13,804,000	2.44
The Master Trust Bank of Japan, Ltd. (Trust a/c)	11,211,000	1.98
Kochi Shinkin Bank	8,574,000	1.51
Sompo Japan Insurance Inc.	4,819,000	0.85
Nippon Life Insurance Company	4,544,849	0.80
SSBT OD05 Omnibus Account China Treaty Clients	4,480,100	0.79
Japan Trustee Services Bank, Ltd. (Trust account 1)	2,329,000	0.41
State Street Bank West Client - Treaty	2,303,796	0.40
Japan Trustee Services Bank, Ltd. (Trust account 6)	2,142,000	0.37

3. Company Profile

Name of Stock Exchange	The first section of the Tokyo Stock Exchange
Fiscal Year	January 1-December 31
Type of business	Oil and coal products
Number of employees (consolidated)	More than 1,000 employees
Consolidated sales revenue	More than one trillion yen
Parent company	ExxonMobil Y.K. (unlisted company)
Number of consolidated subsidiaries	Less than 10

4. Other factors that could affect corporate governance

ExxonMobil Y.K., which holds 50.02% of the Company's shares (as of December 31, 2010), is our parent company. In the interest of maximizing efficiency, many business activities of the ExxonMobil Group of companies in Japan, including the Company, are mutualized across the group, under a series of entrustment and service agreements.

For example, the Company has concluded an agreement with ExxonMobil Y.K. under which the Company is entrusted with certain logistic functions for ExxonMobil Y.K. products. Similarly, the Company has entrusted administrative and service functions and marketing functions to ExxonMobil Y.K. Reports on the execution and results of the entrusted activities are provided to and reviewed by the Company Board of Directors and the Board of Statutory Auditors on a regular periodic basis.

ExxonMobil Y.K. is also a controlling shareholder to the Company, and, from the standpoint of protecting minority shareholders, important contracts with ExxonMobil Y.K. are discussed and reviewed periodically and as necessary at board meetings, and are subject to reviews conducted by the Statutory Auditors with a view to ensuring fairness between the Company and the controlling shareholder.

The Company maintains its corporate and business independence and has established an independent governance system.

II. Business decisions, management organization for business conduct and supervision of other corporate governance systems

1. Agency structure, organizational operation

Organizational configuration Statutory Auditors system

[Directors]

Board of Directors chairman President
 Number of members Nine
 Appointment of external directors Yes
 Number of external directors Two

Relationship to company (1)

Name	Affiliation	Relationship to Company (1)								
		a	b	c	d	e	f	g	h	i
Yukinori Ito	From external company								○	
Masaoki Funada	From external company								○	

*1 Items under "Relationship to Company"

- a Originally from parent company
- b Originally from affiliate
- c Major shareholder of relevant company
- d Concurrently serving as external Director or external Statutory Auditor of another company
- e Is managing director, executive officer, etc. of another company
- f Is the spouse of or is within third degree of kinship or equivalent of a managing director, executive officer, etc. of a relevant company or a specified business enterprise of a relevant company
- g Is receiving, as an officer, compensation or other financial or material benefits from the parent company of a relevant company or a subsidiary of a relevant parent company
- h Has concluded a limited liability agreement with a relevant company
- i Other

Relationship to company (2)

Name	Supplemental information for compliance items	Reason for appointment
Yukinori Ito	-----	Has served as a Director and as a Statutory auditor of other companies, and fulfills the requirements for an independent director. Experience and qualifications appropriate to execution of duties as an external director.
Masaoki Funada	-----	Has served as management in chemical business and fulfills the requirements for an independent director. Experience and qualifications appropriate to execution of duties as an external director.

Other items related to principal activities of external statutory directors

None.

[Auditors]

Installation of Board of Statutory Auditors	Yes
Number of statutory auditors	Three

Link between statutory auditors and accounting auditors

The Statutory Auditors, in close coordination with Accounting Auditors, audit various accounting statements of the Company, the maintenance and effectiveness of internal control systems, the maintenance of company assets and the status of subsidiary and affiliated companies. The Statutory Auditors review in advance the Accounting Auditors' annual audit plan, ask for explanations of financial results from relevant departments, observe inspections by Accounting Auditors, and discuss other important issues as necessary with the Accounting Auditors. The audit results, which include the audit scope and opinions, are received in writing.

Link between statutory auditors and internal auditors

Internal audit reviews are conducted by the Corporate Audit Service Department ("CAS") of ExxonMobil Y.K., the Company's parent company, pursuant to an agreement (the "Comprehensive Service Agreement") between the Company and ExxonMobil Y.K. under which administrative and service functions are entrusted by the Company to ExxonMobil Y.K. Assistance to the Statutory Auditors is, upon their request, provided by CAS pursuant to the Comprehensive Service Agreement. This assistance consists of:

- 1) Discussions with the Statutory Auditors of the Company on annual audit plans
- 2) Regarding the implementation of each internal audit:
 - a) Provision of the audit plan to the Statutory Auditors
 - b) Invitation to attend the Closing Meeting between CAS and the relevant department
 - c) Provision of a report on the internal audit results
- 3) Semiannual report to and consultation with the Statutory Auditors regarding material audit items
- 4) Investigations based on requests by the Statutory Auditors.

In addition, CAS is to report in a timely manner to the Board of Statutory Auditors information it receives from an employee or any other source regarding a Director's breach of duty.

Appointment of external statutory auditors	Yes
Number of external statutory auditors	Two

Relationship to company (1)

Name	Affiliation	Relationship to Company (1)								
		a	b	c	d	e	f	g	h	i
Tetsuro Yamamoto	From external company				○				○	
Masaaki Ayukawa	Certified public accountant				○				○	

*1 Items under "Relationship to Company"

- a Originally from parent company
- b Originally from affiliate
- c Major shareholder of relevant company
- d Concurrently serving as external Director or external Statutory Auditor of another company
- e Is managing director, executive officer, etc. of another company
- f Is the spouse of or is within third degree of kinship or equivalent of a managing director, executive officer, etc. of a relevant company or a specified business enterprise of a relevant company
- g Is receiving, as an officer, compensation or other financial or material benefits from the parent company of a relevant company or a subsidiary of a relevant parent company
- h Has concluded a limited liability agreement with a relevant company
- i Other

Relationship to company (2)

Name	Supplemental information for compliance items	Reason for appointment
Tetsuro Yamamoto	-----	Has extensive international work experience from work affiliation with the financial industry, has experience as full time statutory auditor in a business company and fulfills the requirements for an independent auditor. Experience and qualifications appropriate to execution of duties as an external auditor.
Masaaki Ayukawa	-----	Has extensive domestic and international experience as an accountant in audit-related work for listed companies, has an abundance of specialized knowledge and experience and fulfills the requirements for an independent auditor. Experience and qualifications appropriate to execution of duties as an external auditor.

Other items related to principal activities of external statutory auditors

Mr. Tetsuro Yamamoto, Full-time Statutory Auditor, attended all the Board of Directors meetings and Board of Statutory Auditors' Meetings, which were convened nine times and six times, respectively, in 2010. He made contributions as a Full-time Statutory Auditor, demonstrating his expertise and useful experience by asking questions and offering opinions at the Board of Directors meetings, and making proposals and reports and participating in discussions at the Board of Statutory Auditors meetings.

Mr. Masaki Ayukawa, Full-time Statutory Auditor, attended all the Board of Directors meetings and Board of Statutory Auditors meetings, which were convened nine times and six times, respectively, in 2010. He made contributions as a Full-time Statutory Auditor, demonstrating his expertise and useful experience by asking questions and offering recommendations at the Board of Directors meetings and making proposals and reports and participating in discussions at the Board of Statutory Auditors meetings.

[Incentives]

Implementation of policy for granting of incentives to directors No incentives granted

Supplemental information

None

Persons to whom stock options are granted

Supplemental information

[Remuneration Paid to Directors]

Disclosure method Yuka Shoken Hokokusho and management report (business report)

Content of disclosure Total amount of remuneration paid to directors

Supplemental information

Directors : 4 persons remunerated, current payment: 137 Million yen (2010 Jan.1 – Dec. 31)

Statutory Auditors: 4 persons remunerated, current payment: 54 Million yen (including the remuneration for two Outside Statutory Auditors of 40 Million yen) (2010 Jan. 1- Dec. 31)

1. The above amount includes an increase in the reserve for retirement allowance for Directors and Statutory Auditors.
2. In addition to the above amounts, one Outside Statutory Auditor was paid 2 million yen as remuneration by TG's subsidiary since he concurrently served as Statutory Auditor of the subsidiary.
3. In addition to the above amounts, the Company paid retirement allowances of 85 million yen to a retired Director and 37 million yen to a retired Statutory Auditor respectively based on the resolution made at the Annual General Meeting of Shareholders held on March 26, 2010.

[Support system for external directors (external statutory auditors)]

In addition to "Link between statutory auditors and internal auditors" above, the following items are in effect to ensure that the audits of Statutory Auditors, including external statutory auditors, are performed effectively.

- (1) The Statutory Auditors have access to all important information of the Company, and may receive explanations of relevant matters in advance as necessary. They also may request explanations from employees and relevant service providers under the Comprehensive Services Agreement referred to above who may have knowledge of such information
- (2) The Statutory Auditors may request advice from the Company's Accounting Auditors and other external professionals as needed.
- (3) The Statutory Auditors have access to the services and assistance of ExxonMobil Y.K. Law, Controllers and other departments pursuant to the Comprehensive Services Agreement.

At the Board of Directors Meeting, the External Directors have the same access to the materials and information provided to the other Directors and Statutory Auditors to participate in discussions and to vote on resolutions.

2. Functions such as conduct of business and affairs, audit/supervision, nominations, determination of remuneration

- (1) The Board of Directors

Directors have the fiduciary duty to exercise their business judgment in the best interests of shareholders. We consider the size of the Board appropriate because it allows each director to participate meaningfully and exercise effective business judgment through free and vigorous discussions. In addition, we have appointed new

outside directors to bring additional independent perspectives to the Boards' decision-making process. Basically, the term of office of a director is two years. However, the term of office of any director elected due to an increase in the number of directors, or any director elected to fill a vacancy caused by a resignation of a director before the expiration of his/her term, will expire at the same time as the expiration of the term of office of other directors. A regular meeting of the Board of Directors must convene at least once every three months, and special meetings of the Board of Directors are convened from time to time when necessary.

(2) Statutory Auditors

The Board of Statutory Auditors is an independent organ from the Board of Directors. Its major role is to audit the execution of business by the 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 internal standards of business conduct. It also monitors the establishment and state of implementation of corporate governance and internal control systems to appropriately preserve shareholder interests. Statutory auditors attend important meetings, such as meetings of the Board of Directors and visit major sites such as refineries, terminals and branch offices to audit activities. Moreover, TonenGeneral directors, responsible managers of various divisions, and the directors of subsidiaries are periodically required to explain operations and management control to the statutory auditors. The statutory auditors discuss the audit plans prepared by the accounting auditors and the Internal Audit Group in advance, and receive reports on the audit results. They also review the content of agenda items and relevant documents to be submitted to the General Meeting of Shareholders to ensure that those do not violate laws and/or the Articles of Incorporation.

III. Implementation of policy for shareholders and other stakeholders

1. Efforts to revitalize general shareholders' meeting and facilitate exercise of voting rights

Earlier dispatching of convocation notice	Conducted since 2003
Setting the meeting date for other than "busy" day	Conducted since 2003
Other	Publication of Annual General Meeting convocation notice in Japanese and English on the Company's home page.

2. IR activities

	Supplementary explanations	Explanation by representative
Periodic explanatory sessions for equity analysts and corporate investors	Explanatory session held after each quarterly financial result disclosure. The president and other senior management give presentations and answer questions at the meetings for interim and year-end financial results.	Yes
Posting IR materials on company website	All disclosure materials, including those used for explanatory sessions for equity analysts and corporate investors, are posted on the Company's website in both Japanese and English.	Yes
Existence of IR department (staff)	There is an Investor Relations Department with two professional staff members under the supervision of the director in charge of service functions.	

3. Efforts aimed at respecting the position of stakeholders

	Supplementary explanations
Regulations regarding respecting the position of stakeholders in accordance with internal regulations, etc.	<p>The following is the basic management policy of the Company, which is disclosed in the Kessan Tanshin:</p> <p>“The TonenGeneral Sekiyu Group conducts its business operations under the following basic policies.</p> <ul style="list-style-type: none"> • We strive to be a good corporate citizen in all the places we operate, making a valuable contribution to shareholders, customers, employees, local communities and society. We are dedicated to maintaining the highest ethical standards, and complying with all applicable laws and regulations. We are also dedicated to running safe, healthy and environmentally responsible operations. • We conduct our business in an economically, environmentally and socially responsible manner, leveraging ExxonMobil’s global network to respond quickly to changing circumstances and customer needs. • We strive for sustainable and profitable business operations in Japan through the unceasing pursuit of innovation and efficiency. • We are dedicated to providing a stable supply of quality products in response to energy demands.”
Implementation of environmental conservation activities, CSR activities, etc.	<p>The “Corporate Citizenship Report” has been issued and is posted on the Company’s website.</p>
Establishment of policies for providing information to stakeholders	<p>At the Company, fair, honest and timely reporting of information to stakeholders is of the utmost importance. We endeavor to provide stakeholders with clear information in a fair and timely manner through news releases and summaries of financial results which are based on detailed and highly transparent disclosure of the Kessan Tanshin and securities reports and are posted on the Company’s home page (www.tonengeneral.co.jp) along with “Presentation of Financial Results and FY Forecast” and summaries of financial information such as the “Fact Book” and “Frequently Used Terms”. At the same time, care is taken for fair disclosure, to ensure that particular groups of stakeholders do not have favored access to material information.</p>

IV. Fundamental philosophy regarding internal governance system and maintenance of the system

TonenGeneral Sekiyu K.K. Internal Governance System

Below (1-9) is the content of the internal governance system adopted by the Board of Directors of the Company.

1. System for maintenance and management of information pertaining to exercise of Directors' duties

To provide a system for the maintenance and management 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. 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 and management; 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, ensures: (i) a 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 and management; 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, and in 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 which 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. Last. 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 has a Board of Statutory Auditors. The Board of Statutory Auditors ("BOSA") is an independent organ from the Directors and 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 and control system, the Company shall, under the Financial Instruments and Exchange Act, 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 regulations;
- (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:
 - a) provision to the Statutory Auditors of the engagement letter,
 - b) invitation to attend the Closing Meeting between CAS and the relevant department, and
 - c) 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 may also receive explanations from employees and relevant service providers under the Comprehensive Service Agreement who may have knowledge of such information.

(2) The Statutory Auditors may request the assistance of the Company's Accounting Auditors 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.

(For Directors' use)

Date:

TonenGeneral Sekiyu Kabushiki Kaisha

To: Statutory Auditor XXX

Statutory Auditor XXX

Statutory Auditor XXX

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.

Director, TonenGeneral Sekiyu K.K.

XXXXXX

The company position regarding the prevention of damage from anti-social forces (*refer to description below), disclosure of which is required by regulations of the Tokyo Stock Exchange, is described below.

(1) Basic position on the the prevention of damage from anti-social forces

The ethics policy of the Company is to comply with all governmental laws, rules, and regulations applicable to its business. Based on this policy, we are working to protect our employees and assets from damage from anti-social forces and to eliminate this damage as a good corporate citizen.

(2) Provisions for the prevention of damage from anti-social forces

We encourage our employees continue to be maintain a high level of security consciousness in keeping with our slogan "Security is everybody's business". The Company has prepared guidelines regarding anti-social forces, to which all employees have access. The head office Security function is responsible for contacting the appropriate authorities in the event that contact with anti-social forces occurs within the Company. Each of our sites has security staff, and we have systems in place for responding in the event of contact with anti-social forces or a situation that could lead to contact with anti-social forces. In such cases, head office or site security personnel immediately contact and follow the instructions of the appropriate authorities.

In addition, overall security training is carried out by the Company for all security personnel once a year to promote an understanding of overall security initiatives, including handling of anti-social forces. The Company also encourages security personnel to take part in seminars held by external organizations such as police

departments. As a member of a special joint organization of monitoring agencies for the prevention of violence organized by Metropolitan Police Department, the head office Security function participates in activities such as information gathering and attendance of periodic seminars. Site security staff also participate in seminars and other activities held by local police departments for information gathering.

* The term “anti-social forces” as used in this document is defined in the “Policy for the prevention by businesses of damage caused by antisocial forces”, approved at the June 2007 Cabinet meeting for countermeasures against criminal activities, as follows: “Anti-social forces” refers to groups or individuals pursuing economic gain by making use of violence, coercion and fraudulent means. This includes groups or individuals such as criminal syndicates (Bo-ryoku dan), companies affiliated with criminal syndicates, corporate extortionists (So-kai Ya), racketeers disguising themselves as political or social activists and violent groups using special intelligence. The definition also includes groups or individuals that commit violent acts of demand and unreasonable claims beyond the scope of legal responsibility even if these groups or individuals are not clearly recognized as being affiliated with the groups described above.”

V. Other

1. Safeguards against acquisitions

No special measures have been taken

2. Other items regarding Corporate Governance System etc.

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