



Tonengeneral Shareholder Brochure 2009

January 1-December 31, 2009

This material contains forward-looking statements based on projections and estimates that involve many variables. Tonengeneral operates in an extremely competitive business environment and in an industry characterized by rapid changes in supply-demand balance.

Certain risks and uncertainties including, without limitation, general economic conditions in Japan and other countries, crude prices and the exchange rate between the yen and the U.S. dollar, could cause the Company's results to differ materially from any projections and estimates presented in this publication

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.

To Our Shareholders



The business environment in the oil industry is forecast to become increasingly severe. Under these conditions, we will continue to evolve and build a more competitive corporate group.

Kazuo Suzuki
Representative Director, President

Performance in 2009

In 2009, the business environment in the oil industry was severe. We experienced continuation of downward trends in both domestic and overseas fuel demand associated with the weak economy. In addition, margins worsened. As a result, our business results decreased significantly compared with the previous year.

In 2009, consolidated Net Sales amounted to 2,111.8 billion yen (a 35.5 percent decrease versus 2008), primarily due to the lower prices for petroleum products versus 2008 reflecting significant crude oil price decreases. Consolidated Operating Income was a loss of 34.6 billion yen (121.7 billion yen profit in 2008). By segments, Downstream Operating Income amounted to a loss of 38.4 billion yen (107.7 billion yen profit in 2008). Downstream results were adversely affected (negative 35 billion yen) by our prompt crude cost recognition method (positive 74.5 billion yen in 2008), described in the box below, or please refer to page 13 for details. In addition, we experienced pressure on margins associated with the decline in domestic and overseas demand for fuel products. Chemical Operating Income was 3.8 billion yen (a 72.5 percent decrease versus 2008) reflecting low margins and a decrease in sales volume in the recent severe economic conditions.

Main Factors Affecting Performance

1. Effect of crude oil prices

➤ In 2009, the average price per barrel for Dubai crude, used as a reference price in the Asia-Pacific region, was approximately 62 dollars per barrel, a decrease of around 32 dollars from 2008. Consolidated net sales fell significantly in value terms as a result.

2. Decline in demand in Japan and overseas and smaller margins for petroleum products

➤ The weak economy led to a decline in demand for petroleum products in Japan and overseas, resulting in thinner margins.

3. Effect of method of recognizing crude procurement costs

➤ TonenGeneral accounts for crude procurement costs when crude oil is loaded (at transfer of title), in contrast to the arrival basis cost accounting method generally employed by other companies in the industry, so that the impact of fluctuations in crude prices is recognized earlier. This resulted in a negative impact of approximately 35.0 billion yen in 2009 as the cost of crude rose from 36 dollars per barrel as of December 31, 2008 to 77 dollars by December 31, 2009.

4. Declines in demand in Japan and overseas and weak margins for Chemicals

➤ In line with general industry trends, operating income worsened due to weak margins and declining sales volume, reflecting the severe economic conditions.

Operating Environment in Future

We will continue our efforts to strengthen our operations in a business environment that is forecast to become increasingly severe.

The sluggish economy and energy conservation are among the factors that have accelerated the pace of decline in demand for petroleum products in Japan. Overseas, the start-up of a series of new refineries in Asia may challenge the competitiveness of product exports from Japan. At the same time, the Japanese refining sector is faced with surplus capacity, a structural problem not easily resolved.

For these reasons, the business environment in which TonenGeneral operates is forecast to become increasingly severe in 2010. According to the Ministry of Economy, Trade and Industry's long-term energy supply and demand projections, however, Japan's rate of dependence on oil as a primary energy source is expected to remain high, accounting for one-third of total energy demand in 2030. This means that oil continues to be an important energy resource in the future and we therefore believe that stable supply of high quality oil products continues to be the important role of our company.

We will further strengthen our ongoing self-help efforts while promoting optimization and greater efficiency in both refining and marketing in order to maintain a sound business base.

TonenGeneral's Business Strategy

With "Lead Evolution ~ Move Together" as our slogan, we will not cease our efforts this year as we build an even more effective and flexible group foundation.

In 2009, under the ExxonMobil Japan Group's slogan "Evolution ~ Move Together," we fixed our vision 10 to 20 years in the future as we focused our energies on strengthening our competitiveness in a way only TonenGeneral can accomplish.

In the refining operations of our oil business, we are fully leveraging the technology and the global network of the ExxonMobil Group in efforts such as making highest use of secondary facilities, maximizing the advantages of integration with our chemical business, diversifying feedstocks and optimizing marketing channels including exports.

In our domestic marketing operations, we must also promote our efforts to build a service station network with profitability in mind. We have been promoting a shift to our high-efficiency "Express" brand self-service stations. As a result, we have reduced the number of service stations of the ExxonMobil Group Japan, including TonenGeneral, from more than 7,000 in the year 2000 to approximately 4,300 as of December 31, 2009, with Express stations accounting for nearly 20 percent of the total. This has allowed us to achieve further efficiency in our marketing operations under a declining demand environment.

In the chemical business, we established a joint venture¹ with Toray Industries, Inc. to develop, manufacture and sell battery separator film (BSF), among the most promising field in specialty chemicals. We are looking forward to outstanding business expansion by combining TonenGeneral's results to date in the BSF business with Toray Industries' knowledge and technology development capabilities.

For 2010, we have added the word “Lead” to our 2009 slogan to express our strengthened resolve to utilize our unique technology and know-how as we produce leading business results. With "Lead Evolution ~ Move Together" as our slogan for 2010, we will continue to build an even more effective and flexible system in respond to change in business environment.

¹ Please refer to page 11 for details.

Stable Shareholder Returns

Our basic policy on shareholder returns will remain unchanged, even in the changing economic environment.

We have set superior returns as a core management issue, with the objective of steadily enhancing shareholder value over the medium to long term. This basic policy will remain unchanged, even under the changing economic environment. We continue with our view that the company’s wealth that is not otherwise required in our business in a way that meets our rigorous profitability standards should be returned to shareholders.

In 2009, we paid a full-year dividend of 38 yen per share, equal to that of 2008. In 2010, subject to results and cash flow trends, we plan to pay a full-year dividend of 38 yen per share, equal to that of 2009.

Challenges of Climate Change

The ExxonMobil Group, including TonenGeneral, is taking active measures out of serious concern for climate change.

Concerns about environmental issues are growing, and the ExxonMobil Group takes the issue of climate change seriously. While fully utilizing existing technology, we are developing cutting-edge technology from a medium- to long-term perspective. One example is “ExxonMobil Algae Biofuels Research and Development Program.”^{*2} (*² Please refer to the feature on pages 5-6 for details.)

As for TonenGeneral’s own initiatives, we continuously promote energy conservation and energy efficiency improvement activities, which are our areas of expertise and have led to steady results. Unit energy efficiency of consumption at our refineries is consistently at the top-level in Japan.

As previously announced, I retired from President and P. P. Ducom was elected as my successor effective March 26. I have appreciated the kindness that I received from shareholders. Under the new management system, we will redouble our efforts to enhance competitiveness in order to meet our shareholders’ expectations. Moreover, we will continue to steadily evolve as a good corporate citizen. We ask for your continued support.

March 2010

Kazuo Suzuki

Representative Director, President
(Retired as of March 26, 2010)

New Representative Director and President Takes Office



I am honored to have been elected Representative Director and President effective March 26. Since entering our industry in 1987, I have built up global work experience in the petrochemical sector. The two years I have lived in Tokyo combined with the exposure I had to Japan in my previous positions were instrumental in preparing me for my new role. Building on my predecessors' accomplishments, on the know-how and expertise of our employees, and on TonenGeneral's strong operating base, and technologies, I intend to continue to strengthen our company and prepare it capture the opportunities and face the challenges ahead us. TonenGeneral has a long and successful history in Japan. I'm fully committed to TonenGeneral's future success and would greatly appreciate your continued support.

Brief biography

Name: Philippe P. Ducom
Birthplace: Rueil-Malmaison, France
Academic background (most recent):
Ecole Polytechnique, Ecole des Mines de Paris
Date of birth: January 5, 1965

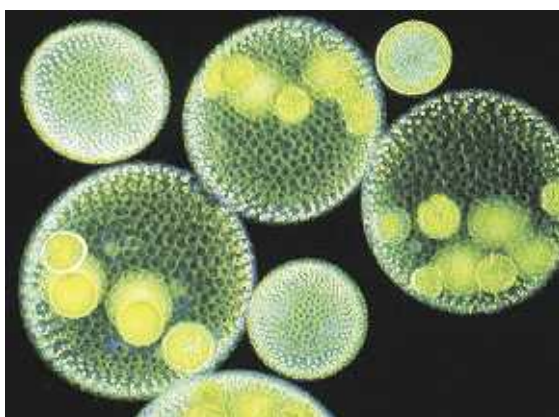
Career history (abbreviated)

1987: Exxon Chemical France
2002: ExxonMobil Chemical Europe (Brussels, Belgium):
Polypropylene Europe, Middle East and Africa Sales Manager
2003: ExxonMobil Corporation Chemical Senior Advisor (Dallas, Texas, U.S.A.)
2005: ExxonMobil Chemical Company (Houston, Texas, U.S.A.):
Intermediates Global Supply and Planning Manager
Dec. 2007: Tonen Chemical Corporation Representative Director and President (Present),
ExxonMobil Yugen Kaisha Representative Director and Vice President,
Chemical Division Manager (Present)
Mar. 2009: TonenGeneral Sekiyu K. K., Director
Mar. 2010: TonenGeneral Sekiyu K. K., Representative Director and President (Present)

Feature:

ExxonMobil Algae Biofuels Research and Development Program ~ Pursuing the possibility of producing fuels from algae ~

With global energy demand expected to increase over the long term, the ExxonMobil Group, including TonneGeneral, is actively engaged in various programs to reduce the impact of energy use on the environment. As a part of this effort, in July 2009 ExxonMobil started



long-term investment in the “ExxonMobil Algae Biofuels Research and Development Program”, which focuses on biofuel production from photosynthetic algae, through a strategic alliance with Synthetic Genomics, Inc. (California, USA), a leading company in the field of biotechnology. While this activity is still at an early stage, if it is successful, ExxonMobil anticipates investing more than \$600 million in the project. Such next-generation biofuels could augment the world’s transportation fuel supply and assist in reducing greenhouse gas emissions in the decades to come.

What is Biofuel?

Biofuel, fuel produced from living organisms (biomass), has recently attracted keen interest for the potential to reduce greenhouse gas emissions as an undepleting alternative for fossil fuel and also as a carbon-neutral¹ fuel, since the amount of CO₂ released during combustion of the finished product is offset by the amount of CO₂ absorbed by the plants used as raw materials through photosynthesis during the plant growth process. Biofuels include bio-alcohol fuels produced by the fermentation of components extracted from corn, sugar cane and other plants. The Japanese oil industry began introduction of bio-ETBE² blend gasoline in 2007.

¹ Equivalent amounts of CO₂ are absorbed and released during the life cycle.

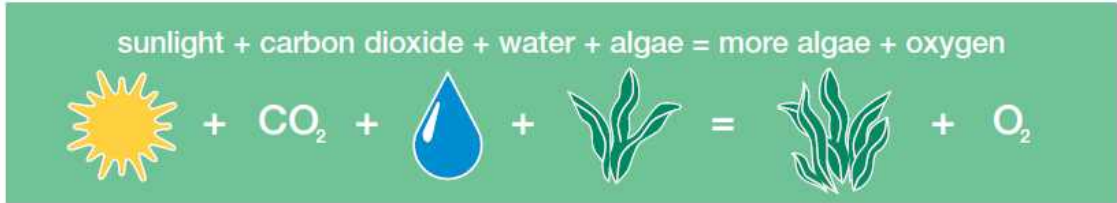
² Abbreviation for ethyl tertiary butyl ether, produced by synthesizing bio-ethanol and isobutylene (oil-based gas).

Advantages of Algae

The potential benefits of biofuels produced from algae could be environmentally significant. First, algae directly produces bio-oils through the natural process of photosynthesis, while most conventional biofuels are produced as bio-alcohol by processing raw materials. Since algae absorbs greenhouse gases such as CO₂ in the growth process, and are converted into beneficial substances including bio-oils and oxygen, the very process of producing fuel from algae contributes to the reduction of greenhouse gases. Second, bio-oil produced by photosynthetic algae and the resultant biofuel will have molecular structures that are similar to the petroleum and refined products we use today. This helps ensure the fuels are compatible with existing transportation technology and infrastructure. Moreover, algae can be grown using land and water unsuitable for crop plant or food production, unlike some other crop plant-based biofuel sources such as corn or sugar cane, and algae yield more than triple the volume of biofuel on a per-acre basis than any other biofuel sources.

Producing Biofuel from Algae

Algae, like all plants, undergo photosynthesis to grow.



Algae are grown in either open or closed photobioreactors.



Open (Ponds)



Closed (e.g. Tubular)

As they grow, algae accumulate fats and bio-oils that have similar molecular structures to traditional crude oil.



The bio-oil is extracted or harvested from the algae.



Bio-oil will be further processed in existing refineries, just as crude oil is refined today, to produce a range of products including gasoline, diesel, jet and marine fuel.

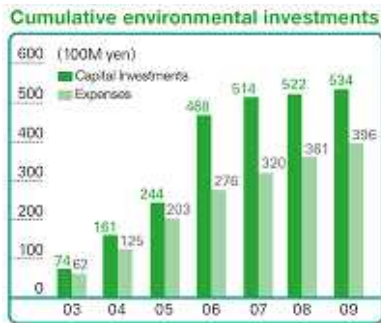


Corporate Citizenship

As a member of the ExxonMobil Japan Group, TonenGeneral Sekiyu endeavors to operate in a sound manner with attention to safety, health and the environment as a good corporate citizen in all the areas in which we conduct our business activities. We are also making active contributions to local communities in Japan.

Commitment to the Environment

Investment to reduce the burden on the environment:



(Note) TonenGeneral and ExxonMobil Y. K. Total

The ExxonMobil Japan Group, including TonenGeneral, focuses on capital investments for facilities to control environmental pollution in response to government regulations, including the Air Pollution Control Act, the Water Pollution Control Act and the Soil Pollution Control Act, as well as to manufacture low-sulfur petroleum products.

In 2009, we carried out investments in facilities at our Kawasaki refinery in preparation for full-scale introduction of bio-ETBE blended gasoline (please refer to page 5) in fiscal year 2010.

Commitment to Health and Safety

Initiatives against new influenza viruses:



Company-wide classroom training: about 90 participants including top management

Since 2006, the ExxonMobil Japan Group has been working on business action plans to ensure a stable and prompt supply of petroleum products, based on a scenario involving a pandemic of the virulent H5N1 influenza virus.

In 2009, based on our business action plans, our response organization shifted its attention to prepare for an outbreak of the H1N1 influenza virus, sharing the latest information among employees and taking necessary actions. These initiatives are still in effect as of today.

Proactive Contributions to Society

ExxonMobil Children's Culture Award and Music Awards:



2009 ExxonMobil Children's Culture Award (44th) and Music Awards (39th)

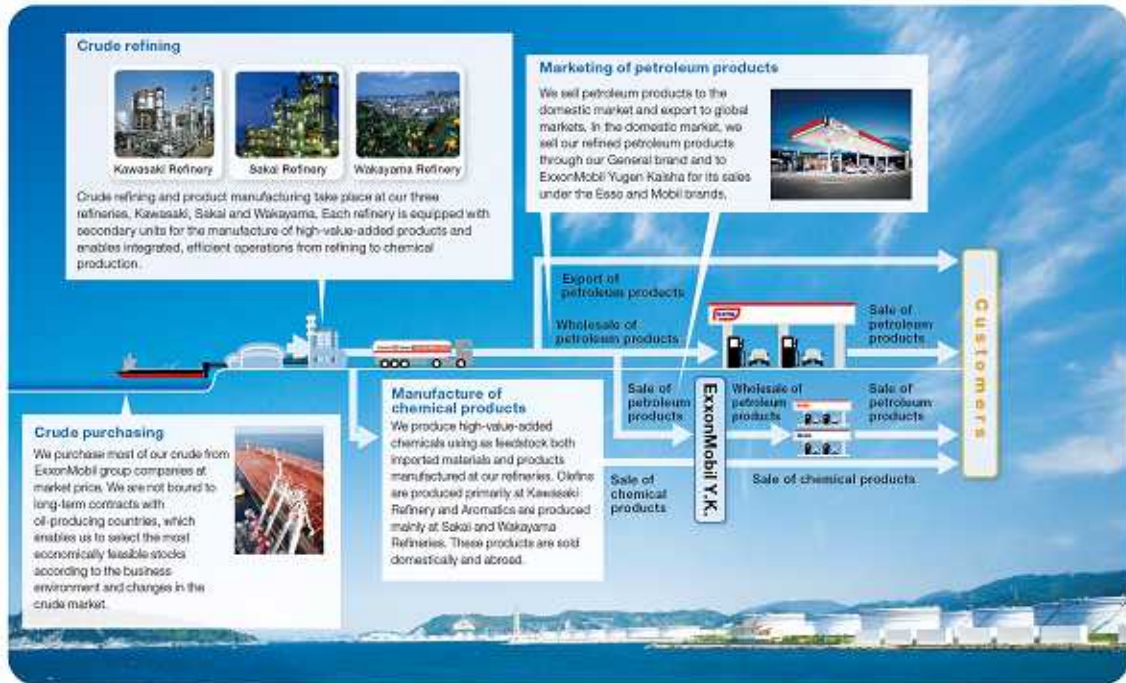
The ExxonMobil Japan Group is strengthening its ties with local communities through a variety of social contribution and cultural activities in areas such as environmental conservation, health and welfare, community interface, education, and arts and culture.

One example is the ExxonMobil Children's Culture Award and Music Awards program. This is a philanthropic activity with a long and distinguished history in Japan that honors outstanding individuals and groups who have contributed to the advancement of children's culture and music culture in Japan. We have been celebrating these contributions through this program for about 40 years.

TonenGeneral Sekiyu Business Strategy

TonenGeneral conducts its business within the ExxonMobil Group global network using consistent, integrated strategies for the purchase of crude and feedstocks, crude refining and product supply, marketing, and chemicals.

Shown below is a simplified business structure chart for the TonenGeneral consolidated group.



Pursuit of Efficiency and Improvement on Company Performance

Early recovery in domestic oil demand continues to appear unlikely, due to factors such as the low birthrate, aging population, progress on energy saving and fuel conversion, improvement on fuel efficiency, and rationalization of distribution. In this business environment, it's important to place even more focus on efficient operations to maintain our healthy business base and competitiveness.

All functions of our oil and chemical segments will continue to work together to pursue optimum combination of raw materials and product supply and sales channels, and to enhance the general-interest initiatives of the group.

Concretely, we are strengthening integration among functions through effective utilization of secondary units, full use of integration synergies with refining and chemical businesses, marketing channel optimization including export and effective asset management. Furthermore, TonenGeneral maximizes utilization of the ExxonMobil global network in the areas of feedstock procurement, product supply system and oil refining and marketing technology.

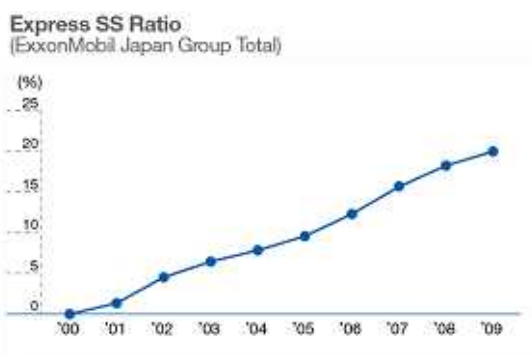
Fully integrated approach as a group

- Feedstock procurement, product supply system, marketing channel optimization
- Full use of integration synergies with refining and chemical businesses
- Effective asset management

Fuels Marketing

Strengthen self-service station network through “Express” brand

We continue to focus on our highly productive self-service stations and further strengthening of the brand value of our “Express” brand. In order to further differentiate our offerings with our competitors, we will further enhance the alliance network with Seven-Eleven Japan.



Refining and Supply

Effective utilization of secondary units

Since the oil shock of the 1970's, the relative demand for mogas, kerosene, and diesel oil, sometimes called "Clean Oils," has significantly increased versus lower-value products such as heavy fuel oil. To realize higher value-added refining operations in response to these demand structure changes, we have focused on minimizing production of heavier fuel products and to maximizing production of "Clean Oils". In this effort, we aim at maximum use of secondary units such as Fluid Catalytic Cracking Units (FCC) and our Resid Hydroconversion unit (H-OIL) through, among other things, optimum feedstock selection.



Cost reduction through optimum feedstock

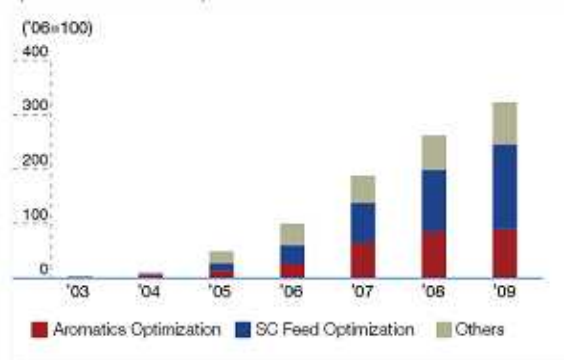
We reduce feedstock procurement costs and improve profitability by taking full advantage as a member of ExxonMobil Group through crude diversification and technical know-how.

Chemicals

Further enhancement on cost competitiveness of the Basic Chemicals business

In the Basic Chemicals business, responding to the cyclical nature of the market, we continue to enhance cost competitiveness, pursue expansion of integration synergies with refining and chemical businesses, and enhance efficiency through raw material diversification. For example, though naphtha is commonly used as a raw material of the Basic Chemical products, we use other oil products produced in refinery facilities as petrochemical feedstocks to further add value.

Synergy Effects of Ref/Chem Integration
(Cumulative Amount)



Enhancement of Specialty Chemicals



We focus on enhancement of Specialty Chemicals products, demand for which is affected by market changes in a way which is different from Basic Chemicals products. Examples of Specialty Chemicals products are special solvents, adhesives and battery separator film (BSF). In particular, we will adopt growth strategies for BSF business taking into account of increase in demand for new markets like electric vehicles. (Please see the next page for details of establishment of a BSF joint venture company with Toray).

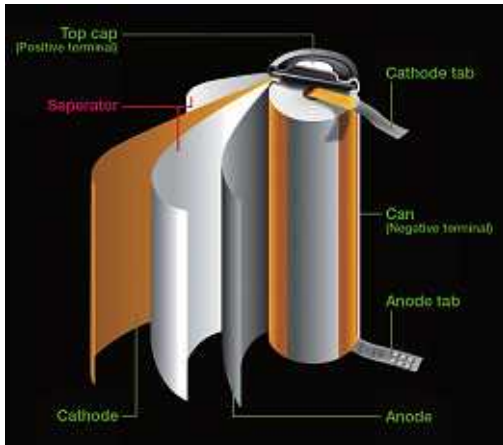
Development of the Battery Separator Film Business

TonenGeneral established a joint venture for development, production, and sales of battery separator film (BSF) with Toray Industries Inc., an integrated chemicals corporate group. Its operations began on February 1, 2010.

The joint venture will build on TonenGeneral's experience and success over the last 20 years in providing separator films for use in the personal electronics market from its manufacturing plants, and will position itself to participate in future growth of lithium ion battery use in hybrid-electric and electric vehicles.

Expansion on Business Opportunities from the Joint Venture Establishment

The 50:50 joint venture was formed through a contribution of about 60 billion yen by Toray Industries, Inc. into Tonen Specialty Separator Godo Kaisha, a wholly owned subsidiary of TonenGeneral, and started its operations in February 1, 2010. The Toray Group's businesses extend across 21 countries, with world-leading technology in the areas of plastic film processing precision and polymer science.



Section of lithium ion battery

BSF is an integral component of lithium-ion batteries, and is essential for their safe operation. Demand for BSF is expected to increase, not only for batteries in the electronics market, but for the use of environmentally- friendly electric and hybrid vehicles. TonenGeneral had focused on BSF as a key business area in specialty chemicals for many years. In response to anticipated market trends, we have accelerated the development of BSF for automotive applications through the joint venture.

Overview of the joint venture company

● Name :	Toray Tonen Specialty Separator Godo Kaisha
● Location :	Nasu Shiobara City, Tochigi Prefecture
● Paid-in capital :	301 million yen
● Business operation to start on :	February 1, 2010
● Equity holding ratio :	TonenGeneral Sekiyu Group 50%, Toray Industries, Inc. 50%

Expansion of BSF Production

Our BSF business has started test operations at a new production facility in Gumi, South Korea, in addition to its existing domestic production base in Nasu, Japan.

In the new plant, two production lines with the most modern facilities and the capacity to produce over 30 million square meters of film annually started operation earlier this year. The new plant will dramatically increase our BSF supply capability, allowing us to respond flexibly and quickly to growing demand.

Financial Review Business Overview and Shareholders' Return (Jan. 1 – Dec. 31, 2009)

Industry Conditions

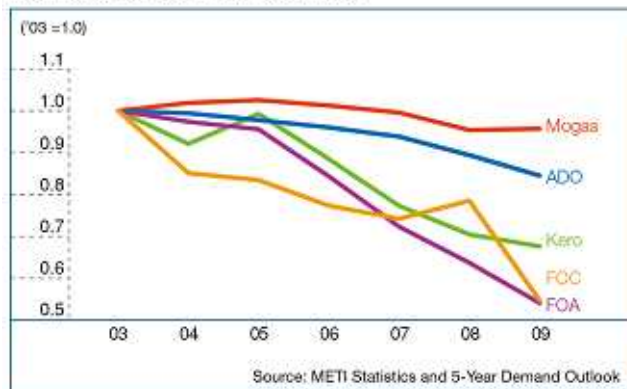
The world economy has continued to suffer from the effects of the global financial crisis that began in 2008, although some countries have gradually moved toward recovery after the spring of 2009. In the case of Japan, exports have begun to recover in response to demand increases in Asia, but private-sector capital investment, residential housing investment and consumer spending have continued to struggle.

The price per barrel for Dubai crude, generally used as a reference price for our industry in the Asia-Pacific region, began 2009 in the 40 to 49 dollar range, but started trending upward in mid-March, arriving at between 60 and 80 dollars in the latter half of the period. As a result, the 2009 year-end level of 77 dollars was around 42 dollars higher than at the end of 2008. The average for the year was 62 dollars per barrel, 32 dollars (34%) lower than the previous period.



Overall domestic demand for petroleum products continued to decrease in 2009, continuing a trend from 2006. Gasoline demand slightly surpassed that of 2008, which was depressed due to high retail pump prices. Kerosene, Diesel, Fuel Oil A and Fuel Oil C demand continued to decrease.

Domestic Petroleum Demand Index



In the Petrochemical sector, domestic demand suffered a significant drop in the fourth quarter 2008, reached bottom in the first quarter 2009, and then gradually recovered in the remainder of 2009 driven by strong economic growth in China. On a full year basis, paraxylene and ethylene production slightly increased compared to the previous year while benzene and propylene production decreased modestly versus 2008. Market prices of petrochemical products gradually increased in the second half of 2009, following the rise of crude oil and other feedstock prices. However, the average market prices in 2009 ended up lower than in 2008.

TonenGeneral Consolidated Financial Results

In these circumstances, our consolidated net sales for 2009 amounted to 2,111.8 billion yen, consolidated operating income showed a loss of 34.6 billion yen, and consolidated net income showed a loss of 21.7 billion yen.

(Unit: billion yen)

Items	2009	2008	Difference	Inc./(Dec.) (%)
Net Sales	2,111.8	3,272.4	(1,160.7)	(35.5)
Operating Income	(34.6)	121.7	(156.3)	-
Ordinary Income	(34.5)	131.3	(165.8)	-
Net Income	(21.7)	79.3	(101.0)	-

Net Sales

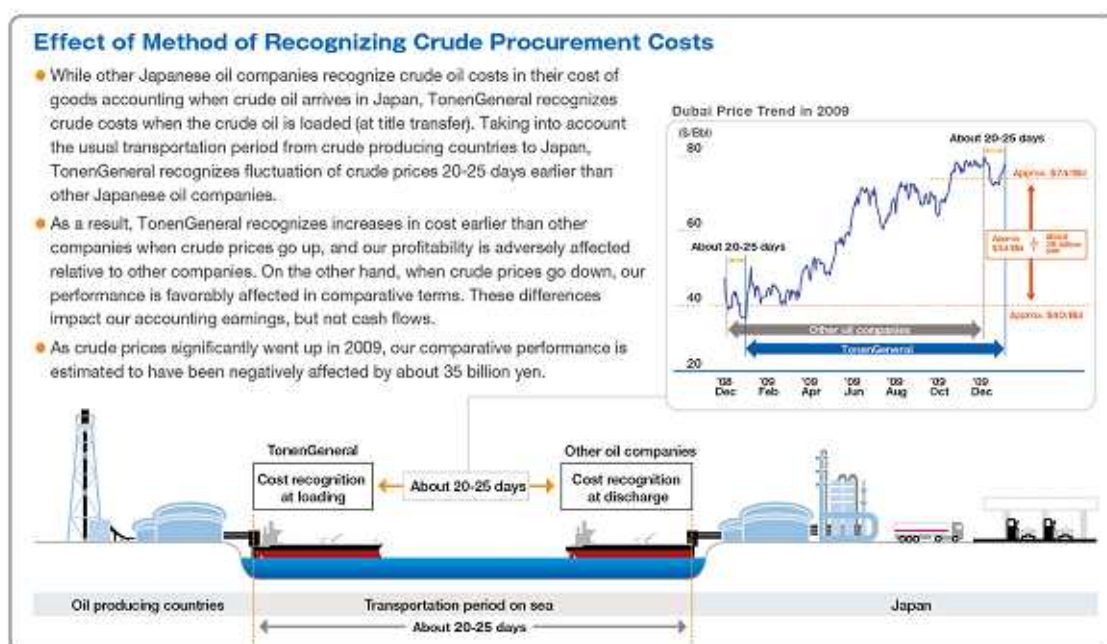
Consolidated net sales for 2009 amounted to 2,111.8 billion yen, 35.5% less than the previous year. This substantial decrease was primarily due to lower prices for petroleum products versus 2008, reflecting significant crude oil price decreases.

Operating Income

Consolidated operating showed a loss of 34.6 billion yen, a 156.3 billion yen decrease from the previous year. Following are the main items by segment relating to the results:

(1) Oil Segment

Oil segment operating income showed a loss of 38.4 billion yen, 146.1 billion yen less than the previous year. The loss in the oil segment was primarily due to declining margins resulting from decreasing fuel demand and the negative impact from our prompt crude cost recognition accounting methods.



We account for crude procurement costs when crude oil is loaded, in contrast to the arrival basis cost accounting method generally employed by other companies in the industry, so that the impact of fluctuations in crude prices is recognized earlier. When crude prices rise, we are adversely affected, and we benefit when crude prices drop. With the cost of the benchmark Dubai crude rising from 36 dollars per barrel at December 31, 2008 to 77 dollars by December 31, 2009, we estimate the adverse effect of this accounting difference during this period to be approximately 35.0 billion yen (the effect was positive 74.5 billion yen in the previous year).

We provide below a comparison of our estimates for operating income for our oil segment, excluding special factors, such as crude cost accounting differences referred to above.

Analysis of oil segment and others operating income comparison versus the previous period

(Unit: billion yen)

Items	2009	2008	Difference
Operating income	(38.4)	107.8	(146.2)
Effect of difference in timing of crude cost accounting (estimate)	(35.0)	74.5	(109.5)
Inventory-related gains	7.4	14.1	(6.7)
Divestment-related gains	-	11.0	(11.0)
Operating income excluding above special factors (estimate)	(10.8)	8.2	(19.0)

(2) Chemical Segment

Chemical segment operating income was 3.8 billion yen, 10.1 billion yen lower than the previous year. The decline in results in our chemical segment versus the prior year was due mainly to low margins and volumes reflecting the severe economic conditions of 2009.

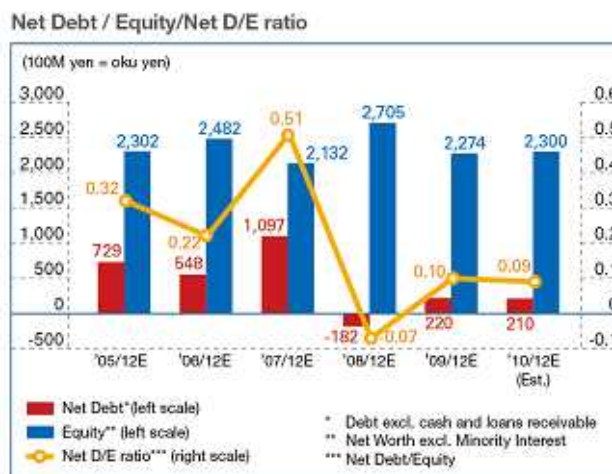
Net Income

Consolidated ordinary income showed a loss of 34.5 billion yen (165.8 billion yen less than the previous year), with net non-operating income of 13 million yen, reflecting foreign exchange gains and a loss in companies accounted for on the equity method. Extraordinary items including losses from idle asset divestments and asset impairments resulted in a net extraordinary loss of 1.6 billion yen.

As a result, including the effects from Income Taxes of 14.4 billion yen, consolidated net income showed a loss of 21.7 billion yen (a 101.0 billion yen decrease from the previous year).

Cash Flow and Dividend Balance

Free Cash Flow (the sum of Operating Cash Flows and Investing Cash Flows) was negative 18.6 billion yen for the current term mainly due to the current term pre-tax loss and to income tax payments for 2008 earnings. Meanwhile net D/E ratio remained low at 10% at the end of 2009. Our financial position remains strong and flexible.



Forecast for Full Year 2010 Consolidated Earnings

We forecast full year 2010 Consolidated Earnings forecast to be as follows:

	(Unit: billion yen)
(Announced on Feb. 12, 2010)	Full Year 2010
Net Sales	2,400
Operating Income	12
Ordinary Income	14
Net Income	29

We expect the business environment in the oil segment to continue to be difficult in 2010, but are forecasting a very small improvement in margins from the depressed conditions of the second half of 2009. Consolidated operating income for full year 2010 is forecast to increase by 46.6 billion yen versus 2009 to 12.0 billion yen. Operating income in our Oil segment and chemical segment operating income are respectively projected at 3.0 billion yen (41.4 billion yen higher than 2009) and 9.0 billion yen (5.2 billion yen higher than 2009).

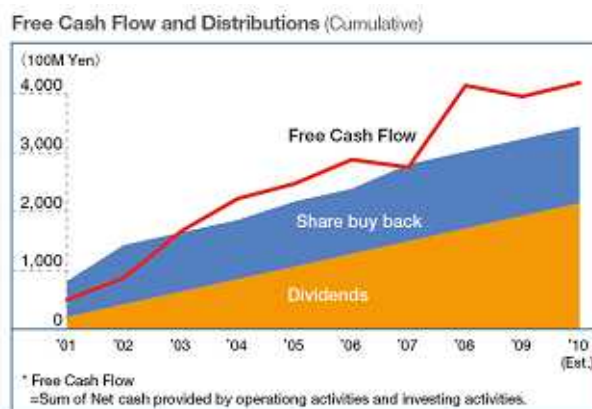
TonenGeneral does not forecast prices of crude oil or petroleum products, and our forecast above assumes no effects from inventory-related gains and losses resulting from crude price fluctuations (7.4 billion yen gain in 2009) or effects resulting from differences in the timing of crude cost recognition in our accounting process (35.0 billion yen loss in 2009).

The above forecast also includes in net income approximately 20 billion yen in extraordinary gains associated with establishment of Toray Tonen Specialty Separator Godo Kaisha, our battery separator film joint venture with Toray Industries, Inc.

Dividend Policy and Forecast

Our basic policy is to deliver appropriate dividends to shareholders, while maintaining a sound financial structure, and giving due consideration to consolidated cash flow trends and future capital investments. We continue with our view that the company's wealth that is not otherwise required in our business in a way that meets our rigorous profitability standards should be returned to shareholders.

Full-year dividends for 2010 are forecast to be 38 yen per share (the same as 2009), subject to review of our full year business performance and cash flow results and the decision of both our Board of Directors and shareholders.



Consolidated Financial Statements

Summarized Consolidated Statement of Income

(Unit: million yen)

Account title	Current period Jan. 1, 2009 through Dec. 31, 2009	Prior period Jan. 1, 2008 through Dec. 31, 2008
Net sales	2,111,753	3,272,429
Cost of sales	2,109,076	3,116,603
Gross profit	2,676	155,825
Selling, general and administrative expenses	37,236	34,082
Operating income (loss)	(34,559)	121,742
Non-operating income	1,566	10,696
Non-operating expenses	1,552	1,148
Ordinary income (loss)	(34,545)	131,290
Extraordinary income	1,005	7,439
Extraordinary loss	2,580	5,009
Income (loss) before income taxes	(36,121)	133,720
Income taxes-current	3,354	44,999
Income taxes-deferred	(17,757)	9,430
Minority interests in income	-	4
Net income (loss)	(21,718)	79,285

(Note) Round down less than one million yen

Operating income (loss)

(unit: billion yen)

Oil and Others	(38.4)
Chemical	3.8
Total	(34.6)

Non-operating income

(unit: billion yen)

Foreign exchange gains	1.3
Other	0.3
Total	1.6

Non-operating expenses

(unit: billion yen)

Equity in losses of affiliates	1.0
Interest expenses	0.4
Other	0.2
Total	1.6

Extraordinary loss

(unit: billion yen)

Loss on sales and retirement of noncurrent assets	1.6
Impairment loss	0.4
Other	0.6
Total	2.6

Segment Information

Upper: Current period (January 1, through December 31, 2009)

Lower: Prior period (January 1 through December 31, 2008)

(Unit: million yen)

	Oil	Chemical	Others	Elimination ²	Consolidated
Net sales ¹	2,089,097	219,510	785	(197,640)	2,111,753
	3,291,003	404,641	1,352	(424,567)	3,272,429
Operating income (loss)	(38,414)	3,821	33	-	(34,559)
	107,650	13,917	174	-	121,742

(Note) Round down less than one million yen

- Net sales above includes intersegment sales within the group
- "Elimination" includes elimination for transactions among consolidated companies.
- Major products or businesses included in each business line (classification based on the internal control procedure)
 - Oil: Gasoline, Naphtha, Jet fuel, Kerosene, Diesel fuel, Fuel oils, Lubricants, LPG, etc.
 - Chemical: Ethylene, Propylene, Benzene, Toluene, Paraxylene, Battery separator film, etc.
 - Others: Construction management

Summarized Consolidated Balance Sheet

	Current period December 31, 2009	Prior period December 31, 2008
Total assets	875,177	901,598
Current assets	604,086	632,843
Cash and deposits	789	488
Notes and accounts receivable-trade	397,307	390,733
Inventories	-	136,970
Merchandise and finished goods	28,908	-
Semi-finished goods	24,053	-
Raw materials	65,536	-
Supplies	5,115	-
Income taxes receivable	130	79
Deferred tax assets	7,120	5,855
Short-term loans receivable	65,077	91,485
Other	10,090	7,302
Allowance for doubtful accounts	(42)	(71)
Noncurrent assets	271,090	268,754
Property, plant and equipment	215,130	222,976
Buildings and structures	46,348	48,588
Tanks	4,773	4,976
Machinery, equipment and vehicles	64,522	74,405
Tools, furniture and fixtures	1,296	1,387
Land	79,265	80,883
Construction in progress	18,924	12,734
Intangible assets	5,714	5,822
Investments and other assets	50,246	39,955
Investment securities	12,786	13,873
Long-term loans receivable	674	839
Deferred tax assets	21,972	6,591
Other	15,151	18,994
Allowance for doubtful accounts	(339)	(343)
Total assets	875,177	901,598

(Note) Round down less than one million yen.

	Current period December 31, 2009	Prior period December 31, 2008
Total liabilities	647,818	631,097
Current liabilities	586,295	571,830
Notes and accounts payable-trade	267,188	221,355
Gasoline taxes payable	185,983	189,199
Short-term loans payable	82,823	67,085
Income taxes payable	2,342	40,204
Accrued consumption taxes	1,547	10,311
Guarantee deposits payable	9,009	9,926
Provision for bonuses	1,314	1,310
Provision for offshore well abandonment	2,549	-
Other	33,537	32,437
Noncurrent liabilities	61,523	59,267
Long-term loans payable	5,739	7,493
Deferred tax liabilities	1,391	2,478
Provision for retirement benefits	35,027	28,432
Provision for directors' retirement benefits	126	170
Provision for repairs	17,847	16,393
Provision for offshore well abandonment	-	2,953
Other	1,391	1,347
Net assets	227,359	270,500
Shareholder' equity	227,140	270,559
Capital stock	35,123	35,123
Capital surplus	20,741	20,741
Retained earnings	171,814	215,002
Treasury stock	(539)	(307)
Valuation and translation adjustments	219	(59)
Valuation difference on available-for-sale securities	162	135
Foreign currency translation adjustment	56	(194)
Liabilities and net assets	875,177	901,598

Summarized Consolidated Statements of Cash Flows

(Unit: million Yen)

Account title	Current period Jan. 1, 2009 through Dec. 31, 2009	Prior period Jan. 1, 2008 through Dec. 31, 2008
Net cash provided by (used in) operating activities	5,418	145,092
Net cash provided by (used in) investing activities	(24,063)	(6,469)
Net cash provided by (used in) financing activities	18,691	(138,595)
Effect of exchange rate change on cash and cash equivalents	255	(153)
Net increase (decrease) in cash and cash equivalents	301	(126)
Cash and cash equivalents at beginning of period	488	614
Cash and cash equivalents at end of period	789	488

(Note) Round down less than one million yen.

Cash Flow

Net cash provided by operating activities

Cash resulting from major business activities including purchasing feedstocks such as crude oil, and refining and selling products. This is calculated by adjusting accounting earnings for expenses not associated with cash payments/receipts, such as depreciation, as well as differences between accruals for trade payable/receivable and actual cash movements.

Net cash provided by investment activities

Mainly cash payments for investment in production facilities and cash proceeds from sales of property, plant and equipment

Net cash provided by financing activities

Includes dividend payments. TonerGeneral paid 21.5 billion yen to shareholders in this period. This category also reflects increases and decreases in debt.

Consolidated Statements of Changes in Net Assets

(January 1, 2009 through December 31, 2009)

(Unit: million yen)

	Shareholder' equity					Valuation and translation adjustments			Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total valuation and translation adjustments	
Balance as of Dec.31, 2008	35,123	20,471	215,002	(307)	270,559	135	(194)	(59)	270,500
Changes during the period									
Dividends from surplus	-	-	(21,462)	-	(21,462)	-	-	-	(21,462)
Net income (loss)	-	-	(21,718)	-	(21,718)	-	-	-	(21,718)
Purchase of treasury stock	-	-	-	(293)	(293)	-	-	-	(293)
Disposal of treasury stock	-	-	(6)	61	55	-	-	-	55
Net changes of items other than shareholders' equity	-	-	-	-	-	26	251	278	278
Total changes during the period	-	-	(43,187)	(231)	(43,419)	26	251	278	(43,140)
Balance as of Dec.31, 2009	35,123	20,471	171,814	(539)	227,140	162	56	219	227,359

(Note) Round down less than one million yen.

Investors Forum

We are trying to improve information disclosure for shareholders and investors. In this section, we respond to questions and opinions from shareholders and introduce useful information.

Q1. How do fluctuations in crude prices affect TonenGeneral's performance?

A1. Our profitability depends on the extent to which changes in crude oil costs are reflected in refined product prices. Furthermore, our performance is also affected by cost recognition method adopted for accounting purposes by TonenGeneral.



For TonenGeneral's operations in the petroleum business, primarily involving refining and marketing, crude oil is the primary raw material, and fluctuations in crude oil prices are registered as fluctuations in raw material costs. Profitability of our petroleum product business is based, among other things, on the difference between crude oil prices and refined product prices (the "margin"). Therefore, our profitability depends on the extent to which changes in crude oil costs are reflected in the prices of the products that we sell, regardless of the absolute level of either crude oil or refined product prices.

Differences in crude cost recognition timing shown in the chart in page 13 also affect our performance in accounting terms.

Q2. What is the impact of the establishment of battery separator film (BSF) joint venture with Toray Industries, Inc. on TonenGeneral Sekiyu's financial results?

A2. In addition to synergy effects from combination of TonenGeneral's BSF business experience and Toray's expertise in research and development, we expect profitability of BSF business to improve in the future.



Taking into account revaluation of the assets of Tonen Specialty Separator Godo Kaisha (a subsidiary fully owned by TonenGeneral group) associated with the capital contribution of Toray to the company, as well as certain anticipated preparation and transaction costs associated with the joint venture, we are currently forecasting a favorable impact on net earnings arising from the transaction of an estimated 20 billion yen, to be recognized in 2010 (current period).

While TonenGeneral's ownership of the BSF business will decline to 50% with formation of the joint venture, effects on near-term earnings (other than transaction effects referred to above) are not expected to be material. Development is also in progress for applications in next-generation hybrid and electric automobiles. As a major component of these vehicles, dramatic growth in demand is anticipated. In the longer term, we anticipate improved earnings streams resulting from the favorable synergy of Toray's expertise in research and development with our BSF business experience and manufacturing facilities.

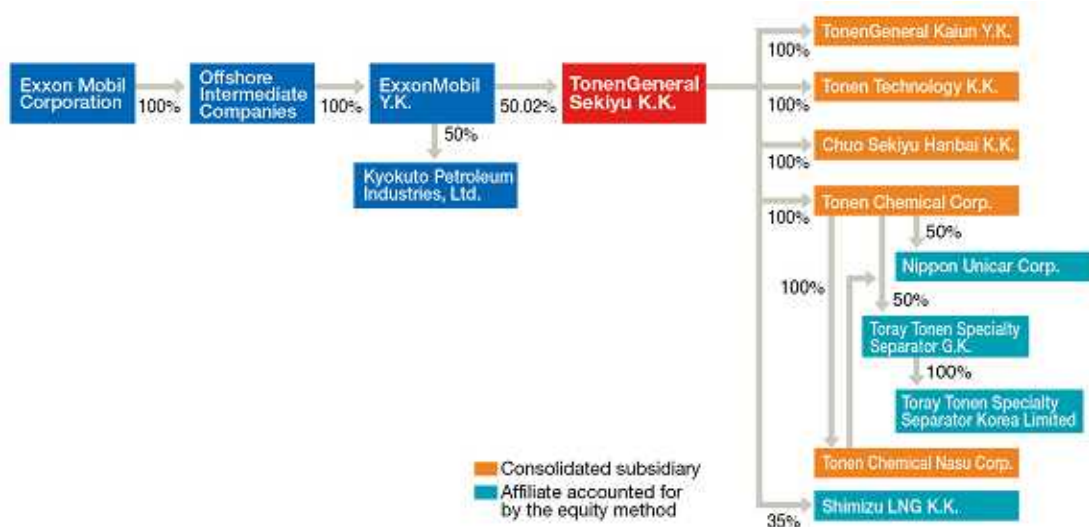
Corporate Overview (as of March 26, 2010)

Company Name	TonenGeneral Sekiyu K.K.	
Securities Code	5012 (Tokyo Stock Exchange, First Section)	
Established	July 26, 1947	
Paid-in Capital	35,123,100,900 yen	
Major Business	Marine transportation of crude oil and petroleum products, manufacturing, processing and sales of petroleum products, and manufacturing, processing and sales of chemical products	
Major Products	Gasoline, Naphtha, Jet Fuel, Kerosene, Diesel Fuel, Fuel Oils, Lubricants, LPG and Chemical Products	
(As of 2009 End)		
Number of Employees	Consolidated: 2,354 (76 increase vs prior year end)	
Directory	Head Office: 1-8-15, Konan, Minato-ku, Tokyo, Japan Kawasaki Refinery: 7-1, Ukishima-cho, Kawasaki-ku, Kawasaki, Kanagawa, Japan Sakai Refinery: 1, Chikko Hamadera-cho, Nishi-ku, Sakai, Osaka, Japan Wakayama Refinery: 1000, Hama, Hatsushima-cho, Arida, Wakayama, Japan Research Center: 6-1, Ukishima-cho, Kawasaki-ku, Kawasaki, Kanagawa, Japan	
Management	Director, Chairmen Representative Director, President Representative Director, Managing Director Representative Director, Managing Director Director Director Director Full-time Statutory Auditor Full-time Statutory Auditor Statutory Auditor Alternate Statutory Auditor	M. J. Aguiar P. P. Ducom* Jun Mutoh W. J. Bogaty Kyoji Yoshida S. K. Arnet D. R. Csapo Tetsuro Yamamoto Masaaki Ayukawa Masahiro Iwasaki* Hisayoshi Kobayakawa**

* Kazuo Suzuki, Representative Director and President, retired and P. P. Ducom was elected Representative Director and President effective March 26, 2010. Effective the same day, Nobuaki Miyajima, Full-time Statutory Auditor, retired and Masahiro Iwasaki was elected Statutory Auditor.

** Alternate Statutory Auditor is elected in advance in case of lack of legally required numbers of statutory auditors

Major Consolidated Affiliates and Partners

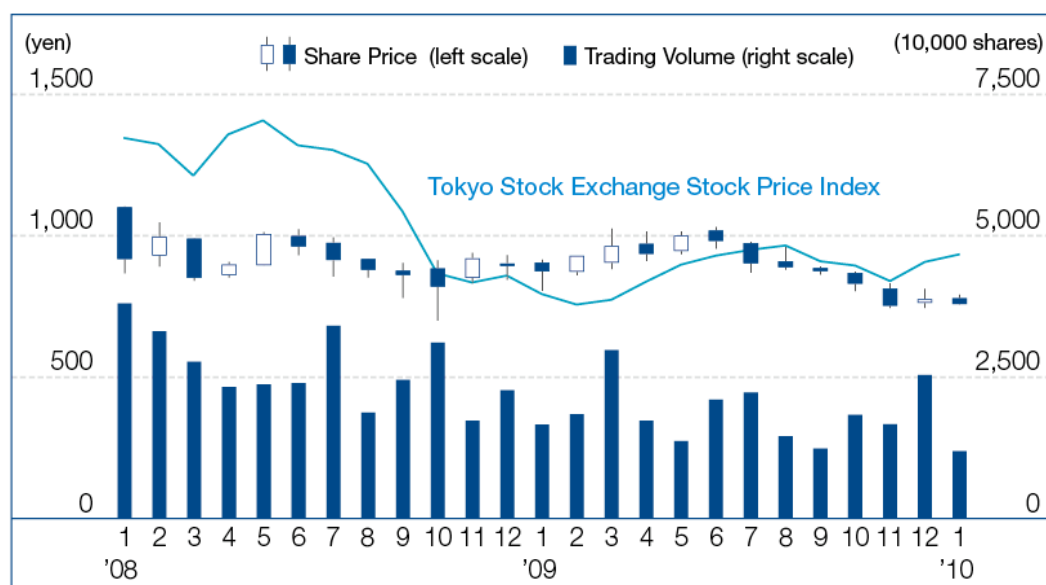


Stock Information

(As of December 31, 2009)

Number of shares authorized to be issued:	880,937,982 shares
Number of shares issued:	565,182,000 shares
Number of shareholders:	52,864 persons

Monthly Share Price Range and Trading Volume



Major Shareholders

Shareholder	No. of Shares (Thousand)	% of Total Shares
ExxonMobil Yugen Kaisha	282,708	50.02
Japan Trustee Services Bank, Ltd. (Trust account)	11,474	2.03
The Master Trust Bank of Japan, Ltd. (Trust account)	10,353	1.83
Kochi Shinkin Bank	8,514	1.50
Sompo Japan Insurance Inc.	7,319	1.29
Nippon Life Insurance Company	4,545	0.80
State Street Bank West Client - Treaty	3,302	0.58
SSBT OD05 Omnibus Account China Treaty Clients	2,811	0.49
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,579	0.45
Japan Trustee Services Bank, Ltd. (Trust account 1)	2,172	0.38