

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.

[ENGLISH TRANSLATION]

Securities Code: 5012

March 6, 2015

To Shareholders

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

Notice of Ordinary General Meeting of Shareholders

You are cordially invited to attend the 95th Ordinary General Meeting of Shareholders of TonenGeneral Sekiyu K. K. ("TG" or "the Company"), to be held as specified below. If you attend the meeting, please present the enclosed voting rights exercise form at the reception desk.

In the event you are unable to attend, you are kindly requested to exercise your voting rights in writing or via the Internet as follows: Review the attached Reference Materials for the Shareholders' Meeting; to exercise your voting rights in writing, respond "yes" or "no" to each agenda item on the enclosed form and return the form to us by 5:00 p.m. on Tuesday, March 24, 2015; or to vote via the Internet, access the website (<http://www.evotep.jp/>) that has been designated by the Company and exercise your voting rights by 5:00 p.m. on Tuesday, March 24, 2015, in accordance with "Procedures For Exercising Voting Rights via the Internet" on page 54.

1. Date & Time: Wednesday, March 25, 2015, at 10 a.m.

2. Venue: "Pegasus" room, 1F, Hotel Nikko Tokyo
9-1, Daiba 1-chome, Minato-ku, Tokyo
(Directions are provided on the last page.)

3. Purposes:

Items for Reporting

Item No. 1: Business Report, Consolidated Financial Statements for the 95th Business Term (from January 1, 2014 to December 31, 2014), and Audit Reports for

Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors

Item No. 2: Report of Non-consolidated Financial Statements for the 95th Business Term (from January 1, 2014 to December 31, 2014)

Items for Resolution

Proposal No. 1: Retained Earnings Distribution

Proposal No. 2: Election of Ten Directors

Proposal No. 3: Election of Four Statutory Auditors

4. Exercise of Voting Rights

<Internet Disclosure>

Information concerning the items below is not included in the Attachment to the Notice of Ordinary General Meeting of Shareholders, but is posted on the Company's website at (<http://www.tonengeneral.co.jp/ir/stockinformation/g-mtg.html>), pursuant to the laws of Japan and the Articles 15 of the Company's Articles of Incorporation.

- ① Notes for Consolidated Financial Statements
- ② Notes for Non-consolidated Financial Statements

<How We Handle Multiple Votes for the Same Proposal>

- (1) If a voting right is exercised multiple times both in writing and via the Internet, the exercise of the voting right via the Internet will be deemed effective.
- (2) If a voting right is exercised multiple times via the Internet, the last exercise of the voting right via the Internet will be deemed effective. If a voting right is exercised multiple times both by personal computer and by mobile phone, the last exercise of the voting right will be deemed effective.

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- Any required corrections to the Attachment to the Notice of Ordinary General Meeting of Shareholders (Business Report, Consolidated Financial Statements and/or Financial Statements) and/or the Reference Materials for General Meeting of Shareholders will be placed on the Company's website (<http://www.tonengeneral.co.jp>).
 - A convocation notice, attachments (Business Report, Consolidated Financial Statements and Financial Statements), and the Reference Materials for General Meeting of Shareholders, as well as English translations of these documents, have been placed on the Company's website.
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(Attachment to the Convocation Notice)

BUSINESS REPORT

(For the year ended December 31, 2014)

1. Business Overview

(1) Developments and Results of Operations

< General Business and Industry Conditions >

In this period, Japan's real GDP growth rate turned negative for the July-September period as well as the April-June period, in part affected by the consumption tax rate hike in April. As the slowdown of the Japanese economy became clear, the government decided to defer the second increase of the consumption tax rate, and the Bank of Japan implemented additional easing of its monetary policy. Consequently, the Japanese yen depreciated further toward year-end, which positively affected the business performance of export-oriented firms and their share prices.

The Dubai spot price, used as a crude price benchmark in Asia, hovered around 105 dollars per barrel in the first half of the year. The price sharply dropped in the latter half of the period, ending the year at 53 dollars per barrel. The average price for the year was 97 dollars per barrel, a decrease of 9 dollars (8 percent) versus the previous year. The yen-US dollar exchange rate (TTS) hovered around 103 yen per dollar, and then depreciated to a rate of 121 yen per dollar by the end of the year. The average rate for the year was 106.79 yen per dollar, a depreciation of 8.06 yen versus the previous year. As a result, the yen equivalent average price for Dubai crude (at loading point) for the period was 64.9 yen per liter, a decrease of 0.6 yen (1 percent) versus the previous period. Whereas the average price changes do not appear large, the speed and extent of the crude price decline in both US dollars and Japanese yen towards the end of this year was of a historically large proportion.

As for domestic fuels demand, with the continuous trend of demand decline, the

higher product prices in the first half reflecting the crude oil price hike, the increase of the consumption tax rate and irregular weather conditions, especially in summer, all contributed to faster-than-expected shrinkage in demand.

In the Olefins market, Ethylene prices were favorable throughout the year owing to strong demand in Northeast Asia, especially China. Prices also reflected lower supply due to turnarounds of major steam crackers in the region. Conversely, domestic demand continued its decline in keeping with long-term trends. As for the Aromatics markets, there was a steep drop in prices starting in February caused by new capacity additions, mainly in Korea. In the fourth quarter, prices in a broad range of chemical products went down due to the link to the feedstock naphtha market, which was in turn impacted by the weaker crude market.

< TonenGeneral Sekiyu's Results for the Term >

TonenGeneral Sekiyu K.K. (TG) consolidated net sales for 2014 amounted to 3,451.1 billion yen, an increase of 209.9 billion yen or 6.5 percent versus the previous year, primarily due to the inclusion of MOC Marketing G.K. (previously, Mitsui Oil Co., Ltd.), as a consolidated subsidiary.

Consolidated operating income was a loss of 72.9 billion yen, a decrease of 125.2 billion yen versus the previous year. Oil segment operating income was a loss of 68.0 billion yen, a decrease of 114.6 billion yen versus the previous year. The Chemical segment had 12.4 billion yen of operating income, a decrease of 10.2 billion yen versus the previous year. There was a 17.3 billion yen amortization of goodwill, which is not allocated by segment but is included in operating income and is reflected in the "Adjustment" column in the table below. The decrease in the Oil segment results was mainly due to inventory valuation losses of 85.7 billion yen caused by the sharp crude price decline at this year-end compared to inventory valuation gains of 45.0 billion yen for the previous year. Oil segment income excluding inventory effects was 17.7 billion yen, a 16.0 billion yen increase versus the previous year due to a recovery of oil product margins starting in the second quarter, and the additional contribution of MOC Marketing G.K. Chemical segment income excluding inventory effects was 13.2 billion yen compared to 20.6 billion yen for the previous year, as strong olefins margins were more than offset by the lower

aromatics margins and the effect of planned maintenance at the Kawasaki site.

With non-operating items including interest expense, foreign exchange gains, and other adjustments, consolidated ordinary income was a loss of 73.4 billion yen, a decrease of 123.2 billion yen versus the previous year. Consolidated net income, which includes extraordinary items and income taxes, was a loss of 14.0 billion yen, a decrease of 36.9 billion yen versus the previous year. Net income includes favorable tax effects amounting to approximately 40 billion yen arising from decapitalization of EMG Marketing Godo Kaisha, a subsidiary of the Company.

The following table shows net sales and segment income by segment in 2014.

Unit: Million yen

	Oil	Chemicals	Total	Adjustment	Consolidated Statement Income Amount
Net Sales	3,104,214	346,882	3,451,097	-	3,451,097
Segment Income (loss)	(68,004)	12,375	(55,628)	-17,319	(72,948)

- Note: 1. Goodwill amortization of 17,319 million yen is shown in the adjustment column as it is not allocated to each segment.
2. Total segment income plus "adjustment" is the same as operating income (loss) in the Consolidated Statement of Income.

The Company paid an interim dividend of 19 yen per share in accordance with a resolution made at the Board of Directors Meeting held on August 14, 2014.

<Oil Business Results>

- Production -

Crude runs at the Kawasaki, Sakai, and Wakayama refineries in 2014 increased to a total of 30,897 thousand kl, including a crude run from April 2014 onward at the Chiba refinery of Kyokuto Petroleum Industries, Ltd. (KPI), which became a consolidated subsidiary. At the Kawasaki refinery, we accomplished a scheduled turnaround and made facility modifications in order to improve reliability and efficiency. We continue to enhance and implement our Profit Improvement Programs. These programs include optimal utilization of secondary units, full capture of integration synergies among the

Refining and Chemical businesses, and diversification of our sources of manufacturing feedstock. Closer sales and production coordination contributed to profit improvement as well.

Capacity & Operating Efficiency

The Company decommissioned two pipestills at Kawasaki and Wakayama thereby reducing the capacity by a total of 105 KBD, and expanded its residual oil hydro conversion capability at Kawasaki in March 2014. In addition, KPI reduced the capacity of the pipestill at Chiba by 23 KBD or 15.3% of total capacity. As a result, all of the TG group's four refineries achieved higher utilization at the pipestills. In addition, we operated our four refineries in a fully integrated way to promote operational optimization ranging from crude oil procurement to production and supply, and effected an increase in the yield of higher value products and moderation of inventory levels.

The Company has submitted actions to improve the ratio of residual oil cracking capacity to pipestill capacity by March 31, 2017 to the Ministry of Economy, Trade and Industry (METI) as a compliance plan under the METI regulation which requires oil companies to further improve the ratio. With intense focus on effective use of energy, the Company and its subsidiary Tonen Chemical Corporation were recognized by the Ministry of Economy, Trade and Industry's Agency for Natural Resources and Energy for achieving the energy benchmarks included in the Energy Conservation Law in September 2014, for the third and the second consecutive year, respectively.

Collaboration in Industrial Complex

The Company has concluded a joint Venture Agreement with Cosmo Oil Co., Ltd. for collaboration to increase operational efficiency and optimization of their respective refineries in Chiba which covers the following:

- To establish a joint organization called Keiyo Seisei JV G.K. (established in January 2015)
- To install pipelines linking the two refineries

- To aim at increased production efficiency using the joint organization to integrate the supply and production plans of the two refineries ahead of pipeline completion, including optimization of facilities
- To target an annual synergy of 10 billion yen through the integration and connection of pipelines

The company captured tactical opportunities in 2014 using existing facilities, e.g. feedstock interchange, and co-loading of export/crude vessels.

In the Kawasaki area, the Company expanded feed optimization with the Toa Sekiyu Kabushiki Kaisha Keihin refinery and reduced production of fuel oil C, which is a lower value product. The Company has also concluded an agreement with Air Water Carbonic Inc. (AWCI) for the manufacture of liquefied CO₂ and dry ice, as well as the construction of a shipping facility on the grounds of the Kawasaki refinery. Commencement of operations at the plant is planned for the second quarter of 2016. In addition to enabling the effective use of the Company's idle land, this project will contribute to its earnings and reduction in CO₂ emissions through the supply of CO₂ to the AWCI Kawasaki plant.

- Marketing -

Overall sales volumes and net sales for oil products in 2014 increased by 4.7 percent to 31,859 thousand kl and 7.2 percent to 3,104,214 billion yen respectively. The following table shows sales results by product.

Oil Product	Sales Volume Thousand kl	Net Sales Million yen
Gasoline	11,145	1,481,479
Kerosene & Diesel Fuel	9,465	802,190
Fuel Oil and Crude	5,482	360,135
Lube	519	83,335
LPG and Other	5,249	377,072
Total	31,859	3,104,214

Strengthen alliances with strategic partners, enhance marketing brand value - Retail

The Company firmly believes that the crucial elements to success are solid brand value aligned with customer needs, and the pursuit of operational efficiency at all of our service stations. Consequently, we share a challenging common objective with our dealers, with whom we endeavor to achieve maximum operational efficiency while increasing added value to our services and products. The Company has continued strengthening the network of the self-service brand Express. The thousandth Express service station was opened in July 2014. While the number of Express stations accounts for approximately 30 percent of the TG Group's service station network, the gasoline and diesel sales volume amounts to 67% of the TG Group's retail sales volume. In addition, we expanded the network of Express stations with Seven-Eleven convenience stores. These sites offer unparalleled levels of customer convenience and are among the Company's most successful retail sites.

We continued to aim to further improve convenience and value to customers through the Speedpass, our contactless payment tool, and Speedpass Plus, an advanced version of Speedpass with an electronic money function which can be used at both service stations and other shops. Customers greatly appreciate the convenience of both Speedpass and Speedpass Plus and as a result, issuance reached 4.91 million by the end of 2014.

While the SEVEN & i group's nanaco loyalty point program had initially been accepted at Express sites only, we started introducing the nanaco program at full-service stations as well in October 2014. We also continued our sales activities, such as sales promotions with Doutor Coffee, lubricants sales expansion focusing on Mobil 1, and keeping a close eye on service station cleanliness.

Strengthen alliances with strategic partners, enhance marketing brand value - Lubricants

In our lubricants business, we have focused on marketing activities related to the environment and fuel efficiency, which were similar themes last year. For Mobil 1, our flagship automotive lubricants, we increased sales volume by expanding into low-viscosity grades which contribute to vehicle engine fuel efficiency. For industrial lubricants, we achieved volume growth especially for Mobil SHC, a product line of synthetic industrial lubricants with advanced technology having applications in the power

sector. Furthermore, by leveraging the technological edge and competitiveness of our products, we successfully acquired new customers in the aviation and marine sectors. In addition, we concluded a contract for a new partnership with the Cosmo Oil group involving lubricant product consignment blending which will enhance the efficiency of lubricants production.

Seeking synergy effects

The Company acquired 95.5% of the issued stocks of Mitsui Oil in February, 2014. Mitsui Oil (current MOC Marketing Godo Kaisha) and Kyokuto Petroleum Industries Ltd., a joint venture of Mitsui Oil and the Company's subsidiary EMG Marketing G.K., became consolidated subsidiaries of the Company as a result of the transaction. We promoted integration as the TG Group to achieve synergy effects, taking advantage of economies of scale and best practices to strengthen our oil business. All 56 service stations directly owned by MOC Marketing were converted into our Express sites and their 15 supply points were switched to TG facilities to save logistic costs.

<Chemical Business Results>

Overall sales volumes and net sales for chemical products in 2014 decreased by 2.9% to 2,547 thousand tons and increased by 0.7% to 346,882 billion yen respectively. The following table shows sales results by product.

Chemical Product	Sales Volume Thousand tons	Net Sales Million yen
Olefins and Other	1,331	173,641
Aromatics	810	99,953
Specialties	406	73,287
Total	2,547	346,882

In our Chemical business, while there was the major four-year interval turnaround this year at the Kawasaki plant, our main plant, the decline in annual sales volume for Olefins of about 9% was less severe than would be typical for a turnaround year. Among the factors was strong demand in the northeast Asia market. We invested to enhance the

shipping capacity at Kawasaki in order to strengthen our competitiveness in the growing overseas market to offset the continuing decline in domestic demand. For Aromatics, we conducted optimized operations, shifting between aromatics and mogas production in a timely manner in response to market conditions, allowing us to cope with a sluggish aromatics market but still achieving a sales volume increase of about 8% measured on a year-on-year basis.

For our Olefins business, we benefited from improvement of our cost competitiveness in overseas markets. For Aromatics, KPI started a study to add new mixed xylene recovery at its Chiba refinery. For Specialty chemicals, we developed an R&D framework to develop petroleum resin products in response to customers' needs.

NUC Corporation (formerly Nippon Unicar Company Ltd.), which became a 100% subsidiary of TG in 2013, established a new office in Shanghai in September 2014 to enhance its high-voltage cable product businesses.

<CSR Management>

Approach to CSR (corporate social responsibility)

The TG Group believes that a company is one of the citizens that make up a society, and we strive to be a good corporate citizen in every community where we operate. Throughout our long history, we have adhered to an approach that includes rigorous safety standards, solid business controls, the implementation of global standards and best practices, and a relentless focus on continuous improvements. These activities are now firmly rooted in our corporate culture and are a source of strength for the TG Group. We will maintain these corporate ideals and continue to comply with relevant laws and regulations as we improve and expand initiatives that contribute to the development and vitalization of the communities around us.

Fundamental to these efforts is the TG Group's mission. As a premier energy company with firm foundations in Japan, we have established the following threefold mission:

- Maintain a stable supply of high-quality petroleum and petrochemical products
- Respond swiftly to the ever-changing business environment and customer needs

while offering high-value-added products and services

- Make meaningful contributions to our customers, employees, shareholders, local communities, and greater society

The TG Group will make every effort to fulfill this mission, and we will continue to contribute to society as a good corporate citizen, trusted by our stakeholders.

Promotion of CSR activities

The TG Group promotes CSR activities through the CSR Promotion Council, which is charged with formulating the TG Group's CSR policies and action plans. The council comprises seven committees: 1) Corporate Ethics Committee, 2) Security, Safety, Health & Environment Committee, 3) Human Rights Promotion and Human Resource Development Committee, 4) Contribution Committee, 5) Product Quality Committee, 6) Risk Management Committee, and 7) Disclosure Committee, which are responsible for the sound implementation of the 18 policies in the TG Group's Standards of Business Conduct.

The Corporate Ethics Committee worked to ensure compliance with TG Group policies on laws and corporate ethics, as well as organizing training sessions as needed and engaging in consulting on a regular basis in order to strengthen the foundation for business management conducted with fairness and integrity. The committee implemented compliance training, study sessions to promote awareness and prevention of harassment, and other initiatives throughout the TG Group, including new Group affiliates, and also sought to maintain and enhance existing control compliance systems through the appropriate revision and systematic organization of Group rules and policies. In regard to the sulfur leak that occurred at our Sakai refinery in June 2011, we take this incident very seriously, and based on recommendations by an investigation committee comprising third-party experts, we have formulated and continue to implement measures to prevent reoccurrence. Specific initiatives include raising awareness regarding legal compliance, improvement of safety management and other aspects of refinery work, and implementation of proper reporting procedures for abnormal conditions. In addition, we have made these and other preventive measures subject to audits to ensure regular confirmation of their effectiveness.

In carrying out our mission, the TG Group places great importance on communication with our stakeholders and endeavors to build up robust, cooperative relationships. Please refer to our CSR Report, which we issue periodically, for more information about our CSR activities.

(2) Financing

The outstanding net debt balance of TG on a consolidated basis was 350.6 billion yen at the end of 2014, an increase of 39.9 billion yen versus 2013. This was mainly to finance the acquisition of shares of Mitsui Sekiyu Kabushiki Kaisha (subsequently renamed to MOC Marketing Godo Kaisha) and consequently to add Kyokuto Petroleum Industries, Ltd. as a consolidated affiliate of the Company. Our basic policy is to fund selected investments meeting our rigorous return criteria, maintain a resilient financial condition and also provide stable returns to shareholders.

(3) Capital Investment

Capital expenditures for 2014 totaled 27.8 billion yen. In Refining, we had system-related investments, and continued our storage tank modification program at each refinery to improve safety in case of earthquakes. In addition, we invested to expand the capacity of and make reliability improvements to the H-Oil unit in the Kawasaki refinery. In Fuels Marketing, investments continued for service stations with Seven-Eleven and for the conversion to Express service stations. In our Chemical segment, investment to enhance export logistics facilities and further improvements to production unit process safety continued from the previous year.

(4) Issues to be addressed by The TG Group

Giving full consideration to the situation of declining oil demand, the Company released its first mid-term management plan in February 2013. The plan summarizes courses of actions and goals over the five years from 2013 to 2017. As a premier petroleum and petrochemical company, in the short term, the Company will focus on solidifying its core oil and petrochemical businesses. In the mid to long term, the

Company will enhance its corporate value by strategic investments in the core businesses and will evaluate options to evolve in growing areas. The Company will continue implementing measures based on the mid-term management plan.

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

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

The TG Group shall endeavor to meet the challenges which we have stated, while

coping with the changing environment. The continued interest and support of our shareholders is highly appreciated.

(5) Changes in Financial Results and Asset Status of the Group

	92nd Term (2011)	93rd Term (2012)	94th Term (2013)	95th Term (2014)
Sales revenue (M ¥)	2,677,115	2,804,929	3,241,150	3,451,097
Operating income (M¥)	216,191	27,298	52,289	△72,948
Ordinary income (M¥)	217,552	22,529	49,816	△73,383
Net income (M ¥)	132,779	54,770	22,902	△13,975
Net income per share (¥)	235.26	122.38	62.84	△38.36
Total assets (M¥)	1,113,517	1,385,014	1,409,081	1,376,212
Net assets (M ¥)	359,473	288,384	294,640	262,753

- Note: 1. The business year of the Company is from January 1 each year to December 31 same year.
2. Net income per share is calculated on the basis of the average number of shares outstanding during the term (excluding the number of treasury shares held during the term).
3. △represents loss.
4. From the 92nd term, crude recognition timing was changed from a loading basis to an arrivals basis at the same time as the accounting method was changed from last-in-first-out (LIFO) to weighted average cost (WAC). The improved operating income of the 92nd term was mainly attributable to inventory effects of 187.7 billion yen related to the inventory valuation method change.
5. The increase in total assets of the 93rd term was mainly due to the fact that EMG Marketing Godo Kaisha became a consolidated company.
6. Developments of the 95th term are described in “(1) Developments and Results of Operations - < TonenGeneral Sekiyu’s Results for the Term >.”

(6) Major Affiliates and Business Alliance (as of December 31, 2014)

1) Consolidated Companies and Equity Companies

The numbers of consolidated companies and equity companies are nine and five respectively as follows:

(i) Consolidated Companies

Name of Company	Capital	Ownership	Major Business
	Million yen	%	
Oil Segment			
TonenGeneral Kaiun Yugen Kaisha	243	100.0	Marine transportation of crude oil and petroleum products
TGSH Godo Kaisha	50	100.0	Stock and equity share holding
Chuo Sekiyu Hanbai Kabushiki Kaisha	30	100.0	Sales of petroleum products
Toyo Sekiyu Hanbai Kabushiki Kaisha	48.1	100.0	Sales of petroleum products
EMG Marketing Godo Kaisha	20,000	99.0	Sales of petroleum products
Kyokuto Petroleum Industries, Ltd.	7,000	99.0	Manufacture of petroleum products
MOC Marketing Godo Kaisha	3,000	95.5	Sales of petroleum products
Chemical Segment			
Tonen Chemical Corporation	1,000	100.0	Manufacture and sale of petrochemicals
NUC Corporation	2,000	100.0	Manufacture and sale of petrochemicals

(ii) Equity Companies

Name of Company	Capital	Ownership	Major Business
	Million yen	%	
Oil Segment			
Kobe Standard Sekiyu K. K.	70	43.1	Sales of petroleum products
Nissei Sekiyu K.K.	80	38.7	Sales of petroleum products
Standard Sekiyu Osaka Hatsubaisho Co., Ltd.	198	36.3	Sales of petroleum products
Shimizu LNG Co., Ltd	3,000	35.0	Purchase and sale of LNG
Japan Biofuels Supply Limited Liability Partnership	400	24.5	Procurement and delivery of biofuels

Note: 1. Ownership ratio includes a portion of indirect holding via subsidiaries.

2. NUC Corporation changed its company name in Japanese to *Kabushiki Kaisha NUC* as of January 1, 2014.
3. The Company acquired 95.5% of the issued stocks of Mitsui Oil Co., Ltd. (currently MOC Marketing Godo Kaisha; its entity form converted from Kabushiki Kaisha to Godo Kaisha as of August 1, 2014) in February 2014. MOC Marketing Godo Kaisha held 100% of the shares of Toyo Sekiyu Hanbai Kabushiki Kaisha and owned a 50% interest in Kyokuto Petroleum Industries, Ltd., which was an equity company of the Company. As a result, Kyokuto Petroleum Industries, Ltd., MOC Marketing Godo Kaisha and Toyo Sekiyu Hanbai Kabushiki Kaisha became consolidated subsidiaries of the Company during the 95th term.
4. The capital of EMG Marketing Godo Kaisha was decreased to be 20,000 million yen as of December 2, 2014.
5. TGSU acquired all the stocks of Toyo Sekiyu Hanbai Kabushiki Kaisha owned by MOC Marketing Godo Kaisha on December 22, 2014.

3) Important Business Alliance

In June 2012, the Company entered into alliance agreements with Exxon Mobil Corporation subsidiaries. The major agreements are those pertaining to trademark license in the area of fuel products, a business alliance regarding the manufacture and sale of lubricant products (including trademark and technical license), and licensing for technologies and intellectual properties regarding production of petroleum and petrochemical products.

(7) Major Business of the Group (as of December 31, 2014)

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, LPG, etc.
Chemical Segment	Manufacturing, processing and sales of petrochemical products	Olefins (Ethylene and other), Aromatics (Paraxylene and other), Hydrocarbon Fluids, Petroleum Resins, Polyethylene, etc.

(8) Principal Places of Operation of the Group (as of December 31, 2014)

Company Name	Division	Location
The Company	Head Office Kawasaki Refinery Sakai Refinery Wakayama Refinery Research Center Singapore Branch Abu Dhabi Office	Minato-ku, Tokyo Kawasaki City, Kanagawa Pref. Sakai City, Osaka Pref. Arida City, Wakayama Pref. Kawasaki City, Kanagawa Pref. Singapore United Arab Emirates
Tonen Chemical Corporation	Head Office Kawasaki Plant	Minato-ku, Tokyo Kawasaki City, Kanagawa Pref.
EMG Marketing Godo Kaisha	Head Office Tsurumi Lube Oil Blending Plant East Japan Branch Kanto Branch Tokyo No. 1 Branch Tokyo No.2 Branch Nagoya Branch Osaka No. 1 Branch Osaka No.2 Branch Chushikoku Branch Kyushu Branch	Minato-ku, Tokyo Yokohama City, Kanagawa Pref. Sendai City, Miyagi Pref. Chiyoda-ku, Tokyo Chiyoda-ku, Tokyo Yokohama City, Kanagawa Pref. Nagoya City, Aichi Pref. Toyonaka City, Osaka Pref. Toyonaka City, Osaka Pref. Takamatsu City, Kagawa Pref. Fukuoka City, Fukuoka Pref.
Kyokuto Petroleum Industries, Ltd.	Head Office / Chiba Refinery	Ichihara City, Chiba Pref.

(9) Employees of the Group (as of December 31, 2014)

Segment	Number of Employees	Change from Previous Term
Oil Segment	2,899	Increase of 564
Chemical Segment	613	Increase of 27
Total	3,512	Increase of 591

- Note:
1. The number of employees above indicates the number of regular employees.
 2. In addition to the above, the average numbers of temporary employees during the current term are 2,613 for the oil segment and 129 for the chemical segment.
 3. The increase vs. previous term end is mainly due to the consolidation of Kyokuto Petroleum Industries, Ltd. and MOC Marketing Godo Kaisha.

(10) Major Sources of Loans (as of December 31, 2014)

Lender	Amount of Loan Outstanding
	Million yen
Japan Oil, Gas and Metals National Corporation	107,769

Note: In addition to the above, there were borrowings via syndicated loans of 120,000 million yen in total.

(11) Other Important Items for the Group

There are no applicable items.

2. Shares of the Company (as of December 31, 2014)

- (1) Total number of shares authorized to be issued: 880,937,982 shares
- (2) Total number of shares issued: 565,182,000 shares
(Number of treasury shares included in the above: 200,876,446 shares)
- (3) Number of shareholders: 45,267
- (4) Major Shareholders (Top 10)

Name	Number of Shares Held	Shareholding Ratio
	Thousands	%
Mobil Oil Exploration And Producing Southeast Inc.	41,885	11.50
Mitsui & Co., Ltd.	36,000	9.88
Japan Trustee Services Bank, Ltd. (Trust account)	12,669	3.48
The Master Trust Bank of Japan, Ltd.(Trust Account)	11,980	3.29
Kochi Shinkin Bank	8,457	2.35
Barclays Securities Japan Limited	6,000	1.65
State Street Bank West Client - Treaty	5,007	1.37
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	3,464	0.95
Japan Trustee Services Bank, Ltd.(Trust account 1)	3,304	0.91
Japan Trustee Services Bank, Ltd.(Trust account 5)	3,290	0.90

- Note: 1. Treasury shares (200,876 thousand shares) are excluded from the above major shareholders.
2. Shareholding ratio represents the number of common shares held, divided by the number of common shares issued excluding treasury shares.

3. Stock Acquisition Rights of the Company

(1) Stock acquisition rights (SAR) held by the Directors of the Company at the end of the current term

Name of SAR (Issuing date)	Number of SAR	Class and number of shares upon exercise of SAR	Value of SAR	Amount to be contributed upon exercise of SAR	Exercise period for SAR	Number of holders
2013 Stock Acquisition Rights (May 15, 2013)	834 units	Common stock 83,400 shares	870 yen per share	1 yen per share	From May 16, 2013 to May 15, 2043	Six Directors
2014 Stock Acquisition Rights (May 15, 2014)	891 units	Common stock 89,100 shares	831 yen per share	1 yen per share	From May 16, 2014 to May 15, 2044	Seven Directors

Note: 1. Principle condition for exercise of stock acquisition rights: The person who has been granted stock acquisition rights shall be entitled to exercise such rights the earlier of the day four years after the day following the day of allotment, or the day following the person's retirement from a Director's position in the Company.
2. The six Directors shown above as holders do not include Outside Directors.

(2) Stock acquisition rights granted to employees of the Company during the current term

There are no applicable items.

(3) Other important items on stock acquisition rights

There are no applicable items.

4. Directors and Statutory Auditors of the Company

(1) Directors and Statutory Auditors (as of December 31, 2014)

Name	Position	Responsibility and Important Concurrent Status
Jun Mutoh	Representative Director and President	(Coverage) Chemical, Corporate Planning, Audit, Financial Services, Corporate function
Takashi Hirose	Representative Director and Vice President	(Coverage) Refining & Distribution, Manufacturing, Research & Engineering, Marketing & Sales, Lubricants & Specialties, Marketing & Supply Coordination, Supply & Trading, Product Quality, Electric Power Business President, EMG Marketing Godo Kaisha
D. R. Csapo	Managing Director	Financial Services
Tomohide Miyata	Managing Director	Refining & Distribution, Manufacturing, Research & Engineering, Electric Power Business
Toyofumi Imazawa	Managing Director	Marketing & Sales, Lubricants & Specialties, Marketing & Supply Coordination Vice President, EMG Marketing Godo Kaisha
Yasushi Onoda	Director	Chemical Division Manager President, Tonen Chemical Corporation
Yuji Saita	Director	Supply & Trading Manager, Product Quality
Hiroyuki Yokota	Director	Corporate function
G. W. Wilson	Director	Manager, Operations Support & Best Practices, ExxonMobil Refining & Supply Company, Exxon Mobil Corporation
Yukinori Ito	Director	(Outside Director)
Tetsuro Yamamoto	Full-time Statutory Auditor	(Outside Statutory Auditor)
Masahiro Iwasaki	Full-time Statutory	

Masaaki Ayukawa	Auditor Statutory Auditor	(Outside Statutory Auditor)
Akira Hattori	Statutory Auditor	Outside Statutory Auditor, Kumagai Gumi Co., Ltd. (Outside Statutory Auditor)

- Note:
1. Messrs. Yuji Saita and Hiroyuki Yokota assumed the office of Director after having been newly elected at the Ordinary General Meeting of Shareholders held on March 25, 2014.
 2. Mr. Akira Hattori assumed the office of Statutory Auditor after having been newly elected at the Ordinary General Meeting of Shareholders held on March 25, 2014.
 3. Mr. Masaaki Funada, Director and Vice President, resigned the office of Director at the conclusion of the Ordinary General Meeting of Shareholders held on March 25, 2014.
 4. Mr. Akira Hattori, Statutory Auditor, resigned the office of Statutory Auditor as of February 6, 2015.
 5. The Company has notified the Tokyo Stock Exchange that Mr. Yukinori Ito, Director, is an Independent Director.
 6. The Company has notified the Tokyo Stock Exchange that Messrs. Tetsuro Yamamoto, Masaaki Ayukawa and Akira Hattori, Statutory Auditors, are Independent Statutory Auditors.
 7. Mr. Tetsuro Yamamoto, Statutory Auditor, served as a Director of a financial institution and as a full-time statutory auditor of a business corporation, and Messrs. Masaaki Ayukawa and Akira Hattori, Statutory Auditors, are qualified as a Certified Public Accountants of Japan. Therefore they have a significant amount of knowledge and experience concerning accounting and finance.
 8. Corporate functions include Information Systems; Procurement; Human Resources & General Affairs; Public & Government Relations; Safety, Health & Environment; and Law.

9. Changes in positions and responsibilities of Directors during the current term

Name	New	Previous	Date of Change
Jun Mutoh	Representative Director, President (Coverage) Chemical, Corporate Planning, Audit, Financial Services, Corporate function	Representative Director, President (Coverage) Safety, Security, Health & Environment; Refining & Distribution; Manufacturing, Research & Engineering; Public & Government Relations	March 25, 2014
Takashi Hirose	Representative Director, Vice President (Coverage) Refining & Distribution; Manufacturing, Research & Engineering; Marketing & Sales; Lubricants & Specialties; Marketing & Supply Coordination; Supply & Trading; Product Quality	Representative Director, Vice President (Coverage) Refining & Distribution; Manufacturing, Research & Engineering; Marketing & Sales; Marketing & Supply Coordination; Supply & Trading	March 25, 2014
Takashi Hirose	Representative Director, Vice President (Coverage) Refining & Distribution; Manufacturing, Research & Engineering; Marketing & Sales; Lubricants & Specialties; Marketing & Supply Coordination; Supply & Trading; Product Quality; Electric Power Business	Representative Director, Vice President (Coverage) Refining & Distribution; Manufacturing, Research & Engineering; Marketing & Sales; Lubricants & Specialties; Marketing & Supply Coordination; Supply & Trading; Product Quality	August 1, 2014
D. R. Csapo	Managing Director (In-charge) Financial	Managing Director (Coverage) Financial	March 25, 2014

	Services	Services	
Tomohide Miyata	Managing Director, (In-charge) Refining & Distribution; Manufacturing, Research & Engineering	Managing Director, (In-charge) Refining & Distribution	March 25, 2014
Tomohide Miyata	Managing Director, (In-charge) Refining & Distribution; Manufacturing, Research & Engineering; Electric Power Business	Managing Director, (In-charge) Refining & Distribution; Manufacturing, Research & Engineering	August 1, 2014
Toyofumi Imazawa	Managing Director, (In-charge) Marketing & Sales, Lubricants & Specialties, Marketing & Supply Coordination	Managing Director, (In-charge) Marketing & Sales, Marketing & Supply Coordination	March 25, 2014
Yasushi Onoda	Managing Director, Chemical Division Manager	Director, Chemical Division Manager	March 25, 2014
Yuji Saita	Director, Supply & Trading, Product Quality	(Newly assumed as Director)	March 25, 2014
Hiroyuki Yokota	Director, Corporate function	(Newly assumed as Director)	March 25, 2014

(2) Amount of Remuneration Paid to Directors and Statutory Auditors

	Current Payment	Number
	Million yen	
Directors (Outside Directors listed above)	309 (16)	11 (1)
Statutory Auditors (Outside Statutory Auditors listed above)	61 (40)	4 (3)
Total	371 (56)	15 (4)

- Note: 1. Retirement allowance to Statutory Auditors was eliminated during the current term, on March 31, 2014. Retirement allowance to Directors had already been eliminated on July 1, 2013.
2. The above amount for Statutory Auditors includes an increase in the reserve for retirement allowance for the current term.

(3) Matters concerning Outside Directors and Statutory Auditors

1) Major activities at Board Meetings

Mr. Yukinori Ito, Director, attended all the Board of Directors' meetings, which were convened fifteen times during the current term, demonstrating his expertise and useful experience derived from having been an outside director and outside statutory auditor of other companies, asking questions and offering opinions. The Company benefited from his active participation.

Mr. Tetsuro Yamamoto, Statutory Auditor, attended all the Board of Directors' meetings and Board of Statutory Auditors' Meetings, which were convened fifteen times and thirteen times respectively during the current term, demonstrating his expertise and useful experience concerning international finance and business operations, asking questions and offering opinions. The Company benefited from his active participation.

Mr. Masaaki Ayukawa, Statutory Auditor, attended all the Board of Directors' meetings and Board of Statutory Auditors' Meetings, which were convened fifteen times and thirteen times respectively during the current term, demonstrating his expertise and useful experience concerning accounting and finance, asking questions and offering opinions. The Company benefited from his active participation.

Mr. Akira Hattori, Statutory Auditor, attended ten of the twelve Board of Directors' meetings and nine of the ten Board of Statutory Auditors' Meetings during the current term since his assumption of the position, demonstrating his expertise and useful experience concerning accounting and finance, asking questions and offering opinions.

The Company benefited from his active participation.

2) Outline of Limited Liability Contracts

The Company has entered into limited liability contracts with Mr. Yukinori Ito, Outside Director, and Messrs. Tetsuro Yamamoto, Masaaki Ayukawa, and Akira Hattori, Outside Statutory Auditors, to limit their liability for damages provided by Article 423, Paragraph 1 of the Companies Act to the amount provided by laws and ordinances.

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

170 million yen

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

183 million yen

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) Content of Non-Auditing Activities

The Company has paid the account auditor compensation for services concerning the issuance of letter of comfort in connection with the issuance of unsecured straight bond and application procedures for the new feed-in tariff scheme which are not covered by Article 2, Paragraph 1 of the Certified Public Accountant Act of Japan.

(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 were judged that exercise of their duties could not be relied upon due to the occurrence of incidents such as those stipulated in 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.

a. 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.

b. 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 owned and operated 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) 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 comprises 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.

c. 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.

d. Systems 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.

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 controls 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 to both 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 Statutory Auditors and The Board of Statutory Auditors (BOSA) are independent from the Board of Directors. Their major role is to audit the execution of business by Directors. They monitor 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. They also confirm the establishment and state of implementation of the Company's internal controls systems, including the SMC, to ensure that the shareholders' interests are properly protected.
- 4) Internal audit review shall be conducted by the Audit Department of EMG Marketing G.K. (EMGM), the Company's affiliate company, pursuant to an agreement between the Company and EMGM under which administrative and service functions are entrusted by the Company to EMGM (the Comprehensive Service Agreement). The Audit Department shall independently assess compliance with policies and procedures, and evaluate the effectiveness of all control systems related to the business and financial reporting. 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 Act, evaluate the reliability and

effectiveness of the Company and the Group's financial reporting, and prepare a report on internal controls.

e. Systems for ensuring the appropriateness of practices of corporate groups formed by the Company and its subsidiaries

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

- 1) Employees and Directors of the Company shall comply with the SMC and SBC.
- 2) Internal audit reviews of the Company shall be conducted by the Audit Department in order to assess compliance with appropriate policies and procedures.
- 3) There are reporting channels available inside and outside the Company to employees in accordance with the Open Door Policy of the Company and Directors and Statutory Auditors shall periodically receive a report on utilization of the whistleblower system and trends/statistics relative to information reported.
- 4) 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.
- 5) The Company shall also cause those subsidiaries which it controls to adopt the systems provided for in this Paragraph e.

f. 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 employees of the Company. This assistance shall consist of the following.

- 1) Discussions with the Statutory Auditors of the Company of 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 the Audit Department and the relevant department
 - (iii) Provision of a report on the internal audit results
- 3) Reports to and consultation with the Statutory Auditors semiannually regarding material items
- 4) Investigations based on requests by the Statutory Auditors.

g. Items concerning such employees' independence from the Directors

Assistance to the Statutory Auditors is primarily provided by the Audit Department. No employees assigned in the Audit Department concurrently serve as staff responsible for businesses.

h. 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) The Audit Department shall report in a timely manner 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 EMGM shall report material items to BOSA periodically and as required by the BOSA.
- 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.

i. 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 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, 2014

(Unit: Million yen)

Account Title	Amounts	Account Title	Amounts
Assets		Liabilities	
Current assets	657,765	Current liabilities	727,554
Cash and deposits	35,048	Notes and account payable-trade	174,552
Notes and accounts receivable-trade	221,098	Gasoline taxes payable	248,473
Merchandise and finished goods	101,860	Short-term loans payable	153,347
Semi-finished goods	70,701	Commercial papers	15,000
Raw materials	167,362	Income taxes payable	2,905
Supplies	10,599	Accrued consumption taxes	19,491
Income taxes receivable	25,232	Guarantee deposits payable	16,573
Deferred tax assets	7,711	Deferred tax liabilities	749
Other	18,471	Provision for bonuses	1,683
Allowance for doubtful accounts	(320)	Other	94,777
Noncurrent assets	718,447	Noncurrent liabilities	385,904
Property, plant and equipment	294,610	Bonds payable	85,000
Buildings and structures	62,578	Long-term loans payable	132,298
Tanks	7,303	Deferred tax liabilities	7,317
Machinery, equipment and vehicles	36,075	Net defined benefit liability	132,997
Tools, furniture and fixtures	2,850	Provision for repairs	23,863
Land	176,022	Asset retirement obligations	2,772
Construction in progress	9,780	Other	1,655
Intangible assets	329,118	Total liabilities	1,113,459
Goodwill	306,316	Net assets	
Leasehold right	8,195	Shareholders' equity	273,233
Software	7,292	Capital stock	35,123
Other	7,314	Capital surplus	57,400
Investments and other assets	94,718	Retained earnings	322,911
Investment securities	19,870	Treasury stock	(142,201)
Deferred tax assets	58,703	Accumulated other comprehensive income	(11,533)
Other	16,262	Valuation difference	576
Allowance for doubtful accounts	(118)	on available-for-sale securities	(12,109)
		Remeasurements of defined benefit plans	(12,109)
		Subscription rights to shares	146
		Minority interests	907
		Total net assets	262,753
Total assets	1,376,212	Total liabilities and net assets	1,376,212

Consolidated Statement of Income

January 1, 2014 through December 31, 2014

(Unit: Million yen)

Account Title	Amounts	
Net sales		3,451,097
Cost of sales		3,421,654
Gross profit		29,442
Selling, general and administrative expenses		102,391
Operating loss		72,948
Non-operating income		
Interest income	92	
Dividends income	217	
Foreign exchange gains	880	
Share of profit of entities accounted for using equity method	791	
Compensation income	292	
Other	872	3,146
Non-operating expenses		
Interest expenses	2,791	
Bond issuance cost	208	
Other	581	3,581
Ordinary loss		73,383
Extraordinary income		
Gain on sales of noncurrent assets	2,200	
Gain on step acquisitions	431	2,631
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	3,848	
Impairment loss	191	
Settlement package	1,169	5,210
Loss before income taxes and minority interests		75,961
Income taxes – current	5,940	
Income taxes – deferred	(68,030)	(62,090)
Loss before minority interests		13,871
Minority interests in income		104
Net Loss		13,975

Consolidated Statement of Changes in Net Assets

January 1, 2014 through December 31, 2014

(Unit: Million yen)

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

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

Balance Sheet

As of December 31, 2014

(Unit: Million yen)

Account Title	Amounts	Account Title	Amounts
Assets		Liabilities	
Current assets	670,865	Current liabilities	685,155
Cash and deposits	27,975	Notes payable-trade	10,930
Accounts receivable-trade	308,743	Account payable-trade	192,885
Merchandise and finished goods	60,533	Gasoline taxes payable	208,934
Semi-finished goods	60,042	Short-term loans payable	123,269
Raw materials	129,878	Current portion of long-term loans payable	342
Supplies	4,427	Short-term loans payable	65,446
Prepaid expenses	4,716	from subsidiaries and affiliates	
Income taxes receivable	21,033	Commercial papers	15,000
Deferred tax assets	4,274	Accounts payable-other	21,496
Short-term loans receivable	32,477	Accrued expenses	12,562
from subsidiaries and affiliates		Income taxes payable	36
Accounts receivable-other	15,843	Accrued consumption taxes	17,455
Other	952	Advances received	7,309
Allowance for doubtful accounts	(33)	Guarantee deposits payable	7,589
		Provision for bonuses	851
		Other	1,047
Noncurrent assets	625,770	Noncurrent liabilities	275,621
Property, plant and equipment	133,966	Bonds payable	85,000
Buildings	9,575	Long-term loans payable	129,855
Structures	21,775	Provision for retirement benefits	40,453
Tanks	5,395	Provision for repairs	19,483
Machinery and equipment	20,708	Asset retirement obligation	543
Vehicles	14	Other	285
Tools, furniture and fixtures	1,396		
Land	67,979	Total liabilities	960,777
Construction in progress	7,122	Net assets	
Intangible assets	11,020	Shareholders' equity	335,548
Goodwill	838	Capital stock	35,123
Leasehold right	1,473	Capital surplus	20,743
Software	3,379	Legal capital surplus	20,741
Technology royalty	5,140	Other capital surplus	1
Right of using facilities	188	Retained earnings	422,882
Investments and other assets	480,783	Legal retained earnings	8,780
Investment securities	7,192	Other retained earnings	
Stocks of subsidiaries and affiliates	1,056	Reserve for property replacement	13,406
Investment in capital	454,584	Retained earnings brought forward	400,694
of subsidiaries and affiliates		Treasury stock	(143,200)
Long-term deposits	1,751	Valuation and translation adjustment	163
Deferred tax assets	12,499	Valuation difference	163
Other	3,732	on available-for-sale securities	
Allowance for doubtful accounts	(32)	Subscription rights to shares	146
		Total net assets	335,858
Total assets	1,296,635	Total liabilities and net assets	1,296,635

Statement of Income

January 1, 2014 through December 31, 2014

(Unit: Million yen)

Account Title	Amounts	
Net sales		2,979,545
Cost of sales		3,013,489
Gross loss		33,944
Selling, general and administrative expenses		26,831
Operating loss		60,775
Non-operating income		
Interest income	140	
Dividends income	73,046	
Other	259	73,445
Non-operating expenses		
Interest expenses	1,987	
Interest on bonds	510	
Foreign exchange losses	1,651	
Bond issuance cost	208	
Other	174	4,533
Ordinary income		8,137
Extraordinary income		
Gain on sales of noncurrent assets	1,802	1,802
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	1,072	
Impairment loss	125	
Settlement package	559	1,757
Income before income taxes		8,181
Income taxes – current	1,441	
Income taxes – deferred	(69,229)	(67,787)
Net income		75,969

Statement of Changes in Net Assets

January 1, 2014 through December 31, 2014

(Unit: Million yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of current period	35,123	20,741	1	20,743
Changes of items during the period				
Dividends from surplus	—	—	—	—
Net income	—	—	—	—
Purchase of treasury stock	—	—	—	—
Disposal of treasury stock	—	—	0	0
Reversal of reserve for property replacement	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—
Total changes of items during the period	—	—	0	0
Balance at the end of current period	35,123	20,741	1	20,743

	Shareholders' equity					Treasury stock	Total shareholders' equity
	Retained earnings				Total retained earnings		
	Legal retained earnings	Other retained earnings					
		Reserve for property replacement	Retained earnings brought				
Balance at the beginning of current period	8,780	13,814	338,163	360,758	(143,139)	273,485	
Changes of items during the period							
Dividends from surplus	—	—	(13,845)	(13,845)	—	(13,845)	
Net income	—	—	75,969	75,969	—	75,969	
Purchase of treasury stock	—	—	—	—	(63)	(63)	
Disposal of treasury stock	—	—	—	—	2	3	
Reversal of reserve for property replacement	—	(407)	407	—	—	—	
Net changes of items other than shareholders' equity	—	—	—	—	—	—	
Total changes of items during the period	—	(407)	62,530	62,123	(60)	62,063	
Balance at the end of current period	8,780	13,406	400,694	422,882	(143,200)	335,548	

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

Independent Auditors' Report
(English Translation*)

February 16, 2015

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

PricewaterhouseCoopers Aarata

Akio Kobayashi, CPA
Designated and Engagement Partner

Takayoshi Yano, CPA
Designated and Engagement Partner

We have audited, pursuant to Article 444 (4) of the Companies Act of Japan, the consolidated financial statements, which comprise 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, 2014 to December 31, 2014.

Management's Responsibility for the financial statements and the supplementary schedules

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements, that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statements audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as examining the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 accordance with accounting principles generally accepted in Japan.

Conflict of Interest

We have no interest in or relationship with the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act 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 Auditor's Report
(English Translation*)

February 16, 2015

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

PricewaterhouseCoopers Aarata

Akio Kobayashi, CPA
Designated and Engagement Partner

Takayoshi Yano, CPA
Designated and Engagement Partner

We have audited, pursuant to Article 436 (2) (i) of the Companies Act of Japan, the accompanying financial statements, which comprise the balance sheet, profit and loss statement, statement of changes 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 95rd fiscal year from January 1, 2014 to December 31, 2014.

Management's Responsibility for the financial statements and the supplementary schedules

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statements audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as examining the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Conflict of Interest

We have no interest in or relationship with the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act 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 Statutory Auditor (Auditor) and reached a consensus to prepare this Audit Report, after deliberation among the Auditors, regarding Directors' execution of duties for the 95th fiscal period from January 1, 2014 to December 31, 2014, as follows.

1. The methods and results of the Statutory Audit by individual Auditors and by the BOSA.
 - (1) On March 25, 2014, the BOSA held a meeting attended by all Auditors, and passed a resolution on the audit policy, audit plan, and assignment of work among the Auditors. The Auditors conducted the audit based on the resolution. However, for those items deemed necessary or appropriate, individual Auditors conducted audits from time to time, outside the scope of the above resolution.
 - (2) Individual Auditors made every effort to maintain good communication with the Directors and 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.
 - (3) As to the BOD meetings, all Auditors examined proposals in advance, and observed the process and results of their reviews covering the matters brought up for resolution and report by attending the BOD meetings. We also asked questions and expressed opinions.
 - (4) We audited the Head Office departments, the refineries, the terminals, the overseas branch, the major subsidiaries, the head office and the major branches of EMG Marketing G.K., by visiting these sites.
 - (5) For the subsidiaries, we maintained communications and exchanged information with the members of the Management Committee of the Godo Kaishas, the Directors and Auditors of the Kabushiki Kaisha. In addition, we periodically received reports on their business performance and visited the sites.
 - (6) We examined the content and monitored the implementation of the BOD resolution regarding the Internal Controls Systems that ensure compliance of Directors' execution of duties with applicable laws and regulations and the Articles of Incorporation, and appropriate business conduct of the Company.

(Translation)

- (7) 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. Also, we discussed the state of the internal controls systems, from time to time, and audited how necessary countermeasures were implemented.
- (8) For the accounting audit, 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. We were also advised by the Accounting Auditor that they had their own internal controls systems in place.
- (9) We periodically held BOSA and auditors meetings in order to discuss the results of the audits conducted by individual Auditors and to exchange opinions for the purpose of sharing 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.
- (10) Based on the above stated steps, we examined the business report and supplements for the current fiscal year. We also examined the financial statements (balance sheet, income statement, statement of changes in net assets, and notes thereon), supplements, and the consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of changes in net assets, and consolidated notes thereon).

2. Result of the audit

(1) Result of the audit of the business report and supplements

It is our opinion that

- (i) The business report and supplements present fairly the status of the Company's business conditions in conformity with the applicable laws and regulations and the Articles of Incorporation,
- (ii) There is no indication of significant wrongdoing or violation of laws and regulations and the Articles of Incorporation in the Directors' execution of duties,
- (iii) The content of the BOD resolution on the internal control systems was appropriate. Also, there are no significant items to be noted on the Directors' executions of duties regarding the internal control systems.

(Translation)

(2) Result of the audit of the financial statements and supplements

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

(3) Result of the audit of the consolidated financial statements

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

February 19, 2015

The Board of Statutory Auditors,
TonenGeneral Sekiyu K.K.

Tetsuro Yamamoto, Full-time Statutory Auditor (Outside Auditor)

Masahiro Iwasaki, Full-time Statutory Auditor

Masaaki Ayukawa, Statutory Auditor (Outside Auditor)

Reference Materials for General Meeting of Shareholders

Proposals and References

Proposal No. 1: Retained Earnings Distribution

The Company considers providing superior total returns to shareholders to be 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 cash flows/profits and capital expenditure plans. We maintain our view that the company's wealth that is not otherwise required in our business in a way that meets our rigorous profitability standards, or necessary to maintain a solid financial position, should be returned to shareholders.

In accordance with this basic policy, it is proposed that the Company pay a term-end dividend for the 95th Business Term, as described below.

1. A dividend of ¥19.00 per common share, totaling ¥ 6,921,805,526
(As the Company paid an interim dividend of ¥19.00 per share, the total amount of dividends for the 95th term shall be ¥38.00 per share.)
2. The dividend will take effect on March 26, 2015.

Proposal No. 2: Election of Ten Directors of the Board

The term of office of all (10) of the Directors will expire at the close of this Ordinary General Meeting of Shareholders. Hence, it is hereby proposed that ten Directors be elected.

The candidates for Directors are as follows.

No.	Name (Date of Birth)	Brief History, Position and Business in Charge in the Company, and Important Concurrent Status	Number of Shares of the Company Held
1	Jun Mutoh (August 20, 1959)	4/1982 Joined General Sekiyu K.K. (currently TonenGeneral Sekiyu K. K.) 3/2004 Director, Wakayama Refinery Manager 3/2006 Representative Director and Managing Director, Wakayama Refinery Manager 4/2006 Representative Director and Managing Director, Kawasaki Refinery Manager 2/2012 Representative Director and Managing Director 6/2012 Representative Director and President (to present) [Business in charge] (Coverage) Chemical, Corporate Planning, Audit, Financial Services, Corporate function	3,000
2	Takashi Hirose (March 29, 1961)	11/1988 Joined Mobil Sekiyu K. K. (currently EMG Marketing Godo Kaisha, "EMGM") 9/2008 Director, Retail Manager, ExxonMobil Yugen Kaisha (currently EMGM) 3/2012 Director 6/2012 Representative Director and Vice President (to present) 6/2012 President, EMGM (to present) [Business in charge] (Coverage) Refining & Distribution; Manufacturing, Research & Engineering; Marketing & Sales; Lubricants & Specialties; Marketing & Supply Coordination; Supply & Trading; Product Quality; Electric Power Business [Important Concurrent Status] President, EMG Marketing Godo Kaisha	None
3	D. R. Csapo (June 17, 1955)	7/1979 Joined Exxon Corporation 9/2008 Director, Controller/Treasurer, ExxonMobil Yugen Kaisha ("EMYK," currently EMG Marketing Godo Kaisha) 3/2009 Director 10/2010 Director, Business Services Manager/Controller, EMYK	None

		10/2010 Representative Director, Tonen Chemical Corporation 3/2013 Managing Director (to present) [Business in charge] Financial Services	
4	Tomohide Miyata (May 8, 1965)	4/1990 Joined Tonen Corporation (currently TonenGeneral Sekiyu K. K.) 7/2008 General Manager and Wakayama Refinery Manager 3/2011 Director, Wakayama Refinery Manager 2/2012 Director, Kawasaki Refinery Manager 6/2012 Managing Director, Kawasaki Refinery Manager 3/2013 Managing Director, Refining & Distribution Manager and Kawasaki Refinery Manager 10/2013 Managing Director, Refining & Distribution Manager (to present) 2/2014 President, Kyokuto Petroleum Industries, Ltd. (to present) [Business in charge] Refining & Distribution; Manufacturing, Research & Engineering; Electric Power Business	None
5	Yasushi Onoda (December 30, 1962)	4/1985 Joined Tonen Corporation (currently TonenGeneral Sekiyu K.K.) 7/2008 General Manager and Sakai Refinery Manager 12/2009 SHE Senior Advisor, ExxonMobil Corporation 3/2011 Director 6/2012 President, Tonen Chemical Corporation (to present) 6/2012 President, Tonen Technology Godo Kaisha (to present) 6/2012 Representative Director and Chairman, Nippon Unicar Company Limited (currently NUC Corporation) (to present) 9/2013 Director, Chemical Division Manager 3/2014 Managing Director, Chemical Division Manager (to present) [Business in charge] Chemical Division [Important Concurrent Status] President, Tonen Chemical Corporation	None
6	Yuji Saita (September 29, 1956)	4/1979 Joined Kyokuto Petroleum Industries, Ltd. 11/1988 Joined Mobil Sekiyu K. K. (currently EMG Marketing Godo Kaisha) 1/2004 Supply Operation Manager 1/2011 Product Trading Manager 6/2012 Executive Officer, Supply and Trading	None

		<p>Manager</p> <p>3/2014 Director, Supply and Trading Manager (to present)</p> <p>[Business in charge]</p> <p>Supply & Trading, Product Quality</p>	
7	Hiroyuki Yokota (July 19, 1965)	<p>4/1989 Joined Tonen Chemical Corporation</p> <p>2/2009 Tax Advisor, Downstream Business Services, Exxon Mobil Corporation</p> <p>8/2010 Tax Manager, ExxonMobil Yugen Kaisha (currently EMG Marketing Godo Kaisha)</p> <p>6/2012 Executive Officer, Law and Secretariat</p> <p>3/2014 Director (to present)</p> <p>[Business in charge]</p> <p>Corporate function</p>	None
8	Yoshikazu Yokoi (August 15, 1957)	<p>4/1984 Joined Mobil Sekiyu K. K. (currently EMG Marketing Godo Kaisha, "EMGM")</p> <p>12/2008 Manager, Investor Relations, ExxonMobil Yugen Kaisha (currently EMGM)</p> <p>9/2012 Strategy Development Manager</p> <p>3/2013 Executive Officer (Public & Government Relations)</p> <p>3/2013 Manager, Public & Government Relations Division, EMGM</p> <p>11/2014 Executive Officer (Marketing & Sales Strategy) (to present)</p> <p>11/2014 Executive Officer, Marketing & Sales Deputy Manager, EMGM (to present)</p>	None
9	Makoto Matsuo (May 28, 1949)	<p>4/1975 Admitted to Japanese Bar (The Dai-ichi Tokyo Bar Association)</p> <p>3/1979 Admitted to New York Bar</p> <p>9/1980 Partner, Ozaki & Momo-o</p> <p>4/1989 Partner, Momo-o, Matsuo & Namba (to present)</p> <p>6/2000 Outside Statutory Auditor, Billing System Corporation (to present)</p> <p>6/2007 Outside Statutory Auditor, CAPCOM Co., Ltd. (to present)</p> <p>10/2008 Outside Director, JVC KENWOOD Holdings, Inc.</p> <p>6/2009 Outside Statutory Auditor, Toray Industries, Inc. (to present)</p> <p>[Important concurrent positions]</p> <p>Partner, Momo-o, Matsuo & Namba</p> <p>Outside Statutory Auditor, Billing System Corporation</p> <p>Outside Director, CAPCOM Co., Ltd.</p> <p>Outside Statutory Auditor, Toray Industries, Inc.</p>	None
10	Yoshiiku Miyata (April 24, 1953)	<p>4/1977 Joined Matsushita Electric Ind. Co., Ltd. (currently Panasonic Corporation)</p> <p>4/2007 Executive Officer, Matsushita Electric Ind.</p>	None

		Co., Ltd.	
	4/2009	Managing Executive Officer, Panasonic Corporation	
	4/2011	Senior Managing Executive Officer, Panasonic Corporation	
	6/2011	Senior Managing Director, Member of the Board, Panasonic Corporation	
	6/2014	Corporate Advisor, Panasonic Corporation (to present)	
		[Important concurrent positions]	
		Corporate Advisor, Panasonic Corporation	

- Note:
1. There are no special interests between either candidate and the Company.
 2. Mr. Makoto Matsuo and Mr. Yoshiiku Miyata are candidates for the office of Outside Director.
 3. Reasons for nomination of candidates for Outside Director:
 Mr. Makoto Matsuo has sufficient years of experience as an attorney-at-law specializing in corporate law and has significant knowledge in this area, and he can take advantage of his abundant expertise to perform duties as an Outside Director.
 Mr. Yoshiiku Miyata has sufficient years of experience as a member of company management and has significant knowledge in this area, and he can take advantage of his abundant expertise to perform duties as an Outside Director.
 4. Mr. Makoto Matsuo has not been involved in company management other than holding office as an Outside Director or Outside Statutory Auditor, however, the Company assesses that he is qualified to appropriately perform duties as an Outside Director for the reasons stated above.
 5. The Company intends to enter into agreements with Mr. Makoto Matsuo and Mr. Yoshiiku Miyata to limit liability for damages pursuant to the provision of Article 423, Paragraph 1 of the Companies Act. The limit on liability for damages under the agreement shall be provided by laws and ordinances.
 6. If the election of Mr. Makoto Matsuo and Mr. Yoshiiku Miyata is approved, each of them will serve as an independent director based on the rules of the Tokyo Stock Exchange, on which the Company is listed.
 7. In regard to the sulfur leak that occurred at our Sakai refinery in June 2011, the Company established investigation committees comprising third-party experts, appointing Mr. Makoto Matsuo as a member, and provided remuneration to committee members.
 8. While Mr. Makoto Matsuo was serving as an outside director of JVC KENWOOD Holdings Inc. ("JVC Holdings") and an outside statutory auditor of Victor Company of Japan, Limited ("Japan Victor"), a consolidated subsidiary thereof until June 2010, JVC Holdings and Japan Victor received a surcharge payment order from the Financial Services Agency with respect to an erroneous statement in the Securities Report caused by undue processing of accounts by Japan Victor during his term. He was not involved in the case and habitually made statements based on observation of laws and ordinances and emphasized compliance at meetings of the Board of Directors, and after the occurrence of this case, he duly performed his duties, including actively expressing opinions in connection with establishing countermeasures for preventing the occurrence of similar cases.

Proposal No. 3: Election of Four Statutory Auditors

Statutory Auditor Akira Hattori resigned as of February 6, 2015, and the term of office of the other three Statutory Auditors will expire at the close of this Ordinary General Meeting of Shareholders. Hence, it is hereby proposed that four Statutory Auditors be elected.

The Board of Statutory Auditors has consented to this proposal.

The candidates for Statutory Auditor are as follows.

No.	Name (Date of Birth)	Brief History, Position and Business in Charge in the Company, and Important Concurrent Status	Number of Shares of the Company Held
1	Masahiro Iwasaki (March 13, 1949)	4/1973 Joined Toa Nenryo Kogyo K. K. (currently TonenGeneral Sekiyu K. K.) 3/2001 Sakai Refinery Manager 4/2006 Project Executive 3/2010 Statutory Auditor 12/2011 Full-time Statutory Auditor (to present)	2,000
2	Masaaki Ayukawa (July 28, 1945)	4/1969 Joined Chuo Audit Corporation (later renamed ChuoAoyama Audit Corporation) 2/1971 Registered with Japanese Institute of Certified Public Accountants 8/2000 Executive Board Member, ChuoAoyama Audit Corporation 9/2006 Executive Board Member, Misuzu Audit Corporation (formerly ChuoAoyama Audit Corporation) 8/2007 Liquidator, Misuzu Audit Corporation (to present) 3/2009 Full-time Statutory Auditor, TonenGeneral Sekiyu K. K. 3/2014 Statutory Auditor (to present) 6/2014 Outside Statutory Auditor, Kumagai Gumi Co., Ltd. (to present) [Important Concurrent Status] Outside Statutory Auditor, Kumagai Gumi Co., Ltd.	None
3	Kyoichi Ikeo (September 29, 1950)	4/1979 Assistant Professor of Marketing, School of Business Administration, Kwansai Gakuin University 4/1983 Associate Professor of Marketing, School of Business Administration, Kwansai Gakuin University 4/1988 Associate Professor of Marketing, Graduate School of Business Administration, Keio University 4/1994 Professor of Marketing, Graduate School of	None

		Business Administration, Keio University 10/2005 Dean, Graduate School of Business Administration, Keio University 4/2014 Emeritus Professor, Keio University (to present) 4/2014 Professor of Marketing, Faculty of Economics, Meiji Gakuin University (to present) [Important Concurrent Status] Emeritus Professor, Keio University Professor of Marketing, Faculty of Economics, Meiji Gakuin University	
4	Nobuko Takahashi (November 17, 1953)	4/1976 Joined Shufunotomo Co., Ltd. 4/1986 Freelance journalist (to present) 6/2006 Director, Tokyo Stock Exchange, Inc. 6/2007 Outside Audit & Supervisory Board member, Benesse Corporation (currently Benesse Holdings, Inc.) (to present) 8/2007 Director, Tokyo Stock Exchange Group, Inc. (currently Japan Exchange Group, Inc.) 6/2009 Outside Audit & Supervisory Board member, Japan Finance Corporation (to present) [Important Concurrent Status] Freelance journalist Outside Statutory Auditor, Benesse Holdings, Inc. Outside Statutory Auditor, Japan Finance Corporation	None

- Note: 1. The above candidates have no special interests in the Company.
2. Mr. Masaaki Ayukawa, Mr. Kyoichi Ikeo, and Ms. Nobuko Takahashi are candidates for the office of Outside Statutory Auditor.
3. Reasons for the nomination of candidates for the office of Outside Statutory Auditor:
- Mr. Masaaki Ayukawa has sufficient years of experience auditing companies as a Certified Public Accountant and has significant knowledge concerning accounting and finance, and he has taken advantage of his abundant expertise to perform duties as an Outside Statutory Auditor of the Company. Mr. Ayukawa will have served for six years in the position of Outside Statutory Auditor of the Company at the close of this General Meeting of Shareholders.
- Mr. Kyoichi Ikeo has sufficient years of experience as a professor specializing in business administration and has significant knowledge in this area, and he can take advantage of his abundant expertise to perform duties as an Outside Statutory Auditor.
- Ms. Nobuko Takahashi has sufficient years of experience as a freelance journalist and has significant knowledge concerning economics and finance, and she can take advantage of her abundant expertise to perform duties as an Outside Statutory Auditor.
4. Mr. Masaaki Ayukawa, Mr. Kyoichi Ikeo, and Ms. Nobuko Takahashi have not been involved in company management other than holding office as an Outside Director or Outside Statutory Auditor, however, the Company assesses that they are qualified to appropriately perform duties as Outside Statutory Auditors for the reasons stated above.

5. The Company has entered into an agreement with Mr. Masaaki Ayukawa to limit liability for damages pursuant to the provision of Article 427, Paragraph 1 of the Companies Act. The limit on liability for damages under the agreement shall be provided by laws and ordinances.
The Company intends to enter into the same agreement with Mr. Kyoichi Ikeo and Ms. Nobuko Takahashi.
6. Mr. Masaaki Ayukawa is currently serving as an independent statutory auditor based on with the rules of the Tokyo Stock Exchange, on which the Company is listed. If his reelection is approved, he will remain an independent statutory auditor. If the election of Mr. Kyoichi Ikeo and Ms. Nobuko Takahashi is approved, each of them will also become an independent statutory auditor.
7. While Ms. Nobuko Takahashi was serving as an outside statutory auditor of Benesse Holdings, Inc., Benesse Corporation, a consolidated subsidiary thereof, confirmed an external leak of customers' personal information. Though she habitually made recommendations from a compliance perspective and was not involved in the case, after the occurrence of the case, she duly performed her duties, including actively requesting investigation of the facts, strengthening the compliance mindset and taking measures for preventing the occurrence of similar cases. After Benesse Corporation established the Personal Information Leakage Incident Investigation Committee, comprising mainly third-party experts, she verified the progress of the committee, and has been auditing implementation of measures based on the final report by the committee, which covers investigation of the facts and causes as well as countermeasures for preventing reoccurrence.

Procedures for Exercising Voting Rights via the Internet

Please exercise your voting rights via the Internet after confirming the following items. If you attend the meeting, the procedures for exercising voting rights either in writing or via the Internet will not be necessary.

1. Website for Exercising Voting Rights

(1) The exercise of voting rights via the Internet is possible only by accessing the website that has been designated by the Company (however, the website is not accessible from 2:00 a.m. to 5:00 a.m.). The website can be accessed by a computer or a mobile phone (i-mode, EZweb, Yahoo! Keitai) with an Internet connection, and directs you to exercise voting rights in your Internet usage environment.

* i-mode, EZweb and Yahoo! are the trademarks or registered trademarks of NTT DOCOMO, INC., KDDI CORPORATION and Yahoo! Inc. (U.S.A.), respectively.

(2) The website for exercising voting rights by computer may not be accessible if anti-virus software is installed in your computer or if your computer environment (OS, browser, etc.) is not compatible.

(3) If you exercise your voting rights by mobile phone, please use i-mode, EZweb or Yahoo! Keitai service. For security reasons, the voting system only supports models with an encryption (SSL) communication function and information transmission capability.

(4) The exercise of voting rights via the Internet will be accepted until 5:00 p.m. on Tuesday, March 24, 2015. However, the Company recommends that you vote earlier than this time. If you have any questions, please contact the Help Desk below.

2. Procedure for Exercising Voting Rights via the Internet

(1) Please log in to the designated site (<http://www.evotepj.com>) using the login ID and provisional password on the voting form and enter your vote for each proposal in accordance with the directions on the screen.

(2) The Company recommends that the provisional password be changed to avoid unauthorized access to the website or the unauthorized exercise of voting rights by third parties.

(3) The Company will inform you of a new login ID and provisional password whenever it sends you a Notice of the Ordinary General Meeting of Shareholders.

3. Online Access Costs

Any connection fees to providers, telephone charges, etc. for accessing the site for the exercise of voting rights shall be borne by the Shareholder. In exercising voting rights via the mobile phone website, any access charges such as packet communication charges and mobile phone charges assessed by mobile phone service providers shall be also borne by the Shareholder.

Please contact the following for inquiries regarding the Internet voting system.

Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division (Help Desk)

Telephone: 0120-173-027 (toll free) (available in Japanese only)

Service Hours: 9:00 – 21:00 (Japan time)