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Announcement of Joint Venture with Qube to Develop Business in Australia

TonenGeneral Sekiyu K.K. (TonenGeneral) announces the establishment of a 50/50 joint venture company with Qube Holdings Limited (Qube), a major provider of import and export logistics services in Australia.

The joint venture intends to develop a fuel storage facility at Port Kembla in New South Wales (NSW) with a potential capacity of 230 thousand kiloliters and expects to complete construction in mid to late 2017. Port Kembla has shipping and logistics advantages enabling low supply chain and operating costs for delivery to much of NSW including South and South West Sydney.

The joint venture also plans to develop a fuel marketing and distribution business to capitalize on the opportunity to supply fuel products from the new import terminal facility. As an initial step, the joint venture has agreed to acquire 100% ownership of Petro National Pty Limited in Australia.

The total capital expenditure for the fuel storage facility and the Petro National Pty Limited acquisition is expected to be around A\$150 million with the majority of the funding required in 2016 and 2017.

Australia is a major export market for TonenGeneral's refined products as import demand has been expanding for the past several years. This development will enable TonenGeneral to extend its distribution of products into Australia as well as enhance Australia's petroleum products supply chain together with Qube.

As stated in the TonenGeneral Group's medium-term management plan announced in 2013, TonenGeneral is seeking business opportunities in growing overseas markets in order to increase value for shareholders. The initiative described above is aligned with the achievement of this objective.

Overview of joint venture company (plan)

Name	TQ Holdings Australia Pty Limited
Location	71 Walker Street, North Sydney, NSW Australia
Representative	Mr. Bradley Wheaton, CEO
Business	Petroleum product sales and fuel storage facility operations

Fiscal year end	June 30
Shareholder investment ratio	Wholly owned affiliates of TonenGeneral and Qube will hold 50% of shareholding ratio respectively
Main business site	Port Kembla, New South Wales

Overview of Qube

Name	Qube Holdings Limited
Location	44 Market Street, Sydney, NSW Australia
Representative	Mr. Maurice James, Managing Director
Business	Import and export supply chains and port infrastructure
Market capitalization	A\$2.5 billion
Fiscal year end	June 30
Sales revenue	A\$1.4 billion

About TonenGeneral (TonenGeneral Group)

The TonenGeneral Group, comprising TonenGeneral Sekiyu K.K. and its related companies and subsidiaries, is primarily engaged in the petroleum and petrochemical businesses TonenGeneral Sekiyu K.K. is listed on the first section of the Tokyo Stock Exchange. For more information, please visit our website at <http://www.tonengeneral.co.jp>.

About Qube

Qube is Australia's largest integrated provider of import and export logistics services with national operations that provide a broad range of services. Since listing in 2007 Qube Holdings Limited has undergone significant growth and joined the ASX (Australian Stock Exchange) Standard & Poor's 200 index in September 2011. For more details please visit <http://www.qube.com.au/>.

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[The official language for TonenGeneral Sekiyu'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 website. While these English versions have been prepared in good faith, TonenGeneral Sekiyu does not accept responsibility for the accuracy of the translations, and reference should be made to the original Japanese language materials.]