January 29, 2012

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(Stock Code: 5012 Tokyo Stock Exchange)
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Notice Relating to Acquisition of Share Capital of ExxonMobil Yugen Kaisha and the Transition to a New Alliance with Exxon Mobil Corporation

TonenGeneral Sekiyu K.K. (the “**Company**”) announces today that it has decided to acquire 99% of the issued share capital of ExxonMobil Yugen Kaisha (headquartered in Minato-ku, Tokyo; President P.P. Ducom) through a transaction expected to close in June 2012. ExxonMobil Yugen Kaisha is currently a wholly-owned subsidiary and a Japanese arm of Exxon Mobil Corporation (headquartered in Texas, USA), which currently owns a controlling interest in TonenGeneral Sekiyu K.K. indirectly through ExxonMobil Yugen Kaisha. In addition to this transaction maintaining capital ties with Exxon Mobil Corporation, the Company and ExxonMobil Yugen Kaisha (collectively, together with the Company’s subsidiaries and affiliates, the “**Company Group**”) will function as an integrated production-distribution operation, and enter into a new business alliance with Exxon Mobil Corporation.

Oil demand in Japan has declined in recent years and the domestic operating environment has been characterized by continuous pressure on both margins and volumes. Through this newly-formed integrated production-distribution operation, the Company will be able to more effectively execute locally-driven investments and other business decisions that will help the Company adapt to the challenging operating environment. Moreover, the Company will be able to further enhance its efficiency and profitability by increasing the level of integration between the marketing and production business divisions, and pursuing business opportunities that will enable it to respond to changing market demands and domestic operating environment.

Exxon Mobil Corporation will continue to be a major but non-controlling shareholder of the Company, and the Company Group will have exclusive rights to use Exxon Mobil Corporation’s brands in Japan. The Company Group will continue to deliver products and services under the ‘Esso’, ‘Mobil’, and ‘General’ brands to customers, distributors and dealers, and also continue to enjoy use of Exxon Mobil

Corporation's technology and technological support relating to oil refining and petrochemicals. The Company will further strengthen its business alliance with Exxon Mobil Corporation as it relates to the lubricant business represented by the 'Mobil 1' brand. In fuels marketing, the Company will continue to provide various services including its credit card (such as Synergy card) and loyalty programs.

The Company, together with ExxonMobil Yugen Kaisha, by adapting quickly to changing customer needs and providing high value-added products and services, will strive to maximize shareholder returns, and contribute to society as an energy company, fulfilling its social responsibilities to provide a reliable supply of energy.

The Company made resolutions with regards to this transaction at a Board of Directors Meeting held today, certain details of which are summarized below.

1. Overview of the Transaction

(1) Overview of the Resolution of the Board of Directors Meeting

At a Board of Directors meeting held today, the Company resolved to enter into: 1) an agreement with ExxonMobil Asia International Limited Liability Company SARL (EMAI), a company indirectly and wholly owned by Exxon Mobil Corporation, to acquire 99% of the shares of ExxonMobil Yugen Kaisha (the "**Sale and Purchase Agreement**"); and 2) various alliance agreements (the "**Alliance Agreements**") defining the new business relationship between the Company and affiliates of Exxon Mobil Corporation (collectively, the "**EM Group Companies**"). The acquisition of the shares of ExxonMobil Yugen Kaisha based on the Sale and Purchase Agreement (the "**Acquisition**", and collectively with business collaboration with Exxon Mobil Corporation based on the Alliance Agreements, the "**Transaction**") is scheduled to be executed on June 1, 2012.

(2) Background and Objectives of the Transaction

The Company mainly refines and supplies petroleum products, sells "General" branded petroleum products and operates petrochemical businesses. A large amount of those products are sold to ExxonMobil Yugen Kaisha. ExxonMobil Yugen Kaisha purchases petroleum products from the Company and Kyokuto Petroleum Industries Ltd., 50% of which is owned by ExxonMobil Yugen Kaisha, and sells those products under the "Esso" and "Mobil" brands alongside various lubricant and petrochemical products. ExxonMobil Yugen Kaisha holds 50.5% of the total voting rights of the Company (50.02% of the total shares outstanding, as of the end of December, 2011). Historically the Company and ExxonMobil Yugen Kaisha have worked closely as one group to maximize shareholder returns and to develop their respective businesses.

As an affiliated company of Exxon Mobil Corporation in Japan, the Company Group has sold "Esso", "Mobil", and "General" branded products, taking full advantage of Exxon Mobil Corporation's high level of technology and industry know-how. In order for the Company to respond to changing market demands and the domestic operating environment, the Company and Exxon Mobil Corporation agreed to review its business structure and adjust the strategy to greater customize it to the Japanese market. The new structure will enable the Company to operate the business in a manner that consistently fits with market needs, including flexible business development and investments appropriate for the future Japanese market environment. The Transaction, through which the Company will acquire 99% of the shares of ExxonMobil Yugen Kaisha, will completely unify the two companies' businesses. The Company hereby endeavors to take a new step toward further enhancing the competitiveness of the Company Group, and its existing four businesses (Refining and Supply, Fuels Marketing, Lubricants and Specialties, and Chemical).

Through the Transaction, the Company will be able to realize the goals below:

i. Further strengthen cooperation among the businesses through common management of production and marketing; and achieve more nimble operations capable of adjusting to domestic market changes.
ii. Look for investment opportunities that are appropriate for the Japanese market environment in order to enhance cost competitiveness and expand business opportunities. Moreover, strengthen sales competitiveness of petroleum products through collaborative marketing with companies in other sectors, and pursue more sophisticated collaboration with other companies in petroleum complexes as well as effective investments in energy efficiency.
iii. As a basis for implementing these measures, aim to generate stable and continuous profits and cash flows by combining the Company's portfolio with that of ExxonMobil Yugen Kaisha whose petroleum products sales business has high efficiency and profitability.

(3) Overview of the Transaction

(i) Method of the Acquisition

Based on the Sale and Purchase Agreement which provides for a closing date of June 1, 2012, the Company will acquire 99% of the shares of ExxonMobil Yugen Kaisha from the current owner, EMAI, for 302 billion yen (the **Purchase Price**, see note 1). While ExxonMobil Yugen Kaisha is currently a parent company of the Company holding 50.5% of its voting rights, it will no longer be so by the time the Transaction takes place.

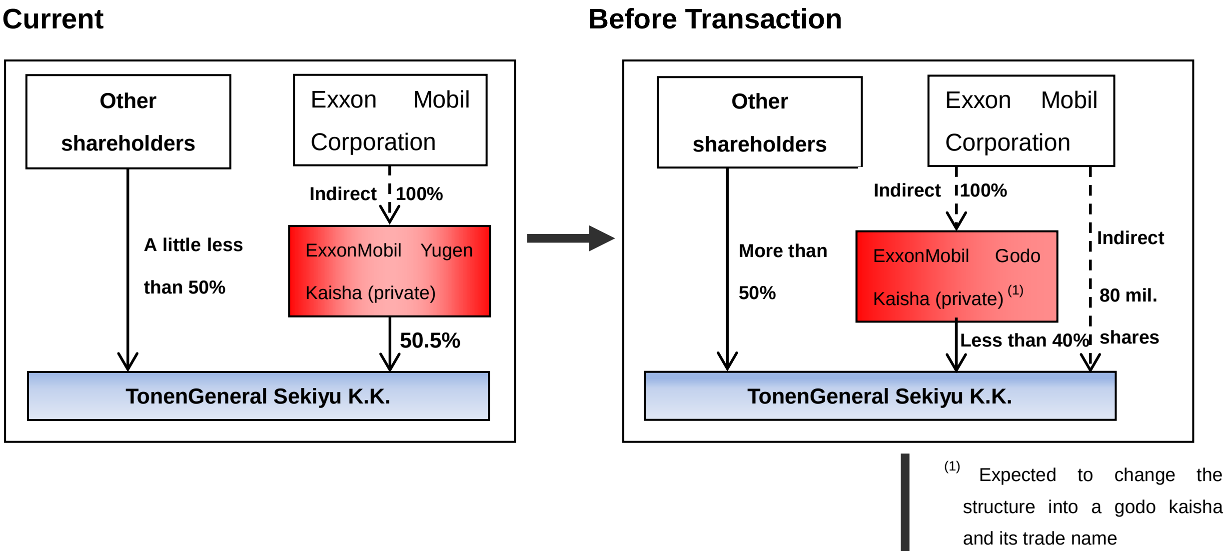
(Note 1) Prior to the Acquisition, there will be some adjustments to the Purchase Price such as taking into account the cash ExxonMobil Yugen Kaisha will have received through the Transactions explained below.

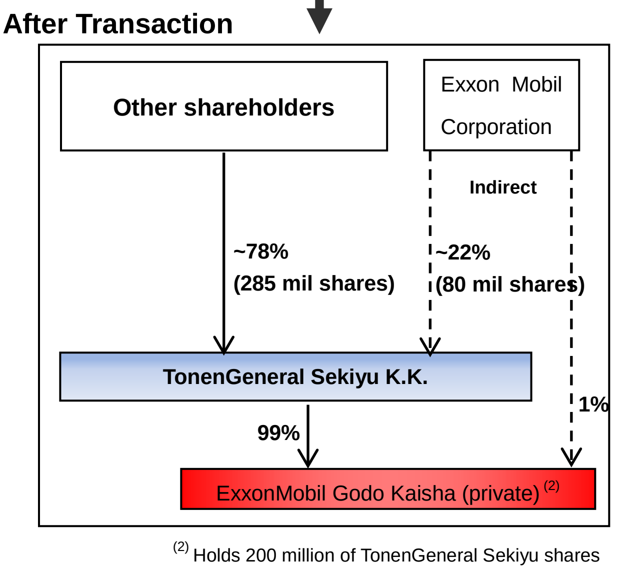
Prior to the Acquisition, the following businesses and assets of ExxonMobil Yugen Kaisha will be transferred to other EM Group Companies. The Company will not acquire nor will ExxonMobil Yugen Kaisha own the following businesses and assets after the Transaction.

i. 80 million common shares of the Company
ii. Part of the Chemicals business (butyl, specialty elastomer, synthetics, polyolefin sales, and catalyst licensing)
iii. Shares of Japan Butyl Co. Ltd., operating butyl rubber business in Japan (50% of the total shares)
iv. Shares of Mobil Korea Lube Oil Inc., operating a lubricants business in Korea (50% of the total shares)

In addition to the transfer of the Company's shares mentioned in i. above, ExxonMobil Yugen Kaisha will sell approximately three million of the Company shares it currently owns to third parties outside of the EM Group Companies before the Transaction. As a result, the number of shares ExxonMobil Yugen Kaisha holds at the time of the Transaction is expected to be approximately 200 million shares.
Since the 200 million shares held by ExxonMobil Yugen Kaisha after the Acquisition will lose their voting rights, the total number of the Company's voting shares will be approximately 360 million shares. As a result, Exxon Mobil Corporation will own approximately 22% of voting shares in the Company after the Acquisition.
Also, ExxonMobil Yugen Kaisha will transform itself into a Limited Liability Company *(Godo Kaisha)* under the Company Act prior to the Acquisition.

The following figures illustrate the capital ties among the Company, ExxonMobil Yugen Kaisha, and Exxon Mobil Corporation in regards to the Transaction.





(Note 2) % in the figures indicates ownership as % of the total number of voting shares

(ii) Overview of the Alliance between the Company and Exxon Mobil Corporation

After the Transaction, the Company will continue to collaborate with Exxon Mobil Corporation as defined under the Alliance Agreements. The Alliance Agreements shall govern the following.

i. Exclusive use of “Esso” and “Mobil” trademarks (includes “Express” and “Speedpass”) in Japan
ii. Business cooperation in regards to lubricants business represented by Mobil1
iii. Ongoing technological support by Exxon Mobil Corporation in the petroleum refining and petrochemical businesses
iv. Ongoing cooperation with Exxon Mobil Corporation in crude procurement
v. Ongoing use of trademarks in the Chemicals business

In addition, Exxon Mobil Corporation has agreed with the Company that it will continue to hold 80 million shares of the Company through EM Group Companies following the Transaction. During the time that EM Group Companies hold the shares, the Company has agreed to nominate two persons recommended by Exxon Mobil Corporation as director candidates.

(iii) Schedule

- Execution of the Sale and Purchase Agreement: January 29, 2012 (the date hereof)
- Closing of the Transaction: June 1, 2012

As stated above, prior to the closing of the Transaction, 80 million shares of the Company will be sold to EM Group Companies, and 3 million shares of the Company will be sold to third parties outside of the EM Group Companies. These transfers of the Company shares will cause ExxonMobil Yugen Kaisha to cease to be a parent company of the Company. These transfers will be announced according to the disclosure rules of the stock exchange.

Since ExxonMobil Yugen Kaisha will be a subsidiary of the Company after the Transaction, it will have a legal obligation to dispose of the Company shares within a certain timeframe. In the interest of optimizing the Company's capital structure, the Company intends to consider various options, including the potential re-issuance of up to 50% of the approximately 200 million Company shares which ExxonMobil Yugen Kaisha will hold upon closing of the Transaction. The timing or any re-issuance is not yet determined.

(4) Measures to Ensure Fairness

Exxon Mobil Corporation and EMAI are parent companies of the Company, owning 50.5% of its total voting rights (50.02% of the total shares outstanding) through ExxonMobil Yugen Kaisha. In addition, four out of nine members of the Board of Directors of the Company are employed by Exxon Mobil Corporation or its affiliates (except the Company or ExxonMobil Yugen Kaisha). Hence, prior to initiating the process to consider the Transaction, the Company, recognizing the potential structural conflict of interest in considering and deciding on the Transaction, and realizing the need for appropriate procedures to ensure the fairness and validity of the conditions of the Transaction such as the consideration to be paid by the Company pursuant to the Transaction including the Purchase Price of 99% of the shares of ExxonMobil Yugen Kaisha, the Company undertook the following measures to ensure impartiality throughout the decision making process on the Transaction and to avoid potential conflicts of interest.

(i) Consideration, discussion and negotiation by the Project Team

Given the above-mentioned potential structural conflict of interest with the potential to influence the process of considering and deciding on the Transaction, the Company formed a project team (the "**Project Team**"), comprised of a limited number of employees (including those of the Company and ExxonMobil Yugen Kaisha), who partook in the consideration and negotiation of the Transaction, in order to eliminate the possibility of arbitrary decision making from the outset of the negotiation. The directors dispatched from Exxon Mobil Corporation and its affiliates other than the Company were strictly excluded from the process conducted by the Project Team for considering the Transaction. The Project Team has not only discussed and negotiated the Transaction with Exxon Mobil Corporation but cautiously deliberated on whether the Company should execute the Transaction, receiving advice from Nomura Securities Co., Ltd. ("**Nomura Securities**"), the Company's financial advisor, and Nishimura & Asahi, the Company's legal advisor.

(ii) Obtaining a valuation report and an opinion on the fairness of the Purchase Price from an independent third-party

To ensure the fairness of the Purchase Price, the Company decided to request a third-party professional institution to calculate the value of the 99% of shares of ExxonMobil Yugen Kaisha which the Company is to acquire based on the Sale and Purchase Agreement (the "**Relevant Stake Equity Value**"), and selected Nomura Securities as that an independent third party. Nomura Securities has conducted valuation and analyses using trading comparable analysis and discounted cash flow (DCF) analysis. The results of each analysis are as follows.

	Valuation Method	Results of Valuation
1)	Trading Comparable analysis	279 billion yen - 423 billion yen
2)	DCF analysis	340 billion yen - 465 billion yen

In the Trading Comparable analysis, the Relevant Stake Equity Value has been estimated in a range between 279 billion yen and 423 billion yen through the analysis and comparison of financial indicators such as market value and profitability of public companies that operate businesses similar to ExxonMobil Yugen Kaisha.

In the DCF analysis, the future cash flows were estimated by Nomura Securities based on the earnings projections of ExxonMobil Yugen Kaisha after the fiscal year ending December 2011, which in turn were based on the business plan prepared by the Company and considering recent trends in the business and other public information. They were then discounted to the present value at a certain rate to calculate the firm value and the equity value. As a result, the Relevant Stake Equity Value has been estimated in a range between 340 billion and 465 billion yen.

In calculating the Relevant Stake Equity Value, Nomura Securities relied on information it had received from the Company as well as publicly available information assuming that it is accurate and complete, and did not conduct its own verification in regards to the accuracy and completeness of such information.

Also, Nomura Securities neither conducted its own analysis, valuation and estimation of the assets and liabilities (including contingent liabilities) of ExxonMobil Yugen Kaisha and its related companies, nor requested a third-party institution valuation, estimation or assessment of these assets and liabilities. The Relevant Stake Equity Value calculated by Nomura Securities reflects the best available information and economic conditions as of January 25, 2012, and assumes that the expected future financials of ExxonMobil Yugen Kaisha were rationally created based on the best possible analysis and estimation by the Company's management at this moment.

Moreover, on January 26, 2012, the Company received a fairness opinion acknowledging the fairness to the Company from a financial point of view of the Purchase Price, which was agreed based on the assumptions mentioned above.

Nomura Securities is not a related party of the Company and does not have a significant interest in regards to this transaction.

(iii) Conducting due diligence

In order to ensure the fairness of the Purchase Price, the Company requested Deloitte Touche Tohmatsu LLC to conduct accounting and tax due diligence, and Nishimura & Asahi to conduct legal due diligence.

In addition to the valuation report from the independent third party appraiser, by reference to the results of due diligence on ExxonMobil Yugen Kaisha conducted by the above-mentioned advisors, the Company determined the Purchase Price through negotiations with Exxon Mobil Corporation.

(iv) Establishment of an Independent Third Party Committee

With a view to maximizing the corporate value of the Company and the common interests of all shareholders, and in order to ensure the fairness of the Transaction and enhance the transparency and impartiality of negotiations and decision-making process related to the Transaction, and based on the resolution of the Board of Directors dated July 27, 2011, the Company established an independent Third Party Committee consisting of one external expert, with no vested interest in Exxon Mobil Corporation or any EM Group Companies or regarding the Transaction, and two external directors of the Company.

The Third Party Committee comprised of the external expert, Mr. Toshio Takano, attorney at law, as the committee chairman, and two external directors of the Company, Yukinori Ito and Masaoki Funada, as members of the Committee. The Project Team regularly reported the status of deliberations to the Committee, and requested that the Committee consider and submit an opinion to the Board of Directors of the Company regarding the legality of the purpose and method of the Transaction, the fairness of the overall process of the Transaction and whether or not the Transaction might be disadvantageous to the minority shareholders of the Company. In response, the Third Party Committee submitted an interim report on August 30, 2011 and a final report on January 29, 2012 to the Board of Directors of the Company. In its final report, the Third Party Committee examined the Transaction in terms of (1) background leading to the Transaction, (2) objective of the Transaction, (3) procedures of the negotiation process, (4) legality of the Transaction scheme, (5) validity of various agreements including the subject Sales and Purchase Agreement, and (6) fairness of the Transaction process to evaluate the Purchase Price, and stated its opinion that the Transaction was implemented through an appropriate process and it is not disadvantageous to the minority shareholders of the Company.

(v) Measures to Avoid Conflicts of Interest

Among the directors of the Company, M. J. Aguiar, P. P. Ducom, S. K. Arnet and D. R. Csapo are also employed by Exxon Mobil Corporation or its affiliates (excluding the Company and ExxonMobil Yugen Kaisha). Therefore, to avoid potential conflicts of interests, the foregoing individuals have not participated in any negotiations regarding the Transaction. Furthermore, they have not participated in any deliberations or resolutions regarding the Transaction by the Board of Directors of the Company. Also in the Board of Directors' meeting held today, which was attended by all directors except the four mentioned above, the resolution to execute the Transaction was passed by a unanimous vote of five directors who have no direct vested interest with the Transaction. Also, all three Statutory Auditors (including external statutory auditors) of the Company participated in the Board of Directors meeting and confirmed that they did not identify any facts or issues which would suggest a breach of fiduciary duty by the directors in relation to the Company's entering into the Transaction with EMAI and Exxon Mobil Group Companies.

2. Overview of the Parties

(1) Overview of the Company and ExxonMobil Yugen Kaisha (As of December 31, 2010)

(1) Company Name	TonenGeneral Sekiyu K.K.	ExxonMobil Yugen Kaisha
(2) Headquarters	W Building 1-8-15 Konan, Minato-ku, Tokyo	W Building 1-8-15 Konan, Minato-ku, Tokyo
(3) Name and Title of Representative	P. P. Ducom Representative Director, President	P. P. Ducom Representative Director, President
(4) Business	Manufacturing, processing and sales of petroleum products and petrochemical products	Sales of petroleum products and petrochemical products
(5) Date of Incorporation	July 26, 1947	December 11, 1961
(6) Paid-in Capital	JPY 35,123 million	JPY 50,000 million
(7) Issued Shares	565,182,000	400,000
(8) Net Worth	JPY 248,295 million (Consolidated)	JPY 115,128 million
(9) Total Assets	JPY 906,846 million (Consolidated)	JPY 623,962 million
(10) Fiscal Year-end	December 31	December 31
(11) Employees	2,178 (Consolidated)	770
(12) Major Shareholders and % Owned	ExxonMobil Yugen Kaisha, 50.02% Japan Trustee Services Bank, Ltd. (trust account), 2.44% The Master Trust Bank of Japan, Ltd. (trust account), 1.98%	ExxonMobil Asia International Limited Liability Company SARL, 100.0%

(13)	Relationship Between the Listed Company (TonenGeneral Sekiyu K.K.) and ExxonMobil Yugen Kaisha	
	Capital Ties	ExxonMobil Yugen Kaisha currently owns 282,708,344 or 50.02%, of the Company's issued shares.
	Personnel Ties	As the Company and ExxonMobil Yugen Kaisha currently operate in unison under the Exxon Mobil Japan Group, they share common directors and second employees among each other. Four directors and two employees of the Company have board member positions at ExxonMobil Yugen Kaisha.
	Trade Ties	The Company and ExxonMobil Yugen Kaisha sell oil products and provide services to each other. The Company also commissions marketing and administrative operations to ExxonMobil Yugen Kaisha.
	Related Party Status	ExxonMobil Yugen Kaisha is currently a parent company of the Company, and is a related party.

Historical 3-Year Financials (JPY million)

	TonenGeneral Sekiyu K.K. (Consolidated)			ExxonMobil Yugen Kaisha (Parent)		
Fiscal Year	Ending 12/2008	Ending 12/2009	Ending 12/2010	Ending 12/2008	Ending 12/2009	Ending 12/2010
Sales	3,272,429	2,111,753	2,398,718	2,052,566	1,347,504	1,569,716
Operating Profit / Loss (△)	121,742	△34,559	33,528	26,681	5,621	19,685
Recurring Profit / Loss (△)	131,290	△34,545	37,011	37,827	15,793	32,422
Net Profit / Loss (△)	79,285	△21,718	42,873	24,119	12,531	33,564

(Note 3) The financial results for ExxonMobil Yugen Kaisha (parent) above include the sales and profits of certain assets which are planned to be transferred to certain subsidiaries of Exxon Mobil Corporation prior to the Transaction. In addition, recurring profit/loss for ExxonMobil Yugen Kaisha (parent) include dividend payments received from TonenGeneral Sekiyu K.K.

(Note 4) Sales of TonenGeneral Sekiyu K.K. include sales to ExxonMobil Yugen Kaisha

(2) Overview of the Transaction Counterpart

(i) Exxon Mobil Corporation

(1) Company Name	Exxon Mobil Corporation	
(2) Address	5959 Las Colinas Boulevard Irving, Texas, United States of America	
(3) Name and Title of Representative	Rex W. Tillerson Chairman and Chief Executive Officer	
(4) Business	Exploration and production of crude oil and natural gas and manufacture of petroleum and petrochemical products as well as transportation and sale of crude oil, natural gas, petroleum and petrochemical products.	
(5) Paid-in Capital	USD 9,371 million	
(6) Date of Incorporation	August 5, 1882	
(7) Relationship Between	Capital Ties	Currently, Exxon Mobil Corporation, through its

the Listed Company (TonenGeneral Sekiyu K.K.) and Exxon Mobil Corporation		subsidiary, indirectly owns 50.02% of the Company's issued shares.
	Personnel Ties	Currently, two employees of Exxon Mobil Corporation are board members of the Company.
	Trade Ties	Not applicable.
	Related Party Status	Exxon Mobil Corporation is currently a parent company of the Company, and is a related party.

(8) Historical 3-Year Financials of Exxon Mobil Corporation

Fiscal Year	**2008**	**2009**	**2010**
Net Worth (Consolidated)	USD 113.0 billion	USD 110.6 billion	USD 146.8 billion
Total Assets (Consolidated)	USD 228.1 billion	USD 233.3 billion	USD 302.5 billion
Net Worth (Consolidated) Per Share	USD 22.70 / share	USD 23.39 / share	USD 29.48 /share
Total Sales (Consolidated)	USD 459.6 billion	USD 301.5 billion	USD 370.1 billion
Profit Before Tax (Consolidated)	USD 83.4 billion	USD 34.8 billion	USD 53.0 billion
Net Income (Consolidated)	USD 45.2 billion	USD 19.3 billion	USD 30.5 billion
Net Income (Consolidated) Per Share	USD 8.70 / share	USD 3.99 / share	USD 6.24 / share
Dividends Per Share	USD 1.55 / share	USD 1.66 / share	USD 1.74 / share

(ii) ExxonMobil Asia International Limited Liability Company SARL

(1) Company Name	ExxonMobil Asia International Limited Liability Company SARL	
(2) Address	Rue De L'Industrie 20, L-8069, Bertrange, Luxemburg	
(3) Name and Title of Representative	Jerry Maertz, Yves Loisel Director	
(4) Business	Holding company	
(5) Paid-in Capital	JPY 13 million	
(6) Date of Incorporation	May 30, 2000	
(7) Major Shareholders and % Owned	ExxonMobil Delaware Holdings Inc., 100.0%	
(8) Relationship Between the Listed Company (TonenGeneral Sekiyu K.K.) and ExxonMobil Asia International Limited Liability Company SARL	Capital Ties	Currently, ExxonMobil Asia International Limited Liability Company SARL owns, indirectly through ExxonMobil Yugen Kaisha, 50.02% of the Company's issued shares.
	Personnel Ties	Not applicable.
	Trade Ties	Not applicable.
	Related Party Status	ExxonMobil Asia International Limited Liability Company SARL is currently a parent company of the Company, and is a related party.

3. Shareholding Acquired Through the Transaction, the Purchase Price, and Changes in Percentage of Shareholding Before and After the Transaction

(1) Percentage of Shareholding Before the Transaction	Shareholding: 0.0%
(2) Acquired Shareholding	Acquired shareholding: 99.0% (Purchase price: JPY 302 billion (Note 5))
(3) Percentage of Shareholding After the Transaction	Shareholding: 99.0%

ExxonMobil Yugen Kaisha, which will become a consolidated subsidiary of the Company after the Acquisition, is expected to transform to a *godo kaisha* structure prior to the Acquisition. As such, the percentage of shareholding acquired through the Acquisition and the changes in percentage of shareholding before and after the Acquisition as shown above refer to those values after ExxonMobil Yugen Kaisha has become a *godo kaisha*.

(Note 5) Adjustments will be made to add to the Purchase Price the cash proceeds of certain transactions between ExxonMobil Yugen Kaisha and affiliates of Exxon Mobil Corporation expected to be completed prior to June 1, 2012 described in 1 (3) (i) above.

4. Prospects

(1) Impact on Current Fiscal Year Financial Performance

The Company is currently assessing the impact of the Transaction on its consolidated and non-consolidated financial performance for fiscal year 2012, and will promptly disclose any facts required to be disclosed, in accordance with the disclosure rules of the Tokyo Stock Exchange. Also, the Transaction is expected to generate significant goodwill, the amount of which will be determined after closing of the Transaction.

(2) Impact on Dividend Policy

The Company intends to continue to carry out its stable dividend policy, while taking into account factors such as the need to maintain a solid balance sheet, generation of cash flows, and capital expenditures plans. At this moment, the Company does not have plans to change the outlook for its FY2011 dividend payment (JPY 38 per share). The Company also expects to maintain this dividend amount per share in FY2012.

(3) Sources of Funds and Financial Policy Going Forward

The Company intends to use a part of its cash on hand (which totaled approximately JPY 100 billion at the end of December 2011) as well as bank borrowings to fund the Purchase Price.
In the interest of optimizing the Company's capital structure, the Company will consider various options, including the potential re-issuance of up to 50% of the approximately 200 million Company shares that ExxonMobil Yugen Kaisha would own upon closing of the Transaction. The timing or the means of disposal are not yet determined.

5. Information Relating to Transactions with the Controlling Shareholder

Exxon Mobil Corporation and ExxonMobil Asia International Limited Liability Company SARL are controlling shareholders of the Company, and this transaction would be a transaction entered into with controlling shareholders. As part of the Company's policy to protect the interest of minority shareholders when enacting transactions with controlling shareholders, the Company will deliberate on material contracts with controlling shareholders within its Board of Directors, and review them from time to time or as necessary. Moreover, it is the Company's practice that the Board of Directors includes Statutory Auditors who will deliberate on and ensure the fairness of transactions between the Company and its controlling shareholders.

With regards to the Transaction, the Company, in pursuing a decision to undertake the Transaction, has, in accordance with 1 (4) above, taken various measures to maintain the fairness of the Transaction by maintaining impartiality and avoiding conflicts of interest throughout the decision-making process, and, having conducted thorough deliberations at the level of its Board of Directors, reached a decision to execute the Transaction.

Moreover, the Company's Statutory Auditors, after deliberation on the maintenance of fairness between the Company and its controlling shareholders, have confirmed that there are no facts which suggest the Transaction would be in violation of any duty of care or loyalty by the directors, hence meeting the requirement of the Company's policy as described above.

Furthermore, as described in 1 (4) (iv) above, on January 29, 2012, an independent committee has evaluated the Transaction from the perspective of (1) background leading to the Transaction, (2) objective of the Transaction, (3) procedures of the negotiation process, (4) legality of the transaction scheme, (5) validity of various agreements including the subject Sales and Purchase Agreement, and (6) fairness of the transaction process to evaluate the Purchase Price, and expressed its view that the Transaction has been conducted through fair and appropriate processes, and would not be disadvantageous for minority shareholders.

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