



Respect for People

Employment

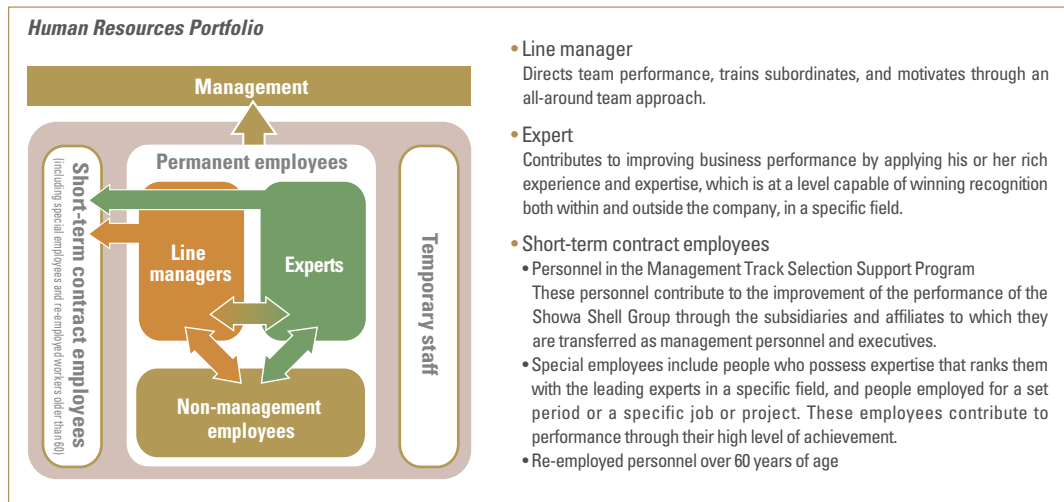
Employment Status

● Current Workforce Makeup

Showa Shell realizes it is vital to employ the best-qualified people and assign them appropriately in order to realize its business strategy. The company seriously considers what human resources are required for its strategy and what should be asked of employees to best realize their strengths. Not all employees should be employed as

“regular staff.” The company’s human resource management also employs a human resources portfolio to motivate and bring out the best in its employees.

In line with this policy, the following specific measures for defining human resources are employed to realize future growth strategies.



Recruitment

Showa Shell employs new graduates, and experienced staff when needed, in line with the human resource portfolio. A committee has been set up to ensure fair recruitment and the safeguarding of human rights. In addition, Nippon Keidanren’s Ethical Charter for Corporate Recruitment Standards for New Graduates is adhered to. The company thus places great importance on human rights and corporate social responsibility in its recruitment efforts.

	Total/average
Employees*	1,028
Average age	44.1
Average length of employment	21.0

*permanent employees and short-term contract employees on a non-consolidated base

Percentage of female employees	Percentage of women among hires of new graduates over the past five years (FY02 to FY06)
18.7%	51.5%

(As of December 31, 2005)

Compliance with Amended Law Concerning Stabilization of Employment of the Aged

To comply with the amendment to the Law Concerning the Stabilization of the Employment of the Aged, which took effect in April 2006, Showa Shell is implementing a reemployment system. Its purpose is to allow people aged 60 and over, who

have a desire to work and will perform with diligence, to put the knowledge and experience they accumulated over their careers to good use. This system is currently in development.

Salary and Welfare System

● Salary Considerations

Showa Shell's compensation system is designed to fairly assess the competencies of each employee and his or her achievements in specific duties. The assessment results are the basis for the subsequent year's remuneration. Thus, employees with outstanding results are expected to grow further, while those who have not achieved as much as anticipated are encouraged to make greater efforts. The company's performance-and-merit-based system is designed to reward employees based on their individual competencies and achievements.

Starting Monthly Salary (Actual, April 2004)

University graduate	Graduate degree holder
¥250,420	¥263,530

● Welfare Considerations

Showa Shell views "welfare" as an interconnective relationship among the individual, the company, and society. In principle, welfare should be ensured with self-help efforts, though welfare efforts that are inefficient or beyond an individual's means should be handled by society. The company, meanwhile, should support each individual's self-help efforts and supplement the role of society. This concept forms the basis of a number of programs the company has developed so that employees can make the most of their competencies.

Efforts to Protect Human Rights and Eliminate Discrimination

Showa Shell views "welfare" as an interconnective relationship among the individual, the company, and society. In principle, welfare should be ensured with self-help efforts, though welfare efforts that are inefficient or beyond an individual's means should be handled by society. The company,

meanwhile, should support each individual's self-help efforts and supplement the role of society. This concept forms the basis of a number of programs the company has developed so that employees can make the most of their competencies.

Abolishing Child and Forced Labor

Showa Shell is not in any way involved with child or forced labor. Its Code of Conduct stipulates that it will "provide a safe workplace environment and good working conditions.