

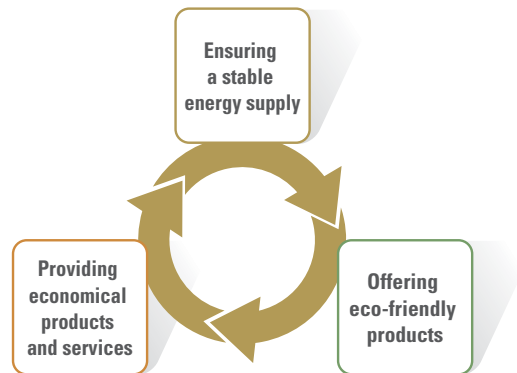


Contributing to Society

Showa Shell regards the fulfillment of its social responsibilities to employees, affiliated dealers, local communities, regional authorities, central government, and a broad range of other stakeholders in Japan to be an important corporate goal. In this section the company will discuss the congenial workplace environment, safety measures, personnel system, and myriad social contribution activities of the company and the Showa Shell Group.

Business Activity Contributions

Showa Shell's biggest contribution to society is ensuring a stable supply and safe use of energy, through its core businesses of petroleum refining and sales. The company continues to increase the efficiency of its business in order to maintain fair profits while building a solid management base and corporate structure. In this way, the company can make a contribution as a responsible member of the larger community.



Ensuring a Stable Oil Supply

Showa Shell and Japanese Petroleum Stockpiling System (Crude Oil and Petroleum Products, and LPG)

Japan is the world's third largest consumer of petroleum, though nearly all of its oil is imported—which shows the fragility of the Japanese oil supply system. In compliance with the Petroleum Stockpiling Law, both the government and the private sector are required to stockpile supplies of oil. Showa Shell stockpiles 70 days' worth of its annual sales volume of crude oil and petroleum products (not including LPG).

The company also always keeps on hand a 50-day supply of LPG, based upon annual import volumes.

