

Consolidated Statements of Income

Showa Shell Sekiyu K.K. and Consolidated Subsidiaries
Years ended December 31, 2003 and 2002

	Millions of yen	
	2003	2002
Net sales	¥1,726,917	¥1,620,359
Cost of sales (Notes 8 and 12)	1,570,156	1,460,458
Gross profit	156,761	159,901
Selling, general and administrative expenses (Notes 8 and 10)	120,787	123,501
Income from operations	35,974	36,400
Non-operating income (expenses):		
Interest and dividend income	492	909
Interest expenses	(2,879)	(3,356)
Exchange gain	1,824	4,432
Equity in earnings of unconsolidated subsidiaries and affiliates	667	374
Others	2,110	1,342
Sub-total	2,214	3,701
Ordinary income	38,188	40,101
Special loss	1,251	7,515
Income before income taxes and minority interests	36,937	32,586
Income taxes (Current) (Note 7)	16,442	9,508
Income taxes (Deferred) (Note 7)	(616)	4,358
Minority interests in earnings of consolidated subsidiaries	111	55
Net income	¥ 21,000	¥ 18,665

	Yen	
	2003	2002
Per share data:		
Net income-basic	¥ 55.96	¥ 49.69
Net income-diluted	55.94	49.67
Cash dividends	25.00	25.00
Shareholders' equity	627.07	592.18

*All figures have been rounded to the nearest million.
See notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

Showa Shell Sekiyu K.K. and Consolidated Subsidiaries
Years ended December 31, 2003 and 2002

	Millions of yen	
	2003	2002
Capital stock:		
Balance at beginning of the year	¥ 34,197	¥ 34,197
Balance at end of the year	34,197	34,197
Capital reserve:		
Balance at beginning of the year	22,086	21,929
Profit on sale of treasury stock	3	3
Surplus from merged company	—	154
Balance at end of the year	22,089	22,086
Retained earnings:		
Balance at beginning of the year	166,718	157,088
Net income	21,000	18,665
Adjustments of retained earnings to reflect exclusion of consolidated subsidiaries	—	5
Increase resulting from merger of subsidiaries	—	10
Cash dividends	(9,354)	(8,995)
Bonuses to the members of the board and corporate auditors	(48)	(55)
Decrease resulting from inclusion of consolidated subsidiaries	(29)	—
Decrease resulting from inclusion of affiliates accounted for by the equity method	(38)	—
Decrease resulting from merger of affiliates accounted for by the equity method	(147)	—
Balance at end of the year	¥178,102	¥166,718

*All figures have been rounded to the nearest million.
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