

### (3) Overseas Sales

For the year ended December 31, 2004	Millions of yen		
	Asia	Others	Total
Overseas sales .....	¥118,311	¥82,118	¥ 200,429
Consolidated net sales .....			1,839,445
Overseas sales as a percentage of total consolidated net sales .....	6.4%	4.5%	10.9%

For the year ended December 31, 2003	Millions of yen		
	Asia	Others	Total
Overseas sales .....	¥126,513	¥77,588	¥ 204,101
Consolidated net sales .....			1,726,917
Overseas sales as a percentage of total consolidated net sales .....	7.3%	4.5%	11.8%

- Notes: 1. Countries and regions are classified on the basis of geographic proximity.  
2. Principal countries included in each geographic segment are as follows;  
(1) Asia .....Singapore, China, Republic of Korea  
(2) Others .....U.A.E., U.S.A, United Kingdom, Switzerland, Bermuda (fiscal 2003 only)  
3. Overseas sales are net sales of the Company and its consolidated subsidiaries in countries and regions outside Japan.

## Report of Independent Auditors

To the Board of Directors  
SHOWA SHELL SEKIYU K.K.

We have audited the accompanying consolidated balance sheets of SHOWA SHELL SEKIYU K.K. and its consolidated subsidiaries as of December 31, 2004 and 2003, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese Yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards, procedures and practices generally accepted and applied in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of SHOWA SHELL SEKIYU K.K. and its consolidated subsidiaries as of December 31, 2004 and 2003, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan (see Note 1).

As described in Note 3, effective for the year ended December 31, 2004, SHOWA SHELL SEKIYU K.K. and its consolidated subsidiaries adopted "Accounting Standard for Impairment of Fixed Assets."

*Chuo Aoyama PricewaterhouseCoopers*

ChuoAoyama PricewaterhouseCoopers

Tokyo, Japan  
March 30, 2005