

## Consolidated Statements of Income

Showa Shell Sekiyu K.K. and Consolidated Subsidiaries  
Years ended December 31, 2004 and 2003

	Millions of yen	
	2004	2003
Net sales (Note 15) .....	¥1,839,445	¥1,726,917
Cost of sales (Notes 9 and 15) .....	1,665,979	1,570,156
Gross profit .....	173,466	156,761
Selling, general and administrative expenses (Notes 7, 9, 11 and 15) .....	113,281	120,787
Income from operations .....	60,185	35,974
Non-operating income (expenses):		
Interest and dividend income .....	289	492
Interest expenses .....	(2,344)	(2,879)
Exchange gain .....	246	1,824
Equity in earnings of non-consolidated subsidiaries and affiliates .....	997	667
Others .....	2,554	2,110
Sub-total .....	1,742	2,214
Ordinary income .....	61,927	38,188
Special loss (Notes 5 and 12) .....	37,113	1,251
Income before income taxes and minority interests .....	24,814	36,937
Income taxes (Current) .....	29,585	16,442
Income taxes (Deferred) .....	(7,206)	(616)
Minority interests in earnings of consolidated subsidiaries .....	73	111
Net income .....	¥ 2,362	¥ 21,000

	Yen	
	2004	2003
Per share data:		
Net income-basic .....	¥ 6.14	¥ 55.96
Net income-diluted .....	6.13	55.94
Cash dividends .....	30.00	25.00
Shareholders' equity .....	605.25	627.07

\*All figures have been rounded to the nearest million.  
The accompanying notes are an integral part of these statements.

## Consolidated Statements of Shareholders' Equity

Showa Shell Sekiyu K.K. and Consolidated Subsidiaries  
Years ended December 31, 2004 and 2003

	Millions of yen	
	2004	2003
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 .....	22,089	22,086
Profit on sale of treasury stock .....	6	3
Balance at end of the year .....	22,095	22,089
Retained earnings:		
Balance at beginning of the year .....	178,102	166,718
Net income .....	2,362	21,000
Increase resulting from merger of consolidated subsidiaries .....	19	—
Cash dividends .....	(11,235)	(9,354)
Bonuses to the members of the board and corporate auditors .....	(57)	(48)
Decrease resulting from inclusion of consolidated subsidiaries .....	—	(29)
Decrease resulting from merger of consolidated subsidiaries .....	(77)	—
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 .....	¥169,114	¥178,102

\*All figures have been rounded to the nearest million.  
The accompanying notes are an integral part of these statements.