

Profile

Showa Shell Sekiyu K.K. was formed in 1985 by an equal merger of two partners: Showa Oil Co., Ltd., established in 1931, and Shell Sekiyu K.K., which had more than a century of tradition in Japan. In the ensuing years, Showa Shell has continued to foster a hybrid corporate culture that incorporates the best of both Japanese and Western management practices. It has the attention to detail of a Japanese enterprise—sensitive to the needs of customers and rooted in the local community. It also has Western-style speed—embodying innovation and change to be responsive to stakeholders and the business environment. With these two features combined, the Company has achieved a corporate revolution that puts it well ahead of the competition.

With its background as a member of the Royal Dutch/Shell Group, the Company is now turning a new page in its history. In 2004, Saudi Aramco, the national oil company of Saudi Arabia, which is the world's largest oil producing nation, became a new partner to Showa Shell. The subsequent infusion of new values will enable Showa Shell to build a multilayered corporate culture and further enhance its corporate value.

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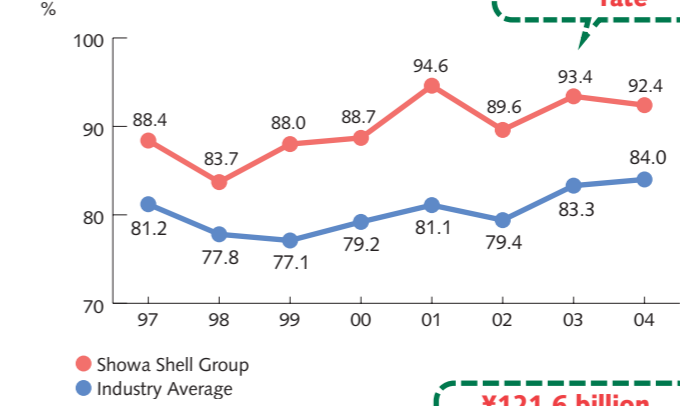
Showa Shell Sekiyu at a Glance—Challenge to Corporate Reform



Long-term rating
Rating and Investment Information Inc. (R&I)A
Japan Credit Rating Agency Ltd.A+p
Moody's Japan K.K.Baa1

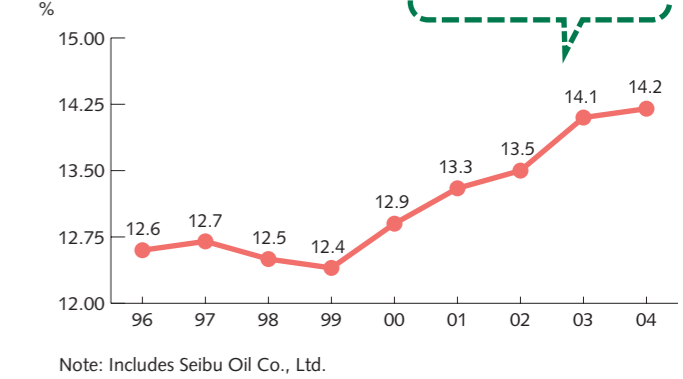
Short-term (CP) rating
Rating and Investment Information Inc. (R&I)a-1

Refinery Capacity Utilization Rate



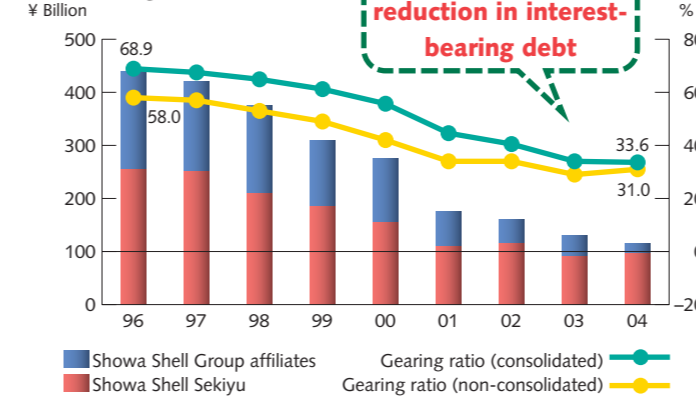
Industry-leading capacity utilization rate

Gasoline Market Share



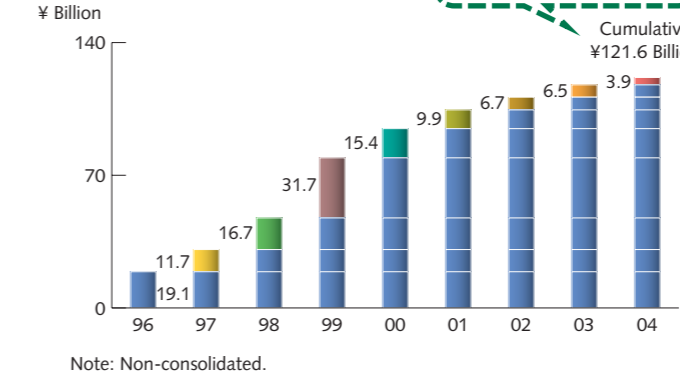
Consistent growth in market share

Borrowings



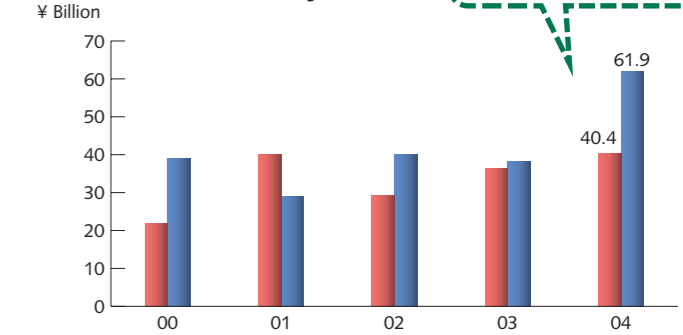
¥325.0 billion reduction in interest-bearing debt

Structural Cost Reductions



¥121.6 billion reduction in structural costs

Consolidated Ordinary Income



Steady improvement in revenue

■ Current Cost of Supply (CCS) basis: Based on cost of supply minus effect of changes in inventory valuations.
■ Weighted-average method: Method used for valuation of inventories at end of period, based on average unit cost of procurement during accounting period.