


# Profile

Showa Shell Sekiyu K.K. was formed in 1985 by a merger between Showa Oil Co., Ltd., established in 1931, and Shell Sekiyu K.K., which had been operating in Japan for more than one hundred years. 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 is rooted in the local community, and speedily responds to the changing needs of customers and the environment, while simultaneously pursuing cutting-edge innovations.

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 through equity participation. Since then, we have been working to foster a receptive corporate culture that can easily accommodate the diversity resulting from the amalgamation of the management styles of the Shell Group and Saudi Aramco, and Japanese business practices.

We at Showa Shell ushered in a new era for Showa Shell with the change in shareholder composition in 2005, and the adoption of our "New Foundation" mission statement demonstrates our commitment to undertaking new challenges. The management at Showa Shell will make the utmost effort to earn the trust of our customers and stakeholders.

Showa Shell Sekiyu has been reborn. We aim to become the leading company in Japan's petroleum refining and sales industry, and the management at Showa Shell is fully committed to ensuring that the Company meets the expectations of all its stakeholders.

すべては、あなたに信頼される企業であるために。 

私たちは約束したい。  
エネルギーとともにある未来を。人間らしい豊かさのある未来を。  
そのために、これまでなかった商品や、  
提案あるサービスを次々と生み出していくことを。

私たちは約束したい。  
生活を、社会全体を活性化させるエネルギーに責任を持つことを。  
人の気持ちを前へ、前へと進めるエネルギーをお届けすることを。

私たちには、その力がある。  
永年培った安定供給の実績と、有難い。  
環境と性能を両立させる、次世代エネルギーの研究。  
お客様のことを考え抜く姿勢と、サービス品質…。

そして、  
私たちは約束したい。  
お客様のために、誰よりエネルギーにあふれる会社になることを。  
あなたとともに、未来へと走り続ける会社であることを。

ずっと走ろう。シェルと走ろう。  
**昭和シェル石油**



## Corporate Message

This corporate message reflects our aim of creating enduring ties with our customers and stakeholders through our daily activities, and our aspiration to become their company of choice in the future. It also expresses the hope that this relationship will be mutually beneficial for all those involved.

[http://www.showa-shell.co.jp/profile/corp\\_message.html](http://www.showa-shell.co.jp/profile/corp_message.html)

# Contents

Consolidated Financial Highlights .....	1
Changes in the Management Environment .....	2
Innovation through our New Foundation Programme .....	3
To Our Shareholders.....	4
Overview of Business Operations .....	10
Research and Development .....	12
CSR Initiatives.....	13
Board of Directors and Corporate Auditors.....	14
Network, Major Subsidiaries, and Affiliates .....	15
Eleven-Year Summary of Selected Financial Data.....	16
Management's Analysis of Financial Position and Operating Results .....	16
Consolidated Balance Sheets .....	20
Consolidated Statements of Income .....	21
Consolidated Statements of Shareholders' Equity .....	21
Consolidated Statements of Cash Flows .....	22
Notes to the Consolidated Financial Statements .....	23
Report of Independent Auditors .....	31
Code of Conduct.....	32
Investor Information .....	33

For more information, visit our website:

<http://www.showa-shell.co.jp/>

### Note about forward-looking statements and forecasts

Statements made in this annual report with respect to current plans, estimates, strategies and beliefs and other statements of Showa Shell Sekiyu K.K. that are not historical facts are forward-looking statements about the future performance of Showa Shell Sekiyu. These statements are based on management's current assumptions and beliefs in light of the information currently available to it and involve known and unknown risks and uncertainties. Actual results may materially differ from those contained in the forward-looking statements as a result of various factors. Important factors that might cause such a material difference include, but are not limited to, currency exchange rate fluctuations, changes in market conditions and in general economic conditions.