

Consolidated Financial Highlights

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

	Millions of yen 2006	Percent change	Millions of yen 2005
For the year:			
Sales proceeds	¥2,921,287	+28.8	¥2,268,488
Operating profit.....	74,301	-24.5	98,381
Ordinary profit*	77,675	-22.7	100,497
	(58,074)	(+9.0)	(53,279)
Net income after taxes.....	46,249	-20.8	58,370
At year end:			
Total shareholders' equity	330,956	+20.2	275,232
Total assets.....	1,195,015	+4.4	1,145,191
Interest-bearing debt	190,526	-0.7	191,830
Yen			
Per share data:			
Net income after taxes per share.....	¥122.95	-32.36	¥155.31
Cash dividends	36.00	+1.0	35.00
Shareholders' equity per share	822.20	+90.12	732.08
Ratios:			
Return on equity (ROE) (%).....	15.8	-7.4	23.2
Return on average capital employed (ROACE) (%)	9.6	-5.2	14.6
Gearing ratio** (%).....	38.5	-4.6	41.1

*Figures in parentheses are calculated on a current cost of supply (CCS) basis. Inventories are stated at historical cost, mainly based on the weighted average method. Cost of sales is calculated using the weighted average of the cost of inventory purchased during the reporting term (current cost) and the cost of inventory at the start of the term (previous term-end inventory). Consequently, during periods when the price of crude oil is rising, the inclusion of the relatively inexpensive start-of-term inventory serves to bring down the cost of sales recognized in the accounts below the actual level of inventory costs during the reporting term (current cost). Conversely, during periods when crude oil prices are on a downward trend, the start-of-term inventory price is higher per unit than that for inventory purchased during the term, and the cost of sales is higher than actual inventory purchase costs for the term (current cost).

**Gearing ratio is interest-bearing debt/Average capital employed (shareholders' equity plus interest-bearing debt)

