

CODE OF CONDUCT

We, the directors, officers and employees of the company, affirm our commitment to the Management Philosophy. In order to meet the challenges of an ever-changing business environment and to increase the trust and confidence of all stakeholders in our company and earn the respect of society, we hereby promulgate the Code of Conduct based upon the Management Philosophy.

1. Objectives

Showa Shell's objective is to engage responsibly and efficiently in profitable business activities in the field of oil refining and sales and related areas, as well as in areas that arise from those businesses. The company shall strive for a high standard of performance and aim to maintain its position in the competitive environment.

2. Responsibilities

Showa Shell recognizes the following responsibilities:

- 1) Responsibility to shareholders
To be trusted with shareholders' investments and offer satisfying returns.
- 2) Responsibility to customers
To win and retain customers by developing and offering products and services valued in terms of price, quality, safety, and the environment. Such services are based upon Showa Shell's expert knowledge of technology, the environment, and the industry.
- 3) Responsibility to employees
To respect the characteristics and individuality of all employees and provide a safe working environment and positive working conditions. To further encourage employee development and utilization of their skills and promote employee participation in accordance with this Code of Conduct.
- 4) Responsibility to Cooperating Companies
To pursue mutually beneficial relationships with cooperating companies (including joint venture partners) and to endeavor to promote the practice of Code of Conduct principles. To make respect for the principles in this Code of Conduct one factor in commencing or continuing relationships with cooperating companies.
- 5) Responsibility to society
To conduct business as a responsible corporate citizen, comply with the law, and respect basic human rights. To further give ample consideration to health, safety, security, and the environment in the quest for sustainable development.

3. Economic Principles

Showa Shell realizes that sound profits are essential to fulfilling its responsibilities and sustaining its business. Profits are a measure of both the company's efficiency and customers' satisfaction with the company's products and services. Profits are also essential to allocating company resources and continuous investment in order to ensure a stable energy supply in response to customer needs. Without profits and a firm financial base, the company cannot

fulfill its responsibilities outlined above. Investment decisions are made not only with regard to economic feasibility, but also with serious consideration for other factors, including social and environmental impact.

4. Corporate Ethics

The company has formulated and observes internal regulations, and it demands honesty, integrity, and fairness in all aspects of business operations. The same is expected in its relations with all business partners. The offer, payment, solicitation, and acceptance of bribes in any form constitute unacceptable business practice. Employees must avoid conflicts of interest between their private financial interests and the conduct of company duty. All business transactions on behalf of the company must be reflected accurately and fairly in the accounts of the company in accordance with established procedures, and are subject to audit.

5. Political Activities

Showa Shell shall act in a socially responsible manner under the law in the pursuit of its business objectives. Showa Shell shall not make payments to political parties, organizations or their representatives or take part in party politics. However, it shall retain the right to make known its position on any matter that affects its own interests, or the interests of its employees, customers, or shareholders.

6. Health, Safety, Security, and Environment

Showa Shell shall make systematic and continuous efforts in the areas of health, safety, security, and the environment in the pursuit of ongoing corporate development. The company shall approach these matters as it does other critical business matters, and shall set goals for improvement and measure, evaluate, and report results.

7. The Community

Showa Shell shall, as a responsible member of society, make positive contributions to the community. The company recognizes that the most important contribution to society it can make is in performing its business activities as efficiently as possible.

8. Competition

Showa Shell shall compete freely and fairly in compliance with competition laws.

9. Communications

Showa Shell shall recognize the importance of disclosing corporate information due to the importance of its business activities and the effect they may have on the national economy as well as individuals. The company shall disclose such information in a timely and appropriate manner.

10. Showa Shell Group Companies

Showa Shell shall strive to ensure that its subsidiary companies adopt and adhere to this Code of Conduct, just as the company has committed to do.