

English Translation

Supporting Material for Interim Results 2008

August 2008

Showa Shell Sekiyu K.K.



Notes

This document contains forward-looking statements concerning the results of operations and businesses of Showa Shell Sekiyu K.K..

Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements.

- Sales proceeds increased by 9.9% versus the same period a year ago and ordinary income increased by 88.%, but CCS ordinary income excluding the inventory valuation effects decreased by 9.1%.
- While domestic demand for petroleum is declining, income of petroleum business has increased though strengthening domestic sales, expansion of product exports, and stable refinery operations.
- However, the improvement in the petroleum business could not offset the declined margin of petrochemical business, and CCS ordinary income declined from that of the previous year.
- Through efficient service station network with more self-service stations and by increasing the number of our LPG customers, revenue base in retail business has been strengthened.
- The forecast for full year 2008 consolidated sales proceeds is amended to 3,530 billion yen (+14.5% versus the same period a year ago), ordinary income to 100 billion yen (+7.9% versus the same period a year ago). No change is made to the forecast of CCS ordinary income of 50 billion yen.
- Interim dividend in respect of the interim 2008 will be 18 yen per share. The year-end dividend is also expected to be 18 yen per share, making the total dividend for the year 36 yen per share.

Crude oil price & Exchange rate

		2007 Results	2008 Results		
			Jan-Mar	Apr-Jun	Jan-Jun
Dubai crude oil price	(US \$/bbl)	68.3	91.3	116.7	104.0
Exchange rate	(¥ /US \$)	117.9	105.2	104.6	104.9

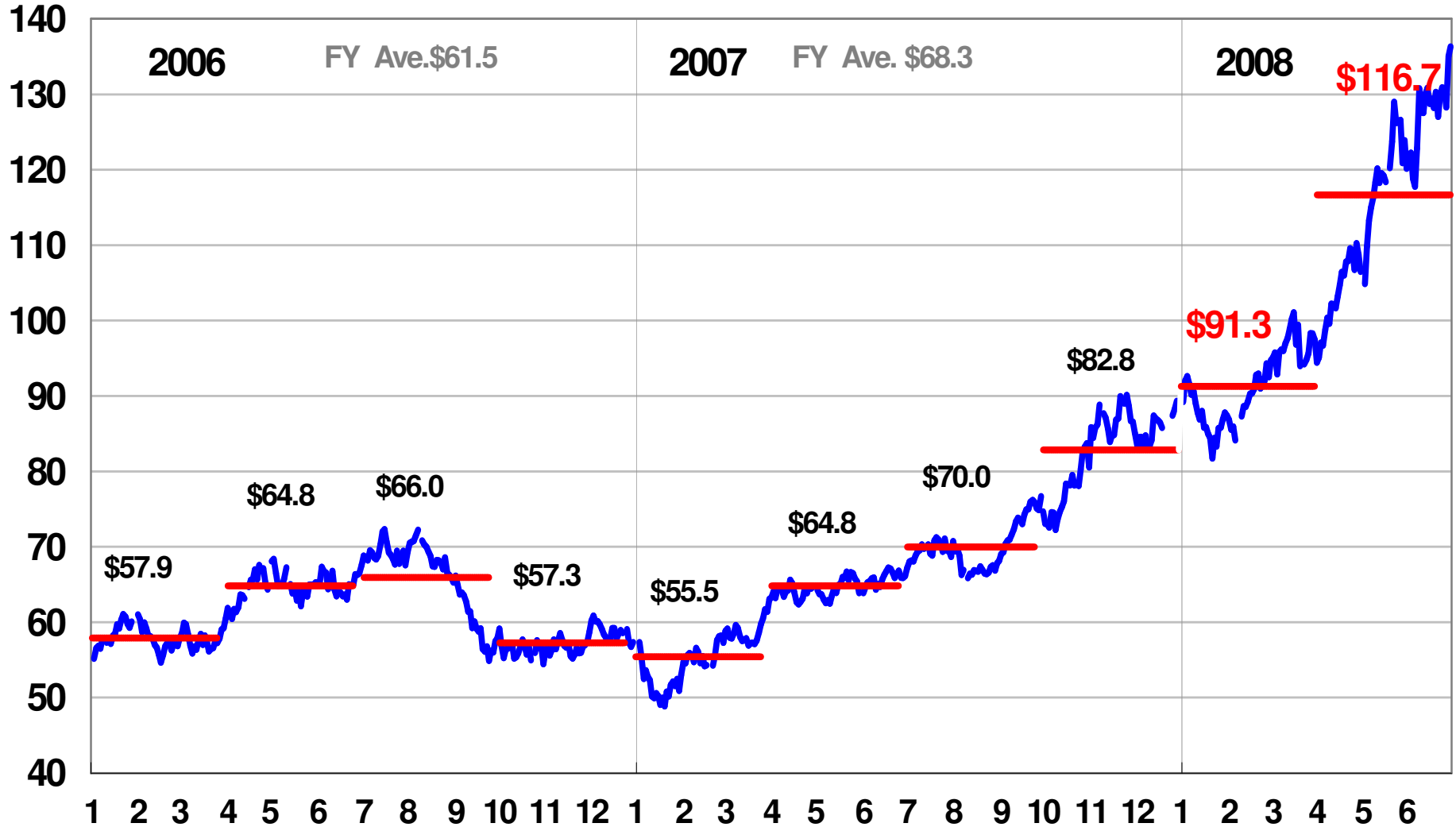
Consolidated profit and loss

		2007 Results	2008 Results	Changes	vs. interim/2007(%)
		Jan-Jun	Jan-Jun		
Sales proceeds	million yen	1,526,079	1,677,438	+ 151,359	+9.9%
Operating income	million yen	38,164	72,281	+ 34,117	+89.4%
Ordinary income	million yen	39,213	73,728	+ 34,515	+88.0%
Net income	million yen	20,942	39,201	+ 18,258	+87.2%
※CCS operating income	million yen	29,074	25,948	- 3,125	-10.7%
※CCS ordinary income	million yen	30,122	27,395	- 2,727	-9.1%

【Notes】 CCS ordinary income (ordinary income on Current Cost of Supply basis) :
 ordinary income based on the cost excluding inventory valuation effects.

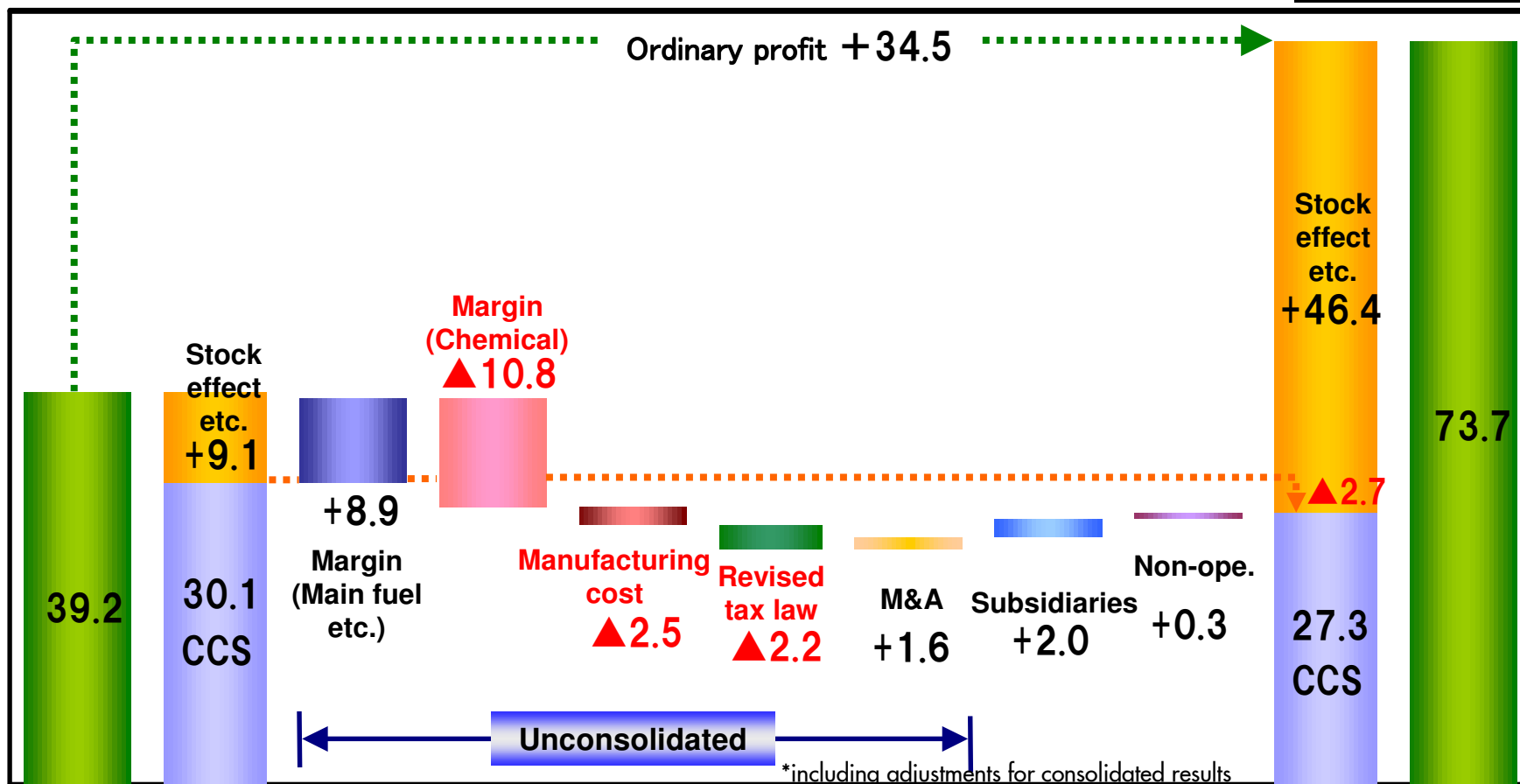
The Dubai crude oil price

USD/bbl



Ordinary Income Interim/2007 vs. Interim/2008

(Unit: Billion Yen)



2007

2008

CCS: Current Cost of Supply
 Excluding the effect of inventory valuation

Number of service stations & self-service stations ※ as of end of December

	2003	2004	2005	2006	2007	2008 as of end of June
Number of service stations	5,017	4,853	4,746	4,575	4,481	4,391
Self-service stations	267	308	413	583	719	763
Ratio of self-service stations (%)	5.3%	6.3%	8.7%	12.7%	16.0%	17.4%

Sales volume by products

	2007 Jan-Jun	2008 Jan-Jun	vs. interim/2007
Gasoline (thousand KL)	5,040	4,970	- 1.4%
Kerosene/ Diesel oil/Jet (thousand KL)	6,109	6,221	+ 1.8%
Fuel Oil (thousand KL)	2,572	2,379	- 7.5%
Others (thousand KL)	7,018	3,167	- 54.9%
Total (thousand KL)	20,739	16,738	- 19.3%

- 【Notes】
- Above numbers include domestic sales volume and export volume.
 - “Others” includes cargo trade (trading business was integrated to the Shell Group in August 2007).

Crude oil price & Exchange rate

		2007	Forecast 2008 (announced in May)			Forecast 2008 (revised in July)		
			Jan-Jun	Jul-Dec	full year	Jan-Jun	Jul-Dec	full year
Dubai crude oil price	(\$/B)	68.3	93.0	93.0	93.0	104.0	112	108
Exchange rate	(¥/\$)	117.9	102.6	102.0	102.3	104.9	107	106

Consolidated financial results

		2007	Forecast for 2008			vs. 2007
			Forecast announced in May	Forecast announced in July	changes	
Sales proceeds	million yen	3,082,641	3,140,000	3,530,000	+ 390,000	+14.5%
Operating income	million yen	88,813	58,000	97,000	+ 39,000	+9.2%
Ordinary income	million yen	92,709	60,000	100,000	+ 40,000	+7.9%
Net income	million yen	43,729	35,000	56,000	+ 21,000	+28.1%
※CCS operating income	million yen	40,375	-	47,000	-	+16.4%
※CCS ordinary income	million yen	44,271	50,000	50,000	0	+12.9%

【Notes】 The limit of the depreciation was abolished following the changes in tax regulation in 2007. Remaining book value of the tangible fixed assets, which had already been depreciated to 5% of the original value, will be depreciated over five years after 2008. 2008 forecast includes the depreciation of 4.5 billion yen.