



Supporting Material for Full Year Results 2010

31 January 2011

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.

Highlights of Financial Results, Full Year 2010

		2009	2010	Changes	vs. 2009 (%)
Dubai crude oil price	(USD/bbl)	61.9	78.1	16.2	+26.2%
Exchange rate	(¥/USD)	93.6	87.8	-5.8	-6.2%
	(¥/EUR)	130.4	116.3	-14.1	-10.8%

(million yen)		2009	2010	Changes	vs. 2009 (%)
Sales proceeds		2,022,520	2,346,081	+ 323,561	+16.0%
Operating income		-57,142	36,701	+ 93,843	-
Non-Operating income		687	5,446	+ 4,759	-
Ordinary income		-56,455	42,148	+ 98,603	-
※Inventory valuation		-44,763	7,861	+ 52,624	-
※CCS ordinary income		-11,691	34,286	+ 45,977	-
Extraordinary income		-27,224	-5,891	+ 21,333	-
Net income		-57,619	15,956	+ 73,575	-

【Notes】 CCS ordinary income (ordinary income on Current Cost of Supply basis)

: Ordinary income based on the cost excluding inventory valuation effects.

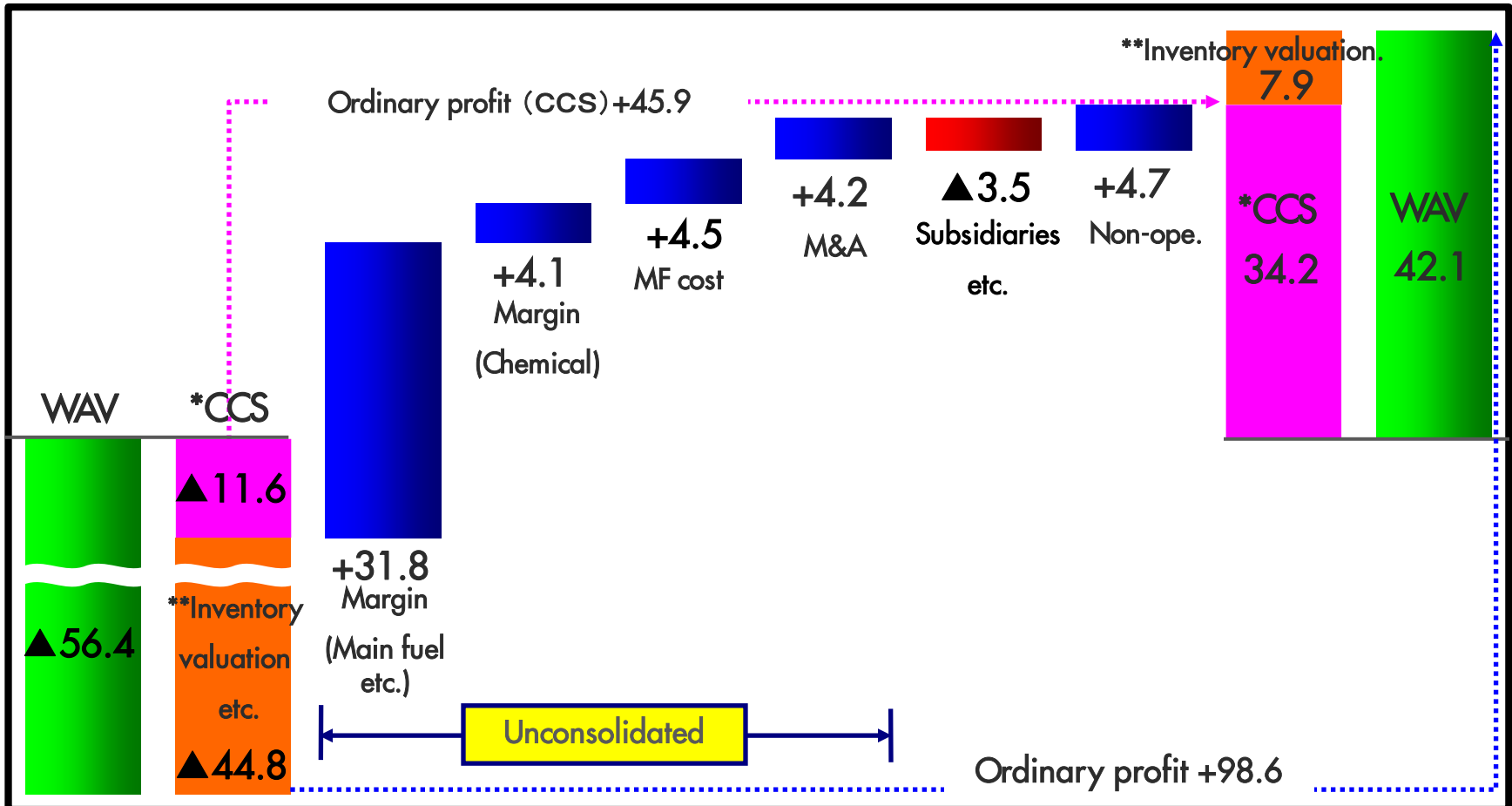
Key points of Financial Results

- Consolidated sales for full year 2010 amounted to 2,346.0 billion yen (a 16.0% increase versus full year 2009) and ordinary income was 42.1 billion yen (an increase of 98.6 billion yen versus full year 2009).
Consolidated CCS ordinary profit excluding the impact of the inventory valuation was 34.2 billion yen, an increase of 45.9 billion yen compared to full year 2009.
- The sales volume of oil products increased by 1.5% compared to the results of the previous year partly due to the aggressive exports.
- The profit margin of oil products increased by 31.8 billion yen compared to the result of the previous year due to the improvement of the supply-demand balance, and to demand increase from the effects of extremely hot summer in 3Q and cold winter through 4Q in domestic market.
- In solar business, the construction of the Miyazaki Third Plant, with an annual production capacity of 900 megawatts, progressed as planned.

Ordinary Profit 2009 vs. 2010

(Unit: Billion Yen)

Consolidated



2009

* CCS: Current Cost of Supply

** Including the effect of Lower of cost or market value method

2010

Crude oil refined and Sales volume

■ Crude oil refined & Utilization rate

(thousand KL)	2009	2010	Changes
Crude oil refined	25,804	25,168	-636
Refinery utilization rate	86.3%	84.2%	-2.1%

■ Sales volume by products

【Notes】 "Others" excludes cargo trade.

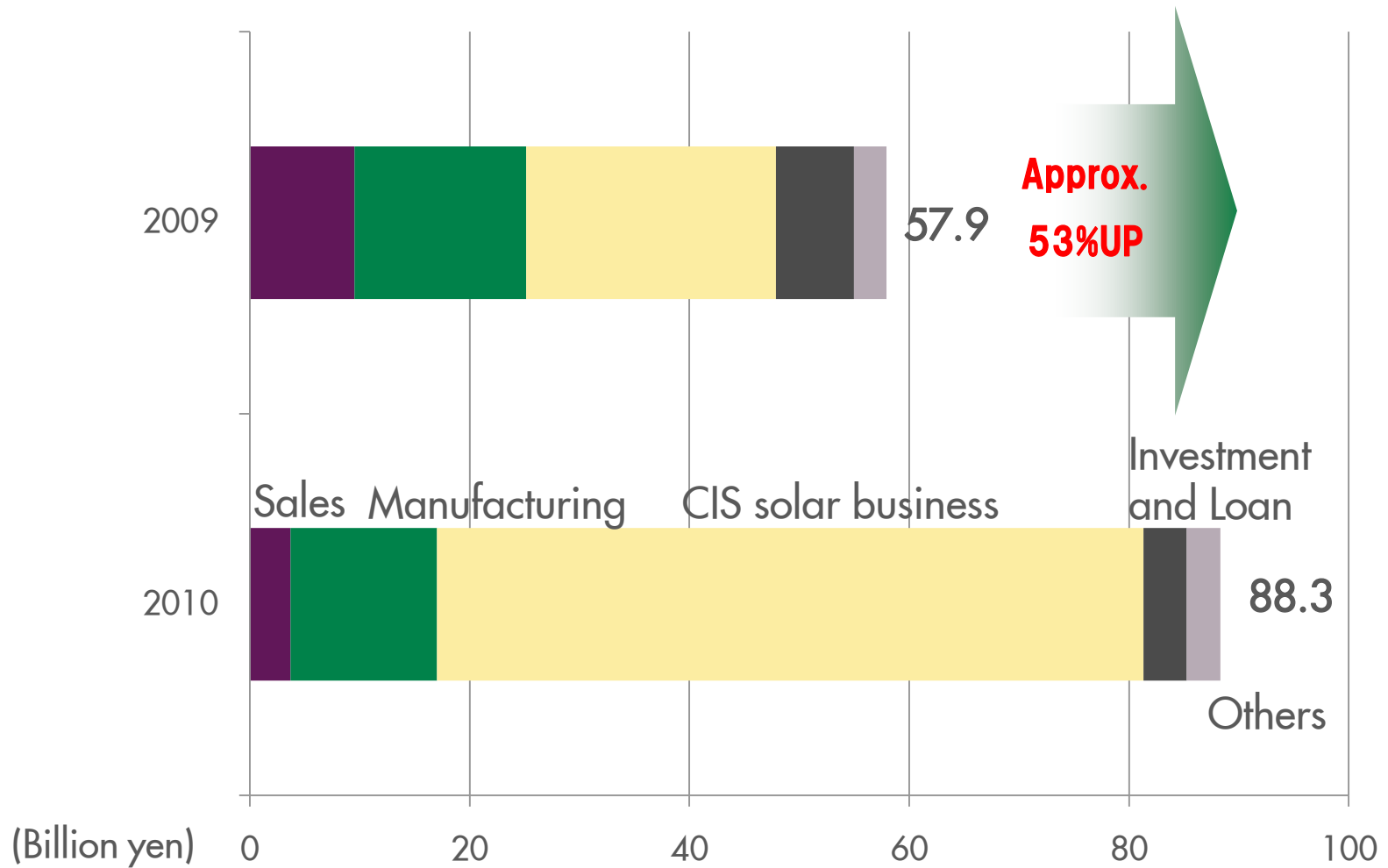
(thousand KL)	2009	2010	Changes	vs. 2009 (%)
Gasoline	9,249	9,089	-160	- 1.7%
Jet Fuel	2,186	2,105	-81	- 3.7%
Kerosines	2,573	2,407	-166	- 6.5%
Diesel Oil	4,531	4,377	-154	- 3.4%
Fuel Oil A	1,581	1,433	-148	- 9.4%
Fuel Oil C	1,694	1,424	-270	- 15.9%
Others	4,704	4,195	-509	- 10.8%
Export	2,680	4,606	1,926	+ 71.9%
Total	29,198	29,637	439	+ 1.5%

Sales & administration expenses

■ Sales & administration expenses

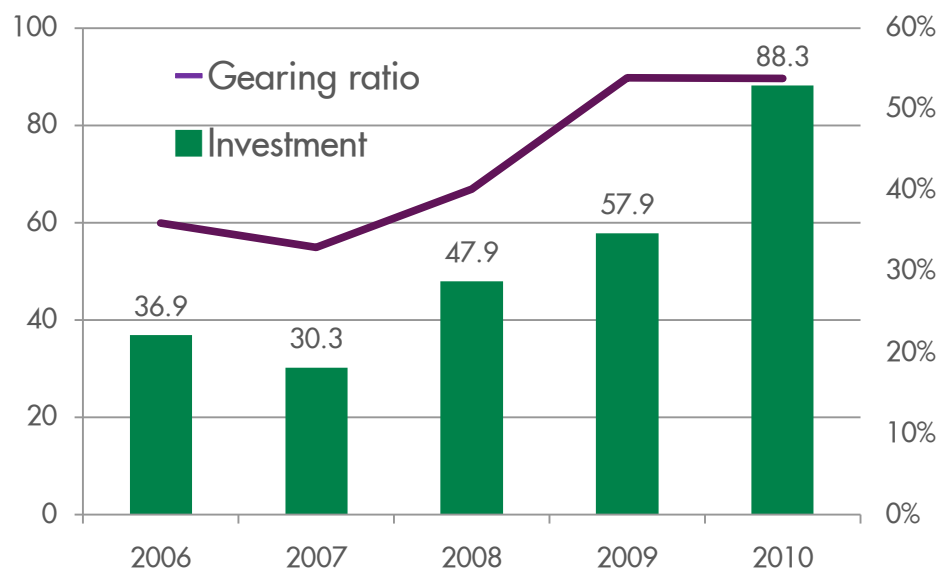
(million yen)	2009	2010	Changes	vs. 2009 (%)
Transportation	30,521	28,657	- 1,864	-6.1%
Oil tank	7,706	7,186	- 520	-6.7%
Sales promotion □	2,919	3,878	+ 959	32.9%
Other sales	11,067	9,713	- 1,354	-12.2%
Administration	13,379	12,038	- 1,341	-10.0%
Salaries	17,458	17,086	- 372	-2.1%
Depreciation	3,042	3,280	+ 238	7.8%
Total	86,092	81,840	- 4,252	-4.9%

Investments



Major Financial Indicators

(Billion yen)



Maintaining financial stability even under investments for growth strategy

	2006	2007	2008	2009	2010
Gearing ratio	36.0%	33.0%	40.2%	53.9%	53.8%
Shareholders' equity ratio	25.9%	25.3%	25.4%	20.1%	20.1%
Return on equity (ROE)	15.8%	13.5%	-	-	6.7%
Return on average capital employed (ROACE)	9.8%	8.8%	-	-	7.3%

【Note】:

Gearing ratio

$= (\text{Total debts} - \text{cash and deposits}) / (\text{Capital employed} - \text{cash and deposits})$

Return on equity (ROE)

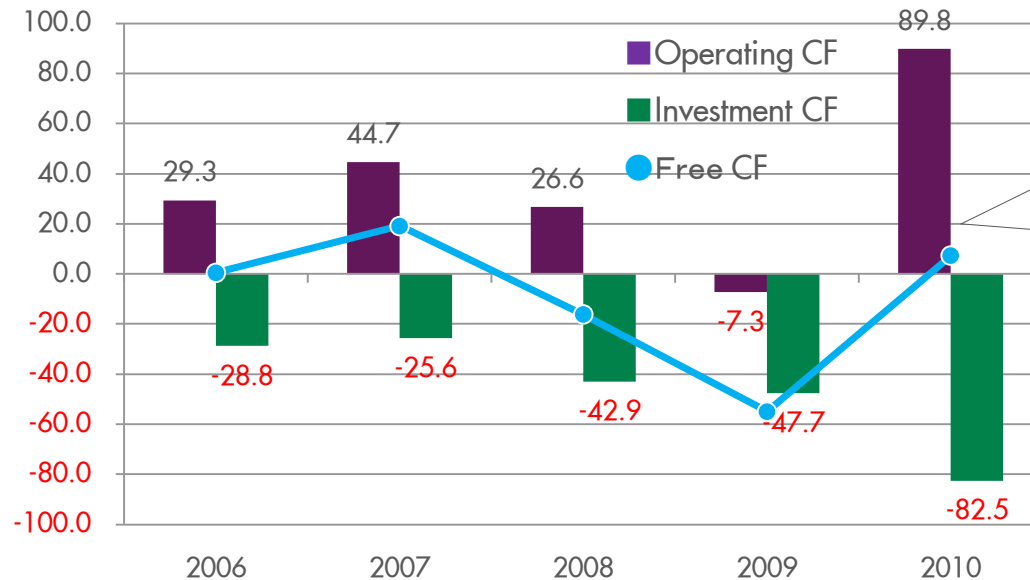
$= \text{Net income} / \text{Average total shareholders' equity}$

Return on average capital employed (ROACE)

$= \text{Net income before interest and after tax} / \text{Average capital employed}$

Consolidated Cash Flow

(Billion yen)



Depreciation counts 33.9 billion yen out of increments of operating cash flow

Investment counts 82.5 billion yen out of decrements of investment cash flow

(million yen)	2009	2010	Changes
Operating Cash Flow	-7,395	89,836	+ 97,231
Investment Cash Flow	-47,761	-82,510	- 34,749
Free Cash Flow	-55,156	7,326	+ 62,482
Financial Cash Flow	4,371	-8,671	- 13,042

Number of service stations & self-service stations

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

	2006	2007	2008	2009	2010
Number of service stations	4,575	4,481	4,305	4,143	3,948
Self-service stations	583	719	852	947	960
Ratio of self-service stations	12.7%	16.0%	19.8%	22.9%	24.3%

Topics 2011 - Page1

Feb ▪ Announcement of closure of Keihin Refinery Ohgimachi Factory

Mar ▪ Announcement of Solar Frontier Global Expansion
(U.S. and Europe Offices, New Worldwide Name and Brand)



▪ Commencement of commercial operation of
Ohgimachi Power Station (Plant 1)

Jul ▪ Commencement of commercial operation of
Ohgimachi Power Station (Plant 2)



Aug ▪ Showa Shell Sekiyu and Niigata Prefecture commence
operations at solar power plant in Niigata



Topics 2011 - Page 2

- Sep ▪ Launch of Shell HELIX's (automotive engine oil) new concept and portfolio



- Oct ▪ Solar Frontier and GE enter global CIS module supply and system development agreement
- Solar Frontier and IBM sign agreement to develop CZTS solar cell technology
- Solar Frontier agreed to supply 10 Megawatts of CIS modules for Saudi Aramco North Park Project



- Dec ▪ Opening of next-generation service station in Okayama prefecture



Forecast for full year results 2011

		2010 Results	2011 forecast	Changes	vs. 2010 (%)
Dubai crude oil price	(USD/bbl)	78.1	86.0	+ 7.9	+10.1%
Exchange rate	(¥/USD)	87.8	80.0	- 7.8	-8.9%
	(¥/EUR)	116.3	115.0	- 1.3	-1.1%

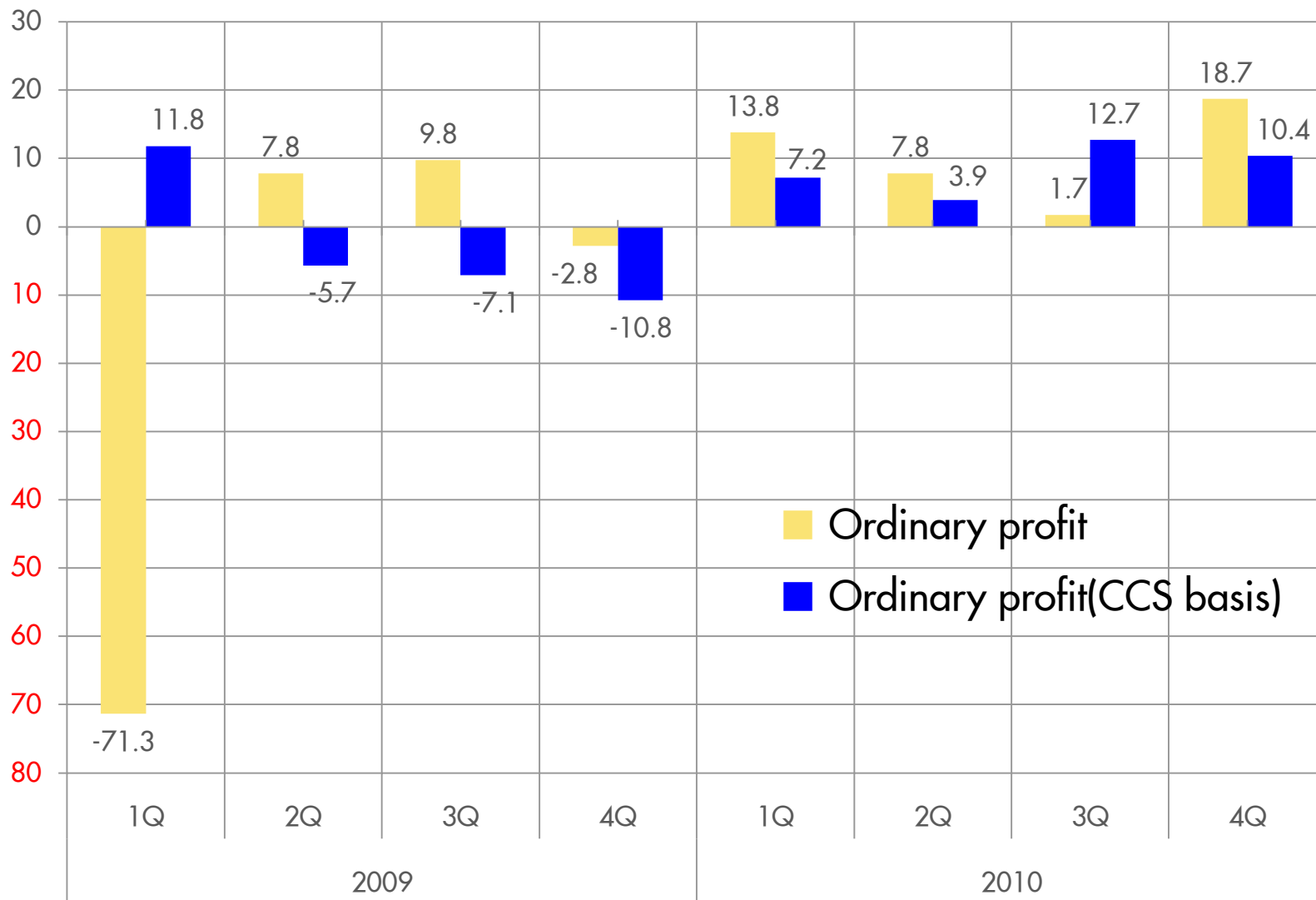
(million yen)		2010 Results	2011 forecast	Changes	vs. 2010 (%)
Sales proceeds		2,346,081	2,396,000	+ 49,919	+2.1%
Operating income		36,701	32,000	- 4,701	-
Ordinary income		42,148	31,000	- 11,148	-
※Inventory valuation		7,861	0	- 7,861	-
※CCS ordinary income		34,286	31,000	- 3,286	-
Net income		15,956	18,500	+ 2,544	-

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

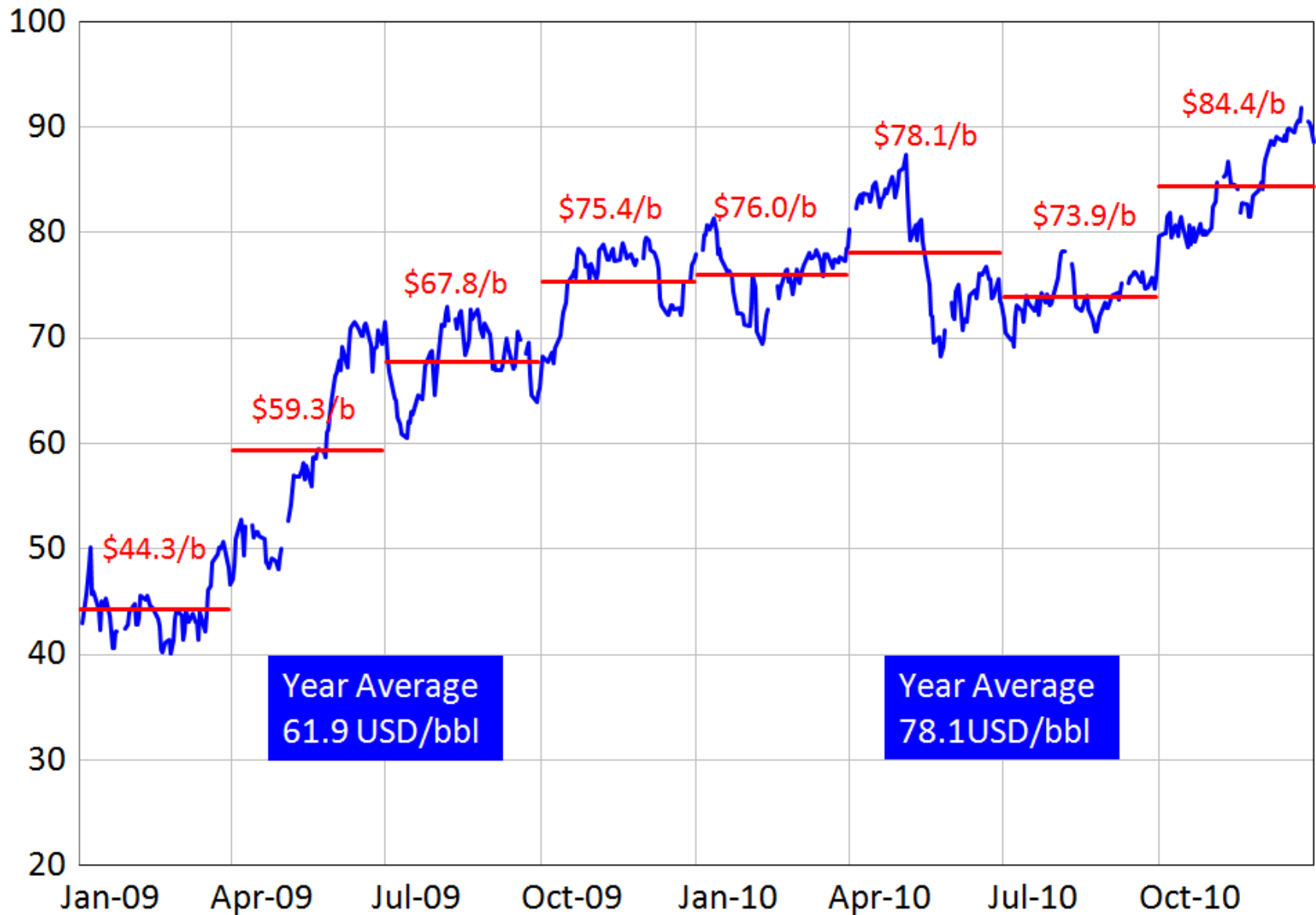
Data Book

Quarterly trend of Ordinary profit

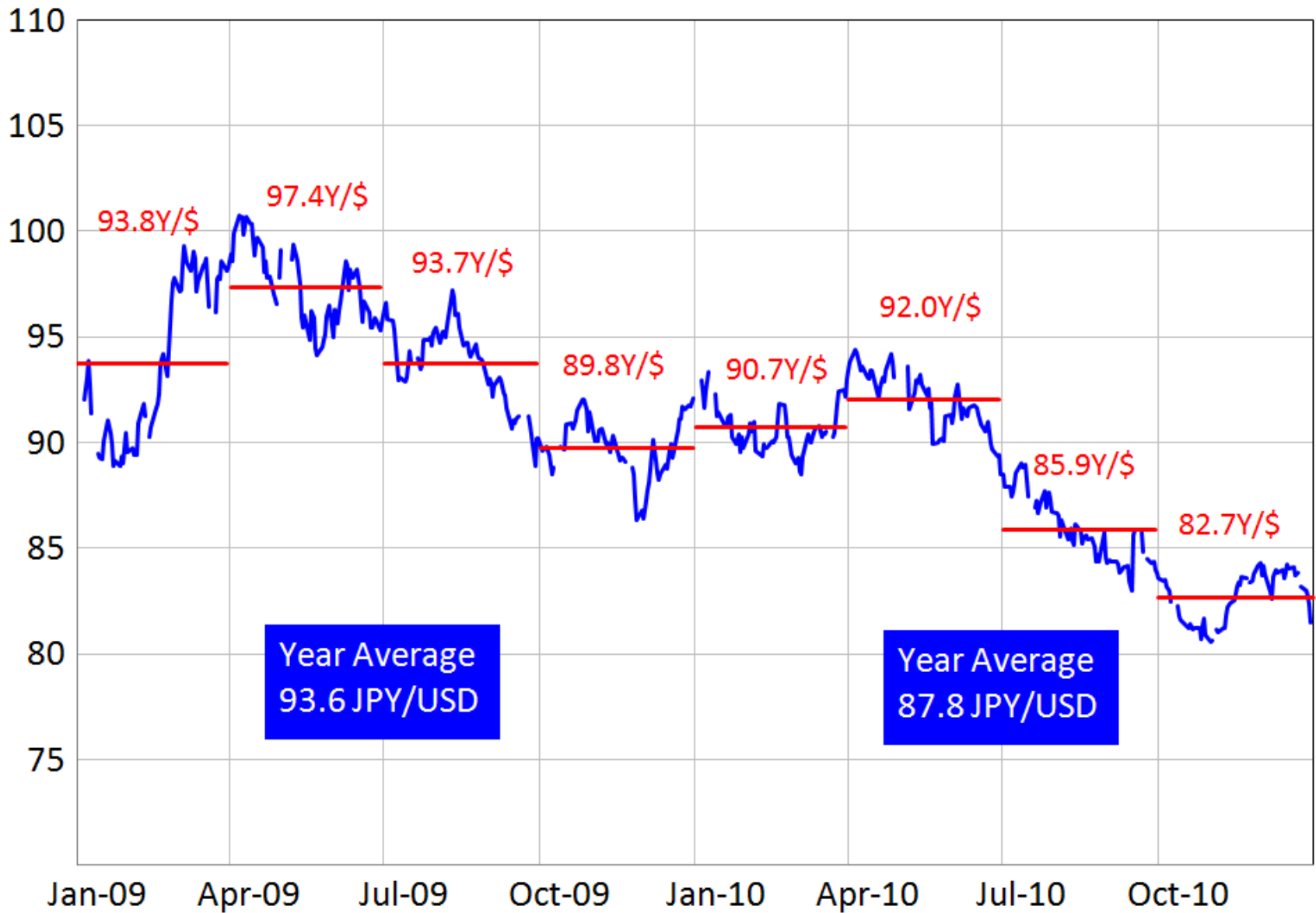
Billion yen



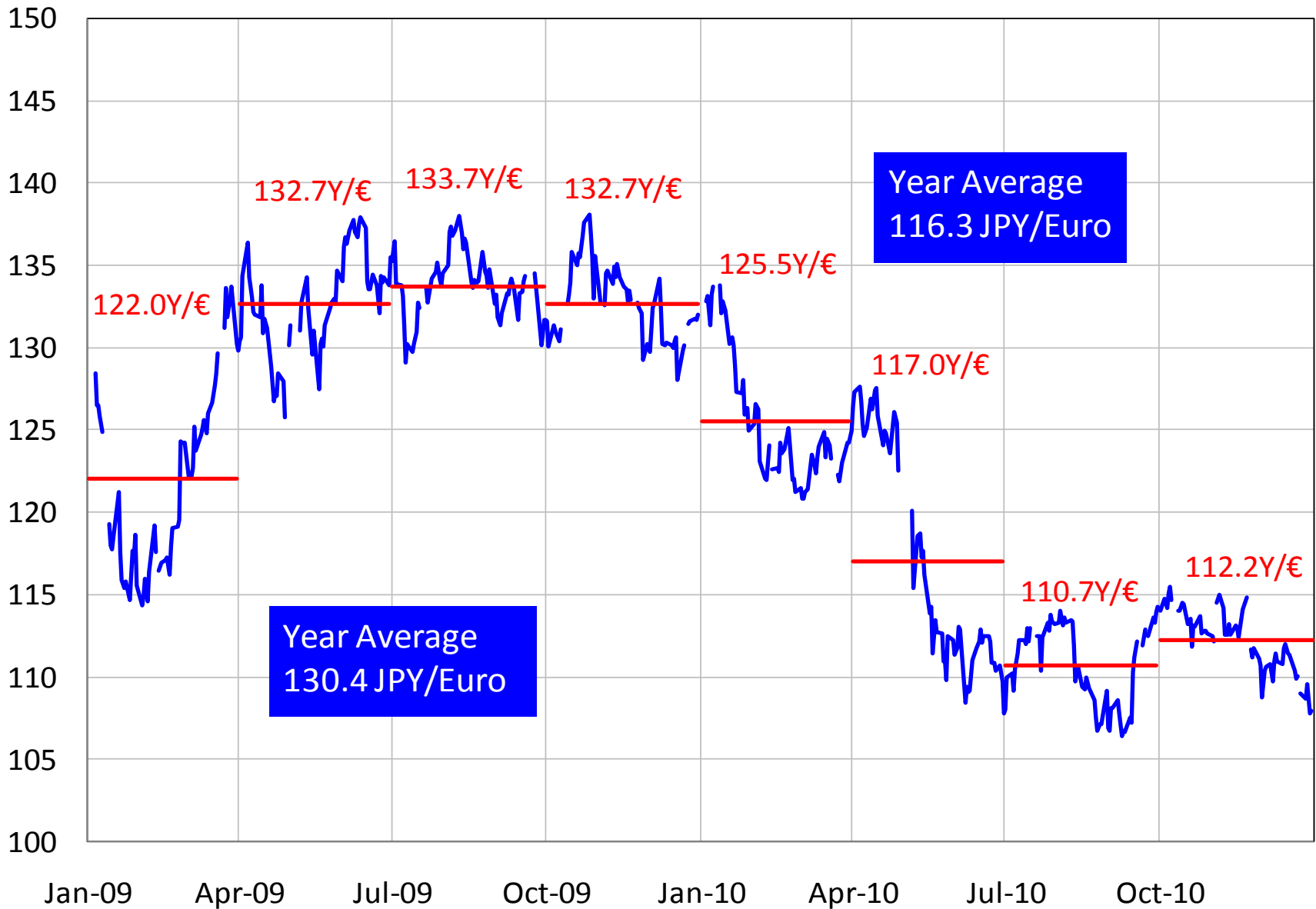
Crude oil price (Platt's Dubai)



Exchange rates (Yen/USD TTM)



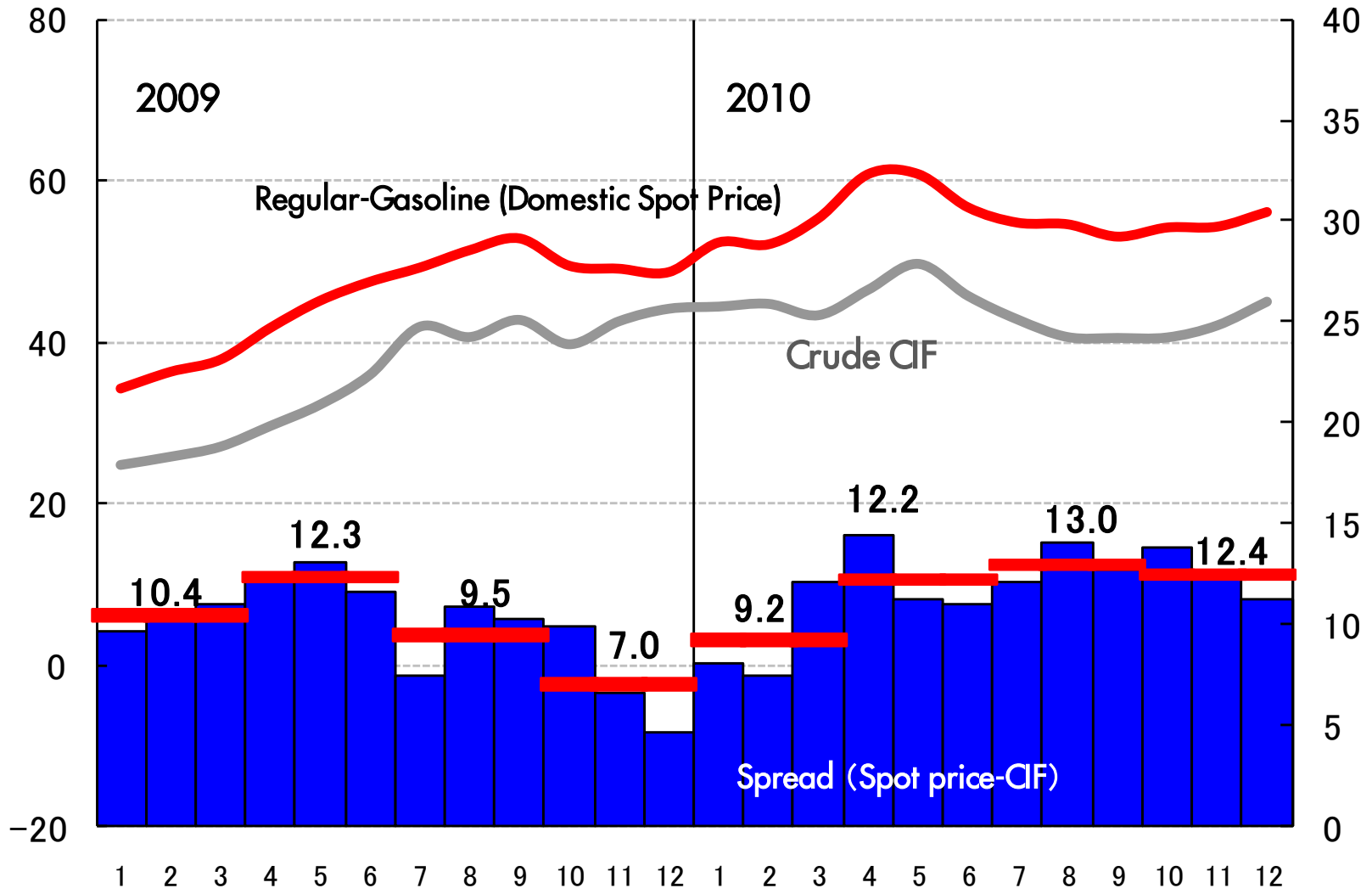
Exchange rates (Yen/Euro TTM)



Domestic Market (1) : Regular Gasoline

Crude&Products price ¥/L

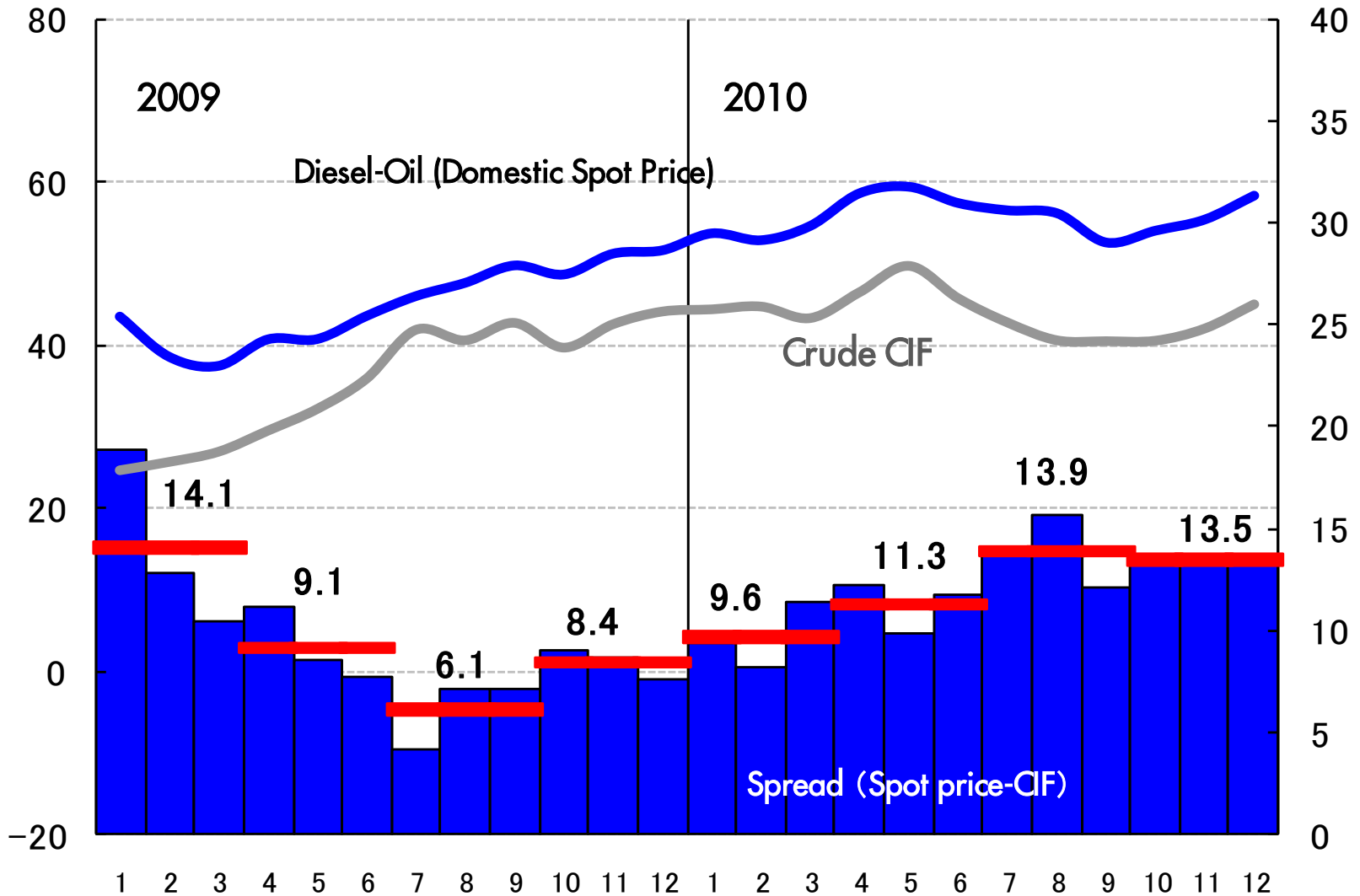
Spread ¥/L



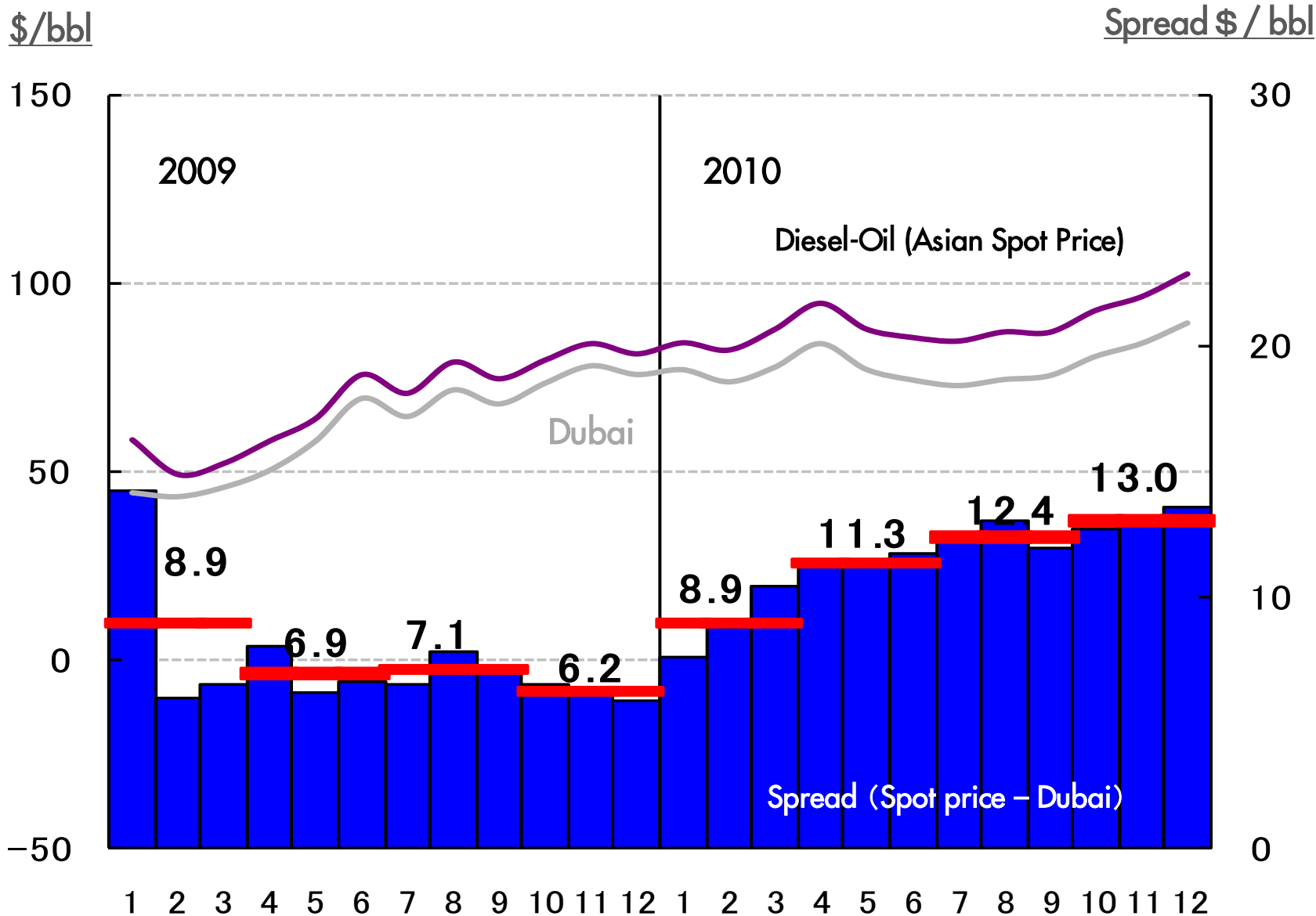
Domestic Market (2) : Diesel Oil

Crude&Products price ¥/L

Spread ¥/L



Global Market (1) : Diesel Oil



Global Market (2) : Mixed Xylene

