

16th September, 2005

English Translation

Showa Shell Sekiyu K.K.

**On Showa Shell Sekiyu K.K.'s Equity Participation in AOC Holdings, Inc.
- Along with a long term oil product purchase agreement**

Showa Shell Sekiyu K.K. ("Showa Shell" hereafter, Chairman/Representative Director: Haruyuki Niimi) will make equity participation in AOC Holdings, Inc. ("AOCHD" hereafter, Representing Director/President: Yoshihiro Sakamoto), and have concluded a basic agreement on long term oil product purchases with a 100% subsidiary of AOCHD, Fuji Oil Company, Ltd. (Representing Director/President: Fumio Sekiya).

Showa Shell will acquire AOCHD shares by the means of allotment of new shares from AOCHD and the purchase of AOCHD's treasury stocks. After the share participation, Showa Shell will own 6.58% of AOCHD's shares (6.84% of voting shares).

This share participation will be done on 7th of October, 2005.

In relation to the product purchases agreement, it has been agreed to explore the possibility of alliance on crude oil procurement and effective operation of the facilities.

Corporate Overview of AOC Holdings, Inc.

Date of Establishment : January 31, 2003

Headquarter Location : 2-5-8, Higashi Shinagawa, Shinagawa-Ward, Tokyo

Principal businesses :

Through shareholding, the Company is to conduct management of subsidiary companies, which carry out the following undertakings :

(1) To explore, develop, produce, sell and buy crude oil and natural gas

(2) To refine crude oil and sell, import, export and store petroleum products

Paid-in capital : 20,000 million yen (as of March 31, 2005)

Major shareholders and shareholding ratio (voting stock ratio):

The Tokyo Electric Power Co., Inc 9.29% (10.42%)

Kuwait Petroleum Corporation 7.89% (8.85%)

Government of the Kingdom of Saudi Arabia 7.89% (8.85%)

Sumitomo Chemical Co., Ltd 4.06% (4.56%)

The Kansai Electric Power Co., Inc. 2.58% (2.89%)

(as of March 31, 2005)

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