

(This financial report is based on the generally accepted accounting principles in Japan.)

Summary 2006 Third Quarter Consolidated Financial Results

10 November 2006

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 Code Number 5002 Head Office Tokyo
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1. Items related to the preparation of the consolidated financial results

- ① Adoption of simplified accounting method : Applicable
 Simplified method is adopted in tax calculations.
 ② Changes in accounting method : None
 ③ Changes in scope of consolidated subsidiaries & equity associates : Applicable
 Consolidated subsidiaries: 3 added, none excluded Equity associates: none added, 2 excluded

2. Consolidated Financial Results (From 1 January to 30 September 2006)

(Note) Yen amounts are rounded down to the nearest million.

(1) Consolidated Business Results

	Sales proceeds		Operating profit		Ordinary profit		NIAT	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
3rd QTR 2006	2,178,364	35.2	68,317	△12.2	69,356	△9.9	42,020	△7.9
3rd QTR 2005	1,610,624	21.9	77,831	98.8	76,980	102.3	45,629	121.4
Full year 2005	2,268,488		98,381		100,497		58,370	

	NIAT per share	Diluted NIAT per share
	Yen	Yen
3rd QTR 2006	111.72	111.66
3rd QTR 2005	121.60	121.50
Full-year 2005	155.31	155.13

(Note) Percentages shown above for sales proceeds, operating profit, ordinary profit, and NIAT represent changes in percentage compared with the same quarter of the previous year.

[Comments on the consolidated business results]

The price of Dubai crude oil, which was at the record level of US\$55 per barrel, rose further from January to September. It exceeded US\$70 per barrel for a while in July due to growing tensions in the Middle East caused by the Israeli attack on Lebanon, the Iranian nuclear development issue, and other matters. Towards the end of September, crude oil prices went down for the following reasons: there was no damage caused by the hurricanes in the Gulf Coast in the United States; there was plenty of oil supply exceeding global demand; there were sufficient global oil stocks. By the end of this quarter, the Dubai crude oil price settled between US\$55 and US\$60 per barrel.

As for foreign exchange rates, the dollar began the year at around JPY115 and fluctuated between JPY113 and JPY119 until mid-April without showing a clear trend. After April, the Japanese yen began to rise, pushing the dollar temporarily up to JPY109 due to the speculation that the U.S. Federal Reserve would halt raising interest rates and other factors. By the end of June, however, the dollar gained strength once again, rising to around JPY116 due to increasing demand for the U.S. currency triggered by price fall of international commodities and Asian and Japanese shares. From July to September, the dollar fluctuated between JPY113 and JPY118, influenced by the price and economic situations in Japan and the United States as well as the outlook over the monetary policies of the two countries. The dollar ended the third quarter at around JPY117.

Because of the high retail prices this year, demand for gasoline in Japan slipped below the year-earlier levels following a steady growth. As for the company's gasoline sales, the volume increased from January to September from the year-earlier level, despite the low sales in the summer, when demand is usually high. As for sales of middle distillates (kerosene, gas oil, and A fuel oil), kerosene sales, despite strong first-quarter sales, stayed at the year-earlier levels because we adopted the strategy to decrease unprofitable businesses. Sales of gas oil exceeded that of the last year. Sales of A fuel oil dropped significantly, as did the entire industry, as some customers shifted

to liquefied natural gas, nuclear and other sources of energy. All these resulted in the company's total domestic sales volume of 23.27 million KL, an increase of 2.4% compared with the same quarter of the previous year.

The consolidated financial results show sales proceeds at JPY2,178.3 billion (35.2% increase from that of the year-earlier period), operating profit at JPY68.3 billion (JPY9.5 billion decrease), ordinary profit at JPY69.3 billion (JPY7.6 billion decrease), and net profit at JPY42 billion (JPY3.6 billion decrease). Although the company attempted to reflect the rising costs stemming from higher crude oil prices on product prices at service stations, which was once improved during the summer, it deteriorated later under the impact of the downturn in crude oil prices in mid-August. Therefore, the increased costs were still not fully reflected on the retail prices. Throughout the period, we concentrated on reducing unfruitful businesses, because the selling prices for customers were not high enough to make up for the increased procurement costs.

On the current cost of supply basis (excluding the effect of inventory valuation), ordinary profit was JPY34.6 billion, decreased by JPY3.7 billion compared with that of the year-earlier period.

(2) Consolidated Financial Position

	Total assets	Net Assets	Shareholder's equity to total assets	Net assets per share
	Million Yen	Million Yen	%	Yen
3rd QTR 2006	1,195,922	326,547	25.5	811.30
3rd QTR 2005	973,785	261,031	26.8	694.96
End of Dec. 2005	1,145,191	275,232	24.0	732.15

(3) Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Balance of cash and cash equivalents at the end of period
	Million Yen	Million Yen	Million Yen	Million Yen
3rd QTR 2006	△23,828	△21,490	35,565	20,070
3rd QTR 2005	29,266	△12,889	△14,938	10,175
Dec. 2005	25,806	△ 28,548	20,725	29,354

【Reference】 Unconsolidated Financial Results (from 1 January, 2006 to 30 September, 2006)

	Sales proceeds		Operating profit		Ordinary profit		NIAT	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
3rd QTR 2006	2,103,782	35.	65,178	△12.5	67,088	△9.	40,059	△1
3rd QTR 2005	1,556,067	21.	74,511	110.0	74,241	106.	44,500	113
Full-year 2005	2,192,906		93,299		93,222		53,584	

	Earning per share	Diluted earning per share
	Yen	Yen
3rd QTR 2006	106.49	106.42
3rd QTR 2005	118.57	118.47
Full-year 2005	142.61	142.44

	Total assets	Shareholder's equity	Shareholder's equity to total assets	Shareholder's equity per share
	Million Yen	Million Yen	%	Yen
3rd QTR 2006	1,088,558	285,139	26.2	757.71
3rd QTR 2005	916,933	247,172	27.0	657.94
End of Dec. 2005	1,024,598	257,354	25.1	684.46

3. Projection of Consolidated Financial Results (from 1 January to 31 December, 2006)

	Sales proceeds	Ordinary profit	NIAT
	Million Yen	Million Yen	Million Yen
Full-year	2,900,000	71,000	43,000

(Reference) Forecast net profit per share for the year: 103.70 yen

[Comments on the projections]

The projected figures for 2006 have been amended from those in the previous forecast made in August 2006, when the half-year results were announced. This is due to the decline in crude oil prices and the market trends in petroleum products.

The amended projections are based on the following figures for the fourth quarter: crude oil price of US\$ 56 per barrel and the exchange rate of JPY118 to the US dollar. (The previous projections were based on the following figures for the second half of the year: crude oil price of US\$63 per barrel and the exchange rate of JPY116 to the US dollar.)

As for the full financial year, the outlook for consolidated ordinary profit is approximately JPY70.0 billion (same as the last projection), and consolidated NIAT is approximately JPY42.0 billion (JPY1.0 billion increase from the last projection). Furthermore, consolidated full-year ordinary profit on the current cost of supply basis, excluding the effect of inventory valuation, is expected to be approximately JPY50.0 billion. There is no change to the estimated full-year dividend (released at the time of 2006 half-year results announcement) of JPY36 per share (half-year dividend of JPY18 per share and full-year dividend of JPY18 per share).

【Reference】 Full-year Projections of Unconsolidated Financial Results (from 1 January, 2006 to 31 December, 2006)

	Sales proceeds	Ordinary profit	NIAT
	Million Yen	Million Yen	Million Yen
Full year	2,850,000	68,000	41,000

* The financial results projected above are based on the currently available information, involving some known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in the statements. Therefore, future consolidated financial results may differ from those stated in these projections depending on various factors such as economic situations, market conditions, and currency exchange rates in the future.