

English Translation

First Quarter Results 2007

The following is the summary of first quarter results 2007 (1st January to 31st March 2007) of Showa Shell Sekiyu K.K..

Consolidated ordinary income for first quarter 2007 was JPY9.1billion, a decrease of JPY22.5billion versus the previous year, and we amend our last forecast of the consolidated ordinary income for the interim to JPY30billion (increase by JPY9billion). No changes are made to the forecast of the full year consolidated ordinary income and net income.

1. Main indicators of first quarter 2007 (consolidated)

Unit: million JPY

Sales proceeds	728,205	vs. 1Q 2006	-27,245 (-3.6%)
Operating income	8,665	"	-22,900 (-72.5%)
Ordinary income	9,113	"	-22,540 (-71.2%)
CCS ordinary income	16,336	"	-1,550 (-8.7%)
Net income	5,009	"	-12,857 (-72.0%)

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

2. Forecasts of interim and full year 2007

The last forecasts for the interim and full year results 2007 are amended as indicated in the tables below under following assumptions: crude oil price is USD60/bbl and the exchange rate is JPY120/USD for the second quarter 2007; crude oil price is USD57/bbl and the exchange rate is JPY120/USD for the second half of the year (assumptions for last forecasts: crude oil price JPY55/USD, exchange rate JPY120/USD).

(Unit: million JPY)

Interim	Estimated sales proceeds	Estimated ordinary income	Estimated net income
Last estimations (A)	1,400,000	21,000	12,000
New estimations (B)	1,450,000	30,000	17,000
Differences (B)-(A)	50,000	9,000	5,000
Differences (%)	3.6%	42.9%	41.7%

Full year	Estimated sales proceeds	Estimated ordinary income	Estimated net income
Last estimations (A)	2,860,000	60,000	35,000
New estimations (B)	2,930,000	60,000	35,000
Differences (B)-(A)	70,000	-	-
Differences (%)	2.4%	-	-

END