

14 February 2012

To whom it may concern

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Announcement of the difference between forecasts and actual results of full year 2011

Showa Shell Sekiyu K.K. (the “Company”) hereby announces that, for the fiscal year ended 31 December 2011, the Company recognized the below-mentioned extraordinary loss in its consolidated financial statements and non-consolidated financial statements.

The Company also announces the following difference between its forecast of non-consolidated performance for the fiscal year ended 31 December 2011 released on 29 July 2011 and actual result, based on the posted extraordinary loss.

1. Reasons for the extraordinary loss

Due to the decreased profitability, the impairment loss in the amount of 8,581 million yen for the subsidiary’s fixed assets was recorded in the consolidated financial statements for the fiscal year ended 31 December 2011.

And the loss on valuation of stocks of subsidiaries and affiliates in the amount of 53,703 million yen was recorded in the non-consolidated financial statements for the fiscal year ended 31 December 2011, which is due to the deterioration in net assets of its consolidated subsidiaries and affiliates.

This loss on valuation of stocks of subsidiaries will be eliminated upon consolidation and will have no impact on the consolidated financial statements.

2. Difference between forecast of non-consolidated performance for the fiscal year ended 31 December 2011 and actual result.

(From 1 January 2011 to 31 December 2011)

	Sales	Operating income	Ordinary income	Net income	Net income per share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Last announcement (A)	2,620,000	85,000	88,000	57,000	151.32
Actual results (B)	2,613,231	79,557	83,227	2,184	5.80
Difference (B-A)	(6,768)	(5,442)	(4,772)	(54,815)	
Difference (%)	(0.3)	(6.4)	(5.4)	(96.2)	
(Reference) Full year results 2010	2,203,807	36,650	39,977	22,399	59.46

End