



### 1 Improvement in customers' trust and convenience

#### ① Economical, stable supply of energy to consumers and industrial users

##### Position of petroleum energy in Japan's energy supply structure and its characteristics

Japan is the world third largest oil consumer next to the U.S. and China and approximately 50% of Japan's primary energy (oil, coal, natural gas, etc.) comes from oil. Japan depends almost entire oil it consumes on imports and 80% of them are from the Middle East, which indicates that Japan's system for securing oil supply is very vulnerable. Under these circumstances, the company works to develop supply and distribution networks, considering that one of its important contributions to society is to ensure a stable supply of petroleum products.

##### The company's operations

In Japan's petroleum industry, the company has a capacity to supply a maximum of 515k barrel per day (over 30 million KL per year) of petroleum products to the market, importing crude oil mainly from the Middle East and processing them at three refineries run by its group companies in the country on the supply side.

In addition to refining operations at these refineries, some oil terminals including Niigata Petroleum Product Import Terminal can import petroleum products directly from overseas sources, allowing us to match supply to demand for petroleum products from the domestic market in a timely fashion.

On the distribution side, selling gasoline, diesel oil, etc. through 746 dealers (as of March 2004) and a network of approx. 5,000 service stations, the company has a 14.0% share of the gasoline market, the third largest market share in the industry. (In 2003)

#### ② Full commitment to product safety and responsibility for products

##### Compliance with laws and development of internal systems

Petroleum products are subject to laws and regulations in various stages, including product development, manufacturing, distribution and sales, before they reach customers and are consumed. Showa Shell Sekiyu ensures its compliance with the relevant laws and endeavors to maintain and improve product quality under its fundamental policies concerning HSSE. To achieve this goal, it has developed product safety regulations and established unified standards for product safety for internal application. Opinions from customers on our product quality are reported to the Product Safety Subcommittee (P11), which makes the most of them for the improvement of product quality.

##### Full commitment to thorough quality control

The Showa Shell Group commits itself to thorough product quality control and many of its operation sites and affiliates have already registered their quality management systems under ISO9001, international standards concerning quality. Operation sites and affiliates have developed written work procedures for product acceptance, storage, shipment and facility maintenance, check/review their performance regularly and take necessary actions.

##### To improve customer satisfaction

When we receive from customers their opinions on products, we take action with first priority given to the customers' safety at all times. To serve for this purpose, we have appointed a dedicated customer contact (0120-588-016) for opinions and inquiries and developed an internal system ensuring prompt instruction of the relevant departments (See P23).

#### ■ State of acquisition of ISO9001 certification (as of March 2004)

Refineries, operation sites, affiliates	Registration date	Applicable standards	Accrediting organ	Certification No.
Seibu Oil Co., Ltd. Yamaguchi refinery	2003.08.22	ISO9001:2000	LRQA	JBC0958006
Showa Yokkaichi Sekiyu Co., Ltd. Yokkaichi refinery	2003.02.14	ISO9001:2000	LRQA	JBC0958089
Toa Oil Co., Ltd. Keihin refinery	2002.11.22	ISO9001:2000	LRQA	956412
Yokohama operation site	2003.12.11	ISO9001:2000	LRQA	YKA0950475
Kobe operation site	2003.07.31	ISO9001:2000	LRQA	JBC0950909
East Ogishima Oil Terminal K.K.	2002.09.26	ISO9001:2000	LRQA	200722
Shoseki Engineering & Construction Co., Ltd.	2002.12.11	ISO9001:2000	The High Pressure Gas Safety Institute of Japan, ISO Center	O2QR-968
Nippon Grease Co., Ltd.	2002.11.08	ISO9001:2000	LRQA	950466
Shoseki Kako K.K.	2001.05.24	ISO9001:2000	LRQA	0965



## Provision of customer value

### ③ Provision of innovative products and services

*To become the brand customers would choose first  
–“Developed totally from customers’ voices”*

“Shell Pura” is a high-octane gasoline which does an outstanding job keeping the interior of engines clean. Shell spent two years developing it in response to customers’ desire to take good care of their cars and use products that are friendly to the environment. The longer Shell Pura with its extremely high cleaning ability is used, the more it will remove dirt and impurities from the engine interior, extracting the engine’s inherent performance and improving the car’s acceleration performance. By cleaning an engine from the inside, it will significantly reduce hazardous exhaust gases, which makes it an environmentally compliant high-octane gasoline friendly to the environment. Since its release in March 2003 in three prefectures in the Tokyo metropolitan area, it has won the enthusiastic support of customers. Its sales area has steadily expanded, and it is now sold in 24 prefectures throughout the country and accounts for 73% of the company’s high-octane gasoline sales.



The X card, a credit card offering the industry’s first cash-back feature, which also boasts one of the largest number of card members in the industry, was renewed and released as the Shell Starlex card replete with features and services reflecting customers’ needs identified in thorough questionnaire surveys. Since its release in October 2003, approx. 240,000 new users have subscribed the card, and it together with the Shell business card for corporate customers and the JAF UC card promoted jointly with JAF (Japan Automobile Federation) is supporting our customer’s pleasant car life. We also endeavor to maintain a satisfactory security level to protect the confidentiality of personal information handled in connection with these cards so that our customers may use them without worries.



### *Commencement of sales of low-sulfur diesel oil throughout the country*

Having started to supply low-sulfur diesel oil with the sulfur content measuring less than 50ppm in Tokyo in 2000, the company began to sell it throughout the country (excluding some remote islands) in April 2003 roughly two years prior to the enforcement of national regulation. The company is also planning to develop supply capabilities of sulfur-free (sulfur content: less than 10ppm) gasoline and diesel oil in 2004. It is also promoting preparations for the commercialization of environment-friendly next-generation fuel such as solar power generation, hydrogen fuel for fuel cells and GTL (Gas to Liquids).



S-50 ppm 軽油

### ④ To become the best partner of our customers

#### *Development of easy-to-drop-in shops*

##### •Site standards

We have introduced site standards, which set standards for services such as nationwide campaigns and facilities such as design, layout and equipment so that our customers may enjoy the same levels of convenience and pleasantness whichever parts of the country they may drop in Showa Shell Sekiyu’s service stations.



##### •Barrier free

We have adopted barrier-free designs such as a ramp for a wheelchair, handrails, and a lavatory compartment for a wheelchair person so that the elderly and handicapped may use our service stations without worries.



#### *To support a customer’s car life*

##### •Training course established for service station staff

The company puts its effort into the education and training of human resources, which provide bases of our service. At its Ishioka Training Center (Ibaraki prefecture), in a bid to improve service levels at service stations, the company organizes approx. 40 training courses a year (training and education by correspondence) targeting service station staff so that they may acquire “Knowledge and skills becoming to professional car servicemen” and “High ability to communicate with customers.”



**For our customers' safety**

**•“Your Safety First” leaflet for customers visiting our service stations**

The company has developed “Your Safety First,” a guidebook to help our customers utilize our service stations in a safer, more comfortable way, and distributed it at our shop fronts. It carries our wishes: may our service stations offer safer and pleasanter environments and may our customer’s car life be happier.



**•Actual firefighting training at Niigata Disaster Control Center**

Since service stations deal in dangerous materials such as gasoline and are surrounded by dwelling houses in many instances, they are required to have the most elaborated disaster control and risk management systems in place. In an “HSSE actual firefighting training course” conducted every year at the Niigata Disaster Control Center of Showa Shell Sekiyu, trainees are trained in actual firefighting drills simulating the fire



types most likely to occur at service stations such as a car fire and a drain fire, using powder fire extinguishers, etc. under the instruction of dedicated instructors.

**•Prevention of an accident from static discharge at service stations**

Gasoline can ignite with a small arc of static discharge. To prevent static-caused fire, a static dissipative sheet is equipped on every gas pump meter and a customer is requested to touch the sheet before he/she starts to refuel the car. The attendants of full service stations also wear uniforms designed to prevent static discharge and take the utmost care to prevent static-caused fire.



## 2 Listening to customers’ voices and reflecting them to our everyday work

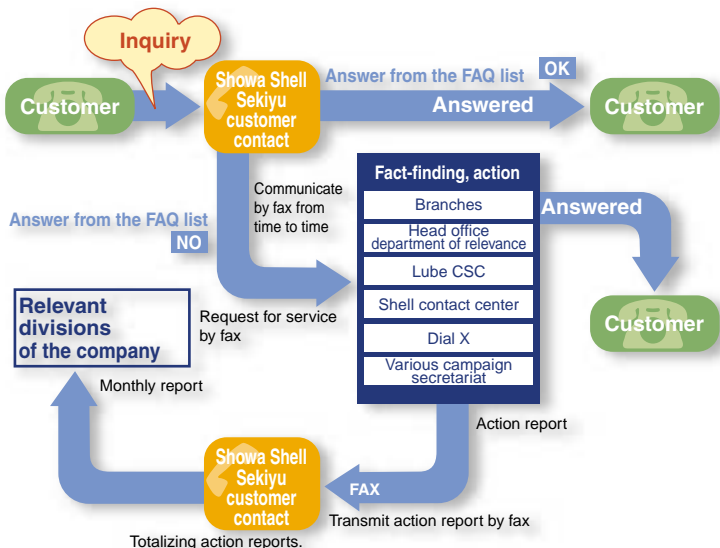
To enhance bilateral communication with customers, we opened in May 2003 the Customer Service Center, which combines a contact for inquiries or consultation for general customers and a contact for order placement and inquiries for dealers and industrial users. The dedicated staff answer inquiries in an expeditious manner to improve customer satisfaction as well as to grasp customers’ voices directly, so that we are achieving business process improvement and the expansion of business opportunities.

A yearly count of inquiries made to our customer contacts was 2,312 (192 per month) in 2003. The types of inquiries range widely from those concerning products, cards and campaigns to complaints

about poor services received at service stations. The Center was also made available for inquiries from mobile phones in September, which led to an increase of the number of inquiries and opinions it received.

As for lubricants, our “Lube Customer Service Center” and “Helix Hotline,” through which we provide information on automobile lubricants and oil change from the technical aspect upon inquiry from industrial users and general customers, are in operation and contributing to the improvement of customer satisfaction and the enhancement of marketing power.

**Customer contact workflow**



**Major contact guide**

- General inquiries  
Showa Shell Sekiyu customer contact ...0120-558-016
- About lubricant and grease products  
Lube Customer Service Center .....0120-064-315
- About automobile lubricant (Shell Helix)  
Helix Hotline .....0120-064-315  
(Select 4 after voice guidance)
- About Shell Starlex Card  
Dial X .....03-3373-8120
- About Shell Car Inspection  
Shell Contact Center .....0120-504-504
- About solar power generation systems  
Shell Solar Japan .....0120-558-983