

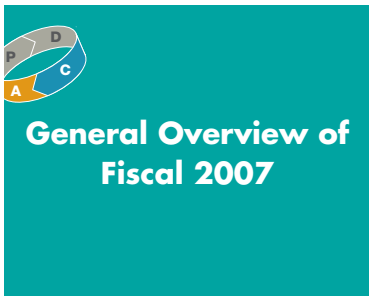


Cooperation with Stakeholders Together with Customers



Fundamental Considerations

Showa Shell Sekiyu continually provides its valued customers with services that offer advantages in all aspects, including environmental considerations, price, quality, and safety. In addition to the operation of service stations tailored to regional needs, the company offers total home solution proposals, including home security services and house cleaning services.



In 2007, to meet the diverse needs of customers in various regions, the company began to open new types of service stations not seen before in Japan. These include service stations integrated with convenience stores, and service stations connected with shopping centers. In non-petroleum fields, we also worked to develop new types of services in the home solutions business, including house cleaning and home security services.

Showa Shell will continue to create and improve products and services that are matched to customer needs in the future, while maintaining a flexible perspective.



Shell Brand Service Stations

At Shell service stations across Japan, the company strives to provide reliable products and services through the introduction of new fueling configurations matched to the needs of customers in different regions, and by ingraining the concept of "total car life support." In 2007, we moved forward with the conversion of the group's gas stations to self-service. Self-service gas stations rose to 16% of all Showa Shell Sekiyu Group service stations in 2007.

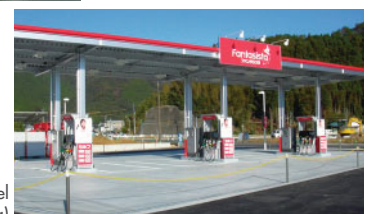


New Types of Service Station

Working from an entirely new perspective, Showa Shell is developing a highly convenient fueling facility closely matched to customer needs. The service stations integrated with shopping centers and convenience stores that Showa Shell is building today are an example of a new type of service station, which grew out of the concept of offering customers an array of themes to choose from in fueling. The stations conduct joint sale promotions with their attached retail stores, and their services have won a good deal of popularity. The company will continue building service stations that customers find interesting and attractive.



Convenience store model



Shopping center model
(Fantasista)

Disaster-Proof Service Stations

The company supports the development of service stations that can continue to provide a stable supply of fuel during large-scale disasters. These service stations are equipped with water supply systems and emergency power equipment, including solar powered cells.



Service station equipped with solar powered cells (Shirogane, Minato-ku, Tokyo)

Thorough Soil Contamination Countermeasures

Inventory management of underground tanks at service stations is extremely important from the standpoint of preventing soil contamination. In the Group, safety is a daily concern. Service station staff record tank inventories on a daily basis, and conduct weekly inspections of leak detector tubes.



Inspections of leak detector tubes

Customer Hotline

The company operates a Customer Hotline in an effort to strengthen interactive communication with customers. In 2007, we fielded more than 20,000 inquiries. Specialists respond quickly to customer inquiries, and share customer opinions and requests with the company's various business sectors to ensure they are reflected in operations.

Home Security

Shell Home Guard is a security service that consists mainly of the fitting of various anti-burglary sensors and fire-alarm sensors. These security sensors, installed through a Showa Shell Group company engaged in the sale of LP gas, activate alarms during an emergency. Due to optimal plans at reasonable fees offered in response to customer requests, the service has become quite popular. In 2007, we expanded our lineup of perimeter surveillance equipment and other products, and the areas in which we operate.



Homemaker Service

In September 2006 we established Michell Home Service Co., Ltd., whose staff of specialists began to offer homemaker services such as daily cleaning and laundry. These services are for working couples, nursing mothers, single people whose jobs leave them no time, people transferred without their family, and the aged. In 2007, Michell Home Service expanded its service area to include Chubu and Kansai.



Fiscal 2008 Objectives

- ▶ To accelerate the opening of new types of service stations nationwide.
- ▶ To support dealers in opening disaster-proof service stations through a financing system and other measures.
- ▶ To increase home security clients through the introduction of services requested by customers, including a lineup of network camera services that allow the viewing of real-time video and images on personal computers and mobile phones via the Internet .
- ▶ To continue to expand the service menu at Michell Home Services, while striving to offer services optimized for each customer.
- ▶ To increase the expertise of the hotline's staff of specialists to respond more precisely and quickly to customer inquiries received via the Customer Hotline.