

Communicating with Stakeholders



Relations with Business Partners

Fundamental Considerations

To maintain customer loyalty, Showa Shell Sekiyu works to understand the diverse needs of its customers in different areas, and then works in cooperation with the group's client firms and business partners, such as dealers, material suppliers and affiliated companies, to offer them the best available services.

1. Definition of business partners: Showa Shell works with a variety of companies, including dealers, client firms, materials suppliers, and affiliated companies, but this section will primarily focus on interactions with dealers and sales companies.

General Overview of Fiscal 2008



In 2008, the company held a celebration in honor of the 30th anniversary of the Shell Royal Manager (SRM) Program, a human resource development program for Showa Shell service stations. At this event, the company shared and discussed success stories of service station management.

The company also facilitated communication with Showa Shell service stations and dealers of industrial fuel, lubricating oil, and LNG through meetings of the National Showa Shell Association, the National Showa Shell Gas Association, and the Koujinkai. Showa Shell is constantly working with its dealers, client firms, material suppliers, and affiliated companies to supply the products and services its customers need.

Fiscal 2008 Objectives

Rating

To hold safety conferences and zero-accident campaigns with each business partner and at each workplace.	★★★★
To expand the Human Resources Development Program for employees of all dealers nationwide.	★★★★
To increase participation in eco-programs throughout the group.	★★★★
To arrange for HSSE site visits by executives to business partner work sites.	★★★★

★★★★ Excellent ★★ Satisfactory ★ Not satisfactory

Fiscal 2008 Activities



National and Regional Showa Shell Associations

National Showa Shell Association meetings are held twice a year to promote mutual understanding and develop the relationships between dealers and Showa Shell, and to facilitate communication and deepen friendships between both parties. In 2008, three meetings were held, including an unscheduled meeting of the board of directors, during which participants discussed the current business environment, their vision for the future, and efforts to improve their services. Regional Showa Shell Association meetings are held in communities throughout Japan to promote mutual friendship and communication, and to provide inputs on business operations and management.

Showa Shell Sky Club

The Showa Shell Sky Club offers aviation fuel dealers nationwide educational excursions, as well as training on lubricating oils for next-generation aviation turbines and safety issues. The club also works to deepen the members' understanding of health, safety, security, and environmental (HSSE) protection activities and

Dealer Opinion

The relationship between Showa Shell and Yamahiro is comprised of vertical and horizontal threads, woven together to form the strongest possible banner so that it can be raised high in the hearts of our customers. This sustainable partnership, in which each party continues to be essential to the other, ultimately promises the continued sustainable growth of both companies.



Shogo Yamaguchi
President and CEO,
Yamahiro Corporation

advanced aviation products. In 2008, Showa Shell Sky Club events were held in Kochi, Sendai, and Okinawa, and offered tours of high-level HSSE fueling operations, visits to airport control towers and radar rooms, and training on noise impact and new aviation lubricants.

National and Regional Showa Shell Gas Associations

The National Showa Shell Gas Association held meetings twice in 2008, bringing managers of affiliated gas dealers together to share opinions regarding the status of the LPG industry, hold HSSE contests, and present awards to outstanding sales managers and sales drivers. The Regional Showa Shell Gas Associations actively organize various types of training sessions and strive to upgrade the technological and management capabilities of member dealers.

Koujinkai

The Koujinkai is a forum where Showa Shell and dealers who specialize in premium lubricating oils form a unified sales force and cultivate their organizations as business partners. There are five regional Koujinkai located throughout Japan (Hokkaido/Tohoku, Tokyo, Chubu, Kinki/Shikoku, and Chugoku/Kyushu), as well as a national Koujinkai organization.

Dealer Opinion

Kyodo-gas has been involved in the proposal and development of such new products and services as “solacis” CIS photovoltaic modules and Shell LinkLife, and has also worked to bolster employee education as part of its HSSE activities. Since we all share the same challenges as members of the Shell family, we will continue to protect the global environment, while presenting ourselves as companies that are appreciated by our customers and communities and striving to achieve sustainable growth.



Yoshiaki Suzuki
CEO, Kyodo-gas Inc.

Human Resources Development System

The primary support for the Shell brand is provided by the employees of dealers who work on the front lines in promoting sales. This includes the service station staff who support a safe and comfortable motoring experience for our customers, the sales staff of the oil marketing divisions, and the liquefied gas sales staff. The Group is working to achieve customer satisfaction through its broad-ranging Human Resources Development System, which includes a professional certification system for affiliated dealers, group training programs, and correspondence courses.

Major Professional Certification Systems and Showa Shell's Performance

>> Showa Shell Royal Manager Program

This personnel development system was launched in 1979 to improve the skills and abilities of service station managers. In June 2008, the company held a celebration in honor of the 30th anniversary of the Shell Royal Manager (SRM) Program, in which participants shared stories and opinions on the theme “strengthening competitiveness to achieve sustainable growth.” The event was attended by about 500 people.

Number of certificate holders as of December 2009

- >> 1st class: 270
- >> 2nd class: 1,963
- >> 3rd class: 7,485 (as of December 2008)

>> Showa Shell Oil Meister and Car Life Advisor Certification Systems

Showa Shell has certification systems for Oil Meisters (oil experts certified as auto mechanics), and Car Life Advisors to promote the acquisition of accurate automotive knowledge and to impart excellent communication skills during customer interactions.

Number of certificate holders as of December 2009

- >> Oil Meister: 810
- >> Car Life Advisor: 123

>> Lubricant Expert Program

This professional certification is designed to enhance the company's ability to meet customer needs by increasing the specialized knowledge and skills of lubricating oil and grease sales supervisors. The certification has 1st and 2nd classes, and qualification is based on sales experience, training, and examinations. In May 2008, a training seminar was held to enable lubricant experts to learn the latest industry trends and policies from outside experts, and to use what they learned in their sales activities, including their presentation of information and their sharing of ideas.

Number of certificate holders as of December 2009

- >> 1st class: 160
- >> 2nd class: 591

>> Sales Manager/Service Driver Certification

This certification is designed to strengthen the customer focus of the LPG dealer staff involved in LPG sales and delivery in the Energy and Home Solutions Business, to promote the thorough implementation of HSSE activities, and to improve leadership.

Number of certificate holders as of December 2009

- >> Sales manager 1st class: 10
- >> Sales manager 2nd class: 71
- >> Service driver 2nd class: 53

Fiscal 2009 Objectives

- >> To continue implementing initiatives to eliminate occupational accidents and quality problems.
- >> To develop the Safety & Quality First (SQF) Campaign.
- >> To share information regarding eco-activities (ECO TRY 21), and to raise the environmental awareness of the employees of Showa Shell's business partners.
- >> To expand human resource development programs for dealer employees, and to improve their skills and knowledge.
- >> To arrange visits by executives to business partner sites, to confirm their safety and quality assurance measures, and to raise employee awareness of their role in these efforts.