

Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

Approach to Material Issue

The Seven & i Group has close to 140,000 employees working throughout the Group. Workplaces also include part-time employees, foreign nationals, and employees working short hours due to childcare and family care responsibilities. With this diverse workforce, we recognize that we have a duty as a corporation to support diverse working formats. We support the careers of our diverse employees and strive to create appealing workplaces that make work worthwhile. This enables us to steadily acquire diverse human resources, and also drives us to incorporate completely new ways of thinking and generate new value. It is therefore a source of competitiveness.

Policy Regarding CSR

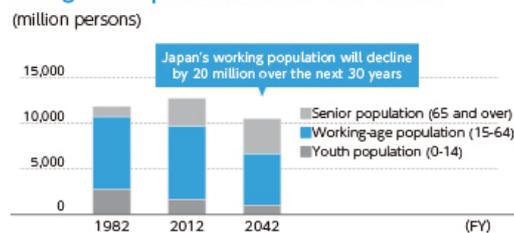
➤ [Seven & i Holdings Corporate Action Guidelines](#)

Background to Material Issue

Population Aging and Decline in Productive-Aged Population

In Japan, the birth rate is in decline, and the population is advancing in age, leading the productive-aged population to decline. Over the next 30 years or so, the productive-aged population is projected to decline by over 20 million. For this reason, raising productivity by bolstering employee capacities and developing diverse personnel will help vitalize Japan's economy and society.

Changes in Population over 30-Year Periods

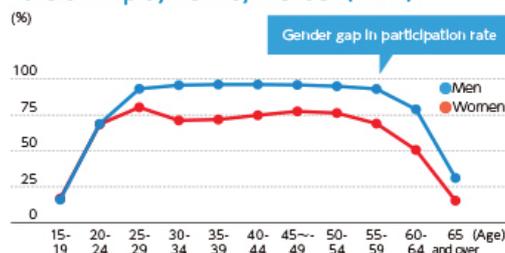


Source: Population Estimates, Statistics Bureau, Ministry of Internal Affairs and Communications
Population Projections for Japan (January 2012 Estimates), Statistics from the National Institute of Population and Social Security Research

Supporting Active Roles for Women

With the productive-aged population in decline, it is essential to promote active participation by women. However, many women are denied the opportunity to work, for example, because it is not possible to balance work with childcare, or because they have been unable to return to work after childcare. Furthermore, the ratio of women in management in Japan is relatively low by international standards at 12.5% (2015). Creating workplaces where women can play an active role is therefore an important task.

Rate of Employment by Gender (2015)



Source: Labor Force Survey (Ministry of Internal Affairs and Communications)

Promotional Framework for Material Issues

In response to this material issue, the CSR Management Committee, led by the president, and its subordinate Corporate Ethics and Culture Subcommittee, work together with the Group companies and related divisions to create environments that allow individual employees to perform to their full potential and promote the development of appealing, fulfilling workplaces. These activities are supervised by the Seven and i Holdings executive officer in charge of Corporate Communication.

Contribution to SDGs

Though its engagement in this material issue, Seven & i Holdings provides pleasant working conditions for people inside and outside the company regardless of gender or age, thereby contributing to the achievement of Sustainable Development Goals (SDGs) 4, 5, 8 and 10.



Seven & i Holdings' Initiatives

Making Use of Diverse Human Resources

We aim to enhance our corporate competitiveness through active participation of diverse human resources with the goal of becoming a company with a sustainable competitive advantage.

[> More](#)

Achieving a Work–Life Balance

We have a range of human resource systems in place to help employees to work more easily. We are also working to correct long working hours and encourage employees to take leave.

[> More](#)

Support for Fostering More Capable Employees

We are helping to improve the skills and abilities of every employee by having each Group company develop training systems tailored to the business characteristics of each company and work to develop its human resources.

[> More](#)

Assuring Fair Assessment and Treatment of Employees

We are operating various assessment systems for employees to maximize their individual abilities and ensure fair assessments free of unreasonable discrimination.

[> More](#)

Consideration for Occupational Safety and Health

We are taking a range of measures to maintain safe and comfortable workplaces and promote better health among employees.

[> More](#)

Employee Opinion Survey

We conduct an anonymous employee survey every two years in order to gauge employees' workplace satisfaction and their awareness of compliance.

[> More](#)

Sound Labor–Management Relations

We recognize various rights of workers based on international norms, such as the right of workers to organize, as we strive to enhance the workplace environment through dialogue with employees.

[▶ More](#)

Support for Childcare

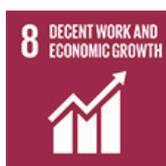
We offer various types of assistance related to childcare through our stores and establishments.

[▶ More](#)

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Making Use of Diverse Human Resources

Seven & i Holdings has positioned supporting active roles for women, youth, and seniors as a material issue, and aims to enhance its corporate competitiveness through active participation of diverse human resources, with the goal of becoming a company with a sustainable competitive advantage.



Enhancing Sustainable Competitive Advantage through Active Participation of Women

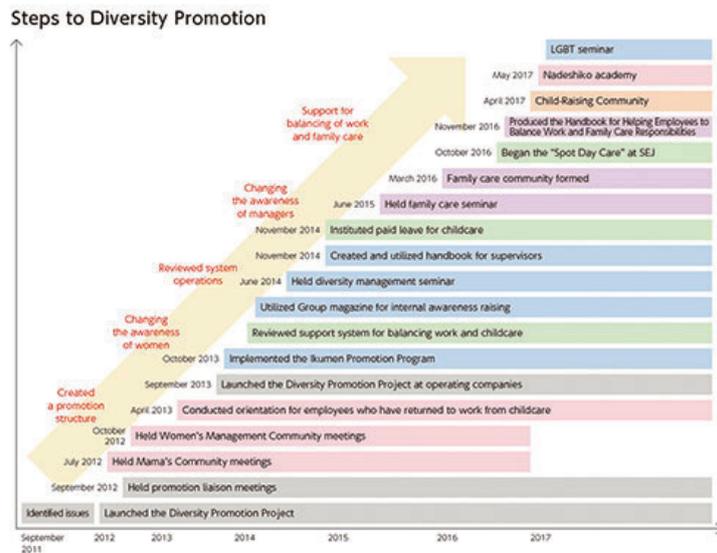
Seven & i Holdings established the Diversity Promotion Project in 2012 and has promoted initiatives with a focus particularly on women's participation and advancement, based in part on the thinking that incorporating the perspectives and sensibilities of women into product and service development and sales floor arrangements translates into higher customer satisfaction given that a majority of customers that visit the Group's stores and other establishments are women. As the next steps in the initiative, in 2012 we created a promotion system and in 2013 conducted measures for awareness-raising among women themselves and revised operation of the system. In the fiscal year ended February 28, 2015, we moved to the stage of raising the awareness of management-level employees. In addition, since the fiscal year ended February 29, 2016, we have promoted initiatives to support the balancing of work and family care responsibilities, and we will take further measures to achieve our targets for diversity promotion by 2020.

At the same time, we have also reviewed working formats for greater productivity, focusing on rectifying long working hours, which have been a barrier to the further advancement of diverse personnel, and on achieving employee work-life balance. By promoting initiatives in line with the business formats at each Group company, including organizing work process improvement teams to raise the efficiency of store operations, visually representing overtime work and leave days used, and establishing no-overtime days, we have successfully corrected overtime work and increased the rate of leave taken. Our next step will be to aim for even greater productivity gains while promoting initiatives to enable flexible work styles that allow diverse human resources to play active roles.

Diversity Promotion Targets (revised January 2016)

By 2020

1. Raise percentage of female managers: 30%
2. Encourage male employees to participate in childcare
3. Eliminate retirements resulting from need to provide family care
4. Improve employee satisfaction
5. Improve external evaluation



Fostering a Culture Where Diverse Personnel Can Play an Active Role

Seven & i Holdings is working to promote active roles for women by conducting community activities and seminars targeting various levels within the Group.

Child-Raising Community

Internal interviews conducted in 2012 revealed concern among many female employees about balancing work and childcare responsibilities. In response, in 2012, we started holding Mama's Community meetings to build a network of women involved in raising children. The group uses lunch breaks to hold discussions on balancing work and child-raising. In the fiscal year ended February 29, 2016, a career planning sheet was created and community participants conducted self-analysis of their own strengths and weaknesses and the skills they have acquired and created their own career plans based on life plans, which served to foster greater career awareness. Since April 2017, Mama's Community has been developed further to host a "Child-Raising Community." Both male and female employees involved in raising children, as well as pregnant employees, their spouses, and others, share information and hold discussions on balancing work and child-raising. Their activities have led to a review of work styles.



Child-Raising Community

Ikumen Promotion Program

Women's participation and advancement requires that men become more involved in housework and childcare. For this reason, the Ikumen Promotion Program was established in October 2013. It brings in outside lecturers from organizations such as the NPO Fathering Japan, reaffirms the necessity of participation by men in housework and childcare, supports awareness-change among men, and promotes review and revision of existing work formats. In the fiscal year ended February 28, 2017, Group company directors, general managers, section leaders, and other responsible male employees held a panel discussion comparing fathers from the mid-20th century with fathers from the late 20th century through to current times, and the fathers of the future.



Ikumen Promotion Program

Career Support for Women

The Women's Management Community meetings have been held since October 2012 to create a network of female managers and further refine managerial abilities. The community held a total of 19 seminars through to the end of February 29, 2016 and invited speakers from inside and outside the Company and held seminars on management knowledge and skills needed to advance to a higher position. In the fiscal year ending February 28, 2018, the Company started holding new "Nadeshiko Academy" for developing future managers.



Women's Management Community

Diversity Management Seminars

The Diversity Management Seminars have been held since June 2014 to change the awareness of managers. The seminars have been held 12 times as of February 2017, and approximately 4,000 people from all Group companies have participated. Led by outside lecturers, the seminars cover such issues as management of diverse staff members, reforming work formats, and leadership. They provide the opportunity for managers to think about diversity from a number of different perspectives. In June 2017, to mark the fifth year since the launch of the Diversity Promotion Project, lecturers were invited from leading companies to “Seven & i Diversity Day 2017.” The event was attended by around 400 CEOs and management team members from every Group company.

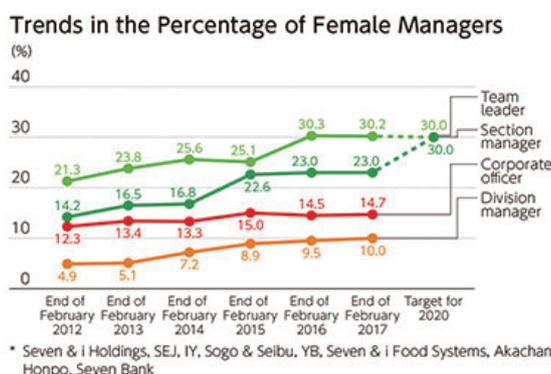
The Diversity Management Handbook is also distributed to managers at all Group companies to promote communication with staff members working to balance work and childcare or family care responsibilities in order to further train managers to make good use of their diverse personnel to generate results.



A Diversity Management Seminar

Increasing the Ratio of Female Managers

We are working to promote highly capable women and further bolster personnel training to meet the goal of a 30% ratio of female managers by 2020, one of our targets for diversity promotion. As a result of this initiative, female manager ratios, which were 21.3% for team leaders and 14.2% for section managers at the end of February 2012 before the project started, have risen to 30.2% for team leaders and 23.0% for section managers as of the end of February 2017. There has also been progress in changing awareness among female employees and managers in general, and there are now actually numerous managers in the short working hours program. At present, we are working to further train and promote women by holding selective training for managerial roles and management track candidates at Group companies and encouraging them to share career plans with supervisors during individual meetings.



Improving External Evaluation

Seven & i Holdings has established specific targets for promoting the active role of women, and the entire Group has worked together to make progress on them. The Group's initiatives and proactive appointment of female managers were recognized in January 2015, when we were awarded the Prime Minister's Award at the Leading Companies Where Women Shine Awards, as well as the Corporate Activity Award from Tokyo Stock Exchange, Inc. In 2017, we were chosen as a "2017 Nadeshiko Brand" by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, Inc. Moreover, we placed No. 2 overall in 2015 and 2016 and No. 3 overall in 2017 in the "100 Best Companies Where Women Play Active Parts," sponsored by Nikkei WOMAN magazine and the Nikkei Womanomics Project.



Ceremony for the Leading Companies Where Women Shine Awards (January 2015)



2017 Nadeshiko Brand

Initiatives at Group Companies

Since September 2012, Seven & i Holdings has held quarterly diversity promotion liaison meetings with diversity managers at the Group's eight core operating companies (including Seven & i Holdings) to rapidly develop horizontally initiatives proposed for the Diversity Promotion Project at the operating companies. Participation was expanded in 2015 to 12 companies and through the meetings Group synergies continue to be generated.

In addition, dedicated diversity teams have been launched at each Group company since September 2013. To achieve the Group's targets, individual targets have now also been set in line with operating company characteristics and initiatives are under way. For example, at SEJ, the training and hiring of women in the sales division has been identified as an issue, and the company is reviewing its hiring practices, improving working conditions, and promoting systematic hiring of women. In addition, IY has identified as an issue the promotion of women to managerial positions and has been working to train female managerial candidates, raise the awareness of managers by holding lectures on diversity management at store manager meetings, for example, and promote greater participation by men in childcare. Sogo & Seibu are having women actively participate in management training for further development and promotion. York Mart is taking steps to improve individual skill and motivation by conducting orientation for employees who have returned to work from childcare leave and exchanging opinions on common issues related to balancing work and family life.

“L-Boshi” Designation as a gender-advanced company based on the Act on the Promotion of Women’s Participation and Advancement in the Workplace

Seven & i Holdings acquired third rank - the highest - in the “L-Boshi” Designation for gender-advanced companies based on the Act on the Promotion of Women’s Participation and Advancement in the Workplace. We achieved the designation standard in all five evaluation categories: recruitment, career continuation, work style factors such as working hours, management ratio, and diversity of career paths. Similarly, IY, Seven Bank, Seven Card Services, Nissen, and Nissen Life have also obtained third rank, and Seven & i Food Systems has obtained second rank. (As of June 30, 2017)



Third rank



Second rank

“L-boshi” certification mark

Promoting Employment of People with Disabilities

Seven & i Holdings is assisting people with disabilities to demonstrate their abilities at their workplaces based on its commitment to providing an environment where everyone can play an active role. To this end, all operating companies consult with employees with disabilities to determine the workplaces, jobs and working hours that are suitable in consideration of the level and details of their disability and their own preferences. In this way, people with disabilities work in various divisions.

In recruitment, we coordinate with special-needs schools to provide onsite training in stores and participate in job interviews organized by local employment agencies and partner with vocational schools. Furthermore, all Group companies are provided with the Seven & i Holdings Normalization Support Guide, which contains basic knowledge and practical recruitment methods when employing people with disabilities, to ensure that all people who are responsible for recruitment and education at Group companies are aware of considerations regarding disabilities and that they implement them.

Furthermore, Terube, Ltd.*1, which is a special subsidiary established to foster the employment of people with severe disabilities, employs 20 people with disabilities as of June 1, 2017. As a result, the Group’s employment rate of people with disabilities*2, including those employed by Terube, came to 2.51%. (As of June 1, 2017)

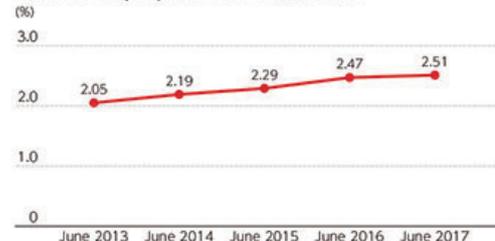
*1 Established in 1994 through joint investments from Seven & i Holdings, SEJ, IY, YB, Seven & i Food Systems, and the City of Kitami in Hokkaido Prefecture. The company offers secure, long-term employment for people with disabilities and carries out activities to raise awareness about the concept of normalization.

*2 The Group’s employment rate of people with disabilities covers the five companies of Seven & i Holdings, Terube, SEJ, IY, and Seven & i Food Systems.



Special subsidiary, Terube Ltd.

Ratio of Employees with Disabilities



* The ratio of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terre Verte (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

Support for Participation of Seniors and Non-Japanese Employees

Seven & i Group companies have a system for rehiring employees after mandatory retirement, providing an opportunity for veteran employees to use their skills and abilities. At IY, for example, a re-employment system that allows people to continue working until age 65 was introduced in 1995 in response to employees who said they wanted to continue working after the mandatory retirement age. Employees can select from three options of working days and hours to suit their wishes, enabling them to work in diverse ways. From April 2006, the Senior Partner System was implemented to allow part-time employees to work until age 65 as well. As of February 2017, 6,095 senior partners are active in the company. The system was also expanded in 2017 to enable people to continue working up to the age of 70.

With the birthrate declining, society aging, and the working-age population decreasing, SEJ is creating employment opportunities for seniors who want to work. The company actively participates in joint company presentations on senior employment held by municipalities and promotes the hiring of seniors. For people concerned about working at a convenience store, SEJ strives to provide detailed information and maintain conditions that are conducive to working with confidence. The company also provides training for seniors and non-Japanese people to give them support.

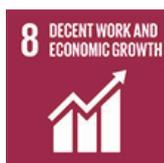


Joint company presentation

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Achieving a Work–Life Balance

Seven & i Holdings is promoting the concept of “work–life synergy,” which aims to create synergies by utilizing the perspective of a consumer in work while simultaneously leveraging the lessons of work in life. We have a range of assistance systems that exceed minimum legal requirements to enable diverse employees work with peace of mind. To make it even easier for employees to work, we are also taking steps to correct long working hours and encourage the use of paid leave.



Enhancing Childcare and Family Care Assistance Systems

Since November 2014, the Seven & i Group has implemented various systems that go beyond legal minimums to enable employees, including part timers, to continue working with peace of mind while engaging in childcare or nursing care. For example, at Ito–Yokado, which has some 40,000 employees, the most among the Group’s operating companies, there is a childbirth and childcare program and a family care program that can be utilized by employees, both men and women, who have worked at the company for a least a year; the programs are also available to part–time employees. The programs may be freely selected for use by individual employees, and combining a leave program with a reduced work hours plan is also possible.

Ito–Yokado’s Childcare and Family Care Assistance Systems

	Childcare Assistance System	Family Care Assistance System
Reduced work hours	Employees can work reduced hours until April 15 of the year their child starts junior school. *Can be combined with other leave programs.	Employees can work reduced hours for up to three years following the initial reason. *Can be combined with other leave programs, but any leave taken is included in the three–year limit.
Work until 7:00 p.m.	Full–time employees can end their workday at 7:00 p.m. until April 15 of the year their child starts junior high school	None
Leave	Employees can return to work after taking leave for up to two years. *Up to three years depending on the circumstances (Can be combined with short working hours).	Employees can take up to a one year of leave following the initial reason. The leave can also be split up and taken at different times. *Can be combined with short working hours.
Re–employment	Employees resigning to focus on childcare are given priority in hiring for three years.	Employees resigning to focus on family care are given priority in hiring for three years.

“Spot Day Care”

Seven-Eleven Japan began the “Spot Day Care” initiative in October 2016 to support the careers of employees with small children. Seven-Eleven Japan, the franchise chain headquarters, is responsible for providing support for franchised stores, and is involved in distribution and retail operations, so holidays and the New Year’s vacation period, which are peak times for retail, are basically working days. However, for employees raising small children, it can be difficult to find day care on holidays, over New Year’s and during other extended vacation periods, so this initiative establishes temporary day care facilities in company meeting rooms and at facilities near the company’s business offices. It was started on a trial basis at four business offices, and starting in May 2017 it was put into full operation and extended to 21 offices.

Further, in May 2017, Spot Day Care was introduced on a trial basis at 14 companies in the Seven & i Group to help create a working environment that sufficiently enables employees to pursue their careers.



At a Spot Day Care facility

Platinum Kurumin Certification

Ito-Yokado has become the first company in the Tokyo Metropolitan Area to receive “Platinum Kurumin” Mark certification from the Ministry of Health, Labour and Welfare, following a revision of the Act on Advancement of Measures to Support Raising Next-Generation Children in June 2015. “Platinum Kurumin” is awarded to companies that have already received “Kurumin” certification and have advanced use of systems to support balancing work with childcare to a significant degree while implementing measures at a high level. The system was established in 2015 to promote continued initiatives. Ito-Yokado has already received the “Kurumin” certification twice, and has actively utilized its Re-Challenge Plan, a personnel system for supporting childcare to help workers balance work and childcare. Other initiatives include holding opinion exchange events with employees who are involved in childcare, diversity seminars at store manager meetings, and promoting the taking of annual paid leave by employees, especially part-time workers. These activities were highly rated. Ito-Yokado will make even further efforts to create an environment where employees can work with peace of mind going forward.



Corporate certification ceremony (June 2015)

Promotion of Participation by Men in Housework and Childcare

To promote greater participation by men in childcare, a childcare leave program has been phased in at Seven & i Group companies since November 2014. The program provides five special vacation days per year that can be used in one-day increments to employees with pre-school aged children. Since the program was started, it has been used by many employees for various reasons involving their children, such as when their spouse gives birth, or to attend kindergarten entrance and graduation ceremonies or participate in field day events. In the fiscal year ended February 28, 2017, 44 male employees took childcare leave at Seven & i Holdings, along with 461 at Seven-Eleven Japan, and 498 at Ito-Yokado.

In addition, Seven-Eleven Japan has created a handbook on the childcare and nursing care leave to promote understanding of the programs and encourage their use. It introduces the significance of the programs and how to apply to utilize them in an easy-to-understand manner. Moreover, at Ito-Yokado, a community has been established for male employees involved in childcare. It provides participants the opportunity to think about their own work-life balance as well as consider the productivity and working formats of their divisions.

Aiming to Eliminate Retirements Resulting from Need to Provide Family Care

Along with promoting active roles for women since the fiscal year ending February 29, 2016, the Seven & i Group also works to help employees balance their jobs with family care responsibilities. In the near future, approximately 70% of employees may be involved in balancing these two responsibilities, so it is expected to become a major issue going forward.

Given this expectation, since June 2015 we have conducted regular seminars with outside experts on preparing in advance for family care responsibilities since it is important to be ready before the need for care arises. Employees have been extremely interested in the topic and many have participated in the seminars. Further, a family care community was established in November 2015 for employees engaged in balancing work and family care. It works to eliminate anxiety by identifying issues related to the balance and by building networks. In October 2016, we produced the Handbook for Helping Employees to Balance Work and Family Care Responsibilities, with a view to using it in all Group companies to support the creation of working environments that make it easy to balance these commitments.

Volunteer Leave System

To support employee participation in local community activities for people with disabilities, family care support, environmental beautification, disaster reconstruction support, and other objectives, Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York Mart, Seven & i Food Systems, and Seven Bank have instituted a volunteer leave system under which employees can take five days off per year for volunteer work.

In the fiscal year ended February 29, 2017, 33 Group employees took volunteer leave.

Telework System

Seven Bank established a telework system in the fiscal year ended February 29, 2016, that allows employees to continue to perform their jobs if they have difficulty commuting due to pregnancy, childcare or family care responsibilities, an injury or other reason.

Restricting Long Working Hours

Seven & i Holdings conducts various initiatives throughout the Group to restrict long working hours. The internal newsletter distributed to the Group's approximately 70,000 employees contains a monthly column on working styles to raise awareness, and in our Diversity Management Seminars conducted since 2014, there are lectures by specialists and presentations on progressive initiatives at other companies related to work styles. Around 4,000 employees in total from 28 Group companies have attended the seminars as of the end of February 2017. Many of the seminar participants work to increase communication with their subordinates and take further action to improve working styles. In addition, restricting long working hours requires that measures be taken at the Group business level. Measures are being devised by individual companies to reflect their individual characteristics based on the results of the Employee Opinion Survey. Progress is communicated through the Work Satisfaction Improvement Committee, which is made up of representatives from each company, in order to promote improvement activities. Good examples are also shared with the Corporate Culture and Ethics Subcommittee, which is under the CSR Management Committee, to extend exceptional initiatives to other Group companies.

➤ Further details of the Employee Opinion Survey can be found [here](#)

Example of Seven-Eleven Japan

We are working to reduce long working hours while engaging with each individual employee. At sales meetings, talks by the president and other management members on work style reforms are communicated to further raise awareness, and examples of initiatives that were successful in reducing overtime are shared at area meetings. We are also working to reduce overtime by instituting a new attendance management system that can perform real-time monitoring of overtime and use of leave for both managers and staff members. In addition, the Leave-Taking Promotion Day is held six days a year to encourage employees to make use of their annual paid leave.

Example of Ito-Yokado

Overtime and paid leave taken at each store is shared each month with all employees to further raise awareness. In addition, working hours, overtime hours and other work records, along with how many holidays and leave days are being taken can be compared and analyzed on an employment management system for each individual, sales floor, and store. When safety and health committees are convened each month at the store level, they use this system to discuss the causes of long working hours and improvement measures. At divisions that have issues, labor and management work together to make improvements to operations.

Example of Akachan Honpo

“No Overtime Week” initiatives are also being conducted to restrict long working hours. Employees personally designate three weeks out of eight weeks as no overtime weeks, and this is incorporated into their work schedules in advance. This creates a follow-up system at the workplace level. Managers with employees that have worked over a certain number of hours of overtime in a given week meet with that employee to discuss how to raise work efficiency starting the next week and share the results with the Labor Division. In this way initiatives are conducted for more highly valuing the private time of employees by reducing their overtime.

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Support for Fostering More Capable Employees

Seven & i Holdings conducts human resources development with training systems refined by Group companies to match their respective business characteristics and supports the skill development of each individual employee.



Training Systems

For our approximately 110,000 employees working nationwide, the Seven & i Group engages in human resources development through training systems refined by Group companies to match their respective business characteristics. The Group focuses particularly on the essential task of improving the skills of store employees who interact with customers. To this end, we hold regular group training by position and also work to enhance the skills and develop the careers of individual employees, including part-time employees.

For example, at IY, new employee training is held for all employees, including part-time employees, to teach job basics and required retail skills and knowledge. Further, training is held to provide basic knowledge of products handled by affiliated division and to improve skills related to customer service and fresh food preparation. In this way, the company assists employees in continuing to upgrade their skills. Additionally, training is also held for everyone from new hires to sales floor staff, sales floor supervisors, assistant store managers, and store managers, to provide knowledge of sales floor management in stages and in line with their respective positions. Training is divided into newly appointed, post-appointment, and career development stage for each position and a training system has been established with a curriculum to match the growth of each individual employee. YB uses target setting charts to clarify the individual employee's current skills and abilities as well as skills to be acquired and training targets between individual employees and their managers. The target setting charts include detailed items necessary for job performance, such as customer service, sales area management, ordering, and food preparation techniques, with the skills and abilities of the employee assessed on a six-step scale from 0 to 5. In the "skills version" for staff members and part-time employees, items are determined for each division depending on duties, job characteristics and products handled for each analysis item. There is also a "management version" for store managers, assistant store managers, customer service managers and division managers that is intended to help raise and standardize management abilities. Based on the chart, employees confirm their skill levels with their supervisors and twice a year share the progress they have made with their supervisors and establish the next set of goals. This enables them to check their own growth, helping to boost motivation.



Employees in training

IY Training System

Position	Training content	Information sharing	
Part-time employees	Training for new employees <ul style="list-style-type: none"> Merchant fundamentals, corporate fundamentals 	Personal development support (correspondence courses, etc.)	
New employees	Training for new employees <ul style="list-style-type: none"> Merchant fundamentals, corporate fundamentals 		
	Customer service training <ul style="list-style-type: none"> Importance of customer service and methods 		
	Service training <ul style="list-style-type: none"> Features and formats of gift products 		
	Item-by-item management training <ul style="list-style-type: none"> Sales methods Selecting and selling products 		
	Divisional training <ul style="list-style-type: none"> Basic knowledge and technologies by division 		
Staff	Management training <ul style="list-style-type: none"> Knowledge, techniques and management skills necessary for sales area management 		
Floor managers	New manager training <ul style="list-style-type: none"> Knowledge necessary for sales area supervisors, management Numerical analysis, personnel training 		Floor manager conferences
	Management training <ul style="list-style-type: none"> Knowledge and management necessary for assistant store manager candidates 		
Assistant store managers	New assistant store managers training <ul style="list-style-type: none"> Knowledge necessary for store management, management 		
	Assistant store manager training <ul style="list-style-type: none"> Operational improvements in target division 		
	Management training <ul style="list-style-type: none"> Knowledge necessary for senior management, management 		
Store managers	New store manager training <ul style="list-style-type: none"> Basic knowledge about the company, store operation from a management perspective Sales floor management learned from senior store managers, management 	Store manager conferences	

Training Facilities

Seven & i Holdings established the Ito Training Center in Yokohama, Kanagawa Prefecture in March 2012 to support the acquisition of technical knowledge on sales, food preparation, and other areas to match business characteristics. Another function is to communicate the Group's founding spirit and nurture the next generation of human resources. The training center is equipped with meeting rooms as well as skills rooms for personnel that handle fresh fish, meat and produce (including *sozai* prepared dishes, fresh fish, sushi, processed meat, and produce) cash register practice rooms, and display practice rooms with recreated sales areas. A history room is provided to help communicate the founding spirit and corporate philosophy. There is also an accommodation facility within the training center with 65 rooms for overnight stays, including four universal design rooms that are wheelchair-ready. In the fiscal year ended February 28, 2017, 55,000 Group employees received training at the facility, bringing the total number since it was opened to over 300,000.



The Ito Training Center

➤ Further details about the Ito Training Center can be found here (Japanese Only) [📄](#)

Open Recruitment System for Human Resources

Seven & i Holdings implements an open recruitment system for human resources that encompasses all of its operating companies. The system is designed to respect the will of each individual employee and ensure the right person is placed in the right job to fully leverage their abilities and to invigorate the organization.

Group companies have also instituted internal recruitment systems. For example, at IY, employees who have worked at the company for at least two years can become candidates for managerial positions and jobs regardless of business experience or seniority. In the fiscal year ended February 28, 2017, 174 people applied through this system and 28 were appointed to their preferred positions or jobs.

Going forward, we intend to further enhance the conditions that raise motivation and allow employees to fully demonstrate their abilities.

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Assuring Fair Assessment and Treatment of Employees

Seven & i Holdings implements various assessment systems for employees to maximize their individual abilities and ensure fair assessments free of unreasonable discrimination due to social status, birthplace, race, creed, gender, and so forth.



Fairness Based on Self-Evaluations

The Seven & i Group has instituted a self-check program to maximize individual employee abilities and help ensure fair evaluations. Twice a year at each Group company, employees first assess their own job performance, which is then evaluated by their supervisor. After that, the employee and supervisor meet to discuss the results. This direct dialogue helps the employee to identify their own achievements, strengths, and challenges while also ensuring the transparency and fairness of evaluations. In addition, through individual meetings with supervisors, issues at the workplace related to management levels, knowledge, skills and the like are confirmed, and this leads to further career development. Since it is not a simple one-sided evaluation by the company, employees are more willing to accept the system and find it motivating. The system is helping to steadily improve operational levels.

Employee Compensation System

IY has an employee classification system that allows employees to choose which region to work in based on their individual life plans and values. Based on this system, employees are evaluated using a qualifications system, which ranks them by job performance ability and skill, and by job responsibilities, taking into account their current duties and job assignment. In addition, individual evaluations, which are determined based on job achievement, level of contribution and other factors, are directly incorporated into salary and bonus levels.

Selection of Various Work Styles

Seven & i Holdings' operating companies also focus on establishing systems that allow employees to choose various work styles to increase their motivation for work. For example, IY has a program enabling part-timers to choose from diverse working styles. Under this system, part-timers may elect to step up a rank after acquiring a certain level of evaluation and sales skill. There is also a program in place where part-timers designated as highest level can be hired as a monthly salaried permanent employee or contract worker. To date (as of February 28, 2017), 32 part-timers have become monthly salaried permanent employees. A large number of part-timers have also been hired on in managerial roles, such as sales floor manager. This initiative has received formal recognition as IY received the grand prize (Health, Labour and Welfare Minister's Award) at the Awards for Enterprises Promoting Part-time Workers to Play Active Roles at Work, which was established in the fiscal year ended February 29, 2016 by the Ministry of Health, Labour and Welfare.

IY Step Up Elective System

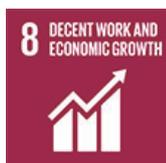


Award ceremony (January 2016)

Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

Consideration for Occupational Safety and Health

Seven & i Holdings conducts a variety of initiatives for maintaining safe and comfortable working conditions and promoting the health of employees, including convening safety and health committees and promoting the Seven & i Health Declaration 2018.



Prevention of Workplace Accidents

Seven & i Holdings convenes safety and health committees at each Group company in accordance with laws and regulations and implements improvements to the workplace environment including working conditions, as well as conducting measures to prevent workplace accidents. For example, at IY, training is conducted on the handling of knives and other implements for employees that work with fresh food products. At Seven & i Food Systems, awareness-raising posters and other campaign materials are posted at stores twice a year to bring attention to the prevention of workplace accidents. At stores where workplace accidents have occurred, interviews are conducted and the causes of the accident and specific prevention measures are shared with other stores.

Workplace Accident Data for Eight Group Companies for the Fiscal Year Ended February 28, 2017

	Seven & i Holdings	SEJ	IY	Sogo & Seibu	YB	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency	0.00	0.04	1.43	0.76	3.64	0.81	0.00	0.00
Workplace accident severity	0.00	0.00	0.03	0.01	0.01	0.02	0.00	0.00

*No workplace accidents resulted in deaths.

Promoting Employee Health

When employees are healthy both mentally and physically, it not only makes their own lives more fulfilling but is also a source of vitality for the Company, and makes management more efficient. Based on this understanding, Seven & i Holdings launched the "Seven & i Health Declaration 2018" in October 2014 in partnership with Seven & i Holdings Health Insurance Union. The Health Management Committee, chaired by the President of Seven & i Holdings, was established with members including human resources and labor relations supervisors and labor representatives (labor unions) at each Group company, and it is administered by the Seven & i Holdings Personnel Planning Dept., Health Management Center and Health Insurance Union. Through this promotional organization, the progress of Group company initiatives is confirmed and Group measures are planned and reviewed. The Seven & i Health Declaration 2018 establishes targets in such areas as reducing the risk of lifestyle diseases, reducing the smoking rate, raising awareness of cancers that affect women, and promoting work-life balance. The MY HEALTH WEB Health Management System, a portal website, was created as a support measure for these targets. We also hold mental health training and health-themed events, offer low-calorie, low-sodium menu items at the staff cafeteria, and provide health-related information through internal Group newsletters and other media, and help employees maintain and manage their own health.

The MY HEALTH WEB Health Management System in particular allows individuals to browse the past five years of their own diagnostic data on the Internet, and serves as a tool for checking and goal-setting on health status, and for receiving advice on how to improve health. Since it started, the program has covered approximately 60,000 employees and their family members over age 30, and has drawn attention as one of the largest of its kind in the industry.

Furthermore, Group companies have taken steps to implement appropriate health and productivity management based on the Industrial Safety and Health Act by ensuring that all employees receive regular health checks and follow up on the results, as well as making sure that stress checks are implemented for everyone.

In February 2016, this initiative was highly rated and eight Group companies - Seven & i Holdings, SEJ, IY, Sogo & Seibu, YB, Seven & i Food Systems, York Mart, and Seven Card Services - were recognized in the 2017 Certified Health and Productivity Management Organization White 500 held by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



2017 Certified Health and Productivity Management Organization Certificate

Seven & i Health Declaration 2018

Targets	Specific Targets to Be Achieved by March 31, 2018			
1. Maintain appropriate bodyweight and reduce lifestyle diseases	Ratio of People with a BMI over 25			
		FY2016 Seven & i Group	FY2015 National average (20 years and older)*	March 31, 2018 Seven & i Group Target
	Male	35.5%	29.5%	28% or less
	Female	25.6%	19.2%	18% or less
2. Reduce smoking rate	Overall Employee Smoking Rate			
		FY2016 Seven & i Group	FY2015 National average (20 years and older)*	March 31, 2018 Seven & i Group Target
	Overall	30.2% (Male employees: 41.2%, female employees: 22.6%)	18.2% (Male employees: 30.1%, female employees: 7.9%)	24% or less
3. Raise awareness of women's cancers	Increase employees receiving breast cancer exams			
4. Raise employee vitality (mental health)	<ul style="list-style-type: none"> • Increase employee knowledge of mental health related issues • Help employees with mental health issues recover their health 			
5. Promote work-life balance	<ul style="list-style-type: none"> • Reduce overtime and make working hours amenable to health and work-life balance • Encourage employees to take days off and vacation time for health promotion and reinvigoration 			

*Source: Ministry of Health, Labor and Welfare 2014 "Health and Nutrition Survey" result.

*BMI and smoking data are totals for 22 Group companies participating in the Seven & i Holdings Health Insurance Society

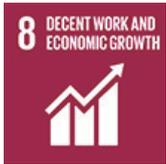


Providing healthy menu items at the employee cafeteria

Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

Employee Opinion Survey

Seven & i Holdings conducts an anonymous survey of employees once every two years on topics such as working conditions and compliance awareness.



Employee Opinion Survey

The employee opinion survey asks questions about penetration of the corporate philosophy, employee satisfaction levels in terms of job satisfaction and growth and development through work, supervisors' management, and the workplace environment. In the fiscal year ended February 29, 2016, the survey was administered to approximately 44,000 employees at 28 companies in Japan, and approximately 39,000 people responded.

Example of Employee Opinion Survey Questions

- To what degree do you feel satisfied with my work
- To what degree do you perform your work in accordance with laws and regulations and rules
- To what degree does your supervisor manage the work load of team members appropriately
- To what degree do you think that the Company conducts environmentally considerate business activities?

Promoting Improvement Activities

After the survey, human resources and CSR division personnel from Group companies met to analyze their companies' survey results and held special meetings to identify issues and consider and propose improvement measures. Based on advice from outside consultants and discussions among meeting attendees, individual company problems were identified through in-depth analysis of underlying causes, and proposals were made for issues and improvement measures. The proposals were reported back to the management teams at each Group company along with the survey results, and the companies are now individually promoting initiatives to execute the improvement measures.

To help promote improvement activities for each Group company, a Work Satisfaction Improvement Committee meeting is held regularly for sharing each company's progress and on improvement measures and issues. Representatives from each company gather according to their business format to share the implementation status and results of their measures for spreading the corporate philosophy and understanding of compliance, reducing long working hours, and increasing job satisfaction. This provides impetus for solving issues and helps spread best practices among other Group companies.

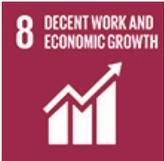


Work Satisfaction Improvement Committee.

Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

Sound Labor–Management Relations

Seven & i Holdings respects workers' rights such as the freedom of association, the right to organize and collective bargaining. In the Seven & i Group Corporate Action Guidelines, we have established the following principle: "The Company respects workers' rights, such as the right to organize, based on international norms and efforts to further improve the work environment."



Respect for Freedom of Association and Collective Bargaining

At Seven & i Holdings, the Group's 11* labor unions form the Federation of Seven & i Group Labor Unions, which as of June 2017 has approximately 63,000 members. The federation carries out a variety of activities for union members based on the thinking that "no water can be drawn from a dry well." It also coordinates activities by holding discussions on organizational management, labor conditions and other issues pertaining to union members.

The member unions autonomously create their own independent organizations, and then they coordinate and join together for common causes. They complement one another's strengths and also work to improve shared labor conditions on a unified basis, which further reinforces both the individual unions and the federation itself. This is the basic approach through which activities are conducted. Seven & i Holdings and the labor unions work through numerous active discussions between labor and management to improve issues related to labor conditions and employees' workplace environments.

For example, at Ito-Yokado, the compensation system and labor conditions for union members and employees are discussed, and consultations between management and labor are considered valuable for solving issues and improving productivity. Promotion of recent workstyle improvements is an example of collaboration between management and labor, and Ito-Yokado is taking steps to ensure that work rules are understood by everyone, promote the use of holidays and paid leave, improve the labor environment, and achieve a good work-life balance.

* The 11 companies are Ito-Yokado, York-Benimaru, York Mart, SHELL GARDEN, Marudai, Sanei, Sogo & Seibu, Seven & i Food Systems, Akachan Honpo, THE LOFT and Life Foods.

Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

Support for Childcare

With the trend toward nuclear families, there are often fewer people parents can easily turn to with questions about raising their children. In light of this, Seven & i Holdings offers various types of assistance related to childcare through its stores.



Maternity and Childcare Counseling Service

Ito-Yokado and Sogo & Seibu provide maternity and childcare consultation offices (at 120 stores as of February 28, 2017) and Pre-Mama Stations (at 6 stores as of February 28, 2017). Here, public health nurses and midwives give counseling free of charge to pregnant women on their health and to mothers on childcare. They also provide rest areas equipped with booths for breast-feeding, hot-water, and toilets for children.



Childcare consultation office

Number of Ito-Yokado Childcare Consultations (Users)

FY2013	FY2014	FY2015	FY2016
247,422	235,017	237,336	246,060

Childcare Support Events

Ito-Yokado holds a range of events to provide childcare advice and encourage parents to interact and socialize, starting with free maternity and childcare consultation offices staffed by licensed specialists. The company also actively takes part in events with universities, municipalities and product manufacturers to maintain and promote the health of mothers, offer techniques for relaxation and rejuvenation and provide helpful childcare-related information. The overarching theme of the events is “enjoyment at home through public-private-academic partnerships,” and through these events, we are helping to expand community childcare support networks.



A childcare support event sponsored by public-private-academic partnership

Supporting Career Education

To support career education at elementary, junior high, high schools, and universities, the Seven & i Group cooperates with requests from schools by sending out employees to each school, by providing workplace tours, and by holding workplace experience programs at its Group stores, where children have the chance to take part in running a familiar retail store. For example, York Mart provides an opportunity to observe the food processing operations and to practice stocking the shelves in the store with products. Approximately 7,000 elementary and junior high school students participate each year. Seven & i Food Systems holds workplace experience programs where students can try working as the manager of a restaurant or learn about the importance of ingredients control and hospitality through actual experience. The program was attended by students from 104 schools in the fiscal year ended February 28, 2017. The Seven & i Group training facility, Ito Training Center, provides sales space creation and food processing experiences, as well as opportunities to provide service from various customer perspectives, such as helping customers in wheelchairs and so forth. Through these experiences, the students can feel the value of working and the joy of interacting with customers.

Furthermore, Seven-Eleven Japan has a store in Shinagawa Student City, which has been run jointly by the City of Shinagawa and Junior Achievement Japan since 2003. The concept of Shinagawa Student City is to create a virtual town inside an elementary school, with various companies setting up shops and providing experience of working and society. The children working in the 7-Eleven store experience customer service, sales space creation, and other operations to learn about the systems of society. In the fiscal year ended February 28, 2017, 1,791 elementary school students staffed our store and learned about the joys and challenges of working through customer service and retail sales.



Learning about cash registers through hands-on experience at Ito Training Center



Shinagawa Student City

Outreach Classes for Company–School Exchange

Seven–Eleven Japan held an outreach class at Sugunami Dainana Elementary School in March 2017 as a part of the Yomiuri Education Network, which seeks to increase interactions between companies and schools.

The class involves a game in which 7–Eleven stores are established in fictitious towns on a map. Through the game, the students come to understand in a fun way the roles that 7–Eleven plays in society. At the same time, they learn about some of the changes taking place in Japanese society, including the aging population, declining birthrate, women’s advancement in society, and decreasing number of retail stores. The class provides a good opportunity for students to think about their society from the everyday perspective of a convenience store.



Outreach class in progress

Picture Book Storytelling Sessions

Seven Bank supports the publication of “Bonolon, Warrior of the Forest,” a picture book that parents can read to their children to foster communication. The bank also distributes picture books free of charge and holds storytelling sessions. Storytelling sessions are also held at Denny’s restaurants, which are managed by Seven & i Food Systems.



Storytelling session led by employee volunteers

Support for Dietary Education

The Seven & i Group promotes dietary education activities for children to raise people who understand foods through various experiences and can practice a sound, healthy diet.

For example, Seven & i Food Systems distributes a booklet called "Bonolon and Food" at its chain of Denny's restaurants. The booklet contains important information about food manners and knowledge and teaches children about the correct eating habits using games and quizzes.



©NSP 2005, © Together with Bonolon, 2007
Free dietary education booklet "Bonolon and Food"

Donating Shoes to Children in Zambia

Sogo & Seibu works with the Japanese Organization for International Cooperation in Family Planning (JOICFP)* on a project for sending shoes to children in Zambia. The company has established areas for accepting donated children's shoes in all of its stores. The shoes they receive from customers help to prevent tetanus and parasitic infections resulting from foot injuries to children with bare feet. They are sent through JOICFP to children in Zambia. As of February 28, 2017, Sogo & Seibu had sent about 670,000 pairs of shoes since 2009.

* JOICFP is an international cooperation NGO that was started in Japan to protect the health and lives of women and children in the developing world.



Cooperation with the White Ribbon Campaign

Akachan Honpo and Sogo & Seibu have been providing sponsorship for the White Ribbon Campaign launched by JOICFP to protect the health of pregnant women and babies throughout the world. The Group companies have been working in partnership with JOICFP on the Community Safe Motherhood Project (which involves the donation of funds to establish Maternity Waiting Houses in Zambia). Besides accepting donations on behalf of JOICFP through its stores and online, the two companies have also installed 62 White Ribbon Campaign Vending Machines at locations throughout Japan (Akachan Honpo 41 machines, Sogo & Seibu 21 machines) as of February 28, 2017. For every beverage purchased from one of these machines, the companies donate ¥2 to JOICFP (¥1 from the beverage manufacturer and ¥1 from the store where the machine is installed). In addition, Sogo & Seibu has created a White Ribbon pin badge for sale, from which all proceeds are donated to the White Ribbon Campaign.



A White Ribbon beverage vending machine



A White Ribbon pin badge