



7-Eleven, Inc.



The Southland Corporation, the predecessor of 7-Eleven, Inc., was founded in Texas, U.S. in 1927. In 1946, the store name was changed to “7-Eleven” to reflect the store opening hours of 7:00am to 11:00pm. Since then, 7-Eleven has been growing as a

convenience store chain. In 2005, it became a wholly-owned subsidiary of Seven-Eleven Japan Co., Ltd. As of the end of 2008, 7-Eleven, Inc. operated or franchised 6,196 stores in the U.S. and Canada, and grants area licenses around the world.

Providing Community Services as a Good Neighbor

We support local initiatives with a particular emphasis on safety, education, health & wellness and community revitalization.

1 Organizations we support

1. Not-for-profit organizations and government agencies, such as public schools, libraries or police departments.
2. Organizations and initiatives that support communities where 7-Eleven operates stores.
3. Organizations and initiatives that support our strategic focus areas: safety, education, health & wellness and community revitalization — the four fields that 7-Eleven, Inc. places emphasis on.

A store is a part of the neighborhood, and being a good neighbor and corporate citizen is one of many management responsibilities. Based on this belief, 7-Eleven, Inc. has been involved in a variety of activities to serve local communities.

In accordance with the policy of responding to the needs of local communities, 7-Eleven, Inc. has been supporting activities¹ that help improve the quality of life of our customers, franchisees, and employees. The company places emphasis on safety, education, health & wellness and community revitalization as fields that are closely related to people’s lives. And priority is given to youth programs to ensure we build a strong foundation for the next generation.

The company also encourages its

franchisees and employees to interact with their neighborhoods and participate in local activities. Many of them support local initiatives such as their neighborhood schools or Little League teams. In 2008, nearly 500 hours were volunteered to support local grassroots activities. 7-Eleven, Inc. also solicits donations from its customers by displaying canisters on store counters to raise funds to support local communities. In 2008, the company’s collective efforts — including cash donations from customers, franchisees, employees, and corporate, in-kind contributions, and volunteer hours for local initiatives — raised more than \$3 million in cash-equivalent value. Over the past 32 years, more than \$100 million in cash and in-kind products have been contributed.

Contributing to the Solution of Social Issues through the Sales of Selected Merchandise

We support the activities for promoting the early detection and treatment of breast cancer.

The Pink Ribbon campaign, aimed at raising awareness of the early detection and treatment of breast cancer, was started in the U.S., where the incidence of the disease is high². In October — the month designated as Breast Cancer Awareness Month in the campaign — a variety of activities take place all over the world.

In October 2008, 7-Eleven, Inc. sold freshly baked donuts shaped like a pink ribbon, the symbol of the campaign, and donated a portion of each sale (15 cents per donut, with a suggested retail price of \$1.19) to Susan G. Komen for the Cure®, an organization for raising awareness of breast cancer. We also sold Pink Ribbon refrigerator magnets, refills and stainless steel mugs, and donated a portion of the sales to the Breast Cancer Research Foundation.

In addition to these items, the stores also carried popular pink products from

manufacturers that have made a commitment to contribute a portion of the proceeds to breast cancer charities for every item sold. Some of those products had specific packaging to commemorate Breast Cancer Awareness Month, which helped raise awareness among customers.

As of October 2008, 7-Eleven, Inc. raised nearly \$50,000.



Donuts sold for the Pink Ribbon campaign

2 Facts about breast cancer in the U.S.

It is said that one in eight women in the U.S. will develop breast cancer sometime in their life.

We support the health and well-being of children by donating to a children's research hospital.

Since 2004, 7-Eleven, Inc. has been selling 7-Eleven-exclusive stuffed animals in its stores during the period of the St. Jude Children's Research Hospital Thanks and Giving campaign in November each year. The company donates a portion of the sales to the hospital, which is a renowned pediatric cancer research and treatment center.

Located in Memphis, Tennessee, St. Jude Children's Research Hospital provides treatment to children with cancer and other catastrophic diseases. The families of the children do not have to pay for treatment if they are not covered by insurance. As a result, no child is ever denied treatment because of their family's financial position.

7-Eleven, Inc. donates \$2.00 of the \$8.99 retail price of each toy, and the total amount of donations to the hospital exceeded \$50,000 in 2008. Since 2004, 7-Eleven stores have raised more than \$400,000 for St. Jude Children's Research Hospital.

Message from Joseph M. DePinto, the president and CEO of 7-Eleven, Inc.

Supporting the health and well-being of children is an important charitable focus for 7-Eleven and its franchisees. We are doing more in our stores to attract young customers, and it is fitting that we give back to this worthy charity that does so much for kids who are ill and their families.



Joseph M. DePinto



Stuffed animals offered in limited quantities



7-Eleven, Inc.

Creating Bonds with Local Residents

We make effective use of our stores for crime prevention in local communities.

For many years, 7-Eleven, Inc. has been involved in a variety of crime prevention programs to support law enforcement and community policing.

Selected 7-Eleven stores offer local law enforcement a place to build and improve police relations with the residents in their communities. These satellite offices provide officers on the beat with a convenient location to make phone calls and complete paperwork, and they offer residents a less intimidating way to access the police for information and assistance. 7-Eleven now has more than 200 Police Community Network Centers in 100 cities across the U.S.

7-Eleven, Inc. also supports Cops in Shops¹, a program designed to discourage minors from attempting to buy alcoholic beverages. Participating stores display

warning signs on their front windows and cold-beverage doors.

In addition, 7-Eleven, Inc. hosts National Night Out² block parties at stores in targeted markets. These parties aim to strengthen the ties between the local residents and law enforcement officers, and aim to send a message to criminals that the neighborhoods are organized and are fighting back.



A police officer dropping by at a 7-Eleven store

1 Cops in Shops

Cops in Shops is a program of a U.S. NPO, The Century Council. Participating retailers and undercover officers cooperate to stop illegal underage alcohol sales.

2 National Night Out

The National Night Out is an anti-crime, anti-drug event sponsored by the National Association of Town Watch. A variety of activities are held such as when neighbors in cities around the country are asked to turn on their porch lights for one night each year and visit each other, as well as block parties and parades. This event promotes community bonds.

3 Slurpee®

Slurpee® is a popular semi-frozen, carbonated beverage sold at 7-Eleven stores in the U.S. and elsewhere.

4 Big Gulp®

Big Gulp® is a soft drink sold in large cups ranging from 32 to 64 oz in capacity.

We help educate youth by issuing tickets for free products.

It is important that adults properly recognize and reward the positive behavior of youth in this way. Based on this belief, 7-Eleven, Inc. supports activities to enhance relations between adults and youth.

7-Eleven, Inc. provides law enforcement officers with coupons that are good for a free Slurpee^{®3} at any 7-Eleven store in the U.S. and Canada. Officers on the beat watch kids and give them the coupons when they demonstrate positive behaviors, such as wearing bicycle helmets, participating in community activities, picking up trash and observing street crossing rules. This program offers opportunities for officers to establish a rapport with kids in the neighborhood. Since its inception in 1995, more than 10 million coupons have been distributed to officers.

We also provide the coupons to local schools or youth programs to reward

children's attendance, effort and achievement. 7-Eleven also acknowledges the efforts of adults who educate children, providing coffee and Big Gulp^{®4} coupons to school PTA organizations and groups that organize community youth programs.

Through these activities, 7-Eleven, Inc. supported more than 150 local schools, police departments and community groups in 2008.



A police officer giving a coupon to a child

Raising Awareness of Crime Prevention

We undertake a comprehensive training program to prevent the illegal sales of age-restricted products.

Our commitment to responsible retailing, a part of what makes 7-Eleven a welcome and respected neighbor, 7-Eleven, Inc. sells age-restricted products such as alcoholic beverages and tobacco in accordance with laws and regulations.

Each store posts signs to alert customers that they may be asked for identification if they wish to purchase age-restricted products. In addition, the stores' registers automatically prompt sales assistants to check the customer's ID when an age-restricted product is scanned for sale.

These activities for preventing illegal sale are called Come of Age⁵, a public awareness and personnel-training program.

In a recent social trend, we find that more people are responding violently to being turned down when they attempt to purchase age-restricted products. At the same time, public concern is growing about the sale of tobacco to minors. In recognition of society's concerns, 7-Eleven, Inc. provides training to its employees to ensure that they fully understand what a responsible retailer should do to prevent an illegal sale.

In the training, the employees of each

store first receive customized Computer-Based Training. This is followed by discussions and simulated role-playing, which are aimed at ensuring they understand and practice what they have learned.

■ Content of the training program for store employees⁶

1. The laws concerning the sale of alcoholic beverages, tobacco products, potential inhalants, and other age-restricted products, such as lottery tickets
2. How to observe customers and their behavior to determine whether age-restricted products can be sold, and how to recognize invalid forms of age identification
3. How to refuse an illegal sale in a safe and non-confrontational way
4. Complying with U.S. tobacco sales regulations



A store employee checking the ID of a customer

We provide training to prevent crime in stores.

7-Eleven, Inc. has worked to reduce robberies for many years. In 1975, the company developed a unique store employee training program on how to deter robberies and manage registers, etc., called Operation Alert. Based on this program, corporate store managers, their staffs and franchisees learn security procedures, proper store maintenance, violence avoidance, what to do in case of a robbery or a potentially violent encounter. The company attempts to ensure the safety of its store workers with this highly practical program, which is based on crime victim surveys and advice from former convicted criminals.

Corporate store employees also participate in a multi-media training process⁷ and are supplied with comprehensive resource materials for crime deterrence and violence avoidance. The same training materials are also made available to 7-Eleven franchisees, who train their own store personnel.



A training session

5 Come of Age

The Come of Age program was developed by 7-Eleven, Inc. in 1984 to prohibit the illegal sale of alcoholic beverages. In 1994, the program was expanded to include all other age-restricted products (tobacco, lottery tickets and potential inhalants).

6 Content of the training program for store employees

We change the content of the employee training as appropriate for each region in accordance with state laws, etc.

7 Multimedia training process

Multimedia training process is a computer-based training program. The lesson content is delivered online, not only as text, but with photos and videos to help visually illustrate the lessons. Virtual training and quizzes are also included in the program.



Superstore Operations in China



Hua Tang Yokado Commercial Co., Ltd.

Nobutaka Shiroki (Chairman)
Nobutaka Shiroki (President)
Number of employees: 3,145*
Number of stores: 8*



Chengdu Ito-Yokado Co., Ltd.

Tomihiro Saegusa (Chairman)
Tomihiro Saegusa (President)
Number of employees: 2,318*
Number of stores: 3*



Beijing Wang fu jing Yokado Commercial Co., Ltd.

Hiroshi Mugikura (Chairman)
Tadataka Hagiwara (President)
Number of employees: 249*
Number of stores: 1*

* As of December 31, 2008

In April 1996, Ito-Yokado became the first foreign retailer to be permitted to operate chain stores in China, based on a request from the Chinese government. As a result, in September 1997 Ito-Yokado established Hua Tang Yokado Commercial Co., Ltd. as a joint venture with the China National Sugar & Alcohol Group Corporation (it has now been transferred to its parent company, China Huafu Trade & Development Group Corporation). The company established its first store in Beijing in April 1998.

In a separate project, Ito-Yokado established Chengdu Ito-Yokado Co., Ltd. in December 1996 in response to a request from Chengdu city, Sichuan province. Moreover, in November 2004, Ito-Yokado, York-Benimaru, and Beijing Wang fu jing Department Store Group Co., Ltd., a Chinese department store group, jointly established Beijing Wang fu jing Yokado Commercial Co., Ltd.

As of August 31, 2009, there were a total of 12 stores in China.

■ Store openings in China

Beijing (Hua Tang Yokado)

Shí lí pù store (April 1998)
Yà yùn cūn store (December 2001)
Fēng tái bēi lù store (December 2003)
Dà xíng store (January 2005)
Xī zhī mén store (April 2005)
Wǎng jīng store (April 2006)
Yóu ān mén store (September 2007)
Wú kē sòng store (June 2008)
Bēi yuán store (to be opened in September 2009)

Beijing (Wang fu jing Yokado)

Jīn sōng store (April 2005)



Chengdu (Chengdu Ito-Yokado)

Chūn xī store (November 1997)
Shuāng nán store (September 2003)
Jīn huá store (December 2007)

Note: The month and year in parentheses indicate when each store was opened.

Contribution to the Development of the Retailing Industry in China

We undertake store operations based on localization.

We carry out store operations in China based on a fundamental policy of localization so that we are able to contribute to the development of the retail industry in China by making use of the expertise we have developed in Japan. Through this policy, we strive to understand customer needs through market research, dialog with customers, and the Customers' Voice Box set up in each store. The collected opinions are shared by associated departments and referenced in order to offer products that meet the needs of the local communities, as well as to improve services.

We offer products at our stores in China based on our principle of local procurement. The proportion of Chinese-made products offered at those stores is almost 100% for apparel, 95% to 100% for household goods, and 85% to 98% for food.

For product development, we undertake team merchandising with our local business partners. We share information about market trends and customer demand in the target

market with our business partners to develop original, high-quality products that can be offered at reasonable prices. In addition to sweets, snacks and household groceries, we have developed gift items for Children's Day in response to the expansion of the gift market in recent years.

These efforts not only permit us to offer products that respond to customer needs and market trends, but also lead to the improvement of the product development capacity and production capacity of our business partners. To maintain and improve the fairness of our trade with them, we provide training to buyers who are in charge of trade and manage departments as necessary.



Customers' Voice Box



Originally developed product

We are proactive in terms of recruiting local people.

In addition to offering products that meet local needs, we emphasize the localization of personnel to contribute to job creation in local areas.

For example, we appointed the first Chinese store manager for the Fēng tái běi lù store of Hua Tang Yokado, which was opened in December 2003. Currently, all stores, apart from two that are managed by Japanese store managers, are operated by local Chinese personnel. As of December 31, 2008, the proportion of Chinese employees as managers and higher-level employees at the stores and headquarters was as high as 90%. The promotion of female employees has also been encouraged, and female employees make up nearly 50% of managers or higher-level employees at the stores and headquarters.

In encouraging the recruitment of local people, one important issue is how to increase the motivation of each employee. In FY2008, Hua Tang Yokado and Chengdu Ito-Yokado started to hold quarterly Performance

Reporting Meetings, which are aimed at improving the ability of individual employees and sharing information companywide. At these meetings, individuals and departments report on the measures they are applying in terms of customer service, sales promotions, cost reductions and environmental improvement. Awards are given for superior measures.



Performance Reporting Meeting





Superstore Operations in China

Ensuring Food Safety and Reliability

We initiate the development of the traceability system.

In recent years, awareness of food safety and reliability has been rising rapidly in China. To respond to the public demand, our stores in China are striving to offer safe, reliable products by applying the expertise regarding hygiene and freshness control that we have developed in Japan. In addition to expanding sales of locally-produced products and organic farm products, stores are committed to the development of a system for traceability (management of production history), which has also been enhanced in Japan.

In November 2007, for example, Beijing Wang fu jing Yokado began to cooperate with Xiǎo tāng shān Farm, a farmhouse in Beijing specializing in cultivation using only a small amount of chemicals, to identify farmhouses in the vicinity that produce safe, reliable vegetables. The store has started to sell vegetables that can be traced back to the producers. As of December 31, 2008, the store stocked around 11 such items, whose sales constitute 7.9% of the sales of all vegetables. Customers respond favorably to these vegetables, commenting that they are fresh and safe for consumption because only a small amount of chemicals is used.

In the same way, Hua Tang Yokado has been developing a system that enables the identification of producers, farms and responsible corporations, mainly for organic vegetables. In the sales area of these

vegetables, we display photos of their producers and information regarding production management. We have also set up a terminal on the sales floor to provide customers to retrieve information about the products.

Chengdu Ito-Yokado has been developing a traceability system for meat and eggs. In May 2009, we began to sell duck meat as its first traceable product by setting up a terminal for checking product information on the sales floor. To ensure the safety of the products, the store cooperates with the Chengdu Bureau of Quality Supervision to conduct reviews, data confirmation, and no-notice inspections.

We will continue to expand the range of such products to respond to customer demand for food safety and reliability.



Vegetables that can be traced back to producers



Terminals for information retrieval set up on the sales floor



Sales area of fruit and vegetables



Sales area of meat

Environmental Awareness

We are introducing energy efficient equipment and reducing the use of plastic bags.

As in Japan, our stores in China are deeply committed to environmentally-friendly operations.

We are conserving energy by specifying times for turning the lights in the store offices and corridors on and off. They are also introducing energy efficient facilities. For example, Hua Tang Yokado has replaced all the light bulbs with energy efficient bulbs and has equipped freezers and refrigerators with inverters¹ at all stores except Shí lí pù store. We are considering the introduction of

LED lights, which consume smaller amounts of power and are more durable.

In June 2008, the Chinese government started charging for plastic bags. In response, our stores put up posters to inform our



Original eco-bags

customers of the new system. Beijing Wang fu jing Yokado sells our original eco-bags.

1 Inverter

An inverter is an electrical device that converts direct current to alternating current. The use of an inverter reduces power consumption.

Contribution to Local Communities

We contribute donations to fight poverty and support disaster victims.

We are committed to contributing to local communities through activities such as poverty relief programs for areas around each store, support for disaster victims, and solicitation for donations in each store in China.

Hua Tang Yokado, which opened its first store in Beijing in 1998, founded the Yokado Charity Fund for Assisting with the Education of Children with the Beijing Charity Society in April 2008 as a 10th anniversary project. We donated 1 million yuan (approx. ¥15 million) to the fund, and plan to use 200,000 yuan (approx. ¥3 million) per year to improve underfinanced schools in the suburbs of Beijing.

When the Sichuan Earthquake hit in May 2008, all the employees of Chengdu Ito-Yokado joined in disaster-relief activities, reopening

stores the following day with a sense of purpose in securing lifelines for local citizens. The stores promptly offered basic necessities, an act which was much appreciated by customers and the government. Chengdu Ito-Yokado also worked with the Chengdu Red Cross and other organizations to provide daily necessities to disaster victims, and donated school supplies to elementary schools in the disaster area. Our companies in China as well



We donated school supplies to schools in the disaster area

as Seven & i Holdings and operating companies in Japan solicited donations in stores, and our employees and labor unions also made donations.

Major support we provided for areas affected by the Sichuan Earthquake

Seven & i Holdings	Relief money of ¥155,562,372 (solicited in group company stores) (donated to the Red Cross Society of China)
Chengdu Ito-Yokado	Relief money equivalent to ¥15,000,000 (donated to the Chengdu Red Cross Society) Relief money equivalent to ¥3,120,000 (solicited in stores) (donated to the Chengdu Red Cross Society) Relief aid equivalent to ¥8,370,000 (beverages, hams, biscuits, towels, rugs, soap, toothbrushes and stationery, etc. were donated to the Chengdu Red Cross Society and local elementary and junior high schools)
Hua Tang Yokado	Relief money equivalent to ¥6,797,778 (solicited in stores and donated by employees) (donated to the Beijing Red Cross Society) Relief aid equivalent to ¥2,046,420 (including relief aid from the labor union) (stationery and other items were donated to the Beijing Red Cross Society)
Beijing Wang fu jing Yokado	Relief money equivalent to ¥240,292 solicited from employees (donated to the Beijing Red Cross Society)

TOPICS

Our persistent, community-based efforts were much appreciated.

In 2008, China celebrated the 30th anniversary of its *reform and opening* policy, and commended those that had contributed to modernization, reform and the opening of commerce and services. Tomihiro Saegusa, President of Chengdu Ito-Yokado, was the only foreigner named as the highest-ranking Person of Merit, and Chengdu Ito-Yokado as an Excellent Enterprise.

Since opening the first store, the Chūn xī Store, as per the request of Chengdu city, Sichuan province, we have focused on friendly service, sales floor creation, product development and the

development of a logistics base, providing products and services from the viewpoint of customers, by making use of our extensive experience in Japan. We are also continuing to implement new measures, such as launching sales promotion activities using events and flyers — the first activity of its kind in China — while remaining committed to HR development. It was these persistent efforts that led to the recent commendations.



Tomihiro Saegusa, President