



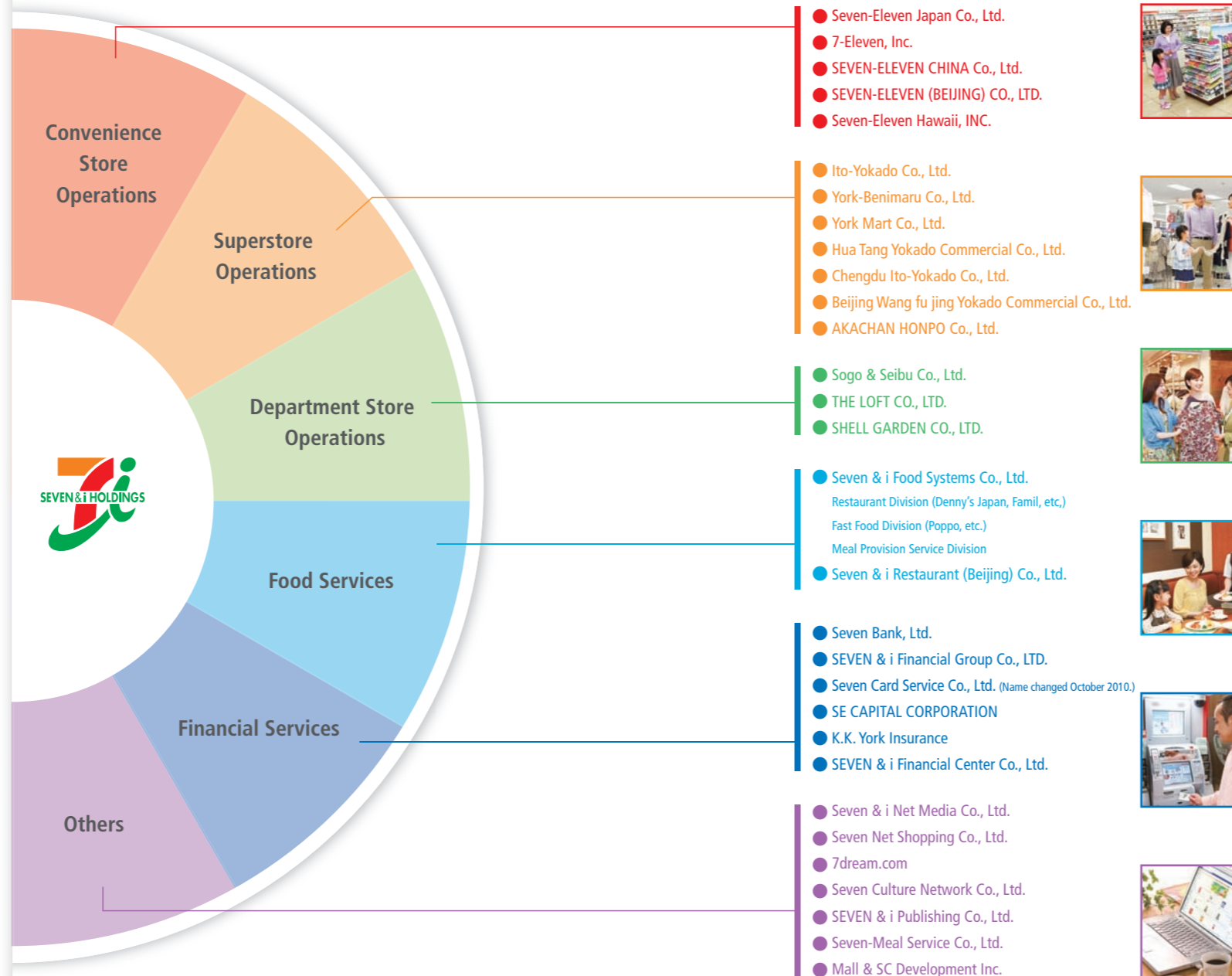
CSR Report 2010

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Group Overview

Convenient, Enjoyable and Affluent Lifestyle Provider



* The above classifications represent our business segments.

Corporate Data (as of February 28, 2010)

Company name: Seven & i Holdings Co., Ltd.
 Headquarters: 8-8 Nibancho, Chiyoda-ku, Tokyo 102-8452, Japan
 Established: September 1, 2005 First Section of the Tokyo Stock Exchange
 Contents of business: Planning, management and operations for the various Group companies, centered on convenience stores, general merchandise stores, department stores, supermarkets, food services, financial services and IT/services

Paid-in capital: ¥50 billion
 Employees (consolidated): 139,263*
 Consolidated operating results for fiscal year ended February 28, 2010:
 Revenues from operations: ¥5,111.2 billion
 Operating income: ¥226.6 billion
 Ordinary income: ¥226.9 billion
 Net income: ¥44.8 billion

Disclaimer

In addition to past and current information concerning Seven & i Holdings and its operating companies, this report includes speculation about the state of society as well as predictions concerning business plans and policies and their anticipated results. The speculation and predictions represent hypothetical conclusions based on information available at the time they were recorded. Both the future state of society and actual business results may differ due to changes in various factors.

Editorial Policy

Seven & i Holdings publishes this CSR Report as an important tool for deepening our dialogue with our stakeholders.

In preparing this year's Report, we have incorporated the following features in an effort to address the diverse concerns of our various stakeholders:

- The Report not only features a "Management Discussion" in which the Group's Chairman and CEO expresses his "Thoughts on the Seven & i Group's CSR Activities," but it also reports on Seven & i Holdings' CSR activities.
- The sections are organized according to the important tasks to be tackled by Seven & i Holdings, which were identified and categorized in the preparation stages of the previous year's Report.
- The Report presents measures of special significance in view of the characteristics of the various fields of operation.
- The Report provides a list of measures to enable readers to grasp both an overview of our Group-wide measures and the measures undertaken in each field of operation.
- We have sought the opinions of experts for each section with the aim of obtaining objective evaluations of the reported contents as well as of using them as references for developing measures and preparing future reports.
- Numerical data concerning the management, environmental and personnel affairs of each operating company are reported collectively in the Data Section.

Period of the Report

In principle, this Report covers our activities during FY2009 (March 1, 2009 to February 28, 2010). Some of our activities in FY2010 are also included.

Report coverage

Seven & i Holdings Co., Ltd.; Seven-Eleven Japan Co., Ltd.; Ito-Yokado Co., Ltd.; York-Benimaru Co., Ltd.; Sogo & Seibu Co., Ltd.; Seven & i Food Systems Co., Ltd.; and Seven Bank, Ltd. In addition to these seven companies, the Report also covers some of the other Group companies, including 7-Eleven, Inc.; Hua Tang Yokado Commercial Co., Ltd.; Chengdu Ito-Yokado Co., Ltd.; Beijing Wang fu jing Yokado Commercial Co., Ltd.; and SEVEN-ELEVEN (BEIJING) CO., LTD.

References

- Environmental Reporting Guidelines – Towards a Sustainable Society – (Fiscal Year 2007 Version), Ministry of the Environment, Government of Japan
- Sustainability Reporting Guidelines (Version 3.0), Global Reporting Initiative (GRI)
- ISO/DIS26000 Draft Standard Translation, Japanese Standards Association

Relationships with other disclosure documents

To obtain detailed CSR-related information for the individual operating companies, please visit their Web sites or refer to their published materials. For financial details, please see our Annual Report, which we issue annually for our shareholders and investors. For updated corporate information, refer to our Quarterly Journal, which we issue four times a year.

Publication schedule

Current Report: September 2010
 Scheduled publication of next Report: September 2011

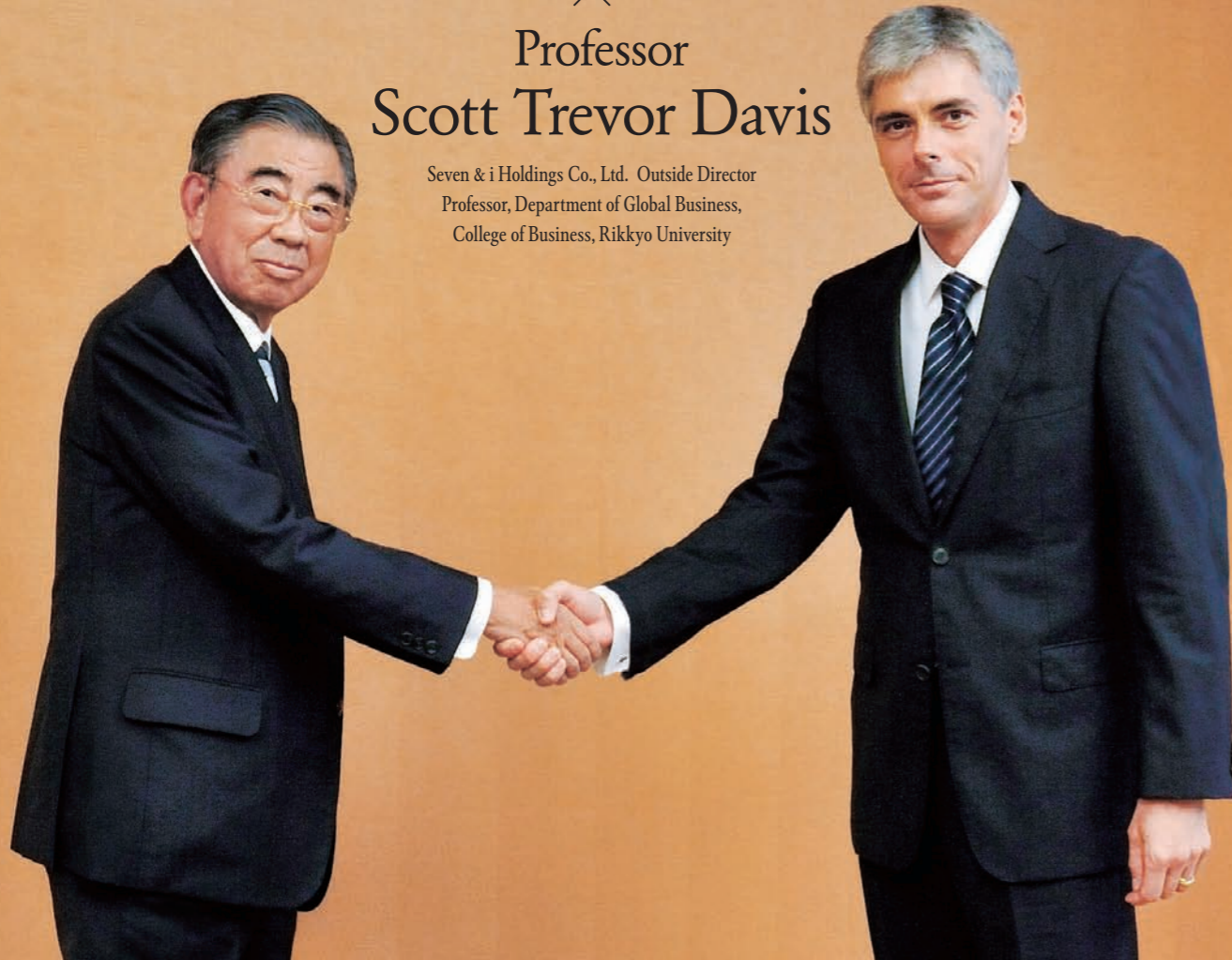
Toshifumi Suzuki

Seven & i Holdings Co., Ltd.
Chairman and Chief Executive Officer (CEO)



Professor Scott Trevor Davis

Seven & i Holdings Co., Ltd. Outside Director
Professor, Department of Global Business,
College of Business, Rikkyo University



Thoughts on the Seven and i Group's CSR Activities

Professor Scott Trevor Davis, an Outside Director of Seven & i Holdings and a specialist in management strategy with a profound knowledge of worldwide CSR trends, and the Seven & i Holdings Group's Chairman and CEO, Toshifumi Suzuki, engaged in a discussion recently concerning the Seven & i Group's CSR activities. The following is an excerpt from that discussion.



CSR and the Seven and i Group

Davis (Honorifics are omitted from names here and below.): ISO26000¹, which is scheduled for publication this year, defines SR (social responsibility) as a "contribution to sustainable development, including the health and prosperity of society" in "consideration of stakeholders' expectations."

As an outside director who has observed Seven & i's management since the holding company was established, I have the impression that CSR (corporate social responsibility) is incorporated naturally into the Seven & i Group's management makeup.

Suzuki: Ever since the founding of our business at a time when the CSR concept was as yet undeveloped, our Group has endeavored to carry out sincere management—or "management from the stakeholders' perspective"—according to our corporate creed, "We aim to be a sincere company trusted by our customers, business partners, shareholders, local communities and employees." Underlying this "management from the stakeholders' perspective" is the concept of "putting yourself in the customer's shoes," a viewpoint we must always keep in mind when conducting business. Simply stated, this means doing everything possible to make shopping convenient and satisfying for shoppers, however inconvenient and unreasonable it may seem to the seller. This has been, and will remain, the basis for Seven & i's management.

CSR and the Seven and i Group



Professor, Department of Global Business, College of Business, Rikkyo University Specialist in corporate social responsibility
May 2004 – May 2006: Outside Director for Ito-Yokado Co., Ltd.
September 2005 – present: Outside Director for Seven & i Holdings Co., Ltd.
Provides advice and recommendations to ensure the appropriateness and propriety of decisions made by the Board of Directors from the perspective of business management and CSR.



Management from the Stakeholders' Perspective

Davis: I quite understand that Seven & i has consistently practiced "management from the stakeholders' perspective." You've taken such unique, innovative steps as the founding of Seven-Eleven, Japan's first full-fledged convenience store; development of Japanese-style fast foods, such as rice balls and boxed meals, which had previously been regarded as home-cooked foods; and the establishment of Seven Bank. How were you able to grasp the needs of your customers and society at large so accurately?

Suzuki: I was never motivated on any of these occasions by a fervent desire to do "something innovative." Instead, all these developments grew out of my personal way of thinking, that, "given these circumstance, this is the way it should be."

Davis: So, these can be seen as necessary consequences?

What other products that incorporate the customer's perspectives or products and services that meet the needs of society do you offer?

Suzuki: If you consider the food business, for example, customer needs—such as considerations of health and the environment, not to mention safety and reliability—keep changing from day to day. At Seven-Eleven, all the products we deliver on a daily basis, such as cooked rice products, sandwiches, prepared foods and cooked noodles, have been completely free of preservatives and artificial coloring since 2001. We have also been reducing the use of sodium phosphate and trans-fatty acids.

At Ito-Yokado, we collect leftover foods and make them into compost. The compost is then used to grow vegetables for sale at our stores.

Davis: One factor that's stressed in discussions of social responsibility in recent years is supply chain management. Every stakeholder who's involved in the conduct of business, from the upstream end all the way to the downstream end, has to be taken into consideration.

Suzuki: I recognize the critical importance to the continuation of business for retailers like us, who function as a links in the supply chain that includes manufacturers and distributors as well as stores

Replacing a Focus on Social Concerns with a Focus on Business

Suzuki: Our Group operates retail businesses, so many of our customers are naturally women. This makes the strength and outstanding performance of the women in our employ extremely important for developing products and serving customers.

As concerns systems, we strive to create workplace environments that women find comfortable, taking into consideration not only the positions—as full-time or part-time employees—but also the diverse lifestyles of our various workers: whether they are single or married, raising children, providing nursing care for family members or intent on working in the local community.

To help our female employees feel at ease and motivate them, it is essential that we both “create an environment conducive to women’s personal growth” and change their way of thinking. Only when these two objectives are realized can women play a more active role. I consider it a mission for Seven & i’s future to enrich our environment so that competent people of either sex can work with easy minds.

A company cannot keep employees’ morale high unless it creates work styles that enable them to attain the lifestyles they seek.

Future directions

Davis: Finally, we are in an era characterized by drastic changes. What challenges does Seven & i foresee?

Suzuki: We’ll work to ensure management from the standpoint of our customers and other stakeholders, undergo continuous self-reformation, and continue to take on challenges in the development of new products and provision of new services.

Davis: As an outside director, I look forward to observing the future endeavors of Seven & i Holdings.



Suzuki: I couldn’t agree more. The most important thing to an employee is whether or not the job gives him or her a sense of accomplishment or satisfaction. Companies that pay high salaries do not necessarily have low employee turnover rates, and, in some cases, the opposite is true. The bottom line is whether or not a person can realize the value of his or her existence. Humans are by nature creatures of goodwill. People who think, “I want to be like this” or “I want to become like that,” are more likely to be mentally stable people who actively seek meaning in their work. This is nothing less than a desire for fulfillment in life. All of us are endowed with the latent ability to attain self-enlightenment. The important thing is whether or not an opportunity, mechanism or occasion is available for realizing this ability to the greatest possible extent.

Davis: Tell me about your treatment of female employees.

¹ World’s first international standard for social responsibility targeting organizations of all kinds
² People whose circumstances make daily shopping for grocery and other items difficult
³ International Tropical Timber Organization : A UN treaty-based organization that deals with issues facing tropical forests
⁴ Reduction of Emissions from Deforestation and Forest Degradation in Developing Countries

licensees from around the world at our International Licensee Summit, a global gathering of Seven-Eleven licensees.

These efforts notwithstanding, it remains true that it’s difficult to achieve a substantial reduction in CO₂ emissions here in Japan. This is why the Company partnered with the ITTO³ to launch the “REDD⁴ Project” in 2010. It targets emissions reduction (carbon stocks conservation and enhancement) of 1.2 Million Tons in CO₂ Emissions, a Volume Equivalent to Approximately 50% of the Total Annual CO₂ Emissions by Our Domestic Group Companies. We intend to continue to contribute to reducing CO₂ emissions through preservation of tropical forests, an approach offering superior cost-efficiency.

Motivating employees

Davis: The Seven & i Group has approximately 140,000 employees. I believe human resources are the key to every aspect of a company’s operations. What’s your opinion?

and customers, to tackle social issues involving the supply chain and pursue active efforts to reduce the environmental impact and other problems.

I might add, incidentally, that besides their “convenient 24-hour operation,” today’s convenience stores are cooperating with local governments in such matters as development and sale of products produced locally for local consumption and issuance of residence certificates. The role of convenience stores is evolving, moreover, as they become “community life bases” with close connections to the local community that provide such support for customers’ lives as serving as centers for disaster preparedness and crime prevention.

At Ito-Yokado, we operate a Net Supermarket business that enables senior citizens, pregnant women and other challenged shoppers² to place orders over the Internet and have the merchandise delivered to their residences with no need to visit a store.

Davis: I refer to such responses to changes in the circumstances surrounding customers and society as “social sensitivity.” By this I mean “replacing a focus on social concerns with a focus on business,” which transforms an activity from a temporary to a sustainable form. At this point, CSR is not translated into management, but CSR itself has become management.

Tackling global warming

Davis: Global warming has become a pressing issue on a global scale. How does Seven & i view this issue?

Suzuki: Domestically, as in the case of product development and marketing, our Group companies share information about the effectiveness of energy-saving measures in relation to store management. We are pushing ahead with global-scale reductions in CO₂ emissions, moreover, through sharing of Japan’s latest energy-saving technologies with

Pursuing Continuous Self-Reformation, New Product Development and New Service Provision



Corporate Creed

We aim to be a sincere company that our shareholders trust.

We aim to be a sincere company that our customers, business partners and local communities trust.

We aim to be a sincere company that our employees trust.

Seven & i Holdings Corporate Action Guidelines (Formulated 1993, most recently revised 2007)

Preamble

The Company’s mission is to provide customers with valuable products and services and to create new wealth and employment opportunities by conducting management with respect for business ethics. All the management and staff of Seven & i Holdings view customer satisfaction as their highest responsibility, and all are engaged in the pursuit of this mission. To this end, we have established a sound management structure.

We meet our social responsibilities, employing business practices in accordance with laws, regulations and social norms and with respect for human rights, the dignity of everyone with whom we are associated and the diverse values of international society.

For the full text, please visit the following site:
<http://www.7andi.com/csr/guidelines.html> (in Japanese)

Seven & i Holdings' CSR Management

Our perspective on the Group's CSR management philosophy is as follows.

■ Stakeholder management

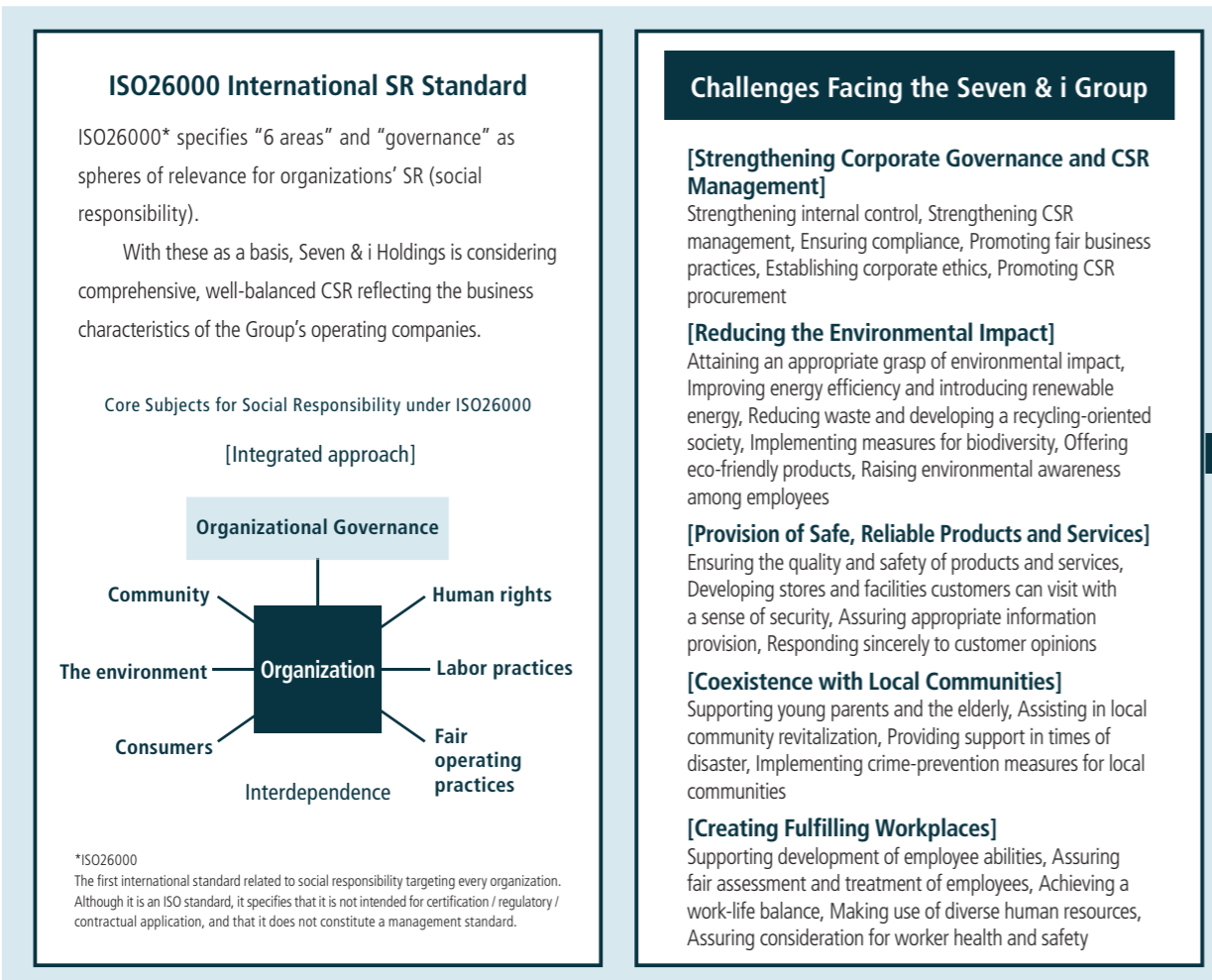
Since the Company's founding, we have adhered to a corporate policy of being "a sincere company that our customers, shareholders, business partners, local communities and employees trust," endeavoring to conduct management from the perspectives of our various stakeholders.

■ Business activities and social issues

In these times of rapidly changing social conditions, the environment surrounding every stakeholder is undergoing daily change as well. Under these circumstances, our stakeholders' expectations and demands also keep changing. Keeping our relationship with our stakeholders constantly in mind, we will continue our efforts to serve them through our core businesses, solve issues and give them satisfaction. If our efforts to solve the issues facing society succeed to even a limited extent, we believe this is the kind of CSR the Company seeks. To this end, we consider establishing sound internal corporate governance to be of paramount importance.

Issues we identified during the past year as needing to be addressed in consideration of both society's expectations and the Company's basic posture of prioritizing corporate governance correspond closely to ISO26000, as described below.

Seven & i Group Challenges and ISO26000



The operating companies leverage their respective business characteristics to contribute to solving social issues. They consider which concrete measures they should implement and reevaluate their activities constantly.

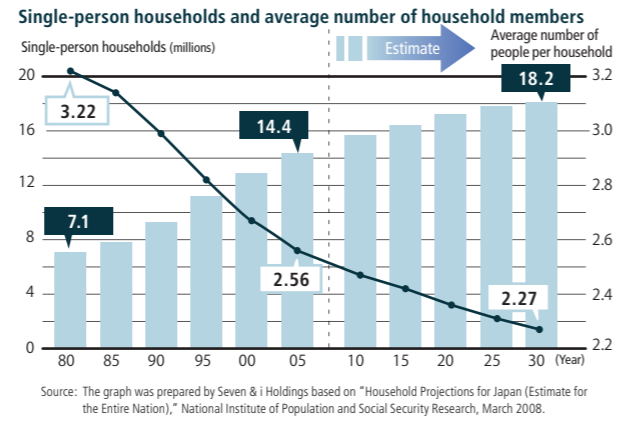
The operating companies deal with their priority issues based on their respective business characteristics.	Business Characteristics	Priority Issues
	<p>Seven-Eleven Japan</p> <ul style="list-style-type: none"> ● Franchise business ● Stores: 13,000 (approx.) ● 24-hour operation 	<ul style="list-style-type: none"> ● Pursuing "coexistence & mutual prosperity" through cooperative operations based on role sharing by franchise stores and Seven-Eleven Japan ● Becoming a "nearby convenient" store ● Reducing the environmental impact
<p>Ito-Yokado</p> <ul style="list-style-type: none"> ● Retailing of products related to daily life ● Locating Ario, large-scale shopping centers: 8 (as of June 2010) ● Part-time worker ratio: about 80% 	<ul style="list-style-type: none"> ● Product safety & quality management ● Store creation in consideration of a diverse range of customers ● Provision of services & use of stores as "community life bases" ● Reducing the environmental impact ● Improving part-time staff job satisfaction 	
<p>York-Benimaru</p> <ul style="list-style-type: none"> ● 75% of sales in foods ● "Area dominant" store strategy ● Part-time worker ratio: about 80% 	<ul style="list-style-type: none"> ● Food safety & security ● Promotion of food education ● Exchanges between the stores and the surrounding community ● Improving part-time staff job satisfaction 	
<p>Sogo & Seibu</p> <ul style="list-style-type: none"> ● Three department store brands, Sogo, SEIBU and Robinson's (28 stores), and institutional customer business (B-to-B operations) ● Approximately 50,000 employees (including employees of the Company and its business partners) ● Offering high-quality services by specialists (87 types of specialized qualifications / 3,547 certified personnel) 	<ul style="list-style-type: none"> ● Assuring a safe, pleasant environment as local community-based stores ● Ensuring quality merchandise management & appropriate product labeling ● Customer service by sales staff with specialized knowledge ● Promoting social contribution activities with customer participation 	
<p>Seven & i Food Systems</p> <ul style="list-style-type: none"> ● Food service company operating three businesses (Restaurant, fast food and meal provision service divisions) ● In-store food preparation services providing fresh-cooked good taste ● Part-time worker ratio: about 90% 	<ul style="list-style-type: none"> ● Foodstuffs safety & hygiene management ● Product development responding to diversified needs ● Social contribution through food ● Reducing the environmental impact of food preparation / kitchen operation ● Fair and impartial treatment of part-time staff 	
<p>Seven Bank</p> <ul style="list-style-type: none"> ● ATMs: Over 14,500 ● Over 550 partner financial institutions ● 24-hour operation 	<ul style="list-style-type: none"> ● Creating mechanisms that assure stable ATM operation ● Improving skills in call center customer responsiveness ● Employee participation-style environmental preservation activities ● Support for donation picture book and drive ● Organizing educational and training systems to cultivate employees' capabilities 	

Helping to Solve Social Issues by Leveraging the Characteristics of Our Various Business Operations

■ Seeking to Be a Store Offering Greater “Nearby Convenience” — Seven-Eleven Japan

Among the dramatic changes in the social environment and people’s lifestyles today, the ratio of working women as well as the number of single-person households and households comprising couples without children are trending upward. In this social environment, such meal-related requests as, “I’d like to buy only the quantity I need because mine is a small household,” or, “I don’t want to spend much time cooking because I’m pressed for time,” are on the rise. Service bases such as small and medium-sized retailers and bank branches are decreasing year by year, moreover, inconveniencing growing numbers of people when they go out to shop or for other purposes.

Seven-Eleven, which has offered utility bill payment services as well as installed bank ATMs for some time, is responding by expanding its selection of merchandise and services with the aim of becoming a store offering greater “nearby convenience.”



Dishes that eliminate the fuss and bother of cooking

Seven Premium brand prepared dishes, which free customers from the fuss and bother of cooking without compromising quality, freshness or taste, successfully combine high quality and reasonable prices. Besides using only carefully selected ingredients, we make extra efforts, such as shipping some vegetables unpeeled directly from the growers to the manufacturers’ factories, where they are cooked only briefly in order to maintain their freshness and good taste. In the case of potato salad, we employ various techniques, including heat sterilization of vacuum-packed salads to lengthen their shelf life.



Chilled boxed meals with long shelf lives*

We sell chilled boxed meals that can be managed and sold in the chilled temperature range (5°C), which is lower than that employed for conventional boxed meals. We revamped our manufacturing methods and implemented thorough temperature control to give these products a shelf life extending over three times that of existing boxed meals, while pursuing the quintessential taste of the dishes and ingredients. As a result, purchasers can keep our chilled boxed meals longer than before, freeing them to eat them at their convenience.

* The photo shows an example.



Well-balanced boxed meals available at a choice of locations

Seven-Meal Service takes advantage of Seven-Eleven Japan’s product development, manufacturing and distribution infrastructure to offer authentic prepared foods, easy-to-cook meal kits and boxed meals that vary with the day, all of them nutritionally balanced and developed under the supervision of licensed dietitians. Customers can order them at Seven-Eleven stores as well as on the Internet or by phone or fax. Our convenient meal delivery service allows customers to pick up the items they order at the store or have them delivered to their home or workplace.



Issuance of residence certificate copies and seal registration certificates

Japanese have conventionally been able to obtain a copy of their residence certificate or a seal registration certificate only during the set daytime operating hours of local government offices on weekdays. At Seven-Eleven, customers can take advantage of a special service that issues a copy of their residence certificate or seal registration certificate when they simply hold their Resident Registration Card over a multi-functional copy machines installed in many stores. The ability to obtain copies of their certificates at Seven-Eleven stores located outside their district of residence as long as they have their Resident Registration Card with them offers the convenience of obtaining them at a store nearby their workplace, for example. Special printing that prevents forging or tampering ensures a high degree of security.



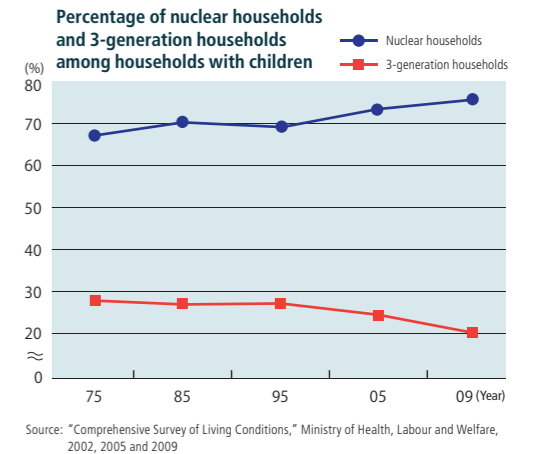
* The service is available to residents of communities in which the service is offered (Shibuya Ward and Mitaka City in Tokyo, Ichikawa City in Chiba Prefecture and Soma City in Fukushima Prefecture, as of end August 2010) and who have registered a password for their Resident Registration Card that permits automated issuance. The number of local authorities participating in this service is expected to increase in the future.

* Regular service hours are set, except for the year-end holidays and New Year’s Day. Issuance fees vary depending on the local government concerned.

■ Striving to Contribute to Local Communities through Appropriate Use of Stores — Ito-Yokado and Sogo & Seibu

In an environment of social changes such as a declining birthrate and a trend toward nuclear families, there are fewer people or institutions to which parents in local communities can turn for consultation about their anxieties or problems concerning childbirth and parenting.

Determined to develop into “community life bases” for local residents, Ito-Yokado and Sogo & Seibu have not only installed Baby Rooms in their stores to ensure a safe and pleasant shopping experience for customers with infants, but they also offer free consulting on childbirth and parenting. The stores also support parenting among our customers in cooperation with local governments.



Installation of Baby Rooms for customers with infants

Ito-Yokado has installed Baby Rooms in 157 of its stores (as of end August 2010). Each Baby Room is equipped with a diaper changing table, a washbasin where mothers can wash their hands before and after changing a diaper or nursing their baby (equipped with an automatic faucet at some stores), a nursing area (corner) that provides mothers with reassurance, even if their shopping takes a long time, a scale and tape measure for measuring their baby’s weight and height, and a dedicated water heater (that supplies water heated to 70°C or above) for milk formula preparation. This frees customers from the need to bring hot water from home so they can feel free to enjoy shopping longer. Some stores (25 stores as of end August 2010) have installed picture book sections with benches, moreover, and children’s toilets (28 stores as of end August 2010).

Stores with Baby Rooms installed have registered with local government parenting support programs to enable residents other than Ito-Yokado customers to use the rooms as “places for nursing or changing diapers away from home.” The registered stores are marked with stickers. Sogo & Seibu have installed Baby Rooms with diaper changing beds and nursing areas in 27 stores, and the stores in some areas are registered with local government parenting support programs.



A dedicated water heater for milk formula preparation (Ito-Yokado)



Diaper changing beds (Sogo & Seibu)

Parenting consultation customers can access informally during a shopping trip

To support parents who have no one living nearby they can ask for advice on parenting without inhibition, Ito-Yokado has been operating Maternity and Childcare Consultation Centers in Baby Rooms since 1975. Free consultation sessions on prenatal health care and parenting that customers can join without hesitation during a break in shopping are offered by registered nurses or midwives from two to nine times a month. The Maternity and Children’s Education Centers also host events designed to offer parenting advice on such themes as “accident prevention” or “until the baby is out of diapers” as well as events to enable exchanges among parents. In FY2009, the centers organized a new event for mothers with infants who have few opportunities to meet other people entitled “Make Friends with Other Moms! A Social Networking Event for Moms with Babies under 1 Year of Age.” We plan to make greater efforts to support mothers who tend to be isolated with such socializing forums.

Sogo & Seibu has installed “Pre-Mama Station,” a maternity and childcare consultation counter offering free consultations every day, in the SEIBU Ikebukuro main store. Employees with midwife licenses support customers in parenting by providing advice concerning their worries about raising children as well as on preparations for childbirth and parenting.



Corporate Governance

In its commitment to maximizing corporate value over the long term, Seven & i Holdings is striving to enhance business efficiency throughout the Group as well as to achieve a high degree of management transparency and reliability. We are consequently seeking to strengthen our internal control through a clear separation of management oversight and business operation responsibilities.

Corporate Governance System Supported by Executive Officer and Corporate Auditor Systems

The Board of Directors of Seven & i Holdings comprises 15 members, of whom three are independent outside directors. The term of the directors is set at one year to ensure timely responsiveness to shareholders' requests.

We have introduced the executive officer system to facilitate prompt decision-making and execution. Under this system, the Board of Directors' supervisory function is separated from the executive officers' executive function. This frees the Board of Directors to focus on formulating management strategies and supervising business execution, while the executive officers focus squarely on business execution. Nineteen executive officers, including those serving concurrently as directors, are engaged in business execution. Special care has been taken to ensure that the independent outside directors are fully able to perform their oversight function of supervising the executive directors' execution of duties.

The five-member Board of Corporate Auditors, which includes three independent outside auditors, monitors management. Each corporate auditor audits the directors' execution of duties rigorously by such means as attending meetings of the Board of Directors' and other important meetings, exchanging opinions with the representative directors and reviewing reports submitted by the directors. The corporate auditors also exchange information with the accounting auditors to maintain close relations with them with respect to financial audits.

* The numbers of members are as of end July 2010.

Strengthening Corporate Governance by Appointing Outside Directors and Outside Corporate Auditors and Establishing Appropriate Committees

Seven & i Holdings appoints outside directors and outside corporate auditors to enhance its management supervision function and increase transparency. All the outside directors and outside corporate auditors are independent from our organization. They hold periodic meetings, as necessary, with the Board of Directors, representative directors and directors to exchange opinions regarding the Group's management and corporate governance. Outside corporate auditors visit the business offices of our main operating companies and exchange opinions with their directors and corporate auditors. We assign employees to assist the outside directors in order to facilitate smooth exchanges of information and close interactions between the outside directors and company directors.

To strengthen our corporate governance, moreover, we have established the CSR Management Committee, Risk Management Committee, Information Management Committee and Group Synergy Committee under the representative directors. Each committee works with the operating companies to determine and disseminate the Group's policies.

Reinforcing Internal Control Systems

Seven & i Holdings is directing efforts toward reforming and enhancing its internal control systems to assure achievement of the objectives of internal control: (1) operational effectiveness and efficiency; (2) reliability in financial reporting; (3) strict compliance with laws and regulations in operating activities; and (4) appropriate preservation of assets.

The Board of Directors responded to the enforcement of the Corporate Law of Japan in May 2006 by passing a resolution within the same month concerning the Company's "Basic Policy on Internal Control Systems." The resolution calls for a review of the current internal rules, evaluation of the Group's risk management activities and implementation of other measures. In response to the introduction of the internal control reporting system under the Financial Instruments and Exchange Law, we formulated a set of "Rules for Establishing Internal Control Concerning Financial Reporting" and restructured our Auditing Office, to which we added new staff.

As an independent department responsible for internal auditing,

the Auditing Office has served an oversight function involving verification and guidance provision for the internal auditing of the main operating companies as well as an internal auditing function involving auditing of the holding company, Seven & i Holdings, itself. The restructured Auditing Office now has the additional responsibility of evaluating internal control for the Group as a whole, besides the responsibilities already assumed by personnel in charge of operational audits.

Ensuring responsible management and sound financial systems requires ensuring that each employee executes his or her duties efficiently and accurately while constantly reviewing their execution. We have accordingly taken such steps as issuing our Internal Control Handbook to every employee in an effort to create an environment that is more conducive to maintaining accuracy and enhancing operating efficiency.

Upon obtaining verification from our auditing firm in May 2010, we submitted a report on our internal control to the Financial Services Agency. The report attested to the validity of our internal auditing.

Communication with Shareholders and Investors

In its commitment to being a "sincere company trusted by shareholders," Seven & i Holdings strives to increase soundness, transparency and efficiency throughout the Group, secure stable profits, expand its businesses and disclose information in a timely and appropriate manner.

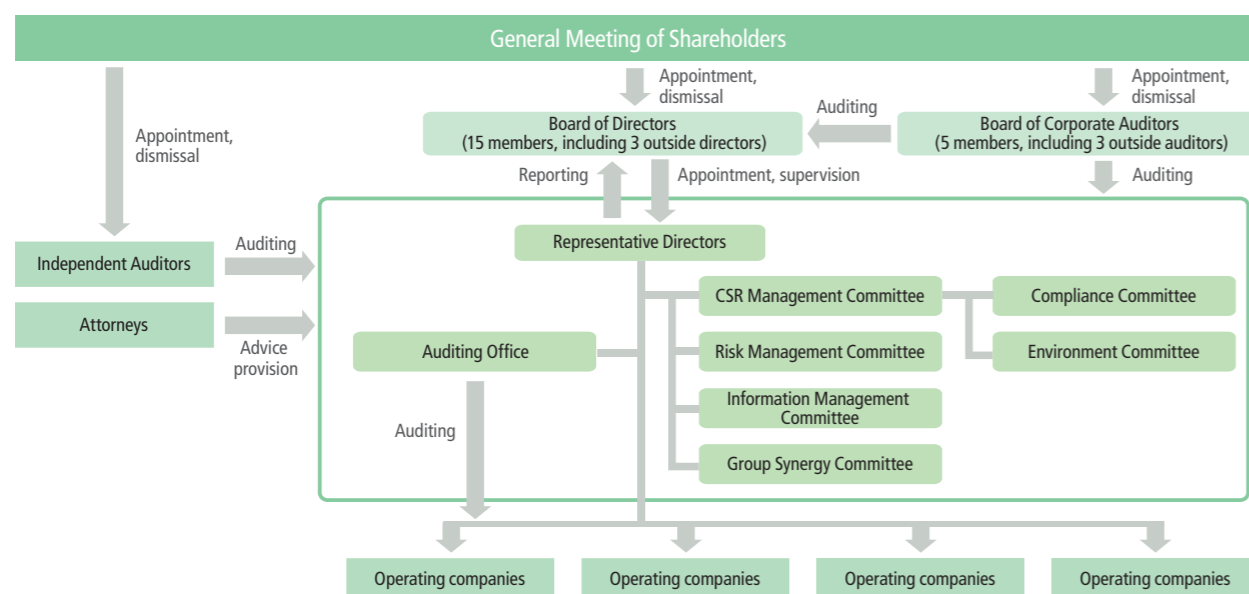
At Seven & i Holdings, we seek to disclose extensive amounts of information to our shareholders and investors. We make IR materials available on our Web site that reveal our Group-wide measures and our operating companies' business policies, as well as releasing information such as our preliminary financial results and share data on a timely basis. We endeavor to conduct similar information disclosure in English in order to provide our overseas shareholders and investors with identical data.

The departments concerned respond to inquiries from shareholders in accordance with their content. In doing so, our staff take appropriate care to comply with laws and regulations and give due consideration to the fairness of the information they provide.

To facilitate smooth execution of voting rights at the General Meeting of Shareholders, we send out invitations to the meetings before the statutory deadline. For institutional investors, we post invitation notices that are accessible only to members on the Web sites of several trust banks. We also seek to increase convenience by allowing shareholders to use of the "Electronic Voting Platform for Institutional Investors" in exercising their voting rights.

Data Section page 75

Corporate governance system



IR tools

- Financial Results (Kessan Tanshin)
- Brief summary
- Presentation materials
- Securities Reports
- Annual Report
- Corporate Outline
- CSR Report
- Quarterly Reports



IR information
<http://www.7andi.com/en/ir/index.html>



A Quarterly Report

CSR Management

We are strengthening our CSR management system with respect to supervision and oversight of conditions at all our operating companies to ensure the ability of both Seven & i Holdings and the operating companies to fulfill their social responsibilities.

Seven & i Holdings and the Group operating companies consider that acting sincerely with respect to their various stakeholders, including shareholders, customers, business partners, local communities and employees, is at the heart of their CSR activities. To achieve this, we believe that, besides meeting its responsibilities to its shareholders and operating companies, Seven & i Holdings is responsible for supervision and oversight of its operating companies to ensure that they act responsibly toward their stakeholders.

We have responded by establishing three committees, the CSR Management Committee, Risk Management Committee and Information Management Committee, each of which works closely with the operating companies concerned. Each committee conducts periodic reviews and evaluations of the operating companies' performance and shares the findings and results with the operating companies and the Group as a whole in an effort to raise the level of our CSR activities.

Establishment of the CSR Management Committee Responsible for Promoting Group-wide CSR Activities

Seven & i Holdings has established the CSR Management Committee as an organization responsible for promotion, supervision and oversight of its CSR activities.

We have established the Risk Management Committee to handle the risk management function and the Information Management

Committee to take charge of information management for the Group as a whole.

The Compliance Committee and the Environment Committee are established under the auspices of the CSR Management Committee.

Compliance Committee

The Compliance Committee consists of the Fair Trade (FT), Quality Control (QC) and Corporate Ethics Subcommittees. The FT Subcommittee provides consultations for the operating companies with respect to labeling, fair trade and other issues to ensure that all the Group's operating companies engage in fair business practices. It also supports the operating companies by conducting training concerning such related laws and regulations as the Antimonopoly Law as well as by investigating actual conditions on the sales floor.

The QC Subcommittee is concerned with establishing systems for sharing information on product safety and stipulating rules for reporting

and dealing with any accident that may occur. It also promotes sharing of quality standards and cooperative conduct of training and education activities among the operating companies.

In September 2009, the Corporate Ethics Subcommittee established a new Group-wide Help Line for employees, operated by a third party, thus creating a system for receiving reports from operating company employees who previously had no help line available. The subcommittee is also contemplating revising the Group's Corporate Action Guidelines.

Environment Committee

The Environment Committee comprises the Global Warming Countermeasures, Distribution and Sustainable Recycling Subcommittees. In fiscal 2009, prior to the enforcement in fiscal 2010 of the Tokyo Metropolitan Ordinance on Environmental Preservation*, which not only requires large-scale facilities to reduce CO₂ emissions but also introduces an emissions trading system, the committee analyzed the Group's current CO₂ emissions and the estimated future reductions for the various business offices of the operating companies that operate stores to which the ordinance applies. The committee explored the situation concerning investment in energy conservation to achieve further reductions, moreover, as well as the implementation of measures for CO₂ emissions reduction.

For more appropriate and efficient calculation of CO₂ emissions for the Group as a whole, the committee has newly created the "Seven & i Holdings Group-wide Manual for Calculation of CO₂ Emissions," taking into consideration the results of third-party reviews of CO₂ emissions data conducted for each operating company by a third-party organization in fiscal 2009 in conjunction with the Revised Energy Conservation Law, Revised Law Concerning the Promotion of Measures to Cope with Global Warming and local government ordinances concerning countermeasures to global warming. The volume of CO₂ emissions for fiscal 2009 presented in this year's CSR report has been calculated in accordance with this manual.

* Ordinance on Environmental Preservation to Secure the Health and Safety of Citizens of the Tokyo Metropolitan Area [Data Section pages 77, 80, 83, 86, 89](#)

Risk Management Committee

During fiscal 2009, we formulated and implemented concrete countermeasures to risks we identified, based on our semi-annual risk assessments, as requiring addressing in the order of their severity and degree of urgency. At the same time, we introduced measures to deal with various types of risk through Group-wide collaboration, and sought to enhance and refine our risk management through both standardization and integration of our risk assessment and monitoring and systematization of our risk countermeasures.

All our main subsidiaries and affiliated companies had adopted comprehensive Group-wide risk management systems by fiscal 2009 year-end. We continue to work toward their adoption by our other strategic subsidiaries and affiliates, while striving to grasp potential risks facing the Group more accurately and address them more appropriately.

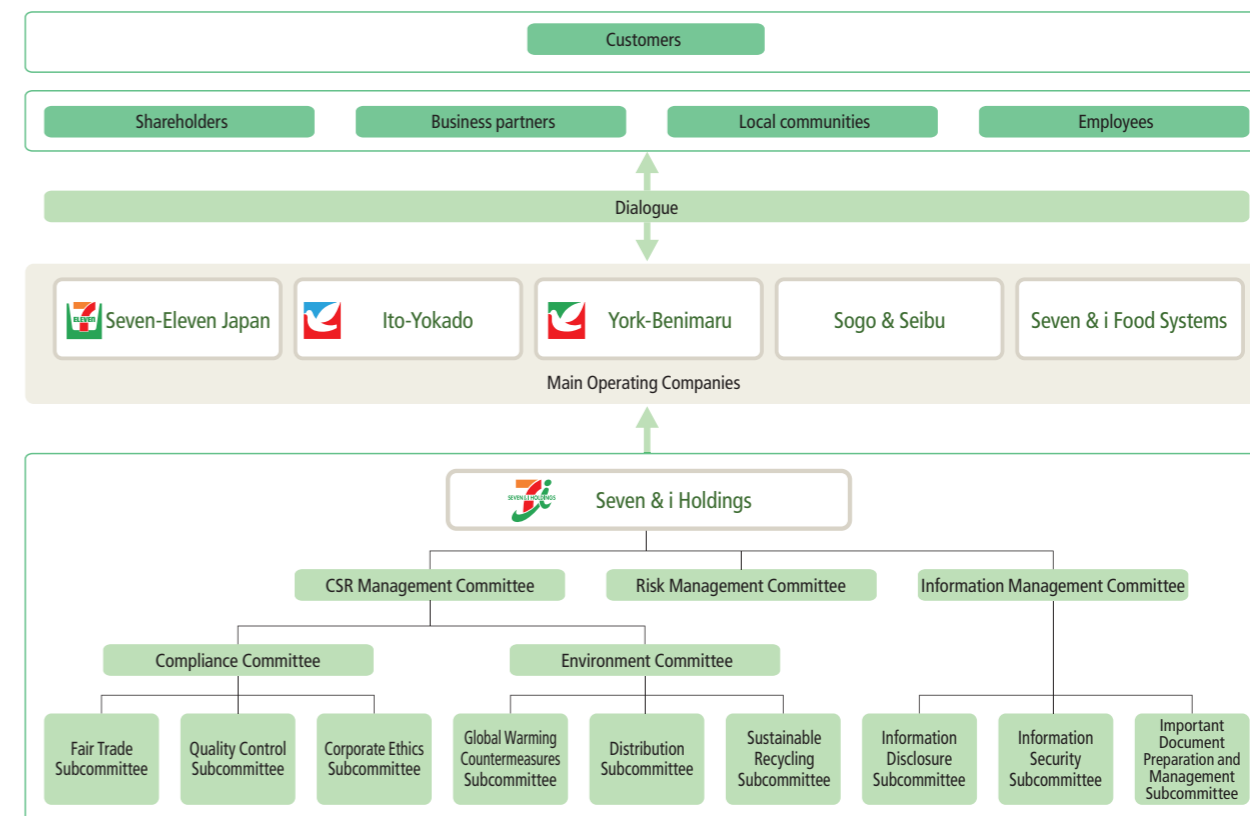
In the future, we will seek to refine our risk assessment methodology further with a view to optimizing the risk-return balance, while working at the same time to reinforce our Group-wide efforts.

Information Management Committee

In implementing the internal controls stipulated by the Corporation Law, the Information Management Committee is engaged in activities aimed at the following: (1) assuring the preparation, storage and appropriate management of all documents necessary to the proper execution of business operations—including important contract documents, minutes of meetings and statutory records—and other information; (2) ensuring secure management of important confidential information related to operations as well as personal information; and (3) ensuring that no information disclosed by the Company is false or deficient.

In fiscal 2009, the committee worked to ensure compliance with insider trading regulations, in addition to disseminating the Group-wide rules for timely transmission of important information to Seven & i Holdings and preparing English and Chinese versions of the rules for our overseas subsidiaries. It also formulated basic rules to guarantee that important documents such as contracts that are submitted to outside organizations receive proper approval and certification by official seal before submission.

CSR Management System



Compliance

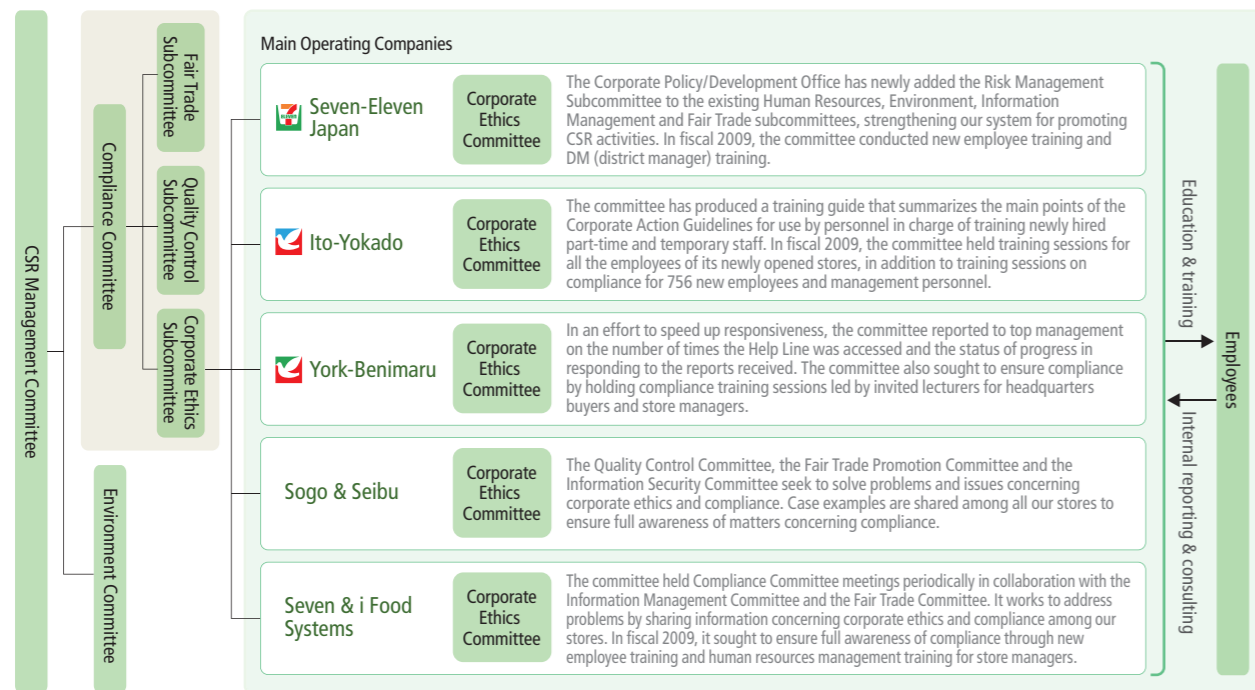
We have established committees and a help line for Group employees to foster implementation of our Corporate Action Guidelines and ensure compliance throughout the Group.

The main operating companies of Seven and i Holdings Group have established Corporate Ethics Committees with the aim of cultivating the Seven & i Holdings Corporate Action Guidelines and awareness of compliance with applicable laws and regulations among employees. In addition, personnel responsible for the various operating companies' Corporate Ethics Committees participate in the Compliance Committee, an organization established under the CSR Management Committee, in an effort to establish a common understanding among Group members. The Compliance Committee shares measures that have proved effective and conducts discussions aimed at ensuring observation of the Corporate Action Guidelines and reinforcing associated activities.

Each of our main operating companies provides a consultation service for employees to discourage and prevent behavior or actions in violation of the Corporate Action Guidelines and assure early resolution should they occur. We established a Group-wide Help Line in September 2009, moreover, with a third-party organization responsible for its operation. With this system in place, we now have a consultation mechanism that can be accessed by any employee of our domestic consolidated subsidiaries, including operating companies that had no consultation service available in the past. In the future, we will work to identify and solve common Group problems based on opinions expressed by our employees.

Data Section page 75

Compliance System



Data Section pages 78, 81, 84, 87, 90, 92

Seven-Eleven Japan's response to a cease-and-desist order from the Japan Fair Trade Commission

Seven-Eleven Japan responded to a cease-and-desist order issued by the Japan Fair Trade Commission on June 22, 2009 for restraining franchisees from conducting markdown sales by implementing corrective measures affecting all its franchisees and employees, based on a resolution of the Board of Directors.

These measures were as follows: (1) revision of the Action Guidelines with respect to compliance with provisions concerning transactions with franchisees stipulated by the Antimonopoly Act; (2) formulation of guidelines for franchisees and employees regarding the conduct of

markdown sales by franchisees; (3) conduct of an Antimonopoly Act training workshop for executives and employees on September 29, 2009, at which an attorney-at-law presented a lecture on compliance with the Antimonopoly Act's provisions concerning transactions with franchisees (after which a DVD was shown to employees who were unable to attend the workshop to ensure their full familiarity with the contents of the lecture); and (4) auditing of corporate officers and employees by means of questionnaires and hearings conducted by legal affairs personnel. We are making every effort to prevent recurrences of such problems in the future.

Supply Chain Management

We have formulated the "Seven & i Holdings Business Partner Action Guidelines" and will fulfill our social responsibilities together with our business partners.

Products handled by Seven & i Holdings' operating companies are delivered to customers by a wide range of Group business partners, including raw materials suppliers, contract manufacturers and contract distributors. This collaboration with business partners is vital to meet our customers' expectations for "safety and reliability" and fulfill our social responsibilities across a broader spectrum. Seven & i Holdings responded to this need in March 2007 by formulating the "Seven & i Holdings Business Partner Action Guidelines," which compile the matters we ask our business partners to understand and observe, including matters concerning product safety, compliance with laws and regulations, consideration for human rights and the environment, and relationships with the local community. The Guidelines went into effect in December 2007.

We ask contract manufacturers of house-brand products of Seven & i Holdings and its operating companies to submit a check sheet assessing 52 items required for compliance with the Guidelines. Making active use of the check sheet enables us not only to encourage our business partners to promote effective CSR activities but also to grasp the status of their CSR efforts.

Seven & i Holdings Business Partner Action Guidelines

1. Legal Compliance
2. Respect for Human Rights and Dignity
3. Human Resources and Workplace Environment
4. Environmental Management
5. Relationship with Society and Local Communities
6. Information Management
7. Product Safety Assurance
8. Fair Business Practices

For the full text of the Seven & i Holdings Business Partner Action Guidelines, please visit the following site: <http://www.7andi.com/en/csr/fair-trade.html>

Ensuring Fair Business Practices

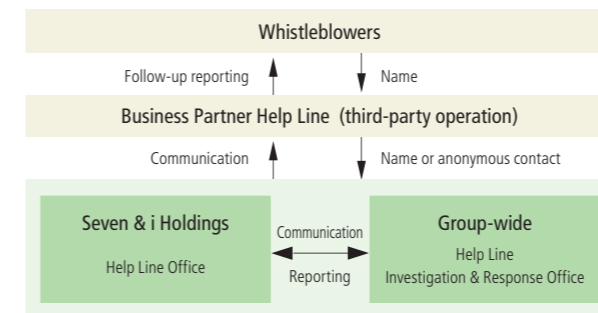
Our efforts to ensure fair business practices include establishment of the Fair Trade Subcommittee and implementation of the Business Partner Help Line.

At Seven & i Holdings, the Compliance Committee's Fair Trade Subcommittee takes the lead in ensuring fair business practices. It holds periodic meetings with responsible personnel from the main operating companies in attendance to exchange information about relevant laws and regulations and case examples of measures taken by the operating companies.

We have set up the "Seven & i Holdings Business Partner Help Line" operated by a third-party organization, moreover, to fulfill a contact function for providing consultation and receiving opinions from our business partners. The aim of the Help Line is to detect potential problems in advance and prevent their occurrence by providing consultations and receiving reports concerning conduct that could result in loss of public credibility, such as legal violations, unfair business practices and issues involving the safety and security of our customers. The consultation and reporting service is available to corporate officers, employees, part-time staff and former employees of all the Group's business partners.

We provide information concerning the Help Line system and its use in leaflets as well as on our Web site, including assurances that whistleblowers accessing the system will receive no unfair treatment. Seven & i Holdings accepts questions and opinions from its business partners so that problems are rectified quickly and fair business practices ensured.

Data Section page 75



For details concerning the Seven & i Holdings Business Partner Help Line, please visit the following site: <http://www.7andi.com/csr/helpline.html> (in Japanese)



**Responding to Global Warming and Biodiversity
Report on Tropical Forest Conservation
for REDD in Indonesia**

Support for REDD by Seven & i Holdings

Targeting emissions reduction (carbon stocks conservation and enhancement) of 1.2 Million Tons in CO₂ Emissions, a Volume Equivalent to Approximately 50% of the Total Annual CO₂ Emissions by Our Domestic Group Companies

Photo ITTO/TJ Bruder

Current Situations in Indonesia



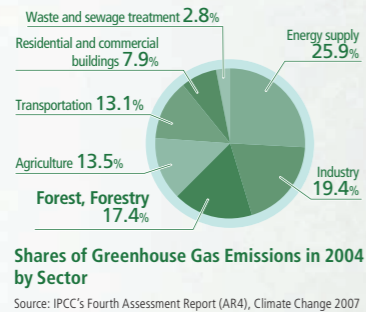
Indonesia is one of the countries with "biodiversity hotspots," which support a rich concentration of diverse life forms. According to the United Nations Food and Agriculture Organization (FAO), however, in the five-year period since 2000, 9.35 million hectares of forest—the equivalent of about 25% of Japan's land area—have been lost due to tree harvesting as well as to clear-cutting conducted to make new land available for agricultural use.

Current concerns include logging of tropical forests, particularly for palm oil production, forest fires caused by intentional burning for land clearing and illegal logging.

Effect of Primary Tropical Forest Conservation

Effective in reducing threats to biodiversity and global warming

Primary tropical forests are said to be home to half the earth's flora and fauna. Plants and animals abound in primary tropical forests, but as much as 1.3 million hectares of these forests are being lost annually throughout the world. An area comparable to the size of Japan disappears in just three years. Growing numbers of life forms are threatened by habitat shrinkage due to deforestation, extinction due to illegal hunting, change of native species ecosystem due to invasions by nonnative species, and changes in the habitat environment resulting from climate change.



Conservation of primary tropical forests does more than protect biodiversity. Forest destruction accounts for about 20% of the total emission sources of the greenhouse gases that cause global warming. Conservation of primary tropical forests is thus a highly effective countermeasure to global warming.

First Private-Sector Company to Support REDD

Among the first to adopt an approach that attracts worldwide attention

At the 15th Conference of Parties to the UN Framework Convention on Climate Change (COP15) held in 2009, it was agreed that six advanced countries would cooperate in providing funding for Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD)," thus raising awareness of the importance of forest conservation worldwide.

Discussions concerning REDD are still ongoing. Among the first to recognize its importance, Seven & i Holdings has concluded an agreement to cooperate with the ITTO in the Primary Tropical Forest Conservation Program, which seeks to conserve primary tropical forests around the world. The program's first project started in 2010 at Meru Betiri National Park in Indonesia. This tropical forest conservation project for REDD is designed to promote preservation of biodiversity. The project is expected to achieve a reduction (conserving and enhancing carbon stocks) of 1.2 million tons of CO₂, equivalent to about half the annual CO₂ emissions by our domestic Group companies.

* Many tropical forests are primary tropical forests.

OPINION



Executive Director, ITTO
Mr. Emmanuel Ze Meka

"REDD is an excellent activity as a countermeasure to global warming."

This project will not only reduce the impact of greenhouse gas emissions, but it will also help to preserve biodiversity and sustain the livelihoods of communities in the surrounding area. The decision of Seven & i Holdings demonstrates the role private-sector companies can play in REDD activities in countries such as Indonesia with tropical forests. I hope to see many private-sector companies follow the lead set by Seven & i Holdings.

ITTO (International Tropical Timber Organization)

This UN treaty-based organization tackles issues involving tropical forests. It has undertaken more than 900 projects for tropical forest conservation and sustainable forest management. The ITTO and the Seven & i Group have a longstanding relationship. Ito-Yokoda and York Mart, both among our operating companies, have donated to the ITTO in the 1990s in support of tropical rain forest reforestation projects.

ITTO Web site: <http://itto.int/>

Photo: A National Park in East Java, Indonesia

Project site: Meru Betiri National Park

Web site: <http://www.merubetiri.com/>

Meru Betiri National Park is located in the southern region of East Java facing the Indian Ocean. Covering an area of about 58,000 hectares, the park features a rich ecosystem and a wide variety of vegetation, including an intact primary forest. Today, it is threatened by forest destruction and degradation, however, due to illegal encroachment and logging.



A signboard at the park entrance. The logos of all the project participants are posted.



Large quantities of lumber are necessary for people's lives.

Aims of the Project

- (1) To raise awareness and improve the livelihoods of local communities living in and around the MBNP through active participation in efforts to prevent deforestation, forest degradation and loss of biodiversity.
- (2) To develop a robust measurable, reportable and verifiable (MRV) system for monitoring reductions in greenhouse gas emissions caused by deforestation and forest degradation and increases in forest carbon stocks in the MBNP



The park includes an area designated for human habitation within its boundaries.

The project is being implemented in cooperation with the Indonesian Ministry of Forestry, various research institutes, the MBNP, NGOs, the local government, the police, the ITTO, Seven & i Holdings and many other stakeholders. During the four-year period planned for the project's implementation, MBNP will seek to become a model REDD project in Indonesia in terms of "collaboration between the public and private sectors," "participation of various stakeholders" and "community-based planning and implementation."



Participants in project steering committee meeting discussed ways to strengthen project implementation.

Four-year project plan

Phase 1 (2010–2011)	<ul style="list-style-type: none"> ● Establish a comprehensive framework for stakeholder engagement. ● Establish PSP (permanent sample plots) and data collection for carbon accounting.
▼	
Transitional stage (2011–2012)	<ul style="list-style-type: none"> ● Consolidate Phase 1. ● Develop activities for Phase 2 (methods for conducting carbon accounting).
▼	
Phase 2 (2012–2013)	<ul style="list-style-type: none"> ● Develop a comprehensive individual capacity for key stakeholders, such as communities and public and private entities. ● Develop a comprehensive capacity for research on carbon assessments. ● Disseminate information concerning carbon assessments and project results.

Phase 1 (2010–2011)

The success of the project hinges on the participation of community members. It is consequently important to build a mechanism for enabling the coexistence of forest protection and the community members' lives and ensuring that they do not change their behavior, even after completion of the project. Discussions are currently under way among the parties involved on new, sustainable means of income generation.

Dialogue with community leaders



A discussion session in progress

Local community leaders gather for discussions in each area. Experts explain at these sessions that conserving forests is important, partly because exacerbation of climate change increases the incidence of malaria. Some have suggested that the residents generate income from alternative activities other than logging, such as pushing forward with reforestation and making medicine from plants.

Suggestions from local communities have included raising cows to generate biomass energy from manure as a means of reducing the quantity of wood used as fuel and encouraging young people to learn English so they can earn incomes as tour guides. Others have expressed the opinion that they want to make their lives better by acquiring the know-how, methods and techniques employed in raising crops.



Developing and selling medicines made from medicinal plants

Local community activities

Some community members are assigned responsibility for planting trees in each area of the park, instilling them with a sense of responsibility. Others are appointed by the park to serve as forest rangers, who provide an auxiliary force backing up the official park rangers. They play such supporting roles as maintaining surveillance for illegal entry or logging and reporting violations to the park.



A forest ranger making a report

Areas in which trees are planted are employed, moreover, as venues for local community education. Elementary school children who have studied about the MBNP in school pay personal visits to the park, where they plant trees, sometimes in the company of their parents. The trees they plant grow along with the children, which helps teach adult community members the importance



Elementary school children planting trees

of trees. About 15 arrests are currently made for illegal activities annually, but it is hoped that the number will be reduced to zero as understanding among community member deepens with education and future activities.

Future activities



Visitors can participate in releasing sea turtles.

Suggested alternative means of earning incomes have included making full use of the national park as an ecotourism destination and selling medicines made from medicinal plants. Another proposal involves resuming the search for the Javan tiger, no sightings of which have been reported since 1997, as a symbolic project for the park. This proposal reflects the idea that employing the search for the tigers, which community members believe are still living in the forest, as a symbol for the project will attract attention both at home and abroad, which could help promote forest conservation efforts. With these suggestions under consideration, the project has been moving forward toward a new stage in its activities.

As a project participant, Seven & i Holdings continues to observe the status of future activities, while looking for ways to support the project that are closely relevant to the Group's business operations.

OPINION

"Enhancing MBNP for future generations to enjoy and utilize."

Our local communities have high expectations for this project. Those living in different districts have differing demands, however, and the park's responsibility is to understand them. If the park is used as a tourist destination, for example, it will create new jobs for communities and generate income, which will, in turn, reduce the degree of their dependence on the forest. I'd like to develop the latent capabilities of the park in cooperation with the communities.

We're currently in the stage of cooperating with stakeholders to raise awareness among the local communities, and I hope to see the communities themselves begin safeguarding this area voluntarily in three to five years. My wish is to develop this park to set an excellent precedent for community-based projects in terms of both forest conservation and the lives of the community members.



Head of Meru Betiri National Park
Mr. Hery Subagiadi



An in-store rainwater recycling facility

Reducing the Environmental Impact

Basic Group Policy

Seven & i Holdings is committed to pursuing effective use and recycling of resources, energy conservation, waste reduction, loss reduction and environmental pollution prevention in its business operations, as well as to contributing to the creation of a richer, healthier social environment through efforts to strike a harmonious balance with nature. We also provide active support for global-scale nature conservation activities.

Code of Corporate Conduct

- 1 Sell products with low environmental impact—not to mention safe products—and propose eco-conscious lifestyles.
- 2 Strive to reduce loss in every area of business, operate energy-efficient stores in terms of power and water savings, review ways of packaging products and providing services and strive to conserve resources.
- 3 Push ahead with waste reduction, at the same time developing systems for efficient recycling of waste and stressing use of recycled materials.
- 4 Set voluntary targets and work to achieve them to ensure that our environmental measures improve every year. Document the results of our activities, moreover, and share the information with a wide audience.

From the Seven & i Holdings Corporate Action Guidelines (Formulated 1993, revised 2007)
<http://www.7andi.com/csr/guidelines.html> (in Japanese)

Group-wide Measures

Contributing to environmental impact reduction through product sales

As part of the environmental conservation efforts we pursue together with our customers at Seven & i Holdings, we have been selling originally developed eco bags (colorful shopping bags). We use ¥5 from the sale of each bag for the purchase of emissions credits in a UN-approved greenhouse gas emissions reduction project. We purchased 500 tons of CO₂ emissions credits from a wind power generation project in the state of Tamil Nadu, India, in February 2009 and again in June 2010 and transferred the credits to the Japanese government at no charge.




Wind power station in Tamil Nadu State



A colorful shopping bag
 * Available at most Seven-Eleven Japan, Ito-Yokado, York-Benimaru and York Mart stores

Primary Efforts by Our Main Operating Companies

	Convenience Store Operations	Superstore Operations		Department Store Operations	Food Services	Financial Services
	Seven-Eleven Japan	Ito-Yokado	York-Benimaru	Sogo & Seibu	Seven & i Food Systems	Seven Bank
Attaining an appropriate grasp of environmental impact	Preparation of a Group-wide Manual for CO ₂ Emissions Calculation					
Improving energy efficiency and introducing renewable energy	<ul style="list-style-type: none"> ● Installation of energy-efficient store facilities and equipment ▶ P.26 ● Installation of LED lighting and solar panels ▶ P.26 ● Environmental impact reduction in logistics (Promoting installation of in-vehicle terminals and introduction of CNG and hybrid vehicles) ▶ P.27 	<ul style="list-style-type: none"> ● Installation of energy-efficient store facilities ▶ P.28 ■ Installation of LED lighting and solar panels ▶ P.28 ■ Reducing travel distances and number of delivery vehicles by establishing temperature- and area-specific transfer centers ▶ P.29 ■ Promotion of eco-friendly driving ▶ P.29 	<ul style="list-style-type: none"> ● Installation of energy-efficient store facilities ▶ P.28 ■ New logistics center establishment ▶ P.29 ■ Promotion of eco-friendly driving ▶ P.29 ● Installation of LED lighting 	<ul style="list-style-type: none"> ● Installation of energy-efficient store facilities ● Installation of LED lighting ● Daily "Nameboard Light Off Campaign" (shortened hours for outdoor advertising lighting) ● Promotion of rooftop and wall greening and green curtains at stores ● Promotion of ISO 14001-compliant environmental impact reduction activities 	<ul style="list-style-type: none"> ● Installation of energy-efficient store facilities and equipment ▶ P.30 ● Reallocation of distribution depots to reduce vehicle travel distances ● Promotion of combined product deliveries to enhance cargo-loading efficiency ● Management using in-vehicle terminals to improve fuel efficiency 	<ul style="list-style-type: none"> ● Establishing an environmental task force and eco-staff ● Promotion of energy-efficient ATM designs
Reducing waste and developing a recycling-oriented society	<ul style="list-style-type: none"> ● Promoting food waste recycling ▶ P.27 ● Reducing plastic bag use (asking customers whether they need a bag, adopting thinner bags, reviewing bag sizes) ● Reducing use of containers and packaging materials ● Reusing store facilities and fixtures ● Constructing stores with wood (some areas) 	<ul style="list-style-type: none"> ● Establishment of a food waste recycling loop ▶ P.31 ● Reducing plastic bag use (strict criteria for plastic bag distribution, thinner bag use, offering discount service, charging fees for plastic bags) ▶ P.29 ● Reducing food packaging consumption (unpackaged sales, use of alternative materials) ▶ P.29 ■ Introducing recycled food trays ▶ P.29 ● Thorough trash sorting ● Replacing cardboard boxes with reusable plastic containers 	<ul style="list-style-type: none"> ● Promotion of food waste recycling ▶ P.31 ● Reducing plastic bag use (charging fees for plastic bags, offering discount service) ▶ P.29 ● Reducing food packaging consumption (unpackaged sales) ▶ P.29 ■ Introducing recycled food trays ▶ P.29 ● Replacing cardboard boxes with reusable plastic containers 	<ul style="list-style-type: none"> ● Promotion of food waste recycling ● Installation of composting equipment in stores ● Sale of fresh farm produce grown using the compost ● Promotion of "smart wrapping" (simplified wrapping) ● Introduction of "No Plastic Bags" cards ● Reducing cardboard box use by introducing returnable containers and on-hanger delivery ● Introduction of (fee-charged) tea provision service to encourage customers to bring their own bottles 	<ul style="list-style-type: none"> ● Reducing food waste ● Promoting food waste recycling (converting vegetable waste and coffee grounds into compost and livestock feed) ● Introduction a point system for employees who bring their own bottles to the employee cafeteria at headquarters ● Recycling of employee uniform laundry water ● Development and introduction of durable uniforms that withstand 120 launderings 	<ul style="list-style-type: none"> ● Installation of secondary displays at ATMs to reduce use of printed sales promotion materials ● Display of messages to confirm whether customers need transaction receipts ● Recycling of ATM parts
Implementing measures for biodiversity		<ul style="list-style-type: none"> ● Sale of rice grown with biodiversity-sensitive farming methods 		<ul style="list-style-type: none"> ● Promotion of tree-planting and tree-growing activities ● Offering "green wrapping" gift-wrapping service to collect donations for tree-planting activities 		
Offering eco-friendly products	<ul style="list-style-type: none"> ■ Development and sale of locally produced products for local consumption ▶ P.45 ■ Sale of original eco-bags ▶ P.23 	<ul style="list-style-type: none"> ● Sale of products grown with eco-friendly farming methods ● Sale of "cool biz" and "warm biz" products 		<ul style="list-style-type: none"> ● Proposing eco-friendly products and lifestyles ● Sale of "cool biz" and "warm biz" products 	<ul style="list-style-type: none"> ● Use of disposable chopsticks made from construction lumber remnants or wood from forest thinning 	—
Raising environmental awareness among employees	<ul style="list-style-type: none"> ■ Sharing environmental information with franchisees ▶ P.26 	<ul style="list-style-type: none"> ● Distribution of awareness booklets to employees ● Implementation of the "Recycle 333 Campaign" to promote waste reduction 	<ul style="list-style-type: none"> ● Distributing information from headquarters to the stores on energy and resource savings as well as on the targeted energy consumption and actual achievements of individual stores ● Sharing case examples of energy consumption reduction in meetings 	<ul style="list-style-type: none"> ● Providing environmental education for employees through e-learning ▶ P.30 ● Providing environmental education for business partners' newly hired employees ● Distribution of leaflets on environmental issues ● Publication of ecological activity checklists in employee education leaflets 	<ul style="list-style-type: none"> ● Providing education to promote energy conservation during meetings and training sessions ● Use of energy conservation checklists in restaurants 	<ul style="list-style-type: none"> ● Introduction of <i>The Bonolon Forest environmental activities</i> to teach employees and their families about nature ● Provision of environmental training ● Encouraging and supporting Certification Test for Environmental Specialists (Eco Test)
	Conducting Group-wide activities such as employee awareness campaigns and cleanup activities ▶ P.53					

Third-Party Opinion



Maki Kimura
Associate Editor, *alterna*,
A Business Magazine for People,
Society and the Earth
Journalist

"I expect environmental efforts to be conducted through the core businesses."

The 10th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP10) is held in Nagoya, Japan, this year, calling the world's attention to the issue of biodiversity. It is essential that environmental efforts, including efforts to preserve biodiversity, be integrated into an enterprise's core business. This is not to say that there is anything wrong with donation activities themselves, but unless the activities are related to the core business, I fear they will prove to be short-lived measures.

The Feature section of this report describes efforts to protect biodiversity. In my opinion, the significance of these activities would be communicated more effectively if the relationship between Seven & i Holdings and Indonesia were clarified.

Loss of biodiversity can make companies' procurement of products and raw materials unviable. This circumstance necessitates obtaining a grasp of the procurement process. I understand that the Seven & i Group's operating companies handle a large variety of merchandise. I believe the best place to start is with tracing back the procurement process of the products you obtain through importing.

As for the section on the operating companies, which reports general measures such as eco-friendly store facilities and LED lighting, I believe it should include a description of the efforts the companies are making on a daily basis in addition to reporting on the facilities themselves.

I hope to see you engage in ongoing environmental efforts that your customers can understand through your core business for years to come.

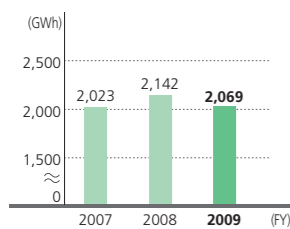
● Described in an independent section of this report ■ Discussed in the main body of this report — Measures not implemented

Convenience Store Operations

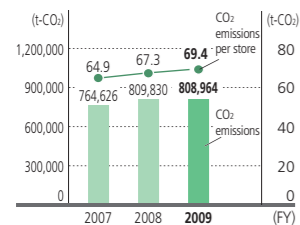
Construction of Stores with Lower Environmental Impact



*1 Electricity consumption in store operations



CO₂ emissions from store operations



Electricity consumption for fiscal 2007 and 2008 was calculated by estimating the total based on average electricity consumption per store. The figures for fiscal 2009 represent total electricity consumption by all but a few stores (about 3%) whose electricity consumption figures we were unable to access. Although average electricity consumption per store declined slightly in fiscal 2009 compared with the previous year, moreover, per store CO₂ emissions increased as a result of a revision of the CO₂ emissions coefficient in fiscal 2009.

Efforts to reduce electricity consumption by the stores

Total electricity consumption by Seven-Eleven Japan stores is trending upward, due mainly to an increase in the number of stores and introduction of new store facilities. We are working to reduce electricity consumption*1 by forwarding the installation of more energy-efficient facilities and equipment, mainly when constructing new stores and remodeling existing stores.

In fiscal 2009, we continued to adopt LED lighting as the light source for store-front wall signs and pole signs at new stores. Use of LED lighting, which has a longer life than fluorescent lighting, can substantially reduce the lamp replacement frequency and thus reduce the work hours and expenses associated with changing and disposing of burnt-out lamps. We are installing cassette-type air conditioners, moreover, which reduce electricity consumption by about 3,400 kWh a year compared with conventional air conditioners.

In addition to the above initiatives, we opened ten eco-friendly stand-alone (single-storey) stores equipped with top lights (skylights), solar panels and LED lighting to take full advantage of natural light sources. We have been forwarding the installation of solar panels primarily in the Kyushu area, installing them in a total of 104 stores as of February 2010.

Stores with the similar floor areas and facilities

Pursuing every avenue toward eco-friendly stores

The ceilings of eco-friendly stores opened in fiscal 2009 are equipped with top lights (skylights) that let natural light into the store and eliminate the need for electric lighting on sunny days.

We have also installed solar panels and adopted LED lighting that uses all the solar energy they generate to provide in-store illumination. Our Kyoto Shusse-Inari-mae store, which employs this system, was certified as an "energy-efficient lighting design model structure" for fiscal 2009 by Japan's Ministry of the Environment. Calculations are expected to show that the store's annual electric power consumption has been reduced by approximately 30% (about 53,000 kWh) compared with the average consumption in fiscal 2008.

often have different electric power consumption, depending on their location and circumstances. Cleaning or neglecting to clean refrigeration equipment filters, for example, can result in an approximately 8% difference in energy consumption. For reasons such as this, we communicate regularly with our franchisees about methods of maintaining and cleaning facilities and equipment through in-house magazines, product exhibitions and advice from our Operations Field Counselors.

We were awarded the Energy Conservation Center Chairman's Prize (Organization category) in recognition of these energy-saving measures and systems at the 2009 Energy Conservation Award sponsored by the Ministry of Economy, Trade and Industry.



The Energy Conservation Award commendation ceremony

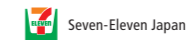
<Some measures adopted by eco-friendly stores>

- Use of LED lighting to illuminate store facilities
- Reuse of store shelves
- Water heaters employing exhaust heat from freezers
- Greening of external parking garage walls
- Use of thermal barrier paint in parking lots
- Installation of chargers for electric vehicles
- Others



An eco-friendly store equipped with top lights and solar panels

Food Waste Reduction



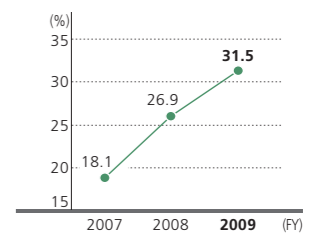
Promoting food waste recycling activities

Food products whose expiration date has passed and other food waste from our 1,964 stores in Tokyo, Nagoya, Kyoto Prefecture and Kumamoto (as of end fiscal 2009) are recycled to make compost and livestock feed.*2 We also collect and recycle oil waste from deep fryers we began installing in fiscal 2007 to generate raw materials for livestock feed, soap and paint.

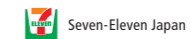
Our food waste recycling rate, including oil waste recycling, has increased annually, reaching 31.5% as of fiscal 2009. This reflects the expansion of the region in which food waste recycling is

conducted as well as an increase in the amount of recycled oil waste (almost all of which is recycled) due to growth in the number of stores equipped with the new deep fryers. We will continue our efforts to control food waste generation and encourage recycling, while obtaining the understanding and cooperation of our franchise owners and business partners.

*2 Food waste recycling rate



Reducing the Environmental Impact of Vehicle Use



Eco-friendly vehicle introduction

Materials are delivered nationwide by 3859 vehicles (as of end fiscal 2009) for Seven-Eleven Japan.

We are promoting eco-friendly driving by installing drive data recording terminals in all the vehicles to encourage safe driving by delivery personnel and reduce the vehicles' environmental impact.

Our efforts to reduce the environmental impact of exhaust gas have included introducing 366 eco-friendly vehicles*3 between 1999 and the end of fiscal 2009, including 310 compressed natural gas (CNG) vehicles and 56 diesel hybrid vehicles.

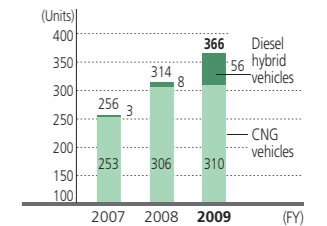
CNG vehicles have the advantages of discharging a minimum of toxic substances such as nitrogen oxides and sulfur oxides and emitting smaller volumes of CO₂. Diesel hybrid vehicles, meanwhile, have the ability to recover energy from braking for use as a power source as well as achieving better fuel consumption than conventional diesel vehicles. We plan to take advantage of these features by continuing to introduce these vehicles in the future.

Vehicles other than delivery vehicles are also used by official staff to visit franchisees. As of March 2010, we have added ten plug-in hybrid vehicles (PHVs) to our corporate fleet (four in Kyoto Prefecture, two in Saitama Prefecture, two in Tokyo and two in Aichi Prefecture). We have also installed an electric vehicle charger at our Kyoto Shusse-Inari-mae store,

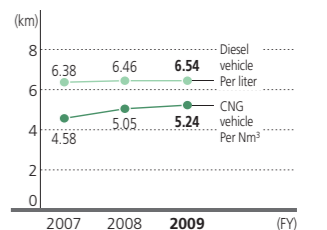
making it the first charger-equipped Seven-Eleven Japan store. Shoppers can use the charger free of charge for up to 30 minutes.

Demand is growing today to popularize electric vehicles and PHVs and increase the number of chargers available. Seven-Eleven Japan will consider further installations after reviewing the usage situation and other factors.

*3 Number of eco-friendly vehicles introduced



Delivery vehicle fuel consumption



Plug-in hybrid vehicles

Superstore Operations

*1

The volume of CO₂ emissions in fiscal 2009 was calculated based on Seven & i Holdings' newly formulated *Group-wide Manual for CO₂ Emissions Calculation*, resulting in partial changes in fuel type-specific CO₂ emissions coefficients.

***2 Geo-heat utilization**

This system collects geo-heat from about 25 meters underground through tubing inserted in a building's structural pilings and employs it for air-temperature control. The temperature of geo-heat remains constant (at around 15°C) throughout the year, enabling its use for cooling during summer, when ambient air temperatures are higher, and for stabilizing the basic temperature of heating systems during winter, when ambient air temperatures are lower. This effectively reduces energy consumption associated with air conditioning and heating.

***3 Ice thermal storage system**

This system uses ice made during off-peak night hours, when a lower percentage of electricity is generated from fossil fuel, to air condition stores during operating hours.

***4 Inverter-equipped freezers**

Electronic control of the motor rotation speed can reduce unnecessary energy consumption.

***5 Eco Cute**

A water heater that absorbs heat from the surrounding air for use in heating water

***6 Replacing external wall nameboard lighting with LED lights**

We began to adopt LED lighting for store name signboards on external store walls in fiscal 2008. As of the end of June 2010, LED signboards were installed on 85 stores. We are targeting their installation at 95 stores by the end of fiscal 2010.

***7 Solar panels**

Annual electric power generation is 24,456 kWh, which is expected to reduce annual CO₂ emissions by 8 tons.

***8 Hydrate slurry thermal energy storage system**

Clathrate hydrate slurry, an aqueous solution of TBAB (tetra-*n*-butylammonium bromide), is a new latent heat storage medium. Stored in a thermal storage tank during nighttime hours, the slurry releases heat during the daytime for use in cooling. The system saves energy by permitting cool heat storage at higher temperatures than ice.

Promoting Energy Conservation in Stores



Striving to conserve energy through installation of energy-efficient facilities and daily management activities

At Ito-Yokado and York-Benimaru, we not only perform such daily management practices as taking care to turn off lights, but we are also taking advantage of new store openings to introduce energy-efficient facilities to reduce the environmental impact of store operations.

Ito-Yokado's CO₂ emissions from store operations during fiscal 2009 amounted to 569,248 tons (85.1% compared with fiscal 2008), mainly as a result of energy-efficient facility installation,

store closures and reduced heavy oil usage.

The emission unit (per total operating area × operating hours) has improved by 12.4 points. York-Benimaru's CO₂ emissions from store operations were 156,170 tons (103.2% compared with fiscal 2008), meanwhile, primarily due to an increase in the number of stores. Per-store emissions improved to 952 tons, however (98.1% of their fiscal 2008 level).^{*1}

▶ Data Section pages 80, 83

Making the most of new store openings to introduce energy-efficient facilities

Ito-Yokado has been introducing energy-efficient facilities when it opens new stores while conducting a review of the store location. The Ario Kitasuna store, which opened in June 2010, is equipped with a total of approximately 3,747 LED lights, which is expected to reduce CO₂ emissions by 161 tons a year compared with conventional lighting systems. To reduce energy consumption by store heating and cooling, moreover, the store has cooperated with the building owner in adopting geo-heat,^{*2} which maintains a constant temperature of about 15°C year-round, applying highly reflective paint to the building's rooftop surface and conducting greening of the building site and external walls. Efforts of this type are aimed at achieving an approximately 20% reduction in CO₂ emissions by our future new stores as compared with our current stores.

York-Benimaru has been working to reduce electricity consumption by shortening the freezer cases in new stores opened since fiscal 2008. It also installed an ice thermal storage system^{*3} and inverter freezers^{*4} in the Higashine store that opened in August 2008 and other stores that opened subsequently. As for kitchen equipment, the company is stressing all-electric facilities, which consume less energy than gas equipment, installing them in the Tendo-Oinomori store that opened in November 2008 and other stores that opened subsequently. It has installed Eco Cute^{*5} water heating systems, as well, making electricity the sole heat source for kitchen operations. It plans to conduct future evaluations of the effectiveness of these facilities as a basis for considering their use in new stores.



Installing energy-efficient facilities in existing stores when store remodeling

Ito-Yokado has been promoting the introduction of energy-efficient facilities in its existing stores, including replacement of the lights in external wall nameboard lighting with LED lights^{*6} and eliminating excessive store interior lighting.

The company collaborated with the City of Yokohama in fiscal 2009 to conduct extensive remodeling of its Kamioka store for purposes of introducing energy-efficient facilities. The remodeling entailed increasing the heat-shield effect of the rooftop and windows and installation of

solar panels^{*7} and hybrid lights powered by natural sunlight and wind (in the parking area). It has also adopted a hydrate slurry thermal energy storage system^{*8} for temperature control to take advantage of the slurry's ability to store two to three times as much cold thermal energy as water. An LCD screen installed in the store displays the amount of electricity generated by its solar panels. Making its efforts visible in this way is one means of encouraging energy conservation activities among community residents.

Environmental Impact Reduction in Logistics



Improving logistics operations by establishing delivery centers and fuel consumption

Ito-Yokado has moved to enhance its transportation efficiency by establishing area- and temperature-specific transfer centers for delivery of merchandise purchased from its business partners to its stores, while pushing ahead with creation of centers for combined distribution of clothing, household goods and processed foods in rural areas.^{*9} York-Benimaru has established a distribution center,^{*10} meanwhile, that not only centralizes merchandise shipping to all its stores but also includes products of its subsidiary, Life Foods, in the shipments.

To improve fuel consumption, Ito-Yokado has been installing in-vehicle terminals that record driving data for its trucks. It then employs the data it gathers

to provide guidance for its drivers and conduct eco-driving training sessions. Ito-Yokado has also established the Environment Subcommittee in cooperation with the companies that operate its distribution centers and its shipping company partners. In fiscal 2009, it implemented a system of information sharing in which Environment Subcommittee meetings are held in seven regional areas throughout the country. In fiscal 2010, it is targeting fuel consumption of 5.23 km/liter.^{*11} York-Benimaru is also pursuing efforts to improve fuel consumption by such means as holding regular eco-driving training sessions at all of its distribution centers.^{*12}

▶ Data Section pages 80, 83

Reduced Use of Containers and Packaging Materials



Cooperating with customers in efforts to reduce plastic bag use

Ito-Yokado and York-Benimaru are endeavoring to reduce the use of plastic bags, which account for the largest portion of all containers and packaging materials used. We are soliciting cooperation from customers by posting in-store POP posters asking them to bring their own shopping bags and selling our original eco-bags. We have also implemented a service that offers a discount on the total purchase amount to customers who decline plastic bags at checkout counters.^{*13}

Since fiscal 2007, the stores have been charging fees for plastic bags in areas where we received unanimous approval from the local governments,

regional consumer organizations and businesses after consultations. A plastic bag fee system had been instituted at 29 Ito-Yokado stores as of June 2010.^{*14} It will seek to reduce plastic bag use further by intensifying its appeals to customers with the aim of achieving a target bag turndown rate of 50% for February 2011. At York-Benimaru, 144 stores were charging fees for plastic bags as of the end of June 2010, including all 65 of its stores in Fukushima Prefecture.^{*15} The company plans to continue introducing the plastic bag fees and discount service and evaluate their effectiveness.

▶ Data Section pages 80, 83

Reviewing packaging methods and materials in order to reduce food container and packaging use

Ito-Yokado and York-Benimaru are adopting unpackaged sales that do not use trays in order to reduce the number of food containers used for perishable and prepared foods. Some Ito-Yokado stores are selling blocks of meat packaged in poly bags in the meat section. Since this approach has been well received, it plans to introduce the practice in newly opened stores, in particular.

The companies have also reviewed their tray materials and adopted recycled trays made from collected trays. Besides switching to paper containers, Ito-Yokado is considering introducing a plant-derived plastic (polylactic acid) in its fresh produce sections in fiscal 2010 as packaging materials for fresh-cut fruit containers and fresh-cut vegetable packages.

*9

The Chukyo Transfer Center opened in Komaki, Aichi Prefecture, in fiscal 2009 has consolidated the delivery of clothing, household goods and processed foods.

*10

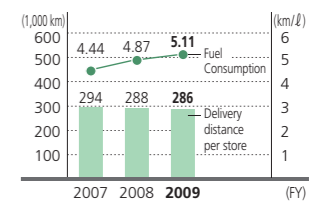
Fiscal 2009 witnessed both the relocation and reopening of the Tochigi Center and establishment of the new Iwaki Center.

*11

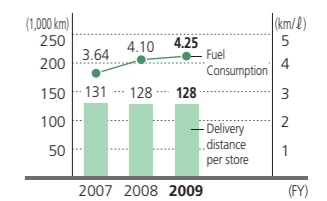
Vehicles include 4-ton and 10-ton trucks.

*12

Delivery distance per store and fuel consumption (Ito-Yokado)



(York-Benimaru)



*13

The service was introduced at stores that do not charge fees for plastic bags by Ito-Yokado in December 2009 and by York-Benimaru in July 2010. A 2-yen (3 yen at York-Benimaru) discount on the total purchase amount is offered to customers who refuse a plastic bag at the checkout counter.

***14 Plastic bag turndown rate (food section, June 2010)**

Stores that charge plastic bag fee: 83.5%
Stores that charge plastic bag fee, do not charge plastic bag fee, implement a 2-yen discount: 44.3%

***15 Plastic bag turndown rate (June 2010)**

Stores that charge plastic bag fee: 81.2%
Stores that charge plastic bag fee, do not charge plastic bag fee, implement a 2-yen discount: 71.3%

Department Store & Food Services Operations

Environmental Education to Raise Employee Awareness

***1 Training sessions conducted (fiscal 2009)**

Employees participating in environmental e-learning course: 5,511

Efforts to enhance employee awareness through environmental e-learning and training DVDs

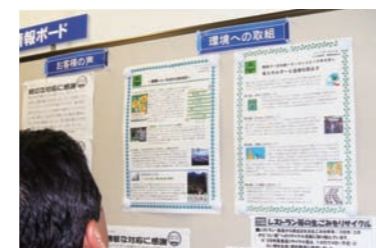
Sogo & Seibu expanded the environmental e-learning that has been conducted at SEIBU stores since 2002 to share its environmental knowledge with all its employees by introducing it in Sogo stores as well in 2009. We provide our employees with online menus on their personal computers, while using DVD viewing and in-store environmental broadcasting at morning meetings to train our partners' and business partners' employees.*1

We conduct additional environmental education on various occasions to encourage employees to engage in environment activities, both at the workplace and at home.

We also seek to raise environmental awareness among employees by posting a monthly environmental theme established as part of employee awareness activities at all our stores as well as environment news bulletins containing positive examples of in-house environmental practices.



Environmental e-learning enables employees to study online at their own convenience.



Use of bulletin boards for awareness enhancement

Introduction of Energy-Efficient Facilities into Stores

***2 Eco Cute**

A water heater that absorbs heat from the surrounding air for use in heating water

Installing eco-friendly facilities centered in kitchens

Seven & i Food Systems makes it a rule to cook dishes in its restaurant kitchens. The company consequently attaches special importance to reducing energy consumption by its kitchen facilities. Besides striving to achieve "all-electrification," not only by switching to IH stoves, which consume less energy than gas appliances, but also by adopting Eco Cute*2 water heaters.

The Denny's Kemigawa restaurant, opened in July 2009 as an experimental "green" restaurant, has introduced a variety of new energy-efficient facilities in addition to all-electric kitchens and Eco Cute. The restaurant features heat-insulating double-pane glass to improve its interior heating and cooling efficiency and a rainwater recycling system that reduces the load on air-conditioners by sprinkling water on the roof and outdoor air-conditioning units during the summer. Other installed equipment includes a photovoltaic power-generation system, LED lighting

and water-saving toilets. These measures have effectively reduced CO₂ emissions by 33.4 tons compared with the average CO₂ emissions of existing stores in the six months since the store opened. In future, the company will continue to pursue installation of eco-friendly facilities and equipment.



Rooftop solar panels



Dining area with LED lighting

Data Section page 89

Striving to Realize Closed-Loop Food Recycling

Working toward a food waste recycling rate of 45%

The revised Food Recycling Law stipulates that food retailers must achieve a food waste recycling rate of 45% by 2012. To achieve this statutory target, Ito-Yokado and York-Benimaru are pushing ahead with the practice of turning food waste into compost and livestock feed.

Ito-Yokado's food waste recycling rate was 31.4% in fiscal 2009, with recycling practiced at 62 stores. In the future, the company will strive to achieve the target by expanding the recycling loop at Seven Farm and instituting recycling at 100 stores by 2012.

York-Benimaru processes unused fish parts, which account for about 20% of its food waste, into poultry feed. Eggs laid by chickens raised on

the feed are sold as "Kenyo-ran" in all its stores. In addition, Life Foods Co., Ltd., a manufacturer of takeout delicatessen products such as prepared foods, *sushi* and breads sold through York-Benimaru stores, maintains a composting company under contract to turn almost all its food waste, except oil waste, into compost. Farmers in the area surrounding the composting factory employ the compost to grow farm produce which the York-Benimaru stores sell as 3 star vegetables (and fruits). The efforts described above contributed to raising the food waste-recycling rate at York-Benimaru to 26.9% in fiscal 2009.

Measures conducted by the "Seven Farm" agriculture business



A harvesting experience event

* An agricultural production management technique recommended by the Ministry of Agriculture, Forestry and Fisheries of Japan under which growers achieve continuous improvement on their own initiative by performing, recording, inspecting and assessing each process in their agricultural production activities accurately in accordance with a checklist of items determined in accordance with the contents of relevant laws.

Ito-Yokado established an agricultural production corporation, Seven Farm Tomisato, in Tomisato, Chiba Prefecture, in August 2008 in a joint investment with the Japan Agricultural Cooperatives of the City of Tomisato and its members with the aim of realizing closed-loop food waste recycling. Food waste collected from seven Ito-Yokado stores in Chiba Prefecture is turned into compost, which is then used at farms directly managed by Seven Farm Tomisato to grow vegetables such as corns, broccoli and *daikon* radish for sale in about ten stores in Chiba Prefecture. In November 2009 we obtained JGAP certification* to address our customers' concerns with respect to safety and reliability. The farm offers harvesting experience and other events. In July 2010, we established Seven Farm Co., Ltd., a core company of our agricultural business to contribute to revitalization of local agricultural communities in accordance with our basic philosophy of "lending a helping hand to Japanese agriculture." In the future, Seven Farm Co., Ltd. will maintain central control over establishing agricultural corporations, business expansion and upgrading of our food recycling network in accordance with plans to expand the closed-loop agriculture practiced by Seven Farm Tomisato to 10 locations across the country by February 2013. It will begin by establishing operating companies in the Miura district of Kanagawa Prefecture and Chikusei, Ibaraki Prefecture, to operate directly managed farms.

Opinion

At Seven Farm, Ito-Yokado employees and growers from the community farm the land together. We have staged a total of four harvesting experience events for parents and children at Tomisato, inviting customers as guests. Store employees perform farm work, such as sowing and harvesting. We would like to implement these measures in all areas where we plan to start operations in the future to enable customers to familiarize themselves with agricultural processes.

Masahiko Kuruwara
Chief Distributor
Fruit and Vegetable
Department
Ito-Yokado Co., Ltd.





Third-party organization sanitary inspection of food preparation facilities

Provision of Safe, Reliable Products and Services

Basic Group Policy

Seven & i Holdings observes rules and regulations related to sales activities, and, while conducting fair sales activities based on management ethics and social norms, adopts the customer's perspective to offer superior products and services that provide full customer satisfaction.

Code of Corporate Conduct

- Seven & i Holdings' members . . .
- 1 Serve every customer fairly and impartially in good faith, and provide venues where customers can shop with satisfaction.
 - 2 Observe all relevant rules and regulations and conduct sales activities in accordance with the wholesome customs and common wisdom of society.
 - 3 Take every precaution to prevent accidents or problems in respect to products or customer services before they occur.
 - 4 Place the highest priority on ensuring customer safety if an accident or problem should occur with respect to products or customer services, respond quickly and appropriately and make the greatest possible effort to enforce measures to prevent expansion of such accidents or problems.

From the Seven & i Holdings Corporate Action Guidelines (Formulated 1993, revised 2007)
<http://www.7andi.com/csr/guidelines.html/> (in Japanese)

Group-wide Measures






Private Brands That Meet Expectations of Safety and Security

The various Seven & i Holdings Group companies sell products bearing our private "Seven Premium" brand with its stress on good taste, quality and safety. As one link in our measures to assure safety, we have compiled a database of all the raw materials used in our food products to unify their management. Besides registering information concerning the amounts of each raw material used and the presence or absence of allergenic substances, we ensure traceability by keeping production records concerning the components that make up the raw materials. Even should problems be discovered involving raw materials or their components, this management system enables us to identify the products containing them quickly.



Seven Premium products

Primary Efforts by Our Main Operating Companies

	Convenience Store Operations Seven-Eleven Japan	Superstore Operations Ito-Yokado York-Benimaru		Department Store Operations Sogo & Seibu	Food Services Seven & i Food Systems	Financial Services Seven Bank
Ensuring the quality and safety of products and services	<ul style="list-style-type: none"> ● Introducing NDF-HACCP in production facility ▶ P.36  ● Reducing use of food additives ▶ P.36 ● Achieving complete product temperature control ● Establishing traceability systems 	<ul style="list-style-type: none"> ● Ensuring food product traceability ▶ P.37 ● Checking freshness and expiration dates 	<ul style="list-style-type: none"> ● Ensuring food product traceability ▶ P.37 ● Sale of fruits and vegetables grown with minimal use of chemical fertilizers and pesticides ▶ P.37 ● Conducting complete hygiene management ● Conducting freshness monitoring  	<ul style="list-style-type: none"> ● Quality Control Office establishment ▶ P.39 ● Sales of products made with organic cotton ▶ P.39 ■ Third-party product hygiene inspections ▶ P.39 ● Encouraging employees to obtain qualification as food safety advisors ● Hygiene management manual-based food product hygiene management system improvement ● Conducting food hygiene management courses 	<ul style="list-style-type: none"> ● Strict materials management ▶ P.40 ● Ensuring food product traceability ▶ P.40 ● Obtaining ISO9001 certification ▶ P.40 ● Development of a low-allergen menu ▶ P.41 ● Implementing customer health management support by nutritionists 	<ul style="list-style-type: none"> ● Precautions to prevent financial crimes ▶ P.42 ● Non-stop ATM structure construction <ul style="list-style-type: none"> – Duplex system adoption – Security countermeasures employing original network circuits – Rapid response at times of accidents or problems
Developing stores and facilities customers can visit with a sense of security	<ul style="list-style-type: none"> ● Promoting barrier-free stores (wider aisles, shopping carts, multi-purpose restrooms) ● Providing disaster response information through bulletins for franchise stores 	<ul style="list-style-type: none"> ● Employing Universal Design in store layouts ▶ P.38 ● AED installation ● Preparing and following "Large-scale Disaster Response Procedures" manual for responding to earthquakes and other disasters 	<ul style="list-style-type: none"> ● Increasing the number of stores in compliance with New Barrier-Free Law (provision of parking for elderly & physically challenged, multi-purpose restrooms, etc.) ▶ P.38 	<ul style="list-style-type: none"> ● Installation of AEDs in all stores ● Renovating buildings with emergency facilities and conducting fire drills ● Adopting barrier-free store facilities ● Encouraging employee participation in emergency first-aid lifesaving courses 	<ul style="list-style-type: none"> ● Equipping stores with barrier-free facilities (ramp installation, baby bed & baby seat installation in restrooms)  	<ul style="list-style-type: none"> ■ Adoption of Universal Design for ATMs (voice guide service enabling use by visually impaired) ▶ P.42
Preparing and following the new influenza countermeasures manual ▶ P.43						
Assuring appropriate information provision	<ul style="list-style-type: none"> ● Employing guidelines to ensure accurate display that will not mislead customers ● Indication of allergenic information on original daily products (listing both mandatory and discretionary items) ● Conducting explanation meetings for new franchise owner recruitment (explanations of the franchise system and store management know-how) 	<ul style="list-style-type: none"> ● Verification of expressions used in labels & advertising by a dedicated inspection section ▶ P.38 ■ Conducting employee education with respect to displays and indications ▶ P.38 ■ Web site display of production history for "Foods with traceability" ▶ P.37 	<ul style="list-style-type: none"> ■ Publication of food production history on Web site ▶ P.37 ● Conducting employee education with respect to displays and indications 	<ul style="list-style-type: none"> ● Implementation of labeling-related education through inspections of appropriate labeling by and quality control training for employees by the Quality Control Office ● Making materials on production areas available at gift counters ● Displaying allergenic information in food sections and restaurants 	<ul style="list-style-type: none"> ● Publication of calories and other nutritional information in menus ● Publication of allergenic information on Web site (Denny's) 	<ul style="list-style-type: none"> ■ Response in a foreign language (English, Korean, Chinese or Portuguese) when a customer uses as foreign bank card at an ATM ▶ P.42 
Responding sincerely to customer opinions (Structures)	<ul style="list-style-type: none"> ● Installation of customer opinion boxes in stores ● Information sharing on customer opinion bulletin boards in stores ● Conducting of in-store surveys by lifestyle consultants 		<ul style="list-style-type: none"> ● Installation of customer opinion boxes in stores  	<ul style="list-style-type: none"> ● Installation of customer opinion boxes in stores ● Gathering customer feedback by means of memos and the Web site ● Reflection of customer opinions in the activities of the Customer Services Division & Customer Consultation Office 	<ul style="list-style-type: none"> ● Placement of questionnaire postcards at check-out counters and provision of customer feedback box on Web site ● Customer feedback information sharing (stores & headquarters) 	<ul style="list-style-type: none"> ● Provision to relevant departments of information analysis by Customer Services Department and various suggestions and proposals ● Third-party evaluation through participation in activities such as external competitions in customer responsiveness
Customer consultation office & call center establishment						

Third-Party Opinion

Yukiko Furuya
Director,
Japan Association of Consumer Specialists (NACS)
Head,
NACS Consumer Research Center



"I expect that the Group as a whole operates in a transparent manner from the perspective of consumer activities."

When evaluating or judging a corporation, I concentrate on whether or not the overall management is conducted from the consumer's perspective.

I previously observed that Seven & i Holdings maintains a clear policy with respect to consumers and that it has concrete, clearly defined plans for solving problems should they occur. I also evaluated their disclosure at every point with concrete numerical data as a strong merit.

In observing the overall operations this time, I failed to get a clear understanding of the current progress and problems within the Group's overall direction and framework. Will the food traceability several companies have implemented be extended to other products and other Group companies, for example? I think it will be better if the policies, progress and problems are transparently revealed.

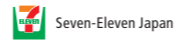
I also feel it is essential that Seven & i Holdings demonstrates its merits as a full Group. Expanding the positive activities of individual companies throughout the Group would tighten its bonds with consumers by adding to the value and trust associated with the idea that these activities are characteristic "because it's Seven & i." Looking to the future, I anticipate that the Group as a whole will make increasingly proactive efforts to solve social issues.

Provision of Safe, Reliable Products and Services

● Described in an independent section of this report ■ Discussed in the main body of this report — Measures not implemented

Convenience Store Operations

Quality Control of Products in Development and Manufacturing



***1 Key evaluation points in the NDF-HACCP inspection and certification system**

- The organization and its operations
- State of record-keeping
- Work area conditions
- Checking of factors concerning general sanitation
- Checking of HACCP program items

***2 Japan Delica Foods Association (NDF)**

Created in 1979 by a core group of companies that manufacture cooked packaged rice, this association seeks to improve quality control with respect to food sanitation in plants where packaged foods requiring refrigeration are manufactured and to reduce regional discrepancies in product quality.

Applying safety standards for 140 items to strengthen our quality control processes and systems

Since 1997, Seven-Eleven has applied a food sanitation management methodology based on Hazard Analysis and Critical Control Point (HACCP), a food hygiene system originally developed for foods for space missions. Since 2002, we have also applied the NDF-HACCP inspection and certification system*1 for quality control at the processing facilities.

In accordance with this HACCP-based system, Seven-Eleven food preparation facilities are inspected to ensure compliance with a safety standard comprising approximately 140 checkpoints. Production facilities receive certification only when they meet or exceed the highly demanding HACCP standards.

The audits are conducted by a third party, Tokyo Kenbikyoin Foundation, and the results are carefully examined by the Japan Delica Foods Association (NDF)*2 before certification is granted. Continued adherence is monitored by follow-up surveillance conducted once a year.

As of the end of FY2009, 74.7% of the plants had been certified, contributing to a significant increase in the level of safety management at the facilities that produce our boxed meals and other

prepared foods. Thorough implementation of quality control based on the NDF-HACCP certification program has also contributed to a more robust system for preventing shipment of defective food products from the plants. Workplace improvements have included organizational enhancement and removal of clutter from the sites to help prevent injuries as well as upgrading of the equipment inspection and maintenance programs to assure more environmentally friendly processes.



Workers at the food-processing facilities are required to wash their hands thoroughly and pass through air showers to remove particles such as dust and hairs before they enter a work area.

Developing food products that customers can consume with confidence

Eliminating the use of food additives to the greatest extent possible is a prerequisite for product development at Seven-Eleven. The hams and sausages we use in our original sandwiches, for example, are processed without the use of phosphates*3, which are thought to interfere with the body's ability to absorb calcium.

We are also working to reduce the trans fatty acids (unsaturated fats) contained in our products.*4 Although they are not food additives, excessive intake of these substances is thought to contribute to health risks by raising the level of "bad" cholesterol in the blood and lowering the level of "good" cholesterol. We have reduced the trans fats in our original line of breads to one-third their former level. We have also reduced the amount of trans fats in the soybean oil we use to fry foods for our boxed and other prepared meals by approximately 20%.

Some food items are deep-fried in the stores

where they are sold. For the items such as fried chicken and croquettes, we use an original blend of oils with reduced trans fats acids and a higher ratio of sunflower oil, which is high in oleic acid.*5



Food items deep-fried in stores

***3 Phosphates**

Substances that give food a more pleasing texture, but which interfere with the absorption of calcium when consumed in high quantities and which are consequently considered a factor contributing to osteoporosis

***4 Trans fat**

A substance formed in the process of making hydrogenated fat or oil, high intake of which is thought to contribute to cardiovascular disease

***5 Oleic acid**

A substance thought to help reduce the risk of cardiovascular disease and high blood pressure

Superstore Operations

Establishing Relationships of Trust between Producers and Customers



Providing products with a stress on traceability

Ito-Yokado and York-Benimaru, are working to improve their product traceability systems, which enable them to track where and how their produce is grown and make the information available to stakeholders.

Ito-Yokado is working to strengthen the relationships of trust between producers and consumers by sharing information on the producers' efforts with consumers and communicating customer feedback to the producers, thus creating a personalized exchange as the basis for its "Foods with traceability" product line.*6 Products in this series are produced with a stress on production method and quality standards, with external audits employed to ensure compliance and positive sharing of information. To assure product reliability, third-party accreditation organizations conduct annual audits of both the producers and Ito-Yokado itself. On-site inspections are also conducted to ensure that producers follow such procedures as proper use of agrochemicals. The company's efforts to prevent accidents and other problems related to residual agrochemicals also include supporting the application of GAP*7 for self-auditing of production and handling procedures.

To facilitate positive information sharing with

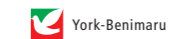
respect to its Foods with traceability, the company has established a page on its corporate Web site*8 to introduce production areas and present the producers' views.

The York-Benimaru corporate Web site features a Production Area Visit page*9 that provides information on the areas in which these carefully selected fresh foods and other products are produced, their characteristics, the processing steps and the people involved. The Web site also features a section that enables consumers to trace the farm where cattle are raised as well as the results of various inspections by entering ID numbers printed on beef package labels. York-Benimaru is working to expand the range of information available on the site.



The "Foods with traceability" page on the Ito-Yokado Web site

Produce Grown with Reduced Levels of Chemical Fertilizers and Other Agrochemicals



Offering 3 star vegetables (and fruits) produced to maximize food safety, security, and taste

In 2003, York-Benimaru began offering fruits and vegetables grown with minimal use of agrochemicals. Since March 2008, it has sold produce meeting Ministry of Agriculture, Forestry and Fisheries' standards for "specially cultivated agricultural products"*10 as "3 star vegetables (and fruits)."

A specialized external agency oversees the use of agrochemicals, including chemical fertilizer, in the 3-star agricultural produce cultivation process. York-Benimaru also dispatches personnel to the production area to confirm the accuracy of the agency's reporting. In addition to food safety and

security, it also emphasizes good taste. An assessment meeting led by buyers is held each week to confirm the taste of its fresh produce and promote the selection of choice products.

Over 130 items are currently designated as 3-star products. In addition to selling them as fresh produce, York-Benimaru uses the products to make deli items, pickles and other prepared foods for sale in its stores. In fiscal 2010, it will expand the activities it conducts to communicate the value of its products to more customers using in-store video displays, store publications and other media.

***6 Products available in fiscal 2009 (annual total)**

Vegetables:	128
Fruits:	17
Processed foods:	93
Fresh meats:	5 brands
Eggs:	2 brands
Fish:	6 species

***7 Good Agricultural Practices (GAP)**

A method of agricultural production in which growers and producers follow criteria in accordance with applicable regulations and standards and use them as a basis for establishing processes, implementing record-keeping, and checking and evaluating all the steps in the production process to identify and implement ongoing improvements.

***8 The "Foods with traceability" page on the Ito-Yokado corporate website**

<http://look.itoyokado.co.jp/index.html/> (in Japanese)
In February 2010, the company added a link to a streaming video entitled "Look Who Made This."

***9 The "Production Area Visit" page on the York-Benimaru corporate website**

<http://www.yorkbeni.co.jp/trace/index.html> (in Japanese)

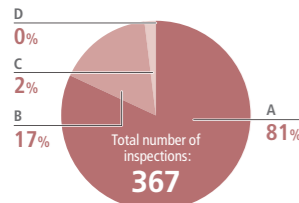
***10 Specially cultivated agricultural products**

To qualify, the number of applications of agrochemicals designated for reduction must be half or fewer than the normal number in the growing area in question, and the nitrogen level in chemical fertilizers must also be 50% or less than the regional norm.

Superstore Operations

***1 Fair Trade Committee Office**
Comprising members with experience as executive store managers, this working committee oversees management activities, employee education and other initiatives to ensure compliance with regulations pertaining to fair business practices and truth in advertising.

***2 Labeling and information display inspection (Results for fiscal 2009)**



Evaluation standards
A: Labels and displayed information are appropriate, and employees are fully aware of labeling requirements.
B: There is room for improvement, and employees in some divisions lack sufficient awareness
C: There is room for improvement, and employees require training in truth in labeling.
D: Immediate improvement is required, and the entire store organization must be reconsidered.

***3**
 • Ito-Yokado stores approved under the Building Access (heart building) Law (1994-2006): 47
 Stores meeting the requirements of the revised Barrier-Free Law (2006-present): 5
 • York-Benimaru stores approved under the Building Access Law: 56
 Stores meeting the requirements of the revised Barrier-Free Law: 20

***4 Major Universal Design facilities in Ario Kitasuna**
 • Installation of "help phone" interphones that any customer can use to request assistance
 • Digital information displays
 • Universal-access restrooms with audio guidance systems (2 of 7 locations also equipped with ostomate washing facilities.)
 • Mirrors and handrails in elevators
 • Low-speed escalator operation
 • Use of color coding to alert users to differences in stair heights
 • In Reserved parking for wheelchair users (8 spaces), vehicles can be parked in or removed from these parking spaces using a remote control device available through prior registration. Priority car parking (15 spaces) can be used on the day without prior registration.

***5 A tour of the new Ario Kitasuna store**
 Held June 1, 2010, the event brought in approximately 80 elderly or physically challenged area residents and accompanying persons.

Assuring Proper Labeling in the Stores



Efforts led by the Fair Trade Committee Office to assure the accuracy of product and pricing information on labels

Among its many initiatives to ensure the accuracy of product labels, Ito-Yokado assigns "freshness checkers" to confirm information on label and POP displays in its food section when conducting inspections of product freshness. In the apparel and household goods sections, meanwhile, product managers inspect the labels and displays twice a week.

The Fair Trade Committee Office*1 organizes inspections of labeling and information displays, which are conducted once every six months at all the stores. The results of these inspections are discussed with the store managers and assistant store managers as a basis for considering action plans for improvement.*2

The FTC Office also organizes employee education programs concerning labeling and product information in displays. In fiscal 2009, a total of 4,225 employees in management positions at the stores attended 54 seminars on this topic. Four seminars with 110 participants were also held for the company's suppliers.

In fiscal 2010, Ito-Yokado plans to conduct further training in response to the results of the FY2009 store inspections, which gave several stores evaluations of B or C in the Men's apparel, Women's apparel, Fruit and Vegetable and Fresh Seafood divisions. It will make the most of sales floor managers' meetings to provide further education with respect to truth in labeling.

Introducing Universal Design



Continuing to realize store designs that assure convenience for every customer

Ito-Yokado and York-Benimaru are installing barrier-free facilities when constructing new stores or renovating existing store.*3

Ito-Yokado has pursued efforts to improve accessibility since the 1990s, introducing parking spaces with consideration given to the needs of wheelchair users and building more spacious, easily accessible fitting rooms.

Beginning with the Kiba store, which opened in November 2000, it has applied Universal Design principles in store plans with the aim of providing social infrastructure for everyone, regardless of age, gender or physical challenges.

Since fiscal 2007, an internal cross-functional Universal Design Project team has led the way in considering the features and facilities of new stores. The new Ario Kitasuna store, opened in June 2010, offers an array of state-of-the-art features, including "help phones," reserved parking for wheelchair users and universal-access restrooms equipped with audio guidance systems.*4 Before opening the new store, the team organized a store tour for elderly and physically challenged area residents. This not only acquainted the tour participants with the store, but it also provided valuable feedback in return, which Ito-Yokado will

consider in making future improvements.*5

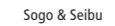
York-Benimaru is designing parking spaces to serve the needs of the elderly and people in wheelchairs. Beginning with the new store which opened in Fukushima Izumi in April 2008, it has equipped all its new stores with universal-access restroom that include washing facilities for ostomates in addition to the universal-access features installed in previously constructed stores. Other new stores, such as the Higashine store that opened in August of the same year, have also introduced priority parking for cars equipped with child seats. The company is pursuing these and other efforts to construct stores that are convenient for everyone.



Parking for cars equipped with child seats (York-Benimaru)

Department Store Operations

Offering Organic Cotton Products



Developing products that are considerate to people and the environment

Sogo & Seibu has initiated sales of products employing organic cotton*6 as the raw material for baby clothing and knitwear sold under the company's "Limited Edition" brand.

The product development concept includes consideration for mothers' concern for quality and safety, as well as for babies' sensitivity to the feeling and texture of materials against their skin.

This led to a decision to select raw materials that had been certified by the Japan Organic Cotton Association (JOCA),*7 and to offer products with a transparent distribution history (traceability), from the raw material production area to the stores where they are stocked, as a means of assuring reliability.



Baby clothing made with organic cotton in consideration of people and the environment

***6 Organic cotton**
 Cotton grown in fields in which no agrichemicals or chemical fertilizers have been used for at least three years

***7 Japan Organic Cotton Association (JOCA)**
 This organization supports the production of organic cotton. JOCA conducts certification operations entailing the verification of the entire chain of production, from the cotton farm to the final product.

Establishment of a New Quality Control Office to Reassure Customers



Enhancing the quality control system by transitioning from an incident response to a prevention approach

Since its establishment in January 2010, the Quality Control Office has been integrating and providing guidance for quality control in the stores, the Corporate Customer Department and affiliated companies with the aim of implementing and firmly instilling "appropriate labeling," "food hygiene" and "quality control." The quality control system has also been enhanced through a change from an incident response to an incident prevention.*8 A third-party organization conducts an inspection of labeling details and product conditions on the apparel and general merchandise sales floors once a month in order to reassure customers of product safety and give them peace of mind. In terms of food hygiene control, preventive measures are thoroughly implemented and the appropriateness of

labeling is checked to ensure that voluntary inspections are conducted in a proper manner.



Providing guidance at a store concerning the framework of quality control and labeling inspections

***8 Key tasks of the Quality Control Office**
 (1) To promote various measures related to appropriate labeling, food hygiene and quality control throughout the company
 (2) To inspect and implement corrective action with regard to business partner management, product selection, product specifications and traceability, as well as to advertising and the labeling on the sales floor
 (3) To audit, evaluate and implement corrective action at food production facilities
 (4) To implement employee education and training concerning food hygiene and quality control
 (5) To create a framework for adherence to laws and regulations in the area of sales activities

Food Services

Quality Control Based on Proprietary Standards

Seven & i Food Systems

***1 Implementation status (FY2009)**
Total number of inspection visits:
200 (approx.)
Manufacturing plants subject to inspection visits: 170 (approx.)

A stress on traceability (production history) in addition to strict quality control

Seven & i Food Systems has prepared a "Trading Terms & Conditions" document stipulating proprietary quality control standards for the stocking of foodstuffs. The company stocks only foodstuffs and products that comply with these standards in order to ensure customers' ability to consume the products any time with peace of mind.

The production area, cultivation methods and distribution routes for fresh vegetables are thoroughly verified, while processed foods undergo strict inspections to identify the raw materials and determine whether they include any additives or allergens and examine the preparation method and quality control conditions. Personnel responsible for stocking and quality control also conduct periodic visual inspections of the company's business partners*1 production facilities.

Emphasis is also placed on assuring traceability. In the case of fresh fruits, for example, a "cultivation

plan" determining soil preparation and seeding and describing the conditions of fertilizer and agrichemical usage as well as harvesting is required of both domestic and overseas producers, as is a "cultivation plan registration" reporting on the actual cultivation environment. In this way, thorough quality control is implemented and traceability controlled through a centralized system.



A processing facility inspection in progress

Employee Education and Hygiene Control

Seven & i Food Systems

***2 Implementation status (FY2009)**
Total number: 8,140

Efforts to implement ISO9001-based hygiene and freshness control

Seven & i Food Systems' QC Office (corporate organization for hygiene control) has received ISO9001 certification for the "standardization and provision of food hygiene control systems at its outlets." The company is directing efforts toward thorough implementation of hygienic and freshness control through employee education and hygiene inspections employing the ISO9000-based management system described above.

In terms of employee education, store managers, who are responsible for food hygiene, as well as the personnel responsible for food preparation, play central roles in providing guidance regarding hand sanitation and health management as well as regarding rules governing attire and disinfection with alcohol, foodstuffs expiration control, food preparation equipment inspections and other such matters. The QC Office organizes hygiene seminars and store inspections, moreover, while district managers provide hygiene guidance to cultivate awareness among store managers and employees.

As concerns hygiene control, the Office subcontracts a third-party organization to perform periodical inspections,*2 verifies the control conditions at stores and implements any necessary improvements rapidly based on the inspection results.

To assure thorough implementation of "freshness control," moreover, store managers and personnel responsible for food preparation check the inventory and order status on a daily basis and verify inventory quantities and expiration dates at the time of food preparation. Fresh foods and prepared foodstuffs are identified with color-coded stickers (for each day of the week), moreover, to ensure at-a-glance recognition of their expiration dates by anyone.

An ISO9001 management system registration certificate



Menus That Respond to Customer Needs

Seven & i Food Systems

Providing children's menus that avoid food allergens

In December 2002, Denny's led the restaurant industry in developing a menu featuring prepared foods that avoid five specified ingredients*3 as a "low-allergen menu"*4 for children that enables families with children who have food allergies to enjoy eating out with peace of mind. The menu was later revised to exclude "shrimp" and "crab" as well, bringing the total number of specified ingredients excluded from menus since June 2009 to seven in response to an amendment of the "Allergen Labeling System for Food Products," which introduced a requirement to label "shrimp" and "crab" in addition to the original five specified ingredients. Specially controlled cooking utensils and containers are used in the preparation process at food-processing facilities to prevent secondary contamination of foodstuffs by allergens. Foodstuffs for this menu are also segregated from the foodstuffs for the general menu in storage, and the heating and serving onto

plates are performed in a special area separated from the main food-preparation area to ensure that foodstuffs from the general menu do not contaminate those for this menu. The tableware employed is also washed and stored separately.



A meal from Denny's low-allergen menu

***3 Five specified ingredients**
Eggs, milk, wheat, buckwheat and peanuts, the five ingredients thought to cause a high rate of allergy occurrence and severity

***4 Low-allergen menu**
An expression coined to refer to menus that are free from the specified allergen ingredients
Featured dishes (as of February 2010) include "low-allergen plates," "low allergen curry" and "Size 5 cakes" made with rice flour and soy milk cream (15 cm in diameter, 4-day advance reservation required).

Institutional Catering Benefiting from Accumulated Know-how

Seven & i Food Systems

Providing menus for hospitals and institutions that demand good taste

Seven & i Food Systems' Meal Provision Service Division offers institutional catering services. The Division has been making use of its accumulated know-how to subcontract food service for hospitals, geriatric health facilities and specified nursing homes since FY2006.*5
The foods provided for hospitals and institutions

often feature a focus on nutrition and ease of consumption, with good taste taken fully into consideration. Trial preparation and tastings are conducted and improvements introduced on a daily basis. Consideration is given to the use of plates and to communicating a home-cooked impression in order to provide food in much the same way as at restaurants, and special efforts are directed to offering a wide selection of menus, including event menus, special packed lunches, afternoon tea buffets and party menus.

The Division seeks to its deepen ties with people in the community, moreover, by participating proactively in events sponsored by hospitals and institutions.

It will also seek to gain a better understanding of customer needs and to increase the number of items offered on its proprietary soft meal*6 menu, which uses the same foodstuffs as regular menus, with the aim of increasing the number of institutional food service subcontracting agreements to ten facilities by FY2012.



A specially developed soft meal

***5 Status of business operations**
As of the end of May 2010, the business caters to three facilities.

***6 Soft meal**
Although this is a soft prepared meal featuring easier consumption to prevent accidental swallowing or choking, the shape of the food is retained and an emphasis is placed on creating an attractive appearance.

Financial Services

Measures to Prevent Financial Crimes in Collaboration with Police and Others

*1 Account monitoring system

This system prevents the occurrence of damage by analyzing account transaction records from previous fraudulent bank transfers and monitoring accounts with similar transaction trends. When a suspicious transfer is made to a suspicious account, the system automatically suspends the transfer temporarily until the identity of the depositor and accountholder can be determined.

*2 Money laundering

This is a mechanism in which illegally acquired funds, such as moneys obtained through drug trafficking, are replaced with ordinary funds and financial institution accounts are used to obscure the source of the income.

Enhancing measures against financial crime

The Financial Crime Countermeasures Center, established by Seven Bank in FY2008, was reorganized as the Financial Crime Countermeasures Office in FY2009 to respond to financial crimes in general, including bank transfer fraud. The organization was subsequently renamed the Financial Crime Countermeasures Division in June 2010.

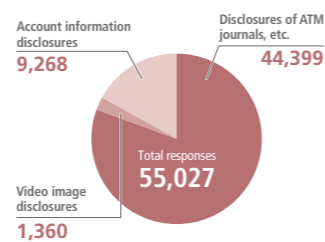
The Financial Crime Countermeasures Division has enhanced the bank's framework for eliminating financial crime by preventing unauthorized use of Seven Bank accounts through an account monitoring system*1 and notification of authorities of suspicious transactions. Actions have also been taken to prevent money laundering,*2 and information is disclosed to the police upon request.

The bank participated in 55,027 cases of cooperative investigative action in response to requests from the police in FY2009, including disclosure of information from ATM journals that provide details on transactions and disclosure of video images captured

by surveillance cameras.

Various other measures to prevent unauthorized use of accounts and prevent customers from sustaining damage from fraud have been implemented as well. These include more rigorous identity verification for people opening new accounts and posting of additional notices to caution ATM users against bank transfer fraud.

Breakdown of cooperative responses to police requests (FY2009)



ATM Services for a Diverse Customer Base

*3 Partners cooperating in the voice guidance service

These include banks, credit unions, credit associations, labor union cooperatives, JA Bank (agricultural cooperative), JF Marine Bank (fisheries cooperative) and securities companies with which Seven Bank has cooperative agreements.

Seeking to provide ATMs that anyone can use with peace of mind

A service that provides voice guidance for ATM operation is provided through an intercom installed on every Seven Bank ATM, enabling any customer with a visual impairment to use the ATMs with peace of mind. This service is available to customers of the more than 500 financial institutions with which Seven Bank has cooperative agreements.*3



Voice guidance for ATM transactions via intercom



Screen message displays in four foreign languages



column

Provision of Safe, Reliable Products and Services

Preparations to Provide Products Customers Need, Even in Times of Disaster

Creating internal corporate organizations in preparation for a major disaster



A fire-fighting training session

The various operating companies in the Seven & i Holdings Group conduct periodic disaster prevention training and employee education to ensure that customer safety is secured as the highest priority in case of disaster. Internal corporate organizations are also being improved to enable sales operations to be resumed quickly if a disaster should occur.

If an earthquake of magnitude six or higher strikes, executive officers are prepared to gather immediately to form a Seven & i Holdings Earthquake Task Force Headquarters. The task force headquarters will verify the damage status of each company, coordinate the manpower for restoration work on the sales floors and arrange emergency supply of products for the early resumption of sales operations, with instructions issued accordingly. Among other responses, each individual company is promoting completion of support agreements for dealing with disasters with the local governments of the communities surrounding its stores. A framework for rapid provision of relief materials to disaster areas using the Group's corporate network has been put into place.

Implementing new influenza countermeasures



An influenza response manual

Seven & i Holdings has been introducing new influenza countermeasures, primarily to protect against avian influenza (highly pathogenic H5N1), to ensure a continued supply of daily necessities, even if a new strain of influenza should reach epidemic proportions. The Group will back up these measures by providing support for the establishment of countermeasures within the various companies. A manual was created in April 2009 based on a study on the prevention of infection of customers and employees, and personnel arrangements and fund procurement have been conducted for the Group as a whole in case a new type of influenza pandemic should occur. Every Group company has been versed in this Group-wide countermeasure policy, and practical activity manuals are currently being prepared to match the individual business characteristics of each.

The new-type influenza type A (lesser pathogenic H1N1), commonly known as swine flu, that spread in FY2009 was dealt with and brought to an end with no major confusion because various new influenza countermeasures, such as stockpiling of masks, were already in place.

Seven & i Holdings will continue to play a central role as a corporate group in efforts to collect information and to review and enhance countermeasures.

Opinion

The business activities of the various operating companies in our corporate group entail provision of products and services, which forms the backbone for the functions of society. I think these are themselves, therefore, activities that comprise corporate social responsibility. If a large-scale disaster should occur, our first primary concern is the safety of our customers and employees and our second priority the continuation of our business operations. We look forward to continuing our efforts to develop as a "community life base" for our customers and the local communities we serve through our business activities.

Shoji Narita
Senior Officer for
Accident Response
Group General
Affairs Department,
Seven & i Holdings
Co., Ltd.





Consulting a midwife about nursing care

Coexistence with Local Communities

Basic Group Policy

While fulfilling its responsibilities as a member of local and social community by maintaining favorable relationships through cooperative partnerships with the local communities, Seven & i Holdings contributes to establishment of a prosperous living environment and provides support for society through appropriate contributions and other means in consideration of the social and public good.

Code of Corporate Conduct

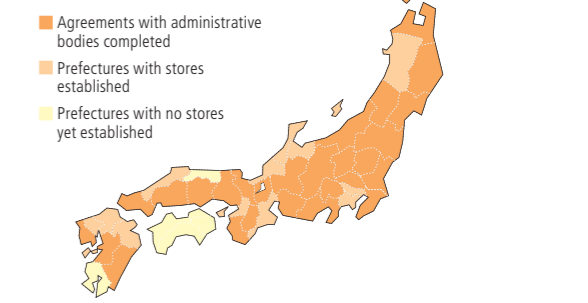
- 1 Conduct business with respect for the culture and customs of the regional community.
- 2 Cooperate positively with the activities of the regional society, endeavoring at the same time to obtain the community's understanding of Seven & i Holdings' management policies and business operations.
- 3 Fulfill social responsibilities through such means as making appropriate social contributions and donations, thus enhancing the value of the Group as a member of society.
- 4 Deal positively with problems involving such factors as transportation, parking, noise and odors when constructing branch stores and build positive relationships with local residents of the surrounding communities.
- 5 While positively pursuing efforts toward normalization (human rights), realize detailed services closely related to the individual region, such as consideration of measures to care for the aging society.

From the Seven & i Holdings Corporate Action Guidelines (Formulated 1993, revised 2007)
<http://www.7andi.com/csr/guidelines.html/> (in Japanese)

Group-wide Measures

Contributing to Regional Activation through Closer Cooperation with Local Governments

Seven-Eleven, Ito-Yokado and York-Benimaru promote conclusion of cooperation agreements for comprehensive regional activation with prefectural governments and various municipal administrative bodies (35 administrative bodies as of July 2010). They are strengthening their mutual relationships by such means as developing specialty products incorporating regional characteristics and foodstuffs and holding regional product fairs, promoting sightseeing and providing disaster support.



Primary Efforts by Our Main Operating Companies

	Convenience Store Operations Seven-Eleven Japan	Superstore Operations		Department Store Operations Sogo & Seibu	Food Services Seven & i Food Systems	Financial Services Seven Bank
		Ito-Yokado	York-Benimaru			
Supporting young parents and the elderly	<ul style="list-style-type: none"> ● Acceptance of students for work experience ▶ P.48 ● Visiting customers' homes to take orders (making rounds) 	<ul style="list-style-type: none"> ● Baby Room installation ▶ P.11 ● Operation of maternity and childcare consultation centers ▶ P.11 ● Direct sales to elderly care facilities ● Product sales & health consultation center operation for the elderly ● Acceptance of students for work experience 	<ul style="list-style-type: none"> ● Provision of food education ▶ P.49 ● Acceptance of students for work experience ● Nurturing of the younger generation (sports events for elementary school children & overseas study opportunities for high school students) ● Blood donation activities 	<ul style="list-style-type: none"> ● Support for guide dog training (in-store fund raising & corporate donations) ▶ P.50 ● Holding of guide dog awareness events at all stores (twice a year) ▶ P.50  <ul style="list-style-type: none"> ● Installation of baby resting rooms ● Provision of parent-child health & nursing care consultations ● Shopping support by "heartful" advisors 	<ul style="list-style-type: none"> ● Acceptance of students for work experience ▶ P.52 ● Food education promotion ● Conducting "normalization" (human rights) training ● Production & application of "normalization guidebook" ● Cooperation with municipal governments' support for child-raising 	<ul style="list-style-type: none"> ● Cooperation and support for <i>Soldier Bonolon of the Forest</i> readings and distribution of free picture books ▶ P.53 ● Conducting reading sessions at stores ▶ P.53  <ul style="list-style-type: none"> ● Installation of user-friendly ATMs for elderly customers
Assisting in local community revitalization	<ul style="list-style-type: none"> ● Development and sales of locally produced products for local consumption ▶ P.45 	<ul style="list-style-type: none"> ● Participation in community development & renewal planning ▶ P.49 ● Cooperation in local product sales promotion efforts ● Provision of store space for local social welfare organizations and events 	<ul style="list-style-type: none"> ● Holding exchange events in stores 	<ul style="list-style-type: none"> ● Cooperation with environmental preservation & beautification activities ▶ P.50 ● Local product development & sales ● Provision of store space for regional activities ● Local product sales promotion ● Participation in festivals and other local events ● Acceptance of students for work experience & store field trips 	<ul style="list-style-type: none"> ● Local production for local consumption menu provision (meal provision service) 	<ul style="list-style-type: none"> ● Posting election announcements in ATM displays
Providing support in times of disaster	<ul style="list-style-type: none"> ● Support for people who cannot return home in times of disasters ● Distribution of action guidelines for safety maintenance in times of disasters 			<ul style="list-style-type: none"> ● Completion of disaster assistance agreements (limited stores) 	<ul style="list-style-type: none"> ● Support for people who cannot return home in times of disasters (applicable area: 19 prefectures and cities) 	<ul style="list-style-type: none"> ● Collection of donations for disaster relief from Seven Bank accountholders (and employees)
Implementing crime-prevention measures for local communities	<ul style="list-style-type: none"> ● Implementation of Safety Station activities ▶ P.48 		<ul style="list-style-type: none"> ● Serving as an emergency services call center for children 	<ul style="list-style-type: none"> ● Conducting age verification for alcohol sales ● Cooperation in crime prevention activities by local administrations & municipal governments 	<ul style="list-style-type: none"> ● Cooperation in Safety Station activities ● Conducting age verification for alcohol & tobacco sales 	<ul style="list-style-type: none"> ● Cooperation with police investigations
	Promoting completion of cooperation agreements with regional administrative bodies ▶ P.45					
	Fund-raising in stores (and among employees) for disaster relief					
	Conducting age verification for alcohol & tobacco sales					

Third-Party Opinion



Sachiko Kishimoto
Center for
Public Resources Development
Executive Director

"I expect activities connected to a clearly defined policies and management strategies."

The unification of CSR and management is an important issue today. In this report, Seven & i Holdings presents detailed information on the diverse variety of efforts it is currently conducting. I hope, moreover, that it gives a clear presentation of the steps it is taking with respect to its targeted CSR activities in relation to its management strategies.

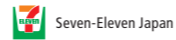
The mention of such efforts by Seven-Eleven in its business as selling chilled boxed meals and issuing residence certificates in response to such social issues and changes as the low birthrate and aging of society as well as the increasing involvement of women in society, for example, can be easily understood and appreciated. It seems to me that the report as a whole would be worthwhile reading, if it would contain an exciting vision of the future and a concrete roadmap to the kind of society with unlimited potential that Seven & i Holdings seeks to create in coming years.

I find it desirable that the mindset and posture with respect to cooperation with local communities and its relationship with the Group's business characteristics be clarified, moreover, and that the reasons for the pursuit of these efforts by the operating companies be clearly explained. It is important at the same time to gather results and opinions from the supported organizations and customers. I feel that integrating the perspectives of both corporations and local communities will lead to development of original activities.

I believe, furthermore, that it would be a good idea to adopt an overall writing style with something more of a storytelling quality. Each activity is certain to have a story behind it for the people concerned. Why not try to adopt a writing style that expresses these stories?

Convenience Store Operations

Accepting Responsibility as a Retailer



*1 Safety Station activities

- Creating safe, secure communities
- Deterring robberies and shoplifting and preventing bank transfer scams
 - Responding to emergencies (disasters, accidents and medical emergencies)
 - Reporting and protecting women, children and the elderly
 - Cooperating in responses to large-scale disasters, etc.

Nurturing a healthy environment for young people

- Prohibiting the sale of alcoholic beverages and cigarettes to minors
- Preventing minors under 18 from buying or viewing adult magazines
- Preventing young people from loitering in and around stores, etc.

*2 Crime-prevention principles

- Greet customers with a loud, clear voice and look them in the eye.
- Prepare to serve customers quickly from behind the sales counter.
- Ensure that store staff are equipped with emergency call buttons and prepared to use them whenever necessary.
- Confirm that security cameras are operational.
- Equip stores with anti-crime color balls and prepare staff to use them.
- Install protective shields for employees and encourage their use.

Preventing sales of alcoholic beverages and cigarettes to minors

As a member of the local community, Seven-Eleven Japan is actively engaged in Safety Station activities,*1 conducted based on the themes of “creating safe and secure communities” and “nurturing a healthy environment for young people.” We make use of the product exhibitions we hold twice a year throughout the country to raise awareness of crime prevention among franchisees by communicating crime-prevention principles*2 and information on measures to prevent underage drinking and smoking.

Seven-Eleven stores implement a variety of measures to prevent underage drinking and smoking. In addition to posting notices mandated by law in the alcoholic beverage section, they also put up posters



A “Verify the customer’s age” poster

reminding staff to “Verify the customer’s age” near cash registers as well as providing sales staff with badges reading, “Show an ID to verify your age,” that are easily visible to customers. When an item requiring age verification is scanned into the checkout register, moreover, an “Item requiring age verification” message appears on the register’s customer-side display screen, and the register operator’s screen issues voice guidance prompting him or her to verify the purchaser’s age.

These measures ensure that store employees remember to verify customers’ ages, while at the same time requesting customers for their cooperation in the ID-based age verification process.



A “Show an ID to verify your age” badge worn by employees



Accepting Children for Work Experience and Store Tours



*3 Number of stores providing work experience programs and store tours in fiscal 2009: 5,511

Cooperating with community schools as a convenient nearby store

Seven-Eleven Japan and franchise stores sometimes receive requests from local elementary and junior high schools to provide work experience and store tours for their students. When we accept students, we schedule the date and time to avoid interference with store operation. We try to comply with as many requests from schools as possible.*3 Seven-Eleven Japan may also prepare reference materials for franchise owners to facilitate their acceptance of students.

Work experience students wear uniforms and nameplates, practice greeting customers and perform such Seven-Eleven Japan store duties as bagging products, cleaning the store and stocking shelves. We plan to continue accepting work experience students and store tours willingly as part of our efforts to maintain close relations as a retailer with young people in the local community.

Superstore Operations

Careful Consideration of New Store Locations



Efforts to contribute as a local community store by emphasizing dialog with regional residents

When Ito-Yokado opens a new store, the store manager and other managerial staff relocate to the area prior to the scheduled store opening and conduct a variety of market research surveys aimed at grasping local needs. We continue to contribute to the region as a member of the community after the store opens as well by participating in local events and cooperating to implement measures such as nurturing young people and discouraging juvenile delinquency.

We hold briefing meetings in accordance with the Large-scale Retail Store Location Law to solicit local residents’ opinions and make every effort to address their concerns. In the case of the Ario Kitasuna store, which opened in June 2010, for example, we held a joint briefing meeting with the building owner. Many people expressed concerns about traffic jams and traffic safety in the surrounding area, prompting us to formulate a traffic security and control plan under the guidance of the local government and police force.*4

Development of a park that local residents can visit to relax as well as construction of new condominiums are under way in the Ario Kitasuna neighborhood. Relocation to the area of a geriatric health-care facility, complete with a medical clinic, is planned for the future. As an area in which town development is in progress, including the addition of a full-scale commercial facility whose tenants include a sports club and other health-related facilities, Ario Kitasuna store has become a core neighborhood of



Ario Kitasuna store

a renewed community.

*4 Traffic solutions in Ario Kitasuna

We collaborated with the building owner in constructing two new roads, one running north-south and the other east-west, within the development area to ease traffic congestion on the main arterial (Meiji Street). The two sections of the shopping center located in the north and south blocks are connected by a sky bridge, moreover, enabling vehicles to travel between the parking lots. The parking lot exits are positioned to allow shoppers to choose the appropriate exit according to the direction they wish to go.

When the store opens for business, we avoid traffic congestion based on a traffic security and control plan. We have also implemented such measures that take local traffic characteristics into consideration as securing temporary bicycle parking space on an adjoining site.

Promotion of Food Education



Conducting food education as a means of contributing to local communities and expressing our thanks to our customers

At York-Benimaru, we undertake food education activities to encourage our customers to adopt a healthful, balanced diet and their children—the representatives of the next generation—to develop an interest in nutritious foods as they grow up. A Supermarket Tour program organized for children employs our stores as classrooms, for example, where children not only learn about the nutritional value of products and the importance of a balanced diet, but also participate in activities such as shopping for assigned food items and hands-on cooking experiences.*5

In fiscal 2009, we staged a “Kids’ Farm” event designed to deepen children’s understanding and interest in vegetables and fruits by learning through their five senses about the hardships and joys of farm work and the natural blessings it produces. The Kids’ Farm event (held seven times) offered families with elementary school children (28 families in fiscal 2009)

an opportunity to experience a series of farm operations, from sowing seeds to harvesting crops, on a farm in Sukagawa City, Fukushima Prefecture. The program was warmly received, with participants making comments such as, “I’ve learned how good freshly harvested produce tastes,” and, “I became aware of the joy and hardship of farm work.” We plan to continue this program in the future.



The Kids’ Farm

*5

York-Benimaru is a member of the 5 A DAY Association—Japan, an organization established in 2002 to promote better health among the citizenry based on the slogan, “Eat five servings of vegetables (350 g) and fruits (200 g) daily.” <http://www.5aday.net/>

Department Store Operations

Social Contributions with the Slogan, "Efforts to Link Everyone's Kindness"

*1 Bow-wow One Coin Club

A fundraising system under which an amount determined by a number of donation shares set by an employee is automatically deducted from his or her monthly salary. Individual employees show understanding of these activities and join forces to engender companywide support for seeing-eye guide dog training projects.

*2 Total fiscal 2009 donations

Contributions collected in stores: 33.25 million yen
Total combined donations from the Sogo & Seibu fund and Bow-wow One Coin Club: 20 million yen

Support for guide dog training

Sogo & Seibu pursues activities to support guide dog training projects as part of its social contribution activities.

In addition to in-store campaigns, the company makes donations through a fund established in cooperation with its labor union, and incorporating contributions from the Bow-wow One Coin Club*1 to a fundraising program in which employees participate.*2

The company's efforts to raise awareness of guide dog training projects include holding Meet a Guide Dog Campaigns at its stores twice a year—in the spring and fall—with the objective of promoting public understanding of the relationship between persons with impaired vision and their dogs in cooperation with guide dog training organizations. The campaigns offer customers an opportunity to view demonstrations of the dogs' skills and to

experience walking with a guide dog, not only to increase their familiarity with the dogs but also to boost their interest in guide dog training projects.



Meet a Guide Dog Campaign organized to deepen the understanding and to raise awareness about guide dogs.

Sogo & Seibu

Seeking to make social contributions in consideration of local characteristics

The department store business is rooted in the local community and it grows along with its community. This is why we consider it so important to contribute to the community. All the Sogo & Seibu stores are

making positive efforts to introduce regional specialties, develop products made from locally produced materials, vitalize local industries and support educational and cultural activities.

Sogo Kobe store



The store collaborated with the City of Kobe in conducting a seminar on making cardboard compost boxes. The compost is used to create a "green tunnel" on the store's rooftop.

SEIBU Numazu store



After participating in work experience at the store, local children helped conduct water sprinkling and watering of flower beds.

Donation of (Selected) Trade-in Items Collected from Customers to Developing Countries

Sogo & Seibu held a Trade-in Campaign*3 beginning May 2009. The company donates some of the trade-in goods collected from customers to the Republic of Zambia via the Japanese Organization for International Cooperation in Family Planning (JOICFP),** an NGO that promotes international cooperation.

At the end of May 2009, the Zambian ambassador to Japan visited the Sogo & Seibu headquarters to present a certificate of appreciation. Upon learning that children in Zambia go barefoot and that many of them contract tetanus or parasitic diseases from foot wounds, we conducted trade-in campaigns for children's shoes in June and August. In October, we set up permanent Children's Shoe Trade-in Service Corners at six stores as bases for conducting ongoing children's shoe donations. As of March 2010, the system had been expanded to 23 stores. Customers visiting the trade-in corners have made such comments as, "I couldn't throw them away, but I'll be happy if someone can make good use of them," "I've wanted to participate in international cooperation but didn't know how," or, "I hope you'll continue this campaign well into the future."

Sogo & Seibu intends to continue these activities as an expression of our customers' goodwill.



A permanent trade-in service corner for children's shoes (Ikebukuro main store)



Children's shoes and other donated items are distributed in various regions of Zambia.



Zambian children putting on donated shoes



Zambia's ambassador to Japan with President Yamashita

*3 Trade-in campaigns

Number of campaigns held during fiscal 2009: 7
Participating customers: 224,000 (approx.)
Items collected: 647,000 (approx.)
Items donated: 176,000 (approx.)

*4 JOICFP (Japanese Organization for International Cooperation in Family Planning)

An organization that cooperates with the United Nations and other international organizations in supporting the protection of maternal and child health and the lives of people in developing countries. The JOICFP Web site features a photo that shows children in Zambia receiving donated shoes as an activity of Sogo & Seibu.
<http://www.joicfp.or.jp/jp>

OPINION

We make excellent use of the children's shoes customers donate, distributing them among Zambian children who would otherwise play barefoot as well as using them to prevent infection and as health education tools for encouraging mothers to take prenatal medical examinations. Donations from customers are a treasure that not only brings dreams and smiles to individual children but also communicates health-related knowledge. I'd like to express my deepest gratitude to the goodwill of both Sogo & Seibu and their customers.

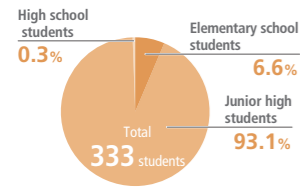
Yoshitatsu Kanno
Program Manager
Partnership Program Group
JOICFP



Food Services

Support for Local Education

*1 Work Experience Programs for Students(FY2009)



Accepting students for work experience in restaurants

Seven & i Food Systems responds to requests from local elementary, junior high and high schools to participate in career education by giving students work experience in its restaurants. In fiscal 2009, it accepted 333 students for participation in 122 programs conducted in restaurants nationwide.*1

Participating restaurants develop their own individual work experience curriculum based on requests from the schools. The restaurant manager and staff serve as instructors, teaching the students about the company's commitment to quality cuisine, responsive service and good taste through lectures about the company's makeup as well as the mechanism of its restaurant operations. The program gives the students opportunities to conduct basic services for customers and make desserts to be sampled by their fellow students, besides learning about hygiene by

cleaning the premises and washing dishes. Students participating in the work experience programs have made such comments as, "I've gained firsthand knowledge of the difficulties, joys and satisfaction of working." The company intends to continue accepting work experience students actively in the future.



Students acquiring work experience

Seven & i Food Systems

Social Contribution through Products

*2 "One Million Meals for Africa" campaign

This initiative was conceived by TFT to solve two problems simultaneously, the food surplus in developed countries and hunger in developing countries. Funds equivalent to the cost of a single warm school lunch (¥20) are sent to Africa every time a customer ordered a TFT-approved healthful meal from the menu. The program was conducted for a month in 2009 beginning on October 16, the UN-designated World Food Day.

Contributing to solution of the world's food problems by offering a healthy menu

Since May 2008, some Seven & i Food Systems' meal provision services have been participating in activities organized by TABLE FOR TWO (TFT), an NPO devoted to resolving the world's food challenges. As part of the 35th anniversary celebrations of its founding, the Denny's restaurant chain supported the activities by participating in the "One Million Meals for Africa" campaign*2 organized by TFT.

For one month starting October 8, 2009, Denny's offered healthful menu items that satisfied the TFT guidelines. For each healthful menu meal



A healthful TFT dinner on the Denny's menu

ordered by customers, we donated ¥20, which is approximately equivalent to the cost of a school lunch in Africa. The chain conducted a simultaneous in-hours collection program and transferred a total of ¥5,073,260 (including in-house contributions of ¥311,040) via TFT to Millennium Promise, a United States-based NPO that serves as a hub for the UN Millennium Villages Project. Seven & i Food Systems plans to continue engaging in activities aimed at resolving social problems through its products in cooperation with its customers in the future.



A leaflet introducing TFT to customers

Seven & i Food Systems

Financial Services

Soldier Bonolon of the Forest Picture Book Distribution



Supporting sound growth of the children who will lead the next generation.

Motivated by a desire to support communication between parents and their children by encouraging them to read together at home, Seven Bank cooperates with *Soldier Bonolon of the Forest*—a picture book intended for reading aloud that is published every other month with a circulation of one million copies per issue. The Bank distributes the picture book to children at no charge through a cooperative program involving its headquarters and branch offices, Seven-Eleven Japan and Denny's.

The program seeks to establish communication with readers by conducting events involving the picture book in which readers can participate casually. The 4th Bonolon Picture-drawing Contest held in the summer of 2009 received entries from large numbers of children. Winners were announced in the October 2009 issue.

The 2nd Bonolon Story-telling Session was held in March 2010 at all six Seven Bank field offices, with company employees and local staff participating by

reading to local children from large-format picture books and joining them in singing along with music while making hand gestures.

Seven Bank will continue supporting activities organized to foster parent-child communication.



An employee who participated in a Story-telling Session commented, "The children listened to the story with undivided attention, making me very happy." The event also provided employees with an excellent opportunity to reaffirm the significance of the Bank's support for picture books.

Environment Beautification Activities



Cleanup activities conducted by the Group's operating companies

Since June 2006, Seven & i Holdings has adopted a program of cleanup activities started by Seven-Eleven Japan in July 1999 to contribute to environment beautification of local communities as a Group initiative. In June and October (or November) every year, owners and employees of Seven-Eleven Japan's franchise stores, along with employees of the Group's operating companies, conduct cleanups*3 around their stores and offices.

Since fiscal 2008, a crew comprising mainly headquarters employees of all the operating companies have engaged in an annual volunteer cleanup activity on Mt. Fuji*4, where illegal rubbish dumping has become a problem. Employees from various operating companies cooperate in the cleanups in accordance with instructions from the Fujisan Club, an NPO. In fiscal 2010, family members also participated. Participants offered such comments

as "Participation in the cleanup with children offered a good opportunity for the children to think about environmental issue."

Our Group as a whole will engage in cleanup activities in the future.

*3 Volume of trash collected during cleanups

June 2009	63.4 tons
November 2009	57.1 tons

*4 Volume of trash collected during cleanups on Mt. Fuji

Fiscal 2008	390 kg
Fiscal 2009	230 kg



Participants in a cleanup of the Numazu Station area in Shizuoka Prefecture in November 2009

Seven-Eleven Memorial Foundation

The Seven-Eleven Memorial Foundation has its origin in a predecessor, Seven-Eleven Midorino Kikin ("Seven-Eleven Green Fund") established in 1993 as a commemorative project celebrating the 20th anniversary of Seven-Eleven Japan's founding. Franchisees and the headquarters have since been working together in environment-related social contribution activities. The fund was transformed into the current general incorporated foundation in March 2010.

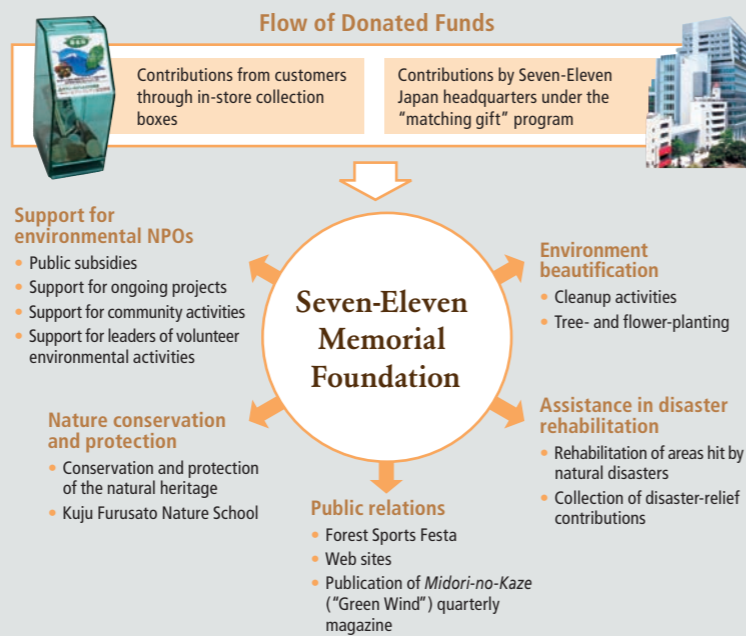
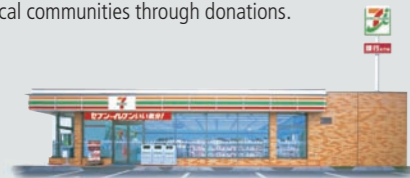


http://www.7midori.org/(in Japanese)

Putting in-store contributions to good use in supporting community environmental preservation efforts

Contributions from customers collected at Seven-Eleven stores throughout the country are first sent from the franchisees to Seven-Eleven Japan, where contributions from the Seven-Eleven Japan headquarters are added to them and the donations are transferred to the Foundation. The funds are used to support citizens' environmental groups, as well as activities such as nature conservation and protection, environment beautification, public relations and assistance in disaster rehabilitation.

The Foundation's subsidy program is a grass-roots social contribution to support local communities through donations.



Donated Amount

Fiscal Year	Term	Amount (¥)	Stores
FY 1994	1st term	¥ 88,065,167	5,905 stores
FY 1995	2nd term	¥ 114,990,442	6,373 stores
FY 1996	3rd term	¥ 101,953,265	6,875 stores
FY 1997	4th term	¥ 93,847,235	7,314 stores
FY 1998	5th term	¥ 100,067,934	7,732 stores
FY 1999	6th term	¥ 196,501,020	8,153 stores
FY 2000	7th term	¥ 206,741,986	8,602 stores
FY 2001	8th term	¥ 233,824,453	9,060 stores
FY 2002	9th term	¥ 246,301,432	9,690 stores
FY 2003	10th term	¥ 242,816,567	10,303 stores
FY 2004	11th term	¥ 270,605,635	10,826 stores
FY 2005	12th term	¥ 320,119,382	11,310 stores
FY 2006	13th term	¥ 333,341,098	11,735 stores
FY 2007	14th term	¥ 356,226,190	12,034 stores
FY 2008	15th term	¥ 372,430,326	12,298 stores
FY 2009	16th term	¥ 333,675,951	12,753 stores

Cumulative total contributions from the 1st to 16th term
¥ 3,611,508,083

Report on Fiscal 2009 Activities

This page presents the environmental activities undertaken by the Seven-Eleven Memorial Foundation during fiscal 2009 employing contributions from our customers and Seven-Eleven Japan.

Support for Environmental NPOs



An organization dedicated to developing forests and homes in action in the basin of the Ado River in Shiga Prefecture

Supporting citizens' activities as a central pillar

We provide multifaceted support for community activities led by citizens to help citizens' environmental groups play active roles as new leaders in society. The support encompasses several areas: (1) nature conservation and protection, (2) protection and preservation of wild animals and plants (3) environmental learning experiences, (4) activities with the theme of reduced environmental impact lifestyles, (5) tree- and flower-planting and (6) community

cleanup activities.

Our activities in fiscal 2009 included publicly offered subsidies, which provide financial aid for worthy projects (¥134,902,000 was provided to 251 projects, including ongoing ones), aid for intermediate support organizations that provide support for local environmental NPOs, and overseas training designed to improve the skills of leaders of environmental volunteer activities.

Assistance in Disaster Rehabilitation



Employee volunteers planting trees in October 2009

Support for a reforestation project on Miyake Island

A major volcanic eruption of Mt. Oyama in 2000 caused severe damage on Miyake Island, one of the Izu Islands in Tokyo Prefecture, forcing all the residents to evacuate the island. Committed to helping restore vegetation and rehabilitate the island, we have been active on two fronts: supporting NPOs and engaging in volunteer activities as the Seven & i Group.

In fiscal 2009, we collaborated with high

schools and universities in the Tokyo Metropolitan Area in proving support for the Miyake Island Reforestation Project led by the Engei Agri-Center, an NPO engaged in tree-planting activities on Miyake Island. We also hold tree-planting tours for Group employees twice a year. In fiscal 2009, about 200 employees participated, planting 7,200 trees on an area of approximately 3.3 hectares.

Nature Conservation and Protection



Collecting insects on an observation trail

Operation of the Kuju Furusato Nature School

Our Kuju Furusato Nature School in Kokonoe-cho, Oita Prefecture, operates based on the philosophy of "learning from nature about harmonious coexistence and co-prosperity of people with nature and of local communities with the natural environment." The school pursues efforts to conserve and protect nature in Kuju as well as constructing a habitat for the Japanese crested ibis with the guidance and cooperation of the people of the community. It also offers programs

in which the general public can participate, thus helping many people learn about the value and wonders of nature.

Our fiscal 2009 activities included bird-watching and wildlife observation programs for local elementary and junior high school students, creating rice paddies as a habitat for the Japanese crested ibis and growing organic rice without pesticides.

Opinion of the Foundation's Director

Following our change in status from a fund to a foundation, I feel a great responsibility to live up to the trust and expectations of the customers who have made contributions. In February 2010, we concluded an agreement with the Tokyo Metropolitan Government with respect to the "Protect Tokyo's Greenery Project," the first project undertaken in partnership with a local government. We have accordingly begun to support activities aimed at preserving the surviving wooded areas in the Tokyo area. In future, we will seek to reinforce our activities and continue to engage in community-based social contribution projects.



Kenji Yamamoto
 Director,
 Seven-Eleven Memorial Foundation
 Owner,
 Seven-Eleven Toyosu store



A sales clerk greeting a customer with a smile

Creating Fulfilling Workplaces

Basic Group Policy

We instill a vital corporate spirit in employees by operating without prejudice, based on fair and impartial standards with regard to employment, changes or promotions, to expand the capabilities of each individual in the workplace, while maintaining a work environment that is free from discrimination or harassment in which employees can work together with mutual respect. We endeavor to construct pleasant, safe, sanitary working environments in which employees enjoy the greatest possible physical and mental freedom and sense of abundance.

Code of Corporate Conduct

- Seven & i Holdings' members . . .
- 1 Endeavor to maintain safe, hygienic workplaces and work environments.
 - 2 Take all necessary measures to ensure the safety and sanitation of buildings and equipment.
 - 3 Observe standards implemented to ensure safe hygiene and health in their work.

From the Seven & i Holdings Corporate Action Guidelines (Formulated 1993, revised 2007)
<http://www.7andi.com/csr/guidelines.html/> (in Japanese)

Group-wide Measures

Implementing support systems to ensure continued employment of employees providing childcare or nursing care




In its efforts to enrich both the family and working lives of its employees, Seven & i Holdings has conducted a *Rechallenge Plan* support program since 1991 that assures their job security, even while caring for infants and young children or providing nursing care for other family members. Part-time staff have also been eligible for the system since August 2002.

We have revised the system repeatedly in response to feedback from employees. In April 2009, for example, we extended the period of availability of our *Short Working-hour Plan* to enable parents to reduce their working hours by 1 to 2 hours until April 15 of their children's second year of elementary school. We also gave employees the choice of limiting their working hours to 7:00 p.m. at the latest until the end of their children's fourth grade of elementary school.

Moreover, Sogo & Seibu joined our company in 2006, and an original childcare and nursing support system is also available to part-time staff at the company.

* *Rechallenge Plan*
Temporary Leave Plan (parental or nursing care)
 Permits job reinstatement after a temporary leave of two years for infant nursing care (extendable to three years when necessary) or a leave of up to one year for nursing a family member.
Short Working-hour Plan (parental)
 Permits reduction of hours by up to four hours.
Reemployment Plan (parental)
 Permits preferential reemployment of employees who have left the company once.

Primary Efforts by Our Main Operating Companies

	Convenience Store Operations Seven-Eleven Japan	Superstore Operations Ito-Yokado York-Benimaru		Department Store Operations Sogo & Seibu	Food Services Seven & i Food Systems	Financial Services Seven Bank	
Supporting development of employee abilities	<ul style="list-style-type: none"> Customer service enhancement seminars for franchise stores ▶ P.60 Recognition for store management excellence 	<ul style="list-style-type: none"> Implementation of in-house licensing system ▶ P.62 Skill Contests among fresh food part-time staff ▶ P.62 Provision of in-house training system Support for self-education/improvement 	<ul style="list-style-type: none"> Management of objectives & progress by means of original tools ▶ P.61 Holding Skill Contests ▶ P.62 	<ul style="list-style-type: none"> Promotion of "bottom up" activities to implement employees' improvements ▶ P.63 Support for acquisition of specialist qualifications to improve customer service skills Financial support for correspondence course participation Use of instructors for sales skill enhancement 	<ul style="list-style-type: none"> Conducting in-house training programs Support for acquisition of national qualifications Introduction of internal qualification training & certification system Active participation in training conducted by outside instructors Conducting training allowing equal participation by employees 	<ul style="list-style-type: none"> Internal contests in customer service provision ▶ P.64 Participation in external contact center-related contests ▶ P.64 Conducting in-house training Promoting participation in correspondence courses Promoting participation in external training programs Application of career mapping to enhance capabilities 	
Assuring fair assessment and treatment of employees	<ul style="list-style-type: none"> President's Award presentation ▶ P.60 System of self-assessment and interview-based evaluation by immediate and higher superiors 	<ul style="list-style-type: none"> Maintaining system for treatment of part-time staff ▶ P.61 System of self-assessment and interview-based evaluation by immediate and higher superiors Conducting training for evaluators President's Award presentation 	<ul style="list-style-type: none"> President's Award presentation ▶ P.62 Employee training program-based personnel guidance and evaluation ▶ P.61 	<ul style="list-style-type: none"> Establishment of new President's Award system ▶ P.63 "Star Club" membership system for recognition of exceptional sales personnel ▶ P.63 Target management system-based evaluations 	<ul style="list-style-type: none"> Introduction and operation of system to raise the status of part-time staff ▶ P.64 System of self-assessment and interview-based evaluation by immediate and higher superiors ▶ P.64 Evaluations based on both capability and performance 	<ul style="list-style-type: none"> Evaluations based on both capability and performance System of self-assessment and interview-based evaluation by immediate and higher superiors Conducting training for evaluators Maintaining system for treatment of part-time staff 	
Achieving a work-life balance	 Operation of support system for childcare & nursing ▶ P.57						
Making use of diverse human resources	<ul style="list-style-type: none"> In-house candidacy announcement system Reemployment system for retired employees (60 years or above) Preparation of cash register training manual in four languages 	<ul style="list-style-type: none"> Promotion of part-time staff to full-time positions ▶ P.61 Reemployment system for retired employees (60 or above), including "Senior Partner Program" for part-time staff ▶ P.61 Human rights awareness (normalization) education ▶ P.65 In-house candidacy announcement system 	<ul style="list-style-type: none"> Promotion of part-time staff to full-time positions Reemployment system for retired employees (60 or above), including part-time staff 	<ul style="list-style-type: none"> Reemployment system for retired employees (60 or above) Promotion of talent recruitment system 	<ul style="list-style-type: none"> Introduction of system for promotion of part-time staff to full-time & store management positions ▶ P.64 Reemployment system for retired employees (60 or above), including part-time staff 	<ul style="list-style-type: none"> Reemployment system for retired employees (60 or above) Human rights awareness education Introduction of system for promotion of part-time staff to full-time positions 	
Assuring consideration for worker health and safety	<ul style="list-style-type: none"> Provision of traffic safety training courses for OFCs 	<ul style="list-style-type: none"> Occupational injury prevention education 	Conducting health examinations, establishing health management centers, conducting family health consultations and mental health care hotline				<ul style="list-style-type: none"> Medical interviews by industrial physicians and registered nurses Employment of independent mental healthcare institutions Provision training in self-conduct of mental healthcare
Institution of a safety and health committee							

Third-Party Opinion



Tomofumi Saito
 President, Corporate Culture Laboratory Inc.
 Visiting Professor, Tama University Graduate School
 Part-time Lecturer, Kansai University Graduate School

"I expect employees to achieve fulfilling workplaces by deepening exchange among them."

I do not feel that the theme of fulfilling workplaces plays a sufficiently prominent role in most CSR reports. I believe that Seven & i Holdings differs by emphasizing an approach that places a clear priority on the fulfillment its employees find in their work.

At the Great Place to Work® Institute in the United States, the factors considered to identify "companies that provide job satisfaction" include "trust," "respect," "fairness," "pride" and "camaraderie."

Seven & i Holdings has established "We aim to be a sincere company that our employees trust" as part of its corporate creed, showing a clear awareness of the importance of "trust." This report also includes the factor of "fairness," with its mention of "non-prejudicial treatment," and the factor of "respect," as evidenced by the respect it shows for employees in its stated commitments to "employment of diverse human resources" and "enhancing employee capabilities."

Seven & i Holdings' thinking with regard to "pride" and "camaraderie" is not so apparent, however. How do employees interact with their superiors, for example, and what kind of support does the company provide for that interaction? I hope, moreover, that the next report will describe its efforts to deepen the bonds among colleagues.

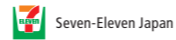
Another important factor contributing to a sense of fulfilling workplaces, moreover, is the pride employees take in their work activities and the products and services they provide. Since the retail business involves direct contact with customers, moreover, it exerts a considerable influence on society, and I consider it an occupation in which it can be easy to find fulfilling workplaces at contact points with customers.

From now on, moreover, I hope to observe progress toward creation of workplaces in which employees can find fulfillment in their work.

● Described in an independent section of this report ■ Discussed in the main body of this report — Measures not implemented

Convenience Store Operations

Offering enhanced franchise store assistance programs



***1 Shiftworks**
A part-time job search site operated by Indival, Inc. Seven-Eleven Japan pays the ad placement fees.

Seven-Eleven Japan franchise store owners hire and train their own employees. If they are to operate their store without worries, it is important that the employees they recruit improve their capabilities and continue to work at the store.

As a measure to assist the franchise stores in developing their employees' capabilities, Seven-Eleven Japan holds Friendly Service Seminars on a district-by-district basis to teach participants how to serve customers in a cordial, pleasant manner. In March 2010, the company began upgrading its Helper System, a support program for franchise store owners, and enhancing the stores' recruitment activities.

Enhancing the Helper System to assist franchise owners in store operation

Seven-Eleven Japan provides store operation assistance for franchise owners on an individual basis by sending staff to substitute for them when they need to attend ceremonial occasions or a family member falls ill. We have expanded the scope of the assistance to cover family trips as well, revising the system to enable staff to take over or support owner's duties for a fee. As a result, we now have a system in place that allows franchise owners, who are engaged in 24/7 store operation, to delegate their duties with peace of mind.

Employee Commendation Program



Awarding commendations and announcing case examples quarterly

Seven-Eleven Japan has been conducting a *Genki-ga-Deru* ("maintaining high spirits") campaign targeting all its employees since fiscal 2007 with the aim of forwarding the creation of a vibrant workplace in which employees are motivated to strive toward higher goals as well as think and act proactively of their own accord.

The campaign entails assessment on such items as goal achievement, efforts to take on new assignments, degree of effect on the company and

Increased Internet Recruiting

We have started to post information on employment opportunities at our franchise stores on Shiftworks*¹, a recruiting site operated by a major Internet search site, Yahoo! Japan.

Shiftworks is a system that facilitates matching the wishes of part-time job seekers who want to make good use of their spare time and stores that need workers to fill specific time slots. Franchise stores can post help-wanted ads freely in accordance with their job vacancy situation.

As more and more people begin to look for part-time jobs on the Internet, this ability to look for a job at one of our franchise stores on Shiftworks, in addition to the Seven-Eleven Japan Web site, has led to increased viewing of recruiting information.



Recruiting information displayed on Seven-Eleven Japan's Web site (screen image as of September 2010)
<http://www.sej.co.jp/arbeits.html> (in Japanese)

contributions to society. Screening is conducted quarterly in each department, and the final decision concerning commendation recipients is made by the president.

Case examples of employees receiving commendation are shared widely in meetings attended by OFCs (Operations Field Counselors), and winning teams and individuals receive certificates of merit from the president. In fiscal 2009, 887 employees received commendations.

Superstore Operations

Creating Attractive Working Environments for Part-time Staff



A personnel treatment system that permits part-time staff to choose their own working style

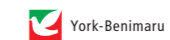
In response to changes in people's attitudes toward jobs today and a diversification of work style-related needs, Ito-Yokado has introduced a Career Promotion Choice Program*² that allows part-time staff—who account for approximately 80% of its total workforce—to choose a working style that suits their personal circumstances and beliefs. It has, at the same time, also implemented a more performance-based evaluation and compensation system as well as a Senior Partner Program that allows employees to continue working until up to the age of 65.

The Career Promotion Choice Program classifies part-time staff into three groups—Regular, Career and Leader Partners—based on the nature of their job and the requisite skills and expertise and evaluates their day-to-day work performance. Those who receive high evaluations can seek promotion to the next level.

The company has also introduced a system under which part-time staff certified as Leader Partners are promoted to full-time employees ("expert" employees)*³. It offers them the option of not pursuing promotion to the next level for personal reasons, moreover, thereby enabling staff to choose the working style that is best suited to their personal value system.

Ito-Yokado is working to enhance employee training to correspond to its modified systems. It has developed training tools for each career step, for example, to help part-time staff improve their skills. It is also forwarding OJT (on-the-job training) through hands-on work experience as well as conducting training sessions for Leader Partners and Career Partners in every store. It provides supervisory training, moreover, for the sales-floor staff responsible for conducting in-store OJT.

Use of Target Achievement Records to Strengthen Individual Employee Capabilities



Efforts to increase employee motivation and capability enhancement

York-Benimaru uses Target Achievement Records*⁴ to clarify each employee's current skills and capabilities, areas in which challenges remain to be overcome and personal targets. The Record identifies items necessary to the performance of duties, including customer service, sales floor management, order placement and cooking skills, as a basis for conducting assessments on a 6-point scale of 0 to 5. The assessment items are set on a department-by-department basis and according to the employee's job responsibilities, the work content and the merchandise being handled. In the Skills Edition for full-time and part-time employees, more than 100 items are identified, including cooking skills, sales floor display arrangement skills and merchandise knowledge.

Employees conduct self-assessment at their level based on the Record and check their progress and set new targets in cooperation with their immediate supervisor three times a year (twice a year in and after fiscal 2010). Setting clear-cut targets and performing the requisite duties to achieve them has increased

employee motivation and helped them develop enhanced capabilities. York-Benimaru has computerized the Records to reduce the data compilation time and enable company-wide sharing of information.

In fiscal 2010, we plan to review the Skills Edition "Cash Register Operation" and "Clerical Duties/Inspections," while further enriching our training tools by creating video software and revising our procedural manuals and handbooks.



Checking progress based on Target Achievement Records

*2 Career Promotion Choice Program



*3 Certification status (as of March 1, 2010)

Leader Partners: about 2,300
Career Partners: about 2,600
Cumulative total number of part-time staff promoted to regular full-time employment: about 340

*4 Target Achievement Records

The company introduced the Records on a trial basis in October 2006 and began using them in its stores in June 2007. The Records are electronically managed. In addition to the Skills Edition for full-time and part-time employees, it has employed the Management Edition, designed to improve and standardize the management capabilities of department heads in all the stores, since June 2008 as part of effort to establish individual store management as a basis for construction of a 300-store organization. With the subsequent launch of Records for store managers and assistant store managers in June 2009, we now have a Target Achievement Record for employees in almost every position.

Superstore Operations

*1 Total number of employees obtaining licenses (as of end July 2010): 20,947

	License title	Number of license holders
Apparel	Ladies' styling coordinator	1,824
	Shoe advisor	1,395
	Men's styling coordinator	1,522
	Children Friends Mate	1,702
	Underwear advisor	1,635
Household goods	Yukata Friends Mate	821
	Interior advisor	1,244
	Kitchen advisor	1,752
	Cosmetics Friends Mate	197
	Consumer electrics Friends Mate	52
Service	Toys and stationery Friends Mate	1,482
	Care Support Advisor	98
	Service Friends Mate	1,472
	Cashier Friends Mate	5,085
	Telephone switchboard Friends Mate	666

*2 Fresh-food training rooms are set up in a total of eight locations, including the Tokyo and Chukyo areas. In fiscal 2009, a total of 2,151 employees participated in group training programs.

*3 Seven York-Benimaru departments—fresh fish, meat, fruit and vegetables, processed foods, daily products, clothing and housing—hold a Company formation Festival Skill Contest every October. The cashier department holds an independent Checkout Counter Competition in September of each year.

*4 VMD Visual Merchandising (product display). This refers to merchandising techniques that emphasize the visual impression made by merchandise.

*5 An award certificate, prize money and medal are presented to 1st-, 2nd- and 3rd-place contestants. Trophy: 1st-place winner only

Support for Employee Capability Enhancement

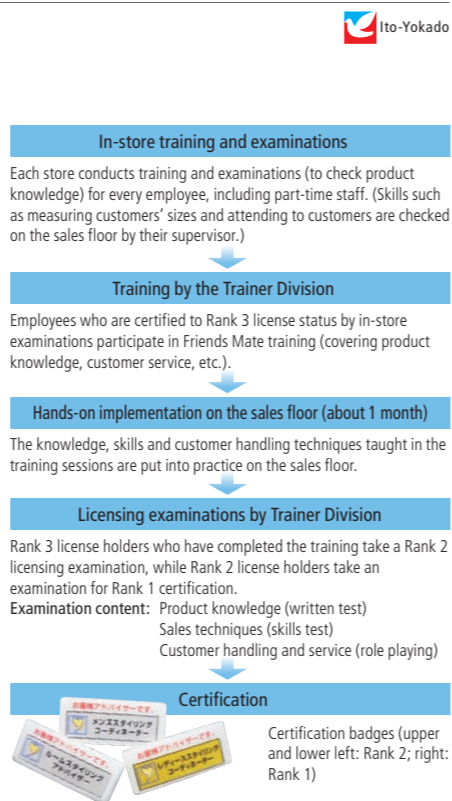
The "Friends Mate" in-house licensing program

Ito-Yokado has implemented a Friends Mate in-house licensing program as part of its support for employee capability enhancement. Employees go through a series of procedural steps—training, licensing examination and certification—to acquire the practical knowledge, skills and customer service techniques required on the sales floor. There are 15 different licenses, each of which involves five ranks, from 1 to 5. Individuals certified to the top ranks 1 and 2 are registered in the human resources database, and a record of their rank is reflected in their performance evaluation.*1 A license is valid for two years. License holders who fail to meet the specified standards when their license expires are required to retake the licensing examination for renewal.

Employees can check their customer sales performance (sales volume, number of items sold, etc.) up to the preceding day on the company intranet. This gives them an objective grasp of how effectively they are employing the licensed skills they have acquired in attending to customers and achieving results, which in turn tends to increase their motivation.

Skills competitions for part-time staff

Ito-Yokado is enhancing OJT training through group training and video manuals as part of effort to enhance the skills of employees of its fresh foods sections. Group training is conducted by specialized training staff in fresh foods training rooms in accordance with participants' skill levels.*2 In August 2009, the company began creating food preparation video manuals as effective, easily understandable training tools. It has extended the year-long training by holding skills competitions among part-time staff in the meat, Fruit and Vegetable, fresh fish, prepared dishes and *sushi* departments since fiscal 2005. In the final stage, 32 finalists who have made it through the preliminary rounds and subsequent zone tournament compete by preparing the main items offered by their departments and are judged according to a system that awards points for following the manual, procedural deftness and attractive arrangement of food. Winners receive commendations as a means of elevating employee morale.



Ito-Yokado York-Benimaru



A skills competition in progress

Department Store Operations

Systems for Evaluating the Effectiveness of Efforts in the Workplace

The newly established "No. 1 in Service" initiative and President's Award System designed to raise motivation in the workplace

Sogo & Seibu seeks to boost motivation among employees by incorporating the suggestions and opinions they submit voluntarily into its service improvement efforts and store management, while advancing its "No. 1 in Service" initiative*6 with the objective of becoming the department store that enjoys the greatest trust and highest expectations among people in the community. The activities are aimed at responding to the requests of all the company's customers.

Sogo & Seibu has also established a new President's Award System organized to evaluate the results of employees' efforts and challenges, share the process company-wide and prepare the ground for next-level activities. The Grand Prix winner is presented with an award certificate personally by the president.

Sogo & Seibu

It plans to make use of this new award system to stimulate employees' voluntary efforts and enhance the fulfillment they find in their work.



Selling the Sogo Tokushima store's top prize-winning "Tokushima Specialty Bread"

Evaluating performance fairly and supporting enhancement of expertise and capabilities

Sogo & Seibu has established the Star Club membership program*7 for store employees who demonstrate exceptional performance, primarily in the areas of customer service and sales. Among candidates who enjoy strong customer confidence and exhibit an ability to serve as role models for other employees, those who are ranked in the top one percent of their category's salespeople companywide are certified under the program as Corporate Star Club members, while those who are ranked in the top two percent of their category's salespeople in their own store are recognized as Store Star Club members.

The company supports career development by encouraging sales staff to obtain professional qualifications that contribute to their customer service and sales activities, such as shoe fitter, fitting advisor and gift advisor qualifications. It also assists employees in obtaining "Heartful Advisor" qualifications, which certify the certificate holders' ability to provide appropriate service or assistance to elderly or handicapped customers. Many of our employees have obtained this qualification.*8



A ceremony certifying employees as Star Club members



Support for acquisition of professional qualifications in the areas of customer service and sales

*6 Criteria for "No. 1 in Service" initiative commendation Each month, the Headquarters' No. 1 in Service Vitalization Committee screens candidates recommended by the various stores for No. 1 in Service initiative commendations and selects the one that serves as a model case from all of the company. Furthermore, once every six months, the President's Award is presented for the activity selected by a vote of all the company's top management members (including store managers) from among those recommended by all the stores' managers.

*7 Star Club membership certification (fiscal 2009) Store employees certified to Star Club membership: 1,449

*8 Professional qualification recipients (fiscal 2009)

Shoe fitter:	193
Fitting advisor:	732
Gift advisor:	1,088
Heartful Advisor:	706
Food safety advisor:	103

Food Services & Financial Services

Introduction of a Fair, Unbiased Human Resources Management System

Seven & i Food Systems

Adopting a human resources management system conducive to job satisfaction

Approximately 90% of Seven & i Food Systems store employees are unit employees,*1 who play an important role in store management. The company introduced a new human resources management system in October 2008 to enhance their motivation and satisfy their widely varied work-related needs.

The new system incorporates a capability-based system and a wage system that reflect the duties they perform and the relative importance of the employees' jobs. Performance appraisal is conducted by applying a self-check appraisal system adopted to enable individual employees to set targets and take the initiative in carrying out their duties. It involves a mechanism in which they clarify their objectives and requisite work roles, perform their duties and then check the degree of their achievement with their supervisors before establishing a new set of objectives. Unit employees who meet certain criteria may also be promoted to full-time employment or to

managerial positions such as store manager*2 under the system, which enables employees to work in a manner that suits their personal objectives and lifestyles. Regardless of employment status, we will keep on promoting better revision systems which are easy to understand for all workers.

Unit employee categories

Expert	Employees who can make sound judgments concerning the store, manage the store and conduct staff training
Career	Employees who are well versed in workplace rules and able to serve as role models for other employees in terms of cooking skills and customer service
Regular	Newly hired employees or those who have income or time constraints

Support for Raising Employees' Capabilities and Morale

Seven Bank

Various training programs and external contests conducted for the Customer Service Department

Seven Bank is enhancing the training programs conducted for the ATM Call Center and Telephone Center, which play the important role of fielding calls from customers, and implementing a variety of measures aimed at elevating the capabilities and morale of their employees, who interface directly with customers.

In the annual Customer Service Contest, Seven Bank screens tape recordings of actual exchanges with customers to select award winners, after which the directors and managers of the relevant divisions conduct a final screening. Employees receiving high rankings are honored with recognition.

The company also seeks to improve the quality of its customer service by participating in external contests and receiving third-party evaluations. In the Best English Call-handling Contest held in February 2010 under the sponsorship of the Japan Telecom Users Association, Seven Bank staff captured 1st-, 2nd- and 3rd-place honors.

In the HDI (Help Desk Institute) ratings for fiscal 2009 organized by HDI-Japan, Seven Bank was honored as the only three-star winner among 11 companies in the banking sector, moreover, and received commendation for "providing quick, lively, personalized customer service while responding to customers empathetically." The bank employs such internal and external efforts to upgrade its employees' skills and maintain and raise their motivation.



- *1 Unit employees
Seven & i Food Systems refers to part-time staff as unit employees.
- *2 Promotions during fiscal 2009
 - Unit employees promoted to full-time status: 126
 - Unit employees promoted to store management positions: 15

column

Creating Fulfilling Workplaces

Promoting Employment of the Physically Challenged

Creating workplace environments in which personnel with disabilities can play an active role



A normalization training session

Seven & i Holdings pursues proactive efforts to create workplace environments that are conducive to quality work performance by personnel with disabilities. Our operating companies determine the departments and duties to which they assign physically challenged employees in consideration of the degree and nature of each individual's disability as well as the wishes the employee expresses at the time of hiring.

We also stress education of employees who work alongside colleagues with disabilities to ensure these colleagues' ability to play an active role in the workplace. Ito-Yokado conducts normalization training, moreover, that prepares employees to provide support for disabled persons. The training enhances awareness through simulated experience in the use of wheelchairs and eye masks and teaches basic knowledge of disabilities and proper customer service skills. In fiscal 2009, the company conducted a total of 22 training sessions for 1,660 new employees, recent appointees to managerial positions and employees of newly opened stores. It will continue working to improve the workplace environment and pursue ongoing efforts to promote hiring of the physically challenged.

Terre Verte, a special subsidiary that provides jobs for persons with severe disabilities

<http://terube.jp/home.html> (in Japanese)



A company employee conducting normalization education as a visiting lecturer

Four Group companies—Seven-Eleven Japan, Ito-Yokado, York-Benimaru and Seven & i Food Systems—cooperate with Kitami City, Hokkaido, in operating Terre Verte, a special subsidiary established through joint investment to promote the hiring of persons with severe disabilities.

As of June 1, 2010, Terre Verte employs 16 personnel with physical or intellectual disabilities to grow shiitake mushrooms and operate a printing business. To ensure that employees can work with peace of mind, the office space is barrier-free, with the flooring all on a single level and ramps, elevators that can accommodate wheelchairs and emergency "help call" buttons installed in various locations. One career consultant for the disabled and four career and life counselors for the disabled (including one vocational nurse) are assigned to the company, moreover, to assist with work skill improvement as well as to provide health support.

Terre Verte considers that it also has the important responsibility of popularizing a philosophy of normalization, which envisions a society in which everyone, including disabled and elderly persons, can participate in comfort. In accordance with this concept, it accepts company study tours and participates actively in training activities by sending its employees to schools. In August 2009, the company staged a Terre Verte Interaction Festival to promote exchange with the local community, raise awareness of normalization and showcase Terre Verte's activities. The two-day event attracted some 1,000 visitors. Terre Verte will continue to prioritize its relationships with local communities and support the efforts of disabled persons to enjoy fulfilling careers.

Opinion

At Seven & i Holdings, we embrace "promotion of normalization" as part of our management philosophy. With this in mind, we strive to create stores that afford comfortable shopping experiences for the disabled and elderly and promote barrier-free facilities and Universal Design, while working to improve our customer service skills. We have achieved objectives exceeding the statutory employment ratio of workers with disabilities, moreover, through active hiring of disabled persons. This has contributed to changes in thinking, so that employees consider working side by side with disabled persons to be completely natural.

Sakae Uemoto
Senior Officer,
Human Rights
Awareness Office
Seven & i Holdings
Co., Ltd.



SEVEN-ELEVEN (Beijing) Co., Ltd.

Established : January 2004
 Headquarters : Beijing, China
 Contents of business : Operation of franchise convenience store chain in China
 Paid-in capital : US\$35,000,000
 Total sales : ¥5.2 billion
 Employees : 1,678
 Stores : 92



Hua Tang Yokado Commercial Co., Ltd.

Established : September 1997
 Headquarters : Beijing, China
 Contents of business : Operation of superstores selling apparel, food and household goods
 Paid-in capital : US\$65,000,000
 Total sales : ¥31.9 billion
 Employees : 3,172
 Stores : 9



Worldwide Store Network
39,100 stores (approx.)

Chengdu Ito-Yokado Co., Ltd.

Established : December 1996
 Headquarters : Sichuan Province, China
 Contents of business : Operation of superstores selling food products as well as apparel and household goods
 Paid-in capital : US\$23,000,000
 Total sales : ¥41.1 billion
 Employees : 3,151
 Stores : 4



7-Eleven, Inc.

Web site: <http://corp.7-eleven.com/>
 Established : August 1927 (as Southland Corporation. The corporate name was changed to 7-Eleven, Inc. in April 1999.)
 Headquarters : One Arts Plaza, 1722 Routh Street, Dallas, Texas, U.S.A.
 Contents of business : Operation of a franchise convenience store chain in North America and worldwide regional licensing
 Paid-in capital : US\$11,000
 Total sales : ¥1,394.6 billion
 Employees : 20,766
 Stores : 6,389



Beijing Wang fu jing Yokado Commercial Co., Ltd.

Established : November 2004
 Headquarters : Beijing, China
 Contents of business : Operation of superstores selling food products as well as apparel and household goods
 Paid-in capital : US\$18,000,000
 Total sales : ¥1.4 billion
 Employees : 201
 Stores : 1



Overseas Initiatives

--- Regions where stores are located

* The number of stores (end February 2010 for Japan; end December 2009 for all other countries/regions) includes the following:
 • Stores operated in various countries and regions by subsidiaries
 • Stores operated by companies in each country granted a defined area license by 7-Eleven, Inc.
 • Stores operating under contract with Sogo & Seibu and using the Sogo & Seibu name

Notes on the corporate data
 • The accounting year is January-December (numbers of stores are as of end December 2009)
 • Sales figures for China do not include value-added tax
 • Conversion rates: US\$1 = ¥93.65; 1 yuan = ¥13.72
 • Numbers of employees are as of end February 2010 and include part-time staff (monthly average number, with 8 hour/day counted as one employee).

Global Brand Establishment

Strengthening the Seven-Eleven brand

As of the end of June 2010, Seven-Eleven was operating 38,432 stores in 16 countries around the world. We hold International Licensee Summit to help these stores cooperate with each other more closely, sharing project studies and know-how to drive results at the individual business level and accelerate organizational growth.

Topics discussed at the 2010 Summit included Seven-Eleven Japan's environmentally friendly store designs and information and logistics systems, possibilities for establishing uniform store equipment and facilities and further development of the global brand.

Seven-Eleven actively pursues opportunities

for discussion as a means of building a more unified brand image to improve its sales capabilities in the various countries and pursue initiatives that benefit from its scale of operations.



A Seven-Eleven International Licensee Summit

Joint U.S.-Japan private brand

In November 2009, we began marketing a wine born through joint product planning and development by 7-Eleven, Inc. and Japanese operating companies. Production area information provided by 7-Eleven, Inc. helped identify an appropriate winery to partner with, and the product development followed a process employed by Seven-Eleven Japan. We are successfully reducing costs by pooling raw materials, sharing logistics and other infrastructure and benefiting from economies of scale.

We followed this initiative with joint development of a coffee product, which we introduced in our stores in September 2010. The product has been tailored to the customer

product development

preferences of each country—the coffee is freshly brewed in our stores in the United States but sold in cans and etc. in Japan. We plan to continue to share production facilities, products and raw materials in future joint development projects, applying development processes that take both the product and target market characteristics into consideration.



Project teams comprise members from the United States and Japan.

Reinforcing our Chinese operations

We are reinforcing collaboration among all our Group companies in China, regardless of their business sector, to maximize realization of their potential synergies. Since July 2004, we have been holding the Seven & i Holdings China Conference to confirm the status of sales and share vital management information concerning problems and solutions as well as strategies. The Group companies are also marketing jointly developed products successfully by sharing management know-how and supply routes.

In June 2010, we began sales in China of various confectioneries in our *Seven Premium* line. These products are made in China by Japan-based *Seven Premium* product

manufacturers who share our business policies. We will continue to respond to the needs of consumers in China for safe, secure foods by providing clearly differentiated, high-quality products.



Seven Premium products launched in China

Convenience Store Operations (United States)

***1**
The DeLand Store earned a 2010 Environmental Stewardship Award from CSP Information Group, a convenience store industry communication firm, for companies that focus on environmental excellence.

***2**
The 6-inch-thick Greenblock® walls not only insulate the store's interior from extreme temperatures, but they can also withstand 120 mph winds, a requirement for buildings in hurricane-prone areas.

First "Green" 7-Eleven Store Opened



Ecological store to blend in with the local community

7-Eleven opened its first "green" 7-Eleven® store as defined by the Leadership in Energy and Environmental Design (LEED) standards of the U.S. Green Business Council (USGBC) in DeLand, Florida.*1

With its sand-colored stucco exterior and brown and green accents, the store blends nicely into its site, which includes areas landscaped with native, drought-tolerant plants and permeable surfaces. An outdoor eating area with cypress pergolas and arbors provides an inviting area for students and workers at a local university to enjoy a meal or break in their day. The store's architectural features include a 24-foot façade, arched entryway, standing-seam roof, interior skylights and Florida ambiance to blend in with the local community.

To earn the third-party LEED certification, new structures must gain credits to satisfy specific green-building criteria in the areas of site sustainability, water efficiency, energy and atmosphere, materials and resources, indoor environmental design and design innovation. While the DeLand store's LEED certification application is

still in process, it incorporates a number of features and modifications that should help it qualify. 7-Eleven will verify the effects of the new store to study the feasibility of adopting similar innovations when designing new stores and remodeling existing ones.

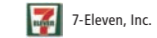


Florida's new "green" 7-Eleven store

Examples of the New Store's Environmental Features

Sustainable sites	<ul style="list-style-type: none"> Formerly covered with impermeable asphalt, the site is now 35-percent landscaped or surfaced with a permeable material, which reduces demand on the city's storm sewer system. A light-colored concrete parking surface reduces the "heat island effect." Reflective membrane roofing also reduces this heat build-up. Reserved spaces are designated for low-emission and fuel-efficient vehicles and for carpools.
Materials and resources	<ul style="list-style-type: none"> A waste management plan was implemented to make use of large volumes of construction waste. Many of the construction materials were sourced within 500 miles of the site. Materials with a high percentage of recycled content were specified and installed. At least half of the wood used was certified by the Forest Stewardship Council. Greenblock® Insulated Concrete Forms sourced and manufactured in Orlando were used for the walls. Indoor contaminants were reduced by employing materials with low levels of volatile organic compounds (VOCs).
Energy and atmosphere	<ul style="list-style-type: none"> High-efficiency HVAC (heating, ventilation, air-conditioning system) Heat-recovery system LED (light-emitting diode) signage and light fixtures help minimize energy demand while limiting heat output. High-performance prismatic day lighting with controls minimizes electric lighting use during the day. Insulated walls** minimize both heating and cooling costs. Ultra-violet lighting for two rooftop HVAC systems maintains energy efficiency while eliminating viruses, bacteria and mold from the atmosphere.
Water efficiency	<ul style="list-style-type: none"> Efficient restrooms reduce water usage. Drip irrigation and drought-tolerant plants reduce demand for water for irrigation.

Serving the Community As a Good Neighbor



Contributing to society through product sales

7-Eleven and its franchisees place a high priority on helping to solve social issues and nurturing good community relations.*3 This was evidenced again in February 2010, when the Company introduced a charity-oriented coffee campaign called Cup With A Cause.*4 The campaign features sales of a series of limited-edition 20 oz. coffee cups designed by entertainment and sports celebrities in 7-Eleven stores nationwide. The cups can be filled with any 7-Eleven hot beverage and a portion of the proceeds from sales goes to benefit the featured celebrity's charity of choice.

The Cup With A Cause campaign continues throughout 2010, with additional celebrity cup designs aimed at contributing to various charitable organizations. Annual donations could reach as high as \$2 million, depending on the number of cups sold. By combining the strength of the 7-Eleven brand, the quality of our coffee and the popularity of the

participating celebrities, Cup With A Cause is helping to raise awareness and funds for a variety of charities that support efforts to solve social issues impacting our communities and change people's lives.



The first Cup With A Cause campaign cups

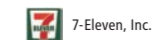
*3 7-Eleven's 2009 Contributions & Recipient Organizations

Cash donations from customers, franchisees and employees as well as corporate in-kind contributions and volunteer hours for local initiatives generated more than \$2.5 million in cash-equivalent value. The funds benefited some 500 local and national organizations.

*4 1st Cup With A Cause design by Nicole Richie and Joel and Benji Madden

7-Eleven donated \$250,000 from sales to the Richie-Madden Foundation for use toward construction of a playground.

Franchise Diversity Program Development



Franchise system offering better service and wide-ranging business opportunities

7-Eleven understands the value of strength through diversity and the importance of an inclusive work environment. We are an equal opportunity franchisor that offers hard-working individuals from all walks of life an affordable way to become independent business owners with the support of a leader in the industry.*5

As we continue to grow our store base and move toward a 100-percent franchise model, we are working on a new Franchise Diversity Program to ensure that we are even more inclusive in promoting our franchise business opportunities and to establish a sustainable, diverse franchise community.

With a growing number of retired veterans facing a difficult job market, veteran entrepreneurship offers an opportunity to start a successful business in which retired service personnel can use their skills to control their financial destiny. 7-Eleven launched a new Veterans Franchise Program*6 in 2009 to provide

those who have given generously to their country by serving in the U.S. military a way to achieve the American dream of owning their own business by offering them discounted franchise fees.



The Veterans Franchise Program Logo

*5

In 2009, 7-Eleven was recognized by several diversity and business publications for its focus on promoting 7-Eleven franchise opportunities to minorities and for the quality of its program.

*6

7-Eleven's Veterans Franchise Program gives veterans who become first-time 7-Eleven franchisees a 10-percent discount ranging from approximately \$5,000 to \$35,000 on the initial franchise fee for their first 7-Eleven® franchise store in one of 30 U.S. states.

Superstore Operations (China)

Efforts to Make our Stores Earth-friendly and Barrier-free

Hua Tang Yokado

Working to create stores that all our customers can visit comfortably and happily

Chinese public opinion is attentive to companies' CSR activities, and the government is asking businesses to give sufficient consideration to the environment and to ensure that their stores and service facilities are barrier-free.

Hua Tang Yokado has responded by introducing state-of-the-art facilities in its Shi li pu store, which opened in January 2010. The store's earth-friendly, barrier-free features are among the best in class for all of Beijing.

Earth-friendly features have already been introduced in many of our stores in China. We have selected low-energy alternatives for basic lighting and made such other equipment improvements as adding inverters to freezers and refrigeration equipment. To make stores barrier-free, we have designed the restrooms for use by the physically challenged and installed ramps at the store entrances. The Hua Tang

Yokado Shi li pu store features all these new developments.

We intend to continue increasing the pace of energy-saving initiatives at all our stores in China. Hua Tang Yokado is monitoring the effectiveness of the improvements introduced in its Shi li pu store with the aim of upgrading the facilities in all its stores to the same level. It also plans to introduce LED lighting to meet the basic lighting needs of the Majiapu store, scheduled to open in 2011. Within FY2010, moreover, it will conduct trial introduction of a more efficient air-conditioning system that makes use of nighttime electricity.

The Company's improvement plans also include employee training. Among other advances, it will appoint personnel who can communicate in sign language to improve its service for more customers.

Universal Design at the Hua Tang Yokado Shi li pu store



Offering Products with a Stress on Safety and Security

Hua Tang Yokado, Chengdu Ito-Yokado, Beijing Wang fu jing Yokado

Stepped-up product management and efforts to ensure food safety

Chinese consumers are becoming increasingly concerned with food safety and security. Our Group member companies in China are responding to these customer demands by reinforcing their efforts to optimize quality control and applying management know-how accumulated in Japan concerning best practices for proper sanitation and maximum freshness. We are also working to strengthen the implementation of our management know-how by conducting training sessions on sanitary handling and best storage practices for employees at all our stores who work with perishable foods.

At Wang fu jing Yokado, for example, we conduct weekly sanitation inspections of every employee. The inspection criteria include appearance and attire, proper hand sanitization and attention to sanitation in work areas. We also hold seminars four times a year for store managers on government-mandated food safety standards and product management practices.

Other efforts to ensure the safety and security

of our products include establishing a product traceability system. We are also working to expand our sales of local and organic agricultural produce.

The results of these efforts are already apparent in some stores. At Chengdu Ito-Yokado, for example, an information terminal now enables shoppers to locate the producer or area of origin of some of our fresh meats and eggs. At Hua Tang Yokado, meanwhile, signs accompanying product displays provide information on the producers of organic vegetables and production control, and information terminals are being introduced into sales areas to provide further information.

We will continue to expand and strengthen these efforts in order to fulfill our customers' expectations regarding the safety and security of our food products.



Contributing to the Local Community

Hua Tang Yokado, Chengdu Ito-Yokado

Donation program to help alleviate poverty and provide assistance to disaster victims

Our Group companies in China are committed to contributing to their local communities. They play an active role in anti-poverty programs in the regions in which their stores are located as well as in relief efforts following natural disasters and donation collection at the stores.

Hua Tang Yokado has cooperated with the Beijing Charity Society in establishing the Yokado Charity Fund for Assisting with the Education of Children. Through this fund, we have donated 100,000 yuan (approximately 1.37 million yen) to improve the educational environment of nursery and elementary schools in the outskirts of Beijing.

Chengdu Ito-Yokado responded to the April 2010 earthquake in Qinghai by donating food and beverages to the firefighters participating in the disaster relief. It also took collections at each of its stores to assist quake victims. Donations totaled

53,016.15 yuan (approximately 720,000 yen).

Our other Chinese subsidiaries, as well as the companies in Seven & i Holdings' various business segments, also collected donations in their stores and from employees to provide relief following the Qinghai earthquake.



Donations contribute to improving the educational environment at elementary schools.

Superstore & Convenience Store Operations (China)

*1 Friendly Service Recognition Program

Three professional trainers evaluate every employee, including the employees of tenant stores and sales staff seconded from business partners. They conduct four 15-minute training sessions on a selected weekday, and appraise the participants' skills according to the program's evaluation standards. Of the 503 employees who participated in this program in fiscal 2009, 416 received one star, five were awarded two stars and three earned three-star recognition.

*2 Project Presentation Events

Individuals and workplace teams report on initiatives such as efforts to improve customer service, promote sales, reduce costs and enhance their work environments. They receive recognition for initiatives that make a positive contribution.

*3 Employee numbers

SEVEN-ELEVEN (Beijing) has 14 employees on assignment from Seven-Eleven Japan and 1,678 Chinese employees (as of end February 2010).

*4 Operations Field Counselors

OFCs are trained advisors who visit stores to provide management advice.

Promoting Local Employee Training

Hua Tang Yokado, Chengdu Ito-Yokado, Beijing Wang fu jing Yokado

Efforts to establish systems and activities to develop employee capabilities

All our companies in China are pursuing efforts not only to provide products that meet regional needs, but also to develop their human resources and localize management.

To this end, we have assigned locally hired employees to approximately 90% of our management positions, from store and headquarter managers upward. We also proactively assign women to management positions. Raising the motivation of every employee is essential to furthering our goal of training local talent.

Beijing Wang fu jing Yokado introduced a Friendly Service Recognition Program*1 in January 2009 aimed at enhancing the capabilities of its store employees. It also began customer service training in fiscal 2009 for sales personnel with underdeveloped skills. Two sessions were held to teach skills in customer interaction, such as the proper manner of speaking to customers and advising them about products.

All Chengdu Ito-Yokado employees are invited to submit suggestions on work process improvements as part of efforts to increase customer satisfaction and

improve efficiency in daily work activities. The company also holds quarterly contests in work-related skills, such as display arrangement, fresh produce handling, checkout procedures and customer interaction, all aimed at encouraging employee development.

Hua Tang Yokado as well as Chengdu Ito-Yokado hold Project Presentation Events,*2 moreover, to enhance employees' motivation and capabilities.

In the future, our companies in China will continue these efforts to develop employee capabilities.



A Project Presentation Event

Nurturing locally hired staff

SEVEN-ELEVEN (Beijing) employs Chinese personnel in every workplace, and Japanese staff work along side them to share the attitudes and know-how of Seven-Eleven Japan.*3

We are working to develop Operations Field Counselors (OFCs).*4 One route to their development is through internships. We form partnerships with universities that offer commerce programs and accepting student interns to work in our stores. Those who wish to work for us following this experience are hired as employees. They then accumulate further experience in the stores before being assigned to positions as OFCs.

Another career path opens the way to store ownership. Employees who have set their sights of becoming future store owners are assigned to directly operated stores for two to three years, where they receive the training they need to become outstanding store managers. Nurturing independent owners in this way is one approach the company is taking to expanding its store network.

In our efforts to motivate employees, we recognize

high-performing individuals at every meeting of OFCs and store managers. Besides sharing their success stories, we acknowledge employees who have shown outstanding performance in securing advance orders for seasonal products or exhibiting outstanding customer service.

The company also offers overseas training experiences, sending selected employees to attend Seven-Eleven Japan's Product Exhibitions. These experiences provide opportunities for employees to acquire direct knowledge of initiatives in Japan.



An Operations Field Counselor leading a study session at a store

SEVEN-ELEVEN (Beijing)

CSR Report 2010

Data

- Seven & i Holdings Co., Ltd. 74
- Seven-Eleven Japan Co., Ltd. 76
- Ito-Yokado Co., Ltd. 79
- York-Benimaru Co., Ltd. 82
- Sogo & Seibu Co., Ltd. 85
- Seven & i Food Systems Co., Ltd. 88
- Seven Bank, Ltd. 91

Seven & i Holdings Co., Ltd.



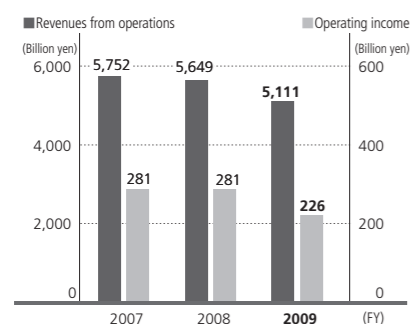
Corporate Data (Financial results for the fiscal year ended February 28, 2010)

■ Established	September 1, 2005 First Section, Tokyo Stock Exchange
■ Headquarters	8-8, Nibancho, Chiyoda-ku, Tokyo 102-8452, Japan
■ Contents of business	Planning, management and operations for the various Group companies, centered on convenience stores, general merchandise stores, department stores, supermarkets, food services, financial services and IT/services.
■ Paid-in capital	¥50 billion
■ Employees (consolidated)	139,263 *1
■ Web site	http://www.7andi.com/en/ CSR site http://www.7andi.com/en/csr/

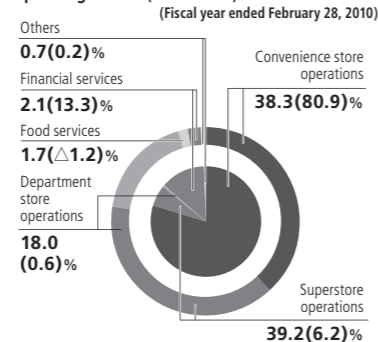
*1 Including part-time employees (the monthly average number, with 8 hours/day counted as one employee)

Management Data

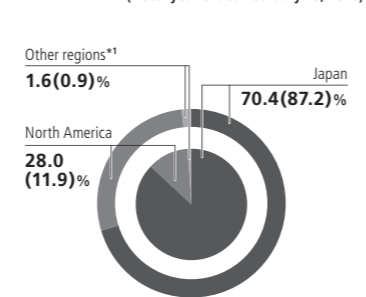
Revenues from operations and operating income



Component ratio of individual business segments in revenues from operations (outer circle) and operating income (inner circle) (Fiscal year ended February 28, 2010)



Component ratio of geographic area segments in revenues from operations (outer circle) and operating income (inner circle) (Fiscal year ended February 28, 2010)



Revenues from operations (Breakdown by business segment) (Million yen)

	FY2007	FY2008	FY2009
Convenience store operations	2,395,701	2,308,690	1,968,555
Superstore operations	2,109,049	2,125,029	2,016,558
Department store operations	1,025,354	993,877	922,847
Food services	113,980	102,711	86,420
Financial services	117,955	124,866	110,444
Others	36,653	35,079	33,669
Eliminations / corporate	Δ46,302	Δ40,305	Δ27,198
Total	5,752,392	5,649,948	5,111,297

Operating income (Breakdown by business segment) (Million yen)

	FY2007	FY2008	FY2009
Convenience store operations	201,032	213,367	183,837
Superstore operations	34,058	24,742	14,178
Department store operations	25,764	18,335	1,366
Food services	Δ4,231	Δ2,948	Δ2,741
Financial services	21,071	25,485	30,152
Others	2,488	2,069	567
Eliminations / corporate	902	814	Δ694
Total	281,088	281,865	226,666

Revenues from operations (Breakdown by geographical region) (Million yen)

	FY2007	FY2008	FY2009
Japan	3,822,210	3,806,717	3,602,982
North America	1,867,067	1,766,169	1,431,042
Others**	66,043	80,401	80,561
Eliminations	Δ2,928	Δ3,339	Δ3,289
Total	5,752,392	5,649,948	5,111,297

Operating income (Breakdown by geographical region) (Million yen)

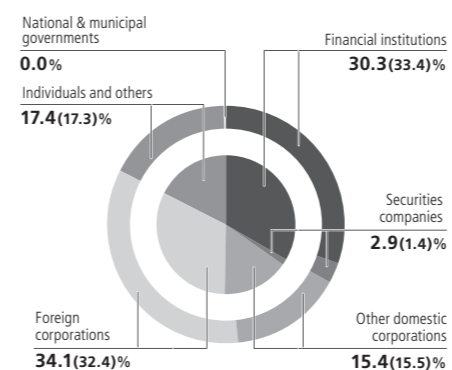
	FY2007	FY2008	FY2009
Japan	247,272	245,248	197,618
North America	31,582	34,441	26,992
Others**	2,228	2,328	2,021
Eliminations	3	Δ151	32
Total	281,088	281,865	226,666

*1 **Others* refers to China.

Share-related Data

Major Shareholders

Outer circle: As of February 28, 2010
Inner circle: As of February 29, 2009



Data for most recent annual General Meeting of Shareholders

Date:	Thursday, May 27, 2010	Duration of meeting:	79 minutes
Shareholders present:	1,176	Voting rights exercised:	78.16%

Bond ratings (as of June 30, 2010)

		S&P	Moody's	R&I	JCR
Seven & i Holdings	Long-term	AA-	Aa3	AA	AA+
Seven-Eleven Japan	Long-term	AA-	-	-	AA+
7-Eleven, Inc.	Short-term**	A-1+	P-1	-	-
7-Eleven, Inc.	Long-term	AA-	Baa3	-	-
Seven Bank	Long-term	AA-	-	AA	-

Status of inclusion as a main SRI (Social Responsibility Investment) stock (as of end July 2010)



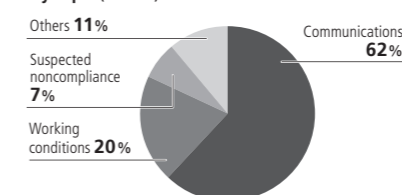
*1 Since January 2006, Seven-Eleven Japan's short-term rating is its rating as the guarantor of 7-Eleven, Inc.'s commercial paper program.
*2 The stock index was changed in September 2010, at which time Seven & i Holdings was selected as the Dow Jones Sustainability World Index in addition to the Asia-Pacific Index.

Data for consultation services for Group employees

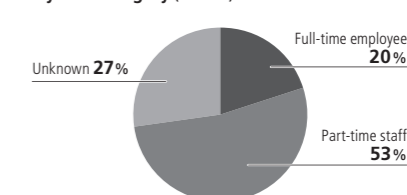
Number of consultations (FY2009**)

FY2009	45
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By topic (FY2009)



By user category (FY2009)



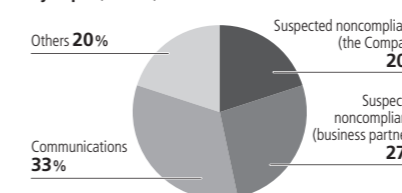
*1 September 2009 to end February 2010

Data for business partner consultation services

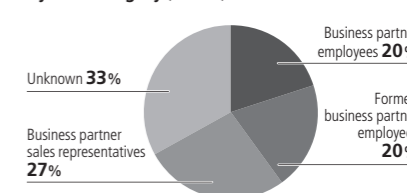
Calls to the Business Partner Help Line

(FY2008)	22
(FY2009)	15

By topic (FY2009)



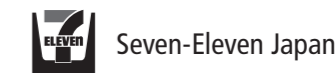
By user category (FY2009)



Data on total funds raised (FY2009) (Donations by customers, business partners, Seven-Eleven Japan franchise owners and employees of the various companies)

	Fund-raising period	Total funds raised
Yamaguchi/North Kyushu Flood Disaster	July 26 – August 8, 2009	10,658,418 yen
Sumatra Earthquake Tsunami Disaster	October 2 – October 18, 2009	25,420,610 yen
Samoa Islands Earthquake Tsunami Disaster	October 2 – October 18, 2009	3,142,085 yen
Philippines Typhoon Disaster	October 2 – October 18, 2009	6,789,793 yen
Vietnam Typhoon Disaster	October 2 – October 18, 2009	2,419,766 yen
Haiti Earthquake Disaster	January 14 – January 31, 2010	84,832,310 yen

Seven-Eleven Japan Co., Ltd.

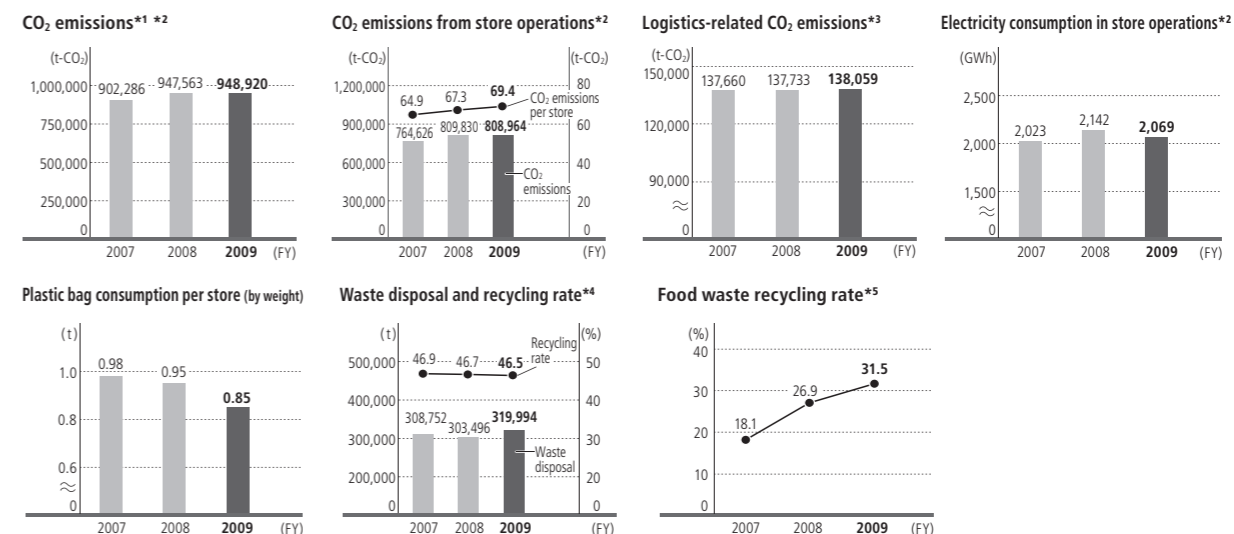


Corporate Data (Financial results for the fiscal year ended February 28, 2010)

■ Established	November 1973
■ Headquarters	8-8, Nibancho, Chiyoda-ku, Tokyo 102-8455, Japan
■ Contents of business	Operation of franchise convenience store chain in Japan
■ Paid-in capital	¥17.2 billion
■ Total sales	¥2,784.9 billion
■ Employees	11,142 *1
■ Stores	12,753
■ Web site	http://www.sej.co.jp/ (in Japanese) CSR site http://c.sej.co.jp/corp/social/ (in Japanese)

*1 Including part-time employees employed by directly operated stores (the monthly average number, with 8 hours/day counted as one employee)

Environmental Data



*1 FY2007 and FY2008 data show the CO₂ emissions stemming from the use of energy in store operations and logistics (distribution center operations and fuel used by delivery vehicles). FY2009 data show CO₂ emissions stemming from the use of energy in store operations, logistics and headquarters, training center and regional office operations.
 *2 Electricity consumption for FY2007 and FY2008 was calculated by estimating the total based on average electricity consumption per store. The figures for fiscal 2009 represent total electricity consumption by all but a few stores (about 3%) whose electricity consumption figures we were unable to access. Although average electricity consumption per store declined slightly in fiscal 2009 compared with the previous year, moreover, per store CO₂ emissions increased as a result of a revision of the CO₂ emissions coefficient in fiscal 2009.
 *3 This data represents CO₂ emissions stemming from distribution center operation and delivery truck exhaust.
 *4 These calculations are based on estimated emissions by the stores in Tokyo. The period of the calculations was January to December.
 *5 The rate for FY2007 was calculated by estimating the recycling rate for waste from the stores in Tokyo. The period of the calculation was January to December. The rates for FY2008 and FY2009 were calculated based on reported results in accordance with the Food Recycling Law. The period of the calculations was April to March.
 FY2009 CO₂ emissions were calculated according to the new Seven & i Holdings Group-wide CO₂ Emissions Calculation Manual. A portion of the CO₂ emission factors for each fuel type was changed in accordance with the new standards presented in the manual.

Personnel Data (as of February 28, 2010)

Employees	5,763 (Males: 4,534, Females: 1,229)
New graduate employees hired	215 (Males: 109, Females: 106)
Mid-career employees hired	67
Re-employment	7
Part-time staff*1	5,379
Average length of service (full-time employees)	8 years 4 months

	FY2007	FY2008	FY2009
Percentage of women in management positions*2	6.1%	7.4%	7.0%
Percentage of employees with disabilities*3	2.15%	2.23%	2.23%
Ratio of taking paid holidays (full-time employees)*4	4.9%	6.0%	6.4%
Number of parental leave recipients (full-time employees)	25 (Males: 0)	29 (Males: 0)	40 (Males: 0)
Number of nursing leave recipients (full-time employees)	3 (Males: 2)	1 (Males: 1)	0
Number of volunteer leave recipients	No system	3	1
Frequency rate of industrial accidents	2.39	3.35	2.54
Severity rate of industrial accidents	0.008	0.006	0.002

*1 Number of part-time staff working at directly operated stores (the monthly average number, with 8 hours/day counted as one employee)
 *2 Excluding executive officers
 *3 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage 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.
 *4 Holidays remaining from the preceding fiscal year are not included.

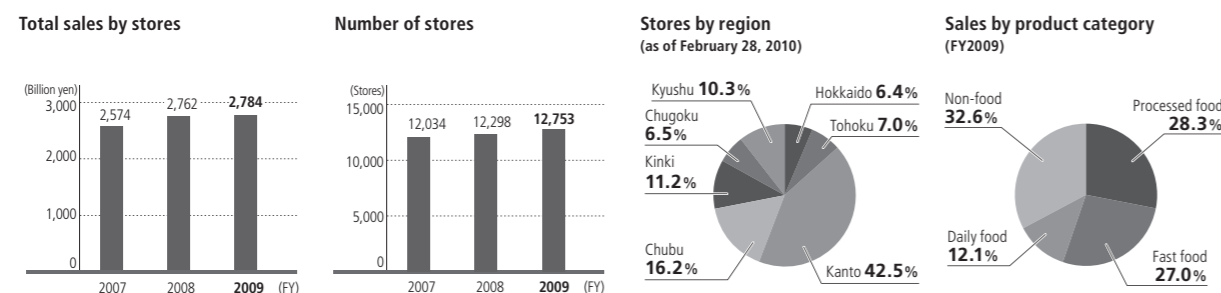
Seven-Eleven Japan Franchise Operations

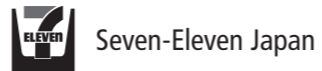


Three Mechanisms Ensuring Mutual Trust

- Profit-sharing system**
A system for fixed-rate sharing of franchisees' gross profits (sales less cost of goods sold) between the franchisees and SEJ
- "Open account" system**
A system for payment and financing that enables franchisees to commence their business with a small initial outlay and sustain stable operations
- Minimum guarantee system**
A system that guarantees franchisees specified annual gross profit levels

Management Data

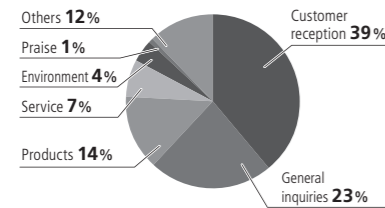




Data for Customer Response Services

Contacts received by Customer Response Services
 FY2007 58,762
 FY2008 64,082
 FY2009 73,829

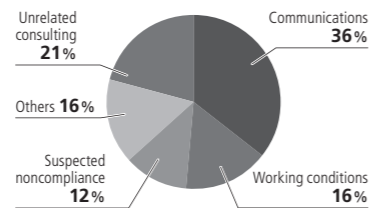
By topic (FY2009)



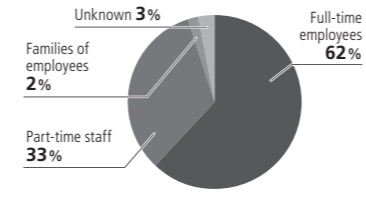
Data for Internal Consultation Services

Contacts received by Internal Consultation Services
 FY2007 33
 FY2008 36
 FY2009 58

By topic (FY2009)



By user category (FY2009)



Challenges	FY2009 Results	FY2010 Targets
■ Reducing the Environmental Impact		
Improving energy efficiency and introducing renewable energy	Opened 10 energy-saving stores Installed photovoltaic power generation panels at 99 stores	Energy-saving stores: 100 stores
Reducing waste and developing a recycling-oriented society	Opened a store built of wood (Hokkaido area)	Stores built of wood: 15 stores
	Amount of plastic bags used per store: 0.85 tons (40.1% reduction compared to FY2000)	Achieve (or maintain) 35% reduction compared to FY2000, which is the target standard of the Japan Franchise Association
	Recycling rate of food waste: 31.5%	Improve recycling rate of food waste
Raising environmental awareness among employees	Green procurement percentage: 68.4% (Quantity standard) 62.4% (Value standard)	Improve green procurement percentage
	Published information in bimonthly bulletin for franchise stores Information shared at product exhibition held twice a year	Publication of information in bulletin for franchise stores Timely dissemination of information through special editions
	Implemented awareness campaign for employees Disseminated environmental information through various meetings	Implementation of awareness campaign for employees Continuous dissemination of environmental information
■ Provision of Safe, Reliable Products and Services		
Ensuring the quality and safety of products and services	NDF-HACCP certified plants: 74.7%	Continuous support for expansion of certified plants
■ Coexistence with Local Communities		
Implementing crime-prevention measures for local communities	Expanded safety station activities (number of stores awarded for protection, refuge, reporting and etc., for senior citizens, women and children: 45 stores)	Continuous promotion of safety station activities
	Enhancement of crime prevention measures	Improve crime prevention awareness of franchise stores
Assisting in local community revitalization	Number of comprehensive agreements concluded: 5 prefectures, 3 cities	Continuous support of regional revitalization by local comprehensive agreements
■ Creating Fulfilling Workplaces		
Supporting development of employee abilities	887 employees awarded in the 'Genki-ga-Deru ("maintaining high spirits") campaign'	Enhancement of language skill for globalization
Assuring fair assessment and treatment of employees	Percentage of women in managerial positions: 7.0%	Promotion of public invitations for candidate system and internal projects Active appointment of female employees
Achieving a work-life balance	Number of users of 'Rechallenge Plan' for child-rearing and nursing care support: 59 employees	Promotion of male employees to use childcare leave
Making use of diverse human resources	Number of users of retirement age re-employment system: 7 employees Number of mid-career employees hired: 67 employees	Active employment of foreign students Active employment of handicapped people
	Frequency rate of industrial accidents: 2.54 Severity rate of industrial accidents: 0.002 Established traffic safety promotion program	Eradication of accidents and violations of vehicle users

Ito-Yokado Co., Ltd.

Corporate Data (Financial results for the fiscal year ended February 28, 2010)

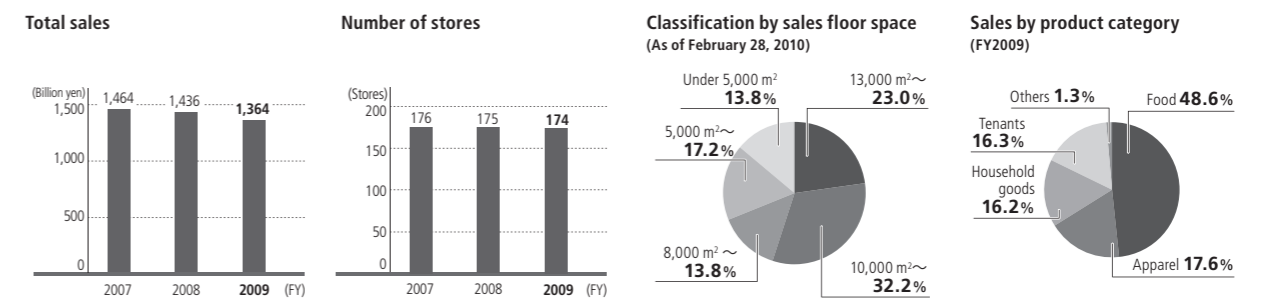
Established	April 1958
Headquarters	8-8, Nibancho, Chiyoda-ku, Tokyo 102-8450, Japan
Contents of business	Operation of superstores selling food, apparel and household goods
Paid-in capital	¥40.0 billion
Total sales	¥1,364.7 billion
Employees	40,363 *1
Stores	174
Web site	http://www.itoyokado.co.jp/ (in Japanese) CSR site http://www.itoyokado.co.jp/company/profile/csr/activity.html (in Japanese)

*1 Including part-time employees (the monthly average number, with 8 hours/day counted as one employee)

Store Formats

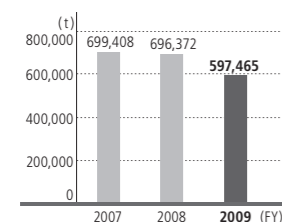
Stand-alone general merchandise stores (GMS)	These stores, which follow Ito-Yokado's basic stand-alone store format, are operated mainly in highly populated areas. Some 70-80% of the stores' total sales floor space is devoted to direct sales of a widely varied selection of apparel, household goods and foods.
Shopping malls	Anchored by Ito-Yokado and host to another 100 to 200 tenants, our shopping malls are located in metropolitan areas and operated with the intention of attracting customers from a wide geographical area. The network has expanded to seven stores as of February 28, 2010.
Neighborhood shopping centers and food specialty stores (Shokuhinkan)	Shokuhinkan is a store format specializing in food sales managed by Ito-Yokado. First established in March 2007, the network has expanded to three stores as of the end of February 2010.
Discount stores	A discount store chain operated by Ito-Yokado under the THE PRICE name offers reasonably priced products centered on food, apparel and daily commodities. The network has expanded to 11 stores as of the end of February 2010.
Urban-style home centers	Urban-style home centers operated by Ito-Yokado under the Seven Home Center name focus primarily on household goods, including sundries and DIY, gardening and pet-care products. The first home center opened for business inside Ito-Yokado Kanamachi in November 2008. The second was opened in the Ito-Yokado Musashi-Sakai store in March 2010.

Management Data

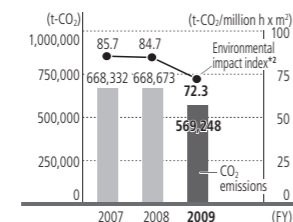


Environmental Data

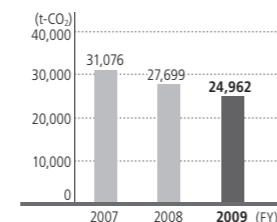
CO₂ emissions*1



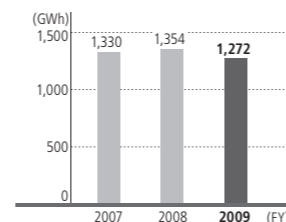
CO₂ emissions from store operations



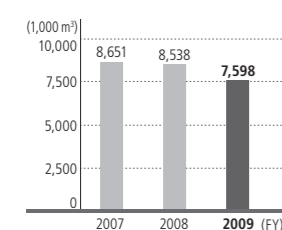
CO₂ emissions by delivery vehicles



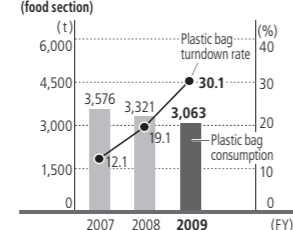
Electricity consumption in store operations



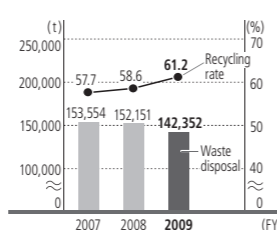
Water consumption in store operation



Plastic bag consumption and turndown rate (food section)



Waste disposal and recycling rate*3



Food waste recycling rate*4



*1 Data for FY2007 and FY2008 show CO₂ emissions stemming from the use of energy in store operations and by delivery vehicles. Data for FY2009 show CO₂ emissions stemming from the use of energy in store, headquarters, training center and distribution center operations and by delivery vehicles.
 *2 CO₂ emissions per total operating area x operating hours
 *3 Period from January to December
 *4 Results for FY2008 and FY2009 were calculated using the calculation method prescribed by the Food Recycling Law. The period of the calculations was April to March.
 FY2009 CO₂ emissions were calculated according to the new Seven & i Holdings Group-wide CO₂ Emissions Calculation Manual. A portion of the CO₂ emission factors for each fuel type was changed in accordance with the new standards presented in the manual.

Personnel Data (as of February 28, 2010)

Employees	9,642 (Males: 7,140, Females: 2,502)
New graduate employees hired	307 (Males: 134, Females: 173)
Mid-career employees hired	13
Re-employment	98
Part-time staff*1	30,721
Average length of service (full-time employees)	18 years 7 months

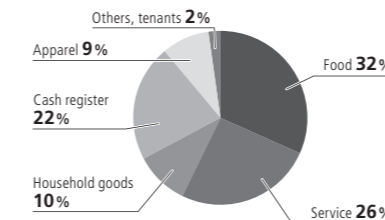
	FY2007	FY2008	FY2009
Percentage of women in management positions*2	16.2%	16.5%	16.9%
Percentage of employees with disabilities*3	2.15%	2.23%	2.23%
Ratio of full-time employees taking paid holidays*4	14.2%	14.7%	16.3%
Number of parental leave recipients	190 (Males: 1, part-time staff: 66)	187 (Males: 0, part-time staff: 86)	201 (Males: 0, part-time staff: 85)
Number of nursing leave recipients	13 (Males: 1, part-time staff: 11)	18 (Males: 2, part-time staff: 11)	15 (Males: 1, part-time staff: 13)
Number of volunteer leave recipients	1	4	6
Frequency rate of industrial accidents	1.84	1.89	1.54
Severity rate of industrial accidents	0.03	0.03	0.03

*1 Monthly average number, with 8 hours/day counted as one employee
 *2 Excluding executive officers
 *3 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage 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.
 *4 Holidays remaining from the preceding fiscal year are not included.

Data for Customer Response Services

Contacts received by Customer Response Services	FY2007 72,946
	FY2008 75,949
	FY2009 72,929

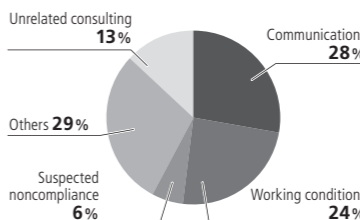
By topic (FY2009)



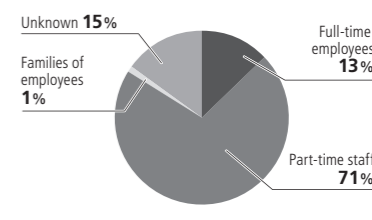
Data for Internal Consultation Services

Contacts received by Internal Consultation Services	FY2007 228
	FY2008 193
	FY2009 261

By topic (FY2009)

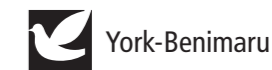


By user category (FY2009)



Challenges	FY2009 Results	FY2010 Targets
Reducing the Environmental Impact		
Improving energy efficiency and introducing renewable energy	Environmental impact index: 71.9 CO ₂ emissions per (total operating area x operating hours) CO ₂ emissions from delivery vehicles: 24,962 tons Fuel consumption of delivery vehicles: 5.11 km/l Use of LED for external signs: 84 stores Food waste recycling rate: 31.4% (Number of stores implementing recycling: 62 stores) Turndown rate of plastic bags February, 2010: 40.4% Weight of internal copy paper used: 830 tons	1% improvement of environmental impact index CO ₂ emissions from delivery vehicles: 24,163 tons Fuel consumption of delivery vehicles: 5.23 km/l Expand to 95 stores by end of the fiscal year Recycling rate of food waste: 35% (Number of stores implementing recycling: 70 stores) Refusal rate of plastic bags February, 2011: 50% Create a copy paper output standard targeting HQ employees, to reduce the weight used at HQ by 15%
Reducing waste and developing a recycling-oriented society	Number of returnable containers used: 52,022,000 containers Number of cardboard boxes reduced by use of returnable containers: 56,434,000 boxes Reduction of CO ₂ emissions by introduction of recycled food trays: 109 tons	Number of returnable containers used: 53,177,000 containers Number of cardboard boxes reduced by use of returnable containers: 57,589,000 boxes Reduction of CO ₂ emissions by introduction of recycled food trays: 150 tons Introduction of packages made of plant-derived plastic materials (polylactic acid) for cut fruit containers and cut vegetable packages in the fruit and vegetable section
Provision of Safe, Reliable Products and Services		
Ensuring the quality and safety of products and services	Implemented freshness and date control training targeting new store managers and assistant store managers (1 session each in 1st and 2nd half) Implemented inspections utilizing plant inspection sheets, including items such as the environmental impact, production facilities, labor environment and etc., in addition to quality of apparel and household goods departments Implemented sales of 'Foods with Faces', (128 types vegetables, 17 types of fruits, 93 types of processed food products, 5 brands of meat, 2 brands of eggs and 6 types of fish) Held explanatory meetings to introduce 'Good Agricultural Practices (GAP)' to request suppliers to perform self-checks of their operating process, in order to prevent incidents from residual agricultural chemicals and the occurrence of problems in the producing districts of 'Vegetable with Faces'	Continuation of training of new store managers and assistant store managers, and implementation of date display training for employees of new stores from the opening of Ario Hashimoto Implementation of 'Excellent Plant' certifications among the inspected plants Provide information on the management condition of model plants to other plants, to promote 'Expansion of Better Quality' Start new sales of rice with 'Foods with Faces' Obligation to basic GAP with higher versatility as recommended by the Ministry of Agriculture, Forestry and Fisheries
Developing stores and facilities customers can visit with a sense of security	Accessible and Usable Building Law and New Barrier-Free Law certified stores: 52 stores Implemented a review of measures for persons who can not return home in the Emergency Actions Manual 'Large-scale Disaster Response Procedures'	Continuous introduction of universal design facilities for newly opened stores Revision of tsunami and flood control measures in the Emergency Actions Manual 'Large-scale Disaster Response Procedures'
Assuring appropriate information provision	Store labeling checks Rated A = 81%, rated B = 17%, rated C = 2%, rated D = 0%	In order to improve the number of stores rated "A", provide labeling education in the meeting for managers of men's and women's apparel, fruit and vegetable, and fish section, who were mostly rated "B" and "C" from the results of the FY2009 store labeling checks
Responding sincerely to customer opinions	Number of complaints received on clothing and household goods products (FY2006 index of 100) apparel = 67, Household goods = 88	Number of complaints received on clothing and household goods products (FY2006 index of 100) Clothing = 65, Household goods = 85
Coexistence with Local Communities		
Supporting young parents and the elderly	Expanded social contribution activities based on the basic policy of the social and cultural contribution of Seven & i Holdings Developed about 250 items which is 35% of all senior citizen care products handled in the 'Reliable Support Shops', in collaboration with business partners Developed products are: clothing products such as, underwear, socks, pajamas, outer wear and etc., and waterproof sheets, beads pads, wet toilet wipes and etc.	Expansion of activities emphasizing social and cultural contribution activities especially for children in Japan and overseas in the policy In order to respond to the needs of customers continuously, develop specially designed original products, which include functionality and safety
Providing support in times of disaster	Concluded support agreements for disasters with 77 organizations	Develop a system which can provide the necessary goods utilizing the retailers network when a disaster occurs, by promoting the conclusion of support agreements with municipalities and others in the area where the store is located
Creating Fulfilling Workplaces		
Supporting development of employee abilities	Number of employees who acquired the internal license 'Friends Mate': 20,947 employees Implemented a Skill Contest for Perishables (once a year) Held training for managers by external instructors: 850 participants	Promote the cultivation and expansion of certified personnel (rank 1 and rank 2) who acquired high(er) knowledge, techniques and reception capabilities, not only for those who acquired an internal license In order for more employees to participate, the applicable department will be expanded, and a 'sales contest' implemented in departments throughout Ito-Yokado, such as, apparel household goods, indoor service, general food products, and perishable foods (once a year) Since tasks from the viewpoint of management are necessary for managers training on finance, marketing and leadership will be implemented, and attendance will be obligated
Assuring fair assessment and treatment of employees	Percentage of women in managerial positions: 16.9%	Promote the creation of a workplace environment where the capabilities are justly evaluated without a gender difference
Achieving a work-life balance	Number of users of 'Rechallenge Plan' for child-rearing and nursing care support Child-rearing: 239 employees (85 part-timers), nursing care: 15 employees (13 part-timers)	As a correspondence to the Law for Measures to Support Development of the Next Generation, implement an aggressive reduction of overtime Target a reduction of 15% year over year
Making use of diverse human resources	Implemented human rights training 37 time (including normalization principles): 2,294 participants	Promote the creation a pleasant and fulfilling workplace environment
Assuring consideration for worker health and safety	Frequency rate of industrial accidents: 1.54 Severity rate of industrial accidents: 0.03	Promote a reduction of industrial accidents requiring more than 4 days leave, by sharing information throughout the company, continuous and thorough education, or utilization of external training

York-Benimaru Co., Ltd.



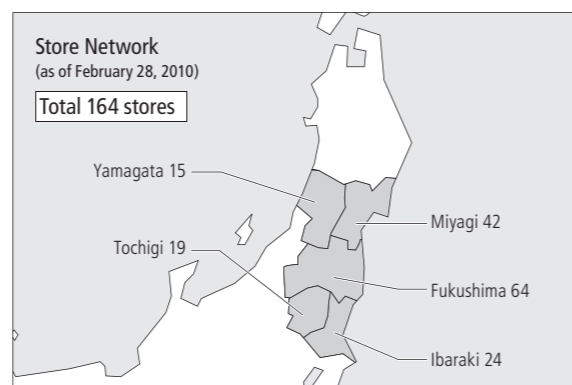
Corporate Data (Financial results for the fiscal year ended February 28, 2010)

■ Established	June 1947
■ Headquarters	18-2, 2-chome, Asahi, Koriyama-shi, Fukushima 963-8543, Japan
■ Contents of business	Operation of superstores selling food products as well as apparel and household goods
■ Paid-in capital	¥9.9 billion
■ Total sales	¥337.5 billion
■ Employees	12,306 *1
■ Stores	164
■ Web site	http://www.yorkbeni.co.jp/ (in Japanese) Environmental Management Report http://www.yorkbeni.co.jp/enviro/index.html (in Japanese)

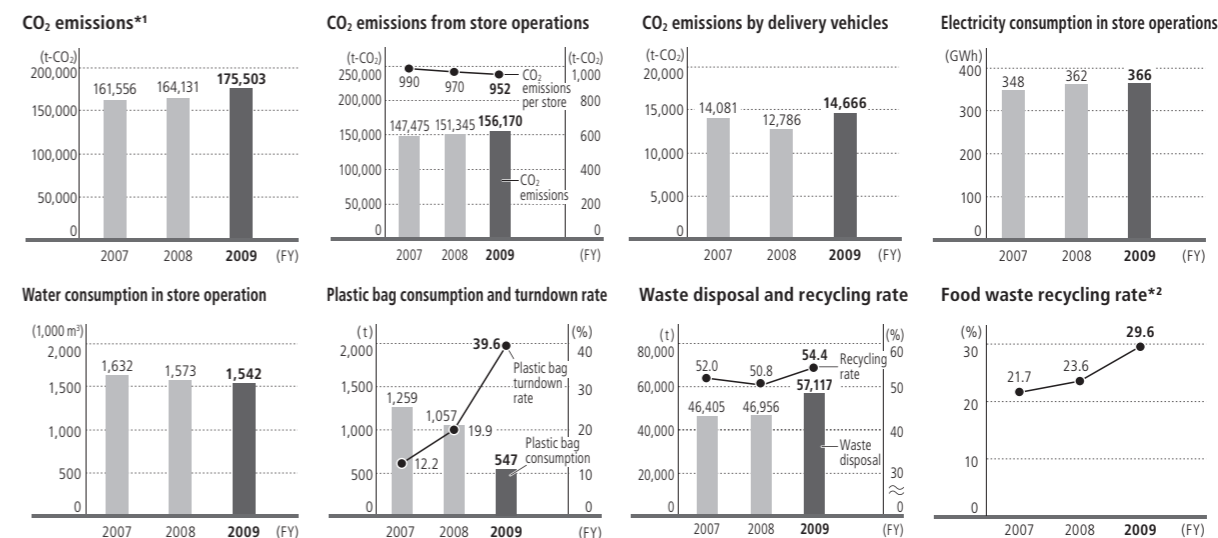
*1 Including part-time employees (the monthly average number, with 8 hours/day counted as one employee)

York-Benimaru is expanding its supermarket business, which handles foods, apparel and household goods, in five prefectures, including Fukushima Prefecture.

To assure customer satisfaction, York-Benimaru has established such corporate policies as "establishment of individual store management," "enhanced product development," "assured provision of four basic factors (friendly service, cleanliness, pursuit of freshness and good taste, and reliable product stocking)," and "improvements in productivity through technical education and operational enhancements." Its aim is to realize the concept of "making the dining tables of regular customers of its stores in small commercial areas more pleasant, rich and convenient" every day.



Environmental Data



*1 Data for FY2007 and FY2008 show CO₂ emissions stemming from the use of energy in store operations and by delivery vehicles. Data for FY2009 show CO₂ emissions stemming from the use of energy in store, headquarters, training center and distribution center operations and by delivery vehicles.

*2 Results for FY2008 and FY2009 were calculated using the calculation method prescribed by the Food Recycling Law. The period of the calculations was April to March.

FY2009 CO₂ emissions were calculated according to the new *Seven & i Holdings Group-wide CO₂ Emissions Calculation Manual*. A portion of the CO₂ emission factors for each fuel type was changed in accordance with the new standards presented in the manual.

Personnel Data (as of February 28, 2010)

Employees	2,501 (Males: 2,222, Females: 279)
New graduate employees hired	159 (Males: 119, Females: 40)
Mid-career employees hired	61
Re-employment	11
Part-time staff*1	9,805
Average length of service (full-time employees)	12 years 7 months

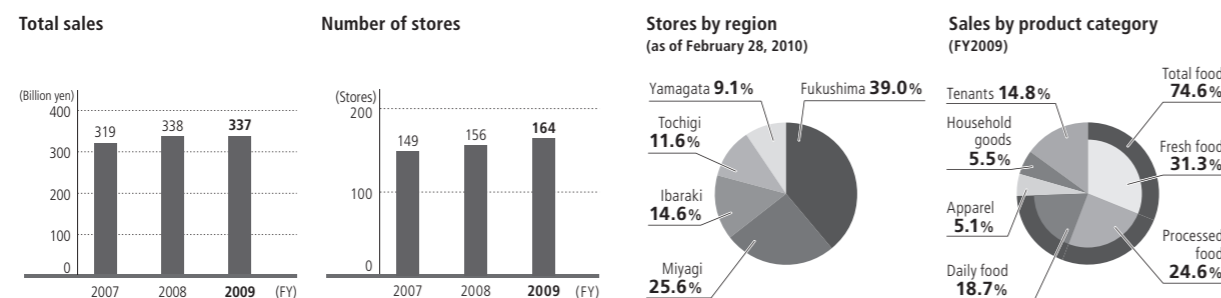
	FY2007	FY2008	FY2009
Percentage of women in management positions**	29.0%	28.6%	29.0%
Percentage of employees with disabilities	1.98%	2.03%	2.08%
Ratio of full-time employees taking paid holidays**	9.3%	9.3%	10.5%
Number of parental leave recipients	15 (Males: 0)	26 (Males: 0)	29 (Males: 0)
Number of nursing leave recipients	1 (Males: 0, part-time staff: 1)	18 (Males: 1, part-time staff: 2)	0
Number of volunteer leave recipients	No system	No system	No system
Frequency rate of industrial accidents	2.74	4.53	2.64
Severity rate of industrial accidents	0.03	0.006	0.02

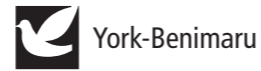
*1 Monthly average number, with 8 hours/day counted as one employee

*2 Excluding executive officers

*3 Holidays remaining from the preceding fiscal year are not included.

Management Data

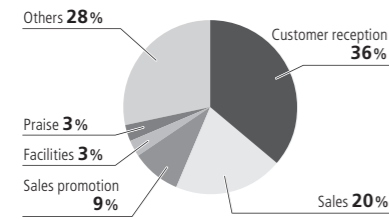




Data for Customer Response Services

Contacts received by Customer Response Services
 FY2007 1,122
 FY2008 1,972
 FY2009 2,251

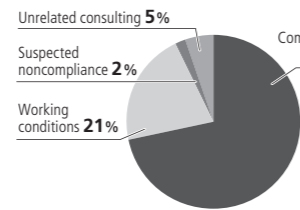
By topic (FY2009)



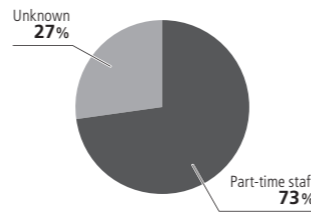
Data for Internal Consultation Services

Contacts received by Internal Consultation Services
 FY2007 75
 FY2008 92
 FY2009 56

By topic (FY2009)



By user category (FY2009)



Challenges	FY2009 Results	FY2010 Targets
Reducing the Environmental Impact		
Improving energy efficiency and introducing renewable energy	CO ₂ emissions: 175,503 tons	Reduction of CO ₂ emissions
	Total electricity used: 377 GWh Total water used: 1,889,000 m ³ Total gas used: 1,805,000 m ³ Total heavy oil used: 1,349 kℓ	Promote reduction of total amount used
	Total miles driven: 20,996,000 km Total diesel used: 5,652 kℓ	Reduction of total miles driven and reduction of amount of diesel by promoting eco-drive
	All electric adopted in all stores after Tendo Onomori store opened in November, 2008	Introduction of LED lighting in new stores and expansion of all electric stores
Reducing waste and developing a recycling-oriented society	Implemented charge for plastic bags: 123 stores	Increase the number of stores charging for plastic bags
	Amount of waste disposal: 57,117 tons	Promote reduction of amount of waste disposal
	Recycling rate of food waste: 29.6%	Promotion of recycling of food wastes other than fish scraps (Expansion of stores which implement recycling)
	Resource recovery at stores (Objects: Milk cartons: 283 tons, food trays: 117 tons)	Improvement in the quality of recycling resources recovery at stores (implement educational activities to reduce dirty trays, etc.)
	Introduced Eco-trays in all stores	Continuous introduction of eco-trays for newly opening stores
	Handling of the non tray products (bulk sales and sales by weight)	Promotion of handling non tray products (bulk sales and sales by weight)
Provision of Safe, Reliable Products and Services	Reduced the amount of cardboard used by introducing returnable containers (Returnable containers used: 8,788,000 containers)	Expand the use of returnable containers
	Ensuring the quality and safety of products and services	Promoted sales of 3 star vegetables (fruits)
	Developing stores and facilities customers can visit with a sense of security	Promoted sales of local vegetables
	Responding sincerely to customer opinions	Building Access (heart building) Law applied in 56 stores The revised Barrier-Free Law applied in 20 stores
Responding sincerely to customer opinions	Published history of commodity production of food on the Web site	Continue publishing history of commodity production of food on the Web site
	Total number of comments and opinions from customers: 2,251 cases	Improve correspondence on a larger number of claims (correspond at sales counter, or by telephone)
Coexistence with Local Communities		
Supporting young parents and the elderly	Held the new Kids Farm to promote food education (total of 7 times for 28 families)	Continuous implementation of the Kids Farm (Renew the food education page on the Web site)
	Held children's marathon (817 kids participated)	Continue holding the children's marathon
Assisting in local community revitalization	Implemented blood donation activities 'Heartful Saturday' (556 people donated blood)	Continue blood donation activities 'Heartful Saturday'
	Held local exchange event 'Opening Memorial Festival' at all stores	Continue holding the 'Opening Memorial Festival'
Providing support in times of disaster	Concluded support agreement for disaster with municipalities (2 prefectures, 17 cities, 1 town)	Continue cooperation with municipalities
Creating Fulfilling Workplaces		
Supporting development of employee abilities	Held management school (training)	Expansion of management school students (training)
	Implemented a Skill Contest	Continuous implementation of the Skills Contest
Assuring fair assessment and treatment of employees	Utilized the 'Target Achievement Records'	Thorough promotion of the substantiality of chart and implementation of interviews
	Percentage of women in managerial positions: 29%	Promote appointment of female employees
Achieving a work-life balance	Number of employees which used childcare leave: 29 employees	Thorough promotion of male employees to use childcare leave and common knowledge of the program, and make it common knowledge to management
	Number of re-employment system users (after retirement age): 11 people	Promote common knowledge of the re-employment system (after retirement age)
Making use of diverse human resources	Employment rate for disabled people: 2.08%	Maintain the legal employment rate for handicapped people
	Frequency rate of industrial accidents: 2.64 Severity rate of industrial accidents: 0.02	Implement education to prevent industrial accidents

Sogo & Seibu Co., Ltd.

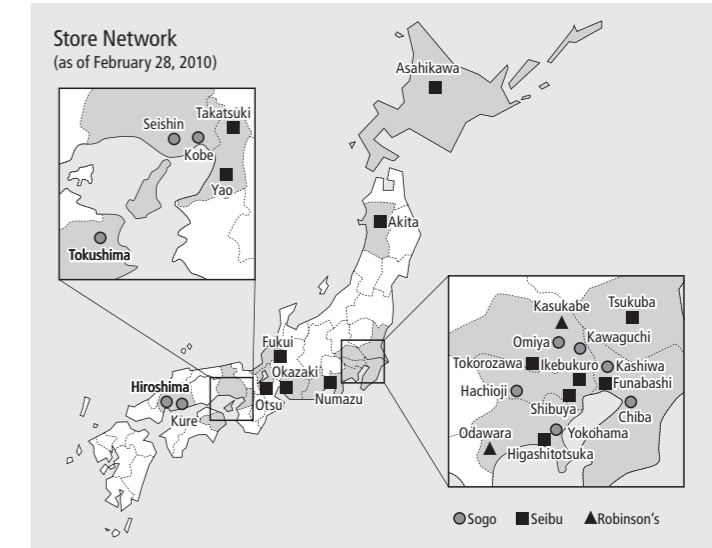
Robinson's is not included in the results for FY2007 or FY2008.

Corporate Data (Financial results for the fiscal year ended February 28, 2010)

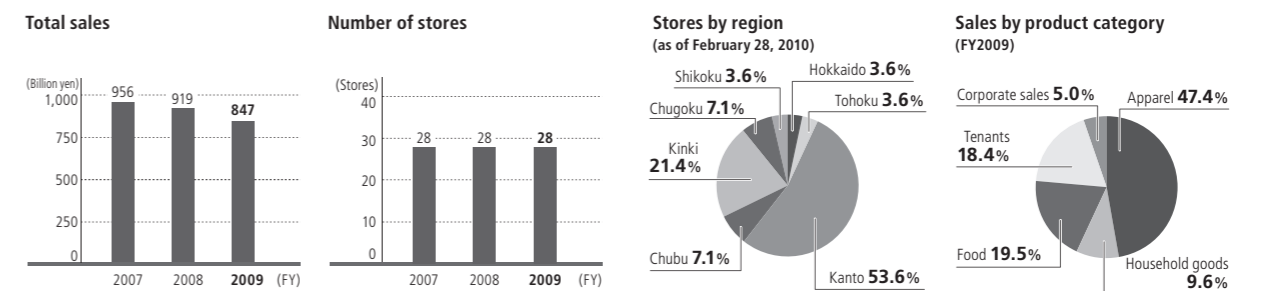
Established	1830
Headquarters	Nibancho Center Building, 5-25, Nibancho, Chiyoda-ku, Tokyo 102-0084, Japan
Contents of business	Department store operations
Paid-in capital	¥10.0 billion
Total sales	¥847 billion
Employees	11,003 *1
Stores	28
Web site	http://www.sogo-seibu.co.jp/ (in Japanese) CSR site http://www.sogo-seibu.co.jp/csr.html (in Japanese)

*1 Including part-time employees (the monthly average number, with 8 hours/day counted as one employee)

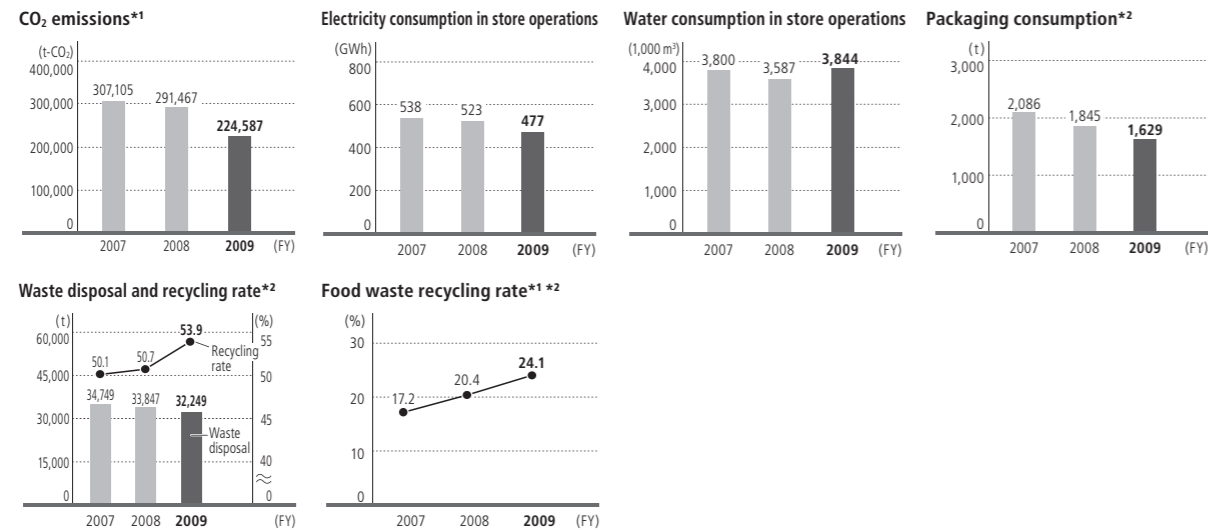
In the autumn of 2010, Sogo & Seibu Co., Ltd., a company established in 2009 by consolidating the Seven & i Group's department store businesses, completed the renewal of its flagship Seibu Ikebukuro Main Store. We are progressing quickly on a project aimed at creating a wholly original type of new department store. Sogo & Seibu intends to offer the No. 1 in service in its operative regions through close cooperation among its Sogo, Seibu and Robinson's stores, enabling them to respond accurately to the special lifestyle of each individual customer with attractive, high-quality proposals.



Management Data



Environmental Data



Robinson's is not included in the results for FY2007 or FY2008.
 *1 Data for FY2007 and FY2008 show CO₂ emissions stemming from the use of energy in store operations. Data for FY2009 show CO₂ emissions stemming from the use of energy in store, headquarters and distribution center operations.
 *2 Figures for FY2009 show the totals for Sogo & Seibu department stores.
 *3 The rate was calculated based on the new standards introduced with the revision of the Food Recycling Law in 2007, in which the calculation method was changed.
 FY2009 CO₂ emissions were calculated according to the new *Seven & i Holdings Group-wide CO₂ Emissions Calculation Manual*. A portion of the CO₂ emission factors for each fuel type was changed in accordance with the new standards presented in the manual.

Personnel Data (as of February 28, 2010)

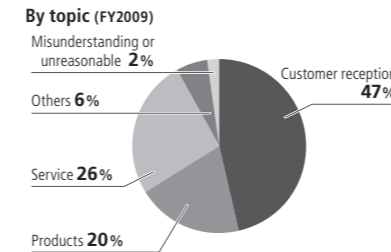
Employees	5,416 (Males: 3,549, Females: 1,822)
New graduate employees hired	55 (Males: 17, Females: 38)
Mid-career employees hired	18
Re-employment	99
Part-time staff*1	5,587
Average length of service (full-time employees)*2	19 years 4 months

	FY2007	FY2008	FY2009
Percentage of women in management positions*2*3	22.5%	24.0%	23.9%
Percentage of employees with disabilities*2	1.68%	1.65%	1.80%
Ratio of full-time employees taking paid holidays*2*4	7.6%	7.1%	6.7%
Number of parental leave recipients*2	53 (Males: 0, part-time staff: 22)	64 (Males: 0, part-time staff: 19)	66 (Males: 0, part-time staff: 34)
Number of nursing leave recipients*2	0	6 (Males: 0, part-time staff: 3)	5 (Males: 0, part-time staff: 3)
Number of volunteer leave recipients*2	No system	No system	No system
Frequency rate of industrial accidents*2	1.13	0.92	1.1
Severity rate of industrial accidents*2	0.02	0.01	0.02

Robinson's is not included in the results for FY2007 or FY2008.
 *1 Monthly average number, with 8 hours/day counted as one employee
 *2 Figures for FY2009 show the totals for Sogo & Seibu department stores.
 *3 Excluding executive officers
 *4 Holidays remaining from the preceding fiscal year are included.

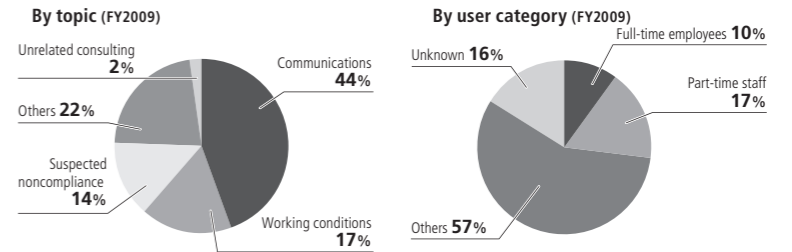
Data for Customer Response Services

Contacts received by Customer Response Services*1
 FY2007 14,753
 FY2008 14,844
 FY2009 13,383



Data for Internal Consultation Services

Contacts received by Internal Consultation Services
 FY2007 127
 FY2008 68
 FY2009 101



Robinson's is not included in the results for FY2007 or FY2008.
 *1 Figures for FY2009 show the totals for Sogo & Seibu department stores.

Challenges	FY2009 Results	FY2010 Targets
Reducing the Environmental Impact		
Attaining an appropriate grasp of environmental impact	Confirmed the environmental data and implemented an impact evaluation based on ISO 14001	Continue implementation of understanding the environmental data and impact evaluation based on ISO 14001
Improving energy efficiency and introducing renewable energy	Amount used per basic unit of power consumption (operating area x business hours): 136.35 MWh (reduced 3.13 MWh from previous year) Introduced LED lighting for sales counters, fixtures and floors when remodeling Ikebukuro main store	Reduce the amount used per basic unit Promote introduction of LED lighting to other sales floors
Reducing waste and developing a recycling-oriented society	Reduced number of store delivery vehicles, by promoting use of delivery companies Recycling rate = 53.9% (increased 3.0 points from previous year) Rate of food recycling: 24.1% (increased 3.7 points from previous year) Wrapping paper and shopping bags used: 565 tons (88.8% year over year)	Reduce number of store delivery vehicles, by promoting use of delivery companies Recycling rate: 58.8% (increase 4.9 points from previous year) Rate of food recycling: 35.7% (increase 11.6 points from previous year) Promote reduction by recommend simple wrapping (smart wrapping)
Implementing measures for biodiversity	Promoted tree planting activities linked to the simple wrapping of year end gifts in 2nd half, and planted 500 trees	Continue promotion of tree planting and tree-growing activities linked to green wrapping and simple wrapping of summer and year end gifts
Offering eco-friendly products	Certified 24 new items based on the internal environmental product selection standards, and total certified items increased to 101 items. Released new PB Eco-bag	Promote sales of environmental selection products Promote Eco-bag sales
Raising environmental awareness among employees	Expanded the range applicable for environmental e-Learning to Sogo, and 5,511 employees attended	Continue implementation of education by environmental e-learning
Provision of Safe, Reliable Products and Services		
Ensuring the quality and safety of products and services	Established a quality control office which manages the Food Hygiene Management Manual, and controls the safety and security of products Number of employees who acquired Food Safety Adviser Certification: 280 employees Implemented Food Hygiene Classes by external instructors, to develop a sense and knowledge of hygiene	Continue thorough instruction and education onsite through food hygiene inspections Promote development of food safety advisers Continue implementation of food hygiene classes at each store
Developing stores and facilities customers can visit with a sense of security	Increased number of escalators at Ikebukuro main store, and revised the angle of slopes in 7 locations	Improve barrier-free facilities Enhance safety and security by installing a central kitchen for the daily dish floor in the Ikebukuro main store Introduce barrier-free facilities when building new parking structure at the Takatsuki store
Responding sincerely to customer opinions	Number of contacts from customers: 13,383 cases (suggestions, opinion, compliment, etc.)	Promote correspondence to requests from customers by establishing a customer service department to increase the number of compliments from customers
Coexistence with Local Communities		
Supporting young parents and the elderly	Improved the milk blender in the baby lounge, and held maternal and child health consultation, and baby massage classes in 14 stores Implemented training for Heartful advisers (certification by the Foundation for Total Health Promotion) and promoted the acquisition of certifications for specialty sales persons (baby goods, shoe fitters) Implemented seven 'Trade-in Sales', which are used to support developing countries by collecting unnecessary items Donated 176,000 items of 647,000 items to Zambia via an international cooperation NGO Japanese Organization for International Cooperation in Family Planning (JOICFP) Standardized the service corner for trade-in of children's shoes in 6 stores	Establish a Premana Station at the Ikebukuro main store (4 maternity nurses of our company are assigned at all times) and expand to the Yokohama store Promote development of Heartful Advisers, and specialty sales persons (baby goods, shoe fitters) Standardize the service corner for trade-in of children's shoes in 23 stores and expand the types of trade-in items (implement trade-in of soccer balls)
Assisting in local community revitalization	Held events in cooperation with local communities Developed and sold products made of local materials	Hold events in cooperation with local communities Promote development and sales of products using locally produced food and materials
Implementing crime-prevention measures for local communities	Promoted communication with the local communities and public administrations	Promote communication with local communities and public administrations, and construction of support organization
Creating Fulfilling Workplaces		
Supporting development of employee abilities	Implemented sales technique and management training, OJT leader training, and training to cultivate specialty sales persons Introduced training for improvements and proposals	Promote implementation of sales technique and management training, OJT leader training, and training to cultivate specialty sales persons Promote training for improvements and proposals
Assuring fair assessment and treatment of employees	Percentage of women in managerial positions by position: Supervisor 29.9%, Section Manager 3.5%, General Manager and above 3.8% (as of December 31, 2009)	Promote appointment of women, and expand the challenge opportunities by inviting applications
Achieving a work-life balance	Employees which used childcare leave: 66 employees, childcare employees (reduced working hours): 128 employees, care leave: 5 employees	Thorough promotion of male employees to use childcare leave, and common knowledge of the program
Making use of diverse human resources	Number of mid-career employees hired: 18 people Employment rate for disabled people: 1.80% Reemployment rate: 82.1%	Continue utilization of personnel by mid-career recruitment Continue to ensure the legal employment rate (1.80%) Promote effective use of personnel
Assuring consideration for worker health and safety	Supported vaccination fees for new influenza Created and distributed a manual corresponding to the new influenza Disseminated and shared information on the occurrence conditions and issues for industrial accidents in stores, from the National Occupational Health and Safety Commission with store committees	Improve the mental health promotion system Promote vaccinations and support vaccinations fees for new influenza (entire company) Promote store committees of the National Occupational Health and Safety Commission and share information in all stores

Seven & i Food Systems Co., Ltd.

Seven & i Food Systems

Corporate Data (Financial results for the fiscal year ended February 28, 2010)

■ Established	January 2007
■ Headquarters	8-8, Nibancho, Chiyoda-ku, Tokyo 102-8415, Japan
■ Contents of business	Restaurant, fast food and meal provision service divisions
■ Paid-in capital	¥3.0 billion
■ Total sales	¥85.8 billion
■ Employees	12,657 *1
■ Number of restaurants	892
■ Web site	http://www.7andi-fs.co.jp/7fs/ (in Japanese) CSR activities http://www.7andi-fs.co.jp/7fs/company/csr.html (in Japanese)

*1 Including part-time employees (the monthly average number, with 8 hours/day counted as one employee)

Seven & i Food Systems Co., Ltd.

Restaurant Division

The Restaurant Division operates such family restaurants as Denny's outside the Group and Famil within the Group.

Fast Food Division

The Fast Food Division operates such fast food outlets as Poppo within the Group and various small demonstration-type fast food outlets both within and outside the Group.

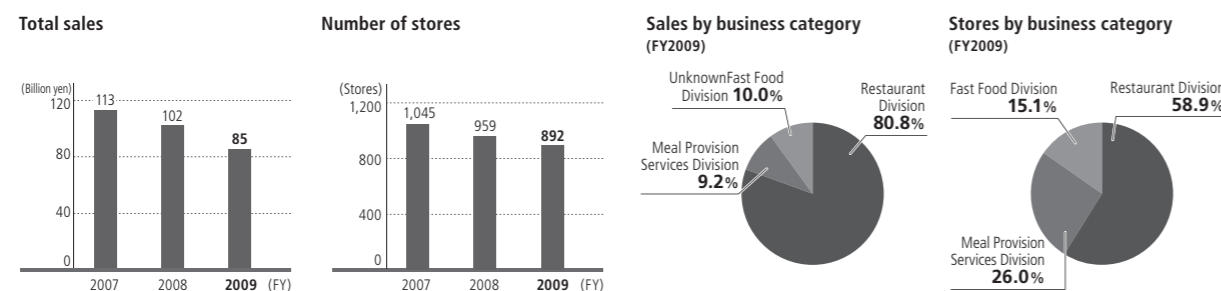
Meal Provision Services Division

The Meal Provision Services Division operates contract food services that provide meals for companies within and outside the Group as well as student cafeterias and offers catering delivery services and medical food services.

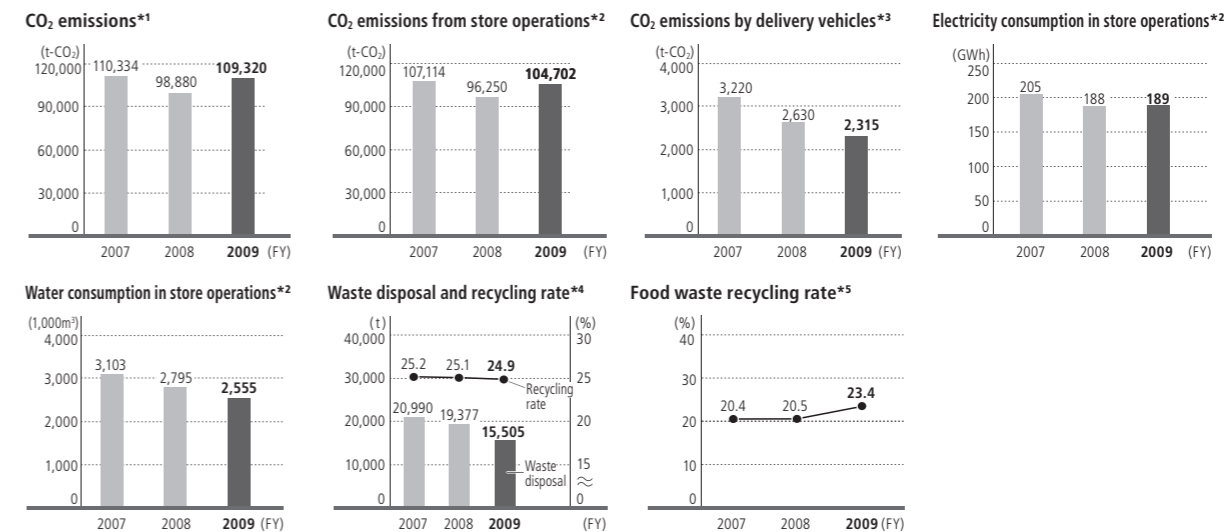
7 Promises

- Safety and Reliability
- Delicious
- Hospitality
- Cleanliness
- Comfortable atmosphere
- Trust and thoughtfulness
- Strive toward future

Management Data



Environmental Data



*1 Data for FY2007 and FY2008 show CO₂ emissions (Denny's only) stemming from the use of energy in restaurant operations and by delivery vehicles. Data for FY2009 show CO₂ emissions stemming from the use of energy in store (Seven & i Food Systems) and headquarters operations and by delivery vehicles (Denny's only).
 *2 FY2007 and FY2008 values are for Denny's only.
 *3 This value is for Denny's only.
 *4 FY2007 values are for Denny's only.
 *5 Results for FY2008 and FY2009 were calculated using the calculation method prescribed by the Food Recycling Law. FY2007 values are for Denny's only. FY2009 CO₂ emissions were calculated according to the new Seven & i Holdings Group-wide CO₂ Emissions Calculation Manual. A portion of the CO₂ emission factors for each fuel type was changed in accordance with the new standards presented in the manual.

Personnel Data (as of February 28, 2010)

Employees	1,578 (Males: 1,401, Females: 177)
New graduate employees hired	6 (Males: 1, Females: 5)
Mid-career employees hired	129
Re-employment	12
Part-time staff*1	11,079
Average length of service (full-time employees)	13 years 10 months

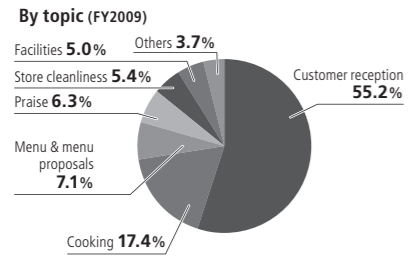
	FY2007	FY2008	FY2009
Percentage of women in management positions**2	15.5%	11.6%	18.3%
Percentage of employees with disabilities**3	2.15%	2.23%	2.23%
Ratio of full-time employees taking paid holidays**4	10.8%*5	10.5%	8.2%
Number of parental leave recipients	47 (Males: 0, part-time staff: 41)	62 (Males: 0, part-time staff: 53)	40 (Males: 0, part-time staff: 36)
Number of nursing leave recipients	0	0	0
Number of volunteer leave recipients	0	0	0
Frequency rate of industrial accidents	18.56	0.58	1.50
Severity rate of industrial accidents	0.02	0.02	0.04

*1 Monthly average number, with 8 hours/day counted as one employee
 *2 Excluding executive officers
 *3 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage 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.
 *4 Remaining holidays from the preceding fiscal year are not included.
 *5 The value for FY2007 is for Denny's alone.

Seven & i Food Systems

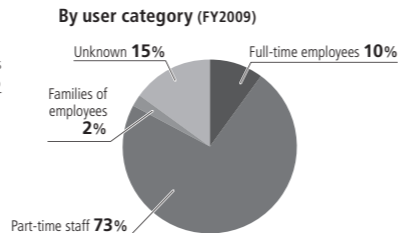
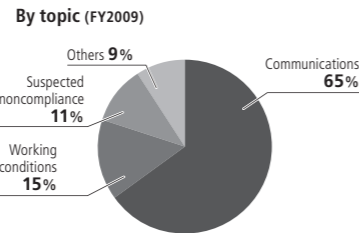
Data for Customer Response Services

Contacts received by Customer Response Services
 FY2007 9,928
 FY2008 8,651
 FY2009 8,081



Data for Internal Consultation Services

Contacts received by Internal Consultation Services
 FY2007 107
 FY2008 115
 FY2009 89



Challenges	FY2009 Results	FY2010 Targets
Reducing the Environmental Impact		
Improving energy efficiency and introducing renewable energy	CO ₂ emissions reduced accompanying introduction of LED bulbs: 45tons CO ₂ emissions from delivery vehicles: 2,315 tons	Reduce CO ₂ emissions accompanying introduction of LED bulbs: 17 tons Reduce CO ₂ emissions accompanying delivery vehicles by revising the basic allocation of vehicles: 2,059 tons
Reducing waste and developing a recycling-oriented society	Stores which implemented recycling of food waste was expanded from 83 stores to 114 stores Washing of uniforms by utilizing circulated water for cleaning	Increase number of stores implementing the recycling of food waste to 200 stores Continue utilization of circulated water for uniform cleaning, and introduce to new stores
Raising environmental awareness among employees	Thorough separation of waste and improved the awareness of energy saving Distributed environmental leaflets to employees	Use of energy saving check list in store, and reporting about activities of facility Promote education in meeting and training (awareness of separating waste, waste reduction, and energy saving)
Provision of Safe, Reliable Products and Services		
Ensuring the quality and safety of products and services	Thorough quality control and traceability control (200 observation tours of plants)	Strict management of quality control and traceability control (continue observation tours of plants)
Assuring appropriate information provision	Published a list of the menu nutritional information and list of allergy causing substances on the Web site	Continue publishing a list of the nutritional information and list of allergy causing substances
Responding sincerely to customer opinions	Number of contacts from customers: 8,081 cases	Implement store education in which customer opinions are reflected, and eradication of the secondary complaints
Coexistence with Local Communities		
Supporting young parents and the elderly	Number of people accepted for work experience : 333 people Cooperated in the aid for childcare by municipalities	Continuation of acceptance. Improve the lessons regarding food education Continue cooperation and expansion of aid for childcare by municipalities
Assisting in local community revitalization	Developed a menu with local production for local consumption, and sold	Develop a menu with local production for local consumption, and expand sales
Providing support in times of disaster	Organized to support people who could not return home during disasters (19 prefectures and cities)	Continue supporting
Creating Fulfilling Workplaces		
Supporting development of employee abilities	Implemented labor management training	Continue implementation of labor management training
	Established internal promotion examination program (Five types of examinations including examinations for appointment of store manager. Total of 283 employees were examined, and 44.5% were successful applicants)	Continue the internal promotion examination program
	Promoted the acquisition of national certifications (Licensed chefs: 45, public consultants on social and labor insurance: 1, food sanitation administrator: 1)	Promote acquisition of national certifications Implement training
Assuring fair assessment and treatment of employees	Revised evaluation system of unit employees	Complete implementation of self check evaluation
	Percentage of women in managerial positions: 18.3%	Active promotion of female employee appointments
Achieving a work-life balance	Improved training programs so employees can attend impartially Contents of training increased from 6 types to 11 types (except for training held occasionally by each area and locally)	In order to further improve the working environment for employees, promote further improvements in the training program and personal management system. Implement contests throughout all stores
	Operated child-rearing and nursing care program "Rechallenge Plan" (used by 40 employees)	Take action to eradicate overtime (improve accuracy of personnel assignment plans, actions taken by area sales department to investigate the cause of why overtime occurs, and solve the problem)
Making use of diverse human resources	Number of mid-career employees hired: 129 employees	Continue personnel training of the mid-career employees
Assuring consideration for worker health and safety	Frequency rate of industrial accidents: 1.50 Severity rate of industrial accidents: 0.04	Continue implementation of employee training to prevent industrial accidents

Seven Bank, Ltd.

Corporate Data (Financial results for the fiscal year ended March 31, 2010)

Established	April 2001
Headquarters	1-6-1, Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan
Contents of business	ATM operations and financial services
Paid-in capital	¥30.5 billion
Ordinary revenue	¥88.8 billion
Employees	329 *1
ATMs installed	14,601
Web site	http://www.sevenbank.co.jp/english/ CSR site http://www.sevenbank.co.jp/corp/csr/ (in Japanese)

*1 Employees seconded to the company from external companies are included, while employees seconded by the company to external companies are excluded. Excluding directors, temporary workers, dispatched workers and part-time staff

Main Seven Bank, Ltd. Services

ATM Services

There are more than 14,500 ATMs installed in all stores in the Seven & i Holdings Group, primarily in Seven-Eleven stores, as well as in public facilities and commercial facilities nationwide. Cards from more than 550 cooperating financial institutions can be used 24 hours/day, 365 days/year. The ATMs also respond to cards issued overseas in four languages, and an interphone is provided to enable customers with visual impairments to use the ATMs comfortably.

Financial Retail Services at Manned Bank Branches or via the Internet

"Bank Windows for Everyone," which are manned bank branches deployed in six Ito-Yokado stores in metropolitan areas, provide consultation services regarding customers' funds, bank agency services and intermediation of applications for products (mortgage loans, etc.) of cooperating financial institutions. The "Money Site for Everyone" Internet site also provides such services as intermediation of applications for various financial products and services offered by cooperating financial institutions.

Account Services

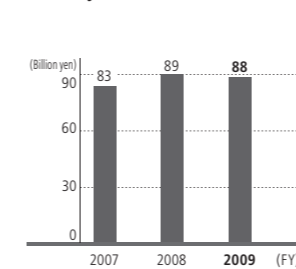
Seven Bank offers "ordinary accounts" that can be used conveniently and "time deposit accounts" in which customers can save money easily. The bank also provides an "e-mail notification" service for fixed transactions, and a service that offers "nanaco" points according to the transaction.

Services for Corporate Customers

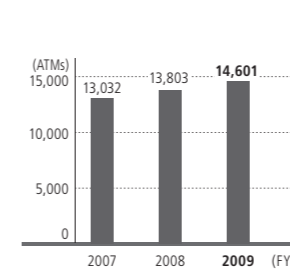
Seven Bank provides a cash deposit service for corporate customers that enables them to deposit proceeds from cash sales in an ATM using a dedicated deposit card, upon which the funds are transferred immediately to the headquarters account.

Management Data

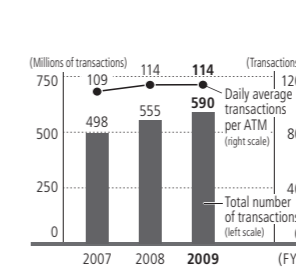
Ordinary income



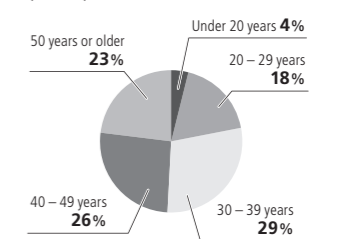
Number of ATMs installed



ATM transactions



Accountholders by age group (FY2009)



Personnel Data (as of March 31, 2010)

Employees	329 (Males: 277, Females: 52)
New graduate employees hired	4 (Males: 2, Females: 2)
Mid-career employees hired	26
Re-employment	8
Part-time staff*1	65
Average length of service (full-time employees)	3 years 10 months

	FY2007	FY2008	FY2009
Percentage of women in management positions*2	5.9%	6.5%	5.5%
Percentage of employees with disabilities	0.80%	1.01%	1.82%
Ratio of full-time employees taking paid holidays*3	69.5%	78.5%	88.0%
Number of parental leave recipients	1 (Males: 1)	4 (Males: 1)	2 (Males: 0)
Number of nursing leave recipients	0	0	0
Number of volunteer leave recipients	No system	No system	No system
Frequency rate of industrial accidents	0.00	5.30	0.00
Severity rate of industrial accidents	0.00	0.00	0.00

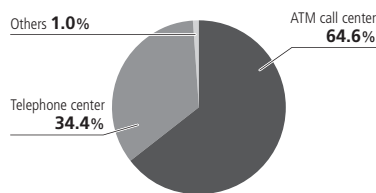
*1 Monthly average number, with 8 hours/day counted as one employee
 *2 Excluding executive officers
 *3 Remaining holidays from the preceding fiscal year are not included.

Data Related to Customer Response Services

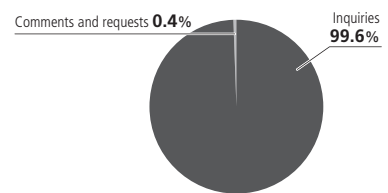
Contacts received by Customer Response Services

FY2008	777,702
FY2009	738,847

By contact point (FY2009)



By topic (FY2009)

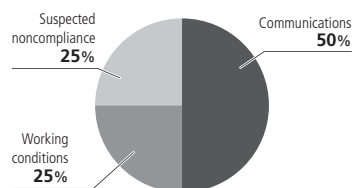


Data for Internal Consultation Services

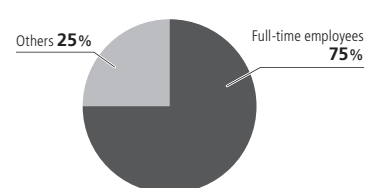
Contacts received by Internal Consultation Services

FY2008	1
FY2009	4

By topic (FY2009)



By user category (FY2009)



■ General Overview of the Report

The CSR space in 2010 witnessed various historic events.

First of all, a decision was made to launch ISO26000, the first international standard for SR (Social Responsibility). During the process of the discussion that led to the decision, a notable role was played by the Japanese delegation in coordinating opinions from different countries. Separately, due to the growing effect of the so-called Climategate affair*1, a scandal not well covered by the Japanese mass media, the credibility of the IPCC*2 Assessment Report was called into question. In fact, some countries reportedly went on to revise their policies on the CO₂ issue.

Under such circumstances, discussion on REDD developed significantly in the wake of COP-15, resulting in a heightened global awareness of the effectiveness and importance of REDD. Seven & i Holdings became the first private company to endorse REDD, initiating a project for tropical forests in Indonesia, which is expected to achieve emissions reduction (carbon stocks conservation and enhancement) by an amount equal to approximately 50% of the annual CO₂ emissions by our group companies in Japan. We wish to express our heartfelt thanks to Mr. Emmanuel Ze Meka, Executive Director of ITTO as well as Mr. Takeichi Ishikawa, Assistant Director, Dr. Hwan Ok Ma and other ITTO staff for their passionate and enthusiastic guidance.

Meanwhile, the importance of ESG (Environmental, Social and Governance) was widely discussed in the capital market as a corporate performance measure that is as relevant as profitability, which presumably resulted from a growing perception after the Lehman Brothers' collapse that such

elements have a huge impact on enterprise value.

As our previous CSR reports, the CSR report 2010 was prepared by a team of our younger staff without any restrictions based on their own thinking. Looking back at our CSR reports issued in the last 2 to 3 years, it is evident that continuous improvement has been made each year in editing and the manner of fulfilling accountability requirements. Yet we think there are still many aspects that are less than satisfactory and creativity needs to be applied in various respects. Our young staff involved continue to ask themselves what a CSR report by a corporate group's pure holding company should be like, and seek to find the answer.

It is our desire that the diffusion of the CSR concept in society will make it a dynamic place where citizens will find it easier to live and work. Our company group also will strive to take the lead in becoming a model organization practicing that concept.

We would like to sincerely ask for your continued support and loyal patronage.

*1 Please see a July 8, 2010 press release on the Ministry of the Environment website <http://www.env.go.jp/press/press.php?serial=12697>

*2 The Intergovernmental Panel on Climate Change

Minoru Inaoka

Chairman of CSR Management Committee
Managing Executive Officer
Seven & i Holdings Co., Ltd.

■ Postscript by the Editors

Thank you for reading the CSR Report 2010.

This year's edition presented opinions provided by experts on respective key items. Some experts commented that, like last year, our targets were not clear enough. As a step to remedy this persistent issue, the CSR Report 2010's data section contained the results of the efforts made by individual companies as well as their targets for the next fiscal year. In the CSR Report 2011, we will present our self-assessment concerning the targets stated in this edition for the purpose of communicating our PDCA cycle.

Also included in the comments from the experts was the suggestion that we should trace back our sourcing processes, starting with products for which we inevitably rely on imports.

From the next fiscal year, we would like to enhance the presentation on our sourcing activities, including the manufacturing process for products we provide to our customers.

We intend to deepen our efforts on the respective issues and continue to prepare reports that meet your interest. We sincerely hope you will provide your candid views through our questionnaires.

September 2010
Itoh/Ozawa/Nakamura (concurrent)/ Akatsuka
CSR Management Committee Office



SEVEN&i HLDGS. Co.,Ltd.

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