



Seven & i Holdings

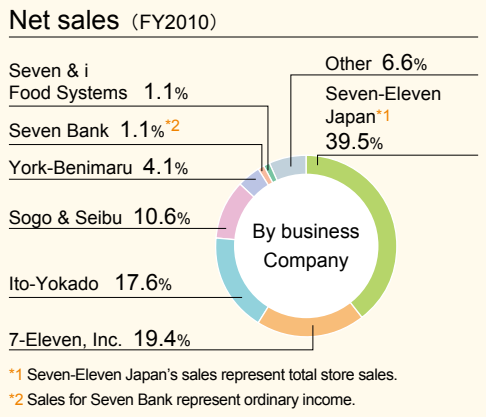
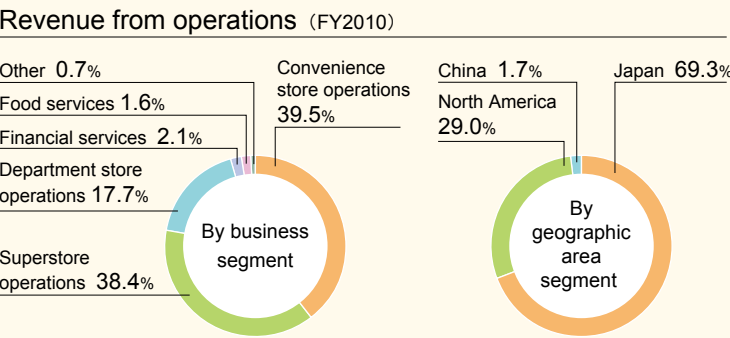
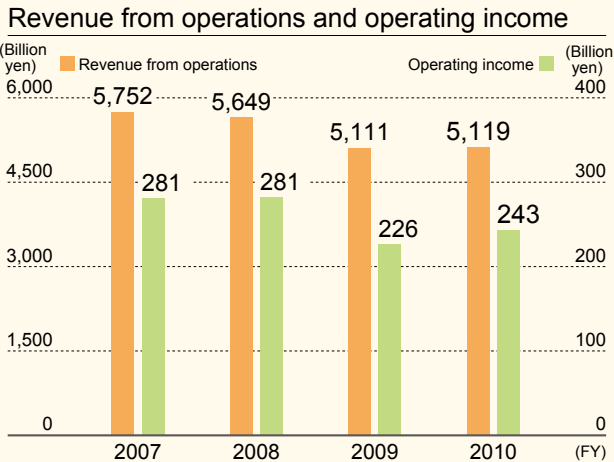
CSR Report 2011

Group Overview



Corporate Data (as of February 28, 2011)

Company name:	Seven & i Holdings Co., Ltd.
Headquarters:	8-8 Nibancho, Chiyoda-ku, Tokyo 102-8452, Japan
Established:	September 1, 2005
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):	133,118* *Including part-time employees (monthly average number, with 8 hours/day counted as one employee)
Web site:	http://www.7andi.com/en/index.html



Major ratings of Socially Responsible Investment (SRI)(as of this writing, September 12, 2011)

Seven & i Holdings Co., Ltd. is selected constituent in the following index.

Dow Jones Sustainability Index World

FTSE4Good Index Series

Morningstar Socially Responsible Investment Index

Ethibel Pioneer & Excellence

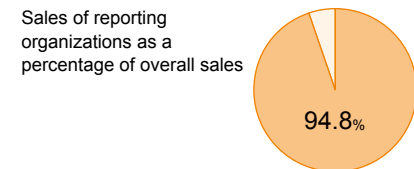
Ethibel Sustainability Index Global

About this Report

For the CSR Report 2011, the editorial method has changed from last year's report, which looked at the activities of each operating company. The activities of the holding company and those of the overall Seven & i Group are the focus of this report. This report was prepared in accordance with the five Challenges Facing the Seven & i Group set in 2009, taking into consideration the opinions of outside experts. (The Challenges were selected referring also to ISO26000, which are international standards on social responsibilities.) Overseas activities are reported on separate pages.

Data related to CSR of the six domestic operating companies are available on our website. They are provided for each operating company, including items not covered in this Report.

- Period of the Report**
In principle, this Report covers our activities during FY2010 (March 1, 2010 to February 28, 2011). Some of our activities in FY2011 are also included.
- Report coverage**
Seven & i Holdings Co., Ltd.
Seven-Eleven Japan Co., Ltd.
Ito-Yokado Co., Ltd.
Sogo & Seibu Co., Ltd.
Seven & i Food Systems Co., Ltd.
Seven Bank, Ltd.
7-Eleven, Inc.
Seven-Eleven Hawaii, INC.
SEVEN-ELEVEN (BEIJING) CO., LTD.
Hua Tang Yokado Commercial Co., Ltd.
Chengdu Ito-Yokado Co., Ltd.
Beijing Wang fu jing Yokado Commercial Co., Ltd.



- References**
 - Environmental Reporting Guidelines – Towards a Sustainable Society – (FY2007 Version), Ministry of the Environment, Government of Japan
 - Sustainability Reporting Guidelines (Version 3.0), Global Reporting Initiative (GRI)
 - ISO26000
- Current Report:** October 2011
- Scheduled publication of next Report:** September 2012

Disclaimer
The data shown in this report are based on information that was available at the time of writing. Actual activities and results may differ depending on future social changes.

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- Environmental Data
- Data for Customer Response Services
- Data for Consultation Services for Employees
- Personnel Data
- Major social contribution activities

Web http://www.7andi.com/en/csr/csrreport_index.html

Corporate information and financial details are available on the website. Please visit the sites below:

Corporate Profile

Annual Report

Corporate Outline

Web <http://www.7andi.com/en/company/summary.html>
<http://www.7andi.com/en/ir/index.html>

Pressing forward to enhance CSR management In order to live up to stakeholder trust



Toshifumi Suzuki
Chairman and Chief
Executive Officer

鈴木 敏文



Noritoshi Murata
President and Chief
Operating Officer

村田 紀敏

On the Great East Japan Earthquake Disaster

We would like to convey our deepest sympathies to all of those affected by the earthquake disaster.

We in the Seven & i Group also suffered significant damage in the wake of the disaster—primarily at our stores in the Tohoku (northeastern part of the main island of Japan) area—but based on our social mission to continue as a retailer to provide goods and services that meet customer needs and are vital in their daily lives, the entire group came together as one to work toward reopening the affected stores by establishing an earthquake disaster task force immediately after the earthquake struck. At the same time, we were able to concentrate the group strength and with the cooperation of the stakeholders involved, to resume operations by the efforts including procurement of goods and reconstruction of the distribution network so rapidly that they were considered miraculous, and to deliver products that support the lives of people in the affected areas. These achievements were also made possible thanks to the earnest efforts by colleagues in all of our stores, as well as the support of our many business partners in a broad range of aspects sharing the same feeling.

This relationship of trust with stakeholders and this corporate culture are indispensable assets for the Seven & i Group, and we are confident that they will be a significant force driving the growth of the group going forward.

Reflecting on five years since the inception of Holdings

Launched in September of 2005, Seven & i Holdings is a New and Comprehensive Lifestyle Industry group, with 105 affiliated companies, developing some 41,800 stores* in 16 countries/regions throughout the world. Drawing on our group strength and innovation, we continue to create new value in order to meet diverse customer needs expanding globally across a broad range of business categories with a fundamental policy of responding to change and a sound base. In

particular, the Seven Premium private brand, which was produced by combining the infrastructure and expertise of the Group companies and collaborating with our business partners, has earned an excellent reputation for new product development integrating safety and reliability, high quality, and comfort at a higher level to meet customer demands.

At the same time, problems continue to grow more and more serious, including the characteristic problems that Japan faces—such as declining birthrate and aging population, declining population, and societal maturation—as well as global challenges such as global warming, and limited resource, energy, and food supplies. We have resolved to work proactively through our core business toward taking on challenges throughout the community as a fundamental principle of CSR Management, as well as to ensure compliance throughout the entire supply chain, based on the Seven & i Holdings Business Partner Action Guidelines, adhering to the Seven & i Holdings Corporate Action Guidelines set by the Group. In 2010 we devoted our efforts toward the launch of the Tropical Forest Conservation Project with the International Tropical Timber Organization (ITTO), for the purpose of implementing a low carbon society and biodiversity conservation, and toward developing environmentally friendly stores, trial calculations on Seven Premium's carbon footprint, and the like.

Striving to be a reliable and trusted company

We remain committed to moving ahead with enhancing CSR Management in order to actively work toward resolving a broad range of societal challenges, and we always take the perspective of stakeholders as we strive to be a reliable and trusted company.

* The number of stores included stores operated by companies in each country granted a defined area license by 7-Eleven, Inc. and stores operating under contract with Sogo & Seibu and using the Sogo & Seibu name

Corporate Creed

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

Seven & i Holdings Corporate Action Guidelines

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.

We conduct business based on these policies and in compliance with the following regulations:

- **Basic Policy** Ethics and Compliance with Regulations
In operating our business, our corporate actions are devoted to follow management ethics, comply with laws, ordinances, rules and social precepts, and fulfill our responsibilities to society.
- **Code of Conduct** The code of conduct for Seven & i Holdings members is:
 1. In business operations, we will be aware of our own corporate social responsibility, bearing in mind that ensuring business ethics enhance corporate social value, and devoting due attention to these points.
 2. We will give due attention to and ensure the functions of sound corporate governance. Further, we will comply with the laws, ordinances, rules and precepts regarding business operations.
 3. Seven & i Holdings companies have established a Corporate Action Committee to ensure that corporate action within the companies complies with business ethics, we have selected officers, and we aim to achieve higher standards every year. To that end, representatives will be placed at head office as well as in each department and at each office.

Chapter 1 Business Actions

1. Relationship with Customers / Sales Activities
2. Relationship with Business partners / Business Activities
3. Relationship with Shareholders
4. Promotion of fair business practices

Chapter 2 Social Responsibility

1. Respect for Human Rights and Dignity
2. Human Resources and Workplace Environment
3. Environmental Management
4. Relationship with Society and Local Communities
5. Information Management

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

"United in our Feelings"

Our Initiatives

At the head office of Seven & i Holdings, the Earthquake Disaster Response Headquarters was established immediately after the earthquake struck on March 11, 2011, and focused on clarifying the damage at each of the stores under management. In the belief that our most important mission as a retailer is to restart promptly and continue operation of Group stores, we concentrated our efforts on personnel support, product supplies, and logistics support so that we could recommence operations at the affected stores.

Protecting customers Responses immediately after the earthquake

Promptly guided customers to safety based on store managers' decisions

More than 60% of York-Benimaru stores are located in Fukushima and Miyagi prefectures. A tsunami over 4 meters in height rushed over Minato-Kazuma store, isolating about 500 people, including employees. In severe conditions, the roof of the store building was used for evacuation.

Although contact with the head office was not possible at the time, the store manager and other employees came together and made their own decisions on what they could do for customers, such as opening the store at 6:30 a.m. for customers who formed a line each day before dawn.

Offering a drink and a place to rest

Many stores of our operating companies continued to operate without regard to the closing hours, to assist people who had difficulty returning home.

For example, food and drink were offered along with areas with chairs where people could take a rest. These measures were intended to support the people who needed to keep warm or use the restrooms. Clerks at some stores guided pedestrians walking home amid the traffic jams that resulted because the traffic lights were out of order, and distributed copies of maps to help people find their way home.

Responses immediately after the earthquake

Date	Responses by the Seven & i Group
Friday, March 11	• Around 14:46: The earthquake strikes.
	• 14:50: An Earthquake Response Headquarters is established at each Group company.
	• Arrangements are made to transport the first relief aid goods by helicopter and other means to Miyagi Prefecture.
	• Ishinomaki Akebono store of Ito-Yokado located in Miyagi Prefecture restarts operation at 18:00.
Saturday, March 12	• A second shipment of relief aid goods is sent to Miyagi, Iwate, and Fukushima prefectures (Koriyama).
	• All Ito-Yokado stores have restarted operation
	• Seven-Eleven Japan dispatches employees to the affected areas to confirm the damage.
Sunday, March 13	• Donations begin to be collected at about 14,000 Group stores.
	• Measures are taken to reduce electricity use at Group stores to deal with power shortages.
	• Ito-Yokado begins dispatching support personnel (in stages to six affected stores).
Monday, March 14	• 7-Eleven continues to operate during planned blackouts, using uninterruptible power sources as emergency batteries.
	• Ito-Yokado, Sogo & Seibu, and Denny's restaurants temporarily halt operations only during planned blackouts.
Thursday, March 15	• Seven-Eleven Japan begins dispatching support personnel (for restoring stores) (60 persons are sent in the first group between the 15th and 20th).

Operating stores Business continuity

Operations resume within three hours of the earthquake

Ito-Yokado stores damaged by the earthquake resume operations promptly. Food and other essential items were carried out from damaged stores and sold at the store front. Calculators were used when cash registers were unusable due to the blackout.

Dispatching support personnel

Support personnel from Seven-Eleven Japan worked on March 15 to remove debris that had accumulated in front of stores and to complete other tasks. Starting on March 17, support personnel from Group companies helped organize and sort stocks at the Fukushima Grocery Center of York-Benimaru.

Dispatched food vans to affected areas

Seven-Eleven Japan decided to sell products at certain areas using food vans, to assist people having difficulty obtaining food and other essential items because stores had closed. Food vans were offered to owners who needed time to restart their operations, responding to the retail needs of people in regional communities since early April.

Change in the number of closed stores *Shown in () are those in evacuation areas due to the accident at Fukushima Daiichi Nuclear Power Station of TEPCO

	Seven-Eleven	Ito-Yokado	York-Benimaru
	Total number of stores: 13,233	Total number of stores: 173	Total number of stores: 170
March 13	Approx. 600 (23)	0 (partially in operation: 32)	Approx. 100 (6)
March 18	Approx. 350 (110)	0 (partially in operation: 3)	71 (22)
March 31	Approx. 60 (23)	0 (partially in operation: 2)	23 (6)
April 12	59 (16)	0 (partially in operation: 2)	14 (6)
April 22	50 (16)	0 (partially in operation: 1)	10 (6)

Offering ATM services with mobile ATM Vehicles

Seven Bank offered mobile ATM services for the first time, aiming to support the lives of affected people who have difficulty remitting and withdrawing cash. In collaboration with food vans of Seven-Eleven, mobile ATM Vehicles loaded with ATM units were operated between May 21 and the end of August.

The head office systems that supported business continuity

A logistics system that never allows product supplies to run out

Plants, distribution centers, and related divisions collaborated to clarify the damage each day, aiming to facilitate the restoration of affected plants, and distribution centers. Also, organizations to supply products to stores in the Tohoku region from plants in Kanto, Niigata, Hokuriku, and other regions were quickly established to enable an operational restart.



Production management for packed lunches that also features excellent availability

Menu items that could no longer be produced because the supply of some of the raw ingredients ran out were handled by changing the menu or using replacement ingredients. This became possible because of the raw ingredients management database system, which comprehensively manages raw ingredients, manufacturers, types, and quantities of packaging materials, and

other matters for each product. The system enabled us to find out quickly which products could be produced and what quantity of raw ingredients was left over, along with other important information, and to respond immediately, so that we could supply packed lunches and other products to shops more effectively. Chilled packed lunches sold by Seven-Eleven remain tasty and fresh over long periods, which offered advantages when products were supplied over long distances to the Tohoku region from the Kanto and Koshinetsu regions.

Product procurement utilizing Group capabilities

When there was a shortage of products in the Tokyo metropolitan area, a greater product supply than usual became possible through procurement negotiations with manufacturers by the Group as a whole. When supplies of drinking water products were tight throughout Japan, the Group utilized its international procurement capabilities, and started selling in late April original beverages of 7-Eleven in Taiwan and 7-Eleven, Inc.



Supporting affected areas

Relief aid, fund raising, and donations

Offered emergency relief aid goods on the day after the earthquake

Arrangements were promptly made to distribute water, onigiri rice balls, and other emergency relief aid goods on the day of the earthquake. On the following day, deliveries were made on land and using helicopters. Our Group continued delivering relief aid goods in response to government requests.



Major relief aid goods delivery by Seven & i Group companies

From Seven & i Holdings to localities
• 31,728 bottles of mineral water (2-liter) • 1,000 pastries • 5,918 bread loaves • 1,080 cases of bananas (14-ton) • 4,800 packages of Seven Premium steamed rice (200 g) • 10,090 blankets • One water tank truck
From Akachan Honpo to international cooperation NGO JOYCFP
• 9,600 packages of baby wipes • 916 cans of powdered milk • 1,260 packages of paper diapers • 16,543 baby food and weaning food items • 1,824 bottles of baby beverages
From York-Benimaru to evacuation centers
• 4,300 servings of Chinese noodles • 4,200 servings of curry in retort packages • 58,000 packages of vegetable juice • 6,000 canned foods • 4,800 cups of miso soup, and other such items

* Besides the above, respective operating companies have offered relief aid goods at cost or free of charge

Sales of menu items with matching donations

Denny's restaurants served menu items in which a total of 40 yen is donated each time, 20 yen by the company and 20 yen by customers expressing their support, for one month starting on April 15. The initiative was subsequently continued, and menu items where the company donates 20 yen each time were served for a period twice before the end of July. The amount raised in the three periods, which totaled about 3.76 million yen, was donated via the Japanese Red Cross Society to support affected areas. The initiative was conducted for the fourth time at the end of August, and it is scheduled to continue.



Making donations

In addition to fund-raising campaigns at about 14,000 domestic stores of the Group, funds were also collected via company websites and point cards. Combined with 500 million yen from Seven & i Holdings, 1 billion yen from Honorary Chairman Masatoshi Ito, and 1 billion yen from Chairman Toshifumi Suzuki, a total of 3,693,816,482 yen was sent to affected areas via prefectural governments. At the request of 7-Eleven, Inc., of the U.S., funds were collected at about 25,000 7-Eleven stores of 11 countries of the world between March 19 and May 31. 425,510,000 yen collected was donated through the Red Cross Societies of each country.



Status of donations

Donated by	Amount
Customers, business partners, employees, and Seven-Eleven franchisee owners overseas	2.1 billion yen
Masatoshi Ito Honorary Chairman, Seven & i Holdings	1.0 billion yen
Toshifumi Suzuki Chairman and Chief Executive Officer, Seven & i Holdings	100 million yen
Seven & i Holdings	500 million yen
Overseas 7-Eleven stores	Approx. 400 million yen
Total	Approx. 4.1 billion yen

Aiming to save electricity

Measures to save electricity during summer

Each store in the Seven & i Group took steps to save electricity in response to the electricity shortage. Seven-Eleven Japan replaced lighting with LED lights inside stores, installed solar panels, and took other steps with the aim of reducing electricity consumption about 20% from the previous year (at stores served by TEPCO). Ito-Yokado reduced the number of in-store spotlights,

electrical signboards, and fluorescent lamps used in stores and backyards.

An Energy Conservation Campaign was also run, at the homes of Group employees between July and September. The campaign urged each household to reduce electricity consumption by 15% or more from the previous year.

Major electricity saving measures and targeted electricity consumption reduction of Seven-Eleven (estimates)

Measures implemented		Reduction in electricity consumption (per store)	Reduction ratio
Facility replacement	• Replaced lighting inside stores with LED (approx. 5,000 stores) • Replaced store-front signboards with LED (approx. 5,000 stores) • Installed solar panels (approx. 1,000 stores) • Replaced old facilities with energy-conserving ones (approx. 2,000 stores)	Approx. 50 kWh/day	Approx. 10%
Installed Smart Sensors (approx. 6,000 stores)	• Sensors for measuring electricity consumption by each facility were installed, to make energy conservation activities visible	Approx. 50 kWh/day	Approx. 10%
Total		Approx. 100 kWh/day	Approx. 20%

* The reduction in electricity consumption and the reduction rate are those compared to the average for July to September last year
* The above are actions taken at areas served by TEPCO. Measures are also being taken at each of the areas served by the respective power companies.

A smarter approach to sales

Measures to support shopping

Sold drinking water with priority given to persons with infants

Radioactive materials of an intensity surpassing the standard values for infants were detected in tap water, which caused a surge in demand for drinking water products. Ito-Yokado sold 2-liter drinking water products with priority to customers caring for a child below one year of age, at 40 stores in the Tokyo metropolitan area on March 24 and at 117 stores starting on and after the following day.



Photographs courtesy of Sankei Shimbun

Shopping support services using Hikari i Frame

Since July 30, shopping support services using Hikari i Frame, of NTT East's Flet's Hikari Internet service, have been offered to residents of temporary housing in Yamamoto Town, Miyagi prefecture. Services being offered include Seven Net Shopping, Ito-Yokado Net Supermarket, and Seven Meals.

Voluntarily inspecting beef to be sold

To dispel anxiety among customers and prevent the spread of harmful rumors about radioactive materials detected in food materials, Ito-Yokado has developed systems for offering safe and reliable products. In addition to conducting voluntary inspections on agricultural products, Ito-Yokado has conducted a 100% inspection of cows for domestic beef, in collaboration with its partner manufacturers. Only products that show measurement values below the provisional standard values of the national government are being sold.



Opened temporary stores

On July 27, temporary Seven-Eleven stores opened in Kesennuma City and Iwanuma City in Miyagi prefecture. The store in Kesennuma is the first temporary store to open on a temporary housing site in the prefecture.





Strengthening Corporate Governance and CSR Management

We have established an organization in which the entire Group can fulfill its corporate social responsibility, under a sound management structure.

Corporate Governance System Supported by Executive Officer and Corporate Auditor Systems

The Board of Directors of Seven & i Holdings comprises 15 Directors (of whom three are independent outside Directors). The term of Directors has been set to one year, to precisely reflect the intentions of shareholders. The Executive Officer system has been adopted for prompt decision making and operations. The Board of Directors is responsible for formulating business strategies and the supervision of operations, and 18 Executive Officers, including those who also serve as Directors, are in charge of operating performance. Outside Directors supervise operating performance by presenting advice and suggestions at Board Meetings to ensure the validity and appropriateness of decisions made, and by exchanging opinions with Directors at meetings concerning company operations, corporate governance, and other matters.

The Board of Corporate Auditors comprises five Auditors (of whom three are independent outside Auditors), and monitors administration. In addition to attending Board Meetings and other important meetings, Auditors exchange opinions with outside Directors and listen to opinions from Directors. They also exchange opinions with Directors, Auditors, and other officers of operating companies, to strictly audit the performance of duties by Directors. Auditors also exchange information with Independent Auditors, and collaborate closely with them in auditing.

*1 Seven & i Holdings emphasizes the independence of outside Directors. Individuals who are selected are unlikely to be in a conflict of interest with general shareholders and who are capable of offering supervision, advice, and suggestions based on expert knowledge and experience, from objective and neutral standpoints.

*2 The number of individuals is as of the end of August 2011.

Reinforcing Internal Control Systems

Seven & i Holdings has worked to improve and reinforce Internal Control Systems, to ensure the following: (1) effectiveness and efficiency of business operations; (2) credibility of financial statements; (3) compliance of business activities with laws and regulations; and (4) proper conservation of assets.

The Audit Office, which is the independent internal auditing division, has the management function to confirm and instruct internal auditing by operating companies, and the internal auditing function for auditing the holding company Seven & i Holdings. In addition to the persons in charge of business audits for performing these operations, persons in charge of internal control and evaluation have been appointed, and they evaluate internal control by the entire Group.

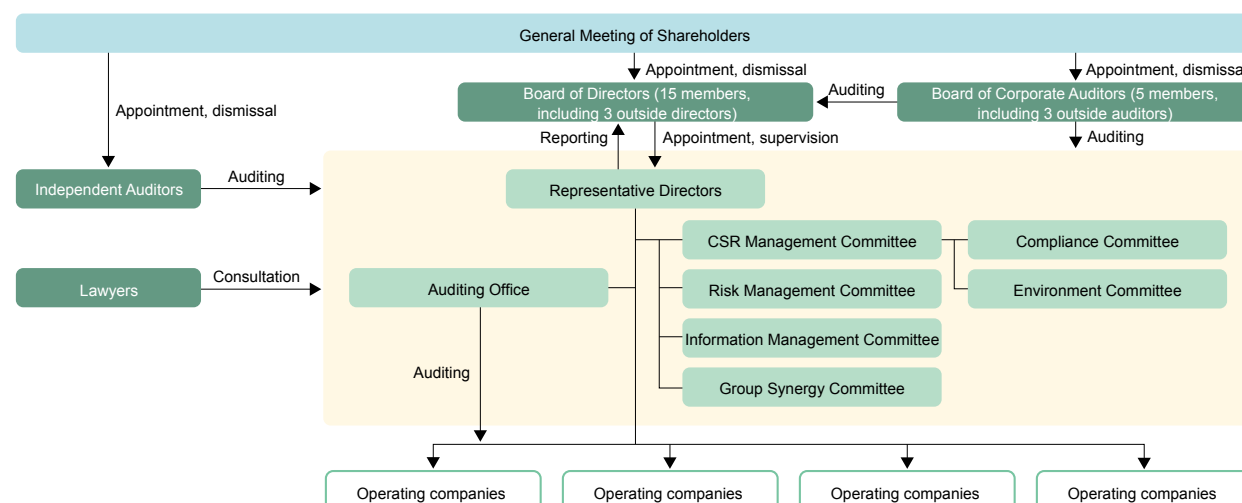
CSR Management

Seven & i Holdings has established three Committees, namely the CSR Management Committee, the Risk Management Committee, and the Information Management Committee, to manage and supervise operating companies so that they fulfill their respective responsibilities for stakeholders.

CSR Management Committee

The role of the CSR Management Committee is to promote CSR activities by the Group. In collaboration with the Environment Committee and Compliance Committee, which are subordinate organizations, and other divisions, the

Corporate governance and CSR Management System



CSR Management Committee clarifies the present situation, identifies issues, sets priorities, and verifies the results obtained.

The Environment Committee made trial calculations on the carbon footprint for 15 products of the private brand Seven Premium in FY2010. (See page 17 for details.)

Meanwhile, Compliance Committee has been active with the three Subcommittees. (See the table below)

Compliance Subcommittee and the main activity

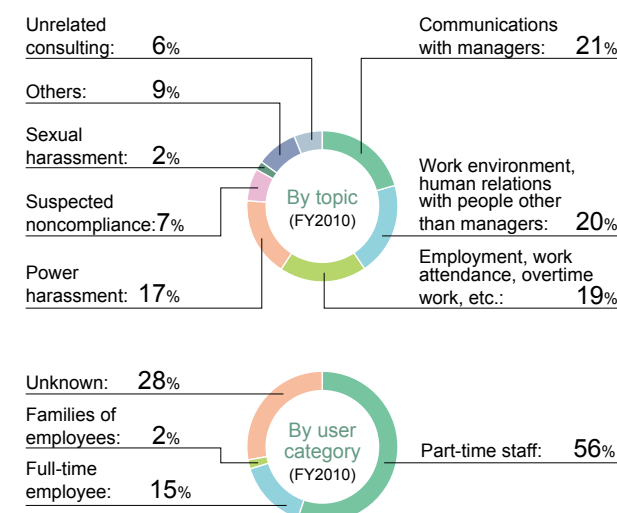
Name	Objectives	Major measures implemented
Fair Trade Subcommittee	To ensure that operating companies adhere fully to fair transactions and indications that do not cause misunderstanding	<ul style="list-style-type: none">Accepting consultations by operating companies on indications and fair transactions, etc.Seminars on Anti-Monopoly Act and other related laws and regulations, and surveys on the situations at stores and interviews
Quality Control Subcommittee	Sharing information on product quality among the Group companies and making improvements	<ul style="list-style-type: none">Prompt reporting and establishing an organization to respond in the event of accidentsSharing of quality standards and jointly conducting seminars and awareness enhancement activities
Corporate Ethics Subcommittee	Ensure penetration of the Seven & i Holdings Corporate Action Guidelines among employees and full compliance with laws and regulations	<ul style="list-style-type: none">Disseminating the Guidelines among employees and holding seminarsClarifying matters consulted (see below) and improving issues

Data for consultation services for employees

Number of consultations*

FY2009	679	(Of these, 45 were accepted at the consultation desk common to the Group companies)
FY2010	637	(Of these, 116 were accepted at the consultation desk common to the Group companies)

* The number indicates the total of those accepted at the consultation desk shared by Group companies and those established by respective operating companies. Some operating companies use their own consultation desk in addition to that shared by Group companies.



Web Data for Consultation Services for Employees among the Web Data collection include the report for FY2010 and targets of activities in FY2011 of six companies.

Risk Management Committee

Risk Management Committee regards all phenomena that threaten the continuation of businesses as risks, measures them quantitatively wherever possible, and verifies whether they may be fully absorbed in view of equity capital. Then, priority is set from the perspectives of seriousness and urgency, to implement countermeasures.

In FY2010, a trial began to measure the greatest risk, as a method to precisely evaluate the soundness of Group business administration. Based on the results, the promotion of integral monitoring systems for business administration and risk management, the effective operation of credit risk management systems, and the strengthening of information security management related to the Internet have been selected as priority issues, and measures have begun to be implemented.

In FY2011, the entire Group will work to achieve specific results with these priority issues. Also to be evaluated is business efficiency from a risk-return viewpoint, in addition to soundness, so that management indexes for overall optimization of the Group's businesses may be offered.

Information Management Committee

Information Management Committee aims to control issues related to information management. In FY2010, a list of documents to be prepared by each of the Group companies pursuant to laws and regulations and their model examples were offered. Advice was also offered in relation to the preparation processes, as well as a follow-up on the information reporting rules documented in FY2009 and reconfirmation of the rules based on the regulations to prevent insider trading at each of the Group companies.

In FY2011, efforts will continue to reinforce information security and fully enforce the information reporting rules and regulations to prevent insider trading.

Arrest of a former employee of Ito-Yokado Co., Ltd.

A former employee of Ito-Yokado Co., Ltd., was arrested and charged with violation of the Food Sanitation Act in relation to selling broiled eels made in China outside, while employed by Ito-Yokado Co., Ltd., and such employee was convicted on January 11, 2011.

To prevent a recurrence, the Group will review our operating and decision making process so that we can reinforce our system to internally check the supervision of operation and compliance.

We are ensuring the safety and reliability of products, in collaboration with raw material suppliers, consigned manufacturers, consigned logistic operators and other business partners.

Seven & i Holdings Business Partner Action Guidelines and Self-Check Sheet

Since 2007, Seven & i Holdings has advocated the Seven & i Holdings Business Partner Action Guidelines that summarize the nine CSR items that it wishes to be promoted by business partners.

We have asked the contract manufacturers of our Group's private brands and original products of operating companies, among our business partners, to submit a Self-Check Sheet with 52 items related to the Guidelines. The Sheet allows us to understand the status of implementation of CSR measures

by the entire supply chain, including our business partners. At the same time, we are hoping that our business partners will promote understanding and measures concerning CSR.

In response to the introduction of the Self-Check Sheet, Ito-Yokado Co., Ltd. expanded the contents of local surveys conducted at the manufacturing plants of exported products. In addition to the conventional confirmation of the status of quality management, items related to the environment and CSR have been added to the items to be confirmed.

Seven & i Holdings Business Partner Action Guidelines (Abridged)

For the full text, please visit the following site:

Web <http://www.7andi.com/en/csr/fair-trade.html>

1. In accordance with corporate ethics, our business partners shall comply with applicable local laws and relevant international rules.
2. Our business partners shall respect human rights and dignity of all individuals who are involved in their business activities.
3. At our business partners, all individuals engaged in business activities shall be employed in a proper manner and work in a safe and worker-friendly environment.
4. Our business partners shall make utmost efforts to prevent environmental pollution and reduce environmental burdens.
5. Our business partners shall pursue good relationships with society and local communities.
6. Information obtained in the course of business shall be maintained appropriately.
7. To deliver safe and reliable merchandise to final consumers, our business partners shall comply with the quality standards of relevant operating companies of Seven and i Holdings and shall ensure that:
8. Our business partners shall conduct transactions in a fair, transparent, and appropriate manner, as well as under free competition. They shall also maintain normal and healthy relationships with politics and public administration.
9. Our business partners shall cooperate in translating the Guidelines into practice.

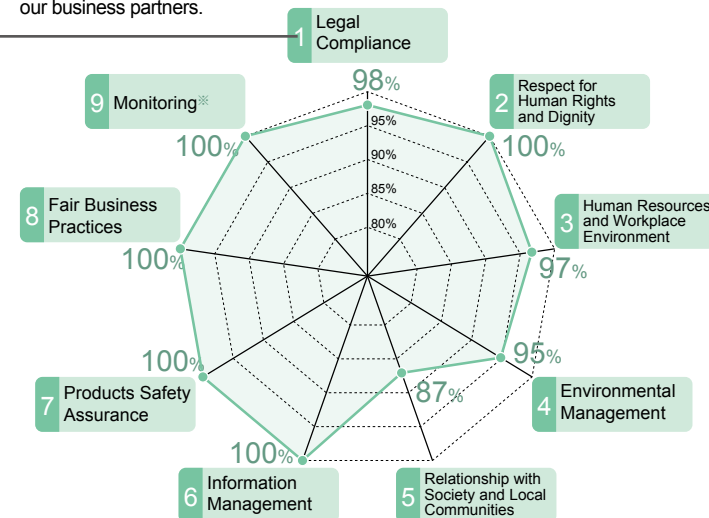
Examples of items on the Self-Check Sheet and analysis on responses

Examples of Self-Check Sheet items: questions regarding Legal Compliance

- Do you understand and comply with the laws and international conventions that apply to your business activities?
- Do you have an individual and/or function responsible for legal compliance?
- Do you have a corporate code of conduct, or policy in place that satisfies the Guidelines?
- Do you provide employee education programs on legal compliance and your corporate ethics?
- Do you have procedures for responding to legal or ethical misconduct?
- Do you conduct periodic reviews to assess that your business activities are aligned with your corporate ethics and comply with applicable laws, and to develop a corrective program for any identified noncompliance?
- Do you have a standard similar to the Guidelines for your suppliers and require their compliance?

Example of analysis of responses (image)

The balance among the following nine items is being confirmed, based on responses by our business partners.



* The monitoring checks the point "appropriately prepare and maintain evidential documents and performance records supporting their compliance with the Guidelines."

Observation of a manufacturing plant of plastic bags used by the Group

In November 2010, a person in charge of plastic shopping bags at the General Affairs Department of Seven & i Holdings observed the plants of two companies in Thailand that produce plastic shopping bags and garbage bags. For these materials, safety is confirmed by the Quality Control Department or based on certificates submitted by business partners, prior to concluding a business agreement. The observation was made for the following purposes: (1) to confirm whether the bags used by Group companies are being produced in a safe and reliable environment; and (2) to confirm the evaluations on the check sheet (see p.12) of the business partners on sites, and convey the thinking of Seven & i Holdings on supply chain management.

At one of the companies (mainly producing garbage bags) where problems were found in the observation, issues that need improvement in terms of hygiene and safety management were pointed out. A report on the improvement status was then received from the company, and a subsequent visit was made in March 2011 to confirm the improvements made.

Through direct dialogues and guidance, efforts will be made to enhance quality assurance and other CSR activities, by both the Seven & i Group and business partners.



Opinion



Nakai Takamitsu
Group General Affairs department
Seven & i Holdings

The observation revealed that the two companies have always conducted environmental activities and promoted exchange with employees, indicating considerations on matters other than production. However, we found that there may be some discrepancies in the understanding of safety and reliability between our company and our business partners. There is a need to continuously explain our ideas and seek their understanding. In the future, we hope to increase the number of observations of our major business partners.

Business Partner Help Line

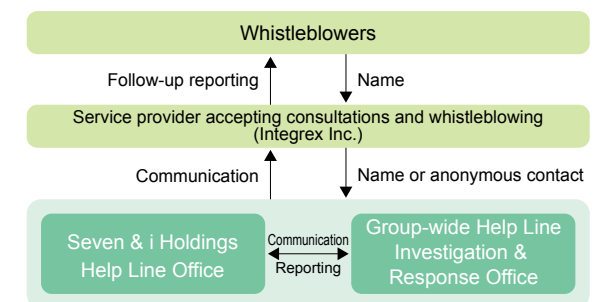
Seven & i Holdings has established the Seven & i Holdings Business Partner Help Line for executives, employees, part-time workers, and former employees of all companies that do business with our Group companies, at a third-party organization. The Help Line is intended to promptly detect and prevent problems, breaches of laws and regulations, and inappropriate transactions, by accepting consultations and opinions regarding transactions.

The system and methods of contact are described in the leaflet and on the website made available to business partners. They clearly indicate that those who use the consulting or whistleblowing service will not be placed at any disadvantage.



Leaflet

Flow of procedures for accepting consultation



For the details, please visit the following site:

Web <http://www.7andi.com/en/csr/helpline.html>

Calls to the Business Partner Help Line

Number of consultations	FY2008	22
	FY2009	15
	FY2010	12

Others: 8%

Communications: 25%

Suspected noncompliance (business partners): 25%

Unknown: 17%

Suppliers to business partners: 8%

Business partner sales representatives: 33%

Suspected noncompliance (the Company): 42%

Business partner employees: 42%



Reducing the Environmental Impact



Planting activity on Miyake Island



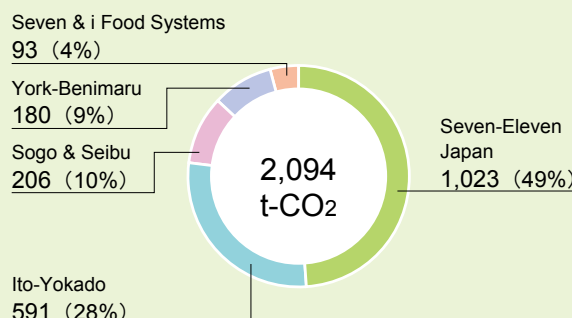
Section where vegetables from Seven Farm are sold



Participation in the Eco-Products exhibition

In the Seven & i Holdings Corporate Action Guidelines, 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. Based on this policy, our operating companies are working to reduce the environmental impact caused by the operation of their stores.

CO₂ emissions in FY2010(1,000 t-CO₂)*



* CO₂ emissions stemming from the use of energy in-store operations, logistics and headquarters
For the calculation method, please see the Data Section posted at the website.

Web Major items disclosed at the website: <http://www.7andi.com/en/csr/index.html>

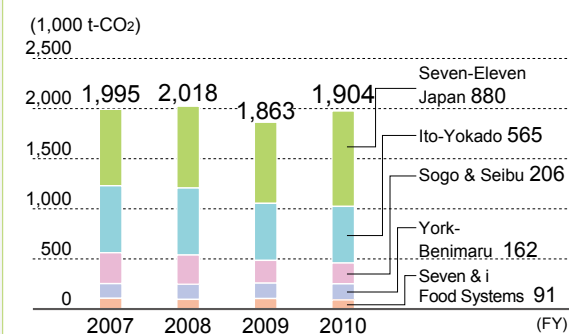
• Activity policies (Seven & i Holdings Corporate Action Guidelines, environmental guidelines and rules, Environmental Declaration, and Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming)
• CSR Report Data Section (Environmental Data)

Improving Energy Efficiency and Introducing Renewable Energy

Committed to creating a low-carbon society by increasing the energy efficiency of both our stores and logistics operations

Of CO₂ emitted by the Seven & i Group in its business operations, about 91% is attributable to store operations and about 8% to the transportation of its products. Based on this recognition, all Group companies are working to reduce their environmental impacts of their daily store operations while also striving to increase the efficiency of their logistics operations.

CO₂ emissions from store operations



* For the calculation method, please see the Data Section posted on the website.



We are implementing a range of measures at Ario Hashimoto, which is a highly advanced eco-friendly shopping center.



Increasing the energy efficiency of stores

Seven & i Group stores consume electricity mainly for lighting, air conditioning, and for refrigerators and freezers. In order to reduce electricity use, we are introducing more energy-efficient equipment in opening new stores and remodeling existing ones.

For lighting, for example, we are actively implementing LED lights, which have a longer life and are more energy-efficient than fluorescent lamps.

Seven-Eleven Japan has launched a new initiative to analyze why electricity consumption differs by store and promote activities for improvements based on the analysis results (see the next page).

We have introduced LED lighting to about 80% of the sales floors and to aisles and rest rooms. By incorporating LED lights as 70% (about 13,000 units) of all the lighting devices used at the shopping center, power consumption and CO₂ emissions will be reduced by half, and about 554 tons, respectively, per year.



A charger for electric vehicles is installed in the parking area.



Ice thermal storage system to make ice using electricity during the night while the shopping center is closed, and then utilize the ice for air conditioning during hours of operation.

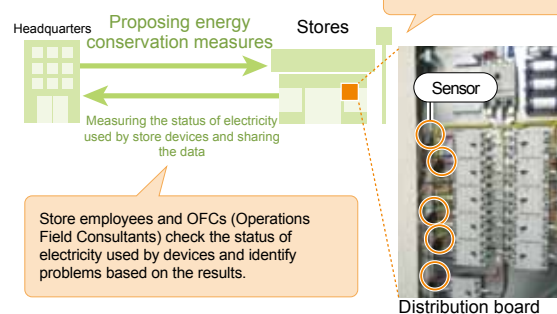
Solar panels are installed at three locations, and also 10 outdoor lights equipped with wind and solar power generation devices are installed on the premises. Using the stored electricity, the lights can be lit for about seven hours after sunset per day for four days even without sunshine.



Seven-Eleven Japan

In and after July 2010, the company installed smart sensors developed jointly by the National Institute of Advanced Industrial Science and Technology and NEC to 11 of its stores located in the western part of Tokyo. These sensors "visualize" the use of electricity by major devices and machines in the stores, thereby helping identify problems regarding the use of the equipment.

As a result of identifying the problems, making efforts to foster energy conservation, the company succeeded in reducing its power use by 10% or more year on year. The effectiveness of the sensors has thus been proved and so the company will introduce them to a greater number of stores in FY 2011.



Seven-Eleven Japan has "eco-friendly stores" where solar panels and top lights (skylights) to take in sunshine are installed on the rooftop and LED lamps are used for outdoor lighting and signboards. These eco-friendly stores are also equipped with hot water suppliers that utilize waste heat and with energy-efficient air conditioners. The amount of electricity used at these stores is expected to be 30% lower relative to conventional stores.

Use of LED lights
3,191
stores

Installation of solar panels
209
stores

Number of eco-friendly stores
64
stores

Environmental measures implemented by stores (as of the end of February 2011)



Seven-Eleven Japan

As of the end of February 2011, Seven-Eleven Japan has 18 stores made of wood in Hokkaido. These stores have smaller CO₂ emissions at the time of their construction than conventional steel-frame stores. The company began opening these stores in FY2009 and plans to continuously open more in the future.



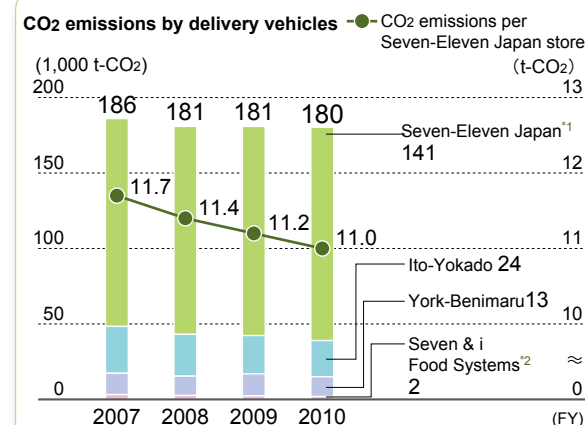
Wooden store under construction

Efficient transportation

The Seven & i Group is introducing eco-friendly vehicles and improving their fuel efficiency while reducing the frequency of delivery of goods to its stores.

Seven-Eleven Japan, Ito-Yokado, and York-Benimaru are reviewing the locations of their distribution centers and establishing intermediate centers to deliver various products, including those that need to be kept at different temperatures, all together to their stores. Seven & i Food Systems is also reducing the number of its delivery vehicles as well as the delivery frequency.

Moreover Seven-Eleven Japan and Ito-Yokado are fostering the introduction of drive data recording terminals to their trucks to give advice to truck drivers based on the data, while holding eco-driving training sessions.



Attaining an Appropriate Grasp of Environmental Impact

Committed to identifying environmental impacts across the supply chain

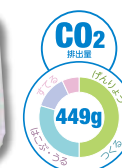
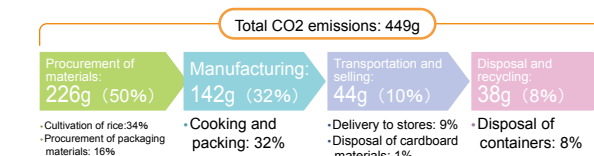
The Seven & i Group formulated the Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming in June 2008, in which the Group committed to measuring and verifying its CO₂ emissions accurately. Accordingly, the head office of Seven & i Holdings and its five operating companies had the FY2008 data of their CO₂ emissions evaluated by third-party organizations in FY 2009, and began calculating CO₂ emissions associated with their private brand products across the supply chain in FY 2010.

Estimating the carbon footprints of Seven Premium products

In FY2010, we estimated lifecycle CO₂ emissions for 15 items of Seven Premium food and household goods from the procurement of materials, processing (manufacturing), transportation, and marketing through to disposal. Based on the results, we will implement measures for the effective reduction of CO₂ emissions in cooperation with business partners in FY2011.

Carbon footprint calculation example

For one pack of Seven Premium cooked rice (200 g)



Exclusive use for the Eco-Products 2010 exhibition
Seven Premium CFP mark



Replacement with devices using CFC alternatives

At Seven & i Group stores, devices using CFCs are replaced with those using CFC alternatives at such occasions as when the stores are refurbished. The stores also daily conduct temperature checks on the devices for the early detection of any CFC leakages. The devices using CFCs are disposed of by professional companies in compliance with laws, and the stores receive relevant slips from the companies as the proof of appropriate disposal.

TOPICS

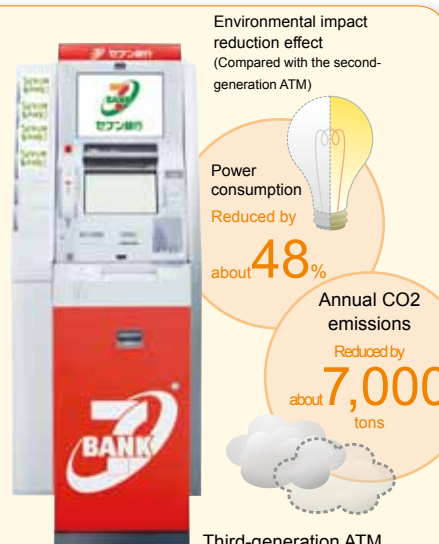


Seven Bank

Incorporating a Third-Generation ATM with Higher Energy Efficiency

Seven Bank has incorporated a highly energy-efficient ATM. This third-generation ATM is operated constantly in the energy-saving mode except for during service hours and LED lights are adopted as the backlights for the two screens. The use of electricity by this type of ATM has been reduced by about 48% per unit compared with the second-generation ATM. Moreover parts with longer lives and recyclable materials are used in the ATM.

In recognition of the energy-efficient design, the bank received a special prize for energy conservation at the Green IT Awards 2010 held by the Green IT Promotion Council.



TOPICS



Seven-Eleven Japan

Winning the Logistics Grand Prize

Seven-Eleven Japan received the 2010 Logistics Grand Prize from the Japan Institute of Logistics Systems (JILS) on October 20, 2010.

The prize is given to companies that have made great contributions to the advancement of logistics. JILS granted the prize to Seven-Eleven Japan in recognition of the fact that the company had improved its system to transport frozen food to its stores, thereby increasing the transportation quality and service level while rationally reducing the transportation cost.



Reducing Waste and Developing a Recycling-Oriented Society

Committed to improving the food recycling rate and reducing the use of plastic bags

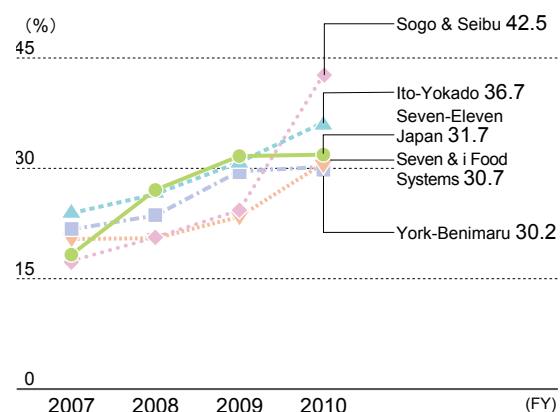
In recent years the public is paying more attention to the reduction and recycling of waste, and companies are increasingly required to reduce the generation of waste and conduct recycling activities.

Improving the food recycling rate

The Act on Promotion of Recycling and Related Activities for Treatment of Cyclical Food Resources, which was revised in December 2007, set targets that food retailers must increase their food recycling rate to 45% and restaurants to 40% by 2012. Because the share of food in total sales is about 60% at the major five companies of the Seven & i Group, the Group is upholding the improvement of its food recycling rate as one of its priority targets.

Accordingly York-Benimaru processes unused fish parts into poultry feed and sells eggs laid by hens raised on the feed as "Kenyo-ran." Seven-Eleven Japan has expanded the area for the recycling of food products with passed expiration dates, and started recycling activity also in Yokohama City and Toyama City in FY

Food waste recycling rate

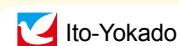


* For the calculation method, please see the Data Section posted at the website.

2010. As of the end of February 2011, such food is collected at 2,422 stores to be recycled into compost and livestock feed. Also at all 11,110 stores at which deep fryers (cooking device for fried food) are installed, waste oil is recovered and recycled into materials for livestock feed, industrial products and fuels.

Denny's and Famil, which belong to Seven & i Food Systems, recycle vegetable and coffee waste into compost and livestock feed and also transport all the garbage generated at the test kitchen of the headquarters where new menus are developed to a treatment facility to have it recycled into methane gas.

TOPICS



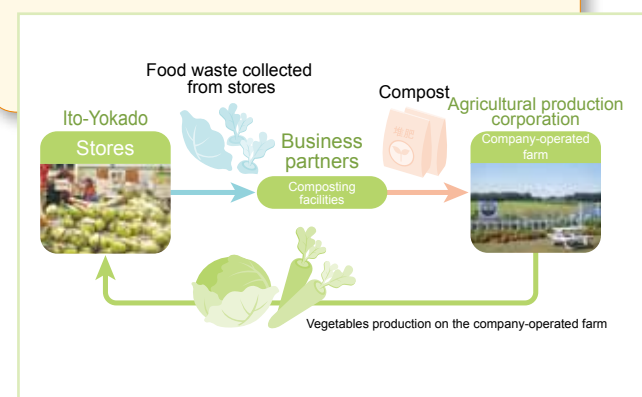
Establishing an Agricultural Production Corporation in an Effort to Realize a Closed-Loop Food Recycling System

In August 2008, Ito-Yokado established an agricultural production corporation named Seven Farm Tomisato through joint investment with the Tomisato City Japan Agricultural Cooperative (JA Tomisato) and its members. The corporation recycles food residues collected from 7 Ito-Yokado stores in Chiba Prefecture into compost and uses it to grow vegetables. The harvested vegetables are sold at 10 Ito-Yokado stores located within the prefecture. Moreover, vegetables that do not meet the standards, which were disposed of at their production stage in the past, are now also sold at the stores.

Subsequently in September and October 2010, Ito-Yokado established Seven Farm Tsukuba, and Seven Farm Miura and Seven Farm Fukaya, respectively. The company plans to establish a total of 10 such farms across Japan by the end of FY2012.

We invite customers to the farms to help them understand the closed-loop production system and the merit of locally produced vegetables.

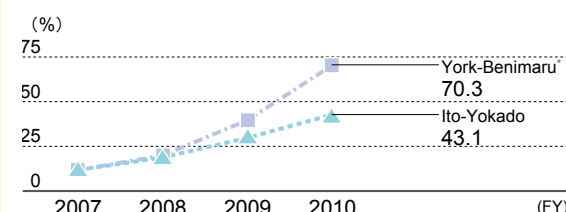
Agricultural production corporations
By the end of FY2012
Increased to **10**



Reducing the use of disposable plastic bags

In order to reduce the use of plastic bags, the Seven & i Group asks customers to bring their own shopping bags to the stores, sells its original eco-bags, and posts enlightenment posters. Moreover at Ito-Yokado, York-Benimaru, and Sogo & Seibu stores, "No Plastic Bags" cards are prepared at checkout counters for use by customers who want to decline accepting disposable bags. Ito-Yokado and York-Benimaru also provide customers who do not accept plastic bags with discounts, while beginning to charge fees for plastic bags based on agreements concluded with local governments and citizen groups.

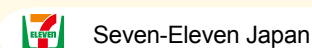
Plastic bag turnaround rate (food section)



* For data in and before FY2009, calculations were made based on the number of Eco Stamp cards collected. In FY2010, we changed the calculation method, which is now based on the number of customers who do not accept plastic bags at checkout counters.



TOPICS



Reusing Construction Materials and Fixtures from Old Stores

Seven-Eleven Japan reuses the shelves and other fixture salvaged from the stores to be rebuilt or to be closed at other stores. Also to reduce the construction waste generated from disassembled stores, the company uses reusable steel frames and recyclable sashes as construction materials for new stores. In the fall of 2010, the company had a whole store disassembled and moved to a new place to open it as a new store.

Web For the transfer and rebuilding of the store, you can see animated images at the following website (Japanese).

http://www.7andi.com/csr/ecoproducts_movie/movie_eco04.html



Reducing packaging materials for food

At Ito-Yokado and York-Benimaru stores a lot of foodstuffs are processed and cooked, so various efforts are being made to reduce the use of packaging materials as well as to review their materials. At some stores, for example, blocks of meat are now sold in plastic bags or being vacuum-packed, instead of being sold on trays. Also for packaging of cut vegetables, plant-based plastic is used as elaboration of packaging materials themselves. This use helps avoid increasing the footprint of CO₂ emissions, which are said to cause global warming, because no fossil resources such as petroleum oil are used.

Seven-Eleven Japan began shifting to sealing boxed meals using tape instead of wrapping materials in 2007 and completed the shift across the nation in February 2011.



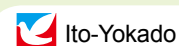


Offering Eco-Friendly Products

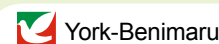
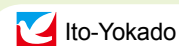
Proposing eco-friendly lifestyles to customers

Customers are increasing their interest in the environment, and in response, companies are required to help them have more eco-friendly lifestyles through their products and services as their important role, instead of just providing products with higher quality for ensuring "safety and reliability."

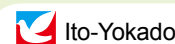
Operating companies of the Seven & i Group sell organically-grown food or apparel/ household goods made using organically-grown cotton, in line with the category of products they usually sell.



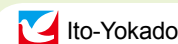
Since April 2009, UTZ CERTIFIED Good Inside coffee, which was produced by an eco-friendly method for production area, has been sold at its stores.



The companies held a campaign to give financial support to the activity of an NPO named Fujisan Club to protect the natural environment of Mt. Fuji. During the five-month campaign period, they sold special mug bottles and donated 10 yen per bottle (300,000 yen in total) to the NPO.



Ito-Yokado sold stainless bottles and water purifiers in its stores, donating a part of the proceeds to an NPO called the Association for Shore Environment Creation, which aims to protect, restore and create the coastal environment and to promote harmony between nature and people in the coastal area. By implementing this 12-day campaign, the company donated a total of one million yen to the NPO.



The company sells an "eco-friendly, naturally symbiotic rice" series, and part of the proceeds are donated for ecological purposes. On November 6, 2010, as a part of sales from packed Koshihikari rice, "Toki to Kurasu Satozukuri (Creating Hamlets in Harmony with the Crested Ibis) Certified Rice" produced in Sado, Niigata Prefecture, about 650,000 yen in total was donated to Sado City's fund to improve the environment for Japanese crested ibises.

Sogo & Seibu



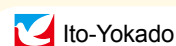
Sogo & Seibu helps customers contribute to society and the environment through two services: the "green wrapping" service for which customers pay additional fees to support planting trees, and "simplified wrapping" for summer and winter gifts which eliminates wrapping paper. According to the number of services ordered, the company makes donations to an NPO called Environmental Relations to support its tree planting activity called "Present Tree." In FY2010, the company helped the NPO plant a total of 1,065 trees.



Green wrapping

Present Tree activity conducted by Environmental Relations

TOPICS



Seven-Eleven Japan

Contributing to forestation through the use of Cartcan paper-made containers

At some Ito-Yokado and Seven-Eleven Japan stores, the sales of beverages sealed in paper-made containers named "Cartcan" with the use of 30% or more domestic wooden materials are actively promoted. Its sales increase the use of domestic wooden materials and facilitate the cycle of planting, growing, using, and then again planting trees for the creation of sound forests.

In recognition of the proactive use of Cartcan, Seven & i Holdings received a letter of thanks from the Ministry of Agriculture, Forestry and Fisheries in December 2010.



IC tags and barcode labels that provide emission rights

From February 9 to 22, 2011, a demonstrative test for CO2 emission right trading was conducted using beverages sold in Cartcan in cooperation with four other companies. In this demonstrative test, the world's first of its kind, the beverages were sold with a label providing emission rights, and purchasers of the products were able to freely choose to whom to issue the rights.

Raising Environmental Awareness among Employees

Proactively conducting activities with the participation of all Group members

The Seven & i Group is conducting a range of environmental awareness raising activities for employees.

For example, we conduct a planting activity on Miyake Island twice a year in cooperation with the Seven-Eleven Memorial Foundation, encouraging employees to participate in it as volunteers.

Also from August to October 2010, an energy conservation campaign was held targeting all Group employees. Participants endeavored to reduce the use of electricity at their households and achieved a reduction of about 34,000 kWh relative to the same term in the previous fiscal year, which is equivalent to the monthly use of electricity by about 120 households.



Every year the bank conducts an environmental activity with the participation of employees and their families. In FY2010, 32 participants walked in a forest at the foot of Mt. Fuji with a nature guide. They collected trash in the government-owned forest and learned the importance of protecting nature.



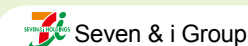
Implementing Measures for Biodiversity

Supporting a tropical forest conservation project in a national park in Indonesia

Tropical forests provide habitats for a range of living creatures and also give us countless presents, including the climate regulation function, foodstuffs, and materials for pharmaceuticals. There are, however, problems related to tropical forests, including illegal logging, conversion to plantations, emissions of CO2 due to development activities, loss of biodiversity, and low wages of forest workers.

The Seven & i Group is supporting the "REDD+ project*" that helps conserve biodiversity and mitigate global warming and also contributes to improving the lives of local people. In 2010 and 2011, a CSR staff member visited the site to grasp the progress of the project.

* REDD: Reducing Emissions from Deforestation and Forest Degradation in Developing Countries



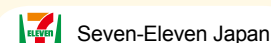
- Project duration: four years from 2010
- Project site: Meru Betiri National Park in East Java, Indonesia
- Area: about 58,000ha
- Involvement of Seven & i Holdings in the project
- Donating fund for the project to the International Tropical Timber Organization (ITTO)

Web Tropical Forest Conservation Project:
<http://www.7andi.com/en/csr/indonesia.html>



Elementary school pupils planted trees in the school backyard

TOPICS



Seven-Eleven Memorial Foundation

Supporting Localized Environmental Activities Conducted by Citizens

Monetary donations collected at Seven-Eleven Japan stores are sent to the Seven-Eleven Memorial Foundation together with the donations made by the headquarters of the company. The money is used to support environmental NPOs chosen through a public offering and to conduct activities for mitigating global warming and to protect and conserve the natural environment.

Web Seven-Eleven Memorial Foundation (in Japanese):
<http://www.7midori.org/>

Total amount of donations
338,163,759
yen
(FY2010)

Number of subsidized projects
210
(FY2010)

Total amount of subsidy
130,634,996
yen
(FY2010)



Main Operating Companies' Targets, Results, and Self-Evaluation for the Challenges in FY 2010

○ : Target achieved △ : Target nearly achieved × : Target not achieved

Challenges	Operating companies	FY2010 Targets	FY2010 Results	Self-evaluation	FY2011 Targets
Attaining an appropriate grasp of environmental impact	Sogo & Seibu	• Continue to collect environmental data and make impact evaluations based on ISO 14001	• Expanded the scope to include 10 Sogo stores, and the stores acquired ISO 14001 certification in February 2011.	○	• Examine collecting environmental data based on ISO 14001 at two Robison stores
Improving energy efficiency and introducing renewable energy	Seven-Eleven Japan	• Energy-saving stores: 100 stores	• Opened 113 energy-saving stores (and installed LED lights at 58 stores while opening 55 eco-friendly stores equipped with solar panels, top lights, and indoor LED lights) • Installed solar panels at 52 stores	○	• Install solar panels at 1,000 stores • Replace the lights for store signs with LED lights at 5,000 stores • Replace indoors lights with LED lights at 5,000 stores • Install smart sensors at 6,000 stores
	Ito-Yokado	• 1% improvement of environmental impact index* • CO ₂ emissions from delivery vehicles: 24,163 tons • Fuel consumption of delivery vehicles: 5.23 km/l • Replace lights for the store signs on the outer wall with LED lights at a total of 95 stores	• Environmental impact index: 76.7 (aggravated by 6% relative to the previous fiscal year) • CO ₂ emissions from delivery vehicles: 24,017 tons • Fuel consumption of delivery vehicles: 5.14 km/l • Replacement of the lights for the store signs on the outer wall with LED lights: 114 stores	△	• Improve the environmental impact index by 1% • Reduce CO ₂ emissions from delivery vehicles by 1% year on year
	York-Benimaru	• Reduction of CO ₂ emissions • Reduction of the total use of electricity, water, gas, and heavy oil • Reduction of total miles driven and reduction of the use of diesel by promoting eco-drive • Introduction of LED lighting in new stores and expansion of all electric stores	• Number of all electric stores: 17	○	• Reduce the use of electricity during summer (from July 1) by 15% • Increase the fuel economy of delivery vehicles • Promote the opening of all electric stores
	Sogo & Seibu	• Reduce the amount used per basic unit of power consumption (operating area x business hours) • Promote introduction of LED lighting to other sales floors • Reduce the number of store delivery vehicles by promoting the use of delivery companies	• Due to high temperatures in summer, per-unit electricity consumption increased by 0.99 points year on year to 137.49 kWh/m ² • Introduced energy-saving lights such as LED lights at the time of store refurbishments (at the food, women's accessories and apparel, and interior goods sections, and at restaurants of the Ikebukuro main store) • Ensured the use of delivery companies by business partners. Increased delivery efficiency and the punctuality of delivery time to decrease the time wasted by delivery vehicles.	△	• Reduce CO ₂ emissions by 1% • Study measures to further reduce power use and examine introducing energy-saving lights such as LED lights in response to the power shortage
	Seven & i Food Systems	• Reduce CO ₂ emissions by 17 tons by introducing LED bulbs: 17 tons • Reduce CO ₂ emissions from delivery vehicles by reviewing the number of store delivery vehicles: 2,059 tons	• Introduced LED bulbs to six Denny's restaurants, thereby reducing CO ₂ emissions by 17 tons • Achieved the target by reducing CO ₂ emissions to 1,904 tons, which was achieved by reviewing the number of store delivery vehicles and changing the store delivery frequency to six times a week	○	• Introduce LED bulbs to more stores (to 30 Denny's restaurants) and reduce CO ₂ emissions by 90 tons (a reduction that is by five times larger than that achieved in the previous fiscal year) • Review the number of delivery vehicles and reduce the delivery frequency to five times a week from the latter half of the term, thereby reducing CO ₂ emissions from delivery vehicles by 8% year on year
Reducing waste and developing a recycling-oriented society	Seven-Eleven Japan	• Stores built of wood: 15 stores • Achieve (or maintain) 35% reduction compared to FY2000, which is the common target for disposable plastic bags set by the Japan Franchise Association • Improve the recycling rate of food waste • Improve the green purchasing rate	• Number of wooden stores: 16 (18 in total) • Use of plastic bags: 37% reduction from the FY2000 level (in weight) • Recycling rate of food waste: 31.7% (up 0.2% year on year) • Green procurement percentage: 64.3% (in quantity) 58.9% (in monetary value)	○	• Reduce the use of plastic bags by posting awareness posters and asking customers for cooperation • Increase the food waste recycling rate to at least 33.7%
	Ito-Yokado	• Recycling rate of food waste: 35% (Number of stores implementing recycling: 70 stores) • Refusal rate of plastic bags in the final month of FY 2010: 50% • Reduction of CO ₂ emissions by the use of recycled food trays: 150 tons	• Recycling rate of food waste: 36.7% (Number of stores implementing recycling: 77 stores) • Refusal rate of plastic bags in the final month of FY2010: 42.9% • Reduced CO ₂ emissions by 614 tons by expanding the use of recycled trays at the meat and fresh fish sections	○	• Increase the food waste recycling rate and the number of stores that implement the recycling to 40% and 90 stores, respectively • Increase the refusal rate of plastic bags to 50% in the final month of FY2011 • Expand the use of recycled trays to reduce CO ₂ emissions by 800 tons
	York-Benimaru	• Increase the number of stores charging for plastic bags • Expand the use of returnable containers • Promotion of recycling of food waste other than fish scraps (Expansion of stores which implement recycling) • Improvement in the quality of resources to be recovered and recycled at stores (implement educational activities to reduce dirty trays, etc.) • Promotion of handling non tray products (bulk sales and sales by weight) • Continuous introduction of eco-trays for newly opening stores • Promote reduction of amount of waste disposal	• Began charging for plastic bags at 25 more stores • Use of returnable containers: Increased to 125.4% of the previous fiscal year level • Recycling of food waste other than fish was not much promoted.	△	—
	Sogo & Seibu	• Waste recycling rate: 58.8% • Food waste recycling rate: 35.7% • Reduce the use of packaging paper and bags by promoting simple wrapping (smart wrapping)	• Waste recycling rate: 58.2% • Food waste recycling rate: 42.5% • Use of packaging paper and bags: 551 tons (97.8% of the previous fiscal year level)	○	• Further promote waste sorting to increase the waste recycling rate to 60% and the food waste recycling rate to 43.5% • Promote simple wrapping among customers to continue reducing the use of packaging paper and bags
	Seven & i Food Systems	• Increase the number of stores that recycle food waste to 200 stores • Continue the recycling of water used for cleaning employee uniforms and implement this initiative at new stores	• Expanded the number of stores that recycle garbage and oil waste to a total of 386 stores • Food waste recycling rate: 30.7%	○	• Promote waste sorting to increase the food waste recycling rate to at least 33%
Implementing measures for biodiversity	Sogo & Seibu	• Continue promotion of tree planting and tree-growing activities linked to green wrapping and the simple wrapping of summer and year-end gifts	• The numbers of simply wrapped summer and year-end gifts and of gifts to which "green wrapping" was applied reached 3.73 million and 8,183, respectively and donations equivalent to the cost of planting 1,065 trees were made.	○	• Increase the awareness of the tree planting activity conducted in linkage with green wrapping and the simple wrapping of summer and year-end gifts to make donations equivalent to the cost of planting 1,100 trees
Offering eco-friendly products	Sogo & Seibu	• Promote sales of environmental selection products • Promote Eco-bag sales	• Certified additional 45 items to be eco-friendly in line with the seven selection criteria set by the product department • Annual sales of original Eco-bags and general eco-friendly products increased to 6,9942,000 yen of 314.5% of the previous fiscal year level	○	• Introduce new type Eco-bags • Continue proposing eco-friendly products mainly in June and October, which are designated as "environment months"
Raising environmental awareness among employees	Seven-Eleven Japan	• Publication of information in the bulletin for franchise stores and timely dissemination of information through special editions • Implementation of an energy conservation campaign for employees • Continuous dissemination of environmental information	• Dispatched information about the environment, such as cleanup activities, in the bulletin • Number of participants in the campaign: 4,415	△	• Expand the number of employees participating in the energy conservation campaign • Enhance information disclosure at the website
	Sogo & Seibu	• Continue implementation of education by environmental e-learning	• All targeted employees of all Sogo-Seibu stores (5,228 people) received the online education on the environment.	○	• Have all targeted employees receive the online education on the environment • Increase employees' awareness of energy conservation and electricity saving by the use of in-house tools, such as environment news bulletins
	Seven & i Food Systems	• Promote education on waste sorting, waste reduction, and energy saving through meetings and training sessions	• Increased employees' awareness of the importance of waste sorting and waste reduction measures through meetings and training, and distributed educational materials on energy conservation four times a year to stores	△	• Hold meetings and training seminars regularly to collect information about waste-related problems faced by stores, thereby planning and implementing improvement measures • Distribute reference materials on energy conservation six times a year to stores, thereby increasing all employees' awareness of the matter

* CO₂ emissions per total operating area x operating hours

Note: The FY2010 results and FY2011 targets of Seven Bank are reported in the Data Section of CSR Report, which is available from Seven & i Holdings' Web site.

We will effectively reduce our environmental impact in consideration of our business features, implementing both "hardware" and "software" measures.

The Seven & i Group is composed of companies engaged in different businesses, such as convenience stores, general merchandise stores, department stores, supermarkets, and restaurants. In order to reduce the environmental impact which is a policy of the entire Group, it is essential to implement measures in consideration of the different business features of the companies.

Based on this recognition, we are effectively implementing measures prioritized in each company by checking the use of energy for respective purposes of use. At convenience stores, freezers and refrigerators have a large share in the use of electricity, while lighting equipment and air conditioners have a large share at general merchandise stores and restaurants, respectively.

At Seven-Eleven Japan stores, state-of-the-art, energy-efficient devices are introduced together with smart sensors that help "visualize" the use of electricity by each device, in order to enhance employee's awareness to save more electricity. Experiments on smart sensors have also been started at one of the Group supermarkets. The Group is thus pursuing Group synergy also in its environmental measures.

We implemented the Seven & i energy conservation campaign (page 21) to urge employees of all the Group companies to conserve energy in their homes. We will continue implementing environmental measures in our business operations, not only at our stores but also throughout the lifecycles of our products from the procurement of materials, manufacture and processing, transportation, and marketing through to disposal, in cooperation and collaboration with employees, customers and business partners.

Hiroshi Serizawa

Senior Officer

Environment Management

Seven & i Holdings





Provision of Safe, Reliable Products and Services



Seven Premium product lineup

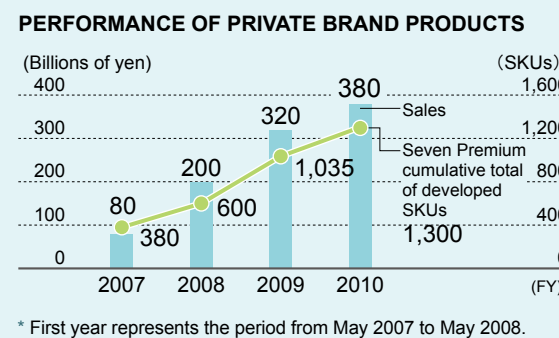


Security guards keeping the stores safe



Body temperature measurement for hygienic management

As stated in the Seven & i Holdings Corporate Action Guidelines, 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. In response, each of our operating companies strives to deliver safe and reliable products and services to customers.



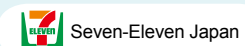
Web Major items disclosed at the website <http://www.7andi.com/en/csr/index.html>

- Activity policies (Seven & i Holdings Corporate Action Guidelines/Business Partner Action Guidelines)
- CSR Report Data Section (Data for Customer Response Services)

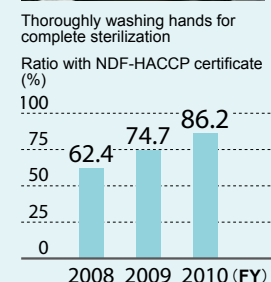
Ensuring the quality and safety of products and services

We place the greatest importance on safety and reliability

The Seven & i Group places the greatest importance on safety and reliability in all stages, from product planning to retail. For example, inspections are conducted with a focus on raw materials, freshness, and hygiene at plants for food products, in collaboration with business partners, and on raw materials and physical properties for apparel and household goods. For financial, information technology, and other service products as well, steps are being taken to ensure stable operation.



Since FY2002, the NDF-HACCP certification system has been in place to examine and certify the quality management status at our exclusive plants. The safety standards for about 140 items have been stipulated. As of the end of February 2011, 86.2% of our plants have obtained the certificate.



* Seven-Eleven original products contain no artificial preservatives or coloring. Steps are also taken to reduce the use of phosphoric salt and trans-fatty acid.



The Quality Control Office has focused on making corrections based on the inspection and evaluation results of food plants, as well as employee education through food hygiene management and quality management training. For private brand food products, Office representatives inspect 150 to 180 locations each year to evaluate the hygiene management status in manufacturing processes, and to encourage improvements.

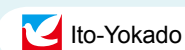


SEVEN&i Food Systems

Quality control staff members have obtained an ISO9001 certificate and taken preventive measures on food poisoning and conducted employee education. In addition, their people visit the plants of business partners to confirm and inspect the quality and hygienic management statuses. Besides, Denny's mandate that vegetable producers submit cultivation plans and cultivation results reports. Sampling inspections are also conducted on remnant agrichemicals for some vegetables.



For Seven Bank, Ltd., which operates over 15,000 ATMs 24 hours a day, 365 days a year, it is a vital responsibility to ensure that customers use the ATMs and network system with safety and reliability. For this reason, stable operation is pursued from the three viewpoints of preventing system failure, implementing perfect security measures, and taking rapid action at times of failure or trouble.



Quality Improvement Meetings have been held twice each year, in the spring and fall, with business partners involved in apparel and household goods. Conventionally, the focus has been on reports of examples of quality complaints and asking partners to take steps to prevent a recurrence. To strengthen these measures, we sought the cooperation of public inspection organizations in FY 2010. Examples of product-related incidents reported to each of the inspection organizations and product analysis methods were displayed in easy-to-understand ways, through demonstrations and using panels. These displays and demonstrations were intended to encourage business partners to think about product quality from customers' viewpoints.



Demonstration of feathering mixture ratio test





Developing stores and facilities customers can visit with a sense of security

Universal designs have been adopted in consideration of customers in diverse conditions

Commercial facilities, convenience stores, and restaurants crowded with people each day are being used by customers accompanied by small children, elderly customers, and many other people.

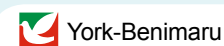
The Seven & i Group, which greets about 16 million customers each day, implements various measures to enable these customers to enjoy shopping safely and comfortably. They undertake daily sales floor patrols and inspections, and have promoted the installation of crime prevention and disaster prevention facilities and improved facilities. In addition, the concept of universal design has been adopted in store designs, and employee training is held on assisting customers with physical disabilities.



A multi-purpose toilet with a wide entrance, carefully laid out toilet seats and sink height, with voice guidance available. At Ario Hashimoto, two out of 12 restrooms may also accommodate ostomates.

Stores certified pursuant to the Building Access Law and the revised Barrier-Free Law

	Ito-Yokado As of Feb 28, 2011	York-Benimaru As of Apr 30, 2011
Stores approved under the Building Access Law	46 stores	59 stores
Stores meeting the requirements of the revised Barrier-Free Law	6 stores	23 stores



At stores certified pursuant to the revised Barrier-Free Law, parking spaces are reserved for elderly and disabled customers and cars carrying a child seat. Also, a gentle slope connects the parking space and store where there is a difference in the level, to enable easy access.



For disabled customers



SEVEN&i Food Systems



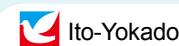
Braille system menus are available at stores (with the exception of certain stores).



The color is changed at each location with different step levels to make the difference clear. Also, the edge of the handrails is curved toward the wall side to prevent clothing and bags from getting caught.



Digital Information that enable toilets and sales floors to be searched easily on a touch panel



Starting with the Kiba Store that opened in November 2000, we have pursued store development based on the concept of universal design. Under this concept, we seek to make our stores easy for customers to use, irrespective of disabilities, age, or gender. In FY 2010, Ario Hashimoto opened, equipped with leading-edge facilities.



For elder customers



For cars carrying a child seat



To smoothly and effectively serve hearing-impaired customers, instructions on sign language are given at Ito-Yokado in the camp for rookies and morning or noontime assembly at stores. We have assisted employees acquiring skills in sign language.



The number of workers with the Sign Language Badge
837 in total
(As of the end of February 2011)



The voice guidance transaction service, which was developed for customers who have impaired vision and other disabilities that prevent them from using the touch panel, is operable by following the voice guidance from an intercom equipped on ATMs. This way, customers can carry out transactions with more than 500 financial institutions affiliated with Seven Bank.



Transaction is completed with the intercom only, without using the touch panel.

Sogo & Seibu



We recognize that the personal information of customers supplied through the membership cards and credit cards are important customer assets, and have taken steps to properly protect and handle them. Information security measures are in place, with the establishment of the Seven Prohibited Actions. The Seven Prohibited Actions are incorporated also in the Basic Rules of Sales, a manual carried by all employees. Familiarity with them is achieved through seminars and tests conducted at the time of assignment to a store.

Seven Prohibited Actions

1. Sending emails to customers from personal computers on the sales floors
2. Maintaining personal information on personal computers
3. Leaving documents containing personal information unattended
4. Taking personal information outside of the store
5. Maintaining personal information in a location other than that designated by the store
6. Sending advertising mail without the approval of the Sales Promotion Manager
7. Receiving or delivering personal information without keeping a Personal Information Handling Record

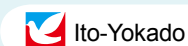
Sogo & Seibu



We urge employees to obtain qualifications as Heartful Advisor certified by the Comprehensive Health Promotion Foundation. In the process of acquiring the qualification, employees obtain the knowledge and skills necessary for assisting and communicating with elderly and disabled customers.

Heartful Advisor

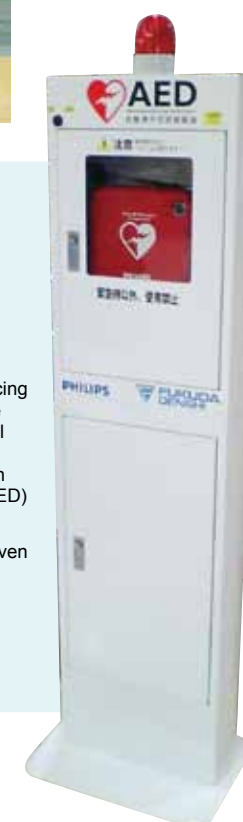
844 persons
(As of the end of February 2011)



To offer first-aid to persons experiencing cardiac emergencies, the head office building of Seven & i Holdings and all stores of Ito-Yokado, Sogo & Seibu Department Stores are equipped with an automatic external defibrillator (AED) unit.

* Also equipped at some Seven-Eleven stores

The number of stores equipped with AED
198 stores
(As of the end of February 2011)





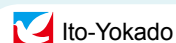
Assuring appropriate information provision

We have tried to provide information in a way that is easily understood by anyone

The Seven & i Group has sought to provide accurate information on products, prices, and other aspects that customers need.

There are operating companies that display recommended allergic food substances in addition to those mandated by the Food Sanitation Act, and other operating companies that handle anti-allergic food products. To respond to demands for more reliable foods, Ito-Yokado, York-Benimaru, and other Group companies have sold private brand products that emphasize the production area and methods, and the distribution history (traceability).

At the store-front, too, the persons in charge check for inappropriate product labels and POPs. Seminars are being held for employees to ensure a comprehensive effort to make the correct indications known.



Cup cakes that do not contain the specified source materials are being sold, and the same type of Christmas cakes by reservation.

SEVEN&i Food Systems



The website of Denny's restaurants publicizes 18 recommended substances contained in the menus, in addition to the specified source materials for which indications are mandated. Also, two menus are being offered that do not use the specified source materials, and which are suitable for children with allergies.



本商品に含まれるアレルギー物質
特定原材料7品目
特定原材料に準ずる18品目：牛肉、豚肉、鶏肉、ゼラチン、大豆



Seven-Eleven Japan

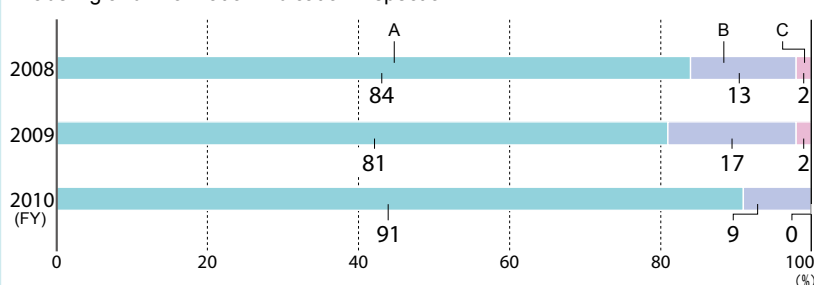
The specified source materials and 18 substances for which indication is recommended, contained in fried foods, oden, and Chinese buns cooked in stores, are published on the website.



Ito-Yokado

Since 2004, members of the Fair Trade (FT) Subcommittee have inspected the labeling and information indication every half term all stores. At the same time, they provide storefront education, and interviewing freshness checkers. They evaluate stores by objective numeric values. Based on the results they provide specific measures for improvement in collaboration with the store managers and assistant managers.

Labeling and information indication inspection



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.

Responding sincerely to customer opinions

We have developed systems for promoting a dialogue with customers

To continue improving our products and services from the customer standpoint, each Seven & i Group company has a customer consultation desk. The desk accepts opinions and requests via the telephone, Internet, and mail and responds promptly. Calls are categorized based on their nature and distributed to each department and store so that improvements can be made.

Especially distinguished or noteworthy examples of comments of appreciation sent in by customers to operating companies are featured in the monthly Seven & i Group in-house magazine with a photograph of the employee involved to enhance the ability of the entire Group to communicate and deal with customers.



Seven-Eleven Japan

Measures for resolving issues have been prompted by sharing information sent in by the customer consultation desks and OFC (Operations Field Consultants) among related departments. Measures for resolving issues have been prompted by sharing information sent in by the customer consultation desks and OFCs among related departments. Based on customer feedback, we improved packed lunch containers and packaging, as well as indications on the company website. Some of the appreciative comments for store employees sent in via telephone and e-mail are featured at product fairs.

Many reference examples useful for employees were displayed at the product fair held in the fall of 2010, including how to assist older customers when they shop.



The number of
persons awarded
Crown Badge
1,036
persons in total
(FY2010)



A board is installed at stores on which responses are indicated to opinions sent in to customer voice boxes



Ito-Yokado

Since September 2002, Crown Badge and a certificate have been awarded to employees for whom words of appreciation were sent in by customers via telephone and other means to customer voice boxes (installed at each store), after confirming the facts. For improving products and services in another way, we ask six outside persons qualified as advisory specialists for consumers' affairs to undertake storefront surveys. They collect customer opinions on store layouts, the ways customers are treated, the product lineup and other matters



The ATM Call Center operates 24 hours a day, 365 days a year



Seven Bank

The ATM Call Center and telephone centers have sought to achieve skills improvement and sharing by expanding seminar programs and holding in-house competitions. We have been active in participating in outside competitions. These initiatives have led us not only to think about the quality of customer service, they have also bolstered operator motivation. We have held regular study meetings and competitions for employees involving our partner security companies, covering how employees should deal with problems and provide support. Through these measures, we have worked with our partners to improve our ability to deal with customers.

Study meetings are held for security companies, our business partners, to ensure customer satisfaction.



Main Operating Companies' Targets, Results, and Self-Evaluation for the Challenges in FY 2010

○ : Target achieved △ : Target nearly achieved × : Target not achieved

Challenges	Operating companies	FY2010 Targets	FY2010 Results	Self-evaluation	FY2011 Targets
Ensuring the quality and safety of products and services	Seven-Eleven Japan	• Support more plants obtaining a NDF-HACCP certificate	• The number of plants awarded a NDF-HACCP certificate increased to 137 out of 159 plants, and the certification rate rose to 86.2% (Actual results in the previous year: 119 out of 160 plants; 74.7%)	○	• Give efforts in a planned manner, to have all plants obtain a NDF-HACCP certificate
	Ito-Yokado	• Continue training for new store managers and assistant managers; conducting seminars on dates and indications for employees working at new stores starting with Ario Hashimoto • Certify plants where the management is excellent as Excellent Plants, among those audited by the apparel and household goods divisions. Convey models of plant management to other plants to encourage a sharing of best practices. • Release a new rice product as a food with traceability. • Require producers of fruit and vegetables with traceability to incorporate the general-purpose basic Good Agricultural Practice (GAP) recommended by the Ministry of Agriculture, Forestry, and Fisheries	• Seminars for new store managers and assistant managers were held twice a year, in the first and second halves, and five times a year for employees assigned to new stores • Apparel divisions audited 80 overseas plants, household goods divisions audited 19 domestic plants, 21 overseas plants, and two overseas product inspection sites. • A vegetable with traceability (rice) Koshihikari was released • Introduced the general-purpose basic Good Agricultural Practice (GAP) at 20% of producers of fruit and vegetables with traceability	○	• Continue seminars for new store managers and assistant managers and when new stores open • Conduct self-checking using the plant audit sheet at the existing overseas partner plants, and, based on the results, conduct an onsite inspection at major priority plants • Introduce the general-purpose basic Good Agricultural Practice (GAP) recommended by the Ministry of Agriculture, Forestry and Fisheries at 50% of producers of fruit and vegetables with traceability
	York-Benimaru	• Increase the amount of sales of three-star vegetables to 118% from the previous year • Increase the amount of sales of locally-produced vegetables to 118% from the previous year	• The amount of sales of three-star vegetables: 109.8% compared to the previous year • The amount of sales of locally-produced vegetables: 107% compared to the previous year	△	• Increase the amount of sales of three-star vegetables to 117.8% compared to the previous year • Increase the amount of sales of locally-produced vegetables to 134% compared to the previous year
	Sogo & Seibu	• Continue thorough onsite instructions and education through food hygiene inspections • Advance the training of food safety advisors	• Provided onsite instructions and education on food hygiene through third-party organizations • Trained 24 food safety advisors (the cumulative number of certified persons is 202)	○	• Product Division and Quality Management Office to audit the plants of private brand food products and directly confirmed the production processes • Prepare and distribute quality management procedural document for buyers of apparel and general merchandise and conducted education, for enhancing the level of management • Continue with onsite instructions in food hygiene • Provide basic food hygiene education to 2,200 workers
	Seven & i Food Systems	• Manage quality and traceability stringently (continuing with plant observation)	• Number of plants observed in 2010: about 170; number of observations: about 200	○	• Exchange our own transaction conditions document for all food materials, and staff observe plants to confirm that the quality is being managed pursuant to the standards. Observe the production sites of raw materials regularly, for ongoing confirmation on appropriate quality and traceability management
Developing stores and facilities customers can visit with a sense of security	Seven-Eleven Japan	• Establish new stores that conform to local bylaws on community development (securing sufficient pathway width, and install Braille blocks and toilets that may be used by customers using a wheelchair)	• The number of new stores that conform to bylaws of local governments on community development: 220	○	• Continue adoption of barrier-free facilities • Establish a system where the minimum necessary facilities continue operation even during blackouts
	Ito-Yokado	• Continue with the adoption of universal-design facilities at new stores • Revise countermeasures against tsunami and flooding in the Large-Scale Disaster Countermeasures, an emergency action manual	• Introduced cutting-edge universal-design facilities at the three new stores • The section for flood damage was prepared and action plans were developed, covering how to obtain and use information, the establishment of a response headquarters during flooding and its sharing of roles, and other such matters	○	• Continue the introduction of universal-design facilities at new stores • In view of the lessons learned from the Great East Japan Earthquake and actual situations, revise the Large-Scale Disaster Countermeasures and Tokyo Metropolitan Area Epicentral Earthquake Countermeasures
	York-Benimaru	• Introduce barrier-free facilities at new stores and renovated stores	• The number of stores certified pursuant to the revised Barrier-Free Law and the Building Access Law: 82 stores	○	• Increase the number of stores certified pursuant to the revised Barrier-Free Law
	Sogo & Seibu	• Develop barrier-free facilities • Strengthen safety and reliability by installing central kitchen facilities at the prepared food floor of the Ikebukuro main store • Introduce facilities that are easy for anyone to understand and use at the new parking facility of the Takatsuki Store	• Replaced steps with slopes in floor levels at the sales floors of the Ikebukuro main store and installed escalators at the Hikari-no-Tokei entrance and Azeria entrance to the food products floor. Reorganized zoning of kitchen facilities at the food products floor to clarify evacuation paths. Introduced a security system at the central kitchen. • Established a multi-purpose toilet that accommodates ostomate and beds for nursing care at the new parking toilet of the Takatsuki store, as well as tactile signs for visually-impaired customers. To facilitate recognition of the parking floors, sign boards, parking blocks, and vending machines have been colored differently for each floor.	○	• Make studies to introduce more facilities when renovating the sales floors
Assuring appropriate information provision	Seven-Eleven Japan	• Post more information on the website about the specified source materials of fried food products, oden, and Chinese buns cooked in stores	• Installed POP that indicates QR codes in stores, enabling customers to obtain information on the specified source materials publicized on the website	○	• Make information on the reduction of trans-fatty acids, elimination of artificial preservatives and coloring, and measures designed to ensure food safety and reliability available on the website
	Ito-Yokado	• To raise the rate of stores graded A for labeling and information display inspection, hold training on indications to coincide with a sales floor manager meeting, for men's and women's wear, fruit and vegetables, and for fresh seafood divisions that are mostly graded as B or C in FY 2009 labeling and information display inspection.	• Labeling and information display inspections were conducted 351 times in FY2010. Improvements were seen, as follows: A: 91% (increase of 10 points); B: 9% (decrease of 8 points); C: 0	○	• Conduct training on indications at the time of the managers meeting for the apparel, household goods, and food products divisions, for further improvement
	York-Benimaru	• Continue to publish the history of production on the website	• Number of accesses: 5,819	△	• Increase the number of accesses to the website
	Seven & i Food Systems	• Continue to publish lists of nutrient factors and allergic substances	• Provide information by publishing lists of nutrient factors and allergic substances	○	• Introduce a search system to the mobile phone website, enabling customers to check on allergic substances when they see menu books.
Responding sincerely to customer opinions (organization)	Seven-Eleven Japan	• Increase the number of comments of appreciation accepted at customer consultation desks	• The number of comments of appreciation accepted increased, thanks to effects from ongoing awareness enhancement efforts on friendly customer services at regional study meetings. (121.2% compared to the previous year)	○	• Update the layout of the website page for inquiries to be easily viewable, with the aim of increasing the number of comments of appreciation by 10% from the previous year.
	Ito-Yokado	• Lower the indexes for apparel products to 65 and household goods to 85, using the number of complaints filed in relation to apparel and household goods in FY2006 as an index of 100	• The targets was achieved, at 61 for apparel and 71 for household goods	○	• For further improvements, enhance seminars for buyers and quality improvement meetings with business partners
	York-Benimaru	• Make improvements in customer service and telephone manners at stores that account for the number of complaints relating to customer service filed in large numbers at stores and via telephone.	• The total number of claims from customers: 130.7% compared to the previous year	△	• Listen carefully to customer opinions and dealing with them sincerely one by one
	Sogo & Seibu	• Establish a Customer Services Department for dealing with customer requests and for increasing the number of calls of appreciation	• Established a Customer Center in the Customer Services Department at head office, to strengthen measures to use customer voices in overall business activities, with both comments of appreciation and other opinions	○	• Further promote activities to resolve customer dissatisfaction and reflect their needs on operational measures
	Seven & i Food Systems	• Provide a store education that reflects customer opinions and eliminating secondary complaints	• The number of opinions reduced by about 100, while the number of comments of appreciation increased by 2%	△	• Categorize suggestions and complaints from customers to respond to them in detail. Continue to hold customer service seminars for managers of stores where a large number of complaints have been filed.

Note: The FY2010 results and FY2011 targets of Seven Bank are reported in the Data Section of CSR Report, which is available from Seven & i Holdings' Web site.

We seek to develop products that respond to customer demands

The logo mark and package design were renewed in May 2011 for Seven Premium products, a private brand of the Seven & i Group created in the summer of 2007. The renewal reflects our aim of achieving a quality higher than National Brand products, and our efforts to develop products that suit the customer sense of values, by revising product sizes, reducing calories, and reducing trans-fatty acid.

Safety and reliability are among the important concepts of this brand. All source materials used with food products have been registered in the database, and managed comprehensively. The production history of elements that constitute source materials has also been managed to ensure traceability. The management system enables us to promptly judge whether there is any problem with our products and how safe they are, even when food issues arose in our society.

Another feature of the brand is that customer opinions are collected and reflected in product development. A dedicated website has been established, where members can exchange their opinions on products freely or even participate in product development processes. The development processes are also made public, with a hope to make customers feel more familiar with our products. Customer voices of dissatisfaction have led to product improvement, and unexpected ways of using products by customers have resulted in the sales floor development never seen before.

We are sure that there are other requests or areas of dissatisfaction among customers. We will continue our efforts to offer products that customers will find valuable.

Yoshii Noji

Seven & i Group Merchandising
Project Leader
(Executive Officer York-Benimaru
Co., Ltd.)
Seven & i Holdings





Coexistence with Local Communities



Donation to Qinghai Province in China



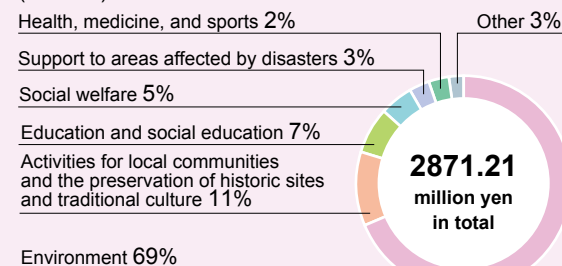
Seeing-eye dog awareness-raising event



Conclusion of cooperation agreements for comprehensive regional activation with Osaka prefectural and city governments

In the Seven & i Holdings Corporate Action Guidelines, we have made the following commitment: while fulfilling its responsibilities as a member of the local and social community by maintaining favorable relationships through cooperative partnerships with the local communities, the Seven & i Holdings contributes to the 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. Based on this principle, our operating companies are conducting a range of local and social contribution activities in cooperation with local governments.

Breakdown of the social contribution activity cost (FY2010)



* Total amount of cost calculated for Seven & i Holdings, Seven-Eleven Japan, and Ito-Yokado. The calculation was made in line with the Japan Business Federation's guidelines on the implementation of surveys on social contribution activities (2010).

Assisting in Local Community Revitalization

Contributing to the revitalization of local communities in cooperation with local governments

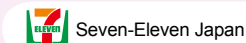
The Seven & i Group is promoting the operation of local community-based stores. As part of the effort, Seven-Eleven Japan, Ito-Yokado, and York-Benimaru have concluded cooperation agreements for comprehensive regional activation with a total of 37 municipal governments (as of the end of July 2011). Based on the agreements, the companies develop and sell goods made using local products and are enhancing cooperation with the governments in tourism and emergency measures. Seven-Eleven Japan also supports governmental services at its stores.



Participated in the project in June 2010

SEVEN&i Food Systems

Denny's and Famil restaurants located in Nagano Prefecture are participating in the Three-Star Restaurants for Food Education in the Shinshu program implemented by the prefectural government to comprehensively promote initiatives for improving health, passing down the food culture, and consideration for the environment. In the program, the restaurants serve local dishes made using local foodstuffs and also let their guests take the leftovers home.



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 machine. As of the end of July 2011, this service is available for the holders of Resident Registration Cards issued by 41 municipalities.

A high degree of security is ensured for preventing forging or tampering by special printing and other functions.

Providing Support in Times of Disaster

Building a system to prepare for disasters

The headquarters of Seven-Eleven Japan, Ito-Yokado, and York-Benimaru have established a system to provide victims of disasters with necessary goods, and regularly conduct emergency drills regarding supplies of goods jointly with some of the local governments with which they have concluded emergency support agreements. Seven-Eleven Japan convenience stores and Denny's restaurants operating 24 hours a day are registered with some of the governments as "Support Stations" for people who will have difficulty in going home in the event of disasters due to the loss of their means of transportation.

Seven Bank has prioritized its services to ensure its business continuity even in the event of a large disaster.

In addition, the Seven & i Group gives support to areas affected by disasters by installing boxes to collect donations from customers at its stores.

Data on total funds raised* (FY2010)

Support given to	Total funds raised
Victims of the large earthquake in Chile	40,200,241 yen
Victims of the earthquake in Qinghai, China	33,894,958 yen
Those affected by the foot-and-mouth epidemic in Miyazaki Prefecture	61,213,248 yen
Victims of the eruption of Mt. Shinmoe	23,866,873 yen
Victims of the earthquake in New Zealand	55,984,605 yen

* Total amount of donations by customers, business partners, Seven-Eleven Japan franchise owners, and employees of Seven & i Group companies and of donations from the users of Seven Bank's net banking service (but the foot-and-mouth epidemic-related donations do not include those from Seven Bank). The money was donated to victims through the Japanese Red Cross Society and the related prefectures and foreign embassies in Japan.

SEVEN&i Food Systems



In the event of disasters, the company's stores will immediately switch the BGM to NHK radio broadcasting and provide accurate information about spaces to have a rest, drinking water, rest rooms, water supply, road traffic, etc., for people who will have difficulty in going home due to the loss of their means of transportation.



A sticker of "Support Stations" for people who will have difficulty in going home in the event of disasters is placed around the entrance of the store



Seven Bank

The bank has defined three prioritized operations for large disasters and formulated its business continuity plans (BCPs) for each of the departments. Based on the BCPs, we regularly conduct emergency drills. The priorities are: ATM service; fund settlement with other banks and ATM partners; and repayment of deposits and provision of exchange services.

Web Major items disclosed at the website: <http://www.7andi.com/en/csr/index.html>

• Activity policies (The Seven & i Holdings Corporate Action Guidelines and the Basic Policy on Social and Cultural Contribution)
• CSR Report Data Section (Major social contribution activities)



Supporting Young Parents and the Elderly

Contributing to better lives of people from various aspects in areas where our stores are located

The Seven & i Group provides people with goods and services useful for their daily lives at its community-based stores. Our operating companies are continuing activities to support childcare, the sound growth of youths, and the comfort of the lives of the elderly to contribute to local communities by making use of their business features.

We are also proactively cooperating with customers to make social contributions, including raising funds and making donations through the provision of our products and services.



The well-equipped room is evaluated highly by customers

In the Baby Rooms established at some of its stores, picture books, children's toilets, and security intercoms are provided for customer use.

Number of stores equipped with a Baby Room
Ito-Yokado
152 stores

Sogo & Seibu
27 stores
(as of the end of February 2011)

Ito-Yokado

Ito-Yokado

The services provided by the Maternity and Childcare Consultation Centers were used by a total of 91,324 customers in FY2010. The centers also hold events to enable exchanges among parents.

Consulting services are provided by registered nurses and midwives



Supporting local childcare

Customers with infants cannot enjoy shopping if there are no places where they can change diapers, breastfeed their babies, and have a rest during their shopping day. In present society shifting to the nuclear family with a decreasing birthrate, the number of parents who have no one they can ask for advice on parenting without inhibition is increasing.

In response, Ito-Yokado and Sogo & Seibu have established Baby Rooms for customers with small children, where a scale and tape measure are provided in addition to diaper changing sheets and a dedicated water heater for milk formula preparation. The facilities are used by a great many customers.

Ito-Yokado has also established the Maternity and Childcare Consultation Centers at 124 of its stores (as of the end of February 2011), while Sogo & Seibu provides consultation services by midwives at the permanent centers called "Pre-Mama Stations" established within the Seibu Ikebukuro main store and Sogo Yokohama store.



Consulting services provided by full-time midwives

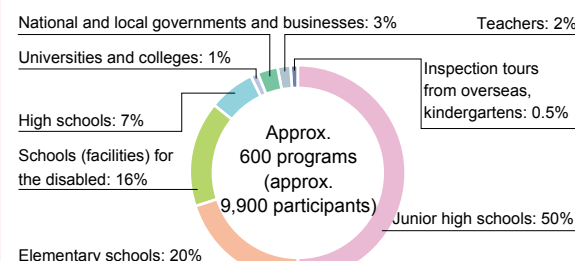
Sogo & Seibu
Robinsons

At the Pre-Mama Station established within the Seibu Ikebukuro main store and Sogo Yokohama store, full-time midwives provide visitors with free consulting services about maternity health before and after childbirth, growth of their children, etc. on a daily basis. In addition, seminars on maternity and childcare are held at the facilities. The Baby Rooms are equipped with diaper changing beds, partitioned spaces for breastfeeding, children's toilets, and buzzers to call for help.

Supporting the growth of young people

Seven & i Group stores help local communities provide local children and students with work experience at stores. In FY 2010, more than 16,000 people, including local government officials, were accepted. In addition, our operating companies are conducting unique activities to support the sound growth of young people.

Number of work experience participants in Ito-Yokado (FY2010)



Children experience the process from sowing seeds through to harvesting vegetables and fruits

York-Benimaru

As part of its food education activities, York-Benimaru has been holding an event named "Kids' Farm" since FY2009. The event was held nine times in FY2010, in which 26 groups (87 children, parents, etc.) participated. The total number of participants in the event has reached 523.

Story hour held with the participation of volunteer employees



Seven Bank

Seven Bank is supporting the popularization of Solider Bonolon of the Forest—a picture book to be read to children. Aiming to enhance communication between parents and their children by encouraging them to read the book together at home, the bank distributes copies of the picture book and holds story hours.



©NSP2005, ©Bonolon to Issho 2007

Support for the elderly and people with disabilities

The Seven & i Group is implementing measures to support the lives of the elderly and people with disabilities.

For example, Seven Bank provides customers with impaired vision special services at its ATMs installed across Japan (See P27), while Sogo & Seibu has been continuously contributing to promoting seeing-eye dogs and raising awareness among the general public.

Ito-Yokado began to sell goods at elderly care facilities in March 2004. The company provides the residents of these facilities with the products that meet their needs at the shopping sections set up temporarily within the facilities, which are highly evaluated by those who hardly go shopping due to difficulty walking or other reasons. Seven-Eleven Japan participated in an experiment to support the elderly living in collective housing located in Tokyo with the aim of residence-type elderly support.*

* In the experiment jointly conducted with the Urban Renaissance Agency and NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION for six months from February 2011, touch panel-type tablet terminals were distributed to the elderly, through which services were provided to support their lives.

Seven Bank

Seven Bank provides visually challenged people with voice guidance service at all its ATMs (more than 15,000 units installed across Japan). In FY2010, the bank implemented a fundraising campaign to increase the awareness of the service. Through the campaign, the bank donated 477,192 yen to Radio Charity Musichthon,* including donations collected from customers (32,258 yen).



* Radio Charity Musichthon: A charity campaign promoted by Nippon Broadcasting System to increase the number of acoustic traffic signals so that visually challenged people can walk on the street with more ease of mind.

Click fundraising intended to help increase the awareness of the voice guidance service

Sogo & Seibu
Robinsons

Since 2003, the company has been supporting seeing-eye dog training organizations through fundraising and awareness raising campaigns. In FY2010, the company donated the money collected from customers at its stores (26.58 million yen) and from employees and the labor-management fund (15 million yen).

Providing an opportunity to come in contact with a seeing-eye dog





Donations through products and services

Seven & i Group operating companies proactively donate from sales of their products and services as part of their local contribution activities conducted both in Japan and overseas.

Major donations made from sales of products and services in FY 2010

SEVEN&i Food Systems



Donated 1,690,215 yen (equivalent to 8,451 school meals) for school meal fees of children in Africa

Since 2008, Seven & i Food Systems has been participating in the program conducted by TABLE FOR TWO International (TFT), an NPO working to solve the world's food problems. In FY2010, through the "Table for Two for Africa! Warm Support for Hot Lunch!!" campaign implemented by the NPO, 10 yen from customers as well as the 10 yen that the company matched were donated from the sales of each meal listed on the "charity menu", in order to provide children in Africa with school meal fees.



- Provision of the "charity menu": From June 8 to 30, 2010
- Collection of donations at stores: From June 1 to 30, 2010

Two South African curry dishes were listed on the "charity menu."



Sogo & Seibu



Donated 800,000 yen from sales of a Valentine's chocolate charity campaign to support high school volunteer group.

Sogo & Seibu implemented a Valentine's chocolate charity campaign in response to a proposal made by a volunteer group of high school students. In the campaign the company sold boxes of chocolates made by seven leading patissiers in Japan and donated part of the proceeds (400 yen, the price of a chocolate out of 2,625 yen per box) to Kids' Door, an NPO conducting volunteer works at orphanages.

Campaign period: From February 1 to 14, 2011

Donated 115,900 items to children in Zambia

In September 2009, the company established a "desk for accepting used children's shoes" at the Ikebukuro main store, and now a total of 22 of its stores have permanent desks. Shoes in good condition are donated to the Republic of Zambia through the Japanese Organization for International Cooperation in Family Planning (JOICFP),* an NGO that promotes international cooperation.

* 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 service is used by a great deal of customers



Donated five million yen to support school construction in Tanzania and victims of the earthquake in Haiti

Ito-Yokado established the Seven & i AVESCO Fund with some beverage companies in 2000, through which the company donates a part of sales from the specified vending machines to organizations engaged in international humanitarian support.

Number of the specified vending machines: 386 machines at 68 stores (as of the end of February 2011)

A poster that encourages people to make a donation by buying a drink

Donated three million yen for school construction in Thailand

The company donated part of the proceeds from the sale of school bags for elementary school construction in Thailand through Plan Japan, a public interested incorporated foundation.

Implementation period: July 29, 2010 to March 31, 2011



A school constructed in a village in the Philippines by the company's previous donation
Photo: Plan Japan

Implementing Crime-Prevention Measures for Local Communities

Working to increase the safety and reliability of stores and local communities

Seven & i Group stores are contributing to preventing the occurrence of crimes and increasing the security of local communities. For example, Seven-Eleven Japan stores and Denny's restaurants that are open for 24 hours are participating in the Safety Station activities, while York-Benimaru stores place a sticker on their entrance doors to notify the public that the stores will serve as shelters for children in case of emergency.

In addition to these measures, Seven & i Group stores are also committed to preventing underage drinking and smoking, in order to take social responsibility.

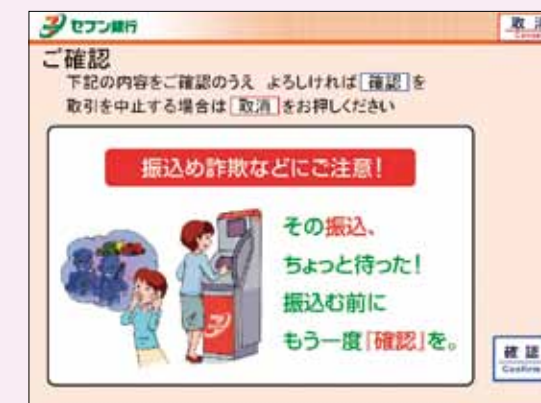
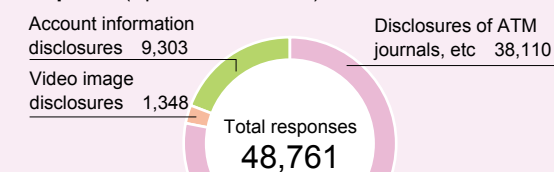
Sticker used to show that the York-Benimaru stores will serve as shelters for children



Seven Bank

For the elimination of financial crimes, the bank prevents the unauthorized use of its accounts through an account monitoring system, notifies the related authorities of suspicious transactions, implements countermeasures against money laundering, and cooperates with criminal investigations upon request from the police. Moreover, the bank now implements various other measures to prevent unauthorized use or fraud, such as by verifying the identities of people who want to open new accounts at the bank more strictly than before.

Breakdown of cooperative responses to police requests (Apr 2010-Mar 2011)

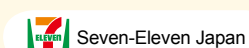


Cautioning ATM users against bank transfer fraud on the screen

TOPICS



Posters on Safety Station activities are posted at stores participating in the activities



SEVEN&i Food Systems



Participating in the Safety Station activities to contribute to local safety

The Safety Station activities were launched by the Japan Franchise Association in response to a request from the National Police Agency. Through these activities, Seven-Eleven Japan stores and Denny's restaurants, which are opened for 24 hours every day, are cooperating with the police to prevent robbery and shoplifting, respond to disasters, accidents, and medical emergencies, and to protect the safety of women, children, and the elderly.

They are also implementing measures to help improve the environment surrounding young people, including refraining from selling alcoholic drinks and tobacco to minors.

Seven-Eleven Japan upholds eight crime-prevention principles and dispatches information to encourage its franchise stores to increase their security awareness through product exhibitions held twice a year across Japan and via the newsletters published bimonthly.



Main Operating Companies' Targets, Results, and Self-Evaluation for the Challenges in FY 2010

○ : Target achieved △ : Target nearly achieved × : Target not achieved

Challenges	Operating companies	FY2010 Targets	FY2010 Results	Self-evaluation	FY2011 Targets
Supporting young parents and the elderly	Seven-Eleven Japan	<ul style="list-style-type: none"> Continue to visit customers' homes to take orders Continue providing the healthy menus developed by Seven-Meal Service under the supervision of licensed dietitians 	<ul style="list-style-type: none"> Visited customers' homes to take orders Delivered the healthy menus developed under the supervision of licensed dietitians in consideration of nutrition, calories, and salt content Sold vegetables and meat in small amounts 	○	<ul style="list-style-type: none"> Based on the concept of "nearby convenient stores," assort more goods and enhance services for the elderly and others who have limited access to groceries in the areas called "food desert" Enhance goods delivery service by visiting customers' homes
	Ito-Yokado	<ul style="list-style-type: none"> Expansion of activities emphasizing social and cultural contribution activities especially for children in Japan and overseas Develop original products to be sold at the section of nursing care products for the elderly, focusing on the functionality, safety and design of the products 	<ul style="list-style-type: none"> Donated 3 million yen from sales of school bags Participated, as Seven & i Holdings, in the online vocational education programs "Circle Link Oshigoto Town" for elementary and junior high school students Percentage of original products: about 30%; number of original product items: 250 	○	<ul style="list-style-type: none"> Develop products with the functions that meet the expectations of customers for sale at the section of nursing care goods for the elderly, and cooperate with business partners to educate salespeople so that they can appropriately explain the product functions to customers
	York-Benimaru	<ul style="list-style-type: none"> Continue the implementation of the Kids' Farm and renew the food education page on the Web site Continue holding the children's marathon Continue blood donation activities 'Heartful Saturday' 	<ul style="list-style-type: none"> Number of participants in the Kids' Farms: 26 teams (parents and their children), 87 people Participants in the children's marathon: 886 Participants in the blood donation activities: 437 	○	<ul style="list-style-type: none"> Continue the blood donation activity 'Heartful Saturday'
	Sogo & Seibu	<ul style="list-style-type: none"> Establish a Pre-Mama Station at the Ikebukuro main store (4 maternity nurses belonging to the company are assigned at all times) and also at the Yokohama store. Promote childcare counseling services utilizing professional knowledge in other stores Promote development of Heartful Advisers, and specialty sales persons (baby goods advisors and shoe fitters) Establish a permanent trade-in service corner for children's shoes at 23 stores and expand the types of trade-in items to include soccer balls 	<ul style="list-style-type: none"> Number of consultations performed at the Pre-Mama Station: 2,863 in total 1,414 at the Ikebukuro main store (service started in March) and 1,449 at the Yokohama store (service started in September) Held regular events every month At the Ikebukuro main store: "Kosodate Support Salon" At the Yokohama store: "Maternity belly dance" and "baby massage" classes and an event to take the size of babies Developed 25 Heartful Advisers (844 in total), 15 baby goods advisers (70 in total), and 42 shoe fitters (209 in total) Number of traded-in items: 324,500 (including 145,300 pairs of shoes traded-in at the permanent service corners); number of donated items: 115,900; number of traded-in soccer balls: 2,069; number of items donated to three countries in Africa: 1,806 	○	<ul style="list-style-type: none"> Increase the frequency of customers' visits to our department stores by making the consultation service always available Continue and promote the monthly classes Assort more goods for childcare, incorporating the opinions of customers who have used the counseling services Develop more specialty salespersons (50 Heartful Advisers, 12 baby goods advisers, and 40 shoe fitters) Continue to operate the permanent trade-in service corners for children's shoes
	Seven & i Food Systems	<ul style="list-style-type: none"> Continuation of people acceptance for work experience. Improve the lessons regarding food education Continue cooperation and expansion of aid for childcare by municipalities 	<ul style="list-style-type: none"> Number of people accepted for work experience: 423 at 151 stores; number of days: 345 days in total Provided customers with children with discounts and free-of-charge services at 112 restaurants in 5 areas 	△	<ul style="list-style-type: none"> Improve the teaching materials on healthy diets and desirable restaurants for people who will have work experience at the restaurants Continue and expand support to childcare
Assisting in local community revitalization	Seven-Eleven Japan	<ul style="list-style-type: none"> Continuous support of regional vitalization by local comprehensive agreements 	<ul style="list-style-type: none"> Concluded comprehensive agreements with five local governments (Kumamoto, Hyogo, and Aichi Prefectures and with Osaka prefectural and city governments) (with 28 prefectures and 8 cities in total) 	○	<ul style="list-style-type: none"> Continue giving support based on the comprehensive agreements and boost local economy by expanding the initiative for local production and consumption
	York-Benimaru	<ul style="list-style-type: none"> Continue holding the Opening Memorial Festival as an event to make exchanges with local communities 	<ul style="list-style-type: none"> Held the Opening Memorial Festival 	○	<ul style="list-style-type: none"> Continue holding the festival as an opportunity for the stores and local communities to make exchanges
	Sogo & Seibu	<ul style="list-style-type: none"> Hold events in cooperation with local communities Promote development and sales of products using locally produced food and materials 	<ul style="list-style-type: none"> Held an event to introduce local products and foster the local consumption of the products also at the Funabashi and Kashiwa stores in addition to the Chiba store Held environmental events in cooperation with local communities (at the Hiroshima, Higashitsuka, Numazu, Okazaki, Omiya, Hachioji, Kawaguchi, and Fukui stores) 	○	<ul style="list-style-type: none"> Plan and hold localized events at each store
	Seven & i Food Systems	<ul style="list-style-type: none"> Develop menus using local products for local consumption and expand sales 	<ul style="list-style-type: none"> Made a registration for the initiative "Three-Star Restaurants for Food Education in the Shinshu" implemented by Nagano Prefecture to pass down local food culture to next generations, and served local menus made using locally produced vegetables 	△	<ul style="list-style-type: none"> Continue developing and selling menus made using local products for the promotion of local production and consumption, and help locals pass down their food culture to next generations
Providing support in times of disaster	Seven-Eleven Japan	<ul style="list-style-type: none"> Enhance cooperation with municipalities through disaster support agreements, etc. 	<ul style="list-style-type: none"> Concluded disaster support agreements with Fukushima, Saitama, Ishikawa and Miyazaki Prefectures and Kitami City 	○	<ul style="list-style-type: none"> Continue measures to donate relief goods and provide people having difficulties in going home in the event of disasters with drinking water, rest rooms, and road traffic information based on the disaster support agreements concluded with municipalities
	Ito-Yokado	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Concluded disaster support agreements with Kitami, Obihiro, Mishima Cities and Showa Town 	○	<ul style="list-style-type: none"> Promote the conclusion of agreements with Hiroshima, Hyogo and Okayama Prefectures Clarify the responsibilities for the treatment of relief goods, from their acceptance to shipment
	York-Benimaru	<ul style="list-style-type: none"> Continue cooperation with municipalities 	<ul style="list-style-type: none"> Concluded disaster support agreements with Kitaibaraki City 	○	<ul style="list-style-type: none"> Continue to cooperate with municipalities by concluding comprehensive agreements, etc.
	Sogo & Seibu	<ul style="list-style-type: none"> Continue cooperation with municipalities 	<ul style="list-style-type: none"> Concluded disaster support agreements for 11 stores 	○	<ul style="list-style-type: none"> Examine expanding disaster support
	Seven & i Food Systems	<ul style="list-style-type: none"> Continue to implement measures to support people who have difficulty in returning home during disasters 	<ul style="list-style-type: none"> Gave support to people who had difficulties in going home due to the disaster 	○	<ul style="list-style-type: none"> Continue implementing measures to support people having difficulties in going home in the event of disasters and provide all employees education on disaster responses
Implementing crime-prevention measures for local communities	Seven-Eleven Japan	<ul style="list-style-type: none"> Continuous promotion of Safety Station activities Improve crime prevention awareness of franchise stores 	<ul style="list-style-type: none"> Crime prevention council participation rate: 44.5% Crime prevention drill and seminar participation rate: 46.6% Number of stores commended by the Japan Franchise Association in recognition of measures taken for the protection of the elderly, women, and children and for rescue and reporting activities: 40 	○	<ul style="list-style-type: none"> Increase the crime prevention council and crime prevention drill participation rates to 50%
	York-Benimaru	—	—	—	<ul style="list-style-type: none"> Promote the activity to provide children with "shelters"
	Sogo & Seibu	<ul style="list-style-type: none"> Promote communication with local communities and public administrations, and establishment of support systems 	<ul style="list-style-type: none"> Participated in local crime prevention patrols (Ikebukuro main store and Shibuya, Yokohama and Fukui stores) Participated in local crime prevention drills (Hachioji and Shibuya stores) 	○	<ul style="list-style-type: none"> Continue to cooperate with local communities to establish disaster and crime prevention systems

Note: The FY2010 results and FY2011 targets of Seven Bank are reported in the Data Section of CSR Report, which is available from Seven & i Holdings' Web site.

Encouraging Employees to Participate More in Local Contribution Activities

We are fostering social and cultural contribution activities as a means to fulfill our social responsibility, and have set the following seven priority areas and policies : (1) Support for children and young people who will create future society; (2) Support in creating safe and secure local communities in which everybody lives at ease; (3) Conservation of the local and global environment; (4) Preservation and development of culture and art, and promotion of sport; (5) Eradication of poverty throughout the world; (6) International cooperation and exchange; and (7) Disaster relief. In deciding to whom we will give support in the priority areas, we comply with the following three criteria for unbiased activities: (1) Serving social and public interests and anticipating broad public approval; (2) Relevant to our business activities; and (3) Relevant to international issues.

As corporate citizens, companies are increasingly expected to make contributions to society at large. Therefore it is mandatory to fulfill their social responsibilities more proactively in local communities, instead of just pursuing profits in their business . The Great East Japan Earthquake was a powerful reminder of the social responsibility of distributors and retailers. The disaster has definitely raised employee awareness about such responsibility, and I believe that many of them have become more eager to do something for society. In response, the Seven & i Group will provide employees working at its stores across the country with more opportunities to participate in local contribution activities. To this end, we will enhance cooperation with NPOs having close relationships with local areas and NGOs having expert skills. We will also encourage more employees to take volunteer leave, while fostering the implementation of volunteer leave systems in some operating companies which do not have a system, and discussing ways to promote employee interest in taking action .

Keiko Fujimoto
Senior Officer
Social and Cultural Affairs
CSR Department
Seven & i Holdings





Creating Fulfilling Workplaces



Collective training provided by Seven-Eleven Japan



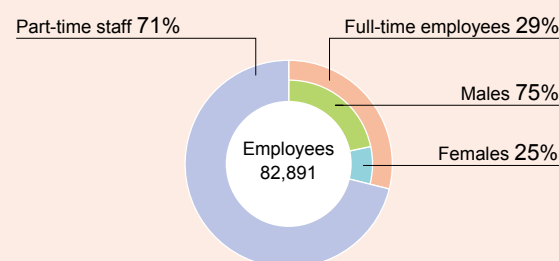
Skill contest held by Ito-Yokado



Instructor visiting a Denny's restaurant to give advice

In the Seven & i Holdings Corporate Action Guidelines, 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. Based on this policy, our operating companies are expanding the systems and programs to create fulfilling workplaces.

Number of employees at the six companies* and breakdown by gender and employment status (FY2010)



*Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Sogo & Seibu, Seven & i Food Systems and Seven Bank

Supporting Development of Employee Abilities

Providing employees with various programs to help them improve their abilities

Seven & i Group operating companies are committed to developing human resources by providing employees with training programs suitable for their business features and by establishing unique systems to help individual employees improve their abilities.

Programs implemented by the operating companies to help employees improve their abilities

Operating companies	Major programs
Seven-Eleven Japan	<ul style="list-style-type: none"> Training on customer service at the checkout counters for franchise employees Holding English classes Encouraging participation in external training programs
Ito-Yokado	<ul style="list-style-type: none"> In-house licensing program in which a total of 15 licenses are issued for the divisions of apparel, household goods and services Holding skill contests for part-timers in the food division
York-Benimaru	<ul style="list-style-type: none"> Management of objectives and progress of individual employees based on the items set in detail by division and skill Holding skill contests in a total of 7 divisions including: fresh fish, meat, fruit and vegetables, processed foods, daily products, apparel, and housewares
Sogo & Seibu	<ul style="list-style-type: none"> Holding seminars on the basics of customer service and management for all employees to raise their awareness Supporting employees in acquiring specialist qualifications to improve their customer service skills Encouragement and financial support for correspondence course participation
Seven & i Food Systems	<ul style="list-style-type: none"> Support for the acquisition of national certifications Providing all employees (of the Restaurant Division) with training for in-house qualifications and operating a certification system by business category Encouraging employees to participate in external training programs
Seven Bank	<ul style="list-style-type: none"> Encouraging employees to participate in correspondence courses and external training programs Holding internal customer service contests Participation in external contests on customer services

Improving skills necessary for business operations

Ito-Yokado, York-Benimaru, and Seven & i Food Systems are operating in-house qualification programs to certify the skills necessary for their business operations. Ito-Yokado, Sogo & Seibu, and Seven Bank are supporting the self-education of employees by sharing the cost of correspondence education.

Moreover Seven-Eleven Japan supports its franchises in improving the customer service skills of their employees.

SEVEN&i Food Systems



Denny's and Famil provide all employees with in-house training (lower left photo) and have an in-house certification program. They dispatch trainers from headquarters to the restaurants where examinees are working in order to evaluate actual challenges during their business and to give instructions so that the test may have a higher level in its content and the companies can help the employees successfully obtain the certification (lower right photo).

In the training, employees are evaluated for their challenges and given advice regarding cleaning as well as their response capabilities and communication with other employees.



Seven Bank

The bank provides employees with a range of training programs to help them acquire the necessary knowledge and skills in each stage, with the roles of employees classified into those on the "stage for the development of professional abilities" and on the "stage for the display of professional abilities."

Examples of operating companies' training systems

	Stage for the development of professional abilities			Stage for the display of professional abilities
	New employees	Young employees	Middle-rank employees	Managers
Common training for all employees	Communication training, basic training on financial issues (correspondence education), basic training on skills, training for mid-career employees, training on compliance, human rights and EAP, etc.			
Stratified training	Training for new employees	Leadership training I	Leadership training II	Training for managers
	Follow-up training for new employees	Mentor training	Seminars provided by the Japanese Bankers Association	Training for new managers
Training by division	Capacity building training			
Others	Enlightenment seminars held in the evening			
		MBA training		

Web Major items disclosed at the website: <http://www.7andi.com/en/csr/index.html>

- Activity policies (Seven & i Holdings Corporate Action Guidelines)
- CSR Report Data Section (Data for Internal Consultation Services, mid-career employees hired, re-employment, percentage of women in management positions, average length of service (full-time employees), ratio of taking paid holidays (full-time employees), and number of volunteer leave recipients)



Giving commendations to employees who have achieved results

Seven & i Group companies have unique commendation systems, in which the president gives commendations to employees who have achieved excellent results and the cases are introduced as excellent examples across the company. This gives higher motivation to employees and encourages them to participate more proactively in educational training.

Ito-Yokado and York-Benimaru, and Sogo & Seibu give "certification badges" to employees who have acquired in-house qualifications and to employees who have acquired public qualifications, respectively. By making employees' skill levels "visible" to both their customers and colleagues through such means, the companies raise employees' motivation for technical certifications.



Employee awarded a certificate of merit from the president (right)



Seven-Eleven Japan has been conducting a Genkiga-Deru ("maintaining high spirits") campaign targeting all its employees, in which employees are assessed on: goal achievement, efforts to take on new assignments, degree of effect on the company, contributions to society, and the like, and commendations are given to those who have received high evaluations. The good examples are introduced and widely shared through video presentation at in-house meetings, and the president gives certificates of merit to the recipients.



Two employees (center) awarded certificates of merit from the president (right), and the store manager of the Ikebukuro main store (left)

Sogo & Seibu



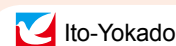
Under its "Service No. 1" President's Award System, the company gives commendations to individuals and groups who have achieved results by improving their service and operational methods. This system was launched in FY 2009 to share the process of creative methods devised by employees, and 296 teams were commended in FY 2010.

Assuring Fair Assessment and Treatment of Employees

Implementing a self evaluation-based and dialogue-based assessment and treatment system

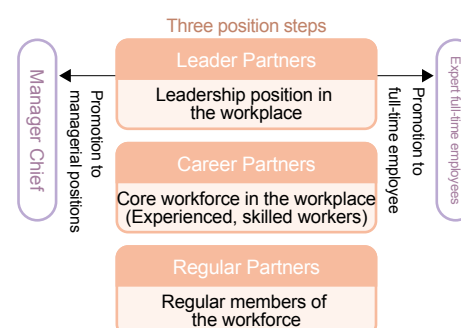
Seven & i Group companies are implementing merit-based personnel evaluation systems to maximize employees' abilities. Twice a year at the companies (thrice a year at Seven-Eleven Japan), employees self-evaluate their job performance and then their managers also conduct an appraisal. Subsequently through interviews, the employees talk about the appraisal results with the managers to understand their strong points and challenges. Through this process, the companies ensure transparency and fairness in personnel evaluation.

Moreover our operating companies are working to establish the systems in which individuals can choose from among different working styles to work with higher motivation. For example, Ito-Yokado has the Career Promotion Choice Program for part-timers, and York-Benimaru and Seven & i Food Systems are also implementing systems to promote part-time staff and temporary workers to full-time employees or store managers. Seven & i Food Systems has actually promoted a total of 153 part-time staff to full-time employees over four years since FY 2007.



The company is implementing a Career Promotion Choice Program to enable part-time staff to choose from diverse working styles based on their personal circumstances and beliefs. "Leader Partners" who meet the predefined criteria after taking an examination and are highly evaluated by their managers are promoted to full-time employees. Since FY 2007 when the program was launched, a total of 651 part-time staff have been promoted to full-time employees under the program.

Career Promotion Choice Program

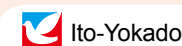


Achieving a Work-Life Balance

Helping employees with childcare and nursing care so that they can continue to work with peace of mind

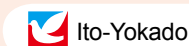
The Seven & i Group is improving its childcare and nursing care systems to help employees, including part-time staff, continue working while raising children or caring for their family members. All Group companies are operating childcare systems that are better than the legal standard.

Moreover, Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems have a volunteer leave system in place, in order to support the participation of employees in volunteer activities, including those for people with disabilities, nursing care, and environmental conservation. The system allows employees to take up to five holidays per year.



Ito-Yokado and Seven Bank were certified as companies that comply with the Act on the Advancement of Measures to Support Raising Next-Generation Children in 2007 and 2011, and in 2009, respectively.

*The certification mark shown on the right is the one that Seven Bank was authorized to use.



The company has revised its childcare and nursing care support system to help employees work more comfortably. The following shows its main support plans.

* The underlined parts show the arrangements made beyond the legal standards.

- Temporary leave plan (parental and nursing)**
 By filing an application for the plan, employees can take temporary leave for their child until the 15th of the first April that comes after the child becomes one year old (or for one more year if it is necessary) and for their family member for up to one year.
 *When both parents take parental leave, they can take the leave until the 15th of the first April that comes after the child becomes one year and two months old.
- Short working hour plan (parental and nursing)**
 By filing an application for the plan, employees can shorten their working hours by up to two hours for their child until the 15th of the first April that comes after the child becomes a second grader at elementary school.
 Also for nursing care, employees can shorten their working hours by up to two hours for two to three years.
 *Employees can apply for both this plan and the temporary leave plan.
- Early leave (by 7:00 p.m.) plan (parental)**
 By filing an application for the plan, employees can leave the workplace by 7:00 p.m. regardless of the closing time of the store for their child until the fiscal year, in which the child becomes a fourth grader at elementary school, ends.
- Re-employment plan (parental and nursing)**
 By filing an application for the plan, employees who quit the company for childcare or nursing care will be given preferential re-employment opportunities.
- Holidays for the care of sick/injured children**
 Employees who need to care for their pre-school sick/injured children or to take their pre-school children to medical institutions for preventive vaccination or physical checkups can annually take up to five holidays for one child and up to a total of 10 holidays for two or more children. (Paid holidays)
- Nursing leave**
 Employees who have family members constantly in need of nursing or other care for a period of two weeks or longer can annually take up to five holidays for one such member and up to a total of 10 days for two or more such members. (Paid holidays)

TOPICS



Invited employees' children to parents' workplaces on observation day

In November 2010 and January 2011, as an effort to better the work-life balance of employees, the bank held an event, observation day, to invite the children of employees to their workplaces, with a view to helping employees families to get to know the workplace so that employees can work more comfortably.

The event was held at the banks' head office and other bases, in which a total of 38 families including 58 children participated. By having work experience such as exchanging business cards and using an ATM, they shared the atmosphere of the workplaces.



Children briefed on an ATM



Making Use of Diverse Human Resources

Working to provide employees with workplaces where they can work without discrimination

The Seven & i Group adheres to fair and unbiased employment, transfer, and promotion as its basic policy. In February 2010, the Human Rights Awareness Office was moved from Ito-Yokado to Seven & i Holdings to enhance human rights education and awareness across the Group.

Moreover, to encourage employees to think about human rights, the Group holds annual campaigns to collect slogans from employees and their families. In FY2010, a record-breaking 43,919 slogans were submitted (42,995 from employees and 924 from their families).



Promoting the employment of people with disabilities

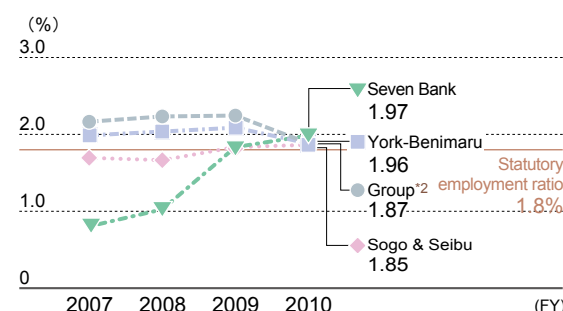
The Seven & i Group is committed to helping people with disabilities to display abilities at their workplaces.

To this end, the operating companies assign employees with disabilities to the workplaces and jobs that are suitable for them in consideration of the level and details of the disabilities and their own preferences.

Terre Verte*, which is a special subsidiary established to foster the employment of people with severe disabilities, employs 15 people with severe disabilities as of the end of February 2011. In 2009, the company was certified as an excellent company for people with disabilities by the Ministry of Health, Labour and Welfare.

*The company was established jointly by Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Seven & i Food Systems, and Kitami City of Hokkaido in 1994.

Percentage of employees with disabilities**



*1. The method of calculation has been changed in FY2010, to reflect the amendment to relevant laws in July 2010.
*2. 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, Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

Implementing public invitations for candidate system

Seven & i Holdings is implementing public invitations for a candidate system to place the right people in the right jobs and help employees display more of their abilities by letting them apply for the jobs of their choice within its operating companies.

Other Group companies also have in-house public invitations for candidate systems. For example Ito-Yokado has a system in which employees who have worked for at least two years for the company can apply for all the managerial positions and jobs regardless of their work experience or seniority. In FY 2010, 475 employees made applications under the system, of which 78 got the positions or jobs of their choice.



Ito-Yokado's poster about in-house public invitations for candidates

Special subsidiary Terre Verte

Terre Verte publishes its newsletter on the intranet every month widely to introduce how its employees are working and how the company is accepting visitors as part of the Seven & i Group's employee awareness raising activities.

This special subsidiary is also promoting the employment and retention of people with disabilities by Group operating companies through awareness-raising activities. In July 2010, upon request from Seven Bank, the company held a training seminar for five division managers of the bank. And it also dispatched a job consultant supporting and managing the employment of people with disabilities to Seven Bank's head office and its administration center, where the consultant provided 30 employees of the bank with tips and advice for working with people with disabilities.

Employees of Terre Verte are engaged in printing slips and growing mushrooms



Assuring Consideration for Worker Health and Safety

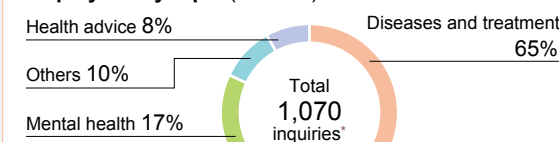
Considering the physical and mental health of employees and their families

The Seven & i Group is striving to maintain safe and comfortable workplaces for employees. To this end, each Group company regularly holds the meetings of its safety and health committee and provides employees with regular health checkups, while the Group's headquarters set up a health management center for employees. Moreover, the group has introduced a system in which clinical psychotherapists and counselors provide employees with counseling services on their mental health by phone and via e-mail. The Group also provides both employees and their families with health counseling and services to introduce medical institutions.

To prevent industrial accidents, Ito-Yokado provides employees dealing with fresh food with education on the treatment of knives and other tools, while Seven-Eleven Japan provides OFC (Operations Field Consultants)* who drive vehicles for their jobs with an annual safety driving seminar. Seven & i Food Systems urges employees to prevent industrial accidents by regularly posting awareness posters, etc. at its stores.

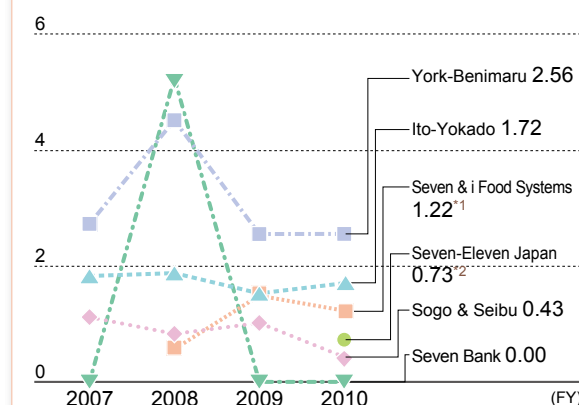
* OFCs are counselors who visit the stores of the company to give advice on store management.

Breakdown of consultation requests made by employees by topic (FY2010)



*Including those from employees' families

Frequency rate of industrial accidents

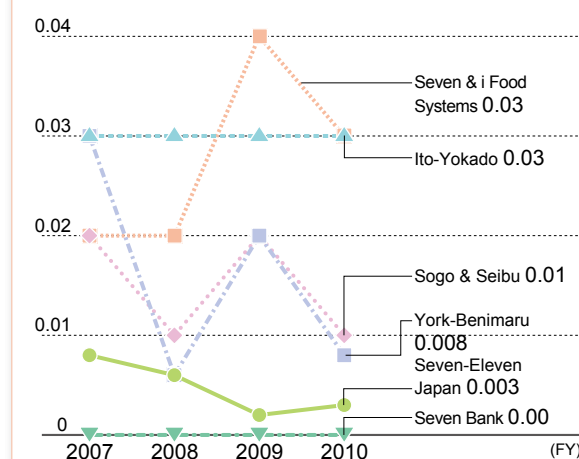


Frequency rate = (Number of deaths and injuries who took a holiday due to an industrial accident for at least one day/Total working hours) × 1,000,000

*1. Only for FY 2008 to 2010

*2. Only for FY 2010

Severity rate of industrial accidents



Severity rate = (Number of lost workdays/Total working hours) × 1,000

TOPICS

Sound labor-management relationships

The federation of Seven & i Group labor unions is composed of eight* Japanese labor unions (with a total of about 45,000 members). The labor unions exchange information about the organizational management and working conditions for the members based on the principle of enhancing their organizations while maintaining their independence.

Ito-Yokado's labor union, which adopts the union store system, is the largest among the eight unions, with the number of members reaching nearly 25,000. As of the end of February 2011, 55.8% of all its employees, excluding students working as part-time staff, belong to the labor union. Ito-Yokado respects the union's activities based on the three rights of labor. For example, when the labor union holds a round table meeting or training seminar during the

opening hours of the stores, the company makes necessary arrangements on the working hours of the union members and also avoids schedule conflicts between company meetings and the important meetings of the labor union. In FY 2010, the company and labor union concluded eight labor agreements by discussing and negotiating on such issues as wages, bonuses, appropriate working hours, encouraging employees to take paid holidays, and improvements related to business operations.

* Labor unions of Ito-Yokado, Seven & i Food Systems, York Mart, Marudai, K.K. Sanei, York-Benimaru, Akachan Honpo, and Sogo & Seibu. The federation also shares information and cooperates with the labor unions of the following Group companies: Life Foods, SHELL GARDEN and THE LOFT.



Main Operating Companies' Targets, Results and Self-Evaluation for the Challenges in FY2010

○ : Target achieved △ : Target nearly achieved × : Target not achieved

Challenges	Operating companies	FY2010 Targets	FY2010 Results	Self-evaluation	FY2011 Targets
Supporting development of employee abilities	Seven-Eleven Japan	• Enhancement of language skill for globalization	• Supported the language education	○	• Improve various in-house training programs • Enhance employees' language abilities for globalization
	Ito-Yokado	• 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 • Hold a skills contest at all the departments of apparel, household goods, indoor service, general food products, and perishable foods • Mandate managers to receive the training on finance, marketing and leadership	• Rate of personnel in ranks 1 to 3: 46.4% • Held a skill contest at all 17 apparel, housing goods, food, and service departments • The training was held 36 times with the participation of 787 managers.	△	• Increase the rate of employees in ranks 1 to 3 to 55% • Mandate those targeted for manager training to receive that training at least once a year
	York-Benimaru	• Expansion of management school students (training) • Continuous implementation of the skill contest • Thorough promotion of the substantiality of the Target Achievement Records and implementation of interviews	• Held the seminars across the country to increase the number of participants • Biannual interviews became regular events.	△	• Increase employees' awareness of the Target Achievement Records to promote the use of the documents
	Sogo & Seibu	• Promote implementation of sales technique and management training, OJT leader training, and training to cultivate specialty sales persons • Promote training for improvements of one's own floor and proposals	• Number of participants in the management training: 250; number of participants in the training for specialty sales persons: 500 • Number of participants in the training for improvements and proposals: 140	○	• Start providing seminars on marketing and management skills and on professional qualifications (37 seminars) as voluntary learning opportunities (3,000 people will attend the seminars per year)
	Seven & i Food Systems	• Continue implementation of labor management training • Continue the internal promotion examination program • Hold training seminars to help employees acquire national certifications for chefs, public consultants on social and labor insurance, and food sanitation administrators)	• Provided store managers with labor management training twice a year • 226 or 17% of all employees were promoted • Utilized external training and gave rewards to employees who had acquired the certifications	○	• Give training on labor management twice a year (on working rules in the first training and on evaluation methods in the second training) • Encourage employees to acquire national certifications (for chefs, public consultants on social and labor insurance, and food sanitation administrators) • Review the employment manuals for part-timers and temporary workers to increase the retention rate of these workers
Assuring fair assessment and treatment of employees	Seven-Eleven Japan	• Promotion of public invitations for the candidate system and internal projects • Active appointment of female employees	• The number of applicants substantially increased to 144% of the previous year level. • The rate of female managers remained on the same level	○	• Further promote the candidate system • Promote the use of female employees
	Ito-Yokado	• Promote the creation of a workplace environment where the capabilities are justly evaluated regardless of gender	• Rate of female managers: 16.3%	△	• Promote the establishment of workplaces where the abilities of employees are fairly evaluated regardless of gender
	York-Benimaru	• Promote appointment of female employees	• Took a step backward for the matter	△	• Promote the use of female employees • Review the personnel evaluation system in reference to external information
	Sogo & Seibu	• Promote appointment of women • Expand the challenge opportunities by inviting applications	• The rates of female team leaders and of female section managers and those in higher positions increased from 29.9% to 34.6% and from 3.5% to 4.9%, respectively year on year. • Participants in the training for next-generation managers: 50	○	• Increase the rates of female team leaders, and of female section managers and those in higher positions to 50.0% and 10.0%, respectively by the end of FY2012 • Provide more chances to take on challenges through public invitations for candidate system
	Seven & i Food Systems	• Complete implementation of self-check evaluation • Active promotion of female employee appointments • 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	• The self-check evaluation was made by 99.9% of all employees including part-timers. • The rate of female store managers or those in higher positions increased to 22% (from 18% in the previous fiscal year) • The companywide personnel rules were published and the training, which was updated as necessary, was provided.	○	• Review the self-check evaluation and complete the implementation • Review the evaluation system according to job details
Achieving a work-life balance	Seven-Eleven Japan	• Encourage male employees to take childcare leave	• No male employee took childcare leave	×	• Promote the use of the childcare leave system by male employees • Promote the use of various leave systems by employees
	Ito-Yokado	• To comply with the Act on Advancement of Measures to Support Raising Next-Generation Children, implement an aggressive reduction of overtime. Target a reduction of 15% year over year	• Reduced the overtime work by 16%	○	• Reduce the overwork time by 5% year on year
	York-Benimaru	• Increase the awareness of the childcare leave system among employees and managers to promote the use of the system by male employees	• No male employee took childcare leave.	×	• Increase the awareness of the childcare leave system among male employees and managers
	Sogo & Seibu	• Encourage male employees to take childcare leave, and increase the awareness of the childcare leave system	• No male employee took childcare leave.	×	• Create and distribute the copies of a brochure on the childcare support system in cooperation with the labor union
	Seven & i Food Systems	• Take action to eliminate overtime (problem solving in personnel assignment plans and investigating causes by sales department and by area)	• Analyzed the overtime data by store and by individual and implemented countermeasures by sales department and area • Reduced the overtime work per capita by about 40% year on year.	○	• Reduce the working hours at the restaurants by reviewing both the personnel allocation and work operations and set a limit on the working hours
Making use of diverse human resources	Seven-Eleven Japan	• Active employment of foreign students • Active employment of people with disabilities	• Employed 9 foreign students • Continued to meet the statutory employment ratio	○	• Promote the employment of foreign students • Promote the employment of people with disabilities
	Ito-Yokado	• Promote the creation a pleasant and fulfilling workplace environment	• Number of participants in the educational seminar on human rights: About 7,000 per year. Number of slogans for human right protection submitted by employees: 43,919 in total (112% of the previous fiscal year level)	○	• Continue providing education on human rights and normalization as part of education for managers and for new employees
	York-Benimaru	• Promote common knowledge of the re-employment system (after retirement age) • Continue to meet the statutory employment ratio of people with disabilities	• Reviewed the timing and details of onsite training for people with disabilities so that they could start working for the company in April, and gradually improved the retention rate of the employees	○	• Increase the employment rate of people with disabilities to 2.0%
	Sogo & Seibu	• Continue utilization of personnel by mid-career recruitment • Continue to meet the statutory employment ratio of people with disabilities (1.80%) • Promote effective use of personnel	• Employed 1 person through mid-career recruitment • Employment rate of people with disabilities: 1.85%	○	• Make better use of non-regular employees through the promotion system established for such employees • Promote employment of people with disabilities to comply with the revised Disabled Persons Employment Promotion Act (factoring short-term workers into the denominator) • Continue mid-career recruitment
	Seven & i Food Systems	• Continue personnel training of the mid-career employees	• Employed nobody through mid-career recruitment • Number of those re-employed after retirement: 10	×	• Promote mid-career recruitment based on the personnel plans
Assuring consideration for worker health and safety	Seven-Eleven Japan	• Eradication of accidents and violations of vehicle users	• Number of accidents and violations caused by vehicle users: 93% of the previous year level	○	• Eliminate the accidents and violations caused by vehicle users • Provide education to prevent industrial accidents
	Ito-Yokado	• Promote a reduction of industrial accidents requiring leave of 4 or more days by sharing information throughout the company, continuous and thorough education, or utilization of external training	• Number of industrial accidents: 93% of the previous fiscal year level • Number of industrial accidents requiring leave of 4 or more days: 89% of the previous fiscal year level	○	• Dispatch information and continue education without fail to prevent industrial accidents • Create an annual health and safety plan for each store and implement measures necessary for the store to reduce the frequency of industrial accidents.
	York-Benimaru	• Implement education to prevent industrial accidents	• Provided OJT	△	• Provide education on industrial accidents as part of education for new employees and of Off-JT
	Sogo & Seibu	• 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	• Those in charge of personnel affairs interviewed employees transferred to other workplaces • Continued providing the counseling service by phone, in which the doctor of the health insurance union gave advice to employees • Employees got vaccinated against flu at their workplaces.	○	• Establish a system for counseling services by local psychiatrists • Create a program to help employees on leave return to work
	Seven & i Food Systems	• Continue implementation of employee training to prevent industrial accidents	• Continued raising awareness and providing education to prevent industrial accidents through the health committee, etc.	○	• Have employees on leave take interviews with industrial physicians and fully participate in rehabilitation programs • Conduct follow-ups for health checkups and schedule interviews to prevent diseases once a year for employees • Give guidance on the use of tools and equipment to prevent industrial accidents

Note: The FY2010 results and FY2011 targets of Seven Bank are reported in the Data Section of CSR Report, which is available from Seven & i Holdings' Web site.

We are working to provide employees with fulfilling workplaces by listening to their opinions.

The Great East Japan Earthquake has reminded us of the fact that we are supporting the daily lives of people through our business operations. While re-recognizing the significance of delivering daily necessities to customers and providing them with the pleasure of shopping, we are asking ourselves now once again what social contributions we should make to society through our business operations.

For our Group to contribute to society through its business operations, individual employees need to become aware of the significance of their jobs and have workplaces where they can work with ease of mind. Only when these requirements are met, employees can work with high motivation, which in turn makes it possible for them to make social contributions.

Based on this recognition we have been committed to creating fulfilling workplaces.

In this CSR report, we introduce the results of measures implemented by each of our operating companies to create fulfilling workplaces. Some of the targets have been achieved while there are some initiatives that need to be enhanced or improved in its approach. As for the targets that have yet to be achieved, we will sincerely review our approaches to the targets and continue implementing improvement measures.

In order to create fulfilling workplaces where all employees can work with peace of mind, we will make group-wide efforts while listening to the opinions of employees in order not to miss any changes in their awareness and values.

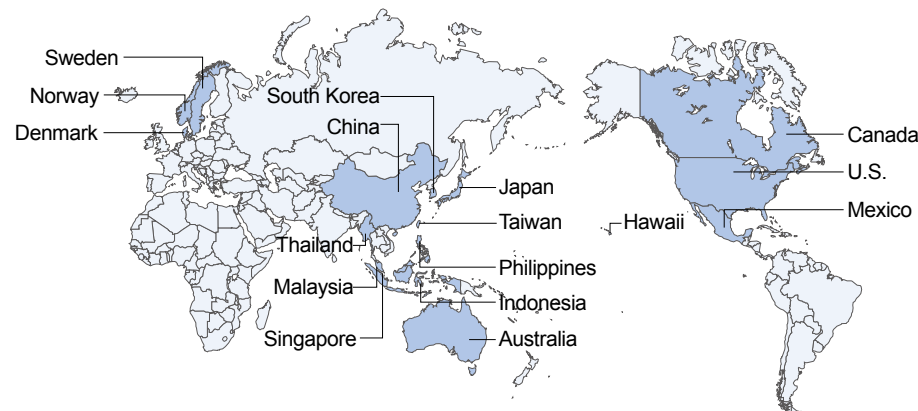
Masataka Tosaya

Senior Officer
Personnel Planning Department
Seven & i Holdings



Overseas initiatives

The Seven & i Group operates globally, in 16 countries and regions around the world.



Worldwide Store Network

41,800 stores (approx.)*

* The number of stores (end February 2011 for Japan; end December 2010 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

Initiatives in the United States

7-Eleven, Inc.

The Southland Corporation, the predecessor of 7-Eleven, Inc., was established in the United States in 1927. The store name was changed to 7-Eleven in 1946, to reflect the store hours, which ran from 7 in the morning to 11 at night. As of the end of December 2010, there are 6,145 7-Eleven stores in the United States, and 465 in Canada.

(Below, initiatives are for the United States, unless they are specifically indicated as being for Canada.)



Replacing lights with power-saving LED

7-Eleven, Inc. has sought to reduce its burden on the environment, as exemplified by reductions in resource consumption, waste, and CO₂ emissions.

In 2010, 7-Eleven made a significant investment, mainly to replace lighting with LED lights. LED lighting fixtures designed for existing stores were developed jointly with a business partner. Also in 2010, a target of installing LED lighting fixtures at 3,102 stores, equivalent to 75% of non-gas station stores, was exceeded. These lighting fixtures have been installed at 3,118 stores.



Exterior gas canopy with LED lighting

Estimated LED Retrofit Project results for 2010:

Initiative	Number of Stores Implemented	Estimated Annual CO ₂ Reduction (Metric Tons)
LED Vault Doors	5,604	12,719
LED pole sign	1,664	2,911
Ext LED lighting (non-gas)	3,118	32,566
Ext LED lighting (gas)	430	8,651

Environmental data of the United States and Canada

	FY 2008	FY 2009	FY 2010
Number of stores	6,196	6,389	6,610
CO ₂ emissions from store operations*1 (1,000 ton-CO ₂)	1,139	1,128	1,117
per store (t)	184	177	169
Water consumption (1,000 m ³)	4,656	4,997	5,123
per store (m ³)	751	782	775
Plastic bag consumption in the US (ton)*2	—	—	1,927

*1: Calculated based on the emission coefficient that conforms to the standards of the Environmental Protection Agency (EPA) of the United States

*2: Only in the United States

Opinion



Director - Engineering & Energy Management,
7-Eleven, Inc.
James Chemp

Our approach is to seek continuous improvements for our energy- efficiency programs. We are proud of our performance and progress in driving our environmental sustainability platform.

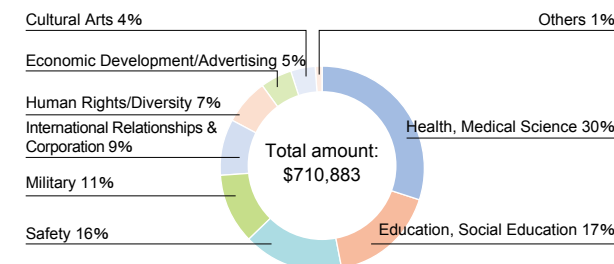
Making A Positive Impact through Community Involvement

7-Eleven, Inc. and franchisees have long supported their regional communities. Our primary missions include youth education, ensuring safety in regional communities, offering hunger relief, and supporting military families. The focus has been on helping to build a strong foundation for the next generation.

We support a number of locally active organizations with networks across multiple locations in the country. Outcomes of activities are evaluated based on the number of participants, the amount of funds raised, and feedback on the activities.

In FY2010, more than \$3.9 million in cash-equivalent value has been donated to more than 130 organizations, including cash donations from customers, franchisees, employees, and the company, as well as in-kind contributions and volunteer hours for local initiatives.

Amount of cash donations in the United States by 7-Eleven, Inc. (FY2010) *



* This is the budget. In addition, food write-off donations (in-kind value of approx. \$40,000) were offered.

Our community relations activities include:

- Contributing proceeds from the sale of select products
- Canister campaigns that raise awareness and funds
- Donating surplus food to hunger-relief agencies
- Sponsorships of programs and events
- Operation Chill® - donating Slurpee® coupons to local police to ticket kids for good behavior
- Donating product coupons to schools and youth sports
- Volunteering in local initiatives and community-service days

Fund-raising campaigns through product ales for social issues and the communities we serve

In FY2010, 7-Eleven, Inc. continued the Coffee Cup with a Cause campaign throughout the year.

The Campaign was held five times together with entertainment and sports celebrities. In the Campaign, cups designed by the celebrities were sold exclusively at participating domestic 7-Eleven stores for a limited period. Part of the proceeds was donated to youth organizations chosen by the celebrities.

Participating celebrities not only offered their names and artistic talents, but they also promoted sales of the coffee cups through live events and broadcast and social media channels. Customers responded positively to the call to action, and purchased over 12 million cups. This enabled us to donate a total of \$1.27 million to five organizations.

In addition to the Campaign, products were also sold in the Breast Cancer Awareness campaign. The total amount raised in these two campaigns was an impressive \$1.6 million.*

7-Eleven, Inc. will continue with campaigns to improve the quality of life for our communities, tapping into the power of our outstanding products.

* Not included in the amount of cash donations shown in the diagram to the left.

Description of activities by recipient organizations

- 1 Building a playground for underserved children
- 2 Offering safe and educational after-school programs to children
- 3 Promoting team building and physical activities through youth sports
- 4 Granting wishes to young children with life-threatening diseases
- 5 Offering university scholarships to students who overcame cancer



2 Designed by Jennifer Hudson



3 Designed by Will Ferrell

Cups of Coffee Cup with a Cause campaign



•Donating school materials

7-Eleven, Inc. has focused on educational support activities that contribute to the overall well-being and future success of youth.

At stores in the Chicago region, a campaign was held to support children from low-income families in the back-to-school season.

In the campaign, packages of 10 pencils were donated to match customer purchasers as gifts to children. The pencils gathered were donated to public schools in Chicago and neighboring school districts. In addition, 7-Eleven offered 1,500 backpacks filled with stationery goods to a back-to-school event sponsored by the City.



•For safer communities

7-Eleven has supported the local police, in the hope of making the communities safer for residents.

Stores in the greater Philadelphia area support the \$2 million dollar-fundraising campaign of the Philadelphia Police Department as it aims to revive its mounted patrol unit. They also launched a canister campaign called "Drop a Quarter for Law & Order." Also, magnets were sold at two dollars each, with all of the proceeds donated to the mounted patrol unit fund. The amount raised and the profits from the sales of magnets, which totaled \$10,711, were donated to the Mayor of Philadelphia and the Chief of the Philadelphia Police Department.

The Fort Dix Street 7-Eleven located in Wrightstown, New Jersey established a Police Community Network Center (PCNC) for policemen. Local residents were concerned about possible criminal activity, as there was no police force stationed in the town. The establishment of the center created opportunities for residents to make contact with police. Also, 7-Eleven, Inc. donated \$711 to the Fort Dix Boy Scout Troop, an appropriate amount in light of the company name.



•7-Eleven employees and franchisees offer food

In FY2010, 7-Eleven employees took part in volunteer activities to make sure needy families had food on the table. Employees and franchisees working in the Sierra Nevada Market participated in a food-drive community-service project, to provide holiday meals to needy families and the elderly. The team donated some 500 cases of food, including 100 loaves of bread, 20 cases of water, and other such food products.

Employees and franchisees of 7-Eleven, Inc. in Suffolk County, New York, served coffee and bakery goods to County police and community residents who distribute meals to those in need in the Yaphank area. In FY2010, approximately 500 turkeys and hams were offered to needy families.



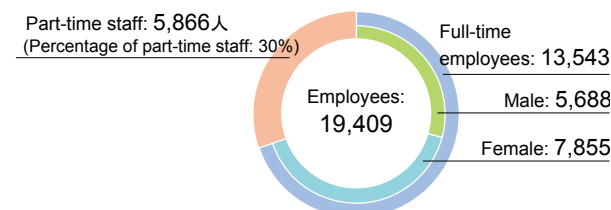
•Honoring veterans at community events

7-Eleven, Inc. believes that participation in community events celebrating military personnel who have dedicated their lives to serving their country must be an important focus of its community outreach.

Employees in the Nassau County Market in New York greeted visitors at the Dignity Memorial Vietnam Wall community exhibit in Huntington, and distributed about 300 sandwiches to veterans. Excess food items were donated to the Northport Va., homeless veteran's shelter.

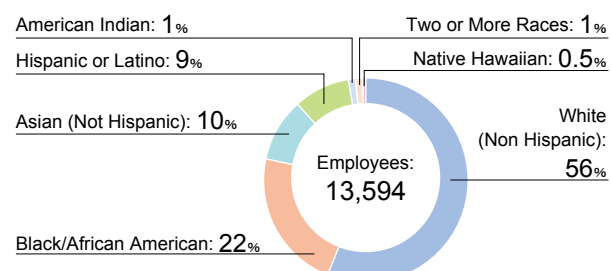
Personnel Data (as of December 31st 2010)

Employee composition in the US and Canada



- Percentage of employees with disabilities: 2.2%
- Percentage of women in management positions excluding executive officers: 24%

Racial composition of employees in the US



TOPICS

7-Eleven in the world

* The number of stores is as of December 31, 2010

7-Eleven, Inc. is responsible for granting area licenses to overseas operators of 7-Eleven stores. In countries and regions not covered by Seven & i subsidiaries, leading corporate groups operate 7-Eleven stores. Royalty fees paid by area licensees are included in other income of 7-Eleven, Inc.

At the end of February 2011, the number of 7-Eleven stores in the world reached 40,000. Here are CSR initiatives implemented by three companies of licensees.

•Thailand (5,790)

CP ALL Public Company Ltd.

The Company is determined to create new alternatives for education and develop youths by developing an educational system that provides opportunities for students to learn about professions from practical experiences. One example is the establishment of a school with the objective of creating retail professionals. The retail program's practical training at 7-Eleven stores enables students to earn income while studying. In addition, the Company gives scholarships.

•Taiwan (4,750)

President Chain Store Co. Ltd.

The company has been involved in CSR initiatives for many years. One example is the "Good Neighbor Foundation" set up in September 1999. Every year, 0.5% of the net profit (after tax) is transferred to the foundation as part of its operating funds. The foundation holds neighborhood cleaning activities every third Friday of every month. Not only all store keepers and supporting staff in the headquarters can participate but also general people can join.

•Malaysia (1,212)

7-Eleven Malaysia Sdn. Bhd.

The company set up a non-profit entity, Community Care, to support underprivileged groups and to sustain environmental conservation efforts. Money raised from donation boxes are donated to selected welfare homes. During Ramadan, it holds annual campaign which enables shoppers to donate items to welfare homes easily. By referring to the proposed list, they can grasp which items are most needed and purchase those items then drop into collection boxes.

SEVEN-ELEVEN (HAWAII), INC.

In 1989, Seven-Eleven Japan purchased the Hawaii Division from the Southland Corporation (7-Eleven, Inc. today).

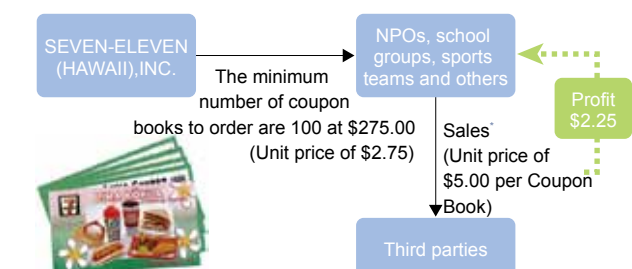
As of the end of December 2010, 55 stores are in operation in Oahu, Maui, and other islands.



Social contribution through the sale of coupons

Since 2001, SEVEN-ELEVEN (HAWAII), INC. has sold Lima Kokua (Helping Hands) Coupon Books to schools, sports teams, and other non-profit organizations. The organizations that purchased these coupons, which can be used in all Hawaii stores, earn a profit by selling them to third parties. Over 55 organizations have used the system each year, and SEVEN-ELEVEN (HAWAII), INC. has supported the activities of these organizations through the sales of the coupons. In FY2010, 59 organizations used the system.

Lima Kokua Coupon Book system



The coupon is worth about \$25.00 of products at retail prices, against the unit price of \$2.75

* When organizations that purchased the coupons sell each coupon book at \$5.00 each as suggested by SEVEN-ELEVEN (HAWAII), INC., a profit of \$2.25 per book is obtained.

Initiatives in China

In June 2010, sales of our private brand Seven Premium products, made exclusively for customers in China, got underway. The products were developed jointly by the three superstore companies and 7-Eleven stores in Beijing, Tianjin, and Shanghai, to meet the needs of the Chinese market. These products are being produced at local plants, in collaboration with Japanese manufacturers that have developed Seven Premium products in Japan and understood the concept.

In the production processes, a system for integrated management of information on products and source materials has been adopted to ensure safety and

reliability. In addition to high quality, reasonable prices have been achieved by procuring source materials in a style that taps the synergies of the Seven & i Group.



SEVEN-ELEVEN (BEIJING)

The first Seven-Eleven store opened in Beijing in 2004. Since then, new store development has progressed steadily. As of the end of December 2010, 100 stores were in operation in China.

For the expansion of its business, it is necessary to develop local staff. Therefore, SEVEN-ELEVEN (BEIJING) motivates Chinese employees by assigning them to key posts.

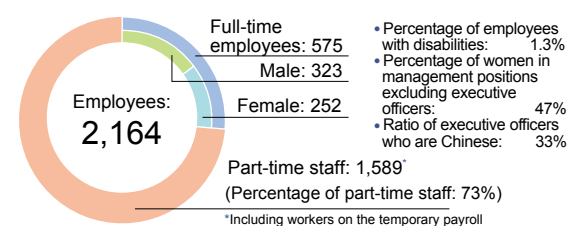


Employee composition

SEVEN-ELEVEN (BEIJING) aims to employ and appraise workers faithfully, and to establish a fair, appropriate, and equal work environment.

As of the end of December 2010, there were 2,164 employees and 16 persons dispatched from Seven-Eleven Japan are on duty. Ten employees with disabilities have been employed. They are in charge of cleaning and cooking at stores, as well as cleaning, general affairs and other roles at the head office. Expert instructors (able-bodied staff) provide on-the-job training in methods of training and instruction to able-bodied employees working with employees with disabilities, in the hope of developing a working environment comfortable for both.

Personnel Data (as of December 31st 2010)



Personnel evaluation

All employees, including part-time staff, are interviewed for appraisal every month and are appraised once a year for their annual performance. In the monthly appraisal, each employee and his or her direct manager (the primary manager) discuss the achievement level of the targets set for the month by each of them. In the annual appraisal, the primary manager appraises the self-evaluation results by each employee first, and then the secondary manager conducts an appraisal and interviews. In the interview for the annual appraisal, discussions are held taking into consideration the future career plans, and employees are asked about requests for improvement in performance and duties, how subordinates are being educated and instructed, whether lessons learned in seminars have been put to use, and so on. By listening to the opinions of employees in detail, we attempt to improve employee satisfaction and the content of seminars.



Cultivating human resources

As a measure for human resources development, special early development plans are created to allow capable employees to be promoted quickly, and in-house training systems have been established accordingly. Normally, about two years are needed before a new employee is promoted to a store manager, and then to OFC (Operations Field Consultants). Excellent employees, however, are asked to participate in unique training called Express Training to promote them in about half the normal time. Currently, employees working in the Store Operations Department are considered for the early development plan. But we are expanding the scope and include departments other than the Store Operations Department in near future. Other human resources development plans include having employees who have been working for three years or more, ranking as chiefs at the head office (equivalent to Managers) or above, participate in outside training programs, and in-house seminars taught by outside experts.

Opinion of the local employee who participated in the early development seminars.....



Li wei
Store Manager,
Store Operations
Department
Seven-Eleven (Beijing)

Through the training, I have understood that our company is being operated by mutual cooperation among various departments. I have also realized the importance of working as a team. Until now, I was thinking only about improving my own skills. But after taking the seminars, I am also hoping to see my associates and subordinates improve. In the future, I hope to be an OFC who functions as a link between the head office and stores, and then become the leader of OFCs for cultivating younger employees. For this purpose, I need to learn many things. I hope the company will offer even more opportunities for training.

Energy conservation initiatives

In China, electricity charges have gone up because supply has not kept pace with the growing demand. Electricity conservation is indispensable for business entities to reduce the costs in addition to the environmental burden. At Seven-Eleven (BEIJING), efforts are being made daily to conserve electricity by turning off lights and signboards in certain time zones. Energy-saving facilities are being adopted for tests, and the test results are verified to judge whether to introduce more such facilities.

In FY2010, inverter air-conditioners that showed high electricity conserving effects at trials conducted in FY2009 were adopted at new stores and those replacing air conditioning facilities. Also, energy-saving eHF lighting fixtures are being adopted at new and renovated stores. This resulted in a 30% reduction of fluorescent lamps used per store compared to the previous year—from 68 to 43. Since the service life of the fluorescent lamps is long at 12,000 hours, the frequency of replacement and the amount of waste are also reduced.

In FY2011, we will expand these initiatives and study trial use of LED for store lighting to conserve energy even more.

Store-front fund raising

A charity box has been set up in each store since November 2006, soliciting contributions from customers. The funds raised are being donated to the government-certified environmental organization Beijing Green Foundation.

Changes in the amount raised

FY2007	55,567 yuan
FY2008	60,291 yuan
FY2009	95,295 yuan
FY2010	80,931 yuan



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

Starting with Chengdu Ito-Yokado Co., Ltd. established in Chengdu of Sichuan province in December 1996, Ito-Yokado has established Hua Tang Yokado Commercial Co., Ltd. in Beijing in September 1997, and Beijing Wang fu jing Yokado Commercial Co., Ltd. in Beijing in November 2004.

Aiming to be stores of Chinese people, by Chinese people, and for Chinese people, a product lineup and services that meet the local needs, local product procurement, and store operation by local staff are being emphasized.



Hua Tang Yokado Commercial Co. Ltd.



Chengdu Ito-Yokado Co. Ltd.



Beijing Wang fu jing Yokado Commercial Co. Ltd.

Hiring and training Chinese employees

As of the end of December 2010, more than 90% of the people working as managers or in higher positions with the general supermarket companies and a food supermarket company in China were Chinese nationals. Career development has been encouraged for women, and about half of the managers working at stores are women. Especially with Chengdu Ito-Yokado, Chinese people have worked as General Managers of the Administration Department at the head office, store managers, General Managers of divisions for apparel, household goods, and food products. Fourteen Japanese employees support them in their operations.

All of the companies call for suggestions on business improvement measures each year, to reflect employees' opinions in business operations. At Chengdu Ito-Yokado, 437,093 suggestions were sent in during FY2010. Among them, a suggestion to install a bell for calling store clerks at fitting rooms was adopted, for example. As can be seen, employees' opinions are being used to improve customer service.

Each company sends their executives to Japan each year. They participate in the policy briefing of the Seven & i Group, and make observations at stores of Group companies on the methods of store operation.

Opinions of local employees



Zhang quxiu
Buyer of bedding products,
Merchandise Department,
Chengdu Ito-Yokado

At stores in Japan, the smiles and service of employees that considers every detail left a deep impression on me. Also astonishing were the ways to make work processes visible and methods of schedule management. In the future, we should change the way we handle our work.

After participating in observations at stores in Japan and the briefing on administration policies, I have decided as a buyer to strive to gather information at my own initiative, precisely understand constantly changing customer needs to enable new and valuable products to be developed, and fill the sales floors with new products before anybody else does.



Zhang jing hui
General Manager of Food
Products
Shilipu Store, Hua Tang
Yokado

At our store, we strive to respond to customers expectations on safe, reliable, and high-quality products. It truly makes us happy when customers say they are glad to have come to the store and will come again. Questionnaires are distributed regularly to learn more about customer needs. Also, customers are directly asked to state their opinions and comments in the store.

Interest has grown in safety, reliability, and environmental issues in China as elsewhere. Under these circumstances, stringent management is necessary not only covering the day of production and the freshness period of products, but also in terms of the production ground, storage status and conditions, and inspection reports. We will also aim to communicate product features using different POP.

Cooperation with business partners

Hua Tang Yokado and Chengdu Ito-Yokado purchase about 90% of the products they handle, and Wang fu jing Yokado purchases all products from business partners in China. Team merchandising is pursued, referring to product development efforts in collaboration with business partners. In FY2010, Chengdu Ito-Yokado developed and sold the primary processed seafood products, in response to customer opinions that they like eating seafood but it is too bothersome to cook it. This approach to product development has led to improvements in development capabilities and in the productivity of business partners.

At Chengdu Ito-Yokado, persons in charge check the level of quality control by business partners. In FY2010, observations were made on 150 occasions at plants of apparel and household goods, to confirm the environment at the plants and product quality. In addition, food production grounds were visited 25 times to confirm the methods of cultivation and farming, soil quality, and production processes.

Sales of organically-grown vegetable and traceable products

Ito-Yokado has sought to promote sales of locally produced and organically-grown agricultural products. Wang fu jing Yokado sells vegetables with traceability, in collaboration with Xiaotangshan Farm that specializes in vegetable cultivation with reduced agrichemicals. As of the end of FY2010, about 40 items were being handled, all of which have enjoyed customer appreciation for their freshness, better taste, and reliability with low agrichemical use.

Hua Tang Yokado has expanded the number of organically-grown vegetables being handled. In FY2010, about 224 items were sold, of which sales accounted for about 12% of those from the fruit and vegetable floor. Efforts are also being made to disclose information to customers. At the corner for organically grown vegetables, POP is being used to convey information on the producers and production management. Terminals are also installed for information searches, such as the production grounds.



Terminals for searching installed
at sales floor



Vegetables and fruits floor

Enhancing customer service

Customer Opinion Boxes have been set up at each of the stores, to gather customer opinions. Opinions sent in are being shared among departments and stores, and used to improve our stores. At Hua Tang Yokado, store and head office representatives meet every other week, to discuss the current situation and future measures for each store.

Efforts to enhance customer service have also been strengthened. At Chengdu Ito-Yokado, staff practice how to smile during the morning and lunchtime assemblies, aiming to offer customer service with the best smiles in China. In addition, employees who received comments of appreciation from customers are commended at the morning assembly held each month, and they are also featured in the in-house newsletter. With these measures, we seek to enhance employee motivation and distribute examples of excellent customer service.



Customer Opinion Box

Number of customer opinions accepted (FY2010)

Hua Tang Yokado	4,900
Chengdu Ito-Yokado	2,088
Beijing Wang fu jing Yokado	150

Introducing energy-saving facilities

All companies have sought to introduce new, energy-saving facilities. In addition to replacing lighting fixtures with energy-saving equipment, freezer and refrigeration facilities are being renovated by attaching inverters and other devices.

At Wang fu jing Yokado, all lighting was replaced with LED in March 2011. Hua Tang Yokado will incorporate LED for lighting fixtures at Majiapu Store, scheduled to open in FY2012, and plans to gradually replace all lights with LED at existing stores as well.

CSR management by the whole Group will be strengthened further.

Junro Ito
Director
Executive Officer of CSR Department



Aiming to revive Japan

Our Group wishes to express its deepest condolences to those who suffered losses in the Great East Japan Earthquake, and looks forward to the earliest possible recovery.

The earthquake and tsunami that brought unprecedented devastation have also affected community values. We at Seven & i Holdings Group recognized strongly anew our business mission as well as the support of our business partners, regional communities, and governments. Records of the disaster are being kept in the Group in many forms, which are to be passed down and conveyed to future generations, so that the experience will never be wasted. Elements of the record have been included in this Report also. (See P.6-9)

Configuring the new CSR promotion organization

In April 2011, the CSR Department was established under the direct management of the President, in the belief that the further pursuit and deepening of group synergy in CSR activities are indispensable, given expansion of the business domains and operating companies of the Group, the diversification of values among employees, and other factors. The CSR Department has begun instituting measures to organize issues in the current CSR organization and promote CSR activities even more effectively, as shown below, referring to the international standards on social responsibility ISO26000 issued in November 2010 and Keidanren Corporate Behavior Charter (the revised edition of 2010).

- 1) Clarifying the CSR policies for the whole Group, establishing policies that have not yet been established, and reviewing existing policies to suit changes in the social environment, as a holding company
- 2) Reviewing the CSR management organizations of the holding and operating companies
- 3) Establishing a division (or a committee) in charge of promoting and supervising CSR at operating companies
- 4) Formulating business strategies to refine the issues to be addressed and find solutions, taking into consideration the features of businesses conducted by each of the operating companies and relations with social issues
- 5) Keeping in mind the PDCA cycle when implementing CSR measures, and establishing KPI (key performance indicator) such as Group-wide numeric targets
- 6) Sharing examples of leading-edge CSR measures among Group companies

Disclosure of CSR information

This year's Report has been edited in accordance with the measures taken, instead of by operating companies. In addition, a list of targets and results obtained by each company and comments by the person responsible for each measure are included. The editorial policies are intended to promote understanding on the direction pursued by the Group and its sense of unity. With some of the measures taken to deal with individual issues, there are differences in the progress among operating companies, and efforts will be made for improvement under the new CSR organization.

Also, measures taken by each company in response to customer opinions, as well as the opinions and initiatives of employees of overseas operating companies, are more fully detailed. At the same time, quantitative data relating to the environment and personnel matters are reported on the website. These measures are designed to make the printed CSR Report easier for more people to read.

To ensure the accuracy and objectivity of the information disclosed, we will study measures such as having an independent organization verify the information.

For remaining a company trusted by society

In the process of instituting CSR measures through our business activities, importance is likely to continue growing for the development of new business models that strongly consider social issues, as well as collaboration with NGOs. Under consistent thinking and values based on the Corporate Creed's Trust and Sincerity, all Group companies and employees seek to sincerely pursue a mission of contributing to society through their business activities while responding to the expectations of society through further communications and collaboration with stakeholders, and we will continue seeking to ensure the sustainable growth of society and business entities.

We would like to express our deepest gratitude for the guidance and encouragement that you have extended, and we would greatly appreciate your support going forward as well.

2005	<ul style="list-style-type: none">• CSR Promotion Committee inaugurated
2006	<ul style="list-style-type: none">• Started cleanup activities conducted on the same day by all of the Group's operating companies
2007	<ul style="list-style-type: none">• Formulated "Basic Policy on Social and Cultural Contribution" and "Social and Cultural Contribution Action Guidelines"• Formulated "Business Partner Action Guidelines"• Established "Business Partner Help Line" in a third-party organization
2008	<ul style="list-style-type: none">• Changed the name of CSR Promotion Committee to CSR Management Committee, and established subordinate organizations Compliance Committee and Environment Committee• Formulated "Environmental Declaration" and "Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming"• Sold Eco Bags at stores, with part of the sales used for obtaining CO2 emissions rights. The emissions rights were transferred to the Japanese government free of charge in the following year.
2009	<ul style="list-style-type: none">• Formulated Challenges Facing the Seven & i Group, to be tackled jointly by the Group• Third-party reviews of CO2 emissions data conducted for the holding company and each of the five operating companies by a third-party organization• Formulated "Group-wide Manual for Calculation of CO2 Emissions" based on the results of third-party review• Established a Group-wide Help Line for employees of domestic Group companies in a third-party organization
2010	<ul style="list-style-type: none">• Transferred Human Rights Awareness Office of Ito-Yokado to the holding company, for promoting human rights awareness activities of the whole Group• Started Tropical Forest Conservation Project in Indonesia with a purpose of preventing global warming and conserving biodiversity• Made trial calculations on carbon footprint for 15 Seven Premium products
2011	<ul style="list-style-type: none">• Established CSR Department by integrating the CSR and social contribution departments

Information on each of the Group companies is also available on the following websites. (The URL provided is the top page of the CSR pages or the company)

<ul style="list-style-type: none">• Seven & i Holdings http://www.7andi.com/en/csr/index.html	<ul style="list-style-type: none">• 7-Eleven, Inc. http://corp.7-eleven.com/
<ul style="list-style-type: none">• Seven-Eleven Japan (in Japanese) http://c.sej.co.jp/corp/social/	<ul style="list-style-type: none">• Seven-Eleven Hawaii, INC. http://www.7elevenhawaii.com/home
<ul style="list-style-type: none">• Ito-Yokado (in Japanese) http://www.itoyokado.co.jp/company/profile/csr/activity.html	<ul style="list-style-type: none">• SEVEN-ELEVEN (BEIJING) (in Chinese) http://www.7-11bj.com.cn/
<ul style="list-style-type: none">• York-Benimaru (in Japanese) http://www.yorkbeni.co.jp/enviro/index.html	<ul style="list-style-type: none">• Hua Tang Yokado Commercial (in Chinese) http://www.ht-store.com/d/index.do
<ul style="list-style-type: none">• Sogo & Seibu (in Japanese) http://www.sogo-seibu.co.jp/csr.html	<ul style="list-style-type: none">• Chengdu Ito-Yokado (in Chinese) http://www.iy-cd.com/
<ul style="list-style-type: none">• Seven & i Food Systems (in Japanese) http://www.7andi-fs.co.jp/7fs/company/csr.html	<ul style="list-style-type: none">• Beijing Wang fu jing Yokado Commercial (in Chinese) http://www.wfj-yokado.com/
<ul style="list-style-type: none">• Seven Bank (in Japanese) http://www.sevenbank.co.jp/corp/csr/	



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<http://www.7andi.com/en/>



All electricity used for printing the report (25,790 copies) is green electricity, generated by biomass power generation.



The CO₂ emitted in the printing process is offset by purchasing CO₂ emission rights matching the CO₂ reduced in the Greenhouse Gases Reduction Project (Natural Energy Project), through the Japan Waterless Printing Corporate Association, and Carbon Offset Japan.

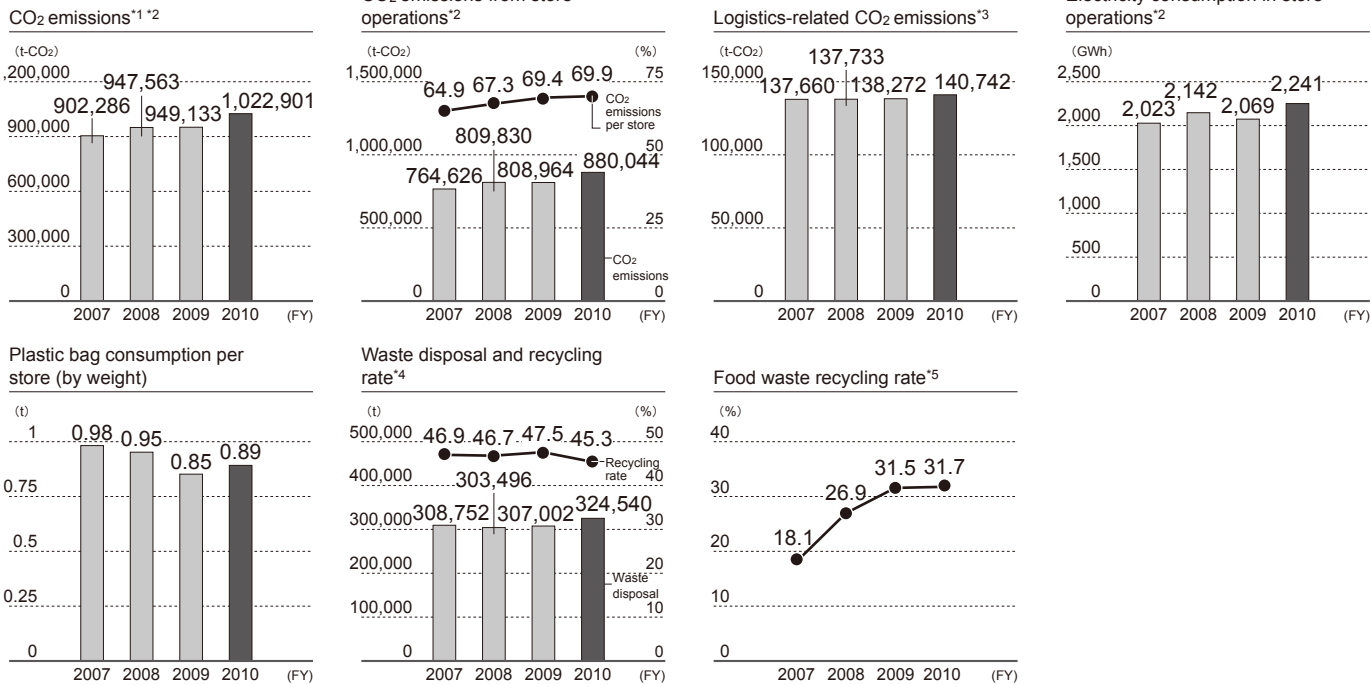


View here for a breakdown of total CO₂ emissions (in Japanese).



This Report has been printed using waterless printing, on FSC™-certified paper, and with 100% plant oil inks that are environmentally friendly.

Environmental Data



Supplemental information

*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). The data for FY2009 and onwards 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 FY2009 represent total electricity consumption by all but a few stores for which the electricity consumption figures were unavailable. The figures for FY2010 represent total electricity consumption at all but for a few stores, where the figures were calculated based on the estimated values since their electric consumption is unavailable.

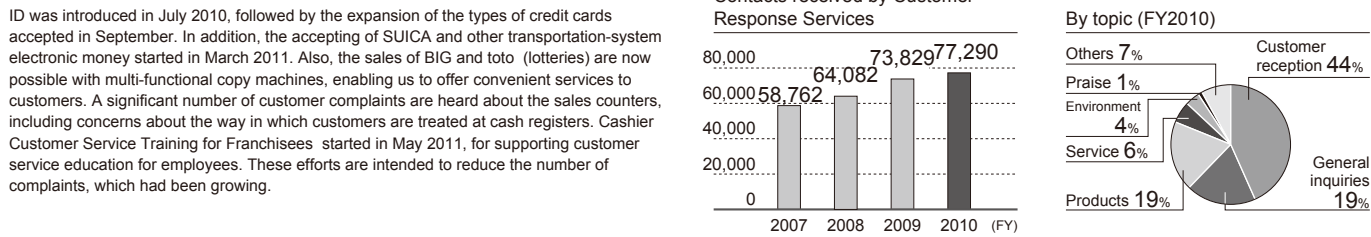
*3 This data represents CO₂ emissions stemming from distribution center operation and delivery truck exhaust.

*4 These calculations are based on estimated emissions by the stores in Tokyo. The period of the calculations was January to December. The amount of food waste was calculated based on the standard of *5.

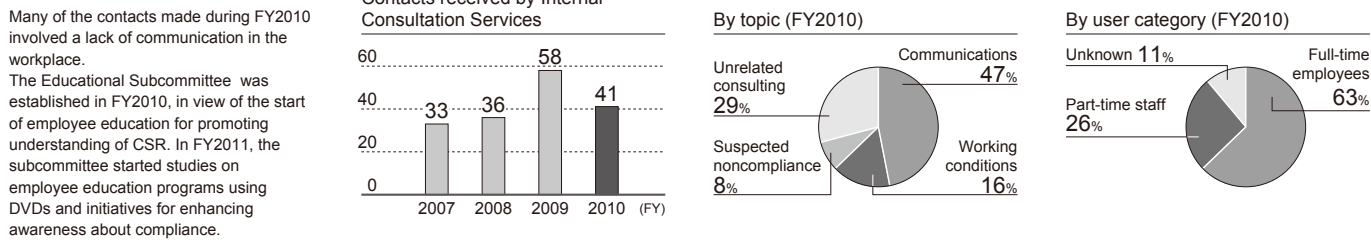
*5 The rate for FY2007 was calculated by estimating the recycling rate for waste from the stores in Tokyo. The period of the calculation was January to December. The rates for FY2008 and onwards were calculated based on reported results in accordance with the Food Recycling Law. The period of the calculations was April to March.

CO₂ emissions for FY2009 and onwards 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.

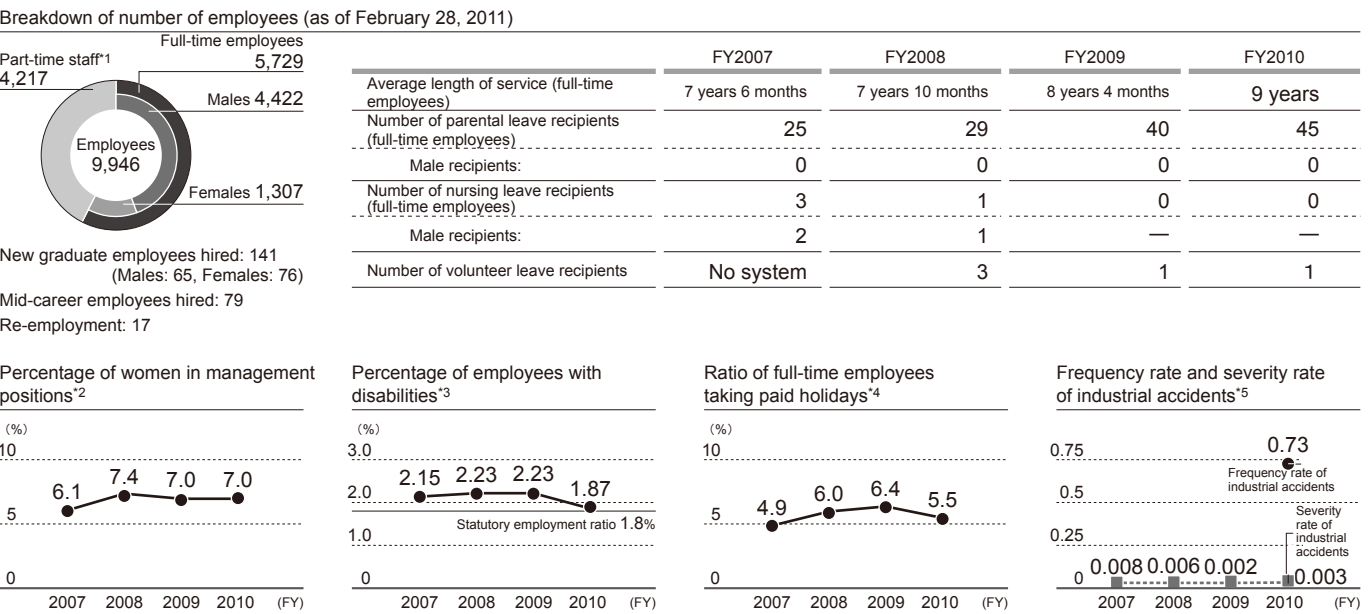
Data for Customer Response Services



Data for Consultation Services for Employees



Personnel Data



Supplemental information

*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. The method of calculation has been changed in FY2010, to reflect the amendment to relevant laws in July 2010.

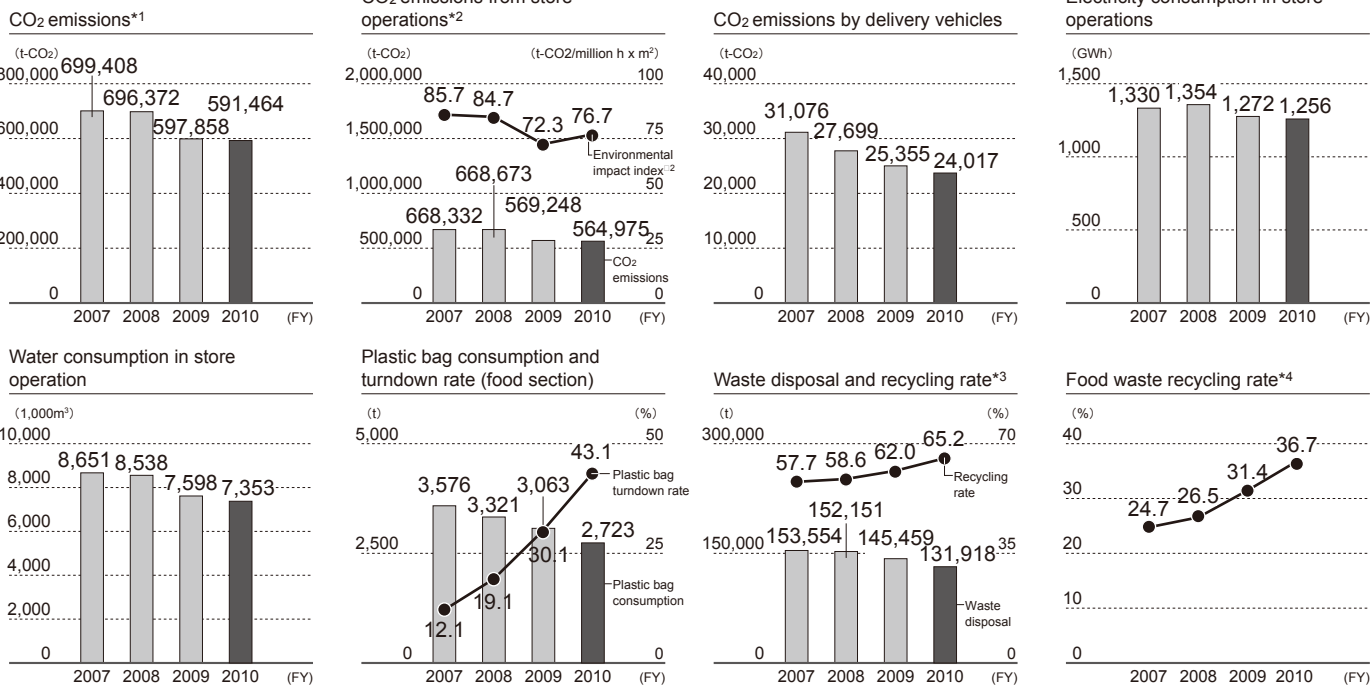
*4 Holidays remaining from the preceding fiscal year are not included.

*5 The data on frequency rate of industrial accidents shown is only for FY2010.

Major social contribution activities

- Safety Station Activities (See P37)**
To prevent sales of alcoholic beverages and tobacco to minors, measures were implemented including the posters at point-of-purchase for verifying age at the time of sale and voice guidance at cash registers.
- Accepting children for experiential learning (See P35)**
Since elementary and junior high school children in regional communities find our stores familiar, we have accepted children participating in experiential learning on work and observation tours at our stores as much as possible. The headquarters supports stores by distributing materials for their facilitating the programs. In FY2010, trainees and observation tours were accepted at 5,767 stores.
- Cooperation with Seven-Eleven Memorial Foundation (See P21)**
A collection box is set up at each Seven-Eleven store, and donations are made in accordance with the total amount collected. (The matching gift system) 76,735,190 yen was donated in FY2010.
- Sponsoring the Tokyo Marathon**
Seven-Eleven Japan sponsors the Tokyo Marathon and set up a booth as a part of its efforts to support sports. In addition, Seven-Eleven cooperated in producing rice balls distributed to runners who finished the race.
- Posting organ donor cards**
Brochure stands for donor cards for people to express their intentions have been installed, as a measure in cooperation with the Japan Organ Transplant Network.

Environmental Data



Supplemental information

*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 and onwards 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

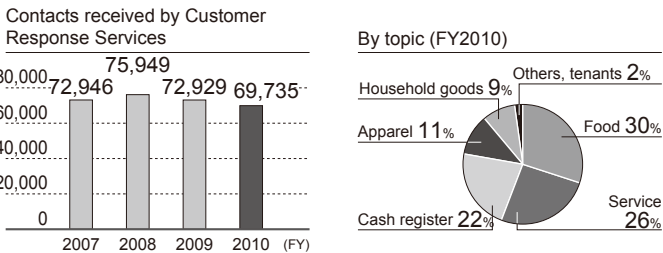
*3 Period from January to December

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

CO₂ emissions for FY2009 and onwards 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.

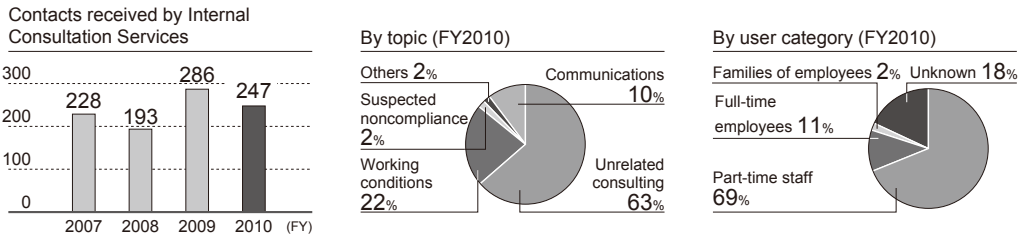
Data for Customer Response Services

Since FY2008, stores and the headquarters have collaborated in promoting initiatives for analyzing the causes of matters pointed out by customers and for making improvements, as a priority issue. This collaboration paid off, as the number of contacts received in FY2010 showed decline for three consecutive years. Opinions on services accounted for 26% overall in FY2010, however, remaining high. Therefore, we will promote initiatives on customer service in FY2011 to further reduce the overall number of contacts accepted.

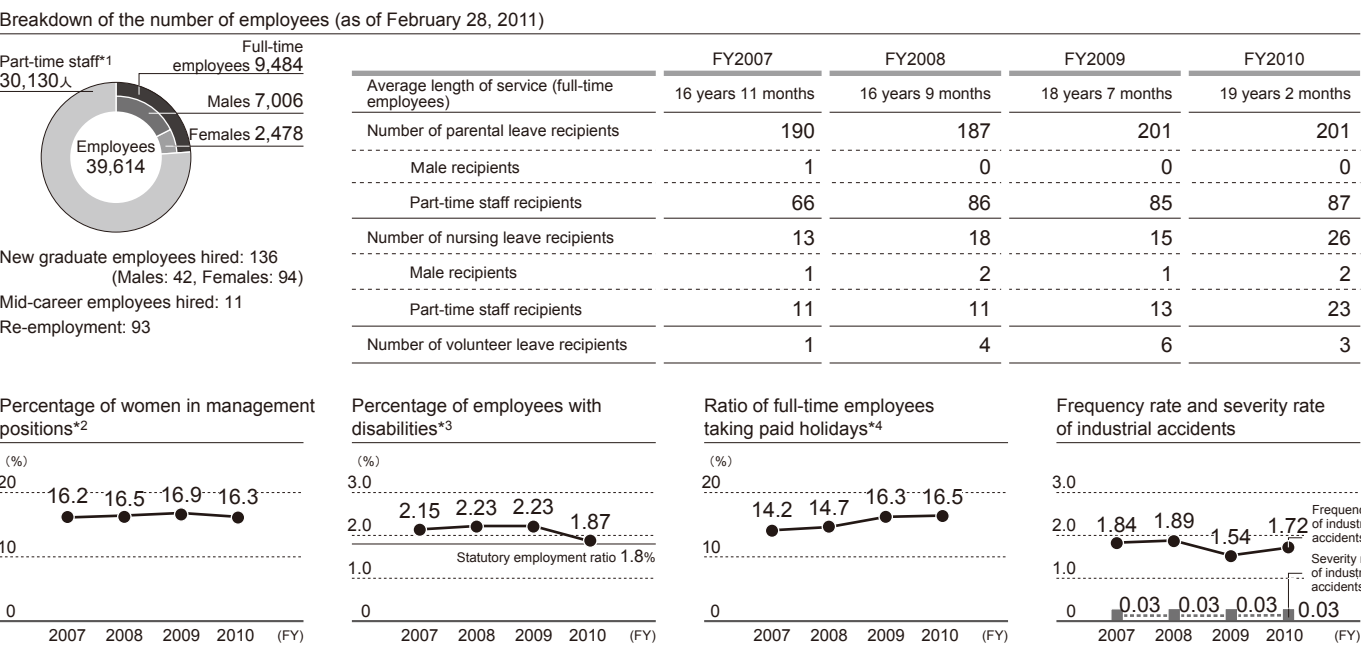


Data for Consultation Services for Employees

In FY2010, compliance seminars were held for 997 new employees and newly appointed managing personnel. The number of contacts made by employees for internal consultation relating to communications at workplaces has shown a tendency to increase. As such, we will hold seminars to enhance awareness of communications among managing personnel in FY2011.



Personnel Data



Supplemental information

*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. The method of calculation has been changed in FY2010, to reflect the amendment to relevant laws in July 2010.

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

Major social contribution activities

- Operating the Maternity and Childcare Consultation Centers (See P34)**

As of the end of February 2011, the service is available at 124 stores. The number of contacts accepted totals 279,033. The number of participants at events totaled 6,108 families.
- Establishing Eco & Universal Design corners and holding experiential learning meetings (See P14)**

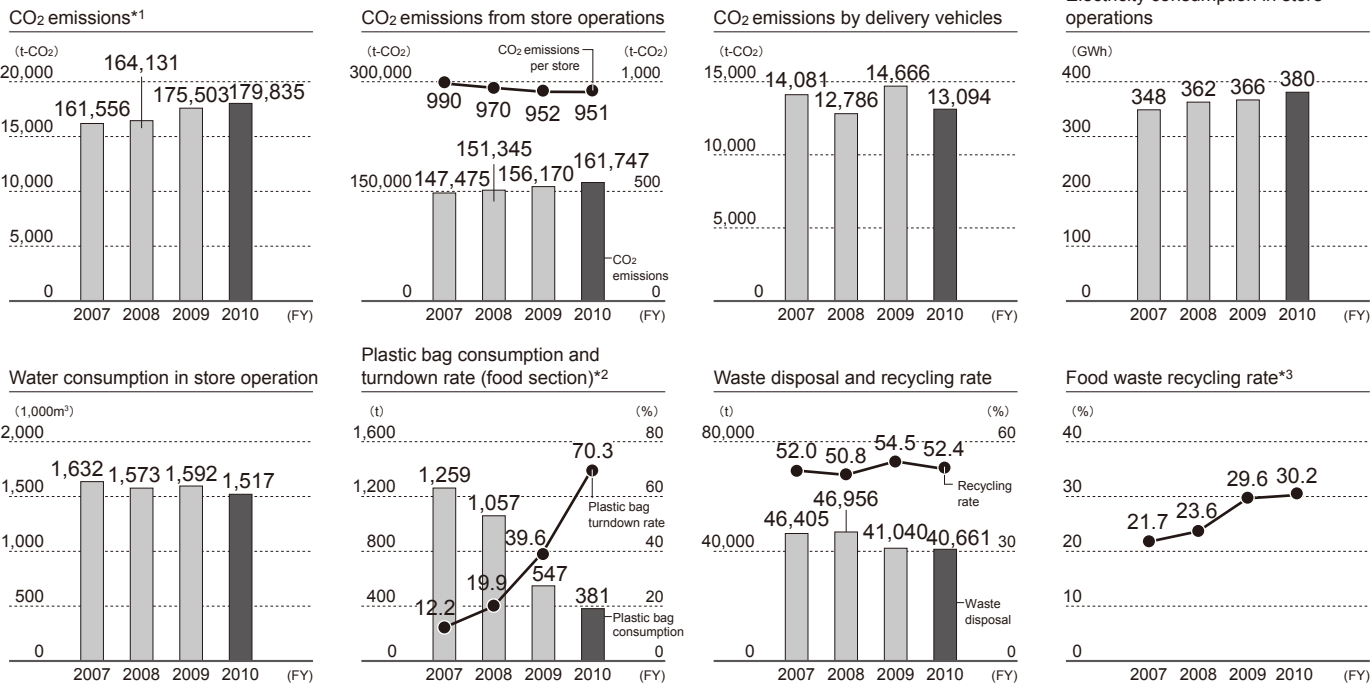
Eco & Universal Design corners aiming to be friendly to people and to the Earth have been established in Ario Otori, Musashi Koganei Store, Ario Kitasuna, and Ario Hashimoto. At these corners, initiatives by Ito-Yokado relating to energy conservation, recycling, reuse, and natural energy are presented on panels and movies.

At Ario Otori, events to provide elementary school children in neighboring communities with a learning experience were held in collaboration with the Sakai City board of education. In FY2010, 182 elementary school children participated.
- Seven & i AVESCO Fund (See P36)**

Using profits from specified vending machines, donations were made to organizations engaged in international humanitarian activities. In FY2010, 5 million yen was donated.
- Part of the sales from school bags was donated for the construction of elementary schools in Thailand (See P36)**

3 million yen was donated to NGO Plan Japan

Environmental Data



Supplemental information

*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 and onwards show CO₂ emissions stemming from the use of energy in store, headquarters, training center and distribution center operations and by delivery vehicles.

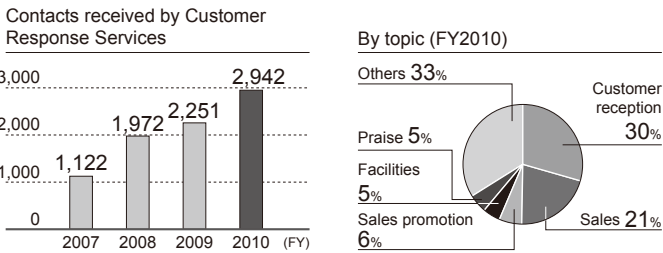
*2 For data in and before FY2009, calculations were made based on the number of Eco Stamp cards collected. In FY2010, we changed the calculation method, which is now based on the number of customers who do not accept plastic bags at checkout counters.

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

CO₂ emissions for FY2009 and onwards 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.

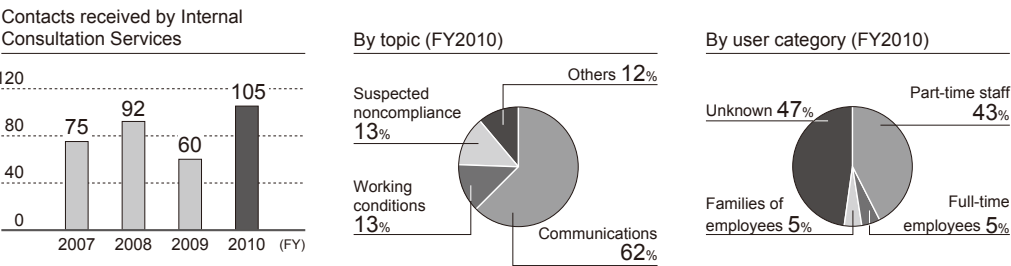
Data for Customer Response Services

In FY2010, York-Benimaru sought to listen carefully to customer opinions and respond to each one, by distributing examples of responding to customers' requests to all stores and with some opinions attempting to respond promptly through collaboration between the store and headquarters. As a result, more and more comments of appreciation were sent in by customers, thanking us for promptly dealing with their requests. We will continue these initiatives in FY2011, and will incorporate as many opinions as possible in our business activities. Through these efforts, we aim to develop stores that are fun and safe for customers to shop at.

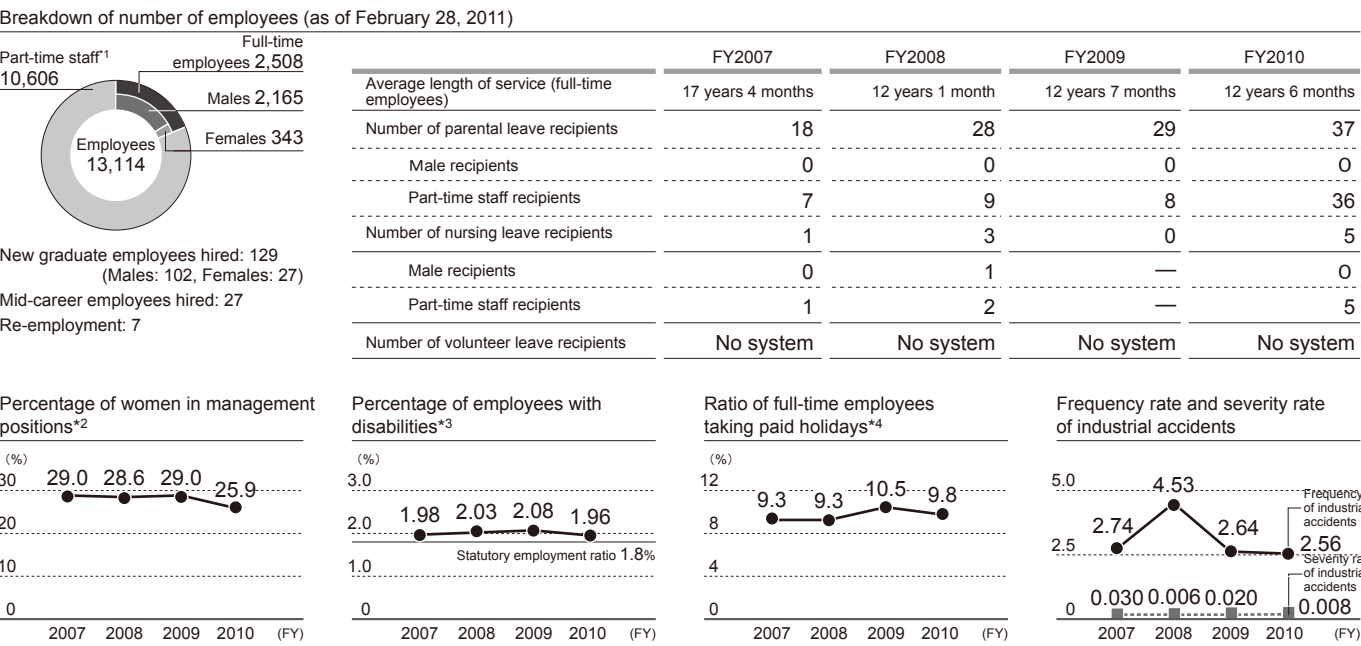


Data for Consultation Services for Employees

In FY2010, the operational status of Help Line was reported once a week in most cases to executives at headquarters. Reports were also made at Risk Management Subcommittee meetings (an in-house organization in which managers and supervisory managers of operating divisions participate), held twice a year. In FY 2011, prompt and precise responses to consultations are targeted, mainly by Corporate Action Committee. Steps will also be taken to prevent gaps forming between socially accepted norms and what is taken for granted within the company.



Personnel Data



Supplemental information

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

*2 Excluding executive officers

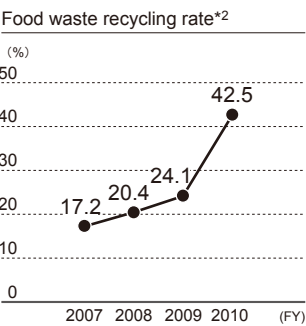
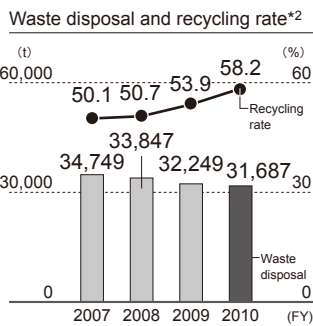
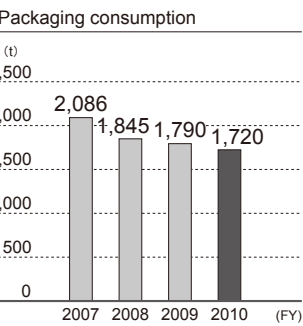
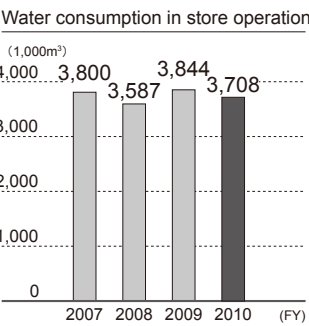
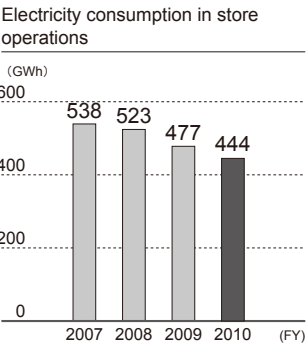
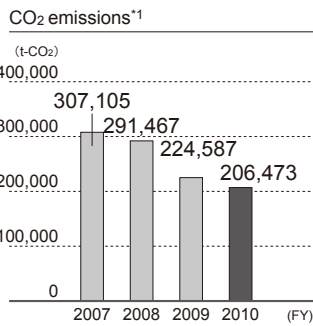
*3 The method of calculation has been changed in FY2010, to reflect the amendment to relevant laws in July 2010.

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

Major social contribution activities

- Food education activities for children (See P35)**
In FY2010, the Kids' Farm was held nine times, to which 87 people from 26 groups participated in total.
- Holding Opening Memorial Festival**
Various events were held in appreciation for customers of regional communities at each store, in the month when the store was established.
- Blood donation campaign**
York-Benimaru Co., Ltd. and York-Benimaru Labor Union have served as the secretariat for Heartful Saturday, a blood donation event held in October every year.
- Kids' run for health**
A run has been held since 1989 with elementary school children in Fukushima Prefecture, jointly with S&B Foods, Inc. In FY2010, 886 persons participated.
- The York-Benimaru Foundation**
The York-Benimaru Foundation has promoted international exchange activities, such as offering opportunities to study abroad, with the aim of cultivating an international mindset among youth. York-Benimaru Co., Ltd. functions as the secretariat of the Foundation, in efforts to promote lasting activities.

Environmental Data

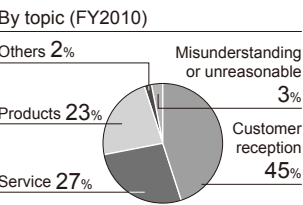
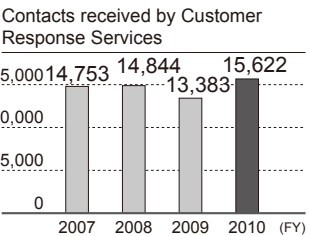


Supplemental information
Robinson's is included in the results for FY2009 and onwards.
*1 Data for FY2007 and FY2008 show CO₂ emissions stemming from the use of energy in store operations. Data for FY2009 and onwards show CO₂ emissions stemming from the use of energy in store, headquarters and distribution center operations.
*2 Robinson's is not included in the results for FY2009 or FY2010.

CO₂ emissions for FY2009 and onwards 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.

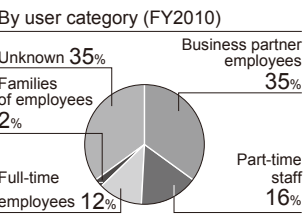
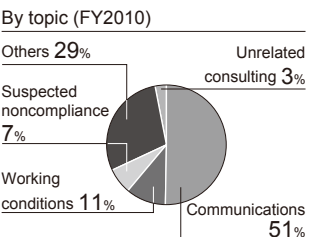
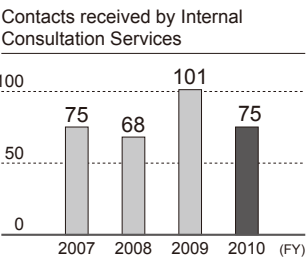
Data for Customer Response Services

In FY2010, a Customer Center was established in the Customer Service Department at headquarters, to bolster initiatives to incorporate customer opinions into corporate activities. Opinions provided at the Customers' Consultation Desk at each store were collected and analyzed, to enhance the level of customer service, the product lineup, additional services, and facilities. Employees also used note pads which they always carried to gather customer feedback on purchasing trends at the store-front. Activities were expanded to all stores and enhanced to use the collected information to develop hypotheses on future product lineups and sales systems. In FY2011, we continue those activities to resolve dissatisfaction among customers and reflect customers' needs in sales measures.



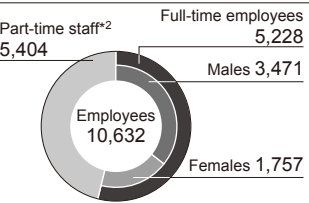
Data for Consultation Services for Employees

Through prompt responses to consultations and training given to managers, the overall number of contacts declined. The number was actually halved or reduced even further for consultations about working conditions and suspected noncompliance, and we believe that is a result of compliance training. In FY2011, we will hold training and other initiatives to maintain and cultivate excellent working conditions.



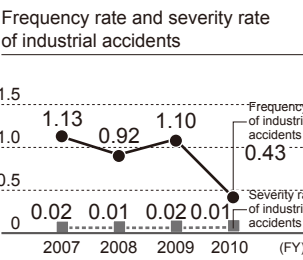
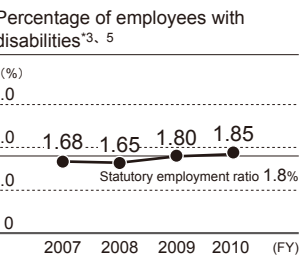
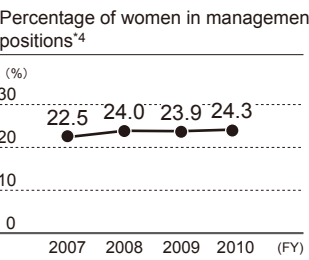
Personnel Data

Breakdown of number of employees (as of February 28, 2011)*1



New graduate employees hired: 54
(Males: 22, Females: 32)
Mid-career employees hired: 1
Re-employment: 101

	FY2007	FY2008	FY2009	FY2010
Average length of service (full-time employees)*3	18 years 5 months	18 years 6 months	19 years 4 months	19 years 6 months
Number of parental leave recipients	53	64	66	48
Male recipients	0	0	0	0
Part-time staff recipients	22	19	34	23
Number of nursing leave recipients	0	6	5	2
Male recipients	—	0	0	0
Part-time staff recipients	—	3	3	2
Number of volunteer leave recipients	No system	No system	No system	No system



Supplemental information
Robinson's is not included in the results.
*1 Robinson's is included in the result.
*2 Monthly average number, with 8 hours/day counted as one employee
*3 Robinson's is included in the results for FY2009 and onwards.
*4 Excluding executive officers
*5 The method of calculation has been changed in FY2010, to reflect the amendment to relevant laws in July 2010.
*6 Holidays remaining from the preceding fiscal year are not included for FY2010.

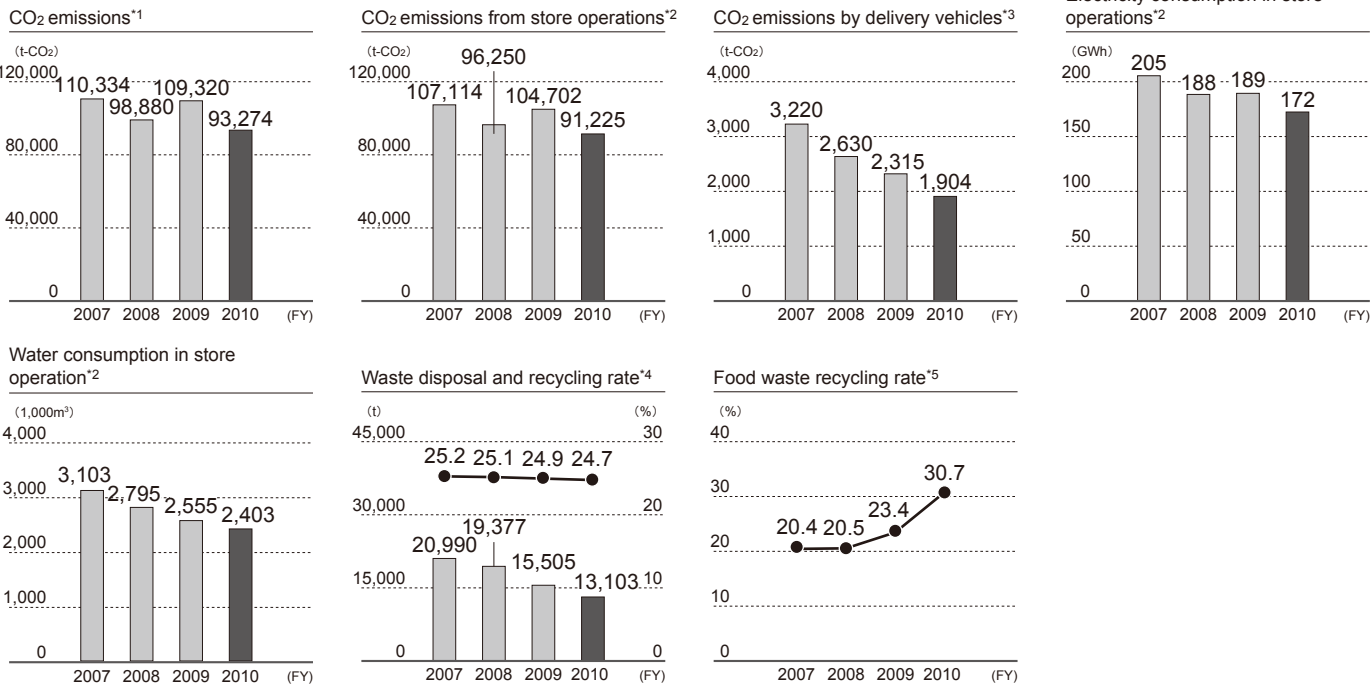
Major social contribution activities

Sogo & Seibu has undertaken the following three social contribution activities together with customers, with a theme Linking Everyone's Kindness.

- (1) **Support for fostering Seeing-eye dogs (See P35)**
- Get to Know Seeing-Eye Dogs Campaign, a demonstration event for promoting understanding on seeing-eye dogs and visually challenged people, is held at all Sogo & Seibu stores twice a year. The event has also been held at two Robinson's stores since FY2010.
 - A collection box has been set up in each store, and 26,575,059 yen in total donated by customers were sent to seven seeing-eye dogs fostering organizations in the neighborhood of each store.
 - The fund established by labor and management was combined with the amount raised by employees, and 15 million yen was donated to nine seeing dogs fostering organizations nationwide.
- (2) **Material support to developing countries (See P36)**
- Items that customers no longer need and that were entrusted to us were donated to developing countries. In addition to establishing a permanent desk for accepting used children's shoes, campaigns were held on four temporary occasions for collecting used shoes and soccer balls. A total of 324,500 items turned in by 99,900 groups of customers were accepted, and 115,900 items were donated to Zambia and other developing countries.

- (3) **Tree planting and cultivation activities (See P20)**
- Tree planting activity linked with simplified packaging
 - One tree was planted and cultivated through an NPO for every 4,000 instances of cooperation for simplified wrapping by customers who purchased summer and winter gifts.
 - Assisting in tree planting and cultivation by customers
 - One tree was planted and cultivated through an NPO for every 80 cases of "green wrapping" ordered by customers.
- Through the above and other activities, 1,065 trees were planted in FY2010. So far, 1,565 trees have been planted and cultivated since FY2009, when the activity started.
- Of annual sales from our original Eco Bags, 5% was donated to the environmental conservation organization (Japan Fund for Global Environment of Environmental Restoration and Conservation Agency). 672,000 yen was donated in FY2010.

Environmental Data



Supplemental information

*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 and onwards 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.

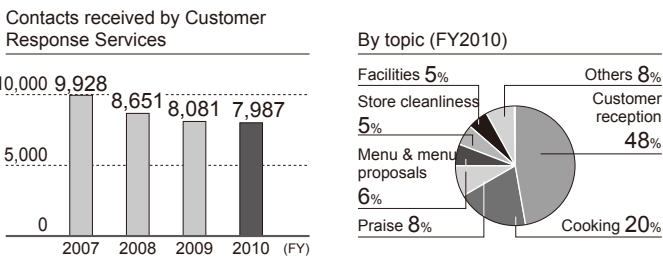
*4 FY2007 values are for Denny's only.

*5 Results for FY2008 and onwards were calculated using the calculation method prescribed by the Food Recycling Law. FY2007 values are for Denny's only.

CO₂ emissions for FY2009 and onwards 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.

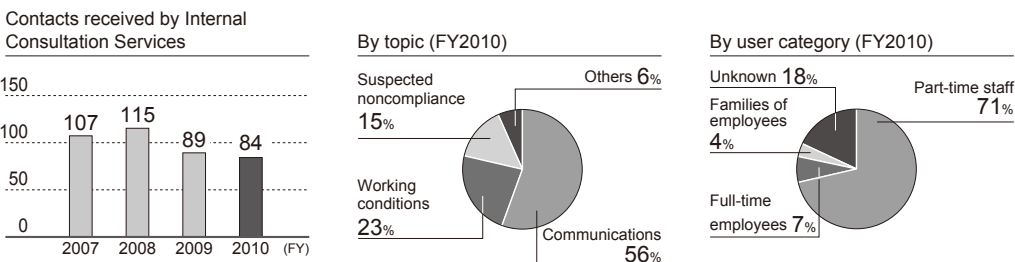
Data for Customer Response Services

In FY2010, Customer Service Training for Store Managers was conducted with priority given to stores where the complaint rate is high, in an effort to reduce complaints. In FY2011 as well, suggestions and complaints from customers will be segmented and dealt with in detail, at the same time continuing with customer service training for managers of stores with a large number of complaints.

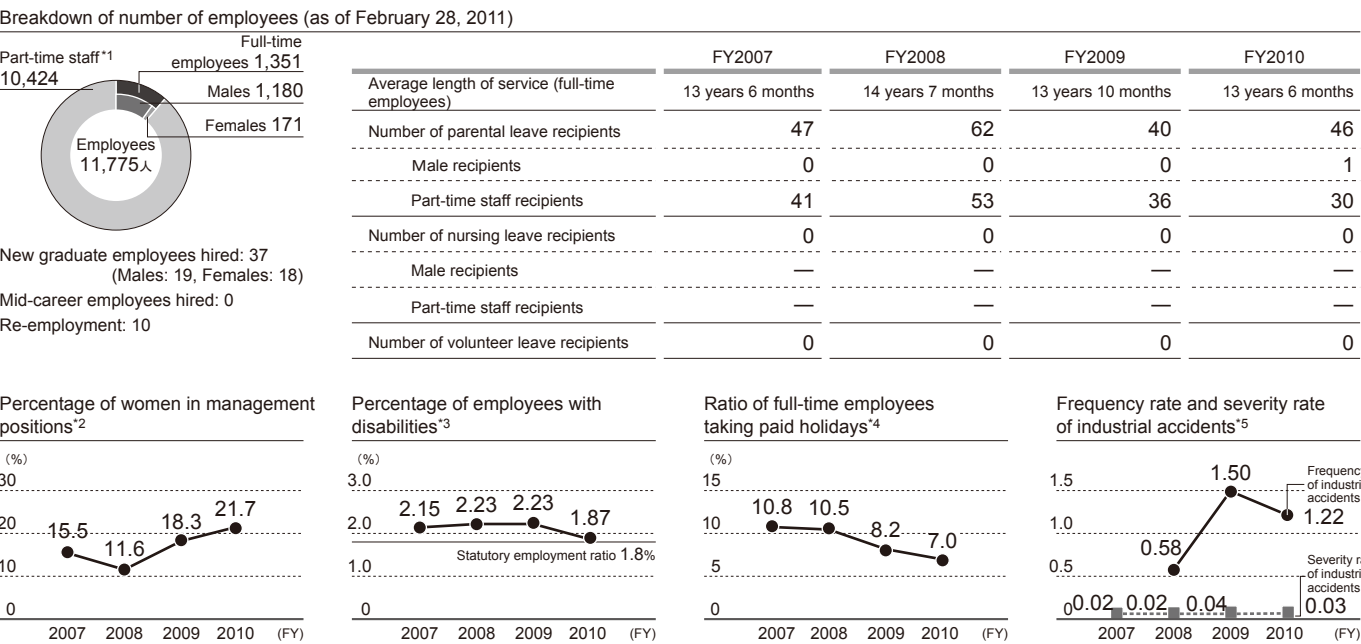


Data for Consultation Services for Employees

The number of contacts received in FY2010 turned out to be 95% of the level of the previous year, and they were dealt with in collaboration among the Information Management Committee, Fair Trade Subcommittee, and Personnel Affairs Department. Information sharing was attempted through monthly reports and Corporate Action Committee meetings held quarterly. In FY2011, in line with the amendments to the Seven & i Holdings Corporate Action Guidelines, we will revise our Guidelines and fully distribute the revisions to employees. And we also plan to extend Compliance education in areas where a large number of contacts have been made in an effort to address the issues.



Personnel Data



Supplemental information

*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. The method of calculation has been changed in FY2010, to reflect the amendment to relevant laws in July 2010.

*4 Remaining holidays from the preceding fiscal year are not included. The value for FY2007 is for Denny's alone.

*5 The frequency rate of industrial accidents considers only figures for FY2008 to 2010.

Major social contribution activities

- Participated in the TABLE FOR TWO for Africa! Hot Encouragement and Warm Lunch!! Campaign (See P36)**
Supported activities of NPO TABLE FOR TWO International, and participated in its campaigns. Some 1,690,215 yen was donated during the campaign period, which ran about a month.
- Accepting more students for work experience**
Seven & i Food Systems accepted a greater number of students for work experience, allowing them to engage in customer service at stores, cleaning, assisting in cooking, and other tasks. Some 423 students were accepted at 151 stores in FY2010, on the total of 345 days.
- Cooperation with childcare in regional communities**
Free and discounted services have been set up for customers accompanying small children. As of the end of February 2011, 112 stores in five regions were offering the services.
- Store-front fund raising and donations to organizations that support activities leading to sound dietary habits**
A total of 2 million yen was donated to JF Ai-no-Bokin of Japan Food Service Association (JF), Japanese Red Cross Society (Tokyo Branch), and the United Nations World Food Plan (WFP).
- Participated in the Three-Star Restaurant for Food Education in Shinshu program (See P33)**
Ten Denny's restaurants and four Famil restaurants in Nagano Prefecture participated in the Three-Star Restaurants for Food Education in the Shinshu program, for which the Nagano Prefectural government has comprehensively promoted initiatives for improving health, passing down the food culture, and considering the environment since June 2010.

Results attained in FY2010 and targets for FY2011 regarding initiatives

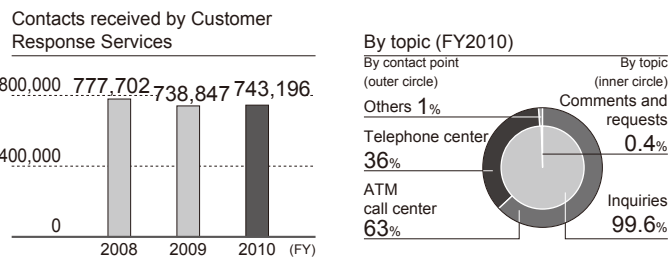
Challenge	FY2010 Results	FY2011 Targets
Reducing the Environmental Impact		
Improving energy efficiency and introducing renewable energy	<ul style="list-style-type: none">Developed the third-generation ATM (cuts electricity use by 48% compared to second-generation machines) and installed 206 unitsThe number of guarded deliveries of cash was reduced by increasing the number of cash cassettes, and in turn, increasing the volume of paper notes.The bank signboards installed at Seven-Eleven stores have been replaced with LED at 305 stores.	<ul style="list-style-type: none">Replace ATMs with the third-generation machines.Reduce electricity consumption per ATM in July to September by 15% from the previous year.Reduce electricity consumption in offices between July and September by 20% from the previous year.
Reducing waste and developing a recycling-oriented society	<ul style="list-style-type: none">The volume of paper ordered for office automation equipment has been reduced by 11%.The rules for sorting waste were applied thoroughly.	<ul style="list-style-type: none">Continue using recycled paper.Improve the rate of green procurement.
Implementing measures for biodiversity	<ul style="list-style-type: none">Employees and their families participated in the cleaning activity in forests at the foot of Mt. Fuji.	<ul style="list-style-type: none">Continue with the cleaning activity by employees and their families at forests by the foot of Mt. Fuji.
Offering eco-friendly products	<ul style="list-style-type: none">The third-generation ATM was developed and installation was begun. Power consumption was reduced by 48% compared to second-generation machines.	<ul style="list-style-type: none">Replace ATMs with third-generation machines.
Raising environmental awareness among employees	<ul style="list-style-type: none">Environmental seminars were held twice in the year.Participated in energy conservation campaign for employees of the Seven & i Group	<ul style="list-style-type: none">Continue holding environmental seminars twice a year.Continue disseminating environmental data using Intranet and other media.
Provision of Safe, Reliable Products and Services		
Ensuring the quality and safety of products and services	<ul style="list-style-type: none">Developed and installed the third-generation ATM, equipped with improved security and troubleshooting featuresAdopted a universal font for ATM screensStarted overseas money transfer service	<ul style="list-style-type: none">Continue with initiatives geared toward stable operation of ATMs.Verify BCM and BCP with respect to the Great East Japan Earthquake, and make revisions.Start overseas money transfer services on ATM.
Developing stores and facilities customers can visit with a sense of security	<ul style="list-style-type: none">Created the Financial Crime Countermeasures Office a DepartmentCooperated with police investigations in 48,761 cases for eradicating financial crimes	<ul style="list-style-type: none">Continue cooperating with the police to eradicate financial crimes.Continue contributing to the eradication of financial crimes, through measures against money laundering.
Responding sincerely to customer opinions	<ul style="list-style-type: none">Conducted seminars jointly with business partners, for enhancing customer service	<ul style="list-style-type: none">Hold more discover meetings, aiming to discover new ways to achieve customer satisfaction (CS) .
Coexistence with Local Communities		
Supporting young parents and the elderly	<ul style="list-style-type: none">Distributed the picture book Solider Bonolon of the Forest to be read to childrenHeld story hour at our stores	<ul style="list-style-type: none">Continue distributing the picture book Solider Bonolon of the Forest to be read to children.Continue holding story hours.Contribute picture books to children's facilities in a number commensurate with the number of Solider Bonolon of the Forest cash cards issued to customers according to their choice.
Assisting in local community revitalization	<ul style="list-style-type: none">Posted information of a public nature (notices on election, tax notification, etc.) on ATM screensFourteen employees participated as registered volunteers in activities of the Chiyoda Corporate Volunteer Association and the Chiyoda Volunteer Club, in total of 65 hours.	<ul style="list-style-type: none">Continue offering employees opportunities to take part in volunteer activities.
Providing support in times of disaster	<ul style="list-style-type: none">Held seminars on business continuity plans (BCP) to all employees twice a yearConducted drills based on the BCPFund raising for areas affected by natural disasters (earthquake in Qinghai Province of China, eruption of Shinmoedake volcano, earthquake in New Zealand, the Great East Japan Earthquake)	<ul style="list-style-type: none">Maintain stable operation of ATMS.Respond to cash needs in affected areas with mobile ATM Vehicles.
Implementing crime-prevention measures for local communities	<ul style="list-style-type: none">Created the Financial Crime Countermeasures Office a DepartmentCooperated with police investigations in 48,761 cases for eradicating financial crimes	<ul style="list-style-type: none">Continue cooperating with the police to eradicate financial crime.
Creating Fulfilling Workplaces		
Supporting development of employee abilities	<ul style="list-style-type: none">Dispatched employees to the business school, held since 2008Established a subsidy system for employees trying to obtain a qualificationExpanded seminars tailored to each division and duty	<ul style="list-style-type: none">Build staff skills in communicating in foreign languages.
Achieving a work-life balance	<ul style="list-style-type: none">Invited employees' children to observation day on parents' workplacesAsked employees to develop a holiday plan in advance to ensure that all will take the day off without fail.	<ul style="list-style-type: none">Continue providing support for maintaining work-life balance.Encourage male employees to take parental leave.Adopt the summertime system between July 21 and August 31.
Making use of diverse human resources	<ul style="list-style-type: none">Held exchanges with persons in charge at Terre Verte, a special subsidiary of the GroupContinued re-employment of retirees (In FY2010, nine persons transferred to non-regular positions; the number of persons being employed as of the end of fiscal year was 29.)	<ul style="list-style-type: none">Continue employment of part-time and temporary workers.Maintain the statutory employment ratio of persons with disabilities.
Assuring consideration for worker health and safety	<ul style="list-style-type: none">100% of employees had regular health checkups.Interviews and instructions by industrial physicians and public health nurses were held.Mental health measures were implemented through counseling, etc.	<ul style="list-style-type: none">Strengthen measures to deal with mental health issues, in collaboration with outside medical institutions.Continue with interviews and guidance by industrial physicians and public health nurses.

Environmental Data

	FY2008	FY2009	FY2010
Volume of paper ordered for office automation equipment	7,622,225	8,079,700	7,151,900
Copier use (converted to A4-sized paper)	3,552,800	3,165,604	2,568,123

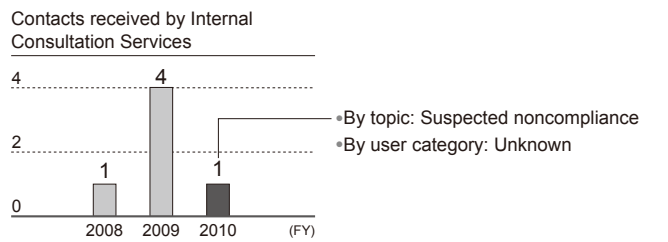
Data Related to Customer Response Services

In FY2010, initiatives designed to give form to customers' opinions were promoted in pursuit of improved customer satisfaction, by sharing information with related departments through the presentation of the results of analyses of their opinions at study meetings. Also, training to deal with customers was held at Call Centers, Telephone Center departments, and manned stores, for improving customer service. Interactions with other business entities and organizations were made through our acceptance of observation tours to the Centers. In FY2011, we will continue these initiatives to enhance customer satisfaction and cultivate a customer service-centered mindset.



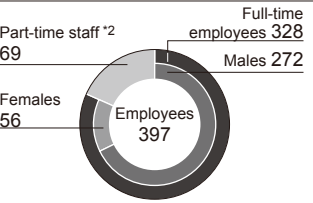
Data for Consultation Services for Employees

Preventing harassment was set as a priority issue in the compliance program in FY2010 to deal with potential risks, and at the same time giving employees a proper understanding of harassment. A range of compliance training programs were carried out in the first half of the year. In addition, notification about the Internal Consultation Services continued to be made during compliance-related training sessions. We will continue notifying employees about the system in FY2011.

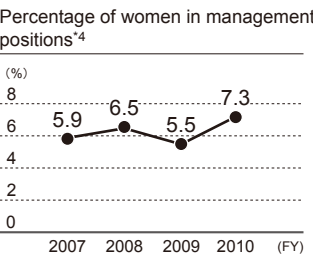


Personnel Data

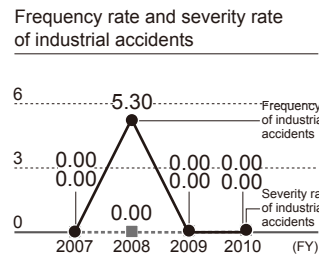
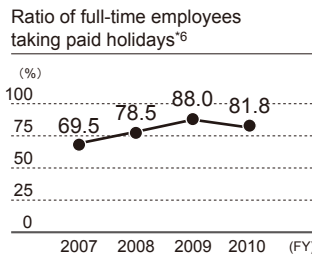
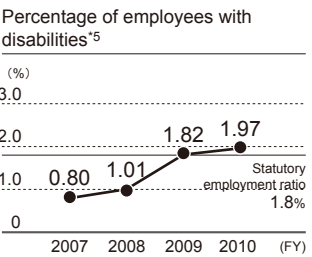
Breakdown of number of employees (as of March 31, 2011)*1



New graduate employees hired: 4 (Males: 2, Females: 2)
Mid-career employees hired: 13
Re-employment: 9



	FY2007	FY2008	FY2009	FY2010
Average length of service (full-time employees)*3	2 years 6 months	3 years 4 months	3 years 10 months	4 years 6 months
Number of parental leave recipients	1	4	2	6
Male recipients	1	1	0	0
Part-time staff recipients	0	0	0	0
Number of nursing leave recipients	0	0	0	4
Male recipients	—	—	—	2
Part-time staff recipients	0	0	0	2
Number of volunteer leave recipients	No system	No system	No system	No system



Supplemental information
*1 There are also contracted and non-regular employees. *2 Monthly average number, with 8 hours/day counted as one employee *3 The company was founded in 2001.
*4 Excluding executive officers
*5 The method of calculation has been changed in FY2010, to reflect the amendment to relevant laws in July 2010.
*6 Remaining holidays from the preceding fiscal year are not included.

Major social contribution activities

- Sponsoring “Solider Bonolon of the Forest,” a picture book to be read to children (See P35)**
About 1 million copies have been published bimonthly since the start in June 2005 . Seven Bank supports the publication of picture books for facilitating communication between parents and children through story hours. Books are distributed at Seve n-Eleven stores, Denny's and Famil restaurants, Seven Bank branches, etc., nationwide . Communication with readers is encouraged through drawing competition for children, call for photographs, and other initiatives in the process of picture book planning.
- Holding story hours (See P35)**
Story hour has been held once a year since 2008. In FY2010, 15 employees served as staff, and the story hour drew about 400 groups of parents and children. Story hours featuring large picture books and sing-alongs with hand gestures were held at our six branches.
- Regional volunteer activities by employees**
In September 2010, our company joined the Chiyoda Cooperate Volunteer Association, which brings together businesses with offices in Chiyoda Ward to collaborate in social contribution activities. Employees are also encouraged to participate in the Chiyoda Volunteer Club, where each engages in volunteer activities individually. Information on volunteer activities is being offered to employees each month. In FY2010, 14 people participated in the above two volunteer groups, and engaged in activities for 65 hours in total.
- Fund raising for relief aid (See P33)**
- Conducted “Get to Know and Disseminate Voice Guidance Services for Visually Challenged People Campaign” (See P35)**