

## Overseas Initiatives

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



Worldwide Store Network

**51,600** stores (approx.)\*

\*The number of stores (end of February 2013 for Japan; end of December 2012 for other countries/regions) includes the following:

- Stores operated in various countries/regions by our subsidiaries
- Stores operated in each country by area licensees of 7-Eleven, Inc.
- Stores operated using trademarks pursuant to agreements concluded with Sogo & Seibu

## Social contribution activities by overseas companies

### 7-Eleven, Inc. 8,118 stores

7-Eleven engages in social contribution activities with the aim of promoting the well-being of youth, supporting military families, and ensuring safety in local communities.

7-Eleven distributes coupons good for a free Slurpee semi-frozen, carbonated beverage to police stations in areas where it operates stores to positively reward and encourage good behavior by kids during the hot summer months when communities may experience increases in loitering, shoplifting and graffiti. Since 1995, the company has been distributing approximately one million coupons every year. In 2012, the free Slurpee coupons were distributed to kids in more than 600 cities, towns, and counties across the U.S. More than 11 million coupons have been distributed so far. Officers comment that the program goes a long way in turning around negative perceptions of policing and police officers and builds relationships that help stop crime in the community.



### SEVEN-ELEVEN HAWAII, INC. 59 stores

As a good corporate citizen, the company supports activities and organizations involved with children, education, public welfare, and health. Activities in FY2012 included providing support for the Hawaii Law Enforcement Memorial Foundation, a non-profit organization (NPO) whose primary purpose is to design, construct and maintain a monument to honor law enforcement officers who have died in the line of duty while serving the people of Hawaii. Seven-Eleven Hawaii was a sponsor of "Ride for the Fallen" event held by the NPO to raise funds for the memorial.



### SEVEN-ELEVEN (BEIJING) 200 stores

A charity box is set up in each store to collect contributions from customers. Funds raised are donated to Beijing Afforestation Foundation, a government-certified environmental organization. In FY2012, 164,884 yuan was raised.

### Hua Tang Yokado, Chengdu Ito-Yokado

13 stores

In FY2012, Hua Tang Yokado donated 533,628 yuan to support education, disaster-hit areas, and other activities. Chengdu Ito-Yokado donated 401,165 yuan in support of education.

## TOPICS

### 7-Eleven operating companies in different countries

\* Companies holding area licenses operate 7-Eleven stores in different countries.

Korea Seven Co. Ltd. (Lotte Group), which operates 6,986 7-Eleven stores in South Korea, has supported university students by offering interest-free student loans of up to 10 million KRW per individual and by running scholarship and employment programs since January 2012.

CP ALL Public Company Ltd. operates 7-Eleven stores in Thailand (6,822). After flood disaster hit Thailand in 2011, a volunteer club was initiated in 2012 with the company's employees as members responsible for coordinating social contribution activities.

# 7-Eleven, Inc.

## Basic idea

Being a good neighbor is part of doing business at 7-Eleven. In addition to providing top-quality products, services, and value, the company believes it has a responsibility to be a good corporate citizen. Through a variety of environmentally- and socially-responsible business practices and programs, 7-Eleven, Inc. (SEI) strives to be the kind of neighbor our communities can be proud to call a friend.



## Reducing the Environmental Impact

SEI values the environment and its goal is to reduce the impact of its business on the environment by reducing waste and resource consumption, CO<sub>2</sub> emissions, and more. In 2012, through its multi-disciplinary energy and sustainability programs, SEI continued its annualized reduction of CO<sub>2</sub> emissions by 246,000 metric tons and annualized energy cost savings of \$40 million.

## Promoting energy conservation

SEI has continued its mission to build energy-efficient new stores that include LED lighting, efficient HVAC units, environmentally-benign refrigerants and energy-management systems.

In 2012, SEI became an Energy Star Partner to keep apprised of energy conservation developments and best practices. Energy Star, a program of the U.S. Environmental Protection Agency, is a voluntary partnership to reduce greenhouse gas emissions through increased energy efficiency. Energy Star offers businesses and consumers energy-efficient solutions to save energy, money and help protect the environment for future generations.



## 7-Eleven honored at international conference for LED Lighting retrofit

In recognition of retrofitting 4,500 stores in the U.S. and Canada with LED lighting, SEI received the “2012 Corporate Energy Management Award” for Region IV (consisting of Colorado, Texas and 11 other states) from the Association of Energy Engineers for the second consecutive year. Along with this award, SEI won the “2012 Project of the Year Award” for Region IV as well. The award ceremony was held at the 35th Anniversary World Energy Engineering Congress, which is considered the most important energy event of national and international scope for end users and energy professionals in all areas of the energy field.

### Employee's voice

No other retail chain has made LED their standard and rolled out a massive program like we have. We are going to introduce more LED lighting.



Director, Engineering & Energy Management,  
**James Champ**

## Water conservation

In 2012, the company installed water conservation faucets in all new stores to reduce water consumption. These new faucets have been added to the standard energy-efficient design plan for all new stores.



## Consolidated deliveries

While significant store growth in 2012 caused an increase in route miles, route optimization, and truck consolidation initiatives helped reduce the by-store environmental impact across its distribution network. As a result, CO<sub>2</sub> emissions were reduced by an estimated 2,500 tons.

## Eco-Friendly Packaging

Packaging is necessary to ensure SEI delivers quality, safe and convenient products to its customers. At the same time, SEI understands its impact on the environment. To reduce waste, SEI seeks to minimize or use eco-friendly packaging whenever possible.

In addition, SEI sources recycled, recyclable or reusable packaging. For example, its plastic bags are made with recycled materials, use less energy to produce, and are reusable and recyclable. Its Private Brand products use both recycled packaging and recyclable containers in almost every category, and its packaging is minimized to reduce waste and cost.

To further efforts, in 2012 SEI hired a packaging engineer to focus on its packaging strategy and development for continual improvement.

### Environmental data on the United States and Canada

	FY2010	FY2011	FY2012	FY2013 Targets
Stores	6,610	7,149	8,118	8,533
Electricity consumption in store operations (GWh)	1,720* <sup>1</sup>	1,771	1,854	2,123
CO <sub>2</sub> emissions from store operations (1,000 tons-CO <sub>2</sub> ) <sup>2</sup>	1,117	1,138	1,203	1,319
Water consumption in store operations (1,000 m <sup>3</sup> )	6,728	5,955	6,707	7,322
Plastic bag consumption (tons)	—	1,496	1,390	1,659

\*1 Including estimated values

\*2 Calculated based on an emission coefficient conforming to the standards of USEPA

## Electric vehicle charging stations

In 2012, to help increase sustainability and jobs in sustainable transportation in communities where it operates, SEI piloted an electrical vehicle charging station program in California, Illinois, New York and Texas. Drivers can re-charge their vehicles in under 30 minutes using the cutting-edge, fast-charger stations.

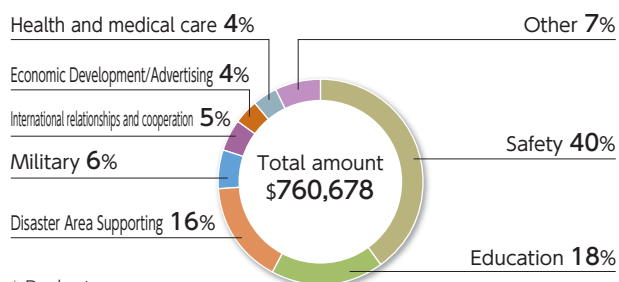


## Coexisting with local communities in the U.S.

SEI is committed to making contributions back to the communities it serves. SEI values its neighborhoods, and its goal is to enhance the overall quality of life where its customers, franchisees and employees live and work. Its philanthropic focus areas are youth well-being, military families, and other community priorities including safety.

In 2012 through its corporate and franchise community involvement initiatives, SEI contributed more than \$3.3 million to more than 700 organizations.

### Amount of cash donations in the U.S. by SEI (FY2012)\*



\* Budget

## Ensuring safety in regional communities

Public and youth safety are top priorities at SEI. To enhance the company's safety and crime-deterrence efforts, SEI unveiled a \$40 million in-store, crime-fighting initiative, where the company is installing security cameras and digital recorders in all of its U.S. stores. The program will allow SEI, its franchisees and local law enforcement agencies to remotely view security footage in 7-Eleven stores. Precious time will be saved if police can review footage remotely.

At 7-Eleven stores, age-restricted products, such as alcohol and tobacco, are sold in a legal and responsible manner. 7-Eleven stores' registers automatically prompt sales associates to check identification when an age-restricted product is scanned for sale. In 2012, SEI began installing a new ID Scan program that verifies if the age stated on driver's licenses is over the minimum requirement for the purchase of restricted products. In addition, SEI conducted a company-wide annual Coming of Age awareness week to remind employees, franchisees and sales associates about the importance of selling responsibly to protect our communities.

SEI also donated four new T3 series electric standup vehicles to the Dallas Police Department to help increase safety and reduce crime in Downtown Dallas. The T3 is a three-wheeled personal electric vehicle and an ideal urban mobility tool. Since it offers wide visibility and enables access to narrow corridors, when responding to a call, the officers can get there faster. The vehicle also features zero-gas emission with a long battery run time and short recharge time. The company also made a \$300,000 gift to Safer Dallas Better Dallas to reduce crime. The donation will be used to purchase tools police need to fight crime including T3s, neighborhood security cameras, bait cars and fixed and mobile license plate readers.



SEI Vice President Asset Protection, Mark Stinde, left, and Dallas Police Chief, David Brown, right, stand before the T3 electric vehicles SEI donated to the Dallas Police Department

## Promoting the well-being of youth

According to the U.S. Department of Agriculture (USDA), 16.7 million children under 18 in the U.S. live in households where they are unable to consistently access enough nutritious food necessary for a healthy life. Good nutrition is important in establishing a foundation for a child's physical and mental health, academic achievement, and future economic productivity.

To mark Hunger Action Month (September 2012), the company conducted a national awareness and fund-raising campaign to benefit Feeding America and the 37 million Americans it serves. Nearly \$180,000 was raised. The fund will help support local Feeding America-member food banks in the specific communities where the monies were raised, and provide more than 1.4 million meals.



Campaign poster

### Employee's voice

We believe Feeding America is the country's most efficient, effective organization helping local food banks provide nutritious meals to those who need it most.

Youth well-being is a philanthropic focus for SEI and fighting child hunger is a priority. Feeding America is an ideal partner for our company to work with.



7-Eleven, Inc.  
Manager,  
Community Relations  
**Nancy Lear**

## Supporting Military Families

SEI is committed to helping military members, veterans and their families. One of the primary ways it supports military families is by helping service men and women transition back into civilian life, which can be challenging, especially for those that are wounded or disabled.

In 2012, SEI enlisted several supplier partners to help raise awareness of veteran unemployment and funds for Hire Heroes USA. Hire Heroes USA provides free, veteran career transition services to help ease the process of returning to civilian life and prepare for and get a job. A portion of the sales of specially marked products

benefitted Hire Heroes. In addition, the Franchisees' annual charity golf outing raised incremental funds for the cause. The cumulative 2-year fundraising total was over \$600,000.

SEI introduced a new fund-raising program in San Diego-area stores to raise money for Operation Homefront, a national nonprofit agency assisting military families. During September 2012, every Slurpee beverage sold at participating 7-Eleven stores generated a donation according to the size of the beverage sold. The goal of raising \$25,000 was reached and helped provide food and home goods to 65 military families.

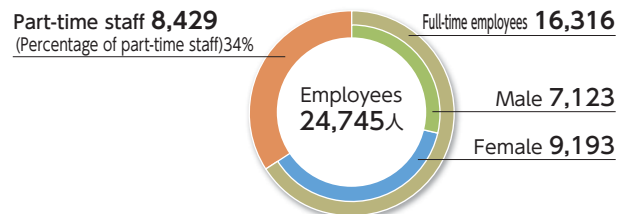
## Expanding healthier food menu

SEI offers healthy food and beverage options to accommodate the needs of its health conscious customers and respond to concerns about the rise of obesity. In 2012 the company worked on expanding its selection of fresh foods for the calorie conscious and creating portion-sized items.



## Personnel data

Personnel data in the U.S. and Canada (as of December 31, 2012)



- Percentage of employees with disabilities .....1.8%
- Percentage of women in management positions, excluding executive officers ... 23%

# SEVEN-ELEVEN (HAWAII), INC.

## Reducing the Environmental Impact

Seven-Eleven Hawaii, Inc. (SEH) developed a new initiative labeled the "Energy Smart Program" to reduce energy consumption.

SEH staff members visited Seven-Eleven Japan (SEJ) for know-how training. Having received insightful learnings, SEH established a standard temperature set point for all stores' air conditioning systems, which consume the largest amount of energy, installed energy efficient fan motors in the vaults/freezers, and changed the vault lighting to LED.

To raise energy conservation awareness among employees, the company provided them with environmental education. All employees participated in a survey to develop a "top-ten" list of actions that everyone would integrate into their daily work routine. All stores took the initiative to start implementing the top-10 action list. Through the collaborative efforts of all departments and the two-fold approach, SEH was able to reduce its energy

consumption to 96% and the cost to 88%. Since Hawaii has the highest electricity cost in the U.S., the initiative has also contributed to a dramatic cost reduction.

In 2013 SEH is working with local consultants and SEJ to further reduce its energy consumption. These learnings will be carried forward and implemented in future new stores and existing store renovations.



### Environmental data of SEH

	FY2010	FY2011	FY2012
Stores	55	58	59
Electricity consumption in store operations (MWH)	18,598	18,468	18,079

# SEVEN-ELEVEN (BEIJING)

## Personnel development and support

### Supporting development of employee abilities

SEVEN-ELEVEN (BEIJING) Co., Ltd., or SEB, focuses on hiring and training local employees as it works to expand store operations.

As part of its personnel development strategy, the company has established a training plan and system designed to help new employees get promoted to store manager and/or the position of Operations Field Consultant (OFC). Those who are capable and willing can become OFCs in about a year, which is only half the time it usually takes, through the company's original training program dubbed "Speed Training."

A labor union was established in FY2012 to enhance employee education and benefits. The personnel department and the labor union are working together to offer various in-house training programs funded with union dues. In FY2013, senior staff members of the merchandising, recruiting, training, and finance and accounting departments are set to participate in Seven-Eleven Japan's training program that will run for about a month.

### Fostering a women-friendly workplace

China's labor contract law requires companies to allow their employees to take sufficient leave for childbirth or childcare.

Due to this legal requirement along with the company's merit-based promotion system, nine out of 19 local managers are women at SEB (as of the end of December 2012).

SEB provides female employees with seminars on work-life balance with an eye to fostering a women-friendly workplace.



Personnel data of SEB (as of December 31, 2012)



### Employee's voice

Personnel development at SEB focuses on building store management and communication skills of employees so they can work smoothly with franchisees. We also want our employees to develop a vision of making our stores better.

As part of our efforts, the Personnel Division's Employee Relations Department, which was established in April 2013, is planning to work on improving the workplace environment and conduct training. We will develop the capacity of managers and their staff, focusing on fostering a workplace that will facilitate good communication among employees to avoid the stress that could accompany our company's rapid growth. Starting in the second half of 2013, the Personnel Division will make recommendations to departmental managers about which courses they should take.



Personnel Division  
Vice President in charge of  
Personnel Division  
**Luan Jing**

## Development of safe, reliable products

SEB is working on developing the Seven & i Group's Seven Premium private brand products for the Chinese market with an eye to supplying safe and environmentally friendly products. These products are made with carefully selected ingredients at factories with high quality standards that are approved by SEB through its strict screening process.

The Wang Yang factory, jointly established with Warabeya Nichiyo Co., Ltd. for the production of Seven-Eleven's original products, was completed in February 2011. After the factory had been granted a production and sales license (QS license) by the Beijing Municipal Administration of Quality and Technology Supervision, SEB started selling sandwiches in May 2012 and boxed meals in October 2012. The QS license is one of China's toughest standards, requiring a lower limit of viable count\* than required by Japanese standards. The factory became one of the first to successfully meet all of the QS license requirements in China and serves as a model plant that assures food safety and reliability. The ceremony held to mark its opening was attended by the deputy mayor of Beijing.

When it comes to products other than those sold under its private brand, SEB is filling out its product lineup with items that do not use any additives or preservatives, including high quality fruit juices and more.

\* A count of the number of neutrophilic aerobic bacterial cells present in food. It's used to measure food freshness.



## Reducing the Environmental Impact

Electricity charges have gone up in China due to supply failing to keep pace with growing demand. Businesses are mandated to conserve electricity to reduce costs as well as decrease their environmental impact.

In FY2012, SEB switched to energy-saving lighting and reduced the number of such fixtures when its stores were renovated just as it did last year. Air conditioning units at some stores were replaced with those employing inverters. Moreover, looking to increase use of LED lighting, SEB installed LED lights

for interior lighting at one store and for signage in two stores on a trial basis.

In FY2013, the company plans to introduce inverter-controlled refrigeration systems for operating chilled cases and beverage refrigerators, just like it has done with its air conditioning systems. It will also install a device that uses a timer and optical sensor to automatically switch store signboards on and off to prevent losses incurred when store personnel forget to manually turn them off. In addition to continuing to have a service provider conduct regular inspections, it also plans to replace refrigeration equipment that uses chlorofluorocarbon (CFC) refrigerants.

### Stores and environmental data of SEB

	FY2010	FY2011	FY2012
Stores	100	147	200
Electricity consumption (MWh)	11,851	13,216	20,675* <sup>1</sup>
Water consumption (1,000 m <sup>3</sup> )	54	55	82* <sup>2</sup>

\*<sup>1</sup> Gas ranges at in-store kitchens were switched to electric ranges due to government restrictions on the use of gas. This resulted in an increase in electricity consumption in FY2012.

\*<sup>2</sup> The data collection method was changed.

## In-store fundraising

Each store has had a charity box since November 2006 that is used to collect contributions from customers. Funds raised are donated to the Beijing Afforestation Foundation, a government-certified environmental organization. The foundation is working to build sand break forest belts in Beijing and the surrounding area. Funds raised are used to plant trees that will protect the area from dust storms and prevent desertification. In addition to donating contributions from customers to the foundation, SEB attended the ceremony celebrating the completion of a sand break forest, which was held by the foundation in September 2011. SEB was commended by the foundation in July 2011 and March 2012 for the support it had provided.

### Historical data on funds raised

FY2010	80,931 yuan
FY2011	148,586 yuan
FY2012	164,884 yuan



# Hua Tang Yokado, Chengdu Ito-Yokado

## Promoting localization and supporting skill development

In December 1996, Chengdu Ito-Yokado Co., Ltd. was established in Chengdu in Sichuan Province. Then in September 1997, Hua Tang Yokado Commercial Co., Ltd. was launched in Beijing. These companies now operate Ito-Yokado stores at 13 locations in China (as of the end of February 2013). Focusing on localizing their store operations, the two companies work to offer products and services that match local needs, buy products from local suppliers, and shift control of store operations to local staff.

Both Hua Tang Yokado and Chengdu Ito-Yokado are currently developing organizations for store operations mainly consisting of locally hired employees. All of the managers and assistant managers of Chengdu Ito-Yokado and Hua Tang Yokado stores are Chinese, with the exception of one Hua Tang Yokado location, which is managed by a Japanese employee. Chinese employees account for 98% of all managers and higher-ranked managerial employees at Hua Tang Yokado and 91% at Chengdu Ito-Yokado.

Along with local hiring, positive efforts are also being made to support employees' skill development. Quarterly presentation meetings are held to share the outcome

across the organization. Through these meetings, individual employees and departments report on the progress made in customer service, sales promotion, cost reduction, environmental improvement, enhanced performance of tenants, etc., and those who made outstanding progress are commended. Other programs designed to motivate employees are also in place, including an employee recognition program that commends employees who have made a significant contribution to the company and serve as role models (Hua Tang Yokado), sales and technological competitions, and an employee suggestion program for business improvement.



Presentation meeting

## Development of safe, reliable products

### ISO9001 certification

Chengdu Ito-Yokado obtained ISO9001 certification for all of its store operations in 2007 in order to ensure quality management through clearly defined and standardized work procedures.

### Employee's voice

**Receiving the Ito Honorary Award through the employee recognition program**  
I have worked as a cashier for ten years. I'm grateful to win this award. I couldn't have done it without everyone's support.

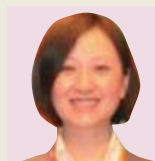
Being a cashier is a hard but rewarding job. The other day, a regular customer said to me, "You're working on a holiday. I admire your hard work." I was really glad to hear that. I enjoy talking with our customers as if they were my family. The words of encouragement they give me are my inspiration. I want to return the favor to our customers by providing them with the best customer service possible.



Hua Tang Yokado Commercial Co., Ltd.  
Asian Games Village store  
Leader, Cashier Department  
**Bi Yan Hong**

### Earning recognition at the Q1 2013 presentation meeting

My work on developing the "pbi" private brand and increasing sales paid off and led to the recognition of those efforts at the presentation meeting for the first quarter of FY2013. It was my first time participating in the presentation meeting. I'm so glad that my efforts were singled out and was excited to have been recognized by the company. I'm still a novice buyer and there's a lot more for me to learn. I look forward to continuing to work with my fellow merchandising team members on developing products that will appeal to customers as we move forward with an eye to increasing sales of pbi products to 10% of total apparel sales.



Chengdu Ito-Yokado Co., Ltd.  
Apparel Product Division  
pbi buyer  
**Tang Ying Ying**



## Bringing Traceable Food to the Chinese market

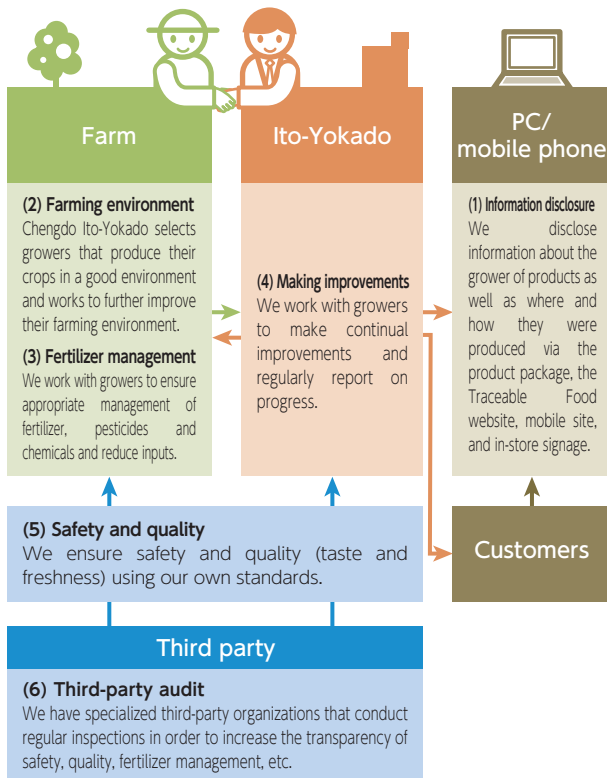
In response to the rising tide of concern over food safety in China, in March 2013, Chengdo Ito-Yokado launched the Chinese version of “Traceable Food” (see p. 20), a line of products already available in Japan. Customers can find out the grower of a product as well as how and where it was produced by visiting the special website and entering the ID code labeled on the product or reading a two-dimensional barcode attached to the product using their cellular phone. There are 27 vegetables and one fruit product currently available under the label. Chengdo Ito-Yokado plans to expand product lines to include pork, fish, rice and more.

Hua Tang Yokado also offers 16 products for which customers can search traceability information using in-store terminals.



Chengdo Ito-Yokado's Traceable Food products

### Mechanism of Traceable Food



## Supporting local communities

As good corporate citizens, Hua Tang Yokado and Chengdo Ito-Yokado conduct various community programs including fundraising and employee volunteer activities.

Hua Tang Yokado established the Yokado Charity Fund for Assisting with the Education of Children in collaboration with the Beijing Charity Association in 2008. In FY2012, the company donated 246,800 yuan, which was used to purchase personal computers and other school supplies. Chengdo Ito-Yokado donated 285,500 yuan in support of education and organized employee volunteer activities, including monthly neighborhood cleanups and holiday visits to elderly people living alone.



Employees who participated in volunteer activities

## Reducing the Environmental Impact

As China faces challenges in energy conservation, Hua Tang Yokado and Chengdo Ito-Yokado are implementing various measures to reduce power consumption, such as the use of energy-efficient lighting and LED lights.

Electricity consumption in FY2012 fell 2% year on year at Hua Tang Yokado as a result of promoting the use of LED lighting at tenant stores as well as Daxing store's temporary closure. Chengdo Ito-Yokado saw a 37% year-on-year increase in electricity consumption due to the opening of a new store location in Gaoxin.

### Stores and environmental data of Hua Tang Yokado

	FY2010	FY2011	FY2012
Stores	8	8	8
Electricity consumption (MWh)	61,318	55,847	54,609
Water consumption (1,000 m <sup>3</sup> )	407	413	360

### Stores and environmental data of Chengdu Ito-Yokado

	FY2010	FY2011	FY2012
Stores	4	5	5
Electricity consumption (MWh)	59,666	61,378	84,226
Water consumption (1,000 m <sup>3</sup> )	550	571	674