

Seven & i Holdings

CSR Report 2013

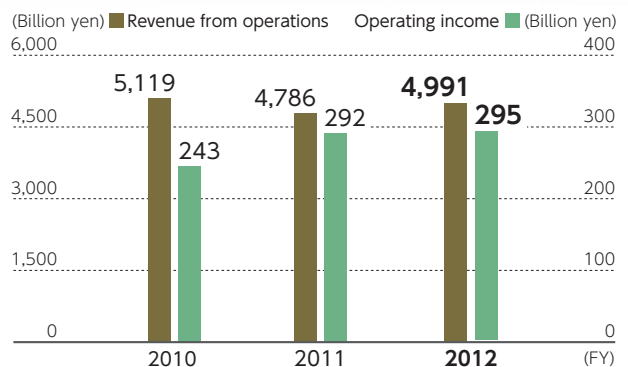




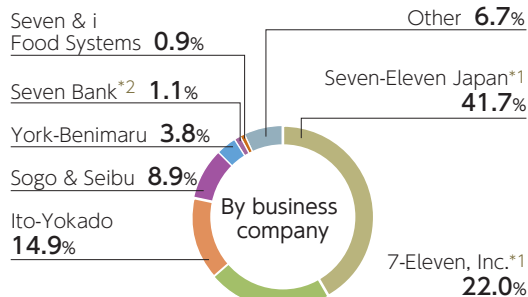
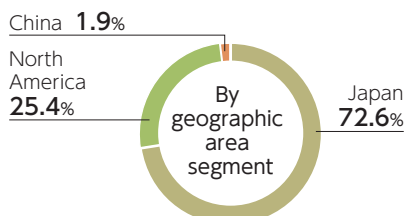
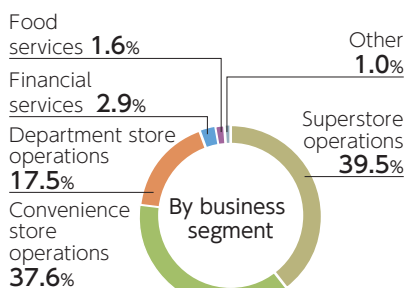
Corporate Data (as of February 28, 2013)

Company name Seven & i Holdings Co., Ltd.
Headquarters 8-8 Nibancho, Chiyoda-ku, Tokyo 102-8452, Japan
Established September 1, 2005
Businesses 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) 140,716 (Including the number of part-time employees with every 163 hours/month worked being counted as one employee)
Website <http://www.7andi.com/en/>

Revenue from operations and operating income

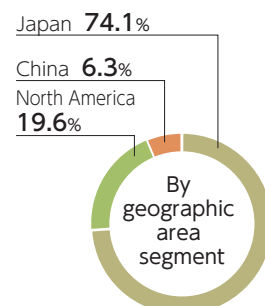


Revenue from operations (FY2012) Net sales (FY2012)



*1 The sales represent total store sales.
 *2 The sales represent ordinary income.

Consolidated employees



Corporate information and financial details are available on the website.

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

About the CSR Report

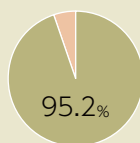
The CSR Report 2013 covers major CSR initiatives implemented by Seven & i Holdings, our holding company, as well as its operating companies.

Compiled in line with the Challenges Facing the Seven & i Group (see page 7), the report highlights our key CSR initiatives in order to make them more visible to a wider audience.

● Report coverage

The Report mainly covers the following organizations. Information on each company is also available on the following websites.

Sales of reporting organizations as a percentage of overall sales



Seven & i Holdings Co., Ltd.

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

Seven-Eleven Japan Co., Ltd. (in Japanese)

<http://www.sej.co.jp/social/index.html>

Ito-Yokado Co., Ltd. (in Japanese)

<http://www.itoyokado.co.jp/company/iycsr/>

Sogo & Seibu Co., Ltd. (in Japanese)

<http://www.sogo-seibu.co.jp/csr.html>

York-Benimaru Co., Ltd. (in Japanese)

<http://www.yorkbeni.co.jp/enviro/index.html>

Seven & i Food Systems Co., Ltd. (in Japanese)

<http://www.7andi-fs.co.jp/7fs/company/csr.html>

Seven Bank, Ltd.

<http://www.sevenbank.co.jp/english/ir/csr/>

7-Eleven, Inc.

<https://www.7-eleven.com/>

SEVEN-ELEVEN (HAWAII), INC.

<http://www.7elevenhawaii.com/home>

SEVEN-ELEVEN (BEIJING) CO., LTD. (in Chinese)

<http://www.7-11bj.com.cn/>

Hua Tang Yokado Commercial Co., Ltd. (in Chinese)

<http://www.ht-store.com/d/index.do>

Chengdu Ito-Yokado Co., Ltd. (in Chinese)

<http://www.iy-cd.com/>

● Period of the Report

In principle, this Report covers our activities during FY2012 (March 2012 to February 2013). Some of our activities in FY2013 are also included.

● References

- Environmental Reporting Guidelines – Towards a Sustainable Society – (FY2007 Version), Ministry of the Environment, Government of Japan
- Sustainability Reporting Guidelines (Version 3.1), Global Reporting Initiative (GRI)
- ISO26000

● Current Report

September 2013

● Scheduled publication of next Report

September 2014

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Disclaimer

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

We aim to be a retail group that earns the public's trust by providing new value



Toshifumi Suzuki
Chairman and
Chief Executive Officer

鈴木敏文



Noritoshi Murata
President and
Chief Operating Officer

村田紀敏

Conveying a new brand message

In April 2012, Seven & i Holdings announced its new brand message, "It's a New Day."

This message, embodying the spirit of our corporate creed, underscores our commitment to provide sincere, thoughtful, and customized services with an eye to helping our customers find that little something to make them happy and live a more fulfilled life.

Leveraging our combined Group strength to help solve the issues facing society today

The diverse range of complex problems facing society today, such as the declining birth rate coupled with an aging population, energy and food problems, and waning rural economies, should no longer be left up to the public sector alone to solve. The private sector is expected to lend a hand.

At Seven & i Holdings, we are making efforts to solve these problems through our business activities, such as our private brand Seven Premium, Seven Farms with its practice of recycling-oriented agriculture, our product delivery service, and Net Supermarket.

Promoting diversity

As the working-age population is diminishing with the aging of society and securing a stable workforce becomes a major issue, the government positions the "expansion of women's social roles" as one of the pillars of its growth strategy.

Seven & i Holdings is working to strengthen personnel development with a focus on "people-centered business management" in order to achieve further growth.

Women make up about 70% of our customers and the majority of our employees. We've leveraged this unique characteristic of our business to cultivate a working environment where women can display more of their abilities, including the development of

stores and products from a female point of view. We are also working to raise the awareness of female employees themselves, with an aim to increase the percentage of female managers in our Group to 20% or more by the end of FY2014.

Working with business partners

With the globalization of economy, it is becoming a world-wide trend for non-profit and non-governmental organizations, as well as for institutional investors, to call for corporate social responsibility (CSR) management throughout the entire supply chain from material procurement to sales.

In order to ensure compliance with the ten rules of the United Nations Global Compact we signed in July 2012, we conduct CSR audits mainly for business partners of Seven Premium products through a third-party organization. We also fully implemented the Seven & i Holdings Business Partner Action Guidelines in FY2012 and will continue working with our business partners to take CSR to new heights.

Achieving growth through business that benefit society

Today, utilization of the Internet is vital to our operations. It enables us to quickly obtain all information we need to meet the needs of the public, especially our customers, in a rapidly changing environment.

We believe that by integrating the information on the Internet and our bricks and mortar stores we can gain our customers' trust, and that by so doing we can contribute to the solution of the challenges facing our society.

Through putting our corporate creed into action, and with business that benefit society as the source of our growth, we continue to strive for growth and a symbiosis between business and society.

CSR policies

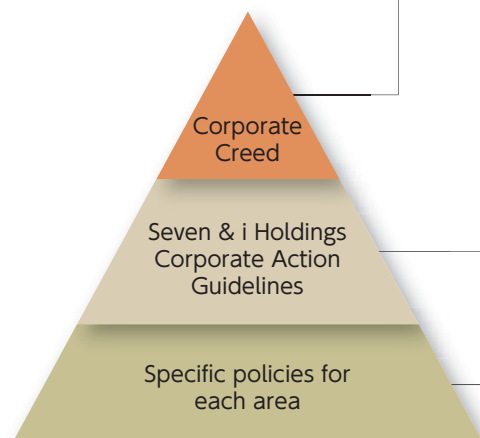
We conduct business activities based on the corporate creed of aiming to be a sincere company trusted by all stakeholders. In the form of Corporate Action Guidelines, we have stated the actions for realizing that creed.

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.



The basic posture of Seven & i Holdings employees

 <http://www.7andi.com/csr/policy/guidelines.html>

- | | |
|---|--|
| 1. Compliance | 6. Human Resources and Workplace Environment |
| 2. Relationship with Customers | 7. Environmental Management |
| 3. Relationship with Business Partners | 8. Social and Cultural Contribution Activities |
| 4. Relationship with Shareholders and Investors | 9. Reporting Misconduct and Violative Conduct |
| 5. Relationship with Local Communities | |

Policies for each measure

Environmental guidelines and environmental rules

 <http://www.7andi.com/csr/policy/environment.html> (In Japanese)

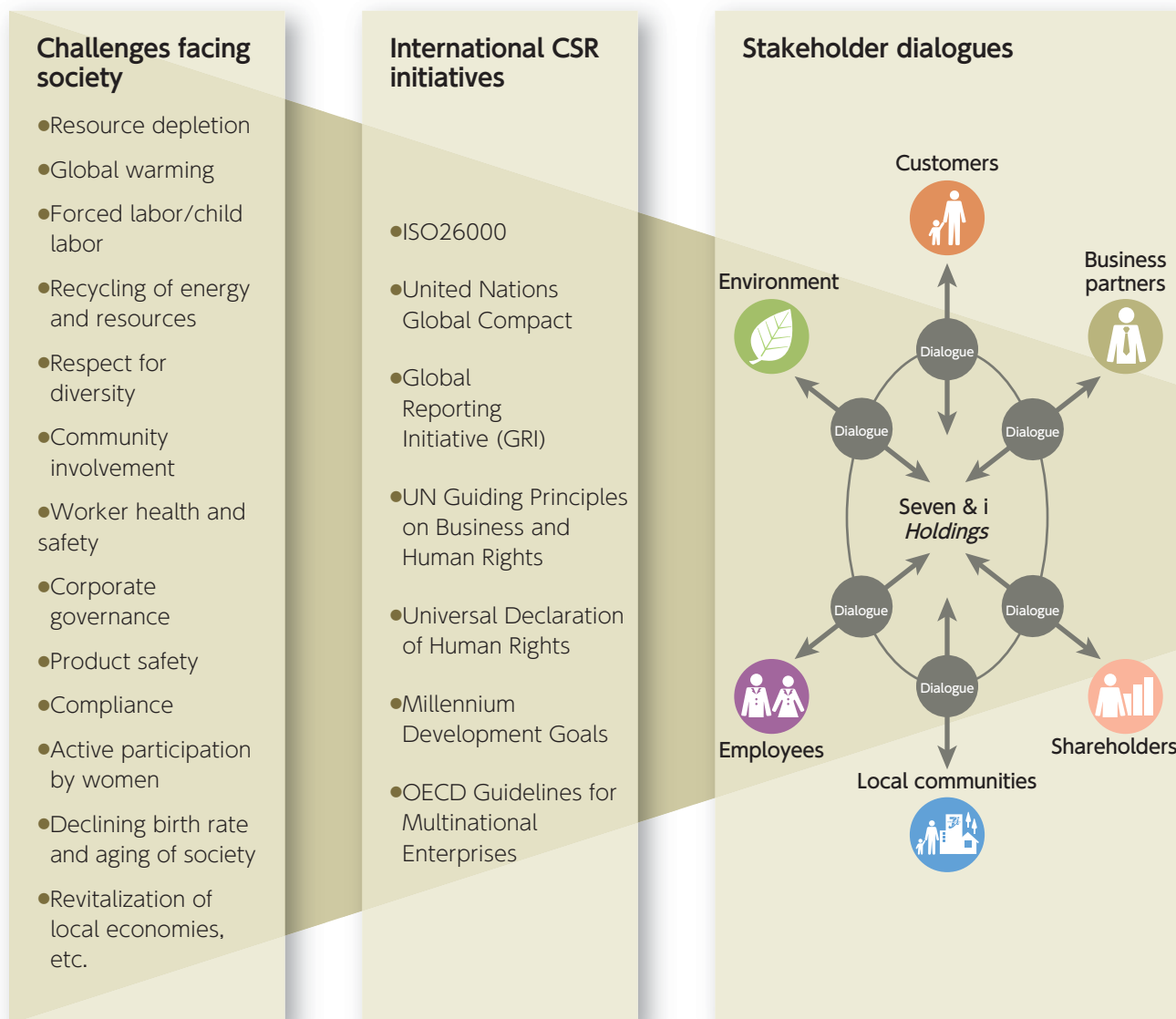
Seven & i Holdings Environmental Declaration
Fundamental Policies Relating to Measures to
Contribute to the Prevention of Global Warming

 http://www.7andi.com/en/csr/policy/environment_02.html

Basic Policy on Social and Cultural Contribution
Social and Cultural Contribution Action Guidelines

 <http://www.7andi.com/en/csr/policy/contribute.html>

As a holding company, we are promoting CSR management of the entire Group with key agendas determined in light of the characteristics of our businesses



At Seven & i Holdings, in order to ensure that our operations always take into account the various interests of our stakeholders as well as global environment, we look at the needs and problems facing today's society on an ongoing basis based on international CSR initiatives including ISO26000 and GRI guidelines. We then identify areas that the business community should actively address as well as areas it can help bring solutions to.

Based on the identified areas, we clarify which challenges we should address as the Group and what initiatives we can contribute to the solution of social challenges, taking the Group's

business characteristics into consideration.

In that process, we always gather opinions and requests from all our stakeholders including our customers, business partners, shareholders, local communities, and employees by creating various opportunities to dialogue with them. As evidenced by the fact that we set key initiatives through dialogues with outside experts in 2009, we have been continuously organizing and sorting out "key challenges as the Group" based on such opinions and requests.

We will continue to take specific measures aimed at further enhancing our CSR initiatives throughout the Group.

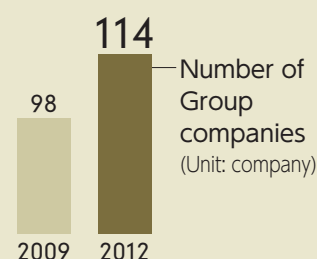
Five “CSR challenges” determined in light of business characteristics

Challenges Facing the Seven & i Group: Strengthening Corporate Governance and Management

- (1) Strengthening internal control
- (2) Strengthening CSR management
- (3) Ensuring compliance
- (4) Promoting fair business practices
- (5) Establishing corporate ethics
- (6) Promoting CSR procurement

Relationship to business characteristics

Strengthen corporate governance for the increasing number of Group companies following the expansion of business areas.

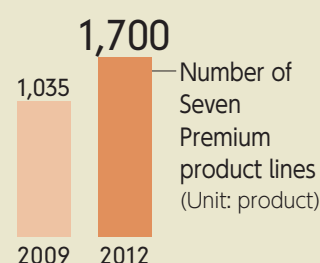


Challenges Facing the Seven & i Group: Providing Safe, Reliable Products and Services

- (1) Ensuring the quality and safety of products and services
- (2) Assuring appropriate information provision
- (3) Responding sincerely to customer opinions
- (4) Developing stores and facilities customers can visit with a sense of security

Relationship to business characteristics

Ensuring further safety through the expansion of the private brand Seven Premium.

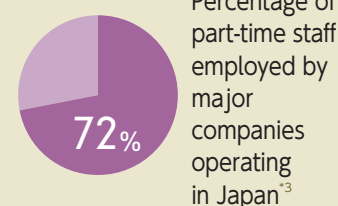


Challenges Facing the Seven & i Group: Creating Fulfilling Workplaces

- (1) Supporting development of employee abilities
- (2) Assuring fair assessment and treatment of employees
- (3) Achieving a work-life balance
- (4) Making use of diverse human resources
- (5) Assuring consideration for worker health and safety

Relationship to business characteristics

Promoting a workplace in which women can display more of their abilities, an environment essential to the Group's growth.



Challenges Facing the Seven & i Group: Coexisting with Local Communities

- (1) Supporting young parents and the elderly
- (2) Assisting local community revitalization
- (3) Providing support in times of disaster
- (4) Implementing crime prevention measures for local communities

Relationship to business characteristics

Coexisting with and supporting revitalization of local communities in areas where we operate.

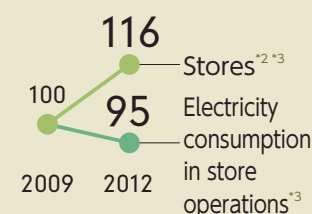


Challenges Facing the Seven & i Group: Reducing the Environmental Impact

- (1) Attaining an appropriate grasp of environmental impacts
- (2) Improving energy efficiency and introducing renewable energy
- (3) Reducing waste and developing a recycling-oriented society
- (4) Implementing measures for biodiversity
- (5) Offering eco-friendly products
- (6) Raising environmental awareness among employees

Relationship to business characteristics

Promoting continuous energy conservation to prevent environmental impact in proportion to business expansion.



*1 Graphs show figures as of February 28, 2013. *2 Shown in percentage relative to FY2009

*3 Scope of aggregation: Six companies (Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, Seven & i Food Systems, and Seven Bank)

As a holding company that oversees and controls its operating companies, it is our mission to strengthen corporate governance and maximize the enterprise value of our Group.

Corporate Governance System Supported by Executive Officer and Corporate Auditor Systems

The Board of Directors of Seven & i Holdings is composed of 16 Directors (of whom three are independent outside Directors). The term of Directors has been set to one year, to reflect the intentions of shareholders in a timely manner. The Executive Officer system has been adopted for prompt decision making and operations. The Board of Directors is responsible for formulating business strategies and supervising operations, and 15 Executive Officers, including those who also serve as Directors, are in charge of operating performance.

The Audit & Supervisory Board is composed of five members (of whom three are independent outside members), and monitors administration. In addition to attending Board Meetings and other important meetings, the Audit & Supervisory Board Members exchange opinions with the Representative Director and interview Directors regarding the status of operational performance. In addition, they share information with operating companies' directors and corporate auditors and strictly audit the directors' performance of duties. They also exchange Independent Auditors, and collaborate closely with them in auditing. Outside Directors and outside corporate Auditors supervise and audit operating performance by presenting

advice and suggestions to ensure the validity and appropriateness of decisions made by Directors and their operating performance, and by exchanging opinions with Directors and others at meetings concerning company operations, corporate governance, and other matters.

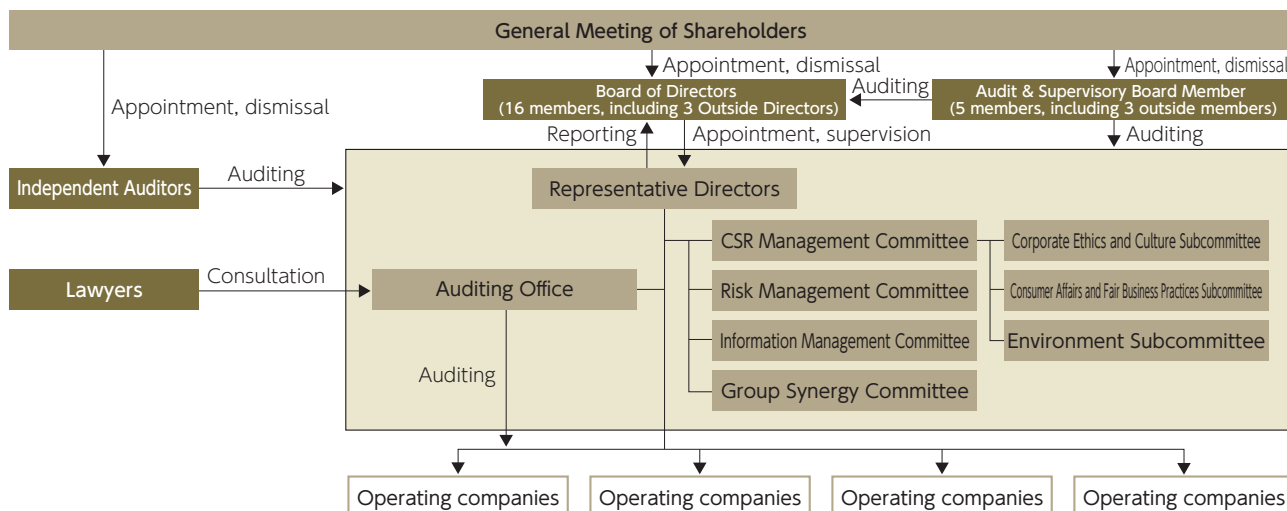
*1 Seven & i Holdings emphasizes on the independence of outside Directors and Audit & Supervisory Board Members. Individuals who are selected are unlikely to be in a conflict of interest with general shareholders and who are capable of offering supervision, auditing, advice, and suggestions based on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

*2 The number is as of the end of July 2013.

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 Auditing Office, which is the independent internal auditing division, has the management function to confirm and instruct internal auditing by operating companies or directly audit them, and the internal auditing function for auditing the holding company Seven & i Holdings. In addition to the persons in charge of business auditors for performing these operations, persons in charge of evaluating internal controls have been appointed, and they evaluate internal controls of core operating companies.

Corporate governance and CSR Management System



Committees

Seven & i Holdings has established the CSR Management Committee, Information Management Committee, Risk Management Committee, and Group Synergy Committee which report to the Representative Director. Each committee cooperates with the operating companies to determine Group policies and to manage and supervise their dissemination and execution with an eye to strengthening corporate governance.

CSR Management Committee

The CSR Management Committee endeavors to maintain compliance with the Seven & i Holdings Corporate Action Guidelines, with the basic motto of “acting sincerely” with respect to various stakeholders. To ensure compliance with the Action Guidelines, three subcommittees (Corporate Ethics and Culture Subcommittee, Consumer Affairs and Fair Business Practices Subcommittee, and Environment Subcommittee) have been established under the CSR Management Committee.

Each subcommittee prioritizes main challenges to be addressed from the standpoint of the Group’s business characteristics, and then develops and implements measures for achieving solutions.

In response to the Japan Fair Trade Commission’s June 27, 2013 recommendation concerning the violation of the Subcontract Act which prohibits any undue reduction in payment to subcontractors, York-Benimaru Co., Ltd. implemented improvement measures involving all employees based on a resolution of its Board of Directors. The improvement measures included a training session held on July 5, 2013 for executive officers, all buyers, and executives on compliance with the Subcontract Act regarding transactions with subcontractors. York-Benimaru is striving to keep everyone across the organization informed of compliance with the Subcontract Act, and has established a compliance system to ensure prevention of any recurrence of a similar incident.

Information Management Committee

The Information Management Committee aims to control issues related to information management. In FY2012, mainly in order to enhance information

security, the Committee conducted voluntary and third-party checking at seven companies that operate online businesses concerning their compliance with the Guidelines Related to IT Information Security and Internet Businesses, and implemented security measures based on the results of the checking.

In FY2013, the Committee will promote similar voluntary checking and security measures at companies other than these seven while working to enhance our internal organization for preventing insider trading.

Risk Management Committee

The Risk Management Committee regards all phenomena that threaten continuation of our businesses and hinder sustainable growth as risks, and works to strengthen comprehensive and integrated risk management.

In FY2012, the Committee attempted to fuse risk management with the administrative management for improving the enterprise value of our Group, and worked on refining the indicators for evaluation of business efficiency.

In FY2013, the Committee will continue to control soundness in management and business continuity. Also, in order to facilitate the Group’s growth via expansion and increased efficiency, the Committee will also work to improve risk assessment techniques and promote the sharing of knowledge and know-how among operating companies in an effort to enhance appropriateness of risk management.

Group Synergy Committee

The Group Synergy Committee is composed of subcommittees on merchandising, systems, building equipment, sales promotion, etc. By sharing and utilizing the expertise in product development, sales, promotion, etc. that each operating company has separately cultivated, our Group creates safe, reliable, and useful products and services of high quality; of which Seven Premium products are the leading example. Making use of the scale merit brought about for the Group, significant cost reductions have also been attempted through collaborative purchasing of commercial and construction materials.

Strengthening Corporate Governance and CSR Management

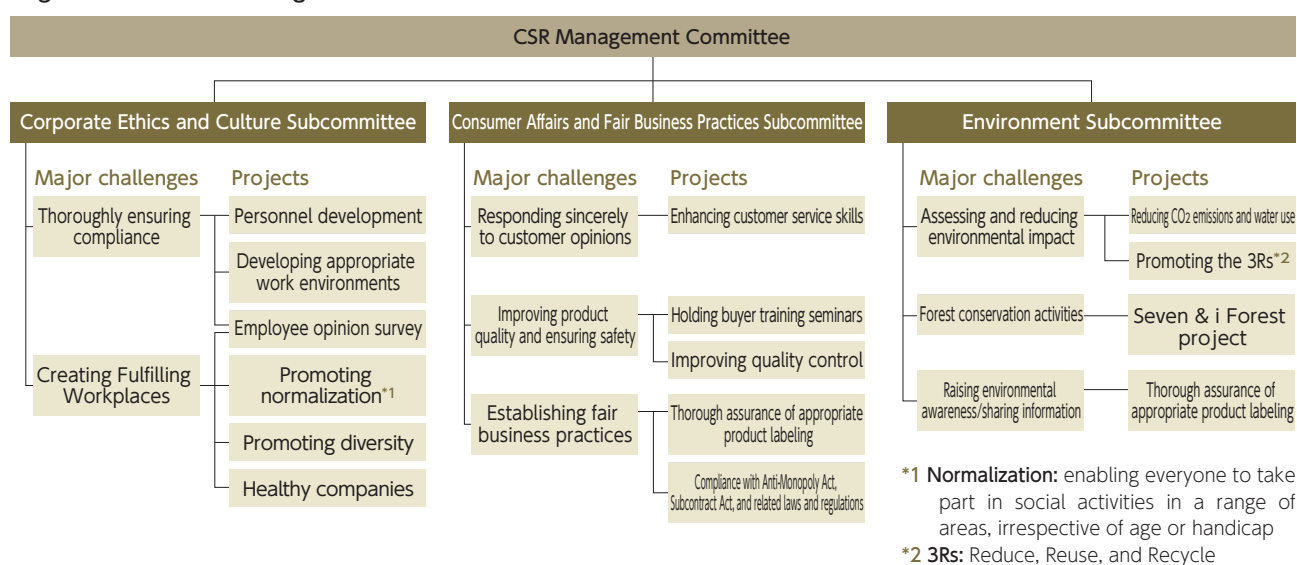
Special organizations have been set up to implement CSR initiatives in line with the Challenges Facing the Seven & i Group.

Our CSR initiatives are implemented by the CSR Management Committee, which is chaired by the president of Seven & i Holdings and composed of the people responsible for the CSR-related matters along with its three subcommittees – the Corporate Ethics and Culture Subcommittee, the Consumer Affairs and Fair Business Practices Subcommittee, and the Environment Subcommittee.

and the Environment Subcommittee.

Each subcommittee examines and develops specific measures to be implemented for its projects in line with the Challenges Facing the Seven & i Group. These measures are then implemented through Group-wide efforts upon approval of the subcommittees.

Organization of CSR Management Committee



Targets and progress by each subcommittee

Major FY2012 targets	Evaluation**	Plans for FY2013
Corporate Ethics and Culture Subcommittee		
(1) Thoroughly ensuring compliance		
● Making sure all employees are thoroughly familiar with the Seven & i Holdings Corporate Action Guidelines and other guidelines	○	● Establishing common basic components of Group-wide employee education, such as the corporate creed and developing educational tools
● Studying employee opinion surveys	○	● Teaching rules and work procedures necessary for operation to employees in each tier
● Studying measures to address revisions to the Labor Contract Act	○	● Checking on each Group company's employment rules and labor agreement
● Considering revising employee training programs designed to thoroughly disseminate the management philosophy and cultivate a common sense of values for each company and tier of workers	△	● Establishing basic components of employee education to thoroughly disseminate the corporate creed and other elements of management philosophy
● Conducting CSR audits of business partners of Seven Premium products and Ito-Yokado's direct overseas suppliers	○	● Promoting employment of people with disabilities and achieving the percentage required by law throughout the Group
		● Conducting CSR audits for about 40 business partners
(2) Creating fulfilling workplaces		
● Diversity (of human resources) Promotion Project		
● Sharing career plans and life plans through interviews with managers	○	● Expanding events for building networks among women
● Adopting the mentor system	○	● Providing employees who have returned from childcare leave with orientation
● Promoting communications with employees on parenting leave via use of social networking services (SNS)	×	● Holding awareness-raising events for managers
● Conducting interviews by managers with employees before taking childcare leave and when returning to work	○	● Conducting ongoing awareness-raising activities using internal newsletters, etc.
● Considering obtaining the next generation authorization mark by Seven-Eleven Japan to support raising children	○	● Focusing on external communications (implementing the Positive Action Declaration, etc.)
● Holding an event for developing networks among women	○	
● Starting awareness-raising activities utilizing in-house newsletter, etc.	○	
● Studying holding joint briefing for the Group for promoting employment of persons with disabilities	△	● Raising employee awareness and developing tools for promoting normalization
● Developing employee education tools common to all Group companies and strengthening education	×	● Developing standards related to the work environment of the Group



Director
Senior Officer of CSR Department
Junro Ito

Boosting CSR Initiatives: A Shift from CSR to CSV

During FY2012, the three CSR subcommittees focused on ensuring compliance with relevant laws, identifying and analyzing challenges facing the Group as well as each operating company, and confirming the direction for the entire Group to follow.

The Corporate Ethics and Culture Subcommittee implemented measures to ensure compliance with revised labor-related laws and the Employment Promotion Act for People with Disabilities, created an organization for helping women display more of their abilities, and conducted an employee opinion survey. The Environment Subcommittee increased the number of major operating companies subject to CO2 emissions assessment to nine (see page 43), and set medium-term CO2 emissions reduction targets for the Group. The Consumer Affairs and Fair Business Practices Subcommittee provided the Group's buyers

with a training seminar on product knowledge needed to pursue quality products and fair trading with business partners. Despite these efforts, York-Benimaru Co., Ltd. received a recommendation concerning the violation of the Subcontract Act from the Japan Fair Trade Commission in June 2013. We will strengthen training aimed at preventing the recurrence of a similar incident and work to ensure full compliance with all relevant laws and regulations.

We recognize three major tasks that need to be accomplished if we are to further expand our CSR initiatives in FY2013.

The first task involves reviewing our past initiatives through stakeholder dialogues with outside experts. The second task entails painting a clearer picture of where the Group is headed and stepping up joint efforts with Group companies to implement actions that will take us there while evaluating these actions multilaterally with various key performance indicators (KPIs). The third task encompasses shifting the focus of our current initiatives to solving problems facing society through our business operations (creating shared value) in addition to ensuring legal compliance and reducing the negative impact our operations have on communities and environment.

If Seven & i Holdings is to continue to be an essential part of the society, we must step up on efforts to promote strategic CSR for sustainable development of society and our company. That means making CSR an integral part of our operations as we actively work toward solving the various problems facing society.

※Evaluation ○:Target achieved △:Target nearly achieved ×:Fell significantly short of target

Major FY2012 targets	Evaluation※	Plans for FY2013
Consumer Affairs and Fair Business Practices Subcommittee		
(1) Responding sincerely to customer opinions		
● Holding regular seminars on customer service	○	● Holding joint training for new customer service office employees
(2) Ensuring the quality and safety of products and services		
● Holding seminars focused on product safety for each product category	△	● Holding joint seminar for apparel buyers in cooperation with inspection organizations
● Utilizing the Check Sheet for Business Partners' Factories across the Group	○	● (Food) Conducting joint inspections of business partner factories by the people responsible for quality control of Group companies
● Thoroughly communicating the Appropriate Product Labeling Guidelines for food products across the Group	○	● (Apparel/household products) Reviewing the quality control organization based on the Product Safety Guidelines for Distributors
(3) Establishing fair business practices		
● Developing and strengthening daily and regular monitoring systems for each Group company	○	● Sharing and building on good fair trading practices among Group companies
● Holding seminars on Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors	△	● Holding regular training on the Subcontract Act and the Anti-Monopoly Act
● Holding a joint seminar on ensuring a smooth transition to the 2014 revision to the consumption tax.	○	● Sharing measures taken by Group companies to ensure a smooth transition to the revised consumption tax
Environment Subcommittee		
(1) Reducing the environmental impact		
● Improving CO ₂ management at stores via third-party verification	○	● Improving CO ₂ management (setting targets and strengthening third party verification)
● Promoting reduction of packaging materials	○	● Promoting food recycling and installing more PET bottle collection machines
(2) Conserving the global environment		
● Deciding on candidate forests for the second Seven & i forest conservation project	×	● Continuing with employee volunteer work
● Continuing forest improvement in the Seven & i Forest with the help of employee volunteers	○	● Developing private brand products using forest thinnings
● Developing store materials and office supplies using thinnings from the Seven & i Forest	○	

We work jointly with our business partners to promote CSR management across the entire supply chain

Seven & i Holdings Business Partner Action Guidelines

Seven & i Holdings requests all business partners to become familiar and comply with the Seven & i Holdings Business Partner Action Guidelines adopted in 2007.

The Guidelines are designed to not only guarantee the safety and reliability of our products and services but also ensure legal compliance, environmental conservation and fair employment across the entire supply chain so that we can fulfill our corporate social responsibility together with our business partners. We ensure to communicate the Guidelines through regular meetings of our Group companies with their business partners.

Seven & i Holdings Business Partner Action Guidelines

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

For the full text, please visit the following site:



<http://www.7andi.com/en/csr/suppliers/guide.html>

Ensuring Compliance with the Guidelines via the Self-Check Sheet

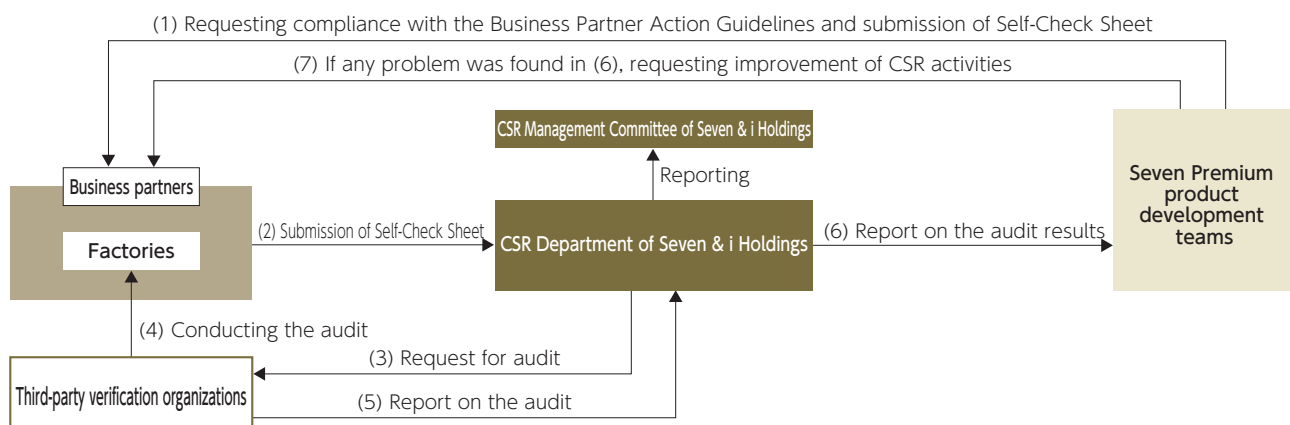
Seven & i Holdings has created a self-check sheet that includes specific requirements for complying with the Guidelines.

The Self-Check Sheet is designed to be in line with ISO 26000, the KEIDANREN Corporate Behavior Charter, and the OECD Guidelines for Multinational Enterprises. The Sheet helps our business partners to understand the Guidelines and implement effective CSR measures while enabling us to assess their progress in implementing those CSR measures. Currently business partners of Seven Premium products, which are the Group's common strategic products, as well as Ito-Yokado's direct overseas suppliers are required to submit the Sheet.

Promoting CSR Audits

The CSR audit, performed by a third party, verifies whether or not our business partners are in compliance with the Guidelines via a check of audit items (about 140 in 16 categories) established independently by Seven & i Holdings (see chart example on p.13). For non-compliance matters found in the audit, corrective measures will be implemented pursuant to the Corrective Action Plan (CAP) submitted by the business partner within 10 days of completion of the audit and under the guidance of the verification organization. A compliance certificate will then be issued when the verification organization and

Process flow of Business Partner Action Guidelines operation (for Seven Premium products)



Seven & i Holdings judge that corrective measures on the important and quality-related non-compliance issues and the chief minor non-compliance issues have been completed.

In FY2012, CSR audits were conducted for 16 companies in four countries, including China, Vietnam, Indonesia, and Bangladesh. We plan to conduct CSR audits for 45 companies in FY2013. Additionally, in May, in view of the start of the CSR audit, we held briefings for business partners of apparel and household products in Tsingtao and Shanghai. We also conducted trial CSR audits at some of our Chinese business partners in FY2012. The officers of CSR Department of Seven & i Holdings accompanied the verification company to confirm the audit methods and procedures.

Also, a joint seminar was also held in June 2012 for buyers of the Group to raise their awareness of the importance of CSR for the entire supply chain. The Seven & i Holdings Corporate Action Guidelines to be complied with by all employees of the Group, which were revised in 2011, were again made thoroughly known among Group employees, while at the same time explaining the



Briefings held in China



Trial CSR audit at factories

Chart example of audit results



importance of fulfillment of social responsibilities in collaboration with business partners, to about 500 people working with the 17 operating companies.

Operating Business Partner Help Line

We have established the Business Partner Help Line for accepting questions and opinions regarding transactions and promptly making improvements, with the aim of establishing fair business practices.

A subcontracting agreement and confidentiality agreement have been concluded with third-party organizations that run the Help Line, in order to strictly protect personal information and privacy of individuals who made contact and reports. Reports can be made anonymously to Seven & i Holdings by submitting one's name and affiliation only to the third-party organization. To ensure that individuals who ask consultation and do whistle-blowing are subjected to no unfair treatment by Seven & i Holdings and/or Group companies, about one month after the handling of the report the third-party organizations check in with the contacting party as to whether any retaliatory action has been taken.

* For details, please visit the following site:

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

Number of consultations in FY2012: 12 (15 in FY2011)

By user category

Business partner employees	11
Business partner sales representatives	1

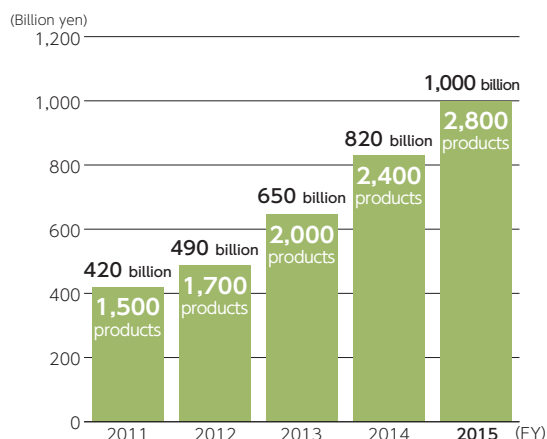
By topic

Suspected noncompliance (the Group companies)	4
Suspected noncompliance (business partners)	2
Other	6

CSR Initiatives via Products under the Group's Private Label, Seven Premium

Driven by a commitment to providing products that have the kind of quality and value that will meet customer expectations at reasonable prices, Seven & i Holdings launched Seven Premium, its private brand, in May 2007. We work with manufacturers across Japan to manage the entire supply chain, from material procurement and production to distribution and sales, for all products sold under the Seven Premium brand. More than 1,700 different kinds of Seven Premium products, which are not just good-tasting but also safe, reliable, and environmentally friendly, were sold in FY2012. We will continue to work on product development to expand our lines with products that will appeal to customers.

Seven Premium sales plan by fiscal year



A close look at our potato salad

Our potato salad debuted six years ago as the first Seven Premium product and it's been a customer favorite ever since.

Let's take a CSR point-of-view look at what we do in our supply chain for this product, from material procurement to sales.



Material procurement

Securing safe raw materials





Seven features of Seven Premium

- | | |
|--|--|
| <p>① Safe and reliable Made from carefully selected ingredients cooked in sanitary factories</p> <p>② Great-tasting A great taste everybody agrees on</p> <p>③ Local flavor There's nothing like local tastes</p> <p>④ Best technology Jointly developed by manufacturers boasting</p> | <p>⑤ Universal design Easy-to-read, easy-to-understand labels and designs</p> <p>⑥ Health conscious Calorie information printed on the front side of the product package</p> <p>⑦ Reasonable price Always easy on your wallet</p> |
|--|--|

Manufacturing

Ensuring compliance with own quality control standards and contributing to local communities

Distribution

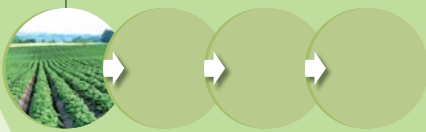
Minimizing environmental impact and ensuring disaster preparedness

Sales

Developing and improving products through dialogues with customers



Material procurement



Harvesting potatoes

Securing safe raw materials

Visiting farms in pursuit of top quality

Only Japan's renowned danshaku-imo variety of potato grown in Hokkaido goes into making our potato salad.

Our business partner's procurement personnel go to the field to visit growers and exchange opinions on growing methods and other matters as they work together to produce food ingredients that customers will appreciate.

To ensure strict quality control, harvested potatoes are shipped to factories unwashed so the dirt will minimize any impact that could damage the potatoes during transport and help them stay fresh.



Thorough traceability system

In order to ensure that the products we deliver are always of the same high quality, all Seven Premium products, including our potato salad, are made only with finest ingredients that meet our own strict quality standards.

All ingredient production records, including planting and harvesting information, agricultural inputs, etc., are carefully maintained to ensure traceability. We are also building a database that enables us to see the amounts of ingredients used for each product.

Business partner's voice

Our efforts to enhance quality start with raw material production.

At our Asahikawa factory, which went on line in November 2012, we produce potato salad, pumpkin salad, simmered pumpkin, meat and potato stew, and more with the concept of "cooking with local farm fresh ingredients."

While we have always used only potatoes produced in Hokkaido, now that we have a factory located closer to the farms where they are grown, we are able to minimize bruising that can occur during transport and use better quality ingredients.

The new location also keeps us in close contact with our growers, enabling us to make better quality ingredients than ever.

Mr. Kaiji Yamazaki, Manager, Yamazaki Group's Asahikawa Factory



Manufacturing



Ensuring compliance with own quality control standards and contributing to local communities

Quality control based on Seven & i's quality standards

We employ strict temperature and hygiene controls to maintain the quality of Seven Premium products. Products are tested before being sold to check if the flavor of products made in different factories is consistent and that they meet our specifications. Safety inspections are conducted on a regular basis to maintain the good taste, safety and reliability of our products.

The factory that makes our potato salad has quality and hygiene controls in place for cutting, cooking, packaging, and other processes in accordance with the quality management system of the ISO9001 international standard.

Once finished, products are stored in a refrigerator set to 5 degrees Celsius just before they are shipped to assure maximum safety.

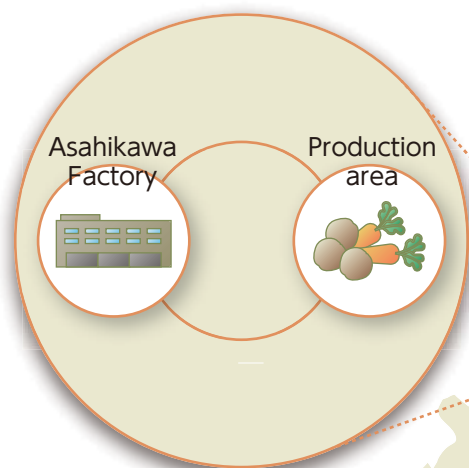
Made at our new factory in Asahikawa, a potato producing area

Opened in November 2012, our Asahikawa factory sits in the middle of the potato producing area, where we can secure supply of fresh ingredients.

Also, taking advantage of a local climate characterized by heavy snow in winter, the factory employs a storage system that utilizes snow/ice cold energy to store food ingredients at a constant temperature and humidity. This system seals in good flavor and provides safe storage of food throughout the year.

The factory is actively implementing measures to reduce waste and energy consumption throughout the production process. It is planning to compost food scraps and sludge generated from making potato salad and other products for use by its contract farmers.

The Asahikawa factory employs about 160 people who were hired locally prior to its opening, thus contributing to the local employment and economy.



Cold storage utilizing snow/ice cold energy

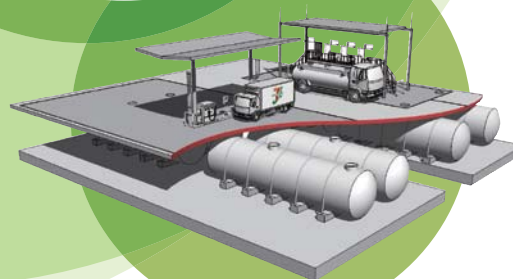
***Snow/ice cold energy system**
The system uses ice and snow stored for the summer for refrigerating agricultural products in the storage. Snow helps keep crops fresh because of its adequate level of moisture, and it also has a duct protection effect for refrigerated air conditioning.

Hokkaido
Asahikawa City

Distribution



Minimizing environmental impact and ensuring disaster preparedness



Conceptual drawing of the fuel storage station

Saving energy and boosting shipping efficiency at distribution centers

Our dedicated distribution centers handling Seven-Eleven products employ demand controllers that monitor electricity consumption of air conditioning and other equipment and control the load system so power consumption is always kept under the preset limit. These demand controllers have been installed in 51 of our 147 distribution centers (as of the end of February 2013).

Solar panels have also been installed in some of the centers for power generation as part of our initiative to reduce power consumption at our distribution centers.

After reviewing the locations of our distribution centers, we set up intermediate facilities in order to reduce the number of delivery vehicles used per day for each store.

We also introduced in-vehicle terminals to delivery vehicles and hold training seminars where drivers receive data-based vehicle operation training and learn about eco-friendly driving.

The cardboard boxes used for delivering our potato salad were switched to reusable containers in FY2012, resulting in 26 ton reduction of cardboard per month.

Constructing a fuel storage station for delivering emergency supplies

The Great East Japan Earthquake triggered serious gasoline shortages not only in the disaster-affected area but also in the Tokyo metropolitan area, due to damage to oil refinery and other fuel-related facilities as well as disruptions to transportation networks.

Learning from this experience, Seven & i Holdings decided to construct a fuel storage station to be used for product delivery vehicles as part of its large-scale disaster countermeasures. When completed, the fuel storage station will be the first of its kind for the Japanese retail industry.

Designed to store 400 kiloliters of fuel to be used for delivering emergency supplies in the event of a disaster, the fuel storage station will be constructed on the premises of Ito-Yokado's distribution center in Sugitomachi, a town located in Saitama Prefecture's Kitakatsushika district. It is slated to be completed by the end of December 2013.

The station will enable us to ensure approximately ten days of quick delivery of emergency supplies to evacuation centers in disaster areas as well as our Group companies' stores in Tokyo and three other prefectures for uninterrupted operations.

The voice from the distribution center

Further stepping up efforts to cut power consumption

Those of us working at the distribution center don't just rely on the demand controller to do all the work of reducing electricity consumption. Everyone is saving power manually as well, by shutting down the refrigerator during the hours when products are not in it, and the like.

In addition, we are striving to conserve energy by creating green curtains around our office building. We will continue to work harder on reducing electricity consumption than ever while watching how our current measures will do.

Mr. Shunichi Horikawa, General Manager, Chokuhan Haiso Co., Ltd.'s Chilled Tomisato Center



Sales



Developing and improving products through dialogues with customers

Making good-tasting, high quality products based on customer feedback

Customers' needs are quickly changing as the birth rate is declining, the population aging, female employment rising, and one-person households growing.

In October 2009, we launched the Premium Life Enhancement Committee website, an online community for developing Seven Premium brand products together with customers.

Among other things, the site is used to solicit opinions and requests from customers through group interviews of people who bought Seven Premium products.

In addition to customer evaluations of each Seven Premium product, the site also features easy-to-make recipes using Seven Premium products as well as participatory campaigns. These dialogue-based programs help us understand when and how customers use our products and incorporate their feedback into product development.



Giving our products a makeover to make them even more attractive

Our potato salad has been a big hit among customers of all ages, including seniors.

We have received positive feedback from customers via the Premium Life Enhancement Committee website and group interviews since the product was first released. Satisfied customers have told us "I always keep it in stock and serve it when I need one more dish to serve" or "It has a nice texture of the potatoes," and "It's great because I can easily add my own twist to it."

There were also suggestions for improvements from those who said it was "somewhat too lightly seasoned." We took their advice to heart and improved the flavor by reworking the vinegar, pepper and other seasonings while retaining the aspects that customers gave high marks for (like the texture of the potatoes and how easily it can be augmented).

Listening to their voices enabled us to improve the flavor of the potatoes.

The word from product development

Making constant improvements to make the customer happy

It's been more than six years since our potato salad hit the market. We have made many improvements during that time in order to make our customers more satisfied.

We not only work on enhancing the flavor but continually look at how and when customers use it with an eye to making it better than ever.

Tsuyoshi Noda, Prepared Food Manager, FF/Daily-Delivered Products Department,
Merchandising Headquarters, Seven-Eleven Japan



Providing Safe, Reliable Products and Services

Focusing on growing methods and traceability while operating our own farms to ensure quality

Total number of Fruits and Vegetables with Traceability

188

Particular about where and how to grow produce as well as traceability

Seven & i Holdings places the greatest importance on safety and reliability in all stages, from product planning to retail.

At our stores, product quality is comprehensively checked, and we sell private brand items that place value on the location and method of production as well as on the traceability of food products.

Ito-Yokado, for example, launched its private brand, Foods with Traceability, in 2002 to disclose information on producers' sincere efforts for ensuring safety to customers.

The number of Fruits and Vegetables with Traceability, the leading product lines sold under the label, is growing and totaled 188 as of the end of February 2013.

Promoting JGAP certification acquisition to provide safer foods

We are currently working to obtain Japan Good Agricultural Practice (JGAP) certification for further enhancing the quality control level of our Fruits and Vegetables with Traceability.

JGAP is an agricultural production management method recommended by the Ministry of Agriculture, Forestry and Fisheries of Japan. It provides a set of standards to be followed in daily farm management to increase food safety and ensure environmental conservation. Ito-Yokado obtained JGAP certification for 13 farms as of the end of February 2013, and aims to increase that number to 50 over the next three years.





- ① Tomatoes sold under the Vegetables with Traceability label
- ② Spinach from Seven Farms sold in store
- ③ 2012 GAP Dissemination Award plaque
- ④ Vegetables harvested at a Seven Farm

Seven Farm exploring the recycling-oriented agriculture

Since 2008, Ito-Yokado has been establishing agricultural corporations dubbed Seven Farms across Japan based on the concept of helping agriculture and promoting recycling.

The farms have been built in nine locations in Tokyo, Hokkaido and six other prefectures* (as of the end of July 2013).

What makes Seven Farms unique is its practice of recycling-oriented agriculture. The farms use compost made from food residues generated in Ito-Yokado stores to help their crops grow, and the harvested crops are then sold in Ito-Yokado stores.

Seven Farms also carry out inspections for residual pesticides, soil, and radioactive substances to ensure safety and reliability. In 2009, Seven Farm Tomisato obtained JGAP certification to further enhance the safety of its agricultural products.

We won't rest until all Seven Farms are JGAP certified.

*Hokkaido, Ibaraki, Saitama, Tokyo, Chiba, Kanagawa, Aichi, and Niigata

Winner of the 2012 GAP Dissemination Award

In recognition of our initiatives focused on Fruits and Vegetables with Traceability as well as Seven Farms, we became the first in the distribution industry to win the Japan Good Agricultural Practice Association's GAP Dissemination Award in 2012.

We will continue to leverage JGAP to ensure safety by making it a shared goal for us as a retailer and our growers alike.

Ensuring the quality and safety of products and services

Seven-Eleven Japan uses an average of 40 types of source materials (including seasonings) for each of its rice-based food items, prepared dishes and other daily delivered food products. We sell over 1,000 prepared food options and offer 100 new items each week.

In order to manage each of these products, we apply the Recipe Master System that regulates what kind of source materials are being used, their quantity, and at which plant.

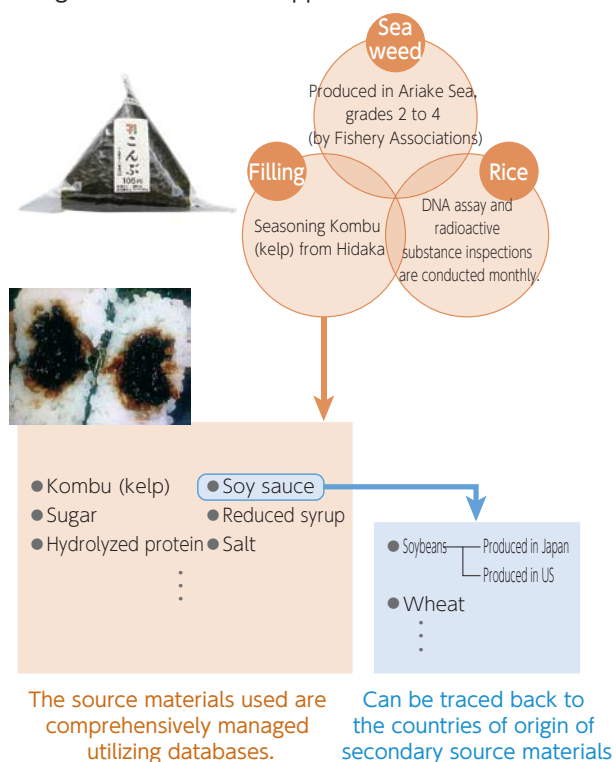
For this system, complete information from over 300 partner manufacturers and about 170 dedicated plants is managed in a database, enabling the relation between source materials and products to be traced.

As a result, we are able to promptly address any problem that is found concerning a source material by immediately seeing which products it was used in.

We also voluntarily conduct DNA assays on rice to prevent mixing of varieties, as well as inspections for radioactive substances.

Also notable is that no preservatives or artificial colorings are used in Seven-Eleven Japan's original daily delivered products including rice-based food items, sandwiches, salads, and prepared dishes.

Traceability management by Recipe Master System (Onigiri rice ball to be wrapped in seaweed)



Reducing trans-fatty acids

Since 2005, Seven-Eleven Japan has sought to reduce trans-fatty acids, which increase the risk of heart disease. Continually working with source material manufacturers to make improvements, it has now switched fryer oil, fatty pastes and cream to exclusive source materials that contain lower amounts of trans-fatty acids.

Example: Grams of trans-fatty acid contained in every 100 g of Strawberry Jam & Margarine bread (calculated value)

FY2005	FY2007	FY2012	FY2013
1.86g	0.18g	0.15g	0.14g

Expanding low allergen menu items

Denny's, the restaurant chain operated under Seven & i Food Systems, is working to increase menu items that do not use any designated source materials.

In FY2012, Low Allergen Hamburger Plate was added to its menu and Rice Flour Bread Hamburger Kit debuted on the Group's online store

as it works to bring more products that enable people to pay for a good meal that is allergen-free.

Making stores and facilities more customer-friendly and reliable

With the hope of enabling all of our customers to shop comfortably at our stores with a sense of security, the Seven & i Holdings conducts daily storefront patrol and inspection, has installed crime prevention and disaster prevention equipment.

We have also adopted the notion of universal design in our store designs, and conducted employee training for assisting customers with physical disabilities.

Sogo & Seibu has also established the Seven Prohibited Actions for managing personal information of customers, which have been thoroughly disseminated among all employees.

Seven Prohibited Actions for maintaining customers' trust

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.

Assuring appropriate information provision

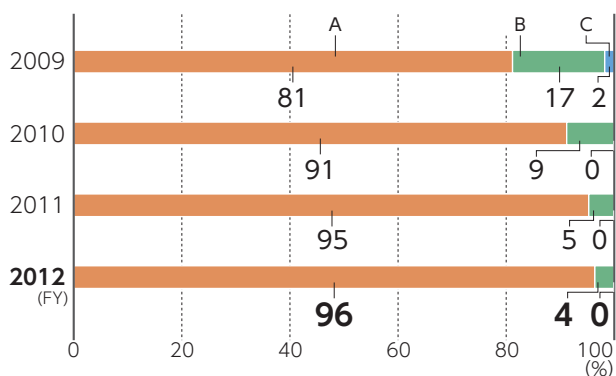
The Seven & i Holdings strives to disclose accurate information on products and prices that customers need. In addition to allergic food substances, for which the Food Sanitation Act mandates indication, our Group also displays food substances for which indication is recommended.

At the storefront, staff in charge check for inappropriate product labels and displays/information. And training seminars are held to thoroughly educate employees on proper indication. A joint training seminar on the Act against Unjustifiable Premiums and Misleading Representations was also held in June 2012 for buyers and sales promotion personnel of Group companies. A total of 316 employees who attended the seminar learned about misleading representations and excessive premiums in violation of the law.

Checking indications on an ongoing basis

At Ito-Yokado, members of the secretariat of the Fair Trade (FT) Subcommittee conduct labeling and information indication inspection in all stores every half term. At the same time, they provide storefront education and interview section managers for labeling and information indication inspection. They evaluate stores based on objective numeric values and implement specific measures for improvement in collaboration with store managers and assistant managers in charge of each store.

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.

Improving services in response to customer feedback

In order to continue improving our products and services from the customer's standpoint, Seven & i Holdings set up a customer consultation desk at each operating company for receiving customers' opinions and requests and responding to them promptly. The information collected is sorted according to the contents and distributed to relevant divisions and stores for making improvements.

Always making improvements from the customer's standpoint

For further improvement, Ito-Yokado consigns storefront surveys to qualified advisory specialists for consumer affairs who collect customers' opinions on customer service, sales floor design, and product lineup from the standpoint of customers.

Seven & i Food Systems conducts six mystery shopper surveys a year at each store. Employees who have served as store managers or district leaders evaluate stores on approximately 130 items including customer service, food, cleanliness and other matters in order to identify issues needing attention. In addition, Denny's gathers customers' opinions and comments on specific menu options on its website in order to develop products that reflect customers' evaluations and opinions.

ATM equipped with voice guidance

Seven Bank has developed a voice guidance transaction service for people who cannot operate the touch panel due to visual impairment, etc. The service enables them to withdraw or deposit money or check their account balance by using the ATM's intercom and following the instructions provided by the voice guidance system. The service is available to customers at more than 520 affiliated financial institutions.



Developed by incorporating feedback from visually impaired persons

Creating Fulfilling Workplaces

We are making efforts to the active participation of women as part of our diversity promotion effort.



Percentage of women in management positions

Making responses to changes in society and continuing to meet customers' expectations

In order to secure excellent human resources as the basis of our competitive strength in the face of a decrease in labor population following a decrease in the birthrate, we believe it is essential to provide employees with work environments where they can fully display their abilities regardless of their attributes or life stages. It is also important to conduct our business activities from diverse viewpoints so that we can meet a range of customer needs. In particular, in consideration of the fact that 70% or more of Seven & i Holdings store customers are women, we are promoting the active participation of female employees as a priority issue. In FY2012, we launched the Diversity Promotion Project and have since been implementing a range of measures across the Group, setting the five targets to be attained by the end of FY2014 under the slogan, "Diversity gives us power for tomorrow." Members of this project have regular meetings with diversity facilitators of Group companies. At these meetings, participants confirm the direction of the project, share the issues faced by each Group company and mutually report the progress made so far at their companies, thus expanding good practices across the Group.

Significance of promoting the active participation of women



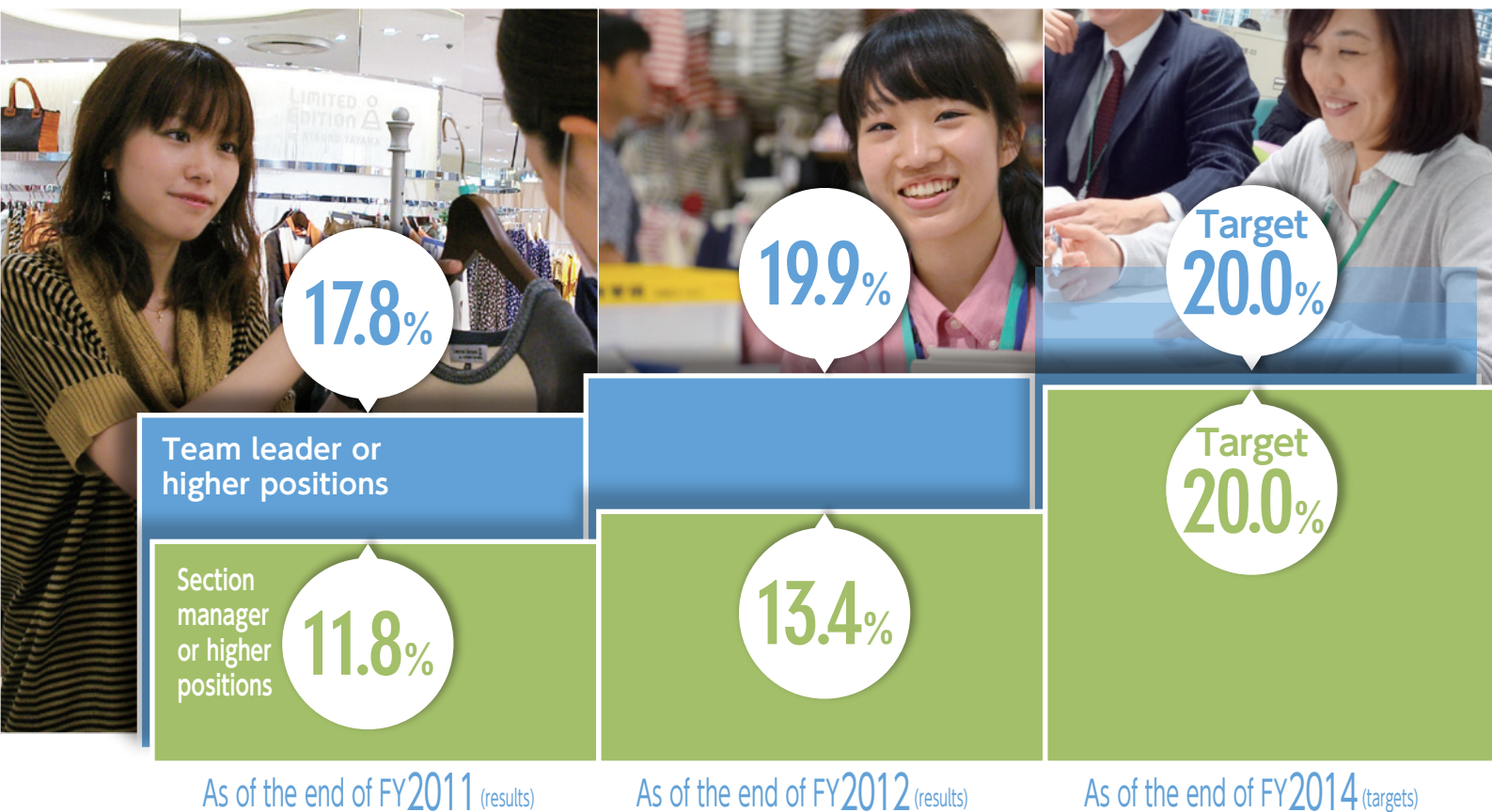
Diversity Promotion Project targets and measures

Targets to be attained by the end of FY2014

- 1 Increase the percentage of female managers to 20%
- 2 Suppress turnover in female workers with the period of service not exceeding three years to 20%
- 3 Encourage male employees to participate in childcare
- 4 Improve external evaluation
- 5 Improve internal evaluation

Measures to be implemented to attain the targets

- Manage stores and organizations mainly by the power of women
- Hold events for developing networks for women
- Create an orientation DVD to help employees taking childcare leave return to work
- Examine holding events to enlighten managers
- Raise employees' awareness through in-house newsletters, etc.



* Average values for eight companies (Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, Seven & i Food Systems, Seven Bank, and Akachan Honpo)

“

Diversity gives us power for tomorrow—We will help you take on challenges

”

We at Seven & i Holdings believe that we need to meet the expectations of our customers as a premise to become a company with integrity that is trusted by customers, business partners, shareholders, local communities, and employees.

Seven & i Holdings has more than 130,000 employees, who are working in Japan and abroad.

In the future, the company will have more diverse employees, including part-timers and others working in different work formats; employees working while taking care of their children and other family members; non-Japanese employees; and those with disabilities.

In order to leverage this diversity of employees for corporate growth, Seven and i Holdings aims to provide individual employees who have various backgrounds with opportunities to display their abilities and help them develop their abilities and careers.

If each employee wants to work more vigorously, display more of his/her abilities, and meet more customers' needs and takes actions to this end, the company will be able to enhance its competitive strength increasingly.

Through the diversity promotion activities, Seven & i Holdings is committed to becoming a company where every employee who has high motivation can play a central role and continue to take on challenges.



Seven & i Holdings
Senior Officer
social and cultural affairs
CSR Department
Seven & i Group
Diversity Promotion
Project Leader
Keiko Fujimoto

Major Initiative

1

Providing Female Employees with More Opportunities

Operating stores and organizations mainly by the power of women

Since April 2012, each of Ito-Yokado, York-Benimaru, Seibu Department Store and Denny's has been operating a store mainly by the power of women, with a view to (1) operating a store from the viewpoint of customers and (2) improving the operational processes. Also Seven-Eleven Japan launched the store management counseling service provided only by women in a district. Through this initiative, Seven & i Holdings has been broadening the scope of jobs for women and increasing the places where women can display their abilities. The operations that used to be conducted by men are also beginning to be conducted by women, which helps identify problems, encourage women to try to do things to which they are allergic, and also improve the work environment. Moreover, at stores operated mainly by women, members including part-timers are more encouraged to give their opinions and make proposals, leading to the enhancement of cooperation and communication beyond departmental boundaries. In addition, for the stores and sales floors operated from the viewpoint of women, who are consumers and can give careful considerations, we have received high evaluation from customers.

We will make use of the know-how accumulated at these stores to provide female employees with better environments to help them display more of their abilities.

Participating in the development of sales floors and sales plans from the viewpoint of consumers

At Seven & i Holdings, part-timers account for about 70% of all employees and most of them are women. The operating companies have their individual mechanisms and systems to enable each employee to work with high motivation.

For example at Ito-Yokado, part-timers, who are local consumers, are proactively participating in the assortment of goods and the development of sales floors and thereby helping the stores meet the needs of local customers. The number of part-timers who experienced a range of business operations, took an examination, and become "field employees" (contracted employees) or floor managers has been increasing.



<Seibu Department Store> Began to provide a service to help customers with children and the elderly do shopping. As a result, employees now have more opportunities to communicate with customers and get tips on the assortment of goods and other issues.

< York - Benimaru > The legs of the work table were shortened based on the average body height of female employees. The height of the shelf has also been lowered so that female employees can reach it, which contributes to higher work efficiency.



<Ito-Yokado> Employees try food samples and exchange opinions about the taste and ideas to make them more delicious. These opinions are incorporated into the development of sales floors and customer services.



Mamas' Community
At events participated by many mothers, participants are asked to try food samples for lunch as monitors.

Deco Roll SUSHI



An orientation DVD created to help employees taking childcare leave return to work. The DVD includes the introduction of female employees who are managing to work for limited hours while raising their children.



The Women's Management Community has made it possible for female managers working at various companies and departments to make mutual exchanges.

Major Initiative 2

Raising Awareness for Career Development

Continuous organization of exchange events to foster compatibility between childcare and career development

Group employees raising children voluntarily gathered to the exchange event named "Mama's Community" during the period from July 2012 to August 2013, aiming to increase their work motivation and build a network of working mothers. In the event held for seven times, a total of about 400 mothers participated. In the event held during the lunchtime, participants discussed how to make childcare and work compatible based on the specific theme chosen for the round. By incorporating the opinions raised in the Mama's Community event, an orientation DVD was created in April 2013 to help employees taking parent leave return to work. This DVD introduces how experienced mothers are working while raising their children and what experiences they had in the process. The DVD contributes to mitigating the concerns and increasing the motivation of employees who will or have returned to work after taking childcare leave.

What was discussed in the Mamas' Community event

- Measures devised by mothers to make work and childcare compatible
- Communication with the company before taking maternity leave and during taking childcare leave
- Communication with managers and colleagues after returning to work
- Details of the DVD created to give tips to make work and childcare compatible
- How the ideas and work styles of participants in the Mamas' Community event have been changed
- Desirable future of Mamas' Community

Fostering exchange between female managers to provide role models

We hold the Women's Management Community event for female departmental and sectional managers, with a view to increasing role models* for the career planning of female employees. The event was held four times during the period from October 2012 to August 2013, and a total of about 120 women participated in it from 13 Group companies. The event provides female managers with an opportunity to build a network and train themselves, while also fostering the identification of problems that hinder women from displaying their abilities as well as the creation of role models.

*Role models are persons emulated by others.

Making use of diverse human resources

Seven & i Holdings adheres to fair and unbiased employment, transfer, and promotion as its basic policy.

Promoting the employment of people with disabilities

Seven & i Holdings is committed to assisting people with disabilities to demonstrate their abilities at their workplaces. To this end Group companies assign those employees to the workplaces and jobs that are suitable for them in consideration of the levels and details of the disabilities and their own preferences. Ito-Yokado has been providing people with disabilities with job training at its stores in cooperation with special-needs schools while also participating in job interviews organized by employment agencies and partnering with vocational schools to foster the employment of these people. As a result in FY2012, a total of 82 people with disabilities joined the company.

Terre Verte, which is a special subsidiary established to foster the employment of people with severe disabilities employs 19 people with disabilities, including 10 having severe disabilities as of June 1, 2013.

As a result, the Group's employment rate of people with disabilities* including those employed by Terre Verte came to 2.05% (as of June 1, 2013).

*The percentage is for the five qualified Group companies: Seven & i Holdings, Terre Verte, Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

Operation of the Human Resources Public Recruitment System

With respect for the will of the employees so that they can fully demonstrate their abilities—Seven & i Holdings is implementing the Human Resources Public Recruitment System beyond the boundaries of operating companies.

Other Group companies also have in-house public recruitment systems. For example at Ito-Yokado, 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 FY2012, 66 of 370 applicants got the positions or jobs of their choice.

Supporting development of employee abilities

Seven & i Holdings Group companies are committed to developing human resources by providing employees with training programs suitable for their business features. In addition, the companies are supporting individual employees in developing their abilities by using their unique systems and mechanisms.

Ito-Yokado, York-Benimaru, and Seven & i Food Systems are operating in-house qualification programs to certify the skills necessary for their business operations.

For example, Seven & i Food Systems began providing store managers and head office employees with training to help them understand the company's founding spirit and make friendly greetings in September 2012. The company has certified 1,448 people who passed the examination done during the training as "Smile Meisters." Ito-Yokado, Sogo & Seibu, and Seven Bank are supporting the self-education of employees by sharing the cost of correspondence education.

Since June 2013, Sogo & Seibu has been holding an e-learning program on quality management for all employees, through which they learn about the basic knowledge about the products sold by the company and thereby enhance their ability to sell the products.

Capacity building through human exchanges

In recent years, Seven & i Holdings has been proactively fostering the exchange of human resources and sharing of know-how between Group companies.

For example in September 2011, Ito-Yokado began providing salespeople for clothes sold under the GALLORIA private brand with full-scale customer service education at 10 stores, inviting 13 customer service professionals from Sogo & Seibu. The salespeople acquired the basic customer service skills through OJT, including how to speak to customers and introduce the products to them, as well as the know-how for a specialized store, including how to lay out the products. Moreover the company set the numerical targets for the number of customers to be served by salespeople and for other items, and repeated the training of the staff and the verification of the results to level up their skills. In FY 2012, based on the know-how gained at the stores, the company began implementing the initiative at another nine stores. The company also improved customer service education given to internal trainers toward the enhancement of its own educational system.

Since October 2012, Ito-Yokado has been dispatching its employees to Seven-Eleven stores, where they are experiencing the store management for the purpose of acquiring the operational know-how possessed by Seven-Eleven Japan.



A salesperson for GALLORIA receiving training from an instructor dispatched from Sogo & Seibu

Assuring fair assessment and treatment of employees

Seven & i Holdings is implementing self evaluation-based systems for employees to maximize their abilities and receive fair assessment.

At each Group company, employees self-evaluate their job performance, then their managers also conduct an appraisal twice a year (three times a year at Seven-Eleven), and through interviews the employees talk about the appraisal results with the managers. Through the interviews, employees are informed of their performance and understand their strong points and challenges. This contributes to ensuring the transparency and fairness of the appraisals.

Group companies are also focusing on the establishment of systems to help individual employees choose various work styles to increase their motivation for work. For example, Ito-Yokado has a program enabling part-timers to choose from diverse working styles based on their personal circumstances and beliefs. Seven & i Food Systems has a system to promote part-timers to full-timers and store managers, under which a total of 228 part-timers have actually got promotion since FY2007.

Achieving a work-life balance

Seven & i Holdings Group companies are improving their childcare and nursing care systems to help employees, including part-timers, continue working. All Group companies are operating childcare systems that are better than the legal standard.

In FY2012, Seven & i Food Systems prolonged the deadline until which employees raising their children can work shorter hours to April 15 of the year in which the child becomes a first grader at junior high school, while Seven-Eleven Japan and Ito-Yokado prolonged that deadline from April 15 of the year in which the child becomes a second grader at elementary school to April 15 of the year in which the child becomes a fifth grader at elementary school.

Operation of a volunteer leave system

To support employees in conducting volunteer activities for welfare, environmental beautification, and disaster reconstruction support, Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems have a volunteer leave system under which employees can take five days off per year. In FY2011, Ito-Yokado made it possible also for part-timers to take volunteer leave.

In FY2012, a total of four employees took volunteer leave at Group companies.

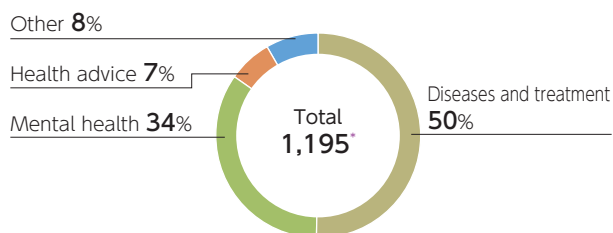
Worker health and safety

Seven & i Holdings is striving to maintain safe and comfortable workplaces for employees. To this end, each Group company regularly holds 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. In addition, health counselor and medical institution introduction services are available to both employees and their families.



Health consultation given by a nutritionist at the headquarters

Breakdown of consultation requests made by employees by topic (FY2012)



*Including those from employees' families

Mental health seminars for managers

Seven & i Holdings is implementing mental health promotion measures. At Group companies, education on mental health is provided as part of training for new managers and all employees are trained on self-care to prevent mental health problems. In the event that an employee faces a mental health problem, the health management center supports that employee in overcoming the problem in cooperation with the industrial physician.

Dispatching information about diseases and health

Seven & i Holdings began dispatching Health Topics from its health management center via the intranet in December 2012. Specifically, the company dispatches information useful to prevent pandemics, including new strains of influenza and rubella, as well as tips to promote health as a means to enlighten Group employees on the matters.

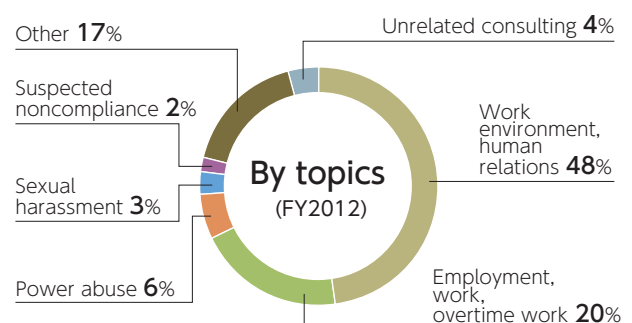
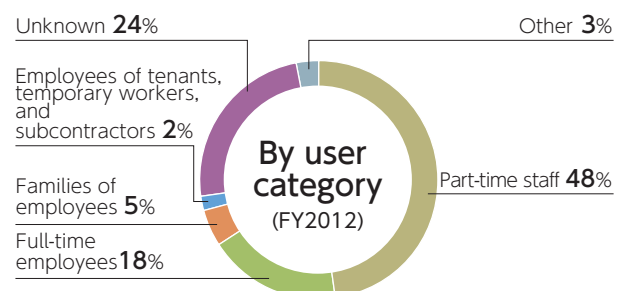
Fostering measures to prevent industrial accidents

Seven & i Holdings fosters the implementation of industrial accident preventive measures at each Group company. For example at Ito-Yokado, the safety and health committee is leading the activities to prevent industrial accidents, including analyzing and verifying the past accidents that occurred at its stores, ensuring education to prevent the reoccurrence of similar accidents. At Seven-Eleven Japan, executive managers give cautions for safe driving to OFC (Operations Field Consultants) who drive vehicles for their jobs. Seven & i Food Systems also urges employees to prevent industrial accidents by posting awareness posters, etc. at its restaurants twice a year. The company also conducts interview surveys on the stores that had industrial accidents to investigate the cause and share the specific measures to prevent the reoccurrence of similar accidents.

Helpline for employees

Seven & i Holdings have established the Group-Wide Help Line in a third-party organization. In order to make more employees aware of this service, the company creates a new poster on the help line every year. In FY2012, due to changes made to the scope and place of posting, the number of contacts received increased by 53 to 642 year on year.

Description of contacts received by user category and topic (FY2012)



Employee opinion survey

Seven & i Holdings conducted the Group's first anonymous employee opinion survey on about 26,000 employees of 27 operating companies (complete survey at 18 companies and sampling survey at nine) from January 15 to February 4, 2013.

The survey was held to obtain numerical data about the present situation of employees' awareness and behaviors regarding "thoroughly ensuring compliance" and "creating fulfilling workplaces" and analyze them to identify the challenges faced by the entire Group and each operating company.

According to the results, there are no major problems for compliance with laws, regulations and rules, but the level of employees' awareness about the corporate creed differs between operating companies, and there are employees

who have some problems about the workplace culture necessary for increasing their work motivation as well as relationships with their managers.

In response to the results, Seven & i Holdings examined the measures to improve workplace environments and enhance the capabilities of managers through the Corporate Ethics and Culture Subcommittee and projects implemented under the subcommittee, while also holding study seminars by inviting external instructors who taught how to make use of the survey results to help each operating company identify its own problems and solve them.

In the first survey conducted in FY2012, the focus was placed on understating the present situation. In the second survey onward, however, we will also utilize the survey to check the progress with each project and with the activities conducted by each operating company.

TOPICS

Sound labor-management relationships

The federation of Seven & i Group labor unions is composed of 11^{*1} Japanese unions. (The total number of members is about 66,000 as of July 2013.) 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 implements the union shop system^{*2}, is the largest of the Group, with about 38,000 members. As of June 2013, 86% 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 an important plenary meeting, 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.

In FY2012, the labor and management concluded seven labor agreements on the issues including appropriate treatment according to job

details and roles and the revisions to the personnel system such as the administration of labor hours by managers in charge. In FY2013, the basic salaries were raised for regular employees. Also the newly established labor-management committee led the review of the personnel system to give Store employees^{*3} more motivation and satisfaction. Furthermore, to help Expert employees work flexibly and display more of their abilities, their work system has been changed. Now these employees can be transferred to other stores in the neighborhood as Field employees. Moreover the personnel treatment system for Partner employees was reviewed and a bonus system was introduced to Senior Partner employees^{*4}.

^{*1} Ito-Yokado, Seven & i Food Systems, York-Mart, Marudai, Sanei, York-Benimaru, Akachan Honpo, Sogo & Seibu, Life Foods, THE LOFT, and SHELL GARDEN

^{*2} A system in which all employed workers of a company must join a labor union, and if an employee of the company quits the labor union, the company must dismiss that employee.

^{*3} Expert employees (Field employees on and after June 16, 2013) and Partner employees

^{*4} Partner employees working under the continuous employment system for employees aged 60

Coexisting with Local Communities

We are providing a range of new services to provide support for customers living in areas that are inconvenient for daily shopping

Launching the Anshin Delivery mobile store service

In recent years, the number of retail stores has been decreasing along with the aging of society with fewer children and the decrease in the average number of household members. In addition, the number of people facing difficulties with daily shopping is increasing, which has become a social issue. They are mainly old people, including those having more concerns about their driving skills as they get older. In order to support those people, Seven & i Holdings is creating new shopping support services by making use of its existing network of stores and information systems.



For example, Seven-Eleven Japan launched the Seven Anshin Delivery mobile store service in Ibaraki Prefecture in May 2011. The service utilizes our proprietary light trucks equipped with store facilities, which go to areas that are inconvenient for daily shopping and where many residents are elderly people who have trouble securing means of transportation. A range of foodstuffs and drinks, including frozen food are available to users of the service.

Ito-Yokado also provides the Ito-Yokado Anshin Delivery mobile store service in Sakaki Town, Nagano Prefecture, Sapporo City, Hokkaido and Tama City, Tokyo, and the service trucks mainly visit nursing care facilities and public halls located in the areas. In

particular in the Sapporo area, special eight-ton trucks equipped with movable store fixture visit customers to sell up to as many as about 1,000 items, including food, clothes such as underwear, and daily goods.

For the expansion of the service area

The service enjoys great popularity among users, who said, "I enjoyed shopping for the first time in several years" and "I can enjoy chatting with sales staff and neighbors while shopping." Also employees of the stores providing the service have made comments, such as "I am glad to be able to contribute to local communities," and "I feel that we are enhancing ties with our customers through the service."

The Seven Anshin Delivery service is provided by 35 stores (as of the end of July 2013), while the Ito-Yokado Anshin Delivery service is provided in three areas (as of the same date). In FY2013, we plan to expand the Seven Anshin Delivery service step by step in response to customers' needs.

We will make more contributions to local communities by providing customers with more convenience and by revitalizing the neighboring areas.



- ① Truck used for the Seven-Eleven mobile store service
- ② Visiting customers by the mobile store truck
- ③ Truck used for the Ito-Yokado mobile store service
- ④ Unloading goods and equipment from the truck
- ⑤ Products are displayed on the shelves installed at nursing care facilities and public halls

Provision of the mobile store service (as of the end of July 2013)

Seven Anshin Delivery service (provided by 35 stores)

Prefecture	Service area
Hokkaido	Pippu Town, Sapporo City, Kimobetsu Town, Sunagawa City, Shikabe Town, Hidaka Town, Date City, Kyowa Town
Iwate	Kitakami City
Miyagi	Kesennuma City, Watari Town, Sendai City
Yamagata	Nishimurayama District
Fukushima	Nishiaizu Town, Iwaki City
Ibaraki	Shirosato Town, Omitama City
Tochigi	Ohtawara City, Utsunomiya City
Gunma	Agatsuma District, Kurabuchi Town
Niigata	Tokamachi City
Yamanashi	Uenohara City
Nagano	Ueda City, Kiso District
Shiga	Higashiomi City
Wakayama	Hashimoto City
Hiroshima	Sera Town, Hatsukaichi City, Yamagata District
Saga	Saga City
Kumamoto	Ashikita Town, Minamata Town

Ito-Yokado Anshin Delivery service (provided in three areas)

Prefecture	Service area
Hokkaido	Sapporo City
Tokyo	Tama City
Nagano	Sakaki Town

Support to shopping

In the aging of society, an increasing number of customers say, "I want to shop at stores but it is not easy for me to carry the purchased goods home," and "I want the purchased goods to be delivered to my home by the store."

Net Supermarket

Ito-Yokado has been providing the Net Supermarket service since 2001, which enables customers to place their orders for goods sold at its actual stores via PC or mobile phone and have the ordered products delivered to their homes in the time frame that they choose.

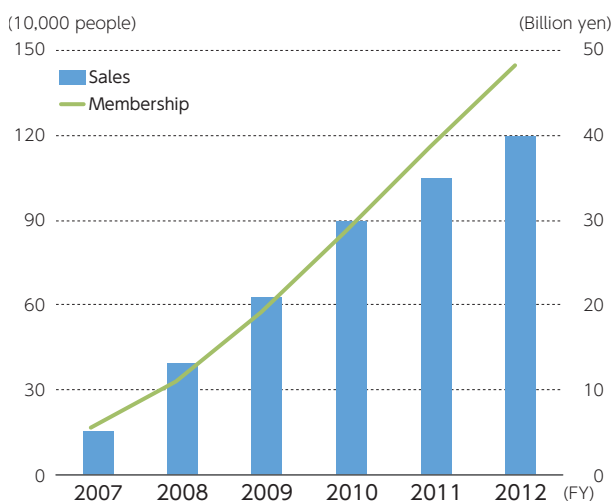
For the service, employees in charge of the sales floors pick up the ordered goods carefully from among the fresh products sold at the store, and a lot of products, including advertised goods and those sold at specially discounted prices are available to online purchasers at the prices that are the same as the store prices. Moreover users of the service can receive the ordered goods in four hours at the shortest.

As of the end of July 2013, the service is being offered at 145 Ito-Yokado stores in 24 prefectures, with the number of registered users reaching about 1.5 million. It is greatly appreciated by customers who are unable to spend sufficient time on shopping, including working women and mothers of small children, as well as the elderly.



Employee in charge of the sales floor picks up the ordered goods

Sales from Net Supermarket and change in membership



Seven RakuRaku Delivery service

Seven-Eleven Japan launched the Seven RakuRaku Delivery service in August 2012, for which the environment-friendly ultra-small EV "COMS" is used to deliver goods, including almost all the foodstuffs and daily goods sold at its stores, to personal homes and business establishments. As of the end of July 2013, 530 COMS vehicles are operated by the company, which will be increased to 1,000.

This initiative is the first in distribution and convenience store industries to adopt ultra-small EVs to deliver goods from the stores.

For the Seven RakuRaku Delivery service, the clean EV "COMS," which runs without emitting CO₂ or air pollutants has been adopted



Seven-Meal service

Seven-Eleven Japan is providing the Seven-Meal service. In the service, meals prepared in consideration of nutritious balance are delivered to the houses of those who feel difficulty in preparing meals for themselves and also to those who want to have more healthy meals. Users of the service can choose what to order from a wide range of products shown in the catalogue and on the website and the delivery fee is not imposed on the delivery of orders that cost 500 yen or more in total. The meals provided in the service include daily meals prepared under the supervision of national registered dietitians and the rich assortment is highly appreciated by the elderly and working housewives.



Daily meal sold in the Seven-Meal service, for which 15 foodstuffs, including vegetables weighing 120 g or more in total are used

Supporting Young Parents

In the 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, Seven & i Holdings is implementing a host of childcare support measures at its stores. We also support the cultivation of young people through means such as providing them with opportunities for work experience.

Maternity and childcare counseling room

Ito-Yokado began opening a maternity and childcare counseling room within the lounge for babies at its stores in 1975 (and 123 stores have the room as of the end of February 2013.)

In the room, public health nurses and midwives give counseling service to pregnant women on their health and to mothers on childcare for free twice to nine times per month, and the service is used easily by shoppers. Moreover in the room, various events are held to give advice on childcare and foster exchange between mothers. The events are organized elaborately by each of the stores in consideration of the needs of their customers.



Maternity and childcare counseling room

Pre-Mama Station

Sogo & Seibu has the Pre-Mama Counter in addition to the Pre-Mama Station staffed by a midwife, in order to provide customers with a regular counseling service by experts including midwives. The experts give advice to women who will soon become mothers and have concerns

about the preparations for childbirth and childcare. In addition, regular courses in which both parents and children can participate are provided, and the lounge for babies is equipped with a booth for breast-feeding, hot water supplier, and a toilet for children.



Pre-Mama Station

Organization of childcare support events

At Ito-Yokado's Abiko Minamiguchi, Tsukuno, and Makuhari stores, events for women raising their children are regularly held jointly with Akachan Honpo, with an eye to providing participants with information useful for their health maintenance and promotion, self-refreshment, networking of mothers, and childcare. On the theme of "collaboration among industry, government, and academia, and enjoyment for the entire family," these events are held with the support of Waseda University's Research Institute for Sports Industry, local governments, and several manufacturers.



An event held for mothers

Support to the publication of “Bonolon, Warrior of the Forest” picture book

Seven Bank is supporting the publication of “Bonolon, Warrior of the Forest” picture book to be read to children as a means to foster parent-children communication. The bank has been continuing to distribute the books for free and to hold story hours.



Employees volunteered to read the book for children

Shinagawa Student City

Seven-Eleven Japan opened a store in Shinagawa Student City in 2003, which has been jointly operated by Shinagawa City, Tokyo and the public interest incorporated association Junior Achievement. Shinagawa Student City is a virtual city established within an elementary school, where the city office, a bank, a pharmacy and various other companies have outlets to provide elementary school students with job experiences. In FY2012, about 187 elementary school students experienced the joy and difficulty of doing business by actually serving customers and selling goods in the City.



Seven-Eleven Japan employees gave support for children to operate the store smoothly.

Making social contributions through merchandise sale

Seven & i Holdings is selling goods and implementing campaigns, through which we enable our customers to participate in social contribution and other activities.

Products made by using rice powder

Under Seven & i Holdings' Seven Premium private brand, products made by using domestically produced rice powder are sold to promote the sales of domestic rice powder and thereby contribute to the improvement of Japan's food self-sufficiency rate.

Various companies engaged in the production, distribution and consumption of rice powder cooperated together to develop recipes using rice powder and attach the Komeko (Rice Powder) Club* logo to the packages of rice powder products to raise customers' awareness about rice powder.

Seven & i Holdings received the Grand Prix Award for



Proactive sales of products made by using rice powder



Snack made using rice powder



*One of the Food Action Nippon initiatives designed to improve Japan's food self-sufficiency rate by expanding the consumption of domestically produced rice powder.

the distribution section of the Food Action Nippon Award 2012 in recognition of our efforts to develop rice powder products in cooperation with food producers, manufacturers and others and promote them at stores, while proposing various recipes for rice

powder.

Moreover Seven-Eleven Japan received the Excellence Award for the product section of the Award, being appreciated for the specific use of domestically produced main ingredients including adzuki beans and sticky rice in its original chilled Japanese confectioneries, such as mizuyokan, daifuku and warabimochi.

Seven & i Holdings will continue to develop products by using domestically produced ingredients in its pursuit of good taste and quality as well reliability and safety, while also contributing to the improvement of Japan's food self-sufficiency rate.



Became a winner at the Food Action Nippon Award 2012

Participation in the UN WFP Red Cup campaign

In May 2013, Seven & i Holdings participated in the Red Cup campaign, which is led by the World Food Programme (WFP) of the United Nations, to support its effort to provide more children with school lunch. Agreeing with the campaign's purpose, elimination of hunger and poverty, we donated part of the sales from five Seven Premium snack items and three Seven Gold instant pot noodle items to support its activity.



Participated in the Red Cup campaign

Cooperation with local governments and various organizations

Seven & i Holdings has concluded cooperation agreements for comprehensive regional activation with a total of 43 municipal governments (as of the end of August 2013) and is fostering cooperation with organizations based on the policy, "contribute to local development and establishment of a prosperous living environment through our business."

Issuance service of residence certificate copies and seal registration certificates

At Seven-Eleven stores across Japan, customers can take advantage of a special service that issues a copy of their residence certificates or seal registration certificates with a multi-functional copier machine. As of the end of July 2013, 70 municipalities participated in the service. We have promoted further expansion of the services, and 22 municipalities currently make issuance of family register certificate copies possible, with 19 municipalities allowing copies of tax certificates to be issued.

Residents can use the services including nighttime and on holidays by simply holding their basic resident registration card over the copier. Personal information is protected securely by the exclusive network and advanced security systems, at the same time preventing forging and tampering using special printing and other functions.

In September 2012, the Ito-Yokado Kiba and Omori stores, Ario Kameari and Washinomiya stores and Sogo & Seibu Ikebukuro main store (five stores in total) also installed multi-functional copiers. All these stores are providing customers with the service similar to that provided at Seven-Eleven stores as a new service, by making use of Seven-Eleven Japan's system.



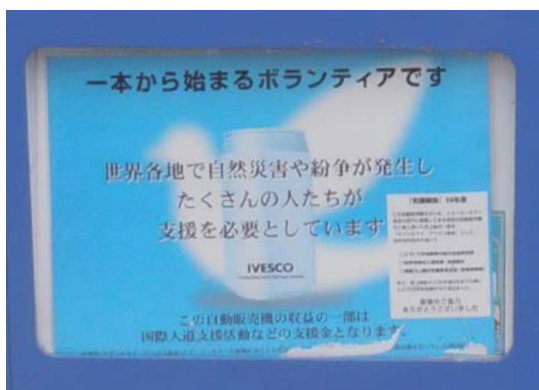
Multi-functional copier with which customers can print out the copies of their residence/seal registration certificates

Activities Conducted during the Year (3) Coexisting with Local Communities

Donating part of proceeds from vending machines for international humanitarian assistance activities

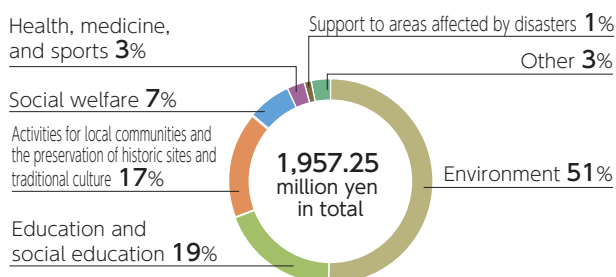
Ito-Yokado established the Seven & i IVESCO Fund (IY Vending Machine Fund for Social Support Contribution) jointly with beverage makers and others in 2000. The company donates part of the proceeds from the 409 specific vending machines installed at its stores for international humanitarian assistance activities.

In June 2013, it donated 14.88 million yen in total to four organizations, including the one implementing an educational facility construction project in Thailand. The cumulative sum of the donations made through the fund came to 52.58 million yen in total.



Notification through a poster

Breakdown of the social contribution activity costs (FY2012)



*Total amount of costs calculated for Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, Seven & i Food Systems, Seven Bank, York Mart, and Akachan Honpo. The calculation was made in line with the Japan Business Federation's guidelines on the implementation of surveys on social contribution activities (2011).

Children's shoes trade-in counter

Sogo & Seibu has installed a children's shoes trade-in counter permanently at each of its stores and sends the shoes brought by customers to the counter to the Republic of Zambia through the Japanese Organization for International Cooperation in Family Planning (JOICFP). The donated shoes

help prevent local children in the country from getting infected by tetanus or parasitic diseases as a result of going barefoot and getting injured.

For the period from 2009 to July 2013, a total of 346,974 pairs of children's shoes were collected through the counter.



Not only children's shoes but also health education were provided

Supporting the training of seeing-eye dogs

Sogo & Seibu has continued to hold awareness-raising events and collect donations to support the training of seeing-eye dogs. Specifically, the company has implemented a campaign to provide people with opportunities to meet seeing-eye dogs and increase their awareness of and support to the training of these dogs. Moreover donations made by customers through the dog-shaped collection boxes installed at all its stores and also donations from the Sogo & Seibu Fund, including monthly donations of coins from volunteer employees were sent to seeing-eye dog associations across Japan. (For the period from 2003 to the end of July 2013, 386,786,214 yen were donated in total.)



The campaign provided people with an opportunity to deepen their understanding about visually impaired people and seeing-eye dogs

Supporting recovery from the Great East Japan Earthquake

Leveraging our strengths as a retailer, we are proactively procuring goods from business partners in the afflicted areas and selling them to customers across Japan. In addition we are giving support to children in the afflicted areas and conducting volunteer activities by employees.

Tohoku Kakehashi Project

Seven & i Holdings has been implementing the Tohoku Kakehashi Project since November 2011, in collaboration with Iwate, Fukushima, Miyagi and other prefectures in Tohoku, companies located in areas afflicted by the disaster, and leading food manufacturers. In the project, a total of six fairs to sell goods from Tohoku have been held by six Group companies. The project was initially started as a three-year project, but we will continue the initiative going forward, extending the project period.



Provision of an indoor playground and mobile library tours

York-Benimaru, which has its head office in Koriyama City in Fukushima Prefecture, contributed to the opening (in December 2011) of PEP Kids Koriyama by leasing the land, facilities, and fixtures free of charge to the city. The company has also held a range of events in cooperation with its business partners.

Moreover, Seven & i Holdings supports a bookmobile project that aims to provide sources of comfort and joy to children in the disaster-affected areas by way of books. Bookmobiles carrying about 2,000 picture books and children's books have toured regularly in Miyagi Prefecture since the end of October 2011.



PEP Kids Koriyama indoor playground

Supporting economic independence

Sogo & Seibu has been supporting the economic independence of women from Iitate Village who are forced to leave their home village and live in temporary houses. When the villagers recycle kimono donated kindly by people across Japan into new goods, a designer belonging to the company's corporate customer department gives appropriate advice, and the company also provides the women with a place to sell the goods along with the necessary display fixtures, and supports them in making prior notifications about the fair and actually selling the goods. These supports are given for free.

The company held a fair to sell the clothes and accessories made cordially by women from Iitate Village at the Sogo Kashiwa store in March and September 2012, at the Seibu Tokorozawa store in March 2013, and at the Sogo Kawaguchi store in September 2013.



Women from Iitate Village also served visitors to the fair

Comments from visitors to the fair

"We have wanted to give support to victims of the disaster, but didn't know how. We visited the fair, thinking it a good opportunity to do what we wanted." (couple in their 60s)
"I am also a refugee from Fukushima Prefecture. I visited the fair in the hope of giving support to other refugees from the Prefecture." (woman in her 70s)

Volunteer activities conducted by employees in afflicted areas

Since May 2011, we have been conducting volunteer activities in the afflicted areas in cooperation with the Seven-Eleven Memorial Foundation (see page 47).

The volunteers removed debris from beaches and supported the recovery of oyster farming in Kesenuma, Miyagi Prefecture and conducted forestation activities in Osaki City to provide the local sea with a source of nutrients. The activities were conducted three times by the end of 2012, in which a total of 325 employees participated.

Reducing the Environmental Impact

We are fostering the reduction of CO₂ emissions by proactively introducing solar panels and LED lights.

Energy conservation at stores

Since the occurrence of the Great East Japan Earthquake, the energy and environmental policies have been substantially reviewed in Japan.

Against this backdrop, about 90% of CO₂ emitted by Seven & i Holdings is attributable to the use of energy for in-store lightings, store signboards and air conditioning, which are all indispensable for the operation of its stores.

Based on this recognition, Seven & i Holdings has been introducing energy-saving equipment to at the time of opening new stores and refurbishing existing stores, thereby preventing its environmental impact from increasing in proportion to increases in the number and size of their stores.

Aiming to reduce CO₂ emissions predicted for FY2017 by about 10%

In February 2013, Seven & i Holdings set a target of reducing the CO₂ emissions predicted for FY2017 based on the emissions in FY2011 by about 10%, targeting its nine operating companies in Japan*.

*Nine companies: Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, York Mart, SHELL GARDEN, Seven & i Food Systems, Akachan Honpo, and THE LOFT

Fostering CO₂ emissions reduction by installing solar panels and smart sensor

In particular Seven-Eleven Japan began adopting LED lights for the lighting of store signboards in 2008 and also for the lighting of sales floors at some stores, including refurbished stores in August 2009. Since

Number of Seven-Eleven Japan stores equipped with solar panels



September 2011, the company has been fostering the use of LED lights as standard lights. Also, top lights to take in sunshine and solar panels



Top lights to take in sunshine

are installed on the rooftops of its stores. The number of its stores equipped with solar panels increased from 209 at the end of FY2010 to 1,393 at the end of FY2011 and then to as many as 6,500 in FY2012.

Smart sensors are also attached to the power distribution boards of its stores. By visualizing the use of electricity for store equipment with these sensors, the company identifies and

rectifies the problems related to the use of the equipment, thereby reducing the waste of electricity.

Seven-Eleven Japan also urges



Smart sensors (power consumption measuring instruments used for visualization of power use)

store employees to follow the in-house "10 energy conservation rules" that provide for the cleaning of machines and temperature settings for more energy conservation.

In addition, the company has been increasing the number of eco-friendly stores, in which

a range of devices, such as energy-saving air conditioning systems and circulation ventilation systems are installed. The number of these stores increased to 561 as of the end of May 2013.

6,500

Number of stores equipped with solar panels

6,500 stores



Reducing CO₂ emissions at stores

Opening stores made of wood

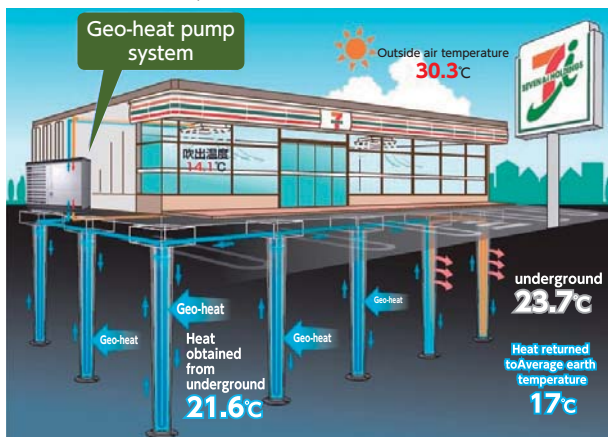
Stores made of wood have smaller CO₂ emissions at the time of their construction than conventional steel-frame stores. Seven-Eleven Japan began opening these stores in FY2009 and the number substantially increased from 45 stores as of the end of the previous fiscal year to 86 stores as of the end of FY2012.

Making use of geo-heat as natural energy

As a new initiative implemented in FY2012, Seven-Eleven Japan introduced an air conditioning system using geo-heat, which is natural energy stable throughout the year, to four of its stores.

By the use of the system, both the consumption of electricity and CO₂ emissions will be reduced by about 30%.

The company will continue to increase the number of stores equipped with energy-saving devices while also making examinations to implement new measures.



Reusing construction materials and fixtures from old stores

Seven-Eleven Japan repairs and reuses the shelves and other fixture salvaged from the stores to be rebuilt or to be closed. 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. By the end of February 2013, the company removed and rebuilt three stores in total in this manner.

Reducing CO₂ emissions from logistics operations

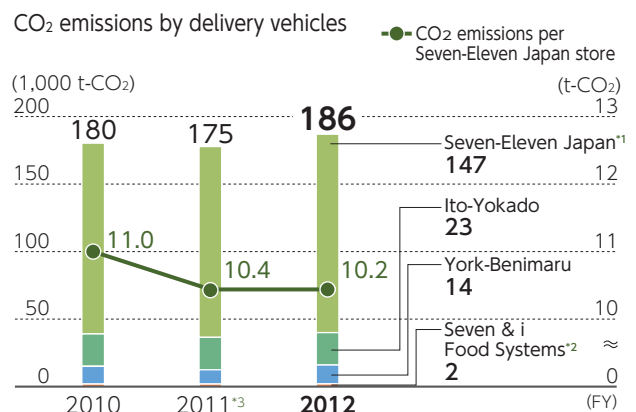
Seven & i Holdings is introducing eco-friendly vehicles and improving fuel efficiency while reducing the frequency of the delivery of goods to its stores. Moreover Seven-Eleven, Ito-Yokado, and York-Benimaru are reviewing the locations of their distribution centers and establishing intermediate centers to deliver various products, including those that need to be kept at different temperatures, all together to their stores. In addition, 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.

Fostering the reduction of CO₂ emissions from delivery trucks and distribution centers

Seven-Eleven Japan delivers products to its stores across Japan by using 4,254 vehicles (as of the end of FY2012). In order to foster safe driving and the reduction of environmental impact caused by the delivery, the company introduced a total of 297 hybrid vehicles by the end of FY2012, with the first one being introduced in 2006.

Also at the distribution centers, the introduction of demand controllers has been fostered to monitor and control each facility's use of electricity. As of the end of FY2012, 51 centers out of 147 had the controllers, which have been helping the centers reduce the waste of electricity.

The company will further promote the introduction of the controllers going forward.



¹ Seven-Eleven Japan's data include CO₂ emissions from the operation of distribution centers.

² This value is for Denny's only

³ Some data are missing due to the Great East Japan Earthquake.

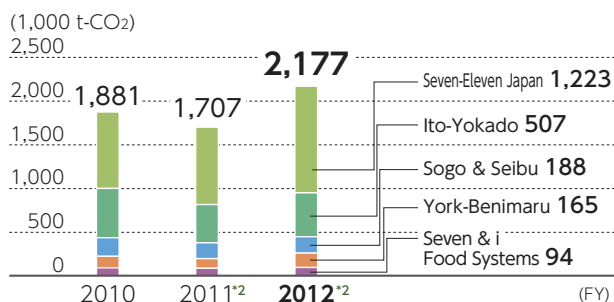
Attaining an appropriate grasp of environmental impact

Seven & i Holdings has been undergoing third-party examinations for CO₂ emissions from its store operations, thereby appropriately identifying the amount of CO₂ emissions for the evaluation and verification of its environmental impact reduction measures. In FY2011, five Group companies received the examinations and in FY2012 the examination target was expanded to include nine companies*.

Moreover in FY2012, in order to estimate CO₂ emissions in a more practical manner, we reviewed the Group's standard rules set on the calculation of CO₂ emissions in 2008. We revised the rules mainly to make calculations by using the CO₂ emission coefficients that change every year, as we do in creating the reports to be submitted to the government agencies in line with the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures.

*Targeted companies: Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, Seven & i Food Systems, York Mart, Akachan Honpo, THE LOFT and SHELL GARDEN

CO₂ emissions from store operations**



*1 For the calculation method, please see the data posted at the website.

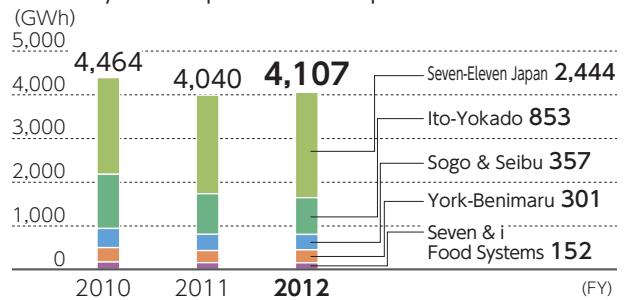
*2 Verified by an independent organization

CO₂ emissions from store operations by nine companies for FY2012*

*Verified by an independent organization (1,000 t-CO₂)

Aforementioned five companies	2,177
York Mart	50
Akachan Honpo	20
THE LOFT	21
SHELL GARDEN	6
Total	2,276

Electricity consumption in store operations



CO₂ emissions in FY2012* (1,000 t-CO₂)

Seven & i Food Systems

96 (4%)

York-Benimaru

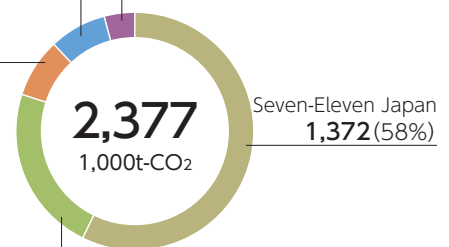
187 (8%)

Sogo & Seibu

188 (8%)

Ito-Yokado

533 (22%)



*CO₂ emissions from store operations (2,177,000 t-CO₂) plus CO₂ emissions caused by the use of energy for transportation and headquarters activities. For the calculation method, please see the data posted at the website.

Management of CFCs

At Seven & i Holdings 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 the law, and the stores receive collection certificates from the companies as the proof of appropriate disposal.

Measures for waste

Seven & i Holdings has been committed to improving its food recycling rate in recognition of the fact that food accounts for about 60% of the sales of its five major operating companies^{*1}. Also the company is simplifying product packages and reducing the use of disposable plastic bags at the stores to reduce the generation of waste^{*2}, receiving support from customers.

^{*1} Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, and Seven & i Food Systems

^{*2} For the waste generated by each company, please see the Data Section (on page 58 onwards).

Reducing food waste by a range of methods

Ito-Yokado turns the food residues from its stores into compost and cultivates crops using the compost at its dedicated Seven Farms. The harvested crops are sold directly at neighboring Ito-Yokado stores for the promotion of closed-loop agriculture. As of July 2013, there are nine Seven farms (about 55 hectares in total) across Japan and the number is planned to be increased to 10 by the end of FY2013. (see page 21)

Closed-loop food recycling system



Seven-Eleven Japan collects expired food products to recycle them into energy materials in addition to compost and livestock feed.

In FY2012, the company began recycling expired food products at another 535 stores and the

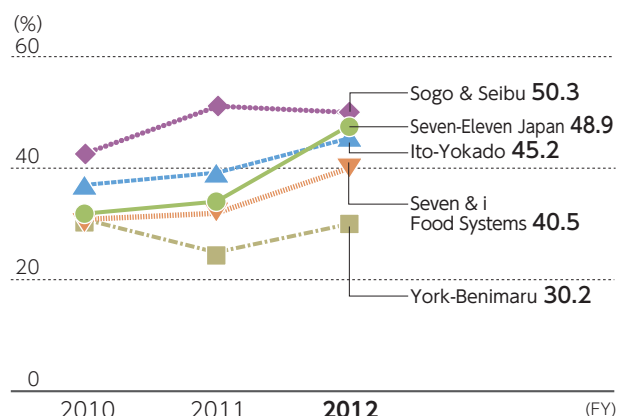
number of stores implementing this initiative increased by 19% from FY2012. Also oil wasted from the in-store cooking process is recycled into materials for livestock feed, industrial products and fuels.

Ito-Yokado introduced a system to treat garbage by using microorganisms in October 2011.

This system breaks down garbage into water and carbon dioxide to reduce the amount of waste effectively. (By the end of July 2013, the company had introduced the system to two of its stores.)



Food waste recycling rate (FY2012)



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

Adopting eco-friendly packages

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 fruits, Ito-Yokado uses plant-based plastic as elaboration of packaging materials themselves. Because plant-based plastics are produced without using fossil resources such as oil, the production of the material will not contribute to an increase in the absolute amount of CO₂, which is said to cause global warming.

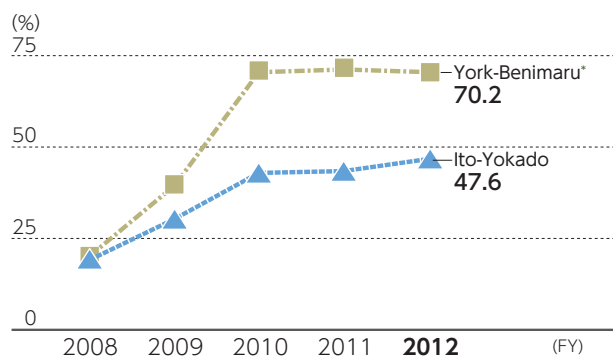
Reducing the use of disposable plastic bags

At our stores, we are reducing the use of disposable plastic bags by asking customers to bring their own shopping bags to the stores and by discontinuing the free distribution of such bags.

In February 2013, eight Group companies implemented a campaign to reduce the use of disposable plastic bags. For example, Ito-Yokado discontinued the free distribution of the plastic bags at the food floors of all its stores and began selling the bags at the unit price of two yen. Group companies fostered the reduction in the use of disposable plastic bags by posting posters and POP signs and holding events to encourage customers to bring their own shopping bags to the stores.

As a result of continuing this effort, the use of disposable plastic bags decreased by about 15% at eight Group companies in FY 2013. We will reduce the use by about 2,300 tons in weight and by about 14,000 tons in CO₂ equivalent (commensurate with the total amount emitted annually from about 3,000 general households).

Plastic bag turndown 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.

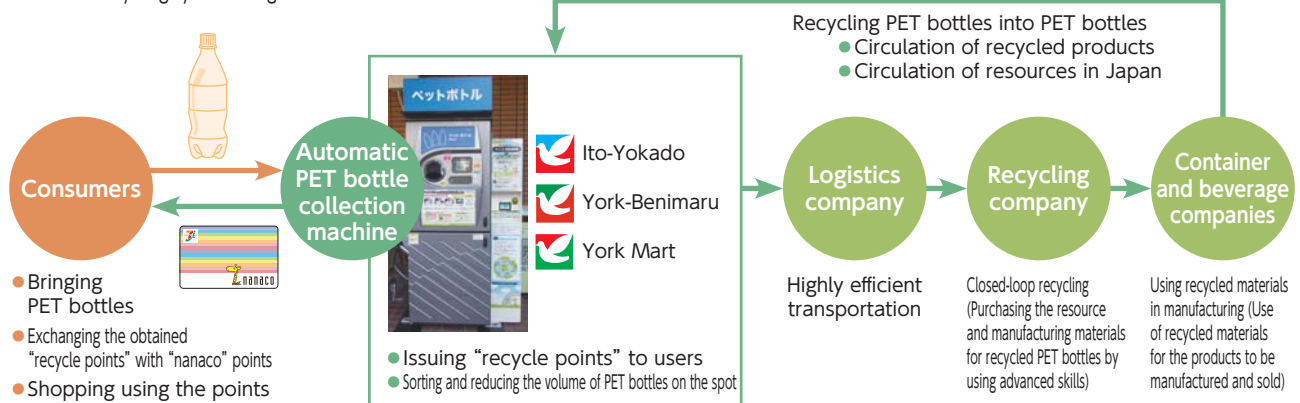
Installing automatic PET bottle collection machines

Ito-Yokado, York-Benimaru and York Mart installed automatic PET bottle collection machines at their stores (at a total of 220 stores as of the end of August 2013).

Because the machines automatically sort PET bottles and reduce their volume by compressing or crushing, while also removing foreign matter in the sorting process, recycling companies can obtain resources in conditions suitable for recycling. Moreover, because their volume is reduced, stores do not need to spend much labor and backyard space for the bottles. Also logistics companies can transport more bottles at one time, and together with utilizing the transportation routes of Seven & i Holdings, they can achieve highly efficient transportation. Part of the PET bottles thus collected is recycled again into PET bottles. This "closed-loop recycling" system to recycle PET bottles to PET bottles is the first attempt by a major retail chain in Japan to be implemented on a large scale. We plan to increase the number of stores equipped with the automatic collection machines to 230 stores within FY2013. In order to foster PET bottle collection, we provide "recycle points" that can be exchanged with "nanaco" (Seven & i Holdings' electronic money) points to customers who bring used PET bottles to stores.

At Ito-Yokado and York Mart stores equipped with the machines, PET bottle caps also began to be collected in December 2012. The collected caps are recycled within Japan.

PET bottle recycling system using an automatic collection machine



Measures to conserve water

Seven & i Holdings companies* are making daily efforts to reduce their water use while introducing water-saving faucets and other devices and using rainwater.

York-Benimaru has adopted inverter-type pumps to standardize water supply pressures, thereby reducing its water use.

Seven & i Food Systems has asked the cleaners of its uniforms to clean them only by water without using solvents that contain volatile organic compounds (VOC) and other substances that might cause photochemical smog. The water used for the cleaning is purified by microorganisms (by adsorption and decomposition) to be reused as cleaning water.

*For the water use by the operating companies, please see the Data Section.

Raising environmental awareness among employees

Seven & i Holdings and the Seven-Eleven Memorial Foundation are encouraging Group employees to participate in environmental activities. For example, the Foundation has been conducting an activity to restore eelgrass* in Tokyo Bay, and 42 employees participated in it in FY2012. In this activity, employees raise their environmental awareness, being given time to learn about the present problems and the environmental effect of eelgrass.

Moreover, a CSR section has been created in the Group magazine for employees, in which the Group's environmental efforts are regularly introduced.

*Eelgrass (*Zoster marina*): Seagrass growing in coastal sandy and muddy areas. They provide fish with spawning sites and habitats and also play an important role for water purification.



Participants collected eelgrass seeds and replanted them

Implementing measures to conserve biodiversity

In addition to environmental activities conducted at stores, we are implementing forest conservation projects both in Japan and abroad to reduce CO₂ emissions and protect biodiversity on a global level.

In Indonesia, we have been implementing the "REDD+" project at Meru Betiri National Park (about 58,000 hectares) in Indonesia since 2010. This project helps to conserve biodiversity and mitigate climate change, while also contributing to improving the lives of local people. We are supporting this project to curb CO₂ emissions from deforestation and forest degradation, which represent one of the factors contributing to climate change; to foster CO₂ absorption by forests; and to secure habitats for diverse living forms.

In Japan, jointly with the Seven-Eleven Japan Memorial Foundation, we launched a project to foster forest improvement in Sakaki Town, Nagano Prefecture in June 2012. In Japan a number of artificial forests are left unattended and these forests are not fulfilling their expected roles such as absorbing CO₂. We will improve and conserve these forests in a sustainable manner and in harmony with biodiversity conservation by thinning them, clearing brush, and planting different tree species. Wooden materials derived from the forests are used by the Group as materials for stores as well as for office fixtures. We will also develop commercial products by using the materials as a means to foster the effective use of domestic timber. Moreover we regularly conduct a forest improvement activity with the participation of Group employees and owners of Seven-Eleven franchise stores. A total of 262 people participated in the activity, which had been held four times by June 2013.



Employees thinning a forest, and recycling boxes and cartons made by using timber from the thinning

Provision of environment-friendly products and enlightenment activities

Green wrapping

Sogo & Seibu sells 97 eco-friendly product items that are assessed by a third-party organization to meet the criteria set independently by the company (as of the end of February 2013). Also, the company proposes “green wrapping” to customers, through which they can make social contributions. Specifically, it is proposed that customers purchase a wrapping ribbon with a leaf-shaped mascot at the unit price of 100 yen (including tax), of which 50 yen will be donated to the tree planting and growing activities. One tree can be planted by donations from the sales of 80 ribbons. Moreover the company asks its customers to choose “simple packaging” when they purchase summer and winter gifts, which leads to the planting of one tree per 4,000 gifts. (As of the end of August 2013, a total of 4,635 trees were planted through this initiative.)



Green wrapping

Rice cultivated in consideration of environmental conservation and in harmony with nature

Ito-Yokado sells rice cultivated in consideration of environmental conservation and in a harmonious way with nature. The cultivation not only uses less pesticide

and chemical fertilizer but also aims to conserve biodiversity by using rice fields which can be wildlife habitats. The company donates part of the sales for the improvement of the environment of the rice producing areas. In FY2012, it donated about 200,000 yen to the fund for oriental white storks from the sales of Koshihikari Rice Nurturing White Storks, and also donated about 360,000 yen to the the Fund for the Improved Habitat for Japanese Crested Ibis in Sado from the sales of Koshihikari Rice Produced in Sado, Niigata Prefecture, Certified by the “Creating Villages Coexisting with Crested Ibis” Program.

Green Curtain Project

Under the leadership of the Ministry of the Environment, Sogo & Seibu is fostering the Green Curtain Project at all its stores, in order to reduce CO₂ emissions and the use of electricity in summer. In FY2013, the company held bitter melon planting events at its stores. In the events, children invited from neighboring kindergartens and elementary schools planted bitter melon saplings in the pots installed at the rooftops and front entrances of the stores, thereby increasing their interest in and knowledge about the environment.



A green curtain alleviates strong sunlight



**Seven-Eleven
Memorial Foundation**



<http://www.7midori.org/>

Supporting environmental NPOs, anti-global warming activities, and natural environment preservation activities by collecting donations at stores

The Seven-Eleven Memorial Foundation was established in 1993 for Seven-Eleven Japan headquarters and its franchise stores to conduct social contribution activities focusing on the environment together. The money donated by customers through collection boxes installed at the stores is sent to the 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. In FY2012, a total of 488,447,168 yen was donated by

customers at the stores and a total of 126,206,886 yen was used to give financial support to 139 organizations.

Example of activities conducted to protect and conserve natural heritage

The Foundation concluded a partnership agreement with Kiritappu Wetland National Trust, an authorized NPO in Hokkaido. Based on this agreement, the Foundation has purchased private land within the wetland to conserve the natural heritage. As of the end of FY2012, it acquired wetland extending over a total of about 409 hectares.

GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT

GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT

To: Seven & i Holdings Co., Ltd.



August 30, 2013

Bureau Veritas Japan Co., Ltd.
System Certification Services Headquarters

Bureau Veritas Japan Co., Ltd. (Bureau Veritas) was engaged by Seven & i Holdings Co., Ltd. (Seven & i) to conduct verification to a limited level of assurance of the greenhouse gas (GHG) emissions reported by Seven & i in its CSR Report 2013.

1. Scope of Verification

Seven & i requested Bureau Veritas to verify the accuracy of the following GHG information:

- Scope 1 and Scope 2 emissions:

CO2 emissions from energy use through the following store operations within Japan:

Name of company	Number of stores covered within scope	Reporting period covered
Seven-Eleven Japan Co., Ltd.	15,072	March 1, 2012 through February 28, 2013
Ito-Yokado Co., Ltd.	179	April 1, 2012 through March 31, 2013
York-Benimaru Co., Ltd.	187	
Sogo & Seibu Co., Ltd.	26	
Seven & i Food Systems Co., Ltd.	598	
York Mart Co., Ltd.	75	
THE LOFT CO., LTD.	68	
Akachan Honpo Co., Ltd.	97	
SHELL GARDEN CO., LTD.	21	

2. Methodology

Bureau Veritas conducted the verification in accordance with the requirements of the international standard 'ISO 14064-3(2006): Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions'.

As part of Bureau Veritas' assurance, the following activities were undertaken:

- Interviews with relevant personnel of Seven & i responsible for the identification and calculation of GHG emissions;
- Review of Seven & i's information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of a sample of source data to check accuracy of quantified GHG emissions.

3. Conclusion

Based on the verification work and processes followed, there is no evidence to suggest that the GHG emissions assertions shown below:

- are not materially correct and are not a fair representation of the GHG emissions from activities within the scope of work
- are not prepared in accordance with the methodology for calculating GHG emissions established and implemented by Seven & i.

Verified greenhouse gas emissions	
Scope 1 145,898 t-CO ₂ e	Scope 2 2,130,221 t-CO ₂ e

[Statement of independence, impartiality and competence]

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 180 years history in providing independent assurance services. No member of the verification team has a business relationship with Seven & i, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has an excellent understanding of Bureau Veritas standard methodology for the verification of greenhouse gas emissions data.

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, CO₂ emissions, and more. In 2012, through its multi-disciplinary energy and sustainability programs, SEI continued its annualized reduction of CO₂ 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 Chemp

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 reduced the by-store environmental impact across its distribution network. As a result, CO₂ 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 ^{*1}	1,771	1,854	2,123
CO ₂ emissions from store operations (1,000 tons-CO ₂) ^{*2}	1,117	1,138	1,203	1,319
Water consumption in store operations (1,000 m ³)	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.

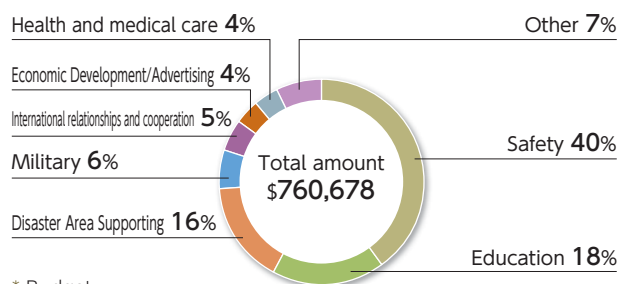


Coexisting with local communities in the U.S.

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.

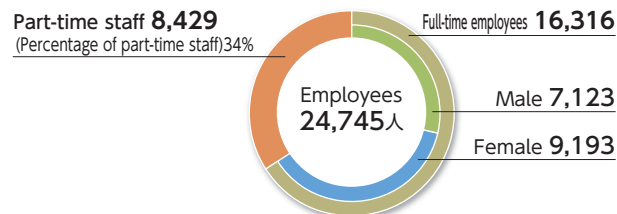
Expanding healthier food menu

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 disabilities1.8%
- 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

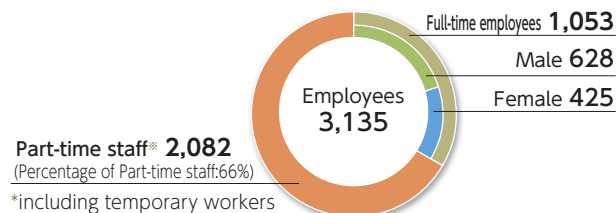
China's labor contract law requires companies to allow their employees to take sufficient leave for childbirth or childcare.

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)



- Percentage of employees with disabilities 1.7%
- Percentage of women in management positions, excluding executive officers ... 47%
- Percentage of executive officers who are Chinese 33%

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 Nichiyō 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 ^{*1}
Water consumption (1,000 m ³)	54	55	82 ^{*2}

*1 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.

*2 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.

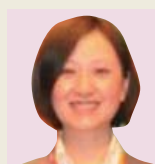
Being a cashier is a hard but rewarding job. The other day, a regular customer said to me, "You're working on a holiday. I admire your hard work." I was really glad to hear that. I enjoy talking with our customers as if they were my family. The words of encouragement they give me are my inspiration.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

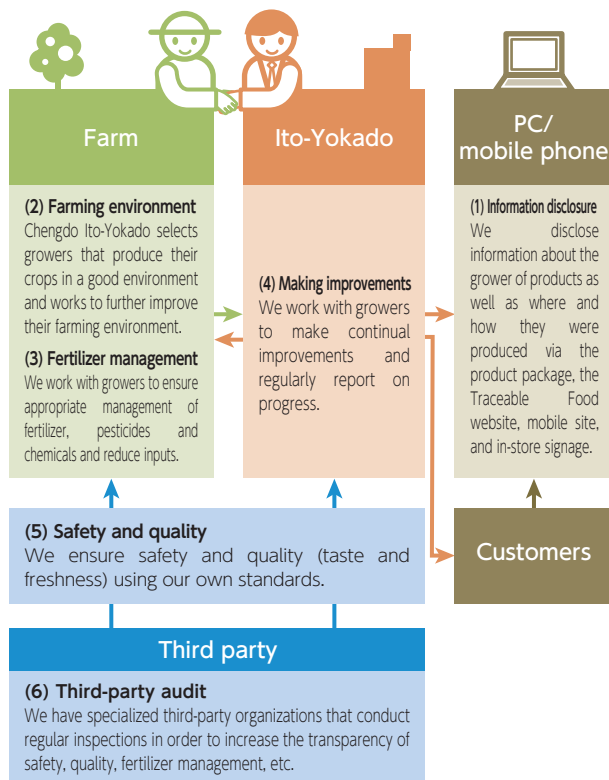
In response to the rising tide of concern over food safety in China, in March 2013, Chengdo Ito-Yokado launched the Chinese version of "Traceable Food" (see p. 20), a line of products already available in Japan. Customers can find out the grower of a product as well as how and where it was produced by 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 ³)	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 ³)	550	571	674

Seven-Eleven Japan Co., Ltd

Number of stores as of the end of FY2012: 15,072

Website: <http://www.sej.co.jp/social/index.html> (in Japanese)

Reducing the Environmental Impact

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> - CO₂ emissions per store: Reduce to 66.4 tons or below - Install solar panels at 5,000 stores 	<ul style="list-style-type: none"> - CO₂ emissions per store: 85 tons^{*7} - Solar panels installed at 6,500 stores in total 	△	<ul style="list-style-type: none"> - Promote use of LED lighting for chilled cases - Promote use of hybrid vehicles in logistics
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> - Reduce the use of plastic bags relative to the previous fiscal year - Food waste recycling rate: 36.1% or higher 	<ul style="list-style-type: none"> - Use of plastic bags per store: 0.94 tons - Food waste recycling rate: 48.9% 	△	<ul style="list-style-type: none"> - Reduce year-on-year use of plastic bags per store - Food waste recycling rate: 50.9% or higher
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> - Review the details of training provided to employees - Publish a CSR leaflet 	<ul style="list-style-type: none"> - Started planning for basic environmental training in cooperation with Group companies - Published a leaflet in December 2012 	○	<ul style="list-style-type: none"> - Implement basic environmental training

Environmental Data

Challenges	Unit	FY2010	FY2011	FY2012
CO ₂ emissions ^{*1 *2}	t-CO ₂	1,022,901	1,039,043	1,372,058
CO ₂ emissions from store operations (per store) ^{*2}	t-CO ₂	880,044 (69.9)	897,183 (66.4)	1,222,882(85.0)
Logistics-related CO ₂ emissions ^{*3}	t-CO ₂	140,742	140,121	146,581
Electricity consumption in store operations (per store) ^{*2}	GWh (MWh)	2,241 (178)	2,285 (169)	2,444 (169)
Water consumption in store operations ^{*4}	1,000 m ³	—	—	7,811
Plastic bag consumption per store (by weight)	t	0.89	0.92	0.94
Waste disposal (recycling rate) ^{*5}	t (%)	324,540 (45.3)	308,724 (43.8)	324,753 (46.4)
Food waste recycling rate ^{*6}	%	31.7	34.1	48.9

^{*1} The data show CO₂ emissions stemming from the use of energy in store, logistics, headquarters, training center and district office operations.

^{*2} Calculations are based on estimated electricity consumption for stores where data was not available.

^{*3} This data represents CO₂ emissions stemming from the use of energy for distribution center operation and delivery trucks. For FY2011, some data were not available due to the influence of the Great East Japan Earthquake.

^{*4} Calculations are based on estimated water consumption by approximately 3,000 stores in Tokyo and other ordinance-designated cities.

^{*5} Calculations are based on estimated emissions by the stores in Tokyo, Kyoto, etc. The period of the calculations was January to December, and the amount of baseline emissions was changed in FY2011. The amount of food waste was calculated based on the standard of ^{*6}.

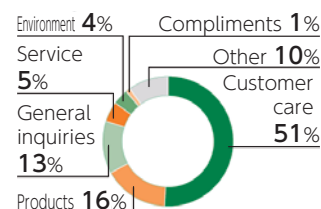
^{*6} Calculated based on the reports submitted by food recycling companies. The period of the calculations was April to March.

Providing Safe, Reliable Products and Services

Data for Customer Response Services

Moving forward under the banner of “nearby, convenient stores,” we are focusing on customer services that will bring our stores closer to the customer both physically and psychologically. We will also make continual improvements to our customer service training course, allowing employees to take it repeatedly so that they can get back to the basics again and again.

Description of contacts received by Customer Response Service by topic (FY2012)
Contacts received: 87,863 (107% of the previous fiscal year)



FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Ensuring the quality and safety of products and services				
	- Take efforts in a planned manner, to have all plants obtain NDF-HACCP certification	- Certified plants: 139 of 161 - Certification ratio: 86.3% (90.1% in the previous fiscal year's level)	△	- Take efforts in a planned manner, to have all plants obtain NDF-HACCP certification
Making stores and facilities more customer-friendly and reliable				
	- Stores adopting barrier-free design: 294 - Stores where the minimum necessary facilities continue operation even during blackouts: 1,350	- Stores adopting barrier-free design: 328 stores (111.6% of the previous fiscal year's level) - Stores where the minimum necessary facilities continue operation even during blackouts: 1,354 stores (100.3% of the previous fiscal year's level)	○	- Stores adopting barrier-free design: 298 - Stores where the minimum necessary facilities continue operation even during blackouts: 1,500
Assuring appropriate information provision				
	- Make part of the product and other information on the website viewable on smartphones	- Made information about products, sale/campaigns, and services viewable on smartphones	○	- Add a new webpage to the corporate website about measures designed to ensure food safety and reliability. Provide information on the elimination of artificial preservatives and coloring in addition to information on the reduction of trans-fatty acids, which has already been made available
Responding sincerely to customer opinions (organization)				
	- Post the toll-free phone number on the website, with a target of increasing the number of calls received to 110% of the previous fiscal year	- The number of calls received was 107.3% of the previous fiscal year's level. Enhancing the skills of customer service employees enabled us to respond to more customer opinions and comments.	△	- Enhance skills of customer service employees through internal and external training to be able to better respond to opinions and comments from customers.

Coexisting with Local Communities

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Supporting young parents and the elderly				
	- Increase the number of in operation to 50, and strengthen the supporting measures for product delivery.	- Number of mobile stores: 33 We run mobile stores in 15 prefectures across Japan, providing local customers with shopping support	△	- Increase the number of mobile stores to 100, and the number of product delivery service vehicles (electric vehicles) to 1,000 in a further effort to be "nearby, convenient stores"
Assisting in local community revitalization				
	- Continue with support for boosting the local economy based on the comprehensive cooperation agreements	- Concluded comprehensive cooperation agreements for community revitalization with Fukuoka City, Mie Prefecture, and Yokohama City (renewal), bringing the total to 32 prefectures and 10 cities	○	- Work to conclude agreements with additional municipalities and strengthen ties with existing municipal partners
Providing support in times of disaster				
	- Deepen collaboration with disaster prevention desk of municipalities for building an organization that enables even more prompt responses	- Concluded disaster support agreements with Yamaguchi Prefecture and Fukuoka City (cumulative total)	○	- Strengthen ties with public disaster prevention agencies to build an organization that can deliver a more effective response in light of the increasingly vital role the retail industry plays in the community when a major disaster hits
Implementing crime prevention measures for local communities				
	- Increase the membership ratio in crime prevention council and the participation ratio among member stores in crime prevention drills to 50%	- Membership ratio to crime prevention council: 38.0% Participation ratio to crime prevention drills: 48.7%	△	- Strengthen ties with local crime prevention councils, etc. to boost member store participation in crime prevention drills and seminars to 50%

Creating Fulfilling Workplaces

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> - Start providing Operations Field Consultants (OFCs) with annual training - Enhance the education program for OFC candidates 	<ul style="list-style-type: none"> - Conducted regular training (6-month and 1-year courses) for new OFCs - Provided training to employees of directly operated stores 	○	<ul style="list-style-type: none"> - Enhance training (compliance training, training for new OFCs and new DMs, nationwide TS meeting, etc.)
Assuring fair assessment and treatment of employees				
	<ul style="list-style-type: none"> - Number of applicants to the candidate system: 120% of the previous fiscal year's level - Percentage of female managers: 10% 	<ul style="list-style-type: none"> - Number of applicants: 116 (75.3% of the previous fiscal year's level) - Percentage of female managers: 7.6% 	△	<ul style="list-style-type: none"> - Number of applicants: 120% of the previous fiscal year's level - Percentage of female managers: 10%
Achieving a work-life balance				
	<ul style="list-style-type: none"> - Increase the number of male users at least to one - Encourage employees to take consecutive leave twice a year 	<ul style="list-style-type: none"> - Number of male users: 1 	△	<ul style="list-style-type: none"> - Increase the number of male users at least to one - Encourage employees to take consecutive leave twice a year
Making use of diverse human resources				
	<ul style="list-style-type: none"> - Employ 30 foreign students - Employ 15 people with disabilities 	<ul style="list-style-type: none"> - Employed 23 foreign students (vs. 17 in the previous fiscal year) - Employed 6 people with disabilities (2 in the previous fiscal year) 	△	<ul style="list-style-type: none"> - Employ 30 foreign students - Employ 15 people with disabilities
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> - Reduce the number of traffic accidents and violations by 10% year on year - Reduce the number of industrial accidents by 10% year on year 	<ul style="list-style-type: none"> - Number of traffic accidents and violations: 1,944 (111.3% of the previous fiscal year's level) - Number of industrial accidents: 128 (100.0% of the previous fiscal year's level) 	×	<ul style="list-style-type: none"> - Reduce the number of traffic accidents and violations by 10% year on year - Reduce the number of industrial accidents by 10% year on year

Personnel Data

Breakdown of number of employees (as of the end of February 2013)		
Full-time employees		6,070
	Male	4,527
	Female	1,543
Part-time staff*1		3,830
Employees (full-time employees + part-time staff)		9,900
New graduate employees hired (males, females)	322 (Males 162, Females 160)	
Mid-career employees hired	295	
Re-employment	18	

	FY2010	FY2011	FY2012
Average length of service (full-time employees)	9 years 4 months	9 years 7 months	9 years 5 months
Number of full-time employees who took childcare leave (males)	45 (0)	65 (0)	49 (1)
Number of full-time employees who took nursing leave (males)	0	0	0 (0)
Number of volunteer leave recipients	1	0	0 (0)
Percentage of women in management positions*2	7.0%	7.1%	7.6%
Percentage of employees with disabilities*3	1.87%	1.89%	2.05%
Percentage of paid holidays taken by full-time employees*4	5.5%	5.7%	8.1%
Frequency rate of industrial accidents*5	0.08	0.06	0.04
Severity rate of industrial accidents	0.003	0.002	0.002

*1 Number of part-time staff working at directly operated stores (the monthly average number, with 8 hours/day counted as one employee)

*2 Excluding executive officers

*3 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terre Verte (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

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

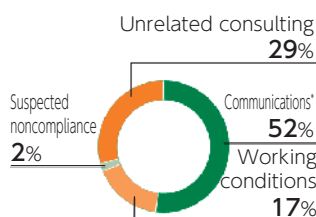
Data for Consultation Services for Employees

The number of consultations received in FY2012 was up year on year to total 48 due partly to our efforts to promote the help line system.

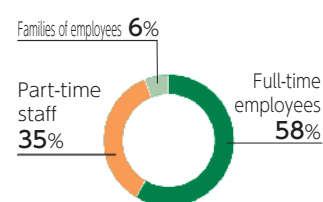
Since there was an obvious lack of communication between regular employees and part-timers working at our directly operated stores, we re-examined our training programs and worked to increase their awareness.

We also started semiannual departmental training aimed at ensuring compliance by all employees in light of last year's trend.

Description of contacts received by Internal Consultation Service by topic (FY2012)
Contacts received: 48 (141% of the previous fiscal year's level)



By user category



Reducing the Environmental Impact

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> - Improve the environmental impact index by 1% - Reduce the delivery distance per store by 1% 	<ul style="list-style-type: none"> - Environmental impact index: deteriorated by 10% from the previous fiscal year - Reduce the delivery distance per store by 5.3% 	△	<ul style="list-style-type: none"> - Number of stores using LED light bulbs: 140 - Reducing CO₂ emissions by 12,700 t-CO₂ after switching from conventional lighting - Delivery distance per store: 261,000 km (1% reduction for existing centers; a 12,000-km increase due to opening of 3 additional frozen food distribution centers)
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> - Food waste recycling rate: 45%, stores that implement the recycling: 100 stores - Turndown rate of plastic bags in the final month of FY2012: 50% 	<ul style="list-style-type: none"> - Food waste recycling rate: 45.2% - Stores that implement the recycling: 90 stores - Turndown rate of plastic bags in February 2013: 66.1% 	○	<ul style="list-style-type: none"> - Food waste recycling rate: 48% - Stores that implement the recycling: 100 stores - Turndown rate of plastic bags in February 2014: 70%

Environmental Data

Challenges	Unit	FY2010	FY2011	FY2012
CO ₂ emissions* ¹	t-CO ₂	591,464	466,187	533,110* ²
CO ₂ emissions from store operations (Environmental impact index* ³)	t-CO ₂ (t-CO ₂ /m ² × 1 million h)	564,975 (117)	439,934 (94)	507,499* ² (103)
CO ₂ emissions by delivery vehicles	t-CO ₂	24,017	24,070* ⁴	23,340* ²
Electricity consumption in store operations	GWh	1,256	943	853* ²
Water consumption in store operations	1,000 m ³	7,353	7,684	5,793* ²
Plastic bag consumption (turndown rate) at the food section	t	2,717 (43.1)	2,725 (43.3)	2,409 (47.6)
Waste disposal (recycling rate)* ²	t (%)	131,918 (65.2)	129,375 (66.2)	132,051 (66.3)
Food waste recycling rate* ²	%	36.7	39.4	45.2

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

*2 The period of the calculations was April to March.

*3 CO₂ emissions per (total sales floor area x opening hours) Figures for FY2010 and 2011 were recalculated using the new method implemented to calculate the FY2012 data.

*4 For some vehicles, the in-vehicle terminal models were updated to include CO₂ emissions from transportation between delivery companies and distribution centers, because of which the amount of CO₂ emissions increased.
Some data was not available due to the impact of the Great East Japan Earthquake.

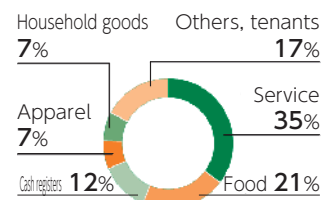
CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual. CO₂ emissions for FY2012 were calculated in accordance with the manual revised in March 2013.

Providing Safe, Reliable Products and Services

Data for Customer Response Services

The number of contacts received from customers in FY2012 was up and totaled 93,108 (113% of the previous fiscal year's level). Thirty-five percent of them were about services. We will continue to respond to customer feedback by analyzing the causes of the complaints.

Description of contacts received by Customer Response Service by topic (FY2012)
Contacts received: 93,108 (113% of the previous fiscal year's level)



FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Ensuring the quality and safety of products and services				
	- Revise our own quality standards for the first time in five years, including product categories	- Published the revised standards in November	○	- Develop a guidebook designed for enhancing customer services - Enter the Best Contributors to Product Safety Awards for the first time in two years
Making stores and facilities more customer-friendly and reliable				
	- Formulate countermeasures against volcanic disasters accompanying earthquakes	- Developed countermeasures against possible eruption of Mt. Fuji as part of our large-scale disaster countermeasures	○	- Revise the Tokyo Metropolitan Area Epicentral Earthquake Countermeasures - Share the countermeasures against possible eruption of Mt. Fuji across the organization and develop specific departmental countermeasures
Assuring appropriate information provision				
	- Enhance training through management meetings for the apparel, household goods and food products divisions in order to maintain appropriate labeling	- Ratio of items graded A: 96% (up a point from the previous fiscal year)	○	- Enhance training through management meetings for the apparel, household goods and food products divisions in order to maintain appropriate labeling - Maintain the ratio of items graded A at 96%
Responding sincerely to customer opinions (organization)				
	- Reduce complaints on services - Increase the number of complimentary comments	- Number of complaints about services: 32,524 (99% of the previous fiscal year's level) - Number of complimentary comments: 1,631 (1% of the previous fiscal year's level)	○	- Enhance ability to respond to service-related complaints by analyzing their causes with an eye to reducing such complaints - Actively share complimentary comments throughout the company and implement a commendation program, etc. to increase the number of compliments

Coexisting with Local Communities

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Supporting young parents and the elderly				
	- Develop products that will help the elderly live more convenient and comfortable lives, not limited to nursing care goods, and enhance the education of salespeople so that they can appropriately explain the product functions to customers	- Developed 200 new products, conducted training 7 times with 280 participants	△	- Develop products that will help eliminate the inconveniences elderly people experience in their daily lives
Providing support in times of disaster				
	- Continue to work on concluding agreements with municipalities to provide support in times of disaster and look into opportunities to sign an agreement with the Japan Self Defense Forces	- Concluded agreements with the Japan Ground Self-Defense Force, 1 ward, 2 cities, and 1 fire department	○	- Continue to work on concluding agreements with Hiroshima, Hyogo, Okayama, Nagano and other prefectures and municipalities to provide support in times of disaster - Work to conclude agreements with fire and police departments for the provision of food and other supplies in the event of a disaster

Creating Fulfilling Workplaces

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> - Increase the percentage of employees in ranks 1 to 3 to 60% - Provide managers of existing stores with new training 	<ul style="list-style-type: none"> - Percentage of personnel in ranks 1 to 3: 46.3% - Offered 8 courses including 2 new courses taught by external instructors. Conducted hands-on follow-up training (in-store training) for each rank 	△	<ul style="list-style-type: none"> - Narrow down courses necessary for store managers to increase their participation rate - Strengthen hands-on training for each rank to enhance employees' practical skills
Assuring fair assessment and treatment of employees				
	<ul style="list-style-type: none"> - Promote the establishment of workplaces where the abilities of employees are fairly evaluated regardless of gender 	<ul style="list-style-type: none"> - Percentage of female managers: 18.2% (Up 1.5% year on year) 	○	<ul style="list-style-type: none"> - Foster a workplace environment where the abilities of employees are fairly evaluated
Achieving a work-life balance				
	<ul style="list-style-type: none"> - Reduce the overtime to 95% of the previous fiscal year's level 	<ul style="list-style-type: none"> - 110% of the previous fiscal year's level 	×	<ul style="list-style-type: none"> - Streamline operations to reduce overtime by 5% year on year. Ensure all employees take days off.
Making use of diverse human resources				
	<ul style="list-style-type: none"> - Hold readily understood and highly persuasive seminars on human rights and normalization, by showing the backgrounds, specific examples, and numerical data to participants 	<ul style="list-style-type: none"> - Number of training sessions: 51; total number of participants: 2,846 	○	<ul style="list-style-type: none"> - Hold seminars where employees learn about the context and basic ideas behind promoting human rights awareness and normalization through specific examples with an eye to enhancing employees' practical skills
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> - Examine the causes of industrial accidents and countermeasures, and make all employees aware of the results to prevent the reoccurrence of similar accidents 	<ul style="list-style-type: none"> - Frequency rate: 1.81, severity rate: 0.03 	△	<ul style="list-style-type: none"> - Focus on reducing lost work-time accidents

Personnel Data

Breakdown of number of employees (as of the end of February 2013)	
Full-time employees	8,672
Male	6,474
Female	2,198
Part-time staff*1	28,637
Employees (full-time employees + part-time staff)	37,309
New graduate employees hired (males, females)	91 (Males 42, Females 49)
Mid-career employees hired	14
Re-employment	170

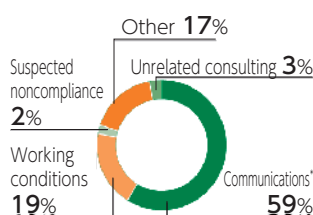
	FY2010	FY2011	FY2012
Average length of service (full-time employees)	19 years 2 months	20 years 0 month	20 years 4 months
Number of childcare leave recipients (males and part-time staff)	201 (0, 87)	192 (0, 97)	194 (0, 100)
Number of nursing leave recipients (males and part-time staff)	26 (2, 23)	8 (1, 7)	22 (0, 18)
Number of volunteer leave recipients	3	14	2
Percentage of women in management positions ²	16.3%	16.7%	18.2%
Percentage of employees with disabilities ³	1.87%	1.89%	2.05%
Percentage of paid holidays taken by full-time employees ⁴	16.5%	11.2%	11.4%
Frequency rate of industrial accidents	1.72	1.67	1.81
Severity rate of industrial accidents	0.03	0.03	0.03

*1 Monthly average number, with 163 hours/month counted as one employee *2 Excluding executive officers *3 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terre Verte (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems. *4 Holidays remaining from the preceding fiscal year are not included.

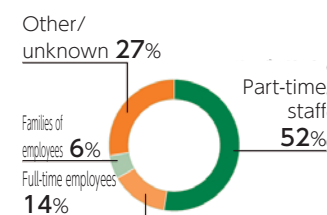
Data for Consultation Services for Employees

The majority of contacts came from part-time employees. Most of them were concerned about interpersonal relationships with their supervising managers. We will continue our ongoing efforts to teach managerial employees about the importance of daily communication in training sessions for new managerial employees, etc.

Description of contacts received by Internal Consultation Service by topic (FY2012)
Contacts received: 220 (91.3% of the previous fiscal year's level)



By user category



Sogo & Seibu Co., Ltd.

Number of stores as of the end of FY2012: 24

Website: <http://www.sogo-seibu.co.jp/csr.html> (in Japanese)

Reducing the Environmental Impact

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Attaining an appropriate grasp of environmental impact				
	- Launched measures to acquire ISO 14001 certification at two Robinson stores	- Robinson (now Seibu) acquired ISO14001 certification at two stores	○	- Undergo an ISO14001 renewal audit and get its certification renewed
Improving energy efficiency and introducing renewable energy				
	- Reduce CO ₂ emissions by 1% - Examine introducing more LED lights	- Introduced LED lights on the ground floor of core stores and fitting rooms at 14 store locations	○	- Reduce CO ₂ emissions by 1% - Examine introducing more LED lights
Reducing waste and developing a recycling-oriented society				
	- Food waste recycling rate: 52% - Increase the waste recycling rate to 100% at the main store in Ikebukuro	- Food waste recycling rate: 51.1% - The main store in Ikebukuro achieved a 100% waste recycling rate	△	- Food waste recycling rate: 52% - Waste recycling rate: 61%
Implementing measures to conserve biodiversity				
	- Increase people's awareness of green wrapping to plant 1,200 trees - Plant trees in the Kai Zenko-ji forest to create an ecologically rich satoyama forest	- Planted 1,270 trees over the year - Planted 1,270 trees in the Kai Zenko-ji forest	○	- Increase people's awareness of green wrapping to plant 1,300 trees - Plant trees in the Kai Zenko-ji forest to create an ecologically rich satoyama forest
Offering eco-friendly products				
	- Continue proposing environmentally friendly products	- Proposed environmentally friendly products on an ongoing basis: 97 items	○	- Continue proposing environmentally friendly products
Raising environmental awareness among employees				
	- Increase employees' awareness on a continual basis - Implement a campaign to encourage employees to save the use of electricity at their homes	- All employees completed an e-learning class - Implemented a campaign to encourage all employees to save electricity at their homes	○	- Increase employees' awareness on a continual basis - Implement a campaign to encourage employees to save the use of electricity at their homes

Environmental Data

Challenges	Unit	FY2010	FY2011	FY2012
CO ₂ emissions ^{*1}	t-CO ₂	206,473	173,868	188,486 ^{*2}
CO ₂ emissions from store operations	t-CO ₂	205,937	173,365	187,831 ^{*2}
Electricity consumption in store operations	GWh	444	376	357 ^{*2}
Water consumption in store operations ^{*2,3}	1,000 m ³	2,892	2,704	2,438
Packaging consumption	t	1,720	1,675	1,623
Waste disposal (recycling rate)	t (%)	31,687 (58.2) ^{*4}	32,749 (61.2)	32,020(60.6)
Food waste recycling rate	%	42.5 ^{*4}	51.2	50.3

^{*1} CO₂ emissions stemming from the use of energy in store, headquarters and distribution center operations. ^{*2} The period of the calculations was April to March.

^{*3} Figures for FY2010 and 2011 were recalculated using the same categories as used for the FY 2012 data. ^{*4} Seibu Kasukabe store (formerly Robinson's Kasukabe store) and Seibu Odawara store (formerly Robinson's Odawara store) are not included in the results.

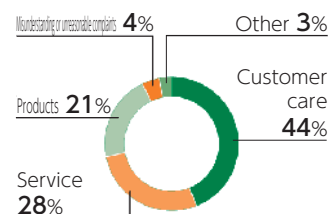
CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual. CO₂ emissions for FY2012 were calculated in accordance with the manual revised in March 2013.

Providing Safe, Reliable Products and Services

Data for Customer Response Services

During FY2012, we analyzed and identified causes of complaints specific to each department based on customer feedback and implemented specific improvement measures to increase customer satisfaction. Moreover, in our internal newsletters, we continually featured examples of good sales practices that helped increase customer satisfaction and should be common goals for all salespersons. In FY2013, we will continue our efforts to cultivate a corporate culture that leads to better customer satisfaction by solving the problems facing each department.

Description of contacts received by Customer Response Service by topic (FY2012)
Contacts received: 12,503 (90.3% of the previous fiscal year's level)



FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> - Continue to conduct audits and production process inspections at plants that produce private brand products - Store managers and other management personnel are to conduct hygiene inspection in kitchens. Acquisition of the Department Store Food Safety Adviser qualification is to be mandated. - Audit plants that make private brand apparel and general merchandise 	<ul style="list-style-type: none"> - Conducted audits and inspections at 34 locations - Store managers and other management personnel attended the Department Store Food Safety Adviser seminar (149 managers attended, as of April 2013) - Audit accuracy was improved as a result of establishment and review of production processes, inspection documents, etc. 	○	<ul style="list-style-type: none"> - Continue to have store managers and other management personnel conduct kitchen inspections - Strengthen inspection system for private brand apparel and general merchandise - Introduce e-learning system to the educational curriculum for apparel and general merchandise categories and provide 1,500 employees with such an e-learning opportunity
Making stores and facilities more customer-friendly and reliable				
	<ul style="list-style-type: none"> - Consider installing more equipment at the time of sales floor renovation 	<ul style="list-style-type: none"> - Installed automatic doors on the first basement level entrance to Kobe store - Installed toddler toilet seats in the bathrooms on the children's clothing floor at six large-scale stores 	○	<ul style="list-style-type: none"> - Consider installing more equipment at the time of sales floor renovation
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> - Promote activities to analyze customer needs by department, identify issues facing each department, and reflect them in sales strategies 	<ul style="list-style-type: none"> - Article series entitled "1,000 Voices" (customer service on the sales floor) was featured 12 times in the internal newsletter in order to enhance customer response abilities at stores 	○	<ul style="list-style-type: none"> - Continue to step up on activities to analyze customer needs by department, identify issues facing each department, and reflect them in sales strategies

Coexisting with Local Communities

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Supporting young parents and the elderly				
	<ul style="list-style-type: none"> - Expand "Pre-Mama Stations" - Establish the Pre-Mama Counters at all the stores, where customers can consult with midwives and health nurses on a regular basis - Develop more products by incorporating the wishes customers shared with the midwives - Develop more specialty salespersons - Continue to operate the permanent trade-in service corners for children's shoes 	<ul style="list-style-type: none"> - Pre-Mama Station: 6 stores Offered monthly seminars/Number of consultations: 18,109 - Pre-Mama Counter: 12 stores Offered weekly consultation sessions/Number of consultations: 1,728 - Developed products that incorporate wishes customers shared with the midwives/22 products in FY2012 - 34 baby product advisers, 26 shoe fitters, and 32 shoe advisers - Number of children's shoes traded in: 83,687 pairs 	○	<ul style="list-style-type: none"> - Continue operating the Pre-Mama Stations and Counters and hold seminars and events for the whole family to enjoy - Develop products by incorporating the wishes customers share with the midwives - Develop more specialty salespersons - Increase the number of children's shoes to be traded in to 90,000 pairs
Assisting in local community revitalization				
	<ul style="list-style-type: none"> - Hold more localized events 	<ul style="list-style-type: none"> - Hosted various local events at stores, including green curtain events, water sprinkling activities, work experience programs for elementary school students, and locavore campaigns - Concluded a comprehensive cooperation agreement with Saitama Prefecture 	○	<ul style="list-style-type: none"> - Hold more localized events - Conclude a comprehensive cooperation agreement with Akita Prefecture
Providing support in times of disaster				
	<ul style="list-style-type: none"> - Continue fostering cooperation with local governments and companies, including measures for people having difficulties in going home in the event of large earthquakes 	<ul style="list-style-type: none"> - Hosted a disaster preparedness fair at each store location in cooperation with the Ministry of Internal Affairs and Communications' Fire and Disaster Management Agency, Kanagawa prefectural government, etc. - Participated in a council that discussed measures to aid people who will have difficulty getting home in the event of a disaster. The council, composed of municipalities and companies located around main terminal stations, such as Ikebukuro, Shibuya, and Chiba Stations, discussed ways to work together in the event of a disaster 	○	<ul style="list-style-type: none"> - Continue fostering cooperation with local governments and companies, including measures for people having difficulties in going home in the event of large earthquakes - Conclude an agreement with Saitama Prefecture concerning the provision of supplies in the event of a disaster
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> - Continue to cooperate with local communities to establish disaster and crime prevention systems 	<ul style="list-style-type: none"> - Participated in community disaster drills (designed to aid people who may have difficulty getting home in the event of a disaster), crime prevention patrols, etc. 	○	<ul style="list-style-type: none"> - Continue to cooperate with local communities to establish disaster and crime prevention systems

Creating Fulfilling Workplaces

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Supporting development of employee abilities				
	- Hold open seminars with better content for an additional 3,000 employees per year	- Target was achieved with a total of 3,135 participants (26 more than the previous fiscal year)	○	- Develop and implement measures to boost the number of seminar participants and license holders with an aim to secure 3,000 new seminar participants each year
Assuring fair assessment and treatment of employees				
	- Percentage of female managers: (1) team leaders: 50.0% and (2) section managers and those in higher positions: 10.0%	- (1) Team leaders: 32.5% (2) Section managers and those in higher positions: 8.0%	△	- Percentage of female managers: at least 10.0% of section managers and those in higher positions are women
Achieving a work-life balance				
	- Hold a consultation meeting to help employees who will return to work from childcare leave relieve their concerns - Expand and enhance the system to allow employees to work shorter hours for childcare	- Held a round table discussion for female employees on maternity/childcare leave (giving 4 from Kansai and 12 from Kanto an opportunity to consult with employees who have taken maternity/childcare leave in the past) - Made special arrangements for business locations where employees raising children work	○	- Develop and implement measures to make the workplace more women-friendly (work with the Group Diversity Promotion Committee)
Making use of diverse human resources				
	- Continue implementing the system to promote non-regular employees to regular employees (about five employees)	- Number of contractual employees promoted to full-time status: 3	△	- Continue implementing the system to promote non-regular employees to regular employees (about five employees) - Hire mid-career specialist employees (about five employees)
Assuring consideration for worker health and safety				
	- The Health and Safety Committee carried out inspections on the workplace environment to decrease the number of industrial accidents year on year.	- Reduced frequency rate and severity rate of industrial accidents thanks to the Health and Safety Committee which includes at least one industrial physician	○	- Step up on measures to prevent lifestyle-related diseases and promote mental health (reduce the number employees on leave due to mental health problems on a year-on-year basis)

Personnel Data

Breakdown of number of employees (as of the end of February 2013)		
Full-time employees		4,470
	Male	(3,034)
	Female	(1,436)
Part-time staff*1		3,826
Employees (full-time employees + part-time staff)		8,296
New graduate employees hired (males, females)	38 (Males 23, Females 15)	
Mid-career employees hired	1	
Re-employment		428

	FY2010	FY2011	FY2012
Average length of service (full-time employees)*2	19 years 6 months	20 years 9 months	21 years 0 month
Number of childcare leave recipients (males and part-time staff)	48 (0, 23)	89 (0, 12)	148 (2, 54)
Number of nursing leave recipients (males and part-time staff)	2 (0, 2)	4 (1, 4)	13 (5, 3)
Number of volunteer leave recipients	No system	No system	No system
Percentage of women in management positions*3	24.3%	23.3%	20.3%
Percentage of employees with disabilities*2,4	1.85%	1.89%	2.00%
Percentage of paid holidays taken by full-time employees*5	12.8%	11.4%	6.6%
Frequency rate of industrial accidents	0.43	0.59	0.30
Severity rate of industrial accidents	0.01	0.01	0.00

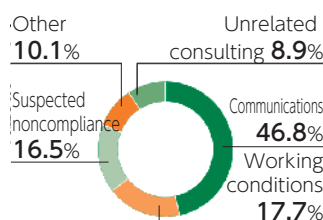
*1 Robinson's is not included in the results. Monthly average number, with 8 hours/day counted as one employee
 *3 Excluding executive officers *4 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.
 *5 Holidays remaining from the preceding fiscal year are not included for FY2010 or after.

*2 Robinson's is included in the result.

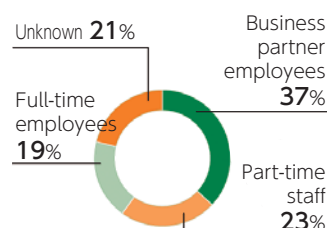
Data for Consultation Services for Employees

There were some isolated cases where a lack of communication caused problems. We will instruct managers to maintain and enhance communication with their staff. The headquarters' General Affairs Department will inspect the progress every six months. In FY2012, compliance training will continue to be provided on legal affairs, safety management, and quality management.

Description of contacts received by Internal Consultation Service by topic (FY2012)
 Contacts received: 79 (95.2% of the previous fiscal year's level)



By user category



York-Benimaru Co., Ltd.

Number of stores as of the end of FY2012: 184

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

Reducing the Environmental Impact

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> - Limit the use of electricity to up to 110% of the previous fiscal year's level - Open more all electric stores 	<ul style="list-style-type: none"> - Power usage was 103.0% of what it was in the previous fiscal year. - Open more all electric stores 	○	<ul style="list-style-type: none"> - Promote improved implementation of power-saving standards in a well-planned and efficient manner - Overhaul air conditioning systems (switch from heavy oil to electricity) - Switch to high-efficiency lighting equipment

Environmental Data

Challenges	Unit	FY2010	FY2011	FY2012
CO ₂ emissions ^{*1}	t-CO ₂	156,865	130,307	187,299 ^{*2}
CO ₂ emissions from store operations (per store)	t-CO ₂	138,777 (816)	116,011 (659)	165,186 (898) ^{*2}
CO ₂ emissions by delivery vehicles	t-CO ₂	13,094	9,169 ^{*3}	14,294 ^{*2}
Electricity consumption in store operations	GWh	333	280	301 ^{*2}
Water consumption in store operations	1,000 m ³	1,078	1,004	1,028 ^{*2}
Plastic bag consumption (turndown rate) at the food section ^{*3}	t (%)	381 (70.3)	370 (70.8)	392 (70.2)
Waste disposal (recycling rate)	t (%)	40,661 (52.4)	41,372 (47.5)	41,997 (50.3)
Food waste recycling rate ^{*4}	%	30.2	24.0	30.2

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

*2 The period of the calculations was April to March.

*3 Excluding the data for March to May, which was unavailable due to the influence of the Great East Japan Earthquake

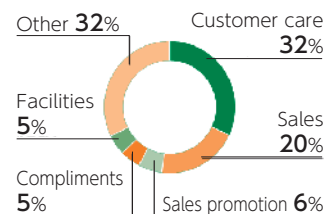
CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual. CO₂ emissions for FY2012 were calculated in accordance with the manual revised in March 2013.

Providing Safe, Reliable Products and Services

Data for Customer Response Services

As part of our efforts to listen to our customers' voices and respond to every one of them, we share examples of individual stores successfully meeting customers' needs with all our stores. Our headquarters and stores will work together to provide customers with a more timely response and incorporate customer suggestions into our operations with an eye to making our stores fun and comfortable places to shop.

Description of contacts received by Customer Response Service by topic (FY2012)
Contacts received: 2,732 (109.2% of the previous fiscal year's level)



FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> - Increase the amount of sales of three-star vegetables to 126.0% compared to the previous fiscal year' level - Increase the amount of sales of locally produced vegetables to 120.1% compared to the previous fiscal year' level 	<ul style="list-style-type: none"> - 116.6% of the previous fiscal year's level - 115.2% of the previous fiscal year's level 	△	<ul style="list-style-type: none"> - Increase the amount of three-star vegetable sales to 130.3% of the previous fiscal year's level - Increase the amount of locally produced vegetable sales to 114.5% of the previous fiscal year's level
Making stores and facilities more customer-friendly and reliable				
	<ul style="list-style-type: none"> - Increase the number of stores certified pursuant to the revised Barrier-Free Law 	<ul style="list-style-type: none"> - 92 stores (as of end of February 2013) 	○	<ul style="list-style-type: none"> - Continue to increase in FY2013 and onward
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> - Install toll-free phone numbers and customer feedback box 	<ul style="list-style-type: none"> - Installed toll-free phone numbers and customer suggestion boxes 	○	<ul style="list-style-type: none"> - Install toll-free phone numbers and customer feedback box

Coexisting with Local Communities

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Supporting young parents and the elderly				
	<ul style="list-style-type: none"> - Continue the blood drive, "Heartful Saturday," aiming for 450 donors 	<ul style="list-style-type: none"> - 717 donors (blood drive held on October 13, 2012) 	○	<ul style="list-style-type: none"> - Aim to get more than 500 donors
Assisting in local community revitalization				
	<ul style="list-style-type: none"> - Continue holding the Opening Memorial festival as an opportunity for the stores and local communities to make exchanges 	<ul style="list-style-type: none"> - Held the Opening Memorial festival again this year 	○	<ul style="list-style-type: none"> - Hold the festival again in FY2013
Providing support in times of disaster				
	<ul style="list-style-type: none"> - Continue to cooperate with municipalities by concluding comprehensive cooperation agreements and other measures 	<ul style="list-style-type: none"> - The number of municipalities increased by two to 20 as of the end of FY2012 	○	<ul style="list-style-type: none"> - Consider entering agreements with municipalities upon request
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> - Continue to promote activities that provide children with "shelters" 	<ul style="list-style-type: none"> - Continued the activity 	○	<ul style="list-style-type: none"> - Continue the activity in FY 2013

Creating Fulfilling Workplaces

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Supporting development of employee abilities				
	- Make steady use of the Target Achievement Records* in OJT	- The average results dipped slightly from 2.44 in September 2011 to 2.41 in March 2012 (down 1% year on year)	△	- Make further efforts to widely establish and promote OJT based on the Target Achievement Records to boost the average results
Assuring fair assessment and treatment of employees				
	- Increase the percentage of female managers to 10%	- The percentage of female managers remained flat from the previous fiscal year at 7.2%	×	- Increase the percentage of female managers to 10% - Conduct training for female managers in order to retain them
Achieving a work-life balance				
	- Encourage more employees, especially male employees, to take childcare leave and take paid holidays for childcare	- The number of employees who take childcare leave is increasing every year and is expected to remain on the rise - Childcare leave was taken by male employees two years in a row	○	- Increase the number of employees including full-time employees who take childcare leave - Continue to encourage male employees to take childcare leave
Making use of diverse human resources				
	- Increase the percentage of employees with disabilities to 2.0%	- Increased to 1.96% but failed to achieve the target	△	- The percentage of employees with disabilities required by law is now 2.0% as a result of an amendment to the law. Ensure achieving 2.0%.
Assuring consideration for worker health and safety				
	- Provide education on industrial accidents in Off-JT	- Introduced risk assessment to reduce industrial accidents	△	- Reduce the number of industrial accidents per year by 10%

*The Target Achievement Records set specific requirements necessary for performing assigned duties, such as customer service, sales floor management, order placement, and cooking.

Personnel Data

Breakdown of number of employees (as of the end of February 2013)	
Full-time employees	2,520
Male	2,255
Female	265
Part-time staff	10,396
Employees (full-time employees + part-time staff)	12,916
New graduate employees hired (males, females)	110 (Males 74, Females 36)
Mid-career employees hired	0
Re-employment	13

	FY2010	FY2011	FY2012
Average length of service (full-time employees)	12 years 6 months	14 years 7 months	15 years 3 months
Number of childcare leave recipients (males and part-time staff)	40 (0, 35)	47 (1, 40)	63 (1, 55)
Number of nursing leave recipients (males and part-time staff)	2 (0, 1)	6 (3, 3)	4 (0, 4)
Number of volunteer leave recipients	No system	No system	No system
Percentage of women in management positions	25.9%	7.1%	7.2%
Percentage of employees with disabilities	1.96%	1.90%	1.96%
Percentage of paid holidays taken by full-time employees	9.8%	8.8%	9.2%
Frequency rate of industrial accidents	2.56	2.94	2.27
Severity rate of industrial accidents	0.008	0.030	0.1

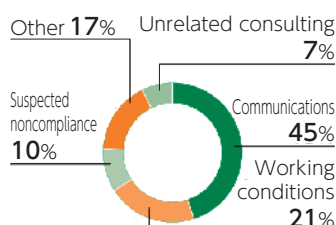
*1 Monthly average number, with 8 hours/day counted as one employee *2 Excluding executive officers *3 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. *4 Holidays remaining from the preceding fiscal year are not included.

Data for Consultation Services for Employees

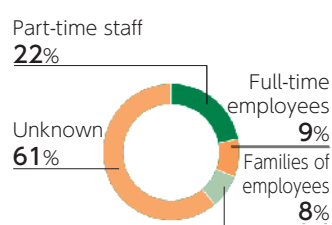
York-Benimaru provides employees with a help line service.

The service enables them to receive counseling on workplace issues, request investigations into noncompliance, etc. Employee suggestions are used to create a better workplace environment.

Description of contacts received by Internal Consultation Service by topic (FY2012)
Contacts received: 76 (138.2% of the previous fiscal year's level)



By user category



Seven & i Food Systems Co., Ltd. (in Japanese)

Number of stores as of the end of FY2012: 844

Website: <http://www.7andi-fs.co.jp/7fs/company/csr.html> (in Japanese)

Reducing the Environmental Impact

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> - Stores with LED bulbs installed: 166 stores, with CO₂ emissions reduced by 434 tons - Verify the effect of introducing a hybrid car (since November 2011) as a delivery vehicle 	<ul style="list-style-type: none"> - Stores with LED bulbs installed: 166 stores, with CO₂ emissions reduced by 434 tons - Introduced three 3-ton hybrid vehicles in 2012. Although CO₂ emissions were cut by 993 kg, delivery was less efficient than with the 4-ton vehicles currently used for delivery. 	△	<ul style="list-style-type: none"> - Stores with LED bulbs installed: 122 stores, with CO₂ emissions reduced by 268 tons
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> - Continue to promote waste sorting and reduce waste generation, aiming at increasing the food waste recycling rate to 35% or higher 	<ul style="list-style-type: none"> - Made thoroughgoing efforts on separating waste and recycling cardboard, cans, glass and plastic bottles, etc. and achieved a food waste recycling rate of 40.5% 	○	<ul style="list-style-type: none"> - Recycle food waste at more store locations. Food waste is currently recycled at 96 stores including Denny's. Bring the number of stores that recycle food waste up to 100 in FY2013.
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> - Hold an explanatory meeting on waste sorting, reduction of waste generation, and recycling of food waste - Distribute reference materials on energy conservation six times a year to stores to boost employee awareness on the matter 	<ul style="list-style-type: none"> - Held an explanatory meeting (workshop) on waste sorting, reduction, and recycling at stores in cooperation with a waste management company - Distributed reference materials on energy conservation for four times a year to stores, thereby increasing all employees' awareness of the matter 	△	<ul style="list-style-type: none"> - Take advantage of environmental awareness month to raise employees' environmental consciousness and work with local municipalities on awareness-raising initiatives - Distribute the reference materials for six times a year to stores

Environmental Data

Challenges	Unit	FY2010	FY2011	FY2012
CO ₂ emissions* ¹	t-CO ₂	93,274	83,147	96,117* ²
CO ₂ emissions from store operations	t-CO ₂	91,225	80,927	93,811* ²
CO ₂ emissions by delivery vehicles* ³	t-CO ₂	1,904	2,091	2,155* ²
Electricity consumption in store operations	GWh	172	156	152* ²
Water consumption in store operations	1,000 m ³	2,403	2,272	2,141* ²
Waste disposal (recycling rate)	t (%)	13,103 (24.7)	10,557 (25.6)	10,183 (25.8)
Food waste recycling rate	%	30.7	33.0	40.5

*¹ CO₂ emissions stemming from the use of energy in store operations (Seven & i Food Systems) and in headquarters operations and by delivery vehicles (Denny's only).

*² The period of the calculations was April to March. *³ The values are for Denny's only.

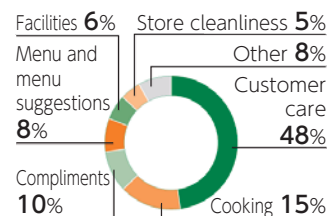
CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual. CO₂ emissions for FY2012 were calculated in accordance with the manual revised in March 2013.

Providing Safe, Reliable Products and Services

Data for Customer Response Services

The number of contacts received in FY2012 declined by 9.8% year on year to total 6,554. We will continue to get the fundamentals straight via OJT at stores, as well as employee education and training, in order to enhance customer satisfaction and cut customer complaints by half while doubling compliments.

Description of contacts received by Customer Response Service by topic (FY2012)
Contacts received: 6,554 (90.2% of the previous fiscal year's level)



FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> - Obtain consent to our terms and conditions regarding all food materials - Have staff in charge observe plants and confirm that quality is being managed pursuant to standards - Observation of plants: about 400 times 	<ul style="list-style-type: none"> - Confirmed that requirements of terms and conditions were complied with - Observed plant operations about 400 times in total 	○	<ul style="list-style-type: none"> - Confirm that requirements of terms and conditions are complied with - Observation of plants: about 500 times
Assuring appropriate information provision				
	<ul style="list-style-type: none"> - Continue a search service on the usage of allergenic substances 	<ul style="list-style-type: none"> - Maintained a service on the mobile phone website for searching allergenic substances used. The information can be accessed by scanning the QR codes printed on menus. The system displays menu items that do not use the allergenic substances selected from the list. 	○	<ul style="list-style-type: none"> - Continue a search service on the usage of allergenic substances
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> - Establish Operation Support Division Customer Satisfaction (CS) for sorting out customers' opinions and results of store monitor surveys and disseminating information in an appropriate manner, thereby improving customer satisfaction 	<ul style="list-style-type: none"> - Complaints decreased a mere 4% and compliments increased 7% although our targets were set for a 50% reduction in complaints and a two-fold increase in compliments. Still significant headway was made in the second fiscal half. 	○	<ul style="list-style-type: none"> - Conduct trend analysis on complaints received as well as monitor surveys, and share findings throughout the company to improve the situation. Reduce complaints by half and double compliments.

Coexisting with Local Communities

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Supporting young parents and the elderly				
	<ul style="list-style-type: none"> - Review work experience program and reference materials to be distributed 	<ul style="list-style-type: none"> - Reviewed work experience program and accepted 250 children at 135 store locations 	○	<ul style="list-style-type: none"> - Convey significance of work experience program and improve the quality of stores that accept children
Assisting in local community revitalization				
	<ul style="list-style-type: none"> - Continue developing and selling menus using local products for the promotion of local consumption of locally produced products - Give support for the succession of local food culture through support to childcare and other activities - Develop menus that help promote health and beauty 	<ul style="list-style-type: none"> - Used and sold products made with locally produced food ingredients at a three-star restaurant in Nagano Prefecture - Offered discount services in coordination with childcare support programs implemented by local municipalities in 10 of the 16 prefectures where Denny's operates. Two prefectures newly joined the program in FY2012. - Added health food pages to the main menu and included menu items that help promote health and beauty 	○	<ul style="list-style-type: none"> - Continue developing and selling menus using local products for the promotion of local consumption of locally produced products - Continue to assist with community revitalization based on careful consideration when requested by local municipalities - Develop and continue offering menu items that help promote health and beauty
Providing support in times of disaster				
	<ul style="list-style-type: none"> - Send store employees to training seminars held by local governments to foster information sharing 	<ul style="list-style-type: none"> - Failed to continue 	×	<ul style="list-style-type: none"> - Actively consider opportunities to provide shelter for local residents in the event of a disaster when requested by municipalities where we operate

Creating Fulfilling Workplaces

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Supporting development of employee abilities				
	- Utilize the personnel records in which the items for business operations are clearly shown, thereby improving the level of business operations	- Use of personnel records varied from one store to another. It helped assess progress made by new employees in their assigned duties.	○	- Utilize the communication records along with the personnel records to further improve operational efficiency.
Assuring fair assessment and treatment of employees				
	- Have the targeted employees carry out the self-check evaluation and treat them according to the results	- Employ three-sheet carbon paper for an evaluation form to conduct self-check interviews with all employees and ensure feedback on the evaluation	△	- Revise the self-check period and interview dates to ensure fair evaluations
Achieving a work-life balance				
	- Review the job details by job type to increase the work efficiency and ensure that no employees will work longer than the limit	- Did not revise the job details. Made a slight cutback to working hours of employees who usually work many hours after consulting with them individually.	○	- Ensure achieving three work goals of the Group
Making use of diverse human resources				
	- Proactively promote part-timers to full-time employees	- 46 employees switched their working categories from a Unit employee to a National employee	△	- Hire employees at a higher hourly wage on the condition that they will switch employee categories or become full-timers, and organize contractual employees
Assuring consideration for worker health and safety				
	- Enhance the system to have employees on leave take interviews with industrial physicians and support them in returning to work - Decrease the number of industrial accidents through risk assessments	- Had employees on leave and employees who work long hours see an industrial physician - Industrial accidents declined slightly. Risk assessment was conducted only for trial stores.	○	- Enhance follow-up of employees who have work-related problems (have not taken leave, work long hours). Encourage employees who work the late-night shift to get a physical exam.

Personnel Data

Breakdown of number of employees (as of the end of February 2013)	
Full-time employees	1,253
Male	1,093
Female	160
Part-time staff*1	10,130
Employees (full-time employees + part-time staff)	11,383
New graduate employees hired (males, females)	15 (Males 1, Females 14)
Mid-career employees hired (males, females)	46 (Males 36, Females 10)
Re-employment (males, females)	16 (Males 16, Females 0)

	FY2010	FY2011	FY2012
Average length of service (full-time employees)	13 years 6 months	14 years 2 months	14 years 3 months
Number of childcare leave recipients (males and part-time staff)	46 (1, 30)	67 (0, 53)	39 (0, 32)
Number of nursing leave recipients (males and part-time staff)	0	0	0
Number of volunteer leave recipients	0	0	0
Percentage of women in management positions*2	21.7%	28.8%	31.9%
Percentage of employees with disabilities*3	1.87%	1.89%	2.05%
Percentage of paid holidays taken by full-time employees*4	7.0%	9.8%	10.8%
Frequency rate of industrial accidents	1.22	1.28	1.41
Severity rate of industrial accidents	0.03	0.02	0.03

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

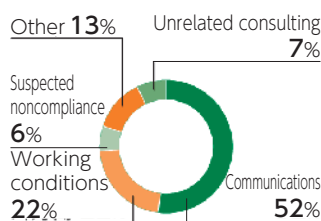
*2 Excluding executive officers

*3 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terre Verte (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems. *4 Holidays remaining from the preceding fiscal year are not included.

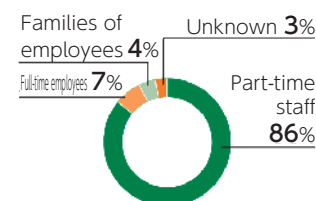
Data for Consultation Services for Employees

The number of contacts increased to 119 (up 32% year on year) due partly to our efforts to get everyone on the same page with the Action Guidelines, which were revised in FY2012. We provided our store managers in the Restaurant Business Division with awareness education during CSR training in FY2012 in order to increase employees' compliance awareness. In FY2013, we will provide awareness education to store managers across all business divisions.

Description of contacts received by Internal Consultation Service by topic (FY2012)
Contacts received: 119 (132.2% of the previous fiscal year's level)



By user category



Seven Bank, Ltd.

Number of ATMs installed as of the end of FY2012: 18,123
Website: <http://www.sevenbank.co.jp/corp/csr/> (in Japanese)

Reducing the Environmental Impact

FY2012 Targets/Results and FY2013 Targets ○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> - Devise measures to reduce the use of electricity at offices by introducing complex machines which incorporate a printer, a fax machine and a copier, and updating the in-house OA systems - Replace about 4,900 ATMs with third-generation machines and complete the replacement of 7,800 machines (about 45% of the total) by the end of FY2012 - Implement power-saving measures voluntarily and in response to requests from society 	<ul style="list-style-type: none"> - Reduced electricity consumption from 1,204,000 kwh in FY2011 to 1,182,000 kwh in FY2012 - Replaced 7,797 ATMs with third-generation machines as of the end of FY2012 - Implemented power-saving measures for second-generation ATMs (decreasing the second display brightness and making the ATMs switch to the energy-saving mode faster) from mid-June to September and from mid-December to March 	○	<ul style="list-style-type: none"> - Promote a paperless office by introducing image workflow (an electronic decision-making process) to the internal office automation systems - Replace about 5,000 ATMs with third-generation machines that cut electricity consumption by about half compared with conventional ATMs, bringing the total number of third-generation ATMs up to 13,000 by the end of FY2013
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> - Formulate the guidelines for green purchasing and procurement 	<ul style="list-style-type: none"> - Formulate the guidelines for green purchasing and procurement 	△	<ul style="list-style-type: none"> - Continue discussions aimed at developing green procurement guidelines
Offering eco-friendly products				
	<ul style="list-style-type: none"> - Replace ATMs with third-generation machines - Target ratio of the third-generation ATMs to the total: about 45% 	<ul style="list-style-type: none"> - Third-generation ATMs accounted for 45% of the total. 	○	<ul style="list-style-type: none"> - Target ratio of the third generation ATMs to the total: 67%
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> - Actively participate in Seven & i Holdings' environmental volunteer activities - Conduct environmental volunteer activities under Seven Bank's own programs 	<ul style="list-style-type: none"> - A total of 34 employees participated in three programs. - Bonolon's Forest Environmental Activity was conducted with 33 participants 	○	<ul style="list-style-type: none"> - Actively participate in Seven & i Holdings' environmental volunteer activities - Increase the number of participants in environmental volunteer activities under Seven Bank's own programs

Environmental Data

Challenges	Unit	FY2010	FY2011	FY2012
Volume of paper ordered for office automation equipment	1,000 sheets	7,152	6,898	7,565
Electricity used at the offices	MWh	1,501	1,204	1,182

* Data was not available for some rental offices. Data includes staffed branches and directly managed ATMs.

Providing Safe, Reliable Products and Services

Data for Customer Response Services

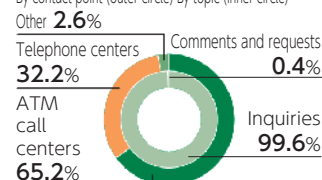
The Customer Service Department of Seven Bank strives to heighten customer satisfaction through the improvement of customer response and service, under the slogan "Best for You (doing our best for customers)." It compiles some 630,000 customer suggestions and comments that are filed each year, and shares them with relevant divisions and partner companies.

The customer center for overseas money transfers was opened in February 2013, providing customer services in nine languages.

Description of contacts received by Customer Response Service by topic (FY2012)

Contacts received: 629,908

By contact point (outer circle) By topic (inner circle)



* The method of aggregation has changed since FY2011.

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> - Conduct comprehensive drills and seminars that take into account the new scenarios added to the business continuity management (BCM) and business continuity plan (BCP), which were formulated after the Great East Japan Earthquake 	<ul style="list-style-type: none"> - Conducted intensive BCM/BCP training for the president, managers and personnel in relevant departments - Conducted additional drills, including the setting up of an emergency response headquarters using wireless communication systems - Reviewed the safety confirmation system and conducted drills 	○	<ul style="list-style-type: none"> - Strengthen the BCPs for mission critical operations - Start developing BCPs for non-mission critical operations - Develop a capability to ensure employee safety and stable business continuity
Making stores and facilities more customer-friendly and reliable				
	<ul style="list-style-type: none"> - Develop a user-friendly interface for ATM display 	<ul style="list-style-type: none"> - Reviewed and made arrangements to make ATM screens user friendly and receipts readily understood 	○	<ul style="list-style-type: none"> - Overhaul ATM screens - Display overseas money transfer screen in multiple languages
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> - Study indexes aiming at even further improvement of customer satisfaction (CS) 	<ul style="list-style-type: none"> - Relevant departments met three times to discuss the matter 	○	<ul style="list-style-type: none"> - Continue to look into specific ways to quantify the CS index

Coexisting with Local Communities

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Supporting young parents and the elderly				
	<ul style="list-style-type: none"> - Hold story hours featuring "Bonolon, Warrior of the Forest" at local children's centers, etc. - Continue donating picture books to children's facilities in a number commensurate with the number of Bonolon Cash Cards issued - Make examinations to give support to the recovery of children's centers in the disaster-affected areas 	<ul style="list-style-type: none"> - Held story hours at children's centers - Issued 13,579 Bonolon Cash Cards and donated a corresponding number of picture books to children's centers - Conducted click fundraising in support of the Arahama Children's Center in Watari-cho, Miyagi Prefecture (raising 359,126 yen in total) 	○	<ul style="list-style-type: none"> - Promote story-telling activities via the sponsorship for "Bonolon, Warrior of the Forest" - Continue the donation of picture books - Build stronger ties with children's centers
Assisting in local community revitalization				
	<ul style="list-style-type: none"> - Make examinations for the introduction of a volunteer leave system 	<ul style="list-style-type: none"> - Introduced the volunteer leave system in FY2013 	○	<ul style="list-style-type: none"> - Promote employee participation in community volunteer opportunities
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> - Implement measures against financial crimes promptly, and collect information about new types of crimes 	<ul style="list-style-type: none"> - Cases of cooperation with the police: 61,818 - Reported individual cases, cooperated with the police, and implemented countermeasures in cooperation with the police, etc. 	○	<ul style="list-style-type: none"> - Respond to financial crimes promptly - Cooperate with the police, implement countermeasures, and gather information about new types of crimes

Creating Fulfilling Workplaces

FY2012 Targets/Results and FY2013 Targets

○: Target achieved △: Target nearly achieved ×: Fell significantly short of target

Challenges	FY2012 Targets and Plans	FY2012 Results and Outcomes	Evaluation	FY2013 Targets
Supporting development of employee abilities				
	- Continue to provide training to build staff skills for communicating in foreign languages	- 20 employees took correspondence English classes, 13 took TOEIC examination, 2 employees assigned to work overseas took private lessons, and more employees received training	○	- Enhance support for language learning - Conduct training for female managers
Achieving a work-life balance				
	- Enhance the childcare leave system	- Allowed employees to take paid childcare leave for up to five days - Implemented work-life balance promotion measures including cross-industry gatherings for working mothers	○	- Continue to promote work-life balance by using the daylight saving time system and encouraging employees to leave the office on time
Making use of diverse human resources				
	- Continue implementing measures to maintain the percentage of employees with disabilities	- Percentage of employees with disabilities: 2.29% as of the end of March 2013 - Conducted nursing care training	○	- Continue implementing measures to maintain the percentage of employees with disabilities required by law - Continue nursing care training
Assuring consideration for worker health and safety				
	- Ensure that employees will take consecutive leave - Devise measures to ensure that employees will leave the office on time at least during the targeted week and verify the results	- Percentage of employees who took consecutive leave: 94.9%, Percentage of paid leave taken: 82.6% - Dedicated three separate weeks to encouraging employees to leave the office on time in FY2012; reduced overtime hours	○	- Continue to ensure that employees take consecutive leave - Devise measures to ensure that employees will leave the office on time at least during the targeted week

Personnel Data

Breakdown of number of employees (as of March 31, 2013)	
Full-time employees*	453
Male	309
Female	144
Part-time staff**	103
Employees (full-time employees + part-time staff)	556
New graduate employees hired (males, females)	5 (Males 4, Females 1)
Mid-career employees hired	16
Re-employment	36

	FY2010	FY2011	FY2012
Average length of service (full-time employees)*3	4 years 6 months	5 years 3 months	5 years 7 months
Number of childcare leave recipients (males and part-time staff)	6 (0, 0)	4 (0, 0)	10 (2, 0)
Number of nursing leave recipients (males and part-time staff)	1 (1, 0)	0 (0, 0)	4 (3, 1)
Number of volunteer leave recipients	No system	No system	No system
Percentage of women in management positions*4	7.3%	8.3%	8.0%
Percentage of employees with disabilities	1.97%	2.06%	2.29%
Percentage of paid holidays taken by full-time employees*5	81.8%	75.8%	82.6%
Frequency rate of industrial accidents	0.00	0.00	0.00
Severity rate of industrial accidents	0.00	0.00	0.00

*1 Data includes contractual employees and temporary 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 Remaining holidays from the preceding fiscal year are not included.

Ensuring Compliance throughout the Organization

Seven Bank believes compliance with laws and social norms is a prerequisite for gaining the trust of its stakeholders, so it gives this matter a top business priority. It has established a system to ensure compliance and developed corporate-wide as well as departmental compliance programs that specify tasks, policies, plans, and implementation schedules.



Compliance Standards Card

Pocket-size cards containing our management philosophy and compliance standards are provided to all employees. Employees always carry the cards with them for easy reference.



Compliance Guidelines File

Compliance rules are put together in a file and kept by each employee.

Using this file, employees read out the compliance rules during a morning assembly as a way to raise their compliance awareness.



Brochure on the use of the "Internal Consultation Services"

All employees are provided with a handy brochure that introduces where and how they can get advice about compliance issues as well as rules for using the services.

Awards and Recognition by Outside Parties

Major Awards and Recognition in FY2012

Title of recognition or award	Organizer or awarding organization	Reason for recognition	Recipient
Second place, NICES corporate ranking	Nikkei, Inc.	Comprehensively assessed from five different perspectives of investors, consumers/corporate clients, employees, society, and growth potential	Seven & i Holdings Co., Ltd.
16th Nikkei Environmental Management Survey - Ranked first in the retail and restaurant section (Seven-Eleven Japan) - Ranked third in the retail and restaurant section (Sogo & Seibu) - Ranked fourth in the retail and restaurant section (Ito Yokado)	Nikkei, Inc.	Appreciated for its energy conservation initiatives including use of solar panels and LED lighting as well as visualization of power use via smart sensors Appreciated for its recycling initiatives such as the zero waste program as well as efforts to protect biodiversity and curb global warming via the "Present Tree" program at the Ikebukuro store Appreciated for its Seven Farm program as well as use of automatic PET bottle collection machines	Seven-Eleven Japan Co., Ltd Sogo & Seibu Co., Ltd. Ito-Yokado Co., Ltd.
ES (Employee Satisfaction) Award, Fourth Department Store Awards	The Senken Shimbun Company	Appreciated for its Star Club membership program that recognizes employees, including employees dispatched by its business partners, who demonstrate excellent sales skills	Sogo & Seibu Co., Ltd.
Environmental Education Award, Chiyoda Ward Global Warming-Considerate Action Plan System	Chiyoda Ward, Tokyo	Appreciated for its environmental morning assemblies using monthly Environmental News publications, etc. as well as annual environmental e-learning	Sogo & Seibu Co., Ltd.
Countermeasure Technology Introduction and Dissemination Category of the Minister of the Environment's Commendation for Global Warming Prevention Activity	Ministry of Environment	Appreciated for its installation of energy-saving equipment and devices after the Great East Japan Earthquake	Seven-Eleven Japan Co., Ltd
Outstanding Achievement Award in the Creativity Category, Ministry of Environment's Green Curtain Photo Competition	Ministry of Environment	Appreciated for the idea of growing a green curtain on the glass wall by an escalator leading to the rooftop of the Hiroshima outlet with an aim to raise environmental and energy conservation awareness among local customers	Sogo & Seibu Co., Ltd.
Akita City's Commendation for Best Practice in General Waste Reduction	Akita City	Received a commendation for the second consecutive year, appreciated for its ongoing waste management efforts at the Akita outlet, including use of composters and waste separation instruction for employees	Sogo & Seibu Co., Ltd.
Grand Prix Award, 2012 Eco Drive Competition	Oita Prefecture	Appreciated for the efforts of OFCs in southern and northern Oita to reduce payload and eliminate traffic violations	Seven-Eleven Japan Co., Ltd
Corporate Energy Management Award for 2012 and the 2012 Energy Project of the Year Award (selected from Region IV)	Association of Energy Engineers	Appreciated for its LED lighting retrofit for 4,500 stores in the U.S. and Canada	7-Eleven, Inc.
Food Action Nippon Award 2012 - Grand Prix Award in the distribution category (Seven & i Holdings) - Outstanding Performance Award in the merchandising category (Seven Eleven Japan)	Hosted by Food Action Nippon Committee (co-hosted by Ministry of Agriculture, Forestry and Fisheries)	Appreciated for its efforts aimed at improving food self-sufficiency by featuring rice flour in all processes from product development to product display Appreciated for its efforts to develop original Japanese sweets using only domestically produced ingredients including adzuki beans and rice	Seven & i Holdings Co., Ltd Seven-Eleven Japan Co., Ltd
Facility Development Category of the People-friendly Welfare Town Development Award (Miyazaki District Office)	Miyazaki Prefecture	Appreciated for setting up 111 "Omoyari (thoughtfulness)" parking spaces for people with disabilities, pregnant women, etc., the greatest number of spaces in Miyazaki.	Seven-Eleven Japan Co., Ltd
Citizens Award, Okayama Universal Design Building Contest	Okayama Prefecture	Appreciated for its large number of multi-purpose bathrooms and disabled parking spaces, normalization training for employees, etc. at Ario Kurashiki	Mall & SC Development Inc.
Nikkei MJ Grand Prize, Nikkei Superior Products and Services Awards 2012	Nikkei, Inc.	Appreciated for its shopping service using COMS	Seven-Eleven Japan Co., Ltd
Bronze Award in the General Service Category (Tokyo Metropolitan and Osaka/Kobe areas), 19th Sankei Living Shimibun's Big Help Awards	Sankei Living Shimibun Inc.	Appreciated for convenience of the Seven Meal service	Seven-Eleven Japan Co., Ltd Seven-Meal Service Co., Ltd
2012 GAP Dissemination Award	Japan Good Agricultural Practice Association	Appreciated for its private brands "Traceable Fruits" and "Traceable Vegetables" as well as Seven Farm's GAP initiatives	Ito-Yokado Co., Ltd.
Commendation for Local Welfare Contributor	Shinagawa Ward Council on Social Welfare	Appreciated for Oimachi Store's initiative to allow facilities for the disabled to use its store space free of charge for selling products made by people with disabilities since April 1997	Ito-Yokado Co., Ltd.
Grand Prix, 16th Japan Online Shopping Awards	Electronic Commerce Research Council	Appreciated for the fact that sales of online supermarket operations account for almost 50% of total sales generated by the online supermarket industry	Ito-Yokado Co., Ltd.
Letter of Appreciation	Minister of Economy, Trade and Industry	Appreciated for its efforts to actively promote sales of products from areas hit by the Great East Japan Earthquake, thereby significantly contributing to the reconstruction of these areas	Seven-Eleven Japan Co., Ltd Ito-Yokado Co., Ltd. York-Benimaru Co., Ltd. Seven Net Shopping Co., Ltd.

In recognition of Socially Responsible Investment (SRI) (as of September 25, 2013)

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



Dow Jones Sustainability Index: Member of
DJSI World and DJSI Asia-Pacific.



Morningstar
Socially Responsible Investment Index



ETHIBEL Excellence



ETHIBEL
Sustainability Index Global



SEVEN&i *HLDGS.*

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