

In Focus

Group-wide CSR management

Five specialized sub-committees at Seven & i Holdings evaluate CSR activities by operating companies, identify challenges for the Group and develop appropriate programs.

Emphasizing on effective group-wide CSR management, Seven & i Holdings established CSR Promotion Committee and its five specialized sub-committees at the inception of our organization in September 2005. This system was in full operation from FY 2006. The Committee and its sub-committees have been discussing various issues our CSR activities face—based on their evaluation of each operating company's performance in the related areas—and developing specific measures to address the identified areas for improvement.

In this special section, we would like to focus on these five specialized sub-committees and their activities.

CSR Promotion Committee

(Chairman: COO Observers: outside directors and auditors)

Development and communication of policies

Reporting of performance status and recommendations of future goals

Five Specialized Sub-Committees

Corporate Ethics and Compliance Sub-Committee

Mission

Ensuring all Group employees fully understand and comply with *the Seven & i Holdings Corporate Action Guidelines* (p.2) which stipulates laws, regulations and business ethics the group member must observe

•Key members

(Members of Corporate Ethics Committees and Compliance Promotion Committees of operating companies)

Environmental Management Sub-Committee

Mission

Sharing information on environmental activities, issues, and actions for improvement by operating companies, and developing and promoting environmental policies and activities for the Group

•Key members

(Personnel in environmental departments and staff responsible for waste disposal, logistic operations, and procurement of containers and packaging material)

Fair Trade Sub-Committee

Mission

Ensuring fair trading practices across the Group, both in terms of fairness to customers (fair labeling) and fairness to business partners (fair contracts)

•Key members

(Staff at FT Committee Secretariats and in quality control functions of operating companies (The members consist of those who do not have direct contact with suppliers.)

Social Contribution Sub-Committee

Mission

Developing and establishing group-wide basic policies and guidelines to integrate discrete societal activities by individual companies into consistent and distinctive societal contribution programs across the Group

•Key members

(Staff responsible for societal contribution or human rights advancement at operating companies, and personnel in the Office of Seven-Eleven Green Fund)

Information Management Sub-Committee

Mission

Developing and establishing group-wide basic policies and guidelines to ensure and intensify rigorous systems for personal data protection and information security, as well as sharing information on specific measures implemented and the reporting line for identified and possible risks

•Key members

(Personnel responsible for information systems at operating companies)

Corporate Ethics and Compliance Sub-Committee

The Sub-Committee met in November 2006, and January and April 2007 to review how well individual companies implemented the *Seven & i Holdings Corporate Action Guidelines* (p.2) and internal reporting systems, and to discuss issues identified and their corrective measures.

Key issues identified

- Education for employees on *the Corporate Action Guidelines*
- Awareness-raising of internal reporting systems among employees

The Sub-Committee evaluated the organizational systems and processes and educational programs (content, frequencies and tools) in place at operating companies in order to ensure their employees understand and comply with *the Seven & i Holdings Corporate Action Guidelines* which specify applicable laws, regulations, business ethics and other requirements. It also shared information on how well internal reporting systems are utilized. Additionally, the Auditing Office of Seven & i Holdings inspected the system and process for the reception of information on improper behaviors, how the received information was addressed, and whether the information was reported to the management.

As a result, issues were identified in the following areas: 1) employee education on *the Corporate Action Guidelines*, 2) employee awareness-raising of internal reporting systems and 3) the internal reporting systems' independence from operational divisions, and personal data protection.

Next steps

- Intensification of internal compliance training programs
- More active communication and development of group-wide rules on the internal reporting systems

To address the issues identified, the Sub-Committee will work to: 1) provide compliance training programs on greater numbers of occasions and for a broader range of participants, 2) intensify internal education on the internal reporting systems through posters, leaflets, DVDs and internal newsletters, 3) formulate group-wide standard policies and rules on the internal reporting systems, and 4) regularly report to the COO and the Auditing Office of Seven & i Holdings, as well as the top management of operating companies. On most material compliance matters, employee surveys already conducted by some operating companies will be extended to cover the entire group.

Fair Trade Sub-Committee

The Sub-Committee met in November 2006 and January 2007 to review the systems, processes and activities to ensure fair business—primarily fair product labeling and fair trading contracts with business partners—by operating companies, and to discuss issues identified and their corrective measures.

Key issues identified

- Continual education based on the training manuals
- Verification systems on the nature and processes of transactions

The Sub-Committee reviewed how the operating companies ensure fair trading practices, such as fair labeling of product information and fair contracts with suppliers. Specifically, it examined if the operating companies have transaction manuals in place and what are covered in the manuals, how they provide training programs for their sourcing staff, and how they verify that the trading rules are duly met.

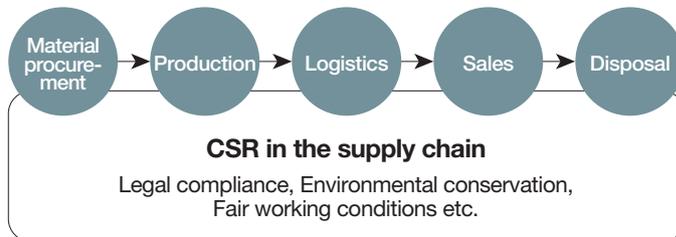
As a result, the following issues were identified in some operating companies: 1) while information labeling manuals and training tools were in place, there was a lack of sufficient implementation of employee training programs; 2) while training for new sourcing staff was thoroughly provided, subsequent ongoing education was insufficient; and 3) a robust monitoring system to check the nature and processes of transactions was yet to establish.

Next steps

- Improvement of education programs on product labeling for sourcing staff
- Development of reporting rules in the event of problem detection
- Discussion on an internal reporting system for business partners

To address the issues identified, as well as to maintain fair trading practice and intensify group-wide risk management efforts, the Sub-Committee will work to: 1) improve education programs for sourcing staff on product labeling and to gradually expand the program participants to include our suppliers, and 2) establish and document reporting rules (including reporting requirements, reporting criteria and reporting channels) when a problem is detected in labeling or trading practice, and 3) discuss the launch of a Seven & i Holdings Business Partner Help Line.

To advance legal compliance, environmental conservation, fair working conditions, and other responsibilities across the supply chain, we have formulated *the Seven & i Holdings Business Partner Action Guidelines*.



Formulation of the Business Partner Action Guidelines in response to globalization of our sourcing partners

As economic activities are increasingly globalizing, products are manufactured by contractors around the globe, using materials sourced from various countries. Against this backdrop, businesses are required to meet their social responsibilities, including legal compliance, environmental conservation and fair working conditions, not only in their own business activities but also in the entire supply chain of their products and services.

With this in mind, the Corporate Ethics and Compliance, and FT Sub-Committees have addressed individual relative issues identified, and discussed how best risk management should be performed at the supply chain level. In March 2007, *the Seven & i Holdings Business Partner Action Guidelines (the "BPAG")* were formulated.

The BPAG covers the following nine areas:

Seven & i Holdings Business Partner Action Guidelines

- | | |
|---|--|
| 1. Legal compliance | 5. Relationship with society and local communities |
| 2. Respect for human rights and dignity | 6. Information management |
| 3. Employment and workplace environment | 7. Commitment to product safety |
| 4. Environmental management | 8. Fair business |
| | 9. Monitoring |

We believe that compliance with *the BPAG* and implementation of CSR will enable our business partners, Seven & i Holdings and our operating companies to increase respective enterprise value.

Development of Practice Instructions on the Application of the BPAG at operating company level

Toward full application of *the BPAG* within the year ending February 2008, our operating companies are developing their respective instructions to ensure their business partners comply with *the BPAG*.

In this connection, the operating companies

are setting up education programs for sourcing personnel to elicit understanding and compliance with *the BPAG* by their business partners. Furthermore, we are planning to develop group-wide rules, standards and monitoring programs, based on which our operating companies will individually define which suppliers, supplied items, locations (countries and regions) and contacts should be applied to *the BPAG*.

Discussion on a Business Partner Help Line (tentative) toward a sound application of the BPAG

We believe that *the Seven & i Holdings Business Partner Action Guidelines* will serve as a basis to increase enterprise value of both of our business partners and our group, based on mutual understanding of the underlying philosophy.

In order to elicit voluntary compliance with *the BPAG*, we will deliver a thorough explanation to gain buy-in from our business partners. For appropriate operation of *the BPAG*, we are also preparing a Business Partner Help Line (named tentatively), a contact point for consultation of overall trading practices and/or for reporting of trading misconduct.

Environmental Management Sub-Committee

At its first meeting in November 2006, the Sub-Committee reviewed environmental activities by the operating companies, and agreed that working groups should be set up to discuss selected priority environmental issues. The Waste Management Working Group, the Logistics Working Group and the Containers and Packaging Working Group were established and held their first sessions in January, February and March 2007, respectively, to discuss measures to deal with legal requirements and to reduce environmental burdens.

Results of the review

Selection of group-wide priority areas—waste management, containers and packaging, and logistics and launch of the three working groups
Companies of the Seven & i Holdings Group operate in various business categories—convenience stores, general merchandise stores, department stores, food supermarkets and restaurants—with different sizes of business, and produce their environmental data with different scopes and boundaries under different methodologies. However, there are a number of common goals and objectives in their environmental initiatives. Therefore, sharing experiences, success stories and lessons learned with other group companies will upgrade the overall environmental activities of the Group.

To this end, the Sub-Committee launched working groups on three top priorities—food waste, containers and packaging, and logistics. These three areas were selected in that there is strong and growing public demand for vigorous actions by retailers and restaurant operators and that related laws were or will be revised.

Next steps

Waste Management Working Group

Group-wide promotion of recycling of food waste, modeled on advanced initiatives at Seven-Eleven
The Working Group focused its discussion themes on food waste, including its effective disposal and recycling, to respond to the Amended Food Waste Recycling Law approved by the Cabinet in March 2007.

The Working Group recognized that there is great variety in types, separation methods and volumes of food wastes generated by our stores and offices, but it concluded that the Group would be able to achieve higher recycling rates if food wastes from different operating companies in the same local areas can be collected efficiently and to be recycled as compost or livestock feed. Therefore, we are working closely with local farmers and livestock farmers to create an effective mechanism for food recycling, modeled on the recycling loop system (p.39) that Seven-Eleven Japan has already in place in some areas.

Container and Packaging Working Group

Promotion of reduced consumption of shopping bags and food containers to meet and exceed relative industry reduction goals

The Amended Container and Packaging Recycling Law, effective in April 2007, requires businesses who consume more-than-a-specified volume of packaging material, such as shopping bags and food containers, to report to the Japanese government on their annual consumption of the applicable material, and specific measures and targets to reduce the consumption.

Our approach to packaging reduction is that each operating company should achieve targets set by their industry bodies, rather than establishing a group-wide reduction target. This policy reflects the fact that there is a great diversity in store formats and products within the Group.

On the other hand, the Working Group has been intensifying reduction activity across the Group by sharing the updates of each company's efforts, including pilot programs on paid-for shopping bags by Ito-Yokado and York-Benimaru (commenced in June 1, 2007), and feedback from customers.

Logistics Working Group

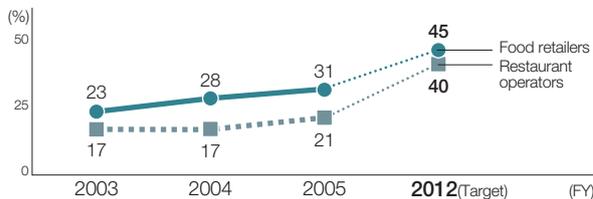
Promotion of collaborative efforts with delivery service operators to streamline our logistic systems and improve energy efficiency of the Group by 1% or more each year

The Amended Law on Rational Use of Energy, effective in April 2006, requires that in addition to commercial carriers, businesses who annually transport their own cargo for 30 million ton-km or more develop energy saving programs and report their annual energy consumption.

The Working Group concluded that none of our operating companies are subject to this amended law, because of the nature of their trading contracts or their annual transportation distance records below the specified levels. Nevertheless, recognizing that improvement of logistics efficiency and reduction of environmental impact is an important social responsibility for a group with a nationwide store network, Seven & i Holdings is working together with its business partners and their carriers to keep track of relevant data, such as fuel consumption, CO₂ emissions, travel distance and loading rates, and to improve the Group's energy efficiency by at least 1% annually in terms of per unit energy consumption.

Strengthening of our food waste recycling programs toward a recycling society

Recycling rate of recyclable food resources in the food industry



Source: the Ministry of Agriculture, Forestry and Fisheries of Japan



Group-wide initiatives to reduce food waste and to intensify the recycling of food waste to create compost or livestock feed

While modern economies underpinned by mass production, mass consumption and mass disposal has improved our living standards, they have also produced negative by-products, including lack of waste disposal capacities, depletion of natural resources and degradation of the global environment. To address these problems, the Basic Law for Establishing the Recycling-Based Society, and the Food Waste Recycling Law came into effect in January and May 2001, respectively. Furthermore, the Amended Food Waste Recycling Law was approved by the Cabinet in March 2007.

Seven & i Holdings and its operating companies are committed to addressing these problems by not only satisfying these aforementioned legislative requirements but also raising the bar of our food waste reduction activities. In light of Japan's food self-sufficiency ratio of only 40%, we are also improving the quality of our recycling programs. Our goal is to contribute to successful development of Japan's agricultural and livestock industries, through the establishment of a recycling system to make compost and livestock feed from food waste.

Toward this goal, the Waste Management Working Group under the Environmental Management Sub-Committee is studying how we should develop and operate a "recycling loop (p.39)" system. By promoting this and other initiatives, we will continue playing an important role in creating a recycling society.

Seven-Eleven

Collection and recycling of expired food products through its original Eco-Distribution system

Seven-Eleven has started recycling and composting of expired food products in the central Tokyo area since March 2003. This practice, using the original Eco-Distribution system that centrally disposes the collected store waste, has been extended to cover 1,618 stores by August 2007. Some of the stores even close a recycling loop by procuring agricultural or livestock produce grown with recycled livestock feed or compost.

Ito-Yokado

Financial support for recycling activities by disposal vendors to expand our food recycling programs

To facilitate recycling of food waste, Ito-Yokado launched the Food Waste Recycling Financial Support Program (p.56) in FY 2002. The program covers a part of recycling costs for contract waste management companies recycling of food waste in proportion to the volume of waste disposed.

Millennium Retailing

Installation of compost machines in the store to reduce food waste generation

Four outlets of Seibu department stores have installed compost machines to make compost from raw refuse from staff cafeterias, restaurants and food floors. The resulting compost is provided to neighboring farmers, and the produce grown by them will be put on the shelves of Seibu department stores.

York-Benimaru

Recycling of food waste to make poultry feed for the private-label eggs, *Kenyo-Ran*

York-Benimaru recycles inedible parts of fish, accounting for 20% of the overall food waste, to create poultry feed and provide it to contract egg farms. Eggs produced by the contract poultry operators are sold at all York-Benimaru stores under the private-label brand, *Kenyo-Ran*.

Denny's (currently Seven & i Food Systems)

Recycling of food waste (accounting for 42% of all waste generated), using Seven-Eleven's Eco-Distribution system

Denny's has been recycling and composting raw refuse under the shared Eco-Distribution system with Seven-Eleven, starting with 20 stores in Tokyo and 2 stores in Aizu-Wakamatsu, Fukushima in FY 2003.

Information Management Sub-Committee

The Sub-Committee held its first meeting in February 2007 to review each operating company's information management and security measures and to discuss how to create a system environment that optimizes information sharing and exploitation within the Group.

Results of the review

Intensified security measures at the company level required to rev up information sharing and use. The Sub-Committee reviewed each operating company's information management and security measures to discuss future initiatives to facilitate intra-group information sharing and exploitation.

As a result, it concluded that group-wide efforts are needed to reinforce the prevention of information leakage and unauthorized access and that existing policies and rules at operating companies should be reexamined against *the Seven & i Holdings Information Security Policy*. The Sub-Committee also agreed that it will monitor operating companies' information management and security programs on an ongoing basis.

Next steps

Improvement of IT general controls for greater effectiveness and efficiency in information management systems

To facilitate group-wide information sharing and exploitation, the Sub-Committee will focus on "IT general controls," under which the information management practices of operating companies are centrally controlled to improve their effectiveness and efficiency. Specifically, the following six key steps will be taken:

1. Strengthening of IT management
Developing system plans under the guidelines for information system development, in line with management strategy
2. Program development
Developing relevant programs in accordance with *the Guidelines for Program Development Processes*
3. Program change
Establishing a set of unified procedures for program change
4. Computer management
Developing a *Manual for Contingency Planning and Disaster Recovery* in the event of a system failure or emergency and conducting related drills on a regular basis
5. Access control
Executing rigorous user identification and password control in line with the information security policy and other relevant rules
6. Outsourcing management
Monitoring and modifying existing sourcing criteria and structures on an ongoing basis

Social Contribution Sub-Committee

The Sub-Committee held its first meeting in February 2006 to review each operating company's societal activities and underlying objectives. Based on the findings during the first gathering, the Sub-Committee developed the basic policy on and the action guidelines for social contribution activities by Seven & i Holdings in its second meeting in November 2006, with additional members from new entrants to the Group, Millennium Retailing and York-Benimaru.

Results of the review

Discussion on "right things to do" to develop group-wide basic policy

In consideration of "what activities should be implemented as a responsible corporation to contribute to societal and cultural development?" the Social Contribution Sub-Committee assessed societal and cultural activities individually performed by operating companies in terms of the relevancy to their business and the contributions to solving societal issues.

As a result, the Sub-Committee concluded that the Group's approach to societal and cultural activities should be defined in the forms of basic policy and action guidelines. It also agreed that a basic policy would be developed under the following principles:

Principles of the basic policy

1. Following the spirit of *the Seven & i Holding Corporate Action Guidelines*
2. Looking at domestic and global issues, rather than existing programs
3. Addressing issues of long-term impact, rather than transient ones
4. Leading to activities which make the most of the seven principle business domains of the Group
5. Defining priority areas
6. Monitoring and modifying relevant criteria and structures on an ongoing basis

After taking inventory of and prioritizing domestic and global issues based on the principles above, *the Seven & i Holdings Basic Policy on Social and Cultural Contribution, and Social and Cultural Contribution Action Guidelines* were formulated in June 2007. These are available on the website of Seven & i Holdings.

Next steps

Implementation of new initiatives in line with the basic policy and the action guidelines

The Sub-Committee will work to upgrade societal and cultural activities of the Group, departing from company-specific initiatives to develop consistent programs governed by the group-wide policy and guidelines. It will also develop unique and innovative societal and cultural programs under the new policy.

Furthermore, it aims at expanding the Group's contribution areas, such as introduction of fair trade products, to help the international community address global issues.

Basic Policy on Social and Cultural Contribution

In the spirit of *the Corporate Action Guidelines*, Seven & i Holdings and its operating companies and affiliates will build and maintain harmonious relationships with local and international communities through collaboration and cooperation. By doing so, we intend to make positive contributions to a peaceful and prosperous living environment as a member of local and international communities based on the recognition that contributing to the society and cultural development is an important social responsibility.

Social and Cultural Contribution Action Guidelines

Seven & i Holdings and its operating companies and affiliates will determine priority areas and policies for social and cultural contribution activities in accordance with *the Basic Policy on Social and Cultural Contribution*, aiming to make positive contributions to solving societal issues and creating a sustainable society.

Priority areas

1. Support for children and young people who will create future society
2. Support in creating safe and secure local communities in which everybody live at ease
3. Conservation of local and global environment
4. Preservation and development of culture and art, and promotion of sport
5. Eradication of poverty throughout the world
6. International cooperation and exchange
7. Disaster relief

Implementation criteria for social and cultural contribution activities

Our social and cultural contribution programs will be determined based on the following criteria:

1. Serving social and public interests and anticipating broad public approval
2. Relevant to our business activities
3. Relevant to international issues

Activity forms

Our social and cultural contribution activities will be performed in the following forms:

1. Original Seven & i Holdings programs

2. Financial support, such as donation and financial contributions
3. Support of employees' volunteer activities
4. Collaboration with and financial support for non-profit or non-governmental organizations

Review and update

Seven & i Holdings will actively communicate our social and cultural contributions internally and externally.

At the same time, we will monitor the performance and efficiency of such activities on a regular basis for continual improvement, in order to keep abreast with changing society.

Highlight of social contributions by Seven & i Holdings

The ninth Nagano Olympic Commemorative Nagano Marathon

Seven & i Holdings is a special sponsor of this annual marathon event, which aims at contributing to the development of sport and culture in the local community. Participants include both top-level Japanese and international athletes, and recreational runners, competing together in a single race.



Date: April 15, 2007
Participants: 7,002 runners

Donation to the victims of Java Earthquake

In the wake of 2006 Java Earthquake, we operated an in-store fund-raising campaign, calling on our customers to make a donation to the victims, and delivered the collected fund to the Japanese Red Cross Society. This is one of the latest examples of how we responded to provide prompt support for those who suffered from serious disasters.



Donation during FY 2006

Target	Number of participating stores	Donation period	Total donations
Java Earthquake	12,281 stores	May 30-June 11, 2006	¥60,015,260
Torrential rain damage in Japan	12,346 stores	July 26-August 6, 2006	¥27,661,286

Our group-wide commitment to the safety and reliability of our products

In recent years, consumers have been interested in and concerned about a broader range of elements in products, from safety and reliability of food products—such as Bovine Spongiform Encephalopathy (BSE), avian influenza, residual pesticides and food allergens—to those of apparel and household products, including health problems caused by formaldehyde and other heavy metals, and accidents due to substandard products.

In response, Seven & i Holdings and its operating companies not only ensure full compliance with all relevant laws and regulations, but also have established internal quality standards that are more stringent than regulatory requirements. With a combination of compliance with regulatory and internal standards, and thorough quality inspections at product procurement and ongoing in-store monitoring, we will provide safe and reliable products to our customers.

Policies of Seven & i Holdings

● Residual pesticides

With regard to national brand products, we confirm legal compliance and product safety with respective manufacturers of the products. For in-house products, such as lunch box meals, we perform internal inspection programs.

● Food allergens

When procuring, we check food products against respective ingredient fact sheets to verify that reportable ingredients are displayed on the label.

● Food additives

We do not approve of the use of food additives unless their safety is scientifically verified and they are approved by the Ministry of Health, Labor and Welfare of Japan.

● Hygienic control

We ensure that all store back rooms and sales floors are under hygienic conditions and that sell-by dates of our merchandise are strictly monitored. We also require our suppliers to conduct hygienic control on their factories and periodically pay monitoring visits.

● Apparel and household products

When sourcing, we verify the compliance of applicable laws and industry standards of the products, by reviewing relevant documents, such as quality statements and inspection reports (on material, needle contamination, durability, etc) which are provided by the suppliers. For some products on which no applicable industry standards are in place, our operating companies ensure the same high quality levels by developing and executing their strict internal standards.



Key performance by operating companies

Seven-Eleven

- Discontinuation of the use of any artificial colors and preservatives in its Daily Product items, such as lunch boxes, sandwiches, burgers and filled bread, and side dishes.
 - Reduction of trans-fatty acids in our original brand breads, *Yakitata-Chokuso-Bin*, since March 2006
 - Discontinuation of the use of phosphate in hams and sausages for sandwiches since March 2007
- (For more details, please see p.32.)

Ito-Yokado

- Sales of Christmas cakes without dairy products, eggs or flour on a limited basis since 2004. In 2006, puddings, sponge cakes with whipped cream and other new products were added to this product line.
- (For more details, please see p.47.)
- Restrictions on formaldehyde have expanded to cover original brand apparel products
 - Establishment of internal standards on total heavy metal content of accessories and toys to strengthen quality control on these products.

Millennium Retailing

- Establishment and implementation of internal quality standards on apparel products, in terms of color-permanence, durability, wash-fastness, sewing quality and other elements.
 - Monthly third-party inspection on products on the shelves of its large-scale stores
- (For more details, please see p.62.)

York-Benimaru

- Under the cooperation with suppliers, tracking and management of background information of food products (e.g. locations of origin and cultivation conditions)
 - Sales of original brand of fresh produce, *Mukkun*, grown with a soil improvement agent, *Mukudai*, which minimizes the use of chemical fertilizers or pesticides.
- (For more details, please see p.77.)

Denny's (currently Seven & i Food Systems)

- Purchase and use of food ingredients which have cleared inspections under the strict internal quality standards only
 - Strengthening of store hygiene control systems and employee education programs, by utilizing the management systems for which Quality Control Office obtained ISO 9001 certification in 2006.
- (For more details, please see p.88.)

Advancement of employee diversity in our workplace

Seven & i Holdings and its operating companies are collectively working to create a workplace where each and every employee of our group can work comfortably and excitedly.

As workplace inclusion (regardless of gender, age, nationality, etc.) is increasingly becoming important, especially considering the declining birthrate and aging population in Japan, we recognize, respect and foster employee diversity so that all our employees are able to do their job with a sense of fulfillment and rewarding.

Policies of Seven & i Holdings

● Advancement of female workers in the workplace

We will create a workplace where women can realize their full potential. We will actively promote increased female representation in managerial positions. As of May 31, 2007, women accounted for 7.1% of the directors and officers (i.e., internal and external directors, auditors and executive officers) at Seven & i Holdings and its five major operating companies.

● Employment of the elderly

Each operating company will develop a re-employment program, tailored to their business activities.

● Support for employees' childbirth, child-rearing and nursing-care

We have developed the "Re-Challenge Plan" program applied to the entire Group to support employees who have young children or family members who need nursing-care.

● Fair treatment of part-time employees

We ensure fair evaluation and treatment of part-time employees under the same appraisal systems as full-time employees.

● Employment of people with disabilities

Seven & i Holdings and its operating companies are striving to create a workplace that enables people with disabilities realize their full potential. For people with severe disabilities, we have established and operate a qualified special subsidiary, K.K. Terre Verte. As of June 1, 2007, people with disabilities represented 2.09% of the workforce of Seven & i Holding Group*.

* The Group includes Seven & i Holdings, Terre Verte, Seven-Eleven, Ito-Yokado and Seven & i Food Systems



Key performance by operating companies

Seven-Eleven

- People with disabilities are working in wide-ranging positions, including accounting, headquarters administration and sales (For more details, please see p.38.)
- As of February 28, 2007, about 160 members, or 8%, of leadership positions (e.g. franchisee advisors, store developers) were women, including two director and officers.

Ito-Yokado

- As of February 28, 2007, about 800 members, or 17%, of managerial positions in the headquarters and stores were women, including three executives (director, auditor, executive officer).
- As of June 1, 2007, about 600 people with disabilities were employed. (For more details, please see p.53.)

Millennium Retailing

- As of May 31, 2007, about 250 women were in managerial positions, including one director.
- Promoting a "family-care friendly" workplace that allows employees to easily take leave for childbirth, child-rearing and nursing-care. All employees were provided with a guidebook on taking such leave or working while taking care of family members. (For more details, please see p.69.)

York-Benimaru

- As of July 2007, females represented about 30% of managerial positions of the company; 550 women (including two store managers) at its stores and 7 members at the headquarters.
- During the year ended February 2007, 38 employees took leave or worked shorter hours to take care of their family under the group-wide program, Re-Challenge Plan. (For more details, please see p.81.)

Denny's (currently Seven & i Food Systems)

- Creation of two new promotion systems, under which part-time workers are eligible to become store manager based on their abilities, and high-performing quasi-regular employees can be promoted to regular employees.
- As of February 28, 2007, about 460 members, or 30%, of managerial positions were women, including executive officer, store managers and general managers. (For more details, please see p.95.)