

We have a distinct separation of management oversight and business operation responsibilities to ensure the transparency and reliability of our business and increase business efficiency throughout our Group.

Our mission, as a holding company that oversees and controls its operating companies, is to strengthen corporate governance and maximize the enterprise value of our Group. In corporate governance, we implement initiatives in four issues: (1) operational effectiveness and efficiency, (2) reliability of financial reports, (3) strict compliance with laws and regulations in operating activities, and (4) appropriate preservation of assets. The objective of these initiatives is long-term growth in enterprise value.

Basic structures and systems

Corporate governance system underpinned by the executive officer and corporate auditor systems

As of October 31, 2008, the Board of Directors at Seven & i Holdings comprised 12 members, of whom three were outside directors. The term of directors has been set at one year to ensure prompt reflection of the wishes of shareholders.

In order to facilitate prompt decision making and execution, we have introduced the executive officer system. Under this system, the supervisory functions of the Board of Directors are separate from the execution functions of the executive officers. The Board of Directors is able to focus on the formulation of management strategies and the supervision of business execution, while the executive officers can focus on business execution.

We also monitor management through a system

of corporate auditors. As of October 31, 2008, the Board of Corporate Auditors comprised five members, including three outside corporate auditors. Each corporate auditor takes steps to audit the work of the directors, such as attending meetings of the Board of Directors and other important meetings, exchanging opinions with the representative directors, and receiving reports from directors.

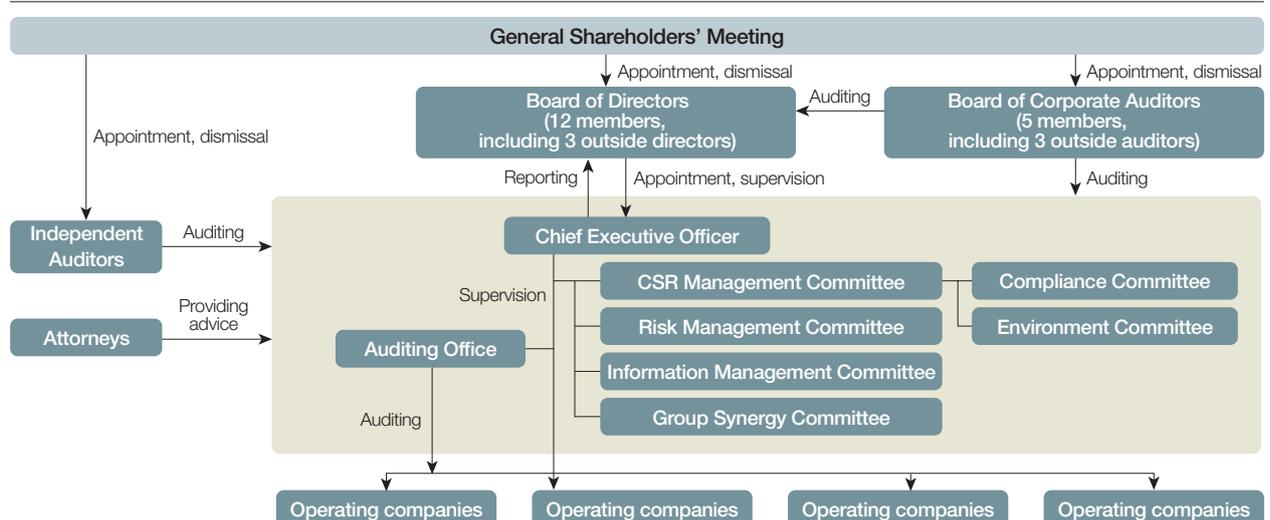
Furthermore, we have established the Auditing Office responsible for the internal audits of our Group. It works closely with corporate auditors and verifies the internal auditing of operating companies and providing guidance to them. The Office also has internal auditing responsibility for the holding company itself.

Strengthened corporate governance by introduction of outside directors, outside corporate auditors and special committees

To ensure proper management oversight, some of our directors and corporate auditors' positions are assumed by external individuals. We assign employees to assist the outside directors and outside corporate auditors to facilitate smooth information exchange and close interaction with the inside directors and standing corporate auditors.

To strengthen corporate governance and maximize Group enterprise value, we have also established the CSR Committee, Risk Management Committee, Information Management Committee, and Group Synergy Committee, which directly report to the Chief Executive Officer.

Corporate governance system



Investor relations basic policy and activities

Fulfilling responsibilities to shareholders and other investors, guided by the corporate creed

The corporate creed of Seven & i Holdings starts with the sentence, "We aim to be a sincere company that our shareholders trust." To realize this credo, we take actions from shareholders perspectives and strive to improve the Group's financial strength, transparency and efficiency, as well as to secure steady profit growth, expand and develop our group business, and disclose information in a timely and proper manner.

Active communication with investors

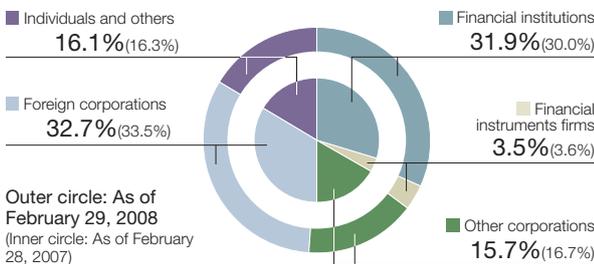
Seven & i Holdings sends notice to shareholders of the annual meeting earlier than the statutorily required date to improve the vibrancy of the meeting and to facilitate smooth exercise of voting rights. For institutional investors, our notice of the annual shareholders meeting is posted on the membership websites of several trust banks. We have also participated in an online proxy voting system for institutional investors, called the "ICJ Platform."

At Seven & i Holdings, inquiries from shareholders are directly addressed by staff of the relevant department so as to ensure timely and appropriate responses. In addressing questions from investors, our staff members strictly comply with laws and regulations

Summary of the latest annual shareholders meeting

- Date: Thursday, May 22, 2008
- Meeting duration: 106 minutes
- Attendants: 854 persons
- Voting rights exercised: 78.28%

Shareholder composition



and pay due consideration to provide fair information.

We are also focusing on investor relations programs to disclose adequate and appropriate information to investors and financial analysts. From FY 2008, the Disclosure Sub-Committee is in place under the Information Management Committee to ensure our financial and other important information is disclosed in an accurate, fair and timely manner. In addition, our website includes relevant information for investors, such as financial results (*Kessan Tanshin*), real-time disclosure information, other IR material, and stock information.

External recognition

In recent years, there has been growing attention to socially responsible investment (SRI), which evaluates a corporation's performance holistically, considering both financial and non-financial elements of the company. Seven & i Holdings has been included in a number of Japanese and international SRI funds, including FTSE 4 Good Global Index.*

We use bond credit rating services by rating agencies to provide shareholders a referential indicator to help them understand the financial conditions of our Group.

* A SRI index developed by UK-based FTSE Group



FTSE4Good

Credit quality (as of October 30, 2008)

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

* Seven-Eleven Japan's short-term rating is its rating as the guarantor of 7-Eleven, Inc.'s commercial paper program (from January 2006).

We have strengthened our CSR management system to ensure our operating companies are fully responsible to society under further effective management and oversight.

Seven & i Holdings and its operating companies believe that sincere interactions with our stakeholders, including shareholders, customers, business partners, local communities, and employees, is the center of our CSR activities.

To make this happen anytime anywhere, we at Seven & i Holdings need to manage our operating companies to ensure they are responsible to their stakeholders, in addition to fulfilling our own responsibilities to our shareholders and operating companies.

With this in mind, we have established the CSR Management Committee, the Risk Management Committee and the Information Management Committee. These three committees are working closely with relevant operating companies to enhance our stakeholder engagement activities, which aim to incorporate stakeholders' views into our business operations.

These committees also periodically review and evaluate each operating company's performance of related areas. Such findings and results will be reflected in the future management objectives of our Group and of individual operating companies. By doing so, our entire Group aims to work in unison to take our CSR activities to the next level.

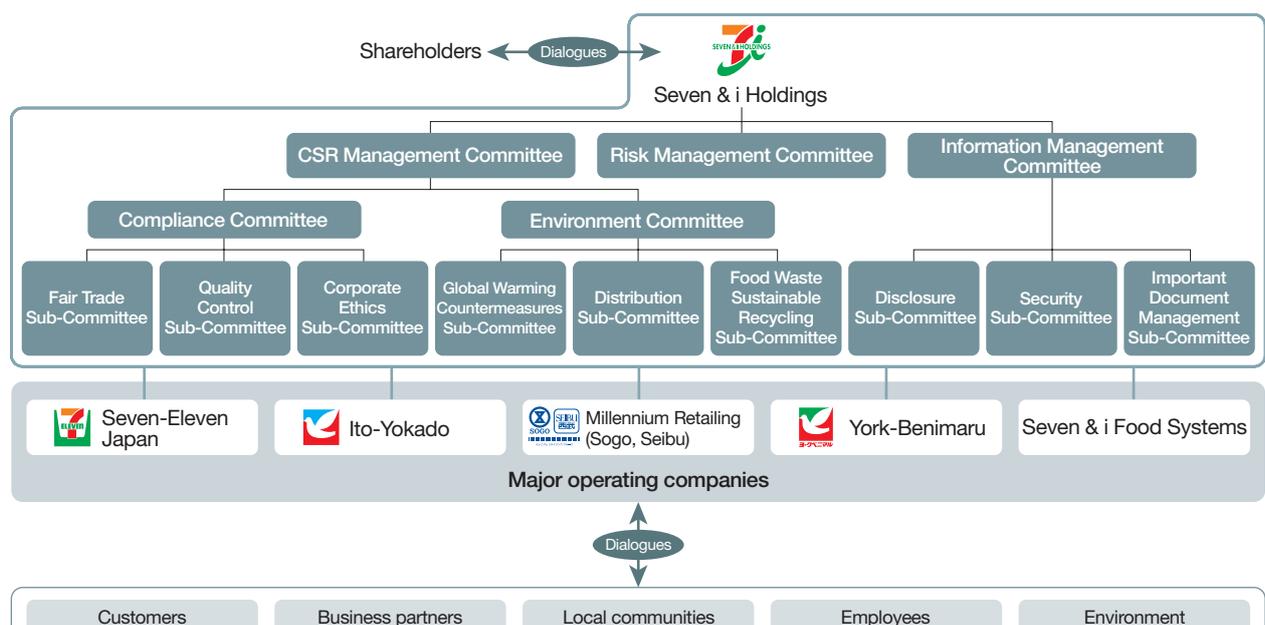
Basic structures and systems

Establishment of the CSR Management Committee responsible for promoting groupwide CSR activities

At the inception of our organization, we established the CSR Promotion Committee and its five specialized sub-committees to facilitate effective stakeholder engagement activities. It was part of our efforts to develop a mechanism to centrally review and evaluate the CSR performance of our operating companies.

In February 2008, however, we decided to reorganize the CSR Promotion Committee with the clear separation of promotion function and oversight function, aiming to achieve even more effective, prompt implementation. To this end, the committee's functions were allocated to three separate committees: the CSR Management Committee that promotes CSR activities, the Risk Management Committee, and the Information Management Committee that has responsibility for the Group's overall information management. . In addition, the Compliance Committee and the Environment Committee were set up under the CSR Management Committee.

CSR management system



● Compliance Committee

The Compliance Committee, chaired by our Managing Executive Officer, consists of the Fair Trade, the Quality Control, and the Corporate Ethics Sub-Committees.

To strengthen the compliance system and process of the entire Group, the committee is working to develop action guidelines applicable to all operating companies, consolidate the contact points of company-specific help lines, and formulate written rules defining how to respond to identified nonconformity with applicable laws, regulations and rules. The committee is also focusing its efforts on educating newly joined operating companies about our Group's policies on fair business practices, as well as establishing a system to share product/food safety information among our operating companies and setting up clear rules on how to report and respond in case of the occurrence of product-related incidents.

● Environment Committee

The Environment Committee, chaired by our Managing Executive Officer, consists of the Global Warming Countermeasures, the Distribution, and the Food Waste Sustainable Recycling Sub-Committees.

This committee is responsible for strengthening our environmental risk management system applied to the entire Group, whether in Japan or abroad, and for deliberating and determining how we should address environmental issues as a single group. The committee also develops groupwide targets on global warming prevention, food waste and packaging materials' recycling, and waste disposal. It also provides various support for the operating companies' green actions.

Strengthened risk management system

To operate a more sophisticated risk management system, we formulated the Risk Management Rules and relaunched and enhanced the Risk Management Committee in February 2008. The objective of the rules is to manage the risks of our entire Group, i.e., Seven & i Holdings, subsidiaries and affiliates, in a unified manner as a part of our Group's internal control system.

Under the new rules, the Risk Management Committee discusses detailed risk management policies and implementation thereof, and provides the overall direction of our risk management practices. Aiming at continuous improvement of our risk management system, the committee also conducts periodic risk identification, analysis and evaluation, the findings from which are incorporated in future policy development.

Strengthened information management system

In February 2008, we launched the Information Management Committee that oversees information management across the Group. Concurrently, we formulated the Basic Rules on Information Management to specify the system and measures required for proper handling and management of information. In line with the rules, this committee operates and improves the Group's information management system; identifies, analyzes and evaluates associated risks; and develops necessary actions to deal with such risks.

CSR at Seven & i Holdings in number (as of February 29, 2008, specified otherwise)

	Seven-Eleven Japan	Ito-Yokado	Millennium Retailing		York-Benimaru	Seven & i Food Systems
			Sogo	Seibu		
Revenues (¥ million) ¹	2,574,306	1,464,094	495,336	461,079	319,931	113,472
Number of stores	12,034	176	12	16	149	1,047
Number of employees	11,671	43,013	5,417	4,940	12,140	16,883
Percentage of part-timers ²	54.6%	76.2%	50.2%	53.0%	81.2%	89.3%
Average length of service of regular employees	7 yrs 6 mons	16 yrs 11 mons	17 yrs 4 mons	20 yrs 1 mons	12 yrs 8 mons	13 yrs 6 mons
Percentage of women in managerial positions ³	0.5%	16.2%	16.7%	28.3%	29.0%	15.5% ⁴
Percentage of employees with disabilities	2.1% ⁵	2.1% ⁵	1.58%	1.78%	1.98% ⁶	2.1% ⁵
Number of parenting leave users (Number of part-timers)	27 (0)	218 (66)	31 (8)	22 (14)	25 (7)	47 (41)
Frequency rate of occupational injuries	2.39	1.84	1.15	1.1	2.74	18.56
Severity rate of occupational injuries	0.008	0.03	0.01	0.02	0.03	0.02
CO ₂ emissions (t-CO ₂) ⁷	902,471	700,535	163,222	143,883	155,068	110,334 ¹⁰
Waste generated (tonne) (Recycling rate)	308,752 (46.9%) ⁸	158,496 (58.6%)	17,879 (40.8%)	16,870 (60%)	46,405 (52%)	19,881 (25.2%) ¹⁰
Recycling rate of food waste ⁹	18.1%	24.7%	36.6%	38.3%	21.7%	20.4% ¹⁰

1. Seven-Eleven's figure represents the total revenue of the stores across the chain. Seven & i Food Systems figure incorporates the six-month revenues of its three former companies (Denney's Japan, Famil and York Bussan) which were integrated in September 2007.

2. Monthly average headcount calculated on the assumption that one month consists of 163 hours (8 hours/day).

3. Officers are excluded from the calculation.

4. Managerial position refers to deputy store managers or higher, including those taken by part-timers.

5. The percentage of workers with disabilities at the five qualified group companies of Seven & i Holdings as of June 1, 2008. The qualified group companies are: Seven & i Holdings, Terre Verte (special subsidiary for severe disabilities), Seven-Eleven, Ito-Yokado, and Seven & i Food Systems.

6. As of September 30, 2008.

7. The figure of Millennium Retailing represents the emissions from energy consumptions at stores. The figures of the other companies include distribution-related CO₂ emissions.

8. Calculated based on the average waste per store in Tokyo during the calendar year of 2007.

9. Seven-Eleven's rate is based on the performance of its roughly 1,000 stores in Tokyo, which includes the recycling rates of used cooking oil related to the introduction of new fryers during FY 2007. Sogo and Seibu's figures reflect the amount of waste reduced. The rates of Seven-Eleven, Ito-Yokado, York-Benimaru and Seven & i Food Systems do not take this factor into consideration.

10. Figure of Denny's Japan only.

To fulfill our commitment to compliance throughout our Group, we are promoting necessary systems and processes to implement our Corporate Action Guidelines.

To ensure full compliance with the Seven & i Holdings Corporate Action Guidelines, and all applicable laws and regulations, Seven & i Holdings has established Corporate Ethics Committees or assigned fulltime employees with responsibility for compliance and sound corporate actions, in each operating company.

These committee members and the specially assigned employees are involved in the Compliance Committee under the CSR Management Committee to better implement the Guidelines and improve the quality of related activities by bringing them together to share their knowledge and experience, establishing a

common understanding on this area and discussing measures to upgrade their activities.

At the operating company level, “Help Lines” and “Yellow Whistle” systems, which allow its employees to report or consult on actual or possible wrongdoings, are in place for the purpose of deterrence and prevention of, and early solution to any behaviors or actions against the Corporate Action Guidelines. The systems are operated in a way to protect the informants from any disadvantage. For example, employees can even use the systems anonymously.

Compliance system



Compliance-related initiatives at major operating companies

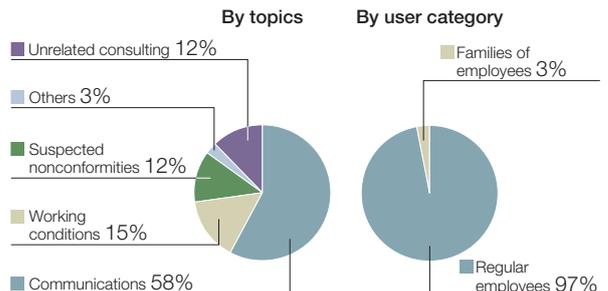
Seven-Eleven Japan

During FY 2007, all new employees of Seven-Eleven Japan received a copy of the Code of Conduct and participated in a training program on human rights. In addition, meetings of the Corporate Policy/Development Office, general staff meetings and many other occasions were used to raise employee awareness and improve compliance.

Employees also received an internal message in June 2007 to encourage access to the Help Line whenever necessary.

Access to Help Line System during FY 2007

Total access: 33 (13 in the previous year)

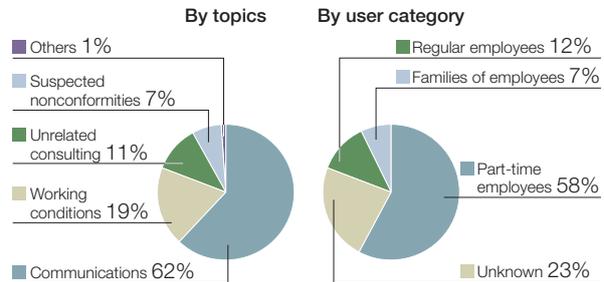


Ito-Yokado

In March 2007, Ito-Yokado developed a compliance training DVD for store management staff and distributed it for store-level education. All Ito-Yokado stores also displayed a revised poster to encourage greater employee awareness and use of the Help Line.

Regular compliance training programs for new employees and new managers were also implemented.

Access to Help Line System during FY 2007
Total access: 228 (142 in the previous year)

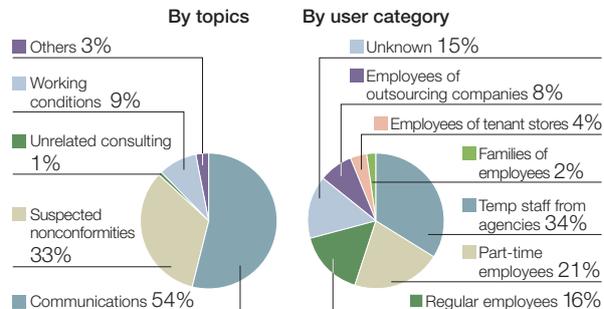


Millennium Retailing

Millennium Retailing developed a new version of Yellow Whistle system posters and had its stores display them to encourage greater employee awareness and more effective use of the system.

The company also conducted regular compliance training programs. The FY 2007 program was focused on more specialized topics than last year, and was targeted at sales floor leaders, such as the managers of the Administrative and the Sales Promotion Departments.

Access to Help Line System during FY 2007
Total access: 127 (134 in the previous year)

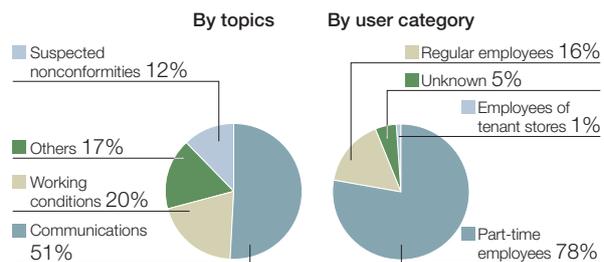


York-Benimaru

York-Benimaru revised its Business Ethics Action Guidelines in March 2008 and distributed copies to the management staff at the headquarters and stores, as well as to new employees and new store managers. The company also focused on compliance education for affiliate companies' employees.

Awareness-raising posters were also displayed in stores to facilitate more recognition and use of the Help Line.

Access to Help Line System during FY 2007
Total access: 75 (60 in the previous year)

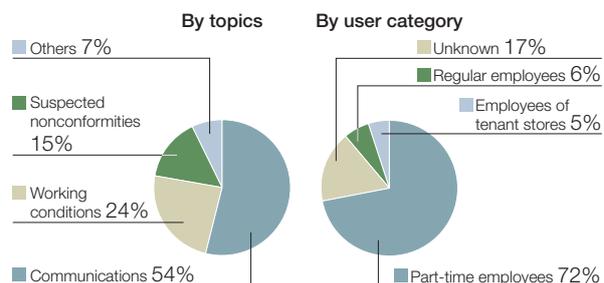


Seven & i Food Systems

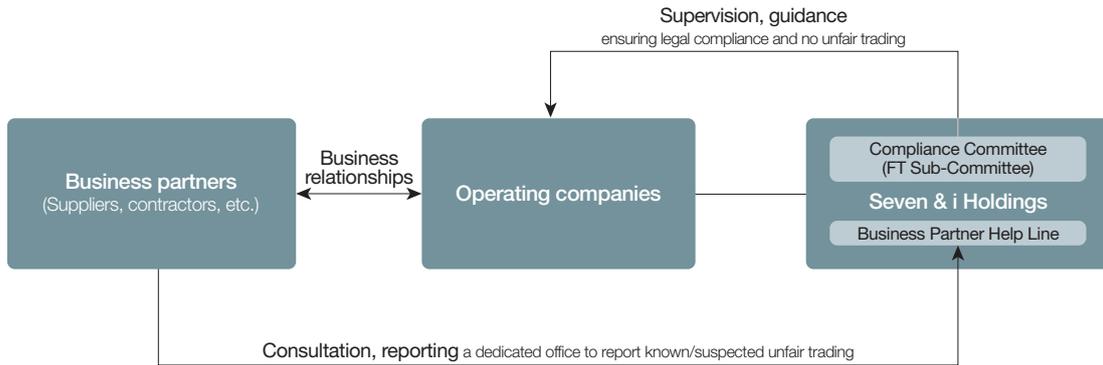
In September 2007, when the company was established as a result of full integration of Denny's Japan, Famil and York Bussan, Seven & i Food Systems prepared "7FS Corporate Action Guidelines" booklets and posters for distribution to all stores to make all employees understand the guidelines.

Training on these guidelines was also included in the new employee orientation and training sessions for store manager candidates during FY 2007.

Access to Help Line System during FY 2007
43/ Total access: 107(50 in the previous year)



For proper labeling and fair business



The Anti-Monopoly Act that prohibits unfair trading by large-scale retailers is among key applicable laws we need to comply with in doing our business. Under this law, there are several related regulations we also need to observe, such as: the Subcontracting Act that aims to prevent companies from acting against contractors' interests; the Regulations on Unfair Trading by Large-Scale Retail Businesses that restricts the abuse of dominant bargaining positions; and the Act against Unjustifiable Premiums and Misleading Representation that restricts unfair premiums and presentation.

A draft of the revised Anti-Monopoly Act was approved by the Japanese Cabinet, which is under deliberation in the Diet aiming to implement as early as 2009. The new law would be more stringent for businesses: for example, it would introduce penalties for abuses of dominant bargaining positions or for predatory pricing.

Successive food-related incidents in Japan have spurred lawmakers to work toward the launch of a "Consumer Agency," aiming to pass the relevant bill in the Diet during its 2009 spring session. Some existing laws would be regulated by the Consumer Agency—such as the Act against Unjustifiable Premiums and Misleading Representation, the JAS Law and the Food Sanitation Act—probably under more rigorous approach to protect consumers' interests. Corporations therefore would be required to improve their compliance systems.

At Seven & i Holdings, we launched a special organization to ensure an effective system is in place for detecting any possible unlawful or antisocial behaviors, and to make our Group conduct fair and legal business at any given time, while keeping abreast of regulatory changes. The organization, called the Fair Trade Sub-Committee as a part of the Compliance Committee under the CSR Management Committee, provides a forum to share information on the latest regulatory and administrative developments as well as our operating companies' related examples.



This sub-committee has also taken many other steps, including employee education, to maintain our fair business practices.

Help line for business partners

Business communities are under increasing scrutiny from customers and the broader public, as many product incidents have continually occurred, putting consumers' safety and confidence in danger.

To prevent and promptly rectify possible misconduct that may erode public confidence, we set up the Seven & i Holdings Business Partner Help Line operated by a third party, in conjunction with the implementation of our Business Partner Action Guidelines (p.13). By listening to our business partners' concerns and feedback and taking prompt actions for improvement, we aim to build and maintain fair business relationships with our business partners.

The helpline was accessed by eight times by the end of the first half of FY2008. Main areas of concern



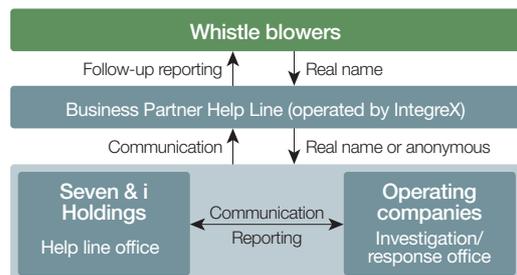
Leaflet to inform about the opening of the Business Partner Help Line

included our behavior and attitude to business partners, appropriateness of specific transactions, and product safety and reliability.

Based on our review of the received concerns, we will take corrective actions and reinforce employee education with relevant operating companies and departments. Through this system, we aim to ensure sound business practices and build even more trusting relationships with our business partners.

For more information about the Seven & i Holdings Business Partner Help Line, please visit:

WEB <http://www.7andi.com/csr/helpline.html>
(in Japanese)



Toward a responsible supply chain



Corporate social responsibility today—e.g., legal compliance, decent working conditions and environmental conservation—is expected to cover its entire supply chain, extending beyond a company’s own business activities. Accordingly, companies need to involve not only internal members but business partners in the supply chains, such as suppliers, contract manufacturers and logistics vendors, in fulfilling such responsibility to society.

Given this, we defined our social responsibility standards for business partners in the Seven & i Holdings Business Partner Action Guidelines, which were formulated and implemented in March and December 2007, respectively.

Briefing on the Business Partner Action Guidelines

To ensure effective implementation of the guidelines, we held an explanatory meeting for buyers of our operating companies and back office officers and managers.

Approximately 600 participants left the meeting understanding the concept of the action guidelines, i.e.,

the compliance with the guidelines and implementation of CSR by both our business partners and Seven & i Holdings will allow us to earn further trust from our stakeholders who support our business activities, and to enable both business partners and operating companies to increase respective corporate value.

Self-assessment questionnaire

Proprietary products of our Group and individual operating companies are manufactured by approximately 800 companies in Japan and abroad. We asked these business partners subject to our action guidelines to complete and return a “Self-Assessment Questionnaire,” which specifies required actions and conditions to meet the guidelines.

This evaluation tool is designed to promote effective CSR activities by our business partners and to help us understand the CSR performance by each partner.



Seven & i Holdings Business Partner Action Guidelines

Legal compliance

In accordance with corporate ethics, our business partners shall comply with applicable local laws and relevant international rules.

Respect for human rights and dignity

Our business partners shall respect human rights and dignity of all individuals who are involved in their business activities.

Employment and Workplace Environment

At our business partners, all individuals engaged in business activities shall be employed in a proper manner and work in a safe and worker-friendly environment.

Environmental Management

Our business partners shall make utmost efforts to prevent environmental pollution and reduce environmental burdens.

Relationship with society and local communities

Our business partners shall pursue good relationships with society and local communities.

Information Management

Information obtained in the course of business shall be maintained appropriately.

Commitment to Product Safety

To deliver safe and reliable merchandise to final consumers, our business partners shall comply with the quality standards of relevant operating companies of Seven and i Holdings and shall ensure the followings.

Fair Business

Our business partners shall conduct transactions in a fair, transparent, and appropriate manner, as well as under free competition. They shall also maintain normal and healthy relationships with politics and public administration.

To see the full text of the Seven & i Holdings Business Partner Action Guidelines, please visit:

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