Commitment to food safety and reliability and building a recycling society

Aspiring to become a “new, comprehensive lifestyle industry,” our Group strives to enrich customers’ daily lives through our wide-ranging businesses, such as operations of convenience stores, supermarkets, department stores and restaurants. To such a business as our Group, food is one of the core merchandise categories, accounting for about 56% of our total revenues. In recent years, this daily necessity has been the center of negative attention in Japan, due to mislabeling incidents, increasing concerns over imported food, lower food self-sufficiency ratio, increasing food waste, and higher food prices caused by surging oil and grain prices, to name a few. Our Group has been taking many steps to address these issues and provide safe and reliable food to our customers.

Percentage of our food-related revenues and breakdown by major domestic operating companies

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-food</td>
<td>44.4%</td>
</tr>
<tr>
<td>Food</td>
<td>55.6%</td>
</tr>
<tr>
<td>Seven-Eleven Japan</td>
<td>33.8%</td>
</tr>
<tr>
<td>Ito-Yokado</td>
<td>12.4%</td>
</tr>
<tr>
<td>Seven &amp; i Food Systems</td>
<td>2.1%</td>
</tr>
<tr>
<td>Sogo</td>
<td>1.8%</td>
</tr>
<tr>
<td>York-Benimaru</td>
<td>4.3%</td>
</tr>
<tr>
<td>Seibu</td>
<td>1.2%</td>
</tr>
</tbody>
</table>
Rigorous control on production, management and distribution processes

As a corporate group offering a variety of food products, including fresh products (e.g., produce and meat), so-called Daily Products (e.g., boxed meals and prepared foods), processed food (e.g., seasonings) and fast food, we have advanced food quality control in place across the supply chain, ranging from in-store monitoring of freshness and overall quality, to the management of ingredient production.

Robust traceability systems to trace production, processing and distribution

Recent successive food-related problems—such as bovine spongiform encephalopathy (BSE), fraudulent labeling, tampering with insecticide and contaminated rice—have shaken consumer confidence in food products. Consequently, shoppers want to see more rigorous food safety programs that cover the entire supply chain from ingredient production to processing and distribution. To ensure the safety of our food products, we comply with the Beef Traceability Law effective from December 2004, and each of our operating stores has built its own system to trace the production history of a range of food products, not only fresh food but also prepared and packaged products.

Examples of our traceability systems include the Recipe Master System by Seven-Eleven Japan. In its dedicated factories, all ingredient production and consumption is centrally managed by the system. Recording when and where ingredients are produced, and which ingredient is used in what amounts, for what product, at which factory, the system enables SEJ to respond promptly to any ingredient problem by immediately identifying the items that contain the ingredient in question, and removing them from shelves.

Ito-Yokado offers “KAOGA-MIERU-SHOKUHIN (food traceable to producers)” house brand products. Merchandise of this brand is selected against the company’s own criteria regarding the place of origin, production method and traceability. Similarly, York-Benimaru offers traceable products under the “YORK-BENIMARU-NO-SANCHIGA-MIERU-SHOKUHIN (products with the place of origin visible)” brand. The information of these products, such as places of origin and cultivation methods, is also available on the companies’ websites.

Denny’s Japan, a part of Seven & i Food Systems, is also working to advance the traceability of the ingredients of its menu items. For example, producers who grow vegetables to be served in salad and other items in Denny’s restaurants are required to submit “Cultivation Plans” and “Cultivation Records for Registration” to the company.

New private brand representing safety & reliability, taste & quality, and reasonable prices

Our traceability management systems are used in developing private brand products that offer safe, reliable, delicious, and quality options to our customers at reasonable prices.

The latest example of such private brands is Seven Premium, rolled out in May 2007. In a new Group Merchandising Reform Project, product development staff of our operating companies have been working together to develop and expand the new brand. The project generates group synergy by sharing each company’s accumulated know-how and procedures, such as those on product development, general quality control, and factory-level hygiene and quality control.
Reducing food waste and making compost and livestock feed

Creating a recycling society is on today’s societal agenda. Rather than producing, consuming and disposing of massive amounts of goods, we need to use finite resources effectively. To this end, we strive to reduce food waste from our store operations and promote the recycling to make compost and livestock feed.

Food waste recycling programs suited to the size and business activities of operating companies

The food industry in Japan generated a total of 11.352 million tonnes in 2006, including 3.042 million tonnes (27%) from restaurant operators and 2.620 million tons (23%) from food retailers, according to a survey on the recycling of food resources released on November 20, 2007 by the Ministry of Agriculture, Forestry and Fisheries of Japan. Meanwhile, the Food Waste Recycling Law was amended in December 2007, which requires large food waste generators to annually report the amount of food waste generated and the status of food recycling practice to the relevant minister.

Our Group, operating food retail and restaurant businesses, is taking steps to reduce and recycle food waste aggressively. Based on our assessment and analysis of our waste volume and type, we are working to do more than just meet legal requirements.

Seven-Eleven Japan, for example, promotes appropriate waste disposal across the chain, by centrally collecting and disposing of waste from more than 12,000 SEJ stores in Japan, including franchisees (p.34). This waste management system is jointly used by SEJ and Seven & i Food Systems.

Ito-Yokado promotes food waste recycling through a financial support program, which commenced in FY 2002, covering part of the recycling costs of waste management contractors (p.47).

Agriculture in a closed-loop recycling system

A “food recycling loop,” using food waste from store operations to make compost and livestock feed in production of food products, is recommended by the revised Food Waste Recycling Law. Our Group, primarily SEJ and Ito-Yokado, already started to develop this system in 2002. Farm products grown with recycled compost are available in selected SEJ and IY stores. We also took a step further toward self-sustaining, closed-loop food recycling in August 2008 by establishing a new agricultural production corporation Seven Farm Tomisato. In the farm, food waste produced by Ito-Yokado stores is composted and used to grow vegetables.

The Seibu Department Stores (“Seibu”) and York-Benimaru also work with local farmers and poultry producers to practice closed-loop recycling for selected items.

Recycling loop turning food waste into recyclable resources

A “food recycling loop,” using food waste from store operations to make compost and livestock feed in production of food products, is recommended by the revised Food Waste Recycling Law. Our Group, primarily SEJ and Ito-Yokado, already started to develop this system in 2002. Farm products grown with recycled compost are available in selected SEJ and IY stores. We also took a step further toward self-sustaining, closed-loop food recycling in August 2008 by establishing a new agricultural production corporation Seven Farm Tomisato. In the farm, food waste produced by Ito-Yokado stores is composted and used to grow vegetables.

The Seibu Department Stores (“Seibu”) and York-Benimaru also work with local farmers and poultry producers to practice closed-loop recycling for selected items.

Food waste recycling rates in our Group

Sector-specific targets by FY 2012

<table>
<thead>
<tr>
<th>Sector</th>
<th>Target (Fiscal Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food retailers</td>
<td>45%</td>
</tr>
<tr>
<td>Restaurant ops</td>
<td>40%</td>
</tr>
</tbody>
</table>

Notes: SEJ’s FY2005/2006 figures represent the percentages of stores with food recycling. SEJ’s 2007 figure is based on the average recycling rate of some 1,000 SEJ stores in Tokyo and of waste cooking oil used by new fryers installed during the year. Figures of Sogo and Seibu include estimated waste savings, while SEJ, Ito-Yokado, York-Benimaru, Seven & i Food Systems (Denny’s only) exclude this factor.
Establishing Seven Farm Tomisato as a model of recycling-based agriculture

On August 23, 2008, our first agricultural production corporation named Seven Farm Tomisato was established in Tomisato City in Chiba. The farm makes compost using food waste collected from Ito-Yokado stores, and uses it to grow vegetables, which are sold at Ito-Yokado stores in the prefecture.

Seven Farm Tomisato was established jointly by Ito-Yokado, Tomisato City Japan Agricultural Cooperative (known as “JA Tomisato”) and its cooperative members. In its roughly two-hectare (20,000 m²) field in Tomisato City, Chiba, various vegetables, such as daikon radishes, broccoli and carrots, are planted. In the initial year, the farm targets an annual yield of about 130 tonnes with two rounds of planting.

One of the distinct features of the farm is the collaboration between agricultural producers (JA Tomisato members) and a retailer (Ito-Yokado). Information from Ito-Yokado, such as retail prices, sales performance and nationwide yield of specific products, is effectively used in the farm’s daily efforts to grow safe, reliable produce that meets customer needs. At the farm, we also work to avoid wasting any produce we grow. Nonstandard items, mainly due to sheer size and shape, are used as ingredients of our convenience store products and restaurant menu. This is made possible by the breadth of our Group network. As a next step, we are planning to work together with local farmers and agricultural organizations to find more effective uses of farmland, improve productivity, and ultimately energize local agriculture.

Another notable feature of the farm is the operation of recycling-based agriculture practices with a closed recycling loop. The farm uses food waste generated by some Ito-Yokado stores in Chiba, such as Matsudo, Yabashira, and Goko Stores, to make compost, which is mixed in the farm’s soil. Vegetables produced in the farm are sold in the aforementioned and other Ito-Yokado stores in Chiba. In spring 2009, the farm plans to expand its land to four hectares to grow a wider variety of products for a greater number of stores.

Seven & i Holdings positions this farm as a model practice of recycling-based agriculture. Aiming to expand this model to a new business pillar of our Group, we will continuously review and improve the farm’s operations, such as daily activities, profit sharing structure and quality control systems.

From Stakeholders

High hopes for the new type of agriculture connecting producers and consumers directly

This joint business with Ito-Yokado has provided us with access to information which is otherwise inaccessible in the web of complicated distribution systems—e.g., which item is selling well and what “food safety and reliability” exactly means to customers. With our good partner Ito-Yokado, with whom we share responsibility and risk, we would like to discuss everything regarding our joint business and strive for a more vibrant agricultural community in Tomisato.

Hiroaki Tsuda
Co-owner, Seven Farm Tomisato
(Member of JA Tomisato)
In Focus 2
Combating global warming and creating a low carbon society

In January 2008, the first commitment period under the Kyoto Protocol finally commenced. Japan is required to reduce its average greenhouse gas emissions, including those of CO₂, by 6% from 1990 levels during the five-year period ending 2012. At Seven & i Holdings, global warming has long been of the highest priority among environmental issues. We therefore have measured and evaluated CO₂ emissions of each operating company, and taken reduction measures covering the entire supply chain processes from product development and manufacturing to distribution and sales. In June 2008, we formulated (i) the Environmental Declaration and (ii) the Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming, aiming to elevate our efforts to the next level of even more holistic, groupwide activities. In line with these specified directions, we have embarked on a variety of initiatives to create a low carbon society.
Environmental declaration to drive our environmental activities across the supply chain

On June 5, 2008, Seven & i Holdings issued two sets of environmental policies and goals—(i) the Environmental Declaration and (ii) the Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming—to strengthen existing environmental activities by individual operating companies and evolve them into groupwide initiatives with a key focus on global warming prevention.

Seven & i Holdings Environmental Declaration

(Formulated in June 5, 2008)

We believe the most pressing problem facing all people around the world is how to preserve the environment and pass on an abundant and beautiful natural world to the next generation. Our mission is to contribute to the solution of this problem. To achieve harmony between the environment and our business activities, we will work together with our customers, local communities, and business partners throughout the entire supply chain, from product development and manufacturing to distribution and sales. We will strive to be a leader in the global retail industry not only in product safety and security but also in measures to alleviate environmental problems, and pursue initiatives on a Groupwide basis.

We consider the prevention of global warming to be the largest and most serious challenge facing the world. We are aggressively pushing forward measures to contribute to the achievement of low-carbon societies by reducing emissions of carbon dioxide, the primary cause of global warming.

We endeavor to provide environmental education for all employees in the Group, to ensure that each employee is aware of the Company’s social responsibilities as a good corporate citizen, and to exist in harmony with the environment and our local communities.

From the viewpoint of sincerity and transparency, we disclose all information relating to these initiatives accurately, reliably, and promptly.

Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming

(Formulated in June 5, 2008)

We at Seven & i Holdings and its operating companies comply with environment-related laws and regulations. We are fully aware that our business activities are connected to global resource and global warming issues. Based on this recognition, we will evaluate the environmental impact of and strive to reduce CO2 emission from each process of our operations, covering the entire supply chain from product development to production and distribution, as well as sales and consumption.

I. Measuring CO2 emissions and evaluating progress

• Each operating company should accurately measure CO2 emissions associated with its business activities. It also should evaluate its environmental performance against appropriate goals, such as industry association targets (often expressed as per unit energy consumption: total energy use ÷ [floor areas x operating hours]).

• We will start to measure CO2 emissions from each process—manufacturing, distribution, sales and disposal—of our private brand Seven Premium products.

• From fiscal year 2007, business partners that manufacture proprietary products of our Group are subject to the Seven & i Holdings Business Partner Action Guidelines. Internal and external audits to inspect the adherence to the guidelines will be introduced in fiscal year 2008.

II. Reducing CO2 emissions

Each operating company should take actions in such a way as fits its business nature toward the following goals:

II-1. Reducing CO2 emissions from product development and manufacturing activities

II-2. Reducing CO2 emissions by increasing distribution efficiency

II-3. Reducing CO2 emissions from sales and marketing activities

II-4. Reducing CO2 emissions from employees

To read the full text of our Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming, please visit:

Store equipment, such as lighting, signage and air conditioners, is indispensable to our operations. Electricity consumption for such equipment accounts for about 90% of the CO2 emissions of our operating companies. To curb our electricity consumption despite our expansion of store networks and floor space to meet diversifying customer needs, each of our operating companies has aggressively installed energy-saving equipment in its stores, usually when opening new and remodeled stores.

Seven-Eleven Japan, in particular, has endeavored to minimize power consumption in its around-the-clock store operations since its establishment. Together with equipment manufacturers and other business partners, SEJ has developed its own energy-efficient and highly durable store equipment. Examples include: “continuously adjusting lighting equipment,” which automatically adjusts in-store light levels; power-efficient lighting fixtures; and ceramic floor tiles that effectively reflect light from the ceiling are among key examples (p.31). SEJ takes many other initiatives, including the opening of an experimental “green” store in Nagano City in February 2008 (p.31). The pilot store with state-of-the-art equipment targets the annual reduction of CO2 emissions by approximately 1.4 tonnes compared with the average emissions of existing stores.

Ito-Yokado, aggressively opening mall-styled stores, is also working to shift into energy-efficient equipment and conduct periodic equipment maintenance. Energy-saving devices at Ito-Yokado stores include: ice thermal storage air-conditioners that use ice made during off-peak night hours; cogeneration systems that warm up water by recovering exhaust heat from electricity generation by small-sized, gas-powered engines; and solar panels that utilize the natural energy to keep the stores bright (p.45).

Other companies in our Group also take various steps to reduce energy use and CO2 emissions in their operations. Specific programs vary depending on the nature and format of the company’s business. A notable example is the introduction and expansion of all-electric restaurants by Denny’s Japan. Previously, all the cooking equipment at Denny’s was powered by natural gas, because of its high heating power and low running cost. However, an “electric kitchen” has been proved to reduce total energy requirement, while achieving compatible heating capability, by a pilot program since 2002 that introduced induction-heating stoves and other electricity-powered equipment in selected stores. As a result, Denny’s kitchens are going electric in a greater number of its restaurants, primarily in new stores.
To reduce the nation’s greenhouse gas (GHG) emissions, the Ministry of Economy, Trade and Industry (MITI) is studying an introduction of carbon footprint labeling on food and household products. A carbon footprint label would tell consumers how much GHG (usually CO2) is emitted throughout the lifecycle of the product on which the label is attached.

Apart from this governmental initiative, Seven & i Holdings calculated the carbon output related to two Seven-Eleven items: a “Fukkura-Gohan Kishu-Ume” rice ball and a ham and egg sandwich. We have also become a member of the MITI’s study panel on carbon footprint labeling launched in June 2008. In future, we are planning to capture and measure GHG emissions related to our Seven Premium products, such as food and household items.

**Estimated life-cycle CO2 emissions of a Kishu-Ume rice ball**

<table>
<thead>
<tr>
<th>Activity</th>
<th>CO2 Emissions (g)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production, purchase and transportation of ingredients</td>
<td>63.79</td>
</tr>
<tr>
<td>Manufacturing of the rice ball</td>
<td>25.59</td>
</tr>
<tr>
<td>Sorting and distributing</td>
<td>12.02</td>
</tr>
<tr>
<td>Sales in store</td>
<td>3.95</td>
</tr>
<tr>
<td>Total emissions per rice ball</td>
<td>94.95</td>
</tr>
</tbody>
</table>

* The calculation formula differs from MITI’s panel.

**From Stakeholders**

We hope this project will spur broader corporate participation in the conservation of natural tropical forests.

Destruction of natural tropical forests is a global problem. As tropical deforestation accounts for 20% of climate change, such conservation is urgently needed. The Kyoto Protocol is now in effect but forest conservation projects make up only 1% of the total CDM projects* registered, meaning virtually nothing has been done to save tropical forests. We welcome Seven & i Holdings’ decision to become the first private sector company to contribute to this area. This will surely make a meaningful difference. (Emmanuel Ze Meka, Executive Director, ITTO)

* CDM stands for Clean Development Mechanism, a flexible mechanism under the Kyoto Protocol to help achieve numerical commitment to the reduction of GHG emissions.
Non-permanent employees in Japan account for 33.5% of the total employees (excluding officers) as of February 2008, according to a labor force survey by the Ministry of Internal Affairs and Communications. The percentage more than doubled from 16.4% in 1985. Part-timers, 11.64 million people in total, are the largest constituent of these non-regular employees. At our Group, we have many part-time employees as part of our team, an increasing number of whom are taking important positions and roles in our store operations. In the society of aging population, fewer children and shrinking labor supply, non-permanent employment has become of growing importance. Our Group is working to create a comfortable workplace by listening to our part-timers and developing a motivating HR system.

In Focus 3
Creating a comfortable workplace for part-time employees

Part-time employees in our Group

<table>
<thead>
<tr>
<th>Brand</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seven-Eleven Japan</td>
<td>54.6%</td>
</tr>
<tr>
<td>Ito-Yokado</td>
<td>78.2%</td>
</tr>
<tr>
<td>Sogo</td>
<td>50.2%</td>
</tr>
<tr>
<td>Seibu</td>
<td>53.0%</td>
</tr>
<tr>
<td>York-Benimaru</td>
<td>81.2%</td>
</tr>
<tr>
<td>Seven &amp; i Food Systems</td>
<td>89.3%</td>
</tr>
</tbody>
</table>
Building a motivating workplace

The Revised Part-Time Labor Law came into force on April 1, 2008, aiming to provide a motivating working environment and equitable treatment to part-time workers. In line with the letter and spirit of the law, our Group will work further to enhance our HR policies and programs for part-time employees.

Parenting and nursing care support system for full- and part-time employees of the Group

Our employees with parenting and nursing care responsibilities can use a groupwide support plan, called the Re-Challenge Plan. This support system was launched in 1991 by the then IY Group.

Employees can access three programs in the plan: 1) Leave Plan, allowing employees to take parenting leave for up to two years (three years in exceptional cases) and nursing care leave for up to one year, 2) Shorter-Hours Plan, allowing employees to reduce working hours by up to four hours, and 3) Reemployment Plan, allowing departed employees to be reemployed on a preferential basis.

The programs are continuously evolving. Initially, the programs were available only for regular employees, but from August 2002, all employees, including part-timers, can use them. The Shorter-Hours Plan extended its eligibility in April 2008 to the employees with children of first grade or younger. It used to be limited to those with pre-elementary school children.

Millennium Retailing, a new group member since FY 2005, has its own parenting and nursing care support program to help its part-time employees continue their career development without concerns (p.65).

Users of parenting support programs (FY 2007)

<table>
<thead>
<tr>
<th></th>
<th>Seven-Eleven Japan</th>
<th>Ito-Yokado</th>
<th>Millennium Retailing</th>
<th>Sogo</th>
<th>Seibu</th>
<th>York-Benimaru</th>
<th>Seven &amp; i Food Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>27</td>
<td>218</td>
<td>31</td>
<td>22</td>
<td>25</td>
<td>47</td>
<td>1</td>
</tr>
<tr>
<td>Part-timers</td>
<td>(0)</td>
<td>(66)</td>
<td>(8)</td>
<td>(14)</td>
<td>(7)</td>
<td>(41)</td>
<td>(1)</td>
</tr>
</tbody>
</table>

Note: Numbers in parentheses represent part-timers.

Key points of the Revised Part-Time Labor Law

- Required documentation of working conditions
- Explanation of factors considered to determine employment conditions
- Required provision of training opportunities
- Provision of employee facilities
- Prohibition of discriminatory treatment
- Required implementation of measures to facilitate part-timers to become regular employees

From Stakeholders

I hope more employees will use this system to achieve a work and family balance.

Knowing that my familiar workplace was waiting for my return was really reassuring to me during the parenting leave. Looking for a new job from scratch with young children would have been really difficult. The monthly internal newsletters I continued receiving even during my leave kept me updated, and helped eliminate worries regarding my return.

Without this support program, my elder daughter would have needed to leave her preschool, which is only for the children of those who work or are on parenting leave. She was able to continue her nursery and our family did not have to change our living environment much. I appreciate this program in this respect, too.

Together with the system, I have been receiving a lot of support and encouragement since pregnancy from people around me. I owe my balanced professional and family life to all this support.
Various programs to promote the conversion to permanent employment

The Revised Part-Time Labor Law requires employers to take either of the following actions to facilitate more part-timers to become permanent employees:

1. If a new permanent employee is to be recruited, details of the job opening should be notified to existing part-time employees;
2. If a full-time position is to be filled from within, opportunities to apply for the position should be offered to the part-timers;
3. Introduction of a test-based or other promotion system to offer part-timers opportunities to become permanent employees; or
4. Other actions to facilitate the conversion from part-time employment to permanent employment.

Seven & i Food Systems, employing the highest percentage of part-timers in our Group, introduced a new HR system in October 2008. To accommodate a variety of employment statuses, the company introduced a set of three employee group categories. Part-time employees are classified as the Unit employee group, and evaluated against the individual’s qualification- and position-based statuses. This evaluation system is comparable with the other employee groups. An annual promotion program is also in place to provide opportunities for part-time employees to become regular employees.

New HR system for Unit employees

<table>
<thead>
<tr>
<th>Qualification-based status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expert</td>
</tr>
<tr>
<td>Career</td>
</tr>
<tr>
<td>Regular</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Position-based status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store manager</td>
</tr>
<tr>
<td>Manager</td>
</tr>
<tr>
<td>Trainer</td>
</tr>
<tr>
<td>Leader</td>
</tr>
<tr>
<td>Staff</td>
</tr>
</tbody>
</table>

Ito-Yokado, the largest employer of part-time workers in our Group, began promoting part-time employees to permanent employees (“Expert” employees) in November 2007. In the Career Promotion Choice Program (p.53), “Leader Partner” employees — part-time workers taking leadership positions in the workplace — are eligible to seek regular employment status. As of FY 2008, approximately 250 Leader Partners have become Expert employees.

Expansion of re-employment program to part-timers, enabling them to work until 65

The Law concerning Stabilization of Employment of Older Persons came into effect in April 1, 2006. Under this law designed to create and protect the employment of senior citizens, business employers are required to: (1) raise retirement age to 65, (2) establish a re-employment program, or (3) abolish a fixed aged retirement system.

Operating companies of our Group have re-employment programs in place, where eager workers without health and performance issues are able to work until the age of 65. Part-time employees are also eligible for this program.

From Stakeholders

I encourage many can-doers to use the Career Promotion Choice Program

When I learned about the new program for possible regular employment, I could hardly wait to apply for it. Now my aspiration since I joined the company has come true, and I am working with a sense of more responsibility and fulfillment. The other day, I assisted sales floor operations for the first time and realized how my work in the office is translated to the store operations. This experience has broadened my horizons and enabled me to work in a more store-facing fashion.

Yumi Kobayashi
Children World
Department
Apparel Division
Ito-Yokado
Employee training and licensing programs for enhanced professional skills for part-timers

The Revised Part-Time Labor Law requires employers to provide part-time employees with necessary occupational training. The law also recommends career development training programs for part-time employees, tailored to the individual’s willingness, capability and experience.

Our operating companies have continually improved respective part-timer training programs in order to:

1) create a store that provides satisfying customer experiences and
2) increase the motivation of each employee.

Such programs include Ito-Yokado’s “Friends Mate” in-house licensing program since April 2004. Employees will acquire necessary practical knowledge, skills and customer service techniques through a series of training, examination and licensing procedures in the program. For individuals of Rank 1 and 2, license status is recorded in the HR database for personnel appraisal and other purposes. The program offers 18 licenses, covering all divisions and functions except the perishables department, with 24,005 aggregated license holders as of July 31, 2008. The perishables departments of Ito-Yokado and York-Benimaru have separate food processing training and skill certification programs.

Millennium Retailing supports its part-time employees at Sogo and Seibu stores to acquire high-level of customer service skills. To help obtain licenses and certifications offered by the Japan Department Stores Association and others, the company covers related costs of training course, examination, and registration/renewal in full.

Seven & i Food Systems also strongly encourages its employees to acquire necessary national licenses as a purveyor of safe food (e.g., cooks, health supervisors and fire protection managers) and thus provides related training programs and financial support. In FY 2007, a total of 156 employees passed such national examinations.

In addition, employees of Seven & i Food Systems, whether regular or non-regular, can equally participate in a number of periodic “Open Training” courses, including cooking classes.

From Stakeholders

Higher motivation through professional growth opportunity

At Denny’s Japan, employees can participate in the “Dennylier” basic wine education and certification program. In FY 2008, the examination was held in September and October, and the certification-giving ceremony was held in November.

Comments from new Dennyliers

Desire to deliver an even more delicious dining experience to customers was the primary reason to take the Dennylier training. Participated in by many employees, both regulars and part-timers, the course was useful and informative. External experts taught us a variety of basic wine knowledge, such as wine and food matching. We were also able to master uncorking, wine-serving and other customer service techniques. With the enhanced skills and knowledge of wine, we would like to communicate more with our guests.

(From left) Mr. Niimoto, Nagoya Toushincho Store Ms. Kondo, Higashi-Kanagawa Store Ms. Yasuda, Nagoya Toushincho Store Mr. Konnai, Nagoya Toushincho Store

Denny’s Operations Restaurant Division Seven & i Food Systems