

COEXISTENCE WITH LOCAL COMMUNITIES



We contribute to local communities by making use of the features of each business operation.

Group Management Policy

We are dedicated to furthering social and cultural contribution by formulating basic policy and action guidelines.

In June 2007, Seven & i Holdings formulated the Basic Policy on Social and Cultural Contributions and Social and Cultural Contribution Action Guidelines, which prescribe the social and cultural activities we should engage in to resolve social issues. Based on this Policy, we began to take new measures, including entering into collaborations with NPOs and undertaking activities that our employees can join as volunteers. In addition, each operating company has been implementing its own activities by making use of the features of its business operations.

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 lives at ease
3. Conservation of local and global environment
4. Preservation and developing of culture and art, and promotion of sport
5. Eradication of poverty throughout the world
6. International cooperation and exchange
7. Disaster relief

TOPICS

We enhance cooperation with local communities by concluding comprehensive partnership agreements and disaster relief agreements.

We operate stores all over Japan, forming part of the local infrastructure and working closely with our communities.

For instance, we are forming comprehensive partnership and disaster relief agreements with local governments, starting in 2004 with an agreement between SEJ and Wakayama Prefecture. Three of our operating companies (SEJ, Ito-Yokado and York-Benimaru) reached an accord with Fukushima Prefecture in April 2009, followed by Miyagi Prefecture in July. Under these agreements, we are developing products featuring local specialties, exclusively available in limited areas. Our disaster relief agreements also incorporate a system for providing support through our network.

List of Principal Measures Undertaken by Our Major Operating Companies

Convenience Store Operations	
	<p>Seven-Eleven Japan</p> <ul style="list-style-type: none"> ● Visiting homes in neighboring areas and taking orders 
Support for New Parents and Elderly, People, etc.	
	<ul style="list-style-type: none"> ● Development and sales of locally-produced products for local consumption →P50  <ul style="list-style-type: none"> ● Conclusion of comprehensive partnership agreements with local governments →P48, P50
Assistance with Revitalizing Local Communities	
	<ul style="list-style-type: none"> ○ Conclusion of disaster relief agreements →P50 ● Support for stranded commuters in the event of a disaster ● Distribution of written guidelines on how to ensure safety in the event of a disaster
Providing Support at Times of Disaster	
	<ul style="list-style-type: none"> ● Requesting donations from customers in stores (and company employees) to support disaster-hit areas
	<ul style="list-style-type: none"> ● Implementation of Safety Station activities →P51 
Crime-Prevention Measures for Local Communities	



●: Described in this Report in independent sections ○: Referred to in the main body of this Report —: Measures not implemented

Superstore Operations		Department Store Operations	Food Services	Financial Services
Ito-Yokado	York-Benimaru	Sogo & SEIBU	Seven & i Food Systems	Seven Bank
<ul style="list-style-type: none"> ● Installation of Baby Rooms →P52 ● Operation of Maternity and Children's Education Centers →P52 ● Direct sales for elderly care facilities →P53 ● Offering products intended for the elderly and providing of health consultations for the elderly →P53 ● Accepting work experience students →P54 	<ul style="list-style-type: none"> ● Provision of food education →P55 ● Accepting work experience students ● Nurturing the next generation (sponsoring sport events for elementary school children, giving high-school students opportunities to study overseas) ● Blood donation events 	<ul style="list-style-type: none"> ● Support for guide dog development projects to create a normalized society →P56  <ul style="list-style-type: none"> ○ Raising awareness of guide dogs by holding Meet Guide Dogs Campaigns at all stores →P56 	<ul style="list-style-type: none"> ● Promotion of food education →P57 ● Accepting work experience students →P57 ● Undertaking training on Normalization ● Creation and utilization of Normalization Guidebook ● Cooperating with local governments in the provision of parenting support 	<ul style="list-style-type: none"> ○ Design of ATMs that are easy for the elderly to use →P46 ● Support for reading to children through co-sponsoring and helping promote free picture books for children: <i>Bonolon</i>  <ul style="list-style-type: none"> ● Holding sessions for reading picture books to children in stores
<ul style="list-style-type: none"> ● Participation in community revitalization and renewal →P54 ● Cooperation with sales promotions of locally-produced products ● Offering store space for local welfare organizations and local events 	<ul style="list-style-type: none"> ● Holding exchange events in stores →P55 	<ul style="list-style-type: none"> ● Cooperation with sales promotions of locally-produced products →P56 ● Participation in local events such as festivals ● Cooperation with environmental protection and beautification ● Accepting work experience students and store tours 	<ul style="list-style-type: none"> ○ Accepting extracurricular classes →P57 	<ul style="list-style-type: none"> ● Showing official announcements of election information on second displays of ATMs
<ul style="list-style-type: none"> ○ Conclusion of disaster relief agreements →P48 	<ul style="list-style-type: none"> ● Conclusion of disaster relief agreements 		<ul style="list-style-type: none"> ● Support for stranded commuters in the event of a disaster 	<ul style="list-style-type: none"> ● Establishment of a system for accepting donations from customers for disaster relief funds
<ul style="list-style-type: none"> ● Age verifications for preventing the sale of cigarettes and alcoholic beverages to minors 	<ul style="list-style-type: none"> ● Age verifications for preventing the sale of cigarettes and alcoholic beverages to minors 	<ul style="list-style-type: none"> ● Age verifications for preventing the sale of alcoholic beverages to minors 	<ul style="list-style-type: none"> ● Cooperation with Safety Station activities 	<ul style="list-style-type: none"> ○ Cooperating with local police by displaying photos of fraudulent bank transfers suspects on ATM screens to appeal for information →P47



Convenience Store Operations

Contributing to Revitalization of Local Communities



We contribute to the revitalization of local communities through comprehensive partnership agreements with local governments.

In principle, we at SEJ strive for community-based neighborhood stores, which are welcomed by local residents.

We conclude comprehensive partnership agreements with local governments in the areas where we operate. The agreements are aimed at providing even better services to local customers and contributing to the revitalization of local communities. After entering into our initial partnership agreement with Wakayama Prefecture in 2004, we now have partnership agreements with 22 prefectural governments and four city governments (as of August 31, 2009).

The specific contents of the activities are determined through discussions with each local government. The major contents of the activities are as follows:

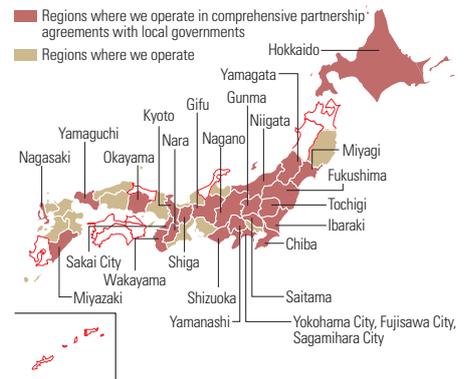
- Promotional campaigns and sale of regional specialty products
- Sale and use of local agricultural, forest, fishery and their processed products, and local craft items
- Wellness promotion and food education
- Support for the elderly
- Support for children and youth
- Tourism promotion and sightseeing information provision
- Environmental management
- Safety and security of the community
- Disaster preparedness

One example of mutual cooperation under the agreement is a project in which we

develop original products — such as rice balls and boxed meals featuring the use of the local specialties of the areas where we operate — produce them in local factories, and sell them at local SEJ stores to contribute to the revitalization of local economies.

We will continue to offer products featuring the specialties of each area to local customers, expand the markets of local specialties, and undertake measures for encouraging locally-produced products for local consumption, while obtaining information about the unique food cultures, local producers and potential business partners of individual regions.

Local governments in comprehensive partnership agreements with SEJ



We apply unique and valued opinions from local students in product development.

In Nara Prefecture, for instance, we sold a boxed meal commemorating the interscholastic athletic meet held there, the third in the project for furthering food education, for a set period from July 23, 2009. The product was designed to: 1) support an interscholastic athletic meet held from July 28; 2) support prefectural government activities providing work

experience for local high school students; and 3) revitalizing the local community. The prefectural government introduced Nara

Prefectural Shikino High School, and its Food Design Department as a partner in developing the boxed meal. We invited the high school to join us in order to incorporate their expertise with food. Three months of collaboration yielded a boxed lunch featuring locally produced ingredients and delicious Nara Prefecture dishes, including menu items cooked by students. At the pre-release workshop, students showed their passion for product development, and the project involved even franchisees as sellers of the product.

We will actively continue in each region together with the local community and through collaboration among industry, government and academia.



Kinki Mahoroba Soutai Kinen Genki ni Ouen Bento

Ensuring Safety and Security in Local Communities



We implement Safety Station activities.

SEJ stores are open around the clock. Even after midnight, the store lights are on and our employees are working. To make the most of this aspect of our business, we undertake Safety Station Activities (SS Activities) under the themes of creating safe and secure communities and nurturing a sound environment for young people as a member of the local community.

This program was originally launched in response to a request from the National Police Agency, calling on the Japan Franchise Association (JFA) to cooperate in the following activities:

■ Creating safe and secure communities

- Preventing crimes such as robberies, shoplifting and fraudulent bank transfers
- Responding to emergencies (disasters, accidents, medical crises, etc.)
- Protecting women, children, and the elderly
- Cooperating in the event of large-scale disasters, etc.

■ Nurturing a sound environment for young people

- Prohibiting the sale of cigarettes and alcoholic beverages to minors
- Preventing minors under 18 from buying or viewing adult magazines
- Preventing young people from loitering in and around stores, etc.

The specific details of the activities are determined through monthly themes¹, which are established in conjunction with the activities of local governments and communities. The activities are conducted with franchisees and OFCs² confirming the details. To share the

details of the activities with each store employee, we publish the SS Activity Newsletter and distribute it to each store.

JFA holds an annual review conference on the Safety Station activities in each region. At this conference, the participants review the details of the activities together and share measures for their improvement and examples of actual measures taken by the stores, based on the results of JFA's survey³ of the franchisees of each convenience store chain. Aimed at encouraging the diffusion and uptake of the activities, the review conference includes simulation training to prevent fraudulent bank transfers and verify the ages of customers intending to buy cigarettes and alcoholic beverages, and recognition of those stores that are performing well in SS activities.



Award ceremony of the annual review conference on the SS activities



Cleanup activity held at the annual review conference on the SS activities

We prevent fraudulent bank transfers using ATMs installed in stores.

As a part of the SS activities, we at SEJ prevent fraudulent bank transfers using the ATMs installed in our stores, and we help the police to arrest criminals by reporting suspicious persons or deeds to them. Consequently, multiple SEJ stores have been commended by local police stations.

In May 2008, the assistant store manager of Shinjuku Hyakunin-Cho 2-Chome Store in Tokyo called the police because he noticed a suspicious man entering and leaving the store repeatedly and withdrawing money from the store's ATM using a large number of cash cards while talking on a mobile

phone. The man was taken into custody by the policemen who hastened to the store.

In June of the same year, the franchise owner of Todoroki 5-Chome Store in Tokyo noticed an elderly man with a troubled look on his face operating the store's ATM while talking on a mobile phone. The owner spoke to the man and was convinced that it was a fraudulent bank transfer. The owner stopped the man from sending the money and called the police.

We will continue to alert our franchisees to crime and strive to ensure the safety and security of local communities by strengthening daily cooperation with the local police.

1 Monthly Themes

For example, April is designated as the National Month for Strengthening Measures for Preventing Alcohol Consumption by Minors. The theme for the month was strengthening measures to prevent alcohol consumption and smoking by minors, which is to be the focus of each store.

2 OFC

Operation Field Counselors (OFCs) are business counselors for SEJ stores. They visit individual stores and provide advice on store management.

3 Survey

The survey of participating companies conducted by JFA in FY2008 showed that there were 10,389 women and 4,128 children across Japan who entered stores to seek help, and 8,953 instances where stores took care of elderly people.



Superstore Operations

1 Facilities in Baby Rooms (as of March 31, 2009)

- Picture book section: 24 stores
- Toilet for children: 27 stores
- Security intercom: 17 stores
- Measure and scale, water heater for milk formula, baby changing table, hot water filter, nursing area, security buzzer: all stores

2 Facts about the Maternity and Children's Education Centers in FY2008 (as of February 28, 2009)

- Consultations provided at: 129 stores
- Number of counselors: 90 (37 public health nurses, 45 midwives and 8 counselors qualified as both public health nurses and midwives)
- Number of consultations provided: 304,861 (to 99,087 people)
- Accumulated total of the number of consultations: 8,370,743 (to 2,735,847 people)

Supporting Local Parents



We install Baby Rooms in stores.

At Ito-Yokado, we have installed Baby Rooms to offer a relaxed shopping experience to customers with children (at 164 stores as of March 31, 2009). Each Baby Room has a baby changing table and a nursing area. The rooms are also equipped with water heaters that supply hot water at 70 degrees centigrade or higher for milk formula¹. Customers no longer have to bring their own hot water.

In addition, we have registered those of our stores with Baby Rooms with the local governments' parenting support projects, so that not only Ito-Yokado customers but any local residents can use the Baby Rooms for nursing and changing diapers. For example, we have registered 26 stores with the *Akachan Furatto* (drop in with your baby) project of Tokyo, 9 stores with the *Hama Hagu* project of Yokohama, and one store with

Iwate Kosodate Ouen no Mise (stores supporting parents in Iwate). Registered stores are marked with stickers and can be located by searching on local governments' websites.



Measure and scale



Baby changing table



Water heater for milk formula

We offer Maternity and Children's Education Centers.

A growing number of parents don't have anyone nearby to ask for parenting advice, reflecting social changes such as the increase in the percentage of nuclear families and the declining birthrate. We reach out to these parents at our Maternity and Children's Education Centers, which have been operated within our stores' Baby Rooms since FY1975 (at 129 stores as of February 28, 2009). Customers can casually drop by the Center during their shopping trips to receive a complimentary consultation from our counselors, who are qualified public health nurses or midwives. They offer between two and nine advisory sessions on prenatal health care and parenting each month².

In addition to advice on parenting, the Centers also provide socializing forums for parents. At individual stores, we plan a variety of creative events based on parenting-related events organized by local governments and requests from customers. During FY 2008, a total of 5,458 families participated in events on various themes, including touch therapy and baby exercise to learn about the importance of touching and

physical contact between parents and babies.

In addition, our counselors regularly visit public health centers and other public authorities to promote the Centers' activities, and receive updates on public service for parents and children to be used for future advice. These visits have helped the Maternity and Children's Education Centers to earn greater recognition and trust from the local communities, and some customers come to us for counseling with referrals from the public authorities.

In December 2008, our 30 years of efforts through the Centers were recognized by the Ashitano Nihon-wo Tsukuru Kyokai foundation through its FY2008 community contribution award program, and Ito-Yokado received the Chief Cabinet Secretary Award in the corporate citizenship section of the program.

We will continue to improve the Centers' facilities and the skills of our counselors and commit ourselves to providing parenting support that meets the demands of local customers while cooperating with local governments.

Response to Aging Society



We visit elderly care facilities to offer products to the elderly in the Fureai Shopping program.

There are many elderly customers who want to shop but cannot go out because they have trouble walking or are afraid of falling. To offer these customers the opportunity to shop, in March 2004 we at Ito-Yokado launched the Fureai Shopping service, where we visit elderly care facilities and create sales floors in the dining rooms and halls.

We select products for the service from among those displayed in Ito-Yokado stores (excluding fresh produce, such as meat and fish, alcoholic beverages and cigarettes, etc.) in accordance with customer requests. We offer the products (including sale items) at the retail selling prices of the day. The frequency of the visits differs according to the products we offer. For example, three or four visits a year is typical when offering apparel as the main products, while one visit a month is typical when offering mainly food

items. In FY2008, Fureai Shopping services were provided 1,350 times by 101 stores at 312 elderly care facilities. The customers who made use of the services made favorable comments, such as "I can enjoy shopping with peace of mind because I don't have to leave the facility."

In addition, in response to feedback commenting that it is inconvenient to be able to buy food only once a month, we deliver food items, etc. to elderly care facilities approximately once a week in some regions.



Fureai Shopping

We offer Reliable Support Shops and Health Care Stations.

In recent years, we have seen an increasing number of patients with lifestyle-related diseases and aging in our society. Given this, promoting customer health and supporting seniors are two of our responsibilities at Ito-Yokado in that we aim to serve as a Life Base of the local communities.

As a part of our efforts based on this belief, we opened Reliable Support Shops³ within our stores in August 2004, offering not only senior care products but all categories of products including apparel and food items. Those products are not only highly functional but also designed to satisfy style-conscious senior customers.

In addition, we opened Health Care Stations in selected stores (Matsudo, Inuyama and Ichihara Stores) in August 2006 to support our customers' health management. At these Stations, counselors qualified as national registered dietitians or public health nurses check customers' body conditions, such as their blood pressure and body fat percentage, and provide dietary consultations⁴. In addition, each of these stores holds a

variety of events based on customer demand, such as Intensive Dietary Consultations (Matsudo Store) for offering advice on calorie counting to diabetes patients, etc., Stay-Well Classes (Inuyama Store), study meetings on health care, and a Mini Wellness Course (Ichihara Store) that provides lectures on points of dietary life in each season and the prevention of lifestyle-related diseases.

Making use of our experience with these activities, we opened the Health and Comfort Reliable Support Shop within Ichihara Store in March 2008. At this Shop, we provide not only products but also integrated services combining dietary consultations, fitness facilities and senior care information to provide comprehensive support to seniors.



Reliable Support Shop



Health Care Station

3 Number of Reliable Support Shops: 100 (as of February 28, 2009)

4 Main services offered at Health Care Stations:

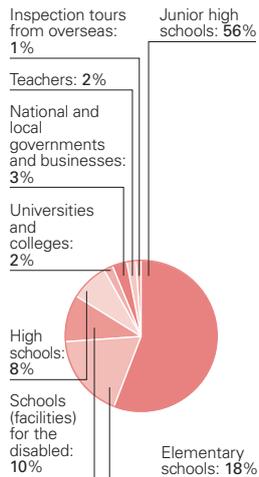
- Well-balanced diet
- Regular exercise
- Regular measurements (weight, body fat, blood pressure, etc.)
- Improvement of quality of life, including good sleep, relaxation and comfort



Superstore Operations

1 Number of work experience participants (FY2008)

Approx. 570 programs (approx. 9,300 participants)



Support of Education and Social Participation



We take on work experience students in stores.

At Ito-Yokado, we take on work experience students and store tours in response to requests from local elementary, junior high and high schools¹. Work experience students attend our morning meetings and join our employees in unpacking products in the back room and attending to customers and packaging products on the sales floors, for example. In addition, as a part of our efforts to encourage social participation by disabled people, we accept work experience students

from schools for the disabled and offer them opportunities to gain experience in sales. We also facilitate business training sessions for local government officials and teachers.



Work experience program

Creation of Stores that Contribute to the Development of Local Communities



We listen to our future neighbors to develop store plans that cater to local needs and characteristics.

When planning to open a new store, we at Ito-Yokado have the store manager and key employees of the store relocate to the intended area in advance of the scheduled opening to develop a store plan that caters to local needs and characteristics. We also meet with local residents in accordance with the Large-scale Retail Store Location Law to give an overview of the new store and planned measures to address possible concerns — such as traffic, noise and waste — as well as to listen to their opinions. In addition, we continue to contribute to the local community after opening the store by taking part in local events, the education of young people, and the prevention of juvenile delinquency.

At the explanatory meeting for Ito-Yokado Musashi-Koganei Store, which opened in March 2009, we formulated a transportation plan for ensuring the safety and convenience of people in the local community by seeking instructions from the local government and police. This was our response to the concerns of many people regarding traffic jams and traffic safety in the surrounding area. We strived to relieve congestion by setting up temporary bicycle parking areas, etc.

The area around JR Musashi-Koageni Station, where we opened Musashi-Koganei Store, is positioned as the New Face of Koganei in the urban planning project titled the Project for Renewal of the Area around the South Entrance of Musashi-Koganei Station. Maintenance

and improvement are being undertaken in the area, as it is the center of the city in terms of transportation, commerce, works, and public administration. The areas to the north and south of the station, which used to be separated by the JR Chuo Line crossroad, are now integrated because the railroad has been located on the overpass. The area is being revitalized with a shopping mall including local stores and apartments on the upper floors (200 apartments), the Festival Court (an event space for attracting visitors), and a citizens' exchange center, etc. Ito-Yokado Musashi-Koganei Store is positioned as a core facility of the renewed town. The opening of this new store was also valuable in that we have contributed to the revitalization of the local community and have participated in the renewal of the town.



Ito-Yokado Musashi-Koganei Store

Support for the Nurturing of Children who will be Responsible for the Next Generation



We support food education for children.

At York-Benimaru, we undertake activities for creating a bridge between our producers and our customers via food items. Such activities are aimed at arousing our customers' interest in domestic agricultural products and contributing to the improved diets of our customers and an improved food self-sufficiency ratio.

In recent years, we have been actively involved in providing food education for children as a member of the 5 A DAY Association-Japan². In FY2008, the year we celebrated our 60th anniversary, we organized farm-visit programs, which invited local parents and children to our contract farms. These programs took place in the five prefectures where we operate. During the tour, the participants actually harvested crops and listened to producers, wholesalers, and buyers to learn how the crops are delivered to each store. We then told them about the importance of nutrient balance and of eating a variety of vegetables. These programs permit children and their parents to enjoy learning together.

In addition, we also organized Supermarket Tours for local elementary school children. In these tours, we used our stores as classrooms and arranged for the children to visit our fresh produce and other

sections, select food items in line with assignments about nutritional balance from dietitians, and enjoy cooking experiences.

These activities were rated highly, and in March 2009 we received the Tohoku Regional Agricultural Administration Office Director's Incentive Award for Food Education in the category of dietary life improvement from the Tohoku Regional Agricultural Administration Office.

In addition to these activities, we organized Kids' Farm, a new program, in FY2009. The children who participate in this program take part in a series of farm operations, from sowing seeds and planting seedlings to harvesting crops, by visiting farms seven times in a six-month period. We will continue to be proactive in providing opportunities for children to experience the hardship and joy of farm operations and the importance of enjoying food.



Explanations of nutrient balance



Children sowing seeds

Interactions between Customers and Store Employees



We foster a sense of unity with local customers through a variety of events.

A community-based superstore cannot continue operating without the support of local customers.

At York-Benimaru, we express our continued gratitude for our customers by holding an Anniversary Festival to celebrate the founding month of each store every year. The Festival includes a variety of events that our customers can enjoy together with our employees.

Specific programs of the Anniversary Festival are planned and organized individually by the stores. They include eco-themed programs (such as the distribution of soap bars made from the store's used cooking oil, a workshop on how to wrap things using traditional Japanese wrapping cloth, and

making toys from milk cartons), charity bazaars, making sushi rolls, and a bread-eating race. We sometimes ask people from local governments and fire stations to join some of our events.

At York-Benimaru, we will continue to hold events together with our local customers by making use of our stores as the settings.



An Anniversary Festival event

2 5 A DAY Association-Japan

Established in 2002, the 5 A DAY Association-Japan has undertaken a nationwide wellness campaign that recommends the daily intake of at least five portions (350g) of vegetables and 200g of fruit.



Department Store Operations

1 Sogo & SEIBU's in-store donations totaling ¥25.27 million were provided to seven guide dog organizations across Japan. Another ¥20 million from our fund was also donated to nine guide dog organizations across Japan.

Support for Guide Dog Development Projects

Sogo & SEIBU

We provide dual support — raising funds and awareness.

At Sogo & SEIBU, we undertake activities for supporting guide dog development projects to create a “normalized” society as a part of our activities for contributing to local communities.

In addition to requesting donations in stores, our company and labor union have established a fund, incorporating proceeds from the Bow-wow One Coin Club, an internal fundraising program joined by our employees.

In FY2008, we made donations totaling ¥45.27 million¹. With part of these contributions, the Japan Guide Dog Association bought two ad-wrapped (promotional) cars for transporting dogs and

staff, as they did in FY 2007.

At Sogo & SEIBU, we also hold the Meet Guide Dogs Campaigns in spring and fall every year to raise people's awareness of guide dogs.

Moreover, to bring about synergy between these fund-raising and awareness-raising activities, we held Charity Sales Commemorating Fixed-Amount Cash Handouts along with the Meet Guide Dogs Campaigns held in the spring of 2009. We donated part of the proceeds from the charity sales to institutions such as the Japan Guide Dog Association. By holding these two events together, we were able to raise awareness of guide dogs among many more customers than before.

Community Contributions in Response to Customer Opinions and Requests

Sogo & SEIBU

We aim for community contributions based on the features of our business and local characteristics.

A department store should be rooted in the local community and advance together with the development of the local community. We at Sogo & SEIBU recognize the importance of community contributions. We are aware that we

should focus more of our efforts on the introduction of local products, the development of products that use local products, and on making a contribution to environmental protection through the revitalization of local communities.



SEIBU Tokorozawa Store: Tokorozawa is home to many young families. We held the Waltz Green Concert, the theme of which is three generations. The participation fees were donated to the Green Fund of Tokorozawa City.



Sogo Chiba Store: We organized the Locally-produced project for Local Consumption campaign to fulfill our responsibility as the base that connects our producers with our customers.



Sogo Tokushima Store: To develop the local specialties of Tokushima, we developed and sold bread featuring local products such as Naruto red kidney beans and Awa beer.



Sogo Omiya Store: We organized an activity for creating a Green Curtain by planting four kinds of seedlings, such as those of the bitter melon and morning glory. This activity was joined by a neighborhood kindergarten.

Food Services

Participation in Local Activities

Seven & i Food Systems

We participate in integrated learning classes, where students consider their relationship with society.

Since 2006, we at Seven & i Food Systems have been participating in special classes at Kudan Secondary School of Chiyoda Ward, which are held under the theme of urban culture.

These classes are aimed at helping students develop independent-minded, creative attitudes toward issues to be resolved. Students visit local companies, receive issues to resolve from them, conduct surveys and research to come up with solutions, and report the results to the companies by making presentations.

The issue we selected this time was the

creation of the Children's Mat² — a mat that is designed around the theme of food education and provided to children visiting Denny's restaurants. The students made presentations of the results of their research to us, and we adopted their ideas for the



Children's Mat

Children's Mat used in the summer of 2009. We will continue to participate in these types of activities.

2 Children's Mat

The Children's Mat is a paper mat we provide when we serve dishes to children at Denny's restaurants. Our Children's Mat includes a simple game designed to arouse their interest in food.

We supported an extracurricular class at a junior high school.

At Seven & i Food Systems, we organized an etiquette training class on the significance of greetings and communications for students of Komagata Junior High School in Taito Ward. We had organized this class in 2007 at the request of the school, and the school asked us to assist again in 2008.

We held the class in response to a request from the school to teach etiquette to the students before they participated in the work experience program in fall. During the class, we gave them instructions on etiquette at work, including how to greet people, how

to maintain good posture, and how to act during conversations. We also taught them the importance of communication when undertaking work.

The students who attended the class made comments such as, "I learned the importance of greeting and smiling" and "I learned that the first greeting is important in the workplace."

We would like to continue to respond to as many requests as possible to contribute to educational activities in local communities.

We support local junior high schools' work experience programs at each of our restaurants.

We actively support local junior high schools' work experience programs and accept the students in our restaurants³.

This support originated from the schools' request for our cooperation in providing an opportunity for children to think about their future careers.

Under the guidance and support of the restaurant manager and each of the other staff members, students have a hands-on experience in actual restaurant operations, such as serving customers and cleaning the premises, and learn about the importance of teamwork and communication and other necessary elements in the workplace.

We will continue to accept work experience students and provide children with opportunities to think about their future careers.



The work experience program

3 Number of work experience students accepted in FY2008

In FY 2008, we accepted a total of 533 junior high school students. In the first half of 2009, we accepted 79 junior high school students.



Seven-Eleven Midorino Kikin Website address: <http://www.7midori.org>

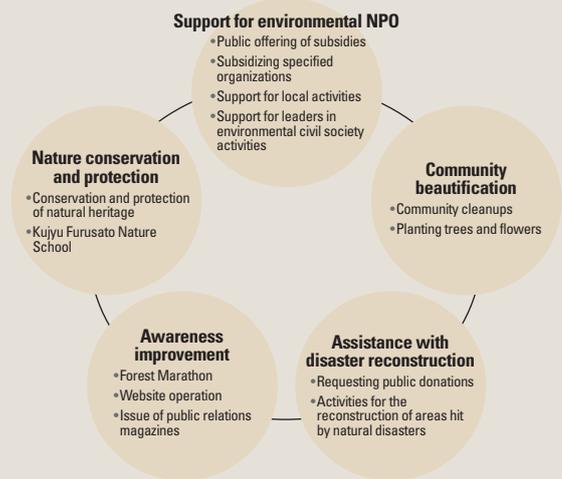
We support the activities of community-based environmental organizations.

In 1993, we at SEJ established Seven Eleven Midorino Kikin, our green fund, as a project celebrating our 20th anniversary. This fund is aimed at facilitating environment-related community contributions that are made jointly by our franchisees and the headquarters. Based on contributions from customers through in-store donation boxes and from SEJ, the fund provides financial support to environmental organizations across Japan, and conducts a variety of activities on its own, such as nature conservation and protection, community beautification, awareness improvement and assistance with disaster reconstruction. In FY2008, total contributions from customers through in-store donation boxes amounted to ¥372,430,326.

The public offering of subsidies, a system that is the pillar of the fundraising project, is intended for civil societies engaged in community-based activities related to the environment. We return the contributions from our customers back to local communities by providing them to those organizations in recognition of the results of their activities. In this way, the public offering system serves as a citizen-participation-type community contribution, in which our customers

support local environmental activities themselves through their donations.

■ Environment-related community contributions



Public offering of subsidies

In FY2008, we provided total support of ¥119,240,461 to 190 projects, including ongoing ones. In FY2009, we will provide total support of ¥134,961,814 to 251 projects, including ongoing ones.

We contribute proactively and directly to environmental protection.

In addition to providing the aforementioned financial support to environmental organizations, Seven Eleven Midorino Kikin aims to make direct contributions to protecting Japan's natural environment.

In April 2007, the fund created Kuju Furusato Nature School in Kokonoe-cho, Oita, as the basis of its activities for protecting nature and ecosystems. The school is striving to conserve local nature and its ecosystems, mainly in the Aso Kuju National Park, and create a network with other environmental organizations. In addition, to encourage people in general to experience nature's wonders, the fund implements programs for invited participants such as growing pesticide free,

organic rice, recreating traditional stonewalls, traditional charcoal burning, and nature school programs.

Since FY2008, the fund has also been supporting the forestation of Miyake Island, which was hit by a volcanic eruption in 2000. As part of the activities, 50 SEJ employees joined tree-planting activities as volunteers in November 2008. In May 2009, volunteers were recruited from across the Seven & i Holdings Group, and a total of 97 volunteers planted 4,200 trees in an area of approx. 1.7 hectares.

We will continue to improve our activities further and carry out community-based social contributions to pass on Japan's beautiful nature and precious ecosystems to future generations.



Rice planting at Kuju Furusato Nature School



Tree-planting activities on Miyake Island in May 2009

Volunteer Cleanup and Tree-Planting Activities Undertaken by Our Group Employees

We provide opportunities for the employees of our operating companies to undertake volunteer activities together with their families.

In Environmental Month, or June every year, our entire Group undertakes environmental activities together. During FY2009, we cleaned up the area around each store twice, as we had done in FY2008. In June 2009, 35 volunteers from our Group joined a cleanup activity at the foot of Mt. Fuji under instructions from the Fujisan Club, an environmental NPO supported by Seven Eleven Midorino Kikin.

In May 2009, we planted trees in an area near Shosenkyo Gorge in Yamanashi Prefecture. This activity is based on Ito-Yokado's campaign, in which one Japanese cypress tree is planted for every 4,000

requests for simple packaging for the year-end gifts in the previous year. The tree-planting activity was conducted by 43 volunteers consisting of employees of our Group companies and their families, under the instructions of the NPO Environmental Relations.



Tree-planting activity near Shosenkyo Gorge

Such activities provide precious opportunities for the employees of our operating companies to undertake volunteer activities together with their families.

Environmental and Social Contributions through Cooperation with Customers

We contribute part of the proceeds from sales of our original eco-bags to environmental activities.

At SEJ, Ito-Yokado, York-Benimaru and York Mart, we began selling our original eco-bags (Colorful Shopping Bags) in January 2008. For each one of these bags sold, ¥5 is used to obtain emission allowances under a UN-approved greenhouse gas emission reduction project.

Using part of the proceeds from the sales of original eco-bags during the first year of sales, we purchased 500 tons of CO₂ emission credits from a wind power generation project in Tamil Nadu state, India. We transferred the rights to the Japanese government free of charge at the end of February 2009. We will continue to contribute to Team Minus 6% of Japan, together with our customers.



Colorful Shopping Bag



Wind power generation in Tamil Nadu state, India

Team Minus 6%

Under the Kyoto Protocol, Japan pledged to reduce its total greenhouse gas emissions by 6% from the 1990 level as the base year. Team Minus 6% refers to our national movement for achieving this goal.

We donate the usable trade-in goods from customers to developing countries.

At Ito-Yokado, we carried out trade-in sales periodically from December 2008 to June 2009. Of the goods we collected in the sales, we donated 7.5 tons of usable clothing to the Japan Relief Clothing Center (JRCC). The clothing will be given to refugees and people in disaster-hit areas all over the world.

At Sogo & SEIBU, we carried out trade-in sales from May 2009, and donated some of the women's dresses, handbags and other trade-in goods to the Republic of Zambia via the Japanese Organization for International Cooperation in Family Planning (JOICFP).

When the ambassador of Zambia to Japan visited

the Sogo & SEIBU headquarters to give us a certificate of appreciation, he told us that many children in that country do not have shoes, which causes them to contract tetanus. We subsequently took the trade-in children's shoes and donated them to the country.

JOICFP

JOICFP is an organization engaged in activities for protecting the health and lives of pregnant and parturient women and women in general by cooperating with the United Nations and other international organizations. To support one of their activities, White Ribbon, we placed donation boxes in all Akachan Honpo stores on May 10, 2009. Contributions from customers amounted to some ¥120,000 as of July 31 of the same year.