



A sales clerk greeting a customer with a smile

Creating Fulfilling Workplaces

Basic Group Policy

We instill a vital corporate spirit in employees by operating without prejudice, based on fair and impartial standards with regard to employment, changes or promotions, to expand the capabilities of each individual in the workplace, while maintaining a work environment that is free from discrimination or harassment in which employees can work together with mutual respect. We endeavor to construct pleasant, safe, sanitary working environments in which employees enjoy the greatest possible physical and mental freedom and sense of abundance.

Code of Corporate Conduct

Seven & i Holdings' members . . .

- 1 Endeavor to maintain safe, hygienic workplaces and work environments.
- 2 Take all necessary measures to ensure the safety and sanitation of buildings and equipment.
- 3 Observe standards implemented to ensure safe hygiene and health in their work.

From the Seven & i Holdings Corporate Action Guidelines
(Formulated 1993, revised 2007)
<http://www.7andi.com/csr/guidelines.html/> (in Japanese)

Group-wide Measures

Implementing support systems to ensure continued employment of employees providing childcare or nursing care

In its efforts to enrich both the family and working lives of its employees, Seven & i Holdings has conducted a *Rechallenge Plan* support program since 1991 that assures their job security, even while caring for infants and young children or providing nursing care for other family members. Part-time staff have also been eligible for the system since August 2002.

We have revised the system repeatedly in response to feedback from employees. In April 2009, for example, we extended the period of availability of our *Short Working-hour Plan* to enable parents to reduce their working hours by 1 to 2 hours until April 15 of their children's second year of elementary school. We also gave employees the choice of limiting their working hours to 7:00 p.m. at the latest until the end of their children's fourth grade of elementary school.




Moreover, Sogo & Seibu joined our company in 2006, and an original childcare and nursing support system is also available to part-time staff at the company.

* *Rechallenge Plan*
Temporary Leave Plan (parental or nursing care)
Permits job reinstatement after a temporary leave of two years for infant nursing care (extendable to three years when necessary) or a leave of up to one year for nursing a family member.


Short Working-hour Plan (parental)
Permits reduction of hours by up to four hours.

Reemployment Plan (parental)
Permits preferential reemployment of employees who have left the company once.

Primary Efforts by Our Main Operating Companies

	Convenience Store Operations	Superstore Operations		Department Store Operations	Food Services	Financial Services
	Seven-Eleven Japan	Ito-Yokado	York-Benimaru	Sogo & Seibu	Seven & i Food Systems	Seven Bank
Supporting development of employee abilities	<ul style="list-style-type: none">Customer service enhancement seminars for franchise stores ▶ P.60Recognition for store management excellence	<ul style="list-style-type: none">Implementation of in-house licensing system ▶ P.62Skill Contests among fresh food part-time staff ▶ P.62Provision of in-house training systemSupport for self-education/improvement	<ul style="list-style-type: none">Management of objectives & progress by means of original tools ▶ P.61Holding Skill Contests ▶ P.62	<ul style="list-style-type: none">Promotion of “bottom up” activities to implement employees’ improvements ▶ P.63Support for acquisition of specialist qualifications to improve customer service skillsFinancial support for correspondence course participationUse of instructors for sales skill enhancement	<ul style="list-style-type: none">Conducting in-house training programsSupport for acquisition of national qualificationsIntroduction of internal qualification training & certification systemActive participation in training conducted by outside instructorsConducting training allowing equal participation by employees 	<ul style="list-style-type: none">Internal contests in customer service provision ▶ P.64Participation in external contact center-related contests ▶ P.64Conducting in-house trainingPromoting participation in correspondence coursesPromoting participation in external training programsApplication of career mapping to enhance capabilities
Assuring fair assessment and treatment of employees	<ul style="list-style-type: none">President’s Award presentation ▶ P.60System of self-assessment and interview-based evaluation by immediate and higher superiors	<ul style="list-style-type: none">Maintaining system for treatment of part-time staff ▶ P.61System of self-assessment and interview-based evaluation by immediate and higher superiorsConducting training for evaluatorsPresident’s Award presentation	<ul style="list-style-type: none">President’s Award presentation ▶ P.62Employee training program-based personnel guidance and evaluation ▶ P.61 	<ul style="list-style-type: none">Establishment of new President’s Award system ▶ P.63“Star Club” membership system for recognition of exceptional sales personnel ▶ P.63Target management system-based evaluations	<ul style="list-style-type: none">Introduction and operation of system to raise the status of part-time staff ▶ P.64System of self-assessment and interview-based evaluation by immediate and higher superiors ▶ P.64Evaluations based on both capability and performance	<ul style="list-style-type: none">Evaluations based on both capability and performanceSystem of self-assessment and interview-based evaluation by immediate and higher superiorsConducting training for evaluatorsMaintaining system for treatment of part-time staff
Achieving a work-life balance	 Operation of support system for childcare & nursing ▶ P.57					
Making use of diverse human resources	<ul style="list-style-type: none">In-house candidacy announcement systemReemployment system for retired employees (60 years or above)Preparation of cash register training manual in four languages	<ul style="list-style-type: none">Promotion of part-time staff to full-time positions ▶ P.61Reemployment system for retired employees (60 or above), including “Senior Partner Program” for part-time staff ▶ P.61Human rights awareness (normalization) education ▶ P.65In-house candidacy announcement system	<ul style="list-style-type: none">Promotion of part-time staff to full-time positionsReemployment system for retired employees (60 or above), including part-time staff	<ul style="list-style-type: none">Reemployment system for retired employees (60 or above)Promotion of talent recruitment system	<ul style="list-style-type: none">Introduction of system for promotion of part-time staff to full-time & store management positions ▶ P.64Reemployment system for retired employees (60 or above), including part-time staff	<ul style="list-style-type: none">Reemployment system for retired employees (60 or above)Human rights awareness educationIntroduction of system for promotion of part-time staff to full-time positions
Promotion of employment of the physically challenged						
Assuring consideration for worker health and safety	<ul style="list-style-type: none">Provision of traffic safety training courses for OFCs	<ul style="list-style-type: none">Occupational injury prevention education				<ul style="list-style-type: none">Medical interviews by industrial physicians and registered nursesEmployment of independent mental healthcare institutionsProvision training in self-conduct of mental healthcare
Conducting health examinations, establishing health management centers, conducting family health consultations and mental health care hotline						
Institution of a safety and health committee						

Third-Party Opinion



Tomofumi Saito
President, Corporate Culture Laboratory Inc.
Visiting Professor,
Tama University Graduate School
Part-time Lecturer,
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“I expect employees to achieve fulfilling workplaces by deepening exchange among them.”

I do not feel that the theme of fulfilling workplaces plays a sufficiently prominent role in most CSR reports. I believe that Seven & i Holdings differs by emphasizing an approach that places a clear priority on the fulfillment its employees find in their work.

At the Great Place to Work® Institute in the United States, the factors considered to identify “companies that provide job satisfaction” include “trust,” “respect,” “fairness,” “pride” and “camaraderie.”

Seven & i Holdings has established “We aim to be a sincere company that our employees trust” as part of its corporate creed, showing a clear awareness of the importance of “trust.” This report also includes the factor of “fairness,” with its mention of “non-prejudicial treatment,” and the factor of “respect,” as evidenced by the respect it shows for employees in its stated commitments to “employment of diverse human resources” and “enhancing employee capabilities.”

Seven & i Holdings’ thinking with regard to “pride” and “camaraderie” is not so apparent, however. How do employees interact with their superiors, for example, and what kind of support does the company provide for that interaction? I hope, moreover, that the next report will describe its efforts to deepen the bonds among colleagues.

Another important factor contributing to a sense of fulfilling workplaces, moreover, is the pride employees take in their work activities and the products and services they provide. Since the retail business involves direct contact with customers, moreover, it exerts a considerable influence on society, and I consider it an occupation in which it can be easy to find fulfilling workplaces at contact points with customers.

From now on, moreover, I hope to observe progress toward creation of workplaces in which employees can find fulfillment in their work.

● Described in an independent section of this report ■ Discussed in the main body of this report — Measures not implemented

Convenience Store Operations

***1 Shiftworks**
A part-time job search site operated by Indival, Inc. Seven-Eleven Japan pays the ad placement fees.

Offering enhanced franchise store assistance programs



Seven-Eleven Japan franchise store owners hire and train their own employees. If they are to operate their store without worries, it is important that the employees they recruit improve their capabilities and continue to work at the store.

As a measures to assist the franchise stores in developing their employees' capabilities, Seven-Eleven Japan holds Friendly Service Seminars on a district-by-district basis to teach participants how to serve customers in a cordial, pleasant manner. In March 2010, the company began upgrading its Helper System, a support program for franchise store owners, and enhancing the stores' recruitment activities.

Enhancing the Helper System to assist franchise owners in store operation

Seven-Eleven Japan provides store operation assistance for franchise owners on an individual basis by sending staff to substitute for them when they need to attend ceremonial occasions or a family member falls ill. We have expanded the scope of the assistance to cover family trips as well, revising the system to enable staff to take over or support owner's duties for a fee. As a result, we now have a system in place that allows franchise owners, who are engaged in 24/7 store operation, to delegate their duties with peace of mind.

Employee Commendation Program



Awarding commendations and announcing case examples quarterly

Seven-Eleven Japan has been conducting a *Genki-ga-Deru* ("maintaining high spirits") campaign targeting all its employees since fiscal 2007 with the aim of forwarding the creation of a vibrant workplace in which employees are motivated strive toward higher goals as well as think and act proactively of their own accord.

The campaign entails assessment on such items as goal achievement, efforts to take on new assignments, degree of effect on the company and

Increased Internet Recruiting

We have started to post information on employment opportunities at our franchise stores on Shiftworks*1, a recruiting site operated by a major Internet search site, Yahoo! Japan.

Shiftworks is a system that facilitates matching the wishes of part-time job seekers who want to make good use of their spare time and stores that need workers to fill specific time slots. Franchise stores can post help-wanted ads freely in accordance with their job vacancy situation.

As more and more people begin to look for part-time jobs on the Internet, this ability to look for a job at one of our franchise stores on Shiftworks, in addition to the Seven-Eleven Japan Web site, has led to increased viewing of recruiting information.



Recruiting information displayed on Seven-Eleven Japan's Web site (screen image as of September 2010)
<http://www.sej.co.jp/arbeit/re.html> (in Japanese)

Superstore Operations

Creating Attractive Working Environments for Part-time Staff



A personnel treatment system that permits part-time staff to choose their own working style

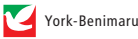
In response to changes in people's attitudes toward jobs today and a diversification of work style-related needs, Ito-Yokado has introduced a Career Promotion Choice Program*2 that allows part-time staff—who account for approximately 80% of its total workforce—to choose a working style that suits their personal circumstances and beliefs. It has, at the same time, also implemented a more performance-based evaluation and compensation system as well as a Senior Partner Program that allows employees to continue working until up to the age of 65.

The Career Promotion Choice Program classifies part-time staff into three groups—Regular, Career and Leader Partners—based on the nature of their job and the requisite skills and expertise and evaluates their day-to-day work performance. Those who receive high evaluations can seek promotion to the next level.

The company has also introduced a system under which part-time staff certified as Leader Partners are promoted to full-time employees ("expert" employees).*3 It offers them the option of not pursuing promotion to the next level for personal reasons, moreover, thereby enabling staff to choose the working style that is best suited to their personal value system.

Ito-Yokado is working to enhance employee training to correspond to its modified systems. It has developed training tools for each career step, for example, to help part-time staff improve their skills. It is also forwarding OJT (on-the-job training) through hands-on work experience as well as conducting training sessions for Leader Partners and Career Partners in every store. It provides supervisory training, moreover, for the sales-floor staff responsible for conducting in-store OJT.

Use of Target Achievement Records to Strengthen Individual Employee Capabilities



Efforts to increase employee motivation and capability enhancement

York-Benimaru uses Target Achievement Records*4 to clarify each employee's current skills and capabilities, areas in which challenges remain to be overcome and personal targets. The Record identifies items necessary to the performance of duties, including customer service, sales floor management, order placement and cooking skills, as a basis for conducting assessments on a 6-point scale of 0 to 5. The assessment items are set on a department-by-department basis and according to the employee's job responsibilities, the work content and the merchandise being handled. In the Skills Edition for full-time and part-time employees, more than 100 items are identified, including cooking skills, sales floor display arrangement skills and merchandise knowledge.

Employees conduct self-assessment at their level based on the Record and check their progress and set new targets in cooperation with their immediate supervisor three times a year (twice a year in and after fiscal 2010). Setting clear-cut targets and performing the requisite duties to achieve them has increased

employee motivation and helped them develop enhanced capabilities. York-Benimaru has computerized the Records to reduce the data compilation time and enable company-wide sharing of information.

In fiscal 2010, we plan to review the Skills Edition "Cash Register Operation" and "Clerical Duties/Inspections," while further enriching our training tools by creating video software and revising our procedural manuals and handbooks.



Checking progress based on Target Achievement Records

*2 Career Promotion Choice Program



*3 Certification status (as of March 1, 2010)

Leader Partners: about 2,300
Career Partners: about 2,600
Cumulative total number of part-time staff promoted to regular full-time employment: about 340

*4 Target Achievement Records

The company introduced the Records on a trial basis in October 2006 and began using them in its stores in June 2007. The Records are electronically managed. In addition to the Skills Edition for full-time and part-time employees, it has employed the Management Edition, designed to improve and standardize the management capabilities of department heads in all the stores, since June 2008 as part of effort to establish individual store management as a basis for construction of a 300-store organization. With the subsequent launch of Records for store managers and assistant store managers in June 2009, we now have a Target Achievement Record for employees in almost every position.

Superstore Operations

***1 Total number of employees obtaining licenses (as of end July 2010):**
20,947

	License title	Number of license holders
Apparel	Ladies' styling coordinator	1,824
	Shoe advisor	1,395
	Men's styling coordinator	1,522
	Children Friends Mate	1,702
	Underwear advisor	1,635
	Yukata Friends Mate	821
Household goods	Interior advisor	1,244
	Kitchen advisor	1,752
	Cosmetics Friends Mate	197
	Consumer electrics Friends Mate	52
	Toys and stationery Friends Mate	1,482
	Care Support Advisor	98
Service	Service Friends Mate	1,472
	Cashier Friends Mate	5,085
	Telephone switchboard Friends Mate	666

***2**
Fresh-food training rooms are set up in a total of eight locations, including the Tokyo and Chukyo areas. In fiscal 2009, a total of 2,151 employees participated in group training programs.

***3**
Seven York-Benimaru departments—fresh fish, meat, fruit and vegetables, processed foods, daily products, clothing and housing—hold a Company formation Festival Skill Contest every October. The cashier department holds an independent Checkout Counter Competition in September of each year.

***4 VMD**
Visual Merchandising (product display). This refers to merchandising techniques that emphasize the visual impression made by merchandise.

***5**
An award certificate, prize money and medal are presented to 1st-, 2nd- and 3rd-place contestants.
Trophy: 1st-place winner only

Support for Employee Capability Enhancement

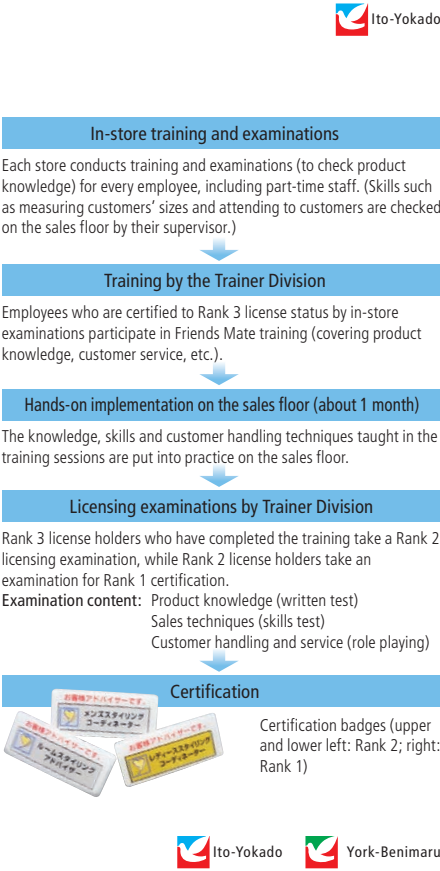
The “Friends Mate” in-house licensing program

Ito-Yokado has implemented a Friends Mate in-house licensing program as part of its support for employee capability enhancement. Employees go through a series of procedural steps—training, licensing examination and certification—to acquire the practical knowledge, skills and customer service techniques required on the sales floor. There are 15 different licenses, each of which involves five ranks, from 1 to 5. Individuals certified to the top ranks 1 and 2 are registered in the human resources database, and a record or their rank is reflected in their performance evaluation.^{*1} A license is valid for two years. License holders who fail to meet the specified standards when their license expires are required to retake the licensing examination for renewal.

Employees can check their customer sales performance (sales volume, number of items sold, etc.) up to the preceding day on the company intranet. This gives them an objective grasp of how effectively they are employing the licensed skills they have acquired in attending to customers and achieving results, which in turn tends to increase their motivation.

Skills competitions for part-time staff

Ito-Yokado is enhancing OJT training through group training and video manuals as part of effort to enhance the skills of employees of its fresh foods sections. Group training is conducted by specialized training staff in fresh foods training rooms in accordance with participants’ skill levels.^{*2} In August 2009, the company began creating food preparation video manuals as effective, easily understandable training tools. It has extended the year-long training by holding skills competitions among part-time staff in the meat, Fruit and Vegetable, fresh fish, prepared dishes and *sushi* departments since fiscal 2005. In the final stage, 32 finalists who have made it through the preliminary rounds and subsequent zone tournament compete by preparing the main items offered by their departments and are judged according to a system that awards points for following the manual, procedural deftness and attractive arrangement of food. Winners receive commendations as a means of elevating employee morale.



A skills competition in progress

Department Store Operations

Systems for Evaluating the Effectiveness of Efforts in the Workplace

The newly established “No. 1 in Service ” initiative and President’s Award System designed to raise motivation in the workplace

Sogo & Seibu seeks to boost motivation among employees by incorporating the suggestions and opinions they submit voluntarily into its service improvement efforts and store management, while advancing its “No. 1 in Service” initiative^{*6} with the objective of becoming the department store that enjoys the greatest trust and highest expectations among people in the community. The activities are aimed at responding to the requests of all the company’s customers.

Sogo & Seibu has also established a new President’s Award System organized to evaluate the results of employees’ efforts and challenges, share the process company-wide and prepare the ground for next-level activities. The Grand Prix winner is presented with an award certificate personally by the president.

It plans to make use of this new award system to stimulate employees’ voluntary efforts and enhance the fulfillment they find in their work.



Selling the Sogo Tokushima store's top prize-winning “Tokushima Specialty Bread”

Evaluating performance fairly and supporting enhancement of expertise and capabilities

Sogo & Seibu has established the Star Club membership program^{*7} for store employees who demonstrate exceptional performance, primarily in the areas of customer service and sales. Among candidates who enjoy strong customer confidence and exhibit an ability to serve as role models for other employees, those who are ranked in the top one percent of their category’s salespeople companywide are certified under the program as Corporate Star Club members, while those who are ranked in the top two percent of their category’s salespeople in their own store are recognized as Store Star Club members.

The company supports career development by encouraging sales staff to obtain professional qualifications that contribute to their customer service and sales activities, such as shoe fitter, fitting advisor and gift advisor qualifications. It also assists employees in obtaining “Heartful Advisor” qualifications, which certify the certificate holders’ ability to provide appropriate service or assistance to elderly or handicapped customers. Many of our employees have obtained this qualification.^{*8}



A ceremony certifying employees as Star Club members



Support for acquisition of professional qualifications in the areas of customer service and sales

***6 Criteria for “No. 1 in Service” initiative commendation**

Each month, the Headquarters’ No. 1 in Service Vitalization Committee screens candidates recommended by the various stores for No. 1 in Service initiative commendations and selects the one that serves as a model case from all of the company. Furthermore, once every six months, the President’s Award is presented for the activity selected by a vote of all the company’s top management members (including store managers) from among those recommended by all the stores’ managers.

***7 Star Club membership certification (fiscal 2009)**

Store employees certified to Star Club membership: 1,449

***8 Professional qualification recipients (fiscal 2009)**

Shoe fitter:	193
Fitting advisor:	732
Gift advisor:	1,088
Heartful Advisor:	706
Food safety advisor:	103

Food Services & Financial Services

Introduction of a Fair, Unbiased Human Resources Management System

Seven & i Food Systems

- *1 Unit employees**
Seven & i Food Systems refers to part-time staff as unit employees.
- *2 Promotions during fiscal 2009**
- Unit employees promoted to full-time status: 126
 - Unit employees promoted to store management positions: 15

Adopting a human resources management system conducive to job satisfaction

Approximately 90% of Seven & i Food Systems store employees are unit employees,*1 who play an important role in store management. The company introduced a new human resources management system in October 2008 to enhance their motivation and satisfy their widely varied work-related needs.

The new system incorporates a capability-based system and a wage system that reflect the duties they perform and the relative importance of the employees’ jobs. Performance appraisal is conducted by applying a self-check appraisal system adopted to enable individual employees to set targets and take the initiative in carrying out their duties. It involves a mechanism in which they clarify their objectives and requisite work roles, perform their duties and then check the degree of their achievement with their supervisors before establishing a new set of objectives. Unit employees who meet certain criteria may also be promoted to full-time employment or to

managerial positions such as store manager*2 under the system, which enables employees to work in a manner that suits their personal objectives and lifestyles. Regardless of employment status, we will keep on promoting better revision systems which are easy to understand for all workers.

Unit employee categories

Expert	Employees who can make sound judgments concerning the store, manage the store and conduct staff training
Career	Employees who are well versed in workplace rules and able to serve as role models for other employees in terms of cooking skills and customer service
Regular	Newly hired employees or those who have income or time constraints

Support for Raising Employees’ Capabilities and Morale



Various training programs and external contests conducted for the Customer Service Department

Seven Bank is enhancing the training programs conducted for the ATM Call Center and Telephone Center, which play the important role of fielding calls from customers, and implementing a variety of measures aimed at elevating the capabilities and morale of their employees, who interface directly with customers.

In the annual Customer Service Contest, Seven Bank screens tape recordings of actual exchanges with customers to select award winners, after which the directors and managers of the relevant divisions conduct a final screening. Employees receiving high rankings are honored with recognition.

The company also seeks to improve the quality of its customer service by participating in external contests and receiving third-party evaluations. In the Best English Call-handling Contest held in February 2010 under the sponsorship of the Japan Telecom Users Association, Seven Bank staff captured 1st-, 2nd- and 3rd-place honors.

In the HDI (Help Desk Institute) ratings for fiscal 2009 organized by HDI-Japan, Seven Bank was honored as the only three-star winner among 11 companies in the banking sector, moreover, and received commendation for “providing quick, lively, personalized customer service while responding to customers empathetically.” The bank employs such internal and external efforts to upgrade its employees’ skills and maintain and raise their motivation.



column

Creating Fulfilling Workplaces

Promoting Employment of the Physically Challenged

Creating workplace environments in which personnel with disabilities can play an active role



A normalization training session

Seven & i Holdings pursues proactive efforts to create workplace environments that are conducive to quality work performance by personnel with disabilities. Our operating companies determine the departments and duties to which they assign physically challenged employees in consideration of the degree and nature of each individual’s disability as well as the wishes the employee expresses at the time of hiring.

We also stress education of employees who work alongside colleagues with disabilities to ensure these colleagues’ ability to play an active role in the workplace. Ito-Yokado conducts normalization training, moreover, that prepares employees to provide support for disabled persons. The training enhances awareness through simulated experience in the use of wheelchairs and eye masks and teaches basic knowledge of disabilities and proper customer service skills. In fiscal 2009, the company conducted a total of 22 training sessions for 1,660 new employees, recent appointees to managerial positions and employees of newly opened stores. It will continue working to improve the workplace environment and pursue ongoing efforts to promote hiring of the physically challenged.

Terre Verte, a special subsidiary that provides jobs for persons with severe disabilities

<http://terube.jp/home.html> (in Japanese)



A company employee conducting normalization education as a visiting lecturer

Four Group companies—Seven-Eleven Japan, Ito-Yokado, York-Benimaru and Seven & i Food Systems—cooperate with Kitami City, Hokkaido, in operating Terre Verte, a special subsidiary established through joint investment to promote the hiring of persons with severe disabilities.

As of June 1, 2010, *Terre Verte* employs 16 personnel with physical or intellectual disabilities to grow *shiitake* mushrooms and operate a printing business. To ensure that employees can work with peace of mind, the office space is barrier-free, with the flooring all on a single level and ramps, elevators that can accommodate wheelchairs and emergency “help call” buttons installed in various locations. One career consultant for the disabled and four career and life counselors for the disabled (including one vocational nurse) are assigned to the company, moreover, to assist with work skill improvement as well as to provide health support.

Terre Verte considers that it also has the important responsibility of popularizing a philosophy of normalization, which envisions a society in which everyone, including disabled and elderly persons, can participate in comfort. In accordance with this concept, it accepts company study tours and participates actively in training activities by sending its employees to schools. In August 2009, the company staged a *Terre Verte* Interaction Festival to promote exchange with the local community, raise awareness of normalization and showcase *Terre Verte*’s activities. The two-day event attracted some 1,000 visitors. *Terre Verte* will continue to prioritize its relationships with local communities and support the efforts of disabled persons to enjoy fulfilling careers.

Opinion

At Seven & i Holdings, we embrace “promotion of normalization” as part of our management philosophy. With this in mind, we strive to create stores that afford comfortable shopping experiences for the disabled and elderly and promote barrier-free facilities and Universal Design, while working to improve our customer service skills. We have achieved objectives exceeding the statutory employment ratio of workers with disabilities, moreover, through active hiring of disabled persons. This has contributed to changes in thinking, so that employees consider working side by side with disabled persons to be completely natural.

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