



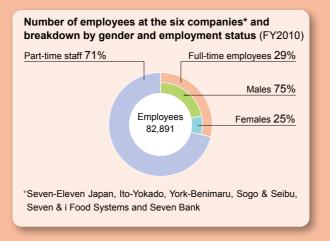
ustomer service skills

All employees are making efforts to improve their.









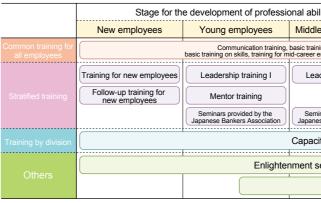


Providing employees with various programs to help them improve their abilities

Seven & i Group operating companies are committed to developing human resources by providing employees with training programs suitable for their business features and by establishing unique systems to help individual employees improve their abilities.

Programs implemented by the operating companies to help employees improve their abilities				
Operating companies	Major programs			
Seven-Eleven Japan	 Training on customer service at the checkout counters for franchise employees Holding English classes Encouraging participation in external training programs 			
lto-Yokado	 In-house licensing program in which a total of 15 licenses are issued for the divisions of apparel, household goods and services Holding skill contests for part-timers in the food division 			
York-Benimaru	 Management of objectives and progress of individual employees based on the items set in detail by division and skill Holding skill contests in a total of 7 divisions including: fresh fish, meat, fruit and vegetables, processed foods, daily products, apparel, and housewares 			
Sogo & Seibu	 Holding seminars on the basics of customer service and management for all employees to raise their awareness Supporting employees in acquiring specialist qualifications to improve their customer service skills Encouragement and financial support for correspondence course participation 			
Seven & i Food Systems	 Support for the acquisition of national certifications Providing all employees (of the Restaurant Division) with training for in-house qualifications and operating a certification system by business category Encouraging employees to participate in external training programs 			
Seven Bank	 Encouraging employees to participate in correspondence courses and external training programs Holding internal customer service contests Participation in external contests on customer services 			

Examples of operating companies' training systems



Improving skills necessary for business operations

Ito-Yokado, York-Benimaru, and Seven & i Food Systems are operating in-house qualification programs to certify the skills necessary for their business operations. Ito-Yokado, Sogo & Seibu, and Seven Bank are supporting the self-education of employees by sharing the cost of correspondence education.

Moreover Seven-Eleven Japan supports its franchises in improving the customer service skills of their employees.



Denny's and Famil provide all employees with inhouse training (lower left photo) and have an in-house certification program. They dispatch trainers from headquarters to the restaurants where examinees are working in order to evaluate actual challenges during their business and to give instructions so that the test may have a higher level in its content and the companies can help the employees successfully obtain the certification (lower right photo).

In the training, employees are evaluated for their challenges and given advice regarding cleaning as well as their response capabilities and communication with other employees.





Seven Bank

The bank provides employees with a range of training programs to help them acquire the necessary knowledge and skills in each stage, with the roles of employees classified into those on the "stage for the development of professional abilities" and on the "stage for the display of professional abilities."

lities	Stage for the display of professional abilities					
e-rank employees	Managers					
ing on financial issues (cor mployees, training on cor	respondence education), pliance, human rights and EAP, etc.					
dership training II	Training for managers					
	Training for new managers					
nars provided by the se Bankers Association						
ty building training						
eminars held in the evening						
MBA training						

Giving commendations to employees who have achieved results

Seven & i Group companies have unique commendation systems, in which the president gives commendations to employees who have achieved excellent results and the cases are introduced as excellent examples across the company. This gives higher motivation to employees and encourages them to participate more proactively in educational training.

Ito-Yokado and York-Benimaru, and Sogo & Seibu give "certification badges" to employees who have acquired in-house qualifications and to employees who have acquired public qualifications, respectively. By making employees' skill levels "visible" to both their customers and colleagues through such means, the companies raise employees' motivation for technical certifications.



Employee awarded a certificate of merit from the president (right)

Seven-Eleven Japan

Seven-Eleven Japan has been conducting a Genkiga-Deru ("maintaining high spirits") campaign targeting all its employees, in which employees are ssed on: goal achievement, efforts to take on new assignments, degree of effect on the company, contributions to society, and the like, and commendations are given to those who have received high evaluations. The good examples are introduced and widely shared through video presentation at in-house meetings, and the president gives certificates of merit to the recipients



Two employees (center awarded certificates of merit from the presiden (right), and the store manager of the Ikebuku main store (left)



Under its "Service No. 1" President's Award System, the company gives commendations to individuals and groups who have achieved results by improving their service and operational methods. This system was launched in FY 2009 to share the process of creative methods devised by employees, and 296 teams were commended in FY 2010.

Assuring Fair Assessment and Treatment of **Employees**

Implementing a self evaluationbased and dialogue-based assessment and treatment system

Seven & i Group companies are implementing meritbased personnel evaluation systems to maximize employees' abilities. Twice a year at the companies (thrice a year at Seven-Eleven Japan), employees self-evaluate their job performance and then their managers also conduct an appraisal. Subsequently through interviews, the employees talk about the appraisal results with the managers to understand their strong points and challenges. Through this process, the companies ensure transparency and fairness in personnel evaluation.

Moreover our operating companies are working to establish the systems in which individuals can choose from among different working styles to work with higher motivation. For example, Ito-Yokado has the Career Promotion Choice Program for part-timers, and York-Benimaru and Seven & i Food Systems are also implementing systems to promote part-time staff and temporary workers to full-time employees or store managers. Seven & i Food Systems has actually promoted a total of 153 part-time staff to full-time employees over four years since FY 2007.



The company is implementing a Career Promotion Choice Program to enable part time staff to choose from diverse working styles based on their personal circumstances and beliefs. "Leader Partners" who meet the predefined criteria after taking an examination and are highly evaluated by their managers are promoted to full-time employees. Since FY 2007 when the program was launched, a total of 651 part-time staff have been promoted to full-time employees under the program.

Career Promotion Choice Program



Achieving a Work-Life Balance

Helping employees with childcare and nursing care so that they can continue to work with peace of mind

The Seven & i Group is improving its childcare and nursing care systems to help employees, including parttime staff, continue working while raising children or caring for their family members. All Group companies are operating childcare systems that are better than the legal standard.

Moreover, Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems have a volunteer leave system in place , in order to support the participation of employees in volunteer activities, including those for people with disabilities, nursing care, and environmental conservation. The system allows employees to take up to five holidays per year.



TOPICS

n Seven Bank

Invited employees' children to parents' workplaces on observation day

In November 2010 and January 2011, as an effort to better the work-life balance of employees, the bank held an event, observation day, to invite the children of employees to their workplaces, with a view to helping employees families to get to know the workplace so that employees can work more comfortably.

The event was held at the banks' head office and other bases, in which a total of 38 families including 58 children participated. By having work experience such as exchanging business cards and using an ATM, they shared the atmosphere of the workplaces.





The company has revised its childcare and nursing care support system to help employees work more comfortably. The following shows its main support plans. * The underlined parts show the arrangements made beyond the legal standards

• Temporary leave plan (parental and nursing) By filing an application for the plan, employees can take temporary leave for their child <u>until the 15th of the first April that comes</u> <u>after the child becomes one year old</u> (or for one more year if it is necessary) and for their family member for up to one year. "When both parents take parental leave, they can take the leave <u>until the 15th of the first April that comes after the child becomes</u> <u>one year and two months old</u> .
 Short working hour plan (parental and nursing)
By filing an application for the plan, employees can shorten their working hours by up to two hours for their child <u>until the 15th of</u> the first April that comes after the child becomes a second grader at elementary school. Also for nursing care, employees can shorten their working hours by up to two hours for two to three years. *Employees can apply for both this plan and the temporary leave plan.
• Early leave (by 7:00 p.m.) plan (parental) By filing an application for the plan, employees can leave the workplace by 7:00 p.m. regardless of the closing time of the store for their child until the fiscal year, in which the child becomes a fourth grader at elementary school, ends.
 Re-employment plan (parental and nursing) By filing an application for the plan, employees who quit the company for childcare or nursing care will be given preferential re- employment opportunities.
 Holidays for the care of sick/injured children

Employees who need to care for their pre-school sick/injured children or to take their pre-school children to medical institutions for preventive vaccination or physical checkups can annually take up to five holidays for one child and up to a total of 10 holidays for two or more children. (Paid holidays)

Nursing leave

Employees who have family members constantly in need of nursing or other care for a period of two weeks or longer can annually take up to five holidays for one such member and up to a total of 10 days for two or more such members. (Paid holidays



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Making Use of Diverse Human Resources

Working to provide employees with workplaces where they can work without discrimination

The Seven & i Group adheres to fair and unbiased employment, transfer, and promotion as its basic policy. In February 2010, the Human Rights Awareness Office was moved from Ito-Yokado to Seven & i Holdings to enhance human rights education and awareness across the Group.

Moreover, to encourage employees to think about human rights, the Group holds annual campaigns to collect slogans from employees and their families. In FY2010, a record-breaking 43,919 slogans were submitted (42,995 from employees and 924 from their families).

Implementing public invitations for candidate system

Seven & i Holdings is implementing public invitations for a candidate system to place the right people in the right jobs and help employees display more of their abilities by letting them apply for the jobs of their choice within its operating companies.

Other Group companies also have in-house public invitations for candidate systems. For example Ito-Yokado has a system in which employees who have worked for at least two

years for the company can apply for all the managerial positions and jobs regardless of their work experience or seniority. In FY 2010, 475 employees made applications under the system, of which 78 got the positions or jobs of their choice.



Ito-Yokado's poste about in-house public invitations fo candidates

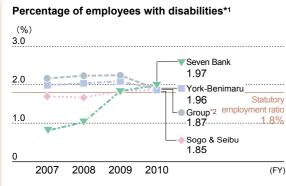
Promoting the employment of people with disabilities

The Seven & i Group is committed to helping people with disabilities to display abilities at their workplaces. To this end, the operating companies assign employees with disabilities to the workplaces and jobs

that are suitable for them in consideration of the level and details of the disabilities and their own preferences.

Terre Verte*, which is a special subsidiary established to foster the employment of people with severe disabilities, employs 15 people with severe disabilities as of the end of February 2011. In 2009, the company was certified as an excellent company for people with disabilities by the Ministry of Health, Labour and Welfare.

* The company was established jointly by Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Seven & i Food Systems, and Kitami City of Hokkaido in 1994



*1. The method of calculation has been changed in FY2010, to reflect the amendment to relevant laws in July 2010.

*2. The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terre Verte, Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Syste

Special subsidiary Terre Verte

Terre Verte publishes its newsletter on the intranet every month widely to introduce how its employees are working and how the company is accepting visitors as part of the Seven & i Group's employee awareness raising activities.

This special subsidiary is also promoting the employment and retention of people with disabilities by Group operating companies through awareness-raising activities. In July 2010, upon request from Seven Bank, the company held a training seminar for five division managers of the bank. And it also dispatched a job consultant supporting and managing the employment of people with disabilities to Seven Bank's head office and its administration center, where the consultant provided 30 employees of the bank with tips and advice for working with people with disabilities.

> Employees of Terre Verte are engaged in printing slips and growing mushrooms



Assuring Consideration for Worker Health and Safety

Considering the physical and mental health of employees and their families

The Seven & i Group is striving to maintain safe and comfortable workplaces for employees. To this end, each Group company regularly holds the meetings of its safety and health committee and provides employees with regular health checkups, while the Group's headquarters set up a health management center for employees. Moreover, the group has introduced a system in which clinical psychotherapists and counselors provide employees with counseling services on their mental health by phone and via e-mail. The Group also provides both employees and their families with health counseling and services to introduce medical institutions.

To prevent industrial accidents, Ito-Yokado provides employees dealing with fresh food with education on the treatment of knives and other tools, while Seven-Eleven Japan provides OFC (Operations Field Consultants)* who drive vehicles for their jobs with an annual safety driving seminar. Seven & i Food Systems urges employees to prevent industrial accidents by regularly posting awareness posters, etc. at its stores.

* OFCs are counselors who visit the stores of the company to give advice on store management.

Breakdown of consultation requests made by employees by topic (FY2010) Diseases and treatment Health advice 8% 65% Others 10% Total 1.070 Mental health 17% inquiries *Including those from employees' families

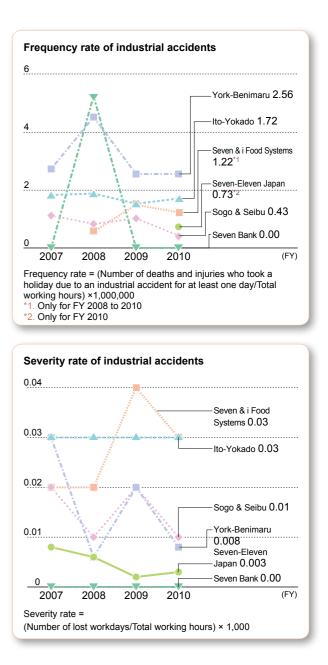
TOPICS

Sound labor-management relationships

The federation of Seven & i Group labor unions is composed of eight* Japanese labor unions (with a total of about 45,000 members). The labor unions exchange information about the organizational management and working conditions for the members based on the principle of enhancing their organizations while maintaining their independence.

Ito-Yokado's labor union, which adopts the union store system, is the largest among the eight unions, with the number of members reaching nearly 25,000. As of the end of February 2011, 55.8% of all its employees, excluding students working as part-time staff, belong to the labor union. Ito-Yokado respects the the union's activities based on the three rights of labor. For example, when the labor union holds a round table meeting or training seminar during the

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opening hours of the stores, the company makes necessary arrangements on the working hours of the union members and also avoids schedule conflicts between company meetings and the important meetings of the labor union. In FY 2010, the company and labor union concluded eight labor agreements by discussing and negotiating on such issues as wages, bonuses, appropriate working hours, encouraging employees to take paid holidays, and improvements related to business operations.

Labor unions of Ito-Yokado, Seven & i Food Systems, York Mart, Marudai, K.K. Sanei, York-Benimaru, Akachan Honpo, and Sogo & Seibu

The federation also shares information and cooperates with the labor unions of the following Group companies: Life Foods, SHELL GARDEN and THE LOFT.

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Main Operating Companies' Targets, Results and Self-Evaluation for the Challenges in FY2010

 $\bigcirc:$ Target achieved $\bigtriangleup:\,$ Target nearly achieved $\times:\,$ Target not achieved

Unamendes	Operating companies	FY2010 Targets	FY2010 Results	Self- evaluation	FY2011 Targets
	Seven-Eleven				Improve various in-house training programs
	Japan	 Enhancement of language skill for globalization 	 Supported the language education 	0	 Enhance employees' language abilities for globalization
		Promote the cultivation and expansion of certified personnel (rank 1 and rank 2) who acquired	Rate of personnel in ranks 1 to 3: 46.4%		
		high(er) knowledge, techniques and reception capabilities, not only for those who acquired an internal license	Held a skill contest at all 17 apparel, housing goods, food,		• Increase the rate of employees in ranks 1 to 3 to 55%
	Ito-Yokado	 Hold a skills contest at all the departments of apparel, household goods, 	and service departments	\triangle	 Mandate those targeted for manager training to receiv
		indoor service, general food products, and perishable foods • Mandate managers to receive the training on finance, marketing and leadership	 The training was held 36 times with the participation of 787 managers. 		that training at least once a year
upporting		Expansion of management school students (training)	 Held the seminars across the country to increase the number of 		 Increase employees' awareness of the Target
levelopment	York-Benimaru	 Continuous implementation of the skill contest Thorough promotion of the substantiality of the Target Achievement 	participants	\triangle	Achievement Records to promote the use of the
abilities		Records and implementation of interviews	Biannual interviews became regular events.		Occuments Start providing seminars on marketing and management skills and on professional qualifications ()
	Sogo & Seibu	 Promote implementation of sales technique and management training, OJT leader training, and training to cultivate specialty sales persons 	Number of participants in the management training: 250; number of participants in the training for specially sales persons: 500 Number of participants in the	0	 Start providing seminars on marketing and management skills and on professional qualifications (3 seminars) as voluntary learning opportunities (3,000 people will attend the seminars per year)
		• Promote training for improvements of one's own floor and proposals	training for improvements and proposals: 140		
		Continue implementation of labor management training Continue the internal promotion evamination program	 Provided store managers with labor management training twice a year 		 Give training on labor management twice a year (on working rules in the first training and on evaluation methods in the second training)
	Seven & i Food	Continue the internal promotion examination program Hold training seminars to help employees acquire national	• 226 or 17% of all employees were promoted	0	Encourage employees to acquire national certifications (for chefs, public consultants
	Systems	certifications for chefs, public consultants on social and	Utilized external training and gave rewards to employees		on social and labor insurance, and food sanitation administrators) • Review the employment manuals for part-timers and temporary workers to increa
		labor insurance, and food sanitation administrators)	who had acquired the certifications		the retention rate of these workers
	Seven-Eleven	Promotion of public invitations for the candidate system and internal againsts	The number of applicants substantially increased to 144% of the previous		 Further promote the candidate system
	Japan	internal projects	year level.	0	Promote the use of female employees
		Active appointment of female employees Promote the creation of a workplace environment where	The rate of female managers remained on the same level		 Promote the establishment of workplaces where the abilities
	Ito-Yokado	the capabilities are justly evaluated regardless of gender	Rate of female managers: 16.3%		of employees are fairly evaluated regardless of gender
Assuring fair	York-Benimaru	Promote appointment of female employees	Tools a star beal word for the method		Promote the use of female employees Provide the use of female employees
issessment			Took a step backward for the matter		 Review the personnel evaluation system in reference to external information
and treatment	Coro & Coibu	Promote appointment of women	 The rates of female team leaders and of female section managers and those in higher positions increased from 29.9% to 34.6% and 	0	 Increase the rates of female team leaders, and of female section managers and those in higher positions to 50.0% and 10.0%, respectively by the end of
of employees	Sogo & Seibu	 Expand the challenge opportunities by inviting applications 	from 3.5% to 4.9%, respectively year on year. • Participants in the training for next-generation managers: 50		FY2012 • Provide more chances to take on challenges through public invitations for candidate system
·		Complete implementation of self-check evaluation	 Participants in the training for next-generation managers, 50 The self-check evaluation was made by 99.9% of all employees including 		
	Seven & i Food	 Active promotion of female employee appointments 	part-timers. The rate of female store managers or those in higher positions		 Review the self-check evaluation and complete the implementation
	Systems	 In order to further improve the working environment for employees, promote further improvements in the training program and personal 	increased to 22% (from 18% in the previous fiscal year) • The companywide personnel rules were published and the training, which was updated as	0	 Review the evaluation system according to job details
		management system. Implement contests throughout all stores	necessary, was provided.		
	Seven-Eleven	. Encourage male employage to take shildeers loove	No mala amplayea taak abildaara laaya		 Promote the use of the childcare leave system by male employees
	Japan	 Encourage male employees to take childcare leave 	No male employee took childcare leave	×	Promote the use of various leave systems by employees
	Ito-Yokado	 To comply with the Act on Advancement of Measures to Support Raising Next-Generation Children, implement an aggressive reduction of overtime. 	 Reduced the overtime work by 16% 	0	Reduce the overwork time by 5% year on year
Achieving a		Target a reduction of 15% year over year			
vork-life	York-Benimaru	 Increase the awareness of the childcare leave system among employees and managers to promote the use of the system by male employees 	 No male employee took childcare leave. 	×	 Increase the awareness of the childcare leave system among male employees and managers
balance	Sogo & Seibu	Encourage male employees to take childcare leave, and increase the awareness of the childcare leave	No male employee took childcare leave.	×	Create and distribute the conies of a brochure on the childcare sunnot system in
		system Take action to eliminate overtime (problem solving in personnel	Analyzed the overtime data by store and by individual and implemented		 Reduce the working hours at the restaurants by reviewing
	Seven & i Food	assignment plans and investigating causes by sales department	countermeasures by sales department and area	0	both the personnel allocation and work operations and
	Systems	and by area)	 Reduced the overtime work per capita by about 40% year on year. 		set a limit on the working hours
	Seven-Eleven	Active employment of foreign students	Employed 9 foreign students	0	Promote the employment of foreign students
	Japan	 Active employment of people with disabilities 	 Continued to meet the statutory employment ratio 		 Promote the employment of people with disabilities
	Ito-Yokado	Promote the creation a pleasant and fulfilling workplace	 Number of participants in the educational seminar on human rights: About 7,000 per year. Number of slogans for human right protection submitted by employees: 		Continue providing education on human rights and normalization
	10-106400	environment	43,919 in total (112% of the previous fiscal year level)	0	as part of education for managers and for new employees
Making use of	York-Benimaru	 Promote common knowledge of the re-employment system (after retirement age) 	 Reviewed the timing and details of onsite training for people with disabilities so that they could start working for the company in April, and gradually improved 	0	• Increase the employment rate of people with disabilitie
diverse human		Continue to meet the statutory employment ratio of people with disabilities	the retention rate of the employees		to 2.0%
resources		Continue utilization of personnel by mid-career recruitment	- Employed 1 person through mid earner rest itment		 Make better use of non-regular employees through the promotion system established for such employees Promote employment of
	Sogo & Seibu	 Continue to meet the statutory employment ratio of people with disabilities (1.80%) 	Employed 1 person through mid-career recruitment Employment rate of people with disabilities: 1.85%	0	people with disabilities to comply with the revised Disabled Persons
-	oogo a ocibu	Promote effective use of personnel	• Employment rate of people with disabilities. 1.05%		Employment Promotion Act (factoring short-term workers into the denominator) • Continue mid-career recruitment
	Seven & i Food		- Employed pobody through mid caroor roor itmost		
	Systems	Continue personnel training of the mid-career employees	 Employed nobody through mid-career recruitment Number of those re-employed after retirement: 10 	×	Promote mid-career recruitment based on the
					Personnel plans Eliminate the accidents and violations caused by
	Seven-Eleven	 Eradication of accidents and violations of vehicle users 	Number of accidents and violations caused by vehicle	0	vehicle users
	Japan		users: 93% of the previous year level		Provide education to prevent industrial accidents
	11. 14.1	Promote a reduction of industrial accidents requiring leave of 4 or	Number of industrial accidents: 93% of the previous fiscal year level		Dispatch information and continue education without fail to prevent industrial accidents Create an annual health and
for worker health and	Ito-Yokado	more days by sharing information throughout the company, continuous and thorough education, or utilization of external training	 Number of industrial accidents requiring leave of 4 or more days: 89% of the previous fiscal year level 	0	safety plan for each store and implement measures necessary f
		contenuous and elorough culcation, or utilization of external training			the store to reduce the frequency of industrial accidents. Provide education on industrial accidents as part of
	York-Benimaru	Implement education to prevent industrial accidents	Provided OJT		education for new employees and of Off-JT
		Improve the mental health promotion system Promote vaccinations for for new influence (online)	Those in charge of personnel affairs interviewed employees transformed to otherward relations. Continued are infine the source for an interviewed		
	Sogo & Seibu	vaccinations and support vaccinations fees for new influenza (entire company) • Promote store committees of the National Occupational	transferred to other workplaces • Continued providing the counseling service by phone, in which the doctor of the health insurance union gave advice to employees	0	 Establish a system for counseling services by local psychiatrists Create a program to help employees on leave return to work
		Health and Safety Commission and share information in all stores	Employees got vaccinated against flu at their workplaces.		Have employees on leave take interviews with industrial physicians and fully participate
					 nave employees on leave take interviews with industrial physicians and fully participate
	Seven & i Food	Continue implementation of employee training to prevent	 Continued raising awareness and providing education to prevent 	0	rehabilitation programs . Conduct follow-ups for health checkups and schedule

Note: The FY2010 results and FY2011 targets of Seven Bank are reported in the Data Section of CSR Report, which is available from Seven & Holdings' Web site.

Reducing the Environmental Ir

We are working to provide employees with fulfilling workplaces by listening to their opinions.

The Great East Japan Earthquake has reminded us of the fact that we are supporting the daily lives of people through our business operations. While re-recognizing the significance of delivering daily necessities to customers and providing them with the pleasure of shopping, we are asking ourselves now once again what social contributions we should make to society through our business operations.

For our Group to contribute to society through its business operations, individual employees need to become aware of the significance of their jobs and have workplaces where they can work with ease of mind. Only when these requirements are met, employees can work with high motivation, which in turn makes it possible for them to make social contributions.

Based on this recognition we have been committed to creating fulfilling workplaces.

In this CSR report, we introduce the results of measures implemented by each of our operating companies to create fulfilling workplaces. Some of the targets have been achieved while there are some initiatives that need to be enhanced or improved in its approach. As for the targets that have yet to be achieved, we will sincerely review our approaches to the targets and continue implementing improvement measures.

In order to create fulfilling workplaces where all employees can work with peace of mind, we will make group-wide efforts while listening to the opinions of employees in order not to miss any changes in their awareness and values.

Masataka Tosaya Senior Officer Personnel Planning Department Seven & i Holdings