



## Overseas initiatives

The Seven & i Group operates globally, in 16 countries and regions around the world.



Worldwide Store Network

46,600 stores  
(approx.)\*

\*The number of stores (end of February 2012 for Japan; end of December 2011 for other countries/regions) includes the following:

- Stores operated in various countries/regions by our subsidiaries
- Stores operated in each country by area licensees of 7-Eleven, Inc.
- Stores operated using trademarks pursuant to agreements concluded with Sogo & Seibu

## Social contribution activities by overseas companies

### 7-Eleven, Inc.

7,149 stores

7-Eleven engages in social contribution activities with the aim of promoting the well-being of youth, supporting military families, and helping to relieve hunger. In FY2011, as part of our continuing Operation Chill activities, one million coupons for a free Slurpee®



were distributed to local police to be handed out to children who perform good deeds such as helping others.

### SEVEN-ELEVEN ( HAWAII ) , INC.

58 stores

As a good corporate citizen, we support activities and organizations involved with children, education, public welfare, and health. In FY2011, we served as a sponsor of major charity



events and our employees also participated.

### SEVEN-ELEVEN (BEIJING)

147 stores

A charity box is set up in each store to collect contributions from customers. Funds raised are donated to the government-certified environmental organization Beijing Green Foundation. In FY2011, 148,586 yuan was raised.

### Hua Tang Yokado, Chengdu Ito-Yokado, Beijing Wang fu jing Yokado

15 stores in total

The above companies all engage in support of education, cleanup, and other activities, as seen in donations collected via the Yokado Charity Fund for Assisting with the Education of Children

## TOPICS

### 7-Eleven operating companies in different countries

CP ALL Public Company Ltd. operates 6,276 stores in Thailand and actively provided support for areas affected by the massive flooding that struck the country in 2011. For example, the company donated meals, bakery products and drinking water to governmental organizations immediately after the flood. It also offered relief agencies use of 7-Eleven stores nationwide to raise funds from the public. 7-Eleven stores in flooded areas were opened to supply necessary items to communities as long as they could be operated. After the floods subsided, the company began selling two popular packed lunch products and beverages at the lowest possible prices in 11 affected provinces in order to help people who needed to reserve their funds for the expenses involved in recovery.

\* Companies holding area licenses operate 7-Eleven stores in different countries.

Korea Seven Co., Ltd. (Lotte Group), which operates 5,249 stores in South Korea, donates daily necessities to the Korea Social Service Association, and uses 1% of the profits from sales of prepackaged meals, cakes, and other items to be able to offer powdered milk for babies.

President Chain Store Co., Ltd., which operates 4,801 stores in Taiwan, has for over a decade taken part in a cleanup campaign, on which 30 million Taiwan dollars have been spent and more than 300,000 people, including the general public, have participated. Employee volunteers also conduct support activities to enable persons with disabilities to acquire the basic skills for independent living.



## 7-Eleven, Inc.

### Reducing the environmental impact

7-Eleven, Inc. (hereinafter “SEI”) strives to alleviate the burden its business activities place on the environment, such as in resource consumption as well as waste and CO<sub>2</sub> emissions. In FY2011, the annualized reduction of CO<sub>2</sub> emissions due to energy and sustainability measures was 244,500 tons and the annualized financial savings topped \$40 million; enabled through energy conservation measures in new stores and other energy-related and environmental measures.



Before (left) and after (right) interior LED lighting installation

### 7-Eleven wins award for corporate energy management

In recognition of 7-Eleven’s initiatives for energy efficiency, the Association of Energy Engineers selected SEI to receive the Region IV Corporate Energy Management Award for 2011. The award recognizes outstanding accomplishments in developing, organizing, managing and implementing corporate energy management programs. The award ceremony was held in Chicago prior to the opening of the World Energy Engineering Congress in October 2011.



Association of Energy Engineers Region IV Corporate Energy Management Award Ceremony; accepting on behalf of 7-Eleven was James Chemp, Director, (third from left), Engineering & Energy Management

### Environmental data on the United States and Canada

	FY2009	FY2010	FY2011	FY2012 Targets
Stores	6,389	6,610	7,149	7,779
CO <sub>2</sub> emissions from store operations (1,000 tons-CO <sub>2</sub> )*	1,128	1,117	1,138	1,242
Water consumption (1,000 m <sup>3</sup> )	6,344	6,728	5,955	6,225
Plastic bag consumption (tons)	–	–	1,496	1,390

\* Calculated based on an emission coefficient conforming to the standards of USEPA

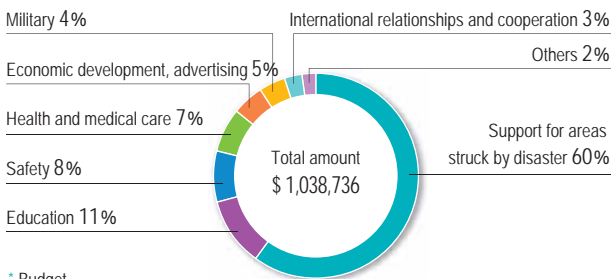
### Major efforts for reducing environmental impact

When activities began/Activity description
<p>Since FY2009 (Continued activities)</p> <ul style="list-style-type: none"> <li>• Created the Corporate Energy and Sustainability Program Manual</li> <li>• Developed several energy conservation and environmental sustainability programs</li> <li>• Established a centralized database to closely monitor and grasp detailed energy usage and cost data</li> <li>• Implemented energy-efficient designs that include LED lighting, efficient HVAC units, and energy-management systems in all new stores</li> <li>• Installed a portfolio of more than 1,200 Energy Management Systems in stores</li> <li>• Replaced lighting and air-conditioning equipment</li> <li>• Issued Temperature Set Point standards for stores</li> <li>• Specified HVAC systems that are highly energy-efficient and use environmentally benign refrigerants</li> <li>• Introduced electronic billing and payment systems for utilities and various vendors, eliminating approximately 0.8 tons/year of paper consumption</li> <li>• Provided incentives for urging headquarters employees to use public transportation</li> </ul>
<p>FY2011 (New activities)</p> <ul style="list-style-type: none"> <li>• Closed field offices in the U.S. and Canada and asked approximately 1,200 employees to work from their homes</li> <li>• Consolidated delivery of goods and conducted collective delivery, thereby reducing the number of trucks used and CO<sub>2</sub> emissions by approximately 3,000 tons</li> <li>• Reduced electricity per-store consumption by 15,665 kWh by introducing interior LED lights in 4,493 stores, thereby reducing annual CO<sub>2</sub> emissions by 10.7 tons</li> </ul>

## Social contribution activities in the U.S.

SEI hopes to help improve the quality of life in local communities through unified activities by the headquarters and franchisees. In FY2011, more than \$3.7 million in cash equivalent value was donated to more than 400 organizations, including cash donations from customers, franchisees, employees, and the company, as well as in-kind contributions and volunteer hours for local initiatives.

Amount of cash donations in the U.S. by SEI (FY2011)\*



\* Budget

## Support for military personnel

For the month of November in 2011, the Operation: Thank You campaign was held for raising funds to be donated to the United Service Organization (USO), the largest organizations in the U.S. for supporting the welfare of members of the military and their families. For each \$1 contribution, 7-Eleven customers received a USO thank you card they could write a name on and post at a store. This let them show their appreciation to family members and friends who are serving or who have served in the military. The card also comes with a tear-off coupon that can be used for the next purchase, making the campaign enjoyable for those who make contributions as well.

The funds amounting to more than \$224,000 raised through the campaign enabled the sending of about 9,000 Operation Care Packages that provided snacks, toiletries, telephone cards, and other items for troops on overseas missions.



The USO thank you card

## Campaign to help relieve domestic hunger, pursued in collaboration with business partner

SEI and PepsiCo, Inc. in October-December 2011 partnered in a campaign to help relieve domestic hunger. PepsiCo, Inc. donated five cents for each 20-oz. Pepsi product purchased to the food bank organization Feeding America. Consumers were able to double the contribution by checking-in to the Facebook page of SEI during the campaign period.

A total of \$250,000 was raised, as well as another \$180,000 through a related campaign by SEI, bringing the total to \$430,000. The entire amount will be used in emergency food assistance for a total of 37 million Americans, including 14 million children (each year), who have difficulty securing food.

## Healthy foods

As a company engaged in the neighborhood retail business, SEI believes that it assumes roles and responsibilities of offering healthy foods and drinks to our customers. In response to the recently increasing instances of obesity and the rising popularity of convenient nutritional foods, it is now more important that we sell healthy foods.

Given this climate, SEI has established product lineups that enable customers to easily consume nutritiously balanced meals. Through news releases on our website, we also convey information on recommended products for breakfast, lunch, snacks, and beverages.



7-Eleven dietitian Patsy Ross shows food and beverages at 7-Eleven stores for customers who want to maintain their intention to eat healthy, but still want convenience



### Supporting employee skill development

SEI has more than 19,000 U.S. and Canadian employees and approximately 4,000 franchisees. The company takes efforts for appropriate hiring and employee education, developing employees capable of actively engaging in diverse communities. 7-Eleven's employee development policies include producing meaningful job experiences that challenge and stretch the employee's capabilities, offering opportunities for learning and growth, and ensuring a fair evaluation based on a performance assessment standard.

In FY2011, learning tools for franchisees and employees were identified as keys to 7-Eleven's future success. The company expanded its development portfolio with three new initiatives, shown on the right, to support our staff in their current roles, define and manage career path objectives, and better serve our customers.



### Employee's voice

We believe that development of employees' abilities is one of our greatest competitive advantages against other companies. Successful employee development requires a balance between an individual's career needs and goals and the organization's need to get work done. 7-Eleven's employee development programs proactively contribute to establishing a highly skilled workforce and stronger organizational performance.



Miya Maysent  
Vice President, Talent Management, 7-Eleven, Inc.

### Initiatives started in FY2011 include

#### 1 College of Operations Leadership (C.O.O.L.) program

With the help of the National Business Leadership Council, 7-Eleven's franchisee and employee leadership committee, curriculums that further develop operational knowledge and skills have been developed for new franchisees.



#### 2 R.I.G.H.T. Behavior Model

7-Eleven also designed the R.I.G.H.T. behavior model toolkit to help franchisees and sales staff deliver an outstanding customer experience through five core behaviors. This program will be rolled out for stores in FY2012.

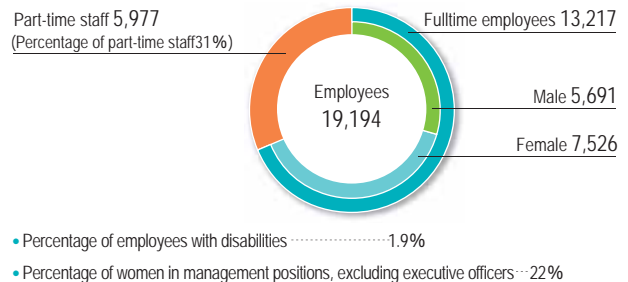
- R : Respond to our Guest
- I : Interact with our Guest as a friend
- G : Great appearance
- H : Helpful – serving our Guest promptly
- T : Thank and invite back

#### 3 7-Excel University

7-Excel University, a new human-development plan that will help develop OFCs (Operations Field Consultants) and headquarter employees, is launched in FY2012. This is an ongoing, in-house educational curriculum that aims to improve employees' soft skills, including leadership and management, as well as their hard skills such as technical and administrative abilities, sales planning, and business process skills.



### Personnel Data in the U.S. and Canada (as of December 31, 2011)



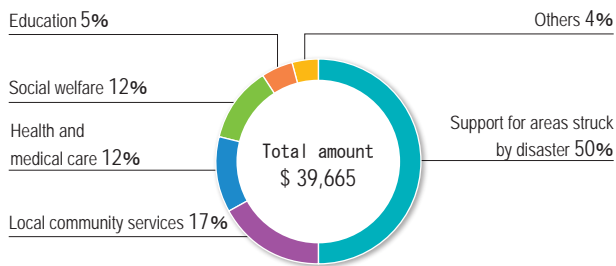


## SEVEN-ELEVEN (HAWAII), INC.

### Social contribution

In FY2011, SEVEN-ELEVEN (HAWAII), INC. (hereinafter "SEH") donated more than \$160,000 in cash equivalent value to 60 organizations, including cash donations from customers, franchisees, employees, and the company, as well as in-kind contributions and volunteer hours for local initiatives.

Cash donations by SEH (FY2011)



### 7-Eleven Charity Golf Classic

As a part of its charity activities, SEH has sponsored a golf tournament every year since 1978. Proceeds from participants over these years have been donated to the Muscular Dystrophy Association. In response to the association's establishment of a fundraising system, we also began contributing to organizations involved with children, education, welfare, and health. Thus far, we have made donations to organizations engaged in care for abused children, offering of meals to the disabled and elderly, and education for preventing drug abuse. Many SEH employee volunteers support the charity event, and the tournament continues to be popular on Oahu as an outstanding charity golf event. SEH plans to continue this successful undertaking in the future.



### Step out walk to stop diabetes

Diabetes is the fifth leading cause of death in Hawaii. People of Hawaiian, Japanese, and Filipino ancestry make up the majority of those afflicted with the disease. Since many SEH employees come from these backgrounds, the issue is a familiar one for the company as well.

The American Diabetes Association of Hawaii—which is engaged in research to prevent and cure diabetes, as well as to raise awareness on the disease—holds "Step Out Walk to Stop Diabetes" every spring; an event for raising funds for the organization's research. In this popular event, approximately 3,000 people walk a course around Kapiolani Park in Waikiki. SEH has sponsored the event since 2008. Our employees are urged to participate in the event and to prevent occurrence of the disease through maintenance of healthy lifestyles among employees, families, and friends.



### Enhancing customer satisfaction

To raise the level of customer satisfaction, each division of SEH engages in the improvement of sales capabilities, human resources development, and expansion of store networks. To advance these initiatives efficiently, we have developed 7-Central, a system on the intranet that enables accurate conveyance of information.

The system comprehensively manages e-mails, emergency broadcasts, reports, phone contacts, manuals, planning calendars, etc., allowing easier viewing and greater convenience for employees. Use of the system has led to increased business productivity, fewer wasted products, higher customer satisfaction, and other positive outcomes.



## SEVEN-ELEVEN (BEIJING)

### Preventing non-compliance

SEVEN-ELEVEN (BEIJING) (hereinafter "SEB") has established its own action guidelines to thoroughly disseminate fair business activities that comply with the law. To disseminate the action guidelines among employees, education is given in monthly group seminars for merchandisers.

#### Examples of educational program

- Conducting sincere and fair transactions with business partners, and striving to build and maintain trust-based relationships
- Acting in conformity with the company's rules regarding accepting business entertainment or gifts from business partners
- Maintaining an appropriate attitude when dealing with business partners, without conforming to unreasonable business customs
- Maintaining business and corporate secrets of business partners with strict confidentiality



Meeting of SMDs (product development managers)

### Development of safe, reliable products

Interest in food safety has heightened in China. SEB has implemented a range of measures for offering safe, reliable products.

## Product development

SEB strives to concisely grasp customer needs through detailed surveys and analyses on market situations during its product development processes in order to develop products that match customers' preferences and maintain overall balance with regard to attributes such as taste and quality. Product development meetings are held for deciding on product concepts, targeting customers, and targeting quality and sales. Product development personnel repeat tasting and make improvements for developing only optimal products that align with the Seven-Eleven concepts.

### The voice of a product development employee

If the products I develop are accepted widely among customers, I can not only contribute toward store sales, but also make customers aware of the sense of freshness and the appeal of Seven-Eleven. So I feel our tasks are challenging and rewarding. I hope to make it known among the people of China that Seven-Eleven offers "close by convenient" stores, as in Japan, by developing excellent products and raising recognition through positive word-of-mouth.



An Hong  
MD (in charge of product development), Daily Delivered Food Products Division, SEVEN-ELEVEN (BEIJING)

We hope to gain even greater knowledge about product development, and we strive to continually develop new products. I personally hope to be promoted to team leader within five years, and to lead my team in developing top-selling products, one after another.

## Selecting business partners

SEB has self-initiated standards that are more stringent than the domestic laws of China, and handles only products of business partners that meet these criteria. For instance, for oden (a Japanese hotpot dish with assorted ingredients) we have standards for stringent manufacturing process management and microbial measurement. Before starting transactions, we ask manufacturers to submit product specification documents, inspection reports, and other pertinent documents for confirming how they handle these matters. Dedicated quality management personnel are also appointed for visiting factories and head offices of business partners after starting transactions in order to confirm their onsite conditions.

## Management and improvement of source material quality

SEB specifies production locations of the source materials for all of its daily delivered food products, including steamed rice and ready-to-eat dishes, and uses only those that are manufactured under comprehensive management. For example, the company has its own standards for each process from rice polishing at production sites to use in factories for the rice used for prepackaged, boxed meals and in onigiri rice balls.

We also promote development of Seven Premium brand products suited to the Chinese market. In addition to carefully selecting source materials that meet the stringent criteria, SEB independently inspects manufacturing plants and designates factories that have high levels of quality, such as companies that export products to Japan. In this way we develop and offer safe and reliable products.

Among products of national brands, we offer an increasing number of high-quality, additive-free products that are free of preservatives. Since June 2009, we have collaborated with Japanese manufacturers for selling milk and fruit juice that are free of additives and preservatives. This was made possible by adopting the logistics system of Seven-Eleven Japan, in which a set temperature is maintained throughout the entire process.



Seven Premium products developed for the Chinese market

## Reducing the environmental impact

Electricity charges have gone up in China due to supply failing to keep pace with growing demand. Businesses are mandated to conserve electricity to reduce costs as well as decrease their environmental impact.

In FY2011, SEB installed new, energy-conserving lighting fixtures when its stores were renovated, while decreasing the number of such fixtures. In some stores, air conditioning equipment was replaced with inverter-type systems.

To further save electricity, we plan to conduct trial adoption of inverter-type freezers while at the same time installing in-store LED lights. And by introducing a device equipped with a timer and optical sensor for automatically switching store signboards on and off, we seek to prevent losses incurred when store personnel forget to manually turn them off.

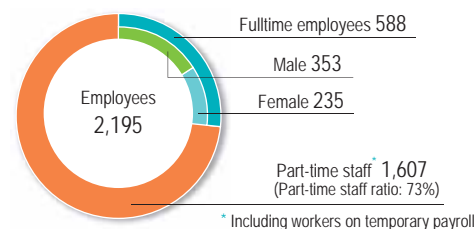
In addition to these energy conservation measures, we also study a switch to refrigeration equipment using refrigerant gas that contains no chlorofluorocarbons.

Stores and environmental data of SEB

	FY2009	FY2010	FY2011
Stores	92	100	147
Electricity consumption (MWh)	9,626	11,851	13,216
Water consumption (1,000 m <sup>3</sup> )	55	54	55

## Personnel data

Personnel data of SEB (as of December 31, 2011)



- Percentage of employees with disabilities ..... 1.7%
- Percentage of women in management positions, excluding executive officers ..... 42.5%
- Ratio of executive officers who are Chinese ..... 33%



## Hua Tang Yokado, Chengdu Ito-Yokado, Beijing Wang fu jing Yokado

### Promoting localization and supporting skill development

At Hua Tang Yokado, Chengdu Ito-Yokado and Beijing Wang fu jing Yokado, we are conducting efforts to organize store operations led by Chinese staff, and at the same time promoting appointment of women. At Chengdu Ito-Yokado, Chinese employees have been appointed to top executive positions, including General Managers of the Administration Department, as well as store managers and General Managers of divisions in charge of apparel, household, and food products. Japanese employees have assumed supporting roles in the system. At Hua Tang Yokado and Beijing Wang fu jing Yokado as well, Chinese employees have been appointed to upward of 90% of store or headquarters manager or higher management positions (excluding executive officers). Also notable is that women have been appointed to almost half of the manager and higher positions at all three stores.

While striving to localize store operations, efforts are also being taken to support building employees' capacities. At Hua Tang Yokado and Chengdu Ito-Yokado, meetings for employees to report the results of their efforts are held every quarter concerning customer service, sales promotion, cost reduction, and other relevant topics. At these meetings, individual employees and departments report on examples and outstanding performance to be commended.



Situations of appointments at Chengdu Ito-Yokado

Item	Percentage
Percentage of Chinese employees among all employees	99.5%
Percentage of Chinese employees among store managers	100%
Percentage of Chinese employees among managers and higher management positions (excluding executive officers)	100%
Percentage of women among managers and higher management positions (excluding executive officers)	54.3%

### Developing safe and reliable products

In China, which continues to achieve remarkable economic development, interest in food safety and reliability has rapidly increased. To respond to customer demand like this, Hua Tang Yokado, Chengdu Ito-Yokado, and Beijing Wang fu jing Yokado comprehensively implement quality management procedures that were developed in Japan for safe and reliable products. Efforts are also being taken in the area of traceability management, while at the same time expanding usage of organic food products.

### Sanitary management

At Chengdu Ito-Yokado, seminars have been held for personnel in charge of food and other products at the store, on food sanitation, quality, POP, and labeling. These seminars were held four times in 2011.

Hua Tang Yokado and Beijing Wang fu jing Yokado also hold seminars on sanitary and freshness management.

### Traceability management and sales of organic food products

At Hua Tang Yokado and Chengdu Ito-Yokado, terminals for searching have been installed on the sales floor to enable checking of production history for certain food products (vegetables, fresh meats, eggs, etc.) Beijing Wang fu jing Yokado sells Vegetables with Traceability (about 40 items) purchased from



farmers who produce safe and reliable vegetables in the Beijing suburbs, along with traceable pork.

Hua Tang Yokado places top priority of food division on development of manufacturing organization for safe and reliable food products, and since FY2010 has collaborated with business partners to strive to increase the amount of organic food products it handles. For purchasing organic vegetables, Hua Tang Yokado has collaborated with producers for obtaining certification for organic products, confirmed the safety management organization, and prepared annual cultivation plans; and began selling 27 selected items in April 2012. The handling of organic pork is scheduled to begin in June 2012.

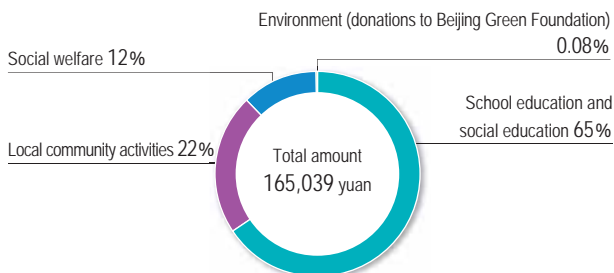


Terminals for searching installed at sales floor

## Social contribution activities

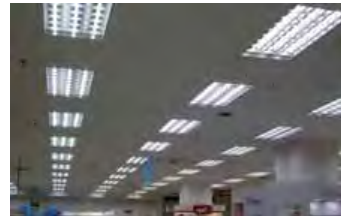
As members of the local community, the three companies have pursued social contribution activities. To commemorate its 10th anniversary, Hua Tang Yokado in April 2008 established the Yokado Charity Fund for Assisting with the Education of Children collaboration with the Beijing Charity Society. Since then, the company has continued activities that support education. In FY2011, it donated 222,180 yuan for improving school facilities. Chengdu Ito-Yokado contributed a total of 165,039 yuan in FY2011 mainly for supporting school education and social education. Employees of Beijing Wang fu jing Yokado clean the walkways around the store twice a day, with the sales floors taking turns.

Breakdown of social contribution costs of Chengdu Ito-Yokado (FY2011)



## Environmental measures

The demand for electricity has continued to surge along with rapid economic growth, and the saving of electricity is a critical issue. Beijing Wang fu jing Yokado replaced lighting fixtures for sales floors and the head office of the Jinsong store with LED lighting in March 2011. Similarly, Hua Tang Yokado and Chengdu Ito-Yokado are promoting replacement of old systems with LED



LED lighting

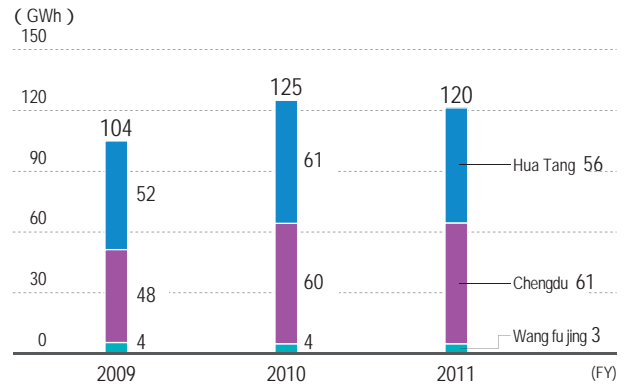
lighting. Efforts are also being taken for raising the awareness of employees, urging them to make sure they turn off lights for areas not in use.

Stores and environmental data of three companies in China

### Stores

	FY2009	FY2010	FY2011
Hua Tang Yokado	9	8	8
Chengdu Ito-Yokado	4	4	5
Beijing Wang fu jing Yokado	1	1	2

### Electricity consumption (GWh)



### Water consumption

