

Creating Fulfilling Workplaces

We are making efforts to the active participation of women as part of our diversity promotion effort.

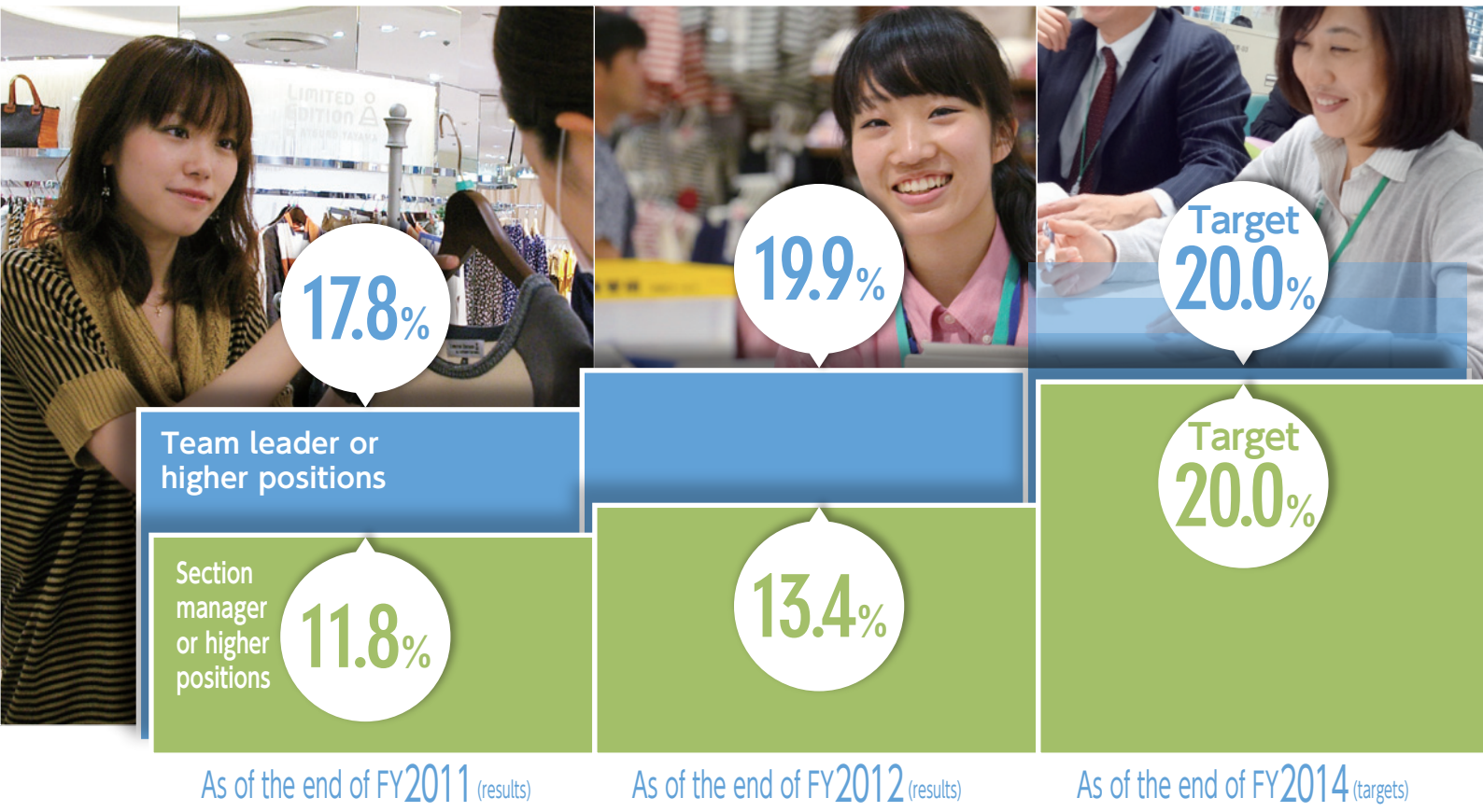


Making responses to changes in society and continuing to meet customers' expectations

In order to secure excellent human resources as the basis of our competitive strength in the face of a decrease in labor population following a decrease in the birthrate, we believe it is essential to provide employees with work environments where they can fully display their abilities regardless of their attributes or life stages. It is also important to conduct our business activities from diverse viewpoints so that we can meet a range of customer needs. In particular, in consideration of the fact that 70% or more of Seven & i Holdings store customers are women, we are promoting the active participation of female employees as a priority issue. In FY2012, we launched the Diversity Promotion Project and have since been implementing a range of measures across the Group, setting the five targets to be attained by the end of FY2014 under the slogan, "Diversity gives us power for tomorrow." Members of this project have regular meetings with diversity facilitators of Group companies. At these meetings, participants confirm the direction of the project, share the issues faced by each Group company and mutually report the progress made so far at their companies, thus expanding good practices across the Group.

Percentage of women in management positions





* Average values for eight companies (Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, Seven & i Food Systems, Seven Bank, and Akachan Honpo)



Diversity gives us power for tomorrow—We will help you take on challenges



We at Seven & i *Holdings* believe that we need to meet the expectations of our customers as a premise to become a company with integrity that is trusted by customers, business partners, shareholders, local communities, and employees.

Seven & i *Holdings* has more than 130,000 employees, who are working in Japan and abroad.

In the future, the company will have more diverse employees, including part-timers and others working in different work formats; employees working while taking care of their children and other family members; non-Japanese employees; and those with disabilities.

In order to leverage this diversity of employees for corporate growth, Seven and i *Holdings* aims to provide individual employees who have various backgrounds with opportunities to display their abilities and help them develop their abilities and careers.

If each employee wants to work more vigorously, display more of his/her abilities, and meet more customers' needs and takes actions to this end, the company will be able to enhance its competitive strength increasingly.

Through the diversity promotion activities, Seven & i *Holdings* is committed to becoming a company where every employee who has high motivation can play a central role and continue to take on challenges.



Seven & i *Holdings*
Senior Officer
social and cultural affairs
CSR Department
Seven & i Group
Diversity Promotion
Project Leader
Keiko Fujimoto

Major Initiative
1 Providing Female Employees with
 More Opportunities

Operating stores and organizations mainly by the power of women

Since April 2012, each of Ito-Yokado, York-Benimaru, Seibu Department Store and Denny's has been operating a store mainly by the power of women, with a view to (1) operating a store from the viewpoint of customers and (2) improving the operational processes. Also Seven-Eleven Japan launched the store management counseling service provided only by women in a district. Through this initiative, Seven & i Holdings has been broadening the scope of jobs for women and increasing the places where women can display their abilities. The operations that used to be conducted by men are also beginning to be conducted by women, which helps identify problems, encourage women to try to do things to which they are allergic, and also improve the work environment. Moreover, at stores operated mainly by women, members including part-timers are more encouraged to give their opinions and make proposals, leading to the enhancement of cooperation and communication beyond departmental boundaries. In addition, for the stores and sales floors operated from the viewpoint of women, who are consumers and can give careful considerations, we have received high evaluation from customers. We will make use of the know-how accumulated at these stores to provide female employees with better environments to help them display more of their abilities.

Participating in the development of sales floors and sales plans from the viewpoint of consumers

At Seven & i Holdings, part-timers account for about 70% of all employees and most of them are women. The operating companies have their individual mechanisms and systems to enable each employee to work with high motivation. For example at Ito-Yokado, part-timers, who are local consumers, are proactively participating in the assortment of goods and the development of sales floors and thereby helping the stores meet the needs of local customers. The number of part-timers who experienced a range of business operations, took an examination, and become "field employees" (contracted employees) or floor managers has been increasing.



<Seibu Department Store> Began to provide a service to help customers with children and the elderly do shopping. As a result, employees now have more opportunities to communicate with customers and get tips on the assortment of goods and other issues.

< York - Benimaru > The legs of the work table were shortened based on the average body height of female employees. The height of the shelf has also been lowered so that female employees can reach it, which contributes to higher work efficiency.



<Ito-Yokado> Employees try food samples and exchange opinions about the taste and ideas to make them more delicious. These opinions are incorporated into the development of sales floors and customer services.



Mamas' Community
At events participated by many mothers, participants are asked to try food samples for lunch as monitors.



Deco Roll SUSHI



An orientation DVD created to help employees taking childcare leave return to work. The DVD includes the introduction of female employees who are managing to work for limited hours while raising their children.



The Women's Management Community has made it possible for female managers working at various companies and departments to make mutual exchanges.

Major Initiative
2

Raising Awareness for Career Development

Continuous organization of exchange events to foster compatibility between childcare and career development

Group employees raising children voluntarily gathered to the exchange event named "Mama's Community" during the period from July 2012 to August 2013, aiming to increase their work motivation and build a network of working mothers. In the event held for seven times, a total of about 400 mothers participated. In the event held during the lunchtime, participants discussed how to make childcare and work compatible based on the specific theme chosen for the round. By incorporating the opinions raised in the Mama's Community event, an orientation DVD was created in April 2013 to help employees taking parent leave return to work. This DVD introduces how experienced mothers are working while raising their children and what experiences they had in the process. The DVD contributes to mitigating the concerns and increasing the motivation of employees who will or have returned to work after taking childcare leave.

What was discussed in the Mamas' Community event

- Measures devised by mothers to make work and childcare compatible
- Communication with the company before taking maternity leave and during taking childcare leave
- Communication with managers and colleagues after returning to work
- Details of the DVD created to give tips to make work and childcare compatible
- How the ideas and work styles of participants in the Mamas' Community event have been changed
- Desirable future of Mamas' Community

Fostering exchange between female managers to provide role models

We hold the Women's Management Community event for female departmental and sectional managers, with a view to increasing role models* for the career planning of female employees. The event was held four times during the period from October 2012 to August 2013, and a total of about 120 women participated in it from 13 Group companies. The event provides female managers with an opportunity to build a network and train themselves, while also fostering the identification of problems that hinder women from displaying their abilities as well as the creation of role models.

*Role models are persons emulated by others.

Making use of diverse human resources

Seven & i Holdings adheres to fair and unbiased employment, transfer, and promotion as its basic policy.

Promoting the employment of people with disabilities

Seven & i Holdings is committed to assisting people with disabilities to demonstrate their abilities at their workplaces. To this end Group companies assign those employees to the workplaces and jobs that are suitable for them in consideration of the levels and details of the disabilities and their own preferences. Ito-Yokado has been providing people with disabilities with job training at its stores in cooperation with special-needs schools while also participating in job interviews organized by employment agencies and partnering with vocational schools to foster the employment of these people. As a result in FY2012, a total of 82 people with disabilities joined the company.

Terre Verte, which is a special subsidiary established to foster the employment of people with severe disabilities employs 19 people with disabilities, including 10 having severe disabilities as of June 1, 2013.

As a result, the Group's employment rate of people with disabilities* including those employed by Terre Verte came to 2.05% (as of June 1, 2013).

*The percentage is for the five qualified Group companies: Seven & i Holdings, Terre Verte, Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

Operation of the Human Resources Public Recruitment System

With respect for the will of the employees so that they can fully demonstrate their abilities—Seven & i Holdings is implementing the Human Resources Public Recruitment System beyond the boundaries of operating companies.

Other Group companies also have in-house public recruitment systems. For example at Ito-Yokado, 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 FY2012, 66 of 370 applicants got the positions or jobs of their choice.

Supporting development of employee abilities

Seven & i Holdings Group companies are committed to developing human resources by providing employees with training programs suitable for their business features. In addition, the companies are supporting individual employees in developing their abilities by using their unique systems and mechanisms.

Ito-Yokado, York-Benimaru, and Seven & i Food Systems are operating in-house qualification programs to certify the skills necessary for their business operations.

For example, Seven & i Food Systems began providing store managers and head office employees with training to help them understand the company's founding spirit and make friendly greetings in September 2012. The company has certified 1,448 people who passed the examination done during the training as "Smile Meisters." Ito-Yokado, Sogo & Seibu, and Seven Bank are supporting the self-education of employees by sharing the cost of correspondence education.

Since June 2013, Sogo & Seibu has been holding an e-learning program on quality management for all employees, through which they learn about the basic knowledge about the products sold by the company and thereby enhance their ability to sell the products.

Capacity building through human exchanges

In recent years, Seven & i Holdings has been proactively fostering the exchange of human resources and sharing of know-how between Group companies.

For example in September 2011, Ito-Yokado began providing salespeople for clothes sold under the GALLORIA private brand with full-scale customer service education at 10 stores, inviting 13 customer service professionals from Sogo & Seibu. The salespeople acquired the basic customer service skills through OJT, including how to speak to customers and introduce the products to them, as well as the know-how for a specialized store, including how to lay out the products. Moreover the company set the numerical targets for the number of customers to be served by salespeople and for other items, and repeated the training of the staff and the verification of the results to level up their skills. In FY 2012, based on the know-how gained at the stores, the company began implementing the initiative at another nine stores. The company also improved customer service education given to internal trainers toward the enhancement of its own educational system.

Since October 2012, Ito-Yokado has been dispatching its employees to Seven-Eleven stores, where they are experiencing the store management for the purpose of acquiring the operational know-how possessed by Seven-Eleven Japan.



A salesperson for GALLORIA receiving training from an instructor dispatched from Sogo & Seibu

Assuring fair assessment and treatment of employees

Seven & i Holdings is implementing self evaluation-based systems for employees to maximize their abilities and receive fair assessment.

At each Group company, employees self-evaluate their job performance, then their managers also conduct an appraisal twice a year (three times a year at Seven-Eleven), and through interviews the employees talk about the appraisal results with the managers. Through the interviews, employees are informed of their performance and understand their strong points and challenges. This contributes to ensuring the transparency and fairness of the appraisals.

Group companies are also focusing on the establishment of systems to help individual employees choose various work styles to increase their motivation for work. For example, Ito-Yokado has a program enabling part-timers to choose from diverse working styles based on their personal circumstances and beliefs. Seven & i Food Systems has a system to promote part-timers to full-timers and store managers, under which a total of 228 part-timers have actually got promotion since FY2007.

Achieving a work-life balance

Seven & i Holdings Group companies are improving their childcare and nursing care systems to help employees, including part-timers, continue working. All Group companies are operating childcare systems that are better than the legal standard.

In FY2012, Seven & i Food Systems prolonged the deadline until which employees raising their children can work shorter hours to April 15 of the year in which the child becomes a first grader at junior high school, while Seven-Eleven Japan and Ito-Yokado prolonged that deadline from April 15 of the year in which the child becomes a second grader at elementary school to April 15 of the year in which the child becomes a fifth grader at elementary school.

Operation of a volunteer leave system

To support employees in conducting volunteer activities for welfare, environmental beautification, and disaster reconstruction support, Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems have a volunteer leave system under which employees can take five days off per year. In FY2011, Ito-Yokado made it possible also for part-timers to take volunteer leave.

In FY2012, a total of four employees took volunteer leave at Group companies.

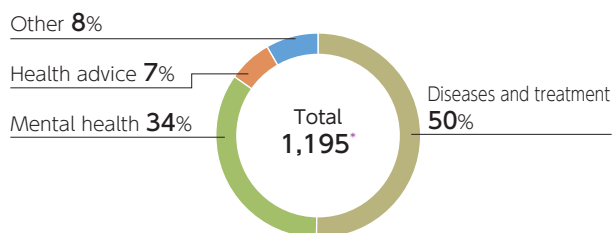
Worker health and safety

Seven & i Holdings is striving to maintain safe and comfortable workplaces for employees. To this end, each Group company regularly holds 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. In addition, health counselor and medical institution introduction services are available to both employees and their families.



Health consultation given by a nutritionist at the headquarters

Breakdown of consultation requests made by employees by topic (FY2012)



*Including those from employees' families

Mental health seminars for managers

Seven & i Holdings is implementing mental health promotion measures. At Group companies, education on mental health is provided as part of training for new managers and all employees are trained on self-care to prevent mental health problems. In the event that an employee faces a mental health problem, the health management center supports that employee in overcoming the problem in cooperation with the industrial physician.

Dispatching information about diseases and health

Seven & i Holdings began dispatching Health Topics from its health management center via the intranet in December 2012. Specifically, the company dispatches information useful to prevent pandemics, including new strains of influenza and rubella, as well as tips to promote health as a means to enlighten Group employees on the matters.

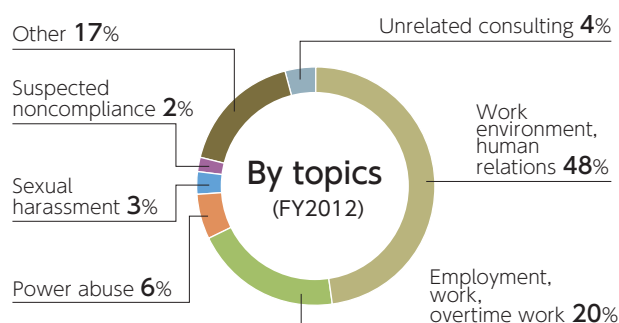
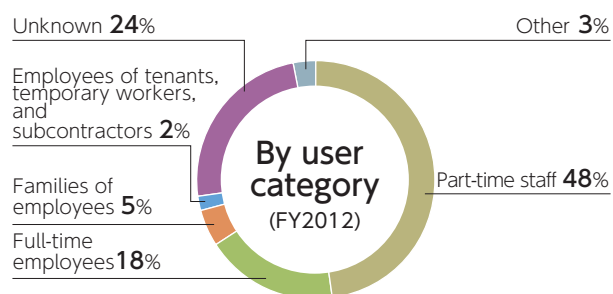
Fostering measures to prevent industrial accidents

Seven & i Holdings fosters the implementation of industrial accident preventive measures at each Group company. For example at Ito-Yokado, the safety and health committee is leading the activities to prevent industrial accidents, including analyzing and verifying the past accidents that occurred at its stores, ensuring education to prevent the reoccurrence of similar accidents. At Seven-Eleven Japan, executive managers give cautions for safe driving to OFC (Operations Field Consultants) who drive vehicles for their jobs. Seven & i Food Systems also urges employees to prevent industrial accidents by posting awareness posters, etc. at its restaurants twice a year. The company also conducts interview surveys on the stores that had industrial accidents to investigate the cause and share the specific measures to prevent the reoccurrence of similar accidents.

Helpline for employees

Seven & i Holdings have established the Group-Wide Help Line in a third-party organization. In order to make more employees aware of this service, the company creates a new poster on the help line every year. In FY2012, due to changes made to the scope and place of posting, the number of contacts received increased by 53 to 642 year on year.

Description of contacts received by user category and topic (FY2012)



Employee opinion survey

Seven & i Holdings conducted the Group's first anonymous employee opinion survey on about 26,000 employees of 27 operating companies (complete survey at 18 companies and sampling survey at nine) from January 15 to February 4, 2013.

The survey was held to obtain numerical data about the present situation of employees' awareness and behaviors regarding "thoroughly ensuring compliance" and "creating fulfilling workplaces" and analyze them to identify the challenges faced by the entire Group and each operating company.

According to the results, there are no major problems for compliance with laws, regulations and rules, but the level of employees' awareness about the corporate creed differs between operating companies, and there are employees

who have some problems about the workplace culture necessary for increasing their work motivation as well as relationships with their managers.

In response to the results, Seven & i Holdings examined the measures to improve workplace environments and enhance the capabilities of managers through the Corporate Ethics and Culture Subcommittee and projects implemented under the subcommittee, while also holding study seminars by inviting external instructors who taught how to make use of the survey results to help each operating company identify its own problems and solve them.

In the first survey conducted in FY2012, the focus was placed on understating the present situation. In the second survey onward, however, we will also utilize the survey to check the progress with each project and with the activities conducted by each operating company.

TOPICS

Sound labor-management relationships

The federation of Seven & i Group labor unions is composed of 11^{*1} Japanese unions. (The total number of members is about 66,000 as of July 2013.) 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 implements the union shop system^{*2}, is the largest of the Group, with about 38,000 members. As of June 2013, 86% of all its employees, excluding students working as part-time staff, belong to the labor union.

Ito-Yokado respects the union's activities based on the three rights of labor. For example, when the labor union holds an important plenary meeting, a round table meeting or training seminar during the opening hours of the stores, the company makes necessary arrangements on the working hours of the union members.

In FY2012, the labor and management concluded seven labor agreements on the issues including appropriate treatment according to job

details and roles and the revisions to the personnel system such as the administration of labor hours by managers in charge. In FY2013, the basic salaries were raised for regular employees. Also the newly established labor-management committee led the review of the personnel system to give Store employees^{*3} more motivation and satisfaction. Furthermore, to help Expert employees work flexibly and display more of their abilities, their work system has been changed. Now these employees can be transferred to other stores in the neighborhood as Field employees. Moreover the personnel treatment system for Partner employees was reviewed and a bonus system was introduced to Senior Partner employees^{*4}.

*1 Ito-Yokado, Seven & i Food Systems, York-Mart, Marudai, Sanei, York-Benimaru, Akachan Honpo, Sogo & Seibu, Life Foods, THE LOFT, and SHELL GARDEN

*2 A system in which all employed workers of a company must join a labor union, and if an employee of the company quits the labor union, the company must dismiss that employee.

*3 Expert employees (Field employees on and after June 16, 2013) and Partner employees

*4 Partner employees working under the continuous employment system for employees aged 60