

Overseas Initiatives

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

Worldwide Store Network

54,000 stores (approx.)*

*The number of stores (as of the end of February 2014 for Japan, end of December 2013 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

Chinese Operations

Seven-Eleven (Beijing) Co., Ltd.

150 stores



Area licensees: 1,716 stores

Seven-Eleven (Tianjin) Co., Ltd.

56 stores



Seven-Eleven (Chengdu) Co., Ltd.

79 stores



▶▶P.72

North America Operations

7-Eleven, Inc.

Canada: 486 stores

▶▶P.66



Chinese Operations

Hua Tang Yokado Commercial Co., Ltd.

9 stores



Sogo 3 stores

AllDay's 1 store

▶▶P.75

Chengdu Ito-Yokado Co., Ltd.

5 stores



North America Operations

Seven-Eleven Hawaii, Inc.

59 stores



▶▶P.70

North America Operations

7-Eleven, Inc.

USA: 7,806 stores

Area licensees:

290 stores



▶▶P.66

* The following pages introduce major company initiatives, excluding activities by area licensees, Sogo and AllDay's. Sections on Chinese operations cover the three subsidiaries (50% stake) of Seven-Eleven China Co., Ltd.

7-Eleven, Inc. (USA: 7,806 stores, Canada: 486 store)

History

The Southland Corporation, the predecessor of 7-Eleven, Inc., was established in the United States in 1927. The store name was changed to 7-Eleven in 1946, to reflect the store hours, which ran from 7 in the morning to 11 at night. As of the end of December 2013, there are 7,806 7-Eleven stores in the United States, and 486 in Canada.

Reducing environmental impact

7-Eleven, Inc. (SEI) is committed to reducing its impact on the environment and preserving natural resources. In 2013, SEI continued to make progress toward this goal through a variety of energy and sustainability programs to increase efficiency and reduce waste and resource consumption. As a result, the company achieved an annualized reduction in CO₂ emissions of 258,000 metric tons and annualized energy cost savings of more than \$42 million.

Energy conservation

7-Eleven's LED lighting is an important element within the company's standards for energy-efficient store design. LED lighting program is implemented in new stores and retrofitted in existing stores. LED lights are energy efficient and are also long-life with minimal maintenance, reducing waste. They are also free of hazardous substances, unlike mercury-containing fluorescent bulbs. They create less light pollution, and comply better with local regulations on nighttime brightness and intensity. Since introducing the program in 2011, more than 4,500 stores now feature LED lighting. The program is a significant contributor to the company's overall CO₂ reductions.



Before LED installation (left) and after (right)

In-store water conservation

In order to reduce water consumption, installation of new water-saving faucets was introduced in fiscal 2012 for all new stores. Since then, these faucets have been added to the standard energy-efficient design plan for new store branches.

Packaging improvements reduce material use

Many of SEI's packaging solutions are paper-based, derived from sustainable resources. In addition, whenever possible, the company strives to reduce packaging materials without compromising on product quality or safety, by focusing on correct sizing and material selection to best fit and deliver products in the most efficient manner.

In fiscal 2013 the paper containers for hot dogs were redesigned, reducing the amount of cardboard used during manufacture by 2% (amounting to a yearly total of 50 tons).



Number of 7-Eleven, Inc. stores, and store operation environmental data

	FY2011	FY2012	FY2013	FY2014 Target
Stores	7,149	8,118	8,292	8,372
Electricity consumption from store operations (GWh)	1,771	1,854	2,099* ¹	2,201
CO ₂ emissions from store operations (1,000 tons-CO ₂)* ²	1,138	1,203	1,011* ³	1,061
Water consumption from store operations (1,000m ³)	5,955	6,707	8,966* ¹	8,822
Plastic bag consumption (tons)	1,496	1,390	2,985* ⁴	2,891

*1 Estimated values are used for stores where actual values cannot be determined.

*2 Values for USA and Canada up until fiscal 2012 were calculated using US EPA emissions factors. Fiscal 2013 values for USA were calculated using US EPA emissions factors based on carbon emissions by ZIP code. Values for Canada were calculated using "2013 Climate Registry Table 14.2 Canadian Emission Factors for Electric Grid by Province."

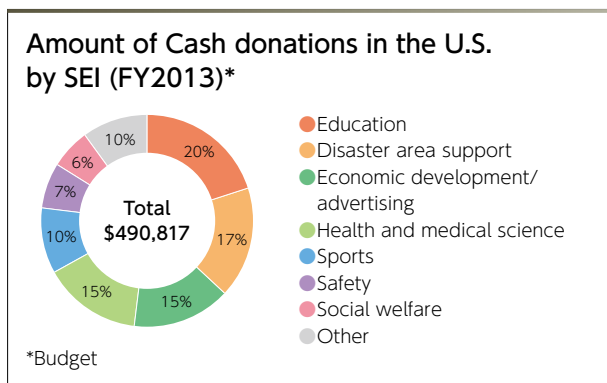
*3 Inspected by third party.

*4 Usage increased due to a rise in the number of stores and sales

Coexisting with local communities in the U.S.

In order to fulfill its responsibilities to be a good corporate citizen, 7-Eleven, Inc. hopes to improve the quality of life in local communities through unified activities by the headquarters and franchisees. Its philanthropic focus areas are youth well-being, safety in local communities, hunger relief and military families.

FY2013, more than \$3 million in cash equivalent value was donated to more than 1,000 organizations, including cash donations from customers, franchisees, employees, and the company, as well as in-kind contributions and volunteer hours for local initiatives.



Youth development

Recognizing and rewarding kids can reinforce good conduct, which might have a long-lasting impact on deterring negative behaviors and crime in the future.

Encouragement and praise from adults for good behavior on the part of youth is effective, long-term, for the prevention of delinquency and crime.

In order to encourage and reward positive behavior on the part of youth, 7-Eleven, Inc. cooperates with local police forces to distribute free Slurpee beverage coupons. The program is known as Operation Chill. During their patrols, participating police officers hand out these coupons to children they see engaging in good behavior that discourages crime, such as helping people in need, wearing a helmet while riding bicycles or skateboards, or participating in community events. Police officers benefit from having a positive reason to interact with children

and youth, and giving kids free Slurpee coupons for doing good is a great way to make an introduction and build a relationship. During the hot summer months and back-to-school season in FY 2013, good kids in more than 600 neighborhoods, cities, towns and counties received free Slurpee coupons.



Oftentimes schools and youth sports organizations do not have sufficient funding to pay for programs and supplies beyond the basics. A project was created to promote youth well-being and establish a strong foundation for the next generation by helping organizations continue to provide meaningful youth development opportunities.

Franchisees and 7-Eleven, Inc. store managers identify a local school or youth sports organization with a specific need and apply for a grant. Grants are jointly funded by local franchisees and 7-Eleven, Inc. and help provide much-needed funding for academic, extra-curricular or athletic programs to keep kids in school, out of trouble and on track. In FY 2013, 7-Eleven, Inc. and its franchisees awarded more than 380 grants to local schools and youth sports organizations, a community investment of nearly \$140,000. Donations were used to underwrite a number of initiatives including research, extracurricular and exercise activities that ensure children stay in and continue to enjoy school.



Ensuring safety in regional communities

Participating in community events like National Night Out® is a meaningful way that 7-Eleven, Inc. connects with guests outside of stores to promote safety. National Night Out® focuses attention on strengthening neighborhood spirit and police-community partnerships, heightening crime and drug-awareness prevention, generating support for and participation in crime prevention programs, and sending a message to criminals that neighborhoods are organized and fighting back. Celebrations, held in communities across the U.S., are visited by city council members, police and sheriff's department officers and other city officials to show support for local efforts.

In 2013, 7-Eleven, Inc. participated in a number of National Night Out® events to show its support for safe neighborhoods and to promote youth safety through the Operation Chill Pledge. Kids take the pledge and promise to obey the law, avoid risky behaviors and be good citizens.

Helping to fight hunger

According to the US Department of Agriculture, 16 million children in America under the age of 18 are not receiving proper nutrition. 7-Eleven, Inc. believes that an environment where enough healthy food is available is vital to the mental and physical development of children.

7-Eleven, Inc. believes all children deserve access to enough healthy food to provide the solid foundation on which to build sharp minds and strong bodies. To help fight childhood hunger, SEI partnered with Feeding America during Hunger Action Month (September 2013) by conducting a national awareness and fund-raising campaign to benefit the millions of Americans served annually by the charity. Approximately \$170,000 were raised,

which were donated to local food banks in the areas where the funds were raised to provide over 1.3 million meals.

During national Hunger Action Month in September a campaign was held in cooperation with food and beverage manufacturer Oak Farms Dairy, to support the North Texas Food Bank organization. For every gallon (3.785 L) of milk sold at 7-Eleven branches in the Dallas and Fort Worth areas 7-Eleven, Inc. and Oak Farms Dairy donated enough money to provide one meal. In total, the two companies donated \$26,500, or enough to provide approximately 80,000 meals.

The Food Bank program provides backpacks full of nonperishable, kid-friendly and nutritious food for kids to take home each weekend during the school year. SEI volunteers also worked on assembly lines to produce items for the program.



Expanding healthy food choices

7-Eleven, Inc. offers a variety of fruits and vegetables for sale to support health-conscious customers. In fiscal 2013 7-Eleven, Inc.'s private store brand, 7-Select®, began offering dried fruits, vegetable chips, nuts, banana chips and other healthy selections.



Sold in convenient packages for healthy eating on the go

Employee Voices



Rebecca Frechette

Senior vice president of merchandising, 7-Eleven, Inc.

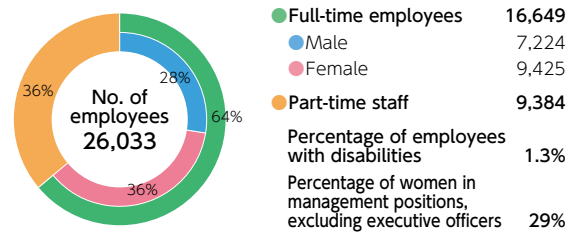
Customers who want simpler meals are often looking for products that are also healthy and delicious. Better-for-you is one of the fastest-growing segments of the snacking category. Our goal is to provide great-tasting, healthy food options at an outstanding, everyday value for our guests,

areas of operations, merchandising and business processes. In fiscal 2013 the program introduced mobile access for better, more efficient study. In 2013, 7-Eleven, Inc. established a program with input from corporate store operators and franchisees. It consists of a series of best practices, processes and tools designed to assist in the hiring, training and empowerment of sales associates. The program focuses on three key principles: "Start with hiring the right people," "Develop them to be the best" and "Take care of them and they will take care of the guest." The information was made available for corporate store operators and franchisees to use in their stores. Employee ability serves an important role in the management of 7-Eleven stores. Through the development of store employee potential, 7-Eleven, Inc. strives to improve store productivity and customer satisfaction.

Supporting employee development

7-Eleven, Inc. has more than 26,000 U.S. and Canadian employees and 8,292 stores including franchisees. Maximizing employee potential is vital to corporate growth, which is why 7-Eleven carries out its education and training programs. For instance, the training curriculum for OFCs (Operations Field Consultants) and headquarter employees includes 7-Excel University. Employees are encouraged to take advantage of this development opportunity to improve leadership and management skills and technical business skills in the

Personnel data in the U.S. and Canada (as of December 31, 2013)



TOPICS

7-Eleven overseas management initiatives

7-Eleven operating companies in different countries 7-Eleven, Inc. is responsible for granting area licenses to overseas operators of 7-Eleven stores in 16 countries and regions. The 7-Elevens in each country are managed by the companies holding these licenses, and the royalty fees contribute to 7-Eleven, Inc.'s operating income. The number of 7-Eleven stores in the world is over 50,000. Here are CSR initiatives implemented by two companies of licensees in different countries: CP ALL Public Company Ltd., which operates 7-Eleven stores in

Thailand (7,429), has been working on reducing the use of plastic bags. In 2013, the company opened its first energy-efficient store.

Korea-Seven Co. Ltd. which operates 7-Eleven stores in South Korea (7,085) has been supporting Korea Social Service by donating daily necessities through Food Bank, and powdered milk for babies using 1% of the profits from sales of prepackaged meals, cakes, and other items.

* The number of stores is current as of December 31, 2013.

• Seven-Eleven Hawaii, Inc. (59 stores)

History

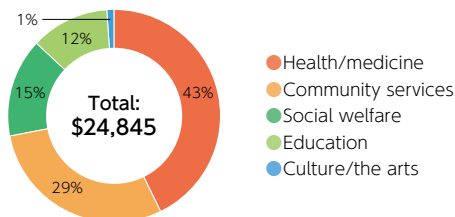
In 1989 Seven-Eleven Japan purchased Southland's (America, currently 7-Eleven, Inc.) Hawaii division and began operations as Seven-Eleven Hawaii Inc. (hereafter SEH). As of December 31, 2013 SEH has 59 stores in Oahu, Maui and other islands.



Coexisting with local communities

As a good corporate citizen, SEH supports youth, education, welfare and health NPOs and activities. In fiscal 2013 an equivalent of approximately \$150,000 in support was carried out for 94 organizations through fundraising, donations of goods and volunteer activities on the part of SEH customers, member stores, employees and the company.

Monetary donations via Seven-Eleven Hawaii, Inc. (Fiscal 2013)



Fundraising relief for typhoon in the philippines

A large portion of Seven-Eleven Hawaii employees are of Filipino ancestry and many of them have relatives in the Philippines. Hawaiian businesses (including SEH) and citizens carried out fundraising through February 2014 in support of victims of Typhoon Haiyan, which struck the Philippines in November 2013, collecting \$650,000. These funds were matched by the Consuelo Foundation*¹, for a total of \$1.3 million. The funds were sent to the Filipino Community Center*² to be used for emergency foodstuffs, repairs for damaged schools and other necessary support.

*1 The foundation runs programs in Hawaii and the Philippines that prevent and treat abuse, neglect and the exploitation of children, women and families.

*2 A center for the support of Filipino culture in Hawaii.

Support for the elderly

The 7-Eleven Charity Golf Classic is an annual golf tournament fundraiser sponsored by Seven-Eleven Hawaii to raise monies for various charities, started in 1978. In fiscal 2013 the money collected by this charity was donated to Lanakila Meals on Wheels. Hunger among the elderly has become a growing problem in Hawaii. With volunteer support, the Meals on Wheels organization delivers nutritionally balanced wheels to the homes of elderly people throughout Oahu Island.

Reducing environmental impact

SEH has developed a new initiative labeled the "Energy Smart Program" to reduce energy consumption from FY2012. In 2013, SEH worked with local consultants and Seven-Eleven Japan to further reduce energy consumption. As a result, in fiscal 2013 (the program's second year) energy usage was reduced to 98%, and costs to 96%, over the previous year.

Number of Seven-Eleven Hawaii, Inc. stores, and store operation environmental data

	Fiscal 2011	Fiscal 2012	Fiscal 2013
No. of stores	58	59	59
Energy usage (MWh)	18,468	18,079	17,848

Chinese Initiatives

We maintain convenience stores, super stores and other establishments throughout China.

Business Overview

Convenience store business overview

In 2004 Seven-Eleven Japan began full-scale development of convenience store operations in Beijing and Tianjin, China. Afterwards, stores were further expanded to Chengdu, Qingdao and Chongqing.

National policy in China for the modernization of cities has resulted in a reduction in the number of street stalls and other traditional Chinese vendors. Amid this change, Seven Eleven is dedicated to contributing to society and supporting urban lifestyles as a convenient and nearby infrastructural network that provides safe and reliable foods.



Super store business overview

Ito Yokado responded to a 1996 appeal from the Chinese government, establishing Hua Tang Yokado Commercial Co., Ltd. in Beijing in September 1997. The company also responded to an appeal from Chengdu City in the Sichuan Province, establishing Chengdu Ito-Yokado Co., Ltd. in Chengdu City in December 1996.

In addition to the safe and reliable foodstuffs and meticulous customer service cultivated in Japan, these companies strive to offer stores from, by and for Chinese people. This includes product and service line-ups tailored to the needs of Chinese customers, and local products and staff sourced from within China.



Strengthening chinese operations

In order to create a framework for proactive expansion of business in China, Seven-Eleven (China) Co., Ltd. and Ito-Yokado (China) Investment Co., Ltd. were established in 2012 as presiding (investment) companies over the convenience store business and super store business operating companies.

Promoting CSR Activities

In recent years, as a result of rapid economic development, environmental and labor problems have begun to surface in China. Under the guidance of the Chinese government, the creation of CSR initiative guidelines and evaluatory indices, the disclosure of CSR rankings, and general concern over CSR has accelerated. In order to promote ongoing CSR activities and respond to changes in Chinese society, an identical CSR promotion system as in place for Japanese operating companies (p. 7) was introduced in February 2014 for Seven-Eleven (China) Co., Ltd., Ito-Yokado(China) Investment Co., Ltd., and their subsidiary companies.

As part of the formulation of this system the Seven & i Holdings CSR manager visited China to discuss basic CSR philosophy, the CSR Promotion system in Japan and specific CSR activities with Japanese and Chinese executive staff (including the chairmen). Under the new system, the individual Chinese operating companies will promote CSR activities by identifying the specific CSR activities they face and carrying out employee CSR training based on these findings.



• Seven-Eleven Beijing (150 stores), Seven-Eleven Tianjin (56 stores), Seven-Eleven Chengdu (79 stores)

HR development and support

Improving skills

Training and promotion of Chinese staff is indispensable when developing stores in China. A variety of policies are in place for developing human resources that possess the extensive experience in store management and advanced communications skills necessary for interacting smoothly with member store owners. It is also important that staff that can bring an insight for improving stores to their work.

Before becoming a company OFC (“Operations Field Consultant,” responsible for sharing multi-faceted advice on ordering, product lineup, employee training and other overall management issues), employees must build up experience working at a training store. At Seven-Eleven Chengdu this career-track training program has been improved. The path from entry to OFC takes 23 months, during which employees train in subjects such as “Four Basic Principles (Friendly Service, Cleanliness, Freshness Management, and Product Lineup),” “Unit Control,” “Employing, Training, Assigning and Evaluating Staff” and “Managerial Indicators.” As part of OFC training, meanwhile, in order to raise OFCs’ ability to improve numbers and solve problems, sessions were established in November 2013 in which persons in charge from each section teach necessary knowledge. In order to improve OFCs’ abilities to assess stores, region-by-region on-site in-store training was also established.

At Seven-Eleven Beijing training is carried out for managers into training workers and communicating smoothly with staff. For headquarter employees, from September to October 2013 a total of seven employees from the merchandising, development, training and accounting departments participated in training at Seven-Eleven Japan on efficient work approaches. In fiscal 2014 training for OFCs on improving communication with member stores was also introduced.



Fair evaluation and treatment

At all three companies both monthly interview evaluations and yearly evaluations are carried out for employees. During monthly interviews the employees meet with their direct supervisor to discuss achievement of individually set goals. During yearly evaluations, self-assessments are first reviewed by the direct supervisor before a review by and interview with a secondary, higher-level supervisor. Regular training is carried out for managers on monthly evaluation methods, and on determining pay in accordance with these evaluations.

Improving workplace environments

Seven-Eleven Tianjin is a subsidiary of Seven-Eleven Beijing. An employee consultation email address has been set up at the company to receive employee feedback and help create more conducive work environments. This ensures that in addition to benefiting from the expertise of Seven-Eleven Beijing, there is a working environment in place where employees can freely propose ideas and consult over issues such as company structure, benefits, and interpersonal workplace relationships.

Promoting women in the workplace

Chinese labor contract law stipulates that both men and women must have full and welcome access to childbirth and childcare leave. In accordance with these laws and with the company’s own merit-based management promotion system, female employees accounted for 58.3% of managers at Seven-Eleven Beijing (excluding officers) as of December 31, 2013. This is a significant increase over the 47.0 % figure of the previous year. Upper level promotion of female employees has also been positive. In November 2012 the first Chinese female board member was appointed at Seven-Eleven Tianjin. In 2013 a female accounting director-general and female HR general-manager at Seven-Eleven Beijing were each appointed as vice-presidents. In February 2014 a female managing director at Seven-Eleven Chengdu was also appointed as a vice-president.

Employee Voices



Xu Yali
Vice-President and
Managing Director
Seven-Eleven Chengdu

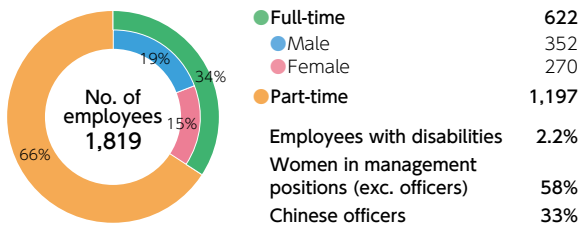
Before joining the company I worked at Chengdu Ito-Yokado Co., Ltd. While there I was able to build up a variety of experience in multiple departments, which has given me confidence in my communication skills. Through work I made a large number of contacts in government, local communities and the media, which I believe allowed me to make significant contributions as Seven-Eleven Chengdu transitioned from establishment to growth. I look forward to continuing to use my amassed experience and connections to their utmost potential, and to working hard with everyone to develop the company and achieve our goal of creating nearby and convenient stores for the residents of Chengdu.

all Seven-Eleven Beijing and Chengdu stores, exceptional examples are also included in the company newsletters distributed to the stores. Additionally, in order to grasp changing customer needs, improve products and sales spaces, and increase customer service skills, store surveys by employees and customer questionnaires are carried out by Seven-Eleven Tianjin and Chengdu stores every year.



Award recipients and managers at Seven-Eleven Chengdu

Seven-Eleven Beijing employee data (as of December 31, 2013)



Working in harmony with local communities

Since November 2006 donation boxes have been in place at Seven Eleven Beijing stores to collect funds for donation to the Beijing Afforestation Foundation, a governmentally recognized environmental conservation organization. The foundation uses donations from citizens to plant trees in anti-erosion tracts in Beijing and surrounding areas so as to protect against sandstorms and desertification. Seven Eleven Chengdu's social contributions have also garnered high praise from the industry and Chinese government. In fiscal 2012 the company received a responsible retailer's award from organizations such as the Chengdu Retail Chain Association and Chengdu Chamber of Commerce, and in fiscal 2013 received a yearly award for contribution to the public good.

Increasing customer satisfaction

Customer feedback centers were established at all three companies to approach product and service improvements from the customers' points of view. The information gathered is divided by subject and then shared with individual departments and stores. At Seven-Eleven Beijing and Tianjin, an in-company "CEO Prize" is also awarded based on positive customer feedback (after application by stores and checking by OFCs and related departments). In order to improve customer service a system is in place at the three companies to award employees that display a high level of store friendliness and professional skill. The purpose of the system is to improve friendliness toward customers, and to increase employee motivation and retention. In order to encourage exceptional customer service at

Funds Raised

Fiscal 2011	148,586 yuan
Fiscal 2012	164,884 yuan
Fiscal 2013	112,406 yuan



Activities at Seven-Eleven Chengdu

- Since 2012 Seven-Eleven Chengdu has recognized July 11 and November 7 as “7-11 Days,” with activities geared toward contributing to local society and maintaining clean and beautiful city environments. For instance, previous activities have included cleanup drives around stores and headquarters, and distribution of free portable ashtrays to discourage littering.



On 7-11 Days the company explains Seven-Eleven’s commitment to environmental protection to citizens and solicits signatures

- Since 2013 the chairman and employees have visited Benevolence Family, a home for children and youth with intellectual disabilities, on June 1 (Children’s Day) and Christmas. The chairman and employees hand out presents, and form bonds with the children by participating in lessons.



- When the Lushan Earthquake occurred in Ya’an City in the Sichuan Province in April 2013, the company immediately delivered rice balls, meat buns, mineral water and other supplies to the affected area. The fast response was praised in SNS and media outlets.

Reducing environmental impact

In China growing demand for electricity has led to supply shortages and a sharp rise in electricity fees. This makes electricity conservation vital to corporations, both in order to reduce environmental impact and control costs. In fiscal 2013 Seven-Eleven Beijing rolled out preliminary introduction of LED lighting at two stores. In fiscal 2014 the company plans to introduce LED lighting for all existing stores. Seven Eleven Tianjin has also shown a significant benefit in terms of cost by using LED storefront signage from the same manufacturer as for Seven-Eleven Japan.

In February 2011, the Wang Yang Factory went into operation. The factory is dedicated to production for Seven-Eleven Beijing with joint investment from Seven-Eleven Japan and Warabeya Nichiyo Co., Ltd. The factory is the first in China to receive authorization to produce lunch boxes and is environmentally friendly, with exemplary water and waste treatment facilities. Additionally, excess foodstuffs are used as pig feed. The factory also contributes to the local economy, proactively employing local workers and sourcing ingredients from local suppliers.

Number of Seven-Eleven Beijing stores and environmental data

	Fiscal 2011	Fiscal 2012	Fiscal 2013
No. of stores	147	200	150* ³
Electricity usage (MWh)	13,216	20,675* ¹	19,648
Water usage (1,000 m ³)	55	82* ²	69

*1 Due to government restrictions on gas usage, in-store kitchens have converted from gas to electricity use. As a result, electricity usage increased in fiscal 2012.

*2 The data collection method was changed.

*3 Seven-Eleven Beijing stores within Tianjin City were transferred to Seven-Eleven Tianjing. As a result, the number of stores as of the end of the fiscal year decreased greatly in comparison to fiscal 2012.

• Hua Tang Yokado/Chengdu Ito-Yokado

Promoting chinese employees

Following a general philosophy of ‘localization,’ these companies proactively pursue promotion of Chinese employees. Chinese core workforce and store management systems are in place. As a result, as of December 31, 2013 the ratio of Chinese management (excluding officers) is 94 % at Hua Tang Yokado and 86% at Chengdu Ito-Yokado. Seven of nine Hua Tang Yokado stores and all Chengdu Ito-Yokado stores are operated by Chinese general managers.

Workplace promotion for women in China has also been improving. Women account for 68% of management at Hua Tang Yokado, and 48% at Chengdu Ito-Yokado.

Improving employee skills

A training program is in place to help motivate local workers and allow each employee to succeed to their fullest potential. There are also a variety of awards and inter-employee competitions in place. At Chengdu Ito-Yokado, a training program with outside lectures was also introduced for executive staff to improve communications and leadership skills. Through the program, executive staff reaffirm their role in training their employees and study communication skills for maximizing the individual strengths of the people they manage.

Major competitions and awards at Hua Tang Yokado	
Results presentations	Held once every six-month period. Participants report on individual and department achievements in customer service, sales promotion, cost controls and environmental improvements, with the most exceptional examples receiving awards.
Distinguished employee awards	An award for exemplary employees, partners and tenant employees who contribute significantly to the company.
Sales skills contest	Stores compete against each other in areas such as increased holiday sales, with awards given to the top three stores. Store-by-store awards for excellence in five fields.
Business improvement proposal presentations	Proposals for business improvements are solicited, with one person selected from each store/department to present their proposal.

Athletic meet to foster employee unity

Since fiscal 2011 Chengdu Ito-Yokado has held a yearly athletic meet for all employees and tenants. Each store forms a team, fostering employee unity by competing in team competitions and cheering each other on. There is also participation from partner company executives and local customers, which helps to foster interaction with these groups.

TOPICS

First Chinese female CEO (President) appointed in May 2014 at Chengdu Ito-Yokado



Xiaosu Jin
CEO
Chengdu Ito-Yokado

I first entered the company in 1998 as a translator at Chengdu Ito-Yokado Store Number One. My duties involved translating for the managing director, but I was also proactive about proposing ideas that occurred to me while mediating between others at the store. In recognition of my efforts I was promoted to a position responsible for affairs, and continued to move up after that to positions of greater responsibility.

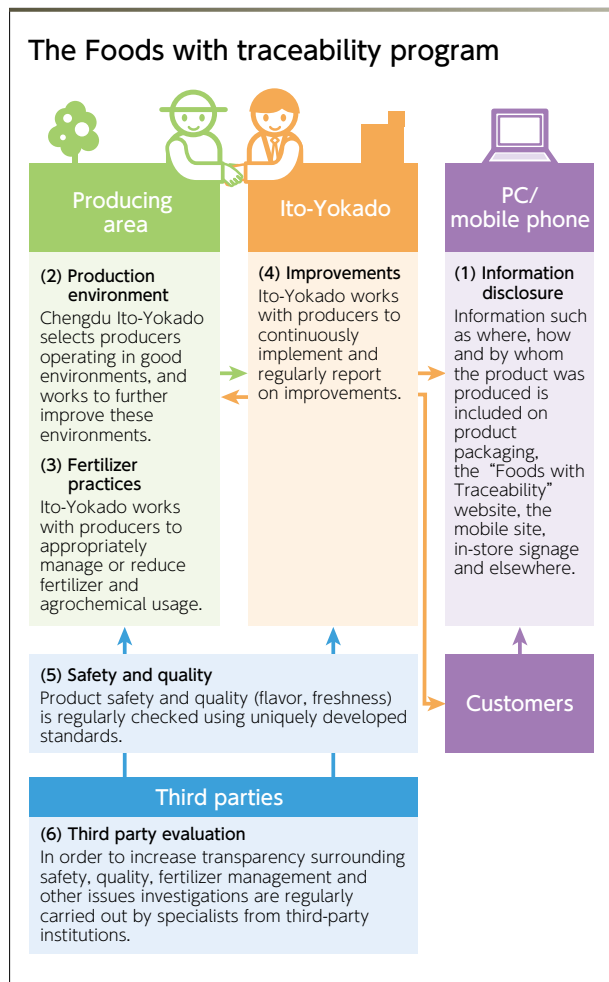
Something I learned from working with Japanese executives is how to approach work in a dedicated and professional manner. The fact that the company recognized and rewarded my dedication deeply impressed both myself and others around me.

There is no division at Chengdu Ito-Yokado between Chinese and Japanese employees, and all employees are able to express their ideas and discuss matters with each other. Employees can actively make proposals, and take personal involvement and pride in company policies. This is the bedrock behind teamwork and follow-through.

As CEO, I hope to carry on the corporate culture built by my predecessors, and to continue to develop the company as one where employees can feel pride and satisfaction in their work.

“Foods with Traceability” products

In order to ease growing concerns over food safety in China, in March 2013 Chengdu Ito-Yokado introduced the “Foods with Traceability” (see p.30) concept already in use for products in Japan. Using a dedicated website, customers can learn where, how and by whom the product was raised. The concept has been warmly received, in particular by customers with special concerns over food safety and reliability such as pregnant customers or those with children. As of December 31, 2013 the lineup included 33 vegetable items and 11 fruit items. In January 2014 pork items were also introduced. Chengdu Ito-Yokado is also preparing to introduce products such as cut-fruit, beef and fresh fish to the lineup.



Utilizing customer feedback

In order to create better products and stores, customer feedback boxes are in place at all stores to collect feedback from customers. Persons in charge of customer feedback at each Hua Tang Yokado store meet every week to share feedback received.

At Chengdu Ito-Yokado, customer feedback collected each week is shared with the relevant departments and stores, and a customer satisfaction committee comprising executive staff from all stores meets every month to address the important feedback received from customers and discuss improvements.

Reducing environmental impact

In China, the public looks for corporate action to help solve increasingly serious environmental issues. In fiscal 2012 Hua Tang Yokado signed energy conservation target agreements with Beijing City, committing itself to reducing energy usage by 428 tons of SCE. Through careful management of air conditioning temperatures, lighting and other measures the company reduced fuel usage and achieved a reduction of 427 tons. In fiscal 2014 plans are in place to further reduce energy consumption, such as through introduction of LED lighting. Chengdu Ito-Yokado signed similar energy conservation agreements with Chengdu City. Through methods such as switching to LED for basic lighting at the Chunxi store and thorough adherence to electricity usage manuals, the company significantly reduced consumption, with reductions totaling 1,002 tons of SCE. Further capital improvements, such as the introduction of more LED lighting, will be made in fiscal 2014. In-store energy conservation action teams will also be formed from the headquarters energy conservation project, to explore and implement further reductions of environmental impact.

Hua Tang Yokado environmental data

	Fiscal 2011	Fiscal 2012	Fiscal 2013
No. of stores at end of period	8	8	9
Energy usage (MWH)	55,847	54,609	56,232
Water usage (1,000 m ³)	413	360	359

Chengdu Ito-Yokado environmental data

	Fiscal 2011	Fiscal 2012	Fiscal 2013
No. of stores at end of period	5	5	5
Energy usage (MWH)	61,378	84,226	77,169
Water usage (1,000 m ³)	571	674	761