

Material Issue 5 Improve work engagement and environment for people working in Group businesses

Approach to the Material Issue

In the entire Seven & i Group, more than 160,000 people work. Workplaces include part-time employees, foreign nationals, and employees working short hours due to childcare and family care responsibilities. With this diverse workforce, we recognize that we have a duty as a corporation to support diverse working formats. We support the careers of our diverse employees and strive to create appealing workplaces that make work worthwhile. This enables us to steadily acquire diverse human resources, and also drives us to incorporate completely new ways of thinking and generate new value. It is therefore a source of competitiveness.

- Relevant policy

[Seven & i Group Corporate Action Guidelines](#) >

[Seven & i Group Human Rights Policy](#) >

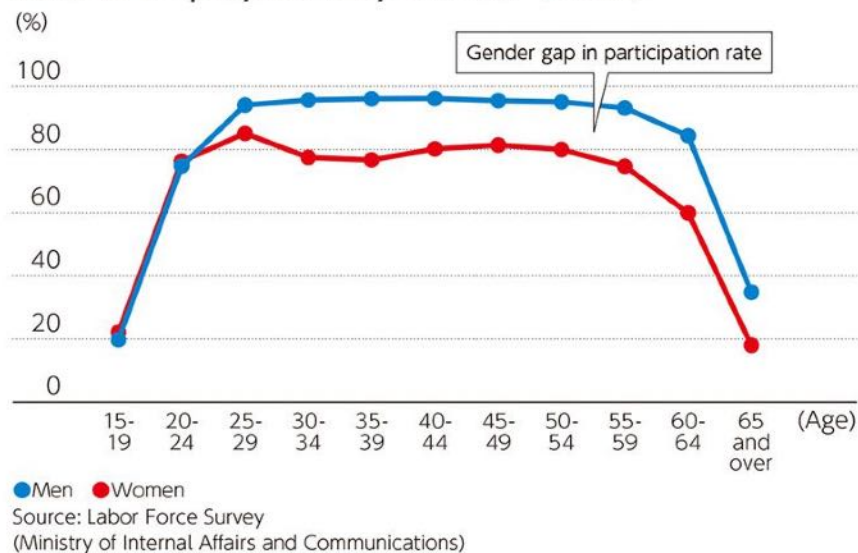
Background to the Material Issue

Supporting Active Participation of Women

With the productive-aged population in decline, it is essential to promote active participation by women. However, many women are denied the opportunity to work, for example, because it is not possible to balance work with childcare, or because they have been unable to return to work after childcare. Furthermore, in Japan, the ratio of women in management - at 12.4%* (2020) for those in positions equivalent to section manager and above - is relatively low by international standards. Creating workplaces where women with high capabilities can play active roles is, therefore, an important task.

* From "Basic Survey of Gender Equality in Employment Management in FY2020," Ministry of Health, Labour and Welfare

Rate of Employment by Gender (2019)



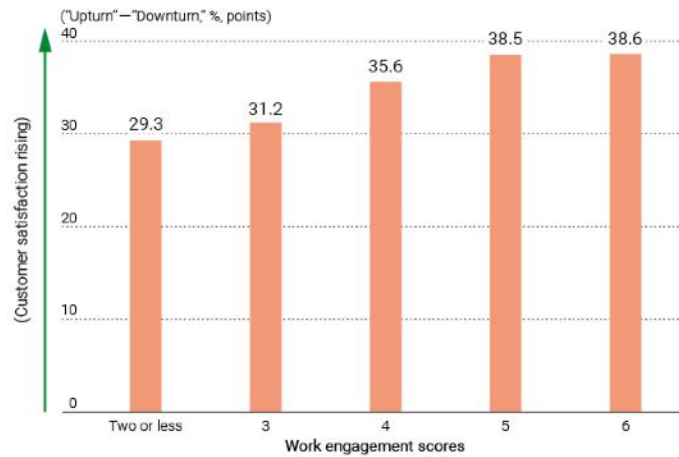
Improve Workers' Motivation

Most workers spend much of their day working at their companies. However, it is said that the motivation to contribute to the company is lower in Japan than in the rest of the world, and the challenge is how to make workers feel more motivated.

Improve Work Engagement

It is believed that there is a positive correlation between the Work Engagement Score, in which people feel pride and satisfaction in their work and are lively and enthusiastic about it, and customer satisfaction. Improving work engagement and environment for people working in Group businesses will lead to higher satisfaction not only for the Group itself, but also for its customers.

Company awareness relating to customer satisfaction levels indicated by respective work engagement scores (all companies)



Source: Independent aggregation by the Policy Planning Division assistant to the Director-General for Policy Planning and Evaluation, Ministry of Health, Labour and Welfare from individual data in the Japan Institute for Labour and Policy Training "Survey on current circumstances surrounding personnel shortfalls and related issues and workstyles etc." (2019)

Contribution to SDGs

By addressing this material issue, the Seven & i Group will contribute to achieving goals 5, 8, and 10 of the Sustainable Development Goals (SDGs) by improving work engagement and environment for people in the Group's businesses regardless of gender or age.



Seven & i Group's Initiatives

Diversity and Inclusion >

Achieving a Work-Life Balance >

Support for Enhancing the Abilities of Employees >

Assuring Fair Assessment and Treatment of Employees
>

Consideration for Employee Health and Occupational Safety and Health >

Employee Engagement & Culture Survey >

Sound Labor-Management Relations >

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Diversity and Inclusion

Seven & i Group is building an organization in which diverse human resources are motivated to demonstrate their abilities and in which the company and employees can grow together by strengthening the linkage between management strategy and human resource policy. Employees with a diverse range of attributes, experience, and knowledge work at each of the Group's workplaces. Seven & i Holdings supports the activities of this diverse workforce and strives to build work environments that enable employees to work with satisfaction. We also recognize that such an approach leads to improved productivity and the securing of human resources and in turn to the improvement of customer satisfaction and generation of innovation, as well enhancing our competitiveness.



Targets and Steps for Promoting Diversity and Inclusion

To promote diversity and inclusion, Seven & i Holdings established the Diversity Promotion Project in 2012 and set five targets, including for the ratio of female managers. Thus, after establishing the promotion structure in FY2012, we have pursued various initiatives, such as those for the empowerment of women, a revision of personnel system operations, as well as initiatives to raise the awareness of management-level employees, support the balancing of work and family care responsibilities, and promote understanding of LGBT issues. To strengthen our diversity and inclusion activities, and especially initiatives relating to the promotion of the activities of women, in May 2021 we joined the 30% Club Japan and set a new target of raising the ratio of female executive officers to 30% by the end of February 2026. At the same time, we have also reviewed working formats for greater productivity, focusing on rectifying long working hours, which have been a barrier to the further advancement of diverse human resources, and on achieving employee work-life balance.

Diversity Promotion Targets

1. Ratio of female executive officers: Raise to 30% (by the end of February 2026) ※1
Ratio of female managers: Raise to 30% (by the end of February 2026)※2
2. Encourage male employees to participate in housework and childcare
3. Eliminate retirements resulting from need to provide family care
4. Promote normalization
5. Encourage understanding of LGBT

※1 Totals are for four companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru

※2 Totals are for seven companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Akachan Honpo, Seven & i Food Systems, Seven Bank

System to Promote Diversity and Inclusion

Based on the commitment of its top level members, Seven & i Holdings established the Seven & i Group Diversity and Inclusion Promotion Project (initially referred to as the Diversity Promotion Project) in 2012 within the Corporate Ethics and Culture Subcommittee under the CSR Management Committee. This project has involved the formulation of policies for activities to promote diversity and inclusion at the Group as well as the formulation and execution of Group-wide measures.

From 2013 specialized organizations for diversity have also been established including Seven-Eleven Japan and Ito-Yokado. Such organizations have set individual goals in accordance with the characteristics of each Group company and initiatives are being implemented. In addition, a Diversity Promotion Liaison Council - at which persons in charge of diversity promotion at 11 main Group companies, is held on a regular basis. The aim of this council is to share information on the progress of and issues related to promotion activities at each Group company while also expanding superior initiatives to other Group companies. The details of activities are reported on regularly at the Corporate Ethics and Culture Subcommittee at which personnel and CSR managers from 28 Group companies attend, and the CSR Management Committee chaired by the President and Representative Director of Seven & i Holdings. The aim is to spread and bring to concrete fruition diversity and inclusion activities throughout the entire Group.

➤ [Website for the Declaration on Action by a group of male leaders who will create “A Society in which Women Shine” \(Gender Equality Bureau, Cabinet Office\)](#)

Supporting Active Participation of Women

Career Development Support for Women

Seven & i Holdings continues to undertake initiatives that support women’s career development as part of positive action. As a recent initiative, in 2021 we launched the Female Encouragement Seminar to provide Group-wide training aimed at fostering female manager candidates. Female employees from about 20 Group companies take part in the seminar. During this seminar, the president and other members of management speak on such topics as the Group’s management policy and philosophy, and convey messages of support to participants, who subsequently discuss these with their fellow participants. Holding the seminar in an entirely online format allows participation from all regions of Japan, regardless of area, and female employees working shorter hours due to childcare responsibilities can also participate. This initiative, whereby participants hear accounts from perspectives and frames of reference differing from those encountered in their everyday work serves as an opportunity to enhance their desire for growth. At the same time, the discussions among fellow employees with diverse academic and career backgrounds and jobs serve as an opportunity for participants to think about their own careers, with the copious feedback received including such comments as “I was encouraged by the words of women working in the same Group” and “I was inspired.”

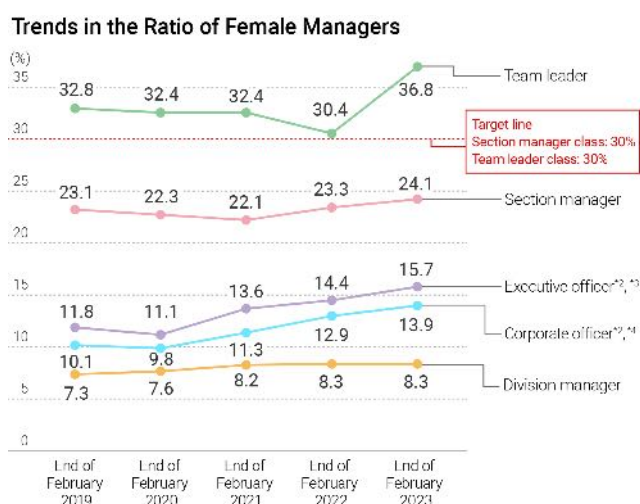
In addition, we launched Female Leader Empowerment Sessions as a means to promote appointments of female executive officers from 2022.



Female Encouragement Seminar

Changes in the Ratio of Female Managers

Seven & i Group is working to promote women and further bolster personnel training to meet the goal of a 30% ratio of female managers, one of our targets for diversity promotion. As of the end of February 2023, the ratio of female managers has increased to 36.8% for team leaders and 24.1% for section managers. There has also been progress in changing awareness, and there are now many managers playing an active part while raising children, as well as those who participate in the short working hours program. We are continuing to nurture and promote women at the Group companies through training for managers and executive candidates and the sharing of career plans with supervisors during individual meetings.



*1 Total for eight Group companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, Seven Bank

*2 The total for six Group companies (Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Sogo & Seibu) as of May 31 of each year

*3 Excluding directors who are executive officers

*4 Corporate Officer is the total of directors, auditors, and executive officers

General Employers Action Plan pursuant to the Act on the Promotion of Women's Participation and Advancement in the Workplace (in Japanese)

- > [Seven & i Holdings](#)
- > [Seven-Eleven Japan](#)
- > [Ito-Yokado](#)

Gender Pay Gap

Seven & i Holdings has no gender gap in its personnel system, and in its wage program, compensation reflects the role and contribution of each individual regardless of gender. However, the average age and percentage of management positions at each group company are higher for men than for women, and more women choose to work shorter hours or work in limited regions in order to balance work and family life, such as childcare. In order to eliminate the differences, we are continuing our efforts to create a comfortable working environment for employees by encouraging male employees to take childcare leave and reducing long working hours, as well as to support and develop the careers of female employees and actively promote them to management positions.

FY2022 Gender pay gap (ratio of women's wages to men's wages)

	Full-time employees	Part-time employees
Seven-Eleven Japan	73.9%	84.7%
Ito-Yokado	70.4%	101.2%
Seven & i Holdings	72.8%	83.7%

Fostering a Culture Where Diverse Human Resources Can Play an Active Role

Seven & i Group is working to foster a culture where women and other diverse human resources can play active roles by conducting community activities and training targeting various levels within the Group.

Training and Awareness-raising for Management

Seven & i Holdings has continued to hold the Diversity Management Seminars since 2014 as a Group-wide initiative to emphasize the importance of diversity and inclusion and to raise awareness on the management of diverse human resources. A cumulative total of 6,300 people from all Group companies had participated in the seminars up to the end of February 2023. Seminars led by outside lecturers, covering themes including diversifying work styles, unconscious bias, organizational development, and leadership have been held to date, to provide the opportunity for managers to think about diversity from a number of different perspectives.

In addition, the Group companies are promoting understanding among managers of the significance of diversity management and support for the balancing of work with childcare and family care responsibilities to further train managers to make good use of their diverse human resources to generate results.

For example, starting in 2021 Seven-Eleven Japan has been inviting outside lecturers to begin training on the subjects of diversity management and unconscious bias with the goal of encouraging understanding among managers. It has also been providing training for managers since July 2021 on normalization support. This aimed at creating opportunities to deepen managers' understanding of colleagues and subordinates with disabilities and to learn about how to deal with customers who have disabilities or cognitive impairments.

In its level-based executive training, Ito-Yokado is implementing sessions on the management of diverse subordinates, including the importance of workplaces where diverse employees can apply themselves, the understanding of programs for supporting the balance between childcare and family care with work, and the evaluation of employees in the short working hours program.

Awareness-raising of LGBT Rights

Seven & i Holdings revised the Corporate Action Guidelines in 2016, to expressly specify the "Forbidding of Discrimination Due to Sexual Orientation or Sexual Identity." A variety of educational and awareness-raising activities aimed at promoting understanding of LGBT issues are also ongoing. These include the hosting of seminars and the production of a booklet with basic information on LGBT issues.

Support for Active Participation of Seniors and Non-Japanese Employees

Seven & i Group companies have a system for rehiring employees after mandatory retirement, providing an opportunity for experienced workers to use their skills and abilities.

At Ito-Yokado, for example, a re-employment system that allows people to continue working until age 65 was introduced in 1995 in response to employees who said they wanted to continue working after the mandatory retirement age.

Employees can select from three options of working days and hours to suit their wishes, enabling them to work in diverse ways. From April 2006 the Senior Part-timer System was implemented to allow part-time employees to work until age 65 as well. As of the end of February 2023, 7,269 senior part-timers were active in the Group. The system was expanded in May 2017 to enable people to continue working up to the age of 70. Furthermore, as of the end of February 2023, 1,273 non-Japanese employees were working in the Group.

Amid the low birthrate, aging of society, and shrinking working-age population, Seven-Eleven Japan is creating employment opportunities for seniors who want to work. For seniors recruited by stores, including franchised stores, head office instructors give careful and considerate explanations of how to handle equipment and deal with customers to allay

their fears about operating the cash registers. The ratio of employees of non-Japanese nationality working at stores, including franchised stores, is also increasing. As of the end of February 2023, the national average was approximately 9.8%, and the number of non-Japanese staff was about 41,200. In September 2020, we started so-called Hospitality Training, providing lectures to foreign students and other non-Japanese employees on the basics of Japanese culture and customer response. In the fiscal year ending February 28, 2023, about 180 employees received this training.



Job Seminar for Seniors (Seven-Eleven Japan)



Hospitality Training (Seven-Eleven Japan)

Promotion of Foreign Nationals and Mid-career Hires

The Seven & i Group has long actively promoted overseas employees to local management positions. Our new Medium-term Management Plan announced in July 2021 calls for the strengthening of global strategies, and we are focusing on the development and promotion of core human resources to support these global strategies. We position mid-career hires as "work-ready" persons, and in FY2022, a total of 653 mid-careers joined 8 group companies* of the Group. Although we do not set specific targets for the appointment of foreign nationals and mid-career hires, we evaluate their abilities and achievements fairly and promote them to management positions regardless of their nationality or employment status (new graduate or mid-career hire) so that a diverse range of human resources can demonstrate their abilities.

*Totals are for eight companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, Seven Bank

Promoting Employment of People with Disabilities

Seven & i Holdings is assisting people with disabilities to demonstrate their abilities at their workplaces based on its commitment. Providing an environment where everyone can play an active role, each Group company consults with employees with disabilities to determine the workplaces, jobs and working hours that are suitable in consideration of the level and details of their disability and their own preferences. In this way, people with disabilities work in various divisions. In recruitment, we coordinate with special-needs schools to provide onsite training in stores and participate in job interviews organized by local employment agencies and partner with vocational schools. Furthermore, all Group companies are provided with the Seven & i Holdings Normalization Support Guide, which contains basic knowledge and practical recruitment methods when employing people with disabilities, to ensure that all recruitment and training personnel of the Group companies understand disabilities and that they considerate to employees with disabilities.

Promotion of the Employment of People with Severe Disabilities

In 1994, Terube, Ltd. was established with joint funding of five companies (Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, and Seven & i Food Systems) and the city of Kitami in Hokkaido. Terube is a special subsidiary founded to promote the employment of people with severe disabilities. As of June 1, 2023, Terube employed 20 people with disabilities, and the Group's employment rate of people with disabilities※, including Terube, was 3.16%. The target for the fiscal year ending February 28, 2025, is for all Group operating companies to meet the statutory employment rate for people with disabilities. In recognition of its efforts in the 23 years since its founding to practice normalization with the aim of creating workplace environments amenable to people with disabilities, Terube became the commemorative first company to be certified as the Employer Promoting the Active Roles of Persons with Disabilities in 2017, the first year that certifications were issued by the Japan Association of Employers of Persons with Disabilities.

※The Group's employment rate of people with disabilities covers the five companies of Seven & i Holdings, Terube, Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

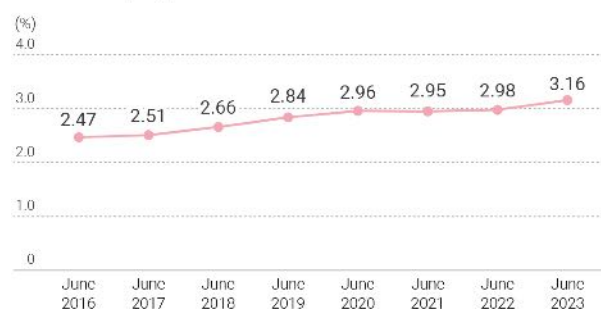


Special subsidiary, Terube Ltd.



Certification No.1 : Employer Promoting the Active Roles of Persons with Disabilities 2017

Ratio of Employees with Disabilities



* The ratio of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terube (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

Implementation of Employment Support Training in Collaboration with Administrative Authorities to Promote the Employment of People with Disabilities

Seven-Eleven Japan conducts employment support training in some areas involving "Seven-Eleven Work Experience," "Customer Relations Training," and "Classes on Learning from Graduates to Prepare to Become a Working Adult" for teachers and students at special-needs schools as part of its support for the employment of people with disabilities in collaboration with administrative authorities throughout Japan.



Employment support training "Seven-Eleven Work Experience"

Support for Employment Stability of Employees with Disabilities

Seven-Eleven Japan promotes the acquisition of qualifications specified by the Ministry of Health, Labour and Welfare under the "Act on Employment Promotion, etc. of Persons with Disabilities" as a measure to retain employees with disabilities in the workplace. Various initiatives have been promoted, with 96 employees having been certified as "Employment Counselors for People with Disabilities" and 15 employees certified as "Job Coaches (in-house workplace adjustment supporters)" as of the end of February 2022. These job coaches (in-house workplace adjustment supporters) with specialized knowledge provide training on how to support oneself in daily life and on how to behave as a working adult, conduct interviews over the internet, and the like. Even amid the COVID-19 pandemic, they have been endeavoring to create great places to work.

In addition, the company has introduced a voice-recognition system that can allow hearing-impaired employees to participate in remote meetings, and it is striving to create an environment where communications among all employees will be smooth. In October 2022, the company received the Governor of Tokyo Award in the Excellent Company Awards for Employment of Persons with Disabilities presented by the Tokyo Metropolitan Government, in recognition of this series of initiatives.

External Recognition

Seven & i Holdings has established specific targets for promoting the active role of women, and the entire Group has worked together to make progress on the targets. The Group's initiatives and the proactive appointment of female managers have received high recognition by outside parties.

Major recognition by outside parties

- 2014 Empowerment Award (Japan Productivity Center)
- 2015 Prime Minister's Award at the Leading Companies Where Women Shine Awards (Cabinet Office)
- 2015 Corporate Activity Award (Tokyo Stock Exchange Inc.)
- 2017 Chosen as the "2017 Nadeshiko Brand" by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, Inc.
- 2019 Chosen as "Semi- Nadeshiko 2019" by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, Inc.

Seven & i Holdings acquired the third level – the highest – in the "L-Boshi" Designation for gender-advanced companies based on the Act on the Promotion of Women's Participation and Advancement in the Workplace. We achieved the designation standard in all five evaluation categories: recruitment, career continuation, work style factors such as working hours, management ratio, and diversity of career paths. Similarly, Ito-Yokado, Sogo & Seibu, Seven Bank, Seven Card Services, Seven Financial Service, Nissen, and Nissen Life have also acquired the third level, and Seven-Eleven Japan and Seven & i Food Systems acquired the second level (as of February 28, 2023).



3 stars (the highest level)



2 stars

"L-boshi" certification

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Achieving Work-Life Balance

Seven & i Group is promoting the concept of “work-life synergy,” which aims to create synergies by utilizing the perspective of a consumer in work while simultaneously leveraging the lessons of work in life. We have a range of assistance systems that exceed minimum legal requirements to enable diverse employees work with peace of mind. To make it even easier for employees to work, we are also taking steps to curb long working hours and encourage the use of paid leave.



Enhancing Systems for Diverse Workstyles

Seven & i Group has implemented various systems that go beyond legal minimums to enable employees, including part-timers, to continue working comfortably while engaging in childcare or nursing care. For example, there are childbirth and childcare programs and a family care program available for employees, both men and women, who have worked at the company for at least a year; the programs are also available to part-time employees. The programs are freely selected by individual employees, and combining a leave program with a reduced work hours plan is also possible.

Further, in addition to childcare or nursing care, the company has newly instituted a system of support for employees who are receiving treatment for infertility, kidney disease, and cancer, and at the same time continuing to work, with a view to accommodating the needs of a diverse array of work styles.

Ito-Yokado’s Childcare and Family Care Assistance Systems

	Childcare Assistance System	Family Care Assistance System
Reduced work hours	Employees can work reduced hours until April 15 of the year their child starts junior high school. *Can be combined with other leave programs.	Employees can work reduced hours for up to three years following the initial reason. *Can be combined with other leave programs.
Work until 7:00 p.m.	Full-time employees can end their workday by 7:00 p.m. through March 31 of the year their child graduates from junior high school	None
Leave	Employees can return to work after taking leave for up to two years. *Up to three years depending on the circumstances (Can be combined with short working hours).	Employees can take up to a one year of leave following the initial reason. The leave can also be split up and taken at different times. *Can be combined with short working hours.
Reemployment	Employees resigning to focus on childcare are given priority in hiring within three years.	Employees resigning to focus on family care are given priority in hiring within three years.
Limitations on/exemption from overtime work Exemption from late night work	Exemption from/limitation on overtime work and exemption from late night work until April 15 of the year in which the employee’s child reaches 1st year junior high school allowed	When providing nursing care for a family member, employees may have limitations on or be exempted from overtime work. They may be exempt from late night work

Child nursing care/nursing care leave	When giving nursing care to a child of pre-school age, employees may take up to five days off per year for one child or 10 days off (paid) for two children or more in half day units	When providing nursing care for a family member, employees may take up to five days off per year for one family member or 10 days off (paid) for two family members or more in half day units
Days off	If an employee has a pre-school aged child, they may take up to five days off per year (paid) for childcare	—

Childcare Support for Employees

Seven & i Group implements various initiatives to provide childcare support to the Group employees.

Operation of Seven Nanairo Nursery Schools

Since October 2017, Seven-Eleven Japan has been operating on-site Seven Nanairo Nursery Schools for the owners and employees of 7-Eleven stores, local residents, and employees of Seven-Eleven Japan. A total of six facilities have been opened in Tokyo (Ota-ku, Setagaya-ku, and Machida), Sendai, Kyoto, and Hiroshima to provide work-friendly environments.



Seven Nanairo Nursery School

Introduction of Daycare Facilities in Stores

Ito-Yokado has introduced six daycare facilities comprising authorized daycare centers and corporate-led nurseries as tenants in its shopping centers in Tokyo and three other prefectures. These facilities are used by employees and local residents.

Return-to-Work Support after Childcare Leave

Seven & i Group companies provide guidance to employees returning to work after taking childcare leave and implement community activities aimed at building networks and allaying the anxieties of child-raising and pregnant employees. For example, at York every two months in-house information is shared by mail with employees who are on childcare leave to let them know what the latest news is. In addition, to encourage the use of childcare and nursing care programs, efforts are also being made to raise awareness of them through items that run in in-house newsletters. Furthermore, York had been holding orientation sessions four times a year for those persons returning to work after childcare leave on how to go about their return, but these were suspended in the fiscal year ending February 28, 2021, and 2022 to prevent the spread of COVID-19. In the fiscal year ending February 28, 2023, York held the sessions online in September and February.

Promotion of Participation in Housework and Childcare by Men

The Seven & i Group continuously implements various initiatives across the Group with a view to encouraging men to engage in housekeeping and childcare, with individual Group companies carrying out the same initiatives. In the fiscal year ended February 28, 2023, we held online seminars for Group employees to ensure that they all understand the points of the Act on Childcare Leave/Caregiver Leave, and to consider the future of the worksite. Meanwhile, our operating companies have held a variety of educational initiatives in this regard, including displaying posters and sending messages to new parent employees, as well as holding various meetings. In addition, also in order to encourage childcare by male employees, Seven & i Group operates an original childcare leave program for male employees as of 2014. This program enables employees with preschool-age children to take five special paid days off per year in one-day increments. Since the program was started, it has been used by many employees for various reasons involving their children, such as when their spouse gives birth, to attend a kindergarten entrance or graduation ceremony, or to participate in sports days or other events. In the fiscal year ending February 28, 2023, 1,129 male employees from 26 Group companies took these childcare leave and days off.

External Evaluation Related to Childcare Support

Ito-Yokado received “Platinum Kurumin” Mark certification from the Ministry of Health, Labour and Welfare as a company that supports the raising of children. “Platinum Kurumin” is awarded to companies that have already received “Kurumin” certification and have made significant progress in the use of systems to support balancing work with childcare while implementing measures at a high level. The system was established to promote continued initiatives. In addition, Seven & i Holdings, Seven-Eleven Japan, York-Benimaru, Seven & i Food Systems, Seven Bank, and Seven Financial Service have received the “Kurumin” certification (as of August 31, 2023).



Platinum Kurumin Marks

Support for Balancing Work with Nursing Care

A survey of family care responsibilities being provided by employees revealed that in the near future, approximately 70% of employees might have to balance work with nursing care. So going forward, this is likely to become a major issue. Therefore, Seven & i Group regularly holds family care seminars with external experts to offer prior preparation for handling such responsibilities.

In addition, we are striving to create working environments that make it easy to balance work with nursing care, including producing the Handbook for Helping Employees to Balance Work and Family Care Responsibilities with a view of using it in training and such at the Group operating companies, informing the employees of consultation desks, and posting cases of employees balancing work with nursing care on our company newsletter.

As a support for balancing work with nursing care, Seven-Eleven Japan revamped the Handbook for Balancing Work and Family Care Responsibilities in 2019. This handbook is posted on the notice board of the intranet so that it can be checked as required by all its employees. Going forward, Seven-Eleven Japan will continue to carry out awareness-raising activities so that it can build a system that balances work with nursing care where employees properly understand knowledge about such balance.

Work-from-Home

Mainly at head offices, Seven & i Group companies have implemented a telecommuting (work-from-home) system to make effective use of time before and after work. This system aims to improve productivity, achieve a work-life balance, since 2020, prevent the spread of COVID-19 infections, and maintain business continuity.

Curbing Long Working Hours Through the Utilization of Diverse Workstyles

Seven & i Group believes it is important to establish proper work environments to create comfortable workplaces. We work to curb long working hours and raise the percentage of paid leave taken. Specifically, as well as promoting the visualization of overtime work, Group companies promote the review of operations at departments with a lot of overtime work and work allocation and endeavor to foster a corporate culture of seeking to improve the work environment through the implementation of no overtime work days, display of posters, and other measures. Furthermore, the Group has set a target of achieving at least 70% for the percentage of annual paid leave taken. Group companies are taking steps to promote the acquisition of leave, such as by encouraging employees to take long periods of leave twice a year and visualizing leave acquisition plans.

Introduction of Staggered Working Hours

Seven & i Holdings, Seven-Eleven Japan, Seven Bank, and other Group companies have introduced staggered working-hour systems enabling employees to choose their working hours. The aim is to realize environments in which individuals can select their workstyles to suit their jobs and individual circumstances and work flexibly. Companies are seeking to promote more active and efficient workstyles by bringing forward or delaying start and finish times. Furthermore, to prevent the spread of COVID-19 infections, Group companies have expanded the options for start and finish times so that employees can avoid commuting during the crowded rush hour since 2020. Seven-Eleven Japan has achieved utilization results of over 80% for its administrative staff department in particular. This initiative is also leading to enhanced private time for employees and reduced commuting burdens.

Implementation of Variable Working Hours System

Since 2017, Seven & i Food Systems has introduced a one-month variable working hours system that allows work to be planned according to busy and lull periods. Through the introduction of this system, the number of days of paid leave taken by full-time employees increased and the average monthly overtime work also decreased, thereby improving employees' work-life balance.

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Support for Enhancing the Abilities of Employees

Seven & i Group believes that human resources are the wellspring for enhancing corporate value and that human resources capable of thinking and acting for themselves are essential for further growth. The Group constantly places importance on human resources, such as the training and education of employees, on the basis of our Corporate Creed of "Trust and Sincerity," which was our founding philosophy, and the Group companies conduct human resources development to match their respective business characteristics.

In 2020, Seven & i Holdings split the educational function from the Personnel Planning Department and newly established an independent body, the Human Resources Development Department, to promote skill development and human resource development in the Group. We are making efforts to improve the human resource development setup to support the skill development and autonomous learning of individual employees, the standard bearers of value creation.



Autonomous Learning Support and Capacity Building

Based on the Medium-Term Management Plan, Seven & i Group aims to build an organization in which both companies and employees can grow together and to build workplaces that are pleasant for everyone. To enable our diverse employees to exercise their abilities and feel fulfilled in their work, we promote the development of each employee's capabilities and support for autonomous learning.

The Ito Training Center, which opened in 2012, is one of the educational facilities for the Group to deepen its understanding of the spirit of "Trust and Sincerity," our founding philosophy, and to develop human resources for the next generation. The training center is equipped with an archive room, where employees can learn about the Group's philosophy and the history of challenges and innovations. It also has training rooms for learning specialized skills in sales, cooking, and other areas on the business characteristics of each Group company. To enable employees to actively learn, we have installed movable desks and staircase stools that can accommodate training that is not bound by formality but is free and dynamic, as well as remote cameras and tablets that support comfortable online training. A total of approximately 440,000 employees have used the Ito Training Center to date.



Ito Training Center

> [Further details about the Ito Training Center can be found here \(in Japanese\)](#)

Seven & i Group companies have established a training system based on business characteristics, including various level-specific training programs for managers to improve their leadership and management skills, as well as job-specific skill and technical training and self-development training, in an effort to develop the skills and career development of each individual, including part-time employees. We are also working to develop the skills and career development of each individual, including part-timers. The Group's per capita training cost for the fiscal year ending February 28, 2023, is approximately 120,000 yen and 41 hours* of training per person.

* For monthly salaried employees of the three Group companies (Seven & i Holdings, Seven-Eleven Japan, and Ito-Yokado)

Providing a Variety of Growth Opportunities

In addition to cross-group training, the Seven & i Group offers a variety of training programs by each Group company according to the characteristics of its business.

Leadership Development

Seven & i Holdings conducts an annual program to develop next-generation management leaders. Selected executives from each group company participate in this program, learning management theory and practice from renowned lecturers and engaging in discussions. The program was launched in 2012, and by the end of February 2023, approximately 270 employees had participated. Seven & i Holdings is also promoting the introduction of 360-degree feedback at each Group company. The program is regularly implemented in order to obtain multi-rater feedback from superiors, colleagues, and members on the actions of management personnel, to understand their own strengths and challenges, and to promote behavioral change and open communication.

Holding Customer Service Training for Franchise Store Employees

Seven-Eleven Japan holds a "new employee training" program for new hires at stores, and a "shift leader training" program aimed at nurturing the "shift leaders" who will serve as models for franchise store employees. Those who undergo shift leader training are presented with a certificate of completion and a business card holder. In the fiscal year ending February 28, 2023, 10,459 training sessions were held, and 38,716 employees took the courses. Through the training, Seven-Eleven Japan lends support to the franchise store owner's work to teach their employees, while also improving both work satisfaction for many employees and the level of customer service in the stores.

Contents of the Training for Franchise Store Employees

Participants (Franchise store employees)	Training contents	
New employees	Pre-store opening training (support for opening a new store)	Learning cash register operation, basics of customer service, and sales floor duties
	New employee training (support after hiring)	Learning customer service, greetings, basic cash register operations, and service duties
	New employee training, slower pace basics course (for seniors)	Learning basic cash register operations (repeated)
	Hospitality training (for foreign staff)	Learning about Japanese culture and language use
Existing employees	Shift leader training (1) Friendly course	Learning model customer service
	Shift leader training (2) Teaching course	Learning methods for educating new employees
Store managers	Training for persons responsible for a store (FY2022 plan)	Learning carefully selected practical knowledge suited to real cases in store management



Shift leader training

Implementation of Job-Oriented Training

Ito-Yokado holds new employee training for all employees, including part-time employees, to teach company policies, retail fundamentals, and skills and knowledge required for work. Furthermore, training leading to on-the-job training at stores is continuously held to provide basic knowledge of products handled by affiliated section and to improve skills related to customer service and fresh food preparation. In this way, the company assists employees in upgrading their skills. Additionally, training is held for everyone from new recruits to sales floor staff, sales floor managers, division managers, and store managers, to provide knowledge of sales floor management and management skills in stages and in line with their respective positions. Advance training is also implemented to encourage employees to keep on learning and to improve their skills in preparation for their next positions.

IY Training System

Position	Training content	
Part-time employee	Training for new employees	<ul style="list-style-type: none"> Fundamentals of the Company, fundamentals of sales
	Fresh food preparation training	<ul style="list-style-type: none"> Food safety and acquisition of fundamental preparation techniques
New employees	Training for new employees	<ul style="list-style-type: none"> Fundamentals of the Company, fundamental of sales, employee attitudes
	Cash register & service training	<ul style="list-style-type: none"> Fundamentals of register and service counter operations
	Item-by-item management training	<ul style="list-style-type: none"> Approaches to hypotheses, execution, verification, and correction concepts
	Divisional training	<ul style="list-style-type: none"> Basic knowledge and fundamental technologies of each division
Floor staff	Fresh food preparation training	<ul style="list-style-type: none"> Acquisition training according to technical items
	Step-up training	<ul style="list-style-type: none"> Fundamental knowledge of management required for executives
Floor managers	New manager training	<ul style="list-style-type: none"> Management as a sales floor manager, quantitative analysis, and approaches to training
	Fresh food preparation training	<ul style="list-style-type: none"> Confirmation and acquisition of priority category technologies
	Step-up training	<ul style="list-style-type: none"> Business department management necessary for division managers
Division managers	New manager training	<ul style="list-style-type: none"> Knowledge and management needed for store operation
	Step-up training	<ul style="list-style-type: none"> Store operational management necessary for store managers
Store managers	New manager training	<ul style="list-style-type: none"> Knowledge and management necessary for store operation from the perspective of management
	Store manager school	<ul style="list-style-type: none"> Re-learning the basics of problem solving and human resource development, leading to behavior changes
	IY management school (Yogajuku)	<ul style="list-style-type: none"> Learning human resource utilization and organizational strengths through experience and discussion
	Corporate management philosophy training	<ul style="list-style-type: none"> Linking to the spread of the corporate management philosophy and physical action

Personal development support (correspondence courses, Eco Test etc.)



Employees in training

Operation of "Targets Setting Chart"

York-Benimru uses target setting charts to assess the individual employee's current skills and abilities as well as skills to be acquired and training targets between individual employees and their managers. The target setting charts include detailed items necessary for job performance, such as customer service, sales area management, ordering, and food preparation techniques, with the skills and abilities of the employee assessed on a six-step scale from 0 to 5. In the "skills version" for staff members and part-time employees, items are determined for each division depending on duties, job characteristics, and products handled for each analysis item. There is also a "management version" for store managers, assistant store managers, customer service managers and section managers that is intended to help raise and standardize management abilities. Based on the chart, employees confirm their skill levels with their supervisors and twice a year share the progress they have made with their supervisors and establish the next set of goals. This enables them to check their own growth, helping to boost motivation.

Online Training for New Part-time Employees

Akachan Honpo's headquarters training department holds an "Online Store Induction Training" for newly hired part-timers. This is a classroom training, providing an opportunity for all new employees to learn about company policies and the basics of the business. Subsequently, on-the-job training is conducted in stores based on the training plan, and basic knowledge is established over a period of three months. We also hold a "3-month follow-up sharing meeting" to resolve any concerns they may have after joining the company, thereby providing a support system that enables them to continue working for a long time after joining the company.

Self-Development Training

To provide opportunities for employees to engage in independent study, Seven & i Group subsidizes fees, and so on for those employees who are taking correspondence courses and e-learning related to business skills, knowledge, etc.

Support for Taking Correspondence Courses

Ito-Yokado proposes 306 correspondence courses to all employees, including part-time employees, and subsidizes part of the tuition fees of employees completing a course. In the fiscal year ending February 28, 2023, 306 employees took correspondence courses.

Holding of Self-Development Courses

Seven Bank supports "self-directed learning" by providing an environment for employees to acquire the knowledge and skills necessary to perform their jobs, including correspondence courses (English, financial knowledge, etc.), online courses (business knowledge, IT/DX), and commuter courses (MBA, etc.). The number of courses is approximately 240, and many employees are taking them.

Open Recruitment System for Human Resources

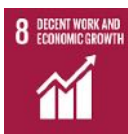
Seven & i Holdings has an open recruitment system that is made available once a year through which employees can apply for open positions at any Group operating company regardless of where they work. The goal is to support all the Group's employees to develop their diverse careers. Every year, many employees apply for the system and are active in new fields while making the most of their previous experience.

Group companies have also instituted internal recruitment systems. For example, at Ito-Yokado, employees who have worked at the company for at least one year can become candidates for managerial positions and jobs regardless of business experience or seniority. From the fiscal year ending February 28, 2021 to the fiscal year ending February 28, 2023, 218 people applied through this system and 51 people were appointed to their preferred positions or jobs.

Material Issue 5 Improve work engagement and environment for people working in Group businesses

Assuring Fair Assessment and Treatment of Employees

Seven & i Holdings conducts recruitment activities in compliance with the law and does not permit any discrimination whatsoever for reason of social status, place of birth, race, creed, religion, gender, and so on. In addition, we do not engage in forced labor or coerce employees to work against their will, and we prevent child labor by confirming age at the time of hiring. In terms of treatment, we comply with the minimum wage stipulated by law and promote equal pay for equal work. We appropriately evaluate the performance of work and the degree of contribution of each person and reflect it in rewards, such as bonuses.



Ensuring Fairness through Self-Evaluations

Seven & i Group has instituted a self-check program to maximize individual employee abilities and help ensure fair evaluations. Twice a year at each Group company, employees first assess their own job performance, which is then evaluated by their supervisor. After that, the employees and their supervisor meet to discuss the results. This direct dialogue helps the employees to identify their own achievements, strengths, and challenges while also ensuring the transparency and fairness of evaluations.

In addition, through individual meetings with supervisors, issues at the workplace related to management levels, knowledge, skills and the like are confirmed, and this leads to further career development. Since it is not a simple one-sided evaluation by the company, employees are more willing to accept the system and find it motivating. The system is helping to steadily improve operational levels.

Implementation of Management Checks

Seven-Eleven Japan has been conducting management checks since November 2017 as a personnel measure where subordinates and supervisors work together to improve the company and enhance internal communications. Subordinates evaluate the status of management of employees by managers. Employees respond to a total of 20 questions (five questions in each of four categories: humanity, thinking abilities, action abilities, and compliance) and also input comments in the free entry field. To prevent the identification of specific individuals, the scores of all subordinates are averaged and comments are combined. Results are not directly disclosed to supervisors; oral feedback is provided during interim interviews (conducted twice annually) by the supervisor who is two levels higher. Each individual actively uses the results to generate outputs that will contribute to their individual growth.

Employee Compensation System

Ito-Yokado has an "Employee Classification System" that allows employees to choose which region to work in based on their individual life plans and values. Based on this system, employees are evaluated using a qualifications system, which ranks them by job performance ability and skill, and by job responsibilities, taking into account their current duties and job assignment. In addition, individual evaluations, which are determined based on job achievement, level of contribution and other factors, are directly incorporated into salary and bonus levels.

Selection of Various Work Styles

Seven & i Holdings focuses on establishing systems that allow employees to choose various work styles to increase their motivation for work. For example, Ito-Yokado has a “Selective Step Up System” to enable part-timers to choose from diverse working styles. Under this system, part-timers may choose to step up a rank after acquiring a certain level of evaluation and sales skill. There is also a program in place where part-timers designated as highest level can be hired as a monthly salaried permanent employee or contract worker. To date (as of February 28, 2023), 214 part-timers have become monthly salaried permanent employees. In January 2020, an ex-part-timer became a store manager for the first time.

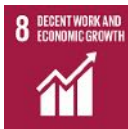
Ito-Yokado's Selective Step Up System



Material Issue 5 Improve work engagement and environment for people working in Group businesses

Consideration for Employee Health and Occupational Safety and Health

When employees are healthy both mentally and physically, it not only makes their own lives more fulfilling but also is a source of vitality for the Company, and makes management more efficient. Based on this understanding, Seven & i Holdings launched *Seven & i Health Declaration 2018* in FY 2014 in partnership with Seven & i Holdings Health Insurance Union. With the aim of furthering this initiative and promoting the sustained growth of the Group and health of local communities, *Seven & i Health Declaration NEXT* was formulated in October 2019 with three goals.



Three Goals of the Seven & i Health Declaration NEXT

1. We will understand our own health issues, and take actions toward improvement.
2. We will realize working conditions where all employees can work with vitality.
3. We will continue to be a company that supports the everyday health of our customers through “health conscious” products and services.

Message from the President

Seven & i Holdings thinks that promoting the health of employees will bring vitality to the entire Company, and in addition, contribute toward improving society’s quality of life (QOL). We support each employee’s proactive initiative to promote health. Therefore, in October 2014, we started the Seven & i Health Declaration 2018 that sought to improve employee health and QOL, and enhance our corporate vitality. Through conducting a variety of initiatives related to health, we have reaped certain results.

In view of this, we formulated the Seven & i Health Declaration NEXT which states three new goals that seeks to further strengthen our initiatives, and are starting on those initiatives.

This declaration sets themes related to individual employees, the Company, and society respectively, and aims to improve results through specific measures.

Promoting the health of employees will be the foundation for improving individual QOL, widen opportunities for further participation by each person at work, and become the source of our Group’s sustainable growth.

In addition, based on the basic principle of providing safe and reliable products, we will work to support the health of the customers who use our Group’s stores and products on a regular basis, and also contribute toward promoting the health of local communities through measures such as product development that works on reducing additives while being particular about taste and quality; being thorough in the labelling of food ingredients which is of high concern to customers; development and provision of products supporting health; and support for healthy dietary habits and dietary education. Going forward, Seven & i Holdings will deepen our initiatives contributing to the healthy growth and development of people’s lives and society from the viewpoint of being close to daily lives, and aim to be a Company that is trusted and needed by employees and society.

October 2019

Ryuichi Isaka

President and Representative Director

The specific targets advocated in the Seven & i Health Declaration NEXT include reducing the risk of lifestyle diseases, reducing the smoking rate, improving the percentage of annual paid leave taken, and reducing long working hours. The promotion of health and productivity management was incorporated into the Corporate Ethics and Culture Subcommittee under the CSR Management Committee chaired by the President and Representative Director of Seven & i Holdings, and various initiatives are being implemented centering on the Seven & i Holdings Personnel Planning Department, Health Management Center and Health Insurance Union in collaboration with human resources and labor relations supervisors at each Group company.

In recognition of these efforts, in March 2023, Seven & i Holdings was selected as one of the "Excellent Health Management Corporations 2023 (Large Corporation Category)" by the Ministry of Economy, Trade and Industry and the Ministry of Health, Labour and Welfare, as in the previous year.



Main Initiatives in FY2022

- Initiatives for maintaining health, preventing illness, and improving health
 - Holding of regular walking events jointly with the Health Insurance Union
 - Regular holding of online health seminars with outside experts as instructors
 - Health Insurance Union offered "Cervical Cancer Risk Test at Home"
 - Health Insurance Union held "MY Challenge 2022*"

*"MY Challenge 2022": A campaign to promote "diet," "exercise," and "behavior" to reduce the obesity ratio and improve lifestyle (exercise, eating habits)
- Initiatives to prevent infectious diseases
 - Reduction of infection risk through utilization of working from home, staggered work, etc.
- Initiatives to build pleasant workplaces conducive to both mental and physical health
 - Prevention of mental illnesses through the implementation of mental health training (departmental care, self-care)
 - Introduction of in-house chat service and improvement of system to encourage communication regardless of workplace (at home, head office, or other site)
- Initiatives to reduce smoking rate
 - Implementation of complete ban on smoking during working hours
 - Introduction of system of subsidies paid by the Health Insurance Union to employees who have succeeded in giving up smoking
- Initiatives to support a healthy society—Contributing to SDGs
 - Development and lineup of products taking customers' concern for salt, sugars (available carbohydrates), etc. into consideration
 - Considerations for health and evolution to tastier and higher quality products
 - Proposal of menus on the theme of good health at stores; recipe development; calculation of nutritional value

Seven & i Health Declaration NEXT

Targets	Specific Targets to Be Achieved by March 31, 2023						
1. Control to achieve appropriate bodyweight	Ratio of People with a BMI over 25*1						
		FY2018	FY2019	FY2020	FY2021	FY2022	March 31, 2023 Target
	Male	37.6%	38.5%	39.6%	39.0%	38.8%	28% or less
	Female	26.8%	27.6%	28.3%	28.2%	28.2%	18% or less
2. Reduce smoking rate	Overall Employee Smoking Rate*1						
		FY2018	FY2019	FY2020	FY2021	FY2022	March 31, 2023 Target
	Overall	29.3% male:39.7% female:21.8%	28.1% male:38.0% female:21.2%	26.5% male:36.2% female:19.8%	25.4% male:34.5% female:19.0%	24.6% male:33.7% female:18.2%	20% or less
3. Improve the percentage of annual paid leave taken	At least 70% for percentage of annual paid leave taken						
4. Reduce long working hours	Less than 5% for percentage of employees with long working hours (45 hours or more of overtime work in a month)						
5. Increase the number of health support products developed by the Company							
6. Increase the number of cooking support*2 with health as the theme							

※1 BMI and smoking data are totals for 23 Group companies participating in the Seven & i Holdings Health Insurance Union

※2 Proposal of menu items at stores

Providing healthy, balanced meals to employees

Seven & i Food Systems operates employee cafeterias in 152 locations that provide health-conscious meals throughout Seven & i group stores and offices. For example, at Seven & i Holdings Headquarter office, in order to respond to the health needs of various employees, it offers five different types of the balanced menu daily, including a menu that takes nutrition and health into consideration. We also incorporate menu items that increase food diversity, such as featuring in production areas and seasonal ingredients.

The menu provided discloses the information of total calorie, protein, fat, and salt content; the portion size of the bowl of rice can also be adjusted. As for nutritional education, employees can access Seven & i Food Systems nutritionists' advice through monthly nutritional tips, how to consume healthy food at employee dining halls, and "health support day" is held once every month; providing more than 120 grams of vegetables per meal. There is also nudging to raise awareness of healthy eating habits (e.g., reduce the use of condiments such as soy sauce or dressings).



Examples of the menu: The meal set A : Total calorie 600 kcal or less, salt 3g or less

Raising employees awareness of health and implementation of health checkup

Seven & i Holdings Health Insurance Union utilizes a portal website “MY HEALTH WEB” Health Management System to hold mental health training and health-themed events. In addition, it helps employees maintain and manage their health to raise awareness about health by offering low-calorie, low sodium menu items at the staff cafeteria, and by providing health-related information through internal Group newsletters and other media.

The MY HEALTH WEB Health Management System allows individuals to browse the past five years of their health checkup data on the Internet and serves as a tool for checking and goal-setting on the health status, and for receiving advice on how to improve health. It also has an environment that allows them to use through a smartphone app. Furthermore, Group companies have taken steps to implement appropriate health and productivity management based on the Industrial Safety and Health Act by ensuring that all employees receive regular health checks and follow up on the results, as well as making sure that stress checks are implemented for everyone.

Prevention of Workplace Accidents

Seven & i Holdings convenes safety and health committees at each Group company in accordance with laws and regulations and implements improvements to the workplace environment including working conditions, and also conducts measures to prevent workplace accidents. For example, Ito-Yokado conducts training on the handling of knives and other cooking devices for employees that work with fresh food products.

In addition, Seven & i Food Systems, post awareness-raising posters and other campaign materials at stores three times a year to bring attention to the prevention of workplace accidents. At stores where workplace accidents have occurred, interviews are conducted and the causes of the accident and specific prevention measures are shared with other stores.

Workplace Accident Data for Eight Group Companies for the Fiscal Year Ended February 28, 2023

	Seven & i Holdings	Seven-Eleven Japan	Ito-Yokado	Sogo & Seibu	York-Benimaru	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency(LTIFR)	0.00	1.75	2.04	0.53	2.38	0.50	0.42	0.77
Workplace accident severity	0.00	0.02	0.06	0.01	0.13	0.01	0.01	0.01

* No workplace accidents resulted in deaths.

Workplace Accident Data for Eight Group Companies for the Fiscal Year Ended February 28, 2022

	Seven & i Holdings	Seven-Eleven Japan	Ito-Yokado	Sogo & Seibu	York-Benimaru	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency(LTIFR)	0.00	1.09	1.41	0.32	3.59	1.44	1.46	0.00
Workplace accident severity	0.00	0.03	0.05	0.28	0.14	0.06	0.08	0.00

* No workplace accidents resulted in deaths.

Workplace Accident Data for Eight Group Companies for the Fiscal Year Ended February 28, 2021

	Seven & i Holdings	Seven-Eleven Japan	Ito-Yokado	Sogo & Seibu	York-Benimaru	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency(LTIFR)	0.00	0.72	1.53	0.24	3.40	0.65	0.86	0.00
Workplace accident severity	0.00	0.02	0.04	0.00	0.01	0.03	0.03	0.00

* No workplace accidents resulted in deaths.

Workplace Accident Data for Eight Group Companies for the Fiscal Year Ended February 29, 2020

	Seven & i Holdings	Seven-Eleven Japan	Ito-Yokado	Sogo & Seibu	York-Benimaru	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency(LTIFR)	0.00	0.54	1.37	0.69	3.58	1.18	0.33	0.00
Workplace accident severity	0.00	0.01	0.03	0.01	0.01	0.02	0.03	0.00

* No workplace accidents resulted in deaths.

Material Issue 5 Improve work engagement and environment for people working in Group businesses

Employee Engagement & Culture Survey

Seven & i Group considers employees to be an important human resource asset supporting the enhancement of corporate value. We believe that employees' heightened engagement and desire to contribute leads to our organization's vitalization and strengthened competitiveness. Therefore, we conduct employee engagement & culture surveys with the aim of creating employee-friendly workplaces with job satisfaction.



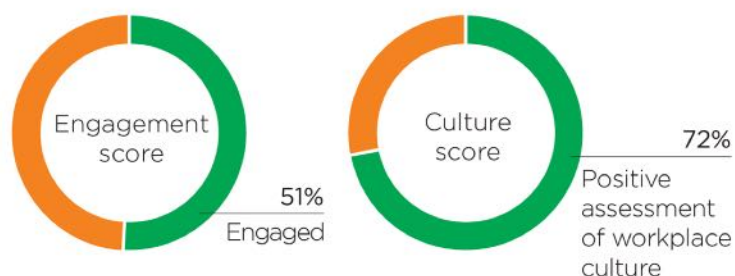
Outcomes of the Employee Engagement & Culture Survey

In the fiscal year ended February 28, 2023, the employee engagement survey was developed into the Employee Engagement & Culture Survey, with this survey implemented for approximately 72,000 employees at 32 companies in Japan (including monthly salaried, part time, and hourly wage full-time employees). Seven questions inquiring into cultural statuses at each workplace (covering integrity, respect for autonomy, encouragement for taking on challenges, openness, etc.) were added to the survey with engagement at all companies surveyed concurrently. The result was an engagement score of 51%, with the average percentage of positive assessments in questions dealing with workplace culture at 72% (both for monthly salaried full-time employees). The survey is conducted once every year with the next survey scheduled to take place in the second half of the fiscal year ending February 28, 2024.

Results of FY2022

	FY2022
No. of targeted employees	approx. 72,000

Results of the FY2022 employee engagement and culture survey (monthly salaried employees)



*Survey conducted to gauge cultural statuses at each workplace (covering integrity, respect for autonomy, encouragement for taking on challenges, openness, etc.) while concurrently measuring engagement at all companies.

*The engagement scores and culture scores are the results from monthly salaried full-time employees, which are given as one example.

*Employees were asked multiple questions about their sense of belonging to the company and desire to contribute, and required to identify one of six levels. This is the ratio of employees who gave affirmative replies in the top three levels.

*Employee engagement is defined as employees' feelings about doing one's best and not giving up until delivering results above expectations with the "feeling that each and every employee is always playing a leading role," and "pride and passion in everyone's work." This is ascertained via four questions incorporating the two perspectives: 1. Whether employees strongly wish to remain at the company; and 2. Whether they will work harder than what is expected of them in the course of their duties. A concurrent analysis of factors toward improving engagement is also implemented. An external research organization conducted the survey. Compare with other companies globally and implement initiatives for improvement.

Promoting Improvement Activities

The Group is committed to improving engagement by endeavoring to create workplace environments conducive to working comfortably and which provide job satisfaction and motivation for diverse human resources. The employee engagement survey has been implemented since 2018 to visualize the statuses of organization. It is used to identify challenges faced by companies and their employees and to carry out improvement activities. We believe that enhancing the engagement levels of individual human resources as well as their willingness to contribute will promote organizational vitality and strengthen our competitiveness as a company. In the fiscal year ended February 28, 2022, we established Engagement Improvement Committees at each of our Group companies. These committees are chaired mainly by the heads of personnel departments, with members selected from a diverse pool of human resources. At Group companies, the committee leads the formulation of action measures to improve engagement while conducting regular monitoring on the implementation of these measures. Outcomes of surveys are reported through the Engagement Improvement Committees to the Management Councils of the Company and Group companies, for analysis, identification, and structuring of the challenges. We also leverage the sharing of case studies of good practices and promotion of mutual understanding to further promote activities. We will actively endeavor to work toward fostering corporate cultures in which companies and employees can grow in a sustainable manner, where employees are satisfied and engaged with their jobs and work in comfort, and where diverse opinions are respected.

Cooperation with members of the Engagement Promotion Committee

Ito-Yokado are working toward a shared awareness and recognition of engagement with each employee around a core of 40 members who promote engagement and involve the members around them. As part of this, senior management, store managers, and headquarter leaders clearly define the management philosophy and vision, and embody the management philosophy, while holding meetings by area to instill job satisfaction and motivate employees. In this way, they are training personnel with the capacity to think and act on their own initiative and leveraging employee diversity to create environments that reflect the various feedback received, while strengthening the foundations to improve engagement.

Hosting of Town Hall meetings

Seven Bank holds Town Hall meetings, at which employees and the President engage in dialogues on a variety of topics. All employees, including those at subsidiaries, are eligible to participate in these meetings, with between six and eight employees exchanging frank views with the President at each Town Hall on ongoing initiatives to realize the Seven Bank Purpose and on the challenges faced by those working on the frontline. A total of around 60 meetings have been held, at which around 500 persons have participated. This initiative is providing opportunities for employees to put into words their feelings about their work and to share these with the President and other members of the company and is thereby successfully facilitating increased motivation among employees.



Revision of personnel evaluation system

In March 2023, Akachan Honpo revised its personnel evaluation system, which had been identified as a challenge to be addressed as an outcome of the engagement survey. Briefing sessions and dialogue meetings were consolidated to previously unseen levels to communicate with employees during the revision of the system.

For the fiscal year ending February 29, 2024, Akachan Honpo will actively strive to achieve improvements in job satisfaction, with a focus on the operation of the new system. As many employees have had an increased number of opportunities to express their opinions under the system, this has had the result of instigating modifications of behaviors, including employees actively speaking up and approaching and encouraging those around them. The effects of these developments will be extended throughout departments and the entire company, and thereby be used to facilitate further improvements in employee engagement.

Material Issue 5 Improve work engagement and environment for people working in Group businesses

Sound Labor-Management Relations

Seven & i Holdings respects workers' rights such as the freedom of association, the right to organize and collective bargaining. In Seven & i Group Corporate Action Guidelines, we have established the following principle: "The Company respects workers' rights, such as the right to organize, based on international norms and efforts to further improve the work environment."



Respect for Freedom of Association and Collective Bargaining

At Seven & i Group, the Group's 9* labor unions form the Federation of Seven & i Group Labor Unions, which as of July 2023 has approximately 42,000 members in 9 unions and a participation rate of 71.7% (Ito-Yokado labor union). The federation carries out a variety of activities for union members based on the thinking that "no water can be drawn from a dry well."

It also coordinates activities by holding discussions on organizational management, labor conditions, and other issues pertaining to union members. The member unions autonomously create their own independent organizations, and then they coordinate and join together for common causes. They complement one another's strengths and also work to improve shared labor conditions on a unified basis, which further reinforces both the individual labor unions and the federation itself. This is the basic approach through which activities are conducted. Seven & i Holdings and the labor unions work through numerous active discussions between labor and management to improve issues related to working conditions and employees' workplace environments.

For example, at Ito-Yokado, the treatment system and labor conditions for union members and employees are proactively discussed., Consultations between labor and management are considered valuable for solving issues and improving productivity. Promotion of recent workstyle reform is an example of collaboration between labor and management, and Ito-Yokado is taking steps to ensure that working rules are understood by everyone, promote the use of holidays/day-offs and paid leave, improve the labor environment, and achieve a good work-life balance.

* The 9 companies are Ito-Yokado, York-Benimaru, York, SHELL GARDEN, Marudai, Sanei, Akachan Honpo, Seven & i Food Systems, and THE LOFT.