



Seven-Eleven Japan
Environmental Report
2003

Protecting the environment, we work with local communities
as a responsible corporate citizen.

Message from the CEO/COO

In an age when environmental issues such as global warming bring attention to the need to adopt and maintain environmentally sustainable economic activities, the issue of customer confidence in food product safety, from agricultural chemicals to nonauthorized additives, has attained unparalleled importance in the Japanese market.

Recognizing its environmental roles and responsibilities, Seven-Eleven Japan promotes environmental conservation and recognizes the need to provide better safety measures by eliminating preservatives and artificial coloring agents, and establishing audit trails for tracing products to raw materials in order to address customer needs for safety and confidence in food products. We actively promote philanthropy as well, including Seven-Eleven Day: Nationwide Cleanup Activity, cultural and sports events, and Safety Station support.

Our franchisees and Seven-Eleven Japan jointly operate convenience stores through a franchise system, enjoying support from our many customers. Our business is based on the cooperation of companies who fulfill the roles of from manufacture and delivery to sales and consumption. We share knowledge and information on environmental measures with our franchisees and cooperating companies, enabling us to solve issues together. This environmental report summarizes the environmental preservation we implemented this year and our results.

We work to become closer to society by promoting environmental activities as a social responsibility and practicing active philanthropy. We will continue to protect the environment, and work with local communities as a responsible corporate citizen.

We ask for your frank comments on Seven-Eleven Japan's environmental efforts and also on this report, and thank you for your ongoing support.



Chairman and
Chief Executive Officer

Toshiyuki Suzuki



President and
Chief Operating Officer

Toshiro Yamaguchi

Before reading this report

Since 2001, Seven-Eleven Japan has published annual environmental reports on environmental preservation efforts associated with our convenience store franchises relating to all stores. These reports provide information on all aspects of the services provided by our 24-hour-a-day year-round enterprise and of the joint environmental preservation efforts conducted by Seven-Eleven Japan in cooperation with its franchisees and cooperating companies.

* This report is a summary of the Japanese language report.

Summary

Applicability

This report focuses on the business activities of Seven-Eleven Japan Co., Ltd. (nonconsolidated), and its franchisees. It also covers action with cooperating companies, since environmental considerations exist in all aspects of convenience store activities, from manufacture and delivery, to sales and consumption.

Period Covered by This Report

FY2003

Unless specified otherwise, the year 2003 indicates the fiscal year (March 1, 2002, to February 28, 2003).

Only important events following March 2003 are included.

References

Japanese Ministry of the Environment

"Environmental Report Guideline"

Global Reporting Initiative (GRI)

"Sustainability Reporting Guideline 2002"

*GRI "Sustainability Reporting Guideline 2002"

Planned by GRI, a group established in 1997, the guideline on reporting sustainability includes social, economic, and environmental sustainability.

Index

Message from the CEO/COO	1
Business Overview	3
Environmental Management System and Environmental Targets	5
Environmental Accounting and Environmental Load Indicators	7
Environmental Preservation	9
Manufacture/Quality Control/ Indication of Original Merchandise	11
To Supply Safe Merchandise	12
Environmental Measures in Stores	13
Distribution Control System	14
Waste Disposal System	15
Environmental Measures at Seven-Eleven Japan Headquarters	16
Communication with Customers	16
Franchise System	17
Sharing Information and Educating Human Resources	17
As a Member of the Local Community and Society	18
Philanthropy	18
Seven-Eleven Midorino kikin (Green Fund)	19
Independent Verification	20
In Conclusion	21
Environmental Chronology	22

Seven-Eleven Japan Environmental Policies

Seven-Eleven Japan formulated the Seven-Eleven Japan Environmental policies in 1994, based on IY Group Company Policy as a basic corporate policy.

1. Business Responsibilities

We fulfill our corporate responsibilities by protecting the environment, reducing waste, using resources effectively, recycling, saving energy, and preventing pollution.

2. Cooperation with Customers and Disclosure of Information

We listen to our customers in protecting the environment. We inspect and document the results of these activities and provide full public disclosure.

3. Cooperation with Local Communities and Philanthropy

We evaluate the environment together with local residents and conduct philanthropy in environmental issues the way a responsible corporate citizen would.

4. Responsibilities and Self-Awareness of Franchisees and Employees

Based on environmental guidelines, we consider environmental issues from the standpoint of individuals within the company and local society, and act on this basis.

5. Setting and Reviewing of Environmental Targets

We work to improve our efforts annually, observe environmental laws and regulations, set an independent target for all corporate fields, and review targets annually.

Business Overview

Seven-Eleven Japan has built a business foundation in Japan's retail industry as a member of the Ito-Yokado Group. Based on the principles of modernizing and energizing small-to-medium-sized retailers, and coexistence and coprosperity, we meet the ever-changing needs of customers, building up the largest store network in Japan through our unique franchise system.



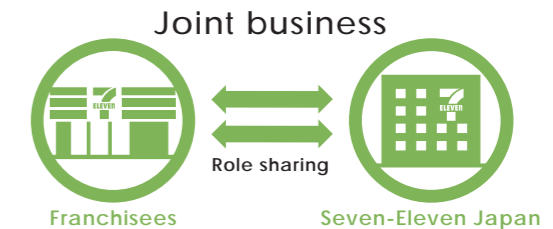
Company Profile (as of February 28, 2003)

Name: Seven-Eleven Japan Co., Ltd.
 Representatives: Toshifumi Suzuki, Chairman and Chief Executive Officer
 Toshiro Yamaguchi, President and Chief Operating Officer
 Founded: November 20, 1973
 Capital: 17.2 billion yen
 Employees: 4,366
 Business: Operation of convenience stores in Japan by franchise system
 Parent company: Ito-Yokado Co., Ltd.
 Consolidated subsidiaries:
 SEVEN-ELEVEN (HAWAII), INC.
 7dream.com
 Seven-Meal Service Co., Ltd.
 UNION LEASE CORPORATION
 Equity affiliates: 7-Eleven, Inc., IYBank Co., Ltd., and 6 others

* For details on financial affairs, see <http://www.sej.co.jp>

Seven-Eleven Japan's Business

Seven-Eleven Japan and franchisees operate jointly, each independent and equal, under the twin principles of modernizing and energizing small-to-medium-sized retailers, and coexistence and coprosperity. Seven-Eleven Japan supports operations of individual franchisees, clearly sharing roles so that individual franchisees can focus on store management and sales.

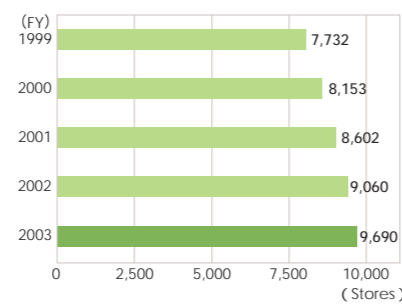


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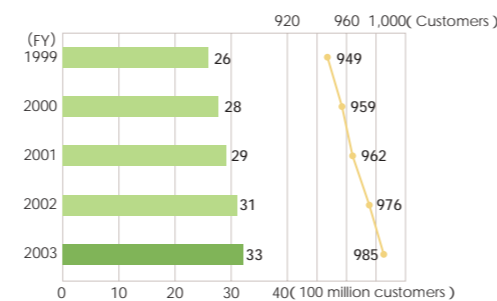
Seven-Eleven Japan Store Network (as of February 28, 2003)



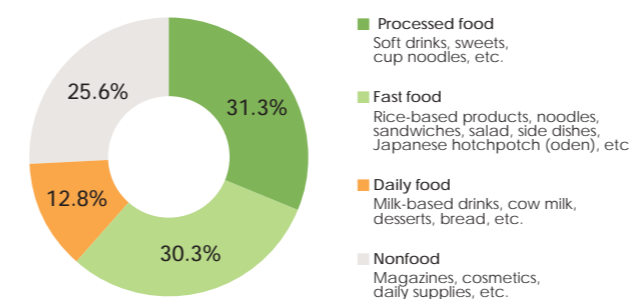
Total Number of Stores in Japan



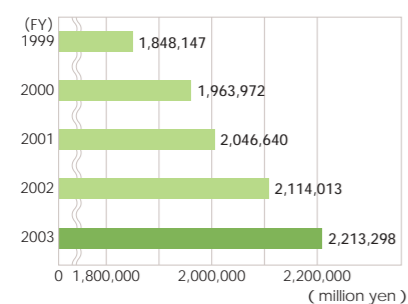
Total Number of Customers per Fiscal Year and Daily Average per Store



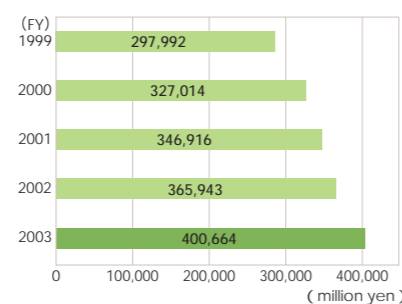
Sales by Product Category



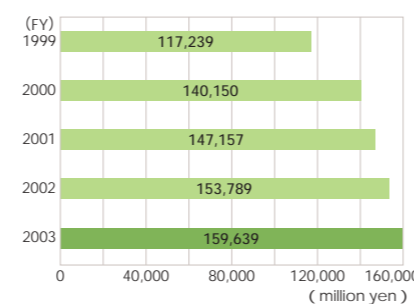
Total Store Sales (Nonconsolidated)



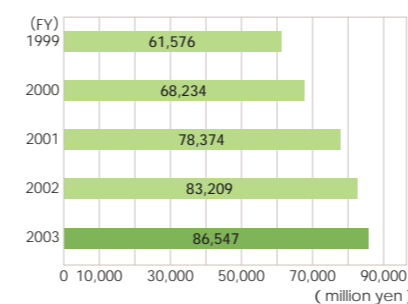
Operating Income (Nonconsolidated)



Ordinary Income (Nonconsolidated)



Net Income (Nonconsolidated)



As an IY (Ito-Yokado) Group Member

As an IY Group member, Seven-Eleven Japan pursues business activities and environment preservation measures under the Group's management policy.

IY Group Company Policy

- To our customers, we pledge...Integrity and service.
- To our shareholders, business associates and community, we pledge...Integrity and cooperation.
- To our employees, we pledge...Integrity and respect.

IY Group Philosophy

- Ready at all times for changing environment and application of basics.

IY Group -Slogan FY 2004 Philosophy

- Breaking with the past is the first step toward reform.

*IY Group: A group of 60 companies, including Ito-Yokado, Seven-Eleven Japan, and Denny's Japan (as of April 2003)

Environmental Management System and Environmental Targets

Seven-Eleven Japan meets its social responsibilities by supplying safe, quality products and services and ongoing philanthropy. Together with its cooperating companies, Seven-Eleven Japan and its franchisees deal cooperatively with environmental issues associated with the flow from manufacture and delivery to sales and consumption in line with the basic philosophy of pursuing absolutes.

Seven-Eleven Japan Environmental Management System

The IY Group determines group-wide philosophy on preserving the environment through IY Group Environmental Committee meetings and the sharing of information. Seven-Eleven Japan also determines environmental policy in environmental projects involving individual departments responsible for controlling environmental programs.

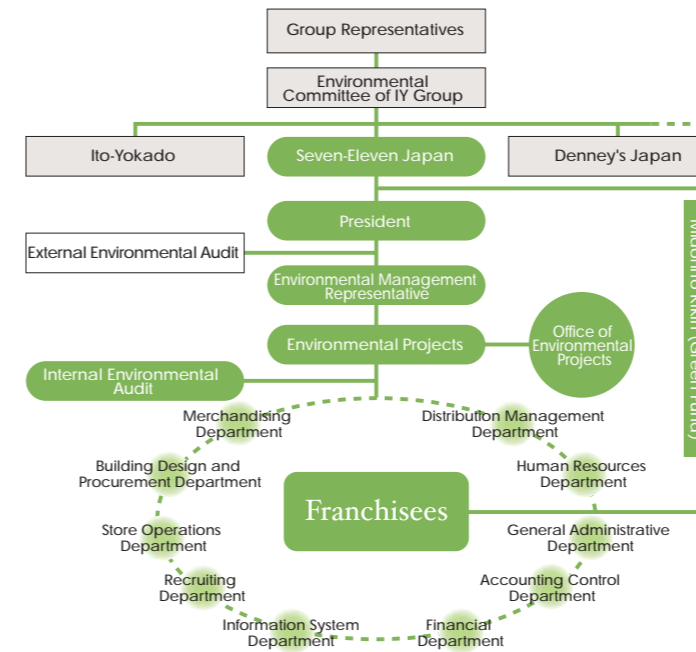
Fig. 1)

Environmental Management at Seven-Eleven Japan and Cooperating Companies

To reduce environmental loads associated with convenience store business such as manufacture and delivery of merchandise and disposal of waste and garbage, Seven-Eleven Japan and its cooperating companies jointly supervise environmental management.

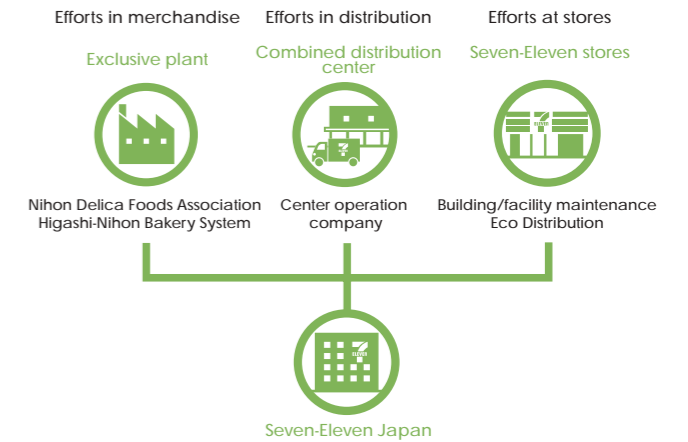
Fig. 2)

Fig. 1) Environmental Management System



*The chief of each department is responsible for environmental preservation at each department.

Fig. 2) Environmental Management at Seven-Eleven Japan and Cooperating Companies



Environmental Targets and Track Record for FY 2003 and Environmental Targets for FY 2004

Field	Basic Policy	Targets for FY 2003	Track Record for FY 2003	Targets for FY 2004
Merchandise	As a food supplier, we pursue total safety, from acquiring ingredients and packaging materials to manufacture and sales. This enables us to supply safer, more appealing food products. We develop environment-friendly merchandise and fully disclose merchandising information.	1) Expanding merchandise categories free of preservatives and artificial coloring agents	●Removing preservatives and artificial coloring agents from desserts Announcement is not made because discrimination from national brand items is difficult	1) Removing preservatives and artificial coloring agents from oven-fresh bread 2) Expanding introduction of specially-processed rice which requires no washing, to rice processing plants 3) Improving accuracy in checking the history of ingredients 4) Reviewing independent regulations on food additives to make them stricter and clearer
		2) Reducing loads on water resources by increasing the use of specially-processed rice which requires no washing at rice processing plants	●Specially-processed rice which requires no washing used at 22 of our 67 rice processing plants	
		3) Introducing packages using nonlumber pulp, such as therophyte plants	●Not yet implemented due to a lack of common standards and conflicts in packaging	
Distribution	To deliver safe, appealing food products to customers, we reduce environmental loads associated with delivery based on individual merchandise and focus on streamlined distribution to improve efficiency in loading and shorten delivery time and distance.	1) Cutting fuel costs by controlling delivery truck services	●In FY 2003, fuel costs improved to 6.18 km/liter, a 103.9% improvement, compared to the previous fiscal year	1) Cutting fuel costs by better management of truck service control 2) Encouraging introduction of freezer vehicles with lower exhaust gas emissions 3) Encouraging introduction of vehicles that function efficiently on natural gas 4) Exchanging driver uniforms for recyclable uniforms
		2) Setting up uniform recycling for delivery personnel	●After setting up a recycling system, switched to new uniforms in June	
		3) Introducing 80 freezer vehicles with lower exhaust gas emission	●104 freezer vehicles introduced now totaling 139	
		4) Promoting vehicles that function well on natural gas	●29 vehicles introduced now totaling 143	
Stores	We emphasize convenience for local customers and reduce electricity and water loads associated with daily operation and with construction and replacement of facilities.	1) Encouraging combined distribution of interior materials	●Introduced in constructing 206 stores	1) Examining and testing energy-saving devices 2) Increasing the number of stores that recycle fluorescent light bulbs 3) Setting up a system for collecting and recycling heat-insulated panels 4) Studying the use of natural refrigerants as an alternative to CFCs
		2) Discussing a system for collecting and recycling heat-insulated panels	●Jointly studying with cooperating companies on recycling	
		3) Expanding stores recycling fluorescent light bulbs	●4,660 stores (115% over the previous fiscal year), number of fluorescent bulbs collected: 365,625 (114% over the previous fiscal year)	
		4) Using natural refrigerants other than CFCs	●Tested freezers using natural refrigerants	
Waste Disposal	We reduce waste through individual efforts to reduce garbage and waste produced and separate combustibles from noncombustibles following regulations such as Waste Disposal Laws and encouraging proper, efficient disposal and recycling.	1) Promoting conferences and subcommittees on Eco Distribution	●Held regular conferences and subcommittee meetings	1) Using practical manuals on separating garbage at stores 2) Expanding Eco Distribution areas (Osaka Prefecture) 3) Starting recycling models for food waste at plants in Kyushu 4) Reducing CO ₂ discharged from combustible waste at stores by encouraging recycling of unused food resources (5% per store)
		2) Expanding Eco Distribution areas	●Developing Eco Distribution in Aichi Prefecture, where Seven-Eleven Japan started opening new stores	
		3) Preparing manuals on separating waste	●Prepared manuals on separating garbage and are distributing them to stores from June 2003	
Green Procurement	Avoiding purchasing unnecessary goods and promoting green procurement, we select those with the lowest environment load, focusing on the environment rather than only on quality or cost.	1) Encouraging purchases that meet green procurement guidelines	●Green procurement ratio: 39.3%	1) Improving green procurement ratios 2) Introducing triple A (super low emission gas) vehicles for business use 3) Recycling legally preserved books that have passed the preservation period
Environmental Education and Effective Communication	All employees are made aware of environmental issues and engage in environmental conservation and philanthropy in daily activities through our environmental education programs.	1) Disseminating environmental information through the Seven-Eleven Family bulletin and booths at merchandise displays	●Disseminating information from environmental communication corners in the Seven-Eleven Family bulletin ●Disseminating environmental information at spring/autumn merchandise displays	1) Reviewing communication via environmental reports 2) Disseminating information from the Seven-Eleven Family bulletin and at merchandise exhibitions 3) Providing environmental education as part of the IY Group
		2) Conducting IY Group environmental education	●Held IY Group environmental committee meetings three times to study environmental issues	

Environmental Accounting and Environmental Load Indicators

By objectively verifying efforts to reduce environmental loads and the effects they have on the environment, we evaluate efforts precisely using the results of evaluation in subsequent business activities. We deal with environmental issues effectively, grasping the relationship of total environmental responsibilities and added value of business scale and activity.

Environmental Accounting

Since reviewing and improving the efficiency of our original business are linked to reducing environmental loads, it is difficult to clearly separate cost and effect related to the environment from normal business.

Tracing ingredients is difficult to express numerically. We plan to objectively verify and evaluate efforts to reduce environmental loads and their effect, not simply based on numbers, reflecting evaluation results in future business activities.

Table 1) Environmental Accounting for FY 2003: March 1, 2002, through February 28, 2003

Classification	Effects of Environmental Load Reduction and Philanthropy	Environmental Preservation Cost (million yen)			
		Investment	Cost		
Merchandise	Supplying Safe, Appealing Merchandise to Customers	Included in normal merchandise development costs			
	Providing Correct Merchandise Information to Customers				
	Reducing Environmental Loads Associated with Merchandise Manufacture and Sales				
Distribution	Reducing Environmental Loads Associated with Delivery	Included in normal vehicle and management costs			
	Reducing Environmental Loads Associated with Store Operation			255	2,118
Stores	Reducing Environmental Loads Associated with Construction of Stores and Facilities/Devices	Included in normal store construction and disposal costs			
	Reducing Environmental Loads Associated with Waste			—	2,467
	As A Member of The Local Community			—	400
Franchisees and Seven-Eleven Japan Headquarters	Backing up Franchisees	Included in regular headquarters service and system costs			
	Efforts at Seven-Eleven Japan Headquarters			—	8

Specially-processed rice which requires no washing: Rice cleaned before packing by removing rice bran, eliminating the need to wash rice in actual use

Application

Totalized from manufacture and delivery to sales and consumption associated with convenience stores including Seven-Eleven Japan Co., Ltd., (nonconsolidated), franchisees, and cooperating companies such as proprietary plants and combined distribution centers.

Effect

Where the effect can be clearly grasped in physical data, numerical data is mentioned. Other efforts are defined qualitatively.

Environment preservation costs

Costs of franchisees and Seven-Eleven Japan are mentioned as applicable.

Environmental Load Indicators

Environmental loads of retailers differ with the scale of each store, operating hours, etc. To objectively express environmental loads, Seven-Eleven Japan converts total environmental loads to CO₂ and discloses the relationship between total environmental loads and added value of business scale and business activities as environmental load indicators using the discharge of CO₂ per unit.

CO₂ Discharge

The CO₂ discharge for FY 2003 increased by 102.2% per sales of 100 million yen because discharge from combustible waste from stores and from electricity of facilities for sale increased. Discharge per sales area was 100.0% compared to the previous fiscal year, because the sales area had been expanded. In FY 2004, we will target the suppression of CO₂ generation by encouraging the recycling of unused resources and reducing the volume of combustible garbage.

Table 2) CO₂ Discharge

CO ₂ Generation	CO ₂ Discharge (t-CO ₂) (*1)		Over the Previous Fiscal Year
	FY 2002	FY 2003	
1) Electricity used for sales facilities and air conditioners	56.3	56.7	100.7%
2) Diesel oil used for delivery of merchandise (*2)	9.9	9.0	90.9%
3) Fuel used by OFC (*) visiting stores	0.7	0.7	100.0%
4) Discharge of combustible garbage from stores (combustible garbage) (*3)	30.6	32.6	106.5%
Annual total CO₂ discharge per store	97.5	99.0	101.5%
Average sales area per store (m ²)	108.8	110.4	101.5%
Annual CO₂ discharge per 1 square meter (t-CO₂/m²)	0.9	0.9	100.0%
Average annual sales per store (million yen)	241	239	
Average daily sales recorded by all stores (1,000 yen)	(661)	(656)	(99.2%)
CO₂ discharge per sales of 100 million yen (CO₂/100 million yen)	40.5	41.4	102.2%

*1. For FY 2002 and 2003, calculated using the following coefficients:

CO₂ discharge coefficient: CO₂ discharge based on global warming corrective action promotion law enforcement order: 2000 as standard

Item	Discharge Coefficient
Discharge associated with the use of electricity supplied by others (general electricity supplier)	0.378 kg-CO ₂ /kWh
Discharge associated with the use of fuel (gasoline)	2.31 kg-CO ₂ ℓ
Discharge associated with the use of fuel (diesel oil)	2.64 kg-CO ₂ ℓ
Discharge associated with the incineration of general refuse	2,640 kg-CO ₂ /t

*2. Generated CO₂ is calculated from the daily delivery distance per store.

*3. CO₂ discharge is calculated from the average discharge of combustible garbage from 1,061 stores in Tokyo.

*4. Calculated from average daily sales recorded by all stores including those recently opened.

Fig. 1) Constituent Percentages of CO₂ Discharge per Store (%)

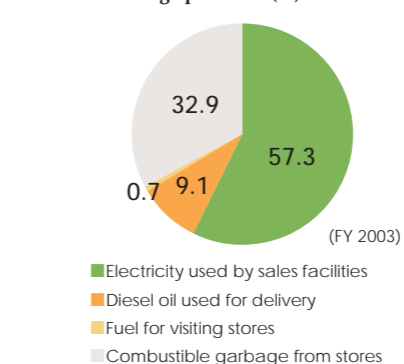
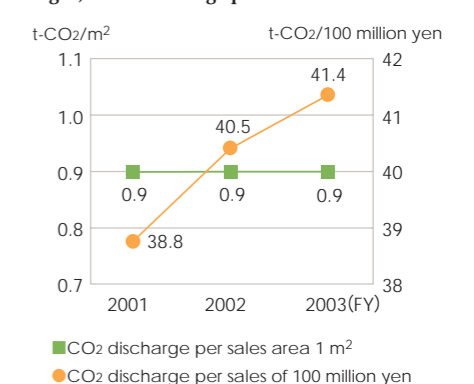


Fig. 2) CO₂ Discharge per Sales Area and Sales



*OFC: Operation Field Counselor: Seven-Eleven Japan headquarters employee visiting franchisees to give practical advice in store operations

Environmental Preservation

Seven-Eleven Japan expedites environmental management working with franchisees and cooperating companies in business from manufacture and delivery to sales and consumption to ensure reliable stores for local communities.

Society

Seven-Eleven Japan and Cooperating Companies

Franchise Operation

Environmental preservation

- ● ● Major activities and efforts
- Physical flow
- Connection with business subcontractor
- Connection with local society

We ensure merchandise freshness through delivery by environment-friendly vehicles.

- Combined distribution system (temperature-based effective delivery)
- Exclusive delivery vehicle with less environmental loading
- Operation control system by in-car terminal

We support energy saving at stores and reuse/recycling of building materials and facilities/devices.

As a member of the local community, every store fulfills its social responsibility and deals with environmental preservation.

- Function of Safety Station in local community
- Perform local community cleanup activity
- Perform campaign to promote garbage return
- Communication with customers



Combined Distribution Center



- Correct, suitable indications on merchandise labels
- Safe, reliable packages and packaging

- Saving energy and water conservation

- Paperless communication instead of conventional documentation

Store

Seven-Eleven Japan headquarters

In environmental management, we expedite environmental preservation measures.

- Sharing information, education and awareness campaigns
- Backup is provided to franchisees by Seven-Eleven Japan
- Green procurement
- Recycling confidential documents
- Business-use vehicles with a lower environmental load

We supply safe, appealing original fast food items.

- Manufacture of safe, reliable, fast food items (reduced food additives, traceability of ingredients *1)

- Expediting proper separation of waste and recycling

- Reuse and recycle facilities/devices
- Maintenance and repair of building/devices
- Construction of reusable stores

We support local cultural and sports activities.

- Supporting philanthropy
- Joining volunteer activities via Seven-Eleven Japan and franchisees

We support environmental volunteer activities and natural environmental preservation nationwide.

- Seven-Eleven Midorino kikin (Green Fund)



Proprietary plant

Eco Distribution system
Waste disposal subcontractors in each ecological distribution district

We check processed food and general merchandise (toilet paper, washing powder, etc.) for quality and to develop environment-friendly merchandise.

- Manufacture of merchandise by Team Merchandising *2

Manufacturer

We recycle and dispose of waste discharged from stores based on local community regulations.

- Eco Distribution (waste disposal system)
- Recycling goods whose sell by date has passed

Construction/facility or device manufacturers

From the very commencement of a store, we conduct construction work based on recycling and conserving resources.

- Combined distribution of construction materials and simple crating

*1 Traceability means ensuring the safety of food products, and clarifying all processes, such as cultivation, manufacture, and distribution.

*2 Team Merchandising means that Seven-Eleven Japan and cooperating companies operate as a team, sharing information and knowledge from production to sales of development original products.

Manufacture/Quality Control/ Indication of Original Merchandise

As a food supplier, we ensure safety and quality, from acquiring ingredients to manufacture, delivery, and sales. We disclose information on our merchandise and services.

Manufacture and Control for original fast food items

Original fast food items are manufactured at proprietary plants nationwide, where quality control is ensured by selectively using ingredients whose background, such as place of origin and distribution process, is traceable, delivered to stores by dedicated vehicles from delivery centers where temperature is strictly controlled. At each store, products are sold in special displays and OFC regularly check merchandise at each store (➡ Fig. 1).

NDF HACCP Qualification System	
NDF HACCP qualification investigation item	
• Organization and operation management	
• Document control	
• Job site	
	Checking general health care management items
	Checking HACCP program items, etc.

Factories of rice-based products and side-dishes are not regulated by HACCP standards authorized by the Ministry of Health, Labor and Welfare of Japan. Seven-Eleven Japan and NDF jointly prepare independent control standards based on the HACCP, and in FY 2001, commenced investigation and qualification as NDF HACCP qualifications involving a third party.

Traceability of original fast food items

By explaining cooperating companies about our concepts of cultivation, fertilization, food-processing, and distribution, we strive to build a structure which realizes quality raw materials. The history of these ingredients is traced through documents, and by Nihon Delica Foods Association (NDF, ➡ Note 1) and Seven-Eleven Japan at the Merchandise Department and Quality Control Department, who jointly visit local farms and processing factories to check actual cultivation at farms and quality control at factories.

Concept of indications or expressions used for merchandise

Through the use of Seven-Eleven Japan Product-indication/Communication Guideline, we endeavor to consistently apply our concept to communication materials (i.e., promotional materials, flyers) to avoid misleading the customers.

For wording about the specific quality and size of merchandise, we use expressions that clearly pass the quality standard and inspection. Labels indicating origin are used only when it is clear that ingredients used have been controlled from the place of origin to the factory. We put labels on meat based on Fair Competition Regulations Governing Meat Labels.

To Supply Safe Merchandise

To supply safe, reliable goods to customers, we target complete removal of preservatives and artificial coloring agents from our original fast food items, such as boxed lunches.

Targeting complete removal of preservatives and artificial coloring agents from original merchandise

Working with the NDF, Seven-Eleven Japan started a Food Additives Reduction Project in 1998, and has since reduced the use of food additives. From February 2001, this project focused on complete elimination of preservatives and artificial coloring agents. By totally controlling the flow from acquiring ingredients to manufacture, delivery, and sales, we completely removed preservatives and artificial coloring agents from box lunches, sandwiches, side-dishes, and cooked noodles.



box lunches

side-dishes



sandwiches

rice-based items and cooked noodles

- Endocrine disruptors (environmental hormones)

After checking data and information, we take appropriate safety measures by changing wrapping for rice-based products, etc., to nonpolyvinyl chloride (polyethylene) and use only materials free of chemical substances for packaging and wrapping of original merchandise.

- Genetically engineered products

From the standpoint of a merchandise supplier, Seven-Eleven Japan understands customer questions on the safety of genetically engineered products. We avoid use and sale of genetically engineered products or foods, for example, selling original tofu that does not use genetically engineered soybeans.

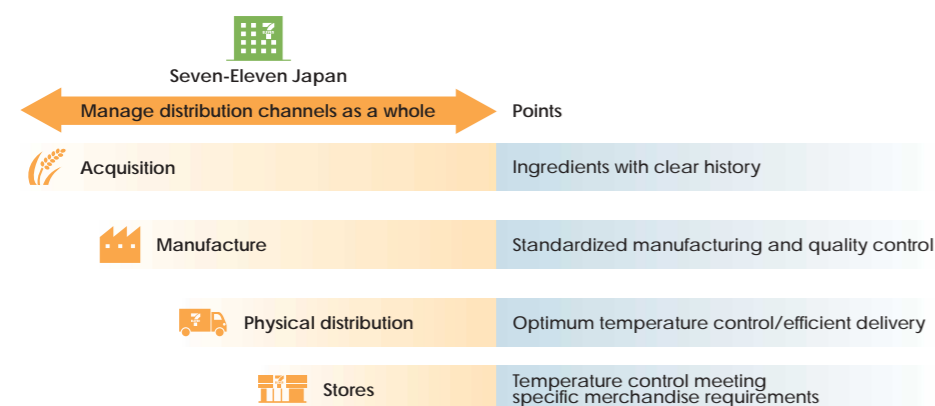
- Labels warning of the presence of allergens
- We put labels warning of the presence of allergens in original merchandise so that customers with a specific allergy can purchase suitable products. (➡ Note 2)

Note 2)

Indication of ingredients that could cause allergies
Seven-Eleven Japan voluntarily indicates the ingredients of 19 items in addition to the ingredients of 5 items required by revised JAS Law.

Mandatory items requiring warning labels:
Wheat, buckwheat, egg, milk, peanuts
Optional items requiring warning labels:
Abalone, squid, salmon roe, lobster, orange, crabs, kiwi fruits, beef, walnuts, salmon, mackerel, soybean, chicken, pork, matsutake mushrooms, peaches, yams, apples, gelatin

Fig. 1) Manufacture and Control System for Original Fast Food Items



Note 1)

Nihon Delica Foods Association (NDF)

Organized in 1979 by manufacturers of rice-based items, and now 88 manufacturers are involved, such as manufacturers of rice-based items, sandwiches, side-dishes, cooked noodles, and salted vegetables.

The NDF is working on merchandise development, quality control, joint purchase, etc., and dealing with environmental issues after launching a project conference in 1998 for preservation of the environment.

Procurement of safe raw materials free of residual agricultural chemicals and endocrine disruptors

Seven-Eleven Japan pursues even the issues currently being investigated by authorities from the standpoint of customers.

- Residual Agricultural Chemicals and Animal Medicines

Regulations on residual agricultural chemicals and animal medicines differ by nation. We acquire only ingredients whose history such as the farm of origin and cultivation can be traced and those that are cultivated based on Seven-Eleven Japan standards. We monitor quality by conducting on-site inspection and checking reports from local sites and also by conducting inspections in Japan.

Packaging materials and concepts

Seven-Eleven Japan and the NDF jointly purchase packaging materials for original fast food items. When purchasing, we check materials for conformity to the Food Sanitation Law/Notification of the Ministry of Health, Labor and Welfare of Japan and standards such as strength and heatproofing.

- Materials used for Packages or Packaging
- We monitor all materials for packaging original merchandise to ensure complete freedom from chemicals such as endocrine disrupting chemicals and chlorine-based plastics.

Environmental Measures in Stores

To reduce environmental loads at each store, we operate stores under optimal conditions, implementing energy saving and water conservation.

Saving energy and conserving water at stores

Since opening its first store, Seven-Eleven Japan has focused on energy and resource saving at stores as part of its management policy.

• Energy saving

We conduct energy-saving measures, installing power-thrifty devices for electric lights and airconditioners, and introducing energy-saving showcases, and air conditioners. Facilities and devices for offering products and services catering to the needs of customers, including the introduction of ATMs, are on the rise. Although we have introduced devices designed for saving energy, electricity used by stores is increasing (→ Fig. 1).

• Water conservation

In 2000, we introduced water-thrifty toilets and reduced the average yearly use of water by around 48m³ per store. Since then, all new stores install water-thrifty toilets.



Fig. 1) Average Electricity Used Annually per Store

FY 2003	150,000 kWh/year
FY 2002	149,000 kWh/year
FY 2001	149,000 kWh/year
FY 2000	148,000 kWh/year

Maintenance/management for store buildings and facilities/devices

Introducing energy-saving facilities and devices does not save energy unless they are used optimally.

By conducting regular maintenance of buildings, facilities, and devices (we check buildings 3 times a year, and facilities/devices 4 times a year) and by operating devices under optimum conditions, we can use them for longer, thus saving energy.

Steps toward stores designed for future reuse

Some stores may have to be closed due to location changes. The reduction of waste construction materials associated with the elimination of such stores and effective use of resources are important problems that should be dealt with as environmental issues. Seven-Eleven Japan addresses these problems through “reusable” stores (→ Note 1).

Note 1) Stores Designed for Future Reuse

Engineering
DJ/HDJ engineering Steel for frames can be disassembled and reused.
Engineering for sashes Conventionally built-in sashes are now secured only with bolts so they can be removed easily.
Heat-insulated panel engineering Heat-insulated panels used for walls and roofs can be removed and recycled.

Control of CFCs for refrigeration at stores

Stores use CFCs averaging 45.7 kg per store as a refrigerant for freezers/refrigerators and air conditioners. We control books for all facilities using CFCs, and conduct regular inspections 4 times a year to prevent gas leakage. We use joint disposal with cooperating companies and collect used CFCs for proper disposal.

Distribution Control System

To reduce environmental loads, we use combined distribution system. We control exclusive delivery vehicles through self-control standards and introduce eco-friendly, low-pollution vehicles.

Distribution control and combined distribution

Seven-Eleven Japan conducts combined distribution in which products of different companies are collected at combined distribution centers according to temperature and category and are then delivered together to stores in exclusive delivery vehicles (→ Fig. 2).

During delivery from the plant of cooperating companies to stores through combined distribution centers, we maintain constant temperatures suited to merchandise and ensuring merchandise quality.

• Combined distribution control

We use distribution control based on combined distribution. By requesting cooperating companies to operate combined delivery centers and vehicles exclusively for Seven-Eleven Japan, we set efficient delivery routes for combined delivery and conduct delivery as planned. By realizing efficient distribution from our founding, we have reduced environmental loads associated with delivery, reducing the number of delivery vehicles visiting stores, cutting fuel consumption, suppressing noise in local neighborhoods, and relieving traffic congestion.

Control of exclusive delivery vehicles and reduction of environmental loads

Seven-Eleven Japan negotiates with auto manufacturers and recommends exclusive delivery vehicles to transport companies in delivery vehicle leasing contracts.

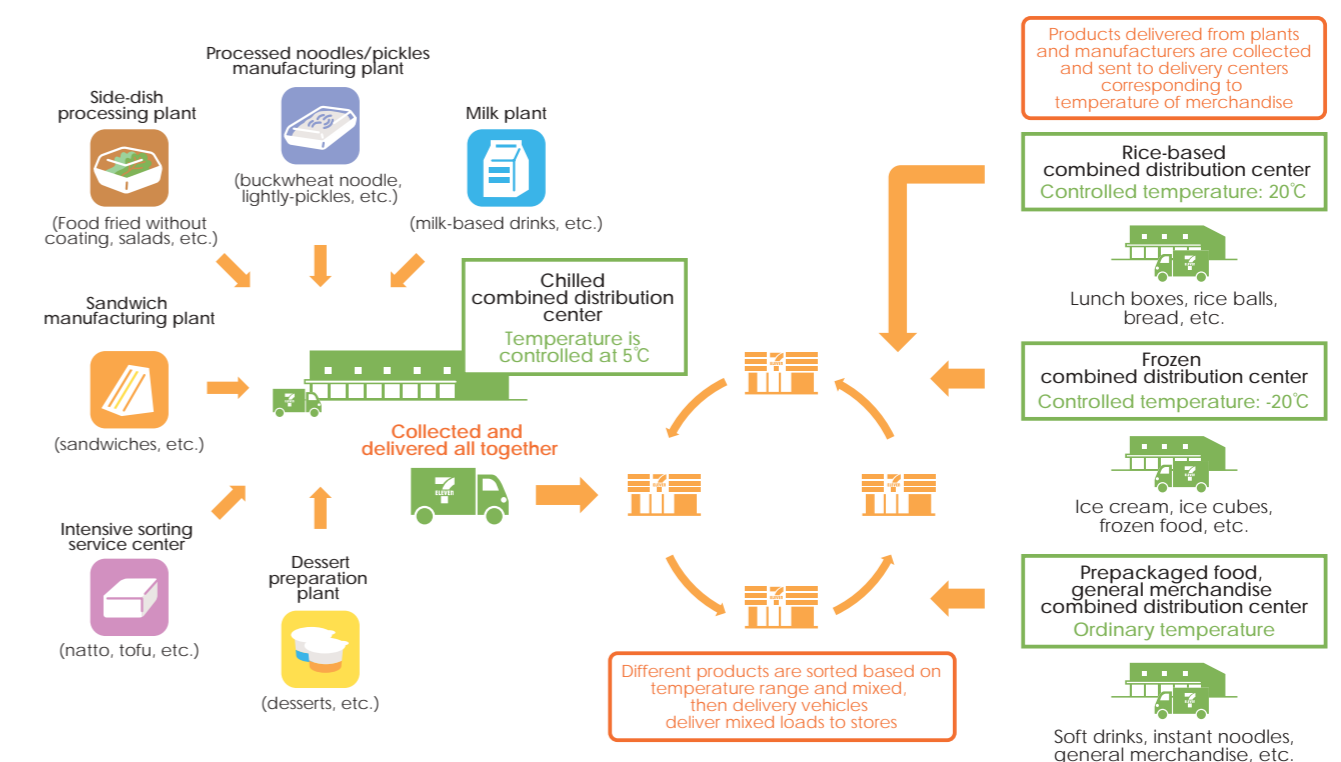
Through leasing contracts, transport companies introduce vehicles that meet the latest exhaust gas emissions regulations.

With transport companies as subcontractors, Seven-Eleven Japan jointly set up a self-control standard (years of use: 6; mileage: within 500,000 km) and regularly checks all delivery vehicles. By integrating this service and inspection into the delivery vehicle leasing contract, all exclusive delivery vehicles receive regular inspections.

Exclusive delivery vehicles with low environmental loads

Since 1998, we have been introducing low-pollution vehicles run on natural gas and increased the introduction of freezer vehicles with engine-off functionality on delivery.

Fig. 2) Seven-Eleven Japan Combined Distribution System



Waste Disposal System

We use Eco Distribution for expediting disposal and recycling of waste discharged from stores.

Development of Eco Distribution

Franchisees are responsible for waste discharged from stores. To ensure the proper disposal of garbage and reduce waste and recycling, stores have their limitations in dealing with these problems independently. Accordingly, Seven-Eleven Japan started Eco Distribution in 1994 for proper disposal of waste from stores, expediting recycling. We are now targeting nationwide development (➡ Fig. 1).

• Eco Distribution

In Eco Distribution, franchisees live up to corporate, legal, and social responsibilities for disposal and recycling of waste. Waste disposal subcontractors in Eco Distribution collect waste from stores following local community regulations to ensure appropriate disposal and recycling.

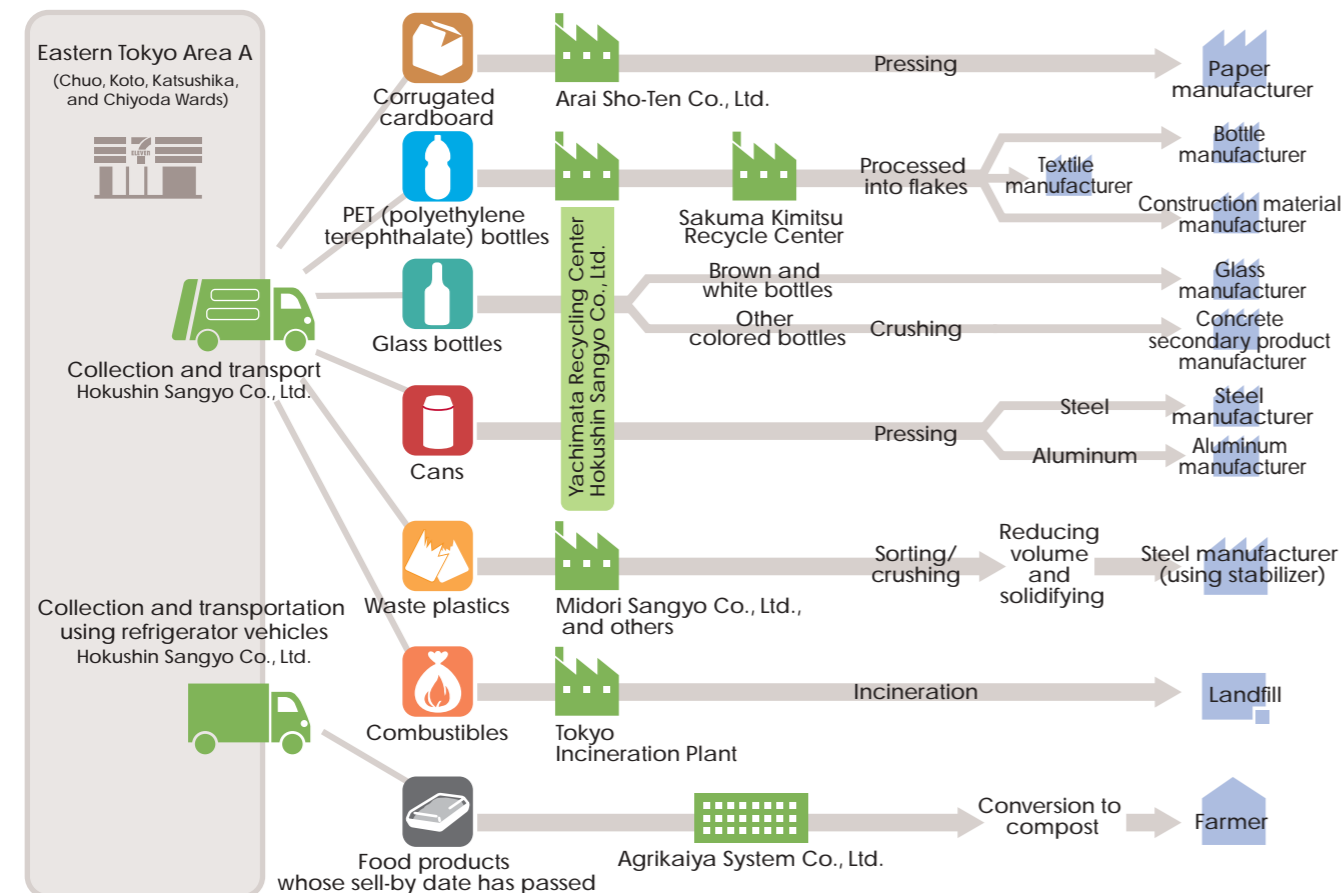
Eco Distribution promotion committee

Waste disposal and recycling involves many problems yet to be solved. Cooperating with waste disposal subcontractors, Seven-Eleven Japan set up an Eco Distribution promotion committee in February 2002 and is studying measures against waste, involving cooperating companies. We are studying key issues, such as waste separation and recycling, in subcommittees.

Introducing recycling of unused food resources

In March 2003, we started recycling lunch boxes, side-dishes, etc., whose sell-by date has expired for stores in 23 wards of Tokyo. We recycle these food and change them into compost. We operate this in addition to conventional Eco Distribution, cooperating with franchisees and subcontractors.

Fig. 1) Example of Eco Distribution in Eastern Tokyo



Environmental Measures at Seven-Eleven Japan Headquarters

All employees deal with energy saving and green procurement with the idea of environmental conservation.

Environmental measures at Seven-Eleven Japan headquarters

At Seven-Eleven Japan, all employees engage in energy saving, with the ideal of conserving the environment. The corporate culture eschews the use of excess electricity and expendables. Employees turn off fluorescent electric lights not in use, for example, during lunch time and when leaving the office. Employees tackle energy and resource saving, starting from practice in daily life.

• Green Procurement

We purchase environment-friendly brands (green procurement) avoiding unnecessary goods. In 2002, we established green procurement guidelines as the IY group. We work on group-wide positive introduction of goods consistent with ecomark-certified standards.

Recycling waste discharged from Seven-Eleven Japan headquarters and confidential documents

At the Seven-Eleven Japan headquarters building, we started recycling paper in 1990, followed by waste discharge and recycling. Since January 2001, we have been strictly separating waste and encouraging recycling and reduction of waste. District offices where Eco Distribution developed have been implementing waste disposal and recycling.

• Recycling of confidential documents

Seven-Eleven Japan started used-document collection for recycling confidential documents in 1989, involving Seven-Eleven Japan headquarters, district offices, and all franchisees. We recycle and reuse confidential documents collected from franchisees.

Communication with Customers

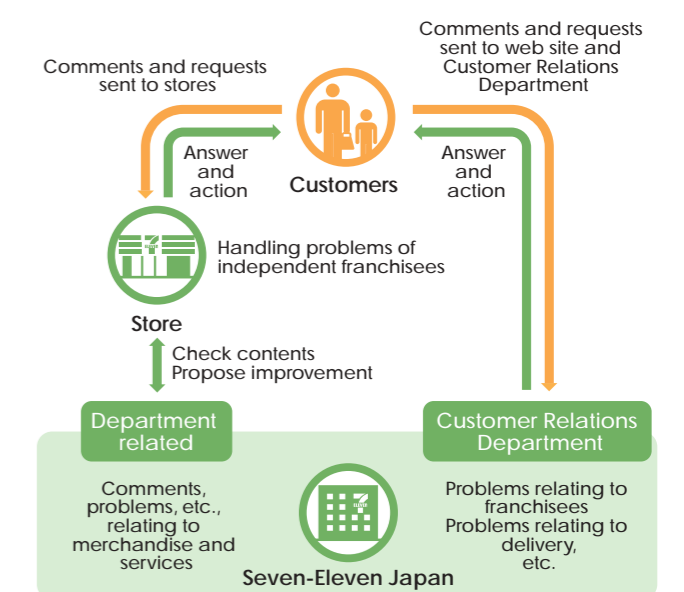
We listen to customer opinions and requests and their views are reflected in our stores.

Communication with Customers

To clarify where the responsibility lies for customer goods and services, our receipts clearly state the store name, address, and telephone number. Customer Relations Department is located at Seven-Eleven Japan headquarters and we are always ready to listen to customers' comments and requests via telephone, letter, and internet homepage (➡ Fig. 2).

We inform stores and departments of customers' comments and requests so they can take action. Seven-Eleven Japan listens sincerely to customers' comments and reflects these in store operations for communication with customers.

Fig. 2) Action Taken on Customer Comments and Requests



Franchise System

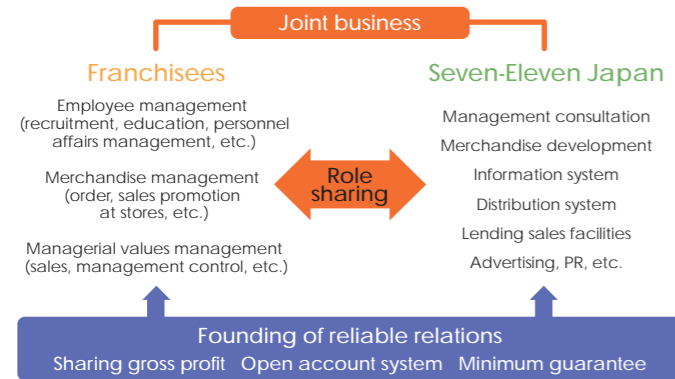
With its unique franchise system, Seven-Eleven Japan aims at modernizing and energizing small-to-medium-sized retailers.

Seven-Eleven Japan franchise system

Basic principles behind Seven-Eleven Japan franchises are modernizing and energizing small-to-medium-sized retailers and coexistence and coprosperity.

Franchisees and Seven-Eleven Japan operate convenience stores jointly, sharing roles and taking mutually independent and equal positions. Franchisees concentrate on store management operation and sales, while Seven-Eleven Japan supports franchisees with merchandise development and information systems (→ Fig. 1).

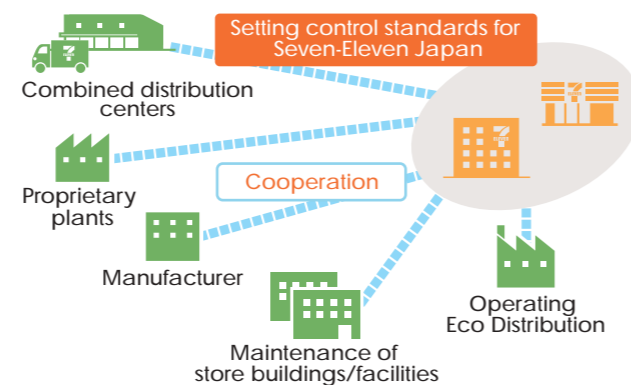
Fig. 1) Seven-Eleven Japan Franchise System



Seven-Eleven Japan business involving cooperating companies

Seven-Eleven Japan convenience store business has paid off thanks to cooperating companies, such as manufacturers of original fast food items, operation of exclusive combined distribution centers, delivery of merchandise, disposal of waste, maintenance of store buildings, etc. Seven-Eleven Japan established unique control standards for individual fields and environmental preservation with cooperating companies (→ Fig. 2).

Fig. 2) Seven-Eleven Japan Business Involving Cooperating Companies



Sharing Information and Educating Human Resources

By sharing information with franchisees and Seven-Eleven Japan, we improve employee awareness and motivation.

Basic attitude toward information sharing

Sharing information with franchisees is very important in educating and engendering employee awareness. We think it is very important to directly transfer the latest information using networks – information ranging from management policy, market strategy, economic trends, information on the environment, to specific development of sales floors in stores.

We share information based on direct communication with OFCs who liaise with franchisees and Seven-Eleven Japan, allowing the OFCs to receive comments and requests from customers and transfer them to departments at Seven-Eleven Japan, thus improving communication.

Education for franchisees and their employees

To make sure that customers can use Seven-Eleven Japan comfortably, we think franchisees and employees who contact customers directly must provide service with in-depth knowledge about merchandise and concepts. We educate employees based on training given to franchisees, education given to staff members in daily operation of stores, and advice given by OFCs.

This way, we will reduce environmental loads from stores and will lead to further information sharing on environmental preservation measures.

As a Member of the Local Community and Society

We work with the local community, making stores into community-based Safety Stations and conducting nationwide cleanups, etc.

Making stores into community-based Safety Stations

Seven-Eleven Japan is ensuring the safety and security of local districts by running stores where employees are ready around the clock to act together with the community. We are also creating Safety Stations that play the roles of Children Dial 110 and crime liaison offices to ensure the safety of people in the community.

Playing a role in local disasters

Seven-Eleven Japan wishes to play a role in utilizing the characteristic of a convenience store if a disaster should take place.

After the Kobe earthquake in 1995, we distributed rice balls and bottles of mineral water to disaster victims.

We also raised funds at stores nationwide and sent donations to the Japanese Red Cross.

Seven-Eleven Day: Nationwide Cleanups

Stores conduct cleanups in the neighborhood daily. Some stores independently conduct cleanups of parks and riverbeds, since litter from goods we sell often ends up in such places. Inspired by such activities of franchisees relating to garbage and proposals from franchisees, since 1999, we have been conducting Seven-Eleven Days: Nationwide cleanups every July and November.



Philanthropy

We support philanthropy including environmental, welfare, and sports activities.

Supporting environmental, welfare, sports, and cultural activities

Through philanthropy, Seven-Eleven Japan supports activities such as environmental, cultural, welfare, and sports events, including the following:

- Earth-friendly Essay Contest
- SBC Children Music Contest
- 24-hour Charity Fund Raising
- Broadway Musical "Peter Pan"
- All-Japan Club Pingpong Championship
- Nagano Olympic Commemorative Nagano Marathon
- Miyazaki Triathlon Championship

Volunteer activities of employees

Employees join as volunteers in environmental preservation and social welfare activities conducted by Seven-Eleven Japan and Seven-Eleven Midorino kikin (Green Fund).

- Taking part in Love Earth Cleanup
A beach cleanup was conducted around Kyushu. About 100 people participated in this activity, including franchisees, store employees, and staff members at Seven-Eleven Japan headquarters. Employees joined as leaders, organizing participants, checking separated garbage, and collecting garbage, etc.

Seven-Eleven Midorino kikin (Green Fund)

With the environment as its theme, the Green Fund supports environmental volunteer activities of citizens nationwide and conducts natural environment protection and preservation activities.

Seven-Eleven Midorino kikin (Green Fund)

Seven-Eleven Midorino kikin established an environmental citizens' volunteer activity grant in FY 2002 for passing donations from customers at store counters on to volunteer citizens groups conducting environmental preservation.

In FY 2003, we made grants to 227 volunteer

•Natural Environment Preservation

We support citizens solving environmental issues adversely affecting Japan's natural heritage. We are supporting activities continuously performed by local people for protecting the beautiful natural environment for the next generation.

•Town-promoting Activities and Local Community Activities Based on Environmental Partnership

We support citizen-based activities for town-promoting activities and local communities under the partnership of citizens, corporations, and local government in the local community. We also encourage passing the effect of efforts onto the local community by individual members introducing their own themes, and with all members mutually cooperating in such activities.

•Environmental Volunteer Network Support

We conduct activities for continuously expanding and activating environmental activities conducted by citizens. We develop and improve environmental citizen volunteer activities, such as supporting local networks.

•Awareness and PR Regarding the Environment

We raise awareness and manage PR so citizens will become more interested in the importance and problems of the natural environment and hopefully build this interest into an awareness of daily environmental issues. We are introducing activities and efforts of the Green Fund through our web site and through notices posted at store counters.

environmental citizen groups, including natural environment preservation and beautification, mainly contributed to by the public (→ Fig. 1).

FY 2003 track record
Total donations raised by store counters:
246,301,432 yen

•Local Environment Beautification

We support local environment beautification for creating beautiful towns free of domestic garbage and waste and blooming with flowers and greenery. We encourage volunteers in local activities, such as beautification, by increasing the number of green trees and planting flowers, and back participation in local area cleanups nationwide.

•Hands-on Environmental Learning

We support hands-on learning for engendering environmental awareness in children. For example, providing hands-on learning opportunities for encouraging volunteerism and holding education courses on the importance of the preservation of nature help make children more aware of environmental problems and take voluntary action.

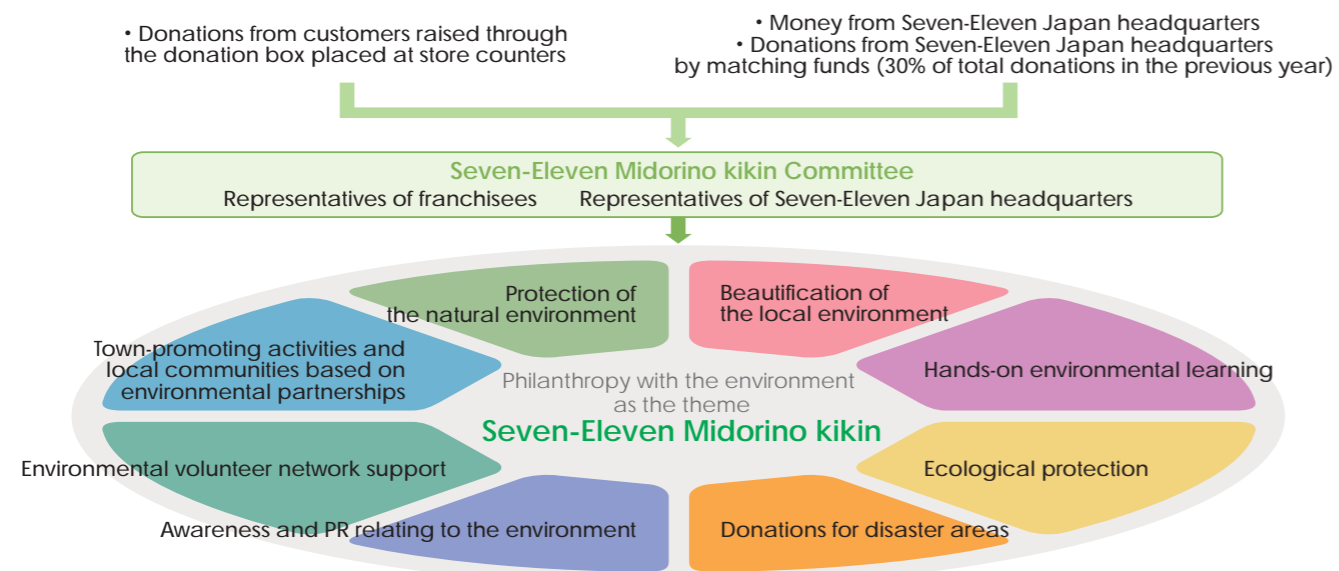
•Ecological Protection

We support activities for protecting the environment where there are endangered native Japanese flora and fauna in the Red List and Red Data Book of the Japanese Ministry of the Environment. We also encourage the protection of ecology through preservation of the natural environment.

•Donations for Recovery from Disasters

We conduct donations, changing the label on the Green Fund Donation Box at Seven-Eleven Japan store counters, during or following massive earthquakes, fires, and typhoon disasters. We send concrete expressions of customer goodwill to disaster areas.

Fig. 1) Seven-Eleven Midorino kikin (Green Fund)



Independent Verification

Seven-Eleven Japan is committed to disclosing information on environmental measures undertaken in cooperation with stores and cooperating companies in a clear and understandable manner. The information is externally verified to ensure credibility and accuracy of the report. We will reflect results of the independent verification to make further improvements to environmental measures.

The following is an English translation of the independent verification report for the Japanese version of the Environmental Report 2003.

Independent Verification Report

Seven-Eleven Japan Co., Ltd.
Noritomo Banzai, Senior Managing Director

May 22, 2003

We, ChuoAoyama PwC Sustainability Research Institute Co.Ltd., have been asked by Seven-Eleven Japan Co., Ltd. to conduct an independent verification of the Environmental Report 2003 ("the Report"). The preparation of the report is the responsibility of Seven-Eleven Japan.

Objective of Verification

The objective of this verification, is to express an independent opinion on the validity of the process used to collect and report significant environmental information included in the Report.

Basis of Opinion

Currently, there are no generally accepted international environmental reporting and verification standards. Therefore, we have referred to emerging practices and guidance.

Summary of Procedures Performed

We conducted a verification at Seven-Eleven Japan headquarters. The procedures performed on significant environmental information included in the Report are noted below.

- Seven-Eleven Japan Environmental Management**
We obtained an understanding and assessed the status of the organization and the overview, of operation of the environmental management and, data items collected.

2. Process used by Seven-Eleven Japan to collect and report data

We obtained an understanding of the methods used by Seven-Eleven Japan to collect significant environmental information, and, assessed when and how data is collected and reported.

3. Data included in the report

We tested a sample of data from the Report to assess consistency with supporting documents. The procedure we performed includes:

- Interviews with management and persons responsible for the preparation of the Report;
- Data analysis;
- Inspection of relevant documents; and
- Reconciliation of sample data to supporting documents and external evidence.

Conclusion

On the basis of the above work, we have reached the following opinion:
At the locations where our procedures were conducted, the processes used to collect and report significant environmental information included in the Report are reliable and accurate.

ChuoAoyama PwC
Sustainability Research Institute Corporation
(ChuoAoyama Audit Corporation Group)

In Conclusion

Seven-Eleven Japan deals with convenience store business based on pursuing the absolute of ideal convenience store business and encourages environmental measures. We conduct third-party verification for verifying results of environmental efforts and disclosing appropriate information.

In this year's verification, our efforts to enhance efficiency at all stages of the convenience store business, reducing environmental loads, ensuring food safety, environmental preservation, and philanthropy are highly evaluated. We also received proposals to contribute to recycling as a style of an efficient retailer, expand recycling of food that has passed its sell-by date, and to act on social corporate responsibility.

We at Seven-Eleven Japan will receive and implement these proposals.

We expect to go further in reducing environmental loads by upgrading our business to ensure food safety and to deal with waste issues.

We will create reliable stores for local customers. Through developing philanthropy using the special nature of a convenience store, in response to social needs such as disaster and theft prevention, we will act in our capacity as a responsible corporate citizen.

This year, we raised over 240,000,000 yen in Seven-Eleven Midorino kikin (Green Fund) donation boxes at store counters, reflecting strong customer interest in environmental problems. The donations we have received from customers powerfully encourage our environmental volunteer activities and preservation of the natural environment throughout Japan.

Seven-Eleven Japan expedites environmental management targeting environment-based consideration and coexistence. We plan to spend a great deal of energy increasing an affluent spiritual and physical environment contributing to the happiness of customers. In cooperation with franchisees and business partners, we will work jointly on environmental management for a sustainable society, focusing on the economy, environment, society, and spiritual and physical environment.

June 2003

Senior Managing Director
Senior Executive Officer



Environmental Chronology

	The Course of Seven-Eleven Japan	Major Tackling of Environmental Issues
FY 1974	York Seven established. Area service and license contract signed with the THE SOUTHLAND CORPORATION (Currently 7-Eleven, Inc.)	
FY 1975	First store opened (Toyosu Store, Koto-ku, Tokyo)	<ul style="list-style-type: none"> By high-density concentration store opening (area dominance strategy), the efficiency of vehicle transport was enhanced. Total efficiency was enhanced, such as shortening of delivery time, delivery distance, etc. Customer reach-in display cases were introduced (First in Japan). Energy-saving display cases were jointly developed with the manufacturer
FY 1976	24-hour service started (Toramaru Store, Koriyama, Fukushima)	
FY 1977	100th store opened	<ul style="list-style-type: none"> Fresh food combined distribution started in metropolitan districts
FY 1979	Company name changed to Seven-Eleven Japan Co., Ltd. Placing order by Terminal Seven	<ul style="list-style-type: none"> Automatic control device installed to dew condensation-preventive-heater for doors of reach-in display cases
FY 1980	Listed on the second section of the Tokyo Stock Exchange	<ul style="list-style-type: none"> Turn-off overlook preventive timer is installed on sign boards and sign poles at the front of stores Organized Nihon Delica Foods Association (NDF)
FY 1981	1,000th store opened	<ul style="list-style-type: none"> Heat insulation used inside store ceilings and roofs and inside external walls Heat insulation film applied to windows Temperature sensors installed for automatically controlling ventilator fans of machine rooms Enhanced airconditioner efficiency, by changing the air charging position of air conditioners Introduction of time-based dimmers for store interiors
FY 1982	Moved to the first section of the Tokyo Stock Exchange	<ul style="list-style-type: none"> Heat insulation improved by changing to single-body insulation for reach-in display cases Development of distribution by temperature range started
FY 1983	POS started. Order by EOB started	<ul style="list-style-type: none"> Frozen food combined distribution started
FY 1985	2,000th store opened	<ul style="list-style-type: none"> Combined general merchandise distribution started Auxiliary heater for air conditioners cancelled
FY 1986	Introduction of graphic computers started. Introduction of 2-way registers started	<ul style="list-style-type: none"> Combined prepackaged food distribution started Compressor for lunch cases changed to energy-saving (rotary)
FY 1987		<ul style="list-style-type: none"> Introduction of continuous light adjustment devices. Illumination in stores divided into 3 zones, and automatically controlled by external light availability Standard for changing delivery vehicles to new ones set at 4 years or 0.3 million km. Introduction of vehicles that conform to latest emission gas standards
FY 1988	Combined rice-based product distribution, 3 shift system introduced. 3,000th store opened. Tokyo Electric Power Company payment acceptance service started	
FY 1989	Tokyo Gas payment acceptance service started. Introduction of temperature control for controlling temperature for rice-based products at 20°C started (Plant, delivery vehicle, showcase)	<ul style="list-style-type: none"> Combined rice-based product distribution, 3 shift system per day started. (Metropolitan district)
FY 1990	Dai-ichi Life Insurance premium acceptance service started. NHK subscriber fee acceptance service started. Prepaid card service started. Bought stores in Hawaii from THE SOUTHLAND CORPORATION	<ul style="list-style-type: none"> Collecting papers used by store (merchandise information, books): Document Collection System
FY 1991	Started sales of Mitsui Kaijyo Family Motorcycle Collision and Comprehensive Insurance Policy. 4,000th store opened. Introduction of 4th generation total information system started	<ul style="list-style-type: none"> Used paper collection at Seven-Eleven Japan headquarters building Ito-Yokado Group Environmental Committee started
FY 1992	Joined management of THE SOUTHLAND CORPORATION, by acquiring stock. NTT fee acceptance service started. Introduction of ISDN (Integrated Digital Communication Network: NTT)	<ul style="list-style-type: none"> Introduction of new vehicles (Refrigerator/freezer vehicle using CFCs not meeting regulations) Introduction of refrigerator/freezer (using CFCs not meeting regulations) Recycled paper used for Seven-Eleven Japan bulletin Seven-Eleven Family Environmental corners provided for merchandise exhibitions (bi-annually) Wrapping material for rice-based products, sandwiches, side-dishes, and other daily fast food products changed to nonpolyvinyl chloride material (Completed in April 1998) Support to Earth-friendly Essay Contest and Activity Report Contest sponsored by Yomiuri Newspaper As an effort towards global environment protection, donated 400 million yen to Clean Japan Center Foundation Seven-Eleven Japan Environmental Measures Project commenced
FY 1993	Store image upgrading started. Introduction of new headquarters information system started	<ul style="list-style-type: none"> Recycled paper used for sheet for POS, journal forms for store computers Packages for lunch boxes and side-dishes, etc., are changed to nonpollution material (Polypropylene, A-PET, etc.)
FY 1994	5,000th store opened. Voucher (common food ticket) handling started	<ul style="list-style-type: none"> Illumination apparatus for subcases changed to energy-saving (inverter stabilizer) Seven-Eleven Midorino kikin (Green Fund) established Control started to monitor trays for delivering daily fast food by uniform lease
FY 1995	Allotment sales money handling service started. Large ice-cream case is introduced. Introduction of chilled open cases started. Ski lift common discount ticket handling service started	<ul style="list-style-type: none"> Eco Distribution started. (Store waste disposal) Preparation of Seven-Eleven Japan Environmental Policies and Seven-Eleven Japan Environmental Agreement
FY 1996	6,000th store opened. Mail-order sale customer payment service started	<ul style="list-style-type: none"> Reduction of paper used, by simplifying purchase slips and item return slips submitted to headquarters from stores, from 4 sheets to 1
FY 1997	Introduction of a new display rack started. Introduction of weather information started. International telephone card service started. Introduction of color copy machine started. The selling of game software commenced	<ul style="list-style-type: none"> Support of Mt. Fuji Cleanup
FY 1998	7,000th store opened. Introduction of 5th generation total information system by satellite communication started	<ul style="list-style-type: none"> Fluorescent lamps within stores changed to energy-saving lamps (high-frequency lighting) Introduction of energy-saving devices for air conditioners
FY 1999	Selling of music CDs started. Magazine reservation service started	<ul style="list-style-type: none"> Introduction of heat-insulating panels in external walls and roofing materials Purchase of natural gas-fueled vehicles started Environmental Promotion Department started Effort to expedite paperless communication by digitizing information sent to stores from Seven-Eleven Japan headquarters Fluorescent light bulb recycling upgraded Environmental Measures Project Meeting started in NDF
FY 2000	Introduction of brand new POS register started. Selling of nutritious drinks started. 8,000th store opened. e-shopping books handling started. Internet charge receipt service started	<ul style="list-style-type: none"> Introduction of nonpolyvinyl chloride materials Disposable chop-stick, spoon and fork addition to lunch boxes and spaghetti dishes eliminated Seven-Eleven Day. Nation-wide Cleanups started (July and November) Introduction of low-noise carts at delivery centers nationwide Introduction of standardized folding containers. Recycling upgraded Reducing the thickness of charge-free bags given at store cash desks making them approximately 10% thinner Introduction of inverter scrolling to freezers and refrigerators For bread delivered directly from bakeries, manufacturing changed to eliminate the use of yeast and emulsifiers
FY 2001	7dream.com. is established in electronic commercial trading. Seven-Meal Service Co., Ltd. established for distributing meal and providing health care services	<ul style="list-style-type: none"> Introduction of inverter freezer to air conditioners Recycling of store staff uniforms introduced
FY 2002	IYBank Co., Ltd. established	<ul style="list-style-type: none"> In-car terminals implemented for delivery vehicles Sales of original fast foods free of preservatives and artificial coloring agents started
FY 2003	9,000th store opened. Ticket service using multicopy machine started	<ul style="list-style-type: none"> Introduction of specially-processed rice which requires no washing to rice products processing plant started Changed FSC paper for multicopy machine to copy paper Recycling of driver uniforms started



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