

## Corporate Profile

As of 28 February 2009

### Name

MINISTOP CO., LTD.

### Scope of business

Convenience store operations promoted by franchises of Ministop "combo" stores, which offer convenience store products and services as well as fast food prepared in-store.

### Representative

Nobuyuki Abe, President and Representative Director

### Date established

May 21, 1980

### Capital

¥7,491,533,000

### Stock exchange listing

Tokyo Stock Exchange, First Section  
(listed August 1, 1996)

### Company headquarters

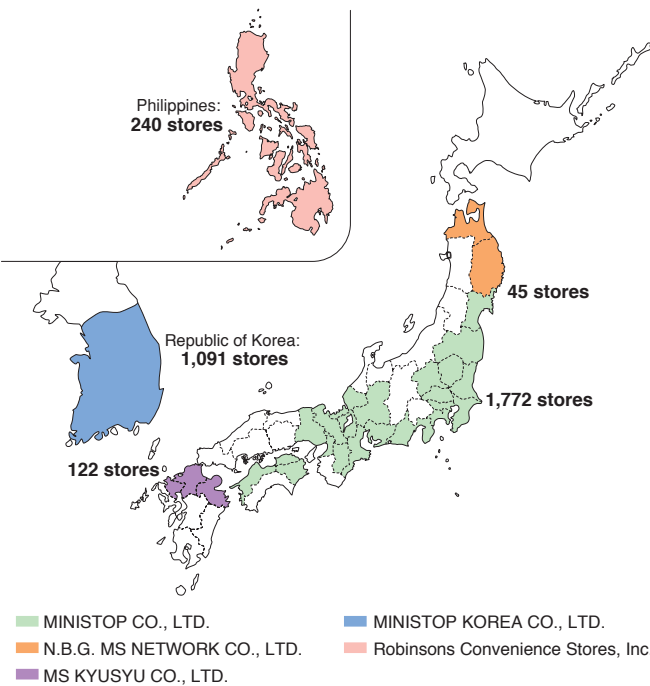
1-1 Kanda-Nishikicho, Chiyoda-ku, Tokyo, 101-0054

### Main business office

1-5-1 Nakase, Mihama-ku, Chiba City, Chiba 261-8540

### Offices

Main business office (Mihama-ku, Chiba City, Chiba)  
Tokyo District Office (Chiyoda-ku, Tokyo)  
Tohoku District Office (Miyagino-ku, Sendai City, Miyagi)  
Tokai District Office (Nakamura-ku, Nagoya City, Aichi)  
Kinki District Office (Chuo-ku, Osaka City, Osaka)



### Environmental Consideration for Printing This Report

#### Paper



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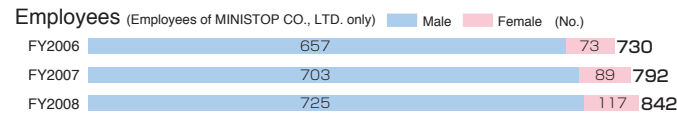
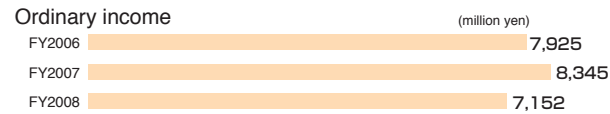
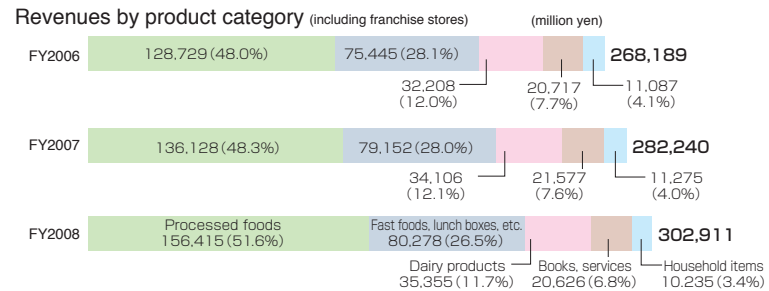
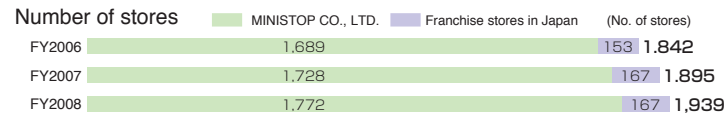


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#### Printing Method



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\* Revenues and income from operations are figures for MINISTOP CO., LTD.  
\* Figures here are rounded down to the nearest million yen.

### Editorial Policy

#### Policy

1. Written for the customers  
We consider anyone who has any dealings with Ministop to be a "customer" (see page 15).
2. Readability  
Besides writing in an easy-to-read style, we sought to produce a report compact enough for the reader to grasp all the essential facts in one reading.
3. Level of detail  
In order to give readers a deeper insight into Ministop, this year we have expanded the content and increased the number of pages in the report.
4. Website links  
We prepared this report with a focus on only a selection of all Ministop activities in fiscal 2008. Please visit our website for more details.  
[http://www.ministop.co.jp/eco\\_social/index.html](http://www.ministop.co.jp/eco_social/index.html) (Japanese Only)
5. Prepared with reference to GRI Guidelines (G3), and Environmental Reporting Guidelines 2007 by the Ministry of the Environment, Japan  
We included everything in the report that we felt was important from Ministop's perspective.

#### Period covered (for figures, affiliations, titles)

Fiscal 2008 (March 1, 2008 through February 28, 2009)

#### Report coverage

MINISTOP CO., LTD. and stores under a valid franchise agreement  
\*Some data covers stores that have an area franchise contract with MINISTOP CO., LTD.  
\*Overseas stores not covered.

### Postscript

Society must constantly respond to change. Examples include not only global warming, but also the global financial crisis that began in 2008, and a new strain of influenza. Corporations aim to survive in the midst of that change, and corporate social responsibility initiatives are comprised of both constant and changing components. This report describes constant and critical matters that have materiality for a corporation, namely food safety and global warming countermeasures. We very much welcome your comments and opinions regarding our activities and their results.



Editorial team: Kawasaki, Noguchi, Ito, Okamura, Moride

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This report can be viewed at the website indicated above.

It can also be downloaded in PDF format.

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Planting Seeds of Growth  
We are AEON

# 2009 MINISTOP CSR Report

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### Cover Message

Trees in Japan take many years to mature, and we have a long tradition of using with great care the trees cut from forests. The attitude of making the most of the gifts of nature—even the bark of the tree, for example—has been conveyed to us from people involved in forests. By using portable chopsticks made from trees grown in Japan as an example of these gifts of nature, let us try to make contact with those gifts of the forests and the sentiments of those people involved in caring for our forests.

Photo location: Yoshino, Nara Prefecture (source of our domestically produced chopsticks named Go En No Kizukai)



# Creating New Lifestyle Values by Tackling Global Warming

The need to deal with global warming has become a serious issue in society, and Ministop is called upon to further step up its efforts in this area. For this report, we engaged some experts in discussion to consider what directions Ministop should take next. This discussion was held on February 17, 2009.

## Current and future efforts to tackle global warming

Many people wonder about the role of convenience stores in fighting global warming. What is the focus of Ministop's efforts?

**Abe:** Broadly speaking, the initiatives at our stores are related to either equipment or store operations. We have also done a variety of communication-related efforts to raise awareness of customers and staff, for example, to reduce the use of plastic bags at the checkout stand.

**Watanabe:** In terms of equipment, the most effective action is to install energy-efficient models.

**Takaoka:** What kind of equipment are you referring to?

**Watanabe:** From greatest to least electrical power consumption in our stores, these would be refrigerators, freezers, air conditioning and lighting. We are converting each of these to energy-efficient types. Regarding fryers used to create deep-fried foods, no high-efficiency models are available yet, so for the moment we must make some changes to the cooking methods and so on. For example, we believe we can save energy by putting a cover on fryers when they're not being used.

**Tatsumi:** I heard that a Kyoto store has converted a light sign to LEDs, correct?

**Watanabe:** Yes, they are darker than fluorescent lights, but they make a huge difference in energy savings. If we consider the actual purpose of those signs, we believe it is enough if people clearly recognize our shops as Ministop stores.

**Takaoka:** Perhaps the signs used before were too bright. It seems that businesses are trying to compete with brightness, but perhaps this is not really necessary on busy shopping streets.

**Abe:** Until now, there was some rivalry to be brighter than other stores. But it is important to look at things seriously and ask ourselves whether this is the right kind of competition. If we find something wasteful, we need the courage to stop it.

**Watanabe:** In the future, perhaps we could call this a challenge to promote darkness. In terms of equipment and energy efficiency at stores, we have already done all we can. There is still some potential, for example, to introduce renewable energy such as photovoltaic power, or to start using old cooking oil to make biodiesel, but these still come with many issues to be resolved regarding cost, regulations, and so on.

**Tatsumi:** Do you think you are adequately communicating to your customers about the extent of such efforts at your stores?

**Abe:** Well, one issue is that at present we are not

adequately communicating with customers.

**Tatsumi:** That's unfortunate. Environmental considerations are an important factor when customers choose where to shop. And people feel better about themselves when they shop at stores that are making a positive effort.

## Offering a new sense of fulfillment and values

The new "carbon footprint" (CFP) system has begun.

**Tatsumi:** CFP is a labeling system that shows the amount of carbon dioxide (CO<sub>2</sub>) emitted from the time a product is produced until it is disposed and recycled. I expect that the CFP symbol will be displayed on products in the future. At the moment, we are moving ahead with preparations of calculation methodologies for CFP, but the point is not just to compare the amount of CO<sub>2</sub> emitted. The real significance of the CFP system is that it will make people aware that products are connected with global warming—from production to waste and recycling.

Note: CFP is a national labeling system promoted by the Ministry of Economy, Trade and Industry that tells consumers about the carbon emissions associated with a product.

**Abe:** This is true not only with CO<sub>2</sub> information, but because information flows back up the supply chain to the production stage—if we are talking about a food product, for example—efforts like this also connect to the sense of trust and peace of mind customers feel about products.

**Tatsumi:** You mentioned an awareness of the product supply chain. This also relates to fair trade products, doesn't it?

**Abe:** Yes, and besides the fair trade iced coffee we have already been offering, in 2008 we also started to sell dried mango, chocolate, and other products.

**Takaoka:** Department stores used to tell us that they were retailers that offered a sense of fulfillment, places that offered new lifestyles and culture. Customers felt fulfillment by consuming not only physical things but also lifestyles. By offering CFP and fair trade products, I believe that you too are offering new lifestyles.

**Abe:** We are currently experiencing the kind of economic conditions that happen only once every hundred years, so people have a tendency to pay more attention to the economy than the environment. But it is exactly at a time like this that we need to suggest ideas that change people's traditional ways of thinking about fulfillment.

**Takaoka:** If you create and offer new lifestyle values, customers will appreciate it, and if you earn their trust in



Mika Takaoka  
Professor of Marketing, Rikkyo University

Corporations should make their principles visible by providing information together with the "carbon footprint" and fair trade products, as well as through shelf allocation, product packaging, and so on.<sup>1</sup>



Nobuyuki Abe  
President and Representative Director, Ministop Co., Ltd.

The price of our pursuit of material fulfillment has led to today's problem of global warming. As we promote efforts to tackle global warming, we aim to be a company that creates products and provides services that can make customers feel fulfilled.



Kikuko Tatsumi  
Executive Director, Nippon Association of Consumer Specialists

Consumers need to look at carbon footprints and environmental labeling information not only as general guides to select products, but also to understand that this information relates to the environmental impacts intrinsic in those products.



Katsumi Watanabe  
General Manager,  
Store Business Promotion Div., Ministop Co., Ltd.

CO<sub>2</sub> emissions will not be dramatically reduced simply by switching to LEDs. We will pursue the most effective measures while keeping in mind the need for balance with management priorities, based on a variety of cost-related risks.

your store principles, they will feel they can make their purchases with peace of mind. It would be excellent if you could become something like a town "concierge" to the extent that people felt confident about any product just because it's sold at Ministop and didn't need to rely on labeling information.

## Ministop's purpose in tackling global warming

How will suggestions from experts be put into practice ?

**Abe:** I think that we need to bolster our communication. Our approaches must differ depending on whether we are dealing with staff at franchise stores or the company headquarters, the local community, or customers, but it is important to convey our messages clearly and ensure that people understand us.

**Tatsumi:** This is not exactly the same as the "concierge" idea, but I have a comment. Soft ice cream is one of the flagship products of Ministop. If you provide basic CO<sub>2</sub> information about your soft ice cream, I believe the information will be correctly conveyed to franchise store staff, headquarters staff and customers as well, and that there will be a greater interest in all the phases from

production of soft ice cream to the selling stage.

**Abe:** We are working to reduce CO<sub>2</sub> emissions through a modal shift in the transport of what we call "soft mix."<sup>2,3</sup> Yes, through our products, we absolutely do want to convey information about what makes us special at Ministop. I would like to convey information at our stores about all of our initiatives connected with tackling global warming, have our customers come to Ministop, pick up our products, and talk with store staff—and in this context feel that they are being fulfilled. This is the kind of company we aim to be.

1. Shelf allocation: The method used to determine how to arrange or allocate products on store shelves.  
2. Modal shift: The process of shifting the transport of cargo from the use of trucks to rail or ship.  
3. Soft mix: The liquid ingredients used to make soft ice cream.



## Summary of discussion

- We aim to create stores that make people re-examine the conventional sense of values.
- We will communicate with customers and franchise store staff with various information at stores about efforts to tackle global warming.





## A Word from the President

# Creating New Lifestyle Values

### Making Ministop a dynamic place to work

During the past year, as president of this company, I have put my efforts into education and communication with staff in stores and the headquarters. In particular, by bolstering our independently-developed FC Staff Education Program (Yellowtail Program, see page 17), we are training Store Leaders who can take greater responsibility. I believe that this program will increase their pride in working at Ministop, make them more cheerful and thereby transform the ways they work. This will all boost our service to customers.

To communicate this spirit to our customers, we must also imbue our headquarters staff with this attitude. In this respect, starting last year, I have created opportunities to speak directly with headquarters staff, department by department, and have exchanged views with them on key issues, in each workplace. Ministop will soon celebrate its thirtieth anniversary in business, so we are starting a project in which headquarters staff are asked to consider what kind of Ministop they would like to create in the next 30 years.

### Communicating about the environment and food safety

Convenience stores are always in the spotlight regarding environmental and food safety concerns. Why? The reason is that we are closely connected to customers' daily lives, and I also believe that since convenience stores are so ubiquitous, we are viewed with a corresponding level of expectations as we make up part of the infrastructure of society.

In terms of food safety, we continue to make an effort in various areas—procurement of raw materials and ingredients, sanitation, monitoring and control of food expiry dates, and various other aspects related to the selling of food items. In terms of raw-material procurement, our managers travel to production sites and processing plants—whether they are in Japan or overseas—and through this we are making an effort to ensure that we can provide products that we ourselves have verified are safe. To maintain hygienic standards at the desired level for society and customers, it is essential to implement ongoing staff education.

Through proper dialogue—for example, through close mutual relationships every day, between headquarters and franchise stores, between owners and store staff, and between stores and customers—we are striving to create a situation in which anyone can feel confident when they purchase products at our stores. We want them to say, "If we shop at Ministop, we know it's good."

One particular issue on the environmental dimension is that we are increasingly being called upon to make a greater effort to prevent global warming. There has been some debate about convenience stores being open 24 hours a day, but when we talk about reducing carbon dioxide (CO<sub>2</sub>) emissions, we must look at issues rationally and seek a balance between environmental impacts and the role of convenience stores as a part of society's infrastructure. For example, to operate freezers and refrigerators—which consume a lot of electricity not only during store hours but 24 hours a day—this means shifting to more energy-efficient models wherever we can.



President and Representative Director, Ministop Co., Ltd.  
Nobuyuki Abe

We already expect to achieve the targets of our Voluntary Action Plan, and plan to make further efforts to reduce CO<sub>2</sub> emissions.<sup>1</sup> As for recycling, we started a trial in the autumn of 2008 to expand the coverage of our recycling loop from food waste to rice growing. We also reuse store equipment whenever the situation permits, and thereby are making an effort to use resources more effectively.

Because we are incorporating these environmental initiatives one-by-one into our daily operations, to be most effective we must further increase the environmental awareness of staff in stores and at our corporate headquarters. If we are able to communicate this environmental awareness to customers—as in the example of reducing the number of plastic bags used—we will be able to promote initiatives with the store and customers working together.

### Contributions to community and society

Our Child Internship program (see page 11) not only contributes to school education, but I hope it will also play a role as a forum for learning about our stores' initiatives on global warming countermeasures, fair trade products, food safety, and so on. Working in cooperation with local communities and local

governments, with our 24-hour store operations we will also play a role as Safety Stations (see page 12)—as refuges for women and children, and as places that offer support for people returning home after disasters.

We also have stores overseas. Some of the countries are not so advanced in initiatives to deal with social concerns such as environmental problems and labor related aspects, and with initiatives relating to food safety. Ministop is tackling these issues while respecting each country's culture, customs, and regulations, and through our efforts we are earning trust in those regions.

### Turning Ministop into places of fulfillment

Today, both the economy and the environment are affected on a global scale, and in many cases, something occurring in one place that seems to have no direct connection with us can have an impact on our own lives. The current economic conditions are, some might say, a result of seeking excessive profit, but this is also an opportunity to re-examine our lifestyle values and sense of fulfillment.

In our stores we want to provide "the real thing" and we have a strong commitment to quality. For example, fair trade products offer healthy alternatives for our bodies and peace of mind in our hearts. This offering of lifestyle values and a sense of fulfillment is something new, and allows us to distinguish ourselves from other convenience stores. I aim to make this a company whose customers can feel a sense of fulfillment when they come into our stores.

1. Voluntary Action Plan on the Environment: These are plans formulated by industry groups to help achieve national emissions reduction targets under the Kyoto Protocol. The convenience store industry is aiming to reduce its average greenhouse gas emissions intensity (energy consumption per unit of floor space, multiplied by store operating hours per day) by 23 percent compared to 1990 levels over the five years from 2008 through 2012.



### AEON's Basic Principles

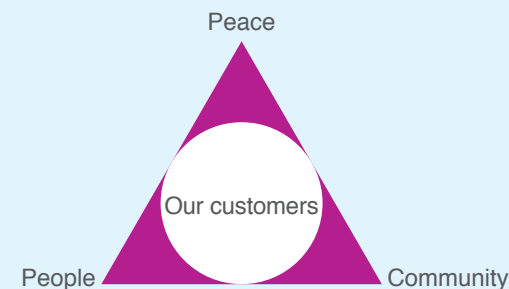
As a member of the AEON group of companies,  
Japan's leading retail group,

Ministop adheres to AEON's Basic Principles and Code of Conduct.

**The word AEON has its origin in a Latin root meaning "eternity."**

The starting point of our principles is the customer.

At AEON, our eternal mission as a corporate group is to benefit our customers, and our operations are thus customer-focused to the highest degree.



**Peace:** AEON is a corporate group whose operations are dedicated to the pursuit of peace through prosperity.

**People:** AEON is a corporate group that respects human dignity and values personal relationships.

**Community:** AEON is a corporate group rooted in local community life and dedicated to making a continuing contribution to the community.

### The AEON Code of Conduct

1. AEON people are always grateful to the many other individuals who provide support and help, never forgetting to act with humility.
2. AEON people value the trust of others more than anything else, always acting with integrity and sincerity in all situations.
3. AEON people actively seek out ways to exceed customer expectations.
4. AEON people continuously challenge themselves to find new ways to accomplish AEON ideals.
5. AEON people support local community growth, acting as corporate citizens in servicing society.

### Management Philosophy of MINISTOP

**Mission:** Contribute to the health, peace of mind, and convenience of each Ministop customer in everyday life.  
Differentiate Ministop from competitors through a strategy of combining convenience and food, and strive for growth and prosperity together with people who value independence.

**Vision:** The 21st century will be the age of Ministop. The Ministop brand image in Japan and abroad will be the symbol of the highest quality in stores renowned for convenience and delicious food.

**Values:** · Customer first · Adaption to change · Store performance  
· Harmony with the community · Respect for people · Fairness  
· Enjoying life and work



## Third Party Opinion

### Independent opinion - Towards a better Ministop



Izumi Momose  
Lifestyle Columnist

Ms. Momose started her own business after working for 10 years at a manufacturing company planning cultural and other projects. As an independent lifestyle columnist, she currently writes for newspapers and magazines. She has served on committees such as the "Strategy Council for Envisioning the Future of Food" of the Ministry of Agriculture, Forestry and Fisheries, and is the author of books including "Yareba Tokusuru! Business Hasso Kaji (SUCCEED by Running Your Household like a Business)."

Her columns grounded in real life are full of new ideas for transforming daily living, and have fans among both men and women of diverse age groups.

Since about 15 years ago, I have been working to continually provide working women with useful information. To maintain a good quality of life, people need new kinds of housekeeping know-how; this is true not only for women, but also for anyone who needs to be away from home during much of their day. People should actively seek out convenient products and services and make them part of their lives. I think it is important to have that kind of transformation in our thinking.

This is where convenience stores come in. Back when I began this sort of work, many families still resisted the notion of shopping at convenience stores, even if it was handy. Since then, that way of thinking has really changed; more and more people say that convenience store lunches and other foods have become better tasting, and the impact on their budgets has really eased thanks to the proliferation of private store brand items. I think that convenience stores have now become important "key stations" in people's lives. I use them myself quite often. The fact that Ministop stores have an "eat in" area makes them especially enjoyable to visit.

Looking at this latest CSR report, my thinking has undergone another big change. I was really surprised to see that Ministop is actively doing so many things, such as even working to recycle mango peels and seeds, selling fair trade products, waste food

recycling, working to reduce and reuse construction materials and equipment, and making efforts to reduce the CO<sub>2</sub> released from power consumption for product display cases and lighting. In learning about the wide-ranging efforts that are being made to address environmental concerns, I gained a good impression about your "ecological" attitude. At the same time, I also wonder why, since you are doing such great things, you don't tell everyone more about them.

While convenience stores can offer enjoyable shopping, some small concerns definitely come to mind each time I visit. What will happen to food in any unsold lunch boxes? Aren't the lights too bright, and are the materials used in the products safe? No matter how much we customers use our own shopping bags and our own chopsticks, and try to reduce the amount of trash, there is nothing we can do about the places where products are made and sold. And so, as consumers, we shop while having concerns and feeling unease, about what is happening in places we cannot control.



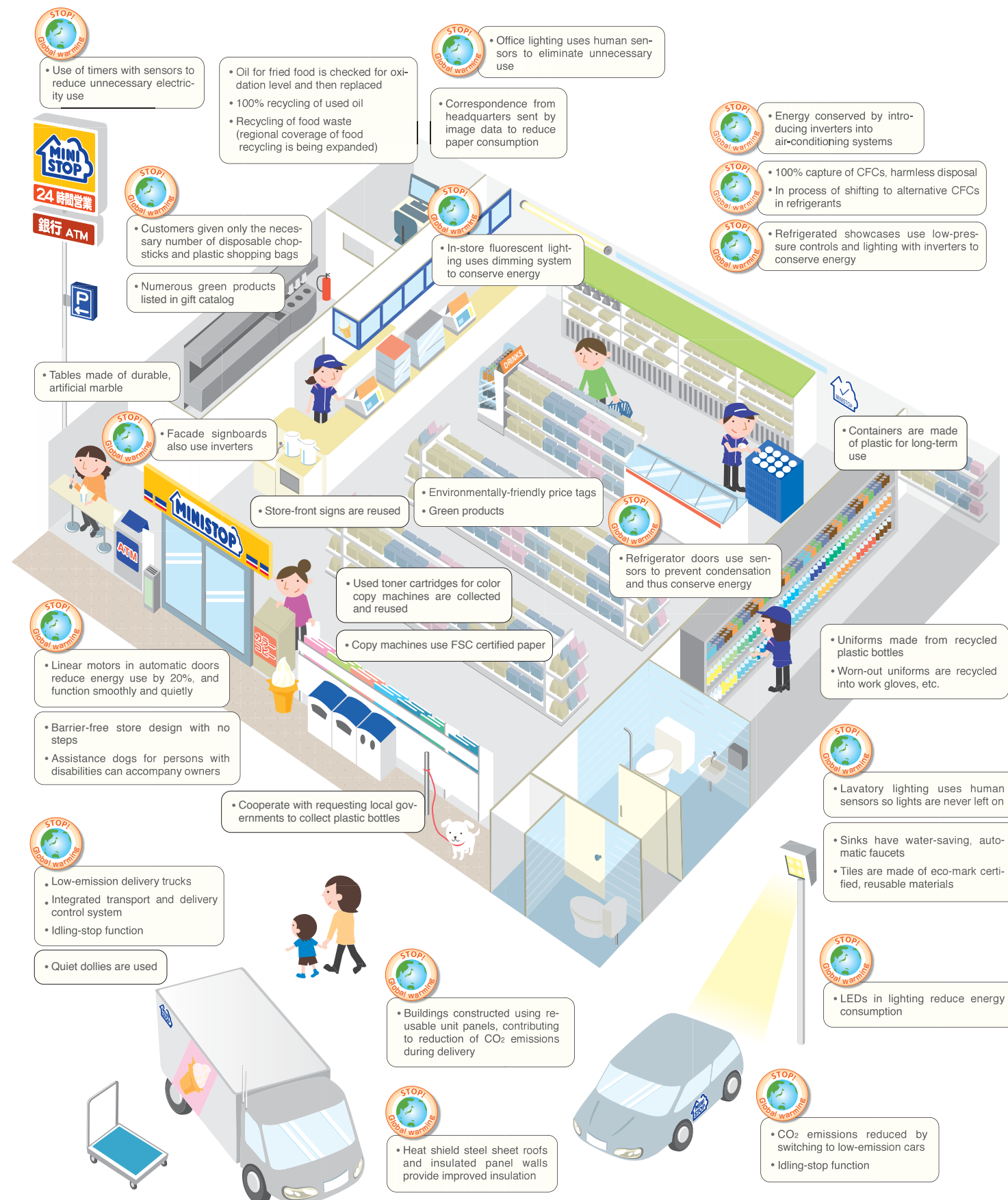
Ms. Momose receiving an explanation at a store.

When we reach out to buy a prepared lunch, it would put us at ease if we could see a sign that explains what the store is doing to implement recycling. If we saw a sign at the entrance explaining that the fluorescent lighting is automatically adjusted to conserve energy, then we would feel a little better when we pass by the store at night. We would think, let's go to that Ministop, and take our children there, even though it may be a block farther away. We change our shopping habits based on what we know. So that is why you should share with us even more about what you are doing. I think there is an obligation to let us know. I hope that Ministop's positive activities will become better known among consumers.

## Ministop Store Eco-Map

At Ministop, we deliver safety, peace of mind, convenience and health to customers. We also undertake a variety of initiatives to protect the Earth's environment. You can see the following kinds of measures in place at your local Ministop.

Note: The illustration below is based on the most recent equipment and fixtures available for stores. Some Ministop stores may not have all such measures in place.





## Ministop's Key Initiatives



Signboard utilizing blue LEDs

## Preventing Global Warming

Because about 80% of Ministop's total energy-related greenhouse gas emissions are due to electricity use at stores, keeping power consumption down is an important point for preventing global warming. (For more on this topic, see pages 6 and 13.)

## Using energy-conserving equipment in stores

Refrigeration and freezer equipment uses the greatest amount of electricity in stores (accounting for approximately 33.6% of total energy consumption). Our first priority is therefore to reduce our CO<sub>2</sub> emissions by reducing the energy used by this equipment, before moving on to lighting fixtures and other equipment.

## Refrigerators and freezers

By using low-voltage controls for refrigerated display cases, products can be cooled to the optimal temperature from our customers' perspective, while at the same time reducing energy consumption.<sup>1</sup> Also, the insulation efficiency of walk-in refrigerators can be improved with double-pane glass for doors, which prevents condensation and eliminates the need for heaters to prevent the door glass from clouding up.<sup>2</sup>

By using low-voltage systems and maintaining optimal temperatures, we can reduce the CO<sub>2</sub> emissions of each store by 20%.



Power-efficient beverage display

1. Low-voltage controls: An inverter can reduce the voltage used by equipment, thus improving energy efficiency.
2. Walk-in refrigerators: Refrigerators that allow shelves to be stocked from behind.

## Lighting

Fluorescent light fixtures in stores use automated dimming systems.<sup>3</sup> Also, lights in parking areas and restrooms now use LEDs.<sup>4</sup> By switching to LEDs we can reduce CO<sub>2</sub> emissions of parking area lighting by 80%, and lighting in restrooms by 40%. Energy-conserving fixtures are installed as a matter of principle in new stores, but because existing stores are open for business 24 hours a day, 365 days a year, it can be difficult to replace equipment. Therefore, we install energy-efficient equipment when we can take advantage of temporary store closures for retrofitting. We plan to switch over to energy-saving equipment at some 50 to 100 of our existing stores each year.



LEDs used in outdoor lighting

3. Automated dimming system: A system that senses the brightness of outside light, and automatically adjusts the brightness level of fluorescent lights.
4. LED: A light-emitting diode, which requires less electricity than fluorescent lights, but at a higher cost for fixtures.

## New approaches

## Switching store signs to LEDs

We have started to use LEDs for some of the signboards above the entrances to our stores.<sup>5</sup> By switching to a design that just emphasizes our logo, we have been able to reduce electricity consumption by some 80% compared to signboards using fluorescent lighting. Because the light rays from LEDs travel in a straight line, and thus do not illuminate the surrounding area, LED signboards appear darker than conventional signboards. Nevertheless, the purpose of a signboard is just to let people know the location of the Ministop store. As long as the sign is bright enough for people to find the store, that ought to be sufficient. We will continue to switch over to LED signboards, as we measure the costs and benefits.

5. As a rule, all future stores built in the city of Kyoto will utilize LED lighting.

## Use of FSC wood in unit stores

Ministop started introducing modular "unit" stores in 2001. In 2008, unit stores were built using wood rather than metal materials. Trees absorb CO<sub>2</sub> from the atmosphere during their growth process, storing the carbon and helping reduce CO<sub>2</sub> in the air. Trees that have stopped growing will not release CO<sub>2</sub>, as long as they are not burned or allowed to decay; for this reason, wooden buildings can be thought of as buildings made of stored CO<sub>2</sub>. Currently, wood from Canada is being used, but in order to revitalize Japanese forests, FSC-certified domestic timber will be used next.<sup>6</sup> Our future aim is to make it standard practice to use FSC-certified timber grown in Japan in our unit stores.



Wood structure of a unit store

6. FSC certification: The certification of forests through the Forest Stewardship Council, using a third-party system that evaluates whether forests are managed and logged in keeping with practices benefitting the environment and local communities.

Katsumi Watanabe  
General Manager, Store Business Promotion Div.

Because I was originally part of the construction division, it comes naturally to me to deal with the "hard" or engineering side of environmental concerns. I look forward to continuing to work to find practical and realistic ways to minimize environmental costs.



## Partnering with customers to prevent global warming

In addition to working to reduce the usage of plastic shopping bags and disposable chopsticks, we strive to sell "green" products (environmentally-friendly products). In 2008, we supported the global warming prevention efforts of our customers by launching sales of compact fluorescent light bulbs, rechargeable batteries and carbon offset products.<sup>1</sup>

## Carbon offset products



Carbon offset certificates

1. Carbon offset products: Products for which a portion of the profit from sales is used to purchase CO<sub>2</sub> emissions credits. Ministop purchased 120 tons of emissions credits from an industrial plant in Brazil, contributing to Japan's goals under the Kyoto Protocol.

## Domestic forest conservation products



"KIZUKAI-UNDO"  
(Wood Products Use Campaign)  
"Go En No Kizukai" chopsticks  
Made in Yoshino, Nara Prefecture



My Chopsticks Set  
made in Owase City,  
Mie Prefecture



Letter of Appreciation from the Minister of Agriculture,  
Forestry and Fisheries

In March 2009, Ministop received a Letter of Appreciation from the Minister of Agriculture, Forestry and Fisheries for our promotion of the "KIZUKAI-UNDO."

## Reducing the use of plastic shopping bags

Wall posters in stores ask customers to consider whether they need shopping bags or whether they can just accept a piece of tape affixed to their purchases to indicate payment has been received. As a result, the total usage of shopping bags has declined each year. We have also reduced the use of resources by making shopping bags thinner and by using bags that are no larger than needed.

## 1-Yen Discount Trial

Starting in June 2007, 27 of our stores tried a trial in which one yen was discounted from the total bill of customers who did not need a plastic shopping bag for their purchases. While this resulted in a reduction in the number of shopping bags, the costs were not balanced out by the benefits. We will review the criteria for discounting, and try a similar trial again in the future.

## Number of items given out per store each year

	FY2006	FY2007	FY2008
Shopping bags	237,215	235,861	227,495
Disposable chopsticks	56,650	54,513	53,128



Entrance poster about shopping bags

## Supporting "My Chopsticks Club"

Since 2003, we have supported "My Chopsticks Club," calling on people to rethink how they use chopsticks in their lives.



I did it!

"Eco Friendly" Shopping  
at Ministop



I visited Ministop.



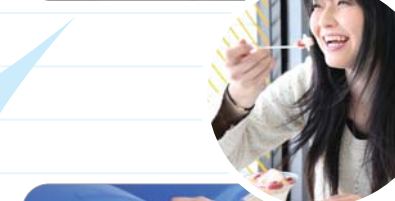
There really are a lot of "eco" goods!

I think I'll try these.



Since I brought my own bag, they didn't need to give me one.

Thank you.



After enjoying "eating in," I recycled my trash in the proper bins.



See you again!

We can take steps in  
the right direction even  
as we shop.



## Food Safety

Ministop's mango parfait.  
Safe and Delicious.

What route does a mango parfait travel before it reaches you?  
Let us introduce you to our mango farm and processing plant in Thailand.



Apple mango parfait  
(Mahachanok variety, commonly known as the "apple mango")

# 1

 Mango farm

The mangoes used in Ministop mango parfaits are grown at a contract mango farm in Thailand.



The contract farm in northern Thailand. Mangoes are grown on this huge farm covering 330 hectares.



Spending time and effort to carefully prune the trees, to avoid the spread of insects, reduces the amount of agricultural chemicals that need to be used.



These mangoes are so good, we hope that everyone in Japan will be able to enjoy them.

Nukul Thianan  
Farm Manager

## Inspecting the farm and processing plant



Each year when the mango parfait season approaches, we visit the farm and processing plant to inspect the harvest and the status of processing. Everyone is working passionately, wanting the people in Japan to enjoy eating these delicious mangoes, and they are proud to be able to continue to provide such high quality, safe mangoes.

Keiko Fujii  
Assistant Manager, Cold Dessert Sec.,  
Fast Food Development Dept., Fast Food Merchandising Div.

## Ministop's quality control philosophy

We have adopted our "Quality Control Directive" (QCD), which aims to meet the demands of food safety, flavor, price and timeliness. In addition, we make sure to follow each and every quality control step as outlined in our Quality Control Manual, from procuring the raw materials through to sales in each of our stores.

Harvested mangoes head for the processing plant



## Pesticide testing

We carry out a total of four tests of agricultural chemicals, including inspections conducted before the mangoes are accepted at the processing plant (which check for 80 agricultural chemicals to ensure that residues are below levels established under Japan's Positive List System for Agricultural Chemical Residues in Foods), as well as at the time of receipt, and when items are packaged and shipped. In addition, farmers are required to submit a list of all agricultural chemicals they use, and inspections are held to verify proper usage and handling.



# 2

## Mango processing plant

When we are busy, there can be more than 600 people working at the mango processing plant. Women account for 70% of staff. The plant, which can process up to 20 tons of mangoes a day, has received HACCP<sup>1</sup> and GMP<sup>2</sup> certifications for food safety and hygiene, and is operated at a high standard for safety and quality control.

1. HACCP: Short for "Hazard Analysis and Critical Control Points," this is a system applied to prevent the shipment of defective food products, and to immediately correct any abnormalities, through the identification and continual monitoring and recording of key control elements throughout the entire process, from acquiring raw materials through manufacturing and shipping.

2. GMP: Short for "Good Manufacturing Practice," these are management and compliance rules established for the manufacture of food and other products.

Education of staff is important for the hygienic management of the plant. We ensure that staff understand the operation of the plant well, emphasizing the importance of each step in the process. While all staff are meticulous about doing things properly, and are proud of their work, everyone also enjoys working together like one big family, thanks to various company events and the consideration given to each employee.



Pumit Sansawat  
Processing Plant Quality Control Manager

## Bacteria inspection

Because mangoes are not treated with heat, the control of bacteria is very important. Sample mangoes are taken at each step in the processing for testing in-house for common bacteria, as well as for coliform bacilli, salmonella, and others. In addition to the mangoes, employees and equipment are also tested twice each day. Whenever bacteria levels rise above normal, even if they are within safety standards, the cause is investigated and procedures put in place to ensure that there will be no problems with the final product.



## Recycling mango peels and seeds

Mango seeds are large and only about 40% of the fruit is suitable for eating. The remainder is composted for use as fertilizer.



### Juice

Juice is mixed with brown sugar and other ingredients and then fermented to make liquid fertilizer.



### Seed and Peels

These are mixed with rice hulls and poultry manure and fermented to make fertilizer.



The fertilizer is used at our farm.



The mango-based fertilizer is used to grow the large basil used in Ministop's "Gapao Pita Sandwich."



### 1.Receiving and selection

Mangoes with dirt or bruises are removed, and only items that meet standards for sugar content and color are used.



### 2.Washing and disinfecting

Mangoes are rinsed, disinfected with sodium hypochlorite, and then washed with water.

(Sodium hypochlorite is commonly used to disinfect and sterilize drinking water, fruits and vegetables.)



### Hygiene control at the entrance

To enter the work rooms, all employees must wash their hands, be disinfected with alcohol, and have their work uniforms cleaned by rollers to keep out any foreign objects.



### 3.Cutting

The peels are removed and the mangoes are diced. It takes great skill to cut the fruit beautifully without leaving any fibers.

About 40% is used for food.



### 4.Freezing

To ensure flavor and freshness, each item is individually flash frozen using special technology.

About 60% is recycled.



### 5.Selection

Items are checked for color, size and impurities.

### 6.Packaging and shipping

The products are packaged for individual servings, and shipped.

# 3

## Sales

At stores, we control hygiene, mango temperatures, freezer temperatures, and product expiry dates, and the soft ice cream freezer is sterilized every day.

Here you go!





## Ministop's Key Initiatives



## Ministop and Local Communities

We strive to undertake activities that are suited to our role as a convenience store, and which take advantage of Ministop's uniqueness, in order to gain the trust of local communities and to build support for our stores.

## Child Internship Program

The Child Internship Program, started in 2005, offers educational work experiences for elementary and junior high school students.

## Number of stores hosting Child Interns

FY2005	FY2006	FY2007	FY2008
119	100	129	153

## Scenes from the Child Internship



The day begins with cleaning up, then greeting customers to a sparkling store.



They gain experience inspecting products, confirming the number and type of each.



Welcome!

Serving customers at the register is exciting. There are so many things to learn from this new perspective.



Looks tasty!

Interns experience making fast food. Their first time in the kitchen is very interesting.



Interns reflect on their experiences and confirm future plans.



Sanae Koido  
Manager, Naka-Jujo Store (Kita Ward, Tokyo)

Receiving thank-you letters from the interns, and getting reports of their school presentations after the on-the-job training, I really got the feeling that this program helps students and schools, and also helps our stores build strong relationships with communities.



Shigeki Kawasaki  
Assistant Manager, Social Contribution Sec.,  
Environment and Social Contribution Dept.,  
Management Planning Div.

I want this to be a program that not only contributes to the children's development, but also helps our staff gain fresh perspectives that will help them in their jobs.

## Safety Station initiative

Ministop is an active participant in this cooperative initiative of the Japan Franchise Association's member convenience stores, through which the police and local governments establish convenience stores as community "safety sites." The initiative was expanded nationwide in October 2005.



## Prevent bank transfer scams before they happen!



Tomomi Tomioka  
Manager, Gyoda Josai Store (Gyoda City, Saitama Prefecture)

One day about 3 o'clock in the afternoon, when there were relatively few customers, an elderly couple came into the store. As they stood in front of the ATM, they seemed a bit confused, and one of them was talking on a cell phone. A lot of older people come into our store, but it is rare for them to use the ATM. Because it seemed that they were following instructions over the phone, it occurred to me they might be caught up in a bank transfer scam, so I went over to talk to them.

They said they were told that their son had caused some trouble at work, and that they had to immediately send some money to a certain bank account. I said to them that I thought it would be good if they made sure and talked to their son directly. It turns out it was a bank transfer scam after all.

I always try to talk with customers, but this particular time I'm glad I was actually able to help prevent them from being caught up in a scam. We should continue to look out for our customers and communicate well with them, serving our role as a "Safety Station" within the community.

## Activities in times of disaster

When large-scale disasters such as earthquakes occur, Ministop aims to continue our store operations in order to serve as lifelines for affected communities. Also, in keeping with the circumstances, we supply relief goods and raise funds through our stores. In addition, we are prepared to provide restroom access, tap water and information to those who are forced to travel on foot in a major disaster, and for this we have signed agreements with local governments concerning support for people in need when returning home after a disaster, including an agreement signed in March 2009 with Aichi Prefecture.

## Report on the sales of alcohol and tobacco to minors

At the checkout register, we check the age of those customers who appear underage but are attempting to purchase alcohol or tobacco products. There have been cases, however, when the age of customers was not confirmed, and minors were able to purchase these products.

In fiscal year 2008, 13 cases involved reprimands from the local police, referrals to prosecutors, or on-site investigations.<sup>1</sup>

So that each store employee will properly conduct age checks and not sell alcohol or tobacco products to minors under any circumstances, all stores are instructed to conduct employee awareness-raising activities at least three times each year and to follow a checklist that ensures proper training of staff.

1. There were some on-site investigations and cases of questioning by police inspectors, but none led to prosecution

## Fundraising activities

Beginning in 1990 with the "Circle of Flowers" program, which donates flower and tree seedlings to elementary schools, every year we have conducted fundraising campaigns that involve our customers for disaster relief and support for children.

## FY2008 Overview of in-store fundraising

Beneficiary	Period	Organizations Receiving Donations	Amount donated at stores (yen)
Laos School Building Campaign	4/21~6/20	Japan Committee for UNICEF	6,663,529
Fundraising to support victims of the earthquake in China's Sichuan Province	5/14~6/1	Embassy of the People's Republic of China in Japan	5,847,926
24-hour charity television program "Love Saves the Earth"	7/4~9/7	24-Hour Television Charity Committee (Nippon Television Network Corporation)	12,980,647
"Put the brakes on global warming! Give polar bears their ice back" Christmas wrapping campaign	11/17~12/25	WWF Japan	3,427,365
"Ban landmines and cluster bombs!" campaign	2/1~2/28	Association for Aid and Relief, Japan	3,686,899
Circle of Flowers program	Periods other than listed above	The Foundation for Flowering & Greening	23,366,520
Total amount donated by customers			55,972,886

■ Aeon group joint fundraising ■ Fundraising by Ministop Note: One percent of Saturday sales of soft ice cream is also contributed each week (total in FY2008 was 10,692,355 yen).



Presenting children with flower seedlings

Recycled plastic donation boxes that can be used over and over.



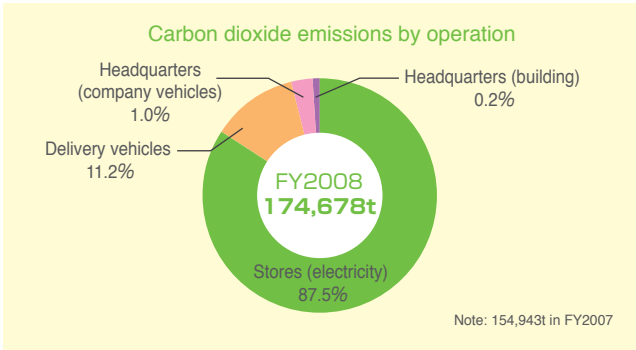
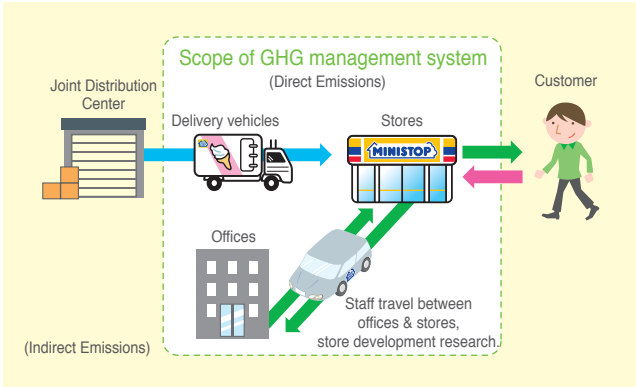


Global Warming Prevention and Environmental Management

Greenhouse gas management

Ministop created its Greenhouse Gas (GHG)<sup>1</sup> Management System based on GHG Guidelines<sup>2</sup> with the aim of effectively reducing emissions throughout its operations. In 2005, the company implemented the GHG Management System at all levels of its organization and business activities,<sup>3</sup> to cover direct emissions caused by delivery from the Joint Distribution Centers, stores, offices and staff travel between offices and stores.

1. Greenhouse gases are defined in the Law Concerning the Promotion of Measures to Cope with Global Warming (1998) as carbon dioxide, methane, nitrous oxide, chlorofluorocarbon (CFC) alternatives, and sulfur hexafluoride.  
2. The Guidelines for Company Reporting on Greenhouse Gas Emissions (2005 revision)  
3. Due to the diversity of the company's operations, measurement of the GHG emissions of N.B.G.MS NETWORK CO., LTD. is limited to the company's retail stores.



Initiatives at stores

Reducing the emissions of greenhouse gases from stores is the most important task. Beginning with new and retrofitted stores, we are introducing high-efficiency equipment in phases using the Top Runners Approach based on cost-benefit analyses(see page 6).

Electricity usage and CO2 emissions per store

	Electricity usage	CO2 emissions <sup>4</sup>
FY2006	190,937 kWh	106.0 t-CO <sub>2</sub>
FY2007	191,072 kWh	106.0 t-CO <sub>2</sub>
FY2008	191,540 kWh	106.3 t-CO <sub>2</sub>

4. Based on the Ministry of the Environment's published carbon dioxide emission factor of 0.555.

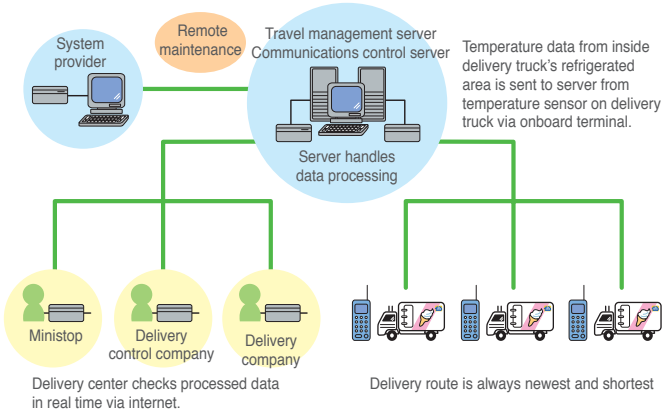
Overall CO2 emissions increased 12.7%, owing to the fact that the number of stores increased by 44.<sup>5</sup> Per store emissions increased by 0.2%, due to the heavy use of air-conditioners to cope with the extreme summer heat. Going forward, we will work to keep per store emissions from rising.

5. The net increase in stores, found by subtracting the number of stores that closed from the number of stores that opened.

Transport-related initiatives

In 1998, in regions where the necessary infrastructure is in place, we began introducing vehicles that run on compressed natural gas (CNG) and emit less carbon dioxide. In 2002, we introduced the Integrated Transport and Delivery Control System, which incorporates radio communications and a global positioning system (GPS), and aims to lower fuel consumption and reduce engine idling.

Integrated Transport and Delivery Control System



ISO 14001 certification

Ministop's ISO14001 certification was renewed after a renewal inspection in January 2009.

Environment-related regulatory compliance

During the past fiscal year, there were no instances of non-compliance with government regulations, and no environment-related accidents.

Ministop environmental policy (Third revision)

We will consider the global environment, together with our customers, franchise stores, and business partners. Aiming to create a recycling-oriented society, we will learn together and take action, with a full recognition of our respective roles.

Continuous improvement

We will continuously improve our environmental management systems, and will set and periodically revise our environmental targets and objectives based on this Environmental Policy. We will incorporate environmental practices (green procurement, resource conservation, energy conservation, reuse, recycling, waste reduction, etc.) into all our business activities.

Compliance

We will comply with all laws and regulations relating to environmental protection, as well as any environmental commitments made by Ministop in response to requests.

Safe and reliable products and services

We will develop and select safe and reliable products and services, while considering the diverse lifestyles of our customers.

Environmental protection activities

We will participate proactively in tree planting and other environmental protection activities.

Policy awareness

We will promote awareness of our Environmental Policy among Ministop employees and all people associated with Ministop operations.

Policy disclosure

We will make our Environmental Policy available to the public and properly disclose all related information.

The 4Rs for a Recycling Oriented Society

Reduce, Reuse, Recycle, and Reasonable Treatment

Food product recycling

The fiscal 2008 food recycling rate was 46.8%. In accordance with the Food Recycling Law, we will raise the recycling rate by 2% each year through 2012.

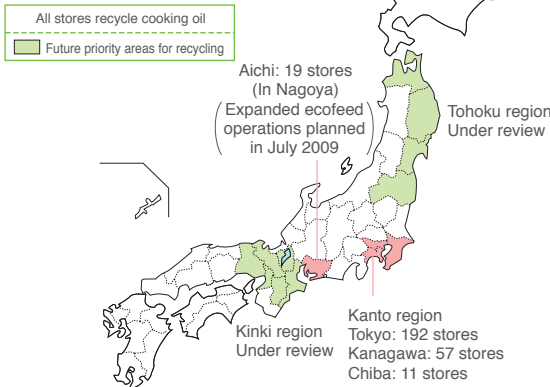
Food waste

Ministop views leftover food items not as waste but as a resource. In 1998, we began trials and tests of composting and other methods to recycle this leftover food. The result was the start in 2004 of our "ecofeed" project, producing feed mainly for use by pig farmers. Meat from the pigs raised on ecofeed is used in our minced pork cutlet lunch boxes, which went on sale in April 2008. The ecofeed project is currently in operation in Kanagawa Prefecture, and we plan to gradually establish similar projects in more regions in the future. We have also begun an experiment in which pig manure is turned into compost and used by farmers under contract to cultivate rice. We aim to create a recycling loop, whereby rather than throwing away food, we effectively utilize it and once again return it in a new form to our stores.

Used oil

Since Ministop's founding in 1980, we have recycled 100% of the used cooking oil coming from the preparation of fast foods, using outside vendors to turn the used cooking oil into livestock feed, soap, or ink.

Stores recycling food (As of March 31, 2008)

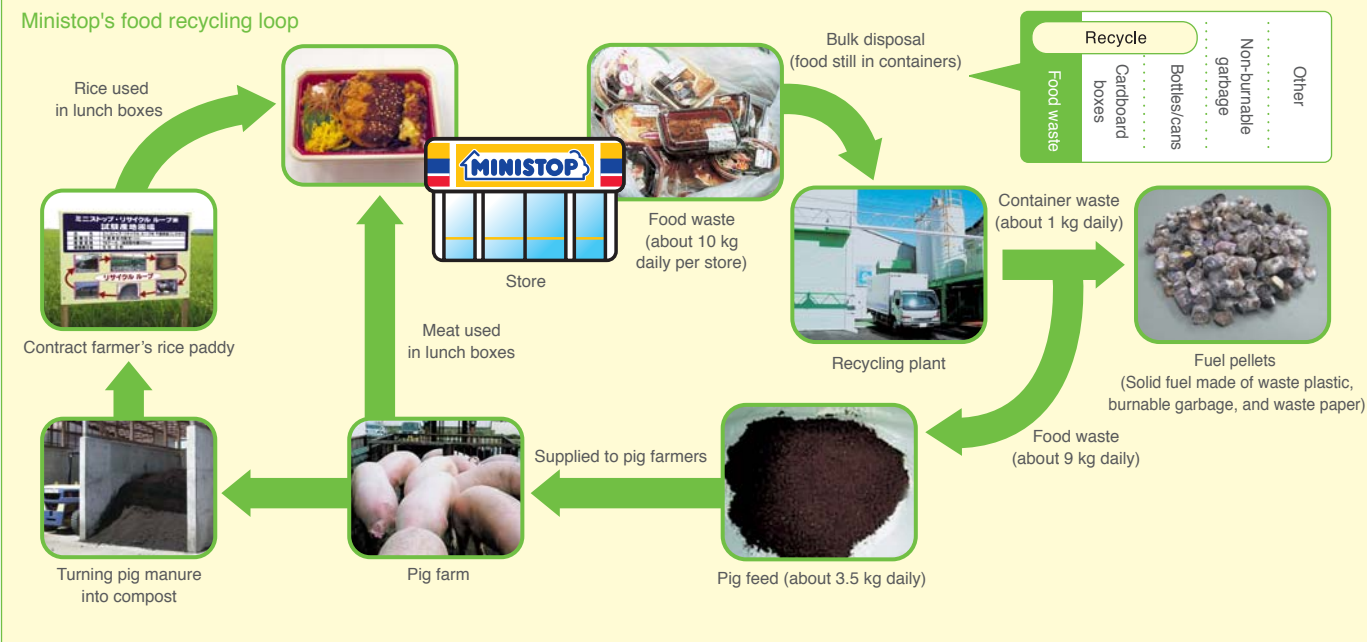


	FY2006	FY2007	FY2008
Stores recycling food	269 stores	260 stores <sup>1</sup>	279 stores

1. In FY2007, the number declined due to store closures.

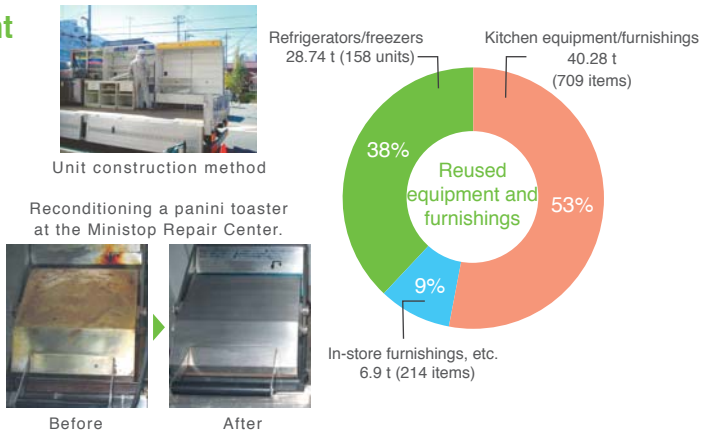
Annual emission volume per store

	FY2006	FY2007	FY2008
General waste	19.3 t	22.1 t	21.1 t
Cooking oil	2.4 t	2.1 t	2.1 t



Reducing construction waste and reusing equipment

Ministop stores are built by assembling prefabricated units on-site. This construction method ensures the buildings comply with all building regulations and minimizes the amount of waste material produced, while also enabling unit reuse. During store retrofit or closure, furnishings and equipment are collected at the Ministop Repair Center where they are repaired and reconditioned for use in future stores.





## Ministop and Society



Ministop is supported by a wide range of parties, including customers, shareholders, local people and communities, business partners, franchise stores and employees. To remain a company trusted by society, we maintain open lines of dialogue with all involved parties while carrying out our business activities.

### Customers:

Our customers are all individuals and groups that utilize our products and services.

### Shareholders:

We seek to return profits to our shareholders and investors by raising corporate value through enhancing our finances and management, and by paying attention to the social dimension.

### Local people and communities:

We cooperate with local governments and law enforcement agencies, and respond in times of emergency.

### NPOs and NGOs:

We work together with NPOs and NGOs in an effort to realize a sustainable society.

### Business partners:

We build partnerships based on fair business practices.

### Franchise (FC) stores:

We seek partners that share our goal to "be part of the community and provide customer satisfaction."

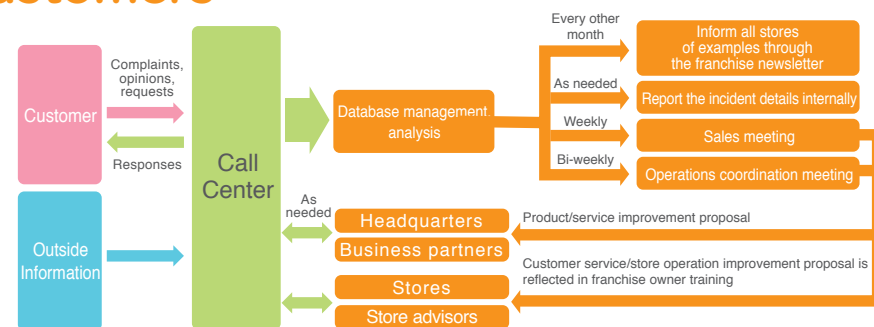
### Employees:

Employees refers to individuals working in the headquarters. Each employee seeks to contribute to creating a "motivated" company.

## Ministop and Our Customers

### Listening to our customers

Customer comments and opinions are extremely valuable to us. To encourage communication, we created our call center in March 1998 and established the Customer Response Policy in March 2008. All customer communications received via our toll-free number and e-mail are maintained in an internal database accessible by our stores, headquarters, and business partners, who work together to ensure each topic receives the proper attention and response.



### Friendliness checks

Since 1997, we have conducted "friendliness checks" as a tool for improving each store's levels of customer service and cleanliness to ensure that customers enjoy a pleasant shopping experience. During the visit, an independent investigator posing as an ordinary customer observes and interacts with store staff. The investigator completes an assessment based on points, and the store advisor conveys the results and guidance to the store.

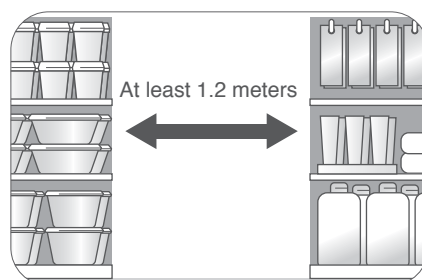
Fiscal 2008 results were better than fiscal 2007 results, but many issues were pointed out concerning customer service and cleanliness around the perimeter of stores, and stores are working to resolve these issues.

### Universal design for stores

At Ministop, we are working to change our stores to conform to universal design standards so that customers with physical handicaps are able to visit our stores with peace of mind 24 hours a day. For example, we have installed automatic doors, toilets for persons with disabilities, made store aisles at least 1.2 meters wide, and made other changes to make stores more accessible.



Automatic doors



Note: Not installed in some stores due to store location.

## Ministop and Our Employees

We have put in place a framework that allows headquarters staff to continually challenge themselves to grow in order to raise the quality of stores and ensure customer satisfaction, while responding to the major trends in society.

### Training system

Ministop's training system consists of programs designed in accordance with individuals' careers and responsibilities, and allows each employee to become more skilled at his or her own work.



Yukio Saito

Assistant Manager, Education and Recruiting Sec., Human Resource Dept., General Administrative Div.

Training makes both individuals and the organization stronger, and leads to a higher level of knowledge and a healthy attitude towards work. A passive approach does not lead to results, however. An improvement in individuals' abilities and awareness makes the organization stronger and leads to positive results. We train personnel to use their own abilities to develop their careers and to take pride in their work.

### Creating good workplaces

#### ■Creating workplaces amenable to female employees

The Women's Work Style Study Group, which was part of the 2008 Business Process Transformation, issued and distributed to headquarters staff "Lifestyle NAVI," a document that provides explanations on both company and social programs available for women to utilize at different life events and stages, such as marriage, childbirth and child-raising. Going forward, we will further promote initiatives in accordance with employee diversity, including foreign employees and employees with disabilities.

#### ■Child care/work system

From 2008, the system was expanded to cover children up to the second year of elementary school.

### Balancing work and personal life

By encouraging employees to find a balance between their work and personal life, we aim to resolve problems concerning working hours and vacation days, and to maintain and boost the motivation of headquarters staff.

#### ■"No Overtime" Day

Leave the office by 7 p.m. once a week

#### ■Extended Vacation Program

Employees are required to take 7 consecutive days off twice each year

### Training system overview

	Sales Training	Development Training	Product Training
	Meeting to compare case studies	Franchise contract officer certification program	MD training
Management level	Manager training		
	New manager training		
Primary level	SA follow-up training	Development follow-up training	MD follow-up training
		Intake training	Intake training
MSP	SA preparation seminar		SA joint patrol
	New employee training		Operations training

MSP=Ministop Step-up Program  
SA=Store Advisor  
MD=Merchandiser (Product Developer)

### Creating a dynamic workplace: One year after Business Process Transformation

At Ministop, we have carried out the Business Process Transformation for two years beginning in 2007. Convenience stores must constantly make changes, and we felt that under the former system we were not able to fully resolve relevant issues. We therefore set our mind to building a better Ministop, and established a team to go across divisional boundaries to identify and resolve issues. As a result, improvements were made with a focus on three areas: People (human rights, diversity, and corporate culture), Stores (operations), and Store Advisors (sales).

With the Transformation we succeeded in creating a foundation whereby all relevant divisions can work together to resolve issues identified by stores. Aware that employee satisfaction is a reflection of customer satisfaction and store staff satisfaction, we aim to create a corporate culture where all employees can express their opinions and transform this openness into energy that produces real results for Ministop.

We discussed the Business Process Transformation at the 2008 roundtable discussion. More details are available on the following website:  
[http://www.ministop.co.jp/eco\\_social/pdf/erv\\_2008\\_en.pdf](http://www.ministop.co.jp/eco_social/pdf/erv_2008_en.pdf) (See page 03 and 04)



Shunji Kuwasako  
Manager,  
Store Operation Dept.,  
Store Business  
Promotion Div.

The efforts made by employees are just starting to yield tangible results. Going forward, we hope that the various initiatives will steadily grow into large sources of strength for Ministop.



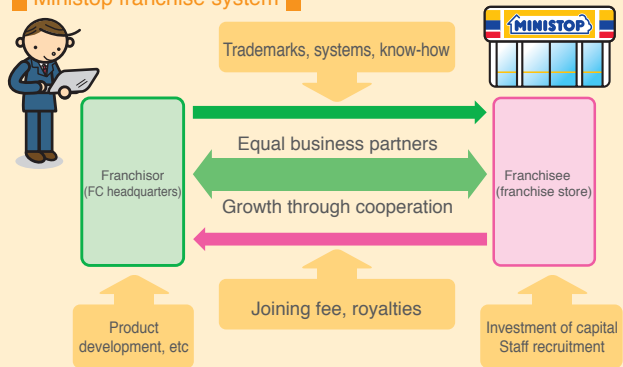
## Ministop and Our Franchise Stores

Ministop consists of our corporate headquarters and member stores that have entered into a franchise contract. Ministop headquarters provides study sessions, seminars and other programs to strengthen the mutual partnership and works with franchise owners to train staff and promote store operations and activities—all with consideration given to the special characteristics of each store and local community.

### Headquarters and franchise store relationship

Ministop operates on a franchise system in which the headquarters provides the franchise store with products, operating systems, and other support, and the franchise store pays royalties to the headquarters. Ministop values its franchise partnerships as a rewarding combination of the strengths of the headquarters and the franchise stores.

#### Ministop franchise system



Communications, opinions, and requests received from the franchise owners via the Store Advisors (SAs) and Owner Consultation Department are conveyed by the store supervisor to the company president.

### Fair and balanced contracts

#### Franchise Contract Officer Certification Program

Ministop established the FC Contract Officer Certification Program to ensure that prospective franchise owners have a complete understanding of all aspects of the franchise contract content.

This system enables us to train staff with insight into what franchise owners want to know and promotes development of motivated staff capable of generating ideas for effective problem-solving. Certification is valid for one year, meaning that Store Development Supervisors are required to pass annual FC Contract Officer certification tests as they strive to raise their skill level.

#### FC Contract Certification Officers

	FY2006	FY2007	FY2008
FC Contract Certification Officers	85	82	85

### FC Staff Education Program - The Yellowtail Program (Course for Chinese personnel)

Ministop believes that motivated store employees directly translate into better customer satisfaction, so we instituted the unique Yellowtail Program\* in 2005 to educate employees and promote consistency throughout the workforce. The number of participants has been increasing. In 2007, we prepared an educational program for the increasing numbers of foreign staff working in Japan. In 2008 we held a total of 18 classes for Chinese nationals in the Tokyo, Tokai and Kinki regions, and 56 staff attended these classes. At the classes, we helped the participants to understand differences in business practices and culture, and gave them instruction we believe will make them proud to work at Ministop.

Note: Because the program provides career-advancement opportunities for employees, it is named after the yellowtail fish, which in Japan is associated with gradual improvement.



### The contract and conditions

Ministop provides prospective franchise owners with extensive information materials a reasonable period in advance of the contract signing to ensure the proper understanding of the franchise contract. The contracts fully comply with the Small and Medium-sized Retail Business Promotion Act, the Enforcement Regulations of the Small and Medium-sized Retail Business Promotion Act, and the Anti-Monopoly Law.



Before starting a franchise business



Franchise contract overview and key points

#### Number of franchise contracts<sup>1</sup>

Contract conditions	FY2005	FY2006	FY2007
Franchise store openings (including relocated existing stores)	189	200	212
Franchise stores closing during contract period <sup>2</sup> (including stores closed before relocation)	67	79	82
Franchise stores renewing contracts	98	84	110
Franchise stores not renewing contracts	54	73	91

#### Litigation cases<sup>1</sup>

Description	FY2005	FY2006	FY2007
Initiated by a franchise store or franchisee	0	0	0
Initiated by Ministop	0	0	0

1. Fiscal 2008 data will be presented in the Franchise Contract Overview and Key Points scheduled for publication in July 2009.  
2. The contract period is seven years.



Zhang Kaifeng

Training Seminar Sec.,  
Store Operation Dept.,  
Store Business Promotion Div.



Yu Mingxia

Going forward, we want to visit the participants at stores and see how they are doing, and otherwise continue to interact with them outside of the classroom.

## Using Fair Trade as a Bridge to Connect Producers and Customers

Ministop has been carrying fair trade products since 2006 as one way of helping address the problem of child labor in certain producer countries. By selling fair trade products, we are providing profits to producers and peace of mind to customers.

### Making fair trade products more accessible

Since November 2008, we have joined forces with People Tree, a fair trade brand, to sell fair trade chocolate and dried mangoes at all Ministop stores.

We believe that on top of looking out for the physical health of our customers by offering safe products, we can offer peace of mind by letting them enjoy products knowing they are not promoting child labor.

Also, by carrying such products in local convenience stores, Ministop is spreading awareness of fair trade products and serving as a bridge to connect producers and customers.

### Future issues and challenges

In the case of food products, especially processed foods, if non-fair trade items are among the ingredients, FLO certification becomes difficult to obtain, so even if the product is offered for sale, customers will not hear about the fair trade aspects.<sup>1</sup>

Also, high costs are a problem in Japan, because the overall fair trade market is smaller here than in Europe and the United States. We succeeded in procuring dried mangoes thanks to cooperation from the Preda Foundation, Inc. and People Tree, but because most fair trade products rely on small-scale producers, procuring a stable supply of raw materials will likely be a challenge for future product development.<sup>2</sup>

Going forward, we will continue to promote fair trade so that we can continue to spread the word through our stores.

1. FLO (Fairtrade Labelling Organizations International): The organization that works internationally to coordinate Fairtrade certification in 23 countries.  
2. Preda Foundation, Inc.: An organization that offers economically-disadvantaged farmers in the Philippines the opportunity to earn income by growing mangoes, and uses the revenues earned to support children.

Kouichiro Shiraishi,  
Assistant Manager, Processed Food Sec.,  
Processed Food & Household Goods Dept.,  
Merchandising Div.



As someone with a family, I cannot simply accept child labor as someone else's problem. Through product development I have been involved in fair trade and have learned much. To offer customers as many fair trade products as possible, we will continue to come up with new ideas, clear the hurdles one at a time, and continue to pursue our ambitious goals.

### Fair trade products timeline



3 and 5. People Tree product  
4. Ended can sales in November 2008, switched to plastic bottles

### Connecting producers and consumers through fair trade products

We had been hearing from customers that they wanted to buy fair trade products but could not find them at nearby stores, so I think that by now being able to buy fair trade products at convenience stores, these products have become much more accessible to consumers. I am deeply grateful to Ministop for practicing sustainable trade which is friendly to both people and the environment, by providing a wide range of consumers with an opportunity to support producers via fair trade, rather than by simply donating to charity. I hope that Ministop will continue to connect producers with consumers by offering fair trade products.

Safia Minney  
CEO of People Tree



Not only does fair trade help producers raise their standard of living, it is a chance to learn that respecting organic cultivation and natural farming methods leads to environmental protection.



## Feedback Manager

Our online Feedback Manager system allows anonymous submissions of opinions and comments about our environmental and social activities. Readers can easily enter their opinions according to topic covered in the report, allowing us to convey specific feedback to the right department in the company.

Comment on activities to reduce the use of plastic shopping bags (Actual text)

●Are your activities to reduce use of shopping bags really genuine? This also applies to other convenience stores companies as well, but cashiers rarely ever ask me if I really need a bag. Particularly when the store is busy in the morning, before I can say anything, the cashier puts my purchases into a bag. (Woman from Tokyo)

Comment on the reuse of store equipment (Actual text)

●In your reporting on dismantling of stores, are you listing the numbers of units of equipment being reused? Or are you just comparing the increase or decrease in the maximum number of dismantled stores? Or are these numbers the results of your efforts? The way information is presented is somewhat difficult to understand. It's good that you went through the effort of including that information, but unfortunate that it's not clear. (Woman from Kanagawa Prefecture)

## Please Send Us Your Opinions and Feedback

**Environment and Social Contribution Dept., Management Planning Div.**  
**MINISTOP CO., LTD.**  
**Kandabashi Yasuda Building, 3rd Floor 1-1 Kanda-Nishikicho,**  
**Chiyoda-ku, Tokyo 101-0054**  
**TEL: +81-3-3259-5284**  
**Email: hp@ministop.co.jp**

Thank you for reading the Ministop CSR Report 2008. We would like to know what you think of our activities and operations. Please use the postcard below to send us your unreserved opinions and comments. Your input will be used to help determine our future activities and how we can continue to improve.

- 1. Which points in the Ministop CSR Report 2009 would you like to know more about?
- 2. Are there any items that you think should be reported in our printed version of the report rather than just on the Ministop website? If so, please indicate them here.
- 3. Please share any other opinions or comments you would like to communicate to us.

Thank you.

### About Ministop CSR report 2009

■1. Which points in the Ministop CSR Report 2009 would you like to know more about?

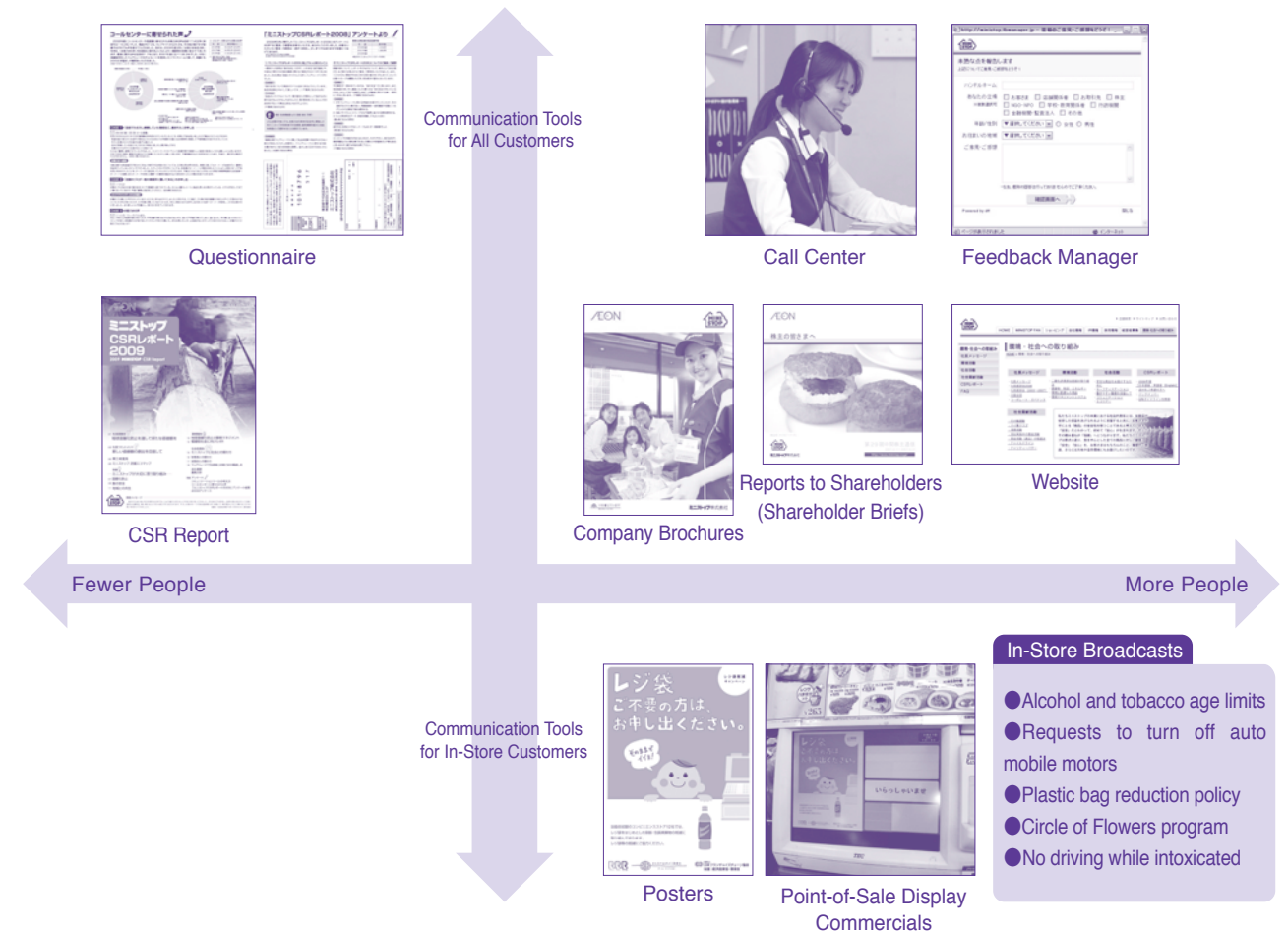
■2. Are there any items that you think should be reported in our printed version of the report rather than just on the Ministop website? If so, please indicate them here.

■3. Please share any other opinions or comments you would like to communicate to us.

Thank you.

## Communication Tools

Ministop utilizes various tools to communicate with customers, franchise stores, staff, shareholders and the public about its environmental and social activities. We aim to provide the information they want in clear and easy-to-understand formats.



### Communication tools for all customers

#### ●Website

The Ministop website introduces new products and provides corporate data, explanations for people interested in opening a franchise, management information for shareholders and investors, and outlines of our environmental and social activities. The website also carries interesting background information about some of our popular products. <http://www.ministop.co.jp/> (Japanese only)

#### ●Reports to Shareholders (Shareholder Briefs)

These printed reports provide details of interest to our shareholders, including outlines of our business operations, along with detailed financial information and management policies.

#### ●Company Brochures

Ministop publishes company brochures about its business and franchise system, particularly for prospective Ministop franchise owners.

#### ●CSR Report

For customers and all stakeholders, CSR reports introduce our approaches and the details of our environmental and social activities.

### Communication tools for in-store customers

#### ●In-Store Broadcasts

In-store broadcasts seek the cooperation of customers with Ministop initiatives, such as requesting drivers to turn off vehicle engines when parked and to participate in our efforts to reduce plastic bag usage.

#### ●Point-of-Sale Display Commercials

Post-of-sale LCD screens in stores introduce in straightforward terms our environmental and social activities, such as reducing plastic bag usage

#### ●Posters

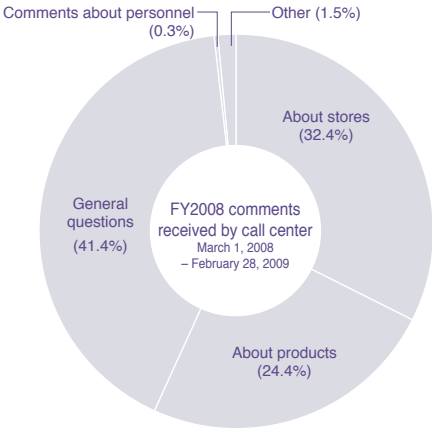
In-store posters introduce and seek customer cooperation in Ministop activities and initiatives.



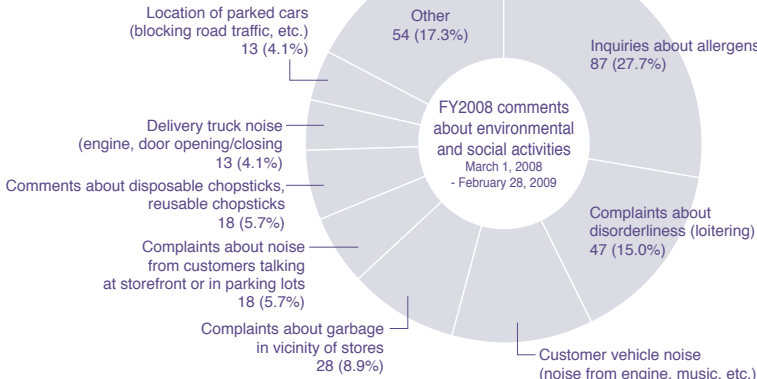
# Comments Received by Call Center

In fiscal 2008, the Call Center and individual departments received a total of 17,402 comments (116.9% compared to the previous year) from customers. Of the total, 67.0% were received by telephone, 24.6% by the company website, and the remainder by letter and postcard. In March 2008 Ministop formulated a Customer Response Policy, and will use this policy as a platform for further use of customer comments to improve our business with our franchise stores and business partners. Environment-related comments accounted for 1.7% of total, which was virtually the same as the previous year.

Note: Please refer to page 15 for more detail about the Call Center.



Note: Breakdown of "other"  
Opinions about fair trade 9  
Odor in store 8  
Garbage management situation 8  
Opinions about packaging materials and plastic shopping bags 8



Bicycles left in vicinity of stores 7  
Opinions about environmental initiatives 5  
Request for materials for environment-related research 4  
Questions and opinions about recycling 2  
Opinions about cigarette smoking stands in front of stores 2  
Problems with people bringing household garbage to store garbage receptacles 1

Customer comments received by call center

Fiscal Year	Number of comments <sup>1</sup>
FY2006	13,065 (202)
FY2007	14,880 (224)
FY2008	17,402 (314)

1. Numbers in parentheses indicate opinions and requests related to the environment, but do not include requests for copies of CSR Report, and do include certain categories other than environment-related.

## CASE 1 Comment about being disturbed by high school students who were loitering and smoking in front of a store

E-mail received on Friday, August 29

I am writing to report a disturbing incident I experienced in one of your stores at about 10:30 p.m. on August 29.

- A group of high school girls (judging by their uniforms) who were obviously minors, were loitering and smoking in front of your Hiratsuka Goten store at an hour when they should be under adult supervision.
- Store personnel did not caution them on their behavior.
- The female students came to disturb my associates and me, who were in the store having food.
- Store personnel still did not caution them.

I had no choice but to call the police. I realize that excellence in hospitality may be difficult to achieve in a convenience store, but I would appreciate it if you at least instruct staff to ensure that customers are to be able to eat, drink, and shop in peace. I often visit the store, and I see this series of incidents as unfortunate. (Woman from Kanagawa Prefecture)

### Reply to customer

At the store in question, the owner should have encouraged any customers who were high school students, judging by their uniforms, to go home after 10 p.m. and have cautioned them about smoking. Police should also be conducting their rounds. In this incident, however, the store staff failed to contact the owner about the problem. The owner strongly regrets that you were made to feel uncomfortable. We have been told that to prevent this kind of incident from recurring in the future, all night staff have been reminded that they are to notify the owner of problems, and when the owner is not available, to contact the police.

## CASE 2 Comments about garbage from a Ministop store being disposed in a non-commercial garbage disposal location

E-mail received on Sunday, January 13

Garbage from a store is being disposed at my apartment building's garbage collection site. Contents include many receipts, packing slips, disposable lunch boxes, and so on. Crows are making enormous mess of this. Please check into this and take action immediately. (Man from Saitama Prefecture)

### Report from store advisor

I believe this occurred because the garbage container belonging to the store was not locked, and it appears that someone picked out that garbage and carried it away. Someone had recently played a prank by pouring glue into the padlock on the garbage container, so for a number of days the padlock was not usable. Today, the owner went to the address indicated, and cleaned up all of the scattered garbage. Furthermore, the owner has purchased a new padlock and has locked the container.

## CASE 3 Customer comment

Call received on the toll-free number on Monday, July 14

The other day my two children were on their way to their grandmother's place, but they made a mistake and got off at Moji station instead of Mojiko station. There happened to be a Ministop store near where they got off the train, and I heard from the children that a store staff member took care of them and made sure they got to their destination. I would like to thank that person, but I do not know the area so I'm not sure which store to write to. Could you please tell me that store's location? (Woman from Fukuoka Prefecture)

### Report

We sent the store's telephone number to the customer, and through the store advisor we also conveyed the customer's message to the store.

# Results of Reader Survey on the 2008 Ministop CSR Report

We received 90 comments with ideas and thoughts about the 2008 Ministop CSR Report, issued in May 2008, and would like to thank everyone who provided valuable feedback.<sup>1</sup> We review every opinion and comment received and put them into action to make improvements.

1. From May 2008 through April 30, 2009.

Cases presented are the actual text.

Number of requests for CSR report

Fiscal Year	Number of requests
FY2006	1,005
FY2007	1,663
FY2008	942

Note: Includes data from ECO HOTLINE, a company to which we outsource report mailing.

## ① What I want to know more about from the Ministop CSR Report 2008

Most frequent response was about food safety (20). Comments about false labeling and food ingredients procured from China and other countries accounted for half of these (10). Next most frequent: food recycling (19) and fair trade (10).

### CASE 1

I make it a point to frequently look at product labels regarding food safety. I would like to see you reduce the use of food additives. (Woman from Chiba Prefecture)

### CASE 2

Regarding food recycling, it's good that you convert unsold food into something else like animal feed, but is it not possible to offer the food as it is to people in need?

(Woman from Chiba Prefecture)

Environment and Social Contribution Dept.  
(Yoshitaka Moride, Manager)

In all cases, it is most important that Ministop is able to ensure physical safety and delicious taste for our customers, so we refrain from offering as a product any food that has exceeded the sales expiry date.

### CASE 3

Regarding your ongoing reportage series titled "Fair Trade" there are some things I do not fully understand. If you were to provide more complete written explanations in your stores regarding fair trade, I think that I and other customers as well would be able to better understand and cooperate. (Man from Osaka Prefecture)

## ② Opinions and Impressions of the 2008 Ministop CSR Report

### CASE 1

I think that "food safety" is what consumers demand above all today. There have been a number of incidents lately in which companies deceived consumers about the details of food being sold. My conclusion is that you will gain trust if you can give customers the confidence to think that, "I know that I can eat the food at Ministop without any concern." (Woman from Chiba Prefecture)

### CASE 2

1. Last year you covered fair trade as the main special feature, and it is commendable that you have followed up on that story. I hope that in future you will connect that awareness of the issues to debate and action.

2. I hope that in the future you will continue to expand your food recycling activities and turn unsold food into ecofeed for animals.

3. You could make an effort to print more detailed data and initiatives. (Man from Toyama Prefecture)

### CASE 3

Your method of mailing your report (sealing it with tape rather than using an envelope) is a refreshing idea. (Woman from Tokyo)

### CASE 4

Your explanations of how Ministop is tackling various issues are well written. I suppose that food safety and environmental issues are important and that they boost your relationship with society. I suppose they also increase your costs, so please be sure to take a suitable profit.

(Man from Chiba Prefecture)

Personal information written here will be used only as a reference for the preparation of the next report. When subcontracting mailing tasks to outside contractors, Ministop supervises them properly and takes steps to prevent unauthorized access and any leak or abuse of personal information. Except where required by legislation, we do not provide personal information to any third party.

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承認  
9523

差出有効期限  
平成22年5月  
31日まで

Gender ( M • F )  
Age range ( )

Address 〒 ( )

Telephone number ( )

From what stance did you read the report? (Check up to 2 boxes.)  
☐ Customer ☐ Business partner ☐ NGO/NPO  
☐ Environmental officer for company/organization  
☐ Shareholder ☐ Research/educational institution ☐ Student ☐ Governmental body  
☐ Involved with a Ministop store ☐ Other ( )

Would you like to receive next year's CSR Report?  
(Scheduled for release in June 2010)  
☐ Yes ☐ No