

OFFERING SAFE, RELIABLE PRODUCTS AND SERVICES



We strive to ensure and enhance the quality of our products and services to be a sincere company that our customers trust.

Group Management Policy

We pursue safety and reliability, fulfill basic responsibilities, and aim to develop better products and services.

In the Seven & i Holdings Group, we operate businesses that are closely connected with customers' daily lives, such as convenience stores, superstores, department stores and restaurants. As a result, we place great emphasis on the safety of the products and services we provide to our customers.

To be a sincere company that our customers trust, as mentioned in our Corporate Creed, we always fulfill basic responsibilities such as monitoring freshness and controlling quality, and we dedicate ourselves to developing and offering products that our customers can purchase with a sense of security.


We carry out thorough quality control with the Quality Control Sub-Committee playing a central role.

In the Seven & i Holdings Group, the Quality Control Sub-Committee under the Compliance Committee is responsible for sharing safety information on products and establishing routes for reporting emergency information regarding incidents and accidents, along with a response system. In FY2008, the Quality Control Sub-Committee conducted a survey to gain an understanding of the measures taken by operating companies to ensure product safety. In addition, to improve the precision of quality control and make the activities suit what is actually happening in the field, the Sub-Committee has divided itself into working groups on food, apparel and household goods, and it has been studying issues that are commonly faced by our operating companies.

We improve our products and services based on customers' voices.




We reflect the opinions of our customers in our efforts to provide products and services from customers' points of view. Each operating company collects opinions from customers while serving them in stores and via the Customer Response Services and Call Center. Some of the compliments received by customers regarding our customer service are published in the in-house newsletters so that they can be shared by all the employees of our Group.

List of Principal Measures Undertaken by Our Major Operating Companies

	Convenience Store Operations
	Seven-Eleven Japan
Commitment to Quality and Safety of Products and Services	<ul style="list-style-type: none"> Reduced use of food additives →P38 Adoption of NDF-HACCP in factories →P39 Development of traceability systems →P39 Strict temperature control for products
Development of Stores and Facilities that can be used with a sense of Security	<ul style="list-style-type: none"> Adoption of barrier-free elements (wider aisles, shopping carts, multi-use restrooms)  <ul style="list-style-type: none"> Provision of emergency response information through in-house magazine for franchisees
Appropriate provision of Information	<ul style="list-style-type: none"> Use of guidelines on providing accurate information that will not be misconceived by customers Indication of allergen information on our "Daily Products" (mandatory information and voluntary indication of other information) Explanatory meetings for recruiting new franchisees (explanations of the franchise system and know-how regarding managing stores)
Direct Response towards Customers	Setting up Customer Response Services and Call Center



●: Described in this Report in independent sections ○: Referred to in the main body of this Report —: Measures not implemented

Superstore Operations		Department Store Operations	Food Services	Financial Services
Ito-Yokado	York-Benimaru	Sogo & SEIBU	Seven & i Food Systems	Seven Bank
<ul style="list-style-type: none"> ● Ensuring traceability of food items →P40 ● Checking freshness and sell-by dates →P41 ● Development of universal design products →P42 	<ul style="list-style-type: none"> ● Sale of fruit and vegetables grown with minimal use of chemical fertilizers and pesticides →P40 ● Strict hygiene control  	<ul style="list-style-type: none"> ● Supporting employees in obtaining qualifications as Food Safety Advisors, who take responsibility for food safety →P43 ○ Enhancement of the food hygiene management system and improvement of its accuracy through the development of a hygiene control manual and reviews of items for voluntary inspections →P43 ● Installation of a universal design products section ● Provision of seminars on food hygiene for employees at least twice a year by inviting internal and external lecturers ● Third-party food hygiene inspections (quarterly) 	<ul style="list-style-type: none"> ● Management of ingredients with strict standards →P44 ● Obtaining ISO9001 certification →P44 ● Development of low-allergen menu items →P45 ○ Support for customer health management provided by dietitians →P45 ● Ensuring traceability of food items 	<ul style="list-style-type: none"> ○ Creation of a system that does not stop ATMs →P46 ○ Anticrime measures for ATMs →P46
<ul style="list-style-type: none"> ● Adoption of universal design principles in our store facilities ● Installation of AEDs ● Development of "Large Scale Disaster Response Procedures," a manual for responding to disasters such as earthquakes 	<ul style="list-style-type: none"> ● Increasing the number of stores that comply with the New Barrier-Free Law (car parks for the elderly and for the disabled) 	<ul style="list-style-type: none"> ● Installation of AEDs in all stores ● Emergency preparedness by remodeling buildings and conducting fire drills ● Adoption of barrier-free principle in store facilities ● Shopping assistance provided by Customer Care Advisors ● Encouraging employees to attend a seminar on emergency life saving procedures 	<ul style="list-style-type: none"> ● Adoption of barrier-free principles in store facilities (construction of slopes for wheelchairs and installation of baby changing facilities in restrooms) 	<ul style="list-style-type: none"> ● Adoption of universal design principles for ATMs →P47 ● Prevention of fraudulent bank transfers →P47
<ul style="list-style-type: none"> ○ Disclosing production histories of KAOGA-MIERU-SHOKUHIN (food traceable to producers) on website →P40 ○ Inspections of labeling and wording of advertisements by a dedicated organization →P41 ○ Employee training on information indications, etc. →P41 	<ul style="list-style-type: none"> ○ Disclosing production histories of products on website →P40  	<ul style="list-style-type: none"> ● Inspections of appropriate labeling by the Quality Control Committee ● Employee education regarding appropriate labeling through quality control training and enhanced inspections ● Product origin data made available in the gift sections 	<ul style="list-style-type: none"> ● Indications of calories and other nutritional information on the menu 	<ul style="list-style-type: none"> ○ ATMs with multi-language displays (English, Korean, Chinese and Portuguese) →P47
<ul style="list-style-type: none"> ● Installation of Customers' Voice Box (in stores) ● Sharing information via Customers' Voice Message Board (in stores) ● Survey in stores by Life Advisors 	<ul style="list-style-type: none"> ● Installation of Customers' Voice Box (in stores) 	<ul style="list-style-type: none"> ● Installation of Customers' Voice Box (in stores) ● Checking customer demands, etc. via notes from sales clerks 	<ul style="list-style-type: none"> ● Placing postcards for surveys at registers and acceptance of customer opinions on website ● Sharing information regarding customers' voices (headquarters and restaurants) 	<ul style="list-style-type: none"> ● Analyses of Customer's Voice feedback and reporting and making suggestions to related departments 

Convenience Store Operations

Committed to the Use of Safe, Reliable Ingredients



We procure fresh, high-quality vegetables.

At SEJ, we strive to procure fresh, high-quality ingredients to deliver safe, reliable, delicious products.

For example, we transport freshness sensitive vegetables, mainly for salads and sandwiches, in a so-called cold chain system, where they are kept at low temperatures throughout the entire journey from the farms through the food-preparation factories to the stores. The low-temperature transportation prevents quality loss of the vegetables, allowing them to remain fresh for long periods of time.

In recent years, we have also been involved in product development based on a goal shared with the producers and distributors of improving productivity by enhancing communications and understanding each other's needs.

For example, mizuna (potherb mustard), a leaf vegetable used mainly for salads, used to be individually packaged for retailing when we obtained it. We abolished the individual packaging and stopped sorting it by size. This has enabled us to save the trouble of packaging and reduce costs, such as the cost

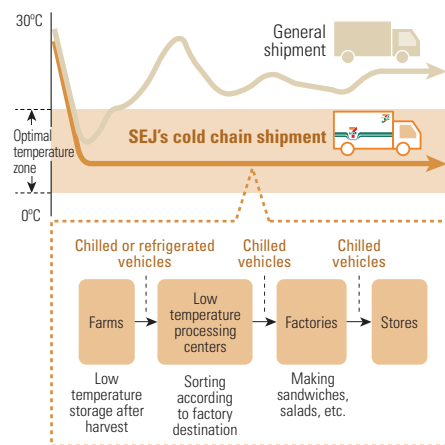


Fresh, high-quality ingredients

of packaging materials, thereby improving productivity. It has also ensured a stable supply of fresh mizuna.

This project was enabled with the cooperation of Zennoh Saitama (producer) and Yokohama Marunaka Seika Co., Ltd. (distributor). It was recognized by the Ministry of Agriculture, Forestry and Fisheries as an activity for promoting the production as well as consumption of domestic vegetables and for improving Japan's self-sufficiency ratio. The project also received the Agriculture and Livestock Industries Corporation President's Award from institutions including the Ministry. This award program, which commenced in 2008, honors businesses that promote the production and consumption of domestic vegetables.

Temperature change under general and cold-chain shipments



We strive to offer products that can be consumed with a greater sense of security.

At SEJ, we develop products based on our policy of avoiding the use of food additives wherever possible.

For example, we have eliminated sodium phosphate¹ from ham and sausages for our house-brand sandwiches, because excessive consumption of this substance is considered to prevent calcium from being absorbed by the body.

We have also been reducing the trans-fatty acids² contained in our food products. Trans-fatty acids are not a food additive, but excessive intake is considered to increase

the bad cholesterol in the blood and reduce its good cholesterol, thereby having a negative health impact. We reviewed those of our products containing trans-fatty acids and reduced their content in our house-brand bread to one-third of the previous content. We have also reduced trans-fatty acids in soybean oil, which is used to make fries for boxed meals and prepared foods, by some 20%. The cooking oil we use for our in-store fryers also comes with a reduced trans-fatty acid content.

1 Sodium phosphate

Sodium phosphate is used to improve the texture of food. It is considered that excessive intake may prevent calcium from being absorbed by the body, which may lead to osteoporosis.

2 Trans-fatty acids

Trans-fatty acids are a byproduct of the manufacturing process of oil products. It is considered that excessive consumption may cause arterial sclerosis or heart disease.

Quality Control in Factories



We have established a quality control system based on the NDF-HACCP Certification Program.

In 1997, we at SEJ introduced the Hazard Analysis and Critical Control Points (HACCP) method for food sanitation control, which originates from a space food development program. In 2002, we commenced our own NDF-HACCP Certification Program³ to inspect and certify the quality control performance of each dedicated factory. In this certification program, factories are independently inspected by the Tokyo Kenbikyoin Foundation in terms of some 140 food safety items, which were determined by SEJ based on the HACCP. Then, the Nihon Delica Foods Association (NDF)⁴ reviews the inspection results and provides certifications to factories meeting the standards. Certified factories must undergo an annual follow-up surveillance inspection to maintain the control systems' quality.

By the end of FY2008, 62.4% of all our factories had been certified, contributing

greatly to improving the quality control levels of our dedicated factories manufacturing boxed meals and prepared foods. The quality control system based on the NDF-HACCP Certification Program has been firmly established, which has further strengthened the mechanism for preventing the shipment of defective products. In addition, the environment inside the factories has been improved and organized. The maintenance and inspection of factory facilities and



equipment, which lead to hazard prevention and environment-friendliness, have also been improved.

To keep the production site dust and hair free, an air shower and thorough hand washing are required before entering the room.

3 NDF-HACCP Certification Program evaluation items

- Organization and management
- Document management
- Factory floor conditions
- General sanitation controls
- HACCP items, etc.

4 Nihon Delica Foods Association (NDF)

The NDF was established in 1979, mainly by producers of prepared foods that include cooked rice (e.g., box lunches, sushi, and rice balls). The purposes of its establishment included improving quality control levels in terms of hygiene in factories manufacturing food products, and eliminating quality gaps between locations.

Establishment of a Traceability System

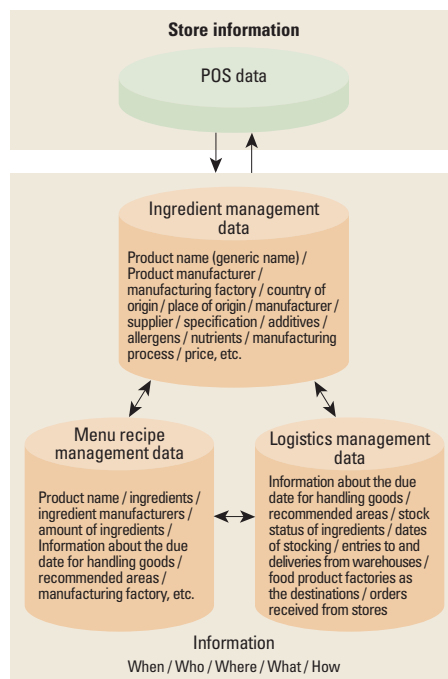


We are making even more effective use of our traceability system.

At SEJ, we ensure the traceability of ingredients of our products by using three databases: Ingredient Management Data, Menu Recipe Management Data, and Logistics Management Data. These databases are interlocked with the POS data of each store, enabling us to check the entire histories from the origins of the ingredients to the store shelves. This makes it possible to know which products have been delivered to which stores. As a result, if a problem should be found with a certain ingredient, all the products containing that ingredient can be pulled from the store shelves immediately.

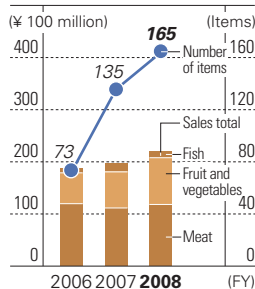
This system also enables us to confirm the amount of ingredients and packaging containers used in each factory, helping to reduce waste and excess purchases and stock.

Traceability of ingredients



Superstore Operations

1 Sales and lineup of the KAOGA-MIERU-SHOKUHIN



2 Specially Cultivated Crops

Specially Cultivated Crops refers to those that are produced with 50% or less frequency of chemically-synthesized agrochemicals recognized by the Ministry of Agriculture, Forestry and Fisheries and 50% or less nitrogen content in the chemical fertilizers utilized, compared with the conventional usage levels defined by the governing prefecture based on the national guidelines.

3 Mitsuboshi Vegetables and Fruit

Currently, more than 100 produce items are displayed in stores throughout each year. They are also sold as pickles or used for prepared foods cooked in store.

Offering "More Reliable" Food Items



We offer house brand products with traceable origins, manufacturing processes, etc.

Amid rising concerns over food safety, we at Ito-Yokado and York-Benimaru offer food items selected with a particular emphasis on quality and safety control in an effort to deliver more reliable food.

At Ito-Yokado, we have been committed to standardized production methods and quality requirements, credibility through independent audits, and open relationships through proactive information disclosure. In 2002, we launched the house brand KAOGA-MIERU-SHOKUHIN¹ (food traceable to producers) — items with traceable product origins and production processes. We started by offering KAOGA-MIERU-YASAI (vegetables traceable to producers), and now the brand covers all fresh food categories including fruit, meat, eggs and fish, as well as vegetables.

When selecting the contract producers of KAOGA-MIERU-SHOKUHIN products, we assess them based on the main criterion of whether they comply with the laws and regulations while growing the products. Such assessments are made on the assumption that the producers place emphasis on safety and reliability while being committed to good flavor. When we conclude a new contract with a producer, we always visit them and hold an explanatory meeting. We also visit existing contract producers at least once a year to confirm that their cultivation methods, etc. comply with the standards.

In addition, the farms and Ito-Yokado

itself are subject to annual audits by third party certification organizations to ensure the reliability of the brand.

For transparent disclosure, we have created a page dedicated to this house brand on Ito-Yokado's website. The main features include product origin and production process information, Ito-Yokado staff journals on visits to producing farms, and recipes using the brand items.

York-Benimaru has also started to implement the same measures, offering York-Benimaru's SANCHIGA-MIERU-SHOHIN (products traceable to producers). A page dedicated to this house brand has been created on York-Benimaru's website. Information



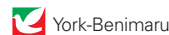
KAOGA-MIERU-SHOKUHIN webpage

disclosed on the webpage includes the characteristics and origins of the carefully selected fresh foods, their production processes, and details of the producers.



SANCHIGA-MIERU-OSAKANA (fish) section of York-Benimaru

Sale of Mitsuboshi Vegetables and Fruit



We offer produce grown with minimal use of agrochemicals.

In 2003, we at York-Benimaru started offering vegetables and fruit grown with the minimal use of agrochemicals. From March 2008, we have been offering agricultural products that fall under Specially Cultivated Crops² as Mitsuboshi Vegetables and Fruit³.

For these products, agrochemical use and cultivation histories are confirmed by an external specialized agency. In addition, our responsible employees visit the farms to check whether the reported details are correct. We also hold a

session every week for checking the flavor of the products by inviting buyers and other people to carefully select those products with the best



Mitsuboshi Vegetables Pickles

flavor. Through these efforts, we offer products that are safe, reliable, and delicious.

Enhanced Quality Control Management



We check the product quality throughout the entire process — from signing deals for purchase to processing, displaying, and selling the products.

At Ito-Yokado, we are committed to offering safe, quality food to customers. At the time of signing deals for purchase, we require suppliers to submit inspection and analysis certifications or their equivalents, which prove that the ingredients and additives concerned are properly controlled in a way that meets our quality standards.

When displaying products in each store, we thoroughly check the quality, freshness, and sell-by dates of each item. We also have dedicated Freshness Checkers methodically inspect the freshness, dates and labeling of each product to prevent defective products from being displayed on the shelves. We also pay attention to the condition of the products processed in stores, such as sashimi (sliced raw fish) and prepared foods. We check their freshness and the temperature of the sales floor at least three times per day using the

Freshness Check Calendar. In addition, Freshness Checking Patrols, consisting of non-food section employees, were organized in February 2007 to scrutinize the products from a customer viewpoint. These employees carefully check whether there are products that they wouldn't buy if they were a customer. The results of these inspections are shared with the store managers and Freshness Checkers for product quality control.

When we open a new store, we hold a training session for all the employees who will be in charge of the food section, along with a



Freshness Checking Patrols

training session for the store managers and assistant store managers to ensure the quality and safety of the products.

Ensuring Accurate Labeling



We ensure accurate labeling in stores with the FT Committee Office playing the central role.

At Ito-Yokado, we check for the accuracy of labeling and information presented in the stores and provide training to employees with the Fair Trade (FT) Committee Office playing the key role. Such efforts are aimed at providing the product and price information required by customers in an accurate, easy-to-understand manner.

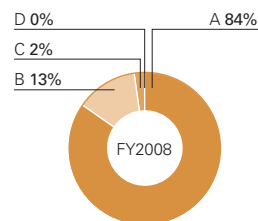
In the food sections, Freshness Checkers check whether there is any inaccurate labeling or information on in-store signs as they check the freshness of each product. In March 2004, Merchandise Control Managers began to check the labeling and other information displayed on the sales floors of apparel and household goods twice weekly.

To spread awareness of the importance of accurate information provision, we provide training on in-store labeling and information displays for store management staff. In addition, to enable all employees to check the labeling of their own accord, we have

established the FT Message Board and the Freshness Checker Message Board on our intranet, which show guidelines for checking labeling. In March 2009, we created a video for part-timers containing basic information on the management of information provision that we need them to be aware of. The video contents are divided into three sections: food, apparel and household goods. All the part-timers have watched this video, and we will use the video as a tool for training new recruits.

In FY2004, moreover, the FT Committee Office began store labeling checks in all stores semi-annually. The results of the checking are shared with the store manager and assistant store manager of each store for studying specific measures for improvement. In FY2008, the checks were conducted in a total of 363 stores⁴. In FY2009, based on the results of these checks, we will provide training to managers in charge of the sales floors of departments that received low evaluations in the checks.

4 Results of store labeling checks



Evaluation standards

- A: Labeling is correct, staff knowledge is excellent.
- B: Room for improvement in labeling, staff in some departments needs training.
- C: Room for improvement in labeling, staff needs training.
- D: Prompt improvement required, overall store organization must be examined.

Superstore Operations

1 Universal design

Universal design is an approach to the design of products, facilities and societies aimed at making them usable and comfortable for all people, regardless of physical disability, age, sex, physical constitution, nationality or race.

2 Number of items and stores offering the products (as of September 30, 2009)

Number of items: 8
Number of stores offering the products: 31

3 Number of items and stores offering the products (as of September 30, 2009)

Number of items: 20
Number of stores offering the products: 9

Introduction of Universal Design Principles



We develop products that are easy to use for anyone.

At Ito-Yokado, we apply the idea of universal design¹ in our product development.

In designing the RALEI series² of products, sold from February of 2007 our original kitchen utensils, we received assistance from Mr. Satoshi Nakagawa, an expert on universal design, and analyzed some 300 opinions from our customers. We utilized lightweight aluminum to enable users to lift the pan covers with one finger. In addition, because customer opinions included many complaints about the pan handle handgrips, we applied aventurine lacquer to it, to make it less likely to slip, even when wet. We also made the base of the handgrip thicker than the other parts to make it easier to grip and prevent burn injuries.

We began offering the Fuhenan series³

of tableware in March 2008. These products feature the use of lead-free glaze and our commitment to user-friendly forms, such as large, stable mug handles and a bowl angle and height that enable the user to pick it up naturally. We also attach QR codes to the products so that customers can check the information about them via their mobile phones. This is our response to customer concerns regarding the safety and reliability of the products.



A RALEI series kitchen utensil

We aim to design stores that are easily accessible for all customers.

Ito-Yokado welcomes a variety of customers to our stores every day. To provide all customers with a comfortable shopping experience, our newly opened and remodeled stores have been introducing barrier-free elements since the 1990s, including wheelchair-accessible parking spaces and fitting rooms.

Aiming for the next level, our Kiba Store opened in November 2000, and subsequent new and remodeled stores have incorporated universal design (UD) features into their store facilities, equipment and fixtures. In FY2007, we established a cross-sectional organization named the Universal Design Project, and we have received expert advice. In the Musashi-Koagnei Store, which was opened in March 2009, we installed many UD facilities such as intercom systems for universal use, wheelchair-only car parking spots, and multi-use restrooms under the keywords of usability, visibility, understandability, and safety and reliability. We also utilized large, highly-visible buttons for the elevators, and the escalators run at a slower speed to ensure the safety of users when they get in or out.

To further improve these measures, we

also invite senior and disabled neighbors to our new stores before their official launch. We receive a variety of opinions from them and make use of the opinions to improve our stores.



Wheelchair-only car parking spots have gates which can only be opened with dedicated cards that are given to pre-registered users.



Multi-use restrooms feature wider spaces, and the toilet seat position and washstand height ensure improved accessibility. Audio guidance is also available.



Intercom system for universal use

Department Store Operations

Protection of Customers' Personal Information

Sogo & SEIBU

We have established Seven Prohibited Actions for information management and provide training that ensures thorough implementation of these rules.

At Sogo & SEIBU, we believe that the personal information we collect from our customers is an important asset based on a relationship of trust between the department stores and the customers. We have therefore established internal rules, the Seven Prohibited Actions⁴, in accordance with the Act on the Protection of Personal Information. In addition, we have undertaken information security measures with regard to three major objectives: protection from unauthorized access, appropriate handling and the development of systems with easily accessible stored information.

To reinforce our information security systems, we have created organizations — the Information Security Committee at the head office and the Store Information Security Committee at each store — and appointed store managers as the customer information managers of individual stores.

In FY2009, we allocated one month to focus on training related to customers' personal information that is common to all Sogo & SEIBU stores. During this month, we

ensured that all our store employees were reminded of the importance of personal information. We took a number of measures to make employees fully aware of the basics of the appropriate management of customers' personal information, such as confirmation of basic knowledge during start-up and end-of-day meetings, tests conducted simultaneously at all stores, and educational activities using posters and in-house newsletters.

At Sogo & SEIBU, we will continue to ensure that all our employees take care when handling the important information we receive from our customers, and that they manage the information appropriately.



We installed partition boards at gift section counters to protect personal information.

4 Seven Prohibited Actions

1. Sending emails to customers from personal computers on the sales floors
2. Maintaining personal information on personal computers
3. Leaving documents containing personal information unattended
4. Taking personal information outside of the store
5. Maintaining personal information in a location other than that designated by the store
6. Sending advertising mail without the approval of the Sales Promotion Manager or an employee in charge of sales promotions
7. Receiving or delivering personal information without keeping a Personal Information Handling Record

Developing Food Safety Specialists

Sogo & SEIBU

We develop Department Store Food Safety Advisers to meet customer expectations.

We see a large number of accidents and incidents that undermine our faith in the safety and reliability of food. In response, we at Sogo and SEIBU encourage the leaders of our employees on the sales floors to undertake a correspondence course offered by the Japan Department Stores Association (JDSA) to become qualified as Department Store Food Safety Advisers⁵, a qualification certified by the JDSA.

We ensure that those employees deepen their knowledge of hygiene control and labeling, including the associated laws, so they are capable of ensuring food safety. Such efforts are aimed at developing staff with the customer service skills to respond appropriately to customer inquiries and enable customers to enjoy shopping with a sense of security, and who can provide instructions on labeling and hygiene control measures to sales staff. We aim to meet

customer expectations through these activities.

Sogo & SEIBU is also involved in developing a food hygiene control system. In FY2009, we revised the existing hygiene control rules to make them easier for employees to understand, and developed the Hygiene Control Manual. We also focus on employee training and regular sales floor inspections carried out by an external organization. To strengthen our food hygiene control measures, we fully revised the existing



A Department Store Food Safety Adviser attending to a customer

voluntary inspection format so employees in the field are aware that food hygiene control operations are confirmations, not inspections.

5 Department Store Food Safety Adviser

Department Store Food Safety Adviser is a qualification system established by the JDSA as a project for ensuring the security, safety and reliability of department stores. As of August 11, 2009, there were 233 people qualified as Department Store Food Safety Advisers.

Food Services

1 Seven Promises

1. Safety and reliability
2. Delicious
3. Hospitality
4. Cleanliness
5. Comfortable atmosphere
6. Trust and thoughtfulness
7. Strive toward future

2 Cold chain system

In the cold chain system, fruits and vegetables are kept at low temperatures during the entire journey from the farm to the restaurant, and remain subject to strict temperature control until they are cooked.

3 ISO 9001

ISO 9001 is a family of international standards for quality management systems.

Ensuring Strict Quality Control

Seven & i Food Systems

We control the quality of food based on our own standards.

To increase consumer trust in the safety of our food, we at Seven & i Food Systems have specified the Seven Promises¹ as our corporate creed, one of which is food safety and reliability.

In terms of the ingredients of the food served in our restaurants, we carefully inspect prospective items against the Statement of Business Terms, which specifies our own quality requirements regarding raw ingredients, additives, allergen content, and processing and preparation procedures.

For instance, we centrally control the quality and traceability of the vegetables served in Denny's restaurants by using Cultivation Plans and Cultivation Records for Registration. All producers of these ingredients in Japan and abroad are required to submit these documents. We require the producers to outline their fertilizer application plans and the details of their planned pesticide use in the Cultivation Plan, and

enter the actual processes performed in the Cultivation Records for Registration.

In addition, to ensure the stable sourcing of produce, we implement Annual Relay Sourcing, based on the annual cultivation plans, by which we source ingredients from different regions according to the season and harvest yields. To maintain freshness and quality, the purchased ingredients are shipped to each store at the optimal temperature in the cold chain system² and maintained in our restaurants' storage rooms under strict temperature control.



(From above) Cultivation Plans, Cultivation Records for Registration and Annual Relay Sourcing Schedule

Hygiene Control in Our Restaurants

Seven & i Food Systems

We are thorough hygiene control and employee education based on ISO 9001 requirements.

Our QC Office, which is responsible for hygiene control, obtained international quality control standard ISO 9001³ certification with regard to the standards and service of the sanitation control system of food in restaurants. We are working on hygiene control and employee education using management systems that comply with ISO 9001 requirements.

As for hygiene control, we emphasize freshness management, straightforward and clear so that all staff members can easily understand and participate. Every day, the restaurant managers and food preparation leaders check the order placement status and inventory levels, and their staff check the stock levels and expiration dates of ingredients during the pre-cooking preparation process. Such a systematic multi-layered product check system, together with unannounced third-party inspections, underpins our rigorous hygiene control systems.

In terms of employee education,

restaurant managers and food preparation leaders take a leading role in providing their staff with instructions on hygiene control. Furthermore, regional leaders also conduct periodic follow up checks in which they check the hygiene control conditions. In order to raise awareness of freshness and hygiene control, they ensure that self-checks by each employee are thoroughly conducted. By raising employee awareness in this way, hygiene control is improved.



ISO 9001 Management system registration



QC Office personnel giving instructions to a restaurant manager

Menu Items for Customers with Food Allergies

Seven & i Food Systems

We provide services that are safe and reliable for children and their families.

We at Denny's pioneered the development of low-allergen menu items⁴ for children with food allergies in December 2002. Since then, we have been committed to developing and offering new low-allergen menu items, such as low-allergen curry.

These menu items do not contain the five specified food allergens (eggs, milk, wheat, buckwheat and peanuts), the most common food allergens which are said to pose a high risk of severe allergic reactions. Currently, we are also developing menu items that eliminate prawns (shrimps) and crabs as well, which brings the total to seven food allergens together with the five mentioned above.

To prevent contact with regular ingredients, the ingredients for these special purpose menus are stored separately, and are processed and cooked using exclusive cooking equipment and containers in processing plants. In our restaurants, those

ingredients are cooked and placed onto dishes by dedicated staff separately from other items, and the dishes used for these items are washed and stored individually to avoid possible secondary contamination.

At Denny's, we also provide employee training on food allergies via video to ensure strict control over ingredients. We participated in a healthcare promotion event and symposium held in Saitama Prefecture in FY2007 and in Tokyo in FY2008 to obtain the necessary knowledge for managing allergy-causing ingredients.



Low-Allergen Plate

4 Low-allergen menu items

"Low-allergen menu items" is a coined term for menu items that do not contain the five specified food allergens.

Development of Health-Conscious Menu Items and Services

Seven & i Food Systems

We develop nutritionally-balanced menu items and provide support for customer health management.

The implementation of a health checkup and guidance program aimed at preventing metabolic syndrome was made mandatory in April 2008. In response, Seven & i Food Systems has been working to develop and offer healthy menu items that contribute to customers' healthier lives.

At Denny's restaurants, we have added nutritional information to our menu to help customers lead healthy lives. We indicate the calories and sodium content of each menu item, which are closely associated with lifestyle-related diseases and metabolic syndrome. A list is also available at each restaurant so that customers can check nutritional information such as fat and dietary fiber contained in each item. We are also developing nutritionally-balanced menu items for health-conscious customers.

Our dining service business, serving meals in customers' facilities, offers health

management services at the request of customers. The services are aimed at preventing lifestyle-related diseases that are significantly affected by daily diet — such as diabetes, high blood pressure, and increased neutral fat levels — and include exercise instructions, nutritional guidance and menu planning by dietitians and other professionals. We are planning to retain more dietitians and expand this service further in the future.



A dietitian issuing instructions

Financial Services

1 ATM

ATM stands for Automatic Teller Machine.

Development of More User-Friendly ATMs



We provide ATM services that offer customers a variety of reassuring security features.

Founded in 2001, Seven Bank has expanded its network of ATMs¹ throughout Japan with the motto "Everyone's ATM network, anytime and anywhere, safe and secure." We have installed some 14,000 ATMs (as of July 2009) all over Japan, which are used by more than 1.5 million customers every day.

These ATMs are installed in Seven-Eleven stores and superstores, where a large number of people come and go. Because of this, we have fully considered the safety of operations when designing the machines (see chart below). The second-generation ATMs (replacement completed in September

2008) come with environmentally-friendly features. The second displays mounted on the new machines display sales promotion information that used to be printed on paper, thereby saving paper and energy in distribution. The new ATMs automatically switch themselves to energy-saving mode after a set period of inactivity, which reduces electricity consumption by up to 20%.

We have also set up Call Centers and Computer Centers, both in eastern and western Japan. These Centers operate 24 hours a day, and are ready to back each other up in the case of an emergency.

Diverse functions of our ATM

The partitions prevent operations from being seen from the sides. These partitions can be adjusted by the customer.

In case of a problem, contact the Call Center using this intercom-equipment.

The ATM screen is covered with a special film that makes the display invisible from an angle.

The machine warns the user when he / she has left his / her card in the machine with warning lights and a non-stressful beeping sound.

A large hook for hanging shopping bags on

The second display shows a variety of information.

A rear-view mirror for the user

Press the Security Button to contact the security center quickly.

The key pad is deep-set to make operations hard for others to see.

Things other than bank notes are ejected from here when they are inserted into the slot by mistake.

- **Security cameras exclusively for the ATMs**
- **Built-in high-performance alarm sensor**
A security officer will hasten to the site if this built-in alarm sensor detects any abnormality.
- **Counterfeit note checking function**
The machine checks whether each note withdrawn or deposited is real or counterfeit.
- **Advanced encryption for protecting transmitted data**
The ATM network and systems are protected by multiple highly-reliable encryptions and strict multi-layered security measures.
- **Slim dimensions that fit the in-store space (W x H x D):**
450 x 1,900 x 550mm

Universal Design Considerations



We provide Audio-Guided ATM service and ensure usability of overseas cards.

At Seven Bank, we have been utilizing measures for serving diverse customers to offer ATM services to as many customers as possible.

For instance, we started providing Audio-Guided ATM service in November 2007. This service allows customers who cannot use the touch panel, such as visually impaired people, to deposit or withdraw money by following the audio guidance provided via the intercom-equipment. This service is also available to users of cards from our partner financial institutions².

In developing this audio-guided system, we checked its operability with the assistance of a group of visually-impaired people. Customers who used the service made favorable comments such as, "I used to ask my family to withdraw money for me, but I was able to do it for the first time by myself!"

For the second-generation ATMs, we lowered the position of the intercom in response

to requests from customers in wheelchairs.

In addition, in July 2007 we made our ATMs compatible with overseas cards, to overcome the inconvenience experienced by foreign visitors to Japan. Now those customers can withdraw Japanese yen using overseas-issued cash cards and credit cards. Given this, we also made our ATMs multilingual. Customers can choose to display information on the ATM screen and print transaction receipts in one of four languages other than Japanese: English, Korean, Chinese and Portuguese. A large number of customers, including overseas tourists, have made use of these services since we started providing them.



Intercom handset with user-friendly keypad



Information displayed in Korean

2 Partner financial institutions

Partner financial institutions refers to banks, Shinkin Banks (credit unions), labor banks, JA Bank, JF Marine Bank, securities companies, and other financial institutions that are linked with Seven Bank. As of August 31, 2009, we had 509 partner financial institutions. However, cards from financial institutions other than the above, such as life insurance companies and credit card companies, cannot be used in our ATMs even if they are linked with Seven Bank.

Anti-Crime Measures



We prevent fraudulent bank transfers with an account monitoring system.

At Seven Bank, we have been strengthening measures for preventing fraudulent bank transfers.

In January 2009, we added a screen message to the transaction procedure that alerts customers intending to make bank transfers of the possibility of fraudulent bank transfers. Customers cannot proceed to the next step unless they press the "Acknowledge" button on the alert screen. At the request of the Tokyo Metropolitan Police Department, we displayed photos of fraudulent bank transfer suspects on the ATM screens in Tokyo and Saitama Prefecture to appeal for information for around one month from February 2009.

While alerting customers through these measures, in July 2008 we also introduced an account monitoring system, which is aimed at preventing Seven Bank accounts from being used as receiving accounts for fraudulent bank transfers. The system refers

to data based on the analysis of transaction records from bank accounts that were used for fraudulent bank transfers in the past. Based on this data, the system monitors Seven Bank accounts that show similar transaction patterns and blocks intended bank transfers to the accounts until we check the validity of the transactions with the banks from which the money was sent, thereby preventing people from being scammed.

This system is greatly appreciated by the Tokyo Metropolitan Police Department, which presented Seven Bank with a certificate of appreciation in September 2008. We will



Receiving the certificate of appreciation

continue to prevent fraudulent bank transfers by further improving the precision of the system.