

# Seven & i Holdings' Material Issues

Seven & i Holdings has conducted dialogues with various stakeholders and in 2014 determined material issues that should be addressed so that the entire Group can respond to the expectations and demands of stakeholders. We will introduce the determination process here.

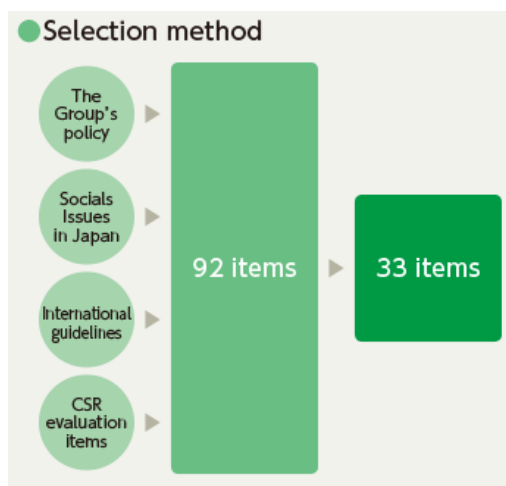
## Purpose of Material Issues Determination

- Concentrate on material issues that Seven & i Holdings should address in particular, and respond appropriately as the scope of its business expands and related social issues and social demands become more diverse.
- Clarify the direction towards CSR for the entire Group and maximize Group synergies.
- Implement CSR management and information disclosure in line with global standards.

## Material Issues Determination Process

### STEP 1 Identify social issues that should be considered

To determine the material issues, we identified social issues that should be considered. In addition to the Group's Corporate Action Guidelines and other policies, global frameworks such as GRI Guidelines G4, ISO 26000, and Millennium Development Goals; issues facing Japan, such as those debated by the Japanese government; and survey items of CSR rating agencies were also taken into consideration to identify social issues that should be addressed.



## STEP 2 Interviews with stakeholders

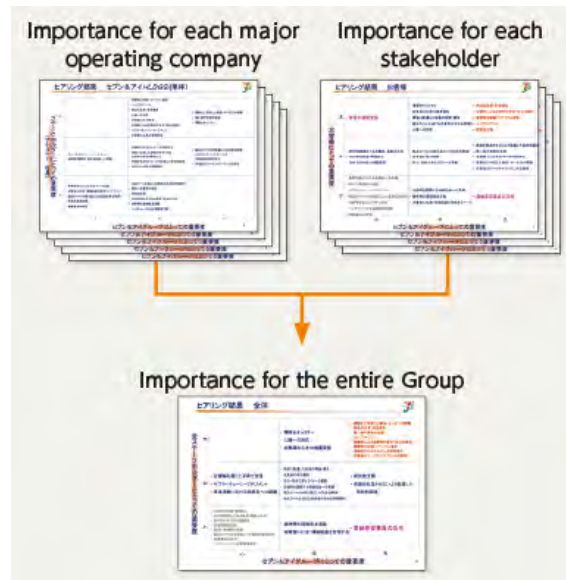
An interview survey in a questionnaire format was conducted with customers, business partners, shareholders and investors, and employees to understand the future expectations and demands of all stakeholders for the Group for the identified social issues. An assessment was made of how much of a priority the Group should place on each issue.

**Stakeholders interviewed and their expectations**

	Scope of interviews	Expectations of stakeholders (examples)
Customers	Customers of major operating companies	<ul style="list-style-type: none"> <li>Improving product safety</li> <li>Securely protecting personal information, etc.</li> </ul>
Business partners	Main business partners of major operating companies	<ul style="list-style-type: none"> <li>Further improvement of reliability throughout the entire value chain through shopping assistance for people who feel inconvenient for shopping</li> <li>Continuing support for disaster areas, etc.</li> </ul>
Shareholders and investors	Retail industry analysts	<ul style="list-style-type: none"> <li>Responding to disposal loss</li> <li>Supporting the needs of elderly people</li> </ul>
Employees	Executives and employees of major Group companies	<ul style="list-style-type: none"> <li>Responding to population aging throughout the entire Group</li> <li>Pursuing further quality and safety, etc.</li> </ul>

## STEP 3 Prepare candidate material issues based on the interview results

Based on the expectations of each stakeholder, the importance of the social issues was evaluated based on the two axes of the importance to each stakeholder and the importance to our Group business. Furthermore, after consolidating these axes to evaluate the overall level of importance, we prepared candidate material issues for the entire Group.

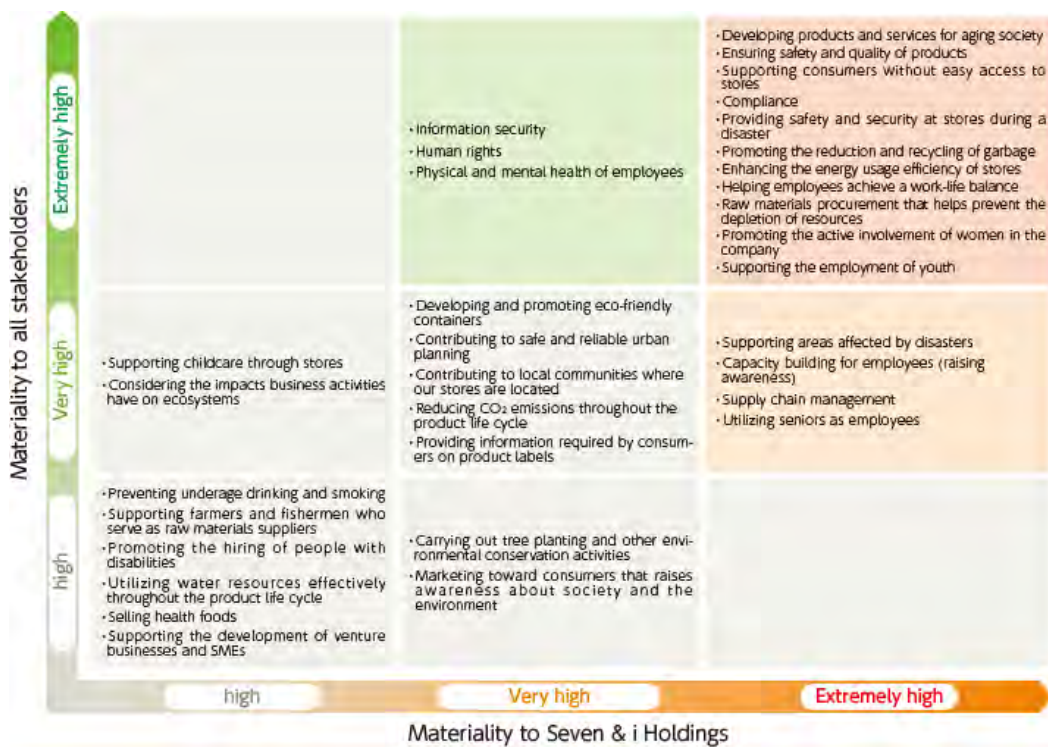


## STEP 4 Dialogue with experts

Based on our candidate material issues, we conducted dialogues with experts to discuss what issues Seven & i Holdings should focus on. These dialogues were held between members of the management of Seven & i Holdings and core operating companies, including the President and Representative Director. Opportunities were established to discuss the entire Group and to discuss each business area as opinions were exchanged with experts.

## STEP 5 Decide on material issues

We reviewed the importance of the various candidate material issues based on the opinions of stakeholders and experts and summarized them anew. Having sorted the candidate material issues by importance, we integrated the items of greatest importance for stakeholders and the Group's business into five areas that took into account their various associations. The CSR Management Committee, chaired by the President, decided on the material issues that Seven & i Holdings should address as a Group.



## Seven & i Holdings' Material Issues

### Material Issue 1

Providing Social Infrastructure in this era with an Aging Society and Declining Population



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### Material Issue 2

Providing Safety and Reliability through Products and Stores



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### Material Issue 3

Non-Wasteful Usage of Products, Ingredients, and Energy



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### Material Issue 4

Supporting the Active Role of Women, Youth, and Seniors across the Group and in Society



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### Material Issue 5

Building an Ethical Society and Improving Resource Sustainability Together with Customers and Business Partners



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