

Seven & i Holdings Corporate Creed

We aim to be a sincere company that our customers trust.

We aim to be a sincere company that our business partners, shareholders, and local communities trust.

We aim to be a sincere company that our employees trust.

Seven & i Holdings Corporate Action Guidelines

Preamble

The Company's mission is to provide customers with valuable products and services and to create new wealth and employment opportunities by conducting management with respect for business ethics.

All the management and staff of the Seven & i Holdings view pleasing the customer as their highest responsibility, and all are engaged in the pursuit of this mission.

To this end, we have established a sound management structure. We meet our social responsibilities, employing business practices in conformity with laws, regulations and social norms and with respect for human rights, the dignity of everyone with whom we are associated and the diverse values of international society.

We conduct business based on these policies and in compliance with the following regulations:

Basic Policy with our Regulated Items

Introduction

Ethics and Compliance with Regulations

In operating our business, our corporate actions are devoted to following management ethics, compliance with laws, ordinances, rules and social precepts, and to fulfilling our responsibilities to society.

Article 1: Business Activities

1. Relationship with Customers / Sales Activities
2. Relationship with Business Partners / Business Activities
3. Relationship with Shareholders
4. Promotion of Fairness

Article 2: Social Responsibility

1. Respect for Human Rights and the Dignity of Human Beings
2. Employment and Workplace Environment
3. Environmental Management
4. Relationship with the Community
5. Information Management

Editorial Policy

This Report represents CSR management by the holding company and CSR activities by the operating companies as part of their business operations.

In our CSR Report 2006, a thematic-based reporting format was adopted to focus on key societal issues and stakeholders' concerns and interests, as well as the way in which we addressed them with group policies and various initiatives by operating companies. Internal and external readers commented that this reporting style did not present the characteristics of each operating company effectively, and thus the readers could not gain a good understanding of which CSR issues were important to each operating company.

In response, the CSR Report 2007 (the "Report") features

different sections for different operating companies, focusing on respective priority areas identified and resulting initiatives performed as part of business operations of each operating company. In addition, the Report includes interviews between top management of the operating companies and their external stakeholders or experts, who offered objective perspectives on the priority areas.

Another new feature of the Report is the addition of a chapter titled, "Responsibility as a holding company," to highlight Seven & i Holdings' own key agenda in its capacity as the holding company of the group, and to demonstrate how the holding company fulfill its own CSR requirements and manage group-wide CSR activities.

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•Report Boundary

Seven & i Holdings Co., Ltd.; Seven-Eleven Japan Co., Ltd.; Ito-Yokado Co., Ltd.; Millennium Retailing, Inc.; York-Benimaru Co., Ltd.; and Seven & i Food Systems Co., Ltd.

•Report Scope

This report examines the "economic," "social" and "environmental" aspects of the activities by the entities listed above, including related planning, performance, results and future policies.

Publication Schedule

Current Report September 2007 Next Report Scheduled September 2008

•Reporting Period

Fiscal Year 2006 (from March 1, 2006 through February 28, 2007). Some activities in FY 2007 are also included.

•References

Environmental Reporting Guidelines (FY 2003 version), Japanese Ministry of Environment
Sustainability Reporting Guidelines (Version 3.0), Global Reporting Initiative (GRI)

Disclaimer

In addition to past and current information concerning Seven & i Holdings and its operating companies, this report includes speculation about the state of society as well as predictions concerning business plans and policies, and their anticipated results. These predictions and speculation represent hypothetical conclusions based upon information available at the time they were recorded, and both the future state of society and actual business results may vary due to changes in various factors. We request the understanding of our readers in this regard.

Seven & i Holdings is committed to meeting societal needs and making a positive contribution to a sustainable society by fulfilling our duties in our main business.



Toshifumi Suzuki
Chairman and Chief Executive Officer
Seven & i Holdings Co., Ltd.

Creation of a “new, comprehensive lifestyle industry” in an ever-changing society

We at Seven & i Holdings are working to create a “new, comprehensive lifestyle industry” that provides new values. To this end, in each and every operational area that is closely connected to the daily lives of our customers—convenience stores, general merchandise stores, department stores, supermarkets, restaurants, financial services and IT/services, we are devoted to meeting diversifying customers needs that reflect societal changes in Japan, such as consumption saturation, an aging population and declining birthrate.

In addition, Seven & i Holdings, as a holding company that manages its operating companies, has further improved its corporate governance systems. We are also committed to fulfilling our corporate social responsibility (CSR) across the group of Seven & i Holdings (the “Group”).

Offering solutions to social issues through our business activities

Seven & i Holdings and our group companies believe that listening to our shareholders, customers, business partners, local communities and employees, and incorporating the obtained feedback into our daily activities and innovations is a fundamental element of CSR. With this belief, we are emphasizing daily communication with stakeholders at all our stores. By doing so, we can gain a better sense of challenges today’s society faces, such as an aging population, declining birthrate, global warming, and food safety and reliability, enabling us to implement more effective responses through our business.

We also recognize that the sustainable growth and development of Seven & i depends on whether each and every group company and employee puts high

values on, and takes steady actions to: comply with laws, rules and social norms; observe fair business practice; respect diversification of workplace; coexist with local communities; conserve the environment; and fulfill other social responsibilities. To promote this, we have established the CSR Promotion Committee that manages overall initiatives by operating companies, and ensure an effective and consistent performance of CSR activities throughout the entire Group.

Review of our approach to societal needs from CSR perspectives

While some social issues can be addressed only by the public sector, in our opinion some social challenges can be best addressed by businesses, leveraging their infrastructure and expertise. In preparing this report, we have asked each operating company to review their activities from CSR perspectives. Throughout the Report, you will find many examples of how we are addressing societal concerns in our business. We will continue delivering transparent information, with a variety of communication tools, including the CSR report. We also aim to take our group-wide CSR activities to the next level by conducting active dialogues with our stakeholders.

Seven & i Holdings will continuously pursue sustainable growth together with society and strive to maximize our enterprise value. We look forward to your continued support for many years to come.

We aim at taking our CSR activities to the next level through active stakeholder engagement.



Noritoshi Murata
President and Chief Operating Officer
Seven & i Holdings Co., Ltd.

Promotion of stakeholder engagement by five specialized subcommittees

At Seven & i Holdings, we have established the CSR Promotion Committee and its five specialized subcommittees (Corporate Ethics and Compliance, Fair Trade, Environmental Management, Social Contribution and Information Management) to manage and guide CSR activities by each operating company. They serve as champions of CSR activities within the Group, providing forums to share relevant information and experiences, discussing policies and methodologies to identify group-wide issues, and thus checking management and operational activities against CSR criteria. The subcommittees are also facilitators of dialogues between our operating companies and their stakeholders, and take leadership roles in “stakeholder engagement,” where feedback obtained through stakeholder dialogues is incorporated into the Group’s decision-making process.

Advancement of CSR activities across the entire supply chain

As business activities are globalizing, stakeholders of a business—including investors, consumers, and non-governmental organizations—expect a company not only to fulfill its own CSR requirements but also to ensure that legal compliance, environmental conservation, and proper working conditions, and other CSR elements are properly in place throughout its entire supply chain, ranging from development of products to their manufacturing, distribution, sale, and disposal.

In response to such societal needs, in March 2007, we formulated *the Seven & i Holdings Business Partner Action Guidelines* (p.19), based on *the Seven & i Holdings Corporate Action Guidelines* (p.2). We

plan to start implementing these guidelines for our business partners within the current fiscal year. We believe that full compliance with these guidelines and collaboration in fulfilling social responsibilities will lead to a greater enterprise value of both Seven & i Holdings and our business partners.

Furthermore, aiming at further advancement of our societal contribution activities, we formulated *the Seven & i Holdings Basic Policy on Social and Cultural Contribution* (p.23) in June 2007. Under the Policy, we are focusing on creating a peaceful and prosperous living environment through even more collaboration and cooperation with local and international communities.

Employee-driven CSR with reinforced commitment of top management

In FY 2006, top management of our operating companies held dialogues with their external stakeholders and experts, discussing expectations from, and concerns of the society as well as appropriate future directions and next steps to be taken in connection with priority areas of their business domain. The resulting improved awareness of the top management is now being shared by every member of our group whether at our stores or offices, who will translate it into their individual actions on their own initiative. By leveraging each individual's proactive efforts, we will work to further increase the breadth and depth of our CSR activities to the next level.

Seven & i Holdings will continue placing a high value on communication opportunities, and living up to our commitment to being a company of integrity. Please read the Report and give us your candid feedback to help us serve you better in future.

With the goal of creating “a new, comprehensive lifestyle industry,” Seven & i Holdings pursues maximization of group-wide synergies and enterprise value.



We, Seven & i Holdings Co., Ltd., are a holding company that was established on September 1, 2005, through a stock transfer by Seven-Eleven Japan Co., Ltd., Ito-Yokado Co., Ltd. and Denny's Japan Co., Ltd.

We completed full acquisition of Millennium Retailing, Inc. and York-Benimaru Co., Ltd. on June 1 and September 1, 2006, respectively. In addition, with the objective of consolidating and restructuring restaurant operations, we established Seven & i Food Systems Co., Ltd. in January 2007. The three main operating companies in restaurant operations, namely Denny's Japan Co., Ltd.; Famil Co., Ltd.; and York Bussan K.K., became fully-owned subsidiaries of Seven & i Food Systems in March 2007. On September 1, 2007, the three subsidiaries were merged and they made a fresh start as the restaurant, dining service and fast food divisions of Seven & i Food Systems. As a result of such new development, we now oversee 94 operating companies (as of September 1, 2007).

Seven & i Holdings operates a network of about 33,000 stores worldwide in its seven core operational areas—convenience stores, superstores, department

stores, supermarkets, restaurants, financial services, and IT/services. We posted operating revenues for the year ended February 2007 of approximately ¥5.3 trillion.

At Seven & i Holdings, none of our activities can be merely an extension of the past. Adopting “breakthrough thinking,” we first set up a future goal from customers' perspectives and then find what we should do now to reach that goal. Moving beyond conventional ideas or frameworks, we continue working to bring innovation in retail business, creating a “new, comprehensive life style industry.”

To this end, we are working to generate synergy to the fullest extent among operating companies. Specific initiatives include integration of group-wide IT systems—such as information systems and operating systems, sharing of networks of suppliers and external experts, and joint procurement or development of raw material and merchandise. Furthermore, aiming at maximization of our enterprise value, we have aggressively promoted structural reform and restructuring of our group business in such a way to optimize our responses to changing customer needs, market trends and global economic conditions.



With the debut of *nanaco*, we became the first retailer who launched original e-money service. Mustering abilities of the Group having one of the largest networks and customer bases in Japan, *nanaco* aims to provide greater convenience to customers and increase store traffic.

2007.4
Launch of *nanaco*, the Group's original electronic money service



Akachan Honpo, an operator of maternity and baby-goods stores, became a subsidiary of Ito-Yokado. Through a financial and business tie-up with this popular retailer, we intend to enhance our products and services that support parents in local communities.

2007.7
Acquisition of Akachan Honpo Co., Ltd by Ito-Yokado

2007.3
Acquisition of the Loft Co., Ltd.

The Loft, operating variety stores mainly in and around Tokyo, became our subsidiary. By strategically developing the popular brand among young people, we aim to enhance enterprise value of our group.



2007.5
Launch of Seven Premium, new private brand products

By utilizing the Group's strength in product development, sourcing and quality control, our original brand, *Seven Premium*, was rolled-out, recasting the images of private brand products. In May 2007, initial 49 items went on sale.



Corporate profile (as of February 28, 2007)

Company name Seven & i Holdings Co., Ltd.
Establishment September 1, 2005
 Listed on the First Section of the Tokyo Stock Exchange
Headquarters 8-8, Nibancho, Chiyoda-ku, Tokyo
 102-8452, Japan

Nature of business A pure holding company that plans, administrates and operates a corporate group with seven principal businesses—convenience stores, superstores, department stores, supermarkets, restaurants, financial services, and IT/services—as well as specialty stores, manufacturing and processing services, real estate/security, publishing and others.

Paid-in Capital ¥50 billion

| | |
|--------------------------------------|--|
| Convenience store operations | •Seven-Eleven Japan Co., Ltd. •7-Eleven, Inc. •SEVEN-ELEVEN (HAWAII), INC. •SEVEN-ELEVEN (BEIJING) CO., LTD. |
| General merchandise store operations | •Ito-Yokado Co., Ltd. •Marudai Co., Ltd. •Hua Tang Yokado Commercial Co., Ltd. •Chengdu Ito-Yokado Co., Ltd. |
| Department store operations | •Millennium Retailing, Inc. •Sogo Co., Ltd. •The Seibu Department Stores, Ltd. •Robinson Department Store Co., Ltd. |
| Food supermarket operations | •York-Benimaru Co., Ltd. •York Mart Co., Ltd. •Shell Garden Co., Ltd. •K.K. Sanei •Beijing Wang fu jing Yokado Commercial Co., Ltd. |
| Restaurant operations | •Seven & i Food Systems Co., Ltd. [restaurants (Denny's Japan, Famil, etc)/fast food [Poppo]/dining service] |
| Financial services | •Seven Bank, Ltd. •IY Card Service Co., Ltd. •SE CAPITAL CORPORATION •K.K. York Insurance •Seven Cash Works Co., Ltd. |
| IT/Services | •Seven and Y Corp. •7dream.com •Seven-Meal Service Co., Ltd. •Millennium Casting Inc. •Gottso Bin Co., Ltd. |
| Specialty store operations | •Mary Ann Co., Ltd. •Oshman's Japan Co., Ltd. •The Loft Co., Ltd. •Akachan Honpo Co., Ltd |
| Manufacturing and processing | •IY Foods K.K. •K.K. Terre Verte (qualified special subsidiary) •Life Foods Co., Ltd. |
| Real estate/security service | •Mall & SC Development Inc. •IY Real Estate Co., Ltd. •Ikebukuro Shopping Park Co., Ltd. •Yatsugatake Kogen Lodge Co., Ltd. •K.K. York Keibi |
| Publishing | •SEVEN & i Publishing Co., Ltd. |
| Others | •SEVEN & i Life Design Institute Co., Ltd. •SEVEN & i Financial Center Co., Ltd. •S-WIL Co., Ltd. |

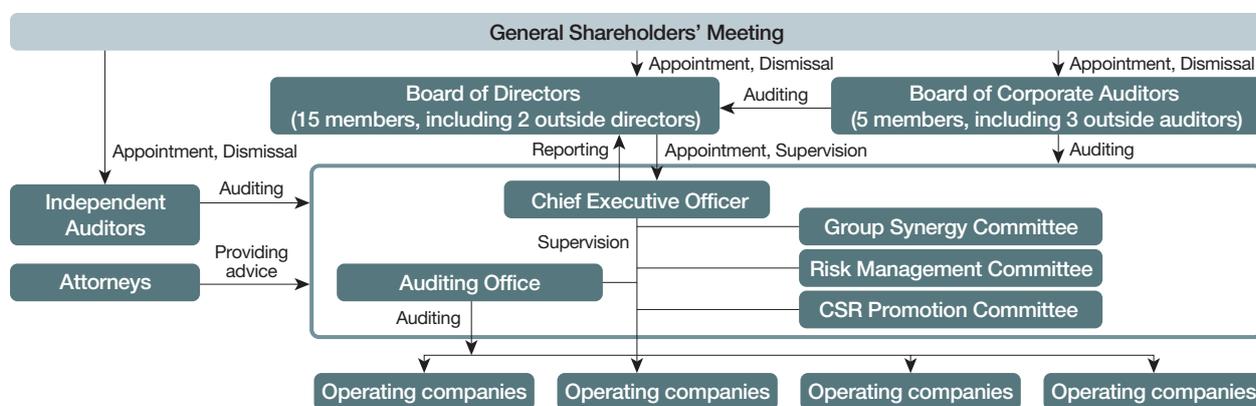
Seven & i Holdings has a distinct segregation of management oversight and business operation responsibilities to ensure the transparency and reliability of our business and increase business efficiency throughout the Group.

Our mission, as a holding company that oversees and controls its operating companies, is to strengthen corporate governance and maximize the enterprise value of our group.

In corporate governance, we take a logical approach to four issues: (1) operational effectiveness and efficiency, (2) reliability of financial reports, (3) strict compliance with laws and regulations in operating activities and (4) appropriate preservation of assets. The ultimate objective is long-term growth in

enterprise value.

In taking steps to achieve this objective, Seven & i Holdings seeks to achieve group synergies and implements careful monitoring to ensure the appropriate allocation of management resources. On the other hand, each operating company fulfills its own responsibilities in its field of business, where it acts independently to secure growth in profits and higher capital efficiency.



Basic Structures and Systems

Segregation of supervisory and business execution functions of the Board of Directors

As of May 31, 2007, the Board of Directors at Seven & i Holdings comprised 15 members, of whom 2 were outside directors. The term of directors has been set at one year to ensure prompt reflection of the wishes of shareholders.

In order to facilitate prompt decision making and execution in a rapidly changing management environment, we have introduced the executive officer system. Under this system, the supervisory functions of the Board of Directors are separate from the execution functions of the executive officers. The Board of Directors is able to focus on the formulation of management strategies and the supervision of business execution while the executive officers can focus on business execution.

Corporate governance led by the Board of Corporate Auditors

We monitor management through a system of corporate auditors. As of May 31, 2007, the Board of Corporate Auditors comprised five members,

including three outside corporate auditors. Each corporate auditor takes steps to audit the work of the directors, such as attending meetings of the Board of Directors and other important meetings, exchanging opinions with the representative directors, periodically receiving reports from directors and others regarding business execution, and actively exchanging information with the Auditing Office.

Furthermore, we have established the Auditing Office as an independent office to conduct internal audits. The Auditing Office has general responsibility for verifying the internal auditing of each of the core operating companies and providing guidance to them. The Auditing Office also has internal auditing responsibility for the holding company itself. In addition, the Auditing Office actively exchanges information with the corporate auditors and works closely with them while strengthening its general and internal auditing responsibilities.

In addition, an independent auditing office has been established in each core operating company to ensure that internal auditing responsibilities are handled in a thorough manner.

Internal Control Systems

As the Corporate Law of Japan came into effect in May 2006, corporations are required to develop a mechanism of internal controls to manage regulatory compliance and other overall risks, and ultimately to prevent corporate misconduct.

Accordingly, our Board of Directors has passed the resolution on the company's *Basic Policy on Internal Control Systems*, in accordance with which various steps have been taken, such as reviews of existing internal rules, evaluation of compliance with the applicable rules and of risk management activities.

Through an amendment to the Securities and Exchange Law and related laws, the Financial Instruments

and Exchange Law was enacted in June 2006. Under the new law, from the year commencing April 1, 2008 onwards, publicly listed companies in Japan will be required to file reports evaluating internal controls for the purpose of securing the reliability of corporate financial statements and prevention of accounting fraud.

As a result, from the year ending February 2010, we will be required to submit internal control reports evaluating our system to ensure the accuracy of documents regarding its financial accounts and other information. To prepare for this, the Group is taking steps to meet these requirements and to establish the appropriate systems.

Summary of the resolutions of the Board of Directors

1. Systems for ensuring that the work of directors and employees is compliant with laws, regulations, and the articles of incorporation

Each group company shall comply with the *Corporate Creed* and the *Corporate Action Guidelines*. In order to be trusted and known for integrity, all group companies shall implement ethical corporate activities; strictly observe laws, regulations, and social norms; and announce their fulfillment of corporate social responsibilities. All group companies shall establish Corporate Action Committees, which shall operate help lines, and Fair Trade Committees, which shall promote fair trade. The Corporate Ethics and Compliance Sub-Committee of the CSR Promotion Committee shall maintain this spirit as it reevaluates the Corporate Action Guidelines and each company's guidelines in order to further advance compliance.

2. Systems for the storage and control of information related to the execution of duties by directors

Seven & i Holdings (the "Company") is making efforts, mainly through the Information Management Sub-Committee of the CSR Promotion Committee, to study the current situation, make appropriate improvements, and establish document control regulations for the appropriate storage and management of information and documents (including digital records) related to the execution of business.

We confirm existing group-wide document control regulations and study the standardization and application situation.

3. Regulations and system for loss risk management

The Internal Control Promotion Project has been established under the auspices of the Risk Management Committee, which is chaired by the President and Representative Director. The project has established a risk management policy for the recognition of risk areas and the formulation of countermeasures for the work conducted by the Company and its operating companies. Risk management will be verified in accordance with this policy.

4. System for ensuring the efficiency of duties executed by directors

Duties are to be properly executed according to the appropriate regulations, including those concerning the right to make final decisions, administrative authority, organizational regulations, etc. In addition, through the Internal Control Promotion Project mentioned above, work execution efficiency shall be verified and appropriate corrective measures implemented.

5. Systems for ensuring the appropriateness of the work performed by the Group

As noted in 1 to 4 above, the Company will establish control systems for the Group as a whole covering all items such as work efficiency, compliance, etc.; notify its operating companies of the general outlines of these systems; and require concrete policy formulations. In addition, the Company shall provide support and guidance for the internal control activities of operating companies.

Each operating company shall maintain contact with each business division, mainly through the Corporate Action Committee, and will share information with Seven & i Holdings' Internal Control Promotion Project.

6. Matters related to the provision of support staff for corporate auditors

The Company shall provide support staff for corporate auditors when so requested.

7. Matters related to the independence from directors of the staff described in the previous item

The selection of support staff (including subsequent replacements) to work exclusively for the corporate auditors shall be subject to the approval of the corporate auditors.

8. System for reporting by directors or employees to corporate auditors and other systems for reporting to corporate auditors

A system shall be established for the prompt reporting by directors or employees to the corporate auditors of situations that have the possibility of causing significant damage to the Company as well as of malfeasance or unlawful/improper activity on the part of directors or employees. No director or employee providing such reports shall suffer any adverse consequences.

In addition, the Corporate Ethics and Compliance Sub-Committee shall provide regular reports to the representative directors and to the corporate auditors concerning the operation of the help lines, which should function as a public interest report mechanism.

9. Other systems for ensuring that corporate auditors can conduct their activities effectively

The corporate auditors shall meet regularly with a representative director and exchange opinions concerning important audit matters.

The corporate auditors shall maintain close contact with the Auditing Office and may request examinations by the Auditing Office when necessary.

The corporate auditors may consult with the independent auditors of the Company's accounts and with attorneys as needed, and the Company shall bear all of the costs of such consultation.

To further raise CSR awareness, Seven & i Holdings is flexibly promoting *the Corporate Action Guidelines* so that their letter and spirit will permeate across the Group.

To ensure full compliance with the *Seven & i Holdings Corporate Action Guidelines*, and all applicable laws and regulations, Seven & i Holdings has established Corporate Action Committees or assigned fulltime employees with responsibility for compliance and sound corporate actions, in each operating company.

These committee members and the specially assigned employees are involved in the Corporate Ethics and Compliance Sub-Committee (p.18), under the CSR Promotion Committee, to better implement the Guidelines and improve the quality of related activities by bringing them together to share their

knowledge and experience, establishing a common understanding on this area and discussing measures to upgrade their activities.

At the operating company level, “Help Lines” and “Yellow Whistle” systems, which allow its employees to report or consult on actual or possible wrongdoings, are in place for the purpose of deterrence and prevention of, and early solution to any behaviors or actions against *the Corporate Action Guidelines*. The systems are operated in a way to protect the informants from any disadvantage. For example, employees can even use the systems anonymously.



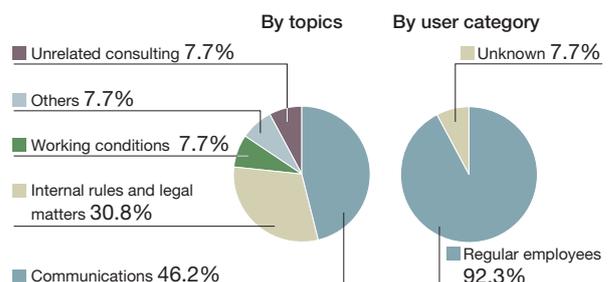
Internal reporting system at major operating companies

Seven-Eleven

In response to recommendations by the Audit Office of the holding company, Seven-Eleven has transferred the responsibilities for the operation of the Help Line to the Corporate Policy/Development Office from the HR Department in FY 2006. This change in responsibilities has been communicated to all employees.

In addition, a female employee joined the Help Line team in June 2007.

Access to Help Line System during FY 2006
Total access: 13 (5 in the previous year)



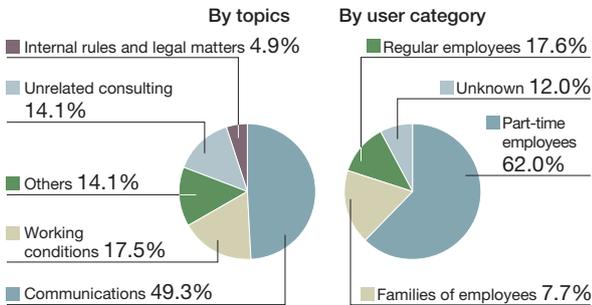
Ito-Yokado

With new, upgraded posters displayed, Ito-Yokado has intensified its efforts to increase recognition and encourage further use of the Help Line. It has also reaffirmed that all new part-timers should receive a copy of the Instructions on the Corporate Action Guidelines, which describes how each employee should follow the guidelines in their daily activities.

Furthermore, information obtained through the Help Line was incorporated into an educational DVD for managers, which has been used at corporate ethics training sessions for store management staff since March 2007.

Access to Help Line System during FY 2006

Total access: 142 (103 in the previous year)

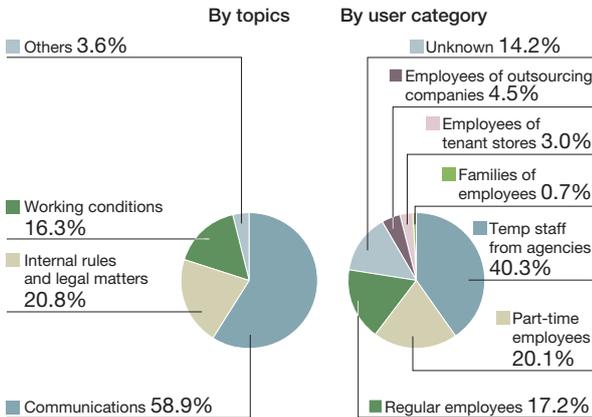


Millennium Retailing

To ensure all employees recognize the Yellow Whistle system, Millennium Retailing has revised awareness-raising posters and distributed a guidebook on harassment prevention to all managers and officers. Some examples of frequently reported wrongdoings were shared internally through company newsletter. Compliance training programs were provided to management staff, and sales representatives responsible for premium customers.

Access to Help Line System during FY 2006

Total access: 134 (170 in the previous year)

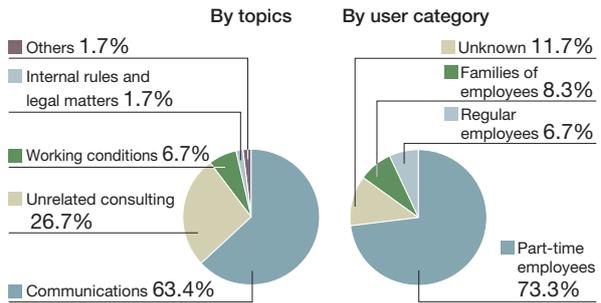


York-Benimaru

To eliminate discrepancies in levels of awareness and understanding of the Help Line system among new and existing employees, in FY 2006, York-Benimaru has distributed awareness-raising posters once again to all its stores and held compliance training sessions as part of sales meetings for senior managers. During the session, the information reported through the Help Line was shared among the participants.

Access to Help Line System during FY 2006

Total access: 60 (54 in the previous year)



Seven & i Food Systems

(information below is that of formerly Denny's Japan)

Compliance activities during FY 2006 include the development of new versions of posters to raise awareness of the Help Line in March and November, distribution of the posters to all its stores, and implementation of training sessions on compliance for store managers twice a month, and for new district managers twice a year.

Access to Help Line System during FY 2006

Total access: 50 (96 in the previous year)

