

We studied and selected the content of this Report by referring to the expert opinions of professional external advisors.



## Step 1

We studied recent public expectations and issues faced by society.

- Harmony between the economy, environment, and society
- Respect for individual autonomy and human nature
- Diversity
- Work-life balance
- Corporate scandals and mislabeling scams
- Product and facility accidents
- Unfair trade
- Quality and safety of products and food items
- Universal designs of products, facilities, etc.
- Food self-sufficiency
- Resource depletion
- Recycling of resources and energy
- Global warming
- Maintenance of ecosystems and biodiversity
- Pollution of air, water, soil and ground water
- Forced labor and child labor
- Localization of overseas offices
- Job creation
- Fairness of employment
- Equal pay for equal work
- Overwork
- Occupational safety and health
- Social security systems
- Personnel development and training
- Elderly employment
- Diminishing sense of community
- Maintaining and respecting local culture
- Development of local economy
- Information disclosure
- Information security
- Protection of personal information

\* Random order



To create a report that would respond to the concerns of our diverse stakeholders, we asked three people (see page 15) who had provided us with third-party comments regarding the CSR Report 2008 to join us as professional external advisors when we were determining the content of this CSR Report 2009. With the help of their expert opinions, we studied and selected the content according to the following three steps.

### Step 1

First of all, we studied recent public expectations and issues faced by society by referring to the GRI Guidelines Version 3.0, a draft of ISO26000, Environmental Reporting Guidelines of the Ministry of the Environment, SRI research items, and so on. From among the issues that need to be tackled and resolved by the government, businesses and individuals, either separately or in cooperation, we selected those that are attributed to businesses and those for which businesses can contribute to the solutions, based on the advice of the professional external advisors. The issues we selected are listed above.



## Step 2

We selected key issues that need to be addressed by the Seven & i Holdings Group.



- Enhancement of internal control
- Ensuring compliance
- Establishment of corporate ethics



- Strengthening CSR management
- Promotion of fair trade
- Promotion of CSR procurement

- Appropriate understanding of environmental impact
- Waste reduction and creation of a recycling society
- Improvement of energy efficiency and introduction of renewable energy

- Measures for biodiversity
- Offering eco-friendly products
- Raising environmental awareness among employees



- Commitment to quality and safety of products and services
- Development of stores and facilities that can be used with a sense of security
- Introduction of universal design principles

- Appropriate provision of information
- Direct response toward customers

- Support for new parents and elderly people
- Assistance with revitalizing local communities

- Providing support at times of disaster
- Crime-prevention measures for local communities



- Development of employee abilities
- Fair assessment and treatment

- Achievement of work-life balance
- Use of diverse human resources

### Step 2

Based on the issues selected in Step 1, we identified those that are deemed as particularly important for the Seven & i Holdings Group. In this process, we prioritized the issues from the viewpoint of which issues our Group should tackle and what measures will allow us to contribute to the resolution of the social issues through our regular operations, etc., in light of the features of the operations of Seven & i Holdings and the operating companies.

We then reflected the expert opinions of the professional external advisors in the selected issues, and identified and classified those deemed as important for the Group as listed above.

### Examples of the expert opinions of the professional external advisors and our responses

#### Opinion

Because Japan is highly dependent on imported food, consumers are concerned as to whether there is any fraud or heavy environmental impact in the process of procuring or producing food items.

#### Our response

We renewed our awareness of the necessity of CSR procurement to be made in cooperation with our business partners.

#### Opinion

In addition to energy conservation, the use of renewable energy such as green electricity is also important as a measure for reducing CO<sub>2</sub> emissions.

#### Our response

We selected the introduction of renewable energy as a separate key issue from energy efficiency improvement.

## PROCESS OF DETERMINING THE CONTENT OF THIS REPORT

### FEATURE ①

#### Number of business partners

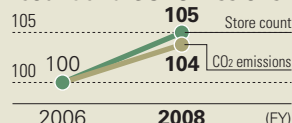
Approaching approx. 20,000

\* Number of companies that deal directly with our operating companies in Japan (as of August 31, 2009)

We cooperate with approx. 20,000 business partners.

### FEATURE ②

#### Changes in the store count and CO<sub>2</sub> emissions



\* Indexes calculated on the basis of setting the figures for FY2006 at 100

It is important to prevent the environmental impact from growing while the number of stores increases.

### FEATURE ③

#### Number of prefectures where our stores are located

Approx. 13,800 stores  
43 prefectures

\* As of February 28, 2009

We offer products and services that are rooted in each local community.

### FEATURE ④

#### Proportion of part-timers in our major operating companies in Japan



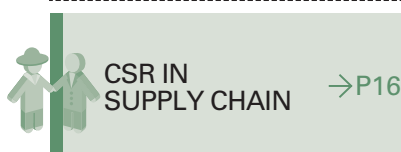
\* As of February 28, 2009

Approx. 70% of our employees are part-timers. We help our employees work in diverse ways.

## Step 3

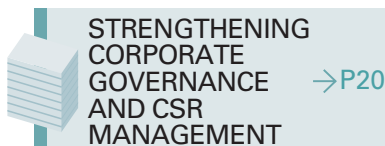
We arranged the structure of the Report according to the issues and focused on highly-important activities.

### Content



#### CSR IN SUPPLY CHAIN →P16

We at the Seven & i Holdings Group deal with a large number of diverse business partners (Feature ①). We have a responsibility to provide safe, reliable products to our customers in cooperation with our business partners, while ensuring that we undertake fair trade with them. This chapter focuses on our promotion of CSR in our overall supply chain as the special feature.



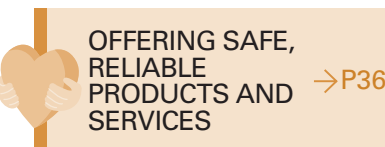
#### STRENGTHENING CORPORATE GOVERNANCE AND CSR MANAGEMENT →P20

In this chapter, we report on our Group governance centered on Seven & i Holdings, our compliance system and our CSR management system comprising committees, as measures for fulfilling our responsibilities as a holding company.



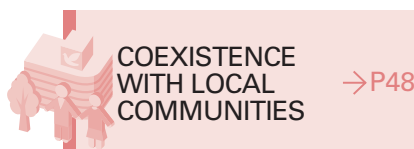
#### REDUCING THE ENVIRONMENTAL IMPACT →P24

We have a responsibility to prevent the increase of environmental impact as we expand our businesses (Feature ②). This chapter reports on the principal measures utilized by our operating companies to ensure an appropriate understanding of the environmental impact pertaining to business activities and to reduce these impacts.



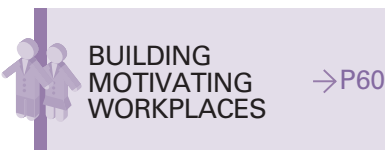
#### OFFERING SAFE, RELIABLE PRODUCTS AND SERVICES →P36

We see a large number of product accidents and mislabeling scams. This chapter reports on the measures we take to secure the basic quality and safety of our products, to provide services and information appropriately, and other measures we utilize as retailers to provide products that are best suited to the daily lives of our customers.



#### COEXISTENCE WITH LOCAL COMMUNITIES →P48

Our Group operates community-based businesses all over Japan (Feature ③). As a result, it is important for us to contribute to resolving the issues faced by local communities, such as diminishing sense of community, the declining birth rate and the aging population. This chapter reports on such activities as helping to revitalize local communities and the like.



#### BUILDING MOTIVATING WORKPLACES →P60

As a company employing a large number of part-timers (Feature ④), it is important for us to build motivating workplaces and incorporate diverse ways of working. This chapter reports on the improvements and enhancements we have made to our HR policies and programs, and on the support we provide to our employees for developing their abilities.

## Step 3

We determined the structure of this Report (as shown above) based on these organizations and classifications. In selecting the measures for the respective issues to be included in this Report, we focused on those that are of great public concern and importance (*materiality*).

### Examples of the expert opinions of the professional external advisors and our responses

#### Opinion

The Report will be understandable if the safety of products is linked with their traceability and environmental awareness in the supply chain.

#### Our response

We summarized CSR in the supply chain, an important issue for the retailing business, as the special feature.

#### Opinion

It would be good to carry out a self-assessment regarding your achievements and issues by providing a list that clarifies the measures taken by each company in tackling the respective issues.

#### Our response

In terms of "Reducing the Environmental Impact," "Offering Safe, Reliable Products and Services," "Coexistence with Local Communities" and "Building Motivating Workplaces," we provide lists in the initial pages of the respective chapters showing the principal measures taken by the major operating companies.

#### Opinion

The responsibilities of the holding company and operating companies should be clearly segregated.

#### Our response

We created a chapter entitled "Strengthening Corporate Governance and CSR Management" to report on the measures taken by Seven & i Holdings Co., Ltd. in controlling the overall Group.



## Key Expert Opinions of the Professional External Advisors regarding the Report as a Whole and Our CSR Measures

### Opinions of Ms. Kikuko Tatsumi

Board Member, Chair of the Environmental Committee  
Nippon Association of Consumer Specialists

"In addition to details of the measures you have taken, the Report should include evaluations of the measures by your customers."

"To consumers, "Reliability" means a sense of security not only in terms of their own health, but also in the knowledge that the products they purchase have been produced and procured in fair and legitimate ways, and therefore they are neither directly nor indirectly involved in any wrongdoing. I believe that the Fair Trade products will serve as a measure for addressing this issue."

"Measures that are commonly taken by the companies should be reported together. This would make the Report more understandable."



### Opinions of Ms. Mariko Kawaguchi

General Manager of the Management Strategy Research Department,  
Daiwa Institute of Research Ltd.

"Things you have not yet implemented also need to be clarified as assignments."

"In addition to providing examples of each company's activities, you should also report on your policies and the strategies of the entire Group, such as a plan for increasing your efforts."

"With regard to "Coexistence with Local Communities," you should consider reporting on the measures taken by Seven Bank, which is not a distributor or retailer."



### Opinions of Mr. Yoshiki Midorikawa

Co-chair, the Valdez Society  
Director, Green Consumer Research Group

"The foundations of CSR are that a business does not cause social problems and provides solutions to social issues. I rate the idea of identifying your own issues based on existing social issues highly. However, you have not covered social issues sufficiently, and improvement is required in this respect."

"The overall Report does not show your medium- to long-term visions sufficiently. It is desired that you provide a comprehensive CSR table showing the targets for the fiscal year, results, self-assessments and future objectives."



## Our response to these opinions

We made some improvements to the Report in response to the above opinions.

- We sought opinions and requests from stakeholders and included them in the Report as examples of external evaluations of our measures (see page 67).
- To ensure that we provide an understanding of the overall picture and features of our operations, we added pages showing the outlines of our major operating companies (see pages 8 to 11).

We also renewed our awareness of the shortcomings of the Report as issues we need to overcome in the future, such as the lack of clear medium- to long-term objectives for the entire Group and the lack of specific processes for achieving the objectives. We will ensure that the advanced measures taken by some of the operating companies are shared across the entire Group and developed further. With regard to issues we have yet to work on, we will study specific measures to intensify the CSR activities of the Seven & i Holdings Group as a whole.