



Third-party organization sanitary inspection  
of food preparation facilities

# Provision of Safe, Reliable Products and Services

## Basic Group Policy

Seven & i Holdings observes rules and regulations related to sales activities, and, while conducting fair sales activities based on management ethics and social norms, adopts the customer's perspective to offer superior products and services that provide full customer satisfaction.

## Code of Corporate Conduct

Seven & i Holdings' members . . .

- 1 Serve every customer fairly and impartially in good faith, and provide venues where customers can shop with satisfaction.
- 2 Observe all relevant rules and regulations and conduct sales activities in accordance with the wholesome customs and common wisdom of society.
- 3 Take every precaution to prevent accidents or problems in respect to products or customer services before they occur.
- 4 Place the highest priority on ensuring customer safety if an accident or problem should occur with respect to products or customer services, respond quickly and appropriately and make the greatest possible effort to enforce measures to prevent expansion of such accidents or problems.

From the Seven & i Holdings Corporate Action Guidelines  
(Formulated 1993, revised 2007)  
<http://www.7andi.com/csr/guidelines.html/> (in Japanese)

## Group-wide Measures

### Private Brands That Meet Expectations of Safety and Security






The various Seven & i Holdings Group companies sell products bearing our private "Seven Premium" brand with its stress on good taste, quality and safety. As one link in our measures to assure safety, we have compiled a database of all the raw materials used in our food products to unify their management. Besides registering information concerning the amounts of each raw material used and the presence or absence of allergenic substances, we ensure traceability by keeping production records concerning the components that make up the raw materials. Even should problems be discovered involving raw materials or their components, this management system enables us to identify the products containing them quickly.



Seven Premium products



Primary Efforts by Our Main Operating Companies

	Convenience Store Operations	Superstore Operations		Department Store Operations	Food Services	Financial Services
	Seven-Eleven Japan	Ito-Yokado	York-Benimaru	Sogo & Seibu	Seven & i Food Systems	Seven Bank
Ensuring the quality and safety of products and services	<ul style="list-style-type: none"><li>● Introducing NDF-HACCP in production facility <a href="#">▶ P.36</a></li></ul>  <ul style="list-style-type: none"><li>● Reducing use of food additives <a href="#">▶ P.36</a></li><li>● Achieving complete product temperature control</li><li>● Establishing traceability systems</li></ul>	<ul style="list-style-type: none"><li>● Ensuring food product traceability <a href="#">▶ P.37</a></li><li>● Checking freshness and expiration dates</li></ul>	<ul style="list-style-type: none"><li>● Ensuring food product traceability <a href="#">▶ P.37</a></li><li>● Sale of fruits and vegetables grown with minimal use of chemical fertilizers and pesticides <a href="#">▶ P.37</a></li><li>● Conducting complete hygiene management</li><li>● Conducting freshness monitoring</li></ul> 	<ul style="list-style-type: none"><li>● Quality Control Office establishment <a href="#">▶ P.39</a></li><li>● Sales of products made with organic cotton <a href="#">▶ P.39</a></li><li>■ Third-party product hygiene inspections <a href="#">▶ P.39</a></li><li>● Encouraging employees to obtain qualification as food safety advisors</li><li>● Hygiene management manual-based food product hygiene management system improvement</li><li>● Conducting food hygiene management courses</li></ul>	<ul style="list-style-type: none"><li>● Strict materials management <a href="#">▶ P.40</a></li><li>● Ensuring food product traceability <a href="#">▶ P.40</a></li><li>● Obtaining ISO9001 certification <a href="#">▶ P.40</a></li><li>● Development of a low-allergen menu <a href="#">▶ P.41</a></li><li>● Implementing customer health management support by nutritionists</li></ul>	<ul style="list-style-type: none"><li>● Precautions to prevent financial crimes <a href="#">▶ P.42</a></li><li>● Non-stop ATM structure construction<ul style="list-style-type: none"><li>– Duplex system adoption</li><li>– Security countermeasures employing original network circuits</li><li>– Rapid response at times of accidents or problems</li></ul></li></ul>
Developing stores and facilities customers can visit with a sense of security	<ul style="list-style-type: none"><li>● Promoting barrier-free stores (wider aisles, shopping carts, multi-purpose restrooms)</li><li>● Providing disaster response information through bulletins for franchise stores</li></ul>	<ul style="list-style-type: none"><li>● Employing Universal Design in store layouts <a href="#">▶ P.38</a></li><li>● AED installation</li><li>● Preparing and following “Large-scale Disaster Response Procedures” manual for responding to earthquakes and other disasters</li></ul>	<ul style="list-style-type: none"><li>● Increasing the number of stores in compliance with New Barrier-Free Law (provision of parking for elderly &amp; physically challenged, multi-purpose restrooms, etc.) <a href="#">▶ P.38</a></li></ul>	<ul style="list-style-type: none"><li>● Installation of AEDs in all stores</li><li>● Renovating buildings with emergency facilities and conducting fire drills</li><li>● Adopting barrier-free store facilities</li><li>● Encouraging employee participation in emergency first-aid lifesaving courses</li></ul>	<ul style="list-style-type: none"><li>● Equipping stores with barrier-free facilities (ramp installation, baby bed &amp; baby seat installation in restrooms)</li></ul> 	<ul style="list-style-type: none"><li>■ Adoption of Universal Design for ATMs (voice guide service enabling use by visually impaired) <a href="#">▶ P.42</a></li></ul>
Assuring appropriate information provision	<ul style="list-style-type: none"><li>● Employing guidelines to ensure accurate display that will not mislead customers</li><li>● Indication of allergenic information on original daily products (listing both mandatory and discretionary items)</li><li>● Conducting explanation meetings for new franchise owner recruitment (explanations of the franchise system and store management know-how)</li></ul>	<ul style="list-style-type: none"><li>● Verification of expressions used in labels &amp; advertising by a dedicated inspection section <a href="#">▶ P.38</a></li><li>■ Conducting employee education with respect to displays and indications <a href="#">▶ P.38</a></li><li>■ Web site display of production history for “Foods with traceability” <a href="#">▶ P.37</a></li></ul>	<ul style="list-style-type: none"><li>■ Publication of food production history on Web site <a href="#">▶ P.37</a></li><li>● Conducting employee education with respect to displays and indications</li></ul>	<ul style="list-style-type: none"><li>● Implementation of labeling-related education through inspections of appropriate labeling by and quality control training for employees by the Quality Control Office</li><li>● Making materials on production areas available at gift counters</li><li>● Displaying allergenic information in food sections and restaurants</li></ul>	<ul style="list-style-type: none"><li>● Publication of calories and other nutritional information in menus</li><li>● Publication of allergenic information on Web site (Denny’s)</li></ul>	<ul style="list-style-type: none"><li>■ Response in a foreign language (English, Korean, Chinese or Portuguese) when a customer uses as foreign bank card at an ATM <a href="#">▶ P.42</a></li></ul> 
Responding sincerely to customer opinions (Structures)		<ul style="list-style-type: none"><li>● Installation of customer opinion boxes in stores</li><li>● Information sharing on customer opinion bulletin boards in stores</li><li>● Conducting of in-store surveys by lifestyle consultants</li></ul>	<ul style="list-style-type: none"><li>● Installation of customer opinion boxes in stores</li></ul> 	<ul style="list-style-type: none"><li>● Installation of customer opinion boxes in stores</li><li>● Gathering customer feedback by means of memos and the Web site</li><li>● Reflection of customer opinions in the activities of the Customer Services Division &amp; Customer Consultation Office</li></ul>	<ul style="list-style-type: none"><li>● Placement of questionnaire postcards at check-out counters and provision of customer feedback box on Web site</li><li>● Customer feedback information sharing (stores &amp; headquarters)</li></ul>	<ul style="list-style-type: none"><li>● Provision to relevant departments of information analysis by Customer Services Department and various suggestions and proposals</li><li>● Third-party evaluation through participation in activities such as external competitions in customer responsiveness</li></ul>
	Customer consultation office & call center establishment					

Third-Party Opinion

**Yukiko Furuya**  
Director,  
Japan Association of Consumer  
Specialists (NACS)  
Head,  
NACS Consumer Research Center



“I expect that the Group as a whole operates in a transparent manner from the perspective of consumer activities.”

When evaluating or judging a corporation, I concentrate on whether or not the overall management is conducted from the consumer’s perspective.

I previously observed that Seven & i Holdings maintains a clear policy with respect to consumers and that it has concrete, clearly defined plans for solving problems should they occur. I also evaluated their disclosure at every point with concrete numerical data as a strong merit.

In observing the overall operations this time, I failed to get a clear understanding of the current progress and problems within the Group’s overall direction and framework. Will the food traceability several companies have implemented be extended to other products and other Group companies, for example? I think it will be better if the policies, progress and problems are transparently revealed.

I also feel it is essential that Seven & i Holdings demonstrates its merits as a full Group. Expanding the positive activities of individual companies throughout the Group would tighten its bonds with consumers by adding to the value and trust associated with the idea that these activities are characteristic “because it’s Seven & i.” Looking to the future, I anticipate that the Group as a whole will make increasingly proactive efforts to solve social issues.

Convenience Store Operations

Quality Control of Products in Development and Manufacturing

**\*1 Key evaluation points in the NDF-HACCP inspection and certification system**

- The organization and its operations
- State of record-keeping
- Work area conditions
- Checking of factors concerning general sanitation
- Checking of HACCP program items

**\*2 Japan Delica Foods Association (NDF)**

Created in 1979 by a core group of companies that manufacture cooked packaged rice, this association seeks to improve quality control with respect to food sanitation in plants where packaged foods requiring refrigeration are manufactured and to reduce regional discrepancies in product quality.

Applying safety standards for 140 items to strengthen our quality control processes and systems

Since 1997, Seven-Eleven has applied a food sanitation management methodology based on Hazard Analysis and Critical Control Point (HACCP), a food hygiene system originally developed for foods for space missions. Since 2002, we have also applied the NDF-HACCP inspection and certification system\*1 for quality control at the processing facilities.

In accordance with this HACCP-based system, Seven-Eleven food preparation facilities are inspected to ensure compliance with a safety standard comprising approximately 140 checkpoints. Production facilities receive certification only when they meet or exceed the highly demanding HACCP standards.

The audits are conducted by a third party, Tokyo Kenbikyoin Foundation, and the results are carefully examined by the Japan Delica Foods Association (NDF)\*2 before certification is granted. Continued adherence is monitored by follow-up surveillance conducted once a year.

As of the end of FY2009, 74.7% of the plants had been certified, contributing to a significant increase in the level of safety management at the facilities that produce our boxed meals and other

prepared foods. Thorough implementation of quality control based on the NDF-HACCP certification program has also contributed to a more robust system for preventing shipment of defective food products from the plants. Workplace improvements have included organizational enhancement and removal of clutter from the sites to help prevent injuries as well as upgrading of the equipment inspection and maintenance programs to assure more environmentally friendly processes.



Workers at the food-processing facilities are required to wash their hands thoroughly and pass through air showers to remove particles such as dust and hairs before they enter a work area.

**\*3 Phosphates**

Substances that give food a more pleasing texture, but which interfere with the absorption of calcium when consumed in high quantities and which are consequently considered a factor contributing to osteoporosis

**\*4 Trans fat**

A substance formed in the process of making hydrogenated fat or oil, high intake of which is thought to contribute to cardiovascular disease

**\*5 Oleic acid**

A substance thought to help reduce the risk of cardiovascular disease and high blood pressure

Developing food products that customers can consume with confidence

Eliminating the use of food additives to the greatest extent possible is a prerequisite for product development at Seven-Eleven. The hams and sausages we use in our original sandwiches, for example, are processed without the use of phosphates\*3, which are thought to interfere with the body's ability to absorb calcium.

We are also working to reduce the trans fatty acids (unsaturated fats) contained in our products.\*4 Although they are not food additives, excessive intake of these substances is thought to contribute to health risks by raising the level of "bad" cholesterol in the blood and lowering the level of "good" cholesterol. We have reduced the trans fats in our original line of breads to one-third their former level. We have also reduced the amount of trans fats in the soybean oil we use to fry foods for our boxed and other prepared meals by approximately 20%.

Some food items are deep-fried in the stores



Food items deep-fried in stores

Superstore Operations

Establishing Relationships of Trust between Producers and Customers

Providing products with a stress on traceability

Ito-Yokado and York-Benimaru, are working to improve their product traceability systems, which enable them to track where and how their produce is grown and make the information available to stakeholders.

Ito-Yokado is working to strengthen the relationships of trust between producers and consumers by sharing information on the producers' efforts with consumers and communicating customer feedback to the producers, thus creating a personalized exchange as the basis for its "Foods with traceability" product line.\*6 Products in this series are produced with a stress on production method and quality standards, with external audits employed to ensure compliance and positive sharing of information. To assure product reliability, third-party accreditation organizations conduct annual audits of both the producers and Ito-Yokado itself. On-site inspections are also conducted to ensure that producers follow such procedures as proper use of agrochemicals. The company's efforts to prevent accidents and other problems related to residual agrochemicals also include supporting the application of GAP\*7 for self-auditing of production and handling procedures.

To facilitate positive information sharing with

respect to its Foods with traceability, the company has established a page on its corporate Web site\*8 to introduce production areas and present the producers' views.

The York-Benimaru corporate Web site features a Production Area Visit page\*9 that provides information on the areas in which these carefully selected fresh foods and other products are produced, their characteristics, the processing steps and the people involved. The Web site also features a section that enables consumers to trace the farm where cattle are raised as well as the results of various inspections by entering ID numbers printed on beef package labels. York-Benimaru is working to expand the range of information available on the site.



The "Foods with traceability" page on the Ito-Yokado Web site

Produce Grown with Reduced Levels of Chemical Fertilizers and Other Agrochemicals

Offering 3 star vegetables (and fruits) produced to maximize food safety, security, and taste

In 2003, York-Benimaru began offering fruits and vegetables grown with minimal use of agrochemicals. Since March 2008, it has sold produce meeting Ministry of Agriculture, Forestry and Fisheries' standards for "specially cultivated agricultural products"\*10 as "3 star vegetables (and fruits)."

A specialized external agency oversees the use of agrochemicals, including chemical fertilizer, in the 3-star agricultural produce cultivation process. York-Benimaru also dispatches personnel to the production area to confirm the accuracy of the agency's reporting. In addition to food safety and

security, it also emphasizes good taste. An assessment meeting led by buyers is held each week to confirm the taste of its fresh produce and promote the selection of choice products.

Over 130 items are currently designated as 3-star products. In addition to selling them as fresh produce, York-Benimaru uses the products to make deli items, pickles and other prepared foods for sale in its stores. In fiscal 2010, it will expand the activities it conducts to communicate the value of its products to more customers using in-store video displays, store publications and other media.

**\*6 Products available in fiscal 2009 (annual total)**

Vegetables:	128
Fruits:	17
Processed foods:	93
Fresh meats:	5 brands
Eggs:	2 brands
Fish:	6 species

**\*7 Good Agricultural Practices (GAP)**

A method of agricultural production in which growers and producers follow criteria in accordance with applicable regulations and standards and use them as a basis for establishing processes, implementing record-keeping, and checking and evaluating all the steps in the production process to identify and implement ongoing improvements.

**\*8 The "Foods with traceability" page on the Ito-Yokado corporate website**

<http://look.ityokado.co.jp/index.html/> (in Japanese)

In February 2010, the company added a link to a streaming video entitled "Look Who Made This."

**\*9 The "Production Area Visit" page on the York-Benimaru corporate website**

<http://www.yorkbeni.co.jp/trace/index.html> (in Japanese)

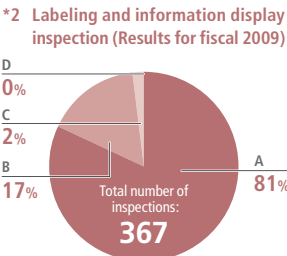
**\*10 Specially cultivated agricultural products**

To qualify, the number of applications of agrochemicals designated for reduction must be half or fewer than the normal number in the growing area in question, and the nitrogen level in chemical fertilizers must also be 50% or less than the regional norm.



## Superstore Operations

**\*1 Fair Trade Committee Office**  
Comprising members with experience as executive store managers, this working committee oversees management activities, employee education and other initiatives to ensure compliance with regulations pertaining to fair business practices and truth in advertising.



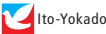
Evaluation standards  
A : Labels and displayed information are appropriate, and employees are fully aware of labeling requirements.  
B : There is room for improvement, and employees in some divisions lack sufficient awareness  
C : There is room for improvement, and employees require training in truth in labeling.  
D : Immediate improvement is required, and the entire store organization must be reconsidered.

**\*3**  
• Ito-Yokado stores approved under the Building Access (heart building) Law (1994-2006): 47  
Stores meeting the requirements of the revised Barrier-Free Law (2006-present): 5  
• York-Benimaru stores approved under the Building Access Law: 56  
Stores meeting the requirements of the revised Barrier-Free Law: 20

**\*4 Major Universal Design facilities in Ario Kitasuna**  
• Installation of “help phone” interphones that any customer can use to request assistance  
• Digital information displays  
• Universal-access restrooms with audio guidance systems (2 of 7 locations also equipped with ostomate washing facilities.)  
• Mirrors and handrails in elevators  
• Low-speed escalator operation  
• Use of color coding to alert users to differences in stair heights  
• In Reserved parking for wheelchair users (8 spaces), vehicles can be parked in or removed from these parking spaces using a remote control device available through prior registration. Priority car parking (15 spaces) can be used on the day without prior registration.

**\*5 A tour of the new Ario Kitasuna store**  
Held June 1, 2010, the event brought in approximately 80 elderly or physically challenged area residents and accompanying persons.

### Assuring Proper Labeling in the Stores



Efforts led by the Fair Trade Committee Office to assure the accuracy of product and pricing information on labels

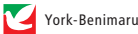
Among its many initiatives to ensure the accuracy of product labels, Ito-Yokado assigns “freshness checkers” to confirm information on label and POP displays in its food section when conducting inspections of product freshness. In the apparel and household goods sections, meanwhile, product managers inspect the labels and displays twice a week.

The Fair Trade Committee Office\*1 organizes inspections of labeling and information displays, which are conducted once every six months at all the stores. The results of these inspections are discussed with the store managers and assistant store managers as a basis for considering action plans for improvement.\*2

The FTC Office also organizes employee education programs concerning labeling and product information in displays. In fiscal 2009, a total of 4,225 employees in management positions at the stores attended 54 seminars on this topic. Four seminars with 110 participants were also held for the company’s suppliers.

In fiscal 2010, Ito-Yokado plans to conduct further training in response to the results of the FY2009 store inspections, which gave several stores evaluations of B or C in the Men’s apparel, Women’s apparel, Fruit and Vegetable and Fresh Seafood divisions. It will make the most of sales floor managers’ meetings to provide further education with respect to truth in labeling.

### Introducing Universal Design



Continuing to realize store designs that assure convenience for every customer

Ito-Yokado and York-Benimaru are installing barrier-free facilities when constructing new stores or renovating existing store.\*3

Ito-Yokado has pursued efforts to improve accessibility since the 1990s, introducing parking spaces with consideration given to the needs of wheelchair users and building more spacious, easily accessible fitting rooms.

Beginning with the Kiba store, which opened in November 2000, it has applied Universal Design principles in store plans with the aim of providing social infrastructure for everyone, regardless of age, gender or physical challenges.

Since fiscal 2007, an internal cross-functional Universal Design Project team has led the way in considering the features and facilities of new stores. The new Ario Kitasuna store, opened in June 2010, offers an array of state-of-the-art features, including “help phones,” reserved parking for wheelchair users and universal-access restrooms equipped with audio guidance systems.\*4 Before opening the new store, the team organized a store tour for elderly and physically challenged area residents. This not only acquainted the tour participants with the store, but it also provided valuable feedback in return, which Ito-Yokado will

consider in making future improvements.\*5

York-Benimaru is designing parking spaces to serve the needs of the elderly and people in wheelchairs. Beginning with the new store which opened in Fukushima Izumi in April 2008, it has equipped all its new stores with universal-access restroom that include washing facilities for ostomates in addition to the universal-access features installed in previously constructed stores. Other new stores, such as the Higashine store that opened in August of the same year, have also introduced priority parking for cars equipped with child seats. The company is pursuing these and other efforts to construct stores that are convenient for everyone.



Parking for cars equipped with child seats (York-Benimaru)

## Department Store Operations

### Offering Organic Cotton Products

Sogo & Seibu

Developing products that are considerate to people and the environment

Sogo & Seibu has initiated sales of products employing organic cotton\*6 as the raw material for baby clothing and knitwear sold under the company’s “Limited Edition” brand.

The product development concept includes consideration for mothers’ concern for quality and safety, as well as for babies’ sensitivity to the feeling and texture of materials against their skin.

This led to a decision to select raw materials that had been certified by the Japan Organic Cotton Association (JOCA),\*7 and to offer products with a transparent distribution history (traceability), from the raw material production area to the stores where they are stocked, as a means of assuring reliability.



Baby clothing made with organic cotton in consideration of people and the environment

### Establishment of a New Quality Control Office to Reassure Customers

Sogo & Seibu

Enhancing the quality control system by transitioning from an incident response to a prevention approach

Since its establishment in January 2010, the Quality Control Office has been integrating and providing guidance for quality control in the stores, the Corporate Customer Department and affiliated companies with the aim of implementing and firmly instilling “appropriate labeling,” “food hygiene” and “quality control.” The quality control system has also been enhanced through a change from an incident response to an incident prevention.\*8 A third-party organization conducts an inspection of labeling details and product conditions on the apparel and general merchandise sales floors once a month in order to reassure customers of product safety and give them peace of mind. In terms of food hygiene control, preventive measures are thoroughly implemented and the appropriateness of

labeling is checked to ensure that voluntary inspections are conducted in a proper manner.



Providing guidance at a store concerning the framework of quality control and labeling inspections

**\*6 Organic cotton**

Cotton grown in fields in which no agrichemicals or chemical fertilizers have been used for at least three years

**\*7 Japan Organic Cotton Association (JOCA)**

This organization supports the production of organic cotton. JOCA conducts certification operations entailing the verification of the entire chain of production, from the cotton farm to the final product.

**\*8 Key tasks of the Quality Control Office**

- (1) To promote various measures related to appropriate labeling, food hygiene and quality control throughout the company
- (2) To inspect and implement corrective action with regard to business partner management, product selection, product specifications and traceability, as well as to advertising and the labeling on the sales floor
- (3) To audit, evaluate and implement corrective action at food production facilities
- (4) To implement employee education and training concerning food hygiene and quality control
- (5) To create a framework for adherence to laws and regulations in the area of sales activities

Food Services

Quality Control Based on Proprietary Standards

Seven & i Food Systems

**\*1 Implementation status (FY2009)**  
Total number of inspection visits:  
200 (approx.)  
Manufacturing plants subject to inspection  
visits: 170 (approx.)

A stress on traceability (production history) in addition to strict quality control

Seven & i Food Systems has prepared a “Trading Terms & Conditions” document stipulating proprietary quality control standards for the stocking of foodstuffs. The company stocks only foodstuffs and products that comply with these standards in order to ensure customers’ ability to consume the products any time with peace of mind.

The production area, cultivation methods and distribution routes for fresh vegetables are thoroughly verified, while processed foods undergo strict inspections to identify the raw materials and determine whether they include any additives or allergens and examine the preparation method and quality control conditions. Personnel responsible for stocking and quality control also conduct periodic visual inspections of the company’s business partners\*1 production facilities.

Emphasis is also placed on assuring traceability. In the case of fresh fruits, for example, a “cultivation

plan” determining soil preparation and seeding and describing the conditions of fertilizer and agrichemical usage as well as harvesting is required of both domestic and overseas producers, as is a “cultivation plan registration” reporting on the actual cultivation environment. In this way, thorough quality control is implemented and traceability controlled through a centralized system.



A processing facility inspection in progress

Employee Education and Hygiene Control

Seven & i Food Systems

**\*2 Implementation status (FY2009)**  
Total number: 8,140

Efforts to implement ISO9001-based hygiene and freshness control

Seven & i Food Systems’ QC Office (corporate organization for hygiene control) has received ISO9001 certification for the “standardization and provision of food hygiene control systems at its outlets.” The company is directing efforts toward thorough implementation of hygienic and freshness control through employee education and hygiene inspections employing the ISO900-based management system described above.

In terms of employee education, store managers, who are responsible for food hygiene, as well as the personnel responsible for food preparation, play central roles in providing guidance regarding hand sanitation and health management as well as regarding rules governing attire and disinfection with alcohol, foodstuffs expiration control, food preparation equipment inspections and other such matters. The QC Office organizes hygiene seminars and store inspections, moreover, while district managers provide hygiene guidance to cultivate awareness among store managers and employees.

As concerns hygiene control, the Office subcontracts a third-party organization to perform periodical inspections,\*2 verifies the control conditions at stores and implements any necessary improvements rapidly based on the inspection results.

To assure thorough implementation of “freshness control,” moreover, store managers and personnel responsible for food preparation check the inventory and order status on a daily basis and verify inventory quantities and expiration dates at the time of food preparation. Fresh foods and prepared foodstuffs are identified with color-coded stickers (for each day of the week), moreover, to ensure at-a-glance recognition of their expiration dates by anyone.

An ISO9001 management  
system registration certificate



Menus That Respond to Customer Needs

Seven & i Food Systems

Providing children’s menus that avoid food allergens

In December 2002, Denny’s led the restaurant industry in developing a menu featuring prepared foods that avoid five specified ingredients\*3 as a “low-allergen menu”\*4 for children that enables families with children who have food allergies to enjoy eating out with peace of mind. The menu was later revised to exclude “shrimp” and “crab” as well, bringing the total number of specified ingredients excluded from menus since June 2009 to seven in response to an amendment of the “Allergen Labeling System for Food Products,” which introduced a requirement to label “shrimp” and “crab” in addition to the original five specified ingredients. Specially controlled cooking utensils and containers are used in the preparation process at food-processing facilities to prevent secondary contamination of foodstuffs by allergens. Foodstuffs for this menu are also segregated from the foodstuffs for the general menu in storage, and the heating and serving onto

plates are performed in a special area separated from the main food-preparation area to ensure that foodstuffs from the general menu do not contaminate those for this menu. The tableware employed is also washed and stored separately.



A meal from Denny’s low-allergen menu

Institutional Catering Benefiting from Accumulated Know-how

Seven & i Food Systems

Providing menus for hospitals and institutions that demand good taste

Seven & i Food Systems’ Meal Provision Service Division offers institutional catering services. The Division has been making use of its accumulated know-how to subcontract food service for hospitals, geriatric health facilities and specified nursing homes since FY2006.\*5

The foods provided for hospitals and institutions

often feature a focus on nutrition and ease of consumption, with good taste taken fully into consideration. Trial preparation and tastings are conducted and improvements introduced on a daily basis. Consideration is given to the use of plates and to communicating a home-cooked impression in order to provide food in much the same way as at restaurants, and special efforts are directed to offering a wide selection of menus, including event menus, special packed lunches, afternoon tea buffets and party menus.

The Division seeks to its deepen ties with people in the community, moreover, by participating proactively in events sponsored by hospitals and institutions.

It will also seek to gain a better understanding of customer needs and to increase the number of items offered on its proprietary soft meal\*6 menu, which uses the same foodstuffs as regular menus, with the aim of increasing the number of institutional food service subcontracting agreements to ten facilities by FY2012.



A specially developed soft meal

**\*3 Five specified ingredients**  
Eggs, milk, wheat, buckwheat and peanuts, the five ingredients thought to cause a high rate of allergy occurrence and severity

**\*4 Low-allergen menu**  
An expression coined to refer to menus that are free from the specified allergen ingredients  
Featured dishes (as of February 2010) include “low-allergen plates,” “low allergen curry” and “Size 5 cakes” made with rice flour and soy milk cream (15 cm in diameter, 4-day advance reservation required).

**\*5 Status of business operations**  
As of the end of May 2010, the business caters to three facilities.

**\*6 Soft meal**  
Although this is a soft prepared meal featuring easier consumption to prevent accidental swallowing or choking, the shape of the food is retained and an emphasis is placed on creating an attractive appearance.



Financial Services

Measures to Prevent Financial Crimes in Collaboration with Police and Others



\*1 Account monitoring system

This system prevents the occurrence of damage by analyzing account transaction records from previous fraudulent bank transfers and monitoring accounts with similar transaction trends. When a suspicious transfer is made to a suspicious account, the system automatically suspends the transfer temporarily until the identity of the depositor and accountholder can be determined.

\*2 Money laundering

This is a mechanism in which illegally acquired funds, such as moneys obtained through drug trafficking, are replaced with ordinary funds and financial institution accounts are used to obscure the source of the income.

Enhancing measures against financial crime

The Financial Crime Countermeasures Center, established by Seven Bank in FY2008, was reorganized as the Financial Crime Countermeasures Office in FY2009 to respond to financial crimes in general, including bank transfer fraud. The organization was subsequently renamed the Financial Crime Countermeasures Division in June 2010.

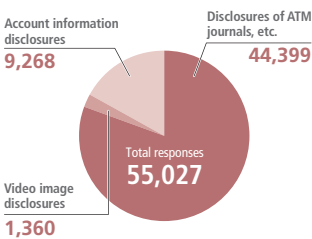
The Financial Crime Countermeasures Division has enhanced the bank's framework for eliminating financial crime by preventing unauthorized use of Seven Bank accounts through an account monitoring system\*1 and notification of authorities of suspicious transactions. Actions have also been taken to prevent money laundering,\*2 and information is disclosed to the police upon request.

The bank participated in 55,027 cases of cooperative investigative action in response to requests from the police in FY2009, including disclosure of information from ATM journals that provide details on transactions and disclosure of video images captured

by surveillance cameras.

Various other measures to prevent unauthorized use of accounts and prevent customers from sustaining damage from fraud have been implemented as well. These include more rigorous identity verification for people opening new accounts and posting of additional notices to caution ATM users against bank transfer fraud.

Breakdown of cooperative responses to police requests (FY2009)



ATM Services for a Diverse Customer Base



\*3 Partners cooperating in the voice guidance service

These include banks, credit unions, credit associations, labor union cooperatives, JA Bank (agricultural cooperative), JF Marine Bank (fisheries cooperative) and securities companies with which Seven Bank has cooperative agreements.

Seeking to provide ATMs that anyone can use with peace of mind

A service that provides voice guidance for ATM operation is provided through an intercom installed on every Seven Bank ATM, enabling any customer with a visual impairment to use the ATMs with peace of mind. This service is available to customers of the more than 500 financial institutions with which Seven Bank has cooperative agreements.\*3



Voice guidance for ATM transactions via intercom



Screen message displays in four foreign languages

column

Provision of Safe, Reliable Products and Services

Preparations to Provide Products Customers Need, Even in Times of Disaster

Creating internal corporate organizations in preparation for a major disaster



A fire-fighting training session

The various operating companies in the Seven & i Holdings Group conduct periodic disaster prevention training and employee education to ensure that customer safety is secured as the highest priority in case of disaster. Internal corporate organizations are also being improved to enable sales operations to be resumed quickly if a disaster should occur.

If an earthquake of magnitude six or higher strikes, executive officers are prepared to gather immediately to form a Seven & i Holdings Earthquake Task Force Headquarters. The task force headquarters will verify the damage status of each company, coordinate the manpower for restoration work on the sales floors and arrange emergency supply of products for the early resumption of sales operations, with instructions issued accordingly. Among other responses, each individual company is promoting completion of support agreements for dealing with disasters with the local governments of the communities surrounding its stores. A framework for rapid provision of relief materials to disaster areas using the Group's corporate network has been put into place.

Implementing new influenza countermeasures



An influenza response manual

Seven & i Holdings has been introducing new influenza countermeasures, primarily to protect against avian influenza (highly pathogenic H5N1), to ensure a continued supply of daily necessities, even if a new strain of influenza should reach epidemic proportions. The Group will back up these measures by providing support for the establishment of countermeasures within the various companies. A manual was created in April 2009 based on a study on the prevention of infection of customers and employees, and personnel arrangements and fund procurement have been conducted for the Group as a whole in case a new type of influenza pandemic should occur. Every Group company has been versed in this Group-wide countermeasure policy, and practical activity manuals are currently being prepared to match the individual business characteristics of each.

The new-type influenza type A (lesser pathogenic H1N1), commonly known as swine flu, that spread in FY2009 was dealt with and brought to an end with no major confusion because various new influenza countermeasures, such as stockpiling of masks, were already in place.

Seven & i Holdings will continue to play a central role as a corporate group in efforts to collect information and to review and enhance countermeasures.

Opinion

The business activities of the various operating companies in our corporate group entail provision of products and services, which forms the backbone for the functions of society. I think these are themselves, therefore, activities that comprise corporate social responsibility. If a large-scale disaster should occur, our first primary concern is the safety of our customers and employees and our second priority the continuation of our business operations. We look forward to continuing our efforts to develop as a "community life base" for our customers and the local communities we serve through our business activities.

Shoji Narita  
Senior Officer for  
Accident Response  
Group General  
Affairs Department,  
Seven & i Holdings  
Co., Ltd.

