



# Provision of Safe, Reliable Products and Services



Seven Premium product lineup

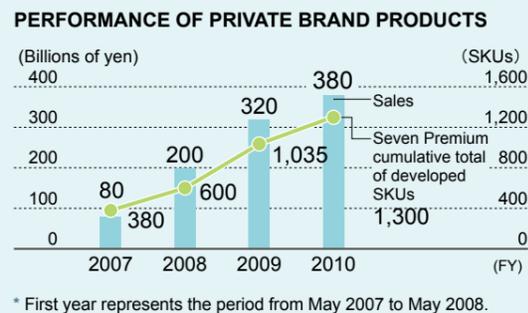


Security guards keeping the stores safe



Body temperature measurement for hygienic management

As stated in the Seven & i Holdings Corporate Action Guidelines, 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. In response, each of our operating companies strives to deliver safe and reliable products and services to customers.



Web Major items disclosed at the website <http://www.7andi.com/en/csr/index.html>

- Activity policies (Seven & i Holdings Corporate Action Guidelines/Business Partner Action Guidelines)
- CSR Report Data Section (Data for Customer Response Services)

## Ensuring the quality and safety of products and services

### We place the greatest importance on safety and reliability

The Seven & i Group places the greatest importance on safety and reliability in all stages, from product planning to retail. For example, inspections are conducted with a focus on raw materials, freshness, and hygiene at plants for food products, in collaboration with business partners, and on raw materials and physical properties for apparel and household goods. For financial, information technology, and other service products as well, steps are being taken to ensure stable operation.



The Quality Control Office has focused on making corrections based on the inspection and evaluation results of food plants, as well as employee education through food hygiene management and quality management training. For private brand food products, Office representatives inspect 150 to 180 locations each year to evaluate the hygiene management status in manufacturing processes, and to encourage improvements.



### SEVEN&i Food Systems

Quality control staff members have obtained an ISO9001 certificate and taken preventive measures on food poisoning and conducted employee education. In addition, their people visit the plants of business partners to confirm and inspect the quality and hygienic management statuses. Besides, Denny's mandate that vegetable producers submit cultivation plans and cultivation results reports. Sampling inspections are also conducted on remnant agrichemicals for some vegetables.



For Seven Bank, Ltd., which operates over 15,000 ATMs 24 hours a day, 365 days a year, it is a vital responsibility to ensure that customers use the ATMs and network system with safety and reliability. For this reason, stable operation is pursued from the three viewpoints of preventing system failure, implementing perfect security measures, and taking rapid action at times of failure or trouble.



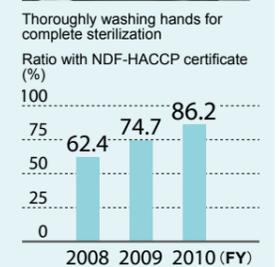
Quality Improvement Meetings have been held twice each year, in the spring and fall, with business partners involved in apparel and household goods. Conventionally, the focus has been on reports of examples of quality complaints and asking partners to take steps to prevent a recurrence. To strengthen these measures, we sought the cooperation of public inspection organizations in FY 2010. Examples of product-related incidents reported to each of the inspection organizations and product analysis methods were displayed in easy-to-understand ways, through demonstrations and using panels. These displays and demonstrations were intended to encourage business partners to think about product quality from customers' viewpoints.



Demonstration of feathering mixture ratio test



Since FY2002, the NDF-HACCP certification system has been in place to examine and certify the quality management status at our exclusive plants. The safety standards for about 140 items have been stipulated. As of the end of February 2011, 86.2% of our plants have obtained the certificate.



\* Seven-Eleven original products contain no artificial preservatives or coloring. Steps are also taken to reduce the use of phosphoric salt and trans-fatty acid.





Developing stores and facilities customers can visit with a sense of security

**Universal designs have been adopted in consideration of customers in diverse conditions**

Commercial facilities, convenience stores, and restaurants crowded with people each day are being used by customers accompanied by small children, elderly customers, and many other people.

The Seven & i Group, which greets about 16 million customers each day, implements various measures to enable these customers to enjoy shopping safely and comfortably. They undertake daily sales floor patrols and inspections, and have promoted the installation of crime prevention and disaster prevention facilities and improved facilities. In addition, the concept of universal design has been adopted in store designs, and employee training is held on assisting customers with physical disabilities.



A multi-purpose toilet with a wide entrance, carefully laid out toilet seats and sink height, with voice guidance available. At Ario Hashimoto, two out of 12 restrooms may also accommodate ostomates.

Stores certified pursuant to the Building Access Law and the revised Barrier-Free Law

	Ito-Yokado As of Feb 28, 2011	York-Benimaru As of Apr 30, 2011
Stores approved under the Building Access Law	46 stores	59 stores
Stores meeting the requirements of the revised Barrier-Free Law	6 stores	23 stores

**York-Benimaru**

At stores certified pursuant to the revised Barrier-Free Law, parking spaces are reserved for elderly and disabled customers and cars carrying a child seat. Also, a gentle slope connects the parking space and store where there is a difference in the level, to enable easy access.



For disabled customers



**SEVEN&i Food Systems**



Braille system menus are available at stores (with the exception of certain stores).



The color is changed at each location with different step levels to make the difference clear. Also, the edge of the handrails is curved toward the wall side to prevent clothing and bags from getting caught.



Digital information that enable toilets and sales floors to be searched easily on a touch panel

**Ito-Yokado**

Starting with the Kiba Store that opened in November 2000, we have pursued store development based on the concept of universal design. Under this concept, we seek to make our stores easy for customers to use, irrespective of disabilities, age, or gender. In FY 2010, Ario Hashimoto opened, equipped with leading-edge facilities.



For elder customers



For cars carrying a child seat



**Ito-Yokado**

To smoothly and effectively serve hearing-impaired customers, instructions on sign language are given at Ito-Yokado in the camp for rookies and morning or noontime assembly at stores. We have assisted employees acquiring skills in sign language.

The number of workers with the Sign Language Badge

**837** in total  
(As of the end of February 2011)



**Seven Bank**

The voice guidance transaction service, which was developed for customers who have impaired vision and other disabilities that prevent them from using the touch panel, is operable by following the voice guidance from an intercom equipped on ATMs. This way, customers can carry out transactions with more than 500 financial institutions affiliated with Seven Bank.



Transaction is completed with the intercom only, without using the touch panel.

**Sogo & Seibu**



We urge employees to obtain qualifications as Heartful Advisor certified by the Comprehensive Health Promotion Foundation. In the process of acquiring the qualification, employees obtain the knowledge and skills necessary for assisting and communicating with elderly and disabled customers.

Heartful Advisor

**844** persons  
(As of the end of February 2011)



**Sogo & Seibu**



We recognize that the personal information of customers supplied through the membership cards and credit cards are important customer assets, and have taken steps to properly protect and handle them. Information security measures are in place, with the establishment of the Seven Prohibited Actions.

The Seven Prohibited Actions are incorporated also in the Basic Rules of Sales, a manual carried by all employees. Familiarity with them is achieved through seminars and tests conducted at the time of assignment to a store.

**Seven Prohibited Actions**

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

**Ito-Yokado**

**Sogo & Seibu Robinsons**

To offer first-aid to persons experiencing cardiac emergencies, the head office building of Seven & i Holdings and all stores of Ito-Yokado, Sogo & Seibu Department Stores are equipped with an automatic external defibrillator (AED) unit.

\* Also equipped at some Seven-Eleven stores

The number of stores equipped with AED

**198** stores  
(As of the end of February 2011)





Assuring appropriate information provision

We have tried to provide information in a way that is easily understood by anyone

The Seven & i Group has sought to provide accurate information on products, prices, and other aspects that customers need.

There are operating companies that display recommended allergic food substances in addition to those mandated by the Food Sanitation Act, and other operating companies that handle anti-allergic food products. To respond to demands for more reliable foods, Ito-Yokado, York-Benimaru, and other Group companies have sold private brand products that emphasize the production area and methods, and the distribution history (traceability).

At the store-front, too, the persons in charge check for inappropriate product labels and POPs. Seminars are being held for employees to ensure a comprehensive effort to make the correct indications known.



Cup cakes that do not contain the specified source materials are being sold, and the same type of Christmas cakes by reservation.

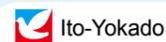
SEVEN&i Food Systems



The website of Denny's restaurants publicizes 18 recommended substances contained in the menus, in addition to the specified source materials for which indications are mandated. Also, two menus are being offered that do not use the specified source materials, and which are suitable for children with allergies.

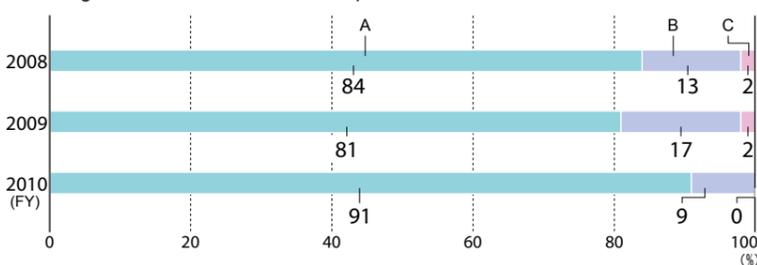


The specified source materials and 18 substances for which indication is recommended, contained in fried foods, oden, and Chinese buns cooked in stores, are published on the website.



Since 2004, members of the Fair Trade (FT) Subcommittee have inspected the labeling and information indication every half term all stores. At the same time, they provide storefront education, and interviewing freshness checkers. They evaluate stores by objective numeric values. Based on the results they provide specific measures for improvement in collaboration with the store managers and assistant managers.

Labeling and information indication inspection



- 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.

Responding sincerely to customer opinions

We have developed systems for promoting a dialogue with customers

To continue improving our products and services from the customer standpoint, each Seven & i Group company has a customer consultation desk. The desk accepts opinions and requests via the telephone, Internet, and mail and responds promptly. Calls are categorized based on their nature and distributed to each department and store so that improvements can be made.

Especially distinguished or noteworthy examples of comments of appreciation sent in by customers to operating companies are featured in the monthly Seven & i Group in-house magazine with a photograph of the employee involved to enhance the ability of the entire Group to communicate and deal with customers.



Measures for resolving issues have been prompted by sharing information sent in by the customer consultation desks and OFC (Operations Field Consultants) among related departments. Measures for resolving issues have been prompted by sharing information sent in by the customer consultation desks and OFCs among related departments. Based on customer feedback, we improved packed lunch containers and packaging, as well as indications on the company website. Some of the appreciative comments for store employees sent in via telephone and e-mail are featured at product fairs.

Many reference examples useful for employees were displayed at the product fair held in the fall of 2010, including how to assist older customers when they shop.



The number of persons awarded Crown Badge 1,036 persons in total (FY2010)



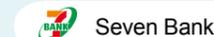
A board is installed at stores on which responses are indicated to opinions sent in to customer voice boxes



Since September 2002, Crown Badge and a certificate have been awarded to employees for whom words of appreciation were sent in by customers via telephone and other means to customer voice boxes (installed at each store), after confirming the facts. For improving products and services in another way, we ask six outside persons qualified as advisory specialists for consumers' affairs to undertake storefront surveys. They collect customer opinions on store layouts, the ways customers are treated, the product lineup and other matters



The ATM Call Center operates 24 hours a day, 365 days a year



Study meetings are held for security companies, our business partners, to ensure customer satisfaction.

The ATM Call Center and telephone centers have sought to achieve skills improvement and sharing by expanding seminar programs and holding in-house competitions. We have been active in participating in outside competitions. These initiatives have led us not only to think about the quality of customer service, they have also bolstered operator motivation. We have held regular study meetings and competitions for employees involving our partner security companies, covering how employees should deal with problems and provide support. Through these measures, we have worked with our partners to improve our ability to deal with customers.



Main Operating Companies' Targets, Results, and Self-Evaluation for the Challenges in FY 2010

○ : Target achieved △ : Target nearly achieved × : Target not achieved

Challenges	Operating companies	FY2010 Targets	FY2010 Results	Self-evaluation	FY2011 Targets
Ensuring the quality and safety of products and services	Seven-Eleven Japan	• Support more plants obtaining a NDF-HACCP certificate	• The number of plants awarded a NDF-HACCP certificate increased to 137 out of 159 plants, and the certification rate rose to 86.2% (Actual results in the previous year: 119 out of 160 plants; 74.7%)	○	• Give efforts in a planned manner, to have all plants obtain a NDF-HACCP certificate
	Ito-Yokado	• Continue training for new store managers and assistant managers, conducting seminars on dates and indications for employees working at new stores starting with Ario Hashimoto • Certify plants where the management is excellent as Excellent Plants, among those audited by the apparel and household goods divisions. Convey models of plant management to other plants to encourage a sharing of best practices. • Release a new rice product as a food with traceability. • Require producers of fruit and vegetables with traceability to incorporate the general-purpose basic Good Agricultural Practice (GAP) recommended by the Ministry of Agriculture, Forestry, and Fisheries	• Seminars for new store managers and assistant managers were held twice a year, in the first and second halves, and five times a year for employees assigned to new stores • Apparel divisions audited 80 overseas plants, household goods divisions audited 19 domestic plants, 21 overseas plants, and two overseas product inspection sites. • A vegetable with traceability (rice) Koshihikari was released • Introduced the general-purpose basic Good Agricultural Practice (GAP) at 20% of producers of fruit and vegetables with traceability	○	• Continue seminars for new store managers and assistant managers and when new stores open • Conduct self-checking using the plant audit sheet at the existing overseas partner plants, and, based on the results, conduct an onsite inspection at major priority plants • Introduce the general-purpose basic Good Agricultural Practice (GAP) recommended by the Ministry of Agriculture, Forestry and Fisheries at 50% of producers of fruit and vegetables with traceability
	York-Benimaru	• Increase the amount of sales of three-star vegetables to 118% from the previous year • Increase the amount of sales of locally-produced vegetables to 118% from the previous year	• The amount of sales of three-star vegetables: 109.8% compared to the previous year • The amount of sales of locally-produced vegetables: 107% compared to the previous year	△	• Increase the amount of sales of three-star vegetables to 117.8% compared to the previous year • Increase the amount of sales of locally-produced vegetables to 134% compared to the previous year
	Sogo & Seibu	• Continue thorough onsite instructions and education through food hygiene inspections • Advance the training of food safety advisors	• Provided onsite instructions and education on food hygiene through third-party organizations • Trained 24 food safety advisors (the cumulative number of certified persons is 202)	○	• Product Division and Quality Management Office to audit the plants of private brand food products and directly confirmed the production processes • Prepare and distribute quality management procedural document for buyers of apparel and general merchandise and conducted education, for enhancing the level of management • Continue with onsite instructions in food hygiene • Provide basic food hygiene education to 2,200 workers
	Seven & i Food Systems	• Manage quality and traceability stringently (continuing with plant observation)	• Number of plants observed in 2010: about 170; number of observations: about 200	○	• Exchange our own transaction conditions document for all food materials, and staff observe plants to confirm that the quality is being managed pursuant to the standards. Observe the production sites of raw materials regularly, for ongoing confirmation on appropriate quality and traceability management
Developing stores and facilities customers can visit with a sense of security	Seven-Eleven Japan	• Establish new stores that conform to local bylaws on community development (securing sufficient pathway width, and install Braille blocks and toilets that may be used by customers using a wheelchair).	• The number of new stores that conform to bylaws of local governments on community development: 220	○	• Continue adoption of barrier-free facilities • Establish a system where the minimum necessary facilities continue operation even during blackouts
	Ito-Yokado	• Continue with the adoption of universal-design facilities at new stores • Revise countermeasures against tsunami and flooding in the Large-Scale Disaster Countermeasures, an emergency action manual	• Introduced cutting-edge universal-design facilities at the three new stores • The section for flood damage was prepared and action plans were developed, covering how to obtain and use information, the establishment of a response headquarters during flooding and its sharing of roles, and other such matters.	○	• Continue the introduction of universal-design facilities at new stores • In view of the lessons learned from the Great East Japan Earthquake and actual situations, revise the Large-Scale Disaster Countermeasures and Tokyo Metropolitan Area Epicentral Earthquake Countermeasures
	York-Benimaru	• Introduce barrier-free facilities at new stores and renovated stores	• The number of stores certified pursuant to the revised Barrier-Free Law and the Building Access Law: 82 stores	○	• Increase the number of stores certified pursuant to the revised Barrier-Free Law
	Sogo & Seibu	• Develop barrier-free facilities • Strengthen safety and reliability by installing central kitchen facilities at the prepared food floor of the Ikebukuro main store • Introduce facilities that are easy for anyone to understand and use at the new parking facility of the Takatsuki Store	• Replaced steps with slopes in floor levels at the sales floors of the Ikebukuro main store and installed escalators at the Hikari-no-Tokei entrance and Azeria entrance to the food products floor. Reorganized zoning of kitchen facilities at the food products floor to clarify evacuation paths. Introduced a security system at the central kitchen. • Established a multi-purpose toilet that accommodates ostomate and beds for nursing care at the new parking toilet of the Takatsuki store, as well as tactile signs for visually-impaired customers. To facilitate recognition of the parking floors, sign boards, parking blocks, and vending machines have been colored differently for each floor.	○	• Make studies to introduce more facilities when renovating the sales floors
Assuring appropriate information provision	Seven-Eleven Japan	• Post more information on the website about the specified source materials of fried food products, oden, and Chinese buns cooked in stores	• Installed POP that indicates QR codes in stores, enabling customers to obtain information on the specified source materials publicized on the website	○	• Make information on the reduction of trans-fatty acids, elimination of artificial preservatives and coloring, and measures designed to ensure food safety and reliability available on the website
	Ito-Yokado	• To raise the rate of stores graded A for labeling and information display inspection, hold training on indications to coincide with a sales floor manager meeting, for men's and women's wear, fruit and vegetables, and for fresh seafood divisions that are mostly graded as B or C in FY 2009 labeling and information display inspection.	• Labeling and information display inspections were conducted 351 times in FY2010. Improvements were seen, as follows: A: 91% (increase of 10 points); B: 9% (decrease of 8 points); C: 0	○	• Conduct training on indications at the time of the managers meeting for the apparel, household goods, and food products divisions, for further improvement
	York-Benimaru	• Continue to publish the history of production on the website	• Number of accesses: 5,819	△	• Increase the number of accesses to the website
	Seven & i Food Systems	• Continue to publish lists of nutrient factors and allergic substances	• Provide information by publishing lists of nutrient factors and allergic substances	○	• Introduce a search system to the mobile phone website, enabling customers to check on allergic substances when they see menu books.
Responding sincerely to customer opinions (organization)	Seven-Eleven Japan	• Increase the number of comments of appreciation accepted at customer consultation desks	• The number of comments of appreciation accepted increased, thanks to effects from ongoing awareness enhancement efforts on friendly customer services at regional study meetings. (121.2% compared to the previous year)	○	• Update the layout of the website page for inquiries to be easily viewable, with the aim of increasing the number of comments of appreciation by 10% from the previous year.
	Ito-Yokado	• Lower the indexes for apparel products to 65 and household goods to 85, using the number of complaints filed in relation to apparel and household goods in FY2006 as an index of 100	• The targets was achieved, at 61 for apparel and 71 for household goods	○	• For further improvements, enhance seminars for buyers and quality improvement meetings with business partners
	York-Benimaru	• Make improvements in customer service and telephone manners at stores that account for the number of complaints relating to customer service filed in large numbers at stores and via telephone.	• The total number of claims from customers: 130.7% compared to the previous year	△	• Listen carefully to customer opinions and dealing with them sincerely one by one
	Sogo & Seibu	• Establish a Customer Services Department for dealing with customer requests and for increasing the number of calls of appreciation	• Established a Customer Center in the Customer Services Department at head office, to strengthen measures to use customer voices in overall business activities, with both comments of appreciation and other opinions	○	• Further promote activities to resolve customer dissatisfaction and reflect their needs on operational measures
	Seven & i Food Systems	• Provide a store education that reflects customer opinions and eliminating secondary complaints	• The number of opinions reduced by about 100, while the number of comments of appreciation increased by 2%	△	• Categorize suggestions and complaints from customers to respond to them in detail. Continue to hold customer service seminars for managers of stores where a large number of complaints have been filed.

Note: The FY2010 results and FY2011 targets of Seven Bank are reported in the Data Section of CSR Report, which is available from Seven & i Holdings' Web site.

We seek to develop products that respond to customer demands

The logo mark and package design were renewed in May 2011 for Seven Premium products, a private brand of the Seven & i Group created in the summer of 2007. The renewal reflects our aim of achieving a quality higher than National Brand products, and our efforts to develop products that suit the customer sense of values, by revising product sizes, reducing calories, and reducing trans-fatty acid.

Safety and reliability are among the important concepts of this brand. All source materials used with food products have been registered in the database, and managed comprehensively. The production history of elements that constitute source materials has also been managed to ensure traceability. The management system enables us to promptly judge whether there is any problem with our products and how safe they are, even when food issues arose in our society.

Another feature of the brand is that customer opinions are collected and reflected in product development. A dedicated website has been established, where members can exchange their opinions on products freely or even participate in product development processes. The development processes are also made public, with a hope to make customers feel more familiar with our products. Customer voices of dissatisfaction have led to product improvement, and unexpected ways of using products by customers have resulted in the sales floor development never seen before.

We are sure that there are other requests or areas of dissatisfaction among customers. We will continue our efforts to offer products that customers will find valuable.

Yoshii Noji

Seven & i Group Merchandising Project Leader  
(Executive Officer York-Benimaru Co., Ltd.)  
Seven & i Holdings

