

# Providing Safe, Reliable Products and Services

Focusing on growing methods and traceability while operating our own farms to ensure quality

**Total number of Fruits and Vegetables with Traceability**

**188**

## Particular about where and how to grow produce as well as traceability

Seven & i Holdings places the greatest importance on safety and reliability in all stages, from product planning to retail.

At our stores, product quality is comprehensively checked, and we sell private brand items that place value on the location and method of production as well as on the traceability of food products.

Ito-Yokado, for example, launched its private brand, Foods with Traceability, in 2002 to disclose information on producers' sincere efforts for ensuring safety to customers.

The number of Fruits and Vegetables with Traceability, the leading product lines sold under the label, is growing and totaled 188 as of the end of February 2013.

## Promoting JGAP certification acquisition to provide safer foods

We are currently working to obtain Japan Good Agricultural Practice (JGAP) certification for further enhancing the quality control level of our Fruits and Vegetables with Traceability. JGAP is an agricultural production management method recommended by the Ministry of Agriculture, Forestry and Fisheries of Japan. It provides a set of standards to be followed in daily farm management to increase food safety and ensure environmental conservation. Ito-Yokado obtained JGAP certification for 13 farms as of the end of February 2013, and aims to increase that number to 50 over the next three years.





- ① Tomatoes sold under the Vegetables with Traceability label
- ② Spinach from Seven Farms sold in store
- ③ 2012 GAP Dissemination Award plaque
- ④ Vegetables harvested at a Seven Farm

## Seven Farm exploring the recycling-oriented agriculture

Since 2008, Ito-Yokado has been establishing agricultural corporations dubbed Seven Farms across Japan based on the concept of helping agriculture and promoting recycling.

The farms have been built in nine locations in Tokyo, Hokkaido and six other prefectures\* (as of the end of July 2013).

What makes Seven Farms unique is its practice of recycling-oriented agriculture.

The farms use compost made from food residues generated in Ito-Yokado stores to help their crops grow,

and the harvested crops are then sold in Ito-Yokado stores.

Seven Farms also carry out inspections for residual pesticides, soil, and radioactive substances to ensure safety and reliability.

In 2009, Seven Farm Tomisato obtained JGAP certification to further enhance the safety of its agricultural products.

We won't rest until all Seven Farms are JGAP certified.

\*Hokkaido, Ibaraki, Saitama, Tokyo, Chiba, Kanagawa, Aichi, and Niigata

### Winner of the 2012 GAP Dissemination Award

In recognition of our initiatives focused on Fruits and Vegetables with Traceability as well as Seven Farms, we became the first in the distribution industry to win the Japan Good Agricultural Practice Association's GAP Dissemination Award in 2012.

We will continue to leverage JGAP to ensure safety by making it a shared goal for us as a retailer and our growers alike.



## Ensuring the quality and safety of products and services

Seven-Eleven Japan uses an average of 40 types of source materials (including seasonings) for each of its rice-based food items, prepared dishes and other daily delivered food products. We sell over 1,000 prepared food options and offer 100 new items each week.

In order to manage each of these products, we apply the Recipe Master System that regulates what kind of source materials are being used, their quantity, and at which plant.

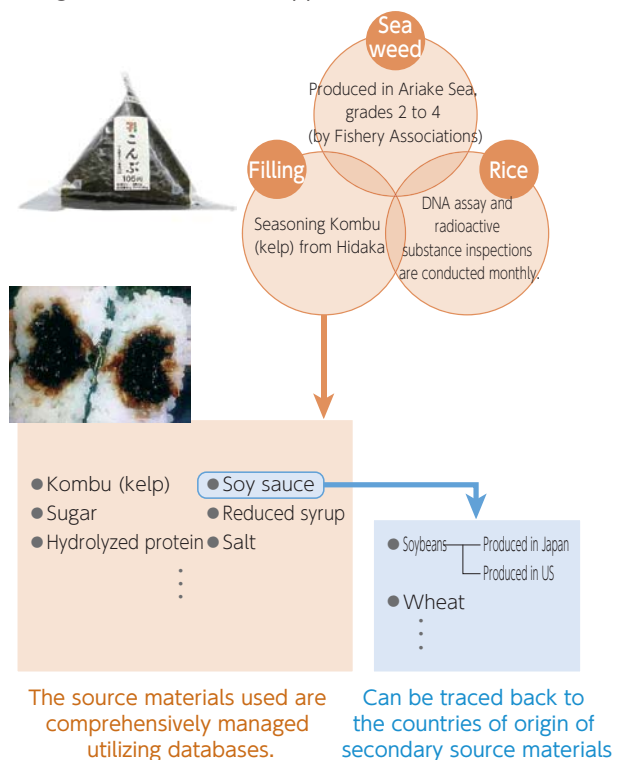
For this system, complete information from over 300 partner manufacturers and about 170 dedicated plants is managed in a database, enabling the relation between source materials and products to be traced.

As a result, we are able to promptly address any problem that is found concerning a source material by immediately seeing which products it was used in.

We also voluntarily conduct DNA assays on rice to prevent mixing of varieties, as well as inspections for radioactive substances.

Also notable is that no preservatives or artificial colorings are used in Seven-Eleven Japan's original daily delivered products including rice-based food items, sandwiches, salads, and prepared dishes.

### Traceability management by Recipe Master System (Onigiri rice ball to be wrapped in seaweed)



## Reducing trans-fatty acids

Since 2005, Seven-Eleven Japan has sought to reduce trans-fatty acids, which increase the risk of heart disease. Continually working with source material manufacturers to make improvements, it has now switched fryer oil, fatty pastes and cream to exclusive source materials that contain lower amounts of trans-fatty acids.

Example: Grams of trans-fatty acid contained in every 100 g of Strawberry Jam & Margarine bread (calculated value)

FY2005	FY2007	FY2012	FY2013
1.86g	0.18g	0.15g	<b>0.14g</b>

## Expanding low allergen menu items

Denny's, the restaurant chain operated under Seven & i Food Systems, is working to increase menu items that do not use any designated source materials.

In FY2012, Low Allergen Hamburger Plate was added to its menu and Rice Flour Bread Hamburger Kit debuted on the Group's online store as it works to bring more products that enable people to pay for a good meal that is allergen-free.

## Making stores and facilities more customer-friendly and reliable

With the hope of enabling all of our customers to shop comfortably at our stores with a sense of security, the Seven & i Holdings conducts daily storefront patrol and inspection, has installed crime prevention and disaster prevention equipment.

We have also adopted the notion of universal design in our store designs, and conducted employee training for assisting customers with physical disabilities.

Sogo & Seibu has also established the Seven Prohibited Actions for managing personal information of customers, which have been thoroughly disseminated among all employees.

### Seven Prohibited Actions for maintaining customers' trust

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.

## Assuring appropriate information provision

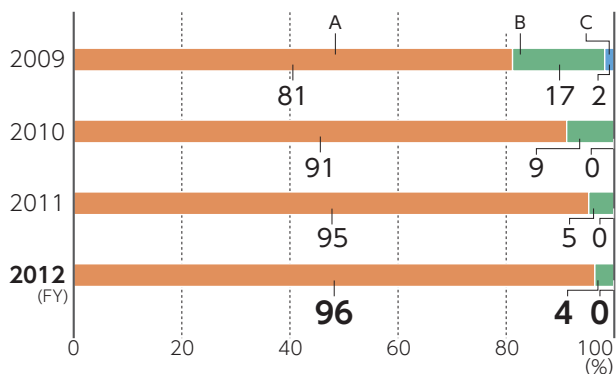
The Seven & i Holdings strives to disclose accurate information on products and prices that customers need. In addition to allergic food substances, for which the Food Sanitation Act mandates indication, our Group also displays food substances for which indication is recommended.

At the storefront, staff in charge check for inappropriate product labels and displays/information. And training seminars are held to thoroughly educate employees on proper indication. A joint training seminar on the Act against Unjustifiable Premiums and Misleading Representations was also held in June 2012 for buyers and sales promotion personnel of Group companies. A total of 316 employees who attended the seminar learned about misleading representations and excessive premiums in violation of the law.

## Checking indications on an ongoing basis

At Ito-Yokado, members of the secretariat of the Fair Trade (FT) Subcommittee conduct labeling and information indication inspection in all stores every half term. At the same time, they provide storefront education and interview section managers for labeling and information indication inspection. They evaluate stores based on objective numeric values and implement specific measures for improvement in collaboration with store managers and assistant managers in charge of each store.

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.

## Improving services in response to customer feedback

In order to continue improving our products and services from the customer's standpoint, Seven & i Holdings set up a customer consultation desk at each operating company for receiving customers' opinions and requests and responding to them promptly. The information collected is sorted according to the contents and distributed to relevant divisions and stores for making improvements.

## Always making improvements from the customer's standpoint

For further improvement, Ito-Yokado consigns storefront surveys to qualified advisory specialists for consumer affairs who collect customers' opinions on customer service, sales floor design, and product lineup from the standpoint of customers.

Seven & i Food Systems conducts six mystery shopper surveys a year at each store. Employees who have served as store managers or district leaders evaluate stores on approximately 130 items including customer service, food, cleanliness and other matters in order to identify issues needing attention. In addition, Denny's gathers customers' opinions and comments on specific menu options on its website in order to develop products that reflect customers' evaluations and opinions.

## ATM equipped with voice guidance

Seven Bank has developed a voice guidance transaction service for people who cannot operate the touch panel due to visual impairment, etc. The service enables them to withdraw or deposit money or check their account balance by using the ATM's intercom and following the instructions provided by the voice guidance system. The service is available to customers at more than 520 affiliated financial institutions.



Developed by incorporating feedback from visually impaired persons