

Message



Chairman and
Chief Executive Officer

鈴木敏文



President and
Chief Operating Officer

西田 健二

We will strive constantly to respond to the changing times including social issues, and to meet the expectations of our stakeholders.

The condition of the economy is still as harsh as ever due to the impact of the consumption tax rate hike. Since the end of 2014, there have been some encouraging signs, such as a lift in share prices, partly due to the effect of a recovery in corporate earnings; nevertheless, many uncertainties remain, including a further tax rate increase, prices, and wages. It is thought that more time will be needed for consumption to make a full recovery.

Meanwhile, looking at the overall social situation surrounding Seven & i Holdings, the global environment is presenting even more diverse social issues for companies, including climate change, resource depletion, and labor and human rights issues. In Japan, there are numerous problems that have arisen with the changes in the times, such as the decline in the birthrate and aging of the population, and the decline of retail stores and service centers. Today, the call for companies to take action to solve and alleviate these social issues is growing even stronger.

To enable us to respond flexibly to these changes in the times and social demands, it is important for us to have day-to-day dialogue with stakeholders such as customers, shareholders, and employees. In the fiscal year ended February 28, 2015, we held numerous dialogues with experts representing stakeholders on issues that we should address as a company. Through these discussions, we identified five material issues and are now working as a Group on initiatives to address them.

In particular, the aging and decline of the population along with the hollowing out of facilities supporting daily life have resulted in an increase in customers who now find daily shopping to be inconvenient. The Seven & i Group recognizes this as one of the most material issues that it should address by leveraging its business characteristics, including its network of approximately 19,000 stores nationwide. To increase the convenience of shopping, we will develop and arrange product lineups of original products that offer high quality and value that meets customers' needs, while promoting services such as product delivery or mobile sales to meet the needs of

people living in areas that are not convenient for daily shopping, or seniors. Through initiatives such as these, we will promote responses that utilize the respective strengths of each Group company.

Moreover, in the mature market of Japan today, it is becoming increasingly difficult to meet diversifying customer needs with the conventional chain store approach. Our policy is to "Break Away from Conventional Chain Store Management"* and have individual stores play the central role as the entities closest to our customers, picking up on local needs and focusing on product development and store operation tailored to regional characteristics.

Furthermore, in autumn 2015, we will launch full-scale operation of our Omni-Channel Strategy, which will enable us to supply customers with any products and services of our Group companies anywhere and at any time. By integrating the Internet and real stores, we are making an attempt at innovation that only the Seven & i Group with its diverse formats could achieve. By establishing and operating this Omni-Channel Strategy, we aim to realize a society where everyone can shop with confidence and convenience. At the same time, we expect to create even further synergies for the entire Group.

We became a signatory to the UN Global Compact in July 2012. In addition to abiding by its 10 principles, we will promote initiatives to resolve social issues in line with the business characteristics of each Group company through its core operations in response to the endless changes of society and our customers' changing needs. At the same time, we will continue our efforts to be a sincere company that is trusted by its stakeholders by practicing our Corporate Creed.

*Break Away from Conventional Chain Store Management

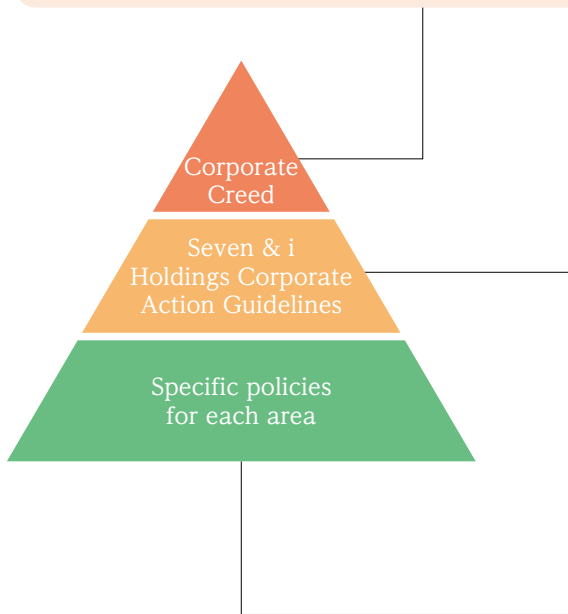
With the changes in the social environment, we have rejected the theory of chain store management, which was the product of the pursuit of efficiency in the age of mass production and mass consumption, and have instead developed a policy that entails a major change from the conventional format. Today, we have radically revised Head Office-led operational management, and are focusing on realizing a system led primarily by the stores in each area.

CSR Policies

We conduct business activities based on the corporate creed of aiming to be a sincere company trusted by all stakeholders. In the form of Corporate Action Guidelines, we have stated the actions for realizing that creed.

Corporate Creed

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



The basic posture of Seven & i Holdings employees

<http://www.7andi.com/en/csr/policy/guidelines.html>

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|---|--|
| 1. Compliance | 6. Human Resources and Workplace Environment |
| 2. Relationship with Customers | 7. Environmental Management |
| 3. Relationship with Business Partners | 8. Social and Cultural Contribution Activities |
| 4. Relationship with Shareholders and Investors | 9. Reporting Misconduct and Violative Conduct |
| 5. Relationship with Local Communities | |

Policies for each measure

- Quality Policy (In Japanese)
<http://www.7andi.com/csr/policy/quality.html>
- Basic Policy on Sustainable Procurement (In Japanese)
<http://www.7andi.com/csr/policy/procurement.html>
- Environmental guidelines and environmental rules
http://www.7andi.com/en/csr/policy/environment_02.html
- Seven & i Holdings Environmental Declaration
 Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming
http://www.7andi.com/en/csr/policy/environment_02.html
- Basic Policy on Social and Cultural Contribution, Social and Cultural Contribution Action Guidelines
<http://www.7andi.com/en/csr/policy/contribute.html>

Seven & i Holdings supports the 10 principles of the UN Global Compact, a worldwide framework for achieving sustainable growth, and carries out CSR activities through its core businesses to fulfill these principles.

* Visit the following link to learn more about the UN Global Compact.
<http://www.unglobalcompact.org/index.html>



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