



# Corporate Data (as of February 28, 2015)

**Company name** Seven & i Holdings Co., Ltd.  
**Head Office** 8-8, Nibancho, Chiyoda-ku, Tokyo 102-8452, Japan  
**Date of Establishment** September 1, 2005  
**Paid-in Capital** ¥50,000 million  
**Number of Employees** 148,307  
(Including part-time employees with every 163 hours/month worked being counted as one employee)

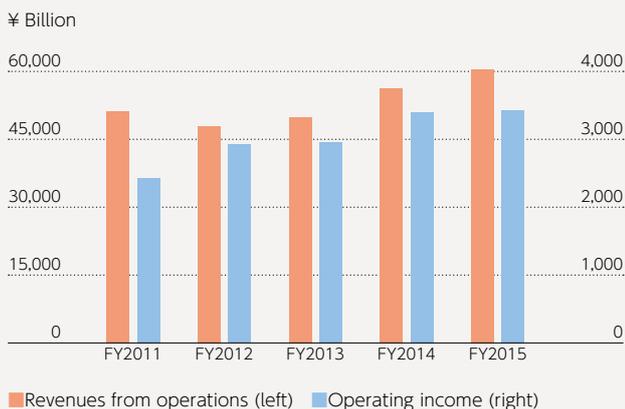
**Businesses** Planning, management, and operations for the various Group companies (pure holding company), centered on convenience stores, general merchandise stores, department stores, supermarkets, food services, financial services, and IT/ services

**Website** <http://www.7andi.com/en>

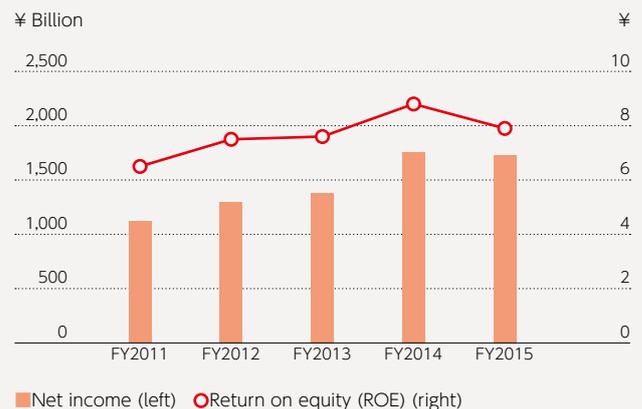
Please refer to the website for detailed information about CSR initiatives.  
<http://www.7andi.com/en/csr/index.html>

## Consolidated Financial Summary

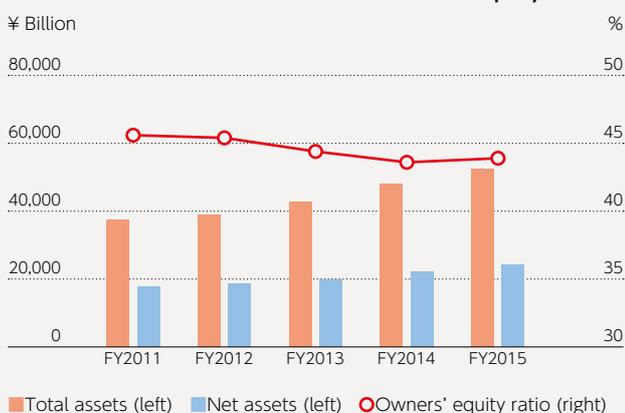
### Revenues from Operations and Operating Income



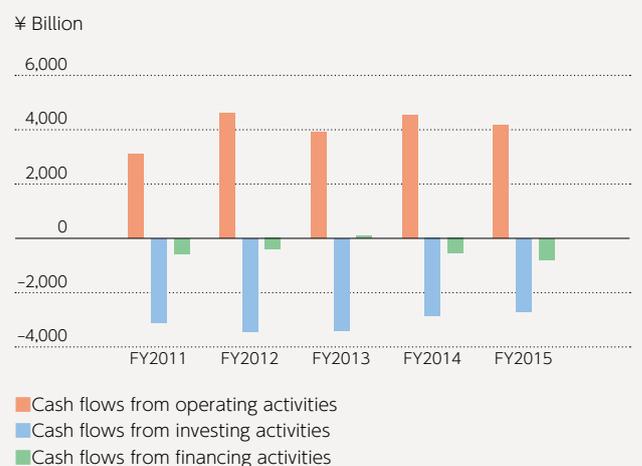
### Net Income and ROE



### Total Assets, Net Assets and Owners' Equity Ratio



### Cash Flows



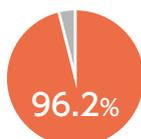
## About the CSR Report

CSR Report 2015 covers CSR initiatives implemented by Seven & i Holdings, our holding company, and its operating companies. There is detailed reporting on initiatives each operating company has taken in regard to the Five Promises (material issues) and CSR activities overseas.

### Report Coverage

The Report mainly covers the following organizations. Information on each company is also available on the following websites. (URLs are for CSR-related pages or the top pages of each company's website).

Sales of reporting organizations as a percentage of overall sales



Seven & i Holdings Co., Ltd.

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

Seven-Eleven Japan Co., Ltd. (in Japanese)

<http://www.sej.co.jp/social/index.html>

Ito-Yokado Co., Ltd. (in Japanese)

<http://www.itoyokado.co.jp/company/iycsr/>

Sogo & Seibu Co., Ltd.(in Japanese)

<http://www.sogo-seibu.co.jp/csr.html>

York-Benimaru Co., Ltd. (in Japanese)

<http://www.yorkbeni.co.jp/enviro/index.html>

York Mart Co., Ltd. (in Japanese)

<http://www.yorkmart.com/company/preservation/>

Seven & i Food Systems Co., Ltd. (in Japanese)

<http://www.7andi-fs.co.jp/7fs/company/csr.html>

Seven Bank, Ltd.

<http://www.sevenbank.co.jp/english/ir/csr/>

Akachan Honpo Co., Ltd. (in Japanese)

<http://www.akachan.jp/company/csr/>

7-Eleven, Inc.

<http://corp.7-eleven.com/corp/background-information>

SEVEN-ELEVEN (HAWAII), INC.

<http://www.7elevenhawaii.com/home>

SEVEN-ELEVEN (BEIJING) CO., LTD.,

SEVEN-ELEVEN(TIANJIN) CO., LTD. (in Chinese)

<http://www.7-11bj.com.cn/>

SEVEN-ELEVEN (CHENGDU) Co., Ltd. (in Chinese)

<http://www.7-11cd.cn/>

Hua Tang Yokado Commercial Co., Ltd. (in Chinese)

<http://www.ht-store.com/d/index.do>

Chengdu Ito-Yokado Co., Ltd. (in Chinese)

<http://www.iy-cd.com/>

### Period of the Report

This report covers our activities during the fiscal year ended February 28, 2015 (March 2014 to February 2015). Some of our activities in the fiscal year ending February 29, 2016 are also included.

### References

GRI G4 Sustainability Reporting Guidelines

ISO 26000

Current Report September 2015

### Disclaimer

The data shown in this report are based on information as of the time of writing. Actual activities and results may differ depending on future social changes.

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 <b>1</b>	<b>We will realize a society where all people can enjoy reliability and convenience in shopping as a form of social infrastructure.</b>	<b>21</b>
 <b>2</b>	<b>We will provide safety and reliability through products and stores.</b>	<b>27</b>
 <b>3</b>	<b>We will eliminate waste in terms of products, materials, and energy and contribute to the preservation of the environment.</b>	<b>35</b>
 <b>4</b>	<b>We will support the creation of a society where all people can actively participate, regardless of gender or age.</b>	<b>45</b>
 <b>5</b>	<b>We will work to build an ethical society together with customers and business partners.</b>	<b>53</b>

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# Message



Chairman and  
Chief Executive Officer

鈴木敏文



President and  
Chief Operating Officer

森田記敏

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

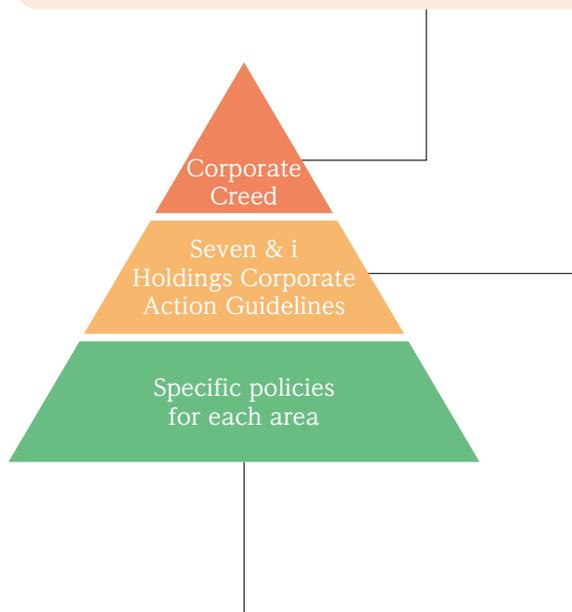
With the changes in the social environment, we have rejected the theory of chain store management, which was the product of the pursuit of efficiency in the age of mass production and mass consumption, and have instead developed a policy that entails a major change from the conventional format. Today, 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>

- |   |  |
|---|--|
| 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](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](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>



Network Japan  
WE SUPPORT

# Corporate Governance

As a holding company that oversees and controls its operating companies, it is our mission to strengthen corporate governance and maximize the enterprise value of our Group.

## Corporate Governance System Supported by Executive Officer and Corporate Auditor Systems

The Board of Directors of Seven & i Holdings is composed of 15 Directors (of whom 4 are independent Outside Directors). The Executive Officer system has been adopted for prompt decision making and operations under a rapidly changing management environment. The Board of Directors is responsible for formulating business strategies and supervising operations, and 19 Executive Officers, including those who also serve as Directors, execute business operations. The term of Directors has been set to one year, to reflect the intentions of shareholders in a timely manner.

The Audit & Supervisory Board is composed of five members (of whom three are independent Outside Audit & Supervisory Board Members), and monitors management. In addition to attending Board Meetings and other important meetings, the Audit & Supervisory Board Members exchange opinions with the Representative Director and periodically interview Directors regarding the status of business execution. In addition, they share information with operating companies' directors and independent auditors and strictly audit the directors' performance of duties.

The Outside Directors and Outside Audit & Supervisory Board Members conduct corporate governance based on the executive officer system and the Audit & Supervisory Board Member system by providing advice and suggestions to ensure the validity and appropriateness of

decision-making and business execution by the Board of Directors. They also supervise and audit the execution of business by exchanging opinions regarding company management, corporate governance, and other matters at meetings with Directors and others.

\*1 Seven & i Holdings emphasizes the independence of Outside Directors and Outside Audit & Supervisory Board Members. Individuals are selected who are unlikely to be in a conflict of interest with general shareholders and who are capable of offering supervision, auditing, advice, and suggestions based on expert knowledge and experience, from objective and neutral standpoints

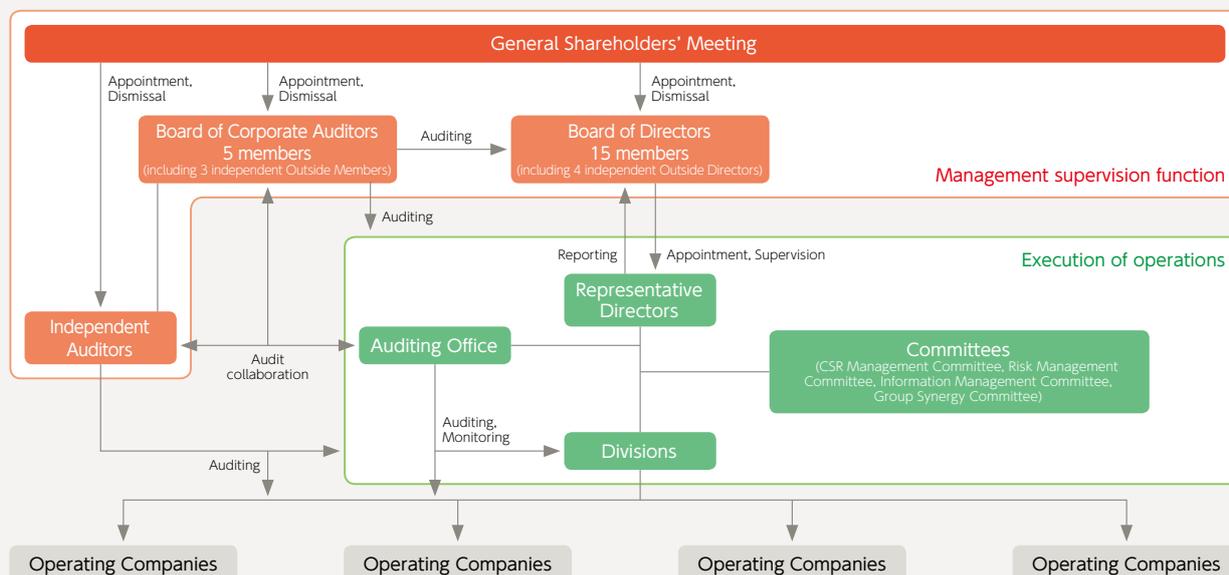
\*2 The number is as of the end of August 2015.

## Internal Control Systems

Seven & i Holdings has worked to enhance its internal control systems to achieve the required conditions of internal control: (1) operational effectiveness and efficiency; (2) reliability in financial reporting; (3) strict compliance with laws and regulations in operating activities; and (4) appropriate preservation of assets.

The Auditing Office, which is an independent internal auditing department, has an oversight function to verify and provide guidance on internal auditing by operating companies or directly audit them, and an internal auditing function for auditing the holding company, Seven & i Holdings. In addition to the operational auditing director for performing these operations, the internal control evaluation director has been appointed to evaluate internal controls of core operating companies.

## Corporate Governance System



## Committees

Seven & i Holdings has established the CSR Management Committee, Information Management Committee, Risk Management Committee, and Group Synergy Committee, which report to the Representative Director. Each committee cooperates with the operating companies to determine Group policies and to manage and supervise their dissemination and execution with an eye to strengthening corporate governance.

### ● CSR Management Committee

The CSR Management Committee endeavors to maintain compliance with the Seven & i Holdings Corporate Action Guidelines, following the corporate creed of “We aim to be a sincere company that our customers trust.” with respect to its various stakeholders. The Committee works to contribute to resolving social issues through business activities and aims for society and the Group to achieve sustainable growth. To achieve these objectives, three subcommittees (Corporate Ethics and Culture Subcommittee, Consumer Affairs and Fair Business Practices Subcommittee, and Environment Subcommittee) have been established under the CSR Management Committee. Each subcommittee prioritizes main issues to be addressed from the standpoint of the Group’s business characteristics, and then develops and implements measures for achieving solutions. (Please refer to pages 7-10 for details about the subcommittees.)

### ● Risk Management Committee

The Risk Management Committee regards all phenomena that threaten continuation of our businesses and hinder sustainable growth as risks, and works to strengthen comprehensive and integrated risk management.

In the fiscal year ended February 28, 2015, the Committee continued to strengthen business continuity and the soundness of the Group’s management practices. To facilitate sustained growth, the Committee also worked to strengthen collaboration with management and reinforced its compliance and risk controls.

In the fiscal year ending February 29, 2016, the Committee will focus on promoting collaboration between risk management and management by establishing risk assessment standards and techniques that will form key indicators. In addition, the Committee will work in collaboration with respective divisions toward solving issues currently confronting the Group.

### ● Information Management Committee

The Information Management Committee works to control issues related to information management.

In the fiscal year ended February 28, 2015, the Committee continued to examine ways to strengthen the system for reporting decisions or occurrences of key issues in Group companies to Seven and i Holdings and Group-wide IT security standards. It also established the new Information Management & Security Office. In regard to these two issues of information management and information security, a person was placed in charge of each to further promote them, and we moved forward with the formulation of a common Group-wide information security policy and IT security standards, and made progress with reviewing and upgrading subordinate regulations.

In the fiscal year ending February 29, 2016, working under the new reporting system, the Committee will strengthen governance and compliance having made a start with the theme of information, while continuing to strengthen the information security system against a backdrop of heightened interest in protection of personal information. Moreover, departments within the Group that handle customer’s personal information will work to acquire ISO 27001 information security management certification.

### ● Group Synergy Committee

The Group Synergy Committee is composed of five subcommittees on the Omni-Channel Strategy, systems, sales promotion, merchandising, and building equipment. By sharing confirmation of progress on starting and developing the Group’s Omni-Channel Strategy while sharing and utilizing the expertise in areas such as product development and promotion that each operating company has cultivated, our Group creates safe, reliable, and useful products and services of high quality; of which private-brand *Seven Premium* products are the leading example. Making use of the scale merit brought about for the Group, significant cost reductions have also been attempted through collaborative purchasing of commercial and materials, equipment and more.

# CSR Management

Seven & i Holdings works toward solving social issues in its core operations through promotion and development of businesses such as products and services. At the same time, we aim for sustainable development that creates value for both companies and society.



**Junro Ito,**  
 Director,  
 Executive Officer  
 Senior Officer of the Corporate  
 Social Responsibility Department

In recent years, there has been an increase in issues that cannot be overlooked if a sustainable society is to be developed. These include dramatic changes in the environment encompassing society and corporate management, such as the rapid aging and declining population in Japan and global climate change. In this situation, and considering the announcement of Japan's Stewardship Code\*1 and Japan's Corporate Governance Code\*2, there is clearly a strong requirement to be aware of social issues, engage in corporate management from a medium- to long-term perspective based on dialogue with stakeholders, and disclose information in a highly transparent manner.

Seven & i Holdings engaged in dialogue with stakeholders during the year ended February 28, 2015, and decided on five material issues. In this report, we refer to these five material issues as our "promises" and will introduce them in detail while looking back at CSR initiatives to date. Prioritizing resolution of these issues will create shared value for both society and companies, which we think is valuable not only for social contributions, but also for the development of our business.

Going forward, to continue as a sincere company trusted by all we must earnestly turn our attention to the expectations and requirements of stakeholders and actively work toward solving social issues in our business through the promotion and development of products and services to realize the Five Promises.

\*1 Japan's Stewardship Code

A set of principles which stipulate the responsibility of institutional investors to increase medium- to long-term investment return for customers and beneficiaries by enhancing medium- to long-term corporate value through dialogue (A Financial Services Agency council of experts formulated the code in February 2014).

\*2 Japan's Corporate Governance Code

The main principles related to the realization of effective corporate governance that were decided for companies to achieve sustainable growth and enhance medium- to long-term corporate value (The Financial Services Agency Council of Experts Concerning the Corporate Governance Code released a final proposal in March 2015)

## Organization of CSR Management Committee



\*1 Normalization: enabling everyone to take part in social activities in a range of areas, irrespective of age or ability

\*2 3Rs: Reduce, Reuse, and Recycle

Each subcommittee is engaged in projects in which it implements measures in accordance with major issues.

### Organization of CSR Management Committee

Seven & i Holdings seeks to promote Group-wide CSR activities that are effective and efficient. To this end, we hold regular, twice-yearly CSR Management Committee meetings where we offer guidance and make improvements based on reports received from the three subcommittees. The meetings also help to strengthen collaboration between the holding company and operating companies and the CSR management framework.

### Corporate Ethics and Culture Subcommittee

The Corporate Ethics and Culture Subcommittee aims to ensuring compliance and create fulfilling workplaces, mainly for Group employees.

Ensuring compliance means making everyone aware of the Corporate Creed and Corporate Action Guidelines and performing timely confirmation of the establishment and implementation status of compliance at each Group company.

In our initiatives to create fulfilling workplaces, we are working to improve work environments and making progress on promoting active roles for diverse human resources, including women and people with disabilities.

To enable timely confirmation and assessment of the dissemination and acceptance of these initiatives, an opinion survey is conducted among Group employees every second year. Group companies improve on issues based on analysis of the results of this survey.

### Consumer Affairs and Fair Business Practices Subcommittee

The Consumer Affairs and Fair Business Practices Subcommittee aims to improve product quality and ensure safety in the products and services handled at Group companies. It also strives to disclose appropriate and clear information that helps customers to select and use products.

To improve product quality and ensure safety, the Subcommittee aims to establish and strengthen its own quality levels and control systems based on Group-wide quality policies.

In disclosing appropriate and clear information, purchasing staff at each Group company are notified of the latest work-related information, such as changes in laws, and regularly receive training and education.

Furthermore, to ensure that we meet our social responsibilities regarding products and services across the entire supply chain, we ask business partners to understand and implement the Seven & i Holdings Business Partner Action Guidelines, and regularly confirm and assess their compliance. Additionally, to ensure fairness and transparency in our relationships with business partners, we have enhanced employee training and set up a dedicated external contact for business partners to secure fair trade practices.

### Environment Subcommittee

The Environment Subcommittee works through business activities to reduce CO<sub>2</sub> emissions and make effective use of limited resources.

In reducing CO<sub>2</sub> emissions, we assess environmental loads at each stage of the supply chain from product development through production, shipment, and sales and take steps to reduce CO<sub>2</sub> emissions. We also strive to ensure compliance with laws and regulations related to the environment, such as those dealing with chlorofluorocarbons.

To make effective use of limited resources, we promote foodstuff recycling and reduction of waste, effective use of forest thinning and recycled materials, preservation of diversity and procurement of sustainable raw materials.

In addition, we are utilizing the Group's business characteristics as a social infrastructure to expand commercial recharging services for environmentally conscious automobiles such as electric vehicles and plug-in hybrids, to advance the environmental business in response to customers' needs.

To promote these initiatives within the Group, we are engaged in various activities to raise employees' awareness. For example, we conduct regular environmental education for Group employees, work to raise awareness through events in Environment Month in June, promote acquisition of the Certification Test for Environmental Specialists (Eco Test), undertake conservation activities at Seven Forest and take part in environmental exhibitions for eco-products.

# CSR Management

## Targets and Progress by Each Subcommittee

○: Achieved △: Almost achieved ×: Far from achieved

Major FY2015 Targets	Results for FY2015	Evaluation	Plans for FY2016
<b>Corporate Ethics and Culture Subcommittee</b>			
Thoroughly ensuring compliance. Creating fulfilling workplaces			
Check the progress of education programs on the basic components and conduct follow-up	Continued to check progress of education at Group companies and conduct follow up	△	Construct e-learning system to support CSR education for Group employees and commence test implementation
Support operating companies that permanently employ more than 101 workers to hire people with disabilities in response to the increase in the number of companies required to pay the employment levy as of April 2015	<ul style="list-style-type: none"> <li>Provided advice on hiring for operating companies concerned</li> <li>Achieved employment rate for people with disabilities of 2.29% (Groupwide)</li> </ul>	○	<ul style="list-style-type: none"> <li>Support operating companies that permanently employ more than 101 workers to hire people with disabilities</li> <li>Maintain or improve on the statutory employment rate at the five applicable Group companies</li> </ul>
Promote the utilization of the Seven & i Holdings Normalization Support Guide and conduct hands-on learning sessions and visits	<ul style="list-style-type: none"> <li>In May held a briefing session on use of the Seven &amp; i Holdings Normalization Support Guide</li> <li>Held Normalization Hands-On Learning Sessions (five times) for personnel in charge of education to learn how to conduct hands-on learning sessions</li> </ul>	○	Cognitive impairment supporter training course held
For standards relating to work environment improvement (overtime work and use of holidays and leave), promote the sharing of information among Group companies to achieve standards and make further improvements	Shared examples of initiatives at each Group company every month and held meeting for sharing information on revisions of labor laws	○	<ul style="list-style-type: none"> <li>Promote sharing of information relating to work environment improvements</li> <li>Create awareness-raising tools for employees to promote use of paid leave</li> </ul>
Promote sharing of examples of measures at operating companies to improve "ensuring compliance" and "job fulfillment" based on the analysis result of the first employee opinion survey	Shared each operating company's examples at the four annual meetings of the Corporate Ethics and Culture Subcommittee	○	<p>Propose and implement new improvement measures within the Group and operating companies based on the analysis result of the second employee opinion survey conducted in 2015</p> <p>Establish compliance promotion project for creating standards and systems at all Group companies for preventing compliance violations, monitoring, and responding appropriately</p>
Identify issues with health enhancement initiatives, set targets, and create an action plan	Formulated Health Declaration 2018 (set KPIs for ratio of employees with BMI of 25 or over and ratio of smokers to be achieved by the fiscal year ending February 28, 2019)	○	<ul style="list-style-type: none"> <li>Gather information on operating company strategies for employee health promotion and examine Group strategies</li> <li>Promote use of MY HEALTH WEB and hold health promotion campaigns</li> </ul>
Develop an organizational structure to engage in health management	In July established the Health Management Committee chaired by the President and with members including people responsible for human resources, the managing director of the Health Insurance Union, and the person responsible for the health management center	○	
Introduce a health management system for enhancing the health of employees	Launched the health management portal website MY HEALTH WEB in October	○	
<b>Diversity Promotion Project</b>			
Expand the number of events at operating companies for building networks among women	Increased the number of operating companies conducting community activities for female employees involved in childcare and seminars, etc., for female managers	○	Continue and advance community activities and awareness-raising for changing women's awareness
Increase the number of companies providing orientation to employees who returned from childcare leave and review how the orientation is run	Increased the number of operating companies providing orientation and enhanced the content	○	
Hold events for fathers to encourage greater participation in the childcare process	<ul style="list-style-type: none"> <li>Held the Ikumen Promotion Program for male employees involved in childcare five times</li> <li>Examined introduction of the childcare leave system</li> </ul>	○	Continue to hold events for fathers to encourage greater participation in the childcare process
Hold awareness-raising events for managers	Held new diversity management seminars four times with 1,225 attendees from all Group companies	○	Continue to hold awareness-raising events for managers
Create a handbook for managers	Created the Diversity Management Handbook. Used in management training at all Group companies	○	
Establish a year-round column specializing in the promotion of women's involvement in the workplace internal newsletters	Published a monthly corner called "Cheering Working Women" for the internal newsletter distributed to 70,000 employees Groupwide	○	Distribute internal notices for raising awareness of diversity promotion
Continue with external communications	<ul style="list-style-type: none"> <li>Received the Prime Minister's Award at the Leading Companies Where Women Shine Awards established by the Cabinet Office</li> <li>Received the 6th Corporate Activity Award (FY2014) from the Tokyo Stock Exchange</li> </ul>	○	Continue with external communications
			Identify issues to be addressed for achieving both work and family care

○: Achieved △: Almost achieved ×: Far from achieved

Major FY2015 Targets	Results for FY2015	Evaluation	Plans for FY2016
<b>Consumer Affairs and Fair Business Practices Subcommittee</b>			
<b>(1) Responding sincerely to customer opinions</b>			
Hold Groupwide seminar for apparel and household item buyers	Held seminar for apparel and household item buyers with 433 attendees	○	<ul style="list-style-type: none"> <li>Hold Groupwide joint seminar for apparel and household item buyers</li> <li>Help buyers and quality control managers acquire formal qualifications (QC test and TES qualification)</li> </ul>
Further improve quality control system at Group companies and formulate a Quality Policy	Improved quality control system at Group companies (formulated own quality standards and quality policy)	○	Further improve quality control system at Group companies (quality control standard implementation management)
Review own guidelines relating to labeling of food products and menus	Reviewed own guidelines relating to labeling of food products and menus	○	Strengthen inspection system following expansion of <i>Seven Premium</i> private brand manufacturing plants
<b>(2) Establishing fair business practices</b>			
Continue to build management and training systems to ensure fair trading practices among Group companies	<ul style="list-style-type: none"> <li>Upgraded the labeling management system following revision of the Act against Unjustifiable Premiums and Misleading Representations</li> <li>Shared initiatives by each company and conducted follow-up</li> </ul>	○	Continue to build management and training systems to ensure fair trading practices among Group companies
Continue to hold regular training on the Subcontract Act and the Anti-Monopoly Act	Held joint training in March and October with 127 attendees	○	<ul style="list-style-type: none"> <li>Continue to hold regular training on the Subcontract Act and the Anti-Monopoly Act</li> <li>Ensure training content is established using e-learning</li> </ul>
Share response measures among Group companies in advance of the next consumption tax hike slated for 2015	Shared status of government response to tax hike to 8% in April 2014 and conducted follow-up at each company	○	Conduct follow-up at each company from status of response to tax increase to 8% in advance of further tax hike to 10% in April 2017
<b>Environment Subcommittee</b>			
<b>(1) Understanding and reducing environmental impacts</b>			
Increase the number of operating companies subject to third-party verification of GHG emissions from 9 to 10	Conducted third-party verification of GHG emissions at 10 companies	○	Calculated Scope 3 emissions for six companies
<ul style="list-style-type: none"> <li>Promote food recycling</li> <li>Increase the number of PET bottle collection machines</li> </ul>	Installed around 250 automatic PET bottle collection machines at IY, YB, and York-Mart	○	Install machines at SEJ in addition to the operating companies that currently have them
Expand the scope of ISO 14001 certification	Sogo & Seibu, SEJ, and Seven & i Food Systems have acquired certification; IY Foods is currently preparing for acquisition	○	Aim for acquisition by four operating companies with the acquisition by IY Foods
<b>(2) Forest conservation activities</b>			
Expand the number of employee volunteers	1,490 volunteers including Group employees and franchisees of SEJ participated in Seven Forest preservation activities at 15 locations throughout Japan	○	Aim to have at least 1,500 participants per year in Seven Forest preservation activities. In particular, aim to have at least 100 participants, mainly local employees, at the Nagano Seven Forest preservation activities in both spring and autumn
Increase the number of eco-friendly products	<ul style="list-style-type: none"> <li>Used thinning materials for part of the <i>SEVEN CAFÉ</i> hot beverage cups, reducing CO<sub>2</sub> emissions on incineration by around 20%</li> <li>Used "eco nano labels" (page 44) on <i>Golden Bread</i></li> </ul>	○	<ul style="list-style-type: none"> <li>Develop environmentally friendly products and expand use of environmentally friendly packaging materials (switch to non-aluminum cartons for alcohol to enable recycling)</li> <li>Expand use of environmental labels (eco nano label expansion for <i>Seven Premium Select Fresh Eggs</i>)</li> </ul>
<b>(3) Raising environmental awareness/sharing information</b>			
Enhance employee training and challenge employees to pass the Certification Test for Environmental Specialists	598 employees took the Certification Test for Environmental Specialists. 487 passed for a pass rate of 81.4%	○	Aim to have at least 1,000 employees take the Certification Test for Environmental Specialists, with a pass rate of at least 80%



Dialogue

## Sustainable Growth by Responding to Change

**Toshifumi Suzuki**

Chairman and  
Chief Executive Officer



**Kunio Ito**

Outside Director, Seven & i Holdings Group  
Professor, Graduate School of Commerce and  
Management, Hitotsubashi University  
Integrated Reporting Ambassador, International  
Integrated Reporting Council

What does Seven & i Holdings need to achieve sustainable growth at a time when medium- to long-term value enhancement of companies is attracting attention? Prof. Kunio Ito, a leading researcher in corporate management and value, as well as one of the Company's Outside Directors, was invited to give his thoughts in an exchange of opinions with Chairman and Chief Executive Officer Toshifumi Suzuki.

## ● Utilizing diverse capitals to increase corporate value

**Ito:** Japanese companies and capital markets are on the verge of a significant change, against the back drop of the promulgation of the Stewardship Code\*<sup>1</sup> and the Corporate Governance Code\*<sup>2</sup>, which call for constructive dialogue between companies and institutional investors to increase corporate value in the medium to long term. I was involved in discussions about the desired relationship between companies and investors held as a Ministry of Economy, Trade and Industry project, the result of which was the so-called Ito Report\*<sup>3</sup>, and I came to realize the strong interest overseas institutional investors were taking. Terms like “increasing corporate value,” “sustainable growth” and “dialogue” are the important keywords today. Company management and investors must engage in constructive dialogue with a purpose and increase engagement in order to build win-win partnerships to promote sustainable growth.

Increasing corporate value, in particular, is a standpoint worth looking at. In its narrowest definition, this refers to shareholders' value, mainly the increase in return on equity (ROE). But a broader definition incorporates the meaning of stakeholder value, which refers to the total value that can be provided to various stakeholders, naturally including shareholders and investors, and also extending to customers, employees, and business partners, and so forth. Integrated reporting that clarifies important material issues and relays scenarios for increasing corporate value to stakeholders is also required in this context.

**Suzuki:** Seven & i Holdings engages in business while maintaining close relationships with its stakeholders. Last year, as a unified Groupwide response to the expectations and requirements of stakeholders, we engaged in dialogue with many people and determined material issues, which we framed as the Five Promises. Furthermore, in regard to shareholder value, the Company is also focused on the importance of ROE. Recently, while Seven-Eleven Japan (SEJ) has been able to achieve good numerical results, results from Ito-Yokado (IY) suggest there are still issues remaining. When it was a seller's market, IY increased sales through the traditional model of chain-store management\*<sup>4</sup>, but even though we are now in a buyer's market, IY remains fixated on that successful experience. We want to completely move away

from methods that are not attuned to the times and grow in a balanced manner across the entire Group.

**Ito:** Driven by convenience store operations, Seven & i Holdings has developed remarkably in recent years. I work as an ambassador for the International Integrated Reporting Council. In the integrated reporting framework, we believe there are six types of capital, including financial, manufactured, intellectual, human, social and relationship, and natural. How well these various capitals are utilized within a business model is evidenced in areas like corporate value. Mr. Suzuki, having supported Seven-Eleven's progress, is a prime example of someone who has cultivated this kind of integrated thinking through experience. For example, the rule and principle of repeating hypothesis and verification is one of these thoughts.

- \*1 A framework for institutional investors that ascertains the status of aspects such as risk response to social and environmental issues and governance.
- \*2 A framework for listed companies that promotes strengthening of governance to achieve sustainable growth and increase corporate value over the medium to long term.
- \*3 The Competitiveness and Incentives for Sustainable Growth: Building Favorable Relationships between Companies and Investors project.
- \*4 An approach that pursues rationalization based on scale benefits and Head Office-led operations and supply.

### Five Promises

-  **We will realize a society where all people can enjoy reliability and convenience in shopping as a form of social infrastructure.**
-  **We will provide safety and reliability through products and stores.**
-  **We will eliminate waste in terms of products, materials, and energy and contribute to the preservation of the environment.**
-  **We will support the creation of a society where all people can actively participate, regardless of gender or age.**
-  **We will work to build an ethical society together with customers and business partners.**



## ● Discern changes early and transform them into major opportunities

**Ito:** Normally, the leading company in an industry avoids the risk of taking on new challenges. That is usually left to new companies that are just striking out, and once they have demonstrated a certain history of success, the leading company will take the safer, more efficient step of pouring in large-scale investments. But Seven & i Holdings has been at the forefront in creating innovative new products and services in a variety of fields and set the standards for the rest of the industry. I think this is wonderful.

**Suzuki:** Opportunities are generated from grasping changes in customer needs and the wider world at an early stage. For example, Japan's retail market is said to have a difficult future ahead due to the declining population, but the super aging society means the number of seniors is growing. Going forward, there is certain to be an increase in the number of one- and two-person households, which means a likely increase in the use of convenience stores as people want to avoid the bother of cooking. If that turns out to be the case, customers will be asking us to provide high-quality products paying rigorous attention to taste and nutrition.

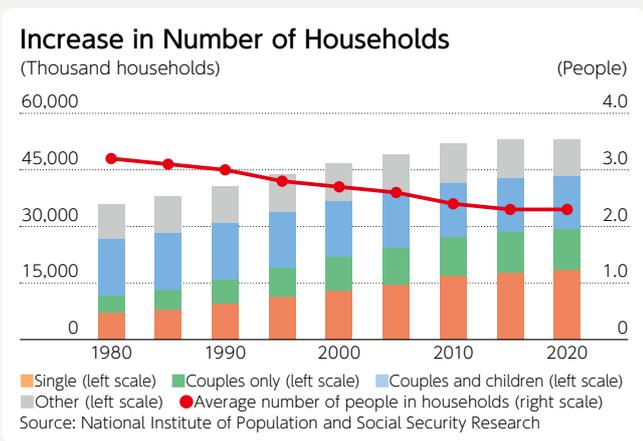
**Ito:** Depending on how you view it, change can be turned into opportunity. An ability to respond to change is an extremely important intangible asset. This is only my personal view, but generally there is a tendency for successful companies to be complacent. They think their products and services are wonderful and they stagnate by adhering to their existing business models. To put it another way, responding to change is a way to eliminate complacency. Seven & i Holdings has created new items that have astonished the market, while also sniffing out changes and breaking things up to in a sort of dynamic

metabolic process. Now, under Mr. Suzuki's powerful leadership, I think there is a considerable degree of execution from above, and I believe the challenge now lies in how to incorporate this into the organization and pass it on to future generations.

**Suzuki:** That's correct, and it is also extremely difficult to do. Even if the Group's individual employees each have remarkable skills, operating companies may adhere to entrenched past successful models that act as obstacles to change. For me, the biggest issue is how to break away from this situation. I think it will require us to implement bold measures and give the Group a variety of different incentives.

**Ito:** Changing perspective a little, from the point of global change, climate change and loss of biodiversity are significant issues. There are limits to how much individual companies can respond to such environmental changes. However, the impact that global corporations such as Seven & i Holdings can have on society is not insignificant, so it's crucial to seek cooperation from business partners and tackle the matter throughout the entire value chain. From that standpoint, because SEJ purchases its private-brand products and original products, such as rice balls and boxed lunches, from dedicated business partner companies, it can rigorously demand that business partner companies take the environment into account. Having a system enabling this sort of control during regular operations is an enormous strength.

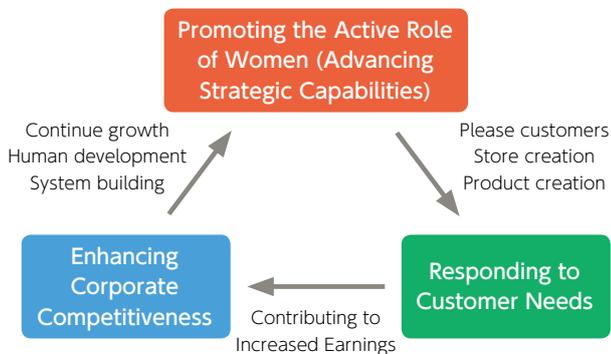
**Suzuki:** I think that as a company it is important for us to remain focused on these kinds of social issues. The pace of change is accelerating and we must be able to respond from a variety of perspectives.



**Ito:** Another remarkable example of how Seven & i Holdings has anticipated change and responded is in promoting active roles for women. Recently, society has given greater focus to having female directors, but IY and SEJ have had female directors from as far back as 1993, so the Company has been proactive in this area from an extremely early stage.

**Suzuki:** In the retail industry that we work in, around 70% of the customers are women. To enable us to think of things from the customer's viewpoint, it is perfectly natural to leverage women's perspectives and senses. Nevertheless, when I issued an instruction to the presidents of each company within the Group to each have at least two female directors, some showed an unwillingness, saying that their situation made it difficult to do that. However, when they eventually complied, an atmosphere in which it was perfectly natural to have female directors arose without prompting and those prejudices disappeared. Now, we have a ratio of female managers that exceeds 20% and some stores that are centered around female employees.

### Cycle of Active Participation by Women



**Ito:** Speaking of another in-house initiative, at SEJ you personally hold meetings every second week with about 2,500 Operations Field Consultants (OFCs) from across Japan. Is this an attempt to disseminate awareness of responding to change?

**Suzuki:** OFCs are an indispensable link between franchised stores nationwide and the Head Office. Once the meeting had reached a certain size, there were suggestions within the Company to shift to teleconferencing as a way to reduce costs, but it is important to meet repeatedly in person to drive home the message. To thoroughly spread a policy Companywide, it is absolutely crucial to have direct communication, so we have kept the meeting the way it has always been.

**Ito:** This dialogue forms an important aspect of the engagement incorporated in your management. You gather the OFCs for continuous dialogue. From time to time the chair makes declarations. The OFCs take those declarations to the owners of franchised stores and engage in deep discussion ensuring that the Head Office policies and philosophy are thoroughly disseminated into every corner of the Company. In addition, when it comes to product development, you are also continuing detailed dialogue with business partner companies premised on your buying all of their production. I really sense that you are trying to build win-win partnerships with each stakeholder.



## ● Taking the lead in responding to change to achieve sustainable growth

**Suzuki:** Whenever I am asked what I am aiming for in the future and what I am going to do, I always respond that I have no idea what the future holds. If I knew that, I would have no struggles, but the reality is that it is impossible to predict the future. However, if you diligently continue to watch your customers it will enable you to anticipate changes that will happen in the near future, and responding to them earnestly is vital.

**Ito:** The expression “responding to change” covers quite a range, and in your case, Mr. Suzuki, I see that it means that you do not respond to change after it has happened, but instead are at the forefront, catching the scent of change as it arises and quickly moving into action. That sharpness of intuition is a significant strength for Seven & i Holdings.

**Suzuki:** You don't simply maintain the status quo. It is vital to always aim to change things so they are better in the future. Right now, we are moving ahead with the Omni-Channel Strategy. The Omni-Channel Strategy entails comprehensively handling all of the various products and services possessed by each Group company and providing customers opportunities to buy anytime, anywhere. About 10 years ago, we had the concept of integrating brick-and-mortar stores and the Internet, and from the first time I heard the words Omni-Channel Strategy, I thought, “This is for us!” The Omni-Channel Strategy is the pinnacle in retailing and the ultimate in customer service. If Group products can be obtained at even small convenience stores, it will enable those stores to function as alternative department stores. We will start with online orders that can be collected or returned at nearby Group stores, and I am convinced that we can provide new value that will please customers.

**Ito:** I think it is important to view the Omni-Channel Strategy as not merely a system but as the “ultimate in customer service.” In the past, Seven & i Holdings led the world in introducing POS (point-of-sale information management), which not only accelerated checkout speeds for customers and prevented irregularities, but also enabled extremely advanced individual product management, tracking the movement of each and product placing upcoming orders while verifying data, I think the basis

of this came from a desire to respond more accurately to customers' needs. In a similar way with the Omni-Channel Strategy, your order of priority has first been to consider the benefits for customers, and then to treat the strategy as a tool for achieving this. I think this is a distinctive characteristic of Seven & i Holdings.

**Suzuki:** Even with developing the Omni-Channel Strategy, the most important factor is, of course, product development. When SEJ started full-scale production of rice balls made from red rice, we spent one year making the pots to ensure that we would be able to create the ideal taste. The same applied to fried rice, but we completely withdrew the product because of complaints that it tasted different to what customers expected, we started all over again from development of the pots to make truly tasty fried rice. We can never betray customer expectations by giving them a product that does not taste good. This attention to quality, no matter what it takes, is a corporate culture that should continue forever.

**Ito:** Ultimately, I suppose this comes back to refining the brand. One imperfect product lined up in a store is sufficient to destroy a carefully cultivated brand. Temporarily halting production or sales can create a short-term loss, but protecting a brand is even more important than that. Summing up as best I can, Mr. Suzuki, I think you are practicing “ultimate reaction.” By catching the first scent of change in the air faster than anybody else and rapidly responding in an assured manner, you are increasing the likelihood of success. And you are supplementing with the pursuit of perfect quality. I believe sharing that sense and expertise with employees and business partners from all around the world will enable Seven & i Holdings to achieve long-term sustainable growth.

**Suzuki:** I believe that small changes in our daily lives can present us with new challenges. For those who will become the next generation of the Group, I would like to leave the idea of always seeing change as a chance to grasp an opportunity and taking bold action as our company spirit and corporate culture. Thank you very much, Mr. Ito, for taking time from your busy schedule to be here today.

# The Relationship between Seven & i Holdings and Society

Seven & i Holdings maintains a close relationship with stakeholders while handling many products and services that are used daily by more than 57 million customers around the world.

We are engaged in a variety of initiatives dealing with social changes encompassing stakeholders and solutions for social issues.

## Customers

Population  
aging

We think of things from the customer's standpoint, value communication, and continue to match customer needs.



Provide safety  
and reliability  
during disaster

Reducing social  
infrastructure

## Local Communities

By providing products and services matching the lifestyles in local communities, encouraging local production and local consumption and coexisting with communities, our activities contribute to community development.



Invigorate  
communities

## Employees



We create workplace environments that are fair, just, and without discrimination where diverse employees can participate actively and find satisfaction in their work.

Decline in  
productive  
population

Promoting the  
active role of  
women

## Shareholders and Investors



To respond to the trust shown by shareholders and investors, we emphasize highly transparent management and communication and fulfill our duty of accountability through disclosure.

Highly transparent management



### Seven & i Holdings

Since its foundation, Seven & i Holdings has aimed to be a trusted and sincere company for all stakeholders. To respond to social changes in the Group's environment, we emphasize dialogue with stakeholders and engage in CSR activities through our business.



## Business Partners



We build relationships of trust with business partners to rigorously enforce fair trade and compliance with rules, and to ensure maintenance of safety and security and accounting for human rights and the environment. We work together with them to develop a sustainable business.

Food safety

Interest in ethical consumption

Global warming

Resource reduction and depletion

## Global Environment

We provide products and services taking into account the sustainability of the global environment, while cooperating with customers, business partners, and employees to reduce the environmental impact throughout the entire supply chain.



## Five Promises

Seven & i Holdings has engaged in dialogue with many stakeholders and identified social issues with significant materiality to respond to stakeholders' expectations and demands.

We have determined Five Promises that represent material issues for the Seven & i Holdings Group should work as one to solve these social issues.



**Promise 1** We will realize a society where all people can enjoy reliability and convenience in shopping as a form of social infrastructure.

page 21

**Promise 2** We will provide safety and reliability through products and stores.

page 27

**Promise 3** We will eliminate waste in terms of products, materials, and energy and contribute to the preservation of the environment.

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**Promise 4** We will support the creation of a society where all people can actively participate, regardless of gender or age.

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**Promise 5** We will work to build an ethical society together with customers and business partners.

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## The process involved in deciding on the Five Promises (social issues that Seven & i Holdings should address)

### Identifying social issues

We listed 92 social issues confronting society today in Japan and overseas. Among these, we identified 33 issues that we consider to have special relevance to the operations of the Group.

### Interviews with Stakeholders

We held interviews regarding the 33 social issues with our stakeholders, including customers, business partners, shareholders and investors, and employees to hear their opinions on the issues that Seven & i Holdings should deal with.

### Dialogue with Stakeholders

Based on the results of the interviews, Group management conducted dialogues with experts and they exchanged opinions on the social issues that Seven & i Holdings should address.

### Deciding on the Five Promises

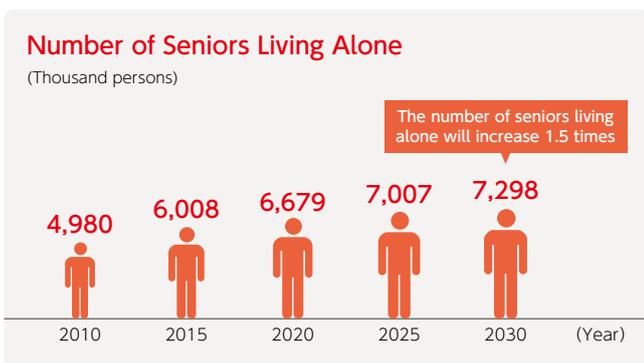
The exchanges of opinions between stakeholders and experts were summarized into the Five Promises of Seven & i Holdings. The CSR Management Committee, which is chaired by the President, determined the material issues and promised to deal with them.



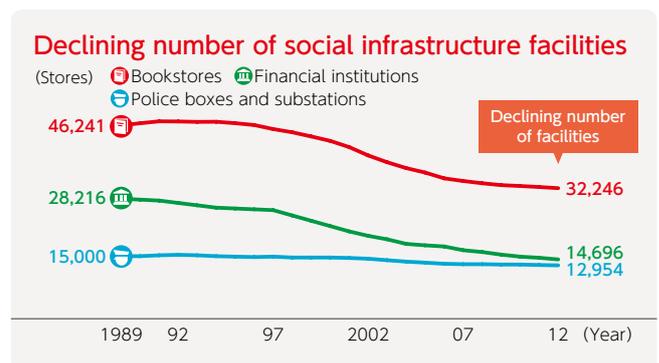
We will realize a society where all people can enjoy reliability and convenience in shopping as a form of social infrastructure.



As Japan's population ages, the number of seniors living alone is increasing every year, and by 2030 it is expected to have increased by 1.5 times from 2010. Meanwhile, with expectations of a sharp decline in neighborhood social infrastructure, such as government offices, bank branches, and retail stores, there are concerns over an increase in people suffering inconvenience in daily life. Furthermore, with the increasing flow of women into the workforce, the number of people with no time for shopping our housework is increasing.



Source: Statistics from the National Institute of Population and Social Security Research



Source: 2012 Economic Census for Business Activity, Ministry of Economy, Trade and Industry

In response to the aging population and the advancement of women in society, we will utilize the infrastructure we have developed, such as our store networks and logistics and information systems, to create new products and services.

### Shopping Support

Offer product deliveries and mobile sales for consumers inconvenienced by shopping

### Expanding Services as a form of Social Infrastructure

Provide public services to offset the decline in service outlets

## Action on the Promises

### Reducing Housework

Develop products for consumers that feel inconvenienced by or have difficulty preparing meals

### Providing Services to a Wide Range of Customers

Offer support so that all customers, including seniors and people with disabilities, can shop with ease and peace of mind

Created Value

Value for Society

Environments that make living easy for seniors

New service facilities

Value for Seven & i Holdings

Seek out new customers



We will realize a society where all people can enjoy reliability and convenience in shopping as a form of social infrastructure.

## Shopping Support

### ● Omni-Channel

Seven & i Holdings is working together as a group to realize an Omni-Channel where customers can order any of the Group's products and choose to pick them up from a local Group store or have them delivered to their homes, as well as return unwanted items.

In addition to sales at stores, customers can also order products using their PC or smartphone. For those who are not used to operating a PC, store staff will offer assistance. They will also check in on customers who cannot easily leave home to ask about their needs. In this way, we aim to realize shopping styles that allow customers to purchase what they want in the most convenient way for them.

For example, when customers order a product\* online from an Omni-Channel-integrated website, they can pick up and pay for their purchase at a convenient time at their local 7-Eleven store.

We have been working on sales methods and product development in preparation for the full-scale launch of the Omni-Channel in autumn 2015. We are also steadily expanding our product lineups that meet customers' needs.



Shopping Support When Delivering Products

\* Books, CDs, DVDs, and certain products offered by Sogo & Seibu's *e.depart*, Akachan Honpo's Internet shopping services and some Tower Records Online products

### ● Online Supermarkets

IY operates *Net Supermarket* at 144 stores (as of February 28, 2015) to provide scheduled deliveries of products ordered by customers using PCs or mobile phones.

*Net Supermarket* delivers from nearby stores in as little as 4 hours. The service deals in food and household goods, and pharmaceutical products were added in November 2013.

In December 2014, we started offering a service to help parents raising children. With this service, parents who present and register a maternity notebook issued within the last four years can receive deliveries at a fee of only ¥100 for four years from the maternity registration date.

#### Net Sales and Membership for IY's Net Supermarket



Sales floor staff collecting products from the shelves in store to fulfill an online order

### ● Supporting Shopping with Mobile Store Sales

SEJ launched the *Seven Anshin Delivery* mobile store service in Ibaraki Prefecture in May 2011. This service utilizes proprietary developed light trucks equipped with store facilities, which go to areas that are inconvenient for daily shopping and where many residents are seniors who have trouble securing means of transportation. Customers are able to purchase a range of foods and beverages, including frozen foods, using this service.

The *Seven Anshin Delivery* service is offered by 35 stores in 16 prefectures nationwide (as of August 31, 2015). Plans call for this service to be expanded further in the future to fulfill the needs of customers.



A truck used for the SEJ mobile store service (The *Seven Anshin Delivery* service)

IY also provides the *Ito-Yokado Anshin Delivery* mobile store service at five stores in Nagano Prefecture, Sapporo City, Tama City, Hanamaki City and Iwaki City. This service also uses proprietary developed trucks equipped with store facilities to visit communities that do not have easy access to stores for daily shopping or that have a large population of seniors who have trouble getting to stores.



Truck used for the *Ito-Yokado Anshin Delivery* mobile store service

### ● Service for Listening to Customers

At Sogo & Seibu, we provide a “listening to customers” service for delivering goods purchased from our stores, such as boxed lunches, clothing, food, and cosmetics, to any place specified by the customer.

Customers aged 65 and over, those with physical disabilities, pregnant customers, or those with preschool-aged children find the service very convenient.

### ● Visiting Sales at Assisted Living Facilities

IY has offered the *Fureai Shopping* service since March 2014. This service entails sales calls on assisted living facilities to help seniors in need of care or other assistance enjoy the fun of shopping again.

During these sales calls, a mini IY store is set up in the cafeteria or meeting hall of the facility at the request of the operator or care staff to enable residents to enjoy the fun of shopping by browsing the products and choosing the things they want. This mini IY store offers a selection of requested products that are offered in our regular stores (excluding fresh meat and produce, alcohol, and cigarettes). In the fiscal year ended February 28, 2015 around 70 IY stores offered the *Fureai Shopping* service.



The *Fureai Shopping* service



We will realize a society where all people can enjoy reliability and convenience in shopping as a form of social infrastructure.

### Reducing Housework

#### ● Developing Products and Services that Make Meal Preparation Easy

Seven & i Holdings, given Japan's aging society and the advancement of women in society, is developing individual meal, small volume, and simple products to respond to customer demand for saving time and reducing the hassle of housework.

SEJ's *Seven Premium* private brand is also developing products that are easy to prepare and reduce the hassle of housework to meet the needs of customers. These products include a menu of prepared foods that are ready to eat or simply need to be heated up and also frozen foods that can be conveniently prepared in the microwave.

#### ● Seven Meal Delivery Service

SEJ provides the *Seven-Meal* delivery service at some 13,800 of its stores (as of August 31, 2015). The service provides nutritionally balanced meal sets, as well as popular foods at 7-Eleven stores. Meals are ordered by customers such as seniors and housewives who feel inconvenienced by daily meal preparation.

Moreover, SEJ has concluded agreements with the governments of certain prefectures and municipalities to have local stores check on the security of seniors and so forth when delivering their meals. In this way, we are promoting *Seven-Meal* as lifestyle infrastructure that goes beyond the scope of a simple service.

SEJ offers the *Seven RakuRaku Delivery* service, which provides home delivery for nearly every product sold in our stores. Orders can be placed in person or in advance by telephone. As of August 31, 2015, the service operated a fleet of some 800 "COMS" ultra-small electric vehicles, which it plans on expanding to around 1,000 during the fiscal year ending February 29, 2016. SEJ is also moving forward with the introduction of power assisted bicycles and as of August 31, 2015 it was already using 2,350. Plans call for this number to be increased to over 3,000 during the fiscal year ending February 29, 2016.



Meals delivered to customers' at home

### Expanding Services as a Form of Social Infrastructure

#### ● Promoting Alliances with Municipalities through Comprehensive Alliance Agreements and Other Means

Seven & i Holdings is promoting regional revitalization by concluding comprehensive alliance agreements with municipalities in a wide range of fields, including local production for local consumption, senior support, health promotion, and environmental protection. We have also concluded "supply-support agreements" to prepare for rapid regional support in the event of disasters, and we are also promoting "agreements for supporting people who cannot return home after a disaster" where we provide tap water, access to restrooms, and local information.

#### Number of Agreements with Municipalities for Each Company (As of February 28, 2015)

Seven-Eleven Japan	171
Ito-Yokado	101
Sogo & Seibu	4
York-Benimaru	28
York-Mart	4
Seven & i Food Systems	11

#### ● Government Services (Issuance of Various Certificates)

SEJ is able to issue copies of residence certificates and seal registration certificates using in-store multi-functional copier machines. As of August 31, 2015 agreements for this service were in place with 100 municipalities. This service is currently being expanded, as family register certificates can now be issued for 44 municipalities and tax certificates for 46. (\*A basic resident's registration card is required to use the services).

We are also introducing multi-function copier machines at all Group companies to enable wider use of the service.

#### ● Insurance Enrollment and Premium Payment Service

In 1990, SEJ became the first in the industry to offer motorcycle insurance enrollment and insurance premium payment services where customers can enroll in insurance 24 hours a day simply by entering the necessary personal information on the multi-functional copier machine screen in store and paying their premium at the register. (The service is for motor scooters and motorcycles with an engine displacement of 250 cc or less, which do not require a warrant of fitness).

\* SEJ began offering a bicycle insurance enrollment service in 2011.

## Providing Services to a Wide Range of Customers

### ● Training Cognitive Impairment Supporters

Seven & i Holdings is committed to supporting the elderly as a way of contributing to society through our main business. One aspect of this is supporting the creation of neighborhoods where local residents who suffer from cognitive impairment and their families can live with security. To this end, we are encouraging our employees to attend cognitive impairment supporter training courses.

Each Group company holds training courses, and the number of supporters Groupwide had increased to about 10,200 as of August 31, 2015. We will strengthen our efforts to continue developing cognitive impairment supporters going forward.



A display to notify customers that cognitive impairment supporters are in store

### ● Marketing Products that Support Senior Lifestyles

IY runs the Anshin Support Shop, which carries a full lineup of apparel, daily essentials, and foods, including products that support the health and lifestyles of seniors and care products (108 stores as of June 30, 2015)

Around 600 items, or 40%, of the products sold at these shops are originally designed and developed with our business partners. IY also provides in-depth customer services in which its staff listen to the customer's needs and recommend the best products.



Anshin Support Shop

### ● Services for Foreign Travelers

Seven & i Holdings launched tax-free services at certain stores within every Group company in December 2014, after the range of consumption tax-exempt items for foreign visitors was expanded to cover all items.

Moreover, Seven Bank ATMs offer cash withdrawal services on overseas-issued cards, as well as overseas remittance, while stores also offer free in-store Wi-Fi services Seven Spot in response to strong demand from overseas travelers.

\* Not available at some stores.



Tax-free services

### ● Voice Guidance-Operated ATM Machines

Seven Bank offers voice guidance services for people with visual disabilities at all of its ATM machines. Users can make a deposit, withdrawal, or make a balance inquiry by following voice guidance delivered through an intercom phone installed on the ATM to operate the buttons. Customers with the cash cards of around 540 partner financial institutions\* can also use this service. This voice guidance system was developed after soliciting feedback from people with visual disabilities and testing various solutions.

\* Banks, credit unions, credit cooperatives, labor banks, JA banks, JF Marine banks, and securities companies that are partners with Seven Bank. This service is not offered for insurance companies or credit card companies, even if they are a partner of Seven Bank.



Voice guidance service



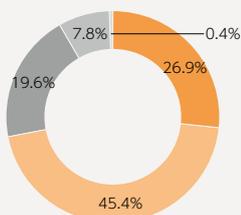
We will provide safety and reliability through products and stores.



Social Background

Customer interest in food safety is increasing. A survey conducted by the Consumer Affairs Agency found that approximately 70% of respondents were concerned about the area where items were produced when making purchases. Companies are therefore being urged to tighten their quality control systems even further. Stores are also viewed as playing an increasingly important role as lifestyle infrastructure amid widespread concern over whether people will be able to buy essential products and services for living as usual in the event of a major disaster.

When you usually buy food, do you care where your food is produced?

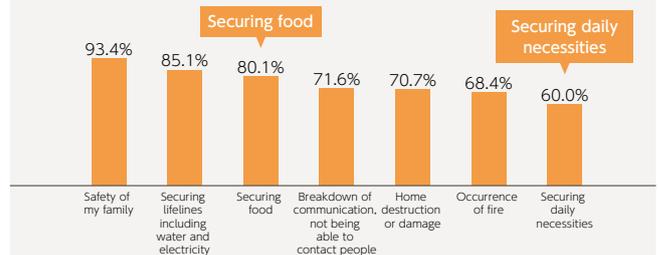


People that cared about the production area when purchasing products 72.3%

- I care about this
- I somewhat care about this
- I don't really care about this
- I don't care about this
- I don't know

Source: "Survey of Consumer Awareness Towards Food Safety" (2011), the Consumer Affairs Agency

What are you concerned about when an earthquake or disaster occurs? (Multiple answers)



Source: "Questionnaire on Disasters" (August 2011), Meiji Yasuda Life Insurance Company

Along with providing safe, reliable products, we are also working to provide products and services based on the customer's perspective, as we work to play our part in life-style infrastructure that customers can rely on at any time, even in emergencies such as disasters.

### Establishment of Quality Management Systems

Adopt international management system standards and management techniques concerning quality and hygiene in order to provide safe and reliable products to customers.

### Food Traceability

Emphasizing the safety and reliability of products in all processes from the procurement of raw materials to sales and actively disclose product traceability information (distribution history).

## Action on the Promises

### Appropriate Disclosure of Information on Products and Services

Display whether products contain allergens so that people with allergies can feel confident selecting products.

### Provision of Safety and Security when Disasters Occur

Implement various initiatives such as the establishing a fuel storage station for delivering emergency supplies in order to fulfill the function of social infrastructure in the event of a disaster.

Created Value

### Value for Society

Improving safety and reliability of food and other products

Life support function during disasters

### Value for Seven & i Holdings

Strengthening trust with stakeholders



We will provide safety and reliability through products and stores.

## Building a Quality Control System

### ● Coordination between Quality Control Departments in Each Group Company

At Seven & i Holdings, the heads of the Group development division for the *Seven Premium* private brand and other divisions of Group companies, such as SEJ and IY, hold regular meetings in order to confirm current quality management issues and problems in an effort to share information aimed at improvement.

For example, they check progress on initiatives to counter the spread of the norovirus and prevent food poisoning, including ingredient and hygiene management at operating companies handling food products, and apply them rigorously throughout the Group to increase the level of quality control.

### ● Adoption of the NDF-HACCP Certification System

SEJ has adopted the (Hazard Analysis and Critical Control Point) HACCP\*1 method since 1997 as a method to manage food hygiene. In addition, for review and certification of the quality control status of dedicated plants, we check their compliance with a safety standard of approximately 140 check items based on HACCP. Based on the results of this check, high-quality plants recognized to be above a certain level are certified under our NDF-HACCP Certification System. A third party is commissioned with the inspection, and the results are inspected and certified by the Nihon Delica Foods Association (NDF)\*2. Inspections are also conducted after certification is acquired in order to maintain the management level.

\*1 HACCP: A process management system that analyzes hazards at each step of production, from ingredient acceptance through to product finalization, and provides continuous monitoring and recording of critically important hazard-prevention processes.

\*2 Nihon Delica Foods Association (NDF): The NDF was formed in 1979 to improve hygiene quality management levels at deli product manufacturing facilities and to eliminate region-based quality differences.



### ● Acquisition of JGAP Certification

For our private brand *Fruits and Vegetables with Traceability* (see page 30) at IY, we are working to acquire JGAP (Japan Good Agricultural Practice) certification, recommended by the Ministry of Agriculture, Forestry and Fisheries in order to further improve the level of our quality management.

JGAP sets standards that should be implemented in day-to-day agricultural management to improve safety and protect the environment. Certification has been acquired for 15 locations as of February 28, 2015, and efforts will be made for further certification going forward.

### ● Hygiene Management Based on ISO 9001

At Seven & i Food Systems, the QC Office that serves as the hygiene management division has acquired the ISO 9001 international standard concerning quality management (application scope consisting of food hygiene management system standards and provision at stores). Utilizing this system, efforts are made to improve hygiene management at stores and educate employees.

In hygiene management, an emphasis is put on easy-to-understand freshness management that can be implemented by anyone. A dedicated internal department conducts checks at stores, and random checks of store hygiene are also conducted by a third-party hygiene inspection agency (wipe inspection).

Moreover, by conducting regular hygiene training for store employees, we aim to increase the level of hygiene management.



## Food Traceability

### ●“Fresh Foods with Traceability” Initiatives

IY offers products under its private brand Foods with Traceability, which communicates to customers that we have an accurate understanding of production sites, production methods, and distribution channels. For Foods with Traceability, our procurement officers check with producers to ensure that they are using appropriate cultivation and stock-raising management. Various tests are conducted, including agricultural chemical residue tests, as well as soil, feed, and water quality tests, and third-party confirmation is obtained before the products are sold.

It is possible to confirm producer information for Foods with Traceability products using the IY website and mobile phones or smartphones. As of February 28, 2015, 212 items are handled under the Foods with Traceability brand, covering all fresh foods including vegetables, fruits, meat, eggs, and fish.

### Producer Information Disclosure Methods (Example of IY)



### ●Centralized Management of Production Records

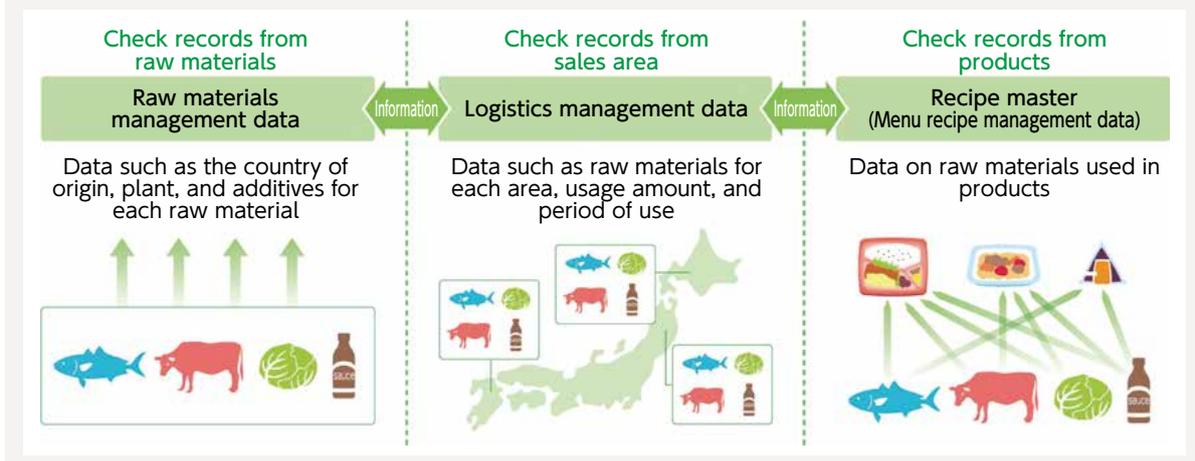
At SEJ, each deli product menu, such as rice and side dishes, uses an average of 40 types of raw materials (including seasonings). In order to manage these individual products and gain an accurate grasp of which factory a product was manufactured at, how much of what raw material was used, and in what region, we manage all information for over 300 business partners and approximately 170 dedicated plants in a database and link this with store point-of-sales data so that it is possible to thoroughly manage the production history from the raw materials production site to the storefront.

We also confirm the presence of any allergens or additives included in the products, to take every possible precaution when selling the products.

In addition, because it is possible to get an accurate understanding of the amount of raw materials and packaging used at each plant, this system is helpful in reducing waste through means such as controlling excessive production.

In addition, we voluntarily conduct DNA testing on rice to prevent the mixing of different varieties as well as inspections for radioactive substances.

### SEJ's Raw Material Production Record Management Framework





We will provide safety and reliability through products and stores.

### Inspection for Radioactive Substances

#### ● Independent Inspections and Announcement of Inspection Results

The Radioactivity Project was established as an internal organization at YB to enable customers to shop with confidence by complementing the monitoring surveys on radioactive substances implemented by the government. We install equipment for measuring radioactive substances at key points within the area where we have established stores, and an internal organization conducts regular inspections. The inspection results are announced on the company's website. For the case of our private brand Three-Star Fruit and Vegetables, we endeavor to sell products that meet the criteria by having buyers visit production sites and conduct soil inspections and independent inspections on samples.

Inspections for radioactive substance are also conducted for IY's Foods with Traceability and the results are published on the company's website.

### Quality Management in Stores

#### ● Management of Product Freshness

At Seven & i Holdings, we rigorously manage product freshness at stores as well, aiming to provide customers with products that are fresh, safe, and reliable.

At IY, for example, there are specialists called Freshness Checkers under the direct supervision of store managers that specialize in food freshness management. These specialists constantly check on the deterioration of vegetables, the expiration of best before dates and consume by dates for products and raw materials, and the temperature of sales floor and backroom refrigerators.

In addition, for deli products, including processed foods such as dried fish, milk, and tofu other than fresh foods (fruit and vegetables, meat, fish, and side dishes), all store employees check product dates to ensure that products are not sold past their best before dates and consume by dates.

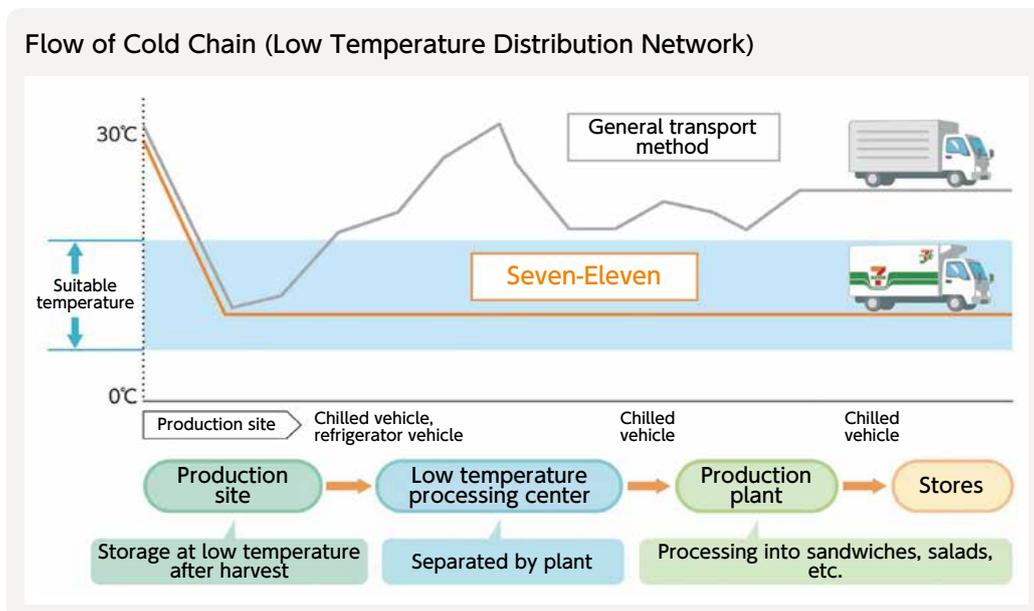
### Temperature Management in Distribution

#### ● Cold Chain Distribution (Low Temperature Distribution Network)

At SEJ, we have adopted cold chain distribution (low temperature distribution network) to procure high-quality and fresh raw materials for foods. Vegetables are stored at low temperature on the spot after being harvested in fields, and transported under constant

temperature management. This maintains the freshness of the vegetables for a long period of time and minimizes product degradation.

At Seven & i Food Systems' Denny's, ingredients are stored at the three temperature ranges of room temperature, refrigerated, or frozen depending on the characteristics of the foods to secure the freshness and safety of foods through centralized temperature management from harvest to refrigerators at stores.



## Consideration to Health

### ● Reducing the Use of Food Additives

At Seven & i Holdings we endeavor to reduce the use of food additives in our original products.

For example, in SEJ's original deli products and IY's delicatessen items, boxed lunches, and sushi produced in-store, we have eliminated the use of synthetic coloring and preservative agents.

Furthermore, since 2007 SEJ has eliminated phosphate from ham and sausages that are used for original product sandwiches, as excessive intake is said to inhibit the absorption of calcium. We have also implemented independent measures in conjunction with raw material manufacturers to reduce trans-fatty acid, which is said to increase the risk of heart disease. In addition, we have disclosed the amount of saturated fatty acid, trans fatty acid, and cholesterol contained in some of our main products on our website since May 2011, based on the Guidelines on Trans Fatty Acid Labeling of the Consumer Affairs Agency.

### ● Providing Healthy Meals Supervised by a Managing Dietician

SEJ's *Seven-Meal* home delivery service is supervised by a managing dietician who organizes the composition and nutritional components of the menu to provide healthy, balanced meals adjusted for calories and salt. We are constantly working to develop new products, aiming for authentic, home-cooked tastes with enduring appeal, pursuing tastiness without the use of preservatives or synthetic coloring agents.



*Seven-Meal*

### ● Developing Products that Take Food Allergies into Consideration

To allow children with food allergy concerns and their families, as well as many others to eat cake with confidence, IY conducts reservation sales of rice flour and soy milk cream cakes for Christmas and birthdays that do not use designated raw materials. For these products, all raw materials and components are managed by lot and inspections are conducted by external agencies.

In addition, special areas have been set up to cater to people with food allergies within the food product sales area at 83 stores (as of May 31, 2015). These areas are stocked with allergy-conscious product lines from seasoning and food product manufacturers.

At Seven & i Food Systems' Denny's, we offer a low-allergen menu for kids that takes food allergies into consideration. The menu items exclude seven specified ingredients (eggs, milk, flour, buckwheat, peanuts, shrimp, and crab). When preparing the food in the restaurant, staff members conduct heating and food arrangement separately from the standard cooking line, and tableware that is individually washed and stored is used in an effort to prevent secondary contamination by allergens.



Low allergen menu



We will provide safety and reliability through products and stores.

### Appropriate Disclosure of Information on Products and Services

#### ● Allergy Information Labeling

At Seven & i Holdings, we endeavor to use labels for both products purchased from business partners and products prepared at stores so that it is easy for customers to understand what allergens are included in which product to enable people with allergies to select products with confidence.

For products prepared in 7-Eleven stores, (hot snacks, *oden*, and Chinese steamed buns, donuts) and Denny's menu items, information on the use of designated raw materials and products equivalent to designated raw materials is disclosed on our website.



Disclosure of information on the website

#### ● Product Labeling Education for Employees

At Seven & i Holdings, joint training on labeling, such as the Act against Unjustifiable Premiums and Misleading Representations and the Food Labeling Act, is conducted twice a year for new purchasing staff members at each Group company. The training is intended to provide basic knowledge relating to misleading representations and the provision of unjustifiable premiums prohibited under law.

After the joint training course, a confirmation test is given using an e-learning platform to check the participants' level of understanding. In the fiscal year ended February 28, 2015, 175 people had taken the course.



Group joint training

### Support of Crime Prevention

#### ● Safety Station Activities

Seven-Eleven stores are open 365 days a year, and even late at night the stores are brightly lit and there are employees inside the store. Leveraging these business characteristics, we are actively implementing Safety Station activities based on the themes of creating safe and secure communities and creating healthy and sound youth environments as a member of the local community. We also use various opportunities to disseminate information on measures to prevent underage drinking and smoking.



Using the cash register screen to raise awareness



Preventing sales of adult magazines to minors

#### ● Safe ATM transactions

At Seven Bank, we have installed cameras to allow customers to perform cash withdrawals, fund transfers, and other tasks with confidence, and we alert customers of bank transfer scams through visual displays and audio announcements so that they do not become victims. Moreover, we have also taken measures to detect suspicious objects attached to ATMs and to prevent unauthorized acquisition of customers' card information (scamming). In the fiscal year ending February 29, 2016, to prevent ATMs from being used in crimes, we plan to expand IC card support that has been adopted for domestic bank transaction for transactions with cards issued overseas.

For accounts at Seven Bank, we work to prevent the use of accounts for illegal purposes through thorough confirmation of personal identification when accounts are opened, and taking measures against money laundering such as filtering of people who have been involved with financial crimes in the past and people that are not able to use accounts. We have adopted an account monitoring system that detects suspicious transactions in real time after accounts have been opened.

## Provision of Safety and Security When Disasters Occur

### ● Providing Emergency Contact Information for Emergencies

SEJ has installed emergency telephones (special public telephones for use in disasters) at some of its stores within the 23 wards of Tokyo. These will serve as a means for confirming the personal safety of people and making contact when people are unable to return to their homes in an emergency such as a disaster. We are also prepared to allow free use of our *Seven Spot* in-store Wi-Fi service without requiring membership registration during disasters.



Emergency telephone

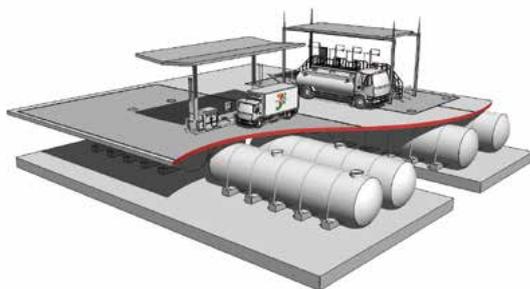


Free In-Store Wi-Fi Service Seven Spot

### ● Fuel Storage Station for Delivering Emergency Supplies

At Seven & i Holdings, we consider securing a fuel supply network during a major disaster to be a priority issue from an emergency business continuity plan (BCP) perspective. In May 2014 we became the first retailer in Japan to establish a fuel storage station to stockpile fuel for product delivery vehicles. The station was set up on the site of the IY distribution center in Saitama Prefecture.

As 400 kl of fuel is stored at this station at all times, the station makes it possible to deliver emergency supplies and goods promptly and reliably when a disaster occurs for approximately ten days to evacuation centers in disaster areas as well as our Group companies' stores in the Tokyo Metropolitan Area.



Fuel for vehicles is stored underground

### ● Establishing a Disaster Response System

As part of the social infrastructure in areas where it has established stores, Seven & i Holdings is expected to act as a lifeline to provide essential products and services for daily living. We are also expected to continue operating during disasters. To meet these expectations, we are working to secure a distribution network and constructing a disaster countermeasure system to make regional information visible in greater detail.

At Seven & i Holdings, we have adopted a disaster response map system that displays information such as the damage to each Group company store and the extent of the impact in the event of a largescale earthquake on a map displayed on a PC screen. This system makes it possible to centrally manage information such as the magnitude of earthquakes affecting stores, which in turn enables us to provide more prompt store support.



Seismic information display

At SEJ, we have established a wireless network that allows the Head Office, delivery companies, joint distribution centers, and all delivery vehicles to mutually communicate with each other in the event of a disaster. A contact network for disasters using wireless networks has been established by each Group company.

### ● 7VIEW (Seven Visual Information Emergency Web)

Seven & i Holdings is constructing 7VIEW (Seven Visual Information Emergency Web), a system that enables provision, sharing, and joint use of disaster information. The system gathers together information from within the Group and through cooperation with business partners. Our goal is to create a system which combines various information provided by Group companies in stages and produces a map that enables accurate judgment of the status of areas in which our stores are located. The system will facilitate information exchange between Group companies, as well as with municipalities, local residents, and so forth, and will enable us to disseminate information to local residents through our stores.

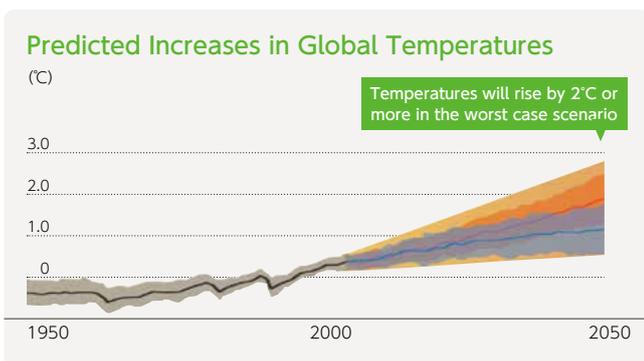


We will eliminate waste in terms of products, materials, and energy and contribute to the preservation of the environment.

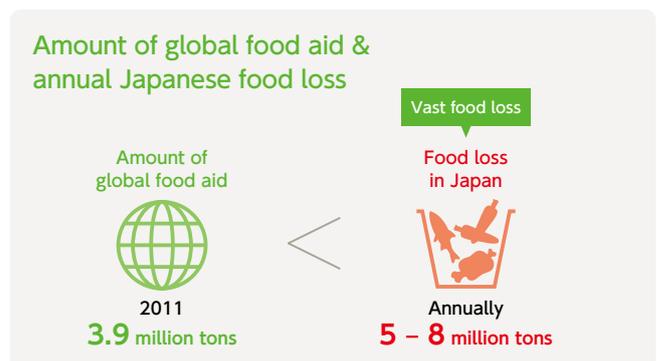


Climate change is a global issue. The projected worst case scenario for business as usual is a temperature rise of almost 2°C by 2050. The main cause is thought to be CO<sub>2</sub> emissions.

Another serious problem is food waste. In 2011, the global amount of food aid reached approximately 3.9 million tons. By comparison, over 17 million tons of food is wasted every year in Japan. From 5 to 8 million tons of this is food loss—food that is likely to be still edible, such as half-eaten food or food that has passed its expiry date.



Taken from the IPCC "Fifth Assessment Report" on the Japan Center for Climate Change Actions website (<http://www.jccca.org/>)



Ministry of Agriculture, Forestry and Fisheries: "Working to Reduce Food Loss"

To realize sustainability for the global environment and corporate activities, we are taking steps to reduce the environmental impact of our business activities, while working together with our customers, business partners, and local communities to eliminate waste in resource use.

### Reducing CO<sub>2</sub> Emissions at Stores

About 90% of Group CO<sub>2</sub> emissions are attributable to the use of energy for equipment vital to store operations. We are therefore promoting the introduction of energy-saving equipment.

### Reducing CO<sub>2</sub> Emissions from Logistics Operations

Due to the need to control CO<sub>2</sub> emissions from delivery vehicles, we are promoting a range of measures that include the introduction of eco-friendly vehicles.

## Action on the Promises

### Promoting Food Recycling

We have established "improving food recycling rates" as an important theme and are promoting initiatives for effective use of food waste.

### Reduce Packaging Material

We are reducing waste from packaging materials used for supplying products by simplifying packaging and promoting reduced provision of plastic bags.

Created Value

Value for Society

Effective use of resources

Reduced CO<sub>2</sub> emissions

Value for Seven & i Holdings

Reduced energy costs

Increased recycle rate



We will eliminate waste in terms of products, materials, and energy and contribute to the preservation of the environment.

## Attaining an Appropriate Grasp of Environmental Impact

### Setting CO<sub>2</sub> Emission-Reduction Targets

Seven & i Holdings has established "CO<sub>2</sub> emissions reduction targets" for the purpose of preventing global warming. By introducing the latest energy-saving equipment and renewable energies, and other measures, the Group has set a CO<sub>2</sub> emission reduction target that represents a 10% reduction from the projected CO<sub>2</sub> emissions in the fiscal year ending February 28, 2018 under the same level of environmental measures set for the nine Japanese operating companies\*<sup>1</sup> in the fiscal year ended February 29, 2012, and is working to reduce energy usage.

### Third-Party Audit of CO<sub>2</sub> Emissions

To correctly assess and verify the initiatives taken to reduce environmental impact, Seven & i Holdings has undertaken third-party audits of CO<sub>2</sub> emissions from store operations at the 10 main Group operating companies\*<sup>2</sup> since the fiscal year ended February 29, 2012. The sales of the 10 audited companies account for about 96% of the Group's total, helping to increase the accuracy and reliability of quantitative data internally and externally. (A Greenhouse Gas Emissions Verification Statement is on page 64).

\*1 Included companies: Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, Seven & i Food Systems, York Mart, Akachan Honpo, THE LOFT, and SHELL GARDEN

\*2 Ten companies comprising the nine companies in \*1 with the addition of 7-Eleven Inc.

### ISO 14001 Acquisition

Seven & i Holdings is promoting ISO 14001 acquisition to strengthen its environmental management systems. We maintain the certification at Sogo & Seibu stores, SEJ Head Office, offices nationwide, and directly managed stores within the Greater Tokyo Area.

In the fiscal year ended February 28, 2015, Seven & i Food Systems acquired ISO 14001. All departments will continue to use management systems to reduce environmental impact through our business activities.

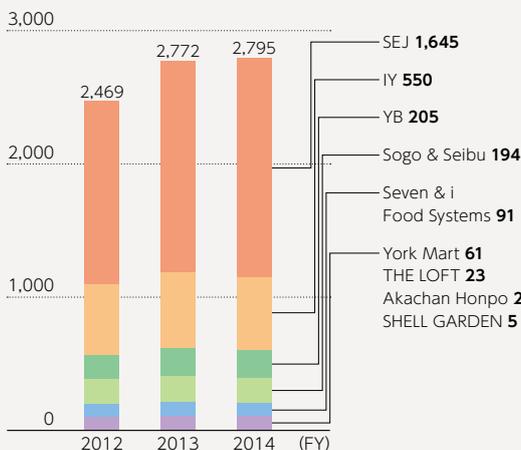
### Raising Environmental Awareness among Employees

To raise employee environmental awareness, Seven & i Holdings has conducted a campaign to allow employees to obtain "Eco Test"\*<sup>3</sup> certification. This campaign involved employees who passed the Eco Test receiving a certain amount as a support subsidy. At the testing conducted in July 2015, across the Group 951 people sat the test and 753 passed.

\*3 The Certification Test for Environmental Specialists is conducted by the Tokyo Chamber of Commerce and Industry. The official name is the Certification Test for Environmental Specialists\*

### CO<sub>2</sub> Emissions\*

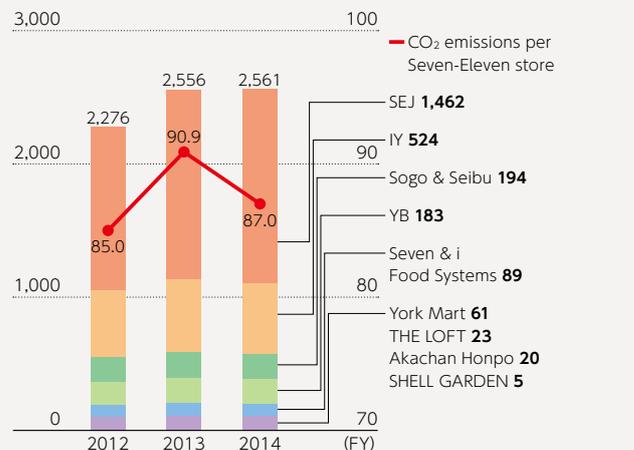
(1,000 t-CO<sub>2</sub>)



\* CO<sub>2</sub> emissions from store operations plus CO<sub>2</sub> emissions caused by the use of energy for logistics and Head Office activities. For calculation methods, please see the data posted on the website.

### CO<sub>2</sub> Emissions Resulting from Store Operations\*

(1,000 t-CO<sub>2</sub>)



\* For calculation conditions, please see the data posted on the website.

### ● Scope 3 Calculation\*1

Seven & i Holdings has calculated the CO<sub>2</sub> emissions (“Scope 3”) throughout the supply chains at six of its major Group companies\*2 for the fiscal year ended February 28, 2014 for the first time. In making the calculations, we used the “Supply Chain Emissions Accounting and Public Support” project of the Ministry of the Environment, making the calculations in accordance with the “Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain Ver. 2.1.” In this support project, the calculation by Seven & i Food Systems was the first example of its kind in the food and beverage industry. We calculated Scope 3 emissions in the same way for the fiscal year ended February 28, 2015. Based on this calculation result, we will aim to achieve further reductions of CO<sub>2</sub> emissions across the entire supply chain.

The six companies’ calculation results are disclosed on the following website. (Japanese Only)  
[http://www.env.go.jp/earth/ondanka/supply\\_chain/gvc/business/case\\_smpl.html](http://www.env.go.jp/earth/ondanka/supply_chain/gvc/business/case_smpl.html)

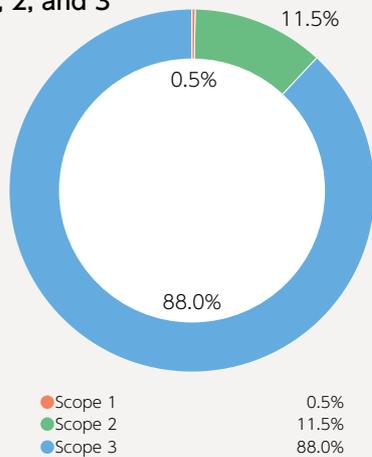
- \*1 “Scope 3”: CO<sub>2</sub> emissions other than those from the company, emitted from its procurement of raw materials and products, transportation, product use, and CO<sub>2</sub> emissions from waste disposal processes
- \*2 Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York Mart, Seven & i Food Systems, and Seven Bank

### Breakdown of Greenhouse Gas Emissions throughout the Supply Chain in the Fiscal Year Ended February 28, 2015

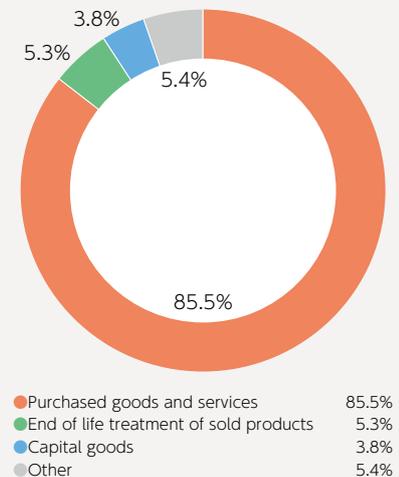
Calculation Period: March 2014 – February 2015

Category	Description	Example	Composition ratio
Scope 1	Direct emissions from owned/controlled operations	Fuel used for onsite generation	0.5%
Scope 2	Indirect emissions from the use of purchased electricity, steam, heating, and cooling	Electricity consumption	11.5%
Scope 3	Other indirect emissions	Below	88.0%
Category 1	Purchased goods and services	Procurement of raw material	85.8%
Category 2	Capital goods	Investment in equipment	3.8%
Category 3	Fuel-and-energy-related activities (not included in Scope 1 or 2)	Procurement of energy used	0.9%
Category 4	Upstream transportation and distribution	Delivery from delivery center to stores	1.4%
Category 5	Waste generated in operations	Processing of store waste	0.4%
Category 6	Business travel	Employees’ business trips	0.0%
Category 7	Employee commuting	Employees’ commutes	0.2%
Category 8	Upstream leased assets	Electricity use in data centers	0.0%
Category 9	Downstream transportation and distribution	Deliveries from stores to customers	0.2%
Category 11	Use of sold products	Use of sold products	0.7%
Category 12	End of life treatment of sold products	Disposal of sold products	5.3%
Category 13	Downstream leased assets	Tenants’ energy use	1.4%

FY2015 Breakdown of Emissions under Scopes 1, 2, and 3



FY2015 Breakdown of Scope 3





We will eliminate waste in terms of products, materials, and energy and contribute to the preservation of the environment.

## Reducing CO<sub>2</sub> Emissions at Stores

### Promoting Introduction of Energy-Saving Equipment

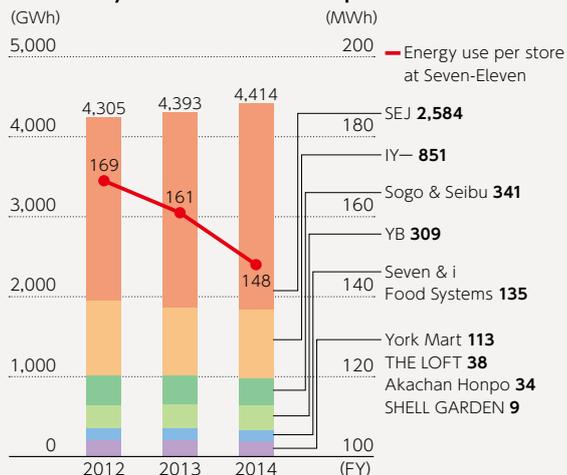
Seven & i Holdings is taking steps to control the proportional increase in environmental impact that accompanies the growth in the number and size of stores, and the expansion of products and services. One approach is to installed energy saving equipment such as LED lighting and solar panels when opening new stores or remodeling existing ones.

To promote the creation of environmentally friendly stores at SEJ, all types of lighting are being converted to LED, including store signage, sales area lighting, and exterior lighting. By changing over to LED, stores that previously used 85 fluorescent lights can achieve an annual energy saving effect of 11,508 kWh per store. We are also promoting the installation of solar panels, which are now used in 7,278 stores (as of August 31, 2015).

At IY, to reduce the load on the environment from store operations, LED lighting has been installed at almost all stores as of February 28, 2015, and solar panels have been installed at 14 stores.



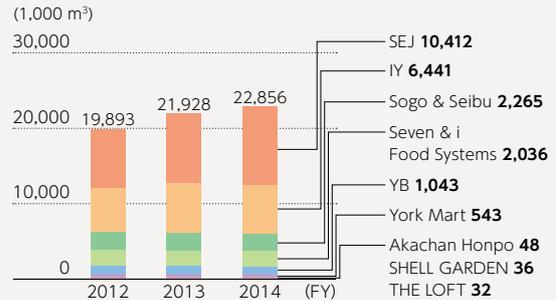
### Electricity Use from Store Operations



### Measures to Conserve Water

At Seven & i Holdings stores, in addition to the daily efforts made to conserve water, water-conserving faucets and energy-saving flushing toilets are also being introduced. Furthermore, through utilizing rainwater, etc., we are working to reduce the volumes of water used.

### Water Usage Resulting from Store Operations



### Management of CFCs

At Seven & i Holdings stores, devices using CFCs are replaced with ones using CFC alternatives during remodeling and so forth. Moreover, in compliance with the Act on the Protection of the Ozone Layer Through the Control of Specified Substances and Other Measures, which was implemented in April 2015, devices undergo regular inspections required by the government. Devices using CFCs are disposed of by professional companies in compliance with the law, and stores receive collection certificates from these contractors as proof of appropriate disposal.

We also plan to further promote the introduction of non-CFC devices in freezing and refrigeration devices used at our stores. At SEJ, refrigeration devices that utilize CO<sub>2</sub> refrigerants have been introduced at 75 stores (as of August 31, 2015) and we are trialing them at 3 IY stores. .

### ● Installation of Electric Vehicle Chargers

Seven & i Holdings and NEC Corporation have installed 3,380 chargers for electric vehicles (EV) and plug-in hybrid vehicles (PHV) in parking lots at 45 stores in Japan, including IY, Ario, and Sogo and Seibu department stores to provide a fee-based charging service.

This project is the largest scale introduction of EV and PHV chargers ever attempted in Japan. Services are scheduled to be gradually launched from November 2015 in stores where chargers have been installed. The initiative aims to increase the convenience of the commercial facilities and establish a pattern for using EVs and PHVs of charging them while shopping, as well as to contribute to the realization of a low-carbon society by promoting the spread of environmentally friendly, next-generation cars.

The charging service will support payment with a charging card issued by Nippon Charge Service LLC, a joint venture established by four Japanese automakers, as well as Seven & i Holdings' electronic money "nanaco."

### ● Convenience Stores with Hydrogen Stations

SEJ has signed a comprehensive agreement with Iwatani Corporation regarding the installation of hydrogen stations together with convenience stores. The companies plan to open two stores with hydrogen stations in Tokyo Metropolis and Aichi Prefecture in 2016.

The two stores will conduct a trial test on the environmental impact reduction of stores using pure hydrogen fuel cells to verify the potential for the use of fuel cells in SEJ stores. Moreover, the project also aims to promote the creation of "close-by, convenient stores" that are closely tied to local communities, while creating sites that can serve as social infrastructure able to provide products, services, and clean energy at a single point.

SEJ will continue actively striving to make total energy savings while creating environmentally friendly stores through "energy saving, energy creation, and energy storage."



Image of the convenience store with hydrogen station

## TOPIC

### 7-Eleven, Inc. 2014 Environmental Initiatives

In 2014, 7-Eleven, Inc. (SEI) continued to roll out LED lighting and an energy management system (EMS) in stores to reduce energy consumption. The EMS monitors, controls, and optimizes the performance of heating, ventilation, and air conditioning (HVAC) and refrigeration equipment, which have significant energy consumption. It also enables remote control of HVAC and other energy-consuming equipment. Real-time data obtained by the system is used to perform frequent self-diagnostic and optimization routines to reduce energy consumption and manage costs. Since 2011, more than 5,000 stores have installed LED lighting and more than 3,600 stores have installed the EMS. In 2014, SEI achieved an annualized reduction of CO<sub>2</sub> emissions of an estimated 298,422 tons and annualized energy cost savings of approximately \$45 million.



LED lighting



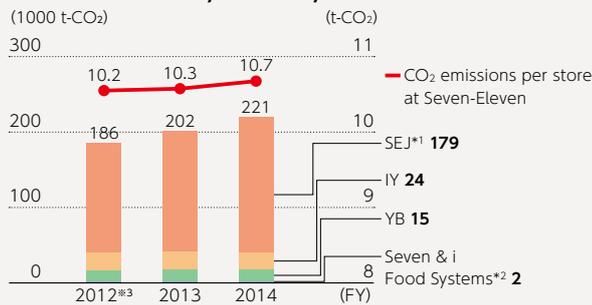
We will eliminate waste in terms of products, materials, and energy and contribute to the preservation of the environment.

## Reducing CO<sub>2</sub> Emissions from Logistics Operations

### Reducing CO<sub>2</sub> Emissions from Deliveries

In addition to promoting the introduction of ecofriendly vehicles, Seven & i Holdings is working to improve fuel efficiency and reduce store delivery frequencies. Furthermore, progress is also being made in the introduction of drive-data terminals in trucks, which record driving conditions. Based on the collected data, drivers are instructed and eco-driving seminars carried out.

#### CO<sub>2</sub> Emissions by Delivery Trucks

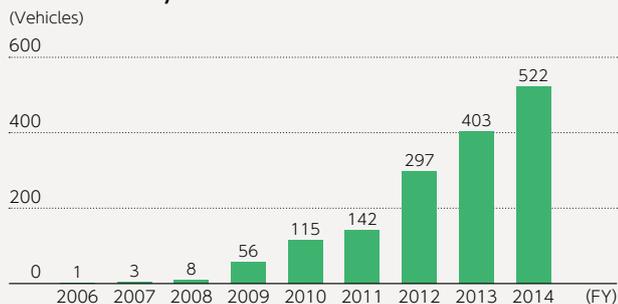


\*1 SEJ data includes CO<sub>2</sub> emissions from distribution center operations.  
 \*2 The values are for Denny's only  
 \*3 Some data is missing due to the impact of the Great East Japan Earthquake.

### Introduction of Eco-Friendly Vehicles

We are replacing delivery vehicles with hybrid trucks at SEJ. These are capable of recuperating energy generated during deceleration and then using it as secondary power to drive motors when pulling away and accelerating. Through this technology, we hope to realize fuel-efficiency improvements and reduced CO<sub>2</sub> emissions, etc. There are 4,856 delivery vehicles in the fleet (as of February 28, 2015), and hybrid trucks account for 522 of these. We plan to replace 20% of the total fleet with eco-friendly trucks by 2020.

#### Number of Hybrid Vehicles Introduced



### Promoting Introduction of Eco-Friendly Tires

SEJ is promoting the introduction of eco-friendly tires that reduce the rolling resistance of the tires of delivery vehicles. As of February 28, 2015, we have installed eco-friendly tires on 4,707 delivery vehicles, representing approximately 95% of the total fleet.

Moreover, SEJ has also introduced retread tires to 6,013 vehicles as of February 28, 2015. These tires are made from tires that have finished their service life by removing a certain amount of the tire surface that contacts the road and applying new rubber and tread. In this way, they can be re-used as rear tires for delivery vehicles.

SEJ will promote the use of retread tires to contribute to resource conservation and waste reduction by reusing them as rear tires.

\*1 Tires may be removed and refitted several times for each vehicle, so the number is the total number of vehicles.



## Promoting Food Recycling

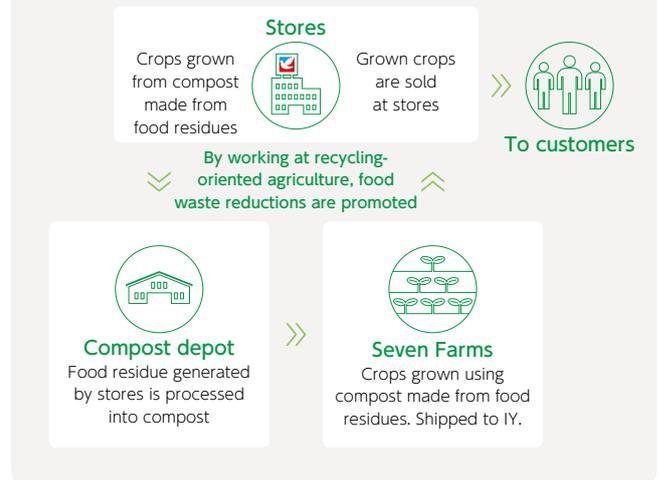
### ● Recycling-Oriented Agriculture (Seven Farms)

To improve food recycling rates and invigorate regional agriculture, in August 2008 IY established “Seven Farm Tomisato” as an agricultural production corporation in Tomisato City, Chiba Prefecture, thereby becoming the first player in the retail sector to engage in “recycling-oriented agriculture”. This involves composting food residues (garbage) generated by stores, and using it at Seven Farms. The produce that is grown at the farms is then harvested and sold at the stores. The initiative is being carried out at 11 locations throughout Japan.

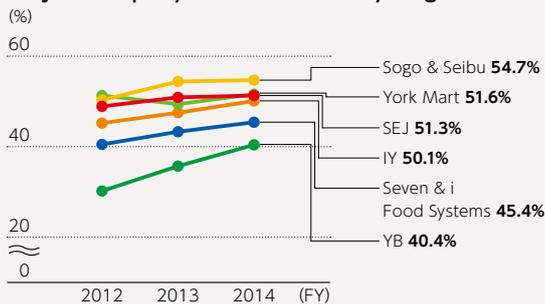
This initiative has been well received. In the Environmental Division of the Fiscal 2014 35th Food Industry Best Company Awards, we were awarded the Minister of Agriculture, Forestry and Fisheries Award by the Japan Food Industry Association and the Organization of Food-Marketing Structure Improvement.

(This is an event sponsored by the Ministry of Agriculture, Forestry and Fisheries).

### Seven Farms Outline



### Major Company Food-Waste Recycling Rates (FY2015)



### ● Installing Systems to Treat Garbage

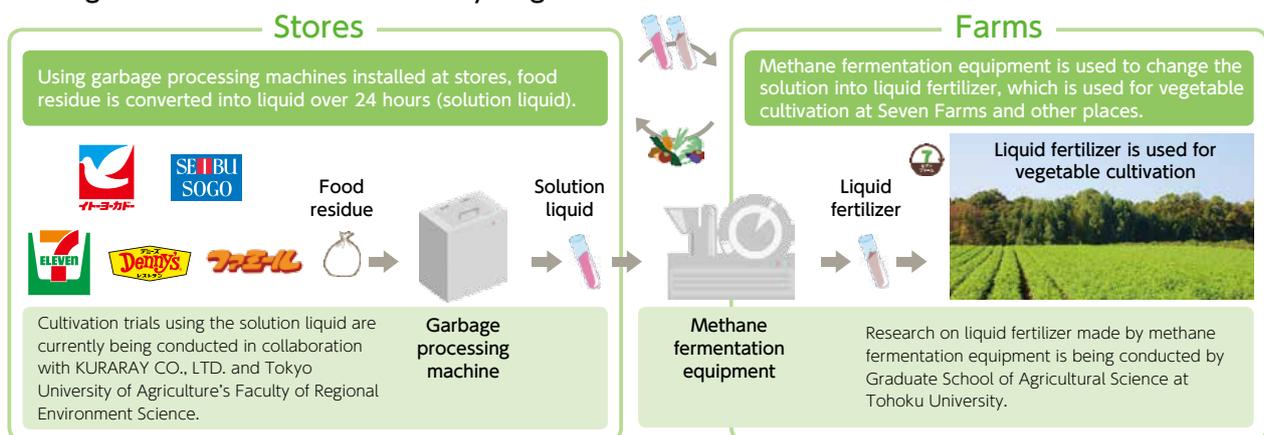
At IY, a “biodegradable garbage processor” system that breaks down garbage using microorganisms was introduced in October of 2011 and has been installed in 12 stores. Through the power of microorganisms, the devices break down into water and CO<sub>2</sub> garbage that is ill-suited to recycling (such as highly fibrous substances, etc.). This process results in reduced CO<sub>2</sub> emissions when compared to incineration processing, and it offers an effective reduction of waste volumes.

## TOPIC

### Start of Research on Converting Food Residue to Liquid Fertilizer

SEJ has started research toward the creation of a new food recycling loop where food residue from stores is converted to liquid fertilizer, which is then used in vegetable cultivation and so forth.

### ● Envisaged Next Generation Food Recycling





We will eliminate waste in terms of products, materials, and energy and contribute to the preservation of the environment.

### Reducing Packaging Materials, etc.

#### ●Installing Automatic PET Bottle Collection Machines

IY, YB, and York Mart have had automatic PET bottle collection machines installed at stores since 2012. Because PET bottles inserted into the machines undergo an automatic process of foreign-matter removal and volume-reduction (by either compression or crushing), large volumes of bottles for recycling can be sent to recycling plants on each occasion, which reduces the delivery frequency from stores. Moreover, by utilizing Seven & i Holdings logistics routes, more efficient transportation is possible and the volume of CO2 emissions resulting from the operations can be reduced.

Additionally, some of the collected PET bottles are made into new PET bottles for the domestic market. This “closed-loop recycling” system of recycling PET bottles into new PET bottles is the first attempt by a major retail chain in Japan to be implemented on such a large scale. As of the end of July 2015, across the three companies collection machines have been installed in 254 stores.

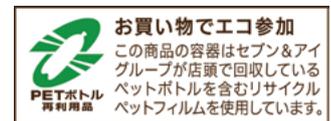
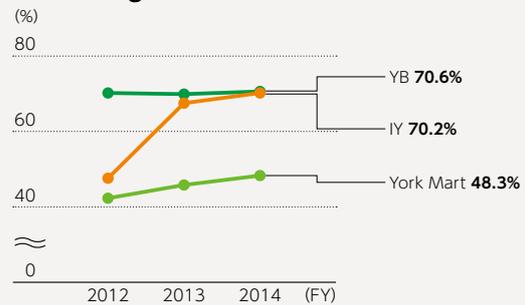
The recycled material from PET bottles recovered at stores is used in the containers of the private brand Seven Premium Refillable Body Soap and other environmentally friendly everyday household products.

#### ●Reducing the Use of Disposable Plastic Bags

Seven & i Holdings promotes the reduced use of disposable plastic bags by posting posters and POP signs, and by holding other events to encourage customers to bring their own shopping bags when shopping at stores.

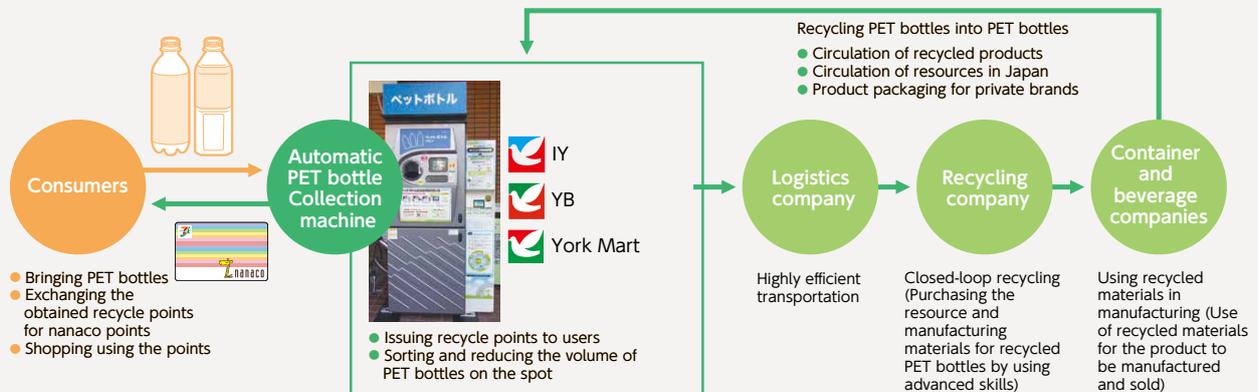
For example, IY has discontinued the free distribution of plastic bags on the food floors of all its stores. In the fiscal year ended February 28, 2015, the turndown rate of disposable plastic bags at cash registers on food floors reached 70.2%.

Plastic Bag Turndown Rate (Food Floors)



Products Using Recycled Material from PET Bottles

### PET Bottle Recycling System Using an Automatic Collection Machine



## Aggressive Development of Environmentally Friendly Products

### ●Use of Forest Thinning Materials in SEVEN CAFÉ Cups

Forest thinning materials are being phased in for use in the outer sleeve section of the hot cups used for SEVEN CAFÉ, which is sold mainly at Seven-Eleven stores throughout Japan. As of August 31, 2015, the change has been implemented nationwide, except in Shikoku, and all stores are expected to have completed the change by the end of 2015. This is the first initiative undertaken in convenience store coffee.

For information about original products made using forest thinning materials from Nagano Seven Forest, please see page 56.



A SEVEN CAFÉ cup and the Forest Thinning Material Mark

### ●Recycled PET Used in Salad Cup Container

Moreover, the original Salad Cup Container sold in the chilled cases of Seven-Eleven stores is being replaced with containers that use environmental PET made from recycled or biomass PET rather than oil-based PET. The changeover is scheduled to be completed by December 2015. The CO<sub>2</sub> emission reduction resulting from the change is expected to be 1,790 tons in the fiscal year ending February 29, 2016. This is the first initiative of this scale in the convenience store industry.

For further information about original products with containers made using recycled PET material recovered at stores, please see page 43.



Example of Salad Cup Container using environmentally friendly PET

### ●Change to Non-Aluminum Paper Cartons for Alcohol

Since July 2015, we have been phasing in a change in the paper cartons used for Seven Premium alcohol products from the previous aluminum carton material to a non-aluminum carton material. This change enables the cartons to be recycled as paper, just like milk cartons. Moreover, the volume of CO<sub>2</sub> emissions per carton from the raw material procurement and manufacturing process is around 12% lower compared with the aluminum packs, making the non-aluminum packs more environmentally friendly.



The identification mark also changed from the Paper Mark to the Paper Carton Mark

### ●Change to Eco-Friendly Materials for Product Labels

For Seven Gold: Golden Bread and Seven Premium Select Fresh Eggs product series sold in the Group's stores, we have been phasing in "eco nano labels" since February 2015. The new labels are made of an eco-friendly material that emits only half the amount of CO<sub>2</sub> upon combustion compared to a conventional label.



Example of product labels using CO<sub>2</sub> absorbing agents

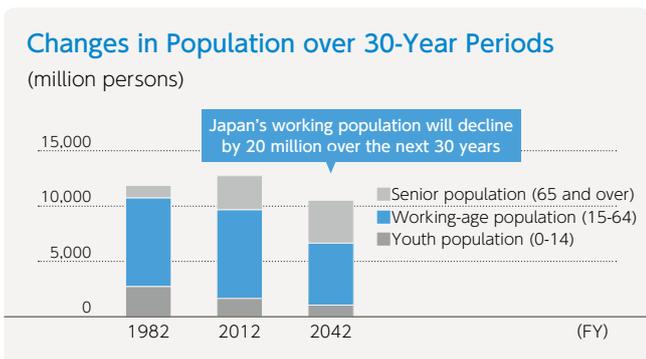


**Promise 4** We will support the creation of a society where all people can actively participate, regardless of gender or age.

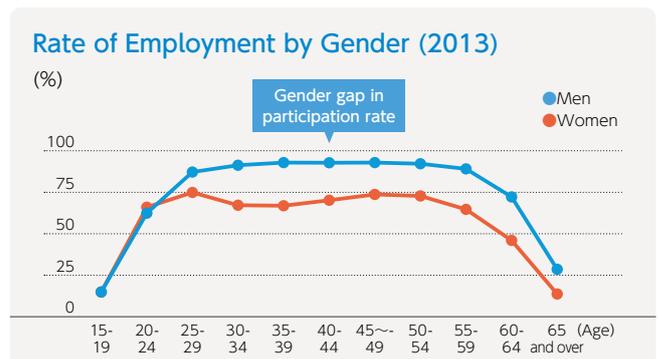


**Social Background**

In Japan, the birth rate is in decline, and the population is advancing in age. Over the next 30 years or so, the productive-aged population is projected to decline by over 20 million. Furthermore, there are many women who are denied the opportunity to work, for example because it is difficult to balance work with raising children, or because they have been unable to return to work after raising children. Furthermore, the ratio of women in management among private sector companies in Japan is relatively low by international standards at 11.6% (2012). Creating workplaces where women can play an active role is therefore an important task.



Source: Population Estimates, Statistics Bureau, Ministry of Internal Affairs and Communications  
Population Projections for Japan (January 2012 Estimates) . Statistics from the National Institute of Population and Social Security Research



Source: Labor Force Survey (Ministry of Internal Affairs and Communications)

We strive to create workplaces where all employees feel fulfilled in their work and able to demonstrate their full potential. Furthermore, through our products and services we support women with the challenge of working while raising children.

### Making Use of Diverse Human Resources

We are carrying out initiatives under the slogan "Diversity gives us power for tomorrow," fully recognizing that assuring the active role of women in our workplaces is an important challenge.

### Assuring Fair Assessment and Treatment of Employees

We offer an internal recruiting system that enables employees to apply for positions that they want across different career tracks and Group companies, as well as a system that provides a pathway for part time staff to enter full-time employment.

## Action on the Promises

### Making Improvements Based on the Results of the Employee Opinion Survey

Based on the results of the employee opinion survey, each operating company carries out initiatives to foster a positive workplace culture and shares these across the Group.

### Supporting Childcare and Child Raising

Our stores provide a host of different support options for families raising children to address the trend toward a nuclear family, which has made it more difficult for people to seek advice about raising children.

## Created Value

### Value for Society

Creation of workplaces where anyone can play an active role

Achieve work-life balance

### Value for Seven & i Holdings

Enhance competitiveness through the promotion of diversity

Secure the necessary human resources during an era of working-population shortfalls



We will support the creation of a society where all people can actively participate, regardless of gender or age.

### Making Use of Diverse Human Resources

#### ● Enhancing Corporate Competitiveness through Active Participation of Women

Seven & i Holdings aims to enhance its corporate competitiveness through active participation of diverse human resources, with the goal of becoming a company with a sustainable competitive advantage.

In 2012, we established the Seven & i Group Diversity Promotion Project. Since most of customers who visit the Group's stores are women, we have identified promotion of active roles for women as a priority within diversity, and established targets that we are currently working to achieve. Achieving greater participation by women in various situations will help us to create stores and products that delight our customers.

#### The Four Targets to Be Attained by the End of February 2016

1. Percentage of female managers:  
Section manager or higher: 20%  
Team leader or higher: 30%
2. Encourage male employees to participate in childcare
3. Improve employee satisfaction
4. Improve external evaluation (revised March 2014)

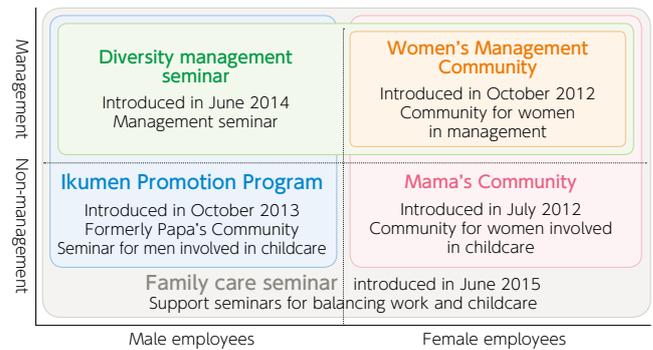
Since September 2012, the Diversity Promotion Project has been holding diversity promotion liaison meetings each quarter. The meetings are attended by people from the eight main operating companies\*1, and they share the Group's policies as well as sharing and spreading the initiatives undertaken by each company. Since 2013, dedicated organizations for promoting active roles for women have been launched within SEJ, IY, Sogo & Seibu, and YB, and we have been working to improve our flexibility even further.

#### ● Extending the Ratio of Female Managers

At the end of February 2014, we had reached our target of a 20% ratio of female managers a year early. We therefore revised the target in March 2014, and increased the new target to a 30% ratio of female managers by the end of February 2016. As of the end of February 2015, we have female management ratios of 22.9% for positions of team leader or higher, and 19.7% for section leader or higher.

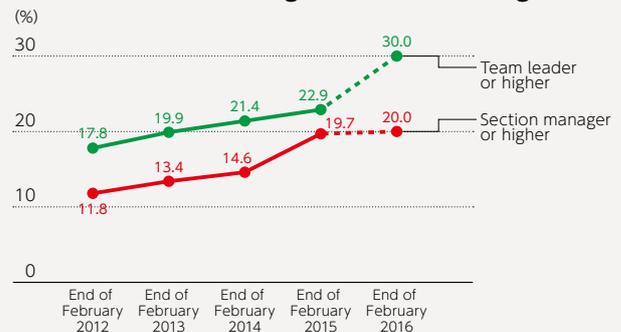
#### ● Fostering a Culture Where Diverse Personnel Can Play an Active Role

Seven & i Holdings believes that promoting active roles for women requires a change in awareness at various levels. To this end, we have been conducting diverse community activities and seminars.



In 2011, we interviewed female employees to identify challenges facing their more active involvement in the workplace. We found that many were concerned about achieving a balance between work and childcare, so in 2012 we started organizing events called Mama's Community for women involved in childcare to resolve their concerns and build a network. During these events, which are held at lunchtime, women are able to discuss issues about achieving a balance between work and childcare, which has helped to improve employee motivation and alleviate some of the concerns held by female employees. On the other hand, in October 2013, we launched the Ikumen Promotion Program for male employees with children because the participation of men in the childcare process is key to helping women play a more active role in the workplace and society. We have been reviewing the traditional approach to working style and are working to increase their interest in participating in childcare.

#### Trends in the Percentage of Female Managers



\*Total for eight Group companies\*1

\*1 Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York Benimaru, Seven & i Food Systems, Akachan Honpo, Seven Bank

Moreover, in October 2012, we launched the Women's Management Community for female managers to help build networks of female managers across the Group and to increase their skills. The community provides opportunities for self-improvement, such as presentations by experts and lectures about business skills. The diversity management seminar was introduced in June 2014 to change the awareness of managers. So far, around 1,700 people have participated in the seminar, and are now using what they have learned in day-to-day management. Moreover, we have also distributed the Diversity Management Handbook to managers, which is designed to promote communication with their subordinates. The handbook is used in training for newly appointed officers and other scenarios, to help develop managers who are able to utilize diverse human resources.

### ● Improving Employee Satisfaction

In May 2015, Seven & i Holdings conducted an employee opinion survey for employees at 28 Group companies. Comparing the answers for the questions relating to the status of women's active participation, the number of respondents who said that continuing to work while raising children was "easy" or "relatively easy" to do has increased by 11.3% since 2013. Moreover, the number of respondents who said that it was "possible" or "relatively possible" to advance their career while raising children increased by 12.6% since 2013. These kinds of quantitative changes show that our various internal awareness-raising activities are changing employee awareness.

### ● Improving External Evaluation

Seven & i Holdings has established specific targets for promoting the active role of women, and the entire Group has worked together to make progress on them. The Group's high ratios of female corporate officers and female managers, and its disclosure of the active roles of women, as well as efforts such as changing the awareness of women, men, and management, respectively, have been highly rated. We received the Prime Minister's Award at the Leading Companies Where Women Shine Awards established by the Cabinet Office.



Award ceremony (January 2015)

### ● Promoting Employment of People with Disabilities

Seven & i Holdings is assisting people with disabilities to demonstrate their abilities at their workplaces based on its commitment to provide an environment where everyone can play an active role. To this end, all Group companies consult with employees with disabilities to determine the workplaces, jobs and working hours that are suitable in consideration of the level and details of their disability and their own preferences. In this way, people with disabilities work in various divisions.

In recruitment, we coordinate with special-needs schools and participate in job interviews organized by local employment agencies and partner with vocational schools. Furthermore, all Group companies are provided with the Seven & i Holdings Normalization Support Guide, which contains basic knowledge and practical recruitment methods when employing people with disabilities, to ensure that all people who are responsible for recruitment and education at Group companies are aware of considerations regarding disabilities and that they implement them.

Furthermore, Terube Ltd.\*<sup>1</sup>, which is a special subsidiary established to foster the employment of people with severe disabilities, employs 19 people with disabilities as of June 1, 2015. As a result, the Group's employment rate of people with disabilities\*<sup>2</sup> including those employed by Terre Verte came to 2.19% (as of June 1, 2015)

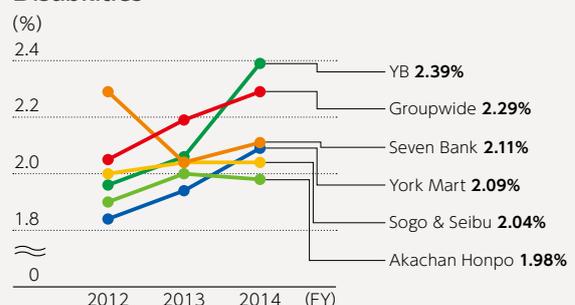
\*<sup>1</sup> Established in 1994 through joint investments from Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Seven & i Food Systems, and the City of Kitami in Hokkaido Prefecture.

The company offers secure, long-term employment for people with disabilities and carries out activities to raise awareness about the concept of normalization.

\*<sup>2</sup> The Group's employment rate of people with disabilities covers the five companies of Seven & i Holdings, Terre Verte, Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

Terre Verte Website (Japanese only): <http://terube.jp/index.html>

#### Trends in the Employment Rate of People with Disabilities



\*Fiscal year data is as of June 1 of the following fiscal year



We will support the creation of a society where all people can actively participate, regardless of gender or age.

## Achieving a Work-Life Balance

### ●Enhancing Childcare and Family Care Assistance Systems

Since November 2014, Seven & i Holdings has been phasing in a childcare leave system to promote participation in childcare by men. The system is for employees with pre-school aged children, and the leave is available in units of one day, and is paid. The system allows employees to take leave for general reasons related to childcare, such as nursing a sick child, or attending events at day care or kindergarten. With increasing awareness among men regarding childcare and a rise in the number of households with two working parents, the childcare leave system has been used effectively since its introduction.

### ●“Platinum Kurumin” Certification

IY has become the first company in the Tokyo Metropolitan Area to receive “Platinum Kurumin” Mark certification from the Ministry of Health, Labour and Welfare, following a revision of the Act on Advancement of Measures to Support Raising Next-Generation Children. “Platinum Kurumin” is awarded to companies that have already received “Kurumin” certification and have advanced use of systems to support balancing work with childcare to a significant degree while implementing measures at a high level. The system was established in 2015 to promote continued initiatives. IY has already received the “Kurumin” certification twice, and has actively utilized its Re-Challenge Plan, a personnel system for supporting childcare to help workers balance work and childcare. Other initiatives include holding opinion exchange events with employees who are involved in childcare, diversity seminars at store manager meetings, and promoting the taking of annual paid leave by employees, especially part-time workers. These activities were highly rated. IY will make even further efforts to create an environment where employees can work with peace of mind going forward.



### ●Family Care Seminar

Since 2015, Seven & i Holdings has been promoting activities for balancing family care with work. To achieve a balance between family care and work, it is important to prepare before the need for family care arises. Therefore, we held Family Care Seminars for learning about preparing for family care. Employees showed great interest in the seminars, which were well attended. We also implemented diversity management seminars for managers regarding balancing family care with work, and we continue to promote the creation of an environment where workers can also care for their family members.



Family care seminar

### ●Volunteer Leave System

To support employee participation in volunteer activities for welfare, environmental beautification, disaster reconstruction support, and other objectives, Seven & i Holdings, SEJ, IY, York Mart, Seven & i Food Systems, and Seven Bank have instituted a volunteer leave system under which employees can take five days off per year for volunteer work.

In the fiscal year ended February 28, 2015, 13 Group employees took volunteer leave.

## TOPIC

### Making Improvements Based on Results of Employee Opinion Survey

Seven & i Holdings conducted an employee opinion survey in May 2015. Based on the results, the Corporate Ethics and Culture Subcommittee discusses improvement measures for issues implemented in the fiscal year ended February 28, 2014 and reviews the validity of work and employee development and training programs. Through these and other efforts, the Subcommittee examines improvement strategies for new issues to be addressed by the Group while grasping unique issues for each operating company and holding “issues and improvement strategy proposal meetings” for tackling improvements. Sharing the initiatives between each company helps to achieve further improvements.

## Supporting Development of Employee Abilities

### ● Open Recruitment System for Human Resources

Seven & i Holdings implements an open recruitment system for human resources that encompasses all of its operating companies to respect the will of each individual employee and ensure the right person is placed in the right job to fully leverage their abilities and to invigorate the organization.

Employees who have worked in the same workplace and role for at least two years and who qualify for the recruitment conditions of the company they seek to join, can apply for a position regardless of work experience or seniority.

Moreover, the Group companies have also introduced internal recruitment systems. For example, at IY, any employee who has been with the company for three or more years can put themselves forward for a position or work type, except for executive roles, regardless of their current work details, experience, and seniority. A candidate screening examination is conducted, and appropriate candidates are appointed to their desired role or duties. The internal candidate system has been in place since 2002, and has helped over 1,500 people into their desired jobs.

### ● Enhancing the Training System

Seven & i Holdings has prepared training systems tailored to the business characteristics of each company, and works to develop its human resources. To provide safe, reliable, high-quality products, it is essential to build employees' capabilities. For this reason, we strive to support skills improvements for each individual employee, including part-time workers.

To prepare training systems matched to business characteristics, we opened the Ito Training Center in Yokohama City, Kanagawa Prefecture, to support specialized skills acquisition such as selling and food preparation. The center is equipped with the rooms used for training on sales floor displays, checkout services, and skills for handling fresh foods (prepared foods, fish, sushi, meat, vegetables and fruits). In the skills training room, a large monitor on which trainees can see the hands of the lecturer in an enlarged size as well as a device to send the images shown on the monitor to each store are prepared to provide an effective learning environment.



Employees in training

## Assuring Fair Assessment and Treatment of Employees

### ● Fairness Based on Self-Evaluations

Seven & i Holdings implements self evaluation-based assessment systems for employees to maximize their individual abilities and ensure fair assessments free of unreasonable discrimination, such as social status, birthplace, race, creed, or gender.

Under this system, evaluations are carried out at least twice a year and cover all employees, including part-timers. Employees first self-evaluate their job performance, then managers conduct their assessment, and the employee and manager meet to discuss the results. Through this process, employees are able to understand their performance results and challenges. The process also ensures evaluations maintain transparency and fairness.

### ● Selection of Various Work Styles

Seven & i Holdings' operating companies also focus on establishing systems that allow employees to choose various work styles to increase their motivation for work.

For example, IY has a program enabling part-timers to choose from diverse working styles. Under this system, part-timers may elect to step up a rank after acquiring a certain level of evaluation and sales skill. There is also a program in place where part-timers designated as highest level can be hired as a monthly salaried permanent employee or contract worker. To date (as of June 30, 2015), 77 part-timers have become monthly salaried permanent employees or contract workers. A large number of part-timers have also been hired on in managerial roles, such as sales floor manager or chief.

### IY Step Up Elective System





We will support the creation of a society where all people can actively participate, regardless of gender or age.

## Assuring Consideration of Worker Health and Safety

### ●Seven & i Health Declaration 2018

When employees are healthy both mentally and physically, it not only makes their own lives more fulfilling but is also a source of vitality for the Company, and makes management more efficient. Based on this understanding, we launched the “Seven & i Health Declaration 2018: on October 1, 2014.

The declaration sets out targets for reducing the risk of lifestyle diseases and the smoking rate, increasing recognition of cancers that affect women, and promoting work-life balance, among others. Measures to support these efforts include the MY HEALTH WEB Health Management System, mental health training, and health events. In this way, we are working to support health maintenance for all employees.

The MY HEALTH WEB Health Management System in particular allows individuals to browse the past five years of their own diagnostic data on the Internet, and serves as a tool for checking and goal-setting on health status, and for receiving advice on how to improve health. Initially, the service was provided for approximately



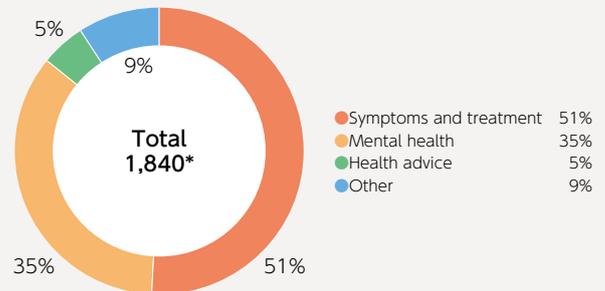
MY HEALTH WEB Health Management System

60,000 employees and their families (aged 30 and over), drawing attention as the largest initiative of its kind in the industry. We are constantly holding events for encouraging people to enjoy taking an interest in health, aiming to be a company that achieves sustainable corporate growth with an environment where employees can work with enthusiasm.

### ●Health Consultation Service

Seven & i Holdings is committed to maintaining safe and comfortable workplaces for employees. To this end, each operating company regularly holds meetings of its safety and health committee and provides employees with regular health checkups, while the Group’s Head Office has set up the Health Management Center for employees. Moreover, the Group has introduced a system in which clinical psychotherapists and counselors provide employees with counseling services on their mental health by phone and via e-mail. In addition, health counselor and medical institution referral services are available for both employees and their families.

Breakdown of Health Consultation Requests by Topic (FY2015)



\*Including those from employees' families

## TOPIC

### Sound Labor-Management Relations

The Federation of Seven & i Group Labor Unions is composed of 11\* Japanese unions. (The total number of members was about 63,000 as of June 2015). The unions are federated and complement one another’s strengths as well as unifying and improving common working conditions. In these ways, the respective unions and the federation work together with the basic concept of forming a stronger organization. Seven & i Holdings and the labor unions work through numerous active discussions between labor and management to improve issues related to working conditions and employees’ working environments. For example, at IY, a collaborative project has been

established for making work improvements, including promoting the use of holidays and leave and reducing long working hours.

In the fiscal year ended February 28, 2015, labor and management negotiated on inspection and revision of the personnel system, including issues such as wage revision and bonuses. As a result, labor and management concluded labor agreements on revising the childcare support system and partial revision of the personnel treatment system for part-time workers.

\* Ito-Yokado, Seven & i Food Systems, York Mart, Marudai, Sanei, York-Benimaru, Akachan Honpo, Sogo & Seibu, Life Foods, THE LOFT, and SHELL GARDEN

## Support for Childcare and Child-Raising

### ●Childcare Counseling Service

IY and Sogo & Seibu provide maternity and childcare consultation offices (at 121 stores as of February 28, 2015) and Pre-Mama Stations (at 6 stores as of February 28, 2015), where public health nurses and midwives give counseling to pregnant women on their health and to mothers on childcare. They also provide rest areas equipped with booths for breast-feeding, hot-water suppliers, and toilets for children.



Maternity childcare consultation office

### ●Support for Dietary Education

Seven & i Holdings promotes dietary education activities for children to raise people who understand foods through various experiences and can practice a sound, healthy diet.

Seven & i Food Systems, at its chain of Denny's restaurants, hands out a booklet called "Bonolon and Food" that contains important information about food manners and knowledge and teaches children about the correct eating habits using games and quizzes.



A copy of "Bonolon and Food" handed out to children ©NSP2005  
© Together with Bonolon, 2007

### ●Providing Opportunities for Workplace Experiences

Seven & i Holdings, at the request of elementary, junior high, and high schools in the communities where it operates, supports workplace experience learning at its Group stores, where children have the chance to take part in running a retail store in their community. We provide students with the chance to visit the workplaces of our employees, stock shelves in sales areas, provide customer service, and bag customers' products.

Furthermore, SEJ has a store in Shinagawa Student City, which has been run jointly by the City of Shinagawa and Junior Achievement Japan since 2003. The concept behind Shinagawa Student City is to create a virtual town inside an elementary school, with various companies setting up shops and providing work experience. The children working in the Seven-Eleven store experience customer service, sales space creation, and other operations to learn about the systems of a company. In the fiscal year ended February 28, 2015, 2,160 elementary school students staffed our store and learned about the joys and challenges of working through customer service and retail sales.



Shinagawa Student City

### ●Picture Book Storytelling Sessions

Seven Bank supports the publication of "Bonolon, Warrior of the Forest" picture book to be read to children as a means to foster parent-children communication. The bank continues to distribute the books for free and to hold storytelling sessions.



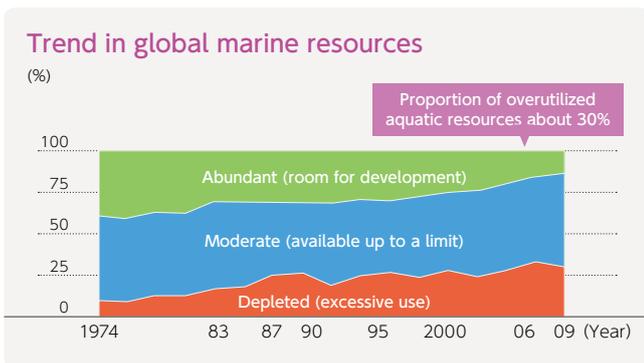
Storytelling session led by employee volunteers



We will work to build an ethical society together with customers and business partners.

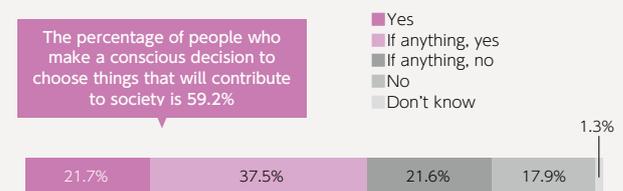


Over 20,000 varieties of fauna and flora are said to be facing extinction around the world today. Production plants in developing countries are considered to be troubled by human rights issues relating to workers, such as low-paid labor and child labor. This environment is driving an increase in ethical consumers,\* who seek to buy products are considerate to the environment and human rights in their areas of production. Companies are expected to respond by building sustainable business models.



Source: FAO, The State of World Fisheries and Aquaculture 2012

### When you choose product or services, do you make a conscious effort to select those that will contribute to society?



The FY2013 Shōhishagyōsei no suishin yoronchōsha (Opinion survey for promoting consumer administration of consumer affairs), Cabinet Office, Government of Japan

We will respond to the recent increase in awareness of “ethical consumption” by providing products and services that have value in terms of environmental and social consideration. In doing so, we will also involve our customers and business partners in our efforts to create an ethical society.

### Creation of Basic Guidelines of Sustainable Procurement

For procurement of natural capital products, sustainable procurement across future generations is required, and we have created a sustainable procurement action plan on the urging of stakeholders.

### Ensuring implementation of Business Partner Action Guidelines

We will ensure implementation of the Business Partner Action Guidelines in order to provide customers with safe, reliable products and to fulfill our societal responsibilities in cooperation with our suppliers on matters such as human rights, labor issues and the environment.

## Action on the Promises

### Sustainable Forest Conservation Activities

We have created the Seven & i Forest project to contribute to the prevention of global warming and conservation of biological diversity.

### Awareness-Raising Activities Aimed at Customers

We develop and supply environmentally friendly products that help our customers to understand the need for a sustainable society through the prevention of global warming, conservation of biodiversity, and so forth.

Created Value

### Value for Society

Improve resource sustainability

Increase customers' and business partners' social and environmental consideration

### Value for Seven & i Holdings

Reduce supply chain risk

Ensure stable supply of materials



We will work to build an ethical society together with customers and business partners.

### Sustainable Forest Conservation Activities

#### ● “Seven Forest” forest conservation project

Seven & i Holdings works together with the Seven-Eleven Foundation to help prevent global warming and contribute to the maintenance and conservation of biodiversity, mainly through the Seven & i Forest Conservation Project at 15 locations across Japan. The project aims to create healthy forests by conducting not only tree-planting, but also systematic undergrowth clearing, thinning, and other operations. In addition, Group employees and franchisees of SEJ also conduct volunteer activities to help maintain the forest. During the fiscal year ended February 28, 2015, a total of 1,848 volunteers participated in 19 maintenance activities.

Moreover, wood material collected from these activities in the Nagano area is used within the Group for store materials and office supplies, as well as commercialization to promote use of national resources.



#### Overview of “Seven Forest” Forest Conservation Project



#### Seven-Eleven Foundation

The Seven-Eleven Foundation was established in 1993 for Seven-Eleven stores and Head Office to work together as one on environmentally themed CSR activities. Using money collected from in-store donation boxes and donations from Head Office, the foundation addresses the themes of prevention of global warming, support of community activities, protection and conservation of the natural

environment, disaster reconstruction assistance and public relations.

In the fiscal year ended February 28, 2015, in-store donations totaled ¥430 million and ¥170 million was used to give grants to 268 projects (including ongoing projects).



### TOPIC

#### Takao Forest and Nature School

The Seven-Eleven Foundation opened the Takao Forest and Nature School in Ichikawa-machi, Hachioji City, Tokyo, as a collaborative project with the Tokyo Metropolitan Government. Under the basic principle of “learning from nature about the co-existence and co-prosperity between people and nature, and between the natural environment and the local community.” The school aims to preserve an approximately 26.5 ha section of forest in a health condition to contribute to the realization of a low-carbon society. The school’s program will enable students to learn about the appeal and importance of nature through activities to protect rare fauna and flora experiential learning.



## Awareness-Raising Activities for Customers

### ● Use of Forest Thinning Materials from Nagano Seven Forest

Seven & i Holdings sells environmentally friendly *Seven Premium* private brand products with packaging that incorporates forest thinning material from the Nagano Seven Forest at approximately 18,000 Group stores such as Seven-Eleven stores. We are now promoting the use of this material beyond beverages and cup soup offerings as an initiative to promote forest development and prevent global warming.



Products that use forest thinning materials

### ● Sales of Rice Cultivated while Protecting the Environment and Biodiversity

Seven & i Holdings sells a rice series that not only uses fewer pesticides and chemical fertilizers, but also encourages “biodiversified farming,” in which rice fields also service as wildlife habitats. Part of the sales are donated for environmental improvements; in the fiscal year ended February 28, 2015, sales of Koshihikari Rice Nurturing White Storks provided approximately ¥140,000 for nurturing oriental white storks, while sales of Sado, Niigata Prefecture–Produced Koshihikari Rice Certified by the Creating Villages Coexisting with Crested Ibis Program provided approximately ¥220,000 to the Fund for the Improved Habitat for the Japanese Crested Ibis.



Rice cultivated while protecting the environment and biodiversity

### ● Green Wrapping

Sogo & Seibu is promoting the use of “green wrapping,” for customer when they order gifts. This involves the purchase of a wrapping ribbon with a leaf-shaped mascot for an additional price of ¥100, of which ¥50 is donated to tree planting and growing activities. In this way, the giver can also provide the recipient a chance to think about the environment. One tree is planted for every 80 ribbons sold. In addition, customers purchasing *ochuugen* and *oseibo* (summer and winter) gifts who agree to simple packaging also contribute to tree planting, with one tree planted for every 4,000 gifts that use the simple packaging option. (Between 2009 and August 31, 2015, 8,095 trees were planted).



Green Wrapping



Employees carefully plant seedlings provided by the kindness of customers

### ● Ethical Fashion Event Held

Sogo & Seibu held the ethical fashion item event, “WHAT’S ETHICAL-Let’s Embrace Ethical Fashion!” event at the Sogo Yokohama store in May 2015. Each product featured a display providing a clear explanation of its ethical nature, while talk shows and workshops were also used to promote interest in ethical products in a fun setting.



A collection of ethical fashion items on display



We will work to build an ethical society together with customers and business partners.

### Formulation of a Basic Policy on Sustainable Procurement

#### ● Implementing the Basic Policy on Sustainable Procurement

Seven and i Holdings aims to solve social issues while enhancing its corporate competitive edge. At the same time, we seek the sustainable development of society and business. To further these aims, in September 2014 we formulated the Basic Policy on Sustainable Procurement (the “Policy,”) to clearly state our policy for the Group’s procurement activities.

By working with stakeholders to tackle issues such as consideration for biodiversity, consideration for the problem of resource depletion, and ensuring traceability, we aim to realize a sustainable society. Looking ahead, we will thoroughly entrench this Policy throughout the Group, as well as establishing standards for each product category based on the Policy. We will also obtain the understanding and cooperation of our business partners as we promote this initiative throughout the supply chain.

### Strengthening the Business Partner Action Guidelines

#### ● Ensure Implementation of Business Partner Action Guidelines

Seven & i Holdings has formulated the Seven & i Holdings Business Partner Action Guidelines (the “Guidelines”) and requires all business partners to understand and observe them.

These guidelines are designed to not only guarantee the safety and quality of products and services, but also consideration for promote legal compliance, environmental conservation and labor conditions throughout the supply chain so that we can fulfil our corporate social responsibility together with our business partners. The Guideline is communicated to business partners of Group companies through various meetings.

#### ● Compliance with the Guideline through the Self Check Sheet

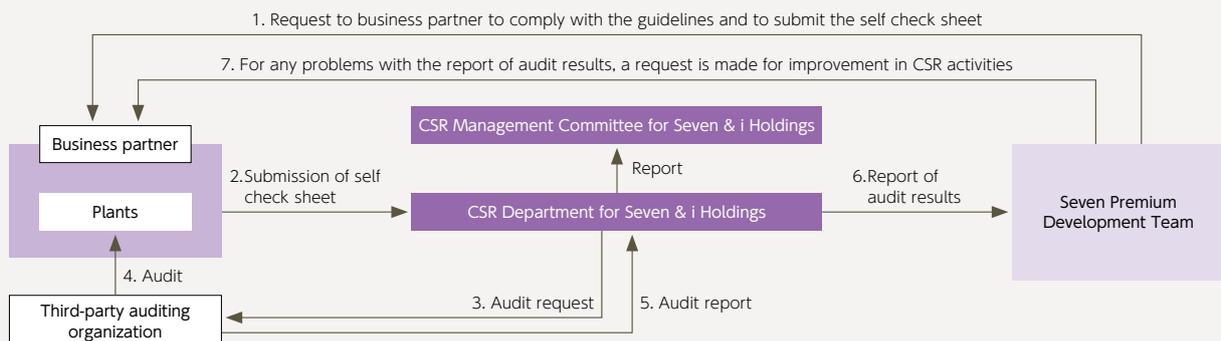
To ensure that business partners understand the Guidelines and to assist with effective CSR initiatives, Seven & i Holdings administers a self check sheet for business partners, explaining all of the specific requirements of the Guidelines.

In drafting the check sheet, we referred to sources such as the ISO 26000 standard, the Japanese Business Federation’s Charter of Corporate Behavior, and the OECD Guidelines for Multinational Enterprises. Business partners asked to submit the check sheet include manufacturers of the Group’s universal strategic *Seven Premium* products and Seven-Eleven original daily manufacturers, as well as distribution centers and IY’s direct import suppliers overseas. Administering the check sheets enables us to ascertain the status of our business partners’ CSR activities.

#### ● Conducting Business Partners’ CSR Audits

Since the fiscal year ended February 28, 2013, Seven & i Holdings has conducted CSR audits to determine the status of compliance with the Guidelines at a selection of factories of the business partners we have asked to submit check sheets. The audit is performed by an external auditing organization based on our independently established CSR audit program (about 140 items in 16 categories). If items are found that do not comply with the audit program (unacceptable items), the external audit organization provides guidance on them to the business partner concerned. The business partners must submit a corrective action plan (CAP) to the auditing organization within 10 days after the audit is completed, and must take immediate action to improve the items.

### The Flow of Business Partner Action Guidelines: Seven Premium as an example



● **Audit Results for the Fiscal Year Ended February 28, 2015**

In the fiscal year ended February 28, 2015, CSR audits were conducted at 256 factories in 11 countries, including China, Vietnam, Thailand, Indonesia, Cambodia and Myanmar. The average compliance rate across all audited factories was 88%, with re-audits at 29 factories. The majority of items for improvement were due to insufficient recognition or misinterpretation of items required under local laws and regulations, and mainly involved labor environment, safety and hygiene, and approvals and authorizations. After their audits, each factory provided a CAP that included photos showing he improvements, guarantee documents, and a re-audit, enabling us to confirm that improvements were successfully made.

**Examples of Infringements Requiring Re-audit in the Fiscal Year Ended February 28, 2015**

(All issues have now been remedied)

- Non-notification of long work hours or hours in excess of legal limits
- Incorrect handling and storage of hazardous chemicals
- Operation and driving of machinery without a license
- Non-performance of environmental assessment
- Use of an unlicensed waste disposal contractor

	Number of factories for audit	Number audited	Re-audit rate	Number of re-audits
FY2013	374	17	5.9%	1
FY2014		29	20.7%	6
FY2015		256	11.3%	29
FY2016 target	363	363	0%	0

\* The factories for audit received their first audit between FY2013 and FY2015. From FY2016 onwards, all factories will be audited once per year.

● **Expanding the Scope of Factories for Audit**

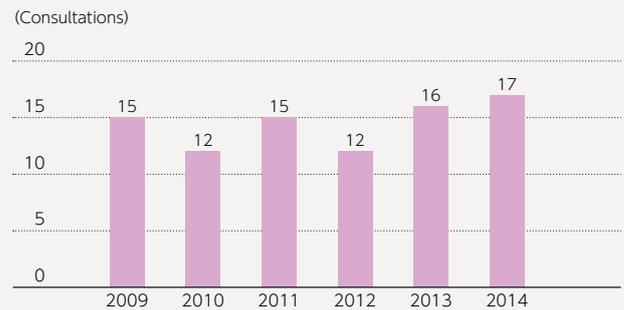
In the fiscal year ended February 28, 2015, CSR audits were carried out at 363 factories including factories producing *Seven Premium* products in developing countries and overseas factories supplying direct imports to IY. In addition, we plan to expand the scope of the audits to include some factories supplying Sogo & Seibu and Akachan Honpo.

● **Business Partner Consultation Helpline**

The helpline takes questions, opinions and other types of consultations, with the purpose of effecting rapid improvements to help ensure fair business dealings.

The third-party organization contracted to operate the consultation helpline is under a non-disclosure agreement, and protects the personal information and privacy of the persons consulting or whistleblowing. If the person using the helpline requests his or her name and affiliation to be kept confidential, that information will go no further than the third-party organization, and the content of the consultation, etc. can be anonymized before it is presented to Seven & i Holdings. To confirm that persons using the helpline to consult or report problems do not suffer from disadvantageous treatment from Seven & i Holdings or a Group company, approximately one month afterwards, the third-party organization contacts the person to check whether there has been any retaliation.

**Number of consultations**



**Breakdown by consultation topic**

- Suspected violation of rules, laws, or regulations
- Consultation regarding product safety and reliability
- Inappropriate employee behavior

- Group companies .....59%
- Outside of scope (consultations regarding business partners internal matters) .....41%

# Social Contribution Activities

Social and cultural contribution activities are a part of CSR at Seven & i Holdings. Through such activities, the Group actively supports the creation of peaceful and prosperous living environments by maintaining good, cooperative, and harmonious relationships with local communities and the international community.

## Reconstruction Assistance Activities for the Great East Japan Earthquake

Seven & i Holdings has continued activities in collaboration with NPOs and employees to assist reconstruction for the Great East Japan Earthquake of March 11, 2011, as well as activities with customers and business partners to provide assistance through products.

Two to three times a year, IY and other Group companies hold a sales event named the Tohoku Kakehashi Project in their stores, featuring products made by companies affected by the disaster and in the Tohoku region by major manufacturers.



Tohoku Kakehashi Project

Sogo & Seibu make the most of their strengths as department stores to help with the sales of the *Madei-Gi* line of clothing and accessories made by women from litate Village, Fukushima Prefecture, who have to live in temporary housing. This entails support ranging from product advice by designers to the provision of sales space by Sogo & Seibu.



A *Madei-Gi* sales event

\* *Madei* is a word in the Fukushima dialect that means carefully or wholeheartedly

For its part, YB backs PEP Kids Koriyama, a cheerful play space for children in Fukushima Prefecture. Seven & i Food Systems, meanwhile, has a Let's Eat in Support of the Affected Areas Program, where it serves a menu of foods from Shichigahama Town, Miyagi Prefecture in its Head Office and branch employee cafeterias, as well as selling *wakame* and *nori* seaweed from the town.

Seven & i Holdings is also a participant in the Seven-Eleven Foundation's Great East Japan Earthquake Recovery Project, which continues to support reconstruction assistance in areas severely affected by the disaster. In addition, Group employees have initiated a donation drive collecting product labels from the Bellmark movement and unused postcards, which can be converted to provide financial support for NPOs assisting children with education in the affected areas.

## Initiatives in Collaboration with Other Organizations

### Donating Shoes to Children in Zambia

Sogo & Seibu and IY work with the Japanese Organization for International Cooperation in Family Planning (JOICFP)\*'s project for sending shoes to children in Zambia. They have established areas for accepting donated children's shoes in their stores. The shoes they receive from customers help to prevent tetanus and parasitic infections resulting from foot injuries and are sent through JOICFP to children in Zambia. As of August 31, 2015, the two Group companies had sent 556,326 pairs of shoes since 2009.

In addition, Akachan Honpo is participating in a project to send underwear to babies in Zambia.



\* JOICFP is an international cooperation NGO that was started in Japan to protect the health and lives of women and children in the developing world.

## ● IYESCO Fund

Together with six beverage manufacturers, IY established the Seven & i IYESCO Fund\* in 2000 to donate part of the proceeds from select vending machines in its stores to organizations providing international humanitarian aid (approximately 400 machines as of August 31, 2015).

In September 2015, the fund donated ¥9.74 million to three international humanitarian aid organizations including Plan Japan.



A notice about the fund on vending machines

\*A donation support council leveraging proceeds from vending machines in IY

## ● Cooperation with the White Ribbon Campaign

Akachan Honpo and Sogo & Seibu have been providing sponsorship for the White Ribbon Campaign launched by JOICFP to protect the health of pregnant women and babies throughout the world. The Group companies have been working in partnership with JOICFP on the Community Safe Motherhood Project (which involves the donation of funds to establish Maternity Waiting Houses in Zambia). Besides accepting donations on behalf of JOICFP through its stores and online, The two companies

have also installed 78 White Ribbon Campaign Vending Machines at locations throughout Japan (Akachan Honpo 54 machines, Sogo & Seibu 24 machines). For every beverage purchased from one of these machines, the companies donate ¥2 to JOICFP (¥1 from the beverage manufacture and ¥1 from the store where the machine is installed). In addition, Sogo & Seibu has created a White Ribbon pin badge for sale, from which all proceeds are donated to the White Ribbon Campaign.



A White Ribbon beverage vending machine



A White Ribbon pin badge

## ● Support for Training Guide Dogs

Seven & i Holdings accepts storefront donations in support of training guide dogs for blind people.

In order to expand the sphere of this activity, all Sogo & Seibu stores hold campaigns twice a year, in the spring and summer, for customers to come in contact with guide dogs. While calling for financial support, these campaigns seek to improve public understanding toward people with visual impairments and their guide dogs, through demonstrations by dog trainers and opportunities for customers to experience a walk with one of the dogs.



Campaign for coming in contact with guide dogs

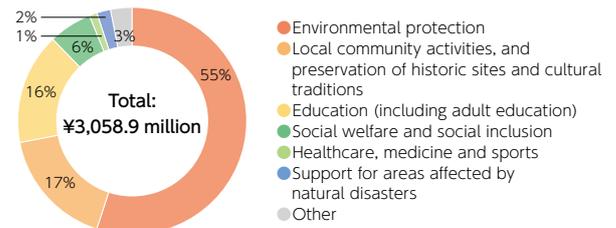
## ● Sports Promotion

Seven & i Holdings co-sponsors the Tokyo Marathon, Saitama International Junior Football Tournament, and the Prime Minister's Cup Japan Wheelchair Basketball Championship, while engaging in initiatives for nurturing young people through sports and promoting sports among people with disabilities.



Tokyo Marathon

### Social Contribution Activities Costs (FY2015)



\* Total for Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, Seven & i Food Systems, Seven Bank, York Mart, and Akachan Honpo. Calculated based on Fiscal 2014 Key Points Regarding the Implementation of CSR Activity Surveys (Keidanren (Japan Business Federation)).

# Overseas Initiatives

Seven & i Holdings operates globally in 16 countries and regions around the world.

## Chinese Operation

SEVEN-ELEVEN (BEIJING) CO., LTD.

**175** stores

Collection boxes have been placed in stores since November 2006 to accept contributions from customers for donation to the Beijing Green Foundation, a government-approved environmental organization. The foundation is engaged in activities planting trees and developing erosion control forests in Beijing and its surroundings.

In the fiscal year ended February 28, 2015, 147,755 yuan was donated from the collection boxes.



SEVEN-ELEVEN (TIANJIN) CO., LTD.

**60** stores

The Group company is actively cooperating with internship programs for junior college and university students. In the fiscal year ended February 28, 2015, the company received 65 interns.

SEVEN-ELEVEN (TIANJIN) has developed a training curriculum for the interns including lectures and training related to seeking employment in the future.



SEVEN-ELEVEN (CHENGDU) Co., Ltd.

**66** stores

The Group company is engaged in cleaning activities contributing to local communities and maintaining a clean and beautiful city environment, as well as support for Benevolence House, a home for children with intellectual disabilities. Employees helped clean the home and donated bread and a stereo set in May 2014 and sent candy and toys to the children in December 2014.



Area licensees: **1,763** stores

## Chinese Operations

Hua Tang Yokado Commercial Co. Ltd.

**5** stores

Employees of this Group company volunteer as members of the local community.

Their activities include cleaning up the environment surrounding their stores on a daily basis. In the year ended February 28, 2015, the employees also participated in a campaign for obeying traffic signals in collaboration with a local NPO.

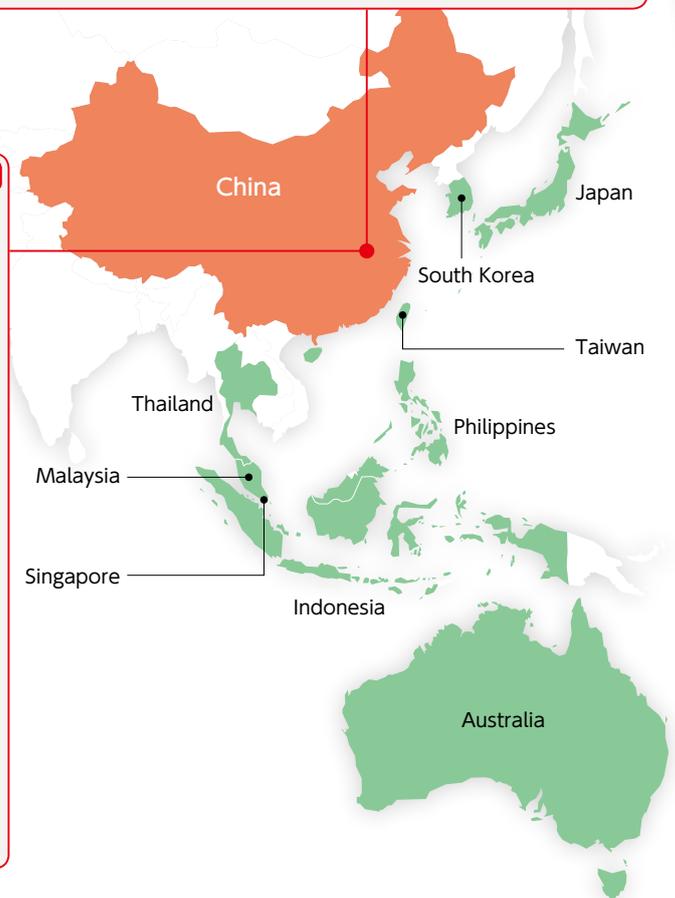


Chengdu Ito-Yokado Co., Ltd.

**6** stores

This Group company decided in the fiscal year ended February 28, 2015 to contribute CNY 3 million in total to a foundation concerned with the next generation of Chengdu citizens, and donated the first year's installment of CNY 1 million.

In addition, the company has kept up its monthly activity of cleaning up the environment surrounding all Chengdu Ito-Yokado stores. In March 2014, 26 of the company's employees volunteered to plant trees in Heilongtan Park, a nearby tourist destination.



## Global Store Network

Approximately **56,000** stores\*

- \* The number of stores (in Japan as of February 28, 2015, for Hua Tang Yokado Commercial) as of August 31, 2015, and other countries and regions as of December 31, 2014) includes the following.
  - Stores the subsidiaries of Seven & i Holdings operate in each country and region
  - Stores area licensees operate in each country
  - Stores licensing trademarks from Sogo & Seibu to operate

## North American Operations

7-Eleven, Inc.

Canada: **494** stores

U.S.A.: **7,803** stores

Area licensees:

**289** stores



7-Eleven, Inc. (SEI) understands the importance of education and supports healthy education for youth. Grants that are jointly funded by local franchisees and SEI help to provide critical funding for academic, athletic, or extra-curricular programs run by local schools and sports clubs. In 2014, SEI and its franchisees awarded more than 550 grants, a community investment of nearly \$300,000. The grants have been used to underwrite initiatives including science projects, tutoring, school supplies, and sporting equipment to ensure children have the resources and inspiration they need to stay in school and on a positive track.

Hawaii

Canada

U.S.A.

Mexico

## North American Operations

SEVEN-ELEVEN  
HAWAII, INC.

**60** stores



In December 2014, SEVEN-ELEVEN HAWAII, INC. supported the 40th Annual Toy Run/Parade held on Oahu. During this event, motorcycles gather at Kaka'ako Park to parade through Waikiki in support of the Salvation Army's Toys for Tots which started in 1947 with the objective to bring the joy of Christmas to needy children, and riders are asked to donate toys at the designated drop off site at the beginning of the ride route. SEVEN-ELEVEN HAWAII had a tent station that provided pastries and coffee to motorcyclists and their riding partners prior to the start of the parade.

# Awards and Recognition by Outside Parties

## Major Awards and Recognition in the Fiscal Year Ended February 28, 2015

Recognition or award name	Award sponsor	Reasons for recognition	Recipient
6th Corporate Activity Award (FY2014)	Tokyo Stock Exchange, Inc.	Recognized for influencing the corporate conduct of other listed companies through in-depth disclosure of initiatives promoting the active role of women in its corporate governance report and achievements resulting from actively nurturing and deploying women for executive and managerial positions.	Seven & i Holdings Co., Ltd.
Best IR Award	Japan Investor Relations Association (JIRA)	Recognized for its various IR tools, including the disclosure of monthly and quarterly information, and the annually updated Corporate Outline and other materials in English	Seven & i Holdings Co., Ltd.
Equal Employment/Work-Life Balance Awards for Fiscal Year 2014, Equal Employment Category, Tokyo Labour Bureau Director's Incentive Award,	Ministry of Health, Labour and Welfare	Recognized for the strong message sent by top management on the active role of women, the accelerated training aimed at raising the ratio of women in management positions, and the increasing ratio of women in management positions	Ito-Yokado Co., Ltd.
Fiscal 2014 Cases Utilizing Heat Pump & Thermal Storage Systems to Reduce Peak Electricity, Award for Excellence	Heat Pump & Thermal Storage Technology Center of Japan	Recognized for an initiative at Ario Kameari to reduce peak electricity with the use of an unmanned thermal storage tank system	Ito-Yokado Co., Ltd.
KIDS DESIGN AWARD 2014, Design Supporting Childbirth and Parenting - Individual and Families Category, Incentive Award and Association Chairman's Award	KIDS DESIGN ASSOCIATION	Recognized Okama-Jar, a silicon rice porridge cooking pot, for its convenience and ease of maintenance. The pot can cook a small portion of rice porridge for weaning and other purposes while cooking a batch of rice at the same time.	Akachan Honpo Co., Ltd.
KIDS DESIGN AWARD 2014, Safe and Secure Design from a Child's Perspective - Children's Category	KIDS DESIGN ASSOCIATION	Recognized <i>Extra UV Baby Lotion Nine-Free</i> for safely providing children with skin protection from ultraviolet (UV) rays. The baby lotion does not contain nine ingredients commonly used in other UV skin protection lotions, such as surface-active agents and ultraviolet absorbing agents.	Akachan Honpo Co., Ltd.
KIDS DESIGN AWARD 2014, Design Supporting Recovery from Disaster Category	KIDS DESIGN ASSOCIATION	Recognized the Nissen Hachidori no Shizuku Project for its Children's Painting Exhibit initiatives. The exhibit aimed to keep memories of the Great East Japan Earthquake alive by showing pictures painted by children in the affected areas along with messages of encouragement for recovery	Nissen Holdings Co., Ltd.
Fiscal 2014 Minister of Health, Labour and Welfare's Award for Distinguished Food Safety Businesses, Excellent Food Safety Facility	Pharmaceutical and Food Safety Bureau, Ministry of Health, Labour and Welfare	Recognized for its hazard analysis critical control point (HACCP) certification by the Nihon Kenbikyō-In and Saitama Prefectural Government	IY Foods K.K.
Hokkaido Inclusive Urban Redevelopment Contest, Activities Category	Hokkaido Government	Recognized as a model corporate activity for supporting the independence and social participation of people with disabilities.	Terube Ltd.

## Inclusion in socially responsible investing (SRI) Indices (As of September 25, 2015)

Seven & i Holdings has been selected as a component of the following SRI indexes.

MEMBER OF

**Dow Jones  
Sustainability Indices**

In Collaboration with RobecoSAM

Dow Jones Sustainability Index:  
Member of DJSI Asia-Pacific.

A (SRI) stock price index developed jointly by U.S.-based Dow Jones and Switzerland-based RobecoSAM Corporate Sustainability Assessment (CSA), an SRI ratings company. This world-renowned SRI index evaluates companies from a comprehensive perspective, including from the three aspects of economy, environment, and society.

Seven & i Holdings has been selected as a component stock of the DJSI Asia-Pacific index, which covers the Asia-Pacific region.



Morningstar  
Socially Responsible Investment Index

MS-SRI (Morning Star Socially Responsible Investing Index) is Japan's first domestic SRI stock price index, created by Morningstar Inc. and comprised of 150 companies listed in Japan, which are selected for the superior social responsibility. Seven & i Holdings has also been selected as a component stock of this index.

# GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT

To: Seven & i Holdings Co., Ltd.



**BUREAU  
VERITAS**

August 31 2015

Bureau Veritas Japan Co., Ltd.  
System Certification Services Headquarters



Bureau Veritas Japan Co., Ltd. (Bureau Veritas) was engaged by Seven & i Holdings Co., Ltd. (Seven & i) to conduct independent verification of the greenhouse gas (GHG) emissions reported by Seven & i in its CSR Report 2015.

## 1. Scope of Verification

Seven & i requested Bureau Veritas to verify, to a limited level of assurance, the accuracy of the following GHG information:

• Scope 1 and Scope 2 emissions:

CO2 emissions from energy use through the following store operations within Japan, U.S.A (excluding stores operated by domestic licensees of 7-Eleven, Inc.) and Canada:

Name of company	Number of stores covered within scope	Reporting period covered
Seven-Eleven Japan Co., Ltd.	17,491	April 1, 2014 through March 31, 2015
Ito-Yokado Co., Ltd.	184	
York-Benimaru Co., Ltd.	195	
Sogo & Seibu Co., Ltd.	24	
Seven & i Food Systems Co., Ltd.	613	
York Mart Co., Ltd.	78	
THE LOFT CO., LTD.	80	
AKACHANHONPO CO., LTD.	100	
SHELL GARDEN CO., LTD.	24	January 1, 2014 through December 31, 2014
7-Eleven, Inc.	8,510	

## 2. Methodology

Bureau Veritas conducted the verification in accordance with the requirements of the international standard 'ISO 14064-3(2006): Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions'.

As part of Bureau Veritas' assurance, the following activities were undertaken:

- Interviews with relevant personnel of Seven & i responsible for the identification and calculation of GHG emissions;
- Review of Seven & i's information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of a sample of source data to check accuracy of quantified GHG emissions.

## 3. Conclusion

Based on the verification work and processes followed, there is no evidence to suggest that the GHG emissions assertions shown below:

- are not materially correct and are not a fair representation of the GHG emissions from activities within the scope of work
- are not prepared in accordance with the methodology for calculating GHG emissions established and implemented by Seven & i.

Verified greenhouse gas emissions	
Scope 1 113,422 t-CO <sub>2</sub>	Scope 2 3,488,296 t-CO <sub>2</sub>

### **【Statement of independence, impartiality and competence】**

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 180 years history in providing independent assurance services. No member of the verification team has a business relationship with Seven & i, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes.

## Group Environmental Data (Domestic in Japan) \*1 \*2

Challenges	Unit	FY2013	FY2014	FY2015
CO <sub>2</sub> emissions	t-CO <sub>2</sub>	2,441,588	2,744,760	2,767,346
CO <sub>2</sub> emissions from store operations	t-CO <sub>2</sub>	2,249,194	2,528,518	2,533,458
Electricity consumption in store operations	GWh	4,254	4,345	4,367
Water usage in store operations	1,000m <sup>3</sup>	19,789	21,829	22,788

\*1 Totals for seven companies: (Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, York Mart, Seven & i Food Systems, and Akachan Honpo).

\*2 For calculation methods, please refer to the environmental data that is listed within the data of the different operating companies.

## Group Personnel Data (Domestic in Japan) \*1

Breakdown of number of employees (as of the end of February 2015) (persons)	
Full-time employees *2	26,167
Male	19,642
Female	6,525
Part-time staff *3	62,172
Number of employees (full-time employees + part-time staff)	88,339
New graduate employees hired	1,133
Mid-career employees hired	388
Re-employment *4	345

	FY2013	FY2014	FY2015
Average length of service (full-time employees)	16 years 6 months	16 years 1 month	16 years 3 months
Number of full-time employees who took childcare leave *5 (males, part-time staff)	591 (7, 286)	828 (4, 334)	977 (11, 503)
Number of full-time employees who took nursing leave *5 (males, part-time staff)	43(5, 29)	43(5, 29)	24(2, 15)
Number of volunteer leave recipients	2	9	13
Percentage of women in management positions *6	19.9%	21.4%	23.0%
Percentage of employees with disabilities *7	2.05%	2.19%	2.29%

\*1 For FY2014 and FY2015, the totals are for nine companies (Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, York Mart, Seven & i Food Systems, Akachan Honpo, and Seven Bank). The totals for FY2013 are for eight companies excluding Seven & i Holdings.

\*2 Data includes persons reemployed after mandatory retirement.

\*3 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.

\*4 Persons reemployed after mandatory retirement.

\*5 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

\*6 The totals are for eight companies (Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, Seven & i Food Systems, Akachan Honpo, and Seven Bank). The percentage of team leaders or higher positions, excluding executive officers.

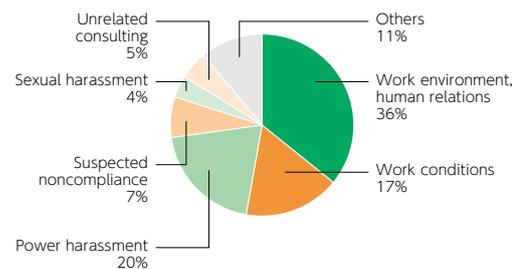
\*7 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terre Verte (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

## Group-Wide Data for Consultation Services for Employees

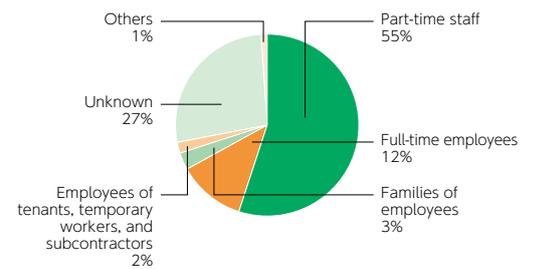
At Seven & i Holdings, as part of Groupwide internal controls, we have established within a third-party organization a Help Line for receiving consultation requests and reports from employees.

This is a system that applies to both the employees of Seven & i Holdings and the employees of domestic consolidated subsidiaries, being established to proactively prevent, quickly discover, promptly correct and stop reoccurrences of any behavior across the Group that would result in a loss of public trust.

### Description of contacts received by Internal Consultation Service by topic (FY2015) Contacts received: 705 (up 5% from the previous fiscal year's level)



### By user category



# Seven-Eleven Japan Co., Ltd.

Website: <http://www.sej.co.jp/social/index.html>

Number of stores as of February 28, 2015: 17,491

## Environment Related

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Attaining and appropriate grasp of environmental impact				
	<ul style="list-style-type: none"> <li>● Expand ISO 14001 application to encompass district offices</li> <li>● Reduce ISO 14001 periodic-audit findings</li> </ul>	<ul style="list-style-type: none"> <li>● Completed expanding application to encompass district offices throughout Japan in February 2015</li> <li>● No non-compliant findings following the registration audit in FY2014</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>● Expand ISO 14001 application to encompass directly managed stores throughout Japan</li> <li>● Reduce ISO 14001 periodic-audit findings</li> </ul>
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>● Backroom LED lighting for 6,000 stores</li> <li>● Expand to 500 hybrid vehicles within the logistics' deliveries fleet</li> </ul>	<ul style="list-style-type: none"> <li>● Backroom LED lighting for 8,269 stores</li> <li>● Expanded to 522 hybrid vehicles within the logistics' deliveries fleet</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>● Highly energy efficient store illumination for another 2,000 stores</li> <li>● Expand to 620 hybrid vehicles within the logistics' deliveries fleet</li> </ul>
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> <li>● Continue to reduce plastic bag usage per store to a level below FY2014</li> <li>● Food product recycling rate: 51.9% or more</li> </ul>	<ul style="list-style-type: none"> <li>● Use of plastic bags per store 0.96 tons (up 1.6% from FY2014)</li> <li>● Food product recycling rate: 51.3%</li> </ul>	<p>△</p> <p>△</p>	<ul style="list-style-type: none"> <li>● Continue to reduce plastic bag usage per store to a level below FY2015</li> <li>● Food product recycling rate: 52.3% or more</li> </ul>
Offering eco-friendly products				
	<ul style="list-style-type: none"> <li>● Develop products that use eco-friendly PET packaging</li> <li>● Turn Cartocan 2 items that use forest thinnings into products</li> </ul>	<ul style="list-style-type: none"> <li>● Introduced eco-friendly PET packaging as salad containers</li> <li>● Used forest thinnings in hot beverage cups for SEVEN CAFÉ</li> </ul>	<p>○</p> <p>△</p>	<ul style="list-style-type: none"> <li>● Expand products using eco-friendly PET packaging</li> <li>● Expand produced using forest thinnings</li> <li>● Develop products that use easy-to-recycle containers</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>● 100 or more employees to pass the Eco Test</li> </ul>	<ul style="list-style-type: none"> <li>● 175 employees passed the Eco Test</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>● 300 or more employees to pass the Eco Test</li> </ul>

### Environmental Data

Challenges	Unit	FY2013	FY2014	FY2015
CO <sub>2</sub> emissions *1 *2 *3	t-CO <sub>2</sub>	1,372,058	1,584,976	1,644,672
CO <sub>2</sub> emissions from store operations (per store) *1	t-CO <sub>2</sub>	1,222,882(85.0)	1,421,084(90.9)	1,462,231(87.0)
Logistics-related CO <sub>2</sub> emissions(per store) *1 *4	t-CO <sub>2</sub>	146,581(10.2)	160,893(10.3)	179,330(10.7)
Electricity consumption in store operations (per store) *1	GWh(MWh)	2,444(169)	2,508(161)	2,584(154)
Water consumption in store operations *1 *5	1,000m <sup>3</sup>	7,811	9,227	10,412
Plastic bag consumption per store (by weight)	t	0.94	0.94	0.96
Waste disposal (recycling rate) *6	t(%)	324,753(46.4)	371,344(46.7)	409,228(47.1)
Food product recycling rate *7	%	48.9	50.9	51.3

\*1 The period of the calculations was April to March.

\*2 The data show CO<sub>2</sub> emissions stemming from the use of energy in store, logistics, headquarters, training center and district office operations.

\*3 Calculations are based on estimated electricity consumption for stores where data was not available.

\*4 The period of the calculations was March to February. This data represents CO<sub>2</sub> emissions stemming from the use of energy for distribution center operation and delivery trucks.

\*5 Calculations are based on estimated water consumption by approximately 3,400 stores in prefectural capitals.

\*6 Calculations are based on estimated emissions by the stores in Tokyo, Kyoto, etc. The period of the calculations was January to December. The amount of food waste was calculated based on the standard of \*7

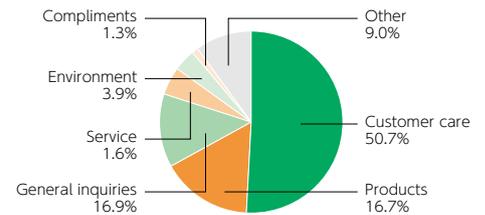
\*7 Calculated based on the reports submitted by food recycling companies. The period of the calculations was April to March.

## Consumer Challenges

### Data for Customer Response Services

In the fiscal year ended February 28, 2015, we received many inquiries regarding new products and sales promotions such as SEVEN CAFÉ and donuts. The feedback and guidance we receive from customers in our customer feedback department is shared internally so that it can be reflected in our products and services. We will also strengthen our response ability and strive to provide information that is easy to understand, while receiving feedback and guidance with sincerity and establishing structures to accelerate the pace of improvements.

Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2015  
**Contacts received: 126,471**  
 (up 17.5% from the previous fiscal year's level)



### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Ensuring the quality and safety of products and services				
	●Improve evaluations received in NDF-HACCP maintenance audits in the dedicated factories for daily food products	●The proportion of factories receiving an audit evaluation of "good" or above increased from 41% (FY2014) to 74% (FY2015)	○	●Continue to improve evaluations received in NDF-HACCP maintenance audits in the dedicated factories for daily food products
Making stores and facilities more customer-friendly and reliable				
	● Stores adopting barrier-free design: 350 ●Stores where the minimum necessary facilities continue operation even during blackouts: approx. 1,600	● Stores adopting barrier-free design: 378 ● Stores where the minimum necessary facilities continue operation even during blackouts: 1,602	○	● Stores adopting barrier-free design: 400 ● Stores where the minimum necessary facilities continue operation even during blackouts: 1,700 ● Stores where guardrails are installed (for stores with car parks): 4,000
Assuring appropriate information provision				
	●Publish information on the Internet regarding the effective reuse of packaging and the use of forest thinnings	●Published information on the Internet regarding the effective reuse of packaging and the use of forest thinnings (Initiatives for Society and the Environment (Japanese only))	○	●Collect information about initiatives on food safety and security (reducing trans fatty acid, eliminating preservatives and synthetic coloring agents, etc.) on the Internet and strive to disclose the information in an easy-to-understand format
Responding sincerely to customer opinions (organization)				
	●For customer requests, in addition to further strengthening our ability to respond and provide customers with accurate information, we aim to reduce the number of comments	●The number of comments received increased along with the increase in the number of stores (up 17.5% from the previous fiscal year). Continued to strengthen ability to respond and provide clear information	△	●For customer comments, which make up 50% of customer feedback, worked with Operation Field Consultants (OFCs) to strengthen customer care training to prevent recurrence. Established systems to accelerate the pace of improvements

## Local Communities

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting young parents and the elderly				
	●In pursuing the idea of even closer convenient stores, we aim to introduce the following vehicle numbers nationwide: mobile stores (100), electric vehicles (1,000), electric-assisted vehicles (3,000)	●In FY2015, introduced 35 mobile stores, 806 electric vehicles, and 2,109 electric-assisted vehicles	×	●During FY2016, promote close-by, convenient stores with the aim of introducing 50 mobile stores, 1,000 electric vehicles, and 3,000 electric-assisted vehicles
Assisting in local community revitalization				
	●Look into new initiatives in order to further deepen the cooperation that is enjoyed with municipalities with whom agreements have already been concluded. Further promote the concluding of agreements with new municipalities.	●Newly concluded an agreement with Chiba City. Concluded comprehensive alliance agreement on senior support.	○	●Promote new conclusion of comprehensive alliance agreements with municipalities and promote ongoing initiatives to conclude more specific individual alliance agreements
Providing support in times of disaster				
	●Work to further clarify the role we play in the community when major disasters occur, and how we can more effectively work with municipal bodies	●Newly-concluded disaster support agreements with Niigata Prefecture, Miyagi Prefecture and Sendai City	○	●Enhance support systems and achieve effective cooperation with national and local governments to fulfill our role as social infrastructure when major disasters occur, including continuing store operations
Implementing crime prevention measures for local communities				
	●Work to revise the content of drills to incorporate age-confirmation activities and remittance-fraud prevention, etc. Aim to achieve a store participation rate of 50% or more in crime prevention drills and seminars	●6,304 stores participated in crime prevention drills and seminars (39.2% participation rate; safety station activities franchisee questionnaire conducted )	×	●Foster ties with crime prevention councils of prefectural governments and police departments, aiming to boost participation in crime prevention drills and seminars to 50%

## Employee Related

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting development of employee abilities	●Content of each training program to be revised as a result of inspections conducted in F2014	●Conducted compliance training (November), new OFC training (each month), new DM training (twice in year), directly operated store meetings (twice in year).	○	●Enhance each type of training (compliance training, new OFC training, new DM training, directly operated store meetings, etc.)
Assuring fair assessment and treatment of employees	●Number of applicants: increase of 20% from the FY2014 level	●Number of applicants: level with the FY2014 level	△	●Number of applicants: increase of 10% from the FY2015 level
Achieving a work-life balance	●Number of male users: multiple persons ●Encourage employees to take paid leave	●Number of male users: 0 ●Paid leave usage rate: 45.5%	× △	●Encourage male employees to take childcare leave ●Encourage employees to take more paid leave
Making use of diverse human resources	●Number of foreign nationals to be employed as employees: 20 ●Number of people with disabilities to be employed as employees: 20 ●Percentage of female managers (Team leader or higher positions): 34%	●Number of foreign nationals employed as employees: 22 ●Number of people with disabilities employed as employees: 21 ●Percentage of female managers (Team leader or higher positions): 30.2%	○ ○ ×	●Number of foreign nationals to be employed as employees: 25 ●Number of people with disabilities to be employed as employees: 23 ●Percentage of female managers (Team leader or higher positions): 32%
Assuring consideration for worker health and safety	●Reduce the number of traffic accidents and violations by 10% compared to FY2014 ●Reduce the number of workplace accidents by 10% compared to FY2014	●Number of traffic accidents and violations: increased 3% compared to FY2014 ●Number of workplace accidents: reduced 16 compared to FY2014	× ○	●Reduce the number of traffic accidents and violations by 10% compared to FY2014 ●Reduce the number of workplace accidents by 10% compared to FY2014

### Personnel Data

Breakdown of number of employees (as of the end of February 2015)		(persons)
Full-time employees *1		7,089
	Male	5,119
	Female	1,970
Part-time staff *2		4,163
Number of employees (full-time employees + part-time staff)		11,252
New graduate employees hired		609
Mid-career employees hired		357
Re-employment *3		18

\*1 Data includes persons reemployed after mandatory retirement.

\*2 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.

\*3 Persons reemployed after mandatory retirement.

\*4 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

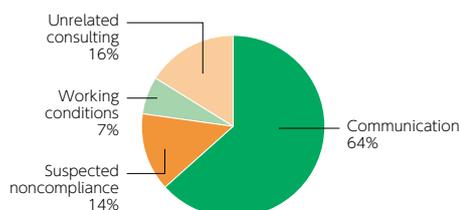
\*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terre Verte (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

	FY2013	FY2014	FY2015
Average length of service (full-time employees)	9 years 5 months	9 years 6 months	9 years 6 months
Number of full-time employees who took childcare leave *4 (males, part-time staff)	49 (1)	130 (0)	159 (0)
Number of full-time employees who took nursing leave *4 (males, part-time staff)	0 (0)	1 (0)	2 (1)
Number of volunteer leave recipients	0	0	1
Percentage of women in management positions *5	29.3%	31.5%	30.7%
Percentage of employees with disabilities *6	2.05%	2.19%	2.29%
Percentage of paid holidays taken by full-time employees	8.1%	16.1%	45.5%
Frequency rate of workplace accidents	0.04%	0.08%	0.01%
Severity rate of workplace accidents	0.002%	0.001%	0.0005%

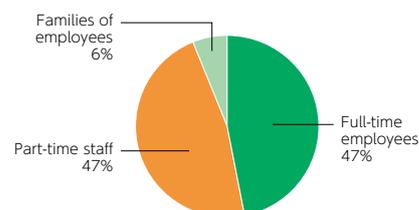
### Data for Consultation Services for Employees

In addition to conducting ongoing compliance training, we also take steps to help employees acquire knowledge and foster awareness, such as conducting compliance tests. We will continue to strengthen our initiatives to improve the working environment for employees.

Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2015  
Contacts received: 58  
(up 31% from the previous fiscal year's level)



By user category



## Environment Related

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>●Stores that will introduce LED lighting: 176</li> <li>●Delivery distance per store: 247,000 km (1% reduction compared to FY2014)</li> </ul>	<ul style="list-style-type: none"> <li>●Stores that have introduced LED lighting: 140 (All stores as of February 28, 2015)</li> <li>●Delivery distance per store: 244,000 km (2.4% reduction compared to FY2014)</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>●Stores changing from fluorescent tubes to LED lighting: 97</li> <li>●Delivery distance per store: 242,000 km (0.8% reduction compared to FY2014)</li> </ul>
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> <li>●Food product recycling rate: 50%</li> <li>●Stores that implement recycling: 100 stores</li> </ul>	<ul style="list-style-type: none"> <li>●Food product recycling rate: 50.1%</li> <li>●Stores that implemented recycling: 89 stores</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>△</li> </ul>	<ul style="list-style-type: none"> <li>●Food product recycling rate: 50%</li> <li>●Stores that implement recycling: 100 stores</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>●Cooperate with the Group, and promote taking of the Eco Test</li> </ul>	<ul style="list-style-type: none"> <li>●Number of people taking the test: 76 (of whom 57 passed)</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>●Target number of people taking the test: 100</li> </ul>

### Environment Related

Challenges	Unit	FY2013	FY2014	FY2015
CO <sub>2</sub> emissions *1 *2 *3	t-CO <sub>2</sub>	533,110	572,247	550,358
CO <sub>2</sub> emissions from store operations *2 *3 (Environmental impact index*4)	t-CO <sub>2</sub> (t-CO <sub>2</sub> /1,000,000m <sup>2</sup> ×1,000h)	507,499 (103)	545,989 (108)	524,418 (105)
CO <sub>2</sub> emissions by delivery vehicles *2 *3	t-CO <sub>2</sub>	23,340	23,904	23,638
Electricity consumption in store operations *2	GWh	853	884	851
Water usage in store operations *2	1,000m <sup>3</sup>	5,793	6,582	6,441
Plastic bag consumption (turndown rate) at the food section	t (%)	2,274(47.6)	1,321(67.5)	1,268(70.2)
Waste disposal (recycling rate)	t (%)	132,051(66.3)	130,816(66.0)	131,787(66.7)
Food product recycling rate	%	45.2	47.5	50.1

\*1 CO<sub>2</sub> emissions stemming from the use of energy in store, Head Office, training center and distribution center operations and by delivery vehicles.

\*2 The period of the calculations was April to March.

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

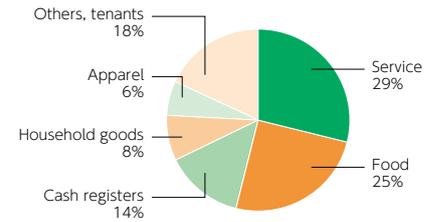
\*4 CO<sub>2</sub> emissions per (total sales floor area × opening hours).

## Consumer Challenges

### Data for Customer Response Services

Contacts received from customers were down by 2% from the previous fiscal year. Service complaints, which comprise 29% of total contacts, declined by 2%. We will continue to analyze the cause of complaints and take steps to prevent a recurrence.

Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2015  
**Contacts received: 74,357**  
 (down 2% from the previous fiscal year's level)



### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>● Cooperate with municipalities, participate in the development of official quality standards as a committee member</li> <li>● Strengthen cooperation with different departments within the Company for the purpose of quality improvement</li> <li>● Strengthen the sharing of information with the Seven &amp; i Holdings QC Project</li> </ul>	<ul style="list-style-type: none"> <li>● Participated in the Committee for Investigating Product Safety Education for fifth and sixth grade Elementary School Students promoted by the Ministry of Economy, Trade and Industry</li> <li>● Cooperated with the Apparel Division, Household Goods Division, and Development Department to enhance measures for checking especially private brand product manufacturing plants to improve quality</li> <li>● Held shared meetings with Seven &amp; i Holdings QC Project. In FY2015, formulated the Groupwide quality policies and published it internally and externally</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>△</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Foster a product safety culture Promote reliability and safety of in-house products in cooperation with the fostering of "product safety culture" promoted by the Japanese government.</li> <li>● Revise Quality Standard Manual Revise the FY2013 Quality Standard Manual during FY2016 in line with the revision of the public standard in FY2017, and upgrade stores and equipment to enable customers to use them with confidence</li> </ul>
Making stores and facilities more customer-friendly and reliable				
	<ul style="list-style-type: none"> <li>● Revise countermeasures for disasters other than the Tokyo Metropolitan Area Epicentral Earthquake (damage predictions, organizational structures, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>● Revised countermeasure manual in line with the latest damage predictions and internal organizational changes</li> </ul>	<ul style="list-style-type: none"> <li>△</li> </ul>	<ul style="list-style-type: none"> <li>● Create a countermeasures manual for stores to clarify the issues for stores to deal with in a disaster (Earthquake countermeasures, flood countermeasures, Mt. Fuji eruption countermeasures)</li> </ul>
Assuring appropriate information provision				
	<ul style="list-style-type: none"> <li>● So that appropriate labeling occurs, at meetings of managers responsible for apparel, household goods and food products, conduct education that gives examples of inappropriate labeling, and work to raise the ratio of items graded A</li> </ul>	<ul style="list-style-type: none"> <li>● A grade: 88.5% (a worsening of 2.2 percentage points)</li> <li>● B grade: 11.2% (a worsening of 2.5 percentage points)</li> <li>● C grade: 0.2% (a worsening of 0.4 percentage points)</li> </ul>	<ul style="list-style-type: none"> <li>△</li> </ul>	<ul style="list-style-type: none"> <li>● When inappropriate labeling is found during store interviews, the manager responsible and the store manager are interviewed directly to confirm the cause and countermeasures</li> </ul>
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> <li>● Designate the 20 stores with most complaints as challenging stores, and carry out causal-research and preventative measures. Aim in particular to reduce service-related complaints</li> <li>● Share the complimentary comments received with all employees via message boards, morning and midday meetings, and work to enhance employee motivation</li> </ul>	<ul style="list-style-type: none"> <li>● Service-related complaints: Reduced by 2% from the previous fiscal year's level</li> <li>● Service-related complaints at challenging stores: Reduced by 7% from the previous fiscal year's level</li> <li>● Weekly information from the customer feedback department is announced and used at morning and midday store meetings</li> </ul>	<ul style="list-style-type: none"> <li>△</li> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Use customer complaints to drive specific improvements</li> <li>● Designate the 20 stores with most complaints as challenging stores, and carry out causal-research and preventative measures. Aim in particular to reduce service-related complaints</li> <li>● Share customer response points at morning and midday meetings, and work to improve the level of customer care</li> </ul>

## Local Communities

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting young parents and the elderly				
	<ul style="list-style-type: none"> <li>● Develop products that make the lives of elderly people more enjoyable and more convenient</li> <li>● Foster the development of sales assistants who are trusted by the local elderly</li> </ul>	<ul style="list-style-type: none"> <li>● Implemented product lineups centered on products that eliminate inconvenience for elderly people</li> <li>● Held seven training sessions to learn about the characteristics of new products</li> </ul>	<ul style="list-style-type: none"> <li>△</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Develop products that help elderly people to go outside, and products that reflect customers' feedback</li> <li>● Conduct training to enhance product knowledge and customer care</li> </ul>
Providing support in times of disaster				
	<ul style="list-style-type: none"> <li>● Continue to work on concluding agreements with Niigata, Hiroshima, Hyogo, Okayama and other prefectures and municipalities to provide support in times of disaster</li> <li>● Conduct revisions of previously-concluded agreements in accordance with actual conditions</li> </ul>	<ul style="list-style-type: none"> <li>● Revised countermeasure manual in line with the latest damage predictions and internal organizational changes</li> </ul>	<ul style="list-style-type: none"> <li>△</li> </ul>	<ul style="list-style-type: none"> <li>● Create a countermeasures manual for stores to clarify the issues for stores to deal with in a disaster (earthquake countermeasures, flood countermeasures, Mt. Fuji eruption countermeasures)</li> </ul>

## Employee Related

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting development of employee abilities	<ul style="list-style-type: none"> <li>● Rather than just when positions are assumed, make arrangements to strengthen follow-up training 3-months and 1-year after the assuming of roles so that people can execute tasks that are above the levels merely expected of them</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted follow-up training for newly appointed store managers, assistant managers, and administration managers</li> </ul>	○	<ul style="list-style-type: none"> <li>● Conduct sales area on-the-job training for newly appointed corporate officers to develop personnel capable of managing in accordance with front-line conditions</li> </ul>
Making use of diverse human resources	<ul style="list-style-type: none"> <li>● From the perspectives of respecting human rights and promoting normalization, in addition to expressing numerous specific examples, conduct training that incorporates a practical format, and link to promoting general awareness in workplaces and the understanding of each individual</li> </ul>	<ul style="list-style-type: none"> <li>● Number of training sessions: 61 Total number of participants: 3,662</li> </ul>	○	<ul style="list-style-type: none"> <li>● To promote respect for human rights and normalization, hold training centered on stores from the user's perspective, covering both knowledge and practice, thereby helping to promote general awareness in workplaces and increase understanding</li> </ul>
Assuring consideration for worker health and safety	<ul style="list-style-type: none"> <li>● Reduce workplace accidents, in particular lost work-time accidents</li> <li>● Promote mental health training</li> </ul>	<ul style="list-style-type: none"> <li>● Lost work-time accidents: Reduced by 10% from the previous fiscal year's level</li> </ul>	○	<ul style="list-style-type: none"> <li>● Reduce lost work-time accidents (4 days or more) by 10%</li> <li>● Promote mental health training</li> </ul>

### Personnel Data

Breakdown of number of employees (as of the end of February 2015)		(persons)
Full-time employees *1		7,896
	Male	5,937
	Female	1,959
Part-time staff *2		26,425
Number of employees (full-time employees + part-time staff)		34,321
New graduate employees hired		39
Mid-career employees hired		1
Re-employment *3		189

\*1 Data includes contractual employees and temporary employees.

\*2 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.

\*3 Persons reemployed after mandatory retirement.

\*4 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

\*5 The percentage of team leaders or higher positions, excluding executive officers.

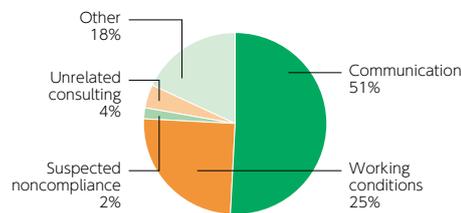
\*6 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terre Verte (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

	FY2013	FY2014	FY2015
Average length of service (full-time employees)	20 years 4 months	21 years 0 months	21 years 7 months
Number of full-time employees who took childcare leave *4 (males, part-time staff)	194(0. 100)	198(0. 27)	260(0. 138)
Number of full-time employees who took nursing leave *4 (males, part-time staff)	22(0. 18)	20(1. 16)	15(2. 10)
Number of volunteer leave recipients	2	9	2
Percentage of women in management positions *5	18.0%	20.8%	22.5%
Percentage of employees with disabilities *6	2.05%	2.19%	2.29%
Percentage of paid holidays taken by full-time employees	11.4%	11.3%	14.0%
Frequency rate of workplace accidents	1.81	2.35	1.32
Severity rate of workplace accidents	0.03	0.05	0.03

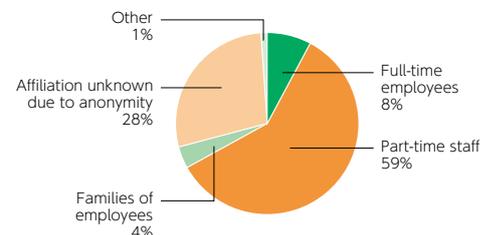
### Data for Consultation Services for Employees

Compared to the fiscal year ended February 28, 2014, there was an increase in communications-related consultations, and such consultations accounted for 51% of the total. At new manager training, etc., we will continue to use specific examples of consultations received by the Help Line, while making training participants aware of the importance of communication and how to go about communicating with subordinates.

Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2015  
Contacts received: 244  
(up 13% from the previous fiscal year's level)



By user category



## Environment Related

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>● At regular ISO 14001 audits, Non-compliance items: 0</li> <li>● Expansion of recommended items</li> </ul>	<ul style="list-style-type: none"> <li>● Non-compliance items: 0</li> <li>● Recommended items: 9 (down 2 from the previous fiscal year)</li> </ul>	△	<ul style="list-style-type: none"> <li>● Complete transition to ISO 14001 2015 version</li> </ul>
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>● Reduce energy usage by 1% when calculated in terms of crude oil usage</li> <li>● Continue to expand the introduction of LED lighting</li> </ul>	<ul style="list-style-type: none"> <li>● Amount of energy usage when calculated in terms of crude oil usage: Down 1%</li> <li>● Introduced LED lighting in 10 stores</li> </ul>	○	<ul style="list-style-type: none"> <li>● Reduce energy usage by 1% when calculated in terms of crude oil usage</li> <li>● Continue to expand the introduction of LED lighting</li> </ul>
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> <li>● Food product recycling rate: 55.0% (Up 0.6% from the previous year)</li> <li>● Waste recycling rate: 62.5% (Up 0.5% from the previous year)</li> </ul>	<ul style="list-style-type: none"> <li>● Food product recycle rate: 54.7% (Up 0.3% from the previous year)</li> <li>● Due to a delay in recycling subcontracting for inspection of the appropriate processing status of a new recycle route</li> <li>● Waste recycling rate: 62.1% (Up 0.1% from the previous year)</li> <li>● Due to a delay in recycling subcontracting for inspection of the appropriate processing status of a new recycle route</li> </ul>	△	<ul style="list-style-type: none"> <li>● Food product recycling rate: 55.0% (Up 0.3% from the previous year)</li> <li>● Waste recycling rate: 62.5% (Up 0.4% from the previous year)</li> </ul>
Implementing measures to conserve biodiversity				
	<ul style="list-style-type: none"> <li>● Tree plantings through green wrapping and other initiatives: 1,600 trees</li> </ul>	<ul style="list-style-type: none"> <li>● Plantings: 1,750 trees</li> <li>● Planting location: Miyako City, Iwate Prefecture</li> </ul>	○	<ul style="list-style-type: none"> <li>● Plantings: 1,850 trees</li> </ul>
Offering eco-friendly products				
	<ul style="list-style-type: none"> <li>● Expand the range of environmentally-friendly products by revising the relevant selection criteria, and newly-select 30 such items</li> </ul>	<ul style="list-style-type: none"> <li>● Added "safety for the human body" to the Environmental product selection criteria</li> <li>● New products selected: 33</li> </ul>	○	<ul style="list-style-type: none"> <li>● New products selected: 30</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>● Environmental e-learning courses: All employees to take</li> <li>● Number of employees reporting successful completion of the campaign for all employees to save electricity: 60</li> </ul>	<ul style="list-style-type: none"> <li>● Environmental e-learning course: Taken by all employees</li> <li>● Number of employees reporting successful completion of the campaign to save electricity: 36</li> </ul>	△	<ul style="list-style-type: none"> <li>● Environmental e-learning courses: All employees to take</li> <li>● Number of employees reporting successful completion of the campaign to save electricity: 60</li> </ul>

### Environmental Data

Challenges	Unit	FY2013	FY2014	FY2015
Number of stores	Stores	24	24	24
CO <sub>2</sub> emissions *1 *2 *3	t-CO <sub>2</sub>	188,486	197,747	194,315
CO <sub>2</sub> emissions from store operations *2 *3	t-CO <sub>2</sub>	187,831	196,992	193,578
Electricity consumption in store operations *2	GWh	357	346	341
Water usage in store operations *2	1,000m <sup>3</sup>	2,438	2,354	2,265
Packaging consumption	t	1,623	1,493	1,465
Waste disposal (recycling rate)	t (%)	32,020 (60.6)	30,981 (62.0)	30,880 (62.1)
Food product recycling rate *2	%	50.3	54.4	54.7

\*1 CO<sub>2</sub> emissions stemming from the use of energy in store, Head Office and distribution center operations.

\*2 The period of the calculations was April to March.

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

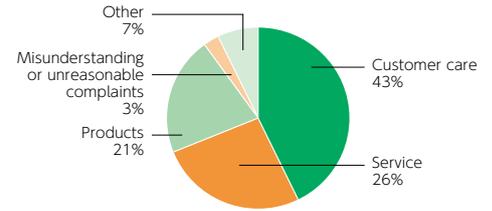
## Consumer Challenges

### Data for Customer Response Services

Continuing from the fiscal year ended February 28, 2014, we used customer complaints as a starting point to identify and analyze issues in our customer care services and operations at each sales area, resolve areas where customers were dissatisfied, and promote activities that reflect customer needs in our operating strategies. We also continued to publish case studies of delighting customers in our company bulletin as an awareness-raising initiative to improve employees' mindset on customer service.

In the fiscal year ending February 29, 2016, we will further promote store improvement activities, and redouble our efforts to cultivate a corporate culture that leads to better customer satisfaction.

Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2015  
**Contacts received: 10,654**  
 (down 10% from the previous fiscal year's level)



### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Ensuring the quality and safety of products and services	<ul style="list-style-type: none"> <li>● Conduct suitable food labeling in accordance with legal regulations</li> <li>● Strengthen the inspection system for private-brand apparel and general merchandise items</li> <li>● Increase the curriculum level of e-learning and other forms of training</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted label inspections regarding allergy and production region information and so forth at each store</li> <li>● Conducted 263 pre-delivery inspections (up 170 from the previous fiscal year)</li> <li>● Developed a level-specific curriculum and implemented it</li> </ul>	○	<ul style="list-style-type: none"> <li>● Enhance contamination prevention activities</li> <li>● Continue product inspection system for private brand apparel and general merchandise items</li> <li>● Advance the education system and encourage acquisition of qualifications</li> </ul>
Making stores and facilities more customer-friendly and reliable	<ul style="list-style-type: none"> <li>● Install an elevator for wheelchair users to overcome split-levels</li> <li>● Install automatic doors to entry/exit points</li> </ul>	<ul style="list-style-type: none"> <li>● Installed wheelchair lift in the connecting stairs between the Sogo Hiroshima Store Main Building and New Annex</li> <li>● Installed automatic doors at entry/exit points (Sogo Hiroshima Store, Sogo Kashiwa Store)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Modified the doors to multipurpose restrooms, making them easier to operate</li> </ul>
Assuring appropriate information provision	<ul style="list-style-type: none"> <li>● Cooperate with specialist organizations to carry out inspections of both food product labeling and the labeling of private brand apparel and general merchandise items</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted three inspections by specialist organizations at all sites</li> </ul>	○	<ul style="list-style-type: none"> <li>● Continue to cooperate with specialist organizations to carry out inspections of both food product labeling and the labeling of private brand apparel and general merchandise items</li> </ul>
Responding sincerely to customer opinions (organization)	<ul style="list-style-type: none"> <li>● Utilize analysis of customer needs, and promote the further improvement of "customer awareness" among employees</li> <li>● Reduce the number of complaints received from customers (below 6,488)</li> </ul>	<ul style="list-style-type: none"> <li>● Continuously implemented activities leveraging customer opinions to improve on points of dissatisfaction</li> <li>● Customer complaints: 5,384 (down 1,104 from the previous fiscal year)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Respond to customers' high expectations of department store service by analyzing their wishes from their opinions, and stores and Head Office work together to promote further improvement in customer service awareness among employees.</li> <li>● Reduce the number of complaints from customers: Below 5,384</li> </ul>

FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting young parents and the elderly				
	<ul style="list-style-type: none"> <li>● Continue operating the Pre-Mama Stations and Counters, and hold seminars and events for the whole family to enjoy</li> <li>● Continue developing products by incorporating the wishes customers share with the midwives</li> <li>● Further develop specialty salespersons Shoe fitters: 18 Shoe advisors: 17 and other</li> <li>● Children's shoes: trade in 90,000 pairs</li> </ul>	<ul style="list-style-type: none"> <li>● Held over 30 baby sign courses, baby massage, and grandchild-raising courses, etc., at Pre-Mama Stations and Counters</li> <li>● Developed eight products based on feedback from midwives, including multi-capes, and knit blankets</li> <li>● Developed specialty salespersons Shoe fitters: 17 Sports shoe fitters: 28 Shoe advisors: 32 Sake sommeliers: 62 and other</li> <li>● Children's shoes: trade in 85,709 pairs</li> </ul>	○	<ul style="list-style-type: none"> <li>● Continue to operate Pre-Mama Stations and Counters, and hold events for parents and children, (mothers or fathers and children)</li> <li>● Continue developing products by incorporating the wishes customers share with the midwives</li> <li>● Continue new development of specialty sales persons Shoe fitters: 15 Formal-wear advisors: 10 Shopping supporters for the elderly and people with disabilities: 15 Cognitive impairment supporters: 1,650 and other</li> <li>● Children's shoes: trade in 90,000 pairs</li> </ul>
Assisting in local community revitalization				
	<ul style="list-style-type: none"> <li>● Continue to conduct localized events</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted events in cooperation with local communities such as the Green Curtain Project and water sprinkling activities, etc. (all stores)</li> <li>● Local event for reviewing Kanagawa Prefecture, "Kanagawa Discover Weeks" (SOGO Yokohama store)</li> <li>● Furumai Nabe meal sharing event using local ingredients (Asahikawa Store, Fukui store)</li> <li>● Picking locally grown Sayama tea and factory tour, original development of apparel and general merchandise using Sayama tea and limited-time sale (Seibu Tokorozawa store)</li> <li>● Fukui Sweets Grand Exhibition using locally produced ingredients (Seibu Fukui store)</li> <li>● Morning fruit and vegetable market with locally grown produce (Seibu Otsu store)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Continue to conduct localized events</li> <li>● Collaborate with local companies to incorporate traditional local technologies and products, and develop Limited Edition Area Mode to add different products developed for each store</li> </ul>
Providing support in times of disaster				
	<ul style="list-style-type: none"> <li>● Including measures for people having difficulties in going home in the event of large earthquakes, continue to maintain cooperative systems with local municipalities and businesses</li> <li>● Through the holding of events such as disaster preparedness fairs, promote activities that raise the awareness of disaster-preparedness</li> <li>● Conclude an agreement with Kobe City concerning the provision of supplies in the event of a disaster</li> </ul>	<ul style="list-style-type: none"> <li>● Promoted participation drills in collaboration with various communities mainly at stores in the Greater Tokyo Area and in the Joint Council to Respond to People Having Difficulties in Going Home</li> <li>● As an initiative to raise awareness among local community residents and so forth, held disaster preparedness fairs in cooperation with local municipalities</li> <li>● Submitted survey sheet based on the agreement</li> </ul>	○	<ul style="list-style-type: none"> <li>● Including measures for people having difficulties in going home in the event of large earthquakes, continue to maintain cooperative systems with local municipalities and businesses</li> <li>● Through the holding of events such as disaster preparedness fairs, promote activities that raise the awareness of disaster-preparedness</li> <li>● Conclude a comprehensive agreement with Chiba Prefecture to promote local community activities</li> </ul>
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> <li>● On an ongoing basis, cooperate with local communities and their disaster-preparedness and crime prevention systems</li> </ul>	<ul style="list-style-type: none"> <li>● Participated in local disaster preparedness training and crime-prevention patrols</li> </ul>	○	<ul style="list-style-type: none"> <li>● On an ongoing basis, cooperate with local communities and their disaster-preparedness and crime prevention systems</li> </ul>

## Employee Related

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> <li>● Aim to have 3,000 people annually newly-participate in career improvement seminars by constructing and implementing measures for the purpose of improving the basic skills of individuals and expanding the base of people with specialist qualifications</li> </ul>	<ul style="list-style-type: none"> <li>● New seminar participants: 3,533 people</li> </ul>	○	<ul style="list-style-type: none"> <li>● Aim to have 3,000 new participants in career improvement seminars through "Self-Directed Sales Area Training Course Promotion" and "Career Advancement Course Promotion" for improving basic skills acquisition of individuals and expanding the base of people with specialist qualifications</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>● Obtain the KURUMIN mark</li> <li>● Enhance and expand child-rearing support systems irrespective of employment category</li> <li>● Strengthen the support of people on childcare leave through the sharing of information</li> </ul>	<ul style="list-style-type: none"> <li>● Obtained the KURUMIN mark in July 2014</li> <li>● Introduced a paid childcare leave system and introduced paid leave for nursing care</li> <li>● Conducted childcare leave roundtable meetings between labor and management</li> </ul>	○	<ul style="list-style-type: none"> <li>● Publish a Maternity and Childcare Handbook to support childcare and promote deeper understanding within management</li> </ul>
Making use of diverse human resources				
	<ul style="list-style-type: none"> <li>● Promote 17 people from non-regular employees to regular employees</li> <li>● Hire five mid-career specialist employees</li> <li>● Percentage of female managers (Section manager or higher positions): 20%</li> </ul>	<ul style="list-style-type: none"> <li>● Promoted 17 people from non-regular employees to regular employees</li> <li>● Hired four mid-career specialist employees</li> <li>● Percentage of female managers (Section manager or higher positions): 13%</li> </ul>	△	<ul style="list-style-type: none"> <li>● Promote 30 people from non-regular employees to regular employees</li> <li>● Hire five mid-career specialist employees</li> <li>● Percentage of female managers (Section manager or higher positions): 20%</li> </ul>
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> <li>● Enhance the health management systems including for Head Office</li> <li>● Reduce the number of employees on leave due to mental health problems through the development of mental health managers</li> </ul>	<ul style="list-style-type: none"> <li>● Established a system for a full-time public health nurse stationed at Head Office to provide support for all worksites</li> <li>● Reduced the number of employees on leave due to mental health problems by 80% year on year (improved)</li> </ul>		<ul style="list-style-type: none"> <li>● Standardize follow-up on health check at all stores (including standardization of figures relating to metabolic syndrome, check-up recommendations, etc.)</li> <li>● Establish a program to help employees with mental health problems to return to the workplace</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2015)		(persons)
Full-time employees *1		4,281
	Male	2,982
	Female	1,299
Part-time staff *2		4,227
Number of employees (full-time employees + part-time staff)		8,508
New graduate employees hired		40
Mid-career employees hired		1
Re-employment *3		67

\*1 Data includes contractual employees and temporary employees.

\*2 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.

\*3 Persons reemployed after mandatory retirement.

\*4 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

\*5 The percentage of team leaders or higher positions, excluding executive officers.

\*6 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

	FY2013	FY2014	FY2015
Average length of service (full-time employees)	21 years 0 months	22 years 0 months	22 years 0 months
Number of full-time employees who took childcare leave **4 (males, part-time staff)	148(2, 54)	213(1, 92)	193(7, 85)
Number of full-time employees who took nursing leave **4 (males, part-time staff)	13(5, 3)	9(0, 5)	6(0, 5)
Number of volunteer leave recipients	No system	No system	No system
Percentage of women in management positions **5	19.8%	20.7%	23.1%
Percentage of employees with disabilities **6	2.00%	2.04%	2.04%
Percentage of paid holidays taken by full-time employees	6.6%	14.0%	6.6%
Frequency rate of workplace accidents	0.30	0.29	1.04
Severity rate of workplace accidents	0.00	0.003	0.02

## Data for Consultation Services for Employees

We have been focusing on the issue of time management since last year, and this year we considered it appropriate to continue dealing with the issue at the Companywide level. We focused on enforcing compliance in time management and other labor issues from the perspective of external experts by inviting trainers and attorneys to hold training sessions aimed at changing employees' awareness of time management. As a result, the number of consultations decreased.

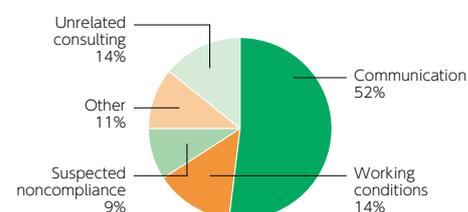
The number of consultations related to workplace environment and human relationships and so forth increased. However, the main factor was thought to be a lack of communication within the workplace. We therefore requested the managers of the workplaces concerned to reform their management styles, specifically by reinforcing the vertical relationships within their teams, reaffirming the importance of proper communication of opinions between team members, and reaffirming the need to give proper supervision and guidance. We also conducted awareness raising activities for other managers regarding the role of better communication in preventing risks such as harassment and improving the workplace environment.

In addition, training was conducted based on the above guidance, using case studies based on daily work activities to show that thoroughly ensuring compliance is directly related to risk management. This training helps to prevent accidents and incidents from occurring or spreading.

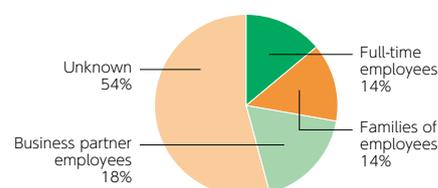
### Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2015

Contacts received: 56

(down 11% from the previous fiscal year's level)



### By user category



## Environment Related

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>● Reduce electricity consumption through the utilization of the BEMS management system</li> <li>● Proceed with the switch to high-efficiency lighting (LED)</li> </ul>	<ul style="list-style-type: none"> <li>● Reduced electricity consumption through utilization of BEMS</li> <li>● Upgraded to LED lighting: 27 stores</li> </ul>	<ul style="list-style-type: none"> <li>△</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Reduce electricity consumption by installing and utilizing BEMS at all stores (17 stores and new stores remaining)</li> <li>● Install LED lighting at all stores</li> <li>● Upgrade to high-efficiency air conditioning</li> </ul>

### Environmental Data

Challenges	Unit	FY2013	FY2014	FY2015
CO <sub>2</sub> emissions *1 *2 *3	t-CO <sub>2</sub>	179,479	207,704	204,741
CO <sub>2</sub> emissions from store operations (per store) *2 *3	t-CO <sub>2</sub>	165,186 (898)	185,128 (959)	182,808(937)
CO <sub>2</sub> emissions by delivery vehicles *2 *3	t-CO <sub>2</sub>	14,294	14,781	15,344
Electricity consumption in store operations *1	GWh	301	309	309
Water usage in store operations *2	1,000m <sup>3</sup>	1,028	1,039	1,043
Plastic bag consumption (turndown rate) at the food section	t (%)	392(70.2)	364(69.9)	350(70.6)
Waste disposal (recycling rate)	t (%)	41,997(50.3)	42,760(51.1)	43,029(51.6)
Food product recycling rate	%	30.2	35.7	40.4

\*1 CO<sub>2</sub> emissions stemming from the use of energy in store, Head Office, training center and distribution center operations and by delivery vehicles.

\*2 The period of the calculations was April to March.

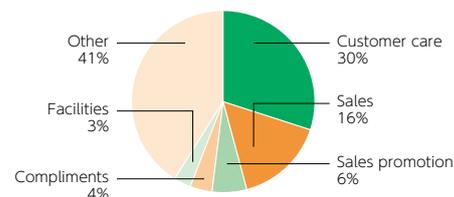
\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

## Consumer Challenges

### Data for Customer Response Services

As part of our efforts to listen to our customers' voices and respond to every one of them, we share examples of individual stores successfully meeting customers' needs with all our stores. Our Head Office and stores will work together to provide customers with a more timely response and incorporate as many customer suggestions as possible into our operations with an eye to making our stores enjoyable places to shop with confidence.

Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2015  
**Contacts received: 2,888**  
 (up 5.3% from the previous fiscal year's level)



### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>● Value of three-star vegetable sales: aim for a 9.6% increase from the FY2014 level</li> </ul>	<ul style="list-style-type: none"> <li>● Value of three-star vegetable sales: 12.0% increase from the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Value of three-star vegetable sales: 16.0% increase from the previous fiscal year</li> </ul>
Making stores and facilities more customer-friendly and reliable				
	<ul style="list-style-type: none"> <li>● Continue to increase the number of stores certified pursuant to the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc. in FY2015 and onward</li> </ul>	<ul style="list-style-type: none"> <li>● Continued to increase the number of stores certified pursuant to the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Continue to increase the number of stores certified pursuant to the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.</li> </ul>

## Local Communities

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting young parents and the elderly				
	●Continue with the "Heartful Saturday" blood drive	●Blood donors: 555	○	●Continue with the "Heartful Saturday" blood drive
Assisting in local community revitalization				
	●Hold Opening Anniversary Festivals again in FY2015	●Held Opening Anniversary Festivals at each store	○	●Continue to hold the Opening Anniversary Festivals going forward
Providing support in times of disaster				
	●Consider entering comprehensive cooperation agreements with municipalities upon request	●In FY2015 no new agreements were concluded (No requests)	△	●Consider entering agreements with municipalities upon request
Implementing crime prevention measures for local communities				
	●Continue to conduct the activity of providing children with "shelters" in FY2015	●Continued the activity	○	●Continue the activity going forward

## Employee Related

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting development of employee abilities				
	●Boost the average results of Target Achievement Records by making further efforts to establish and promote OJT based on the Target Achievement Records	●First half results—second half results Five of seven divisions improved their results	○	●Establish universal content for the Target Achievement Records to smooth the education level for all companies. Correct inequalities in results between divisions
Achieving a work-life balance				
	●Enhance the number of people including regular employees who use the childcare leave system ●Secure the use of childcare leave by male recipients	●Number of people using childcare leave in FY2015 (male and female): 108 (up 24% from the previous fiscal year) ●Number of male users:7	○ ○	●Create a guidebook to widen general understanding of the systems for childcare leave and expand the number of people using leave
Making use of diverse human resources				
	●Maintain the percentage of employees with disabilities required by law ●Percentage of female managers (Executive officer - Division manager rank) : 10% ●Conduct study meetings for the purpose of establishing female managers	●Percentage of female managers (Division manager or higher positions): 14.7% ●Conducted training for female managers	○ ○	●Aim to achieve 20% female managers (Executive officer - Division manager rank) ●Aim to increase the percentage of non-Japanese employees
Assuring consideration for worker health and safety				
	●Workplace accidents per year: reduction of 10% from the FY2014 level	●Workplace accidents in FY2015: 345 (down 2.3% from the previous fiscal year)	×	●Workplace accidents per year: reduction of 10% from the FY2015 level

## Personnel Data

Breakdown of number of employees (as of the end of February 2015)		(persons)
Full-time employees *1		2,714
	Male	2,434
	Female	280
Part-time staff *2		10,905
Number of employees (full-time employees + part-time staff)		13,619
New graduate employees hired		168
Mid-career employees hired		0
Re-employment *3		22

\*1 Data includes contractual employees and temporary employees.

\*2 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.

\*3 Persons reemployed after mandatory retirement.

\*4 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

\*5 The percentage of team leaders or higher positions, excluding executive officers.

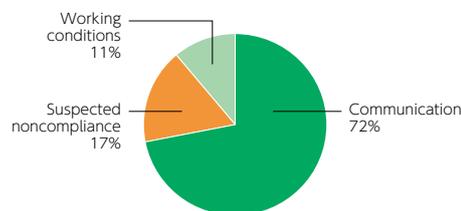
\*6 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

	FY2013	FY2014	FY2015
Average length of service (full-time employees)	14 years 7 months	15 years 3 months	14 years 6 months
Number of full-time employees who took childcare leave **4 (males, part-time staff)	47(1, 40)	63(1, 55)	109(2, 97)
Number of full-time employees who took nursing leave **4 (males, part-time staff)	6(3, 3)	4(0, 4)	1(0, 1)
Number of volunteer leave recipients	No system	No system	No system
Percentage of women in management positions **5	23.8%	25.1%	25.5%
Percentage of employees with disabilities **6	1.90%	1.96%	2.39%
Percentage of paid holidays taken by full-time employees	8.8%	9.2%	7.7%
Frequency rate of workplace accidents	2.94	2.27	2.39
Severity rate of workplace accidents	0.03	0.10	0.01

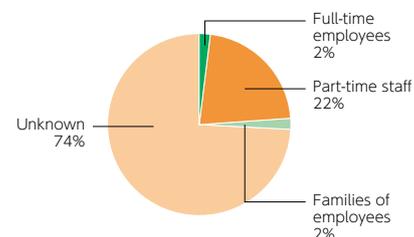
## Data for Consultation Services for Employees

York-Benimaru provides employees with a help line service. The service enables them to receive counseling on workplace issues, request investigations on workplace issues, request investigations into noncompliance, etc. Employee suggestions are used to create a better workplace environment.

Description of contacts received by Customer Response  
Service by topic for the fiscal year ended February 28, 2015  
Contacts received: 65  
(down 26%) from the previous fiscal year)



By user category



## Environment Related

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Attaining and appropriate grasp of environmental impact				
	<ul style="list-style-type: none"> <li>●Common headquarters invoicing by TEPCO (uniform reporting)</li> <li>●Introduce BEMS to new stores</li> </ul>	<ul style="list-style-type: none"> <li>●Completed common headquarters invoicing by TEPCO</li> <li>●Introduced BEMS to two new stores</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>●Continue introducing BEMS to new stores</li> </ul>
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>●Make the lighting of sales floors of existing stores LED (30 stores)</li> <li>●Introduce reach-in multi-level refrigerated cases</li> </ul>	<ul style="list-style-type: none"> <li>●Completed making the lighting of sales floors of existing stores LED (30 stores)</li> <li>●Introduced at four stores</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>●Introduce reach-in multi-level refrigerated cases at existing stores</li> </ul>
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> <li>●Reduce generation of food waste; food waste recycling rate: 51%</li> <li>●Plastic bag turndown rate: 55%</li> </ul>	<ul style="list-style-type: none"> <li>●Food product recycling rate: 51.6% achieved</li> <li>●Plastic bag turndown rate for FY2015: 48.3%</li> </ul>	<p>○</p> <p>×</p>	<ul style="list-style-type: none"> <li>●Food product recycling rate: 52%</li> <li>●Plastic bag turndown rate for FY2016: achieve 60%</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>●Publish CSR leaflet</li> </ul>	<ul style="list-style-type: none"> <li>●Published 16,000 CSR leaflets Used for in-house training, workplace tours and work experience participation by elementary and junior high school students, etc.</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>●Employees taking the Eco Test: 22</li> <li>●Train 220 cognitive impairment supporters</li> </ul>

### Environmental Data

Challenges	Unit	FY2013	FY2014	FY2015
CO <sub>2</sub> emissions *1 *2 *3	t-CO <sub>2</sub>	52,301	61,522	61,383
CO <sub>2</sub> emissions from store operations (per store) *2 *3	t-CO <sub>2</sub>	52,259(697)	61,474(809)	61,330(787)
Electricity consumption in store operations *2	GWh	534	543	543
Water usage in store operations *2	1,000m <sup>3</sup>	42.3	45.8	48.3
Plastic bag consumption (turndown rate) at the food section	t	19,511(63.2)	20,799(65.2)	19,995(64.8)
Waste disposal (recycling rate)	t(%)	51.3	49.4	51.6
Food product recycling rate	%	48.9	50.9	51.3

\*1 CO<sub>2</sub> emissions stemming from the use of energy in store operations and Head Office operations.

\*2 The period of the calculations was April to March.

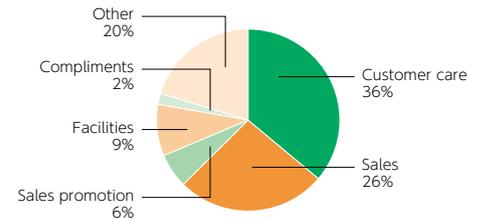
\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

## Consumer Challenges

### Data for Customer Response Services

Some 996 calls were received by the toll-free phone numbers in FY2015. Concerning issues that resulted in calls from customers, customer care issues accounted for 36%, while sales-related issues accounted for 26%. We are analyzing the causes of such issues and working to make improvements.

Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2015  
**Contacts received: 996**  
 (up 7% from the previous fiscal year's level)



### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>Strengthen store compliance team activities</li> </ul>	<ul style="list-style-type: none"> <li>Provided information to stores through meetings, web conferences, and e-mail</li> <li>Implemented education and sharing through visits to manufacturers' plants</li> </ul>	△	<ul style="list-style-type: none"> <li>Actively deploy the store compliance team</li> <li>Continue to provide quality control information</li> <li>Provide support through store interviews</li> <li>Following with web conferences</li> </ul>
Making stores and facilities more customer-friendly and reliable				
	<ul style="list-style-type: none"> <li>Number of stores certified pursuant to the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.: 26 stores (3 new stores)</li> </ul>	<ul style="list-style-type: none"> <li>Number of stores certified pursuant to the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.: 25 stores (2 new stores)</li> </ul>	○	<ul style="list-style-type: none"> <li>Number of stores certified pursuant to the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.: 27 stores (2 new stores)</li> </ul>
Assuring appropriate information provision				
	<ul style="list-style-type: none"> <li>Continue store surveys and information sharing</li> <li>Strengthen the system of store-based voluntary self-checks</li> </ul>	<ul style="list-style-type: none"> <li>Had auditors and Head Office quality control staff carry out store surveys, and shared information through store manager meetings and manager meetings</li> <li>Strengthened the system of store-based voluntary self-checks</li> </ul>	△	<ul style="list-style-type: none"> <li>Have auditors and Head Office quality control staff carry out store surveys, and share information through interviews with management, store manager meetings, and manager meetings</li> <li>Strengthen the system of store-based voluntary self-checks</li> </ul>
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> <li>Install toll-free phone numbers and customer feedback box</li> <li>Strengthen responses based on issue analysis</li> </ul>	<ul style="list-style-type: none"> <li>Increase in customer opinions related to facilities, customer care, and sales</li> </ul>	△	<ul style="list-style-type: none"> <li>Link departments with customer opinions and incidents and feedback to stores</li> <li>Strengthen education for new store managers, etc.</li> </ul>

## Local Communities

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting young parents and the elderly				
	<ul style="list-style-type: none"> <li>Proactively promote users of the re-challenge plan to managers</li> <li>Revise operations to this end and make others both understand and appreciate the system</li> </ul>	<ul style="list-style-type: none"> <li>Appointed 5 store managers and 5 part-time staff leaders</li> <li>Implemented a community plan for users</li> </ul>	○	<ul style="list-style-type: none"> <li>Expand users of the re-challenge plan</li> <li>Revise operations to this end and make others both understand and appreciate the system</li> </ul>
Assisting in local community revitalization				
	<ul style="list-style-type: none"> <li>Continue to accept workplace tours and work experience participation by elementary and junior high school students</li> <li>Utilize the CSR leaflet</li> </ul>	<ul style="list-style-type: none"> <li>Accepted workplace tours and work experience participation by elementary and junior high school students: approx. 7,000 students (up 5% from the previous fiscal year)</li> <li>Utilized the CSR leaflet</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue to accept workplace tours and work experience participation by elementary and junior high school students</li> <li>Train 220 cognitive impairment supporters</li> </ul>

## Employee Related

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting development of employee abilities	<ul style="list-style-type: none"> <li>● Ensure education for new employees</li> <li>● Revise DVD to make it easy to understand, organize education tools and the environment for receiving new employees</li> </ul>	<ul style="list-style-type: none"> <li>● Revised DVD. Use of DVD differs between stores</li> <li>● The manner of receiving new employees at stores when they join the company is related to early resignation</li> </ul>	×	<ul style="list-style-type: none"> <li>● Revise the manual for receiving new employees, conduct group training for new part-time staff, and reform store operations to help them settle in</li> </ul>
Achieving a work-life balance	<ul style="list-style-type: none"> <li>● Reduce total work time</li> <li>● Reduce overtime by 10%, and 100% of annual leave taken</li> </ul>	<ul style="list-style-type: none"> <li>● Average overtime: 32.1 hours</li> <li>● Leave taken: 96%</li> </ul>	×	<ul style="list-style-type: none"> <li>● Reduce total work time</li> <li>● Reduce overtime by 10%, and 100% of annual leave taken</li> </ul>
Making use of diverse human resources	<ul style="list-style-type: none"> <li>● Appoint part-time-staff to managerial roles: 45 employees</li> <li>● Appoint expert part-time staff as full-time employees: 10 or more employees</li> <li>● Percentage of female managers (Team leader or higher): 29.0%</li> <li>● Promote manager training, and promote 2 females to store manager</li> </ul>	<ul style="list-style-type: none"> <li>● Part-time store managers: 3, Part-time staff leaders 87</li> <li>● Employees promoted to full-time employees: 16</li> <li>● Percentage of women in management positions Corporate officers: 0→7.1% Division manager: 9.3→7.3% Section manager: 10.8→12.8% Team leader: 38.1→38.2% Total: 27.6%</li> <li>● 1 female appointed as store manager</li> </ul>	△	<ul style="list-style-type: none"> <li>● Appoint part-time-staff to managerial roles: 50 employees</li> <li>● Appoint expert part-time staff as full-time employees: 10 or more employees</li> <li>● Percentage of female managers (Team leader or higher): 29.0%</li> <li>● Promote manager training, and promote 2 females to store manager</li> </ul>
Assuring consideration for worker health and safety	<ul style="list-style-type: none"> <li>● Reduce occurrence of workplace accidents</li> <li>● Give notification of causes and responses</li> <li>● Reduce lost work-time accidents</li> </ul>	<ul style="list-style-type: none"> <li>● Frequency rate: 4.49→4.24</li> <li>● Severity rate: 0.07→0.07</li> <li>● Lost work-time accidents: 54→51</li> </ul>	△	<ul style="list-style-type: none"> <li>● Reduce occurrence of workplace accidents</li> <li>● Give notification of causes and responses</li> <li>● Reduce lost work-time accidents</li> </ul>

### Personnel Data

Breakdown of number of employees (as of the end of February 2015)		(persons)
Full-time employees *1		1,225
	Male	995
	Female	230
Part-time staff *2		4,368
Number of employees (full-time employees + part-time staff)		5,593
New graduate employees hired		129
Mid-career employees hired		2
Re-employment *3		19

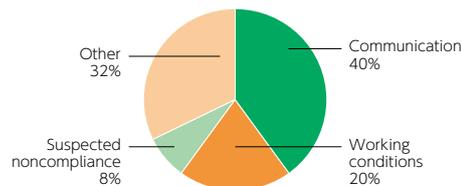
- \*1 Data includes contractual employees and temporary employees.  
 \*2 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.  
 \*3 Persons reemployed after mandatory retirement.  
 \*4 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)  
 \*5 The percentage of team leaders or higher positions, excluding executive officers.  
 \*6 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

	FY2013	FY2014	FY2015
Average length of service (full-time employees)	14 years 8 months	14 years 0 months	15 years 0 months
Number of full-time employees who took childcare leave *4 (males, part-time staff)	21 (0, 8)	30 (0, 14)	31 (0, 17)
Number of full-time employees who took nursing leave *4 (males, part-time staff)	0 (0, 0)	1 (1, 0)	0 (0, 0)
Number of volunteer leave recipients	0	0	0
Percentage of women in management positions *5	25.5%	28.0%	27.7%
Percentage of employees with disabilities *6	1.84%	1.94%	2.09%
Percentage of paid holidays taken by full-time employees	6.7%	8.2%	11.8%
Frequency rate of workplace accidents	3.25	4.49	4.24
Severity rate of workplace accidents	0.05	0.07	0.07

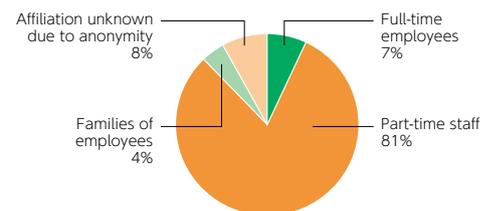
### Data for Consultation Services for Employees

The overall number of reported incidents has been decreasing. The number of reports related to working conditions declined and reports relating to human relationships between employees and their supervisors or colleagues and so forth was about the same. However, it remains one of the most reported issues. We will continue providing support for education and business operation improvements.

### Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2015 (Contacts received: 75 (down 25% from the previous fiscal year's level))



### By user category



# Seven & i Food Systems Co., Ltd.

Website: <http://www.7andi-fs.co.jp/7fs/company/csr.html>

Number of stores as of February 28, 2015: 846

## Environment Related

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Improving energy efficiency and introducing renewable energy				
	●Stores with LED bulbs installed: 280 stores Amount of CO <sub>2</sub> emissions reduction: 491 tons	●LED bulbs installed: 280 stores Amount of CO <sub>2</sub> emissions reduction: 8,856 tons	○ ○	●Install LED bulbs at remaining 69 stores Amount of CO <sub>2</sub> emissions reduction: 456 tons
Reducing waste and developing a recycling-oriented society				
	●Expand the conducting of recycling to 100 stores and improve recycling rates	●Expanded the conducting of recycling to 107 stores Recycling rate: 43.3%⇒45.4%	○ ○	●Expand the conducting of recycling to 110 stores and improve recycling rates
Raising environmental awareness among employees				
	●By encouraging employees to take the Eco Test, cultivate environmental awareness and gain environmental knowledge (aim to have 100 people take the Eco Test)	●Employees taking the Eco Test: 158	○	●By encouraging employees to take the Eco Test, cultivate environmental awareness and gain environmental knowledge (aim to have 120 people take the Eco Test)

### Environmental Data

Challenges	Unit	FY2013	FY2014	FY2015
CO <sub>2</sub> emissions *1 *2 *3	t-CO <sub>2</sub>	96,117	100,120	91,264
CO <sub>2</sub> emissions from store operations *2 *3	t-CO <sub>2</sub>	93,811	97,766	88,825
CO <sub>2</sub> emissions from delivery vehicles *2 *3 *4	t-CO <sub>2</sub>	2,155	2,170	2,289
Electricity consumption in store operations *2	GWh	152	148	135
Water usage in store operations *2	1,000m <sup>3</sup>	2,141	2,045	2,036
Waste disposal (recycling rate)	t (%)	10,058(25.4)	10,624(26.0)	10,280(25.6)
Food product recycling rate	%	40.5	43.3	45.4

\*1 CO<sub>2</sub> emissions stemming from the use of energy in store operations (Seven & i Food Systems), Head Office, and delivery vehicles.

\*2 The period of the calculations was April to March.

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

\*4 The values are for Denny's only.

## Consumer Challenges

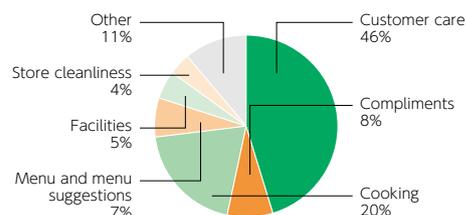
### Data for Customer Response Services

Complaints: 2,937 to 3,695 cases (an increase of 758 cases, or 25.8% from the previous fiscal year)

Compliments: 824 to 963 cases (an increase of 139 cases, or 16.9% from the previous fiscal year)

The number of compliments continued to increase dramatically following the previous fiscal year. However, there was also a significant rise in complaints, mainly related to cooking. In the future, while working hard to improve customer satisfaction, we will continue to focus on on-the-job-training (OJT) at stores, while also incorporating off-the-job-training (OFF-JT) in the form of greetings practice, communications training, and mental training.

Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2015  
Contacts received: 12,765  
(up 16.8% from the previous fiscal year)



### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Ensuring the quality and safety of products and services				
	●Evolve and systemize the content of the terms and conditions ●Strengthen plant management confirmation systems (focusing on quality)	●Progressed as planned ●Carried out plant management confirmation focused on quality	○ ○	●Shift completely to e-Base (old transaction requirement documents) ●Further strengthen plant management confirmation system in and outside of Japan (focused on quality)
Assuring appropriate information provision				
	●Continue to conduct a search service on the usage of allergenic substances	●Continued to conduct the service	○	●Continue to conduct a search service on the usage of allergenic substances
Responding sincerely to customer opinions (organization)				
	●Continue "getting the fundamentals straight" and share information received from customers. Through moving forward with improvements, aim to halve complaints and double compliments	●Through strengthening efforts to "get the fundamentals straight," compliments increased dramatically; however, complaints also increased, mainly related to cooking	△	●Aim for further progress in getting the fundamentals straight and enhance e-learning education for all divisions. Expand various kinds of training, aiming to halve complaints and double compliments

## Local Communities

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting young parents and the elderly	<ul style="list-style-type: none"> <li>●Further organize systems for receiving work experience participants, such as meal requirements, etc., and work to promote the further acceptance of participants by stores</li> </ul>	<ul style="list-style-type: none"> <li>●358 people were accepted over 293 days in total, at 132 stores</li> <li>●To support food education, picture book reading sessions were held at seven stores in Tokyo</li> </ul>	○	<ul style="list-style-type: none"> <li>●Continue to maintain the system for actively accepting work experience participants</li> <li>●Expand picture book reading sessions to stores in prefectures close to the Kanto region as part of efforts to support food education</li> </ul>
Assisting in local community revitalization	<ul style="list-style-type: none"> <li>●Maintain and conduct relays with growing areas, thus developing the stable procurement of safe and delicious vegetables</li> <li>●Collect activity information for each different region, based on the verification of such content, continue to cooperate in the revitalization of local communities</li> <li>●Continue to develop and sell menu items that contribute to health and beauty</li> </ul>	<ul style="list-style-type: none"> <li>●Progressed as planned</li> <li>●Continued the Conquer Cancer Campaign, the Eat All of Your Meal Project in the nine prefectures and cities of Tokyo Metropolis, Kanagawa Prefecture, Chiba Prefecture, Saitama Prefecture, Yokohama City, Kawasaki City, Sagami-hara City, Chiba City, and Saitama City, and supported the recovery of Tohoku by sales of marine products from Shichigahama, Miyagi Prefecture, and ink cartridge collection activities.</li> <li>●Continued to develop and sell menu items that contribute to health and beauty</li> </ul>	○ ○ ○	<ul style="list-style-type: none"> <li>●Maintain and conduct relays with growing areas, thus developing the stable procurement of safe and delicious vegetables</li> <li>●Coordinate with local communities and actively foster an awareness of cooperation among employees Cognitive impairment supporters: 700</li> <li>●Strengthen development of menus that respond to regional characteristics</li> </ul>
Providing support in times of disaster	<ul style="list-style-type: none"> <li>●Continue to proactively respond to requests received in the event of disaster from the local municipalities in which stores are located</li> </ul>	<ul style="list-style-type: none"> <li>●Maintained a stance of actively receiving requests received in the event of disaster from the local municipalities in which stores are located</li> </ul>	○	<ul style="list-style-type: none"> <li>●Continue to proactively respond to requests received in the event of disaster from the local municipalities in which stores are located</li> </ul>

## Employee Related

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting development of employee abilities	<ul style="list-style-type: none"> <li>●Education to be built on the three pillars of mental education, technical education and management education</li> <li>●Proceed with development and utilization of a creed card so that management philosophy penetrates further</li> </ul>	<ul style="list-style-type: none"> <li>●Mental education completed for all divisions, bloc managers (responsible for narrow commercial areas), and corporate officers of store manager rank and higher. Technical education content expanded in line with actual operations, including quantitative management, etc. Management education included open training on communication content</li> <li>●Implemented further study using the creed card at morning meetings and trainings, with the goal of advancing penetration of the management philosophy</li> </ul>	○	<ul style="list-style-type: none"> <li>●Promote enhanced e-learning content for the three pillars of education and flexibly provide the required content for workplace situations in each training</li> <li>●Raise awareness at each training to help the management philosophy to penetrate further</li> </ul>
Assuring fair assessment and treatment of employees	<ul style="list-style-type: none"> <li>●Conduct fair evaluations of employees from July 2014 in accordance with the revised personnel system</li> </ul>	<ul style="list-style-type: none"> <li>●Revised personnel systems in May 2014 Evaluation system revised in March 2015</li> </ul>	△	<ul style="list-style-type: none"> <li>●Plan to revise the system of ranking within the same position (job responsibility) in 2016</li> </ul>
Achieving a work-life balance	<ul style="list-style-type: none"> <li>●Monthly overtime: average of less than 20 hours per employee</li> </ul>	<ul style="list-style-type: none"> <li>●Monthly overtime for FY2015: average of 20.4 hours per employee</li> </ul>	×	<ul style="list-style-type: none"> <li>●Monthly overtime: average of less than 20 hours per employee</li> </ul>
Making use of diverse human resources	<ul style="list-style-type: none"> <li>●To promote store-based recruitment, short-hours recruitment will be revised, and the system of recruitment through employee introductions enhanced</li> <li>●Convert 30 part-timers into contractual employees</li> <li>●Ratio of female managers: Section manager or higher (10%), Team leader or higher (13%)</li> </ul>	<ul style="list-style-type: none"> <li>●Recruited through the employee introduction system 2013: 194 employees 2014: 392 employees</li> <li>●Conversions to contractual employees: 52 employees</li> <li>●Percentage of women in management positions Section manager or above: 10/111, 9% Team leader or above: 74/696, 10.6%</li> </ul>	△ ○	<ul style="list-style-type: none"> <li>●Aggressively recruit non-Japanese and overseas students</li> <li>●Stop hiring part-time employees and increase the hiring age</li> <li>●Conversions to contractual employees: 20 employees Conversions to national employees and area employees: 10 employees</li> <li>●Percentage of women in management positions Section manager or higher: 10% Team leader or higher: 12%</li> </ul>
Assuring consideration for worker health and safety	<ul style="list-style-type: none"> <li>●Cooperate with other units to prevent issues such as heatstroke and norovirus, etc.</li> <li>●Among employees who work the late night shift, work to improve the ratio who undertake health checks twice a year</li> </ul>	<ul style="list-style-type: none"> <li>●Cases of heatstroke: 0 Cases of norovirus symptoms: 72; tested positive: 28</li> <li>●Health checks for employees who work the late night shift 786/802 employees: 98%</li> </ul>	△	<ul style="list-style-type: none"> <li>●Heatstroke prevention (temperature control) Health Declaration 2018 activities Reduce BMI and ratio of smokers</li> <li>●Increase participation in health checks for employees who work the late night shift and participation in secondary testing</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2015)		(persons)
Full-time employees *1		1,287
	Male	1,084
	Female	203
Part-time staff *2		10,095
Number of employees (full-time employees + part-time staff)		11,382
New graduate employees hired		68
Mid-career employees hired		14
Re-employment *3		16

\*1 Data includes contractual employees and temporary employees.

\*2 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.

\*3 Persons reemployed after mandatory retirement.

\*4 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

\*5 The percentage of team leaders or higher positions, excluding executive officers.

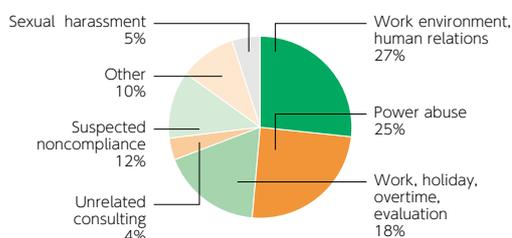
\*6 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terre Verte (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

	FY2013	FY2014	FY2015
Average length of service (full-time employees)	14 years 3 months	14 years 1 months	13 years 4 months
Number of full-time employees who took childcare leave *4 (males, part-time staff)	39(1, 32)	66(0, 62)	64(0, 52)
Number of full-time employees who took nursing leave *4 (males, part-time staff)	0	0	0
Number of volunteer leave recipients	0	0	1
Percentage of women in management positions *5	7.1%	7.1%	9.3%
Percentage of employees with disabilities *6	2.05%	2.19%	2.29%
Percentage of paid holidays taken by full-time employees	10.8%	7.7%	9.1%
Frequency rate of workplace accidents	1.41	1.11	0.66
Severity rate of workplace accidents	0.03	0.03	0.02

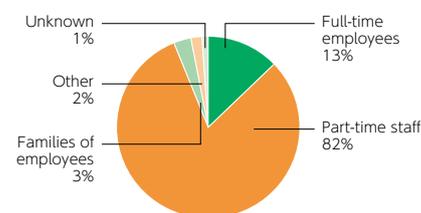
## Data for Consultation Services for Employees

The number of contacts received increased by 7.8% from 103 in the previous fiscal year to 111. The number has changed little from 113 recorded for the fiscal year ended February 28, 2013. However, CSR training for the fiscal year ending February 29, 2016 will be based on trends in contacts, such as an increase in the proportion concerning store managers. We will tailor training content to different targets, focusing on fostering consideration of diversity for all division managers, the Corporate Action Guidelines for new recruits, and compliance for newly appointed managers and store managers. We will strive to improve the workplace environment through targeted education activities.

### Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2015 Contacts received: 111 (up 7.8% from the previous fiscal year)



### By user category



## Reducing the Environmental Impact

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>●Renew two hot-and-chilled-water generators (planned savings of approx. 4.3 kl)</li> <li>●Introduce LED lighting to a further 19 stores (planned savings of approx. 420.8 kl)</li> </ul>	<ul style="list-style-type: none"> <li>● Introduced LED lighting to 23 stores (savings of approx. 903.3 kl)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Introduce LED lighting to a further 10 stores (planned savings of approx. 509.6 kl)</li> <li>●Renew the Head Office gas air conditioners (replace 12 outdoor units, 102 indoor units for planned savings of approx. 20.7 kl)</li> </ul>
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> <li>●Increase the plastic bag turndown rate to between 9 to 10%</li> </ul>	<ul style="list-style-type: none"> <li>●Increased the plastic bag turndown rate to 7.3%</li> </ul>	×	<ul style="list-style-type: none"> <li>●Increase the plastic bag turndown rate to 8.0%</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>●Strengthen PR activities for the "Akachan Honpo ECO ACTION" to be conducted in June. Aim for a higher eco-discount usage rate than other months, and to raise the overall usage rate.</li> <li>●Through cooperation with the Group, aim to increase awareness by incorporating basic environmental training into new employee training</li> </ul>	<ul style="list-style-type: none"> <li>●Promoted eco-discounts by having store staff communicate directly with customers during environment month in June. Achieved an eco-discount rate of 8.1% for June</li> <li>●Incorporated basic environmental training into new employee training</li> </ul>	○	<ul style="list-style-type: none"> <li>●Increase the number of reports on CSR initiatives in the company bulletin and at meetings for store managers, in order to raise awareness</li> </ul>

### Environmental Data

Challenges	Unit	FY2013	FY2014	FY2015
CO <sub>2</sub> emissions *1 *2 *3	t-CO <sub>2</sub>	20,037	20,650	20,612
CO <sub>2</sub> emissions from store operations (per store) *2 *3	t-CO <sub>2</sub>	19,726(207)	20,140(217)	20,268(205)
Electricity consumption in store operations *2	GWh	38	35	34
Water consumption in store operations *2	1,000m <sup>3</sup>	44	39	48
Plastic bag turndown rate	%	4.0%	7.9%	7.3%

\*1 CO<sub>2</sub> emissions stemming from the use of energy in store operations and in headquarters operations.

\*2 The period of the calculations was April to March.

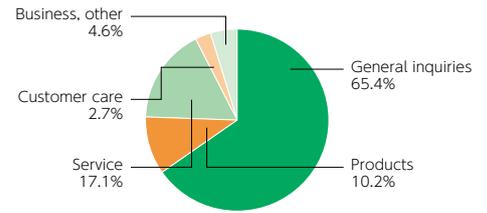
\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

## Consumer Challenges

### Data for Customer Response Services

As a "customer consultation desk that operates uninterrupted throughout the year and offers toll-free phone calls," we listen to customer requests, opinions and inquiries, get alongside them and respond in a manner both fast and honest. The number of customer consultations has been increasing with the increase in the number of stores and customer visits to stores. Since many of our customers are first-time users of our services, they have numerous issues that they either don't know or are uncertain about. In order to alleviate such apprehensions on the part of customers even to the slightest degree, we take care to respond as kindly as possible. Commencing from the fiscal year ended February 28, 2014, a new system has been introduced, and coordination between the customer consultation desk, the different departments of the company, and our various stores has become much smoother. Furthermore, once a week, the customer consultation desk provides store staff with information regarding customer requests and opinions, and how best to respond to such matters. Each week we share initiatives needed to address issues in customer feedback and strive to improve customer care.

Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2015  
**Contacts received: 15,350**  
 (up 11.2% from the previous fiscal year's level)



### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Ensuring the quality and safety of products and services	<ul style="list-style-type: none"> <li>● In addition to plant inspections carried out at the time of production, conduct pre-sale inspections of all products handled by stores</li> </ul>	<ul style="list-style-type: none"> <li>● In addition to inspections of all items carried out at the plant, conducted sampling inspections of all products handled by stores</li> </ul>	○	<ul style="list-style-type: none"> <li>● Revise standards for safety and functionality and strengthen quality control</li> </ul>
Making stores and facilities more customer-friendly and reliable	<ul style="list-style-type: none"> <li>● Work hard to provide even more convenient breastfeeding and diaper-change spaces</li> </ul>	<ul style="list-style-type: none"> <li>● In FY2015, store openings were in well-equipped centers, so we did not set up facilities</li> </ul>	△	<ul style="list-style-type: none"> <li>● Take safety measures on fixtures and shelving such as promoting the removal of corners and addition of safety guards</li> </ul>
Assuring appropriate information provision	<ul style="list-style-type: none"> <li>● Conduct in-house training to ensure suitable labeling, and work hard to further improve the Grade A+ evaluations ratio</li> </ul>	<ul style="list-style-type: none"> <li>● The Grade A+ ratio increased only slightly, with no significant improvement trend seen</li> </ul>	△	<ul style="list-style-type: none"> <li>● Improve the level of understanding through adoption of Intranet-based testing and aim to achieve full scores on "labeling management" in audit evaluations</li> </ul>
Responding sincerely to customer opinions (organization)	<ul style="list-style-type: none"> <li>● For the purpose of reducing the particularly high PPM value of new stores, place an emphasis on education at new stores, and aim to achieve a company-wide total of 30 PPM.</li> </ul>	<ul style="list-style-type: none"> <li>● In FY2015, we received 590 customer care and service complaints, or 31.0 PPM, a slight 1.0 PPM above the target 30 PPM. There is still room for improvement and measures on education and service improvement are required</li> </ul>	△	<ul style="list-style-type: none"> <li>● In FY2016, aim to keep the number of customer care and service complaints within 380 for the year, or an incidence rate of 20 PPM. To this end, repeatedly analyze causes of complaints and conduct internal communication and education to stem their occurrence</li> </ul>

\* Parts Per Million (PPM): Calculated by dividing the number of complaints by the number of customers and multiplying by one million.

## Local Communities

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting young parents and the elderly	<ul style="list-style-type: none"> <li>● All stores are to hold "Pre-Papa Night Tours" on Wednesday evenings each week, the aim being to dramatically increase the number of events from the current pace of once a month</li> </ul>	<ul style="list-style-type: none"> <li>● All stores now hold "Pre-Papa Night Tours" on Wednesday evenings each week</li> </ul>	○	<ul style="list-style-type: none"> <li>● Set up new in-store events related to pregnancy and childcare from a CSR perspective. Trial the events during FY2016. Have all stores conduct events in FY2017.</li> </ul>
Providing support in times of disaster	<ul style="list-style-type: none"> <li>● Respond to requests from regions where there are stores</li> </ul>	<ul style="list-style-type: none"> <li>● In 2014, concluded agreements to provide supplied in times of disaster with 7 municipal governments</li> </ul>	○	<ul style="list-style-type: none"> <li>● Respond to any requests for support</li> </ul>

## Employee Related

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting development of employee abilities	<ul style="list-style-type: none"> <li>●Correspondence course participants: aim to achieve 150 participants, and continue the improvements of 2013, as well as make additions to the course in accordance with company policy.</li> <li>* Improve employee ability to respond to customers and strengthen the mindset (to collect trending information, to act and to initiate action).</li> </ul>	<ul style="list-style-type: none"> <li>●Correspondence course participants: 156 (up 28% from the previous year)</li> <li>There were many calls for additional courses (on the Company's policy for the fiscal year or Company-wide initiatives), and we provided courses that were highly interesting to employees</li> </ul>	○	<ul style="list-style-type: none"> <li>●Correspondence course participants: target 100</li> <li>* As a guide for FY2016 hold courses once in November to adjust course timing (As a guide for FY2017, plan to hold courses in April and November)</li> </ul>
Assuring fair assessment and treatment of employees	<ul style="list-style-type: none"> <li>●Revisions to realize more suitable management of working hours</li> <li>●Consider revision of the pension system</li> </ul>	<ul style="list-style-type: none"> <li>●Managed work time in units of one minute, introduced planned work discretionary labor system</li> <li>●Shared information on internal and external trends, and company's own wage levels</li> </ul>	△	<ul style="list-style-type: none"> <li>●Aim to increase "fulfillment" points in the employee opinion survey</li> <li>●Revise treatment of part-time employees</li> </ul>
Achieving a work-life balance	<ul style="list-style-type: none"> <li>●Promote male employees taking childcare leave</li> <li>●Appoint executives from among those employees involved in childcare</li> </ul>	<ul style="list-style-type: none"> <li>●One male employee took childcare leave between October 2014 to April 2015</li> <li>●Appointed five assistant store managers from among those employees involved in childcare during FY2015</li> </ul>	○	<ul style="list-style-type: none"> <li>●Promote male employees taking childcare leave</li> <li>●Expand application of short working hours for employees involved in childcare</li> </ul>
Making use of diverse human resources	<ul style="list-style-type: none"> <li>●Revise the treatment of expert employees</li> <li>●Utilize the skills of retired executives</li> <li>●Revise the working style of part-timers (contractual status)</li> <li>●Improve the percentage of female managers(Team leader or higher) 30%</li> </ul>	<ul style="list-style-type: none"> <li>●Appointed expert employees as store managers</li> <li>●Nine employees aged 55 or over continued to work as managing supervisors</li> <li>●Appointed 48 part-time leaders</li> <li>●Percentage of female managers (Team leader or higher positions): 24.5%→28.9%</li> </ul>	△	<ul style="list-style-type: none"> <li>●Increase the number of part time leaders and promote their use</li> <li>●Improve the percentage of female managers (Team leader or higher) 30% or higher</li> <li>●Appoint executives from among those employees involved in childcare</li> </ul>
Assuring consideration for worker health and safety	<ul style="list-style-type: none"> <li>●Work accidents: no more than 30</li> </ul>	<ul style="list-style-type: none"> <li>●Work accidents: 23</li> </ul>	○	<ul style="list-style-type: none"> <li>●Maintain the target of no more than 30 despite the increase in stores</li> </ul>

### Personnel Data

Breakdown of number of employees (as of the end of February 2015)		(persons)
Full-time employees *1		869
	Male	478
	Female	391
Part-time staff *2		1,869
Number of employees (full-time employees + part-time staff)		2,738
New graduate employees hired		72
Mid-career employees hired		3
Re-employment *3		3

- \*1 Data includes persons reemployed after mandatory retirement.  
 \*2 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees  
 \*3 Persons reemployed after mandatory retirement.  
 \*4 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)  
 \*5 The percentage of team leaders or higher positions, excluding executive officers.  
 \*6 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

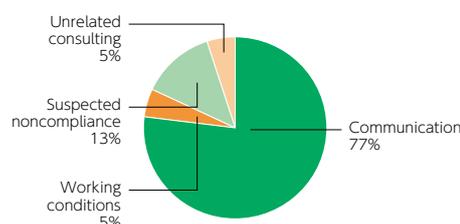
	FY2013	FY2014	FY2015
Average length of service (full-time employees)	13 years 6 months	13 years 5 months	13 years 6 months
Number of full-time employees who took childcare leave *4 (males, part-time staff)	67(1, 37)	63(2, 35)	139(1, 110)
Number of full-time employees who took nursing leave *4 (males, part-time staff)	4(0, 4)	6(1, 3)	0(0, 0)
Number of volunteer leave recipients	No system	No system	No system
Percentage of women in management positions *5	21.4%	24.5%	26.1%
Percentage of employees with disabilities *6	1.90%	2.00%	1.98%
Percentage of paid holidays taken by full-time employees	39.6%	40.2%	39.1%
Frequency rate of workplace accidents	0.56	0.37	0.00
Severity rate of workplace accidents	0.04	0.01	0.00

### Data for Consultation Services for Employees

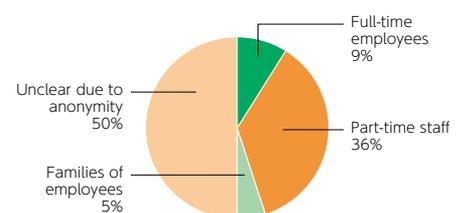
Due to insufficient communication, there were many consultations received from employees who felt they were subject to power abuse. Throughout the company, we are repeatedly working to drive home to them the importance of communication. Furthermore, in continuing on in the fiscal year ending February 29, 2016, from new graduates through to specialist employees, centering on the education department, we are conducting compliance training in cooperation with staff who deal in fair trade, quality management, and legal affairs issues, and so forth.

### Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2015

Contacts received: 22 (down 8% from the previous fiscal year's level)



### By user category



## Reducing the Environmental Impact

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>Continue and expand the grasping of greenhouse gas emissions volumes (Scope 3 emissions) that the company indirectly discharges through the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Six Seven &amp; i Holdings Group companies (including Seven Bank) calculated Scope 3 emissions</li> <li>Disclosed emissions on the Ministry of Environment website Green Value Chain Platform</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue grasping and disclosing greenhouse gas emissions volumes (Scope 3 emissions) that the company indirectly discharges through the supply chain and</li> </ul>
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>Grasp how photocopying paper is used and reduce photocopying paper purchase volumes and the volumes of paper used in color photocopying</li> <li>Proceed with the replacement of conventional ATMs with third-generation machines that operate on about half the electricity, bring the total number of third-generation ATMs installed up to about 18,000 units by the end of 2014</li> </ul>	<ul style="list-style-type: none"> <li>Called for paperless meetings, double-sided printing, printing two pages to a sheet, and other measures</li> <li>Completed installation of 17,603 third-generation ATMs by the end of FY2015.</li> </ul>	<p>○</p> <p>△</p>	<ul style="list-style-type: none"> <li>Promote the adoption of paperless operations</li> <li>Continue with replacement of conventional ATMs with third-generation machines that operate on about half the electricity</li> </ul>
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> <li>Formulate green procurement guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Formulated green procurement guidelines</li> </ul>	○	<ul style="list-style-type: none"> <li>Promote recycling of previous-type ATMs</li> </ul>
Offering eco-friendly products				
	<ul style="list-style-type: none"> <li>Target ratio of the third-generation ATMs to the total: 85%</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of third-generation ATMs to the total: 83%</li> </ul>	△	<ul style="list-style-type: none"> <li>Target ratio of the third-generation ATMs to the total: 95%</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>Continue to actively participate in the Group's environmental volunteer activities</li> <li>Increase the number of participants in environmental volunteer activities by conducting Seven Bank's own programs</li> </ul>	<ul style="list-style-type: none"> <li>15 employees participated as volunteers in three programs run by Seven &amp; i Holdings, the Forest Project, the Great East Japan Earthquake Reconstruction Assistance Project, and the Amamo Project</li> <li>A total of 48 employees participated in the Bonolon's Forest Environmental Activity</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Continue to actively participate in Seven &amp; i Holdings' environmental volunteer activities</li> <li>Increase the number of participants in environmental volunteer activities under Seven Bank's own programs</li> </ul>

## Environmental Data

Challenges	Unit	FY2013	FY2014	FY2015
Volume of paper ordered for office automation equipment	1,000 sheets	7,565	7,762	6,410
Electricity used at the offices*	MWh	1,182	1,269	1,302

\* Data was not available for some rental offices. Data includes staffed branches and directly managed ATMs.

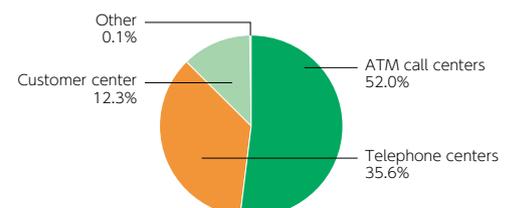
## Consumer Challenges

### Data for Customer Response Services

Seven Bank takes the opinions and requests it receives from customers seriously and is working to enhance and expand the following services based on the details of customer enquiries.

At the customer center for overseas money transfers, we are able to respond to inquiries in nine different languages.

Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2015  
**Contacts received: 721,936**  
 (up 2% from the previous fiscal year's level)  
 (Breakdown: inquiries: 99.8%, opinions and requests 0.2%)



## FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>● Confirm the BCP viability of mission critical divisions based on an assumed breakdown of capabilities in the metropolitan area</li> <li>● Prepare for emergencies</li> </ul>	<ul style="list-style-type: none"> <li>● Reviewed the Great East Japan Earthquake and revise countermeasure headquarters check list</li> <li>● Conducted joint operation drills and confirmed ability to continue mission critical operations in Osaka alone in the event of an earthquake striking Tokyo</li> <li>● Enhanced structure with a committee of BCP officers</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Conduct periodic drills in-line with actual practice and independent of scenario</li> <li>● Continue holding BCP officers' committee meetings, and strengthen systems by improving on issues</li> </ul>
Making stores and facilities more customer-friendly and reliable				
	<ul style="list-style-type: none"> <li>● Continue and broaden renewal of ATM screens to include the ATMs of other financial institutions that cooperate in the provision of services. Continue to promote the improvement of ATMs to realize machines that both the elderly and the inexperienced also find easy to use</li> </ul>	<ul style="list-style-type: none"> <li>● Enlarged print on ATM transaction screens and statement slips, made explanations easier to understand, and introduce animation to support ATM operation</li> <li>● Prepared transaction screens and sound effects with a Japanese flavor for transactions with overseas-issued cards, to provide a feeling of hospitality to overseas visitors</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Continue to promote ATM functions to meet diverse needs</li> <li>● Respond to adoption of IC for overseas card transactions and create interfaces in 12 languages</li> </ul>
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> <li>● Continue to look into CS index measures</li> </ul>	<ul style="list-style-type: none"> <li>● Provided analysis reports of customer opinions to all employees</li> <li>● Continued to implement improvements inspired by customer opinions</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Continue to look into CS index measures</li> </ul>

## Local Communities

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting young parents and the elderly				
	<ul style="list-style-type: none"> <li>● Continue to promote story-telling activities via the sponsorship for "Bonolon, Warrior of the Forest"</li> <li>● Continue donations of picture books</li> <li>● Strengthen cooperation with children's centers</li> </ul>	<ul style="list-style-type: none"> <li>● Held "Bonolon story-telling events" at children's centers and staffed Seven Bank branches, etc.</li> <li>● Donated picture books to children's centers as a result of issuing 30,822 Bonolon cash cards (donations made to 2,881 locations)</li> <li>● Click donations in support of Shimoarisu Children's Center in Sumita Town Hall, Iwate: \395,271</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Continue to promote story-telling activities via the sponsorship for "Bonolon, Warrior of the Forest"</li> <li>● Continue donations of picture books</li> <li>● Strengthen cooperation with children's centers</li> </ul>
Assisting in local community revitalization				
	<ul style="list-style-type: none"> <li>● Promote employee participation in volunteer opportunities</li> </ul>	<ul style="list-style-type: none"> <li>● Nine cases of employees obtaining volunteer leave</li> <li>● A total of 16 employees participated in five volunteer activities organized by the Chiyoda Business Volunteer Association (a group comprised of businesses located in Chiyoda City, where the Head Office of Seven Bank is located)</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Promote employee participation in volunteer opportunities</li> </ul>
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> <li>● By continuing to gather and utilize information on anti-social forces, certain transactions will continue to be prevented</li> <li>● Survey and analyze evolving and diversifying financial crimes, and respond to such matters promptly</li> <li>● Strengthen prevention measures through cooperation with investigating authorities, etc.</li> </ul>	<ul style="list-style-type: none"> <li>● Appropriately prevented transactions with anti-social social forces by continuing to gather and utilize information on them</li> <li>● Strengthened information analysis related to financial crimes</li> <li>● Strengthened information links with multiple institutions and cooperated with over 80,000 cases in response to requests from investigating institutions</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Continue to gather and utilize information on anti-social forces to prevent transactions with them</li> <li>● Survey and analyze evolving and diversifying financial crimes, and respond to such matters promptly</li> <li>● Strengthen the system of links with investigating institutions and alliance partners, etc.</li> </ul>

## Employee Related

### FY2015 Targets/Results and FY2016 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2015 Targets and Plans	FY2015 Results and Outcomes	Evaluation	FY2016 Targets
Supporting development of employee abilities	<ul style="list-style-type: none"> <li>● Strengthen support of language learning</li> <li>● Foster next-generation leaders, female managers</li> <li>● Create awareness within the company about the objectives and results of diversity promotion</li> </ul>	<ul style="list-style-type: none"> <li>● Employees who took language acquisition classes: 34 employees; employees who sat a TOEIC examination: 45 employees</li> <li>● Employees dispatched overseas on short-term study: 3 employees</li> <li>● Conducted education and training of next-generation leaders Management training: 19 employees Management training for women: 4 employees Young leadership training: 30 employees</li> <li>● Participants in diversity seminars held by Seven &amp; i Holdings: 15 employees</li> </ul>	<p>○</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>● Strengthen self-education support (language, business, IT skills)</li> <li>● Develop the next generation of leaders</li> </ul>
Achieving a work-life balance	<ul style="list-style-type: none"> <li>● Enhance work-life balance with respect to matters of childcare and nursing</li> <li>● Consider a work-at-home system</li> <li>● Enhance the follow-up of childcare leave recipients who have returned to the workplace</li> </ul>	<ul style="list-style-type: none"> <li>● Number of childcare leave recipients: 12 employees</li> <li>● Held back-to-work orientation for employees returning to work after childcare leave</li> </ul>	<p>○</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>● Support promotion of work-life balance</li> <li>● Establish home working system</li> <li>● Establish childcare leave system Enhance the follow-up of childcare leave recipients who have returned to the workplace</li> </ul>
Making use of diverse human resources	<ul style="list-style-type: none"> <li>● Continue conducting nursing care training</li> <li>● Continue measures to maintain the percentage of employees with disabilities required by law</li> </ul>	<ul style="list-style-type: none"> <li>● Held nursing training at two locations</li> <li>● Percentage of employees with disabilities: 2.06% (As of March 31, 2015)</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>● Continue conducting nursing care training</li> <li>● Continue measures to maintain the percentage of employees with disabilities required by law</li> <li>● Create a foundation for promoting diversity</li> </ul>
Assuring consideration for worker health and safety	<ul style="list-style-type: none"> <li>● Continue to ensure that employees take paid leave</li> <li>● Devise measures to ensure that employees will leave the office on time during the targeted weeks</li> </ul>	<ul style="list-style-type: none"> <li>● Percentage of paid holidays taken: 80.1%</li> <li>● Dedicated two separate weeks to encouraging employees to leave the office on time (expanded the initiative to 2 months over summer time)</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>● Continue to ensure that employees take paid leave</li> <li>● Devise measures to ensure that employees will leave the office on time during the targeted periods</li> </ul>

### Group Personnel Data

Breakdown of number of employees (as of the end of February 2015)		(persons)
Full-time employees *1		386
	Male	310
	Female	76
Part-time staff *2		104
Number of employees (full-time employees + part-time staff)		490
New graduate employees hired		7
Mid-career employees hired		8
Re-employment *3		7

\*1 Data includes persons reemployed after mandatory retirement.

\*2 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.

\*3 Persons reemployed after mandatory retirement.

\*4 The company was established in 2001

\*5 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

\*6 The percentage of team leaders or higher positions, excluding executive officers.

\*7 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

	FY2013	FY2014	FY2015
Average length of service (full-time employees)*4	5 years 7 months	6 years 2 months	7 years 0 months
Number of full-time employees who took childcare leave *5 (males, part-time staff)	10(2, 0)	7(0, 0)	12(1, 2)
Number of full-time employees who took nursing leave *5 (males, part-time staff)	0(0, 0)	0(0, 0)	0(0, 0)
Number of volunteer leave recipients	No system	3	9(9 cases)
Percentage of women in management positions *6	8.0%	10.3%	9.9%
Percentage of employees with disabilities *7	2.29%	2.04%	2.06%
Percentage of paid holidays taken by full-time employees	82.6%	78.2%	82.7%
Frequency rate of workplace accidents	0.00	0.00	0.00
Severity rate of workplace accidents	0.00	0.00	0.00
Number of employee consultations	0件	0件	1件



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