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.


Consolidated Financial Summary

<table>
<thead>
<tr>
<th>Revenues from Operations and Operating Income</th>
<th>Net Income and ROE</th>
</tr>
</thead>
<tbody>
<tr>
<td>¥ Billion</td>
<td>¥ Billion</td>
</tr>
<tr>
<td>60,000</td>
<td>45,000</td>
</tr>
<tr>
<td>4,000</td>
<td>3,000</td>
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<td>0</td>
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</tr>
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Revenues from operations (left) Operating income (right)
Net income (left) Return on equity (ROE) (right)

<table>
<thead>
<tr>
<th>Total Assets, Net Assets and Owners’ Equity Ratio</th>
<th>Cash Flows</th>
</tr>
</thead>
<tbody>
<tr>
<td>¥ Billion</td>
<td>¥ Billion</td>
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<tr>
<td>%</td>
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<tr>
<td>60,000</td>
<td>45,000</td>
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<td>45</td>
<td>40</td>
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<td>40</td>
<td>35</td>
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<td>35</td>
<td>30</td>
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</tbody>
</table>
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 96.2%

Seven-Eleven Japan Co., Ltd. (in Japanese) http://www.sej.co.jp/social/index.html
York-Benimaru Co., Ltd. (Japanese) http://www.yorkbeni.co.jp/environ/index.html
Seven & I Food Systems Co., Ltd. (in Japanese) http://www.7andi-fs.co.jp/jfs/company/csr.html
7-Eleven, Inc. http://corp.7-eleven.com/corp/background-information
SEVEN-ELEVEN (HAWAII), INC. http://www.7elevenhawaii.com/home
Chengdu Ito-Yokado Co., Ltd. (In Chinese) http://www.7y-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.
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


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

Policies for each measure

Quality Policy (In Japanese)

Basic Policy on Sustainable Procurement (In Japanese)
http://www.7andi.com/csr/policy/procurement.html

Environmental guidelines and environmental rules

Seven & i Holdings Environmental Declaration

Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming

Basic Policy on Social and Cultural Contribution, Social and Cultural Contribution Action Guidelines

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
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
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.

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.

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*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)

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

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

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*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
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.

**Organization of CSR Management Committee**

- **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.

- **Environment Subcommittee**
  - The Environment Subcommittee works through business activities to reduce CO2 emissions and make effective use of limited resources.
  - In reducing CO2 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 CO2 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.

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.

**Corporate 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.

- **Environment Subcommittee**
  - The Environment Subcommittee works through business activities to reduce CO2 emissions and make effective use of limited resources.
  - In reducing CO2 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 CO2 emissions. We also strive to ensure compliance with laws and regulations related to the environment, such as those dealing with chlorofluorocarbons.
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## CSR Management

### Targets and Progress by Each Subcommittee

<table>
<thead>
<tr>
<th>Major FY2015 Targets</th>
<th>Results for FY2015</th>
<th>Evaluation</th>
<th>Plans for FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Ethics and Culture Subcommittee</strong></td>
<td></td>
<td></td>
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<tr>
<td>Thoroughly ensuring compliance, Creating fulfilling workplaces</td>
<td></td>
<td>△</td>
<td>Construct e-learning system to support CSR education for Group employees and commence test implementation</td>
</tr>
<tr>
<td>Check the progress of education programs on the basic components and conduct follow-up</td>
<td>Continued to check progress of education at Group companies and conduct follow up</td>
<td></td>
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</tr>
<tr>
<td>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</td>
<td>- Provided advice on hiring for operating companies concerned - Achieved employment rate for people with disabilities of 2.29% (Groupwide)</td>
<td>○</td>
<td>- Support operating companies that permanently employ more than 101 workers to hire people with disabilities - Maintain or improve on the statutory employment rate at the five applicable Group companies</td>
</tr>
<tr>
<td>Promote the utilization of the Seven &amp; i Holdings Normalization Support Guide and conduct hands-on learning sessions and visits</td>
<td>- In May held a briefing session on use of the Seven &amp; i Holdings Normalization Support Guide - Held Normalization Hands-On Learning Sessions (five times) for personnel in charge of education to learn how to conduct hands-on learning sessions</td>
<td>○</td>
<td>Cognitive impairment supporter training course held</td>
</tr>
<tr>
<td>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</td>
<td>Shared examples of initiatives at each Group company every month and held meeting for sharing information on revisions of labor laws</td>
<td>○</td>
<td>- Promote sharing of information relating to work environment improvements - Create awareness-raising tools for employees to promote use of paid leave</td>
</tr>
<tr>
<td>Promote sharing of examples of measures at operating companies to improve &quot;ensuring compliance&quot; and &quot;job fulfillment&quot; based on the analysis result of the first employee opinion survey</td>
<td>Shared each operating company’s examples at the four annual meetings of the Corporate Ethics and Culture Subcommittee</td>
<td>○</td>
<td>Establish compliance promotion project for creating standards and systems at all Group companies for preventing compliance violations, monitoring, and responding appropriately</td>
</tr>
<tr>
<td>Identify issues with health enhancement initiatives, set targets, and create an action plan</td>
<td>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)</td>
<td>○</td>
<td>- Gather information on operating company strategies for employee health promotion and examine Group strategies - Promote use of MY HEALTH WEB and hold health promotion campaigns</td>
</tr>
<tr>
<td>Develop an organizational structure to engage in health management</td>
<td>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</td>
<td>○</td>
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<tr>
<td>Introduce a health management system for enhancing the health of employees</td>
<td>Launched the health management portal website MY HEALTH WEB in October</td>
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### Diversity Promotion Project

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<tr>
<td><strong>Expand the number of events at operating companies for building networks among women</strong></td>
<td>Increased the number of operating companies conducting community activities for female employees involved in childcare and seminars, etc., for female managers</td>
<td>○</td>
<td>Continue and advance community activities and awareness-raising for changing women’s awareness</td>
</tr>
<tr>
<td><strong>Increase the number of companies providing orientation to employees who returned from childcare leave and review how the orientation is run</strong></td>
<td>Increased the number of operating companies providing orientation and enhanced the content</td>
<td>○</td>
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<tr>
<td><strong>Hold events for fathers to encourage greater participation in the childcare process</strong></td>
<td>Held the Ikumen Promotion Program for male employees involved in childcare five times - Examined introduction of the childcare leave system</td>
<td>○</td>
<td>Continue to hold events for fathers to encourage greater participation in the childcare process</td>
</tr>
<tr>
<td><strong>Hold awareness-raising events for managers</strong></td>
<td>Held new diversity management seminars four times with 1,225 attendees from all Group companies</td>
<td>○</td>
<td>Continue to hold awareness-raising events for managers</td>
</tr>
<tr>
<td><strong>Create a handbook for managers</strong></td>
<td>Created the Diversity Management Handbook. Used in management training at all Group companies</td>
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<tr>
<td><strong>Establish a year-round column specializing in the promotion of women’s involvement in the workplace internal newsletters</strong></td>
<td>Published a monthly corner called “Cheering Working Women” for the internal newsletter distributed to 70,000 employees Groupwide</td>
<td>○</td>
<td>Distribute internal notices for raising awareness of diversity promotion</td>
</tr>
<tr>
<td><strong>Continue with external communications</strong></td>
<td>- Received the Prime Minister’s Award at the Leading Companies Where Women Shine Awards established by the Cabinet Office - Received the 6th Corporate Activity Award (FY2014) from the Tokyo Stock Exchange</td>
<td>○</td>
<td>Continue with external communications</td>
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<td>Identify issues to be addressed for achieving both work and family care</td>
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### Major FY2015 Targets

<table>
<thead>
<tr>
<th>Consumer Affairs and Fair Business Practices Subcommittee</th>
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<tbody>
<tr>
<td><strong>(1) Responding sincerely to customer opinions</strong></td>
</tr>
<tr>
<td>Hold Groupwide seminar for apparel and household item buyers</td>
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<tr>
<td>Further improve quality control system at Group companies and formulate a Quality Policy</td>
</tr>
<tr>
<td>Review own guidelines relating to labeling of food products and menus</td>
</tr>
<tr>
<td><strong>(2) Establishing fair business practices</strong></td>
</tr>
<tr>
<td>Continue to build management and training systems to ensure fair trading practices among Group companies</td>
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<tr>
<td>Continue to hold regular training on the Subcontract Act and the Anti-Monopoly Act</td>
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<tr>
<td>Share response measures among Group companies in advance of the next consumption tax hike slated for 2015</td>
</tr>
</tbody>
</table>

### Environment Subcommittee

| **(1) Understanding and reducing environmental impacts** |
| 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 |
| - Promote food recycling - Increase the number of PET bottle collection machines | 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 |
| **(2) Forest conservation activities** |
| 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 | - Used thinning materials for part of the SEVEN CAFÉ hot beverage cups, reducing CO2 emissions on incineration by around 20% - Used “eco nano labels” (page 44) on Golden Bread | ○ | - Develop environmentally friendly products and expand use of environmentally friendly packaging materials (switch to non-aluminum cartons for alcohol to enable recycling) - Expand use of environmental labels (eco nano label expansion for Seven Premium Select Fresh Eggs) |
| **(3) Raising environmental awareness/sharing information** |
| 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% |

○: Achieved △: Almost achieved ×: Far from achieved
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 backdrop of the promulgation of the Stewardship Code*1 and the Corporate Governance Code*2, 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*3, 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 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*4, 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.

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*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.

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**Five Promises**

1. We will realize a society where all people can enjoy reliability and convenience in shopping as a form of social infrastructure.
2. We will provide safety and reliability through products and stores.
3. We will eliminate waste in terms of products, materials, and energy and contribute to the preservation of the environment.
4. We will support the creation of a society where all people can actively participate, regardless of gender or age.
5. We will work to build an ethical society together with customers and business partners.
Ito: Mr. Suzuki, I believe your management method involves taking on the challenge of two sets of opposing concepts. The first of these is “diversity and efficiency.” It is crucial to respond to the diversification of needs arising from changing times, but responding to individual cases also increases costs. You have approached this problem by making progress in IT and systemization, establishing efficient operations that also respond to diversity. The second pair of opposing concepts is “individual optimization and overall optimization.” While formulating general guidelines and strengthening rules and principles, you have also responded to individual needs, for example with product development emphasizing regional characteristics.

Suzuki: I have consistently tried to view situations from the customer’s standpoint. The focus should not be on competing companies or industry trends, but on the customer alone. I truly believe that and have continued to say it within the Company. That is why I have never moved away from Seven-Eleven in convenience stores. Even if I have glanced sideways at trends in the industry, they essentially have nothing to do with the path that our Company is taking.

Ito: Currently, Seven Premium private brand products have grown to overtake national-brand products, which is the result of pursuing quality in the way you have described. This is an excellent example of having realized an increase in corporate value by listening to customers and continuing to respond to their expectations and trust. This is corporate value in the wider sense, that is, stakeholder value, and it could also be referred to as the corporate brand.

Suzuki: As long as we consider things from the customer’s standpoint, I think those kinds of results are inevitable. Continuing on from the earlier mention of regional characteristics, unlike in the past, “Tokyo products” are no longer rare or highly valued items in regional areas. That’s why we don’t simply develop a product in Tokyo and use the same recipe in a uniform fashion across the entire country. Instead, we consider it important give careful thought to the unique tastes in each region. We research thoroughly about the types of tastes preferred in different regions win support from customers for providing items that meet their needs. Recently, sales have rapidly escalated at SEVEN-ELEVEN HAWAII, INC., a result which we attribute passing on this policy from Japan and developing products that sufficiently incorporate the regional character of Hawaii.
**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 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.

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**Increase in Number of Households**

<table>
<thead>
<tr>
<th>Year</th>
<th>Single (left scale)</th>
<th>Couples only (left scale)</th>
<th>Couples and children (left scale)</th>
<th>Couples and parents (left scale)</th>
<th>Other (left scale)</th>
<th>Average number of people in households (right scale)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2020</td>
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</tbody>
</table>

Source: National Institute of Population and Social Security Research
**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.

**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.
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.
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.

- **Reducing social infrastructure**

**Local Communities**

- **Invigorate 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.

**Employees**

- **Provide safety and reliability during disaster**
- **Decline in productive population**
  We create workplace environments that are fair, just, and without discrimination where diverse employees can participate actively and find satisfaction in their work.

- **Promoting the active role of women**
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.

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.

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.

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.

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.

Global Environment

Food safety

Interest in ethical consumption

Global warming

Resource reduction and depletion

Highly transparent management

Seven & i Holdings

Shareholders and Investors

Business Partners
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.
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.

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 or housework is increasing.

**Number of Seniors Living Alone**
(Thousand persons)

- 2010: 4,980
- 2015: 6,008
- 2020: 6,679
- 2025: 7,007
- 2030: 7,298

The number of seniors living alone will increase 1.5 times.

**Declining number of social infrastructure facilities**
(Stores) Bookstores Financial institutions Police boxes and substations

- 1989: 46,241
- 2012: 32,246
- 1992: 28,216
- 2002: 15,000
- 2007: 14,696
- 2012: 12,954

Declining number of facilities

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

- **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.

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.

* Books, CDs, DVDs, and certain products offered by Sogo & Seibu’s e.dept, Akachan Honpo’s Internet shopping services and some Tower Records Online products
● Supporting Shopping with Mobile Store Sales

SEJ launched the Seven Anshin Delivery mobile store service in Ibaraki Prefecture in May 2011. This service utilizes proprietarily 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.

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 proprietarily 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.

● 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.

Seven & i Holdings Co., Ltd. CSR Report 2015
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)

<table>
<thead>
<tr>
<th>Company</th>
<th>Number of Agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seven-Eleven Japan</td>
<td>171</td>
</tr>
<tr>
<td>Ito-Yokado</td>
<td>101</td>
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<tr>
<td>Sogo &amp; Seibu</td>
<td>4</td>
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<tr>
<td>York-Benimaru</td>
<td>28</td>
</tr>
<tr>
<td>York-Mart</td>
<td>4</td>
</tr>
<tr>
<td>Seven &amp; i Food Systems</td>
<td>11</td>
</tr>
</tbody>
</table>

**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.

● 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.

● 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.

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● 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.
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?

- I care about this: 19.6%
- I somewhat care about this: 45.4%
- I don’t really care about this: 26.9%
- I don’t care about this: 7.8%
- I don’t know: 0.4%

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

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

- Safety of my family: 93.4%
- Securing necessities including food, water and electricity: 85.1%
- Securing food: 80.1%
- Securing daily necessities: 71.6%
- Breakdown of communication, not being able to contact people: 70.7%
- Home destruction or damage: 68.4%
- Occurrence of fire: 60.0%

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

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 lifestyle 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).

**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.

**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.
“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.

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.

Producer Information Disclosure Methods (Example of IY)

A likeness of the producer’s face, ID numbers, and 2D barcode are attached to the product

Check with mobile phone or smartphone

Check with mobile phone or smartphone

Check records from raw materials

Check records from sales area

Check records from products

Data such as the country of origin, plant, and additives for each raw material

Data such as raw materials for each area, usage amount, and period of use

Data on raw materials used in products

SEJ’s Raw Material Production Record Management Framework
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.

Flow of Cold Chain (Low Temperature Distribution Network)
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.

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 conduct 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.
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.

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.

Support of Crime Prevention

Safety Station Activities

Seven-Eleven stores are open 365 days a year, and even late at night the stores a 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.

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.
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.

Provision of Safety and Security When Disasters Occur

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.

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.

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 IV 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.

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.

Social Background

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 CO₂ 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.

Predicted Increases in Global Temperatures

<table>
<thead>
<tr>
<th>Year</th>
<th>1950</th>
<th>2000</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temperatures will rise by 2°C or more in the worst case scenario</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Amount of global food aid & annual Japanese food loss

- **2011**: 3.9 million tons
- **Annually**: 5 - 8 million tons

Taken from the IPCC “Fifth Assessment Report” on the Japan Center for Climate Change Actions website (http://www.jccca.org/)
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 CO₂ Emissions at Stores**
About 90% of Group CO₂ 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 CO₂ Emissions from Logistics Operations**
Due to the need to control CO₂ emissions from delivery vehicles, we are promoting a range of measures that include the introduction of eco-friendly vehicles.

**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.

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**Created Value**

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**Value for Society**
- Effective use of resources
- Reduced CO₂ emissions

**Value for Seven & i Holdings**
- Reduced energy costs
- Increased recycle rate

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Seven & i Holdings Co., Ltd. CSR Report 2015 36
We will eliminate waste in terms of products, materials, and energy and contribute to the preservation of the environment.

**Promise 3**

### Setting CO₂ Emission-Reduction Targets

Seven & i Holdings has established “CO₂ 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 CO₂ emission reduction target that represents a 10% reduction from the projected CO₂ emissions in the fiscal year ending February 28, 2018 under the same level of environmental measures set for the nine Japanese operating companies*1 in the fiscal year ended February 29, 2012, and is working to reduce energy usage.

### Third-Party Audit of CO₂ Emissions

To correctly assess and verify the initiatives taken to reduce environmental impact, Seven & i Holdings has undertaken third-party audits of CO₂ emissions from store operations at the 10 main Group operating companies*2 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).

### 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” 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.

*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.

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**CO₂ Emissions Resulting from Store Operations***

<table>
<thead>
<tr>
<th>Year</th>
<th>SEJ</th>
<th>IY</th>
<th>YB</th>
<th>Sogo &amp; Seibu</th>
<th>Seven &amp; i Food Systems</th>
<th>York Mart</th>
<th>THE LOFT</th>
<th>Akachan Honpo</th>
<th>SHELL GARDEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2,469</td>
<td>2,772</td>
<td>2,795</td>
<td>1,645</td>
<td>550</td>
<td>194</td>
<td>205</td>
<td>91</td>
<td>61</td>
</tr>
<tr>
<td>2013</td>
<td>2,276</td>
<td>2,566</td>
<td>2,602</td>
<td>1,462</td>
<td>524</td>
<td>194</td>
<td>183</td>
<td>89</td>
<td>23</td>
</tr>
<tr>
<td>2014</td>
<td>2,093</td>
<td>2,387</td>
<td>2,423</td>
<td>1,291</td>
<td>498</td>
<td>194</td>
<td>183</td>
<td>79</td>
<td>20</td>
</tr>
</tbody>
</table>

* CO₂ emissions from store operations plus CO₂ emissions caused by the use of energy for logistics and Head Office activities. For calculation methods, please see the data posted on the website.

**CO₂ Emissions**

<table>
<thead>
<tr>
<th>Year</th>
<th>SEJ</th>
<th>IY</th>
<th>YB</th>
<th>Sogo &amp; Seibu</th>
<th>Seven &amp; i Food Systems</th>
<th>York Mart</th>
<th>THE LOFT</th>
<th>Akachan Honpo</th>
<th>SHELL GARDEN</th>
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<td>2012</td>
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<td>91</td>
<td>61</td>
<td>205</td>
<td>183</td>
<td>23</td>
<td>5</td>
</tr>
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<td>1,462</td>
<td>524</td>
<td>194</td>
<td>90</td>
<td>89</td>
<td>183</td>
<td>80</td>
<td>23</td>
<td>20</td>
</tr>
<tr>
<td>2014</td>
<td>1,291</td>
<td>498</td>
<td>194</td>
<td>70</td>
<td>89</td>
<td>183</td>
<td>70</td>
<td>23</td>
<td>20</td>
</tr>
</tbody>
</table>

* For calculation conditions, please see the data posted on the website.
Seven & i Holdings has calculated the CO2 emissions ("Scope 3") throughout the supply chains at six of its major Group companies 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 CO2 emissions across the entire supply chain.

The six companies’ calculation results are disclosed on the following website. (Japanese Only)

*1 "Scope 3": CO2 emissions other than those from the company, emitted from its procurement of raw materials and products, transportation, product use, and CO2 emissions from waste disposal processes.

*2 Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York Mart, Seven & i Food Systems, and Seven Bank.

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

Calculation Period: March 2014 - February 2015

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Example</th>
<th>Composition ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>Direct emissions from owned/controlled operations</td>
<td>Fuel used for onsite generation</td>
<td>0.5%</td>
</tr>
<tr>
<td>Scope 2</td>
<td>Indirect emissions from the use of purchased electricity, steam, heating, and cooling</td>
<td>Electricity consumption</td>
<td>11.5%</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Other indirect emissions</td>
<td>Below</td>
<td>88.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Example</th>
<th>Composition ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 1</td>
<td>Purchased goods and services</td>
<td>Procurement of raw material</td>
<td>85.8%</td>
</tr>
<tr>
<td>Category 2</td>
<td>Capital goods</td>
<td>Investment in equipment</td>
<td>3.8%</td>
</tr>
<tr>
<td>Category 3</td>
<td>Fuel-and-energy-related activities (not included in Scope 1 or 2)</td>
<td>Procurement of energy used</td>
<td>0.9%</td>
</tr>
<tr>
<td>Category 4</td>
<td>Upstream transportation and distribution</td>
<td>Delivery from delivery center to stores</td>
<td>1.4%</td>
</tr>
<tr>
<td>Category 5</td>
<td>Waste generated in operations</td>
<td>Processing of store waste</td>
<td>0.4%</td>
</tr>
<tr>
<td>Category 6</td>
<td>Business travel</td>
<td>Employees’ business trips</td>
<td>0.0%</td>
</tr>
<tr>
<td>Category 7</td>
<td>Employee commuting</td>
<td>Employees’ commutes</td>
<td>0.2%</td>
</tr>
<tr>
<td>Category 8</td>
<td>Upstream leased assets</td>
<td>Electricity use in data centers</td>
<td>0.0%</td>
</tr>
<tr>
<td>Category 9</td>
<td>Downstream transportation and distribution</td>
<td>Deliveries from stores to customers</td>
<td>0.2%</td>
</tr>
<tr>
<td>Category 10</td>
<td>Use of sold products</td>
<td>Use of sold products</td>
<td>0.7%</td>
</tr>
<tr>
<td>Category 11</td>
<td>End of life treatment of sold products</td>
<td>Disposal of sold products</td>
<td>5.3%</td>
</tr>
<tr>
<td>Category 12</td>
<td>Downstream leased assets</td>
<td>Tenants’ energy use</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

---

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

- Scope 1: 0.5%
- Scope 2: 11.5%
- Scope 3: 88.0%

**FY2015 Breakdown of Scope 3**

- Purchased goods and services: 85.5%
- End of life treatment of sold products: 5.3%
- Capital goods: 3.8%
- Other: 5.4%
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 install 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.

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.

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 CO₂ refrigerant have been introduced at 75 stores (as of August 31, 2015) and we are trialing them at 3 IY stores.
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.

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.”

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.

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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 CO2 emissions of an estimated 298,422 tons and annualized energy cost savings of approximately $45 million.
Reducing CO₂ Emissions from Deliveries

In addition to promoting the introduction of eco-friendly 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.

CO₂ Emissions by Delivery Trucks

<table>
<thead>
<tr>
<th>Year</th>
<th>SEJ</th>
<th>IY</th>
<th>YB</th>
<th>SEJ &amp; i Food Systems*2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>186</td>
<td>202</td>
<td>221</td>
<td>179</td>
</tr>
<tr>
<td>2013</td>
<td>10.2</td>
<td>10.3</td>
<td>10.7</td>
<td>9</td>
</tr>
<tr>
<td>2014</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>2</td>
</tr>
</tbody>
</table>

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.

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 CO₂ 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.
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.

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 CO₂ garbage that is ill-suited to recycling (such as highly fibrous substances, etc.). This process results in reduced CO₂ emissions when compared to incineration processing, and it offers an effective reduction of waste volumes.

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

Stores

Using garbage processing machines installed at stores, food residue is converted into liquid over 24 hours (solution liquid). Cultivation trials using the solution liquid are currently being conducted in collaboration with KURARAY CO., LTD. and Tokyo University of Agriculture’s Faculty of Regional Environment Science.

Farms

Methane fermentation equipment is used to change the solution into liquid fertilizer, which is used for vegetable cultivation at Seven Farms and other places.

Research on liquid fertilizer made by methane fermentation equipment is being conducted by Graduate School of Agricultural Science at Tohoku University.
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)

<table>
<thead>
<tr>
<th>Year</th>
<th>IY</th>
<th>YB</th>
<th>York Mart</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>70.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>70.6%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td>48.3%</td>
</tr>
<tr>
<td>(FY)</td>
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<td></td>
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</tbody>
</table>

Products Using Recycled Material from PET Bottles

PET Bottle Recycling System Using an Automatic Collection Machine

- Consumers
  - Bringing PET bottles
  - Exchanging the obtained recycle points for nanaco points
  - Shopping using the points

- Automatic PET bottle Collection machine
  - Issuing recycle points to users
  - Sorting and reducing the volume of PET bottles on the spot

- Logistics company
  - Highly efficient transportation

- Recycling company
  - Closed-loop recycling (Purchasing the resource and manufacturing materials for recycled PET bottles by using advanced skills)
  - Using recycled materials in manufacturing (Use of recycled materials for the product to be manufactured and sold)

- Container and beverage companies
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.

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 CO₂ 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.

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 CO₂ 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.

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 CO₂ upon combustion compared to a conventional label.
We will support the creation of a society where all people can actively participate, regardless of gender or age.

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.
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.

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

### 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.
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.*, 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*2 including those employed by Terre Verte came to 2.19% (as of June 1, 2015).

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.

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*1 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.

*2 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

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Trends in the Employment Rate of People with Disabilities

<table>
<thead>
<tr>
<th>(%)</th>
<th>2.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>YB 2.39%</td>
<td></td>
</tr>
<tr>
<td>Groupwide 2.29%</td>
<td></td>
</tr>
<tr>
<td>Seven Bank 2.11%</td>
<td></td>
</tr>
<tr>
<td>York Mart 2.09%</td>
<td></td>
</tr>
<tr>
<td>Sogo &amp; Seibu 2.04%</td>
<td></td>
</tr>
<tr>
<td>Akachan Honpo 1.98%</td>
<td></td>
</tr>
</tbody>
</table>

2012 2013 2014 (FY)

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

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Award ceremony (January 2015)
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.

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.

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.

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

Three step classification

- Leader Partner
  Workplace leadership role
- Career partner
  Central role in the workplace (experts and veterans)
- Regular Partner
  Regular division member

Manager and chief

Manager role

Employee role

Expert employee
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 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)

- Symptoms and treatment: 51%
- Mental health: 35%
- Health advice: 5%
- Other: 9%

*Including those from employees' families

### 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.

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* 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.

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.

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.

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.
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 that are considerate to the environment and human rights in their areas of production. Companies are expected to respond by building sustainable business models.

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Trend in global marine resources

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<th>87</th>
<th>90</th>
<th>95</th>
<th>2000</th>
<th>06</th>
<th>09</th>
<th>(Year)</th>
</tr>
</thead>
<tbody>
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<td>25%</td>
<td>50%</td>
<td>75%</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Moderate (available up to a limit)</td>
<td>75%</td>
<td>50%</td>
<td>25%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abundant (room for development)</td>
<td>25%</td>
<td>50%</td>
<td>75%</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Proportion of overutilized aquatic resources about 30%

The percentage of people who make a conscious decision to choose things that will contribute to society is 59.2%

<table>
<thead>
<tr>
<th>Choice</th>
<th>Yes</th>
<th>If anything, yes</th>
<th>If anything, no</th>
<th>No</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>21.7%</td>
<td>37.5%</td>
<td>21.6%</td>
<td>17.9%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

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

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Social Background

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 that are considerate to the environment and human rights in their areas of production. Companies are expected to respond by building sustainable business models.
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.

**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.
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.

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).

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.

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

- **Sales of Rice Cultivated while Protecting the Environment and Biodiversity**

  IY 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.

- **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).

- **Ethical Fashion Event Heldy**

  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.
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.

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.

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 fulfill our corporate social responsibility together with our business partners. The Guideline is communicated to business partners of Group companies through various meetings.

Strengthening the Business Partner Action Guidelines

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

1. Request to business partner to comply with the guidelines and to submit the self check sheet
2. Submission of self check sheet
3. Audit request
4. Audit
5. Audit report
6. Report of audit results
7. For any problems with the report of audit results, a request is made for improvement in CSR activities

Seven Premium Development Team

CSR Department for Seven & i Holdings

CSR Management Committee for Seven & i Holdings

Plants

Business partner

Third-party auditing organization

Report
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 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

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.
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.

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 Iitate 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.

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.

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.
Together with six beverage manufacturers, IY established the Seven & i IVESCO 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.

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.

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.

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.

Social Contribution Activities Costs (FY2015)

* A donation support council leveraging proceeds from vending machines in IY
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 (CHENGDU) Co., Ltd.**

- **66 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.

**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.

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.

Canada: 494 stores
U.S.A.: 7,803 stores
Area licensees: 289 stores

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.
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.

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.

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 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:

<table>
<thead>
<tr>
<th>Name of company</th>
<th>Number of stores covered within scope</th>
<th>Reporting period covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seven-Eleven Japan Co., Ltd.</td>
<td>17,491</td>
<td>April 1, 2014 through March 31, 2015</td>
</tr>
<tr>
<td>Ito-Yokado Co., Ltd.</td>
<td>184</td>
<td></td>
</tr>
<tr>
<td>York-Beamore Co., Ltd.</td>
<td>199</td>
<td></td>
</tr>
<tr>
<td>Sogo &amp; Seibu Co., Ltd.</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Seven &amp; i Food Systems Co., Ltd.</td>
<td>613</td>
<td></td>
</tr>
<tr>
<td>York Mart Co., Ltd.</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td>THE LOFT CO. LTD.</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>AKACHANHONPO CO., LTD.</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>SHELL GARDEN CO., LTD.</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>7-Eleven, Inc.</td>
<td>8,610</td>
<td>January 1, 2014 through December 31, 2014</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Verified greenhouse gas emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
</tr>
<tr>
<td>113,422 t-CO2</td>
</tr>
<tr>
<td>Scope 2</td>
</tr>
<tr>
<td>3,488,296 t-CO2</td>
</tr>
</tbody>
</table>

[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

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Unit</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2 emissions</td>
<td>t-CO2</td>
<td>2,414,588</td>
<td>2,744,760</td>
<td>2,767,346</td>
</tr>
<tr>
<td>CO2 emissions from store operations</td>
<td>t-CO2</td>
<td>2,249,194</td>
<td>2,528,518</td>
<td>2,533,458</td>
</tr>
<tr>
<td>Electricity consumption in store operations</td>
<td>GWh</td>
<td>4,254</td>
<td>4,345</td>
<td>4,367</td>
</tr>
<tr>
<td>Water usage in store operations</td>
<td>1,000㎥</td>
<td>19,789</td>
<td>21,829</td>
<td>22,788</td>
</tr>
</tbody>
</table>

*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

<table>
<thead>
<tr>
<th>Breakdown of number of employees (as of the end of February 2015)</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time employees *2</td>
<td>26,167</td>
<td>26,167</td>
<td>26,167</td>
</tr>
<tr>
<td>Male</td>
<td>19,642</td>
<td>19,642</td>
<td>19,642</td>
</tr>
<tr>
<td>Female</td>
<td>6,525</td>
<td>6,525</td>
<td>6,525</td>
</tr>
<tr>
<td>Part-time staff *3</td>
<td>62,172</td>
<td>62,172</td>
<td>62,172</td>
</tr>
<tr>
<td>Number of employees (full-time employees + part-time staff)</td>
<td>88,339</td>
<td>88,339</td>
<td>88,339</td>
</tr>
<tr>
<td>New graduate employees hired</td>
<td>1,133</td>
<td>1,133</td>
<td>1,133</td>
</tr>
<tr>
<td>Mid-career employees hired</td>
<td>388</td>
<td>388</td>
<td>388</td>
</tr>
<tr>
<td>Re-employment *4</td>
<td>345</td>
<td>345</td>
<td>345</td>
</tr>
</tbody>
</table>

*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.
## Environment Related

### FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attaining and appropriate grasp of environmental impact</td>
<td>● Expand ISO 14001 application to encompass district offices</td>
<td>● Completed expanding application to encompass district offices throughout Japan in February 2015</td>
<td>○</td>
<td>● Expand ISO 14001 application to encompass directly managed stores throughout Japan</td>
</tr>
<tr>
<td></td>
<td>● Reduce ISO 14001 periodic-audit findings</td>
<td>● No non-compliant findings following the registration audit in FY2014</td>
<td>○</td>
<td>● Reduce ISO 14001 periodic-audit findings</td>
</tr>
<tr>
<td>Improving energy efficiency and introducing renewable energy</td>
<td>● Backroom LED lighting for 6,000 stores</td>
<td>● Backroom LED lighting for 8,269 stores</td>
<td>○</td>
<td>● Highly energy efficient store illumination for another 2,000 stores</td>
</tr>
<tr>
<td></td>
<td>● Expand to 500 hybrid vehicles within the logistics’ deliveries fleet</td>
<td>● Expanded to 522 hybrid vehicles within the logistics’ deliveries fleet</td>
<td>○</td>
<td>● Expand to 620 hybrid vehicles within the logistics’ deliveries fleet</td>
</tr>
<tr>
<td>Reducing waste and developing a recycling-oriented society</td>
<td>● Continue to reduce plastic bag usage per store to a level below FY2014</td>
<td>● Use of plastic bags per store 0.96 tons (up 1.6% from 0.94 tons)</td>
<td>△</td>
<td>● Continue to reduce plastic bag usage per store to a level below FY2015</td>
</tr>
<tr>
<td></td>
<td>● Food product recycling rate: 51.9% or more</td>
<td>● Food product recycling rate: 51.3%</td>
<td>△</td>
<td>● Food product recycling rate: 52.3% or more</td>
</tr>
<tr>
<td></td>
<td>● Turn Cartocan 2 items that use forest thinnings into products</td>
<td>● Used forest thinnings in hot beverage cups for SEVEN CAFÉ</td>
<td>△</td>
<td>● Expand produced using forest thinnings</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>● Develop products that use easy-to-recycle containers</td>
</tr>
<tr>
<td>Raising environmental awareness among employees</td>
<td>● 100 or more employees to pass the Eco Test</td>
<td></td>
<td></td>
<td>● 300 or more employees to pass the Eco Test</td>
</tr>
</tbody>
</table>

### Environmental Data

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Unit</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ emissions *1 *2</td>
<td>t-CO₂</td>
<td>1,872,058</td>
<td>1,584,976</td>
<td>1,644,672</td>
</tr>
<tr>
<td>CO₂ emissions from store operations (per store) *2</td>
<td>t-CO₂</td>
<td>1,222,882 (85.0)</td>
<td>1,421,084 (90.9)</td>
<td>1,462,231 (87.0)</td>
</tr>
<tr>
<td>Logistics-related CO₂ emissions (per store) *2</td>
<td>t-CO₂</td>
<td>146,581 (10.2)</td>
<td>160,893 (10.3)</td>
<td>179,330 (10.7)</td>
</tr>
<tr>
<td>Electricity consumption in store operations (per store) *2</td>
<td>GWh (MWh)</td>
<td>2,444 (169)</td>
<td>2,508 (161)</td>
<td>2,584 (154)</td>
</tr>
<tr>
<td>Water consumption in store operations *3</td>
<td>1,000㎥</td>
<td>7,811</td>
<td>9,227</td>
<td>10,412</td>
</tr>
<tr>
<td>Plastic bag consumption per store (by weight)</td>
<td>t</td>
<td>0.94</td>
<td>0.94</td>
<td>0.96</td>
</tr>
<tr>
<td>Waste disposal (recycling rate) *5</td>
<td>t(%)</td>
<td>324,753 (46.4)</td>
<td>371,344 (46.7)</td>
<td>409,228 (47.1)</td>
</tr>
<tr>
<td>Food product recycling rate *6</td>
<td>%</td>
<td>48.9</td>
<td>50.9</td>
<td>51.3</td>
</tr>
</tbody>
</table>

*1 The period of the calculations was April to March.
*2 The data show CO₂ 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 CO₂ 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 CAFE 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.

**FY2015 Targets/Results and FY2016 Targets**

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring the quality and safety of products and services</td>
<td>Improve evaluations received in NDF-HACCP maintenance audits in the dedicated factories for daily food products</td>
<td>The proportion of factories receiving an audit evaluation of “good” or above increased from 41% (FY2014) to 74% (FY2015)</td>
<td>○ Continue to improve evaluations received in NDF-HACCP maintenance audits in the dedicated factories for daily food products</td>
<td></td>
</tr>
<tr>
<td>Making stores and facilities more customer-friendly and reliable</td>
<td>Stores adopting barrier-free design: 350 Stores where the minimum necessary facilities continue operation even during blackouts: approx. 1,600</td>
<td>Stores adopting barrier-free design: 378 Stores where the minimum necessary facilities continue operation even during blackouts: 1,662</td>
<td>○ 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</td>
<td></td>
</tr>
<tr>
<td>Assuring appropriate information provision</td>
<td>Publish information on the Internet regarding the effective reuse of packaging and the use of forest thinnings</td>
<td>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))</td>
<td>○ 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</td>
<td></td>
</tr>
<tr>
<td>Responding sincerely to customer opinions (organization)</td>
<td>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</td>
<td>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</td>
<td>△ 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</td>
<td></td>
</tr>
</tbody>
</table>

### Local Communities

**FY2015 Targets/Results and FY2016 Targets**

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting young parents and the elderly</td>
<td>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)</td>
<td>In FY2015, introduced 35 mobile stores, 806 electric vehicles, and 2,109 electric-assisted vehicles</td>
<td>× 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</td>
<td></td>
</tr>
<tr>
<td>Assisting in local community revitalization</td>
<td>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.</td>
<td>Newly concluded an agreement with Chiba City. Concluded comprehensive alliance agreement on senior support.</td>
<td>○ Promote new conclusion of comprehensive alliance agreements with municipalities and promote ongoing initiatives to conclude more specific individual alliance agreements</td>
<td></td>
</tr>
<tr>
<td>Providing support in times of disaster</td>
<td>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</td>
<td>Newly-concluded disaster support agreements with Miyagi Prefecture, Miyagi Prefecture and Sendai City</td>
<td>○ 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</td>
<td></td>
</tr>
<tr>
<td>Implementing crime prevention measures for local communities</td>
<td>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</td>
<td>6,304 stores participated in crime prevention drills and seminars (39.2% participation rate; safety station activities franchisee questionnaire conducted)</td>
<td>× Foster ties with crime prevention councils of prefectural governments and police departments, aiming to boost participation in crime prevention drills and seminars to 50%</td>
<td></td>
</tr>
</tbody>
</table>
## Employee Related

### FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
<th>Challenge</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting development of employee abilities</td>
<td>● Content of each training program to be revised as a result of inspections conducted in F2014</td>
<td>● Conducted compliance training (November), new OFC training (each month), new DM training (twice in year), directly operated store meetings (twice in year).</td>
<td>○</td>
<td>● Enhance each type of training (compliance training, new OFC training, new DM training, directly operated store meetings, etc.)</td>
</tr>
<tr>
<td>Assuring fair assessment and treatment of employees</td>
<td>● Number of applicants: increase of 20% from the FY2014 level</td>
<td>● Number of applicants: level with the FY2014 level</td>
<td>△</td>
<td>● Number of applicants: increase of 10% from the FY2015 level</td>
</tr>
<tr>
<td>Achieving a work-life balance</td>
<td>● Number of male users: multiple persons</td>
<td>● Number of male users: 0</td>
<td>×</td>
<td>● Encourage male employees to take childcare leave</td>
</tr>
<tr>
<td>Making use of diverse human resources</td>
<td>● Number of foreign nationals to be employed as employees: 20</td>
<td>● Number of foreign nationals employed as employees: 22</td>
<td>○</td>
<td>● Number of foreign nationals to be employed as employees: 25</td>
</tr>
<tr>
<td>Assuring consideration for worker health and safety</td>
<td>● Reduce the number of workplace accidents and violations by 10% compared to FY2014</td>
<td>● Number of workplace accidents: reduced 16% compared to FY2014</td>
<td>×</td>
<td>● Reduce the number of workplace accidents by 10% compared to FY2014</td>
</tr>
</tbody>
</table>

### Personnel Data

#### Breakdown of number of employees (as of the end of February 2015) (persons)

<table>
<thead>
<tr>
<th>Category</th>
<th>Full-time employees **</th>
<th>Part-time staff ***</th>
<th>Number of employees (full-time employees + part-time staff)</th>
<th>New graduate employees hired</th>
<th>Mid-career employees hired</th>
<th>Re-employment **</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>5,119</td>
<td>2,922</td>
<td>8,041</td>
<td>609</td>
<td>357</td>
<td>18</td>
<td>11,252</td>
</tr>
<tr>
<td>Female</td>
<td>1,970</td>
<td>1,648</td>
<td>3,618</td>
<td>258</td>
<td>20</td>
<td>0</td>
<td>4,163</td>
</tr>
<tr>
<td>Total</td>
<td>7,089</td>
<td>4,570</td>
<td>11,611</td>
<td>867</td>
<td>377</td>
<td>18</td>
<td>15,212</td>
</tr>
</tbody>
</table>

### 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

(Up 31% from the previous fiscal year’s level)

- Communication: 64%
- Working conditions: 7%
- Suspected noncompliance: 14%
- Unrelated consulting: 16%
- Families of employees: 6%
- Full-time employees: 47%
- Part-time staff: 47%
- Female: 47%
### Environment Related

#### FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving energy efficiency and introducing renewable energy</td>
<td>● Stores that will introduce LED lighting: 176</td>
<td>● Stores that have introduced LED lighting: 140 (All stores as of February 28, 2015)</td>
<td>○</td>
<td>● Stores changing from fluorescent tubes to LED lighting: 97</td>
</tr>
<tr>
<td></td>
<td>● Delivery distance per store: 247,000 km (1% reduction compared to FY2014)</td>
<td>● Delivery distance per store: 244,000 km (2.4% reduction compared to FY2014)</td>
<td>○</td>
<td>● Delivery distance per store: 242,000 km (0.8% reduction compared to FY2014)</td>
</tr>
<tr>
<td>Reducing waste and developing a recycling-oriented society</td>
<td>● Food product recycling rate: 50%</td>
<td>● Food product recycling rate: 50.1%</td>
<td>○</td>
<td>● Food product recycling rate: 50%</td>
</tr>
<tr>
<td></td>
<td>● Stores that implement recycling: 100 stores</td>
<td>● Stores that implemented recycling: 89 stores</td>
<td>△</td>
<td>● Stores that implement recycling: 100 stores</td>
</tr>
<tr>
<td>Raising environmental awareness among employees</td>
<td>● Cooperate with the Group, and promote taking of the Eco Test</td>
<td>● Number of people taking the test: 76 (of whom 57 passed)</td>
<td>○</td>
<td>● Target number of people taking the test: 100</td>
</tr>
</tbody>
</table>

#### Environment Related

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Unit</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ emissions *1 *2 *3</td>
<td>t-CO₂</td>
<td>533,110</td>
<td>572,247</td>
<td>550,358</td>
</tr>
<tr>
<td>CO₂ emissions from store operations *1 *2</td>
<td>t-CO₂</td>
<td>507,499</td>
<td>545,989</td>
<td>524,418</td>
</tr>
<tr>
<td>(Environmental impact index*4)</td>
<td>(t-CO₂/1,000,000㎡×1,000h)</td>
<td>103</td>
<td>108</td>
<td>105</td>
</tr>
<tr>
<td>CO₂ emissions by delivery vehicles *2 *3</td>
<td>t-CO₂</td>
<td>23,340</td>
<td>23,904</td>
<td>23,636</td>
</tr>
<tr>
<td>Electricity consumption in store operations *2</td>
<td>GWh</td>
<td>853</td>
<td>884</td>
<td>851</td>
</tr>
<tr>
<td>Water usage in store operations *2</td>
<td>1,000㎡</td>
<td>5,793</td>
<td>6,582</td>
<td>6,441</td>
</tr>
<tr>
<td>Plastic bag consumption (turndown rate) at the food section</td>
<td>t(%)</td>
<td>2,274(47.6)</td>
<td>1,321(67.5)</td>
<td>1,268(70.2)</td>
</tr>
<tr>
<td>Waste disposal (recycling rate)</td>
<td>t(%)</td>
<td>132,051(66.3)</td>
<td>130,816(66.0)</td>
<td>131,787(66.7)</td>
</tr>
<tr>
<td>Food product recycling rate</td>
<td>%</td>
<td>45.2</td>
<td>47.5</td>
<td>50.1</td>
</tr>
</tbody>
</table>

*1 CO₂ 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 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual.
*4 CO₂ 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.

FY2015 Targets/Results and FY2016 Targets

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

### Ensuring the quality and safety of products and services

- Cooperate with municipalities, participate in the development of official quality standards as a committee member
- Strengthen cooperation with different departments within the Company for the purpose of quality improvement
- Strengthen the sharing of information with the Seven & i Holdings QC Project
- 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
- 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
- Held shared meetings with Seven & i Holdings QC Project. In FY2015, formulated the Groupwide quality policies and published it internally and externally

Evaluation

- 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.
- 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

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

- Revise countermeasures for disasters other than the Tokyo Metropolitan Area, Epicentral Earthquake (damage predictions, organizational structures, etc.)
- Revised countermeasure manual in line with the latest damage predictions and internal organizational changes

Evaluation

- 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)

### Assuring appropriate information provision

- 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
- A grade: 88.5% (a worsening of 2.2 percentage points)
- B grade: 11.2% (a worsening of 2.5 percentage points)
- C grade: 0.2% (a worsening of 0.4 percentage points)

Evaluation

- When inappropriate labeling is found during store interviews, the manager responsible and the store manager are interviewed directly to confirm the cause and countermeasures

### Responding sincerely to customer opinions (organization)

- 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
- Share the complimentary comments received with all employees via message boards, morning and midday meetings, and work to enhance employee motivation
- Service-related complaints: Reduced by 2% from the previous fiscal year’s level
- Service-related complaints at challenging stores: Reduced by 7% from the previous fiscal year’s level
- Weekly information from the customer feedback department is announced and used at morning and midday store meetings

Evaluation

- Use customer complaints to drive specific improvements
- 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

Local Communities

FY2015 Targets/Results and FY2016 Targets

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

### Supporting young parents and the elderly

- Develop products that make the lives of elderly people more enjoyable and more convenient
- Foster the development of sales assistants who are trusted by the local elderly
- Held seven training sessions to learn about the characteristics of new products

Evaluation

- Develop products that help elderly people to go outside, and products that reflect customers’ feedback
- Conduct training to enhance product knowledge and customer care

### Providing support in times of disaster

- Continue to work on concluding agreements with Niigata, Hiroshima, Hyogo, Okayama and other prefectures and municipalities to provide support in times of disaster
- Conduct revisions of previously-concluded agreements in accordance with actual conditions
- Revised countermeasure manual in line with the latest damage predictions and internal organizational changes

Evaluation

- 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)
**Employee Related**

**FY2015 Targets/Results and FY2016 Targets**

<table>
<thead>
<tr>
<th>Challenges</th>
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<th>FY2015 Results and Outcomes</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Supporting development of employee abilities</td>
<td></td>
<td></td>
<td></td>
<td>○ Conduct sales area on-the-job training for newly appointed corporate officers to develop personnel capable of managing in accordance with front-line conditions</td>
</tr>
<tr>
<td>• 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</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Conducted follow-up training for newly appointed store managers, assistant managers, and administration managers</td>
<td></td>
<td></td>
<td>○</td>
<td></td>
</tr>
<tr>
<td>Making use of diverse human resources</td>
<td></td>
<td>○ Number of training sessions: 61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 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</td>
<td></td>
<td>Total number of participants: 3,662</td>
<td>○</td>
<td></td>
</tr>
<tr>
<td>• 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</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assuring consideration for worker health and safety</td>
<td></td>
<td></td>
<td></td>
<td>○ Reduce lost work-time accidents (4 days or more) by 10% from the previous fiscal year's level</td>
</tr>
<tr>
<td>• Reduce workplace accidents, in particular lost work-time accidents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Promote mental health training</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Personnel Data**

<table>
<thead>
<tr>
<th>Breakdown of number of employees (as of the end of February 2015)</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average length of service (full-time employees)</td>
<td>20 years</td>
<td>21 years</td>
<td>21 years</td>
</tr>
<tr>
<td>Number of full-time employees who took childcare leave **(males, part-time staff)</td>
<td>194(0.100)</td>
<td>198(0.27)</td>
<td>260(0.138)</td>
</tr>
<tr>
<td>Number of full-time employees who took nursing leave **(males, part-time staff)</td>
<td>22(0.18)</td>
<td>20(1.16)</td>
<td>15(2.10)</td>
</tr>
<tr>
<td>Number of volunteer leave recipients</td>
<td>2</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Percentage of women in management positions ***</td>
<td>18.0%</td>
<td>20.8%</td>
<td>22.5%</td>
</tr>
<tr>
<td>Percentage of employees with disabilities ****</td>
<td>2.05%</td>
<td>2.19%</td>
<td>2.29%</td>
</tr>
<tr>
<td>Percentage of paid holidays taken by full-time employees</td>
<td>11.4%</td>
<td>11.3%</td>
<td>14.0%</td>
</tr>
<tr>
<td>Frequency rate of workplace accidents</td>
<td>1.81</td>
<td>2.35</td>
<td>1.32</td>
</tr>
<tr>
<td>Severity rate of workplace accidents</td>
<td>0.03</td>
<td>0.05</td>
<td>0.03</td>
</tr>
</tbody>
</table>

*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.  

**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

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving energy efficiency and introducing renewable energy</td>
<td>● At regular ISO 14001 audits, Non-compliance items: 0 Expansion of recommended items</td>
<td>● Non-compliance items: 0 Recommended items: 9 (down 2 from the previous fiscal year)</td>
<td>△ ● Complete transition to ISO 14001 2015 version</td>
<td></td>
</tr>
<tr>
<td>Improving energy efficiency and introducing renewable energy</td>
<td>● Reduce energy usage by 1% when calculated in terms of crude oil usage ● Continue to expand the introduction of LED lighting</td>
<td>● Amount of energy usage when calculated in terms of crude oil usage: Down 1% ● Introduced LED lighting in 10 stores</td>
<td>○ ● Reduce energy usage by 1% when calculated in terms of crude oil usage ● Continue to expand the introduction of LED lighting</td>
<td></td>
</tr>
<tr>
<td>Reducing waste and developing a recycling-oriented society</td>
<td>● Food product recycling rate: 55.0% (Up 0.6% from the previous year) ● Waste recycling rate: 62.5% (Up 0.5% from the previous year)</td>
<td>● Food product recycle rate: 54.7% (Up 0.3% from the previous year) Due to a delay in recycling subcontracting for inspection of the appropriate processing status of a new recycle route ● Waste recycling rate: 62.1% (Up 0.1% from the previous year) Due to a delay in recycling subcontracting for inspection of the appropriate processing status of a new recycle route</td>
<td>△ ● Food product recycling rate: 55.0% (Up 0.3% from the previous year) ● Waste recycling rate: 62.5% (Up 0.4% from the previous year)</td>
<td></td>
</tr>
<tr>
<td>Implementing measures to conserve biodiversity</td>
<td>● Tree plantings through green wrapping and other initiatives: 1,600 trees</td>
<td>● Plantings: 1,750 trees Planting location: Miyako City, Iwate Prefecture</td>
<td>○ ● Plantings: 1,850 trees</td>
<td></td>
</tr>
<tr>
<td>Offering eco-friendly products</td>
<td>● Expand the range of environmentally-friendly products by revising the relevant selection criteria, and newly-select 30 such items</td>
<td>● Added “safety for the human body” to the Environmental product selection criteria ● New products selected: 33</td>
<td>○ ● New products selected: 30</td>
<td></td>
</tr>
<tr>
<td>Raising environmental awareness among employees</td>
<td>● Environmental e-learning courses: All employees to take ● Number of employees reporting successful completion of the campaign for all employees to save electricity: 60</td>
<td>● Environmental e-learning course: Taken by all employees ● Number of employees reporting successful completion of the campaign to save electricity: 36</td>
<td>△ ● Environmental e-learning courses: All employees to take ● Number of employees reporting successful completion of the campaign to save electricity: 60</td>
<td></td>
</tr>
</tbody>
</table>

Environmental Data

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Unit</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of stores</td>
<td>Stores</td>
<td>24</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>CO₂ emissions **</td>
<td>t-CO₂</td>
<td>188,486</td>
<td>197,747</td>
<td>194,315</td>
</tr>
<tr>
<td>CO₂ emissions from store operations **</td>
<td>t-CO₂</td>
<td>187,831</td>
<td>196,992</td>
<td>193,578</td>
</tr>
<tr>
<td>Electricity consumption in store operations **</td>
<td>GWh</td>
<td>357</td>
<td>346</td>
<td>341</td>
</tr>
<tr>
<td>Water usage in store operations **</td>
<td>1,000㎥</td>
<td>2,438</td>
<td>2,354</td>
<td>2,265</td>
</tr>
<tr>
<td>Packaging consumption</td>
<td>t</td>
<td>1,623</td>
<td>1,493</td>
<td>1,465</td>
</tr>
<tr>
<td>Waste disposal (recycling rate) **</td>
<td>t(%)</td>
<td>32,020(60.6)</td>
<td>30,981(62.0)</td>
<td>30,880(62.1)</td>
</tr>
<tr>
<td>Food product recycling rate **</td>
<td>%</td>
<td>50.3</td>
<td>54.4</td>
<td>54.7</td>
</tr>
</tbody>
</table>

1 CO₂ 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 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ 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.

### FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ensuring the quality and safety of products and services</strong></td>
<td>●Conduct suitable food labeling in accordance with legal regulations</td>
<td>●Conducted label inspections regarding allergy and production region information and so forth at each store</td>
<td>○</td>
<td>●Enhance contamination prevention activities</td>
</tr>
<tr>
<td></td>
<td>●Strengthen the inspection system for private-brand apparel and general merchandise items</td>
<td>●Conducted 263 pre-delivery inspections (up 170 from the previous fiscal year)</td>
<td></td>
<td>●Continue product inspection system for private brand apparel and general merchandise items</td>
</tr>
<tr>
<td></td>
<td>●Increase the curriculum level of e-learning and other forms of training</td>
<td>●Developed a level-specific curriculum and implemented it</td>
<td></td>
<td>●Advance the education system and encourage acquisition of qualifications</td>
</tr>
<tr>
<td><strong>Making stores and facilities more customer-friendly and reliable</strong></td>
<td>●Install an elevator for wheelchair users to overcome split-levels</td>
<td>●Installed wheelchair lift in the connecting stairs between the Sogo Hiroshima Store Main Building and New Annex</td>
<td>○</td>
<td>●Modified the doors to multipurpose restrooms, making them easier to operate</td>
</tr>
<tr>
<td></td>
<td>●Install automatic doors to entry/exit points</td>
<td>●Installed automatic doors at entry/exit points (Sogo Hiroshima Store, Sogo Kashiwa Store)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assuring appropriate information provision</strong></td>
<td>●Cooperate with specialist organizations to carry out inspections of both food product labeling and the labeling of private brand apparel and general merchandise items</td>
<td>●Conducted three inspections by specialist organizations at all sites</td>
<td>○</td>
<td>●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</td>
</tr>
<tr>
<td><strong>Responding sincerely to customer opinions (organization)</strong></td>
<td>●Utilize analysis of customer needs, and promote the further improvement of “customer awareness” among employees</td>
<td>●Continuously implemented activities leveraging customer opinions to improve on points of dissatisfaction</td>
<td>○</td>
<td>●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.</td>
</tr>
<tr>
<td></td>
<td>●Reduce the number of complaints received from customers (below 6,488)</td>
<td>●Customer complaints: 5,384 (down 1,104 from the previous fiscal year)</td>
<td></td>
<td>●Reduce the number of complaints from customers: Below 5,384</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Contacts received: 10,654</th>
<th>(down 10% from the previous fiscal year’s level)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Misunderstanding or unreasonable complaints 2%</td>
</tr>
<tr>
<td></td>
<td>Products 21%</td>
</tr>
<tr>
<td></td>
<td>Service 26%</td>
</tr>
<tr>
<td></td>
<td>Customer care 43%</td>
</tr>
<tr>
<td></td>
<td>Other 7%</td>
</tr>
</tbody>
</table>

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.
### Local Communities

#### FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
</table>
| **Supporting young parents and the elderly** | ● Continue operating the Pre-Mama Stations and Counters, and hold seminars and events for the whole family to enjoy  
● Continue developing products by incorporating the wishes customers share with the midwives  
● Further develop specialty salespersons  
  - Shoe fitters: 18  
  - Shoe advisors: 17 and other  

  ● Children’s shoes: trade in 90,000 pairs | ● Held over 30 baby sign courses, baby massage, and grandchild-raising courses, etc., at Pre-Mama Stations and Counters  
● Developed eight products based on feedback from midwives, including multi-capes, and knit blankets  
● Developed specialty salespersons  
  - Shoe fitters: 17  
  - Sports shoe fitters: 28  
  - Shoe advisors: 32  
  - Sage sommeliers: 62 and other  

  ● Children’s shoes: trade in 85,709 pairs | ○ ● Continue to operate Pre-Mama Stations and Counters, and hold events for parents and children, (mothers or fathers and children)  
● Continue developing products by incorporating the wishes customers share with the midwives  
● Continue new development of specialty sales persons  
  - Shoe fitters: 15  
  - Formal-wear advisors: 10  
  - Shopping supporters for the elderly and people with disabilities: 1,650 and other  

  ● Children’s shoes: trade in 90,000 pairs |
| **Assisting in local community revitalization** | ● Continue to conduct localized events  

  ● Local event for reviewing Kanagawa Prefecture, "Kanagawa Discover Weeks" (SOGO Yokohama store)  
  ● Furumai Nabe meal sharing event using local ingredients (Asahikawa Store, Fukui store)  
  ● 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)  
  ● Fukui Sweets Grand Exhibition using locally produced ingredients (Seibu Fukui store)  
  ● Morning fruit and vegetable market with locally grown produce (Seibu Otsu store) | ● Conducted events in cooperation with local communities such as the Green Curtain Project and water sprinkling activities, etc. (all stores)  
● Local event for reviewing Kanagawa Prefecture, "Kanagawa Discover Weeks" (SOGO Yokohama store)  
● Furumai Nabe meal sharing event using local ingredients (Asahikawa Store, Fukui store)  
● 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)  
● Fukui Sweets Grand Exhibition using locally produced ingredients (Seibu Fukui store) | ○ ● Continue to conduct localized events  
● 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 |
| **Providing support in times of disaster** | ● 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  
● Through the holding of events such as disaster preparedness drills, promote activities that raise the awareness of disaster-preparedness  
● Conclude an agreement with Kobe City concerning the provision of supplies in the event of a disaster  

  ● 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  
● As an initiative to raise awareness among local community residents and so forth, held disaster preparedness fairs in cooperation with local municipalities  
● Submitted survey sheet based on the agreement  

  ● On an ongoing basis, cooperate with local communities and their disaster-preparedness and crime prevention systems  
  - On an ongoing basis, cooperate with local communities and their disaster-preparedness and crime prevention systems  
  - Conclude a comprehensive agreement with Chiba Prefecture to promote local community activities | ○ ● 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  
● Through the holding of events such as disaster preparedness fairs, promote activities that raise the awareness of disaster-preparedness  
● Conclude a comprehensive agreement with Chiba Prefecture to promote local community activities |
| **Implementing crime prevention measures for local communities** | ● On an ongoing basis, cooperate with local communities and their disaster-preparedness and crime prevention systems  

  ● Participated in local disaster preparedness training and crime-prevention patrols  

  ● On an ongoing basis, cooperate with local communities and their disaster-preparedness and crime prevention systems | ○ |
<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting development of employee abilities</td>
<td>● 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</td>
<td>● New seminar participants: 3,533 people</td>
<td>○</td>
<td>● Aim to have 3,000 new participants in career improvement seminars through &quot;Self-Directed Sales Area Training Course Promotion&quot; and &quot;Career Advancement Course Promotion&quot; for improving basic skills acquisition of individuals and expanding the base of people with specialist qualifications</td>
</tr>
<tr>
<td>Achieving a work-life balance</td>
<td>● Obtain the KURUMIN mark</td>
<td>● Obtained the KURUMIN mark in July 2014</td>
<td>○</td>
<td>● Publish a Maternity and Childcare Handbook to support childcare and promote deeper understanding within management</td>
</tr>
<tr>
<td>Making use of diverse human resources</td>
<td>● Promote 17 people from non-regular employees to regular employees</td>
<td>● Promoted 17 people from non-regular employees to regular employees</td>
<td>● Promote 30 people from non-regular employees to regular employees</td>
<td></td>
</tr>
<tr>
<td>Assuring consideration for worker health and safety</td>
<td>● Enhance the health management systems including for Head Office</td>
<td>● Established a system for a full-time public health nurse stationed at Head Office to provide support for all worksites</td>
<td>● Standardize follow-up on health check at all stores (including standardization of figures relating to metabolic syndrome, check-up recommendations, etc.)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>● Reduce the number of employees on leave due to mental health problems through the development of mental health managers</td>
<td>● Reduced the number of employees on leave due to mental health problems by 80% year on year (improved)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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.
Environment Related

FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving energy efficiency and introducing renewable energy</td>
<td>● Reduce electricity consumption through the utilization of the BEMS management system</td>
<td>● Reduced electricity consumption through utilization of BEMS</td>
<td>△</td>
<td>● Reduce electricity consumption by installing and utilizing BEMS at all stores (17 stores and new stores remaining)</td>
</tr>
<tr>
<td></td>
<td>● Proceed with the switch to high-efficiency lighting (LED)</td>
<td>● Upgraded to LED lighting: 27 stores</td>
<td>○</td>
<td>● Install LED lighting at all stores</td>
</tr>
</tbody>
</table>

Environmental Data

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Unit</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2 emissions *1 *2 *3</td>
<td>t-CO2</td>
<td>179,479</td>
<td>207,704</td>
<td>204,741</td>
</tr>
<tr>
<td>CO2 emissions from store operations (per store) *2</td>
<td>t-CO2</td>
<td>165,186 (898)</td>
<td>185,128 (959)</td>
<td>182,808 (937)</td>
</tr>
<tr>
<td>CO2 emissions by delivery vehicles *2</td>
<td>t-CO2</td>
<td>14,294</td>
<td>14,781</td>
<td>15,344</td>
</tr>
<tr>
<td>Electricity consumption in store operations *2</td>
<td>GWh</td>
<td>301</td>
<td>309</td>
<td>309</td>
</tr>
<tr>
<td>Water usage in store operations *2</td>
<td>1,000㎥</td>
<td>1,028</td>
<td>1,039</td>
<td>1,043</td>
</tr>
<tr>
<td>Plastic bag consumption (turndown rate) at the food section</td>
<td>t(%)</td>
<td>392 (70.2)</td>
<td>364 (69.9)</td>
<td>350 (70.6)</td>
</tr>
<tr>
<td>Waste disposal (recycling rate)</td>
<td>t(%)</td>
<td>41,997 (50.3)</td>
<td>42,760 (51.1)</td>
<td>43,029 (51.6)</td>
</tr>
<tr>
<td>Food product recycling rate</td>
<td>%</td>
<td>30.2</td>
<td>35.7</td>
<td>40.4</td>
</tr>
</tbody>
</table>

*1 CO2 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 CO2 emissions were calculated according to the Seven & i Holdings Group-Wide CO2 Emissions Calculation Manual.

Consumer Challenges

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.

FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring the quality and safety of products and services</td>
<td>● Value of three-star vegetable sales: aim for a 9.6% increase from the FY2014 level</td>
<td>● Value of three-star vegetable sales: 12.0% increase from the previous fiscal year</td>
<td>○</td>
<td>● Value of three-star vegetable sales: 16.0% increase from the previous fiscal year</td>
</tr>
<tr>
<td>Making stores and facilities more customer-friendly and reliable</td>
<td>● 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</td>
<td>● 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.</td>
<td>○</td>
<td>● 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.</td>
</tr>
</tbody>
</table>
## FY2015 Targets/Results and FY2016 Targets

### Supporting young parents and the elderly
- **Challenges:** Continue with the “Heartful Saturday” blood drive
- **FY2015 Results:** Blood donors: 555
- **Evaluation:** ○
- **FY2016 Targets:** Continue with the “Heartful Saturday” blood drive

### Assisting in local community revitalization
- **Challenges:** Hold Opening Anniversary Festivals again in FY2015
- **FY2015 Results:** Held Opening Anniversary Festivals at each store
- **Evaluation:** ○
- **FY2016 Targets:** Continue to hold the Opening Anniversary Festivals going forward

### Providing support in times of disaster
- **Challenges:** Consider entering comprehensive cooperation agreements with municipalities upon request
- **FY2015 Results:** In FY2015 no new agreements were concluded (No requests)
- **Evaluation:** △
- **FY2016 Targets:** Consider entering agreements with municipalities upon request

### Implementing crime prevention measures for local communities
- **Challenges:** Continue to conduct the activity of providing children with “shelters” in FY2015
- **FY2015 Results:** Continued the activity
- **Evaluation:** ○
- **FY2016 Targets:** Continue the activity going forward

## Employee Related

### FY2015 Targets/Results and FY2016 Targets

### Supporting development of employee abilities
- **Challenges:** Boost the average results of Target Achievement Records by making further efforts to establish and promote OJT based on the Target Achievement Records
- **FY2015 Results:** First half results—second half results; five of seven divisions improved their results
- **Evaluation:** ○
- **FY2016 Targets:** 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
- **Challenges:** Enhance the number of people including regular employees who use the childcare leave system
  - Secure the use of childcare leave by male recipients
- **FY2015 Results:** Number of people using childcare leave in FY2015 (male and female): 108 (up 24% from the previous fiscal year)
  - Number of male users: 7
- **Evaluation:** ○
- **FY2016 Targets:** 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
- **Challenges:** 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
- **FY2015 Results:** Percentage of female managers (Division manager or higher positions): 14.7%
- **Evaluation:** ○
- **FY2016 Targets:** 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
- **Challenges:** Workplace accidents per year: reduction of 10% from the FY2014 level
- **FY2015 Results:** Workplace accidents in FY2015: 345 (down 2.3% from the previous fiscal year)
- **Evaluation:** ×
- **FY2016 Targets:** Workplace accidents per year: reduction of 10% from the FY2015 level
### Personnel Data

<table>
<thead>
<tr>
<th>Breakdown of number of employees (as of the end of February 2015) (persons)</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time employees **</td>
<td>2,714</td>
<td>2,434</td>
<td>280</td>
</tr>
<tr>
<td>Male</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part-time staff *2</td>
<td>10,905</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees (full-time employees + part-time staff)</td>
<td>13,619</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New graduate employees hired</td>
<td>168</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-career employees hired</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Re-employment *3</td>
<td>22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average length of service (full-time employees)</td>
<td>14 years</td>
<td>15 years</td>
<td>14 years</td>
</tr>
<tr>
<td>Number of full-time employees who took childcare leave ** (males, part-time staff)</td>
<td>47(1, 40)</td>
<td>63(1, 55)</td>
<td>109(2, 97)</td>
</tr>
<tr>
<td>Number of full-time employees who took nursing leave ** (males, part-time staff)</td>
<td>6(3, 3)</td>
<td>4(0, 4)</td>
<td>1(0, 1)</td>
</tr>
<tr>
<td>Number of volunteer leave recipients</td>
<td>No system</td>
<td>No system</td>
<td>No system</td>
</tr>
<tr>
<td>Percentage of women in management positions *5</td>
<td>23.8%</td>
<td>25.1%</td>
<td>25.5%</td>
</tr>
<tr>
<td>Percentage of employees with disabilities *6</td>
<td>1.90%</td>
<td>1.96%</td>
<td>2.39%</td>
</tr>
<tr>
<td>Percentage of paid holidays taken by full-time employees</td>
<td>8.8%</td>
<td>9.2%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Frequency rate of workplace accidents</td>
<td>2.94</td>
<td>2.27</td>
<td>2.39</td>
</tr>
<tr>
<td>Severity rate of workplace accidents</td>
<td>0.01</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*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 leaves 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.

### 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 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

- **Full-time employees** 22%  
- **Part-time staff** 22%  
- **Families of employees** 2%  
- **Unknown** 74%
Environment Related

FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attaining and appropriate grasp of environmental impact</td>
<td>● Common headquarters invoicing by TEPCO (uniform reporting)</td>
<td>● Completed common headquarters invoicing by TEPCO</td>
<td>○</td>
<td>● Continue introducing BEMS to new stores</td>
</tr>
<tr>
<td></td>
<td>● Introduce BEMS to new stores</td>
<td>● Introduced BEMS to two new stores</td>
<td></td>
<td>○</td>
</tr>
<tr>
<td>Improving energy efficiency and introducing renewable energy</td>
<td>● Make the lighting of sales floors of existing stores LED (30 stores)</td>
<td>● Completed making the lighting of sales floors of existing stores LED (30 stores)</td>
<td>○</td>
<td>● Introduce reach-in multi-level refrigerated cases at existing stores</td>
</tr>
<tr>
<td></td>
<td>● Introduce reach-in multi-level refrigerated cases</td>
<td>● Introduced at four stores</td>
<td></td>
<td>○</td>
</tr>
<tr>
<td>Reducing waste and developing a recycling-oriented society</td>
<td>● Reduce generation of food waste; food waste recycling rate: 51%</td>
<td>● Food product recycling rate: 51.6% achieved</td>
<td>○</td>
<td>● Food product recycling rate: 52%</td>
</tr>
<tr>
<td></td>
<td>● Plastic bag turndown rate: 55%</td>
<td>● Plastic bag turndown rate for FY2015: 48.3%</td>
<td>×</td>
<td>● Plastic bag turndown rate for FY2016: achieve 60%</td>
</tr>
<tr>
<td>Raising environmental awareness among employees</td>
<td>● Publish CSR leaflet</td>
<td>● Published 16,000 CSR leaflets</td>
<td>○</td>
<td>● Employees taking the Eco Test: 22</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Used for in-house training, workplace tours and work experience participation by elementary and junior high school students, etc.</td>
<td></td>
<td>● Train 220 cognitive impairment supporters</td>
</tr>
</tbody>
</table>

Environmental Data

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Unit</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ emissions</td>
<td>t-CO₂</td>
<td>52,301</td>
<td>61,522</td>
<td>61,383</td>
</tr>
<tr>
<td>CO₂ emissions from store operations (per store)</td>
<td>t-CO₂</td>
<td>52,259(697)</td>
<td>61,474(809)</td>
<td>61,330(787)</td>
</tr>
<tr>
<td>Electricity consumption in store operations</td>
<td>GWh</td>
<td>534</td>
<td>543</td>
<td>543</td>
</tr>
<tr>
<td>Water usage in store operations</td>
<td>1,000m³</td>
<td>42.3</td>
<td>45.8</td>
<td>48.3</td>
</tr>
<tr>
<td>Plastic bag consumption (turndown rate) at the food section</td>
<td>t</td>
<td>19,511 (63.2)</td>
<td>20,799(65.2)</td>
<td>19,995(64.8)</td>
</tr>
<tr>
<td>Waste disposal (recycling rate)</td>
<td>t(%)</td>
<td>51.3</td>
<td>49.4</td>
<td>51.6</td>
</tr>
<tr>
<td>Food product recycling rate</td>
<td>%</td>
<td>48.9</td>
<td>50.9</td>
<td>51.3</td>
</tr>
</tbody>
</table>

*1 CO₂ 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 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual.
**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.

**FY2015 Targets/Results and FY2016 Targets**

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring the quality and safety of products and services</td>
<td>● Strengthen store compliance team activities</td>
<td>● Provided information to stores through meetings, web conferences, and e-mail</td>
<td>△</td>
<td>● Actively deploy the store compliance team</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● Implemented education and sharing through visits to manufacturers’ plants</td>
<td></td>
<td>● Continue to provide quality control information</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>● Provide support through store interviews</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>● Following with web conferences</td>
</tr>
<tr>
<td>Making stores and facilities more customer-friendly and reliable</td>
<td>● 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)</td>
<td>● 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)</td>
<td>○</td>
<td>● 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)</td>
</tr>
<tr>
<td>Assuring appropriate information provision</td>
<td>● Continue store surveys and information sharing</td>
<td>● Had auditors and Head Office quality control staff carry out store surveys and shared information through store manager meetings and manager meetings</td>
<td>△</td>
<td>● 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</td>
</tr>
<tr>
<td></td>
<td>● Strengthen the system of store-based voluntary self-checks</td>
<td>● Strengthened the system of store-based voluntary self-checks</td>
<td></td>
<td>● Strengthen the system of store-based voluntary self-checks</td>
</tr>
<tr>
<td>Responding sincerely to customer opinions (organization)</td>
<td>● Install toll-free phone numbers and customer feedback box</td>
<td>● Increase in customer opinions related to facilities, customer care, and sales</td>
<td>△</td>
<td>● Link departments with customer opinions and incidents and feedback to stores</td>
</tr>
<tr>
<td></td>
<td>● Strengthen responses based on issue analysis</td>
<td></td>
<td></td>
<td>● Strengthen education for new store managers, etc.</td>
</tr>
</tbody>
</table>

**Local Communities**

**FY2015 Targets/Results and FY2016 Targets**

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting young parents and the elderly</td>
<td>● Proactively promote users of the re-challenge plan to managers</td>
<td>● Appointed 5 store managers and 5 part-time staff leaders</td>
<td>○</td>
<td>● Expand users of the re-challenge plan</td>
</tr>
<tr>
<td></td>
<td>● Revise operations to this end and make others both understand and appreciate the system</td>
<td>● Implemented a community plan for users</td>
<td></td>
<td>● Revise operations to this end and make others both understand and appreciate the system</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assisting in local community revitalization</td>
<td>● Continue to accept workplace tours and work experience participation by elementary and junior high school students</td>
<td>● 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)</td>
<td>○</td>
<td>● Continue to accept workplace tours and work experience participation by elementary and junior high school students</td>
</tr>
<tr>
<td></td>
<td>● Utilize the CSR leaflet</td>
<td>● Utilized the CSR leaflet</td>
<td></td>
<td>● Train 220 cognitive impairment supporters</td>
</tr>
</tbody>
</table>
FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting development of employee abilities</td>
<td>● Ensure education for new employees</td>
<td>● Revised DVD. Use of DVD differs between stores</td>
<td>×</td>
<td>● Revise the manual for receiving new employees, conduct group training for new part-time staff, and reform store operations to help them settle in</td>
</tr>
<tr>
<td></td>
<td>● Revise DVD to make it easy to understand, organize education tools and the environment for receiving new employees</td>
<td>● The manner of receiving new employees at stores when they join the company is related to early resignation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achieving a work-life balance</td>
<td>● Reduce total work time</td>
<td>● Average overtime: 32.1 hours</td>
<td>×</td>
<td>● Reduce total work time</td>
</tr>
<tr>
<td></td>
<td>● Reduce overtime by 10%, and 100% of annual leave taken</td>
<td>● Leave taken: 96%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Making use of diverse human resources</td>
<td>● Appoint part-time-staff to managerial roles: 45 employees</td>
<td>● Part-time store managers: 3, Part-time staff leaders: 87</td>
<td>△</td>
<td>● Appoint part-time-staff to managerial roles: 50 employees</td>
</tr>
<tr>
<td></td>
<td>● Appoint expert part-time staff as full-time employees: 10 or more employees</td>
<td>● Employees promoted to full-time employees: 16</td>
<td></td>
<td>● Appoint expert part-time staff as full-time employees: 10 or more employees</td>
</tr>
<tr>
<td></td>
<td>● Percentage of female managers (Team leader or higher): 29.0%</td>
<td>● 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%</td>
<td></td>
<td>● Percentage of female managers (Team leader or higher): 29.0%</td>
</tr>
<tr>
<td></td>
<td>● Promote manager training, and promote 2 females to store manager</td>
<td>● 1 female appointed as store manager</td>
<td>△</td>
<td>● Promote manager training, and promote 2 females to store manager</td>
</tr>
<tr>
<td>Assuring consideration for worker health and safety</td>
<td>● Reduce occurrence of workplace accidents</td>
<td>● Frequency rate: 4.49→4.24</td>
<td>△</td>
<td>● Reduce occurrence of workplace accidents</td>
</tr>
<tr>
<td></td>
<td>Give notification of causes and responses</td>
<td>Severity rate: 0.07→0.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reduce lost work-time accidents</td>
<td>Lost work-time accidents: 54→51</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Personnel Data

Breakdown of number of employees (as of the end of February 2015) (persons)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time employees *1</td>
<td>1,225</td>
<td>1,192</td>
<td>1,150</td>
</tr>
<tr>
<td>Male</td>
<td>995</td>
<td>980</td>
<td>938</td>
</tr>
<tr>
<td>Female</td>
<td>230</td>
<td>212</td>
<td>212</td>
</tr>
<tr>
<td>Part-time staff *2</td>
<td>4,368</td>
<td>4,144</td>
<td>3,915</td>
</tr>
<tr>
<td>Number of employees (full-time employees + part-time staff)</td>
<td>5,593</td>
<td>5,340</td>
<td>5,065</td>
</tr>
<tr>
<td>New graduate employees hired</td>
<td>129</td>
<td>112</td>
<td>108</td>
</tr>
<tr>
<td>Mid-career employees hired</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Re-employment *3</td>
<td>19</td>
<td>20</td>
<td>18</td>
</tr>
</tbody>
</table>

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

*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.

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

- Affiliation unknown due to anonymity: 8%
- Full-time employees: 7%
- Part-time staff: 81%
- Families of employees: 4%
Environment Related

FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving energy efficiency and introducing renewable energy</td>
<td>Install LED bulbs at remaining 69 stores</td>
<td>○</td>
<td>Install LED bulbs at remaining 69 stores</td>
<td></td>
</tr>
<tr>
<td>Reducing waste and developing a recycling-oriented society</td>
<td>Expand the conducting of recycling to 107 stores</td>
<td>○</td>
<td>Expand the conducting of recycling to 110 stores</td>
<td></td>
</tr>
<tr>
<td>Raising environmental awareness among employees</td>
<td>Employees taking the Eco Test: 158</td>
<td>○</td>
<td>By encouraging employees to take the Eco Test, cultivate environmental awareness and gain environmental knowledge (aim to have 120 people take the Eco Test)</td>
<td></td>
</tr>
</tbody>
</table>

Environmental Data

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Unit</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ emissions</td>
<td>t-CO₂</td>
<td>96,117</td>
<td>100,120</td>
<td>91,264</td>
</tr>
<tr>
<td>CO₂ emissions from store operations</td>
<td>t-CO₂</td>
<td>93,811</td>
<td>97,766</td>
<td>88,825</td>
</tr>
<tr>
<td>CO₂ emissions from delivery vehicles</td>
<td>t-CO₂</td>
<td>2,155</td>
<td>2,170</td>
<td>2,289</td>
</tr>
<tr>
<td>Electricity consumption in store operations</td>
<td>GWh</td>
<td>152</td>
<td>148</td>
<td>135</td>
</tr>
<tr>
<td>Water usage in store operations</td>
<td>1,000㎥</td>
<td>1,289</td>
<td>2,036</td>
<td></td>
</tr>
<tr>
<td>Waste disposal (recycling rate)</td>
<td>t(%)</td>
<td>10,058(25.4)</td>
<td>10,624(26.0)</td>
<td>10,280(25.6)</td>
</tr>
<tr>
<td>Food product recycling rate</td>
<td>%</td>
<td>40.5</td>
<td>43.3</td>
<td>45.4</td>
</tr>
</tbody>
</table>

*1 CO₂ 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 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ 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.

FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
<th>Challenges</th>
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<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring the quality and safety of products and services</td>
<td>Evolve and systemize the content of the terms and conditions</td>
<td>○</td>
<td>Shift completely to e-Base (old transaction requirement documents)</td>
<td></td>
</tr>
<tr>
<td>Assuring appropriate information provision</td>
<td>Continue to conduct a search service on the usage of allergenic substances</td>
<td>○</td>
<td>Further strengthen plant management confirmation system in and outside of Japan (focused on quality)</td>
<td></td>
</tr>
<tr>
<td>Responding sincerely to customer opinions (organization)</td>
<td>Continue &quot;getting the fundamentals straight&quot; and share information received from customers. Through moving forward with improvements, aim to halve complaints and double compliments</td>
<td>☀</td>
<td>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</td>
<td></td>
</tr>
</tbody>
</table>
**Local Communities**

**FY2015 Targets/Results and FY2016 Targets**

<table>
<thead>
<tr>
<th>Challenge</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting young parents and the elderly</td>
<td>• Further organize systems for receiving work experience participants, such as meal requirements, etc., and work to promote the further acceptance of participants by stores</td>
<td>• 358 people were accepted over 293 days in total, at 132 stores • To support food education, picture book reading sessions were held at seven stores in Tokyo</td>
<td>○</td>
<td>• Continue to maintain the system for actively accepting work experience participants • Expand picture book reading sessions to stores in prefectures close to the Kanto region as part of efforts to support food education</td>
</tr>
<tr>
<td>Assisting in local community revitalization</td>
<td>• Maintain and conduct relays with growing areas, thus developing the stable procurement of safe and delicious vegetables • Collect activity information for each different region, based on the verification of such content, continue to cooperate in the revitalization of local communities</td>
<td>• 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, Sagamihara 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.</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Providing support in times of disaster</td>
<td>• Continue to develop and sell menu items that contribute to health and beauty</td>
<td>• Maintained a stance of actively receiving requests in the event of disaster from the local municipalities in which stores are located</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>• Continue to proactively respond to requests received in the event of disaster from the local municipalities in which stores are located</td>
<td>• Continue to proactively respond to requests received in the event of disaster from the local municipalities in which stores are located</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

**Employee Related**

**FY2015 Targets/Results and FY2016 Targets**

<table>
<thead>
<tr>
<th>Challenge</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting development of employee abilities</td>
<td>• Education to be built on the three pillars of mental education, technical education and management education</td>
<td>• 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</td>
<td>○</td>
<td>• Promote enhanced e-learning content for the three pillars of education and flexibly provide the required content for workplace situations in each training</td>
</tr>
<tr>
<td></td>
<td>• Proceed with development and utilization of a creed card so that management philosophy penetrates further</td>
<td>• Implemented further study using the creed card at morning meetings and trainings, with expanding from theStores in prefectures close to the Kanto region as part of efforts to support food education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assuring fair assessment and treatment of employees</td>
<td>• Conduct fair evaluations of employees from July 2014 in accordance with the revised personnel system</td>
<td>• Revised personnel systems in May 2014 Evaluation system revised in March 2015</td>
<td>△</td>
<td>△</td>
</tr>
<tr>
<td>Achieving a work-life balance</td>
<td>• Monthly overtime: average of less than 20 hours per employee</td>
<td>• Monthly overtime for FY2015: average of 20.4 hours per employee</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td>Making use of diverse human resources</td>
<td>• To promote store-based recruitment, short-hours recruitment will be revised, and the system of recruitment through employee introductions enhanced</td>
<td>• Recruited through the employee introduction system 2013: 194 employees 2014: 392 employees • Conversions to contractual employees: 52 employees • Percentage of women in management positions: Section manager or above: 10/111, 9% Team leader of above: 74/696, 10.6%</td>
<td>△</td>
<td>△</td>
</tr>
<tr>
<td>Assuring consideration for worker health and safety</td>
<td>• Cooperate with other units to prevent issues such as heatstroke and norovirus, etc. • Among employees who work the late night shift, work to improve the ratio who undertake health checks twice a year</td>
<td>• 786/802 employees: 98%</td>
<td>△</td>
<td>△</td>
</tr>
</tbody>
</table>
### Personnel Data

<table>
<thead>
<tr>
<th>Breakdown of number of employees</th>
<th>(persons)</th>
<th><strong>FY2013</strong></th>
<th><strong>FY2014</strong></th>
<th><strong>FY2015</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time employees <em>1</em></td>
<td>1,287</td>
<td>14 years</td>
<td>14 years</td>
<td>13 years</td>
</tr>
<tr>
<td>Male</td>
<td>1,084</td>
<td>3 months</td>
<td>1 months</td>
<td>4 months</td>
</tr>
<tr>
<td>Female</td>
<td>203</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part-time staff <em>2</em></td>
<td>10,095</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td>11,382</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(full-time employees + part-time staff)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New graduate employees hired</td>
<td>68</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-career employees hired</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Re-employment <em>3</em></td>
<td>16</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

*1 Data includes contractual employees and temporary employees.

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

*3Persons 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.

### 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**

(by 7.8% from the previous fiscal year)

**By user category**

- Sexual harassment: 5%
- Other: 10%
- Suspended noncompliance: 12%
- Unrelated consulting: 4%
- Work environment, human relations: 27%
- Power abuse: 25%
- Work, holiday, overtime, evaluation: 18%
- Unknown: 1%
- Other: 2%
- Families of employees: 2%
- Full-time employees: 13%
- Part-time staff: 82%
Reducing the Environmental Impact

FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
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<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving energy efficiency and introducing renewable energy</td>
<td>● Renew two hot-and-chilled-water generators (planned savings of approx. 4.3 kl) ● Introduce LED lighting to a further 19 stores (planned savings of approx. 420.8 kl)</td>
<td>● Introduced LED lighting to 23 stores (savings of approx. 903.3 kl)</td>
<td>○</td>
<td>● Introduce LED lighting to a further 10 stores (planned savings of approx. 509.6 kl) ● Renew the Head Office gas air conditioners (replace 12 outdoor units, 102 indoor units for planned savings of approx. 20.7 kl)</td>
</tr>
<tr>
<td>Reducing waste and developing a recycling-oriented society</td>
<td>● Increase the plastic bag turndown rate to between 9 to 10%</td>
<td>● Increased the plastic bag turndown rate to 7.3%</td>
<td>×</td>
<td>● Increase the plastic bag turndown rate to 8.0%</td>
</tr>
<tr>
<td>Raising environmental awareness among employees</td>
<td>● 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. ● Through cooperation with the Group, aim to increase awareness by incorporating basic environmental training into new employee training.</td>
<td>● 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 ● Incorporated basic environmental training into new employee training</td>
<td>○</td>
<td>● Increase the number of reports on CSR initiatives in the company bulletin and at meetings for store managers, in order to raise awareness</td>
</tr>
</tbody>
</table>

Environmental Data

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Unit</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ emissions *1 *2 *3</td>
<td>t-CO₂</td>
<td>20,037</td>
<td>20,650</td>
<td>20,612</td>
</tr>
<tr>
<td>CO₂ emissions from store operations (per store) *1</td>
<td>t-CO₂</td>
<td>19,726(207)</td>
<td>20,140(217)</td>
<td>20,268(205)</td>
</tr>
<tr>
<td>Electricity consumption in store operations *2</td>
<td>GWh</td>
<td>38</td>
<td>35</td>
<td>34</td>
</tr>
<tr>
<td>Water consumption in store operations *3</td>
<td>1,000㎥</td>
<td>44</td>
<td>39</td>
<td>48</td>
</tr>
<tr>
<td>Plastic bag turndown rate</td>
<td>%</td>
<td>4.0%</td>
<td>7.9%</td>
<td>7.3%</td>
</tr>
</tbody>
</table>

*1 CO₂ 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 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual.
### 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.

#### FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
<th>Challenges</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Ensuring the quality and safety of products and services</td>
<td>● In addition to plant inspections carried out at the time of production, conduct pre-sale inspections of all products handled by stores</td>
<td>● In addition to inspections of all items carried out at the plant, conducted sampling inspections of all products handled by stores</td>
<td>○</td>
<td>● Revise standards for safety and functionality and strengthen quality control</td>
</tr>
<tr>
<td>Making stores and facilities more customer-friendly and reliable</td>
<td>● Work hard to provide even more convenient breastfeeding and diaper-change spaces</td>
<td>● In FY2015, store openings were in well-equipped centers, so we did not set up facilities</td>
<td>△</td>
<td>● Take safety measures on fixtures and shelving such as promoting the removal of corners and addition of safety guards</td>
</tr>
<tr>
<td>Assuring appropriate information provision</td>
<td>● Conduct in-house training to ensure suitable labeling, and work hard to further improve the Grade A+ evaluations ratio</td>
<td>● The Grade A+ ratio increased only slightly, with no significant improvement trend seen</td>
<td>△</td>
<td>● Improve the level of understanding through adoption of Intranet-based testing and aim to achieve full scores on “labeling management” in audit evaluations</td>
</tr>
<tr>
<td>Responding sincerely to customer opinions (organization)</td>
<td>● 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.</td>
<td>● 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</td>
<td>△</td>
<td>● 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</td>
</tr>
</tbody>
</table>

* 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

<table>
<thead>
<tr>
<th>Challenges</th>
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<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting young parents and the elderly</td>
<td>● 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</td>
<td>● All stores now hold “Pre-Papa Night Tours” on Wednesday evenings each week.</td>
<td>○</td>
<td>● 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.</td>
</tr>
<tr>
<td>Providing support in times of disaster</td>
<td>● Respond to requests from regions where there are stores</td>
<td>● In 2014, concluded agreements to provide supplies in times of disaster with 7 municipal governments</td>
<td>○</td>
<td>● Respond to any requests for support</td>
</tr>
</tbody>
</table>
**Employee Related**

## FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
<th>Challenges</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Supporting development of employee abilities</td>
<td><strong>Correspondence course participants:</strong> aim to achieve 150 participants, and continue the improvements of 2013, as well as make additions to the course in accordance with company policy. Improve employee ability to respond to customers and strengthen the mindset (to collect trending information, to act and to initiate action).</td>
<td><strong>Correspondence course participants:</strong> 156 (up 28% from the previous year) 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</td>
<td>○</td>
<td><strong>Correspondence course participants:</strong> target 100 ★ 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)</td>
</tr>
</tbody>
</table>

| Assuring fair assessment and treatment of employees | **Managed work time in units of one minute, introduced planned work discretionary labor system** | **Shared information on internal and external trends, and company’s own wage levels** | △ | **Aim to increase “fulfillment” points in the employee opinion survey** |

| Achieving a work-life balance | **Promote male employees taking childcare leave** | **One male employee took childcare leave between October 2014 to April 2015** | ○ | **Promote male employees taking childcare leave** |

| Making use of diverse human resources | **Appoint executive from among those employees involved in childcare** | **Appointed five assistant store managers from among those employees involved in childcare during FY2015** | ○ | |

| Assuring consideration for worker health and safety | **Work accidents: no more than 30** | **Work accidents: 23** | ○ | **Maintain the target of no more than 30 despite the increase in stores** |

## Personnel Data

<table>
<thead>
<tr>
<th>Breakdown of number of employees (as of the end of February 2015) (persons)</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full-time employees</strong> <em>1</em></td>
<td>13 years 6 months</td>
<td>13 years 5 months</td>
<td>13 years 6 months</td>
</tr>
<tr>
<td>Male</td>
<td>478</td>
<td>67(1, 37)</td>
<td>63(2, 35)</td>
</tr>
<tr>
<td>Female</td>
<td>391</td>
<td>139(1, 110)</td>
<td></td>
</tr>
<tr>
<td><strong>Part-time staff</strong> <em>2</em></td>
<td>1,869</td>
<td>4(0, 4)</td>
<td>6(1, 3)</td>
</tr>
<tr>
<td><strong>Number of employees (full-time employees + part-time staff)</strong></td>
<td>2,738</td>
<td>0(0, 0)</td>
<td></td>
</tr>
<tr>
<td><strong>New graduate employees hired</strong></td>
<td>72</td>
<td>21.4%</td>
<td>24.5%</td>
</tr>
<tr>
<td><strong>Mid-career employees hired</strong></td>
<td>3</td>
<td>26.1%</td>
<td></td>
</tr>
<tr>
<td><strong>Re-employment</strong> <em>3</em></td>
<td>3</td>
<td>1.90%</td>
<td>2.00%</td>
</tr>
<tr>
<td><strong>Percentage of women in management positions</strong> <em>5</em></td>
<td>39.6%</td>
<td>39.1%</td>
<td></td>
</tr>
<tr>
<td><strong>Percentage of employees with disabilities</strong> <em>6</em></td>
<td>40.2%</td>
<td>39.1%</td>
<td></td>
</tr>
<tr>
<td><strong>Percentage of paid holidays taken by full-time employees</strong></td>
<td>0.56</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td><strong>Severiety rate of workplace accidents</strong></td>
<td>0.04</td>
<td>0.01</td>
<td>0.00</td>
</tr>
</tbody>
</table>

*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.

## 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.
Reducing the Environmental Impact

FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Improving energy efficiency and introducing renewable energy</td>
<td>● Continue and expand the grasping of greenhouse gas emissions volumes (Scope 3 emissions) that the company indirectly discharges through the supply chain</td>
<td>● Six Seven &amp; i Holdings Group companies (including Seven Bank) calculated Scope 3 emissions. Disclosed emissions on the Ministry of Environment website Green Value Chain Platform.</td>
<td>○</td>
<td>● Continue grasping and disclosing greenhouse gas emissions volumes (Scope 3 emissions) that the company indirectly discharges through the supply chain and</td>
</tr>
<tr>
<td>Improving energy efficiency and introducing renewable energy</td>
<td>● Grasp how photocopying paper is used and reduce photocopying paper purchase volumes and the volumes of paper used in color photocopying. ● 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 FY2014.</td>
<td>● Called for paperless meetings, double-sided printing, printing two pages to a sheet, and other measures. ● Completed installation of 17,603 third-generation ATMs by the end of FY2015.</td>
<td>○ ●</td>
<td>● Promote the adoption of paperless operations.</td>
</tr>
<tr>
<td>Reducing waste and developing a recycling-oriented society</td>
<td>● Formulate green procurement guidelines.</td>
<td>● Formulated green procurement guidelines.</td>
<td>○</td>
<td>● Promote recycling of previous-type ATMs.</td>
</tr>
<tr>
<td>Offering eco-friendly products</td>
<td>● Target ratio of the third-generation ATMs to the total: 85%</td>
<td>● Ratio of third-generation ATMs to the total: 83%.</td>
<td>△</td>
<td>● Target ratio of the third-generation ATMs to the total: 95%</td>
</tr>
<tr>
<td>Raising environmental awareness among employees</td>
<td>● Continue to actively participate in the Group’s environmental volunteer activities. ● Increase the number of participants in environmental volunteer activities by conducting Seven Bank’s own programs.</td>
<td>● 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. ● A total of 48 employees participated in the Bonolon’s Forest Environmental Activity.</td>
<td>○</td>
<td>● Continue to actively participate in Seven &amp; i Holdings’ environmental volunteer activities. ○</td>
</tr>
</tbody>
</table>

Environmental Data

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Unit</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume of paper ordered for office automation equipment</td>
<td>1,000 sheets</td>
<td>7,565</td>
<td>7,762</td>
<td>6,410</td>
</tr>
<tr>
<td>Electricity used at the offices*</td>
<td>MWh</td>
<td>1,182</td>
<td>1,269</td>
<td>1,302</td>
</tr>
</tbody>
</table>

* 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.
### Local Communities

#### FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
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<th>FY2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting young parents and the elderly</td>
<td>● Continue to promote story-telling activities via the sponsorship for &quot;Bonolon, Warrior of the Forest&quot;</td>
<td>● Held &quot;Bonolon story-telling events&quot; at children's centers and staffed Seven Bank branches, etc.</td>
<td>○</td>
<td>● Continue to promote story-telling activities via the sponsorship for &quot;Bonolon, Warrior of the Forest&quot;</td>
</tr>
<tr>
<td></td>
<td>● Continue donations of picture books</td>
<td>● Donated picture books to children's centers as a result of issuing 30,822 Bonolon cash cards (donations made to 2,881 locations)</td>
<td>○</td>
<td>● Continue donations of picture books</td>
</tr>
<tr>
<td></td>
<td>● Strengthen cooperation with children's centers</td>
<td>● Click donations in support of Shimoarisu Children's Center in Sumita Town Hall, Iwate: ¥395,271</td>
<td>○</td>
<td>● Strengthen cooperation with children's centers</td>
</tr>
<tr>
<td>Assisting in local community revitalization</td>
<td>● Promote employee participation in volunteer opportunities</td>
<td>● Nine cases of employees obtaining volunteer leave</td>
<td>○</td>
<td>● Promote employee participation in volunteer opportunities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● 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)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementing crime prevention measures for local communities</td>
<td>● By continuing to gather and utilize information on anti-social forces, certain transactions will continue to be prevented</td>
<td>● Appropriately prevented transactions with anti-social social forces by continuing to gather and utilize information on them</td>
<td>○</td>
<td>● Continue to gather and utilize information on anti-social forces to prevent transactions with them</td>
</tr>
<tr>
<td></td>
<td>● Survey and analyze evolving and diversifying financial crimes, and respond to such matters promptly</td>
<td>● Strengthened information analysis related to financial crimes</td>
<td>○</td>
<td>● Survey and analyze evolving and diversifying financial crimes, and respond to such matters promptly</td>
</tr>
<tr>
<td></td>
<td>● Strengthen prevention measures through cooperation with investigating authorities, etc.</td>
<td>● Strengthened information links with multiple institutions and cooperated with over 80,000 cases in response to requests from investigating institutions</td>
<td>○</td>
<td>● Strengthen the system of links with investigating institutions and alliance partners, etc.</td>
</tr>
</tbody>
</table>
## Employee Related

### FY2015 Targets/Results and FY2016 Targets

<table>
<thead>
<tr>
<th>Challenges</th>
<th>FY2015 Targets and Plans</th>
<th>FY2015 Results and Outcomes</th>
<th>Evaluation</th>
<th>FY2016 Targets</th>
</tr>
</thead>
</table>
| **Supporting development of employee abilities** | ● Strengthen support of language learning  
● Foster next-generation leaders, female managers  
● Create awareness within the company about the objectives and results of diversity promotion | ● Employees who took language acquisition classes: 34 employees; employees who sat a TOEIC examination: 45 employees  
● Employees dispatched overseas on short-term study: 3 employees  
● Conducted education and training of next-generation leaders  
Management training: 19 employees  
Management training for women: 4 employees  
Young leadership training: 30 employees  
● Participants in diversity seminars held by Seven & i Holdings: 15 employees | ○  
○  
○ | ● Strengthen self-education support (language, business, IT skills)  
● Develop the next generation of leaders |
| **Achieving a work-life balance** | ● Enhance work-life balance with respect to matters of childcare and nursing  
● Consider a work-at-home system  
● Enhance the follow-up of childcare leave recipients who have returned to the workplace | ● Number of childcare leave recipients: 12 employees  
● Held back-to-work orientation for employees returning to work after childcare leave | ○  
○ | ● Support promotion of work-life balance  
● Establish home working system  
● Establish childcare leave system  
Enhance the follow-up of childcare leave recipients who have returned to the workplace |
| **Making use of diverse human resources** | ● Continue conducting nursing care training  
● Continue measures to maintain the percentage of employees with disabilities required by law | ● Held nursing training at two locations  
● Percentage of employees with disabilities: 2.06% (As of March 31, 2015) | ○  
○ | ● Continue conducting nursing care training  
● Continue measures to maintain the percentage of employees with disabilities required by law  
● Create a foundation for promoting diversity |
| **Assuring consideration for worker health and safety** | ● Continue to ensure that employees take paid leave  
● Devise measures to ensure that employees will leave the office on time during the targeted weeks | ● Percentage of paid holidays taken: 80.1%  
● Dedicated two separate weeks to encouraging employees to leave the office on time (expanded the initiative to 2 months over summer time) | ○  
○ | ● Continue to ensure that employees take paid leave  
● Devise measures to ensure that employees will leave the office on time during the targeted periods |

### Group Personnel Data

<table>
<thead>
<tr>
<th>Breakdown of number of employees (as of the end of February 2015) (persons)</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full-time employees</strong></td>
<td>386</td>
<td>5 years</td>
<td>6 years</td>
</tr>
<tr>
<td>Male</td>
<td>310</td>
<td>7 months</td>
<td>2 months</td>
</tr>
<tr>
<td>Female</td>
<td>76</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Part-time staff</strong></td>
<td>104</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number of employees</strong> (full-time employees + part-time staff)</td>
<td>490</td>
<td>No system</td>
<td>3</td>
</tr>
<tr>
<td><strong>New graduate employees hired</strong></td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mid-career employees hired</strong></td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Re-employment</strong></td>
<td>7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.
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