

## CEO MESSAGE

The Seven & i Group will rigorously practice “Management Focused on Quality.” At the same time, the Group will vigorously promote its Omni-Channel Strategy to capture Group synergies in its second stage of growth.



TOSHIFUMI SUZUKI  
Chairman and Chief Executive Officer

In the fiscal year ended February 2014, the Seven & i Group posted record operating income for the third straight year, becoming the first company in Japan's retail sector to attain operating income of more than ¥300.0 billion. I believe that this achievement is a result of consistent implementation of the Group's management principle of "Responding to Change while Strengthening Fundamentals." In the fiscal year ending February 2015, we will continue to reform existing businesses and reinforce our immediate structure. At the same time, we will actively bolster our business infrastructure in growth businesses, centered on our domestic convenience store operations.

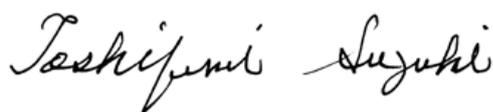
In Japan, the social environment has continued to change, with the key factors being a falling birthrate combined with an aging population, and increases in the number of single-person households and working women. These developments have altered our customers' consumption patterns, and have led to a decline in retail store numbers, dramatically transforming consumers' expectations of us as a retailer. Moreover, the consumption tax rate increase in April 2014 has made our customers focus even more intently on value and price. To set ourselves apart even further from the competition, it is essential for us to successfully maximize Group synergies. For this reason, we will be rigorously practicing "Management Focused on Quality" in the fiscal year ending February 28, 2015.

In this environment, the Seven & i Group will work harder than ever to actively promote the Group's *Seven Premium* private-brand products and to develop and renew the original products of each Group company. Together with the pursuit of even better taste and quality, we will also strive to improve customer service to convey the value of our products to customers.

Furthermore, from the second half of the fiscal year ended February 2014, we have positioned the Omni-Channel Strategy, where we approach customers by seamlessly coordinating real stores with the Internet, as our second stage of growth. We will promote this strategy with the aim of maximizing the Group's value. The Seven & i Group possesses a wide array of business formats, from convenience stores to department stores, along with a domestic store network of approximately 18,000 stores receiving more than 19.5 million visitors every day. Leveraging these strengths, we will create an environment where our customers can purchase the products they want anywhere, anytime. Besides this, we will create a business structure based on an entirely new concept that maximizes the Group's assets, in an effort to position the Group even closer to its customers.

I ask for the continued support of all our shareholders and investors as we endeavor to reach our goals.

June 2014



TOSHIFUMI SUZUKI  
Chairman and Chief Executive Officer