

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

BASIC POLICY FOR CSR ACTIVITIES

The retail businesses managed by Seven & i Holdings and its operating companies are closely connected to the daily lives of the Group’s customers. Accordingly, our basic policy for our business activities is to take a sincere approach in dealing with all of our stakeholders, including shareholders, customers, business partners, local communities, and employees. We are fully aware that, in this era of major social and economic change, the social responsibilities of corporations have become increasingly important, and we are taking steps to ensure that consideration for CSR is incorporated into all of our business activities, including not only management but also the daily activities of every employee.

Ongoing examination of the relationships among society, individuals, and businesses from the CSR perspective and continued self-innovation are indispensable prerequisites for sound, sustainable corporate growth. Accordingly, the Company is emphasizing daily communication with stakeholders at all of its work venues, such as stores and sales areas. In this way, we gain a better sense of the concerns of stakeholders regarding the social issues that are affected by our operations, and we can implement more effective responses. Moreover, the Company is strengthening the guidance provided to the Group’s operating companies and working to achieve highly transparent management through the disclosure of a wide range of information.

EMPHASIS ON STAKEHOLDER ENGAGEMENT

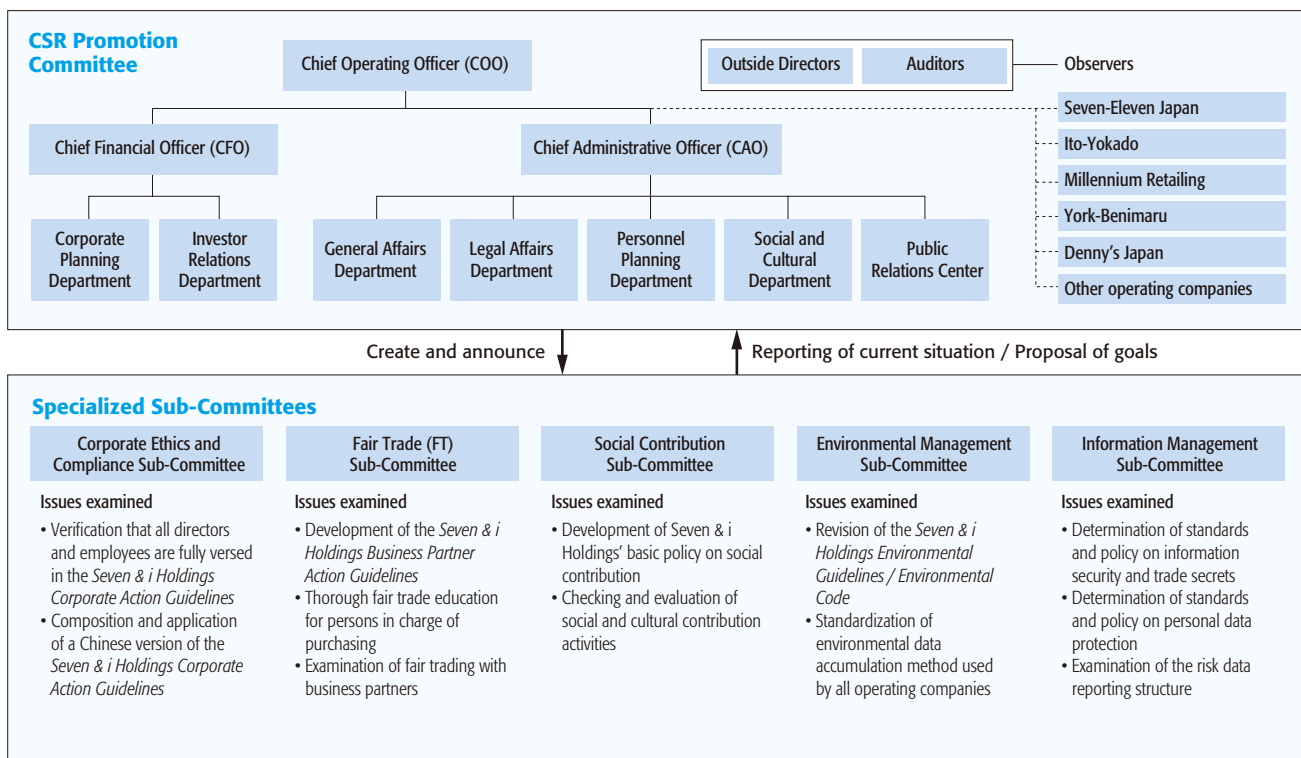
To earn the trust of its stakeholders, the Company must continually work to understand and respond to their interests and concerns regarding society and the Group.

Accordingly, Seven & i Holdings and its operating companies are striving to engage in communication with stakeholders in order to understand and respond rapidly to their “voices,” including their opinions, needs, areas of dissatisfaction, and complaints. We place great importance on this process of stakeholder engagement, in which the “voices” of stakeholders are reflected in the business decision making process and the stakeholders are able to participate in management.

ADVANCING GROUPWIDE CSR ACTIVITIES

To implement its policy of stakeholder engagement, the Company established the CSR Promotion Committee, which is led by the Chief Operating Officer (COO) and includes directors with related responsibilities. In addition, five specialized sub-committees were established under the auspices of the CSR Promotion Committee. Under this system, the Group’s CSR activities are advanced in an integrated, comprehensive manner.

The CSR Promotion Committee and its sub-committees provide oversight and guidance to ensure that all Group companies, in accordance with the *Corporate Creed* and the *Seven & i Holdings Corporate Action Guidelines*, strictly



observe all laws, regulations, and social norms and meet their responsibilities to stakeholders. In addition, to ensure that each Group company, in line with its business activities, implements thorough and continuous compliance with the *Seven & i Holdings Corporate Action Guidelines* that were formulated in 1993, the Company has established Corporate Action Committees in Group companies and assigned full-time employees with responsibility for these issues. These employees share information about CSR and ensure that the *Corporate Action Guidelines* are disseminated and implemented throughout the entire Group.

CUSTOMERS

In recent years, the concerns of consumers have included food-related issues, such as Bovine Spongiform Encephalitis (BSE), avian influenza, residual agricultural chemicals and veterinary pharmaceuticals, and food allergens. Other consumer concerns have included fatalities caused by quality problems with automobiles and air-conditioning equipment as well as health problems caused by toxic substances in apparel and household goods. In response, the Company is working to ensure that it provides its customers with safe and secure products that meet standards that are more rigorous than those required by law.



7-Eleven employees from about 6,000 stores in Japan offer door-to-door sales services, visiting homes in neighboring areas and taking orders.

BUSINESS PARTNERS

For a company to record ongoing growth and development, we believe that it must prosper together with its business partners. As a result, we established the Fair Trade (FT) Sub-Committee to ascertain that no illegal or anti-social activities are taking place—such as unwarranted returns of goods, improper discounting, or unfair requests for employee seconding—and to actively promote fair trade. The FT Sub-Committee also periodically conducts employee training. Furthermore, in an environment marked by ongoing economic globalization, the Company's commitment to CSR includes not only the Group but the entire supply chain. Accordingly, in March 2007, we formulated the *Seven & i Holdings Business Partner Action Guidelines*, which we plan to start implementing from the second half of the current fiscal year.

LOCAL COMMUNITIES

The Company believes that its mission encompasses more than providing goods and services to customers. Contributing to local communities in other ways is also one of our most important duties, and to that end we are implementing a range of initiatives. These include conducting Safety Station activities to cooperate in the establishment of safe, secure communities and taking steps to prevent smoking and alcohol consumption by minors. In particular, our efforts to create safe communities and to provide disaster relief for local communities have been highly evaluated.



Ito-Yokado's *Fureai Shopping* service, which provides shopping opportunities for people in need of caregiving or assistance, such as those in assisted living facilities, has been highly evaluated.

EMPLOYEES

To maintain an active society in the face of ongoing domestic trends toward fewer children per family and an aging population, Japan must support a diverse workforce that includes women, senior citizens, and people with disabilities. Accordingly, the Company complies fully with the Law Concerning Stabilization of the Employment of the Aged and the Law for Employment Promotion, etc., of the Disabled. In addition, we are taking steps to ensure diversity in our workforce, such as the creation of a workplace where men and women are treated equally and everyone can work to their full potential.

THE ENVIRONMENT

The Kyoto Protocol, which took effect in February 2005, requires Japan to reduce greenhouse gas emissions by 6% from 1990 levels, with a target period for achieving that goal of 2008 to 2012. By monitoring and reducing the CO₂ emitted as a result of its business activities, the Company will work to help in the achievement of that goal.

Our major CO₂ reduction initiatives have included reducing electricity consumption through the introduction of energy-efficient equipment and increasing distribution efficiency through the use of combined distribution centers.

EXTERNAL EVALUATION

Seven & i Holdings was selected for inclusion in the FTSE4Good Global Index in 2006, and in May 2007 the Company's inclusion in the index was continued. The FTSE4Good Global Index is one of the indices created and managed by FTSE, an independent company that is owned by The Financial Times and the London Stock Exchange.



FTSE4Good

DISCLOSURE

Detailed information about the Company's CSR activities is provided in the *CSR Report 2006*. This report is available on our web site, in English and Japanese, at the following URL. <http://www.7andi.com/en/csr/csreport.html>