July 25, 2017

To whom it may concern:

Company name: Seven & i Holdings Co., Ltd.
Representative: Ryuichi Isaka,
President and Representative Director
(Code No. 3382/First Section of the Tokyo Stock Exchange)

[Delayed] Notice Regarding Recommendation from the Japan Fair Trade Commission

Seven & i Holdings Co., Ltd. ("the Company") announced that its subsidiary Seven-Eleven Japan Co., Ltd. received a recommendation from the Japan Fair Trade Commissions in accordance with the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors. The Company therefore presents the following press release (attached) of Seven-Eleven Japan Co., Ltd.

This incident will not affect the Company's consolidated business results for the fiscal year ending February 28, 2018.

July 25, 2017

To whom it may concern:

Seven-Eleven Japan Co., Ltd.

[Delayed] Recommendation from the Japan Fair Trade Commission Based on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors

Seven-Eleven Japan Co., Ltd. ("the Company") announce that it has received a recommendation from the Japan Fair Trade Commission based on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors.

The Company outsources the manufacture of original products such as boxed lunches, rice balls, sandwiches sold at 7-Eleven stores, and had been receiving "product guidance creation fees" and "new store sponsorship fee" from suppliers of the products, who are recognized as subcontractors under the subcontracting act. The recommendation was issued to reflect a judgement that receiving such payments is in violation of the provisions of the subcontracting act ('Article 4 Paragraph 1 prohibiting reducing the amount of subcontract proceeds). The amount of the reduction of the subcontract proceeds in the recommendation received today is approximately ¥227.5 million, representing the amount received during one year from September 2015 to August 2016.

The Company had already stopped requesting the above amounts in September 2016 from the suppliers concerned, and has returned the estimated amount of the reduction to the suppliers. There is no impact on the operating results for the fiscal year ending February 28, 2018.

The Company has taken the recommendation seriously. It will ensure that all executives and employees are made aware of it, conduct internal training on compliance with the subcontracting act, and take other measures to further strengthen compliance and prevent a recurrence.
The Company apologizes sincerely for causing concern and inconvenience to its suppliers, the franchised store owners who strive to operate stores every day, its employees, and 7-Eleven customers.

The Company will continue its management efforts to further consolidate the relationships of trust with its suppliers and franchised stores, and to improve customer satisfaction.