July 12, 2018

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)

Notice Regarding Cease and Desist Order and Surcharge Payment Order from the Japan Fair Trade Commission

Sogo & Seibu Co., Ltd. ("Sogo & Seibu"), a subsidiary of Seven & i Holdings Co., Ltd. ("the Company"), has been fully cooperating with the investigation concerning suspected violations of the Antimonopoly Act in connection with orders received for uniforms used by ALL NIPPON AIRWAYS CO., LTD. ("All Nippon Airways").

Today, the Company announced that Sogo & Seibu received a cease and desist order and a surcharge payment order in accordance with the Antimonopoly Act from the Commission, with details as follows.

The Company and Sogo & Seibu recognize that the foregoing events have occurred despite their efforts to ensure compliance with laws and regulations. Accordingly, the two companies solemnly accept responsibility for the above situation and take it very seriously. The Company and Sogo & Seibu wish to express their deepest apologies for causing significant concern about this matter among shareholders, customers, and other stakeholders.

1. Outline of the cease and desist order

Sogo & Seibu was found to have committed actions in violation of the provisions of Article 3 of the Antimonopoly Act in connection with orders received for uniforms used by All Nippon Airways. Therefore, Sogo & Seibu was ordered to implement measures such as passing a Board of Directors resolution to confirm that it has halted all actions in violation of the Antimonopoly Act, among other matters; notifying All Nippon Airways and certain other related parties of these measures; and ensuring that these matters are thoroughly made known to Sogo & Seibu employees.

2. Outline of the surcharge payment order

(1) Amount of surcharge to be paid ¥10.34 million
(2) Payment deadline February 13, 2019

3. Prevention of reoccurrence

Sogo & Seibu has been implementing measures to prevent a reoccurrence, such as continuously and thoroughly making known the Code of Corporate Conduct for Compliance with the Antimonopoly Act to all employees and implementing monitoring related to the Antimonopoly Act. These measures seek to foster a stronger awareness of compliance and an improved understanding of the Antimonopoly Act.

Going forward, in response to the cease and desist order, the Seven & i Group will further strengthen and enhance internal training and the monitoring framework concerning compliance with laws and regulations including the Antimonopoly Act. By doing so, the Group intends to implement even stricter compliance management.

4. Impact on financial results

The impact of this matter on the consolidated results of the Company will be negligible.