



February 15, 2019

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 Recommendations from the Japan Fair Trade Commission**

Today, Seven & i Holdings Co., Ltd. (“the Company”) announced that Ito-Yokado Co., Ltd. (“Ito-Yokado”), a subsidiary of the Company received recommendations from the Japan Fair Trade Commission under the Special Measures Concerning Prevention and Correction of Actions That Interfere with Shifting of the Consumption Tax with the Aim of Ensuring Smooth and Appropriate Passing-on of the Consumption Tax (Special Measures for Consumption Tax) as follows.

The Company and Ito-Yokado have accepted the recommendations sincerely, and will ensure that all relevant directors and employees are made aware of them. In addition, the companies will further strengthen compliance and strive to prevent a recurrence by holding internal training on legal compliance and other measures. Furthermore, the companies express their sincerest apologies for causing concern and inconvenience to the affected trading partners and all other affected parties.

### **1. Details of infringement**

After the April 2014 consumption tax increase, Ito-Yokado irresponsibly continued to make payments for lease fees such as store parking spaces and product procurement payments in the same amounts as before the consumption tax increase. This is an infringement of the provision Article 3 paragraph 1 of the Special Measures for Consumption Tax, and accordingly Ito-Yokado has received recommendations in accordance with the provision of Article 6 paragraph 1 of the same measures.

### **2. Outline of the recommendations**

- (1) Ito-Yokado must promptly pay the shortfall related to this matter to the trading partners concerned.
- (2) To ensure that it does not prevent the passing on of consumption tax, Ito-Yokado must make all of its directors and employees aware of the details of this recommendation and take necessary measures to upgrade its inhouse systems, such as holding training on the Special Measures for Consumption Tax.
- (3) The measures adopted based on (1) and (2) above must also be made known to the affected trading partners.
- (4) Ito-Yokado must report promptly to the Japan Fair Trade Commission regarding measures taken in accordance with (1), (2) and (3) above.

### **3. Prevention of reoccurrence**

Going forward, in response to the recommendations, the Seven & i Group will further strengthen and enhance internal training and the monitoring framework concerning compliance with laws and regulations including Special Measures for Consumption Tax.

### **4. Impact on financial results**

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