

Seven-Eleven to Start Payment Acceptance Service for Internet Shopping

--Internet shoppers can now make their payments at 7-Eleven stores--

Seven-Eleven Japan Co., Ltd. today announced that it will begin a payment acceptance service in November 1999 for goods and services purchased from the many Internet shopping sites in Japan.

The new service was developed jointly with Nomura Research Institute, Ltd. based on the current payment acceptance services offered for utilities, telephones, and other payments. In addition, NEC Corporation, Hewlett-Packard Japan Ltd., FUJITSU LIMITED, and Microsoft Co., Ltd. assisted in producing a settlement software module that can be adjusted and incorporated with the systems of Internet shops according to their requests. A patent application has been made for the technology used in the service.

With the help of these partners, Seven-Eleven Japan has been able to achieve a secure, reliable, low-cost settlement system that can be used by most Internet shops. The Company believes the system will contribute to the further development of an Internet commerce infrastructure that customers can use with confidence.

When people make a purchase over the Internet, they will be able to select "Payment at a 7-Eleven store" as their payment method. After printing out a payment slip with a bar code on it from their computer, they can take the payment slip to any of 7,924 7-Eleven stores (as of the end of August 1999) throughout Japan. People who do not have printers can still use this service by showing the payment slip number assigned to them when they made the purchase to the attendant at the store.

The most commonly used payment methods for on-line shopping in Japan are bank transfers or collect-on-delivery. Credit card payment is not very popular, accounting for just over 10%. On the other hand, the use of convenience stores to make utilities and other payments is growing. Seven-Eleven Japan's payment acceptance service now receives about 70 million payments annually for a total of over 500 billion yen.

In consideration of these facts, Seven-Eleven Japan decided to establish a secure and reliable Internet shopping payment service to offer its customers a more convenient lifestyle. The Company expects that the number of payments made through this service will rise to approximately 16 million by 2003, accounting for approximately 100 billion yen in payments.

A number of leading Internet shops already plan to use the service: the major online shopping mall, e-shopping!; Curio-city; the major Internet provider, So-net; BIGLOBE; @nifty; Plala, the major computer online shop, Sofmap; and others. The service is anticipated to achieve good penetration of the market because it is convenient for consumers and responds to a real need among Internet shops.

Seven-Eleven Japan hopes that taking this pioneering step to develop an Internet shopping payment service at its approximately 8,000 stores will increase consumers' confidence in Internet shopping and their perception of it as a safe, convenient, and economic service, essential factors for the development of electronic commerce.

The Company also hopes that the service will become widely used as one of the standard methods of paying for Internet commerce as Japan heads into an era of full-fledged electronic commerce and network society. In progressing with the establishment and improvement of these infrastructural functions, Seven-Eleven Japan intends to continuously provide highly convenient services to its customers and respond to changes in market and customer needs.

(Notes)

1. The special features of the Internet shopping payment acceptance service and points highly evaluated by Internet shops

1. (1) A convenient payment method that can be used on a 24-hour, 365-day basis.
2. (2) Low-cost operation because payment notices and slips do not have to be made and mailed.
3. (3) Sliding commission fee based on amount remitted.
4. (4) Notification of payment to Internet shop is possible on a real time basis since the payment file is updated on a real time basis when payments are received at stores.
5. (5) Prepayment service and receivables outstanding notification service to Internet shops possible.
6. (6) A convenient and reliable service for consumers who do not have credit cards or are worried about the security of using cards to make payments.

2. Commission Fee Schedule

Payment Amount (before tax)	Commission Fee
Under 3,000 yen	120 yen per transaction
3,000 yen to under 10,000 yen	150 yen per transaction
10,000 yen to under 30,000 yen	200 yen per transaction
30,000 yen to under 100,000 yen	250 yen per transaction (exclusive of revenue stamp cost)
100,000 yen and over	300 yen per transaction (exclusive of revenue stamp cost)
Service set up fee of 50,000 yen	

3. Role of Partners

- *Seven Eleven Japan Co., Ltd* : Overall operations, receiving payments at stores
- *Nomura Research Institute, Ltd* : Operation of settlement data processing center, interface with stores
- *NEC Corporation; Microsoft Co., Ltd.; Hewlett-Packard Japan Ltd.; and FUJITSU LIMITED*
 - Introduction of system to Internet shops and marketing efforts to encourage use
 - Start up support for Internet shops implementing system, including system design and program revision

(Reference)

Participants (shops which plan to use the service and their site addresses)

BIGLOBE <http://www.biglobe.ne.jp/>

So-net <http://www.so-net.ne.jp/>

@nifty <http://shop.nifty.com/>

Plala <http://plapara.plala.or.jp/>

Curio-city <http://www.curio-city.com/>

Sofmap <http://www.sofmap.co.jp/>