

Seven-Eleven Japan
Corporate Profile 2019-2020



https://www.sej.co.jp



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Message

The structure of society in Japan today is changing due to the aging population, the falling number of people in individual households, and women's growing participation in the workforce. This is also causing major changes in customers' lifestyles and values that affect consumption. In these times, we at Seven-Eleven Japan will mobilize the strengths of our nationwide store network of more than 20,000 stores to provide high-quality products and services that meet customer needs better than ever before.

Since our founding in 1973, we have never stopped innovating in every area of our business, from products and stores to information systems and logistics, based on close cooperation with franchisees and our approach to responding to the changes taking place in society and living environments. We are striving to further improve the quality of our products and services to meet the increasingly diverse needs of society and customers today. Through our smartphone app and other aspects of our digital strategy, we are also pursuing creation of new forms of convenience to broaden connections with individual customers and lead to next-generation retail services. We will also push forward with initiatives to increase the efficiency of store operations, including introducing equipment designed to reduce workload and save labor at stores.

In May 2019, Seven & i Group announced the "GREEN CHALLENGE 2050" environmental goals, which sets concrete targets in relation to four themes to be achieved by the years 2030 and 2050. Seven-Eleven Japan will also proactively implement initiatives aimed at resolving social issues in cooperation with customers, franchisees, business partners, and local communities.

We will continue pursuing our vision of "Close and Convenient" through quality-focused products and services as well as store creation, striving to achieve retail services that contribute to the growth of society.

永松文彦

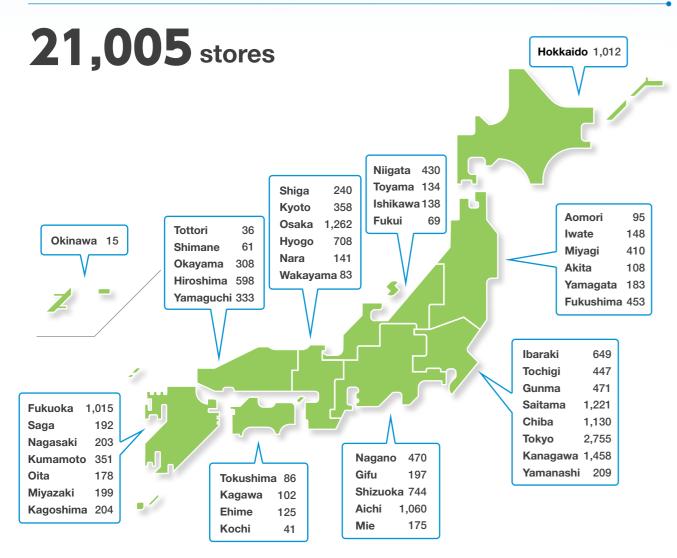
Fumihiko Nagamatsu President SEVEN-ELEVEN JAPAN CO., LTD. **Corporate Vision**

No matter how times may change, we will continue to enrich our customers' lives on a daily basis while striving to make life more convenient for local communities, by working closely with our franchisees.

Foundation Philosophy

Modernization and Revitalization of Existing Small- and Medium-Sized Stores **Co-existence and Co-prosperity**

In 47 Prefectures throughout Japan



The dates when the first 7-Eleven store opened in each of Japan's prefectures

mestic Convenience Store Sector

SEVEN-ELEVEN JAPAN CO., LTD. SEVEN-ELEVEN OKINAWA CO., LTD. Seven-Meal Service Co., Ltd. Seven Net Shopping Co., Ltd. 7dream.com SEVEN-ELEVEN HAWAII, INC. SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD. SEVEN-ELEVEN (BEIJING) CO., LTD. SEVEN-ELEVEN (CHENGDU) CO., LTD. SEVEN-ELEVEN (TIANJIN) CO., LTD.

Overseas Convenience Store Sector

7-Eleven, Inc.

Superstore Sector

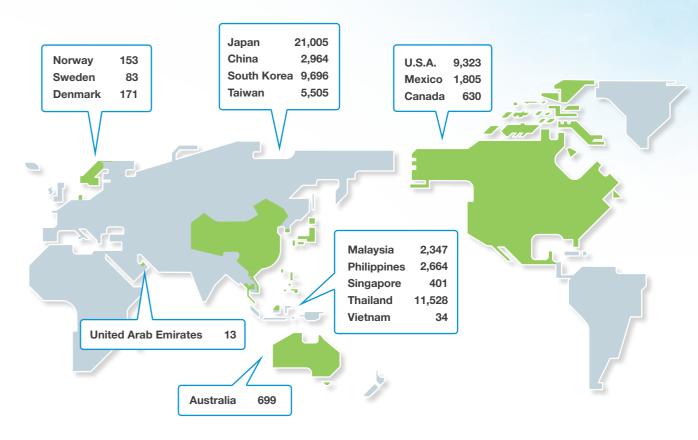
Ito-Yokado Co., Ltd. York-Benimaru Co., Ltd. York Mart Co., Ltd. SHELL GARDEN CO., LTD. K.K. Sanei Marudai Co., Ltd. Life Foods Co., Ltd. IY Foods K.K. York-Keibi Co., Ltd. Seven Farm Co., Ltd.

Ito-Yokado (China) Investment Co., Ltd. Chengdu Ito-Yokado Co., Ltd. Hua Tang Yokado Commercial Co., Ltd. DAIICHI CO., LTD. Tenmaya Store Co., Ltd.

(As of July 31, 2019)

In 17 Countries and Regions

69,021 stores



Seven & i Group Data

Group total sales **12,018** billion yen

Total number of customers visiting stores Approx. 64 million people/day Approx. 69, 200 stores

Figure includes the sales of Seven-Eleven Japan and 7-Eleven, Inc. franchise stores (for the fiscal year ended February 2019

Department Store Sector

Sogo & Seibu Co., Ltd. IKEBUKURO SHOPPING PARK CO., LTD. Gottsuobin Co., Ltd.

Financial Services Sector

Seven Bank, Ltd. Seven Financial Service Co., Ltd. Seven Card Service Co., Ltd. Seven CS Card Service Co., Ltd. Bank Business Factory Co., Ltd. Seven Payment Service Co., Ltd. FCTI, Inc.



(for the fiscal year ended February 2019)

As of February 28, 2019 (Outside Japan, as of December 31, 2018)

Specialty Store Sector

Akachan Honpo Co., Ltd. THE LOFT CO., LTD. Seven & i Food Systems Co., Ltd. Nissen Holdings Co., Ltd. Barneys Japan Co., Ltd. Oshman's Japan Co., Ltd. Francfranc Co., Ltd. Tower Records Japan Inc.

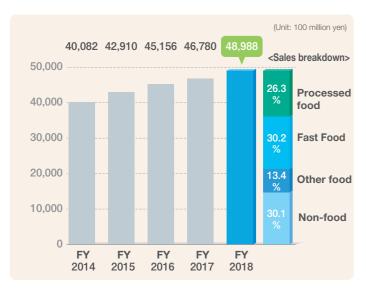
Other Sector

Seven & i Create Link Co., Ltd. Seven & i Asset Management Co., Ltd. Seven & i Net Media Co., Ltd. SEVEN & i Publishing Co., Ltd. Seven Culture Network Co., Ltd. Yatsugatake Kogen Lodge Co., Ltd. Terube Ltd. **PIA Corporation**

Business Performance and Data



Total Store Sales (in Japan)



Number of Stores in Japan

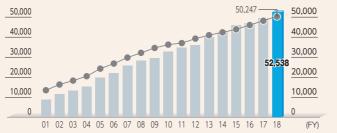


Amount of Transactions Handled in Payment Number of payment collection service transactions **Collection Services Continues to Grow**

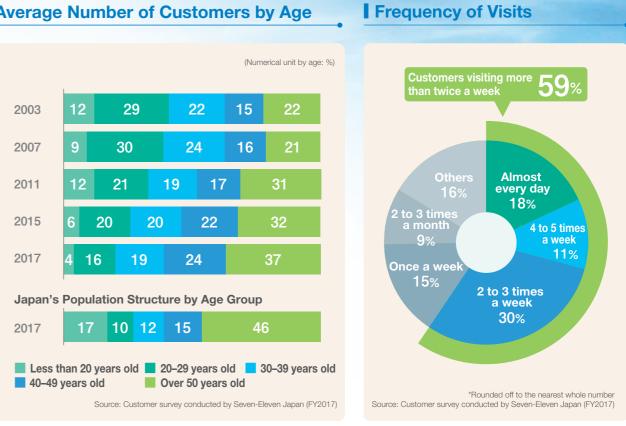
Customers can pay gas, electricity and other utility bills, and pay for online shopping purchases at 7-Eleven stores nationwide. Use of these services is increasing year by year.



and amount of funds transferred No. of transactions (Unit: 10,000) Total amount handled (Unit: 100 million yen)



Average Number of Customers by Age



Comparison with Other Chain Stores







Bringing "Close and Convenient" to Future Communities as Well. We Are Continuing to Expand the Potential of Retail **Services and Create New Value and Experiences.**

7-Eleven is a "lifeline infrastructure" supporting people's daily life.

We always want to be a company that continues to change for the benefit of enriching local communities.

We embrace the unlimited freedom of ideas that go beyond existing frameworks to include systems and innovations implemented with franchisees to efficiently maintain stores, our commitment to upholding consistent product quality, and efforts that offer new convenience and reassurance to communities.

We will continue tackling all kinds of challenges to create a more enriching future.



Systems and initiatives that support store creation **O1 Management Systems**

The Franchise System · · · · · · 1 C
Operation Field Counselors · · · · · · 1 1
Support for Order Placement Operations 12
Support for Store Associates · · · · · · · · · · · · · · · · · · ·

Systems and initiatives that support store creation **O2 Delivering High-quality Products**

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Systems and initiatives that support store creation **O3** Strengthening Cooperation with Local Communities and Society

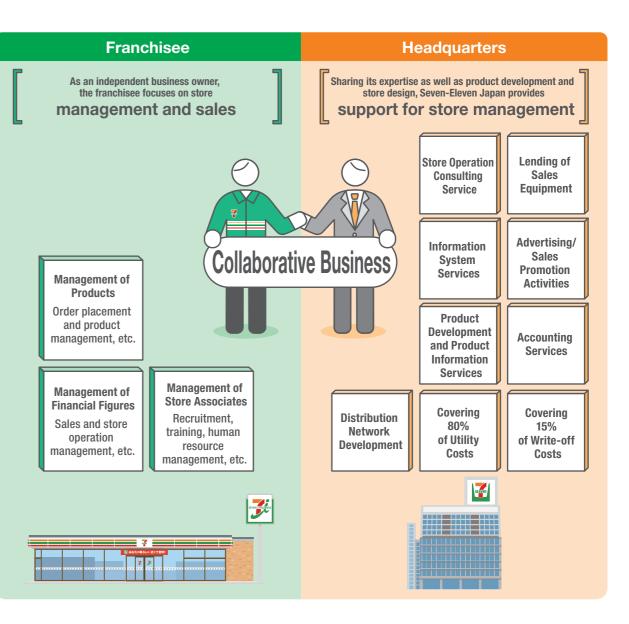
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Seven-Eleven Japan's franchise business is a collaborative business featuring an equal partnership and clear division of roles between Seven-Eleven Japan and its franchisees. We share the profits and risk with equal standing.



Structures and Systems for Store Operations

pre-defined percentage.

- Gross Profit Splitting Method The Gross Profit Splitting Method is where store gross profit (net sales minus net cost of goods sold*1) is split between Seven-Eleven Japan and the franchisee according to a **Gross Profit** Splitting **Open Account System** Method An Open Account System is a settlement and financing system between the headquarters and the franchisee which is designed to allow franchisees to start their businesses, even with minimal funds, and operate stably. Guaranteed Open Minimum **Guaranteed Minimum Gross Income System** Account Gross Income System A system to guarantee franchisee a certain amount of franchisee's gross income*2. System *1 Cost of goods sold is equal to the amount calculated by subtracting the costs of inventory loss,
- write-off cost and rebates from the gross cost of goods sold. *2 Franchisee's gross income is equal to the amount of the remaining balance after deducting Seven-Eleven Charges from gross profit on sales.

Systems and initiatives that support store creation 0 1

Management **Systems**

We have systems and a network built up over many years that allows us to offer reassuring guidance on store management even for first-time franchisees. Our original franchise system supports creation of stores that earn the enduring affection of the community. We offer franchisees full-scale support for creating "Close and Convenient" 7-Eleven stores.

Operation Field Counselors

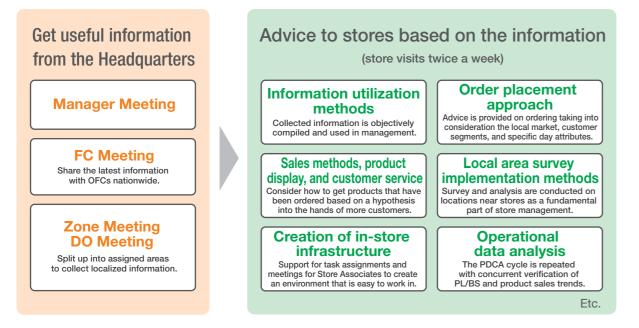
What are Operation Field Counselors?

Operation Field Counselors (OFCs) regularly visit stores and provide beneficial information and advice to franchisees to create "good-selling stores." Franchisees who are unsure about any aspect of store operations can feel free to ask their OFC about it. OFCs work to meet the needs of customers and the local market, and offer targeted advice in areas such as product selection and display to create stores with good sales. Seven-Eleven Japan has approximately 2,960 OFCs active nationwide. *As of February 28, 2019



Supporting Store Operations through Close Communication

OFCs attend the FC Meetings which are held once every two weeks, where they are kept up-to-date on the latest product and sales promotion information, etc. Each OFC liaises with the District Manager (DM) who has overall responsibility for that particular area, sharing information related to the area, and visits each store twice a week.



Four Fundamentals for Creating Stores That Customers Love

At Seven-Eleven Japan, the four fundamentals are defined as Product Assortment, Freshness Management, Cleanliness, and Friendly Service.

We aim for stores to meet customer expectations by maintaining the freshness of products, having the products that customers want when they want them, always keeping stores spotlessly clean, and providing considerate customer service



Product Assortment Our product range is carefully tailored to meet the specific needs of customers in each region.



Freshness Management Customers can be sure of the freshness of the products that we sell



Cleanliness We ensure that our stores are kept spotlessly clean, and that store staff maintain a neat. clean appearance.



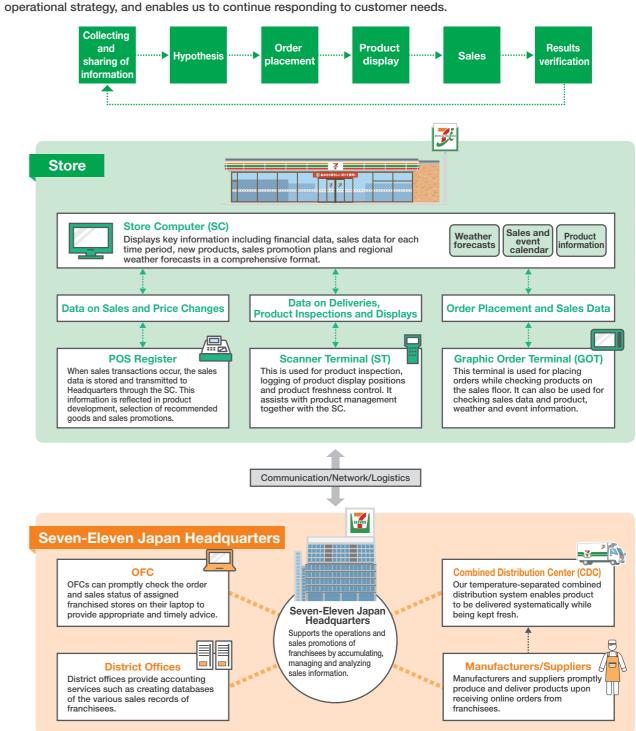
Friendly Service We strive to provide friendly customer service with a customer-focused approach



With customer needs constantly changing, the life cycle of products has grown shorter, and the number of products that continue to be sold reliably is increasingly limited. Seven-Eleven Japan therefore supports ordering tasks by employing the original Tanpin Kanri (Item-by-Item Management) system to monitor individual product trends and enhance the precision of subsequent orders while verifying relevant data.

Tanpin Kanri Flowchart and Backup Environment System

An ongoing cycle of hypotheses, order placement and verification ensures solid product management, a key to



Support for Workers at 7-Eleven Stores

As part of efforts to address current employment conditions, we are improving the efficiency of creating sales floors by developing and installing new equipment and expanding various systems to create conditions that make stores easy to work in.



Examples of Equipment to Support Efficient Store Operations

We are developing equipment designed to reduce stores' environmental footprint, make stores easier to work in, and create a pleasant in-store environment.

Time-Saving Product Display



Sliding ambient-temperature store shelves



Making all open chiller case shelves sliding types

Easy Operation and Maintenance



Using easy clean filters for ice cream cases



Installing dishwashers to cut washing time for cooking utensils in half



Fast customer service with easy-to-grab shopping bags



Reducing the cleaning workload with IH fryers



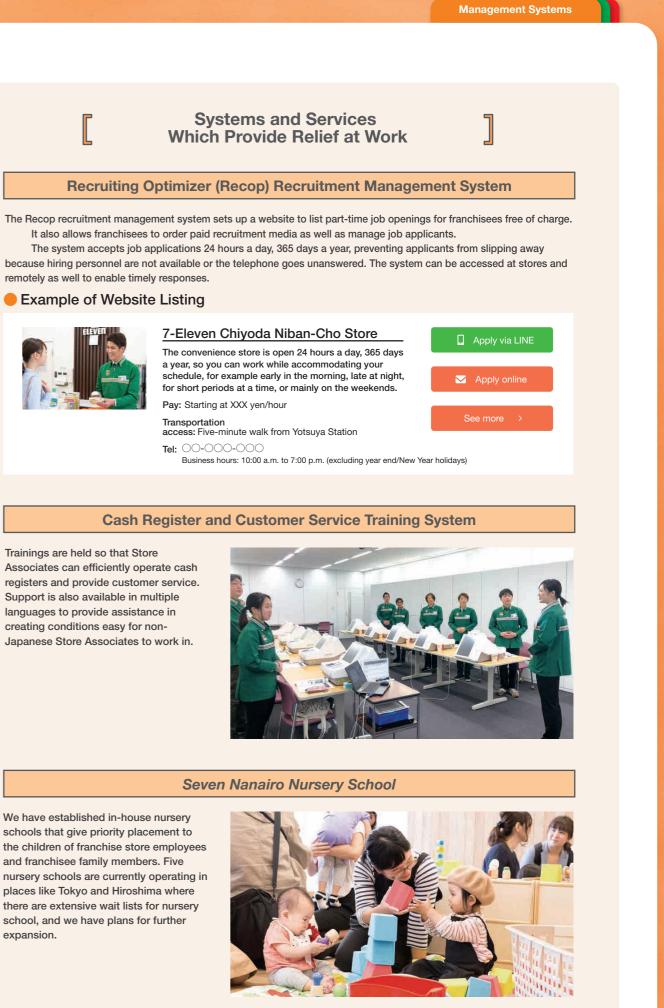
It also allows franchisees to order paid recruitment media as well as manage job applicants. remotely as well to enable timely responses.

Example of Website Listing

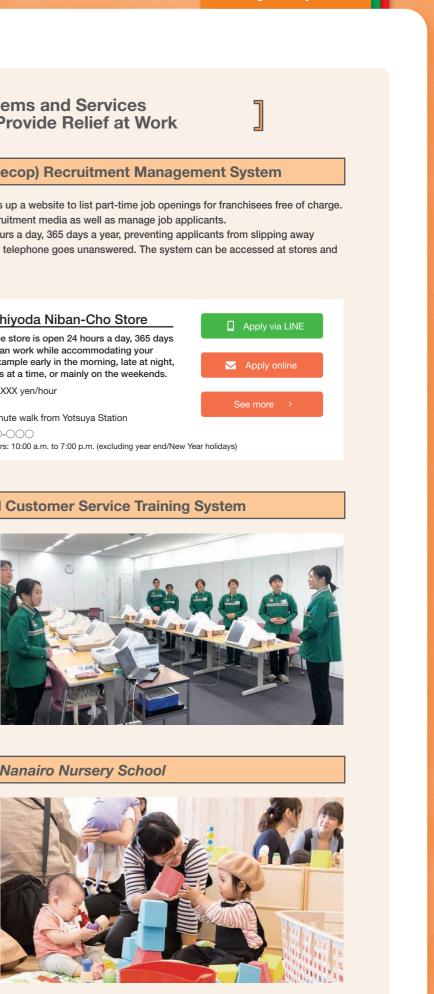


Tel: 00-000-000

Trainings are held so that Store Associates can efficiently operate cash registers and provide customer service. Support is also available in multiple languages to provide assistance in creating conditions easy for non-Japanese Store Associates to work in.



We have established in-house nursery schools that give priority placement to the children of franchise store employees and franchisee family members. Five nursery schools are currently operating in places like Tokyo and Hiroshima where there are extensive wait lists for nursery school, and we have plans for further expansion.





The Team Merchandising system involves developing products together with manufacturers and vendors from a broad range of fields.

Based on in-store information and market data, we focus on quality, safety and flavor to ensure we develop products that franchisees can be confident in selling to their customers.





Maintaining high quality through a system of close cooperation with the Nihon Delica Foods Association

The Nihon Delica Foods Association has approximately 65 participating member companies including manufacturers of rice products, sandwiches, entrees, noodles and pickles. Created to provide delicious tasting products 24 hours a day at 7-Eleven stores, it implements cooperative initiatives in areas such as product development, quality control, joint procurement and environmental countermeasures.

Systems and initiatives that support store creation 02

Delivering **High-quality Products**

To keep meeting the needs of customers and the times, we continually improve our original products with a commitment to quality in each area of ingredients, production methods, safety and flavor. Our products embody our mission of delivering everyday convenience and fulfillment.

Original Product Development

The Reason Why We Can Recommend Products with Confidence

Expanded Selection of Original Products

We offer a wide selection of high-quality original products to make sure we continue to meet changing customer needs.



Seven Premium

Seven Premium is an evolving brand that carefully tailors products to specific customer needs with the concept of better flavor at more affordable prices.



Fresh Foods

Seven-Eleven Japan's original fresh foods are created with the goal of focusing on flavor and quality to deliver the taste of freshly made home cooking.

Product Assortment to Meet Needs

A diverse and well-balanced mix of products allows customers to choose products based on their required uses and purposes. These products are the source of more than 4,800 billion yen in annual sales across the entire chain, as we constantly replace our strong, focused assortment based on a precise understanding of customer needs.

Officially recommended products (excluding cigarettes and magazines) Approx. 4,800 items Weekly new products Approx. 100 items Products in stores Approx. 2,900 items Product replacement during the year Approx. 70%





"7-Eleven's Hand in Consumer's Health" Measures to Ensure Safety, Security and Health

Responding to the growing demand from consumers who feel that "I want to consume foods that embody health-consciousness," in order to strengthen our appeal to customers, we began attaching the "7-Eleven's Hand in Consumer's Health" mark to those products made using food ingredients that contain the equivalent of the amount of dietary fiber found in one head of lettuce, or at least half of the recommended daily vegetable intake.*

categories, including onigiri and entrees, to nine.

*The "Health Japan 21 (the second term)" National Health Promotion Movement specifies a recommended daily vegetable intake that averages at least 350g of vegetables per day.



Product Display Equipment Designed for Ease of Viewing and Buying Products

Once you have quality products, you then have to display them well. Seven-Eleven Japan has various types of showcases that are designed to display products in different categories, supporting creation of sales floors that attract customers.







Store interior



(Results as the end of Feb. 2019)

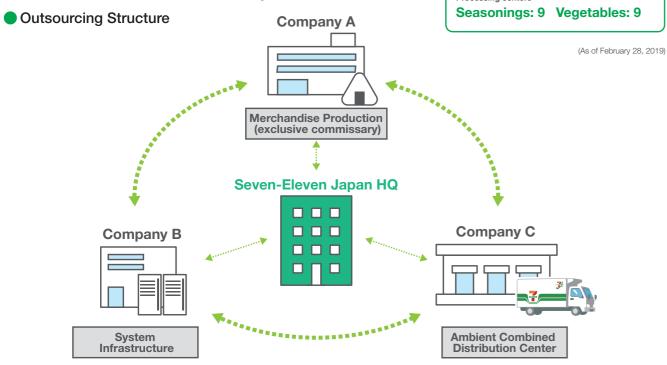




Frozen foods case

Reliable Manufacturing with Upgraded Manufacturing Bases and Equipment

In order to deliver original products that are delicious and fresh, and which embody safety and security, we collaborate with firms that possess first-rate technology. Together with our independent suppliers, we offer products with a high degree of reliability ensured at every step, from our commissaries and distribution centers to our system infrastructure.



Infrastructure That Supports **Product Development**

(Exclusive commissary: 166 nationwide

Temperature-controlled combined distribution centers

Commissaries

178 nationwide

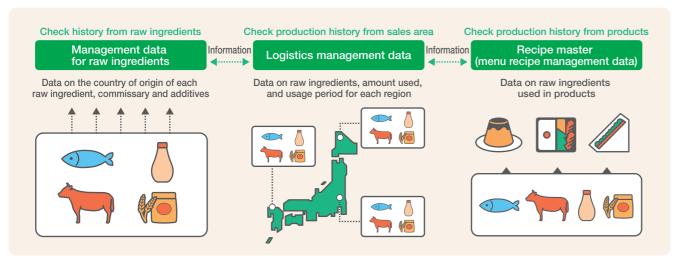
159 nationwide

Processing centers

Strict Control of Production History from Raw Ingredients to Products

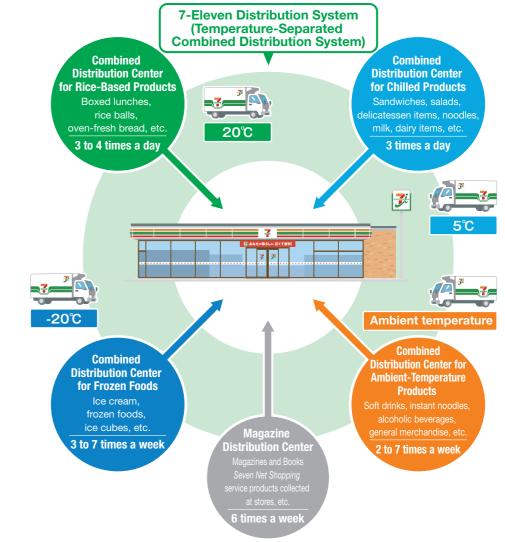
All raw ingredients used in our original products are strictly controlled in a production history database. The system provides us the ability to track which products contain the ingredients and where the ingredients are used. We are also able to check whether products contain allergens or additives.

Control System for Raw Ingredient Production History



Separate Deliveries of Products for Different Temperature Zones

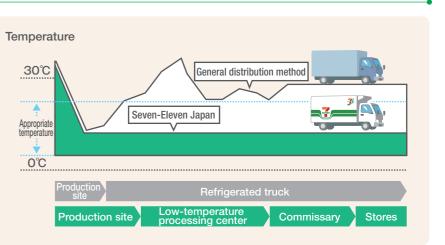
To maintain the freshness and quality of each individual product, Seven-Eleven Japan has set up combined distribution centers in individual areas for each product category and temperature zone. In addition to maintaining product freshness based on an efficient delivery schedule, this also streamlines the number of deliveries that need to be made and contributes to reducing CO₂ emissions.

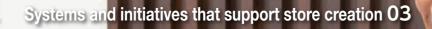


Leaf Vegetables Delivered in Specialized Cold Chain Network

In the case of leaf vegetables used in salads, sandwiches, etc., Seven-Eleven Japan uses the Cold Chain low-temperature distribution network model to keep vegetables fresh during transportation and processing. Harvested vegetables are loaded

onto trucks, and delivered to stores via sorting centers and commissaries all while under optimal temperature control.





Strengthening **Cooperation with Local Communities** and Society

4

We are deepening our ties to local communities and the wider society through services and initiatives that deliver convenience in daily life.



With a drop in the number of retail stores and an aging population, Japan's consumption environment is undergoing major changes.

7-Eleven provides delivery services that aim to provide a modern equivalent of the traditional order-taking activity, mainly focused on meal delivery.

Seven Meal



We are pursuing delicious flavor that never gets boring and developing safe and secure food products. Customers can have meals delivered to their home, or stop off at a 7-Eleven store to pick them up.

Seven Easy Delivery



Using our Seven Easy Delivery service, customers can purchase products instore or order via telephone and have their purchases delivered to their homes or other specified location via our eco-friendly, COMS electric mini-vehicles, which curb CO2 emissions, or via electric power-assisted bicycles.

Seven Safe Delivery



stores. The specialized small trucks are divided into four temperature zones to accommodate different foods and beverages, from ambient temperature to frozen, and are equipped to carry more than 150 items, including everyday sundries.

Creating a Safe Society through

Cooperation with Local Government

Seven-Eleven Japan works with communities to promote efforts toward local production and local consumption, promoting tourism, preserving the environment, and assisting with child-rearing and supporting the elderly. To do this, we work in cooperation with local governments in many areas to enter into Comprehensive Regional Vitalization Partnership Agreements as well as special agreements for monitoring senior citizens. We will continue to cooperate with efforts to revitalize and create safe, secure local communities.

Seven-Eleven Japan offers the Seven Meal service, which provides nutritionally-balanced meals for senior citizens who have difficulty preparing their own meals as well as for busy households raising children and for those who want to be sure that the food they eat is healthy.

This mobile store service uses special sales vehicles that are stocked with onigiri, meal boxes, bread, drinks and other products to serve smaller neighborhoods that have fewer retail

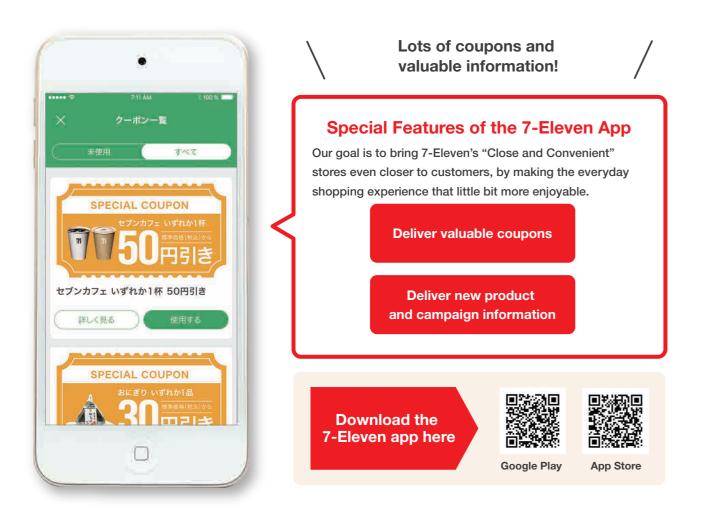


Ceremony marking the signing of a comprehensive partnership agreement with Kirishima City

Digital Services That Maintain Close Contact with Individual Customers

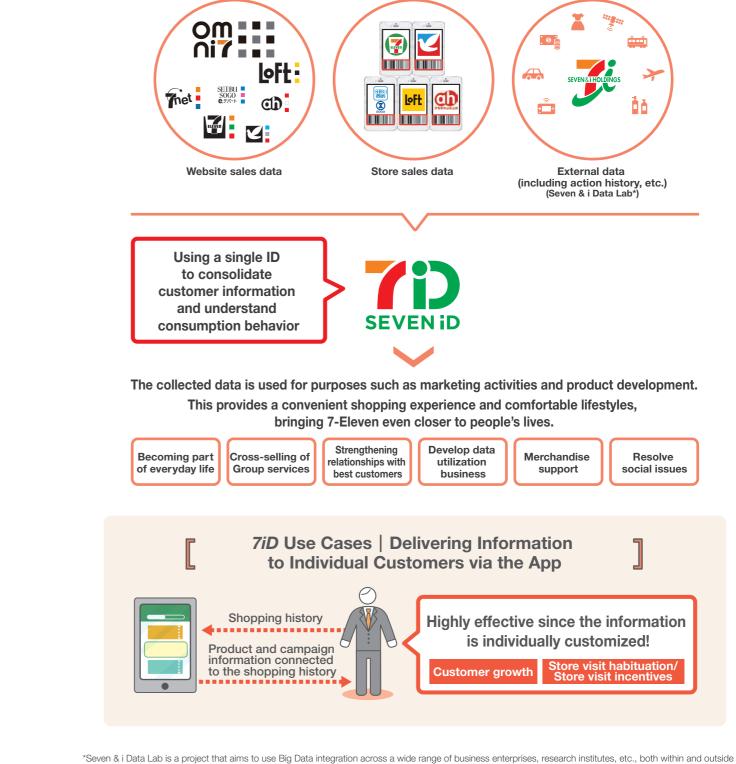
7-Eleven App

The 7-Eleven app provides detailed communications to individual customers, delivering valuable coupons and information on products and campaigns. Data shows that customers who install the app visit 7-Eleven stores more frequently and spend more during each visit.



7iD

7iD is a system that, by integrating customer data held by the individual companies that make up the Seven & i Group, makes it possible to develop a clear picture of consumption behavior. This allows us to develop products that meet needs and to deliver timely and targeted communication with an unprecedented degree of precision.



7-Eleven App Ranked No. 1 in Japanese Lifestyle App Download Rankings

In the App Annie Top Publisher Awards 2018 organized by App Annie*, the 7-Eleven app was ranked No. 1 in the 2018 Japanese lifestyle app download rankings.

This is a recognition of our contributions to the growth of the app market throughout the year.

*Leading global information platform providing market data and actionable insights for the mobile business.

the Seven & i Group, to use data analysis and related activities as a means of creating new business opportunities and helping to solve society's problems. The Seven & i Data Lab project was launched in June 2018, with more than 10 enterprises from different industries participating.

Services That Make Life More Convenient

Seven Bank ATM

Seven Bank ATMs are available, in principle, 24 hours a day, 365 days a year. When using a card issued overseas, the ATM user can choose to have the ATM screen menu display in one of 12 different languages.

With approximately 25,000 ATMs installed nationwide accepting cards from more than 600 affiliated financial institutions, Seven Bank ATMs can be used anytime, anywhere, safely by anyone.

Seven Bank ATMs Are Getting Even More Convenient to Use

Now users can specify the amount to charge on their nanaco card and receive change if they insert more bills than the specified amount.

We have launched a cash receipt service that does not require an account. Individuals can receive fund remittances from business enterprises without requiring a bank account.



Multi-function Copiers

The multi-function copiers in 7-Eleven stores can be used for a wide range of different purposes, including making copies and sending faxes, printing out photos from smartphones or digital cameras, functioning as a mobile printer when you are away from the office, ordering tickets for concerts or travel, issuing administrative documents such as copies of residence certificates and seal registration certificates, etc. Our multi-function copiers are evolving to become even more convenient and easy to use.

Ticket Issuance

Tickets can be purchased for sporting events, the theater, concerts and other events handled by Seven Ticket or PIA

Insurance Services

Our multi-function copiers can also be used to complete the procedures for purchasing car insurance that is available by the day (for leisure activities), mandatory vehicle liability insurance for motorcycles, bicycle insurance (a type of insurance that has started to attract a great deal of interest in recent years), etc.

Copying, Scanning and Printing

In addition to standard photocopies, copiers are also equipped with scanning and printing functions. Photos and documents can be printed from various types of media and from smartphones.

Online Printing

Our printing service makes it possible to print pre-registered documents and images-useful for printing documents when on business trips or outside the office



Administrative Services^{*}

You can obtain copies of residence certificates, seal registration certificates, family register certificates, copies of relocation history, and various tax statements, even on weekends and holidays. *These require a "My Number" card or a Basic Resident Registration card.

Available services may vary depending on local government regulations.

Payment can be made using nanaco electronic money

Bicycle Sharing

This service was launched in December 2016.

Bicycles that can be used for daily commuting, business or tourism needs are conveniently located in 7-Eleven store parking lots. The bicycles can be returned to various other locations in addition to 7-Eleven stores. Foreign visitors to Japan can also use the bicycles. <As of May 31, 2019: Approximately 620 Stores>



Safety Station Activities

Seven-Eleven Japan is implementing Safety Station activities, in which 7-Eleven stores provide a safe and secure space for women or children to escape from harassment, to safeguard senior citizens, to help prevent theft, shoplifting and fraud, for use in a natural disaster or other emergency situation, for providing first aid for medical emergencies, etc. Seven-Eleven Japan also strives to create a healthy environment for young people, for example by not selling alcohol or tobacco products to people under the age of 20.

Special public emergency telephones that anyone can use are installed in 7-Eleven stores located within Tokyo's 23 wards for use in the event of a natural disaster. In addition, our wireless LAN service, 7SPOT, is open to the public to enable people to register and check information concerning the safety of loved ones in our stores.

neighborhood.

- Crime and Disaster Countermeasures disaster, accident or emergency illness
 - contact.

Safety Measures

- Strengthening of Efforts toward the Healthy Upbringing of Youths
- Thorough implementation of the prohibition on the sale of alcohol and tobacco products to people under the age of 20. Cooperating to decrease juvenile delinquency by preventing disruptive behavior in neighborhoods with 7-Eleven stores.





Express Delivery Lockers



This service was launched in April 2017.

Seven-Eleven Japan has been installing express delivery lockers in its stores where customers can collect express delivery packages delivered by Yamato Transport Co., Ltd. Customers can pick up a package from a locker in the location that they have designated at any time, 24 hours a day. <As of May 31, 2019: Approximately 230 Stores>







- Strengthening of the voluntary crime prevention structure to address robberies and shoplifting. Reporting to the police/fire department (110/119) in the event of a
- Serving as an emergency evacuation center for women and children. Providing assistance for the elderly and challenged and establishing
- Transmitting/providing safety information for people in the



Storefront Safety Station poster



Warnings and notices on POS registers

The Seven & i Group and the SDGs

What kind of society are we aiming to create, and what do we need to do to achieve this? The Sustainable Development Goals (SDGs) represent a guide that can help us to answer these guestions. The SDGs are a set of international sustainable development objectives to be met by the year 2030, which aim to realize a global society in which "no one is left behind." All 193 United Nations (UN) member states, including Japan, have committed themselves to the realization of the SDGs. We are mobilizing the capabilities of our Group companies and engaging in dialog with all of our stakeholders to implement initiatives that respond to these demands and expectations from the society.

Five Material Issues That the Seven & i Group Is Focusing on

Providing Social Infrastructure in an Era of Aging Society and Declining Population



Providing Safety and Security through Our Products and Stores

Realizing Waste-free Utilization of Products, Ingredients and Energy



13 clinate Action

Supporting Active Roles for Women, Young People and Seniors, across the Group and in Society



Building an Ethical Society and Improving Resource Sustainability Together with Customers and Business Partners



SUSTAINABLE DEVELOPMENT **17 GOALS TO TRANSFORM OUR WORLD**



Providing shopping support and services so that diverse customers can have more convenience in daily life

·Key initiatives: Delivery services/Utilities payments/Seven Bank ATMs/Etc.

 Strengthening preparations encompassing lifeline infrastructure to support safety and security for local communities during a disaster

·Key initiatives: Providing health-conscious foods/Safety Station activities/ Support for regional revitalization/Etc.

- Store operations and product deliveries contributing to energy and resource conservation and reduced CO₂ emissions
- Effective use of resources in cooperation with local communities

Key initiatives: Adoption of energy-saving equipment/Reverse vending machines/ Food product recycling/Etc.

- Expanding employment for senior citizens
- Providing places for the next generation to gain life experience

Key initiatives: Seven Nanairo Nursery School/Informational sessions about work for senior citizens/Etc.

Environmentally friendly product development and afforestation project

·Key initiatives: Using forest thinnings/In-store charity activities for disaster relief/"Seven Forest" forest conservation project/Etc.



















The Seven & i Group's Environmental Initiative



The Seven & i Group's GREEN CHALLENGE 2050 environmental initiative sets targets to be achieved by 2030 and by 2050.

In order to be able to hand down a rich global environment to future generations, Seven & i Group as a whole will be making a concerted effort to reduce the environmental burden created by its activities.

Reduction of CO₂ emissions

We are striving to realize further reductions in CO₂ emissions through the effective utilization of energy-saving measures and renewable energy, including the adoption of LED lighting, solar panels, and storage batteries.

Measures directed

The pollution of the oceans by

problem. We are working hard to

items. such as plastic shopping

which are used once and then

bags and plastic containers,

disposed of

3

reduce the consumption of plastic

plastic waste is a serious

against plastic waste



• Emissions associated with the operation of the Group's stores (compared to FY2013) Target for 2030 2050 Visio

30[%] reduction

We aim to reduce emissions across our entire supply chain not just our own emissions

Plastic shopping bag usage



Food loss prevention and food recycling measures

There is growing concern about food loss, which involves food that is still edible being thrown away. We are working to further promote food waste reduction and recycling



Reduction in amount of food waste generated Amount of food waste generated per unit of sales (food waste generation per sales)



• Switching to food product raw ingredients that help to ensure sustainability 50%

Reduction of CO₂ emissions (energy-saving measures, adoption of renewable energy, etc.)

We are promoting the development of sustainable energy stores that are user-friendly and environmentally-friendly, for example through the installation of LED lighting and solar panels. We are also promoting the utilization of environmentally friendly trucks, etc.



In addition to our existing electric delivery vehicles, we are also deploying delivery trucks that are powered by fuel cell technology, which reduces environmentally-harmful emissions by using hydrogen as the fuel source.

Measures directed against plastic waste (shopping bags, plastic containers and packaging)

We are promoting the adoption of paper shopping bags on a trial basis, examining the potential for making shopping bags from other environmentally-friendly materials, and promoting recycling activities utilizing reverse vending machines.



Installation of reverse vending machines at 7-Eleven stores.

Number of PET Bottles Collected \geq The equivalent of approx. 300 million bottles

Seven-Eleven Japan, Ito-Yokado, York-Benimaru and York Mart have installed a combined total of 759 reverse vending machines (as of the end of February 2019)

The Seven-Eleven Foundation

Based on funds raised by customers as well as funds donated by Seven-Eleven Japan, the Seven-Eleven Foundation works to support environmental civic activities and engages in activities to conserve the natural environment. In addition to supporting environmental civic groups, the Foundation itself participates in such activities by soliciting volunteers from among Seven-Eleven Japan employees and franchisees.

Sponsorship for Citizen Environmental Activities

The money donated to in-store collection boxes in 7-Eleven stores throughout Japan is used to provide funding support for Citizen Environmental Activities; through this system, customers who make donations using the boxes are helping to support environmental activities undertaken by ordinary citizens in local communities. Between FY2001 and FY2018, a total of 2,117,870,000 yen in funding support was provided for 3,520 projects.

"Mountain Forest Regeneration and Marine Forest Regeneration" Forest Conservation Activity

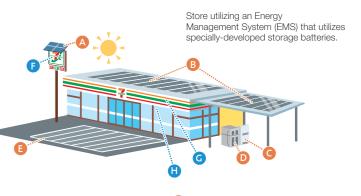
The Seven Forest Project aims to create healthy forests. This is a cyclical forest conservation project covering every stage from tree planting through to weeding and thinning out, with the thinning materials being used to make in-store collection boxes located inside 7-Eleven stores. Adopting a dual-faceted approach towards fostering CO2 emission reduction and the regeneration of rich natural environments by seeking to create both "Mountain Forests" and "Marine Forests," the scope of the Seven Forest Project has been expanded to include planting trees at lake-sides, etc



Sustainable procurement We are increasing the use of food secure and convenient products which are also environmentally friendly.



hening Cooperation with



A Sign-poles with attached solar panels B Solar panels installed on car-ports and roofs E Solar road panels C Large-capacity lithium ion battery system

Using recycled batteries to store electric power

*Being implemented at some stores on a trial basis.

Adoption Status of LED Lighting

Sign-poles: 17,414 stores H In-store lighting: 19,090 stores G Store signage: 19,094 stores



We are working to reduce food loss at vegetable plants, and we donate food to food banks.



Seven-Eleven Japan's partner company

Prime Delica Co., Ltd. has opened the Sagamihara Vegetable Plant, which is the first fully-controlled vegetable plant in Japan producing exclusively for 7-Eleven stores





6

We are promoting the sale and development of products that hold environmental certification, such as Marine Stewardship Council (MSC) certification or Aquaculture Stewardship Council (ASC) certification.



Seven Premium Salted Cod Roe with Red Pepper, 110g, which has received Marine Stewardship Council (MSC) certification, awarded to natural marine products harvested from sustainable fisheries.



In-store collection box made from thinning materials from the Seven Forest Proiect









Store Opening Formats

Seven-Eleven Japan has a diversity of store opening formats and opens stores in optimum locations according to local needs. We aim to build communities that are convenient and easy to live in by offering product selections and services tailored to local needs and the needs of the facility where the store is located.





and Parking Areas (PAs)

Alongside gas stations

At government offices

Store Opening Format for Micro-markets

On college campuses

7-Eleven Vending Machines Selling Food Products

Customers can purchase the same food products that they can buy in 7-Eleven stores. including onigiri, sandwiches, etc., from the vending machines. The vending machines are being installed in office buildings, factories, and schools.



Labor-saving Store Format (Demonstration Test)

We are currently conducting a demonstration test of a labor-saving store format that uses AI and IoT technology from NEC Corporation. The store contains convenient features for customers, such as the use of facial recognition for payments, as well as an upgraded system that uses an AI engine to suggest orders as a way to support franchisees.



From Franchise Agreement to Store Opening

Type A Franchisee provides the property and building for the store Visiting a potential franchisee A Recruit Field Counselor (RFC) briefs a potential franchisee and provides documents summarizing key points and general information about the franchise agreement. Location/Trade area/Market research We implement in-depth research regarding location and Briefing/Research/Rev trade area to determine whether a potential franchisee can open a store as our franchisee, and analyze and review the outcome from multiple perspectives. 3 Overview of our system We provide a detailed explanation of our unique store management methods and overall operations until a potential franchisee is satisfied. view 4 Internal review We obtain cash planning and financial data documents from a potential franchisee, and review the details 5 Briefing on the contractual details of the franchise agreement We offer an item-by-item explanation of the agreement, including the division of roles between the candidate franchisee and Seven-Eleven Japan. Decision-making 6 Deliberation and decision-making by a candidate franchisee A potential franchisee carefully examines the details and decides whether to enter into the franchise agreement with us. Signing of agreement Signing the franchise agreement After carefully reviewing and checking the details of the agreement, Seven-Eleven Japan and a candidate franchisee enter into a franchise agreement, upon which the franchisee pays a deposit. the Bu Store layout and design ilding store The construction and design department of Seven-Eleven Japan implements the design, and a candidate franchisee confirms and then signs the construction agreement. **Common Processes**

Training for candidate franchisees School training In-store experience

Lecture-type training using Candidate franchisees experience

textbooks and videos. Participants learn how to operate actual store equipment

A candidate franchisee communicates with store staff and store operations and customer service at one of the regional companyshares information. He or she also operated 7-Eleven stores. Our trainers are visits the neighbors to greet them and providing the appropriate instructions. inform them of the store opening.





31 Corporate Profile 2019-2020





Ceremony

Turn-kev

This is a ceremony that will be conducted the day before the store opening. A franchisee is presented with the key to the store along with a training completion certificate.



Congratulations! Your store has opened!

Store opening

A franchisee is now fully prepared to welcome their first customers. After opening, our OFC offers a wide range of support to a franchise



Terms & Conditions of Franchise Agreement

Type of Agreement	Туре А	Туре С			
Management Formation	Independent business owner	Independent business owner			
Agreement Term	15 years 15 years Ne Land and Buildings Owned or leased by a franchisee Owned or leased by Seven-Eleven				
Ownership or Lease of the Land and Buildings					
Utilities Paid by	Seven-Eleven Japan: 80% Franchisee: 20%	Seven-Eleven Japan: 80% Franchisee: 20%			
Deposit on Signing the Agreement O Training fee Store opening preparation charge Store opening investment	3,000,000 yen*1 3,000,000 yen*1 3,000,000 yen*1 3 1,500,000 yen	1 500,000 yen*1 2,500,000 yen*1 3 1,500,000 yen*1 We can introduce a financial institution if required for planning financing.			
Seven-Eleven Charge	An amount equal to the gross profit on sales ^{*2} multiplied by 45% [43% for 24-hour operation stores] Incentives granted for stores that have operated for five years or longer (Seven-Eleven Charge is reduced based on certain conditions) After September 2017, a special reduction of 1% of the gross profit on sales	An amount equal to the gross profit on sales ^{*2} multiplied by a sliding charge rate [For 24-hour stores, the gross profit on sales is reduced by 2%] Incentives granted for stores that have operated for five years or longer (Seven-Eleven Charge is reduced based on certain conditions) After September 2017, a special reduction of 1% of the gross profit on sales			
Guaranteed Minimum Gross Income System	Franchisee's Gross Income ^{*3} For stores open 24 hours, 22 million yen per year [19 million yen per year for stores not open 24 hours]	Franchisee's Gross Income ^{*3} For stores open 24 hours, 20 million yen per year [17 million yen per year for stores not open 24 hours]			

*1 Listed amounts do not include tax. *2 This is the profit obtained by deducting the cost of goods sold from the amount of sales.

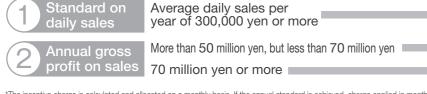
*3 This amount equals the gross profit on sales after deducting the Seven-Eleven Charge.

Note: Further information on the agreement are explained in the Key Points Overview of the Franchise Agreement and in the Agreement.

Breakdown of Deposit on Signing the Agreement

	Training fee	2 Store opening preparation charge	Store opening investment			
Туре А	500,000yen (consumption tax applied separately)	1,000,000 yen (consumption tax applied separately)	1,500,000 yen (consumption tax not applied)			
Type C	500,000yen (consumption tax applied separately)	500,000yen (consumption tax applied separately)	1,500,000 yen (consumption tax not applied)			
Incer	Candidate franchisee expenses for classroom tuition and hands-on training in the training program (including meal expenses and accommodation fees).	This charge covers preparatory expenses required for opening implemented by Seven-Eleven Japan to prepare the store for a smooth opening by a franchisee. These preparations range from store planning prior to the agreement to product display.	The above is the minimum amount to be prepared by a franchisee as the franchisee's capital to cover part of the cost of products stocked at the time of opening, cash for change, costs for store fixtures, equipment and consumables, and 500,000 yen in franchise guarantee deposits. (A franchisee makes payment of the above amount to Seven-Eleven Japan, and costs beyond the above are procured by Seven-Eleven Japan and financed a franchisee.)			

The Seven-Eleven Charge is reduced according to the set criteria on a monthly basis after the number of days have accumulated up to five full years of operation, beginning from the day the store first opened. The incentive charge is applicable from the day after the month that completes five full years.



The charge is reduced by 1% of the gross profit on sales The charge is reduced by 1% of the gross profit on sales The charge is reduced by 2% of the gross profit on sales

*The incentive charge is calculated and allocated on a monthly basis. If the annual standard is achieved, charge applied in months when the standard was not achieved is adjusted (reduced) and refunded in the 13th month. If the annual standard is not achieved, charges are applied irrespective on applicable months, but charges are not added on the 13th month. *Incentives for stores under consigned management become applicable after five full years have passed from the date the store became a Type C store and fulfilled the necessary criteria, because the period of consignment is not included in the number of days of operation.

Content of the Franchise Agreement

Marketing Activities	Mass media advertis
Accounting/Bookkeeping Services	Seven-Eleven Japan operation information
Guaranteed Minimum Gross Income System System to Guarantee Income of Franchisees (Gross Profit on Sales Minus Seven-Eleven Charge)	 A system to guarantee Applicable to stores tha For Type A agreement For Type C agreement *Franchisees' profits are the annual structure
Others	 Seven-Eleven Japan Seven-Eleven Japan Seven-Eleven Japan Seven-Eleven Japan

Support System for Store Staff Members

Franchisees' Mutual Aid System	 Compensation paid in accident and sickness for medical care and re Compensation paid if
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Incentives for Franchisees

Incentive System	When a franchisee w opens one or more n five years is applied t
for Multistore Operations	When a franchisee of of the gross profit on second and subsequence
System Supporting the Independence of Employees	 In the case where an enthe past seven years (into make use of the system store or takes over the reference has been achies For individuals with more that advantage of this supper experience has been achies For individuals with more the when the store is opened. *However, there are also other the new store within one year of the new store with

Loan Banking Partners

City Banks	SMBC, Resona, Saitama
Regional Banks	 Hokkaido region: Ho Tohoku region: Iwate Kanto, Koshinetsu a Chiba Kogyo, Keiyo, A HACHIJUNI, DAISHI, I Hokuriku region: Hol Kansai region: Bank Chugoku and Shikol Tottori, Awa, IYO Kyushu region: BANI BANK OF SAGA, The
Others	ICHII Shinkin, FUKUOKA

sement and related expenses for sales promotions

n makes payments for franchisees and provides store on materials.

ee franchisees a certain amount of franchisee's gross income.

at are open 24 hours a day

ent, 22 million yen per year

ent, 20 million yen per year

mount which is subtracting store operation expenses from gross income.

n covers 80% of utility costs.

n covers 15% of the cost of write-off (disposing of unsold items).

n partially covers non-life insurance premiums.

n implements quarterly inventory audits.

n the case of the franchisees' and their spouses' death, ss, post-retirement, and condolence money, sympathy money reserves for benefits packages for full-time employees.

if staff members are injured on duty or on the way to work.

who has operated a 7-Eleven store for over five years new stores, the incentive charge for stores open over to the new store from the beginning of its operation.

operates two or more 7-Eleven stores, a reduction of 3% n sales from the Seven-Eleven Charge is applied to the quent stores.

employee with at least three years of operating experience within ncluding the month in which the employee submits the application stem supporting the independence of employees) opens a new e running of an existing store as a franchisee or partner:

than three but less than five years of operating experience, he or she can opport system in the month following that in which a total of five years of work leved. This is applied both before and after opening the new store. than five years of work experience, he or she is entitled to utilize this system

er conditions, such as working more than 20 hours a week, and opening r of leaving the previous store where the individual worked as an employee.

na Resona, Mizuho, MUFG

okkaido, Hokuyo

e, Akita, Toho, 77 Bank, Yamagata, Shonai

and Tokai regions: Bank of Yokohama, CHIBA, Ashikaga, JOYO, Gunma, Musashino, Yamanashi Chuo, , HOKUETSU, SHIZUOKA, SURUGA, HYAKUGO, Juroku okkoku

k of Kyoto, SHIGA, NANTO, Kiyo, MINATO, Kinki Osaka **oku regions:** Chugoku, Hiroshima, MOMIJI, YAMAGUCHI,

NK OF FUKUOKA, NISHI-NIPPON CITY, KITAKYUSHU, e Eighteenth bank, SHINWA, Higo, OITA, MIYAZAKI

A-HIBIKI

(As of June 30, 2019)

I Our History Consists Constant Innovation and Challenging Ourselves to Create New Value and New Services

Why not join us in continuing this heritage of taking on challenges, which has characterized our company ever since we were first established?

973 N	lov. 📍	York Seven Co., Ltd. was established.	1990	Jun.	The number of stores exceeded 4,000.	2004	Jan.	• SEVEN-ELEVEN (BEIJING) CO., LTD., a joint company,	2012	Jan. • Total sales amount of all chain stores e
	- T	An area service and license agreement were		Sep. (The 4th Generation Integrated Store Information			was established.		3 trillion yen.
		concluded with The Southland Corporation of the U.S.A (currently 7-Eleven, Inc., and the			System was introduced.		•	The first 7-Eleven store in Beijing, China, was opened.		May • Seven Lifestyle brand was launched.
		same shall apply hereafter).	1991	Mar.	Acquired the shares of the Southland Corporation		-	Started operation of barrier-free stores.		Jul. • A delivery service using electric mini-ve Seven Easy Delivery, was launched.
974 N	/lav	The first 7-Eleven store			and participated in management.		NOV.	Optical fiber communications were introduced.		Oct. • SEJ Asset Management & Investment
		(Toyosu store, Koto-ku, Tokyo) was opened.		May 🌘	ISDN (integrated service digital network: NTT) was introduced.			The first multi-function copiers capable of printing photos taken by digital camera were installed.		was established.
			1993	Feb.	The number of stores exceeded 5,000.					
975 J	un. 🔶	Launched 24-hour operations		Oct.	Seven-Eleven Midori no Kikin (Green Foundation)	2005	Ech	 7-Eleven, Inc. became a subsidiary of Seven-Eleven Japa 	2013	Jan. 🖕 SEVEN CAFÉ was launched.
		(Toramaru store, Koriyama City, Fukushima).			was established.	2005		 Seven & i Holdings Co., Ltd. was established and listed or 		Feb. The number of stores exceeded 15,000
			1001				Sep.	the first section of the TSE.	1	Mar. • The number of stores worldwide excee
976 N	/lav	The number of stores exceeded 100.	1994		Large-scale ice cream cases were introduced.		Nov.	 7-Eleven, Inc. made a wholly owned subsidiary. 		50,000.
	ep. 🔸	Vendors integrated and combined distribution		Oct.	Open chiller showcases were introduced.					
		system launched.	1005		De mente elle titer en des fan es il endered e des	2006	Mov	 Full-scale introduction of the 6th Generation 	2014	Oct. SEVEN CAFÉ Donuts was launched.
978 I	an 💧	The company name was changed to	1995	Jun.	 Payment collection service for mail-ordered sales was introduced. 	2000	iviay	Integrated Store Information System.	2011	Dec. Tax exemption service was launched.
570 0		SEVEN-ELEVEN JAPAN CO., LTD.								
A	ug. 🔶	Order placement via Terminal Seven was launched.	1996	Mar	Weather information service was introduced.	2007	Mar.	• 7-Eleven achieved the world's largest number of chain		
			1990	iviai.	Weather mornation service was introduced.			stores as a retail business.	2015	· · · · · · · · · · · · · · · · · · ·
979 C		Seven-Eleven Japan was listed on the second					Apr.	• Proprietary electronic money service, nanaco, was introduced.		4 trillion yen.
		section of the Tokyo Stock Exchange.	1997	Nov	The 5th Generation Integrated Store Information		Aug.	 Seven Premium was introduced. 		Oct. The first 7-Eleven stores in the United A
			1997	NOV.	System using satellite communications was		Oct.	 In-store fried fast foods were launched. 		Emirates were opened.Full-scale introduction of the 7th Gener
980 N	lov. 🔸	The number of stores exceeded 1,000.			introduced.		Dec.	 Information media and retail business Nittele Seven Co., Ltd. was established. 		Integrated Store Information System.
			1998	Oct.	Magazine Subscription Reservation Service					Nov. Omni7 was launched.
001 4					was introduced.				2016	Feb. • First 7-Eleven store equipped with a hy
981 A	-	Seven-Eleven Japan was alternatively listed on the first section of the TSE.								station was opened.
		on the list sector of the roc.	1999	Mar.	Sales of supplement drinks were launched.	2008	Apr	 SEVEN-ELEVEN CHINA CO., LTD. was established. 		Jul. The number of stores worldwide excee
					E-shopping Books was launched.					60,000.
982 C	Oct. 🔶	Point of Sales (POS) system was launched.			Payment collection service for online shopping				2017	Mar. 7-Eleven's corporate colors were the fir
		Order placement via Electric Order Book			bills was launched.	2009		 Seven Culture Network Co., Ltd. was established. 		be registered in Japan as a trademark
		(EOB) was launched.						• 24-hour test-marketing of OTC drugs was launched.		solely on color.
984 F	eh	The number of stores exceeded 2,000.	2000	Feb.	E-commerce business 7-dream.com was		Dec	 Seven Net Shopping was launched. 		Jun. • 7-Eleven opened its first store in Vietna
	0.0.			A	established (the service was launched in July 2000). Seven-Meal Service Co., Ltd. meal delivery service			Business and capital tie-up with PIA Corporation was		Oct. • SEVEN-ELEVEN OKINAWA CO., LTD.
				Aug.	was established (service was launched in			started.		established.
					September 2000).	2010	Feb	Installation of multi-function copiers capable of handling		
985 N		Computers that provide graphic information were introduced.						administrative services such as issuance of copies of	2018	Jan. • The number of stores in Japan exceed
Δ		Bidirectional cash registers were introduced.	2001	Apr.	IY Bank Co., Ltd. (currently Seven Bank, Ltd.) was			residence and seal registration certificates was started (by some regional governments).		20,000.
~	ug.	Didirectional cash registers were introduced.			established through a joint capital investment with Ito-Yokado.		Mar	 Seven-Eleven Midori no Kikin was incorporated as a 		Oct. • Awarded PRIDE Gold certification, the
987 N	/lar. 🖕	Three-times-daily combined distribution system		May (Installation of IY Bank (currently Seven Bank, Ltd.) ATMs was		iviai	general incorporated foundation and was renamed		rating in the PRIDE Index.
		for rice products was introduced.			started.			Seven Eleven Foundation.		
A	Apr. 🔶	The number of stores exceeded 3,000.		Aug.	 Sale of original Fresh Food products made without preservatives and artificial coloring was started. 		Jun	 Credit card payment system was launched. 	2019	Jul. SEVEN-ELEVEN OKINAWA opened its
C	Oct. 🔶	Payment collection service for TEPCO electricity					Dec	• The number of stores worldwide exceeded 40,000.		stores within Okinawa Prefecture.
		bills was launched.						SEVEN-ELEVEN (CHENGDU) CO., LTD. was		
988 N	/lar. 🗕	Payment collection service for TOKYO GAS bills was launched.	2002	Mav (Installation of open showcases both for hot and cold			established.		
N		A temperature-control system that maintains a 20°C		,	foods was started.	2011	Mar	Trademark right to "7-Eleven" was acquired in Japan.		
14	10 v.	temperature for rice products was introduced		Nov.	A ticketing service using multi-function copiers was		May	Contents, logos and packaging of original products		
		(commissaries-delivery trucks-display cases).			started.			were completely renewed.		
989 N	lov. 🖕	Handling of prepaid cards was launched.						Shopping assistance mobile truck, Seven Safe		
		Hawaii operations purchased from The	2002	Aug	The number of stores exceeded 10,000			Delivery, was launched.		
		Southland Corporation.	2003	Aug.	The number of stores exceeded 10,000.			 Full-scale power-saving measures such as LED lighting were introduced for in-store lighting and 		

Corporate Profile

SEVEN-ELEVEN JAPAN CO., LTD. Name Representative Fumihiko Nagamatsu, President

Capital 17.2 billion yen

Date of Establishment November 20, 1973 Number of Employees 9,092 (Capital, number of employees as of February 28, 2019)

Executives

Representative			Auditors			
President	Fumihiko Nagamat	Fumihiko Nagamatsu		Takashi Ogura Yoshitake Taniguchi	Auditor	Teruo Douyama
Directors			Executive Officers			
Chairperson		Kazuki Furuya	Executive Officer Katsutane Aihara		Executive Officer Shingo Hamasaki	
Senior Director & Managing Executive Officer		Ryouji Sakai	Executive Officer Shinji Abe		Executive Officer Keisuke Aoyama	
Director & Managing Executive Officer		Keiko Fujimoto	Executive Officer Junko Sugiyama		Executive Officer Masatoshi Miyachi	
Director & Managing Executive Officer		Shizuma Noda	Executive Officer Seiichi Aoyama		Executive Officer Hirotaka Takahashi	
Director & Managing Executive Officer		Hisashi Ohashi	Executive Officer Shigeto Fujita		Executive O	fficer Junko Waseda
Director & Executive Officer		Yoshio Watanabe	Executive Officer Kazumi Ishimaru		Executive O	fficer Akira Masuda
Director		Ryuichi Isaka	Executive	Officer Takehiko Masuo	Executive O	fficer Seiichi Tamura
Director		Seiichiro Ishibashi	Executive	Officer Kenji Hisanabe	Executive O	fficer Shinji Uchida
Director		Shigeki Kimura	Executive	Officer Kazutake linuma		(As of May 2019)

Organization Chart

(as of June 24, 2019)

