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.
### Number of 7-Eleven Stores

**In 47 Prefectures throughout Japan**

- **21,005 stores**
  - Hokkaido 1,012
  - Nagano 470
  - Gifu 197
  - Shizuoka 744
  - Aichi 1,060
  - Mie 175
  - Fukuoka 1,012
  - Saga 192
  - Kagoshima 254
  - Miyazaki 15
  - Oita 178
  - Kyushu 34
  - Osaka 1,221
  - Chiba 1,130
  - Tokyo 2,755
  - Kanagawa 1,458
  - Yamaguchi 209
  - Akita 148
  - Iwate 108
  - Aomori 95
  - Ishikawa 138
  - Fukui 69
  - Toyama 134
  - Niigata 430
  - Tokyo 358
  - Osaka 1,262
  - Hyogo 708
  - Nara 141
  - Wakayama 83

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

- **1974**: May - Tokyo
- **1975**: Aug. - Fukuoka
- **1976**: Jan. - Miyazaki
- **1977**: Oct. - Shizuoka
- **1978**: Sep. - Osaka
- **1979**: Aug. - Hyogo
- **1980**: May - Gifu
- **1981**: Apr. - Aichi
- **1982**: Apr. - Chiba
- **1983**: Apr. - Nagoya
- **1984**: Mar. - Okayama
- **1985**: May - Hiroshima
- **1986**: Mar. - Mie
- **1987**: May - Niigata
- **1988**: May - Fukuoka
- **1989**: Mar. - Shizuoka
- **1990**: May - Tokushima
- **1991**: Apr. - Kagoshima
- **1992**: Apr. - Okayama
- **1993**: May - Saga
- **1994**: Apr. - Fukuoka
- **1995**: Apr. - Shiga
- **1996**: Apr. - Kochi
- **1997**: Apr. - Shonan
- **1998**: Apr. - Ibaraki
- **1999**: Apr. - Hamamatsu
- **2000**: Apr. - Sendai
- **2001**: Apr. - Kanagawa
- **2002**: Apr. - Kanazawa
- **2003**: Apr. - Akita
- **2004**: Apr. - Kofu
- **2005**: Apr. - Yonago
- **2006**: Apr. - Toyama

*Figures for Japan are as of July 31, 2019*

### In 17 Countries and Regions

- **69,021 stores**
  - Japan 21,005
  - China 2,964
  - South Korea 9,696
  - Taiwan 5,505
  - U.S.A. 9,323
  - Canada 630
  - Malaysia 2,347
  - Philippines 2,664
  - Singapore 401
  - Thailand 11,528
  - Vietnam 34
  - Denmark 83
  - Norway 153
  - Australia 699
  - United Arab Emirates 13

*Figures for Japan are as of July 31, 2019*

### Seven & i Group Data

- **Group total sales**: 12,018 billion yen
- **Total number of customers visiting stores**: Approx. 64.4 million people/day
- **Total number of group stores**: Approx. 69,200 stores

*Figures include the sales of Seven-Eleven Japan and 7-Eleven in U.S. franchise stores for the fiscal year ended February 2019*

*As of February 28, 2019 (Outside Japan, as of December 31, 2018)*
Business Performance and Data

- **Revenues from Operations**: 873,555 million yen
- **Net Income**: 153,233 million yen
- **Operating Income**: 245,088 million yen
- **Ordinary Income**: 252,917 million yen
- **Total Store Sales (in Japan)**: 4,898,872 million yen
- **Number of Stores in Japan**: 40,082
- **Average Number of Customers per Age Group**:
  - Less than 20 years old: 24.1%
  - 20–29 years old: 30.6%
  - 30–39 years old: 12.7%
  - 40–49 years old: 10.2%
  - Over 50 years old: 22.4%
- **Total Store Sales (in Japan)** (Unit: 100 million yen) (Unit: Number of stores):
  - FY 2014: 40,082
  - FY 2015: 42,910
  - FY 2016: 45,156
  - FY 2017: 46,780
  - FY 2018: 48,989
- **Number of Stores in Japan** (Unit: Number of stores):
  - FY 2014: 17,491
  - FY 2015: 18,572
  - FY 2016: 19,422
  - FY 2017: 20,260
  - FY 2018: 20,786
- **Average Number of Customers by Age**:
  - 2003: 12
  - 2007: 9
  - 2011: 12
  - 2015: 6
  - 2017: 4
- **Average Number of Customers per Day**:
  - 2003: 29
  - 2007: 30
  - 2011: 21
  - 2015: 20
  - 2017: 19
- **Average Spending per Customer**:
  - 2003: 22
  - 2007: 24
  - 2011: 17
  - 2015: 22
  - 2017: 24
- **Comparison with Other Chain Stores**:
  - **Average daily sales per store**: 86.6
  - **Average number of customers per day**: 53.1
  - **Average spending per customer**: 41.3
  - **Customers visiting more than twice a week**: 59%

**Number of Payment Collection Service Transactions 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.

- **Amount of Transactions Handled in Payment Collection Services Continues to Grow**
  - Annual payment transactions: 502.47 million
  - Annual amount handled: 5,253.8 billion yen

*Source: Customer survey conducted by Seven-Eleven Japan (FY2017)*
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.
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.

The Franchise System

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.

<table>
<thead>
<tr>
<th>Franchisee</th>
<th>Headquarters</th>
</tr>
</thead>
<tbody>
<tr>
<td>As an independent business owner, the franchisee focuses on store management and sales</td>
<td>Sharing its expertise as well as product development and store design, Seven-Eleven Japan provides support for store management</td>
</tr>
</tbody>
</table>

- **Management of Products**
  - Order placement and product management, etc.

- **Management of Financial Figures**
  - Sales and store operation management, etc.

- **Management of Store Associates**
  - Recruitment, training, human resource management, etc.

**Gross Profit Splitting Method**

The Gross Profit Splitting Method (where the store gross profit (net sales minus net cost of goods sold*) is split between Seven-Eleven Japan and the franchisee according to a pre-defined percentage).

**Open Account System**

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 Minimum Gross Income System**

A system to guarantee franchisees a certain amount of franchisee’s gross income**.

---

*Cost of goods sold is equal to the amount calculated by subtracting the costs of inventory loss, write-off cost and rebate from the gross cost of goods sold.

**Franchisee’s gross income is equal to the amount of the remaining balance after deducting Seven-Eleven Charges from gross profit on sales.
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.

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.

Get useful information from the Headquarters

Manager Meeting

FC Meeting

Share the latest information with OFCs nationwide.

Zone Meeting

DO Meeting

Split up into assigned areas to collect localized information.

Advice to stores based on the information (store visits twice a week)

Information utilization methods

Collected information is objectively compiled and used in management.

Sales methods, product display, and customer service

Consider how to get products that have been ordered based on a hypothesis into the hands of more customers.

Local area survey implementation methods

Surveys and analyses are conducted on locations near stores as a fundamental part of store management.

Order placement approach

Advice is provided on ordering taking into consideration the local market, customer segments, and specific day attributes.

Creation of in-store infrastructure

Support for task assignments and meetings for Store Associates to create an environment that is easy to work in.

Order placement hypothesis

Product inspections and displays

Order Placement and Sales Data

PL/BS and product sales trends.

Sales and Price Changes

POS Register

When sales transactions occur, the sales data is stored and transmitted to Headquarters through the SC. This information is reflected in product development, selection of recommended goods and sales promotions.

Order Placement and Sales Data

Order Placement and Sales Data

Seven-Eleven Japan Headquarters

OFCs can promptly check the order and sales status of assigned franchisees stores on their laptop to provide appropriate and timely advice.

Product inspections and displays

District Offices

District offices provide accounting services such as creating databases of the various sales records of franchisees.

Combined Distribution Center (CDC)

Our temperature-separated combined distribution system enables product to be delivered systematically while being kept fresh.

Manufacturers/Suppliers

Manufacturers and suppliers promptly produce and deliver products upon receiving online orders from franchisees.

Support for Order Placement Operations

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 operational strategy, and enables us to continue responding to customer needs.
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
- Fast customer service with easy-to-grab shopping bags
- Installing dishwashers to cut washing time for cooking utensils in half
- Reducing the cleaning workload with IH fryers

Recruiting Optimizer (Recop) Recruitment Management System

The Recop recruitment management system sets up a website to list part-time job openings for franchises free of charge. It also allows franchises to order paid recruitment media as well as manage job applicants. The system accepts job applications 24 hours a day, 365 days a year, preventing applicants from slipping away because hiring personnel are not available or the telephone goes unanswered. The system can be accessed at stores and remotely as well to enable timely responses.

**Example of Website Listing**

7-Eleven Chiyoda Niban-Cho Store
- The convenience store is open 24 hours a day, 365 days a year, so you can work while accommodating your schedule, for example early in the morning, late at night, for short periods at a time, or mainly on the weekends.
- Pay: Starting at XXX yen/hour
- Transportation: five-minute walk from Yotsuya Station
- Tel:
- Business hours: 10:30 a.m. to 7:30 p.m. (excluding year end/New Year holidays)

Cash Register and Customer Service Training System

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.

Seven Nanairo Nursery School

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.
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.

Team Merchandising

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.

- Raw Material Manufacturers
- Manufacturers of Packing Materials
- Vendors
- Product Manufacturers

Original Product Development

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.
Delivering High-quality Products

The Reason Why We Can Recommend Products with Confidence

<table>
<thead>
<tr>
<th>Expanded Selection of Original Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>We offer a wide selection of high-quality original products to make sure we continue to meet changing customer needs.</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Officially recommended products (excluding cigarette and magazine)</th>
<th>Approx. 4,800 items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly new products</td>
<td>Approx. 100 items</td>
</tr>
<tr>
<td>Products in stores</td>
<td>Approx. 2,900 items</td>
</tr>
<tr>
<td>Product replacement during the year</td>
<td>Approx. 70%</td>
</tr>
</tbody>
</table>

*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.

“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.* This measure began in March 2018 and has expanded from six categories, including onigiri and entrees, to nine.

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.

| Fast Food | 30.2% |
| Non-food | 26.1% |
| Processed Food | 13.1% |
| Daily food | 30.6% |

* (Results as of Feb. 2019)
Delivering High-quality Products

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.

Outsourcing Structure

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.

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 with 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

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.

Temperature-controlled combined distribution centers

Seven-Eleven Japan

General distribution method

- 30°C

- 0°C

Refrigerated truck

Production site

Low-temperature processing center

Commissary

Stores
Strengthening Cooperation with Local Communities and Society

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.

### Delivery Service

**Seven Meal**

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.

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 in store 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

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 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.
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.

Lots of coupons and valuable information!

Special Features of the 7-Eleven App
Our goal is to bring 7-Eleven’s “Close and Convenient” stores even closer to customers, by making the everyday shopping experience that little bit more enjoyable.

Deliver valuable coupons
Deliver new product and campaign information

Download the 7-Eleven app here
Google Play
App Store

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.

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.

Using a single ID to consolidate customer information and understand consumption behavior

The collected data is used for purposes such as marketing activities and product development. This provides a convenient shopping experience and comfortable lifestyles, bringing 7-Eleven even closer to people’s lives.

7ID Use Cases | Delivering Information to Individual Customers via the App

 Highly effective since the information is individually customized!

*Seven & i Data Lab is a project that aims to use Big Data integration across a wide range of business enterprises, research institutes, etc., both within and outside 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, safety by anyone.

#### Seven Bank ATMs Are Getting Even More Convenient to Use

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

2. 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 young people, for example by not selling alcohol or tobacco products to people under the age of 20).

#### Copying, Scanning and Printing

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

### 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]

### 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]

### 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.

### Multi-function Copiers

#### 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 certificate.

Available services may vary depending on local government regulations.

Payment can be made using nanaco electronic money.
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 questions. 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

1. Providing Social Infrastructure in an Era of Aging Society and Declining Population
   - Key initiatives: Delivery services/Utilities payments/Seven Bank ATMs/Etc.

2. Providing Safety and Security through Our Products and Stores
   - Key initiatives: Providing health-conscious foods/Safety Station activities/Support for regional revitalization/Etc.

3. Realizing Waste-free Utilization of Products, Ingredients and Energy
   - Key initiatives: Adoption of energy-saving equipment/Reverse vending machines/Food product recycling/Etc.

4. Supporting Active Roles for Women, Young People and Seniors, across the Group and in Society
   - Key initiatives: Seven Nanairo Nursery School/Informational sessions about work for senior citizens/Etc.

5. Building an Ethical Society and Improving Resource Sustainability Together with Customers and Business Partners
   - 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**

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.

1. **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.

   - Emissions associated with the operation of the Group’s stores (compared to FY2013)
     - In FY2020: 30% reduction
     - In FY2030: 50% reduction
     - In FY2050: 80% reduction

   We aim to reduce emissions across our entire supply chains, not just our own emissions.

2. **Measures directed against plastic waste**

   The pollution of the oceans by plastic waste is a serious problem. We are working hard to reduce the consumption of plastic items, such as plastic shopping bags and plastic containers, which are used once and then disposed of.

   - Plastic shopping bag usage
     - In FY2010: 30% usage
     - In FY2030: Zero usage
   - Switching to container materials gentle on the environment
     - In FY2010: 50% reduction
     - In FY2020: 75% reduction
     - In FY2030: 100% reduction

3. **Food loss prevention and food recycling measures**

   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.

   - Number of reverse vending machines at 7-Eleven stores
     - In FY2010: 100
     - In FY2020: 300
     - In FY2030: 1,000

   - Food waste recycling rate
     - In FY2010: 70%
     - In FY2020: 75%
     - In FY2030: 100%

4. **Sustainable procurement**

   We are promoting the purchase and development of products that hold sustainable procurement certificates, such as MSC certification, sustainable palm oil, etc.

   - Switching to food product raw ingredients that help to ensure sustainability
     - In FY2010: 50%
     - In FY2020: 75%
     - In FY2030: 100%

5. **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-edges, etc.
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.

**Store Opening Format for Micro-markets**

- **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 provides facial recognition for payments, as well as an upgraded system that supports the franchisee and provides documents summarizing key points and general information about the franchise agreement.

**From Franchise Agreement to Store Opening**

**Type A**
- Franchisee provides the property and building for the store

**Type C**
- Seven-Eleven Japan provides the property and building for the store

**Common Processes**

1. **Participating in the briefing session**
   - Explains Seven-Eleven Japan’s franchise system in general, etc.

2. **Preliminary consultation/First interview**
   - Our representative visits a candidate franchisee and conducts an interview (basically with the candidate and his/her spouse).

3. **Interview with our local person in charge I**
   - We confirm the understanding and approval of a candidate franchisee and his/her spouse and family with regards to 7-Eleven’s store management.

4. **Visiting an existing store**
   - We visit an actual franchisee with a candidate franchisee to hear the franchisee’s feedback and deepen the candidate’s understanding of Seven-Eleven Japan’s store management.

5. **Store Experience Learning program**
   - The candidate franchisee experiences the actual operations for a short period at an existing store, which helps them personally confirm whether they are personally suited to the role of store manager.

6. **Confirming the candidate property**
   - Seven-Eleven Japan introduces a property that meets most or nearly all of the conditions of a candidate franchisee. Subsequently, a candidate franchisee decides on the store he or she wishes to operate after viewing the property.

7. **Interview with our local person in charge II**
   - After explaining the franchise story, we reconfirm the understanding and approval of a candidate franchisee and his/her spouse and family with regards to 7-Eleven’s store management.

8. **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.

9. **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.

**Training for candidate franchisees**

1. **Lecture type training using textbooks and videos**
   - Participants learn how to operate actual store equipment.

2. **In-store experience**
   - A candidate franchisee communicates with store staff and shares information. He or she also walks the neighborhood to spread them and inform them of the store opening.

3. **Turn-key**
   - A franchisee is prepared to open the first store. After opening, our OFC offers a wide range of support to a franchisee.
Terms & Conditions of Franchise Agreement

<table>
<thead>
<tr>
<th>Type of Agreement</th>
<th>Type A</th>
<th>Type C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Format</td>
<td>Independent business owner</td>
<td>Independent business owner</td>
</tr>
<tr>
<td>Agreement Term</td>
<td>15 years</td>
<td>15 years</td>
</tr>
<tr>
<td>Ownership or Lease of the Land and Buildings</td>
<td>Owned or leased by a franchisee</td>
<td>Owned or leased by Seven-Eleven Japan</td>
</tr>
<tr>
<td>Utilities Paid by</td>
<td>Seven-Eleven Japan: 80% Franchise: 20%</td>
<td>Seven-Eleven Japan: 80% Franchise: 20%</td>
</tr>
<tr>
<td>Deposit on Signing the Agreement</td>
<td>Training fee 3,000,000 yen 500,000 yen<em>1 1,000,000 yen</em>1 1,500,000 yen</td>
<td>Store opening investment 2,500,000 yen 500,000 yen<em>1 500,000 yen</em>1 1,500,000 yen</td>
</tr>
</tbody>
</table>

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

*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.

Seven-Eleven Charge
An amount equal to the gross profit on sales** 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

Guaranteed Minimum Gross Income System
Franchisee’s Gross Income** For stores open 24 hours, 22 million yen per year (19 million yen per year for stores not open 24 hours)
For stores open 24 hours, 20 million yen per year (17 million yen per year for stores not open 24 hours)

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

Incentive System for MultiStore Operations
When a franchisee who has operated a 7-Eleven store for over five years opens one or more new stores, the incentive charge for stores open over five years is applied to the new store from the beginning of its operation.

Incentives for Franchisees

Incentive System Supporting the Independence of Employees
In the case where an employee has at least three years of operating experience within the past seven years (including the month in which the employee submits the application to make use of the system supporting the independence of employees) opens a new store or takes over the running of an existing store as a franchisee or partner:
- For individuals with more than three years but less than five years of operating experience, he or she can take advantage of this support system in the month following in which a total of five years of work experience has been achieved. This is applied both before and after opening the new store.
- For individuals with more than five years of work experience, he or she is entitled to utilize this system when the store is opened.

Loan Banking Partners

City Banks

Hokkaido region: Hokkaido, Hokuyo
Tohoku region: Iwate, Akita, Tohoku, 77 Bank, Yamagata, Shinai
Kanto, Koshinetsu and Tokai regions: Bank of Yokohama, OBI, Chiba Kogyo, Kure, Askagura, JOYO, Gunma, Musashino, Yamanashi, Chuo, HACHIJUNI, DAISHI, HOKUETSU, SHIZUKU, SURUGA, HYAKUGO, Juroku

Regional Banks

Hokuriku region: Hokkoku
Kansai region: Bank of Kyoto, SHIGA, NANTO, KYOTO, MINATO, Kinki Osaka
Chugoku and Shikoku regions: Chugoku, Hiroshima, MOMUI, YAMAGUCHI, Tottori, Awa, IYO

Others

ICHII Shinkin, FUKUOKA-HIBIKI

Support System for Store Staff Members

Franchisees’ Mutual Aid System
Compensation paid in the case of the franchisees’ and their spouses’ death, accident and sickness, post-retirement, and condolences money, sympathy money for medical care and reserves for benefits packages for full-time employees.
Compensation paid if staff members are injured on duty or on the way to work.

Incentive Charge
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.

<table>
<thead>
<tr>
<th>Standard on daily sales</th>
<th>Average daily sales per year of 300,000 yen or more</th>
<th>The charge is reduced by 1% of the gross profit on sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Standard on daily sales</td>
<td>More than 50 million yen, but less than 70 million yen</td>
<td>The charge is reduced by 1% of the gross profit on sales</td>
</tr>
<tr>
<td>2 Annual gross profit on sales</td>
<td>70 million yen or more</td>
<td>The charge is reduced by 2% of the gross profit on sales</td>
</tr>
</tbody>
</table>

The incentive charge is calculated and allocated on a monthly basis. If the annual standard is achieved, charge applied in months where the standard was not achieved is adjusted back. If the annual standard is not achieved, charges are applied proportionally on an applicable basis.

Incentive 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

<table>
<thead>
<tr>
<th>Marketing Activities</th>
<th>Mass media advertisement and related expenses for sales promotions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting/Bookkeeping Services</td>
<td>Seven-Eleven Japan makes payments for franchisees and provides store operation information materials.</td>
</tr>
<tr>
<td>Guaranteed Minimum Gross Income System / System to Guarantee Income of Franchisees (Gross Profit on Sales Minus Seven-Eleven Charge)</td>
<td>A system to guarantee franchisees a certain amount of franchisee’s gross income. Applicable to stores that are open 24 hours a day</td>
</tr>
<tr>
<td>For Type A agreement, 22 million yen per year</td>
<td>For Type C agreement, 20 million yen per year</td>
</tr>
<tr>
<td>Others</td>
<td>Seven-Eleven Japan covers 80% of utility costs. Seven-Eleven Japan covers 15% of the cost of write-off (disposing of unsold items). Seven-Eleven Japan partially covers non-life insurance premiums. Seven-Eleven Japan implements quarterly inventory audits.</td>
</tr>
</tbody>
</table>

Incentives for Franchisees

Incentive System for MultiStore Operations
When a franchisee operates two or more 7-Eleven stores, a reduction of 3% of the gross profit on sales from the Seven-Eleven Charge is applied to the second and subsequent stores.

System Supporting the Independence of Employees
In the case where an employee has at least three years of operating experience within the past seven years (including the month in which the employee submits the application to make use of the system supporting the independence of employees) opens a new store or takes over the running of an existing store as a franchisee or partner:
- For individuals with more than three but less than five years of operating experience, he or she can take advantage of this support system in the month following in which a total of five years of work experience has been achieved. This is applied both before and after opening the new store.
- For individuals with more than five years of work experience, he or she is entitled to utilize this system when the store is opened.

Loan Banking Partners

City Banks

SMBC, Resona, Satsuma Resona, Mizuho, MUFG

Regional Banks

Hokuriku region: Hokkoku
Kansai region: Bank of Kyoto, SIIGA, NANTO, KYOTO, MINATO, Kinki Osaka
Chugoku and Shikoku regions: Chugoku, Hiroshima, MOMUI, YAMAGUCHI, Tottori, Awa, IYO

Others

ICHII Shinkin, FUKUOKA-HIBIKI

(Ass of June 30, 2019)
History

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?

1973
Nov. York Seven Co., Ltd. was established.

1974
May The first 7-Eleven store (Toyosu store, Koto-ku, Tokyo) was opened.

1975
Jun. Launched 24-hour operations (Tosanomaru store, Koriyama City, Fukushima).

1976
May The number of stores exceeded 100.

1978
Jan. The company name was changed to SEVEN ELEVEN JAPAN CO., LTD.

1979
Oct. Seven-Eleven Japan was listed on the second section of the Tokyo Stock Exchange.

1980
Nov. The number of stores exceeded 1,000.

1981
Aug. Seven-Eleven Japan was alternatively listed on the first section of the TSE.

1982
Oct. Point of Sales (POS) system was launched.

1984
Feb. The number of stores exceeded 2,000.

1985
May Computers that provide graphic information were introduced.

1987
Mar. Three-times-daily distribution system for rice products was introduced.

1988
Aug. Payment collection service for TOKYO GAS bills was launched.

1989
Nov. Handling of prepaid cards was launched.

1990
Jun. The number of stores exceeded 4,000.

1991
Mar. Acquired the shares of the Southland Corporation and participated in management.

May ISDN (integrated service digital network) NTT was introduced.

1993
Feb. The number of stores exceeded 5,000.

Oct. Seven-Eleven Midori no Kirk (Green Foundation) was established.

1994
Apr. Large-scale ice cream cases were introduced.

Oct. Open chiller showcases were introduced.

1995
Jun. Payment collection service for mail-ordered sales was introduced.

1996
Mar. Weather information service was introduced.

1997
Nov. The 5th Generation Integrated Store Information System using satellite communications was introduced.

1998
Oct. Magazine Subscription Reservation Service was introduced.

1999
Mar. Sales of supplement drinks were launched.

Nov. Payment collection service for online shopping bills was launched.

2000
Feb. E-commerce business 7-deam.com was established (the service was launched in July 2000).

Feb. SEVEN-ELEVEN Service Co., Ltd. mail delivery service was established (service was launched in September 2000).

Apr. IY Bank Co., Ltd. (currently Seven Bank, Ltd.) was established through a joint capital investment with Itō-Yakado.

May Installation of IY Bank (currently Seven Banks, Ltd) ATMs was started.

Aug. Sale of original Fresh Food products made without preservatives and artificial coloring was started.

2001
Apr. A temperature-control system that maintains a 20ºC temperature for rice products was introduced (commissioners-delivery trucks-display cases).

2002
May Installation of open showcases both for hot and cold foods was started.

Nov. A frittering service using multi-function copiers was started.

2003
Aug. The number of stores exceeded 10,000.

2004
Jan. SEVEN-ELEVEN (BEIJING) CO., LTD., a joint company, was established.

Apr. The first 7-Eleven store in Beijing, China, was opened.

May Started operation of barrier-free stores.

2005
Feb. Optical fiber communications were introduced.

May The first multi-function copiers capable of printing photos taken by digital camera were installed.

2006
May Full-scale introduction of the 6th Generation Integrated Store Information System.

2007
Mar. Seven-Eleven achieved the world’s largest number of chain stores as a retail business.

Apr. Proprietary electronic money service, nanaco, was introduced.

Aug. Seven Premium was launched.

Oct. In-store fresh fast foods were launched.

Dec. Information media and retail business Nittele Seven Co., Ltd. was established.

2008
Apr. SEVEN-ELEVEN CHINA CO., LTD. was established.

2009
Jan. Seven Culture Network Co., Ltd. was established.

Jun. 24-hour test-marketing of OTC drugs was launched.

Dec. Seven Net Shopping was launched.

2010
Feb. Installation of multi-function copiers capable of handling administrative services such as issuance of copies of residence and seal registration certificates was started (by some regional governments).

Mar. Seven-Eleven Midori no Kirk was incorporated as a general incorporated foundation and was renamed Seven Eleven Foundation.

Jun. Credit card payment system was launched.

Dec. The number of stores worldwide exceeded 45,000. SEVEN-ELEVEN (CHENGDU) CO., LTD. was established.

2011
Mar. Trademark right to “7-Eleven” was acquired in Japan.

May Contents, logos and packaging of original products were completely renewed.

Shopping assistance mobile trucks, Seven Safe Delivery, was launched.

Full-scale power-saving measures such as LED lighting were introduced for in-store lighting and storefront signs.

2012
Jan. Total sales amount of all chain stores exceeded 3 trillion yen.

Mar. Seven Safe Delivery brand was launched.

Apr. A delivery service using electric mini-vehicles, Seven Easy Delivery, was launched.

May Seven Lifestyle was established.

2013
Jan. SEVEN CAFÉ was launched.

Feb. The number of stores exceeded 15,000.

Mar. The number of stores worldwide exceeded 50,000.

2014
Oct. SEVEN CAFE Donuts was launched.

Dec. Tax exemption service was launched.

2015
Feb. Total sales amount of all chain stores exceeded 4 trillion yen.

Oct. The first 7-Eleven stores in the United Arab Emirates were opened.

2016
Feb. Full-scale introduction of the 7th Generation Integrated Store Information System. Omni7 was launched.

2017
Mar. 7-Eleven’s corporate colors were the first to be registered in Japan as a trademark based solely on color.

Jun. 7-Eleven opened its first store in Vietnam.

Oct. SEVEN ELEVEN OKINAWA CO., LTD. was established.

2018
Jan. The number of stores in Japan exceeded 20,000.

Oct. Awarded PROD Gold certification, the highest rating in the PRIDE Index.

2019
Jul. SEVEN ELEVEN OKINAWA opened its first stores within Okinawa Prefecture.
**Corporate Profile**

Name: SEVEN-ELEVEN JAPAN CO., LTD.  
Date of Establishment: November 20, 1973  
Capital: 17.2 billion yen  
Number of Employees: 9,092

**Representative:** Fumihiko Nagamatsu, President

**Directors:**
- Chairperson: Kazuki Furuya
- Senior Director & Managing Executive Officer: Ryoji Sakai
- Director & Managing Executive Officer: Shizuma Noda
- Director & Managing Executive Officer: Hisashi Ohashi
- Director & Executive Officer: Yukihiro Watanabe
- Director: Ryutaro Isaka
- Director: Shigeki Kimura

**Executive Officers:**
- Executive Officer: Shingo Hamasaki
- Executive Officer: Keisuke Aoyama
- Executive Officer: Masatoshi Miyachi
- Executive Officer: Hirotaka Takahashi
- Executive Officer: Junko Waseda
- Executive Officer: Akira Masuda
- Executive Officer: Seiichi Tamura
- Executive Officer: Shinji Uchida

**Board of Directors**
- President's Office
- Auditors: Takashi Ogura, Teruo Douyama, Yoshitake Taniguchi

**Organization Chart**

(As of June 24, 2019)

---

**Auditors**
- Auditor: Takashi Ogura
- Auditor: Yoshitake Taniguchi
- Auditor: Teruo Douyama

**Executives**
- Organization Chart (as of June 24, 2019)