



Seven-Eleven Japan Corporate Profile 2020-2021



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Message from the President

Seven-Eleven Japan has, since its founding in 1973, coordinated with franchisees to meet the continuously changing needs of our customers. In recent years, with the increase in both working women and one-person households, the changes in needs, such as an expansion of demand for ready-made meals, have been further accelerating. Above all, in 2020 the COVID-19 infection has become a worldwide pandemic, and its effect has forced our daily lives to undergo dramatic changes. Furthermore, the sustainable growth of society has become an issue on a global scale, and so there is a need for a business structure that takes the SDGs into account.

Here at Seven-Eleven Japan, in addition to proactively pursuing innovation on all levels from our products and services to our information system and supply chain, we are continuously reexamining the convenience store business model that we have built up, in order to turn it into a better model appropriate for the times. In addition to proactively pursuing development of products focused on safety, security and health, including "Our sincere efforts for your health" product line, and of products and services that are mindful of the environment, we have already begun several initiatives, including reforming our store layouts to meet customer needs, and creating new product delivery and collection services that leverage Seven-Eleven's business infrastructure.

In addition, we are steadily promoting reforms aimed at cooperating more than ever before with our franchisees. We will be further enhancing our support for the more than 20,000 franchisees, through labor-saving in store operations, improved productivity, closer communication with franchisees, improved ability to provide advice in store management, and other such initiatives, for every single store.

We will make Seven-Eleven Japan a new convenience store to respond to the new lifestyle.

Seven-Eleven Japan is committed to leading the era in self-innovation.

Fumihiko Nagamatsu

Representative Director and President SEVEN-ELEVEN JAPAN CO., LTD.



Corporate Vision

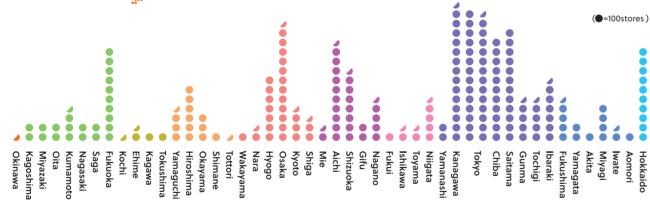
No matter how times may change,
we will continue to enrich our
customers' lives on a daily basis while
striving to make life more
convenient for local communities,
by working closely with our franchisees.

Foundation Philosophy

Modernization and Revitalization
of Existing Small- and Medium-Sized Stores
Co-Existence and Co-Prosperity

Number of 7-Eleven Stores

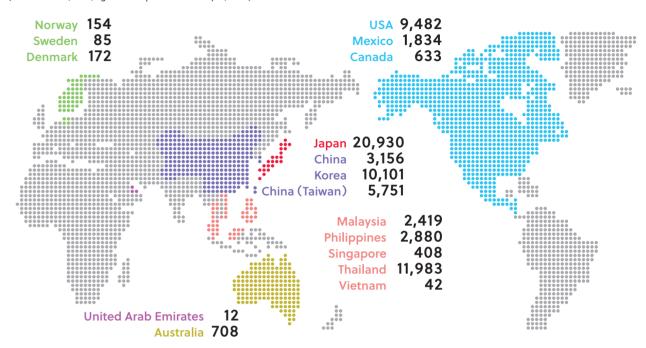
47 Prefectures throughout Japan 20,930 Hokkaido 1,000 Niigata 429 Tovama 131 238 Ishikawa 137 Akita 108 Aomori 354 Fukui 68 **Kyoto** Iwate 146 Yamagata 183 39 Osaka 1,253 Tottori 411 Fukushima 453 Miyagi 696 60 Shimane 311 139 Okavama Hiroshima 598 86 Wakayama Chiba 1,122 Ibaraki Yamaguchi 328 Tokyo 2,765 Tochiqi Kanagawa 1,461 Fukuoka 1,015 Saitama 1,205 Yamanashi 207 188 200 Nagasaki 356 195 Kumamoto Gifu 181 83 Shizuoka 734 Oita 197 Kagawa 105 Aichi 1,052 Miyazaki 199 Ehime 125 Kagoshima Mie 168 41 46 :: :: Okinawa



Date of first opening in each prefecture

1974	May	Tokyo	1982	May	Miyagi	1996	Mar.	Miyazaki	2009	Feb.	Shimane
	Jun.	Kanagawa		Aug.	Hiroshima	1999	Jul.	Yamagata	1	Dec.	Ishikawa
	Sep.	Fukushima		Oct.	Saga	2000	Mar.	Nagasaki	2011	Mar.	Kagoshima
	Oct.	Saitama	1983	Apr.	Yamanashi		Oct.	Iwate	2012	May	Akita
1975	Apr.	Nagano		Sep.	Yamaguchi	2001	Jun.	Oita	2013	Mar.	Kagawa
	Oct.	Chiba	1986	May	Niigata	1	Jul.	Wakayama		Mar.	Tokushima
1978	May.	Hokkaido	1987	Jun.	Kumamoto	I I	Jul.	Nara	2014	Mar.	Ehime
1979	Feb.	Tochigi	1991	Mar.	Siga	2002	Jul.	Aichi	2015	Mar.	Kochi
	Apr.	Fukuoka		Mar.	Kyoto	2005	Nov.	Gifu		Jun.	Aomori
	May	Shizuoka		Mar.	Osaka	2006	Feb.	Mie	1	Oct.	Tottori
	Aug.	Ibaraki	1993	Apr.	Okayama	2009	Jan.	Toyama	2019	Jul.	Okinawa
1981	Dec.	Gunma	1995	Nov.	Hyogo		Jan.	Fukui			

17 Countries and Regions



Seven & i Group Data (for the fiscal year ended February 2020)

Group total sales

11,997.6 billion yen

Consolidated number of employees

number of employees converted to 163 hours per month)

Total number of customers per day (worldwide)

Main Seven & i Group companies

SEVEN-ELEVEN JAPAN CO., LTD. SEVEN-ELEVEN OKINAWA CO., LTD. Seven-Meal Service Co., Ltd. Seven Net Shopping Co., Ltd.

Domestic Convenience Store

7dream.com Co., Ltd. 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.

7-Eleven, Inc.

Ito-Yokado Co., Ltd. York-Benimaru Co., Ltd. York 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.

Hua Tang Yokado Commercial Co., Ltd. Chengdu Ito-Yokado Co., Ltd.

DAIICHI CO., LTD. Tenmaya Store Co., Ltd.

Department Store

Sogo & Seibu Co., Ltd. Ikebukuro Shopping Park Co., Ltd. GOTTSUO BIN CO., LTD.

Financial Services

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.

Specialty Store

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.

Akachan Honpo Co., Ltd.

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

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Business Performance and Data

Revenues from Operations

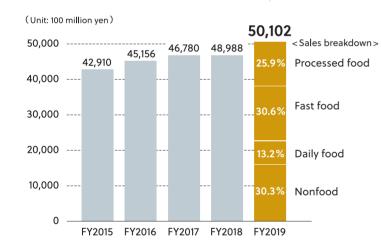
887,625 million yen

Ordinary Income

262,249 million yen

★ Total Store Sales (in Japan)

5,010,273 million yen



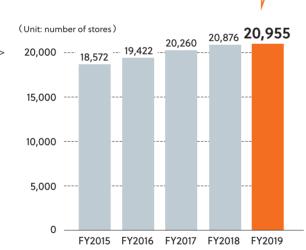
Operating Income

253,980 million yen

Net Income

169,695 million yen

Number of Stores in Japan 20,955 stores



Amount of Transactions of the Bill Payment Services Continues to Grow

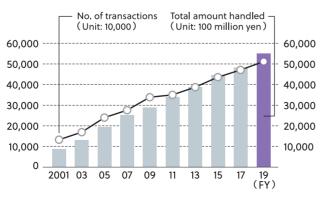
At 7-Eleven stores nationwide, customers can pay gas, electricity and other utility bills, and pay for online shopping

Use of these services is increasing year by year.

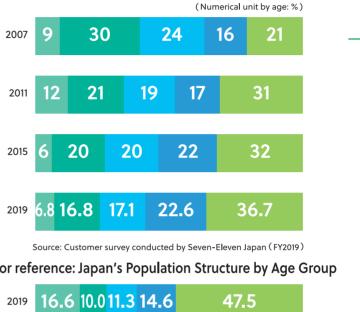
Annual payment transactions 513.06 million yen 5,439.5 billion yen

(for the fiscal year ended February 2020)

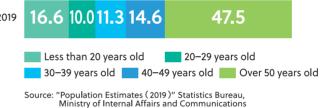
Changes in number of bill payment service transactions and handled amount



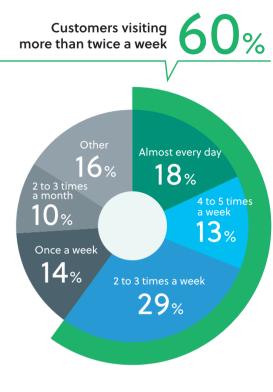
Changes in Number of Customers by Age



For reference: Japan's Population Structure by Age Group



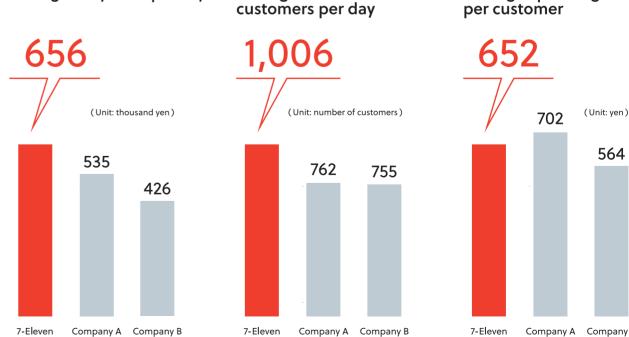
Frequency of Visits



Source: Customer survey conducted by Seven-Eleven Japan (FY2019)

Comparison with Other Chain Stores (Average of all stores/FY ended February 2020)

Average daily sales per day Average number of Average spending customers per day



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The New "Normal" Born from Seven-Eleven, Based on a Grasp of Changes in the Social Environment

Responding to the changes in the times and in customers' needs: this is the history of Seven-Eleven's innovation.

We have always looked at things from the customer's point of view, focusing on "what customers want," which is ever-changing, and overcoming "common sense" and all variety of difficulties in order to realize that, innovating new products and services,

Much of what we have innovated has become the new "normal" near us.

Continuing to strive for change: that is the history of Seven-Eleven Japan,

and the pathway to the future.



The Beginning of the History of **Convenience Stores in Japan**

In May 1974, in the Toyosu area of Tokyo's Koto Ward, the Seven-Eleven Toyosu store opened as the first true franchise convenience store in Japan. Having been renovated from a liquor store that had been running for generations, the store continues to be loved by the local community.



1975



24-Hour Operations: **The Convenience Store Becomes** the "Light" of the Community

24-hour operations were launched to respond to the needs of the time. In addition to the convenience of "Glad It's Open!", the convenience store's lights, shining in the darkness of night, have since that day been a peaceful scenery that protect the community.



1976

Combined Distribution Breaks through the Common Sense of the Distribution Industry

At that time, it was considered to run counter to common sense to transport the products of different manufacturers on the same truck. By reducing the number of transport vehicles, the burden placed on the environment has been lightened as well as cutting the cost of shipping. This was passed onto one manufacturer after another, eventually allowing us to realize the combined distribution system.

1987

Over4.000 st

980 Over 3.000 sto



Over 1,000 stores

"Rice balls!? That's Not Something You Buy!" But We Made It a National Seller

Back in those days, rice balls were universally thought of as something you made in the home: we were the first in the industry to turn it into a commercial product. While aiming for a feel of "a rice ball made by mother," it became a big hit as it differentiated itself from its "crisp" seaweed, and its annual sales numbers are now over 2.2 billion. Its quality continues to evolve even today.



1987

Paying Your Utility Bills at the Convenience Store!

As lifestyle changed and more and more people wanted to be able to pay their utility bills outside of the business hours of banks, etc., we became the first in Japan to introduce a "bill payment services" whereby payment of utility bills became possible 24 hours a day by reading a barcode.

1993

1990

Over **5,000** stores



1982

Seven-Eleven Becomes the First in the World to Use Barcodes

With the goal of providing desirable product assortment that our customers want, we established our "Tanpin Kanri (Item-by-Item Management)" system that uses the Point of Sales (POS) system and barcodes and verifies sales data for individual products, to be utilized in product assortment day-to-day.



2001

Banking Services Initiated to Respond to Customers' Needs

Amidst widespread opposition to the first establishment of a new bank in Japan by the retail business, IY Bank (now Seven Bank) began operations, with a focus on the ATM business. Widely used as an ATM in lieu of a wallet, open 24 hours a day, 365 days a vear, there are now some 25,000 units around Japan! (As of March 31, 2020)

2013 2008 Over16,000 store

2003 Over 12,000 sto

1999

Over 10,000 stores Over**8.000** store

2007

"Richer, More Fun, and More Convenient" Launch of Seven Premium

Seven Premium is a Private Brand (PB) product shared among Seven & i Group. and started from 49 items with the goal of making customers' lives "Richer, More Fun, and More Convenient." As of fiscal 2019 it had expanded to 4,150 items, with sales of 1.45 trillion yen, becoming the No. 1 PB in Japan and continuing to grow.



2013

5 Billion Cups— A Coffee Revolution That Shook the Industry!

SEVEN CAFÉ: enjoy coffee brewed one cup at a time at your local convenience store. The concept of being able to enjoy delicious, carefully prepared coffee for just 100 ven was a shock to the industry and became a massive seller for us. It continues to be improved even now, and in 2019 surpassed 5 billion cups sold.



2018

2020

Over **20,000** stores



2019

Mensooree! **We Have Finally Opened Stores** in All Prefectures

In July 2019, we opened our first store in Okinawa, thus giving Seven-Eleven locations in all 47 of Japan's prefectures. Aiming to reach 250 stores in Okinawa over the course of five years, we will provide our "Close and Convenient" service to both local residents and tourists.

2020

Over 70,000 Stores Spread across 17 Countries and Regions around the World

Since our founding in 1973, we have made a variety of innovations, and by now we have opened more than 70,000 stores worldwide, becoming the world's No. 1 chain in terms of number of stores. For many years to come, we will continue as ever before to put ourselves in our customers' shoes to provide the best goods and services, while also continuing to evolve and improve.



2001

Reexamining the Use of **Preservatives and Coloring Ahead** of the Rest of the Industry

In order to respond to the increasing awareness of food safety and reliability, and the trend toward healthiness, we became the first in the industry to sell Fresh Food products made without preservatives and artificial coloring. This was achieved thanks to Seven-Eleven's high standards of quality control.

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So Let's Go to Seven-Eleven Again Today

With a wide-ranging product assortment with delicious products,

and a range of convenient services including things like home delivery and bank ATMs,

we bring a feeling of peace of mind by continuously watching over the people in our local community.

The community-building that we engage in by opening our stores must and will continue to become the lifeline

that is absolutely essential to the local lifestyle while changing and evolving along with the needs of our customers,

and to challenge ourselves to further enrich the lives of the people.

These are the reasons why customers and staff always choose Seven-Eleven.







Supporting "Co-Existence and Co-Prosperity"

Management Support

To allow all Franchisees to concentrate on their business.

And, to support store creation that will be loved by the local community for

its "Close and Convenient" stores.

We will support our Franchisees and grow together with

our unique franchise system,

through a complete support system leveraging our industry-leading track record.

Seven-Eleven's Strengths as Shown by the Numbers

Average Daily Sales



656,000 yen

Average number of customers



1,006

renewal rate

Contract

92%

(Average of all stores/FY ended February 2020)

Seven-Eleven Japan's Franchise System

The franchisee operates their store as an independent owner, and this store management is supported by the headquarters.

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.

Franchisee

Focuses on store management and sales

Management of Products

Order placement and sales floor management, etc.)

Management of Store Associates

Recruitment, training, human resource management, etc.

Management of Financial Figures

Sales and store operation management, etc.

Headquarters

Provides all-round support for store management

Store Operation Consulting Service

Accounting Services

Advertising/Sales Promotion Activities

Product Development and Provision of Product Information Services

Lending of Sales Equipment

Information Systems Services

Distribution Network Development

Covering 80% of Utility Costs

Covering 15% of Write-Off*1 Costs



Collaborative

Business

Structures and Systems for Store Operations

Gross Profit Splitting Method

This is a method where store gross profit*2 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 inancing 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 their gross income*3.

*1 Disposing of unsold items *2 The profit amount calculated by subtracting the cost of goods sold (the amount calculated by subtracting the costs of inventory loss, write-off cost and rebates from the gross cost of goods sold) from the net sales *3 The amount of the remaining balance after deducting the Seven-Eleven Charge from gross profit on sales

wide, corporate philosophy points, etc

Specialized Support from Experts in Management Advice and Information Collection and Analysis

Our Operation Field Counselors (OFCs) visit the stores they are responsible for at regular intervals, and engage in continuous communication with our Franchisees to provide management support.

They convey valuable information on store management, perform analysis on

data such as sales revenues and numbers of units sold, and provide advice on everything from selection and display of products based on the local market to creation of an in-store infrastructure.

They are the closest partners to back up the creation of good-selling stores on all levels.

Information Collection Performed by the Headquarters

The OFCs take part in the FC Meeting held every other week, and collect the latest information on topics such as products and sales promotion.

They also engage in communication with the District Managers (DMs) who are responsible for the assigned area and exchange localized information, and based on this they visit the stores twice a week in principle.

Manager Meeting

FC Meeting

Zone Meeting / DO Meeting Split up into assigned areas to collect

Visits **twice** a week in principle

nationwide*

Store management through close cooperation

Around 3,050 people nationwide*

Franchisee Counseling Office
Employees of the Franchisee

All have experience in store training

*As of February 29, 2020

Employees of the Franchisee Counseling Office, an organization directly under the President, visits directly

Advice Given by the OFC to the Store

Information utilization methods

Collected information is objectively compiled and used in management.

Order placement

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

Survey and analysis are conducted on locations nea stores as a fundamental part of store management. Creation of in-store infrastructure

n order to create a comfortable working environme OFCs will follow up on work assignments and part-time meetings.

Financial data analysis

The PDCA cycle is repeated with concurrent verification of P/L and B/S, and product sales trends.

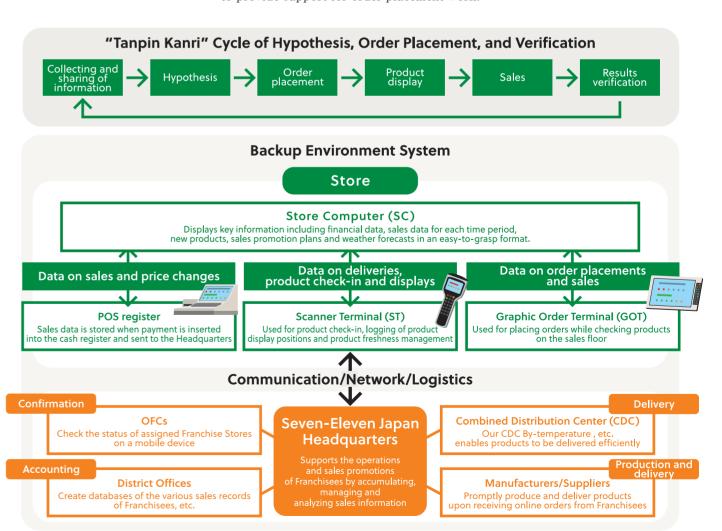
etc

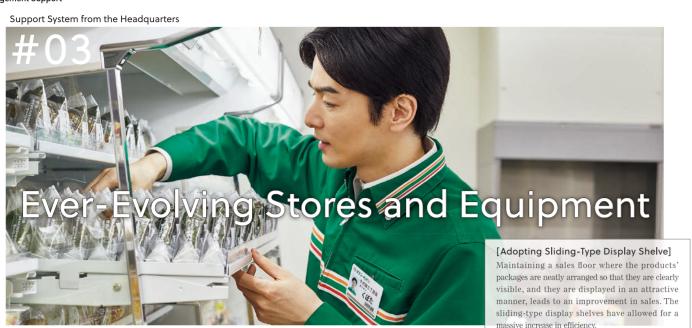


Order Placement Support for Item-by-Item Management by Information Collaboration between Stores and the Headquarters

Amidst the ever-changing needs of our customers and the shortening product life cycles, we need to maintain a satisfactory sales floor at all times.

Seven-Eleven has established an original method known as "Tanpin Kanri (Item-by-Item Management)" to provide support for order placement work.





Developing In-Store Equipment That Facilitates Work

In order to achieve a comfortable in-store environment, it is important to respond to the employment environment and social conditions.

Seven-Eleven has been moving forward with the development and implementation of equipment that is meant to realize efficiency and labor saving in sales-floor creation, in addition to supporting the maintenance of an in-store environment that is easier to work in.

Equipment improvements with an eye on facilitation of work



With the addition of an automatic cooking function, the "IH fryer" reduces cooking work in the store on products such as fried foods that are processed by the fryer.



The high-speed rotating disk blocks seeping in of fryer oil. The "oil smasher" has decreased the burden of cleaning by running a cold-water wash once per week.



Cleaning of the ice cases used to be a large work burden, but now the easy clean filters have made it so that this can be done by simply sliding a lever.



We are working to simplify the operations around cash registers by introducing things like "payment self-checkout" and "cashless payment."



We have improved the work efficiency by introducing a dishwasher that can wash tools such as counter utensils.



Flexible Store Opening Types for Increased Diversification of Modern Lifestyles

We offer a wide variety of types of store by opening our stores in the optimal location to meet the needs of the local community.

By providing a product assortment and a range of services that meet the needs of the local communities and the facilities in which we open stores, we seek to build a community that is comfortable and convenient to live in.

Meeting the demand for stores inside transport facilities

We have been adding the Seven-Eleven product presence to the convenience of existing vendors in order to meet the demand in transportation facilities, with a particular focus on train stations. This is creating new demand.



In stations and on train platforms



In airports

Opening stores in public facilities, educational facilities, and so on

By opening Seven-Eleven stores that not only sells food products and various goods but also accommodate ATMs and the like, the facilities' convenience and usage value increase substantially.



at government offices



On college campuses

Side-by-side with other business formats

By opening stores in facilities seeking to provide a wider range of services, such as rest stops and gas stations, we have opened up a whole new market. This produces a synergistic effect.



At expressway Service Areas (SAs) and Parking Areas (PAs)



Alongside gas stations

Accommodating micro-markets

Even in offices, factories, hospitals, schools, etc. where we have not opened stores, we have been introducing the food vending machine "7-Eleven Vending Machine" since 2017, focusing on "micro-markets" where certain needs are expected.



A 7-Eleven Vending Machine that dispenses food products



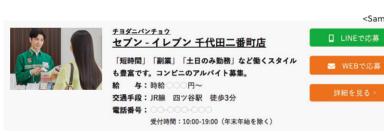
Support in Hiring and Training of Personnel

Amidst broadening diversification of human resources, such as an increase in the employment of seniors and foreigners, we provide support in the form of everything from a training system that allows employees to work with confidence to study sessions for the franchisees, to create a workplace environment where all employees will want to continue working.

Recruiting Optimizer (Recop) Recruitment Management System

The Recop recruitment management system sets up a website to list part-time job openings for franchisees free of charge.

It also allows franchisees to use paid recruitment media at a reduced cost, as well as manage job applicants. The system accepts job applications 24 hours a day, 365 days a year, preventing applicants from being lost.



Cash Register and Customer Service Training System

Training sessions 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.

Our Seven Nanairo Nursery School in-house nursery schools give priority placement to the children of franchise store employees, etc. We are coordinating with local governments to continuously establish more schools.



Seven Nanairo Nursery School





<Sample Listing>



Thorough Support for Franchisees, to Facilitate Mutual Growth

In order to achieve sustainable mutual growth while responding to changes in the structure of society and in the environment, we are promoting a fulfillment of an even greater level of support for our franchisees that are directly facing a variety of challenges in their store management.

Various Support Measures for Franchisees

Employee dispatch system

In the event of a temporary labor

Holding labor study sessions

We hold study sessions where tions to the Labor Bureau and labor and social security attorneys

Franchisee mutual aid society "Club Off" system

We are working to raise awareness and expand the contents of this penefits service that can be used by

Regular health checks for franchisees

Support System from the Headquarters

Not only franchisees but also employees can get regular health checkups at the regional office or

The "Four Fundamentals" of Creating Stores That Customers Love

In order to be a store that can meet the expectations of our customers, at Seven-Eleven we have established the "four fundamentals." The OFC checks whether these fundamental rules are being followed when they visit the store.

The four fundamentals support the creation of stores that customers love.



Product Assortment

Products are assorted in a manner to meet the eeds of local customers with a fine



Cleanliness

had to close due to the occurrence of infections.

We provide a clean and organized sales floor with thoroughly groomed staff.



Freshness Management

Products sold are fresh so that customers can feel safe doing their shopping at all times.



We strive to put ourselves in our customers' shoes

Implementing Management Support Measures and Prevention Measures Against the COVID-19 Infection

We have been distributing masks and face shields to store staff to wear during work as a measure to support our franchisees against the COVID-19 infections that has spread across the world since the beginning of 2020. We have also established transparent dividers between store clerks and customers in order to prevent the transmission of particles in the air. We also promptly formulated and implemented management support measures such as special gratitude money to our franchisees and special gratitude allowances for employees, exemption from interest to be paid to payment agencies, and stipend money for stores that

17 | PROFILE of 7-Eleven PROFILE of 7-Eleven 18 Support System from the Headquarters



A Company That Works Together with Franchisees

The total number of 7-Eleven stores throughout Japan is around 21,000.

But even with such a number, there are no stores that operate under the same circumstances.

The headquarters, which has accumulated a vast amount of store information,

management know-how, and problem-solving measures,

will engage in more thorough communication with franchisees,

to create a system in which franchisees can perform confident management

while responding to the changing times.

Efforts to Strengthen Communication with Franchisees

Conducting questionnaires for franchisees

In July 2019 and July 2020, we distributed questionnaires for all of our franchisees. We learned about the management issues and other problems faced by our franchisees. The survey results will be used to further improve franchisees satisfaction.

Visits by directors and department managers to individual stores and conducting opinion exchanges with franchisees

We receive information on various issues at the store and proposals from the franchisee, and in addition to providing answers the headquarters also listens to their opinions directly with regard to ideas and measures, engaging in a mutual constructive dialogue. Increasing the number of visits by the Franchisee Counseling Office to each store

We are implementing organizational reforms at the Franchisee Counseling Office, which responds to various franchisee consultations, and increasing its personnel. We are also working to increase the number of visits to the franchisees in order to further strengthen communication with the franchisees.



Toward an Expansion in Sales and Profits

Reduction in Seven-Eleven Charge

Based on the results of the questionnaire given to store franchisees in 2019, starting in March 2020 we have partially reviewed the incentive system for the Seven-Eleven Charge (royalties calculated from gross profit on sales at a fixed rate) paid from franchisees to the headquarters.

The aim of this review is to raise the bottom-line profits of franchisees, and by performing this review it is expected that the profits of each franchisee will be increased by an average of around 500,000 yen per year.

Expansion of New-Layout Stores

Past demonstration tests have taught us that changing the store layout according to the store circumstances lead to an increase in sales. We started introducing the "Type F2" layout in 2018, and the stores where this layout has been introduced have seen a sales increase effect. We will implement past demonstration tests have taught us that changing the store layout according to the store circumstances lead to an increase in sales. We started introducing the "Type F2" layout in 2018, and the stores where this layout has been introduced have seen a sales increase effect. We will implement conventional layouts, Type F1, F2, N1, N2, etc. according to the store circumstances.



[Store Layout Type F2]

An advanced version of the new "Type F1" layout to meet the increasing demand for ready-to-eat fresh food, chilled case products such as rice balls and sandwiches, and frozen food that can be easily cooked. The counter is expanded to 11 meters including sides. The layout is characterized by the fact that, despite adding more rice and chilled food display unit, there is no need to temporarily close the store for installation.

Task Assignment and Shift Creation Support

We are promoting the development and implementation of a system whereby franchisees automatically create task assignment tables. This is a system for measurement of the time required for store work, input and analysis of information such as product delivery time and number of customers, and automatic design of the optimal task assignment table for each store. It reduces the work burden on franchisees, clarifies work time assigned to each individual, and leads to more efficient personnel distribution.



The Source of Seven-Eleven's Strength

Product Presence

It's not about what suits the producer or the seller: it is always meant to meet customer needs.

In Seven-Eleven's product creation, we do not allow any compromise,

whether it be in ingredients, production method, taste, safety, packaging, or delivery.

All people involved in the process take tremendous care on each and every point,

based on the thinking of "we want to deliver a fulfilling and convenient life through our products,"

and by constantly upgrading, we are able to produce

the largest volume of fresh food in the industry

Seven-Eleven's Product Presence as Shown by the Numbers

Number of recommended items

items launched in

5,083

Around 5,200 items



"There's Always Something New" A Product Assortment That Raises Expectations

Seven-Eleven's fresh food is amazing for not only its high quality but its wide variety.

We will continue to meet changing customer needs with this balanced and diverse arrangement.

The lineup is constantly changing, and we are always delivering new discoveries.



Fresh Food

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







Seven Premium Gold

The finest raw materials are used according to a discerning manufacturing method.

This is the highest-level brand that enriches your dinner table.







SEVEN CAFÉ

excellent coffee with quality ingredients and a fresh aroma, and real café snacks, providing you with a relaxing experience in your daily life.



30.3%
Non food

Total Store Sales
5,010.2
billion yen

Daily food

25.9% Processed food

30.6% Fast food



(for the fiscal year ended February 2020)

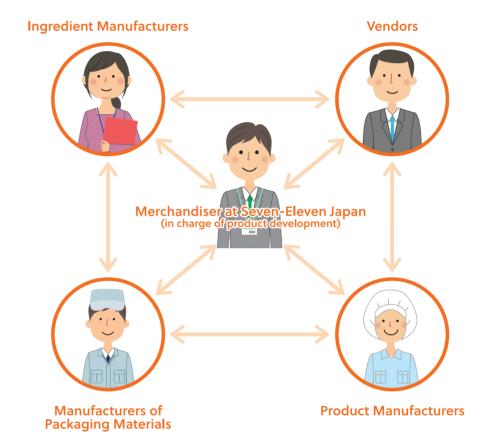


The Team Merchandising (MD) That Supports Product Presence

Team MD crosses the boundaries of the industry and develops products by forming teams with various manufacturers and vendors.

Based on a thorough market strategy, we will combine the high technology and wisdom of each field to

pursue the ideal product with a focus on quality, safety, and deliciousness.



торіс **2**

The Strength of Team MD Shown Through in the 2020 Total Revision of the "Hand-Rolled Rice Ball" The goal of the revision of our hand-rolled rice ball that we performed in 2020 was to create "ever more delicious rice balls from the very first bite." $\,$

The packaging film, which was renewed for the first time in 5 years, has made the original crisp texture and flavor of the seaweed a reality. The rice-cleaning method was also revised for the first time in 14 years, and by doing this we were able to achieve soft rice without losing any of the flavor.

Making the rice soft while maintaining the flavor

Disperse the pressure during rice-cleaning and suppress the increase in temperature

×

Achieving the original crisp texture and flavor of the seaweed

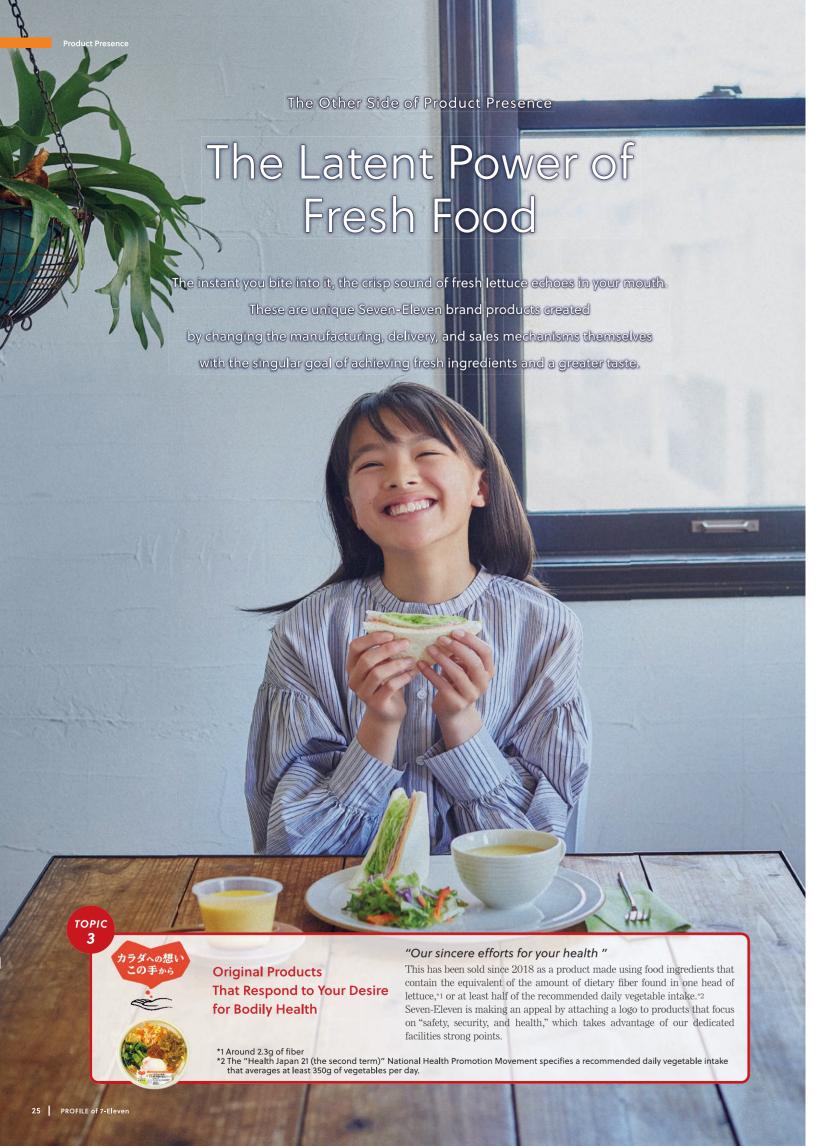
> Prevent seaweed from absorbing water with packaging that is extremely tightly sealed



Packaging manufacturer

By sealing the "pull" parts of the packaging to prevent it from being affected by outside air, moisture absorption is also prevented, allowing for a crunchy texture from the very first bite.

Product manufacturer

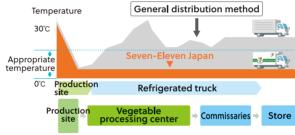


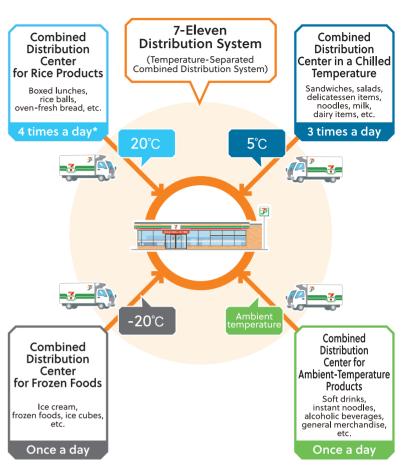
Seven-Eleven's Products Are Defined by Temperature Control

To maintain each individual product at its most delicious, Seven-Eleven Japan has set up combined distribution centers in individual areas for each product category and temperature zone. In addition to maintaining and raising the quality of products, this contributes to streamlining the number of deliveries per day and decreasing the amount of CO2 emissions.

What Is the "Cold Chain" **Freshness Management** Starting from the Field?

For freshly harvested vegetables, Seven-Eleven Japan uses the Cold Chain low-temperature distribution network model to keep vegetables fresh during delivery and processing. Harvested vegetables are loaded onto trucks after being maintained on-site at a low temperature, and delivered to stores via sorting centers and commissaries all while under uniform temperature control.





*Delivery of rice products is performed 3 times a day at Seven-Eleven Okinawa, but otherwise is the same throughout Japan.

Outsourcing That Achieves Both Stable Product Supply and Quality

In order to deliver Fresh Food that is delicious, safe and secure, we collaborate with firms that possess first-rate specialization. Using the sophisticated technology held by our independent suppliers, we have achieved high-quality and stable manufacturing at every step, from production facilities and distribution centers to our system infrastructure.

Thorough Production History Management for Safety and Security

All ingredients used in our Fresh Food products are strictly controlled in a production history database. The system allows us to check which products contain certain ingredients such as allergens or additives, where they were produced, how much of them are used in each sales area, etc.

Infrastructure That Supports Product Development —— (as of February 29, 2020)

Production facilities

181 factories

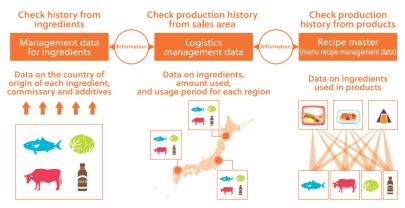
(168 dedicated facilities throughout Japan)

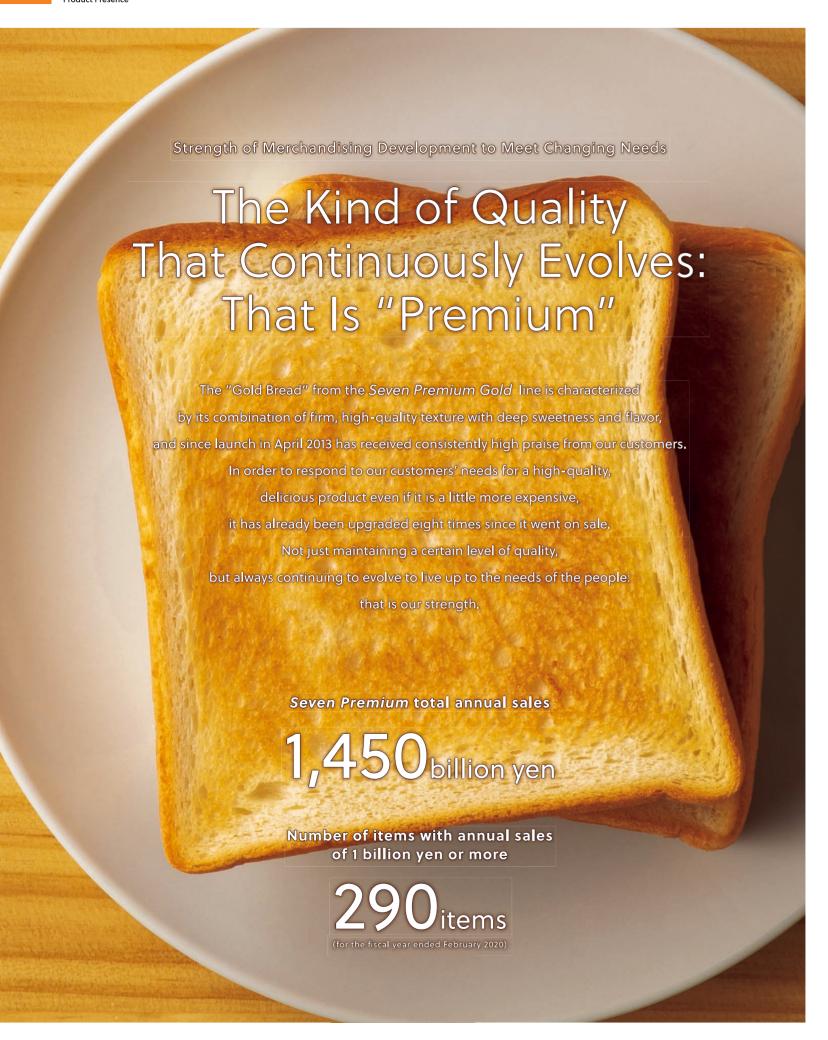
Combined Distribution Center Separated by Temperature

162 sites around Japan

Seasonings: 9 Vegetables: 10 **Processing centers**

Mechanism for Managing Ingredient Production History





"Seven Premium Connect Declaration"

Connect, Be Connected, Will Connect

Behold a new era of *Seven Premium*, a Private Brand (PB) shared among Seven & i Group. With cumulative sales since sales launched exceeding 10 trillion yen, and continued growth as the No. 1 PB in Japan, we issued a declaration to respond to further changes in the social environment.

We are connecting the four values of "environment," "health," "quality," and "global outlook" to each and every one of our products.

It will continue to evolve, more than ever before, into a brand whose value is connected both to our customers and stakeholders around the world and to the future.

Environment

Connecting Environmental Issues to the Next Generation

Based on the Seven & i Group's GREEN CHALLENGE 2050 environmental initiative, we are accelerating our efforts to connect to the next generation. We are developing eco-friendly products such as the world's first fully-circulated PET bottle beverage and original undershirts made from PET bottles.

Health

Connecting Body and Mind in Health

We have developed a great many products that meet the needs of a healthy lifestyle. On top of developing products that suppress salt and sugar, we are striving to display "sugar" and "fiber" in addition to "energy," "protein," "lipids," "carbohydrates," and "equivalent amount of salt" in order to support our customers' healthy lives.





Quality

20 million 53 million

Connecting the Great Taste of a Restaurant to Your Daily Dining Table

The deliciousness and quality of *Seven Premium*, supported by Team MD, continues to improve. And then there is *Seven Premium Gold*, which is celebrating its 10th anniversary and includes an assortment with new products to respond to the changing needs of our customers. We will continue to deliver value that exceeds customer expectations.



Connecting to the World with Japanese Quality

Seven Premium is currently sold in Group stores in mainland China, Hong Kong, Macau, Taiwan and Singapore. In order to make it easier for our overseas customers to understand, we are increasing the amount of English notation on the product packaging while using the Japanese packaging design as-is, to convey an image of Japanese quality.







Seven-Eleven as Social Infrastructure

Lifestyle Services

Seven-Eleven is not just a place to buy things.

We are aiming to create a modern equivalent of the traditional order-taking activity that is close to the local community, providing administrative services at convenience stores and setting up bank ATMs, ahead of the rest of the industry, and delivering products to areas where day-to-day shopping is an inconvenience.

It also plays a role as a lifeline in the event of a disaster.

Seven-Eleven Responding to Various Societal Circumstances

Proportion of seniors

1 in 4 people

In order to make our stores "Close and Convenient," a wide range of delivery services are provided Change in number of small retail stores in 15 years from 1999

Reduces by 28%

Not only as food, but also as an infrastructure for daily living

such as ATM

Proportion of working women

3 in 4 people

Development of products that can be eaten at the dinner table straight away, making life easier for

Single-person - or wo-person (married couple) households

56.3%

Provision

Provision of individual meals and small-capacity packs that are easy and simpl to eat

Seven-Eleven Product Delivery and Collection Services

We provide services that mainly focus on meals for people in areas where shopping is inconvenient due to decrease in the number of retail stores or where elderly people have difficulty going outside. In the face of drastic changes in the consumer environment and needs, Seven-Eleven aims to cooperate with the local community and provide a modern equivalent of the traditional order-taking activity that is essential to the local community.

Seven Meal

This is a service that allows customers to order Seven-Eleven's popular goods, including nutritionally-balanced fresh meal boxes and delicatessen items, any time. Including a lineup of even limited products not sold in the stores, customers can have meals delivered to their home, or stop off at a 7-Eleven store to pick them up.



Seven Easy Delivery

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



ectric mini-vehicle



937



Seven Safe Delivery

This mobile store service uses special sales vehicles to deliver rice balls, meal boxes, bread, drinks and other products. 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 a wide range of foods and drinks. Because they can carry more than 150 items, including everyday sundries, they provide a valuable service to areas where there are very few retail stores.





Seven-Eleven's Net Convenience Store

Seven-Eleven's *Net Convenience Store* is a friend to anyone who is too busy to go out to do their shopping or want to use their time more efficiently. This convenient service allows you to receive delivery on that very day by simply ordering items from Seven-Eleven's rich assortment of products on your smartphone.

omni7



omni7 is a service that allows its users to shop for around 2.2 million products from all variety of Seven & i Group retail stores including convenience stores, superstores, department stores, and specialized stores. One great feature is that ordered products can be received not only at your home but at Seven-Eleven stores nationwide, near to your workplace or school



Digital Services to Further Expand the Potential of the Convenience Store

Digital services that continue to evolve every day constitute a field that holds massive potential for the convenience store industry.

We are working on a variety of new services and systems to further improve convenience for our customers.

7iD

This system helps unify customer information which individual companies hold into one single ID. This helps understand consumer behavior, develop products which meet customer needs and make communication with them more effective.



for understanding consumption behavior

into a single ID

Website sales data

Store sales data

7-Eleven App

The 7-Eleven app allows individual customers to browse information on products and campaigns as well as coupons for great-value offers. Data shows that users of the app visit 7-Eleven stores more frequently and spend more during each visit.



Seven Mile Program

You can build up "miles" by shopping at Seven-Eleven, Ito-Yokado, Seibu, Sogo, Akachan Honpo or Loft, or online shopping at omni7, and these miles can be exchanged for nanaco points or used for activity-based events or digital special offers.



Seven Bank ATM

With approximately 25,000 ATMs installed nationwide accepting cards from more than 600 affiliated financial institutions, Seven Bank's ATM service can be used anytime, anywhere, safely by anyone. When using a card issued overseas, the ATM user can choose to have the ATM screen menu display in one of 12 different languages.



Ever more convenient

We have introduced the "+ (plus) area" operation area, which includes a sub-display. It is now possible to read personal identification documents such as driver's licenses and QR codes.*

*QR codes are a registered trademark of Denso Wave Inc.



Anytime, anywhere, safely by anyone



Ever more easy-to-use

The side-guards to prevent looking in have been enlarged, expanding the privacy space. The lettering on the display is also bigger and easier to read, allowing for greater accessibility to all customers.

Ever more safe

ATMs are made safer and more reliable by the use of the latest technology, optimized maintenance and strengthened security measures. It also reduces power consumption and CO2 emissions, thus reducing environmental impact.

Multifunctional Copy Machines

The multifunctional copy machines in 7-Eleven stores can be used for a wide range of different purposes, including making copies, 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.



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.

Handling of family register certificates of permanent domicile

393 local government

Handling of certificates of proof of address local g

address local governments (As of May 31, 2020)





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. Copiers even allow double-sided photocopies and printing of photographs and postcards.



Ticket Issuan

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



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.



Insurance Services

Our multi-function copiers can also be used to complete the procedures for purchasing insurance that is available by the day for cars or for leisure activities, cancer indemnity insurance and 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.

*These require a "My Number" card or a Basic Resident Registration card. Available services may vary depending on local government regulations.

Bicycle Sharing

This is a bicycle sharing service installed in store parking lots. Bicycles can even be returned to stores other than Seven-Eleven. Bicycles that can be used for daily commuting, business or leisure needs: they have been garnering attention as an alternative to public transportation.

(As of May 31, 2020: Around 520 stores)

Courier Lockers

We have set up lockers to allow collection of packages from Yamato Transport's courier service. By using the designated delivery locker as the pickup location, you can reliably pick up your package at any time of day. Some lockers can also accommodate shipping from flea market websites.

(As of July 31, 2020: Around 1,030 stores)

7SPOT

This is a service that allows visitors to Seven & i Group stores to use Wi-Fi (wireless LAN) inside the stores. We provide free access to 7SPOT-exclusive contents and Internet connection service (maximum 60 minutes per session, 3 sessions per day).

(As of June 30, 2020: Around 20,500 stores)

The Five Material Issues for Seven & i Holdings and Seven-Eleven's Efforts

Seven-Eleven Japan strives to listen and respond to

the changing expectations and demands of society through dialogue with all stakeholders. Based on the "Five Material Issues" identified by Seven & i Holdings, we will contribute to meeting the SDGs targets through various initiatives.



Providing Social Infrastructure for an Aging Society and Declining Population





- Support for customers in areas where shopping is inconvenient
- Expansion of services as social infrastructure

What Are the SDGs?

The Sustainable Development Goals, or SDGs, were adopted by the UN in 2015 under the 2030 Agenda for Sustainable Development.

The SDGs are common goals of the international community, with the principle of "no one left behind," to eliminate poverty and discrimination, and to provide a world where everyone can be given equal opportunities and live better lives.

SUSTAINABLE GALS













Seven-Eleven's Efforts

[Main efforts]

Various delivery services Payment of utility bills Seven Bank ATMs etc.







A Seven Bank ATM



Providing Safety and Reliability through Products and Stores









- Provision of products that are mindful of health, safety and reassurance
- · Activity as a safe and secure center for the community



Providing food products that are mindful of health Safety Station activities Support for regional vitalization



"Our sincere efforts for your health "



Safety Station activities



Non-wasteful Usage of Products, Ingredients, and Energy











- Reduction of waste and energy consumed by business activities
- · Initiatives for realizing a recycling-oriented society in collaboration with local communities

[Main efforts]

Implementation of energy-saving equipment Utilization of renewable energy Reverse vending machines



Test stores with 100% real renewable energy



A reverse vending machine



Supporting the Active Role of Women, Youth and Seniors across the Group and in Society







- Expanding employment for senior citizens and implementing work support
- · Supporting the success of diverse human resources

[Main efforts]

Seven Nanairo Nursery School Job briefings for seniors







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











 Social contribution activities such as support for environmental citizen groups, protection and conservation of the natural environment, and disaster recovery support

[Main efforts]

In-store fundraising activities to support disaster relief "Seven Forest" forest conservation project etc.



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



PROFILE of 7-Eleven 34 33 | PROFILE of 7-Eleven

The Seven & i Group's **Environmental Initiative**

The Seven & i Group's GREEN CHALLENGE 2050 environmental initiative sets specific targets under four themes, for 2030 and 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.





Scan this QR code to see Seven & i Holdings' CSR.

Reduction of CO₂ emissions



Emissions associated with the operation of the Group's stores

2030 Target / 30% reduction 2050 Target / Reduce emissions by at least

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 highly energy-efficient equipment.



We have opened demonstration test stores that have all of the electricity used in the store as renewable energy with zero CO2 emissions. There are solar panels on the roof and storage batteries lined up behind the parking lot.

Solar panel installation 8,074 stores

Measures to reduce plastic usage



Plastic shopping bag usage

2030 Target Zero usage

Our aim is to use sustainable natural materials such as paper.

For the packaging used in our original products (including Seven Premium), we are switching to eco-friendly materials (biomass, biodegradability, recycled materials, paper, etc.).

2030 Target / 50% ▶ 2050 Target / 100%

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.



Some stores are equipped with reverse vending machines. In order to promote resource recycling domestically, we are promoting "bottle to bottle," which encourages reuse and return of PET bottles.

Number of PET bottles collected

Around 19 million bottles equivalent

Food loss and food recycling measures



Reduction in amount of food waste generated Amount of food waste generated per unit of sales (food waste generation per sales; compared to FY2013)

2030 Target Reduce waste by 50% ▶ 2050 Target Reduce waste by 75%

Food waste recycling rate

2030 Target / 70% ▶ 2050 Target / 100%

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.



We are striving to extend the expiration date of Fresh Food by reexamining the manufacturing process and hygiene management. Additionally, in May 2020, we held a nationwide roll out of the "Ethical Project," which gives bonus points for products that are close to their expiration dates

Sustainable procurement



For the food product ingredients used in our original products (including Seven Premium), we are switching to those that help to ensure sustainability.

2030 Target / 50% ▶ 2050 Target / 100%

We are increasing the use of food product ingredients that help to ensure sustainability, so as to be able to provide our customers with safe, secure and convenient products which are also environmentally friendly.



Products including Seven Premium Salted Cod Roe with Red Pepper, which has received Marine Stewardship Council (MSC) certification, granted to natural marine products harvested from sustainable fisheries, and Seven Premium Fairtrade Cubic Chocolate (40g), which is a bite-sized chocolate using fair trade cocoa mass and cocoa butter, are available

Aiming to Contribute to Society and Develop Local Communities through Close Cooperation with Local Communities

Seven-Eleven Japan is aiming for a progressive development in the entire area including the store and its surroundings.

With a focus on efforts toward a society where anyone can live safely and comfortably, we are deeply involved in everything from regional invigoration to preserving the environment.

Comprehensive Regional Vitalization Partnership Agreements

Seven-Eleven Japan works with communities to promote efforts toward local production and local consumption, promoting tourism, preserving the environment, and supporting child care and elderly care. 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.



Comprehensive Regional Vitalization Partnership

(As of July 31, 2020)

Local governments that have signed agreements regarding support for the elderly, etc.

533

(As of July 31, 2020)

Safety Station Activities

Seven-Eleven Japan is implementing Safety Station activities, in which stores provide a safe and secure space for women or children to escape from harassment, to safeguard senior citizens, to 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.





Storefront Safety Station poster

Warnings and notices on POS registers

Crime and Disaster
Countermeasures

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 disaster, accident or emergency illness.

Safety Measures

Serving as an emergency evacuation center for women and children. Providing assistance for the elderly and physically challenged and establishing contact, Transmitting/providing safety information for people in the neighborhood.

Strengthening of Efforts toward the Healthy Upbringing of Youths

Thorough implementation of the prohibition on the sale of alcohol and tobacco products to people

Cooperating to decrease juvenile delinquency by preventing disruptive behavior in neighborhoods with

Seven-Eleven Foundation

Based on such funding sources as funds raised by customers and 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.



Seven Forest

This is a forest conservation activity that creates healthy forests by coordinating with local residents, NPOs and he government to cover every stage from tree plantng through to weeding and nning out,



Tokyo Bay UMI Project

We are engaged in activities to increase the volume of eelgrass, a type of seaweed that purifies seawater by absorbing nutrients in the sea and releasing oxygen.

35 | PROFILE of 7-Elever PROFILE of 7-Eleven 36 I first started working at Seven-Eleven when I was in high school.

I decided to set out by myself to create my ideal store while building my career.

I feel that a convenience store that produces results

based on efforts is the job of my dreams.

Working closely with my father who supports me,
I am imagining a new vision of a convenience store.

Local employees and a father who support his challenges

One day, Kota Ide (26) said something to his father Yukihiro (55).

"Do you want to run a Seven-Eleven with me?"

Yukihiro was taken aback, but his son looked serious. Yukihiro composed himself and thought about it.

"Hmm... running a convenience store with my son... it's possible..."

Shortly thereafter, Yukihiro submitted his request to resign from the company he was working at the time.

"I want to manage my own store. It's something I've been thinking about for quite some time."

It was when Kota was in high school that he took up a part-time job at a local Seven-Eleven. Working there part-time, including customer service and ordering, was fun, but after graduating he decided to become a full-time employee at the store, eventually becoming store manager and seeing things from a new perspective.

"Being in a position where I listened to the problems of other employees, I started to think about how these problems could be resolved," says Kota, regarding how his way of thinking changed at that time.

Different employees say different things, such as wanting to work more hours during their free time or wanting to take time off to deal with problems at home. But it's difficult for a manager to change the store rules on his own.

"I want to become a Store Franchisee and create a store that is easier to work at than anywhere else."

Setting up a plan to become a store franchisee by 25 years old, he started working towards the goal.

On January 1, 2019, with Kota as the new Store Franchisee



Store Franchisee Kota Ide (left) with his father, store manager Yukihiro (right)

and Yukihiro as the manager, they opened up "Seven-Eleven Toda Sasame 2-Chome Store" by taking over from the previous owner. Just as planned, Kota was 25. Yukihiro says that at the time his son said that he wanted to take over this store, deep down he was a little worried.

"Yeah, people do come and go, but there's a supermarket nearby ... Then Kota pointed out that convenience store customers don't just come in to buy products, but they are also buying time, which is totally different from supermarkets, so it'll be okay. I was really impressed with what he said."

As Kota anticipated, the Toda Sasame 2-Chome Store, which had loyal customers in the local residential area along the roadway, became ever more popular upon its renewal opening. The most valuable asset was the fact that employees who had been working there under the previous Store Franchisee stayed on and continued to work there.

"The local employees, who were familiar to the customers, have been absolutely critical," says Kota, looking back on that time. "My father and I wouldn't have been able to run a store in this location without their help."

Creating an environment that is easy to work in while valuing time off

Since opening, sales have been steadily rising.

"If you communicate properly with the OFC and strictly follow the four fundamentals of Seven-Eleven, sales will definitely rise," says Kota. The "four fundamentals" are the rules that are key for store management, namely "Friendly Service," "Cleanliness," Product Assortment," and "Freshness Management." It was straightforward work, but I felt during the course of my daily work that thorough implementation of these would directly connect to attracting more and more customers.

As the Store Franchisee, the first thing I started was to develop a "workplace that employees can easily work in." He sits down once a month with each employee to ask if there is anything bothering them. Through actions like this, he is able to listen to his employees' opinions.

On top of that, he gives his employees everything they need to do their jobs. This includes things like chairs in the back room for employees to take their breaks, and individual cases where they can store their personal items. Kumiko Yoshida, an employee with experience working at several other convenience store chains, expressed sincere gratitude for Kota, who is the first convenience store owner she has worked for who pays such individualized attention to each of his employees.

Among these efforts, the main reason why employees have said that they find it easy to work is that Kota, who has been teaching himself about labor matters, has been particular about the working style he calls "take time off whenever you want." He feels it is very important when maintaining employees over a long period of time to allow them to take time off at the time that best suits them.

"Even following up on this, I too work only 40 hours a week," says Kota. "I' m just complying with the legal rules of 40 hours or less a week. This is normal nowadays." Umma Habiba, an employee who originally came here from India, says "I have a young child, so sometimes I have to take time off on short notice. The store owner says he's okay with that, which I am very thankful for."

Even taking long breaks is okay as long as there's a reason. Employees who are traveling to their faraway hometowns can apparently even take several weeks off in a row. This is also pushed by Yukihiro. "Your parents probably want to see their grandchild's face, so I would prefer if you took your time," he says, kindly. By responding in this way to the wishes of employees, a "motivation to work" is cultivated and there is never a shortage of labor.

Kota, who embodies the Reiwa lifestyle, and Yukihiro, who remembers the age of the Showa office worker: these two different human powers exert such a synergistic effect on store operations.



I want to change the conventional idea of the "convenience store."

Making convenience stores a dream job for the younger generation

When we asked Kota how he felt about becoming a Store Franchisee, he said "Everything is going as I planned." "We are going to increase our full-time employees and exceed our sales targets," he says. We asked Yukihiro something else

"Yeah, I did kinda want him to become an office worker. But it's really wonderful for me as a parent to have been able to support my son and help him set up his own store." When Kota hears this and says he is really grateful, a smile

Lastly Kota had this to say:

comes across Yukihiro's face.

"My ultimate goal is to change the negative attitude that people have toward convenience stores. By continuing to establish comfortable and worker-friendly stores, it is my hope that I can increase the number of young people who dream of opening their own convenience stores."

The changes to the industry that they are hoping for are big changes, but with these two, it will definitely work out.



Seven-Eleven Toda Sasame 2-Chome Store

Address: 2-7-8 Sasame, Toda-shi, Saitama

Taken over from the previous Store Franchisee on January 1, 2019.
The store owner, who is in his mid-twenties, is continuously reforming the style of work and encouraging growth by operating in accordance with basic principles.

This article is excerpted and modified from "The Miracle of Life: Together with Seven-Eleven," which was published in the weekly AERA over 22 issues, following the lives of various Seven-Eleven franchisees

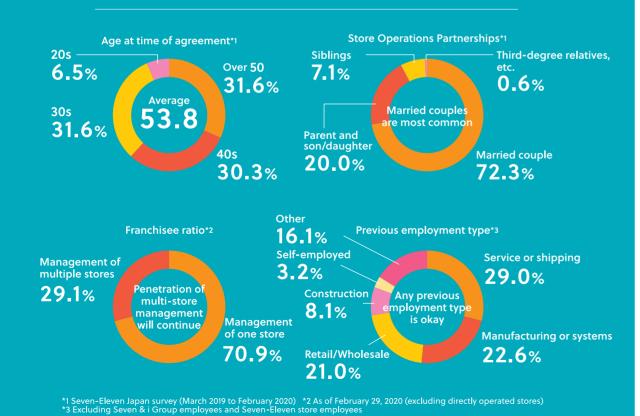
The Road to Becoming a Seven-Eleven Store Franchisee

The Franchise Agreement

Seven-Eleven is a "franchise business" where the franchisees operate their own stores independently.

In order for each person to begin a new daily life as a Seven-Eleven Store Franchisee, we create the best contract plan for each individual Store Franchisee.

Seven-Eleven's Franchisees as Shown by the Numbers



From Franchise Agreement to Store Opening

Type A

Franchisee provides the property and building for the store

1. Visiting a Franchisee Candidate

A Recruit Field Counselor (RFC) briefs a potential franchisee and provides documents summarizing key points and general information about the franchise agreement,

2. Location/Trade area/Market research

We implement in-depth research regarding location and 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 original store management methods and overall operations until a Franchisee Candidate is satisfied.

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 Franchisee Candidate and Seven-Eleven Japan.

6. Deliberation and decision-making by the Franchisee Candidate

A potential franchisee carefully examines the details and decides whether to enter into the franchise agreement with us.

7. Signing the franchise agreement

After carefully reviewing and checking the details of the agreement, Seven-Eleven Japan and a Franchisee Candidate enter into a franchise agreement, upon which the franchisee pays a deposit.

8. Store layout and design

The construction and design department of Seven-Eleven Japan implements the design, and a Franchisee Candidate confirms and then signs the construction agreement.

Type C

Seven-Eleven Japan provides the property and building for the store

1. Participating in the briefing session

Explains Seven-Eleven Japan's general franchise system, etc.

2. Preliminary consultation/First interview

Our representative visits a Franchisee Candidate and conducts an interview in principle, with the candidate and his/her spouse).

3. First interview with zone manager or district manager

We confirm the understanding and approval of a Franchisee Candidate and his/her spouse and family with regards to 7-Eleven's store management.

4. Visiting an existing store

We visit a current 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. Second interview with zone manager or district manager

After first 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. 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 Franchisee Candidate and Seven-Eleven Japan.

9. Signing the franchise agreement

After carefully reviewing and checking the details of the agreement, Seven-Eleven Japan and a Franchisee Candidate enter into a franchise agreement, upon which the franchisee pays a denosit





Common Processes

Training for Franchisee Candidates

School training

In-store experience

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

rience store operations and customer service at one of the regional corporate stores. Our trainers provide attentive training contents and guidance to the candidates.



Preopening preparations

A Franchisee Candidate communicates with store staff and shares information. He or she also visits the neighbors to greet them and inform them of the store opening.



Turn-key

conducted the day before the store opening. The franchisee is presented with the key to the store along with a training completion certificate.

Store opening

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



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	
Ownership or Lease of the Land and Buildings	Owned or leased by a franchisee	Owned or leased by Seven-Eleven Japan	
Utilities Paid by	Seven-Eleven Japan: 80% Franchisee: 20%	Seven-Eleven Japan: 80% Franchisee: 20%	
Deposit on Signing the Agreement	3,000,000 yen*1 (see below for breakdown)	2,500,000 yen*1 (see below for breakdown)	
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 (see below for breakdown)	An amount equal to the gross profit on sales*2 multiplied by a sliding charge rate 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 (see below for breakdown)	
Guaranteed Minimum Gross Income System	Store 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]	Store 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 The amount of the remaining balance after deducting the Seven-Eleven Charge from gross profit on sales
Note: Further information on the agreement is explained in the Key Points Overview of the Franchise Agreement and in the Agreement.

Breakdown of Deposit on Signing the Agreement

	1. Training fee	2. Store opening preparation charge	3. Store opening investment
Туре	500,000 yen (consumption tax applied separately)	1,000,000 yen (consumption tax applied separately)	1,500,000yen (consumption tax not applied)
Туре	500,000 yen (consumption tax applied separately)	500,000 yen (consumption tax applied separately)	1,500,000 yen (consumption tax not applied)

Franchisee Candidate 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 before 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 used to finance the franchisee.)

Application of Incentive Charge

For Type C stores, the Seven-Eleven Charge is reduced by up to 3% (condition 1 and condition 2) from the month after the month that completes five full years after the store opens.

Condition 1	Average daily sales	300,000 yen or more	The charge is reduced by 1% of the gross profit on sales		
	Annual gross profit on sales Annual gross profit on sales	More than 50 million yen, but less than 70 million yen 70 million yen or more	The charge is reduced by 1% of the gross profit on sales The charge is reduced by 2% of the gross profit on sales		

Reduction in Seven-Eleven Charge

The Seven-Eleven Charge is reduced by the amount indicated below, from the amount calculated per the above.

Gross profit on sales / month	Over 5,500,000 yen	5,500,000 yen or less		
24-hour operation	Reduced by 35,000 yen per month	Reduced by 200,000 yen per month additional 24-hour operation reduction Special reduction 2% of the gross profit on sales 1% of the gross profit on sales		
Non-24-hour operation stores	Reduced by 15,000 yen per month	Reduced by 70,000 yen per month additional (Special reduction 1% of the gross profit on sales)		

^{*}The above values are to be calculated on a prorated basis for the actual number of business days during each accounting period. This system was introduced in March 2020.

Content of the Franchise Agreement

Marketing Activities	Mass media advertisement and related expenses for sales promotions Seven-Eleven Japan makes payments for franchisees and provides store operation information materials.		
Accounting/Bookkeeping Services			
Guaranteed Minimum Gross / Income System System to Guarantee Income of Franchisees (Gross Profit on Sales Minus Seven-Eleven Charge)	 A system to guarantee franchisees a certain amount of their gross income. Applicable to stores that are open 24 hours a day For Type A agreements, 22 million yen per year For Type C agreements, 20 million yen per year *Franchisees' profits are the amount which is obtained by subtracting store operation expenses from gross income. 		
Other	 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. 		

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 life insurance, medical insurance and reserves for benefits packages for full-time employees. Compensation paid if staff members are injured on duty or on the way to work.
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Incentives for Franchisees

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. 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 with at least three years of work 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 work experience, he or she can take advantage of this support system in the month following that 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

Loan Banking Partners

City Banks		SMBC, Resona, Saitama Resona, Mizuho, MUFG		
	Regional Banks	 Hokkaido region: Hokkaido, Hokuyo Tohoku region: Iwate, Akita, Toho, 77 Bank, Yamagata, Shonai Kanto, Koshinetsu and Tokai regions: Bank of Yokohama, Chiba, Chiba Kogyo, Keiyo Ashikaga, Joyo, Gunma, Musashino, Yamanashi Chuo, Hachijuni, Daishi, Hokuetsu Shizuoka, Suruga, Hyakugo, Juroku Kansai region: Bank of Kyoto, Shiga, Nanto, Kiyo, Minato, Kansai Mirai Chugoku and Shikoku regions: Chugoku, Hiroshima, Momiji, Yamaguchi, Tottori Awa, Iyo Kyushu region: Bank of Fukuoka, Nishi-Nippon City, Kitakyushu, Bank of Saga The Eighteenth Bank, Shinwa, Higo, Oita, Miyazaki 		
	Other	Ichii Shinkin, Fukuoka-Hibiki		

(As of June 30, 2020)

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Our History Consists of 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.
		•	An area service and license agreement were concluded with The Southland Corporation of the U.S.A (currently 7-Eleven, Inc., and the same shall apply hereafter).
1974	May	•	The first 7-Eleven store (Toyosu store, Koto-ku, Tokyo) was opened.
1975	Jun.	•	Launched 24-hour operations (Toramaru store, Koriyama City, Fukushima).
1976	May		The number of stores in Japan exceeded 100.
	Sep.	•	Vendors integrated and combined distribution system launched.
1978	Jan.	•	The company name was changed to Seven-Eleven Japan Co., Ltd.
	Aug.		Order placement via Terminal Seven was launched.
1979	Oct.	•	Seven-Eleven Japan was listed on the second section of the Tokyo Stock Exchange.
1980	Nov.		The number of stores in Japan 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.
		•	Order placement via Electric Order Book (EOB) was launched.
1984	Feb.		The number of stores in Japan exceeded 2,000.
1985	May		Computers that provide graphic information were introduced.
	Aug.		Bidirectional cash registers were introduced.
1987	Mar.		Three-times-daily combined distribution system for rice products was introduced.
	Apr.		The number of stores in Japan exceeded 3,000.
	Oct.		Payment collection service for TEPCO electricity bills was launched.
1988	Mar.		Payment collection service for Tokyo Gas bills was launched.
	Nov.	•	A temperature-control system that maintains a 20°C temperature for rice products was introduced (commissaries-delivery trucks-display cases).
1989	Nov.		Handling of prepaid cards was launched.
	Dec.		Hawaii operations purchased from The Southland Corporation.
	Jun.		The number of stores in Japan exceeded 4,000.
1990			
1990			The 4th Generation Integrated Store Information System was introduced.
	Sep.	•	
	Sep.	.	System was introduced. Acquired the shares of the Southland Corporation and
1991	Sep. Mar. May		System was introduced. Acquired the shares of the Southland Corporation and participated in management. ISDN (integrated service digital network: NTT)

re first established?
1993 Oct. Seven-Eleven Midori no Kikin (Green Foundation) was established.
1994 Apr. Large-scale ice cream cases were introduced.
Oct. Open chiller showcases were introduced.
1995 May. ► The number of stores in Japan exceeded 6,000 .
Jun. Payment collection service for mail-ordered sales was introduced.
1996 Mar. ▶ Weather information service was introduced.
1997 Jun. ▶ The number of stores in Japan exceeded 7 ,000.
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. ► The number of stores in Japan exceeded 8,000.
E-shopping Books was launched.
Payment collection service for online shopping bills was launched.
2000 Feb. E-commerce business 7dream.com Co., Ltd. was established (the service was launched in July 2000).
Aug. Seven-Meal Service Co., Ltd. meal delivery service was established (service was launched in September 2000).
2001 Apr. IY Bank Co., Ltd. (currently Seven Bank, Ltd.) was established through a joint capital investment with Ito-Yokado Co., Ltd.
May ► Installation of IY Bank (currently Seven Bank, Ltd.) ATMs was started.
Aug. ► Sale of original Fast Food products made without preservatives and artificial coloring was started.
2002 May Installation of open showcases both for hot and cold foods was started.
Nov. A ticketing service using multi-function copiers was started.
2003 Aug. The number of stores in Japan 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.
Nov. Optical fiber communications were introduced.
The first multi-function copiers capable of printing photos taken by digital camera were installed.
2005 Feb. ▶ 7-Eleven, Inc. became a subsidiary of Seven-Eleven Japan
Sep. Seven & i Holdings Co., Ltd. was established and listed on the first section of the TSE.
Nov. ► The number of stores in Japan exceeded 11,000.

2006	May	>	Full-scale introduction of the 6th Generation Integrated Store Information System
2007	Mar.	•	7-Eleven became the retail business with the world's largest number of chain stores.
	Apr.	•	Proprietary electronic money service, <i>nanaco</i> , was introduced.
	Aug.		Seven Premium was introduced.
	Ocrt.		In-store fried fast foods were launched.
	Dec.	•	Nittele Seven Co., Ltd., a fusion of information media and retail business, was established.
2008	Feb.		The number of stores in Japan exceeded 12,000.
	Apr.	Þ	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.
		•	Business and capital tie-up with PIA Corporation was started.
2010	Feb.	•	Multi-function copiers' handling of administrative services such as issuance of copies of residence certificates and seal registration certificates was started (in some municipalities before others).
2010	Mar.		Seven-Eleven Midori no Kikin was incorporated as a general incorporated foundation and was renamed Seven-Eleven Foundation.
	Jun. Dec.		Credit card payment system was launched.
	DCC.		The number of stores in Japan exceeded 13,000.
			The number of stores worldwide exceeded 40,000.
			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 truck, 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 yer
	Feb.		The number of stores in Japan exceeded 14,000.
	May		Seven Lifestyle brand was launched.
	Jul.	•	A delivery service using electric mini-vehicles, Seven Easy Delivery, was launched.
	Oct.	•	SEJ Asset Management & Investment Company was established.
2013	Jan.	•	Seven Café was launched.
	Feb.	•	The number of stores in Japan exceeded 15,000.
	Mar.	•	The number of stores worldwide exceeded 50,000

2013	Dec.	•	The number of stores in Japan exceeded 16,000.
2014	Aug.	•	The number of stores in Japan exceeded 17,000.
	Oct.	•	Seven Café Donuts was launched.
	Dec.	•	Tax exemption service was launched.
2015	Feb.	•	Total sales amount of all chain stores exceeded 4 trillion yen.
	Aug.	•	The number of stores in Japan exceeded 18,000.
	Oct.	•	The first 7-Eleven store in the United Arab Emirates were opened.
		•	Full-scale introduction of the 7th Generation Integrated Store Information System
	Nov.		omni7 was launched.
2016	Feb.	•	First 7-Eleven store equipped with a hydrogen station was opened.
	Jul.		The number of stores worldwide exceeded 60,000.
	Aug.	Þ	The number of stores in Japan exceeded 19,000.
2017	Mar.	•	7-Eleven's corporate colors were the first to be registered in Japan as a trademark based solely on color.
	Jul.		The first 7-Eleven store in Vietnam was opened.
	Oct.		Seven-Eleven Okinawa Co., Ltd. was established.
2018	Jan.		The number of stores in Japan exceeded 20,000.
	Oct.	•	Awarded PRIDE Gold certification, the highest rating in the PRIDE Index.
2019	Apr.	•	Seven-Eleven Japan Co., Ltd. "Action Plan" was brought into effect.
	May	•	PET bottle collection was promoted in Higashiyamato City in coordination with the Higashiyamato municipal government, the Nippon Foundation and the Higashiyamato City Cleaning Business Cooperative.
	Jun.	•	The world's first fully-circulated PET bottle beverage, "Hajime Green Tea," went on sale from Seven Premium.
	Jul.	•	Seven-Eleven Okinawa opened its first stores within Okinawa Prefecture.
	Aug.		The number of stores in Japan exceeded 21,000.
	Oct.		"Late-night Closure Guidelines," an initiative for "Examination of Shortening Business Hours," were established.
2020	Jan.	•	The number of stores worldwide exceeded 70,000.
	May	•	The "Ethical Project," which gives bonus nanaco points for products that are close to their sell-by dates, was expanded throughout Japan.
	Jun.	•	Contactless payment with five credit card brands were implemented and services started at stores nationwide.
	Aug.	•	Marathon Petroleum Corporation (US) convenience store operations and fuel retail business mainly operated under the "Speedway" brand were acquired by 7-Eleven, Inc.

Corporate Outline

Name : Seven-Eleven Japan Co., Ltd.

Date of Establishment : Number of Employees : November 20, 1973

Representative Director and President : Fumihiko Nagamatsu

Capital : 17.2 billion yen (Capital and number of employees are accurate as of February 29, 2020)

Executives

Representative Auditors

Auditors Takashi Ogura President Fumihiko Nagamatsu Auditors Teruo Douyama Auditors Yoshitake Taniguchi

Senior Director & Managing Executive Officer Shigeki Kimura Senior Director & Managing Executive Officer Director & Executive Officer Director & Executive Officer

Ryouji Sakai Shizuma Noda Hisashi Ohashi Keiko Fujimoto Yoshio Watanabe Hirotaka Takahashi

Ryuichi Isaka

Executive Officers

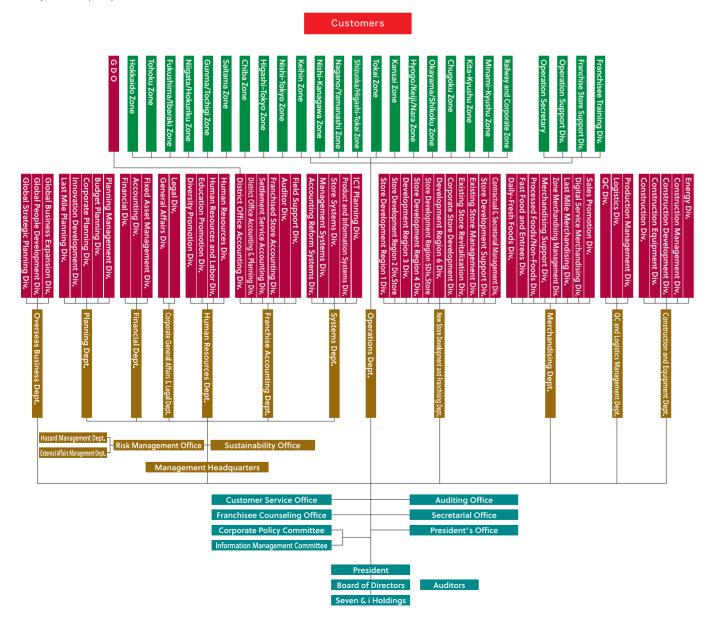
Executive Officers Katsutane Aihara Executive Officers Shinji Abe Executive Officers Seiichi Aoyama Executive Officers Kazumi Ishimaru Executive Officers
Executive Officers
Takehiko Masuo Executive Officers Kazutake linuma Executive Officers Seiichi Tamura

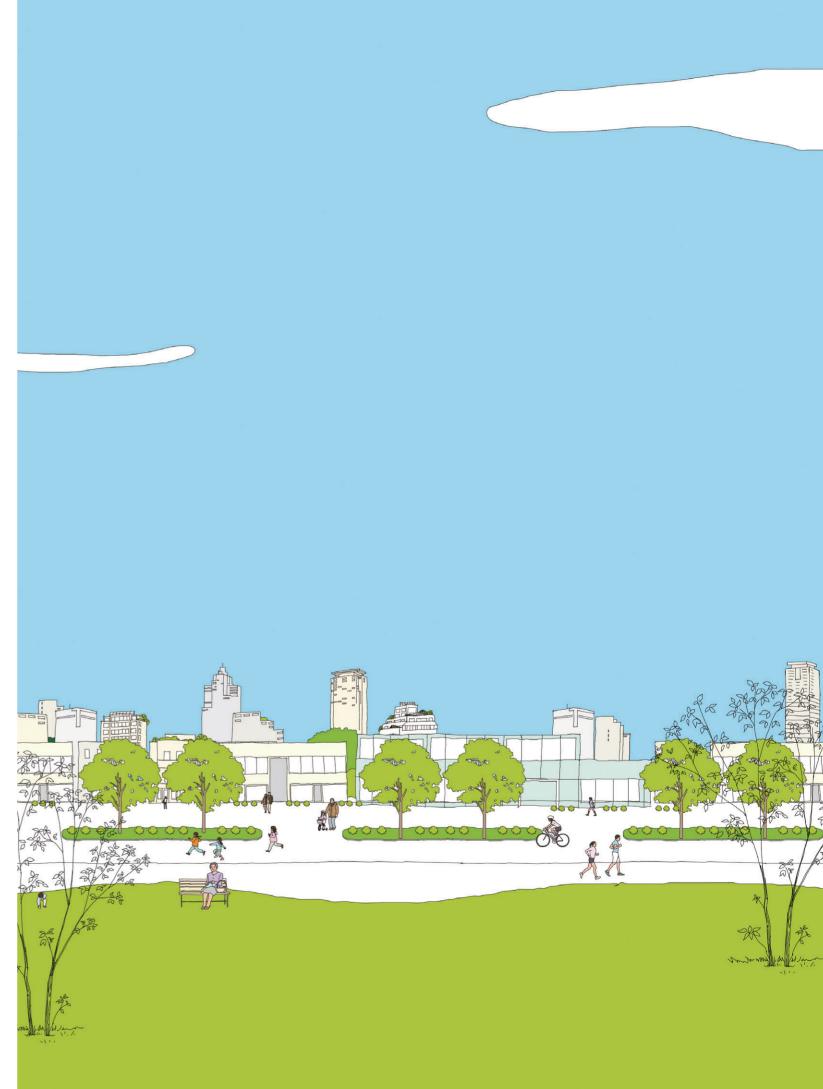
Executive Officers Shigeto Fujita Executive Officers Shingo Hamasaki Executive Officers Junko Waseda Executive Officers Keisuke Aoyama Executive Officers Yoshiaki Mano Executive Officers Akira Masuda Executive Officers Shinji Uchida

(As of May 2020)

Organization Chart

(As of June 8, 2020)









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