In 2023, Seven-Eleven Japan will celebrate its fiftieth anniversary. Social values have gone through striking changes over the last half century, particularly in terms of values and lifestyle diversification in recent years. With major changes in the way our customers patronize convenience stores, we aim to reexamine from the very foundations of our business how we communicate inside and outside the company and how we provide advice to franchisees. We are also engaged in efforts to work with our customers, franchisees, suppliers, and people in the local community in order to create new value that is closely in line with our daily lives.

We are focusing efforts on delivering the merchandise assortment that meets local needs, introducing innovative store layouts, and providing new interest utilizing our unique merchandise development system. We are also accelerating DX (digital transformation) efforts and expanding services that provide new experiential value to customers, such as our 7NOW delivery service, and we are actively working to bring further labor-saving elements to store operations. Furthermore, we are also collaborating with various stakeholders and making steady progress on initiatives to help achieve a sustainable society, a pressing issue that affects the entire globe. On the environmental front in particular, the Seven & i Group GREEN CHALLENGE 2050 environmental declaration has established specific numerical targets and effective measures for the four themes of reduction of CO₂ emissions, measures against plastic, measures to deal with food loss and food recycling, and sustainable procurement.

Seven-Eleven Japan is committed to unceasing self-innovation in efforts to deliver new convenience and richness sought after by society and our customers in their everyday lives.

President & Representative Director
Fumihiko Nagamatsu

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
Seven-Eleven Japan’s franchise system is a joint operation between the company and its franchisee. The company is always engaged in developing new merchandise and services in order to enrich our customers’ lives. By providing such merchandise and services, the franchisee forms deep connections with the local community, with the goal of realizing a “Close-by, Convenient” store for each individual customer.

We believe that the system of Seven-Eleven Japan and its franchisee working closely together to provide greater convenience and enrich society overall is the mission of Seven-Eleven Japan.

Bringing joy to our customers and new value to society.

That is what Seven-Eleven Japan does.
Seven-Eleven Japan began in 1973, a time when others said that Japan was not yet ready for convenience stores. Ever since that time, our stance of taking on challenges without fearing difficulties remains unchanged, and as long as there is a need, we will continue to provide new merchandise and services.
7-Eleven as Shown by the Data

Number of 7-Eleven Stores (Japan)

<table>
<thead>
<tr>
<th>Prefecture</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fukuoka</td>
<td>1,026</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saga</td>
<td></td>
<td>187</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nagasaki</td>
<td>205</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kumamoto</td>
<td>360</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oita</td>
<td>182</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miyazaki</td>
<td>199</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kagoshima</td>
<td>206</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hokkaido</td>
<td>1,001</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tokushima</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shiga</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yamanashi</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shizuoka</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nagano</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aichi</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aomori</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Akita</td>
<td>1,113</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ibaraki</td>
<td>647</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tochigi</td>
<td>457</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gunma</td>
<td>477</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saitama</td>
<td>1,229</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iwate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tottori</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Niigata</td>
<td></td>
<td>437</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toyama</td>
<td></td>
<td>135</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ishikawa</td>
<td>137</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fukui</td>
<td></td>
<td>70</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miyagi</td>
<td>426</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fukushima</td>
<td>456</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chiba</td>
<td>1,160</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tokyo</td>
<td>2,850</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kanagawa</td>
<td>1,483</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kokura</td>
<td>80</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shiga</td>
<td>231</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nagano</td>
<td>207</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aichi</td>
<td>1,071</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tochigi</td>
<td>477</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saitama</td>
<td>1,229</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hyogo</td>
<td>693</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nara</td>
<td>137</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wakayama</td>
<td>86</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

47 Prefectures throughout Japan 21,327 stores

(As of February 28, 2022)

Date of first opening in each prefecture

- Fukuoka: 1974 May
- Oita: 1974 May

Business Performance and Data (FY ended February 2022, Seven-Eleven Japan Co., Ltd.)

Total Store Sales and Sales Composition Ratio

Revenues from Operations 863,025 million yen
Operating Income 223,091 million yen
Ordinary Income 273,672 million yen
Net Income 189,652 million yen

Figures for Store Units (Average of All Stores)

Average daily sales 646 thousand yen
Average number of customers per day 899
Average spending per customer 719 yen

Trend in Number of Stores as of the End of Each Year (in Japan)

*Includes Seven-Eleven Okinawa since the fiscal year ended February 29, 2020.
Main Seven & i Group Companies (As of June 30, 2022)

<table>
<thead>
<tr>
<th>Domestic Convenience Store Operations</th>
<th>Superstore Operations</th>
<th>Department/Specialty Stores Operations</th>
<th>Financial Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEVEN-ELEVEN JAPAN CO., LTD.</td>
<td>Ito-Yokado Co., Ltd.</td>
<td>Sogo &amp; Seibu Co., Ltd.</td>
<td>Seven Bank, Ltd.</td>
</tr>
<tr>
<td>SEVEN-ELEVEN OKINAWA CO., LTD.</td>
<td>York-Determino Co., Ltd.</td>
<td>Reitakuco Shopping Park Co., Ltd.</td>
<td>Seven Financial Service Co., Ltd.</td>
</tr>
<tr>
<td>Seven-Meal Service Co., Ltd.</td>
<td>York Co., Ltd.</td>
<td>GOTTISCELEN CO., LTD.</td>
<td>Seven Card Service Co., Ltd.</td>
</tr>
<tr>
<td>Seven Net Shopping Co., Ltd.</td>
<td>SHELL GARDEN CO., LTD.</td>
<td>Akachan Honpo Co., Ltd.</td>
<td>Seven CS Card Service Co., Ltd.</td>
</tr>
<tr>
<td>Overseas Convenience Store Operations</td>
<td>Madamu Co., Ltd.</td>
<td>Seven &amp; I Food Systems Co., Ltd.</td>
<td>Seven Payment Service Co., Ltd.</td>
</tr>
<tr>
<td>7-Eleven, Inc.</td>
<td>Peace Deli Co., Ltd.</td>
<td>Nissin Holdings Co., Ltd.</td>
<td>FTCTI, Inc.</td>
</tr>
<tr>
<td>7-Eleven International LLC</td>
<td>IT Foreca K.K.</td>
<td>Bemaya Japan Co., Ltd.</td>
<td></td>
</tr>
<tr>
<td>SEVEN-ELEVEN (HONG KONG) CO., LTD.</td>
<td></td>
<td>Franchise Corporation*</td>
<td></td>
</tr>
<tr>
<td>SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD.</td>
<td></td>
<td>Tower Records Japan Inc.*</td>
<td></td>
</tr>
<tr>
<td>SEVEN-ELEVEN (BEIJING) CO., LTD.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEVEN-ELEVEN (CHENGDU) CO., LTD.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEVEN-ELEVEN (TAINAN) CO., LTD.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Merchandise Assortment Utilizing the Group Capabilities**

We plan to further expand our merchandise assortment. We also plan to create appealing stores utilizing the Group capabilities.

We provide a comprehensive merchandise assortment including "Vegetables with Traceability" sold at Ito-Yokado and merchandise from Loft, the household goods store, at Seven-Eleven Japan stores.

**7-Eleven International LLC** is launching full-scale operations in order to improve our value as a global brand.

**7Now**, a service which has recently launched in Japan, was introduced in the U.S. first. By rolling out this service globally, we expect that the performance and experience from overseas will result in case studies that can be utilized in developing merchandise and services in Japan.

*Excluding Japan and North America
Seven-Eleven Japan’s Franchise System

The franchise operates its store as an independent owner, and this store management is supported by the company. Seven-Eleven Japan’s franchise business is a collaborative business featuring an equal partnership and clear division of roles between the company and its franchisee.

Franchisee

Focuses on store management and sales

Management of Merchandise
(order placement and sales floor management, etc.)

Management of Store Associates
(recruitment, training, labor management, etc.)

Management of Financial Figures
(sales and store operation management, etc.)

Seven-Eleven Japan

Provides all-round support for store management

Store Operation Consulting Service
Merchandise Development Service
Purchasing Support and Recommending Sale Prices
Distribution Network Development
Lending of Sales Equipment
Information Systems Services
Advertising/Sales Promotion Activities
Accounting Services

Covering 15% of Write-Off*1 Costs
Covering 80% of Utility Costs

*1 Disposing of unsold items

Collaborative Business

Supporting Store Operations

Management Support

Many customers visit 7-Eleven stores around the country each day. However, we must not take that fact for granted. Combining the unceasing management efforts of franchisees with the all-round support of the company produces value that only 7-Eleven can provide. With the company and its franchisee working closely together as a collaborative business, we aim for co-existence and co-prosperity. This is truly the greatest strength of Seven-Eleven Japan’s franchise system.

Gross Profit Sharing 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 system between Seven-Eleven Japan 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*3

A system to guarantee franchisees a certain amount of their gross income*4.

*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 Guaranteed Minimum Gross Income System guarantees the store franchisee’s minimum gross income, but not the franchisee’s profit.

*4 The Guaranteed Minimum Gross Income is applied according to the number of actual business days.
Creating an environment that changes with the times where employees can work confidently.

A Thorough Support System for Franchisees

Support System for Employees

Realizing a workplace environment that motivates employees to keep working there. Offering a wide-ranging support system to allow employees to work in a safe and comfortable environment as they grow as workers.

Franchisee mutual aid society “Club Off” system

Raising awareness and expand the contents of the benefit system (courtesy services, etc.) that can be used by employees of stores that are insured under the franchisees’ mutual aid system.

Cash Register and Customer Service Training System

Training sessions are held so that every person who works at the store can efficiently operate cash registers and provide customer service. Practical training helps staff acquire skills that are immediately useful.

Encouraging Communication with Seven-Eleven Japan

Listening to the opinions and concerns of franchisees, with the goal of building a better management environment. Invigorating closer and more detailed communication.

Surveys for franchisees

Starting in 2019, the survey to franchisees has been conducted once a year to listen to their concerns and management issues. The survey results are used to further improve franchisees’ satisfaction.

Conducting opinion exchanges with franchisees

In addition to providing answers to various issues at the store and proposals from the franchisee, Seven-Eleven Japan explains ideas and measures directly, engaging in a mutually constructive dialogue.

Dedicated Consultation Services for Franchisees

These consultation services (at the call center) are exclusively available for listening to opinions, requests, and complaints from franchisees.

Topics

Providing full support for franchisees during disasters.

Franchisee communication app

This app provides notices on store status during disasters. Information can be entered from home or a safe haven, allowing Seven-Eleven Japan to quickly grasp the situation and consider measures.

Seven-Eleven Japan

This system coordinates with information from the franchisee communication app. It links store closing status, power outage information, and evacuation orders issued by the government to provide an overall picture.

Support on the hiring front

The Recop recruitment management system sets up a website to list part-time job openings free of charge. It also allows franchisees to use paid recruitment media at a reduced cost, as well as manage job applicants.

Franchisee Help System

In case of a sudden illness, wedding, funeral, etc. on the part of a franchisee, the employee of Seven-Eleven Japan can fill in for them.

Shiftwork Creation Support System

App notifications and emails help lighten the load (asking employees to work empty shifts, preventing employees from accidentally missing work, etc.) when creating employee shifts.

Providing wide-ranging support in striving for a workplace environment where both franchisees and their employees can work in comfort.

Creating an environment that changes with the times where employees can work confidently.

Providing extensive backup services to ease the burden of our franchisees regarding matters such as recruiting, shift preparation, and other tasks that can be a major headache for business owners.

Listening to the opinions and concerns of franchisees, with the goal of building a better management environment. Invigorating closer and more detailed communication.
Operation Field Counselors (OFCs)—Trusted Partners

OFCs' Main Roles

Operation Field Counselors (OFCs) visit the stores they are responsible for at regular intervals 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 merchandise based on the trade area to creation of an in-store infrastructure.

Information Collection Performed by Seven-Eleven Japan

The OFCs take part in the FC Meeting held every other week and collect the latest information on topics such as merchandise 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
Share the latest information with OFCs nationwide

FC Meeting
Share the latest information with OFCs nationwide

Zone Meeting / District Meeting
Split up into assigned areas to collect localized information

Advice to Stores
Sales methods, merchandise display, and customer service
Consider how to deliver merchandise, that has been ordered based on a hypothesis, to more customers.

Order placement
Advice is provided on ordering, while taking into consideration factors such as the trade area, customer segments, and specific day attributes.

Trade area survey implementation methods
Survey and analysis are conducted on locations near stores as a fundamental part of store management.

Creation of in-store infrastructure
In order to create a comfortable working environment, OFCs will follow up on task assignments and part-time employees' meetings.

Financial data analysis
The PDCA cycle is repeated with concurrent verification of P/L and B/S, and merchandise sales trends.

Understanding franchisee worries and concerns from my own experience

After graduating from university, I spent about three years as a manager of a major restaurant chain that operates franchises. I was responsible for everything from preparation of menu items we offered to general store operations, and I remember feeling a sense of impending crisis when Seven-Eleven Japan launched Seven Café in 2013. At the same time, however, I was strongly impressed with the possibilities at Seven-Eleven Japan, so I joined the company in 2014 with the goal of testing my abilities there. The reason I wanted to work as an OFC was because at my previous position, I always wanted someone to consult with on management issues. Because I had worked as a franchisee, I was certain I could provide solid support in helping out with franchisee worries and concerns. After I joined the company, I went through about two and a half years of training, becoming an OFC in 2016. I am now in charge of seven stores in the Kodaira district.

Each store faces different issues and environmental factors, so of course, the support and advice OFCs offer are different for each. In order to ascertain what kind of support is needed, the most important thing is listening to the franchisee and employees. Many franchisees began their careers in different industries, so oftentimes I learn from their stories. Employees often provide information about the community, which leads to tips on sales promotion initiatives.

I focus on raising the franchisee’s “right hand” person when providing support. For example, in the case of franchisees who take on every aspect of store management on their own, training employees to be leaders that they can rely on gives them more mental and physical leeway to take on store operation initiatives, resulting in better sales for the store. I also focus on improving motivation and supporting growth by sharing sales promotion knowhow and the joy of customer service with employees through promoting sales of fried delicatessen items during campaigns.

Interview 01
Courteous Support for Franchisees from Every Angle and Creating Stores with Positive Management Practices

Kodaira District OFC
Mario Yoshino

One thing I feel in my daily duties is that if you have the desire, operating 7-Eleven store can not only help you expand your business by operating multiple stores, but it can also create jobs and contribute to the community, so it is a very rewarding career. Franchisees also notice that this is the true joy of their jobs, and helping them take things to the next level is one role of the OFC.

Managing for peace of mind

A part of this, which I have been focusing on lately, is supporting succession of business. One area that made a particular impression in this regard was the case of a family franchisee. The franchisee ran two stores with his or her son acting as store manager at the second location, which had an issue with low profitability. If the situation had continued, it would have been difficult to maintain a healthy business even if sales in the immediate future were good. With that in mind, I talked to the son, communicating the importance of having a long-term vision such as what kind of manager he wanted to be, and what he should do now to achieve future goals, as well as ordering the appropriate amount of stock, improving sales, and efforts to reduce waste. Profitability improved dramatically as a result, making both the franchisee and his or her son very happy.

Efforts to support the growth of the store with the franchisee and employees taking the initiative is what makes me happiest as an OFC, and also helps me grow.

My current personal goal is to become a District Manager in charge of organizing OFCs in the district. In that position, I want to improve the sales capabilities not only of the stores I am in charge of, but all 7-Eleven stores in the area, and contribute to establishing a new convenience store image that grows with the community.
Seven-Eleven Japan’s unique order placement supports efficient management.

Amidst the ever-changing needs of customers and shortening merchandise life cycles, it is necessary to maintain a satisfactory sales floor at all times. Through information coordination between stores and the company, Seven-Eleven Japan supports order placement.

This is Seven-Eleven Japan’s unique sales management (kanri) method that goes from hypothesis to verification to review, regarding matters such as the order quantity and display method of merchandise on a single-item basis, all in a short period of time.

Tanpin Kanri (Item-by-Item Management)

In order to be a store that can meet the expectations of customers, there are the four fundamentals.

When OFCs visit stores, they focus on checking these points.

Merchandise Assortment
Merchandise is selected in a manner to meet the needs of local customers with a fine touch.

Cleanliness
Providing a clean and organized sales floor with thoroughly groomed staff.

Freshness Management
Selling fresh merchandise that customers can shop with confidence.

Friendly Service
Striving to provide friendly customer service from the customer’s perspective.

Location-Specific Strategies

Utilizing geographic information and various types of statistical data in order to confirm the location and trade area characteristics of each store.

OFCs also analyze store location and customer segments, providing advice tailored to each store.

Tanpin Kanri (Item-by-Item Management)

The “Four Fundamentals” of Creating Stores That Customers Love

The Four Fundamentals

Location-Specific Strategies

In order to be a store that can meet the expectations of customers, there are the four fundamentals.

When OFCs visit stores, they focus on checking these points.

Merchandise Assortment
Merchandise is selected in a manner to meet the needs of local customers with a fine touch.

Cleanliness
Providing a clean and organized sales floor with thoroughly groomed staff.

Freshness Management
Selling fresh merchandise that customers can shop with confidence.

Friendly Service
Striving to provide friendly customer service from the customer’s perspective.

Location-Specific Strategies

Utilizing geographic information and various types of statistical data in order to confirm the location and trade area characteristics of each store.

OFCs also analyze store location and customer segments, providing advice tailored to each store.

Tanpin Kanri (Item-by-Item Management)

The “Four Fundamentals” of Creating Stores That Customers Love

In order to be a store that can meet the expectations of customers, there are the four fundamentals.

When OFCs visit stores, they focus on checking these points.

Merchandise Assortment
Merchandise is selected in a manner to meet the needs of local customers with a fine touch.

Cleanliness
Providing a clean and organized sales floor with thoroughly groomed staff.

Freshness Management
Selling fresh merchandise that customers can shop with confidence.

Friendly Service
Striving to provide friendly customer service from the customer’s perspective.

Location-Specific Strategies

Utilizing geographic information and various types of statistical data in order to confirm the location and trade area characteristics of each store.

OFCs also analyze store location and customer segments, providing advice tailored to each store.
I Am Proud that My Store is an Essential Part of My Customers’ Lives

Masaki Obika
Franchise
Higashimurayama
Ontacho 5-Chome Store

Aiming to fulfill local needs and be an essential part of the community

I have been a franchisee for 11 years now, and I am very happy that the three stores I run have blended into the community. Each one of my stores is away from the station in residential neighborhoods, so female customers have said that they feel safer seeing the lights of 7-Eleven in otherwise pitch-black areas. Also, elderly customers have thanked us because they find it difficult to go to far-away supermarkets, so I am very glad to be running 7-Eleven. We will serve an even greater role in the days to come as part of the community infrastructure thanks to handling utility payments and the ability to pick up online shopping items at the store. It is my wish to work together with employees to continue operations that are rooted in the community and to maintain a store that is essential to those living here. To do this, I plan on actively communicating with Seven-Eleven Japan on the necessity of services that meet the needs of the times.

I currently run three stores.

My work-life balance is also great

In March 2019 I opened my second store in Higashimurayama, then my third store in December 2020, so I currently run three stores. So that I can uniformly manage all three stores, I work behind the scenes providing employee training, and helping leaders grow, resulting in a peppier store atmosphere overall, and also better sales. In union toward the simple goal of selling merchandise while we feel the joy of reaching goals and see growth as people are truly the best part of working at 7-Eleven. From my time as a store manager until now, I have learned many things from my daily work at 7-Eleven which have helped me grow.

I want to create a store where people think “There’s something special about this 7-Eleven!”

After working as a store manager at another convenience store in Hiroshima City for about seven years, I worked for another 7-Eleven store as a store manager, then became a franchisee in July 2011. I chose 7-Eleven because it has a stronger relationship between the company and the stores, compared to the other company I worked for as a store manager, and because the OFCs in charge had an amazing passion for their work. I was convinced that with them I could create a good store, taking my first step as a franchisee with confidence. The area the company proposed as a location for the store (where the Hiroshima Nakasugi 2-Chome Store currently is), is one of the rare provincial cities where the population continues to grow, but there were many competing stores, the location was not visible from the main road, and sales were unstable at the beginning. However, thoroughly abiding by the Seven-Eleven Japan four fundamentals (Merchandise Assortment, Cleanliness, Freshness Management, and Friendly Service), providing friendly customer service, and meticulous development of the sales floor led to customers praising us, saying “This 7-Eleven is different from others!” Later, sales gradually began to improve. Operations were stable, so five years later in 2016 I opened my second store in Hiroshima City.

Achieving goals while having fun together!

The driving force behind our growth is the female employees who are mainly in charge of the day shift. These main-stay, veteran employees that have undergone training courses organized by Seven-Eleven Japan not only fill central roles in developing the sales floor and providing customer service, but they also handle new staff training. Basic training at the store is leading by example, so in other words, they show new staff how things are actually done. So, even when new staff who want to work night or late shifts join the team, they work with leaders the first few times at the day shift so that the newcomers can learn directly how they should approach customers and provide service, and how they should arrange merchandise displays, etc. Doing so allows new staff to quickly learn the job, and helps the leaders grow, resulting in a peppier store, creating a favorable cycle. Making sure each and every employee realize that they are involved in store operations helps improve customer satisfaction and as a result, stabilizes sales.

Enhancing the value of working at 7-Eleven

A challenge I would like to take on in the future is enhancing the value of working at 7-Eleven. For example, instead of a university student thinking that they would like to work at 7-Eleven because it is conveniently located, I would like them to choose to work for us because they think it can help them learn about society. Working at 7-Eleven truly helps you learn various skills such as using proper language, customer service manners, communication, and resourcefulness. I want to train personnel so that companies are comfortable with hiring because they worked part-time at 7-Eleven when they were university students. Even as a franchisee, I am still growing in many aspects. Particularly in today’s world where competition is increasing and you cannot succeed by being complacent, I feel that my job is truly worth doing. Going forward, I want to work together with employees to create a store that customers choose.

Interview 02

Staff has grown and sales have improved thanks to the OFC

Originally I worked in sales at a foreign firm. But when I saw the growing need for convenience stores as a part of the local infrastructure, I was convinced of the possibility for future growth and decided to leave my job. I decided on Seven-Eleven Japan because I thought that if I was going to test my abilities, I might as well go with the largest company in the industry. After signing the contract, I received the comprehensive training. So despite having no experience, I was not particularly nervous, resulting in a positive start. After training, the company introduced me to the Higashimurayama Ontacho 5-Chome Store. At that time, I did not know much about Higashimurayama, but I was sure that it would work out fine thanks to the company’s carefully-selected location, taking my first step toward becoming a franchisee without hesitation. However, although things went smoothly right after opening, both sales and customer counts were sluggish and I went through a difficult period for a while after that. It was the OFC who helped with a breakthrough at that time. The OFC said that because it would be difficult to immediately attract more customers, we should try out initiatives to have existing customers purchase additional items. So, he worked the register on his own, offered product suggestions, then sharing his knowledge of upselling, cross-selling with employees for driving sales. This resulted in significant improvements to employees’ customer service skills as well as better sales. Thanks to employees actively communicating with customers, we attracted regulars who stopped by nearly every day, which was a big achievement.

I currently run three stores.

My work-life balance is also great

In March 2019 I opened my second store in Higashimurayama, then my third store in December 2020, so I currently run three stores. So that I can uniformly manage all three stores, I work behind the scenes providing employee training, and helping leaders grow, resulting in a peppier store atmosphere overall, and also better sales. Working in union toward the simple goal of selling merchandise while we feel the joy of reaching goals and see growth as people are truly the best part of working at 7-Eleven. From my time as a store manager until now, I have learned many things from my daily work at 7-Eleven which have helped me grow.

I want to create a store where people think “There’s something special about this 7-Eleven!”

After working as a store manager at another convenience store in Hiroshima City for about seven years, I worked for another 7-Eleven store as a store manager, then became a franchisee in July 2011. I chose 7-Eleven because it has a stronger relationship between the company and the stores, compared to the other company I worked for as a store manager, and because the OFCs in charge had an amazing passion for their work. I was convinced that with them I could create a good store, taking my first step as a franchisee with confidence. The area the company proposed as a location for the store (where the Hiroshima Nakasugi 2-Chome Store currently is), is one of the rare provincial cities where the population continues to grow, but there were many competing stores, the location was not visible from the main road, and sales were unstable at the beginning. However, thoroughly abiding by the Seven-Eleven Japan four fundamentals (Merchandise Assortment, Cleanliness, Freshness Management, and Friendly Service), providing friendly customer service, and meticulous development of the sales floor led to customers praising us, saying “This 7-Eleven is different from others!” Later, sales gradually began to improve. Operations were stable, so five years later in 2016 I opened my second store in Hiroshima City.

Achieving goals while having fun together!

The driving force behind our growth is the female employees who are mainly in charge of the day shift. These main-stay, veteran employees that have undergone training courses organized by Seven-Eleven Japan not only fill central roles as leaders in developing the sales floor and providing customer service, but they also handle new staff training. Basic training at the store is leading by example, so in other words, they show new staff how things are actually done. So, even when new staff who want to work night or late shifts join the team, they work with leaders the first few times at the day shift so that the newcomers can learn directly how they should approach customers and provide service, and how they should arrange merchandise displays, etc. Doing so allows new staff to quickly learn the job, and helps the leaders grow, resulting in a peppier store, creating a favorable cycle. Making sure each and every employee realize that they are involved in store operations helps improve customer satisfaction and as a result, stabilizes sales.

Enhancing the value of working at 7-Eleven

A challenge I would like to take on in the future is enhancing the value of working at 7-Eleven. For example, instead of a university student thinking that they would like to work at 7-Eleven because it is conveniently located, I would like them to choose to work for us because they think it can help them learn about society. Working at 7-Eleven truly helps you learn various skills such as using proper language, customer service manners, communication, and resourcefulness. I want to train personnel so that companies are comfortable with hiring because they worked part-time at 7-Eleven when they were university students. Even as a franchisee, I am still growing in many aspects. Particularly in today’s world where competition is increasing and you cannot succeed by being complacent, I feel that my job is truly worth doing. Going forward, I want to work together with employees to create a store that customers choose.
Team Merchandising (MD)

Team MD develops merchandise by forming teams with various manufacturers and vendors. Based on a thorough marketing strategy, Seven-Eleven Japan will combine the high technology and wisdom of each field to pursue the ideal merchandise with a focus on quality, safety, and deliciousness.

Sales composition ratio by merchandise category

<table>
<thead>
<tr>
<th>Team</th>
<th>Merchandising (MD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice Seaweed Ingredients Packaging</td>
<td>Team MD ... with various manufacturers and vendors. Based on a thorough marketing strategy, Seven-Eleven Japan will combine the high technology and wisdom of each field to pursue the ideal merchandise with a focus on quality, safety, and deliciousness.</td>
</tr>
</tbody>
</table>

Vendors

Manufacturers

Manufacturers of Packaging Materials

Merchandise Manufacturers

Merchandiser at Seven-Eleven Japan (in charge of merchandise development)

More delicious, more kind.

Our popular hand-rolled rice balls are constantly being improved.

Hand-rolled rice balls, which were revised in 2021, featured unprecedented improvements to the rice, seaweed, and ingredients, bringing the flavor closer to those made by hand. The company also succeeded in creating packaging that uses 20% less plastic. This revision brought improvements to both flavor and eco-friendliness. Without the cooperation of the manufacturers and vendors participating in Team MD, the company would not have been able to succeed in this effort.

- Rice is polished according to the size of the grains, resulting in an excellent finish.
- Revising the roasting method resulted in more fragrant seaweed with improved deliciousness.
- Retooled production methods to further bring out deliciousness and flavors of the ingredients.
- A thinner film was adopted to reduce the amount of plastic while maintaining quality.

Sales composition ratio by merchandise category

| Non-food | 32.3% |
| Processed food | 25.4% |
| Daily food | 12.9% |
| Fast food | 29.4% |

Topics

Seven-Eleven Japan’s Greatest Strength

Merchandise Competitiveness

Above all, Seven-Eleven Japan’s greatest strength is the level of its merchandise competitiveness in stores. Day and night the company works to improve quality with an inquisitive spirit, from its uncompromising pursuit of quality to the materials used in packaging, and the process of arranging merchandise in the store. Furthermore, the company steadfastly responds to customer demands for ethical consumption by endeavoring to reduce the amount of food loss as much as possible, an issue that has come up in recent efforts to help resolve environmental issues.
The "Grilled Mackerel with Salt" is a good example for Seven Premium quality.

After plumping with steam, before grilling, only the salt juice is sprayed and the skin is seared with far-infrared rays to achieve natural grilling and an outstanding aroma.

Plump, aromatic fish thanks to infrared light and steam cooking

To help out customers who want to eat fish but do not want to deal with the smell and washing dishes, the company developed the grilled mackerel with salt, which is delicious and easy to clean up. After much trial and error, it became popular merchandise, selling nearly 83 million total meals since its launch in 2014 (as of April 30, 2022).

Fresh grilled sensation thanks to improved packaging!

The packaging of the fish delicacies, which had previously been in pouch type, was changed to tray type in 2016. The baked feel has been improved, making it even easier and more convenient to eat.

Careful preparation before grilling

Rerevaluing how the mackerel was prepared, switching to hand washing it in brine to minimize odors and any unpleasant taste. Added a step to the process, letting the mackerel sit in the refrigerator after flavoring to bring out the natural deliciousness of the fish.

Painstaking removal of bones

Each and every bone is removed by hand. This is an essential process so that customers can safely enjoy a delicious meal.

Ingredients

Made with fatty mackerel

This merchandise is made with large, fatty mackerel mainly caught in the North Atlantic Ocean.

Preparations

Careful preparation before grilling

Processing

Plump, aromatic fish thanks to infrared light and steam cooking

After plumping with steam, before grilling, only the salt juice is sprayed and the skin is seared with far-infrared rays to achieve natural grilling and an outstanding aroma.

Packaging

Fresh grilled sensation thanks to improved packaging!

The packaging of the fish delicacies, which had previously been in pouch type, was changed to tray type in 2016. The baked feel has been improved, making it even easier and more convenient to eat.
Original Fresh Food has a special focus on 7-Eleven’s original fresh food is amazing for not only its high quality but its wide variety. Seven-Eleven Japan will continue to meet changing customer needs with this balanced and diverse arrangement and its discriminating quality standards.

Taking on the challenge of Cup Deli to make tasty vegetables more convenient!

Prime Delica Co., Ltd. was established in 1986 to manufacture and sell delicatessen items to Seven-Eleven Japan. Ever since then we have consistently worked to develop and produce delicious, safe and secure merchandise that satisfies customers, delivering it to 7-Eleven stores all across Japan.

In this time of constant change, customer needs and trends move at a frenzied pace, and the merchandise that they look for differs depending on the region and their lifestyles. Research and marketing are essential to accurately understanding the needs of customers, and we constantly endeavor to plan and develop merchandise that will satisfy customers not only in terms of flavor and volume, but price as well. Once a week Seven-Eleven Japan holds the MM Meeting (the meeting attended by persons in charge of marketing and merchandising from Seven-Eleven Japan partner companies such as food and packaging manufacturers) in order to listen to the opinions on the merchandise that we plan and develop in house. We then further consider our plans and make repeated improvements until we can recommend to customers.

Cup Deli, the salad series we produce, was also a result of this meeting. Thanks to opinions from the MM Meeting on prepared salads such as coleslaw salad and potato salad, whose sales have been a concern, we made improvements that supported health and its discriminating quality standards. Not only its high quality but its wide variety.

A single hand and using clear packaging that makes the container. By making the package small enough to fit in a reasonably-sized and priced salad that customers could easily pick up. The change in containers produced even better than expected results, with customers of many different ages purchasing this merchandise as a set with boxed lunches or noodles. Later on we made continued improvements to quality and conducted numerous market surveys, adding new items to the menu as appropriate, resulting in not just as salads but also popular as side dishes and snacks.

For me personally, I have the strongest feelings for the coleslaw out of all the Cup Deli items. At that time, the coleslaw salad included red cabbage and carrots, but when arranging it on the shelf, the presence of the cabbage, which is the main ingredient, was lacking, and I noticed that it did not look very tasty. With that in mind we removed the red cabbage and carrots, adding simple ingredients such as cabbage, cucumbers, ham, and corn only. This allowed the juicy green of the cabbage to stand out and look very nice, resulting in much better sales. We order different varieties of cabbage from across the country during each season for evaluation, making every effort to provide customers with delicious coleslaw salad year round.

Reducing food loss in addition to plastic use

By reexamining our ingredients, the production process, and temperature management, we at Prime Delica have enabled long-term freshness that enables longer expiry dates than before without losing flavor or quality, helping in efforts to reduce food loss and waste. Starting in May 2020, we also reexamined the production process for some Cup Deli merchandise, using top seals instead of container lids, succeeding in extending the expiry date by about one and a half to two days. Also, compared with conventional containers, we reduced plastic use by about 25% per item.

At Prime Delica, we look forward to helping customers stay healthy and enriching their lives by providing delicious Cup Deli items packed with vegetables, while working to develop merchandise with the global environment in mind and contributing to achieving a sustainable society.
Temperature-Separated Combined Distribution System

In order to maintain taste and quality on an individual merchandise basis, temperature management is key. At Seven-Eleven Japan, merchandise is divided into optimal temperature zones and delivered in batches from the combined distribution center to each store.

20°C

Combined Distribution Center for Rice Merchandise
Boxed lunches, rice balls, fresh-baked bread etc.

5°C

Combined Distribution Center for Chilled Merchandise
Sandwiches, salads, delicatessen items, noodles, milk, dairy items, etc.

-20°C

Combined Distribution Center for Frozen Foods
Ice cream, frozen foods, ice cubes, etc.

Combined Distribution Center for Ambient Temperature Merchandise
Soft drinks, processed foods, alcoholic beverages, non-food items, etc.

Store

Consistent quality control from the production site to manufacturing, transportation, and stores is an important part of delivering all merchandise at peak flavor and safety. Seven-Eleven Japan puts significant effort into temperature control and managing production history in its thorough management framework.

Strict quality control results in good flavor and peace of mind.

Examples of Sustainable Procurement Efforts in Connection with the Supply Chain

Salads made with vegetables from GAP certified producers

GAP certification is granted by a third party organization to producers that work toward sustainable farming, and the Seven & i Group has worked with producers for some time in order to obtain certification. While engaging in sustainable procurement, Seven-Eleven Japan is also working on the Fukushima Gap Challenge to spread the word about safe and secure Fukushima produce as part of efforts in local production for local consumption.

Caesar Salad Sandwich
Launched April 2022 at 7-Eleven stores in Fukushima

Cooking with safe, secure cut vegetables from Misato Green Base, a next-generation vegetable factory

GAP certification is granted by a third party organization to producers that work toward sustainable farming, and the Seven & i Group has worked with producers for some time in order to obtain certification. While engaging in sustainable procurement, Seven-Eleven Japan is also working on the Fukushima Gap Challenge to spread the word about safe and secure Fukushima produce as part of efforts in local production for local consumption.

Seven Premium Five Leaf Lettuce Mix
from Misato, Miyagi
Launched April 2022 at 7-Eleven stores in the Tohoku area

Growing at Misato Green Base is fully automated from raising seedlings to cultivation, and uses natural light and LEDs as light sources. This next-generation vegetable factory aims to achieve future farming that can grow and supply vegetables in a stable manner year-round without being impacted by inclement weather. In 2022 the company launched the “Seven Premium Five Leaf Lettuce Mix from Misato, Miyagi” grown in this factory, that can be eaten without washing.
Ever-evolving “Close-by, Convenient”
for changing lifestyles.
Serving as infrastructure
in the local community.

With 24-hour operation, convenience stores located in local living spheres are part of the infrastructure and an essential part of daily living. Seven-Eleven Japan is working not only on making shopping more convenient, but also on improving quality of life for customers by providing a variety of services.

To adapt to ever-changing lifestyles and make shopping more convenient, Seven-Eleven Japan is diversifying the way merchandise is delivered.

Seven Bank ATM
With approximately 26,000 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 from one of 12 different display languages for the ATM menu.

Introducing 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.

Multi-functional 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, providing an online printing service, ordering tickets for concerts or travel, and issuing administrative documents.

Administrative Services*
Customers 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

Copy of residence certificate

(As of May 15, 2022)

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

Insurance Services
Multifunctional copy machines 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.

Parcel Lockers
We have set up lockers to allow collection of packages from Yamato Transport’s Parcel service. In addition to receiving packages at any time with peace of mind, customers can also use this service to ship items that you sell on flea-market websites.

(As of June 30, 2022: Around 1,060 stores)

Seven Safe Delivery (Anshin Otodokebin)
This mobile store service uses special sales vehicles to deliver rice balls, boxed lunches, bread, drinks and other merchandise. Because they can carry roughly 150 items, including household goods, they provide a valuable service to areas where there are very few retail stores.

7NOW
Place an order on the smartphone and items from a nearby 7-Eleven store will be delivered to the home or office within 30 minutes at the earliest. This service is extremely convenient for when you do not have the time to go shopping or cannot leave the house.

 Deliveries by air?! Demonstration tests of drone deliveries
To make 7NOW even more convenient, Seven-Eleven Japan is conducting joint delivery demonstration tests using unmanned drones in suburban areas—including densely populated areas—with ANA Holdings. Merchandise ordered on 7NOW is loaded onto drones and delivered to designated pick-up locations.
Aiming to adapt to changing lifestyles and work styles by introducing new technologies and systems.

Prescription Drug Locker Pick-up Service Test Demonstrations Begin

With more meals being eaten at home due to working from home, Seven-Eleven Japan meets the need to order daily groceries and have them delivered to one’s home. By partnering with outside delivery companies, the job of store staff is complete once the merchandise is picked up. This initiative is highly beneficial for both stores and customers.

Establishing More Comfortable Work Styles

Various initiatives are under way in order to reduce employee workload such as operations around cash registers, management of promotional materials, and in-store cleaning so that stores can focus on communicating with customers.

Equipment

Introducing new equipment can significantly reduce the amount of time spent cleaning. Using mechanical equipment is also more sanitary.

Serving Customers

Introducing self-service cash registers lightens employees’ workloads. It also improves the quality of communication with customers.

Merchandise Management

New store fixtures, etc., reduce the amount of time needed for arranging merchandise displays. They also help create a more sophisticated store atmosphere.

7NOW

With more meals being eaten at home due to working from home, Seven-Eleven Japan meets the need to order daily groceries and have them delivered to one’s home. By partnering with outside delivery companies, the job of store staff is complete once the merchandise is picked up. This initiative is highly beneficial for both stores and customers.

Manpower Saving Initiatives

Developing a proper work environment is a major factor in sound store operations and creating a good store environment.
Seven-Eleven Japan is engaging in resolving social issues as a way to deepen its ties with the community.

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

As a member of the local community, the company is contributing, through its business activities, to the development of local regions and the creation of affluent living environments, while engaging in social support and initiatives with a high level of social and public value.

**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, the company works 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.

**Seven Forest Initiative**

To help combat global warming, ensure biodiversity, protect beautiful scenery, and conserve forest environments, the Seven Forest initiative is under way across the country.

The company has signed partnership agreements with authorities across the country as well as NPOs, and are recruiting volunteers from among its franchisees and local residents.

**Babies First Initiative**

At nearly 100 7-Eleven stores in Toyama Prefecture, the company has launched this initiative beginning with stores that can handle various measures such as providing hot water for making baby formula, stocking an assortment of disposable diapers, priority parking in large store parking lots, as well as installation of baby chairs and beds at the toilets of new and renovated stores.

**Employment Support Initiatives for Foreign Residents**

In order to achieve a multicultural society, the company is actively engaged in initiatives to support foreign personnel, holding Seven-Eleven store work briefing sessions in Toyohashi, where many foreign nationals reside.

Participants were able to gain an idea of working conditions by actually operating a register.

**The Relay Project for Making Children Smile**

Together with the government of Hokkaido and The Pokémon Company, Seven-Eleven Japan is working on the Hokkaido Smile Relay Project. Sweets and pastries featuring Pokémon character designs are available only at 7-Eleven stores in Hokkaido, and partial proceeds are used to deliver 7-Eleven foods to orphanages, etc.

**nanaco Card Launched with Lake Biwa Environmental Protection Donations**

Seven-Eleven Japan supports Mother Lake Goals (MLGs), a set of initiatives by Shiga Prefecture to help achieve a sustainable society in consideration of the global environment through efforts at Lake Biwa. Some stores in Shiga Prefecture sell nanaco cards with donations, and part of the proceeds are used in Lake Biwa environmental preservation activities.

**Seven Safe Delivery (Anshin Otodokebin) Test Run on Remote Islands**

In November 2021, the company began a Seven Safe Delivery (Anshin Otodokebin) test run on the remote islands of Otabu and Ko, which are a part of Bizen, Okayama. This initiative is part of improving the shopping experience and contributing to community watchdog activities. It also helps create safe, sustainable cities and communities.

**Marine Forest Development**

This initiative protects eelgrass beds. Eelgrass absorbs CO2 and purifies the ocean, and eelgrass beds serve as feeding and egg-laying grounds for fish.

**Mountain Forest Development**

This program helps develop forests by planting and maintaining trees. Forests absorb CO2 and help support a rich ecosystem.

**Seven-Eleven Japan Corporate Profile**

34

---

As a Member of the Local Community

Seven-Eleven Japan Corporate Profile 34

Seven-Eleven Japan Corporate Profile 33
Seven-Eleven Japan’s Efforts

Toward a Sustainable Society

In order to resolve the various issues of society, including environmental problems, Seven & i Holdings has devised “Seven Material Issues” through dialogues with its stakeholders. Based on these Material Issues, Seven-Eleven Japan will, through various initiatives, contribute to meeting the SDGs, which are shared targets of the international community meant to create a sustainable society.

1. Create a livable society with local communities through various customer touchpoints

Building various touch points with a diverse range of customers starting at stores, Seven-Eleven Japan is working with people in the region and local community in creating a comfortable society. The company views dealing with issues such as an aging populace and dwindling population as business opportunities, working closely with each individual customer in various efforts now and in the future.

2. Provide safe, reliable and healthier merchandise and services

Seven-Eleven Japan always puts itself in the customer’s shoes in providing merchandise with balanced nutrition, using highly reliable ingredients and minimal additives, and developing merchandise with the customer’s health in mind. The company also develops merchandise rooted in the community so that it can meet customer needs, working with manufacturers and vendors in various domains in each community in this regard.

3. Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

The company believes that reduction of waste and energy consumed by business activities can have a major impact on achieving a sustainable society. To do so, it views eliminating waste in merchandise, raw materials, and energy across the entire value chain as one of the most important issues, and is working on countermeasures in this regard.

4. Achieve a society in which diverse people can actively participate

By promoting understanding of different cultures and supporting the next generation who will be responsible for creating the future, the company is engaged in efforts to help create a society that accepts different values and lifestyles.

5. Improve work engagement and environment for people working in Group businesses

The company recognizes that it is its responsibility to support a variety of work styles and allow different employees to shine at their jobs. In this regard, the company is engaged in creating attractive, comfortable workplaces so that people can find value in their work.

6. Create an ethical society through dialogue and collaboration with customers

The company believes that it plays an important role as a business in contributing to developing an ethical society by offering more merchandise and services that help resolve social and environmental issues through dialog and cooperation with customers.

7. Achieve a sustainable society through partnerships

In all processes from procuring raw materials to delivering merchandise to customers, providing merchandise and services of value to society and the environment is an important part of strengthening the supply chain and ensuring business continuation. The company is engaged in efforts to realize a sustainable society across the entire value chain, including franchises and suppliers.
Aiming to use sustainable natural materials such as paper.

Seven-Eleven Japan is 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.

The company has partnered with the Hokuriku Electric Power Company to supply nearly 300 7-Eleven stores in the Hokuriku area with reusable energy beginning spring 2022. This effort entails using reverse distribution lines to draw power from solar panels located away from stores.

Since 2020, the company has used paper containers for some chilled boxed lunch merchandise. It is also engaged in efforts to reduce plastic by eliminating shrink wrap from some chilled beverage merchandise, incorporating paper materials into sandwich packaging, etc.

The pollution of the oceans by plastic waste is a serious problem. The company is working hard to reduce the consumption of plastic items that are only used once before being thrown out, such as plastic bags and plastic containers.

Food loss and waste/food recycling measures

There is growing concern about food loss and waste, which involves food that is still edible being thrown away. In order to reduce food loss and waste, the company is working to further promote food waste reduction and recycling.

Reduction in amount of food waste generated

Amount of food waste generated per unit of sales (food waste generation per million yen in sales; compared to FY 2013)

For the ingredients used in its proprietary merchandise (including Seven Premium), the company uses materials that help to ensure sustainability.

This merchandise uses MSC Certified ingredients, showing that it contains natural marine merchandise from fish caught in consideration of marine resources and the environment.

Sustainable procurement

The company is increasing the use of food merchandise ingredients that help to ensure sustainability, so as to be able to provide our customers with safe, secure and convenient merchandise which is also environmentally friendly.

Reduction in amount of food waste generated

Amount of food waste generated per unit of sales (food waste generation per million yen in sales; compared to FY 2013)

The Ethical Project in collaboration with customers gives five percent of the pre-tax sales price as bonus points to those who purchase applicable items that have approached their expiration date, such as rice balls and bread, using nanaco electronic money.

In order to promote "Temaedori," an effort to have consumers choose the frontmost merchandise to help eliminate food loss and waste, the company is collaborating with the Ministry of Agriculture, Forestry and Fisheries, the Ministry of the Environment, the Consumer Affairs Agency, and the Japan Franchise Association to create POP, etc. for in-store fixtures. It is also working with customers on this initiative. It is also collaborating with local governments to promote this project as part of urban development.
## The Franchise Agreement

7-Eleven is a “franchise business” where the franchisees operate their own stores independently.

We create the best contract plan for each person to begin a new daily life as a Seven-Eleven Japan franchisee.

### Seven-Eleven Japan’s Franchisees As Shown by the Numbers

<table>
<thead>
<tr>
<th>Age at time of agreement*1</th>
<th>Store Operations Partnerships*1</th>
</tr>
</thead>
<tbody>
<tr>
<td>20s</td>
<td>4.8%</td>
</tr>
<tr>
<td>Over 50</td>
<td>24.1%</td>
</tr>
<tr>
<td>30s</td>
<td>33.7%</td>
</tr>
</tbody>
</table>

*1 Seven-Eleven Japan survey (March 2021 to February 2022)  
*2 Excluding Seven & i Group employees and 7-Eleven store employees

### Franchise Process

**type A**

Franchisees provide the property and building for the store.

1. **Visiting the franchise candidate**
   A Recruitment Field Counselor (RFC) briefs the franchise candidate 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 the franchise candidate can open a store as our franchisees. We also analyze and review the outcome from multiple perspectives.

3. **Overview of our system**
   By explaining the franchise story, we provide a detailed explanation of our original store management methods and overall operations until the franchise candidate is satisfied.

4. **First interview with zone manager or district manager**
   We confirm the understanding and approval of the franchise candidate and his/her spouse and family with regard to 7-Eleven’s store management.

5. **Internal review**
   We obtain cash planning and financial data documents from the franchise candidate, and review the details.

6. **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 franchise candidate and Seven-Eleven Japan.

7. **Deliberation and decision-making by the franchise candidate**
   The franchise candidate carefully examines the details and decides whether to enter into a franchise agreement with us.

8. **Signing the franchise agreement**
   We offer an item-by-item explanation of the agreement, including the division of roles between the franchise candidate and Seven-Eleven Japan.

9. **9store layout and design**
   The construction and design department of Seven-Eleven Japan implements the design, and the franchise candidate confirms and then signs the construction agreement.

### Common Processes

**Training for new franchisees**

- **School training**
  - Lecture type training using textbooks and videos. At equipment opening, participants use actual cash registers and other store equipment to learn how to operate it.

- **In-store experience**
  - New franchisees experience store operations and customer service at one of the regional directly operated stores. Our trainers provide attentive training contents and guidance to them.

**Preopening preparations**

- **New Franchisees communique with store staff and share information.**
  - They also visit the neighbors to greet them and inform them of the store opening.

- **This is a ceremony that will be conducted the day before the store opening.**
  - The franchise is presented with the key to the store along with a training completion certificate.

- **The franchise is now fully prepared to welcome their first customers.**
  - After opening, our OFC offers a wide range of support to the franchise.
The Franchise Agreement

Terms & Conditions of Franchise Agreement

Management Formation

Agreement Term

Ownership of All Rights of Use

Utilities Paid by

Deposit on Agreement

The Franchise Agreement

Independent business owner

15 years

Owned or leased by a franchisee

Seven-Eleven: 80% Franchisee: 20%

Seven-Eleven: 80% Franchisee: 20%

An amount equal to the gross profit on sales\(^1\) multiplied by 45%

An amount equal to the gross profit on sales\(^1\) multiplied by a sliding charge rate

\*1 This is the profit obtained by deducting the cost of goods sold from the amount of sales

\*2 The region-based applicable amount differs based on the location of the store

\*3 The amount of the remaining balance after deducting the Seven-Eleven Charge from gross profit on sales

\*4 The Guaranteed Minimum Gross Income System guarantees the store franchisee’s minimum gross income, but not the franchisee’s profits. The Guaranteed Minimum Gross Income System is applied according to the number of actual business days.

Further information on the agreement is explained in the Key Points Overview of the Franchise Agreement and in the Agreement.

Type C Slide Charge Calculation Standard

<table>
<thead>
<tr>
<th>Calculated based on tiers in gross profit on sales</th>
<th>Store Franchisee’s Gross Income</th>
<th>Seven-Eleven Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–2,500,000 yen</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>2,500,001–4,000,000 yen</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>4,000,001–5,500,000 yen</td>
<td>29%</td>
<td>71%</td>
</tr>
<tr>
<td>Over 5,500,000 yen</td>
<td>24%</td>
<td>76%</td>
</tr>
</tbody>
</table>

Reduction in Seven-Eleven Charge

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

<table>
<thead>
<tr>
<th>Gross profit on sales / month</th>
<th>Over 5,500,000 yen</th>
<th>Stores with 5,500,000 yen or less</th>
</tr>
</thead>
<tbody>
<tr>
<td>24-hour operation stores</td>
<td>Reduced by 35,000 yen per month</td>
<td>Reduced by 35,000 yen per month</td>
</tr>
<tr>
<td>Non-24-hour operation stores</td>
<td>Reduced by 15,000 yen per month</td>
<td>Reduced by 70,000 yen per month</td>
</tr>
</tbody>
</table>

The above values are to be calculated on a prorated basis for the actual number of business days each during accounting period.

City Banks

- SMBC, Resona, Saitama Resona, Mizuho, MUFG

Regional Banks

\* Hokkaido region: Hokkaido, North Pacific

\* Tohoku region: Iwate, Akita, Toho, 77 Bank, Yamagata, Shonai

\* Kanto region: Bank of Yokohama, Chiba, Chiba Kogyo, Kelyo, Ashikaga, Joyo, Gunma, Musashino, Yamamashi Chuo, Hachi, Daishi Hokusetsu, Shizuoka, Suruga, Hyakugo, Jojot

\* Kansai region: Bank of Kyoto, Ishiga, Nanto, Kiy, Minato, Kansai Mirai

\* Chugoku and Shikoku regions: Chugoku, Momiji, Yamaguchi, Tottori, Awa, Iyo

\* Kyushu region: Bank of Fukuoka, Niig-Nippon City, Kitakyushu, Bank of Saga, JUHA, CHI-SHINWA, Higo, Oita, Miyazaki

Other

Ichib Shinkin, Fukuoka-Hibiki

(As of February 28, 2022)

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, in patient surgery insurance, long-term care insurance, medical insurance and reserves for benefits packages for fixed beneficiaries.

\* Compensation paid if staff members are injured on duty or on the way to work.

\* Life insurance, in patient surgery insurance, and income indemnity insurance in which fixed beneficiaries are eligible to enroll.

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.

Loan Banking Partners

City Banks

- SMBC, Resona, Saitama Resona, Mizuho, MUFG

Regional Banks

- Hokkaido region: Hokkaido, North Pacific

- Tohoku region: Iwate, Akita, Toho, 77 Bank, Yamagata, Shonai

- Kanto region: Bank of Yokohama, Chiba, Chiba Kogyo, Kelyo, Ashikaga, Joyo, Gunma, Musashino, Yamamashi Chuo, Hachi, Daishi Hokusetsu, Shizuoka, Suruga, Hyakugo, Jojot

- Kansai region: Bank of Kyoto, Ishiga, Nanto, Kiy, Minato, Kansai Mirai

- Chugoku and Shikoku regions: Chugoku, Momiji, Yamaguchi, Tottori, Awa, Iyo

- Kyushu region: Bank of Fukuoka, Niig-Nippon City, Kitakyushu, Bank of Saga, JUHA, CHI-SHINWA, Higo, Oita, Miyazaki

Other

Ichib Shinkin, Fukuoka-Hibiki

(As of February 28, 2022)
History

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

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

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

1976 May. The number of stores in Japan exceeded 100.

1978 Jan. The company name was changed to SEVEN-ELEVEN JAPAN INC. (currently 7-Eleven, Inc., and the same shall apply hereinafter).

1979 Oct. Order placement via Terminal Seven was launched.

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

1981 Aug. Alternatively listed on the first section of the TSE.

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

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

1985 May. Computers that provide graphic information were introduced.

1988 Mar. Three-times-daily combined distribution system for rice merchandise was introduced.

1990 Apr. Order placement via Electric Order Book (EOB) was launched.

1995 May. The number of stores in Japan exceeded 6,000.

1996 Mar. Weather information service was introduced.

1999 Mar. Sales of energy drinks were launched.

1998 Oct. Magazine Subscription Reservation Service was introduced.

1999 Nov. The number of stores in Japan exceeded 8,000.

2000 Feb. Payment collection service for online shopping bills was launched.

2000 May. Installation of IY Bank (currently Seven Bank, Ltd.) ATMs was started.

2001 Apr. The 4th Generation Integrated Store Information System using satellite communications was introduced.

2002 May. Opening of installment stores both for hot and cold foods 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.

2004 Oct. Payment collection service for TEPCO electricity bills was launched.

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

2007 Apr. Proprietary electronic money service, nanoaco, was introduced.

2008 Feb. The number of stores in Japan exceeded 12,000.

2009 Jun. 24-hour test-marketing of OTC drugs was launched.

2010 Feb. Multifunctional copy machines’ handling of administrative services such as issuance of copies of residence certificates and seal registration certificates was started (in some municipalities before others).

2011 Mar. Mobile catering service, Seven Safe Delivery (Aratani Otokoban), was introduced.


2013 Jan. Seven Café was launched.

2014 Aug. The number of stores in Japan exceeded 17,000.


2016 Feb. First 7-Eleven store equipped with a hydrogen station was opened.

2017 Mar. Seven-Eleven Co., Ltd. was established.

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

2019 Apr. Action Plan was brought into effect.

2020 Jan. The number of stores worldwide exceeded 70,000.

2021 Mar. Major revisions were made to the business continuity plan (BCP) to address large-scale disasters.

2022 Feb. Prescription drug locker pick-up service test demonstration began.

Our history of evolving and taking on challenges will continue into the future.