Seven-Eleven Japan
Corporate Profile
2023-2024
Celebrating 50 Years of Seven-Eleven Japan

In a half-century of dynamic transformation, our goals and guiding principles remain unwavering.

Seven-Eleven Japan’s franchise system represents a collaborative partnership between the company and our dedicated franchisees. Our primary aim is to ensure maximum convenience for each and every customer.

Seven-Eleven Japan is dedicated to continually innovating new merchandise and services that serve as the foundation for the deep connections our franchisees build within their local communities and with their customers.

Over the years, we have diligently adapted to the ever-evolving demands of society. Yet, our fundamental mission—to foster a more convenient and prosperous society through the collaborative efforts of our franchisees and Seven-Eleven Japan—remains steadfast.

Looking ahead to the next 50 years, we are filled with anticipation. We eagerly face the future, working hand-in-hand with our franchisees as we embark on this journey together.

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Customers
Looking ahead to the next 50 years.

Let’s make the future joyful together.

In November 2023, Seven-Eleven Japan celebrated its 50th anniversary. On behalf of all of us, I would like to offer my heartfelt thanks to the many people that support Seven-Eleven Japan, including our customers, franchisees and their employees, suppliers, shareholders, employees, and local communities.

Over the past 50 years, Seven-Eleven Japan has continued to grow and gain the support of many customers by evoking feelings of thankfulness for the convenience and quality that we offer. Those same 50 years have seen dramatic changes in society and the values of our customers, especially in the past few years. To remain a valued part of society for the next 50 years, we must continue to provide economic value while pursuing new ways of offering social value to help solve social issues.

The world is becoming more convenient, but we are also seeing the rise of various social issues such as an increase in lifestyle-related diseases, a declining birthrate and aging population, depopulation of rural communities, and environmental issues. In addition to Seven-Eleven Japan’s traditional strength in providing convenience, we are moving toward our goal of “Making the future brighter together” by developing our own visions for the future in four areas: Health, Community, Environment, and Human Resources.

In the area of Health, specific initiatives include improving both the tastiness and healthiness of food by increasing our ratio of fresh food offerings that meet Nutrient Content Claims. For Community, we are aiming to increase food self-sufficiency and create local employment by developing merchandise and holding fairs that use raw ingredients that are local to each region. To improve the Environment, we will take on the challenge of achieving the goals of the Seven & i Group’s environmental declaration, GREEN CHALLENGE 2050, ahead of schedule, with the aim of building a circular economy. In Human Resources, we aim to create a society where all people can play active roles by providing a high-quality work environment as part of the labor market.

Of course, these challenges are not something we can achieve on our own. With the opinions and cooperation of our stakeholders, Seven-Eleven Japan will continue to take on further challenges as we position our 50th anniversary as a start toward a new future.

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

Fumihiko Nagamatsu
50 Years of Seven-Eleven Japan — challenges and changes

Over the past 50 years, Seven-Eleven Japan has launched numerous innovations that have revolutionized society, including high-quality merchandise, groundbreaking services, and environmental initiatives.

Before we see what the future has in store for Seven-Eleven, let’s take a look back at some highlights from our past.

**Evolution of Distribution and Information Systems**

- **1975**: Started creating original manuals
  
  We created our own manuals tailored to the Japanese market and culture.

- **1976**: First in Japan! Achieved combined distribution
  
  At a time when merchandise from different manufacturers was not transported in the same vehicle, we appealed to each manufacturer by touting the advantages in delivery costs, and combined distribution was realized. This also helped reduce the negative environmental impact.

- **1978**: Developed and adopted “Terminal Seven” order placement terminal
  
  This brought the computeraization of order placement, which was previously done by telephone. This enabled use of the turn-around system, which records order data ahead of time, for greatly improving accuracy and efficiency.

- **1980**: Adoption of POS system
  
  A barcode POS (Point of Sales) system was adopted to verify sales data item-by-item. This was the forerunner of using POS data in marketing efforts.

- **1982**: Establishment of nationwide “Cold Chain,” a low-temperature distribution network
  
  With distribution and various other infrastructures in place, it became possible to store, transport, and process vegetables harvested in the fields under consistent temperature control until they became merchandise and were delivered to stores.

- **1990**: Graphic Order Terminal (GOT) in all stores
  
  The GOTs, which are still in use today, were introduced in 1990. Sales data, merchandise information, weather, and event information can be checked on the sales floor for enabling efficient order placement.

- **2002**: Seven Net Shopping was launched
  
  This marked our full-scale entry into the growing field of online shopping operation. A new sales format was started that allowed customers to order online and pick up and pay at any 7-Eleven stores.

- **2005**: Expanded AI order placement nationwide
  
  AI is used to calculate the projected demand based on each store’s past sales performance and to suggest the quantities for order placement.

*Original fresh food is not included.

**History of Store Development and Service Expansion**

- **1974**: The first 7-Eleven store opened
  
  In May 1974, in the Toyosu area of Tokyo’s Koto Ward, the 7-Eleven Toyosu store opened as the first authentic franchise system convenience store in Japan.

- **1975**: Reached 1,000 stores in Japan

- **1980**: Utility bills became payable
  
  As lifestyles changed, more and more people wanted to be able to pay their utility bills outside of the business hours of banks and other institutions, and so we became the first in Japan to introduce “bill payment services” whereby payment of utility bills became possible 24 hours a day by scanning a barcode.

- **2001**: Installed 24-hour ATMs
  
  IY Bank (current Seven Bank) began operations, mainly providing ATM services. Widely used in lieu of a wallet, ATMs are open 24 hours a day, 365 days a year.

- **2002**: Reached 10,000 stores in Japan

- **2003**: Started ticketing services using multifunctional copy machines
  
  The features of multifunctional copy machines are used to provide an ever-increasing array of lifestyle services. Today, various official documents, such as residence certificates, can also be issued.

- **2005**: Local nanaco cards have been issued since 2008
  
  nanaco is a prepaid electronic money system that allows customers to enjoy shopping safely and easily. By linking with Seven Bank ATMs, the number of locations where you can use and recharge has increased, making nanaco even more convenient.

- **2007**: Launched Seven Safe Delivery (Anshin Otodokebin), a mobile store service
  
  We deliver a variety of merchandise controlled in four temperature zones for those who live in areas where shopping is inconvenient or where the elderly have difficulty making trips. This has become an indispensable service to the community.

- **2009**: Started installation of 7-Eleven Vending Machines
  
  Started installation of 7-Eleven Vending Machines focusing on micro-markets (small-scale trade areas) such as offices, factories, hospitals, and schools, where certain needs can be expected, we provide convenience to a wide range of customers.

- **2011**: Reached 20,000 stores in Japan

- **2012**: Started 7NOW
  
  7NOW is a new service that delivers 7-Eleven merchandise ordered online to your home or office from the nearest 7-Eleven store. It began in 2017 in limited areas with full-scale introduction starting in 2022. The service is scheduled to be available at 7-Eleven stores nationwide by 2025.

- **2017**: Finally achieved nationwide expansion with the opening of a new store in Okinawa
  
  We opened a store in Okinawa with a full lineup of regionally limited merchandise. With our community-based merchandise and services, we have grown to more than 150 stores as of 2023.

- **2019**: Becoming an indispensable infrastructure for society

To the next step in evolution of “Close-by Convenient” through Digital Transformation implementation
Merchandise Development Has Been a History of New Challenges and Improvements

1978
Commercialized Oden, which became a huge hit
Many hurdles were overcome to ensure that an at-home taste could be served in stores, including the selection of ingredients, the development of broths, and the development of new serving containers. This is one of Seven-Eleven Japan’s signature merchandise.

1979
The soup and its ingredients were carefully selected.

1992
Reviewed the use of additives in food
In order to respond to the increasing awareness of food safety and security, and the trend toward healthiness, we became the first in the industry to sell merchandise made without preservatives and artificial coloring including rice, sandwiches, delicatessen merchandise, and cold noodles. This was achieved through careful hygiene and temperature management.

1994
*Specifically, designated additives

2001
Started selling fried delicacies merchandise
Seven Premium Gold, developed based on the concept of offering the same or better taste and quality as specialty stores at an affordable price, was a huge hit.

2007
Started sales of Seven Premium, a private brand shared among the Seven & i Group
Seven Premium is a line of private brand merchandise shared among the Seven & i Group, and started from 49 items. As of FY2022, it had expanded to 3,500 items, with sales of 1.38 trillion yen.*

2010
Seven Café for establishing new customer behavior
Seven Café: enjoy coffee brewed one cup at a time at 7-Eleven store. The concept of being able to enjoy delicious, carefully prepared coffee for a reasonable price was a surprising to the industry and became a massive seller for us.

2013
Cup Deli became a major hit
By changing to a seal-type lid, we succeeded in reducing the amount of plastic used and extending the expiry date. The size of the merchandise, which customers can easily hold in their hand, has been one reason for its popularity.

2017
Promoted “bottle to bottle” by installing PET bottle reverse vending machines
PET bottle reverse vending machines are installed in stores to realize a circular economy in which collected PET bottles are recycled and sold again as beverages in PET bottles. We encourage the reuse of PET bottles and are promoting full recycling initiatives.

2020
Seven Café: enjoy coffee brewed one cup at a time at 7-Eleven store. The concept of being able to enjoy delicious, carefully prepared coffee for a reasonable price was a surprising to the industry and became a massive seller for us.

2022
Started use of environmentally friendly containers
We started using food containers with reduced petroleum-based inks and colorants to reduce CO2 emissions.

There’s always something new to discover in the store
We are developing merchandise to match the changing times.

We started installation of multipurpose toilets that are easily accessible to wheelchair users. We are also progressing installing tactile tiles and intercoms for those who need assistance.

Seven & i Group total
1/31/3
50 Years of Challenges and Evolution
Large-scale ice cream cases were introduced
We started use of environmentally friendly containers
We started adoption of environmentally friendly delivery trucks
In 2017, we launched a pilot program for the world’s first electric refrigerated EV delivery trucks. We started efforts to address noise and emissions issues. We are conducting demonstration tests to expand the adoption of hydrogen trucks, including the adoption in 2019 of a fuel cell light-duty truck developed by Toyota Motor Corporation.

History of Environmental and Social Initiatives

1994
First 7-Eleven store equipped with a hydrogen station was opened
We opened stores in Tokyo and Aichi Prefecture equipped to supply hydrogen to fuel cell vehicles (FCVs), the next generation of eco-cars.

2001
Started supply of renewable energy
We are implementing environmental measures one after another in our stores and distribution.

2003
Started installation of power-saving store equipment
We started developing stores that reduce power usage and CO2 emissions by converting to LEDs for in-store lighting and storefront signage and installing solar panels. Even today, we are working to reduce our negative environmental impact through a variety of approaches.

2007
Established Seven-Eleven Midori no Kinin (Green Foundation)
This foundation was established to bring together franchisees and Seven-Eleven Japan to engage in social contribution initiatives for the environment. The initiatives are run by using the donations received from customers at stores.

2010
2012
2014
2016
2017
2019
2020
Becoming a company that contributes to the community and society
We are implementing environmental measures one after another in our stores and distribution.

The container for soba noodles is now transparent!

We are implementing environmental measures one after another in our stores and distribution!

The Ethical Project awards bonus nanaco points to customers who select rice balls, boxed lunches and other merchandise that are close to their sell-by-date. Together with our customers, we aim to implement the creation of an ethical society.

2021
2022

In cooperation with the NTT Group, electricity from the Chiba Wakaba Solar Power Plant is supplied to about 40 stores. Off-site PPA, which supplies power via the power transmission and distribution network from solar facilities located far from the stores, was the first of its kind in Japan.

The key is the film that allows you to roll up the seaweed just before eating!
Initiatives for the Next 50 Years

As social systems and lifestyles rapidly change, we are challenging the status quo with new ways of delivering what our customers need. This is our commitment to building a joyful future together.

Evolution of delivery services connecting merchandise and customers through DX
We make our customers’ lives richer and create a world full of smiles

Customers’ needs are diversifying as various digital services become integrated into their lives and they seek more convenient purchasing experiences. In addition to providing merchandise in stores, we will enrich the lives of more customers by realizing a fun and convenient buying experience through our “Last Mile Service” that delivers merchandise at the desired location and time.

New Home Delivery and Shipping Service “7NOW”

“7NOW” for connecting 7-Eleven merchandise directly with customers via a smartphone

7NOW, a service that delivers 7-Eleven merchandise ordered online to your home or office from a nearby store, began testing in some areas in 2017 and was authentically introduced in 2022. This is in response to the need to order and receive daily groceries from home, which has increased with the spread of working from home. By partnering with external delivery companies, the responsibilities of store staff is complete once the merchandise is picked up. This service is convenient for both franchisees and customers.

Further Streamlining of Store Operations

Speedy payment when shopping

Started operation of “Seven Smartphone Register”

“Seven Smartphone Register” enables customers to complete payment using only their smartphones, without having to wait in line at the cash register, thus speeding up the payment process when shopping in stores. This system improves the efficiency of cash register operations, which account for a large percentage of store operations. Reduced cash register operations will allow more time for other tasks and improve communication with customers, leading to an even more convenient store.

Proactive use of new technologies for delivery formats

We are conducting an ongoing demonstration experiment in which “RICE”, an autonomous delivery robot, rides an elevator up and down autonomously to deliver merchandise ordered using “7NOW” from a 7-Eleven store within an office building to a designated location on another floor.

Also, in remote islands and suburban areas where it is difficult to deliver in person, a demonstration experiment is underway in which a drone delivers merchandise ordered using “7NOW” by autonomous flying from the store premises to a predetermined location.
### Business Performance and Data

**Total Store Sales and Sales Composition Ratio**

- **Non-food** 32.6%
- **Processed food** 25.4%
- **Daily food** 12.5%
- **Fast food** 29.5%

### Revenues from Operations

- **Operating Income** 232,873 million yen
- **Ordinary Income** 282,630 million yen
- **Net Income** 203,009 million yen

### Figures for Store Units (Average of All Stores)

- **Average daily sales** 670 thousand yen
- **Average number of customers per day** 904
- **Average spending per customer** 741 yen

### Trend in Number of Stores (in Japan)

- **2023 End of Feb.** 21,402 stores
- **2019 End of Feb.** 15,000
- **2013 End of Feb.** 10,000
- **1993 End of Feb.** 5,000
- **1976** 100

*Includes Seven-Eleven Okinawa since FY2019*
In 2023, 7-Eleven stores were open in 20 countries and regions. The first store in Tel Aviv, Israel, was opened in January 2023, and in Vientiane, Laos, in September 2023.

**Main Seven & i Group Operating Companies (As of September 1, 2023)**

### Domestic Convenience Store Operations
- **7-ELEVEN JAPAN CO., LTD.**
- **SEVEN ELEVEN OKINAWA CO., LTD.**
- **Seven Net Shopping Co., Ltd.**
- **7-TEN Holdings Co., Ltd.**
- **7-ELEVEN CHINA INVESTMENT CO., LTD.**
- **SEVEN ELEVEN BANGKOK CO., LTD.**
- **SEVEN ELEVEN TAIPEI CO., LTD.**

### Overseas Convenience Store Operations
- **7-Eleven, Inc.**
- **7-Eleven International LLC**
- **SEVEN ELEVEN HAWAII, INC.**
- **SEVEN ELEVEN (CHINA)**
- **SEVEN ELEVEN (BEIJING) CO., LTD.**

### Superstore Operations
- **Ito-Yokado Co., Ltd.**
- **York-Benimaru Co., Ltd.**
- **SHELL GARDEN CO., LTD.**
- **K.K. Sanei**
- **Marudai Co., Ltd.**
- **SHELL GARDEN CO., LTD.**
- **Ito-Yokado (China) Investment Co., Ltd.**
- **Seven Farm Co., Ltd.**
- **York-Keibi Co., Ltd.**
- **IY Foods K.K.**
- **Tenmaya Store Co., Ltd.*
- **PIA Corporation*”
- **FCTI, Inc.**
- **Peace Deli Co., Ltd.**
- **Seven & I Create Link Co., Ltd.**
- **Akachan Honpo Co., Ltd.**

### Financial Services
- **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, Ltd.**
- **Seven CS Card Service Co., Ltd.**
- **Seven Card Service Co., Ltd.**
- **Seven & i Food Systems Co., Ltd.”

### Other Operations
- **Akihan Honpo Co., Ltd.**
- **Seven & I Create Link Co., Ltd.**
- **Seven & I Create Link Co., Ltd.**
- **Seven Net Shopping Co., Ltd.”
- **Seven Culture Network Co., Ltd.”
- **Peace Deli Co., Ltd.**
- **Seven & I Create Link Co., Ltd.**
- **Seven & I Create Link Co., Ltd.**
- **Peace Deli Co., Ltd.**
- **Seven Culture Network Co., Ltd.”
- **Tendai Ltd. (special subsidiary) Tower Records Japan Inc.”
- **PICA Corporation”

### Merchandise 
- **Merchandise**
- **Mutual supply of Fresh Vegetables with Traceability, meal kits, Cup Deli, sweets, and more**

### Sales Promotion & Services
- **Sales Promotion**
- **Jointly holding fairs, sending customers to each other through apps, etc.**

### Store Operations
- **Store**
- **7NOW, Ito-Yokado Nil Supermarket, comprehensive regional partnership agreement, etc.**

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**In an environment where customers’ consumption behavior and values regarding their lifestyles are undergoing a major transformation, we will work to strengthen collaboration by leveraging the strengths of both companies in order to meet the changing needs of a wide range of customers.**

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

**Accelerating Overseas Strategies**

1. **To open stores in 30 countries and regions by 2030**
2. **To open 50,000 stores by FY2025 in regions excluding Japan and North America**

**SIP Leveraging the Strengths of the Seven & i Group**

**Overview of SIP Initiatives**

- **Themes for collaborative initiatives**
- **Merchandise & Services**
- **Sales Promotion**
- **Store Operations**

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**Some merchandise from Ito-Yokado’s original frozen food series ‘EASE UP’ is now available at 7-Eleven.**

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**7-Eleven as Shown by the Data**

- **Number of 7-Eleven Stores**
- **Global**

- **Number of 7-Eleven Stores**
- **Europe**
- **Southeast Asia**
- **Oceania**
- **North America (including Hawaii)**
- **Strengths as a Group**
- **TOPICS**

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**Figures for Japan are as of February 28, 2023; figures for other regions are as of December 31, 2022.”**
The reassurance of being supported gives franchisees the courage to move forward.

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 from Seven-Eleven Japan produces value that only 7-Eleven can provide.

With Seven-Eleven Japan and its franchisees 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.

### Structures and Systems for Store Operations

#### 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.

\[^2\] The profit amount calculated by subtracting the cost of merchandise sold (the amount calculated by subtracting the costs of inventory loss, write-off cost and rebates from the gross cost of merchandise sold) from the net sales.

#### 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.

\[^3\] The Guaranteed Minimum Gross Income System guarantees the store franchisee’s minimum gross income, but not the franchisee’s profits.

\[^4\] The Guaranteed Minimum Gross Income is applied according to the number of actual business days.

### Structures for Encouraging Communication with Seven-Eleven Japan

- **Conducting opinion exchanges with franchisees**
  - Two-way communication is conducted between the franchisees and Seven-Eleven Japan.

- **Surveys for franchisees**
  - We listen to the franchisees’ concerns and management issues.

- **Social gatherings with franchisees**
  - We use this as an opportunity to thank franchisees for their continued support and inform them of the policies by Seven-Eleven Japan.
In addition to adopting the Shiftwork Creation Support System, we are providing extensive backup services to ease the burden on our franchisees for matters such as recruiting, which can be a major difficulty for them. A Thorough Support System for Franchisees

Support on the Hiring Front
- Franchisee Help System: In case of a sudden illness, wedding, funeral, etc. on the part of franchisees, the employee of Seven-Eleven Japan can fill in for them.
- Franchise mutual aid society “Club Off” system: This benefit service can be used by store associates that are insured under the franchisees’ mutual aid system.
- Regular health examinations for franchisees: We have a web-based reservation system that allows franchisees to make reservations at various hospitals across the country.

Support on the Hiring Front
- The franchisee can set up a website to list part-time job openings for free and use paid job recruiting media at a low cost.

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

Regular health examinations for franchisees
- We have a web-based reservation system that allows franchisees to make reservations at various hospitals across the country.

A 40% reduction in workload associated with shift adjustments
- The Shiftwork Creation Support System is used to easily create a shift schedule by simply entering necessary items such as names and available work hours. The latest information can be checked at all times, store associates can submit their preferred work hours, franchisees or employee in charge of shift creation can make requests for when needed. All requested information is applied to the shift schedule, and this system successfully reduces the workload of shift creation.

Adoption of Shiftwork Creation Support System
- The cornerstone of running a successful store lies in nurturing store associates and fostering skill development. Seven-Eleven Japan supports franchisees with various training programs and evaluation and commendation systems. In FY2022, more than 40,000 people participated in training, with many franchisees and employees taking advantage of and attending these programs.

Talent Developing Support
- (Enhanced training programs and evaluation and commendation systems)

Training for franchisees
1. Franchisee training: Franchisees learn the knowledge and store operations necessary as a store operator
2. Store manager training: The training is intended to improve the skills of franchisees and store managers in fulfilling their responsibilities

Training for store associates
1. New employee training: Support for the initial training of employees
2. Shift leader training: Support for training of shift leaders
3. Welcome training: Training for foreign employees

Evaluation and commendation system
1. Shift leader commendation system: After receiving training, employees who have learned the skills are awarded with commendations for boosting their motivation
2. Customer service contest: This contest is held to give employees an opportunity to demonstrate the skills that they have learned.

TOPICS
- 1st “National Customer Service Contest” was held: In response to requests from many franchisees, a new “Customer Service Contest” was launched in October 2022. A total of 3,030 store employees participated in the regional competition, and 22 area representatives competed in the national competition held in June 2023. Over 10,000 people participated in and observed the contest, which helped to develop and motivate employees.
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. They serve as the closest partner for franchisees, backing up store management from a variety of angles.

Role of OFCs

OFCs collect information at Seven-Eleven Japan and communicate with the District Managers (DMs), who are responsible for the assigned area, to provide various counseling to the stores.

OFCs utilize geographic information and various types of statistical data to confirm the location and trade area characteristics of each store. In response to changes in the environment and needs, they offer proposals for product assortments and sales areas while providing clear rationales and procedures to avoid uniformity in the creation of stores. AI order placement began full-scale operation from March 2023. AI is used to calculate the quantities for projected demand and safe inventory levels based on each store’s past sales performance and to suggest the quantities for order placement. This is expected to lead to more efficient order placements and increased productivity.

Original fresh food is not included.

Tanpin Kanri (Item-by-Item Management)

In order to respond rapidly and flexibly to customer needs and social changes, Tanpin Kanri (Item-by-Item Management) is used to manage the movement of each merchandise item and verify it with data to improve the accuracy of the next order placement. In addition to order placement, it backs up the collection and sharing of information.

The “Four Fundamentals” for Creating Stores That Customers Love

- **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.

Backup Environment System

- **Store Computer (SC)**: Displays key information including financial data, sales data for each time period, new merchandise, sales promotion plans and weather forecasts in an easy-to-grasp format.
- **POS register**: Sales data is stored when payment is inserted into the cash register and sent to Seven-Eleven Japan Scanner Terminal (ST) and Store Computer (SC).
- **Scanner Terminal (ST)**: Used for merchandise display check-in and displays.
- **Graphic Order Terminal (GOT)**: Used for placing orders while checking merchandise on the sales floor.

Manufacturers/Suppliers

Promptly produce and deliver merchandise upon receiving online order placements from franchisees.

District Offices

Create databases of the various sales records of franchisees, etc.

Seven-Eleven Japan

- **Combined Distribution Center (CDC)**: Temperature-separated combined distribution center, etc. enables merchandise to be delivered efficiently.
- **Delivery**: Supports the operations and data provided at franchisees by accumulating, managing, and analyzing sales information.
- **Manufacturers/Suppliers**: Promptly produce and deliver merchandise upon receiving online order placements from franchisees.

**TOPICS**

- **Location-specific customer counseling sheets and AI order placement**
  - New methods for supporting store management
- **Backup Environment System**
  - **POS register**: Sales data is stored when payment is inserted into the cash register and sent to Seven-Eleven Japan Scanner Terminal (ST) and Store Computer (SC).
  - **Scanner Terminal (ST)**: Used for merchandise display check-in and displays.
  - **Graphic Order Terminal (GOT)**: Used for placing orders while checking merchandise on the sales floor.
- **District Offices**
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- **Seven-Eleven Japan**
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**Backup Environment System**

- **POS register**: Sales data is stored when payment is inserted into the cash register and sent to Seven-Eleven Japan Scanner Terminal (ST) and Store Computer (SC).
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**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.
Franchise Interviews

Over these 50 years, we have overcome many challenges with the support of Seven-Eleven Japan.

When I started to operate the first 7-Eleven store, I was totally absorbed in all of the details of operations. And now 50 years have passed in a flash. Many things happened along the way, but I have always loved the retail business and never really needed to force myself to do the work over all these years. Every day, I check the results of our order placements, including merchandise trends and customer needs. It’s one of the highlights of my day. There’s nothing like more than selling new and better merchandise. I get a little emotional thinking about all the different people who have worked with us here, and it’s my belief that I can stand here today because we have always risen to meet new challenges. These are uncertain times, with each day seeming to bring news of something that’s never happened before. In times like this, the most important thing is to focus on what is in front of us. I can’t see an end to all of this upheaval, so one thing we need to do each day is to seriously consider how we can continue doing business and meet our customers’ needs, while making sure we are still working to make things the way they should be.

We must stick to the fundamentals, because, ultimately, people are the most important part of our business.

The Four Fundamentals are the core ideas that remain unchanged at the heart of running a 7-Eleven store. They are our pledge to our customers. Early franchises were also taught the Four Fundamentals of Aspiration along with the Four Fundamentals. The idea was that four things were needed for this work: passion, effort, continuity, and courage. To have a passion for business, and continue to make every effort to innovate and sell every day. And finally, to respond with sincerity and courage. Today, we only teach about the Four Fundamentals, but I still believe that the Four Fundamentals of Aspiration clearly represent the feelings you should bring to your work.

I’m on the far side of 70 now, and I dream of a life where I can spend my days thinking and doing only what I want to do. But the store still looms large in my thoughts and I am focused on developing people I can trust to take care of it. This was true when we first opened and remains true today.

There’s no specific goal for what our stores should be, so I feel that the best approach is to work at your own pace, little by little, day after day.

From the very first day we opened, everything we have done is ultimately about people. Without a nurturing and personable attitude, communication within the store will suffer, and ultimately lead to not meeting customer expectations. The important thing is to try to train people who are merchant minded.

The relationship between franchisee and Seven-Eleven Japan is like a married couple. We help each other and devote ourselves to one another every day.

The relationship of trust between us, the individual business owners and Seven-Eleven Japan, is very important, and I like to think of it like being a married couple: once strangers, but at the bottom of their hearts now bound together by mutual trust. I hope that we will continue to have this solid relationship where we help each other when times are tough as we work together toward a common goal.

Seven-Eleven Japan continues to innovate while learning every day, including lessons that come from the actual business in stores. Franchisees should enhance their abilities as merchants to create stores that meet the needs of their customers.

It is our responsibility to improve our operations, work hard with enthusiasm, and to act with sincerity and humility toward our customers. Never stop learning! This is the critical thing for the future of our business.

I inherited my store from my father and now I will be passing it down to my son. I’d like to share my thoughts on 7-Eleven with you.

This shop used to be a liquor store run by my father. In 1978, even though business wasn’t bad, he decided to change it into a 7-Eleven. It was a daring decision to make when there were still only a few hundred 7-Eleven stores nationwide. I was studying breadmaking when my father, who had always told me to live my life the way I wanted, first asked me to help him with the store. We moved the store to a new location in 1991 and eventually I took over management. Now, I manage two locations. My own son, who I also raised with the philosophy that he should live his own way, told me when he was 22 that he wanted to help out. He saw how my father and I had worked to overcome various challenges with the help of Seven-Eleven Japan, and he had seen firsthand how we were always changing to stay ahead of the times.

Looking back, there were times when we were running on empty. There were times when I felt a distance between employees and myself, and it bothered me. But in the end, the most important thing is to make the customer happy. That is the only point where I refuse to compromise. To achieve this, the employees must enjoy themselves. They all have their own dreams and spend their valuable time working to make the store a success. I try to talk with employees because I believe that their devotion to their work depends on the strength of their relationship with us and their passion for 7-Eleven.

My core belief “To work is to live,” was nurtured at 7-Eleven. 7-Eleven stores are located throughout Japan, so employees who leave our stores can use the experience they’ve gained to work at another location. I want those people to know how wonderful 7-Eleven is, so that they can have those future opportunities.

I want to make the people in my community happier through my work at 7-Eleven.

In 1993, despite my father’s stubborn opposition, I finally wore him down and convinced him that I should open a 7-Eleven. Even though my personal motivation was high, the store struggled in its early days because we couldn’t keep employees. In spite of this, I was able to keep going because I really loved my job at 7-Eleven more than anything else.

When I heard about the Seven Safe Delivery (Anshin Odokubetsu) service that started in 2011, I knew it would be perfect to help my local customers in this aging community. I kept appealing to Seven-Eleven Japan about the need to implement this service in Tokamachi. Thanks to my employees who stepped up to get it started, we launched the service in 2013 and it has been running for 10 years now. The locals really appreciate it.

The employees in charge of the service take the initiative to find places to sell and they know best which merchandise will please our customers. I don’t have to micromanage them at all, and I can entrust it to them with confidence. They say that nothing makes them happier than to hear the gratitude of our customers, and they are always doing their best. We get heavy snowfall around here, so we always make sure to have plans for when it is at its worst. We start clearing snow from midnight to make it easier for our regular customers and snowplows to get in and out, and we have a full lineup of warm merchandise. I think each store has a unique role like this to play in its community.

I now manage five stores. Our goal is to become the best stores in all of Japan in terms of customer service. We want to be the happiest stores in Japan for our customers. That has been our number one goal ever since I started with 7-Eleven.

To work is to live.
You can always count on finding a 7-Eleven nearby.

No matter the weather or the distance, we bring the joy of shopping to everyone.

Shokichi Miyairi
Franchisee, Tokamachi Nishi Store

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One of the biggest reasons why people choose 7-Eleven

Above all, 7-Eleven’s greatest strength is the level of its merchandise competitiveness. Day and night we work to improve quality with an inquisitive spirit, from our uncompromising pursuit of quality to the materials used in packaging, and the process of arranging merchandise in the store.

Total Store Sales and Sales Composition Ratio by Merchandise Category

Team Merchandising (MD)

Team MD, which develops merchandise by teaming up with various manufacturers and vendors, is the base of Seven-Eleven Japan’s merchandise development capabilities. Based on a thorough marketing strategy, we will combine the high technology and wisdom of each field to pursue the ideal merchandise with a focus on quality, safety, and deliciousness.

The expertise of Team MD is tapped to make our popular hand-rolled rice balls even more delicious.

Aiming to create homemade rice balls, our hand-rolled rice balls are made with the utmost care and attention to detail, from the rice, seaweed, and ingredients to the packaging. In addition to tasting better, this merchandise is also developed to reduce the negative environmental impact. Without the cooperation of the manufacturers and vendors participating in Team MD, we would not have been able to succeed in this effort.

Since May 2023, we have been using a blend of rice with a special emphasis on graininess and sweetness under the supervision of Hachidaime Gihey, a long-established rice shop in Kyoto.

The expertise of Team MD is tapped to make our popular hand-rolled rice balls even more delicious.

Rice
Optimal roasting conditions are set according to the quality of each seaweed type.
This maximizes the flavor and taste.

Seaweed
We reviewed the processes and methods for each ingredient to further improve the taste, flavor, and texture.

Ingredients

Packaging
The packaging consists of thinner films along with the use of biomass materials.
This reduces the amount of plastic used while maintaining quality.

A little luxury dining from 7-Eleven.

From breads such as toast and sandwich to salads, soups, after-dinner coffee, and desserts, 7-Eleven merchandise makes it possible to create a luxurious dining experience.

The images are for illustrative purposes only.
Unused ingredients are used in some of the dishes.

Merchandise Competitiveness

One of the biggest reasons why people choose 7-Eleven

Above all, 7-Eleven’s greatest strength is the level of its merchandise competitiveness. Day and night we work to improve quality with an inquisitive spirit, from our uncompromising pursuit of quality to the materials used in packaging, and the process of arranging merchandise in the store.
Realizing high quality and stable production by utilizing the advanced technologies of suppliers, who all have independent and outstanding expertise in factories, distribution centers, system infrastructure, and other areas. This makes possible to deliver original fresh food that is tastier, safer, and more secure.

Careful attention is paid to everything from ingredients to packaging

Original fresh food directly connected to the customer’s daily diet. To ensure that our merchandise is safe and delicious, we continue to develop and improve everything from raw materials to production, distribution, and packaging. Another feature is our wide variety of merchandise to choose from, in any combination you prefer. We have many customers who pick our merchandise every day.

Noodles
Our udon noodles use domestic wheat, which is characterized by its original wheat aroma and sticky texture. The yudane (water roux) method is used to achieve a firm texture.

Tsuyu (dipping soup)
Bonito flakes made from unfrozen bonito are used to create a delicious and aromatic tsuyu (dipping soup).

Manufacturing method and regional characteristics
Cold noodles are made from kneading flour at 26 factories across Japan using special ingredients, manufacturing methods, and recipes. The noodles produced are the result of the wisdom and technology accumulated over many years. The taste of the tsuyu is made by seven companies at nine locations to suit local tastes. This enables every region to enjoy the delicious taste.

Ratio of factories producing only 7-Eleven merchandise 90.3%

Seven Premium is said to have changed the conventional wisdom of private brands. Not only is it affordable, but it also continues to focus on quality and has grown into one of the largest brands in Japan with cumulative sales exceeding 10 trillion yen, and now has a total of approximately 3,500 items. Our extensive lineup meets the diverse needs of our customers.

Seven Premium Gold
Seven Premium Gold brings foods to the dinner from top chefs and experts that is so good customers want to share them with everyone.

Seven Premium Lifestyle
The Seven Premium Lifestyle is a way of living for the future, painstakingly designed with solid techniques to be kind to the global environment, and allowing customers to live on their own terms.

Seven Café
Seven Café delivers “refreshing moments” and excited smiles with our particular taste anytime, anywhere.

Private Brands that Continue to Pursue Quality

Seven The Price offers reliable quality at affordable prices through simple manufacturing methods and cost-cutting measures. In order to meet the diversifying needs of our customers, we have started to offer the merchandise nationwide in a phased rollout starting in March 2023.

Started phased rollout of Seven The Price

Seven The Price
Seven The Price brings delicious, satisfying foods to the dinner table that customers want to eat every day.
In Seven-Eleven Japan’s Merchandise Development, New Merchandise Creates New Daily Lifestyles

Seven Café for establishing new consumer behavior

Since its introduction in 2013, Seven Café has become an instant hit due to its innovative taste and convenience, and has established a new genre of “convenience store coffee.” Since then, we have continued to take on the challenge of improving the taste and quality of our coffee.

Coffee beans from Guatemala, Tanzania, Colombia, and Brazil are used. Four-step roasting gives the coffee a deep rich flavor.

Seven Café has a particular design for its containers as well as its machines. Designed under the supervision of Kashiwa Sato, one of Japan’s leading creative directors, the container represents a simple and high-quality world view.

Carefully selected coffee beans

Carefully selected extraction

Carefully selected containers

Each cup is dripped using a paper filter to maximize the flavor, which is perfectly suited to Japanese tastes. You can choose your favorite flavor.

*Cafe Latte is not included.

Cumulative sales reached 7 billion cups in the first 10 years of sales

The secret behind Seven Café’s strong appeal

Seven Café was launched after much trial and error

Since it was first launched in January 2013, Seven Café has been warmly welcomed by customers. It has both contributed to increased sales of snacks such as breads and sweets, and also added value to convenience stores as places to relax. It helped to create a whole new market of what is often called “convenience store coffee,” and it continues to grow as the market leader.

However, the road to this point was anything but smooth. The first initiative that led to Seven Café started shortly after the company was founded. Heated decanters were introduced to sell premade coffee in individual portions, followed by cartridge-type machines, but neither saw much success. In 2001, in our third attempt, we focused on sales of espresso, which was surging in popularity during the Seattle coffee boom, but this attempt brought only mixed results as well. The most important hint toward our eventual success came from 7-Eleven’s popular oden lineup. Dashi (soup stock), an essential ingredient in oden, tastes best when made with soft Japanese water. This made us consider how important water is for brewing good coffee, and decided to take on the challenge of figuring out how to brew the best coffee with Japan’s soft water. We also wanted to ensure that it was familiar to the Japanese palate, rather than simply adopting foreign trends. Long back-and-forth discussions with a team of experts in fields as varied as coffee beans, machines, and brand design helped us in our aim to create the best coffee in Japan. We pay careful attention to the ingredients (100% select Arabica beans), roasting (double roasting, single cup paper drip), and appearance (branding design). After two years of trial and error, we developed an exclusive paper drip coffee machine. This is what made Seven Café possible, offering coffee with a rich aroma a swathe of challenges. In this era of rapid change, we continuously adapt to the needs of the times. We have taken on initiatives that led to the establishment of new market of what is often called “convenience store coffee,” and it continues to grow as the market leader.

In response to greater health consciousness among our customers, we decided to expand the number of stores offering Store-made Smoothies, which were previously only sold at certain select stores. We are now in the process of gradually rolling them out with the aim of selling them nationwide by the end of February 2024. These fresh smoothies, which are ready in about 70 seconds, have been very popular since their launch and have attracted customers who were not interested in our coffee offerings.

We are especially proud that Store-made Smoothies are not only good for the body but also for the environment. Brinocca stems, which would normally be discarded, and strawberries, bananas, and mangoes that were previously classified as out of standard due to size or appearance issues are used as ingredients, which reduces food waste and supports producers.

Merchandise development is a problem-solving challenge

I have been personally involved in the development of various merchandise items, including Seven Café, at Seven-Eleven Japan for nearly 20 years. I have come to the realization that merchandise development is actually problem solving. How can we meet the needs of our customers? How can we help solve social issues? There is no end goal in Seven-Eleven Japan’s merchandise development. We will continue to listen carefully to our customers’ voices and, with the help of partner companies, create better merchandise and services, and strive to help create more prosperous and comfortable lives and a sustainable society for everyone.

Seven Café continues to grow and evolve

New “Store-made Smoothies” expanding nationwide

The introduction of Seven Café has also brought about a whole new swath of challenges. In this era of rapid change, we continuously review and improve the taste and varieties of our merchandise to satisfy the rapidly shifting needs of our customers. In July 2022, a new feature was added to allow customers to customize their coffee by selecting light, normal, or strong flavors. This has received favorable reviews, with customers saying that they appreciate the ability to select stronger flavors in the morning to feel perk up, and lighter flavors in the evening when they want to relax.

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Seven-Eleven Japan’s
Quality Control, Where Strictness Is Key for Taste and Safety

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.

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

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

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

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

The achieving of combined distribution was a revolutionary event in the distribution industry

It was in 1976 that Seven-Eleven Japan began a combined distribution program in which merchandise from different manufacturers was delivered by the same vehicle. This was a revolutionary event at a time when the mainstream was for major manufacturers to deliver to each store through their own distribution network. This change was brought about by repeatedly explaining the advantages of combined distribution to each manufacturer and gaining their understanding. This enabled us to bring about significant social reforms in terms of work efficiency, cost, and the environment.

The “Cold Chain” Freshness Management Starting from the Farm

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 factories all while under uniform temperature control.

Thorough Food Traceability Management for Safety and Security

All ingredients used in our original fresh food are strictly controlled in a food traceability system with database. The system allows the company to check which merchandise contains certain ingredients such as allergens or additives, where they were produced, how much of them are used in each sales area, etc.

Mechanism for Managing Ingredient Traceability

- Tracing from ingredients
  - Management data for ingredients
  - Distribution management data
- Tracing from sales area
  - Data on each ingredient’s country of origin, factory, and additives
  - Data on ingredients, amount used, and usage period for each region
- Tracing from merchandise
  - Recipe master
  - Data on ingredients used in merchandise

Procuring sustainable ingredients by proactively using GAP-certified vegetables

GAP certification is granted based on an audit by a third-party organization to producers that work toward sustainable farming. Since October 2022, all sandwiches sold at our stores in Fukushima Prefecture use only vegetables from farms that have received this GAP certification, and in addition to procuring sustainable fresh vegetables, we are also striving toward local production and local consumption.

We are also implementing nationwide procurement from plant factories, which enable safe and stable vegetable cultivation and supply, with the goal of increasing the ratio to 30% by 2030. Starting from July 2023, salads made with romaine lettuce and spinach grown at plant factories are being sold nationwide.
In addition to the merchandise for purchase, 7-Eleven provides various services needed in daily life through new technology. Combined with the convenience of being open 24 hours a day, this greatly enhances the value of people's daily lives.

### Providing a Variety of Services Essential for Daily Life

**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, accessing online printing services, ordering tickets for concerts or leisure attractions, and providing administrative services and insurance services.

**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.

**Local governments participating in our convenience store issuance program**

1,165 organizations

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

**Seven Bank ATMs**

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, and 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.

### Enhanced Convenience through Digital Services

In order to make daily shopping more convenient and to increase the frequency of visits to our stores through the added value that they provide, we are also focusing on the development and expansion of digital services.

#### 7-Eleven App

The 7-Eleven App allows individual customers to browse information on merchandise and campaigns as well as coupons for great-value offers on their smartphones at any time. Data shows that, because personalized information and coupons are sent to users of the app based on their usage status, they visit 7-Eleven stores more frequently and spend more during each visit.

**7-ID**

This system helps unify customer information which individual operating companies hold into one single ID. This helps understand consumer behavior, develop merchandise which meets customer needs, and makes communication with them more effective.

**Seven Mile Program**

You can build up “miles” by shopping at various Seven & i Group stores or through online shopping. These miles can be exchanged for nanaco points at a rate of 1:1, or used for activity-based events, digital special offers, or various donations and support funds.

#### TOPICS

**Apps and customer data will help 7-Eleven deliver a new media experience**

Seven-Eleven Japan is currently implementing a retail media platform. The 7-Eleven App, which has more than 20 million members based on 7-ID, enables precise targeting for more effective advertising and purchasing operations. In addition to using external media such as YouTube, Seven-Eleven Japan has also adopted digital signage for providing an in-store media experience. This leads to enhanced customer engagement.
Seven-Eleven Japan’s Efforts on Material Issues for Realizing a Sustainable Society

The realizing of a sustainable society is a goal for society as a whole. As a company that is deeply involved in the community, in addition to our own efforts, we work together with our customers, local communities, and suppliers to address material issues from a variety of perspectives.

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

For local communities and households where shopping can be inconvenient, we are implementing initiatives to bring our customers closer to us, such as through mobile sales and merchandise delivery.

2. Provide safe, reliable and healthier merchandise and services

We work in close partnership with our suppliers to jointly provide safe and reliable merchandise. Some stores are equipped with PET bottle reverse vending machines. We use the bottles as resources and recycle them into merchandise for reducing negative environmental impact from various aspects. We are promoting a circular economy and society.

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

We understand differences in a wide range of values, support employment for seniors, foreign nationals, and people with disabilities, and help employees balance work and childcare for local communities and households where shopping can be inconvenient. We are implementing initiatives to bring our customers closer to us, such as through mobile sales and merchandise delivery.

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

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

We support diverse work styles and are working to further enhance the work environment at our franchisees with the aim of creating a rewarding and comfortable workplace.

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

We participate in local environmental protection initiatives through community cleanups. We are also committed to providing merchandise and services that address social issues.

7. Achieve a sustainable society through partnerships

Aiming to build a sustainable supply chain, we provide socially and environmentally friendly merchandise together with our suppliers.

The Seven & i Group’s Environmental Declaration

“GREEN CHALLENGE 2050”

Reduction of CO2 emissions

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 lights, solar panels, and highly energy-saving equipment.

Emissions associated with the operation of the Group’s stores (compared to FY2013)

- 2030 Target
- 2050 Vision

For local communities and households where shopping can be inconvenient, we are implementing initiatives to bring our customers closer to us, such as through mobile sales and merchandise delivery.

Plastic bag usage

- 2030 Target
- Practically Zero Emissions

Emissions associated with the operation of the Group’s stores (compared to FY2013)

- 2030 Target
- 2050 Vision

For the packaging used in its proprietary merchandise (including Seven Premium), the company uses eco-friendly materials (biomass, biodegradability, recycled materials, paper, etc.).

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 food waste disposal

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

- 2030 Target
- 2050 Vision

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

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.

Food waste recycling rate

- 2030 Target
- 2050 Vision

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

Emissions associated with the operation of the Group’s stores (compared to FY2013)

- 2030 Target
- 2050 Vision

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Aiming for a sustainable society together with our franchisees, suppliers, local communities, and customers

**Reduction of CO₂ emissions**

01 Leaders in charge of energy-saving are selected at each store to implement energy-saving measures

From the standpoint of dealing with the tight supply and demand of electricity and reducing CO₂ emissions, these leaders in charge of energy-saving are selected to implement the Six Priority Energy-Saving Measures at each store. We view environmental issues as our responsibility and actively implement initiatives.

02 Demonstration testing of environmentally friendly stores and conducting nationwide development

Solar panels are installed in 8,823 stores nationwide*, and LED lights are installed in almost all stores. Also, our “Stores with Negative Environmental Impact” are testing the installation of storage batteries and energy management systems to further reduce CO₂ emissions, and these initiatives will be expanded nationwide in the future.

*As of the end of February 2023

**Food loss and waste/food recycling measures**

01 Implementing initiatives to reduce food loss and waste together with our customers

We are working to reduce food loss and waste in collaboration with our customers through such efforts as the Ethical Project in which we give bonus nanaco points to customers who purchase applicable merchandise that have approached their expiration date, such as rice balls and bread, using nanaco electronic money, and “Temaedori,” in which customers are encouraged to choose the frontmost merchandise if eating it immediately after purchase.

02 Long-term freshness merchandise that can be kept fresh for a long time and expansion of merchandise offered in sizes that can be eaten in one sitting

By developing proprietary technologies, such as nitrogen filling, and by reexamining our ingredients, the production process, and temperature management, we have developed merchandise capable of longer expiry dates than before without losing flavor or quality. In addition to this expanded assortment of long-term freshness merchandise, we are also expanding our assortment of Seven Premium merchandise that can be eaten by small numbers of people.

**Changes to environmentally friendly packaging and containers expand nationwide**

Salad cups have evolved into environmentally friendly PET containers, while some chilled boxed meal containers and sandwich films have been converted to paper types, all while maintaining convenience. We also use botanical film and rice ink, and will continue to change over to environmentally friendly packaging and containers.

**Sustainable procurement**

01 Sustainable merchandise procurement that takes human rights and the global environment into consideration

We sell merchandise that uses sustainable raw materials, such as cacao ingredients that have received international fairtrade certification, which is a system that certifies that raw materials and merchandise from developing countries are traded under fair conditions, and merchandise with the MSC “Marine Eco-Label,” which certifies marine products caught in sustainable fisheries. We are planning to further expand our sustainable procurement in the future.
Under our corporate vision, “Building a joyful future, together,” we will work to solve social issues while building close relationships with local communities throughout Japan.

To realize a **healthy** society through craveable merchandise and services

**Food and nutrition education** (local production and local consumption)
We conducted a harvesting experience of romaine lettuce with local kindergarten children and a tasting of our product using romaine lettuce. This provided an opportunity for children to learn about local production and local consumption.

**Food and health events**
We participated in “Karada Good Miyazaki Festa 2022”, an event themed on food and health in Miyazaki Prefecture, and exhibited our initiatives on reduction of food loss and waste, food safety and security, and local production and local consumption.

**Safety and security**
In cooperation with the local police department, we conduct regular in-store crime prevention drills and other initiatives to educate the community about crime prevention measures.

**Local events**
We exhibited a booth with a PET bottle reverse vending machine at “Kyoto Marathon 2023” held in Kyoto City. In addition to informing the participants about our complete recycling efforts, we offered participants the opportunity to experience feeding PET bottles into the machine.

**Community cleanup**
Seven-Eleven Okinawa is currently conducting cleanup activities around its stores on the first Friday of every month with all employees. Each and every one of us will strive to raise our awareness of the environment and to realize a circular economy.

**PET bottle collection and recycling**
To enable the effective use of resources, 7-Eleven stores in Osaka Prefecture were the first to install PET bottle reverse vending machines at 76 stores in Sakai City.

**Donation of merchandise**
We donate merchandise during store remodeling and supportive items through food drive campaigns. The donated merchandise is distributed through the Council of Social Welfare to organizations and facilities that provide support to the elderly, disabled, children, and the needy for promoting community welfare and reducing food loss.

**Workplace experience and on-site classes**
We accept elementary and junior high school students in work experience programs at our stores and visit schools to hold classes to share Seven-Eleven Japan’s SDG initiatives. This work experience at a convenience store is used to teach students the importance of greetings and the following of rules.

**Excellent company for people with disabilities**
Seven-Eleven Japan received the Tokyo Governor’s "Disability Employment Excellence Company Award", which is given by the Tokyo Metropolitan Government to a company that makes distinctive and outstanding efforts in the employment of people with disabilities.

**Implementing a multicultural society**
We are participating in GHKG (Glocal Hatara-Kurasu Gunma), a project commissioned by the Ministry of Education, Culture, Sports, Science and Technology, to provide employment support for international students, and are conducting internship programs with the cooperation of Gunma University.

**PET bottle collection and recycling**
To enable the effective use of resources, 7-Eleven stores in Osaka Prefecture were the first to install PET bottle reverse vending machines at 76 stores in Sakai City.
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</th>
<th>Store Operations Partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 50</td>
<td>Parent &amp; child, siblins</td>
</tr>
<tr>
<td>27.3%</td>
<td>10.0%</td>
</tr>
<tr>
<td>7.1%</td>
<td>Parent &amp; child instead of</td>
</tr>
<tr>
<td>20%</td>
<td>being limited to married</td>
</tr>
<tr>
<td>40%</td>
<td>couples</td>
</tr>
<tr>
<td>33.8%</td>
<td>31.8%</td>
</tr>
<tr>
<td>Average</td>
<td>Siblings</td>
</tr>
<tr>
<td>42.8</td>
<td>Third-degree relatives</td>
</tr>
<tr>
<td>0.9%</td>
<td>Cousins</td>
</tr>
<tr>
<td>0.2%</td>
<td>Married couple</td>
</tr>
<tr>
<td>72.5%</td>
<td>Other</td>
</tr>
</tbody>
</table>

Previous employment type

| Service/Shipping         | 31.3% |
| Manufing/Systems         | 17.0% |
| Construction/Real estate | 5.7%  |
| Retail/Wholesale         | 19.4% |
| Civil servant            | 0.9%  |
| Finance                  | 1.1%  |
| Self-employed            | 5.1%  |
| Other                    | 19.5% |

*1 Seven-Eleven Japan survey (March 2018 to February 2023)  *2 Excluding Seven & i Group employees and 7-Eleven store employees

Franchise Process

1. Visiting the franchise candidate

A Recruiting 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 franchisee. 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 franchisee 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 franchisee 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 franchisee candidate and Seven-Eleven Japan.

7. Deliberation and decision-making by the franchisee candidate

The franchise candidate carefully examines the details and decides whether to enter into a franchise agreement with us.

8. Signing the franchise agreement

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

9. Store layout and design

The construction and design department of Seven-Eleven Japan implements the design, and the franchisee candidate confirms and signs the construction agreement.

10. 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.

11. Signing the franchise agreement

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

Common Processes

Training for new franchisees

<table>
<thead>
<tr>
<th>School training</th>
<th>In-store experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lecture-type training using textbooks and videos. At equipment training, participants use actual cash registers and other store equipment to learn how to operate them.</td>
<td>New franchisees experience store operations and customer service at one of the regional company operated stores. Our trainers provide intensive training contents and guidance to them.</td>
</tr>
</tbody>
</table>

Preopening preparations

New franchisees communicate with store employees and store information. They also visit the neighbors to greet them and inform them of the store opening.

Turn-key

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 turn-over completion certificate.

Store opening

The franchisor is fully prepared to welcome their first customer. After opening, our OFC offers a wide range of support to the franchisee.
Type C Seven-Eleven Charge Calculation Standard

<table>
<thead>
<tr>
<th>Calculated based on</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>

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

1. This is the profit obtained by deducting the cost of merchandise sold from the amount of sales
2. The region-based applicable amount differs based on the location of the store
3. The Guaranteed Minimum Gross Income system is calculated on a prorated basis for the actual number of business days during each accounting period.
4. For 24-hour operation stores, 2% of gross profit is deducted (Seven-Eleven Charge is reduced based on certain conditions)
5. A special reduction of 1% of the gross profit on sales

Support System for Store Staff Members

- 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 employees 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

- 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.
Seven-Eleven Japan: A History of Challenges and Evolution

1973 Nov. ■ York Seven Co., Ltd. was established.
1974 May ■ The first 7-Eleven store (Toyosu store, Koto-ku, Tokyo) was opened.
1975 Jun. ■ Launched 24-hour operations (Tsurumaru 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 CO., LTD.
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 analysis were introduced.
1987 Mar. ■ Three-times-daily combined distribution system for rice merchandise was introduced.
1990 Nov. ■ The number of stores in Japan exceeded 3,000.
1991 Oct. ■ Payment collection service for TEPCO electricity bills was launched.
1992 Mar. ■ Payment collection service for Tokyo Gas bills was launched.
1993 Nov. ■ The number of stores in Japan exceeded 4,000.
1995 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.
1997 Nov. ■ Integrated Store Information System using multimedia information delivery by satellite communications was introduced.
1998 Oct. ■ Magazine Subscription Reservation Service was introduced.
1999 Mar. ■ Sales of energy drinks were launched.
2000 Mar. ■ Payment collection service for online shopping bills was launched.
2001 Apr. ■ E-commerce operation 7iws.com co., Ltd. was established (the service was launched in July 2000).
2004 Apr. ■ Payment collection service for TEPCO electricity bills was launched.
2006 Jan. ■ Seven-Eleven (Beijing) Co., Ltd., a joint company, was established.
2006 Nov. ■ The number of stores worldwide exceeded 40,000.
2007 Jul. ■ Mobile catering service, Seven Safe Delivery (Arashi Okochiko), was launched.
2009 Jan. ■ Seven Culture Network Co., Ltd. was established. Seven Hot Shopping was launched.
2010 Feb. ■ Multi-functional copiers/machines handling of administrative services such as issuance of copies of residence certificates and seal registration certificates was started (in some municipalities before others).
2010 May. ■ Payment by credit card was now possible.
2011 Mar. ■ Mobile shopping service, SE Book was launched.
2012 Jan. ■ The number of stores in Japan exceeded 13,000.
2013 Jan. ■ The number of stores worldwide exceeded 50,000.
2013 Mar. ■ Seven Culture Network Co., Ltd. became a wholly owned subsidiary.
2013 Jul. ■ SE Books was launched.
2014 Apr. ■ The number of stores in Japan exceeded 16,000.
2014 Oct. ■ The number of stores worldwide exceeded 60,000.
2015 Aug. ■ Foundation of Shortening Business Hours, “Late-night Closure Guidelines,” an initiative for “Examination of Shortening Business Hours,” were established.
2016 Feb. ■ The number of stores worldwide exceeded 70,000.
2016 Oct. ■ The first 7-Eleven store in Cambodia was opened.
2017 Jan. ■ The first 7-Eleven store in Vietnam was opened.
2017 Feb. ■ Seven-Eleven International LLC was established.
2017 Apr. ■ First 7-Eleven store in Cambodia was opened.
2018 Jan. ■ The number of stores in Japan exceeded 20,000.
2018 Oct. ■ Awarded PRIDE Gold certification, the highest rating in the PRIDE Index.
2019 Apr. ■ “Action Plan” was brought into effect.
2019 Jun. ■ PET bottle collection was promoted in Higashiyama City in coordination with the Higashiyama municipal government, the Nippon Foundation and the Higashiyama City Cleaning Business Cooperative.
2019 Aug. ■ The number of stores in Japan exceeded 21,000.
2020 Jan. ■ The number of stores worldwide exceeded 70,000.
2020 Mar. ■ Seven Culture Network Co., Ltd. was established.
2021 Mar. ■ Major revisions were made to the business continuity plan (BCP) to address large-scale disasters.
2021 Jul. ■ 7-Eleven’s corporate colors were the first to be registered as a trademark based solely on color.
2022 Feb. ■ Seven-Eleven’s Online Convenience Store renamed to 7NOW.
2022 Apr. ■ The number of stores worldwide exceeded 80,000.
2023 Jan. ■ The first 7-Eleven store in Israel was opened.
2023 Feb. ■ Tablet terminals installed in all stores.
2023 Mar. ■ Expanded AI order placement nationwide.
2023 Jun. ■ 1st “National Customer Service Contest” was held.
2023 Sep. ■ The first 7-Eleven store in Laos was opened.

Other dates:
1990 ■ The number of stores in Japan exceeded 5,000.
1982 ■ The number of stores in Japan exceeded 4,000.
2002 ■ Sale of merchandise made without preservatives and artificial coloring including rice, sandwiches, delicatessen merchandise, and noodles was started. (Specifically, designated additives)
2003 ■ Total store sales exceeded 3 trillion yen.
2013 ■ Seven Calf was launched.
2014 ■ The number of stores in Japan exceeded 15,000.
2016 ■ The number of stores worldwide exceeded 60,000.
2017 ■ The number of stores in Japan exceeded 19,000.
2018 ■ 7-Eleven’s corporate colors were the first to be registered as a trademark based solely on color.