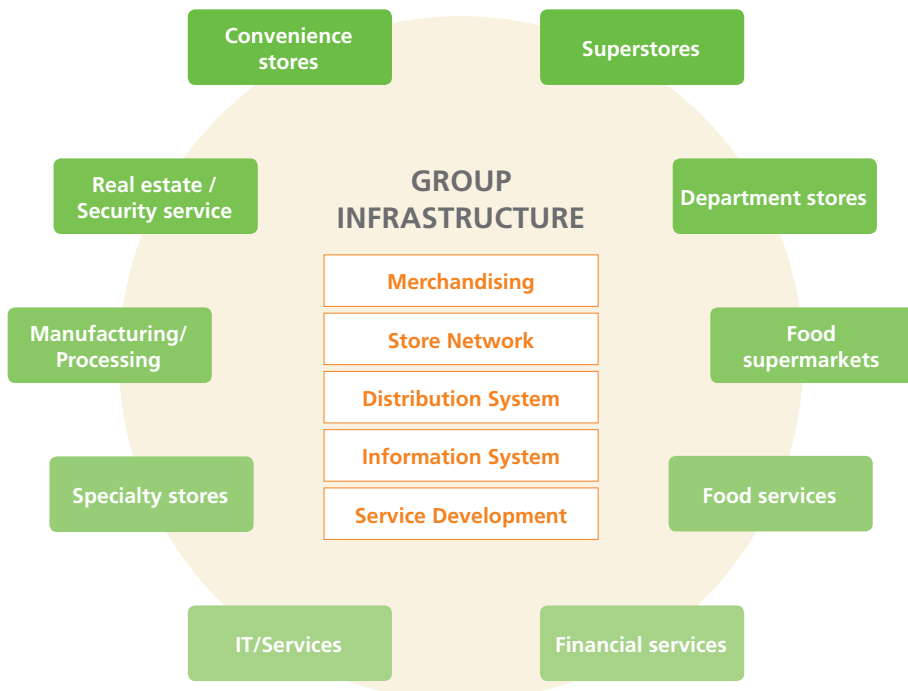


# Creating Value by Leveraging the Group's Strengths

To meet the needs of customers, the Seven & i Group is leveraging its comprehensive strengths and its worldwide supply chain by linking its capabilities in a broad range of fields, such as product procurement, product development, logistics, and information systems.



## Three Attributes Characterizing Group Capabilities



\* Including the sales of Seven-Eleven Japan and 7-Eleven, Inc. franchisees

## STRENGTH 1 Group Merchandising

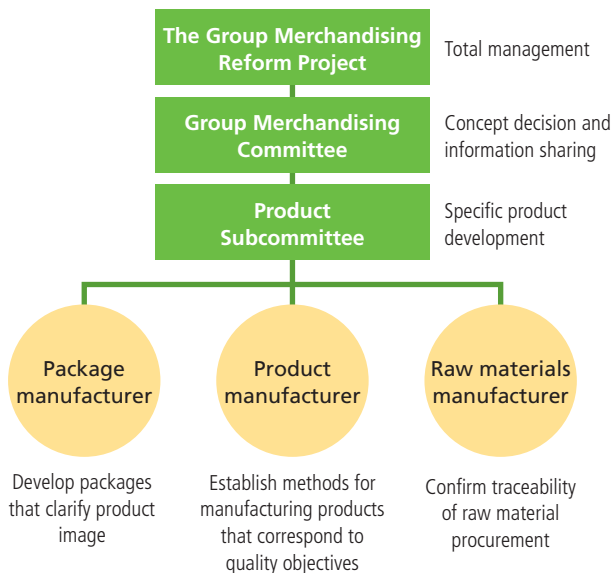
The Group is creating private-brand products that take full advantage of the product development knowhow and infrastructure cultivated by Group companies.

Private-brand product development is the first stage of the Group's product development strategy. The Group's activities extend to the implementation of joint product procurement, the construction of global product procurement and supply systems, and the establishment of optimized logistics systems.

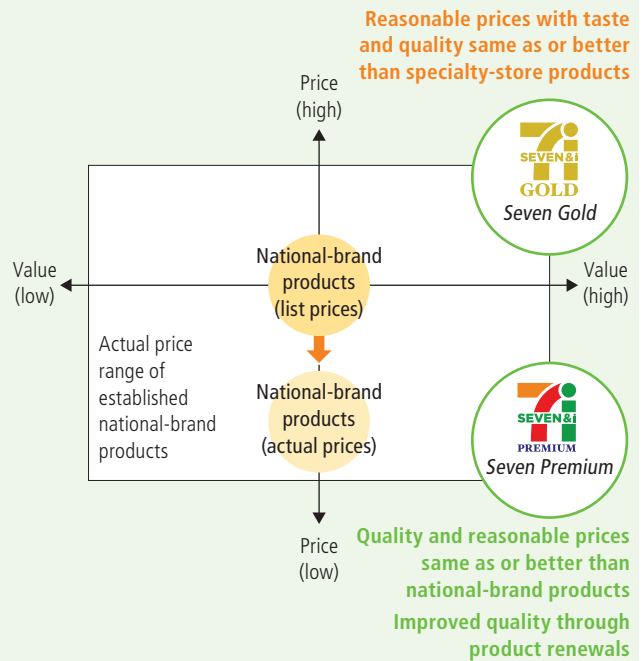
### Seven Premium Development Process

For *Seven Premium*, the Group is conducting team merchandising with suppliers. The Group Merchandising Reform Project, which coordinates these activities, is composed of members selected from each operating company and enhances product development with manufacturers.

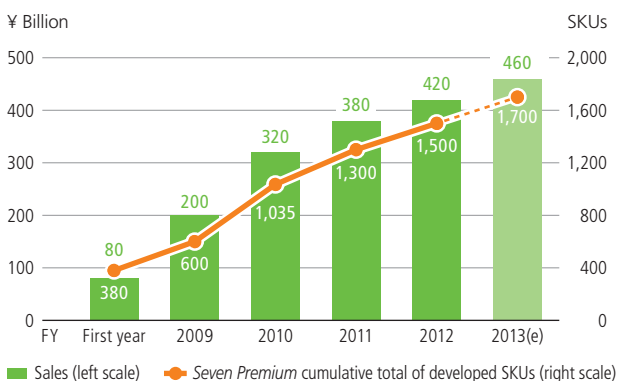
#### Organizational Chart for Team Merchandising



#### Positioning of private-brand products



#### Performance of Private-brand Products



Note: First year represents the period from May 2007 to May 2008.



Seven Premium product lineup

➡ For further information regarding Group merchandising, please refer to the Corporate Outline 2012 on pages 18 and 19.

## STRENGTH 2 China Operations

In China, the Group has convenience stores, superstores, food supermarkets, and restaurant operations. Moving forward, the Group will leverage the management knowhow cultivated in Japan to expand its operating foundation in China, which has strong growth potential.

### Stores Operated by Group Companies in China



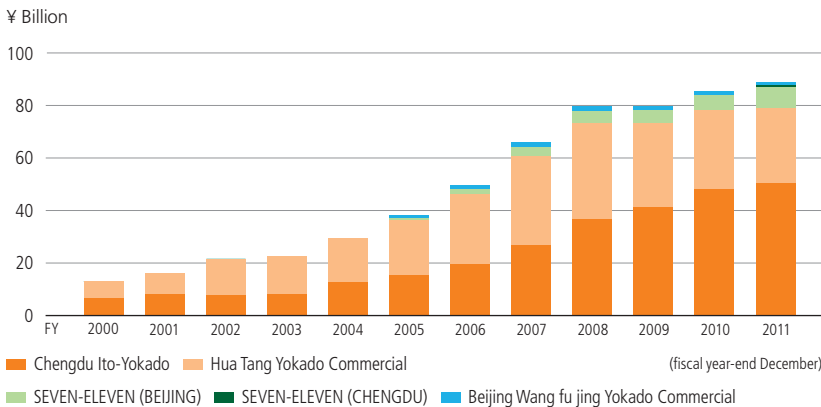
(number of stores are as of December 31, 2011)

### Sales Trend

In addition to aggressive sales activities that combine high-quality product development with special events, the Seven & i Group is also offering finely tuned customer service. In this way, the earnings capacity of each store has been increased. In comparison with the operations of other foreign companies in China, the Seven & i Group's superstores have achieved high levels of efficiency.

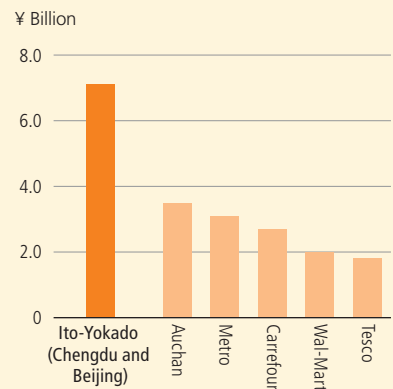
For store openings in China, the Group is following the same strategy that it uses in Japan, the market concentration strategy.

### Sales of Group Companies



Notes: 1. Sales exclude value added tax.  
2. Sales for previous fiscal years are translated at the rate at the fiscal year-end.

### Annual sales per store



Notes: 1. Exchange rate: 1 yuan=¥12.32  
2. Sales include value added tax.  
Source: China Chain Store & Franchise Association

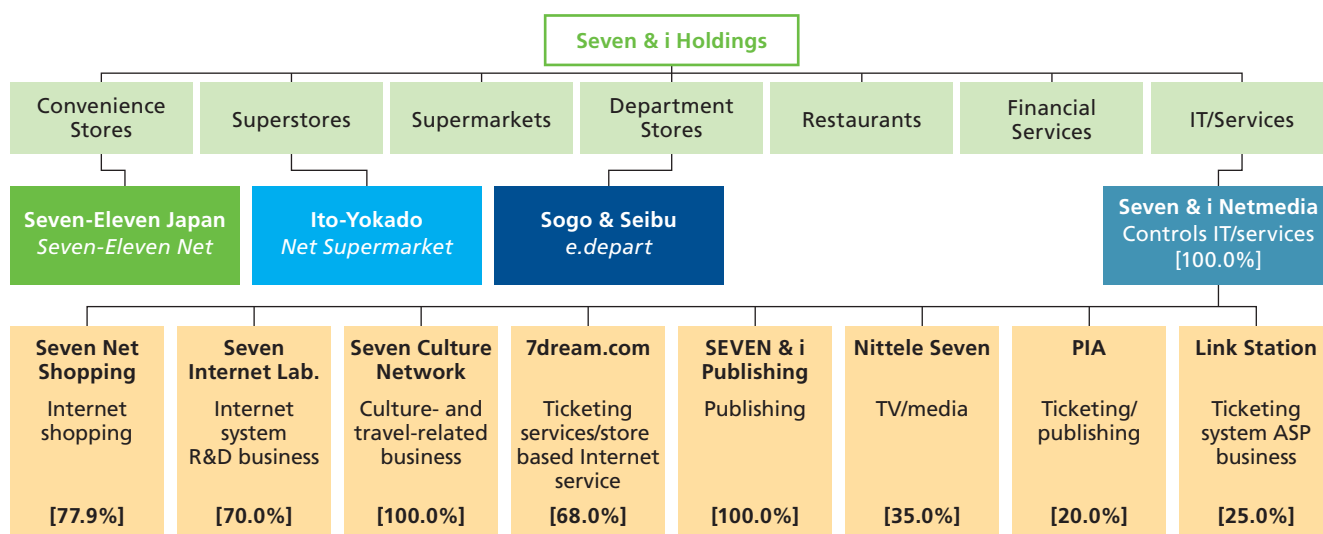
➡ For further information regarding the Group's China operations, please refer to the Corporate Outline 2012 on pages 30 and 31.

## STRENGTH 3 IT/Services

The Seven & i Group is developing services that link the Internet and actual stores. To that end, the Group is taking full advantage of its strengths in infrastructure, which include one of Japan's largest store networks and advanced information and logistics systems.

### Business Structure

IT/Services, which are overseen by Seven & i Netmedia, cover a broad span of fields. In addition, delivery services utilizing the Internet and the Group store network are operated by Seven-Eleven Japan, Ito-Yokado, and Sogo & Seibu.



Note: [ ] indicates the percentage of equity owned by Seven & i Holdings.

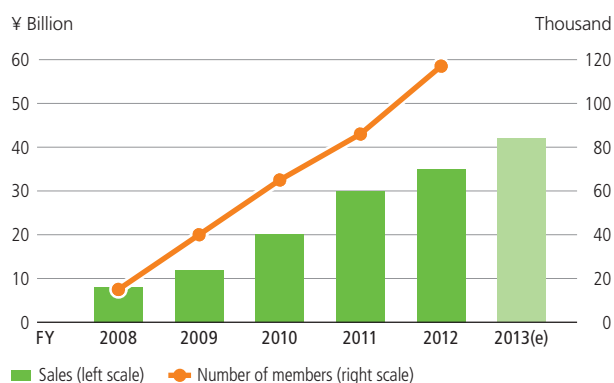
### Net Supermarket

Ito-Yokado stores manage *Net Supermarket*. With the *Net Supermarket* services, orders are received over the Internet, and fresh products from the stores are delivered in as little as three hours, for the same price as in the stores.



Service launched	March 2001
Items handled	Approx. 30,000 items (foods, household goods, underwear, miscellaneous goods for kids, etc.)
Delivery fee	¥315 (including tax, free above set value of purchases)
Delivery schedule	Six shipments/day (excluding some stores)
Sales recognition	Posted as sales of Ito-Yokado
Net sales	¥35.0 billion (FY2012)
Number of members	1,160 thousand (as of Feb. 29, 2012)

Net Supermarket: Sales and Membership



➡ For further information regarding the Group's IT/Services, please refer to the Corporate Outline 2012 on pages 26 and 27.