

Maximizing our unique Team MD structure and value chain to further strengthen our presence in food

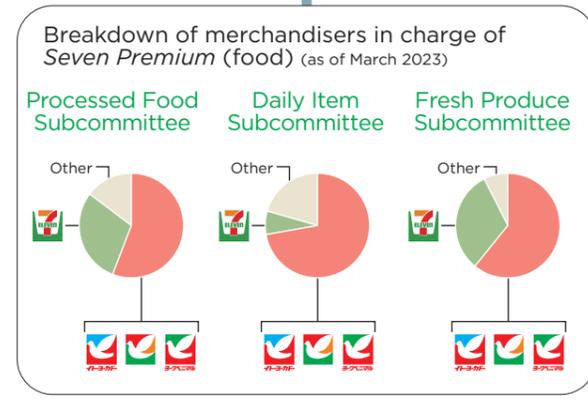
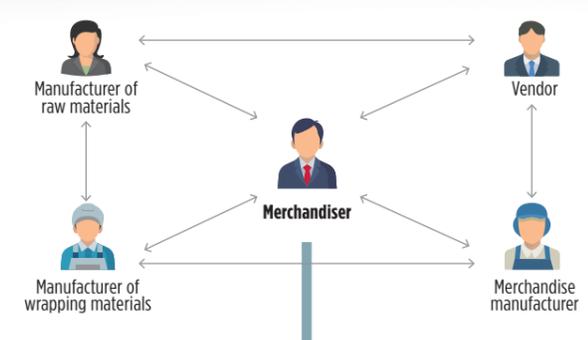


Seven Premium harnesses the product development capabilities of different Group companies

The Seven & i Group facilitates Team Merchandising (Team MD) by merging the marketing insights of our operating companies and involving suppliers with differentiated technologies and expertise that each company deals with individually. This approach enables rapid product development in response to changing customer needs.

Drawing upon the product development knowledge of these Group companies and leveraging our network of business partners, we introduced a private brand common to the Group in 2007 known as *Seven Premium*. To dispel the conventional image of low-priced private-brand products, *Seven Premium* focuses on aspects such as taste, safety, and reliability in prioritizing quality. In pursuit of this goal, the Group established a high-level Team MD framework to develop and produce merchandise with business partners who have advanced technologies and know-how covering

Team MD framework: In pursuit of Group synergies



from raw material procurement to processing, production, and packaging materials. Having started with 49 items spanning clothing, food, and housing, *Seven Premium* has expanded to encompass approximately 3,500 items as of February 2023, with 286 of them achieving annual sales of over ¥1 billion by nurturing each product carefully.

Driving Group growth with the Seven Premium brand

The *Seven Premium* is continuing along its growth trajectory, garnering particular acclaim in the food domain. In response to social changes such as a declining birthrate and aging population, increasing single-person households, and greater female workforce participation leading to more dual-income households, 7-Eleven is bolstering its food sector offerings, aligning with the growing trend of simplified and outsourced food solutions. Utilizing the strengths of our supermarket businesses such as Ito-Yokado, York-Benimaru, and York, known for their product variety and procurement

capabilities, we introduced the *Seven Gold* (now *Seven Premium Gold*) brand in 2010, aiming for elevated quality, based on customer feedback from our extensive network of stores serving around 22.2 million visitors daily. Building on this, in 2013,

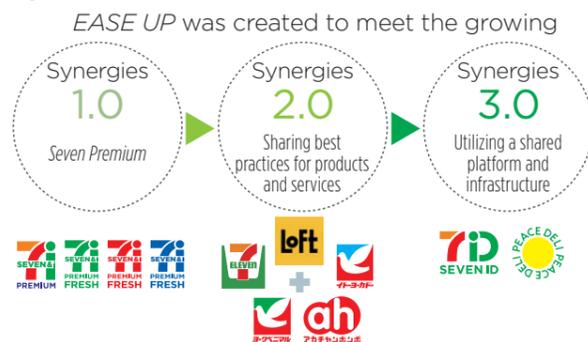
<p>Seven Premium The <i>Seven Premium</i> brand provides delicious and immensely satisfying cuisine for people's dining pleasure.</p>	
<p>Seven Premium Gold The <i>Seven Premium Gold</i> brand delivers irresistible flavors to the dinner table, crafted with renowned chefs and experts, that consumers will be eager to share with others.</p>	<p>Seven Premium Lifestyle The <i>Seven Premium Lifestyle</i> brand focuses on environmentally friendly merchandise that seamlessly blends with one's lifestyle, meticulously crafted to provide a sense of genuine comfort and ease.</p>
<p>Seven Café Seven Café provides moments to relax and enjoy delicious food and drink anytime, anywhere.</p>	<p>Seven Premium Fresh The <i>Seven Premium Fresh</i> brand prioritizes sustainability and seasonality, providing a fresh and delicious taste direct from the producer to the dinner table that can be enjoyed with peace of mind.</p>
<p>Seven the Price The <i>Seven the Price</i> brand delivers everyday items with dependable quality at budget-friendly prices.</p>	

Initiatives in the Food Domain

we started the *Seven Café*, creating a new market of convenience store coffee. *Seven Premium* has emerged as a premium food brand that transcends private brands, driving growth for the Group.

Delivering better products to more people

The Seven & i Group positions the realization of Group synergies in the food domain, exemplified by *Seven Premium*, as “Synergies 1.0,” and the ongoing development of excellent products, services, and best practices shared among Group companies as “Synergies 2.0.” As a practical example of “Synergies 2.0,” starting from January 2023, SEVEN-ELEVEN JAPAN began selling the original *EASE UP* frozen food products, developed by Ito-Yokado.



EASE UP products



demand for convenient and delicious individual meals, embodying the concept of “easy yet gourmet meals” that help save time. For its introduction into 7-Eleven stores, a manufacturing system was established that leverages the capabilities of SEVEN-ELEVEN JAPAN's daily manufacturers to ensure greater customer satisfaction. The knowledge and technology gained from this collaboration have been applied to address challenges specific to frozen food, such as freezing and heating, resulting in further advancements in the quality of *EASE UP*. We are currently tapping into the expertise of SEVEN-ELEVEN JAPAN's manufacturing partners to further enrich our product lineup, and Ito-Yokado has garnered strong customer support on the back of this initiative.

The Group is embracing the challenge of new product development, building upon the success of *EASE UP*, which embodies Group synergies in the

fusion of Ito-Yokado's innovative ideas and SEVEN-ELEVEN JAPAN's product development prowess.

Strengthening Groupwide shared platform and infrastructure toward the next stage, “Synergies 3.0”

Now, the Seven & i Group is moving toward “Synergies 3.0” utilizing a Groupwide shared platform and infrastructure at each company for the food sector. An apt example of this endeavor is Nagareyama Kitchen (Nagareyama City, Chiba Prefecture), which started operation in March 2023 under Peace Deli (p. 38). Serving as a central food production hub for the entire Group, it supplies fresh fish, meat, and meal kits to approximately 200 stores, including Ito-Yokado and York outlets, across the Tokyo metropolitan area. In 2024, we plan to launch Chiba Kitchen (Chiba City, Chiba Prefecture). This expansion of synergies within the Group's food domain, progressing from the product development focus of “1.0” (including the development of *Seven Premium*), to the sales emphasis of “2.0,” and now extending into manufacturing under “3.0,” reflects our commitment to fostering growth across all entities within the Group.

Bringing our strengths in food to the global market

The Seven & i Group positions global convenience store operations as a key driver of our growth strategy based on food. To this end, we are leveraging the synergies grown from our domestic operations and our expertise in building a value chain in Japan to enhance the development and sales of original products such as fresh foods, proprietary beverages, and private-brand merchandise, on a global scale. Building upon the successful Team MD framework, which was developed through *Seven Premium*, and our distinctive value chain, we are expanding our efforts to North America. Additionally, by supporting area licensees across various countries, reinforcing synergies, and implementing other measures, our goal is to establish ourselves as a world-class



Peace Deli Nagareyama Kitchen (Chiba Prefecture)

retail group focused on food.

Enhancing safety, peace of mind, and quality to support the food value chain

The Seven & i Group continues to reinforce efforts and structures aimed at enhancing safety, peace of mind, and quality as the foundation for creating synergies in the food domain.

Regular sharing of quality-related policies among Group companies

The quality control officers of the 12 Group companies handling food products regularly convene to discuss guidelines concerning significant incidents, product recalls, and sales continuity, ensuring accident prevention and swift incident response.

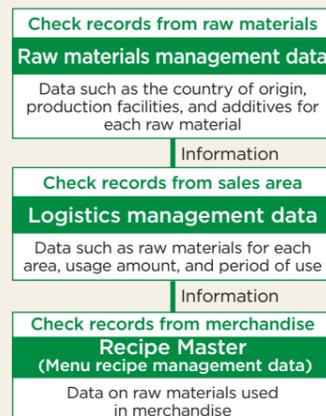
Collaboration with JFSM

Established in 2016 with participation from domestic and international food manufacturers, Japan Food Safety Management Association (JFSM) serves as the governing body for Japan's food safety management standards. As one of the founding members, we are dedicated to enhancing the quality of food products through the utilization of JFS standards.*

* Japanese-origin food safety management standards developed by JFSM in alignment with international standards, including the Codex Hazard Analysis and Critical Control Point (HACCP) system

Centralized management of raw material production history

To ensure accurate tracking of raw materials and production facilities used for daily products such as rice-based merchandise and pre-cooked meals, SEVEN-ELEVEN JAPAN maintains a database of product information from approximately 180 production facilities. This allows us to manage production history from the source of raw materials to store shelves.



Acquisition of certification for food safety management standards

All production facilities that manufacture *Seven Premium* daily food items have obtained certification and conform to food safety management standards such as ISO 22000, FSSC 22000, and JFS standards, which are consistent with international standards, including Codex HACCP.



Introduction of a cold chain

A variety of vegetables are used in SEVEN-ELEVEN JAPAN's original fresh food products. To process and transport freshly harvested vegetables from farms, 7-Eleven has introduced cold chain technologies (a low-temperature logistics network) to maintain freshness. The harvested vegetables are under constant temperature control during transportation and at sorting centers and production facilities until they reach the store shelf.

