

### Domestic Convenience Store Operations

Convenience store operations support people's lifestyles by providing "close-by, convenient" value. In terms of sales and the number of stores, Seven-Eleven Japan is the established leader, the largest domestic convenience store chain.

- Seven-Eleven Japan Co., Ltd.
- SEVEN-ELEVEN HAWAII, INC.
- SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD.
- SEVEN-ELEVEN (BEIJING) CO., LTD.
- SEVEN-ELEVEN (CHENGDU) CO., LTD.
- SEVEN-ELEVEN (TIANJIN) CO., LTD.



### Overseas Convenience Store Operations

In North America, the network comprises about 8,000 stores, while worldwide, the 7-Eleven sign lights up in 17 countries.

- 7-Eleven, Inc.
- SEJ Asset Management & Investment Company



### Superstore Operations

This segment includes superstore operator Ito-Yokado, food supermarket operator York-Benimaru and York Mart.

- Ito-Yokado Co., Ltd.
- York-Benimaru Co., Ltd.
- York Mart Co., Ltd.
- Ito-Yokado (China) Investment Co., Ltd.
- Hua Tang Yokado Commercial Co., Ltd.
- Chengdu Ito-Yokado Co., Ltd.



As of the end of February 2017

Sales

**No.1**

Convenience store chain ranking by total store sales (Seven-Eleven Japan)

Market share

**42.7%**

Percentage of female managers

Team leader or higher

**30.2%\***

Total number of Seven & i Group employees

**54,448**  
employees

\* Total for eight companies (Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, Seven & i Food Systems, Akachan Honpo, Seven Bank)



For details, see ► **Corporate Profile**



## Department Store Operations

Department store operations hinge on Sogo & Seibu, which provide high-quality merchandise and the fine-tuned customer service characteristic of department stores.

■ Sogo & Seibu Co., Ltd.



## Financial Services

This segment covers Seven Bank's ATM services as well as a wide range of financial services that principally support retail businesses, including credit cards, electronic money, insurance and leasing.

- Seven Bank, Ltd.
- Seven Financial Service Co., Ltd.
- Seven Card Service Co., Ltd.
- Seven CS Card Service Co., Ltd.
- FCTI, Inc.



## Specialty Store Operations

This segment operates Denny's restaurants and specialty stores, such as Akachan Honpo, and also covers various other businesses, including Internet-related services.

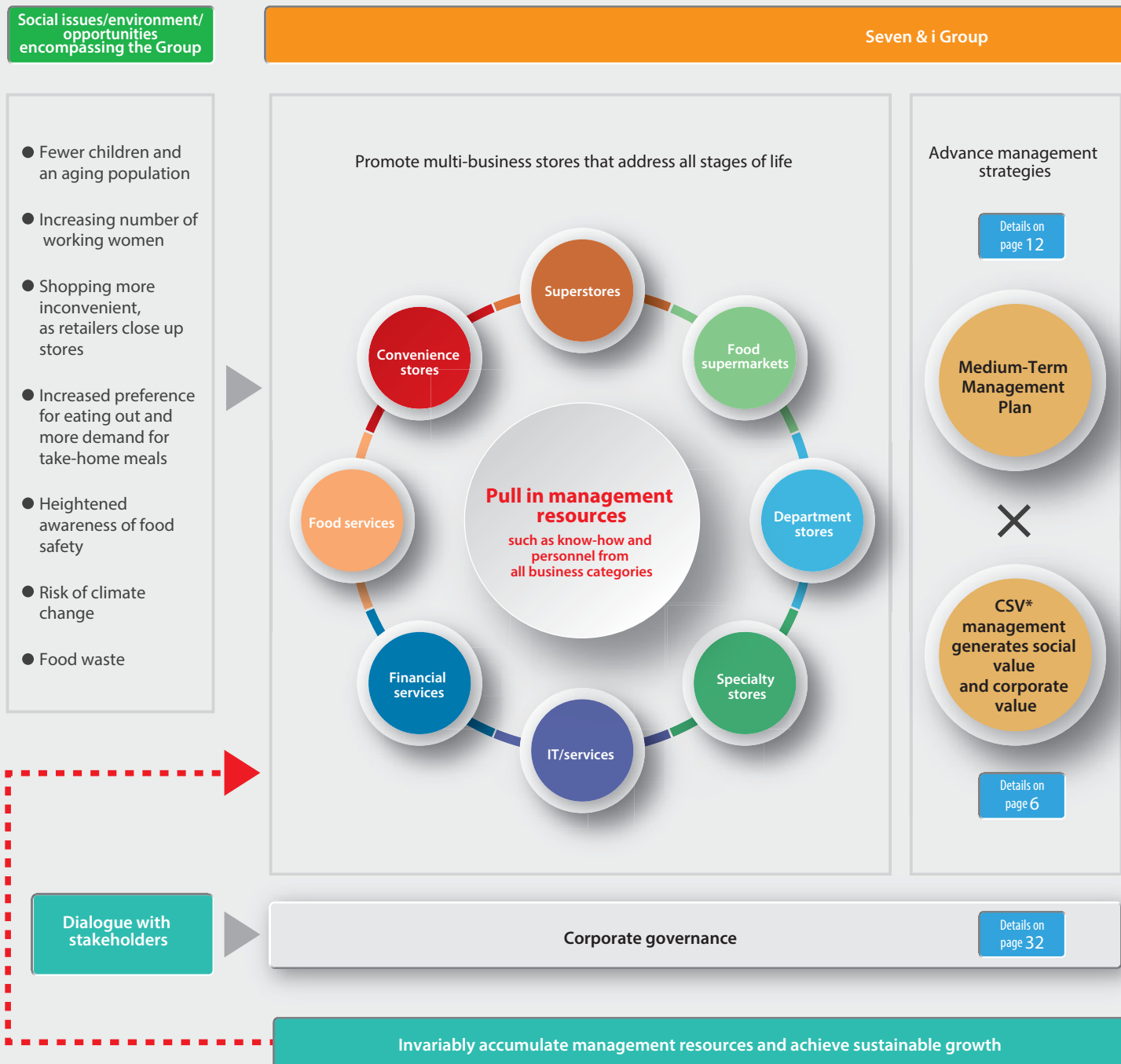
- Akachan Honpo Co., Ltd.
- Seven & i Food Systems Co., Ltd.
- THE LOFT CO., LTD.
- Nissen Holdings Co., Ltd.



For details, see ► **Corporate Outline**

We will pinpoint changes advancing through society and affecting all aspects of life—such as fewer children, more senior citizens and more working women—and create value that meets society’s demands through business activities.

- The Seven & i Group acquires management resources such as business infrastructure and know-how from all areas vital to retail services, striving to realize sustainable growth and future development through robust Group synergy.
- We will build a service platform to respond to customers’ needs at all stages of life and in all daily activities to create the value that society requires through our core business, leveraged by developing products with enhanced quality and new value from the perspectives of safety and reliability, as exemplified by *Seven Premium*, the private brand embraced by all Group companies.



\*CSV (Creating Shared Value): Management model/framework and associated initiatives for generating economic value through corporate activities while seeking to be part of solutions to social issues and creating social value



**Resolve material issues**

Promote development of products and services that maximize the Group's management resources

Providing Social Infrastructure for an Aging Society and Declining Population

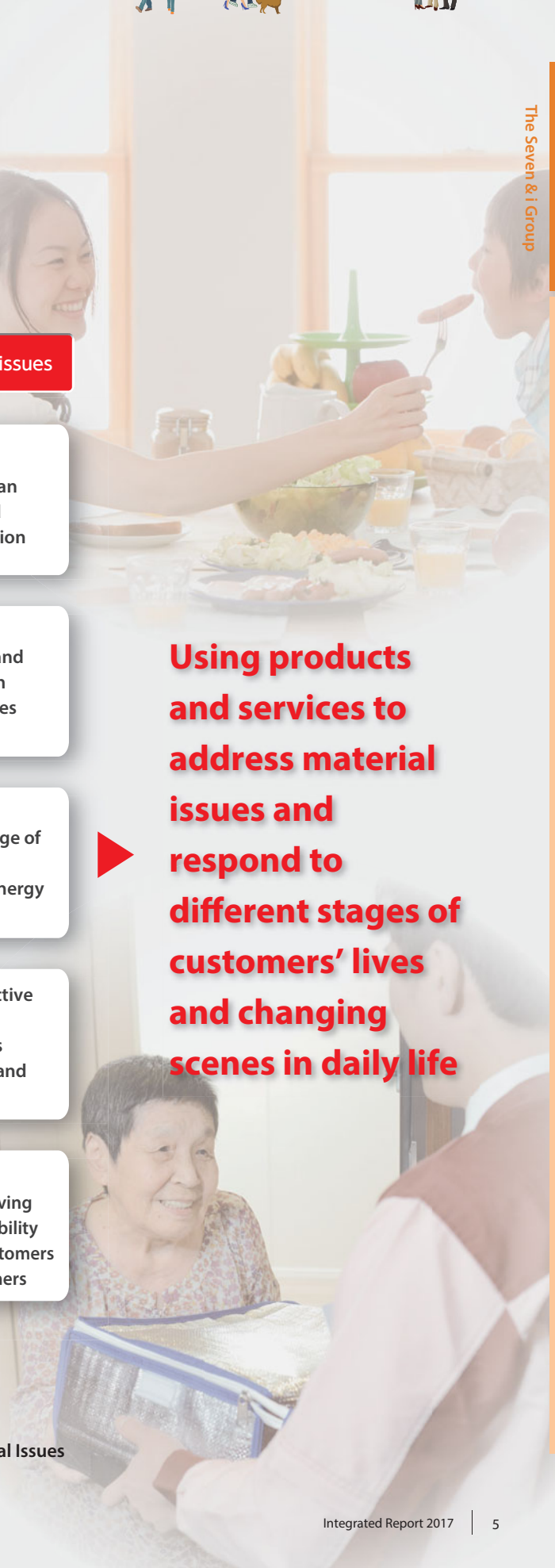
Providing Safety and Reliability through Products and Stores

Non-Wasteful Usage of Products, Ingredients and Energy

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

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

**Using products and services to address material issues and respond to different stages of customers' lives and changing scenes in daily life**



Priority theme 1

# Providing Social Infrastructure for an Aging Society and Declining Population

The Seven & i Group strives to meet various consumer needs prompted by changes in society, namely, a population of more seniors and fewer children and a rising number of women in the workforce, and to mitigate potential inconvenience in shopping and daily routines and other community-level issues with underlying social implications, fulfilling its mission and role to contribute to social infrastructure with a national network of some 20,900 stores.

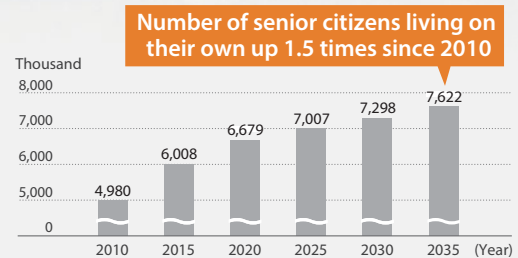
## Major social issues: Community life hollowing out, and more people for whom shopping is inconvenient

In Japan, society is aging and the population is shrinking, and while the population is expected to fall below 90 million by 2060, about 40% will be seniors aged 65 and above\*. Amid these demographic shifts, by 2035, the number of households composed of a single person aged 65 or older is predicted to rise about one-and-a-half times, compared with the level in 2010. Such a change might lead to different routines, such as less time spent preparing meals, and thus have a huge impact on consumption patterns as well.

Meanwhile, community life is hollowing out, which parallels a declining number of small- and medium-sized retail stores. This, too, presents a big problem for Japan. By 2030, a shortage of supermarkets selling perishables—fresh produce, meat and fish—in shopping districts within walking distance of home will make the customary daily shopping trip for meal ingredients rather inconvenient for elderly people living alone. Forecasts suggest that the number of seniors who would find the situation frustrating could double.

\* Source: Fiscal 2013 Population Estimates, Statistics Bureau, Ministry of Internal Affairs and Communications

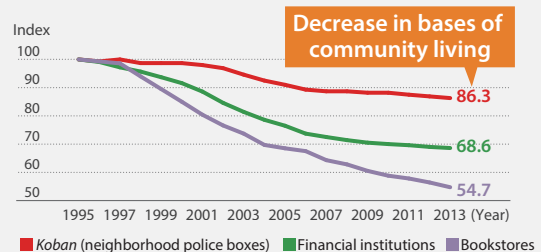
Trends in the Number of Elderly, Single-Person Households



Estimates by the National Institute of Population and Social Security Research

Additional Responses to Changes in Environment (Decrease in bases of social infrastructure)

Indexed against number of social infrastructure bases in 1995



Sources:  
 Koban (neighborhood police boxes): "White Paper on Police" by National Police Agency  
 Financial institutions: "White Paper on Financial Industry Information Systems" by the Center for Financial Industry Information Systems  
 Bookstores: Annual report on the publishing market, by the All Japan Magazine and Book Publisher's and Editor's Association



### Enhanced infrastructure and services eliminating inconveniences that accompany changes in society

For customers who find shopping inconvenient, we emphasize Omni-Channel access within the Group as well as *Seven-Meal* delivery service, which provides customers with nutritionally balanced meals supervised by a managing dietician, and *Seven RakuRaku Delivery*, a home delivery service for products ordered over the phone or through other channels. In addition, the Group's network of about 20,900 stores across Japan is itself a lifestyle infrastructure, with ATM access and counters to pay utility bills.



#### Seven RakuRaku Delivery

Products purchased in-store and products preordered by phone or through other channels are delivered to customers, mainly at home, by COMS ultrasmall electric vehicles and other environment-friendly transport options.



#### Seven Bank ATMs

In principle, anyone can access ATMs with peace of mind at any location 24 hours a day, 365 days a year, and can deposit, withdraw and transfer funds with cards from more than 590 partner financial institutions and other card-issuing companies.

### Encouraging ties with government as one solution to issues facing communities

From the Group perspective, we promote comprehensive alliance agreements with municipalities to revitalize communities. We are active in a wide range of pursuits, including local production for local consumption, support for seniors, health improvement and environmental protection.

We also promote guardian angel agreements so that if, during regular store hours or when making a delivery, a staff member notices someone, particularly an older person, acting strangely or another situation that does not seem right, the staff member will contact local authorities to initiate a response. Other efforts include hiring older workers and taking part in training programs for dementia support workers.

In addition, Seven-Eleven Japan stores have multi-functional copy machines for making copies of official documents, including certified copies of residence.

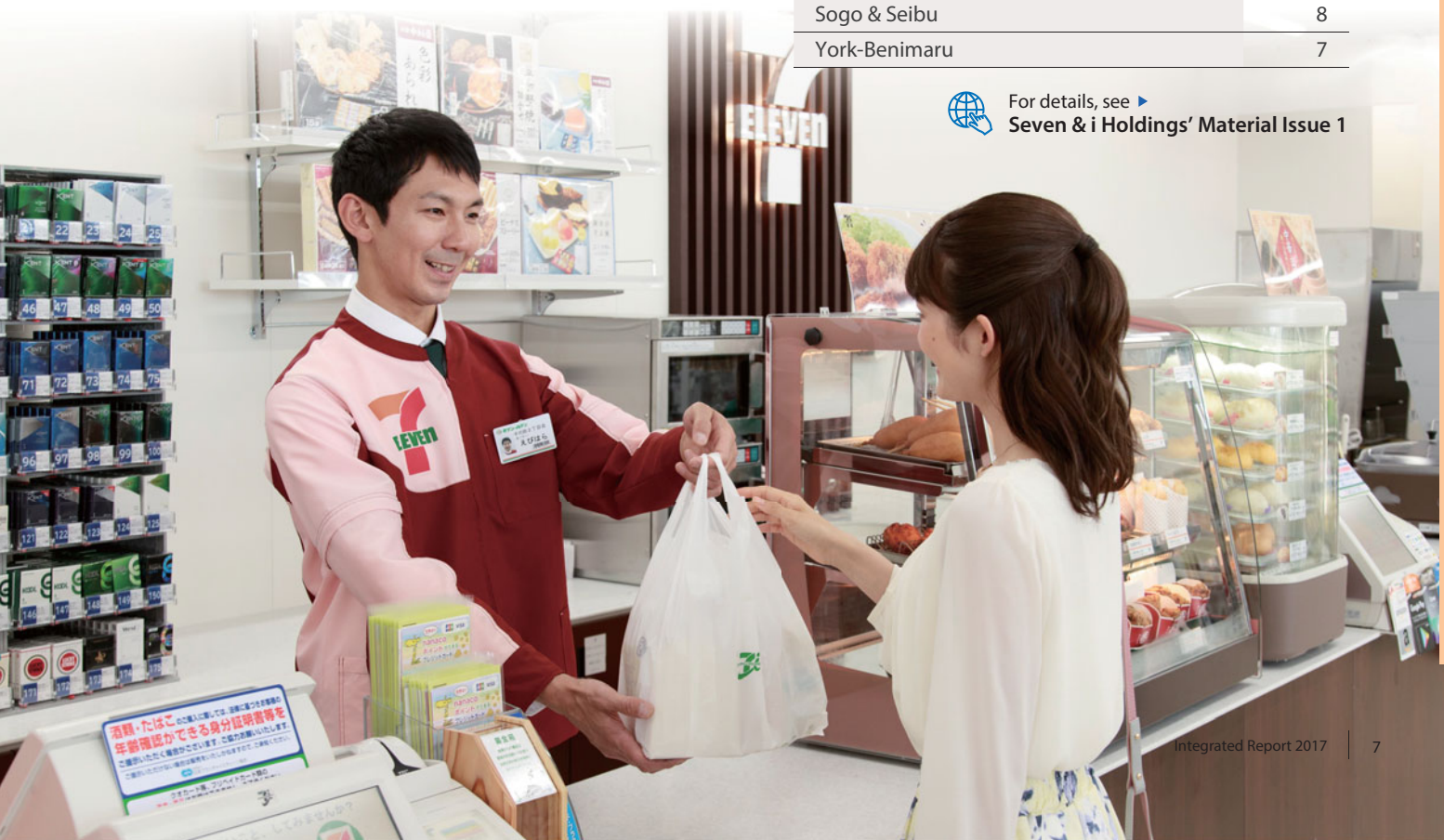


#### Number of Comprehensive Alliance Agreements with Municipalities, by Company (as of February 28, 2017)

Seven-Eleven Japan	76
Ito-Yokado	27
Sogo & Seibu	8
York-Benimaru	7



For details, see ► **Seven & i Holdings' Material Issue 1**



Priority theme<sup>2</sup>

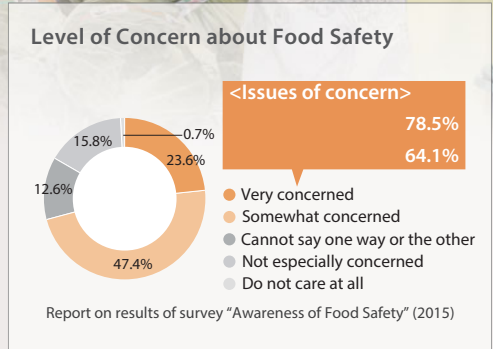
# Providing Safety and Reliability Through Products and Stores

Stores under the Seven & i Group umbrella carry about three million items, but efforts are also being made to develop various private-brand products, such as *Seven Premium*, and ensure that products are high quality. In addition, we prioritize our role as part of the social infrastructure and therefore strive to provide customers with daily essentials and services during disasters. We have also made it our mission to preserve regional lifelines by serving as points that are safe and reliable. We strive to resume operations as quickly as possible if stores have to be closed and then we strive to remain open.



### Always giving customers a sense of safety and reliability about food and daily life

Against a backdrop of factors such as diversification of diets, globalization of food systems and heightened health awareness, public interest in food safety is growing. One Cabinet Office study found that about 70% of the people surveyed said they are worried about food safety. It is therefore vital for companies to reinforce corporate quality control systems to ensure the safety of food products.



### Efforts to provide food with a higher level of safety and reliability

In September 2001, SEJ became the first convenience store chain to sell original boxed lunches, rice balls and sandwiches free of preservatives and artificial coloring.

Since 2006, SEJ has also been striving to reduce the use of trans-fatty acids, which some experts say have an adverse effect on health. Through ongoing efforts with ingredient producers, SEJ aims to switch to exclusive ingredients with lower levels of trans-fatty acids, such as for fryer oil. Already, SEJ is posting steady sales of original bakery products, including mainstay Melon Pan, and is using zero-cholesterol oil that contains high-oleic acid sunflower oil for deep-frying products in-store.

#### Efforts to Lower Trans-Fatty Acids in Original Bakery Products (Representative Examples) (Note: Calculated values)

Melon Pan:  
per 100g serving



Year	Trans-Fatty Acid (g)
2008	0.18g
2017	0.14g

Croquette Pan:  
per 100g serving



Year	Trans-Fatty Acid (g)
2007	0.25g
2017	0.16g

For details, see ▶ [Seven & i Holdings' Material Issue 2](#)



Priority theme<sup>3</sup>

# Non-Wasteful Usage of Products, Ingredients and Energy

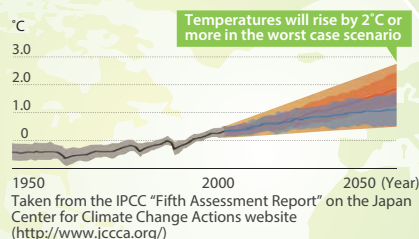
The Seven & i Group operates about 20,900 stores in Japan, mainly in the retail sector. Reduced waste and decreased energy consumption are indispensable to sustainable business activities in harmony with the natural environment. Utilizing energy and resources without waste throughout the value chain, by encompassing customers, business partners and local communities, will reduce environmental burdens, trim costs and provide enormous value not only to the Group but also to society.

## Environmental issues with major impact on daily life

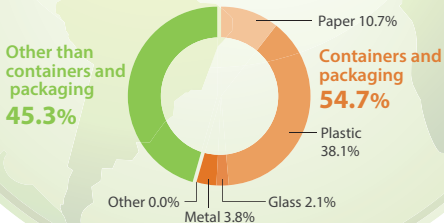
Climate change, largely caused by man-made CO<sub>2</sub> emissions, is a serious threat to the world, highlighted by rising sea levels and an increase in abnormal weather. The issue has consequences for the future.

Closer to home, that is, regarding familiar aspects of daily life, a big issue requiring attention is the amount of general waste thrown out by households. In Japan, containers and packaging waste represent a huge percentage—54.7%—of household garbage, on a volume basis, and efforts to reduce waste are necessary.

Predicted Increases in Global Temperatures



Ratio of Container and Packaging Waste to Total Garbage by Material



2016 survey by the Ministry of the Environment on the actual usage and disposal of container and packaging waste

## Rethinking containers and packaging from a material perspective to save resources

*Seven Premium*—the Seven & i Group's private brand—is a reflection of enthusiastic efforts to reduce waste and reuse resources.

For *SEVEN CAFÉ*, the goal has been to reduce the amount of resources used for containers, packaging and consumable goods, such as cups, lids, straws and stirrers. The cups are made of a material containing a combination of wood from forest thinning and recycled polyethylene terephthalate (PET) bottles. Efforts have also been directed toward packaging that is thinner and lighter. In addition, a deodorizing agent using the grounds of *SEVEN CAFÉ* coffee was developed and is being utilized in store cleaning operations.

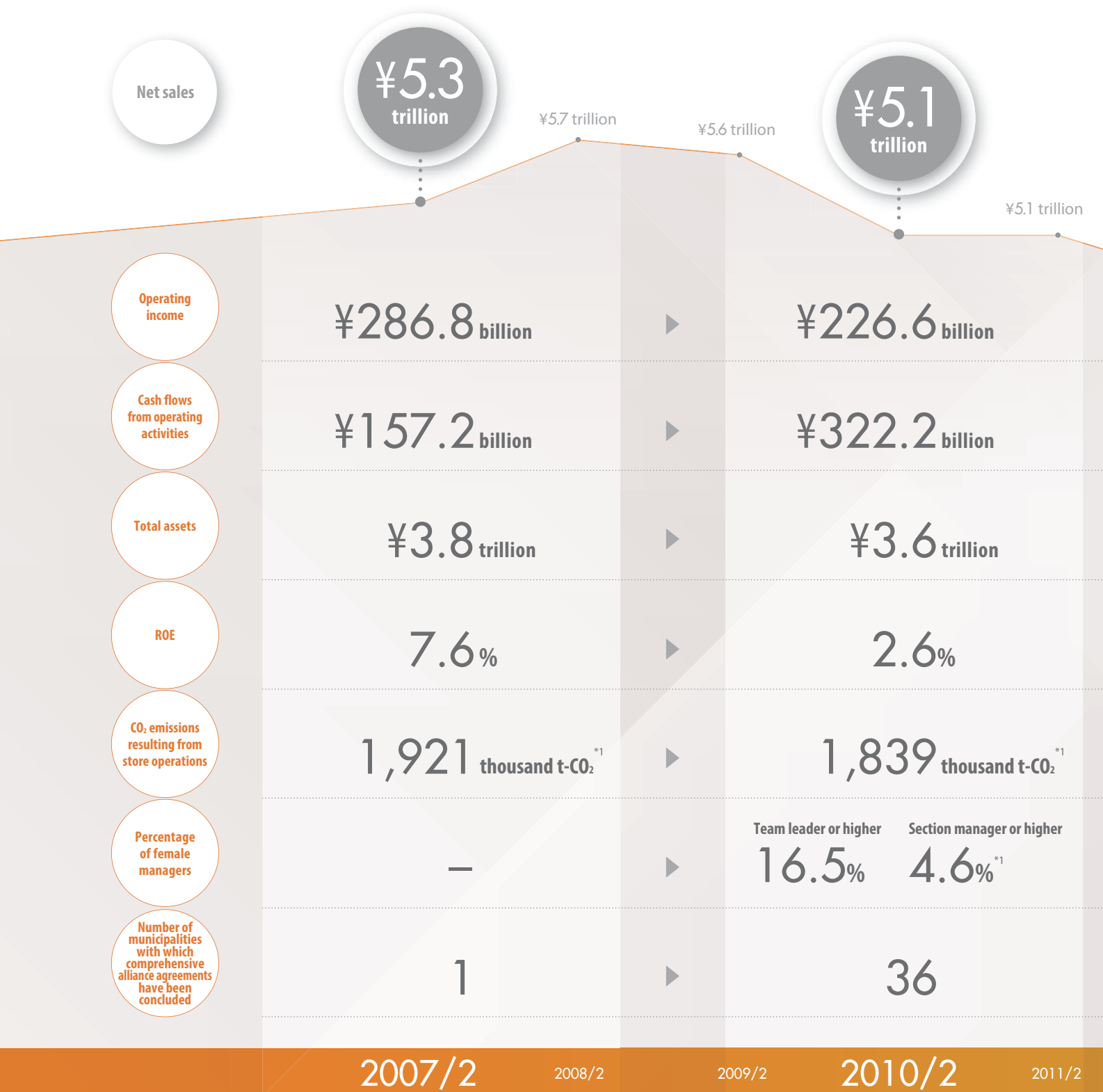
We implemented a change in the paper packaging of alcohol products under the *Seven Premium* label, replacing the conventional aluminum packaging material with a non-aluminum packaging material. We also promote an initiative at all stores under the Group umbrella to collect PET bottles, which are recycled into material to make packaging for household goods, such as body soap refill packages.

Existing products	<p>1. Use of recycled PET bottles</p> <p>Reduced CO<sub>2</sub> emissions</p>	<p>2. Eco-friendly labels</p> <p>Reduced CO<sub>2</sub> emissions</p>
	<p>3. Use of wood from forest thinning</p>	<p>4. Switch to non-aluminum paper packaging</p>
Newly considered materials	<p>1. FSC-certified paper</p> <p>2. Recycled PET labels</p> <p>3. Botanical film (Plant-derived packaging)</p> <p>4. Eco A-PET (environmentally friendly) containers, etc.</p>	<p>Currently, 120 products (3.3% of merchandise mix)</p> <p>This fiscal year, 740 products (19.5% of merchandise mix)</p> <p><b>By the end of February 2020, all products will be environmentally friendly</b> (thanks to use of plant-based inks)</p>

For details, see ▶ **Seven & i Holdings' Material Issue 3**

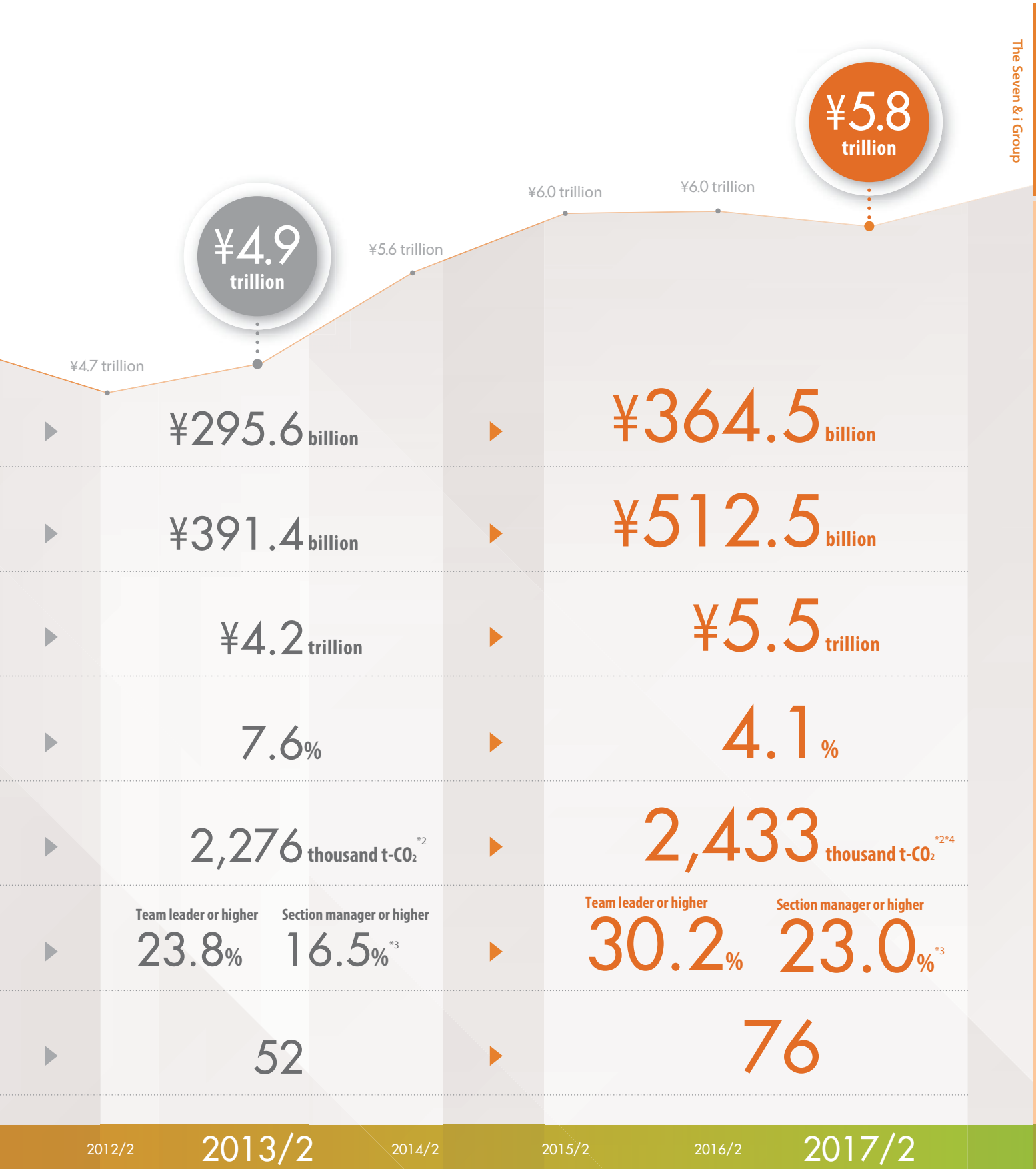


## Performance Highlights



\*1. Total for five companies: Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, Seven & i Food Systems

\*2. Total for nine companies: Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, Seven & i Food Systems, York Mart, THE LOFT, Akachan Honpo, SHELL GARDEN



\*3. Total for eight companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, Seven & i Food Systems, Akachan Honpo, Seven Bank

\*4. Preliminary figure as of July 31, 2017