

Merchandising

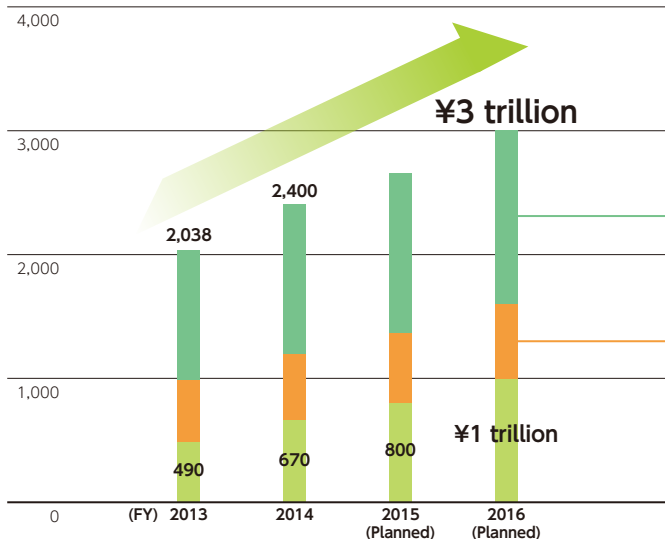
Group Merchandising Initiatives

The Seven & i Group is aiming to further increase both sales and income. One strategy is to pursue benefits of scale, such as private-brand product development and consolidated Group purchasing of merchandise and raw materials. Another focus is on building a distribution system that is totally optimized.

By fiscal 2016, we aim to achieve annual sales of ¥3 trillion for Seven & i Group original products, of which *Seven Premium* is to contribute ¥1 trillion.

SEVEN & i GROUP ORIGINAL PRODUCTS SALES PLAN

■ *Seven Premium* ■ Original products of Group companies excluding SEJ
■ SEJ original products
(¥ Billion)



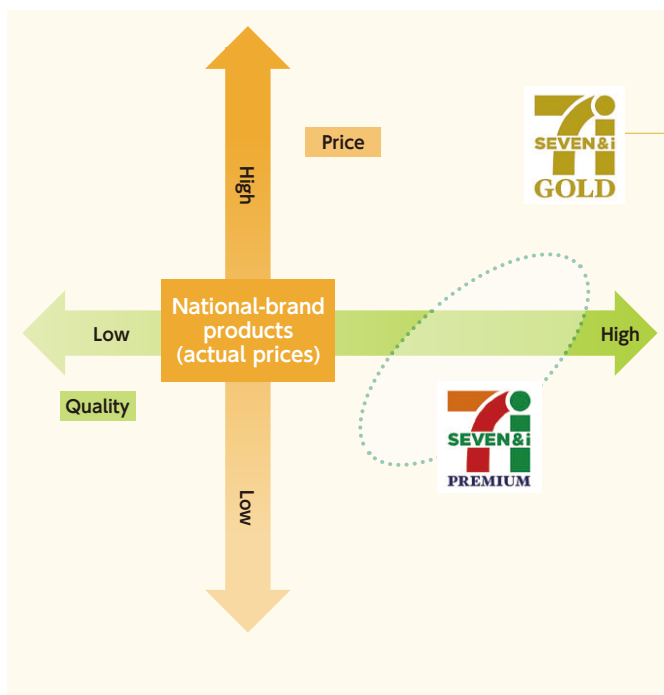
Note: SEJ: Seven-Eleven Japan



Seven Premium

Under its private brand *Seven Premium*, the Group has developed products for Seven-Eleven Japan including rice-based products, sandwiches, noodles, and others. Leveraging the methods for original product development that we have cultivated along the way, we are developing by concentrating the infrastructure, product development expertise, and sales capabilities of our Group companies. As a result of these efforts, we have been able to create products with taste and quality the same as or better than popular national-brand products and provide them at prices that consumers find more reasonable.

POSITIONING AND CONCEPT FOR PRIVATE-BRAND PRODUCTS



Seven Gold

- The *Seven Gold* products in the *Seven Premium* brand are developed to meet the needs of those who wish to try something a little more tasty as a luxury
- Equal to or better than the quality of products from specialty stores and popular stores
- A reasonable price



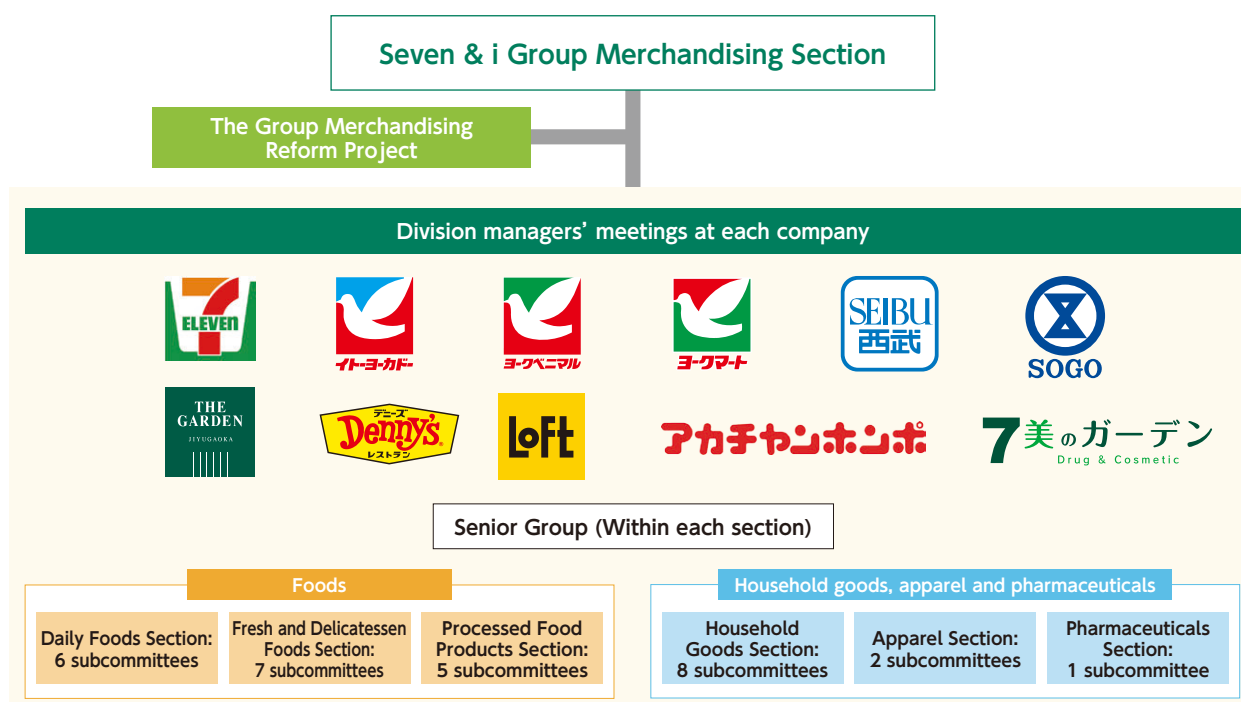
Golden Bread—Launched in May 2013

- Careful discernment in every aspect of materials and production
- A refined taste and luxurious sweetness with depth
- Sales record of over 30 million units a year
- Renewal campaigns conducted in October 2013 and April 2014



■ Product Development Process

Product development staff in Seven & i Group companies are organized into six sections and 29 subcommittees to conduct joint product development with product manufacturers.



■ Development of Seven Premium

2006	Nov.	Launched "The Group Merchandising Reform Project"
2007	May	Started sales of <i>Seven Premium</i>
	Aug.	Started sales at Seven-Eleven Japan
	Nov.	Started sales of household goods
2008	Mar.	Started sales of processed fresh foods
2009	Jan.	Received the "Most Excellent Award, Nikkei Award" at the 2008 Nikkei Superior Products and Services Awards
	Feb.	Started sales at SEIBU Ikebukuro
	July	Launched the "Premium Life Enhancement Committee," a website community for product development that invites customers to participate
	Nov.	Started sales of wine simultaneously in Japan and North America as the Group's first private-brand product for the global market
2010	Sept.	Started sales of <i>Seven Gold</i>
2011	Mar.	Launched a new brand strategy Sweeping overhaul of product content, logo, and packaging
2012	May	Started sales of miscellaneous goods private-brand <i>Seven Lifestyle</i>
	July	Started sales of apparel
	Nov.	Launched private-brand beer product developed by a major Japanese brewer
	Dec.	Announced <i>Seven Premium</i> sales target for fiscal 2016 of ¥1 trillion
2013	May	Launched <i>Golden Bread</i>

PROMOTING RENEWAL OF SEVEN PREMIUM

Around 50% of *Seven Premium*'s higher selling existing products are renewed each year.

Through the "Premium Life Enhancement Committee," a website community for product development that invites customers to participate, we research customers' opinions and create test products and conduct monitoring trials until we are satisfied. This process enables us to develop products that offer high quality at an agreeable price.

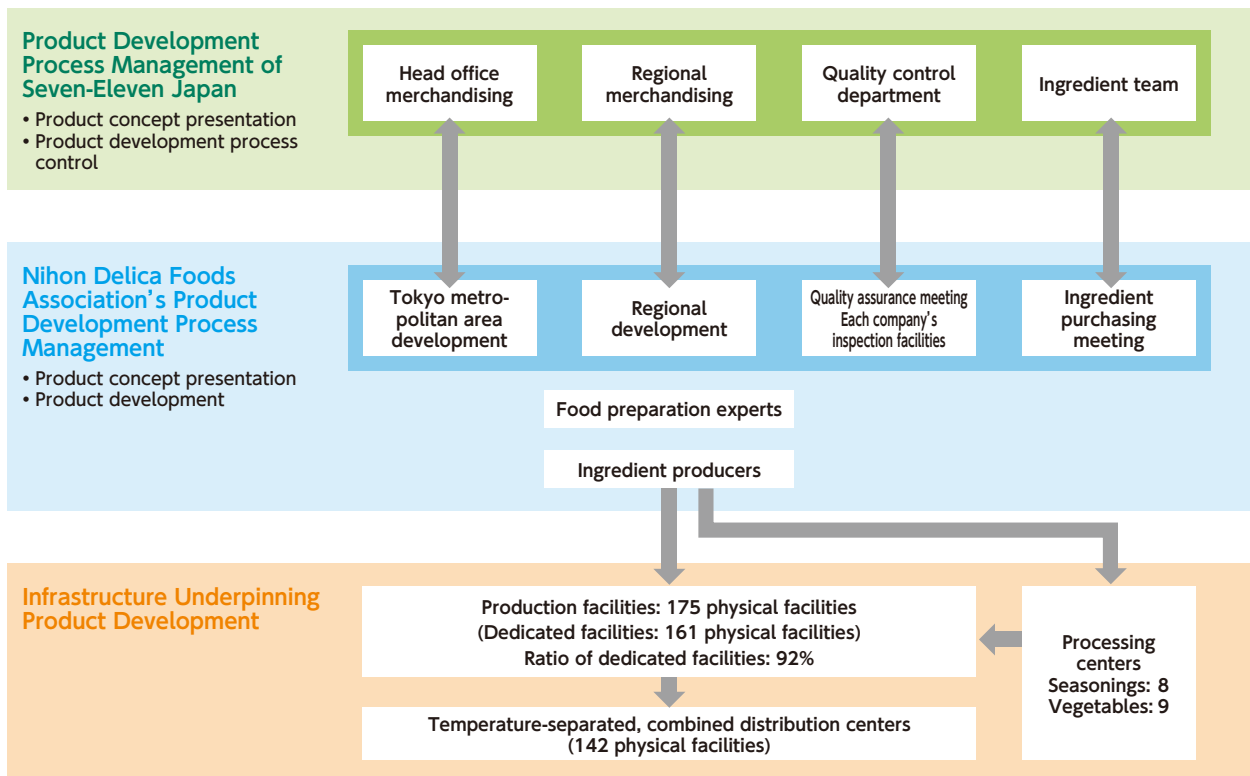
PRODUCTS THAT SELL OVER ¥1 BILLION PER YEAR



Merchandising

Original Daily Food Product Development by Seven-Eleven Japan

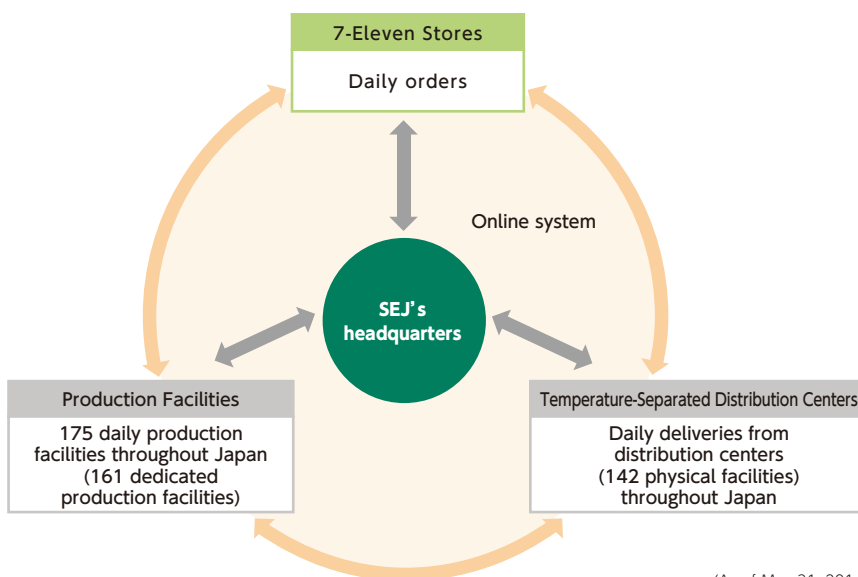
Food Product Development System



Notes: 1. Nihon Delica Foods Association (NDF) was formed in 1979 mainly by vendors of rice-based products. NDF currently has approximately 80 member companies that engage in the vendor businesses of rice-based products, sandwiches, delicatessen items, noodles, and Japanese pickles. Members jointly develop products, manage quality, procure ingredients, and implement environmental measures.
2. Figures for the development system, number of dedicated production facilities, combined distribution centers, and processing centers are as of May 31, 2014.

Supply System for Original Daily Food Products

Original daily food products are made in specialized facilities operated by independent collaborating companies and are delivered to 7-Eleven stores from combined distribution centers that have multiple temperature-separated zones. The production facilities and temperature-separated combined distribution centers serve only Seven-Eleven Japan, allowing us to distinguish ourselves from the competition in terms of product development, hygiene, and quality control.



Original daily food products

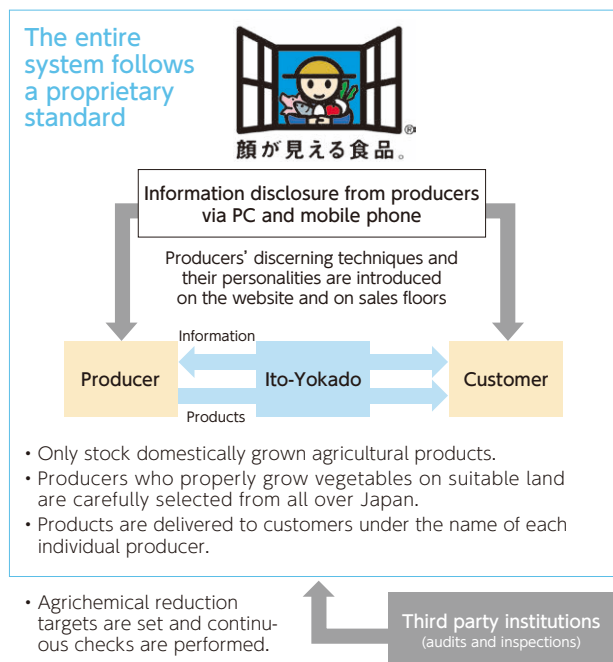
(As of May 31, 2014)

Initiatives to Ensure Safety and Reliability

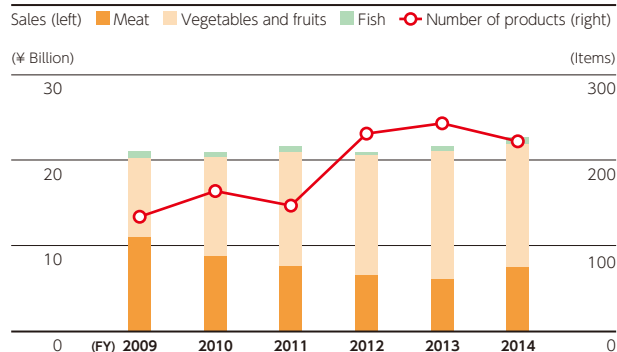
■ “Fresh Foods with Traceability” Initiatives

In response to demands for more reliable food products, Ito-Yokado emphasizes the importance of giving customers a clear understanding about the place of production, production methods and distribution channels (traceability). The below example is from the “Fresh foods with traceability” product series, a product brand designed by Ito-Yokado. Ito-Yokado works to provide safe food to customers by standardizing production methods and quality standards, increasing reliability by introducing third-party inspections, and solidifying its relationship with stakeholders by enhancing open disclosure.

TRACEABILITY SYSTEM (VEGETABLES AND FRUIT)



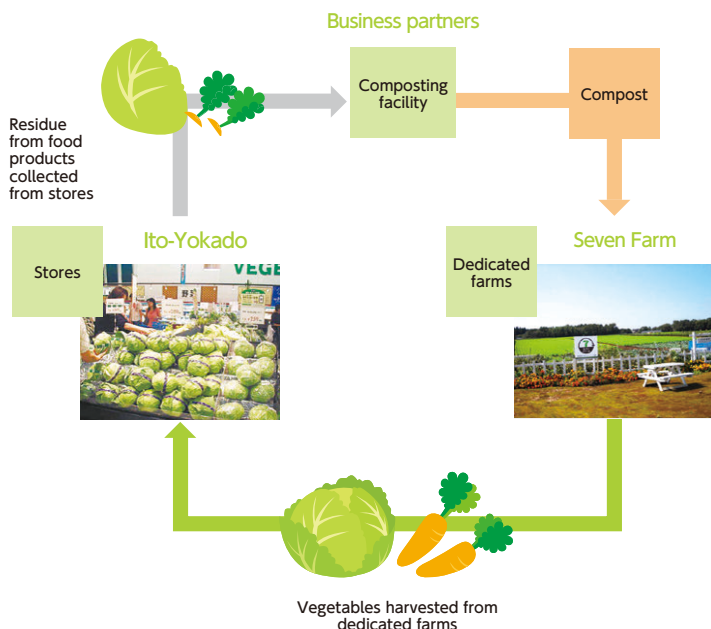
SALES OF “FRESH FOODS WITH TRACEABILITY” PRODUCTS AND NUMBER OF PRODUCTS



■ Environmental Agriculture: Seven Farm

At Ito-Yokado, food residue from the stores is composted and used to grow vegetables at dedicated “Seven Farms.” The vegetables harvested from these farms are sold in local Ito-Yokado stores. Seven Farms practice environmental agriculture. As of February 28, 2014 there were 10 Seven Farms throughout Japan covering a total of 60 hectares. Ito-Yokado plans to expand them to cover 70 hectares in the fiscal year ending February 28, 2015.

SUSTAINABLE FOOD PRODUCT RECYCLING SYSTEM



SEVEN FARM LOCATIONS (as of February 28, 2014)



Distribution Systems

Combined Delivery System

Seven & i Group companies adopt a combined distribution system for greater efficiency. The combined distribution system is a rationalized system that allows products from different suppliers and manufacturers to be delivered to stores in the same truck. The combined distribution centers are operated by third parties.

TEMPERATURE-SEPARATED COMBINED DISTRIBUTION SYSTEM OF SEVEN-ELEVEN JAPAN



PROCESSING CENTERS AND PERISHABLES DISTRIBUTION CENTERS

Seven-Eleven Japan

Seasonings packaging centers	8
Vegetable processing centers	9

Ito-Yokado

Perishables distribution centers	12
Vegetables and fruits centers	4

York-Benimaru

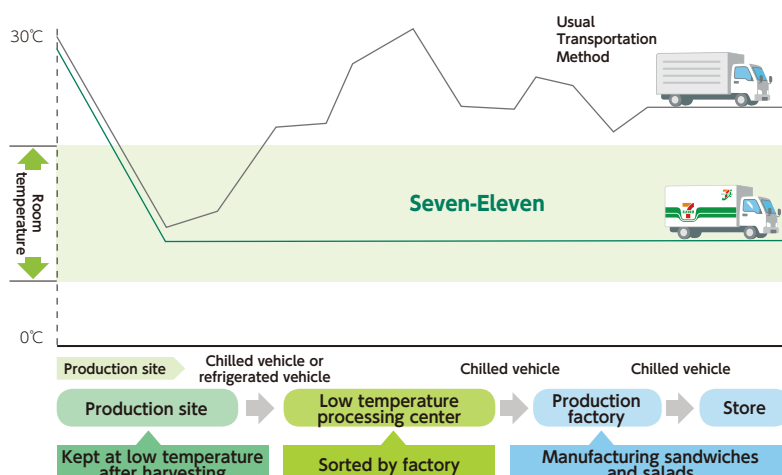
Perishables distribution centers	6
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(As of May 31, 2014)

	Number of distribution centers	Number of physical facilities
5°C	68	5°C 10
20°C	73	20°C 14
		Shared 59
-20°C	18	18
Subtotal	159	101
Ambient temperature	-	41
Total	-	142

Note: The number of distribution centers represents the distribution centers counted by product categories where multiple product categories were handled in one distribution center.

Cold Chain



Freshness Managed from the Field to the Store

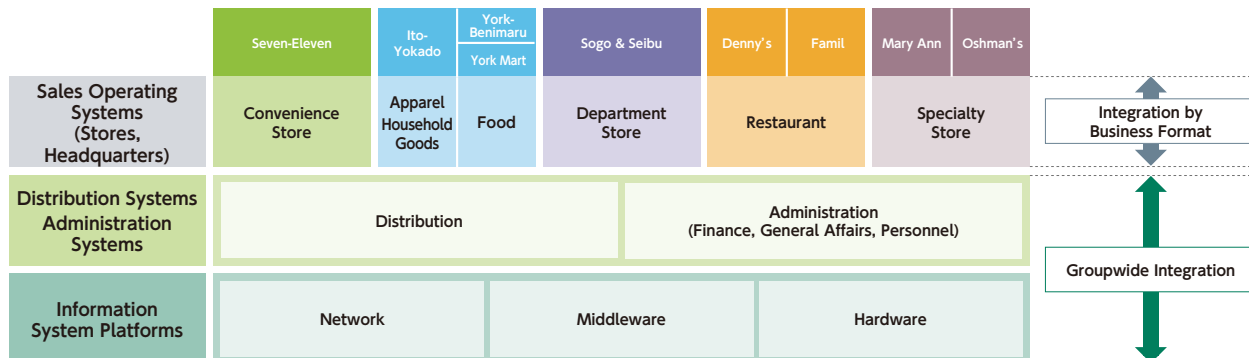
We have implemented a cold chain (refrigerated distribution network) for transporting and processing vegetables in a fresh condition straight after they are harvested. The harvested vegetables are put into cold storage on the spot, and kept at a consistently managed temperature in their journey in the delivery vehicle, through the sorting center, and from the production factory to the store.

Information Systems

■ System Integration

In order to realize group synergies and upgrade administrative functions, Seven & i HLDGS. promotes integration between hardware and networks, which form the basis of its systems. In addition, sales administration systems are integrated by business categories.

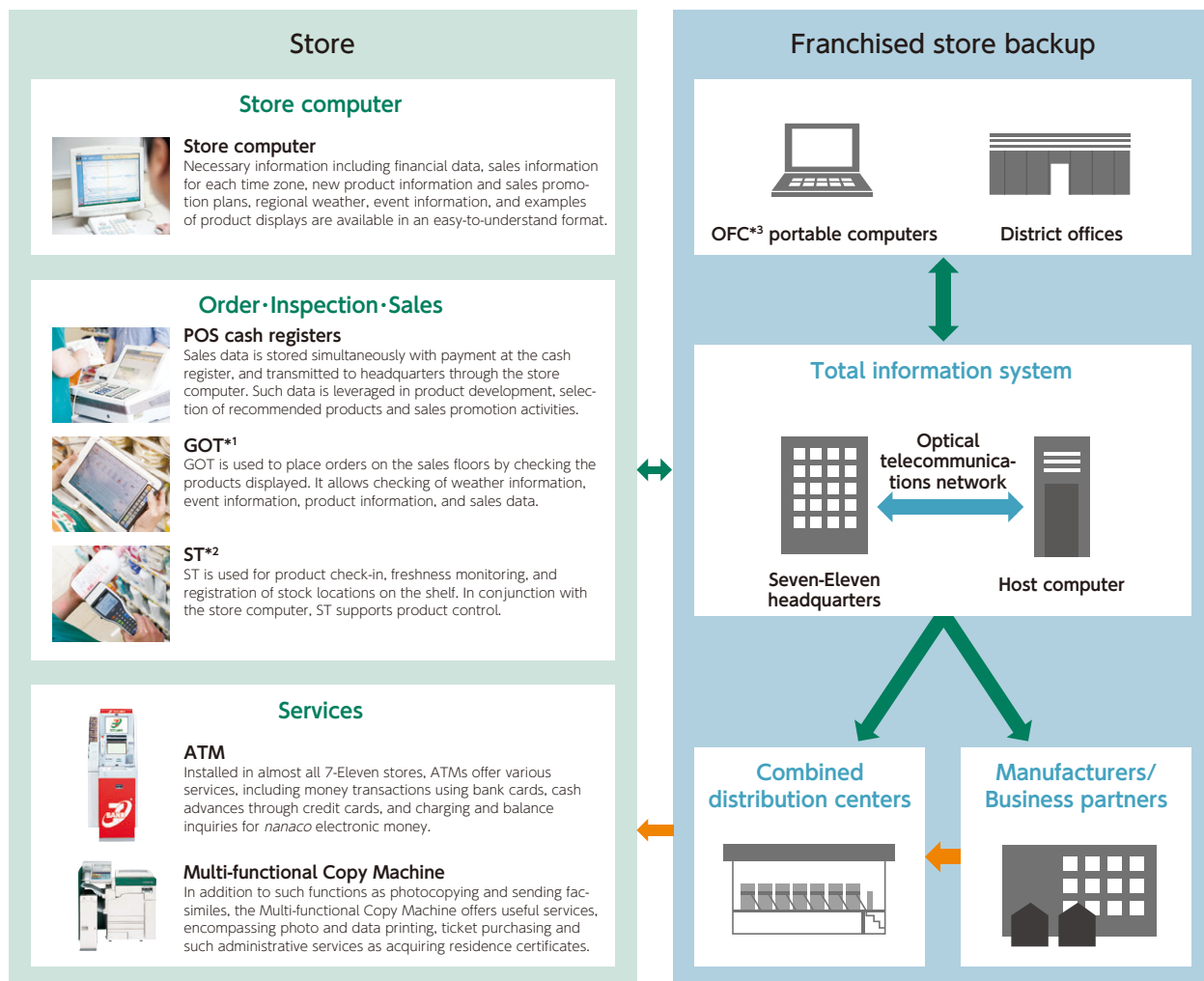
CONCEPT CHART OF SYSTEM INTEGRATION



■ Sixth-Generation Total Information System for Seven-Eleven Japan

With its proprietary information system to realize "item-by-item management," Seven-Eleven Japan (SEJ) has built one of the world's largest information systems, which links stores, the head office, combined distribution centers, and business partners, maximizing store management efficiency and earnings.

SEJ's information system has two host computers installed in Japan, providing the Company with secure continuous store operations and backup in the event of contingencies such as natural disaster or other situations should one of the host computers be not fully operable.



*1 Graphic Order Terminal (GOT) is used for ordering at the sales area.

*2 Scanner Terminal (ST) is used for efficiently scanning products, monitoring freshness, and checking stock location on the shelf.

*3 OFC = Operations Field Consultants

Omni-Channel Strategy

■ Omni-Channel

Omni-channel refers to a retail format for providing all customers with a seamless shopping experience of ordering, payment, and receiving products by integrating various sales channels such as real stores and online stores. The Seven & i Group has been promoting its Omni-Channel Strategy since the second half of the fiscal year ended February 28, 2014.

■ Omni-Channel Conceptual Diagram

By merging real-store and Internet-based services, the Group aims to advance its sales, products, and customer service to realize the world's ultimate omni-channel retail format for providing services that meet individual customers' needs.



■ Group Strengths

- A globally unique network of approximately 18,000 stores including convenience stores, supermarkets, super-stores, department stores, and even specialty stores
 - Extremely high customer contact with approximately 19.5 million customer visits per day at stores in Japan
 - A system for teaming up with external trading partners to develop original products
- The Group will promote a unique omni-channel retail format that leverages these distinctive strengths.

■ Future Plan

- Enable pick-up of the Group's Internet-based products at real stores of each company
 - Develop a common ID system across each website to manage the customer base
 - Provide face-to-face delivery services for peace of mind
- Pursue new possibilities for products and services that can be supplied based on customer needs.

■ Working Groups will be established in Seven Areas under the Implementation Plan

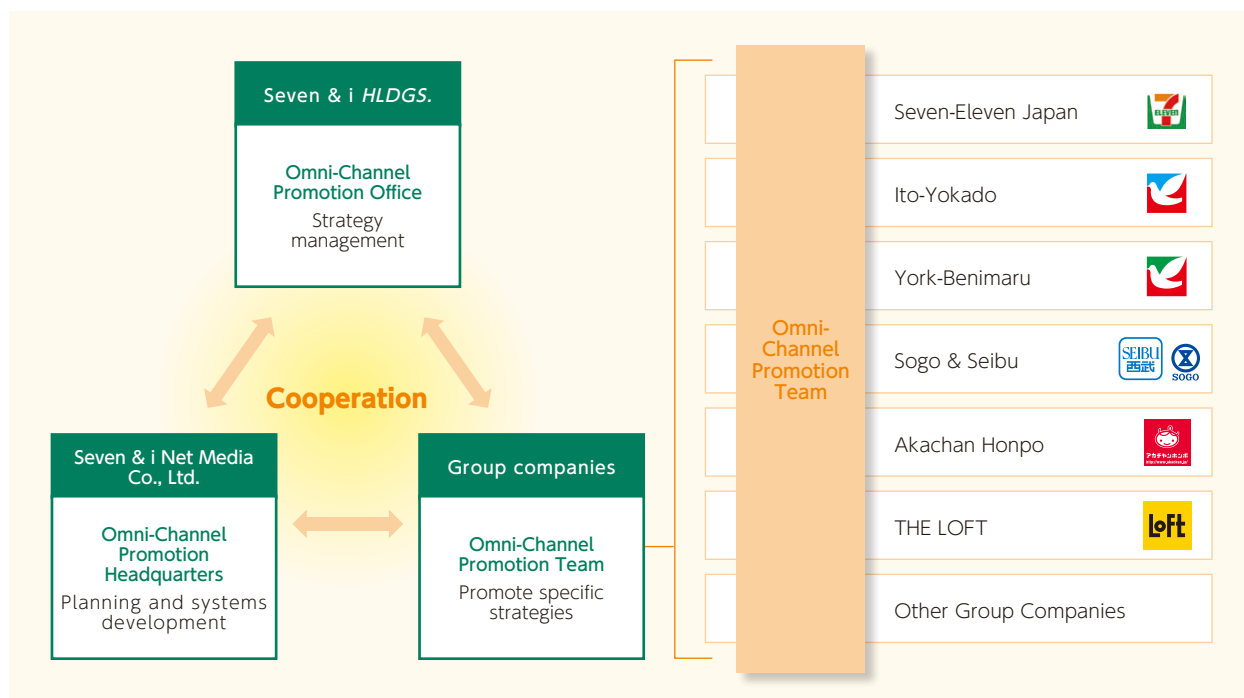
Working Group	Theme
1. Customers	Call centers, security, common ID, customer database
2. Site	Site design, cross-sectional search of products from each company's products
3. Stores	Customer contact, develop tablet terminals, real-store handovers
4. Products	Common product management code, Internet-based product strategies for each category
5. Logistics	Delivery, utilization of each company's logistics
6. Media	Examine sales promotions methods, summarize issues with each company's website
7. Big data	Use big data to introduce recommended functions and improve store operations, etc.

■ Reorganization of Group Companies

The Seven & i Group conducted an absorption-type merger effective March 1, 2014, with Seven & i Net Media Co., Ltd. as the surviving company and Seven Net Shopping Co., Ltd. as the dissolving company. This initiative is aimed at clearly identifying the company that will play a pivotal role in promoting the Seven & i Group's Omni-Channel Strategy and vigorously pressing ahead with this strategy.

■ Establishment of Omni-Channel Promotion Teams

Seven & i HLDGS. has established a department responsible for promoting the Omni-Channel Strategy not only at the parent company, Seven & i HLDGS., but at all major Group companies. The office will coordinate its efforts closely with the core company, Seven & i Net Media Co., Ltd., along with the other Group companies, to promote the strategy throughout the entire Group.



■ Consolidation of Nissen Holdings Co., Ltd.



In order to promote the Internet and mail order business, Seven & i HLDGS. made Nissen Holding Co., Ltd. a consolidated subsidiary in January 2014 by conducting a public tender and receiving a third-party allocation of shares. Looking ahead, the Group will pursue various synergies with Nissen.

For FY2014, only the balance sheet is consolidated and the new segment, Mail order services, added.

Overview of Nissen Holdings Co., Ltd.

Established	1970
Capital	11,873 million yen
Net sales in FY2013	196,467 million yen
Main Business	Nissen Holdings Co., Ltd. operates the affiliate companies Nissen Co., Ltd. and SHADDY CO., LTD. Operations include catalog and Internet-based sales of products mainly developed in-house, as well as wide-ranging distribution-related service businesses such as gift wholesale business, logistics, and finance-related operations.
Number of customers	4.59 million (FY2013 Nissen Co., Ltd.)

Store-Opening Policy

Group Store-Opening Strategy

The Seven & i Group develops stores in several formats within an area. Since each format has its own customer motivation factor and catchment area, the Group can achieve a high-density store-opening strategy across the different formats.

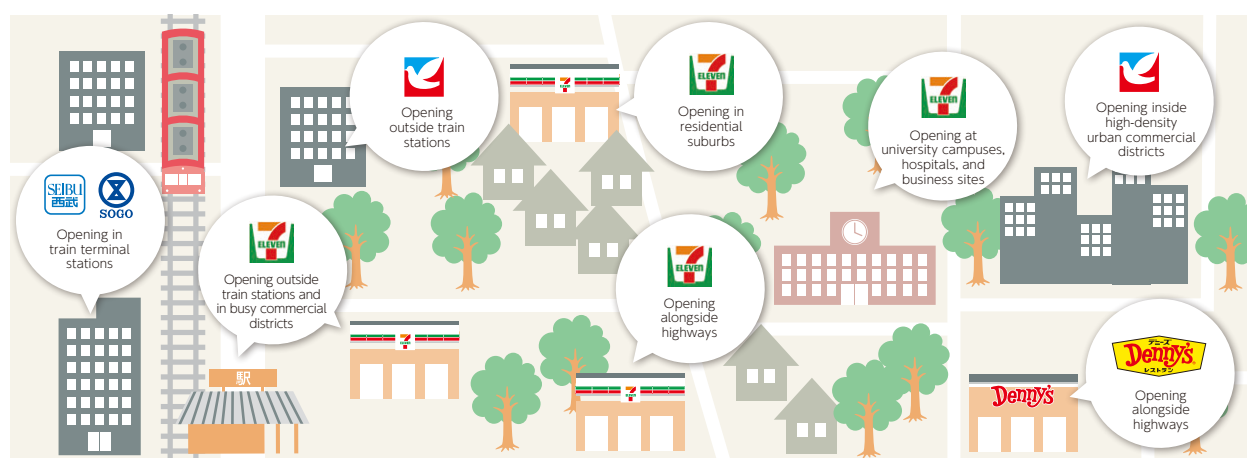
Market Concentration Strategy

Our fundamental strategy for openings in Group companies is market concentration. This involves opening a high concentration of stores within one area.

Effects of Market Concentration Strategy

- Greater familiarity with customers
- Efficient construction of production bases
- Effective sales promotions
- Efficient construction of distribution structures
- Improved efficiency in guiding franchised stores
- Prevent entry by competitors

Market Concentration Strategy by Store Format



Store-Opening Policy by Store Format

Format	Store brand	Store development
Convenience store	Seven-Eleven	<ul style="list-style-type: none"> • Formed market concentration mainly in residential areas in the 1990s and in urban areas after 2000 • Implemented scrap-and-build strategy for revitalizing existing stores • In addition to the standard roadside-type stores, extended store openings in special locations, including train station buildings, business sites and universities • From November 2010, provision of support for store openings by franchisees who will operate two or more stores • Store network encompassed 42 prefectures as of February 28, 2014. Start to open its stores in Ehime Prefecture in the Shikoku region from March 2014
Superstore	Ito-Yokado	<ul style="list-style-type: none"> • Formed market concentration primarily in the Kanto region • Implemented store structure reform to make efficient use of key specialty stores both inside and outside of the Group
Shopping center	Ario	<ul style="list-style-type: none"> • Operate 17 shopping centers primarily in the Kanto region • Assembled tenants with Ito-Yokado as the anchor tenant
Supermarket	York-Benimaru York Mart	<ul style="list-style-type: none"> • York-Benimaru formed market concentration in the Southern Tohoku and Northern Kanto regions • York Mart formed market concentration primarily in the Southern Kanto region • Aim for a 300-store network over the medium- to long-term through aggressive store opening strategy in the market concentration areas
Department store	SEIBU Sogo	<ul style="list-style-type: none"> • Developed two department store brands, SEIBU and Sogo • Seven key stores are Ikebukuro, Yokohama, Chiba, Kobe, Hiroshima, Shibuya and Omiya • According to their characteristics, stores are classified into "key stores," "regional leader stores," or "suburban stores" • Open small-sized department stores in Ario and Ito-Yokado stores
Restaurant	Denny's	<ul style="list-style-type: none"> • Operate stores in 16 prefectures nationwide, primarily in the Kanto region
Specialty store	Akachan Honpo Loft	<ul style="list-style-type: none"> • Operate stores primarily in shopping centers in 28 prefectures • Open 43 stores primarily in Ito-Yokado, Ario, and other stores operated by Group companies • Operate stores primarily in department stores and shopping centers in 27 prefectures • Open 38 stores in SEIBU, Sogo, Ito-Yokado, Ario, and other stores operated by Group companies

Note: The number of stores and store development areas are as of February 28, 2014.

Store Network in Japan

Seven & i HLDGS. focuses on the business factors that will make each and every store a success, creating stores to suit regional characteristics, rather than simply expanding the number of stores.

■ Total Sales of Major Group Companies by Prefecture for FY2014



Seven-Eleven



Ito-Yokado's Ario



York-Benimaru



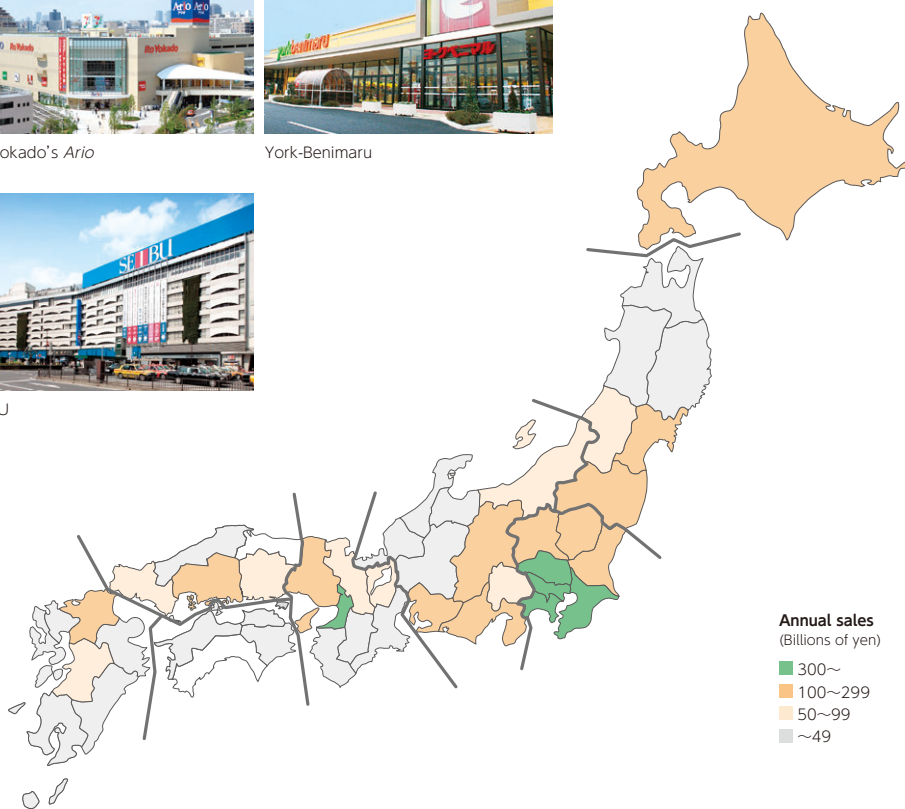
Sogo



SEIBU












Denny's



■ Domestic Store Network

(No. of Stores as of February 28, 2014)

					 			
Hokkaido	900	11	–	–	1	6	4	2
Tohoku	1,048	10	140	–	1	20	4	5
Kanto	6,623	127	53	74	13	338	45	50
Chubu	2,826	17	–	–	2	84	14	10
Kinki	1,977	11	–	–	5	20	17	13
Chugoku	1,017	3	–	–	1	2	5	5
Shikoku	140	–	–	–	1	–	1	2
Kyushu	1,788	–	–	–	–	–	3	2
Total	16,319	179	193	74	24	470	93	89

Shopping Support

Delivery Services to Meet the Changing Needs of Society

Meal Delivery Service *Seven-Meal*

This is an original SEJ service for delivering merchandise such as daily lunch sets and delicatessen food sets, each produced under the direction of a nutritionist. From May 2012, the service has been revised, so that delivery is free for orders of ¥500 or over and costs ¥123 per delivery for smaller orders.

How to Place and Receive Orders Using *Seven-Meal*

Order

Order in store, by phone or fax, or through the Internet



Receive Order

Pick-up in 7-Eleven store or receive at home (delivery)



Electrically Assisted Bicycles Especially for 7-Eleven Deliveries

To enable more efficient deliveries to customers living within the catchment area, electrically assisted bicycles were introduced in November 2013.

The electrically assisted bicycle fleet numbered approximately 1,400 operational bicycles as of April 30, 2014.

By February 28, 2015, Seven-Eleven Japan plans to have increased the number to over 2,000 bicycles.



Seven Raku-Raku Delivery Service

This service uses electric mini-cars called COMS, which have a low environmental impact, to deliver merchandise ordered over the phone or purchased in store to customers' homes or workplaces. The new service was launched in July 2012.

The service had been introduced at approximately 870 stores as of April 30, 2014.

The *Seven Raku-Raku Delivery Service* received the Most Excellent Nikkei MJ Award at the 2012 Nikkei Superior Product and Service Awards.



Mobile Sales Service *Seven Anshin Delivery*

The SEJ mobile sales service is designed to support elderly folk who cannot travel far to go shopping or people who live in areas where there are no shops close by. The light trucks used in the service are custom-made for SEJ and equipped to operate in four different temperature bands: ambient temperature, 20°C, 5°C, and -20°C.

The service was launched in May 2011, and as of February 28, 2014 there were over 35 trucks in operation.



Ito-Yokado's *Net Supermarket*

Ito-Yokado stores manage *Net Supermarket*. Stores receive orders from customers in their catchment area 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.

Ordered via PC/
mobile phone



Select ordered
items from
sales floor

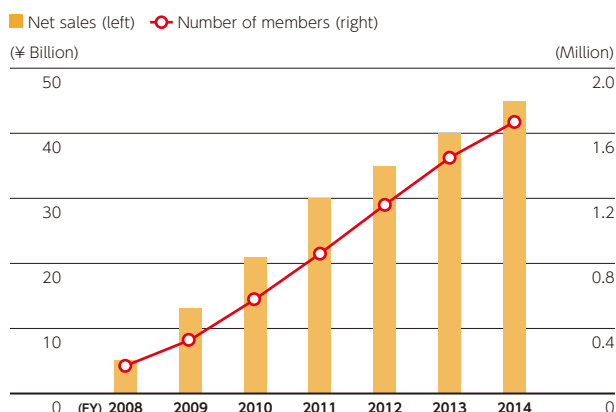


Items packed
in back room



Delivered to
customer

Service launched	March 2001
Items handled	Approx. 30,000 items (food, household goods, underwear, miscellaneous goods for kids, etc.)
Delivery fee	¥324 (including tax, free above set value of purchases)
Delivery schedule	10 shipments/day (excluding some stores)
Sales recognition	Posted as sales of Ito-Yokado
Net sales	¥45.0 billion (FY2014)
Number of members	1,670 thousand (as of Feb. 28, 2014)



Group Environment

Energy Conservation at Stores

The Seven & i Group are implementing measures to curtail CO₂ emissions accompanying an increase in the number of stores and their expanding range of products and services. Measures include installing the latest energy-saving equipment and introducing renewable energy at stores. Seven & i HLDGS. estimated the total CO₂ emissions of nine major Seven & i Group companies in Japan in the fiscal year ending February 28, 2018, using emissions in the fiscal year ended February 28, 2012 as the base year. We have set a target of reducing the estimated total CO₂ emissions figure for fiscal 2018 by around 10% from the fiscal 2012 level.

Seven-Eleven Japan's Initiatives to Conserve Energy

Seven-Eleven Japan (SEJ) is introducing energy-conserving equipment such as LED lighting and solar panels. In addition, store wiring distribution boards will be fitted with "smart sensor" meters to enable electricity use to be visualized. Electricity use in the stores can be checked using a computer, which will reveal when and where electricity was used and how much. This will enable issues with use of equipment and so forth to be identified and corrected, thereby reducing wasteful electricity consumption. As part of measures to reduce CO₂ in store construction, SEJ is increasing the prefabricated store construction, which greatly reduces the use of steel frames. SEJ is also opening stores constructed of wood in some areas. Wood construction has advantages over steel frames in that it creates fewer CO₂ emissions from materials procurement through to construction and less industrial waste when the store is demolished.

No. of Stores Where Innovations Have Been Adopted as of February 28, 2014

	Solar panels	Changed to LED lights inside stores	Changed to LED lights for reach-in coolers	Changed to LED lights for chilled cases	Prefabrication method	Wooden construction method
No. of stores	6,548	13,429	9,616	9,667	2,567	115

Ito-Yokado

Ito-Yokado has been opening eco-friendly stores by introducing energy-saving equipment when opening new stores or remodeling existing ones. At the *Ario* Ichihara store, which opened in November 2013, Ito-Yokado installed solar panels on the west-facing walls of the store and on the rooftop of the covered parking facility. Electricity generated by the solar panels is used as a source of power for some of the store's lights. LED lights were also installed at this store. Moreover, the store also has green walls, car parking, and other areas consisting of grass, ivy and other plants covering an area of about 5,125 m².

Besides new stores, Ito-Yokado is actively incorporating LED lights for use as basic and interior lights primarily at stores.

Reduction Benefits at *Ario* Ichihara Store

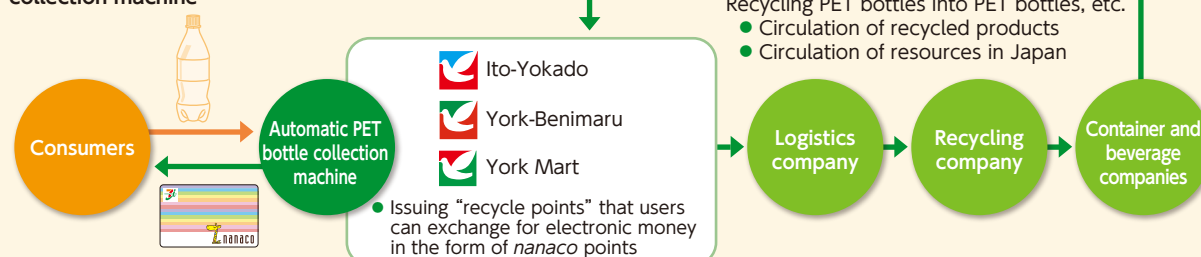
	Reduction in electricity consumption (thousand kWh)	Reduction in CO ₂ emissions (t)
Solar panels	21	10
LED lights	1,344	561
Total	1,365	571



Automatic Plastic Bottle Collection and Recycling System Installed at Stores

In March 2012, Seven & i Group introduced a new plastic bottle collection and recycling system at stores. The system is the first of its kind among large-scale retailers in Japan.

PET bottle recycling system using an automatic collection machine



Participating Stores

(As of March 31, 2014)

Ito-Yokado	109 stores
York-Benimaru	53 stores
York Mart	66 stores

Global Strategy

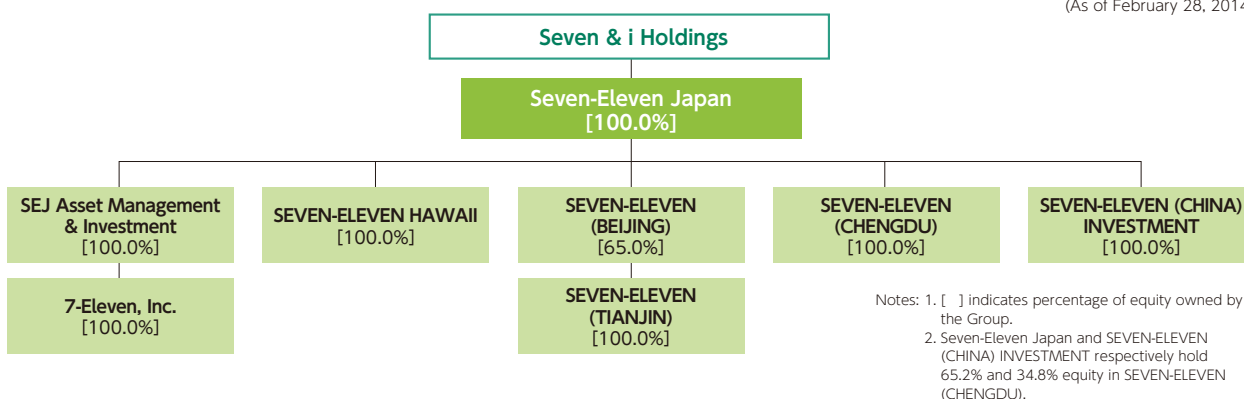
Capital Relationships in the Group's Convenience Store Operations

Seven & i Holdings' subsidiaries and affiliates operate 7-Eleven convenience stores in Japan, North and Central America, and China (Beijing, Tianjin, Chengdu, and Qingdao). In countries and regions where the Company has no local subsidiaries, leading corporate groups operate 7-Eleven stores as area licensees.

To strengthen its business framework for expanding operations and increasing earnings in North America, the Company established SEJ Asset Management & Investment Company in October 2012.

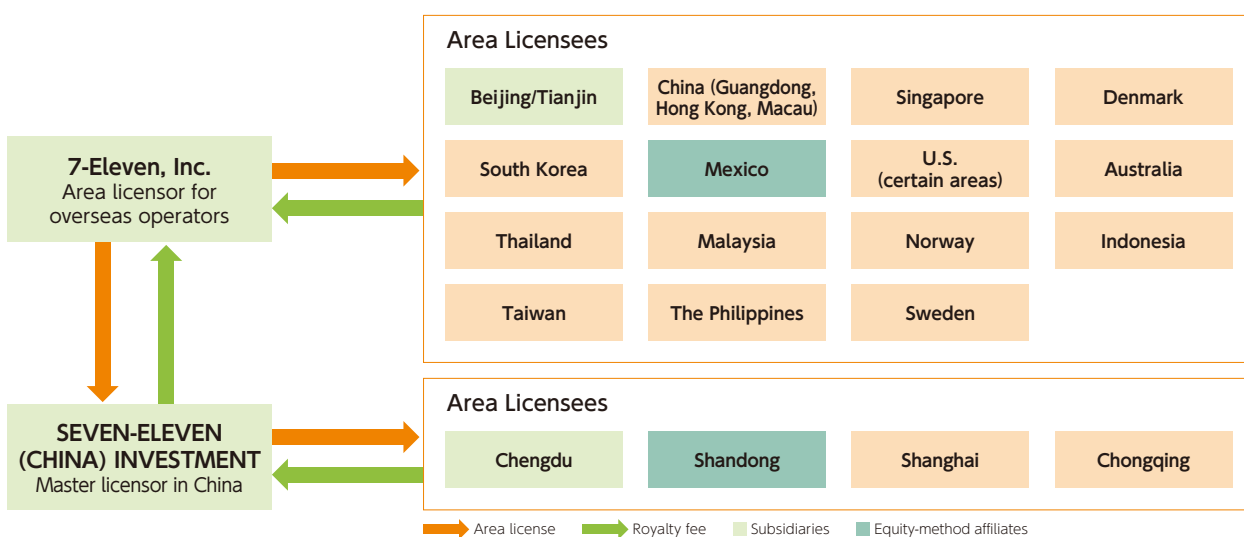
Moreover in September 2012, to strengthen its business in China, the Company changed the business name and business objective of master licensor SEVEN-ELEVEN CHINA Co., Ltd., and increased its capital investment, to enable it to control operations and invest directly in subsidiaries as SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD.

(As of February 28, 2014)



Overseas Licensing Scheme

7-Eleven, Inc. is responsible for granting area licenses to overseas operators of 7-Eleven stores excluding Japan and Hawaii. Royalty fees paid by area licensees are included in other income of 7-Eleven, Inc.



Number of 7-Eleven Stores Worldwide

TRANSITION OF NUMBER OF 7-ELEVEN STORES

(Stores)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Japan	11,310	11,735	12,034	12,298	12,753	13,232	14,005	15,072	16,319
U.S. and Canada	6,302	6,564	6,683	6,782	6,972	7,188	7,752	8,545	8,641
South Korea	1,238	1,421	1,750	1,995	2,186	3,145	5,249	6,986	7,085
Thailand	3,311	3,785	4,279	4,778	5,270	5,790	6,276	6,822	7,429
Taiwan	4,037	4,385	4,705	4,800	4,744	4,750	4,801	4,852	4,919
China	952	1,105	1,358	1,512	1,670	1,711	1,792	1,919	2,001
Others	2,556	2,840	3,104	3,573	4,101	4,477	5,110	5,563	6,039
Total	29,706	31,835	33,913	35,738	37,696	40,293	44,985	49,759	52,433

Note: As of the end of December, excluding figures for Japan which are as of the end of February of the following year.

■ 7-Eleven Store Operators around the World

Country or region	Operator	Number of stores
Thailand	C. P. ALL Public Company Ltd. [Charoen Pokphand Group]	7,429
South Korea	Korea-Seven Co., Ltd. [Lotte Group]	7,085
Taiwan/China (Shanghai)	President Chain Store Corp. [Uni-President Enterprises Corp.]	4,994
Mexico	7-Eleven Mexico S.A. de C.V. [Valso, S.A. de C.V.]	1,649
China (Guangdong, Hong Kong, Macau)	The Dairy Farm Company, Limited [Dairy Farm International Holdings Limited]	1,607
Malaysia	7-Eleven Malaysia Sdn Bhd	1,557
The Philippines	Philippine Seven Corporation [President Chain Store Corporation]	1,009
Australia	7-Eleven Stores Pty. Ltd.	595
Norway/Sweden/Denmark	Reitan Servicehandel	543
Singapore	Cold Storage Singapore (1983) Pte. Ltd. [Dairy Farm International Holdings Limited]	537
U.S.	Resort Retailers, Inc.	290
	Southwest Convenience Stores, Inc.	
Indonesia	PT Modern Putraindonesia	149
China (Shandong)	SHAN DONG ZHONG DI CONVENIENCE CO., LTD.	32
China (Chongqing)	New Nine Business Development Co., Ltd.	2

Notes: 1. The number of stores is as of December 31, 2013.
2. Company names in brackets are those of the corporate groups affiliated with the companies listed.
3. SHAN DONG ZHONG DI CONVENIENCE CO., LTD., operates 7-Eleven in Shandong, China as an affiliate of Seven-Eleven Japan.
4. 7-Eleven Mexico S.A. de C.V. operates 7-Eleven in Mexico as an affiliate of 7-Eleven, Inc.

■ Support Program for Existing Area Licensees

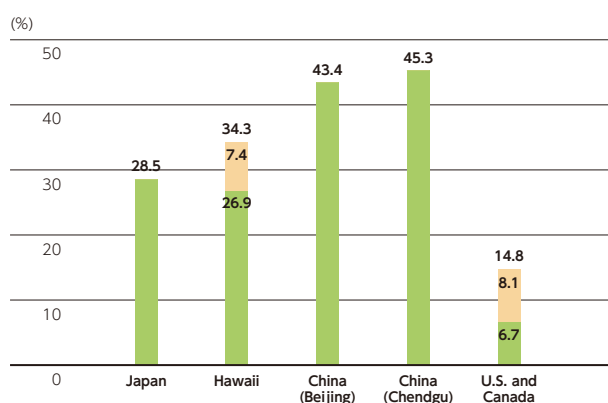
To enhance the value of the 7-Eleven brand, Seven-Eleven Japan (SEJ) and Seven-Eleven, Inc., Master Licensor, have developed a program based on SEJ's years of experience in Japan to improve the operation level of area licensees around the world. The support program has started for area licensees who have signed the support program agreement.

Contents of support program

1. Provide support and advice of business process for store operations, etc.
 - Methodologies for quality improvement of existing products and development of new products by putting focus on fast food
 - Methodologies of store operations by each location and counseling skill of operation field consultants
 - Comprehensive support for site selection of store development, logistics, construction & equipment and IT systems, etc.
2. Establish a model store
 - Remodel an existing store and execute enhanced product assortment and display, as well as friendly service based on SEJ's experience
 - Rollout successful cases of a model store to other existing stores, build model areas, and support franchise business management methods.
3. Management candidate training at SEJ
 - Accept trainees from three departments which are Store Operations, Merchandising and Store Development
 - Conduct classroom training and on-the-job training at each department

■ Sales of Fast Food of 7-Eleven in the World

FAST FOOD SALES AS A PERCENTAGE OF TOTAL SALES FOR FY2014



U.S. and Canada



China (Beijing)

Notes: 1. ■ Represents counter-served drinks such as Slurpees and coffee.
2. Percentages for Hawaii, U.S. and Canada are calculated using merchandise sales.
3. The end of the financial year for overseas subsidiaries is December 31.

Global Strategy

Operations in China

In China the Seven & i Group is developing convenience stores, superstores, and restaurants. We also share information across business sectors and jointly develop products. Moreover, to further strengthen our convenience store operations, we changed the business name and purpose of our master licensor in China, SEVEN-ELEVEN CHINA Co., Ltd. and increased its capital. The change has enabled it to control operations and invest directly in its subsidiaries as SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD.

In our superstore business, we established Ito-Yokado (China) Investment Co., Ltd., to oversee business and allow direct investment in its subsidiaries.

(February 28, 2014)

	Business category	Establishment	Opening date of the first store	Capital	Ownership ratio
SEVEN-ELEVEN (BEIJING) CO., LTD.	Convenience store	Jan. 2004	Apr. 15, 2004	U.S.\$35,000 thousand	Seven-Eleven Japan Co., Ltd. 65.0% Beijing Wang fu jing Department Store Group Co., Ltd. 25.0% China National Sugar & Alcohol Group 10.0%
SEVEN-ELEVEN (CHENGDU) Co., Ltd.	Convenience store	Dec. 2010	Mar. 17, 2011	U.S.\$46,000 thousand	Seven-Eleven Japan Co., Ltd. 65.2% SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD. 34.8%
SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD.	Investment company in China business and Seven-Eleven's master licensor in China*1	Sept. 2012	-	CNY250 million	Seven-Eleven Japan Co., Ltd. 100.0%
SEVEN-ELEVEN (TIANJIN) CO., LTD.	Convenience store	Nov. 2012	Nov. 2012	CNY104.6 million	SEVEN-ELEVEN (BEIJING) CO., LTD. 100.0%
SHAN DONG ZHONG DI CONVENIENCE CO., LTD.	Convenience store	June 2012	Nov. 2012	CNY120 million	Zhongdi Group Co., Ltd. 65.0% Seven-Eleven Japan Co., Ltd. 35.0%
Hua Tang Yokado Commercial Co., Ltd.	Superstore	Sept. 1997	Apr. 28, 1998	U.S.\$65,000 thousand	Ito-Yokado Co., Ltd. 75.8% ITOCHU Group 12.3% China Huafu Trade & Development Group Corp. 12.0%
Chengdu Ito-Yokado Co., Ltd.	Superstore	Dec. 1996	Nov. 21, 1997	U.S.\$23,000 thousand	Ito-Yokado Co., Ltd. 74.0% China Huafu Trade & Development Group Corp. 12.0% ITOCHU Group 9.0% CITYWELL (CHENGDU) DEVELOPMENT CO., LTD. 5.0%
Ito-Yokado (China) Investment Co., Ltd.	Investment company in China business	July 2012	-	U.S.\$30,000 thousand	Ito-Yokado Co., Ltd. 100.0%
Seven & i Restaurant Management (Beijing) Co., Ltd.*2	Restaurant	Feb. 2009	July 21, 2009	CNY100 million	Seven & i Food Systems Co., Ltd. 75.0% Beijing Wang fu jing Department Store Group Co., Ltd. 15.0% China National Sugar & Alcohol Group 10.0%

*1 Excluding Beijing, Tianjin and Hebei, as well as Hong Kong, Macau and Guangdong, which are already covered by an area license granted by 7-Eleven, Inc.

*2 Seven & i Restaurant (Beijing) Co., Ltd. changed its trading name to Seven & i Restaurant Management (Beijing) Co., Ltd. from August 27, 2013.

Sales Trend

(¥ Million)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Chengdu Ito-Yokado	8,099	12,707	15,611	19,682	26,690	36,738	41,192	48,048	50,672	53,513	62,788
Hua Tang Yokado	14,493	16,809	20,585	26,514	33,901	36,369	31,932	30,008	28,477	27,902	34,015
SEVEN-ELEVEN (BEIJING)	-	-	882	1,997	3,563	4,686	5,204	5,874	7,754	11,273	14,458
SEVEN-ELEVEN (CHENGDU)	-	-	-	-	-	-	-	-	517	1,909	3,505
Exchange rates (CNY1=)	¥13.98	¥13.06	¥13.57	¥14.62	¥15.51	¥14.85	¥13.72	¥12.90	¥12.32	¥12.72	¥15.92

Notes: 1. Sales exclude value added tax.

2. All companies' fiscal year-ends are on December 31.



Chengdu Ito-Yokado



Hua Tang Yokado



SEVEN-ELEVEN (BEIJING)

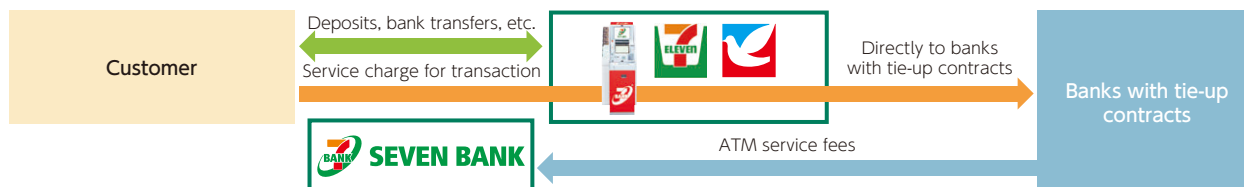


SEVEN-ELEVEN (CHENGDU)

Financial Services

■ ATM Services

As of the year ended March 2014, Seven Bank has tie-up contracts with 589 financial institutions and ATMs have been installed in 7-Eleven stores and other stores of Group companies. The main source of earnings in this business is fees from banks with tie-up contracts. The fees are paid to Seven Bank for the use of its ATMs by card holders of these banks.



■ International Money Transfer Service

Since March 2011, Seven Bank has offered international money transfer services to meet the needs of foreigners who live in Japan or Japanese people who have families or friends living abroad.

The number of transfers in FY2014 was 391,000, approximately two times more than the previous fiscal year.

Features of Seven Bank's International Money Transfer Service

- (1) Money can be transferred in principle 24 hours a day, every day of the year from a Seven Bank account via an ATM, PC, or mobile phone.
- (2) Simple and reasonable transfer fees.
- (3) Transfers can be received at over 490,000 locations affiliated with Western Union in over 200 countries and regions around the world.
- (4) Money can be received in as little as a few minutes from completion of the transfer.

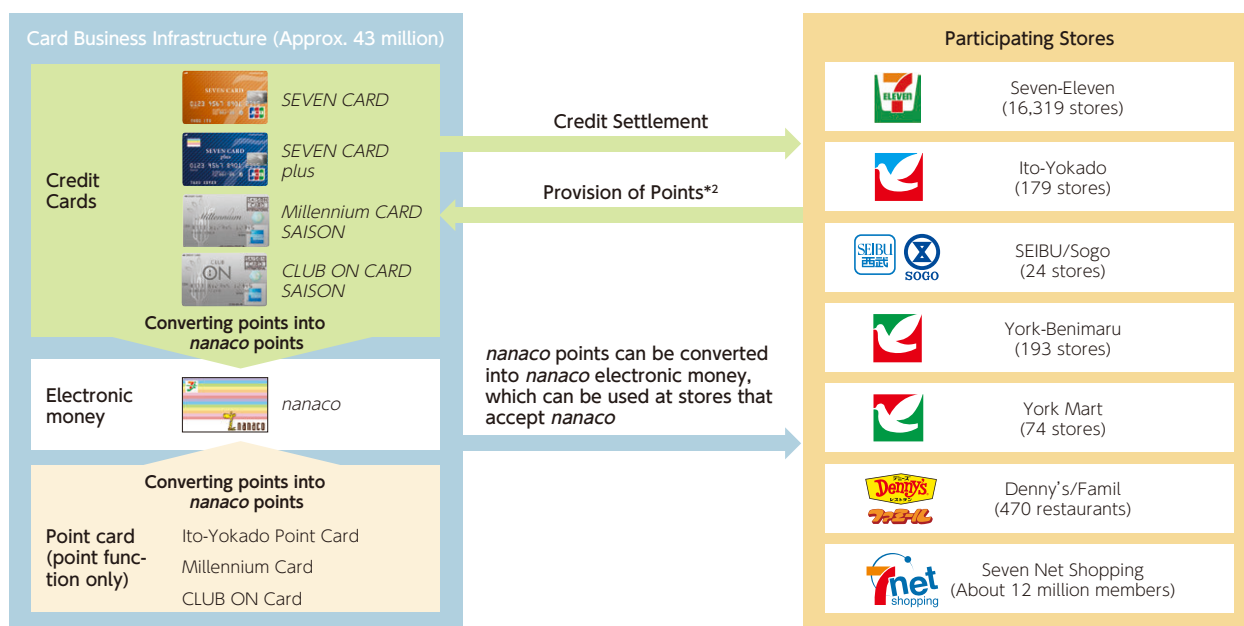


■ Group Card Business

Seven & i Group have issued over 43 million cards, and we are promoting a card strategy that allows members to utilize Group company cards between Group company stores. In addition, to encourage use of credit cards and electronic money at Group company stores, the whole Group is working to develop a shared point service linked to credit card transactions and to promote card service strategies for the entire Group.

■ Seven & i Point Service

To encourage customers to utilize Seven & i Group company stores, we started the "Seven & i Point Service"*1 in 2011.



Notes: 1. The numbers of card members, stores and Seven Net Shopping members are as of February 28, 2014.

2. They can also be used in the previous way as points in the issuer's program.

*1 Points collected through the use of Group company credit cards are designated within the "Seven & i Point Service," which gives preferential treatment for points earned from purchases made at Group companies. Points accumulated at Group companies, which are amassed and can be used as nanaco points, fall under the "nanaco Point Club."

*2 Excluding York-Benimaru Co., Ltd.