

# Group Business Strategy

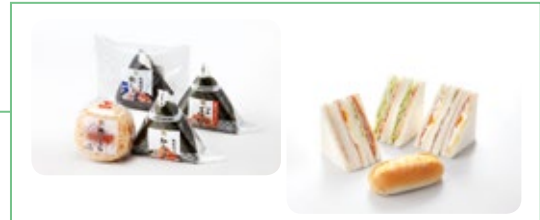
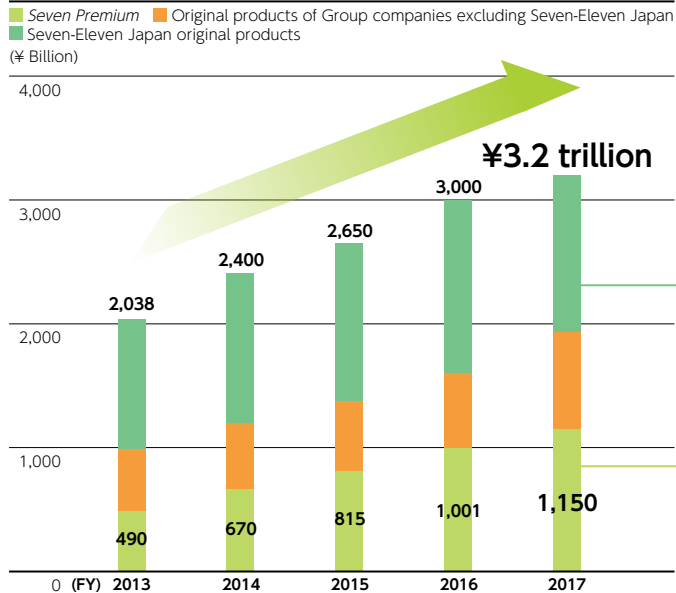
## Merchandising

### <Group Merchandising Initiatives>

The Seven & i Group aims to further increase net sales and profits by providing unprecedented new value and high-quality products.

The Group will develop its private brand *Seven Premium*, and the original products of each company it owns by pursuing scale benefits through unification of products and purchasing across the Group and building a framework to optimize overall logistics.

### SEVEN & i GROUP ORIGINAL PRODUCT SALES



Group  
Business  
Strategy

### <Seven Premium>

Under its private brand, *Seven Premium*, the Group has developed products leveraging the methods for original product development cultivated by Seven-Eleven Japan, and concentrating the infrastructure, product development expertise, and sales capabilities of its Group companies.

*Seven Premium* celebrated its 10th anniversary in May 2017 and used the occasion to aim for greater success based on the three policies of further improvement of quality, new value creation and taking on challenges in new domains.

### Measures to Reach a New Stage

- FY2020 sales plan ¥1.5 trillion
- Launch new fresh private-brand products, *Seven Premium Fresh*
- No longer use emulsifiers or yeast in *Seven Premium* bread and pastries
- Expand environmentally friendly initiatives to all products by the end of the fiscal year ending February 29, 2020
- Expand *Seven Premium* products globally

### New Statement

#### Seven Premium



The *Seven Premium* brand continues to evolve. We will continue to propose products that customers require. We will respond in detail to the increasing diversification of lifestyle needs including women's advancement in society, the aging population, interest in the environment, healthy living, and safety and security. *Seven Premium* will support your efforts to create more enjoyable, richer meals by providing better taste and better value.

#### SEVEN CAFÉ



The *SEVEN CAFÉ* brand offers elegant experiences. We will provide relaxing moments in your life with freshly brewed coffee, made using the finest quality ingredients, and delicious authentic baked goods and desserts.

#### Seven Premium Gold



*Seven Premium Gold* is our most luxurious brand. Products are prepared from the finest quality ingredients using meticulous technologies. We will enrich all customers' meals by providing satisfying flavors.

#### Seven Premium Lifestyle



With *Seven Premium Lifestyle*, we seek to enrich customers' lives. Products backed by sound technology and quality are provided conveniently in an easy-to-use manner, without burdening the environment. A substantial lineup supports people's lifestyles.

#### Seven Premium Fresh

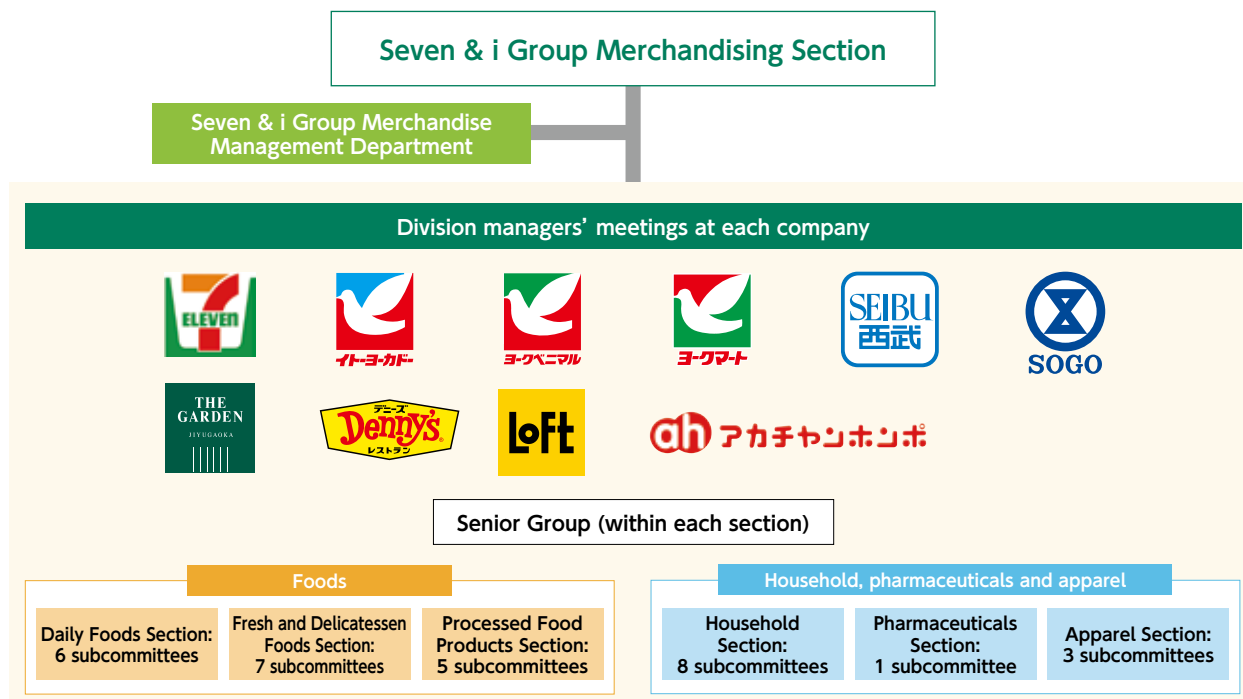


*Seven Premium Fresh* is a safe and reliable fresh food brand offering a lineup of vegetables, fruits, meats, eggs and fish. The brand connects producers—who have labored long, taking the time to rigorously manage details of where and when food was produced, and carefully nurtured their products—with customers' needs for fresh and tasty foods.

## Merchandising

### <Product Development Process>

Product development staff in Seven & i Group companies are organized into six sections and 30 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
	Jan.	Received the "Most Excellent Award, Nikkei Award" at the 2008 Nikkei Superior Products and Services Awards
2009	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
	Sept.	Started sales of <i>Seven Gold</i>
2011	May	Launched a new brand strategy sweeping overhaul of product content, logo, and packaging
	May	Started sales of miscellaneous goods private-brand <i>Seven Lifestyle</i>
2012	July	Started sales of apparel
	Nov.	Launched private-brand beer product developed by a major Japanese brewer
	Apr.	Launched <i>Golden Bread</i>
2014	Aug.	Started sales of eco-friendly <i>Seven Premium</i> products using timber from forest thinning and recycled PET bottle film
2015	Dec.	Acquired certification from the U.S. Organic Content Standard and launched sales of environmentally and socially considerate products
2016	Feb.	Achieved ¥1 trillion in <i>Seven Premium</i> sales in FY2016
2017	May	<i>Seven Premium's</i> 10th anniversary

### PROMOTING RENEWAL OF SEVEN PREMIUM

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

Through the Seven Premium Enhancement Committee, a website community for product development that invites customers to participate, we research customers' opinions, 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.

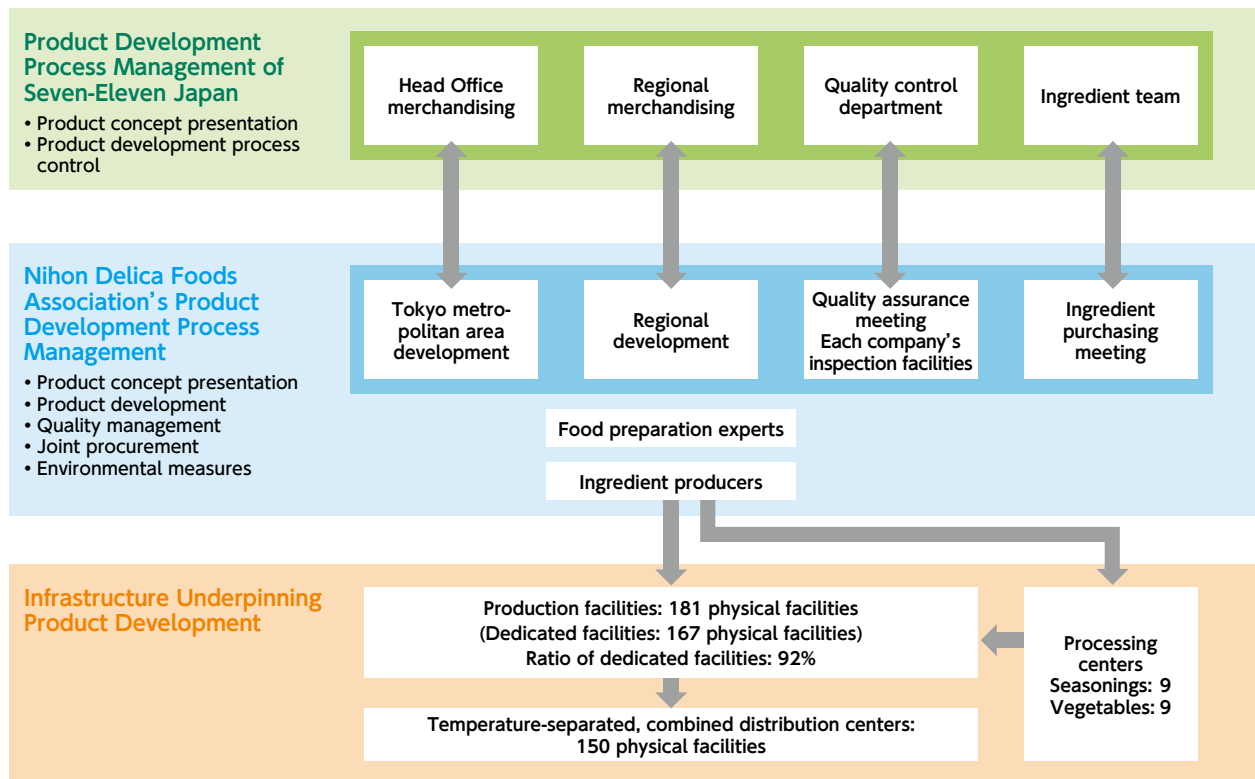
### PRODUCTS THAT SELL OVER ¥1 BILLION PER YEAR

The number of products that sold over ¥1 billion per year in FY2017 was 192 items, an increase of 17 items year on year.



## Original Daily Food Product Development by Seven-Eleven Japan

### <Food Product Development System>

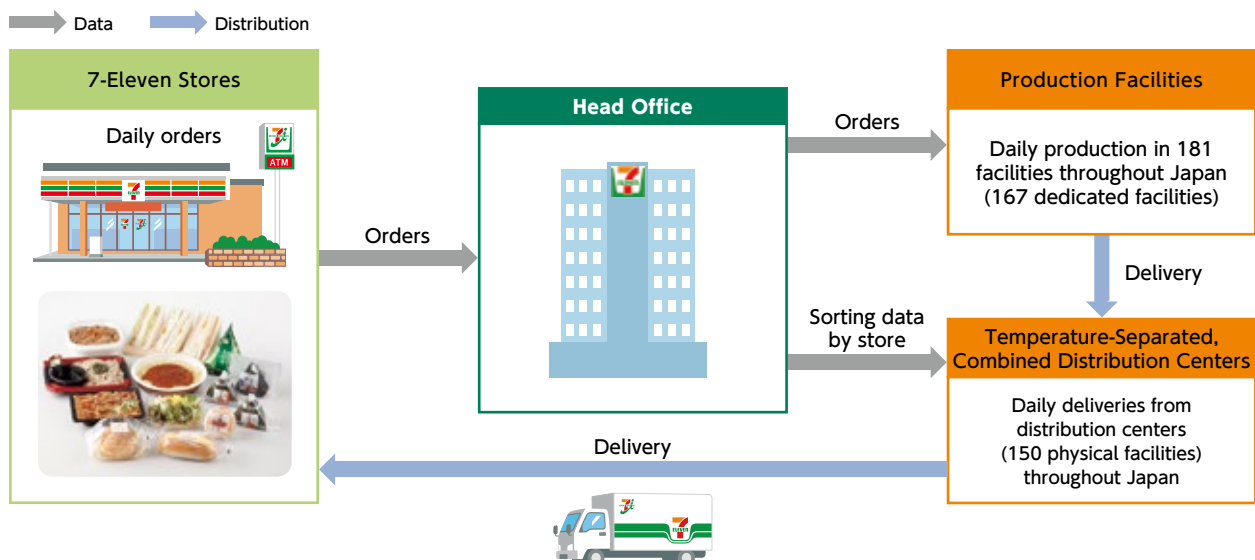


Notes: 1. Nihon Delica Foods Association (NDF) was formed in 1979 mainly by vendors of rice-based products. NDF currently has approximately 70 member companies that engage in the vendor businesses of rice-based products, sandwiches, delicatessen items, noodles, and Japanese pickles. Members jointly develop products, manage quality, procure ingredients, and implement environmental measures.

2. Figures for the development system, the number of dedicated production facilities, combined distribution centers, and processing centers are as of February 28, 2017.

### <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. Sharing stores' order data with manufacturers and temperature-separated, combined distribution centers enables more efficient deliveries in shorter times.



# Distribution Systems

## <Combined Delivery System>

Seven & i Group companies adopted 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



## <Centers>

### Seven-Eleven Japan

(As of February 28, 2017)

	Number of distribution centers	Number of physical facilities
5°C	72	5°C 10 20°C 14
20°C	76	Shared 62

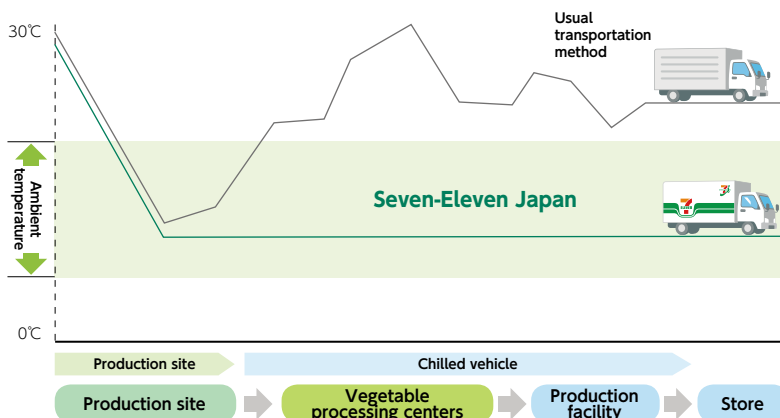
### Ito-Yokado and York-Benimaru

(As of February 28, 2017)

	Ito-Yokado	York-Benimaru
Perishables distribution centers	12	6
Vegetables and fruits centers	4	

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 facility to the store.

## Omni-Channel

### <Omni-Channel Strategy>

By merging Internet-based services and the Seven & i Group's competitive advantage in real stores across a wide array of business formats such as convenience stores, superstores, supermarkets, department stores, and specialty stores, the Group aims to advance its sales points, products, and customer service to realize the Omni-Channel retail format for providing services that meet individual customers' needs. These efforts led to the start of the Group's e-commerce site *omni7* in November 2015, and strategies have been revised and rethought from the customer's perspective rather than centering on e-commerce.

The Group focused on one of its strengths, the 22 million customers that come through the doors of Group stores daily, and changed its strategy. The Group also started development of a smartphone app for share point programs among all companies and other uses.

### The Convenience of *omni7*

Receiving	· 7-Eleven stores, 24-hour pick-up throughout Japan · Free shipping and handling charges when receiving goods at Group stores
Payment	In addition to online payments, payment at Group stores is also possible
Returns and refunds	Products can be returned or refunded easily at anytime through 7-Eleven stores

Group  
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### <Services on *omni7* (the Group's e-commerce site)>

*omni7* has "site sales" and "store sales" services. In the "site sales" service, products purchased online are delivered to customers' homes or nearby Group stores for pick-up. The "store sales" service enables customers to order directly to real stores via the Internet, and the products are delivered from the stores. "Store sales" service sales are recorded by each individual store. E-commerce sales through *omni7* were ¥97.6 billion in the fiscal year ended February 28, 2017.

	Site sales					Store sales	
	<i>Seven Net Shopping</i>	Ito-Yokado Internet Mail-Order	Sogo & Seibu e-depart	Akachan Honpo Internet Mail-Order	THE LOFT Internet Mail-Order	<i>Seven-Meal</i>	Ito-Yokado Net Supermarket
Handled categories	Books, CDs, DVDs, etc.	Food, household goods, etc.	Cosmetics, premium sundries, etc.	Baby sundries, etc.	Miscellaneous goods	Boxed lunches, <i>sozai</i> prepared dishes, etc.	Food including fresh food, household goods, etc.
E-commerce sales	¥14.1 billion	¥2.6 billion	¥2.8 billion	¥5.6 billion	¥0.5 billion	¥26.6 billion	¥44.7 billion
Number of members	Approx. 4.41 million						Approx. 2.46 million

Note: Sales are for FY2017, and number of members is as of February 28, 2017.

### <Ito-Yokado's Net Supermarket>

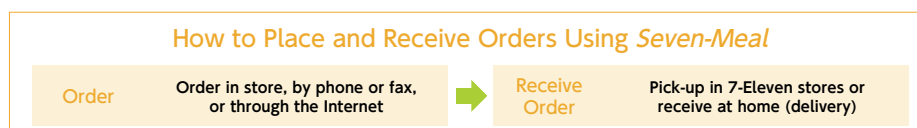
Ito-Yokado stores manage *Net Supermarket*. Stores receive orders from customers in their catchment area over the Internet, and fresh products from the stores are delivered at a designated time in as little as four hours, for the same price as in the stores.

Products delivered daily are selected by professionals at each sales section and delivered directly to each store by a driver dedicated to the *Net Supermarket*. There are 10 shipments per day (excluding some stores).



### <Meal Delivery Service *Seven-Meal*>

This is an original Seven-Eleven Japan service for delivering merchandise such as special daily lunch sets and delicatessen food sets, all produced under the direction of a registered dietician. Delivery is free for orders of ¥500 (including tax) or over and costs ¥123 per delivery for smaller orders.



# 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 factors and catchment area, the Group can achieve a high-density store-opening strategy across the different formats.

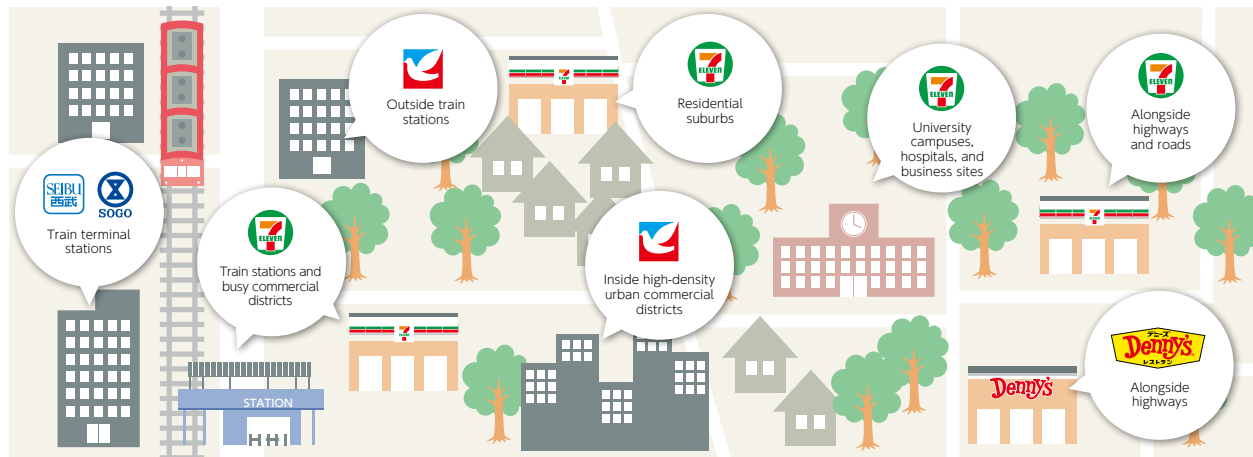
### <Market Concentration Strategy>

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 quality of management consultation services for franchised stores
- Increasing store-visit frequency

### <Market Concentration Strategy by Store Format>



### <Store-Opening Policy by Store Format>

Format	Store brand	Store development
Convenience store	7-Eleven	<ul style="list-style-type: none"> <li>• Formed market concentration mainly in residential areas in the 1990s and in urban areas after 2000</li> <li>• Implemented scrap-and-build strategy for revitalizing existing stores</li> <li>• In addition to the standard roadside-type stores, extended store openings in special locations, including train stations, business sites and universities</li> <li>• From November 2010, provision of support for store openings by franchisees who will operate two or more stores</li> <li>• Stores in 46 prefectures as of the end of February 2017</li> </ul>
Superstore	Ito-Yokado	<ul style="list-style-type: none"> <li>• Formed market concentration primarily in the Kanto region</li> <li>• Implemented store structure reform to make efficient use of key specialty stores both inside and outside of the Group</li> </ul>
Shopping center	Ario	<ul style="list-style-type: none"> <li>• Operate 18 shopping centers</li> <li>• Assembled tenants with Ito-Yokado as the anchor tenant</li> </ul>
Supermarket	York-Benimaru York Mart	<ul style="list-style-type: none"> <li>• York-Benimaru formed market concentration in the southern Tohoku and northern Kanto regions, aiming for a 300-store network over the medium to long term</li> <li>• York-Benimaru formed market concentration in the southern Kanto region</li> </ul>
Department store	SEIBU Sogo	<ul style="list-style-type: none"> <li>• Developed two department store brands, SEIBU and Sogo</li> <li>• Seven key stores are Ikebukuro, Yokohama, Chiba, Kobe, Hiroshima, Shibuya, and Omiya</li> <li>• According to their characteristics, stores are classified into "key stores," "regional leader stores," or "suburban stores"</li> </ul>
Restaurant	Denny's	<ul style="list-style-type: none"> <li>• Operate stores in 16 prefectures nationwide, primarily in the Kanto region</li> </ul>
Specialty store	Akachan Honpo	<ul style="list-style-type: none"> <li>• Operate stores primarily in shopping centers in 33 prefectures</li> <li>• Open 44 stores primarily in Ito-Yokado, Ario, and other stores operated by Group companies</li> </ul>
	THE LOFT	<ul style="list-style-type: none"> <li>• Operate stores primarily in department stores and shopping centers in 33 prefectures</li> <li>• Open 39 stores in SEIBU, Sogo, Ito-Yokado, Ario, and other stores operated by Group companies</li> </ul>

Note: The number of stores and store development areas are as of February 28, 2017.

## 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 FY2017>



7-Eleven



Ito-Yokado's Ario



York-Benimaru



York Mart



Sogo



SEIBU



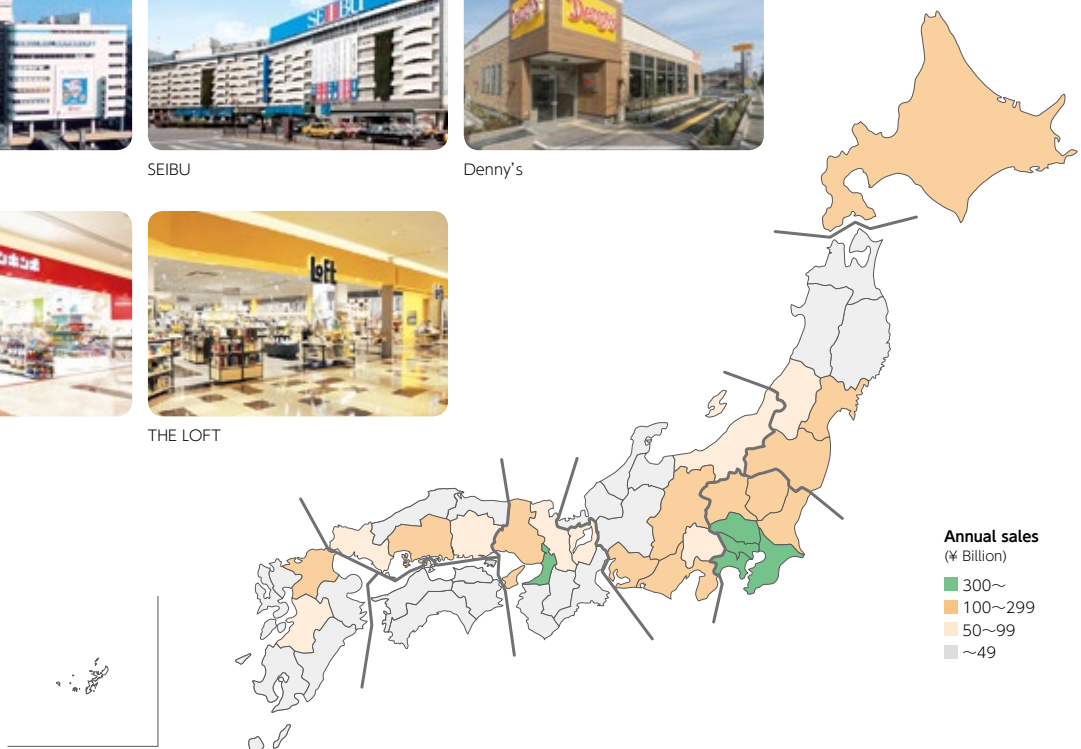
Denny's



Akachan Honpo



THE LOFT



**Annual sales**  
(¥ Billion)

- 300~
- 100~299
- 50~99
- ~49

### <Domestic Store Network>

(No. of stores as of February 28, 2017)

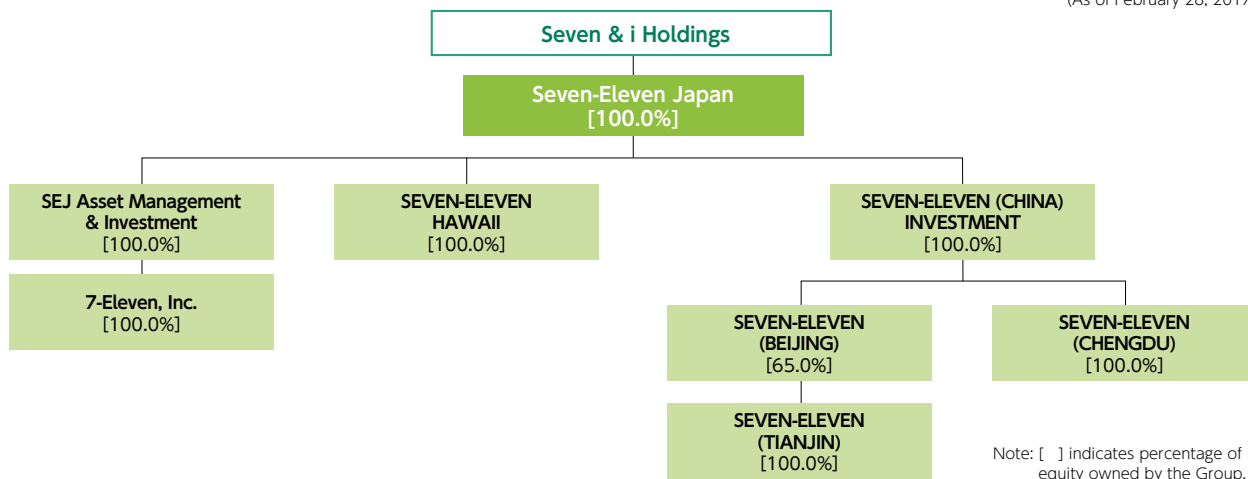
Hokkaido	959	11	-	-	-	-	-	3	1
Tohoku	1,247	10	149	-	1	12	4	5	
Kanto	7,549	125	64	78	10	281	47	58	
Chubu	3,267	14	-	-	2	75	17	13	
Kinki	2,726	10	-	-	4	18	21	16	
Chugoku	1,227	1	-	-	1	-	7	8	
Shikoku	322	-	-	-	1	-	2	3	
Kyushu	2,125	-	-	-	-	-	5	5	
Total	19,422	171	213	78	19	386	106	109	

# Global Strategy

## <Capital Relationships in the Group's Convenience Store Operations>

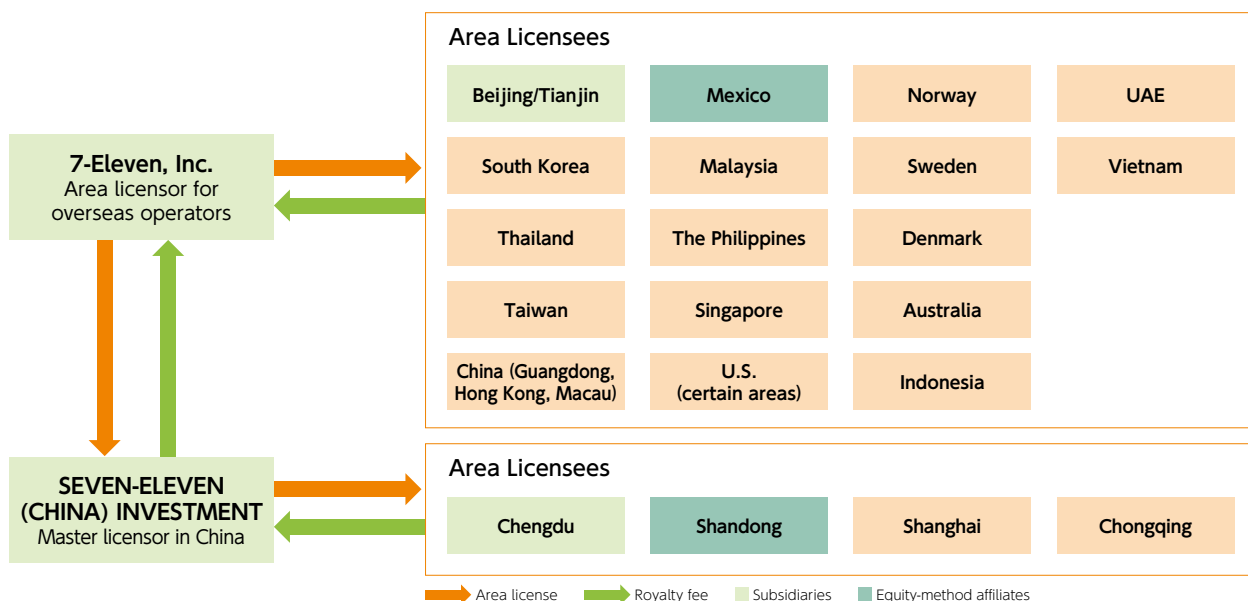
Seven & i Holdings' subsidiaries and affiliates operate 7-Eleven convenience stores in Japan, North and Central America, and China (Beijing, Tianjin, Chengdu, and Shandong). In countries and regions where the Company has no local subsidiaries, leading corporate groups operate 7-Eleven stores as area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

(As of February 28, 2017)



## <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>

### TREND IN THE NUMBER OF 7-ELEVEN STORES

(Stores)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Japan	12,034	12,298	12,753	13,232	14,005	15,072	16,319	17,491	18,572	19,422
U.S. and Canada	6,683	6,782	6,972	7,188	7,752	8,545	8,641	8,646	8,868	9,077
South Korea	1,750	1,995	2,186	3,145	5,249	6,986	7,085	7,231	8,000	8,556
Thailand	4,279	4,778	5,270	5,790	6,276	6,822	7,429	8,127	8,832	9,542
Taiwan	4,705	4,800	4,744	4,750	4,801	4,852	4,919	5,040	5,029	5,107
China	1,358	1,512	1,670	1,711	1,792	1,919	2,001	2,064	2,182	2,357
Others	3,104	3,573	4,101	4,477	5,110	5,563	6,039	6,682	7,228	7,744
Total	33,913	35,738	37,696	40,293	44,985	49,759	52,433	55,281	58,711	61,805

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



## &lt;7-Eleven Store Operators around the World&gt;

Country or region	Operator	Number of stores
Thailand	CP ALL Public Company Ltd. [Charoen Pokphand Group]	9,542
South Korea	Korea-Seven Co., Ltd. [Lotte Group]	8,556
Taiwan/China (Shanghai)	President Chain Store Corp. [Uni-President Enterprises Corp.]	5,209
Malaysia	7-Eleven Malaysia Sdn. Bhd. [Berjaya Retail Berhad]	2,122
The Philippines	Philippine Seven Corporation [President Chain Store Corporation]	1,995
Mexico	7-Eleven Mexico S.A. de C.V. [Valso, S.A. de C.V.]	1,878
China (Guangdong, Hong Kong, Macau)	The Dairy Farm Company, Limited [Dairy Farm International Holdings Limited]	1,814
Australia	7-Eleven Stores Pty. Ltd.	646
Norway/Sweden/Denmark	Reitan Convenience [Reitangruppen AS]	524
Singapore	Cold Storage Singapore (1983) Pte. Ltd. [Dairy Farm International Holdings Limited]	417
U.S.	Resort Retailers, Inc.	307
	Southwest Convenience Stores, Inc.	
Indonesia	PT Modern Sevel Indonesia [PT Modern Internasional Tbk]	155
China (Shandong)	SHAN DONG ZHONG DI CONVENIENCE CO., LTD. [Zhong di Group Co., Ltd.]	38
China (Chongqing)	New Nine Business Development Co., Ltd. [New Hope Group Co., Ltd.]	35
UAE	SEVEN EMIRATES INVESTMENT LLC	7
Vietnam	SEVEN SYSTEM VIETNAM JSC	-

Notes: 1. The number of stores is as of December 31, 2016.  
 2. Company names in brackets are those of the corporate groups affiliated with the companies listed.  
 3. Open the first store in Vietnam in June 2017.

## &lt;Support Program for Existing Area Licensees&gt;

To enhance the value of the 7-Eleven brand, Seven-Eleven Japan and master licensor 7-Eleven, Inc. have developed a program to improve the operation level of area licensees around the world. The program is being implemented for the new area licensees in Vietnam, as well as for existing area licensees in South Korea, Singapore, Hong Kong, Macau and the UAE, and is planned to expand further going forward.

## Contents of the support program

## 1. Provide support and advice for store operations, etc.

- Methodologies for quality improvement of existing products and development of new products with a focus on fast food
- Methodologies for store operations by area and counseling skills of operation field consultants for forecasting product assortments
- Comprehensive support for store development, logistics, construction & equipment and IT systems, etc.

## 2. Establish a model store

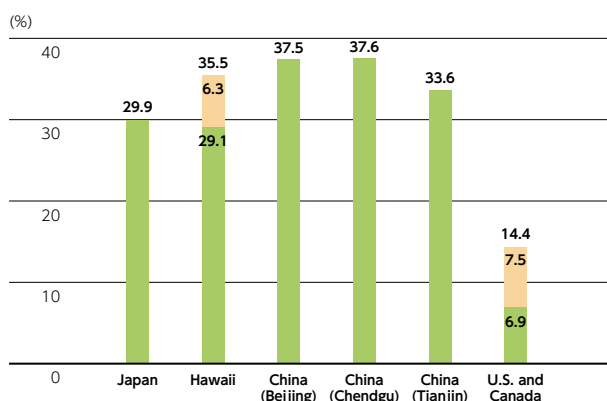
- Remodel an existing store and execute enhanced product assortment and display, as well as friendly service in line with local characteristics, based on Seven-Eleven Japan's experience
- Roll out successful cases of model stores to other existing stores, build model areas, and support franchise business management methods

## 3. Management candidate training at Seven-Eleven Japan

- Accept trainees from three departments, store operations, merchandising and store development
- Conduct classroom and on-the-job training at each department

## &lt;Worldwide 7-Eleven Fast Food Sales&gt;

## FAST FOOD SALES AS A PERCENTAGE OF TOTAL SALES FOR FY2017



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 fiscal year for overseas subsidiaries is December 31, 2016.

## Global Strategy

### Operations in China

In China, the Seven & i Group is developing convenience stores and superstores. We also share information across business sectors and jointly develop products.

(December 31, 2016)

	Business category	Establishment	Opening date of the first store	Capital	Ownership ratio
SEVEN-ELEVEN (BEIJING) CO., LTD.	Convenience stores	Jan. 2004	Apr. 15, 2004	U.S.\$35 million	SEVEN-ELEVEN (CHINA) INVESTMENT 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 stores	Dec. 2010	Mar. 17, 2011	U.S.\$55.16 million	SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD. 100.0%
SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD.	Investment company and 7-Eleven's master licensor in China*	Sept. 2012	-	CNY726.2 million	Seven-Eleven Japan Co., Ltd. 100.0%
SEVEN-ELEVEN (TIANJIN) CO., LTD.	Convenience stores	Nov. 2012	Nov. 2012	CNY140 million	SEVEN-ELEVEN (BEIJING) CO., LTD. 100.0%
SHAN DONG ZHONG DI CONVENIENCE CO., LTD.	Convenience stores	June 2012	Nov. 2012	CNY210 million	Zhongdi Group Co., Ltd. 65.0% Seven-Eleven Japan Co., Ltd. 20.0% SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD. 15.0%
Hua Tang Yokado Commercial Co., Ltd.	Superstores	Sept. 1997	Apr. 28, 1998	U.S.\$65 million	Ito-Yokado Co., Ltd. 75.8% ITOCHU Group 12.3% China National Sugar & Alcohol Group 12.0%
Chengdu Ito-Yokado Co., Ltd.	Superstores	Dec. 1996	Nov. 21, 1997	U.S.\$23 million	Ito-Yokado (China) Investment Co., Ltd. 75.0% China National Sugar & Alcohol Group 12.0% ITOCHU Corp. 8.0% CITYWELL (CHENGDU) DEVELOPMENT CO., LTD. 5.0%
Ito-Yokado (China) Investment Co., Ltd.	Investment company in China	July 2012	-	U.S.\$47.25 million	Ito-Yokado Co., Ltd. 100.0%

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

### <Sales Trend>

(¥ Million)

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Chengdu Ito-Yokado	19,682	26,690	36,738	41,192	48,048	50,672	53,513	62,788	70,650	79,686	67,276
Hua Tang Yokado	26,514	33,901	36,369	31,932	30,008	28,477	27,902	34,015	31,814	24,066	15,869
SEVEN-ELEVEN (BEIJING)	1,997	3,563	4,686	5,204	5,874	7,754	11,273	14,458	17,983	21,781	20,871
SEVEN-ELEVEN (TIANJIN)	-	-	-	-	-	-	-	3,136	3,783	4,623	4,551
SEVEN-ELEVEN (CHENGDU)	-	-	-	-	-	517	1,909	3,505	4,204	4,036	3,435
Exchange rate (CNY1=)	¥14.62	¥15.51	¥14.85	¥13.72	¥12.90	¥12.32	¥12.72	¥15.92	¥17.18	¥19.23	¥16.42

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)



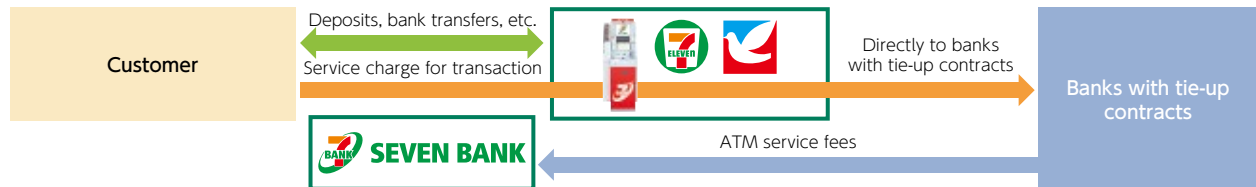
SEVEN-ELEVEN (CHENGDU)

## Financial Services

### Bank Business

#### <ATM Services>

As of the end of March 2017, Seven Bank has tie-up contracts with 601 financial institutions and the like, and ATMs have been installed in 7-Eleven stores and other stores of Group companies in Japan. 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>

Seven Bank offers an international money transfer service to meet the needs of foreigners who live in Japan or Japanese people who have family or friends living abroad.

The number of transfers in FY2017 was 979,000, approximately 1.2 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, smartphone or mobile phone
- (2) Simple and reasonable transfer fees
- (3) Transfers can be received at over 510,000 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



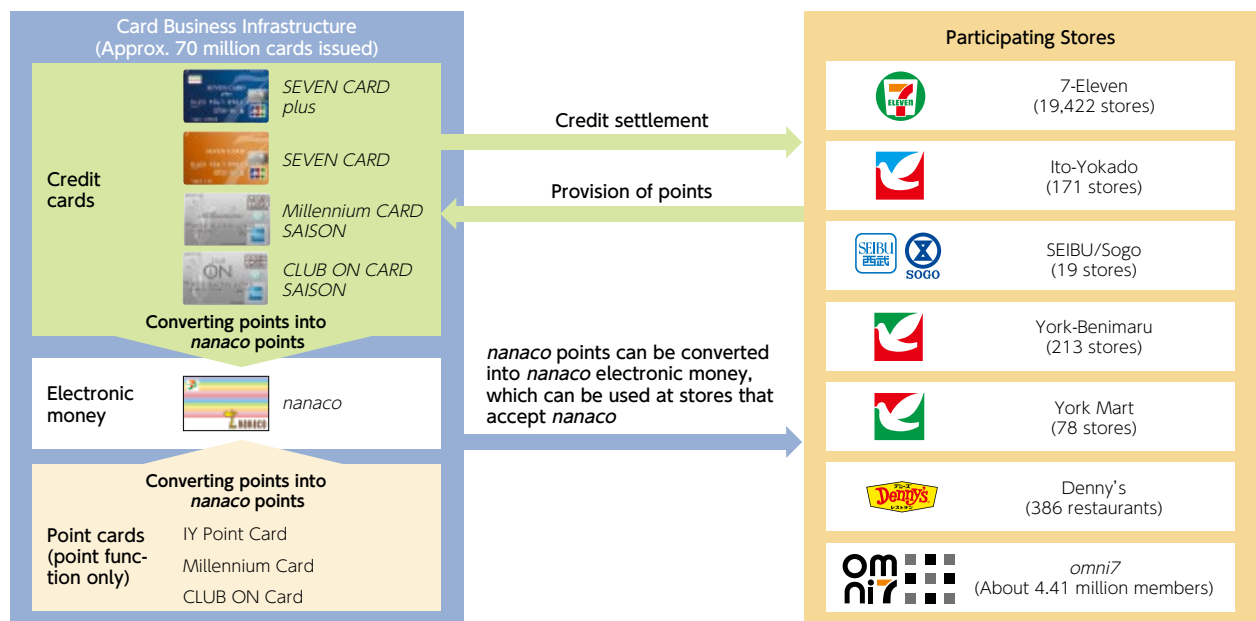
### Card Business

#### <Group Card Business>

The Seven & i Group has issued about 70 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 provide the *Seven & i Point Service*\*.



Notes: 1. The numbers of cards issued, stores, and omni7 members are as of February 28, 2017.

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

\* 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*.