

Material Issue 1 Providing Social Infrastructure for an Aging Society and Declining Population

Approach to Material Issues

Seven & i Holdings is responding to changes in society - the increase in the employment rates of women and the elderly due to the reduction in working population arising from a declining birthrate and aging society, diversification of purchasing methods due to the advancement of a digital society, and the reduction of social bases following a declining population - and working to enhance the convenience of shopping while leveraging the unique aspects of the Group's business as a social infrastructure with a network of approximately 22,500 stores nationwide in Japan. We recognize that fulfilling these diverse needs of our customers is one of our most significant and unwavering roles in society and we will continue to satisfy the customer's needs.

Background to Material Issues

Changes in Shopping and Other Services Due to the Hollowing Out of Social Bases Following Aging Society, Declining Population, and the Advancement of the Digital Society

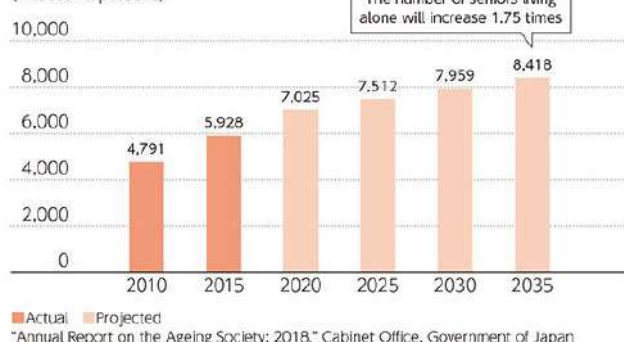
Japan is experiencing an aging society and declining population trends. By the year 2060, the national population will dip below 90 million and nearly 40% will be seniors*. The number of seniors living alone continues to increase each year, with the number expected to rise 1.75 times from the level in 2010 by 2035. The hollowing out of social infrastructures to support daily life following the declining population also stands as one of the major social issues. Forecasts suggest that the number of seniors living alone without walkable access to a supermarket with fresh produce and meat will double by 2030.

At the same time, due to the spread of digital devices and the establishment of communication infrastructure, customers' shopping habits and required services are also changing, such as in the methods for placing orders, payment, and picking up orders.

* Source: "Population Projections for Japan (2017)," National Institute of Population and Social Security Research

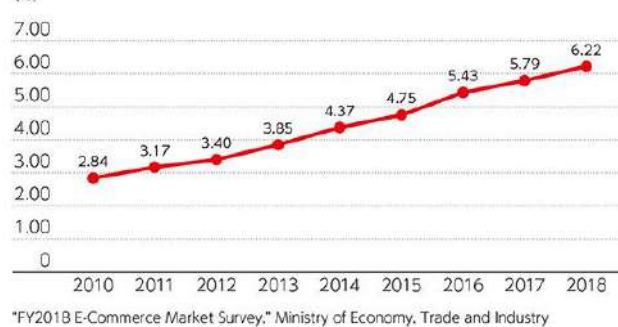
Number of Seniors Living Alone

(Thousand persons)



Annual Trend of E-Commerce Adoption Rate

(%)



Promotional Framework for Material Issues

In response to this material issue, the CSR Management Committee, led by the president, and its subordinate Social Value Creation Subcommittee, work together with the Group companies and related departments to develop various services as initiatives to resolve social issues through business activities, as well as monitoring the progress of activities and promoting new initiatives. These activities are supervised by the Director and Managing Executive Officer Head of the Corporate Development Division, Seven and i Holdings.

Contribution to SDGs

By addressing this material issue, the Seven & i Group is providing social infrastructure such as public services to a variety of people, including seniors, and contributing to the achievement of Sustainable Development Goals 9, 11 and 16.



Seven & i Holdings' Initiatives

Shopping Support >

We are working to create new "shopping support" services to assist customers with limited access to shopping facilities.

Reducing Housework >

We are developing and selling cooked meal products for those who find it a burden to prepare meals. They are based on the concept of individual servings, small portions, and easy-to-preparing.

Expanding Services as a Form of Social Infrastructure >

We are providing public services to alleviate inconvenience for those whose lifestyles are affected by the decline in neighborhood social infrastructures.

Providing Services to a Wide Range of Customers >

We are expanding services and supporting shopping to enable all customers to visit and shop at our stores feel safe and secure.

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Shopping Support

Seven & i Group is working to support people who feel inconvenience when shopping by utilizing the infrastructure it has developed, such as store networks and logistics and information systems, to create new services for shopping support.



Store Product Delivery Service

Seven & i Group provides a service in which products ordered online or by telephone are delivered to specified locations as well as in-store sales to help local residents do their everyday shopping more comfortably.

Online Convenience Stores

Aiming to realize “Anytime, Anyplace, Right Away,” Seven-Eleven Japan provides an online convenience store service in which orders made by customers on their smartphones for any of about 2,800 products sold in stores are delivered to specified locations in as little as 30 minutes. Demonstration testing has been conducted at about 350 stores in certain areas in Hokkaido, Tokyo, and Hiroshima Prefectures as of the end of February 2021, and it aims to expand this service to 1,000 stores by the end of February 2022.



Home Delivery Services of "Seven RakuRaku Delivery"

Seven-Eleven Japan offers the Seven RakuRaku Delivery service, which provides home delivery for nearly every product sold in its stores. Orders can be placed in advance by telephone or through other means. As of February 28, 2021, the service operates a fleet of some 643 “COMS” ultra-small electric vehicles and Seven-Eleven Japan is also moving forward with the introduction of around 731 power assisted bicycles.



Seven RakuRaku Delivery

Online Supermarkets

For food and household goods, Ito-Yokado has launched an online supermarket at 111 stores (as of the end of February 2021), by which products that are ordered on PCs or smartphones are delivered from nearby stores within specified time slots. In December 2014, Ito-Yokado started offering a service to support parents raising children. With this service, parents who present their maternity notebook issued within the last four years and register for the Net Super can receive deliveries at a fee of only ¥102 (including tax) for four years from the registration date. Furthermore, in order to improve the efficiency of deliveries as well as meet the diversifying needs of our customers for pick-up options, Ito-Yokado also enhanced its non-contact delivery and drop-off services. As the first such service in Japan, 7&i Locker Pick-Up was launched in March 2020 with the temperature ranges of refrigeration, freezing, and room temperature. This is a service in which products ordered through the online supermarket are stored in specified lockers separated into room, refrigeration, and freezing temperatures. As of July 2021, the 7&i Lockers have been installed in a total of 5 locations in 7-Eleven, Ito-Yokado, and other stores.



Filling an online supermarket order



A 7&i Locker installed in front of a store

Mobile Store Service

In recent years, as the birthrate falls, society ages, and nuclear families become more prevalent, retail stores and elsewhere that sell such things as fresh food have decreased, and this has led to a growing number of people who feel that everyday shopping is inconvenient. Seven & i Group has launched a mobile store service in order to solve these kinds of social issues.

Seven Anshin Delivery

As of the end of April 2021, Seven-Eleven Japan operates 107 vehicles in 38 prefectures for its Seven Anshin Delivery mobile store service. Moving mainly through areas that are inconvenient for everyday shopping or have a large number of seniors who find it difficult to use transportation, these uniquely developed light trucks equipped with store facilities carry about 150 items that include food and household goods and range from frozen products to those at room temperature. Plans call for this service to be expanded further in the future to fulfill the needs of customers.

Ito-Yokado Tokushimaru

In collaboration with TOKUSHIMARU inc., Ito-Yokado started operating vehicle No. 1 of the mobile store named Ito-Yokado Tokushimaru from the Minami Osawa store in April 2020. As of the end of February 2021, it had started operation of 27 trucks in 9 municipalities. Ito-Yokado is supporting customers who feel inconvenience by shopping through its mobile supermarket initiative, in which about 400 products totaling 1,200 items are loaded into mobile store vehicles and sold near the residences of customers. Ito-Yokado is also proceeding with enterprises related to neighborhood watch activities in collaboration with local communities. It is committed to expanding these efforts with the target of having 49 vehicles operating in 34 municipalities during the fiscal year ending February 28, 2022.



Seven Anshin Delivery



Ito-Yokado Anshin Delivery



Ito-Yokado Tokushimaru

Store Pick-Up Service

Seven-Eleven Pick-Up Service is a service in which products ordered online can be picked up at the 7-Eleven store of your choice. Whether it is near your residence or workplace, at a business trip destination or elsewhere, late at night or early morning, pick-ups can be made whenever you like at 7-Eleven stores nationwide (some stores do not provide this service).

In addition, with the expansion of the electronic commerce market and other factors, there is an increasing trend in the volume of parcel deliveries, and at the same time, labor shortage in the transport industry is growing more severe. Allowing ordered products to be picked up at nearby 7-Eleven stores also contributes to the reduction of redeliveries and the CO2 emitted through these deliveries.

Material Issue 1 Providing Social Infrastructure for an Aging Society and Declining Population

Reducing Housework

In order to respond to customer demand for saving shopping time and reducing the hassle of housework, Seven & i Group is developing and selling cooked meal products for those who feel it a burden to prepare meals. These products are based on the concept of individual servings, small portions, and easy-to-preparing.



Store Product Delivery Service

In order to help local residents do their everyday shopping more comfortably, in addition to in-store sales, Seven & i Group provides a service in which products ordered online or by telephone are delivered to specified locations.

Seven-Meal Delivery Service

Seven-Eleven Japan provides a service for customers who feel inconvenienced by daily meal preparation and those who want to eat nutritionally balanced meals. Meals are ordered online or by telephone, and customers can choose to pick up the meals at a 7-Eleven store, or have them delivered to the customer's home or other specified location. Seven-Eleven Japan provides the Seven-Meal delivery service for customers who feel inconvenienced by daily meal preparation and those who want to eat nutritionally balanced meals. Meals are ordered online or by telephone, and customers can choose to pick up the meals at a 7-Eleven store, or have them delivered to the customer's home or other specified location.

Developing Products and Services that Make Meal Preparation Easy

One of the services offered by Seven-Eleven Japan as a part of Seven-Meal is "Meal Kits," cooking kits along with recipes that can be fully prepared in about 20 minutes. Since the ingredients are only what is needed and come pre-cut, the cooking time is shortened and needless garbage is avoided. Besides, Ito-Yokado sells the Chef's RECIPE series, which can be easily prepared using a frying pan or microwave oven, at the fresh meat and fish sales sections. The selection for cooking with a frying pan* offers meat and fish that have been cut and seasoned. These meals can be easily cooked with a frying pan in a short time. Customers can also cook them in considering nutritional balance, such as frying them with different vegetables of one's preference. The frozen delicatessen series Frozen Deli, which is convenient for customers when they are busy, is also available at the delicatessen sales section. For frozen foods, we have launched EASE UP, which offers authentic individual-sized staple meal choices that can be enjoyed just by microwaving, cooking in a pot or frying pan, or heating up in hot water.

※The menu changes according to the seasons.



A Meal Kit from Seven-Meal



EASE UP Kalbi Gukbap

Material Issue 1 Providing Social Infrastructure for an Aging Society and Declining Population

Expanding Services as a Form of Social Infrastructure

Seven & i Group works in collaboration with local governments to provide public services to support persons experiencing inconvenience in daily life by reductions in local government offices, banking services, and retail stores.



Promoting Alliances with Municipalities

Seven & i Group is promoting regional revitalization by concluding comprehensive alliance agreements with local governments in a wide range of fields, including local production for local consumption, senior support, health promotion, and environmental protection. Moreover, we are also moving ahead on concluding “watch over agreements” with local governments to look out for elderly people and so on during regular store operating hours, or through delivery services and collaborating with local governments to respond if irregularities are detected, as well as to train Dementia Supporters, and take other measures. In other developments, we have also concluded “supply-support agreements” to prepare for rapid regional support in the event of disasters, and we are also promoting “agreements for supporting people who cannot return home after a disaster” where we provide tap water, access to restrooms, and local information wherever possible.

Number of comprehensive alliance agreements with local governments (by operating company)

	As of the end of February 28, 2019	As of the end of February 29, 2020	As of the end of February 28, 2021
Seven-Eleven Japan	140	184	194
Ito-Yokado	55	56	57
York-Benimaru	13	13	13
York Mart	4	4	4
Sogo & Seibu	13	13	12
Seven & i Food Systems	1	3	3
Total	226	273	283

➤ [For information regarding support during disasters](#)

Retail of Products which Contribute to Regional Revitalization

Seven & i Group makes use of comprehensive alliance agreements to promote various regional revitalization initiatives with respective local governments. For example, Seven-Eleven Japan recognizes the importance of local flavors and food cultures by developing products that use local ingredients. Ito-Yokado, Sogo & Seibu, York-Benimaru, and other Group companies are helping to promote the appeal of local areas by retailing regional products and proposals for menus using local products and ingredients. In addition, at two stores in Chiba Prefecture's Yachio City, York participated in the Yachipan Project—an event for producing and selling bread based on ideas from local high school students carried out as part of the initiatives with local governments—and sold two types of bread.



"Pescatore made with firefly squid from Toyama Bay"
sold in three prefectures of the Hokuriku region and
Niigata Prefecture
(Seven-Eleven Japan)



"Chutan-Student Invented
Power to the People of the Prefecture!
Boxed Lunch to Cheer Aomori"
supervised by Aomori Chuo Junior College (Ito-Yokado)



"Fukui Supporter Specialty Food Fair"
held at the Seibu Fukui Store
(Sogo & Seibu)



Bread conceived and realized by high school students
from Yachio City, Chiba Prefecture "Yachipan Project"
(York)

Establishment of Polling Stations in Stores

Ito-Yokado and Sogo & Seibu provide facilities within stores to be used free of charge for use as polling booths in cooperation with local governments. Local governments seek to increase the voting rate due to the reduction in number of polling booths and decline in voting rate due to the merger of municipalities, in addition to the enactment of the revised Public Offices Election Act, which lowered the voting age to 18. The booths are used to provide easy access to voters while they are shopping. During the fiscal year ended February 28, 2021, this was rolled out at 25 Ito-Yokado stores and 1 Sogo & Seibu store. It was publicized at stores via poster displays and in-store announcements, as well as printouts on receipts. In addition, we liaised with the secretariats of respective election administration commissions to provide thorough disinfection of pencils and voting podiums, as well as ensuring sufficient distances were maintained between lines, from the perspective of preventing the spread of infections with COVID-19 (coronavirus disease).



A polling booth set up in an Ito-Yokado store

Services also Available on Public Holidays and Nighttimes

In recent years, households in which both spouses work for a living have increased, and an increasing number of people have difficulty completing payments of utility bills at financial institutions and procedures at government offices on weekdays. In 1987, Seven-Eleven Japan thus initiated a service for 24-hour payment of utility bills at store registers irrespective of the business hours of banks. Since then, in addition to utilities bills, we have expanded this service to processing NHK license fees, national pension scheme and all types of tax payments, as well as catering to administrative services and insurance enrollment using multifunctional copiers.

Government Services (Issuance of Various Certificates)

Seven-Eleven Japan's stores, in an agreement with 851 municipalities (as of the end of April 2021), offer a service for issuing copies of residence certificates and seal registration certificates using in-store multifunctional copiers. This service is currently being expanded, as family register certificates can now be issued for 435 municipalities and tax certificates for 580 (Individual Number Cards are required to use the service). This service for Individual Number Card holders is easily operable and can be used even late at night and on holidays, simply by waving the Individual Number Card over a scanner. Private information is given high security protection by a sophisticated dedicated network and special printing prevents forgery and manipulation.

Insurance Enrollment and Premium Payment Service

Seven-Eleven Japan's stores became the first in the industry to offer motorcycle and bicycle insurance enrollment and insurance premium payment services where customers can enroll in insurance 24 hours a day by entering the necessary personal information on the multifunctional copier screen in store and paying their premium at the register. (The service is for motor scooters and motorcycles with an engine displacement of 250 cc or less, which do not require a motor vehicle inspection.)

"1 DAY Insurance" providing automotive insurance coverage in one-day increments has been available at all 7-Eleven stores since September 2015, and "1 DAY Leisure Insurance" that provides necessary accident coverage when needed has been available since April 2018. Starting from June 2020, cancer insurance is being sold at all 7-Eleven stores.



Multifunctional copiers can copy print, issue various types of certificates, and even issue insurance policies

Bicycle Sharing

Seven-Eleven Japan has started using bicycle parking spaces on store grounds as sites for renting and returning shared bicycles. The areas will be expanded in stages, and Seven-Eleven Japan has placed some 264 bicycles at 41 stores in the Tokyo Metropolitan region and regional cities during the fiscal year ended in 2021. A total of 3,414 of these machines had been installed at 529 stores as of the end of February 2021. This program was launched at Ito-Yokado in June 2018, and Denny's restaurants in September 2018.

Bicycle sharing allows for bicycles to be rented from any of multiple stations within a certain region. After use, a bicycle need not be returned to the original location and can be returned to the station closest to the user's destination. Bicycle sharing is expected to supplement public transportation in areas that lack adequate transportation and can play an important role as infrastructure.



A store with a bicycle sharing site

Material Issue 1 Providing Social Infrastructure for an Aging Society and Declining Population

Providing Services to a Wide Range of Customers

Seven & i Group is expanding services and supporting shopping to enable easy use by all customers, including senior citizens, people with disabilities, and foreign residents whose numbers are increasing yearly.



Training Dementia Supporters

Seven & i Group supports the creation, localities where it has opened stores, of neighborhoods where residents who suffer from cognitive impairment and their families can live with security. To this end, we are encouraging our employees to attend training courses for “dementia supporters.”

Each Group company holds training courses, and the number of the supporters across the 26 Group companies* as of the end of February 2021, is 38,383 in total. Notably, Ito-Yokado had in excess of 10,000 such supporters by November 2020. We will continue to strengthen our efforts to develop “dementia supporters.”

* 26 Group companies are working on this initiative (accounting for 98% of the Group sales in Japan).

Number of Dementia Supporter Training Course Takers

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 (Target)
Cumulative participants	24,029	29,623	34,110	37,550	38,383	40,000



Dementia supporter training

Marketing Products that Support Senior Lifestyles

According to the Cabinet Office, as of October 1, 2019, the percentage of the total population of persons aged 65 years old and over (elderly ratio) was 35.89 million, accounting for 28.4% percent of Japan's population. In addition, it is forecast that this percentage will reach 33.3% by 2036. In this context, Seven & i Group is promoting the development and retail of products, and proposing lifestyle solutions, aimed at the elderly.

Development of "Anshin Support Shop"

Ito-Yokado is developing the Anshin Support Shop at 97 stores, which carries an extensive selection of apparel, daily essentials, and foods, including products that support the health and lifestyles of seniors and care products (as of the end of June 2021). In addition to explanations of products features by sales staff with specialized knowledge on caring including counselors specialized in welfare equipment, these staff are also able to deal with consultations regarding nursing care and welfare issues in general (about 140 counselors as of the end of February 2021). In addition, Ito-Yokado is working to develop products in response to customer opinions and comments. Products such as "Feet-friendly Slippers" which are easy to wear or be fitted, and the "Triangular-fit Walking Stick" which prevents pain between the fingers by means of a triangular grip customized to fit the palm and an original-design flexible arm, have been well-received by customers.

> [For more details about Anshin Support Shop \(in Japanese\)](#) 



Anshin Support Shop

Permanent Installation of "Living Design Salon"

Sogo & Seibu has teamed up with the Caring Design Association to establish a permanent "Living Design Salon" at the Seibu Ikebukuro Store for supporting living and home design for customers aged in their 50s and above. The facility proposes appealing homes that casually incorporate care and support features for the physical changes that occur with age, aiming to enable people to live in their own way even as they grow older.

> [For more details about Living Design Salon \(in Japanese\)](#) 

Financial Services for Foreign Residents

Seven Bank provides the "Overseas Remittance App" available in nine languages for customers who make use of overseas remittance services. In 2016, it started concluding agreements such as agreements for promoting multicultural coexistence with local governments in areas with high concentrations of foreign residents. The agreements are mainly intended to disseminate local information through the app. Information about living in these areas, disaster information, and so forth is disseminated in multiple languages through the app to residents to help customers live safely and conveniently in Japan. As of the end of March 2021, we have concluded agreements with 13 local government organizations.

In addition, Seven Global Remit, a subsidiary of Seven Bank, started an overseas remittance service for Vietnam in March 2021, using the "Sentry" smartphone app to cater to customer demand for those wishing to send money simply, conveniently, and with reasonably-priced processing fees. This allows cash to be charged (deposited) at more than 25,000 Seven Bank ATM machines throughout Japan, to easily remit money overseas from a "Sentry" application account.

Development of ATMs Easy to Use Even for Customers with Disabilities

Seven Bank is making daily progress on the ATM functions and services so that all customers can use them with confidence. With its voice guidance service, which is mainly for customers with visual disabilities, users can make a transaction by following voice instructions delivered through an intercom phone installed on the ATM to operate the buttons on the phone. Customers with the cash cards of over 500 affiliated partner financial institutions can use this service. The system of voice guidance was developed after soliciting feedback from people with visual disabilities and testing its operability. Furthermore, ATMs in 7-Eleven stores are installed with cane and drink holders to make them easy for anyone to use.



Voice guidance service



ATM with cane and drink holders