



SEIJO ISHII

Company Profile

Management philosophy

Quality food for a quality life.

Quality food for a quality life. Seijo Ishii travels Japan and the world to discover and create products that are delicious, high quality, safe and secure. We emphasize the appeal of our products, so that our customers can discover the joy of eating, the joy of quality, the joy of conversation and the joy of gathering together. We have made a food-lifestyle supermarket for people who care about food to achieve our goal of creating a society that is overflowing with happiness.



Meeting the expectations of our customers

We want to deliver delicious food to our customers' dinner tables. To this end, Seijo Ishii is highly particular about taste and quality, and we make it our business to offer our customers products that are a half step ahead. New products and services are created by looking through the eyes of our customers, listening to their views and placing importance on every conversation that we have with them. Seijo Ishii is a supermarket that has been "raised by its customers."

To deliver delicious food not only from Japan but from around the world, we have established an original Seijo Ishii system that includes everything from product procurement to logistics and store development. We are continuously making efforts to provide truly delicious products at reasonable prices.

The wish of each of our employees is to have happy customers and this is the source of our strength, and what has made Seijo Ishii the strong brand that it is today. All of us at Seijo Ishii will continue to strive to meet the expectations of our customers.

Akihiko Hara
President

原 昭彦

Seijo Ishii's history

In 1927 Seijo Ishii started its business as a grocery store selling fruit, canned goods and snacks in the Seijo area of Tokyo - an area known for its rich culture. To meet the requirements of our customers, we gradually added different products such as wine, cheese, pre-prepared foods, and grocery items, and in 1976 we were reborn as a supermarket.

Today, with over one hundred stores, we have created a relationship of trust with our customers who know that if they come to Seijo Ishii, they can find new products and buy truly delicious food at reasonable prices.

Seijo Ishii will continue to be a supermarket that prioritizes the needs of the customer.

February 1927: Grocery store established in Seijo, Setagaya ward, Tokyo.

December 1976: The rebuilt Seijo branch opens and starts operating as a supermarket.

May 1995: Tokyo Europe Trading Co., Ltd. established.

October 1996: Seijo Ishii's food processing factory, Central Kitchen, begins operations.

October 1997: Seijo Ishii's first store inside a railway station opens at "Atré Ebisu."

October 2006: The Seijo branch is renewed as part of the 80th anniversary of Seijo Ishii's establishment.

April 2012: The Kanto Logistics Center, with its constant temperature and constant humidity warehouse, begins operations.

March 2013: Seijo Ishii opens its one-hundredth store, the Aeon Mall Musashi-Murayama store.

October 2013: Seijo Ishii opens a new type of store, the Epicerie Bonheur Seijo Ishii Otemachi store.

December 2013: Seijo Ishii opens its first wine bar, Le Bar à Vin 52 in Azabu, Tokyo.



The Seijo store in 1976.



The current Seijo store.

The system that delivers delicious food

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Photo provided by Consorzio Del Formaggio Parmigiano-Reggiano

Finding unique products with the right taste and quality

The reason that our buyers go directly to the production source and personally check products is so that we can be sure the products match the philosophy and standards of Seijo Ishii. To deliver our products in the best possible condition, we use Seijo Ishii's original selection methodology to determine factors such as quality, quantity, and cost.

We also go to trade shows around the world and communicate with vendors to discover new products and ideas. In order to make safe and secure products, it is also not unusual for us to use materials that are normally too costly in our original recipes when placing orders with manufacturers.

Wines selected by oenologists with expert knowledge of wine production

Seijo Ishii has been importing wines directly for over 20 years, and today directly imports over 95 percent of the wines it sells. We sell over 2.5 million bottles a year from expensive Grand vin to affordable table wines. We also produce our own original brand wine in cooperation with overseas wineries.

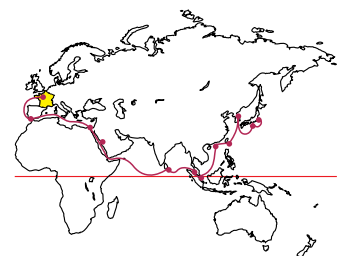
Seijo Ishii is the only company in the industry to

hire oenologists (wine production experts), who are said to have a higher status than sommeliers in wine producing areas. Our oenologists apply their skills to selecting vineyards, checking production processes and professionally assessing each wine, resulting in the selection of wines that simply taste delicious, regardless of price.

From vineyard to store, our wines are protected every step of the way

Wines can be adversely affected by heat, light and vibration, and require delicate handling when being transported. Ships passing near the equator face outside temperatures of more than 40°C, with temperatures onboard reaching 70° C degrees or more. From the very beginning, Seijo Ishii has been importing wines using reefer (temperature-controlled) containers, so that the wines do not come into contact with external light and temperature variations during shipping.

Seijo Ishii has created a fully controlled logistics environment that enables the delicious flavors of our wines to be delivered straight from the vineyard to Seijo Ishii store shelves. These efforts are highly appreciated by the wineries as well as the hotels and restaurants that are our customers.



Reefer containers

Containers with refrigeration and freezing capability used to transport perishable commodities long distances at controlled temperatures. To maintain the quality of its products, Seijo Ishii uses reefer containers not only for wines that pass near the equator, but for all of the wines it imports directly.



Working with professionals in all fields to create something new

Seijo Ishii develops original products to meet our customers' high expectations of finding something new and delicious at Seijo Ishii that they cannot find elsewhere. When we cannot source the product we want to provide our customers, we work with experienced food professionals to make the products that we envision.



For the "Shun (Seasonal) Jam" series, Seijo Ishii fine-tunes the production method for each type of fruit to bring out the best flavor.



**Seijo Ishii milk
- preserving the natural flavor**

People often dislike milk because they find its odor unpleasant. Seijo Ishii has removed this unpleasant odor to provide a more natural taste. One of the reasons milk has an unpleasant odor to some people is that high-temperature pasteurization burns some of the proteins. Therefore, instead of the conventional pasteurization process of 120° C for two seconds, we use a low temperature pasteurization method of 65° C for 30 minutes to maintain the original taste of fresh milk. In addition, the only fresh milk that we use comes from dairy farmers in Azumino, Nagano prefecture who produce the high quality milk required for low temperature pasteurization.

**Taste is the top priority
- Seijo Ishii's Kishu nankobai plums,
"Umimiraku"**

It is said that the best plums come from Kishu (Wakayama Prefecture), and Kishu is a major area of production, accounting for more than half of all the plums produced in Japan. Seijo Ishii selects only the largest and easiest to eat Kishu plums, and packages each one separately.

Nankobai plums are large and have a lot of flesh because of their thin skins and small pits. They are seen as a top brand with the highest quality. We take these pickled plums and soak them in astragalus honey, resulting in a pickled plum flavor that has the sweetness of honey but with a fresh sour finish. These pickled plums only contain about five percent salt, so they are also suitable for people watching their salt intake.

**Developing products
that are a half step ahead
- Seijo Ishii's "Shun (Seasonal) Jam"**

Fruits have seasons. To highlight this, Seijo Ishii's "Shun Jam" is made using fresh, seasonal fruits. We launched our Shun Jam series with Apple Cinnamon Jam. To maintain the texture of the apples in the jam while blending in the cinnamon, we used fresh Shinshu apples. We also studied the best size to cut the apples to create the perfect balance. This jam, which tastes like apple pie, is very popular because there was never anything like it before. It was an immediate hit and continues to set new sales records.



Package design

Product packaging is a means of informing the customer who made the product and what the product is. At Seijo Ishii, we place more emphasis on what the product is rather than who made it. This is because we want our customers to select our products based on the appeal of the product itself and its taste. Because the message we want to deliver differs for each product, we do not use a common design. Rather, our designs communicate how delicious the product tastes.



Homemade at Seijo Ishii

At Seijo Ishii, we believe in delivering freshly made products. Seijo Ishii's Central Kitchen is the embodiment of this ideal. We understand that to make food that everyone will find delicious, we must make the food ourselves. Our Central Kitchen uses professional equipment to make products that taste like they've just come out of the kitchen at home.



Seiji Ishii's Central Kitchen, equipped with professional food making facilities, was opened in 2004 in Machida, Tokyo.



| Using only the best ingredients

Seijo Ishii built the Central Kitchen to fulfill our wish of providing customers with delicious and safe products. The food is prepared under hygienic conditions certified by the Tokyo Metropolitan Food Hygiene Self-Managing Certification system and using the most stringent temperature controls.

Most of the processes are executed by hand by skilled cooks and technicians. From the preprocessing of vegetables and meats to cooking, arranging and packaging, each step is carried out with great care.

These products are delivered fresh to our stores every day, so that our customers can enjoy the homemade taste of this carefully selected and prepared food.

| Five hundred items a year and a new product almost everyday

New Seijo Ishii products are planned and developed by staff at our headquarters and the cooks at the Central Kitchen. We make about 500 new products a year, which works out to more than one new product every day. We make our bread starting from flour and our dim sum dumplings starting from the skins. Everything

is made in-house. For example, it took six years before we were satisfied with the texture of our boiled Chinese dumplings.

These efforts have paid off not only in sales, but also in industry recognition. We won the grand prize for prepared food at the "Supermarket Trade Show 2014" and our hams and sausages have won grand prizes at prestigious meat contests around the world.

| Stringent safety standards

Seijo Ishii's philosophy of pursuing delicious food that is both safe and secure is applied without fail to the products made at the Central Kitchen.

Raw materials undergo strict inspections from the planning stage as part of Seijo Ishii's compliance system for preventing incidents and accidents that covers all processes. This system is implemented rigorously by all employees, who are taught that products must be made with utmost care and only complete and good products can be shipped; that defective products are worthless and not products; and that doubtful products must not be shipped.

For products made for us by subcontractors, our quality control personnel check each subcontractor before production starts to make sure that they meet Seijo Ishii's strict safety standards.



Pork wieners

Seijo Ishii's original wieners have won the gold medal at the world's most prestigious contest held in Germany, the SUFFA. This prize is not awarded unless a product gains full points in each of about 200 judging categories. We have also received the gold medal at the long-running German Agricultural Cooperative (DLG) contest. Seijo Ishii's sausages are made using traditional German techniques and everything from the machines used to mix and form the sausages to the salt (Alpensalz) and wood chips used for smoking are from Germany.

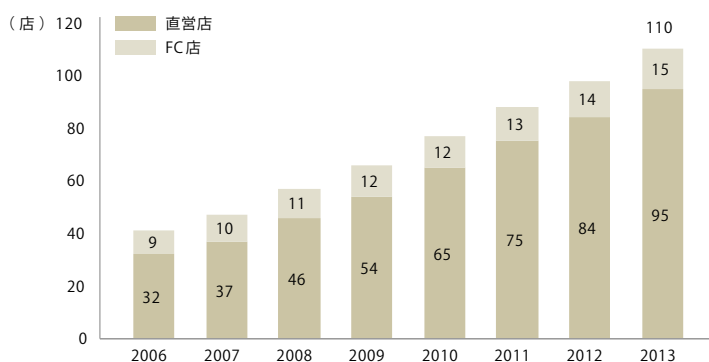


Shin-Yokoyama Prince PePe store

Making delicious food accessible to everyone

Seijo Ishii manages its stores in a variety of ways to keep pace with changing trends in food and to increase the satisfaction of its customers. In 1997 Seijo Ishii was the first supermarket to open a branch in a railroad station building, JR Ebisu station. In 2011, we opened a branch at the Tomei Highway Ebina Service Area (for Tokyo bound traffic). We are determined to continue implementing new store formats to meet, and exceed, the expectations of our customers.

【店舗数推移】



More than thirty years have passed since we opened our Seijo store in 1976, and today we have over one hundred stores.



Kakinokizaka store



Atré Ebisu store



Aeon Mall Musashi-Murayama store



Ebina Service Area store

Why can Seijo Ishii create many different stores?

We opened Japan's first in-station supermarket at JR Ebisu station in 1997. Since then, Seijo Ishii has opened stores in a variety of formats. We believe it is very important to do away with fixed concepts so that we have the flexibility to open and develop stores on different sized plots, with different shapes and in different surrounding environments.

In addition to stores that offer a full lineup of select and original products, we also have stores that carry a limited variety of fresh products, stores that carry only grocery items, and smaller convenience-type stores. All in all, our stores range in size from about 66 square meters to 660 square meters.

When we open a new store, our major concern is finding a location that will allow us to make daily deliveries so that quality does not suffer and so that we do not have to depend on preservatives.

Reaching more customers

Seijo Ishii is committed to ensuring that our select products reach more customers. We retail our products at hotels, other supermarkets and convenience stores, and sell our products

wholesale to restaurants. All products are selected according to the same strict standards we use for our own stores, and all products have the same high quality and have been made using the same processes.

We have also developed an e-commerce (Internet) presence. Customers who do not live near a Seijo Ishii store can buy wine, cheese, Seijo Ishii sweets and other products online.

Spreading a new culinary culture

"Epicerie Bonheur, Seijo Ishii, Otemachi" is a store that opened in the Otemachi district in October 2013. This is a concept store that mainly sells black tea and herb tea from around the world to women in their twenties and thirties who enjoy a slightly upscale lifestyle.

Seijo Ishii has also open a wine bar, "Le Bar à Vin 52 Azabu Tokyo, Seijo Ishii," at which customers can enjoy high quality wine and food from around the world at reasonable prices. Many of the wines and foods featured at the wine bar can also be bought at Seijo Ishii supermarkets. This store was opened for both our regular customers and new customers, to introduce them to the appeal that is Seijo Ishii.

New store formats



Epicerie Bonheur, Seijo Ishii, Otemachi

The name "Epicerie Bonheur" means "happy grocery store" in French. This store stocks about 2500 homemade delicatessen products, homemade food items, organic meals and other products. Of these, about 250 items have been developed especially for this store.



Le Bar à Vin 52 Azabu Tokyo, Seijo Ishii

This is a wine bar at which customers can enjoy over 120 types of wine from around the world selected by our professional buyers and oenologists. We also take advantage of our position as a supermarket to offer a weekly changing food menu based on seasonal ingredients.



Delivering deliciousness straight to the customer

Our center for delivering fresh and delicious food is the Kanto Logistics Center located in Kanagawa Prefecture. Almost all of our products, excluding fresh produce, are collected at this center. This center is responsible for logistics for all of our stores. All products are stored at their optimum temperatures and because shipments are frequent, the perfect environment is maintained to deliver fresh food to our customers.



The Kanto Logistics Center located in Samukawamachi, Koza-gun, Kanagawa. Several warehouses were integrated into this single facility in 2012.



A state-of-the-art warehouse storing products under the best possible conditions

To deliver products in the best possible condition, they must be stored and transported in a stable environment. The Kanto Logistics Center stores products under optimum conditions by providing constant temperature and constant humidity storage and applying different temperature ranges, such as frozen, refrigerated and dry.

Wine, chocolate and other products that are temperature and humidity sensitive can be stored under ideal conditions, and because customs inspections can be conducted at the Center, shipping times for wine and other products are reduced, thereby preventing deterioration in quality.

IT-based management

All of the products stored at the Kanto Logistics Center are managed by IT. Comprehensive information about each product is available at the touch of a button, including the source of the product, when it was delivered, its best-before date, and the number in stock. Imported products can undergo customs clearance and quality inspections in the Center. Products must pass a

stringent visual inspection to assure quality and prevent defective products from being shipped to stores and clients (wholesale customers).

During shipment, the IT-managed information is read using bar code readers, providing warehouse staff with complete information about each product, including which products are on either side on the warehouse shelves. In this way, errors such as wrong products or short orders can be avoided.

Logistics system allowing small and frequent deliveries to maintain store inventory

Because our stores in stations and other buildings in large cities have limited storage space, we make two or more deliveries a day to maintain stock.

This eliminates the need to carry extra stock, and because we can make even single-item deliveries, our store shelves are always fully stocked.



Thorough temperature and humidity control

Seijo Ishii sells over 2.5 million bottles of wine per year. We have a temperature and humidity controlled warehouse that is computer controlled to maintain the temperature at about 15° C and 60 percent humidity, providing an environment that is equivalent to a wine cellar.

Motor-driven wine racks maximize the use of space, allowing 1.5 million bottles to be stored. Regardless of price, all of our wine is stored in the best possible environment.



Employing people who understand delicious food

Seijo Ishii employs people who care about food. Because our staff love food and have very discerning taste buds, they are interested to learn more. In understanding what is really delicious, they are able to suggest products to customers. The people who work for Seijo Ishii feel joy in helping to broaden people's culinary experiences.



To meet Seijo Ishii's demanding service standards, many employees take part in the wine and cheese schools organized by Seijo Ishii every year.



| Experience, learn, promote

The essential job of Seijo Ishii staff is to listen to customers and suggest the best products. In addition to on-the-job training, once a month managers, interested employees and buyers meet for half a day to share product information and sample new products.

Two overseas seminars are held annually to give selected employees an opportunity to visit producers and learn first-hand about production processes. They then use the knowledge they gain to talk to customers and convey why the products are so good, and in doing so, promote the joy of eating.

| Gaining specialized knowledge

Because Seijo Ishii has considerable experience and a long history with wines and spirits, as well as cheese, coffee and black tea, we conduct special in-house seminars focusing on these products.

At the wine school, specialists from vocational schools are invited to give lectures. Participants taste up to 80 different wines and learn how to describe the tastes and the types of food that are best suited to each wine, so that they can make suggestions to customers. At the cheese

school, Seijo Ishii staff learn about the features of different cheeses from around the world, so that they can better describe them to their customers. Seijo Ishii also has an e-learning system that is implemented by using the Seijo Ishii intranet. In-depth information about many different products, customer service know-how, food labels and other subjects can be studied using this system.

| Polishing our customer service skills

To help employees improve their customer service skills, Seijo Ishii holds an in-house customer service contest, and also provides support for acquiring qualifications such as the Cashier Skill Test (a test that certifies cashier skills and qualities) and sommelier qualifications. The "Cashier Skill Test, First Class" is very difficult and in addition to accuracy and speed, it also tests human resource training and advanced customer service skills. Less than ten percent pass this test, but Seijo Ishii has the highest number of certified employees in the industry, and Seijo Ishii accounts for about ten percent of all those certified.

Through this type of training, each employee is able to objectively understand the level of their own service quality, allowing them to improve their skills.



The "Five Star" contest

This is an annual customer service contest in which over two hundred employees participate in the sales category and cashier (cash register and accounting) category. The contest is not limited to full-time employees, and many contract employees, hourly employees and part-time employees also take part. Role playing is used to gain skills in making product suggestions to customers, and in the cash register and accounting category, work accuracy and speed are also factored in. Winners are given the chance to take part in overseas seminars.

CSR that reflects the values of Seijo Ishii

In April 2014, Seijo Ishii established an internal CSR committee. While the overall mission of Seijo Ishii is to provide high quality, high value-added and safe products, the goal of this committee is to meet our wide-ranging social responsibilities and improve our relations with society as a whole.

Because we are part of an industry that requires a physical presence - stores - in many locations, conserving energy and resources is a major focus of our CSR activities. But in addition to this, we also implement CSR policies other business activities, such as locating stores, cooperating and coordinating with local producers, corporate governance and employment.

Seijo Ishii is a company whose raison d'être is to provide joy and happiness by offering delicious food - which is the core of human life - that is safe and secure. We are therefore committed to creating relationships of trust with all our stakeholders, including our employees, and society as a whole.

CSR activities

| Environment

Seijo Ishii is aggressively promoting 3R (reduce, reuse, recycle) activities at all stores and offices. We have been successful in cutting CO2 emissions by reducing power consumption through the use of LED lighting and improving the management efficiency of our logistics center and other facilities.

| Society

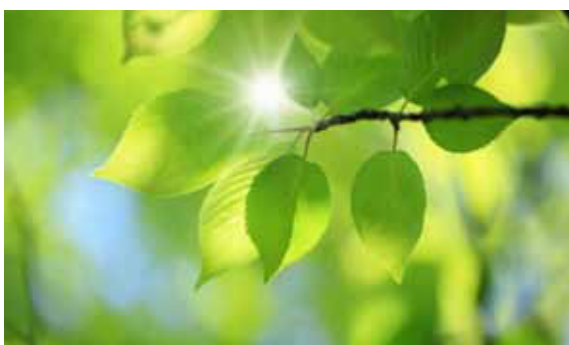
Seijo Ishii donates a percent of its revenue to the Great East Japan Earthquake recovery effort through the Japanese Red Cross. Seijo Ishii is also the first Japanese company to participate in the environmental preservation activities of the Fundacion Galapagos Ecuador, and contributes actively to the Green Feather Campaign conducted by the Japanese government.

| Community

Seijo Ishii's head office is located in Yokohama, the home of the Yokohama F.C. football team, a member of the Japan Professional Football League. Since July 2013, Seijo Ishii has been participating in the "Daddy Long Legs Dream Seat" program in which children from Kanagawa prefecture elementary schools and children's homes are invited to home games.

| Economy

To provide safer and more delicious products, Seijo Ishii procures products directly from many regions. As part of these procurement activities, Seijo Ishii develops partnerships and shares know-how with suppliers to help revitalize local areas.



Company Overview

Name: SEIJO ISHII CO., LTD.
Established: February 1927
Capitalization: 5.25 billion yen
Representative: Akihiko Hara, President
Business fields: Supermarkets, importing, wholesales, food production, restaurants
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