Seven & i Holdings Co., Ltd.

FY2023
Financial Results Presentation

April 10, 2024

Good evening, ladies and gentlemen. My name is Isaka, President and Representative Director of Seven & i Holdings.

Allow me to express our sincerest appreciation for your continued understanding and support for the Seven & i Group's corporate activities.

Today's presentation is being livestreamed as usual, but this is our first time in four-and-a-half years holding an IR event in a physical venue. In fact, the last time was October 2019.

Some media outlets have reported today a decision at Seven & i Group's Board of Directors meeting to sell a portion of shares in Ito-Yokado. However, these reports have no factual basis whatsoever, so allow me to use this opportunity to clearly deny these rumors.

Executive Summary of FY2023 and FY2024

- ✓ Operating income for FY2023 consolidated financial results achieved record highs
- ✓ Achieve record highs in operating income and net income centered on Domestic and Overseas CVS operations in response to changes in the external environment in FY2024
- ✓ Execute action plans to maximize corporate and shareholder values

I would now like to start with the executive summary.

For the full fiscal year 2023, we achieved a record high in operating income. While changes in the consumption environment in Japan and the U.S. starting in the latter half of fiscal year 2023 have made way for a very challenging business environment, in fiscal year 2024, we will further accelerate our response to these changes - a response in the form of initiatives we have been implementing already.

Through these, we would like to achieve record highs in both operating income and net income.

I would also like to explain the implementation of our action plan to maximize the Group's corporate and shareholder values over the medium and long term.

TODAY’S AGENDA

1. FY2023 Results
2. FY2024 Forecasts
3. Management Policy
   Domestic CVS Operations, Overseas CVS Operations, Superstore Operations & Group Strategies

This constitutes today’s agenda.
Mr. Maruyama, Chief Financial Officer at Seven & i Holdings, will explain the business results for fiscal year 2023 and the forecasts for fiscal year 2024.

This will be followed by an overview of the management policy for Domestic Convenience Store (hereafter shortened to CVS) Operations from Mr. Nagamatsu, an overview of management policy for Overseas CVS Operations from Mr. DePinto, CEO at 7-Eleven, Inc., an overview of progress and results of the fundamental transformation of SST operations from CFO Maruyama, and lastly, I will be going over our Group Strategy.

I would now like to yield the floor to Mr. Maruyama, who will be going over fiscal year 2023 results and the fiscal year 2024 forecasts.

TODAY'S AGENDA

1. FY2023 Results
2. FY2024 Forecasts
3. Management Policy
   Domestic CVS Operations, Overseas CVS Operations,
   Superstore Operations & Group Strategies

My name is Maruyama, Chief Financial Officer at Seven & i Holdings.
First, I would like to start by explaining the business results for fiscal year 2023.

FY2023 Consolidated Results Highlight

(Billions of yen, %)

	FY2022	FY2023	YOY	Change	vs. initial plan	Change
Group's total sales*1	17,842.6	17,789.9	99.7	(52.7)	102.2	+384.9
Revenues from operations	11,811.3	11,471.7	97.1	(339.5)	103.0	+330.7
Operating income	506.5	534.2	105.5	+27.7	104.1	+21.2
Ordinary income	475.8	507.0	106.6	+31.1	105.6	+27.0
Net income attributable to owners of parent	280.9	224.6	79.9	(56.3)	78.8	(60.3)
EPS (yen)	106.05	84.88	80.0	(21.17)	78.9	(22.69)
EPS before amortization of goodwill (yen) *2	148.58	130.19	87.6	(18.40)	86.8	(19.83)
Adjusted*3						
Net income attributable to owners of parent	280.9	288.3	102.6	+7.3	101.2	+3.3
EPS (yen)	106.05	108.96	102.7	+2.91	101.3	+1.40
EPS before amortization of goodwill (yen) *2	148.58	154.27	103.8	+5.69	102.8	+4.25

*1 Group's total sales include the sales of franchisees of Seven-Eleven Japan, Seven-Eleven Okinawa and 7-Eleven, Inc.
*2 EPS before amortization of goodwill: (Net income attributable to owners of parent + Amortization of goodwill) / Average shares outstanding during the period
*3 Adjusted figures for the effects of the transfer of the shares of Sogo & Seibu and Barneys Japan
Notes) 1. Exchange rate: 1USD=140.67JPY, 1CNY=19.82JPY
2. "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied since the fiscal year ended February 28, 2023
3. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS" and "EPS before amortization of goodwill" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

Slide 5 contains the highlights of consolidated financial results for fiscal year 2023.

Revenues from operations were 11 trillion 471.7 billion yen, corresponding to 97.1% of the previous year, and up 330.7 billion yen from the plan at the beginning of the fiscal year.
Operating income was 534.2 billion yen, corresponding to 105.5% of the previous year, and up 21.2 billion yen from the plan at the beginning of the fiscal year. Operating income reached a record high.

Net income attributable to owners of parent was 224.6 billion yen, corresponding to 79.9% of the previous year, and to 78.8% of the initial plan. These results were mainly due to the recording of special losses derived from the transfer of shares of Sogo & Seibu, etc.

Net income on an adjusted basis excluding the one-off impact of the transfer of shares of Sogo & Seibu and Barneys Japan was 288.3 billion yen, corresponding to 102.6% of the previous year, and to 101.2% of the initial plan. Please understand that this is the highest profit level ever and that we are steadily improving our earnings power.

Additionally, a weaker yen had a positive impact of 19.2 billion yen on operating income.

FY2023 Revenues from operations, Operating Income and EBITDA by Operating Segment (YOY)

(Billions of yen, %)

	Revenues from operations		Operating income		EBITDA	
		YOY/Change		YOY/Change		YOY/Change
Consolidated	11,471.7	97.1 (339.5)	534.2	105.5 +27.7	1,054.9	106.0 +59.6
Domestic CVS operations	921.7	103.5 +31.4	250.5	108.0 +18.5	340.7	107.3 +23.1
Overseas CVS operations	8,516.9	96.3 (329.2)	301.6	104.1 +11.9	624.5	105.6 +33.1
Superstore operations	1,477.3	101.9 +28.2	13.5	109.6 +1.1	53.7	105.6 +2.8
Financial services	207.4	106.8 +13.1	38.1	102.8 +1.0	73.0	104.8 +3.3
Others	411.3	84.2 (76.9)	2.6	103.6 +0.09	13.5	75.3 (4.4)
Eliminations/Corporate	(63.0)	- (6.1)	(72.3)	- (5.0)	(50.7)	- +1.6

Note) Exchange rate: 1USD=140.67JPY, 1CNY=19.82JPY

Slide 6 shows a year-over-year comparison of revenues from operations, operating income, and EBITDA, by segment.

Revenues from operations were also down on a consolidated basis due to lower revenues in Overseas CVS Operations, as a result of the calming of retail fuel prices in the U.S., which were at historic highs in fiscal year 2022.

Regarding operating income, our Overseas CVS Operations were also significantly affected by historic high fuel cents per gallon levels in fiscal year 2022. However, we secured an increase in income due to gross profit growth from merchandise, reduced SG&A expenses from our cost leadership initiatives, and the positive impact of foreign exchange rates.

In addition, each segment within our operations in Japan - especially Domestic CVS Operations - secured profit growth, driving overall growth.

Income decreased year-over-year in Eliminations and Corporate, mainly due to an increase in depreciation expenses resulting from increased investments related to the Group’s common infrastructure.

EBITDA increased by 59.6 billion yen on a consolidated basis, driven by Domestic and Overseas CVS Operations.

FY2023 Revenues from operations, Operating Income and EBITDA by Operating Segment (vs. Plan)

(Billions of yen, %)

	Revenues from operations		Operating income		EBITDA	
		vs. Initial plan/Change		vs. Initial plan/Change		vs. Initial plan/Change
Consolidated	11,471.7	103.0 +330.7	534.2	104.1 +21.2	1,054.9	104.5 +44.9
Domestic CVS operations	921.7	100.0 (0.29)	250.5	102.7 +6.5	340.7	101.9 +6.3
Overseas CVS operations	8,516.9	104.1 +334.9	301.6	101.7 +5.1	624.5	103.8 +22.6
Superstore operations	1,477.3	99.6 (6.6)	13.5	93.7 (0.91)	53.7	97.3 (1.4)
Financial services	207.4	99.7 (0.52)	38.1	113.9 +4.6	73.0	106.9 +4.6
Others	411.3	100.8 +3.3	2.6	- +2.5	13.5	222.8 +7.4
Eliminations/Corporate	(63.0)	- (0.06)	(72.3)	- +3.2	(50.7)	- +5.2

Note) Exchange rate: 1USD=140.67JPY, 1CNY=19.82JPY

Slide 7 shows a comparison versus the initial plan at the beginning of the fiscal year - for the various revenue and income line items and on a per-segment basis.

Operating income and EBITDA exceeded initial plan estimates in all segments except for SST Operations.

Consolidated Financial KPI

	FY2022 Results	FY2023 Initial plan	FY2023 Results
EBITDA	¥995.3 B	¥1,010.0 B	¥1,054.9 B
Operating cash flow (excl. financial services)	¥832.8 B	¥834.5 B	¥778.3 B
Free cash flow level (excl. financial services)	¥474.0 B	¥427.7 B	¥391.6 B
ROE	8.7 %	8.2 %	6.2 % (Adjusted) 7.9 %
ROIC (excl. financial services)	5.2 %	5.2 %	4.1 % (Adjusted) 5.1 %
Debt/EBITDA ratio	3.0 x	2.6 x	2.6 x
EPS	¥106	¥107	¥84 (Adjusted) ¥108

Notes) 1. Adjusted figures for the effects of the transfer of the shares of Sogo & Seibu and Barneys Japan
2. ROIC (excl. financial services): {Net income + Interest expense x (1 - Effective tax rate)} / {Owner's equity + Interest-bearing debt (both the averages of the figures at the beginning and the end of each fiscal year)}
3. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

Slide 8 shows the actual results for fiscal year 2023, in terms of consolidated financial KPIs.
As for quantitative indicators, EBITDA exceeded the initial plan thanks to increased cash generation capabilities in Domestic and Overseas CVS Operations.

On the other hand, operating cash flow and free cash flow (both excluding financial services) fell short of the initial plan forecasts. That said, we are confident that this does not mean a decrease in operating cash flow from our core business, as rather, the main reason behind this were temporary fluctuations in accrued expenses and accounts receivable as of the end of the fiscal year, and a decrease in deposits.

I would like to state clearly that our ability to generate operating cash flow in our core business has been steadily increasing.

In terms of qualitative indicators, ROE and ROIC came in slightly below the initial plan forecast, even after adjusting for the impact of the transfer of shares of Sogo & Seibu and Barneys Japan.

This was due to a lower-than-expected net income performance on a U.S. dollar-denominated basis from 7-Eleven, Inc., as well as an increase in special losses due to the execution of store-related measures within the scope of the fundamental transformation of SST operations.

Debt/EBITDA ratio, which we position as a financial soundness indicator, was in line with the initial plan, due to the planned repayment of debt and the closing of the Sogo & Seibu transaction.

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Next, I would like to talk about the fiscal year 2024 forecasts.

FY2024 Consolidated Financial Forecasts

(Billions of yen, %)

	Amount	YOY	YOY change
Group's total sales	17,815.0	100.1	+25.0
Revenues from operations	11,246.0	98.0	(225.7)
Operating income	545.0	102.0	+10.7
Ordinary income	502.0	99.0	(5.0)
Net income attributable to owners of parent	293.0	130.4	+68.3
EPS (yen)	112.05	132.0	+27.18
EPS before amortization of goodwill (yen)	162.53	124.8	+32.35
EBITDA*	1,102.0	104.5	+47.0

* EBITDA: Operating income + Depreciation and amortization + Amortization of goodwill

Notes) 1. Exchange rate: 1USD=145.00JPY, 1CNY=19.00JPY

2. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS" and "EPS before amortization of goodwill" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

Slide 10 shows the consolidated financial forecasts for fiscal year 2024, which we have posited as a pivotal year toward achieving the goals of the Medium-Term Management Plan for fiscal year 2025.
In terms of revenues from operations, we expect 11 trillion 246 billion yen, corresponding to 98.0% of the previous year, 545 billion yen in operating income, corresponding to 102.0% of the previous year, and 293 billion yen in net income, corresponding to 130.4%.
Operating income and net income are expected to be the highest ever, despite the decrease in revenues from operations.

EPS and EBITDA are also expected to exceed fiscal year 2023 results, and foreign exchange effects are expected to have a positive impact of 9.2 billion yen on operating income, out of a total year-over-year increase of 10.7 billion yen.

FY2024 Forecasts by Operating Segment

(Billions of yen, %)

	Revenues from operations		Operating income		EBITDA	
		YOY/Change		YOY/Change		YOY/Change
Consolidated	11,246.0	98.0 (225.7)	545.0	102.0 +10.7	1,102.0	104.5 +47.0
Domestic CVS operations	943.0	102.3 +21.2	260.0	103.8 +9.4	356.2	104.5 +15.4
Overseas CVS operations	8,410.0	98.7 (106.9)	318.7	105.7 +17.0	663.5	106.2 +38.9
7-Eleven, Inc. [Millions of dollar]*	57,210	95.7 (2,568)	2,930	104.0 +113	4,374	102.8 +117
Superstore operations	1,448.0	98.0 (29.3)	18.6	136.9 +5.0	62.7	116.7 +8.9
Financial services	210.0	101.2 +2.5	36.0	94.3 (2.1)	75.8	103.7 +2.7
Others	310.0	75.4 (101.3)	1.7	63.2 (0.98)	8.7	64.0 (4.8)
Eliminations/Corporate	(75.0)	- (11.9)	(90.0)	- (17.6)	(64.9)	- (14.1)

* Figures are shown on SEI consolidated basis.
Note) Exchange rate: 1USD=145.00JPY, 1CNY=19.00JPY

Slide 11 contains the forecasts by operating segment.
In fiscal year 2024, we expect an increase in sales and income from Domestic CVS Operations, as we will be executing measures to grow customer foot traffic at our stores.

Regarding Overseas CVS Operations, we expect a decrease in revenue resulting from a decline in fuel retail prices. However, we expect to increase operating income through improved profitability by enhancing our proprietary product offerings at 7-Eleven, Inc. and executing cost leadership initiatives.

In SST Operations, while revenues from operations will decline, we expect an increase in operating income through the solid implementation of the fundamental transformation of SST operations in the Tokyo metropolitan area.

These initiatives will be explained in more detail later.

FY2024 Consolidated Financial Forecasts (1H and 2H)

(Billions of yen, %)

	1H	YOY	YOY change	2H	YOY	YOY change
Group's total sales	8,893.0	102.3	+199.1	8,922.0	98.1	(174.0)
Revenues from operations	5,606.0	101.1	+58.9	5,640.0	95.2	(284.7)
Operating income	222.0	92.1	(19.1)	323.0	110.2	+29.8
Ordinary income	201.0	88.6	(25.8)	301.0	107.4	+20.7
Net income attributable to owners of parent	111.0	138.4	+30.7	182.0	126.0	+37.6
EPS (yen)	42.44	140.2	+12.17	69.61	127.5	+15.01
EPS before amortization of goodwill (yen)	67.30	129.4	+15.28	95.24	121.8	+17.07
EBITDA	497.0	100.1	+0.53	605.0	108.3	+46.5

Notes) 1. Exchange rate: 1H 1USD=146.00JPY, 1CNY=19.00JPY Full-Year 1USD=145.00JPY, 1CNY=19.00JPY
2. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS" and "EPS before amortization of goodwill" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

Slide 12 contains a breakdown of the consolidated financial forecasts for the first and second halves of fiscal year 2024.

Starting in the second half of fiscal year 2023, the impact of changes in consumption sentiment began to be felt in Japan and the U.S. In fiscal year 2024 - especially in the first half - we expect this impact to remain, to a certain extent.

Under such circumstances, while revenues from operations are expected to decline in the second half due to a drop in fuel retail prices, we do expect to secure a year-over-year increase in operating income on a full-year basis, through the solid implementation of our business strategies.

Therefore, on a consolidated basis, while we do expect a decline in first-half operating income results, we expect this to turn into a significant year-over-year increase in the second half, through the swift execution of measures bearing positive results going forward.

Ultimately, we expect a year-over-year increase in operating income on a full fiscal year basis.

FY2024 Operating Income Forecasts by Operating Segment (1H and 2H)

(Billions of yen, %)

	1H			2H		
		YOY	YOY change		YOY	YOY change
Consolidated	222.0	92.1	(19.1)	323.0	110.2	+29.8
Domestic CVS operations	139.0	100.4	+0.49	121.0	108.0	+8.9
Overseas CVS operations	108.0	95.7	(4.8)	210.7	111.6	+21.9
7-Eleven, Inc. [Millions of dollar]*	1,098	94.0	(70)	1,831	111.1	+183
Superstore operations	2.0	45.1	(2.4)	16.6	181.3	+7.4
Financial services	20.0	100.0	+0.00	16.0	88.0	(2.1)
Others	0.00	-	(2.4)	1.7	699.1	+1.4
Eliminations/Corporate	(47.0)	-	(9.9)	(43.0)	-	(7.7)

* Figures are shown on SEI consolidated basis.
Note) Exchange rate: 1H 1USD=146.00JPY, 1CNY=19.00JPY Full-Year 1USD=145.00JPY, 1CNY=19.00JPY

Slide 13 shows the consolidated forecast by operating segment for the first and second halves of fiscal year 2024.

Domestic and Overseas CVS Operations will lead a performance recovery in the second half, and the heads of each of the Seven & i Group’s key businesses will be going over concrete initiatives later on in today’s presentation.

Consolidated Financial KPI

	FY2023 Results	FY2024 Forecasts	FY2025 Medium-Term Management Plan target
EBITDA	¥1,054.9 B	¥1,102.0 B	¥1.1 T or more
ROE	6.2 % (Adjusted) 7.9 %	7.8 %	11.5 % or more
ROIC (excl. financial services)	4.1 % (Adjusted) 5.1 %	5.5 %	8.0 % or more
Debt/EBITDA ratio	2.6 x	2.3 x	1.8～2.5 x Updated
EPS	¥84 (Adjusted) ¥108	¥112	18 % or more (CAGR)

Notes) 1. Adjusted figures for the effects of the transfer of the shares of Sogo & Seibu and Barneys Japan
2. ROIC (excl. financial services): {Net income + Interest expense x (1 - Effective tax rate)} / {Owner's equity + Interest-bearing debt (both the averages of the figures at the beginning and the end of each fiscal year)}
3. Debt/EBITDA ratio: We changed our FY2025 target to proactively implement strategic investments in the Convenience Store business with a more agile and flexible financial discipline, in order to promote the growth strategy of our Group.
4. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

Achieve goals for quantitative expansion, qualitative improvement and financial integrity
At the same time, aim to increase corporate value for the future

Slide 14 shows the consolidated financial KPI forecasts for fiscal year 2024.
We position EBITDA as a quantitative indicator, and we expect this indicator to deliver solid growth, achieving 1.1 trillion yen by the end of fiscal year 2024, corresponding to the Medium-Term Management Plan target.

Next, we position ROE and ROIC as qualitative indicators. Here, we view low capital efficiency as a significant problem as we aim to become a world-class retail Group. Consequently, in fiscal year 2024, we will be disposing of low capital efficiency assets to frontload assets boasting higher capital efficiency to achieve the Medium-Term Management Plan target for fiscal year 2025.

That said, fiscal year 2025 is not the goal, as our most important goal is to improve our management efficiency over the medium to long term, so we will be pursuing more capital-efficient management going forward.

Lastly, we position the Debt/EBITDA multiple as an indicator showing the Group's financial soundness, and results here indicate that our cash generation capabilities are increasing.
We are repaying debt steadily, and we expect the Debt/EBITDA multiple to decline in fiscal year 2024, as well.

Based on the recommendations by the Strategy Committee, which we will talk about later, we updated the Debt/EBITDA target, looking beyond fiscal year 2025 to improve the Group's medium-to-long-term corporate and shareholder values and to promote a Group-wide growth strategy.

Based on flexible and agile financial discipline, in order to promote a growth strategy through strategic investment, including new mergers and acquisitions in the CVS business, we set a Debt/EBITDA target range between 1.8x and 2.5x for fiscal year 2025 - striking a balance between financial soundness and debt capacity toward growth investment, within the scope of achieving an optimal capital structure.
The previous Debt/EBITDA target had been set at less than 1.8x.

Consolidated Financial KPI

	FY2023 Results	FY2024 Forecasts	FY2025 Medium-Term Management Plan target
EBITDA	¥1,054.9 B	¥1,102.0 B	¥1.1 T or more
ROE	6.2 % (Adjusted) 7.9 %	7.8 %	11.5 % or more
ROIC (excl. financial services)	4.1 % (Adjusted) 5.1 %	5.5 %	8.0 % or more
Debt/EBITDA ratio	2.6 x	2.3 x	1.8～2.5 x Updated
EPS	¥84 (Adjusted) ¥108	¥112	18 % or more (CAGR)

Notes) 1. Adjusted figures for the effects of the transfer of the shares of Sogo & Seibu and Barneys Japan
2. ROIC (excl. financial services): {Net income + Interest expense x (1 - Effective tax rate)} / {Owner's equity + Interest-bearing debt (both the averages of the figures at the beginning and the end of each fiscal year)}
3. Debt/EBITDA ratio: We changed our FY2025 target to proactively implement strategic investments in the Convenience Store business with a more agile and flexible financial discipline, in order to promote the growth strategy of our Group.
4. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

Achieve goals for quantitative expansion, qualitative improvement and financial integrity
At the same time, aim to increase corporate value for the future

Of course, the underlying premise here is that we will be maintaining our current "A" rating and will continue to secure financial soundness in the Group's corporate operations.

Applying this updated financial discipline, we will consider the execution of investment to deliver growth resulting in qualitative improvements to our businesses, especially centered around Domestic and Overseas CVS Operations. Through this, we seek to maximize corporate and shareholder value.

Shareholder Return

Shareholder return policy

We have **introduced a "Progressive Dividend"** policy that increases dividends in line with sustained profit growth, and achieve a total payout ratio of over 50%
(Cumulative total return to shareholders from FY2023 to FY2025)

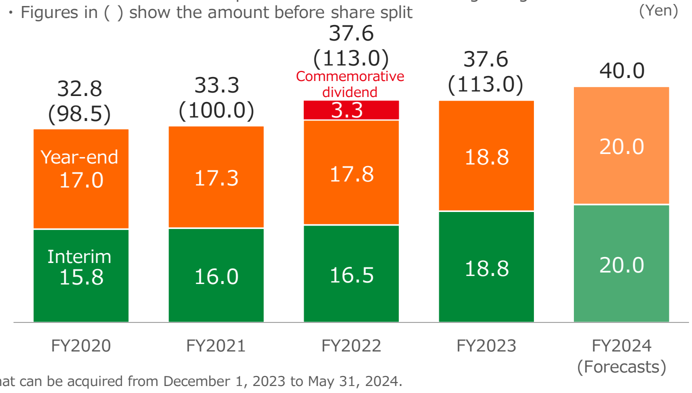
- Increase operating cash flow
- Focus on investments in the growth of domestic and overseas CVS operations
- Ensure financial integrity
- Expand shareholder return

Introduced "Progressive Dividend"

Conducting a share buyback up to JPY 110Bn of the total JPY 210Bn planned by FY2025

Dividends per share trend

・The Company conducted a 3-for-1 common share split on March 1, 2024
・Calculated as if the share split had occurred from the beginning of FY2020
・Figures in ( ) show the amount before share split



* Conducting a share buyback up to 75 million shares (post-split) with amount of 110 billion yen that can be acquired from December 1, 2023 to May 31, 2024. 8,699,800 shares were cancelled on February 29, 2024.

Increase operating cash flow, focus on investments in the growth of domestic and overseas CVS operations and ensure financial integrity. Also, achieve a total payout ratio of over 50% by enhancing shareholder return

Lastly, slide 15 pertains to the topic of shareholder returns.

In terms of the shareholder returns policy, based on diverse feedback we received through our engagement in constructive discussions with many of our shareholders for the Group Strategy Reevaluation disclosed in March 2023, we have decided to make changes to our previous policy of returning value to shareholders premised on the dividend payout ratio.

More specifically, we have introduced a progressive dividend policy that increases dividends in line with sustained profit growth, and which seeks to achieve a total payout ratio of over 50%.
Based on this policy, we have invested in growth and steadily repaid debt within our capital allocation plan, and also carried out the execution of a share buyback – which is in fact currently ongoing.

To clarify our intent of basically not cutting dividends, we introduced a progressive dividend, in which we raise the dividend payout along with sustainable profit growth from the point of view of stability and sustainability.

We are currently executing a share repurchase running through the end of May 2024, for a maximum of 110 billion yen, and let me add that we plan to conduct another share buyback up to the 100 billion yen by fiscal year 2025 as well, as we have publicly announced.

The dividend forecast for fiscal year 2024 consists of an interim dividend of 20 yen per share and a year-end dividend of 20 yen per share, for a total of 40 yen per share. Additionally, the Company conducted a 3-for-1 common share split on March 1, so the planned dividend payout is equivalent to 120 yen per share on a pre-split basis, up by 7 yen per share.

This concludes our overview of the financial results for fiscal year 2023 and the forecasts for fiscal year 2024. Thank you for your time.

TODAY'S AGENDA

1. FY2023 Results
2. FY2024 Forecasts
3. Management Policy

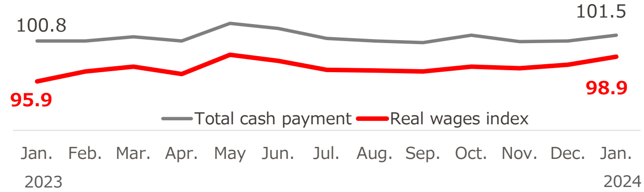
   Domestic CVS Operations, Overseas CVS Operations, Superstore Operations & Group Strategies

Good evening to you all. My name is Nagamatsu, Representative Director and President of Seven-Eleven Japan.
I would like to talk about Domestic CVS operations.

Current Situation Recognition

"Saving"
Domestic real wages index

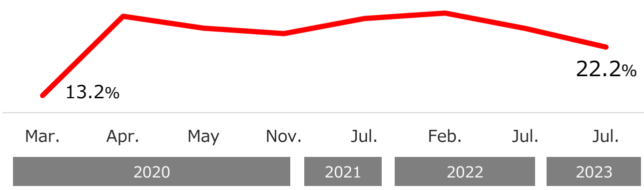
Negative real wages for 22 consecutive months



* Source: Ministry of Health, Labour and Welfare, Provisional Report of Monthly Labour Survey

"Decrease in frequency of visits"
Work-from-home implementation rate

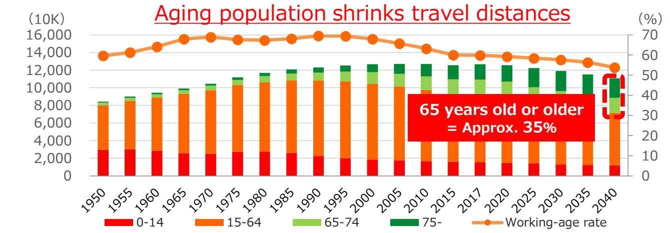
Work-from-home continues after reclassification of COVID-19's category to Class 5



*Source: PERSOL RESEARCH AND CONSULTING CO., LTD. Survey on Work-from-home

"Market area changes"
Declining population & birthrate, and aging population

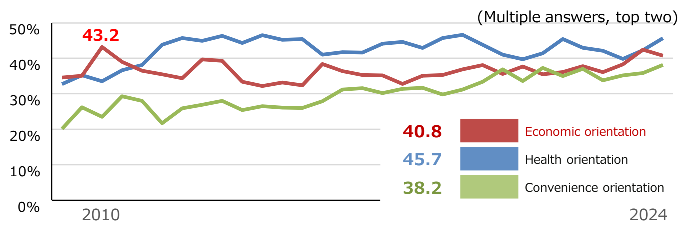
Aging population shrinks travel distances



*Source: National Institute of Population and Social Security Research,"Future Projections for the Number of Households in Japan(National Estimates)" (2018 (Heisei30)estimates)
Percentages are calculated based on the number of households with a member aged65or olderfromthe White Paper on Aging,Cabinet Office, Government of Japan.

"Customer orientation"
Change in food-related orientation

Increase in economic orientation



*Source: Japan Finance Corporation, Consumer confidence survey (July 2023)

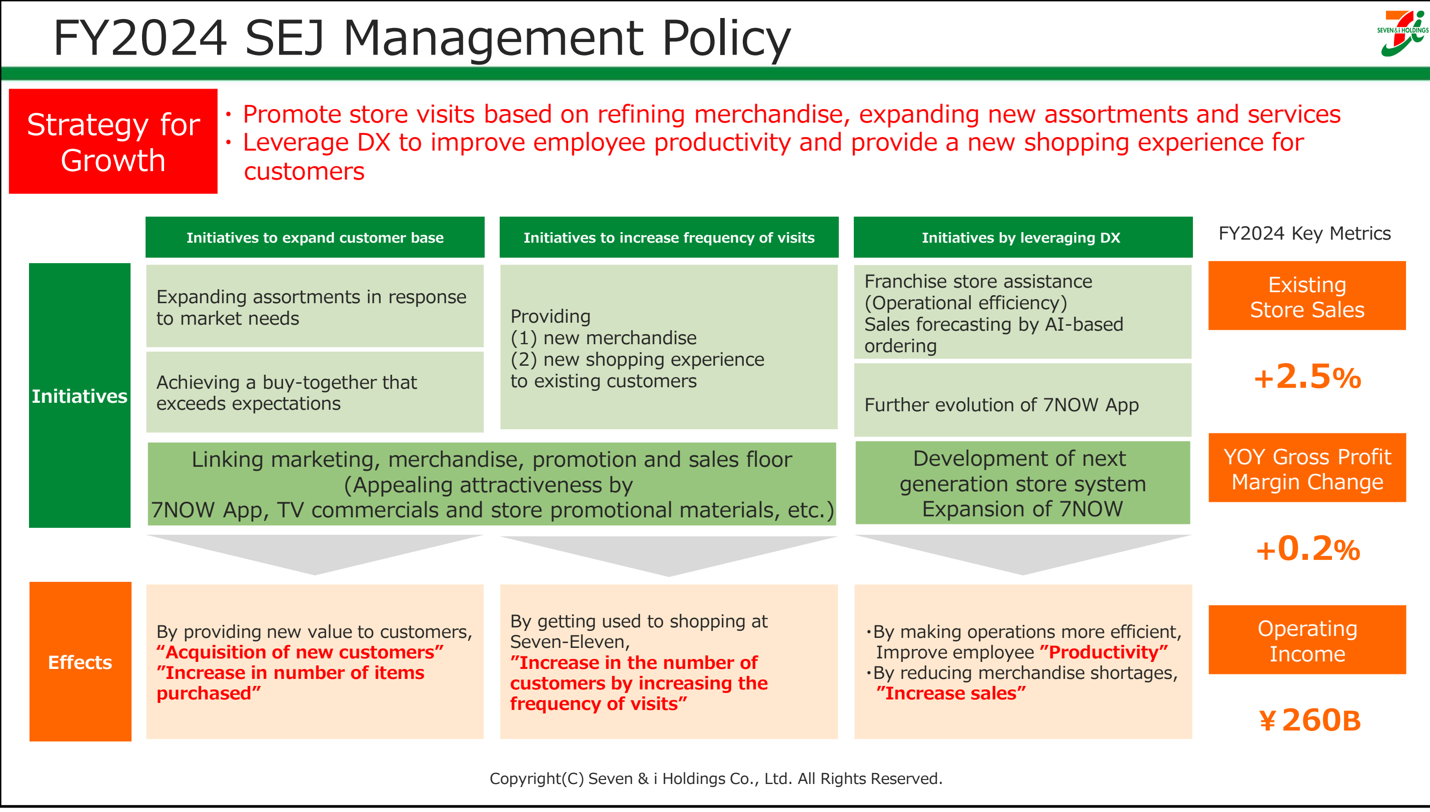
Respond to the changing consumer behavior, and conducting initiatives by leveraging SEJ's strengths to increase the frequency of visits

Let me start with explaining the current situation.
Real wages in Japan have registered negative growth for the past 22 consecutive months. In other words, while inflation persists, real wages have failed to keep up.

Moving on to the graph on the upper right-hand corner, work-from-home became common during the COVID-19 pandemic, and even now, the work-from-home implementation rate remains rather high, at around 22%.

Moving onto the vertical bar graph on the bottom left-hand corner, Japan continues seeing a population decline resulting from an aging population and low birth rates. Population numbers peaked out in 2008, and have since then been in a continual downtrend, with seniors 65 years or older now accounting for over 30% of the population and growing with each passing year.

Lastly, the graph on the bottom right shows the change in food-related orientation on the part of consumers, and how they are more cost conscious now.



Against this backdrop, how can Seven-Eleven Japan grow?

We have formulated strategies to this end, the first of which being robust efforts to further refine the merchandise we offer.
Up until now, Seven-Eleven Japan's competitive advantage has been the taste and quality of our merchandise, and we would like to further pursue this competitive strength.
Additionally, we will be expanding the merchandise and services we offer in order to promote customers' store visits.

Second, employee productivity is to be improved. In other words, we seek to improve productivity for Seven-Eleven Japan employees, as well as for franchised stores. In the face of the personnel shortages facing the industry, employees need to become more productive and this therefore something we will continue working toward, going forward.

Additionally, we also seek to provide a new shopping experience for customers by leveraging the power of DX.

Specific policies include initiatives to expand our customer base. Within this, we would like to attract customers that usually do not shop at our stores. Toward this end, we would like to expand the merchandise and services we offer, in order to meet the potential demands of the market and provide opportunities for the serendipitous purchase of merchandise exceeding customer expectations.
As we expand our customer base, we would also like to increase the frequency of visits and foster repeat customers. Toward this end, we will be developing new merchandise.
Various factors such as marketing, merchandise development, sales promotions, and sales spaces at stores all contribute to the customer experience and satisfaction, so we intend to carry out integrated efforts by franchisers together with our franchised stores.

FY2024 SEJ Management Policy

Strategy for Growth

- Promote store visits based on refining merchandise, expanding new assortments and services
- Leverage DX to improve employee productivity and provide a new shopping experience for customers

Initiatives

Initiatives to expand customer base	Initiatives to increase frequency of visits	Initiatives by leveraging DX
Expanding assortments in response to market needs Achieving a buy-together that exceeds expectations	Providing (1) new merchandise (2) new shopping experience to existing customers	Franchise store assistance (Operational efficiency) Sales forecasting by AI-based ordering Further evolution of 7NOW App
Linking marketing, merchandise, promotion and sales floor (Appealing attractiveness by 7NOW App, TV commercials and store promotional materials, etc.)		Development of next generation store system Expansion of 7NOW

Effects

Initiatives to expand customer base	Initiatives to increase frequency of visits	Initiatives by leveraging DX
By providing new value to customers, **"Acquisition of new customers"** **"Increase in number of items purchased"**	By getting used to shopping at Seven-Eleven, **"Increase in the number of customers by increasing the frequency of visits"**	・By making operations more efficient, Improve employee **"Productivity"** ・By reducing merchandise shortages, **"Increase sales"**

FY2024 Key Metrics

Existing Store Sales	+2.5%
YOY Gross Profit Margin Change	+0.2%
Operating Income	¥260B

Within this scope, by utilizing DX, we also provide support to franchised stores for them to streamline their operations.
This involves providing franchisees with equipment allowing them to save labor and to achieve the same level of productivity in a shorter time.
Another technology is AI-based ordering to improve the accuracy of orders at our stores.
Another initiative is 7NOW. We have been able to expand this service to 12,000 stores, and we would like to further enhance introducing the 7NOW delivery service this fiscal year.

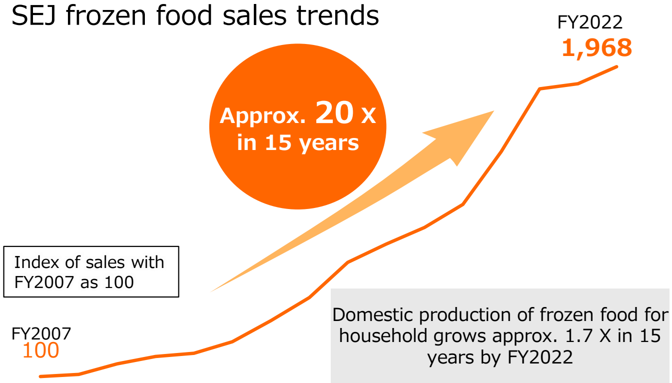
Through the execution of these initiatives, we would like to acquire future customers and increase the frequency of visits to our stores by customers already acquired, while simultaneously enhancing store productivity, in order to grow sales.
We are aiming for an increase of 2.5% in same-store sales, an increase in gross profit margin of 0.2%, and lastly, 260 billion yen in operating income.

Initiatives to expand customer base [Frozen food (1)]

Current situation analysis

・Demand for ready-to-eat increases due to changes in the social environment
・**SEJ's frozen food grows significantly faster than the market**

SEJ frozen food sales trends



*Source: Japan Frozen Food Association

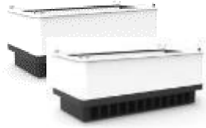
Continue to focus on the sales floor and merchandise, leading Seven-Eleven to be the chosen company

Expansion of frozen food sales floor

New layout with additional refrigerated cases

[Issue] Low installation ratio due to the sales floor space restriction in urban area

2 sets in frozen food sales floor



◆Area ranking with the highest APSD of frozen food

APSD rank	Prefectures	Installation ratio
1	Tokyo	**27.2%**
2	Kanagawa	**45.3%**
3	Chiba	61.2%
4	Saitama	**49.6%**

◆Change in sales floor space
Ice cream case comparison
Volume: Approx.2 X
Face area: Approx. 3 X
Number of items: 40i ▶ Approx. 90i

Expand assortments and sales floor to meet the expanding needs of customers in line with changing lifestyles

We are working on to expand our customer base and, toward this end, one of the initiatives we are carrying out is enhancing our frozen food merchandise offerings.

We aim to provide frozen food merchandise that meet the needs of customers for ready-to-eat meals and delicious food, rather than simply as a side dish to be bought and left in the fridge or for lunch.

While the overall market has expanded 1.7 times over the past 15 years, sales of frozen food merchandise at Seven-Eleven stores in Japan have increased twenty-fold during the same period.
This was the result of our efforts in merchandise development in this category and also efforts to expand the frozen food sales floor.

As you can see on the right-hand side of the page, our basic layout consists of 2 sets of refrigerated cases to store frozen food merchandise, although some stores, mainly in urban area, have the sales floor restriction and cannot install additional refrigerated cases.
For those stores, we will have refrigerated cases replaced with the island refrigerated cases shown here, as you can see, at the bottom. This allows us to expand assortments with a face area approximately 3 times larger than before, and we will be working on further expanding the installation of these cases this year.

Initiatives to expand customer base [Frozen food (2)]

Initiatives and what we learned in FY2023

New needs of customers are becoming apparent due to Group collaboration in FY2023, and an expanded assortments based on market survey

◆ FY2023 initiatives

Start introducing **"Ease Up"** assortment developed by IY
Challenge in group merchandise introduction and categories that have not handled before

◆ New frozen food keyword

[Bread] Freshly baked at home	**[Dessert]** Eat whenever you want
[Delicatessen] High value-added food	**[Hot seller NB merchandise in market]** Wide range of assortments

Initiatives in FY2024

Check assortments by location and sales floor in order to increase sales

"Expand sales floor" of smaller stores
"Expand assortment" of existing stores

Conduct expansion and test of new categories
Expansion and revision of the number of recommend assortments

- **Island frozen utensil: approx. 3,000 stores installation (plan)**
- **Wall refrigerator: plan to install centered on general stores**

APSD effects (target)	Capex plan (Since FY2024)
+1.0% or more	**JPY 10.0Bn or more**

Expand recommended merchandise to increase sales

The Group's merchandise development power will be utilized so that we can provide very tasty frozen food offerings to our customers. Within this scope, EASE UP is an original frozen food brand developed by Ito-Yokado and we now offer merchandise from this brand at 7-Eleven stores in Japan, and this is selling very well.
In addition to these merchandise, shown here are new frozen food merchandise that Seven-Eleven had not been able to introduce in the past. Examples include bread and bakery, desserts, etc. We would also like to offer these frozen food assortments, and also a range of national brand products (hereinafter NB) that are selling well in the market.

We would like to enhance merchandise assortment at existing stores and expand the sales floor in smaller stores, so we planned to have island frozen cases installed at approximately 3,000 stores this fiscal year. Through this, we will invest 10 billion yen or more in capex, and to this end, we expect an increase in APSD of at least 1.0%.

Initiatives to expand customer base（New counter merchandise）

Breads

Provide fresh breads baked in the store

◆Scheme

Delivery in frozen → Freshly baked 1st time at store → Display merchandise On utensil → "Order" Freshly baked 2nd time at store → Provide to customers

◆Assortments

Breads	Cookie
Melon bread	Chocolate cookie
Croissant	Financier


Melon bread


Croissant


Chocolate cookie


Financier

Test results in stores (March 2024)

Number of stores	Approx. 600 stores
Avg. units sold/day	Approx. 30
Positive effect on APSD	+0.7%

Initiatives in FY2024

Expansion of store installation

Approx. 3,000 stores

APSD effects target

+1.0% or more

Capex plan

Approx. JPY 5.0Bn

Expanding new initiatives to generate new sales for the next generation

Next are initiatives to expand the customer base.
We have started introducing merchandise that we had not introduced in the past, such as Bake In-Store. We carried out a test run at approximately 600 stores, and these have been selling very well, and what's more, these make strong gross margin contributions.

We want to expand the number of stores equipped with this scheme to approximately 3,000 during the current fiscal year. We expect stores implemented these initiatives to grow APSD by at least 1.0%.

Initiatives to increase frequency of visits（Smoothie）

Smoothie

Appeal the value of deliciousness and health through **new merchandise**

Consumer behavior	Frequency of visit*
Purchase health-related merchandise	**2.2** X higher
Get used to purchase smoothe	**2.7** X higher

* Comparison with all members based on national ID-POS data: June 2023 results

◆Diversification of "Health" values

- Fatty Ingredients labels
- Sugar free
- No additives
- Carbohydrate free
- Gluten free
- Guilt free

Initiatives in FY2024

- Plan to launch of merchandise with **novelty**, such as seasonal fruits
- **Change package to better emphasize health**
  Calories labels, emphasize nutritional value (e.g. contains dietary fiber)

Expansion of store installation

FY2024 1H **+3,000 stores** ▶ **18,000 stores** (All stores that are capable of installation)

APSD effects target	Capex plan
+1.0% or more	**Approx. JPY 3.0Bn**

Increase frequency of visits by emphasizing newness in existing merchandise

Additionally, we also want to make smoothie items available at all stores where we can. Customers who purchase health-related merchandise like smoothies tend to have a high frequency of visits.

Therefore, in addition to offering our regular merchandise lineup, we want to meet customers' needs for merchandise such as sugar-free and non- additives, by offering an assortment of truly healthy foods.
In doing so, we expect an increase in APSD of at least 1.0% at stores offering smoothies.

Initiatives to increase frequency of visits（Regional fair）

Successful practices of regional fair

Three key points learned through the regional fair

(1) Regional Characteristics
- ・Local menu
- ・Utilize local raw materials

(2) Social contribution
- ・Corporation with municipalities
- ・Utilize local raw materials

(3) Reasonable price
- **・Appearance, volume**
- **・Price**

Successful practice of increased sales by focusing on reasonable price
(Saitama Fair)

◆November 2023

Bowl of miso mixed with Charcoal-broiled pork from Saitama Prefecture

Price: 640JPY（Tax excluded）

Motivation of franchisees stays very high, leading positive effect to sales

Positive effect to APSD+0.9% as well as in "Sainokuni (Saitama) Fair"

Factors contributing to reasonable price

"Raw materials"

Use of high-quality raw materials
- ・Relation with producer
- ・Selection of time/quantity of use

×

"Creativity and originality"

Provide merchandise in reasonable price
- ・Ingenuity in method of use
- ・Ingenuity in way of purchase

Initiatives in FY2024

Expand nationwide of Saitama fair's Know-How

Number of regional fairs held	APSD effects target
Approx. 50 times (Twice or more a year in each area)	**+1.1% or more** (FY2023 +0.9%)

Increase frequency of visits by improving "Quality" of local standard merchandise through regional fairs

We are also trying to encourage customers to visit our stores by holding regional fair events.

We started these events last year. Last year, we focused on offering merchandise with locally sourced ingredients for local consumption.
This idea proved very popular with local governments and municipalities across Japan, with which we collaborate within the scope of this initiative.
Rural areas are more economically disadvantaged compared to the Tokyo Metropolitan area, so affordability is another point we want to pursue within our fair initiative.

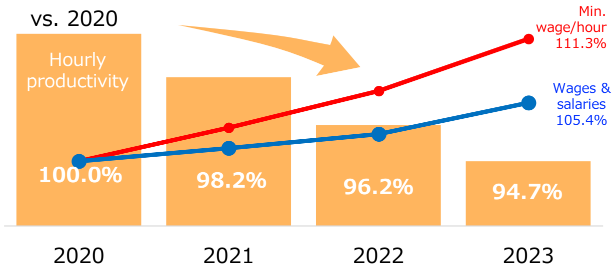
A good example is a merchandise we offered at 7-Eleven in Saitama prefecture last year, a rice bowl consisting of miso mixed with charcoal-broiled pork raised and produced in Saitama prefecture. This merchandise did extremely well.
In addition to high quality products that we have provided, we are adding another element in the form of reasonable prices.

We are trying to expand these cases nationwide in Japan.

Initiatives by leveraging DX

Franchisees hourly productivity trends

Improvement trend due to DX-based initiatives



Major initiatives of franchisee support by using DX since 2020

Semi self-checkout
((90)min/day)

New inspection system
((25)min/day)

AI-based ordering
((32)min/day)

Sales improvement initiatives by leveraging DX

AI-based ordering
(Forecast demand and calculate the number of orders)

Non-daily merchandise	Utilized	Underutilized
YOY (%)	**104.4**	103.9
Change (K JPY/day)	**+18.7**	+16.3

AI-based ordering utilized stores vs. underutilized

Variance in change **+2.4 K JPY/day**

(Next-Gen system) Suggestion for ordering based on merchandise tag information

Providing tag information on current topics when selecting the merchandise

Reduce opportunity loss by **presenting order quantities based on information**

Contribute to franchisees' sales and profit through IT/DX support

Next are DX-based initiatives.

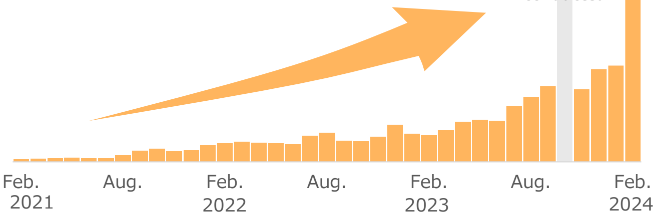
The graph on the top left-hand corner represents the change in worker productivity, setting 2020 as the baseline. Over the past four years, we had reduced it to 94.7% of the baseline.
The minimum wage grew by 11.3% in four years but, since we succeeded in improving productivity through various measures - such as through the introduction of semi self-checkout cash registers at our stores, a new inspection system, and AI-based ordering - wages and salaries only went up by 5.4% at Seven-Eleven during this period.

Our AI-based ordering systems offers various tag information, enables capturing what is in trend on social media and society at large. By using this information, now it is easier for us to generate hypotheses and order inventories.

Initiatives by leveraging DX (Expansion of 7NOW)

Sales trend

* Steady increase in total sales with expansion of areas installation



7NOW app

In 6 months from September 2023 release
DL count: approx. 770k
(As of end of Feb. 2024)

App stores food/drink app No. 1 (As of Feb. 29)
Reviews:4.5/5 (App stores reviews)

[Functions]
Recommend, Coupons

Initiatives to expand stores installation

7NOW suggested installation counts for **12,000** stores

Expand in Tokyo, Hokkaido and 14 prefectures as of the end of Feb. 2024

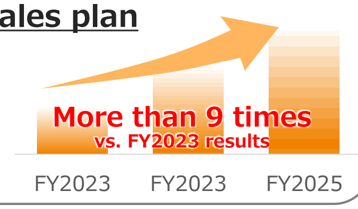
Further enhancement of 7NOW app
Improvement of UI&UX / visualization of delivery status for greater convenience

Response to franchisee
Service announcement in stores (in-store, flyer distribute) / enhancement of franchisee delivery

Expand delivery areas and strengthen alliances
Strengthen of partner delivery companies

Number of store installation plan
FY2024
Suggested installation nationwide

Sales plan



Provide a new shopping experience through 7NOW to meet the needs of a changing environment

Next is 7NOW, which is now up to 12,000 store installations, with sales growing steadily.
The 7NOW app boasts a high ranking on app stores, ranking at the number 1 app in the category of food and drink.

The app allows users to check stock availability in conjunction with the store inventory in real time. Thus, the app prevent the situations such as an ordered merchandise not being delivered because it is out of stock.
To the best of my knowledge, there are no other companies in Japan capable of utilizing this kind of system on such a large scale.
We are collaborating with 7-Eleven, Inc. to carry out R&D of 7NOW.

Another crucial factor is the way merchandise are bagged, such as ensuring freshness and the need to separate warm and chilled merchandise, since when using the app it is the store that chooses stuffs into bags and delivers merchandise to the customer, instead of the customer selecting merchandise themselves.
In addition to further enhancing our app, we will also work to further optimize store operations and secure delivery.

SIP Store ※Details are to be available at “IR Day 2024” on 23 April 2024

SIP Store

Objective
(1) Considering merchandise and assortments response flexible to changes in environment
(2) Realizing new synergies by Seven & i Group

◆Matsudo Tokiwadaira Ekimae
(Store opening on 29 February 2024)

floor space	sales floor scale	Number of items
Approx. **1.8x** (Approx. 88 tsubo)	Approx. **1.5x** (164 feet)	Approx. **1.7x** (5,300SKU)

◆Distinctive sales floor


Vegetables Fruits


Daily Foods


Group Merchandise (Akachan Honpo, etc.)

What we learned from SIP Store

The categories that customers potentially expected from 7-Eleven were identified

▼Food with growing sales
(including fast food, frozen food)

Categories	YOY (Mar 18 - Mar 31, 2024)	Major Initiatives
Daily merchandise (Perishables, etc.)	Approx. **3.1x**	･Expand assortment of tofu, natto ･Expand assortment of fishes, meats and vegetables
Hot Food (Including fried food)	Approx. **3.0 x**	･Introducing Bake In-Store
Frozen Food	Approx. **1.9 x**	･Sales floor expansion (Deployed with 11 refrigerated cases) ･Assortment with 150 proprietary items

Applying successful practice of initiative referring to latent needs revealed in SIP Store in existing stores

Lastly, I would like to talk about our SIP store in Matsudo, Chiba prefecture, Japan, opened February 29, 2024.

Japan it is now facing a population decline and an aging society with lower birth rates, so there is growing demand for one-stop shopping solutions in rural areas with less access to shopping infrastructure.
This is a pilot store resulting from a collaboration across the Group to address the demand for one-stop shopping.

The floor space is approximately 1.8 times the size of our current stores, the sales floor scale is approximately 1.5 times, and the assortment growth are approximately 1.7 times.
In terms of merchandise assortment, Seven-Eleven stores usually carry around 3,000 SKUs, but the SIP store carries the usual 3,000 SKUs plus merchandise from throughout the Group, for a total of approximately 5,300 SKUs.
This pilot store delivered tremendous sales results, and particularly noteworthy with the sales are the product categories of daily merchandise, which achieved 3.1 times the normal sales volume.
Another category is hot food, achieved approximately 3.0 times the normal sales volume, while frozen food came in at approximately 1.9 times.

We are not planning to expand SIP stores. Rather, the question becomes our ability to deploy the initiatives implemented in SIP store to our existing stores. That is our focus and we will continue these tests.

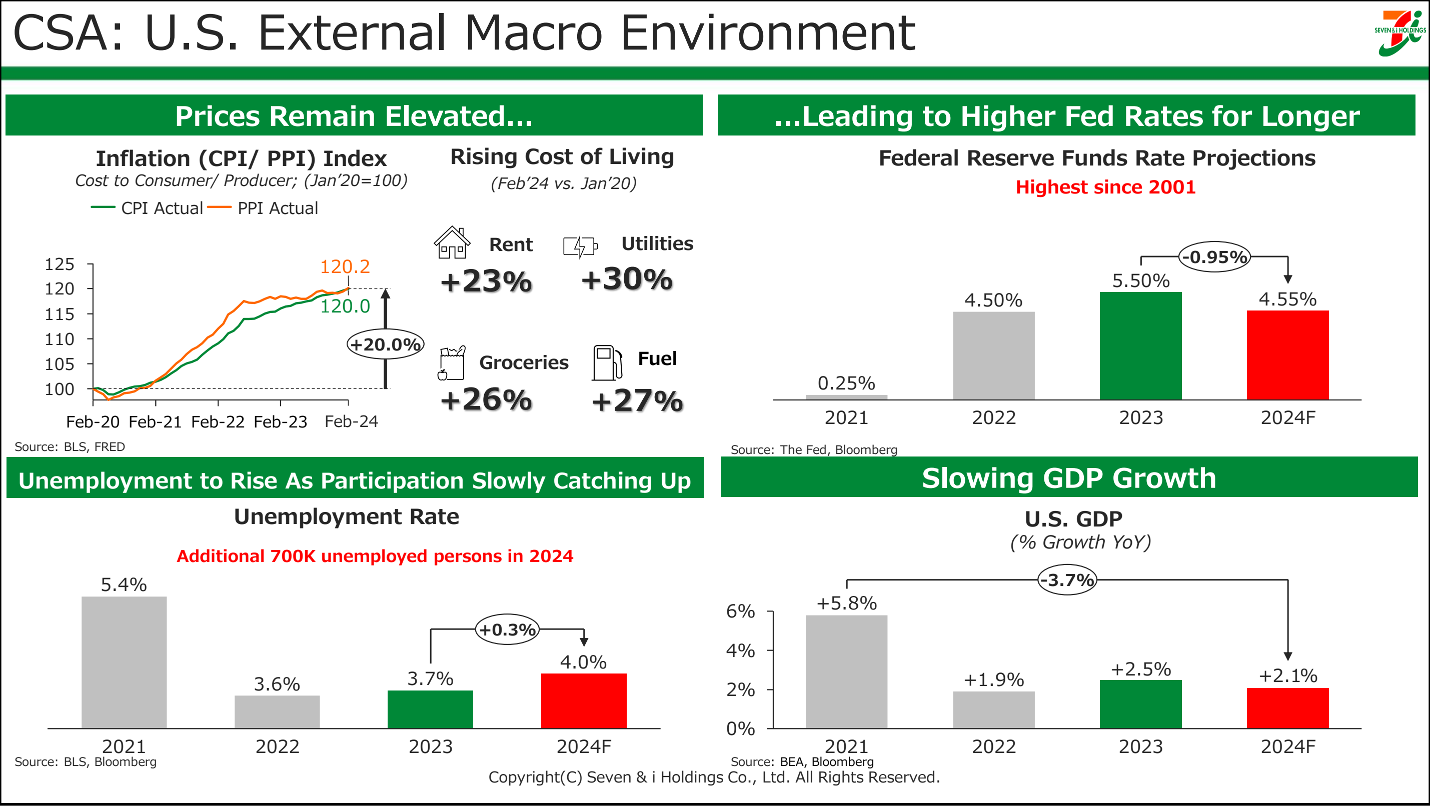
Through these efforts, we expect to realize 260 billion yen in operating income this fiscal year.

TODAY'S AGENDA

1. FY2023 Results
2. FY2024 Forecasts
3. Management Policy

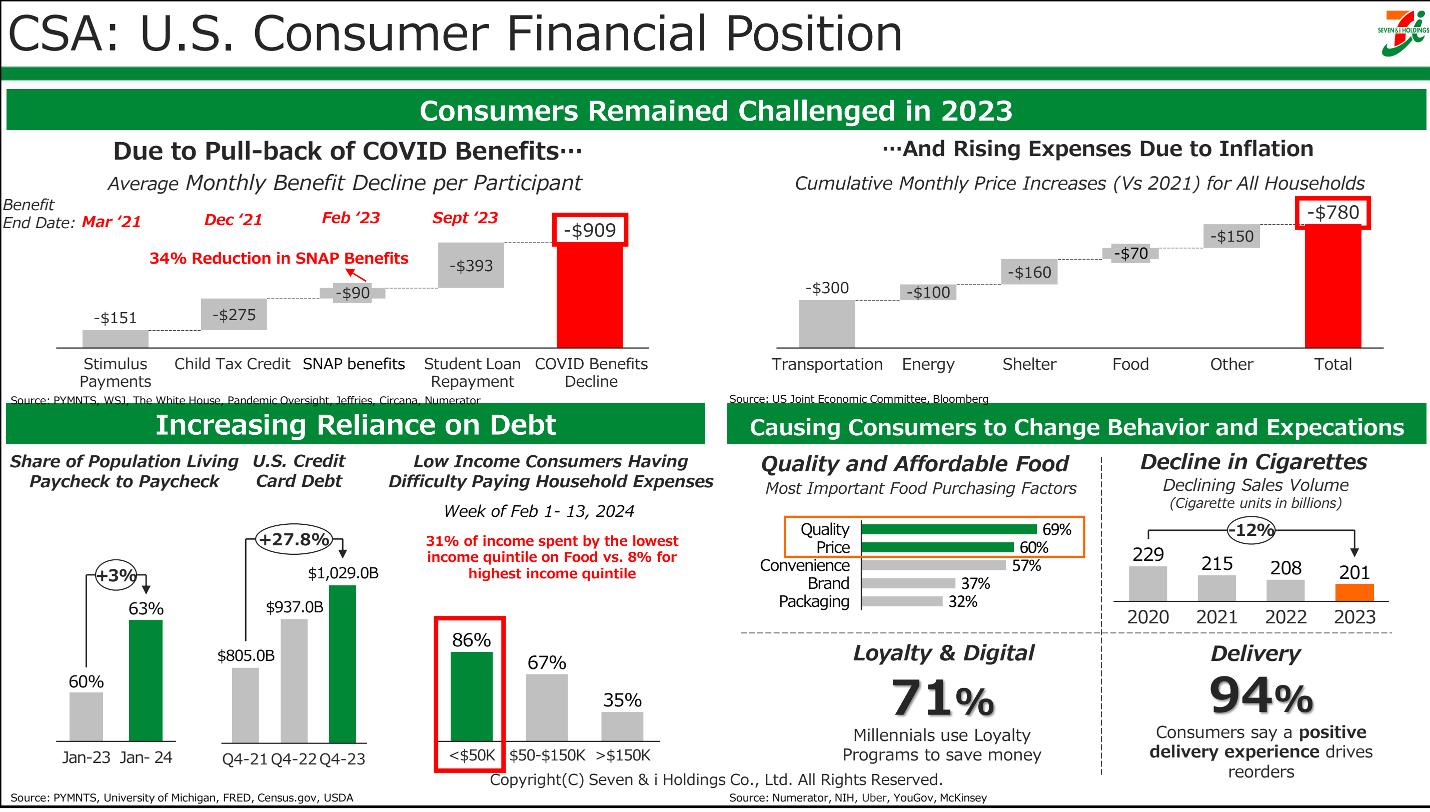
   Domestic CVS Operations, Overseas CVS Operations, Superstore Operations & Group Strategies

My name is Joe DePinto and I'm the CEO of 7-Eleven, Inc.
Allow me to give you an overview of management policy for Overseas CVS Operations.



I'd like to start today by talking briefly about the U.S. economy and the U.S. consumer.

The persistent challenge in the United States today is inflation. Prices have risen over 20% since the year 2020 and they've remained elevated, significantly impacting the cost of items like rent, utilities, groceries, and fuel.
To control inflation, the United States Federal Reserve is expected to keep rates higher for longer, even as employment is forecasted to inch higher. Now, amid these economic headwinds and tight monetary policy, the U.S. GDP is expected to slow by 2.1% in 2024.



In 2023, inflation and rising living costs hampered consumers. With the pullback of U.S. COVID benefits, each participant has $909 less to spend per month. In addition, households are spending an additional $780 per month due to rising costs from inflation.

Excess savings from COVID stimulus have fallen 77% since their 2021 peak, with close to 50% of Americans having some type of debt – an increase of 10% versus 2021.

Low-income households have been hit the hardest, with nearly 4-in-5 low-income households in the United States having difficulty paying their expenses.

As these economic headwinds continue, consumers are adapting their behavior quickly, and they are focused more and more, every day, on value for every dollar that they spend.

FY2024 SEI Management Policy

Strategy for Growth

Offer value and quality products to our customers in the most convenient way possible as we continue to focus on cost leadership to grow in profitability

	Proprietary Products Growth	Digital & Delivery	Cost Leadership
Initiatives	Food & Beverage Modernization Enhanced Store Execution & Exterior Refresh Value Chain – Warabeya	7Rewards and Speedy Rewards Loyalty Programs 7NOW Delivery Program	Cost Leadership Committee Vendor Cost Reductions Company Cost Structure Review
Effects	Increasing sales, traffic and margin through the growth and acceleration of proprietary products	Growing loyal customers and expanding delivery	Streamlining costs and expenses to take costs out of the business
	Prop. Products Sales Mix 26%	7NOW Sales $725M	Cost Reduction $350M

FY2024 Key Metrics

Existing store sales	+0.5%
YOY Gross Profit Margin Change	0.0%
Operating Income	$2,930M

7-Eleven, Inc. has operated in difficult and challenging economic environments before, and we have been resilient. We have consistently grown our business through the economic challenges like the Dot-com bubble, the Lehman Shock leading to the Great Recession, and COVID.

In 2024, 7-Eleven, Inc. is focused on three main areas to drive our growth.
First is to continue growing our proprietary products, mainly our fast food, our proprietary beverages, and our private brands.
Next is to continue to expand our digital offerings and our 7NOW delivery capabilities.
And third is to appropriately manage all costs across our business.

In 2024, we plan to achieve a 26% proprietary products sales mix while growing the 7NOW delivery business to $725 million in sales and achieving a $350 million reduction in cost through our Cost Leadership Committee (“CLC”).

Our key financial targets for 2024 are to increase our same-store sales by 0.5%, maintain our merchandise margin, and achieve operating income of $2.930 million.

FY2024 SEI Financial Forecasts

(Millions of dollar, %)

	1H			2H			FY2024		
		YOY	YOY Change		YOY	YOY Change		YOY	YOY Change
Total store sales	34,596	96.9	(1,114)	35,692	97.0	(1,110)	70,289	96.9	(2,224)
Revenues from operations	28,276	96.0	(1,167)	28,933	95.4	(1,401)	57,210	95.7	(2,568)
Operating income	1,098	94.0	(70)	1,831	111.1	+183	2,930	104.0	+113
EBITDA*	1,819	95.9	(78)	2,555	108.3	+196	4,374	102.8	+117

* EBITDA: Operating income + Depreciation and amortization
Note) Figures are shown on SEI consolidated basis.

This slide highlights 7-Eleven, Inc.'s 2024 forecast.
Given my earlier comments regarding the macro-economic environment, we expect to see a challenging start to 2024.

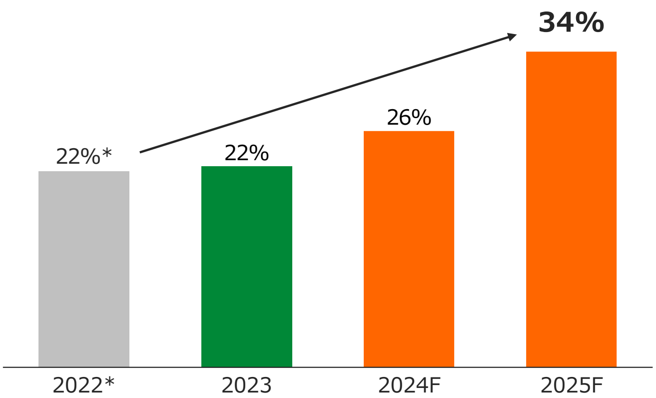
However, we have aggressive plans in place, and we will accelerate our investments, expanding our food and beverage modernization platforms in our stores, refreshing our stores' exteriors and interiors, and enhancing overall operational execution.

As you can see on this slide, 2024 revenues are expected to decline 3.1%, but please note this: it is due, in fact, because of the decrease in the retail price of a gallon of fuel. This does not affect fuel margin or fuel gross profit.
7-Eleven, Inc. is also forecasting to grow total merchandise sales 1.8% or $490 million, year-over-year.

Overall, we expect to grow our operating income by $113 million, or 4%, year-over-year.

Grow Proprietary Products – Growth Path to 2025 & Key Actions

Fresh Food, Prop. Bev. & Private Brands
% Mix of Total Merch Product & Restaurant Sales
(US & Canada, all banners)



***SEI alone at 24% - including SPW 22% - plan to get all stores to 34% by 2025**

Key Actions for Growth

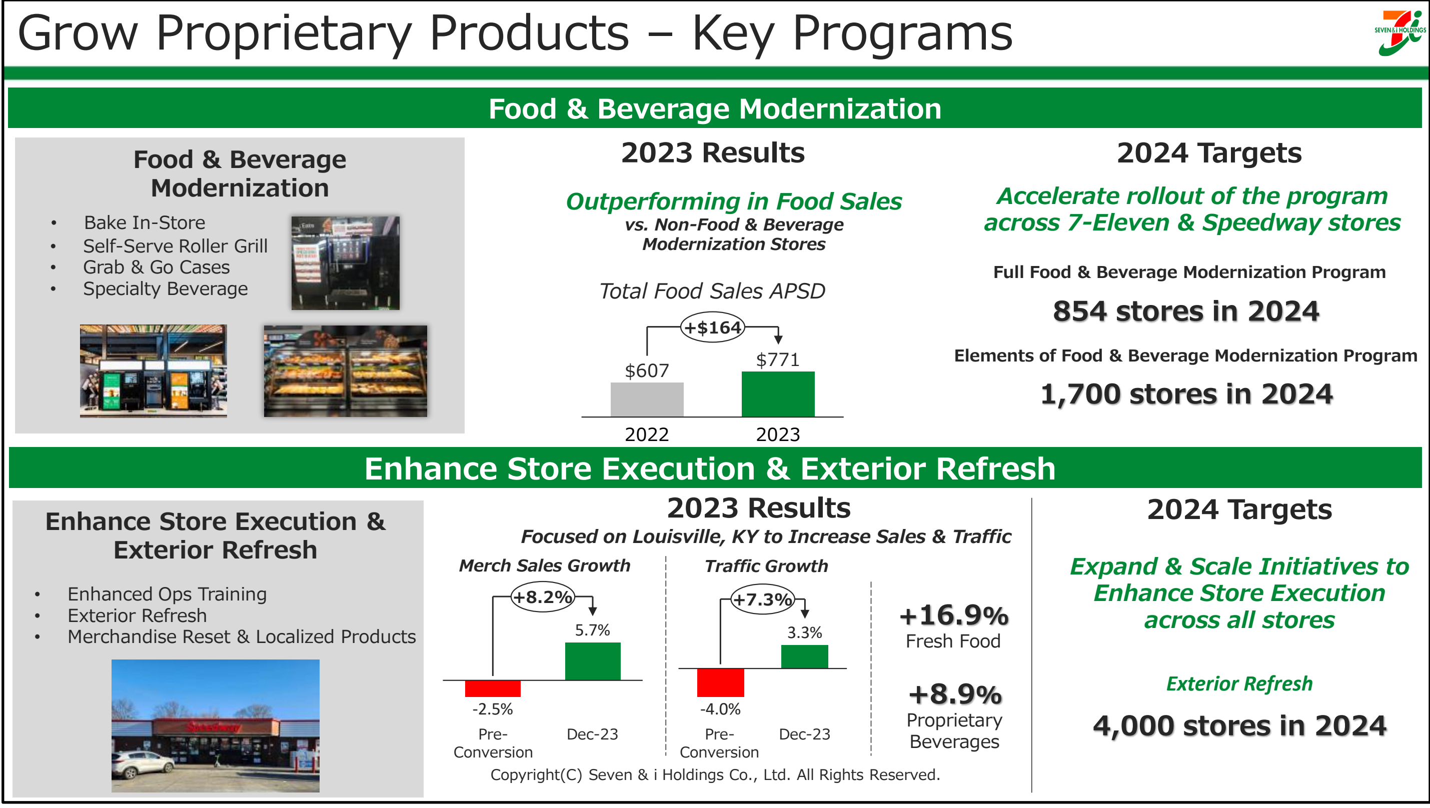
- **Grow Assortment – New Categories and Products**
- **Accelerate Food and Beverage modernization**
  - Beverage investments
  - Fresh Food investments
  - Restaurant investments
- **Grow Private Brands**
  - Adding 215 new SKUs across 5 new categories
- **Enhanced Store Execution and Exterior Refresh**
  - Targeted Operations training
  - Exterior refresh
  - Detailed merchandising footprint and assortment refresh

To get there, we are targeting a 26% proprietary product mix in 2024, and 34% in 2025. We will do this through accelerated fresh food development and private brand expansion.

Our proprietary product mix (fresh food, proprietary beverages, private brand products) will grow through innovation and through the investments that we are making to modernize our food and beverage offerings in our stores, and through a focus on execution throughout our system.

All are designed to improve the customer experience, drive store traffic, and increase our proprietary product sales.

So, let’s review those programs in detail.



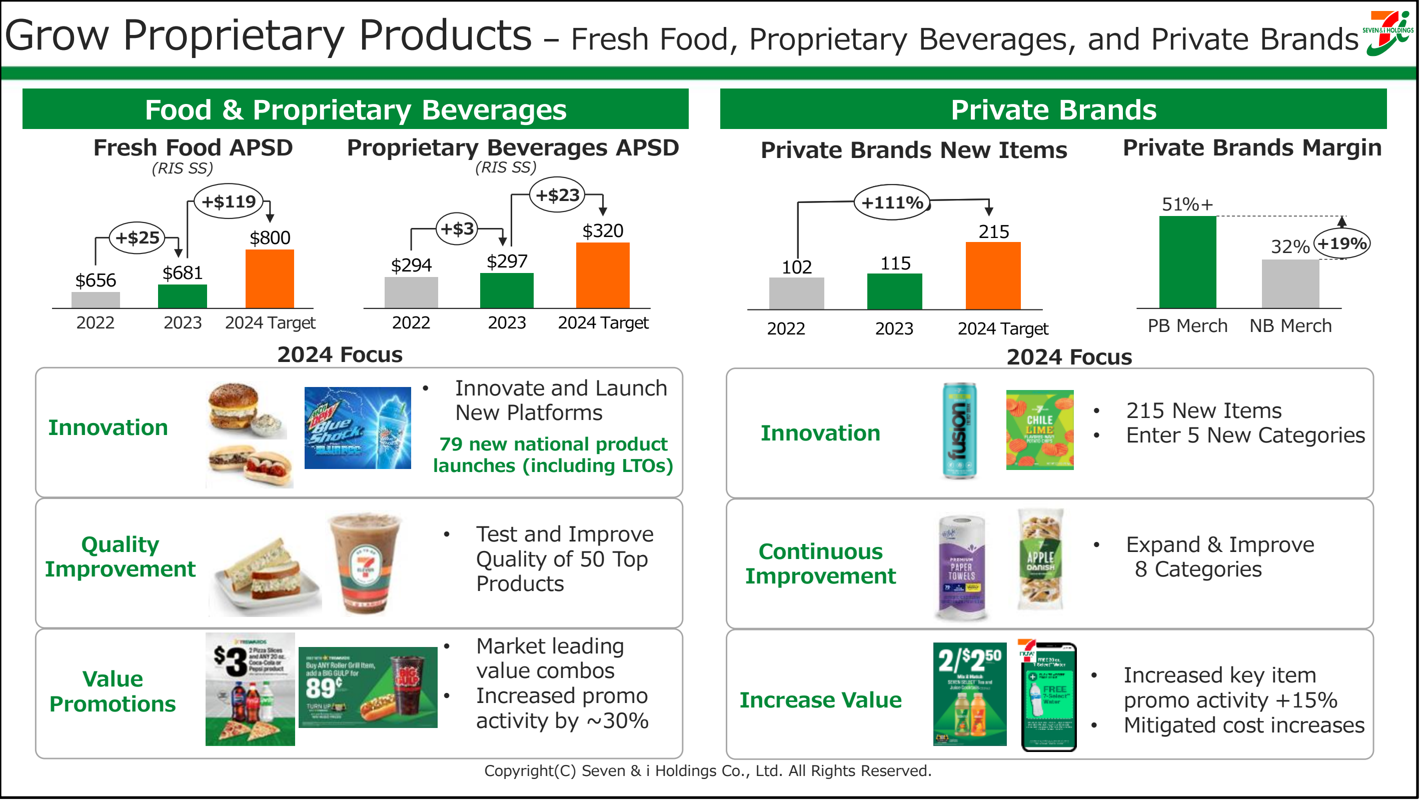
7-Eleven, Inc.'s food and beverage modernization program, which includes our bake in-store platform, Grab & Go hot cases - where the consumer can quickly grab a product, pay, and leave - our self-serve roller grills - where they can serve themselves - and through our specialty hot beverages, we will offer a wider assortment of hot food and specialty coffees.

Stores with these new platforms have significantly outperformed stores without them, and we plan a further roll-out of this modernization program of food and beverage to an additional 2,500 stores in 2024.
They are currently in 4,950 stores.

In 2023, we worked in the Louisville, Kentucky market. The goal was to improve overall operational execution, to refresh our stores there - the exterior, as well as some interior - and to complete merchandise resets in those stores, introducing new and local products.

Since launching that in April of 2023, this effort has boosted merchandise sales and customer traffic, resulting in about a 17% increase in fresh foods, and about a 9% rise in proprietary beverages in the Louisville, Kentucky market.

We plan to scale the Louisville, Kentucky learnings across 4,000 stores in the remainder of 2024.

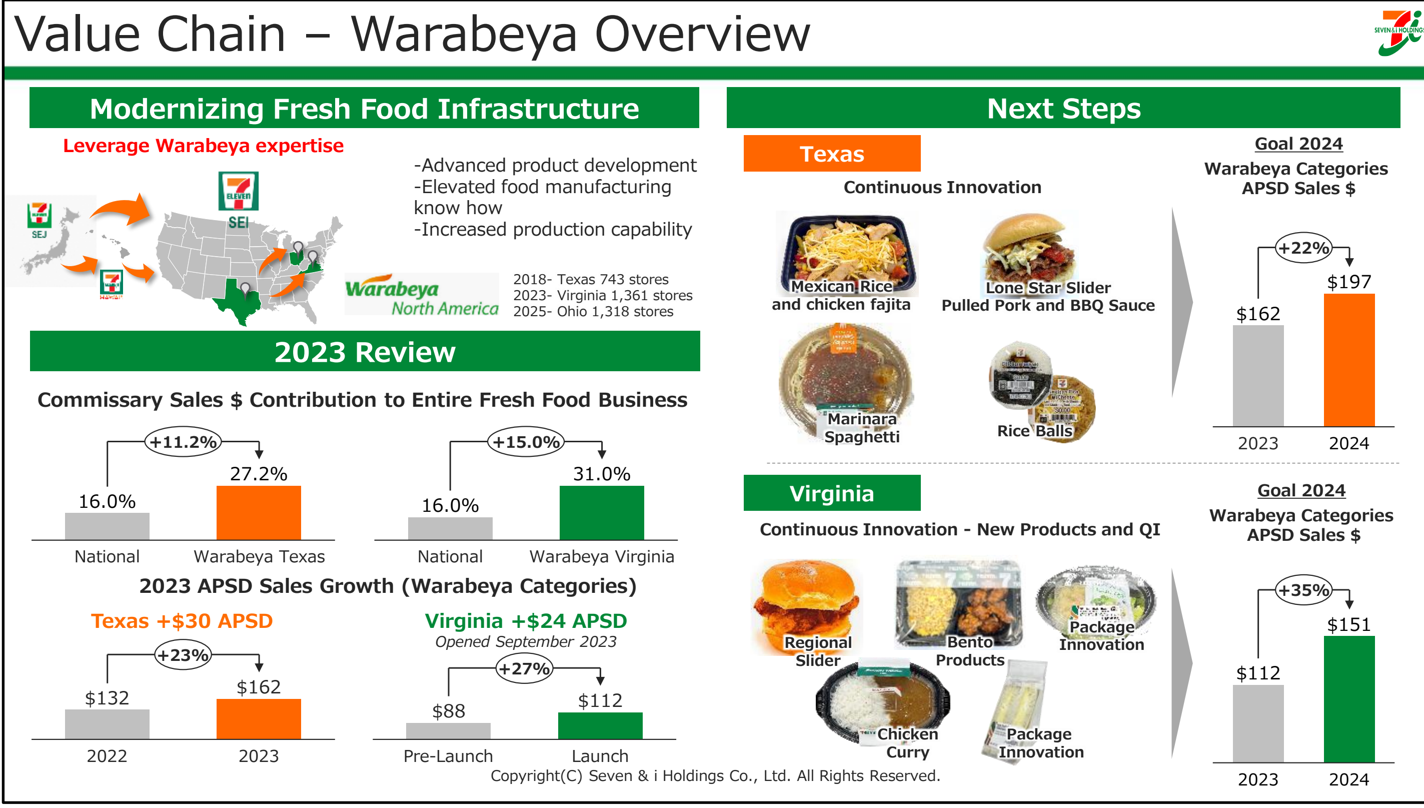


Despite a challenging business climate in 2023, we did see improving results in fresh food and proprietary beverages.

However, our plan now is to accelerate, and we're creating signature products and leveraging offers targeting a 17.5% increase in fresh food sales, and a 7.7% increase in proprietary beverages versus the prior year.

Our private brand lineup is a strategic priority.
7-Eleven, Inc.'s 7-Select private brands are high quality, unique products offering the customer significant value in a time when the customer so much needs it and provides our stores great margins versus the national brands.

We are on track to introduce 215 additional new private brand items this year.

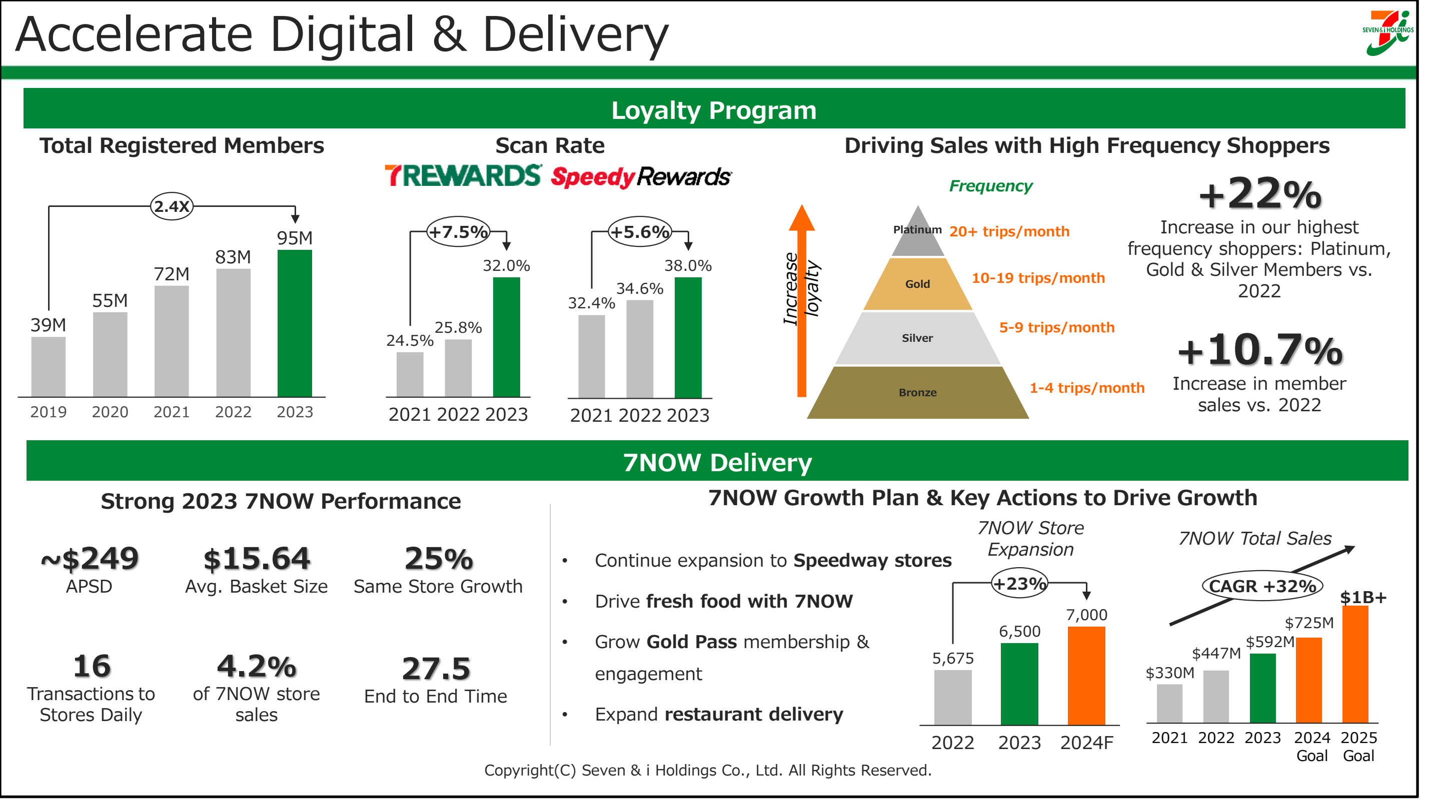


Partnering with Warabeya has translated into improving quality in our products.
In particular, we are improving quality in our signature slider line, as well as in our developing entrée line consisting of chicken curry and other types of boxed lunches.

The collaboration with Warabeya continues to progress well. It has helped us boost our fresh food sales in the markets where Warabeya has a presence, and we saw double-digit growth in 2023, in both the Texas and Virginia Warabeya commissaries.

In 2024, we are aiming for 22% growth in our Texas Warabeya commissary, and 35% growth in the Virginia Warabeya commissary, for products in the Warabeya category.

The 7-Eleven, Inc. team is excited about these products: they're innovative, high-quality, and they're gaining traction with our customer, and will continue to grow.



The second strategic focus area is to accelerate our digital platform and our 7NOW delivery program.

Today more than ever, customers are seeking value, and they're leveraging loyalty programs to find it.
7-Eleven, Inc. has an industry-leading loyalty program - 7REWARDS. We have over 95 million members; one in four Americans is in our rewards program, and we aim to expand this base and enhance consumer value in 2024.

Additionally, in 2023, we saw strong delivery performance, with delivery sales contributing $250 average per store day, and adding 16 additional transactions in each one of those stores.

The 7NOW delivery business grew 25% on a same store basis in 2023. We are the leaders in the convenience sector in the United States and have an industry-leading delivery time of 28 minutes, so we are going to continue this momentum.

In 2024, we will increase 7NOW by adding more stores to the delivery network and we are going to increase food sales on that platform, as well as expand our gold pass membership.
This is going to grow 7NOW delivery sales to $725 million in 2024, and it will continue to grow beyond.

SEI & Speedway Integration – RIS/DEX Installation

RIS/DEX – Store Systems

Total 2023 YTD Actual: $976.5M

Target Total: $800.0M **Variance: +$176.5M**

Merch Sales & Margin

- Optimized and Expanded Assortment
- Expanded Private Brand Assortment by 300+ products

Scale/ Cost Leadership

- Leverage Scale through National Contracts *(Cost Leadership Committee)*
- Transitioned In-House Maintenance to 5,000+ 7-Eleven Stores
- Process Improvement Initiatives to simplify store operations

Fuel Logistics

- Optimized SWTO* routing and mileage
- Expanded SWTO Coverage to 456 7-Eleven Stores
- Leverage Scale with Fuel Supply to Lower COGS

*Speedway Transport Operations

Digital (Growth) Synergies

- Launched Delivery in 1,900+ Stores
- Expanding self-checkout in the Speedway banner

SEI & SPW Synergies

Next Major Unlock in Speedway Synergies

RIS Proprietary Point of Sale System

DEX Fuel Forecourt System

✓ ***Enables Retailer Initiative:*** Improve assortment to meet customer preferences, resulting in higher sales

✓ ***Unifies store systems and integrates store reporting:*** Store simplification and SSC administrative savings

In 2023, our Speedway integration synergies exceeded our target by approximately $177 million: our target was $800 million; we have now achieved approximately $977 million.

The four major Speedway integration synergies included growing merchandise sales and margin, leveraging scale and providing cost leadership, expanding our fuel logistics, and growing our digital platforms.

Moving into 2024, we believe that the digital and IT roll-out of RIS - our Retail Information System - 2.0 and our Dispenser Experience - which is part of our four core fuel dispensers - are the keys to unlocking the next major tranche of Speedway acquisition synergies.

We have been rolling out RIS 2.0 and DEX across 7-Eleven-branded stores. We’re currently in 6,300 of those stores, and we have now begun to scale the roll out to Speedway-branded stores.

RIS 2.0 and DEX are indispensable to our merchandise strategy, and they enable item-by-item management in 7-Eleven stores. We will now work to deploy these systems at all Speedway-branded stores, as well.

SEI Cost Leadership

2023 Actions & Results

- **Cost Leadership Committee** tracked 240 discrete cost improvement initiatives
  - ✓ **140 Negotiations**
  - ✓ **90 Process Improvement Actions**
  - ✓ **10 Resource/Labor Optimization Initiatives**
- **Cost Reduction** achieved across 15 P&L lines
- **400+ Sourcing Events** completed

Resource Optimization

Cost Savings / Avoidance

Targeted OSG&A Reductions

Negotiations

Process Improvements

Other Near-Term Actions

$308M
2023 Total Reduction / Avoidance

2024 Strategy & Target

Strategy

1. **Cost Leadership Committee**
2. **Vendor Cost Reductions**
3. **Company Cost Structure Review**

Opportunities

Merch and Fuel COGS

Store Labor Optimization

Indirect Spend

In-House Maintenance

Debit/Credit Card Fees

$350M
2024 Budgeted Cost Reduction

Our final focus area is cost leadership.

To achieve our cost savings, we developed a disciplined approach to review and manage costs through what we call our CLC.
It identifies cost improvement opportunities, and we track progress to each one of those goals.

In 2023, our focus was on optimizing spend through vendor negotiations, leveraging our scale, improving our processes, optimizing labor, and realizing OSG&A reductions.

This process has helped us realize $308 million in cost reduction and cost avoidance in 2023, and we are now targeting an additional $350 million in cost reductions in 2024.

So, on closing, I want to say this: we at 7-Eleven, Inc. are doing all we can to improve our overall cost base, our productivity, and our efficiency, to help improve our profitability going forward.

TODAY’S AGENDA

1. FY2023 Results
2. FY2024 Forecasts
3. Management Policy

   Domestic CVS Operations, Overseas CVS Operations, Superstore Operations & Group Strategies

My name is Maruyama, Chief Financial Officer at Seven & i Holdings.

Allow me to talk about SST operations. Namely, I want to explain the fundamental transformation of SST Operations in the Tokyo Metropolitan area, as discussed in the results presentation for the second quarter, as well as the major progress of these measures.

EBITDA of SST Operations

(Billions of yen, %)

	FY2023 Results	YOY	vs. initial plan	FY2024 plan	YOY
Ito-Yokado	14.8	93.8	94.4	27.9	152.2
York	3.5	153.8	117.1		
New Ito-Yokado	18.3	101.4	98.0		
SHELL GARDEN	(0.24)	-	-	0.14	-
Tokyo metropolitan area SST operations	18.7	108.8	103.4	28.2	150.8
York Benimaru	28.7	104.8	101.8	30.1	104.5
SST operations*	49.9	106.0	102.2	56.6	113.4

* SST operations: Figures exclude Ito-Yokado in China and other operating companies from SST operations

Achieved FY2023 plan, and will continue to accomplish the fundamental transformation

Slide 40 shows the actual EBITDA results for fiscal year 2023 for SST Operations and the fiscal year 2024 plan.
In fiscal year 2023, both SST Operations in the Tokyo Metropolitan area and SST Operations including YORK BENIMARU achieved the initial plan targets.

Fiscal year 2024 will be a pivotal year for SST Operations in the Tokyo Metropolitan area to achieve more than 55 billion yen in fiscal year 2025.
Toward achieving this target, SST Operations in the Tokyo Metropolitan area will achieve 28.2 billion yen, corresponding to 150.8% of previous fiscal year’s results.
Additionally, the forecast for SST Operations overall is 56.6 billion yen, corresponding to 113.4% year-over-year.

Major Initiative Results of Tokyo Metropolitan Area SST Operations

1 Exit from the apparel business

Optimize directly operated sales floor space

Renovation for tenant introduction

Progress **47%***

(As of March 2024, 35 stores)

Expand Food & Drug

Expansion of introduction

Progress **62%***

(As of March 2024, 42 stores)

2 Accelerate focus on Tokyo metropolitan area with additional store closures

Store closures & external succession

33 stores*

Decision made

Optimize organization scale

Trim down headquarters' functions

Reorganization to improve management efficiency

(Executed on March 2024)

3 Consolidate SST operations in Tokyo metropolitan area

Execute PMI

Integration of IY & YO headquarters' organization functions

(Executed on March 2024)

Improve productivity

Self checkout installation

Progress **68%***

(As of March 2024, 63 stores)

4 Establish Group's strategic infrastructures

Improve store productivity by PC

Improve meat dept. productivity in FY2023

Sales per capita **+11%***

(As of March 2024)

Sales & GP growth by CK (Enhance delicatessen)

Peace Deli Chiba Kitchen started

(On February 2024)

Initiatives / Progress

Implement fundamental reform initiatives as planned and confirmed steady effects

* Results of Ito-Yokado

Slide 41 shows the main measures and the results of the fundamental transformation of SST Operations in the Tokyo Metropolitan area. We will complete these measures during fiscal year 2024 and fully reap the benefits of those efforts in fiscal year 2025.

I would now like to explain the progress of this program now that 7 months have elapsed since the start of its implementation in September of last year. These are the results as of the end of March.

Number one, regarding the complete withdrawal from the self-planned apparel business, initiatives in the form of renovation for tenant introduction and the development of food and drug stores aiming to improve the shopping experience were executed, with a rather high progress rate of 47% and 62%, respectively.

Number two, regarding efforts to accelerate focus on the Tokyo Metropolitan area with additional store closures, in order to achieve a 93-store network in fiscal year 2025, we have made the decision to close or hand over to outside parties 33 stores, according to the plan.

In addition, we are proceeding with the optimization of organization scale in line with our withdrawal from the Group-run apparel business, and the optimization of business areas through a reduction in the number of stores.

The reorganization of indirect departments through optimization of personnel was implemented in March, and steady progress is being made toward improving management efficiency.

Number three, regarding efforts to consolidate SST operations in the Tokyo Metropolitan area, the merchandise function of the Head Office was integrated through the merger of Ito-Yokado and York.

Major Initiative Results of Tokyo Metropolitan Area SST Operations

Implement fundamental reform initiatives as planned and confirmed steady effects

* Results of Ito-Yokado

Additionally, the introduction of full self-checkout as a store productivity improvement measure has delivered significant progress of 68% versus the targets.

Number four, regarding the development of Group strategic infrastructures, the utilization of the process center has resulted in an 11% improvement in meat department productivity, on a sales per capita basis.

In addition, the Peace Deli Chiba Kitchen went into operation in February of this year.
This infrastructure is extremely important in increasing the sales mix of delicatessen products, with the objective of growing sales and gross profit.

I have talked about some examples of the major measures we have steadily implemented over time, and we have confirmed that we are also seeing these measures and plans bear fruit.

Fundamental Transformation Roadmap

	FY2022	FY2023 Initial plan	FY2023 Results	FY2024	FY2025
Number of stores with self-planned apparel* [All stores excluding Shokuhinkan]	113 stores	98 stores	98 stores (100% achieved)	32 stores	Completely exit
Number of Ito-Yokado stores*	126 stores	124 stores	123 stores (Over 100% achieved)	93 stores (100% achieved)	–
SG&A reduction ratio (vs. FY2022)	-	+2.5%	(1.4)% (Controlled more than planned)	(6.9)%→(7.6)% (Raise the target)	(19.7)% (Raise the target)
Labor share [Salaries and wages/gross profit from operations×100]	39.5%	37.9%	38.4%	34.9%→36.4%	32.7%→34.0%
Figures in ( ) as productivity metrics Gross profit from operations/salaries and wages	(2.5 x)	(2.7 x)	(2.6 x)	(2.7 x)	(2.9 x)
Sales composition of delicatessen	13%	13%	13% (100% achieved)	14%	15%
Store productivity [Sales per tsubo] (vs. FY2022)	3.65 Million yen (-)	3.78 Million yen (+3.6%)	3.78 Million yen (+3.6%) (100% achieved)	3.92 Million yen (+7.4%)	4.25 Million yen (+16.4%)

Effects generally in line with plans, centered on cost structure reforms

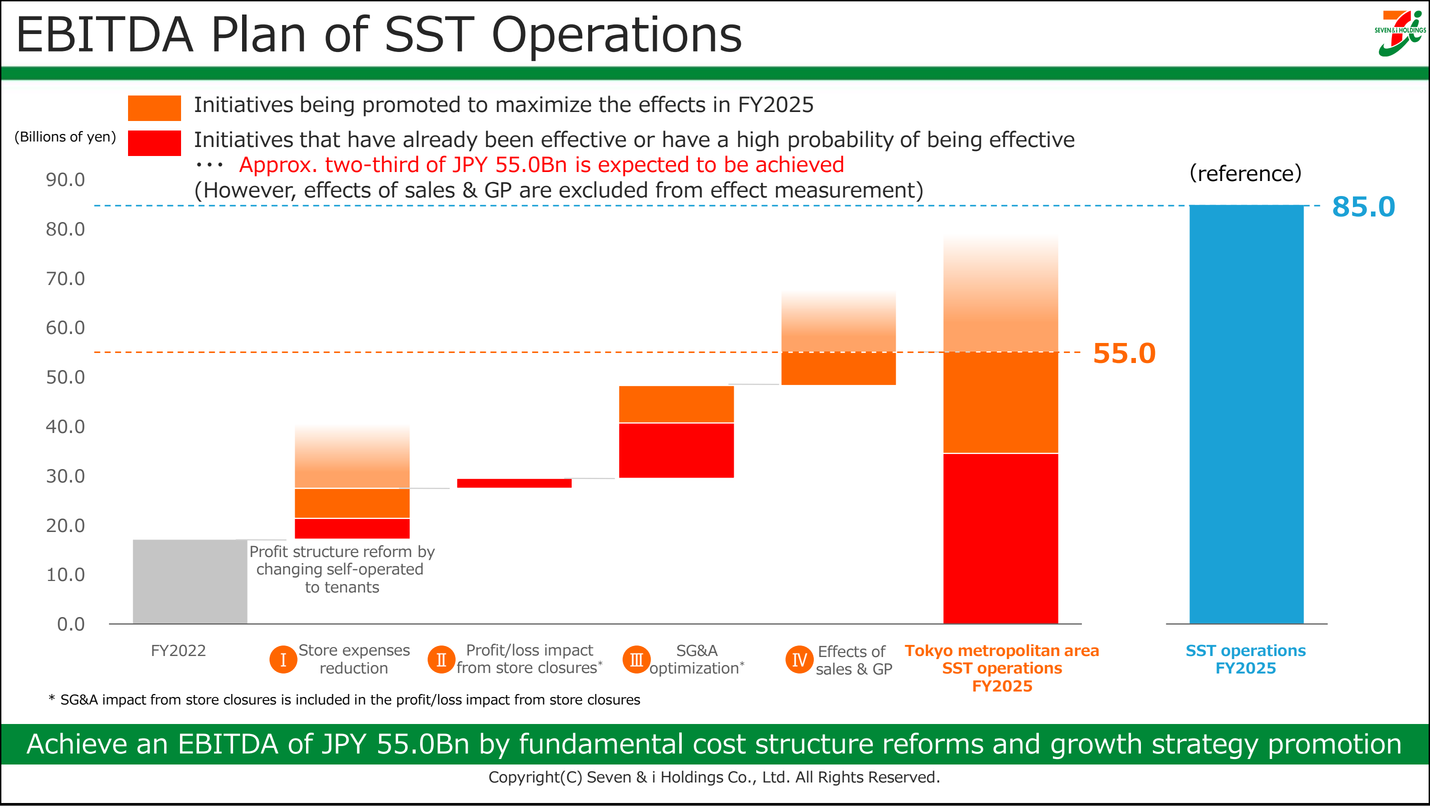
* Figures exclude York Mart, York Foods, etc.

Slide 42 shows the fundamental transformation roadmap we presented at our results presentation for the second quarter.
We made progress as planned in terms of the number of stores with self-planned apparel.

We made progress in the number of Ito-Yokado stores at a pace exceeding the plan, as we focused on the Tokyo Metropolitan area. The plan is to have a 93-store network by the end of fiscal year 2024, so that we can leverage this 93-store network from the beginning of fiscal year 2025.

Regarding the rate of the reduction of SG&A expenses, while we had expected a slight increase in fiscal year 2023, more aggressive reduction measures allowed us to achieve a 1.4% reduction. Consequently, we have raised the target for fiscal year 2025.

We intend to balance the labor share ratio, but not with the objective of reducing labor costs, as our primary focus is increasing productivity in order to grow gross operating income.
Additionally, the delicatessen sales mix ratio and store productivity indicators are progressing as planned.



Slide 43 covers a topic I explained during the financial results presentation for the second quarter, namely the effects of each element toward achieving our EBITDA target of 55 billion yen or more.

The red color indicates that the effects of the reform measures implemented thus far have already been realized, as well as those measures that are judged to have a high probability of being realized in the future.

However, since the sales and gross profit effects of item number 4 may be affected by the external environment and other factors, we have purposely excluded them from the measurement of effects.

Based on this assumption, at this point in time, we are confident that we will be able to achieve about two-thirds of the 55 billion yen target. Additionally, we are also confident we will be able to meet the targets for the effects of the remaining SG&A initiatives - represented here through the section colored dark orange - and also in terms of sales and gross profit effects.

We will continue to make strong efforts to reform the profit structure by, number one, going from self-operated stores to stores operated by tenants, and achieve further upside to the sales and gross profit effects shown here in number four.

TODAY'S AGENDA

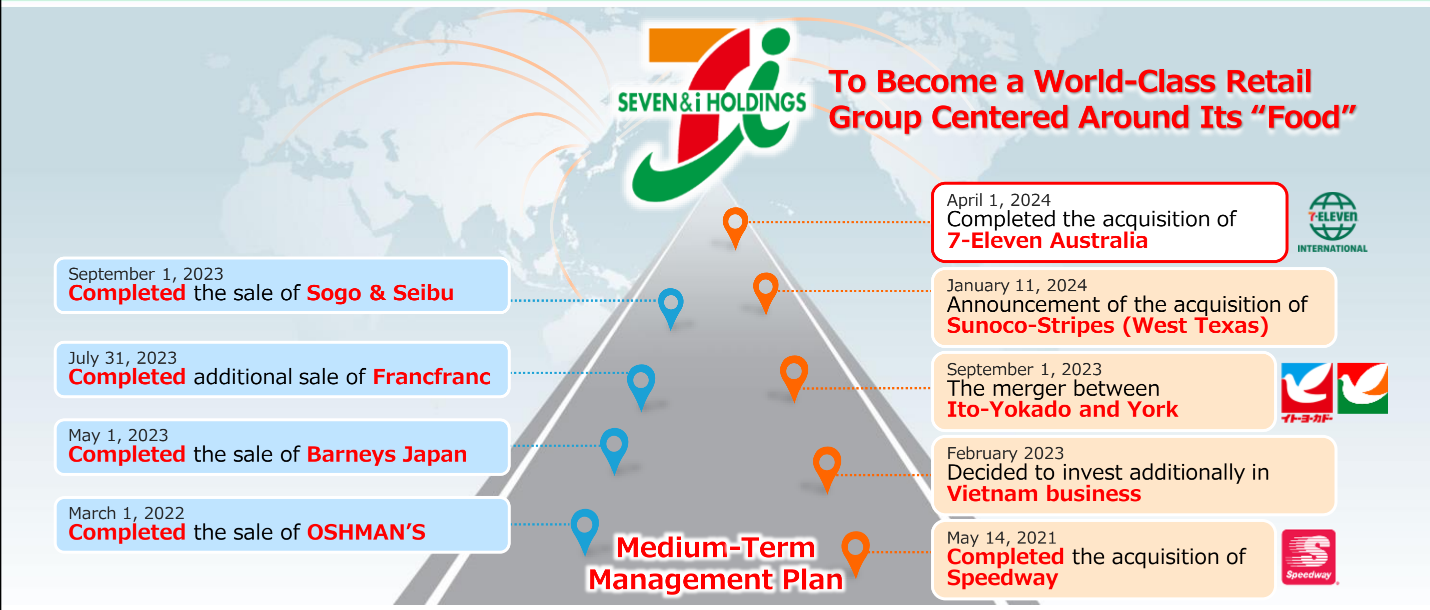
1. FY2023 Results
2. FY2024 Forecasts
3. Management Policy

Domestic CVS Operations, Overseas CVS Operations,
Superstore Operations & Group Strategies

My name is Isaka, President and Representative Director of Seven & i Holdings.

Allow me to talk about our policy for maximizing the Group's corporate and shareholder value over the medium to long term.

Progress of Strategic Initiatives



Continue to accelerate various strategic initiatives to realize the Ideal Group Image

This slide shows the progress made within the scope of strategic initiatives in our Medium-Term Management Plan.

We are pleased to announce that we have completed the acquisition of 7-Eleven Australia on April 1, 2024.

We will continue to steadily and swiftly implement our strategic initiatives to become a world-class retail Group centered around its "Food."

Corporate Vision

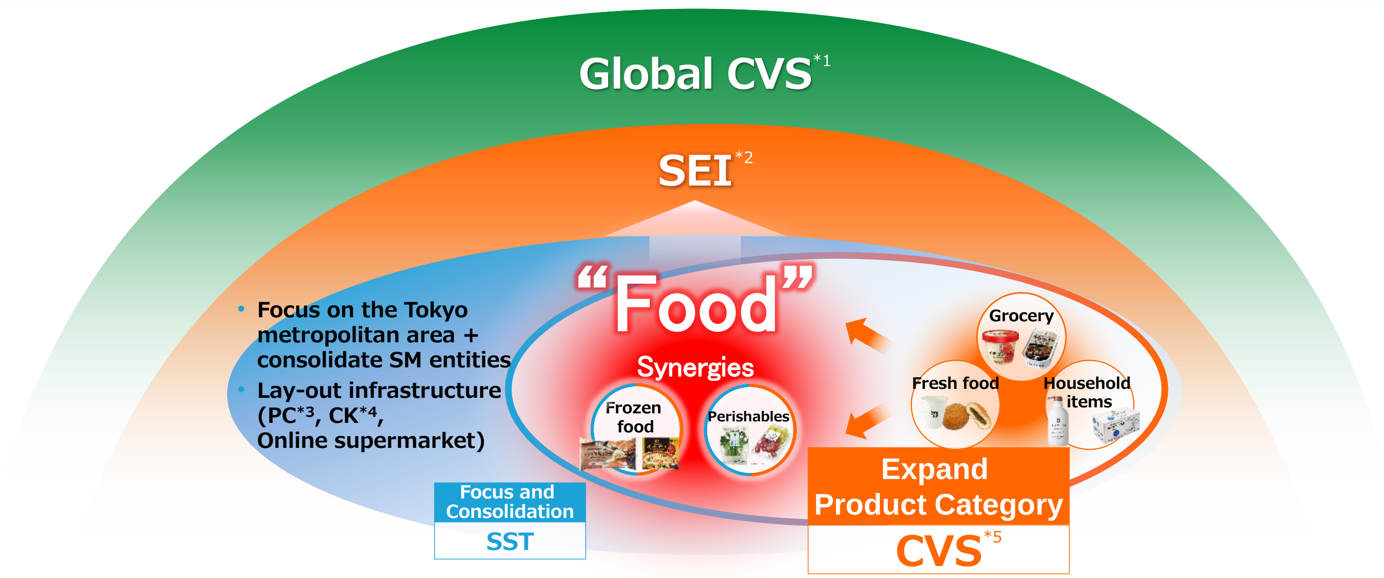
Corporate creed	We aim to be a sincere company that our customers trust. We aim to be a sincere that our business partners, shareholders and local communities trust. We aim to be a sincere company that our employees trust.
Basic stance	We aim to contribute to the local community both in Japan and overseas by providing new experiences and values from the customer's perspective.
Ideal Group Image for 2030*	A world-class retail group **centered around its "food"** that leads retail innovation through global growth strategies centered on the 7-Eleven business and proactive utilization of technology.

As per announced on March 9, 2023 ("Update to the Medium-Term Management Plan and the Results of the Group Strategy Reevaluation"), we will aim towards 2030 to become "A world-class retail group centered around its 'food' "

*Announced on March 9, 2023

As announced on the "Update to the Medium-Term Management Plan and the Results of the Group Strategy Reevaluation," released on March 9, 2023, we have redefined the Group's vision for 2030, and have set a direction to focus on "Food," which lies at the origin of our Group's competitiveness.

Globally expand SEJ's strength in "food"



*1 Mainly operated by 7IN
*2 Mainly operated by SEI
*3 PC: Process Center
*4 CK: Central Kitchen
*5 Operated by SEJ

Strength in "Food" is the key source of competitive advantage for the Group's CVS business

This concept diagram here illustrates how we intend to grow with food at the core of our strategy, both domestically and globally.

For example, for Seven-Eleven Japan, our APSD is about 30% higher compared to our competitors.

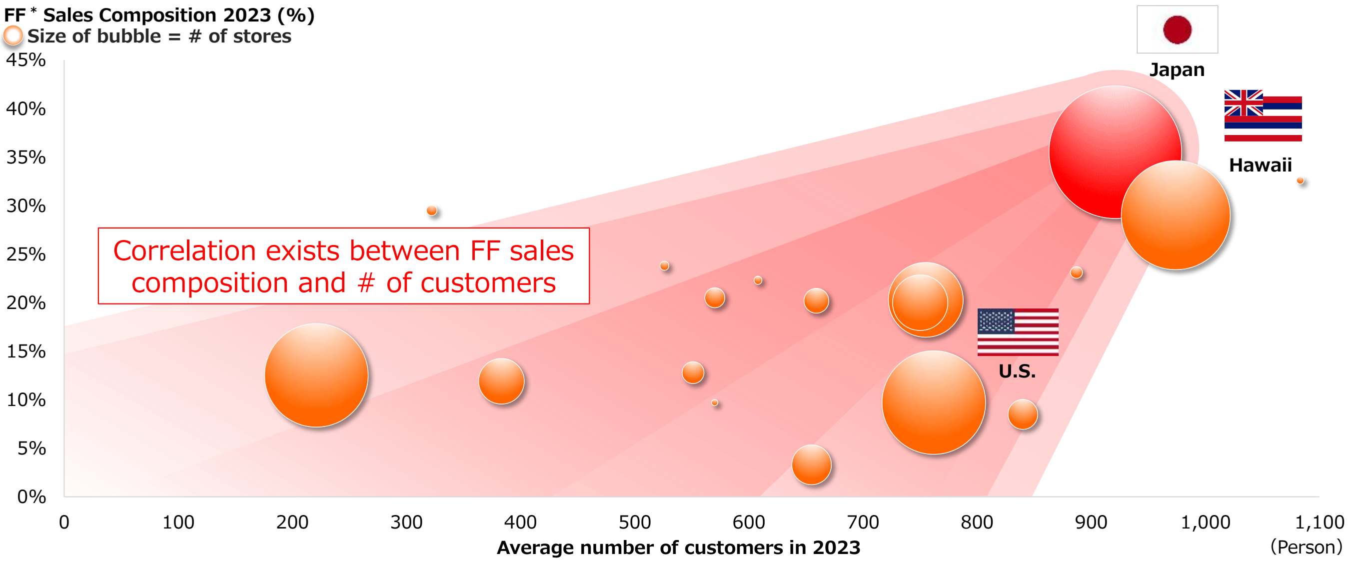
Because we have SST Operations within our Group, this produces a synergy effect that benefits our Food business, and this is a rather significant advantage for us.

On the other hand, as Mr. DePinto mentioned earlier, the value chain network that has been nurtured in Japan will be transplanted to Overseas CVS Operations in North America, and we are starting to see results.

As such, going forward, we will be deploying and expanding this strategy also in areas beyond North America and Japan.

Growth Strategy of CVS Businesses with "Food" at its Core

Global 7-Eleven Operations



* "FF": Fresh Food(Fresh foods include Ready-To-Eat foods only. Proprietary beverages, dairy products and long shelf-life foods are excluded.)

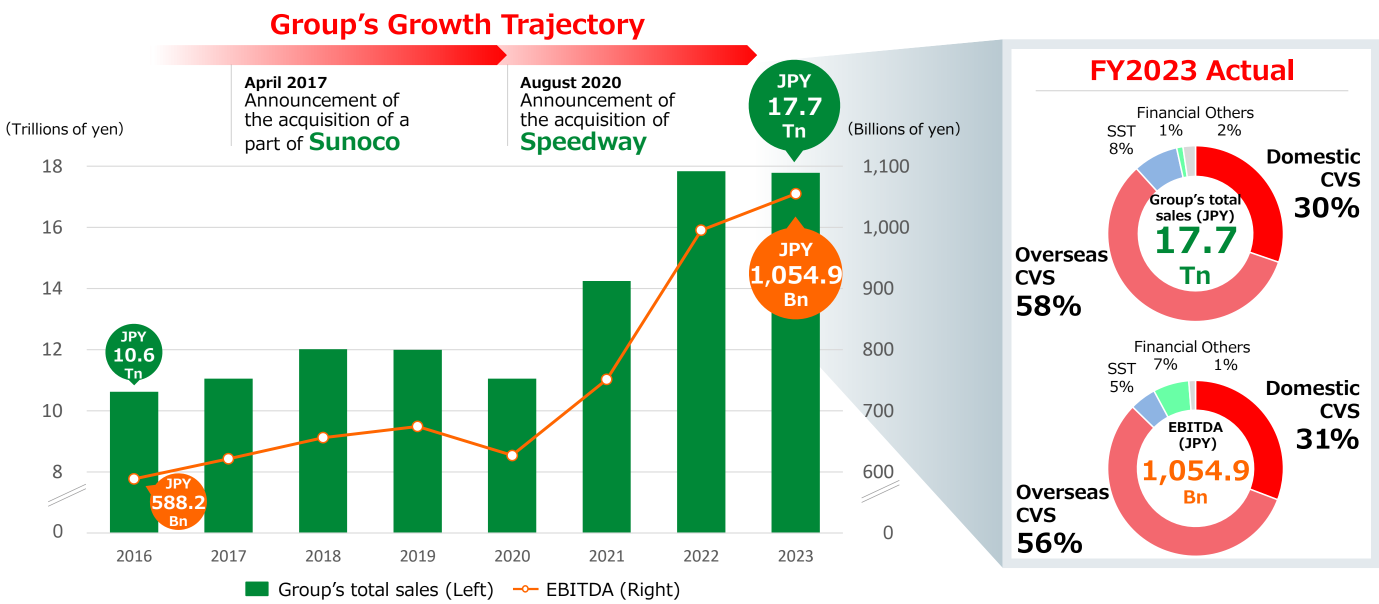
Expand the business scale globally by leveraging strengths in "food"

On the horizontal axis, you can see the average number of customers per day per store, while the vertical axis shows the sales mix of fresh food. Furthermore, the size of each bubble is shown in proportion to the number of stores in the countries and regions we operate in.

This shows that countries and regions with a higher sales mix of fresh food boast a higher number of customers per day per store. There is therefore a positive correlation.

Leveraging our strengths in "Food," is therefore key in expanding the scale of the CVS business globally.

Group’s Growth Trajectory



Group’s total sales has continuously increased steadily with contribution of M&A in North America

The vertical bar graph on the left represents Group sales, while the line graph shows the EBITDA trend.

Since 2016, when I became President, we have expanded our sales and income globally through M&A in North America, including through the acquisition of Sunoco and Speedway.

The pie chart on the right shows Group total sales and EBITDA growth by segment, for fiscal year 2023.

In fiscal year 2023, Group total sales and EBITDA grew by 1.7x and1.8x, respectively vis-à-vis fiscal year 2016. Additionally, Overseas CVS Operations accounts for the majority in both Group total sales and EBITDA. We have truly evolved into a global Company.

The World's Top Retailers by Sales

FY2023 Actual

Group's total sales

JPY17,789.9Bn

(US$ 127,070M)

FY2021 Sales rank	Name of company	Geography of origin (# of countries/regions)	Sales (US $M)
1	Walmart	U.S. (24)	572,754
2	Amazon	U.S. (21)	239,150
3	Costco	U.S. (12)	195,929
4	Schwarz	Germany (33)	153,754
5	The Home Depo	U.S. (3)	151,157
6	Kroger	U.S. (1)	136,971
7	JD.com	China (1)	126,387
8	Walgreens Boots Alliance	U.S. (6)	122,045
9	Aldi	Germany (19)	120,947
10	Target	U.S. (1)	104,611
11	CVS Health	U.S. (1)	100,105
12	Lowe's	U.S. (2)	96,250
13	Ahold Delhaize	Netherlands (10)	89,381
14	Tesco	U.K. (5)	82,881

* Exchange rate: 1USD＝140JPY

Source: Deloitte Touche Tohmatsu "Global Powers of Retailing 2023"

Group's total sales recorded No.7 among global retailers

This slide shows a ranking of the world's top retailers by sales. Thanks to the execution of our strategies, we are now number 7 in the world and have evolved into one of the world's top-class retailer Groups.

Footprint of Our Group Strategy Evolution

Jul 1, 2021
Announced the Medium-Term Management Plan

Apr 7, 2022
Announced the Management message

2022 May end
Governance transformation

Mar 9, 2023
Updated the Medium-Term Management Plan and announced the result of the Group Strategy Reevaluation

Apr 10, 2024
Announced our Group's Action Plans toward the maximization of corporate and shareholder value

Shifted from a "general retail business" to a focused growth strategy on domestic and overseas CVS

Accelerated actions to optimize the business portfolio and operation under a transformed governance structure (Group Strategy Reevaluation)

Establish the Strategy Committee

Objectively assess and monitor Group's key strategic initiatives and optimal group structure

Announce Action Plans

Conduct Action Plans

Agenda	***Delivery (Since Jun 2023)***
North American CVS business growth	Sunoco-Stripes (West Texas) acquisition announced (Jan 2024)
Global CVS business growth (ex-NA)	Completed the acquisition of 7-Eleven Australia (Apr 2024)
SST Transformation	SST turnaround milestone announced (Oct 2023)
Optimal Group Structure	Closing of Sogo-Seibu sale (Sep 2023)
Others	IR Day (Oct 2023) Share buyback (Nov 2023)

A **Formulation of concrete action plans to accelerate growth**

B **Changes to the Group structure that will enhance our long-term growth and enterprise value**

C **Enhancement of investor engagement**

We have continuously implemented strategic initiatives with the assessment and monitoring by Strategy Committee

Since we announced our Medium-Term Management Plan in July 2021, we shifted from our previous "general retail business" strategy and have accelerated the focus on Domestic and Overseas CVS Operations and reviewed our business portfolio and have taken action for optimal management.
In that process, in March 2023, we established the Strategy Committee, composed of all the Group's Independent Outside Directors, focused on maximizing corporate value and thus shareholder value in the medium- to long-term, which has been evaluating and monitoring the implementation of the Group's key strategies and the optimal Group structure from an objective perspective.

Recently, the Strategy Committee shared its recommendations to the Company's Board of Directors, and the Board created our group's action plans toward the maximization of corporate value and shareholder value, through sincere and speedy discussions.

Today, we announced our Group's action plans reflecting recommendations from the Strategy Committee, as a separate release material, which we welcome you to peruse at your convenience.

Group's Concrete Action Plans

Considering the Strategy Committee Recommendations to maximize corporate value and shareholder value in medium-to long-term…

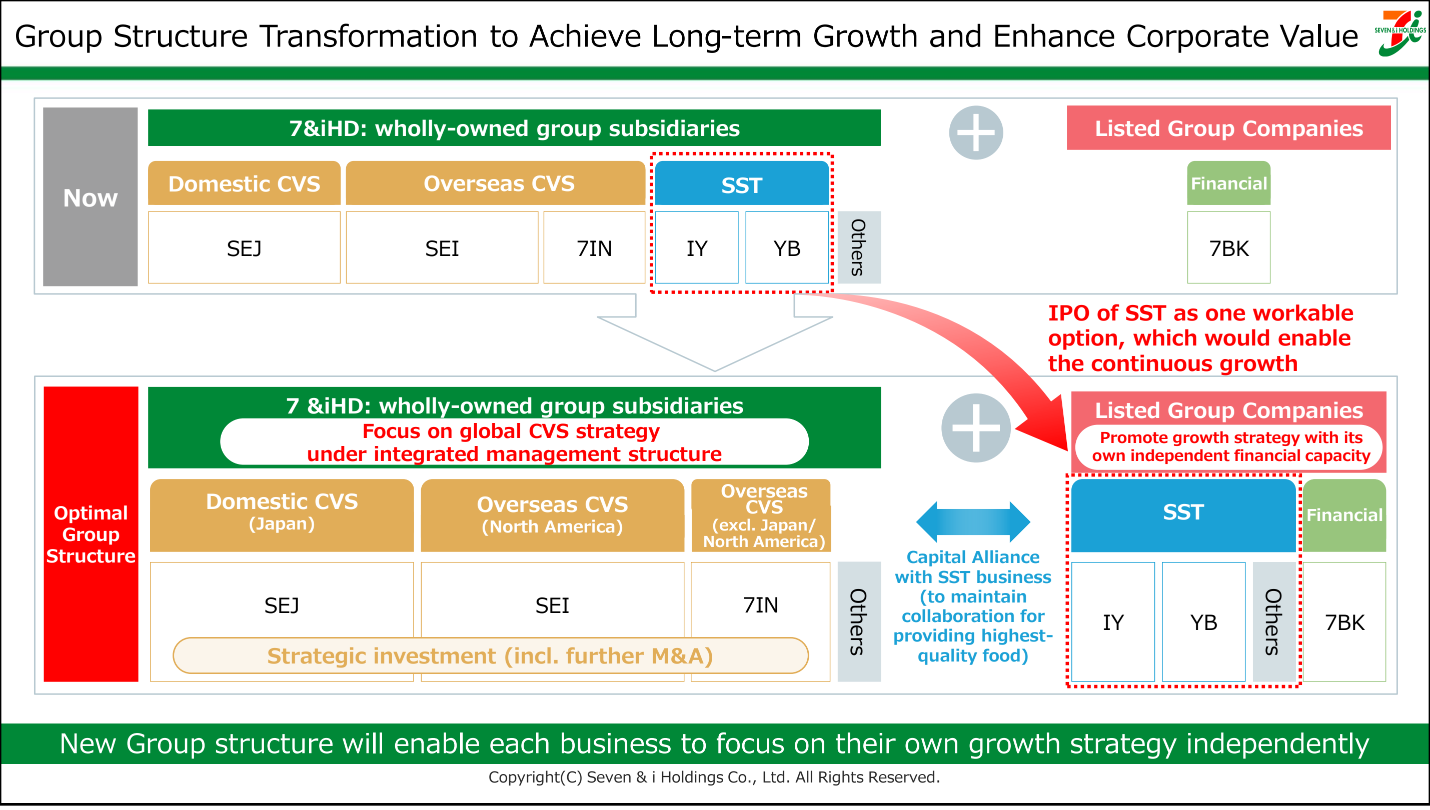
A **Formulation of concrete action plans to accelerate growth**	1 Accelerate growth and improve profitability in the North American CVS market 2 Develop more aggressive business plans and investments 3 Establish the IT/DX strategy for the foundation of our global growth, and the IT/DX governance to improve cost competitiveness 4 Monitor and support the completion of the transformation and growth of Tokyo Metropolitan Area SST 5 Maximize the synergy between Retail and Financial
B **Changes to the Group structure that will enhance our long-term growth and corporate value**	❖ We will create a globally **integrated CVS management structure**, including Japan and North America, **with a unified leadership** ❖ SST business will aim to establish the refined management structure / business structure; employees having the autonomy to pursue re-growth, and **independently in** strategic decision making as well as **financial capacity**, while continuing to aim towards successful business transformation. With respect, **the Company is considering an IPO of SST business targeting to list as soon as reasonably practicable as one workable option**, on the basis that certain capital alliance and shareholdings among these business continues with the food related collaboration between CVS and SST would be maintained
C **Enhancement of investor engagement**	❖ We value of investors and want to ensure that we are engaging with them in a clear and transparent way to deliver on our mission and enhance shareholder value. ❖ We will continuously examine and strengthen the investor communication regarding our concrete strategy, growth path and its progress

Our concrete plan with actionable deliverables will enhance our current Medium-Term Management Plan

This slide shows the concrete actions plans decided after deliberation by the Board of Directors, reflecting recommendations from the Strategy Committee.
The action plan that was decided this time is divided into three domains: A) the formulation of concrete action plans to accelerate growth for each segment, B) changes to the Group structure that will enhance our long-term growth and corporate value, and C) effort to communicate these to investors in a clear and transparent way

Please refer to the Appendix of today's press release for details regarding the Strategy Committee Recommendations.

We have already begun creating a clear timeline for actioning those items. In the process, when there are items and information we should disclose along the way, we will make such disclosures in a prompt manner.



Last, I would like to give you a concrete vision of our efforts in Group structure transformation to achieve long-term growth and to enhance corporate value.

First are SST Operations. We are now considering an IPO of SST business targeting to list as soon as reasonably practicable as one workable option for long-term growth of SST business beyond fundamental transformation, on the basis that certain capital alliances and shareholdings among these businesses will continue to allow the food related collaboration between CVS and SST to be maintained.

As a result, the SST Operations will aim to establish a refined structure to pursue re-growth, and to have independence financially in strategic decision making, while continuing to aim toward a successful fundamental transformation. At the same time, CVS Operations can focus on the growth strategy of CVS business even more.

In order to achieve a globally integrated CVS Operations, including Japan and North America, we will also aim to integrate the leadership/ management structure of the CVS Operations in the future.

Thank you for your time.

Appendix

Consolidated B/S Summary (As of February 29, 2024)

(Billions of yen)

Assets (Main items only)	As of Feb. 28, 2023	As of Feb. 29, 2024	Change
Current assets	3,060.6	3,035.6	(24.9)
Cash and bank deposits	1,670.8	1,558.7	(112.1)
Cash and bank deposits at Seven Bank	1,024.3	877.1	(147.2)
Notes and accounts receivable - trade, and contract assets	422.6	464.1	+41.5
Merchandise and finished goods	280.0	283.3	+3.3
Non-current assets	7,489.1	7,555.4	+66.2
Property and equipment	4,341.7	4,362.5	+20.7
Buildings and structures, net	1,614.8	1,606.8	(7.9)
Land	1,196.0	1,096.6	(99.3)
Right-of-use assets, net	885.6	985.6	+100.0
Intangible assets	2,364.6	2,356.5	(8.0)
Investments and other assets	782.7	836.3	+53.6
Deferred assets	1.1	0.98	(0.12)
Total assets	10,550.9	10,592.1	+41.1

Liabilities and net assets (Main items only)	As of Feb. 28, 2023	As of Feb. 29, 2024	Change
Total liabilities	6,902.7	6,691.4	(211.3)
Current liabilities	3,265.0	3,073.2	(191.8)
Notes and accounts payable, trade	536.1	528.1	(8.0)
Short-term loans	143.5	84.8	(58.6)
Current portion of bonds and current portion of long-term loans	501.4	472.5	(28.8)
Allowance for restructuring expenses	2.2	15.9	+13.7
Lease obligations	121.4	132.3	+10.9
Deposits received in banking business	810.1	803.7	(6.3)
Non-current liabilities	3,637.7	3,618.2	(19.4)
Bonds	1,394.7	1,356.5	(38.1)
Long-term loans	936.0	824.6	(111.4)
Lease obligations	834.9	931.7	+96.8
Total net assets	3,648.1	3,900.6	+252.4
Total liabilities and net assets	10,550.9	10,592.1	+41.1

Working Capital (As of February 29, 2024)

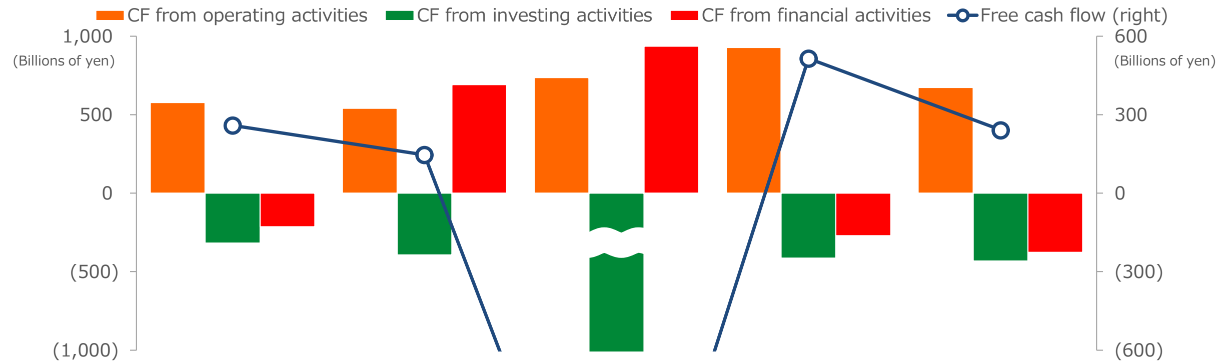
Upper row: consolidated basis　Lower row: excluding financial services

(Billions of yen)

Current assets	As of Feb. 28, 2023	As of Feb. 29, 2024	Change
Notes and accounts receivable – trade, and contract assets	422.6	464.1	+41.5
	163.9	204.7	+40.7
Merchandise and finished goods	280.0	283.3	+3.3
	280.0	283.3	+3.3
Work in process Raw materials and supplies	2.3	2.5	+0.18
	1.4	1.3	(0.10)
Total	705.0	750.0	+45.0
	445.4	489.4	+43.9

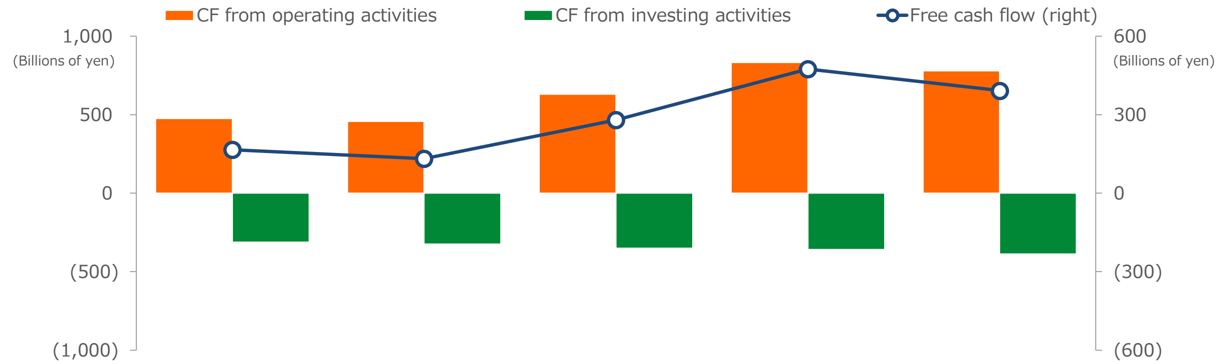
Current liabilities	As of Feb. 28, 2023	As of Feb. 29, 2024	Change
Notes and accounts payable, trade	536.1	528.1	(8.0)
	534.1	525.1	(8.9)
Total	536.1	528.1	(8.0)
	534.1	525.1	(8.9)

Consolidated Statements of Cash Flows



(Billions of yen)	FY2019	FY2020	FY2021	FY2022	FY2023	vs. FY2022
CF from operating activities	576.6	539.9	736.4	928.4	673.0	(255.4)
CF from investing activities	(318.0)	(394.1)	(2,505.5)	(413.2)	(431.8)	(18.5)
Free cash flow	258.6	145.8	(1,769.0)	515.2	241.2	(274.0)
CF from financing activities	(213.2)	690.5	937.0	(270.3)	(377.0)	(106.6)
Cash and cash equivalents at the end of the year	1,354.8	2,183.8	1,414.8	1,674.7	1,562.4	(112.2)

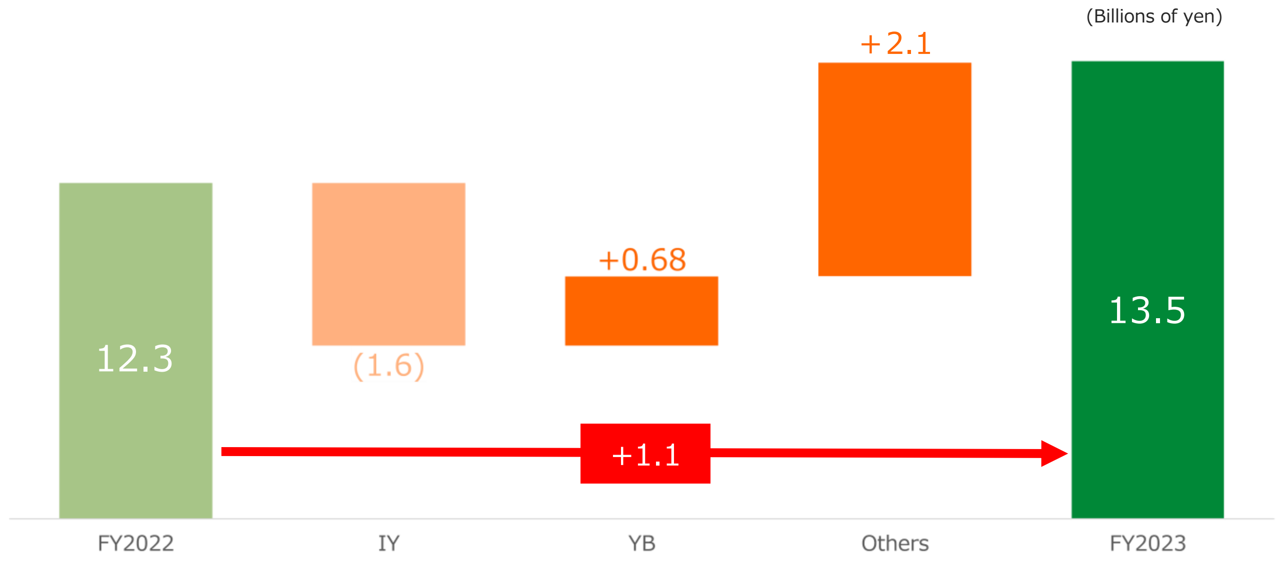
Consolidated Statements of Cash Flows (Excl. Financial Services)



(Billions of yen)	FY2019	FY2020	FY2021	FY2022	FY2023	vs. FY2022
CF from operating activities	477.4	456.7	630.8	832.8	778.3	(54.4)
CF from investing activities	(311.2)	(324.6)	(351.2)	(358.7)	(386.7)	(27.9)
Free cash flow	166.2	132.0	279.5	474.0	391.6	(82.3)

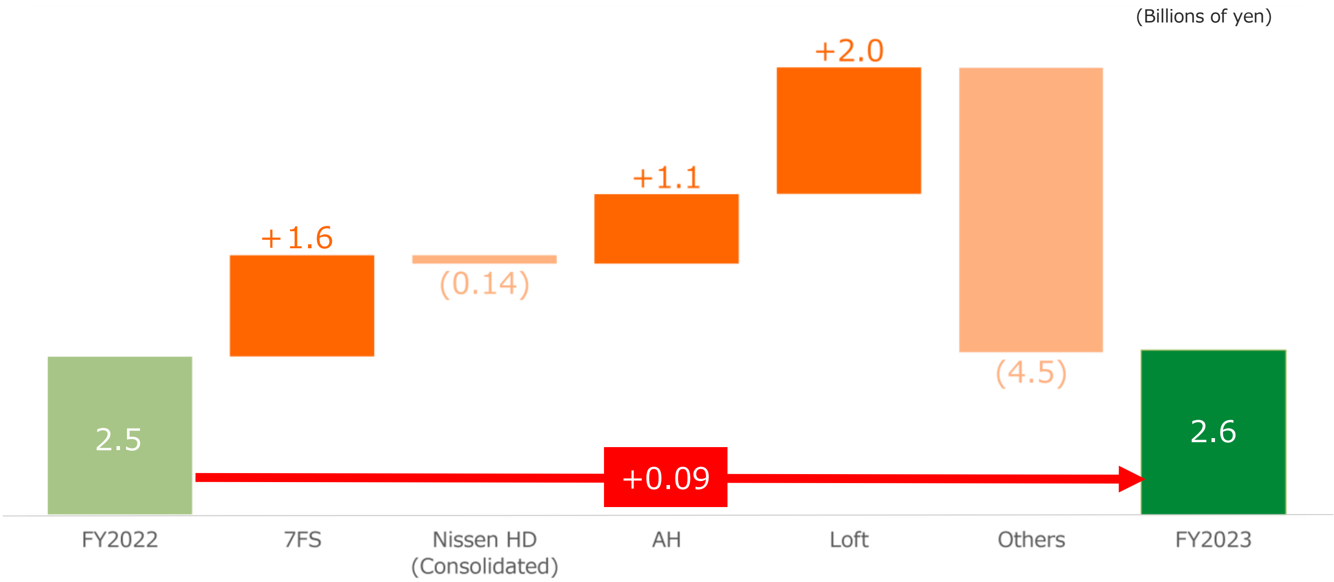
Note) Cash outflow from M&A is considered as strategic investment and is excluded from investing cash flow

Superstore Operations - Change in Operating Income



Note) IY: Ito-Yokado, YB: York-Benimaru

Others - Change in Operating Income



Note) 7FS: Seven & i Food Systems, AH: Akachan Honpo

FY2023 Operating Income of Major Operating Companies

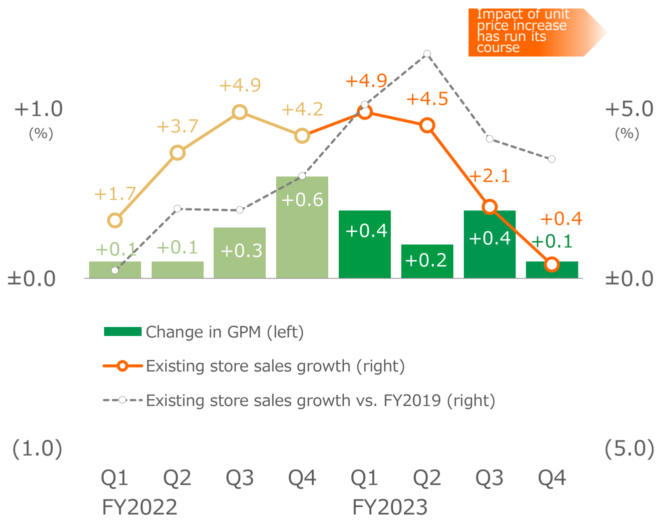
(Billions of yen, %)

	Operating income	YOY	YOY change	Existing store sales growth	Change in merchandise GPM
Seven-Eleven Japan	251.0	107.8	+18.1	+3.0	+0.3
7-Eleven, Inc.	413.9	104.4	+17.3	+1.0	+0.2
[Millions of dollar]	[2,942]	[97.7]	[(70)]		
Ito-Yokado	(1.2)	-	(1.6)	+0.5 (SC total)	(0.6)
York-Benimaru	18.7	103.8	+0.68	+2.4	+0.1

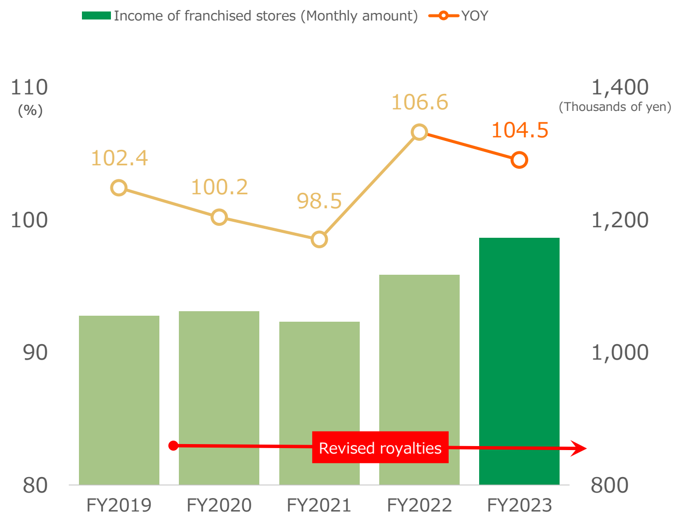
Note) Exchange rate: 1USD = 140.67JPY

Seven-Eleven Japan (1)

Existing store sales & GPM



Trend in income of franchised stores



Growth in sales and gross profit due to high quality merchandise development, etc.

Seven-Eleven Japan (2)

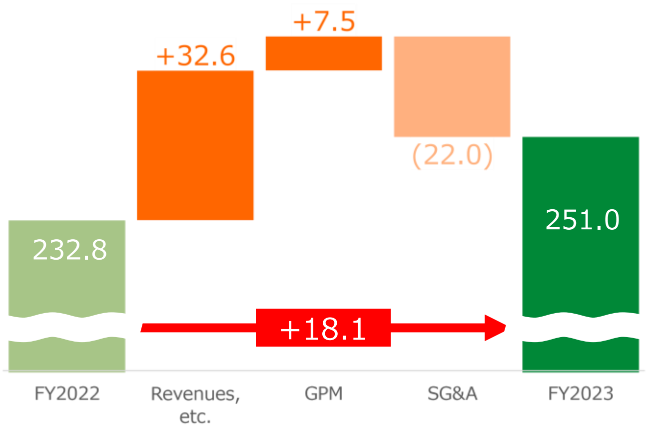
SG&A

(Billions of yen, %)

	FY2023	YOY	YOY change	Major factors for change
SG&A	600.6	103.8	+22.0	
Advertising expenses	36.8	121.6	+6.5	Resumption of merchandise exhibitions 50th anniversary related expenses
Salaries and wages	81.4	101.2	+0.99	Revision of compensation system
Land and building rent	195.2	101.6	+3.0	Increase in number of stores
Depreciation and amortization	88.5	105.4	+4.5	
Utility expenses	60.8	93.7	(4.1)	Decrease in utility cost
Others	137.6	108.7	+11.0	Increase in settlement fees

Change in operating income

(Billions of yen)



7-Eleven, Inc. (2) Balance Sheet Summary (As of December, 2023)

(Millions of dollar)

Assets	As of Dec. 31, 2022	As of Dec. 31, 2023	Change
Current assets	5,479	5,649	+170
Cash and cash equivalents	2,378	2,084	(294)
Accounts receivable	1,476	1,813	+337
Inventory	1,319	1,383	+64
Others	306	369	+63
Non-current assets	40,614	40,749	+135
Operating lease assets	6,550	6,843	+293
Property and equipment	15,365	15,148	(217)
Intangible assets	17,967	17,955	(12)
Other assets	732	803	+71
Total assets	46,093	46,398	+305

Liabilities	As of Dec. 31, 2022	As of Dec. 31, 2023	Change
Total liabilities	27,241	25,982	(1,259)
Current liabilities	6,189	7,025	+836
Trade and accounts payable	1,499	1,471	(28)
Accrued expenses	2,226	2,039	(187)
Current portion, operating leases	762	788	+26
Current portion, long-term debt	1,702	2,727	+1,025
Non-current liabilities	21,052	18,957	(2,095)
Operating lease obligations	5,944	6,258	+314
Long term debt	11,552	8,840	(2,712)
Deferred credits and other liabilities	3,556	3,859	+303
Total net assets	18,852	20,416	+1,564
Total liabilities and net assets	46,093	46,398	+305

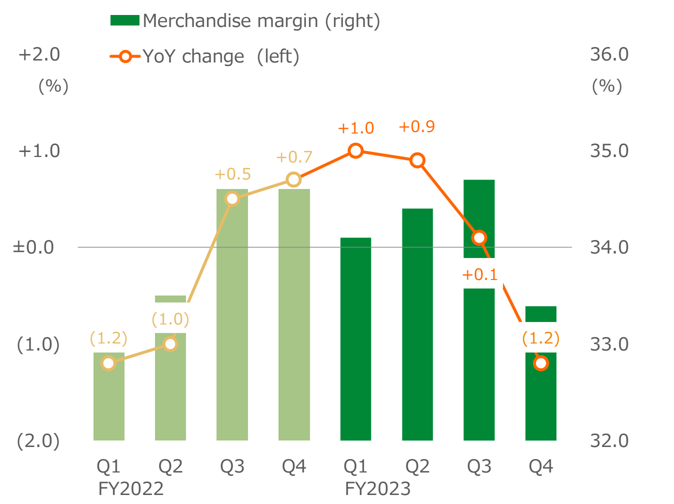
Note) Figures are shown on SEI consolidated basis in accordance with U.S. GAAP.

7-Eleven, Inc. (2)

Merchandise Same Store Sales Growth

Note) Figures of existing store sales do not include Speedway through Q2 FY2022

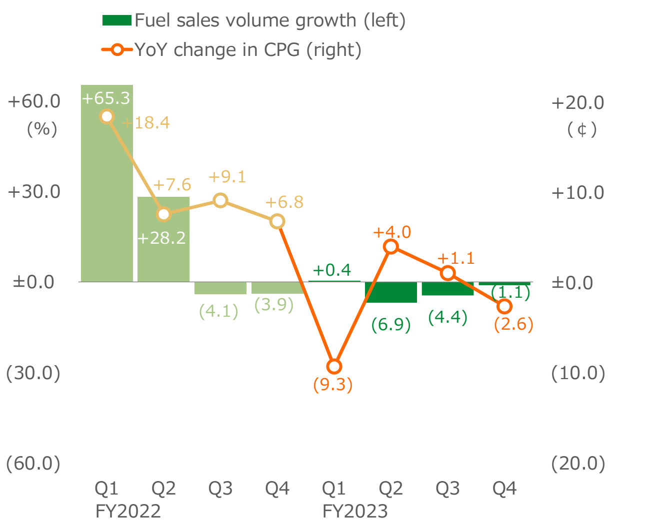
Merchandise Margin



Respond to the challenging consumption environment by strengthening high-quality proprietary products

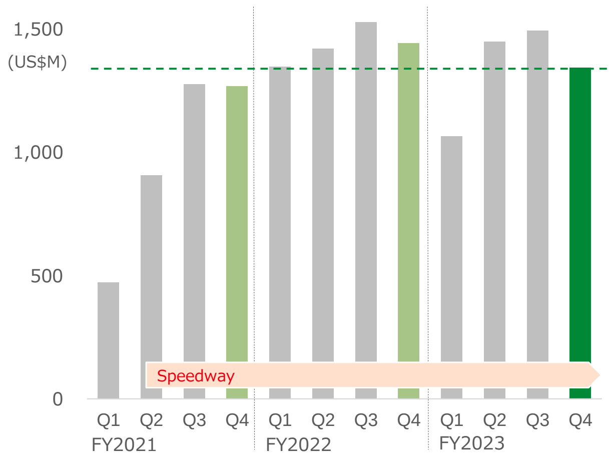
7-Eleven, Inc. (3)

Total Fuel Volume & Margin (Total CPG*)



* Total CPG is inclusive of Retail, Supply and Wholesale business

Fuel Gross Profit



Fuel profits are expected to remain stable over the medium-term, despite cycling historically high margin last year

7-Eleven, Inc. (4)

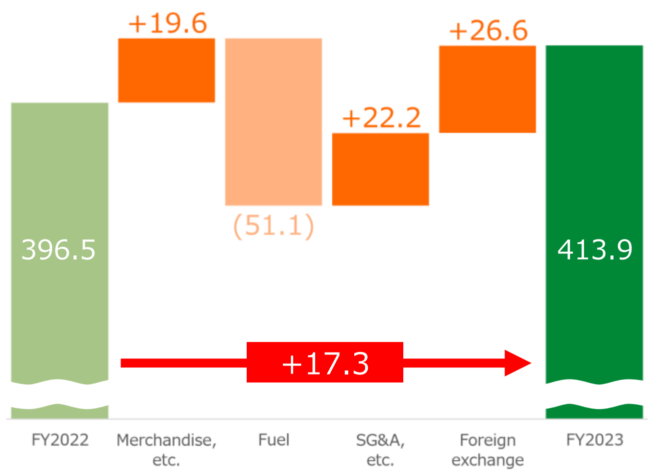
SG&A

(Millions of dollar, %)

	FY2023	YOY	YOY change	Major factors for change
SG&A	9,133	98.8	(112)	
Advertising expenses	152	111.7	+15	Increase due to Media Ad
Salaries and wages	3,027	96.4	(113)	Decrease due to personnel cost management
Land and building rent	1,075	105.2	+53	Increase due to inflation
Depreciation and amortization	1,444	101.1	+15	IT investment
Utility expenses	528	105.1	+25	Increase in utility cost
Others	2,904	96.4	(108)	Decrease due to credit card fees

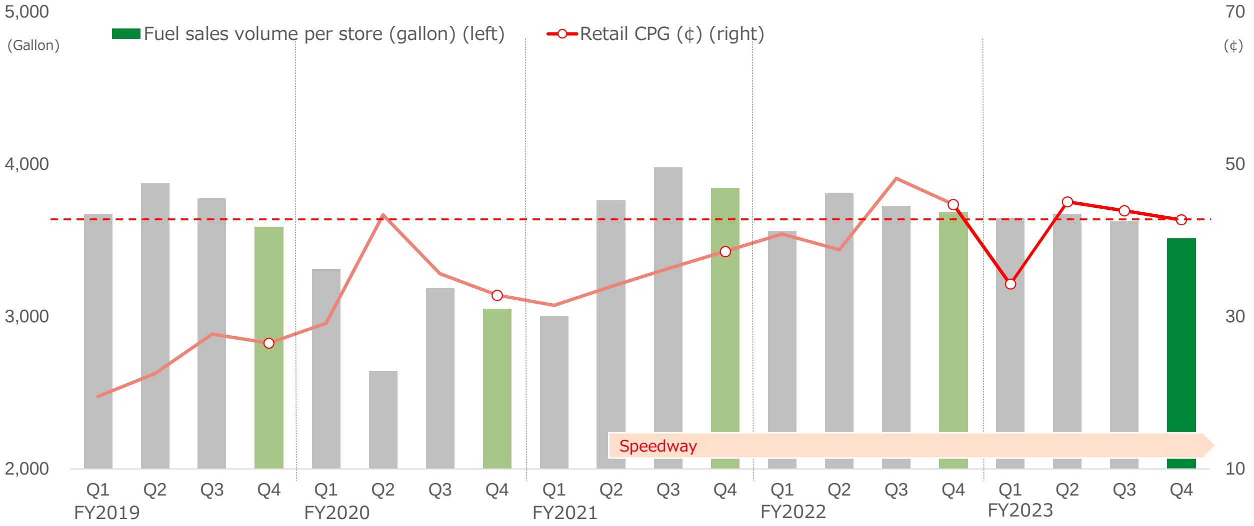
Change in operating income

(Billions of yen)



7-Eleven, Inc. (5)

Retail fuel CPG in Q4 is projected below the historical high of FY2022, but remained at a high level



Note) The chart shows retail fuel business

Eliminations/Corporate Expenses and Capex for Group Strategy

(Billions of yen, %)

FY2023 results

	Expenses			Capex		
	Results	YOY change	vs. Initial plan	Results	YOY change	vs. Initial plan
DX, system, security, etc.	(52.1)	(0.37)	+0.12	15.5	(10.5)	(10.0)
Others	(20.1)	(4.6)	+3.1	9.1	(3.6)	(4.6)
Eliminations/Corporate (Operating income)	(72.3)	(5.0)	+3.2	24.6	(14.1)	(14.6)

FY2024 plan

	Expenses		Capex	
	FY2024 plan	YOY change	FY2024 plan	YOY change
DX, system, security, etc.	(54.5)	(2.3)	23.1	+7.6
Others	(35.5)	(15.3)	4.0	(5.0)
Eliminations/Corporate (Operating income)	(90.0)	(17.6)	27.2	+2.5

FY2024 Financial Forecasts of Major Operating Companies

(Billions of yen, %)

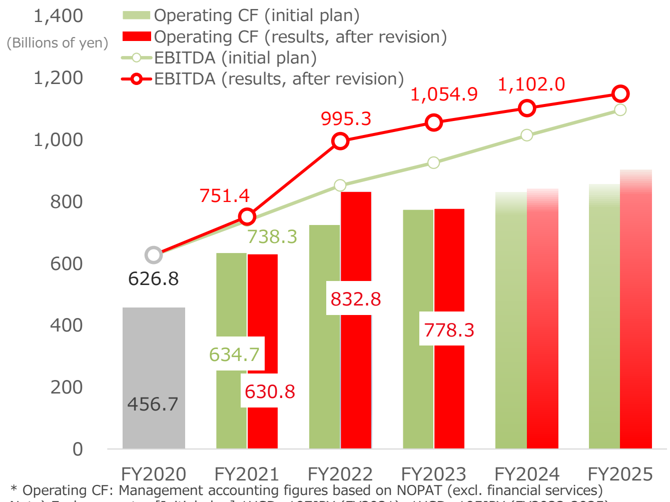
	Operating income	YOY	YOY change	Existing store sales growth	Change in merchandise GPM
Seven-Eleven Japan	260.0	103.6	+8.9	+2.5	+0.2
7-Eleven, Inc.*	424.9	107.2	+28.6	+0.5	±0.0
[Millions of dollar]	[2,930]	[104.0]	[+113]		
Ito-Yokado	5.4	-	+6.6	(1.9) (SC total)	±0.0
York-Benimaru	18.9	101.1	+0.19	+1.9	+0.1

* Figures are shown on SEI consolidated basis.
Note) Exchange rate: 1USD = 145.00JPY

Consolidated Financial KPI (1)

Plan of EBITDA and operating CF

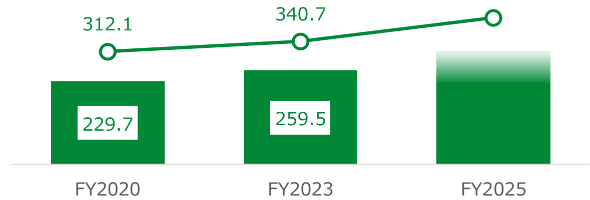
[Until FY2025] EBITDA 1.1 trillion of yen or more
Operating CF* 900 billion of yen or more



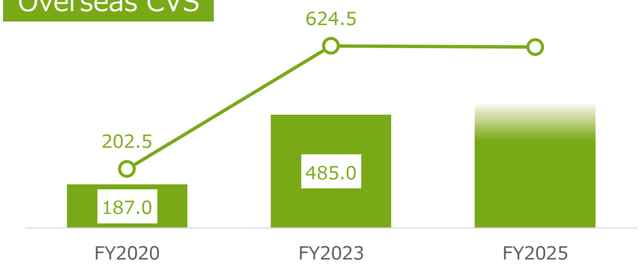
Plan by segment (bar chart: operating CF / line graph: EBITDA)

(Billions of yen)

Domestic CVS



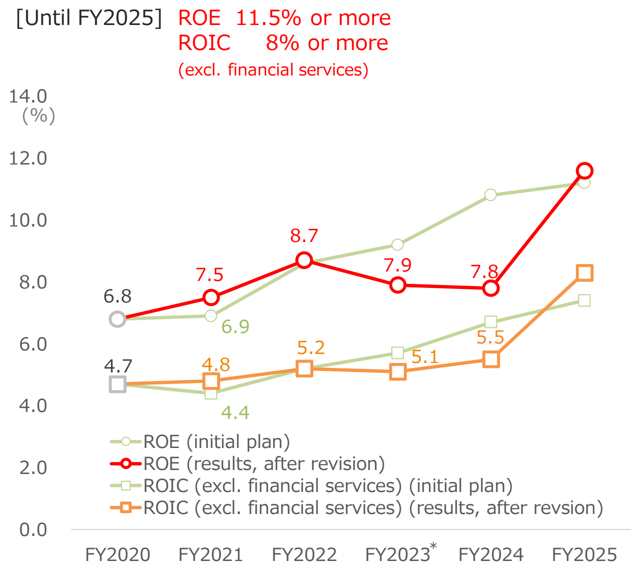
Overseas CVS



* Operating CF: Management accounting figures based on NOPAT (excl. financial services)
Note) Exchange rate: [Initial plan] 1USD=107JPY (FY2021), 1USD=105JPY (FY2022-2025)
[Results, after revision] 1USD=109.90JPY (FY2021), 1USD=131.62JPY (FY2022), 1USD=140.67JPY (FY2023), 1USD=145.0JPY (FY2024), 1USD=116.0JPY (FY2025)
Figures in the initial plan exclude the effect of sales & leaseback

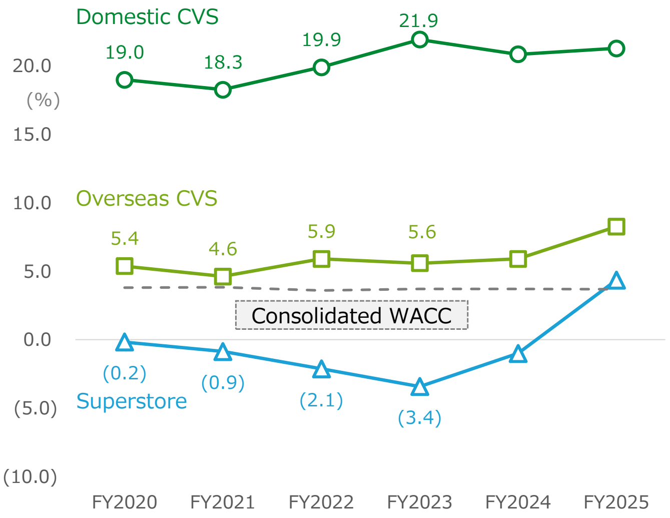
Consolidated Financial KPI (2)

ROE, ROIC



ROIC by segment

* Management accounting figures adjusted for intra-group capital and financing transactions



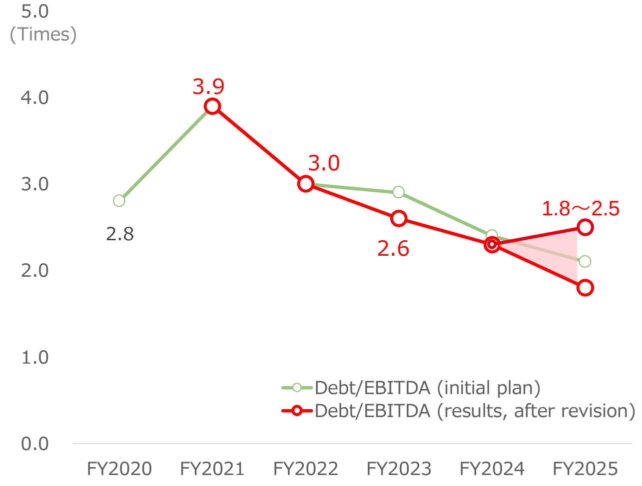
* Adjusted figures for the effects of the transfer of the shares of Sogo & Seibu and Barneys Japan

Notes) 1. Figures in the initial plan exclude the effect of sales & leaseback
2. ROIC: {Net income + Interest expense x (1 - Effective tax rate)} / {Owner's equity + Interest-bearing debt (both the averages of the figures at the beginning and the end of each fiscal year)}

Consolidated Financial KPI (3)

Debt/EBITDA ratio

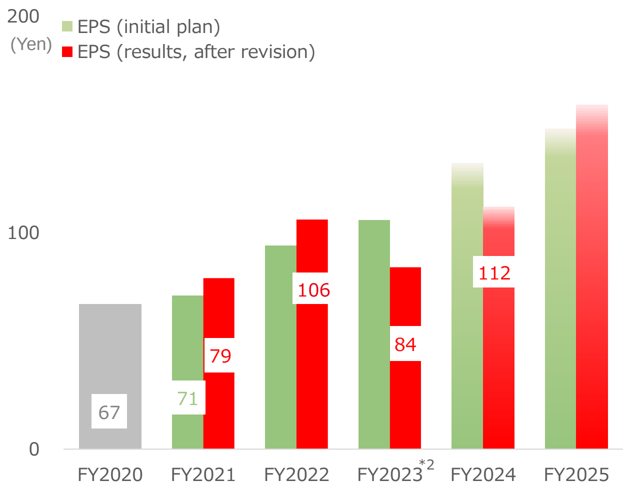
[FY2025] below 1.8 times to 1.8～2.5 times



Note) We changed our FY2025 target to proactively implement strategic investments in the Convenience Store business with a more agile and flexible financial discipline, in order to promote the growth strategy of our Group.

EPS

[FY2021-2025] EPS growth plan: 18% or more*1



*1 Calculated based on CAGR (compound Annual Growth Rate) for FY2020
*2 Adjusted figures for the effects of the transfer of the shares of Sogo & Seibu and Barneys Japan
Note) The Company conducted a 3-for-1 common share split on March 1, 2024.
"EPS" are calculated as if the share split had occurred at the beginning of the FY2020.

Promotion of Sustainable Management (1)

Sustainable management efforts are the basis for the "Medium-Term Management Plan 2021 – 2025"
Promote group-wide efforts to address climate change

Environmental Declaration
"GREEN CHALLENGE 2050"

GREEN CHALLENGE 2050 私たちの挑戦で、未来を変えよう。

FY2050 target

1 Reduce CO2 emissions
Target **net zero emissions** through group's operational management
Aim to reduce through whole supply chain including Scope 3

2 Measures against plastic
Includes reduction of overall plastic materials related to sales
Containers used for original merchandise
100% made with Eco-friendly materials
No usage of **plastic bags**

3 Reduce food waste & food waste recycling

Food waste volume	**75% reduction**
Food waste recycling rate	**100%**

4 Sustainable sourcing
Raw materials for original merchandise
100% sustainability-sourced materials

TCFD
Disclosed in June 2020
* Revised in March 2022

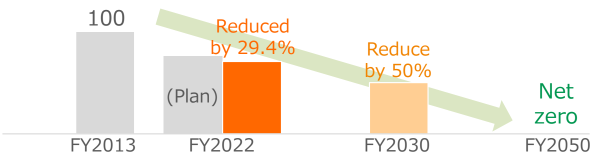
TNFD Taskforce on Nature-related Financial Disclosures
Preparation for disclosure in 2024

Achieving sustainable society with global perspectives

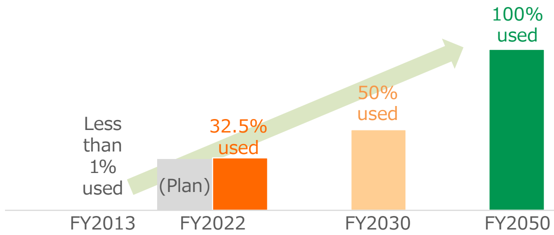
Promotion of Sustainable Management (2)

Further strengthen efforts to meet the targets by 2050 in the Environmental Declaration

❶ Reduce CO2 emissions

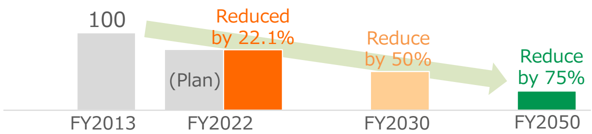


❷ Measures against plastic

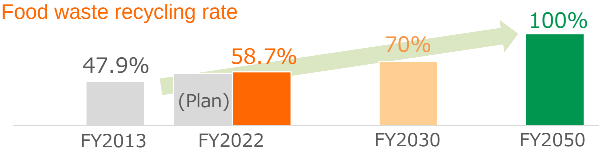


❸ Reduce food waste & food waste recycling

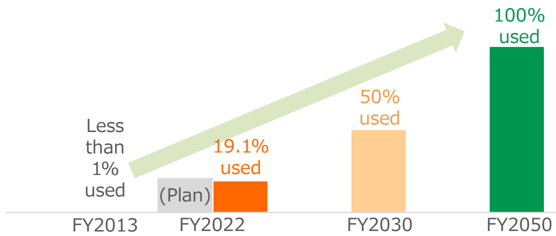
Food waste volume



Food waste recycling rate



❹ Sustainable sourcing



Note) Data subject to all domestic operating companies

The information disclosed by the Company may contain forward-looking statements. These statements are based on management's judgment in accordance with materials available to the Company at the time of disclosure, with future projections based on certain assumptions. The forward-looking statements therefore incorporate various risks, estimates, and uncertainties, and as such, actual results and performance may differ from the future outlook included in disclosed information due to various factors, such as changes in business operations and the financial situation going forward.