Acquisition of Speedway by 7-Eleven, Inc.

August 3, 2020

Seven & i Holdings Co., Ltd.

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

TODAY'S

AGENDA

1. Growth Opportunity of 7-Eleven, Inc.
2. Speedway Acquisition
3. ESG Initiatives

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

TODAY'S

AGENDA

1. Growth Opportunity of 7-Eleven, Inc.
2. Speedway Acquisition
3. ESG Initiatives

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Group Strategy Overview (Reposting of FY2020 Financial Presentation)

Open the next "Convenience" door

CVS Business strategy as a core of growth

- Further enhance customer value by domestic CVS
- Expand scale through M&As in the North American market
- Providing value through 70,000 stores worldwide (20,000 domestic and 50,000 overseas)

Challenge for "Food" that are now needed by customers

Strengthening food / Tokyo metropolitan area food strategy

- Further strengthen *Seven Premium*
  Group-wide team merchandising method
  High quality + reasonable price + good health
- Tokyo metropolitan area food strategy
  Reinforcement of food value chain toughness
  (Manufacturing, Distribution, Sales)

Creation of affluent "lifestyle hubs"

Large-scale commercial base strategy

- Operation of large-scale shopping centers
- Respond to local needs and premium
  Respond to local needs and demand for premium products
- Building facilities and communities from an experience-based perspective
- Monetization through product sales + tenants + services

Expansion of "contact points" with our customers

Digital and financial strategies

- Enhancing credit cards business
- Promote Group CRM based on 7iD
- Expansion of last mile functions
- Active utilization of AI and other technologies (productivity improvement)

Contributing to improving QOL* with four growth engines

Aiming to become a corporate group that is indispensable to people's daily lives

*QOL：Quality of Life

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Group Strategy – Trends in Japan –

Existing Store Sales YOY

Change of Values due to COVID-19

Safety, Security, and Health	Social Distancing
Takeout / Delivery	At-home Eating/Drinking trend
Shrinking Commercial Areas	ESG・Sustainability

Approx. 60% of Sales in Japan come from "Foods"

significance of existence as "Essential Business"

York Co., Ltd. established in June 2020

Promote Tokyo metropolitan area food strategy

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Group Strategy Overview(Reposting of FY2020 Financial Presentation)

Open the next "Convenience" door

CVS Business strategy as a core of growth

- Further enhance customer value by domestic CVS
- Expand scale through M&As in the North American market
- Providing value through 70,000 stores worldwide (20,000 domestic and 50,000 overseas)

Challenge for "Food" that are now needed by customers

Strengthening food / Tokyo metropolitan area food strategy

- Further strengthen *Seven Premium*
  Group-wide team merchandising method
  High quality + reasonable price + good health
- Tokyo metropolitan area food strategy
  Reinforcement of food value chain toughness
  (Manufacturing, Distribution, Sales)

Creation of affluent "lifestyle hubs"

Large-scale commercial base strategy

- Operation of large-scale shopping centers
- Respond to local needs and premium
  Respond to local needs and demand for premium products
- Building facilities and communities from an experience-based perspective
- Monetization through product sales + tenants + services

Expansion of "contact points" with our customers

Digital and financial strategies

- Enhancing credit cards business
- Promote Group CRM based on 7iD
- Expansion of last mile functions
- Active utilization of AI and other technologies (productivity improvement)

Contributing to improving QOL* with four growth engines

Aiming to become a corporate group that is indispensable to people's daily lives

*QOL：Quality of Life

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

7-Eleven, Inc.(SEI) Overview

- **North America's largest convenience store chain** operating and franchising over 9,800 stores in the U.S. and Canada
- Operating models:
  - Company operated :24%
  - Type C franchise: 70%:
  - Type A(BCP) franchise: 6%
- Stores typically vary in size from **2,400 to 3,000** square feet and are most often located on corners for great visibility and easy access
- **Proprietary offerings** (including high margin fresh foods, dispensed beverages and private brands) represent 22%+ of all merchandise sales
- 7-Eleven, Inc. is privately held and became a wholly owned, indirect subsidiary of Seven & i Holdings in Tokyo, Japan, on Nov. 9, 2005

71,100+ Locations globally	**9,800+** Locations in U.S. & Canada	Owns Global 7-Eleven Trademark (ex. Japan)
2019 **$36.1B** Total sales	2019 **$1.1B** Op. income	2019 **$1.8B** EBITDA

Sales MIX

GP MIX

Source: Company information.

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Growth of SEI

MDSE Sales, Operating Income, Store Counts

Contribution for Consolidated Figures (FY 2020)

Accounts for approx. 30% of consolidated net income

*Composition ratio is calculated on a yen basis after amortization of goodwill

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

U.S. Convenience Store Industry

Total Store Counts: 152,720 (as of Dec. 31, 2019)

	Chain Name	No. of Stores	Shares (%)
1	**7-Eleven, Inc.**	**9,046**	**5.9**
2	Alimentation Couche-Tard Inc.	5,933	3.9
3	**Speedway LLC**	**3,900**	**2.6**
4	Casey's General Stores Inc.	2,181	1.4
5	EG America LLC	1,679	1.1
6	Murphy USA Inc.	1,489	1.0
7	GPM Investments LLC	1,272	0.8
8	BP America Inc.	1,017	0.7
9	ExtraMile Convenience Stores LLC	942	0.6
10	Wawa Inc.	880	0.6
	Top 10 chains	28,339	18.6

Small operators
(10 or fewer stores)
over 65%

with motor fuels
approx. 80%

Top 10 chains' shares
less than 20%

Industry remains fragmented

•Source: NACS State of the Industry Compensation Report, CSP's TOP 202 Convenience Stores 2020, except for SEI, which is the U.S. store count as of December 2019.

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

U.S. Macro Environment (Population, GDP)

Estimated Population

Estimated GDP

Source: OECD, National Institute of Population and Social Security Research

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Motor Fuels (1)

SEI：CPG, Total Fuel Gross Profit

Profitability of fuel business has grown continuously

SEI：CPG・Fuel Sales Volume

FY2020 Q2 (Apr. – June) Fuel GP：+30%

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Motor Fuels (2)

Estimated Fuel Consumption

2020-2050 Total: (0.4)%CAGR

Gross Energy Trade

Fuel Prices per gallon by Country

Source: Energy Information Agency Annual Energy Outlook 2020., GlobalPetrolPrices.com

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Motor Fuels (3)

Light–duty Fuel Economy

Penetration of Electric Vehicles

New EV sales as a % of total

- Fuel retail price is low and stable
- Fuel economy is continuously improving
- Penetration of EV will be limited

Profitability of fuel business would be stable over the medium term

Source: Energy Information Agency Annual Energy Outlook 2020

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Growth Strategy and Key Initiatives

Six Point Plan

1. Deliver a Consistent Customer Experience
2. Modernize Food & Beverage Experience
3. Optimize the Product Offering
4. Digitally Transform Convenience
5. Modernize the Store Base
6. Grow the Store Base

Fresh Food & Proprietary Beverages

- Fresh Foods is a $2B+ business
- Proprietary Beverages average 62% margin
- New Food & Beverage platform, accelerating sales growth, in 1,500 stores by year-end

Product Offering: Private Brands

- $1B / year business with +22% CAGR
- High quality, lower price
- 55% average margin

Digitally Transform

Loyalty / Innovation

7REWARDS
ANY CUP. YOUR WAY. Every Day.

- 35M Registered Members
- 2020 Launch: Mobile Check-Out, Digital Wallet and Fuel Loyalty

Delivery

7 NOW

- 1,100+ Stores, 1,650+ by year-end
- Volume +400% Since February
- Transaction size ~2x average in-store basket
- Industry leading delivery time: <30 mins

We have a customer focused strategy that produces results and supports ongoing growth

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Merchandise Strategy

Goal to aim	Stores indispensable to customers' daily lives for "foods", with a focus on fresh food (FF) offering

FF Reinforcement with Warabeya USA

Japan-style MDSE Development (Team MD)

Analysis	Setting Benchmarks/ KPIs
Weekly Verification	Test Offerings

PDCA

Roll-out the success in Dallas to other regions

Evolution Store：New Platform

Counter Beverage	Cold-pressed juices, Smoothies, etc.
Alcoholic Beverage	Craft beers, Wine cellar
In-Store Bakery	Croissants, Cookies, etc.
With Restaurant	Laredo Taco
Others	Mobile Checkout technology

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Expansion of Evolution Stores

In spite of COVID-19 adverse impact, new Evolution Stores have had enthusiastic customer response

■June 2020 Results of 3 Additional stores　Figures in [ ] are vs. Market averages

Washington DC (Opened in Apr.)	
MDSE APSD	$8,374[+76%]
Customer Count	1,048[+41%]
Fresh Food Ratio	18%[+2%pt.]

New York City (Opened in Apr.)	
MDSE APSD	$4,937[+44%]
Customer Count	638[+40%]
Fresh Food Ratio	26%[+12%pt.]

San Diego (Opened in May)	
MDSE APSD	$6,758[+18%]
Customer Count	780[+17%]
Fresh Food Ratio	19%[+11%pt.]

We continue to accelerate Evolution Store pipeline and successful innovations will get standardized into core stores.

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

TODAY'S

AGENDA

1 Growth Opportunity of 7-Eleven, Inc.

2 Speedway Acquisition

3 ESG Initiatives

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Transaction Overview

Purchase Price	$ 21 bn. ⇒ Pro forma $ 12 bn.
No. of Stores Acquired	～3,900 stores, ～$ 1.1 bn. OP Income, ～$ 1.5 bn. EBITDA
Acquisition Date	1st Quarter of 2021 (projected)
Sale Leaseback	Approx. $ 5 bn. of sale leaseback planned
Tax Benefit	Approx. $ 3 bn. (for 15 years after the acquisition)
Synergies	$ 475～$ 575 mn. (Year 3 projected)
EBITDA Multiple	Pre-Synergy：13.7x ⇒ Post-Synergy：7.1x
Fuel Supply Agreement	15-year supply agreement with Marathon Petroleum Corp.
EPS Uplift	Increase approx. 50 yen of 7&iHD consolidated EPS (Year 4 projected)

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Speedway Overview

- Operates third largest U.S. convenience store chain, primarily under the Speedway brand
  - ~3,900 stores primarily across the Midwest, East Coast, Northeast and Southeast
  - Favorable site and business attributes
    - 100% of sites directly operated w/ fuel (large facilities)
    - High fuel brand loyalty (sales volume APSD :1.5x SEI)
    - Over 70% of real estate owned
    - Speedy Rewards loyalty program with 6+ million active users

~3,900 Locations	**100%** Sites offer fuel	**6M+** Speedy Rewards Members
2019 **$6.3B** Merch Sales	2019 **7.7B** Fuel Gallons	2019 **$1.5B** EBITDA

Sales MIX

GP MIX

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Complementary Locations

Combined Footprint:
The future SEI would have presence in 47 of the 50 most populated metro areas in the U.S.

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Pro forma – Pre-Synergy –

FY2019 Results

	7-Eleven, Inc.	Speedway	Pro forma	% Increase
MDSE Sales	$17.8B	$6.3B	$24.1B	+35%
Fuel Sales	$18.3B	$20.5B	$38.8B	+112%
Total Sales	$36.1B	$26.8B	$62.9B	+74%
OP Income	$1.1B	$1.1B	$2.2B	+100%
EBITDA	$1.8B	$1.5B	$3.3B	+78%

Gross Profit Mix (%)

MDSE
Fuels

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Significant Synergy Opportunity

7-Eleven has a proven “playbook” for successfully integrating acquisitions

Projected Year 3 Run-rate Synergies: $475M-$575M

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Significant Merchandising Opportunity

Merch Sales / Store / Year

($ in thousands)

Increase Speedway's merch sales per store through improved assortment and categories

Non-Tobacco Merch Mix %

Drive higher merch margins by moving merch mix to more profitable categories

Merch Margin %

Drive higher merch margins through improved economies of scale combined store base

Private Label Sales

($ in millions)

Expand high margin private label sales through introduction to Speedway store base

Note: 2019A metrics shown. SEI figures represent US Same Store results

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Proven Track Record of Successful Acquisitions

Since 2006, 7-Eleven has acquired 3,362 stores

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Deal Closed	2	-	3	2	2	4	10	4	-	4	4	-	1	3	3	42
Locations Acquired*	213	-	43	71	30	394	702	127	-	285	258	-	1,030	58	151	3,362
% Locations w/ Gas	4.2	0.0	100	18.3	100	57.1	61.0	52.8	0.0	41.8	100	0.0	98.1	74.1	98.0	71.2

*Includes all channels of trade that include real estate.

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Synergy – Successful M&A Track Record –

Mature M&A History (36 transactions 2006-2018)

$7.1B	$(1.7B)	$5.4B
Original Investment	Store Optimization	Net Investment

Current Performance of Mature M&A
(Dec. 2019 LTM)

EBITDA	$697M [39.7%]
Operating Income	$519M [46.5%]
MDSE APSD Increase	+$1,141 [+33.2%]
ROIC	9.6%

Big Oil Acquisition History
(Dec. 2019 LTM)

Avg. of 4 Deals below	MDSE APSD Increase	MDSE GPM Improvement	ROIC
Exxon Mobil FL	+44.4%	461 bps	14.2%
Exxon Mobil DFW			
Tetco Retail			
CST Retail			

*Figures in [ ] are vs. pre-acquisition.

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Synergy – Review of Sunoco Deal –

Transaction Overview

Purchase Price	$3.1bn.
Date of Acquisition	Jan. 23, 2018
No. of Stores Acquired	1,030

Operating Figures

	FY2018	FY2019	Change
MDSE /store/day	$4,926	$4,975	$+49
MDSE GPM	32.9%	34.4%	+1.5%
Fuel Volume gallons/store/day	5,009	4,864	(145)

Financial Figures

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Framework for Successful Integration

Methodical and disciplined integration program will unlock best of both companies and synergy realization

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Pro forma – Post-Synergy –

EBITDA (in $ mn.)

Operating Income (in $ mn.)

Acquisition of Speedway will increase both EBITDA and OP income more than double the FY2019 results

*Assume the acquisition closed at the beginning of FY2021
*Assume proceeds from SLB in FY2021

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Adjusted Purchase Price and EBITDA Multiple

Adjustments tax benefits, sale leasebacks and alternative asset strategy reduce the purchase price

EBITDA Multiple	13.7x	+ Synergies →	7.1x

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Funding Plan

Sources	($ bn.)
Bridge loan	13
Equity Infusion from 7&iHD	8
Total	21

Equity Infusion from 7&iHD	($ bn.)
Corporate Bonds / Bank term loans	8

*Method and currency are under consideration

Equity financing is not planned

Bridge Loan Repayment	($ bn.)
Private placement debt / Bank term loans	8
Sale leaseback	5
Total	13

SEI：Debt/EBITDA

Reduce to less than 3 times in 2 years after closing the deal

Aim for further reduction by improving profitability

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Impact to 7&i Consolidated Figures (BS)

Changes of Balance Sheet due to the Acquisition of Speedway(image)

(in ¥ bn.)

Planned to raise debt for the acquisition fund.

Reduction of assets and interest-bearing debt by SLB and alternative asset strategy, etc.

*Exchange rate：$1＝¥108.00

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Impact to 7&i Consolidated Figures (PL)

Consolidated Operating Income Mix

*Composition ratio is calculated on a yen basis after amortization of goodwill

Consolidated Operating Income Uplift

*Exchange rate: $1 = ¥108.00

*Assume the acquisition closed at the beginning of FY2022

North American CVS business will drive the Group's growth more than ever with Speedway acquisition

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Impact to 7&i Consolidated Figures (PL)

Consolidated EPS Uplift

Estimated 5year CAGR：+8.6%

Consolidated ROE Uplift

Estimated uplift in the 4th year: +0.8%pt.

Aiming to achieve both corporate value and social value as a true global retailer

*Assume the acquisition closed at the beginning of FY2022
*Assume proceeds from SLB in FY2022

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

TODAY'S

AGENDA

1 Growth Opportunity of 7-Eleven, Inc.

2 Speedway Acquisition

3 ESG Initiatives

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

SEI Initiatives – Significance of Speedway Acquisition–

SEI and Speedway have similar ESG philosophies ⇒ One of the reasons for acquisition

■Major Initiatives of Two Companies

SEI	Speedway (Marathon Petroleum)
18.2% CO_2 reduction from 2015 to 2018 ・217K metric tons of carbon offset (through 100K+trees) ・400 stores using solar by 2021 ・850+ stores using wind in 2018 ・70% of stores 100% LED, with additional 25% partial LED lighting ・11 EV charging sites	・10.3% GHG* reduction from 2015 to 2018 ・Installed energy efficient lighting across all ~4,000 retail locations ・Reduced energy costs by $500M since 2007 ($57M in 2018) *Greenhouse Gas

Great opportunity to accelerate ESG initiatives by taking advantage of scale gained by acquiring Speedway

Source：Marathon Petroleum Corporation 2018 Sustainability Report

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

SEI Initiatives – New ESG Goals –

Acquisition of Speedway sets new ESG goals by 2027

Current 2027 Goals	New 2027 Goals Adding Speedway
・20% lower CO_2 emissions (vs. 2015)	・40% reduction in CO_2 emissions (vs. 2015) Launch 250 EV sites Store base to be 25% carbon neutral
・100% eco-friendly private brand packaging	・100% eco-friendly packaging for both SEI and Speedway private brands ・Enhance sustainable sourcing of food & beverage products ・Drive plastic reduction in plastic usage

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Group ESG Initiatives GREEN CHALLENGE 2050

In May 2019, announced "GREEN CHALLENGE 2050" with 4 goals.

※Generation unit (per ¥ 1 mn. in sales)

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Progress of GREEN CHALLENGE 2050

CO_2 Emissions

Measures for Plastic

Steady progress towards achieving the 2030 goals ⇒ Further promotion to 2050 goals

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

For a Sustainable Society – Environmental Investments –

SEI

EV Charger

Wind-Power Generation

SEJ

Storage Battery

IY

Solar Power Panel

Ratio of Environmental Investment (FY2020 Actual and 2025 Target)

Continue to contribute to the creation of a sustainable society by allocating 5% or more of total investments to environmental investments

＊Excludes strategic investments

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Collaboration with Overseas Licensees

Partnership with overseas licensees at the Licensee Summit in March 2019
Adopted joint declaration to achieve SDGs ⇒ Promoting initiatives globally

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

With Livings — Seven & i Group

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.

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.