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# Annual Securities Report

(Pursuant to Article 24, paragraph (1) of the Financial Instruments and Exchange Act)

For the 19th Fiscal Year      (From March 1, 2023  
to February 29, 2024)

Seven & i Holdings Co., Ltd.

(E03462)

19th Fiscal Year (From March 1, 2023 to February 29, 2024)

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# Annual Securities Report

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1. This document was prepared for printing by adding a table of contents and pages to the Annual Securities Report pursuant to Article 24, paragraph (1) of the Financial Instruments and Exchange Act submitted on May 29, 2024 as data using the Electronic Disclosure for Investors' NETwork (EDINET) prescribed in Article 27-30-2 of the Financial Instruments and Exchange Act.
2. Although the attached documents to the Annual Securities Report submitted as described above are not included in this document, the Audit Report and Internal Control Report are included at the end of this document.

Seven & i Holdings Co., Ltd.

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Audit Report

Fiscal year ended February 29, 2024 (Consolidated)

Fiscal year ended February 29, 2024 (Non-consolidated)

Internal Control Report

[Cover]

|                                     |   |
|-------------------------------------|---|
| [Document title]                    | Annual Securities Report  |
| [Clause of stipulation]             | Article 24, paragraph (1) of the Financial Instruments and Exchange Act   |
| [Place of filing]                   | Director-General of the Kanto Local Finance Bureau                        |
| [Filing date]                       | May 29, 2024  |
| [Fiscal year]                       | 19th fiscal year (From March 1, 2023 to February 29, 2024)                |
| [Company name]                      | <i>Kabushiki-Kaisha Seven &amp; i Holdings</i>                            |
| [Company name in English]           | Seven & i Holdings Co., Ltd.  |
| [Title and name of representative]  | Ryuichi Isaka, President, Representative Director and CEO                 |
| [Address of registered head office] | 8-8, Nibancho, Chiyoda-ku, Tokyo  |
| [Telephone number]                  | +81-3-6238-3000 (Main)  |
| [Name of contact person]            | Akira Okamoto, Senior Officer of the Accounting Department                |
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| [Telephone number]                  | +81-3-6238-3000 (Main)  |
| [Name of contact person]            | Akira Okamoto, Senior Officer of the Accounting Department                |
| [Place for public inspection]       | Tokyo Stock Exchange, Inc.<br>(2-1, Nihonbashi-Kabutocho, Chuo-ku, Tokyo) |

## Part I. [Company Information]

### I. [Overview of the Company]

#### 1. [Trends in key management indicators]

##### (1) Management indicators (Consolidated)

|   | 15th fiscal year | 16th fiscal year | 17th fiscal year | 18th fiscal year | 19th fiscal year |
|---|------------------|------------------|------------------|------------------|------------------|
| Fiscal year-end   | February 2020    | February 2021    | February 2022    | February 2023    | February 2024    |
| Revenues from operations (Millions of yen)                                | 6,644,359        | 5,766,718        | 8,749,752        | 11,811,303       | 11,471,753       |
| Ordinary income (Millions of yen)   | 417,872          | 357,364          | 358,571          | 475,887          | 507,086          |
| Net income attributable to owners of parent (Millions of yen)             | 218,185          | 179,262          | 210,774          | 280,976          | 224,623          |
| Comprehensive income (Millions of yen)                                    | 231,253          | 169,315          | 415,883          | 572,887          | 424,311          |
| Net assets (Millions of yen)  | 2,757,222        | 2,831,335        | 3,147,732        | 3,648,161        | 3,900,624        |
| Total assets (Millions of yen)  | 5,996,887        | 6,946,832        | 8,739,279        | 10,550,956       | 10,592,117       |
| Net assets per share (Yen)  | 982.28           | 1,007.56         | 1,125.17         | 1,311.31         | 1,416.94         |
| Net income per share (Yen)  | 82.32            | 67.68            | 79.56            | 106.05           | 84.88            |
| Diluted net income per share (Yen)  | 82.28            | 67.67            | 79.56            | 106.04           | 84.87            |
| Equity ratio (%)  | 43.4             | 38.4             | 34.1             | 32.9             | 35.1             |
| Return on equity (%)  | 8.5              | 6.8              | 7.5              | 8.7              | 6.2              |
| Price earnings ratio (Times)  | 15.0             | 19.9             | 23.4             | 19.1             | 26.3             |
| Cash flows from operating activities (Millions of yen)                    | 576,670          | 539,995          | 736,476          | 928,476          | 673,015          |
| Cash flows from investing activities (Millions of yen)                    | (318,047)        | (394,127)        | (2,505,566)      | (413,229)        | (431,809)        |
| Cash flows from financing activities (Millions of yen)                    | (213,204)        | 690,542          | 937,077          | (270,373)        | (377,065)        |
| Cash and cash equivalents at the end of the fiscal year (Millions of yen) | 1,354,856        | 2,183,837        | 1,414,890        | 1,674,787        | 1,562,493        |
| Number of employees (Persons)   | 57,270           | 58,975           | 83,635           | 84,154           | 77,902           |
| [Separately, average number of temporary employees]                       | [81,538]         | [76,357]         | [87,122]         | [83,094]         | [79,275]         |

- Notes: 1. The BIP Trust and the ESOP Trust have been introduced from the 15th fiscal year, and the Company's shares held by these trusts are recorded as treasury stock in the consolidated financial statements. Accordingly, the Company's shares held by the trusts are included in the number of shares of treasury stock deducted from the total number of shares issued at the end of period to calculate net assets per share, and included in the number of shares of treasury stock deducted for the computation of the average number of shares during the period, to calculate net income per share and diluted net income per share.
2. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the "Revenue Recognition Accounting Standard"), etc., from the beginning of the 18th fiscal year, and the key management indicators, etc., for the 18th fiscal year and beyond are those after applying the Revenue Recognition Accounting Standard, etc.
3. The Company implemented a three-for-one share split of its common stock on March 1, 2024. "Net assets per share," "Net income per share," and "Diluted net income per share" are calculated on the assumption that the share split was implemented at the beginning of the 15th fiscal year.

(2) The Company's management indicators (Non-consolidated)

|   | 15th fiscal year | 16th fiscal year | 17th fiscal year | 18th fiscal year | 19th fiscal year |
|---|------------------|------------------|------------------|------------------|------------------|
| Fiscal year-end                                       | February 2020    | February 2021    | February 2022    | February 2023    | February 2024    |
| Revenues from operations (Millions of yen)            | 115,843          | 163,940          | 152,208          | 248,468          | 202,277          |
| Ordinary income (Millions of yen)                     | 90,032           | 128,034          | 100,680          | 173,656          | 122,042          |
| Net income (Millions of yen)                          | 56,198           | 64,096           | 107,109          | 179,780          | 42,915           |
| Capital (Millions of yen)                             | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           |
| Total number of shares issued (Thousands of shares)   | 886,441          | 886,441          | 886,441          | 886,441          | 877,742          |
| Net assets (Millions of yen)                          | 1,435,871        | 1,413,027        | 1,421,117        | 1,511,564        | 1,399,685        |
| Total assets (Millions of yen)                        | 1,789,952        | 2,529,336        | 2,561,080        | 2,593,865        | 2,657,276        |
| Net assets per share (Yen)                            | 542.10           | 533.40           | 536.37           | 570.44           | 533.61           |
| Dividend per share (Yen)                              | 98.50            | 98.50            | 100.00           | 113.00           | 113.00           |
| [Of which, interim dividend per share]                | [47.50]          | [47.50]          | [48.00]          | [49.50]          | [56.50]          |
| Net income per share (Yen)                            | 21.20            | 24.20            | 40.43            | 67.85            | 16.22            |
| Diluted net income per share (Yen)                    | 21.19            | 24.20            | 40.43            | 67.85            | 16.22            |
| Equity ratio (%)                                      | 80.2             | 55.9             | 55.5             | 58.3             | 52.7             |
| Return on equity (%)                                  | 3.9              | 4.5              | 7.6              | 12.3             | 2.9              |
| Price earnings ratio (Times)                          | 58.1             | 55.6             | 46.1             | 29.9             | 137.5            |
| Dividend payout ratio (%)                             | 154.8            | 135.7            | 82.4             | 55.5             | 232.2            |
| Number of employees (Persons)                         | 588              | 799              | 969              | 1,017            | 1,074            |
| [Separately, average number of temporary employees]   | [18]             | [16]             | [15]             | [15]             | [17]             |
| Total shareholder return (%)                          | 77.5             | 86.5             | 120.3            | 132.8            | 147.4            |
| [Comparative indicator: TOPIX including dividend] (%) | [96.4]           | [121.8]          | [125.9]          | [136.6]          | [188.0]          |
| Highest share price (Yen)                             | 4,916            | 4,373            | 6,083            | 6,203            | 2,245<br>[6,734] |
| Lowest share price (Yen)                              | 3,573            | 2,937            | 4,095            | 5,041            | 1,721<br>[5,162] |

- Notes: 1. The highest and lowest share prices are those on the Tokyo Stock Exchange (Prime Market) on and after April 4, 2022, and those on the Tokyo Stock Exchange (First Section) on and before April 3, 2022.
2. The BIP Trust and the ESOP Trust have been introduced from the 15th fiscal year, and the Company's shares held by these trusts are recorded as treasury stock in the nonconsolidated financial statements. Accordingly, the Company's shares held by the trusts are included in the number of shares of treasury stock deducted from the total number of shares issued at the end of period to calculate net assets per share, and included in the number of shares of treasury stock deducted for the computation of the average number of shares during the period, to calculate net income per share and diluted net income per share.

3. The Company has applied the Revenue Recognition Accounting Standard, etc., from the beginning of the 18th fiscal year, and the key management indicators, etc., for the 18th fiscal year and beyond are those after applying the Revenue Recognition Accounting Standard, etc.
4. The Company implemented a three-for-one share split of its common stock on March 1, 2024. "Net assets per share," "Net income per share," and "Diluted net income per share" are calculated on the assumption that the share split was implemented at the beginning of the 15th fiscal year. The highest and lowest share prices for the 19th fiscal year are those after the share split, and those before the share split are shown in brackets.
5. The dividend per share for the 18th fiscal year includes a commemorative dividend of ¥10 per share for the 50th anniversary of the establishment of SEVEN-ELEVEN JAPAN CO., LTD.

## 2. [History]

| Date           | Outline  |
|----------------|--|
| April 2005     | SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., and Denny's Japan Co., Ltd. (hereinafter the "3 Companies") resolved at the Board of Directors' meeting to jointly establish a holding company that is a wholly owning parent company (the Company) through share transfers and entered into a share transfer agreement. |
| May 2005       | The establishment of a holding company through share transfers was approved at the shareholders' meetings of the 3 Companies.  |
| September 2005 | Seven & i Holdings Co., Ltd. was established.<br>Listed its shares on the First Section of the Tokyo Stock Exchange.   |
| November 2005  | Shares of 7-Eleven, Inc. were acquired by means of tender offer through a subsidiary, and the said company became a wholly owned subsidiary.   |
| December 2005  | Entered into a basic agreement regarding a business alliance and management integration with Millennium Retailing, Inc.  |
| January 2006   | The Company acquired 65.45% of shares of Millennium Retailing, Inc., and 11 subsidiaries of said company including Sogo Co., Ltd. and The Seibu Department Stores, Ltd. became subsidiaries of the Company.  |
| June 2006      | After the additional acquisition of shares of Millennium Retailing, Inc., a share exchange was conducted and said company became a wholly owned subsidiary.  |
| September 2006 | A share exchange was conducted with York-Benimaru Co., Ltd., and said company became a wholly owned subsidiary.  |
| January 2007   | To achieve synergies in the restaurant business area, decided to integrate and reorganize three companies in said business area (Denny's Japan Co., Ltd., Famil Co., Ltd. and York Bussan K.K.), and established Seven & i Food Systems Co., Ltd., which became a wholly owning parent company of these three companies.     |
| January 2008   | To strengthen the financial services, established SEVEN & i FINANCIAL GROUP CO., LTD., a new company that oversees the services.   |
| February 2008  | Seven Bank, Ltd. listed its shares on the JASDAQ Securities Exchange (currently JASDAQ (Standard) market of the Tokyo Stock Exchange) on February 29, 2008.  |
| July 2008      | To strengthen IT services, established Seven & i Net Media Co., Ltd., a new company that oversees the services.  |
| June 2009      | To tap into the over-the-counter drug market, established Seven Health Care Co., Ltd.  |
| August 2009    | Three companies, Millennium Retailing, Inc., Sogo Co., Ltd. and The Seibu Department Stores, Ltd., were integrated, and the company name of Sogo Co., Ltd., the surviving company, was changed to Sogo & Seibu Co., Ltd.   |
| March 2011     | SEVEN & i FINANCIAL GROUP CO., LTD. merged with SE CAPITAL CORPORATION and dissolved, and SE CAPITAL CORPORATION, the surviving company, changed its company name to Seven Financial Service Co., Ltd.   |
| April 2011     | The Company acquired 51.00% of shares of Seven CS Card Service Co., Ltd., and said company became a subsidiary.  |
| December 2011  | Seven Bank, Ltd. listed its shares on the First Section of the Tokyo Stock Exchange on December 26, 2011.  |
| January 2014   | Seven & i Net Media Co., Ltd. acquired 50.74% of voting rights of Nissen Holdings Co., Ltd. through tender offer and underwriting of a third-party allotment of new shares, and Nissen Holdings Co., Ltd. and its 25 subsidiaries became consolidated subsidiaries of the Company.   |
| November 2016  | Seven & i Net Media Co., Ltd. acquired shares of Nissen Holdings Co., Ltd. through a share exchange, and Nissen Holdings Co., Ltd. became a wholly owned subsidiary.   |
| May 2021       | SEI Speedway Holdings, LLC, which was established as a wholly owned subsidiary of 7-Eleven, Inc., acquired shares and other interests in Speedway LLC and other 20 companies from Marathon Petroleum Corporation in the U.S., and Speedway LLC and other companies became consolidated subsidiaries of the Company.          |
| April 2022     | Due to the Tokyo Stock Exchange's market restructuring, the Company and Seven Bank, Ltd. moved from the First Section to the Prime Market of the Tokyo Stock Exchange.   |
| September 2023 | The Company transferred all of the issued shares of Sogo & Seibu Co., Ltd. it held, resulting in Sogo & Seibu Co., Ltd. and its subsidiaries excluded from the scope of consolidation.   |



### 3. [Details of business]

Consisting of 181 companies (including the Company), the Group is a corporate group, under which the Company serves as the pure holding company, operating mainly in the distribution industry. Effective from the year under review, the Company has changed the classification of its reportable segments to include domestic convenience store operations, overseas convenience store operations, superstore operations, and financial services.

Operating segment, major group companies and number of companies are as follows. This segmentation is same as the reportable segment shown in the section of segment information.

The Company is a specified listed company, etc. Because the Company falls under the category of specified listed companies, etc., a judgment is to be made based on figures on a consolidated basis regarding the de minimis thresholds for material events under the insider trading regulations.

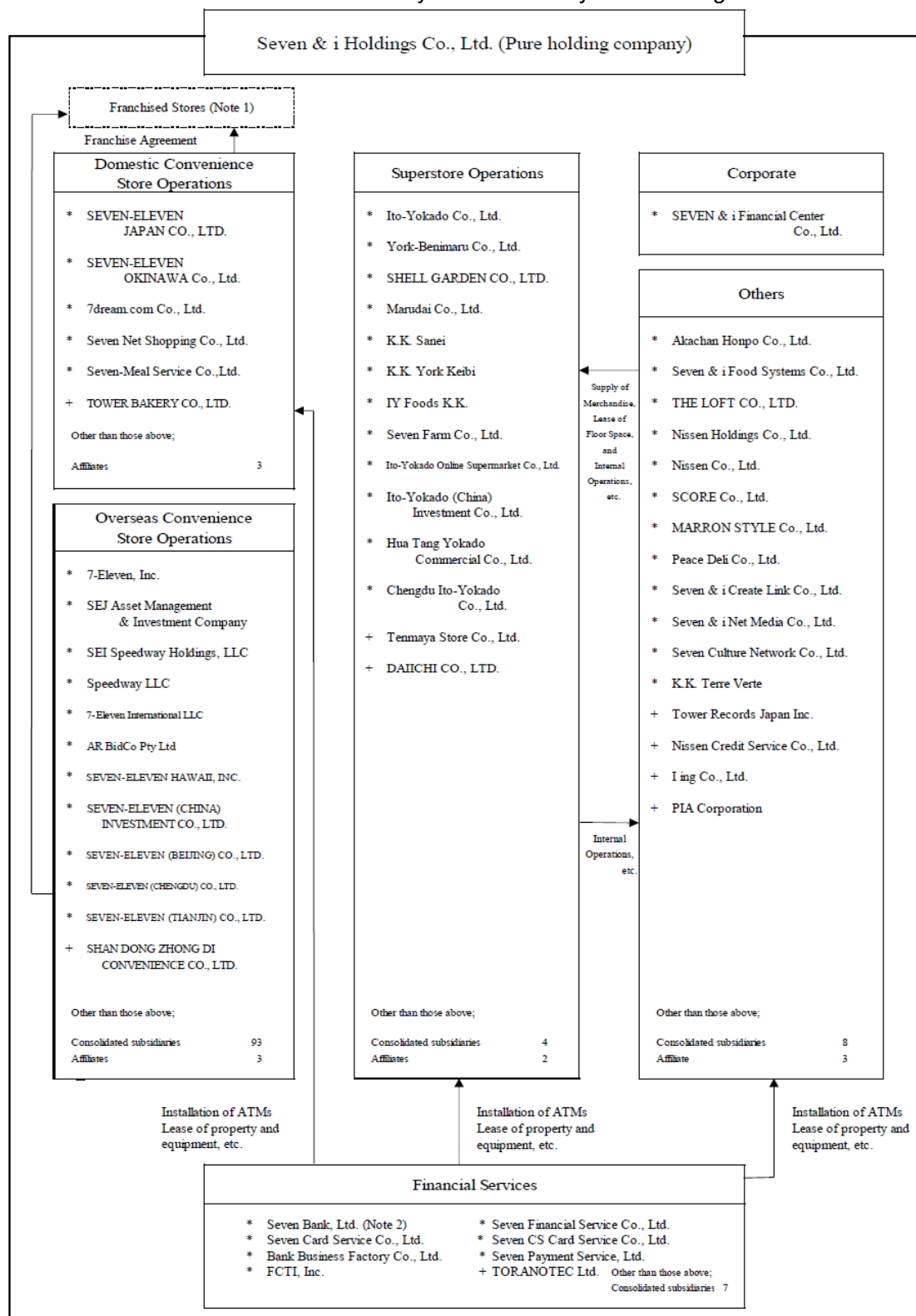
| Operating segment  | Major group companies  | Number of companies       |     |
|--|--|---------------------------|-----|
| Domestic convenience store operations<br>(9 companies)   | SEVEN-ELEVEN JAPAN CO., LTD.<br>SEVEN-ELEVEN OKINAWA Co., Ltd.<br>7dream.com Co., Ltd.<br>Seven Net Shopping Co., Ltd.<br>Seven-Meal Service Co., Ltd.<br>TOWER BAKERY CO., LTD.* <sup>1</sup>   | Consolidated subsidiaries | 5   |
|  |  | Affiliates                | 4   |
|  |  | Total                     | 9   |
| Overseas convenience store operations<br>(108 companies) | 7-Eleven, Inc.<br>SEJ Asset Management & Investment Company<br>SEI Speedway Holdings, LLC<br>Speedway LLC<br>7-Eleven International LLC<br>AR BidCo Pty Ltd<br>SEVEN-ELEVEN HAWAII, INC.<br>SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD.<br>SEVEN-ELEVEN (BEIJING) CO., LTD.<br>SEVEN-ELEVEN (CHENGDU) CO., LTD.<br>SEVEN-ELEVEN (TIANJIN) CO., LTD.<br>SHAN DONG ZHONG DI CONVENIENCE CO., LTD.* <sup>1</sup>                      | Consolidated subsidiaries | 104 |
|  |  | Affiliates                | 4   |
|  |  | Total                     | 108 |
| Superstore operations<br>(20 companies)                  | Ito-Yokado Co., Ltd.<br>York-Benimaru Co., Ltd.<br>SHELL GARDEN CO., LTD.<br>Marudai Co., Ltd.<br>K.K. Sanei<br>K.K. York Keibi* <sup>2</sup><br>IY Foods K.K.<br>Seven Farm Co., Ltd.<br>Ito-Yokado Online Supermarket Co., Ltd.<br>Ito-Yokado (China) Investment Co., Ltd.<br>Hua Tang Yokado Commercial Co., Ltd.<br>Chengdu Ito-Yokado Co., Ltd.<br>Tenmaya Store Co., Ltd.* <sup>1</sup><br>DAIICHI CO., LTD.* <sup>1</sup> | Consolidated subsidiaries | 16  |
|  |  | Affiliates                | 4   |
|  |  | Total                     | 20  |
| Financial services<br>(15 companies)                     | Seven Bank, Ltd.<br>Seven Financial Service Co., Ltd.<br>Seven Card Service Co., Ltd.<br>Seven CS Card Service Co., Ltd.<br>Bank Business Factory Co., Ltd.<br>Seven Payment Service, Ltd.<br>FCTI, Inc.<br>TORANOTEC Ltd.* <sup>1</sup>   | Consolidated subsidiaries | 14  |
|  |  | Affiliate                 | 1   |
|  |  | Total                     | 15  |

| Operating segment     | Major group companies   | Number of companies                                      |
|-----------------------|---|--|
| Others (27 companies) | Akachan Honpo Co., Ltd.<br>Seven & i Food Systems Co., Ltd.<br>THE LOFT CO., LTD.<br>Nissen Holdings Co., Ltd.<br>Nissen Co., Ltd.<br>SCORE Co., Ltd.<br>MARRON STYLE Co., Ltd.<br>Peace Deli Co., Ltd.<br>Seven & i Create Link Co., Ltd.<br>Seven & i Net Media Co., Ltd.<br>Seven Culture Network Co., Ltd.<br>K.K. Terre Verte<br>Tower Records Japan Inc.* <sup>1</sup><br>Nissen Credit Service Co., Ltd.* <sup>1</sup><br>I ing Co., Ltd.* <sup>1</sup><br>PIA Corporation* <sup>1</sup> | Consolidated subsidiaries 20<br>Affiliates 7<br>Total 27 |
| Corporate (1 company) | SEVEN & i Financial Center Co., Ltd.  | Consolidated subsidiary 1                                |

Notes: \*1. TOWER BAKERY CO., LTD., SHAN DONG ZHONG DI CONVENIENCE CO., LTD., Tenmaya Store Co., Ltd., DAIICHI CO., LTD., TORANOTEC Ltd., Tower Records Japan Inc., Nissen Credit Service Co., Ltd., I ing Co., Ltd., and PIA Corporation are affiliates.

\*2. K.K. York Keibi was excluded from the Company's scope of consolidation due to the transfer of shares as of March 1, 2024.

The structure of businesses is basically as indicated by the following chart.



\* Consolidated subsidiary

+ Affiliate accounted for using the equity method

- Notes:
- Each franchised store is operated by an independent franchisee which enters into franchise agreement with SEVEN-ELEVEN JAPAN CO., LTD., SEVEN-ELEVEN OKINAWA Co., Ltd., 7-Eleven, Inc., SEVEN-ELEVEN (BEIJING) CO., LTD., SEVEN-ELEVEN (CHENGDU) CO., LTD., and SEVEN-ELEVEN (TIANJIN) CO., LTD.
  - As of February 29, 2024, Seven Bank, Ltd. has 27,370 units of ATMs placed mainly in the stores of Group companies.

## 4. [Status of subsidiaries and affiliates]

| Name                                  | Location                     | Capital or investments in capital (Millions of yen) | Principal business                    | Voting rights held by the Company (%) | Relationship                     |                                   |   |
|---------------------------------------|------------------------------|---|---------------------------------------|---------------------------------------|----------------------------------|-----------------------------------|---|
|                                       |                              |   |                                       |                                       | Interlocking officers            |                                   | Business transaction  |
|                                       |                              |   |                                       |                                       | The Company's officers (Persons) | The Company's employees (Persons) |   |
| (Consolidated subsidiaries)           |                              |   |                                       |                                       |                                  |                                   |   |
| SEVEN-ELEVEN JAPAN CO., LTD. (Note 3) | Tokyo Met. Chiyoda-ku        | 17,200  | Domestic convenience store operations | 100.0                                 | 3                                | 1                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with various business operations.</li> </ul> |
| 7-Eleven, Inc. (Notes 3, 9)           | U.S. Texas                   | Thousands of U.S. dollars 17                        | Overseas convenience store operations | 100.0 [100.0]                         | 4                                | 2                                 | —   |
| Ito-Yokado Co., Ltd. (Note 3)         | Tokyo Met. Chiyoda-ku        | 40,000  | Superstore operations                 | 100.0                                 | 1                                | 4                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with various business operations.</li> </ul> |
| York-Benimaru Co., Ltd. (Note 3)      | Fukushima Pref. Koriyama-shi | 9,927   | Superstore operations                 | 100.0                                 | 1                                | 3                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with various business operations.</li> </ul> |
| Seven Bank, Ltd. (Notes 3, 4, 5)      | Tokyo Met. Chiyoda-ku        | 30,724  | Financial services                    | 46.6 [46.6]                           | —                                | 1                                 | —   |

| Name   | Location               | Capital or investments in capital (Millions of yen) | Principal business                    | Voting rights held by the Company (%) | Relationship                     |                                   |   |
|--|------------------------|---|---------------------------------------|---------------------------------------|----------------------------------|-----------------------------------|---|
|  |                        |   |                                       |                                       | Interlocking officers            |                                   | Business transaction  |
|  |                        |   |                                       |                                       | The Company's officers (Persons) | The Company's employees (Persons) |   |
| SEVEN-ELEVEN OKINAWA Co., Ltd.                         | Okinawa Pref. Naha-shi | 1,500   | Domestic convenience store operations | 100.0 [100.0]                         | —                                | —                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> </ul>   |
| 7dream.com Co., Ltd.                                   | Tokyo Met. Chiyoda-ku  | 450   | Domestic convenience store operations | 68.0 [68.0]                           | —                                | —                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company contracts out various business operations.</li> </ul>     |
| Seven Net Shopping Co., Ltd.                           | Tokyo Met. Chiyoda-ku  | 10  | Domestic convenience store operations | 100.0 [100.0]                         | —                                | —                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> </ul>   |
| Seven-Meal Service Co., Ltd.                           | Tokyo Met. Chiyoda-ku  | 300   | Domestic convenience store operations | 90.0 [90.0]                           | —                                | 1                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with various business operations.</li> </ul> |
| SEJ Asset Management & Investment Company (Notes 3, 9) | U.S. Delaware          | Thousands of U.S. dollars 157                       | Overseas convenience store operations | 100.0 [74.6]                          | 1                                | 2                                 | —   |
| SEI Speedway Holdings, LLC (Notes 3, 9)                | U.S. Delaware          | —   | Overseas convenience store operations | 100.0 [100.0]                         | —                                | —                                 | —   |

| Name   | Location               | Capital or investments in capital (Millions of yen) | Principal business                    | Voting rights held by the Company (%) | Relationship                     |                                   |   |
|--|------------------------|---|---------------------------------------|---------------------------------------|----------------------------------|-----------------------------------|---|
|  |                        |   |                                       |                                       | Interlocking officers            |                                   | Business transaction  |
|  |                        |   |                                       |                                       | The Company's officers (Persons) | The Company's employees (Persons) |   |
| Speedway LLC (Notes 3, 9)                          | U.S. Delaware          | —   | Overseas convenience store operations | 100.0 [100.0]                         | —                                | —                                 | —   |
| 7-Eleven International LLC (Note 9)                | U.S. Delaware          | —   | Overseas convenience store operations | 100.0 [100.0]                         | 4                                | 2                                 | —   |
| AR BidCo Pty Ltd (Note 9)                          | Australia Victoria     | Australian dollars 1                                | Overseas convenience store operations | 100.0 [100.0]                         | —                                | —                                 | —   |
| SEVEN-ELEVEN HAWAII, INC.                          | U.S. Hawaii            | Thousands of U.S. dollars 20,000                    | Overseas convenience store operations | 100.0 [100.0]                         | 2                                | 1                                 | —   |
| SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD. (Note 3) | China Beijing          | Thousands of yuan 876,217                           | Overseas convenience store operations | 100.0 [100.0]                         | —                                | 1                                 | —   |
| SEVEN-ELEVEN (BEIJING) CO., LTD.                   | China Beijing          | Thousands of U.S. dollars 44,000                    | Overseas convenience store operations | 65.0 [65.0]                           | —                                | —                                 | —   |
| SEVEN-ELEVEN (CHENGDU) CO., LTD. (Note 3)          | China Sichuan Province | Thousands of yuan 472,924                           | Overseas convenience store operations | 100.0 [100.0]                         | —                                | —                                 | —   |
| SEVEN-ELEVEN (TIANJIN) CO., LTD.                   | China Tianjin          | Thousands of yuan 200,000                           | Overseas convenience store operations | 100.0 [100.0]                         | —                                | —                                 | —   |
| SHELL GARDEN CO., LTD.                             | Tokyo Met. Meguro-ku   | 100   | Superstore operations                 | 90.0                                  | —                                | 2                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with various business operations.</li> </ul> |

| Name              | Location                    | Capital or investments in capital (Millions of yen) | Principal business    | Voting rights held by the Company (%) | Relationship                     |                                   |   |
|-------------------|-----------------------------|---|-----------------------|---------------------------------------|----------------------------------|-----------------------------------|---|
|                   |                             |   |                       |                                       | Interlocking officers            |                                   | Business transaction  |
|                   |                             |   |                       |                                       | The Company's officers (Persons) | The Company's employees (Persons) |   |
| Marudai Co., Ltd. | Niigata Pref. Niigata-shi   | 213   | Superstore operations | 100.0 [100.0]                         | —                                | —                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with various business operations.</li> </ul>                   |
| K.K. Sanei        | Miyagi Pref. Ishinomaki-shi | 138   | Superstore operations | 100.0 [100.0]                         | —                                | —                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with various business operations.</li> </ul>                   |
| K.K. York Keibi   | Tokyo Met. Chiyoda-ku       | 10  | Superstore operations | 100.0 [100.0]                         | —                                | —                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with and contracts out various business operations.</li> </ul> |
| IY Foods K.K.     | Saitama Pref. Kazo-shi      | 75  | Superstore operations | 100.0 [100.0]                         | —                                | —                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with various business operations.</li> </ul>                   |

| Name  | Location                 | Capital or investments in capital (Millions of yen) | Principal business    | Voting rights held by the Company (%) | Relationship                     |                                   |   |
|---|--------------------------|---|-----------------------|---------------------------------------|----------------------------------|-----------------------------------|---|
|   |                          |   |                       |                                       | Interlocking officers            |                                   | Business transaction  |
|   |                          |   |                       |                                       | The Company's officers (Persons) | The Company's employees (Persons) |   |
| Seven Farm Co., Ltd.                          | Tokyo Met. Chiyoda-ku    | 13  | Superstore operations | 100.0 [100.0]                         | —                                | —                                 | <ul style="list-style-type: none"> <li>The Company is entrusted with various business operations.</li> </ul>  |
| Ito-Yokado Online Supermarket Co., Ltd.       | Tokyo Met. Chiyoda-ku    | 50  | Superstore operations | 100.0 [100.0]                         | —                                | 2                                 | <ul style="list-style-type: none"> <li>The Company is entrusted with various business operations.</li> </ul>  |
| Ito-Yokado (China) Investment Co., Ltd.       | China Beijing            | Thousands of U.S. dollars 47,250                    | Superstore operations | 100.0 [100.0]                         | —                                | —                                 | —   |
| Hua Tang Yokado Commercial Co., Ltd. (Note 3) | China Beijing            | Thousands of U.S. dollars 102,391                   | Superstore operations | 100.0 [100.0]                         | —                                | —                                 | —   |
| Chengdu Ito-Yokado Co., Ltd.                  | China Sichuan Province   | Thousands of U.S. dollars 23,000                    | Superstore operations | 80.0 [80.0]                           | —                                | —                                 | —   |
| Seven Financial Service Co., Ltd.             | Tokyo Met. Chiyoda-ku    | 75  | Financial services    | 100.0                                 | —                                | 2                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with various business operations.</li> </ul> |
| Seven Card Service Co., Ltd. (Note 3)         | Tokyo Met. Chiyoda-ku    | 7,500   | Financial services    | 98.9 [98.9]                           | —                                | 2                                 | <ul style="list-style-type: none"> <li>The Company is entrusted with various business operations.</li> </ul>  |
| Seven CS Card Service Co., Ltd.               | Tokyo Met. Chiyoda-ku    | 100   | Financial services    | 51.0 [51.0]                           | —                                | —                                 | <ul style="list-style-type: none"> <li>The Company is entrusted with various business operations.</li> </ul>  |
| Bank Business Factory Co., Ltd.               | Yokohama-shi Hodogaya-ku | 400   | Financial services    | 100.0 [100.0]                         | —                                | —                                 | —   |
| Seven Payment Service, Ltd.                   | Tokyo Met. Chiyoda-ku    | 475   | Financial services    | 100.0 [100.0]                         | —                                | —                                 | —   |
| FCTI, Inc.                                    | U.S. California          | Thousands of U.S. dollars 19,836                    | Financial services    | 100.0 [100.0]                         | —                                | —                                 | —   |



| Name                               | Location              | Capital or investments in capital (Millions of yen) | Principal business | Voting rights held by the Company (%) | Relationship                     |                                   |   |
|------------------------------------|-----------------------|---|--------------------|---------------------------------------|----------------------------------|-----------------------------------|---|
|                                    |                       |   |                    |                                       | Interlocking officers            |                                   | Business transaction  |
|                                    |                       |   |                    |                                       | The Company's officers (Persons) | The Company's employees (Persons) |   |
| Akachan Honpo Co., Ltd.            | Osaka-shi Chuo-ku     | 3,780   | Others             | 95.0 [10.3]                           | —                                | 2                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with various business operations.</li> </ul>                   |
| Seven & i Food Systems Co., Ltd.   | Tokyo Met. Chiyoda-ku | 3,000   | Others             | 100.0                                 | —                                | 3                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with and contracts out various business operations.</li> </ul> |
| THE LOFT CO., LTD.                 | Tokyo Met. Shibuya-ku | 750   | Others             | 75.2                                  | —                                | 2                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> </ul>   |
| Nissen Holdings Co., Ltd. (Note 3) | Kyoto-shi Minami-ku   | 11,873  | Others             | 100.0 [100.0]                         | —                                | 2                                 | —   |
| Nissen Co., Ltd. (Note 7)          | Kyoto-shi Minami-ku   | 100   | Others             | 100.0 [100.0]                         | —                                | 1                                 | —   |
| SCORE Co., Ltd.                    | Kyoto-shi Minami-ku   | 100   | Others             | 51.0 [51.0]                           | —                                | —                                 | —   |
| MARRON STYLE Co., Ltd.             | Osaka-shi Kita-ku     | 10  | Others             | 100.0 [100.0]                         | —                                | —                                 | —   |
| Peace Deli Co., Ltd.               | Tokyo Met. Chiyoda-ku | 100   | Others             | 100.0 [51.1]                          | —                                | 2                                 | <ul style="list-style-type: none"> <li>The Company is entrusted with various business operations.</li> </ul>  |

| Name                                   | Location              | Capital or investments in capital (Millions of yen) | Principal business | Voting rights held by the Company (%) | Relationship                     |                                   |   |
|--|-----------------------|---|--------------------|---------------------------------------|----------------------------------|-----------------------------------|---|
|  |                       |   |                    |                                       | Interlocking officers            |                                   | Business transaction  |
|  |                       |   |                    |                                       | The Company's officers (Persons) | The Company's employees (Persons) |   |
| Seven & i Create Link Co., Ltd.        | Tokyo Met. Chiyoda-ku | 1,070   | Others             | 100.0 [51.0]                          | —                                | 3                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with various business operations.</li> </ul>                   |
| Seven & i Net Media Co., Ltd. (Note 3) | Tokyo Met. Chiyoda-ku | 7,665   | Others             | 100.0                                 | —                                | 3                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with and contracts out various business operations.</li> </ul> |
| Seven Culture Network Co., Ltd.        | Tokyo Met. Chiyoda-ku | 100   | Others             | 97.3 [97.3]                           | —                                | 1                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with and contracts out various business operations.</li> </ul> |

| Name   | Location                    | Capital or investments in capital (Millions of yen) | Principal business                    | Voting rights held by the Company (%) | Relationship                     |                                   |   |
|--|-----------------------------|---|---------------------------------------|---------------------------------------|----------------------------------|-----------------------------------|---|
|  |                             |   |                                       |                                       | Interlocking officers            |                                   | Business transaction  |
|  |                             |   |                                       |                                       | The Company's officers (Persons) | The Company's employees (Persons) |   |
| K.K. Terre Verte   | Hokkaido Kitami-shi         | 400   | Others                                | 99.0 [99.0]                           | —                                | 1                                 | <ul style="list-style-type: none"> <li>The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.</li> <li>The Company is entrusted with various business operations.</li> </ul> |
| SEVEN & i Financial Center Co., Ltd.   | Tokyo Met. Chiyoda-ku       | 10  | Corporate                             | 100.0                                 | 1                                | 3                                 | <ul style="list-style-type: none"> <li>The Company deposits and borrows funds.</li> <li>The Company is entrusted with various business operations.</li> </ul>   |
| 112 other companies (Note 8)   | —                           | —   | —                                     | —                                     | —                                | —                                 | —   |
| (Affiliates accounted for using the equity method)<br>TOWER BAKERY CO., LTD. | Saitama Pref. Koshigaya-shi | 100   | Domestic convenience store operations | 20.0 [20.0]                           | —                                | —                                 | —   |
| SHAN DONG ZHONG DI CONVENIENCE CO., LTD.                                     | China Shandong Province     | Thousands of yuan 210,000                           | Overseas convenience store operations | 35.0 [35.0]                           | —                                | —                                 | —   |
| Tenmaya Store Co., Ltd. (Note 4)   | Okayama-shi Kita-ku         | 3,697   | Superstore operations                 | 20.1 [20.1]                           | —                                | —                                 | —   |
| DAIICHI CO., LTD. (Note 4)   | Hokkaido Obihiro-shi        | 1,639   | Superstore operations                 | 30.1 [30.1]                           | —                                | —                                 | —   |
| TORANOTEC Ltd.   | Tokyo Met. Minato-ku        | 100   | Financial services                    | 23.4 [23.4]                           | —                                | —                                 | —   |
| Tower Records Japan Inc.   | Tokyo Met. Shibuya-ku       | 100   | Others                                | 45.0                                  | —                                | 2                                 | —   |
| Nissen Credit Service Co., Ltd.  | Kyoto-shi Minami-ku         | 100   | Others                                | 50.0 [50.0]                           | —                                | 1                                 | —   |
| I ing Co., Ltd. (Note 6)   | Tokyo Met. Chiyoda-ku       | 99  | Others                                | 17.8 [17.8]                           | —                                | 1                                 | —   |
| PIA Corporation (Notes 4,6)  | Tokyo Met. Shibuya-ku       | 6,410   | Others                                | 18.5 [9.2]                            | —                                | 1                                 | —   |

| Name                        | Location | Capital or investments in capital (Millions of yen) | Principal business | Voting rights held by the Company (%) | Relationship                     |                                   |                      |
|-----------------------------|----------|---|--------------------|---------------------------------------|----------------------------------|-----------------------------------|----------------------|
|                             |          |   |                    |                                       | Interlocking officers            |                                   | Business transaction |
|                             |          |   |                    |                                       | The Company's officers (Persons) | The Company's employees (Persons) |                      |
| 11 other companies (Note 8) | —        | —   | —                  | —                                     | —                                | —                                 | —                    |

- Notes:
- Names of reportable segments are shown in "Principal business."
  - In "Voting rights held by the Company," the figures shown in brackets (included in total) represent indirect ownership.
  - Falls under the category of specified subsidiaries.
  - Has submitted a securities registration statement or annual securities report.
  - Deemed as a consolidated subsidiary based on substantial judgment.
  - Deemed as an affiliate based on substantial judgment.
  - The amount of debts in excess of assets in companies with excess liabilities that have significant impact on the consolidated financial statements is ¥28,305 million as of February 29, 2024.
  - Since other companies do not significantly affect the consolidated financial statements, information on them is omitted.
  - Revenues from operations (excluding intersegment revenues between consolidated companies) of 7-Eleven, Inc. account for over 10% of consolidated revenues from operations. Major profit/loss information, etc., of 7-Eleven, Inc. is as follows.

|                 | Revenues from operations (Millions of yen) | Ordinary income (Millions of yen) | Net income (Millions of yen) | Net assets (Millions of yen) | Total assets (Millions of yen) |
|-----------------|--|-----------------------------------|------------------------------|------------------------------|--------------------------------|
| 7-Eleven, Inc.* | 8,428,264                                  | 385,939                           | 277,955                      | 3,053,340                    | 6,649,828                      |

- \* The amounts including SEJ Asset Management & Investment Company and its consolidated subsidiaries are shown.

5. [Status of employees]

(1) Consolidated companies

February 29, 2024

| Name of segment                       | Number of employees |          |
|---------------------------------------|---------------------|----------|
| Domestic convenience store operations | 8,598               | [2,464]  |
| Overseas convenience store operations | 47,513              | [27,944] |
| Superstore operations                 | 12,949              | [39,426] |
| Financial services                    | 1,910               | [540]    |
| Others                                | 5,858               | [8,884]  |
| Corporate (shared)                    | 1,074               | [17]     |
| Total                                 | 77,902              | [79,275] |

- Notes:
1. The number of employees represents the number of workers (excluding people dispatched from the Group to outside the Group, but including people dispatched from outside the Group to the Group), and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.
  2. The number of employees for "Corporate (shared)" is the number of employees of the Company.
  3. The decrease in the number of employees in "Others" is a result of the Company transferring all of the issued shares of Sogo & Seibu Co., Ltd. it held.
  4. The classification of business segments was changed from the fiscal year under review, and comparisons with the end of the previous fiscal year are made based on the figures for the previous fiscal year reclassified into the new business segments.

(2) The Company

February 29, 2024

| Number of employees | Average age | Average number of years of continuous service | Average annual salary (Yen) |
|---------------------|-------------|---|-----------------------------|
| 1,074 [17]          | 43.9        | 15.8  | 8,188,996                   |

- Notes:
1. Most of the Company's employees have been transferred from the Group companies. The average number of years of continuous service is the total of the number of years of continuous service at each Group company.
  2. The number of employees represents the number of workers, and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.
  3. Average annual salary includes bonuses.

(3) Labor union

In the Group, the Federation of Seven & i Group Labor Unions and other bodies have been organized.

There are no noteworthy matters that are pertinent to labor relations.

(4) Ratio of female workers in managerial positions, ratio of childcare leave taken by male workers, and gender wage gap

(i) The Company

| Year ended February 29, 2024                                 |   |                                  |                   |                                | Supplementary explanation |
|--|---|----------------------------------|-------------------|--------------------------------|---------------------------|
| Ratio of female workers in managerial positions (%) (Note 1) | Ratio of childcare leave taken by male workers (%) (Note 2) | Gender wage gap (%) (Notes 1, 3) |                   |                                |                           |
|  |   | All employees                    | Regular employees | Part-time/fixed-term employees |                           |
| 15.9   | 70.6  | 78.0                             | 76.8              | 88.4                           |                           |

- Notes: 1. Calculated in accordance with the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64, 2015).
2. In accordance with the provisions of the “Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave” (Act No. 76, 1991), the percentage of childcare leave, etc. taken under Article 71-4, item (i) of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25, 1991) is calculated. The calculation of the percentage is based on regular employees.
3. Gender wage gap represents the ratio of women’s wages to men’s wages. There is no difference in treatment based on gender in the wage system.

(ii) Major consolidated subsidiaries

| Year ended February 29, 2024     |  |   |                                  |                   |                                | Supplementary explanation |
|----------------------------------|--|---|----------------------------------|-------------------|--------------------------------|---------------------------|
| Name                             | Ratio of female workers in managerial positions (%) (Note 1) | Ratio of childcare leave taken by male workers (%) (Note 2) | Gender wage gap (%) (Notes 1, 3) |                   |                                |                           |
|                                  |  |   | All employees                    | Regular employees | Part-time/fixed-term employees |                           |
| SEVEN-ELEVEN JAPAN CO., LTD.     | 20.4   | 55.7  | 56.7                             | 76.8              | 82.0                           | —                         |
| Ito-Yokado Co., Ltd.             | 14.6   | 30.4  | 64.4                             | 71.2              | 101.4                          | —                         |
| York-Benimaru Co., Ltd.          | 29.5   | 9.9   | 57.7                             | 71.4              | 124.5                          | —                         |
| Seven Bank, Ltd.                 | 17.7   | 50.0  | 71.3                             | 74.8              | 53.9                           | —                         |
| Akachan Honpo Co., Ltd.          | 24.7   | 90.0  | 57.0                             | 73.2              | 108.5                          | —                         |
| Seven & i Food Systems Co., Ltd. | 10.3   | 60.0  | 66.9                             | 72.8              | 100.2                          | —                         |
| THE LOFT CO., LTD.               | 25.5   | 61.1  | 67.7                             | 75.9              | 117.1                          | —                         |

- Notes: 1. Calculated in accordance with the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64, 2015).
2. In accordance with the provisions of the “Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave” (Act No. 76, 1991), the percentage of childcare leave, etc. taken under Article 71-4, item (i) of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25, 1991) is calculated. The calculation of the percentage is based on regular employees.
3. Gender wage gap represents the ratio of women’s wages to men’s wages. There is no difference in treatment based on gender in the wage system.
4. Data on consolidated subsidiaries other than major consolidated subsidiaries are presented in “VII. Reference Information on the Company, 2. Other reference information, (10) Ratio of female workers in managerial positions, ratio of childcare leave taken by male workers, and gender pay gap.”

## II. [Overview of Business]

### 1. [Management policies, business environment and issues to address]

The management policies, business environment, and issues to address of the Group are as follows.

This section includes forward-looking statements and future expectations of the Group as of the end of the fiscal year under review.

#### (1) Basic management policies

The Company is a pure holding company established on September 1, 2005. With the Corporate Creed of “Trust and Sincerity,” which has been respected since its foundation as its unwavering foundation, and under the basic policy of “Responding to Change while Strengthening Fundamentals,” the Company, with its 160 consolidated subsidiaries and operating mainly in the distribution business, is determined to: quickly respond to customer needs, market conditions, and rapidly changing social circumstances; tirelessly reform its operations and business structure; promote innovation in distribution services; and provide new values and experiences. In addition, leveraging our global network and exceptional information capabilities as well as our strength in “food,” we will comprehensively pursue synergies as a global retail group unparalleled in the world that engages in multiple businesses, including convenience store operations as our core business, superstore operations, financial services, etc. to meet the needs of customers in various aspects of their lives. To this end, we will strive to maximize Group corporate value by strengthening governance and pursuing Group synergies while fulfilling our accountabilities to stakeholders as a listed company representing the Group. At the same time, with sustainability initiatives at the fundamental basis of our management, we formulated the Group’s “GREEN CHALLENGE 2050” environmental declaration in 2019, setting goals for the year 2050 in four themes: reduction of CO<sub>2</sub> emissions, measures against plastic, measures against food loss and for food recycling, and sustainable procurement. We are promoting actions to solve environmental issues and external diseconomies in order to achieve these goals.

In addition, operating companies in the Group will fulfill their respective responsibilities within their assigned business scope and pursue profit growth and improve asset efficiency while exercising their independence.

#### (2) Target performance indicators

In order to sustainably increase corporate value, we have established financial targets according to our basic policies of increasing returns (profits) in excess of the cost of capital and enhancing our ability to generate cash flow. On March 9, 2023, the Company released the “Update to the Medium-Term Management Plan and the Results of the Group Strategy Reevaluation” (hereinafter referred to as the “Group Strategy Reevaluation”) and revised the targets set in the “Medium-Term Management Plan 2021-2025” announced on July 1, 2021, as follows.

(Key consolidated financial targets for year ending February 28, 2026 (FY2025))

|   | Initial targets for FY2025 | Revised targets for FY2025 | Difference from initial target |
|---|----------------------------|----------------------------|--------------------------------|
| EBITDA                                      | ¥1 trillion or more        | ¥1.1 trillion or more      | ¥100 billion                   |
| Operating CF (excluding financial services) | ¥800 billion or more       | ¥900 billion or more       | ¥100 billion                   |
| Free CF (excluding financial services)      | ¥400 billion or more       | ¥500 billion or more       | ¥100 billion                   |
| ROE   | 10% or more                | 11.5% or more              | 1.5%                           |
| ROIC (excluding financial services)         | 7% or more                 | 8.0% or more               | 1.0%                           |
| Debt/EBITDA ratio                           | Less than 2.0 times        | Less than 1.8 times        | (0.2 times)                    |
| Adjusted debt/EBITDA ratio                  | Less than 2.2 times        | Less than 2.0 times        | (0.2 times)                    |
| EPS growth rate (CAGR)                      | 15% or more                | 18% or more                | 3%                             |

\* Operating CF (excluding financial services) is a management accounting figure based on NOPAT excluding financial services.

Free CF (excluding financial services) is a management accounting-based figure excluding financial services.

M&A-related investments are regarded as strategic investments and thus are excluded from cash flows from investing activities.

ROIC (excluding financial services) = {Net income + Interest expense x (1 – Effective tax rate)} ÷ {Shareholders' equity + Interest-bearing debt [average of fiscal beginning/end for both figures]}

Adjusted debt/EBITDA ratio is management accounting-based figure (excluding financial services).

Net debt/EBITDA (Net Debt: Interest-bearing debt + On-balance-sheet leases – Cash and cash equivalents and other adjustments)

EPS growth rate (CAGR) is estimated based on CAGR (compound annual growth rate) for the year ended February 28, 2021.

### (3) Medium- to long-term management strategies

We set forth in the “Medium-Term Management Plan 2021-2025” announced in July 2021: our Corporate Creed since our founding to be a sincere company that is trusted by all stakeholders; our basic stance of “contributing to local communities in Japan and overseas by always putting ourselves in our customers’ shoes and providing new experiences and values;” and our vision for the Group in 2030 to be “a world-class global distribution group that leads distribution innovation through a global growth strategy with the 7-Eleven business as its core and the active use of technology,” and steadily and speedily responded to changes in customer purchasing behavior against the backdrop of various changes in social structure. However, based on the Group Strategy Reevaluation conducted in FY2022, we have established the ideal Group image for 2030 as “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.” We will continue to steadily implement various measures to achieve this new group image for 2030.

### (4) Business environment and management issues

Business conditions surrounding the Group are changing dramatically at an ever-quicken pace. In Japan, the need to purchase fresh foods and prepared foods close to home is increasing due to accelerating changes in the social structure, such as the aging of the population and the increase in single-person households and dual-income households. Moreover, following the global pandemic, customers’ behavior patterns and values have changed, and their needs for food have become more diverse. On the other hand, the employment environment is expected to remain challenging in light of rising minimum wages and the expansion of social insurance application.

In the U.S., there are growing expectations for convenience stores to satisfy the need for fresh, healthy, and delicious food. There are also great opportunities worldwide in the area of providing safe, secure, and high quality daily “food” tailored to the characteristics of each region, and the establishment of business infrastructure to make this possible has become increasingly important. Meanwhile, social issues related to climate change, marine pollution, food loss, and sustainable procurement are becoming more serious, both in Japan and abroad. Being members of society, companies are facing the situation that they will have to put their efforts to solve these issues more seriously than ever.

Our superstore operations have strong position in the “food” field that ensures the Group’s competitiveness, ranging from food product assortments, procurement capabilities and supplier networks to innovative product development capabilities, and private brands (Seven Premium). From the perspective of forecasting future macro and market trends as mentioned above, we believe that this “food” strength will become increasingly important as a source of competitiveness to support the growth of the Group’s domestic and overseas convenience store operations. As a specific measure of the Group’s food strategy to promote the development and operation of the Group’s common infrastructure such as process centers and central kitchens, we have started operation of a food manufacturing plant “Peace Deli Chiba Kitchen,” as the Seven & i Group’s first common infrastructure that combines the functions of a central kitchen for manufacturing prepared foods and meal kits, etc., and a process center for processing fresh meat.

Recommendations by the Strategy Committee and action plans to maximize the Company’s corporate and shareholder value over the medium to long term



The Company released on March 9, 2023 the “Group Strategy Reevaluation,” under which a Strategy Committee consisting solely of Independent Outside Directors has been established with the aim of maximizing the Company’s corporate and shareholder value over the medium to long term. The Strategy Committee submitted to the Company’s Board of Directors recommendations summarizing the discussions held by the Committee, and the Board of Directors had given serious consideration to the recommendations. As a result, the Board of Directors decided to announce the following specific action plans for the future of the Group, and has already begun to develop clear timelines for the implementation of these action plans.

- Since its establishment, the Company’s Strategy Committee has spent a great deal of time and effort in its operation through extensive pre-meeting analysis, 13 meetings and numerous informal discussions.
- The recommendations from the Strategy Committee were fully discussed by the Board of Directors and are reflected in the action plans recently announced. The Board of Directors has received advice from the Strategy Committee on a continual basis and has already implemented a number of strategic initiatives. The Board of Directors will also oversee each of the following items to ensure that they are steadily implemented in accordance with specific plans and clear action plans.

#### <Specific action plans for accelerating growth>

In order to promote the Group’s overall growth strategy, we will execute aggressive strategic investments in the convenience store operations and simultaneously improve the Group’s capital efficiency with more agile and flexible financial discipline (financial leverage target: Debt/EBITDA ratio of 1.8 to 2.5 times).

- Accelerate growth and improve profitability and capital efficiency in the North American convenience store market with large growth potential
- Develop more ambitious business plans and make more ambitious investments in the global convenience store operations
- Develop IT/DX strategy as a foundation for global growth and build IT/DX governance to boost cost competitiveness
- Monitor and support for the completion of transformation and growth of the Tokyo metropolitan area superstore (“Tokyo metropolitan area SST”) operations (Note 1)
- Maximize synergies between retail and finance in the Group

#### <Changes to the Group structure that will enhance our long-term growth and corporate value>

Based on the Strategy Committee’s recommendations, the Board of Directors further discussed, in cooperation with our major operating companies, a group structure that could maximize the business value of the convenience store and other operations, the employees involved in each of the operations, and the long-term interests of our shareholders.

As a result, we will work to integrate the leadership and management structure of the convenience store operations in order to manage global convenience store operations, including those in Japan and North America, in an integrated manner. With regard to the superstore (“SST”) operations (Note 2), we aim through reforms to establish a management system that helps explore an autonomous re-growth phase, and realize a Group business structure that enables us to set our own growth direction with independent financial discipline as an independent corporate entity and allows employees to be strongly involved in business growth. Specifically, on the basis that the Company continues its partial shareholding in the SST operations and maintains a cooperative framework between the convenience store operations and the SST operations in the food development area, we will begin to consider the fastest realistic timing to realize an IPO of the SST operations as one of the most workable options for the sustainable growth of the SST operations beyond the radical transformation.

#### <Strengthening investor engagement>

We will enhance investor engagement to ensure that our efforts towards achieving the Company’s mission and increasing shareholder value are communicated in a clear and transparent manner. We will continue our efforts to examine issues related to, and

strengthen, our communication system with investors regarding the Company's specific strategies, growth path, and progress.

While continuing to listen to our shareholders and other stakeholders, we will promptly implement the action plans in these three areas and appropriately reflect the progress in the next Medium-Term Management Plan, in order to achieve sustainable growth and enhance corporate value of the Group by building "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."

- Notes: 1. Tokyo metropolitan area SST operations: Ito-Yokado Co., Ltd. and SHELL GARDEN CO., LTD.  
2. SST operations: All operating companies included in the SST operations segment

#### Solid management foundation to support our strategy

##### (i) Realizing a sustainable society

To date, the Group has been proactive in its efforts to resolve social issues and enhance corporate value, both of which are fundamental to management. Having chosen out of all social challenges "Seven Material Issues (Materiality)" which are particularly relevant to the Group's business domain, we are endeavoring to address them by linking them to the 17 SDGs (United Nations "Sustainable Development Goals"). Through these efforts, we are working through our core businesses to create a new business model that takes social issues and material issues as its starting points.

"Seven Material Issues (Materiality)"

- Create a livable society with local communities through various customer touchpoints
- Provide safe, reliable, and healthier merchandise and services
- Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts
- Achieve a society in which diverse people can actively participate
- Improve work engagement and environment for people working in Group businesses
- Create an ethical society through dialogue and collaboration with customers
- Achieve a sustainable society through partnerships

In May 2019, we announced the "GREEN CHALLENGE 2050" environmental declaration, which sets four key themes: reduction of CO<sub>2</sub> emissions, measures against plastic, measures against food loss and for food recycling, and sustainable procurement. As we address these themes, we are working to realize a sustainable society in cooperation with customers, local communities, business partners, and other stakeholders. In line with the strengthening of our global expansion, we are also promoting CO<sub>2</sub> emission reduction, plastic-related measures, etc., in collaboration with 7-Eleven licensees around the world. In addition, communities are becoming increasingly concerned about the human rights efforts of companies as their activities become more global in nature. The Group has been working to protect human rights under its "Corporate Action Guidelines." We have established the Seven & i Group Human Rights Policy, which is based on the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the International Labor Organization Declaration on Fundamental Principles and Rights at Work, the 10 principles of the U.N. Global Compact, and the "U.N. Guiding Principles on Business and Human Rights," etc. We will continue encouraging employees, supply chain partners, and local communities to work with us as we step up our efforts to respect human rights.

##### (ii) Further strengthening corporate governance

With respect to corporate governance, to date, we have been constantly striving to improve and expand corporate governance based on dialogue with all stakeholders. We are further improving the diversity of the Board of Directors, and, since FY2022, have increased the number of Independent Outside Directors to a majority. This is to build a governance system suitable for aiming to become a world-class global retail group, which is our Group image for 2030.

Furthermore, in FY2023, in order to strengthen and stabilize our governance system, we appointed an additional Representative Director of the Company, making a total of three, appointed a CxO (Chief x Officer) for each corporate function, and appointed a general manager for each business segment and business area. In addition, the Strategy Committee, consisting solely of Independent Outside Directors, has been established to provide advice to the Board of Directors on how to improve the medium- to long-term corporate value of the Group, and has monitored the progress of the Group's key strategies and conducted comprehensive and objective analysis and verification of the optimal Group business structure, etc. to realize those strategies.

Our aim is to achieve sustainable growth in the global market and increase corporate value over the medium to long term. The Board of Directors will continue making appropriate and important decisions, conducting highly effective oversight, and appropriately fulfilling roles and responsibilities to further strengthen corporate governance.

(iii) Human resource measures linked to management strategy

Human resources are the source of the Group's growth potential. In particular, we believe that management measures and human resource strategy are inseparable and must be linked in order to promote DX and global strategies and enhance both social and corporate value. Accordingly, we pursue a human resource measures that is integrated with our management strategy, and we will not only seek human resources with specialized knowledge and skills from outside the Group but also actively develop them within the Group. In developing human resources, we are guided by the concept that "a company grows as its people grow." With this in mind, we aim for mutual growth between employees and the Group by actively providing growth opportunities to employees and developing human resources who voluntarily continue learning and improving their skills at all times.

In addition, we will work to create workplaces where everyone can work comfortably by reforming work styles and improving productivity. We will create an environment that recognizes diversity and tolerates differences among workers and a system that supports flexible work styles. We will focus particular attention on fostering an organization and corporate culture where diverse human resources can play active roles.

Furthermore, we established the "Engagement Improvement Committee," consisting of the presidents of each Group operating company, to formulate and monitor action plans to improve employee engagement. We will continue promoting these activities in the belief that increased employee engagement and desire to contribute will revitalize the organization and strengthen the competitiveness of the Group.

The Group is committed to achieving sustainable growth by enhancing corporate value over the medium and long terms. To this end, we will continue strengthening Group synergies to further expand the Group's strengths while sincerely listening to the opinions of all stakeholders and providing more value and appropriate returns on profits.

## 2. [Sustainability policies and initiatives]

The Group's sustainability policies and initiatives are as follows.

This section includes forward-looking statements and future expectations of the Group as of the end of the fiscal year under review.

Based on the Corporate Creed of "aiming to be a sincere company trusted" by all stakeholders, including customers, business partners, shareholders, investors, local communities, member stores, and employees, the Group is working towards a sustainable society as outlined in the Sustainable Development Goals (SDGs).

We believe that the starting point of our business activities and the basis of our pursuit of sustainability is to stay close to our customers' lives and to continue to provide new customer experiences and values inspired by our customers' lifestyles.

To this end, having identified material issues (Materiality) through dialogue with our stakeholders, we are working to resolve social issues of high importance for society and the Group through our core business.

In 2019, we announced the "GREEN CHALLENGE 2050" environmental declaration in order to make the most of the limited global environment and resources and pass them on to future generations. We have set visions and specific goals for 2030 and 2050, and formed innovation teams for each of the four themes in order to achieve these visions and goals. With each team working to introduce diverse new technologies and build a recycling-oriented society in cooperation with customers, business partners, and local communities, the Group is making a concerted effort to reduce environmental impact.

In addition, in order to understand the human rights of all people and fulfill our responsibility to respect human rights, we have established the "Seven & i Group Human Rights Policy" in accordance with international principles and standards. The Policy applies to all officers and employees, and we ask for the continued support of all business partners, thereby working together to promote human rights due diligence and respect for human rights.

We recognize that mitigating medium- and long-term risks and proactively taking advantage of opportunities through these sustainability measures will enhance the resilience and sustainability of our business activities and increase the social and economic value of the Group as an indispensable presence in the lives of our customers in Japan and overseas.

Described below are our approaches to (1) Overall sustainability, (2) Climate change, and (3) Human capital and diversity, in four aspects of (i) Governance, (ii) Strategy, (iii) Risk management, and (iv) Indicators and targets, respectively.

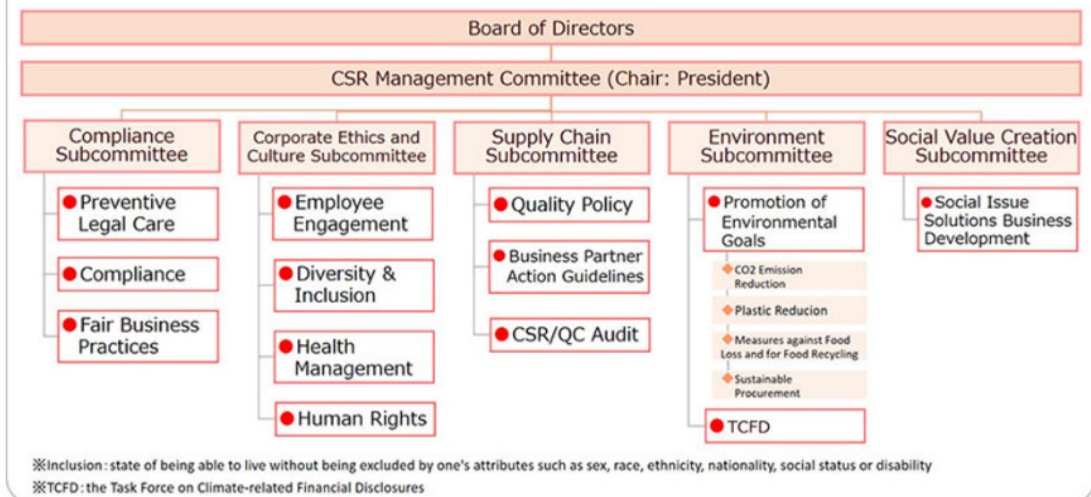
### (1) Overall sustainability

#### (i) Governance

In order to contribute to solving social issues and aim for sustainable growth for both society and the Group, the Company has established, in accordance with the CSR Basic Rules, the "CSR Management Committee," which is chaired by the Representative Director and President and meets twice a year, to promote, administer and supervise the sustainability activities through operating activities. The Company has also established five subcommittees (Compliance Subcommittee, Corporate Ethics and Culture Subcommittee, Supply Chain Subcommittee, Environment Subcommittee, and Social Value Creation Subcommittee) under the CSR Management Committee tasked with the examination and promotion of concrete measures to promote operating activities that will contribute to solving material issues (Materiality) identified to address the expectations and demands of stakeholders and realizing a more thorough compliance practice. Through these subcommittees, the Company has carried out initiatives to find solutions to issues and implemented preventive measures.

The "CSR Management Committee" receives reports on the activities of the five subcommittees under its umbrella and provides guidance and improvements, while strengthening cooperation between the holding company and operating companies.

## ● Organization of CSR Promotion Framework



- **Compliance Subcommittee**  
Ensuring that employees of Group companies comply with laws, regulations, and social norms, including their conducting fair transactions with customers and business partners, forms the essential foundation for the realization of the Group's Corporate Creed, "Trust and Sincerity." As a holding company, the Company supports the strengthening of the compliance system of each Group company and provides effective supervision, thereby ensuring thorough compliance at each Group company. The Compliance Subcommittee is chaired by the Executive Officer and General Manager of the Corporate General Affairs & Legal Division of the Company, and is managed by the department in charge of legal affairs of the Company to promote specific measures.
- **Corporate Ethics and Culture Subcommittee**  
Ensuring that employees of Group companies understand the Group's Corporate Creed and comply with the Corporate Action Guidelines forms the essential foundation for the realization of the Group's Corporate Creed, "Trust and Sincerity." The Corporate Ethics and Culture Subcommittee is engaged in activities aimed at having employees of Group companies thoroughly adhere to the Corporate Action Guidelines, including making the Corporate Creed and the Corporate Action Guidelines thoroughly known to them and raising awareness among them through education. In addition, in order to create a rewarding workplace, the Corporate Ethics and Culture Subcommittee carries out employee engagement surveys, promotes the activities of diverse human resources, including women and people with disabilities, supports the balancing of work and nursing care, improves the working environment, including correcting long working hours, and encourages employees to take leave and holidays. Through these measures, the Subcommittee strives to create an environment in which all employees can work with peace of mind. The Corporate Ethics and Culture Subcommittee is chaired by the Executive Officer, Chief Human Resource Officer (CHRO) and General Manager of the HR Division of the Company, and is managed by the department in charge of personnel affairs of the Company to promote specific measures.
- **Supply Chain Subcommittee**  
Promptly responding to the "U.N. Guiding Principles on Business and Human Rights" and the "Sustainable Development Goals (SDGs)" and establishing a sound supply chain that takes human rights and the environment into consideration is one of the important social responsibilities of companies, and is also strongly demanded by stakeholders. In order to fulfill our social responsibility throughout the product and service supply chains, the Supply Chain Subcommittee asks business partners to understand and comply with the "Seven & i Group Business Partner Sustainable Action Guidelines." The status of compliance is regularly verified and shared through CSR audits, etc., and education, awareness-raising, and corrective measures are promoted. In addition, in order to improve

quality and ensure the safety of each Group company, the Supply Chain Subcommittee is developing and reinforcing the quality standards and management systems of each Group company in accordance with the Group's "Quality Policy." The Supply Chain Subcommittee is chaired by the Executive Officer, Chief Merchandising Officer (CMDO) and General Manager of the Group Merchandise Strategy & Planning Division of the Company, and is managed by the department in charge of merchandise strategy of the Company to promote specific measures.

- Environment Subcommittee

In response to issues such as climate change and resource depletion, working to reduce the environmental impact throughout our entire supply chain by using products, raw materials, and energy with zero waste, while asking for our customers' and business partners' cooperation in our efforts is an important element that contributes to the sustainable development of not only society but also the Group. To this end, the Environment Subcommittee is promoting initiatives aimed at realizing a "decarbonized society," "circular economy" and a "society in harmony with nature" in accordance with the "GREEN CHALLENGE 2050" environmental declaration, which was approved by the Board of Directors in April 2019 and announced in May of the same year. Based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Environment Subcommittee is also analyzing the risks and opportunities of climate change and stepping up our response measures. The Environment Subcommittee is chaired by the Executive Officer and General Manager of ESG Development Division, and is managed by the department in charge of environmental measures of the Company to promote specific measures.

- Social Value Creation Subcommittee

The Social Value Creation Subcommittee is engaged in activities aimed at creating businesses that generate both social and economic value (CSV: Creating Shared Value), based on the recognition that, as business domains expand and the social issues involved diversify, working to solve social issues will lead to new business opportunities. In an effort to address "Seven Material Issues" identified through dialogue with various stakeholders towards the realization of a sustainable society, the Social Value Creation Subcommittee will plan, develop and execute new businesses originating from addressing social issues through our core business which utilizes our business characteristics and management resources, including the business infrastructure and know-how we have cultivated to date. The Subcommittee will also consider working together with external parties, such as business partners, social entrepreneurs, and NPOs, to step up its initiatives. The Social Value Creation Subcommittee is chaired by the Director and Executive Officer, Chief Strategy Officer (CSO), and General Manager of the Corporate Planning Division, and is managed by the department in charge of corporate planning of the Company to promote specific measures.

- (ii) Strategy

The Group is actively engaged in the promotion of sustainability, with both the resolution of social issues and the enhancement of corporate value as the fundamental basis of its management. As social issues and social demands related to our business diversify, we have, in order to focus on and appropriately respond to issues that require special emphasis, determined "Seven Material Issues (Materiality)" which are particularly relevant to the Group's business domain, and striven to resolve them. Through these efforts, we are working through our core businesses to create a new business model that takes social issues and material issues as its starting points.

<Seven Material Issues (Materiality)>

Material Issue 1: Create a livable society with local communities through various customer touchpoints

Material Issue 2: Provide safe, reliable, and healthier merchandise and services

Material Issue 3: Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

Material Issue 4: Achieve a society in which diverse people can actively participate

Material Issue 5: Improve work engagement and environment for people working in Group businesses

Material Issue 6: Create an ethical society through dialogue and collaboration with customers

Material Issue 7: Achieve a sustainable society through partnerships

#### Risks and opportunities related to material issues

| Seven Material Issues<br>(Materiality)   | Risks   | Opportunities   |
|--|---|---|
| (i) Create a livable society with local communities through various customer touchpoints                           | <ul style="list-style-type: none"> <li>Declining population, depopulation, and aging of society due to fewer living centers, resulting in fewer sales opportunities</li> <li>New store opening not proceeding as planned due to lack of cooperation with local communities, resulting in loss of opportunities to provide new value</li> </ul>  | <ul style="list-style-type: none"> <li>Stakeholders' trust earned thanks to expanding social role as lifestyle infrastructure</li> <li>Expansion of sales opportunities through regional revitalization</li> </ul>  |
| (ii) Provide safe, reliable, and healthier merchandise and services  | <ul style="list-style-type: none"> <li>Customer defection due to product accidents and in-store accidents</li> <li>Loss of credibility due to violations of quality control, labeling, and other laws and regulations</li> <li>Customer defection due to delays in health product development</li> </ul>  | <ul style="list-style-type: none"> <li>Increased customer loyalty supported by thorough safety and quality control</li> <li>Expansion of sales opportunities by offering health-conscious products and new products that meet customer needs</li> </ul>                             |
| (iii) Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts | <ul style="list-style-type: none"> <li>Physical damage to stores and distribution networks due to increased natural disasters brought about by climate change</li> <li>Soaring purchase prices due to changes in supply and demand brought about by abnormal weather conditions and fluctuations in the prices of crude oil and other raw materials</li> <li>Customer defection due to widespread environment-unfriendly corporate image deriving from food waste generation, greenhouse gas emissions, etc.</li> </ul> | <ul style="list-style-type: none"> <li>Cost reduction through energy savings, waste reduction, recycling, and review of energy supply sources</li> <li>Creation of brand value as a company taking advanced environmental measures</li> </ul>                                       |
| (iv) Achieve a society in which diverse people can actively participate  | <ul style="list-style-type: none"> <li>Discrimination, prejudice, etc., left unchecked, resulting in damage to corporate image, customer defection, and lower employee engagement</li> <li>Difficulty in securing human resources and outflow of human resources outside the company</li> </ul>   | <ul style="list-style-type: none"> <li>Securing prospective customers and development of new services through dialogue with and nurturing of the next generation, the youth generation, and people with different values</li> </ul>   |
| (v) Improve work engagement and environment for people working in Group businesses                                 | <ul style="list-style-type: none"> <li>Decline in employee engagement due to lack of improvement in working environment</li> <li>Difficulty in securing human resources and outflow of human resources outside the company</li> </ul>   | <ul style="list-style-type: none"> <li>Strengthened competitiveness underpinned by diversity management</li> <li>Increased productivity through enhancing employee competence and autonomy</li> <li>New business development and acquisition of talented human resources</li> </ul> |
| (vi) Create an ethical society through dialogue and collaboration with customers                                   | <ul style="list-style-type: none"> <li>Delays in responding to changes in consumer lifestyles and diversification of values, resulting in loss of opportunities to provide new value through products and services</li> </ul>   | <ul style="list-style-type: none"> <li>Expansion of sales opportunities by offering products and services that help promote ethical consumption</li> <li>Increased customer loyalty through collaboration with customers</li> </ul>   |

| Seven Material Issues<br>(Materiality)                   | Risks  | Opportunities  |
|--|--|--|
| (vii) Achieve a sustainable society through partnerships | <ul style="list-style-type: none"> <li>Discontinuation of supply of products or deterioration of product quality due to labor environment or human rights issues or noncompliance in the supply chain, and resulting in decline in social reputation due to boycott campaigns</li> </ul> | <ul style="list-style-type: none"> <li>Improving resilience through sustainable sourcing of raw materials</li> <li>Provision of new products and services through collaboration with business partners and players in the same and other industries</li> </ul> |

- For more information about risks and opportunities related to material issues, please refer to “Risks and Opportunities Related to Sustainability” in our Sustainability Data Book 2023 (results for the fiscal year ended February 28, 2023) available at the following URL.  
[https://www.7andi.com/library/dbps\\_data/\\_template/\\_res/en/sustainability/sustainabilityreport/2023/pdf/2023\\_09\\_01.pdf](https://www.7andi.com/library/dbps_data/_template/_res/en/sustainability/sustainabilityreport/2023/pdf/2023_09_01.pdf)

#### Specific measures through business that contribute to addressing material issues

| Seven Material Issues<br>(Materiality)   | Specific measures   |
|--|---|
| (i) Create a livable society with local communities through various customer touchpoints                           | <ol style="list-style-type: none"> <li>Management rooted in local communities<br/>Expansion of delivery service for those who experience shopping inconvenience (7NOW, Ito-Yokado Tokushimaru, Seven Anshin Delivery, online supermarkets)<br/>Development and sales of products that reduce household chores for those who experience inconvenience or difficulty in having meals</li> </ol> |
| (ii) Provide safe, reliable, and healthier merchandise and services  | <ol style="list-style-type: none"> <li>Support for a safe, secure and prosperous society<br/>Development and sales of nutritional and health-conscious products<br/>Further strengthening quality control system</li> </ol>   |
| (iii) Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts | <ol style="list-style-type: none"> <li>Environmentally friendly management<br/>Reduction of plastic use, closed-loop recycling system of recycling PET bottles into new PET bottles, and use of renewable energy<br/>Reduction of food waste, procurement of products with guaranteed sustainability</li> </ol>   |
| (iv) Achieve a society in which diverse people can actively participate  | <ol style="list-style-type: none"> <li>Realization of a society that are tolerant towards people with different values and lifestyles<br/>Maternity and childcare counseling and nursery operations<br/>Providing on-site classes and support for people with disabilities</li> </ol>   |
| (v) Improve work engagement and environment for people working in Group businesses                                 | <ol style="list-style-type: none"> <li>Creating a company where employees feel a sense of fulfillment and accomplishment<br/>Promoting diversity and inclusion<br/>Improving employee engagement through human resource development and dialogue<br/>Improvement of working environment through DX</li> </ol>   |
| (vi) Create an ethical society through dialogue and collaboration with customers                                   | <ol style="list-style-type: none"> <li>Realization of a prosperous community with our customers<br/>Organizing surplus food donation activities and environmental conservation events<br/>Customer participation initiatives that contribute to solving social issues</li> </ol>  |
| (vii) Achieve a sustainable society through partnerships   | <ol style="list-style-type: none"> <li>Realization of a prosperous community with our customers<br/>Collaboration with business partners conscious of human rights and the global environment<br/>Collaboration with NPOs, NGOs, and companies in the same and other industries</li> </ol>  |

- For more information about material issues, please refer to “Seven Material Issues” in our Sustainability Data Book 2023 (results for the fiscal year ended February 28, 2023) available at the following URL.  
[https://www.7andi.com/library/dbps\\_data/\\_template/\\_res/en/sustainability/sustainabilityreport/2023/pdf/2023\\_11\\_01.pdf](https://www.7andi.com/library/dbps_data/_template/_res/en/sustainability/sustainabilityreport/2023/pdf/2023_11_01.pdf)



(iii) Risk management

The Company has established a Risk Management Committee as one of the various committees related to corporate governance, which regularly identifies risks in business activities, determines important risks, and strengthens the management system for such risks.

This risk management system covers sustainability risks as well. For details on risk management, including individual risks, please refer to “Part I. Company Information, II. Overview of Business, 3. Risk factors” below.

(iv) Indicators and targets

Each operating company sets its own targets for activities that contribute to the resolution of the “Seven Material Issues (Materiality)” through the Group’s businesses by each material issue. Details of targets and results are provided in the “Data Section” of our Sustainability Data Book 2023 (results for the fiscal year ended February 28, 2023), which are available at the following URL.

[https://www.7andi.com/library/dbps\\_data/\\_template/\\_res/en/sustainability/sustainabilityreport/2023/pdf/2023\\_24\\_01.pdf](https://www.7andi.com/library/dbps_data/_template/_res/en/sustainability/sustainabilityreport/2023/pdf/2023_24_01.pdf)

(2) Climate change

As described above, the Group has set “3. Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts” as one of its material issues, and addressing climate change as one of its management issues in its management strategy as well. To accelerate our response to climate change, we announced the “GREEN CHALLENGE 2050” environmental declaration in 2019, which is positioned as a roadmap to the society we should aim for in 2030 and 2050. In order to move towards three types of societies, i.e., a decarbonized society, a recycling economy society, and a society in harmony with nature, we have set in the environmental declaration medium- and long-term targets in the four areas of: reduction of CO<sub>2</sub> emissions; measures against plastic; measures against food loss and for food recycling; and sustainable procurement, and established a Group-wide promotion framework in each area to press ahead towards those targets. We have performed scenario analysis in line with TCFD recommendations to identify risks and opportunities related to the realization of the environmental declaration for each entity and taken measures to reduce the risks and maximize the opportunities.

(i) Governance

For information on the promotion framework for overall sustainability, please refer to “Part I. Company Information, II. Overview of Business, 2. Sustainability policies and initiatives, (1) Overall sustainability, (i) Governance.” The table below shows the framework for climate change response. The CO<sub>2</sub> emissions reduction targets in the “GREEN CHALLENGE 2050” environmental declaration formulated in May 2019 have been added from FY2020 as non-financial indicators to the KPIs for stock compensation in compensation for directors and other officers.

| Framework                | Roles   | Members   |
|--------------------------|---|---|
| Board of Directors       | <ul style="list-style-type: none"> <li>Oversee climate change mitigation efforts by receiving reports on progress of such efforts and achievement of targets at least once a year</li> <li>Review and decide on policies and important matters</li> </ul>   | <ul style="list-style-type: none"> <li>Directors</li> <li>Audit &amp; Supervisory Board Members</li> </ul> <p>Members include internal and outside Directors with extensive knowledge and experience in sustainability</p>  |
| CSR Management Committee | <ul style="list-style-type: none"> <li>Meet twice a year to share trends in indicators related to climate change issues (e.g. CO<sub>2</sub> emissions) and mitigation and adaptation measures</li> <li>Approve and give advice on initiatives implemented by the Environment Subcommittee and Group companies</li> </ul> | <ul style="list-style-type: none"> <li>Chairperson: Representative Director and President, Seven &amp; i Holdings Co., Ltd.</li> <li>Members: Persons responsible for sustainability promotion at Group companies (e.g. Representative Director and President, etc.); persons responsible for sustainability promotion departments at Seven &amp; i Holdings Co., Ltd.</li> </ul> |
| Environment Subcommittee | <ul style="list-style-type: none"> <li>Sub-organization of the CSR Management Committee</li> <li>Meet twice a year</li> <li>Promote actions to combat climate change</li> <li>Promote response to TCFD recommendations</li> </ul>   | <ul style="list-style-type: none"> <li>Chairperson: Executive Officer and General Manager of ESG Development Division, Seven &amp; i Holdings Co., Ltd.</li> <li>Members: Persons responsible for sustainability promotion and those responsible for practical affairs related to climate change at Group companies</li> </ul>  |

(ii) Strategy

1. Scenario analysis based on TCFD recommendations

<Background>

From FY2019 to FY2021, the Group conducted a scenario analysis of its domestic convenience store operations, which accounted for 60% of its operating income (as of 2019). The analysis gave us some insight into the inherent risks of the convenience store operations. In FY2022, a scenario analysis was conducted for the superstore operations as a domestic business with similar geographical conditions. Furthermore, we conducted in FY2023 a scenario analysis of 7-Eleven, Inc. more effectively and efficiently by effectively utilizing the results of the scenario analysis of the domestic business for the analysis of the overseas business.

\*Seven Bank, Ltd., a provider of financial services, discloses its climate change initiatives on its website and in its annual securities report beginning in 2022.

<Assumptions for the analysis>

|                   |   |
|-------------------|---|
| Scenario          | Decarbonization scenario (1.5°C to 2°C), Warming scenario (2.7°C to 4°C)<br>*Two scenarios were established with reference to reports on future projections issued by governments and international organizations, including the Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS), and Net Zero Emissions by 2050 (NZE2050) Scenario presented in the International Energy Agency (IEA) "World Energy Outlook." |
| Analytical method | Analyze not only the direct physical impact on stores, but also costs incurred in store operations, the supply chain of products (raw materials, product manufacturing plants, and product delivery) and customer behavior, which have a significant impact on store operations   |
| Target years      | Domestic convenience store operations and superstore operations: Impact as of 2030<br>Overseas convenience store operations: Short-term (0-5 years), medium-term (5-10 years), and long-term (10-30 years)  |

<Target entities>

- Domestic convenience store operations: SEVEN-ELEVEN JAPAN CO., LTD.
- Superstore operations: Ito-Yokado Co., Ltd. and York-Benimaru Co., Ltd.
- Overseas convenience store operations: 7-Eleven, Inc.

<Business environment>

• Decarbonization scenario

We envision a world in which various laws and regulations will be introduced to achieve the 1.5°C target, and the cost of store operations will rise due to the cost of dealing with such laws and regulations, and portfolio diversification will be required.

In this scenario, we also expect that consumers' interest in sustainable products and services, as well as their interest in EVs, will increase, and that sales of products that respond to this interest will lead to business growth.

• Warming scenario

This scenario assumes an increase in the occurrence and severity of natural disasters, a marked change in weather patterns, damage to stores and other facilities, impact on raw material procurement, and an increase in air conditioning costs at stores due to higher temperatures.

<Analysis results>

1. Climate change-related risks and opportunities identified

The Company has identified the risks and opportunities related to climate change and the measures to deal with them, some of which are common to the Group and others are specific to some operations or entities.

\* For detailed analysis results by entity, please refer to "Response Based on TCFD Recommendations" in our Sustainability Data Book 2023 (results for the fiscal year ended February 28, 2023) available at the following URL.  
[https://www.7andi.com/library/dbps\\_data/\\_template/\\_res/en/sustainability/sustainabilityreport/2023/pdf/2023\\_10\\_01.pdf](https://www.7andi.com/library/dbps_data/_template/_res/en/sustainability/sustainabilityreport/2023/pdf/2023_10_01.pdf)

|                          | Significant risks and opportunities identified  | Response measures  |
|--------------------------|---|--|
| Decarbonization scenario | <p>&lt;Risks&gt;</p> <ul style="list-style-type: none"> <li>• The global introduction of emissions regulations and carbon pricing, such as carbon taxes, resulting in a cost burden for CO<sub>2</sub> emissions from store operations and increased costs in the supply chain that will affect products and other items (For the projected financial impact of carbon taxes, please refer to “2. Business impact” below.)</li> <li>• Increased electricity payments due to higher electricity retail prices</li> <li>• (Overseas convenience store operations)</li> </ul> <p>Especially in the decarbonization scenario, lower demand for petroleum-based fuels owing to changing consumer preferences, adoption of new technologies, and improved fuel efficiency, resulting in a decrease in revenues from petroleum-based fuels (long-term)</p> <ul style="list-style-type: none"> <li>• (Overseas convenience store operations)</li> </ul> <p>Increase in costs related to Extended Producer Responsibility (EPR) due to product waste regulations (medium-term)</p> | <ul style="list-style-type: none"> <li>• Promote measures to reduce CO<sub>2</sub> emissions in accordance with the “GREEN CHALLENGE 2050” environmental declaration (aiming for a 50% reduction in 2030 from the FY2013 level and virtually zero emissions in 2050).</li> <li>• Promote initiatives and investments to save energy and improve energy efficiency in stores</li> <li>• Aggressively increase the percentage of renewable energy use in stores</li> <li>• Increase sustainable products and services (low-carbon products, environmentally friendly containers and packaging, PET bottle collection and recycling, certified products, etc.)</li> <li>• Expand EV charging services at stores (Overseas convenience store operations: Plan to increase EV fast-charging ports for the “7Charge” EV fast-charging network throughout the U.S. and Canada in the future)</li> <li>• Promote various measures against product packaging in accordance with measures against plastic set in the “GREEN CHALLENGE 2050” environmental declaration</li> <li>• Promote measures to reduce the amount of food waste generated (reduce the amount of food to be incinerated) in accordance with measures against food loss and for food recycling set in the “GREEN CHALLENGE 2050” environmental declaration</li> </ul> |
|                          | <p>&lt;Opportunities&gt;</p> <ul style="list-style-type: none"> <li>• Increased consumer interest in sustainable products and services</li> <li>• Increased demand for EV charging due to tighter regulations and changing consumer preferences</li> <li>• (Overseas convenience store operations)</li> </ul> <p>Reduction in overall energy use by investing in measures to improve energy efficiency (medium-term)</p>  |  |
| Warming scenario         | <p>&lt;Risks&gt;</p> <ul style="list-style-type: none"> <li>• Increased frequency and intensity of severe natural disasters, resulting in store damage, merchandise damage, supply chain disruptions, blocked store access, lost in sales due to store closures, and increased losses due to restoration costs and others</li> <li>• Changes in precipitation and weather patterns, resulting in higher merchandise costs due to reduced harvest of merchandise raw materials, water stress, and supply chain disruptions</li> <li>• Rising air conditioning operating costs due to soaring global temperatures</li> </ul>  | <ul style="list-style-type: none"> <li>• Develop a contingency plan to be followed during severe weather events such as floods and storms</li> <li>• Establish a system for information gathering and early recovery in the event of a disaster (such as “7VIEW”)</li> <li>• Ensure stable procurement by expanding procurement sources, such as vegetable plants and land-based fish farms</li> <li>• Promote energy saving and install energy-saving equipment in stores</li> <li>• Expand delivery and e-commerce services</li> </ul>   |
|                          | <p>&lt;Opportunities&gt;</p> <ul style="list-style-type: none"> <li>• Customers seldom going out during summer season due to high temperatures, which will boost demand for delivery and e-commerce services</li> </ul>   |  |

## 2. Business impact

### • Impact of carbon tax (2030)

| Business                              | Business impact |
|---------------------------------------|-----------------|
| Domestic convenience store operations | ¥12.6 billion   |
| Superstore operations                 | ¥7.4 billion    |
| Total                                 | ¥20 billion     |

<Assumption> • Carbon tax amount: \$135/t-CO<sub>2</sub> (maximum amount from IEA “World Energy Outlook 2022”)

• Exchange rate: ¥131.62/\$ (the exchange rate used at the time of closing of the fiscal year ended February 28, 2023)

The carbon tax amount as of 2030 is set at \$135/t-CO<sub>2</sub> with reference to the IEA “World Energy Outlook 2022” and the impact is estimated using the maximum amount. We expect to be able to significantly reduce the carbon tax amount in 2030 by promoting initiatives based on the targets set forth in the “GREEN CHALLENGE 2050” environmental declaration. Moreover, by achieving our 2050 target of virtually zero CO<sub>2</sub> emissions, our business will not be subject to the carbon tax.

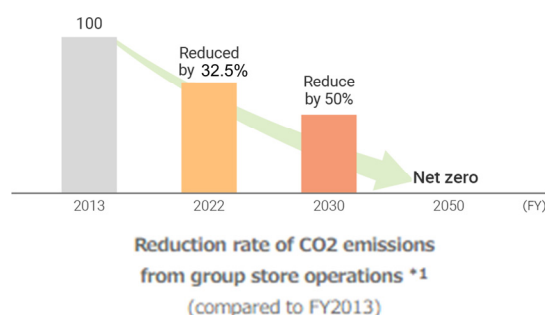
### (iii) Risk management

The Group’s risk management system covers climate change-related risks as well. For details on risk management, please refer to “Part I. Company Information, II. Overview of Business, 3. Risk factors” below.

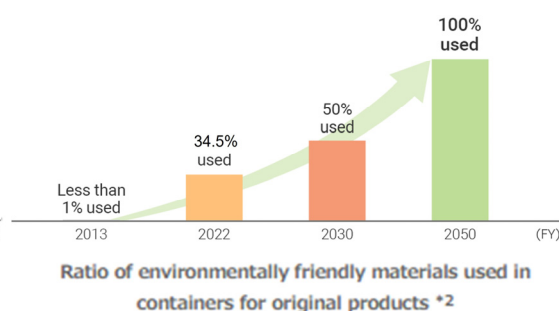
### (iv) Indicators and targets

Indicators and targets of and progress in the four areas of the “GREEN CHALLENGE 2050” environmental declaration are as follows.

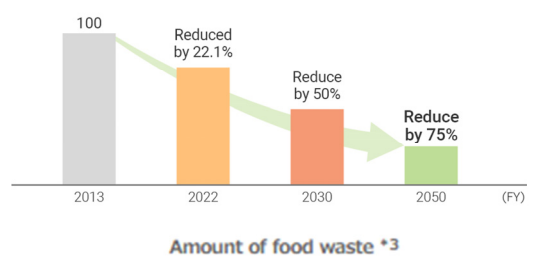
Reduce CO<sub>2</sub> emissions



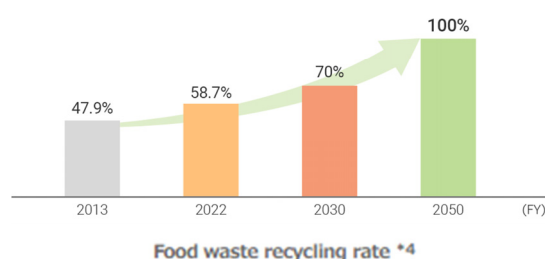
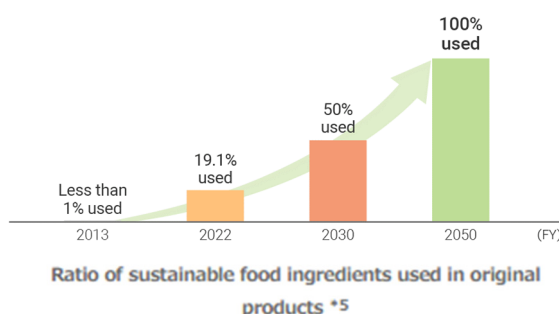
Measures against plastic



Reduce food waste & food waste recycling (Japan)



Sustainable sourcing (Japan)



- \*1 Total of ten companies: SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., former York Co., Ltd., SHELL GARDEN CO., LTD., IY Foods K.K., Akachan Honpo Co., Ltd., Seven & i Food Systems Co., Ltd., THE LOFT CO., LTD., and 7-Eleven, Inc.
- \*2 Ratio of environmentally friendly materials (biomass, biodegradable, recycled materials, paper, etc.) used in containers for original products (including Seven Premium) Calculated for eight companies that handle original products (SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., former York Co., Ltd., IY Foods K.K., Akachan Honpo Co., Ltd., Seven & i Food Systems Co., Ltd., and 7-Eleven, Inc.)
- \*3 Food waste generated per million yen in sales. Calculated for six food-related operating companies (SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., former York Co., Ltd., SHELL GARDEN CO., LTD., and Seven & i Food Systems Co., Ltd.)  
\*Preparations are underway at 7-Eleven, Inc. to calculate accurate figures.
- \*4 Calculated for six food-related operating companies (SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., former York Co., Ltd., SHELL GARDEN CO., LTD., and Seven & i Food Systems Co., Ltd.)  
\*Preparations are underway at 7-Eleven, Inc. to calculate accurate figures.
- \*5 Ratio of food ingredients used in original products (including Seven Premium) that have been certified as sustainable. Calculated for six food-related operating companies (SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., former York Co., Ltd., IY Foods K.K., and Seven & i Food Systems Co., Ltd.).  
\*Preparations are underway at 7-Eleven, Inc. to calculate accurate figures.

In addition, in order to meet the world's target of limiting global warming to "1.5°C target" as called for in the Paris Agreement, we have set targets to reduce CO<sub>2</sub> emissions from Group store operations by 50% from the 2013 level by 2030, and to virtually zero by 2050. We also aim to reduce CO<sub>2</sub> emissions, including Scope 3, across our entire supply chain.

- Results of CO<sub>2</sub> emissions from store operations (Scopes 1 and 2)
  - FY2022: 2,684 thousand t-CO<sub>2</sub> (6.8% reduction from the previous fiscal year)
- \*Total of ten companies: SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., former York Co., Ltd., SHELL GARDEN CO., LTD., IY Foods K.K., Akachan Honpo Co., Ltd., THE LOFT CO., LTD., Seven & i Food Systems Co., Ltd., and 7-Eleven, Inc.
- \*CO<sub>2</sub> emissions in FY2023 are scheduled to be disclosed on the Company's website in August or September 2024.
- Results of CO<sub>2</sub> emissions across the entire supply chain excluding store operations (Scope 3)
  - FY2022: 16,489 thousand t-CO<sub>2</sub>
- \*Total of ten companies: SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., former York Co., Ltd., SHELL GARDEN CO., LTD., IY Foods K.K., Akachan Honpo Co., Ltd., THE LOFT CO., LTD., Seven & i Food Systems Co., Ltd., and Seven Bank, Ltd.
- \*Preparations are underway at 7-Eleven, Inc. to calculate accurate figures.

### (3) Human capital and diversity

#### (i) Governance

For information on governance over human capital, please refer to "Part I. Company Information, II. Overview of Business, 2. Sustainability policies and initiatives, (1) Overall sustainability, (i) Governance."

#### (ii) Strategy

Sharing across the Group the Corporate Creed of "We aim to be a sincere company that our customers, business partners, shareholders, local communities and employees trust" and the basic stance of "we will contribute to local communities in Japan and overseas by always putting ourselves in our customers' shoes and providing new experiences and

values,” we are promoting human resource policies in conjunction with our management strategies in order to realize our 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.”

For the Group, the spirit of the Corporate Creed is a philosophy that will never waver, no matter how drastically the social environment may change in the future. With this spirit as the basis of our corporate activities, and guided by the Group slogan of “Responding to Change while Strengthening Fundamentals,” we view the constantly changing needs of society and our customers as opportunities to create new retail services, and work toward the creation of new retail services in response to changing times.

It is the “human resources” that will be the main actors in this creation. We are committed to developing human resources capable of: adhering thoroughly to the basics of business, such as well-stocked stores, high product quality, clean sales floors, and pleasant customer service; approaching each and every customer with humility and gratitude; taking on challenges and bringing innovation in response to changes in customers and the business environment; and co-creating new value with various stakeholders. The Group’s growth engine is our human resources. Therefore, we aim to grow as a company by fostering a workplace and corporate culture in which a diverse range of employees can feel “fulfilled” and “comfortable” and by creating an environment in which each and every employee can play an active role.

## Initiatives for human resources development

### Employee engagement

The Group is committed to creating and fostering a workplace and culture that is comfortable and rewarding for a diverse workforce, as well as to improving employee engagement. Once a year, the Group conducts an “Employee Engagement & Culture Survey” to visualize the state of the organization to identify issues faced by the company and its employees and address them. In FY2023, we surveyed 67,000 employees from 26 domestic companies. We believe that increasing the engagement of individual employees and their willingness to contribute will promote organizational vitality and strengthen our competitiveness as a company. To enhance the effectiveness of this initiative, we have established “Engagement Improvement Committees” at each Group company. The Committee is chaired primarily by the head of the human resources department of each company, and members are selected from diverse human resources. The Committee plays a central role in reporting the results of the survey to the Management Meetings of the Company and Group companies, analyzing and organizing issues, formulating action measures to improve engagement, and monitoring their implementation on a regular basis. The Committee implements various measures to improve engagement depending on the situation of each company, such as actively promoting dialogue between management and employees. It also shares best practices and facilitates mutual understanding within the Group to further promote activities.

### Expanding opportunities for diverse human resources

The Group promotes Diversity Equity Inclusion (DEI) so that each and every one of our diverse human resources, with their diverse backgrounds, experiences, and abilities, can work with vigor and enthusiasm while feeling fulfilled in their jobs. Promotion of DEI will lead to higher productivity, securing talented human resources, higher customer satisfaction, and the creation of innovation. To steadily promote DEI, in 2012, we established the Diversity Promotion Project (now renamed the DEI Promotion Project), and continue to support the activities of each company by presenting Group-wide policies. In addition, a DEI Promotion Liaison Council consisting of major Group companies is held regularly to share DEI policies and the progress and challenges of each company’s activities, and to speedily deploy good practices horizontally. These activities are reported regularly at the Corporate Ethics and Culture Subcommittee and CSR Management Committee meetings.

Currently, our particular focus in DEI efforts is to promote the advancement of women. The Group has set a Group target of increasing the ratio of female Executive Officers and the ratio of female managers (classes for section manager and team leader) to 30% by the end of February 2026. To this end, each Group company has established numerical targets and action plans related to the female manager ratio, and the recruitment,

turnover, and promotion of female employees. In a bid to achieve these targets, each of the Group companies and the Group as a whole are implementing the PDCA cycle. In addition, starting in 2021, we are holding the “Female Encouragement Seminar,” a cross-Group training program aimed at developing candidates for female in managerial positions. By providing an opportunity for participants to hear management policies, philosophies, and messages of support from the President and other members of the management team, and to conduct discussions among participants, the program has been seen to increase participants’ willingness to take on the challenges of management positions. We have also started “Female Leader Empowerment Sessions” from 2022 to promote the appointment of female Executive Officers. Besides these efforts, we are working to create an environment in which diverse human resources can play an active role through a variety of activities, including ongoing educational activities to overcome the generation gap and unconscious bias.

#### Support for autonomous learning and capacity building

Based on its Medium-Term Management Plan, the Group aims to create an organization in which both the company and its employees can grow together, as well as a workplace in which everyone can work comfortably. We promote the development of each employee’s abilities and support for autonomous learning so that our diverse employees can demonstrate their abilities and work with a sense of fulfillment.

The “Ito Training Center,” opened in 2012, is used as an educational facility for the Group to deepen understanding of the spirit of “Trust and Sincerity,” our founding philosophy, and to develop human resources for the next generation. The training center is equipped with an archive room, which is used as a place to learn about the Group’s philosophy and the history of challenges and innovations.

In addition to various level-specific training programs for managers to improve their leadership and management skills, each Group company has established a training system based on business characteristics, including job-specific skills and technical training and self-development, to develop the capabilities of individual employees, including part-time employees, and to shape their careers.

#### Initiatives related to internal environmental improvement

##### Human resources systems and support to increase choice

To ensure that a diverse range of employees can work with peace of mind, the Group operates a variety of support systems that exceed legal standards. We are promoting the development of systems that enable communication regardless of work location, such as home, head office and other locations, and are working to correct long working hours and encourage employees to take leave in order to improve their work environment.

In addition, we are making continuous efforts across the Group and at each Group company to promote male participation in housework and childcare and to support employees raising children. For example, we have introduced a childcare leave system in place that allows employees with preschool children to take five days of special paid leave per year, which can be used in minimum increments of one day, encouraged male employees to take paternity leave and offered Akachan Honpo discount tickets to employees who are going to have babies.

##### Initiatives to promote employee health

The Group is taking various initiatives based on the belief that healthy employees not only improve the quality of their own lives, but also improve a company’s vitality and management efficiency.

To keep employees healthy, prevent them from being illness and promote their health, we hold regular walking events in collaboration with our Health Insurance Union as well as regular online health seminars with outside experts as lecturers, and provide “Cervical Cancer Risk Test at Home.”

In addition, in order to create a workplace where employees can work comfortably and in good mental and physical health, we are working to prevent employees from becoming mental illness by providing mental health training courses (departmental care and self-care).

## Productivity improvement through DX

Group companies have begun to take advantage of digital technology to improve productivity in their stores. One example is the prediction of sales through AI ordering. AI predicts demand and suggests the number of orders to be placed, thereby reducing backroom inventory and employee work hours, leading to improved ease of work on site.

### (iii) Risk management

The Group's risk management system covers human capital-related risks as well.

For details on risk management, please refer to "Part I. Company Information, II. Overview of Business, 3. Risk factors" below.

### (iv) Indicators and targets

Although the Company is managing the indicators for the Group's policy on human resources development, including ensuring diversity of human resources, and those for the Group's policy on internal environmental improvement described above, and taking specific relevant measures, not all companies belonging to the consolidated group are doing so. Accordingly, indicators, targets and achievements on a consolidated basis are not available. The achievements and targets for the following indicators are therefore those of the Company and some of its consolidated subsidiaries.

#### (a) Ratio of female Executive Officers / ratio of female managers

| Indicator                            | Achievement | Target |
|--------------------------------------|-------------|--------|
| Ratio of female Executive Officers*1 | 20.0%       | 30%    |
| Section manager class*2              | 27.3%       | 30%    |
| Team leader class*2                  | 35.3%       | 30%    |

\*1 As of March 2024; total of four Group companies (Seven & i Holdings Co., Ltd., SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., and York-Benimaru Co., Ltd.)

\*2 As of the end of FY2023; total of eight Group companies (Seven & i Holdings Co., Ltd., SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., THE LOFT CO., LTD., Akachan Honpo Co., Ltd., Seven & i Food Systems Co., Ltd., and Seven Bank, Ltd.)

#### (b) Ratio of taking childcare leave

| Indicator                             | Achievement |
|---------------------------------------|-------------|
| Ratio of men's taking childcare leave | 47.5%       |

\* Results for FY2023; total of eight Group companies (Seven & i Holdings Co., Ltd., SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., THE LOFT CO., LTD., Akachan Honpo Co., Ltd., Seven & i Food Systems Co., Ltd., and Seven Bank, Ltd.)



### 3. [Risk factors]

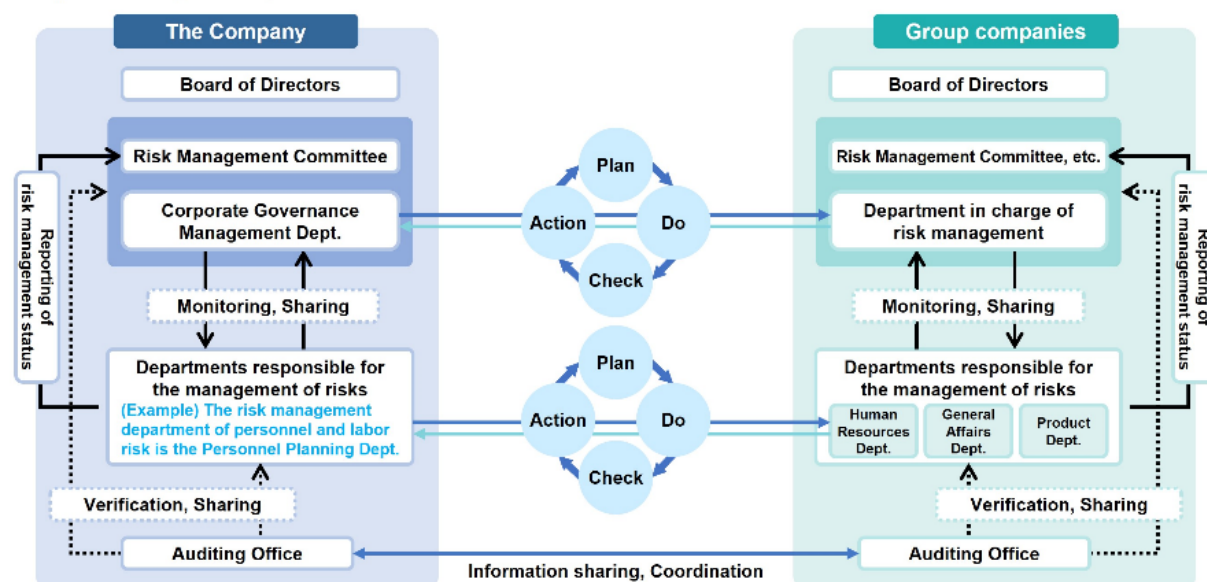
The Company strives to appropriately manage various risks through practical and effective measures in order to enhance corporate value by successfully executing growth strategies and maintain the continuous development of the Group. Among the risks identified through these efforts, those that may have a significant influence on the decisions of investors based on the likelihood of the risk materializing, the timing of the risk, and the degree of impact are described below. However, these do not cover all risks related to the Group; there are risks other than those listed that are difficult to foresee. Also, these risks are not independent of each other, and certain events may lead to an increase in various other risks. This section includes forward-looking statements and future expectations of the Group as of the submission date of the Group's Securities Report.

#### <Group risk management system>

The Company and Group companies have established a Risk Management Committee. As a general rule, the Risk Management Committee meets once every six months to receive reports on the risk management status of the respective companies from the departments responsible for the management of risks, to comprehensively identify, assess, and analyze risks and discuss measures, and to determine the future direction going forward.

Meanwhile, with regard to various risks, Group policies related to such risks, initiatives to mitigate risks undertaken by each company, and various internal and external examples illustrating signs of materializing risks, etc., are shared through a group-wide meeting body, etc., headed by the Company's departments responsible for the management of risks.

Group Risk Management System



#### <PDCA for risk management>

The Group conducts risk management based on information from inside and outside the Group, through "the comprehensive identification of risks," "risk assessment and proposal of improvement measures," "prioritization of risks," and "improvement activities and monitoring."

In addition, the Auditing Office of each company verifies whether risk management is being conducted effectively, from an independent perspective, through periodic internal audits, and provides each department with advice for improving risk management, as required.



#### <Group growth strategy and risk situation>

For the Medium-Term Management Plan (2021-2025), the Group has formulated Group growth strategies around its strengths in “food.” We promote enterprise risk management to provide a foundation to support these growth strategies, as part of which we assess its relevance to growth strategies. The following is a description of the risk situation as it pertains to the main businesses that constitute the growth strategy.

#### (1) North America Convenience Store Operations

In order to expand its North American convenience store operations, 7-Eleven, Inc. is strengthening original products, accelerating digitalization and the delivery business, creating synergies between 7-Eleven, Inc. and Speedway, and expanding business through M&A and the opening of new stores.

With regard to the development of original products, we are taking steps to modernize facilities for the purpose of enhancing the cooking manufacturing capabilities of dedicated factories, to strengthen the value chain of original products, and to enhance their quality and lineup, but logistics disruptions, food safety problems, and the issue of competition with fast food chains and other rivals could affect the performance and financial standing of the Group.

With regard to digitalization and the delivery business, new experience value and convenience are provided through the “7Rewards (loyalty program)” combining real stores with the speed and convenience of digital and e-commerce platforms, and we are also promoting the “7NOW” delivery service utilizing DX, but in the event that information security problems occur or that we are unable to respond to customer needs, the performance and financial standing of the Group could be affected.

We expect the integration of 7-Eleven, Inc. and Speedway to bring about a variety of benefits such as complementary store infrastructure and store provision, and strategic opportunities. In the event that changes in the business environment and competitive situation prevent growth opportunities and synergistic effects from being realized, the performance and financial standing of the Group could be affected. In the fuel business, changes in price, environmental laws and regulations, the popularization of electrical vehicles, etc., and other factors could lead to a reduction in demand for gasoline.

In the North American convenience store operations, we aim to achieve continuous business growth through M&A and the opening of new stores, but the performance and financial standing of the Group may be affected by the impact on the business of intensifying competition or changes in environmental laws and regulations, difficulties in securing personnel, litigation, law and order problems, and climate change and natural disasters.

#### (2) Global Convenience Store Operations

7-Eleven International LLC will strengthen cooperation with 7-Eleven, Inc. and SEVEN-ELEVEN JAPAN CO., LTD. with the objective of expanding to 50,000 stores in regions other than Japan and North America by 2025, and to be operating stores in 30 countries and regions worldwide by 2030. This will consist not only of opening up new countries, but of working to expand profits by realizing the growth potential of the business in overseas markets through strategic investment and financing. In order to enter new markets, we will identify those with favorable conditions, collaborate with trusted partners to enhance brand value, and accelerate our global growth strategy. However, the development of licensees in overseas areas is expected to be affected by political and social instability, economic fluctuations such as exchange rates and trade, and the revision and strengthening of legal regulations, including those related to the environment and data protection. If these factors limit our growth potential and prevent us from realizing the

benefits and profits we initially anticipated, the performance and financial standing of the Group could be affected.

(3) Domestic Convenience Store Operations

SEVEN-ELEVEN JAPAN CO., LTD. will focus its efforts to strengthen the area of “foods” centered on “Seven Premium,” develop new store formats to adapt to changes in social structure and patterns of consumptions, build new businesses using instore products and services as a base, and further enhance business competitiveness and accelerate earnings growth.

By blending the networks and knowledge that we have cultivated in the convenience store operations and the Group’s food business, we will strengthen the product assortment by enhancing the “Traceable Vegetables,” “Frozen Food (EASE UP)” and “Seven Premium” brands developed by Ito-Yokado Co., Ltd., as well as “Seven Premium” and the new brand of “SEVEN THE PRICE,” while creating new concepts for store formats that enable us to provide a fuller lineup of fresh, frozen and new product categories, and responding to further food-related needs in a changing society. We are also moving forward with measures to strengthen new businesses, such as by developing the “7NOW” delivery service and utilizing retail media to enter the advertising business.

However, customer needs change unceasingly, and in the event that we are unable to provide new value, the performance and financial standing of the Group could be affected.

(4) Superstore Operations

In the Superstore Operations, Ito-Yokado Co., Ltd. will accelerate the tightening focus on “food,” on which the Group strategy hinges, by withdrawing completely from the own-apparel business, consolidating operations in the Tokyo metropolitan area, and establishing and utilizing strategic infrastructure that includes processing centers in order to achieve an earning structure that enables further sustainable growth. In relation to these initiatives, external experts in transformation have been appointed to fully implement transformative measures and to manage the process.

In the online supermarket business, we will shift to large-scale centers, use a dedicated app to extend our points of contact with customers and improve the shopping experience, and take on the challenge of providing a variety of ways for customers to receive the product, such as by enabling it to be picked up in store, or at in-store lockers, with the objective of providing new value tailored to the lifestyles and values of customers.

Nevertheless, in the event that the restructuring of the Superstore Operations does not proceed according to plan, or that we are unable to maintain the competitiveness of the online supermarket at the current level, we may not be able to achieve the effects initially anticipated, which could affect the performance and financial standing of the Group.

(5) Financial Services

With regard to Financial Services, we will continue to focus its efforts on the ATM platform business expansion, the e-money and credit card businesses. In addition, by developing and rolling out unique financial products and services based on the “7iD,” an ID that customers can use across the Group, we will promote restructuring through a fusion of retail and finance.

Though the Group has devised a full range of security and information management measures in relation to its financial and payment systems, it is impossible to completely avoid the risk that important information is leaked externally or falsified following diversification of external attacks, human errors within the Group and deficiencies in the management of subcontractors, depending on the scale of the damage, the performance and financial standing of the Group could be affected.

As a means of supporting the growth strategy described above, the Group is promoting DX (digital transformation). In particular, we will optimize our product lineups and provide a convenient shopping experience based on the “7iD,” an ID that customers can use across the Group, which is intended to broaden customer touchpoints, while also linking with the financial strategy to increase the customer’s lifetime value. In terms of DX measures that protect our customers and in turn the Group as a whole, while working to establish common Group security measures and common Group infrastructure on the one hand, on the other hand we are taking steps to build a foundation with the aim of improving operational efficiency and generating Group synergies. In preparation for further strengthening the structures that support the DX strategy, we are also working continuously to recruit highly specialized human resources and to enhance the digital literacy of existing

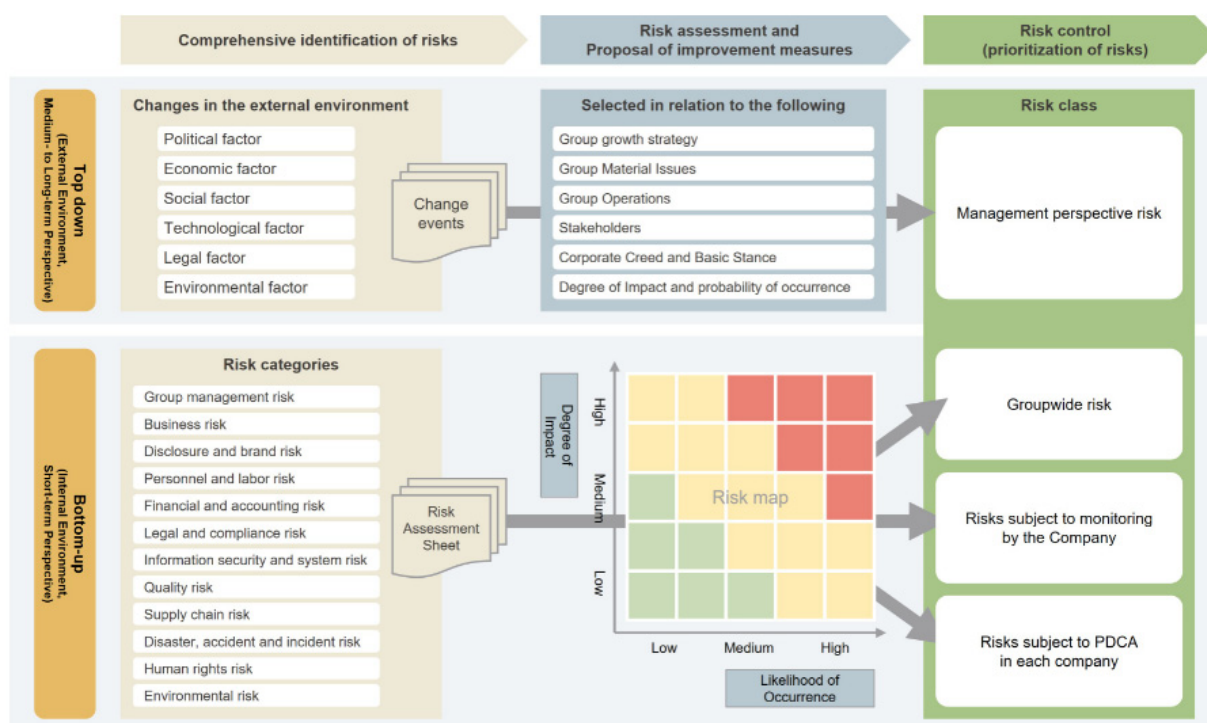
personnel. However, competitors are also strengthening similar services, and in the event that the Group is unable to maintain its competitiveness, the performance and financial standing of the Group could be affected by failures to hit targets for registered members, reductions in the contribution to consolidated sales, and other factors.

The Strategy Committee monitors the progress of the Group's key strategies, continuously performs comprehensive and objective analysis and verification of the optimal Group business structure and of strategic alternatives (IPO, spin-off, etc.), and based on the results of these verifications, provides advice to the Board of Directors with the aim of maximizing the Group's corporate and shareholder value over the medium- to long-term.

#### <Risk assessment process>

In addition to changes in the internal environment of the Group, there is a need to recognize global shifts in trend such as heightened geopolitical and ESG-related risks, and various alterations in the business environment including changes in consumer values and the growth of online shopping. In recent years in particular, there has been a rise in factors that heighten the uncertainty of the environments in which corporate activities take place, such as the unpredictable international situation.

In response to these conditions, we have added external environment risks and medium- to long-term risks, alongside the internal environment and short-term risks that had previously been the focus of our risk management efforts, as well as maintaining and expanding risk categories to enable us to address changes in the internal and external environments. Moreover, in terms of the assessment perspective of the degree of impact on performance arising from the emergence of risk, by adding the qualitative factors such as business continuity, damage to the Group's brand image, and other factors to the quantitative factors previously considered, we seek to take a more multifaceted and sophisticated approach to assessment and analysis of all risks.



In addition, having formed a comprehensive judgment of each risk mainly from the perspectives of significance, commonality, the degree of emergence, and efficiency, we divide them into four classes of risk. The roles and responsibilities of the Company and each company in the Group are clarified for each risk class, and improvement activities for various risks are carried out by the entities responsible for them, thereby enhancing the effectiveness of risk management for the Group as a whole.

| Risk class                                 | Definition   | Roles and responsibilities |              |
|--|--|----------------------------|--------------|
|  |  | Improvement activities     | Monitoring   |
| Management perspective risk                | Risks that have a high impact on the Group in the medium- to long-term, and are characterized by requiring a unified approach for the Group as a whole                   | The Company                | The Company  |
| Groupwide risk                             | Risks that are common across the Group as a whole, relatively high, and characterized by requiring cross-group action from the perspective of efficiency of risk measure | The Company                | The Company  |
| Risks subject to monitoring by the Company | Risks that are relatively high and that should be addressed by each company  | Each company               | The Company  |
| Risks subject to PDCA in each company      | Risks other than those described above that should be addressed by each company  | Each company               | Each company |

#### <Major risks to the Group>

Based on assessment and analysis of various risks, significant risk events that would be expected to have an impact on the growth strategy, performance, or financial standing of the Group are as follows.

#### 1. Medium- to long-term perspective risk (Management perspective risk)

After identifying change events that are anticipated to occur in the external environment over the medium to long term, and assessing their relevance to the growth strategies, material issues, nature of business, stakeholders, and other aspects of the Group, change events that could have a medium- to long-term impact on the growth strategies and sustainability of the Group if they were to occur in the future are designated as events in the category of management perspective risks (emerging risks). For each risk a risk owner (responsible department) is selected, which proceeds to investigate anticipated scenarios and measures. Trends in these change events are also monitored periodically and updated, and their measures are revised as necessary.

By monitoring for the occurrence of anticipated scenarios, we seek to detect risks at an early stage, initiate measures promptly, and control the impact on the Group. Decisions on risk measures (risk taking/risk hedging) will be taken at a level of management that takes into consideration such factors as the growth strategy and material issues of the Group.

Management perspective risks (change events) identified at this point in time are as described in the following table.

CVS: Convenience Store operations; SST: Superstores operations

| No | Classification | Management perspective risk<br>(Change events) | Anticipated Risk scenarios  | Highly relevant businesses |            |              |     |                    |
|----|----------------|--|---|----------------------------|------------|--------------|-----|--------------------|
|    |                |  |   | North America CVS          | Global CVS | Domestic CVS | SST | Financial Services |
| 1  | Politics       | Political change, disruption, dysfunction      | Changing and strengthening of laws and regulations following changes of government or of policies in countries in which we have opened stores may have an impact on business licenses and the taxation regime, customs, foreign exchange rates, and other matters. In addition, political disruption, political dysfunction, economic crises, and other factors could lead to social instability and changes in market demand and the competitive environment.  | ●                          | ●          | ●            | ●   | ●                  |
| 2  |                | Collapse of security due to conflict, etc.     | The health and safety of customers, employees, and others may be threatened as a result of outbreaks of conflict in countries in which we have opened stores, or due to them being embroiled in such crimes as terrorism, violence, and kidnapping. In addition, the destruction or looting of assets such as stores, logistics facilities, product supply networks, and product warehouses could make the continuation or recovery of the business infeasible. | ●                          | ●          | ●            | ●   | ●                  |



| №  | Classification | Management perspective risk<br>(Change events)  | Anticipated Risk scenarios  | Highly relevant businesses |            |              |     |                    |
|----|----------------|---|---|----------------------------|------------|--------------|-----|--------------------|
|    |                |   |   | North America CVS          | Global CVS | Domestic CVS | SST | Financial Services |
| 3  | Economy        | Decline of demand for gasoline  | In countries with restrictions on the sale of gasoline vehicles or where the shift to electric vehicles (EV), etc. is progressing, earnings obtained from the sale of gasoline may decline in future, and there might also be a decline in the number of customers visiting stores that have gasoline filling stations. Such a scenario might require changes to the business, and could incur costs in order to comply with relevant laws and regulations, or to increase the number of facilities, etc. for EV charging, and so on. | •                          | •          |              |     |                    |
| 4  | Society        | Food crises   | For a variety of reasons, including pandemics, abnormal weather related to climate change, and violent conflict, shortages of raw materials could occur globally or in specific regions, which could make the stable supply of products infeasible.   | •                          | •          | •            | •   |                    |
| 5  |                | Human resources/manpower shortage   | Pandemics, wage inflation, labor disputes, changing demographics, and other factors could have a serious impact on our ability to secure human resources and labor.   | •                          | •          | •            | •   | •                  |
| 6  |                | Growing demands for respect for human rights  | If we are unable to demonstrate respect for the human rights of our various stakeholders, this could lead to a backlash from consumers and society, leading to a situation in which we have no choice but to discontinue product supply and services.   | •                          | •          | •            | •   | •                  |
| 7  | Technology     | Acceleration of technological innovation (including AI) to improve productivity in logistics and store operations | A variety of technologies such as automated driving and store automation are making advances on a yearly basis. While the introduction of such new technologies could lead to the streamlining of operations and improvements in efficiency on the one hand, on the other hand it could lead to increases in costs associated with complying with laws and regulations, responding to changes in business operations, and making capital investments.   | •                          | •          | •            | •   |                    |
| 8  | Environment    | Acceleration of decarbonization   | In the event that the Group fails to make progress in its decarbonization initiatives, this could lead to an increase in the burden of taxation, emissions trading, and costs associated with procurement of the energy required for business operations. The Group could also lose trust and reputation among consumers and in society, which could affect business profits.   | •                          | •          | •            | •   | •                  |
| 9  |                | Growing demand for mitigation of environmental impact of food supply chain  | In the event that the Group fails to make progress in its initiatives for mitigating the environmental impact of the food supply chain as a whole, it could result in an increase in the burden of costs associated with changes in production methods, means of delivery, and container and packaging materials. The Group could also lose trust and reputation among consumers and in society, which could affect business profits.   | •                          | •          | •            | •   |                    |
| 10 |                | Growing demands for reductions in food waste  | In the event that food demand forecasting and inventory management do not function adequately, a failure to make progress in initiatives for reducing food waste could lead to an increase in costs associated with the disposal or return of foods and increase in environmental impacts. The Group could also lose trust and reputation among consumers and in society, which could affect business profits.  | •                          | •          | •            | •   |                    |

For some of the management perspective risks (change events) described above, a risk owner (responsible department) has been selected, and various initiatives are being implemented. The following are examples of such initiatives.

Main examples of initiatives related to “6 Growing demands for respect for human rights” (risk owner: Human Rights Promotion Project)

- Formulation and promotion of human rights policy
- Implementation of human rights due diligence
- Assessment of impact of human rights (identifying human rights risks and creating human rights risk map)
- Implementation of prevention and remedial measures (education and training for employees, awareness-raising activities for business partners, establishing of internal environment and systems)
- Implementation of monitoring (employee engagement surveys, questionnaire surveys for business partners, CSR audits of factories at which the Group's original products are manufactured)
- Establishment of grievance mechanism and measures for redress (Groupwide Employee Helpline, Business Partner Helpline, Audit & Supervisory Board Hotline)

Main examples of initiatives related to “8 Acceleration of decarbonization” (risk owner: Sustainability Promotion Department)

- Promotion of energy-saving by employees (holding of group-wide “Energy Saving Contest,” etc.)
- Promotion of energy-saving and energy-generation facilities in stores (installation of large solar power generation, etc.)
- Commencement of trial test on “100% renewable energy store,” etc.

Main examples of initiatives related to “10 Growing demands for reductions in food waste” (risk owner: Sustainability Promotion Department)

- Initiatives for the supply chain as a whole
- Initiatives for the reduction of food waste at each company (promotion of “Ethical Project,” donations to foodbank organizations, etc.)
- Initiatives for environmental recycling-oriented agriculture (founding of Seven Farm), etc.

## 2. Short-term perspective risk

After coming to a decision based on a comprehensive consideration of the degree of impact, likelihood of occurrence, and other aspects of the various risks identified by the Company and Group companies, we select risk events that should be managed by the Company and monitor the status of various risks and execution of risk measures periodically.

From among these significant risk events, we selected the “Groupwide risks” in the table below, which have a significant impact on the Group growth strategies and, by their nature, should be addressed across the Group from the perspectives of commonality, the degree of emergence, and efficiency.

| Risk details  | Degree of impact | Likelihood of Occurrence |
|---|------------------|--------------------------|
| Risks related to food quality labeling and sanitation                             | High             | Low                      |
| Risks related to blowing up on social media or crisis management public relations | Medium           | Medium                   |
| Risks related to earthquakes, tsunami, and volcanic eruptions                     | High             | Low                      |
| Risks related to cybersecurity  | Medium           | Low                      |
| Risks related to response to antisocial forces                                    | Low              | Low                      |

In addition to Groupwide risks, the Significant risk events that the Company takes a leading role in managing are as follows.

(1) Group management risk

| Risk details   | Risk class                                 |
|--|--|
| Risks related to Group management strategy and growth strategy   | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>  |  |
| Based on the Group Strategy Reevaluation announced in March 2023, the Ideal Group Image for 2030 has been established as “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.” During the course of executing measures aimed at achieving these goals, there is the possibility of such events as inappropriate allocation of management resources, impairment of the strengths in “food” assumed by the Company, reduced synergistic effects associated with “food,” stagnation of the growth strategy for our domestic and overseas convenience store operations, and reduced effects of the superstore operations restructuring program. These factors may have Group companies failing to hit their budgets, in turn an impact on the consolidated financial statements leading in turn to a failure to achieve the targets of the Medium-Term Management Plan, resulting in significant declines in the share price, which could affect the performance and financial standing of the Group. |  |
| <b>Measures</b>  |  |
| <ul style="list-style-type: none"> <li>• Stabilize Group management systems and strengthen monitoring functions through changes to Group governance <ul style="list-style-type: none"> <li>- Assign supervisory officers to each operating segment, and introduce the CxO (Chief x Officer) system for each corporate department</li> <li>- Monitor the progress of the Group’s key strategies on the Board of Directors, a majority of the members of which are independent outside directors</li> <li>- Monitor the progress of the Group’s key strategies on the Strategy Committee, the members of which consist entirely of independent outside directors</li> </ul> </li> </ul>  |  |

| Risk details  | Risk class                                 |
|---|--|
| Risks related to the failure of M&A, sale or business alliance (recovery of investment)   | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>   |  |
| The Group engages in strategic investments such as M&A in order to expand the business. Due to insufficient due diligence at the time of the acquisition, or for other reasons, PMI (Post Merger Integration) may not proceed smoothly, or the expected synergies may not be realized, which could lead to impairment losses. These factors could also result in a reduction in corporate value and affect the performance and financial standing of the Group. |  |
| <b>Measures</b>   |  |
| <ul style="list-style-type: none"> <li>• Implement due diligence thoroughly at the time of acquisition</li> <li>• Periodic monitoring of the integration process</li> </ul>   |  |

| Risk details   | Risk class                                 |
|--|--|
| Risks related to M&A (takeover defense)  | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>  |  |
| In the event that a hostile takeover bid for the Company succeeds, changes in the strategic direction and corporate culture under the control of new shareholders and a new management team, and changes in the management team and senior managers, could lead to anxiety and dissatisfaction among employees, putting a huge burden on the integration of business processes and IT systems and causing a variety of problems. These factors could also result in a reduction in corporate value and affect the performance and financial standing of the Group. |  |
| <b>Measures</b>  |  |
| <ul style="list-style-type: none"> <li>• Maximize corporate value of the Group through such measures as enhancing performance further and strengthening corporate governance</li> <li>• Formulation of “The basic policy on the composition of persons to control the decision-making over the financial and business policies of the Company” and “Anti-takeover measures”</li> </ul>   |  |



(2) Business risk

| Risk details   | Risk class                                 |
|--|--|
| Risks related to the business model  | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>  |  |
| <p>The Group not only conducts its main businesses in Japan and the United States, but also operates in other regions around the world. In order to strengthen product development and product lineups to take regional characteristics into account and to respond accurately to customer needs, the Group undertakes joint development of products with business partners in a range of fields, in accordance with its sales strategy, and uses the apps of each company to make effective use of sales promotions by collecting and analyzing a variety of data. However, in the event that the economic situation in Japan, the United States, or in other countries and regions in which the Group operates deteriorates due to business conditions or trends in consumer spending or due to an inability to provide products and services that meet the needs of customers and markets, the performance and financial standing of the Group could be affected.</p> |  |
| <b>Measures</b>  |  |
| <ul style="list-style-type: none"> <li>• Monitor the state of business at the main operating companies on the Board of Directors, a majority of the members of which are independent outside directors.</li> <li>• Monitor markets, reevaluate Group strategy, and monitor progress of key Group strategies on the Strategy Committee, the members of which consist entirely of independent outside directors</li> </ul>   |  |

(3) Quality risk

| Risk details  | Risk class     |
|---|----------------|
| Risks related to food quality labeling and sanitation   | Groupwide risk |
| <b>Anticipated Risk scenarios</b>   |                |
| <p>In accordance with relevant laws and regulations, the Group strives to provide safe and secure products to customers and to communicate information accurately. The Group is also taking on the challenge of expanding “Seven Premium” as well as original products from Group companies in order to continue to provide new value and high-quality products and services to customers. Nevertheless, in the event of a serious incident occurring as a result of violations of the Food Labeling Act, deficiencies in food sanitation management, or other events, the performance and financial standing of the Group could be affected by such factors as a loss of trust in the Group’s products, payment of compensation to customers, and product recall and other remedial costs.</p> |                |
| <b>Measures</b>   |                |
| <ul style="list-style-type: none"> <li>• Implement joint initiatives with business partners to improve quality management, and put in place measures to prevent labeling errors, deficiencies in sanitation management, and other serious incidents.</li> <li>• Promote training to prevent labeling errors and deficiencies in sanitation management in stores, and promote the introduction of countermeasure facilities</li> <li>• Provide education and training for employees, such as HACCP training, supplier audit training, and various types of e-learning</li> </ul>   |                |

#### (4) Supply chain risk

| Risk details  | Risk class                                 |
|---|--|
| Risks related to the hindrance of stable supply (operational factors)   | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>   |  |
| <p>For the business activities of the Group, it is essential that we are able to purchase products and raw materials, etc. of adequate quality, in sufficient quantity and at the required time, and we seek to diversify procurement so that we are not overly dependent on specific regions, suppliers, products, technologies, or other factors. In particular, there is a possibility that rising temperatures, changes in precipitation and weather patterns, and other forms of climate change will lead to reductions in the yield and quality of agricultural, livestock and marine products, as well as changes in fishing grounds and regions suitable for the cultivation of agricultural products. In response to such potential changes we are making efforts to diversify procurement and to work with primary producers to improve yields, but in the event that rising temperatures, changes in weather patterns, and other forms of climate change may lead to the suspension of factory production and to the subsequent interruption of some procurement routes. Supply chains could also be interrupted by soaring prices for fuel used by operators of delivery services and human capital shortages in the logistics industry. In future, purchasing prices could also be affected by soaring prices for energy, including electricity, at the product manufacturing stage, caused by such factors as regulations arising from climate change, policies, and conflicts. These could affect the performance and financial standing of the Group.</p> |  |
| <b>Measures</b>   |  |
| <ul style="list-style-type: none"> <li>• Maintain and manage production facilities by ensuring regular maintenance of facilities and equipment, securing parts, making arrangements for substitute equipment, and other measures</li> <li>• Monitor market trends, revise prices, and develop high-markup products, procure raw materials at a fixed cost, etc.</li> <li>• Monitor credit information and cash flows at business partners, diversify risk to avoid dependence on specific suppliers</li> <li>• Stabilize deliveries by improving logistics cost efficiencies and through cooperation with operators of delivery services</li> </ul>   |  |

#### (5) Disclosure and brand risk

| Risk details   | Risk class     |
|--|----------------|
| Risks related to blowing up on social media or crisis management public relations  | Groupwide risk |
| <b>Anticipated Risk scenarios</b>  |                |
| <p>Inappropriate behavior by customers or employees, or the posting of undisclosed information on social media may lead to a wave of criticism, which if taken up and distributed by mass media could result in damage to the corporate image of the Group. Delays or failures in the disclosure of appropriate information could have a significant impact on the business operations of the Group.</p>   |                |
| <b>Measures</b>  |                |
| <ul style="list-style-type: none"> <li>• Provide training on social media to employees and strengthen their sense of crisis regarding its use (e-learning, regular dissemination of information on risks associated with social media)</li> <li>• Hold risk measure training for risk management personnel, public relations personnel, social media operations personnel, etc.</li> <li>• Establish a structure for the gathering, early detection, analysis, investigation, and assessment of information on social media and mass media, with the assistance of external specialist companies</li> <li>• Prepare and distribute a crisis management public relations manual</li> <li>• Strengthen the Company and Group company cooperative structures (information sharing, first response)</li> </ul> |                |

| Risk details   | Risk class                                 |
|--|--|
| Risks related to corporate brand management  | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>  |  |
| <p>Brand image could be damaged by PR or marketing strategies that are not congruent with corporate philosophy or by inappropriate communication by an official account. Blowing up on social media and coverage by various mass media could result in criticism from customers and business partners and significantly affect the business operations of the Group.</p>   |  |
| <b>Measures</b>  |  |
| <ul style="list-style-type: none"> <li>• Put in place preventive measures such as establishing operational guidelines for social media use, screening documents through the use of a checking department, and verifying business appropriateness based on the compliance program</li> <li>• Hold seminars to teach examples of blowing up on social media and measures, and provide training on information dissemination risks</li> </ul> |  |

(6) Personnel and labor risk

| Risk details  | Risk class                                 |
|---|--|
| Risks related to violations of labor laws and regulations and the health and safety of employees  | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>   |  |
| In accordance with the standards of behavior set out in the Seven & i Group Corporate Action Guidelines, the Group has devised measures for occupational safety and health and for the prevention of occupational accidents, as well as introducing and supporting mechanisms to enable employees to work healthily. Nevertheless, in the event that deficiencies in the employment management of employees lead to a violation of the Labor Standards Act (unpaid overtime allowance, annual pay leave not being taken, etc.) and subsequently to administrative punishment (business suspension, fines, etc.), or in the event of damage to mental or physical health due to injury, illness, or overwork as a result of inadequate occupational health and safety measures, this could lead to a loss of appropriateness and efficiency in business operations and affect the performance and financial standing of the Group. |  |
| <b>Measures</b>   |  |
| <ul style="list-style-type: none"> <li>• Manage working hours (overtime) and the taking of leave through the use of a working hours management system</li> <li>• Have workplaces inspected by industrial physicians</li> <li>• Disseminate information through the Health and Safety Committee</li> <li>• Conduct stress checks for employees</li> </ul>  |  |

(7) Financial and accounting risk

| Risk details  | Risk class                                 |
|---|--|
| Risks related to fluctuations in interest rates and exchange rates  | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>   |  |
| The Group engages in derivatives transactions, such as those involving forward foreign exchange contracts and swaps, to optimize future cash flows, mitigate the risk of volatility in interest rates and foreign exchange rates, and reduce financing costs. However, fluctuations in interest rates have an impact on interest receipts and payments and on the value of financial assets and liabilities, and could affect the performance and financial standing of the Group. Assets and liabilities of overseas group companies denominated in local currencies are converted to Japanese yen for the preparation of consolidated financial statements. Some of the products sold by the Group are products developed overseas that are affected by changes in foreign exchange rates, and so such fluctuations could affect the performance and financial standing of the Group. |  |
| <b>Measures</b>   |  |
| <ul style="list-style-type: none"> <li>• Use forward foreign exchange contracts, swaps, and other derivatives transactions</li> <li>• Monitor continuously</li> </ul>   |  |

| Risk details   | Risk class                                 |
|--|--|
| Risks related to impairment of non-current assets  | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>  |  |
| The ratio of property, plant and equipment and goodwill, etc. to consolidated total assets is high, and revenue management is implemented rigorously for stores, etc. However, in the event that becomes necessary to record impairment losses going forward due to deterioration in the profitability of stores, etc., and significant declines in the market value of assets owned, the performance and financial standing of the Group could be affected. |  |
| <b>Measures</b>  |  |
| <ul style="list-style-type: none"> <li>• Establish screening criteria for opening stores and monitor periodically</li> <li>• Establish criteria for purchasing assets and monitor market value for assets held periodically</li> </ul>   |  |

(8) Legal and compliance risk

| Risk details  | Risk class                                 |
|---|--|
| Risks related to competition law (violations of the Subcontractors Act or of regulations on abuse of dominant bargaining position)  | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>   |  |
| <p>The Group conducts business in Japan, the United States, and other countries around the world in compliance with the laws and regulations of each country and region with respect to fair competition. We monitor the status of compliance with these laws and regulations and have put in place structures to enable us to respond appropriately as required. However, in the event of violations of the Subcontractors Act or of regulations on abuse of dominant bargaining position as a result of reducing fees, delaying payments, demanding the dispatch of temporary employees, or other inappropriate behavior, the Group may be subject to measures taken by an administrative agency involved in matters of fair trade, such as guidance, recommendations, public announcements, cease and desist orders, surcharge payment orders, or criminal penalties. Consequently, the business activities, performance, and financial standing of the Group could be affected.</p> |  |
| <b>Measures</b>   |  |
| <ul style="list-style-type: none"> <li>• Implement voluntary inspections, monitoring programs, and questionnaires of business partners, and establish Business Partner Helpline</li> <li>• Provide internal education through e-learning and training on fair trade (to ensure compliance with trading rules and raise awareness among employees)</li> </ul>  |  |

| Risk details   | Risk class                                 |
|--|--|
| Risks related to intellectual property rights  | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>  |  |
| <p>Products and services of the Group could infringe intellectual property rights held by third parties, leading to disputes, etc., and resulting in reductions in revenue caused by injunctions to prevent usage, liability for damages, and other outcomes. On the other hand, violations of intellectual property rights of the Company through the imitation by third parties of designs and technology pertaining to the products and services of the Group could lead to the impairment of our brand image and a reduction in competitiveness. These could affect the performance and financial standing of the Group.</p> |  |
| <b>Measures</b>  |  |
| <ul style="list-style-type: none"> <li>• Establish a system for researching the intellectual property rights of third parties when providing new products and services</li> <li>• Implement “patrols” of the intellectual property rights of the Company (activities to look out for infringements)</li> <li>• Provide intellectual property education (e-learning, study group sessions, etc.)</li> </ul>   |  |

| Risk details  | Risk class     |
|---|----------------|
| Risks related to response to antisocial forces  | Groupwide risk |
| <b>Anticipated Risk scenarios</b>   |                |
| <p>Based on the Seven &amp; i Group Corporate Action Guidelines, the Group has set a policy of not engaging with antisocial forces, but in the event that it becomes clear that dealings with antisocial forces have taken place, the consequences could include sanctions such as public announcements and punishments based on relevant laws and regulations, dispositions by administrative agencies, suspension of dealings with financial institutions, cancellation of agreements with trusted business partners, and so on. In addition, mistakes in the approach used to address the issue could result in the matter being taken up by social media and mass media, leading to impairment of the corporate image of the Group. These could affect the performance and financial standing of the Group.</p> |                |
| <b>Measures</b>   |                |
| <ul style="list-style-type: none"> <li>• Build system for group-wide checks for antisocial forces and monitor periodically</li> <li>• Prepare a manual on how to respond when dealings with antisocial forces come to light</li> </ul>  |                |

(9) Disaster, accident and incident risk

| Risk details   | Risk class     |
|--|----------------|
| Risks related to earthquakes, tsunamis, and volcanic eruptions   | Groupwide risk |
| <b>Anticipated Risk scenarios</b>  |                |
| <p>The Group not only conducts business in Japan and the United States but also in other regions around the world. Moreover, the core business of the Group is retail, which acts as a lifeline to local communities, and in the event of a major earthquake, especially one that occurs in a metropolitan area in which the stores that constitute our core business are concentrated, our supply chains could be interrupted and our business activities suspended, leading to massive costs being incurred for the restoration of facilities, and creating enormous obstacles to the business operations of the Group, the performance and financial standing of the Group could be affected. Furthermore, in the event that the process of restoring business activities is prolonged, the Group may be unable to fulfill its role as a provider of social infrastructure, such as engaging in aid activities in regions in the aftermath of the disaster.</p> |                |
| <b>Measures</b>  |                |
| <ul style="list-style-type: none"> <li>• Disseminate plans for responding to a major disaster (BCP) and establish systems to enable us to put human life first in accordance with the BCP</li> <li>• Provide education to employees (disaster prevention e-learning and training, etc.)</li> <li>• Implement exercises simulating a major natural disaster (including cooperation between Group companies)</li> </ul>  |                |

| Risk details  | Risk class                                 |
|---|--|
| Risks related to floods, typhoons, torrential rain, tornadoes, lightning or heavy snowfall  | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>   |  |
| <p>In the event of river flooding, etc. as a result of typhoons or other strong winds and torrential rain, our supply chains could be interrupted and our business activities suspended, leading to massive costs being incurred for the restoration of facilities, and creating enormous obstacles to the business operations of the Group, the performance and financial standing of the Group could be affected. Furthermore, in the event that the process of restoring business activities is prolonged, the Group may be unable to fulfill its role as a provider of social infrastructure, such as engaging in aid activities in regions in the aftermath of the disaster.</p> |  |
| <b>Measures</b>   |  |
| <ul style="list-style-type: none"> <li>• Gather information and hold meetings to discuss measures in advance</li> <li>• Disseminate plans for responding to a major disaster (BCP) and establish systems to enable us to put human life first in accordance with the BCP</li> <li>• Establish alternative locations, put flood barriers or watertight panels in place, and implement disaster prevention training</li> </ul>  |  |

(10) Information security and system risk

| Risk details  | Risk class     |
|---|----------------|
| Risks related to cybersecurity  | Groupwide risk |
| <b>Anticipated Risk scenarios</b>   |                |
| <p>In order to provide customers with new value and services in each of its businesses, beginning with retail and financial services, the Group handles data entrusted by customers, confidential commercial information, and other important information. In order to protect such information, the Group has designated cyberattacks a serious risk to the business and is striving to strengthen its cybersecurity measures. However, methods of attack are becoming more diverse and sophisticated with every passing day, and include attacks such as targeted threat email and ransomware on specific targets, DDoS and other attacks that put a burden on the system, and attacks that target vulnerabilities in teleworking and online meeting systems. In the event of an external cyberattack resulting in such damage as leaks of important information, alteration or loss of data, takeovers of customer accounts, and suspension of systems and services, this could cause harm to customer assets, and have a tremendous impact on business operations, provision of services and our reputation among consumers and in society.</p> |                |
| <b>Measures</b>   |                |
| <ul style="list-style-type: none"> <li>• Establish 7&amp;i CSIRT (Computer Security Incident Response Team), a specialized organization to incident response</li> <li>• Use SOC (Security Operations Center) to analyze and respond threat information</li> <li>• Cooperate with external organizations to share attack information and trends in measures</li> <li>• Implement reviews and diagnostics related to information system security measures and vulnerabilities</li> <li>• Provide cybersecurity education and training for incident response personnel at Group companies</li> <li>• Implement periodic training related to cyberattacks for all employees</li> </ul>  |                |

| Risk details   | Risk class                                 |
|--|--|
| Risks related to systems   | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>  |  |
| <p>The Group operates a large number of IT systems to enable it to perform its business activities. Given the requirement for stable operation of these systems, the Group has designated risks related to information systems a serious risk to the business and is striving to strengthen measures. However, insufficient quality management during development, deficiencies in system settings, human errors in operation, unexpected suspensions of external services including cloud services, and natural disasters such as major earthquakes or windstorm, flood, or other phenomena could result in damage to information systems and hinder stable operation, which could cause harm to customer assets, and have a tremendous impact on business operations, provision of services and our reputation among consumers and in society.</p> |  |
| <b>Measures</b>  |  |
| <ul style="list-style-type: none"> <li>• Implement thorough reviews at each stage of the development process</li> <li>• Monitor deficiencies in system settings</li> <li>• Establish system of operations and monitor operational status</li> <li>• Evaluate the availability of external services</li> <li>• Build redundancy into information systems</li> <li>• Protect important facilities and equipment</li> </ul>   |  |

| Risk details  | Risk class                                 |
|---|--|
| Risks related to personal information   | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>   |  |
| <p>In order to provide customers with new value and services in each of its businesses, beginning with retail and financial services, the Group handles personal information from customers, suppliers, and other parties. In response to the rising importance of personal information, requiring to handle it in compliance with laws and regulations, the Group has designated risks related to personal information a serious risk to the business and is striving to strengthen measures. However, insufficient enhancement of internal controls in response to changes in internal and external environments, insufficient safety measures, human error in the handling of personal information, illicit behavior by employees, deficiencies in the management of subcontractors, etc. could lead to leakage, destruction, or impairment of personal information, resulting in violations of laws and regulations, which could cause harm to customer assets, and have a tremendous impact on business operations, provision of services and our reputation among consumers and in society.</p> |  |
| <b>Measures</b>   |  |
| <ul style="list-style-type: none"> <li>• Establish “Seven &amp; i Group Personal Information Protection Policy”</li> <li>• Maintain of procedures that are compliant with laws and regulations, including the Act on the Protection of Personal Information</li> <li>• Maintain of safety measures that are compliant with ISO27001</li> <li>• Implement education and training for employees</li> <li>• Conduct thorough management of subcontractors</li> <li>• Establish emergency countermeasures in the event of an accident involving personal information</li> <li>• Enhance handling of personal information for “7iD” and other purposes</li> </ul>  |  |

(11) Human rights risk

| Risk details   | Risk class                                 |
|--|--|
| Risks related to violations of human rights (employees, business partners)   | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>  |  |
| <p>With the increasing globalization of corporate activities, there is growing social interest in the human rights efforts of companies. In October 2021, we established the Seven &amp; i Group Human Rights Policy based on the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights, and we are striving to prevent and mitigate negative impacts on human rights by establishing a human rights due diligence mechanism. With the cooperation of our business partners, we are also moving forward with initiatives to respect human rights based on the Seven &amp; i Group Business Partner Sustainable Action Guidelines. However, any deviation from these policies could lead to a decline in trust in the Group among customers and business partners, which may adversely affect the performance and financial standing of the Group.</p> |  |
| <b>Measures</b>  |  |
| <ul style="list-style-type: none"> <li>• Provide education and training to employees (e-learning, etc.) and awareness-raising activities for business partners</li> <li>• Implement employee engagement surveys, questionnaire surveys for business partners, and CSR audits of factories at which the Group's original products are manufactured</li> <li>• Promote the use of the internal whistleblowing system (set up Groupwide Employee Helpline, Business Partner Helpline, Audit &amp; Supervisory Board Hotline) to enable the early detection and corrective action for human rights violations, etc.</li> </ul>   |  |

(12) Environmental risk

| Risk details   | Risk class                                 |
|--|--|
| Risks related to response to environmental regulations and laws  | Risks subject to monitoring by the Company |
| <b>Anticipated Risk scenarios</b>  |  |
| <p>The Group has responded to a variety of changes in the social environment by seeking to help its customers enjoy fulfilling and convenient lives by providing them with valuable products and services. On the other hand, a range of environmental problems have begun to emerge, including global climate change and the issue of plastic pollution. To address such changes in society, the Group has drawn up the "GREEN CHALLENGE 2050" environmental declaration, in which it designates decarbonization, a circular economy, and a society in harmony with nature as its vision for society, and is proceeding with initiatives to accomplish these goals. For the particularly pressing issue of climate change, the Group aims to achieve net zero emissions of CO<sub>2</sub> by 2050, has endorsed the TCFD recommendations and began disclosing such information, and participates in RE100 and other programs. To address the issue of biodiversity, the Group also joined the TNFD forum in January 2023. Conversely, the Group is subject to the application of a variety of environmental laws and regulations dealing with climate change measures, including reductions in energy usage and CO<sub>2</sub> emissions, food waste, recycling of containers and packaging made out of plastic and other materials, and treatment of waste. In future, it is possible that laws and regulations will be strengthened, for example regulations controlling greenhouse gas emissions may be bolstered as a climate change measure, or new laws and regulations and policies, such as carbon taxes, may be introduced. For the Group, compliance with laws and regulations could lead to additional costs and constrain its business activities. In addition, fluctuations in the cost of energy such as gas and electricity resulting from strengthened regulations could increase expenses associated with store operation, and affect the performance and financial standing of the Group.</p> |  |
| <b>Measures</b>  |  |
| <ul style="list-style-type: none"> <li>• Reduce use of plastic materials, replace them with environmentally friendly materials, establish goals and plans to promote recovery and recycling</li> <li>• As a measure for food loss and food recycling, give first priority to curbing the generation of food waste in stores, and promote initiatives with an awareness of the circular economy for food waste that has been generated</li> </ul>   |  |



4. [Management analysis of financial position, business results and cash flows]

(1) Overview of business results

(i) Business results

In the fiscal year under review, the Japanese economy showed signs of improvement due to the normalization of economic activity as further progress was made on the easing of activity restrictions, including reclassification of COVID-19's category to "Class 5" under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases. However, consumer spending has not recovered yet due to rising prices associated with soaring energy and raw material costs. Furthermore, the outlook remained uncertain, mainly owing to concerns about the impact of global monetary tightening on business conditions, in addition to the impact of fluctuations in foreign exchange rates.

In North America, the effects of continued inflation, monetary tightening, and certain other factors led to growing concerns about an economic slowdown, although employment conditions continued to improve. Consumer spending continued to fall, owing primarily to a decline in personal savings among middle- and low-income earners.

In this environment, the Group aims to be "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." To achieve this goal, the Group has been pushing ahead with the operation strategies and Group strategy laid out in the updated Medium-Term Management Plan (announced on March 9, 2023).

Our consolidated results for the fiscal year ended February 29, 2024 are summarized below.

Effective from the fiscal year ended February 28, 2023, the Company has adopted the Revenue Recognition Accounting Standard, etc.

(Consolidated results)

(Millions of yen)

|   | Year ended February 28, 2023 |                           | Year ended February 29, 2024 |                           |
|---|------------------------------|---------------------------|------------------------------|---------------------------|
|   |                              | Compared to previous year |                              | Compared to previous year |
| Revenues from operations                    | 11,811,303                   | 135.0%                    | 11,471,753                   | 97.1%                     |
| Operating income                            | 506,521                      | 130.7%                    | 534,248                      | 105.5%                    |
| Ordinary income                             | 475,887                      | 132.7%                    | 507,086                      | 106.6%                    |
| Net income attributable to owners of parent | 280,976                      | 133.3%                    | 224,623                      | 79.9%                     |



## (Medium-Term Management Plan 2021-2025: Key consolidated financial indicators)

(Millions of yen)

|   | Year ended February 28, 2023 |                           | Year ended February 29, 2024 |                           |
|---|------------------------------|---------------------------|------------------------------|---------------------------|
|   |                              | Compared to previous year |                              | Compared to previous year |
| EBITDA                                      | 995,319                      | 132.4%                    | 1,054,951                    | 106.0%                    |
| Operating CF (excluding financial services) | 832,804                      | 132.0%                    | 778,398                      | 93.5%                     |
| Free CF (excluding financial services)      | 474,055                      | 169.5%                    | 391,694                      | 82.6%                     |
| ROE (%)                                     | 8.7                          |                           | 6.2                          |                           |
| ROIC (excluding financial services) (%)     | 5.2                          |                           | 4.1                          |                           |
| Debt/EBITDA ratio (times)                   | 3.0                          |                           | 2.6                          |                           |
| Net income per share (EPS) (Yen)            | 106.05                       | 133.3%                    | 84.88                        | 80.0%                     |

|                                  |                   |                   |
|----------------------------------|-------------------|-------------------|
| Exchange rate (Income statement) | U.S.\$1 = ¥131.62 | U.S.\$1 = ¥140.67 |
|                                  | 1 yuan = ¥19.50   | 1 yuan = ¥19.82   |
| Exchange rate (Balance sheet)    | U.S.\$1 = ¥132.70 | U.S.\$1 = ¥141.83 |
|                                  | 1 yuan = ¥19.01   | 1 yuan = ¥19.93   |

- Notes:
- Operating CF (excluding financial services) is a management accounting figure based on NOPAT excluding financial services.
  - Free CF (excluding financial services) is a management accounting-based figure excluding financial services.  
M&A-related investments are regarded as strategic investments and thus are excluded from cash flows from investing activities.
  - $\text{ROIC (excluding financial services)} = \{\text{Net income} + \text{Interest expense} \times (1 - \text{Effective tax rate})\} \div \{\text{Shareholders' equity} + \text{Interest-bearing debt [average of fiscal beginning/end for both figures]}\}$
  - The Company implemented a three-for-one share split of its common stock on March 1, 2024. "Net income per share" is calculated on the assumption that the share split was implemented at the beginning of the previous fiscal year.  
Total Group sales (including sales of franchisees of SEVEN-ELEVEN JAPAN CO., LTD., SEVEN-ELEVEN OKINAWA Co., Ltd. and 7-Eleven, Inc.) amounted to ¥17,789,927 million (99.7% of the previous year). In the fiscal year under review, revenues from operations and operating income increased ¥548.0 billion and ¥19.2 billion, respectively, as a result of exchange rate fluctuations.

Business overview by operating segment for the fiscal year ended February 29, 2024 is as follows.

The Company has changed its classification of reportable segments since the fiscal year under review. Figures for the comparisons with the previous fiscal year stated below have been revised to reflect the new classification.

## (Revenues from operations by operating segment)

(Millions of yen)

|                                       | Year ended February 28, 2023 |                           | Year ended February 29, 2024 |                           |
|---------------------------------------|------------------------------|---------------------------|------------------------------|---------------------------|
|                                       |                              | Compared to previous year |                              | Compared to previous year |
| Domestic convenience store operations | 890,293                      | 102.0%                    | 921,706                      | 103.5%                    |
| Overseas convenience store operations | 8,846,163                    | 170.3%                    | 8,516,939                    | 96.3%                     |
| Superstore operations                 | 1,449,165                    | 80.0%                     | 1,477,384                    | 101.9%                    |
| Financial services                    | 194,295                      | 99.9%                     | 207,479                      | 106.8%                    |
| Others                                | 488,304                      | 66.8%                     | 411,305                      | 84.2%                     |
| Total                                 | 11,868,223                   | 134.8%                    | 11,534,814                   | 97.2%                     |
| Adjustments (Eliminations/corporate)  | (56,920)                     | —                         | (63,060)                     | —                         |
| Total                                 | 11,811,303                   | 135.0%                    | 11,471,753                   | 97.1%                     |

## (Operating income by operating segment)

(Millions of yen)

|                                       | Year ended February 28, 2023 |                           | Year ended February 29, 2024 |                           |
|---------------------------------------|------------------------------|---------------------------|------------------------------|---------------------------|
|                                       |                              | Compared to previous year |                              | Compared to previous year |
| Domestic convenience store operations | 232,033                      | 103.9%                    | 250,544                      | 108.0%                    |
| Overseas convenience store operations | 289,703                      | 181.2%                    | 301,628                      | 104.1%                    |
| Superstore operations                 | 12,395                       | 65.2%                     | 13,588                       | 109.6%                    |
| Financial services                    | 37,140                       | 98.9%                     | 38,172                       | 102.8%                    |
| Others                                | 2,593                        | —                         | 2,688                        | 103.6%                    |
| Total                                 | 573,865                      | 133.1%                    | 606,622                      | 105.7%                    |
| Adjustments (Eliminations/corporate)  | (67,344)                     | —                         | (72,373)                     | —                         |
| Total                                 | 506,521                      | 130.7%                    | 534,248                      | 105.5%                    |

## a. Domestic convenience store operations

Revenues from the domestic convenience store operations were ¥921,706 million (103.5% of the previous year), and operating income was ¥250,544 million (108.0% of the previous year).

In a bid to continue responding to the aging of the population, the increase in the number of single-person households, and the increase in the number of working women, as well as the changes in customers that have become apparent amid the COVID-19 pandemic, SEVEN-ELEVEN JAPAN CO., LTD. has been implementing activities including strengthening development of original merchandise such as fast food and Seven Premium products, changing sales floor layouts to increase the number of items handled, and conducting sales promotions that create an event-like atmosphere.

In addition, SEVEN-ELEVEN JAPAN CO., LTD. has been enhancing measures to achieve a nationwide roll-out of the “7NOW” delivery service such as increasing the number of stores handling the service and establishing a system for nationwide operation. Also, the “7NOW App” was launched on September 5, 2023.

Furthermore, SEVEN-ELEVEN JAPAN CO., LTD. opened the “SIP\* store,” a new concept store, on February 29, 2024 to accommodate significant changes in customers’ purchasing behavior, lifestyle values, and diverse needs in a rapidly changing environment.

In the fiscal year under review, same-store sales exceeded those of the previous year due to a recovery in customer traffic as a result of the resumption of events in various regions, favorable weather, and the success of various measures such as proactively conducting fairs featuring a variety of merchandise with regional and menu themes and app-based sales promotions. As a result, operating income amounted to ¥251,029 million (107.8% of the previous year). Total sales of all stores in the chain (the sum of sales from directly managed stores and franchisees) amounted to ¥5,345,243 million (103.8% of the previous year).

Note: Refers to a partnership (dubbed “SIP”) between SEVEN-ELEVEN JAPAN CO., LTD. (SEJ) and Ito-Yokado Co., Ltd. (IY).

b. Overseas convenience store operations

Revenues from the overseas convenience store operations were ¥8,516,939 million (96.3% of the previous year), and operating income was ¥301,628 million (104.1% of the previous year).

In North America, 7-Eleven, Inc. continued to face a tough consumer spending environment due to an economic stimulus package during the COVID-19 pandemic having ended, in addition to concerns about the economy slowing in connection with inflation and monetary tightening. Nevertheless, 7-Eleven, Inc. worked to address the needs of customers seeking value, strengthen the development and sales of high-quality, high-margin proprietary products (fresh food items, proprietary beverages, and private brand products), bolster “7NOW” delivery service initiatives, and enhance customer loyalty through the use of digital technology. Also, 7-Eleven, Inc. started operations at its Virginia plant on September 11, 2023 as part of steps to strengthen the development of high-quality fresh food items by building a value chain in North America. In addition, the integration process with the Speedway business acquired in May 2021 is proceeding smoothly, with accumulated synergies generated since the integration reaching U.S.\$976.5 million in the fiscal year under review, exceeding our target of U.S.\$800 million.

As a result, in the fiscal year under review, U.S. domestic same-store merchandise sales in dollar terms exceeded those in the previous year. Total sales of all stores in the chain (the sum of sales from directly managed stores and franchisees) amounted to ¥10,200,414 million (97.7% of the previous year) due to lower gasoline prices and lower sales volume, despite growth in merchandise sales. Meanwhile, operating income amounted to ¥413,966 million (104.4% of the previous year) due to factors such as improvement in the merchandise gross profit margin and impact of yen depreciation.

Furthermore, in January 2024, 7-Eleven, Inc. announced the acquisition of a part of the convenience store business and gasoline retail business of U.S. company Sunoco LP. The aim of the acquisition is to further accelerate growth in the North American market.

7-Eleven International LLC has plans to establish a store network of 50,000 stores in areas outside Japan and North America by FY2025, and to open stores in 30 countries and regions worldwide, including Japan and North America by FY2030. Based on these goals, it will advance growth strategies both in countries where it already has stores and those where it will open stores for the first time. As for existing countries, 7-Eleven International LLC decided in February 2023 to invest in the Vietnam business. In November 2023, 7-Eleven International LLC announced the acquisition of the Australian company Convenience Group Holdings Pty Ltd (SEA) and acquired all shares of this company on April 1, 2024. As for new countries, the first store was opened in Israel in January 2023 and in Laos in September 2023. As a result, 7-Eleven has the stores in 20 countries and regions worldwide.

c. Superstore operations

Revenues from the superstore operations were ¥1,477,384 million (101.9% of the previous year), and operating income was ¥13,588 million (109.6% of the previous year).

Ito-Yokado Co., Ltd. is implementing growth initiatives and fundamental reforms to improve profitability. As part of those efforts, Ito-Yokado Co., Ltd. and York Co., Ltd. completed a merger on September 1, 2023 with Ito-Yokado Co., Ltd. being the surviving company and York Co., Ltd. being the dissolved company. By maximizing both companies’ synergies and operational efficiencies, we are working to strengthen

sales capabilities, reduce selling, general and administrative expenses, and improve productivity. In addition, strategic investment infrastructure, such as process centers, central kitchens, and online supermarkets, started operations. Moreover, as part of efforts to accelerate its focus on the Tokyo metropolitan area store network, Ito-Yokado Co., Ltd. signed an agreement on business succession and related matters with York-Benimaru Co., Ltd., DAICHI CO., LTD., and OIC Group Co., Ltd. in February 2024, for certain stores in the Hokkaido, Tohoku, and Shinetsu areas. For the fiscal year ended February 29, 2024, net sales rose from the previous year accompanying the merger with York Co., Ltd. However, the operating loss amounted to ¥1,205 million (compared with operating income of ¥408 million in the previous year), mainly owing to higher costs associated with the development of strategic investment infrastructure.

For York-Benimaru Co., Ltd., we are furthering initiatives to revitalize same stores, enhance development and sales of delicatessen merchandise, etc. in order to realize its concept of “making the daily meals of customers in local areas more enjoyable, plentiful, and convenient.”

For the fiscal year ended February 29, 2024, same-store sales exceeded the results of the previous fiscal year, supported by the success of suitable price increases in response to soaring raw material prices, and sales promotion initiatives, in addition to a recovery in customer traffic. As a result, operating income amounted to ¥18,701 million (103.8% of the previous year), despite an increase in selling, general and administrative expenses such as new store-related costs and personnel costs.

d. Financial services

Revenues from the financial services operations were ¥207,479 million (106.8% of the previous year), and operating income was ¥38,172 million (102.8% of the previous year).

As of the end of the fiscal year under review, the number of domestic ATMs operated by Seven Bank, Ltd. stood at 27,370, up 481 from the previous fiscal year-end. The average number of ATM use per day per ATM was 104.6 (up 3.5 from the previous year) owing to improvement in the number of transactions at savings and deposit financial institutions in step with a recovery in customer traffic, and an increase in non-banking transactions such as consumer finance in line with increased demand for funds, as well as a sustained high level of cash charge transactions associated with various cashless payments. As a result, total transactions of ATMs of Seven Bank, Ltd. during the fiscal year ended February 29, 2024 increased from a year earlier. As of the end of the fiscal year under review, Seven Bank, Ltd. had cash and deposits (including cash for ATM loading) of ¥877.1 billion.

In addition, on July 1, 2023, we transferred all shares of Seven Card Services Co., Ltd. owned by Seven Financial Service Co., Ltd., a consolidated subsidiary of the Company, to Seven Bank, Ltd. to pursue synergies through integrated operation of banking and non-banking businesses.

e. Others

Revenues from operations for the “Others” segment amounted to ¥411,305 million (84.2% of the previous year), and operating income was ¥2,688 million (103.6% of the previous year).

Revenues decreased partly due to the transfer of Sogo & Seibu Co., Ltd., while operating income increased due to strong performance at operating companies such as THE LOFT CO., LTD. helped by a recovery in customer traffic.

f. Adjustments (Eliminations/corporate)

Operating loss totaled ¥72,373 million (compared with operating loss of ¥67,344 million in the previous year).

This operating loss mainly reflected expenses related to the construction of the Group’s shared infrastructure system for purposes such as enhancing operating efficiency and bolstering security. Moreover, we will continue to work on measures to realize the Group’s image for 2030, including the development of the “7iD” membership platform to expand customer interfaces, and the evolution of the last-mile DX platform supporting the “7NOW” delivery service and online supermarkets to create new experiences and value.

(ii) Financial position

a. Assets, liabilities and net assets

As of the end of the fiscal year under review, total assets amounted to ¥10,592,117 million, up ¥41,161 million from the end of the previous fiscal year.

Current assets declined ¥24,987 million from the end of the previous fiscal year, mainly due to a decrease in cash and deposits.

Non-current assets increased ¥66,273 million, mainly due to an increase in right-of-use assets.

Total liabilities dropped ¥211,301 million from the end of the previous fiscal year to ¥6,691,492 million, mainly on account of a decrease in long-term loans.

Net assets increased ¥252,462 million from the end of the previous fiscal year to ¥3,900,624 million, mainly due to an increase in foreign currency translation adjustments.

b. Cash flows

Cash and cash equivalents at the end of the fiscal year under review totaled ¥1,562,493 million, a decrease of ¥112,293 million from the end of the previous fiscal year.

Net cash provided by operating activities amounted to ¥673,015 million (72.5% of the previous year). This was largely due to income taxes paid amounting to ¥87,527 million, despite income before income taxes of ¥277,007 million and depreciation and amortization of ¥400,789 million.

Net cash used in investing activities totaled ¥431,809 million (104.5% of the previous year). This was mainly due to acquisition of property and equipment of ¥337,439 million associated with new store openings and store renovations.

Net cash used in financing activities totaled ¥377,065 million (139.5% of the previous year). This was mainly due to repayment of long-term debts of ¥150,246 million, payment for redemption of bonds of ¥325,837 million, and dividends paid of ¥106,092 million, despite proceeds from issuance of bonds of ¥220,000 million and proceeds from long-term debts of ¥52,700 million.

(2) Production, orders, and sales results

(i) Production and orders

None

(ii) Purchases

Purchases in the fiscal year ended February 29, 2024 by segment are as follows.

| Name of segment                       | Purchases (Millions of yen) | Compared to previous year (%) |
|---------------------------------------|-----------------------------|-------------------------------|
| Domestic convenience store operations | 55,473                      | 82.6                          |
| Overseas convenience store operations | 6,654,847                   | 93.4                          |
| Superstore operations                 | 1,021,252                   | 101.1                         |
| Financial services                    | 21,651                      | 100.6                         |
| Others                                | 210,732                     | 88.4                          |
| Total                                 | 7,963,956                   | 94.1                          |

- Notes:
1. The Company has changed its classification of reportable segments since the fiscal year under review. Comparisons with the previous year are based on the figures for the previous fiscal year reclassified into the new segment classifications.
  2. Purchases in the domestic and overseas convenience store operations in the above table only include purchases of directly managed stores.
  3. The above purchase results are amounts after eliminating inter-company transactions among consolidated companies.

(iii) Sales

Net sales (net sales among revenues from operations) in the fiscal year ended February 29, 2024 by segment are as follows.

| Name of segment                       | Net sales (Millions of yen) | Compared to previous year (%) |
|---------------------------------------|-----------------------------|-------------------------------|
| Domestic convenience store operations | 75,950                      | 81.6                          |
| Overseas convenience store operations | 8,042,817                   | 95.5                          |
| Superstore operations                 | 1,375,653                   | 102.0                         |
| Financial services                    | 21,532                      | 102.6                         |
| Others                                | 334,516                     | 88.5                          |
| Total                                 | 9,850,470                   | 96.0                          |

- Notes:
1. The Company has changed its classification of reportable segments since the fiscal year under review. Comparisons with the previous year are based on the figures for the previous fiscal year reclassified into the new segment classifications.
  2. Net sales in the domestic and overseas convenience store operations in the above table only include sales of directly managed stores.
  3. The above sales results are amounts after eliminating inter-company transactions among consolidated companies.

4. Sales of major subsidiaries are as follows.

(1) Domestic convenience store operations  
SEVEN-ELEVEN JAPAN CO., LTD.

| Category       | Total sales of all stores in the chain (Millions of yen) | Compared to previous year (%) | Composition (%) |
|----------------|--|-------------------------------|-----------------|
| Processed food | 1,426,539  | 108.8                         | 26.6            |
| Fast food      | 1,565,976  | 102.8                         | 29.2            |
| Daily food     | 670,366  | 103.8                         | 12.5            |
| Food sales     | 3,662,882  | 105.2                         | 68.3            |
| Nonfood        | 1,700,049  | 101.0                         | 31.7            |
| Total          | 5,362,931  | 103.8                         | 100.0           |

Note: The above amounts are before the application of the Revenue Recognition Accounting Standard, etc., and do not include consumption taxes, etc. Total sales of all stores in the chain represent the total amount of sales of franchised stores (franchisees) and training stores (directly managed stores).

(2) Overseas convenience store operations  
7-Eleven, Inc.

| Category          | Total sales of all stores in the chain (Millions of yen) | Compared to previous year (%) | Composition (%) |
|-------------------|--|-------------------------------|-----------------|
| Processed food    | 1,796,980  | 112.3                         | 17.6            |
| Fast food         | 512,280  | 111.7                         | 5.0             |
| Daily food        | 154,070  | 108.2                         | 1.5             |
| Food sales        | 2,463,330  | 111.9                         | 24.1            |
| Nonfood           | 1,414,258  | 101.6                         | 13.9            |
| Merchandise sales | 3,877,588  | 107.9                         | 38.0            |
| Fuel sales        | 6,322,825  | 92.3                          | 62.0            |
| Total             | 10,200,414   | 97.7                          | 100.0           |

Note: Total sales of all stores in the chain represent the total amount of sales of franchised stores (franchisees) and training stores (directly managed stores).

(3) Superstore operations  
(i) Ito-Yokado Co., Ltd.

| Category          | Net sales (Millions of yen) | Compared to previous year (%) | Composition (%) |
|-------------------|-----------------------------|-------------------------------|-----------------|
| Lifestyle         | 213,308                     | 98.1                          | 20.5            |
| Specialty stores  | 13,250                      | 98.5                          | 1.3             |
| Food              | 482,006                     | 98.6                          | 46.3            |
| Merchandise sales | 708,566                     | 98.5                          | 68.0            |
| Tenants           | 329,571                     | 103.9                         | 31.7            |
| Others            | 3,115                       | 138.3                         | 0.3             |
| Total             | 1,041,253                   | 100.2                         | 100.0           |

- Notes: 1. The above amounts are before the application of the Revenue Recognition Accounting Standard, etc., and do not include consumption taxes, etc.
2. Ito-Yokado Co., Ltd. merged with York Co., Ltd. as of September 1, 2023. The above amounts do not include figures for the former York Co., Ltd. The figures for the former York Co. Ltd. are as follows.

(Reference) Former York Co., Ltd.

| Category          | Net sales (Millions of yen) | Compared to previous year (%) |
|-------------------|-----------------------------|-------------------------------|
| Merchandise sales | 191,404                     | 103.7                         |

(ii) York-Benimaru Co., Ltd.

| Category          | Net sales (Millions of yen) | Compared to previous year (%) | Composition (%) |
|-------------------|-----------------------------|-------------------------------|-----------------|
| Fresh food        | 173,838                     | 103.7                         | 34.9            |
| Processed food    | 121,575                     | 104.6                         | 24.4            |
| Daily food        | 103,815                     | 106.3                         | 20.8            |
| Delicatessen food | 61,414                      | 105.5                         | 12.3            |
| Food sales        | 460,644                     | 104.8                         | 92.4            |
| Apparel           | 10,143                      | 99.9                          | 2.0             |
| Household goods   | 18,402                      | 101.9                         | 3.7             |
| Merchandise sales | 489,190                     | 104.5                         | 98.2            |
| Tenants           | 9,119                       | 96.4                          | 1.8             |
| Total             | 498,309                     | 104.4                         | 100.0           |

Note: The above amounts are before the application of the Revenue Recognition Accounting Standard, etc., and do not include consumption taxes, etc.



(3) Details of analysis and considerations regarding the status of business results from management's perspective

The details of recognition as well as analysis and considerations regarding the status of business results of the Group from management's perspective are as follows. This section includes forward-looking statements and future expectations as of the end of the fiscal year under review.

(i) Analysis of business results

a. Revenues from operations and operating income

Revenues from operations for the fiscal year under review amounted to ¥11,471,753 million (97.1% of the previous year), a decrease of ¥339,549 million from the previous fiscal year. Operating income was ¥534,248 million (105.5% of the previous year), an increase of ¥27,727 million from the previous fiscal year.

(Millions of yen)

|                                       | Year ended February<br>28, 2023 | Year ended February<br>29, 2024 | Increase/decrease |
|---------------------------------------|---------------------------------|---------------------------------|-------------------|
| Revenues from operations              |                                 |                                 |                   |
| Domestic convenience store operations | 890,293                         | 921,706                         | 31,412            |
| Overseas convenience store operations | 8,846,163                       | 8,516,939                       | (329,223)         |
| Superstore operations                 | 1,449,165                       | 1,477,384                       | 28,218            |
| Financial services                    | 194,295                         | 207,479                         | 13,183            |
| Others                                | 488,304                         | 411,305                         | (76,998)          |
| Total                                 | 11,868,223                      | 11,534,814                      | (333,408)         |
| Eliminations/corporate                | (56,920)                        | (63,060)                        | (6,140)           |
| Total                                 | 11,811,303                      | 11,471,753                      | (339,549)         |
| Operating income                      |                                 |                                 |                   |
| Domestic convenience store operations | 232,033                         | 250,544                         | 18,511            |
| Overseas convenience store operations | 289,703                         | 301,628                         | 11,925            |
| Superstore operations                 | 12,395                          | 13,588                          | 1,193             |
| Financial services                    | 37,140                          | 38,172                          | 1,032             |
| Others                                | 2,593                           | 2,688                           | 94                |
| Total                                 | 573,865                         | 606,622                         | 32,756            |
| Eliminations/corporate                | (67,344)                        | (72,373)                        | (5,029)           |
| Total                                 | 506,521                         | 534,248                         | 27,727            |

Revenues from the domestic convenience store operations were ¥921,706 million (103.5% of the previous year), and operating income was ¥250,544 million (108.0% of the previous year).

In a bid to continue responding to the aging of the population, the increase in the number of single-person households, and the increase in the number of working women, as well as the changes in customers that have become apparent amid the COVID-19 pandemic, SEVEN-ELEVEN JAPAN CO., LTD. has been implementing activities including strengthening development of original merchandise such as fast food and Seven Premium products, changing sales floor layouts to increase the

number of items handled, and conducting sales promotions that create an event-like atmosphere.

In addition, SEVEN-ELEVEN JAPAN CO., LTD. has been enhancing measures to achieve a nationwide roll-out of the “7NOW” delivery service such as increasing the number of stores handling the service and establishing a system for nationwide operation. Also, the “7NOW App” was launched on September 5, 2023.

Furthermore, SEVEN-ELEVEN JAPAN CO., LTD. opened the “SIP store,” a new concept store, on February 29, 2024 to accommodate significant changes in customers’ purchasing behavior, lifestyle values, and diverse needs in a rapidly changing environment.

In the fiscal year under review, same-store sales exceeded those of the previous year due to a recovery in customer traffic as a result of the resumption of events in various regions, favorable weather, and the success of various measures such as proactively conducting fairs featuring a variety of merchandise with regional and menu themes and app-based sales promotions. As a result, operating income amounted to ¥251,029 million (107.8% of the previous year). Total sales of all stores in the chain (the sum of sales from directly managed stores and franchisees) amounted to ¥5,345,243 million (103.8% of the previous year).

Revenues from the overseas convenience store operations were ¥8,516,939 million (96.3% of the previous year), and operating income was ¥301,628 million (104.1% of the previous year).

In North America, 7-Eleven, Inc. continued to face a tough consumer spending environment due to an economic stimulus package during the COVID-19 pandemic having ended, in addition to concerns about the economy slowing in connection with inflation and monetary tightening. Nevertheless, 7-Eleven, Inc. worked to address the needs of customers seeking value, strengthen the development and sales of high-quality, high-margin proprietary products (fresh food items, proprietary beverages, and private brand products), bolster “7NOW” delivery service initiatives, and enhance customer loyalty through the use of digital technology. Also, 7-Eleven, Inc. started operations at its Virginia plant on September 11, 2023 as part of steps to strengthen the development of high-quality fresh food items by building a value chain in North America. In addition, the integration process with the Speedway business acquired in May 2021 is proceeding smoothly, with accumulated synergies generated since the integration reaching U.S.\$976.5 million in the fiscal year under review, exceeding our target of U.S.\$800 million.

As a result, in the fiscal year under review, U.S. domestic same-store merchandise sales in dollar terms exceeded those in the previous year. Total sales of all stores in the chain (the sum of sales from directly managed stores and franchisees) amounted to ¥10,200,414 million (97.7% of the previous year) due to lower gasoline prices and lower sales volume, despite growth in merchandise sales. Meanwhile, operating income amounted to ¥413,966 million (104.4% of the previous year) due to factors such as improvement in the merchandise gross profit margin and impact of yen depreciation.

Furthermore, in January 2024, 7-Eleven, Inc. announced the acquisition of a part of the convenience store business and gasoline retail business of U.S. company Sunoco LP. The aim of the acquisition is to further accelerate growth in the North American market.

7-Eleven International LLC has plans to establish a store network of 50,000 stores in areas outside Japan and North America by FY2025, and to open stores in 30 countries and regions worldwide, including Japan and North America by FY2030. Based on these goals, it will advance growth strategies both in countries where it already has stores and those where it will open stores for the first time. As for existing countries, 7-Eleven International LLC decided in February 2023 to invest in the Vietnam business. In November 2023, 7-Eleven International LLC announced the acquisition of the Australian company Convenience Group Holdings Pty Ltd (SEA) and acquired all shares of this company on April 1, 2024. As for new countries, the first store was opened in Israel in January 2023 and in Laos in September 2023. As a result, 7-Eleven has the stores in 20 countries and regions worldwide.

Revenues from the superstore operations were ¥1,477,384 million (101.9% of the previous year), and operating income was ¥13,588 million (109.6% of the previous year).

Ito-Yokado Co., Ltd. is implementing growth initiatives and fundamental reforms to improve profitability. As part of those efforts, Ito-Yokado Co., Ltd. and York Co., Ltd. completed a merger on September 1, 2023 with Ito-Yokado Co., Ltd. being the surviving company and York Co., Ltd. being the dissolved company. By maximizing both companies' synergies and operational efficiencies, we are working to strengthen sales capabilities, reduce selling, general and administrative expenses, and improve productivity. In addition, strategic investment infrastructure, such as process centers, central kitchens, and online supermarkets, started operations. Moreover, as part of efforts to accelerate its focus on the Tokyo metropolitan area store network, Ito-Yokado Co., Ltd. signed an agreement on business succession and related matters with York-Benimaru Co., Ltd., DAICHI CO., LTD., and OIC Group Co., Ltd. in February 2024, for certain stores in the Hokkaido, Tohoku, and Shinetsu areas. For the fiscal year ended February 29, 2024, net sales rose from the previous year accompanying the merger with York Co., Ltd. However, the operating loss amounted to ¥1,205 million (compared with operating income of ¥408 million in the previous year), mainly owing to higher costs associated with the development of strategic investment infrastructure.

For York-Benimaru Co., Ltd., we are furthering initiatives to revitalize same stores, enhance development and sales of delicatessen merchandise, etc. in order to realize its concept of "making the daily meals of customers in local areas more enjoyable, plentiful, and convenient."

For the fiscal year ended February 29, 2024, same-store sales exceeded the results of the previous fiscal year, supported by the success of suitable price increases in response to soaring raw material prices, and sales promotion initiatives, in addition to a recovery in customer traffic. As a result, operating income amounted to ¥18,701 million (103.8% of the previous year), despite an increase in selling, general and administrative expenses such as new store-related costs and personnel costs. Revenues from the financial services operations were ¥207,479 million (106.8% of the previous year), and operating income was ¥38,172 million (102.8% of the previous year).

As of the end of the fiscal year under review, the number of domestic ATMs operated by Seven Bank, Ltd. stood at 27,370, up 481 from the previous fiscal year-end. The average number of ATM use per day per ATM was 104.6 (up 3.5 from the previous year) owing to improvement in the number of transactions at savings and deposit financial institutions in step with a recovery in customer traffic, and an increase in non-banking transactions such as consumer finance in line with increased demand for funds, as well as a sustained high level of cash charge transactions associated with various cashless payments. As a result, total transactions of ATMs of Seven Bank, Ltd. during the fiscal year ended February 29, 2024 increased from a year earlier. As of the end of the fiscal year under review, Seven Bank, Ltd. had cash and deposits (including cash for ATM loading) of ¥877.1 billion.

In addition, on July 1, 2023, we transferred all shares of Seven Card Services Co., Ltd. owned by Seven Financial Service Co., Ltd., a consolidated subsidiary of the Company, to Seven Bank, Ltd. to pursue synergies through integrated operation of banking and non-banking businesses.

b. Non-operating income/expenses and ordinary income

Non-operating income/expenses came to loss of ¥27,162 million (net amount), compared with loss of ¥30,633 million (net amount) in the previous fiscal year. This was mainly due to an increase in interest income for 7-Eleven, Inc.

As a result, ordinary income increased ¥31,198 million from the previous fiscal year to ¥507,086 million.

c. Special gains/losses and income before income taxes

Special gains/losses came to loss of ¥230,078 million (net amount), compared with loss of ¥73,126 million (net amount) in the previous fiscal year. This was mainly due to the recording of losses related to the transfer of Sogo & Seibu Co., Ltd.

As a result, income before income taxes decreased ¥125,753 million from the previous fiscal year to ¥277,007 million.

- d. Income taxes (including income taxes - deferred) and net income attributable to owners of parent  
Income taxes amounted to ¥41,803 million, down ¥68,787 million from the previous fiscal year. Effective rate of income taxes after application of deferred tax accounting was 15.1%.

As a result, net income attributable to owners of parent decreased ¥56,353 million from the previous fiscal year to ¥224,623 million. Net income per share was ¥84.88, a decrease of ¥21.17 from ¥106.05 in the previous fiscal year. The Company implemented a three-for-one share split of its common stock on March 1, 2024. Net income per share is calculated on the assumption that the share split was implemented at the beginning of the previous fiscal year.

(ii) Analysis of financial position

a. Assets, liabilities and net assets

(Millions of yen)

|              | February 28, 2023 | February 29, 2024 | Increase/decrease |
|--------------|-------------------|-------------------|-------------------|
| Total assets | 10,550,956        | 10,592,117        | 41,161            |
| Liabilities  | 6,902,794         | 6,691,492         | (211,301)         |
| Net assets   | 3,648,161         | 3,900,624         | 252,462           |

As of the end of the fiscal year under review, total assets amounted to ¥10,592,117 million, up ¥41,161 million from the end of the previous fiscal year.

Current assets declined ¥24,987 million from the end of the previous year to ¥3,035,666 million, mainly due to a decrease of ¥112,133 million in cash and deposits. Property and equipment increased ¥20,749 million chiefly on account of an increase in right-of-use assets resulting from the adoption of Accounting Standards Updates (hereinafter, "ASU") No. 2016-02, Leases (Topic 842) in the overseas convenience store operations. Intangible assets fell ¥8,094 million due largely to a decrease in leasehold interests in land and other assets following the transfer of Sogo & Seibu Co., Ltd. In addition, investments and other assets increased ¥53,618 million, mainly due to increases in municipal bonds and corporate bonds acquired by Seven Bank, Ltd. As a result, non-current assets increased ¥66,273 million from the end of the previous fiscal year to ¥7,555,469 million.

Total liabilities declined ¥211,301 million from the end of the previous fiscal year to ¥6,691,492 million.

Current liabilities totaled ¥3,073,252 million, a drop of ¥191,837 million from the end of the previous fiscal year, mainly because call money and short-term loans decreased ¥70,000 million and ¥58,685 million, respectively.

Non-current liabilities shrank ¥19,464 million from the end of the previous fiscal year to ¥3,618,240 million, largely due to a decrease of ¥111,453 million in long-term loans despite an increase in lease obligations resulting from the adoption of ASU No. 2016-02, Leases (Topic 842) in the overseas convenience store operations.

Total net assets increased ¥252,462 million from the end of the previous fiscal year to ¥3,900,624 million.

Retained earnings increased ¥118,083 million from the end of the previous fiscal year, mainly due to an increase of ¥224,623 million resulting from recording of net income attributable to owners of parent and a decrease of ¥106,152 million resulting from payment of dividends.

Foreign currency translation adjustments increased ¥163,578 million, mainly due to translation of the financial statements of 7-Eleven, Inc.

As a result, net assets per share amounted to ¥1,416.94, up ¥105.63 from the end of the previous fiscal year, and equity ratio advanced to 35.1% from 32.9% at the end of the previous fiscal year. The Company implemented a three-for-one share split of its common stock on March 1, 2024. Net assets per share is calculated on the assumption that the share split was implemented at the beginning of the previous fiscal year.

## b. Cash flows

(Millions of yen)

|   | Year ended February<br>28, 2023 | Year ended February<br>29, 2024 | Increase/decrease |
|---|---------------------------------|---------------------------------|-------------------|
| Cash flows from operating activities                    | 928,476                         | 673,015                         | (255,461)         |
| Cash flows from investing activities                    | (413,229)                       | (431,809)                       | (18,579)          |
| Cash flows from financing activities                    | (270,373)                       | (377,065)                       | (106,692)         |
| Cash and cash equivalents at the end of the fiscal year | 1,674,787                       | 1,562,493                       | (112,293)         |

Cash and cash equivalents (hereinafter “net cash”) decreased ¥112,293 million from the end of the previous fiscal year to ¥1,562,493 million, primarily due to expenditures for new store openings and store renovations mainly in the domestic and overseas convenience store operations, repayment of debts and redemption of bonds, despite the cash flow generated by high operating profitability mainly in the domestic and overseas convenience store operations.

### (Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥673,015 million (72.5% of the previous year). The ¥255,461 million decrease from the previous fiscal year was mainly because while loss on transfer of department stores increased ¥129,618 million, income before income taxes and net change in call money in banking business declined ¥125,753 million and ¥180,000 million, respectively.

### (Cash flows from investing activities)

Net cash used in investing activities amounted to ¥431,809 million (104.5% of the previous year). The ¥18,579 million increase from the previous fiscal year was mainly because while proceeds from sales of shares in subsidiaries resulting in change in scope of consolidation grew ¥35,097 million, acquisition of property and equipment, and acquisition of intangible assets increased ¥32,221 million and ¥14,529 million, respectively.

### (Cash flows from financing activities)

Net cash used in financing activities amounted to ¥377,065 million (139.5% of the previous year). The ¥106,692 million increase from the previous fiscal year was mainly because while proceeds from issuance of bonds increased ¥220,000 million, payment for redemption of bonds and purchase of treasury stock increased ¥265,837 million and ¥52,377 million, respectively.

### (iii) Strategic current state and outlook

In Japan, the outlook is expected to remain uncertain due to factors such as rising budget consciousness among households and a decline in consumer appetite as prices continue to rise.

In North America, despite concerns that the personal consumption environment will remain constrained, monetary easing and other factors are expected to result in a successive improvement in business conditions beginning in the second half of 2024. Given this business environment, we will implement a vast array of strategic measures that address customer changes in order to achieve growth led by convenience store operations. To do so, we will leverage our strength in “food,” which lies at the heart of our Group strategy.

In light of these factors, we have summarized our consolidated performance forecasts for the fiscal year ending February 28, 2025, as follows.

## (Consolidated forecasts)

(Millions of yen)

|   | Year ending February 28, 2025 |                           |
|---|-------------------------------|---------------------------|
|   |                               | Compared to previous year |
| Revenues from operations                    | 11,246,000                    | 98.0%                     |
| Operating income                            | 545,000                       | 102.0%                    |
| Ordinary income                             | 502,000                       | 99.0%                     |
| Net income attributable to owners of parent | 293,000                       | 130.4%                    |

- Notes: 1. Assumed exchange rates: U.S.\$1 = ¥145.00; 1 yuan = ¥19.00  
2. Total Group sales (including sales of franchisees of SEVEN-ELEVEN JAPAN CO., LTD., SEVEN-ELEVEN OKINAWA Co., Ltd., and 7-Eleven, Inc.): ¥17,815,000 million

## (Medium-Term Management Plan 2021-2025: Key consolidated financial indicators)

(Millions of yen)

|   | Year ending February 28, 2025 |                           |
|---|-------------------------------|---------------------------|
|   |                               | Compared to previous year |
| EBITDA                                  | 1,102,000                     | 104.5%                    |
| ROE (%)                                 | 7.8                           |                           |
| ROIC (excluding financial services) (%) | 5.5                           |                           |
| Debt/EBITDA ratio (times)               | 2.3                           |                           |
| Net income per share (EPS) (Yen)        | 112.05                        | 132.0%                    |

- Notes: 1.  $\text{ROIC (excluding financial services)} = \{ \text{Net income} + \text{Interest expense} \times (1 - \text{Effective tax rate}) \} \div \{ \text{Shareholders' equity} + \text{Interest-bearing debt [average of fiscal beginning/end for both figures]} \}$   
2. The Company purchased treasury stock in accordance with the resolution adopted at a Board of Directors' meeting held on November 30, 2023. "Net income per share" in the consolidated forecasts for the fiscal year ending February 28, 2025 factors in the expected impact of the purchase and retirement of treasury stock.  
3. The Company implemented a three-for-one share split of its common stock on March 1, 2024. The comparison of "net income per share" with the previous fiscal year is made on the assumption that the share split was implemented at the beginning of the previous fiscal year.

## (Forecasts for revenues from operations and operating income by operating segment)

(Millions of yen)

|                                       | Year ending February 28, 2025 |                           |                  |                           |
|---------------------------------------|-------------------------------|---------------------------|------------------|---------------------------|
|                                       | Revenues from operations      |                           | Operating income |                           |
|                                       |                               | Compared to previous year |                  | Compared to previous year |
| Domestic convenience store operations | 943,000                       | 102.3%                    | 260,000          | 103.8%                    |
| Overseas convenience store operations | 8,410,000                     | 98.7%                     | 318,700          | 105.7%                    |
| Superstore operations                 | 1,448,000                     | 98.0%                     | 18,600           | 136.9%                    |
| Financial services                    | 210,000                       | 101.2%                    | 36,000           | 94.3%                     |
| Others                                | 310,000                       | 75.4%                     | 1,700            | 63.2%                     |
| Total                                 | 11,321,000                    | 98.1%                     | 635,000          | 104.7%                    |
| Adjustments (Eliminations/corporate)  | (75,000)                      | —                         | (90,000)         | —                         |
| Total                                 | 11,246,000                    | 98.0%                     | 545,000          | 102.0%                    |

- a. Domestic convenience store operations  
 SEVEN-ELEVEN JAPAN CO., LTD. will address customer changes associated with shifts in external economic conditions such as a declining population, falling birthrates, and an aging society, as well as rising prices and lower real wages.  
 SEVEN-ELEVEN JAPAN CO., LTD. will endeavor to provide value propositions to customers by striking a balance between great taste and reasonable prices in order to meet the needs of customers who are more inclined to save.  
 Moreover, SEVEN-ELEVEN JAPAN CO., LTD. aims to generate sales through new initiatives from a medium- to long-term perspective. To this end, SEVEN-ELEVEN JAPAN CO., LTD. will open the door to the next “convenience” by constantly providing new experiences and values from the customer’s point of view, such as the SIP store opened in February 2024 and the 7NOW delivery service. Through these efforts, SEVEN-ELEVEN JAPAN CO., LTD. will work to realize sustainable growth throughout the value chain, including franchisees and business partners.
- b. Overseas convenience store operations  
 In North America, 7-Eleven, Inc. will continue to advance its strategy for growth, which is focused on the following key priorities: grow proprietary products, accelerate digital and delivery, generate synergies from SEI and Speedway Integration, and grow and enhance store network.  
 In FY2024, in addition to successive improvements in business conditions and expansion of personal consumption, the measures described above are expected to contribute to growth. Furthermore, 7-Eleven, Inc. will continue the cost-reduction measures led by the Cost Leadership Committee, as part of efforts to enhance profitability from both sales and cost standpoints.  
 7-Eleven International LLC will continue to advance growth strategies in countries where the Group already has stores and in those where it will open its first stores. By FY2025, 7-Eleven International LLC plans to establish a store network of 50,000 stores in areas outside Japan and North America. By FY2030, it plans to open stores in 30 countries and regions worldwide, including Japan and North America. Guided by these plans, 7-Eleven International LLC will strive to achieve high-quality and speedy growth.
- c. Superstore operations  
 In superstore operations, we will continue to implement drastic transformation initiatives at Ito-Yokado Co., Ltd. to improve its profitability. Ito-Yokado Co., Ltd. will maximize synergies and operating efficiency with York Co., Ltd., which it merged with in September 2023, while also working to improve product quality through the use of Peace Deli Chiba Kitchen, which began operations on February 27, 2024, and enhance store operational efficiency.  
 We will ensure the complete execution of these transformation initiatives through process management by retaining external advisors, and through monitoring by the Company’s Board of Directors and Strategy Committee. Through these efforts, we will strive to achieve EBITDA of ¥55.0 billion and ROIC of 4% or more for the Tokyo metropolitan area SST operations, and EBITDA of ¥85.0 billion or more for the superstore operations as a whole by FY2025.
- d. Financial services  
 In the finance services, in addition to continuing to expand the ATM platform business, we will focus on the e-money and credit card businesses, etc. Additionally, under the Group financial strategy, we seek to develop distinctive financial services based on “7iD,” an ID that customers can use across the Group, and to provide new value.  
 As part of such efforts, we began linking 7iD and accounts of Seven Bank, Ltd. on February 21, 2024. This initiative is expected to promote further coordination and data utilization, including strengthening coordination between the Bank app and operating companies’ apps and awarding miles to customers when they use financial services. Moreover, through these efforts, we will enhance customers’ store visit frequency and spending per customer in the retail business, while working to propose financial services and develop products using purchasing data.
- e. Others  
 In addition to business growth through new product development, etc., the Group aims to create synergies and achieve sustainable growth for the Group by strengthening collaboration with other segments, including expansion of merchandise supply to

convenience stores and superstores and sharing of customer data through the 7iD platform.

(iv) Capital resources and liquidity of funds

Fund demand

Major demand for working capital of the Group is purchases of goods and operating expenses such as selling, general and administrative expenses. Fund demand aimed at investments is mainly for capital expenditures for opening of new stores, renovation of stores and investments in software, as well as for M&A.

Funds necessary for capital expenditures made during the fiscal year ended February 29, 2024 were procured through loans from financial institutions, issuance of bonds, and funds on hand.

Financial policies

To stably secure funds needed to maintain and expand the Group's business activities, we raise funds through utilization of internal funds as well as loans from financial institutions and issuance of bonds.

We procure long-term funds such as long-term loans and bonds by appropriately judging size and method of financing after taking into account fund demand based on business plans, financing environment such as interest-rate trend, timing of repayment of existing loans, and other factors.

With regard to financial policies, in order to sustainably increase corporate value, we have our basic policy of increasing returns in excess of the cost of capital and enhancing our ability to generate cash flow.

The balance of interest bearing debt including loans, bonds and lease obligations at the end of fiscal year under review was ¥2,814,040 million.

(v) Objective indicators, etc. for judging achievement of management policies, strategies and management targets

In order to sustainably increase corporate value, we have established the following financial targets according to our basic policies of increasing returns (profits) in excess of the cost of capital and enhancing our ability to generate cash flow.

(Key consolidated financial targets for year ending February 28, 2026 (FY2025))

|   | FY2023 results     | FY2025 targets<br>(Announced on April 10, 2024) |
|---|--------------------|---|
| EBITDA                                      | ¥1,054,951 million | ¥1.1 trillion or more                           |
| Operating CF (excluding financial services) | ¥778,398 million   | ¥900 billion or more                            |
| Free CF (excluding financial services)      | ¥391,694 million   | ¥500 billion or more                            |
| ROE   | 6.2%               | 11.5% or more                                   |
| ROIC (excluding financial services)         | 4.1%               | 8.0% or more                                    |
| Debt/EBITDA ratio                           | 2.6 times          | 1.8-2.5 times                                   |
| EPS growth rate (CAGR)                      | —                  | 18% or more                                     |

\* Operating CF (excluding financial services) is a management accounting figure based on NOPAT excluding financial services.

Free CF (excluding financial services) is a management accounting-based figure excluding financial services.

M&A-related investments are regarded as strategic investments and thus are excluded from cash flows from investing activities.

ROIC (excluding financial services) = {Net income + Interest expense x (1 – Effective tax rate)} ÷ {Shareholders' equity + Interest-bearing debt [average of fiscal beginning/end for both figures]}

Net debt/EBITDA (Net Debt: Interest-bearing debt + On-balance-sheet leases – Cash and cash equivalents and other adjustments)

EPS growth rate (CAGR) is estimated based on CAGR (compound annual growth rate) for the year ended February 28, 2021.



- (vi) Significant accounting estimates and assumptions used in such estimates
- The consolidated financial statements of the Group have been prepared in accordance with accounting principles generally accepted in Japan. In the preparation of these consolidated financial statements, we used estimates and assumptions that might affect reported amounts of assets, liabilities, revenue and expenses, but figures based on the estimates and assumptions may differ from actual results.
- Of accounting estimates used in the preparation of the consolidated financial statements and assumptions used in such estimates, significant ones are described in “Significant Accounting Estimates” under “V. Financial Information, 1. Consolidated financial statements and other information, Notes to consolidated financial statements.”

5. [Critical contracts for operation]

(1) Group management administration agreement

The Company has entered into a “Master Agreement for Provision of Group Management Services, etc.” with each of SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd. and 17 other subsidiaries with regard to management administration conducted by the Company for each company.

(2) Franchise agreement

The overview of the franchise agreement between SEVEN-ELEVEN JAPAN CO., LTD. and each franchised store is as follows.

(i) Agreement concluded between the parties (SEVEN-ELEVEN JAPAN CO., LTD. and a franchised store)

a. Name of the agreement

Franchise agreement and supplemental agreement thereto

b. Purpose of the agreement

To form a franchise contractual relationship with a franchised store for convenience store operation under license from SEVEN-ELEVEN JAPAN CO., LTD.

(ii) Matters related to conditions of merchandise sales for franchisees

Except asking for purchase of stock at the time of store opening, SEVEN-ELEVEN JAPAN CO., LTD. does not sell merchandise subsequently, and franchisees buy merchandise from suppliers recommended by SEVEN-ELEVEN JAPAN CO., LTD. or any other suppliers that they choose.

(iii) Matters related to guidance on management

SEVEN-ELEVEN JAPAN CO., LTD. continuously sends a person in charge to the franchised store to have him or her observe the status of the store, merchandise and sales, and provide advice and guidance, or cooperates to solve various problems arising in management. In addition, SEVEN-ELEVEN JAPAN CO., LTD. continues to conduct provision of materials including sales information, effective disclosure of standard retail prices, assistance in various purchases, advertising, business consulting, and calculation and others for management through figures as well as to provide services such as extending credit for purchase of merchandise.

(iv) Matters related to trademark, trade name and other signs allowed to be used

For convenience store management, it is permitted to use the trademark, other business symbols, copyrighted materials of “7-Eleven.”

(v) Matters related to the term of agreement, etc.

The term of agreement is 15 years from the opening day of a new store as a franchisee. A renewal of the agreement is made based on consent through consultation.

(vi) Matters related to money collected regularly from franchisees

The amount derived from certain calculation based on monthly gross profit on sales (amount computed by deducting monthly cost of merchandise sold (net cost of sales calculated by deducting each cost of merchandise loss and defective goods and purchase discounts from gross cost of merchandise sold) from monthly net sales) is paid as consideration for services provided by SEVEN-ELEVEN JAPAN CO., LTD.

(3) Share transfer agreement

The Company’s Board of Directors resolved at its meeting held on November 30, 2023 to approve the execution of an agreement by and between 7-Eleven International LLC (“7IN”), which is the Company’s wholly-owned subsidiary and the joint venture of the Company’s wholly-owned subsidiaries SEVEN ELEVEN JAPAN CO., LTD. and 7-Eleven, Inc., and Australian Company R.G. Withers Nominees Pty Ltd as trustee for R.G. Withers Unit Trust, to acquire all shares of Convenience Group Holdings Pty Ltd, a holder of shares in several companies including 7-Eleven Stores Pty Ltd, which operates convenience store and fuel retail businesses under the 7-Eleven brand as a licensee of the Company in Australia via 7IN’s wholly-owned subsidiary AR BidCo Pty Ltd (hereinafter referred to as the “Transaction”). On the same day, 7IN executed the agreement relating to the Transaction via its wholly-owned subsidiary AR BidCo Pty Ltd with R.G. Withers Nominees Pty Ltd. The Transaction was consummated on April 1, 2024. Details are as described in “Subsequent Event” under “V. Financial Information, 1. Consolidated financial statements and other information, Notes to consolidated financial statements.”

6. [Research and development activities]  
None

### III. [Facilities]

#### 1. [Capital expenditures]

Breakdown of capital expenditures in the fiscal year ended February 29, 2024 is as follows:

(Millions of yen)

| Name of segment                       | Year ended February 29, 2024 |
|---------------------------------------|------------------------------|
| Domestic convenience store operations | 128,460                      |
| Overseas convenience store operations | 192,737                      |
| Superstore operations                 | 46,659                       |
| Financial services                    | 54,679                       |
| Others                                | 26,619                       |
| Eliminations/corporate                | 24,613                       |
| Total                                 | 473,770                      |

- Notes:
1. The amounts above include guarantee deposits and advances for store construction.
  2. The amount for "Eliminations/corporate" is an aggregate of eliminated intersegment transactions and the Company's capital expenditures.

The amount of capital expenditures in the fiscal year ended February 29, 2024 totaled ¥473,770 million. In the domestic convenience store operations and overseas convenience store operations, investments of ¥128,460 million and ¥192,737 million, respectively, were made mainly due to opening of new stores and store renovation. In the superstore operations and the others, investments of ¥46,659 million and ¥26,619 million, respectively, were made mainly due to opening of new stores and store renovation. Furthermore, in the financial services, investments of ¥54,679 million were made mainly for installment of ATMs of Seven Bank, Ltd.

2. [Major facilities]

Major facilities as of February 29, 2024 are as follows.

(1) Breakdown by segment

| Name of segment                       | Book value (Millions of yen) |  |                           |              |                     |                             |          |           | Number of employees (Persons) |
|---------------------------------------|------------------------------|--|---------------------------|--------------|---------------------|-----------------------------|----------|-----------|-------------------------------|
|                                       | Property and equipment       |  |                           |              |                     | Intangible assets           |          | Total     |                               |
|                                       | Buildings and structures     | Furniture, fixtures and equipment, other | Land (m <sup>2</sup> )    | Lease assets | Right-of-use assets | Leasehold interests in land | Software |           |                               |
| Domestic convenience store operations | 361,693                      | 110,796                                  | 115,233<br>[1,458,153]    | 302          | —                   | 15,663                      | 70,099   | 673,788   | 8,598<br>[2,464]              |
| Overseas convenience store operations | 983,831                      | 296,931                                  | 704,585<br>[7,903,192]    | —            | 966,268             | —                           | 74,177   | 3,025,793 | 47,513<br>[27,944]            |
| Superstore operations                 | 225,333                      | 26,088                                   | 250,344<br>[2,463,706]    | 782          | 18,831              | 632                         | 28,353   | 550,366   | 12,949<br>[39,426]            |
| Financial services                    | 13,784                       | 72,073                                   | 13,258<br>[170,065]       | 447          | 41                  | —                           | 46,189   | 145,795   | 1,910<br>[540]                |
| Others                                | 16,343                       | 2,686                                    | 10,496<br>[84,123]        | 578          | 515                 | 468                         | 4,840    | 35,929    | 5,858<br>[8,884]              |
| Corporate (shared)                    | 5,852                        | 6,963                                    | 2,712<br>[3,622]          | 859          | —                   | —                           | 79,106   | 95,494    | 1,074<br>[17]                 |
| Total                                 | 1,606,839                    | 515,539                                  | 1,096,630<br>[12,082,861] | 2,970        | 985,657             | 16,763                      | 302,767  | 4,527,168 | 77,902<br>[79,275]            |

Notes: 1. The amounts above do not include construction in progress.

2. The number of employees represents the number of workers, and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.

3. "Corporate (shared)" represents the facilities and the number of employees of the Company.

(2) The Company

| Name<br>(Location)                                 | Name of<br>segment         | Descrip-<br>tion        | Book value (Millions of yen)          |   |                           |                 |   |               |                 |        | Num-<br>ber of em-<br>ployees<br>(Per-<br>sons) |
|--|----------------------------|-------------------------|---------------------------------------|---|---------------------------|-----------------|---|---------------|-----------------|--------|---|
|  |                            |                         | Property and equipment                |   |                           |                 | Intangible assets                           |               |                 | Total  |   |
|  |                            |                         | Build-<br>ings and<br>struc-<br>tures | Furni-<br>ture,<br>fixtures<br>and equip-<br>ment,<br>other | Land<br>(m <sup>2</sup> ) | Lease<br>assets | Lease-<br>hold<br>inter-<br>ests in<br>land | Soft-<br>ware | Lease<br>assets |        |   |
| Head-<br>quarters<br>(Tokyo<br>Met.)               | Corpo-<br>rate<br>(shared) | Office                  | 1,080                                 | 2,249   | –<br>[–]                  | 859             | –   | 47,728        | 30,370          | 82,287 | 1,070<br>[11]                                   |
| Ito Training<br>Center<br>(Kanagawa<br>Pref.)      | Corpo-<br>rate<br>(shared) | Train-<br>ing<br>center | 1,227                                 | 57  | 2,712<br>[3,622]          | –               | –   | –             | –               | 3,997  | 4<br>[6]  |
| Shin-<br>Yokohama<br>Center<br>(Kanagawa<br>Pref.) | Corpo-<br>rate<br>(shared) | Delivery<br>center      | 3,381                                 | 4,641   | –<br>[–]                  | –               | –   | 3,852         | –               | 11,875 | –<br>[–]  |
| Others   | Corpo-<br>rate<br>(shared) | Others                  | 163                                   | 0   | –<br>[–]                  | –               | –   | 1,385         | –               | 1,549  | –<br>[–]  |

- Notes: 1. The amounts above do not include construction in progress.
2. The number of employees represents the number of workers, and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.

(3) Domestic subsidiaries

(i) SEVEN-ELEVEN JAPAN CO., LTD. (Domestic convenience store operations)

| Name<br>(Location)  | Descrip-<br>tion | Book value (Millions of yen)          |  |                           |                 |  |          |        | Number<br>of em-<br>ployees<br>(Per-<br>sons) |
|---|------------------|---------------------------------------|--|---------------------------|-----------------|--|----------|--------|---|
|   |                  | Property and equipment                |  |                           |                 | Intangible assets                      |          | Total  |   |
|   |                  | Build-<br>ings and<br>struc-<br>tures | Furni-<br>ture,<br>fixtures<br>and<br>equip-<br>ment,<br>other | Land<br>(m <sup>2</sup> ) | Lease<br>assets | Lease-<br>hold<br>interests<br>in land | Software |        |   |
| Minami 7-Jo and 998<br>other stores<br>(Hokkaido)                 | Stores,<br>etc.  | 19,455                                | 4,739  | 13,985<br>[316,986]       | 1               | 439                                    | –        | 38,620 | 45<br>[13]                                    |
| Aomori Nitta 3<br>Chome and 109<br>other stores<br>(Aomori Pref.) | Stores           | 2,203                                 | 607  | 300<br>[5,628]            | –               | 71                                     | –        | 3,183  | 2<br>[1]                                      |
| Ichinoseki Jonai and<br>155 other stores<br>(Iwate Pref.)         | Stores,<br>etc.  | 9,456                                 | 787  | 1,007<br>[67,155]         | 1               | 135                                    | –        | 11,388 | 2<br>[1]                                      |
| Sendai Haranomachi<br>and 433 other stores<br>(Miyagi Pref.)      | Stores           | 8,001                                 | 2,297  | 4,895<br>[57,398]         | 2               | 465                                    | –        | 15,662 | 18<br>[5]                                     |
| Yokote<br>Matsubaramachi and<br>115 other stores<br>(Akita Pref.) | Stores           | 2,377                                 | 614  | 36<br>[2,188]             | 1               | 98                                     | –        | 3,128  | 2<br>[1]                                      |

| Name<br>(Location)   | Description  | Book value (Millions of yen) |  |                        |              |                             |          |        | Number of employees<br>(Persons) |
|--|--------------|------------------------------|--|------------------------|--------------|-----------------------------|----------|--------|----------------------------------|
|  |              | Property and equipment       |  |                        |              | Intangible assets           |          | Total  |                                  |
|  |              | Buildings and structures     | Furniture, fixtures and equipment, other | Land (m <sup>2</sup> ) | Lease assets | Leasehold interests in land | Software |        |                                  |
| Murayama Tateoka Shinmachi and 185 other stores<br>(Yamagata Pref.)  | Stores       | 3,488                        | 908                                      | 729<br>[13,982]        | —            | 180                         | —        | 5,306  | 3<br>[1]                         |
| Koriyama Yatagawa and 453 other stores<br>(Fukushima Pref.)          | Stores       | 5,422                        | 2,452                                    | 1,749<br>[27,113]      | 0            | 253                         | —        | 9,878  | 3<br>[1]                         |
| Tsuchiura Naka and 642 other stores<br>(Ibaraki Pref.)               | Stores       | 10,329                       | 3,294                                    | 3,916<br>[53,954]      | 0            | 497                         | —        | 18,038 | 20<br>[6]                        |
| Oyama Joto and 470 other stores<br>(Tochigi Pref.)                   | Stores       | 7,109                        | 2,372                                    | 3,082<br>[48,777]      | —            | 414                         | —        | 12,980 | 11<br>[3]                        |
| Takasaki Midoricho and 477 other stores<br>(Gunma Pref.)             | Stores       | 8,939                        | 2,438                                    | 3,393<br>[51,134]      | 0            | 514                         | —        | 15,286 | 9<br>[3]                         |
| Saitama Kawajima and 1,243 other stores<br>(Saitama Pref.)           | Stores       | 18,911                       | 6,068                                    | 6,396<br>[43,040]      | 4            | 963                         | —        | 32,344 | 63<br>[18]                       |
| Kakemama and 1,168 other stores<br>(Chiba Pref.)                     | Stores, etc. | 17,578                       | 5,808                                    | 7,759<br>[113,510]     | 13           | 506                         | —        | 31,666 | 38<br>[11]                       |
| Chiyoda Nibancho and 2,891 other stores<br>(Tokyo Met.)              | Stores       | 37,917                       | 14,565                                   | 16,598<br>[49,212]     | 1            | 1,025                       | —        | 70,108 | 162<br>[47]                      |
| Aioi and 1,498 other stores<br>(Kanagawa Pref.)                      | Stores, etc. | 19,586                       | 7,759                                    | 8,118<br>[49,486]      | 2            | 609                         | —        | 36,076 | 62<br>[18]                       |
| Niigata Kurumaba and 429 other stores<br>(Niigata Pref.)             | Stores       | 7,812                        | 2,047                                    | 4,417<br>[64,547]      | 0            | 315                         | —        | 14,593 | 9<br>[3]                         |
| Toyama Nishiosawa and 130 other stores<br>(Toyama Pref.)             | Stores       | 2,279                        | 582                                      | 140<br>[4,339]         | —            | 157                         | —        | 3,160  | 10<br>[3]                        |
| Kanazawa Ishikawa Kenchomae and 131 other stores<br>(Ishikawa Pref.) | Stores       | 3,265                        | 594                                      | 833<br>[21,285]        | —            | 226                         | —        | 4,919  | 15<br>[4]                        |
| Fukui Haruyama 1 Chome and 66 other stores<br>(Fukui Pref.)          | Stores       | 1,630                        | 321                                      | 617<br>[5,876]         | 0            | 87                          | —        | 2,657  | 7<br>[2]                         |
| Kofu Kotobukicho and 205 other stores<br>(Yamanashi Pref.)           | Stores       | 2,966                        | 972                                      | 563<br>[11,792]        | —            | 190                         | —        | 4,693  | 6<br>[2]                         |
| Shiojiri Daimon and 457 other stores<br>(Nagano Pref.)               | Stores       | 6,183                        | 2,228                                    | 1,700<br>[34,188]      | —            | 408                         | —        | 10,521 | 15<br>[4]                        |

| Name<br>(Location)  | Description  | Book value (Millions of yen) |  |                        |              |                             |          |        | Number of employees<br>(Persons) |
|---|--------------|------------------------------|--|------------------------|--------------|-----------------------------|----------|--------|----------------------------------|
|   |              | Property and equipment       |  |                        |              | Intangible assets           |          | Total  |                                  |
|   |              | Buildings and structures     | Furniture, fixtures and equipment, other | Land (m <sup>2</sup> ) | Lease assets | Leasehold interests in land | Software |        |                                  |
| Hashima Takehanacho Hachijiri and 191 other stores (Gifu Pref.) | Stores       | 3,909                        | 931                                      | 705<br>[12,648]        | —            | 298                         | —        | 5,844  | 10<br>[3]                        |
| Shizuoka Oshika and 750 other stores (Shizuoka Pref.)           | Stores       | 11,470                       | 3,545                                    | 4,146<br>[35,337]      | 3            | 532                         | —        | 19,698 | 25<br>[7]                        |
| Nagoya Amazukacho and 1,054 other stores (Aichi Pref.)          | Stores       | 18,640                       | 5,059                                    | 2,665<br>[28,169]      | 2            | 1,449                       | —        | 27,817 | 28<br>[8]                        |
| Kuwana Eba and 175 other stores (Mie Pref.)                     | Stores       | 3,436                        | 950                                      | 122<br>[1,813]         | —            | 139                         | —        | 4,649  | 5<br>[1]                         |
| Otsu Kinoshitacho and 223 other stores (Shiga Pref.)            | Stores       | 3,561                        | 1,018                                    | 1,801<br>[17,367]      | 1            | 245                         | —        | 6,628  | 8<br>[2]                         |
| Kyoto Karasuma Jujo and 354 other stores (Kyoto Pref.)          | Stores       | 5,564                        | 1,805                                    | 570<br>[2,597]         | 0            | 259                         | —        | 8,200  | 22<br>[6]                        |
| Osaka Ono 1 Chome and 1,292 other stores (Osaka Pref.)          | Stores       | 18,250                       | 5,798                                    | 1,648<br>[8,860]       | 1            | 772                         | —        | 26,470 | 87<br>[25]                       |
| JR Hyogo Ekimae and 692 other stores (Hyogo Pref.)              | Stores, etc. | 10,354                       | 3,031                                    | 2,533<br>[33,684]      | 1            | 398                         | —        | 16,319 | 22<br>[6]                        |
| Nara Takabatakecho and 135 other stores (Nara Pref.)            | Stores       | 2,170                        | 592                                      | 62<br>[426]            | 1            | 84                          | —        | 2,910  | 4<br>[1]                         |
| Wakayama Tsuwada and 86 other stores (Wakayama Pref.)           | Stores       | 1,415                        | 441                                      | 180<br>[2,261]         | —            | 49                          | —        | 2,086  | 2<br>[1]                         |
| Yonago Kawasaki and 50 other stores (Tottori Pref.)             | Stores       | 1,536                        | 307                                      | —<br>[—]               | —            | 27                          | —        | 1,871  | 2<br>[1]                         |
| Hamada Aioicho and 63 other stores (Shimane Pref.)              | Stores       | 1,271                        | 294                                      | 133<br>[2,132]         | 1            | 43                          | —        | 1,744  | 6<br>[2]                         |
| Okayama Daigakumae and 314 other stores (Okayama Pref.)         | Stores       | 5,643                        | 1,474                                    | 1,648<br>[22,226]      | 2            | 266                         | —        | 9,036  | 11<br>[3]                        |
| Hiroshima Shimogochi and 597 other stores (Hiroshima Pref.)     | Stores       | 9,477                        | 2,857                                    | 4,746<br>[43,736]      | 2            | 562                         | —        | 17,645 | 27<br>[8]                        |
| Shimonoseki Ozuki and 320 other stores (Yamaguchi Pref.)        | Stores       | 5,616                        | 1,520                                    | 2,175<br>[38,715]      | 2            | 369                         | —        | 9,683  | 11<br>[3]                        |



| Name<br>(Location)  | Description   | Book value (Millions of yen) |  |                        |              |                             |          |        | Number of employees<br>(Persons) |
|---|---------------|------------------------------|--|------------------------|--------------|-----------------------------|----------|--------|----------------------------------|
|   |               | Property and equipment       |  |                        |              | Intangible assets           |          | Total  |                                  |
|   |               | Buildings and structures     | Furniture, fixtures and equipment, other | Land (m <sup>2</sup> ) | Lease assets | Leasehold interests in land | Software |        |                                  |
| Tokushima Showacho and 83 other stores<br>(Tokushima Pref.)         | Stores        | 1,052                        | 439                                      | 322<br>[4,768]         | 0            | 6                           | –        | 1,822  | 2<br>[1]                         |
| Takamatsu Sunport and 106 other stores<br>(Kagawa Pref.)            | Stores, etc.  | 3,027                        | 562                                      | 736<br>[26,418]        | –            | 40                          | –        | 4,366  | 2<br>[1]                         |
| Matsuyama-shi Ekimae and 126 other stores<br>(Ehime Pref.)          | Stores        | 2,243                        | 758                                      | 66<br>[1,048]          | –            | 95                          | –        | 3,163  | 2<br>[1]                         |
| Kochi Hommachi 1 Chome and 47 other stores<br>(Kochi Pref.)         | Stores        | 810                          | 294                                      | –<br>[–]               | 2            | 26                          | –        | 1,134  | 7<br>[2]                         |
| Hakata Sumiyoshibashi and 1,044 other stores<br>(Fukuoka Pref.)     | Stores, etc.  | 16,939                       | 5,081                                    | 3,831<br>[30,552]      | 1            | 1,100                       | –        | 26,954 | 40<br>[12]                       |
| Tosu Sonezakimachi and 191 other stores<br>(Saga Pref.)             | Stores        | 3,486                        | 998                                      | 823<br>[18,733]        | 0            | 179                         | –        | 5,487  | 4<br>[1]                         |
| Nagasaki Matsuyamamachi and 204 other stores<br>(Nagasaki Pref.)    | Stores        | 3,446                        | 1,098                                    | –<br>[–]               | 2            | 176                         | –        | 4,723  | 11<br>[3]                        |
| Kumamoto Nuyamazu 4 Chome and 370 other stores<br>(Kumamoto Pref.)  | Stores        | 7,882                        | 1,954                                    | 1,586<br>[15,967]      | 3            | 296                         | –        | 11,724 | 11<br>[3]                        |
| Oita Benten and 185 other stores<br>(Oita Pref.)                    | Stores        | 3,798                        | 1,064                                    | 63<br>[3,212]          | –            | 156                         | –        | 5,082  | 5<br>[1]                         |
| Miyazaki Hiroshima 2 Chome and 200 other stores<br>(Miyazaki Pref.) | Stores        | 3,930                        | 1,163                                    | 562<br>[9,996]         | 1            | 154                         | –        | 5,812  | 2<br>[1]                         |
| Kagoshima Kukomae and 210 other stores<br>(Kagoshima Pref.)         | Stores        | 4,313                        | 1,172                                    | 495<br>[13,671]        | 0            | 123                         | –        | 6,106  | 2<br>[1]                         |
| Headquarters and regional offices, etc.<br>(Tokyo Met. & others)    | Offices, etc. | 2,624                        | 3,205                                    | 1,522<br>[14,031]      | 237          | 105                         | 70,542   | 78,237 | 7,473<br>[2,166]                 |

- Notes: 1. The amounts above do not include construction in progress.
2. Stores show the total number of franchised stores (franchisees) and training stores (directly managed stores), and for franchised stores (franchisees), only lent equipment owned by the Company is shown.
3. The number of employees represents the number of workers, and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.

## (ii) Ito-Yokado Co., Ltd. (Superstore operations)

| Name<br>(Location)  | Description     | Book value (Millions of yen)          |  |                           |                 |   |               |                 |         | Number<br>of em-<br>ployees<br>(Per-<br>sons) |
|---|-----------------|---------------------------------------|--|---------------------------|-----------------|---|---------------|-----------------|---------|---|
|   |                 | Property and equipment                |  |                           |                 | Intangible assets                           |               |                 | Total   |   |
|   |                 | Build-<br>ings and<br>struc-<br>tures | Furni-<br>ture,<br>fixtures<br>and<br>equip-<br>ment,<br>other | Land<br>(m <sup>2</sup> ) | Lease<br>assets | Lease-<br>hold<br>inter-<br>ests in<br>land | Soft-<br>ware | Lease<br>assets |         |   |
| Kitami and 5<br>other stores<br>(Hokkaido)                  | Stores,<br>etc. | 2,942                                 | 152  | —<br>[6,645]              | 4               | —   | —             | —               | 3,099   | 166<br>[770]                                  |
| Hirosaki and 3<br>other stores<br>(Aomori Pref.)            | Stores,<br>etc. | —                                     | —  | —<br>[62,622]             | —               | —   | —             | —               | —       | 105<br>[451]                                  |
| Hanamaki<br>(Iwate Pref.)                                   | Stores,<br>etc. | —                                     | —  | —<br>[43,056]             | —               | —   | —             | —               | —       | 22<br>[86]                                    |
| Ishinomaki<br>Akebono<br>(Miyagi Pref.)                     | Stores,<br>etc. | —                                     | —  | —<br>[—]                  | —               | —   | —             | —               | —       | 8<br>[47]                                     |
| Fukushima and<br>1 other store<br>(Fukushima<br>Pref.)      | Stores,<br>etc. | 114                                   | 9  | 669<br>[10,419]           | 3               | —   | —             | —               | 796     | 58<br>[194]                                   |
| Ryugasaki<br>(Ibaraki Pref.)                                | Stores,<br>etc. | —                                     | —  | —<br>[—]                  | —               | —   | —             | —               | —       | 29<br>[108]                                   |
| Utsunomiya<br>(Tochigi Pref.)                               | Stores,<br>etc. | —                                     | —  | —<br>[—]                  | —               | —   | —             | —               | —       | 31<br>[130]                                   |
| Urawa and 41<br>other stores<br>(Saitama Pref.)             | Stores,<br>etc. | 18,417                                | 2,480  | 25,077<br>[176,469]       | 481             | 28  | —             | —               | 46,485  | 853<br>[3,320]                                |
| Kashiwa and 42<br>other stores<br>(Chiba Pref.)             | Stores,<br>etc. | 12,529                                | 1,411  | 11,898<br>[157,242]       | 521             | 70  | —             | —               | 26,430  | 870<br>[3,417]                                |
| Takasago and<br>48 other stores<br>(Tokyo Met.)             | Stores,<br>etc. | 33,015                                | 3,091  | 67,957<br>[181,888]       | 630             | 252   | —             | —               | 104,947 | 1,447<br>[5,123]                              |
| Sagamihara<br>and 58 other<br>stores<br>(Kanagawa<br>Pref.) | Stores,<br>etc. | 37,491                                | 3,490  | 60,378<br>[214,820]       | 773             | 55  | —             | —               | 102,190 | 1,286<br>[5,471]                              |
| Kofu Showa<br>(Yamanashi<br>Pref.)                          | Stores,<br>etc. | 1,939                                 | 107  | 1,921<br>[8,893]          | 11              | —   | —             | —               | 3,979   | 27<br>[147]                                   |
| Minami<br>Matsumoto and<br>1 other store<br>(Nagano Pref.)  | Stores,<br>etc. | 2,989                                 | 59   | 3,983<br>[81,921]         | 7               | —   | —             | —               | 7,041   | 43<br>[206]                                   |
| Yanaizu<br>(Gifu Pref.)                                     | Stores,<br>etc. | 38                                    | 11   | —<br>[—]                  | 10              | —   | —             | —               | 61      | 23<br>[66]                                    |
| Shizuoka and 1<br>other store<br>(Shizuoka Pref.)           | Stores,<br>etc. | 2,579                                 | 371  | 5,170<br>[26,238]         | 50              | —   | —             | —               | 8,172   | 72<br>[281]                                   |
| Chita and 3<br>other stores<br>(Aichi Pref.)                | Stores,<br>etc. | 2,139                                 | 225  | 8,533<br>[65,147]         | 31              | —   | —             | —               | 10,930  | 99<br>[412]                                   |

| Name<br>(Location)                                     | Descrip-<br>tion  | Book value (Millions of yen)          |  |                           |                 |   |               |                 |        | Number<br>of em-<br>ployees<br>(Per-<br>sons) |
|--|-------------------|---------------------------------------|--|---------------------------|-----------------|---|---------------|-----------------|--------|---|
|  |                   | Property and equipment                |  |                           |                 | Intangible assets                           |               |                 | Total  |   |
|  |                   | Build-<br>ings and<br>struc-<br>tures | Furni-<br>ture,<br>fixtures<br>and<br>equip-<br>ment,<br>other | Land<br>(m <sup>2</sup> ) | Lease<br>assets | Lease-<br>hold<br>inter-<br>ests in<br>land | Soft-<br>ware | Lease<br>assets |        |   |
| Tsukuno and 3<br>other stores<br>(Osaka Pref.)         | Stores,<br>etc.   | 9,495                                 | 867  | 3,653<br>[32,284]         | 52              | —   | —             | —               | 14,068 | 134<br>[743]                                  |
| Kakogawa and<br>2 other stores<br>(Hyogo Pref.)        | Stores,<br>etc.   | 1,194                                 | 315  | —<br>[—]                  | 8               | —   | —             | —               | 1,518  | 90<br>[415]                                   |
| Headquarters<br>and others<br>(Tokyo Met. &<br>others) | Offices<br>, etc. | 3,261                                 | 386  | 5,114<br>[67,304]         | 194             | 10  | 12,357        | —               | 21,324 | 1,264<br>[418]                                |

- Notes: 1. The amounts above do not include construction in progress or software in progress.
2. The number of employees represents the number of workers, and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.
3. Headquarters and others include land, etc. of stores that were closed.

(iii) York-Benimaru Co., Ltd. (Superstore operations)

| Name<br>(Location)                                    | Description   | Book value (Millions of yen) |  |                        |              |                             |          |        | Number of employees<br>(Persons) |
|---|---------------|------------------------------|--|------------------------|--------------|-----------------------------|----------|--------|----------------------------------|
|   |               | Property and equipment       |  |                        |              | Intangible assets           |          | Total  |                                  |
|   |               | Buildings and structures     | Furniture, fixtures and equipment, other | Land (m <sup>2</sup> ) | Lease assets | Leasehold interests in land | Software |        |                                  |
| Yanome and 79 other stores<br>(Fukushima Pref.)       | Stores        | 22,838                       | 1,444                                    | 16,073<br>[309,058]    | 4,040        | —                           | —        | 44,396 | 872<br>[5,398]                   |
| Yamoto and 64 other stores<br>(Miyagi Pref.)          | Stores        | 17,968                       | 1,052                                    | 8,556<br>[151,567]     | 3,092        | —                           | —        | 30,669 | 661<br>[4,131]                   |
| Yonezawa and 21 other stores<br>(Yamagata Pref.)      | Stores        | 7,484                        | 347                                      | 2,122<br>[46,297]      | 1,213        | —                           | —        | 11,168 | 214<br>[1,154]                   |
| Ujiie and 34 other stores<br>(Tochigi Pref.)          | Stores        | 9,218                        | 472                                      | 6,610<br>[227,228]     | 1,581        | —                           | —        | 17,883 | 394<br>[2,048]                   |
| Akatsuka and 45 other stores<br>(Ibaraki Pref.)       | Stores        | 10,532                       | 758                                      | 10,619<br>[259,217]    | 2,172        | —                           | —        | 24,083 | 482<br>[2,559]                   |
| Headquarters and others<br>(Fukushima Pref. & others) | Offices, etc. | 10,978                       | 3,365                                    | 8,005<br>[271,168]     | 260          | —                           | 1,965    | 24,576 | 509<br>[893]                     |

- Notes: 1. The amounts above do not include construction in progress or software in progress.
2. The number of employees represents the number of workers, and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.
3. Headquarters and others include land, etc. of stores that were closed.

(4) Foreign subsidiaries

| Company name   | Location   | Name of segment                       | Description  | Book value (Millions of yen) |  |                        |                     |          |           | Number of employees (Persons) |
|----------------|------------|---------------------------------------|--------------|------------------------------|--|------------------------|---------------------|----------|-----------|-------------------------------|
|                |            |                                       |              | Buildings and structures     | Furniture, fixtures and equipment, other | Land (m <sup>2</sup> ) | Right-of-use assets | Software | Total     |                               |
| 7-Eleven, Inc. | U.S. Texas | Overseas convenience store operations | Stores, etc. | 980,838                      | 293,005                                  | 702,402<br>[7,869,922] | 950,971             | 74,159   | 3,001,376 | 46,103<br>[27,306]            |

Notes: 1. The amounts above do not include construction in progress.

2. The number of employees represents the number of workers, and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.

3. [Plans for new construction and disposal of facilities]

(1) New construction of important facilities

| Company name                 | Name (Location)          | Name of segment                       | Description                              | Expenditure plan               |                               | Financing method        | Start date   | Scheduled completion date |
|------------------------------|--------------------------|---------------------------------------|--|--------------------------------|-------------------------------|-------------------------|--------------|---------------------------|
|                              |                          |                                       |  | Total amount (Millions of yen) | Paid amount (Millions of yen) |                         |              |                           |
| SEVEN-ELEVEN JAPAN CO., LTD. | Tokyo Met. & others      | Domestic convenience store operations | New store construction, renovation, etc. | 170,000                        | 9,234                         | Funds on hand           | January 2024 | February 2025             |
| 7-Eleven, Inc.               | U.S. Texas, etc.         | Overseas convenience store operations | New store construction, renovation, etc. | 351,630                        | —                             | Funds on hand and loans | January 2024 | December 2024             |
| Ito-Yokado Co., Ltd.         | Tokyo Met. & others      | Superstore operations                 | Store renovation, etc.                   | 64,400                         | —                             | Funds on hand           | March 2024   | February 2025             |
| York-Benimaru Co., Ltd.      | Fukushima Pref. & others | Superstore operations                 | New store construction, renovation, etc. | 29,300                         | —                             | Funds on hand           | March 2024   | February 2025             |

(2) Disposal of important facilities

None

#### IV. [Information about the Company]

##### 1. [Information about shares, etc.]

###### (1) [Total number of shares, etc.]

###### (i) [Total number of shares]

| Type         | Number of shares authorized to be issued (Shares) |
|--------------|---|
| Common stock | 4,500,000,000                                     |
| Total        | 4,500,000,000                                     |

Note: The Company resolved, at a meeting of the Board of Directors held on November 30, 2023, to amend its Articles of Incorporation accompanying a share split with an effective date of March 1, 2024. As a result, the total number of shares authorized to be issued increased by 5,500,000,000 shares to 10,000,000,000 shares.

###### (ii) [Issued shares]

| Type         | As of end of fiscal year<br>Number of issued shares (Shares)<br>(February 29, 2024) | As of filing date<br>Number of issued shares (Shares)<br>(May 29, 2024) | Name of financial instruments exchange on which shares are listed or name of authorized financial instruments firms association with which Company has registered | Description                                 |
|--------------|---|---|---|---|
| Common stock | 877,742,183   | 2,633,226,549   | Tokyo Stock Exchange Prime Market   | Number of shares per share unit: 100 shares |
| Total        | 877,742,183   | 2,633,226,549   | —   | —   |

Notes: 1. "Number of shares issued as of the filing date" does not include the number of shares issued upon exercise of share subscription rights from May 1, 2024 until the filing date of this Annual Securities Report.

2. The Company implemented a three-for-one share split of its common stock on March 1, 2024 in accordance with the resolution adopted by the Board of Directors at its meeting held on November 30, 2023. As a result, the total number of shares issued increased by 1,755,484,366 shares to 2,633,226,549 shares.

(2) [Share subscription rights]

(i) [Details of stock option program]

Share subscription rights issued based on the Companies Act are as follows.

Shown below is information as of the end of the fiscal year under review (February 29, 2024). Data that have changed during the end of the fiscal year under review to the end of the month prior to the date of filing (April 30, 2024) are shown in brackets as data as of April 30, 2024, while other data have not changed from the end of the fiscal year under review.

|  | 15th   | 17th  | 19th  |
|--|--|---|---|
| Date of resolution of the Annual Shareholders' Meeting   | –  | –   | –   |
| Date of resolution of the Board of Directors meeting   | July 7, 2015   | July 7, 2016  | July 6, 2017  |
| Category and number of grantees  | Directors of the Company (excluding Outside Directors): 8  | Directors of the Company (excluding Outside Directors): 7                   | Directors of the Company (excluding Outside Directors): 6                   |
| Number of share subscription rights (Units)  | 30   | 30  | 30  |
| Number of share subscription rights to treasury stock (Units)  | –  | –   | –   |
| Class of shares to be acquired upon exercise of the share subscription rights  | Common stock   | Same as left  | Same as left  |
| Number of shares to be acquired upon exercise of the share subscription rights (Shares) (Note 1)   | 3,000 [9,000]<br>(Note 5)  | 3,000 [9,000]<br>(Note 5)   | 3,000 [9,000]<br>(Note 5)   |
| Amount to be paid in upon exercise of share subscription rights (Yen)  | 1  | Same as left  | Same as left  |
| Exercise period of share subscription rights   | From February 29, 2016 to August 5, 2035   | From February 28, 2017 to August 3, 2036                                    | From February 28, 2018 to August 4, 2037                                    |
| Share issue price and amount incorporated into capital per share in the event of issuance of shares upon exercise of share subscription rights (Yen) | Issue price: 5,330 [1,776]<br>Amount incorporated into capital (Notes 2, 5)                                      | Issue price: 3,613 [1,204]<br>Amount incorporated into capital (Notes 2, 5) | Issue price: 3,698 [1,232]<br>Amount incorporated into capital (Notes 2, 5) |
| Conditions for exercise of share subscription rights   | (Note 3)   | Same as left  | Same as left  |
| Transfer of share subscription rights  | Acquisition of share subscription rights by transfer shall require approval of the Company's Board of Directors. | Same as left  | Same as left  |
| Subrogation payment  | –  | –   | –   |
| Delivery of share subscription rights associated with internal reorganization  | (Note 4)   | Same as left  | Same as left  |

|  |  |
|--|--|
|  | 21st   |
| Date of resolution of the Annual Shareholders' Meeting   | —  |
| Date of resolution of the Board of Directors meeting   | July 5, 2018   |
| Category and number of grantees  | Directors of the Company (excluding Outside Directors): 7  |
| Number of share subscription rights (Units)  | 30   |
| Number of share subscription rights to treasury stock (Units)  | —  |
| Class of shares to be acquired upon exercise of the share subscription rights  | Common stock   |
| Number of shares to be acquired upon exercise of the share subscription rights (Shares) (Note 1)   | 3,000 [9,000]<br>(Note 5)  |
| Amount to be paid in upon exercise of share subscription rights (Yen)  | 1  |
| Exercise period of share subscription rights   | From February 28, 2019 to August 3, 2038   |
| Share issue price and amount incorporated into capital per share in the event of issuance of shares upon exercise of share subscription rights (Yen) | Issue price: 3,806 [1,268]<br>Amount incorporated into capital (Notes 2, 5)                                      |
| Conditions for exercise of share subscription rights   | (Note 3)   |
| Transfer of share subscription rights  | Acquisition of share subscription rights by transfer shall require approval of the Company's Board of Directors. |
| Subrogation payment  | —  |
| Delivery of share subscription rights associated with internal reorganization  | (Note 4)   |

Notes: 1. The number of shares to be issued upon exercise of one share subscription right (hereinafter the "Number of Allotted Shares") shall be 100 shares.

If the Company conducts a share split, allotment of shares without contribution or consolidation of shares after the date of allotting share subscription rights, the Number of Allotted Shares shall be adjusted by the following formula. However, such adjustment shall be made to the number of shares to be issued upon exercise of the share subscription rights which remain unexercised at the time of the share split, allotment or consolidation, and any fractions less than one share resulting from the adjustment shall be rounded off.

Adjusted number of shares = unadjusted number of shares × ratio of split or consolidation

Furthermore, other than the above case, if there is any unavoidable reason requiring adjustment of the number of shares after the allotment date, the Company shall make adjustment to the number of shares that it considers necessary to a reasonable extent.

2. Amount incorporated into capital

(1) The amount of increase in capital stock resulting from issuance of shares upon exercise of share subscription rights shall be one-half of the maximum amount of increase in capital stock, etc. calculated in accordance with the provisions of Article 17, paragraph (1) of the Regulations on Corporate Accounting, and any fractions less than ¥1 resulting from the calculation shall be rounded up.

(2) The amount of increase in additional paid-in capital resulting from issuance of shares upon exercise of share subscription rights shall be the amount calculated by deducting the amount of increase in capital

stock as stipulated in (1) above from the maximum amount of increase in capital stock, etc. stated in (1) above.

3. Conditions for exercise of share subscription rights are as follows:
  - (1) A share subscription right holder may exercise the share subscription rights only within ten (10) days from the day following the day he/she loses his/her position as a Director or Executive Officer of the Company, or as a Director or Executive Officer of a subsidiary of the Company.
  - (2) Regardless of the condition set forth in (1) above, in the event that a shareholders' meeting of the Company (if a resolution of the shareholders' meeting is not required, then in the event that the Company's Board of Directors) approves a resolution for approval of a merger agreement in which the Company is the dissolved company or a resolution for approval of a share exchange agreement or a share transfer plan resulting in the Company becoming a wholly owned subsidiary of another company, then the share subscription right holder may exercise the share subscription rights only within thirty (30) days from the day following the day on which the resolution was approved.
  - (3) If the share subscription right holder is a Director or Executive Officer of a subsidiary of the Company, then regardless of the condition set forth in (1) above, in the event that the company in question ceases to be a subsidiary of the Company (including but not limited to circumstances resulted from internal reorganization or the transfer of stock), then the share subscription right holder may exercise the share subscription rights only within thirty (30) days from the day following the day on which the company in question ceases to be a subsidiary of the Company.
  - (4) The share subscription right holder is to exercise at one time all of the share subscription rights allotted.
  - (5) If a share subscription right holder passes away, his/her heir may exercise such rights. The conditions for exercising the share subscription rights by the heir shall be as set forth in the agreement referred to in (6) below.
  - (6) Other conditions shall be as set forth in the "Share Subscription Rights Allotment Agreement" entered into upon each issuance between the Company and the share subscription right holders based on a resolution of the Board of Directors.
4. When the Company implements a merger (limited to the case where the Company is dissolved due to the merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (hereinafter collectively referred to as "Internal Reorganization"), in each case, share subscription rights of any stock company listed in Article 236, paragraph (1), item (viii), (a) to (e) of the Companies Act (hereinafter the "Reorganized Company") shall be delivered to each share subscription right holder of share subscription rights remaining at the time when the Internal Reorganization takes effect (hereinafter "Remaining Share Subscription Rights") based on the following conditions. In this case, Remaining Share Subscription Rights shall be extinguished. However, this shall apply only if it is stipulated in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split agreement, share exchange agreement, or share transfer plan that share subscription rights of the Reorganized Company are delivered in line with the following conditions.
  - (1) Number of share subscription rights of the Reorganized Company to be delivered  
Share subscription rights shall be each delivered in the number equal to the number of share subscription rights owned by share subscription right holders of Remaining Share Subscription Rights at the time when the Internal Reorganization takes effect.
  - (2) Class of shares of the Reorganized Company to be acquired upon exercise of the share subscription rights  
It shall be common stock of the Reorganized Company.
  - (3) Number of shares of the Reorganized Company to be acquired upon exercise of the share subscription rights  
It shall be determined in accordance with "Class of shares to be acquired upon exercise of the share subscription rights" and "Number of shares to be acquired upon exercise of the share subscription rights" provided above, taking into account the conditions of the Internal Reorganization and other factors.
  - (4) Amount of property contributed upon exercise of the share subscription rights  
The amount of property contributed upon exercise of the share subscription rights to be delivered shall be the amount derived by multiplying adjusted exercise price after the reorganization by the number of shares to be acquired upon exercise of the share subscription rights, taking into account the conditions of the Internal Reorganization and other factors.
  - (5) Exercise period of share subscription rights  
It shall be from the later of the commencement date of the exercise period of the remaining share subscription rights set forth in "Exercise period of share subscription rights" above or the effective date of the Internal Reorganization, to the last day of the exercise period of the Remaining Share Subscription Rights set forth in "Exercise period of share subscription rights."
  - (6) Matters concerning the amount of increase in capital stock and additional paid-in capital resulting from issuance of shares upon exercise of share subscription rights



It shall be determined in accordance with “Share issue price and amount incorporated into capital per share in the event of issuance of shares upon exercise of share subscription rights” above.

(7) Restrictions on acquisition of share subscription rights by transfer

Acquisition of share subscription rights by transfer shall require approval by resolution of the board of directors (if the Reorganized Company is not a company with board of directors, then it shall be “by decision of directors”) of the Reorganized Company.

(8) Reasons and conditions for the acquisition of share subscription rights by the Reorganized Company

It shall be determined in accordance with the reasons and conditions for the acquisition of share subscription rights.

Reasons and conditions for the acquisition of share subscription rights are as follows:

- (i) In the event that a shareholders’ meeting of the Company (if a resolution of the shareholders’ meeting is not required, then in the event that the Company’s Board of Directors) approves a resolution for approval of a merger agreement in which the Company is the dissolved company, a resolution for approval of a company split agreement or a company split plan in which the Company is the split company, or a resolution for approval of a share exchange agreement or a share transfer plan resulting in the Company becoming a wholly owned subsidiary of another company, then the Company may acquire the share subscription rights without compensation on the date separately specified by the Board of Directors.
- (ii) In the event that share subscription right holders can no longer meet the conditions for exercise stated in “Conditions for exercise of share subscription rights” above, the Company shall be able to acquire their share subscription rights without compensation.
- (iii) In the event that share subscription right holders violate the provisions of the “Share Subscription Rights Allotment Agreement” entered into upon each issuance, the Company shall be able to acquire their share subscription rights without compensation.

(9) Conditions for exercise of share subscription rights

It shall be determined in accordance with “Conditions for exercise of share subscription rights” above.

5. By resolution of the Board of Directors adopted at its meeting held on November 30, 2023, the Company implemented a three-for-one share split of its common stock on March 1, 2024. As a result, “Number of shares to be acquired upon exercise of the share subscription rights” and “Share issue price and amount incorporated into capital per share in the event of issuance of shares upon exercise of share subscription rights” are adjusted.

(ii) [Rights plan]

None

(iii) [Share subscription rights for other uses]

None

(3) [Exercise of bond certificates with share subscription rights with exercise price amendment clause]

None

(4) [Trends in total number of shares issued and capital stock]

| Date                       | Change in total number of shares issued (Thousands of shares) | Balance of total number of shares issued (Thousands of shares) | Change in capital stock (Millions of yen) | Balance of capital stock (Millions of yen) | Change in additional paid-in capital (Millions of yen) | Balance of additional paid-in capital (Millions of yen) |
|----------------------------|---|--|---|--|--|---|
| February 29, 2024 (Note 1) | (8,699)   | 877,742  | —   | 50,000                                     | —  | 875,496   |

Notes: 1. The decrease in total number of shares issued is due to retirement of treasury stock based on the provisions of Article 178 of the Companies Act.

2. The Company implemented a three-for-one share split of its common stock on March 1, 2024. As a result, the total number of shares issued increased by 1,755,484 thousand shares.

## (5) [Classification of shareholders]

February 29, 2024

February 29, 2024

| Category                         | Shares (Number of shares constituting one unit: 100 shares) |                        |                      |                             |                        |             |                        |           | Odd-lot shares (Shares) |
|----------------------------------|---|------------------------|----------------------|-----------------------------|------------------------|-------------|------------------------|-----------|-------------------------|
|                                  | Governmental organizations                                  | Financial institutions | Securities companies | Other Japanese corporations | Foreign shareholders   |             | Individuals and others | Total     |                         |
|                                  |   |                        |                      |                             | Other than individuals | Individuals |                        |           |                         |
| Number of shareholders (Persons) | –   | 176                    | 39                   | 1,152                       | 871                    | 120         | 62,471                 | 64,829    | –                       |
| Number of shares held (Units)    | –   | 2,772,867              | 536,465              | 1,474,311                   | 3,169,214              | 537         | 818,508                | 8,771,902 | 551,983                 |
| Shareholding ratio (%)           | –   | 31.61                  | 6.12                 | 16.81                       | 36.13                  | 0.01        | 9.33                   | 100.00    | –                       |

- Notes: 1. As for treasury stock of 1,838,927 shares, 18,389 units are included in “individuals and others,” and 27 shares are included in “odd-lot shares.” In addition, it is equal to the actual number of shares held as of February 29, 2024.
2. “Financial institutions” includes the shares of the Company held by the BIP Trust and the ESOP Trust of 9,914 units and 5,852 units, respectively. These shares are presented as treasury stock in the consolidated financial statements and the nonconsolidated financial statements.
3. “Other Japanese corporations” includes 10 units of shares under the name of Japan Securities Depository Center.

## (6) [Major shareholders]

February 29, 2024

| Name  | Address   | Number of shares held (Thousands of shares) | Percentage of number of shares held in the total number of shares issued (excluding treasury stock) (%) |
|---|---|---|---|
| The Master Trust Bank of Japan, Ltd. (Trust account)  | 8-1, 1-chome, Akasaka, Minato-ku, Tokyo   | 129,904                                     | 14.83   |
| Ito-Kogyo Co., Ltd.   | 12-3, Gobancho, Chiyoda-ku, Tokyo   | 70,701                                      | 8.07  |
| Custody Bank of Japan, Ltd. (Trust account)   | 8-12, 1-chome, Harumi, Chuo-ku, Tokyo   | 44,644                                      | 5.09  |
| JP MORGAN CHASE BANK 385632<br>(Standing proxy: Mizuho Bank, Ltd.)                                      | 25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM<br>15-1, 2-chome, Konan, Minato-ku, Tokyo | 33,070                                      | 3.77  |
| SSBTC CLIENT OMNIBUS ACCOUNT<br>(Standing proxy: The Hongkong and Shanghai Banking Corporation Limited) | ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS<br>(11-1, 3-chome, Nihonbashi, Chuo-ku, Tokyo)      | 21,938                                      | 2.50  |
| SMBC Nikko Securities Inc.  | 3-1, 3-chome, Marunouchi, Chiyoda-ku, Tokyo   | 18,905                                      | 2.15  |
| Nippon Life Insurance Company<br>(Standing proxy: The Master Trust Bank of Japan, Ltd.)                 | 6-6, 1-chome, Marunouchi, Chiyoda-ku, Tokyo<br>(8-1, 1-chome, Akasaka, Minato-ku, Tokyo)                | 17,672                                      | 2.01  |
| MITSUI & CO., LTD.<br>(Standing proxy: Custody Bank of Japan, Ltd.)                                     | 2-1, 1-chome, Otemachi, Chiyoda-ku, Tokyo<br>(8-12, 1-chome, Harumi, Chuo-ku, Tokyo)                    | 16,222                                      | 1.85  |
| STATE STREET BANK WEST CLIENT — TREATY 505234<br>(Standing proxy: Mizuho Bank, Ltd.)                    | 1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A.<br>(15-1, 2-chome, Konan, Minato-ku, Tokyo)         | 14,317                                      | 1.63  |
| JAPAN SECURITIES FINANCE CO., LTD.  | 2-10, 1-chome, Nihonbashi-Kayabacho, Chuo-ku, Tokyo   | 12,419                                      | 1.41  |
| Total   | —   | 379,796                                     | 43.36   |

- Notes: 1. Of the number of shares of the Company held in The Master Trust Bank of Japan, Ltd. (Trust account), 127,699 thousand shares are shares owned in trust for trust business (such as securities investment trust).
2. Of the number of shares of the Company held in Custody Bank of Japan, Ltd. (Trust account), 43,192 thousand shares are shares owned in trust for trust business (such as securities investment trust).
3. Treasury stock excluded from the above shares issued does not include the shares of the Company held by the BIP Trust and the ESOP Trust.

(7) [Voting rights]  
(i) [Issued shares]

February 29, 2024

| Category  | Number of shares (Shares)                  | Number of voting rights (Units) | Description |
|---|--|---------------------------------|-------------|
| Shares without voting rights                                | —  | —                               | —           |
| Shares with restricted voting rights (Treasury stock, etc.) | —  | —                               | —           |
| Shares with restricted voting rights (Other)                | —  | —                               | —           |
| Shares with full voting rights (Treasury stock, etc.)       | (Treasury stock)<br>Common stock 1,838,900 | —                               | —           |
|   | (Cross-held shares)<br>Common stock 45,400 | —                               |             |
| Shares with full voting rights (Other)                      | Common stock 875,305,900                   | 8,753,059                       | —           |
| Odd-lot shares  | Common stock 551,983                       | —                               | —           |
| Total number of shares issued                               | 877,742,183                                | —                               | —           |
| Total number of voting rights                               | —  | 8,753,059                       | —           |

- Notes: 1. "Common stock in shares with full voting rights (Other)" includes 1,000 shares of shares under the name of Japan Securities Depository Center. "Number of voting rights" includes 10 voting rights related to shares with full voting rights under the name of said center.
2. Common stock in "Shares with full voting rights (Other)" includes 991,400 shares (number of voting rights: 9,914) of the shares of the Company held by the BIP Trust and 585,200 shares (number of voting rights: 5,852) of the shares of the Company held by the ESOP Trust.

(ii) [Treasury stock, etc.]

February 29, 2024

| Name of shareholder                              | Address of shareholder   | Number of shares held under own name (Shares) | Number of shares held under the name of others (Shares) | Total number of shares held (Shares) | Percentage of number of shares held in the total number of shares issued (%) |
|--|--|---|---|--------------------------------------|--|
| (Treasury stock)<br>Seven & i Holdings Co., Ltd. | 8-8, Nibancho, Chiyoda-ku, Tokyo                                     | 1,838,900                                     | —   | 1,838,900                            | 0.20   |
| (Cross-held shares)<br>PRIME DELICA CO., LTD.    | 7-1, 1-chome, Asamizodai, Minami-ku, Sagami-hara-shi, Kanagawa Pref. | 45,400  | —   | 45,400                               | 0.00   |
| Total  | —  | 1,884,300                                     | —   | 1,884,300                            | 0.21   |

Note: The shares of the Company held by the BIP Trust and the ESOP Trust are not included in the above treasury stock.

(8) [Details of officer and employee share ownership programs]  
(Performance-Based Stock Compensation Plan for Directors)

The Company has introduced a Performance-Based Stock Compensation Plan (hereinafter the "Plan") for Directors of the Company (excluding nonexecutive Directors and Directors residing overseas, the same applies hereinafter) using the Directors' Compensation BIP (Board Incentive Plan) Trust (hereinafter "BIP Trust"), mainly aiming to raise willingness to contribute to the improvement of medium- and long-term corporate value and to share interests with shareholders.

- (i) Outline of the Plan  
The Plan is a program in which shares of the Company and others are granted to persons eligible for the BIP Trust depending on the position and the achievement level of performance targets, etc. in each fiscal year.  
The covered period of the BIP Trust shall be three fiscal years from the fiscal year ended February 29, 2024 to the fiscal year ending February 28, 2026 (hereinafter the "Covered Period"). When the BIP Trust is continued, the following three fiscal years shall be the new Covered Period.
- (ii) Total number of shares or total amount of money to be acquired by officers  
As compensation granted to persons eligible for the ESOP Trust in the Covered Period, money of up to ¥1,200 million shall be contributed. In addition, the maximum number of points granted from the BIP Trust to persons eligible for the BIP Trust shall be 80,000 points per fiscal year (one point = one share of common stock).
- (iii) Scope of persons who may receive beneficiary rights or other rights under the Plan  
Of the Company's Directors, persons who meet the beneficiary requirements

(Performance-Based Stock Compensation Plan for Executive Officers)

The Company has introduced a Performance-Based Stock Compensation Plan (hereinafter the "Plan") for Executive Officers of the Company (excluding those residing overseas, the same applies hereinafter) using the Stock Grant Employee Stock Ownership Plan (ESOP) Trust (hereinafter "ESOP Trust"), mainly aiming to raise willingness to contribute to the improvement of medium- and long-term corporate value and to share interests with shareholders.

- (i) Outline of the Plan  
This is a program in which shares of the Company and others are granted to persons eligible for the ESOP Trust depending on the position and the achievement level of performance targets, etc. in each fiscal year.  
The covered period of the ESOP Trust shall be three fiscal years from the fiscal year ended February 29, 2024 to the fiscal year ending February 28, 2026 (hereinafter the "Covered Period"). When the ESOP Trust is continued, the following three fiscal years shall be the new Covered Period.
- (ii) Total number of shares or total amount of money to be acquired by officers  
As compensation granted to persons eligible for the ESOP Trust in the Covered Period, money of up to ¥600 million shall be contributed. In addition, the maximum number of points granted from the ESOP Trust to persons eligible for the ESOP Trust shall be 40,000 points per fiscal year (one point = one share of common stock).
- (iii) Scope of persons who may receive beneficiary rights or other rights under the Plan  
Of the Company's Executive Officers, persons who meet the beneficiary requirements

2. [Acquisition of treasury stock, etc.]

[Class of shares, etc.]

Acquisition of common stock falling under Article 155, item (iii) of the Companies Act and acquisition of common stock falling under Article 155, item (vii) of the Companies Act

- (1) [Acquisition by resolution of the shareholders' meeting]  
None

## (2) [Acquisition by resolution of the Board of Directors]

## Acquisition under the provisions of Article 155, item (iii) of the Companies Act

| Classification   | Number of shares (Shares) | Total value (Yen) |
|--|---------------------------|-------------------|
| Status of the resolution of the Board of Directors<br>(November 30, 2023)<br>(Acquisition period: December 1, 2023 - May 31, 2024) | 25,000,000                | 110,000,000,000   |
| Treasury stock acquired prior the fiscal year ended<br>February 29, 2024   | —                         | —                 |
| Treasury stock acquired during the fiscal year ended<br>February 29, 2024  | 8,699,800                 | 50,363,250,573    |
| Non-exercised portion at the end of the fiscal year ended<br>February 29, 2024   | 16,300,200                | 59,636,749,427    |
| Ratio of non-exercised portion at the end of the fiscal<br>year ended February 29, 2024 (%)  | 65.2                      | 54.2              |
| Treasury stock acquired during the period after the<br>reporting period to the filing date of this report                          | 28,670,700                | 59,636,617,664    |
| Ratio of non-exercised portion as of the filing date (%)   | 27.0                      | 0.0               |

- Notes: 1. The number of shares of treasury stock acquired does not include the number of shares acquired by the BIP Trust and the ESOP Trust.
2. The Company implemented a three-for-one share split of its common stock on March 1, 2024. Therefore, the number of shares before the share split is shown for treasury stock acquired during the fiscal year ended February 29, 2024, and the number of shares after the share split is shown for treasury stock acquired during the period after the reporting period to the filing date of this report. After the effective date of the share split (March 1, 2024), the number of shares that may be acquired based on the resolution of the Board of Directors (November 30, 2023) is 75,000,000 shares.

## (3) [Acquisition not based on resolution of the shareholders' meeting or Board of Directors]

## Acquisition under the provisions of Article 155, item (vii) of the Companies Act

| Classification   | Number of shares (Shares) | Total value (Yen) |
|--|---------------------------|-------------------|
| Treasury stock acquired during the fiscal year<br>ended February 29, 2024                                    | 2,902                     | 17,160,647        |
| Treasury stock acquired during the period after<br>the reporting period to the filing date of this<br>report | 1,351                     | 2,927,454         |

- Notes: 1. Treasury stock acquired during the period after the reporting period to the filing date of this report does not include the shares acquired through the purchase of odd-lot shares from May 1, 2024 until the filing date of this Annual Securities Report.
2. The number of shares of treasury stock acquired does not include the number of shares acquired by the BIP Trust and the ESOP Trust.
3. The Company implemented a three-for-one share split of its common stock on March 1, 2024. Therefore, the number of shares before the share split is shown for treasury stock acquired during the fiscal year ended February 29, 2024, and the number of shares after the share split is shown for treasury stock acquired during the period after the reporting period to the filing date of this report.

(4) [Status of disposal and ownership of acquired treasury stock]

| Classification   | Year ended February 29, 2024 |                               | Period after the reporting period to the filing date of this report |                               |
|--|------------------------------|-------------------------------|---|-------------------------------|
|  | Number of shares (Shares)    | Total value of disposal (Yen) | Number of shares (Shares)   | Total value of disposal (Yen) |
| Treasury stock acquired for which subscribers were solicited   | —                            | —                             | —   | —                             |
| Treasury stock acquired which was retired  | 8,699,800                    | 45,408,496,709                | —   | —                             |
| Treasury stock acquired which was transferred in association with a merger, share exchange, delivery of shares, or company split | —                            | —                             | —   | —                             |
| Other (Sale of odd-lot shares based on demand for sale)  | 174                          | 571,553                       | 157   | 306,823                       |
| Number of shares of treasury stock   | 1,838,927                    | —                             | 29,073,975  | —                             |

- Notes:
1. The number of shares of treasury stock does not include the number of shares owned by the BIP Trust and the ESOP Trust.
  2. Treasury stock owned in the period after the reporting period to the filing date of this report does not include shares resulting from the exercise of share subscription rights, purchase and sale of odd-lot shares from May 1, 2024 until the filing date of this Annual Securities Report.
  3. The Company implemented a three-for-one share split of its common stock on March 1, 2024. Therefore, the number of shares before the share split is shown for treasury stock during the fiscal year ended February 29, 2024, and the number of shares after the share split is shown for treasury stock during the period after the reporting period to the filing date of this report.

3. [Dividend policy]

The Company intends to return profits to shareholders with a target total return ratio of 50% or more (accumulated from FY2023 to FY2025), while steadily and continuously increasing the dividend per share.

Beginning in FY2024, the Company plans to adopt a “progressive dividend” policy where the dividend is expected to rise in line with increases in profits.

The Company follows a basic policy of paying dividends of surplus twice a year as interim dividend and year-end dividend. The body deciding on these dividends of surplus is the shareholders’ meeting for year-end dividend, and the Board of Directors for interim dividend.

Dividends of surplus as of February 29, 2024 were ¥56.50 per share. Together with the interim dividend of ¥56.50 per share, annual dividends amounted to ¥113.00 per share.

The Company implemented a three-for-one share split of its common stock on March 1, 2024. The year-end dividend for the fiscal year under review is based on the number of shares prior to the share split, as the record date for dividends is February 29, 2024.

The Company’s policy is to promote accelerated growth by allocating retained earnings to strategic investments in the convenience store operations, the Group’s growth driver, based on investment decisions taking capital efficiency into consideration.

The Articles of Incorporation stipulate that the Company “may, by resolution of the Board of Directors, pay an interim dividend with August 31 of each year as the record date.”

Dividends of surplus for the fiscal year ended February 29, 2024 are as follows.

| Date of resolution                             | Total amount of cash dividends (Millions of yen) | Dividend per share |
|--|--|--------------------|
| October 12, 2023<br>Board of Directors meeting | 49,980   | 56.50 yen          |
| May 28, 2024<br>Annual shareholders’ meeting   | 49,488   | 56.50 yen          |

4. [Corporate governance, etc.]

(1) [Overview of corporate governance]

(i) Basic views on corporate governance

○ Corporate Philosophy

The Company formulated its “Corporate Creed” as below. The Corporate Creed is unchanging and comprehensively symbolizes the Group’s corporate philosophy, thus, the Company values it most as the fundamental basis of the Group’s management.  
“Corporate Creed”

We aim to be a sincere company that our customers trust.

We aim to be a sincere company that our business partners, shareholders and local communities trust.

We aim to be a sincere company that our employees trust.

○ Corporate Action Guidelines

The spirit embraced in the “Corporate Creed” is an abiding universal philosophy no matter how significantly the social environment will change in the future, and the Company has formulated ideas needed to realize this philosophy as the “Corporate Action Guidelines.”

The “Corporate Action Guidelines” shows the basic stance of all officers and employees of the Group, and is divided into the “basic policy,” which stipulates views as a group and the “code of conduct,” which sets forth principles of action. In addition, each group company has established guidelines and standards of conduct which reflect the views and principles at the concrete action level according to business categories, and these guidelines and standards of conduct, together with the Group’s guidelines, are disseminated through training for new employees and newly appointed officers, etc. Moreover, the dissemination level of the Corporate Creed and compliance awareness is regularly confirmed with the “employee engagement survey.”

○ Basic views on corporate governance

The Company considers corporate governance to be a system for sustainable growth by establishing and maintaining a sincere management structure and continuously increasing the Group’s corporate value over the medium- and long-term in both financial and non-financial (ESG) aspects to ensure the trust and longstanding patronage of all stakeholders, including customers, business partners and franchisees, shareholders and investors, local communities, and employees, based on the Corporate Creed.

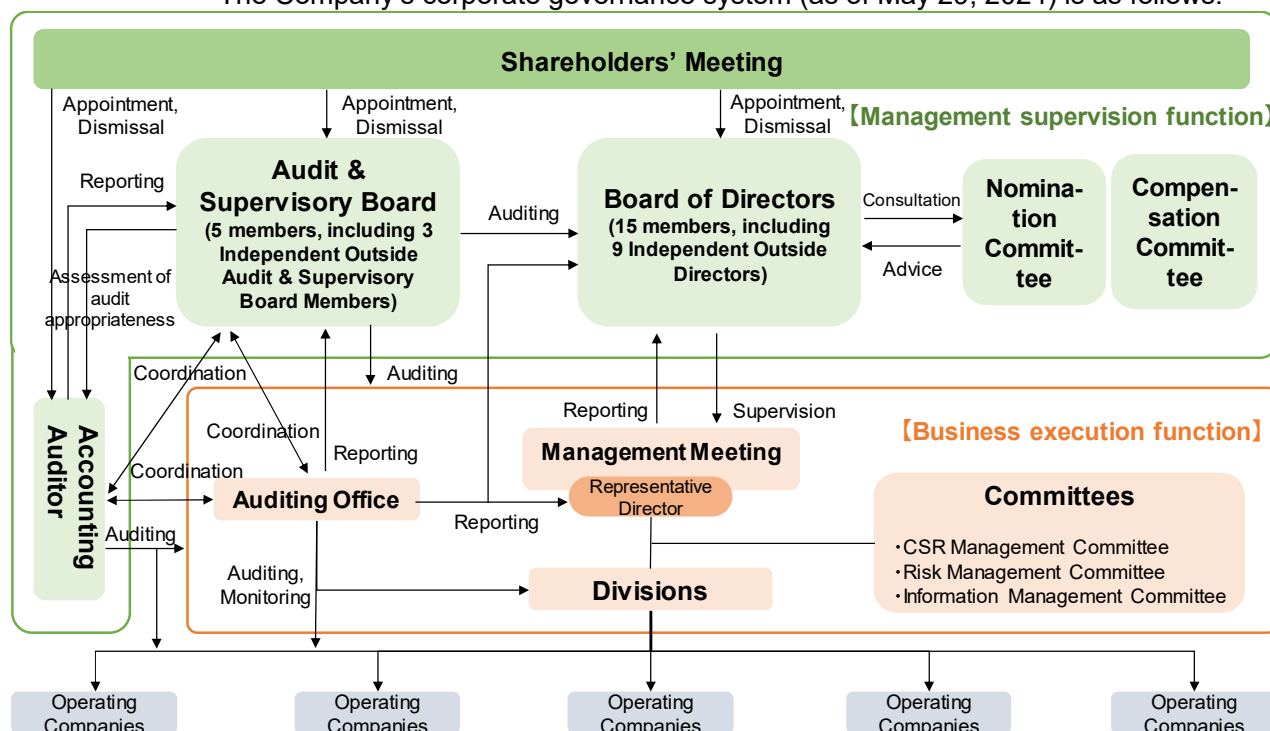
The Company’s mission as a holding company is to strengthen corporate governance and maximize the Group’s corporate value, and the Company will strive to achieve this mission through the provision of support, oversight, and optimal resource allocation to its operating companies.



(ii) Overview of corporate governance system and reasons for adopting the system

○ Corporate governance system

The Company's corporate governance system (as of May 29, 2024) is as follows:



○ Reason for adoption of current corporate governance system

The Company ensures the effectiveness of its corporate governance by coordinating “audits” conducted by the Audit & Supervisory Board Members (Audit & Supervisory Board), including multiple Outside Audit & Supervisory Board Members who maintain their independence and have specialized knowledge in such areas as legal affairs and financial accounting, through their actively cooperating with the accounting auditor and the internal audit division, and “formulation of management strategies” and “supervision of business execution” conducted by the Board of Directors (12 men and 3 women), including 9 Independent Outside Directors who maintain their independence and have advanced management knowledge and experience. The Company has adopted above corporate governance structure because it judges the structure to be workable for realizing and ensuring the Company's corporate governance and for conducting appropriate and efficient corporate management.

○ Separation of the Board of Directors' supervisory functions and Executive Officers' business execution functions through introduction of the executive officer system

To facilitate prompt decision making and business execution even amid a dramatically changing operating environment, the Company has introduced the executive officer system and separated the Board of Directors' supervisory function from the Executive Officers' business execution function. This developed an environment where the Board of Directors is able to focus on the “formulation of management strategies” and the “supervision of business execution,” while the Executive Officers can focus on “business execution.” As of May 29, 2024, the Company had 22 Executive Officers (19 men and 3 women).

The term of office of the Directors is set to one year in order to reflect the intentions of shareholders regarding the appointment of the management team in a more timely manner.

○ Monitoring based on the Audit & Supervisory Board Member system

The Company conducts monitoring of management based on the Audit & Supervisory Board Member system. The Company's Audit & Supervisory Board is composed of 5 members (including 3 Independent Outside Audit & Supervisory Board Members / 3 men and 2 women). For details of Audit & Supervisory Board Member audits, etc., please refer to “(3) Status of audits, (i) Audit & Supervisory Board Member audits, (ii)

Internal audits, (iii) Coordination between Audit & Supervisory Board Member audits, internal audits and accounting audits, etc.” provided below.

- Oversight and audits by Outside Directors and Outside Audit & Supervisory Board Members who have independence

The Company has designated all Outside Directors (9 persons) and all Outside Audit & Supervisory Board Members (3 persons) as Independent Outside Directors and Independent Outside Audit & Supervisory Board Members based on the provisions of the financial instruments exchange, and oversight and audits are conducted by these Outside Directors and Outside Audit & Supervisory Board Members who have independence. For details of oversight and audits, etc. by Outside Directors and Outside Audit & Supervisory Board Members, please refer to “(2) Status of officers, (ii) Outside Directors and Outside Audit & Supervisory Board Members, (iii) Coordination between oversight or audits by Outside Directors or Outside Audit & Supervisory Board Members, and internal audits, Audit & Supervisory Board Member audits and accounting audits, and relationships with the internal control divisions” provided below. In addition, by resolution of the Board of Directors on March 9, 2023, the Company has established a Strategy Committee consisting solely of Independent Outside Directors to monitor the progress of the Group’s key strategies and continue comprehensive and objective analysis and verification of the optimal Group business structure and strategic options to realize those strategies. Based on the results of these verifications, the Strategy Committee aims to provide advice to the Board of Directors on how to improve the Group’s corporate value over the medium to long term. At the Board of Directors meeting held on April 18, 2024, it was resolved that the Company would separate the positions of Chairperson of the Board of Directors and CEO for the purpose of strengthening the corporate governance system and improving the transparency and objectivity of management decision-making, among others. Stephen Hayes Dacus, the Lead Independent Outside Director, assumed the position of Chairperson of the Board of Directors upon approval at the Board of Directors meeting following the Company’s 19th Annual Shareholders’ Meeting held on May 28, 2024.

- Nomination Committee and Compensation Committee system

The Company has established the “Nomination Committee” and the “Compensation Committee,” with the chairperson and a majority of the committee members being Independent Outside Directors, as advisory bodies to the Board of Directors, in order to utilize the knowledge and advice of a more diverse range of Outside Directors and Outside Audit & Supervisory Board Members, and ensure more objectivity and transparency of procedures for appointment of Representative Directors, Directors, Audit & Supervisory Board Members and Executive Officers and determination of compensation, etc., and hence to improve the Board of Directors’ supervisory functions and further enhance corporate governance functions.

- Corporate governance by various committees

The Company has established the “CSR Management Committee,” “Risk Management Committee,” and “Information Management Committee,” which report to the Representative Directors. Each committee determines Group policies in cooperation with the operating companies, and strengthens corporate governance by managing and supervising their dissemination and execution.

- CSR Management Committee

The Company has established the CSR Management Committee based on CSR Basic Rules for the purpose of promoting, administrating and supervising the CSR activities of the entire Group through operating activities in order to contribute to solving social issues and aim for sustainable growth for both society and the Group. The Company has also established five subcommittees under the CSR Management Committee tasked with the examination and promotion of specific measures to promote operating activities that will contribute to solving material issues (Materiality) identified to address the expectations and demands of stakeholders and realizing a more thorough compliance practice. Through these subcommittees, the Company works to solve problems and prevent the occurrence of such problems.

Under the CSR Management Committee, to resolve material issues (Materiality) that should be addressed by the Group, the Company tasks a subcommittee with each relevant issue: the “Environment Subcommittee” with helping mitigate climate

change, depletion of resources, and other environmental burdens; the “Supply Chain Subcommittee” with building a sound supply chain that takes human rights and the environment into consideration and with improving quality and ensuring safety for merchandise and services; the “Corporate Ethics and Culture Subcommittee” with ensuring thorough awareness and adoption of the Corporate Creed and the Corporate Action Guidelines, building worker-friendly workplaces, promoting advancement of diverse human resources and improving the labor environments; the “Compliance Subcommittee” with strengthening compliance and internal controls; and the “Social Value Creation Subcommittee” with the planning, proposal and operation of new businesses originating from addressing social issues through our core business, by utilizing business characteristics and management resources. These subcommittees have formulated and carried out measures to address such individual issues on a group-wide basis.

Through the activities of these subcommittees, we will promote business activities that further ensure compliance and contribute to the resolution of the material issues (Materiality) related to stakeholders, while aiming for sustainable development of both society and our Group from an ESG perspective.

- **Risk Management Committee**

In accordance with the Basic Rules for Risk Management, the Company and its Group companies establish, streamline, and manage comprehensive risk management systems, centered on the Risk Management Committee, in order to properly analyze, evaluate, and appropriately respond to risks associated with each business, with consideration for changes in the management environment and risk factors.

The Risk Management Committee receives reports from the departments in charge of risk management regarding the risk management status of their respective companies. The committee comprehends, assesses, and analyzes risks and discusses measures, and determines the future direction going forward.

In recent years, in addition to changes in the Group’s internal environment, various changes in the external environment, such as the rise of geopolitical risks and ESG-related risks, have had a greater impact on our business activities. In response to these changes, the Company reviewed its risk management framework during the fiscal year under review, taking into account not only short-term risks but also medium- to long-term risks. In addition, the Company identifies various risks with high priority in terms of importance, commonality, etc., and clarifies the roles and responsibilities of the Company and each company in the Group, thereby enhancing the effectiveness of risk management for the entire Group.

- **Information Management Committee**

In accordance with the Information Control Regulations, the Company has carried out risk analysis, evaluation and measures regarding the information management of operations-related information that is learned, created or retained by officers and employees of the Group under the Information Management Committee, chaired by the information management supervisor.

In the fiscal year under review, as in the previous fiscal year, the committee continued working to strengthen its information collection and management system, and strengthened the system to collect important information from each Group company in a timely and appropriate manner and to cooperate with each other to deal with such information, as well as to centrally manage such information and report it to management and related departments without omission and without delay.

In addition, the committee is stepping up human, organizational, physical, and technical security measures by reviewing information handling procedures, strengthening management of contractors, and educating officers and employees to strengthen the information security system to better respond to ever-evolving cyber attacks, as well as to comply with information security laws, regulations, and guidelines.

In particular, the committee conducted in-house training for all officers of the Group regarding the prevention of insider trading in order to familiarize them with the rules

for prohibiting insider trading and to prevent insider trading from occurring, and to ensure the proper handling of information such as material facts.

The Information Management Committee is responsible for spreading these initiatives across the Group companies and setting the direction thereof, and helps them autonomously and continuously promote the initiatives by monitoring and evaluating them, with the aim of strengthening governance in information management.

○ Members of bodies established

Members of the Board of Directors, the Audit & Supervisory Board, the Nomination Committee, the Compensation Committee, the Management Meeting, the CSR Management Committee, the Risk Management Committee and the Information Management Committee are as follows (◎ indicates the chairperson or the committee chairperson).

| Name                   | Position in the Company   | Board of Directors | Audit & Supervisory Board | Nomination Committee | Compensation Committee | Management Meeting | CSR Management Committee | Risk Management Committee | Information Management Committee |
|------------------------|---|--------------------|---------------------------|----------------------|------------------------|--------------------|--------------------------|---------------------------|----------------------------------|
| Ryuichi Isaka          | Representative Director and President<br>Executive Officer and President<br>Chief Executive Officer (CEO)   | ○                  |                           | ○                    |                        | ◎                  | ◎                        |                           |                                  |
| Junro Ito              | Representative Director and Vice President<br>Executive Officer and Vice President<br>Supervising Officer of Superstore operations<br>Chief Sustainability Officer (CSuO)<br>Chief Administrative Officer (CAO) | ○                  |                           |                      | ○                      | ○                  | ○                        | ○                         | ◎                                |
| Fumihiko Nagamatsu     | Director<br>Senior Managing Executive Officer<br>Head of Domestic CVS operations (Japan)  | ○                  |                           |                      |                        |                    | ○                        |                           |                                  |
| Joseph Michael DePinto | Director<br>Senior Managing Executive Officer<br>Head of Overseas CVS operations (North America)  | ○                  |                           |                      |                        |                    | ○                        |                           |                                  |
| Yoshimichi Maruyama    | Director<br>Managing Executive Officer<br>Chief Financial Officer (CFO)<br>General Manager of the Corporate Finance & Accounting Division   | ○                  |                           | ○                    |                        | ○                  | ○                        | ○                         | ○                                |
| Tamaki Wakita          | Director<br>Executive Officer<br>Chief Strategy Officer (CSO)<br>General Manager of the Corporate Planning Division   | ○                  |                           |                      | ○                      | ○                  | ○                        | ○                         | ○                                |
| Stephen Hayes Dacus    | Lead Independent Outside Director   | ◎                  |                           | ○                    |                        |                    |                          |                           |                                  |
| Toshiro Yonemura       | Independent Outside Director  | ○                  |                           |                      | ◎                      |                    |                          |                           |                                  |

| Name  | Position in the Company  | Board of Directors | Audit & Supervisory Board | Nomination Committee | Compensation Committee | Management Meeting | CSR Management Committee | Risk Management Committee | Information Management Committee |
|---|--|--------------------|---------------------------|----------------------|------------------------|--------------------|--------------------------|---------------------------|----------------------------------|
| Yoshiyuki Izawa                               | Independent Outside Director   | ○                  |                           | ○                    |                        |                    |                          |                           |                                  |
| Meyumi Yamada                                 | Independent Outside Director   | ○                  |                           | ◎                    |                        |                    |                          |                           |                                  |
| Jenifer Simms Rogers                          | Independent Outside Director   | ○                  |                           |                      | ○                      |                    |                          |                           |                                  |
| Shinji Wada                                   | Independent Outside Director   | ○                  |                           |                      |                        |                    |                          |                           |                                  |
| Fuminao Hachiuma                              | Independent Outside Director   | ○                  |                           | ○                    |                        |                    |                          |                           |                                  |
| Paul Yonamine                                 | Independent Outside Director   | ○                  |                           |                      | ○                      |                    |                          |                           |                                  |
| Elizabeth Miin Meyerdirk                      | Independent Outside Director   | ○                  |                           |                      |                        |                    |                          |                           |                                  |
| Noriyuki Habano                               | Standing Audit & Supervisory Board Member  |                    | ◎                         |                      |                        | ○                  | ○                        | ○                         | ○                                |
| Nobutomo Teshima                              | Standing Audit & Supervisory Board Member  |                    | ○                         |                      |                        | ○                  | ○                        | ○                         | ○                                |
| Kazuhiro Hara                                 | Independent Outside Audit & Supervisory Board Member   |                    | ○                         |                      |                        |                    |                          |                           |                                  |
| Mitsuko Inamasu                               | Independent Outside Audit & Supervisory Board Member   |                    | ○                         |                      |                        |                    |                          |                           |                                  |
| Kaori Matsuhashi<br>(Real name: Kaori Hosoya) | Independent Outside Audit & Supervisory Board Member   |                    | ○                         |                      |                        |                    |                          |                           |                                  |
| Masaki Saito                                  | Managing Executive Officer<br>Chief Information Officer (CIO)<br>General Manager of the Group DX Division                        |                    |                           |                      |                        | ○                  | ○                        | ○                         | ○                                |
| Masato Ohtake                                 | Executive Officer<br>Chief Merchandising Officer (CMDO)<br>General Manager of the Group Merchandise Strategy & Planning Division |                    |                           |                      |                        | ○                  | ○                        | ○                         | ○                                |
| Seiji Oku                                     | Executive Officer<br>General Manager of the Corporate General Affairs & Legal Division   |                    |                           |                      |                        | ○                  | ○                        | ○                         | ○                                |
| Nobuyuki Miyaji                               | Executive Officer<br>General Manager of the ESG Development Division   |                    |                           |                      |                        | ○                  | ○                        | ◎                         | ○                                |
| Takuya Enomoto                                | Executive Officer<br>Chief Human Resource Officer (CHRO)<br>General Manager of the HR Division                                   |                    |                           |                      |                        | ○                  | ○                        | ○                         | ○                                |

| Name           | Position in the Company   | Board of Directors | Audit & Supervisory Board | Nomination Committee | Compensation Committee | Management Meeting | CSR Management Committee | Risk Management Committee | Information Management Committee |
|----------------|---|--------------------|---------------------------|----------------------|------------------------|--------------------|--------------------------|---------------------------|----------------------------------|
| Hirotake Henmi | Executive Officer<br>General Manager of the Corporate Communication Division              |                    |                           |                      |                        | ○                  | ○                        | ○                         | ○                                |
| Other members  | Executive Officer, Senior Officer of the Corporate Management Department of the Company   |                    |                           |                      |                        | ○                  | ○                        | ○                         | ○                                |
|                | Senior Officers of the CSR-related departments of the Company                             |                    |                           |                      |                        |                    | ○                        |                           |                                  |
|                | Officers responsible for CSR promotion of operating companies                             |                    |                           |                      |                        |                    | ○                        |                           |                                  |
|                | Senior Officers of the departments responsible for the management of risks of the Company |                    |                           |                      |                        |                    |                          | ○                         |                                  |
|                | Officers responsible for information management of each department of the Company         |                    |                           |                      |                        |                    |                          |                           | ○                                |

Note: Because the name of Mr. Yoshiyuki Izawa contains a letter other than letters that are set usable based on the provisions of “Considerations regarding special provisions, etc. of procedures conducted by electronic data processing system for disclosure, etc.” and “file specifications for submitted documents” (Planning and Coordination Bureau of the Financial Services Agency), a letter that can be used in the Electronic Disclosure for Investors NETwork (EDINET) is used as a substitute.

○ Activities of the Board of Directors

Members of the Board of Directors and its advisory committees as of the date of filing of this Annual Securities Report, and frequency of and attendance at meetings of the Board of Directors and its advisory committees during the fiscal year under review

| Name          | Position in the Company   | Frequency of meetings and attendance of each member at the meetings |                      |                        |
|---------------|---|---|----------------------|------------------------|
|               |   | Board of Directors meeting  | Nomination Committee | Compensation Committee |
| Ryuichi Isaka | Representative Director and President<br>Executive Officer and President<br>Chief Executive Officer (CEO)   | 19/19   | 10/10                |                        |
| Junro Ito     | Representative Director and Vice President<br>Executive Officer and Vice President<br>Supervising Officer of Superstore operations<br>Chief Sustainability Officer (CSuO)<br>Chief Administrative Officer (CAO) | 19/19   |                      | 4/4                    |

| Name                     | Position in the Company   | Frequency of meetings and attendance of each member at the meetings |                      |                        |
|--------------------------|---|---|----------------------|------------------------|
|                          |   | Board of Directors meeting  | Nomination Committee | Compensation Committee |
| Fumihiko Nagamatsu       | Director<br>Senior Managing Executive Officer<br>Head of Domestic CVS operations (Japan)  | 19/19   |                      |                        |
| Joseph Michael DePinto   | Director<br>Senior Managing Executive Officer<br>Head of Overseas CVS operations (North America)  | 17/19   |                      |                        |
| Yoshimichi Maruyama      | Director<br>Managing Executive Officer<br>Chief Financial Officer (CFO)<br>General Manager of the Corporate Finance & Accounting Division | 19/19   | –<br>(Note 1)        | 4/4<br>(Note 2)        |
| Tamaki Wakita            | Director<br>Executive Officer<br>Chief Strategy Officer (CSO)<br>General Manager of the Corporate Planning Division                       | –<br>(Note 1)   |                      | –<br>(Note 1)          |
| Stephen Hayes Dacus      | Lead Independent Outside Director   | 19/19   | 9/10                 |                        |
| Toshiro Yonemura         | Independent Outside Director  | 19/19   | 9/10<br>(Note 2)     | 4/4                    |
| Yoshiyuki Izawa          | Independent Outside Director  | 19/19   | 10/10                |                        |
| Meyumi Yamada            | Independent Outside Director  | 19/19   | 10/10                |                        |
| Jenifer Simms Rogers     | Independent Outside Director  | 18/19   |                      | 4/4                    |
| Shinji Wada              | Independent Outside Director  | 14/15   |                      |                        |
| Fuminao Hachiuma         | Independent Outside Director  | 14/15   | 5/5                  |                        |
| Paul Yonamine            | Independent Outside Director  | 17/19   |                      | 2/2                    |
| Elizabeth Miin Meyerdirk | Independent Outside Director  | 18/19   |                      |                        |

Notes: 1. Not applicable as he assumed office on May 28, 2024.  
2. Retired on May 28, 2024.  
3. Mr. Katsuhiro Goto, Representative Director and Vice President, who retired on May 28, 2024, attended all subject Board of Directors meetings (19/19) and Nomination Committee meetings (10/10).

- **Matters deliberated by the Board of Directors**  
The Board of Directors deliberates, receives reports, and makes resolutions on important management matters in accordance with laws, regulations, and the Articles of Incorporation. The Board of Directors met 19 times during the fiscal year under review to set key management targets and budget allocations for the

Company and its Group companies, and to address important management issues, including inspection and review of the efficiency and soundness of business execution, by receiving reports from the Company's Directors and managers responsible for business execution.

- Matters deliberated by the Nomination Committee and the Compensation Committee

The "Nomination Committee" and the "Compensation Committee" have been established, with the chairperson and a majority of the committee members being Independent Outside Directors, as advisory bodies to the Board of Directors, in order to utilize the knowledge and advice of a more diverse range of Outside Directors and Outside Audit & Supervisory Board Members, and ensure more objectivity and transparency of procedures for appointment of Representative Directors, Directors, Audit & Supervisory Board Members and Executive Officers and determination of compensation, etc., and hence to improve the Board of Directors' supervisory functions and further enhance corporate governance functions.

The main topics of discussion during the fiscal year under review were as follows.

| Committee              | Main topics of discussion  |
|------------------------|--|
| Nomination Committee   | Basic policy and criteria for nominating candidates<br>Proposal of candidates  |
| Compensation Committee | Basic policy and standards for compensation, etc.<br>Proposal for the upper limit of the total compensation amount<br>Compensation, etc. by individual |

(iii) Other matters concerning corporate governance

- Status of development of internal control systems

The Company has adopted the following resolutions regarding "the development of systems for ensuring that the execution of duties by the Directors complies with laws, regulations, and the Articles of Incorporation and other systems required by the Ministry of Justice Ordinance for ensuring the compliance of operations performed by a corporation and by the corporate group comprised of the corporation and its subsidiaries," as stipulated by the Companies Act.

- I Systems for ensuring that the execution of duties by the Company's and its subsidiaries' Directors and employees is compliant with laws, regulations, and the Articles of Incorporation
  - i The Company and its Group companies shall comply with the "Corporate Creed" and the "Corporate Action Guidelines," etc. In order to continue to be trusted and known for integrity, the Company and its Group companies shall implement ethical corporate activities; strictly observe laws, regulations, and social norms; and announce their fulfillment of corporate social responsibilities. On that basis, the Company shall establish, maintain, and utilize compliance systems, centered on the Company's CSR Management Committee; operate internal whistleblowing systems; promote fair trade; and disseminate the Corporate Action Guidelines and the guidelines of each company. In these ways, compliance shall be further enhanced.
  - ii The Company and its Group companies will announce their commitment to not having any contact with antisocial groups and will clearly refuse unreasonable requests, etc. Through cooperation with outside specialists, such as the police and lawyers, we will rapidly implement legal countermeasures, both civil and criminal.
  - iii The Company's internal auditing division, which is independent from operating divisions, will internally audit and confirm the status of the maintenance and operation of the compliance systems of all Group companies.
  - iv The Company's and its Group companies' Audit & Supervisory Board Members will ensure that the execution of duties by their respective companies' Directors is compliant with laws, regulations, and the Articles of Incorporation and work to raise the effectiveness of the supervisory function.



- II Systems for the storage and control of information related to the execution of duties by the Company's Directors and systems for reporting to the Company related to the matters concerning the execution of duties by the subsidiaries' Directors
  - i In accordance with laws, regulations, and the Information Control Regulations, the Company and its Group companies shall properly produce, store, and manage documents for which production and storage are legally required, such as minutes of shareholders' meetings, minutes of Board of Directors' meetings (including electromagnetic records; hereafter the same), circular decision-making documents (*ringisho*), and other documents and information necessary to secure appropriate operational execution.
  - ii The Company and its Group companies shall appoint an information management supervisor at each company to be responsible for supervising management of business information and also controlling planning, development and facilitation of initiatives related to the information management. The information management supervisor of the Company shall be then responsible for business information management of the overall Group by setting the Company's Information Management Committee as the core function for the purpose, ensuring enhanced effectiveness of timely and accurate information disclosure by the function responsible for comprehensively collecting and disclosing important information, and integrated information management in view of the safe management of such important information as trade secrets and personal information. In addition, reports on such matters as the status of information management shall be made periodically to the Board of Directors and the Audit & Supervisory Board Members.
  - iii Directors and employees of the Company and its Group companies shall report to the information management supervisor of the Company where any important matter relating to each Group company arises.
- III The Company's and its subsidiaries' regulations and systems for loss risk management
  - i In accordance with the Basic Rules for Risk Management, the Company and its Group companies shall establish, maintain, and utilize comprehensive risk management systems, centered on the Risk Management Committee, in order to properly analyze, evaluate, and appropriately respond to risks associated with each business, with consideration for changes in the management environment and risk factors relevant to the Company and its Group companies.
  - ii In regard to risk management status, a system for periodic reporting to the Board of Directors and Audit & Supervisory Board Members shall be established, maintained, and utilized. The Board of Directors, Directors, and people responsible for operating divisions shall conduct sufficient analysis and evaluation of risks associated with operational execution, and improvement measures shall be implemented rapidly.
  - iii In the case where a business experiences a major disruption, a serious incident or accident, or a large-scale disaster, etc., in order to minimize damage to the Company and all Group companies, a Crisis Management Headquarters shall be established, and measures to facilitate the continuation of operations shall be implemented immediately.
- IV The Company's and its subsidiaries' systems for ensuring the efficiency of the execution of duties by Directors
  - i The details of the decision-making authority of the Directors and Executive Officers and the divisions with responsibility for each administrative area shall be clearly and appropriately defined in the Decision Authority Regulations, etc. In this way, the Company and its Group companies shall avoid administrative duplication and conduct flexible decision-making and administrative execution.
  - ii To secure the sustained growth of the Company, the Company's Board of Directors shall make decisions on such matters as important management objectives and budget allocations for the Company and its Group companies. Through such means as periodic reports from the Company's Directors and

- people responsible for operating divisions, the efficiency and soundness of administrative execution shall be investigated and appropriate reevaluations shall be conducted.
- iii The Company's Board of Directors, as a general rule, shall meet once each month. In addition, when necessary, extraordinary meetings of the Company's Board of Directors shall be held or resolutions of the Company's Board of Directors shall be adopted through documents. Rapid decision making will be implemented and efficient administrative execution will be promoted. The Company shall comply with the Articles of Incorporation, Rules of the Board of Directors, etc. of the Company concerning specific operations of the Board of Directors.
- V The Company's systems for ensuring the appropriateness of financial reporting
- i In order to ensure the Company and its Group companies are able to provide shareholders, investors, creditors, and other stakeholders with highly reliable, timely financial reports in compliance with laws and regulations, the Company and its Group companies shall build, develop, and appropriately operate internal control systems that ensure appropriate accounting procedures and financial reporting, in accordance with the relevant rules, such as Rules on Establishing Internal Controls for Financial Reporting.
  - ii The Company's internal auditing division, which is independent from operating divisions, shall check and assess the effectiveness of the development and operational status of internal controls for the financial reporting of the Company and its Group companies.
  - iii Directors, Audit & Supervisory Board Members, and the accounting auditor shall appropriately share information about matters recognized as highly likely to have a significant effect on financial standing.
- VI Matters related to the provision of support staff for the Company's Audit & Supervisory Board Members when so requested
- The Company shall provide full-time staff to support Audit & Supervisory Board Members.
- VII Matters related to the independence from the Company's Directors of the support staff for the Company's Audit & Supervisory Board Members and securing effectiveness of instructions
- The selection (including subsequent replacements) of support staff to work exclusively for the Audit & Supervisory Board Members shall be subject to the approval of the Audit & Supervisory Board Members. In addition, the support staff shall comply with the Employment Rules of the Company. However, the Audit & Supervisory Board Members shall have the authority to provide directions and orders to the support staff and personnel matters such as working conditions and disciplinary actions shall be implemented upon prior consultation with the Audit & Supervisory Board Members.
- VIII Systems for reporting to the Company's Audit & Supervisory Board Members
- i Systems for Directors and employees of the Company to report to the Audit & Supervisory Board Members of the Company
- When matters that could cause significant damage to the Company, as well as malfeasances or violations of laws, regulations, or the Articles of Incorporation, etc. committed by a Director or an employee are found, Directors and employees of the Company shall report them to the Audit & Supervisory Board Members pursuant to the predetermined procedures.
- ii Systems for Directors, Audit & Supervisory Board Members, and employees of the Company's subsidiaries, or persons who have received reporting from these people to report to the Audit & Supervisory Board Members of the Company
- When matters that could cause significant damage to the Group companies, as well as malfeasances or violations of laws, regulations, or the Articles of Incorporation, etc. in the Group companies are found, Directors, Audit & Supervisory Board Members and employees of the Group companies shall report them to the Audit & Supervisory Board Members of the Company pursuant to the predetermined procedures.

- iii Systems for reporting to the Audit & Supervisory Board Members of the Company through an internal whistleblowing system  
Directors and employees of the Company as well as Directors, Audit & Supervisory Board Members and employees of the Group companies may use an internal whistleblowing system established by the Company at any time when acts constituting a violation of laws and regulations, social norms, internal rules or the like are found in the operations of the Company and the Group companies, and the secretariat operating the internal whistleblowing system shall provide reports to the Audit & Supervisory Board Members of the Company concerning the content of the reports and the operation of the internal whistleblowing system, pursuant to the internal rules.
- IX Systems for ensuring that no one providing such reports defined in the preceding item shall suffer any disadvantageous treatment due to such reporting made  
The Company and the Group companies shall take appropriate measures such as establishing provisions in their internal rules to ensure that no one providing such reports defined in the preceding item shall suffer any disadvantageous treatment due to such reporting made.
- X Matters concerning policies for processing prepayment or repayment of costs incurred in relation to execution of duties of the Audit & Supervisory Board Members of the Company and other processing of costs or liabilities incurred in relation to execution of duties thereof  
The Company shall bear the costs incurred in relation to the execution of duties by the Audit & Supervisory Board Members.
- XI Other systems for ensuring that the Company's Audit & Supervisory Board Members can conduct their activities effectively
  - i The Company's Audit & Supervisory Board Members shall meet regularly with the Representative Directors, and exchange opinions concerning important audit matters.
  - ii The Company's Audit & Supervisory Board Members shall maintain close contact with the Company's internal auditing division, and may request the division to conduct inspections when necessary.
  - iii The Company's Audit & Supervisory Board Members shall meet regularly with the Audit & Supervisory Board Members of all Group companies and work together from time to time in order to conduct appropriate audits of all Group companies.
  - iv The Company's Audit & Supervisory Board Members may consult with the accounting auditor and lawyers as needed, and the Company shall bear all of the costs of such consultation.

Summary of operational status of systems for ensuring appropriate operations is as follows:

- I Status of the Company's corporate governance  
The Company's Board of Directors is composed of 15 Directors (including 9 Independent Outside Directors / 12 men and 3 women) and meets once a month in principle. To facilitate prompt decision making and business execution even amid a dramatically changing operating environment, the Company has introduced the executive officer system and separated the Board of Directors' supervisory function from the Executive Officers' business execution function. This developed an environment where the Board of Directors is able to focus on the "formulation of management strategies" and the "supervision of business execution," while the Executive Officers can focus on "business execution." The Executive Officers consist of 22 members (20 men and 2 women). The term of office of the Directors is set to one year in order to reflect the intentions of shareholders regarding the appointment of the management team in a timely manner.  
Matters to be decided by the Board of Directors at the Company are stipulated in the Board of Directors Regulations, the Decision Authority Regulations, and so forth, and matters stipulated by the Companies Act and the Company's internal regulations are decided by the Board of Directors. The Decision Authority

Regulations clearly set forth the scope of matters to be decided by the Representative Director and President. This clarifies the decision-making process for management and the structure of responsibility, while also expediting decision-making by rational delegation of authority.

The Board of Directors met 19 times during the fiscal year under review to set key management targets and budget allocations for the Company and its Group companies, and to address important management issues, including inspection and review of the efficiency and soundness of business execution, by receiving reports from the Company's Directors and managers responsible for business execution.

The Company's Audit & Supervisory Board is composed of 5 members (including 3 Independent Outside Audit & Supervisory Board Members / 3 men and 2 women) and monitors management based on the Audit & Supervisory Board Member system. In addition to attending Board of Directors' meetings and other important meetings, the Audit & Supervisory Board Members exchange opinions with the Representative Directors and periodically interview Directors regarding the status of business execution, and they investigate the status of business operations and assets of the Company and its operating companies based on the audit plan. In addition, they share information with operating companies' Directors and Audit & Supervisory Board Members and audit the Directors' performance of duties. Further, the Audit & Supervisory Board Members exchange information with the accounting auditor to maintain close ties with them with respect to accounting audits.

The Outside Directors and Outside Audit & Supervisory Board Members provide advice and suggestions to ensure the validity and appropriateness of decision-making and business execution by the Board of Directors. They also supervise and audit the execution of business by exchanging opinions regarding company management, corporate governance, and other matters at meetings with Directors and others.

II Initiatives at internal auditing divisions

In order to enhance and reinforce its internal auditing function, the Company has appointed, within the Auditing Office, the "Group operational auditing staff" and the "internal control evaluation staff," which are independent internal auditing departments. The "operational auditing staff" has an oversight function to verify and provide guidance on internal auditing, including the status of the maintenance and management of compliance systems, by major operating companies or to directly audit them, and an internal auditing function for auditing the Company, the holding company, and performs these operations. The "internal control evaluation staff" evaluates internal controls regarding the financial reporting of the whole Group.

III Coordination between Audit & Supervisory Board Member audits, internal audits and accounting audits

In order to improve the overall quality of audits, the Company ensures that the Audit & Supervisory Board Members (including the Outside Audit & Supervisory Board Members), the Auditing Office, and the auditing firm proactively exchange information and endeavor to maintain close ties with each other, by such means as periodically holding tri-partite meetings. In the meeting, the Audit & Supervisory Board Members (including the Outside Audit & Supervisory Board Members) receive reports from the auditing firm on, among other matters, the performance of accounting audits, and reports from the Auditing Office on, among other matters, the performance of internal audits, respectively, and request explanations as necessary.

Moreover, the Company periodically holds reporting sessions for accounting audits, which are attended by the Representative Directors and other officers, as well as the Standing Audit & Supervisory Board Members and the Auditing Office, etc. In the sessions, they receive reports from the auditing firm on the accounting audits, and confirm, among other matters, the results of the accounting audits. Furthermore, the Standing Audit & Supervisory Board Members and the Auditing Office hold meetings, basically once a month. In the meetings, the Auditing Office reports on the results of operational audits and the progress of internal control

evaluations, etc., and also actively exchanges opinions with the Standing Audit & Supervisory Board Members regarding, among other matters, priority matters that should be examined in order to improve the quality of audits. With these efforts, the two parties aim to ensure comprehensive sharing of audit information between each other.

In the Audit & Supervisory Board meetings and other meetings, the Standing Audit & Supervisory Board Members report to the Outside Audit & Supervisory Board Members on, inter alia, the status of the reporting session for accounting audits and the contents of the meeting with the Auditing Office, respectively described above, and thereby share and discuss issues to be addressed and the like. Furthermore, by providing the Auditing Office and the auditing firm with feedback on the matters thus discussed, the Standing Audit & Supervisory Board Members aim to ensure that (i) audits by the Audit & Supervisory Board Members, including the Outside Audit & Supervisory Board Members; (ii) internal audits; and (iii) accounting audits are linked with each other in a timely manner.

Further, the Auditing Office reports on the performance and the results of internal audits in the Audit & Supervisory Board meetings and other meetings from time to time, and provides explanations in response to questions and so on from the Audit & Supervisory Board Members (including the Outside Audit & Supervisory Board Members).

At each audit, the Audit & Supervisory Board Members (including the Outside Audit & Supervisory Board Members), the Auditing Office, and the auditing firm receive reports and materials, etc. from the internal control divisions, and request explanations as deemed necessary, and the internal control divisions cooperate in the appropriate performance of these audits.

#### IV Efforts of each committee

The information is the same as information provided in “4. Corporate governance, (1) Overview of corporate governance, (ii) Overview of corporate governance system and reasons for adopting the system.”

##### ○ Overview of the liability limitation agreement

The Company has concluded an agreement with each of the Outside Directors and Outside Audit & Supervisory Board Members as per Article 427, paragraph (1) of the Companies Act, limiting their liability for compensation for damage under Article 423, paragraph (1) of the Companies Act.

These agreements limit the amount of their liability for compensation for damage to the minimum legally stipulated amounts.

##### ○ Overview of the directors' and officers' liability insurance contract

The Company has entered into a directors' and officers' liability insurance contract, as stipulated in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. Directors and Audit & Supervisory Board Members will be insured under the contract. The brief overview of the said insurance contract is as follows:

##### I Scope of the insured individuals

Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and its subsidiaries (excluding certain subsidiaries)

##### II The ratio of premiums to be actually borne by the insured individuals

The Company will bear the full amount of insurance premiums, and thus, the insured individuals need not to bear any premiums.

##### III Outline of insured events covered by the said insurance

The contract covers damage (including the legal compensation for damages and legal fees) that may be incurred by the insured individuals due to claims filed against them in relation to the execution of their duties as officers of the Company (including omissions) during the insurance term. However, the coverage is subject to certain exclusions, such as in cases where violations of laws and regulations were knowingly committed.

#### (iv) Number of Directors

The Articles of Incorporation stipulate that the number of Directors of the Company shall be no more than 15.

- (v) Requirements for resolution of election of Directors  
The Company has stipulated in its Articles of Incorporation that resolutions to elect Directors shall be adopted by a majority of the voting rights of the shareholders present at the meeting where shareholders holding one-third or more of the voting rights of shareholders entitled to exercise voting rights are present, and that no cumulative voting shall be used in resolutions to elect Directors.
- (vi) Matters requiring resolution at a shareholders' meeting that shall be able to be resolved by the Board of Directors
- I The Articles of Incorporation stipulate that pursuant to the provisions of Article 165, paragraph (2) of the Companies Act, the Company may acquire its own shares by resolution of the Board of Directors. This is aimed to allow flexible implementation of a capital policy that addresses changes in the business environment.
  - II The Articles of Incorporation stipulate that pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Directors (including former Directors) and Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liability for damages under Article 423, paragraph (1) of the Companies Act where the requirements set forth in laws and regulations are satisfied, to the extent of the amount obtained by deducting the minimum amount of liability set forth in laws or regulations from the amount of liability for damages. This is aimed to prevent from undermining flexibility of the management and the management's overly shrinking due to careful and detailed examination more than necessary with more complex and diversified duties of Directors, and from Audit & Supervisory Board Members' excessively putting a brake on managerial judgments of Directors which results in hampering efficiency of the management in the situation where the scope of Directors' business execution that is subject to audits is very complex and extensive, and to allow Directors and Audit & Supervisory Board Members to play their expected role sufficiently in carrying out their duties.
  - III The Articles of Incorporation stipulate that pursuant to the provisions of Article 454, paragraph (5) of the Companies Act, the Company may, by resolution of the Board of Directors, pay an interim dividend with August 31 of each year as the record date. This is aimed to flexibly provide returns on profits to shareholders.
- (vii) Requirements for special resolutions at the shareholders' meeting  
The Company has stipulated in its Articles of Incorporation that special resolutions at the shareholders' meeting set forth in Article 309, paragraph (2) of the Companies Act shall be adopted by two-thirds or more of the voting rights of shareholders present at the meeting where shareholders holding one-third or more of the voting rights of shareholders entitled to exercise voting rights are present. This is aimed to smoothly run a shareholders' meeting by reducing the quorum for special resolution at a shareholders' meeting.

## (2) [Status of officers]

## (i) Directors and Audit &amp; Supervisory Board Members

Men: 15, Women: 5 (ratio of female officers: 25.0%)

| Title   | Name          | Date of birth   | Brief personal history   | Term of office | Number of shares of the Company owned (Thousands of shares) |
|---|---------------|-----------------|--|----------------|---|
| Representative Director and President<br>Executive Officer and President<br>Chief Executive Officer (CEO) | Ryuichi Isaka | October 4, 1957 | <p>Mar. 1980 Joined SEVEN-ELEVEN JAPAN CO., LTD.</p> <p>May 2002 Director of SEVEN-ELEVEN JAPAN CO., LTD.</p> <p>May 2003 Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD.</p> <p>May 2006 Managing Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD.</p> <p>May 2009 Representative Director and President of SEVEN-ELEVEN JAPAN CO., LTD.<br/>Chief Operating Officer (COO) of SEVEN-ELEVEN JAPAN CO., LTD.<br/>Director of the Company</p> <p>Apr. 2016 Member of the Nomination and Compensation Committee of the Company</p> <p>May 2016 Representative Director and President of the Company (incumbent)<br/>Executive Officer and President of the Company (incumbent)</p> <p>May 2020 Member of the Nomination Committee of the Company (incumbent)</p> <p>Apr. 2023 Chief Executive Officer (CEO) of the Company (incumbent)</p> | (Note 3)       | 46  |

| Title  | Name      | Date of birth | Brief personal history  | Term of office | Number of shares of the Company owned (Thousands of shares) |
|--|-----------|---------------|---|----------------|---|
| Representative Director and Vice President<br>Executive Officer and Vice President<br>Supervising Officer of Superstore operations<br>Chief Sustainability Officer (CSuO)<br>Chief Administrative Officer (CAO)<br>Information Management Supervisor | Junro Ito | June 14, 1958 | <p>Aug. 1990 Joined SEVEN-ELEVEN JAPAN CO., LTD.</p> <p>May 2002 Director of SEVEN-ELEVEN JAPAN CO., LTD.</p> <p>May 2003 Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD.</p> <p>Jan. 2007 Managing Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD.</p> <p>May 2009 Director of the Company<br/>Executive Officer of the Company<br/>Senior Officer of the Corporate Development Department of the Company</p> <p>Apr. 2011 Senior Officer of the CSR Management Department of the Company</p> <p>May 2015 Audit &amp; Supervisory Board Member of York-Benimaru Co., Ltd.</p> <p>May 2016 In charge of Group Corporate Support of the Company</p> <p>July 2016 Senior Officer of the Corporate Support Department of the Company</p> <p>Dec. 2016 Managing Executive Officer of the Company<br/>Head of the Corporate Development Office of the Company</p> <p>Mar. 2017 Director of Ito-Yokado Co., Ltd.</p> <p>Mar. 2018 General Manager of the Corporate Development Division of the Company</p> <p>July 2019 Outside Director of AIN HOLDINGS INC. (incumbent)</p> <p>May 2020 Member of the Compensation Committee of the Company (incumbent)</p> <p>Sept. 2021 Representative Director of Ito-Kogyo Co., Ltd.</p> <p>Apr. 2023 Representative Director of the Company<br/>Senior Managing Executive Officer of the Company<br/>Chief Sustainability Officer (CSuO) of the Company (incumbent)<br/>General Manager of ESG Development Division of the Company<br/>Supervising Officer of Superstore operations of the Company (incumbent)</p> | (Note 3)       | 9,519   |



| Title  | Name               | Date of birth   | Brief personal history  | Term of office | Number of shares of the Company owned (Thousands of shares) |
|--|--------------------|-----------------|---|----------------|---|
|  |                    |                 | May 2024 Representative Director and Vice President of the Company (incumbent)<br>Executive Officer and Vice President of the Company (incumbent)<br>Chief Administrative Officer (CAO) of the Company (incumbent)<br>Information Management Supervisor of the Company (incumbent)  |                |   |
| Director<br>Senior Managing Executive Officer<br>Head of Domestic CVS operations (Japan) | Fumihiko Nagamatsu | January 3, 1957 | Mar. 1980 Joined SEVEN-ELEVEN JAPAN CO., LTD.<br>May 2004 Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD.<br>Mar. 2014 Representative Director and Vice President of Nissen Holdings Co., Ltd.<br>Mar. 2015 Executive Officer of the Company<br>May 2017 Senior Officer of the Personnel Planning Department of the Company<br>Dec. 2017 Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD.<br>Mar. 2018 General Manager of the Corporate Personnel Planning Division of the Company<br>Director of SEVEN-ELEVEN JAPAN CO., LTD.<br>Director of Seven & i Food Systems Co., Ltd.<br>May 2018 Director of the Company (incumbent)<br>Mar. 2019 Director and Vice President of SEVEN-ELEVEN JAPAN CO., LTD.<br>Apr. 2019 Representative Director and President of SEVEN-ELEVEN JAPAN CO., LTD. (incumbent)<br>Apr. 2023 Senior Managing Executive Officer of the Company (incumbent)<br>Head of Domestic CVS operations (Japan) of the Company (incumbent) | (Note 3)       | 43  |

| Title  | Name                         | Date of birth            | Brief personal history  | Term of office | Number of shares of the Company owned (Thousands of shares) |
|--|------------------------------|--------------------------|---|----------------|---|
| Director<br>Senior<br>Managing<br>Executive<br>Officer<br>Head of<br>Overseas CVS<br>operations<br>(North America) | Joseph<br>Michael<br>DePinto | Novem-<br>ber 3,<br>1962 | <p>Sept. 1995 Joined Thornton Oil Corporation</p> <p>June 1999 Senior Vice President and Chief Operating Officer (COO) of Thornton Oil Corporation</p> <p>Mar. 2002 Joined 7-Eleven, Inc. Manager of 7-Eleven, Inc.</p> <p>Apr. 2003 Vice President and General Manager of Operations of 7-Eleven, Inc.</p> <p>Dec. 2005 Director and President and Chief Executive Officer (CEO) of 7-Eleven, Inc.</p> <p>Aug. 2010 Director of Brinker International, Inc. (Non-Executive)</p> <p>Nov. 2013 Chairman of the Board of Brinker International, Inc. (Non-Executive) (incumbent)</p> <p>May 2015 Director of the Company (incumbent)</p> <p>Mar. 2021 Director of DHC Acquisition Corp. (Non-Executive) (incumbent)</p> <p>Apr. 2023 Senior Managing Executive Officer of the Company (incumbent)<br/>Head of Overseas CVS operations (North America) of the Company (incumbent)</p> <p>May 2023 Director and Chief Executive Officer (CEO) of 7-Eleven, Inc. (incumbent)</p> | (Note 3)       | 18  |

| Title   | Name                   | Date of birth            | Brief personal history   | Term of office | Number of shares of the Company owned (Thousands of shares) |
|---|------------------------|--------------------------|--|----------------|---|
| Director<br>Managing<br>Executive Officer<br>Chief Financial<br>Officer (CFO)<br>General Manager<br>of the Corporate<br>Finance &<br>Accounting<br>Division | Yoshimichi<br>Maruyama | Novem-<br>ber 2,<br>1959 | <p>Apr. 1982 Joined The Long-Term Credit Bank of Japan, Limited</p> <p>July 2008 Joined the Company</p> <p>May 2012 Senior Officer of the Risk Management Department of the Company</p> <p>Nov. 2014 Senior Officer of the Information Management &amp; Security Office of the Company</p> <p>July 2016 Senior Officer of the Corporate Planning Department of the Company</p> <p>Dec. 2016 Senior Officer of the Corporate Development Department of the Company</p> <p>May 2017 Executive Officer of the Company</p> <p>Senior Officer of the Finance Planning Department of the Company</p> <p>Representative Director and President of SEVEN &amp; i Financial Center Co., Ltd. (incumbent)</p> <p>Oct. 2017 Representative Director and President of Seven &amp; i Asset Management Co., Ltd.</p> <p>Mar. 2018 General Manager of the Corporate Finance &amp; Accounting Division of the Company (incumbent)</p> <p>May 2020 Director of the Company (incumbent)</p> <p>Mar. 2022 Managing Executive Officer of the Company (incumbent)</p> <p>May 2022 Member of the Compensation Committee of the Company</p> <p>Apr. 2023 Chief Financial Officer (CFO) of the Company (incumbent)</p> <p>May 2024 Member of the Nomination Committee of the Company (incumbent)</p> | (Note 3)       | 5   |

| Title   | Name          | Date of birth | Brief personal history   | Term of office | Number of shares of the Company owned (Thousands of shares) |
|---|---------------|---------------|--|----------------|---|
| Director<br>Executive Officer<br>Chief Strategy Officer (CSO)<br>General Manager of the Corporate Planning Division | Tamaki Wakita | May 12, 1972  | <p>Apr. 1995 Joined Nichimen Corporation (currently Sojitz Corporation)</p> <p>Feb. 2002 Joined General Electric International, Inc.</p> <p>Feb. 2003 Joined Nissen Co., Ltd. (currently Nissen Holdings Co., Ltd.)</p> <p>June 2006 Executive Officer of Nissen Co., Ltd.<br/>Head of the Management Planning Office of Nissen Co., Ltd.</p> <p>Dec. 2010 Head of PR Planning Office of Nissen Holdings Co., Ltd.</p> <p>Dec. 2011 In charge of Corporate Marketing of Nissen Holdings Co., Ltd.</p> <p>Mar. 2012 Director of Nissen Holdings Co., Ltd.</p> <p>Feb. 2014 General Manager of Management Planning Division of Nissen Holdings Co., Ltd.</p> <p>Sept. 2016 Representative Director and President of Nissen Holdings Co., Ltd.<br/>Director and Chair of SHADDY CO., LTD.</p> <p>Mar. 2019 Senior Officer of the Corporate Development Department of the Company</p> <p>May 2019 Director of Francfranc Corporation</p> <p>Mar. 2020 Director of Ito-Yokado Co., Ltd.</p> <p>Jan. 2021 Director of 7-Eleven, Inc. (incumbent)</p> <p>Mar. 2022 Executive Officer of the Company (incumbent)</p> <p>Apr. 2023 Chief Strategy Officer (CSO) of the Company (incumbent)<br/>General Manager of the Management Planning Division of the Company (incumbent)</p> <p>May 2024 Director of the Company (incumbent)<br/>Member of the Compensation Committee of the Company (incumbent)</p> | (Note 3)       | 2   |

| Title    | Name                | Date of birth    | Brief personal history   | Term of office | Number of shares of the Company owned (Thousands of shares) |
|----------|---------------------|------------------|--|----------------|---|
| Director | Stephen Hayes Dacus | November 7, 1960 | <p>Sept. 1983 Joined Northrop Corporation (currently Northrop Grumman Corporation)</p> <p>Sept. 1985 Joined Coopers &amp; Lybrand L.L.P. (currently Pricewaterhouse Coopers)</p> <p>Mar. 1994 Joined Mars, Incorporated</p> <p>June 2001 CEO of MasterFoods Ltd.</p> <p>Sept. 2005 Senior Vice President of FAST RETAILING CO., LTD.</p> <p>July 2007 Senior Vice President of Walmart Stores, Inc.</p> <p>Apr. 2010 Executive Vice President of Walmart Japan Holdings G.K. (currently Seiyu Holdings Co., Ltd.)</p> <p>June 2011 CEO of Walmart Japan Holdings G.K.</p> <p>Oct. 2015 Outside Director of Sushiro Global Holdings Co., Ltd. (currently FOOD &amp; LIFE COMPANIES LTD.)</p> <p>July 2016 Chairman and Representative Director of Sushiro Global Holdings Co., Ltd.</p> <p>May 2019 Non-executive Director of Hana Group SAS (incumbent)</p> <p>June 2019 CEO of Hana Group SAS</p> <p>July 2020 Chairman of the Supervisory Board of Hana Group SAS</p> <p>Nov. 2021 Chairman of Daiso California L.L.C. (currently Daiso USA L.L.C.) (incumbent)</p> <p>May 2022 Outside Director of the Company</p> <p>Dec. 2022 Member of the Nomination Committee of the Company (incumbent)</p> <p>Apr. 2024 Lead Independent Outside Director of the Company (incumbent)</p> | (Note 3)       | —   |

| Title    | Name             | Date of birth  | Brief personal history   | Term of office | Number of shares of the Company owned (Thousands of shares) |
|----------|------------------|----------------|--|----------------|---|
| Director | Toshiro Yonemura | April 26, 1951 | <p>Apr. 1974 Joined the National Police Agency</p> <p>Aug. 2005 Vice Superintendent General, Tokyo Metropolitan Police Department</p> <p>Aug. 2008 Superintendent General, Tokyo Metropolitan Police Department</p> <p>June 2011 Outside Audit &amp; Supervisory Board Member, Jowa Holdings Company, Limited (currently UNIZO Holdings Company, Limited)</p> <p>Dec. 2011 Deputy Chief Cabinet Secretary for Crisis Management</p> <p>Feb. 2014 Special Advisor to the Cabinet</p> <p>May 2014 Outside Director of the Company (incumbent)</p> <p>June 2014 Outside Director, Jowa Holdings Company, Limited (currently UNIZO Holdings Company, Limited)</p> <p>Mar. 2016 Member of the Nomination and Compensation Committee of the Company</p> <p>May 2020 Member of the Nomination Committee of the Company</p> <p>Dec. 2021 Outside Director of Kansaidengyosha Co., Ltd. (incumbent)</p> <p>Dec. 2022 Chair of the Compensation Committee of the Company (incumbent)</p> | (Note 3)       | —   |

| Title    | Name            | Date of birth     | Brief personal history  | Term of office | Number of shares of the Company owned (Thousands of shares) |
|----------|-----------------|-------------------|---|----------------|---|
| Director | Yoshiyuki Izawa | February 10, 1948 | <p>Apr. 1970 Joined MITSUI &amp; CO., LTD.</p> <p>June 2000 Director of MITSUI &amp; CO., LTD.</p> <p>Apr. 2004 Executive Managing Officer of MITSUI &amp; CO., LTD.</p> <p>Apr. 2007 Senior Executive Managing Officer of MITSUI &amp; CO., LTD.</p> <p>June 2007 Representative Director, Senior Executive Managing Officer of MITSUI &amp; CO., LTD.</p> <p>Apr. 2008 Representative Director, Executive Vice President of MITSUI &amp; CO., LTD. (Retired in November 2009)</p> <p>Dec. 2009 President &amp; CEO, Representative Executive Officer of JAPAN POST BANK Co., Ltd.</p> <p>June 2010 Director and Representative Executive Officer, Executive Vice President of JAPAN POST HOLDINGS Co., Ltd.</p> <p>June 2013 Director of JAPAN POST HOLDINGS Co., Ltd.</p> <p>May 2015 Chairman &amp; CEO, Representative Director of BlackRock Japan Co., Ltd.</p> <p>Apr. 2021 Director and Chairman of BlackRock Japan Co., Ltd. (Retired in March 2022)</p> <p>May 2022 Outside Director (Member of the Audit and Supervisory Committee) of Nitori Holdings Co., Ltd. (incumbent)</p> <p>Outside Director of the Company (incumbent)</p> <p>June 2022 Outside Director of Sanoh Industrial Co., Ltd. (incumbent)</p> <p>Dec. 2022 Member of the Nomination Committee of the Company (incumbent)</p> | (Note 3)       | 0   |

| Title    | Name          | Date of birth   | Brief personal history   | Term of office | Number of shares of the Company owned (Thousands of shares) |
|----------|---------------|-----------------|--|----------------|---|
| Director | Meyumi Yamada | August 30, 1972 | <p>Apr. 1995 Joined KOEI KOGYO Co., Ltd.</p> <p>May 1997 Joined Kiss Me Cosmetics Co., Ltd. (currently ISEHAN Co., Ltd.)</p> <p>July 1999 Representative Director of istyle LLC</p> <p>Apr. 2000 Representative Director of istyle Inc.</p> <p>Dec. 2009 Director of istyle Inc. (incumbent)</p> <p>May 2012 Representative Director and President of Cyberstar Co., Ltd.</p> <p>Sept. 2015 Director of MEDIA GLOBE CO., LTD. (incumbent)</p> <p>Mar. 2016 Representative Director and President of ISPartners Inc.</p> <p>Sept. 2016 Director of Eat Smart, Inc.</p> <p>June 2017 Outside Director of JAPAN POST INSURANCE Co., Ltd. Outside Director of SEINO HOLDINGS CO., LTD. (incumbent)</p> <p>Nov. 2019 Director of ISPartners Inc.</p> <p>June 2021 Outside Director of Sompo Holdings, Inc. (incumbent)</p> <p>May 2022 Outside Director of the Company (incumbent) Member of the Nomination Committee of the Company</p> <p>May 2023 Chair of the Nomination Committee of the Company (incumbent)</p> | (Note 3)       | —   |



| Title    | Name                 | Date of birth | Brief personal history  | Term of office | Number of shares of the Company owned (Thousands of shares) |
|----------|----------------------|---------------|---|----------------|---|
| Director | Jenifer Simms Rogers | June 22, 1963 | <p>Sept. 1989 Joined Haight Gardner Poor &amp; Havens (currently Holland &amp; Knight LLP)</p> <p>Dec. 1990 Registered as Attorney at Law (the State of New York)</p> <p>Feb. 1991 Joined Industrial Bank of Japan Limited (currently Mizuho Bank, Ltd.)</p> <p>Dec. 1994 Joined Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities, Inc.)</p> <p>Nov. 2000 Merrill Lynch Europe Plc</p> <p>July 2006 Merrill Lynch (Asia Pacific) Limited (currently Bank of America Corporation) (Hong Kong)</p> <p>Jan. 2012 Bank of America Merrill Lynch (currently Bank of America Corporation) (New York)</p> <p>Nov. 2012 General Counsel Asia of Asurion Asia Pacific Limited (Hong Kong)</p> <p>Nov. 2014 General Counsel Asia of Asurion Japan Holdings G.K. (incumbent)</p> <p>June 2015 External Director of Mitsui &amp; Co., Ltd.</p> <p>June 2018 Outside Director of Kawasaki Heavy Industries, Ltd. (incumbent)</p> <p>June 2019 Outside Director of Nissan Motor Co., Ltd.</p> <p>Jan. 2021 President of American Chamber of Commerce in Japan</p> <p>May 2022 Outside Director of the Company (incumbent)<br/>Member of the Compensation Committee of the Company (incumbent)</p> <p>June 2023 Outside Director of Sumitomo Mitsui Financial Group, Inc. (incumbent)</p> | (Note 3)       | —   |

| Title    | Name             | Date of birth    | Brief personal history  | Term of office | Number of shares of the Company owned (Thousands of shares) |
|----------|------------------|------------------|---|----------------|---|
| Director | Shinji Wada      | April 3, 1952    | <p>Mar. 1977 Joined NIPPON GAS CO., LTD.</p> <p>June 1997 Director of NIPPON GAS CO., LTD.</p> <p>June 2000 Managing Director of NIPPON GAS CO., LTD.</p> <p>Mar. 2003 Director of Tobu Gas Co., Ltd. (currently Energy Sola Platforms Co., Ltd.)</p> <p>June 2004 Senior Managing Director of NIPPON GAS CO., LTD.</p> <p>June 2005 Representative Director, President of NIPPON GAS CO., LTD.</p> <p>June 2012 Director of KUMONO UCYUSEN CO., LTD.</p> <p>Aug. 2017 Director of Tokyo Energy Alliance Co., Ltd. (incumbent)</p> <p>June 2020 Representative Director, Chief Executive Officer of NIPPON GAS CO., LTD.</p> <p>May 2022 Chairman, Director, Executive Officer of NIPPON GAS CO., LTD. (incumbent)</p> <p>May 2023 Outside Director of the Company (incumbent)</p>                                    | (Note 3)       | —   |
| Director | Fuminao Hachiuma | December 8, 1959 | <p>Apr. 1983 Joined Ajinomoto Co., Inc.</p> <p>July 1998 President of PT AJINOMOTO SALES INDONESIA</p> <p>July 2008 Director and Vice President of America Ajinomoto, Inc.</p> <p>June 2013 Corporate Executive Officer of Ajinomoto Co., Inc.</p> <p>June 2015 Corporate Vice President of Ajinomoto Co., Inc. Representative Director, President of J-OIL MILLS, Inc.</p> <p>June 2016 Representative Director, President and CEO of J-OIL MILLS, Inc.</p> <p>Apr. 2022 Director of J-OIL MILLS, Inc.</p> <p>May 2023 Outside Director of the Company (incumbent)</p> <p>June 2023 Outside Audit &amp; Supervisory Board Member of YKK AP Inc. (incumbent)</p> <p>Independent Outside Director of SUBARU CORPORATION (incumbent)</p> <p>Aug. 2023 Member of the Nomination Committee of the Company (incumbent)</p> | (Note 3)       | —   |

| Title    | Name          | Date of birth   | Brief personal history  | Term of office | Number of shares of the Company owned (Thousands of shares) |
|----------|---------------|-----------------|---|----------------|---|
| Director | Paul Yonamine | August 20, 1957 | <p>June 1979 Joined Peat, Marwick, Mitchell &amp; Co. (currently KPMG LLP)</p> <p>May 1983 Registered as U.S. Certified Public Accountant</p> <p>Apr. 1995 Managing Partner of KPMG LLP Hawaii</p> <p>Mar. 1997 President and CEO of KPMG Global Solutions LLC (currently PwC Advisory LLC)</p> <p>Aug. 2001 Chairman and CEO of KPMG Global Solutions LLC</p> <p>Apr. 2006 President and CEO of Hitachi Consulting Co., Ltd.</p> <p>May 2010 Senior Managing Officer and Executive Officer of IBM Japan, Ltd.</p> <p>Apr. 2013 Executive Vice President and Executive Officer of IBM Japan, Ltd.</p> <p>Jan. 2015 President and CEO of IBM Japan, Ltd.</p> <p>Mar. 2017 Director of GCA Corporation</p> <p>June 2017 Director of Central Pacific Bank</p> <p>July 2017 Director and Chairman of GCA Corporation</p> <p>Oct. 2018 Director and Non-executive Chairman of GCA Corporation Chairman &amp; CEO of Central Pacific Financial Corp. Executive Chairman of Central Pacific Bank</p> <p>June 2019 Outside Director of Sumitomo Mitsui Banking Corporation (incumbent)</p> <p>Dec. 2020 Outside Director of circlace Inc.</p> <p>May 2022 Outside Director of the Company (incumbent)</p> <p>Jan. 2023 Chairman Emeritus &amp; Director (Non Executive Director) of Central Pacific Financial Corp. (incumbent)</p> <p>Chairman Emeritus &amp; Director (Non Executive Director) of Central Pacific Bank (incumbent)</p> <p>May 2023 Member of the Compensation Committee of the Company (incumbent)</p> <p>June 2023 Outside Director (Audit and Supervisory Committee Member) of PayPay Corporation (incumbent)</p> | (Note 3)       | —   |

| Title    | Name                     | Date of birth    | Brief personal history   | Term of office | Number of shares of the Company owned (Thousands of shares) |
|----------|--------------------------|------------------|--|----------------|---|
| Director | Elizabeth Miin Meyerdirk | December 1, 1981 | <p>June 2003 Joined Morgan Stanley</p> <p>Aug. 2005 Joined TCMI, Inc.</p> <p>Feb. 2009 Senior Director of MedeAnalytics, Inc.</p> <p>July 2009 Associate Vice President of MedeAnalytics, Inc.</p> <p>Feb. 2011 Senior Director of Practice Fusion, Inc.</p> <p>Jan. 2012 Vice President of Practice Fusion, Inc.</p> <p>Mar. 2012 Vice President of viagogo Entertainment, Inc.</p> <p>June 2015 Uber Technologies, Inc. Head of Strategy &amp; Business Development, at Uber Eats, Uber Technologies, Inc.</p> <p>June 2018 Uber Technologies, Inc. Senior Director &amp; Head of Strategy &amp; Business Development at Uber Eats, Uber Technologies, Inc.</p> <p>Sept. 2019 Uber Technologies, Inc. Senior Director &amp; Head of Strategy &amp; Business Development; Head of Ads Marketplace at Uber Eats, Uber Technologies, Inc.</p> <p>Dec. 2020 Chairwoman &amp; CEO of Hey Favor, Inc.</p> <p>May 2022 Outside Director of the Company (incumbent)</p> <p>Sept. 2023 Operating Partner of Bain Capital, LP. Bain Capital Tech Opportunities (incumbent)</p> | (Note 3)       | —   |

| Title                                     | Name             | Date of birth     | Brief personal history  | Term of office | Number of shares of the Company owned (Thousands of shares) |
|---|------------------|-------------------|---|----------------|---|
| Standing Audit & Supervisory Board Member | Noriyuki Habano  | February 10, 1958 | <p>Mar. 1980 Joined Ito-Yokado Co., Ltd.</p> <p>Jan. 2006 Senior Officer of the Group Communication, the Public Relations Center of the Company</p> <p>May 2008 Executive Officer of the Company<br/>Senior Officer of the Society and Culture Development Department of the Company</p> <p>Sept. 2008 Executive Officer of Ito-Yokado Co., Ltd.</p> <p>Sept. 2014 Senior Officer of the Auditing Office of the Company</p> <p>Oct. 2014 Audit &amp; Supervisory Board Member of York Mart Co., Ltd.</p> <p>May 2017 Audit &amp; Supervisory Board Member of Sogo &amp; Seibu Co., Ltd.<br/>Standing Audit &amp; Supervisory Board Member of the Company (incumbent)</p> <p>May 2019 Audit &amp; Supervisory Board Member of Ito-Yokado Co., Ltd. (incumbent)</p> | (Note 4)       | 16  |
| Standing Audit & Supervisory Board Member | Nobutomo Teshima | June 15, 1962     | <p>Oct. 1991 Joined SEVEN-ELEVEN JAPAN CO., LTD.</p> <p>Feb. 2008 General Manager of the Accounting Administrative Department of SEVEN-ELEVEN JAPAN CO., LTD.</p> <p>Jan. 2013 Senior Officer of the Operational Support Department of the Company</p> <p>Sept. 2017 Senior Officer of the Accounting Management Department of the Company</p> <p>Mar. 2018 Executive Officer of the Company</p> <p>Mar. 2019 Senior Officer of the Auditing Office of the Company</p> <p>Mar. 2021 Audit &amp; Supervisory Board Member of York-Benimaru Co., Ltd.</p> <p>May 2022 Audit &amp; Supervisory Board Member of SEVEN-ELEVEN JAPAN CO., LTD. (incumbent)<br/>Standing Audit &amp; Supervisory Board Member of the Company (incumbent)</p>                             | (Note 4)       | 11  |

| Title                            | Name            | Date of birth     | Brief personal history   | Term of office | Number of shares of the Company owned (Thousands of shares) |
|----------------------------------|-----------------|-------------------|--|----------------|---|
| Audit & Supervisory Board Member | Kazuhiro Hara   | February 25, 1954 | <p>Aug. 1983 Joined Chuo Accounting Office</p> <p>Mar. 1985 Registered as a Certified Public Accountant</p> <p>July 2007 Joined Ernst &amp; Young ShinNihon (currently Ernst &amp; Young ShinNihon LLC)</p> <p>July 2016 Director of Hara Certified Accounting Office (incumbent)</p> <p>Nov. 2016 Registered as a Certified Tax Accountant</p> <p>Director of Hara Kazuhiro Tax Accountant Office (incumbent)</p> <p>Sept. 2017 Representative Director of Hara Consulting Office</p> <p>May 2018 Outside Audit &amp; Supervisory Board Member of the Company (incumbent)</p> | (Note 4)       | —   |
| Audit & Supervisory Board Member | Mitsuko Inamasu | March 15, 1976    | <p>Oct. 2000 Registered as an Attorney at Law (Tokyo Bar Association)</p> <p>Joined Hattori Law Office (incumbent)</p> <p>May 2018 Outside Audit &amp; Supervisory Board Member of the Company (incumbent)</p> <p>June 2022 Outside Director, Member of the Audit and Supervisory Committee of NTT DATA Corporation (currently NTT DATA Group Corporation) (incumbent)</p>   | (Note 4)       | —   |

| Title                            | Name  | Date of birth | Brief personal history   | Term of office | Number of shares of the Company owned (Thousands of shares) |
|----------------------------------|---|---------------|--|----------------|---|
| Audit & Supervisory Board Member | Kaori Matsuhashi<br>(Real name: Kaori Hosoya) | June 7, 1969  | <p>Apr. 2006 Registered as a Certified Public Accountant</p> <p>July 2006 Joined Asset Investors, Inc. (currently MBK Co., Ltd.)</p> <p>Nov. 2007 General Manager of the Corporate Planning Division of Asset Investors, Inc.</p> <p>Mar. 2008 Joined MK Capital Management Corporation (currently IDERA Capital Management Ltd.) Executive Officer of MK Capital Management Corporation</p> <p>May 2009 Representative Director of Luminous Consulting Co., Ltd. (incumbent)</p> <p>Representative of Kaori Matsuhashi Certified Public Accountant Office (incumbent)</p> <p>Jan. 2014 External Auditor of NTS Holdings Company, Limited (incumbent)</p> <p>June 2014 External Director of Spiber Inc. (incumbent)</p> <p>June 2017 Outside Audit &amp; Supervisory Board Member of Kakaku.com, Inc.</p> <p>May 2019 Outside Audit &amp; Supervisory Board Member of the Company (incumbent)</p> <p>May 2022 Outside Director (Member of the Audit and Supervisory Committee) of YASKAWA Electric Corporation (incumbent)</p> | (Note 4)       | —   |
| Total                            |   |               |  |                | 9,664   |

- Notes: 1. Directors Stephen Hayes Dacus, Toshiro Yonemura, Yoshiyuki Izawa, Meyumi Yamada, Jenifer Simms Rogers, Shinji Wada, Fuminao Hachiuma, Paul Yonamine, and Elizabeth Miin Meyerdirk are Independent Outside Directors.
2. Audit & Supervisory Board Members Kazuhiro Hara, Mitsuko Inamasu, and Kaori Matsuhashi are Independent Outside Audit & Supervisory Board Members.
3. The term of office of the Director is one year starting from May 2024.
4. The term of office of Standing Audit & Supervisory Board Member Noriyuki Habano is four years starting from May 2021; the term of office of Standing Audit & Supervisory Board Member Nobutomo Teshima and Outside Audit & Supervisory Board Members Kazuhiro Hara and Mitsuko Inamasu is four years starting from May 2022; and the term of office of Outside Audit & Supervisory Board Member Kaori Matsuhashi is four years starting from May 2023.
5. The Company has introduced the executive officer system, which makes each person's sphere of responsibility and performance target more clear, makes decision-making and implementation in management speedier and more efficient, allows each person to focus on their operational execution, and clarifies the business management and oversight functions and functions of executing targets on which a policy decision was made.

Of the 22 Executive Officers, those who do not serve concurrently as Director are the following 16 persons.

| Title  | Name                |
|--|---------------------|
| Managing Executive Officer, Head of Superstore operations, General Manager of Superstore operations                          | Seiichiro Ishibashi |
| Managing Executive Officer, Head of Financial Services   | Tsuyoshi Kobayashi  |
| Managing Executive Officer, Chief Information Officer (CIO), General Manager of the Group DX Division                        | Masaki Saito        |
| Managing Executive Officer   | Tetsuya Yamamoto    |
| Managing Executive Officer   | Koichiro Otaka      |
| Executive Officer, Head of Overseas CVS operations (International)   | Shinji Abe          |
| Executive Officer, Chief Merchandising Officer (CMDO), General Manager of the Group Merchandise Strategy & Planning Division | Masato Ohtake       |
| Executive Officer, General Manager of the Corporate General Affairs & Legal Division   | Seiji Oku           |
| Executive Officer, General Manager of ESG Development Division   | Nobuyuki Miyaji     |
| Executive Officer, Chief Human Resource Officer (CHRO), General Manager of the HR Division                                   | Takuya Enomoto      |
| Executive Officer, General Manager of the Corporate Communication Division   | Hirotake Henmi      |
| Executive Officer, Deputy Manager of the Corporate Finance & Accounting Division   | Yasukiyo Toda       |
| Executive Officer, Senior Officer of the Corporate Management Department   | Shinya Ishii        |
| Executive Officer, Senior Officer of the Public Relations Center   | Yuki Oda            |
| Executive Officer, Senior Officer of the PR Strategy & Planning Department   | Miho Terada         |
| Executive Officer  | Junko Waseda        |

(ii) Outside Directors and Outside Audit & Supervisory Board Members

I View on independence of Outside Directors and Outside Audit & Supervisory Board Members and independence standards

- Designation of Independent Directors and Independent Audit & Supervisory Board Members

The Company designates all Outside Directors and Outside Audit & Supervisory Board Members who satisfy the qualifications for independent officers as the Independent Outside Directors and Independent Outside Audit & Supervisory Board Members.

- Standards for the independence of Outside Directors and Outside Audit & Supervisory Board Members, etc.  
The Company emphasizes diversity in its Directors and Audit & Supervisory Board Members, including in Outside Directors and Outside Audit & Supervisory Board Members, and strives to secure highly capable external human resources who will support enhanced corporate governance. Accordingly, the Company has adopted the following standards for independence of Outside Directors and Outside Audit & Supervisory Board Members, considering that it is better to judge each candidate from the essential perspective of “whether they have any potential conflict of interest with general shareholders.”

1. Independence standards for Outside Directors and Outside Audit & Supervisory Board Members

(1) Fundamental approach

Independent Directors and Independent Audit & Supervisory Board Members are defined as Outside Directors and Outside Audit & Supervisory Board Members who have no potential conflicts of interest with general shareholders of the Company.

In the event that an Outside Director or an Outside Audit & Supervisory Board Member is likely to be significantly controlled by the management of



the Company or is likely to significantly control the management of the Company, that Outside Director or Outside Audit & Supervisory Board Member is considered to have a potential conflict of interest with general shareholders of the Company and is considered to lack independence.

(2) Independence standards

In accordance with this fundamental approach, the Company uses the independence standards established by the financial instruments exchange as the independence standards for the Company's Outside Directors and Outside Audit & Supervisory Board Members.

2. De minimis thresholds for information disclosure regarding the attributes of Independent Directors and Independent Audit & Supervisory Board Members as negligible

(In the most-recent business year of the Company)

- With regard to transactions, "less than 1% of the nonconsolidated revenues from operations of the Company in the most recent accounting period"
- With regard to donations, "less than ¥10 million"

II Main activities of Outside Directors and Outside Audit & Supervisory Board Members

- Attendance and remarks at meetings of the Board of Directors and the Audit & Supervisory Board during the fiscal year ended February 29, 2024  
(Outside Directors)

| Name                 | Attendance at the meetings of the Board of Directors (Attendance rate) | Main remarks made and summary of duties performed with respect to the roles expected of Outside Directors   |
|----------------------|--|---|
| Stephen Hayes Dacus  | 19/19<br>100%  | Mr. Stephen Hayes Dacus gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding organizational management, marketing, finance, accounting, etc.                                       |
| Toshiro Yonemura     | 19/19<br>100%  | Mr. Toshiro Yonemura gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding organizational management, risk management, etc.   |
| Yoshiyuki Izawa      | 19/19<br>100%  | Mr. Yoshiyuki Izawa gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding international corporate management, management administration, finance, capital market, etc.              |
| Meyumi Yamada        | 19/19<br>100%  | Ms. Meyumi Yamada gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision making, primarily by expressing her opinions based on her broad high level knowledge and experience regarding e-commerce, DX (digital transformation), organizational management, marketing, sustainability, etc.         |
| Jenifer Simms Rogers | 18/19<br>94.7%   | Ms. Jenifer Simms Rogers gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision making, primarily by expressing her opinions based on her broad high level knowledge and experience regarding global legal affairs, risk management, finance, accounting, sustainability, etc.                     |
| Shinji Wada          | 14/15<br>93.3%   | Mr. Shinji Wada gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding retail business management, DX (digital transformation), organizational management, and corporate governance. |
| Fuminao Hachiuma     | 14/15<br>93.3%   | Mr. Fuminao Hachiuma gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding business management, organizational management, marketing, and sustainability.                           |

| Name                     | Attendance at the meetings of the Board of Directors (Attendance rate) | Main remarks made and summary of duties performed with respect to the roles expected of Outside Directors   |
|--------------------------|--|---|
| Paul Yonamine            | 17/19<br>89.5%   | Mr. Paul Yonamine gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding DX (digital transformation), organizational management, finance, accounting, etc. |
| Elizabeth Miin Meyerdirk | 18/19<br>94.7%   | Ms. Elizabeth Miin Meyerdirk gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision making, primarily by expressing her opinions based on her broad high level knowledge and experience regarding DX (digital transformation), marketing, finance, accounting, etc.      |

Note: Mr. Shinji Wada and Mr. Fuminao Hachiuma attended the Board of Directors meeting held after their appointment on May 25, 2023.

(Outside Audit & Supervisory Board Members)

| Name             | Attendance at the meetings of the Board of Directors (Attendance rate) | Attendance at the meetings of the Audit & Supervisory Board (Attendance rate) | Main remarks   |
|------------------|--|---|--|
| Kazuhiro Hara    | 19/19<br>100%  | 28/28<br>100%   | Mr. Kazuhiro Hara asked questions and expressed his opinions as he deemed appropriate, with his abundant experience and technical knowledge related to finance, accounting, tax and risk management.                           |
| Mitsuko Inamasu  | 18/19<br>94.7%   | 28/28<br>100%   | Ms. Mitsuko Inamasu asked questions and expressed her opinions as she deemed appropriate, with her abundant experience and technical knowledge related to overall corporate legal affairs and risk management.                 |
| Kaori Matsuhashi | 18/19<br>94.7%   | 28/28<br>100%   | Ms. Kaori Matsuhashi asked questions and expressed her opinions as she deemed appropriate, with her abundant experience and technical knowledge related to finance, accounting, management administration and risk management. |

- Exchanges of opinions with Directors, etc.  
In addition to meetings of the Board of Directors, Outside Directors and Outside Audit & Supervisory Board Members meet with the Representative Directors, Directors, Standing Audit & Supervisory Board Members, and others. These meetings including Management Opinion Exchange Meetings are held on a regular and as-needed basis. The themes are set for each of the meetings, centered on various management issues and matters of high social concern. Reports are provided by Directors, the internal control divisions, and so forth, regarding the status of business execution and internal control at the Company and its Group companies, and explanations are given in response to questions from the Outside Directors and Outside Audit & Supervisory Board Members, who also express their opinions regarding the Company's management, corporate governance, and other topics based on their respective expert knowledge and wide-ranging, high-level experience and insight into management. In these and other ways, the Outside Directors and Outside Audit & Supervisory Board Members coordinate with each other while exchanging frank and lively opinions. The Outside Directors and Outside Audit & Supervisory Board Members also exchange opinions with the Directors and Audit & Supervisory Board Members, etc. of operating companies.  
Through these activities, Outside Directors supervise operational execution, and Outside Audit & Supervisory Board Members perform audits of operational execution and accounting practices.

- Functions and roles of Outside Directors and Outside Audit & Supervisory Board Members

The Outside Directors and Outside Audit & Supervisory Board Members provide supervision or audits and advice and proposals from an external perspective based on their respective expertise and wide-ranging, high-level experience and insight into management from an objective and neutral standpoint with no risk of conflict of interest with general shareholders, and fulfill the function and role of ensuring valid and appropriate decision-making and business execution by the Board of Directors.

- Support system for Outside Directors and Outside Audit & Supervisory Board Members

The Company has assigned dedicated staff to assist the Outside Directors and Outside Audit & Supervisory Board Members in their duties, enabling close coordination and smooth exchange of information with the internal Directors and internal Audit & Supervisory Board Members. The Company has entered into liability limitation agreements with each Outside Director and each Outside Audit & Supervisory Board Member to ensure that their expected roles are fully fulfilled. These agreements limit the amount of their liability for compensation for damage to the minimum legally stipulated amounts.

### III Personal relationships, capital relationships or trading relations, or other interest between Outside Directors and Outside Audit & Supervisory Board Members, and the Company

There are no special personal relationships, capital relationships or trading relations, or other interest between 9 Outside Directors and 3 Outside Audit & Supervisory Board Members, and the Company.

In addition, other than compensation for serving as Directors and Audit & Supervisory Board Members, the Company does not pay any fees for services as a legal, accounting or tax expert or as a consultant to each Independent Outside Director or Independent Outside Audit & Supervisory Board Member.

- (iii) Coordination between oversight or audits by Outside Directors or Outside Audit & Supervisory Board Members, and internal audits, Audit & Supervisory Board Member audits and accounting audits, and relationships with the internal control divisions  
Outside Directors and Outside Audit & Supervisory Board Members work to make coordination with Audit & Supervisory Board Member audits, internal audits and accounting audits through exchange of opinions, etc. with the Board of Directors, the Audit & Supervisory Board, Directors and others, and oversee and audit the status of establishment and operation of internal control systems. At the Board of Directors' meeting, as well as reports on accounting audits and reports on Audit & Supervisory Board Member audits, reports on internal audits are periodically made by the Auditing Office, and the status of internal control, etc. is also reported by the internal control divisions on an as-needed basis. For the status of the coordination in audits by Outside Audit & Supervisory Board Members, please also refer to information provided in "Coordination between Audit & Supervisory Board Member audits, internal audits and accounting audits" above.

### (3) [Status of audits]

#### (i) Audit & Supervisory Board Member audits

##### (a) Organization and personnel for Audit & Supervisory Board Member audits

The Audit & Supervisory Board consists of 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members).

The Company has elected Audit & Supervisory Board Members who possess a respectable level of knowledge on finance and accounting as follows.

- Standing Audit & Supervisory Board Member Nobutomo Teshima was engaged in operations relating to finance and accounting in the finance and accounting division in the Company and its Group companies.
- Audit & Supervisory Board Member Kazuhiro Hara is a certified public accountant and certified tax accountant.

- Audit & Supervisory Board Member Kaori Matsuhashi is a certified public accountant.

In addition, the Audit & Supervisory Board has established the Audit & Supervisory Board Members Office and has two dedicated staff members to support Audit & Supervisory Board Members.

(b) Activities of the Audit & Supervisory Board and its members

Attendance at meetings of the Audit & Supervisory Board and the Board of Directors is as follows:

| Title  | Name             | Attendance at the meetings held in the fiscal year ended February 29, 2024 |                    |
|--|------------------|--|--------------------|
|  |                  | Audit & Supervisory Board  | Board of Directors |
| Standing Audit & Supervisory Board Member            | Noriyuki Habano  | 100.0% (28/28)   | 100.0% (19/19)     |
| Standing Audit & Supervisory Board Member            | Nobutomo Teshima | 100.0% (28/28)   | 100.0% (19/19)     |
| Independent Outside Audit & Supervisory Board Member | Kazuhiro Hara    | 100.0% (28/28)   | 100.0% (19/19)     |
| Independent Outside Audit & Supervisory Board Member | Mitsuko Inamasu  | 100.0% (28/28)   | 94.7% (18/19)      |
| Independent Outside Audit & Supervisory Board Member | Kaori Matsuhashi | 100.0% (28/28)   | 94.7% (18/19)      |

The Audit & Supervisory Board held a total of 28 meetings during the fiscal year ended February 29, 2024. The average time required per meeting was approximately one and a half hours. The Audit & Supervisory Board receives reports on, discusses or resolves important matters related to audits.

Specifically, the following resolutions, discussions, deliberations, and reports were made throughout the year.

[Resolutions]

Audit policy, audit plan and division of duties, audit report of the Audit & Supervisory Board, reappointment of accounting auditors, agreement on audit fees for accounting auditors, etc.

[Matters for discussion and deliberation]

Agenda for exchange of opinions with Representative Directors, appropriateness of agenda for Board of Directors meetings, contents of reports of the Audit & Supervisory Board to the Board of Directors, evaluation of accounting auditors, non-assurance services of accounting auditors, response to shareholder lawsuits, matters stated in the Annual Securities Report (status of audit), evaluation of the effectiveness of the Audit & Supervisory Board, etc.

[Reporting matters]

Status of execution of duties by Standing Audit & Supervisory Board Members, reports on important meetings (management meetings, etc.) and important facts, results of internal audits, status of development and operation of governance system, status of development and operation of IT governance, human resources strategy, status of litigation, status of financial results, status of response to securities reports, public relations response, status of structural reform of Tokyo metropolitan area SST operations, and development status of Seven Premium merchandise, whistle-blowing, etc.

(c) Effectiveness evaluation by the Audit & Supervisory Board

The Audit & Supervisory Board evaluates the effectiveness of the audits conducted by Audit & Supervisory Board Members. The Audit & Supervisory Board looks back

on its audit activities during the fiscal year under review, evaluates and verifies the progress of key audit items, reflects issues, etc. identified through the evaluation and verification in the audit plan for the next fiscal year, and makes continuous efforts to improve the operation of the Audit & Supervisory Board.

(d) Key audit items

The fiscal year under review is the third year of implementation of the Group's key strategies under the "Medium-Term Management Plan 2021-2025."

The Audit & Supervisory Board examines the possible risks in these business activities, and focuses on as key audit items: 1) review of the overseas convenience store operation strategy, domestic convenience store operation strategy, Group food strategy, SST operation transformation, last mile strategy, DX strategy, sustainable management, and business portfolio, and other measures to achieve these strategies; and 2) development and effectiveness enhancement of the governance system that supports each strategy.

In order to build a governance system suitable for a world-class global retail group that we aim to become in 2030, the diversity of the Board of Directors was further enhanced, and the number of Independent Outside Directors was increased to a majority in FY2022. Furthermore, in FY2023, a Strategy Committee consisting solely of Independent Outside Directors was established. In order to strengthen and stabilize our governance system, we recently appointed an additional Representative Director of the Company, making a total of three, appointed a CxO (Chief x Officer) for each corporate function, and appointed a general manager for each business segment and business area. In addition to checking the decision-making process of the Board of Directors, Audit & Supervisory Board Members also collaborate with Audit & Supervisory Board Members of Group companies to audit the effectiveness of measures taken to strengthen and stabilize governance.

(e) Group audit

In Group audits, a Standing Audit & Supervisory Board Member concurrently serves as an Audit & Supervisory Board Member of some major subsidiaries in Japan. Group audit meetings with Audit & Supervisory Board Members of domestic subsidiaries are held twice a year to share information on the status of efforts to strengthen the Group governance system, audit findings, the status of Group whistleblowing and reports on audits by Audit & Supervisory Board Members of each company, thereby strengthening cooperation.

In addition, the Standing Audit & Supervisory Board Members regularly meet the Audit & Supervisory Board Members of each company on an individual basis to receive reports on the progress of each company's audit plan, issues and status of response, and to provide appropriate advice. The Standing Audit & Supervisory Board Members also regularly meet their counterparts (Outside Directors, supervisors, etc. in charge of audit) of major overseas subsidiaries to confirm and discuss the status of development and operation of governance systems, and work to improve the quality of Group audits.

In addition, the Standing Audit & Supervisory Board Members provide training and education and continuous support to newly appointed Audit & Supervisory Board Member of domestic subsidiaries.

(f) Operation of a whistleblower hotline independent of management (Audit & Supervisory Board Hotline)

As an internal whistleblowing system that is independent of the execution functions, the "Audit & Supervisory Board Hotline," which receives reports and provides consultation for actions violating laws and regulations, social norms and internal rules in relation to the top management team such as the Group's Directors, Audit & Supervisory Board Members and Executive Officers, has been operated.

(g) Division of roles between Standing Audit & Supervisory Board Members and Outside Audit & Supervisory Board Members

| Target             | Roles  | Standing | Outside  |
|--------------------|--|----------|----------|
| Directors          | Board of Directors meetings  | ○        | ○        |
|                    | Observer participation in Nomination Committee and Compensation Committee meetings                   | Optional | Optional |
|                    | Exchanges of opinions with Representative Directors  | ○        | ○        |
| Business execution | Attendance at management meetings and other important meetings                                       | ○        |          |
|                    | Exchanges of opinions with General Managers  | ○        | ○        |
|                    | Exchange of opinions with business execution departments   | ○        | ○        |
|                    | Regular meetings between internal control departments and Standing Audit & Supervisory Board Members | ○        |          |
|                    | Inspection of important documents such as circular decision-making documents ( <i>ringisho</i> )     | ○        |          |
| Subsidiaries       | On-site audits of headquarters, stores, etc. of operating companies                                  | ○        | Optional |
|                    | Individual meetings with Audit & Supervisory Board Members of subsidiaries                           | ○        |          |
|                    | Group audit meetings   | ○        | Optional |

(ii) Internal audits

(a) Organization and personnel for internal audits

In order to enhance and reinforce internal auditing function of the entire Group, the Company has appointed, within the Auditing Office, the “Group operational auditing staff” and the “internal control evaluation staff,” which are independent internal auditing departments under the Representative Director and President. The “Group operational auditing staff” has a supervising function to verify and provide guidance on internal auditing, including the status of the maintenance and management of compliance systems, by major operating companies or to directly audit them, and an internal auditing function for auditing the Company, the holding company, and performs these operations. The “internal control evaluation staff” evaluates internal controls regarding the financial reporting of the whole Group.

As of May 29, 2024, there were 29 employees dedicated to internal audit services. A total of 19 employees hold certifications directly related to internal auditing, including Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), Certified Auditor for Information Security (CAIS-Auditor), Systems Auditor, Qualified Internal Auditor (QIA), and Internal Auditor specializing in information systems auditing.

For highly specialized IT areas, the Company utilizes the expertise of outside specialists to improve the effectiveness of its audits.

(b) Activities of the Auditing Office

With the “Internal Audit Policy” focusing on “audits that contribute to management,” the Auditing Office formulates risk-based annual plans and conducts internal audits of operating companies and the Company’s overall operations, which are critical to the achievement of the Medium-Term Management Plan.

The annual audit plan is formulated based on the opinions of the Representative Director and President, Audit & Supervisory Board Members, risk management departments, and the accounting auditor (KPMG AZSA LLC), as well as risk assessment conducted every year. In addition, the annual audit plan is reviewed as necessary in line with changes in the management, business, and risk environments surrounding the Company.

To improve the internal audit function of the entire Group, the Auditing Office provides supervising support to the audit departments of domestic operating companies. Specifically, the Auditing Office helps operating companies with practical auditing, such as conducting cooperative internal audits, according to the risks of the operating companies and the resources of their audit departments, with the aim of

improving the skills of the audit department at each operating company and reducing the risks of the operating companies. Furthermore, joint meetings with Group audit departments as well as meetings with an audit department of individual Group companies are held regularly to share audit case studies and discuss various audit-related topics which help improve audit quality.

Regarding the “assessment of the effectiveness of internal control over financial reporting” in accordance with the Financial Instruments and Exchange Act, the Auditing Office assesses the status of Group-wide internal control and business process control at important locations, and reports the results to the Board of Directors (13 companies including the Company were subject to this assessment in FY2023). Meanwhile, the Auditing Office is strengthening cooperation with major overseas subsidiaries through regular exchanges of opinions not only with the internal audit departments, but also with the accounting and IT departments. Audit results, audit plans, etc. are reported to the Representative Director and President and the Board of Directors, as well as to the Audit & Supervisory Board, in order to improve the effectiveness of audits through collaboration with the Audit & Supervisory Board Member audits and discussion with them.

(iii) Coordination between Audit & Supervisory Board Member audits, internal audits and accounting audits

(a) Coordination between the Audit & Supervisory Board Members, the Auditing Office, and the accounting auditor

In order to improve the quality of Group-wide audits, the Company ensures that the Audit & Supervisory Board Members, the Auditing Office, and the accounting auditor proactively share information, exchange opinions, hold discussions and endeavor to maintain close ties with each other, by such means as periodically holding tri-partite meetings.

| Coordination method  | Schedule       | Proceedings  | Responsibility |         |
|----------------------|----------------|--|----------------|---------|
|                      |                |  | Standing       | Outside |
| Tri-partite meetings | April, October | Exchanges information on the performance of accounting audits with the accounting auditor, the performance of internal audits with the Auditing Office, and the performance of Audit & Supervisory Board Member audits with the Audit & Supervisory Board Members and conducts exchanges of opinions | ○              | ○       |

(b) Coordination between the Audit & Supervisory Board Members and the accounting auditor

The Audit & Supervisory Board Members receive reports from the accounting auditor at the beginning of the fiscal year on the annual audit plan, and on the procedures and results of accounting audits and internal control audits on a quarterly basis, and exchange opinions to coordinate with them.

| Coordination method  | Schedule                            | Proceedings   | Responsibility |          |
|--|-------------------------------------|---|----------------|----------|
|  |                                     |   | Standing       | Outside  |
| Explanation of audit and quarterly review plans                          | June                                | Receives an explanation of the audit plan and proposed audit fees for the fiscal year from the accounting auditor   | ○              | ○        |
| Report of quarterly review results                                       | July, October, January              | Receives reports on quarterly review results from the accounting auditor and exchanges opinions   | ○              | ○        |
| Interview with Audit & Supervisory Board Members                         | January                             | The accounting auditor conducts interviews and exchanges opinions with the Audit & Supervisory Board Members.   | ○              | ○        |
| Exchange of opinions on key audit matters (KAM)                          | June, July, October, January, April | Receives explanations from the accounting auditor on matters that may become KAM and on the draft text thereof, reviews their contents, and exchanges opinions Examines the appropriateness of information disclosure | ○              | ○        |
| Report on audit results under the Companies Act                          | April                               | Receives a report on the audit results under the Companies Act from the accounting auditor  | ○              | ○        |
| Report on audit results under the Financial Instruments and Exchange Act | May                                 | Receives a report on the audit results under the Financial Instruments and Exchange Act from the accounting auditor   | ○              | ○        |
| Report on audit results of major overseas subsidiaries                   | June                                | Receives reports on audit results from accounting auditors of overseas network firms and exchanges opinions   | ○              | Optional |
| Accompanying on-site audits on Group companies                           | November, February                  | Accompanies the accounting auditor's on-site audits on Group companies to confirm the appropriateness of audits, etc.   | ○              |          |



- (c) Coordination between the Audit & Supervisory Board Members and the Auditing Office  
The Audit & Supervisory Board Members and the Auditing Office ensure comprehensive sharing of audit information between each other in order to improve the quality of audits.

| Coordination method  | Schedule       | Proceedings   | Responsibility |         |
|--|----------------|---|----------------|---------|
|  |                |   | Standing       | Outside |
| Regular meetings between the Standing Audit & Supervisory Board Members and the Auditing Office        | Monthly        | Receives reports from the Auditing Office on the audit plan, the results of operational audits, the progress of internal control evaluations, etc., and exchanges opinions<br>The Standing Audit & Supervisory Board Members report important matters to Outside Audit & Supervisory Board Members. | ○              |         |
| Information sharing and exchange of opinions on the status and results of internal audits              | April, October | Receives reports on the results of operational audits and activity status from the Auditing Office and exchanges opinions   | ○              | ○       |
| Report on the status and results of evaluations of internal controls regarding the financial reporting | Quarterly      | Receives reports from the Auditing Office on the internal controls regarding the Group's financial reporting as stipulated by the Financial Instruments and Exchange Act  | ○              | ○       |

- (d) At each audit, the Audit & Supervisory Board Members, the Auditing Office, and the accounting auditor receive reports and materials, etc. from the internal control divisions, and request explanations as deemed necessary, and the internal control divisions cooperate in the appropriate performance of these audits.

(iv) Accounting audits

- (a) Name of auditing firm  
KPMG AZSA LLC

- (b) Continuous audit period  
18 years  
For the fiscal year ended February 28, 2007, joint audits were performed with MISUZU Audit Corporation.

- (c) Certified public accountants who executed the audit duties  
Reiji Kobayashi, Designated Engagement Partner  
Masahiro Sasaki, Designated Engagement Partner  
Daisuke Nakamura, Designated Engagement Partner

- (d) Composition of support staff for the auditing team  
Support staff for the auditing team in the fiscal year ended February 29, 2024 were as follows.  
20 certified public accountants and 33 others

- (e) Policy and basis for selection of the auditing firm  
The Audit & Supervisory Board obtains necessary materials and reports from Directors, relevant internal departments and the accounting auditor, and assesses independence and the status of development of quality control system, etc. as an auditing firm, and skills, experience and abilities as an auditing team, auditing method, status of audit results, etc., based on the "assessment basis for the accounting auditor" prepared by the Audit & Supervisory Board to make a selection.

In addition, if the accounting auditor is in the situation that falls under any event set forth in items of Article 340, paragraph (1) of the Companies Act, the Company's Audit & Supervisory Board considers dismissing the accounting auditor. When the dismissal is deemed appropriate, the accounting auditor is dismissed in accordance with the agreement of all Audit & Supervisory Board Members. Furthermore, if it is deemed necessary to change the accounting auditor, taking into account the performance of duties of the accounting auditor and the Company's audit system, the Company's Audit & Supervisory Board decides to submit a proposal on non-reappointment of the accounting auditor to a shareholders' meeting.

- (f) Assessment of the auditing firm by the Audit & Supervisory Board and its members  
The Audit & Supervisory Board and its members continued to make an assessment through cooperation with the accounting auditor, observation of the accounting auditor's on-site inspection of business offices, etc. during the fiscal year, judged that there was no special problem in audits by KPMG AZSA LLC, the accounting auditor, including judgment on reasonableness of the accounting auditor's audits based on the "assessment basis for the accounting auditor" prepared by the Audit & Supervisory Board, and resolved to reappoint the accounting auditor.

(v) Details of audit-related compensation

(a) Compensation for auditing certified public accountants

(Millions of yen)

| Category                  | Year ended February 28, 2023       |  | Year ended February 29, 2024       |  |
|---------------------------|------------------------------------|--|------------------------------------|--|
|                           | Compensation for audit attestation | Compensation for non-auditing services | Compensation for audit attestation | Compensation for non-auditing services |
| The Company               | 157                                | –                                      | 203                                | 65                                     |
| Consolidated subsidiaries | 728                                | 17                                     | 826                                | 23                                     |
| Total                     | 886                                | 17                                     | 1,029                              | 88                                     |

(Year ended February 28, 2023)

Details of non-auditing services for consolidated subsidiaries are validation services for the status of design and operation of internal control in contracted businesses and other services.

(Year ended February 29, 2024)

Details of non-auditing services for the Company are advisory services for accounting and preparing the comfort letter associated with the issuance of corporate bonds.

In addition, details of non-auditing services for consolidated subsidiaries are validation services for the status of design and operation of internal control in contracted businesses and other services.

- (b) Compensation for organizations which belong to the same network (KPMG) as the auditing certified public accountants (excluding (a))

(Millions of yen)

| Category                  | Year ended February 28, 2023       |  | Year ended February 29, 2024       |  |
|---------------------------|------------------------------------|--|------------------------------------|--|
|                           | Compensation for audit attestation | Compensation for non-auditing services | Compensation for audit attestation | Compensation for non-auditing services |
| The Company               | –                                  | 986                                    | –                                  | 502                                    |
| Consolidated subsidiaries | 437                                | 173                                    | 513                                | 69                                     |
| Total                     | 437                                | 1,160                                  | 513                                | 572                                    |

(Year ended February 28, 2023)

Details of non-auditing services for the Company are advisory services for accounting and tax affairs related to the Group's strategy and other services. In addition, details of non-auditing services for consolidated subsidiaries are support services for tax affairs and other services.

(Year ended February 29, 2024)

Details of non-auditing services for the Company are advisory services for accounting and tax affairs related to the Group's strategy and other services. In addition, details of non-auditing services for consolidated subsidiaries are support services for tax affairs and other services.

(c) Details of other material compensation for audit attestation

None

(d) Policy for determining audit-related compensation

The Company determines audit-related compensation for auditing certified public accountants, etc. with the consent of the Audit & Supervisory Board through consultation with auditing certified public accountants, etc., comprehensively taking into account the number of auditing days, details of audits and other factors.

(e) Basis of consent to the amount of compensation, etc. for the accounting auditor by the Audit & Supervisory Board

The Audit & Supervisory Board decided to provide consent as set forth in Article 399, paragraph (1) of the Companies Act as for the amount of compensation, etc. for the accounting auditor after conducting necessary verifications on details of its audit plans, performance of duties for accounting audits, and whether the calculation base for estimates of the compensation amount is appropriate.

(4) [Compensation, etc. of Directors and Audit & Supervisory Board Members]

Fiscal year ended February 29, 2024

I. Matters regarding policies on determining the amount of compensation, etc. of Directors and Audit & Supervisory Board Members and calculation method thereof

1. Basic views on compensation for Directors and Audit & Supervisory Board Members

The Company considers the compensation system for Directors and Audit & Supervisory Board Members of the Company ("officers") to be "a mechanism to appropriately take risks for the sake of the continued growth of the medium- and long-term corporate value and sustainable growth of the Group, based on our basic views on corporate governance," and builds and operates the system based on the points set forth below.

- Emphasis is placed on the link between the financial results and corporate value of the Group, and establishing a system that further increases the motivation and morale to contribute to improved financial results and increased corporate value continuously over the medium to long term.
- To secure highly capable human resources who will support enhanced corporate governance through appropriate oversight and auditing of operational execution, provide compensation levels and systems commensurate with responsibilities.
- Ensure the objectivity and transparency of the compensation decision process, and establish a compensation system trusted by all stakeholders.
- With regard to the design of a specific compensation system for officers, continue to consider tailoring it more appropriately in light of future trends in legal systems and society.

2. Compensation levels

The levels of compensation for officers will be determined, taking into consideration various fundamentals in the business content and the business environment of the Company, with reference to the compensation levels of officers in major companies of the same size as the Company based on market capitalization and revenues, etc.

### 3. Compensation composition

#### (1) Operating Directors

##### (a) Compensation composition ratios

The compensation composition ratios for operating Directors (\*) are as follows:  
The ratio of performance-based and stock-based compensation for Representative Directors is set higher in order to promote the sharing of profits and risks with our shareholders who have medium- and long-term perspectives.

|                          | Fixed compensation | Performance-based compensation |                          |
|--------------------------|--------------------|--------------------------------|--------------------------|
|                          |                    | Bonuses                        | Stock-based compensation |
| Representative Directors | 35%                | 30%                            | 35%                      |
| Directors                | 50%                | 25%                            | 25%                      |

← Monetary compensation → ← Stock-based compensation →

(\*) Calculated under the assumption that performance-based compensation (bonuses) and performance-based and stock-based compensation are based on a standard compensation amount.

##### (b) Composition

###### (i) Fixed compensation

- A fixed monetary compensation commensurate with the responsibilities of each position will be paid.
- Compensation will be paid monthly during the term of office.

###### (ii) Performance-based compensation (bonuses)

- Short-term incentive compensation will be a performance-based compensation that varies based on the Company's business performance and individual evaluations, etc., for the relevant fiscal year.
- Compensation will be paid annually after the Company's business performance and individual evaluations, etc., for the relevant fiscal year have been confirmed.
- The KPIs for performance-based compensation (bonuses) are per the table below. While evaluating the cash-generating capability in the main business, for incorporating the shareholders' viewpoint, consolidated net income is also used together as a KPI.

(KPIs for performance-based compensation (bonuses))

| KPIs   | Ratio | Purpose of evaluation  | Fiscal year ended February 29, 2024 Targets | Fiscal year ended February 29, 2024 Results |
|--|-------|--|---|---|
| (a) Consolidated operating CF (excluding financial services) (*) | 60%   | Evaluation of the capability of generating cash by the main business | ¥834.5 billion                              | ¥778.3 billion                              |
| (b) Consolidated net income                                      | 40%   | Evaluation of the degree of achievement of budgeted net income       | ¥285.0 billion                              | ¥224.6 billion                              |

<Coefficient formula pertaining to performance-based compensation (bonuses)>

Coefficient pertaining to performance-based compensation (bonuses) = {(a) + (b)} × (c)

- (a) "Consolidated operating CF (excluding financial services) (\*)" related coefficient × 60%
- (b) "Consolidated net income" related coefficient × 40%
- (c) "Individual evaluations" related coefficient

- When evaluating KPIs, the range of compensation of Representative Directors is set wider by using different coefficients pertaining to performance-based compensation (bonuses) from other Directors, so that the compensation of Representative Directors will be more affected by the link to performance.
- The coefficient pertaining to performance-based compensation (bonuses) will vary depending on, not only an evaluation of KPI, but also individual evaluations.

(\*) A management accounting figure based on NOPAT (excluding financial services)

(iii) Performance-based and stock-based compensation

- Medium- and long-term incentive compensation will be a performance-based and stock-based compensation that varies based on the Company's business performance, management indicators, non-financial indicators, etc. (introduction of the BIP Trust system (\*) as a stock-based compensation system was resolved at the Annual Shareholders' Meeting held in May 2019).
- Performance-based and stock-based compensation will enhance sharing profits and risks with our shareholders who have medium- and long-term perspectives by providing points during the term of office based on which shares will be delivered.
- The initial covered period shall be four fiscal years starting from the fiscal year ended February 29, 2020 and the subsequent covered periods shall be per three fiscal years.
- Shares will be delivered to Directors upon their retirement.
- Points to be granted for each fiscal year will be calculated by multiplying the standard points based on their position by a coefficient pertaining to performance-based and stock-based compensation and will vary between 0% and 200% depending on the achievement level of targets, etc.
- The KPIs for performance-based and stock-based compensation are per the table below. In order to incorporate medium- and long-term shareholder perspectives, consolidated ROE and consolidated EPS are used as indicators, and the degree of achievement of these indicators will be evaluated.
- The Company, aiming for the balance of corporate value and social value, added a target to reduce the amount of CO<sub>2</sub> emissions under the environmental declaration called "GREEN CHALLENGE 2050" made in May 2019, as an indicator of the KPIs for performance-based and stock-based compensation from the fiscal year ended February 28, 2021.
- The degree of improvement in employee engagement is added as the KPI for performance-based and stock-based compensation from the fiscal year ended February 28, 2023 to further promote the creation of an environment that allows various human resources to exercise their abilities, and to ensure the strengthening of corporate competitiveness through increased employee motivation to contribute.

(\*) A BIP (Board Incentive Plan) trust is an incentive plan for officers established with reference to a performance share plan and a restricted stock compensation plan in the U.S.

(KPIs for performance-based and stock-based compensation)

| KPI                           | Ratio                 | Purpose of evaluation  | Fiscal year ended February 29, 2024 Targets | Fiscal year ended February 29, 2024 Results |
|-------------------------------|-----------------------|--|---|---|
| (a) Consolidated ROE          | 60%                   | Evaluation of profitability against equity                                 | 8.2%  | 6.2%  |
| (b) Consolidated EPS          | 40%                   | Evaluation of net income from shareholders' viewpoint                      | 107.56 yen                                  | 84.88 yen                                   |
| (c) CO <sub>2</sub> emissions | See the formula below | Evaluation of the degree of promotion of reducing the environmental burden | 1,976,467 t                                 | 1,835,828 t                                 |

<Coefficient formula pertaining to performance-based and stock-based compensation>

Coefficient pertaining to performance-based and stock-based compensation = {(a) + (b)} × {(c) + (d)}

(a) "Consolidated ROE" related coefficient × 60%

(b) "Consolidated EPS" related coefficient × 40%

(c) "CO<sub>2</sub> emissions" related coefficient

(d) "Employee engagement" related coefficient

- When evaluating KPIs, the range of compensation of Representative Directors is set wider by using different coefficients pertaining to performance-based and stock-based compensation from other Directors, so that the compensation of Representative Directors will be more affected by the link to performance.
- If an eligible Director commits a material illegal or unlawful act, no shares under this system will be delivered to such Director (malus) or the Company may request that such Director refund money corresponding to the shares delivered to him/her (clawback).

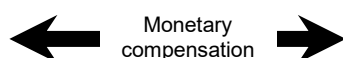
- Notes:
1. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. "Consolidated EPS" is calculated based on the assumption that the share split was conducted at the beginning of the fiscal year ended February 29, 2024.
  2. The CO<sub>2</sub> emissions target and result are FY2022 data.
  3. The CO<sub>2</sub> emissions target for every fiscal year is calculated on the assumption that emissions are reduced evenly each year toward the CO<sub>2</sub> emissions target of FY2030 set forth in "GREEN CHALLENGE 2050" (to achieve 50% reduction in emissions from the Group's store operations compared to FY2013).
  4. "Employee engagement" related coefficient is determined by the Compensation Committee's overall evaluation.

(2) Outside Directors and Audit & Supervisory Board Members

(a) Compensation composition ratios

The compensation composition ratios for Outside Directors and Audit & Supervisory Board Members are as follows:

| Fixed compensation | Performance-based compensation |                          |
|--------------------|--------------------------------|--------------------------|
|                    | Bonuses                        | Stock-based compensation |
| 100%               |                                |                          |



(b) Composition  
Fixed compensation

- With an emphasis on further strengthening the independence of Outside Directors and Audit & Supervisory Board Members from management, the compensation of Outside Directors and Audit & Supervisory Board Members consists only of fixed compensation. Performance-based compensation (bonuses and stock-based compensation) will not be paid to Outside Directors and Audit & Supervisory Board Members.

- Compensation will be paid monthly during the term of office.

4. Compensation governance

(1) Compensation Committee

The Company has established a compensation committee to ensure objectivity and transparency in the procedures for deciding the compensation of officers, etc. (referring to Directors, Audit & Supervisory Board Members, and executive officers). The committee's chair and the majority of its members are Independent Outside Directors, and all of its members are Directors.

(2) Method of determining compensation

The compensation policy for officers, a basic policy on compensation of officers, has been determined by the Board of Directors through deliberations by the Compensation Committee. Based on the Policy, the amount of compensation of each Director is deliberated by the Compensation Committee in accordance with the evaluation of each Director's function, degree of contribution, and the Group's results, as well as the degree of achievement of KPIs, and then determined by the Board of Directors based on the reports submitted by the Compensation Committee. The compensation of each Audit & Supervisory Board Member is determined through discussions by the Audit & Supervisory Board Members.

(3) Details of activities of the Board of Directors and the Compensation Committee of the Company in the process of determination of amounts of compensation of officers for the latest fiscal year

The Compensation Committee held four meetings during the fiscal year under review. Every meeting was participated by all the Committee members, who deliberated performance-related coefficient and appropriate levels of performance-linked compensation of officers, such as bonuses and stock compensation and reported to the Board of Directors. Then they were resolved by the Board of Directors.

5. Compensation limit for Directors and Audit & Supervisory Board Members

The amount of compensation of officers is decided within the following compensation limits, determined at the shareholders' meeting.

The Company has already abolished the severance payment system for Directors and Audit & Supervisory Board Members, and no severance payments will be paid.

(1) Directors

- Monetary compensation

Not more than ¥1 billion per year (not including employee salaries paid to Directors who serve concurrently as employees)

(Resolved at the 1st Annual Shareholders' Meeting held on May 25, 2006)

- Stock-based compensation

3 fiscal years/not more than ¥1,200 million (not more than ¥400 million per fiscal year)

Limit on the points granted per fiscal year: 80,000 points (1 point = 1 share of common stock)

(Resolved at the 17th Annual Shareholders' Meeting held on May 26, 2022, separately from monetary compensation)

(2) Audit & Supervisory Board Members

- Monetary compensation  
Not more than ¥200 million per year  
(Resolved at the 14th Annual Shareholders' Meeting held on May 23, 2019)

6. Reasons the Board of Directors has deemed that compensation, etc. of each Director pertaining to the fiscal year ended February 29, 2024 aligns with the determination policy. The determination of details of compensation, etc. of each Director pertaining to the fiscal year ended February 29, 2024 is made by the Board of Directors, which receives a report from the Compensation Committee, and the Board of Directors has determined that it is in line with the determination policy as the decision is based on the report by the Compensation Committee, which is an advisory body to the Board of Directors, after deliberation by the Compensation Committee in accordance with the evaluation of each Director's function, degree of contribution, and the Group's results, as well as the degree of achievement of KPIs based on the policy on compensation of officers.

II. Total amount of compensation, etc. for each officer category, total amount of compensation, etc., by type, and number of eligible officers

| Classification of Directors/Audit & Supervisory Board Members                           | Number of eligible Directors/Audit & Supervisory Board Members | Total amount of compensation, etc. (Millions of yen) | Total amount of compensation, etc., by type (Millions of yen) |   |                                      |   |
|---|--|--|---|---|--------------------------------------|---|
|   |  |  | Fixed compensation  | Performance-based compensation (Note 6) |                                      |   |
|   |  |  |   | Bonus                                   | Stock-based compensation (BIP Trust) | Non-monetary compensation, etc., among those listed on the left |
| Directors (excluding Outside Directors)   | 6  | 763  | 264   | 223                                     | 275                                  | 275 (Note 8)  |
| Outside Directors   | 10   | 243  | 243   | —                                       | —                                    | —   |
| Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members) | 2  | 81   | 81  | —                                       | —                                    | —   |
| Outside Audit & Supervisory Board Members   | 3  | 66   | 66  | —                                       | —                                    | —   |

- Notes:
- The above includes one Outside Director who retired at the conclusion of the 18th Annual Shareholders' Meeting held on May 25, 2023.
  - The amounts of compensation, etc. of Directors shown above do not include amounts paid as salaries for employees to Directors who serve concurrently as employees.
  - It was resolved at the 1st Annual Shareholders' Meeting held on May 25, 2006 that the annual amount of compensation paid to Directors shall not exceed ¥1 billion (not including amounts paid as salaries for employees). The number of Directors related to the said resolution of the Annual Shareholders' Meeting is 16.
  - The 17th Annual Shareholders' Meeting held on May 26, 2022 resolved as follows regarding compensation amounts for Directors' stock-based compensation (BIP Trust). The number of Directors related to the said resolution of the Annual Shareholders' Meeting is 4.  
3 fiscal years/not more than ¥1.2 billion  
Limit on the points granted per fiscal year: 80,000 points (1 point = 1 share of common stock)
  - It was resolved at the 14th Annual Shareholders' Meeting held on May 23, 2019 that the annual amount of compensation paid to Audit & Supervisory Board Members shall not exceed ¥200 million. The number of Audit & Supervisory Board Members related to the said resolution of the Annual Shareholders' Meeting is 5.



6. The amount of performance-based compensation above includes the amount of provision for bonuses for directors (and other officers) and provision for share awards for directors (and other officers) in the fiscal year under review.
7. Stock-based compensation (BIP Trust) was granted to four (4) Directors (excluding Outside Directors).
8. The total amount of non-monetary compensation, etc. for Directors (excluding Outside Directors) consists of stock-based compensation (BIP Trust) of ¥275 million.

### III. Total amount of consolidated compensation, etc. for each officer

| Name                   | Classification of Directors/<br>Audit & Supervisory Board Members | Company category             | Total amount of compensation, etc., by type<br>(Millions of yen) |  |   |   | Total amount of consolidated compensation, etc.<br>(Millions of yen)<br>(Note 1) |
|------------------------|---|------------------------------|--|--|---|---|--|
|                        |   |                              | Fixed compensation   | Performance-based compensation<br>(Note 2) |   |   |  |
|                        |   |                              |  | Bonus                                      | Stock-based compensation<br>(BIP Trust) | Non-monetary compensation, etc., among those listed on the left<br>(Note 3) |  |
| Ryuichi Isaka          | Director  | The Company                  | 95   | 106  | 134                                     | 134   | 341  |
|                        | Director  | 7-Eleven, Inc.               | 4  | —  | —                                       | —   |  |
| Katsuhiro Goto         | Director  | The Company                  | 51   | 56   | 73                                      | 73  | 184  |
|                        | Director  | Seven Bank, Ltd.             | 3  | —  | —                                       | —   |  |
| Junro Ito              | Director  | The Company                  | 42   | 38   | 46                                      | 46  | 127  |
| Fumihiko Nagamatsu     | Director  | The Company                  | 17   | —  | —                                       | —   | 173  |
|                        | Director  | SEVEN-ELEVEN JAPAN CO., LTD. | 35   | 51   | 65                                      | 65  |  |
|                        | Director  | 7-Eleven, Inc.               | 4  | —  | —                                       | —   |  |
| Joseph Michael DePinto | Director  | The Company                  | 22   | —  | —                                       | —   | 7,732  |
|                        | Director  | 7-Eleven, Inc. (Note 4)      | 272  | 7,437                                      | —                                       | —   |  |

- Notes: 1. Information is provided only on persons whose total amount of consolidated compensation, etc. is ¥100 million or more.
2. The amount of performance-based compensation above includes the amount of provision for bonuses for directors (and other officers) and provision for share awards for directors (and other officers) in the fiscal year under review.
3. The total amount of non-monetary compensation, etc., is all stock-based compensation (BIP trust).
4. The compensation structure of 7-Eleven, Inc.'s CEO consists of "fixed compensation," which is fixed pecuniary compensation, and "short-term incentives" and "long-term incentives," which are performance-based pecuniary compensation, emphasizing the relationship between performance and corporate value and aiming to increase morale and the motivation to contribute to the mid- to long-term enhancement of 7-Eleven, Inc.'s performance and corporate value. In order to encourage the achievement of performance targets, more than 90% of the total compensation is performance-based compensation. Setting the short-term incentives for one year and the long-term incentives for three years as an evaluation period, we evaluate their performance based on their target achievement levels and value increased levels. The evaluation period for the short-term incentives and long-term incentives paid in 2023 were 2022 and from 2020 to 2022 respectively.
- Compensation is paid in local currency. In 2023, fixed compensation of U.S.\$1,937 thousand, short-term incentives of U.S.\$5,161 thousand, and long-term incentives of U.S.\$47,709 thousand were paid and converted to yen at ¥140.67 to the dollar and are shown. The amount of long-term incentives in 2023 reflects the achievement substantially exceeding the plan in 2022 as a result of completing the acquisition of Speedway business through M&A in 2021 during the evaluation period.

The compensation levels of 7-Eleven, Inc.'s CEO refer to the compensation levels in the U.S. market, and factor in the knowledge of external evaluation organizations, from the perspective of securing and retaining talented personnel, etc. The amount of compensation is ultimately determined by resolution of the board of directors of 7-Eleven, Inc., after discussion by the Company's Compensation Committee, to secure objectivity and transparency in the decision-making process.

Fiscal year ending February 28, 2025

Matters regarding policies on determining the amount of compensation, etc. of Directors and Audit & Supervisory Board Members and calculation method thereof

1. Basic views on compensation for Directors and Audit & Supervisory Board Members  
The Company considers the compensation system for Directors and Audit & Supervisory Board Members of the Company ("officers") to be "a mechanism to appropriately take risks for the sake of the continued growth of the medium- and long-term corporate value and sustainable growth of the Group, based on our basic views on corporate governance," and builds and operates the system based on the points set forth below.
  - Emphasis is placed on the link between the financial results and corporate value of the Group, and establishing a system that further increases the motivation and morale to contribute to improved financial results and increased corporate value continuously over the medium to long term.
  - To secure highly capable human resources who will support enhanced corporate governance through appropriate oversight and auditing of operational execution, provide compensation levels and systems commensurate with responsibilities.
  - Ensure the objectivity and transparency of the compensation decision process, and establish a compensation system trusted by all stakeholders.
  - With regard to the design of a specific compensation system for officers, continue to consider tailoring it more appropriately in light of trends in legal systems and society.
2. Compensation levels  
The levels of compensation for officers will be determined, taking into consideration various fundamentals in the business content and the business environment of the Company, with reference to the compensation levels of officers in major companies of the same size as the Company based on market capitalization and revenues, etc.
3. Compensation composition
  - (1) Operating Directors
    - (a) Compensation composition ratios  
The compensation composition ratios for operating Directors (\*) are as follows:  
The ratio of performance-based and stock-based compensation for President and Representative Director is set higher in order to promote the sharing of profits and risks with our shareholders who have medium- and long-term perspectives.

|                                | Fixed compensation | Performance-based compensation |                          |
|--------------------------------|--------------------|--------------------------------|--------------------------|
|                                |                    | Bonuses                        | Stock-based compensation |
| Representative Directors       | 30%                | 30%                            | 40%                      |
| Other Representative Directors | 35%                | 30%                            | 35%                      |
| Directors                      | 50%                | 25%                            | 25%                      |



(\*) Calculated under the assumption that performance-based compensation (bonuses) and performance-based and stock-based compensation are based on a standard compensation amount.

(b) Composition

(i) Fixed compensation

- A fixed monetary compensation commensurate with the responsibilities of each position will be paid.
- Compensation will be paid monthly during the term of office.

(ii) Performance-based compensation (bonuses)

- Short-term incentive compensation will be a performance-based compensation that varies based on the Company's business performance and individual evaluations, etc., for the relevant fiscal year.
- Compensation will be paid annually after the Company's business performance and individual evaluations, etc., for the relevant fiscal year have been confirmed.
- The KPIs for performance-based compensation (bonuses) are per the table below. While evaluating the cash-generating capability in the main business, for incorporating the shareholders' viewpoint, consolidated net income is also used together as a KPI.

(KPIs for performance-based compensation (bonuses))

| KPI  | Ratio | Purpose of evaluation  |
|--|-------|--|
| (a) Consolidated operating CF (excluding financial services) (*) | 60%   | Evaluation of the capability of generating cash by the main business |
| (b) Consolidated net income                                      | 40%   | Evaluation of the degree of achievement of budgeted net income       |

<Coefficient formula pertaining to performance-based compensation (bonuses)>

Coefficient pertaining to performance-based compensation (bonuses) = {(a) + (b)}  
× (c)

(a) "Consolidated operating CF (excluding financial services) (\*)" related coefficient × 60%

(b) "Consolidated net income" related coefficient × 40%

(c) "Individual evaluations" related coefficient

- When evaluating KPIs, the range of compensation of Representative Directors is set wider by using different coefficients pertaining to performance-based compensation (bonuses) from other Directors, so that the compensation of Representative Directors will be more affected by the link to performance.
- The coefficient pertaining to performance-based compensation (bonuses) will vary depending on, not only an evaluation of KPI, but also individual evaluations.

(\*) A management accounting figure based on NOPAT (excluding financial services)

(iii) Performance-based and stock-based compensation

- Medium- and long-term incentive compensation will be a performance-based and stock-based compensation that varies based on the Company's business performance, management indicators, non-financial indicators, etc. (introduction of the BIP Trust system (\*) as a stock-based compensation system was resolved at the Annual Shareholders' Meeting held in May 2019).
- Performance-based and stock-based compensation will enhance sharing profits and risks with our shareholders who have medium- and long-term perspectives by providing points during the term of office based on which shares will be delivered.

- The initial covered period shall be four fiscal years starting from the fiscal year ended February 29, 2020 and the subsequent covered periods shall be per three fiscal years.
  - Shares will be delivered to Directors upon their retirement.
  - Points to be granted for each fiscal year will be calculated by multiplying the standard points based on their position by a coefficient pertaining to performance-based and stock-based compensation and will vary between 0% and 200% depending on the achievement level of targets, etc.
  - The KPIs for performance-based and stock-based compensation are per the table below. In order to incorporate medium- and long-term shareholder perspectives, consolidated ROE and consolidated EPS are used as indicators, and the degree of achievement of these indicators will be evaluated.
  - The Company, aiming for the balance of corporate value and social value, added a target to reduce the amount of CO<sub>2</sub> emissions under the environmental declaration called “GREEN CHALLENGE 2050” made in May 2019, as an indicator of the KPIs for performance-based and stock-based compensation from the fiscal year ended February 28, 2021.
  - The degree of improvement in employee engagement was added as the KPI for performance-based and stock-based compensation in the fiscal year ended February 28, 2023 to further promote the creation of an environment that allows various human resources to exercise their abilities, and to ensure the strengthening of corporate competitiveness through increased employee motivation to contribute.
- (\*) A BIP (Board Incentive Plan) trust is an incentive plan for officers established with reference to a performance share plan and a restricted share compensation plan in the U.S.

(KPIs for performance-based and stock-based compensation)

| KPI                           | Ratio                 | Purpose of evaluation  |
|-------------------------------|-----------------------|--|
| (a) Consolidated ROE          | 60%                   | Evaluation of profitability against equity                                 |
| (b) Consolidated EPS          | 40%                   | Evaluation of net income from shareholders' viewpoint                      |
| (c) CO <sub>2</sub> emissions | See the formula below | Evaluation of the degree of promotion of reducing the environmental burden |

<Coefficient formula pertaining to performance-based and stock-based compensation>

Coefficient pertaining to performance-based and stock-based compensation = {(a) + (b)} × {(c) + (d)}

- (a) “Consolidated ROE” related coefficient × 60%
- (b) “Consolidated EPS” related coefficient × 40%
- (c) “CO<sub>2</sub> emissions” related coefficient
- (d) “Employee engagement” related coefficient

- When evaluating KPIs, the range of compensation of Representative Directors is set wider by using different coefficients pertaining to performance-based and stock-based compensation from other Directors, so that the compensation of Representative Directors will be more affected by the link to performance.

- If an eligible Director commits a material illegal or unlawful act, no shares under this system will be delivered to such Director (malus) or the Company may request that such Director refund money corresponding to the shares delivered to him/her (clawback).

Note: "Employee engagement" related coefficient is determined by the Compensation Committee's overall evaluation.

(2) Outside Directors and Audit & Supervisory Board Members

(a) Compensation composition ratios

The compensation composition ratios for Outside Directors and Audit & Supervisory Board Members are as follows:

| Fixed compensation | Performance-based compensation |                          |
|--------------------|--------------------------------|--------------------------|
|                    | Bonuses                        | Stock-based compensation |
| 100%               |                                |                          |



(b) Composition

Fixed compensation

- With an emphasis on further strengthening the independence of Outside Directors and Audit & Supervisory Board Members from management, the compensation of Outside Directors and Audit & Supervisory Board Members consists only of fixed compensation. Performance-based compensation (bonuses and stock-based compensation) will not be paid to Outside Directors and Audit & Supervisory Board Members.

- Compensation will be paid monthly during the term of office.

4. Compensation governance

(1) Compensation Committee

The Company has established a compensation committee to ensure objectivity and transparency in the procedures for deciding the compensation of officers, etc. (referring to Directors, Audit & Supervisory Board Members, and executive officers). The committee's chair and the majority of its members are Independent Outside Directors, and all of its members are Directors.

(2) Method of determining compensation

The compensation policy for officers, a basic policy on compensation of officers, has been determined by the Board of Directors through deliberations by the Compensation Committee. Based on the Policy, the amount of compensation of each Director is deliberated by the Compensation Committee in accordance with the evaluation of each Director's function, degree of contribution, and the Group's results, as well as the degree of achievement of KPIs, and then determined by the Board of Directors based on the reports submitted by the Compensation Committee. The compensation of each Audit & Supervisory Board Member is determined through discussions by the Audit & Supervisory Board Members.

5. Compensation limit for Directors and Audit & Supervisory Board Members

The amount of compensation of officers is decided within the following compensation limits, determined at the shareholders' meeting.

The Company has already abolished the severance payment system for Directors and Audit & Supervisory Board Members, and no severance payments will be paid.

(1) Directors

- Monetary compensation

Not more than ¥1 billion per year (not including employee salaries paid to Directors who serve concurrently as employees)

(Resolved at the 1st Annual Shareholders' Meeting held on May 25, 2006)

- Stock-based compensation  
3 fiscal years/not more than ¥1,200 million (not more than ¥400 million per fiscal year)  
Limit on the points granted per fiscal year: 240,000 points (1 point = 1 share of common stock)  
(Resolved at the 17th Annual Shareholders' Meeting held on May 26, 2022, separately from monetary compensation. Although the limit on the points granted per fiscal year was 80,000 points, which was resolved at the same Meeting, it is adjusted to 240,000 points in line with a 3-for-1 common share split effective on March 1, 2024.)
- (2) Audit & Supervisory Board Members
  - Monetary compensation  
Not more than ¥200 million per year  
(Resolved at the 14th Annual Shareholders' Meeting held on May 23, 2019)
- 6. Reasons the Board of Directors has deemed that compensation, etc. of each Director pertaining to the fiscal year ended February 29, 2024 aligns with the determination policy  
The determination of details of compensation, etc. of each Director pertaining to the fiscal year ended February 29, 2024 is made by the Board of Directors, which receives a report from the Compensation Committee, and the Board of Directors has determined that it is in line with the determination policy as the decision is based on the report by the Compensation Committee, which is an advisory body to the Board of Directors, after deliberation by the Compensation Committee in accordance with the evaluation of each Director's function, degree of contribution, and the Group's results, as well as the degree of achievement of KPIs based on the Compensation Policy for Officers.
- (5) [Status of shareholdings]  
Standard and approach for the classification of investment shares  
The Company does not hold any so-called shares held for a pure investment purpose which are aimed to gain profits solely through changes in value of the shares or dividends on the shares. The Company holds shares for which there is an accepted rational for doing so, such as maintaining or strengthening business alliances or business relationships, in order to maintain and strengthen business competitiveness, as cross-shareholdings, and classifies them as shares held for other than pure investment purposes.
- I Information on SEVEN-ELEVEN JAPAN CO., LTD., which is the company whose carrying amount of investment shares (recorded amount of investment shares) is the largest (largest holding company) among the Company and its consolidated subsidiaries, is as follows.
  - (i) Investment shares held for any purpose other than a pure investment purpose
    - (a) Holding policy and method of verifying the reasonableness of shareholding, and details of verification of appropriateness of holding of individual issues in the Board of Directors, etc.  
In principle, SEVEN-ELEVEN JAPAN CO., LTD. does not hold listed cross-shareholdings except where there is an accepted rational for doing so, such as maintaining or strengthening business alliances or business relationships, in order to maintain and strengthen business competitiveness. Stocks held are reviewed annually and shares with less rationale for or less effectiveness of holding are to be sold in view of the circumstances of the investee companies. The Company's Board of Directors assesses the following matters regarding the rationale for and effectiveness of holding listed cross-shareholdings of SEVEN-ELEVEN JAPAN CO., LTD. and makes comprehensive decisions regarding the appropriateness of holding said shares, taking into account details of verification by SEVEN-ELEVEN JAPAN CO., LTD.  
Qualitative matters: (a) Background of acquisition, (b) Presence or absence of business relationship, (c) Strategic significance at the time of holding, (d) Possibility of future business, (e) Risks related to survival or stability, etc. of business if shares are not held, and (f) Continuity of advantages, future outlook for business, and risks if shares continue to be held  
Quantitative matters: (a) The most recent amounts of transactions and profits if

any business is conducted through business alliances, etc., (b) Annual dividends received and gain or loss on valuation of shares, and (c) Whether the benefits and risks from each holding cover the Company's cost of capital

(b) Number of stocks and the amount recorded on the balance sheet

|                                   | Number of stocks (Stocks) | Total amount recorded on the balance sheet (Millions of yen) |
|-----------------------------------|---------------------------|--|
| Unlisted shares                   | 8                         | 5,867  |
| Shares other than unlisted shares | 15                        | 46,037   |

(Stocks whose number of shares increased in the fiscal year ended February 29, 2024)

|                                   | Number of stocks (Stocks) | Total acquisition costs associated with increase in number of shares (Millions of yen) | Reason for increase in number of shares |
|-----------------------------------|---------------------------|--|---|
| Unlisted shares                   | 2                         | 5,258  | For strengthening business alliances    |
| Shares other than unlisted shares | —                         | —  | —                                       |

(Stocks whose number of shares decreased in the fiscal year ended February 29, 2024)

|                                   | Number of stocks (Stocks) | Total sale value associated with decrease in number of shares (Millions of yen) |
|-----------------------------------|---------------------------|---|
| Unlisted shares                   | —                         | —   |
| Shares other than unlisted shares | —                         | —   |

(c) Information on the number of shares, carrying amount, etc. of specified investment shares and deemed shareholdings by issue  
Specified investment shares

| Stock                              | Year ended February 29, 2024      | Year ended February 28, 2023      | Purpose of shareholding, outline of business alliance etc., quantitative effectiveness of shareholding and reason for increase in number of shares (Note 1) | Holding of the Company's shares |
|------------------------------------|-----------------------------------|-----------------------------------|---|---------------------------------|
|                                    | Number of shares (Shares)         | Number of shares (Shares)         |   |                                 |
|                                    | Carrying amount (Millions of yen) | Carrying amount (Millions of yen) |   |                                 |
| Nomura Research Institute, Ltd.    | 7,804,500                         | 7,804,500                         | Reinforcement of business collaboration in system operations, etc., of the Group companies  | Yes                             |
|                                    | 32,810                            | 23,725                            |   |                                 |
| WARABEYA NICHIO HOLDINGS CO., LTD. | 2,195,400                         | 2,195,400                         | Reinforcement of business collaboration in promotion of joint merchandise development, etc.   | Yes                             |
|                                    | 5,997                             | 4,079                             |   |                                 |
| PIA Corporation                    | 704,700                           | 704,700                           | Reinforcement of business collaboration with the Group operating companies in relation to ticket sales  | No                              |
|                                    | 2,195                             | 2,209                             |   |                                 |
| STI Foods Holdings, Inc.           | 500,000                           | 500,000                           | Reinforcement of business collaboration in promotion of joint merchandise development, etc.   | Yes                             |
|                                    | 1,955                             | 1,342                             |   |                                 |

| Stock                                       | Year ended<br>February 29, 2024      | Year ended<br>February 28, 2023      | Purpose of shareholding, outline of<br>business alliance etc., quantitative<br>effectiveness of shareholding and reason<br>for increase in number of shares (Note 1) | Holding of the<br>Company's<br>shares |
|---|--------------------------------------|--------------------------------------|--|---------------------------------------|
|   | Number of shares<br>(Shares)         | Number of shares<br>(Shares)         |  |                                       |
|   | Carrying amount<br>(Millions of yen) | Carrying amount<br>(Millions of yen) |  |                                       |
| The Hachijuni<br>Bank, Ltd.                 | 700,000                              | 700,000                              | Reinforcement of business<br>collaboration in financial transactions,<br>etc., with the Group companies  | Yes                                   |
|   | 642                                  | 431                                  |  |                                       |
| Sumitomo Mitsui<br>Financial Group,<br>Inc. | 59,300                               | 59,300                               | Reinforcement of business<br>collaboration in financial transactions,<br>etc., with the Group companies  | No (Note 2)                           |
|   | 494                                  | 354                                  |  |                                       |
| Mebuki Financial<br>Group, Inc.             | 819,000                              | 819,000                              | Reinforcement of business<br>collaboration in financial transactions,<br>etc., with the Group companies  | No (Note 2)                           |
|   | 383                                  | 299                                  |  |                                       |
| Kyushu Financial<br>Group, Inc.             | 300,000                              | 300,000                              | Reinforcement of business<br>collaboration in financial transactions,<br>etc., with the Group companies  | No (Note 2)                           |
|   | 338                                  | 155                                  |  |                                       |
| PICKLES<br>HOLDINGS CO.,<br>LTD             | 280,000                              | 280,000                              | Reinforcement of business<br>collaboration in promotion of joint<br>merchandise development, etc.  | No (Note 2)                           |
|   | 332                                  | 328                                  |  |                                       |
| MS&AD Insurance<br>Group Holdings,<br>Inc.  | 39,300                               | 39,300                               | Reinforcement of business<br>collaboration in financial transactions,<br>etc., with the Group companies  | No (Note 2)                           |
|   | 291                                  | 174                                  |  |                                       |
| NAKAMURAYA<br>CO., LTD.                     | 70,000                               | 70,000                               | Reinforcement of business<br>collaboration in promotion of joint<br>merchandise development, etc.  | Yes                                   |
|   | 221                                  | 213                                  |  |                                       |
| MEGMILK SNOW<br>BRAND Co., Ltd.             | 82,800                               | 82,800                               | Reinforcement of business<br>collaboration in promotion of joint<br>merchandise development, etc.  | Yes                                   |
|   | 186                                  | 146                                  |  |                                       |
| ITOCHU-<br>SHOKUHN Co.,<br>Ltd.             | 10,000                               | 10,000                               | Reinforcement of business<br>collaboration in promotion of joint<br>merchandise development, etc.  | Yes                                   |
|   | 75                                   | 49                                   |  |                                       |
| Resona Holdings,<br>Inc.                    | 76,700                               | 76,700                               | Reinforcement of business<br>collaboration in financial transactions,<br>etc., with the Group companies  | No (Note 2)                           |
|   | 62                                   | 57                                   |  |                                       |
| KITOKU<br>SHINRYO CO.,<br>LTD.              | 10,000                               | 10,000                               | Reinforcement of business<br>collaboration in promotion of joint<br>merchandise development, etc.  | Yes                                   |
|   | 51                                   | 39                                   |  |                                       |

Notes: 1. Although the quantitative effects of shareholding are not indicated in view of confidentiality of contracts and agreements pertaining to individual transactions, the Company's Board of Directors assesses the following matters regarding the rationale for and effectiveness of holding listed cross-shareholdings of SEVEN-ELEVEN JAPAN CO., LTD. and makes comprehensive decisions regarding the appropriateness of holding said shares, taking into account details of verification by SEVEN-ELEVEN JAPAN CO., LTD.  
Qualitative matters: (a) Background of acquisition, (b) Presence or absence of business relationship, (c) Strategic significance at the time of holding, (d) Possibility of future business, (e) Risks related to survival or stability, etc. of business if shares are not held, and (f) Continuity of advantages, future outlook for business, and risks if shares continue to be held



Quantitative matters: (a) The most recent amounts of transactions and profits if any business is conducted through business alliances, etc., (b) Annual dividends received and gain or loss on valuation of shares, and (c) Whether the benefits and risks from each holding cover the Company's cost of capital

2. Although the company whose shares the Company holds does not hold the Company's shares, a subsidiary/subsidiaries of the company hold(s) the Company's shares.

Not applicable as for deemed shareholdings.

- (ii) Investment shares held for a pure investment purpose  
None

- II Information on the Company, which is the company whose carrying amount of investment shares (recorded amount of investment shares) is the next largest after the largest holding company among the Company and its consolidated subsidiaries, is as follows.

- (i) Investment shares held for any purpose other than a pure investment purpose

- (a) Holding policy and method of verifying the reasonableness of shareholding, and details of verification of appropriateness of holding of individual issues in the Board of Directors, etc.

In principle, the Company does not hold cross-shareholdings except where there is an accepted rationale for doing so, such as maintaining or strengthening business alliances or business relationships, in order to maintain and strengthen business competitiveness. Stocks held are reviewed annually and shares with less rationale for or less effectiveness of holding are to be sold in view of the circumstances of the investee companies.

The Company's Board of Directors assesses the following matters regarding the rationale for and effectiveness of holding listed cross-shareholdings and makes comprehensive decisions regarding the appropriateness of holding said shares.

Qualitative matters: (a) Background of acquisition, (b) Presence or absence of business relationship, (c) Strategic significance at the time of holding, (d) Possibility of future business, (e) Risks related to survival or stability, etc. of business if shares are not held, and (f) Continuity of advantages, future outlook for business, and risks if shares continue to be held

Quantitative matters: (a) The most recent amounts of transactions and profits if any business is conducted through business alliances, etc., (b) Annual dividends received and gain or loss on valuation of shares, and (c) Whether the benefits and risks from each holding cover the Company's cost of capital

- (b) Number of stocks and the amount recorded on the balance sheet

|                                   | Number of stocks (Stocks) | Total amount recorded on the balance sheet (Millions of yen) |
|-----------------------------------|---------------------------|--|
| Unlisted shares                   | 7                         | 7,378  |
| Shares other than unlisted shares | 6                         | 29,177   |

(Stocks whose number of shares increased in the fiscal year ended February 29, 2024)

|                                   | Number of stocks (Stocks) | Total acquisition costs associated with increase in number of shares (Millions of yen) | Reason for increase in number of shares  |
|-----------------------------------|---------------------------|--|--|
| Unlisted shares (Note)            | 1                         | 107  | Reinforcement of business collaboration through promotion of recycling of waste plastics, etc. |
| Shares other than unlisted shares | —                         | —  | —  |

Note: In addition to the above, one stock is increased as a result of reclassification from stocks of subsidiaries and affiliates.

(Stocks whose number of shares decreased in the fiscal year ended February 29, 2024)

|                                   | Number of stocks (Stocks) | Total sale value associated with decrease in number of shares (Millions of yen) |
|-----------------------------------|---------------------------|---|
| Unlisted shares                   | —                         | —   |
| Shares other than unlisted shares | —                         | —   |

(c) Information on the number of shares, carrying amount, etc. of specified investment shares and deemed shareholdings by issue  
Specified investment shares

| Stock                        | Year ended February 29, 2024      | Year ended February 28, 2023      | Purpose of shareholding, outline of business alliance etc., quantitative effectiveness of shareholding and reason for increase in number of shares (Note 1)     | Holding of the Company's shares |
|------------------------------|-----------------------------------|-----------------------------------|---|---------------------------------|
|                              | Number of shares (Shares)         | Number of shares (Shares)         |   |                                 |
|                              | Carrying amount (Millions of yen) | Carrying amount (Millions of yen) |   |                                 |
| AIN HOLDINGS INC.            | 2,750,000                         | 2,750,000                         | Reinforcement of business collaboration in promotion of joint merchandise development, etc.   | No                              |
|                              | 13,029                            | 15,565                            |   |                                 |
| Credit Saison Co., Ltd.      | 2,050,000                         | 2,050,000                         | Reinforcement of business collaboration through the Group financial business companies, etc.  | Yes                             |
|                              | 5,969                             | 3,804                             |   |                                 |
| Mitsui Fudosan Co., Ltd.     | 1,017,000                         | 1,017,000                         | Reinforcement of business collaboration in transactions, etc., related to stores, logistics facilities, and other real estate for the Group operating companies | Yes                             |
|                              | 4,130                             | 2,639                             |   |                                 |
| TBS HOLDINGS, INC.           | 804,000                           | 804,000                           | Reinforcement of business collaboration in sales promotion, etc. leveraging media content   | No (Note 2)                     |
|                              | 3,162                             | 1,438                             |   |                                 |
| SEIBU HOLDINGS INC.          | 1,088,000                         | 1,088,000                         | Reinforcement of business collaboration in joint development of stores, areas, etc., of the Group operating companies   | No (Note 2)                     |
|                              | 2,354                             | 1,491                             |   |                                 |
| Dai-ichi Life Holdings, Inc. | 156,100                           | 156,100                           | Reinforcement of business collaboration in life insurance and other financial transactions, etc., with the Group companies                                      | No (Note 2)                     |
|                              | 531                               | 453                               |   |                                 |

- Notes: 1. Although the quantitative effects of shareholding are not indicated in view of confidentiality of contracts and agreements pertaining to individual transactions, the Company's Board of Directors assesses the following matters regarding the rationale for and effectiveness of holding listed cross-shareholdings and makes comprehensive decisions regarding the appropriateness of holding said shares.  
Qualitative matters: (a) Background of acquisition, (b) Presence or absence of business relationship, (c) Strategic significance at the time of holding, (d) Possibility of future business, (e) Risks related to survival or stability, etc. of business if shares are not held, and (f) Continuity of advantages, future outlook for business, and risks if shares continue to be held  
Quantitative matters: (a) The most recent amounts of transactions and profits if any business is conducted through business alliances, etc., (b) Annual dividends received and gain or loss on valuation of shares, and (c) Whether the benefits and risks from each holding cover the Company's cost of capital
2. Although the company whose shares the Company holds does not hold the Company's shares, a subsidiary/subsidiaries of the company hold(s) the Company's shares.

Not applicable as for deemed shareholdings.

- (ii) Investment shares held for a pure investment purpose  
None

**V. [Financial Information]**

1. Preparation of the consolidated financial statements and nonconsolidated financial statements
  - (1) The consolidated financial statements of the Company are prepared in accordance with the “Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (Ministry of Finance Order No. 28 of 1976; hereinafter referred to as the “Regulation on Consolidated Financial Statements”).
  - (2) The nonconsolidated financial statements of the Company are prepared in accordance with the “Regulation on Terminology, Forms, and Preparation Methods of Financial Statements” (Ministry of Finance Order No. 59 of 1963; hereinafter referred to as the “Regulation on Financial Statements”).

The Company is a company filing nonconsolidated financial statements prepared in accordance with special provisions and prepares non-consolidated financial statements pursuant to Article 127 of the Regulation on Financial Statements.
2. Note on independent audit

The consolidated financial statements and the nonconsolidated financial statements for the fiscal year from March 1, 2023 to February 29, 2024 were audited by KPMG AZSA LLC in accordance with Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act.
3. Remarkable efforts to ensure fair presentation of consolidated financial statements, etc.

The Company takes remarkable efforts to ensure fair presentation of consolidated financial statements, etc. To be specific, the Company has joined the Financial Accounting Standards Foundation and attends training seminars held by auditing firms and various organizations in order to properly understand details of accounting standards and other rules and establish a system that enables appropriate response to changes.

## 1. [Consolidated financial statements and other information]

## (1) Consolidated Financial Statements

## (i) Consolidated Balance Sheets

(Millions of yen)

|  | February 28, 2023 | February 29, 2024 |
|--|-------------------|-------------------|
| <b>ASSETS</b>  |                   |                   |
| Current assets   |                   |                   |
| Cash and bank deposits                                     | 1,670,872         | 1,558,738         |
| Call loan  | 23,000            | —                 |
| Notes and accounts receivable - trade, and contract assets | *1 422,635        | *1 464,159        |
| Trade accounts receivable-financial services               | 93,490            | 100,645           |
| Merchandise and finished goods                             | 280,044           | 283,349           |
| Work in process  | 119               | 79                |
| Raw materials and supplies                                 | 2,216             | 2,444             |
| Prepaid expenses   | 78,588            | 90,576            |
| ATM-related temporary payments                             | 102,755           | 99,351            |
| Other  | 397,288           | 447,812           |
| Allowance for doubtful accounts                            | (10,356)          | (11,491)          |
| Total current assets                                       | 3,060,653         | 3,035,666         |
| Non-current assets   |                   |                   |
| Property and equipment                                     |                   |                   |
| Buildings and structures                                   | 3,315,510         | 3,251,014         |
| Accumulated depreciation                                   | (1,700,680)       | (1,644,175)       |
| Buildings and structures, net                              | *3 1,614,830      | *3 1,606,839      |
| Furniture, fixtures and equipment                          | 1,337,026         | 1,473,135         |
| Accumulated depreciation                                   | (873,507)         | (979,379)         |
| Furniture, fixtures and equipment, net                     | 463,518           | 493,756           |
| Vehicles   | 32,781            | 36,100            |
| Accumulated depreciation                                   | (14,140)          | (14,317)          |
| Vehicles, net  | 18,640            | 21,783            |
| Land   | *3 1,196,007      | *3 1,096,630      |
| Lease assets   | 27,256            | 15,196            |
| Accumulated depreciation                                   | (20,991)          | (12,226)          |
| Lease assets, net  | 6,264             | 2,970             |
| Right-of-use assets  | 1,007,322         | 1,231,045         |
| Accumulated depreciation                                   | (121,677)         | (245,388)         |
| Right-of-use assets, net                                   | 885,645           | 985,657           |
| Construction in progress                                   | 156,842           | 154,862           |
| Total property and equipment                               | 4,341,750         | 4,362,500         |
| Intangible assets  |                   |                   |
| Goodwill   | 1,913,017         | 1,928,916         |
| Software   | 265,638           | 302,767           |
| Other  | 186,016           | 124,895           |
| Total intangible assets                                    | 2,364,673         | 2,356,578         |

(Millions of yen)

|                                    | February 28, 2023  | February 29, 2024  |
|------------------------------------|--------------------|--------------------|
| Investments and other assets       |                    |                    |
| Investments in securities          | *2, *3, *6 243,215 | *2, *3, *6 277,526 |
| Long-term loans receivable         | 14,903             | 14,488             |
| Long-term leasehold deposits       | *3 321,945         | *3 278,642         |
| Advances for store construction    | 770                | 75                 |
| Net defined benefit asset          | 87,088             | 116,852            |
| Deferred income taxes              | 57,186             | 92,015             |
| Other                              | 60,627             | 59,222             |
| Allowance for doubtful accounts    | (2,965)            | (2,432)            |
| Total investments and other assets | 782,772            | 836,390            |
| Total non-current assets           | 7,489,195          | 7,555,469          |
| Deferred assets                    |                    |                    |
| Business commencement expenses     | 773                | 193                |
| Bond issuance cost                 | 332                | 788                |
| Total deferred assets              | 1,106              | 981                |
| TOTAL ASSETS                       | 10,550,956         | 10,592,117         |

(Millions of yen)

|  | February 28, 2023 | February 29, 2024 |
|--|-------------------|-------------------|
| <b>LIABILITIES</b>   |                   |                   |
| Current liabilities  |                   |                   |
| Notes and accounts payable, trade  | 352,369           | 334,121           |
| Accounts payable, franchised stores  | 183,803           | 194,033           |
| Short-term loans   | 143,568           | 84,882            |
| Current portion of bonds   | 355,823           | 334,039           |
| Current portion of long-term loans   | *3 145,605        | *3 138,530        |
| Income taxes payable   | 25,549            | 18,389            |
| Accrued expenses   | 274,563           | 264,862           |
| Contract liabilities   | 211,356           | 188,890           |
| Deposits received  | 165,501           | 140,845           |
| ATM-related temporary advances   | 61,772            | 60,880            |
| Lease obligations  | 121,472           | 132,392           |
| Allowance for restructuring expenses   | 2,208             | 15,989            |
| Allowance for sales promotion expenses   | 1,104             | 773               |
| Allowance for bonuses to employees   | 14,389            | 13,870            |
| Allowance for bonuses to Directors and Audit & Supervisory Board Members             | 483               | 496               |
| Deposits received in banking business  | 810,139           | 803,763           |
| Call money   | 110,000           | 40,000            |
| Other  | 285,377           | 306,490           |
| Total current liabilities  | 3,265,089         | 3,073,252         |
| Non-current liabilities  |                   |                   |
| Bonds  | 1,394,728         | 1,356,585         |
| Long-term loans  | *3 936,070        | *3 824,616        |
| Deferred income taxes  | 184,242           | 220,658           |
| Allowance for retirement benefits to Directors and Audit & Supervisory Board Members | 526               | 459               |
| Allowance for stock payments   | 4,555             | 4,707             |
| Net defined benefit liability  | 13,584            | 16,323            |
| Deposits received from tenants and franchised stores                                 | 50,322            | 45,025            |
| Lease obligations  | 834,913           | 931,759           |
| Asset retirement obligations   | 155,137           | 163,328           |
| Other  | 63,623            | 54,776            |
| Total non-current liabilities  | 3,637,704         | 3,618,240         |
| TOTAL LIABILITIES  | 6,902,794         | 6,691,492         |

(Millions of yen)

|  | February 28, 2023 | February 29, 2024 |
|--|-------------------|-------------------|
| <b>NET ASSETS</b>  |                   |                   |
| Shareholders' equity   |                   |                   |
| Common stock   | 50,000            | 50,000            |
| Capital surplus  | 408,926           | 351,851           |
| Retained earnings  | 2,532,491         | 2,650,575         |
| Treasury stock, at cost  | (9,873)           | (16,368)          |
| Total shareholders' equity   | 2,981,545         | 3,036,059         |
| Accumulated other comprehensive income                                   |                   |                   |
| Unrealized gains (losses) on available-for-sale securities, net of taxes | 34,823            | 46,116            |
| Unrealized gains (losses) on hedging derivatives, net of taxes           | 4,799             | 4,823             |
| Foreign currency translation adjustments                                 | 444,478           | 608,057           |
| Remeasurements of defined benefit plans                                  | 8,899             | 21,466            |
| Total accumulated other comprehensive income                             | 493,001           | 680,464           |
| Subscription rights to shares  | 49                | 60                |
| Non-controlling interests  | 173,565           | 184,041           |
| <b>TOTAL NET ASSETS</b>  | <b>3,648,161</b>  | <b>3,900,624</b>  |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                                  | <b>10,550,956</b> | <b>10,592,117</b> |

(ii) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
Consolidated Statements of Income

(Millions of yen)

|  | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|--|---------------------------------|---------------------------------|
| Revenues from operations                           | *1 11,811,303                   | *1 11,471,753                   |
| Net sales  | 10,265,151                      | 9,850,470                       |
| Cost of sales                                      | 8,503,617                       | 8,060,919                       |
| Gross profit on sales                              | 1,761,534                       | 1,789,551                       |
| Operating revenues                                 | *2 1,546,151                    | *2 1,621,283                    |
| Gross profit from operations                       | 3,307,685                       | 3,410,834                       |
| Selling, general and administrative expenses       |                                 |                                 |
| Advertising and decoration expenses                | 97,091                          | 103,036                         |
| Salaries and wages                                 | 696,197                         | 699,665                         |
| Provision for bonuses to employees                 | 14,314                          | 14,769                          |
| Pension expenses                                   | 13,812                          | 13,833                          |
| Legal welfare expenses                             | 81,495                          | 82,957                          |
| Land and building rent                             | 441,127                         | 450,944                         |
| Depreciation and amortization                      | 363,564                         | 388,036                         |
| Utility expenses                                   | 185,724                         | 183,411                         |
| Store maintenance and repair expenses              | 162,768                         | 164,886                         |
| Other  | 745,068                         | 775,044                         |
| Total selling, general and administrative expenses | 2,801,164                       | 2,876,585                       |
| Operating income                                   | 506,521                         | 534,248                         |
| Non-operating income                               |                                 |                                 |
| Interest income                                    | 6,050                           | 12,186                          |
| Dividend income                                    | 1,267                           | 1,533                           |
| Equity in earnings of affiliates                   | 2,506                           | 3,711                           |
| Gain on valuation of investments securities        | 1,920                           | 146                             |
| Other  | 4,083                           | 5,910                           |
| Total non-operating income                         | 15,827                          | 23,487                          |
| Non-operating expenses                             |                                 |                                 |
| Interest expenses                                  | 15,673                          | 22,060                          |
| Interest on bonds                                  | 20,711                          | 21,059                          |
| Other  | 10,076                          | 7,529                           |
| Total non-operating expenses                       | 46,460                          | 50,649                          |
| Ordinary income                                    | 475,887                         | 507,086                         |



(Millions of yen)

|  | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|--|---------------------------------|---------------------------------|
| Special gains  |                                 |                                 |
| Gain on sales of property and equipment              | *3 9,116                        | *3 11,027                       |
| Gain on sales of investments in securities           | 272                             | 2,867                           |
| Other  | 4,120                           | 2,017                           |
| Total special gains                                  | 13,510                          | 15,912                          |
| Special losses                                       |                                 |                                 |
| Loss on disposals of property and equipment          | *4 14,038                       | *4 15,590                       |
| Impairment loss                                      | *5 43,420                       | *5 43,010                       |
| Loss on transfer of department stores                | —                               | 129,618                         |
| Restructuring expenses                               | *4, *5, *6 10,298               | *5, *6 28,858                   |
| Loss on transfer of subsidiaries                     | —                               | 4,866                           |
| Other  | 18,878                          | 24,047                          |
| Total special losses                                 | 86,636                          | 245,991                         |
| Income before income taxes                           | 402,761                         | 277,007                         |
| Income taxes - current                               | 71,881                          | 63,116                          |
| Income taxes - deferred                              | 38,710                          | (21,313)                        |
| Total income taxes                                   | 110,591                         | 41,803                          |
| Net income   | 292,169                         | 235,203                         |
| Net income attributable to non-controlling interests | 11,193                          | 10,580                          |
| Net income attributable to owners of parent          | 280,976                         | 224,623                         |

# Consolidated Statements of Comprehensive Income

(Millions of yen)

|  | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|--|---------------------------------|---------------------------------|
| Net income   | 292,169                         | 235,203                         |
| Other comprehensive income   |                                 |                                 |
| Unrealized gains (losses) on available-for-sale securities, net of taxes                               | (2,962)                         | 11,212                          |
| Unrealized gains (losses) on hedging derivatives, net of taxes   | 532                             | 19                              |
| Foreign currency translation adjustments   | 288,056                         | 165,163                         |
| Remeasurements of defined benefit plan, net of taxes   | (5,113)                         | 12,845                          |
| Share of other comprehensive income (loss) of entities accounted for using equity method, net of taxes | 203                             | (133)                           |
| Total other comprehensive income (loss)  | * 280,717                       | * 189,107                       |
| Comprehensive income (loss)  | 572,887                         | 424,311                         |
| Comprehensive income (loss) attributable to owners of parent   | 560,539                         | 412,085                         |
| Comprehensive income (loss) attributable to non-controlling interests                                  | 12,347                          | 12,225                          |

(iii) Consolidated Statements of Changes in Net Assets  
Year ended February 28, 2023

(Millions of yen)

|   | Shareholders' equity |                 |                   |                         |                            |
|---|----------------------|-----------------|-------------------|-------------------------|----------------------------|
|   | Common stock         | Capital surplus | Retained earnings | Treasury stock, at cost | Total shareholders' equity |
| Balance at March 1, 2022  | 50,000               | 408,645         | 2,319,155         | (10,282)                | 2,767,517                  |
| Cumulative effects of changes in accounting policies                    |                      |                 | 22,815            |                         | 22,815                     |
| Increase (decrease) due to the adoption of IFRS in foreign subsidiaries |                      |                 | (902)             |                         | (902)                      |
| Restated balance  | 50,000               | 408,645         | 2,341,068         | (10,282)                | 2,789,430                  |
| Increase (decrease) for the year  |                      |                 |                   |                         |                            |
| Cash dividends  |                      |                 | (89,787)          |                         | (89,787)                   |
| Net income attributable to owners of parent                             |                      |                 | 280,976           |                         | 280,976                    |
| Purchase of treasury stock  |                      |                 |                   | (16)                    | (16)                       |
| Disposal of treasury stock  |                      | 0               |                   | 425                     | 425                        |
| Other   |                      | 281             | 234               | (0)                     | 515                        |
| Net changes of items other than shareholders' equity                    |                      |                 |                   |                         |                            |
| Net increase (decrease) for the year                                    | —                    | 281             | 191,423           | 409                     | 192,114                    |
| Balance at February 28, 2023  | 50,000               | 408,926         | 2,532,491         | (9,873)                 | 2,981,545                  |

|   | Accumulated other comprehensive income   |  |   |   |  | Sub-<br>scrip-<br>tion<br>rights<br>to<br>shares | Non-<br>control-<br>ling<br>interests | TOTAL<br>NET<br>ASSETS |
|---|--|--|---|---|--|--|---------------------------------------|------------------------|
|   | Unreal-<br>ized<br>gains<br>(losses)<br>on<br>available<br>-for-sale<br>securi-<br>ties, net<br>of taxes | Unreal-<br>ized<br>gains<br>(losses)<br>on<br>hedging<br>deriva-<br>tives, net<br>of taxes | Foreign<br>currency<br>transla-<br>tion<br>adjust-<br>ments | Remea-<br>surements<br>of defined<br>benefit<br>plans | Total<br>accumu-<br>lated<br>other<br>compre-<br>hensive<br>income |  |                                       |                        |
| Balance at March 1, 2022  | 37,696   | 4,270  | 157,570   | 13,901  | 213,438  | 56   | 166,719                               | 3,147,732              |
| Cumulative effects of changes in accounting policies                    |  |  |   |   |  |  |                                       | 22,815                 |
| Increase (decrease) due to the adoption of IFRS in foreign subsidiaries |  |  |   |   |  |  |                                       | (902)                  |
| Restated balance  | 37,696   | 4,270  | 157,570   | 13,901  | 213,438  | 56   | 166,719                               | 3,169,645              |
| Increase (decrease) for the year  |  |  |   |   |  |  |                                       |                        |
| Cash dividends  |  |  |   |   |  |  |                                       | (89,787)               |
| Net income attributable to owners of parent                             |  |  |   |   |  |  |                                       | 280,976                |
| Purchase of treasury stock  |  |  |   |   |  |  |                                       | (16)                   |
| Disposal of treasury stock  |  |  |   |   |  |  |                                       | 425                    |
| Other   |  |  |   |   |  |  |                                       | 515                    |
| Net changes of items other than shareholders' equity                    | (2,872)  | 529  | 286,908   | (5,002)   | 279,563  | (7)  | 6,846                                 | 286,401                |
| Net increase (decrease) for the year                                    | (2,872)  | 529  | 286,908   | (5,002)   | 279,563  | (7)  | 6,846                                 | 478,516                |
| Balance at February 28, 2023  | 34,823   | 4,799  | 444,478   | 8,899   | 493,001  | 49   | 173,565                               | 3,648,161              |

Year ended February 29, 2024

(Millions of yen)

|  | Shareholders' equity |                 |                   |                         |                            |
|--|----------------------|-----------------|-------------------|-------------------------|----------------------------|
|  | Common stock         | Capital surplus | Retained earnings | Treasury stock, at cost | Total shareholders' equity |
| Balance at March 1, 2023                             | 50,000               | 408,926         | 2,532,491         | (9,873)                 | 2,981,545                  |
| Increase (decrease) for the year                     |                      |                 |                   |                         |                            |
| Cash dividends                                       |                      |                 | (106,152)         |                         | (106,152)                  |
| Net income attributable to owners of parent          |                      |                 | 224,623           |                         | 224,623                    |
| Purchase of treasury stock                           |                      |                 |                   | (52,393)                | (52,393)                   |
| Disposal of treasury stock                           |                      | 0               |                   | 489                     | 489                        |
| Cancellation of treasury stock                       |                      | (45,408)        |                   | 45,408                  | —                          |
| Other  |                      | (11,666)        | (387)             | 1                       | (12,052)                   |
| Net changes of items other than shareholders' equity |                      |                 |                   |                         |                            |
| Net increase (decrease) for the year                 | —                    | (57,074)        | 118,083           | (6,494)                 | 54,513                     |
| Balance at February 29, 2024                         | 50,000               | 351,851         | 2,650,575         | (16,368)                | 3,036,059                  |

|  | Accumulated other comprehensive income   |  |   |   |  | Sub-<br>scrip-<br>tion<br>rights<br>to<br>shares | Non-<br>controll-<br>ing<br>interests | TOTAL<br>NET<br>ASSETS |
|--|--|--|---|---|--|--|---------------------------------------|------------------------|
|  | Unreal-<br>ized<br>gains<br>(losses)<br>on<br>available<br>-for-sale<br>securi-<br>ties, net<br>of taxes | Unreal-<br>ized<br>gains<br>(losses)<br>on<br>hedging<br>deriva-<br>tives, net<br>of taxes | Foreign<br>currency<br>transla-<br>tion<br>adjust-<br>ments | Remea-<br>surements<br>of defined<br>benefit<br>plans | Total<br>accumu-<br>lated<br>other<br>compre-<br>hensive<br>income |  |                                       |                        |
| Balance at March 1, 2023                             | 34,823   | 4,799  | 444,478   | 8,899   | 493,001  | 49   | 173,565                               | 3,648,161              |
| Increase (decrease) for the year                     |  |  |   |   |  |  |                                       |                        |
| Cash dividends                                       |  |  |   |   |  |  |                                       | (106,152)              |
| Net income attributable to owners of parent          |  |  |   |   |  |  |                                       | 224,623                |
| Purchase of treasury stock                           |  |  |   |   |  |  |                                       | (52,393)               |
| Disposal of treasury stock                           |  |  |   |   |  |  |                                       | 489                    |
| Cancellation of treasury stock                       |  |  |   |   |  |  |                                       | —                      |
| Other  |  |  |   |   |  |  |                                       | (12,052)               |
| Net changes of items other than shareholders' equity | 11,292   | 23   | 163,578   | 12,567  | 187,462  | 10   | 10,475                                | 197,949                |
| Net increase (decrease) for the year                 | 11,292   | 23   | 163,578   | 12,567  | 187,462  | 10   | 10,475                                | 252,462                |
| Balance at February 29, 2024                         | 46,116   | 4,823  | 608,057   | 21,466  | 680,464  | 60   | 184,041                               | 3,900,624              |

## (iv) Consolidated Statements of Cash Flows

(Millions of yen)

|  | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|--|---------------------------------|---------------------------------|
| Cash flows from operating activities                                 |                                 |                                 |
| Income before income taxes   | 402,761                         | 277,007                         |
| Depreciation and amortization  | 376,097                         | 400,789                         |
| Impairment loss  | 48,950                          | 57,079                          |
| Amortization of goodwill   | 112,700                         | 119,912                         |
| Increase (decrease) in allowance for bonuses to employees            | 515                             | 472                             |
| Increase in net defined benefit asset                                | (8,993)                         | (8,195)                         |
| Interest and dividends income  | (7,317)                         | (13,719)                        |
| Interest expenses and interest on bonds                              | 36,384                          | 43,120                          |
| Equity in losses (earnings) of affiliates                            | (2,506)                         | (3,711)                         |
| Gain on sales of property and equipment                              | (9,116)                         | (11,027)                        |
| Loss on disposals of property and equipment                          | 14,110                          | 15,590                          |
| Loss on transfer of department stores                                | —                               | 129,618                         |
| Loss on transfer of subsidiaries                                     | —                               | 4,866                           |
| Loss (gain) on sale of investment in securities                      | (272)                           | (2,867)                         |
| Decrease (increase) in notes and accounts receivable, trade          | (44,022)                        | (50,033)                        |
| Decrease (increase) in trade accounts receivable, financial services | (1,824)                         | (7,155)                         |
| Decrease (increase) in inventories                                   | (12,111)                        | (5,984)                         |
| Increase (decrease) in notes and accounts payable, trade             | 25,183                          | 5,587                           |
| Increase (decrease) in deposits received                             | (57,643)                        | (23,689)                        |
| Net increase (decrease) in bonds in banking business                 | —                               | (40,000)                        |
| Net increase (decrease) in deposits received in banking business     | 22,260                          | (6,376)                         |
| Net decrease (increase) in call loan in banking business             | (23,000)                        | 23,000                          |
| Net increase (decrease) in call money in banking business            | 110,000                         | (70,000)                        |
| Net decrease (increase) in ATM-related temporary accounts            | (6,997)                         | 2,626                           |
| Other  | 62,019                          | (67,073)                        |
| Subtotal   | 1,037,177                       | 769,836                         |
| Interest and dividends received                                      | 5,967                           | 12,646                          |
| Interest paid  | (35,807)                        | (41,920)                        |
| Insurance income received  | 174                             | 1,090                           |
| Income taxes paid  | (96,856)                        | (87,527)                        |
| Income taxes refund  | 17,820                          | 18,889                          |
| Net cash provided by operating activities                            | 928,476                         | 673,015                         |

(Millions of yen)

|   | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|---|---------------------------------|---------------------------------|
| <b>Cash flows from investing activities</b>   |                                 |                                 |
| Acquisition of property and equipment   | *4 (305,217)                    | *4 (337,439)                    |
| Proceeds from sales of property and equipment   | 20,221                          | 24,317                          |
| Acquisition of intangible assets  | (105,672)                       | (120,202)                       |
| Payment for purchase of investments in securities   | (50,305)                        | (44,240)                        |
| Proceeds from sales of investments in securities  | 30,317                          | 29,973                          |
| Payment for purchase of shares in subsidiaries resulting in change in scope of consolidation                      | (459)                           | (776)                           |
| Proceeds from sales of shares in subsidiaries resulting in change in scope of consolidation                       | 938                             | *2 36,036                       |
| Payment for sales of shares in subsidiaries resulting in change in scope of consolidation                         | —                               | (2,687)                         |
| Payment for long-term leasehold deposits  | (13,125)                        | (17,026)                        |
| Refund of long-term leasehold deposits  | 20,588                          | 18,046                          |
| Proceeds from deposits from tenants   | 2,577                           | 2,093                           |
| Refund of deposits from tenants   | (2,535)                         | (1,872)                         |
| Payment for acquisition of business   | *4 (224)                        | *4 (2,187)                      |
| Payment for time deposits   | (2,594)                         | (7,302)                         |
| Proceeds from withdrawal of time deposits   | 2,176                           | 5,522                           |
| Other   | (9,914)                         | (14,064)                        |
| Net cash used in investing activities   | (413,229)                       | (431,809)                       |
| <b>Cash flows from financing activities</b>   |                                 |                                 |
| Net increase (decrease) in short-term loans   | 3,718                           | 12,821                          |
| Proceeds from long-term debts   | 163,652                         | 52,700                          |
| Repayment of long-term debts  | (262,650)                       | (150,246)                       |
| Proceeds from issuance of bonds   | —                               | 220,000                         |
| Payment for redemption of bonds   | (60,000)                        | (325,837)                       |
| Proceeds from share issuance to non-controlling shareholders  | 2,368                           | 2,988                           |
| Purchase of treasury stock  | (16)                            | (52,393)                        |
| Dividends paid  | (89,762)                        | (106,092)                       |
| Dividends paid to non-controlling interests   | (7,803)                         | (7,533)                         |
| Payment for changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | (975)                           | (2,062)                         |
| Other   | (18,904)                        | (21,409)                        |
| Net cash used in financing activities   | (270,373)                       | (377,065)                       |
| Effect of exchange rate changes on cash and cash equivalents  | 15,023                          | 23,566                          |
| Net increase (decrease) in cash and cash equivalents  | 259,897                         | (112,293)                       |
| Cash and cash equivalents at beginning of period  | 1,414,890                       | 1,674,787                       |
| Cash and cash equivalents at end of period  | *1 1,674,787                    | *1 1,562,493                    |



## Notes to Consolidated Financial Statements

### Accounting Policies for the Preparation of Consolidated Financial Statements

#### 1. Scope of consolidation

Number of consolidated subsidiaries: 160

Major consolidated subsidiaries:

SEVEN-ELEVEN JAPAN CO., LTD., 7-Eleven, Inc., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., Seven Bank, Ltd., and Seven Financial Service Co., Ltd.

Consolidated subsidiaries increased by 7 (Establishment) Ito-Yokado Online Supermarket Co., Ltd. and AR Bid Pty Ltd. and two other companies (Acquisition of shares, and others) Three companies.

Following the transfer of shares of Sogo & Seibu Co., Ltd. on September 1, 2023, six companies, including subsidiaries of Sogo & Seibu Co., Ltd., were excluded from the scope of consolidation and one company was changed from a consolidated subsidiary to an equity-method affiliate. York Co., Ltd. ceased to exist as a result of its merger with Ito-Yokado Co., Ltd. on September 1, 2023. In addition, one company was absorbed, one company had its shares transferred, and two companies were liquidated. As a result, 12 companies were excluded from the scope of consolidation.

#### 2. Application of the equity method

(1) Number of unconsolidated subsidiaries to which the equity method was applied: None

(2) Number of affiliates to which the equity method was applied: 20

Major affiliates:

Tenmaya Store Co., Ltd., DAIICHI CO., LTD. and PIA Corporation

During the current fiscal year, one company was changed from a consolidated subsidiary to an-equity-method affiliate due to the transfer of Sogo & Seibu Co., Ltd. shares on September 1, 2023. In addition, one company was acquired, and as a result, two companies became equity-method affiliates in total.

Six companies were excluded from the scope of consolidation for reasons such as transfer of shares.

(3) Procedure for applying the equity method

(i) The affiliates which have different closing dates are included in the consolidated financial statements based on their respective fiscal year-end.

(ii) When an affiliate has a deficit net worth, the Company's share of such loss is reduced from its loan receivable from affiliate.

#### 3. Accounting period of consolidated subsidiaries

The fiscal year-end of some subsidiaries is December 31. The financial statements of such subsidiaries as of and for the year ended December 31 are used in preparing the consolidated financial statements. All material transactions during the period from the closing date to the end of February are adjusted for the consolidation purpose.

The closing date of Seven Bank, Ltd., etc. is March 31. Pro forma financial statements as of the end of February are prepared in a manner that is substantially identical to the preparation of the official financial statements in order to facilitate its consolidation.

#### 4. Summary of significant accounting policies

(1) Valuation method for major assets

(i) Valuation method for securities

a. Held-to-maturity debt securities are carried at amortized cost.

b. Other available-for-sale securities are classified into two categories, where: (A) Securities other than shares that do not have a market value and (B) Shares that do not have a market value.

(A) Securities other than shares that do not have a market value are valued at fair value. Net unrealized gains or losses on these securities are reported as a separate component of net assets at a net-of-tax amount. Cost of securities sold is determined using the moving-average method.

- (B) Shares that do not have a market value are mainly valued at cost, determined using the moving-average method.
- (ii) Valuation method for derivatives  
Derivative financial instruments are valued at fair value.
- (iii) Valuation method for inventories
  - a. Merchandise:  
Inventories of domestic consolidated subsidiaries are stated mainly at cost determined by the retail method with book value written down to the net realizable value.  
Cost is determined principally by the first-in, first-out (FIFO) method (except for gasoline inventory that is determined by the weighted average cost method) for foreign consolidated subsidiaries. Some domestic consolidated subsidiaries applied the FIFO method.
  - b. Supplies:  
Supplies are carried at cost which is mainly determined by the last purchase price method with book value written down to the net realizable value.
- (2) Depreciation and amortization
  - (i) Property and equipment (excluding Lease assets)  
Property and equipment are depreciated using the straight-line method.
  - (ii) Intangible assets (excluding Lease assets)  
Intangible assets are amortized using the straight-line method. Internal use software is amortized using the straight-line method over an estimated useful life, generally 5 years.
  - (iii) Lease assets  
For the assets leased under finance lease contracts that do not transfer ownership of leased property to the lessee, useful life is determined based on the duration of the lease period and straight-line depreciation method is applied with an assumed residual value at nil.  
Finance leases, commenced prior to March 1, 2009, which do not transfer ownership of leased property to the lessee, are accounted for in the same manner as operating leases.
  - (iv) Right-of-use assets  
Some foreign consolidated subsidiaries have adopted IFRS 16 Leases and application of Accounting Standards Update ("ASU") 2016-02, Leases (Topic842). Therefore, lessees are in principle required to recognize all leases as assets and liabilities on their consolidated balance sheets. Right-of-use assets recorded in assets as result of the application of IFRS 16 Leases are depreciated using the straight-line method.  
Moreover, as a result of the application of ASU 2016-02, Leases (Topic842), the amount equivalent to depreciation of right-of-use assets for operating lease is recorded not as "Depreciation and amortization" but as "Land and building rent," because it is not depreciable assets.
- (3) Accounting for deferred assets
  - (i) Business commencement expenses  
Business commencement expenses are amortized using the straight-line method over 5 years.
  - (ii) Bond issuance cost  
Bond issuance cost is amortized using the straight-line method over the redemption period.
- (4) Allowances
  - (i) Allowance for doubtful accounts  
Allowance for doubtful accounts is provided in an amount sufficient to cover probable losses on collection. It consists of the estimated uncollectible amount with respect to certain identified doubtful receivables and an amount calculated using the actual historical rate of losses.
  - (ii) Allowance for restructuring expenses  
Allowance for restructuring expenses is provided. The estimated amount is recorded in preparation for expenses or losses associated with business restructuring.
  - (iii) Allowance for sales promotion expenses

Points granted to customers under the loyalty program, which is designed to promote sales, are divided into two types: points granted based on the amount of purchases and points granted based on events other than purchases.

Of these, allowance for sales promotion expenses is provided for the use of points granted to customers for events other than purchases at the amount expected to be used in the future as at the balance sheet date.

(iv) Allowance for bonuses to employees

Allowance for bonuses to employees is provided at the amount calculated based on the estimation of payment.

(v) Allowance for bonuses to Directors and Audit & Supervisory Board Members

Allowance for bonuses to Directors and Audit & Supervisory Board Members is provided at the amount estimated to be paid.

(vi) Allowance for retirement benefits to Directors and Audit & Supervisory Board Members

Allowance for retirement benefits to Directors and Audit & Supervisory Board Members is provided at the amount required to be paid in accordance with internal rules.

The Company and some of its consolidated subsidiaries abolished the retirement benefits policy for Directors and Audit & Supervisory Board Members, for which some consolidated subsidiaries have determined to pay the balance at the time of retirement.

(vii) Allowance for stock payments

Allowance for stock payments is provided to prepare for payments of stock benefits to directors and executive officers of the Company and its consolidated. The amount is based on the expected stock benefit payable as at the balance sheet date.

(5) Accounting method for retirement benefits

(i) Allocation method of estimated total retirement benefits

When calculating retirement benefit obligation, the benefit formula basis is used to allocate estimated total retirement benefits to the period up to the fiscal year-end.

(ii) Amortization method of the actuarial difference and the prior service cost

The amount of actuarial differences is amortized on a straight-line basis over a period of 10 years from the year following the year in which they arise, which is within the average remaining years of service of the eligible employees.

The amount of prior service costs is amortized on a straight-line basis over a period of 5 years or 10 years, which are within the average remaining years of service of the eligible employees.

(6) Revenue recognition

The Group recognizes revenue based on the following five-step approach.

Step 1: Identifying the contract

Step 2: Identifying the performance obligations

Step 3: Determining the transaction price

Step 4: Allocating the transaction price to the performance obligations

Step 5: Recognizing revenue as the performance obligation is satisfied

(i) Revenue recognition criteria for each operating segment

a. Domestic convenience store operations

Domestic convenience store operations operate a convenience store business comprising directly managed corporate stores and franchised stores mainly under SEVEN-ELEVEN JAPAN CO., LTD.

The Group sells processed foods, fast foods, daily delivered foods, and non-food merchandise to customers visiting the directly managed corporate stores. For these merchandise sales, revenue is recognized at the delivery of the merchandise to the customer by determining that the performance obligation of the merchandise is satisfied at the time of delivery.

The Group assumes contractual obligations to franchised convenience stores, such as licensing of the use of the business expertise and trademarks, lending of equipment, purchase cooperation, advertising, management consulting, credit support for merchandise purchases, preparation for business commencement, as well as provision of services including training and accounting/bookkeeping services. These activities are determined to be a single performance obligation

since they are closely connected with each other and cannot be separately performed as distinct services. This performance obligation is satisfied over time or as the service is provided. In addition, revenue is recognized over the contract period as gross profit on sales is generated, since the transaction prices are royalties based on the gross profit on sales of the stores. Sales promotion expenses and other consideration paid to customers are deducted from the transaction prices.

b. Overseas convenience store operations

Overseas convenience store operations operate a convenience store business comprising directly managed corporate stores and franchised stores mainly under 7-Eleven, Inc.

The Group sells processed foods, fast foods, daily delivered foods, and non-food merchandise to customers visiting the directly managed corporate stores. For these merchandise sales, revenue is recognized at the delivery of the merchandise to the customer by determining that the performance obligation of the merchandise is satisfied at the time of delivery.

The Group sells gasoline to customers visiting the stores and dealers. For these merchandise sales, revenue is recognized at the time of delivery of the merchandise to the customer by determining that the performance obligation of the merchandise is satisfied at the time of delivery.

The Group assumes contractual obligations to franchised convenience stores, such as licensing of the use of the trademarks, provision of training, preparation for business commencement, advertising, management instructions, and permitting the use of the land, buildings and equipment. These activities are determined to be a single performance obligation since they are closely connected with each other and cannot be separately performed as distinct services. This performance obligation is satisfied over time or as the service is provided. In addition, revenue is recognized over the contract period as gross profit on sales is generated, since the transaction prices are royalties based on the gross profit on sales of the stores.

The revenue is measured at the amount of the consideration promised under the contract with the customer less discounts or others.

Subsidiaries in North America that adopt US GAAP have applied ASU No. 2014-09 "Revenue from Contracts with Customers (Topic606)."

c. Superstore operations

Superstore operations of the Group, whose main components are Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., etc., comprise general merchandise store (GMS) operations and food supermarket operations, and operate a retail business that provides a comprehensive range of daily life necessities such as food and other daily necessities. Superstore operations operate merchandise sales at the Company or provision of services to tenants. As for merchandise sales at the Company, revenue is recognized at the delivery of the merchandise to the customer by determining that the performance obligation is satisfied at the time of delivery of the merchandise. As for the provision of services to tenants, revenue is recognized as the service is provided by determining that the performance obligation is satisfied over the contract period.

As for merchandise sales at the Company, revenue is measured at the amount of the consideration promised under the contract with the customer less discounts or others. The provision of services to tenants includes some transactions where mainly the transaction price is a variable consideration based on net sales to the tenant.

d. Financial services

Financial services operate a banking business, credit card business, electronic money business, and leasing business. Commission fee income received for the provision of various services are recognized as revenue at the point when each transaction occurs.

(ii) Granting options for customers to obtain additional goods or services

Based on the loyalty program, which is designed to promote sales, the Group grants points in accordance with the amount of purchase by members and provide goods or services equivalent to the points used. The Group identifies the points granted as

performance obligations, and the transaction price is allocated based on the stand-alone selling price calculated considering the estimated future forfeitures, etc.

(iii) Determination of a principal or an agent

If the Group has control of the merchandise or service before it is transferred to a customer, the transaction is deemed to be a transaction by a principal, and the revenue is recognized at the total amount. If the Group does not have such control or if the Group's performance obligation is to arrange the provision of the merchandise or service, the transaction is deemed to be a transaction by an agent, and the revenue is recognized on the net amount (an amount equivalent to the commission fee).

In our group, revenue related to commission fees for the sales on wholesaler owned goods and merchandise sales by tenants is recognized on the net amount by subtracting payments to suppliers from the total amount.

(7) Foreign currency translation

All assets and liabilities of the Company and its domestic consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen at the exchange rate in effect as at the respective balance sheet dates. Translation gains or losses are included in the accompanying consolidated statements of income.

All balance sheets accounts of foreign subsidiaries are translated into Japanese yen at the exchange rate in effect at the respective balance sheet dates. All income and expense accounts are translated at the average exchange rate for the period. The resulting translation adjustments are included in the accompanying consolidated balance sheets under "Non-controlling interests" and "Foreign currency translation adjustments."

(8) Hedge accounting

(i) Hedge accounting

If derivative financial instruments are used as hedges and meet certain hedging criteria, the recognition of gains and losses resulting from the changes in fair value of derivative financial instruments is deferred until the related gains and losses on the hedged items are recognized. The forward foreign exchange contracts are accounted for by the designated accounting treatment when they meet certain treatment for that. Certain interest rate swap contracts that meet specific accounting treatment are not measured at market value but the differences between the paid and received amount under the swap contracts are recognized and included in interest income or expense as incurred. The Company applies integral accounting treatment (specific accounting treatment, designated accounting treatment) to interest rate and currency swap contracts that meet the requirements of integral accounting treatment.

(ii) Hedge instruments and hedged items

- a. Hedge instruments – Forward foreign exchange contracts  
Hedged items – Foreign currency-denominated monetary asset and liability
- b. Hedge instruments – Interest swap  
Hedged items – Loans
- c. Hedge instruments – Interest rate and currency swap  
Hedged items – Foreign currency-denominated loans

(iii) Hedging policies

The Company and its subsidiaries have policies to utilize derivative instruments for the purposes of hedging their exposure to fluctuations in foreign currency rates and interest rates and reducing financing costs as well as optimizing future cash flow. The Company and its subsidiaries do not hold or issue derivative instruments for trading or speculative purposes.

(iv) Assessing hedge effectiveness

The hedge effectiveness is assessed by comparing the fluctuation quarterly except for those that meet specific accounting treatment and integral accounting treatment.

(9) Goodwill and negative goodwill

Goodwill is amortized mainly over a period of 20 years on a straight-line basis, or recognized as income or expenses immediately if immaterial.

Negative goodwill is recognized as income when it occurs.

The goodwill recognized in applying the equity method is accounted for in the same manner.

(10) Cash and cash equivalents

Cash and cash equivalents in the accompanying consolidated statements of cash flows consist of cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition, that are liquid, readily convertible into cash and are subject to minimum risk of price fluctuation.

(11) Other accounting treatments

(i) Accounting for franchised stores in Domestic and Overseas convenience store operations

SEVEN-ELEVEN JAPAN CO., LTD. and 7-Eleven, Inc. recognize franchise commission from its franchised stores as revenues and include it in "Operating revenues."

(ii) Accounting for consumption taxes and excise tax

The excise tax levied in the U.S. and Canada is included in the revenues from operations.

## Significant Accounting Estimates

Year ended February 28, 2023

Accounting estimates are based on reasonable amounts based on information available at the time of preparation of the consolidated financial statements. Of the accounting estimates in the items recorded in the consolidated financial statements for the fiscal year ended February 28, 2023 whose amounts are based on accounting estimates, the following items have the risk of significantly impacting the consolidated financial statements for the following fiscal year:

### Judgment of necessity of recognizing impairment losses on non-current assets

#### (1) Amount recorded on the consolidated financial statements for the fiscal year ended February 28, 2023

The Group has retail stores in a variety of forms such as department stores, GMSs and food supermarkets. Of them, Ito-Yokado Co., Ltd., which is included in the Superstore operations segment, runs superstore operations, and Sogo & Seibu Co., Ltd., which is included in the Department and specialty store operations segment, conducts department store operations. In the nature of their operations, the book value of non-current assets per store tends to be relatively large.

Amounts recorded in the consolidated balance sheets and consolidated statements of income for the fiscal year ended February 28, 2023 of Ito-Yokado Co., Ltd. and Sogo & Seibu Co., Ltd. are as follows.

| (Millions of yen)      |                        |                   |                 |
|------------------------|------------------------|-------------------|-----------------|
| Company name           | Property and equipment | Intangible assets | Impairment loss |
| Ito-Yokado Co., Ltd.   | 318,474                | 22,316            | 10,559          |
| Sogo & Seibu Co., Ltd. | 196,339                | 71,241            | 11,047          |

#### (2) Information on the content of significant accounting estimates for identified items

##### (i) Method of calculation

In Ito-Yokado Co., Ltd. and Sogo & Seibu Co., Ltd., the smallest unit that generates independent cash flows is mainly stores. Although Ito-Yokado Co., Ltd. promotes closing unprofitable stores, optimizing the number of personnel, and improving productivity with the use of IT, there seemed to be an indication of impairment loss in multiple stores in the fiscal year ended February 28, 2023 due to the significant impact of changes in external environments including surges in raw materials prices and energy costs. In addition, although Sogo & Seibu Co., Ltd. recorded an operating income in the fiscal year, ended February 28, 2023, there seemed to be an indication of impairment loss in multiple stores due to the significant impact of changes in external environments including surges in purchase prices of merchandise and energy costs. The Company has signed a share transfer agreement with a third party for the transfer of the entire number of outstanding shares of Sogo & Seibu Co., Ltd.

If there is considered to be an indication of impairment on non-current assets of stores of each company, and if necessity of recognizing an impairment loss is judged by comparing the total amount of undiscounted future cash flows obtained from the non-current assets of stores with the book value, the book value is reduced to the recoverable value and the reduction amount is recorded as an impairment loss.

##### (ii) Major assumptions

Undiscounted future cash flows used in the judgment of necessity of recognizing an impairment loss include significant assumptions such as the sales growing rate, gross margin ratio and expected changes in expenses. In addition, as for net selling prices, certain stores use the amount of real estate appraisal calculated by real estate appraisers, and this appraisal involves professional judgment.

##### (iii) Impact on the consolidated financial statements for the next fiscal year

The above estimates and assumptions may be affected by future changes in uncertain economic conditions, and if review of the assumptions becomes required, this may have significant impact on the consolidated financial statements for the next fiscal year. In addition, the appraisal amount by real estate appraisers based on the real estate appraisal standards, etc. may be affected by future trends of the real estate market conditions, and if net selling prices consequently decrease, this may have significant impact on the consolidated financial statements for the next fiscal year.

Year ended February 29, 2024

Accounting estimates are based on reasonable amounts based on information available at the time of preparation of the consolidated financial statements. Of the accounting estimates in the items recorded in the consolidated financial statements for the fiscal year ended February 29, 2024 whose amounts are based on accounting estimates, the following items have the risk of significantly impacting the consolidated financial statements for the following fiscal year:

Judgment of necessity of recognizing impairment losses on non-current assets

(1) Amount recorded on the consolidated financial statements for the fiscal year ended February 29, 2024

The Group has retail stores in a variety of forms such as GMSs and food supermarkets. Of them, Ito-Yokado Co., Ltd., which is included in the superstore operations segment, runs superstore operations.

Amounts recorded in the consolidated balance sheets and consolidated statements of income for the fiscal year ended February 29, 2024 of Ito-Yokado Co., Ltd. are as follows.

(Millions of yen)

| Company name         | Property and equipment | Intangible assets | Impairment loss |
|----------------------|------------------------|-------------------|-----------------|
| Ito-Yokado Co., Ltd. | 339,304                | 25,865            | 19,692          |

(2) Information on the content of significant accounting estimates for identified items

(i) Method of calculation

In Ito-Yokado Co., Ltd., the smallest unit that generates independent cash flows is mainly stores. Although Ito-Yokado Co., Ltd. promotes restructuring, there seemed to be an indication of impairment loss in multiple stores in the current fiscal year due to the significant impact of increase in costs for developing the strategic investment infrastructure. If there is considered to be an indication of impairment on non-current assets of stores, and if necessity of recognizing an impairment loss is judged by comparing the total amount of undiscounted future cash flows obtained from the none non-current assets of stores with the book value, the book value is reduced to the recoverable value and the reduction amount is recorded as an impairment loss.

(ii) Major assumptions

Undiscounted future cash flows used in the judgment of necessity of recognizing an impairment loss include significant assumptions such as the sales growing rate, gross margin ratio and expected changes in expenses.

(iii) Impact on the consolidated financial statements for the next fiscal year

The above estimates and assumptions may be affected by future changes in uncertain economic conditions, and if review of the assumptions becomes required, this may have significant impact on the consolidated financial statements for the next fiscal year.



#### Changes in Accounting Policies

Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement, etc. The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021) (“Fair Value Measurement Guidance”) from the beginning of the fiscal year ended February 29, 2024, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional measures provided for in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. There is no impact on the consolidated financial statements of the fiscal year ended February 29, 2024.

When it comes to Notes to Securities Investment Trust regarding market value of financial instruments by level, there is no statement regarding the previous fiscal year in accordance with Paragraph 27-3 of Fair Value Measurement Guidance.

#### Accounting Standards Issued But Not Yet Applied

“Accounting Standard for Current Income Taxes,” etc.

- “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022, Accounting Standards Board of Japan)
- “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, October 28, 2022, Accounting Standards Board of Japan)
- “Implementation Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022, Accounting Standards Board of Japan)

##### (1) Overview

In February 2018, Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28) (hereinafter referred to as ASBJ Statement No. 28, etc.) was issued, completing the transfer of practical guidelines for tax effect accounting in the Japanese Institute of Certified Public Accountants to the Accounting Standards Board of Japan. During the deliberation process, the following two issues, which were to be studied after the issuance of ASBJ Statement No. 28, were deliberated and issued.

- Accounting section of tax expenses (taxation on other comprehensive income)
- Tax effect of sales of shares of subsidiaries or affiliates when the corporate group tax system is applied

##### (2) Scheduled date of application

This accounting standard will be applied effective from the beginning of the fiscal year ending February 28, 2026.

##### (3) Effects of application of the accounting standard, etc.

The effects of applying the “Accounting Standard for Current Income Taxes” on the consolidated financial statements are currently undetermined.

## Changes in Method of Presentation

### Consolidated Balance Sheets

“Allowance for restructuring expenses,” which was previously included in “Accrued expenses” in Current Liabilities for the fiscal year ended February 28, 2023, is separately presented for the fiscal year ended February 29, 2024 since its monetary importance has increased. To reflect this change in method of presentation, the Company reclassified consolidated balance sheets for the fiscal year ended February 28, 2023.

As a result, 276,771 million yen that was presented in “Accrued expenses” for the fiscal year ended February 28, 2023 has been reclassified as “Accrued expenses” of 274,563 million yen and “Allowance for restructuring expenses” of 2,208 million yen.

### Consolidated Statements of Income

“Income from electronic money breakage” which was separately presented in Non-operating income for the fiscal year ended February 28, 2023, is included in “Other” for the fiscal year ended February 29, 2024 since it became insignificant in terms of amount. To reflect this change in method of presentation, the Company reclassified consolidated financial statements for the fiscal year ended February 28, 2023.

As a result, 772 million yen that was presented as “Income from electronic money breakage” of Non-operating income for the fiscal year ended February 28, 2023 has been reclassified as “Other.”

“Insurance income” which was separately presented in Non-operating income for the fiscal year ended February 28, 2023, is included in “Other” for the fiscal year ended February 29, 2024 since it became insignificant in terms of amount. To reflect this change in method of presentation, the Company reclassified consolidated financial statements for the fiscal year ended February 28, 2023.

As a result, 174 million yen that was presented as “Insurance income” in Non-operating income for the fiscal year ended February 28, 2023 has been reclassified as “Other.”

“Commitment fee” which was separately presented in Non-operating expenses for the fiscal year ended February 28, 2023, is included in “Other” for the fiscal year ended February 29, 2024 since it became insignificant in terms of amount. To reflect this change in method of presentation, the Company reclassified consolidated financial statements for the fiscal year ended February 28, 2023.

As a result, 618 million yen that was presented as “Commitment fee” of Non-operating expenses for the fiscal year ended February 28, 2023 has been reclassified as “Other.”

### Consolidated Statements of Cash Flows

“Insurance income” which was separately presented in “Cash flows from operating activities” for the fiscal year ended February 28, 2023, is included in “Other” for the fiscal year ended February 29, 2024 since it became insignificant in terms of amount. To reflect this change in method of presentation, the Company reclassified the consolidated statements of cash flows for the fiscal year ended February 28, 2023.

As a result, (174) million yen that was presented as “Insurance income” in cash flows from operating activities in the consolidated statements of cash flows for the fiscal year ended February 28, 2023 has been reclassified as “Other.”

“Proceeds from subsidy income” which were separately presented in “Cash flows from operating activities” for the fiscal year ended February 28, 2023, is included in “Other” for the fiscal year ended February 29, 2024 since it became insignificant in terms of amount. To reflect this change in method of presentation, the Company reclassified the consolidated statements of cash flows for the fiscal year ended February 28, 2023.

As a result, 0 million yen that was presented as “proceeds from Insurance income” in cash flows from operating activities in the consolidated statements of cash flows for the fiscal year ended February 28, 2023 has been reclassified as “Other.”

## Supplementary Information

### Performance-Based Stock Compensation Plan for Directors

The Company and certain consolidated subsidiaries (hereinafter the “Companies”) have introduced a Performance-Based Stock Compensation Plan (hereinafter the “Plan”) for the directors of the Companies (excluding nonexecutive Directors and Directors residing overseas, the same applies hereinafter) using the Directors’ Compensation BIP (Board Incentive Plan) Trust (hereinafter “BIP Trust”), mainly aiming to raise willingness to contribute to the improvement of medium-and long-term corporate value and to share interests with shareholders.

The accounting treatment for the BIP Trust agreement is in accordance with “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (PITF (Practical Issue Task Force) No. 30, March 26, 2015).

(1) Outline of the transaction

The plan is a performance-based stock compensation plan whereby the Companies contribute an appropriate amount of money to the BIP Trust, which is used as funds to acquire Company’s shares. The Company’s shares are delivered to directors in accordance with Share Delivery Rules for directors stipulated by the Companies. Directors shall receive delivery of the Company’s shares, etc., in principle, upon their retirement.

(2) Company’s shares remaining in the BIP Trust

The Company’s shares remaining in the ESOP Trust are recorded as treasury stock under net assets at their carrying amounts (excluding incidental expenses). As of February 29, 2024, the carrying amount and the number of the Company’s shares remaining in the Trust are 4,357 million yen and 991 thousand shares, respectively.

The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The number of shares stated above is the number of shares before the share split.

#### Performance-Based Stock Compensation Plan for Executive Officers

The Company and certain consolidated subsidiaries (hereinafter the “Companies”) have introduced a Performance- Based Stock Compensation Plan (hereinafter the “Plan”) for the executive officers of the Companies (excluding those residing overseas, the same applies hereinafter) using the Stock Grant Employee Stock Ownership Plan (ESOP) Trust (hereinafter “ESOP Trust”), mainly aiming to raise willingness to contribute to the improvement of medium-and long-term corporate value and to share interests with shareholders.

The Companies adopted “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (PITF No. 30, March 26, 2015) to account for the said trust agreement.

(1) Outline of the transaction

The plan is a performance-based stock compensation plan whereby the Companies contribute an appropriate amount of money to the ESOP Trust, which is used as funds to acquire the Company’s shares. The Company’s shares are delivered to executive officers in accordance with the Share Delivery Rules for executive officers stipulated by the Companies. Executive officers shall receive delivery of the Company’s shares, etc., in principle, upon their retirement.

(2) Company’s shares remaining in the ESOP Trust

The Company’s shares remaining in the ESOP Trust are recorded as treasury stock under net assets at their carrying amounts (excluding incidental expenses). As of February 29, 2024, the carrying amount and the number of the Company’s shares remaining in the Trust are 2,366 million yen and 585 thousand shares, respectively.

The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The number of shares stated above is the number of shares before the share split.

#### Acquisition of Treasury Stock

The Company resolved, at a meeting of the Board of Directors held on November 30, 2023, to acquire its treasury stock as follows under Article 156 which is applicable in accordance with Article 165, paragraph 3 of the Companies Act.

1. Reasons for the acquisition of treasury stock

We have established the fundamental policy of profit distribution to ensure a profit allocation that corresponds to profit improvement. Furthermore, in our medium-term management plan, we aim to achieve a total return ratio of 50% or more (cumulative over the period from 19th fiscal year to 21st fiscal year). Under these policies, taking into consideration carefully the maintenance of financial soundness and investment flexibility for the growth of our group in the future, we have decided to implement the acquisition of treasury stock. The Company plans to fully cancel all of the treasury stock acquired related to this release. The 8,699,800 shares of treasury stock acquired during the 19th fiscal year have been cancelled within the same fiscal year.

## 2. Contents of the acquisition

|   |  |
|---|--|
| (1) Class of shares to be acquired              | Common stock of the Company  |
| (2) Total number of shares that can be acquired | 25,000,000 shares (The percentage to the total number of shares outstanding (excluding treasury stock): 2.83%) |
| (3) Total amount of acquisition cost            | ¥110,000,000,000   |
| (4) Method of repurchase                        | Acquisitions on the Tokyo Stock Exchange   |
| (5) Period of acquisition                       | From December 1, 2023 to May 31, 2024  |

\* After the effective date of the share split (on March 1, 2024), the total number of shares that can be acquired will be 75,000,000 shares.

### (Reference) The status of holding of treasury stock as of February 29, 2024

|  |                    |
|--|--------------------|
| Number of shares outstanding (excluding treasury shares) | 875,903,256 shares |
| Number of treasury stock                                 | 1,838,927 shares   |

\* The shares held by the BIP and ESOP Trust are excluded from the above number of treasury stock.

## Consolidated Balance Sheets

### \*1 Claims and contract assets arising from contracts with customers

For notes and accounts receivable - trade, and contract assets, the amounts of claims arising from contracts with customers and contract assets are stated in "Note (Revenue Recognition) 3 (i) Balance of claims, contract assets and contract liabilities arising from contracts with customers."

### \*2. The following "Investments in securities" under "Investments and other assets" are made in unconsolidated subsidiaries and associates.

(Millions of yen)

|                                    | February 28, 2023 | February 29, 2024 |
|------------------------------------|-------------------|-------------------|
| Investments in securities (shares) | 42,806            | 43,808            |

### \*3. Assets pledged as collateral

#### (1) Assets pledged as collateral for the debts

Assets pledged as collateral

(Millions of yen)

|                              | February 28, 2023 | February 29, 2024 |
|------------------------------|-------------------|-------------------|
| Buildings and structures     | 581               | 1,197             |
| Land                         | 1,258             | 1,258             |
| Investments in securities    | 86,736            | 101,596           |
| Long-term leasehold deposits | 1,149             | —                 |
| Total                        | 89,726            | 104,052           |

### Debts for which above assets are pledged as collateral

(Millions of yen)

|  | February 28, 2023 | February 29, 2024 |
|--|-------------------|-------------------|
| Long-term loans (including current portion of long-term loans) | 9,229             | 6,335             |

(2) Assets pledged as collateral for fund transfer  
Assets pledged as collateral

(Millions of yen)

|                              | February 28, 2023 | February 29, 2024 |
|------------------------------|-------------------|-------------------|
| Investments in securities    | 2,503             | 999               |
| Long-term leasehold deposits | 1,700             | 6,500             |
| Total                        | 4,203             | 7,499             |

(3) Assets pledged as collateral for real estate business  
Assets pledged as collateral

(Millions of yen)

|                              | February 28, 2023 | February 29, 2024 |
|------------------------------|-------------------|-------------------|
| Long-term leasehold deposits | 55                | 20                |

(4) Assets pledged as collateral to secure the amount of prepaid tickets issued  
Assets pledged as collateral

(Millions of yen)

|                              | February 28, 2023 | February 29, 2024 |
|------------------------------|-------------------|-------------------|
| Long-term leasehold deposits | 1,006             | –                 |

4. Guarantees

Guarantees for loans from financial institutions of employees of consolidated subsidiaries are as follows:

(Millions of yen)

|                          | February 28, 2023 | February 29, 2024 |
|--------------------------|-------------------|-------------------|
| Employees' housing loans | 34                | 28                |

5. Loan commitment

Some financial subsidiaries conduct a cash loan business that is associated with their credit card business. Unused credit balance related to the cash loan business is as follows:

(Millions of yen)

|   | February 28, 2023 | February 29, 2024 |
|---|-------------------|-------------------|
| Credit availability of cash loan business | 817,777           | 801,857           |
| Outstanding balance                       | 47,345            | 55,155            |
| Unused credit balance                     | 770,431           | 746,701           |

Unused credit balance will not have a material impact on future cash flows because most of the unused credit balance will remain unused considering the historical record. Some financial subsidiaries will cease finance services or reduce the credit limit based on the credit situation of customers or other justifiable reasons.

\*6 Others

Bonds held by Seven Bank, Ltd.

Seven Bank, Ltd., one of the Company's consolidated subsidiaries, holds bonds to serve as collateral for exchange settlement transactions and overdraft transactions with the Bank of Japan. These bonds are recorded in "Investments in securities" in the

consolidated balance sheets due to its nature of restriction even if they have redemption at maturity less than one year.

#### Consolidated Statements of Income

**\*1 Revenues from contracts with customers**

For revenues from operations, revenues from contracts with customer and other revenues are not separately stated. The amount of revenues from contracts with customers are stated in “Note (Revenue Recognition) 1. Components of revenues from contracts with customers” in the consolidated financial statements.

**\*2. The franchise commission from SEVEN-ELEVEN JAPAN CO., LTD.’s franchised stores and 7-Eleven, Inc.’s is included in “Operating revenues.” The franchise commission from franchised stores is as follows:**

(Millions of yen)

|                              | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|------------------------------|---------------------------------|---------------------------------|
| SEVEN-ELEVEN JAPAN CO., LTD. | 778,735                         | 824,401                         |
| 7-Eleven, Inc.               | 362,301                         | 402,054                         |
| Total                        | 1,141,036                       | 1,226,455                       |

Net sales of franchised stores is as follows:

(Millions of yen)

|                              | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|------------------------------|---------------------------------|---------------------------------|
| SEVEN-ELEVEN JAPAN CO., LTD. | 5,056,946                       | 5,278,502                       |
| 7-Eleven, Inc.               | 2,111,197                       | 2,268,878                       |
| Total                        | 7,168,143                       | 7,547,381                       |

**\*3. Major items included in “Gain on sales of property and equipment” are as follows:**

(Millions of yen)

|                          | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|--------------------------|---------------------------------|---------------------------------|
| Buildings and structures | 1,687                           | 2,575                           |
| Land                     | 7,066                           | 7,989                           |
| Others                   | 363                             | 463                             |
| Total                    | 9,116                           | 11,027                          |

**\*4 Major items included in “Loss on disposals of property and equipment” are as follows:**

(Millions of yen)

|                                   | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|-----------------------------------|---------------------------------|---------------------------------|
| Buildings and structures          | 6,308                           | 7,791                           |
| Furniture, fixtures and equipment | 3,873                           | 4,497                           |
| Others                            | 3,929                           | 3,301                           |
| Total                             | 14,110                          | 15,590                          |

Note: 61 million yen (Buildings and structures) and 10 million yen (Furniture, fixtures and equipment) are included in “Restructuring expenses” in consolidated statements of income for the fiscal year ended February 28, 2023.

\*5 Impairment loss

For the fiscal year ended February 28, 2023, the Company and its consolidated subsidiaries recognized as impairment loss on the following group of assets.

| Subsidiaries recognized as impairment loss on the following group of assets: |                             |   |                             |                             |        |
|--|-----------------------------|---|-----------------------------|-----------------------------|--------|
| Description  | Classification              | Location  |                             | Amount<br>(Millions of yen) |        |
| stores   | Land and buildings, etc.    | Tokyo Met.                                      | Domestic convenience stores | 155 stores                  | 45,504 |
|  |                             |   | Superstores                 | 7 stores                    |        |
|  |                             |   | Others                      | 3 stores                    |        |
|  |                             | Osaka Pref.                                     | Domestic convenience stores | 62 stores                   |        |
|  |                             |   | Others                      | 2 stores                    |        |
|  |                             | Aichi Pref.                                     | Domestic convenience stores | 51 stores                   |        |
| U.S. & others  | Overseas convenience stores | 258 stores                                      |                             |                             |        |
| Other facility, etc.   | Software, etc.              | Tokyo Met., Kyoto Pref., Nagano Pref., & others |                             |                             | 3,445  |
| Total  |                             |   |                             |                             | 48,950 |

Note: 5,530 million yen (Stores) is included in "Restructuring expenses" in consolidated statements of income.

For the fiscal year ended February 29, 2024, the Company and its consolidated subsidiaries recognized as impairment loss on the following group of assets.

| Subsidiaries recognized as impairment loss on the following group of assets: |                          |  |                             |              |                             |
|--|--------------------------|--|-----------------------------|--------------|-----------------------------|
| Description  | Classification           | Location                                       |                             |              | Amount<br>(Millions of yen) |
| Stores   | Land and buildings, etc. | Tokyo Met.                                     | Domestic convenience stores | 357 stores   | 51,777                      |
|  |                          |  | Superstores                 | 11 stores    |                             |
|  |                          |  | Others                      | 1 store      |                             |
|  |                          | Osaka Pref.                                    | Domestic convenience stores | 184 stores   |                             |
|  |                          |  | Others                      | 1 store      |                             |
|  |                          | Aichi Pref.                                    | Domestic convenience stores | 108 stores   |                             |
|  |                          | U.S. & others                                  | Overseas convenience stores | 1,214 stores |                             |
|  |                          |  | Others                      | 2 stores     |                             |
| Other facility, etc.   | Software, etc.           | Tokyo Met., Osaka Pref., Kyoto Pref., & others |                             |              | 5,302                       |
| Total  |                          |  |                             |              | 57,079                      |

Note: 14,069 million yen (Stores) is included in "Restructuring expenses" in consolidated statements of income.

The Company and its domestic consolidated subsidiaries group their fixed assets by store, which is the minimum cash-generating unit.

The book values of stores whose land had significantly declined in market prices or which incurred consecutive operating losses were reduced to recoverable amounts when the book values exceed future cash flows before discount, and such deducted amount was recorded as impairment loss in special losses.

A breakdown of impairment loss is as follows:

Year ended February 28, 2023

(Millions of yen)

|                                   | Stores | Other facilities, etc. | Total  |
|-----------------------------------|--------|------------------------|--------|
| Buildings and structures          | 35,145 | 216                    | 35,361 |
| Furniture, fixtures and equipment | 4,130  | 117                    | 4,247  |
| Land                              | 2,240  | 137                    | 2,377  |
| Software                          | 1      | 2,577                  | 2,579  |
| Other                             | 3,986  | 397                    | 4,383  |
| Total                             | 45,504 | 3,445                  | 48,950 |

Note: 3,537 million yen (Buildings and structures), 602 million yen (Furniture, fixtures and equipment), 992 million yen (Land) and 396 million yen (Other) are included in "Restructuring expenses" in consolidated statements of income.

Year ended February 29, 2024

(Millions of yen)

|                                   | Stores | Other facilities, etc. | Total  |
|-----------------------------------|--------|------------------------|--------|
| Buildings and structures          | 33,070 | 356                    | 33,427 |
| Furniture, fixtures and equipment | 6,051  | 289                    | 6,340  |
| Land                              | 10,627 | 10                     | 10,638 |
| Software                          | 6      | 2,855                  | 2,862  |
| Other                             | 2,021  | 1,789                  | 3,810  |
| Total                             | 51,777 | 5,302                  | 57,079 |

Note: 5,650 million yen (Buildings and structures), 283 million yen (Furniture, fixtures and equipment), 8,026 million yen (Land), 0 million yen (Software) and 108 million yen (Other) are included in "Restructuring expenses" in consolidated statements of income.

In the case where net selling prices were used as recoverable amounts, relevant assets were evaluated based on the real estate appraisal standards, etc., and in the case where values in use were used as recoverable amounts, relevant assets were evaluated by discounting estimated future cash flows using discount rates of 3.4% - 8.6% (3.4% - 7.3% for Fiscal year ended February 28, 2023).



\*6 Restructuring expenses

A breakdown of restructuring expenses is as follows:

(Millions of yen)

|                          | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|--------------------------|---------------------------------|---------------------------------|
| Impairment loss          | 5,530                           | 14,069                          |
| Early retirement benefit | 105                             | 9,155                           |
| Store closing loss       | 2,088                           | —                               |
| Other                    | 2,575                           | 5,632                           |
| Total                    | 10,298                          | 28,858                          |

Consolidated Statements of Comprehensive Income

\* The components of other comprehensive income including reclassification adjustments and tax (expense) or benefits for the fiscal years ended February 28, 2023 and February 29, 2024 are as follows:

(Millions of yen)

|  | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|--|---------------------------------|---------------------------------|
| Unrealized gains (losses) on available-for-sale securities, net of taxes:              |                                 |                                 |
| Increase (decrease) during the fiscal year   | (4,112)                         | 20,064                          |
| Reclassification adjustments   | (97)                            | (2,655)                         |
| Amount before tax  | (4,210)                         | 17,408                          |
| Tax effects  | 1,247                           | (6,196)                         |
| Subtotal   | (2,962)                         | 11,212                          |
| Unrealized gains (losses) on hedging derivatives, net of taxes:                        |                                 |                                 |
| Increase during the fiscal year  | 723                             | 14                              |
| Reclassification adjustments   | —                               | —                               |
| Amount before tax  | 723                             | 14                              |
| Tax effects  | (190)                           | 5                               |
| Subtotal   | 532                             | 19                              |
| Foreign currency translation adjustments:  |                                 |                                 |
| Increase (decrease) during the fiscal year   | 288,056                         | 165,163                         |
| Remeasurements of defined benefit plan, net of taxes:                                  |                                 |                                 |
| Increase (decrease) during the fiscal year   | (2,644)                         | 22,881                          |
| Reclassification adjustments   | (4,663)                         | (3,121)                         |
| Amount before tax  | (7,308)                         | 19,760                          |
| Tax effects  | 2,194                           | (6,914)                         |
| Subtotal   | (5,113)                         | 12,845                          |
| Share of other comprehensive income of entities accounted for using the equity method: |                                 |                                 |
| Increase (decrease) during the fiscal year   | 203                             | (133)                           |
| Total other comprehensive income (loss)  | 280,717                         | 189,107                         |

# Consolidated Statements of Changes in Net Assets

Year ended February 28, 2023

## 1. Type and number of shares outstanding and treasury stock

(Thousands of shares)

|                   | As of March 1, 2022 | Number of shares increased | Number of shares decreased | As of February 28, 2023 |
|-------------------|---------------------|----------------------------|----------------------------|-------------------------|
| Outstanding stock |                     |                            |                            |                         |
| Ordinary Share    | 886,441             | —                          | —                          | 886,441                 |
| Treasury stock    |                     |                            |                            |                         |
| Ordinary Share    | 3,325               | 2                          | 111                        | 3,217                   |

Notes: 1. 2 thousand shares increased due to purchase of odd-lot shares.

2. 111 thousand shares, 0 thousand shares out of the 111 thousand shares decreased due to delivery of the shares of the Company held by the BIP Trust and the ESOP Trust, and sale of odd-lot shares, respectively.

3. The number of shares of treasury stock as of February 28, 2023 includes 1,358 thousand shares of the Company held by the BIP Trust and the ESOP Trust.

## 2. Subscription rights to shares and subscription rights to treasury shares

| Entity   | The Company   |   | Total |
|--|---|---|-------|
| Description of subscription rights to shares                           | Subscription rights to shares as stock-linked compensation stock option |   |       |
| Type of shares to be issued upon exercise of the rights                | —   |   | —     |
| Number of shares to be issued upon the exercise of the rights (shares) | Number of shares as of March 1, 2022                                    | — | —     |
|  | Number of shares increased  | — | —     |
|  | Number of shares decreased  | — | —     |
|  | Number of shares as of February 28, 2023                                | — | —     |
| Balance as of February 28, 2023 (millions of yen)                      | 49  |   | 49    |

## 3. Matters related to dividends

### (1) Dividend payments

| Resolution  | Type           | Total amount of cash dividends | Dividend per share | Record date   | Effective date |
|---|----------------|--------------------------------|--------------------|---------------|----------------|
| May 26, 2022 Ordinary general meeting of shareholders | Ordinary Share | 45,999 million yen             | 52.00 yen          | Feb. 28, 2022 | May 27, 2022   |
| October 6, 2022 Board of Directors meeting            | Ordinary Share | 43,788 million yen             | 49.50 yen          | Aug. 31, 2022 | Nov. 15, 2022  |

Notes: 1. The total amount of cash dividends determined by the resolution of the ordinary general meeting of shareholders held on May 26, 2022 includes 76 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

2. The total amount of cash dividends determined by the resolution of the Board of Directors meeting held on October 6, 2022 includes 67 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

(2) Dividends whose record date is within the fiscal year ended February 28, 2023, but to be effective after the fiscal year-end

| Resolution  | Type           | Funds for dividends | Total amount of cash dividends | Dividend per share | Record date   | Effective date |
|---|----------------|---------------------|--------------------------------|--------------------|---------------|----------------|
| May 25, 2023 Ordinary general meeting of shareholders | Ordinary Share | Retained earnings   | 56,172 million yen             | 63.50 yen          | Feb. 28, 2023 | May 26, 2023   |

- Notes: 1. The total amount of cash dividends includes 86 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.
2. Dividend per share 63.50 yen includes commemorative dividend of 10 yen for the 50th anniversary of the establishment of SEVEN-ELEVEN JAPAN CO., LTD.

Year ended February 29, 2024

1. Type and number of shares outstanding and treasury stock

(Thousands of shares)

|                   | As of March 1, 2023 | Number of shares increased | Number of shares decreased | As of February 29, 2024 |
|-------------------|---------------------|----------------------------|----------------------------|-------------------------|
| Outstanding stock |                     |                            |                            |                         |
| Ordinary Share    | 886,441             | —                          | 8,699                      | 877,742                 |
| Treasury stock    |                     |                            |                            |                         |
| Ordinary Share    | 3,217               | 9,047                      | 8,827                      | 3,437                   |

- Notes: 1. The increase in treasury stock of 9,047 thousand shares of common stock consists of the increase of 8,699 thousand shares due to the acquisition of treasury stock determined by the resolution of the Board of Directors meeting, the increase of 345 thousand shares due to the acquisition of treasury stock held by the BIP Trust and the ESOP Trust, and the increase due to the purchase of two thousand shares of odd-lot shares.
2. The decrease in treasury stock of 8,827 thousand shares of common stock consists of the decrease of 8,699 thousand shares due to the cancellation of treasury stock, the decrease of 126 thousand shares due to the delivery of the shares held by the BIP Trust and the ESOP Trust, and the decrease of 0 thousand shares due to the sale of odd-lot shares.
3. The number of shares of treasury stock as of February 29, 2024 includes 1,576 thousand shares of the Company held by the BIP Trust and the ESOP Trust.
4. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The number of shares stated above is the number of shares before the share split.

## 2. Subscription rights to shares and subscription rights to treasury shares

| 2. Subscription rights to shares and subscription rights to treasury shares |  |   |                           |       |
|---|--|---|---------------------------|-------|
| Entity  |  | The Company   | Consolidated subsidiaries | Total |
| Description of subscription rights to shares                                |  | Subscription rights to shares as stock-linked compensation stock option |                           |       |
| Type of shares to be issued upon excise of the rights                       |  | —   | —                         | —     |
| Number of shares to be issued upon the exercise of the rights (shares)      | Number of shares as of March 1, 2023     | —   | —                         | —     |
|   | Number of shares increased               | —   | —                         | —     |
|   | Number of shares decreased               | —   | —                         | —     |
|   | Number of shares as of February 29, 2024 | —   | —                         | —     |
| Balance as of February 29, 2024 (millions of yen)                           |  | 49  | 10                        | 60    |

## 3 Matters related to dividends

### (1) Dividend payments

| Resolution   | Type           | Total amount of cash dividends | Dividend per share | Record date   | Effective date |
|--|----------------|--------------------------------|--------------------|---------------|----------------|
| May 25, 2023<br>Ordinary general meeting of shareholders | Ordinary Share | 56,172 million yen             | 63.50 yen          | Feb. 28, 2023 | May 26, 2023   |
| October 12, 2023<br>Board of Directors meeting           | Ordinary Share | 49,980 million yen             | 56.50 yen          | Aug. 31, 2023 | Nov. 15, 2023  |

- Notes:
- The total amount of cash dividends determined by the resolution of the ordinary general meeting of shareholders held on May 25, 2023 includes 86 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust. Dividend per share 63.50 yen includes commemorative dividend of 10 yen for the 50th anniversary of the establishment of SEVEN-ELEVEN JAPAN CO., LTD.
  - The total amount of cash dividends determined by the resolution of the Board of Directors meeting held on October 12, 2023 includes 70 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

### (2) Dividends whose record date is within the fiscal year ended February 29, 2024, but to be effective after the fiscal year-end

| Resolution   | Type           | Funds for dividends | Total amount of cash dividends | Dividend per share | Record date   | Effective date |
|--|----------------|---------------------|--------------------------------|--------------------|---------------|----------------|
| May 28, 2024<br>Ordinary general meeting of shareholders | Ordinary Share | Retained earnings   | 49,488 million yen             | 56.50 yen          | Feb. 29, 2024 | May 29, 2024   |

- Notes:
- The total amount of cash dividends includes 89 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.
  - The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The dividend per share is the amount before the share split.

# Consolidated Statements of Cash Flows

Year ended February 28, 2023

## \*1 Reconciliation of cash and cash equivalents of the consolidated statements of cash flows and account balances of the consolidated balance sheets

(Millions of yen)

| Year ended February 28, 2023  |           |
|---|-----------|
| Cash and bank deposits  | 1,670,872 |
| Restricted cash   | 18,835    |
| Time deposits and negotiable certificates of deposits with an original maturity of more than three months | (14,920)  |
| Cash and cash equivalents   | 1,674,787 |

## \*2. Major non-cash transactions

(Millions of yen)

| Year ended February 28, 2023   |         |
|--|---------|
| Finance lease assets for property and equipment recorded in the consolidated balance sheet for the current fiscal year | 9,824   |
| Right-of-use assets recorded in the consolidated balance sheet for the current fiscal year                             | 985,497 |
| Asset retirement obligations recorded in the consolidated balance sheet for the current fiscal year                    | 21,859  |

Note: From the fiscal year ended February 28, 2023, ASU 2016-02, Leases (Topic842) has been applied mainly at foreign subsidiaries that have adopted U.S. GAAP.

## \*3 Acquisition of business

The followings are the details of payment made by 7-Eleven, Inc. to acquire the assets and liabilities related to business acquisition.

(Millions of yen)

| Year ended February 28, 2023 |     |
|------------------------------|-----|
| Goodwill                     | 224 |
| Property and equipment       | 275 |
| Total                        | 500 |

Property and equipment set out above at an amount of 275 million yen is included in acquisition of property and equipment in the Statements of Cash Flows for the fiscal year ended February 28, 2023.

Year ended February 29, 2024

## \*1 Reconciliation of cash and cash equivalents of the consolidated statements of cash flows and account balances of the consolidated balance sheets

(Millions of yen)

| Year ended February 29, 2024  |           |
|---|-----------|
| Cash and bank deposits  | 1,558,738 |
| Restricted cash   | 20,952    |
| Time deposits and negotiable certificates of deposits with an original maturity of more than three months | (17,197)  |
| Cash and cash equivalents   | 1,562,493 |

**\*2 Assets and liabilities of companies ceasing to be consolidated subsidiaries due to sale of shares are as follows:**

The breakdown of assets and liabilities as of the sale of Sogo & Seibu Co., Ltd. and its subsidiaries, which ceased to be consolidated subsidiaries as a result of the sale of shares, and the sales price and proceeds from the sale of Sogo & Seibu shares are as follows:

Sogo & Seibu Co., Ltd. and its subsidiaries

(Millions of yen)

|                                 | February 29, 2024 |
|---------------------------------|-------------------|
| Current assets                  | 86,711            |
| Non-current assets              | 326,331           |
| Current liabilities             | (292,665)         |
| Non-current liabilities         | (22,654)          |
| Non-controlling interests       | (4,979)           |
| Unrealized gains (losses), etc. | (4,315)           |
| Loss (gain) on sale of shares   | (88,341)          |
| Sales price of shares           | 85                |
| Consideration adjustment        | (22,068)          |
| Accounts payable, other         | 22,068            |
| Collection of loans receivable  | 79,297            |
| Cash and cash equivalents       | (43,346)          |
| Proceeds from sales of business | 36,036            |

**\*3. Major non-cash transactions**

(Millions of yen)

|  | Year ended February 29, 2024 |
|--|------------------------------|
| Finance lease assets for property and equipment recorded in the consolidated balance sheet for the current fiscal year | 5,832                        |
| Right-of-use assets recorded in the consolidated balance sheet for the current fiscal year                             | 175,607                      |
| Asset retirement obligations recorded in the consolidated balance sheet for the current fiscal year                    | 19,870                       |

Note: From the fiscal year ended February 28, 2023, ASU 2016-02, Leases (Topic842) has been applied mainly at foreign subsidiaries that have adopted U.S. GAAP.

**\*4 Acquisition of business**

The followings are the details of payment made by 7-Eleven, Inc. to acquire the assets and liabilities related to business acquisition.

(Millions of yen)

|                        | Year ended February 29, 2024 |
|------------------------|------------------------------|
| Inventory              | 2,187                        |
| Property and equipment | 2,556                        |
| Total                  | 4,744                        |

Property and equipment set out above at an amount of 2,556 million yen is included in acquisition of property and equipment in the Statements of Cash Flows for the fiscal year ended February 29, 2024.

Leases

Operating lease transactions

As lessee:

Future lease payments to be received under non-cancellable leases of operating lease transactions

(Millions of yen)

|                     | Year ended February 28, 2023 | Year ended February 29, 2024 |
|---------------------|------------------------------|------------------------------|
| Due within one year | 21,757                       | 18,405                       |
| Due after one year  | 120,686                      | 102,686                      |
| Total               | 142,443                      | 121,092                      |

As lessor:

Future lease payments to be received under non-cancellable leases of operating lease transactions

(Millions of yen)

|                     | Year ended February 28, 2023 | Year ended February 29, 2024 |
|---------------------|------------------------------|------------------------------|
| Due within one year | 10,948                       | 12,112                       |
| Due after one year  | 20,583                       | 28,493                       |
| Total               | 31,532                       | 40,605                       |

## Financial Instruments

### 1. Status of financial instruments

#### (1) Policy on financial instruments

For the management of surplus funds, the Group follows a basic policy of prioritizing safety, liquidity, and efficiency and limits the management of such funds to management through deposits with banks. The Group mainly raises funds through bank loans and bond issuance.

In addition, the Group uses derivative instruments to hedge the exposure to the risk of fluctuations in currency exchange rates regarding foreign currency-denominated asset and liability and hedge the exposure to the risk of fluctuations in interest rates regarding interest bearing debt as well as to optimize cash flows for future interest payments. The Company does not hold or issue derivative instruments for short-term trading or speculative purposes.

#### (2) Description of financial instruments and their risks, and risk management system

The Group has stipulated responsible departments for each risk type and departments in charge of comprehensive risk management in the “basic rules for risk management,” and recognizes and manages risks with regard to financial instruments as follows. While notes and accounts receivable-trade, which are operating receivables, are exposed to customers’ credit risks, relevant due dates and balances are managed for each counterparty. In addition, the Group works to monitor credibility of counterparties regularly and in a timely manner to early discover uncollectable receivables due to deterioration of financial conditions, etc., and avoid and mitigate losses.

Although leasehold deposits which mainly arise in association with lease agreements for stores are also exposed to credit risks of entities to which the deposits are made, like notes and accounts receivable-trade, the Group strives to early discover uncollectable receivables and avoid and mitigate losses by monitoring credibility of counterparties.

Although investments in securities are mainly shares of companies with which the Group has business relationships, government bonds held by Seven Bank, Ltd., etc. and are exposed to risks of fluctuations in market prices, the Group periodically assesses fair value of the securities, financial conditions of issuers, and others, and continuously reviews shareholdings in view of relationships with counterparty companies.

Of notes and accounts payable, trade, which are operating payables, foreign currency-denominated payables are exposed to risks of exchange rate fluctuations, but the Group enters into forward foreign exchange contracts for part of the amount of transactions settled for the purpose of avoiding and mitigating the risks. Furthermore, for forward foreign exchange contracts, the Group regularly assesses the status of gain or loss on valuation.

Of debt obligations, short-term loans are mainly aimed at procurement of funds for operating transactions, and long-term loans and bonds are principally aimed at procurement of funds for capital expenditures and M&A. For these items, the Group undertakes comprehensive asset-liability management (ALM).

While foreign currency-denominated loans are exposed to risks of exchange rate fluctuations, the Group strives to avoid such risks using currency swap contracts.

Although bonds and long-term loans with floating interest rate are exposed to risks of interest rate fluctuations, the Group strives to avoid and mitigate such risks using interest rate swap contracts and interest rate and currency swap contracts for some of the bonds and long-term loans.

For the above derivative transactions (forward foreign exchange contracts, interest rate swap contracts, and interest rate and currency swap contracts), the Group avoids and mitigates credit risks due to contractual default of counterparties by limiting transactions to contracts with financial instruments with high credibility.

In addition, although operating payables, loans and bonds are exposed to the liquidity risk of failure to make a payment on the due date, in the management of this risk, each operating company of the Group develops and manages the financial plan appropriately and the Company conducts cash management on a group-wide basis.



- (3) Supplemental explanation regarding items relating to the market values of financial instruments  
Because the determination of the value of financial instruments incorporates variable factors, the value may change by using different preconditions. In addition, the contract amount for derivative transactions in the note "Derivatives" itself does not represent market risks related to derivative transactions.

2. Items relating to the market values of financial instruments

The amounts recorded on the consolidated balance sheet, the market values, and the difference between these amounts are as follows. Unmarketable shares, etc. and investment in partnerships, etc. are not included in the table below. (please refer to Notes). In addition, "Cash and deposits," "Notes and accounts payable, trade" and "Short-term loans," are omitted because "Cash and deposits" are cash and cash equivalent and the others' carrying amounts are approximately fair values due to the short maturity.

February 28, 2023

(Millions of yen)

|  | Consolidated Balance Sheet | Market value | Difference |
|--|----------------------------|--------------|------------|
| (1) Notes and accounts receivable - trade, and contract assets           | 422,635                    |              |            |
| Allowance for doubtful accounts <sup>(*1)</sup>                          | (3,759)                    |              |            |
|  | 418,876                    | 422,494      | 3,617      |
| (2) Investments in securities  | 179,030                    | 183,394      | 4,364      |
| (3) Long-term leasehold deposits <sup>(*2)</sup>                         | 328,305                    |              |            |
| Allowance for doubtful accounts <sup>(*3)</sup>                          | (412)                      |              |            |
|  | 327,893                    | 322,184      | (5,708)    |
| Total assets   | 925,799                    | 928,072      | 2,273      |
| (1) Deposits received in banking business                                | 810,139                    | 810,173      | 33         |
| (2) Bonds <sup>(*4)</sup>  | 1,750,551                  | 1,552,146    | (198,405)  |
| (3) Long-term loans <sup>(*5)</sup>                                      | 1,081,676                  | 1,060,303    | (21,372)   |
| (4) Deposits received from tenants and franchised stores <sup>(*6)</sup> | 51,610                     | 46,856       | (4,753)    |
| Total liabilities  | 3,693,978                  | 3,469,480    | (224,498)  |
| Derivative instruments <sup>(*7)</sup>                                   |                            |              |            |
| (i) Derivative transactions to which hedge accounting is not applied     | (7)                        | (7)          | —          |
| (ii) Derivative transactions to which hedge accounting is applied        | 27                         | 27           | —          |
| Total derivative instruments   | 19                         | 19           | —          |

(\*1) Net allowance (after deducting allowance for doubtful accounts for notes and accounts receivable - trade, and contract assets).

(\*2) Including current portion of long-term leasehold deposits.

(\*3) Net allowance (after deducting allowance for doubtful accounts for long-term leasehold deposits).

(\*4) Including current portion of bonds.

(\*5) Including current portion of long-term loans.

(\*6) Including current portion of deposits received from tenants and franchised stores.

(\*7) Net credit or debt generated from derivative transactions is indicated on a net basis whereas net obligations in total are indicated in parentheses.

- (\*8) The book value of unmarketable shares, etc., and investment in partnerships, etc., on the consolidated balance sheet are shown below, which are not included in Assets (2) Investments in securities.

(Millions of yen)

| Category  | February 28, 2023 |
|---|-------------------|
| Unlisted shares <sup>(*9)</sup>                       | 17,501            |
| Stocks of affiliates <sup>(*9)</sup>                  | 33,329            |
| Investments in partnerships,<br>etc. <sup>(*10)</sup> | 13,355            |

- (\*9) The market value of unlisted stocks and stocks of subsidiaries and affiliates are not disclosed based on Paragraph 5 of Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, March 31, 2020).
- (\*10) The market value of investment in partnerships, etc. is not disclosed based on Paragraph 24-16 of Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021).

February 29, 2024

(Millions of yen)

|  | Consolidated Balance Sheet | Market value | Difference |
|--|----------------------------|--------------|------------|
| (1) Notes and accounts receivable - trade, and contract assets           | 464,159                    |              |            |
| Allowance for doubtful accounts <sup>(*1)</sup>                          | (3,706)                    |              |            |
|  | 460,452                    | 464,603      | 4,150      |
| (2) Investments in securities  | 209,195                    | 215,255      | 6,060      |
| (3) Long-term leasehold deposits <sup>(*2)</sup>                         | 284,296                    |              |            |
| Allowance for doubtful accounts <sup>(*3)</sup>                          | (199)                      |              |            |
|  | 284,097                    | 280,604      | (3,492)    |
| Total assets   | 953,745                    | 960,463      | 6,718      |
| (1) Deposits received in banking business                                | 803,763                    | 803,781      | 18         |
| (2) Bonds <sup>(*4)</sup>  | 1,690,624                  | 1,523,189    | (167,435)  |
| (3) Long-term loans <sup>(*5)</sup>                                      | 963,146                    | 945,018      | (18,128)   |
| (4) Deposits received from tenants and franchised stores <sup>(*6)</sup> | 46,026                     | 42,434       | (3,591)    |
| Total liabilities  | 3,503,561                  | 3,314,424    | (189,136)  |
| Derivative instruments <sup>(*7)</sup>                                   |                            |              |            |
| (i) Derivative transactions to which hedge accounting is not applied     | 30                         | 30           | —          |
| (ii) Derivative transactions to which hedge accounting is applied        | 33                         | 33           | —          |
| Total derivative instruments   | 64                         | 64           | —          |

(\*1) Net allowance (after deducting allowance for doubtful accounts for notes and accounts receivable - trade, and contract assets).

(\*2) Including current portion of long-term leasehold deposits.

(\*3) Net allowance (after deducting allowance for doubtful accounts for long-term leasehold deposits).

(\*4) Including current portion of bonds.

(\*5) Including current portion of long-term loans

(\*6) Including current portion of deposits received from tenants and franchised stores.

(\*7) Net credit or debt generated from derivative transactions is indicated on a net basis whereas net obligations in total are indicated in parentheses.

(\*8) The book value of unmarketable shares, etc., and investment in partnerships, etc., on the consolidated balance sheet are shown below, which are not included in Assets (2) Investments in securities.

(Millions of yen)

| Category   | February 29, 2024 |
|--|-------------------|
| Unlisted shares <sup>(*9)</sup>                    | 18,631            |
| Stocks of affiliates <sup>(*9)</sup>               | 33,731            |
| Investments in partnerships, etc. <sup>(*10)</sup> | 15,969            |

(\*9) The market value of unlisted stocks and stocks of subsidiaries and affiliates are not disclosed based on Paragraph 5 of Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, March 31, 2020).

(\*10) The market value of investment in partnerships, etc. is not disclosed based on Paragraph 24-16 of Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021).

Note 1: Expected redemption amounts of monetary claims and securities with maturity after the consolidated balance sheet date

February 28, 2023

(Millions of yen)

|   | Within 1 year | After 1 year<br>through 5 years | After 5 years<br>through 10 years | After 10 years |
|---|---------------|---------------------------------|-----------------------------------|----------------|
| Cash and bank deposits  | 1,670,872     | —                               | —                                 | —              |
| Notes and accounts receivable -<br>trade, and contract assets | 409,563       | 10,758                          | 1,903                             | 409            |
| Investments in securities                                     |               |                                 |                                   |                |
| Available-for-sale securities with<br>maturities              |               |                                 |                                   |                |
| Government and municipal<br>bonds                             | 10,331        | 34,084                          | —                                 | —              |
| Corporate bonds   | 13,100        | 40,400                          | 1,000                             | —              |
| Other   | —             | —                               | —                                 | —              |
| Long-term leasehold deposits                                  | 37,029        | 68,602                          | 78,946                            | 143,727        |
| Total   | 2,140,896     | 153,845                         | 81,849                            | 144,137        |

February 29, 2024

(Millions of yen)

|   | Within 1 year | After 1 year<br>through 5 years | After 5 years<br>through 10 years | After 10 years |
|---|---------------|---------------------------------|-----------------------------------|----------------|
| Cash and bank deposits  | 1,558,738     | —                               | —                                 | —              |
| Notes and accounts receivable -<br>trade, and contract assets | 449,093       | 12,766                          | 1,871                             | 427            |
| Investments in securities                                     |               |                                 |                                   |                |
| Available-for-sale securities with<br>maturities              |               |                                 |                                   |                |
| Government and municipal<br>bonds                             | 4,644         | 60,560                          | —                                 | —              |
| Corporate bonds   | 16,700        | 28,500                          | 1,000                             | —              |
| Other   | —             | —                               | —                                 | —              |
| Long-term leasehold deposits                                  | 35,727        | 52,952                          | 60,694                            | 134,922        |
| Total   | 2,064,904     | 154,778                         | 63,566                            | 135,349        |

Note 2: Expected redemption amounts of deposits received in banking business after the consolidated balance sheet date

February 28, 2023

(Millions of yen)

|                                       | Within 1 year | After 1 year through 5 years | After 5 years through 10 years | After 10 years |
|---------------------------------------|---------------|------------------------------|--------------------------------|----------------|
| Deposits received in banking business | 700,490       | 109,649                      | –                              | –              |

(\*) Of deposits received in banking business, demand deposits are included in "Within 1 year."

February 29, 2024

(Millions of yen)

|                                       | Within 1 year | After 1 year through 5 years | After 5 years through 10 years | After 10 years |
|---------------------------------------|---------------|------------------------------|--------------------------------|----------------|
| Deposits received in banking business | 699,222       | 104,540                      | –                              | –              |

(\*) Of deposits received in banking business, demand deposits are included in "Within 1 year."

Note 3: Repayment schedule of bonds payable and long-term loans after the consolidated balance sheet date

February 28, 2023

(Millions of yen)

|                 | Within 1 year | After 1 year through 2 years | After 2 years through 3 years | After 3 years through 4 years | After 4 years through 5 years | After 5 years |
|-----------------|---------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------|
| Bonds           | 355,823       | 312,830                      | 210,000                       | 164,860                       | 70,000                        | 637,036       |
| Long-term loans | 145,605       | 177,116                      | 238,577                       | 113,057                       | 196,913                       | 210,405       |
| Total           | 501,429       | 489,947                      | 448,577                       | 277,917                       | 266,913                       | 847,442       |

February 29, 2024

(Millions of yen)

|                 | Within 1 year | After 1 year through 2 years | After 2 years through 3 years | After 3 years through 4 years | After 4 years through 5 years | After 5 years |
|-----------------|---------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------|
| Bonds           | 334,039       | 210,000                      | 236,547                       | 70,000                        | 220,918                       | 619,119       |
| Long-term loans | 138,530       | 260,949                      | 136,023                       | 203,342                       | 61,646                        | 162,654       |
| Total           | 472,569       | 470,949                      | 372,571                       | 273,342                       | 282,564                       | 781,773       |

### 3. Market value of financial instruments by level

The market value of financial instruments is classified into the following three levels in proportion to the observability and significance of inputs used for the calculation of market value.

|                          |  |
|--------------------------|--|
| Market value of Level 1: | Of the observable inputs used for the calculation of market value, market values calculated using market prices of assets or liabilities formed in an active market, which are subject to the calculation of the relevant market value |
| Market value of Level 2: | Of the observable inputs used for the calculation of market value, market values calculated using inputs other than those inputs used in Level 1   |
| Market value of Level 3: | Market values calculated using inputs for the calculation of unobservable market values  |

In the event of using multiple inputs that have a significant impact on the calculation of market value, of the inputs belong to each Level, market value is classified as the lowest priority level for the calculation of market value.

#### (1) Financial assets and liabilities stated on the consolidated balance sheet with market values February 28, 2023

(Millions of yen)

| Category                      | Market value |         |         |         |
|-------------------------------|--------------|---------|---------|---------|
|                               | Level 1      | Level 2 | Level 3 | Total   |
| Investments in securities     |              |         |         |         |
| Available-for-sale securities |              |         |         |         |
| Shares                        | 70,480       | —       | —       | 70,480  |
| Municipal bonds               | —            | 44,558  | —       | 44,558  |
| Bonds                         | —            | 54,514  | —       | 54,514  |
| Total assets                  | 70,480       | 99,072  | —       | 169,552 |
| Derivative instruments        |              |         |         |         |
| Currency related              | —            | (29)    | —       | (29)    |
| Interest related              | —            | 49      | —       | 49      |
| Total liabilities             | —            | 19      | —       | 19      |

February 29, 2024

(Millions of yen)

| Category                      | Market value |         |         |         |
|-------------------------------|--------------|---------|---------|---------|
|                               | Level 1      | Level 2 | Level 3 | Total   |
| Investments in securities     |              |         |         |         |
| Available-for-sale securities |              |         |         |         |
| Shares                        | 87,650       | –       | –       | 87,650  |
| Municipal bonds               | –            | 65,308  | –       | 65,308  |
| Bonds                         | –            | 46,158  | –       | 46,158  |
| Total assets                  | 87,650       | 111,467 | –       | 199,118 |
| Derivative instruments        |              |         |         |         |
| Currency related              | –            | 64      | –       | 64      |
| Interest related              | –            | –       | –       | –       |
| Total liabilities             | –            | 64      | –       | 64      |

(2) Financial assets and liabilities stated at not market value on the consolidated balance sheet  
February 28, 2023

(Millions of yen)

| Category   | Market value |           |         |           |
|--|--------------|-----------|---------|-----------|
|  | Level 1      | Level 2   | Level 3 | Total     |
| Notes and accounts receivable - trade, and contract assets | –            | 348,616   | 73,877  | 422,494   |
| Investments in securities                                  |              |           |         |           |
| Available-for-sale securities                              |              |           |         |           |
| Shares   | 13,841       | –         | –       | 13,841    |
| Long-term leasehold deposits                               | –            | 322,184   | –       | 322,184   |
| Total assets   | 13,841       | 670,801   | 73,877  | 758,520   |
| Deposits received in banking business                      | –            | 810,173   | –       | 810,173   |
| Bonds  | –            | 1,552,146 | –       | 1,552,146 |
| Long-term loans  | –            | 1,060,303 | –       | 1,060,303 |
| Deposits received from tenants and franchised stores       | –            | 46,856    | –       | 46,856    |
| Total liabilities  | –            | 3,469,480 | –       | 3,469,480 |

February 29, 2024

(Millions of yen)

| Category   | Market value |           |         |           |
|--|--------------|-----------|---------|-----------|
|  | Level 1      | Level 2   | Level 3 | Total     |
| Notes and accounts receivable - trade, and contract assets | –            | 389,445   | 75,158  | 464,603   |
| Investments in securities                                  |              |           |         |           |
| Available-for-sale securities                              |              |           |         |           |
| Shares   | 16,136       | –         | –       | 16,136    |
| Long-term leasehold deposits                               | –            | 280,604   | –       | 280,604   |
| Total assets   | 16,136       | 670,050   | 75,158  | 761,345   |
| Deposits received in banking business                      | –            | 803,781   | –       | 803,781   |
| Bonds  | –            | 1,523,189 | –       | 1,523,189 |
| Long-term loans  | –            | 945,018   | –       | 945,018   |
| Deposits received from tenants and franchised stores       | –            | 42,434    | –       | 42,434    |
| Total liabilities  | –            | 3,314,424 | –       | 3,314,424 |

Note: Explanation regarding the valuation method and inputs used for calculation of the market value

(Assets)

Investments in securities

The market value of listed stocks is classified as Level 1 because their market prices are used. Market values of municipal bonds and corporate bonds are classified as Level 2 because the frequency of their transactions in the market is low and transaction prices cannot be regarded as market prices in an active market.

Notes and accounts receivable - trade, and contract assets

The market value of notes and accounts receivable-trade with short settlement periods is classified as Level 2 because the relevant book values are used as market values and book values are almost equivalent. The market value of items with long settlement periods is classified as Level 3 because it is the present value, which is calculated by discounting the total of principal and interest by the corresponding yield on government bonds over the remaining period, making allowance for credit risk.

Long-term leasehold deposits

The market value of long-term leasehold deposits is classified as Level 2 because it is the present value, which is calculated by discounting future cash flows—reflecting collectability—by the corresponding yield on government bonds over the remaining period.

(Liabilities)

Deposits received in banking business

For demand deposits, the market value is regarded as the amount payable (book value) if demands were received on the consolidated balance sheet date. Time deposits are classified according to certain periods, and the market value of time deposits is the present value, which is calculated by discounting future cash flows. The discount rate used for this is the interest rate used when new deposits are received. For time deposits with short remaining periods (within one (1) year), the market value is the relevant book value because the market value approximates the book value. The relevant market value is classified as Level 2.



### Bonds

The market value of domestic bonds that have market prices is based on these prices. The market value of bonds that do not have market prices is the present value, which is calculated by discounting the total of principal and interest to reflect the remaining period of the said bonds and an interest rate that allows for credit risk. So they are classified as Level 2. In addition, since foreign currency-denominated bonds are subject to designated accounting treatment, their market value is determined by the method where fair value is calculated by discounting future cash flows treated as a part of the currency swaps using the interest rate assumed to be applied if a new similar domestic bond is issued. Therefore it is classified as Level 2.

### Long-term loans

The market value of long-term loans is the present value, which is calculated by discounting the total of principal and interest by the interest rate assumed to be applied if the same loan were to be newly taken. Therefore it is classified as Level 2. Long-term loans with floating interest rate are subject to specific accounting treatment for interest rate swaps or integral accounting treatment (specific accounting treatment or designated accounting treatment) for interest rate and currency swaps, and the market value is calculated by discounting the total of principal and interest that were treated as a part of the interest rate swaps or interest rate and currency swaps at a reasonably estimated interest rate that would be applied for similar loans. Therefore it is classified as Level 2.

### Deposits received from tenants and franchised stores

The market value of deposits received from tenants and franchised stores is the present value, which is calculated by discounting future cash flows—reflecting collectability—by the corresponding yield on government bonds over the remaining period. So it is classified as Level 2.

### Valuation method for derivatives

The currency related market value is calculated by the discounted present method using observable inputs such as interest and exchange rate. The fair value of forward foreign exchange contracts that are accounted for using designated accounting is included in that of corresponding notes and accounts payable, trade, since those forward foreign exchange contracts are treated as an adjustment to accounts payable, trade, as hedged items. The relevant market value is classified as Level 2.

The interest related fair value is calculated by the discounted present method using observable inputs such as interest and exchange rate. The fair value of interest rate swaps that are accounted for using specific accounting is included in that of corresponding long-term loans, since those interest rate swaps are treated as an adjustment to the long-term loans as hedged items. The fair value of interest rate and currency swaps that are accounted for using integral accounting treatment (specific accounting treatment, designated accounting treatment) is included in that of corresponding long-term loans, since those interest rate and currency swaps are treated as an adjustment to the long-term loans as hedged items. The relevant market value is classified as Level 2.

Securities

1. Available-for-sale securities

February 28, 2023

(Millions of yen)

|  | Classification                           | Carrying amount | Acquisition cost | Difference |
|--|--|-----------------|------------------|------------|
| Items whose carrying amount exceeds acquisition cost         | (1) Shares                               | 69,924          | 23,244           | 46,679     |
|  | (2) Debentures                           |                 |                  |            |
|  | (i) Government and municipal bonds, etc. | 4,994           | 4,993            | 0          |
|  | (ii) Corporate bonds                     | 4,400           | 4,399            | 0          |
|  | (iii) Other                              | —               | —                | —          |
|  | (3) Other                                | —               | —                | —          |
|  | Subtotal                                 | 79,318          | 32,637           | 46,680     |
| Items whose carrying amount does not exceed acquisition cost | (1) Shares                               | 555             | 610              | (55)       |
|  | (2) Debentures                           |                 |                  |            |
|  | (i) Government and municipal bonds, etc. | 39,564          | 39,661           | (96)       |
|  | (ii) Corporate bonds                     | 50,114          | 50,372           | (258)      |
|  | (iii) Other                              | —               | —                | —          |
|  | (3) Other                                | —               | —                | —          |
|  | Subtotal                                 | 90,233          | 90,644           | (410)      |
| Total  |  | 169,552         | 123,282          | 46,270     |

Note: Unmarketable stocks, etc. (¥17,501 million on the consolidated balance sheet) are not included in the above table.

February 29, 2024

(Millions of yen)

|  | Classification                           | Carrying amount | Acquisition cost | Difference |
|--|--|-----------------|------------------|------------|
| Items whose carrying amount exceeds acquisition cost         | (1) Shares                               | 87,340          | 23,987           | 63,352     |
|  | (2) Debentures                           |                 |                  |            |
|  | (i) Government and municipal bonds, etc. | —               | —                | —          |
|  | (ii) Corporate bonds                     | 3,006           | 3,001            | 5          |
|  | (iii) Other                              | —               | —                | —          |
|  | (3) Other                                | —               | —                | —          |
|  | Subtotal                                 | 90,347          | 26,989           | 63,357     |
| Items whose carrying amount does not exceed acquisition cost | (1) Shares                               | 310             | 326              | (15)       |
|  | (2) Debentures                           |                 |                  |            |
|  | (i) Government and municipal bonds, etc. | 65,308          | 65,510           | (201)      |
|  | (ii) Corporate bonds                     | 43,151          | 43,390           | (239)      |
|  | (iii) Other                              | —               | —                | —          |
|  | (3) Other                                | —               | —                | —          |
|  | Subtotal                                 | 108,771         | 109,227          | (456)      |
| Total  |  | 199,118         | 136,216          | 62,901     |

Note: Unmarketable stocks, etc. (¥18,631 million on the consolidated balance sheet) are not included in the above table.

2. Available-for-sale securities sold during the fiscal year ended February 29, 2024  
Year ended February 28, 2023 (From March 1, 2022 to February 28, 2023)

(Millions of yen)

| Classification                           | Sale proceeds | Total gain on sale | Total loss on sale |
|--|---------------|--------------------|--------------------|
| (1) Shares                               | 487           | 272                | —                  |
| (2) Debentures                           |               |                    |                    |
| (i) Government and municipal bonds, etc. | —             | —                  | —                  |
| (ii) Corporate bonds                     | —             | —                  | —                  |
| (iii) Other                              | —             | —                  | —                  |
| (3) Other                                | —             | —                  | —                  |
| Total                                    | 487           | 272                | —                  |

Year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)

(Millions of yen)

| Classification                           | Sale proceeds | Total gain on sale | Total loss on sale |
|--|---------------|--------------------|--------------------|
| (1) Shares                               | 3,367         | 2,063              | —                  |
| (2) Debentures                           |               |                    |                    |
| (i) Government and municipal bonds, etc. | —             | —                  | —                  |
| (ii) Corporate bonds                     | —             | —                  | —                  |
| (iii) Other                              | —             | —                  | —                  |
| (3) Other                                | —             | —                  | —                  |
| Total                                    | 3,367         | 2,063              | —                  |

3. Securities for which an impairment loss has been recognized

In the fiscal year ended February 28, 2023, impairment losses of ¥476 million were recognized for securities.

In the fiscal year ended February 29, 2024, impairment losses of ¥1,479 million were recognized for securities.

In the recognition of impairment losses, impairment losses are recognized for the full amount if the fair value at year-end has fallen by 50% or more compared to the acquisition cost, and for the amount deemed necessary in light of recoverability, etc. if the fair value at year-end has fallen by 30% to 50% or so.

Derivatives

1. Derivative transactions to which hedge accounting is not applied

Currency related

February 28, 2023

(Millions of yen)

| Category                                | Type of transaction                | Contract amount | Due after one year | Fair value | Valuation gain (loss) |
|---|------------------------------------|-----------------|--------------------|------------|-----------------------|
| Transactions other than at the exchange | Forward foreign exchange contracts |                 |                    |            |                       |
|   | Purchased                          |                 |                    |            |                       |
|   | USD                                | 1,842           | —                  | (17)       | (17)                  |
|   | EUR                                | 421             | —                  | 9          | 9                     |
|   | RMB                                | 72              | —                  | 0          | 0                     |
| Total                                   |                                    | 2,335           | —                  | (7)        | (7)                   |

February 29, 2024

(Millions of yen)

| Category                                | Type of transaction                | Contract amount | Due after one year | Fair value | Valuation gain (loss) |
|---|------------------------------------|-----------------|--------------------|------------|-----------------------|
| Transactions other than at the exchange | Forward foreign exchange contracts |                 |                    |            |                       |
|   | Purchased                          |                 |                    |            |                       |
|   | USD                                | 1,268           | —                  | 18         | 18                    |
|   | EUR                                | 212             | —                  | 13         | 13                    |
|   | RMB                                | 149             | —                  | 2          | 2                     |
|   | Sold                               |                 |                    |            |                       |
|   | TWD                                | 137             | 27                 | (4)        | (4)                   |
| Total                                   |                                    | 1,767           | 27                 | 30         | 30                    |

2. Derivative transactions to which hedge accounting is applied

(1) Currency related  
February 28, 2023

(Millions of yen)

| Method of hedge accounting   | Type of transaction                | Major hedged items      | Contract amount | Due after one year | Fair value |
|--|------------------------------------|-------------------------|-----------------|--------------------|------------|
| Deferred hedge accounting  | Forward foreign exchange contracts | Accounts payable, trade | 1,598           | —                  | (21)       |
|  | Purchased<br>USD                   |                         |                 |                    |            |
| Designated accounting treatment for forward foreign exchange contracts | Forward foreign exchange contracts | Accounts payable, trade | 174             | —                  | —          |
|  | Purchased<br>USD                   |                         |                 |                    |            |

February 29, 2024

(Millions of yen)

| Method of hedge accounting   | Type of transaction                | Major hedged items      | Contract amount | Due after one year | Fair value |
|--|------------------------------------|-------------------------|-----------------|--------------------|------------|
| Deferred hedge accounting  | Forward foreign exchange contracts | Accounts payable, trade | 1,528           | —                  | 33         |
|  | Purchased<br>USD                   |                         |                 |                    |            |
| Designated accounting treatment for forward foreign exchange contracts | Forward foreign exchange contracts | Accounts payable, trade | 60              | —                  | —          |
|  | Purchased<br>USD                   |                         |                 |                    |            |

(2) Interest related  
February 28, 2023

(Millions of yen)

| Method of hedge accounting  | Type of transaction  | Major hedged items                           | Contract amount | Due after one year | Fair value |
|---|--|--|-----------------|--------------------|------------|
| Deferred hedge accounting   | Interest rate swap contracts<br>Payment: fixed /<br>Receipt: floating  | Long-term loans                              | 9,952           | —                  | 49         |
| Specific accounting treatment for interest rate swaps   | Interest rate swap contracts<br>Payment: fixed /<br>Receipt: floating  | Long-term loans                              | 1,125           | 625                | —          |
| Integral accounting treatment (specific accounting treatment, designated accounting treatment) for interest rate and currency swaps | Interest rate and currency swap contracts<br><br>Payment: fixed /<br>Receipt: floating<br>Receipt: USD /<br>Payment: JPY | Foreign currency-denominated long-term loans | 298,974         | 298,974            | —          |

February 29, 2024

(Millions of yen)

| Method of hedge accounting  | Type of transaction  | Major hedged items                           | Contract amount | Due after one year | Fair value |
|---|--|--|-----------------|--------------------|------------|
| Specific accounting treatment for interest rate swaps   | Interest rate swap contracts<br>Payment: fixed /<br>Receipt: floating  | Long-term loans                              | 625             | 125                | —          |
| Integral accounting treatment (specific accounting treatment, designated accounting treatment) for interest rate and currency swaps | Interest rate and currency swap contracts<br><br>Payment: fixed /<br>Receipt: floating<br>Receipt: USD /<br>Payment: JPY | Foreign currency-denominated long-term loans | 298,974         | 298,974            | —          |

## Retirement Benefits

### 1. Overview of retirement benefit plans adopted

The Company and consolidated domestic subsidiaries have established corporate pension fund plans mainly as defined benefit plans, and the Company and certain subsidiaries have also adopted selection-type defined contribution pension plans. Certain subsidiaries have adopted defined contribution plans or lump-sum retirement benefit plans. In addition, extra retirement payments may be made upon retirement, etc. of employees.

Certain consolidated subsidiaries in the U.S. have established defined contribution pension plans in addition to defined-benefit-type retirement benefit plans.

Certain consolidated subsidiaries apply the simplified method in calculating retirement benefit obligations.

### 2. Defined benefit plans

#### (1) Changes in retirement benefit obligations

(Millions of yen)

|  | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|--|---------------------------------|---------------------------------|
| Balance of retirement benefit obligations at beginning of period | 284,440                         | 260,142                         |
| Service cost <sup>(Note 1)</sup>                                 | 13,077                          | 11,366                          |
| Interest cost  | 1,728                           | 3,772                           |
| Actuarial gains and losses accrued                               | (27,268)                        | (202)                           |
| Retirement benefits paid   | (13,004)                        | (15,587)                        |
| Other  | 1,168                           | 971                             |
| Balance of retirement benefit obligations at end of period       | 260,142                         | 260,461                         |

Note: Pension expenses of consolidated subsidiaries using the simplified method are recorded in "service cost."

#### (2) Changes in plan assets

(Millions of yen)

|  | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|--|---------------------------------|---------------------------------|
| Balance of plan assets (including retirement benefit trust) at beginning of period | 357,956                         | 333,647                         |
| Expected return on plan assets   | 7,120                           | 6,659                           |
| Actuarial gains and losses accrued   | (29,911)                        | 22,680                          |
| Contribution from employer   | 11,730                          | 12,131                          |
| Retirement benefits paid   | (12,050)                        | (14,127)                        |
| Other  | (1,198)                         | —                               |
| Balance of plan assets at end of period  | 333,647                         | 360,991                         |



(3) Reconciliation between ending balance of retirement benefit obligations and plan assets, and net defined benefit liability/asset recorded in the consolidated balance sheet

(Millions of yen)

|   | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|---|---------------------------------|---------------------------------|
| Retirement benefit obligations of funded plans                                  | 246,558                         | 244,138                         |
| Plan assets   | (333,647)                       | (360,991)                       |
|   | (87,088)                        | (116,852)                       |
| Retirement benefit obligations of unfunded plans                                | 13,584                          | 16,323                          |
| Net amount of liabilities and assets recorded in the consolidated balance sheet | (73,504)                        | (100,528)                       |
| Net defined benefit liability   | 13,584                          | 16,323                          |
| Net defined benefit asset   | (87,088)                        | (116,852)                       |
| Net amount of liabilities and assets recorded in the consolidated balance sheet | (73,504)                        | (100,528)                       |

(4) Amounts of retirement benefit expenses and their components

(Millions of yen)

|   | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|---|---------------------------------|---------------------------------|
| Service cost <sup>(Note)</sup>                        | 13,077                          | 11,366                          |
| Interest cost   | 1,728                           | 3,772                           |
| Expected return on plan assets                        | (7,120)                         | (6,659)                         |
| Amortization of actuarial gains and losses            | (3,741)                         | (2,960)                         |
| Amortization of prior service cost                    | (1)                             | 0                               |
| Extra amount paid on a non-regular basis              | 1,058                           | 10,483                          |
| Retirement benefit expenses for defined benefit plans | 5,000                           | 16,002                          |

Note: Pension expenses of consolidated subsidiaries using the simplified method are recorded in "service cost."

(5) Remeasurements of defined benefit plans included in other comprehensive income  
The components of remeasurements of defined benefit plans (before deduction of tax effects) are as follows:

(Millions of yen)

|                            | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|----------------------------|---------------------------------|---------------------------------|
| Prior service cost         | (2)                             | (0)                             |
| Actuarial gains and losses | (7,052)                         | 19,761                          |
| Other                      | (253)                           | —                               |
| Total                      | (7,308)                         | 19,760                          |

- (6) Remeasurements of defined benefit plans  
The components of remeasurements of defined benefit plans (before deduction of tax effects) are as follows:

|   | (Millions of yen)               |                                 |
|---|---------------------------------|---------------------------------|
|   | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
| Unrecognized prior service cost         | 13                              | 13                              |
| Unrecognized actuarial gains and losses | (13,249)                        | (33,010)                        |
| Total                                   | (13,236)                        | (32,996)                        |

- (7) Matters related to plan assets

- (i) Major components of plan assets

The ratio of each major category to total plan assets is as follows:

|            | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|------------|---------------------------------|---------------------------------|
| Debentures | 49 %                            | 50 %                            |
| Shares     | 27                              | 28                              |
| Other      | 24                              | 22                              |
| Total      | 100                             | 100                             |

- (ii) Method for setting the long-term expected rate of return on plan assets

To determine the long-term expected rate of return on plan assets, the Company takes into account current and expected allocation of plan assets, and current and expected long-term return rate on various types of assets constituting plan assets.

- (8) Actuarial assumptions

Major actuarial assumptions

|                                   | Year ended<br>February 28, 2023                                    | Year ended<br>February 29, 2024                                    |
|-----------------------------------|--|--|
| Discount rate                     | Primarily 1.3%<br>(5.6% for consolidated subsidiaries in the U.S.) | Primarily 1.3%<br>(5.6% for consolidated subsidiaries in the U.S.) |
| Long-term expected rate of return | Primarily 2.0%   | Primarily 2.0%   |
| Expected rate of salary increase  | Primarily 2.5%   | Primarily 2.5%   |

### 3. Defined contribution plans

The amounts of required contributions to defined contribution plans of the Company and certain consolidated subsidiaries in Japan and the U.S. were 8,941 million yen as of February 28, 2023 and 7,008 million yen as of February 29, 2024.

### Stock Options

1. Expenses and account titles for stock options

|  | (Millions of yen)               |                                 |
|--|---------------------------------|---------------------------------|
|  | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
| Selling, general and administrative expenses | —                               | 7                               |

## 2. Amount recorded as profit due to unexercised rights

(Millions of yen)

|                      | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|----------------------|---------------------------------|---------------------------------|
| Non-operating income | –                               | 0                               |

## 3. Details, volume and changes of stock options

### The Company

#### (1) Details of stock options

|   | 15th share<br>subscription rights<br>issue<br>(Stock option as stock-<br>based compensation) | 17th share<br>subscription rights<br>issue<br>(Stock option as stock-<br>based compensation) | 19th share<br>subscription rights<br>issue<br>(Stock option as stock-<br>based compensation) | 21st share<br>subscription rights<br>issue<br>(Stock option as stock-<br>based compensation) |
|---|--|--|--|--|
| Category and number<br>of grantees                        | Directors of the<br>Company: 8   | Directors of the<br>Company: 7   | Directors of the<br>Company: 6   | Directors of the<br>Company: 7   |
| Class and number of<br>shares granted <sup>(Note 1)</sup> | Ordinary share:<br>28,100 shares   | Ordinary share:<br>16,500 shares   | Ordinary share:<br>16,100 shares   | Ordinary share:<br>18,200 shares   |
| Grant date  | August 5, 2015   | August 3, 2016   | August 4, 2017   | August 3, 2018   |
| Vesting conditions  | (Note 2)   | Same as left   | Same as left   | Same as left   |
| Requisite service<br>period                               | Not prescribed   | Same as left   | Same as left   | Same as left   |
| Exercise period   | From February 29,<br>2016 to August 5,<br>2035   | From February 28,<br>2017 to August 3,<br>2036   | From February 28,<br>2018 to August 4,<br>2037   | From February 28,<br>2019 to August 3,<br>2038   |

- Notes: 1. The number of stock options is converted and stated as number of shares. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The numbers of shares at the time of granting them to Directors of the Company is shown.
2. A share subscription right holder may exercise the share subscription rights only within ten days from the day following the day he/she loses his/her position as a Director or executive officer of the Company, or as a Director or executive officer of a subsidiary of the Company.

#### (2) Volume and changes of stock options

Targeting stock options that existed in the fiscal year ended February 29, 2024, the number of stock options is converted and stated as number of shares.

##### (i) Number of stock options

|  | 15th share<br>subscription rights<br>issue<br>(Stock option as stock-<br>based compensation) | 17th share<br>subscription rights<br>issue<br>(Stock option as stock-<br>based compensation) | 19th share<br>subscription rights<br>issue<br>(Stock option as stock-<br>based compensation) | 21st share<br>subscription rights<br>issue<br>(Stock option as stock-<br>based compensation) |
|--|--|--|--|--|
| Stock options before<br>vesting (shares) |  |  |  |  |
| At end of previous<br>fiscal year        | –  | –  | –  | –  |
| Granted                                  | –  | –  | –  | –  |
| Lapsed                                   | –  | –  | –  | –  |
| Vested                                   | –  | –  | –  | –  |
| Unvested balance                         | –  | –  | –  | –  |
| Stock options after<br>vesting (shares)  |  |  |  |  |
| At end of previous<br>fiscal year        | 3,000  | 3,000  | 3,000  | 3,000  |
| Vested                                   | –  | –  | –  | –  |
| Exercised                                | –  | –  | –  | –  |
| Lapsed                                   | –  | –  | –  | –  |
| Unexercised balance                      | 3,000  | 3,000  | 3,000  | 3,000  |

Note: Since the Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares, each of the above number of shares is adjusted to 9,000 shares respectively.

(ii) Unit price information

|  | 15th share<br>subscription rights<br>issue<br>(Stock option as stock-<br>based compensation) | 17th share<br>subscription rights<br>issue<br>(Stock option as stock-<br>based compensation) | 19th share<br>subscription rights<br>issue<br>(Stock option as stock-<br>based compensation) | 21st share<br>subscription rights<br>issue<br>(Stock option as stock-<br>based compensation) |
|--|--|--|--|--|
| Exercise price   | ¥1 per share   | ¥1 per share   | ¥1 per share   | ¥1 per share   |
| Average share price<br>at the time of exercise         | —  | —  | —  | —  |
| Fair value per unit at<br>grant date <sup>(Note)</sup> | per subscription right<br>¥533,000   | per subscription right<br>¥361,300   | per subscription right<br>¥369,800   | per subscription right<br>¥380,600   |

Note: Since the Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares, the exercise price will be 0.3 yen per share. The number of shares to be issued upon exercise of one subscription right is adjusted to 300 shares of the Company's common stock.

Seven Bank, Ltd.

(1) Details of stock options

|  | 10th-1 share subscription rights issue<br>(Stock option as stock-based compensation)   |
|--|--|
| Category and number<br>of grantees           | Directors, Corporate Auditors, and employees of Seven Bank, Ltd. and its subsidiaries (including workers dispatched from the Group)<br>418 persons   |
| Class and number of<br>shares granted (Note) | Ordinary share: 3,835,200 shares   |
| Grant date                                   | October 31, 2023   |
| Vesting conditions                           | <p>1. Share subscription right holders shall be able to exercise their subscription rights only when they achieve all the financial targets from (a) to (c) set out in the medium-term business plan.</p> <p>(a) Ordinary revenue in the consolidated statements of income as of March 31, 2026: 250 billion yen</p> <p>(b) Ordinary income in the consolidated statements of income as of March 31, 2026: 45 billion yen</p> <p>(c) Return on Equity (ROE) calculated based on the consolidated balance sheets and consolidated statements of income as of March 31, 2026: 8%</p> <p>When determining results of the above achievement targets, reference shall be made to figures in the annual securities report presented by the Company. If the Board of Directors considers that it is not appropriate to determine results of achievement targets with figures in the consolidated balance sheets and consolidated statements of income, in the event of occurrence of changes during the fiscal, including change in accounting standards, and M&amp;A that could significantly and adversely affect the Company's operating results, the Company shall be able to make appropriate adjustments to a reasonable extent in order to eliminate such affects.</p> <p>2. Share subscription holders are required to be Directors, Corporate Auditors, or employees of the Company or its subsidiaries and affiliates (including workers dispatched from the Group).</p> <p>3. If a share subscription holder passes away, his/her heir shall not be able to exercise the share subscription rights.</p> <p>4. If share subscription rights are exercised and the total number of outstanding shares of the Company exceeds the total number of authorized shares, such share subscription rights shall not be exercised.</p> <p>5. Less than one share subscription right cannot be exercised.</p> |
| Requisite service<br>period                  | From October 31, 2023 to May 31, 2026  |
| Exercise period                              | From June 1, 2026 to October 31, 2027  |

(Note) The number of stock options is converted and stated as number of shares.

(2) Volume and changes of stock options

Targeting stock options that existed in the fiscal year ended February 29, 2024, the number of stock options is converted and stated as number of shares.

(i) Number of stock options

|  | 10th-1 share<br>subscription rights<br>issue<br>(Stock option as stock-<br>based compensation) |
|--|--|
| Stock options before<br>vesting (shares) |  |
| At end of previous<br>fiscal year        | —  |
| Granted                                  | 3,835,200  |
| Lapsed                                   | 20,000   |
| Vested                                   | —  |
| Unvested balance                         | 3,815,200  |
| Stock options after<br>vesting (shares)  |  |
| At end of previous<br>fiscal year        | —  |
| Vested                                   | —  |
| Exercised                                | —  |
| Lapsed                                   | —  |
| Unexercised balance                      | —  |

(ii) Unit price information

|  | 10th-1 share<br>subscription rights<br>issue<br>(Stock option as stock-<br>based compensation) |
|--|--|
| Exercise price                                 | ¥319.4 per share   |
| Average share price<br>at the time of exercise | —  |
| Fair value per unit at<br>grant date           | per subscription right<br>16 yen   |

4. Method for estimating the fair value per unit of stock options

Seven Bank, Ltd.

Method for estimating the fair value per unit of the 10th-1 share subscription rights issue granted in the current fiscal year is as follows:

(1) Valuation technique of Black-Scholes method

(2) Major base figures and method for estimation

|  | 10th-1 share<br>subscription rights<br>issue<br>(Stock option as stock-<br>based compensation) |
|--|--|
| Variability of stock<br>price (Note 1) | 17.06%   |
| Expected remaining<br>period (Note 2)  | 3.3 years  |
| Expected dividend<br>rate (Note 3)     | 3.69%  |
| Risk-free interest rate<br>(Note 4)    | 0.216%   |

- Notes:
1. The variability of stock price is calculated based on the actual prices during the past period from July 15, 2020 to October 31, 2023 that corresponds to the expected remaining period.
  2. Since it is not able to reasonably estimate the period until the time of exercising options, the period from the time of calculation to the mid-point of the exercisable period is assumed as the expected remaining period.
  3. The dividend rate is based on the dividend payout during the fiscal year ended February 2023.
  4. It is the interest rate of government bonds corresponding to the expected remaining period.
  5. Method for estimating the number of stock options vested  
Because it is difficult to reasonably estimate the number of options that will expire in the future, the number of stock options vested only reflects the number of options that have actually lapsed.

## Deferred Tax Accounting

### 1. Major components of deferred tax assets and liabilities

(Millions of yen)

|  | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|--|---------------------------------|---------------------------------|
| Deferred tax assets  |                                 |                                 |
| Contract liabilities   | 23,022                          | 22,146                          |
| Allowance for bonuses to employees   | 4,821                           | 4,382                           |
| Allowance for sales promotion expenses   | 304                             | 210                             |
| Denial of accrued personnel expenses   | 18,726                          | 15,050                          |
| Allowance for retirement benefits to Directors and Audit & Supervisory Board Members | 162                             | 141                             |
| Excess of allowable limit of deductible expenses for net defined benefit liability   | 954                             | 942                             |
| Excess of allowable limit of deductible expenses for depreciation and amortization   | 7,815                           | 7,473                           |
| Tax loss carried forward <sup>(*)</sup>  | 126,568                         | 129,516                         |
| Loss on valuation of securities  | 869                             | 720                             |
| Excess of allowable limit of deductible expenses for allowance for doubtful accounts | 1,838                           | 1,924                           |
| Valuation difference on non-current assets   | 9,223                           | 4,149                           |
| Valuation difference on land and denial of impairment loss                           | 55,596                          | 54,069                          |
| Accrued enterprise taxes and business office taxes                                   | 4,261                           | 3,862                           |
| Denial of accrued expenses   | 34,727                          | 33,244                          |
| Asset retirement obligations   | 26,222                          | 28,050                          |
| Unearned revenue   | 1,213                           | 577                             |
| Other  | 30,156                          | 31,706                          |
| Subtotal (deferred tax assets)   | 346,485                         | 338,169                         |
| Valuation allowance for tax loss carried forward <sup>(*)</sup>                      | (50,895)                        | (69,817)                        |
| Valuation allowance for total deductible temporary differences, etc.                 | (37,145)                        | (26,031)                        |
| Subtotal (valuation allowance)   | (88,040)                        | (95,849)                        |
| Total deferred tax assets  | 258,444                         | 242,319                         |
| Deferred tax liabilities   |                                 |                                 |
| Valuation difference on non-current assets   | (275,935)                       | (240,808)                       |
| Valuation difference on royalties, etc.  | (50,192)                        | (53,471)                        |
| Reserve for advanced depreciation of non-current assets                              | (674)                           | (704)                           |
| Valuation difference on securities   | (14,701)                        | (20,569)                        |
| Net defined benefit asset  | (26,629)                        | (35,732)                        |
| Adjustment of gain/loss on transfer  | (4,261)                         | (4,296)                         |
| Removal cost related to asset retirement obligations                                 | (9,605)                         | (12,337)                        |
| Other  | (3,501)                         | (3,041)                         |
| Total deferred tax liabilities   | (385,501)                       | (370,962)                       |
| Net deferred tax liabilities   | (127,056)                       | (128,642)                       |

(\*) Amounts of tax loss carried forward and the relevant deferred tax assets by expiration of carryforwards

February 28, 2023

(Millions of yen)

|   | Within 1 year | After 1 year through 2 years | After 2 years through 3 years | After 3 years through 4 years | After 4 years through 5 years | After 5 years | Total      |
|---|---------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------|------------|
| Tax loss carried forward <sup>(a)</sup> | 4,790         | 6,809                        | 4,065                         | 6,849                         | 3,159                         | 100,895       | 126,568    |
| Valuation allowance                     | 4,779         | 6,802                        | 3,900                         | 6,746                         | 2,999                         | 25,665        | 50,895     |
| Deferred tax assets                     | 10            | 6                            | 164                           | 102                           | 159                           | 75,229        | (b) 75,673 |

(a) Tax loss carried forward is the amount calculated by multiplying the tax loss carried forward by the statutory effective tax rate.

(b) Deferred tax assets for the tax loss carried forward are considered recoverable based on expected future taxable profit.

February 29, 2024

(Millions of yen)

|   | Within 1 year | After 1 year through 2 years | After 2 years through 3 years | After 3 years through 4 years | After 4 years through 5 years | After 5 years | Total      |
|---|---------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------|------------|
| Tax loss carried forward <sup>(a)</sup> | 6,516         | 3,139                        | 4,555                         | 2,180                         | 3,097                         | 110,028       | 129,516    |
| Valuation allowance                     | 6,507         | 2,924                        | 4,391                         | 2,153                         | 3,093                         | 50,747        | 69,817     |
| Deferred tax assets                     | 8             | 215                          | 163                           | 26                            | 3                             | 59,281        | (b) 59,698 |

(a) Tax loss carried forward is the amount calculated by multiplying the tax loss carried forward by the statutory effective tax rate.

(b) Deferred tax assets for the tax loss carried forward are considered recoverable based on expected future taxable profit.

Net deferred tax liabilities in the fiscal years ended February 28, 2023 and February 29, 2024 are included in the following items in the consolidated balance sheets.

(Millions of yen)

|                           | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|---------------------------|---------------------------------|---------------------------------|
| Deferred tax assets:      |                                 |                                 |
| Non-current assets        | 57,186                          | 92,015                          |
| Deferred tax liabilities: |                                 |                                 |
| Non-current liabilities   | (184,242)                       | (220,658)                       |



2. Reconciliation of significant differences between the statutory effective tax rate and the actual effective rate of income taxes after application of deferred tax accounting

|   | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|---|---------------------------------|---------------------------------|
| Statutory effective tax rate  | 30.6%                           | 30.6%                           |
| (Adjustments)   |                                 |                                 |
| Equity in earnings of affiliates  | (0.2)                           | (0.4)                           |
| Expenses not deductible permanently, such as entertainment expenses         | 0.2                             | 0.4                             |
| Change in valuation allowance   | 1.2                             | 5.3                             |
| Inhabitant per capita taxes   | 0.4                             | 0.5                             |
| Amortization of goodwill  | 8.6                             | 13.3                            |
| Differences in tax rates of foreign subsidiaries                            | (6.0)                           | (9.1)                           |
| Tax effect adjustments for consolidated journal entry                       | (6.7)                           | (10.5)                          |
| Effects of exclusion from the scope of consolidation                        | —                               | (15.7)                          |
| Other   | (0.6)                           | 0.7                             |
| Effective rate of income taxes after application of deferred tax accounting | 27.5                            | 15.1                            |

3. Accounting treatment of corporate tax and local corporate tax and their deferred tax accounting

The Company and some of its domestic consolidated subsidiaries have applied the Group Tax Sharing System from the beginning of the fiscal year ended February 29, 2024. Furthermore, the Company undertakes and discloses the accounting treatment for national corporate taxes and local corporate taxes or tax effect accounting relating to these taxes in compliance with provisions in the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ Practical Issues Task Force No. 42, August 12, 2021).

Business Combinations, etc.  
Year ended February 29, 2024  
Business divestiture  
Transfer of Subsidiary Shares

The Company entered into an agreement (the "Agreement") to transfer all of the issued shares of Sogo & Seibu Co., Ltd. held by the Company to a special purpose company, which is a related entity of Fortress Investment Group LLC, Sugi Godo Kaisha (the "Transferee Company") (the "Transfer") on November 11, 2022, and the share transfer was completed on September 1, 2023.

As a result, Sogo & Seibu Co., Ltd., and its subsidiaries\* have been excluded from the scope of consolidation.

\* IKEBUKURO SHOPPING PARK CO., LTD., GOTTSUOBIN CO., LTD., Yatsugatake Kogen Lodge Co., Ltd., DISTRICT HEATING AND COOLING CHIBA CO., LTD., and Sogo Co., Ltd.

1. Outline of the business divestiture

- (1) Name of the successor entity  
Sugi Godo Kaisha
- (2) Description of the divested businesses  
Department store business, and operation of shopping centers, large-scale commercial facilities, etc.
- (3) Main objectives of the business divestiture  
For the Company, the Transfer is one initiative that aligns with the Group strategy announced on March 9, 2023, and the Company determined that the execution of the Transfer suits the best interests of the Company and its stakeholders including the shareholders.
- (4) Date of business divestiture  
September 1, 2023
- (5) Outline of the business divestiture including the legal form thereof  
Share transfers for which the consideration to be received is assets such as cash only.

2. Overview of the accounting treatment

- (1) Amount of loss on the transfer  
¥129,618 million  
The loss amount includes other costs related to the business transfer.
- (2) Appropriate carrying amounts of assets and liabilities related to the transferred business and major breakdown thereof

|                          |                         |
|--------------------------|-------------------------|
| Current assets           | ¥86,711 million         |
| Non-current assets       | ¥326,331 million        |
| <u>Total assets</u>      | <u>¥413,043 million</u> |
| Current liabilities      | ¥292,665 million        |
| Non-current liabilities  | ¥22,654 million         |
| <u>Total liabilities</u> | <u>¥315,320 million</u> |
- (3) Accounting treatment  
The difference between the sale price and the book value of the transferred shares are included in special losses as "Loss on transfer of department store" along with other related costs.

3. Name of the category that included the divested business in the segment information disclosure  
Others

4. Approximate amount of profit or loss related to the divested business recorded in the consolidated statements of income for the fiscal year
- |                          |                 |
|--------------------------|-----------------|
| Revenues from operations | ¥91,959 million |
| Operating income         | ¥412 million    |

## Asset Retirement Obligations

Asset retirement obligations recorded in the consolidated balance sheet

- (1) Overview of the asset retirement obligations  
They are mainly obligations to restore the site to its original condition associated with real estate lease agreements for buildings for stores.
- (2) Method of calculating the amount of the asset retirement obligations  
The expected use period is estimated to be the contractual period of the real estate lease agreement, etc. and is one to 50 years. The amount of the asset retirement obligations was calculated using the discount rate of 0% to 8.3%.
- (3) Increase (decrease) in the total amount of the asset retirement obligations  
(Millions of yen)

|   | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|---|---------------------------------|---------------------------------|
| Balance at beginning of period  | 133,175                         | 157,324                         |
| Increase due to acquisition of property and equipment   | 9,421                           | 5,536                           |
| Adjustments due to the passage of time  | 2,015                           | 2,787                           |
| Decrease due to fulfillment of asset retirement obligations   | (5,089)                         | (4,838)                         |
| Decrease due to exemption from obligations to restore the site to its original condition                        | (22)                            | (5)                             |
| Increase (decrease) due to change of estimates  | 10,422                          | 11,546                          |
| Decrease due to differences between the balance of asset retirement obligations and the actual retirement costs | (21)                            | (65)                            |
| Decrease due to exclusion from the scope of consolidation <sup>(Note 1)</sup>                                   | —                               | (7,898)                         |
| Other increase (decrease) <sup>(Note 2)</sup>   | 7,422                           | 4,211                           |
| Balance at end of period  | 157,324                         | 168,599                         |

Notes: 1. Decrease due to exclusion from the scope of consolidation for the current fiscal year was mainly because of the decrease due to the exclusion of Sogo & Seibu Co., Ltd. and its subsidiaries from the scope of consolidation.

2. "Other increase (decrease)" is mainly due to exchange rate fluctuations.

- (4) Change of the estimated amount of the asset retirement obligations  
For asset retirement obligations recorded as obligations to restore the site to its original condition for the fiscal years ended February 28, 2023 and February 29, 2024, the estimates of the costs to restore the site to its original condition and the expected use period were changed as a result of obtaining new information, such as the most recent data on restoration costs, and the increases of ¥10,422 million and ¥11,546 million due to the changed estimates were added to the balances of the asset retirement obligations before the change.

## Rental and Other Investment Property

The information is omitted as the total amount of rental and other investment property is immaterial.

## Revenue Recognition

### 1. Components of revenues from contracts with customers Year ended February 28, 2023

(Millions of yen)

|  | Reportable segment                             |  |                          |                       | Others<br>(Note 1) | Total      | Adjust-<br>ments<br>(Note 2) | Revenue<br>from<br>external<br>customers |
|--|--|--|--------------------------|-----------------------|--------------------|------------|------------------------------|--|
|  | Domestic<br>convenience<br>store<br>operations | Overseas<br>convenience<br>store<br>operations | Superstore<br>operations | Financial<br>services |                    |            |                              |  |
| Japan  | 885,358  | —  | 1,404,763                | 111,953               | 465,483            | 2,867,559  | 561                          | 2,868,120                                |
| North America                                | —  | 8,578,330                                      | —                        | 9,054                 | —                  | 8,587,384  | —                            | 8,587,384                                |
| Others<br>(Note 3)                           | —  | 27,660   | 37,435                   | 4,797                 | 919                | 70,813     | —                            | 70,813                                   |
| Revenues from<br>contracts with<br>customers | 885,358  | 8,605,990                                      | 1,442,199                | 125,805               | 466,403            | 11,525,756 | 561                          | 11,526,318                               |
| Other revenues<br>(Note 4)                   | 2,858  | 237,375  | 2,428                    | 39,092                | 3,229              | 284,984    | —                            | 284,984                                  |
| Revenue from<br>external<br>customers        | 888,216  | 8,843,366                                      | 1,444,627                | 164,898               | 469,632            | 11,810,741 | 561                          | 11,811,303                               |

- Notes: 1. Others that are not allocated to reportable segments include department store operations, specialty store operations, real estate business etc.
2. "Adjustments" are in the segment of operating revenues that do not belong to reportable segments.
3. "Others" consist of the business results in China etc.
4. Other revenues are revenues based on ASU No. 2016-02, Leases (Topic 842), rental revenues from movable property or real estate based on Accounting Standard for Lease Transactions (ASBJ Statement No. 13), financial revenues based on Accounting Standard for Financial Instruments (ASBJ Statement No. 10), etc.
5. The classification of geographic area segments is determined according to geographical distances.

### Year ended February 29, 2024

(Millions of yen)

|  | Reportable segment                             |  |                          |                       | Others<br>(Note 1) | Total      | Adjust-<br>ments<br>(Note 2) | Revenue<br>from<br>external<br>customers |
|--|--|--|--------------------------|-----------------------|--------------------|------------|------------------------------|--|
|  | Domestic<br>convenience<br>store<br>operations | Overseas<br>convenience<br>store<br>operations | Superstore<br>operations | Financial<br>services |                    |            |                              |  |
| Japan  | 916,238  | —  | 1,434,916                | 118,761               | 382,074            | 2,851,991  | 599                          | 2,852,590                                |
| North America                                | —  | 8,218,195                                      | —                        | 9,589                 | —                  | 8,227,785  | —                            | 8,227,785                                |
| Others<br>(Note 3)                           | —  | 29,626   | 36,152                   | 8,499                 | 1,972              | 76,250     | —                            | 76,250                                   |
| Revenues from<br>contracts with<br>customers | 916,238  | 8,247,822                                      | 1,471,068                | 136,850               | 384,046            | 11,156,027 | 599                          | 11,156,626                               |
| Other revenues<br>(Note 4)                   | 3,115  | 266,330  | 2,190                    | 41,181                | 2,309              | 315,126    | —                            | 315,126                                  |
| Revenue from<br>external<br>customers        | 919,354  | 8,514,152                                      | 1,473,259                | 178,031               | 386,356            | 11,471,154 | 599                          | 11,471,753                               |

- Notes: 1. Others that are not allocated to reportable segments include department store operations, specialty store operations, real estate business etc.
2. "Adjustments" are in the segment of operating revenues that do not belong to reportable segments.
3. "Others" consist of the business results in China etc.
4. Other revenues are revenues based on ASU No. 2016-02, Leases (Topic 842), rental revenues from movable property or real estate based on Accounting Standard for Lease Transactions (ASBJ Statement No. 13), financial revenues based on Accounting Standard for Financial Instruments (ASBJ Statement No. 10), etc.

Statement No. 10), etc.

5. The classification of geographic area segments is determined according to geographical distances.
6. Matters regarding change in reportable segment

The Company changed its classification of reportable segments since the first quarter of the fiscal year ended February 29, 2024. Details are described in "Notes to Segment information 1. Overview of reportable segments."

Information on the breakdown of revenues from contracts with customers during the previous fiscal year indicates figures in the reclassified segments after the change.

2. Basic information for understanding revenue

Basic information for understanding revenue arising from contracts with customers is described in "Notes to Accounting Policies for the Preparation of Consolidated Financial Statements 4. Summary of significant accounting policies, (6) Revenue recognition."

3. Relationship between satisfied performance obligation based on contracts with customers and cash flows generated from the contracts, and information on the amount and time of expected revenues from contracts with customers existing at the end of the current fiscal year, which could be recognized in and after the next fiscal year

Year ended February 28, 2023

(i) Balance of claims, contract assets and contract liabilities arising from contracts with customers

The amounts of claims, contract assets and contract liabilities arising from contracts with customers are as follows:

|  | (Millions of yen) |                   |
|--|-------------------|-------------------|
|  | March 1, 2022     | February 28, 2023 |
| Claims arising from contracts with customers |                   |                   |
| Notes receivable                             | 64                | 66                |
| Accounts receivable-trade                    | 364,705           | 421,179           |
| Other  | 91,622            | 133,351           |
| Contract assets                              | 488               | 531               |
| Contract liabilities                         | 175,882           | 211,356           |

Contract assets are related to considerations of recognized revenues that have not been claimed under a contract in which performance obligation is satisfied over a certain period of time. Contract assets shall be transferred to operating receivables at the time when the claim to payment becomes unconditional and the payment request is made. Contract assets are included in "Notes and accounts receivable - trade, and contract assets" on the consolidated balance sheet.

Contract liabilities are the balance of the amount of outstanding performance obligation that have not been satisfied as of the end of the fiscal year for gift certificates issued by the Group, electronic money, granted points, store opening preparation expenses, etc., to be received from franchised stores. Contract liabilities arising from electronic money, gift certificates, points, etc., shall be reversed depending on their use, and those arising from store opening preparation expenses, etc., to be received from franchised stores shall be reversed on the recognition of revenues with the passage of time.

Of the recognized revenues, the amount of recognized revenues included in contract liabilities as of the beginning of the fiscal year was 106,992 million yen. Revenues recognized from performance obligation that was satisfied in the past period have no significance in the amount.

(ii) Transaction price allocated to remaining performance obligation

The total transaction prices allocated to the remaining performance obligations were 254,914 million yen as of the end of fiscal year ended February 29, 2024. Revenues from remaining performance obligations of electronic money, gift certificates, points, etc. are estimated to be recognized depending on their use, and revenues from those of fixed rent to be received from tenants and store opening preparation expenses, etc.

to be received from franchised stores are recognized with the passage of time within approximately 15 years.

Transactions and sales within a year of the estimated original contract period, or variable considerations including royalties based on the usage fees are not included in the above revenues. Sales or royalties based on the usage fees are mainly royalties received from franchised stores. Remaining contract periods are one year to 15 years for each contract.

Year ended February 29, 2024

- (i) Balance of claims, contract assets and contract liabilities arising from contracts with customers

The amounts of claims, contract assets and contract liabilities arising from contracts with customers are as follows:

(Millions of yen)

|  | March 1, 2023 | February 29, 2024 |
|--|---------------|-------------------|
| Claims arising from contracts with customers |               |                   |
| Notes receivable                             | 66            | 2                 |
| Accounts receivable-trade                    | 421,179       | 463,022           |
| Other  | 133,351       | 130,901           |
| Contract assets                              | 531           | 5                 |
| Contract liabilities                         | 211,356       | 188,890           |

Contract assets are related to considerations of recognized revenues that have not been claimed under a contract in which performance obligation is satisfied over a certain period of time. Contract assets shall be transferred to operating receivables at the time when the claim to payment becomes unconditional and the payment request is made. Contract assets are included in "Notes and accounts receivable - trade, and contract assets" on the consolidated balance sheet.

Contract liabilities are the balance of the amount of outstanding performance obligation that have not been satisfied as of the end of the fiscal year for gift certificates issued by the Group, electronic money, granted points, store opening preparation expenses, etc., to be received from franchised stores. Contract liabilities arising from electronic money, gift certificates, points, etc., shall be reversed depending on their use, and those arising from store opening preparation expenses, etc., to be received from franchised stores shall be reversed on the recognition of revenues with the passage of time.

Of the recognized revenues, the amount of recognized revenues included in contract liabilities as of the beginning of the fiscal year was 142,025 million yen. Revenues recognized from performance obligation that was satisfied in the past period have no significance in the amount.

- (ii) Transaction price allocated to remaining performance obligation

The total transaction prices allocated to the remaining performance obligations were 227,142 million yen as of the end of fiscal year ended February 29, 2024. Revenues from remaining performance obligations of electronic money, gift certificates, points, etc. are estimated to be recognized depending on their use, and revenues from those of fixed rent to be received from tenants and store opening preparation expenses, etc. to be received from franchised stores are recognized with the passage of time within approximately 15 years.

Transactions and sales within a year of the estimated original contract period, or variable considerations including royalties based on the usage fees are not included in the above revenues. Sales or royalties based on the usage fees are mainly royalties received from franchised stores. Remaining contract periods are one year to 15 years for each contract.

## Segment Information

### Segment Information

#### 1. Overview of reportable segments

With respect to its reportable segments, the Company is able to obtain delineated financial data from its structural units. Its segments are subject to periodical review for the purpose of making decisions on allocation of managerial resources and evaluating business performance by the Board of Directors.

From the fiscal year ended February 29, 2024, changes have been made to the classification of reportable segments, and segment information in the previous fiscal year indicates figures in the reclassified segments after the change.

Under the holding company structure, the Company has classified its consolidated subsidiaries into four segments which are "Domestic convenience store operations," "Overseas convenience store operations," "Superstore operations," and "Financial services," according to the nature of products, services and sales operations.

Domestic convenience store operations operate a convenience store business comprising directly managed corporate stores and franchised stores mainly under SEVEN-ELEVEN JAPAN CO., LTD. "Overseas convenience store operations" operate a convenience store business comprising directly managed corporate stores and franchised stores mainly under 7-Eleven, Inc. "Superstore operations" operate a retail business that provides a comprehensive range of daily life necessities such as food and other daily necessities. "Financial services" operate a banking business, credit card business and leasing business.

#### 2. Calculation methodology for revenues from operations, income or losses, assets and liabilities and other items for each reportable segments

The accounting treatment of each reportable segments is in line with the "Accounting policies for the preparation of consolidated financial statements."

Segment income (loss) and segment liabilities as reported in this section are based on operating income and interest bearing debt, respectively. Intersegment revenues and transfers are calculated at prevailing market prices.

3. Information on revenues from operations, income, loss, assets, liabilities and other monetary items for each reportable segments  
Year ended February 28, 2023

(Millions of yen)

|  | Reportable segment                    |                                       |                       |                    | Others  | Total      | Adjustments | Consolidated total |
|--|---------------------------------------|---------------------------------------|-----------------------|--------------------|---------|------------|-------------|--------------------|
|  | Domestic convenience store operations | Overseas convenience store operations | Superstore operations | Financial services |         |            |             |                    |
| Revenues from operations                                       |                                       |                                       |                       |                    |         |            |             |                    |
| Customers  | 888,216                               | 8,843,366                             | 1,444,627             | 164,898            | 469,632 | 11,810,741 | 561         | 11,811,303         |
| Intersegment   | 2,077                                 | 2,797                                 | 4,538                 | 29,397             | 18,671  | 57,482     | (57,482)    | –                  |
| Total  | 890,293                               | 8,846,163                             | 1,449,165             | 194,295            | 488,304 | 11,868,223 | (56,920)    | 11,811,303         |
| Segment income (loss)  | 232,033                               | 289,703                               | 12,395                | 37,140             | 2,593   | 573,865    | (67,344)    | 506,521            |
| Segment assets   | 1,204,038                             | 5,764,895                             | 975,836               | 1,905,942          | 571,810 | 10,422,523 | 128,432     | 10,550,956         |
| Segment liabilities (interest bearing debt)                    | –                                     | 1,703,683                             | –                     | 279,839            | 152,299 | 2,135,823  | 839,974     | 2,975,797          |
| Other items  |                                       |                                       |                       |                    |         |            |             |                    |
| Depreciation   | 85,553                                | 192,968                               | 35,388                | 32,227             | 14,985  | 361,124    | 14,973      | 376,097            |
| Amortization of goodwill                                       | –                                     | 108,756                               | 3,098                 | 381                | 462     | 112,700    | –           | 112,700            |
| Investment in associates accounted for using the equity method | 9,801                                 | 8,072                                 | 7,721                 | 933                | 16,277  | 42,806     | –           | 42,806             |
| Impairment loss  | 8,918                                 | 9,816                                 | 15,589                | 78                 | 13,423  | 47,826     | 1,124       | 48,950             |
| Net increase in property and equipment, and intangible assets  | 88,873                                | 188,641                               | 46,879                | 30,851             | 22,870  | 378,115    | 38,250      | 416,366            |

- Notes: 1. Others that are not allocated to reportable segments include department store operations, specialty store operations, real estate business etc.
2. The adjustments of (67,344) million yen for segment income (loss) are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
3. The adjustments of 128,432 million yen for segment assets are eliminations of intersegment transactions and corporate assets.
4. The adjustments of 839,974 million yen for segment liabilities are corporate liabilities and the Company's bonds. The amount of each segment liability does not include intersegment transactions.
5. The adjustments of 14,973 million yen for depreciation are depreciation for corporate assets.
6. The adjustments of 38,250 million yen for net increase in property and equipment, and intangible assets, are eliminations of intersegment transactions and net increase in corporate assets.
7. Segment income (loss) is reconciled with the operating income in the consolidated statements of income.
8. 5,530 million yen out of "Impairment loss" in the table above is included in "Restructuring expenses" in consolidated statements of income for the fiscal year ended February 28, 2023.



(Reference)

Revenues from operations and operating income by geographic area segments are as described below.

Year ended February 28, 2023

(Millions of yen)

|                          | Japan     | North America | Others  | Total before eliminations | Eliminations | Consolidated total |
|--------------------------|-----------|---------------|---------|---------------------------|--------------|--------------------|
| Revenues from operations |           |               |         |                           |              |                    |
| Customers                | 2,915,035 | 8,824,367     | 71,900  | 11,811,303                | –            | 11,811,303         |
| Intersegment             | 15,676    | 532           | 90      | 16,299                    | (16,299)     | –                  |
| Total revenues           | 2,930,711 | 8,824,900     | 71,990  | 11,827,602                | (16,299)     | 11,811,303         |
| Operating income (loss)  | 235,110   | 287,265       | (1,355) | 521,021                   | (14,499)     | 506,521            |

Notes: 1. The classification of geographic area segments is determined according to geographical distances.  
2. "Others" consist of the business results in China etc.

Year ended February 29, 2024

(Millions of yen)

|  | Reportable segment                    |                                       |                       |                    | Others  | Total      | Adjustments | Consolidated total |
|--|---------------------------------------|---------------------------------------|-----------------------|--------------------|---------|------------|-------------|--------------------|
|  | Domestic convenience store operations | Overseas convenience store operations | Superstore operations | Financial services |         |            |             |                    |
| Revenues from operations                                       |                                       |                                       |                       |                    |         |            |             |                    |
| Customers  | 919,354                               | 8,514,152                             | 1,473,259             | 178,031            | 386,356 | 11,471,154 | 599         | 11,471,753         |
| Intersegment   | 2,351                                 | 2,787                                 | 4,125                 | 29,447             | 24,949  | 63,660     | (63,660)    | –                  |
| Total  | 921,706                               | 8,516,939                             | 1,477,384             | 207,479            | 411,305 | 11,534,814 | (63,060)    | 11,471,753         |
| Segment income (loss)  | 250,544                               | 301,628                               | 13,588                | 38,172             | 2,688   | 606,622    | (72,373)    | 534,248            |
| Segment assets   | 1,272,137                             | 6,101,146                             | 991,748               | 1,763,916          | 182,364 | 10,311,312 | 280,805     | 10,592,117         |
| Segment liabilities (interest bearing debt)                    | –                                     | 1,585,017                             | 526                   | 264,172            | 19,963  | 1,869,680  | 868,974     | 2,738,654          |
| Other items  |                                       |                                       |                       |                    |         |            |             |                    |
| Depreciation   | 90,172                                | 207,066                               | 36,994                | 34,463             | 10,440  | 379,137    | 21,651      | 400,789            |
| Amortization of goodwill                                       | –                                     | 115,862                               | 3,137                 | 449                | 462     | 119,912    | –           | 119,912            |
| Investment in associates accounted for using the equity method | 9,661                                 | 12,714                                | 8,230                 | 0                  | 13,201  | 43,808     | –           | 43,808             |
| Impairment loss  | 9,383                                 | 17,368                                | 24,887                | 1,523              | 2,440   | 55,603     | 1,476       | 57,079             |
| Net increase in property and equipment, and intangible assets  | 120,427                               | 192,736                               | 44,415                | 49,927             | 24,979  | 432,486    | 24,613      | 457,100            |

- Notes:
- Others that are not allocated to reportable segments include department store operations, specialty store operations, real estate business etc.
  - The adjustments of (72,373) million yen for segment income (loss) are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
  - The adjustments of 280,805 million yen for segment assets are eliminations of intersegment transactions and corporate assets.
  - The adjustments of 868,974 million yen for segment liabilities are corporate liabilities and the Company's bonds. The amount of each segment liability does not include intersegment transactions.
  - The adjustments of 21,651 million yen for depreciation are depreciation for corporate assets.
  - The adjustments of 24,613 million yen for net increase in property and equipment, and intangible assets, are eliminations of intersegment transactions and net increase in corporate assets.
  - Segment income (loss) is reconciled with the operating income in the consolidated statements of income.
  - 14,069 million yen out of "Impairment loss" in the table above is included in "Restructuring expenses" in consolidated statements of income for the fiscal year ended February 29, 2024.

(Reference)

Revenues from operations and operating income by geographic area segments are as described below.

Year ended February 29, 2024

(Millions of yen)

|                          | Japan     | North America | Others | Total before eliminations | Eliminations | Consolidated total |
|--------------------------|-----------|---------------|--------|---------------------------|--------------|--------------------|
| Revenues from operations |           |               |        |                           |              |                    |
| Customers                | 2,900,596 | 8,494,165     | 76,991 | 11,471,753                | –            | 11,471,753         |
| Intersegment             | 15,032    | 679           | 147    | 15,859                    | (15,859)     | –                  |
| Total revenues           | 2,915,628 | 8,494,845     | 77,138 | 11,487,613                | (15,859)     | 11,471,753         |
| Operating income (loss)  | 248,521   | 297,926       | 1,517  | 547,965                   | (13,716)     | 534,248            |

Notes: 1. The classification of geographic area segments is determined according to geographical distances.  
2. "Others" consist of the business results in China etc.

## Related Information

Year ended February 28, 2023

### 1. Information on products and services

Information is omitted since it is described in the segment information.

### 2. Information by region

#### (1) Revenues from operations

(Millions of yen)

| Japan     | North America<br>[of which, the U.S.] | Others | Total      |
|-----------|---------------------------------------|--------|------------|
| 2,915,035 | 8,824,367<br>[8,461,448]              | 71,900 | 11,811,303 |

#### (2) Property and equipment

(Millions of yen)

| Japan     | North America<br>[of which, the U.S.] | Others | Total     |
|-----------|---------------------------------------|--------|-----------|
| 1,432,104 | 2,869,010<br>[2,781,997]              | 40,634 | 4,341,750 |

### 3. Information about major customers

Information is omitted because there is no customer accounting for 10% or more of the net sales on the consolidated statements of income.

Year ended February 29, 2024

### 1. Information on products and services

Information is omitted since it is described in the segment information.

### 2. Information by region

#### (1) Revenues from operations

(Millions of yen)

| Japan     | North America<br>[of which, the U.S.] | Others | Total      |
|-----------|---------------------------------------|--------|------------|
| 2,900,596 | 8,494,165<br>[8,137,579]              | 76,991 | 11,471,753 |

#### (2) Property and equipment

(Millions of yen)

| Japan     | North America<br>[of which, the U.S.] | Others | Total     |
|-----------|---------------------------------------|--------|-----------|
| 1,248,128 | 3,075,349<br>[2,979,422]              | 39,022 | 4,362,500 |

### 3. Information about major customers

Information is omitted because there is no customer accounting for 10% or more of the net sales on the consolidated statements of income.

## Information Regarding Impairment Loss on Non-current Assets by Reportable Segment

Year ended February 28, 2023

Information is omitted since it is described in the segment information.

Year ended February 29, 2024

Information is omitted since it is described in the segment information.

Information on Amortization and Outstanding Balance of Goodwill by Reportable Segment  
Year ended February 28, 2023  
Goodwill

(Millions of yen)

|   | Reportable segment                             |  |                          |                       | Others | Total     | Elimi-<br>nations/<br>Corpo-<br>rate | Consolidated<br>total |
|---|--|--|--------------------------|-----------------------|--------|-----------|--------------------------------------|-----------------------|
|   | Domestic<br>convenience<br>store<br>operations | Overseas<br>convenience<br>store<br>operations | Superstore<br>operations | Financial<br>services |        |           |                                      |                       |
| Depreciat<br>ion and<br>amortizati<br>on in the<br>fiscal<br>year | –  | 108,756  | 3,098                    | 381                   | 462    | 112,700   | –                                    | 112,700               |
| Balance<br>at the end<br>of current<br>year                       | 2,529  | 1,894,266                                      | 10,929                   | 3,331                 | 1,960  | 1,913,017 | –                                    | 1,913,017             |

Negative goodwill

(Millions of yen)

|   | Reportable segment                             |  |                          |                       | Others | Total | Elimi-<br>nations/<br>Corpo-<br>rate | Consolidated<br>total |
|---|--|--|--------------------------|-----------------------|--------|-------|--------------------------------------|-----------------------|
|   | Domestic<br>convenience<br>store<br>operations | Overseas<br>convenience<br>store<br>operations | Superstore<br>operations | Financial<br>services |        |       |                                      |                       |
| Depreciat<br>ion and<br>amortizati<br>on in the<br>fiscal<br>year | –  | –  | 23                       | –                     | 4      | 27    | –                                    | 27                    |
| Balance<br>at the<br>end of<br>current<br>year                    | –  | –  | –                        | –                     | –      | –     | –                                    | –                     |

Year ended February 29, 2024  
Goodwill

(Millions of yen)

|   | Reportable segment                             |  |                          |                       | Others | Total     | Elimi-<br>nations<br>/Corpo-<br>-rate | Consolidated<br>total |
|---|--|--|--------------------------|-----------------------|--------|-----------|---------------------------------------|-----------------------|
|   | Domestic<br>convenience<br>store<br>operations | Overseas<br>convenience<br>store<br>operations | Superstore<br>operations | Financial<br>services |        |           |                                       |                       |
| Depreciat<br>ion and<br>amortizati<br>on in the<br>fiscal<br>year | –  | 115,862  | 3,137                    | 449                   | 462    | 119,912   | –                                     | 119,912               |
| Balance<br>at the end<br>of current<br>year                       | 2,153  | 1,913,558                                      | 8,824                    | 2,882                 | 1,496  | 1,928,916 | –                                     | 1,928,916             |

Negative goodwill

(Millions of yen)

|   | Reportable segment                             |  |                          |                       | Others | Total | Elimi-<br>nations<br>/Corpo-<br>-rate | Consolidated<br>total |
|---|--|--|--------------------------|-----------------------|--------|-------|---------------------------------------|-----------------------|
|   | Domestic<br>convenience<br>store<br>operations | Overseas<br>convenience<br>store<br>operations | Superstore<br>operations | Financial<br>services |        |       |                                       |                       |
| Depreciat<br>ion and<br>amortizati<br>on in the<br>fiscal<br>year | –  | –  | –                        | –                     | –      | –     | –                                     | –                     |
| Balance<br>at the<br>end of<br>current<br>year                    | –  | –  | –                        | –                     | –      | –     | –                                     | –                     |

Information Regarding Gain on Negative Goodwill by Reportable Segment

Year ended February 28, 2023

None

Year ended February 29, 2024

None

Related Parties Transactions

1. Transactions with related parties

(1) Transactions between the Company and related parties

(a) Unconsolidated subsidiaries and affiliates

None

(b) A director of the Company and primary shareholders (limited to individuals)

None

2. Notes about the parent company and the important affiliates

None

## Per Share Information

|                              | Year ended February 28, 2023 | Year ended February 29, 2024 |
|------------------------------|------------------------------|------------------------------|
| Owners' equity per share     | 1,311.31 yen                 | 1,416.94 yen                 |
| Net income per share         | 106.05 yen                   | 84.88 yen                    |
| Diluted net income per share | 106.04 yen                   | 84.87 yen                    |

Notes: 1. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. Owners' equity per share, net income per share, and diluted net income per share have been calculated assuming the share split was conducted at the beginning of the fiscal year ended February 28, 2023.

2. Basis for calculation of net income per share and diluted net income per share is as follows:

|   | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|---|---------------------------------|---------------------------------|
| Net income attributable to owners of parent on the consolidated statements of income (millions of yen)                                  | 280,976                         | 224,623                         |
| Amount not attributable to owners of ordinary shares (millions of yen)  | —                               | —                               |
| Net income attributable to owners of ordinary shares of parent (millions of yen)  | 280,976                         | 224,623                         |
| Average number of ordinary shares outstanding during the period (thousands of shares)   | 2,649,567                       | 2,646,511                       |
| Adjustments to net income attributable to owners of parent which is used for calculating diluted net income per share (millions of yen) |                                 |                                 |
| Net income attributable to non-controlling interests  | —                               | (7)                             |
| Adjustments to net income attributable to owners of parent (millions of yen)  | —                               | (7)                             |
| Number of ordinary shares increased used for calculating the diluted net income per share (thousands of shares)                         |                                 |                                 |
| Subscription rights to shares   | 38                              | 36                              |
| Number of ordinary shares increased (thousands of shares)   | 38                              | 36                              |

Notes: 1. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The average number of ordinary shares outstanding during the period (thousands of shares) and the number of ordinary shares increased (thousand shares) have been calculated assuming the share split was conducted at the beginning of the fiscal year ended February 28, 2023.

2. As the Company has introduced the BIP Trust and the ESOP Trust, the Company's shares held by the trusts are included in the number of shares of treasury stock deducted for the computation of the average number of shares during the period, to calculate net income per share and diluted net income per share. The average number of shares of treasury stock during the period deducted for the computation is 4,186 thousand shares for the fiscal year ended February 28, 2023 and 4,077 thousand shares for the fiscal year ended February 29, 2024.

3. Basis for calculation of owner's equity per share is as follows:

|   | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|---|---------------------------------|---------------------------------|
| Total net assets (millions of yen)  | 3,648,161                       | 3,900,624                       |
| Amounts subtracted from total net assets (millions of yen)  | 173,614                         | 184,101                         |
| [Subscription rights to shares] (millions of yen)   | [49]                            | [60]                            |
| [Net income attributable to non-controlling interests]<br>(millions of yen)   | [173,565]                       | [184,041]                       |
| Owners' equity for ordinary shares at the end of period<br>(millions of yen)  | 3,474,547                       | 3,716,523                       |
| Number of ordinary shares at the end of period used for<br>calculating the amounts of owner's equity per share<br>(thousands of shares) | 2,649,674                       | 2,622,913                       |

- Notes:
1. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The number of ordinary shares at the end of period used for calculating the amounts of owners' equity per share (thousands of shares) has been calculated assuming the share split was conducted at the beginning of the fiscal year ended February 28, 2023.
  2. As the Company has introduced the BIP Trust and the ESOP Trust, the Company's shares held by the trusts are included in the number of shares of treasury stock deducted for the computation of the total number of shares outstanding at the end of period, to calculate owners' equity per share. The total number of shares of treasury stock at the end of period deducted for the computation is 4,075 thousand shares as of February 28, 2023 and 4,730 thousand shares as of February 29, 2024.



## Subsequent Event

### □ Business combination by acquisition

The Company resolved to approve the execution of an agreement by and between 7-Eleven International LLC (“7IN”), the Company’s wholly-owned subsidiary and the joint venture of SEVEN-ELEVEN JAPAN CO., LTD. and 7-Eleven, Inc., and Australian Company R.G. Withers Nominees Pty Ltd as trustee for R.G. Withers Unit Trust, to acquire all shares of Convenience Group Holdings Pty Ltd (“SEA”), a holding company of 7-Eleven Stores Pty Ltd, which operates the convenience store and fuel retail business under the “7-Eleven” brand as a licensee of the Company in Australia via 7IN’s wholly-owned subsidiary, AR BidCo Pty Ltd (the “Transaction”) at a meeting of the Board of Directors held on November 30, 2023. In addition, 7IN executed the agreement relating to the Transaction on April 1, 2024. The details are as follows.

#### 1. Overview

##### (1) Name and main business of the acquired company

Name of the successor entity Convenience Group Holdings Pty Ltd

Description of business: Operation of the convenience store business and fuel retail business

##### (2) Main reason for the business combination

In the Medium-Term Management Plan 2021-2025, the Company announced its ideal group image for 2030 as well as its corporate creed since its establishment to be a sincere company that earns the trust of all stakeholders, and its basic stance of “We aim to contribute to the local community both in Japan and overseas by providing new experiences and values from the customer’s point of view.” Additionally, based on Results of the Group Strategy Reevaluation announced in March 2023, the Company adopted “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 the new ideal group image for 2030.

One of the essential initiatives for realizing the ideal group image for 2030 is the global CVS strategy. 7IN, which operates global CVS business outside of Japan and North America, aims to have 50,000 stores worldwide (excluding Japan and North America) by FY2025 and to expand to 30 countries/regions by FY2030. In particular, 7IN pursues profit growth by not only new market entry but also strategic investments in existing licensees for maximizing licensee growth potential through business transformation, including strengthening “food,” which has led to the remarkable growth of SEI in the U.S. In addition, the Company decided to increase its investment in its Vietnam business in February 2023, and is actively considering M&A including strategic investments in licensees to pursue accelerated profit growth in the global CVS business, which has significant potential of growth.

SEA’s subsidiary, 7-Eleven Stores Pty Ltd has been operating convenience stores in Australia for many years as a licensee of the “7-Eleven” brand. 7-Eleven Stores Pty Ltd is currently the largest convenience store retailer in Australia with a leading merchandise offering, targeted product range, and established loyalty program.

The Company and 7IN have a longstanding relationship with SEA and a deep knowledge of the business. By executing the Transaction, the Company intends to achieve the following objectives.

##### (i) Expansion of store network in Australia

The Australian market is a growing market with a diverse population of young people and immigrants, and the Australian Government expects its population to grow at a CAGR of 1.4% over time by the mid-2060s. SEA operates 751 stores as of the end of June 2023 and the Transaction will enable the Company to establish itself as the clear industry leader in the Australian convenience store market, which has significant growth potential. In addition, the Company strongly believes that there is room for further growth by actively opening new stores in Victoria, New South Wales, Queensland, Western Australia, and other states, and that the expansion of the store network in Australia will accelerate the entire group’s long-term growth strategy. By utilizing the product strength and operational knowhow of the business cultivated in Japan and North America and experience of cultivating synergies through 50 M&A transactions since 2005, the Company expects that it will be able to increase product sales and improve gross product margin, further reduce costs, strengthen the

customer base, and realize further innovation and an even greater increase in corporate value.

(ii) ESG leadership

In May 2019, the Company group, as a global retailer representing Japan, announced the “GREEN CHALLENGE 2050,” as its environmental declaration. The Company group is committed to achieving the declaration’s four themes: (1) reducing CO2 emissions; (2) measures with respect to plastics; (3) measures for food loss and recycling; and (4) sustainable procurement. The Company group has set clear targets to achieve by 2030 and for the next generation of society in 2050 with respect to its missions and duties. Following the Transaction, the Company group has reaffirmed that it remains committed to the environmental declaration as part of its ESG efforts, and will further accelerate these efforts in the Australian market through expansion of its network and presence.

(3) Date of the business combination

April 1, 2024

(4) Legal form of the business combination

Acquisition of shares

(5) The acquired company’s name after the business combination

The names of the companies will not change subsequent to the business combination.

(6) Ratio of voting rights acquired

100%

(7) Reason for determining the acquired company

The Company’s subsidiary acquired the shares of the companies in exchange for cash.

2. Acquisition cost of acquired business and breakdown by type of consideration

Consideration for acquisition: Cash 1,710 million Australian dollars (168,623 million yen\*1)

Acquisition cost: Cash 1,710 million Australian dollars (168,623 million yen\*1)

\* Pursuant to the Transaction agreement, the acquisition price is subject to a price adjustment reflecting increases or decreases of working capital and other items.

\*1 Converted at the rate of 1 Australian dollar = 98.61 yen (as of March 29, 2024).

3. Details and amounts of main acquisition-related costs

Not determined at this time.

4. Amount, reason for recognition, and period and method of amortization of goodwill

Not determined at this time.

5. Total amounts and principal breakdowns of assets received and liabilities assumed on the effective date of the business combination

Not determined at this time.

□ Share split and related amendment to articles of incorporation

The Company resolved, at a meeting of the Board of Directors held on November 30, 2023, to conduct a share split and to partially amend the Articles of Incorporation, and conducted a share split with an effective date of March 1, 2024.

1. Purpose of share split

The objective of the share split is to lower the minimum investment price per unit that will create a more accessible investment environment for investors, including individual investors, and to improve the liquidity of the Company’s stock.

2. Overview of share split

(1) Method of share split

The Company conducted a share split into 3 shares for every one common share held by shareholders recorded on the final shareholder register on February 29, 2024.

(2) Number of shares increased by share split

|   |                       |
|---|-----------------------|
| (i) Total number of issued shares before the share split            | 877,742,183 shares    |
| (ii) Number of shares increased by this share split                 | 1,755,484,366 shares  |
| (iii) Total number of issued shares after the share split           | 2,633,226,549 shares  |
| (iv) Total number of shares authorized issued after the share split | 10,000,000,000 shares |

3. Amendment to Articles of Incorporation

(1) Reason for the Amendment

In connection with the share split described above, the Company has amended the total number of authorized shares described in Article 6 of its Articles of Incorporation with an effective date of March 1, 2024, pursuant to the provisions of Article 184, Paragraph 2 of the Companies Act of Japan.

(2) Content of the Amendment

The details of the amendment are as follows: (Underlined sections indicate proposed amendments)

| Pre-Share Split Articles of Incorporation   | After Amendment  |
|---|--|
| Article 6. (Total Number of Authorized Shares)<br>The total number of shares authorized to be issued by the Company shall be <u>4,500,000,000</u> shares. | Article 6. (Total Number of Authorized Shares)<br>The total number of shares authorized to be issued by the Company shall be <u>10,000,000,000</u> shares. |

4. Amendment to Articles of Incorporation

|  |                   |
|--|-------------------|
| (i) Date of public notice of the record date                             | February 15, 2024 |
| (ii) Record date   | February 29, 2024 |
| (iii) Date of amendment to the Articles of Incorporation, Effective date | March 1, 2024     |

5. Impact for information of per share

The Company conducted a 3-for-1 common share split on March 1, 2024. "Net income per share" and "Diluted net income per share" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

|                              | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|------------------------------|---------------------------------|---------------------------------|
| Net income per share         | 106.05 yen                      | 84.88 yen                       |
| Diluted net income per share | 106.04 yen                      | 84.87 yen                       |

6. Others

(1) There will be no change in the amount of stated capital as a result of the share split.

(2) The dividend for the fiscal year ended February 29, 2024 will be applicable to the shares before the share split since the effective date of the share split is set for March 1, 2024.

(v) Annexed Consolidated Detailed Schedules  
Consolidated Detailed Schedule of Corporate Bonds

| Company name                 | Issue name                                    | Date of issuance | Balance at March 1, 2023<br>(Millions of yen) | Balance at February 29, 2024<br>(Millions of yen) | Interest rate (%) | Secured/un-secured | Maturity      |
|------------------------------|---|------------------|---|---|-------------------|--------------------|---------------|
| Seven & i Holdings Co., Ltd. | (JPY) 9th Unsecured straight bonds            | Apr. 26, 2013    | 20,000<br>(20,000)                            | –   | 0.671             | Un-secured         | Mar. 20, 2023 |
| Seven & i Holdings Co., Ltd. | (JPY) 12th Unsecured straight bonds           | June 17, 2015    | 30,000  | 30,000  | 0.781             | Un-secured         | June 20, 2025 |
| Seven & i Holdings Co., Ltd. | (JPY) 13th Unsecured straight bonds           | Dec. 14, 2020    | 130,000<br>(130,000)                          | –   | 0.060             | Un-secured         | Dec. 20, 2023 |
| Seven & i Holdings Co., Ltd. | (JPY) 14th Unsecured straight bonds           | Dec. 14, 2020    | 180,000                                       | 180,000   | 0.190             | Un-secured         | Dec. 19, 2025 |
| Seven & i Holdings Co., Ltd. | (JPY) 15th Unsecured straight bonds           | Dec. 14, 2020    | 40,000  | 40,000  | 0.280             | Un-secured         | Dec. 20, 2027 |
| Seven & i Holdings Co., Ltd. | (JPY) 16th Unsecured straight bonds           | Nov. 2, 2023     | –   | 60,000  | 0.400             | Un-secured         | Nov. 2, 2026  |
| Seven & i Holdings Co., Ltd. | (JPY) 17th Unsecured straight bonds           | Nov. 2, 2023     | –   | 60,000  | 0.687             | Un-secured         | Nov. 2, 2028  |
| Seven & i Holdings Co., Ltd. | (JPY) 18th Unsecured straight bonds           | Nov. 2, 2023     | –   | 30,000  | 1.040             | Un-secured         | Nov. 1, 2030  |
| Seven & i Holdings Co., Ltd. | (JPY) 19th Unsecured straight bonds           | Nov. 2, 2023     | –   | 70,000  | 1.392             | Un-secured         | Nov. 2, 2033  |
| 7-Eleven, Inc.               | (USD) Mature in 2023 Unsecured straight bonds | Feb. 10, 2021    | 165,823<br>[\$1,249 million]<br>(165,823)     | –   | 0.625             | Un-secured         | Feb. 10, 2023 |
| 7-Eleven, Inc.               | (USD) Mature in 2024 Unsecured straight bonds | Feb. 10, 2021    | 297,830<br>[\$2,244 million]                  | 319,039<br>[\$2,249 million]<br>(319,039)         | 0.800             | Un-secured         | Feb. 10, 2024 |
| 7-Eleven, Inc.               | (USD) Mature in 2026 Unsecured straight bonds | Feb. 10, 2021    | 164,860<br>[\$1,242 million]                  | 176,547<br>[\$1,244 million]                      | 0.950             | Un-secured         | Feb. 10, 2026 |
| 7-Eleven, Inc.               | (USD) Mature in 2028 Unsecured straight bonds | Feb. 10, 2021    | 131,646<br>[\$992 million]                    | 140,918<br>[\$993 million]                        | 1.300             | Un-secured         | Feb. 10, 2028 |
| 7-Eleven, Inc.               | (USD) Mature in 2031 Unsecured straight bonds | Feb. 10, 2021    | 224,026<br>[\$1,688 million]                  | 239,632<br>[\$1,689 million]                      | 1.800             | Un-secured         | Feb. 10, 2031 |

| Company name     | Issue name  | Date of issuance | Balance at March 1, 2023<br>(Millions of yen) | Balance at February 29, 2024<br>(Millions of yen) | Interest rate (%) | Secured/un-secured | Maturity       |
|------------------|---|------------------|---|---|-------------------|--------------------|----------------|
| 7-Eleven, Inc.   | (USD)<br>Mature in 2041<br>Unsecured straight bonds | Feb. 10, 2021    | 97,705<br>[\$736 million]                     | 104,512<br>[\$736 million]                        | 2.500             | Un-secured         | Feb. 10, 2041  |
| 7-Eleven, Inc.   | (USD)<br>Mature in 2051<br>Unsecured straight bonds | Feb. 10, 2021    | 163,658<br>[\$1,233 million]                  | 174,974<br>[\$1,233 million]                      | 2.800             | Un-secured         | Feb. 10, 2051  |
| Seven Bank, Ltd. | (JPY) 10th<br>Unsecured straight bonds              | Mar. 7, 2013     | 20,000<br>(20,000)                            | –   | 0.803             | Un-secured         | Mar. 20, 2023  |
| Seven Bank, Ltd. | (JPY) 11th<br>Unsecured straight bonds              | Dec. 17, 2014    | 15,000  | 15,000<br>(15,000)                                | 0.536             | Un-secured         | Dec. 20, 2024  |
| Seven Bank, Ltd. | (JPY) 12th<br>Unsecured straight bonds              | Oct. 20, 2017    | 30,000  | 30,000  | 0.390             | Un-secured         | Sept. 17, 2027 |
| Seven Bank, Ltd. | (JPY) 13th<br>Unsecured straight bonds              | Jan. 25, 2019    | 20,000<br>(20,000)                            | –   | 0.160             | Un-secured         | Dec. 20, 2023  |
| Seven Bank, Ltd. | (JPY) 14th<br>Unsecured straight bonds              | Jan. 25, 2019    | 20,000  | 20,000  | 0.385             | Un-secured         | Dec. 20, 2028  |
| Total            |   | –                | 1,750,551<br>(355,823)                        | 1,690,624<br>(334,039)                            | –                 | –                  | –              |

- Notes: 1. The figures shown in round brackets ( ) represent the amount to be redeemed within one year.  
2. The figures shown in square brackets [ ] represent the amount denominated in U.S. dollars.  
3. If the consolidated fiscal year end and the fiscal year end of consolidated subsidiaries are different, bonds with the maturity date before the consolidated fiscal year end are included.  
4. The scheduled amount of redemption of bonds within five years after the consolidated balance sheet date is as follows:

(Millions of yen)

| Within 1 year | After 1 year through 2 years | After 2 years through 3 years | After 3 years through 4 years | After 4 years through 5 years |
|---------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|
| 334,039       | 210,000                      | 236,547                       | 70,000                        | 220,918                       |

### Consolidated Detailed Schedule of Borrowings

| Category                                      | Balance at<br>March 1, 2023<br>(Millions of<br>yen) | Balance at<br>February 29,<br>2024<br>(Millions of<br>yen) | Average<br>interest<br>rate<br>(%) | Payment due |
|---|---|--|------------------------------------|-------------|
| Short-term loans                              | 143,568   | 84,882   | 1.60                               | —           |
| Current portion of long-term loans            | 145,605   | 138,530  | 1.18                               | —           |
| Current portion of lease obligations          | 22,557  | 23,108   | —                                  | —           |
| Long-term loans (excluding current portion)   | 936,070   | 824,616  | 4.24                               | 2025-2034   |
| Lease obligations (excluding current portion) | 56,594  | 52,278   | —                                  | 2025-2041   |
| Total   | 1,304,396   | 1,123,416  | —                                  | —           |

- Notes:
1. Average interest rate represents weighted average interest rate with respect to the ending balance of borrowings.
  2. The Balance of lease obligations excludes lease obligations posted according to the adoption of ASU No. 2016-02, Leases (Topic 842) by foreign subsidiaries who adopted US GAAP because they have no burden of interest.
  3. The average interest rate of lease obligations is not provided, since lease obligations are recorded in the amount before deduction of the amount equivalent to interest included in the lease payments in the consolidated balance sheets.
  4. The repayment schedule of long-term loans and lease obligations (excluding current portion) within five years after the consolidated balance sheet date is as follows:

(Millions of yen)

| Category          | After 1 year through<br>2 years | After 2 years<br>through 3 years | After 3 years<br>through 4 years | After 4 years<br>through 5 years |
|-------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Long-term loans   | 260,949                         | 136,023                          | 203,342                          | 61,646                           |
| Lease obligations | 7,653                           | 6,679                            | 5,282                            | 4,900                            |
| Total             | 268,603                         | 142,703                          | 208,625                          | 66,546                           |

### Consolidated Detailed Schedule of Asset Retirement Obligations

The consolidated detailed schedule of asset retirement obligations is omitted, as matters to be provided in the detailed schedule are stated as notes set forth in Article 15-23 of the Regulations on Consolidated Financial Statements.

(2) Other Information

Quarterly information for the fiscal year ended February 29, 2024

| Cumulative period   | Three months ended<br>May 31, 2023 | Six months ended<br>August 31, 2023 | Nine months ended<br>November 30, 2023 | Year ended<br>February 29, 2024 |
|---|------------------------------------|-------------------------------------|--|---------------------------------|
| Revenues from operations<br>(Millions of yen)                       | 2,650,666                          | 5,547,013                           | 8,580,207                              | 11,471,753                      |
| Income before income taxes<br>(Millions of yen)                     | 64,583                             | 75,795                              | 221,905                                | 277,007                         |
| Net income attributable to<br>owners of parent<br>(Millions of yen) | 42,180                             | 80,228                              | 182,162                                | 224,623                         |
| Net income per share (Yen)  | 15.92                              | 30.28                               | 68.74                                  | 84.88                           |

| Accounting period          | First quarter | Second quarter | Third quarter | Fourth quarter |
|----------------------------|---------------|----------------|---------------|----------------|
| Net income per share (Yen) | 15.92         | 14.36          | 38.47         | 16.11          |

\* The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. Net income per share for the quarter of the current fiscal year and net income per share for the quarter have been calculated assuming the share split was conducted at the beginning of the fiscal year ended February 29, 2024.

## 2. [Nonconsolidated financial statements and other information]

## (1) Nonconsolidated Financial Statements

## (i) Nonconsolidated Balance Sheets

(Millions of yen)

|  | February 28, 2023 | February 29, 2024 |
|--|-------------------|-------------------|
| <b>ASSETS</b>                                |                   |                   |
| Current assets                               |                   |                   |
| Cash and bank deposits                       | * 918             | * 628             |
| Prepaid expenses                             | * 2,836           | 3,409             |
| Accounts receivable, other                   | * 40,494          | * 75,285          |
| Income taxes receivable                      | 18,367            | 18,779            |
| Deposits held by subsidiaries and affiliates | 5,943             | 4,557             |
| Other  | * 1,402           | * 1,244           |
| Total current assets                         | 69,962            | 103,905           |
| Non-current assets                           |                   |                   |
| Property and equipment                       |                   |                   |
| Buildings and structures                     | 2,569             | 5,852             |
| Fixtures, equipment and vehicles             | 2,198             | 6,948             |
| Land   | 2,712             | 2,712             |
| Lease assets                                 | 899               | 859               |
| Construction in progress                     | 13,167            | 8,969             |
| Total property and equipment                 | 21,547            | 25,342            |
| Intangible assets                            |                   |                   |
| Software                                     | 29,006            | 46,703            |
| Software in progress                         | 32,928            | 6,262             |
| Lease assets                                 | 20,021            | 30,370            |
| Other  | 4                 | 1,045             |
| Total intangible assets                      | 81,961            | 84,382            |
| Investments and other assets                 |                   |                   |
| Investments in securities                    | 39,483            | 45,938            |
| Stocks of subsidiaries and affiliates        | 2,359,003         | 2,345,702         |
| Prepaid pension cost                         | 1,970             | 2,219             |
| Long-term leasehold deposits                 | 4,233             | 4,234             |
| Deposits paid in subsidiaries and affiliates | 10,000            | 10,000            |
| Deferred income taxes                        | —                 | 30,141            |
| Other  | 5,370             | 4,621             |
| Total investments and other assets           | 2,420,061         | 2,442,858         |
| Total non-current assets                     | 2,523,569         | 2,552,582         |
| Deferred assets                              |                   |                   |
| Bond issuance cost                           | 332               | 788               |
| Total deferred assets                        | 332               | 788               |
| <b>TOTAL ASSETS</b>                          | <b>2,593,865</b>  | <b>2,657,276</b>  |



(Millions of yen)

|  | February 28, 2023 | February 29, 2024 |
|--|-------------------|-------------------|
| <b>LIABILITIES</b>   |                   |                   |
| Current liabilities  |                   |                   |
| Current portion of bonds   | 150,000           | —                 |
| Short-term loans from subsidiaries and affiliates                        | 154,006           | 251,003           |
| Current portion of long-term loans                                       | 41,000            | 41,000            |
| Lease obligations  | * 5,859           | * 7,130           |
| Accounts payable, other  | * 15,482          | * 52,578          |
| Accrued expenses   | * 1,027           | * 6,059           |
| Income taxes payable   | 1,644             | 386               |
| Advance received   | * 241             | * 335             |
| Allowance for bonuses to employees                                       | 647               | 795               |
| Allowance for bonuses to Directors and Audit & Supervisory Board Members | 141               | 182               |
| Other  | 1,445             | 1,107             |
| Total current liabilities  | 371,496           | 360,579           |
| Non-current liabilities  |                   |                   |
| Bonds  | 250,000           | 470,000           |
| Long-term loans  | 398,974           | 357,974           |
| Long-term loans from subsidiaries and affiliates                         | 6                 | 1                 |
| Lease obligations  | * 17,271          | * 27,515          |
| Allowance for stock payments   | 2,040             | 2,016             |
| Provision for loss on guarantees   | 33,286            | 32,782            |
| Deposits paid in subsidiaries  | 2,702             | 3,550             |
| Deposits received from tenants   | * 2,223           | * 2,502           |
| Deferred income taxes  | 3,759             | —                 |
| Other  | 539               | 666               |
| Total non-current liabilities  | 710,804           | 897,011           |
| <b>TOTAL LIABILITIES</b>   | <b>1,082,301</b>  | <b>1,257,590</b>  |

(Millions of yen)

|  | February 28, 2023 | February 29, 2024 |
|--|-------------------|-------------------|
| NET ASSETS   |                   |                   |
| Shareholders' equity   |                   |                   |
| Common stock   | 50,000            | 50,000            |
| Capital surplus  |                   |                   |
| Additional paid-in capital   | 875,496           | 875,496           |
| Other capital surplus  | 357,401           | 311,992           |
| Total capital surplus  | 1,232,897         | 1,187,489         |
| Retained earnings  |                   |                   |
| Other retained earnings  |                   |                   |
| Retained earnings brought forward                                  | 227,007           | 163,770           |
| Total retained earnings  | 227,007           | 163,770           |
| Treasury stock, at cost  | (9,825)           | (16,321)          |
| Total shareholders' equity   | 1,500,079         | 1,384,938         |
| Accumulated gains from valuation and translation adjustments       |                   |                   |
| Unrealized gains on available-for-sale securities, net of taxes    | 11,435            | 14,697            |
| Total accumulated gains from valuation and translation adjustments | 11,435            | 14,697            |
| Subscription rights to shares                                      | 49                | 49                |
| TOTAL NET ASSETS   | 1,511,564         | 1,399,685         |
| TOTAL LIABILITIES AND NET ASSETS                                   | 2,593,865         | 2,657,276         |

## (ii) Nonconsolidated Statements of Income

(Millions of yen)

|   | Year ended<br>February 28, 2023 | Year ended<br>February 29, 2024 |
|---|---------------------------------|---------------------------------|
| Revenues from operations  |                                 |                                 |
| Dividend income   | *1 241,026                      | *1 194,816                      |
| Management consulting fee income                                  | *1 4,573                        | *1 4,572                        |
| Commission fee income   | *1 2,277                        | *1 2,229                        |
| Other   | *1 591                          | *1 658                          |
| Total revenues from operations                                    | 248,468                         | 202,277                         |
| General and administrative expenses                               | *1,*2 72,010                    | *1,*2 76,970                    |
| Operating income  | 176,457                         | 125,307                         |
| Non-operating income  |                                 |                                 |
| Interest income   | *1 113                          | *1 113                          |
| Dividend income   | 444                             | 520                             |
| Other   | 55                              | 95                              |
| Total non-operating income  | 614                             | 729                             |
| Non-operating expenses  |                                 |                                 |
| Interest expenses   | *1 2,121                        | *1 2,288                        |
| Interest on bonds   | 995                             | 1,393                           |
| Other   | 298                             | 311                             |
| Total non-operating expenses                                      | 3,415                           | 3,993                           |
| Ordinary income   | 173,656                         | 122,042                         |
| Special gains   |                                 |                                 |
| Gain on sales of stocks of subsidiaries and affiliates            | 0                               | 1,619                           |
| Consolidated tax payment individual attribution adjustment amount | *1 11,788                       | —                               |
| Other   | 276                             | *1 61                           |
| Total special gains   | 12,064                          | 1,681                           |
| Special losses  |                                 |                                 |
| Loss on disposals of property and equipment                       | 11                              | *1 24                           |
| Impairment loss   | 1,124                           | 1,476                           |
| Loss on valuation of stocks of subsidiaries and affiliates        | *3 15,113                       | *3 102                          |
| Loss on transfer of department stores                             | —                               | *1 143,092                      |
| Other   | *1 4,584                        | *1 13,510                       |
| Total special losses  | 20,833                          | 158,205                         |
| Income before income taxes  | 164,887                         | (34,481)                        |
| Income taxes - current  | (14,921)                        | (42,055)                        |
| Income taxes - deferred   | 28                              | (35,341)                        |
| Total income taxes  | (14,893)                        | (77,397)                        |
| Net income  | 179,780                         | 42,915                          |

(iii) Nonconsolidated Statements of Changes in Net Assets  
Year ended February 28, 2023

(Millions of yen)

|  | Shareholders' equity |                            |                       |                       |  |                         |
|--|----------------------|----------------------------|-----------------------|-----------------------|--|-------------------------|
|  | Common stock         | Capital surplus            |                       |                       | Retained earnings  |                         |
|  |                      | Additional paid-in capital | Other capital surplus | Total capital surplus | Other retained earnings<br>Retained earnings brought forward | Total retained earnings |
| Balance at March 1, 2022                             | 50,000               | 875,496                    | 357,400               | 1,232,897             | 137,037  | 137,037                 |
| Cumulative effects of changes in accounting policies |                      |                            |                       |                       | (23)   | (23)                    |
| Balance at March 1, 2022 (as restated)               | 50,000               | 875,496                    | 357,400               | 1,232,897             | 137,014  | 137,014                 |
| Increase (decrease) for the year                     |                      |                            |                       |                       |  |                         |
| Cash dividends                                       |                      |                            |                       |                       | (89,787)   | (89,787)                |
| Net income   |                      |                            |                       |                       | 179,780  | 179,780                 |
| Purchase of treasury stock                           |                      |                            |                       |                       |  |                         |
| Disposal of treasury stock                           |                      |                            | 0                     | 0                     |  |                         |
| Net changes of items other than shareholders' equity |                      |                            |                       |                       |  |                         |
| Net increase (decrease) for the year                 | —                    | —                          | 0                     | 0                     | 89,993   | 89,993                  |
| Balance at February 28, 2023                         | 50,000               | 875,496                    | 357,401               | 1,232,897             | 227,007  | 227,007                 |

|  | Shareholders' equity    |                            | Accumulated gains (losses) from valuation and translation adjustments    |   | Subscription rights to shares | TOTAL NET ASSETS |
|--|-------------------------|----------------------------|--|---|-------------------------------|------------------|
|  | Treasury stock, at cost | Total shareholders' equity | Unrealized gains (losses) on available-for-sale securities, net of taxes | Total accumulated gains (losses) from valuation and translation adjustments |                               |                  |
| Balance at March 1, 2022                             | (10,235)                | 1,409,699                  | 11,360   | 11,360  | 56                            | 1,421,117        |
| Cumulative effects of changes in accounting policies |                         | (23)                       |  |   |                               | (23)             |
| Balance at March 1, 2022 (as restated)               | (10,235)                | 1,409,676                  | 11,360   | 11,360  | 56                            | 1,421,094        |
| Increase (decrease) for the year                     |                         |                            |  |   |                               |                  |
| Cash dividends                                       |                         | (89,787)                   |  |   |                               | (89,787)         |
| Net income   |                         | 179,780                    |  |   |                               | 179,780          |
| Purchase of treasury stock                           | (16)                    | (16)                       |  |   |                               | (16)             |
| Disposal of treasury stock                           | 425                     | 425                        |  |   |                               | 425              |
| Net changes of items other than shareholders' equity |                         |                            | 74   | 74  | (7)                           | 66               |
| Net increase (decrease) for the year                 | 409                     | 90,402                     | 74   | 74  | (7)                           | 90,469           |
| Balance at February 28, 2023                         | (9,825)                 | 1,500,079                  | 11,435   | 11,435  | 49                            | 1,511,564        |

Year ended February 29, 2024

(Millions of yen)

|  | Shareholders' equity |                            |                       |                       |  |                         |
|--|----------------------|----------------------------|-----------------------|-----------------------|--|-------------------------|
|  | Common stock         | Capital surplus            |                       |                       | Retained earnings  |                         |
|  |                      | Additional paid-in capital | Other capital surplus | Total capital surplus | Other retained earnings<br>Retained earnings brought forward | Total retained earnings |
| Balance at March 1, 2023                             | 50,000               | 875,496                    | 357,401               | 1,232,897             | 227,007  | 227,007                 |
| Increase (decrease) for the year                     |                      |                            |                       |                       |  |                         |
| Cash dividends                                       |                      |                            |                       |                       | (106,152)  | (106,152)               |
| Net income   |                      |                            |                       |                       | 42,915   | 42,915                  |
| Purchase of treasury stock                           |                      |                            |                       |                       |  |                         |
| Disposal of treasury stock                           |                      |                            | 0                     | 0                     |  |                         |
| Cancellation of treasury stock                       |                      |                            | (45,408)              | (45,408)              |  |                         |
| Net changes of items other than shareholders' equity |                      |                            |                       |                       |  |                         |
| Net increase (decrease) for the year                 | –                    | –                          | (45,408)              | (45,408)              | (63,236)   | (63,236)                |
| Balance at February 29, 2024                         | 50,000               | 875,496                    | 311,992               | 1,187,489             | 163,770  | 163,770                 |

|  | Shareholders' equity    |                            | Accumulated gains (losses) from valuation and translation adjustments    |   | Subscription rights to shares | TOTAL NET ASSETS |
|--|-------------------------|----------------------------|--|---|-------------------------------|------------------|
|  | Treasury stock, at cost | Total shareholders' equity | Unrealized gains (losses) on available-for-sale securities, net of taxes | Total accumulated gains (losses) from valuation and translation adjustments |                               |                  |
| Balance at March 1, 2023                             | (9,825)                 | 1,500,079                  | 11,435   | 11,435  | 49                            | 1,511,564        |
| Increase (decrease) for the year                     |                         |                            |  |   |                               |                  |
| Cash dividends                                       |                         | (106,152)                  |  |   |                               | (106,152)        |
| Net income   |                         | 42,915                     |  |   |                               | 42,915           |
| Purchase of treasury stock                           | (52,393)                | (52,393)                   |  |   |                               | (52,393)         |
| Disposal of treasury stock                           | 489                     | 489                        |  |   |                               | 489              |
| Cancellation of treasury stock                       | 45,408                  | —                          |  |   |                               | —                |
| Net changes of items other than shareholders' equity |                         |                            | 3,262  | 3,262   | —                             | 3,262            |
| Net increase (decrease) for the year                 | (6,496)                 | (115,140)                  | 3,262  | 3,262   | —                             | (111,878)        |
| Balance at February 29, 2024                         | (16,321)                | 1,384,938                  | 14,697   | 14,697  | 49                            | 1,399,685        |

## Notes to Nonconsolidated Financial Statements

### Significant Accounting Policies

#### 1. Valuation basis and method for securities

##### (1) Stocks of subsidiaries and affiliates

Securities whose fair value is not available are valued at cost, determined using the moving-average method.

##### (2) Other available-for-sale securities are classified into two categories, where: (i) the fair value is available and (ii) the fair value is not available.

Securities other than unmarketable shares, etc.

Market value method (Net unrealized gains or losses on these securities are reported as a separate component of net assets at a net-of-tax amount. Cost of securities sold is determined using the moving-average method) is used.

Unmarketable shares, etc.

Securities whose fair value is not available are valued at cost, determined using the moving-average method.

##### (3) Valuation basis and method for derivatives

Derivative financial instruments are valued at fair value.

#### 2. Methods of depreciation for non-current assets

##### (1) Property and equipment (Excluding Lease assets)

Property and equipment are depreciated using the straight-line method.

##### (2) Intangible assets (Excluding Lease assets)

Intangible assets are amortized using the straight-line method. Internal use software is amortized using the straight-line method over an estimated useful life of 5 years.

##### (3) Lease assets

Lease assets in finance leases which do not transfer ownership of leased property to the lessee

These assets are amortized using the straight-line method with no residual value over the lease period which is treated as the expected lifetime.

#### 3. Accounting for deferred assets

##### Bond issuance cost

All costs are expensed when paid. However, when cost is recorded as deferred asset, it is amortized using the straight-line method over a redemption period of the bond.

#### 4. Methods of accounting for allowances

##### (1) Allowance for bonuses to employees

Allowance for bonuses to employees is provided at the amount calculated based on the estimation of payment.

##### (2) Allowance for bonuses to Directors and Audit & Supervisory Board Members

Allowance for bonuses to Directors and Audit & Supervisory Board Members is provided at the amount estimated to be paid.

##### (3) Allowance for stock payments

Allowance for stock payments is provided to prepare for payments of stock benefits to directors and executive officers. The amount is based on the expected stock benefit payable as at the end of the fiscal year.

##### (4) Allowance for accrued pension and severance costs (Prepaid pension cost)

Allowance for accrued pension and severance costs is provided to prepare for payments of retirement benefits to employees. The amount is based on the estimated retirement benefit obligation and the estimated pension plan assets at the end of the fiscal year.

##### (i) Allocation method of estimated total retirement benefits

In calculating retirement benefit obligations, the estimated total retirement benefit obligation is allocated to the period up to the end of the fiscal year on a benefit formula basis.

##### (ii) Amortization of actuarial gains and losses

The amount of actuarial differences is amortized on a straight-line basis over a period of 10 years from the year following the year in which they arise, which is within the average remaining years of service of the eligible employees.



- (5) Provision for loss on guarantees  
Provision for loss on guarantees is provided to cover losses related to guarantees offered to subsidiaries and affiliates. The estimated loss amount is recorded, taking into account the financial position and other factors of the guaranteed parties.
5. Accounting standard for recognition of revenues and expenses  
Revenues of the Company as a holding company are mainly management fees, commission fees and dividend income from subsidiaries. The Company's performance obligation is to provide subsidiaries with commissioned business according to the contract. Management fees and commission fees from subsidiaries are recognized when its performance obligation is satisfied. Dividend income is recognized on the effective date of dividend.
6. Hedge accounting
  - (1) Method of hedge accounting  
In principle, hedging activities are accounted for by the deferred hedge method. The Company applies integral accounting treatment (specific accounting treatment, designated accounting treatment) to interest rate and currency swap contracts that meet the requirements of integral accounting treatment.
  - (2) Hedge instruments and hedged items  
Hedge instruments – Interest rate and currency swap  
Hedged items – Foreign currency-denominated loans
  - (3) Hedging policies  
The Company has policies to utilize derivative instruments for the purposes of hedging its exposure to fluctuations in foreign currency rates and interest rates, and optimizing future cash flow. The Company does not hold or issue derivative instruments for short-term trading or speculative purposes.
  - (4) Assessing hedge effectiveness  
Comparing the fluctuation of the hedged items with that of hedging instruments quarterly, we assess the hedge effectiveness based on changes in both. Interest and currency swaps that are accounted for using integral accounting treatment, the assessment of effectiveness is omitted.
7. Other significant items that form the basis of the preparation of nonconsolidated financial statements  
Accounting method related to retirement benefits  
The method for accounting for unrecognized actuarial differences related to retirement benefits differs from that in the Consolidated Financial Statements.

#### Significant Accounting Estimates

Year ended February 28, 2023

Accounting estimates are based on reasonable amounts based on information available at the time of preparation of the nonconsolidated financial statements.

Accounting estimates in the items recorded in the nonconsolidated financial statements for fiscal year ended February 28, 2023 whose amounts are based on accounting estimates and that have the risk of significantly impacting the nonconsolidated financial statements for the following fiscal year are as follows:

#### Valuation of stocks of subsidiaries and affiliates

- (1) Amounts recorded in the financial statements for the current fiscal year
 

|  |                       |
|--|-----------------------|
| Unmarketable stocks of subsidiaries                        | 2,352,554 million yen |
| Unmarketable stocks of affiliates                          | 4,946 million yen     |
| Loss on valuation of stocks of subsidiaries and affiliates | 15,113 million yen    |
- (2) Information on the content of significant accounting estimates for identified items  
An impairment loss is recognized for unmarketable stocks of subsidiaries and affiliates, when their substantive value, which is calculated by multiplying the amount of net assets per share by the number of shares held, declines significantly due to deterioration in the

financial condition of the company issuing the shares, unless there is sufficient persuasive evidence to support a subsequent recovery.

In the current fiscal year, there are no unmarketable stocks of subsidiaries and affiliates whose substantive value has declined significantly but for which no impairment loss has been recognized.

#### Year ended February 29, 2024

Accounting estimates are based on reasonable amounts based on information available at the time of preparation of the nonconsolidated financial statements.

Accounting estimates in the items recorded in the nonconsolidated financial statements for fiscal year ended February 29, 2024 whose amounts are based on accounting estimates and that have the risk of significantly impacting the nonconsolidated financial statements for the following fiscal year are as follows:

#### Valuation of stocks of subsidiaries and affiliates

##### (1) Amounts recorded in the financial statements for the current fiscal year

|  |                       |
|--|-----------------------|
| Unmarketable stocks of subsidiaries                        | 2,340,912 million yen |
| Unmarketable stocks of affiliates                          | 3,288 million yen     |
| Loss on valuation of stocks of subsidiaries and affiliates | 102 million yen       |

##### (2) Information on the content of significant accounting estimates for identified items

An impairment loss is recognized for unmarketable stocks of subsidiaries and affiliates, when their substantive value, which is calculated by multiplying the amount of net assets per share by the number of shares held, declines significantly due to deterioration in the financial condition of the company issuing the shares, unless there is sufficient persuasive evidence to support a subsequent recovery.

In the current fiscal year, there are no unmarketable stocks of subsidiaries and affiliates whose substantive value has declined significantly but for which no impairment loss has been recognized.

#### Changes in Accounting Policies

##### Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement, etc.

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021 "Fair Value Measurement Guidance") from the beginning of the fiscal year ended February 29, 2024, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional measures provided for in Paragraph 27-2 of Fair Value Measurement Guidance. There is no impact on the Financial Statements of the fiscal year ended February 29, 2024.

#### Supplementary Information

##### Performance-Based Stock Compensation Plan for Directors and Executive Officers

The Company has introduced a performance-based stock-based compensation plan for the Company's Directors (excluding non-executive Directors and Directors residing overseas) and executive officers (excluding executive officers residing overseas). An overview of the plan is described in "Supplementary Information" under "V. Financial Information, 1. Consolidated financial statements and other information, (1) Notes to Consolidated Financial Statements."

#### Acquisition of Treasury Stock

The Company resolved, at a meeting of the Board of Directors held on November 30, 2023, to acquire its treasury stock under Article 156 which is applicable in accordance with Article 165, paragraph 3 of the Companies Act.

An overview of the plan is described in "Supplementary Information" under "V. Financial Information, 1. Consolidated financial statements and other information, (1) Notes to Consolidated Financial Statements."

# Nonconsolidated Balance Sheets

- \* Monetary claims and monetary obligations in regard to subsidiaries and affiliates (excluding items listed elsewhere) are as follows:

(Millions of yen)

|                        | February 28, 2023 | February 29, 2024 |
|------------------------|-------------------|-------------------|
| Short-term receivables | 35,651            | 66,547            |
| Short-term payables    | 9,214             | 30,362            |
| Long-term payables     | 19,457            | 29,988            |

# Nonconsolidated Statements of Income

- \*1. Transaction amounts with subsidiaries and affiliates are as follows:

(Millions of yen)

|                                     | Year ended February 28, 2023 | Year ended February 29, 2024 |
|-------------------------------------|------------------------------|------------------------------|
| Operating transactions              |                              |                              |
| Revenues from operations            | 247,903                      | 201,669                      |
| General and administrative expenses | 10,344                       | 8,125                        |
| Non-operating transactions          | 17,807                       | 118,707                      |

- \*2. Main components and amounts of general and administrative expenses are as follows:

(Millions of yen)

|                                       | Year ended February 28, 2023 | Year ended February 29, 2024 |
|---------------------------------------|------------------------------|------------------------------|
| Salaries and wages                    | 7,717                        | 8,684                        |
| Provision for bonuses to employees    | 647                          | 795                          |
| Pension expenses                      | 173                          | 283                          |
| Depreciation and amortization         | 8,349                        | 12,383                       |
| Commissions paid                      | 8,261                        | 8,355                        |
| Electronical data processing expenses | 33,742                       | 33,007                       |

- \*3. Loss on valuation of stocks of subsidiaries and affiliates

Year ended February 28, 2023

The Company recorded 15,113 million yen of loss on valuation of stocks of subsidiaries and affiliates (mainly 14,257 million yen and 855 million yen on Sogo & Seibu Co., Ltd., and SHELL GARDEN CO., LTD., respectively).

Year ended February 29, 2024

The Company recorded 102 million yen of loss on valuation of stock of subsidiary SHELL GARDEN CO., LTD.

Securities  
 Stocks of subsidiaries and affiliates  
 February 28, 2023

(Millions of yen)

| Category             | Carrying amount | Fair value | Difference |
|----------------------|-----------------|------------|------------|
| Stocks of affiliates | 1,501           | 4,418      | 2,916      |
| Total                | 1,501           | 4,418      | 2,916      |

February 29, 2024

(Millions of yen)

| Category             | Carrying amount | Fair value | Difference |
|----------------------|-----------------|------------|------------|
| Stocks of affiliates | 1,501           | 4,390      | 2,888      |
| Total                | 1,501           | 4,390      | 2,888      |

Note: Unmarketable stock, etc., excluded from the above table.

(Millions of yen)

| Category                              | Year ended February 28, 2023 | Year ended February 29, 2024 |
|---------------------------------------|------------------------------|------------------------------|
| Stocks of subsidiaries                | 2,352,554                    | 2,340,912                    |
| Stocks of subsidiaries and affiliates | 4,946                        | 3,288                        |

## Deferred Tax Accounting

### 1. Major components of deferred tax assets and liabilities

(Millions of yen)

|  | February 28, 2023 | February 29, 2024 |
|--|-------------------|-------------------|
| Deferred tax assets  |                   |                   |
| Allowance for bonuses to employees                                   | 273               | 309               |
| Accrued enterprise taxes and business office taxes                   | 94                | 128               |
| Accounts payable, other / accrued expenses                           | —                 | 8,135             |
| Subscription rights to shares  | 15                | 15                |
| Tax loss carried forward   | 9,519             | 55,000            |
| Denial of impairment loss  | 668               | 872               |
| Loss on valuation of stocks of subsidiaries and affiliates           | 91,240            | 17,277            |
| Allowance for stock payments   | 517               | 426               |
| Provision for loss on guarantees                                     | 10,194            | 10,039            |
| Adjustment of gain/loss on transfer                                  | 348               | 277               |
| Other  | 608               | 344               |
| Subtotal (deferred tax assets)                                       | 113,480           | 92,827            |
| Valuation allowance for tax loss carried forward                     | (9,519)           | (26,052)          |
| Valuation allowance for total deductible temporary differences, etc. | (102,069)         | (29,464)          |
| Subtotal (valuation allowance)                                       | (111,588)         | (55,517)          |
| Total deferred tax assets  | 1,891             | 37,309            |
| Deferred tax liabilities   |                   |                   |
| Prepaid pension cost   | (603)             | (679)             |
| Unrealized gains (losses) on available-for-sale securities           | (5,047)           | (6,488)           |
| Total deferred tax liabilities                                       | (5,651)           | (7,167)           |
| Deferred tax assets (liabilities), net                               | (3,759)           | 30,141            |

2. Reconciliation of significant differences between the statutory effective tax rate and the actual effective rate of income taxes after application of deferred tax accounting

|   | February 28, 2023 | February 29, 2024 |
|---|-------------------|-------------------|
| Statutory effective tax rate  | 30.6%             | —                 |
| (Adjustments)   |                   |                   |
| Expenses not deductible permanently, such as entertainment expenses         | 2.8               | —                 |
| Income not taxable permanently, such as dividend income                     | (46.8)            | —                 |
| Change in valuation allowance   | 4.5               | —                 |
| Expiration of tax loss brought forward                                      | 0.1               | —                 |
| Other   | (0.2)             | —                 |
| Effective rate of income taxes after application of deferred tax accounting | (9.0)             | —                 |

Note: The above items are omitted since net loss before taxes was recognized for the fiscal year ended February 29, 2024.

3. Accounting treatment of corporate tax and local corporate tax and their deferred tax accounting

The Company has applied the Group Tax Sharing System from the beginning of the fiscal year ended February 29, 2024. Furthermore, the Company undertakes and discloses the accounting treatment for national corporate taxes and local corporate taxes or tax effect accounting relating to these taxes in compliance with provisions in the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ Practical Issues Task Force No. 42, August 12, 2021).

Revenue Recognition

Basic information for understanding revenues from contracts with customers

It is described in “Significant Accounting Policies,” “5. Accounting standard for recognition of revenues and expenses.”

Subsequent Event

Share Split and Related Amendment to Articles of Incorporation

The Company resolved, at a meeting of the Board of Directors held on November 30, 2023, to conduct a share split and to partially amend the Articles of Incorporation, and conducted a share split with an effective date of March 1, 2024.

An overview of the plan is described in “Subsequent Event” under “V. Financial Information, 1. Consolidated financial statements and other information, (1) Notes to Consolidated Financial Statements.”

(iv) Annexed Nonconsolidated Detailed Schedules  
Detailed Schedule of Property and Equipment and Others

(Millions of yen)

| Category               | Type of assets                   | Balance at March 1, 2023 | Increase during the fiscal year | Decrease during the fiscal year | Depreciation and amortization in the fiscal year | Balance at February 29, 2024 | Accumulated depreciation |
|------------------------|----------------------------------|--------------------------|---------------------------------|---------------------------------|--|------------------------------|--------------------------|
| Property and equipment | Buildings and structures         | 2,569                    | 3,651                           | —                               | 367  | 5,852                        | 2,572                    |
|                        | Fixtures, equipment and vehicles | 2,198                    | 5,405                           | 24                              | 630  | 6,948                        | 1,571                    |
|                        | Land                             | 2,712                    | —                               | —                               | —  | 2,712                        | —                        |
|                        | Lease assets                     | 899                      | 177                             | —                               | 217  | 859                          | 167                      |
|                        | Construction in progress         | 13,167                   | 6,291                           | 10,489 [651]                    | —  | 8,969                        | —                        |
|                        | Total                            | 21,547                   | 15,525                          | 10,514 [651]                    | 1,216  | 25,342                       | 4,312                    |
| Intangible assets      | Software                         | 29,006                   | 45,719                          | 16,855 [27]                     | 11,166   | 46,703                       | —                        |
|                        | Software in progress             | 32,928                   | 24,275                          | 50,941 [797]                    | —  | 6,262                        |                          |
|                        | Lease assets                     | 20,021                   | 17,540                          | —                               | 7,191  | 30,370                       |                          |
|                        | Other                            | 4                        | 1,042                           | —                               | 0  | 1,045                        |                          |
|                        | Total                            | 81,961                   | 88,576                          | 67,796 [824]                    | 18,358   | 84,382                       |                          |

- Notes: 1. Major increase in “Buildings and structures,” and “Fixtures, equipment and vehicles,” and major increase/decrease in “Construction in progress” during the current fiscal year are related to constructing Shin-Yokohama Center jointly used by the Group companies.
2. Major increase during the current fiscal year in “Lease assets” is related to PCs jointly used by Group companies.
3. Major increase in “Software” and major increase / decrease in “Software in progress” during the current fiscal year are related to development of software jointly used by Group companies.
4. Major increase in “lease assets (intangible)” and major decrease in “Software” during the current fiscal year are related to the sale and lease back of software jointly used by Group companies.
5. Major increase in “Other” during the current fiscal year is related to purchasing emission credit.
6. The figures shown in square brackets [ ] in “Decrease during the fiscal year” are included in the figures shown outside of round brackets, and represent the amount of impairment losses recorded.

Detailed Schedule of Allowances

(Millions of yen)

| Account title  | Balance at March 1, 2023 | Increase during the fiscal year | Decrease during the fiscal year | Balance at February 29, 2024 |
|--|--------------------------|---------------------------------|---------------------------------|------------------------------|
| Allowance for bonuses to employees                                       | 647                      | 795                             | 647                             | 795                          |
| Allowance for bonuses to Directors and Audit & Supervisory Board Members | 141                      | 182                             | 141                             | 182                          |
| Allowance for stock payments   | 2,040                    | 364                             | 388                             | 2,016                        |
| Provision for loss on guarantees   | 33,286                   | 1,850                           | 2,354                           | 32,782                       |

- (2) Components of Major Assets and Liabilities  
Information is omitted as the consolidated financial statements have been prepared.
- (3) Other Information  
None



## VI. [Administrative Information on the Company's Shares]

|   |   |
|---|---|
| Fiscal year                                   | From March 1 to the last day of February  |
| Annual shareholders' meeting                  | May   |
| Record date                                   | The last day of February  |
| Record dates for dividends from surplus       | August 31<br>The last day of February   |
| Number of shares constituting one unit        | 100 shares  |
| Purchase or sale of shares less than one unit |   |
| Office for handling business                  | (Special account)<br>4-5, 1-chome, Marunouchi, Chiyoda-ku, Tokyo<br>Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division   |
| Shareholder register administrator            | (Special account)<br>4-5, 1-chome, Marunouchi, Chiyoda-ku, Tokyo<br>Mitsubishi UFJ Trust and Banking Corporation  |
| Forwarding office                             | _____   |
| Fee for purchase or sale                      | None  |
| Method of public notice                       | Electronic public notice will be made; provided, however, that if the Company is unable to give an electronic public notice because of an accident or any other unavoidable reason, public notices may be given in "The Nikkei" newspaper.<br>URL for public notice:<br><a href="https://www.7andi.com/ir/koukoku.html">https://www.7andi.com/ir/koukoku.html</a> (in Japanese) |
| Special benefits for shareholders             | None  |

Notes: 1. As provided for in the Company's Articles of Incorporation, a shareholder of the Company holding shares less than one unit may not exercise any rights other than the rights listed below with regard to shares less than one unit held by the shareholder:

- (1) Rights set forth in items of Article 189, paragraph (2) of the Companies Act;
- (2) Right to make a demand pursuant to the provisions of Article 166, paragraph (1) of the Companies Act;
- (3) Right to receive an allotment of offered shares and offered share acquisition rights in proportion to the number of shares held by the shareholder; and
- (4) Right to request the Company to sell to the shareholder a number of shares which will, when combined with the number of shares already held by the shareholder, constitute one share unit.

2. As announced on April 10, 2023, the Company has decided to introduce shareholder special benefit plan for the purpose of encouraging people to invest in the Company and to hold shares over a medium to long term. We also wish that shareholders further understand our businesses and become fans of the Group through their shopping at stores of the Group. The details of the shareholder special benefit plan are as follows:

(i) Eligible shareholders

|                      |   |
|----------------------|---|
| Only first time      | Shareholders who have at least 100 shares of the Company as of the effective date (August 31, 2024) on the shareholder register.            |
| From the second time | Shareholders who have at least 100 shares of the Company as of the effective date (last day of every February) on the shareholder register. |

(ii) Contents of shareholder special benefit plan

Eligible shareholders can either choose Seven & I Gift Certificates\*1 available at any store of the Group, or donation to charitable organizations\*2.

| Number of shares held | Holding period: less than three years*3 | Holding period: three years and more*3 |
|-----------------------|---|--|
| 100 shares and more   | 2,000 yen                               | 2,500 yen                              |
| 400 shares and more   | 2,500 yen                               | 3,000 yen                              |
| 700 shares and more   | 3,000 yen                               | 3,500 yen                              |

- \*1. There are some stores, goods or services that are not available for this benefit plan.
- \*2. Shareholders' donation to charitable organizations will be donated to the World Food Programme (UN WFP) by the Company through its official support contact, Japan Association for the World Food Programme.
- \*3. The continuous holding period is a period during which a shareholder is continuously registered with the same shareholder No. on the shareholder register as of the effective date (1st time as of August 31, 2024 and subsequently as of the last day of every February).

(iii) Time of granting

|                      |  |
|----------------------|--|
| Only first time      | Scheduled to send them from late December 2024   |
| From the second time | Scheduled to send them from late June every year |

## **VII. [Reference Information on the Company]**

### **1. [Information on the parent company or equivalent of the Company]**

The Company does not have a parent company or equivalent.

### **2. [Other reference information]**

From the beginning of the current fiscal year until the filing date of this Annual Securities Report, the Company has filed the following documents.

- (1) Registration Documents (Share Certificates, Bond Certificates) and their supplementary documents  
Filed to Director-General of the Kanto Local Finance Bureau on October 27, 2023
- (2) Amended Shelf Registration Statement  
Filed to Director-General of the Kanto Local Finance Bureau on March 9, 2023  
Filed to Director-General of the Kanto Local Finance Bureau on March 30, 2023  
Filed to Director-General of the Kanto Local Finance Bureau on May 26, 2023  
Filed to Director-General of the Kanto Local Finance Bureau on August 31, 2023  
Filed to Director-General of the Kanto Local Finance Bureau on September 1, 2023  
Filed to Director-General of the Kanto Local Finance Bureau on November 30, 2023  
Filed to Director-General of the Kanto Local Finance Bureau on April 1, 2024  
Filed to Director-General of the Kanto Local Finance Bureau on April 10, 2024  
Filed to Director-General of the Kanto Local Finance Bureau on May 9, 2024
- (3) Annual Securities Report and Appendices, and Written Confirmation  
18th fiscal year from March 1, 2022 to February 28, 2023 filed to Director-General of the Kanto Local Finance Bureau on May 26, 2023
- (4) Internal Control Report and Appendices  
Filed to Director-General of the Kanto Local Finance Bureau on May 26, 2023
- (5) Quarterly Securities Reports and Written Confirmations  
1Q of 19th fiscal year from March 1, 2023 to May 31, 2023 filed to Director-General of the Kanto Local Finance Bureau on July 14, 2023  
2Q of 19th fiscal year from June 1, 2023 to August 31, 2023 filed to Director-General of the Kanto Local Finance Bureau on October 13, 2023  
3Q of 19th fiscal year from September 1, 2023 to November 30, 2023 filed to Director-General of the Kanto Local Finance Bureau on January 12, 2024
- (6) Extraordinary Securities Report  
Filed to Director-General of the Kanto Local Finance Bureau on August 31, 2023  
Extraordinary Securities Report based on Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (12) of the Cabinet Office Order on Disclosure of Corporate Affairs.  
Filed to Director-General of the Kanto Local Finance Bureau on September 1, 2023  
Extraordinary Securities Report based on Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (19) of the Cabinet Office Order on Disclosure of Corporate Affairs.  
Filed to Director-General of the Kanto Local Finance Bureau on November 30, 2023  
Extraordinary Securities Report based on Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (iii) of the Cabinet Office Order on Disclosure of Corporate Affairs.  
Filed to Director-General of the Kanto Local Finance Bureau on April 10, 2024  
Extraordinary Securities Report based on Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (ix) of the Cabinet Office Order on Disclosure of Corporate Affairs.  
Filed to Director-General of the Kanto Local Finance Bureau on May 9, 2024  
Extraordinary Securities Report based on Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (iii) of the Cabinet Office Order on Disclosure of Corporate Affairs.
- (7) Revised Extraordinary Securities Report  
Filed to Director-General of the Kanto Local Finance Bureau on April 1, 2024  
Revised report regarding the extraordinary securities report filed on November 30, 2023
- (8) Report on the purchase of treasury shares
  - (i) Report period from December 1, 2023 to December 31, 2023: filed to Director-General of the Kanto Local Finance Bureau on January 9, 2024

- (ii) Report period from November 1, 2023 to November 30, 2023: filed to Director-General of the Kanto Local Finance Bureau on February 13, 2024
- (iii) Report period from January 1, 2024 to January 31, 2024: filed to Director-General of the Kanto Local Finance Bureau on February 13, 2024
- (iv) Report period from February 1, 2024 to February 29, 2024: filed to Director-General of the Kanto Local Finance Bureau on March 8, 2024
- (v) Report period from March 1, 2024 to March 31, 2024: filed to Director-General of the Kanto Local Finance Bureau on April 10, 2024
- (vi) Report period from April 1, 2024 to April 30, 2024: filed to Director-General of the Kanto Local Finance Bureau on May 10, 2024
- (9) Revised Share Buyback Report  
Filed to Director-General of the Kanto Local Finance Bureau on February 13, 2024  
Revised report regarding the report on the purchase of treasury shares filed on January 9, 2024
- (10) Female manager ratio, paternity leave usage rate, and gender pay gap  
Female manager ratio, paternity leave usage rate, and gender pay gap in consolidated subsidiaries other than major consolidated subsidiaries are as follows:

| Year ended February 29, 2024      |                                   |  |                                |                   |   | Supplemental explanation |
|-----------------------------------|-----------------------------------|--|--------------------------------|-------------------|---|--------------------------|
| Name                              | Female manager ratio (%) (Note 1) | Percentage of male employees taking childcare leave (%) (Note 2) | Gender pay gap (%) (Note 1, 3) |                   |   |                          |
|                                   |                                   |  | All employees                  | Regular employees | Part-time workers<br>Fixed-term workers |                          |
| SHELL GARDEN CO., LTD             | 12.0                              | 0.0  | 48.7                           | 57.3              | 81.0                                    | —                        |
| Seven Financial Service Co., Ltd. | 16.0                              | 116.7  | 61.2                           | 73.4              | 63.6                                    | —                        |
| Seven Card Service Co., Ltd.      | 14.5                              | 0.0  | 51.1                           | 82.4              | 52.7                                    | —                        |
| Seven CS Card Service Co., Ltd.   | 21.4                              | —  | 65.2                           | 58.6              | 122.3                                   | —                        |
| Bank Business Factory Co., Ltd.   | 11.1                              | 0.0  | 35.1                           | 57.2              | 39.4                                    | —                        |
| Nissen, Ltd.                      | 32.3                              | 100.0  | 64.6                           | 82.2              | 86.6                                    | —                        |
| Seven & i Create Link Co., Ltd.   | 7.0                               | 100.0  | 42.4                           | 70.1              | 87.7                                    | —                        |
| Seven & i Net Media Co., Ltd.     | 21.8                              | —  | 80.2                           | 80.4              | *                                       | —                        |
| MARUDAI CO., LTD                  | 0.0                               | —  | —                              | —                 | —                                       | —                        |
| IY Foods K.K.                     | 16.3                              | —  | —                              | —                 | —                                       | —                        |

- Notes:
1. The ratio is calculated in accordance with the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64, 2015).
  2. In accordance with the provisions of the “Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave” (Act No. 76, 1991), the percentage of employees who took childcare leave, etc. as stipulated in Article 71-4-1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25, 1991) was calculated. The calculation of the percentage is based on regular employees.
  3. Gender pay gap represents the ratio of women’s wages to men’s wages. There is no difference in treatment based on gender in the wage system.
  4. The mark \* indicates that there is no applicable employee.
  5. Data on the Company and its major consolidated subsidiaries are presented in “I. Overview of the Company, 5. Status of employees, (4) Ratio of female workers in managerial positions, ratio of childcare leave taken by male workers, and gender wage gap.”

**Part II.**    **[Information on Guarantors for the Company]**  
None

Independent Auditor's Audit Report and Internal Control Audit Report

May 29, 2024

Seven & i Holdings Co., Ltd.

To Board of  
Directors

KPMG AZSA LLC

Tokyo Office, Japan

|   |                                   |                 |
|---|-----------------------------------|-----------------|
| Designated<br>Limited Liability<br>Partner<br>Engagement<br>Partner | Certified<br>Public<br>Accountant | Reiji Kobayashi |
|---|-----------------------------------|-----------------|

|   |                                   |                 |
|---|-----------------------------------|-----------------|
| Designated<br>Limited Liability<br>Partner<br>Engagement<br>Partner | Certified<br>Public<br>Accountant | Masahiro Sasaki |
|---|-----------------------------------|-----------------|

|   |                                   |                  |
|---|-----------------------------------|------------------|
| Designated<br>Limited Liability<br>Partner<br>Engagement<br>Partner | Certified<br>Public<br>Accountant | Daisuke Nakamura |
|---|-----------------------------------|------------------|

<Audit of the Consolidated Financial Statements>

Audit Opinion

Pursuant to the provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements, that is, the consolidated balance sheets, consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in net assets, consolidated statements of cash flows, accounting policies for the preparation of consolidated financial statements, other notes and annexed consolidated detailed schedules, of Seven & i Holdings Co., Ltd. for the fiscal year from March 1, 2023 to February 29, 2024, which are provided in "Financial Information."

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position as of February 29, 2024 and business results and cash flow situation for the fiscal year ended February 29, 2024 of Seven & i Holdings Co., Ltd. and its consolidated subsidiaries in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Appropriateness of accounting for share transfer of Sogo & Seibu  |  |
|---|--|
| Description of the Key Audit Matter and Reason for Determining the Matters  | How We Addressed the Matter in Our Audit   |
| <p>As stated in Notes to Business combinations, etc., Business divestiture (Transfer of Subsidiary Shares), Seven &amp; i Holdings Co., Ltd. (Seven &amp; i) transferred all of the issued shares of Sogo &amp; Seibu Co., Ltd. (Sogo &amp; Seibu) to Sugi Godo Kaisha, a special purpose company, which is a related entity of Fortress Investment Group LLC, effective September 1, 2023. As a result, loss on transfer of department store of 129,618 million yen was recorded in the consolidated statements of income for the current fiscal year.</p> <p>Accounting of share transfer of Sogo &amp; Seibu was subject to Accounting Standards for Business Divestitures and the Practical Guidelines on Accounting Standards for Capital Consolidation Procedures in Preparing Consolidated Financial Statements. Loss on transfer of department store is calculated taking into account a revised amount of investment including post acquisition retained earnings recorded in the consolidated financial statements by the date of loss of control.</p> <p>Accounting for loss on transfer of department store (excluding ancillary expenses) associated with the share transfer of Sogo &amp; Seibu have multiple considerations, including the reasonableness of the amount of share transfer, the appropriateness of calculation of book values of assets and liabilities of the transferred businesses, and the reasonableness of determining the necessity of allowance subject to the compensation provisions stipulated in the share transfer contract. In addition, it is important that the large amount of loss on the share transfer of Sogo &amp; Seibu has impact on consolidated financial statements.</p> <p>Therefore, we judged that it is necessary to carefully consider the appropriateness of accounting of share transfer of Sogo &amp; Seibu, which was one of “key audit matters.”</p> | <p>We principally performed the following audit procedures to consider the appropriateness of accounting for the share transfer of Sogo &amp; Seibu.</p> <p>(1) Assessment of internal control<br/>We assessed effectiveness of the development and operation of internal control related to the accounting for the share transfer.</p> <p>(2) Consideration of appropriateness of accounting</p> <ul style="list-style-type: none"> <li>• To understand the outline of share transfer of Sogo &amp; Seibu, reviewed materials of the meeting of the Board of Directors and management meetings, reviewed the share transfer contract etc., and asked questions to appropriate managers.</li> <li>• Understood the process of determining the transferee and the transfer amount, and confirmed the reasonableness of the transfer amount by considering the calculation materials for the transfer amount prepared by outside experts.</li> <li>• Performed the following audit procedures to consider appropriate book values of assets and liabilities of the transferred businesses.</li> <li>• Performed analytical procedures for financial information on Sogo &amp; Seibu as of the date of the transfer that is the basis of calculation of appropriate book values of assets and liabilities of the transferred businesses.</li> <li>• Comparing consolidated journal entries, verified the revised amount of investment, including post acquisition retained earnings recorded in the consolidated financial statements by the date of loss of control.</li> <li>• Confirmed the reasonableness of determining the necessity of allowance based on the compensation provisions stipulated in the share transfer contract by asking questions to appropriate managers and comparing related evidence documents.</li> </ul> |

| Appropriateness of judgement of necessity of recognizing impairment losses on non-current assets of Ito-Yokado Co., Ltd.  |  |
|---|--|
| Description of the Key Audit Matter and Reason for Determining the Matter   | How We Addressed the Matter in Our Audit   |
| <p>In the consolidated balance sheet of Seven &amp; i Holdings Co., Ltd. (hereinafter referred to as the "Company") for the fiscal year ended February 29, 2024, property and equipment of ¥4,362,500 million and intangible assets of ¥2,356,578 million were recorded. As stated in Significant Accounting Estimates under Notes to Consolidated Financial Statements, of the above-mentioned amounts, property and equipment and intangible assets related to Ito-Yokado Co., Ltd. (hereinafter referred to as "Ito-Yokado"), which is included in the Superstore operations segment, were 339,304 million yen and 25,865 million yen, respectively. Furthermore, in the fiscal year ended February 29, 2024, impairment losses of ¥19,692 million were recorded for Ito-Yokado's stores.</p> <p>In Ito-Yokado, the smallest unit that generates independent cash flows is mainly stores. If there is considered to be an indication of impairment on non-current assets of stores of Ito-Yokado, and if necessity of recognizing an impairment loss is judged by comparing the total amount of undiscounted future cash flows obtained from the non-current assets of stores with the book value, the book value shall be reduced to the recoverable value and the reduction amount shall be recorded as an impairment loss.</p> <p>In the fiscal year ended February 29, 2024, Ito-Yokado considered that there was an indication of impairment mainly in the following stores, and judged necessity of recognizing impairment losses.</p> <ul style="list-style-type: none"> <li>• Stores which incurred consecutive operating losses</li> <li>• Stores whose non-current assets had significantly declined in fair value</li> <li>• Stores which made a decision to close the store</li> </ul> <p>Although Ito-Yokado promotes restructuring, there seemed to be an indication of impairment loss in multiple stores in the current fiscal year due to the significant impact of increase in costs for developing the strategic investment infrastructure.</p> <p>The estimate of undiscounted future cash flows used to judge the necessity of recognizing impairment losses was made, taking into account actual past results, changes in the external environment, business strategies, including business restructuring, and other factors. Undiscounted future cash flows include significant assumptions such as the sales growing rate, gross margin ratio and expected changes in expenses. Future outlooks for the assumptions involve uncertainty, and the management's judgement on them has important impact on the estimate of undiscounted future cash flows.</p> <p>Therefore, we judged that appropriateness of the judgment of necessity of recognizing impairment losses on non-current assets of Ito-Yokado was of particular significance in the audit of the consolidated financial statements for the fiscal year ended February 29, 2024, and was one of "key audit matters."</p> | <p>We principally performed the following audit procedures to assess appropriateness of the judgment of necessity of recognizing impairment losses on non-current assets of Ito-Yokado.</p> <p>(1) Assessment of internal control<br/>We assessed effectiveness of the development and operation of internal control related to the judgment of necessity of recognizing impairment losses on non-current assets. A particular focus was placed on internal control to prevent or detect the use of any unreasonable assumptions that were not consistent with actual past results with regard to significant assumptions such as the sales growing rate, gross margin ratio and expected changes in expenses included in the business plan.</p> <p>(2) Assessment of reasonableness of the estimate of undiscounted future cash flows<br/>To assess reasonableness of the estimate of undiscounted future cash flows are appropriate, we asked questions on the grounds to the management and mainly performed the following procedures.</p> <ul style="list-style-type: none"> <li>• Understanding the contents of various measures, including business restructuring, considered their effects on sales growth rate, gross margin ratio, and expected reduction in expenses.</li> <li>• As for sales growing rate, we examined appropriateness of the significant assumptions based on talks with appropriate managers, etc., effects of past similar measures, including customer-attracting measures, and consistency with data from external third-party institutions.</li> <li>• As for the gross margin ratio, we conducted analysis of consistency with changes in the assumed sales mix. In addition, as for effects of measures to improve gross margin, appropriateness of the significant assumptions was examined based on actual effects of past similar measures.</li> <li>• As for expected changes in expenses, we examined appropriateness of the significant assumptions based on actual results of past similar measures and consistency with data from external third-party institutions.</li> </ul> |

#### Other information

Other information is information in this Securities Report other than consolidated financial statements, non-consolidated financial statements and their audit report. The management is responsible for preparing and disclosing other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Group's reporting process of other information. Other information is not subject to our audit opinions on consolidated financial statements, and we do not express our opinions on that.



We are responsible for reading through other information, and in the process of reading, we are responsible for examining if there is any significant difference between the other information and consolidated financial statements or our knowledge obtained in the audit process, and paying attention if there is an indication of any significant error in the other information other than such significant difference.

If we judge there is any significant error in the other information based on our audit procedures, we are required to report such fact.

We have nothing to report on the other information.

#### Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

The management is responsible for the preparation and fair presentation of consolidated financial documents in accordance with corporate accounting standards generally accepted in Japan. This includes the development and implementation of internal control deemed necessary by the management for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern, and disclosing matters related to going concern as applicable in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatements due to fraud or error. Prepare and implement an audit plan addressing the risk of material misstatements. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if such notes are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence. In the event that some measures are taken in order to eliminate obstruction factors, or related safeguards are applied to reduce them to the acceptable level, we provide them with the contents of such measures and safeguards.

Out of the matters we share in our cooperation with the Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine those matters that we judge as being of most significance in our audit of the consolidated financial statements for the fiscal year ended February 29, 2024 to be key audit matters, and we present those matters as such in our auditor's report. However, in cases where the disclosure of such matters are prohibited by laws, regulations, etc., or although very limited, in cases where it is our judgment that such matters should not be reported by us because it can be reasonably expected that the disadvantages that could arise from reporting them in our auditor's report would outweigh the public benefit from doing so, we don't present those matters.

#### <Audit of Internal Control>

##### Audit Opinion

Pursuant to Article 193-2, paragraph (2) of the Financial Instruments and Exchange Act, we have audited the Internal Control Report as of February 29, 2024 of Seven & i Holdings Co., Ltd.

In our opinion, the Internal Control Report referred to above, which represents that internal control over financial reporting of the consolidated financial statements as of February 29, 2024 is effective, presents fairly, in all material respects, the result of the management's assessment on internal control over financial reporting in conformity with assessment standards for internal control over financial reporting generally accepted in Japan.

##### Basis for Audit Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Internal Control section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Internal Control Report

The management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of the Internal Control Report in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing and verifying the design and operation of internal control over financial reporting.

Internal control over financial reporting may not fully prevent or detect misstatements.

##### Auditor's Responsibilities for the Audit of Internal Control

Our responsibilities are to obtain reasonable assurance about whether the Internal Control Report is free from material misstatement, and to issue an internal control audit report that includes our opinion on the Internal Control Report based on our internal control audit from an independent point of view.

In accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence regarding the results of the assessment of internal control over financial reporting in the Internal Control Report. The procedures selected and applied depend on the auditor's judgment, including the significance of effects on the reliability of financial reporting.
- Evaluate the overall presentation of the Internal Control Report, including disclosures on scope, procedures and conclusions of management's assessment of internal control over financial reporting.
- Obtain sufficient and appropriate audit evidence regarding the results of the assessment of internal control over financial reporting in the Internal Control Report. We are responsible for the direction, supervision and performance of the audit of the Internal Control Report. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the internal control audit, result of the internal control audit, any identified significant deficiencies in internal control which should be disclosed and the results of their remediation, and any other matters required by the auditing standards for internal control.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence. In the event that some measures are taken in order to eliminate obstruction factors, or related safeguards are applied to reduce them to the acceptable level, we provide them with the contents of such measures and safeguards.

< Information on compensation >

The amounts of audit attestation duty-based compensation and non-audit-based compensation for us as well as persons who belong to the same network of our firm are provided in (3) Status of audits, Status of corporate governance etc. included in "Status of the Company."

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and the designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

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Notes: 1. The original version of the Audit Report presented above is kept separately by the Company (the filing company of the Annual Securities Report).  
2. XBRL data is not included in the scope of audit.

Independent Auditor's Report (Translation)

May 29, 2024

Seven & i Holdings Co., Ltd.

To Board of  
Directors

KPMG AZSA LLC

Tokyo Office, Japan

|   |                                   |                 |
|---|-----------------------------------|-----------------|
| Designated<br>Limited Liability<br>Partner<br>Engagement<br>Partner | Certified<br>Public<br>Accountant | Reiji Kobayashi |
|---|-----------------------------------|-----------------|

|   |                                   |                 |
|---|-----------------------------------|-----------------|
| Designated<br>Limited Liability<br>Partner<br>Engagement<br>Partner | Certified<br>Public<br>Accountant | Masahiro Sasaki |
|---|-----------------------------------|-----------------|

|   |                                   |                  |
|---|-----------------------------------|------------------|
| Designated<br>Limited Liability<br>Partner<br>Engagement<br>Partner | Certified<br>Public<br>Accountant | Daisuke Nakamura |
|---|-----------------------------------|------------------|

<Audit of the Financial Statements>

Audit Opinion

Pursuant to the provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, we have audited the nonconsolidated financial statements, that is, the nonconsolidated balance sheets, nonconsolidated statements of income, nonconsolidated statements of changes in net assets, significant accounting policies, other notes and annexed nonconsolidated detailed schedules, of Seven & i Holdings Co., Ltd. for the 19th fiscal year from March 1, 2023 to February 29, 2024, which are provided in "Financial Information."

In our opinion, the nonconsolidated financial statements referred to above present fairly, in all material respects, the financial position as of February 29, 2024 and business results for the fiscal year ended February 29, 2024 of Seven & i Holdings Co., Ltd. in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the nonconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the nonconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Reasonableness of the valuation of unmarketable stocks of subsidiaries and affiliates  |  |
|--|--|
| Description of the Key Audit Matter and Reason for Determining the Matter  | How We Addressed the Matter in Our Audit   |
| <p>In the nonconsolidated balance sheets as of February 29, 2024, stocks of subsidiaries and affiliates of ¥2,345,702 million were recorded. As stated in Securities under Notes to Nonconsolidated Financial Statements, these amounts include ¥2,340,912 million of stocks of subsidiaries and ¥3,288 million of stocks of affiliates which are unmarketable shares, etc., as per ASBJ Statement No. 10 "Accounting Standard for Financial Instruments" (hereinafter referred to as "unmarketable stocks of subsidiaries and affiliates"), and they account for 88.2% of total assets of ¥2,657,276 million. Moreover, in the fiscal year ended February 29, 2024, loss on valuation of stocks of subsidiaries and affiliates of ¥102 million was recorded.</p> <p>As stated in Significant Accounting Estimates under Notes to Nonconsolidated Financial Statements, for unmarketable stocks of subsidiaries and affiliates, acquisition cost is used as the book value. An impairment loss needs to be recognized, when their substantive value, which is calculated by multiplying the amount of net assets per share by the number of shares held, declines significantly due to deterioration in the financial condition of the company issuing the shares, unless there is sufficient persuasive evidence to support a subsequent recovery.</p> <p>In the fiscal year ended February 29, 2024, there are no unmarketable stocks of subsidiaries and affiliates whose substantive value has declined significantly but for which no impairment loss has been recognized, the recoverability of the substantive value has not become a problem.</p> <p>However, since Seven &amp; i Holdings Co., Ltd. is a pure holding company, unmarketable stocks of subsidiaries and affiliates account for a major portion of its assets and their amount is material.</p> <p>Therefore, we judged that reasonableness of the valuation of unmarketable stocks of subsidiaries and affiliates was of particular significance in the audit of the nonconsolidated financial statements for the fiscal year ended February 29, 2024, and was one of "key audit matters."</p> | <p>To examine reasonableness of the valuation of unmarketable stocks of subsidiaries and affiliates, we principally performed the following audit procedures.</p> <ol style="list-style-type: none"> <li>(1) Assessment of internal control<br/>We assessed effectiveness of the design and operation of internal control related to the valuation of unmarketable stocks of subsidiaries and affiliates.</li> <li>(2) Reasonableness of the valuation of unmarketable stocks of subsidiaries and affiliates <ul style="list-style-type: none"> <li>• Understood the business environment of subsidiaries and affiliates through reviewing minutes of the Board of Directors' meetings and asking questions to the management, and confirmed whether or not there is any subsidiary or affiliate who shows an indication of deterioration in the financial condition.</li> <li>• As for financial figures of significant subsidiaries, assessed credibility of the financial information based on the audit procedures performed by their auditor and results thereof.</li> <li>• To confirm accuracy of the substantive value used in the comparison with the book value, made a recalculation based on the net asset amount and the ratio of shareholdings of subsidiaries and affiliates.</li> <li>• Confirmed whether or not the substantive value had declined significantly, by making comparison examination between the book value of stocks of subsidiaries and affiliates and substantive value of subsidiaries and affiliates.</li> </ul> </li> </ol> |

#### Other information

Other information is information in this Securities Report other than consolidated financial statements, non-consolidated financial statements and their audit report. The management is responsible for preparing and disclosing other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process of other information.

Other information is not subject to our audit opinions on financial statements, and we do not express our opinions on that.

We are responsible for reading through other information, and in the process of reading, we are responsible for examining if there is any significant difference between the other information and nonconsolidated financial statements or our knowledge obtained in the audit process, and paying attention if there is an indication of any error in the other information other than such significant difference.

If we judge there is any significant error in the other information based on our audit procedures, we are required to report such fact.

We have nothing to report on the other information.

## Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements

The management is responsible for the preparation and fair presentation of financial documents in accordance with corporate accounting standards generally accepted in Japan. This includes the development and implementation of internal control deemed necessary by the management for the preparation and fair presentation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Company's ability to continue as a going concern, and disclosing matters related to going concern as applicable in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the nonconsolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatements due to fraud or error. Prepare and implement an audit plan addressing the risk of material misstatements. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the nonconsolidated financial statements is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the nonconsolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the nonconsolidated financial statements or, if such notes are inadequate, to express a qualified opinion with exceptions on the nonconsolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the nonconsolidated financial statements and the notes thereto are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the nonconsolidated financial statements, including the related notes thereto, and whether the nonconsolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence. In the event that some measures are taken in order to eliminate obstruction factors, or related safeguards are applied to reduce them to the acceptable level, we provide them with the contents of such measures and safeguards.

Out of the matters we share in our cooperation with the Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine those matters that we judge as being of most significance in our audit of the nonconsolidated financial statements for the fiscal year ended February 29, 2024 to be key audit matters, and we present those matters as such in our auditor's report. However, in cases where the disclosure of such matters are prohibited by laws, regulations, etc., or although very limited, in cases where it is our judgment that such matters should not be reported by us because it can be reasonably expected that the disadvantages that could arise from reporting them in our auditor's report would outweigh the public benefit from doing so, we don't present those matters.

< Information on compensation >

Information on compensation is described in Audit Report of consolidated financial statements.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and the designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

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- Notes: 1. The original version of the Audit Report presented above is kept separately by the Company (the filing company of the Annual Securities Report).  
2. XBRL data is not included in the scope of audit.

[Cover]

|   |   |
|---|---|
| [Document title]                            | Internal Control Report   |
| [Clause of stipulation]                     | Article 24-4-4, paragraph (1) of the Financial Instruments and Exchange Act |
| [Place of filing]                           | Director-General of the Kanto Local Finance Bureau                          |
| [Filing date]                               | May 29,2024   |
| [Company name]                              | <i>Kabushiki-Kaisha Seven &amp; i Holdings</i>                              |
| [Company name in English]                   | Seven & i Holdings Co., Ltd.  |
| [Title and name of representative]          | Ryuichi Isaka, President, Representative Director and CEO                   |
| [Title and name of chief financial officer] | Yoshimichi Maruyama, Director, Managing Executive Officer and CFO           |
| [Address of registered head office]         | 8-8, Nibancho, Chiyoda-ku, Tokyo  |
| [Place for public inspection]               | Tokyo Stock Exchange, Inc.<br>(2-1, Nihonbashi-Kabutocho, Chuo-ku, Tokyo)   |



1. Basic framework for internal controls regarding the financial reporting  
Ryuichi Isaka, President and Representative Director, CEO, and Yoshimichi Maruyama, Director and Managing Executive Officer, CFO, are responsible for the design and operation of internal control over financial reporting, and have designed and operated internal control over financial reporting in accordance with the basic framework for internal control set forth in “On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)” released by the Business Accounting Council. Internal control is aimed at achieving its goal to a reasonable extent through basic elements of internal control organically intertwining and functioning in an integrated manner. Accordingly, internal control over financial reporting may not fully prevent or detect misstatements.
2. Scope of assessment, record date, and assessment procedures  
The assessment of internal control over financial reporting was made with February 29, 2024 as the record date, which is the last day of the fiscal year ended, and in the assessment, we complied with assessment standards for internal control over financial reporting generally accepted in Japan. In this assessment, we assessed internal control that significantly affects the entire financial reporting on a consolidated basis (Company Level Controls), and then, based on the result, selected business processes to be assessed. In the assessment of the business processes, we made an assessment of effectiveness of internal control by analyzing the selected business processes, and then identifying key controls that have significant impact on credibility of financial reporting and assessing the design and operation for the key controls.  
As for the scope of the assessment of internal control over financial reporting, a necessary scope was determined from the viewpoint of significance of impact on credibility of financial reporting for the Company and its consolidated subsidiaries and entities accounted for using equity method. Significance of impact on credibility of financial reporting was determined in light of significance in terms of the amount and quality, and the scope of assessment of internal control over the business processes was reasonably determined based on results of assessment of Company Level Controls made targeting the Company and 13 consolidated subsidiaries. We judged that 50 consolidated subsidiaries and 20 entities accounted for using equity method were insignificant from the perspective of significance in terms of the amount and quality, so that they were not included in the scope of the assessment of Company Level Controls.  
As for the scope of the assessment of internal control over the business processes, we added up gross profit from operations (after elimination of transactions between consolidated companies) for the previous fiscal year of each business location whose amount of gross profit from operations is higher, and deemed four business locations whose amount in total roughly reached two-thirds of consolidated gross profit from operations for the previous fiscal year as “significant business entities,” taking into account the characteristics of businesses in the Group. In the selected significant business entities, as account items that are closely associated with the company’s business objectives, business process concerning net sales, accounts receivable and inventories was subject to the assessment. Furthermore, regardless of the selected significant business entities, as for the scope including other business entities, business processes related to significant account items for which the possibility of material misstatements are high and which involve estimates and forecasts were added to matters to be assessed as high significant business processes of in view of the impact on financial reporting.
3. Results of the assessment  
As a result of the above assessment, we judged that the Company’s internal control over financial reporting was effective as of February 29, 2024.
4. Supplementary notes  
None
5. Special notes  
None