

FY2022 Financial Results Presentation Main Q&A Items (Abridged)

Contained here is a condensed version of the questions posed during the Q&A Session for the FY2022 Financial Results presentation.

Portions of the text were edited in the interest of readability.

Q: Within the context of governance structure transformation, what roles do you have in mind and have high hopes for, as it pertains to new Board member candidates and new Board appointees?

A: New Board member candidates bring their individual expertise to our wide-ranging array of Group strategies and to our major businesses in Japan and overseas. As such, one role is to leverage their experience - be it in corporate management, retail, international business, finance, etc. – within the context of a Monitoring Board. We will aim to achieve a balance between management and executive functions, fast-track the decision-making process and enhance the Seven & i Group's management oversight structure in a way that is compatible with the promotion of a growth strategy as a global company.

Furthermore, we can only reap the benefits of this new Board overhaul by making drastic changes in terms of the topics of discussion at Board meetings, and by significantly speeding up the decision-making process. As such, we would like to transition to a management framework allowing us to focus on the truly pressing topics that are worth discussing in these Board meetings. As part of this, we will also be revising internal company rules.

Q: Why did the company choose today's financial results presentation to announce its "Management Message?" Additionally, is there the possibility for a reformulation of the targets set forth in the Medium-Term Management Plan?

A: Following the announcement of the new MTMP in July of last year, we further increased the opportunity for dialogue with investors and stakeholders and, in doing so, we have received a significant amount of feedback on topics such as governance structure, management speed, etc. We formulated our action plans in response to this feedback, plans which consist of reviewing the business portfolio and accelerating actions to optimize operations, the formulation of a capital re-allocation plan, and governance structure transformation. The aforementioned "Management

Message” is a clear and concise way of setting forth these actions.

Ideally, we would like to achieve the MTMP targets ahead of schedule. With that being said, the targets set forth in the MTMP currently stand, and we are working diligently to achieve these.

Q: On the topic of structural reform:

What are the next steps following the conclusion of the ongoing strategic review at Sogo & Seibu?

A: We are currently reviewing a wide range of strategic options, but stakeholders can rest assured that any concrete decision will be promptly disclosed by us. We continue to advance structural reform while at the same time considering with an open mind best ownership discussions. The factors under consideration are capital efficiency for each of our businesses, as well as the potential for growth and synergies. We therefore continue looking into various options with a view toward an ideal Group business portfolio.

Q: On the topic of regrowth for Seven-Eleven Japan:

A: Sales for Seven-Eleven Japan tend to depend on the flow of people, to a greater extent than other operating companies within the Seven & i Group. People’s mobility was restricted due to the COVID-19 pandemic, making for a very challenging business climate. This has rapidly become a “New Normal,” so we decided to change the concept for our stores. In other words, we changed to accommodate shoppers who visit our stores with a specific item in mind and we also enhanced our sales promotion efforts, our sales spaces, and merchandise assortment.

First, in terms of sales promotion, starting in January of this year, we now hold theme fairs twice a month, and this has led to new customer acquisitions, in the form of customers who visit our stores to purchase specific theme fair items.

Second, in terms of sales floor spaces, in order to address new customer needs, we are working to expand the number of items being sold by making changes to the sales space layout.

Third, in terms of merchandise assortment, we have had success with location-dependent suggestions. In particular, high value-added products have been drawing the attention of consumers visiting stores in city-center areas, and this has translated into an increase in average spending per

customer. According to the preliminary March figures, thanks to this, existing store sales surpassed March 2019-levels – pre-COVID-19.

Last fall there was an issue surrounding the procurement of ingredients from Thailand, but as of mid-March of this year the issue had been resolved, so I would like to assure you there is no cause for concern.

Q: On the topic of concerns regarding higher costs at Seven-Eleven Japan, primarily energy costs:

A: Seven-Eleven Japan has a number of measures in place toward energy conservation, but we expect soaring crude oil prices to translate into surging costs for utilities, and to have a negative year-on-year impact of approximately 8 billion yen.

We will aim to grow sales, so that we can absorb these higher costs and secure profits.

Q: On the topic of cost pass-throughs for Seven & i Group domestic operations, resulting from soaring raw material prices:

A: Rather than simply raising prices, we would like to review pricing following changes to merchandise standards, toward offering high value-added merchandising addressing customers' needs.

Seven-Eleven Japan shares gross profit with franchisees, and prices are set at levels to allow profits to be secured.

Q: What is the outlook for improvement in merchandise sales and GPM at 7-Eleven, Inc., and for profit contribution from fuel sales?

A: The United States is currently experiencing a wave of inflation, with various expenses, like personnel, on the rise.

However, we haven't experienced difficulty in reflecting these higher costs into the price of our merchandise. With that being said, inflation has taken the lead somewhat recently, so merchandise sales are lagging the growth rates seen last year. This isn't due to a loss in competitiveness on the part of 7-Eleven, Inc., but rather the result of a contraction in consumption for the U.S. market as a whole. In fact, it's quite the opposite because the CVS

industry in the United States – and 7-Eleven, Inc. in particular – have been gaining in terms of competitiveness.

A significant factor we believe will contribute to allowing us to achieve even greater competitiveness is the execution of merchandise R&D, based on success stories from Seven-Eleven Japan, particularly centered around the category of fresh food.

Additionally, we believe fiscal year 2022 will be the year in which the benefits from the integration of Speedway start manifesting themselves. Furthermore, we are planning to introduce 7-Eleven, Inc. merchandise at Speedway stores and, through this, improve merchandise GPM.

On the other hand, cents per gallon – which is a profit margin indicator for fuel – trended at extremely elevated levels in 2020 and 2021, so we have opted for a more conservative forecast for 2022.

Q: On the outlook of company-wide costs related to DX and similar initiatives, and an outlook of the benefits:

A: We ask for your understanding in that anticipatory investment, as well as an increase in expenses, will continue in fiscal years 2023 and 2024, as we build a foundation toward achieving our Group vision for 2030, with 7iD at the core and within the context of the promotion of last-mile efforts and data-driven, advertising-driven businesses. In terms of measures to increase productivity, a successful example was the deployment of AI at Ito-Yokado, which delivered good results in predicting orders and the production of delicatessen products.

Additionally, we are executing measures to enhance cybersecurity to prevent data leaks.

Disclosure information published by the company may contain forward-looking statements. Such statements are premised on estimates, assumptions, and expectations made by management on the basis of the information available to the company at the time of disclosure. Such forward-looking statements therefore involve a number of risks and uncertainties. As such, realized results may differ materially from any or all forecasts, on account of future changes to business operations and /or to the economy, or due to a variety of other factors.