

Presentation for the Group Management Strategy

October 6, 2022

Ryuichi Isaka

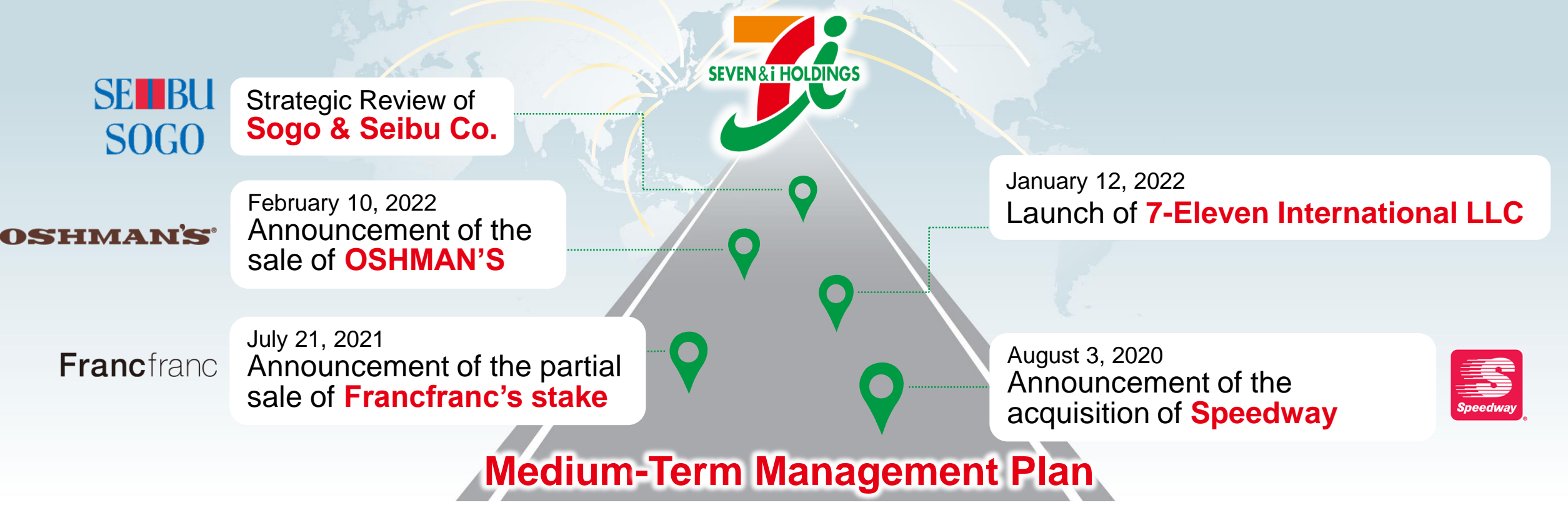
President & Representative Director

Seven & i Holdings Co., Ltd.

Recent Developments (Reiteration of material released on April 7)

- We have been accelerating our initiatives to become a world-class global retailer group

To Become a World-Class Global Retailer Group



Management Message announced on April 7

- Our management has continued to constructively engage with our shareholders

Action Plans Reacting Letter from Shareholders (Key Points)

- A Review business portfolio and accelerate initiatives to optimize operations**
 - 1. Accelerating profit growth through domestic / overseas convenience store (“CVS”) business collaboration
 - 2. Strengthening CVS and Superstore businesses’ competitiveness centered on grocery business strategy
 - 3. Continuous business portfolio review
- B Announcing strategic capital re-allocation plan**
 - Accelerate reclamation of capital through business portfolio restructuring and best ownership discussion
 - Focus on investing our cash flow to our high growth CVS business
 - Enhance shareholder return through flexible share buyback and other options, considering balance between growth investments
- C Governance Structure Transformation**
 - Board member to be proposed based on the following principles at the annual shareholders meeting
 - ✓ Internal Directors: Reduce the number of Internal Directors
 - ✓ Outside Directors: Strengthen our system through further improvement of “Skills Matrix” that fosters board diversity and promotes our growth strategy as a global Specific Initiatives
 - ✓ Specific Initiatives: The majority of the Board will be outside directors

These initiatives will enable Seven & i to be a World-Class Global Retailer Group

A – 1 Synergy Realization Post-Speedway Acquisition

- Anticipated synergies have been materializing steadily, much faster than planned



Results of Initiatives in 1H

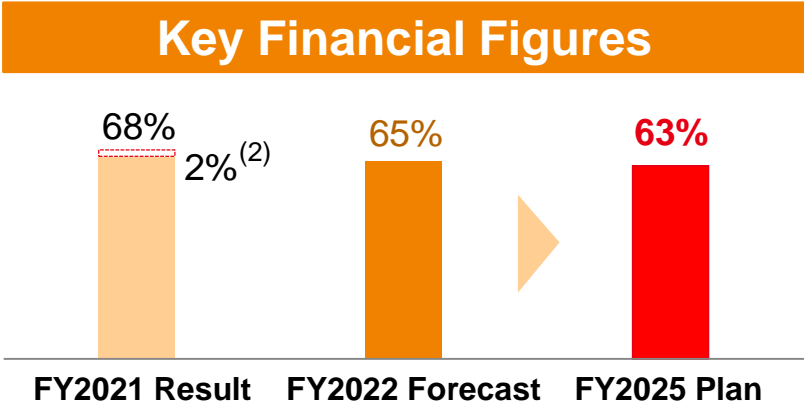
	Merch Sales & Margin	1 Optimized Assortment in Speedway stores (include PB products) Started Fresh Food program
	Scale / Cost Leadership	2 Optimized Indirect Procurement 3 Completed Organizational Right-Sizing 4 Transitioned In-House Maintenance to nearly 2,600 7-Eleven Stores
	Fuel Logistics	5 Expanded Speedway Fuel Transportation Coverage to 7-Eleven Stores
	Digital (Growth) Synergies	6 Launched Delivery in 500+ Stores

Synergy realization post-Speedway acquisition faster than planned, driving SEI's growth

A — 1 Direction on Business Structure and Profitability Improvement for SEI

- Plans to reduce SG&A and improve EBITDAR margin⁽¹⁾ through business structure transformation

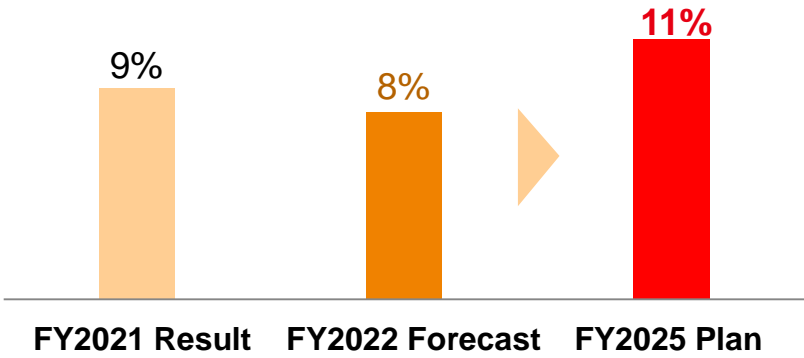
**SG&A /
Total Gross Profit**



Overview

- Steady progress in cost efficiency was escalated by Cost Leadership initiatives
- The profitability improvement was achieved by the synergy realization post-Speedway acquisition and the implementation of the Six Point Plan⁽³⁾ including strengthening the food business

EBITDAR Margin⁽¹⁾



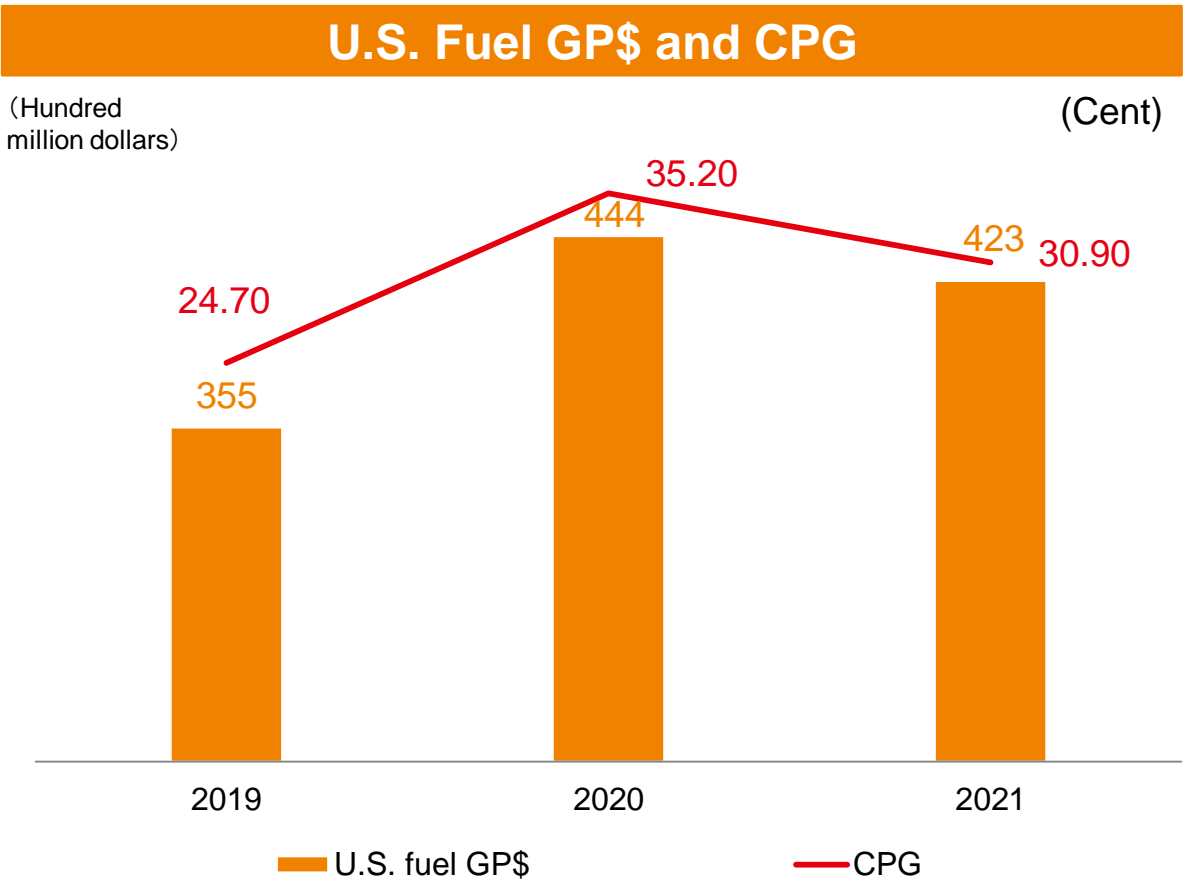
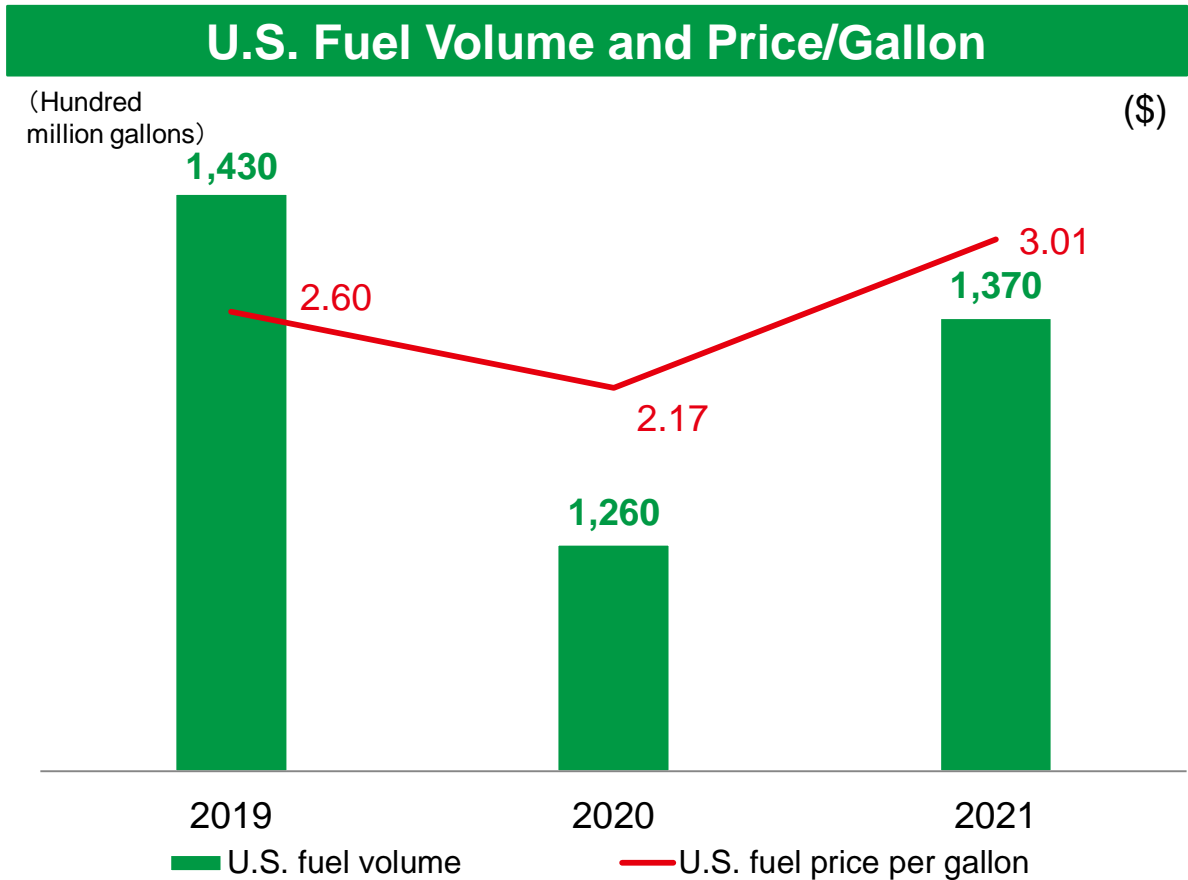
- Although EBITDAR increased steadily, sales increased due to higher fuel prices
- Implementation of the Six Point Plan⁽³⁾ and reduction of SG&A are expected to increase EBITDAR margin⁽¹⁾

(1) EBITDAR=Earnings Before Income Tax + Depreciation + Amortization + Rent + M&A Cost
 (2) Refers to one-time non-operating expenses and M&A expenses
 (3) Six priority measures to be promoted by 7-Eleven, Inc.: I. Deliver a Consistently Great Customer Experience, II. Drive Proprietary & Unique Products & Services, III. Optimize Fuel Business & Grow Alternatives (EV), IV. Leverage Scale to Achieve Cost Leadership, V. Transform Convenience through Digital & Data, VI. Transform Store & Delivery Network

Continue to pursue high-profit growth by focusing on improving profitability and sales growth

A – 1 The Situation of U.S. Fuel Business

- Although COVID-19 has led to lower mobility and higher retail prices, which have tended to lower fuel demand, CPG has remained high, and fuel gross profit margins have increased compared to pre-COVID-19 levels



Volume headwinds have not translated into lower profits

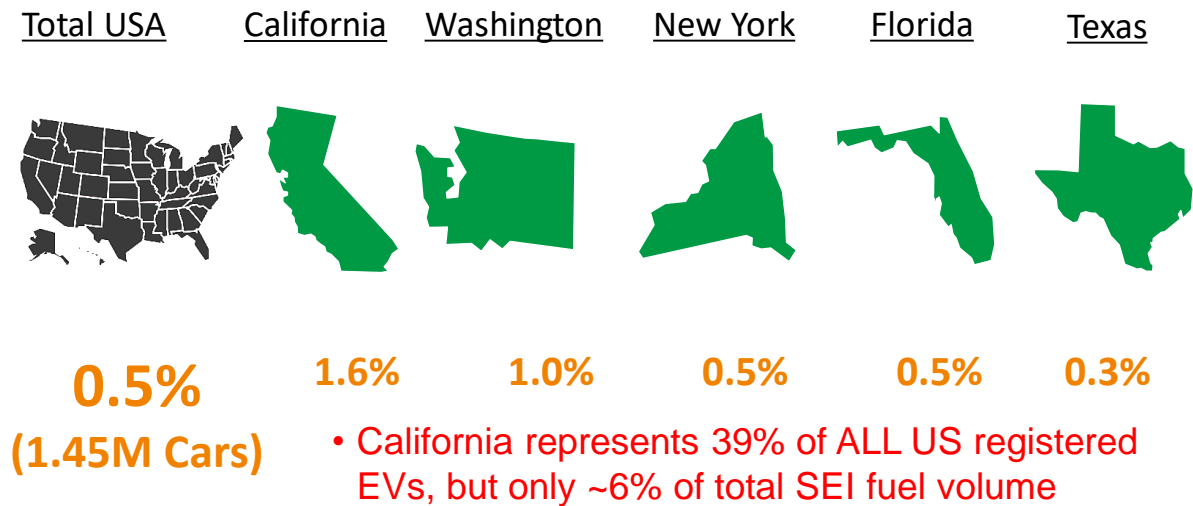
A – 1 The Situation of U.S. Fuel Business (cont'd)

- EV penetration remains low, at 0.5% in the U.S. and 1.6% in California, where the penetration rate is the highest
- On the other hand, the need to strengthen measures for EVs is required as EV penetration grows steadily

Highly Regional EV Penetration

State-Level BEVs as a % of Registered Cars

(As of December 2021 – Most Recently Available Govt Data)

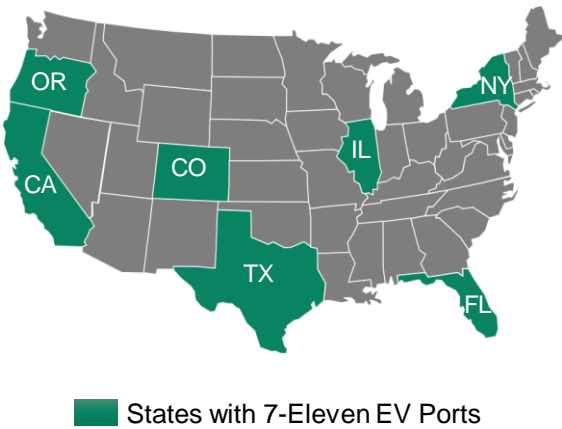


Building an EV Port Network

- ### Dual Strategy
- 1 Build owned network and customer experience app with 7Charge
 - ABB Hardware
 - ChargePoint Software
 - 2 Partner networks: Work with Evgo and other 3rd parties

Currently Piloting in 25 stores with 55 ports

EV port Network by EOY 2022



While maintaining the stability of the fuel business, we will strengthen our response to the EV penetration
 To react the environment dynamics of the fuel business in the mid-to-long term, we expect to put effort into expanding fresh food and restaurant business

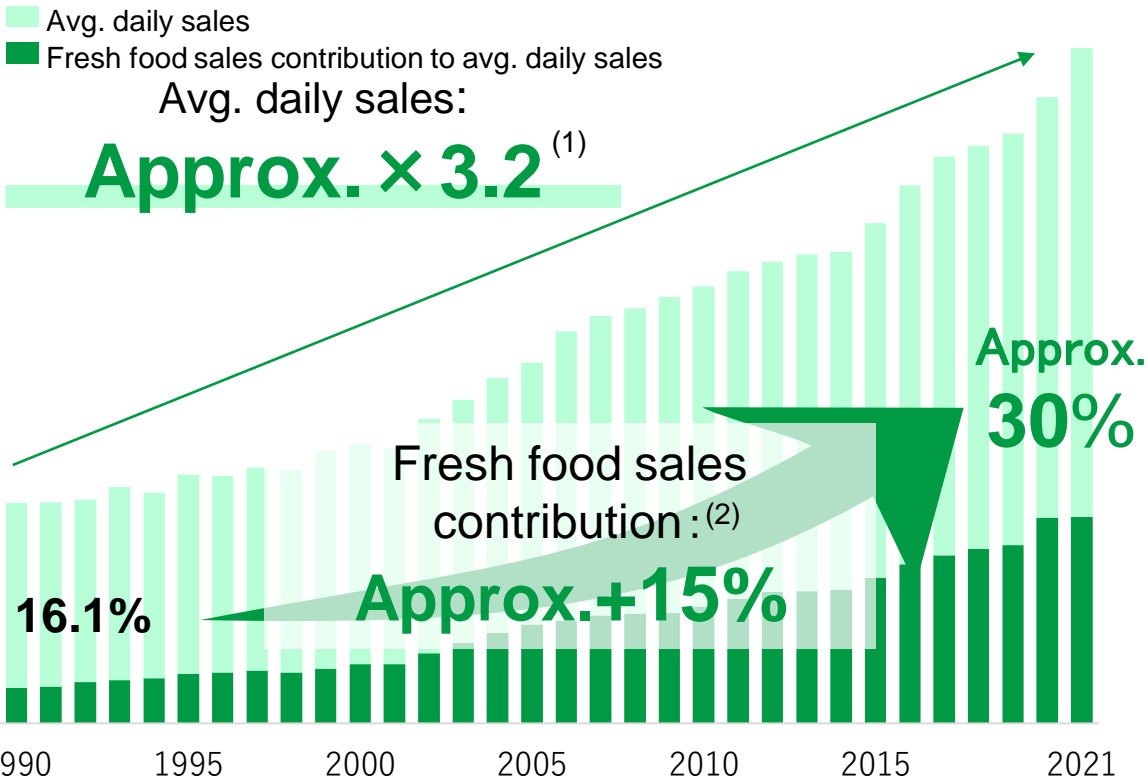
A – 1 Fresh Food Enhancement in SEI

- In Hawaii, fresh food sales growth resulted in a significant increase in average daily sales

Improvement of the Sales Contribution of Fresh Food in Hawaii



[Fresh food sales contribution to average daily sales per store]



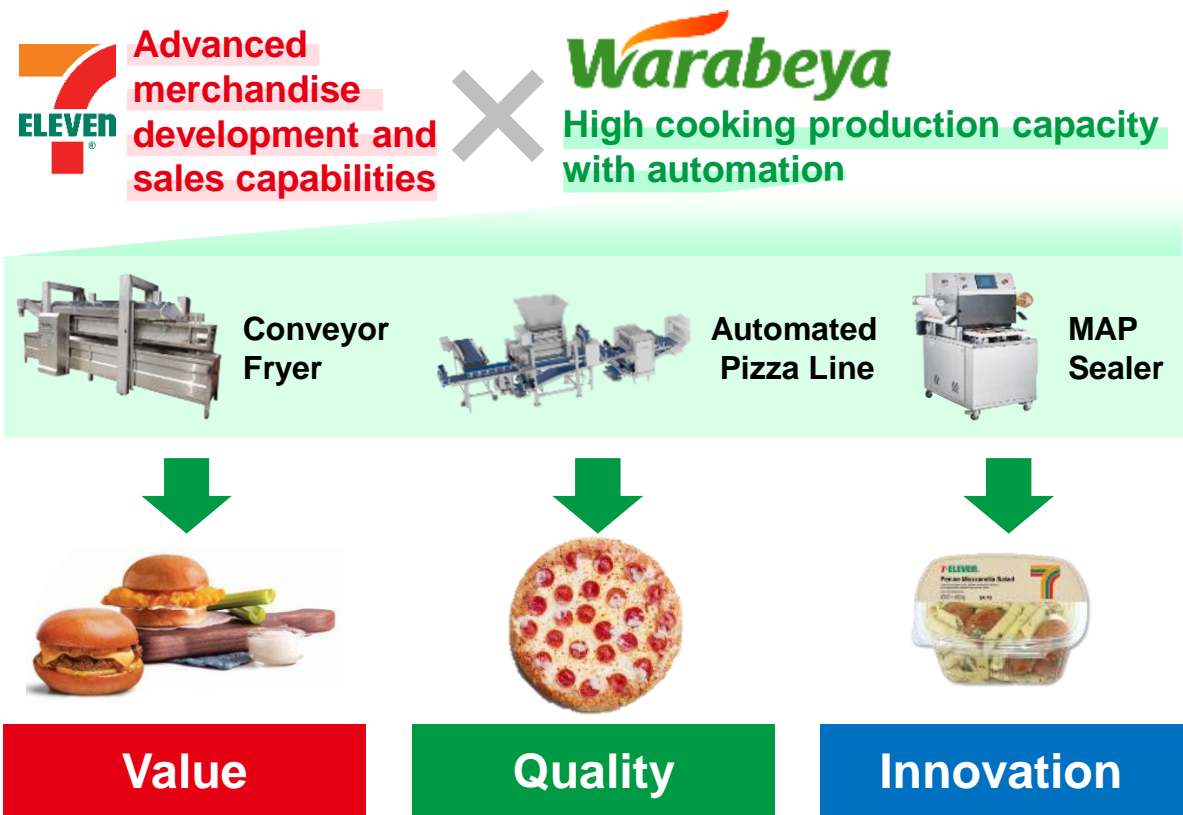
Differentiated fresh food enhancement in SEI is a key part of the strategies

(1) Average daily sales in 2021 compared to average daily sales in 1990
 (2) Fresh food sales contribution in 2021 compared to fresh food sales contribution in 1990

A-1 Fresh Food Enhancement in SEI (Cont'd)

- Enhance Fresh Food business by strengthening the value chain and improving commissary product development capability
- The contribution of fresh food sales has steadily increased in the DFW area where Warabeya Texas is located

Strengthening the Value Chain through Warabeya

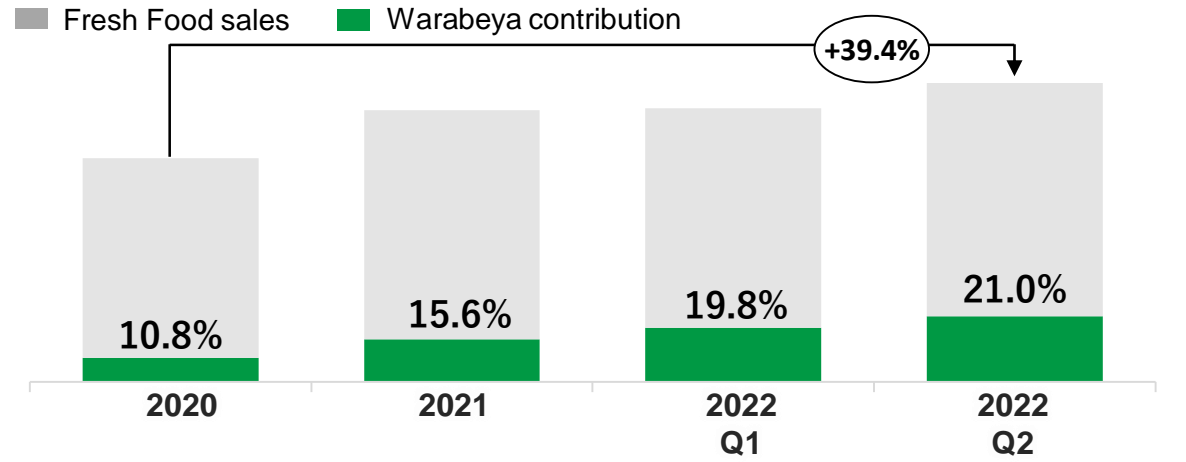


Improve the Sales Contribution of Fresh Food in DFW

[New items leveraged by Warabeya⁽¹⁾]



[The Warabeya sales contribution of fresh food in DFW]



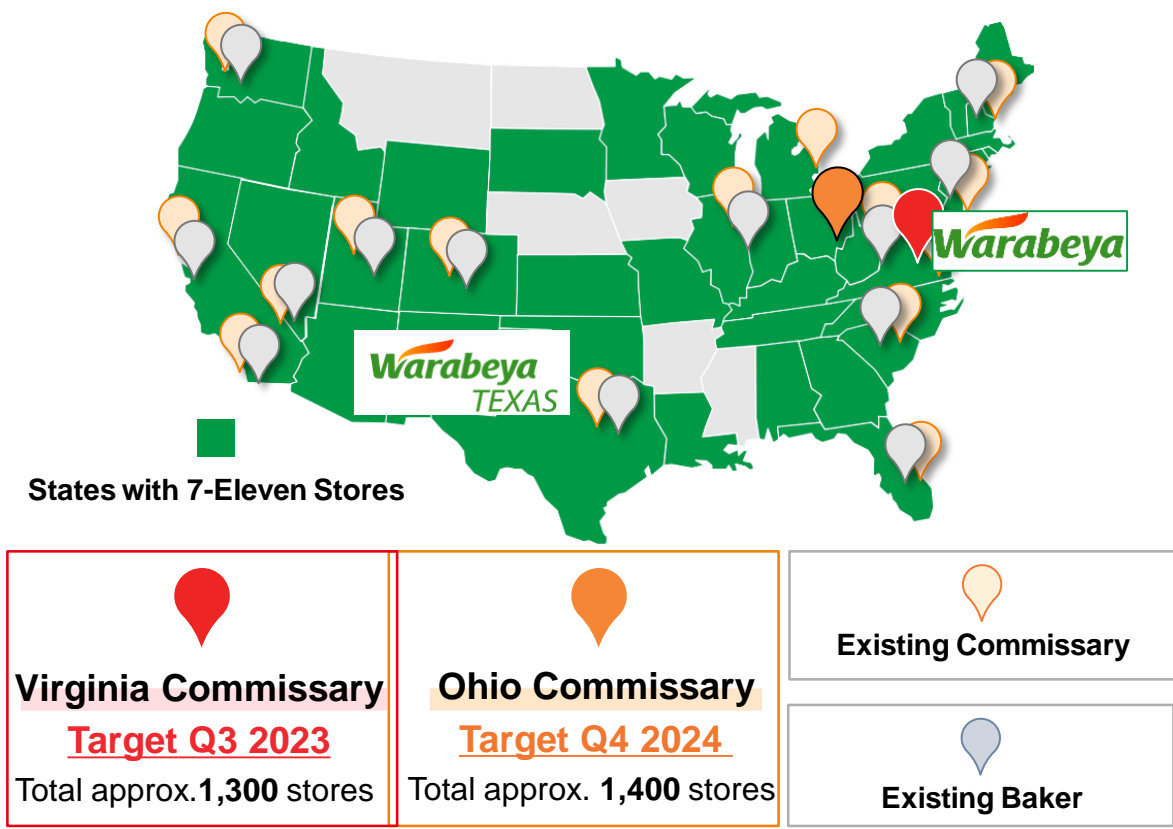
Significant contribution of fresh food to total sales and average daily sales have already been demonstrated

(1) Spam Musubi and Breakfast Scramble with Sausage Bowl will be released for test sale in October

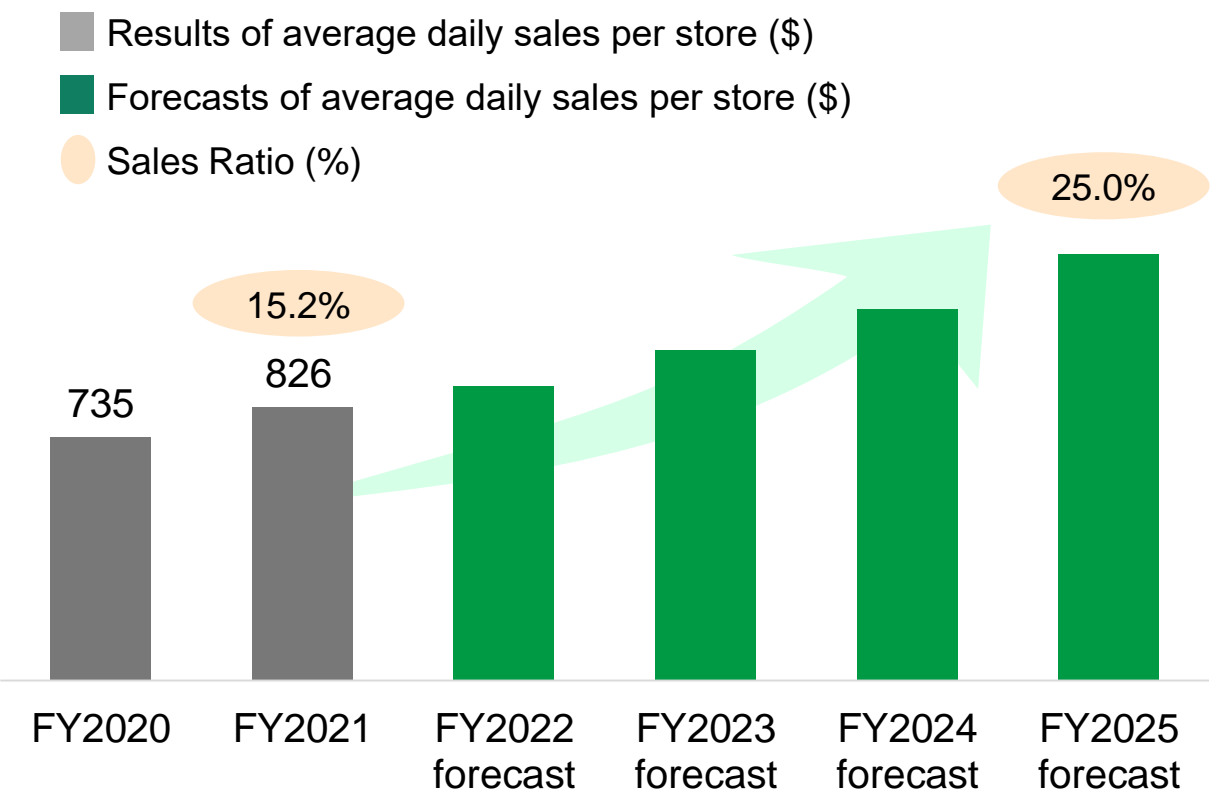
A – 1 Fresh Food Enhancement in SEI (Cont'd)

- By leveraging know-how in Hawaii and Dallas, SEI will enhance Fresh Food sales growth by pursuing modernization of the value chain in the U.S.

Modernization and Growth of Value Chain



Fresh Food + Proprietary Beverage Sales & Merchandise Mix⁽¹⁾



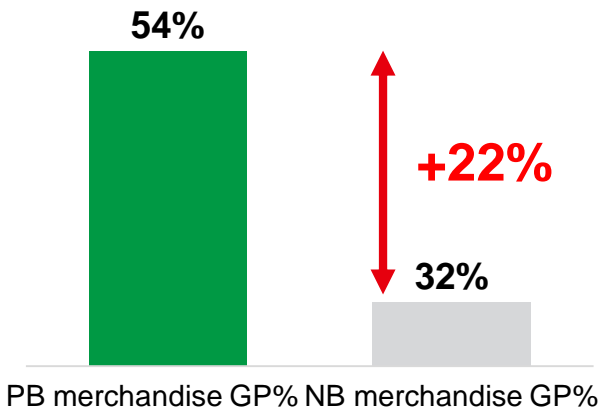
Promoting differentiated Fresh Food development by expansion of value chain

(1) Legacy SEI only

A – 1 Private Brand Enhancement in SEI

- Improved GP% of all operations business by expanding PB merchandise with higher GP%

Higher GP% Led by PB Merchandise Strategy



High-quality

- Enhancing core merchandise
- Expanding merchandise assortment

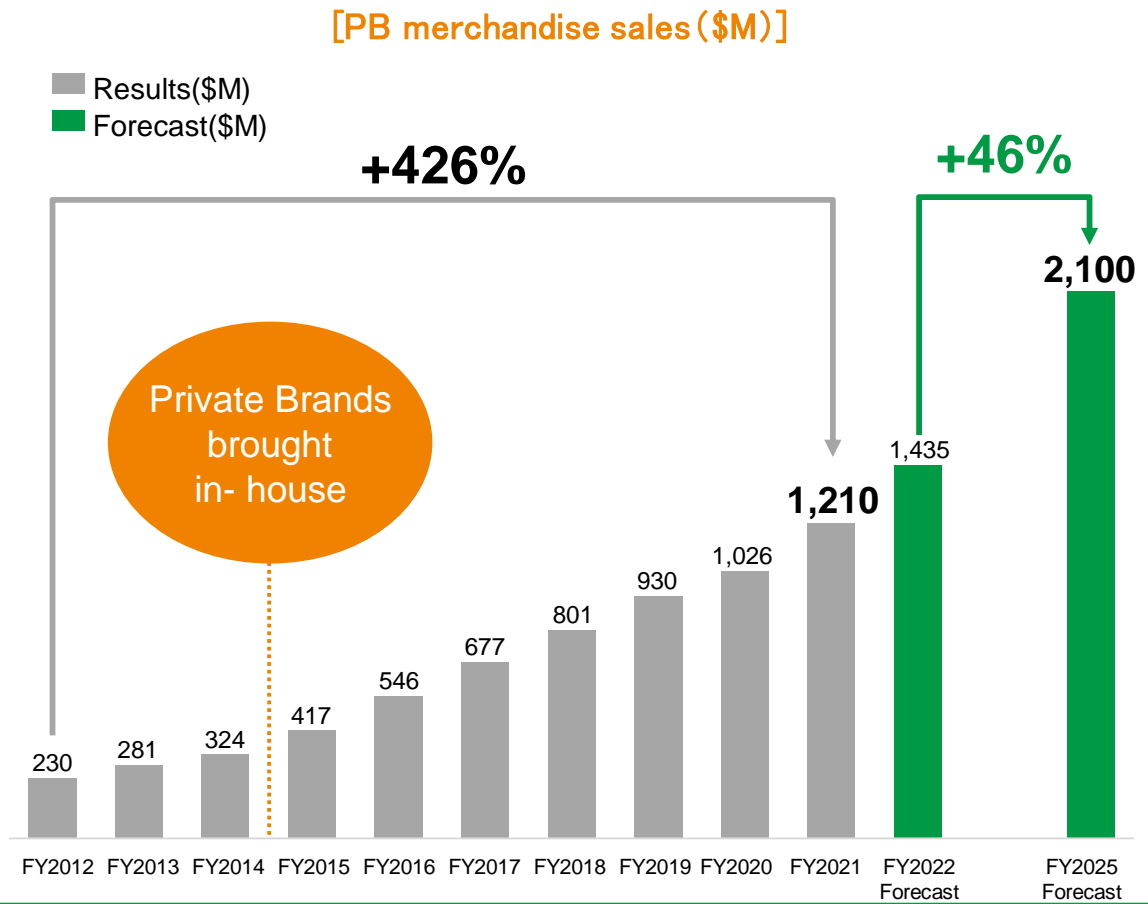
Better Pricing

- Providing high-quality merchandise with the appropriate price

Merchandise Innovation

- Differentiated merchandise development

PB Merchandise Sales Results and Plan



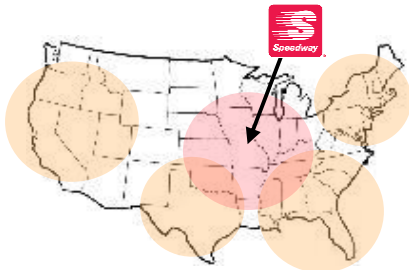
Enhance product competitiveness and improve margins through expansion of PB products utilizing No.1 store network in North America

A – 1 7NOW Delivery Service in SEI

- 7NOW delivery service is growing as customers' demands continue to be strong, providing ultimate convenience to meet customers changing needs

7NOW Value Proposition Has Positioned Us for Success

Customer Reach



95% Footprint Coverage

Quality Product Great Value

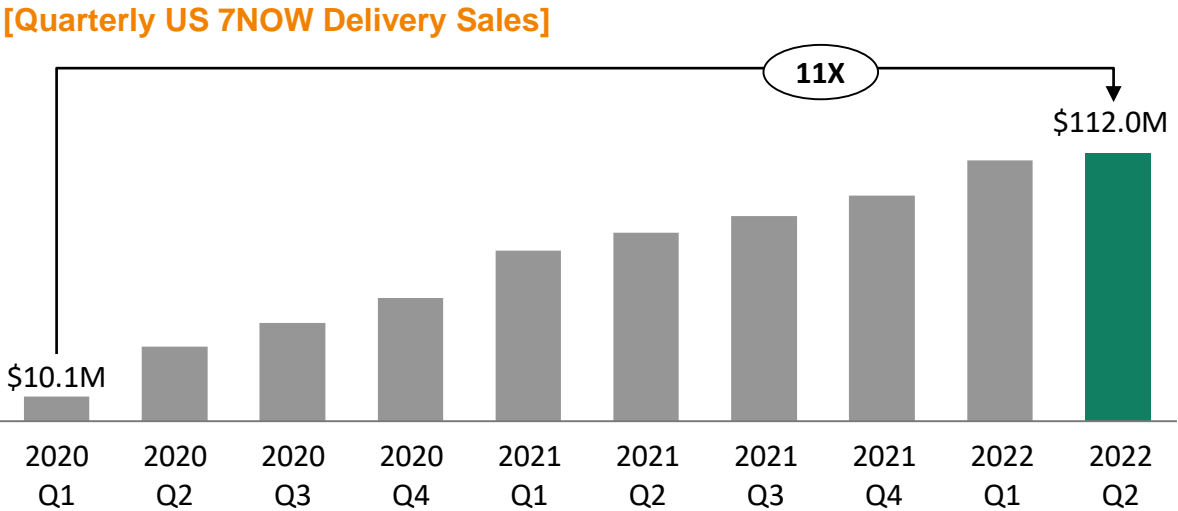
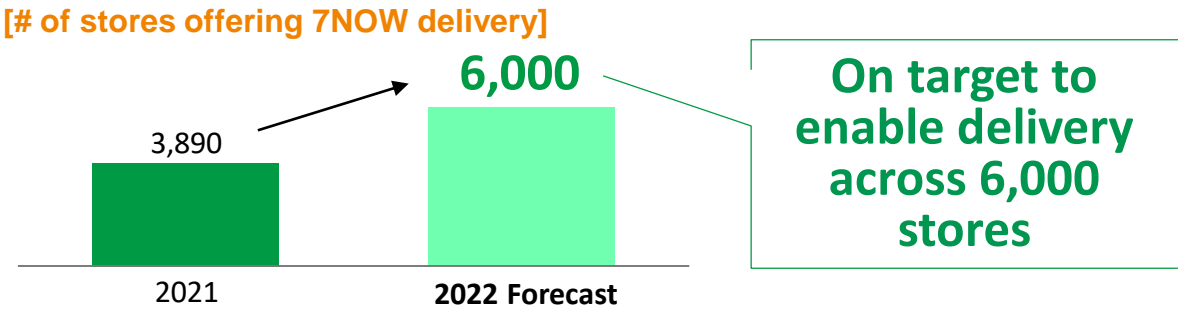


Speed of Service

<30 min
Industry leading Delivery time
49% of orders delivered under 25 min

>50% US Population
Within **2 miles** of a store

7NOW Delivery Growth

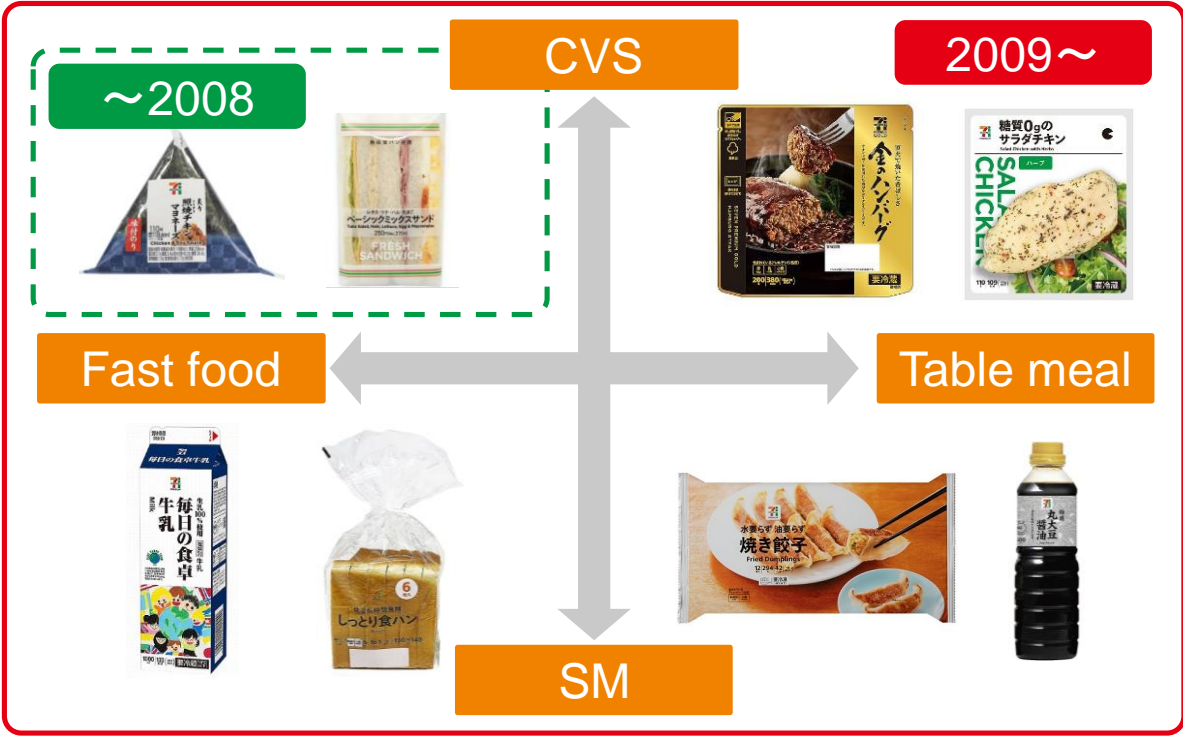


Utilizing last mile network to deliver physical and anytime/anywhere convenience

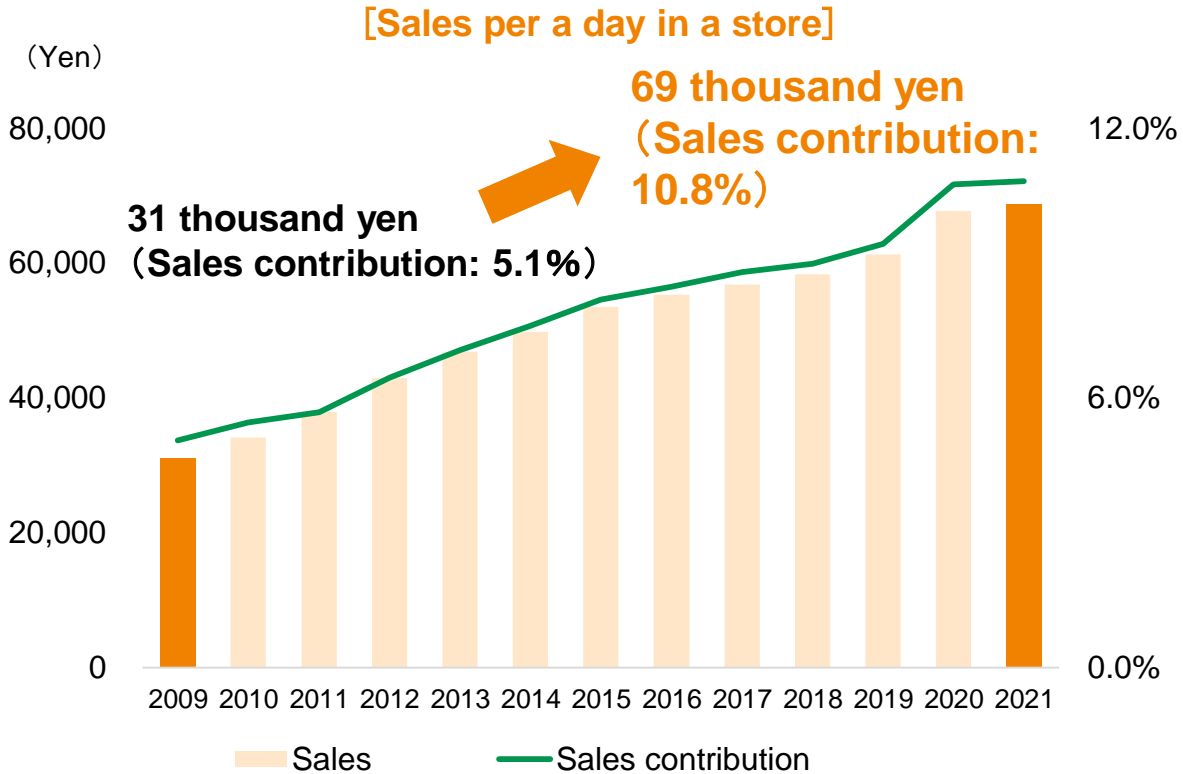
A – 2 Expansion of “Grocery” Products and Service in SEJ

- Expanded food products from fast foods to table meals including offering of PB products to strengthen food contents to satisfy customer needs on wide product lineup on foods
- SEI will utilize these knowledge and experience to expand global CVS business

Wide Product Line-ups supporting home cooking



Sales of Food Often Used in Home Cooking ⁽¹⁾



Expansion of grocery product and service is a key to strengthen CVS and improve profit margin

(1) Delicatessen, Life daily, Bread, Frozen food (excl. rock ice), milk

A – 2 Expansion of Private Brand (Seven Premium)

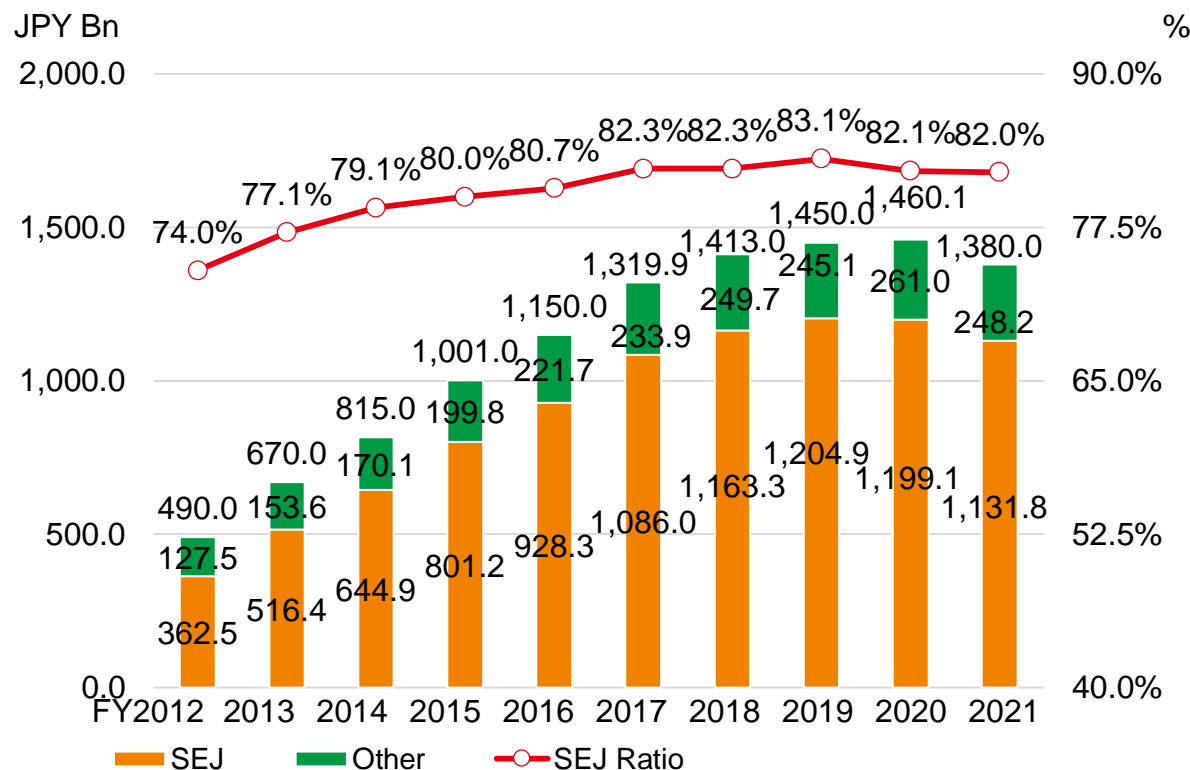
(Reiteration of material released on April 7)

- Sales of *Seven Premium* steadily expanding
- Superstore business with IY functioning as a competitive advantage

Annual Sales of Seven Premium by Channels

Succeeded in achieving size comparable to top domestic food manufacturer

FY2021 Sales: JPY 1.38 trillion



Continuous Review / Improvements of Seven Premium Product Line-up

FY2021 Actual Results

of items

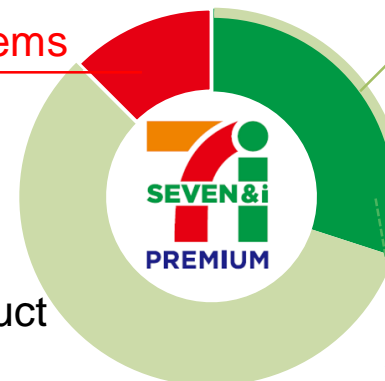
Approx. 3,500 items

Approx. (500) items (YOY)

Approx. (500) items

Discontinued products

- Homogenization with market
- Duplicated product line-ups



Approx. 3,500 items
Increase quality for each item

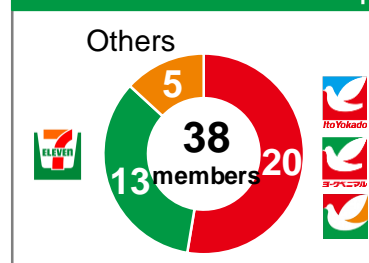
Renewal plan

Approx. 1,200 items

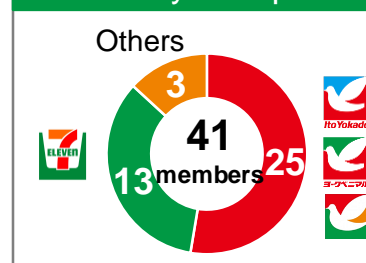
First half approx. 700 items
Second half approx. 500 items

Inter-group Development Structure of Seven Premium (Food) (As of March 2022)

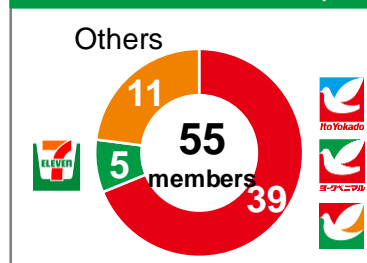
Processed Food Group



Daily Group



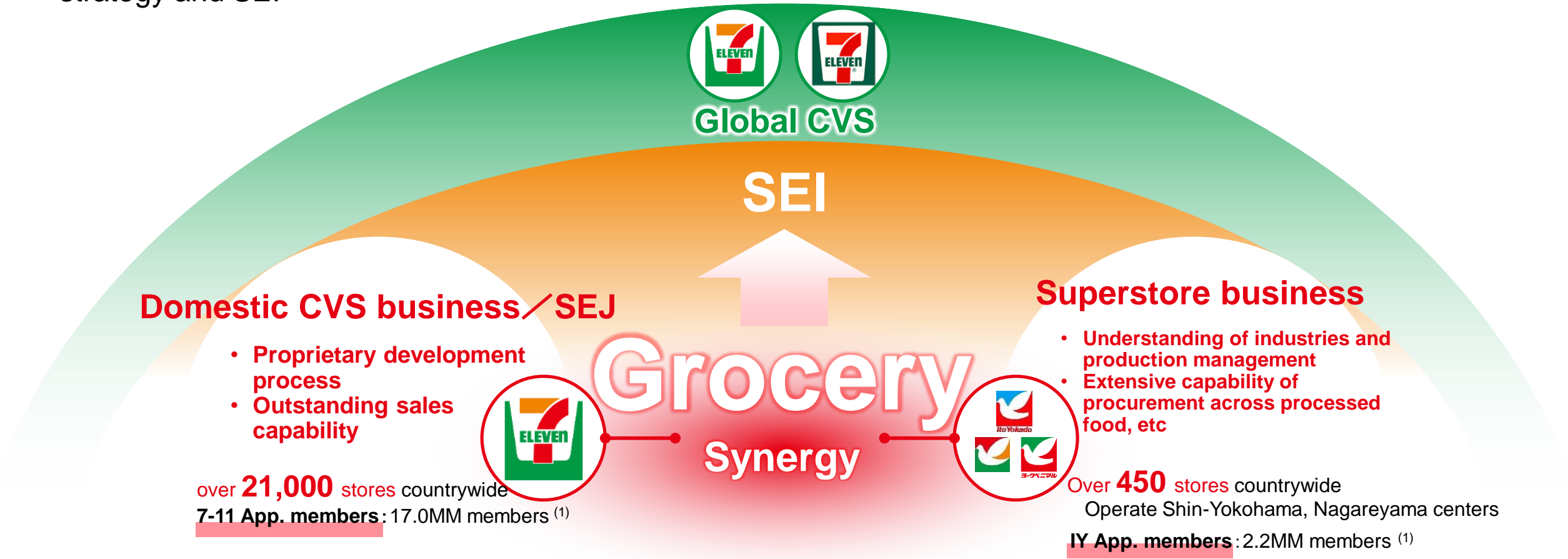
Fresh Food Group



Collaboration between Superstore and CVS businesses will accelerate *Seven Premium's* growth

A — 1 Acceleration of Profit Growth Through Global Cooperation of CVS Business

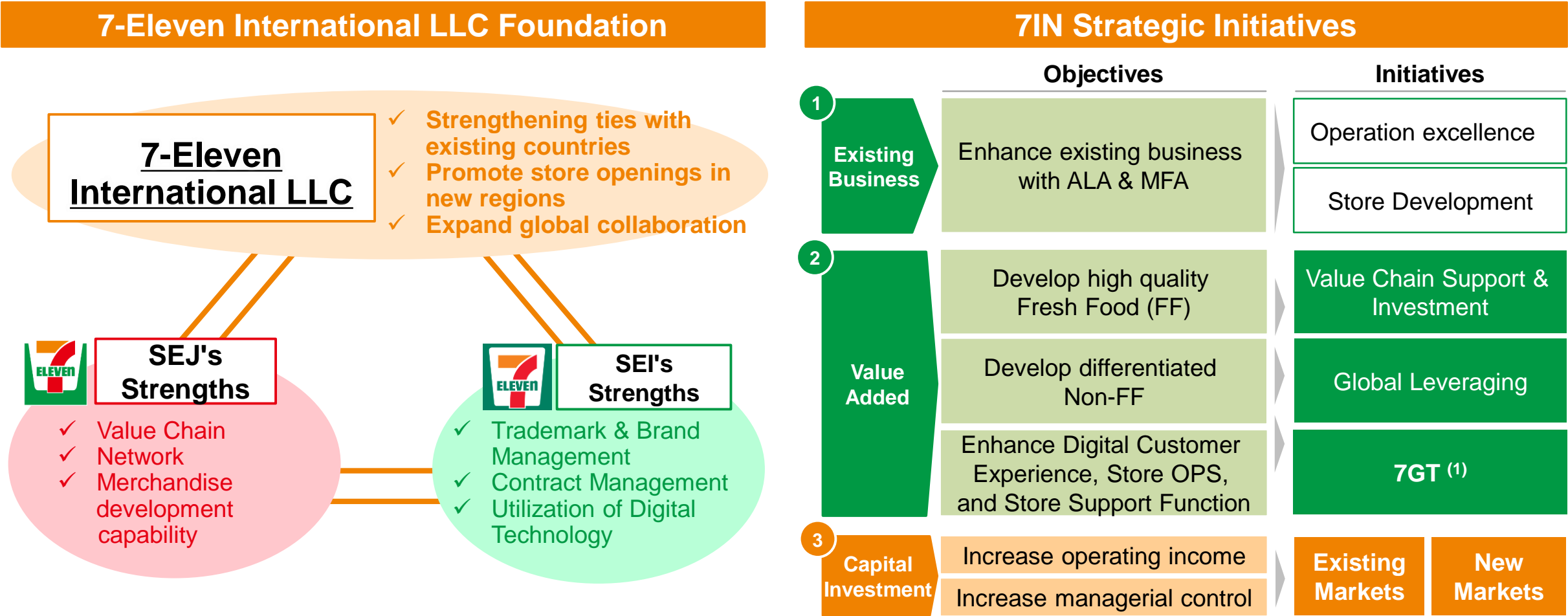
- As the whole group, collaboration of CVS business and Superstore business is necessary to accelerate product development centered on *Seven Premium*. Growth strategy know-how in Japan will contribute global delivering strategy and SEI



Key to grow in Japan = SM × CVS
 ⇒ Those knowledge spreads to North America and the whole world and supports their all growth

(1) As of end of February 2022

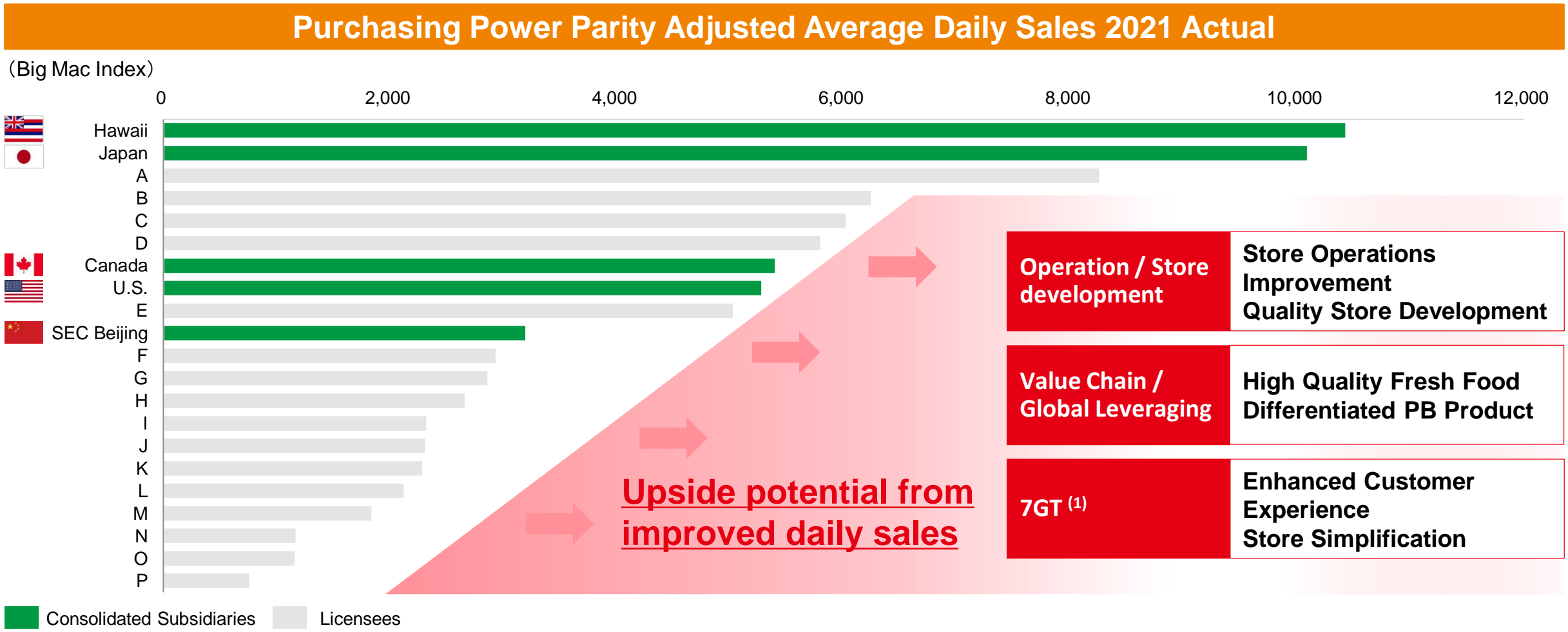
- Establishment of 7IN to maximize group-wide synergies and increase profits



Collaboration of SEJ and SEI will significantly grow the brand globally

(1) 7-Eleven Global Technology

- Aiming to improve sales and profit by sharing know-hows and executing successful initiatives



The performance gap among licensees will be improved by executing 7IN strategic initiatives

(1) 7-Eleven Global Technology

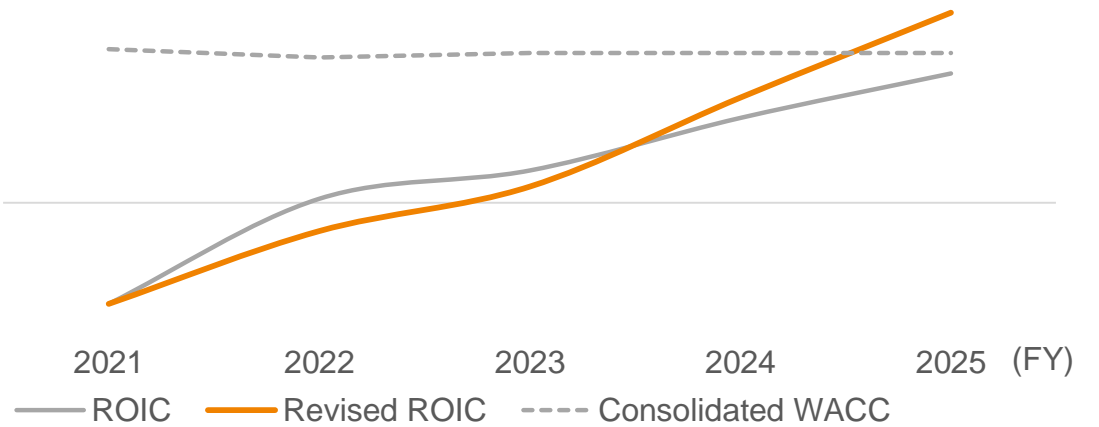
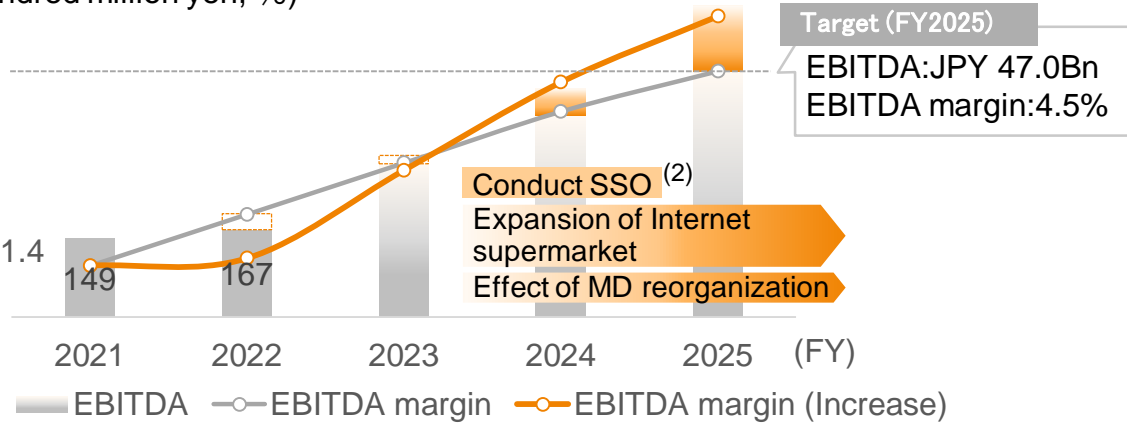
A – 2 Initiatives for IY Operational Efficiencies

- IY has also focused on the unique growth strategy aligned with completing operational efficiencies

		~FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Growth Strategies	Internet	<ul style="list-style-type: none"> Utilization of centers and expansion of services 					
	Product	<ul style="list-style-type: none"> Food SPA as a strong point Optimization of LS area and reform of MD ⁽¹⁾ 					
	Store	<ul style="list-style-type: none"> Concentration to capital area and Metropolitan area 					
			<ul style="list-style-type: none"> FY2023: Shin-Yokohama Cneter, FY2024:Nagareyama Center 				
			<ul style="list-style-type: none"> Food: development of original products through utilization of Group's infrastructure ✓ FY2024: Nagareyama PC, FY2025: Chiba Honda PC/CK, FY2026: Sugito PC opening, and planned for enlargement Optimization of sales floor format, according to social dynamics ✓ Spread <i>i Drug Cosme</i> (Food-Drug-Cosmetics Synergies) 				
			<ul style="list-style-type: none"> Tokyo Metropolitan area: construction of economy through stores and internet Other area: implement alliances with companies inside / outside the Group 				

Synergies by Additional Actions

(Hundred million yen, %)

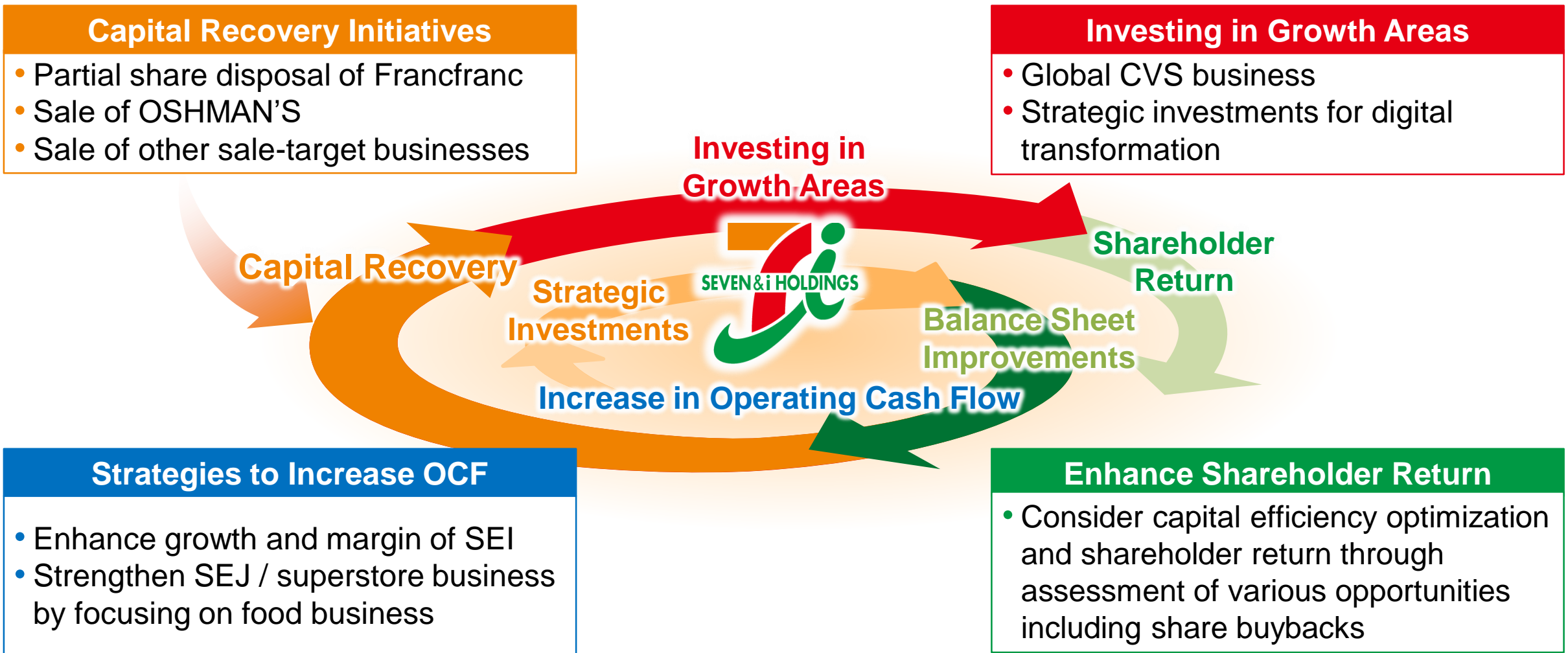


Complete business restructuring and further growth initiatives to realize operational efficiencies

(1) PC: process center, CK: central kitchen, LS: life style, MD: merchandising
 (2) SSO: single sign-on of apps

B Direction of Capital Re-allocation Plan (Reiteration of material released on April 7)

- Established a Capital Re-allocation Plan reflecting initiatives in the Mid-Term Management Plan
- Basic policy is below – details including quantitative information will be disclosed in the future



Creating a Sustainable Future, Together



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