



Update to the Medium-Term Management Plan and the Results of the Group Strategy Reevaluation

March 9, 2023

Seven & i Holdings Co., Ltd.
President & Representative Director
Ryuichi Isaka

AGENDA

- 1 Corporate Vision
- 2 Achievements from Strategic Initiatives So Far
- 3 Upward Revision to the Medium-Term Management Plan
- 4 Results of the Group Strategy Reevaluation and Action Plans

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Corporate Vision

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



The Company is Committed to its Transformation and Growth Through Constructive Dialogue with Our Shareholders and Listening to Our Stakeholders

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To Become a World-Class Retail Group



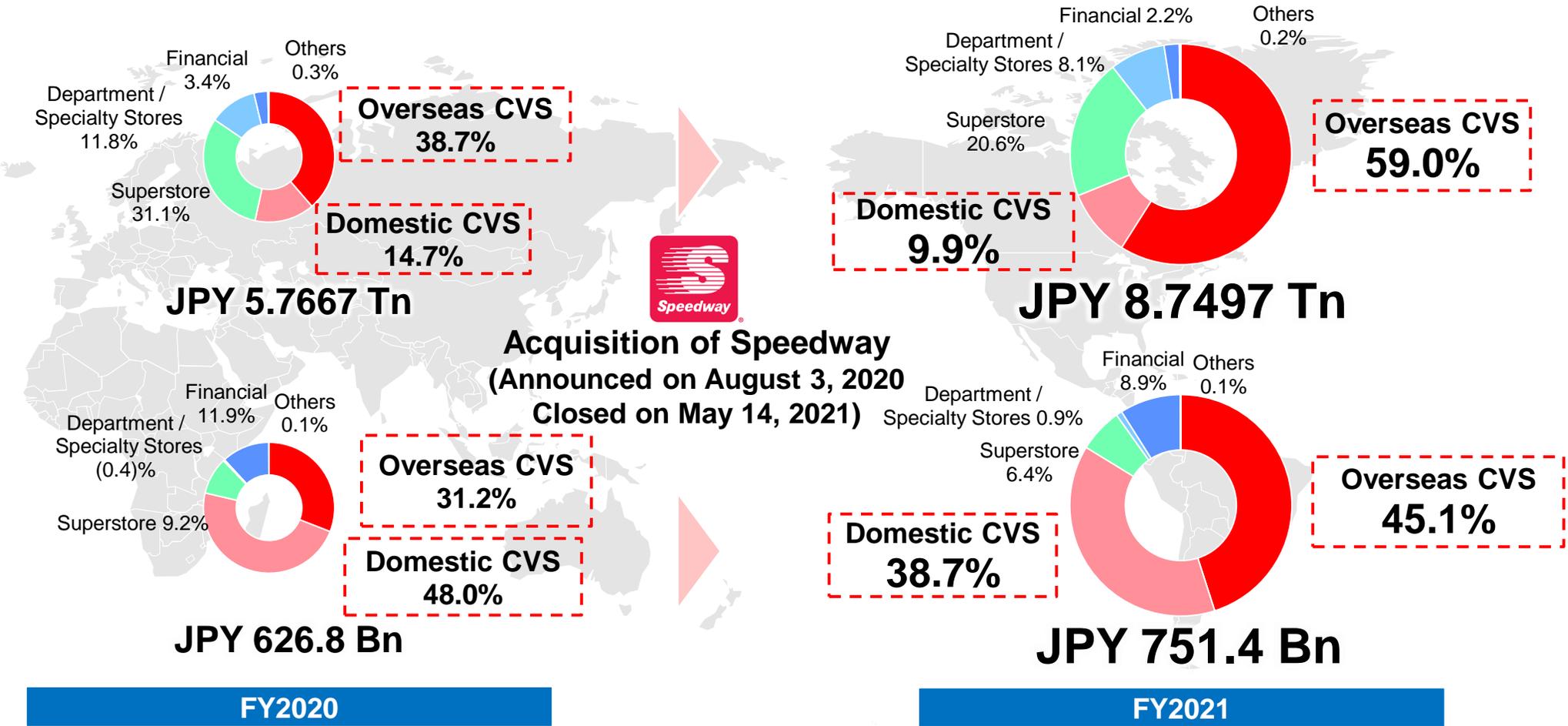
Through a Focus on the CVS Operations Area, the Group Has Been Accelerating Our Initiatives to Become World-class Retail Group

Achievements So Far and Change in Business Portfolio

- Scale of business has significantly increased with acquisition of Speedway, and contribution of CVS to overall EBITDA has reached over 80%

Revenue from Operations per Segment (1)(2)

EBITDA per Segment (1)(2)(3)



Source: Company disclosure

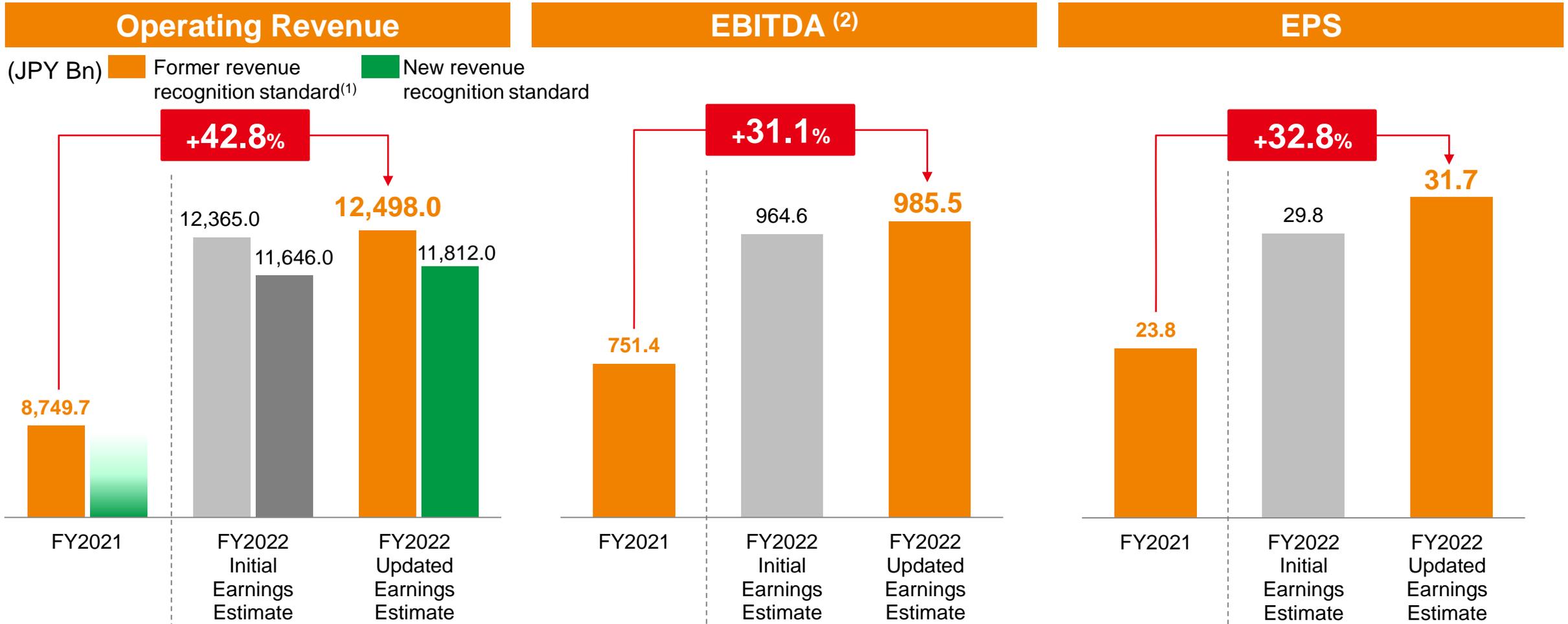
(1) Contribution of each segment based on revenue from operations / EBITDA total excluding eliminations / corporate

(2) CVS operations: Convenience Store operation

(3) EBITDA calculated by per-segment operating income + D&A + goodwill amortization

Consolidated Earnings Estimates for FY2022

- Strong performance up to date. Upward revision of FY2022 earnings estimate at the Q3 announcement



(1) Before “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan No. 29, March 31, 2020) applied. New standards are applied from FY2022, so former standard figures shown for reference

(2) EBITDA calculated by operating income + D&A + goodwill amortization

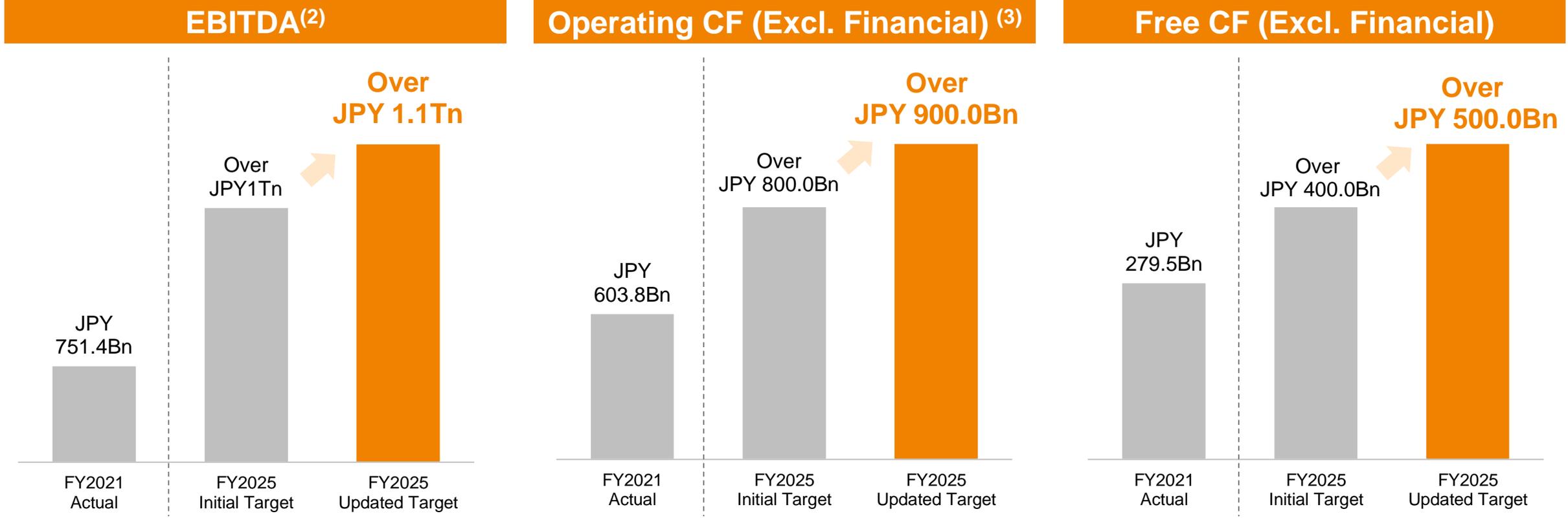
Note) FY2022 earnings estimates is as of the 3Q announcement. Excluding considerations for financial impact by the sales of Sogo & Seibu

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Upward Revision to the Medium-Term Management Plan (1)

- Updates to the Medium-Term Management Plan targets following strong financial performance and the Group Strategy Reevaluation
- Aim to improve profitability and increase cash flow

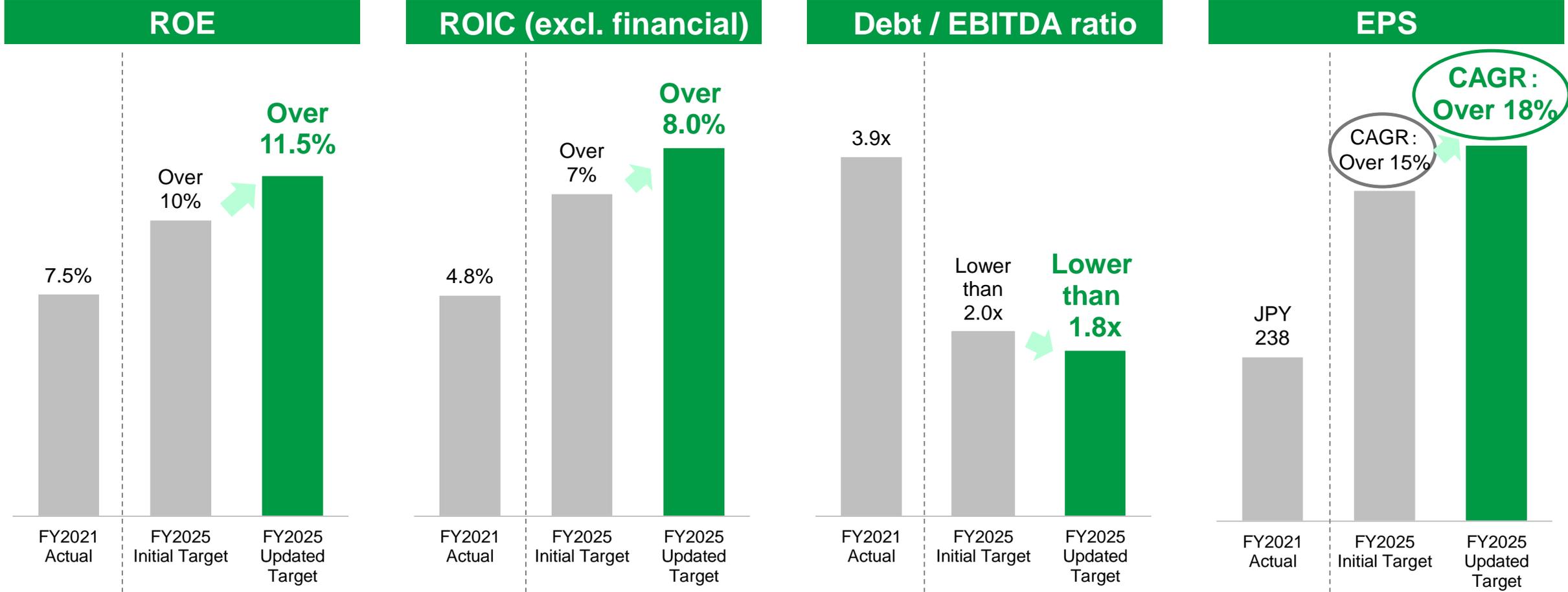


(1) Excluding considerations for strategic investments such as M&A
 (2) EBITDA calculated by operating income + D&A + goodwill amortization

(3) Management accounting figures based on NOPAT excluding financial services
 (4) Management accounting figures excluding financial services. Cash outflow from M&A considered as strategic investments and excluded from investing cash flow

Upward Revision to the Medium-Term Management Plan ⁽¹⁾ (Cont'd)

- Updates to the Medium-Term Management Plan targets following strong financial performance and the Group Strategy Reevaluation
- Aim to strengthen both capital efficiency and B/S and EPS growth



(1) Excluding considerations for strategic investments such as M&A

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Results of the Group Strategy Reevaluation

- **The Board of Directors has identified the Group's top strategic priorities**
 - Further accelerate the shift from general retail business
 - **Focus on the growth strategy of the CVS operations, and achieve an optimal allocation of management resources to become a global retail group with our competitive strength in "food" at its core**
- **Implement the following initiatives to support the Group's growth strategy**

Capital Re-allocation

- ❑ **Direct the Group's cash flow towards strategic investments in CVS**, as our growth driver
- ❑ Achieve a **total shareholder return ratio of over 50% (cumulative)**⁽¹⁾ through dividends and share buybacks

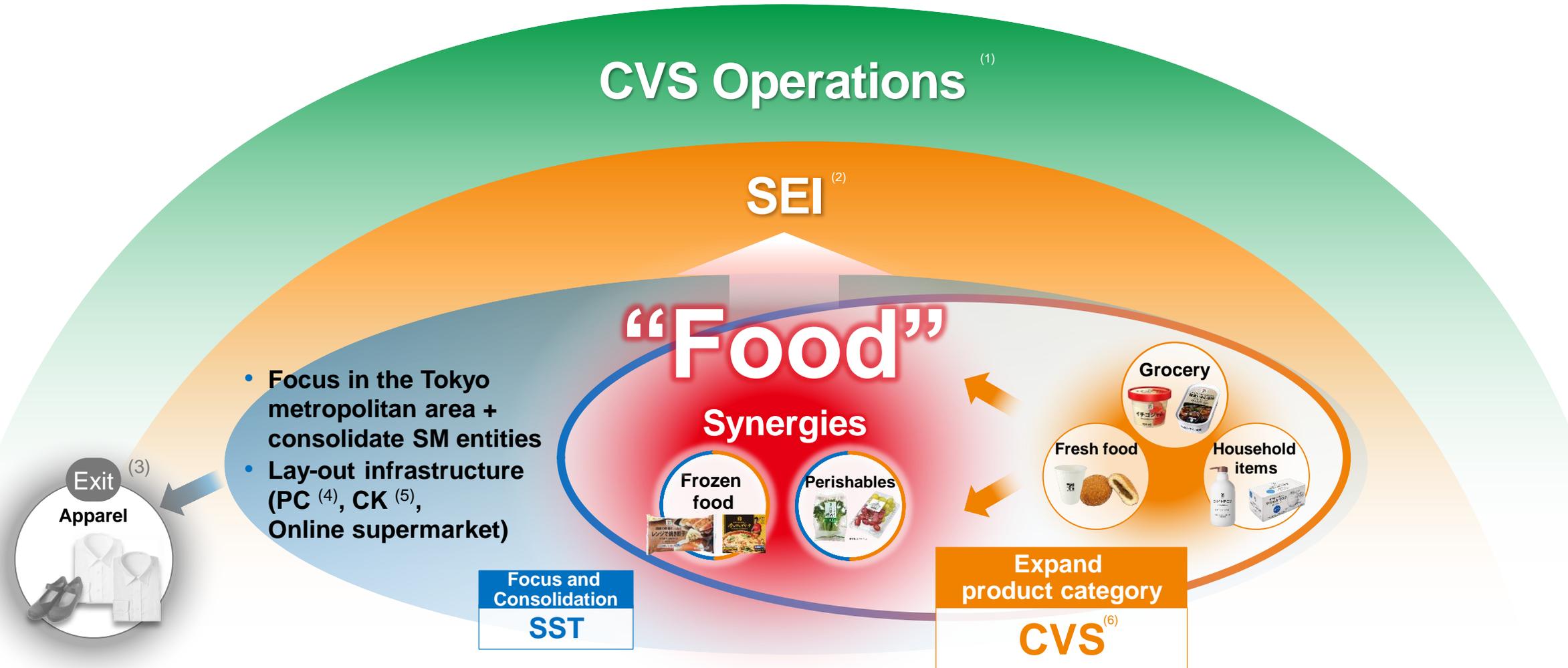
Establishment of the Strategy Committee

- ❑ **Establish the Strategy Committee composed solely of independent outside directors.** Monitor the progress of the Group's strategic priorities (CVS growth strategy, SST⁽²⁾ transformation, etc.) and **continue to objectively and comprehensively review the optimal group structure and strategic alternatives (IPO, spin-off, etc.)**
- ❑ The Strategy Committee will provide advice to the Board of Directors on strategies to increase the Group's medium- to long-term corporate value

(1) Cumulative total return to shareholders from fiscal year 2022 to 2025

(2) SST: Superstore business

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



Strength in "Food" is the Key Source of Competitive Advantage for the Group's CVS Business

(1) Mainly operated by 7-Eleven International LLC ("7IN")
 (2) Mainly operated by 7-Eleven, Inc. ("SEI")

(3) Exit from Self-operated apparel business
 (4) PC: Process Center

(5) CK: Central Kitchen
 (6) Operated by Seven-Eleven Japan Co., Ltd. ("SEJ")

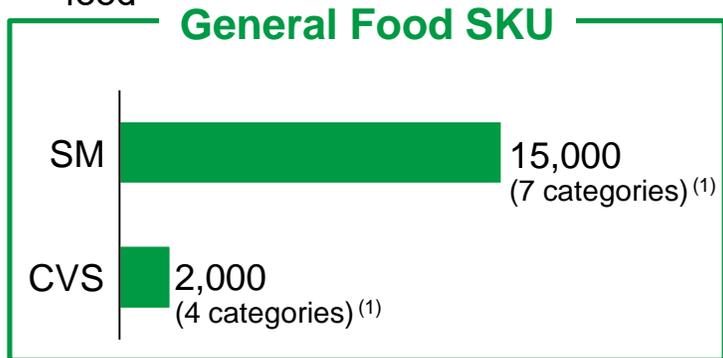
Impact of Our Competitive Advantage in "Food"

- Consolidation of the Group's resources generates our strength in "food", and supports the competitiveness of SEJ

Strength in "food" from SST

- Overwhelming **number of products and SKU**
- Procurement and supplier network**
- Large-scale sales floor to test products**
- Customer understanding and innovative development capability** in "food"

Chain in Strength



Seven Premium development

- Combine the Group's strength for development
- c.70% of personnel from SST**
- Over 1.7x more PB food items** ⁽²⁾ compared to competitors

Number of PB Food Items ⁽³⁾

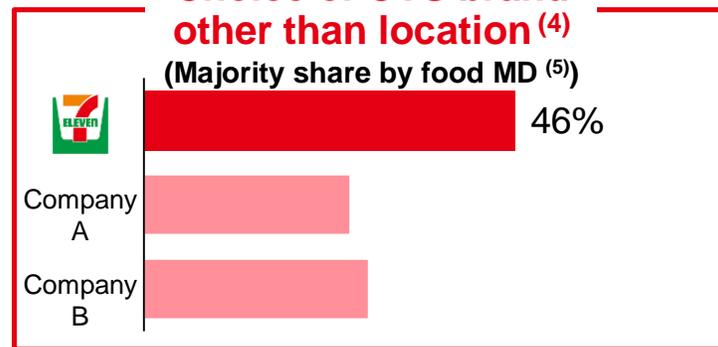


SEJ's strong customer support

- Removing geographical reasons, **close to half (46%) of consumers actively choose 7-Eleven**
- 2/3 of customers choosing SEJ provide "variety and quality of food" as a reason**

Choice of CVS brand other than location ⁽⁴⁾

(Majority share by food MD ⁽⁵⁾)



Business segment



Strength in "Food" is the Key to Growth Not Only for SEJ but for our CVS operations

(1) SM: Fruit&veggies, meat, fish, dairy, bakery, processed/ prepared food
CVS: Fruit, appetizers, processed food, prepared food

(2) PB: Private Brand
(3) Based on the research in June, 2022

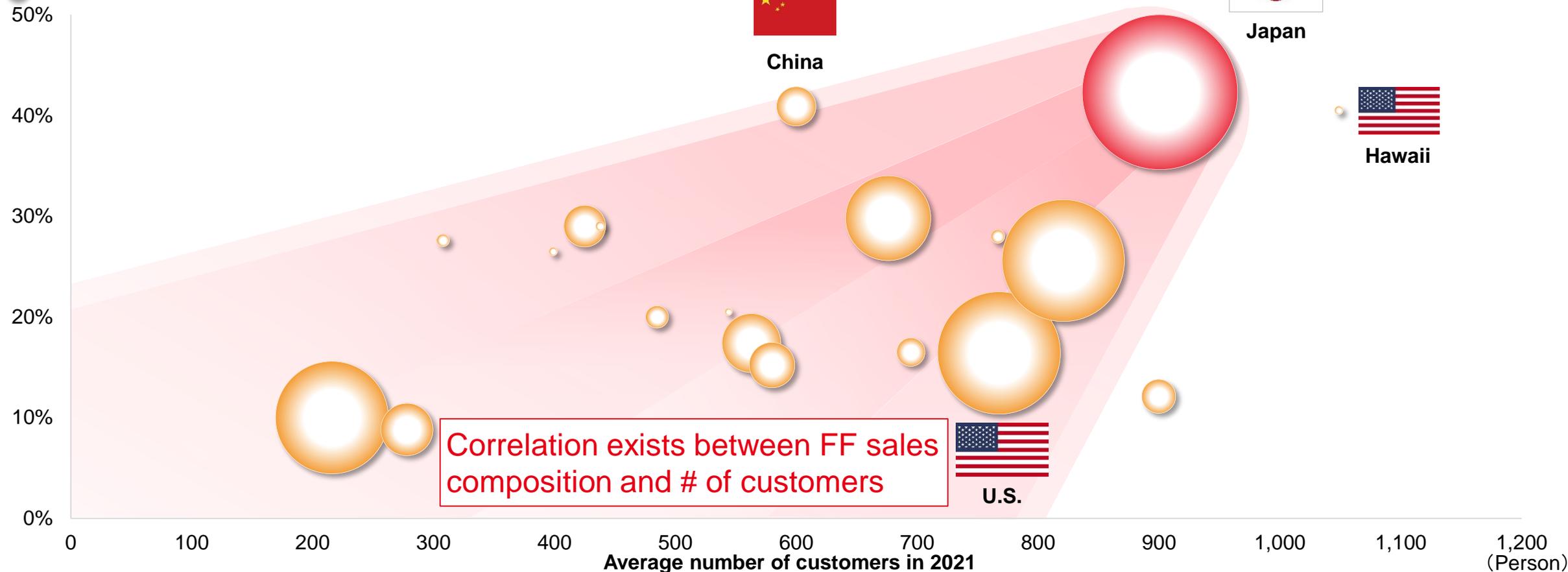
(4) Based on the research in September, 2022
(5) MD: Merchandizing

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

- Globally expand SEJ's strength in "food"

FF⁽¹⁾ Sales Composition 2021 (%)

○ Size of bubble = # of stores



Globally Expand the Business Scale Leveraging the Strength in Fresh Food

(1) Fast food and Daily food

Overseas CVS Business (SEI) Strategy for Growth

1 Grow Proprietary Products

- Expand the development and distribution of its proprietary products (fresh foods, proprietary beverages, and private brands) to 34% of sales by 2025
- At the same time, growing merchandise margins and continuing to strengthen the value chain



2 Accelerate Digital & Delivery

- Deliver a value proposition centered on value-oriented quality food and immediate consumables delivered fast (national average 28 minute) through 7NOW delivery
- Further accelerate 7NOW growth to achieve \$1 Billion sales in 2025
- Grow Retail Media Network



3 Generate Synergies From SEI and Speedway Integration

- Complete Speedway Integration
- Realize \$800M synergies in 2023



4 Grow the Business Through Both M&A and Organic New Build Stores

- Continuing to grow in the fragmented US Market through both M&A opportunities and organic new build stores

Focus on 4 key strategies for growth to generate continued growth and efficiencies

1 Enhance Value Chain to Grow Proprietary Products in SEI

Modernize Fresh Food Infrastructure

Timeline



- Advanced product development knowledge
- Elevated manufacturing know-how
- Increase production capability

	# of Store	Current status	2022				2023				2024				2025			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Virginia Commissary	c.1,200	Construction	→				★ 2023 Q3 1 st day of Operations											
Ohio Commissary	c.1,300	Site Selection	Planning →								★ 2024 Q4							
Texas Expansion	c.750	Space Pending					Planning →				★ 2024 Q2							
Los Angeles Expansion	c.1,200	NDF Partner Under Consideration									Planning →				★ 2025 Q3			

c. 4,600 stores (~35% of total stores)

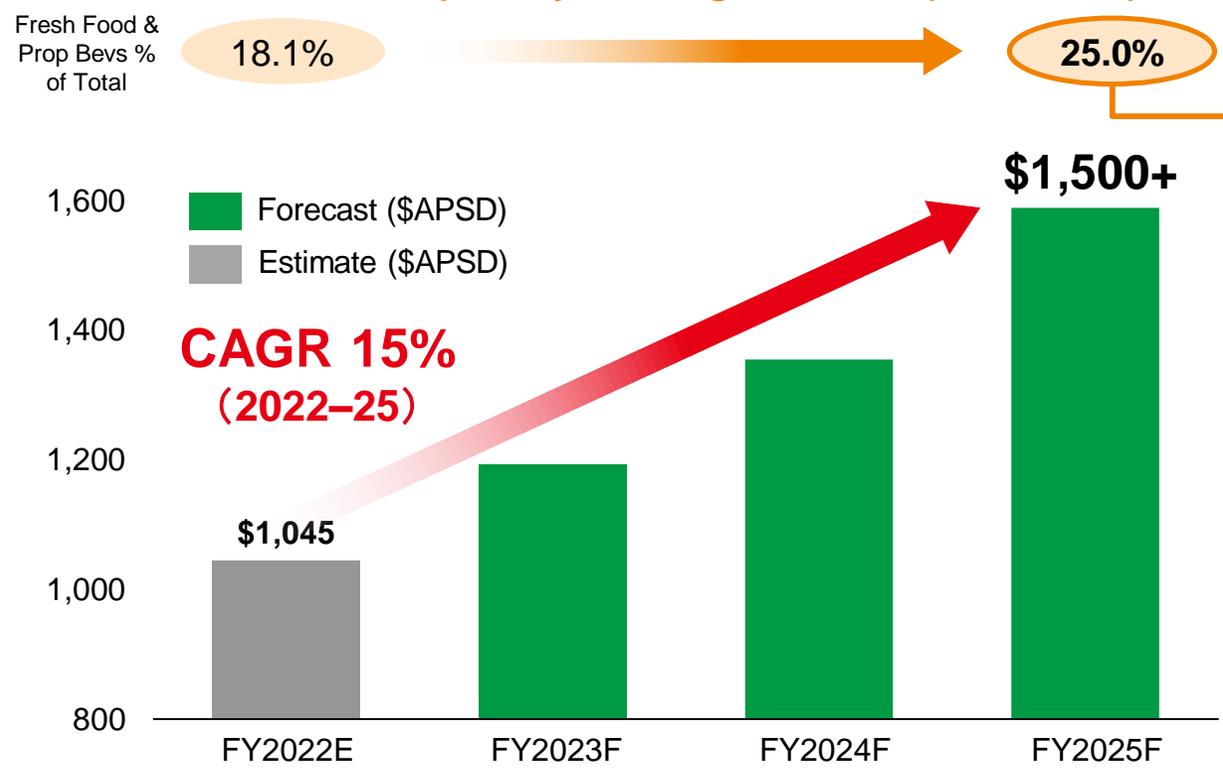
Increase production capability in North America and enhance “Food” Value Chain

1 Enhance Value Chain to Grow Proprietary Products in SEI (Cont.)

- Mix of proprietary products (fresh food, proprietary beverages & private brands) to ~34% by 2025
- Growth of high margin proprietary products to increase merchandise margin 100bps by 2025

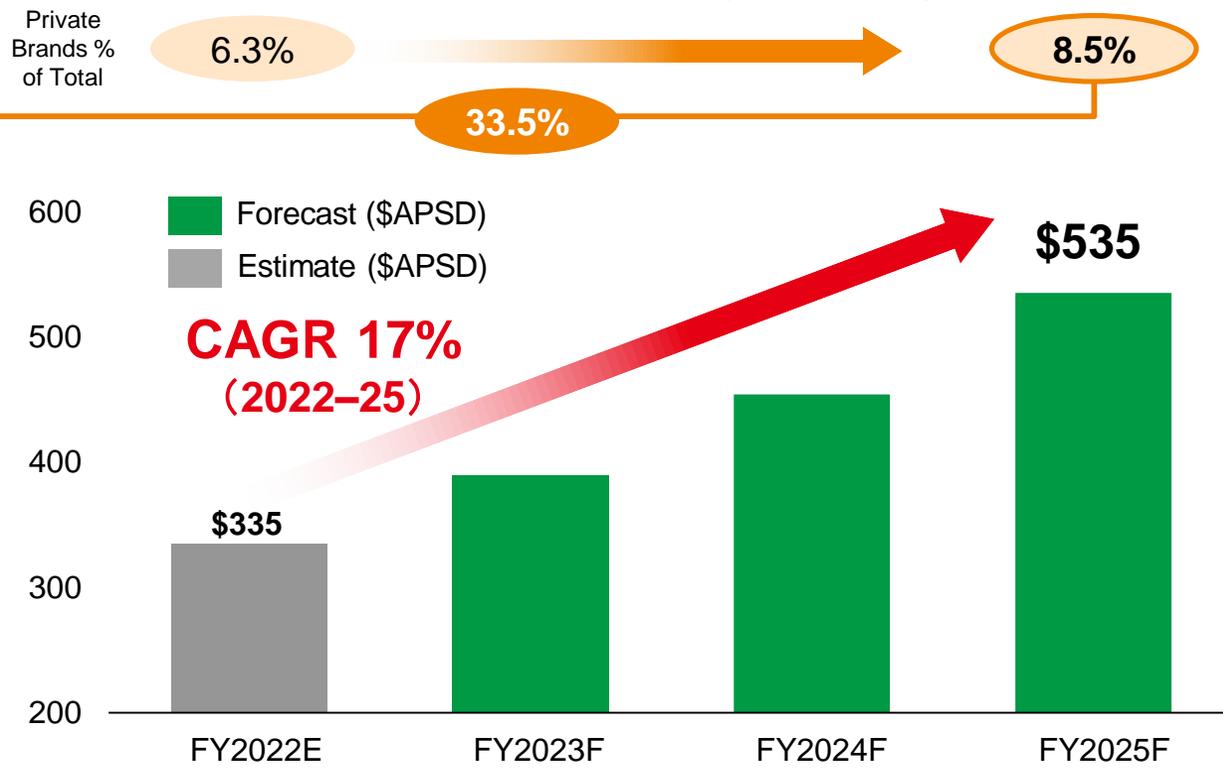
Contribution of Fresh Food & Proprietary Beverages

Fresh Food & Proprietary Beverages Growth (SS APSD \$)



Contribution of Private Brands

Private Brand Sales (SS APSD \$)



Growing Mix of High-Margin Proprietary Products to ~34% by 2025

2 Accelerate Digital & Delivery in SEI

7NOW Value Proposition

Delivery from 7-Eleven Meets Customer Needs



Delivered fast



Marketplace Partnerships

Within 2 miles of a store

>50% US Population

~28 min

National avg. (YTD)



10+

Growth Plan

- Doubling Down on **Gold Pass Subscription**
- Install **Delivery in Speedway Stores**
- Accelerate **Last Mile Service**



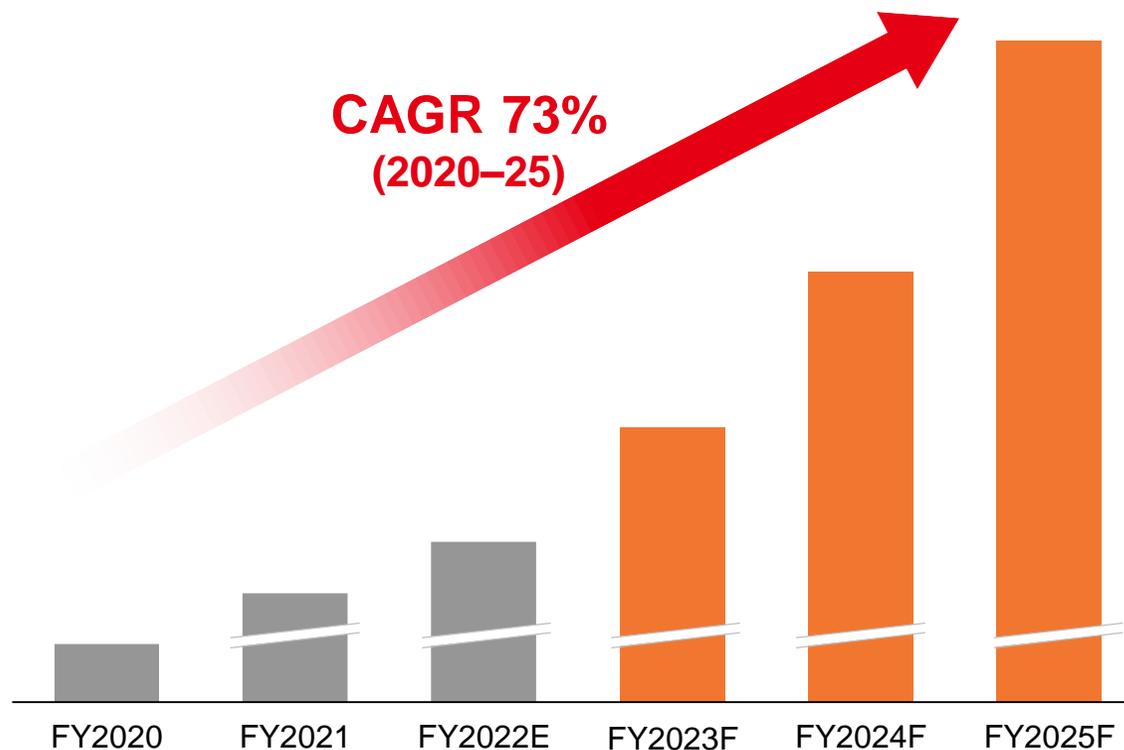
Annual Delivery Sales



Goal to reach \$1B in Sales in 2025

\$1B+

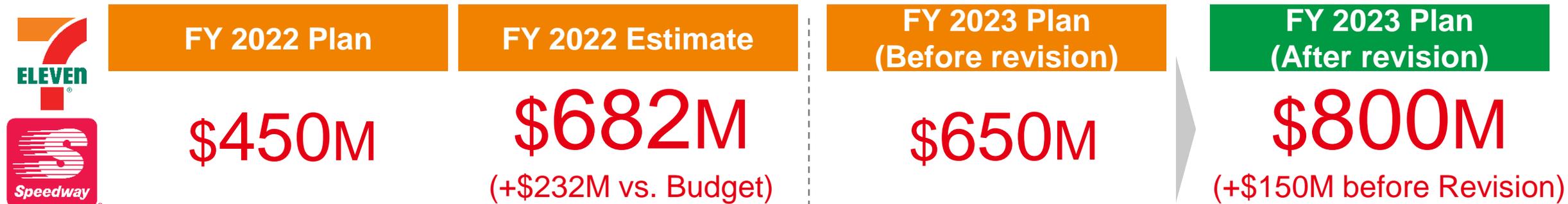
CAGR 73% (2020-25)



SEI Delivery Business Expanding to Reach \$1 Billion Sales in 2025

3 Generate Synergy from SEI and Speedway Integration

- Synergy results are exceeding targets and 2023 Plan has been revised upward significantly



Milestones completed in 2022



Merchandise

1 Optimized Assortment with Vault and Center of Store Resets



Scale / Cost Leadership

2 Leveraged Scale through National Contracts

3 Completed Organizational Right-Sizing

4 Transitioned In-House Maintenance to more than 3,600 7-Eleven Stores



Fuel Logistics

5 Expanded Speedway Fuel Transportation Coverage to 390 7-Eleven Stores



Digital (Growth) Synergies

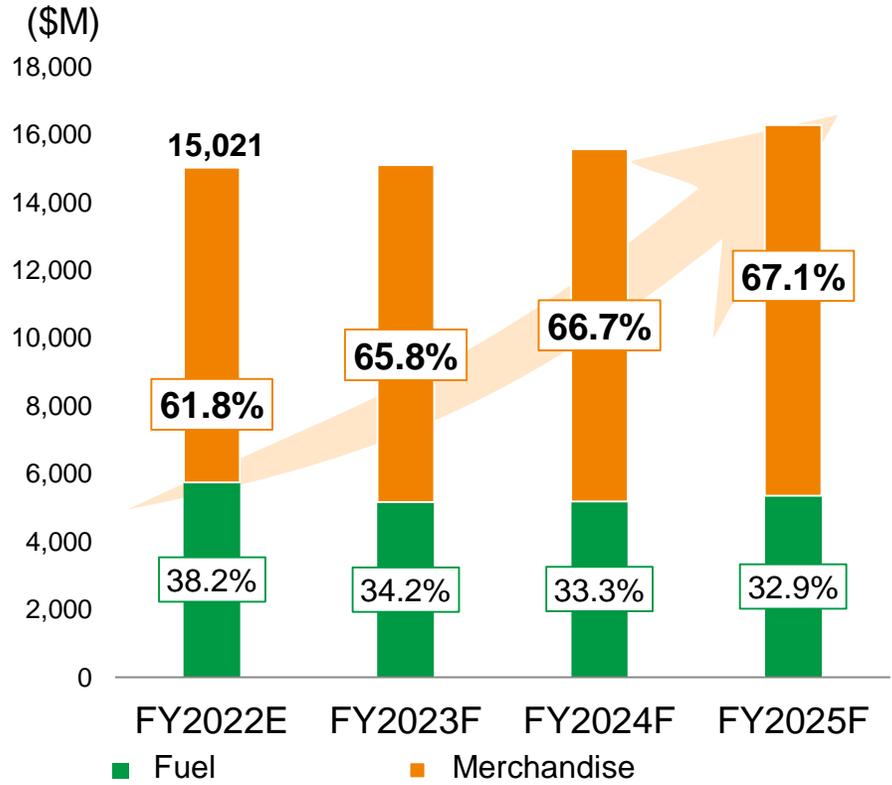
6 Launched Delivery in >1,200 Stores

Speedway Integration Synergies Drive SEI's Income Growth

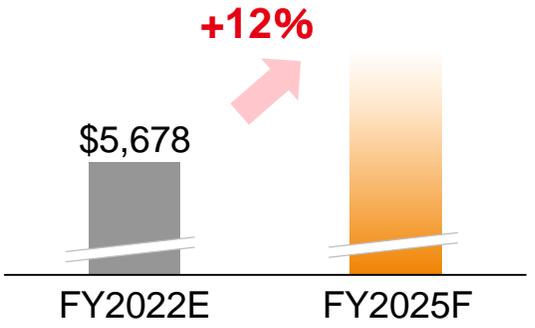
SEI Financial Target

- Growing sales Mix of the “Food Business” to generate growth and efficiencies
- Improve merchandise margin as well as ROIC of SEI

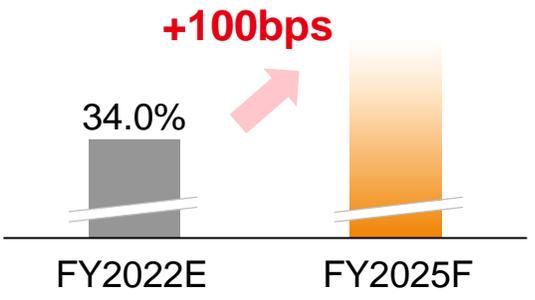
Trend of Gross Profit and Mix



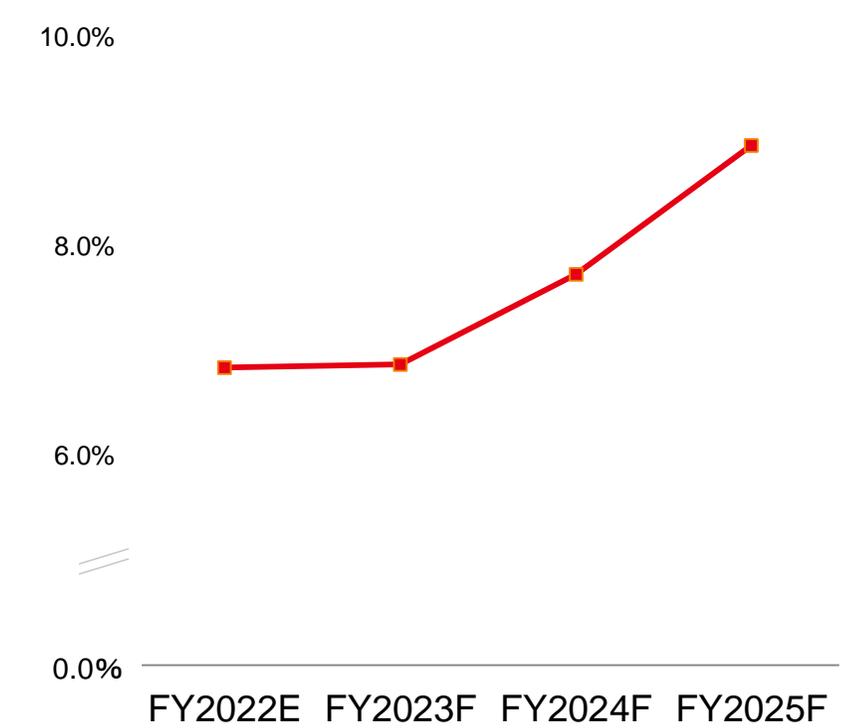
Merch Sales (APSD)



Total Merch Margin



Trend of ROIC



Improve ROIC of SEI by growing Proprietary Products (Fresh Food, Proprietary Beverages and Private Brands)

Growth Strategy of Global CVS (7IN)

1 Support the Stores in Existing Countries

- Maximize licensee growth potential through business transformation
- Enhance the 7-Eleven global brand to increase licensee and 7IN profitability

2 Strategic Investments in licensees

- Pursue accelerated profit growth through strategic investments and business involvement with licensees
- ✓ Decided to invest in the Vietnam business

3 Expansion of Stores to Countries with White Space

- Accelerate expansion to white space with strategic priorities in EU, MENA⁽¹⁾, South Americas, etc.
- Expand countries with operation and stores of 7-Eleven to improve growth and profitability of 7IN



INTERNATIONAL

**7-Eleven
International LLC
(Since 2022)**

7IN to Lead the Accelerated Growth of Global CVS Outside of Japan and North America

(1) Middle East & North Africa

7IN's Growth Potential in Existing and New Countries

- High growth potential for 7-Eleven both in existing and new countries

7-Eleven Operation Status and Growth Areas

North America

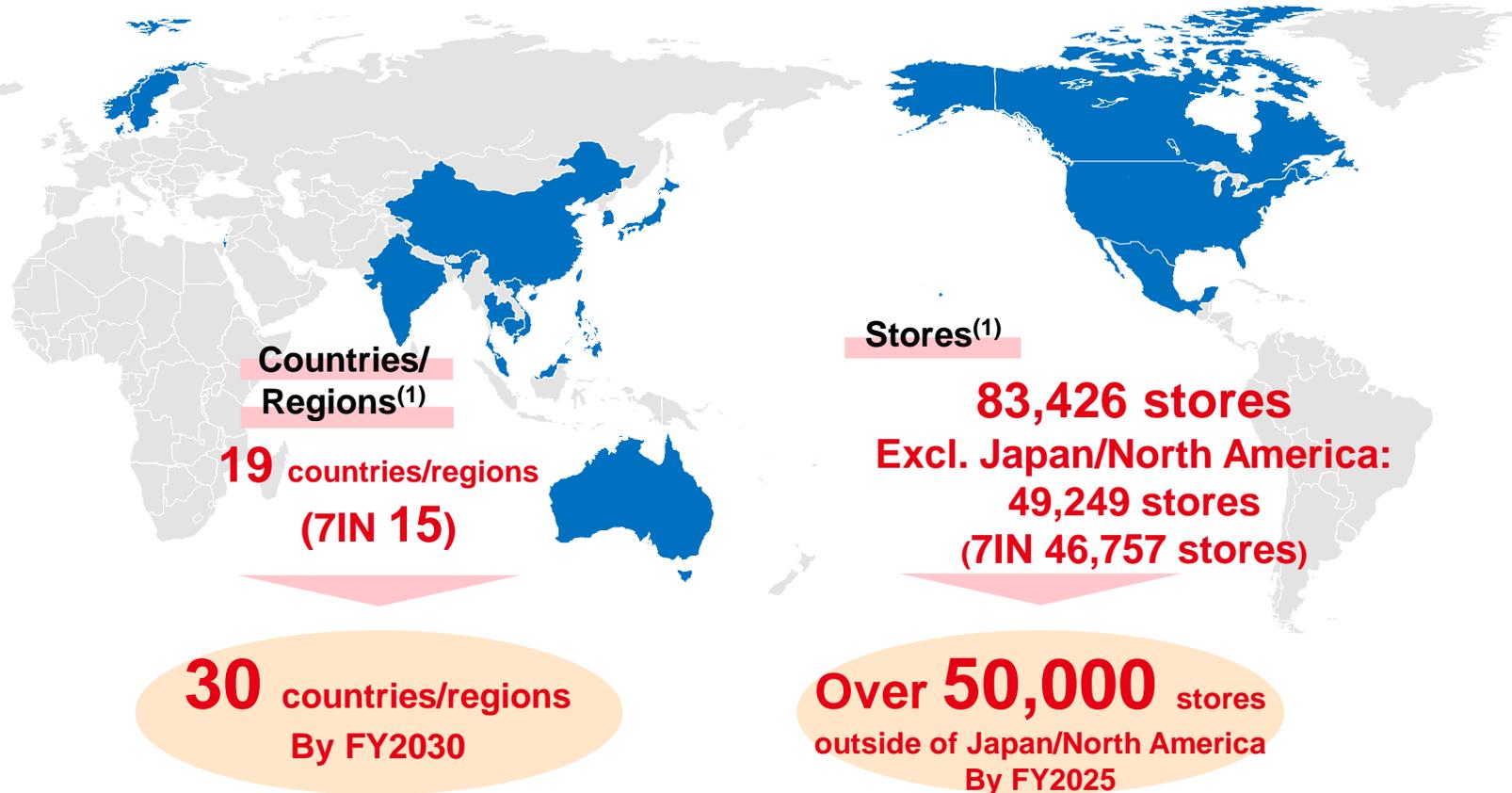
U.S.	12,854
Mexico	1,886
Canada	606

Europe / Middle East

Denmark	176
Norway	134
Sweden	81
Israel	1

Asia-Pacific

Japan	21,323
South Korea	14,179
Thailand	13,838
Taiwan	6,683
China	4,450
Philippines	3,400
Malaysia	2,472
Australia	738
Singapore	460
Vietnam	79
Cambodia	44
India	22



Additional investment in Vietnam



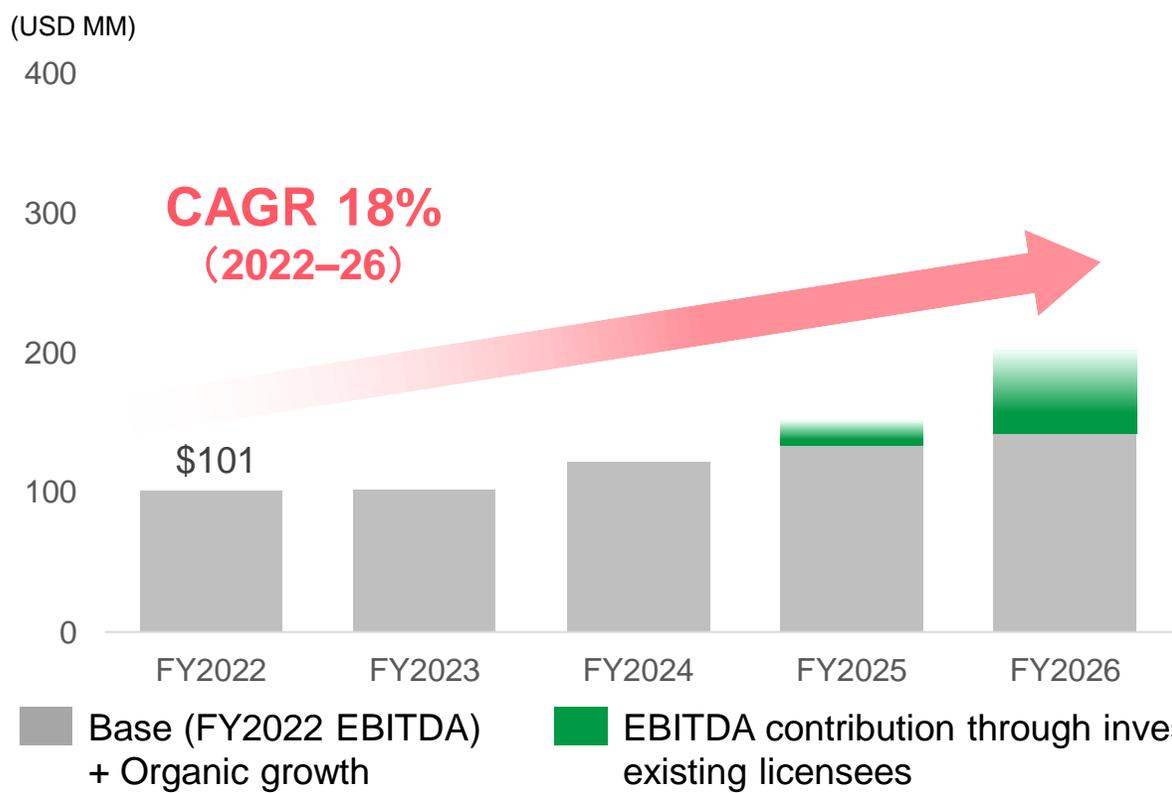
**7IN to Pursue Growth Globally (excl. Japan/U.S.)
(Decided to invest additionally in Vietnam business)**

(1) As of January 31, 2023

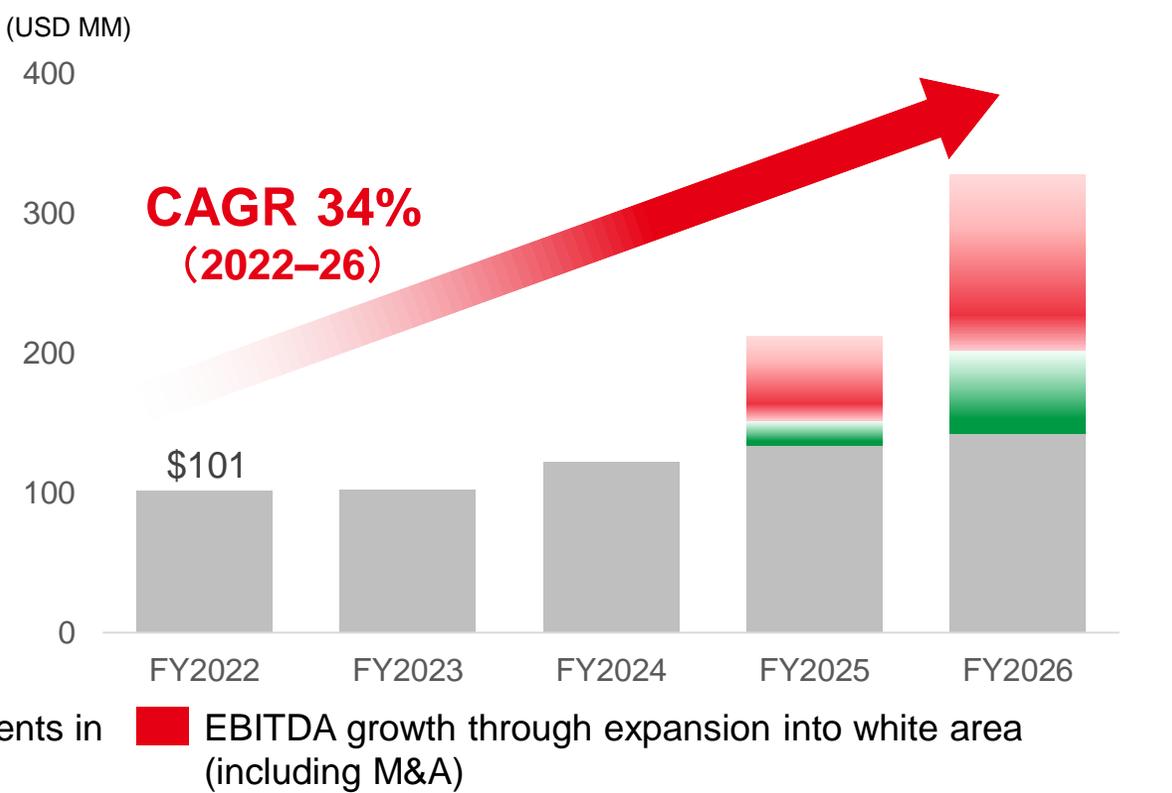
EBITDA Growth Plan of 7IN

- Proactively consider organic growth through investments in existing countries as well as M&A

7IN EBITDA: Base Case



7IN EBITDA: Proactive Investment Case



Aim for Accelerated Growth Through Strategic Investments

(1) Including equity method profit

Growth Strategy of Domestic CVS (SEJ)

1 Existing Business: Strengthen “food”

- Continue to strengthen “food” led by *Seven Premium*
- Strengthen the competitive advantage as a basis to expand in the new businesses



2 Existing Business ~ New Challenge: Expand New Concept Stores

- Develop new store formats which adapt to the changing society
- Leverage the know-hows of SST across the Group



3 New Business: Utilize 7NOW Deliver and Retail Media

- Strengthen new businesses based on in-store products / services
- Further strengthen business competitiveness and accelerate profit growth

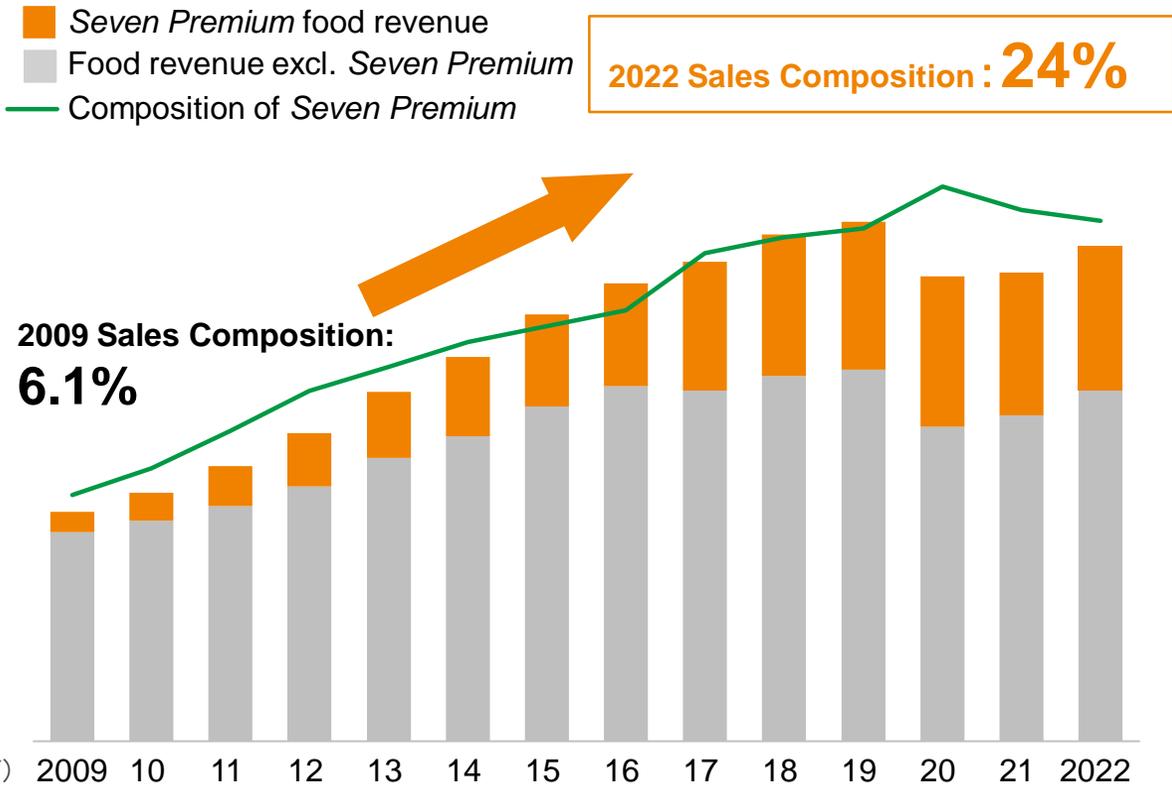


Expand New Businesses Leveraging the Strength in “Food” from SEJ

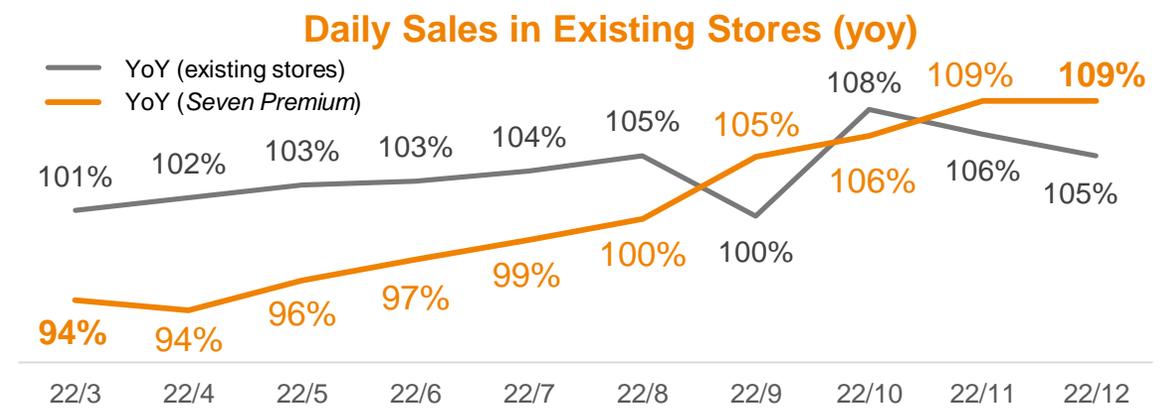
1 Existing Business: "Food" Strength Centered Around *Seven Premium*

- Strength in "food" centered around *Seven Premium* leads the growth for SEJ

Increase in Composition of *Seven Premium* in Food Area



Sales Growth of Existing Stores Under Recent Inflationary Pressure



Coverage by *Seven Premium*



Continue to Achieve Stable Growth through Improved Customer Attraction and Profitability through Strength in "Food"

2 Existing Business ~ New Challenge: Expand New Concept Stores

- Strengthen merchandise lineup by leveraging knowledge from SST and supplier

Traceable Vegetables.

Fresh produce brand by IY

Increase product variety and expand sales area



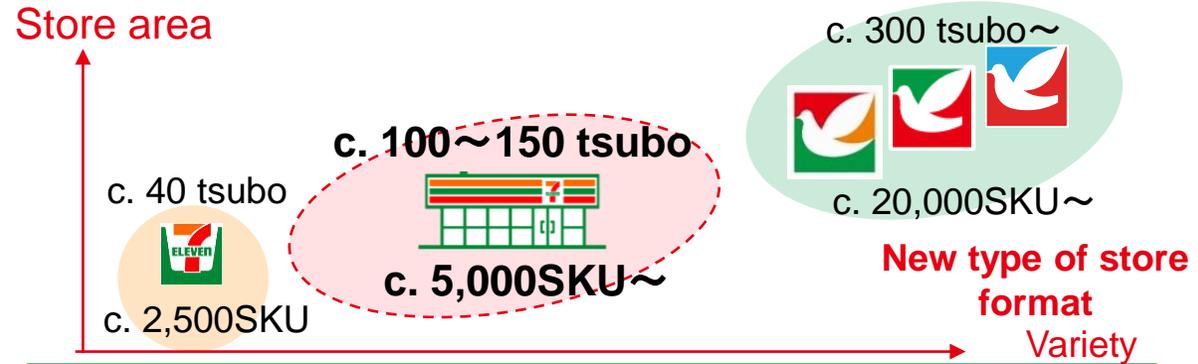
Frozen Food (EASE UP)

Frozen food brand by IY

Leverage product variety in supermarkets



SIP Store Positioning (1)(2)



Seven Premium Products

Consolidate group's strength in product development

Expand product variety such as popular super products



New Brand "SEVEN THE PRICE"

Provide value products through Group coordination

Plan to expand number of items based on store specialty



New Concept Store

New type of store combining convenience stores with supermarket

"SIP Store"

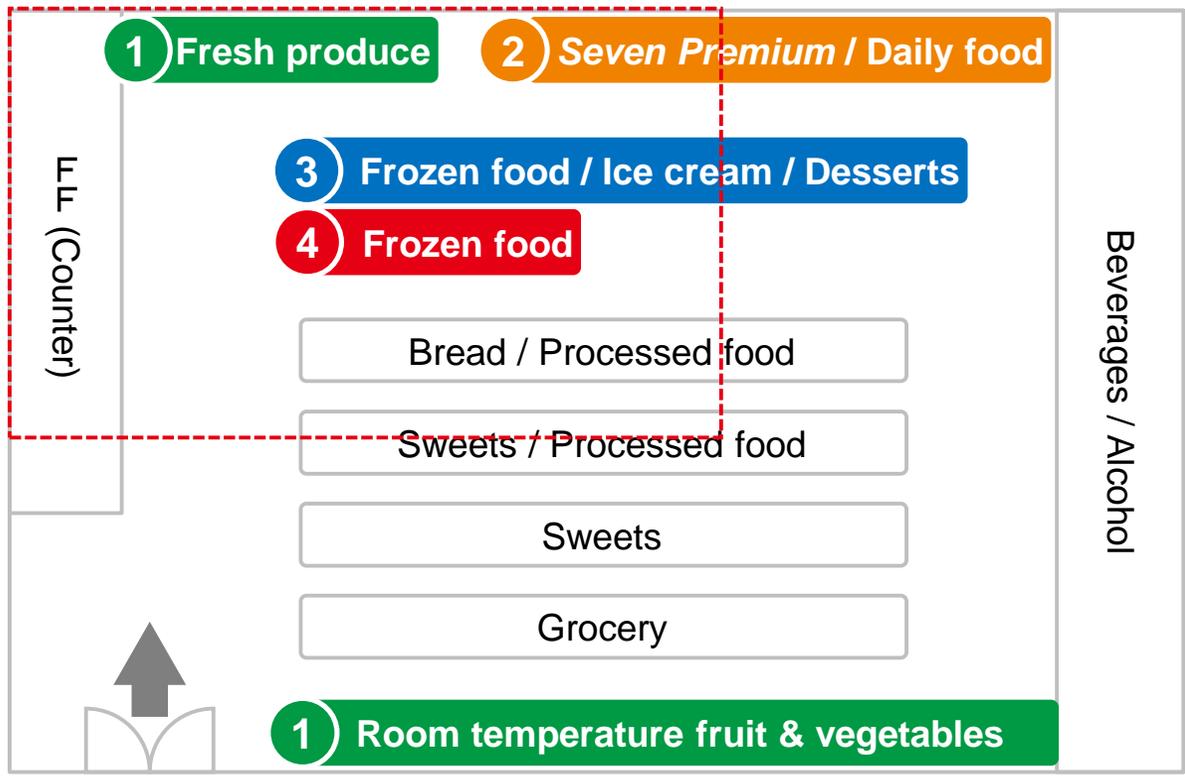
Challenge Towards a New Store Concept to Adopt to Changing Demands for "Food"

(1) SIP = SEJ·IY·Partnership
 (2) 1 tsubo ≒ 3.3 m²

2 Existing Business ~ New Challenge: Layout Example of New Concept Stores

- Expand store area from current SEJ: c.40 tsubo → SIP: 100~150 tsubo

An Example of Layout



Already covered by SEJ

Increase Store Area and Product Variety

1 Fresh produce area
Expand fresh produce
Proprietary produce developed by SST

2 Seven Premium area
Expand Seven Premium / SEVEN THE PRICE

3 Frozen food area
Increase variety of frozen food

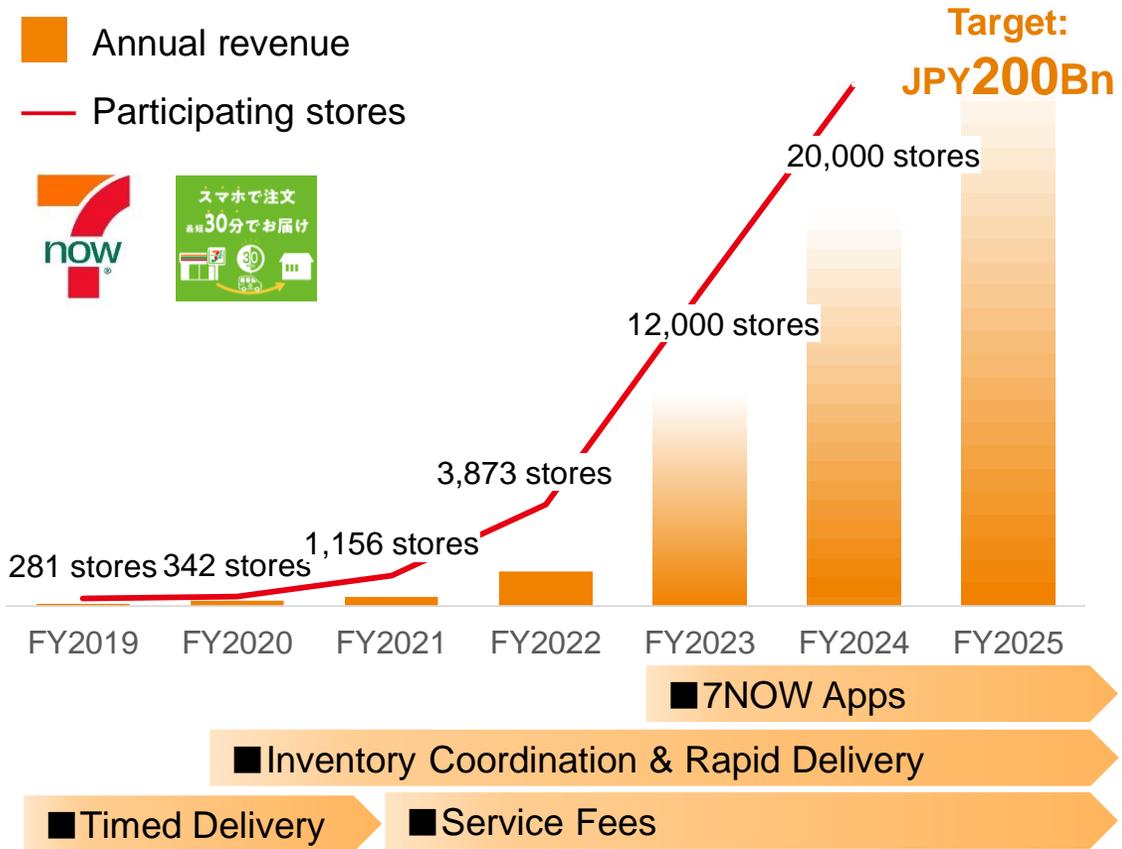
4 Develop new infrastructure
Develop new frozen case

Increase Product Variety through New Products, New Infrastructure, and New layouts

3 New Business: 7NOW Delivery & Retail Media

- Strengthen new businesses by leveraging strength of stores especially in “food”

7NOW Delivery Expansion by SEJ

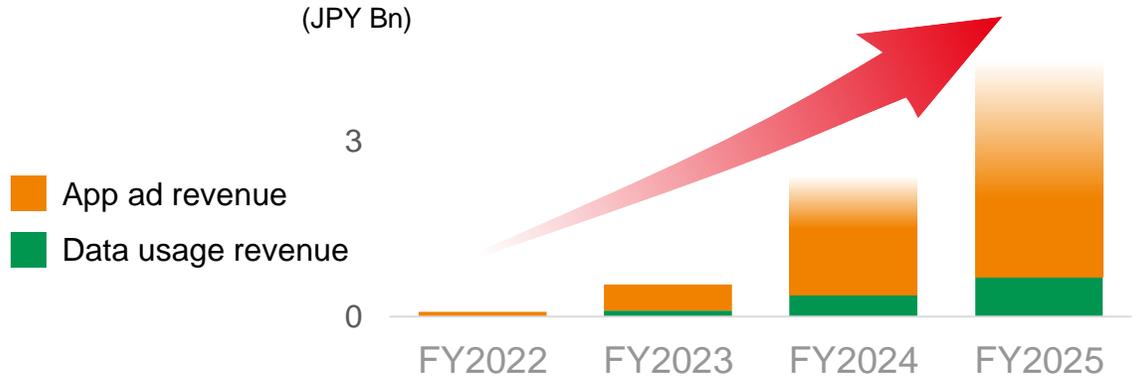


Enter the Advertisement Business



- App Advertisement Revenue**
Display advertisement in the 7 App
Show brand advertisements
- Data Usage Revenue**
Share user purchase data for external media advertisement

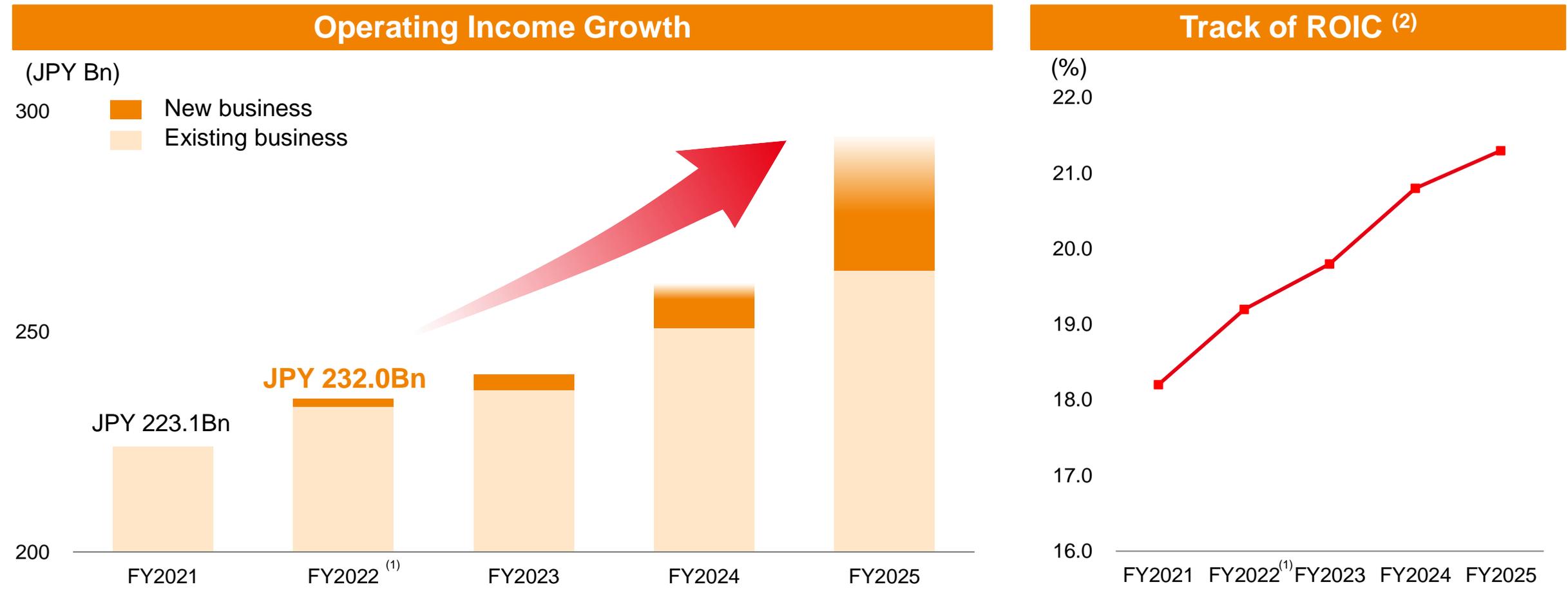
Retail Media Revenue Trend



Further Strengthen Competitiveness and Profit Growth Through New Business Expansion

Profit Growth Plan for Domestic CVS (SEJ)

- Implement growth strategies in existing and new businesses, while improving ROIC



Expand Business Scale While Maintaining Capital Efficiency

(1) Estimates at the 3Q announcement

(2) ROIC of Domestic CVS operation

Business Structure Transformation / Growth Strategies of IY

- IY will execute most of the structural reforms by FY2022, and will focus on re-growth strategy going forward

		~FY2020	FY2021	FY2022	Result
Structural Transformation	Store Policies	182 stores →132 stores	Close 4 stores	Close 2 stores	✓ Has closed 33 stores 16 stores: closed, 17 stores: decided to be closed
	Personnel Policies	c.(1,000) persons	c.(400) persons	c.(300) persons	✓ Optimized c. 1,700 personnel
	Productivity Reform	Productivity improvement initiatives such as AI orders and IT utilization		Operation fully in progress	✓ Productivity reform through IT utilization in progress

In addition to delivering the results of the structural reforms above for IY by 2022, SST business will pursue re-growth through further structural changes through the drastic transformation initiatives below



To Deliver the Results of Structural Reforms and Execute Transformation Initiatives for Re-Growth

(1) Self-operated apparel business

The entire picture of SST transformation: 5 key elements of the program

- Drastically transform business and profitability of the SST business within 3 years

- # Further structural changes
- # Growth strategy
- # Infrastructure for transformation

1 Exit from the apparel business⁽¹⁾

- ✓ Focus on “food” as the center of our Group strategy

Food Synergy

2 Accelerate focus on Tokyo metropolitan area with additional store closures

- ✓ Accelerates focus on Tokyo metropolitan area
- ✓ Strategically close stores with low profitability or strategic fit even in Tokyo metropolitan area

3 Consolidate SST operations in Tokyo metropolitan area

- ✓ Consolidate SST operations in Tokyo metropolitan area to maximize synergies and operation efficiency

4 Establish Group’s strategic infrastructures

- ✓ Realize a profit structure that can achieve further profit growth utilizing strategic infrastructures: PC/CK⁽²⁾ and online supermarket center

5 Ensure complete execution and monitoring with visibility

- ✓ Ensure complete execution of initiatives and process management by retaining external advisors
- ✓ Monitoring by Board of Directors and Strategy Committee and progress update to shareholders with visibility

Achieve an EBITDA of JPY 55Bn and over 4% of ROIC for Tokyo metropolitan area SST⁽³⁾ by FY2025

(1) Self-operated apparel business

(2) PC: Processing Center, CK: Central Kitchen

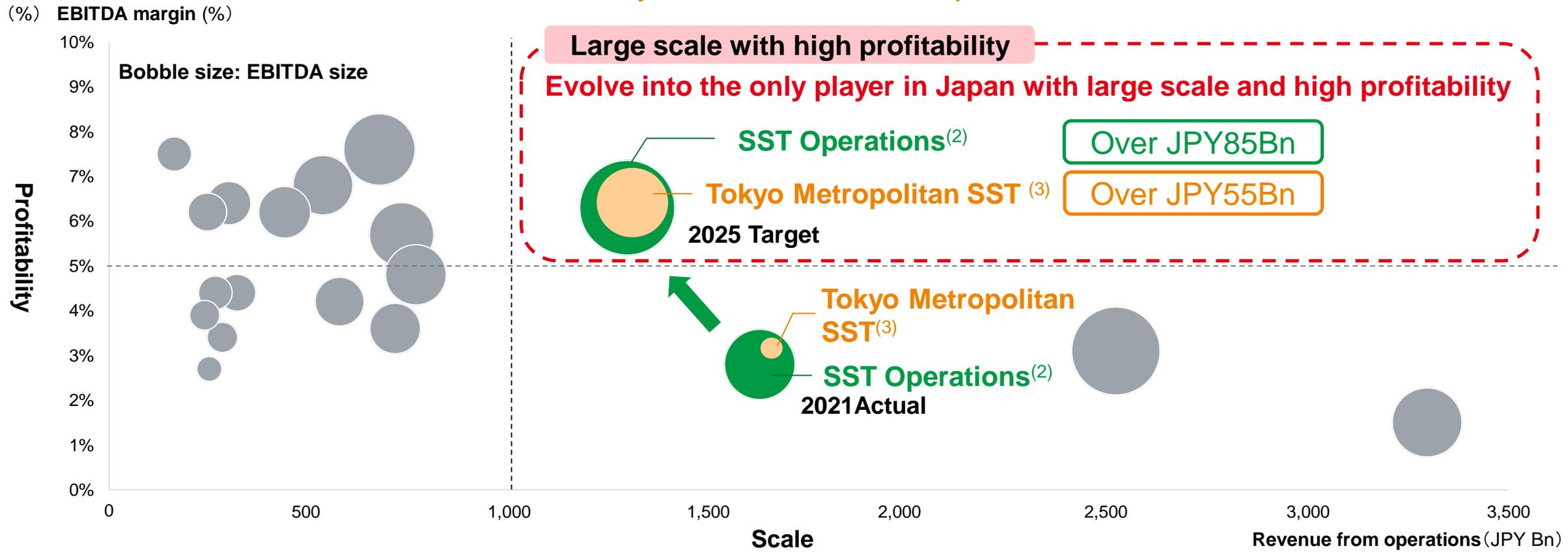
(3) Ito-Yokado (IY), York (YO), Shell Garden (SG)

Impact by SST transformation

- Pursue to become the only player in Japan in terms of scale and profitability by consolidating SST operations in Tokyo metropolitan area and SST's business structure reforms

Uplift of profitability of the entire SST segment⁽¹⁾

Profitability of domestic SM/GMS competitors

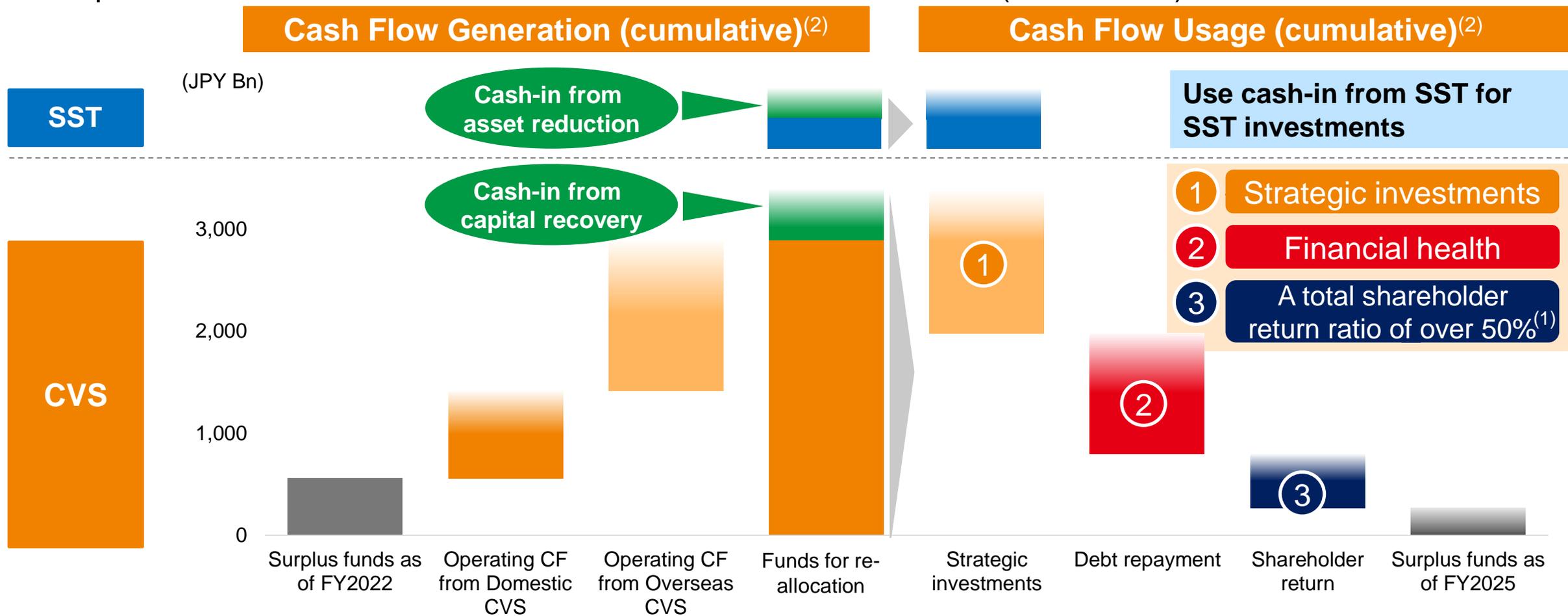


(1) For companies with multiple segments, each segment is shown as 1 bobble
 (2) SST: IY, YO, SG, YB(York Benimaru)

(3) Tokyo Metropolitan SST: IY, YO, SG

Capital Re-allocation Plan

- Increase operating cash flow and focus strategic investments in the growth driver CVS operations while improving shareholder return and keeping financial health. Shareholder return is also a key priority, as we plan to achieve a total shareholder return ratio of over 50% (cumulative)



(1) Cumulative total return to shareholders from fiscal year 2023 to 2025

(2) Total figures of fiscal year 2023 to 2025

Establish the Strategy Committee

- Establish the Strategy Committee composed solely of independent outside directors to monitor the progress of the Group's important strategies and continue to objectively and comprehensively review the optimal group portfolio structure and strategic alternatives

I Background and Purpose

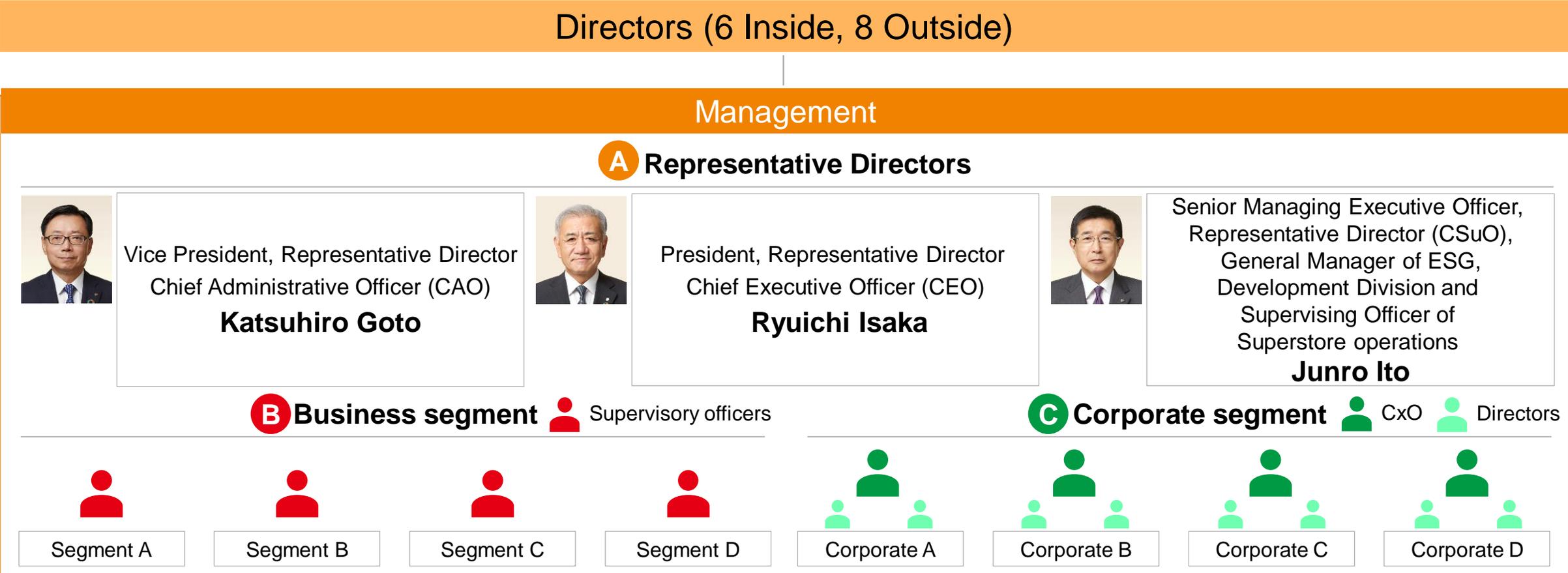
- Monitor progress** of Group's important strategies (CVS growth, SST transformation, etc.)
- Continue to objectively and comprehensively review the optimal group portfolio structure and strategic alternatives (IPO, spin-off, etc.) and provide advice to Board of Directors**

II Composition of the Strategy Committee (Independent Outside Directors)

 <p>Director Stephen Hayes Dacus</p>	 <p>Director Kunio Ito</p>	 <p>Director Toshiro Yonemura</p>	 <p>Director Yoshiyuki Izawa</p>
 <p>Director Jenifer Simms Rogers</p>	 <p>Director Paul Yonamine</p>	 <p>Director Elizabeth Miin Meyerdirk</p>	 <p>Director Meyumi Yamada</p>

Retain external advisors to support its objective analysis and consideration

New Group Management Structure



- A** Appoint senior executive officers with representation rights to strengthen the executive system through a stronger and stable group management system
- B** Assign supervisory officers to each business segment to deepen and speed up strategic decision-making for each business area
- C** Introduce the CXO system in the Corporate Department, and assigns multiple officers in charge of overall management and specialized fields

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.