



Seven & i Holdings Co., Ltd.

# FY2022 Financial Results Presentation

April, 6, 2023

**Fiscal years are indicated by the year in which that fiscal year begins, starting from the first quarter of the fiscal year ended February 28, 2023.**

	<b>FY indicated by</b>	<b>Domestic Mar. 1, 2022~Feb. 28, 2023</b>	<b>Overseas Jan. 1, 2022~Dec. 31, 2022</b>
<b>【Before】</b>	<b>the end of the FY</b>	<b>FY2023</b>	<b>FY2022</b>
<b>【After】</b>	<b>the beginning of the FY</b>	<b>FY2022</b>	<b>FY2022</b>

# Newly Constituted Board is Taking Significant Actions to Enhance Governance and Accelerate Growth

## Seven & i Holdings has continuously engaged with shareholders in constructive discussions

- Engaged in serious discussions to achieve “sustainable growth and mid- to long-term corporate value enhancement of the Group”

## Our strategic focus has been to transform ourselves into a global retail group through CVS business’ growth strategy; accelerating strategic investment in CVS business and business portfolio optimization

- Executed growth investments in CVS business including; acquisition of Speedway (announced in 2021) and Sunoco (2018), as well as strategic investment in our Vietnam business (2023)
- Track-record of business portfolio optimization including; Completing divestiture of OSHMAN’S JAPAN (2022) and Francfranc (2021), and announcing of divestiture of Sogo & Seibu (2022)
- In addition, further initiatives include; re-organization of financial services, and divestiture of Barneys Japan today

## Seven & i Holdings board transformed its governance structure since last year, implemented “Group Strategy Reevaluation”; Board Unanimously supports strategy and establishment of the Strategy Committee announced on March 9, 2023

- Appointed six new outside directors at the annual general meeting in last year, making the majority of the outside directors with rich experiences
- Focus on sustainable long-term growth strategy of CVS businesses and transform superstore business to achieve our objectives as a global retail group with “food” at its core
  - Strength in “food” is the key source of competitive advantage for the group’s CVS business
- The Board will continue to review optimal group structure and strategic alternatives (IPO, spin-off, etc.) comprehensively and objectively through the Strategy Committee process
- Planning to further enforce board transformation to accelerate global growth strategy at 2023 annual general meeting

## Deliver steady financial performance on an annual basis and mid-to long-term group competitiveness / growth strategy

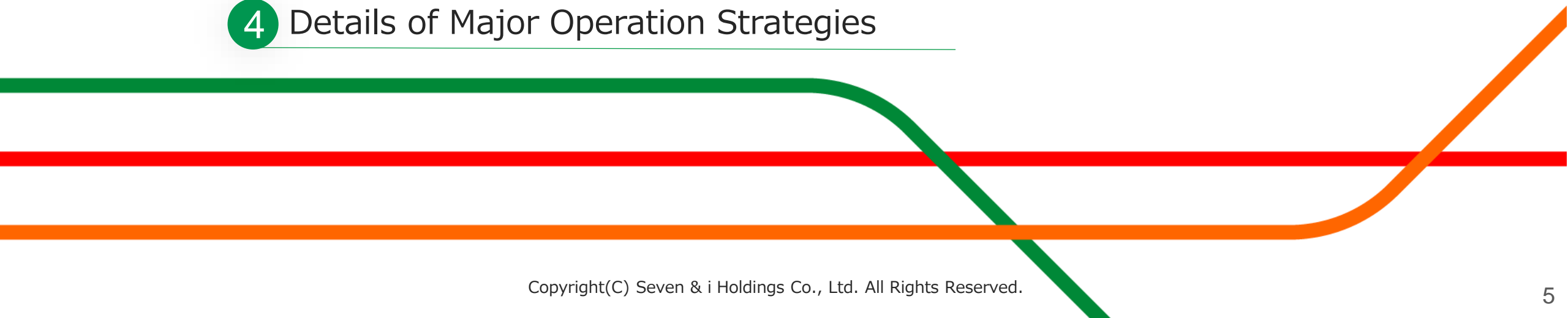
# A Message from the Outside Directors of 7&i HD

- Since Seven & i Holdings renewed and upgraded its board composition in May 2022, our majority outside directors have actively and openly discussed our group strategy to serve the best interests of our shareholders
- The Group Strategy Reevaluation initiated by our Board in late 2022 was a holistic effort to accelerate our group growth strategy
- Our announcement on March 9th, 2023, including the establishment of the Strategy Committee, is the outcome of intense discussion among the Board, and has unanimous support among our all board members
- Seven & i Holdings Board is committed to maximizing long-term corporate value
- The Board will continue to review optimal group structure and strategic alternatives (IPO, spin-off, etc.) comprehensively and objectively through the Strategy Committee process
- The Seven & i Holdings outside directors are entirely focused on serving our shareholders and all our stakeholders to create value and continuously ensure corporate governance best practices

Seven & i Holdings Outside Directors

- ✓ Revenues from operations and income at each level in FY2022 consolidated results achieved record highs
- ✓ FY2023 is positioned as the year of making strategic upfront expenditures, in order to achieve the goals of the Medium-Term Management Plan and solidify subsequent growth
- ✓ Integrated retail and finance strategies centered on 7iD
- ✓ Review business portfolio and expand shareholder return

# TODAY'S AGENDA

- 1 FY2022 Results
  - 2 FY2023 Forecasts
  - 3 Management Strategies
  - 4 Details of Major Operation Strategies
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# TODAY'S AGENDA

1 FY2022 Results

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2 FY2023 Forecasts

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3 Management Strategies

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4 Details of Major Operation Strategies

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# FY2022 Consolidated Results Highlight

(Billions of yen, %)

	FY2021	FY2022	YOY	Change	vs. Initial plan	Change from initial plan
Group's total sales* <sup>1</sup>	14,243.2	17,842.6	125.3	+3,599.4	115.4	+2,374.6
Revenues from operations	8,749.7	11,811.3	135.0	+3,061.5	122.4	+2,158.3
Gross revenues from operations [reference]	-	12,496.0	142.8	+3,746.2	120.5	+2,122.0
Operating income	387.6	506.5	130.7	+118.8	117.8	+76.5
Ordinary income	358.5	475.8	132.7	+117.3	118.4	+73.8
Net income attributable to owners of parent	210.7	280.9	133.3	+70.2	117.1	+40.9
EPS (yen)	238.68	318.14	133.3	+79.45	117.1	+46.37
EPS before amortization of goodwill (yen)	319.40	445.74	139.6	+126.35	116.8	+64.03
EBITDA* <sup>2</sup>	751.4	995.3	132.4	+243.8	112.8	+113.0

\*1 Group's total sales include the sales of Seven-Eleven Japan, Seven-Eleven Okinawa and 7-Eleven, Inc. franchisees

\*2 Operating income + Depreciation and amortization + Amortization of goodwill

Notes) 1. Exchange rate : 1USD = 131.62JPY, 1CNY = 19.50JPY

2. Consolidated results for FY2022 are based on figures after applying the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc.  
Revenues from operations based on the previous accounting standard are presented as "Gross revenues from operations [reference]."



# FY2022 Revenues from Operations, Operating Income and EBITDA by Operating Segment

(Billions of yen, %)

	Revenues from operations		Operating income		EBITDA	
		YOY / Change		YOY / Change		YOY / Change
Consolidated	11,811.3	135.0 +3,061.5	506.5	130.7 +118.8	995.3	132.4 +243.8
Domestic CVS operations	890.2	102.0 +17.0	232.0	103.9 +8.6	317.5	104.4 +13.4
Overseas CVS operations	8,846.1	170.3 +3,651.8	289.7	181.2 +129.8	591.4	166.9 +237.0
Superstore operations	1,449.1	80.0 (361.5)	12.1	64.4 (6.6)	50.5	100.2 +0.10
Department and specialty store operations	463.7	65.1 (248.5)	3.4	- +11.5	17.9	264.9 +11.1
Financial services	194.2	99.9 (0.10)	37.1	98.9 (0.40)	69.7	100.1 +0.05
Others	26.0	128.0 +5.7	(0.46)	- (0.35)	0.48	63.6 (0.27)
Eliminations / corporate	(58.3)	- (2.8)	(67.4)	- (23.7)	(52.4)	- (17.6)

Note) Exchange rate : 1USD = 131.62JPY, 1CNY = 19.50JPY

# Consolidated Financial KPI

	FY2021 Results	FY2022			FY2025 Plan
		Initial plan	Results	Evaluation	
EBITDA	¥751.4 B	¥882.3 B	¥995.3 B	◎	¥1.1 T or more
Operating cash flow (excl. financial services)	¥630.8 B	¥760.5 B	¥832.8 B	◎	¥900.0 B or more
Free cash flow level (excl. financial services)	¥279.5 B	¥295.4 B	¥474.0 B	◎	¥500.0 B or more
ROE	7.5 %	7.9 %	8.7 %	◎	11.5 % or more
ROIC (excl. financial services)	4.8 %	4.8 %	5.2 %	◎	8.0 % or more
Debt / EBITDA ratio	3.9 X	2.9 X	3.0 X	○*	Below 1.8 X
EPS	¥238	¥271	¥318	◎	18 % or more (CAGR)

\* The repayment was made on time as contracted in light of the U.S. interest rate situation although the plan at the beginning of the FY2022 was to repay part of the interest-bearing debt of the North America CVS business before maturity

**Significantly exceeded the initial plan and promoted each strategy toward the upwardly revised plan for FY2025**

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# FY2023 Classification of Impact for Financial Results

	Positive impact	Negative impact
Domestic	<ul style="list-style-type: none"> <li>✓ Recovery in traffic due to the end of COVID-19</li> <li>✓ Increase in travel and tourism</li> <li>✓ Increase in inbound</li> <li>✓ Rise in health and environmental awareness</li> </ul>	<ul style="list-style-type: none"> <li>✓ Rise in energy cost</li> <li>✓ Decrease in disposable income</li> <li>✓ Increase in labor cost</li> <li>✓ Establishment of telecommuting</li> </ul>
U.S.	<ul style="list-style-type: none"> <li>✓ Recovery of consumer confidence due to lower fuel prices</li> <li>✓ Increase in income due to improved employment conditions</li> <li>✓ Growth in delivery needs</li> </ul>	<ul style="list-style-type: none"> <li>✓ Possibility of economic recession</li> <li>✓ Decline in fuel CPG level</li> <li>✓ Spend control due to high interest environment</li> </ul>

**Despite of positive impact such as a recovery in traffic, the business environment remains challenging due to high cost burdens and CPG decline**

# FY2023 Consolidated Financial Forecasts

(Billions of yen, %)

	Amount	YOY	YOY change
Group's total sales	17,418.0	97.6	(424.6)
Revenues from operations	11,154.0	94.4	(657.3)
Operating income	513.0	101.3	+6.4
Ordinary income	480.0	100.9	+4.1
Net income attributable to owners of parent	285.0	101.4	+4.0
EPS (yen)	322.68	101.4	+4.54
EPS before amortization of goodwill (yen)	450.06	101.0	+4.31
EBITDA	1,010.0	101.5	+14.6

Notes) 1. Exchange rate : 1USD= 131.00JPY, 1CNY= 19.00JPY

2. Financial figures do not include the results for the transfer of Sogo & Seibu's shares announced on November 11, 2022

# FY2023 Forecasts by Operating Segment (New Segment)

(Billions of yen, %)

	Revenues from operations		Operating income		EBITDA	
		YOY / Change		YOY / Change		YOY / Change
Consolidated	11,154.0	94.4 (657.3)	513.0	101.3 +6.4	1,010.0	101.5 +14.6
Domestic CVS operations	922.0	103.6 +31.7	244.0	105.2 +11.9	334.4	105.3 +16.8
Overseas CVS operations	8,182.0	92.5 (664.1)	296.5	102.3 +6.7	601.9	101.8 +10.4
Superstore operations	1,484.0	102.4 +34.8	14.5	117.0 +2.1	55.2	108.5 +4.3
Financial services	208.0	107.1 +13.7	33.5	90.2 (3.6)	68.4	98.1 (1.3)
Others	424.0	86.8 (64.3)	0.10	3.9 (2.4)	6.1	33.8 (11.9)
Eliminations / corporate	(66.0)	- (9.0)	(75.6)	- (8.2)	(56.0)	- (3.6)

Notes) 1. Exchange rate : 1USD = 131.00JPY, 1CNY = 19.00JPY

2. Financial figures do not include the results for the transfer of Sogo & Seibu's shares announced on November 11, 2022

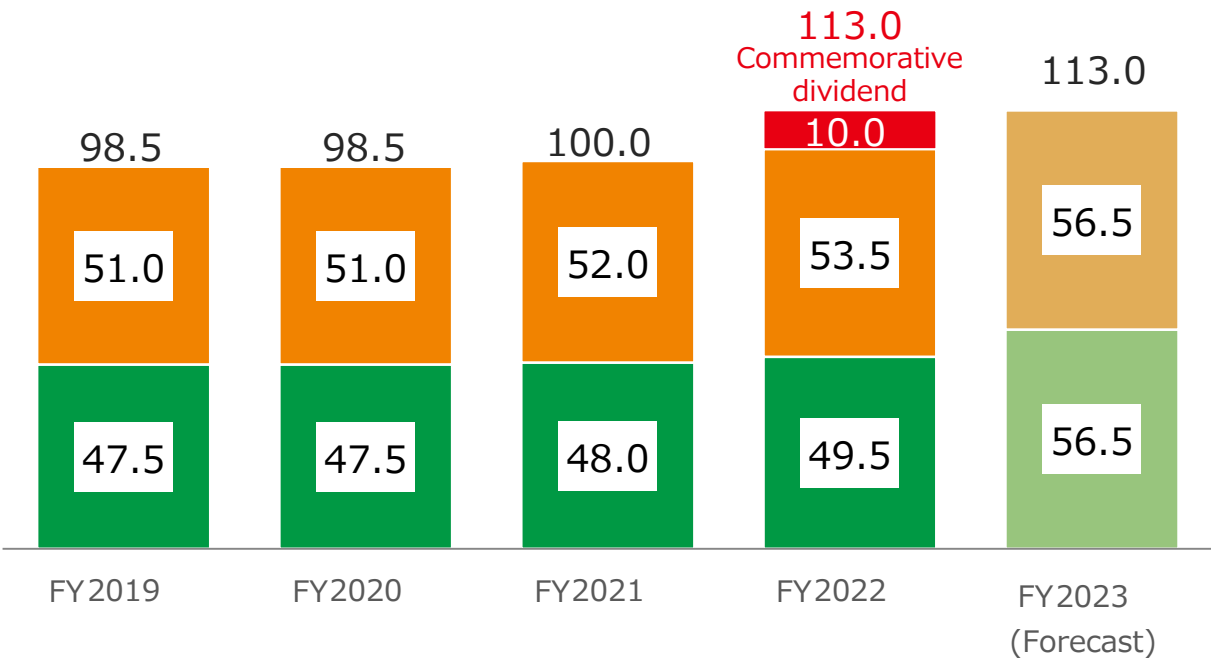
# Shareholder Return

## Shareholder return policy

Stable and continuous improvement of dividends per share  
Achieve a total shareholder return ratio of 50% or more  
(cumulative total return to shareholders from FY2023 to FY2025)

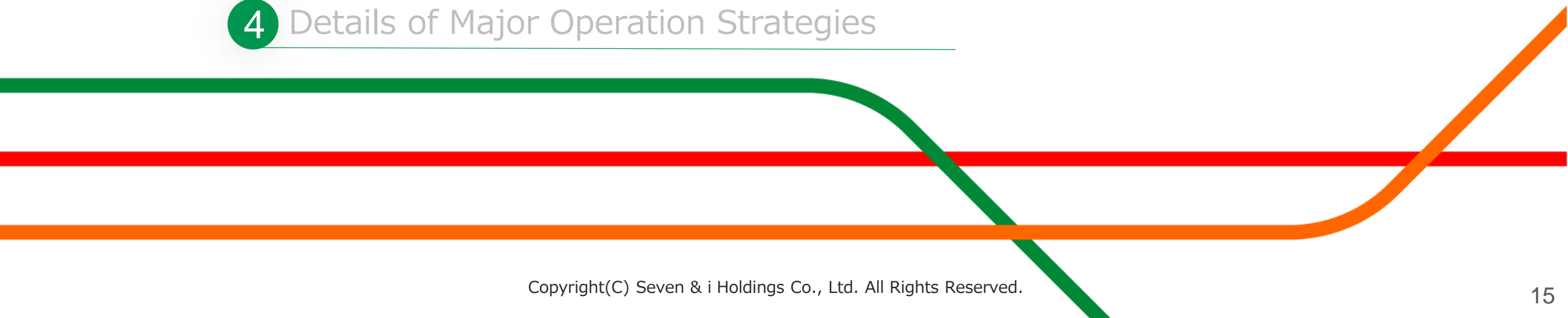
- Increase operating cash flow
  - Focus on investments in the growth of domestic and overseas CVS operations
  - Ensure financial integrity
  - Expand shareholder return
- Commemorative dividend for SEJ's 50th anniversary in FY2023 (Year-end dividend for FY2022)
- Total shareholder return ratio of 50% or more (cumulative total return to shareholders from FY2023 to FY2025)

Dividends per share trend (yen)



Increase operating cash flow, focus on investments in the growth driver of CVS operations as well as ensure financial integrity  
Also, achieve a total shareholder return ratio of 50% or more by enhancing shareholder return

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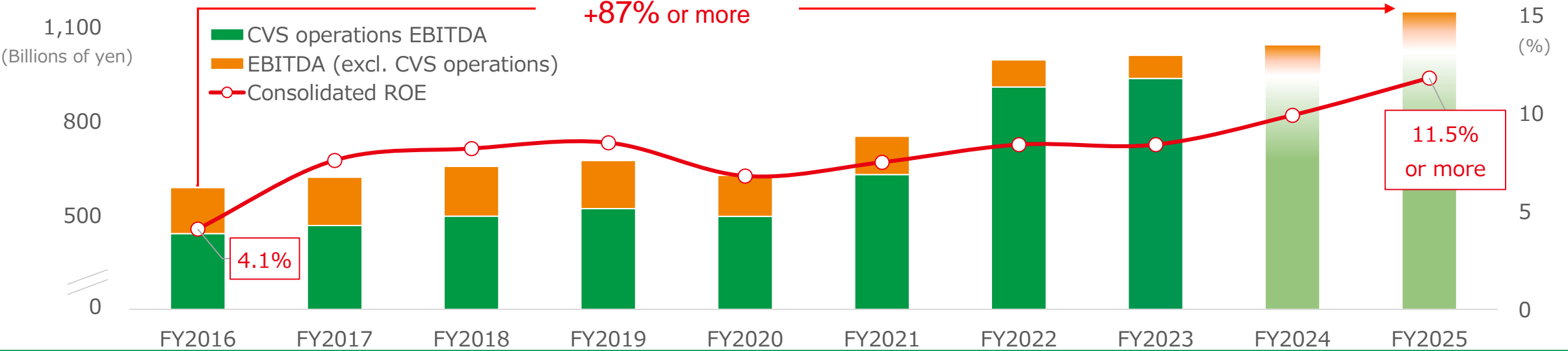


# Group Growth Milestones

In 2016	<b>May</b> Appointed Isaka as the 7&iHD president <b>October</b> Announced the group's first Medium-Term Management Plan
In 2017-2020	<b>2018</b> Sunoco Acquisition by SEI <b>2019</b> Enhance communication with SEJ franchised stores
In 2021	<b>May</b> Speedway Acquisition by SEI <b>July</b> Announced the Medium-Term Management Plan 2021-2025 (established consolidated financial KPI)
In 2022	<b>January</b> Established 7IN* <b>April</b> Announced management message <b>May</b> Governance reform <b>September</b> Started group strategy reevaluation
In 2023	<b>March</b> Disclosed Update to the Medium-Term Management Plan & results of the group strategy reevaluation

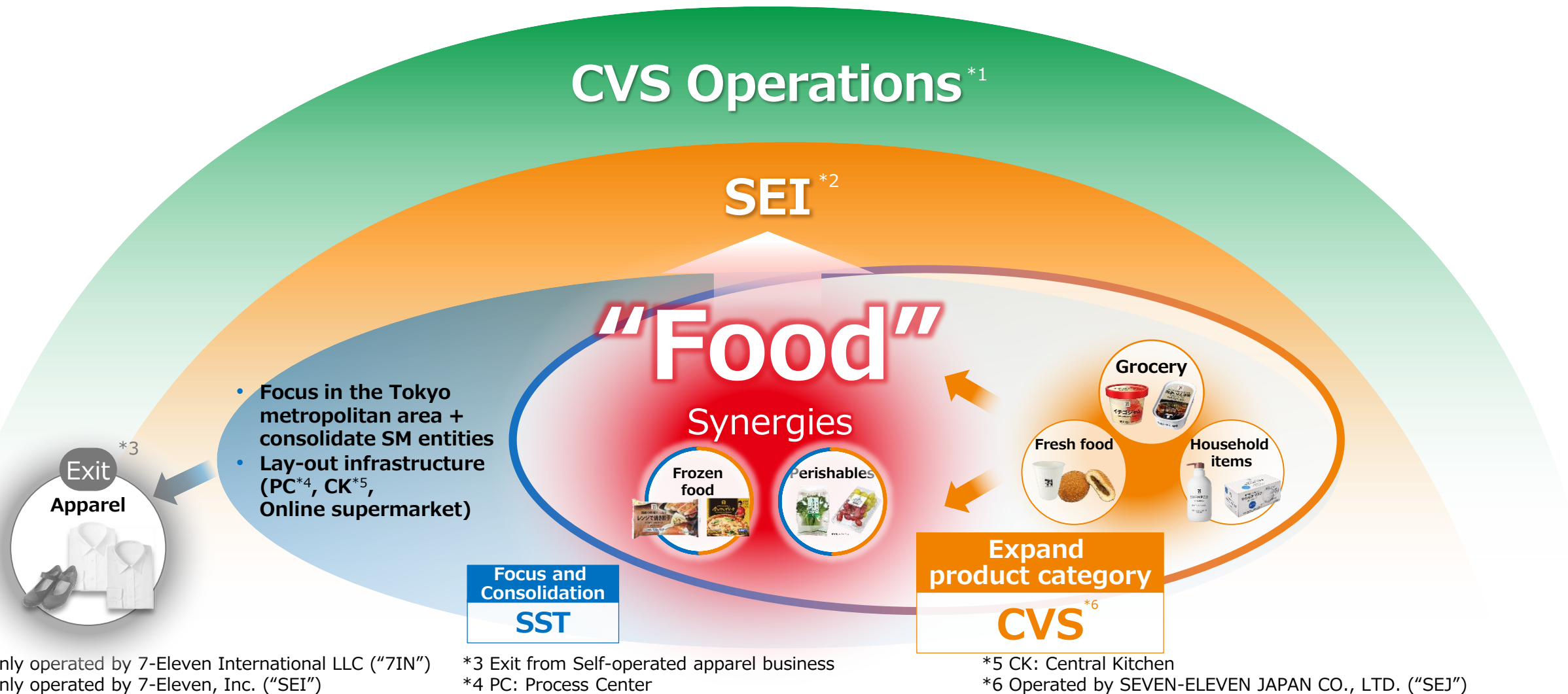
\* 7-Eleven International LLC

## Consolidated EBITDA, ROE growth



Engage dialogue with shareholders and investors as well as executing strategic measures in order to promote the initiatives in the enhancement of corporate value

# Growth Strategy of CVS Operations with “Food” at its Core (Reposting of the Results of the Group Strategy Reevaluation)



**Strength in “Food” is the Key Source of Competitive Advantage for the Group’s CVS Business**

# Impact of Our Competitive Advantage in "Food"

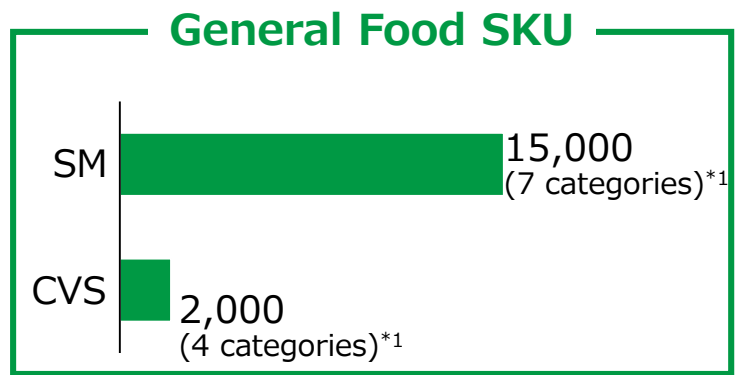
## (Reposting of the Results of the Group Strategy Reevaluation)

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

### Strength in "food" from SST

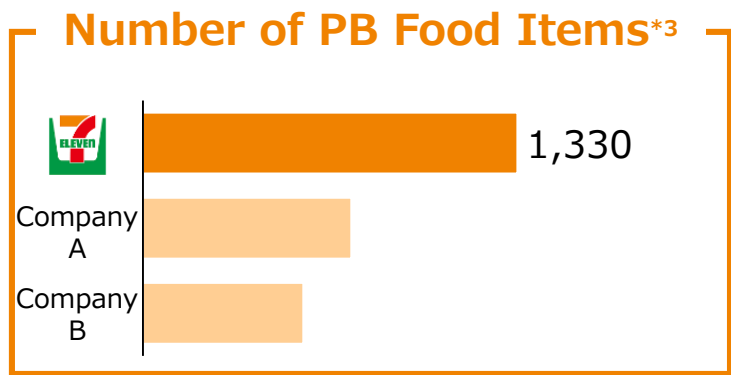
- Overwhelming **number of products and SKU**
- Procurement and supplier network**
- Large-scale sales floor** to test products
- Customer understanding and innovative development capability** in "Food"

Chain in Strength



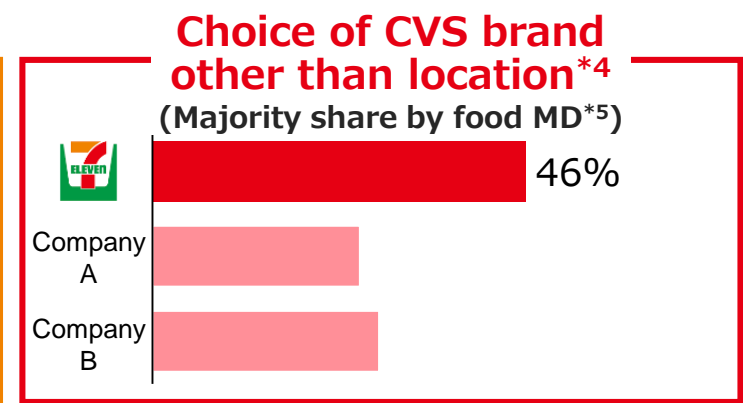
### Seven Premium development

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



### 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**



Business segment



\*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

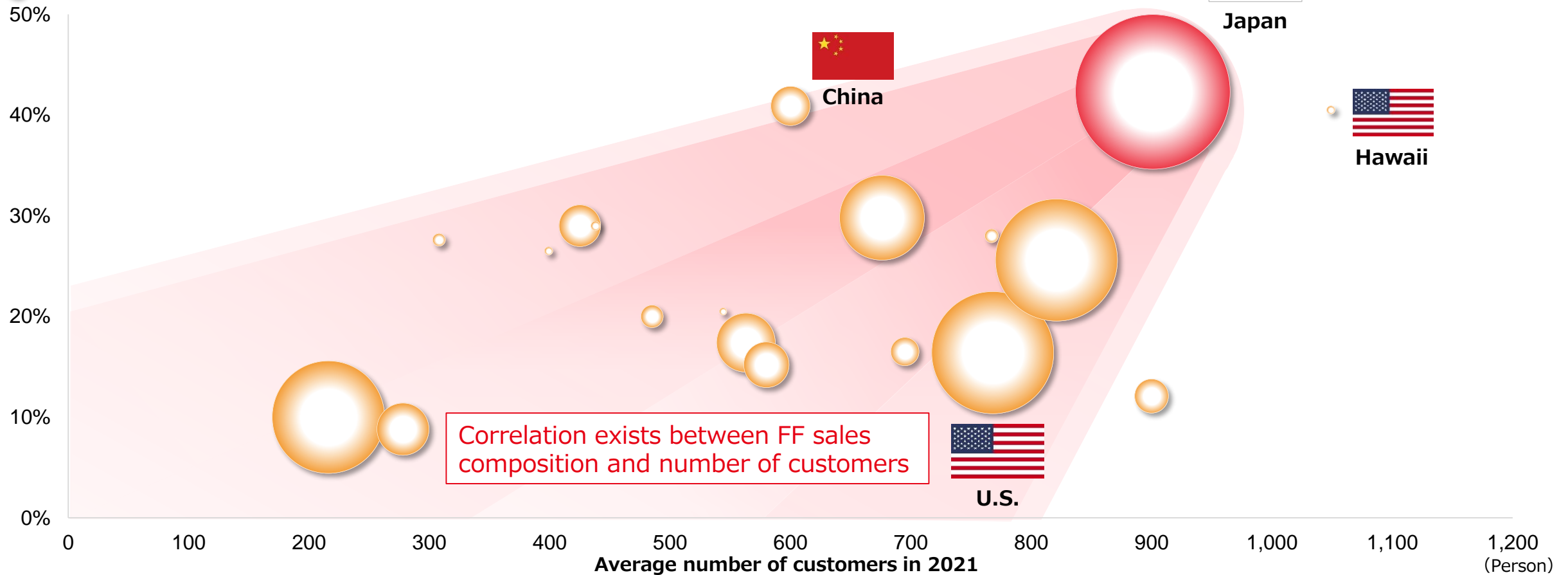
**Strength in "Food" is the Key to Growth Not Only for SEJ but for our CVS operations**

# Growth Strategy of CVS Businesses with “Food” at its Core (Reposting of the Results of the Group Strategy Reevaluation)

- Globally expand SEJ's strength in “food”

FF\* Sales Composition 2021 (%)

○ Size of bubble = number of stores



**Globally Expand the Business Scale Leveraging the Strength in Fresh Food**

# Review of the Strategic Initiatives to Date

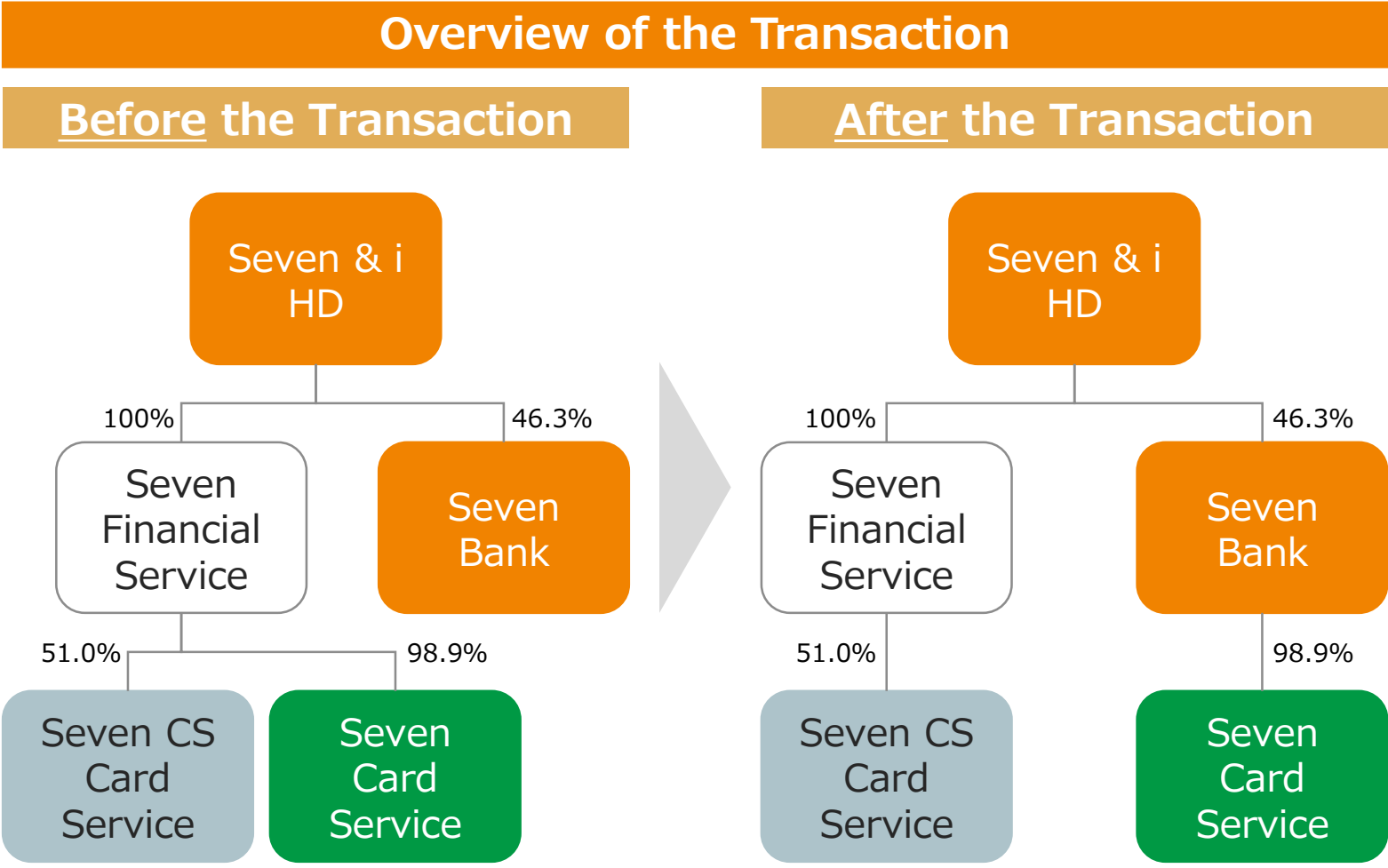


Continue to review the business portfolio through strategic selection and concentration to realize the corporate vision

# Reorganization of the Group's Financial Services

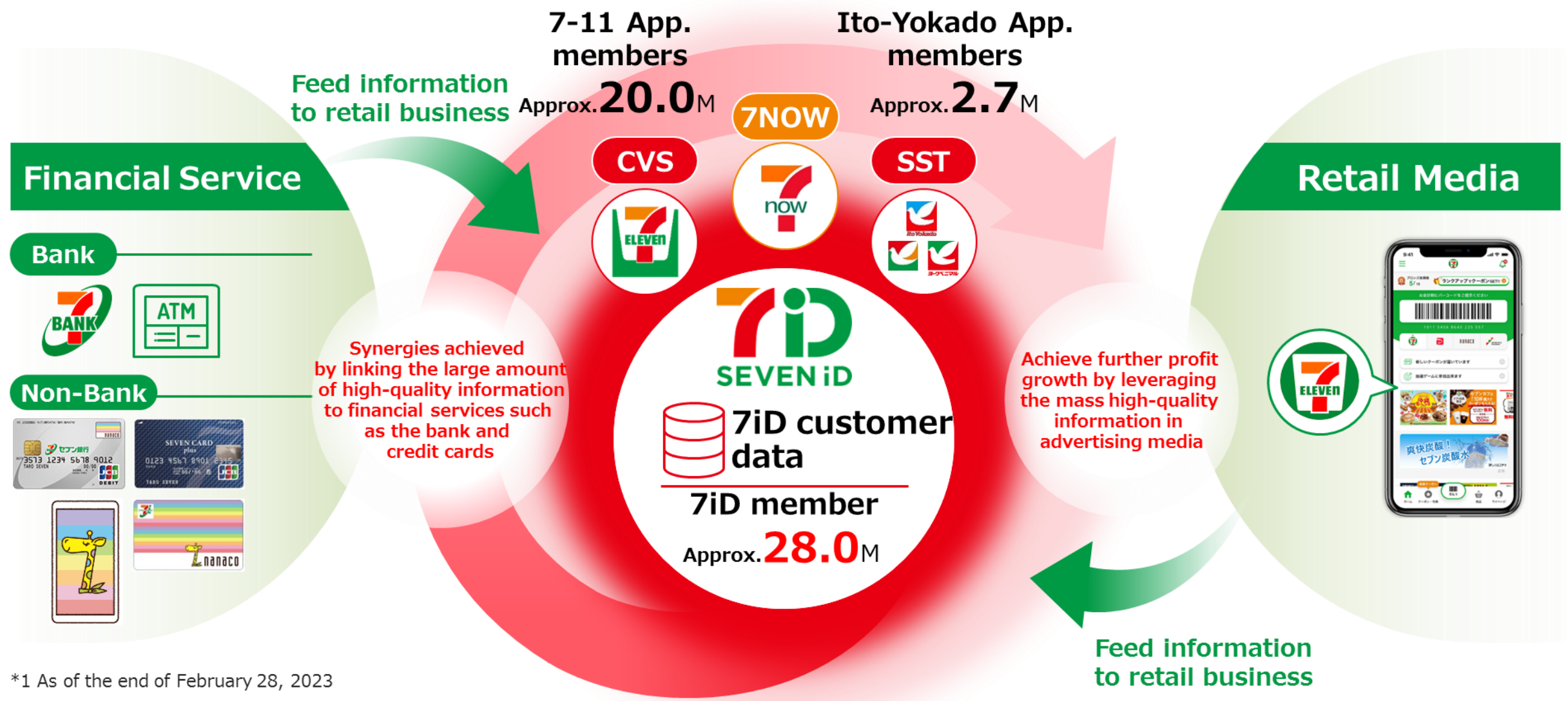
Scope of Transfer Scope of Transfer

Overview of the Transaction	
✓	Integrate Seven Bank that operates the banking business and Seven Card Services that operates the non-banking business
✓	Aim to enhance the Group's corporate value by utilizing 7iD, the Group's unified membership platform to leverage the strengths in retail
Scope of Transfer	Seven Card Service Co., Ltd. (Consolidated subsidiary of Seven & i HD)
Transferee	Seven Bank, Ltd. (Listed on Prime Market of the Tokyo Stock Exchange, Consolidated subsidiary of Seven & i HD)
Transfer Price	Approx. 32.0 billion yen
Signing Date	April 6, 2023
Closing Date	July 1, 2023 (Planned)



Higher agility to meet customer demand by integrating banking, credit card and e-money





\*1 As of the end of February 28, 2023

Enhance customer relations through an integration of retail and financial services through 7iD

# Integrated Retail and Finance Strategies Centered on 7iD (2)

**Best customer base in Japan**

Customers per day in domestic stores

Approx. **22.2M** \*1

7iD members

Approx. **28.0M** \*1

- Room to further increase the attractiveness of the economic zone, and significantly expand the cross-use rate and spending per customer

**Attractive economic point of contact**

CVS + Supermarket

Approx.

**22,000Stores** \*1

- Possible to provide **a unique ecosystem strategy through product offerings** without relying on point competition

**Overwhelming payment volume**

Annual money flow of Approx. JPY **22T**

- By expanding **the ratio of in-house payments** such as *nanaco*, it is also possible to use payment fees that would be paid to other companies **as resources for marketing**

**Ownership of core financial functions**

- ☒ Bank
- ☒ Credit Card
- ☒ Electronic Money

- In expanding financial services in the future, it is possible to **rapidly expand by leveraging existing assets**

## Company A

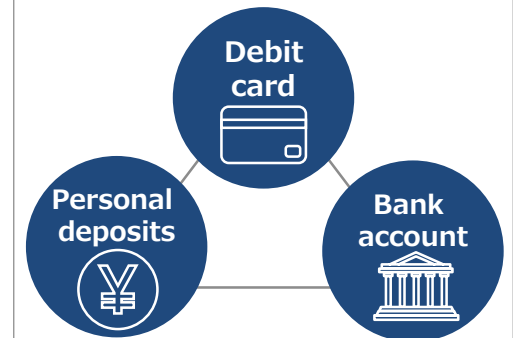
Stores + Online  
Approx.

**21.0M** \*2

Approx.

**10,500Stores** \*2

## All-in-one App



**Advertisement business revenue**

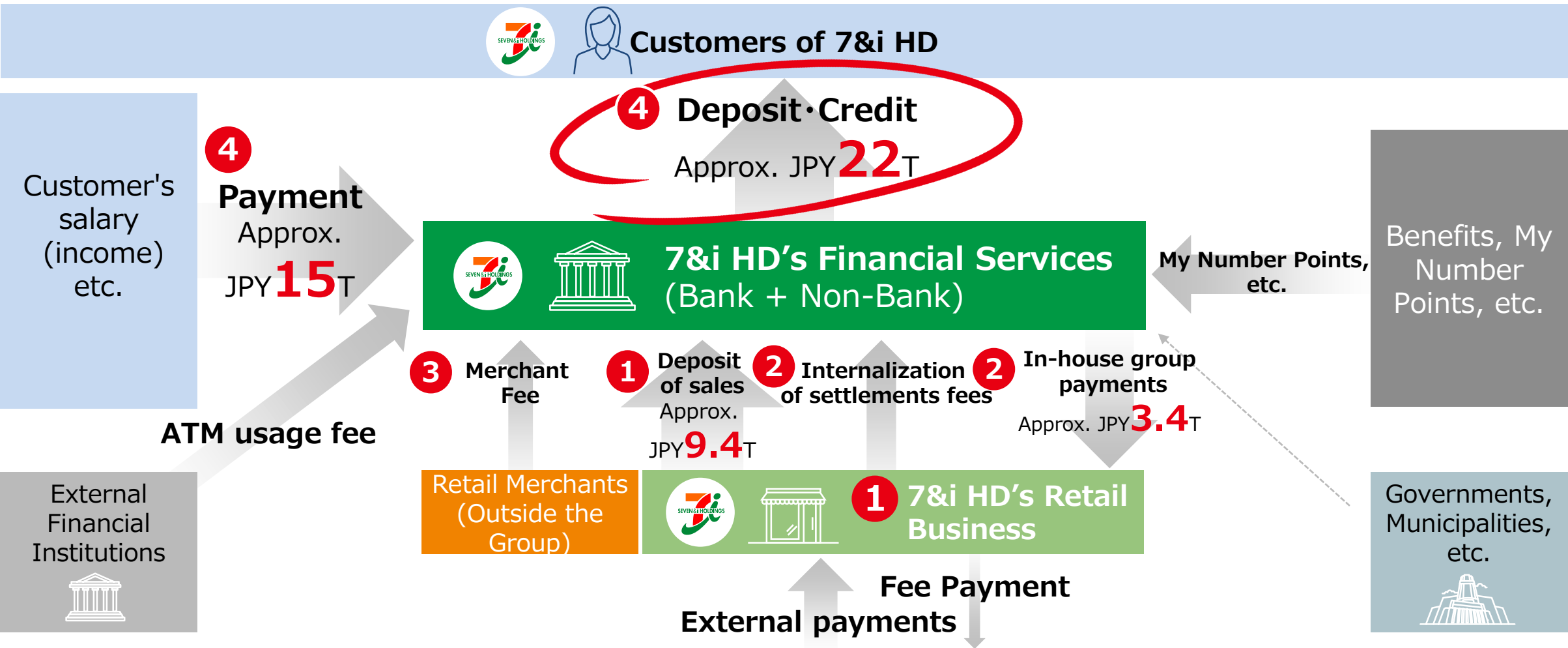
Approx. JPY **360.0B** \*2

\*1 As of the end of February 28, 2023 \*2 As of the end of January 31, 2023

**Expand unique financial services possible by a retailer by leveraging the Group's existing assets**

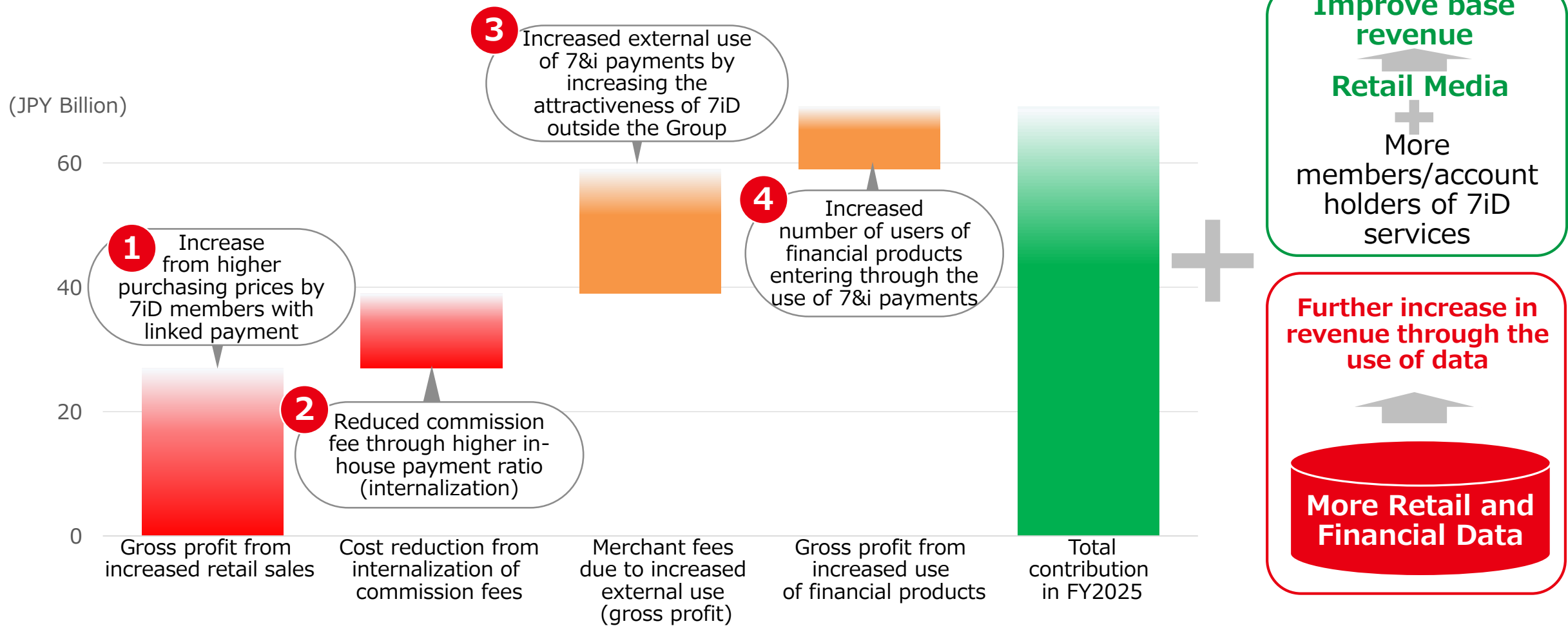


**1 2 3 4** : Expect to increase revenue through retail x financial initiatives (see next page)



Dominant business scale through bank (ATM) and non-bank services

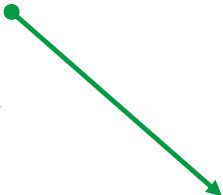
## Prospects from Retail and Financial Initiatives



7iD x payments act as a catalyst to increase revenue in both retail and financials  
Utilize data for further revenue generation

# Segment Revision (FY2023)

Before revision	After revision	Major operating companies
Domestic CVS operations	Domestic CVS operations	Seven-Eleven Japan
Overseas CVS operations	Overseas CVS operations	7-Eleven, Inc. SEJ Asset Management & Investment Company 7-Eleven International LLC
Superstore operations	Superstore operations	Ito-Yokado York-Benimaru York Shell Garden
Department and specialty store operations	Financial services	Seven Bank Seven Financial Service
Financial services	Others	Sogo & Seibu Seven & i Food Systems Akachan Honpo THE LOFT
Others	<p>"Others" includes companies that perform cross-group functions and other operating companies.</p>	



Segment revision based on a review of the business portfolio

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# Growth Strategy of Domestic CVS Operations (SEJ)

## Existing Business

**Growth strategy by leveraging the Group's strengths of "Food"**

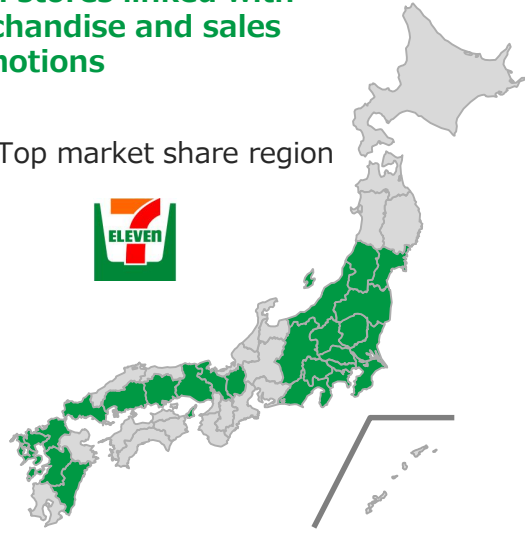
Number of stores

Average daily sales

Gross profit margin

- ✓ Implement **optimal store opening** according to the **characteristics of each area**
- ✓ Expand **top market share region** to white space
- ✓ **Open stores linked with merchandise and sales promotions**

Top market share region



✓ **New merchandise development**

- Launch local production for local consumption



✓ **Conduct regional fairs**

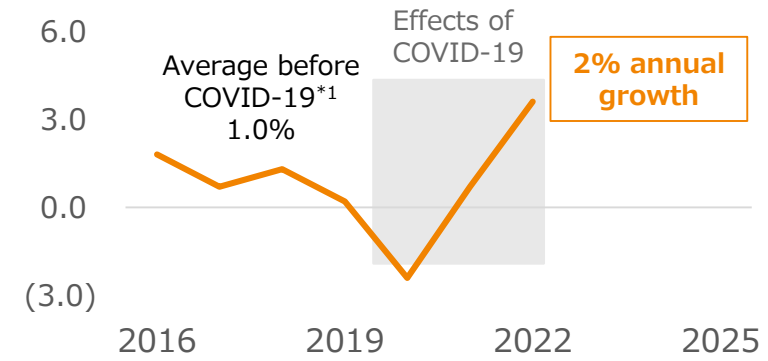
- Link with sales promotions



✓ **Enhance merchandise assortment**

- Value appeal, economic responsiveness, health and environmental considerations

Existing stores growth(%)



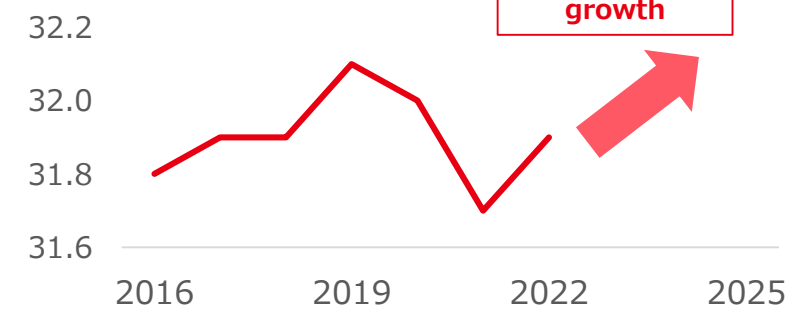
\*1 Average from FY2016 – FY2019

✓ **Strengthen development of high value-added merchandise**

- Smoothie, baked bread, collaboration with well-known stores



Merchandise GPM (%)



**0.2% annual growth**

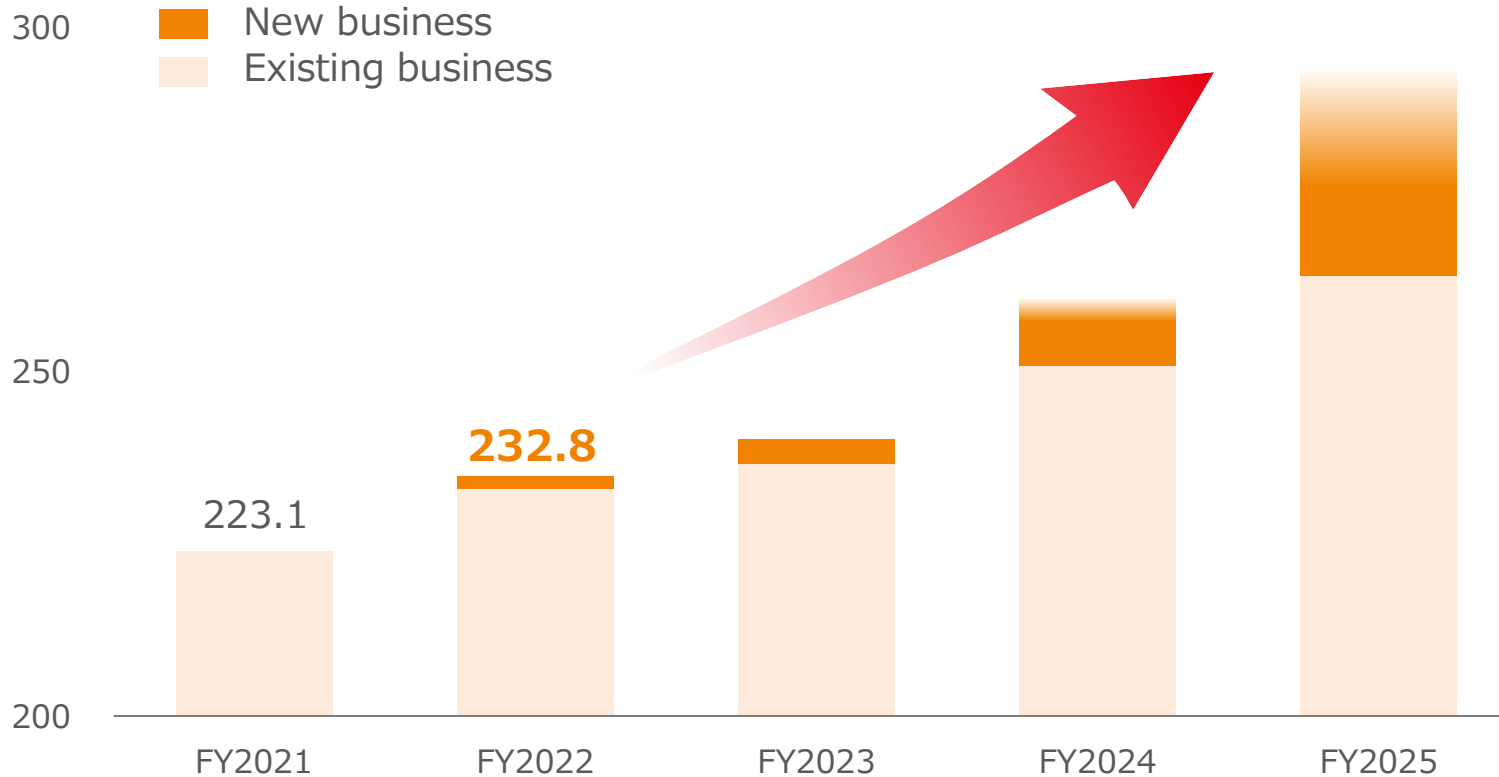
**Further growth of existing business by strengthening merchandise capabilities and assortment as well as promoting store opening strategy**

# Growth Strategy of Domestic CVS Operations (SEJ)

- Expand growth through new business in addition to stable growth of existing business

## SEJ operating income trend

(Billions of yen)



### New business

- Promotion of 7NOW
- Practical use of retail media (Revenues from App advertisements and data use)



### Existing business

- Strengthen "Food" centered on *Seven Premium*
- Create new store format to response the changes in social structure



Expand business scale as well as keeping investment efficiencies

# 7IN's Growth Potential in Existing and New Countries (Reposting of the Results of the Group Strategy Reevaluation)

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

## 7-Eleven Operation Status and Growth Areas

### North America

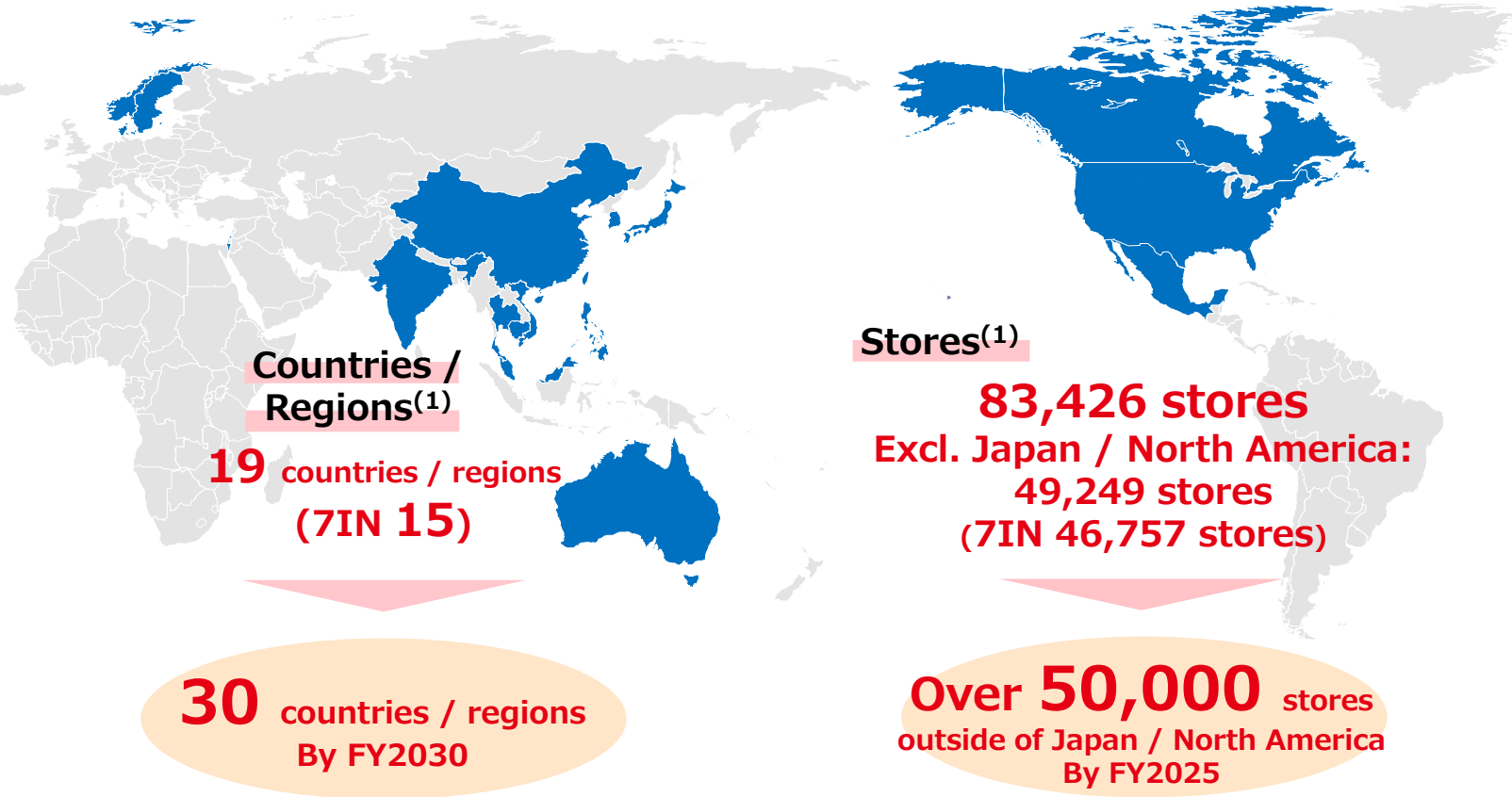
U.S.	12,854
Mexico	1,886
Canada	606

### 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



# Growth Strategy of Global CVS Operations (7IN)

## Vietnam Business Strategy

1 Assistance in existing deployment countries

2 Strategic investment in existing licensees

3 Expansion into new countries

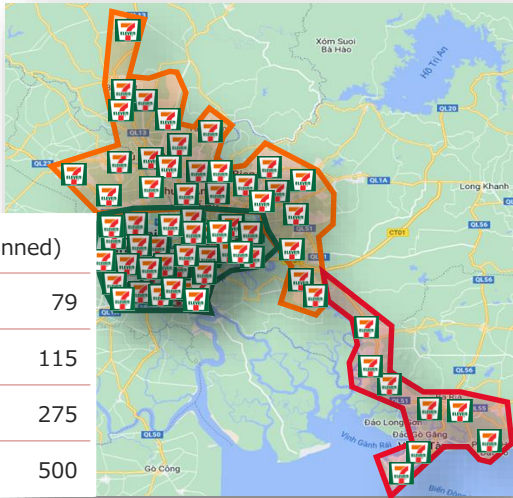


Pursue accelerated profit growth through strategic investments and loans to licensees to increase involvement in business operations

- ✓ The Company has recently decided to make an investment and loan for Vietnam business

### Store development

- Concentrated store openings based on urban planning
- Localization of SEJ/SEI know-how for local customers



\*1 NDF: Nihon Delica Foods Associations \*2 7-Eleven Global Technology

### Value chain / merchandise development

- Achieve overwhelming differentiation with an assortment of high-quality proprietary merchandise centered on FF
- Build strong partnerships with NDF\*1 partners



### Retailer initiative / digital

- By 7GT\*2 implementation, improving customer experience through single item management execution, delivery, loyalty programs, etc.



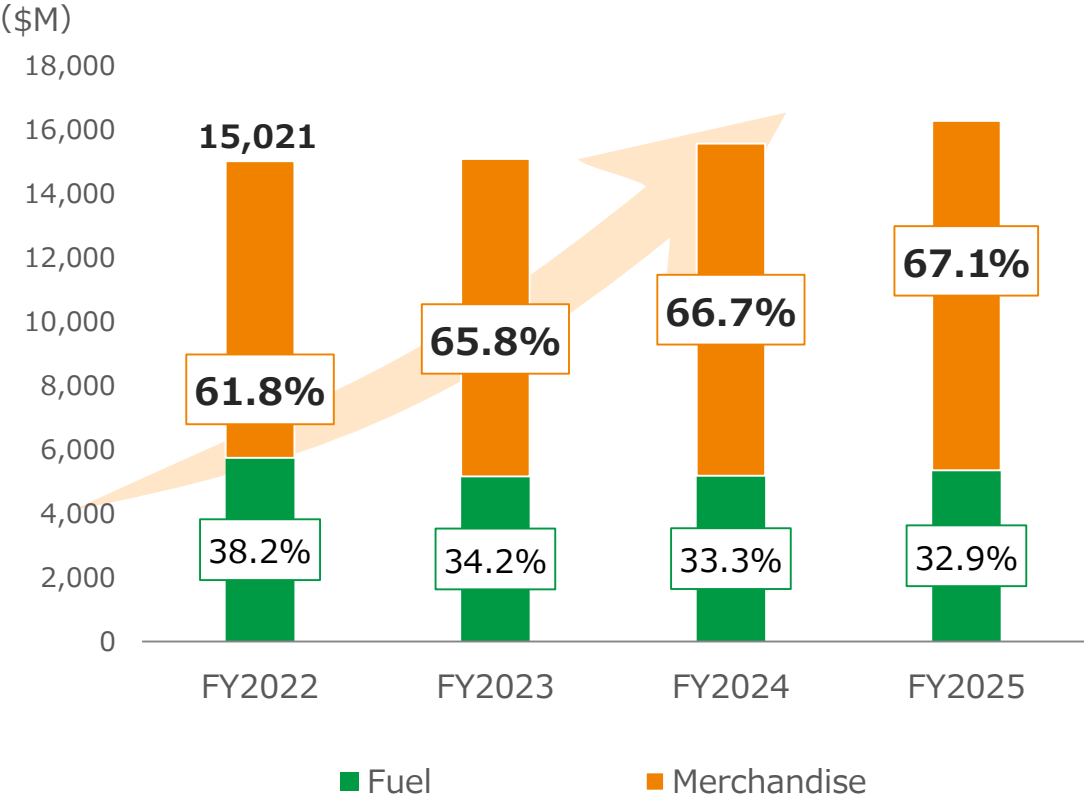
Strategic investment for business growth by building a value chain and improving customer loyalty



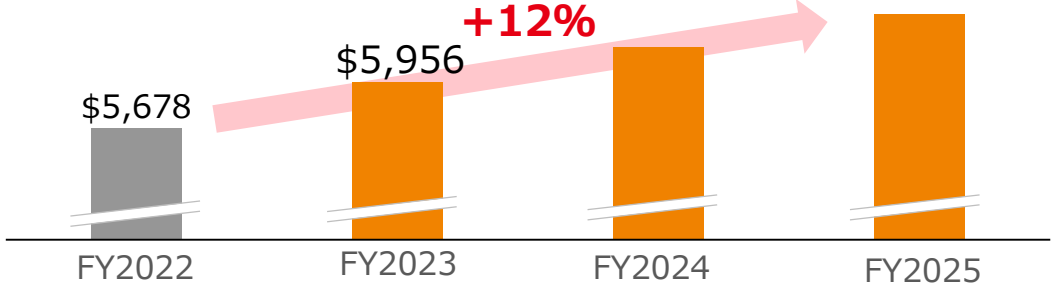
# Growth Strategy of North America CVS Operations (SEI)

- Grow sales composition of the “Food Business” to generate overall growth and efficiencies
- Accelerate proprietary products to grow merchandise sales (APSD) as well as gross profit margin

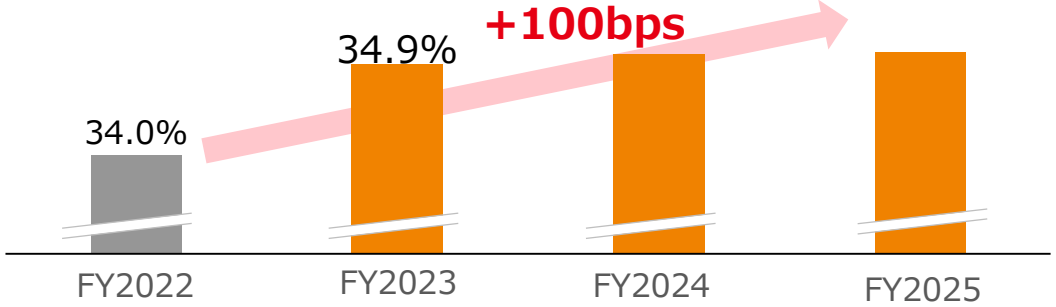
Trend of gross profit and sales composition



Merchandise sales (APSD)



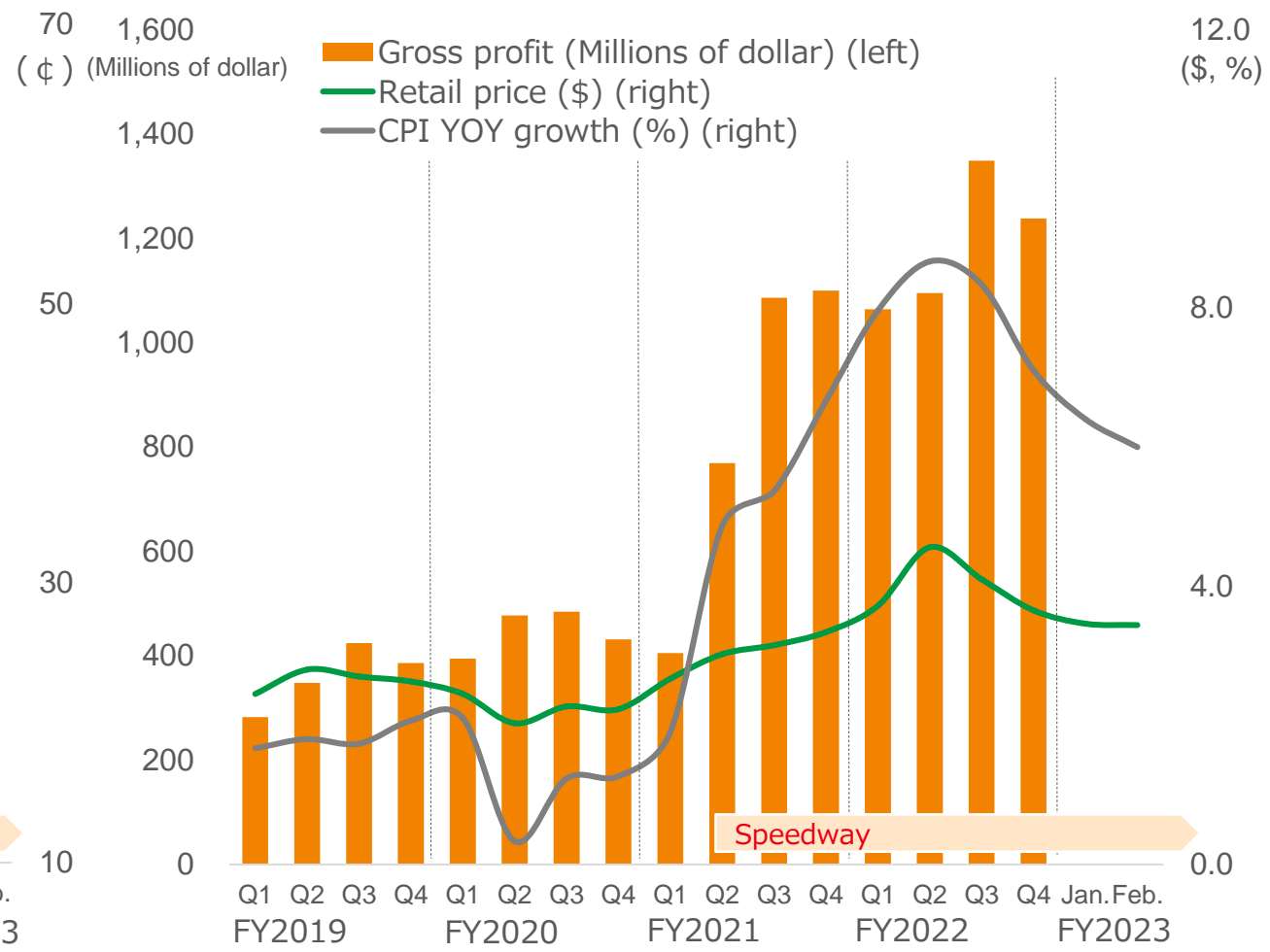
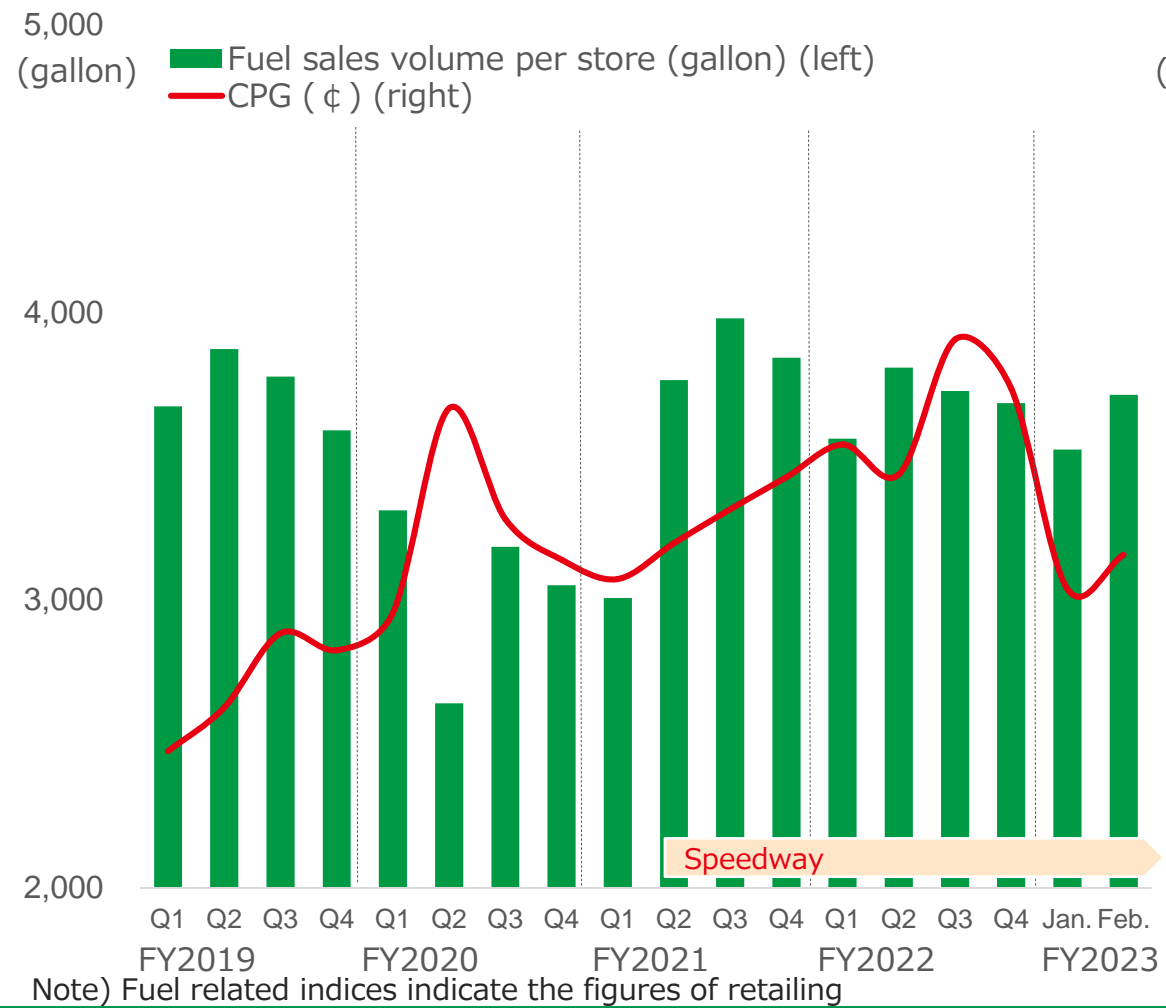
Gross profit margin



Accelerate proprietary merchandise to improve profitability

# Growth Strategy of North America CVS Operations (SEI)

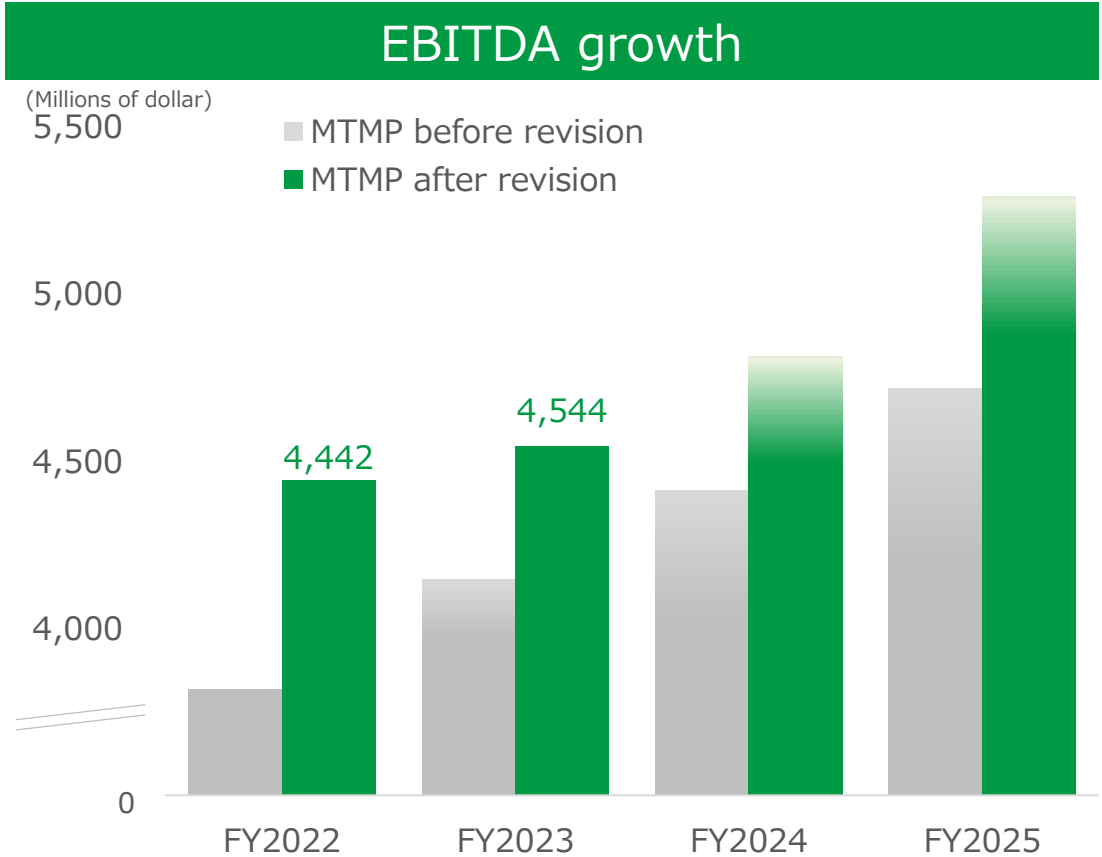
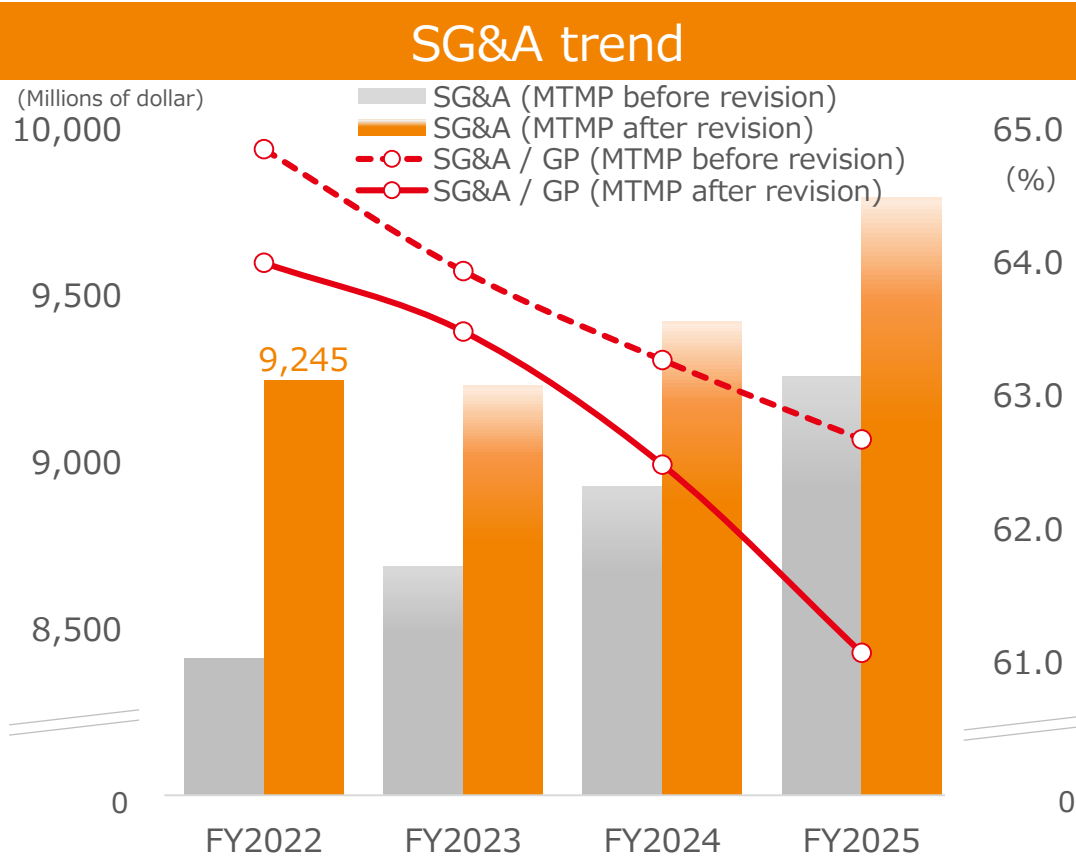
Fuel CPG in FY2023 is projected below the historical high of FY2022, but remained at a high level



Pursue growth in FY2023 by accelerating proprietary products despite fuel business revenues expected a decline

# Growth Strategy of North America CVS Operations (SEI)

- Costs increased significantly compared to the initial MTMP\* due to the rising inflation, but strict control of expenses led to an improvement in SG&A/GP
- EBITDA significantly exceeded the initial MTMP



\*MTMP: Medium-Term Management Plan

**Pursue sustainable growth in revenues and income through both sales and margin improvements by accelerating proprietary merchandise as well as cost leadership initiative**

# Fundamental Reform of Metropolitan SST Business\*<sup>1</sup> (1)

## (Reposting of the Results of the Group Strategy Reevaluation)

- 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\*<sup>2</sup>

- ✓ 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 efficiencies

4
Establish Group’s strategic infrastructures

- ✓ Realize a profit structure that can achieve further profit growth utilizing strategic infrastructures: PC/CK\*<sup>3</sup> 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

\*1 Ito-Yokado (IY) , York (YO) , Shell Garden (SG)

\*2 Self-operated apparel business

\*3 PC: Processing Center, CK : Central Kitchen

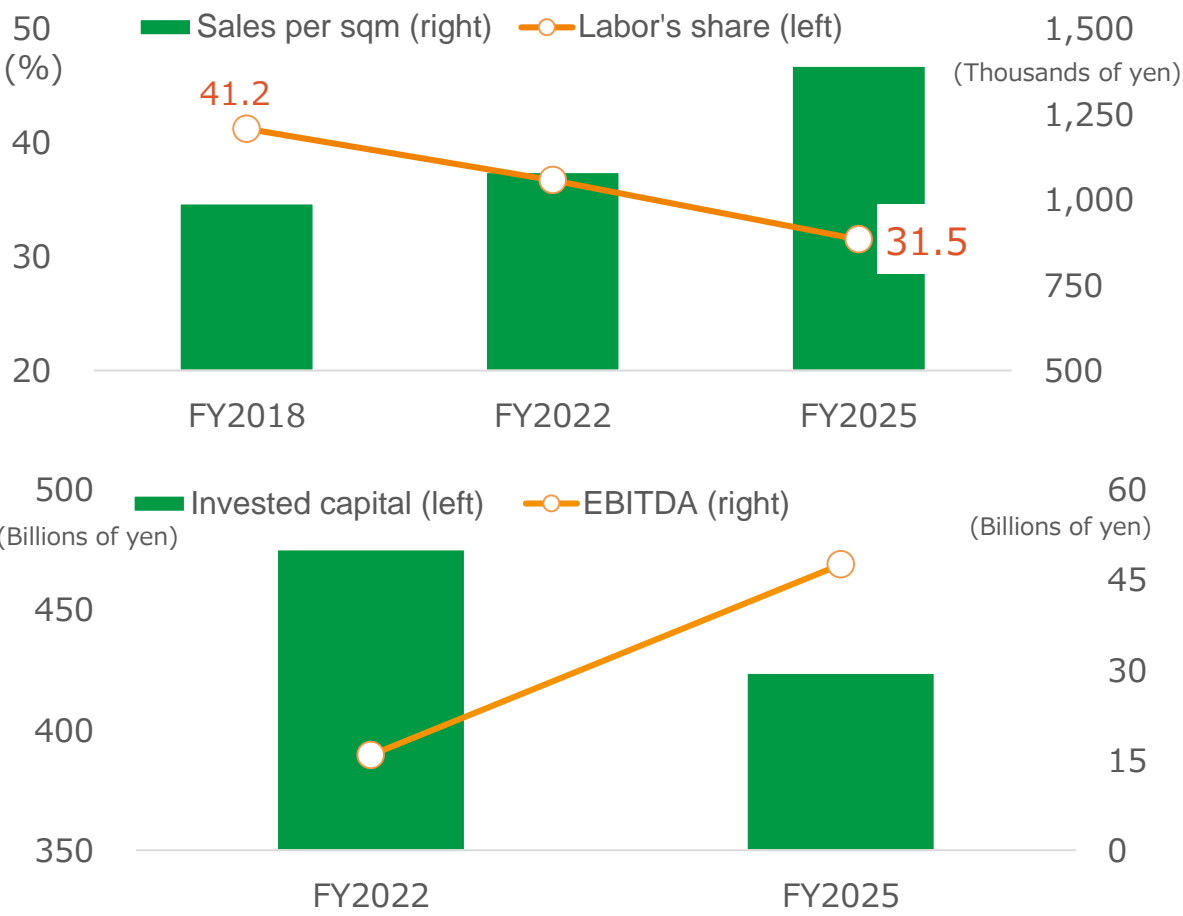
**Achieve an EBITDA of JPY 55.0B and 4% or more of ROIC for SST operations in Tokyo metropolitan area in FY2025**

# Fundamental Reform of Metropolitan SST Business (2)

Effects of 5 drastic measures (as an example)

Sales	<ul style="list-style-type: none"> <li>✓ Development of high quality merchandise and flexible introduction of new merchandise</li> <li>✓ Reveal sales potential (reduce opportunity losses)</li> </ul>
Gross profit	<ul style="list-style-type: none"> <li>✓ Reinforcement of prepared foods through central kitchen</li> <li>✓ Improvement in gross profit margin due to higher composition of prepared foods</li> </ul>
SG&A	<ul style="list-style-type: none"> <li>✓ Decrease in personnel costs due to optimization of personnel</li> <li>✓ Improved productivity through operational improvements</li> </ul>
B/S	<ul style="list-style-type: none"> <li>✓ Asset reduction through selection and concentration of businesses and areas</li> </ul>

Effects of measures in IY  
(productivity improvement, asset reduction)



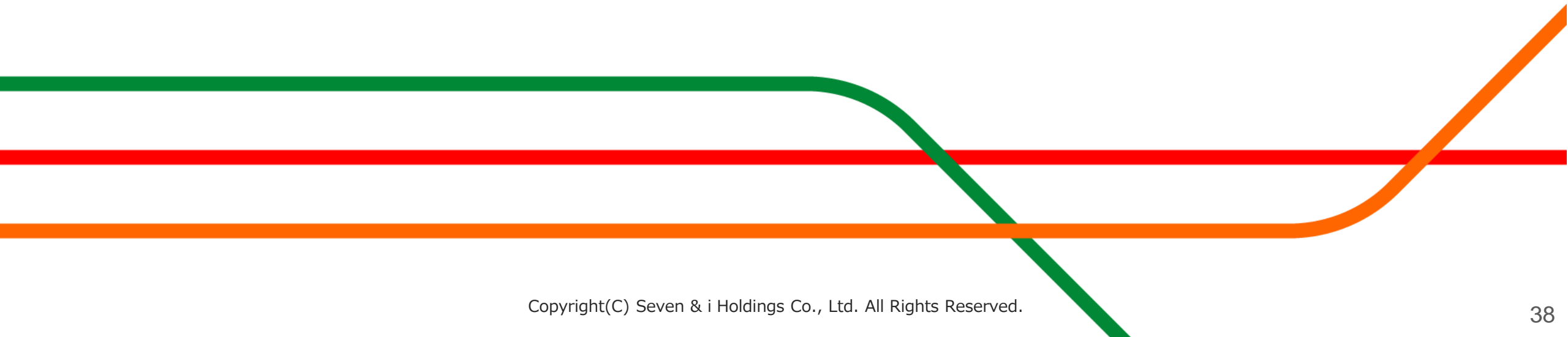
Monitoring by the Strategic Committee and projects for fundamental reforms have been initiated

# Consolidated Financial KPI

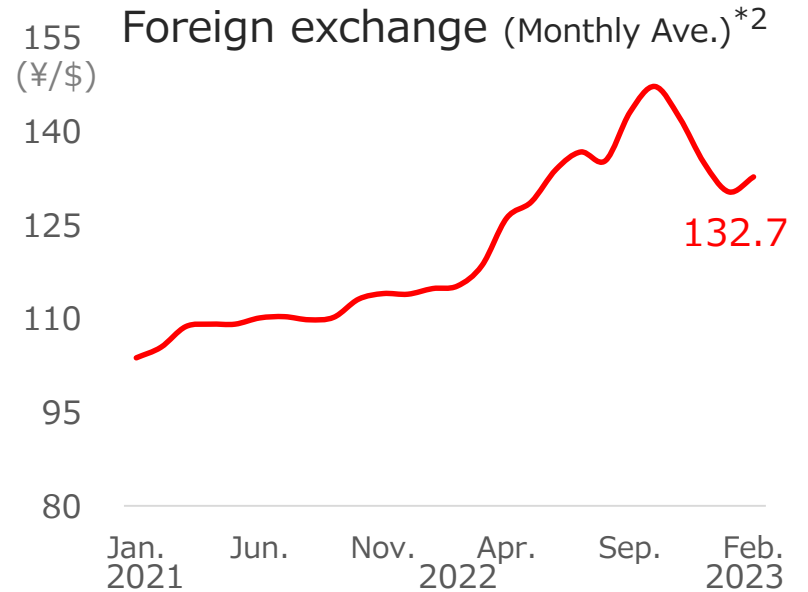
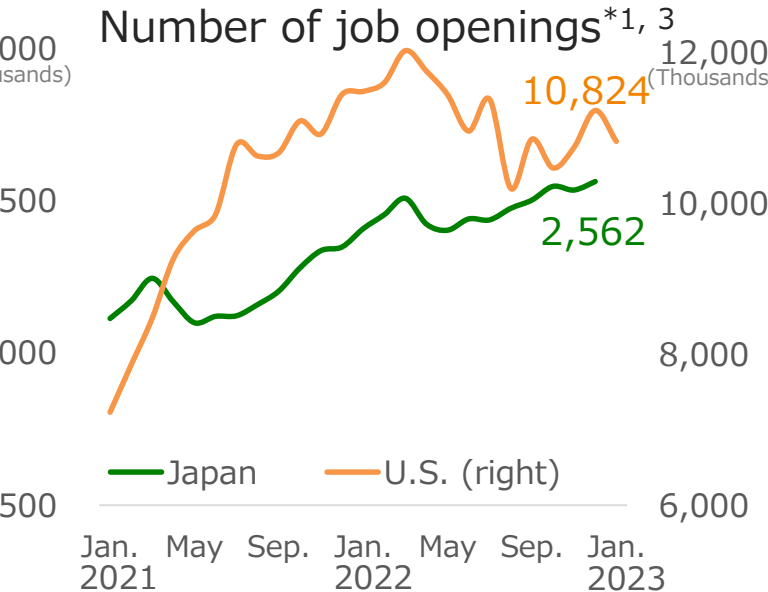
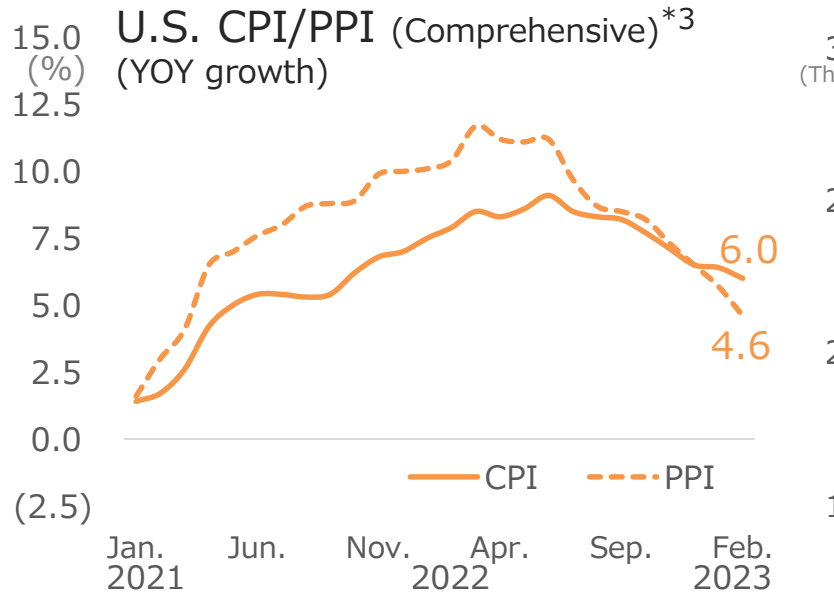
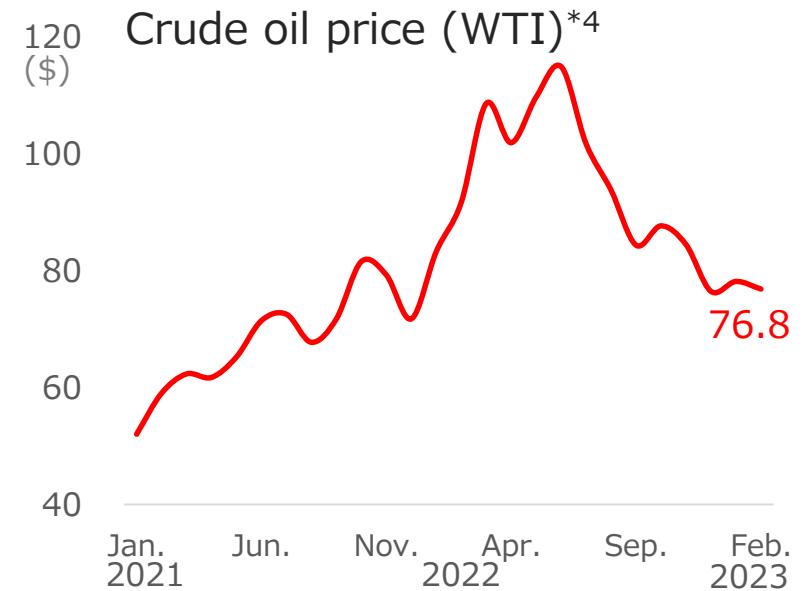
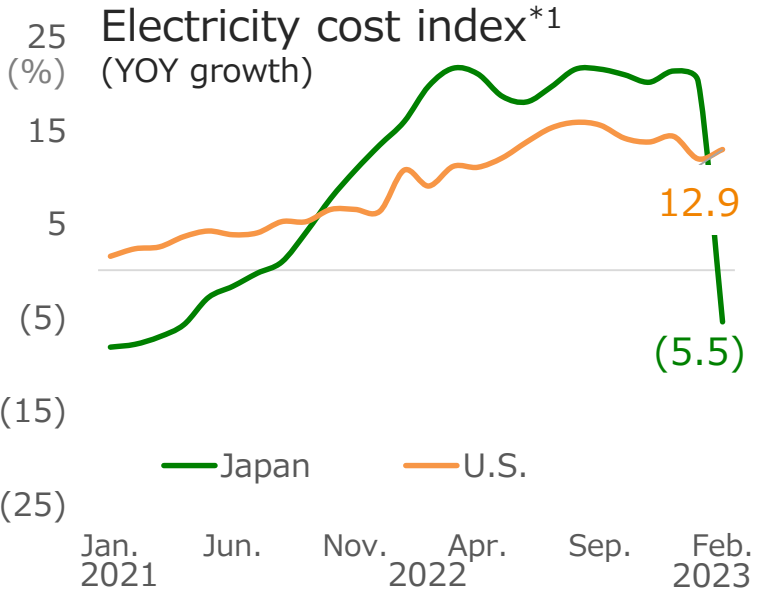
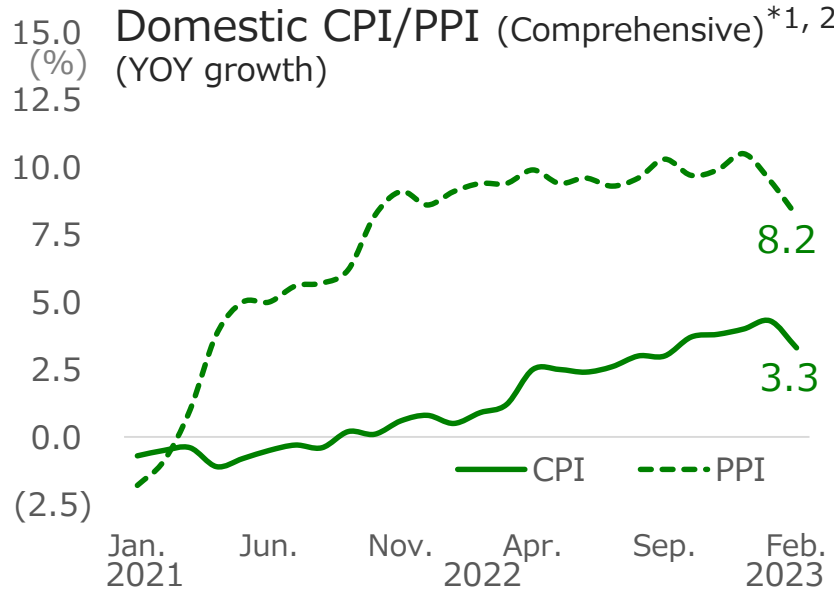
	FY2021 results	FY2022 results	FY2023 forecasts	FY2025 Plan
EBITDA	¥751.4 B	¥995.3 B	¥1,010.0 B	¥ <b>1.1</b> T or more
ROE	7.5 %	8.7 %	8.2 %	<b>11.5</b> % or more
ROIC (excl. financial services)	4.8 %	5.2 %	5.2 %	<b>8.0</b> % or more
Debt / EBITDA ratio	3.9 x	3.0 x	2.6 x	Below <b>1.8</b> x
EPS	¥238	¥318	¥322	<b>18</b> % or more (CAGR)

**Achieve goals for quantitative expansion, qualitative improvement and financial integrity  
At the same time, aim to increase corporate value beyond that**

# Appendix



# External Environment



Source: \*1 e-Stat, \*2 Bank of Japan, \*3 BLS, \*4 EIA



# Consolidated B/S Summary (As of Feb. 28, 2023)

(Billions of yen)

Assets (Main items only)	Fiscal year ended Feb. 28, 2022	Fiscal year ended Feb. 28, 2023	Change	Liabilities and net assets (Main items only)	Fiscal year ended Feb. 28 2022	Fiscal year ended Feb. 28, 2023	Change
Current assets	2,604.7	3,060.6	+455.8	Total liabilities	5,591.5	6,902.7	+1,311.2
Cash and bank deposits	1,420.6	1,670.8	+250.2	Current liabilities	2,480.7	3,265.0	+784.3
Cash and bank deposits at Seven Bank	934.6	1,024.3	+89.6	Notes and accounts payable, trade	483.9	536.1	+52.2
Notes and accounts receivable – trade, and contract assets	365.7	422.6	+56.8	Short-term loans	140.1	143.5	+3.4
Merchandise and finished goods	246.5	280.0	+33.4	Current portion of bonds and current portion of long-term loans	181.2	501.4	+320.1
Non-current assets	6,132.6	7,489.1	+1,356.5	Contract liabilities	-	211.3	+211.3
Property and equipment	3,232.3	4,341.7	+1,109.4	Lease obligations	20.4	121.4	+101.0
Buildings and structures, Net	1,527.8	1,614.8	+86.9	Deposits received in banking business	787.8	810.1	+22.2
Land	1,119.7	1,196.0	+76.2	Non-current liabilities	3,110.8	3,637.7	+526.8
Right-of-use assets, net	10.8	885.6	+874.8	Bonds	1,582.9	1,394.7	(188.1)
Intangible assets	2,140.0	2,364.6	+224.6	Long-term loans	994.3	936.0	(58.3)
Investments and other assets	760.3	782.7	+22.4	Lease obligations	36.5	834.9	+798.3
Deferred assets	1.8	1.1	(0.73)	Total net assets	3,147.7	3,648.1	+500.4
Total assets	8,739.2	10,550.9	+1,811.6	Total liabilities and net assets	8,739.2	10,550.9	+1,811.6

# FY2022 Consolidated Results Highlight (1H and 2H)

(Billions of yen, %)

		1H				2H		
		YOY	YOY change	vs. Initial plan		YOY	YOY change	vs. Initial plan
Group's total sales	8,590.7	134.7	+2,214.2	111.9	9,251.9	117.6	+1,385.1	118.7
Revenues from operations	5,651.5	155.0	+2,005.0	118.4	6,159.7	120.7	+1,056.4	126.2
Gross revenues from operations [reference]	5,978.6	164.0	+2,332.1	116.7	6,517.3	127.7	+1,414.0	124.1
Operating income	234.7	126.1	+48.5	108.5	271.7	134.9	+70.2	127.2
Ordinary income	219.7	126.7	+46.3	108.5	256.1	138.4	+71.0	128.4
Net income attributable to owners of parent	136.0	127.8	+29.5	113.4	144.8	138.9	+40.6	120.7
EPS (yen)	154.09	127.8	+33.48	113.4	164.04	138.9	+45.97	120.7
EPS before amortization of goodwill (yen)	214.19	145.5	+66.95	112.3	231.55	134.5	+59.39	121.3
EBITDA	468.3	137.2	+127.0	106.8	526.9	128.5	+116.7	118.7

Notes) 1. Exchange rate : 1H 1USD= 123.14JPY, 1CNY= 18.97JPY Full-Year 1USD= 131.62JPY, 1CNY= 19.50JPY

2. FY2022 consolidated results are based on figures after applying the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc.  
Revenues from operations based on the previous accounting standard are presented as "Gross revenues from operations [reference]."

# FY2022 Revenues from Operations, Operating Income and EBITDA by Operating Segment (vs. Initial Plan)

(Billions of yen, %)

	Revenues from operations		Operating income		EBITDA	
		vs. Initial plan / Change		vs. Initial plan / Change		vs. Initial plan / Change
Consolidated	11,811.3	122.4 +2,158.3	506.5	117.8 +76.5	995.3	112.8 +113.0
Domestic CVS operations	890.2	104.1 +35.2	232.0	100.8 +1.7	317.5	100.9 +2.8
Overseas CVS operations	8,846.1	133.0 +2,196.1	289.7	135.4 +75.7	591.4	123.7 +113.4
Superstore operations	1,449.1	96.9 (45.8)	12.1	55.8 (9.5)	50.5	89.6 (5.9)
Department and specialty store operations	463.7	95.2 (23.2)	3.4	62.5 (2.0)	17.9	80.8 (4.2)
Financial services	194.2	97.1 (5.7)	37.1	106.1 +2.1	69.7	98.4 (1.1)
Others	26.0	108.5 +2.0	(0.46)	- (1.2)	0.48	19.4 (2.0)
Eliminations / corporate	(58.3)	- (0.39)	(67.4)	- +9.8	(52.4)	- +9.9

Note) Exchange rate : 1USD = 131.62JPY, 1CNY = 19.50JPY

# FY2022 Revenues from Operations by Operating Segment (Impact of Revised "Accounting Standard for Revenue Recognition")

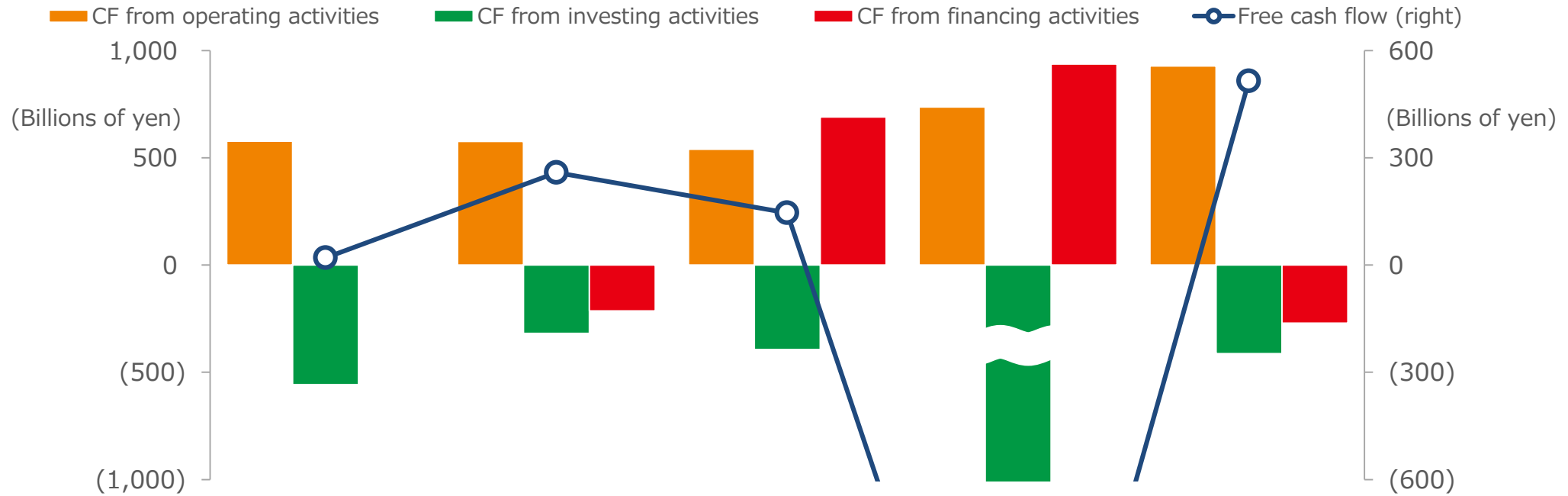
(Billions of yen, %)

	Revenues from operations (1)		Gross revenues from operations [reference] (2)		Difference (1) – (2)
		YOY / Change		YOY / Change	
Consolidated	11,811.3	135.0 +3,061.5	12,496.0	142.8 +3,746.2	(684.7)
Domestic CVS operations	890.2	102.0 +17.0	921.3	105.5 +48.0	(31.0)
Overseas CVS operations	8,846.1	170.3 +3,651.8	8,846.1	170.3 +3,651.8	-
Superstore Operations	1,449.1	80.0 (361.5)	1,775.8	98.1 (34.8)	(326.7)
Department and specialty store operations	463.7	65.1 (248.5)	780.4	109.6 +68.1	(316.6)
Financial services	194.2	99.9 (0.10)	206.9	106.4 +12.5	(12.6)
Others	26.0	128.0 +5.7	25.4	125.2 +5.1	+0.58
Eliminations / corporate	(58.3)	- (2.8)	(60.1)	- (4.6)	+1.7

Note) Exchange rate : 1USD = 131.62JPY, 1CNY = 19.50JPY

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# Consolidated Statements of Cash Flows



(Billions of yen)	FY2018	FY2019	FY2020	FY2021	FY2022	vs. FY2021
CF from operating activities	577.8	576.6	539.9	736.4	928.4	+191.9
CF from investing activities	(557.4)	(318.0)	(394.1)	(2,505.5)	(413.2)	+2,092.3
Free cash flow	20.3	258.6	145.8	(1,769.0)	515.2	+2,284.3
CF from financing activities	(5.3)	(213.2)	690.5	937.0	(270.3)	(1,207.4)
Cash and cash equivalents at the end of the year	1,310.7	1,354.8	2,183.8	1,414.8	1,674.7	+259.8

# Special Losses

(Billions of yen, %)

	FY2021	FY2022	Change	Major factors for the change
Special losses	68.7	86.6	+17.9	Increase due to the SEI management rationalization, etc. Decrease in loss related to COVID-19
Loss on disposals of property and equipment	13.6	14.0	+0.37	-
Impairment loss	26.4	43.4	+17.0	SS [+9.8] SEI [+7.4]: Store closings, etc.
Restructuring expenses	4.1	10.2	+6.1	IY[+4.0]: Increase in stores subject to closure, etc. 7FS[+2.0]
Loss related to COVID-19	10.3	-	(10.3)	Transfer of fix costs, etc. in previous year
Others	14.1	18.8	+4.7	SEI: Personnel optimization, etc. YB: Disaster related

# FY2022 Impact of Energy Cost Increase

Rising energy cost continues to affect profit throughout the year

(Billions of yen)

	Operating income		Utility expenses <sup>*1</sup>	
		YOY change		YOY change
Seven-Eleven Japan	232.8	+9.7	64.9	+18.4
Ito-Yokado	0.40	(1.2)	18.4	+6.3
York-Benimaru <sup>*2</sup>	18.0	(0.78)	9.9	+3.6
Sogo & Seibu	2.4	+5.9	6.2	+1.6
Total	253.7	+13.7	99.6	+30.1
Consolidated [reference]	506.5	+118.8	185.7	+63.7

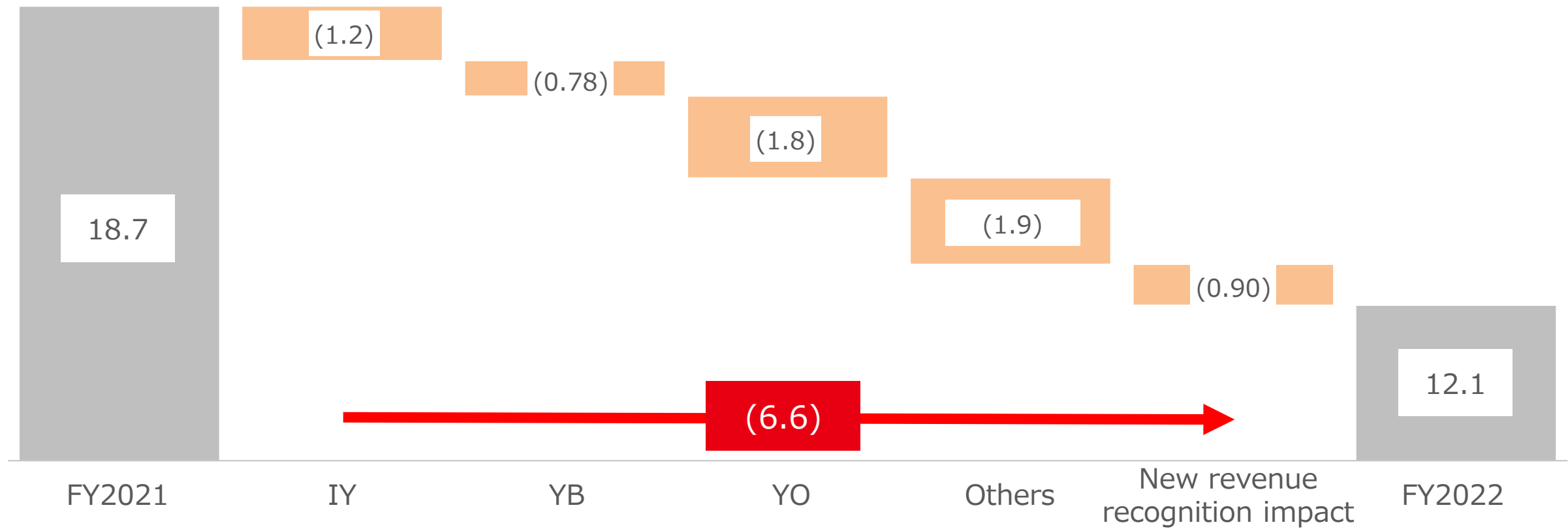
\*1 Impact of "Accounting Standard for Revenue Recognition" is excluded for the figures of Ito-Yokado and Sogo & Seibu

\*2 Include the business of formerly Life Foods

# Superstore Operations

## Change in Operating Income

(Billions of yen)



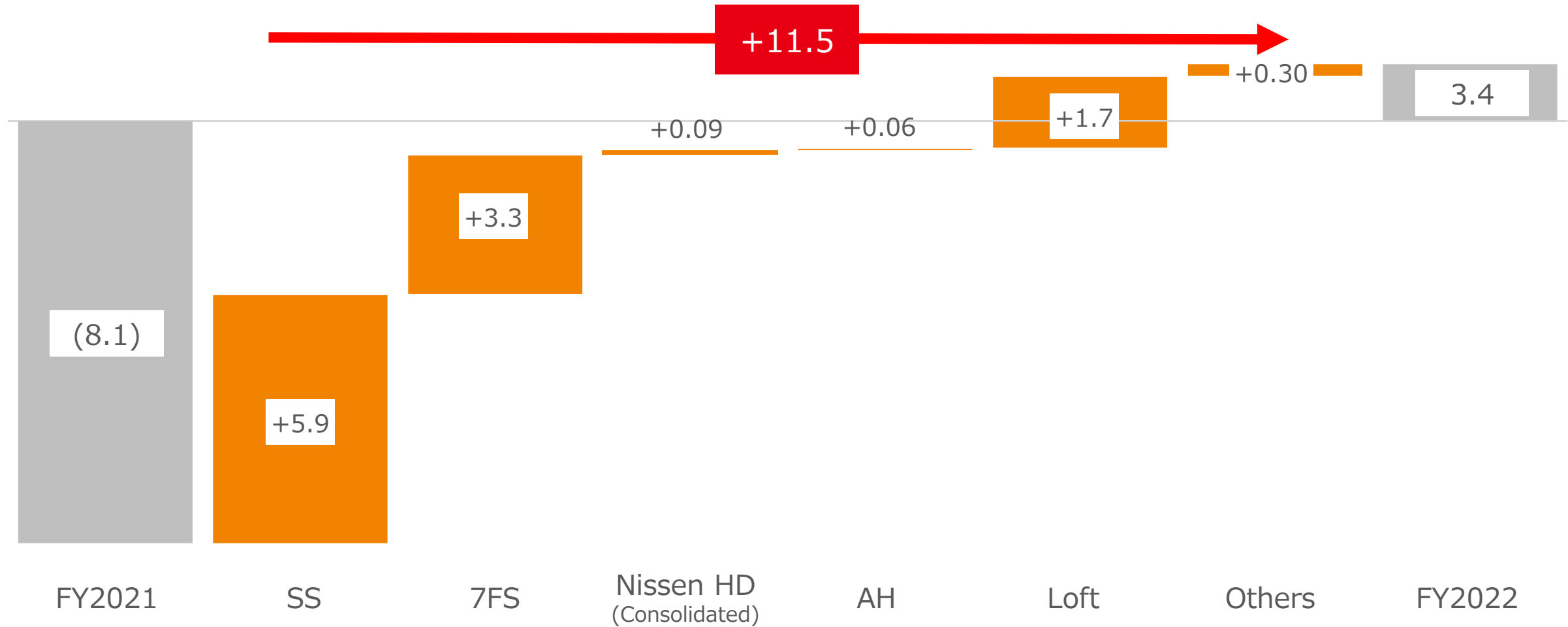
Note) IY:Ito-Yokado, YB : York-Benimaru (incl. formerly Life Foods), YO : York



# Department and Specialty Store Operations

## Change in Operating Income

(Billions of yen)



Note) SS:Sogo & Seibu, 7FS : Seven & i Food Systems, AH : Akachan Honpo

# FY2022 Operating Income of Major Operating Companies

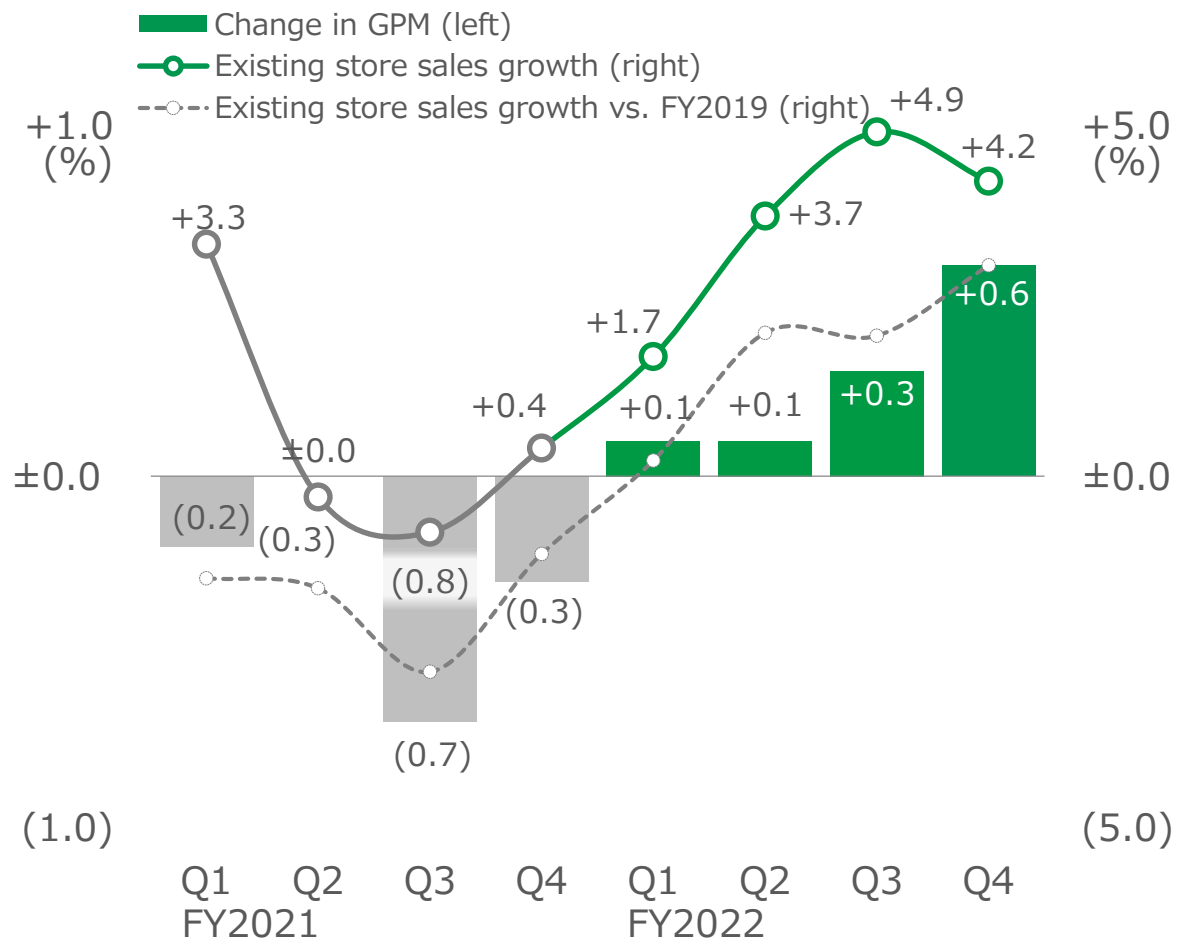
(Billions of yen, %)

	Operating income		Existing store sales growth	Change in merchandise GPM
		YOY	YOY change	
Seven-Eleven Japan	232.8	104.4	+9.7	+3.6
7-Eleven, Inc.	396.5	176.4	+171.7	+4.5
[Millions of dollar]	[3,012]	[147.3]	[+966]	(0.2)
Ito-Yokado	0.40	25.2	(1.2)	+1.3 (incl. tenants)
York-Benimaru	18.0	122.5	+3.3	(0.8)
Sogo & Seibu	2.4	-	+5.9	+11.0

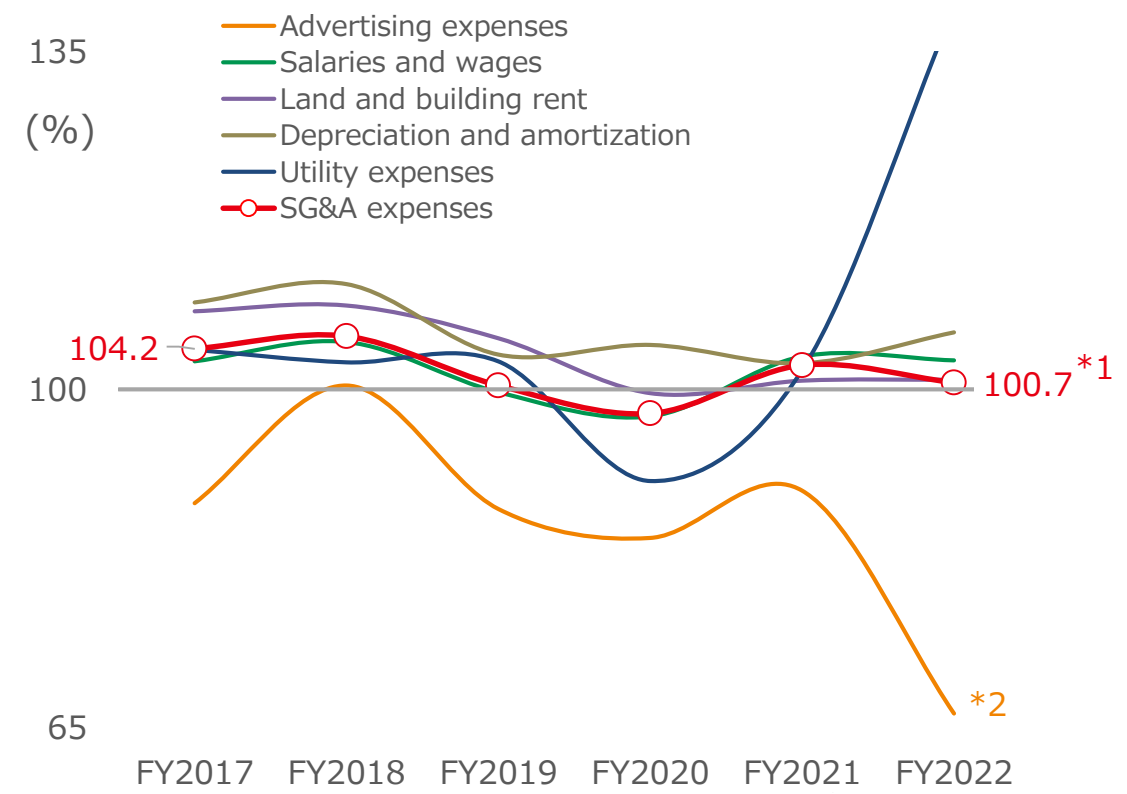
Note) Exchange rate : 1USD = 131.62JPY

# Seven-Eleven Japan (1)

## Existing store sales and GPM



## YOY SG&A expenses



Figures before applying the "Accounting Standard for Revenue Recognition"	SG&A expenses (*1)	105.8%
	Advertising expenses (*2)	101.3%

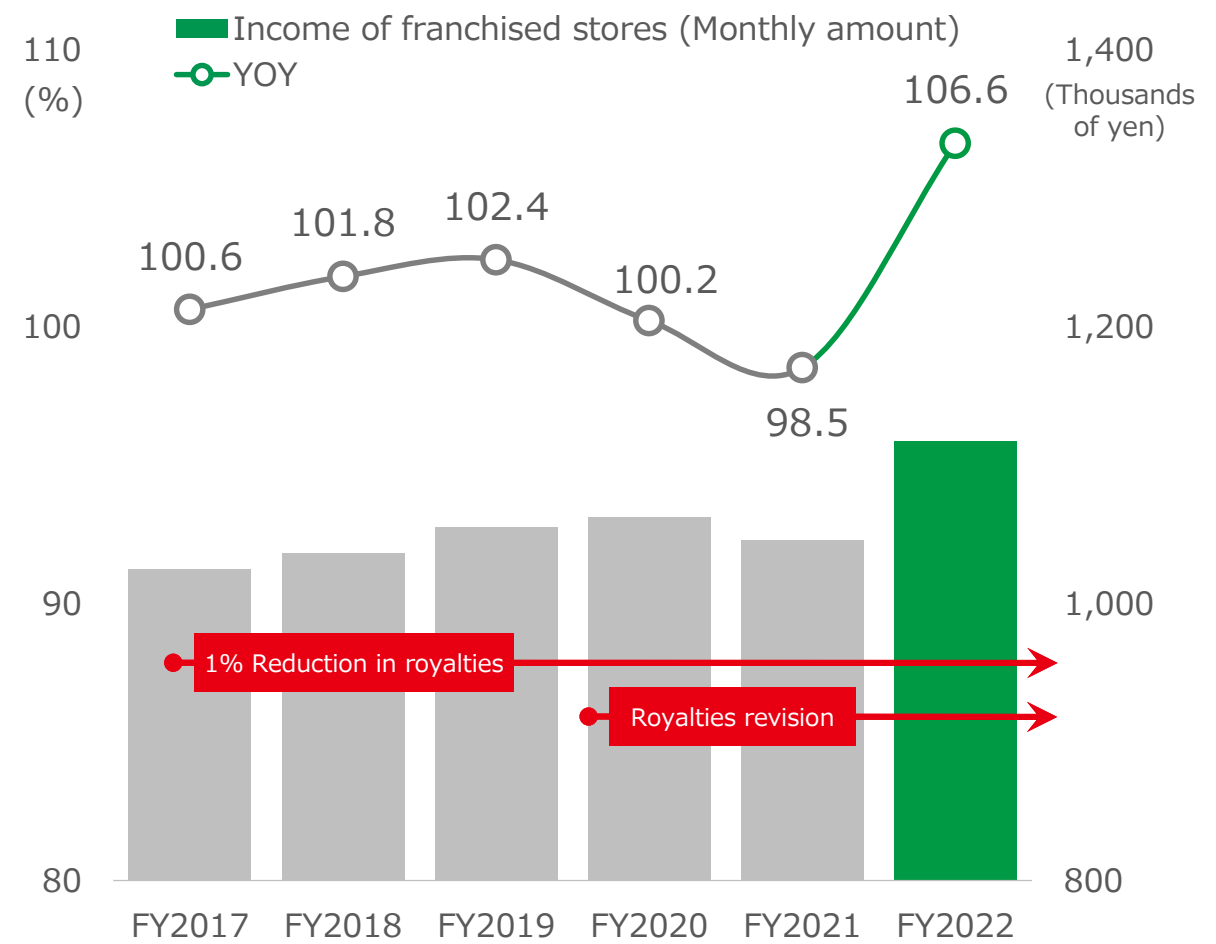
Steady growth in sales and gross profit due to the expansion of merchandise assortment and the effects of fairs

# Seven-Eleven Japan (2)

## Change in operating income



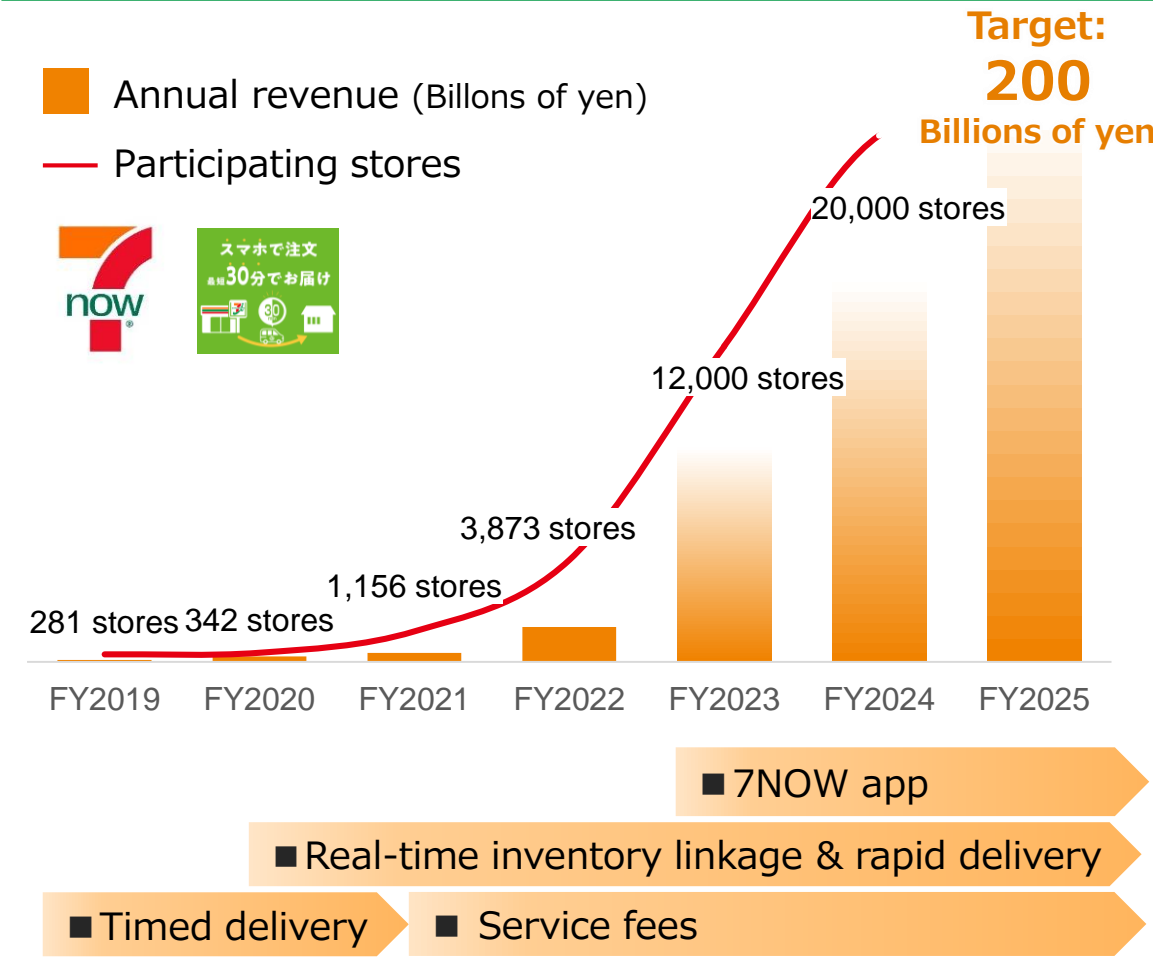
## Income YOY franchised stores



Energy cost increase has been absorbed and income of the Company and franchised stores grows

# Seven-Eleven Japan (3) New Business

## Expansion of 7NOW delivery by SEJ



## Strengthen the system towards national-scale expansion in FY2024

	FY23 initiatives to expand stores	
	1H	2H
Usability improvement		<ul style="list-style-type: none"> <li>7NOW app/7iD coordination</li> <li>Merchandise recommendation function</li> </ul>
Build delivery system		<ul style="list-style-type: none"> <li>Reinforcement of delivery system through multiple vendors in one area</li> <li>Expand delivery partners</li> </ul>
Store operation efficiency		<ul style="list-style-type: none"> <li>Improve user interface through application of store terminals</li> </ul>

## 7NOW App/7iD collaboration

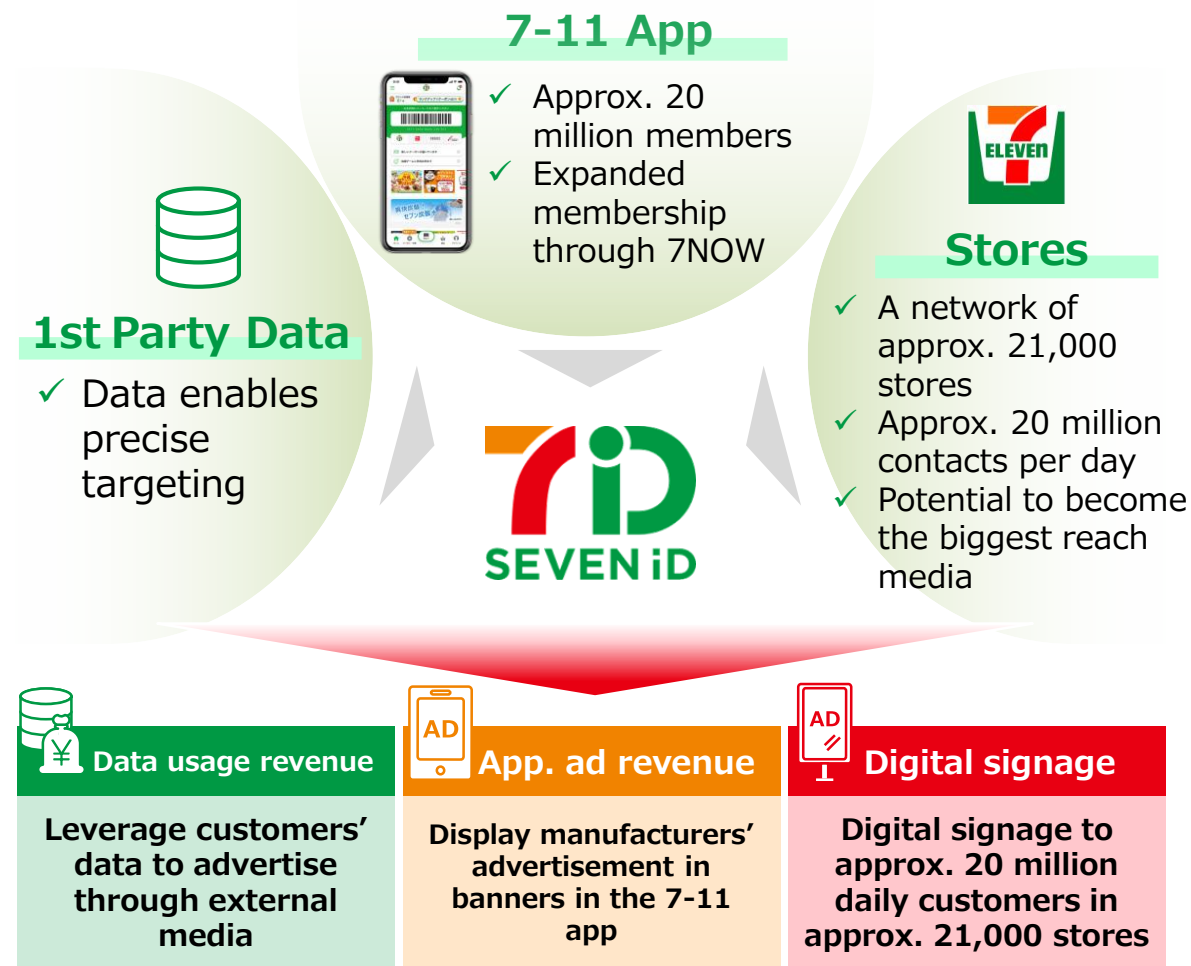
**Better user interface**  
Better user interface similar to choosing merchandise in-store

**Expand customer contact points**  
Scalability of data based on 7iD

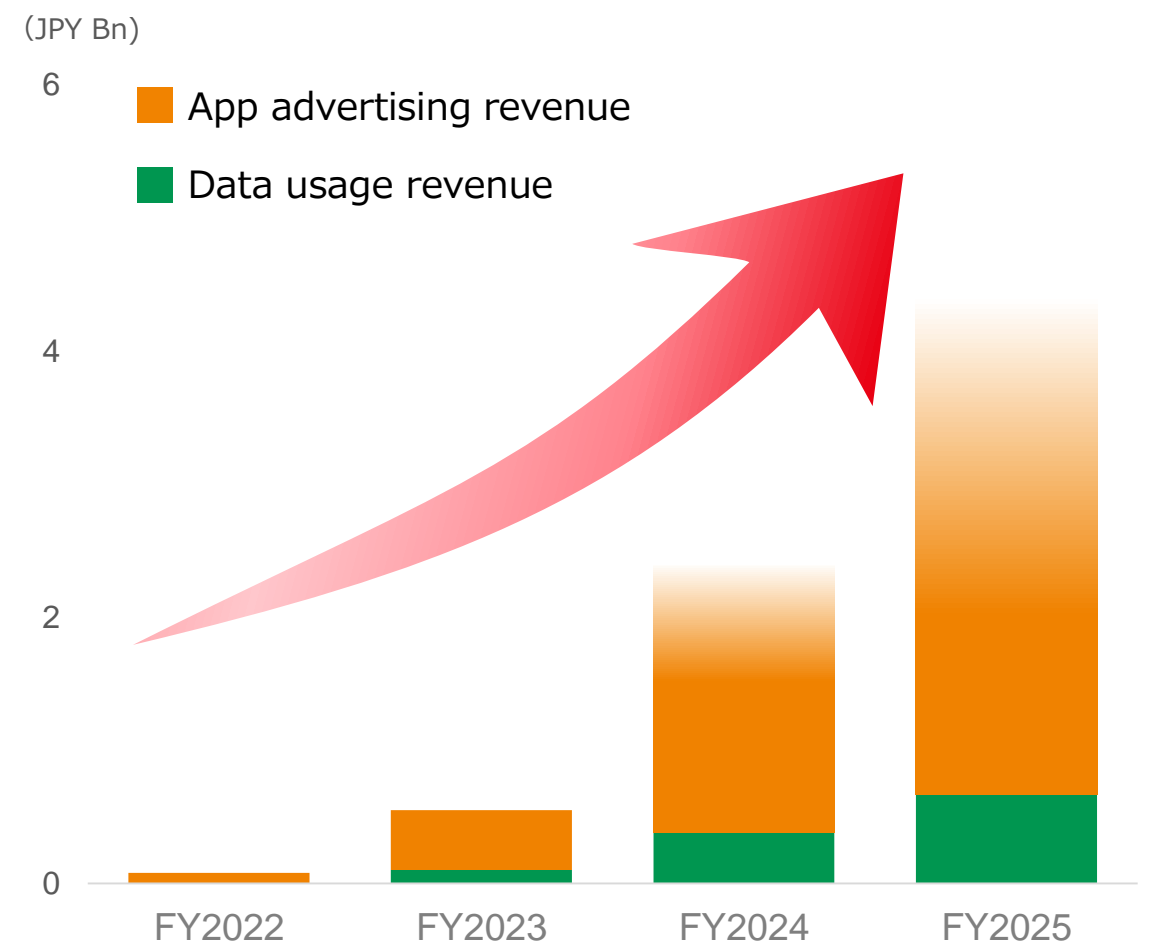
Greater value provided to customers through 7NOW expansion and 7iD collaboration

# Seven-Eleven Japan (4) New Business

## Leverage Retail Media



## Retail Media Revenue Trend

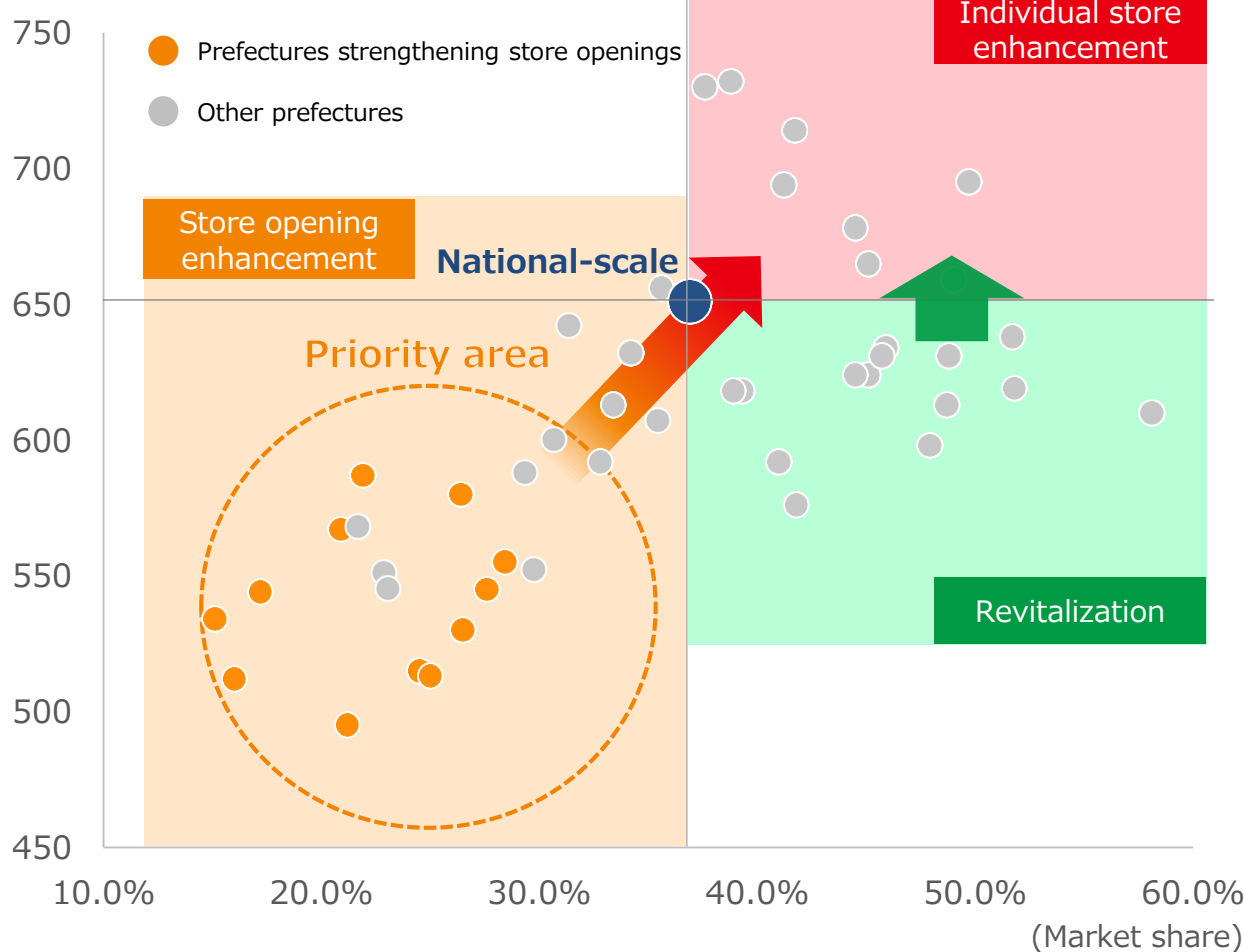


**As the membership base expands by leveraging SEJ resources, increased business opportunities exist to utilize 7iD**

# Seven-Eleven Japan (5) Store Opening Strategy

## Correlation between share of number of stores and average daily sales in the region

(Average daily sales / Thousands of yen)



## Store opening model according to location

### Location and area needs

### Corresponding store opening model

Residential area

- Assortment expansion
- Breaking away from one-format

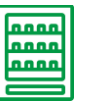
- SIP\* store



Urban area

- Dining needs due to withdrawal of cafeterias and concession stands
- Decline in employee benefits

- Compact store
- Seven vending machine
- Labor-saving store



Suburban area / under-populated area

- Aging population
- Population decline

- Practical use of 7NOW (Last-mile)
- Utilization of local logistics
- Stores with narrowed down merchandise



\*SIP: SEJ·IY·Partnership

**Room to open new stores due to changes in the business environment  
⇒ Promote optimal store opening strategy in consideration of investment efficiencies**

# 7-Eleven, Inc. (1) Balance Sheet Summary (as of December, 2022)



## SAM Consolidated Balance Sheet

(Millions of dollar)

Assets	Fiscal Year Ended Dec. 31, 2021	Fiscal Year Ended Dec. 31, 2022	Change	Liabilities	Fiscal Year Ended Dec. 31, 2021	Fiscal Year Ended Dec. 31, 2022	Change
Current assets	3,561	5,598	+2,037	Total liabilities	20,122	26,593	+6,471
Cash and cash equivalents	787	2,510	+1,723	Current liabilities	3,764	6,125	+2,361
Accounts receivable	1,210	1,462	+252	Trade and accounts payable	1,428	1,499	+71
Inventory	1,255	1,319	+64	Accrued expenses	2,109	2,182	+73
Other	309	307	(2)	Current portion, operating leases	-	742	+742
Non-Current Assets	34,667	40,927	+6,260	Current portion, long-term debt	227	1,702	+1,475
Operating lease assets	-	6,389	+6,389	Non-current liabilities	16,358	20,468	+4,110
Property and equipment	15,681	15,589	(92)	Operating lease obligations	-	5,806	+5,806
Intangible assets	18,526	18,482	(44)	Long term debt	13,064	11,358	(1,706)
Other assets	460	467	+7	Deferred credits and other liabilities	3,294	3,304	+10
Total assets	38,228	46,525	+8,297	Total net assets	18,106	19,932	+1,826
				Total liabilities and net assets	38,228	46,525	+8,297

Note) Figures are shown on SAM consolidated basis in accordance with U.S. GAAP.

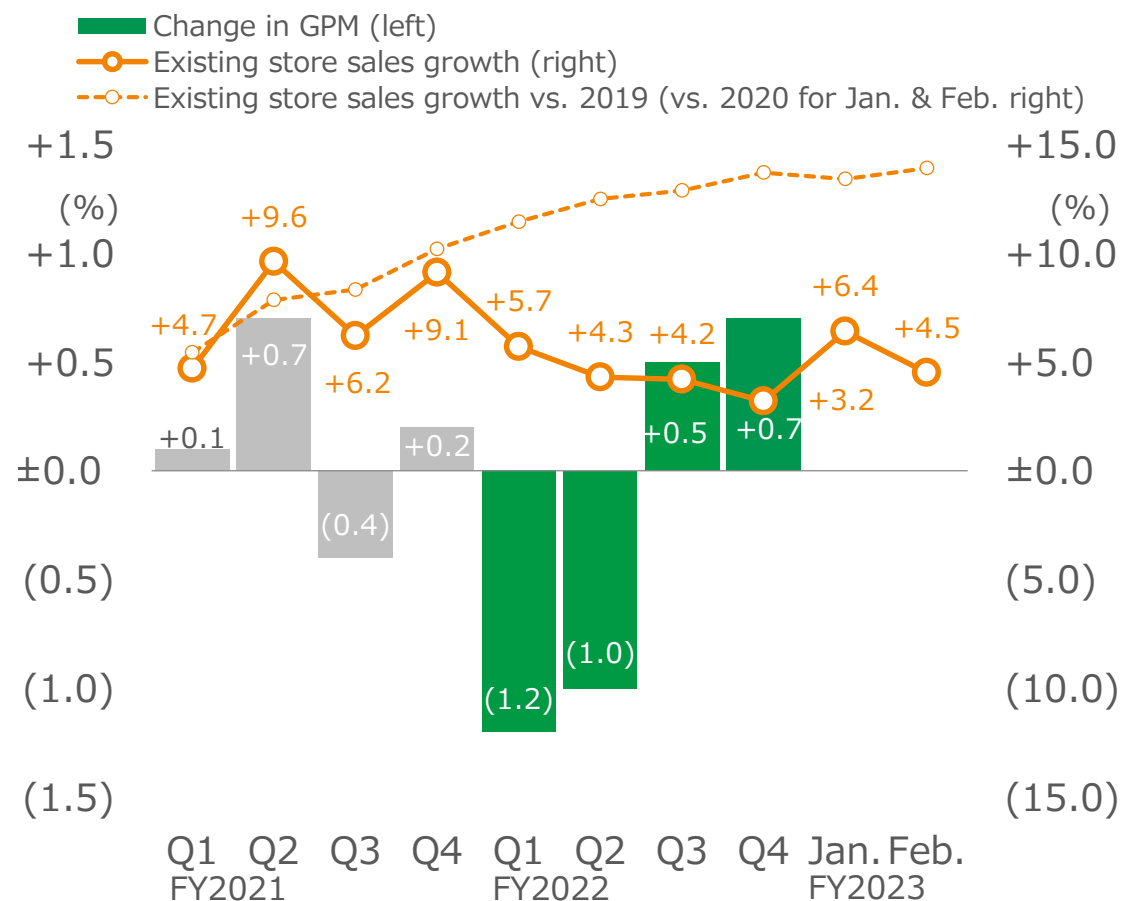
SAM: SEJ Asset Management & Investment Company which holds shares of operating companies in North America CVS operations

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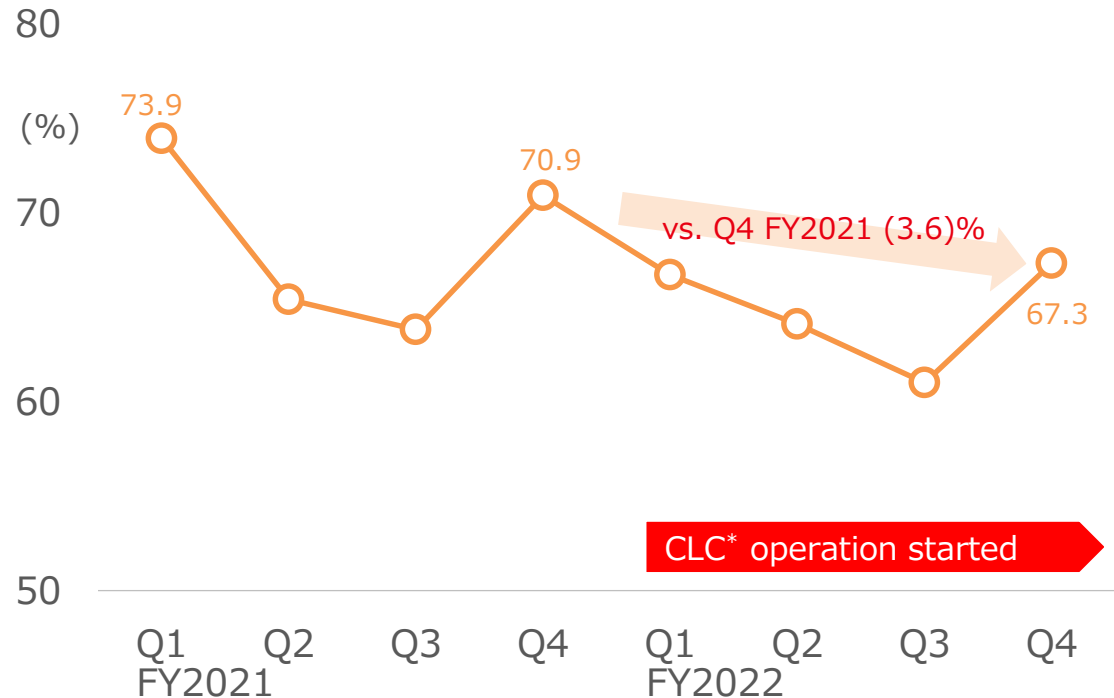
# 7-Eleven, Inc. (2)

## Existing store sales growth & GPM



Note) Figures of existing store sales do not include Speedway through Q2 FY2022 but include it in 2H and single month after June, 2022

## SG&A / gross profit trend



\* CLC: Cost Leadership Committee

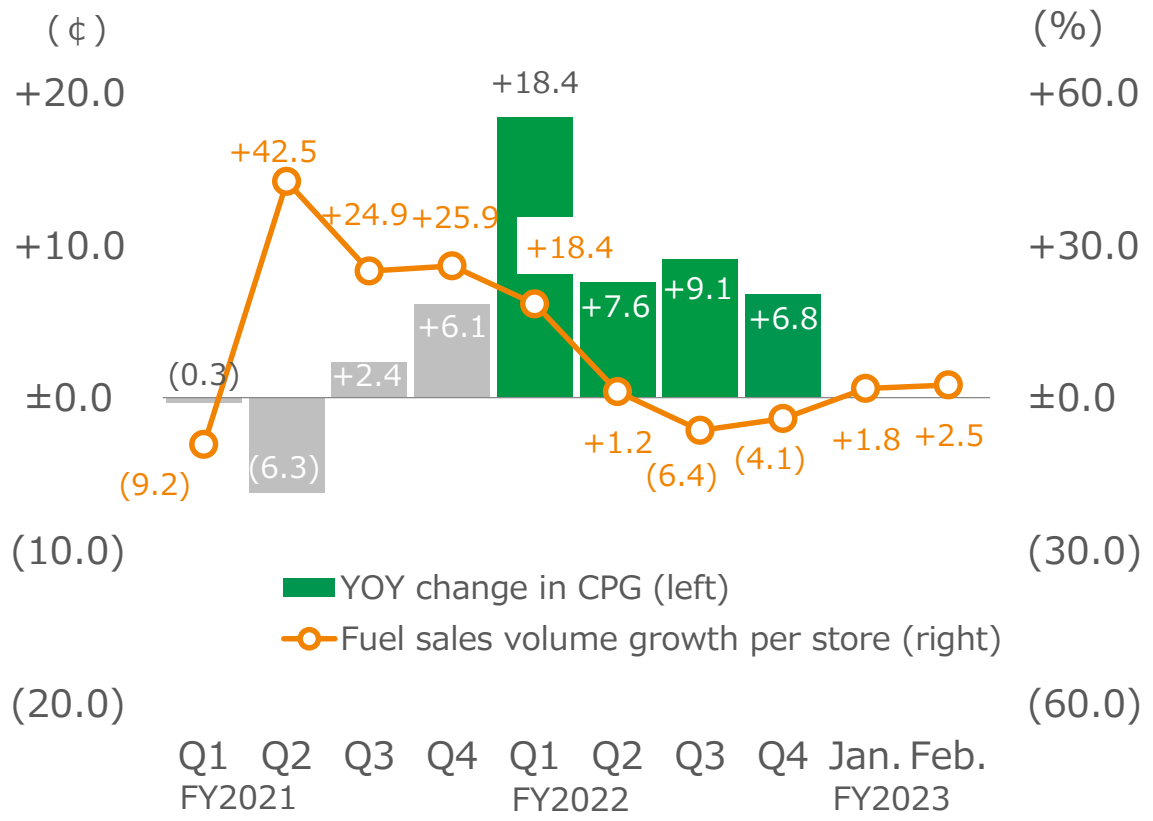
Savings and cost avoidance

Approx. \$275M

**Sales and GP improved by strengthening fresh food and PB as well as cost control effects through CLC initiatives**

# 7-Eleven, Inc. (3)

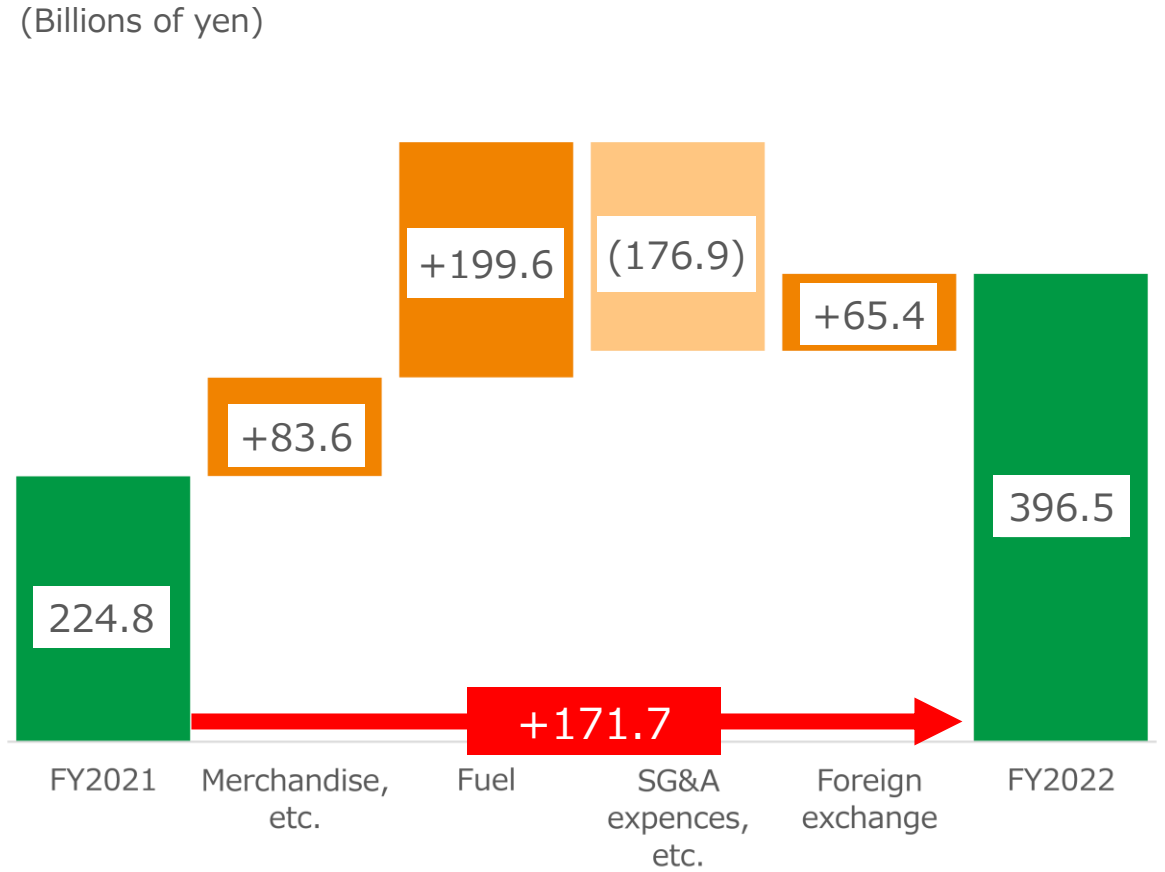
## Fuel Sales Volume & GP (CPG)



**Fuel GP: +\$1,816M (+46.2%)**

Note) Figures of existing store sales do not include Speedway through Q2 FY2022 but include it in single month after June, 2022

## Change in operating income



**Strong growth in operating income through increased fuel GP led by historical CPG and accelerated fresh food and PB sales**

# 7-Eleven, Inc. (4)

Results of Speedway after cycling a year of its acquisition (YOY growth)

Merchandise			
	(%)		
	1H	Q3	Q4
Existing store sales*	+4.9	+4.2	+3.2
YOY change in GPM	(1.1)	+0.5	+0.7
Change in gross profit	+21.3	+5.0	+5.1

Fuel			
	(%)		
	1H	Q3	Q4
Fuel sales volume per store	+6.9	(6.4)	(4.1)
YOY Change in CPG (¢)	+12.2	+9.1	+6.8
Change in gross profit	+100.8	+19.6	+13.7

SG&A・Operating income			
	(%)		
	1H	Q3	Q4
SG&A	+47.4	+3.5	+1.9
Advertising Expenses	+31.8	(51.1)	(66.6)
Salaries and wages	+70.0	+4.2	+1.3
Land and building rent	+25.7	+15.7	+14.7
Depreciation and amortization	+48.0	+20.2	+7.1
Utility expenses	+41.1	+16.1	+7.4
Others	+38.7	(6.1)	+0.1
Operating income	+85.9	+27.0	+24.3

Q3 represents the results after a year

Merchandise	Sales & gross profit are growing steadily
Fuel	Gross profit increased due to high CPG regardless of a decline in fuel sales volume
SG&A	Reduce the increase in SG&A by CLC*2 initiatives under inflation

\*1 Speedway is not included in 1H of existing store sales

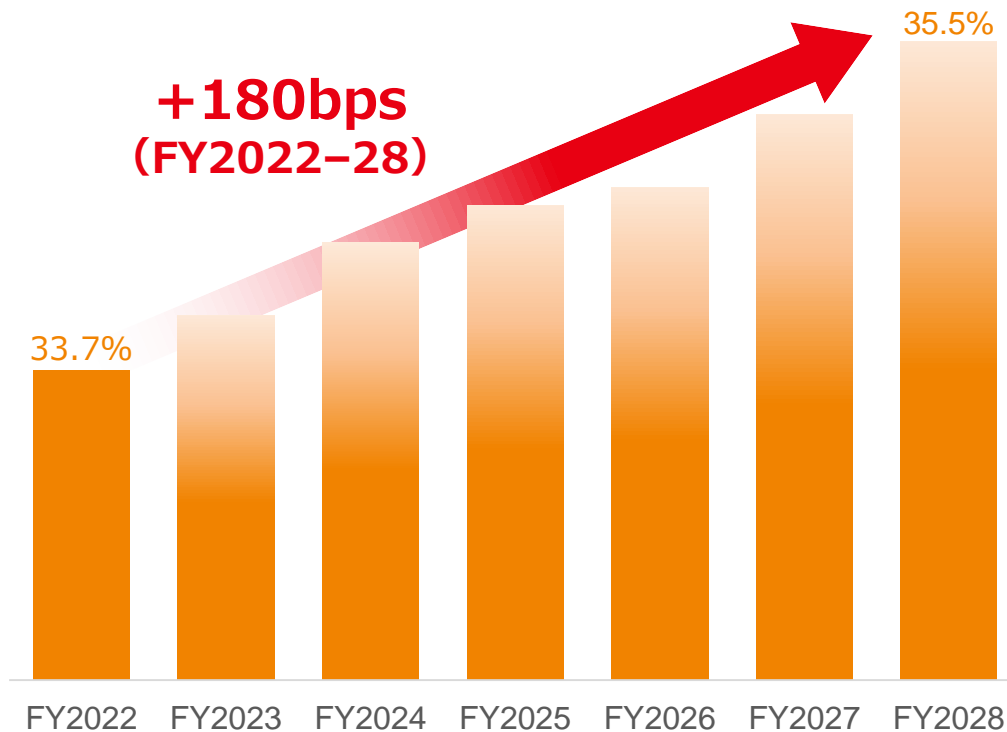
\*2 Cost Leadership Committee

# Growth Strategy of Global CVS Business (7IN)

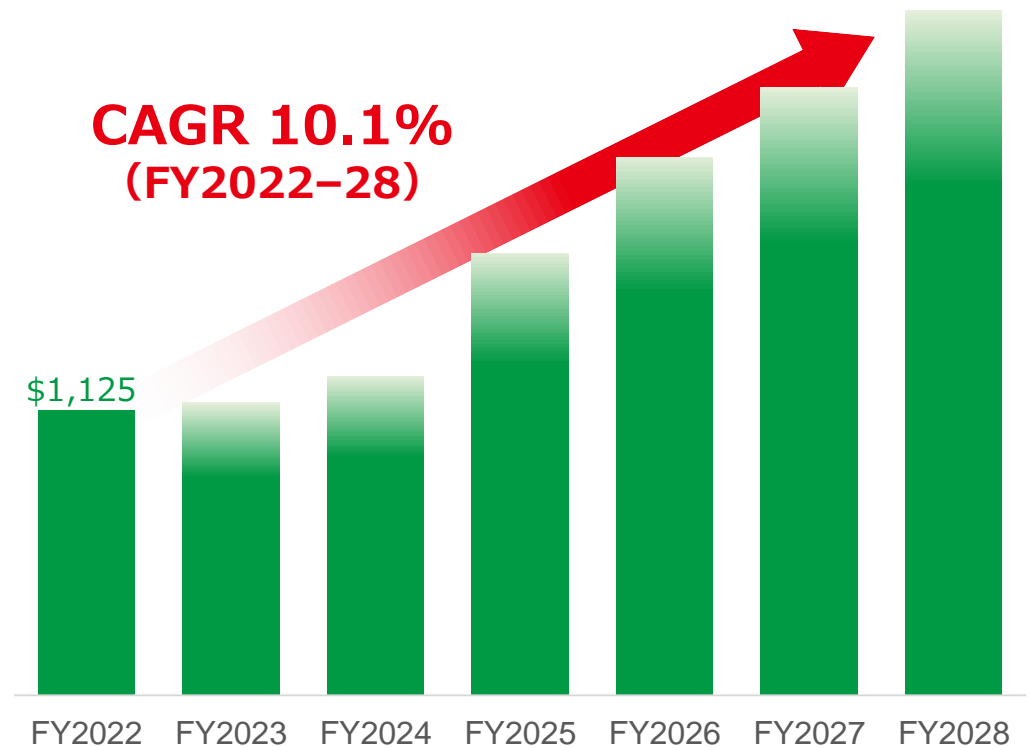
## Vietnam Business Strategy

Strengthening proprietary merchandise centered on FF by cooperation with NDF partners  
⇒ Improve gross profit margin and average daily sales ⇒ EBITDA growth

### Improve gross profit margin



### Improve average daily sales



Deploy to other growth areas by utilizing Vietnam business initiatives as a model case

# Eliminations / Corporate Expenses and Investments for Group Strategy

(Billions of yen)

	Expenses			Capex		
FY2022 results	Results	YOY change	vs. Plan	Results	YOY change	vs. Plan
DX, system, security, etc.	(51.4)	(15.8)	+0.31	26.0	(10.4)	(2.7)
Others	(15.9)	(7.9)	+1.1	12.7	+4.6	+0.23
Eliminations / corporate (Operating income)	(67.4)	(23.7)	+1.4	38.7	(5.7)	(2.5)
FY2023 plan	FY2023 plan	YOY change		FY2023 plan	YOY change	
DX, system, security, etc.	(52.3)	(0.82)		25.5	(0.50)	
Others	(23.2)	(7.4)		13.7	+1.0	
Eliminations / corporate (Operating income)	(75.6)	(8.2)		39.3	+0.52	

# FY2023 Financial Forecasts of Major Operating Companies

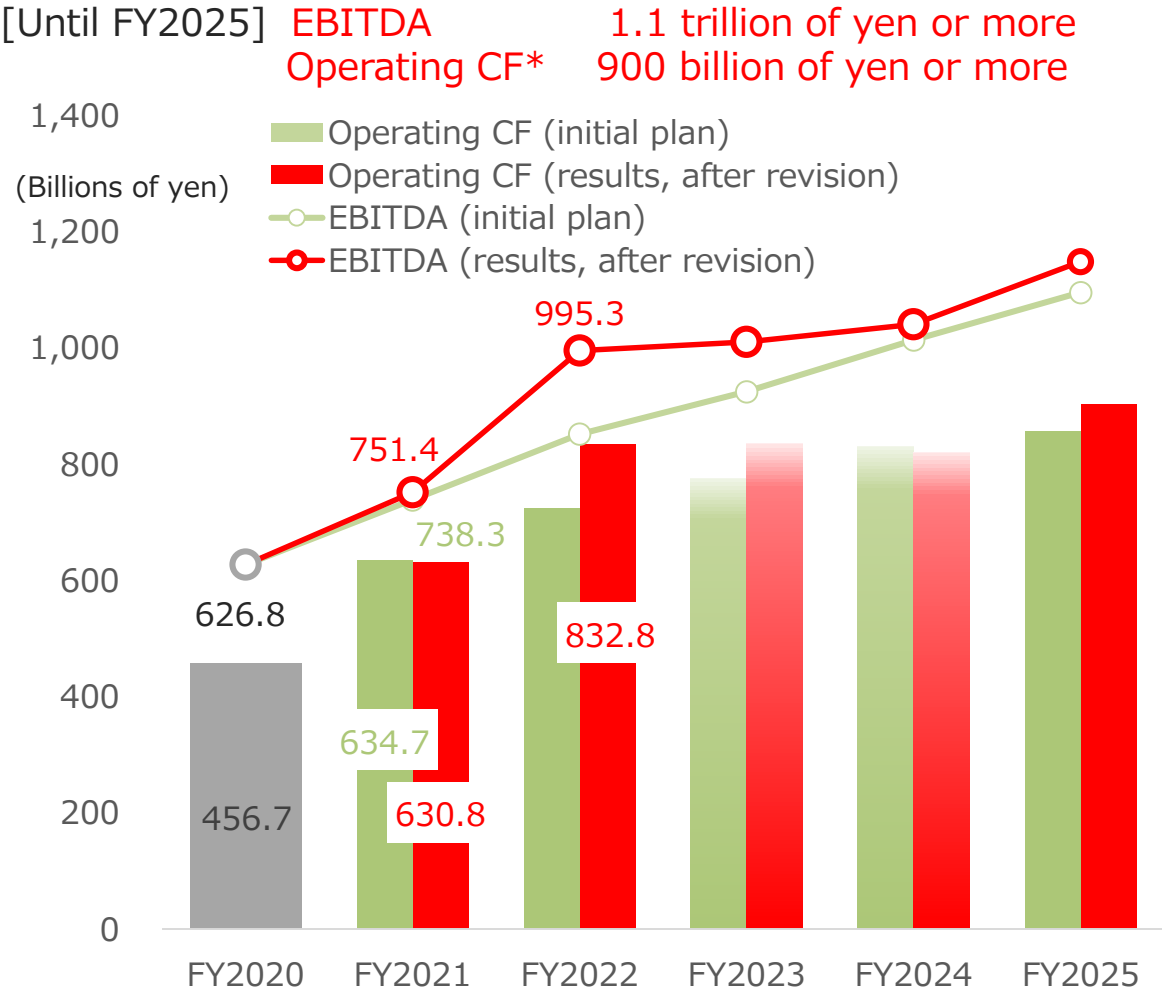
(Billions of yen, %)

	Operating income			Existing store sales growth	Change in merchandise GPM
		YOY	YOY change		
Seven-Eleven Japan	245.0	105.2	+12.1	+2.5	+0.2
7-Eleven, Inc.	403.2	101.7	+6.6	+4.5	+0.9
[Millions of dollar]	[3,078]	[102.2]	[+65]		
Ito-Yokado	(1.5)	-	(1.9)	+2.2 (incl. tenants)	+0.1
York-Benimaru	18.2	101.0	+0.18	+1.2	+0.3

Note) Exchange rate : 1USD = 131.62JPY

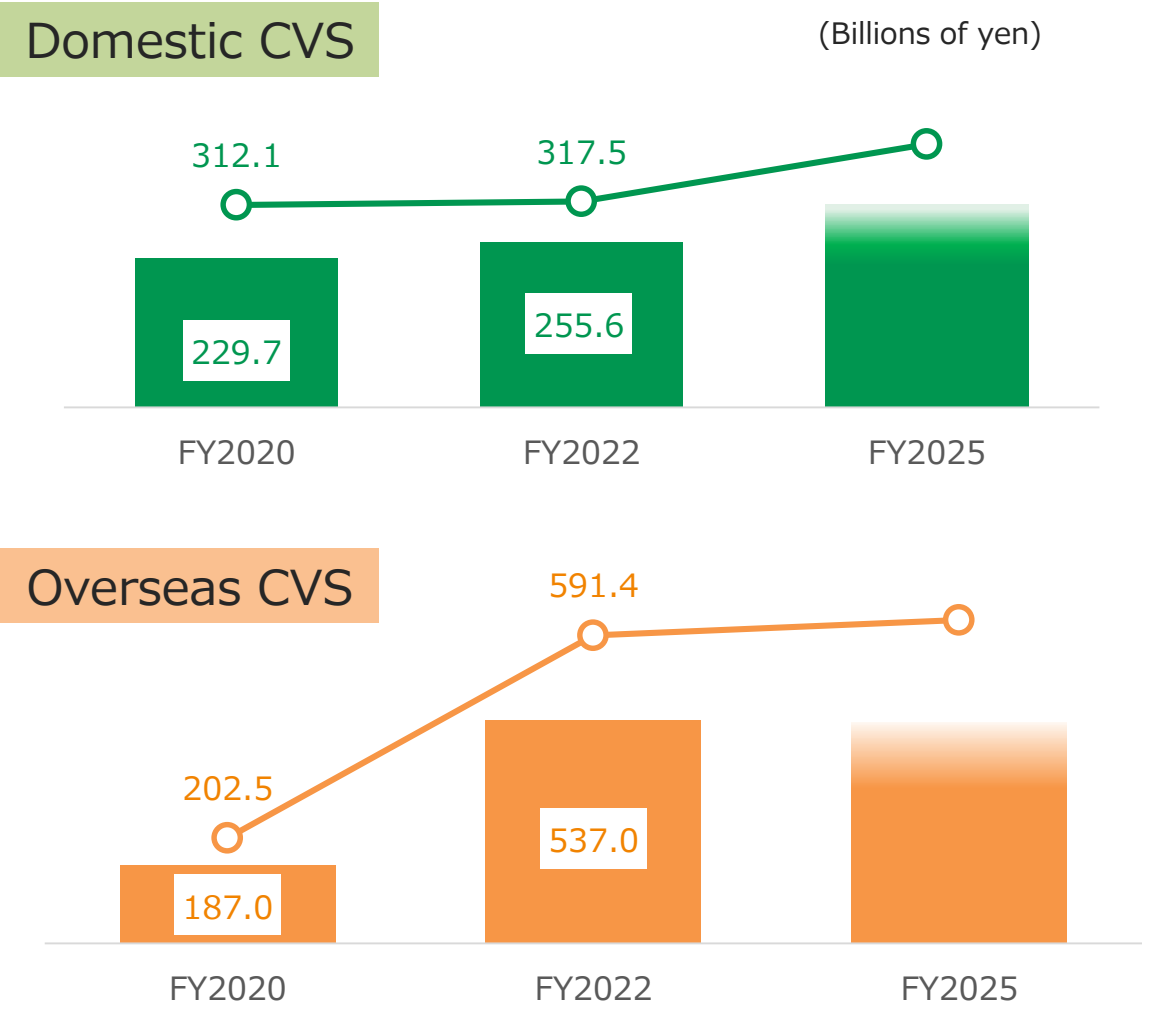
# Consolidated Financial KPI (1)

## Plan of EBITDA and operating CF



\* Operating CF: Management accounting figures based on NOPAT (excl. financial services)  
 Note) Exchange rate: [Initial plan] 1USD=107JPY (FY2021), 1USD=105JPY (FY2022-2025)  
 [Results, revision] 1USD=109.9JPY (FY2021), 1USD=131.62JPY (FY2022), 1USD=131.0JPY (FY2023), 1USD=120.0JPY (FY2024), 1USD=116.0JPY (FY2025)  
 Figures in the initial plan exclude the effect of sales & leaseback

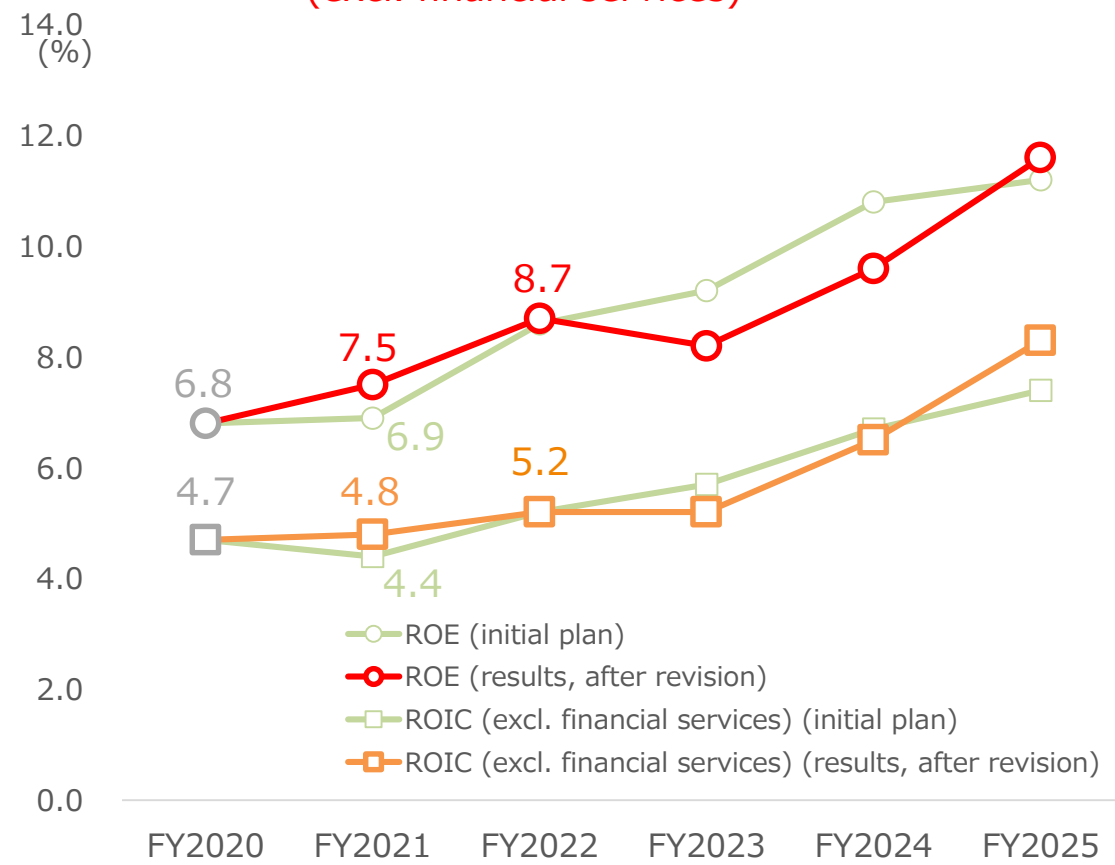
## Plan by segment (bar chart : operating CF / line graph : EBITDA)



# Consolidated Financial KPI (2)

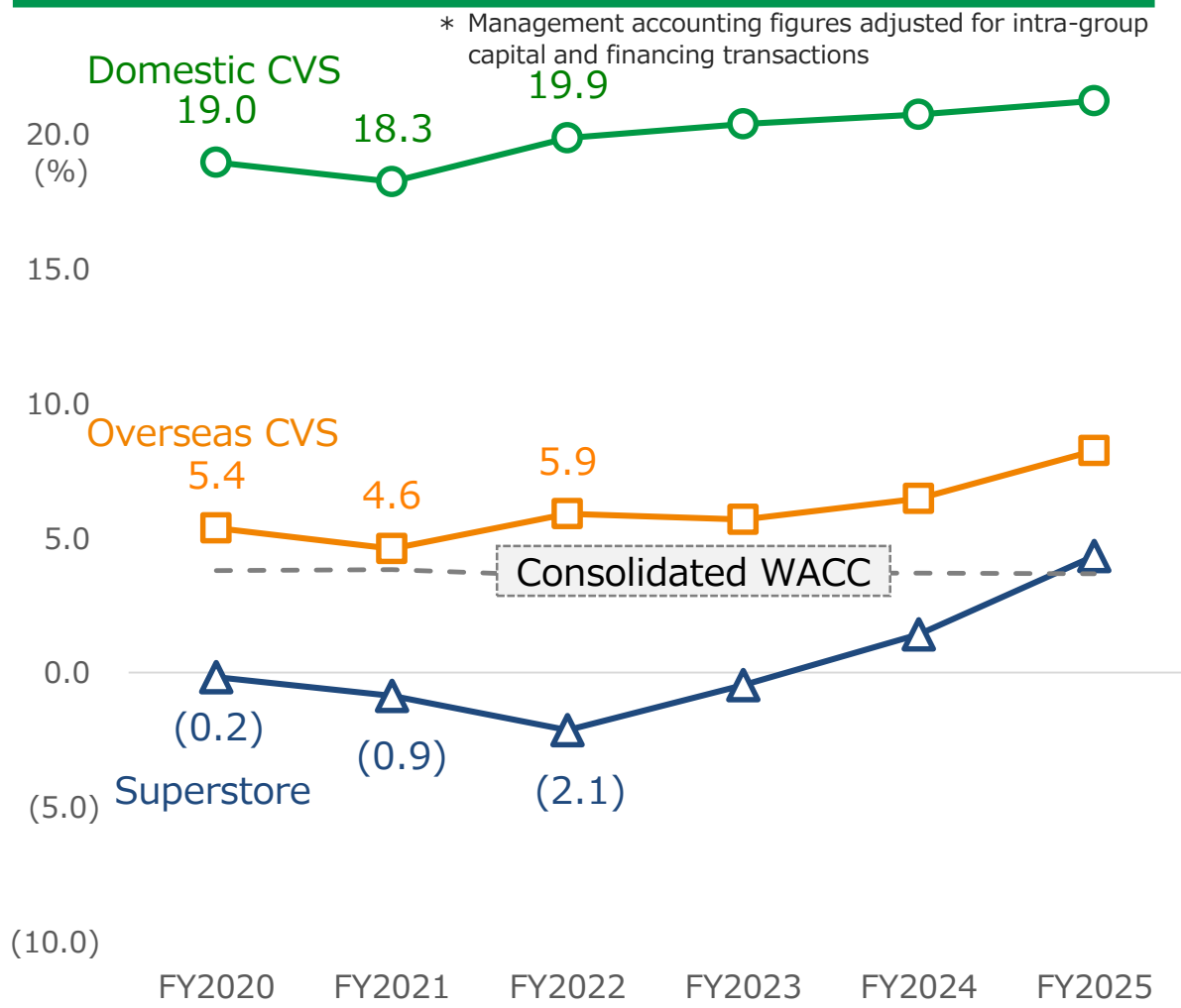
## ROE, ROIC

[Until FY2025] ROE 11.5% or more  
 ROIC 8% or more  
 (excl. financial services)



Note) Figures in the MTMP exclude the effect of sales & leaseback

## ROIC by segment

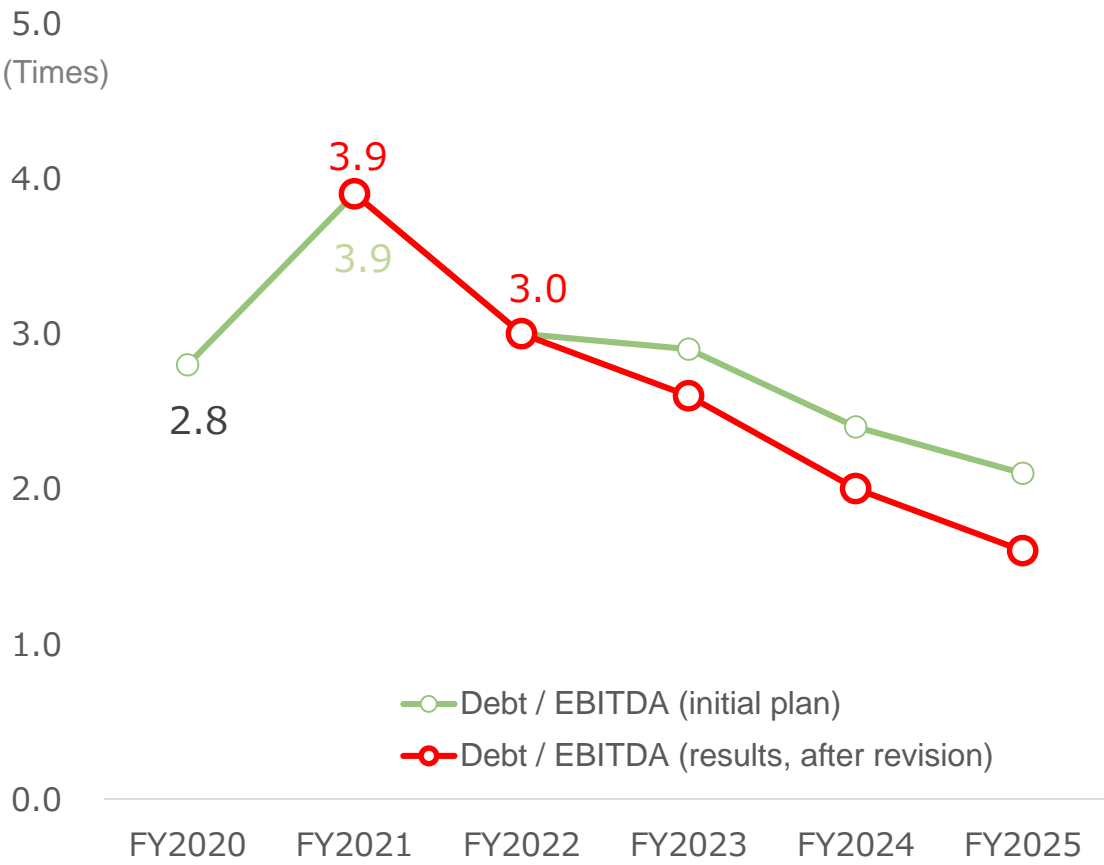




# Consolidated Financial KPI (3)

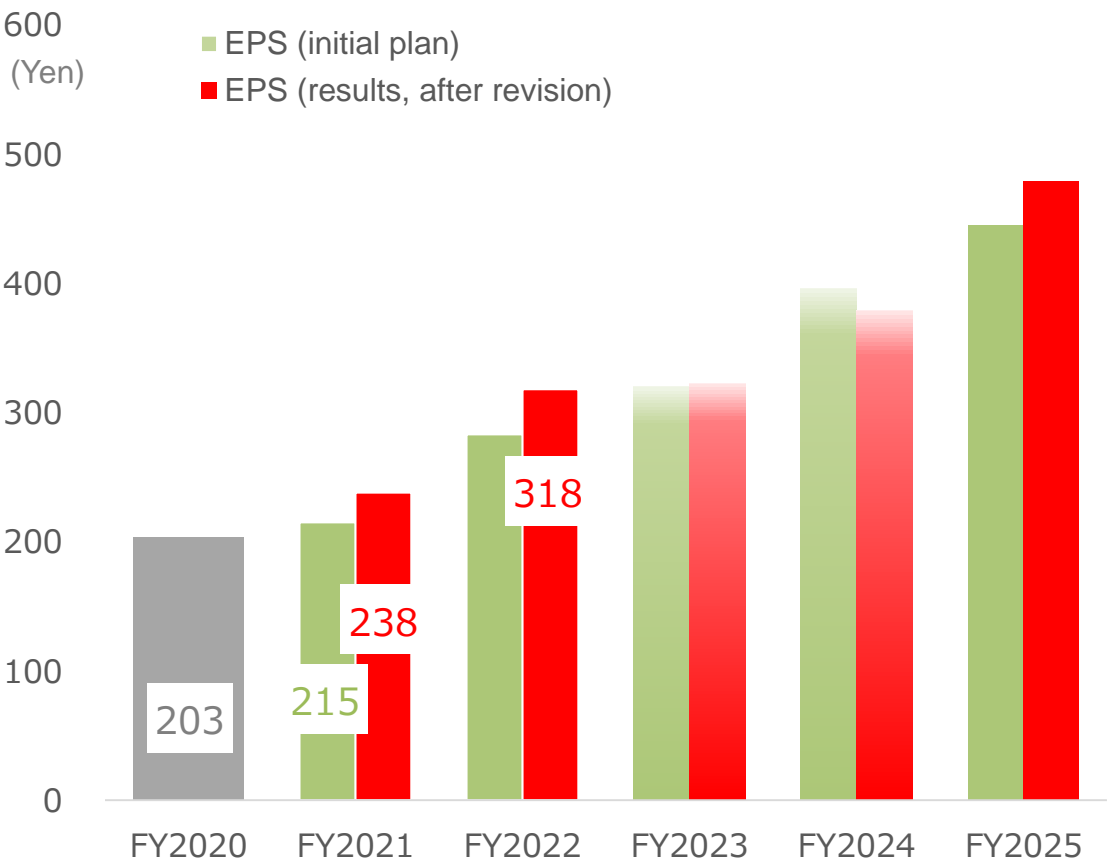
## Debt / EBITDA ratio

[FY2025] below 1.8 times



## EPS

[FY2021-2025] EPS growth plan: 18% or more\*



\* Estimated of CAGR (compound annual growth rate) vs. FY2020

# Promotion of Sustainable Management (1)

Sustainable management efforts are the basis for the “Medium-Term Management Plan 2021 – 2025”  
 Promote group-wide efforts to address climate change

**Environmental Declaration**  
 “GREEN CHALLENGE 2050”

—FY2050 target—

**① Reduce CO2 emissions**  
 Target **net zero emissions** through group’s operational management  
 Aim to reduce through whole supply chain including Scope 3

**③ Reduce food waste & food waste recycling**  
 Food waste volume **75% reduction**  
 Food waste recycling rate **100%**

**② Measures against plastic**  
 Includes reduction of overall plastic materials related to sales  
**Containers used for original merchandise 100%** made with Eco-friendly materials  
**No usage** of plastic bags

**④ Sustainable sourcing**  
**Raw materials for original merchandise 100%** sustainability-sourced materials

—Disclosed in June 2020—  
 \* Revised in March 2022

—Committed since—  
 March 2021

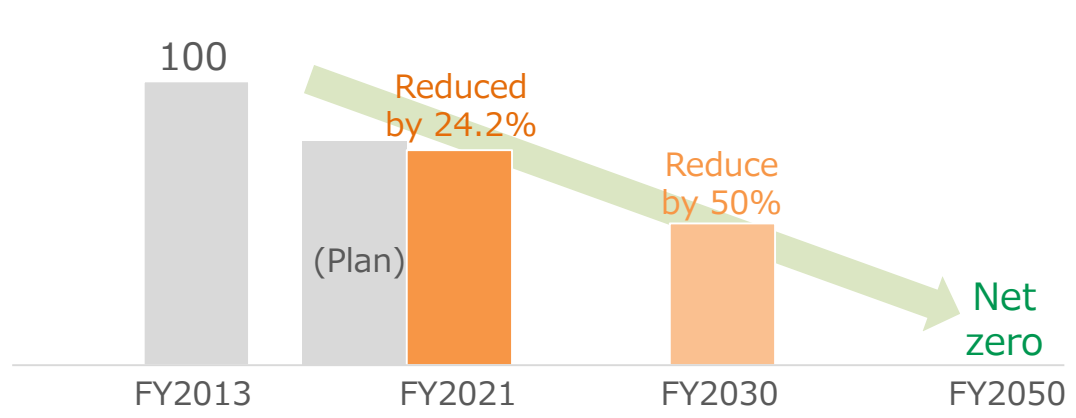
—Preparation in progress—  
 in 2023

Achieving sustainable society with global perspectives

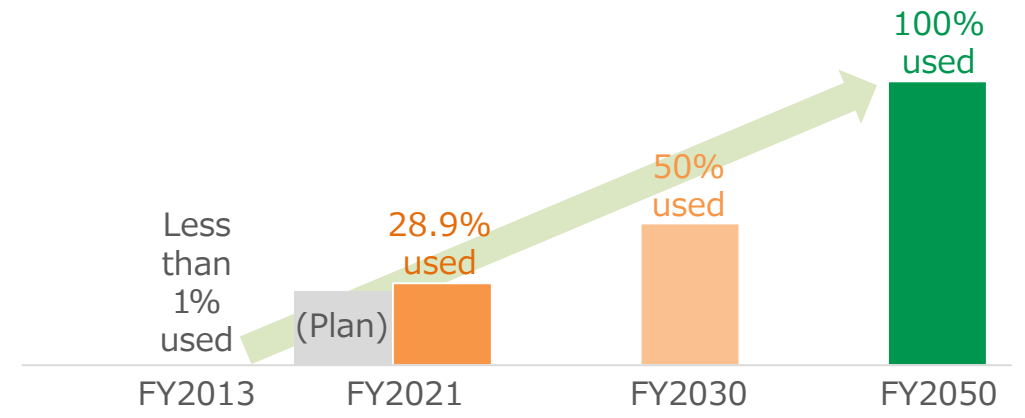
# Promotion of Sustainable Management (2)

Further strengthen efforts to meet the targets of the Environmental Declaration by 2050

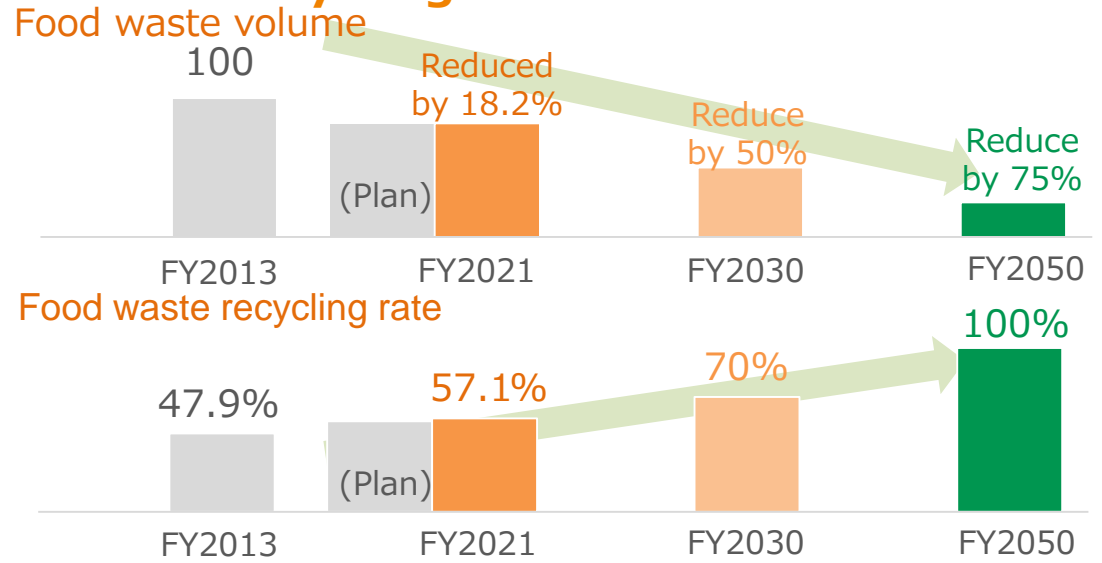
## ① Reduce CO2 emissions



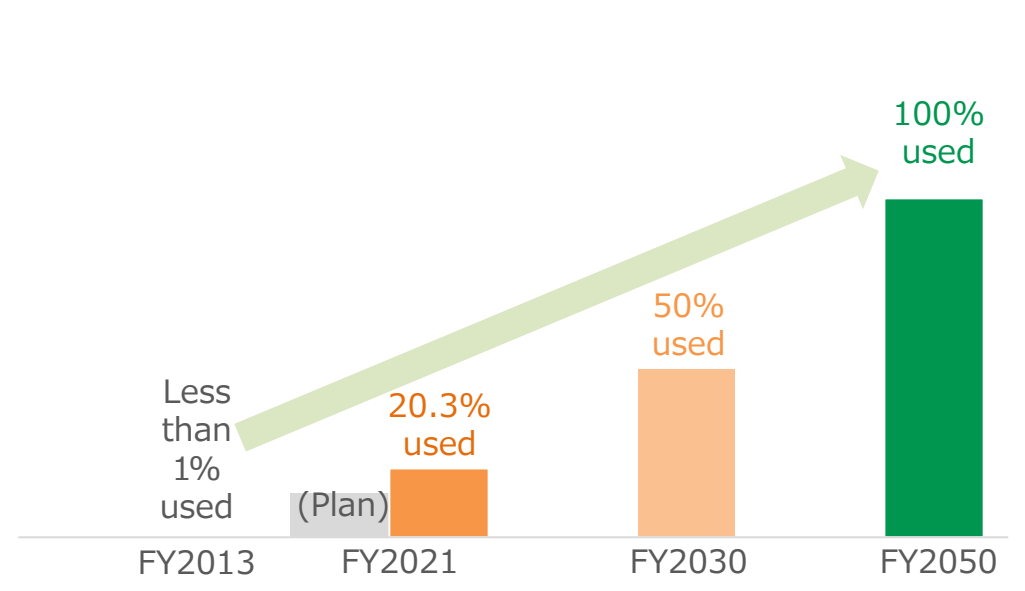
## ② Measures against plastic



## ③ Reduce food waste & food waste recycling



## ④ Sustainable sourcing





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.