



# Seven & i Holdings "IR Day2023"

## Global CVS Operations Strategy

October 31, 2023

# Growth Strategy of Global C-Store Business (7IN)

## 1 Support Existing Market Growth

- Maximize licensee growth potential by fully leveraging SEJ and SEI's core competencies
- Enhance the 7-Eleven global brand to increase licensee and 7IN profitability

## 2 Strategic Investments in Existing Markets

- Pursue accelerated profit growth through strategic investments and business involvement with licensees
  - ✓ Investment in Vietnam business

## 3 New Market Entry

- Accelerate expansion into white space with strategic priorities in Europe, MENA\*, and Latin America (Including JV/M&A)
- Expand store footprint in new markets to increase growth and profitability



**INTERNATIONAL**

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

7IN to Lead the Accelerated Growth of Global C-Stores Outside of Japan and North America

\* Middle East & North Africa

# 7IN Aims to be the Third Pillar of 7&i C-Store Business



Further Accelerating Growth of 7-Eleven Brand Internationally

# 7-Eleven Global Business

As of September 30, 2023

## 20 Countries & Regions

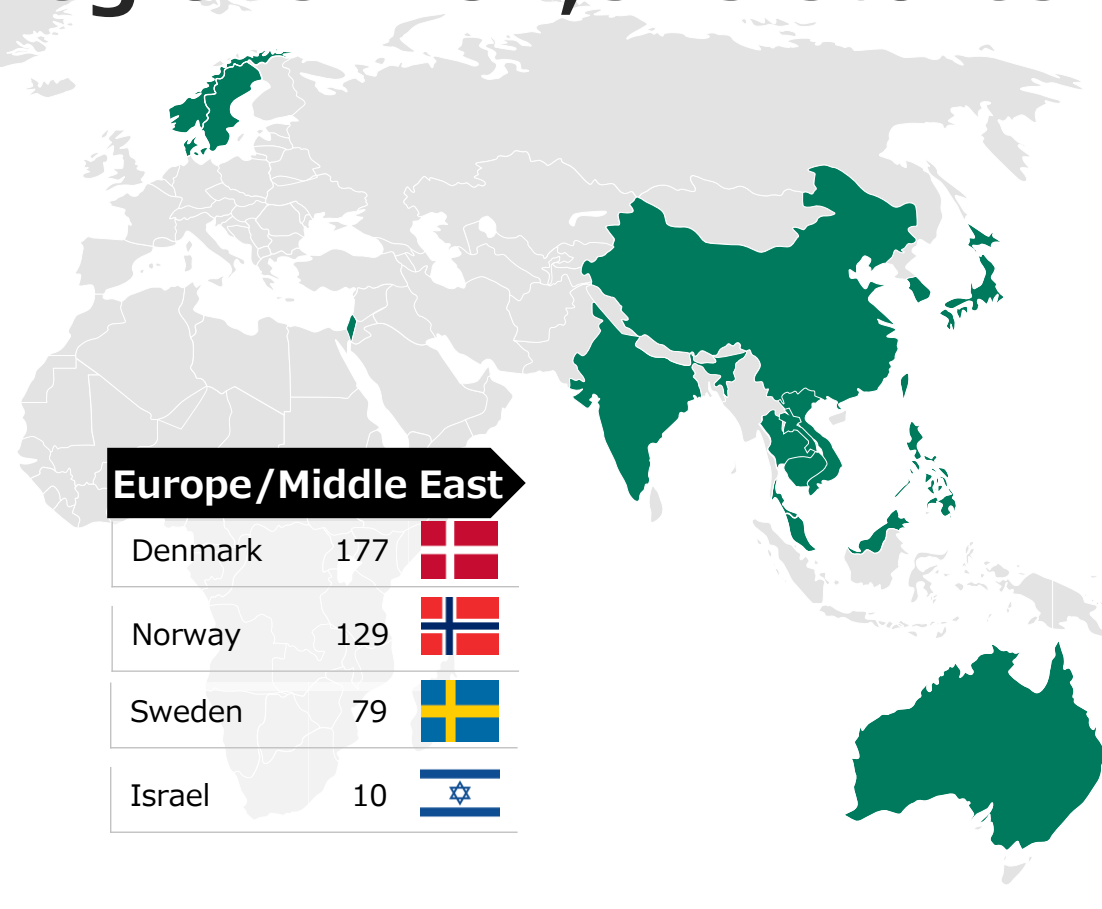
As of September 30, 2023

## 84,343 stores



### North America

United States	12,792	
Mexico	1,910	
Canada	600	



### Europe/Middle East

Denmark	177	
Norway	129	
Sweden	79	
Israel	10	

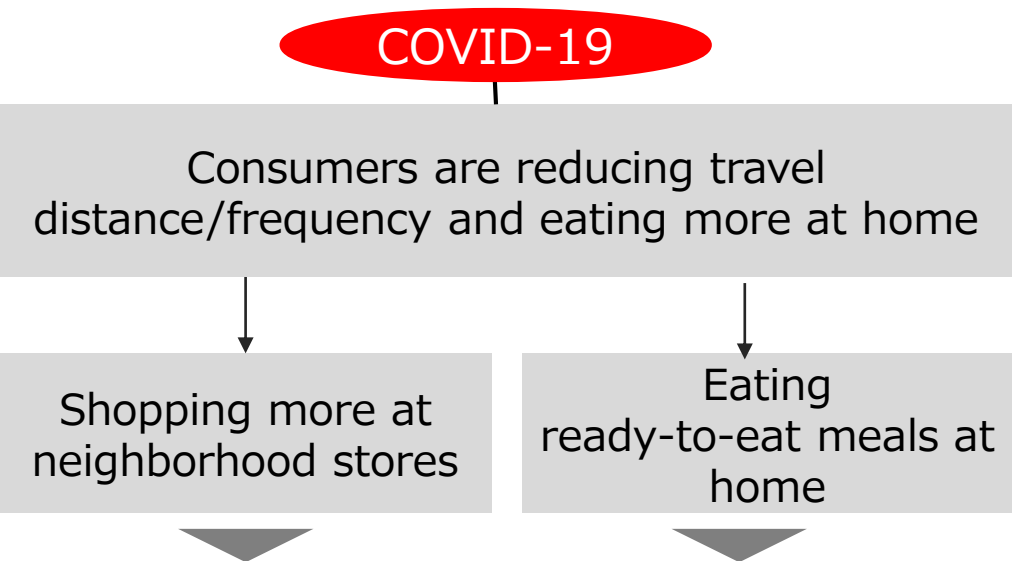
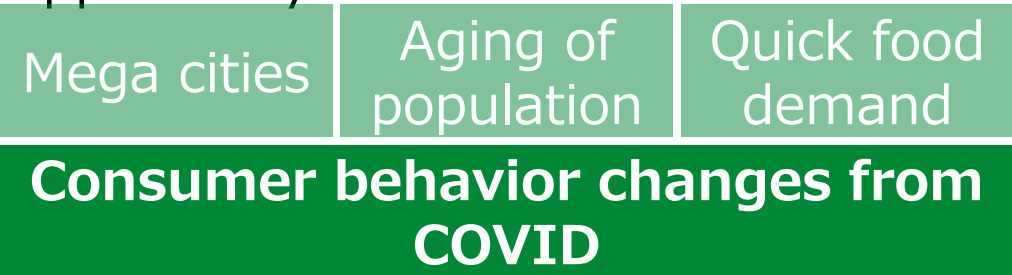
### Asia-Pacific

Japan	21,431	
Thailand	14,391	
South Korea	13,495	
Taiwan	6,806	
China	4,907	
Philippines	3,624	
Malaysia	2,532	
Australia	759	
Singapore	489	
Viet Nam	95	
Cambodia	72	
India	44	
Laos	1	

Huge Growth Opportunities in Existing & New Markets

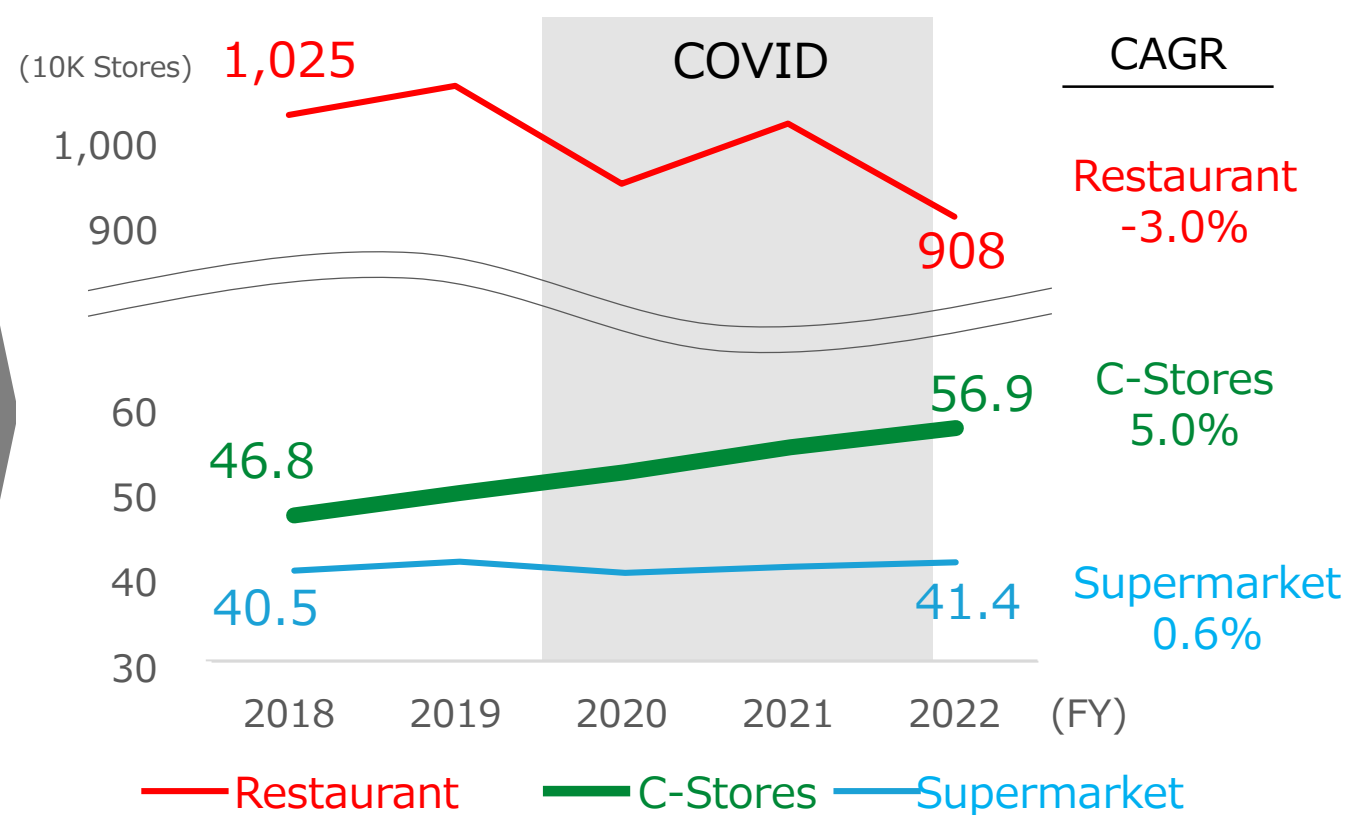
# C-Store Business Environment in the Global Market

On top of consumer behavior changes caused by COVID, factors such as population growth, urbanization, and evolving new food demand due to aging society brings a great opportunity for the convenience store format to grow.



**Increased demand for small format stores with fresh food offerings**

## Number of Outlets – Global Trend

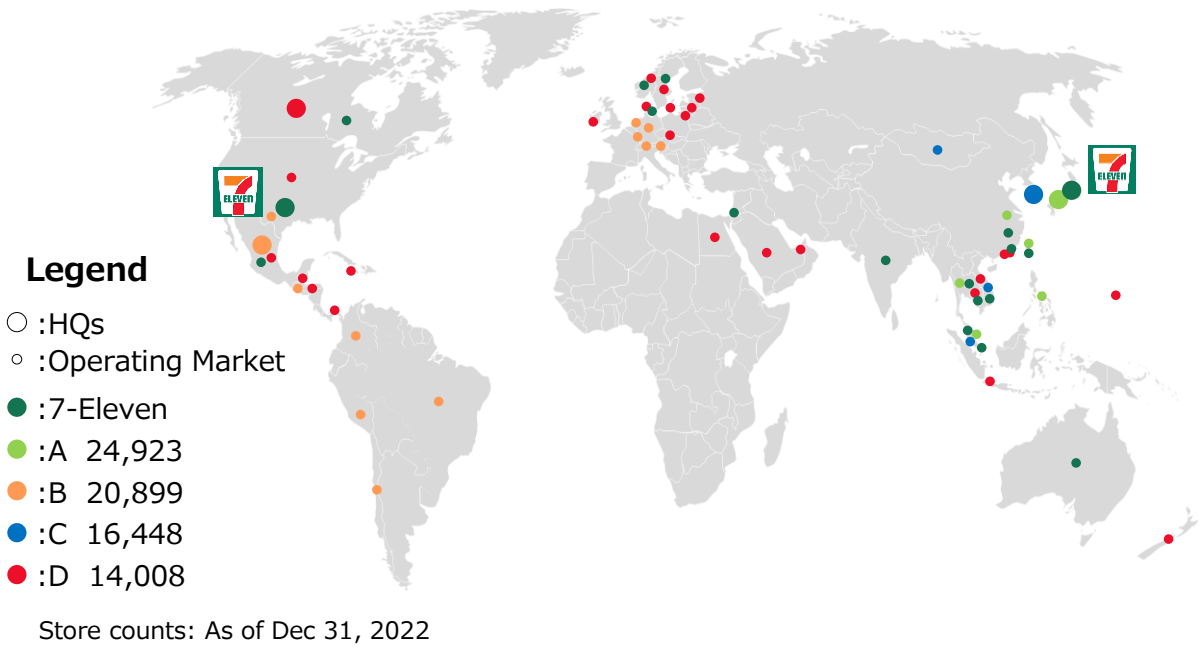


Source: Euromonitor, number of outlets for "Full-Service Restaurants", "Convenience Stores" and "Supermarket" in all countries

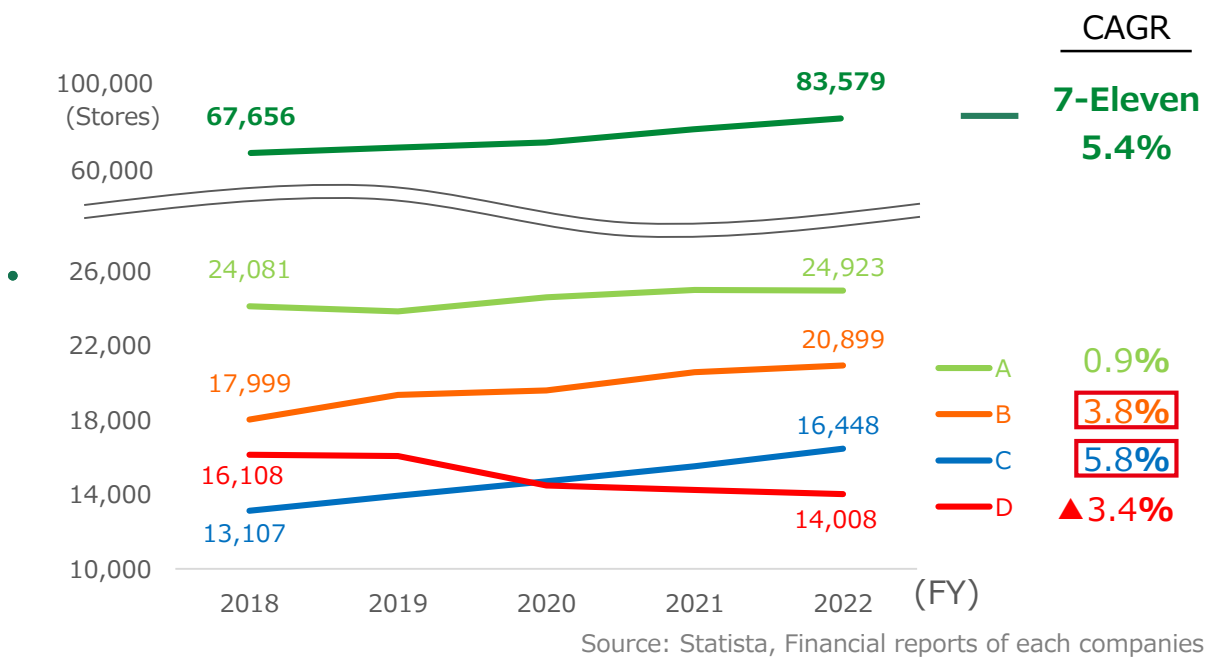
# Global Competition

- The global C-Store Business market is growing rapidly, and competition is intense
- While competitors are aggressively seeking acquisition opportunities, some are suffering from inflation and exiting markets

## Major Global C-Store Players

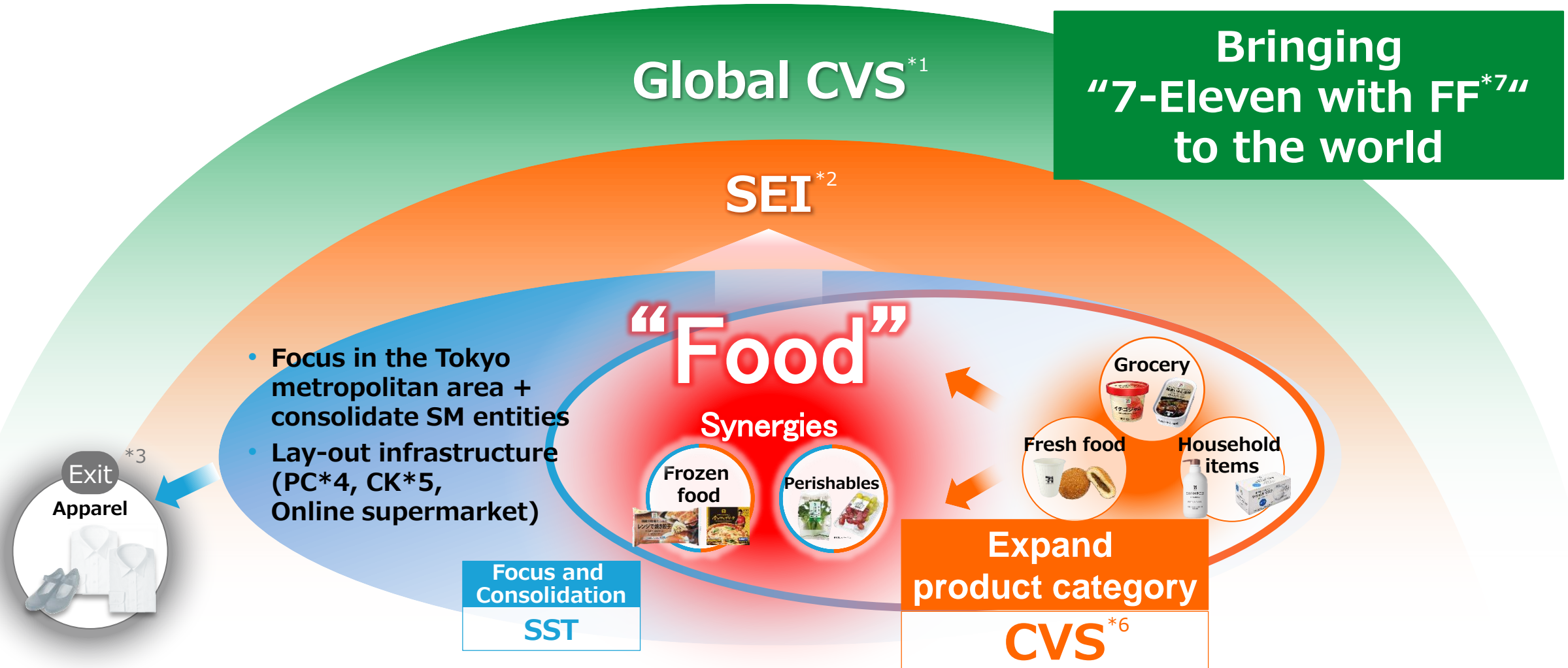


## Store Count Trend



# 7-Eleven to Increase Footprint Outside of Home Countries

# Growth Strategy of C-Store Business with "Food" at its Core



\*1 Mainly operated by 7IN  
\*5 CK: Central Kitchen

\*2 Mainly operated by 7-Eleven, Inc. ("SEI")  
\*6 Operated by Seven-Eleven Japan Co., Ltd. ("SEJ")

\*3 Exit from Self-operated apparel business  
\*7 FF: Fresh Foods

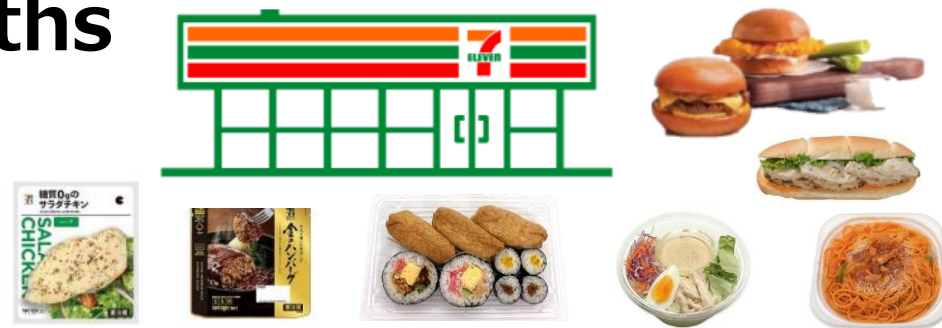
\*4 PC: Process Center

Strength in "Food" is the key source of competitive advantage for the Group's CVS business

Strategy Target

## Conversion to "C-Store with food" through the introduction of 7&i strengths

- ✓ Close APSD sales gap among areas
- ✓ Expand customer base and value offerings in all markets



Redefine Target Customer Profile + Value Proposition

Key Initiatives

Store Development

Products (FF·PB)

Store Operations

Digital

Full utilization of SEJ + SEI strengths and know-how

Accelerate Global Strategy by Business Expansion and Brand Value Enhancement



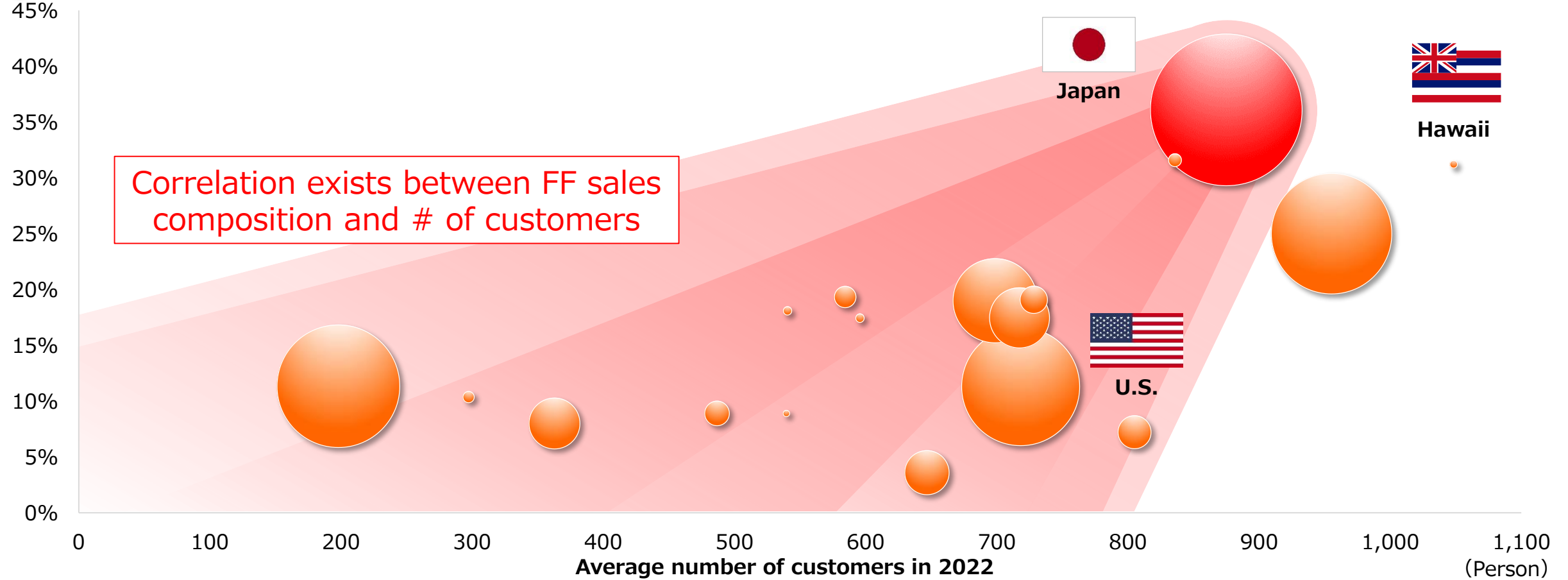
# Global C-Store Business Growth With Food

## Globally expand SEJ's strength in "food"

FF \* Sales Composition 2022 (%)

○ Size of bubble = # of stores

### Global 7-Eleven Operations



\* "FF": Fresh Food(Fresh foods include Ready-To-Eat foods only. Proprietary beverages, dairy products and long shelf-life foods are excluded.)

Accelerate Growth in High-Potential Markets by Leveraging FF Strengths



**Support Existing Market Growth**

**Strategic Investments in Existing Markets**

**New Market Entry**

# Rally for Food Value Chain Strategy (2022 Summer, Hawaii)

## Greeting from CEO Mr. Isaka



## Warabeya commissary visit



## Licensee's pitch

## SEH store visit

## Discussed VC Strategy



**NDF\* Partners and Licensees Discussed the Importance of Strategy**

\* NDF: Nihon Delica Foods Associations

# Bringing "7-Eleven with FF" to the World: MALAYSIA

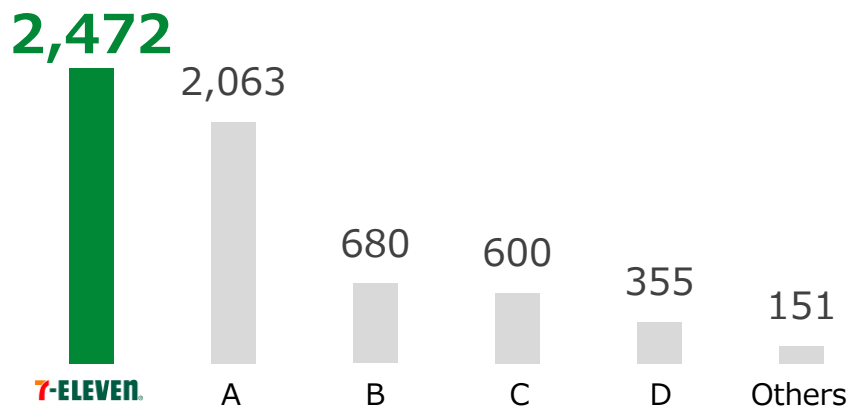
## Macroeconomics: Malaysia

	Japan	US	Malaysia	Thailand	Vietnam
Land area ('000 km <sup>2</sup> )	378	9,834	330	513	331
Population (2023, Million people)	123.6	339.1	34.1	71.8	98.5
Population Growth Index(100 in 2020, as of 2050)	83	112	124	95	111
Median age(2020)	48.6	38.5	29.2	39.0	31.9
GDP per capita(KUSD)	\$33.8	\$76.3	\$12.4	\$7.7	\$4.1
7-Eleven start year	1974	1927(1946)	1984	1989	2017



## Store Counts: Malaysia As of Dec. 2022

7-Eleven Malaysia has the biggest store count.



Source: World Bank, IMF, UN World Population Prospects 2022. Estimates and medium projections of 2020-2050. Total Population, as of 1 January. Indexed with 2020 as 100 by 7IN, Euromonitor



Accelerating Growth with Quick Development of Value Chains



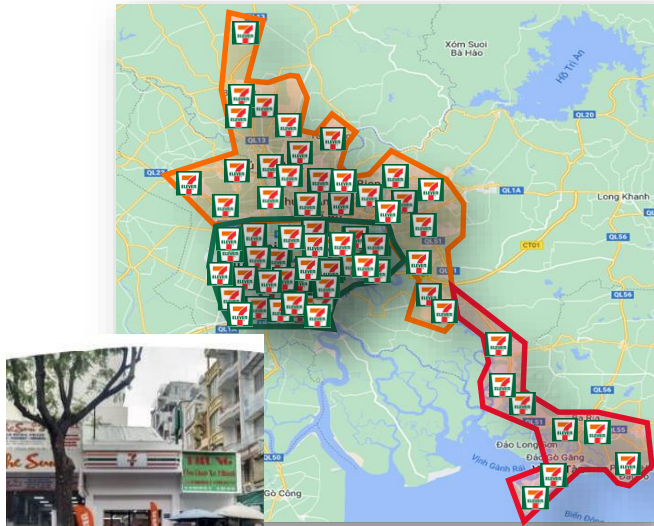
**Support Existing Market Growth**

**Strategic Investments in Existing Markets**

**New Market Entry**

## Store Development

- Achieve market concentration with town planning
- Adjust SEJ/SEI know-how for Vietnamese local market



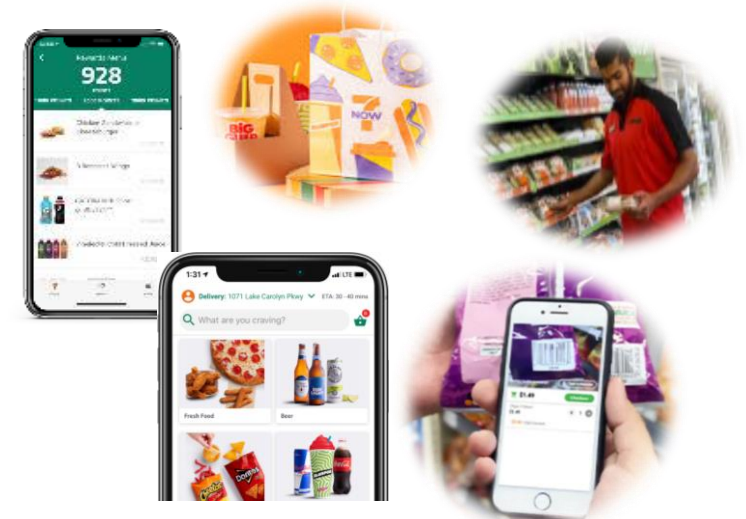
## Merchandising

- Differentiate with “Only at 7-Eleven” high-quality fresh foods and RTE
- Exclusive partnership with NDF partners



## Digital

- Implement 7GT to enable seamless execution of Retailer Initiative, enhancement of delivery, and loyalty programs



7GT: Seven Global Technology

## 7IN Investment to Support the 3 Key Strategic Initiatives

# 7GT: 7-Eleven Global Technology



## Store

### Store Productivity Enhancement:

- Product Assortment
- Ordering
- Inventory Management
- In-Store Food Prep

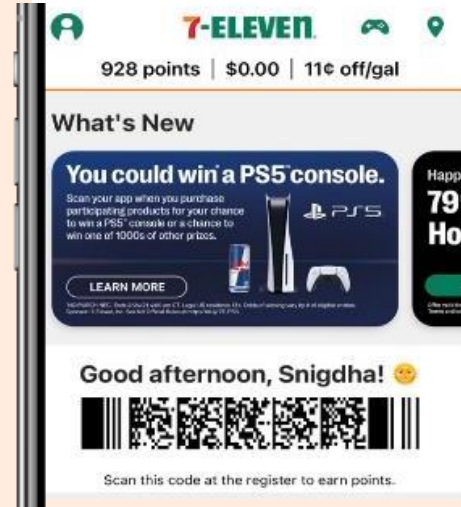


### Display of top 200 products sold in the district (Operation Work Bench)

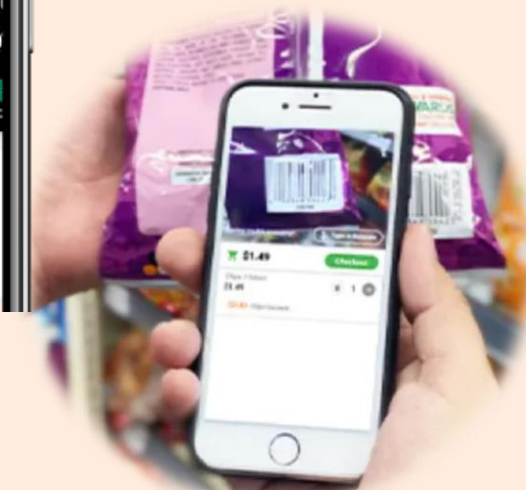
Product Name	Category	Units Sold	Revenue	Profit
Item 1	Food	100	\$100	\$20
Item 2	Food	80	\$80	\$16
Item 3	Food	60	\$60	\$12
Item 4	Food	50	\$50	\$10
Item 5	Food	40	\$40	\$8

## Executing Tanpin Kanri

## Loyalty Program (7Rewards)



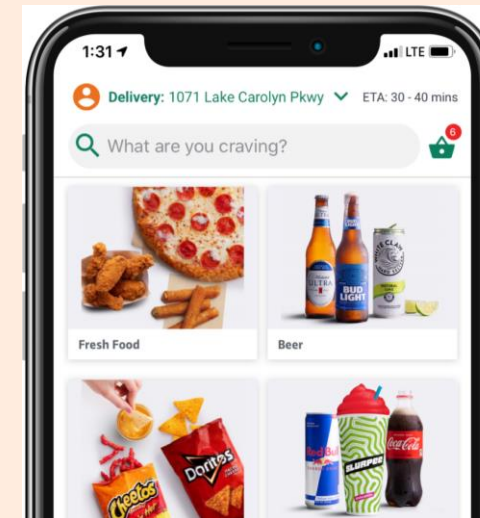
## Improving CX



## Smart Phone Checkout (MCO)



## Delivery Service (7NOW)



7GT Provides Enhanced Customer Experience and Store Simplification

# Investment Growth Strategy: VIETNAM

- 7IN Deployed In-Country Expats to Lead Key Initiatives: Store Development, Retailer Initiative, and Value Chain Strategy

## Food Products

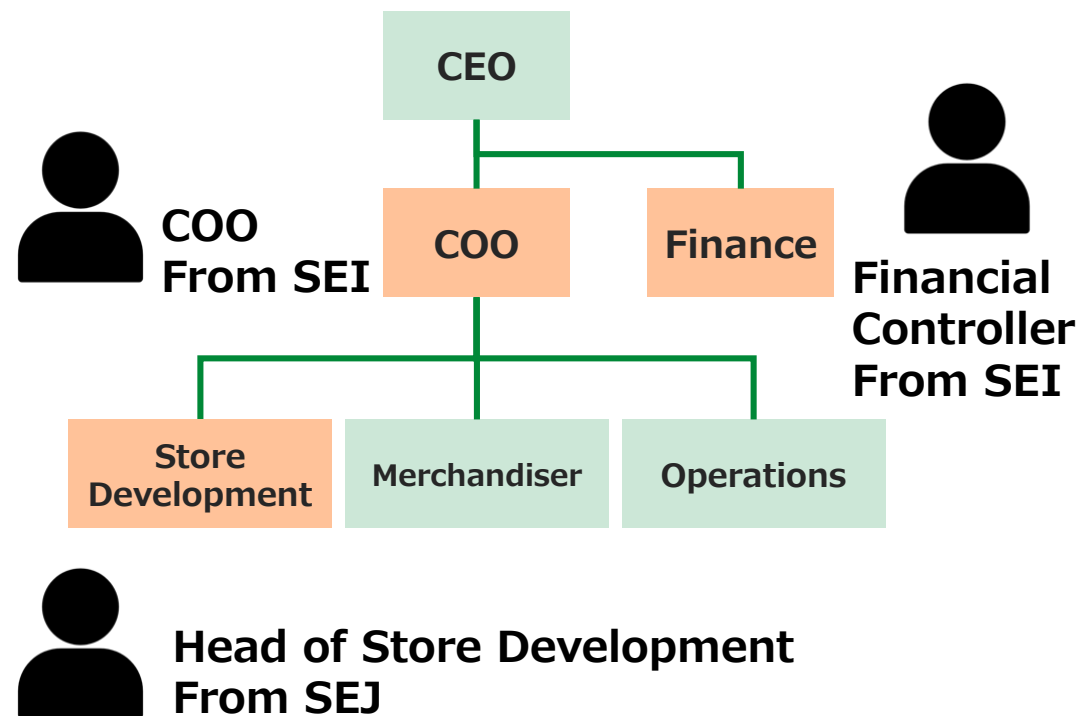
### New Local Food Product Development



### Counter Drink, Bento Box



## Team Structure



7IN Professionals are Leading and Supporting 7-Eleven Vietnam





**Support Existing Market Growth**

**Strategic Investments in Existing Markets**

**New Market Entry**

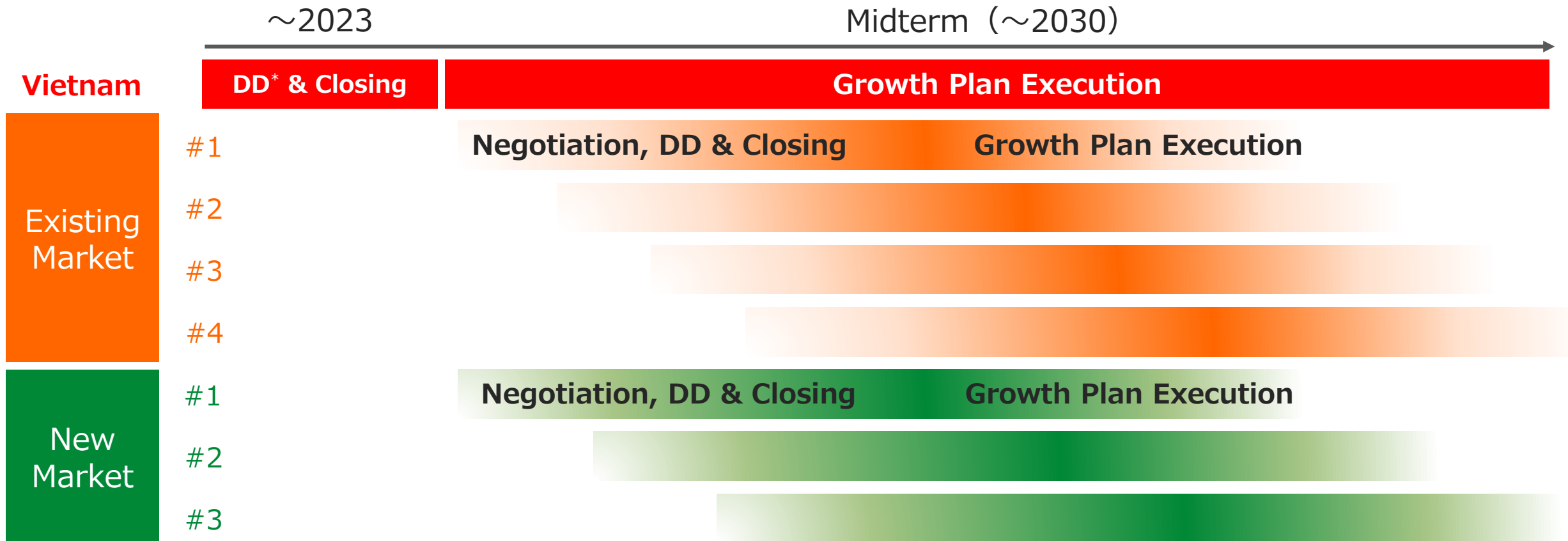
# Target Market Selection for New Market Entry



Selecting Priority Markets Based on 30+ Proprietary Key Indicators

# Investment Strategy & Midterm Plan

- Prioritize investments aimed at closing performance gap in high-potential markets
- Europe is the primary target for new country development and Master Franchise Agreements/JV/M&A.



\*DD: Due Diligence

# Global Talents Development for Global Business Growth

- Human resources to execute strategies are indispensable to close performance gaps and accelerate business growth through investments and loans
- We established a foundation to recruit and train global talents within the group and deploy them to strategic targeted markets

## 7Global Talent Pool

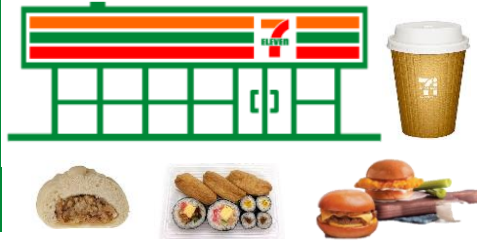


Various Global Talents with 7-Eleven DNA will accelerate our growth

# Global Business Growth Strategy



Bringing  
"7-Eleven with FF"  
to the world



Investment to high potential areas

Investment to professional resources

New Market

Existing Market

Expand the high quality  
『Close and convenient』  
and 『7-Eleven with FF』

- Differentiate products by enhancing food value chain
- Execute Retailer Initiatives :Tanpin-kanri
- Strategic Store Development
- Better Store Operations
- CX improvement by DX

Number of Countries・Areas

FY2023 end of Sep

FY2030

20

Countries・areas

30

Countries・areas

Accelerating expansion with priority on target countries

Closing the performance gap

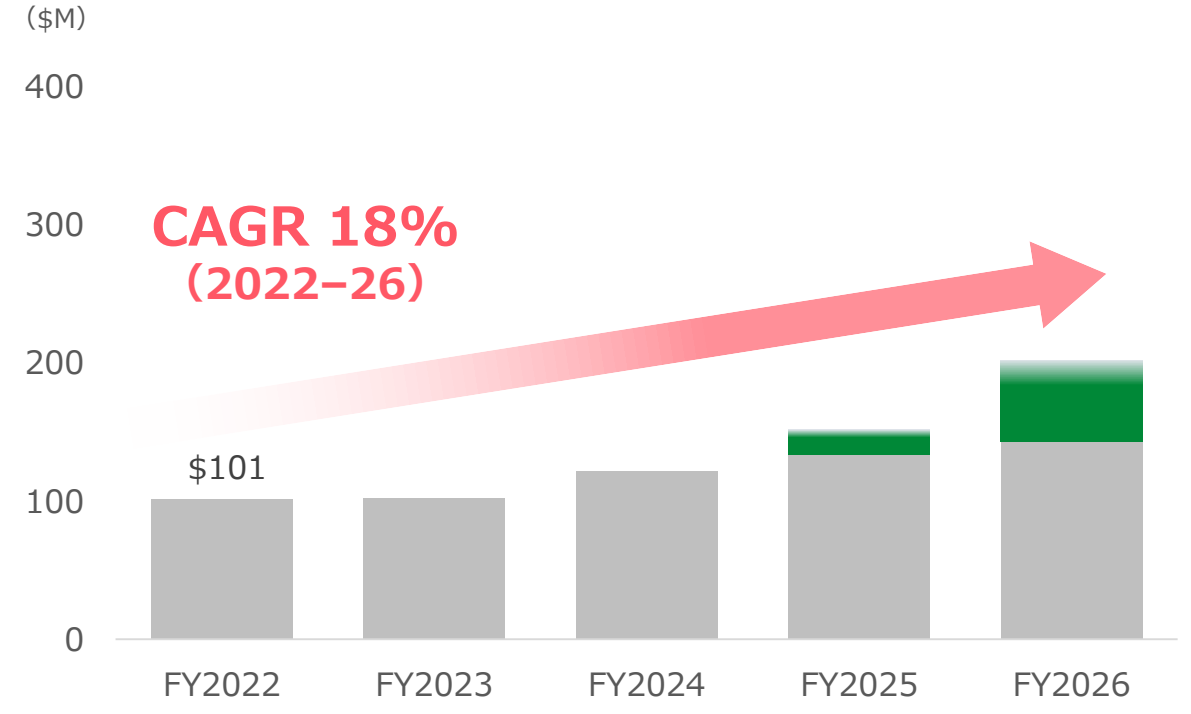
Enhance Brand Value Globally

Achieve Growth by Fully Leveraging Core Competencies

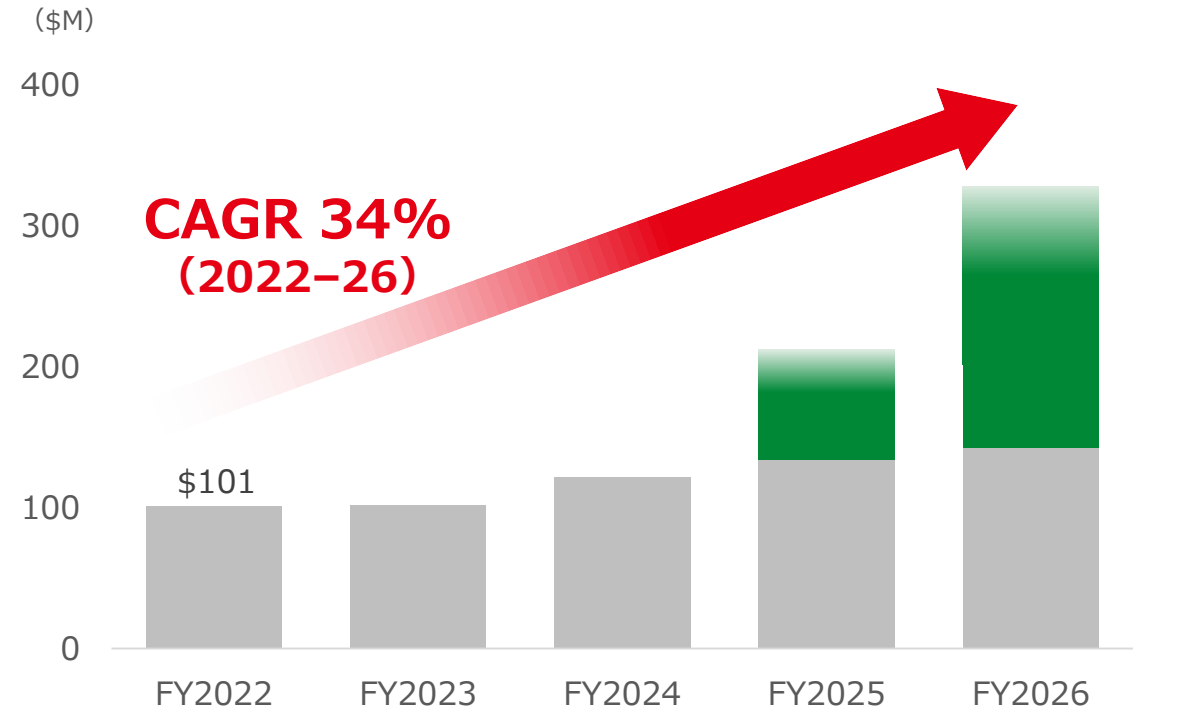
# 7IN 5Y EBITDA Growth Plan

- Actively Pursue Opportunities for Growth Through Investments, Loans, and M&As to Support Existing Markets

## 7IN EBITDA : Base Case



## 7IN EBITDA : Aggressive Investment Case



: Base (FY2022 EBITDA) + Organic growth
  EBITDA growth from investment (including M&A)

\*EBITDA includes equity method earnings

## 7IN Will Accelerate EBITDA Growth with Strategic Investments



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