



Seven & i Holdings Co., Ltd.

# Presentation for the First Quarter of FY2024

(Fiscal Year Ending February 28, 2025)

July 11, 2024

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

Good afternoon.

My name is Maruyama, Chief Financial Officer at Seven & i Holdings.

Allow me to express our sincerest appreciation for your continued understanding and support for the Seven & i Group's corporate activities and thank you also for attending this briefing.

I would now like to go over the financial results for the first quarter of fiscal year 2024.

- ✓ All income items for FY2024 Q1 consolidated results were less than the previous year, but generally as planned
- ✓ Steadily execute initiatives to improve the number of customers mainly in Domestic and Overseas CVS Operations
- ✓ Making steady progress on Action Plans including fundamental transformation of the Tokyo metropolitan area SST Operations

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

2

This is the executive summary for today.

While the financial consolidated results were down for the period under review, on both an operating income and net income basis, these results are mostly in line with the Company's planned forecasts.

Domestic and Overseas Convenience Store (Hereafter, CVS) Operations are the main driver behind the Seven & i Group's performance, and here we took various measures to fend off headwinds coming from changes in purchasing behaviors on the part of consumers resulting from the broader economic climate, as well as much weaker consumer sentiment due to inflationary pressures.

We executed a number of measures, including growing our customer count, but nevertheless – and in all honesty – we could not produce the results we had expected.

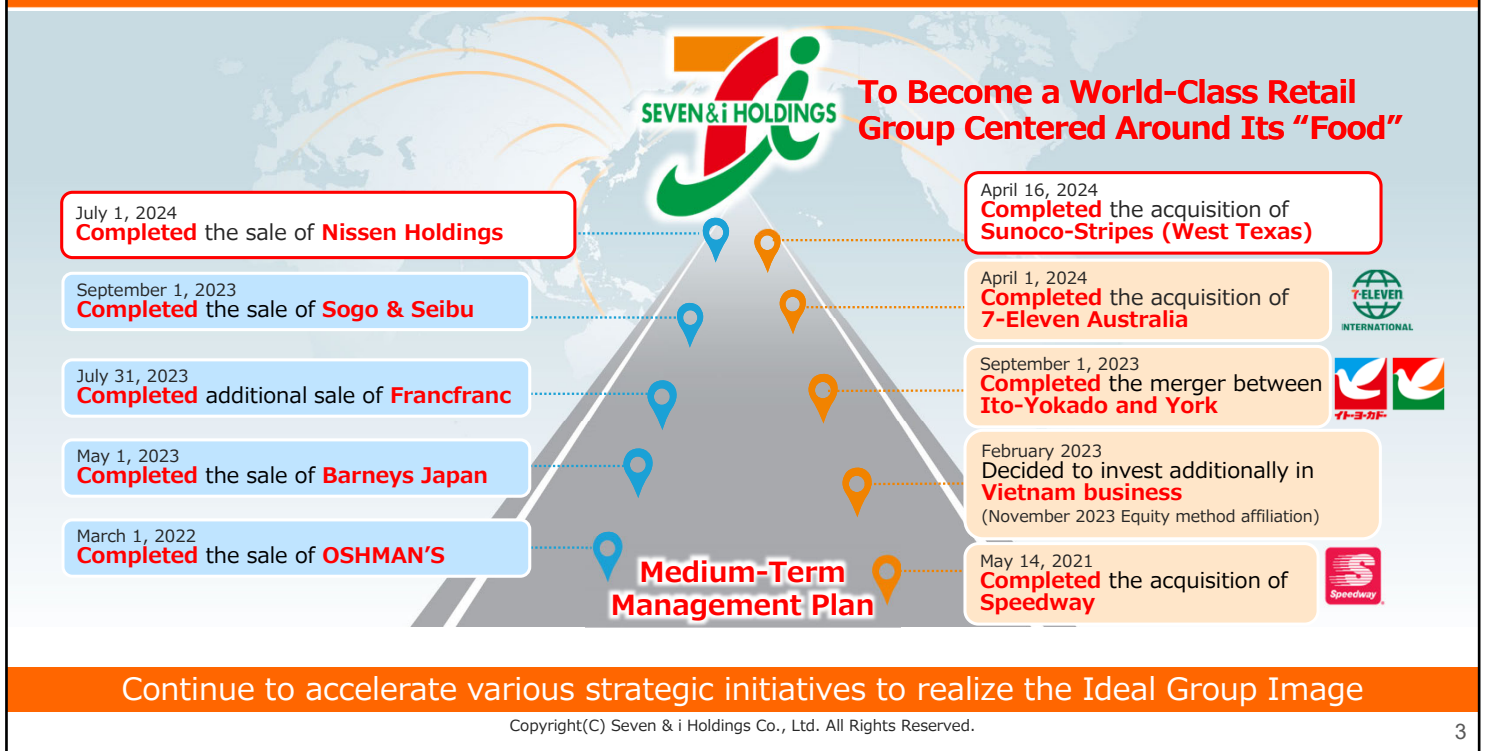
This means that the “responding to change,” which we always aim for, was not sufficient. However, the reasons for this are clear and we are now changing and revising our measures, as well as taking new measures, which I will be going over in a moment.

The fundamental transformation of the Tokyo metropolitan area SST Operations is progressing as planned, and the focus of this transformation is now shifting from reforming the cost structure to revenue and profit improvement, which is the key area and crux of our strategy here.

Lastly, on April 10, 2024, we announced an action plan to maximize the corporate and shareholder values of the Seven & i Group, and we are now examining and considering the execution of concrete measures within this scope.

Allow me to go over each measure, one by one.

# Progress of Strategic Initiatives



This page shows the progress of strategic initiatives within the scope of the Medium-Term Management Plan.

In terms of new developments, we completed the acquisition of Sunoco-Stripes (West Texas) on April 16, 2024, as well as the sale of our entire stake in Nissen Holdings, on July 1.

We will continue the steady and expeditious execution of strategic efforts to become a world-class retail Group centered around its "Food."

# TODAY'S AGENDA

- 1 Q1 Results
- 2 Status of Major Operation Strategies
  - North American CVS Operations
  - Domestic CVS Operations & SST Operations

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

Within the scope of the Group's major operation strategies, Mr. Stanley Reynolds, President of 7-Eleven, Inc. (Hereafter, SEI), will be covering the results of North American CVS Operations, while I will be going over the other points.

# TODAY'S AGENDA

- 1 Q1 Results
- 2 Status of Major Operation Strategies
  - North American CVS Operations
  - Domestic CVS Operations & SST Operations

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

First are the first quarter results for fiscal year 2024.

# Q1 Consolidated Results Highlight



(Billions of yen, %)

	FY2023	FY2024	YOY	Change	vs. plan	Change
Group's total sales*1	4,162.0	4,288.5	103.0	+126.5	99.7	(11.4)
Revenues from operations	2,650.6	2,734.7	103.2	+84.0	100.5	+13.7
Operating income	81.9	59.3	72.4	(22.6)	98.3	(1.0)
Ordinary income	73.7	55.0	74.6	(18.7)	107.6	+3.9
Net income attributable to owners of parent	42.1	21.3	50.7	(20.7)	105.9	+1.1
EPS (yen)	15.92	8.20	51.5	(7.72)	106.2	+0.48
EPS before amortization of goodwill (yen)	26.58	20.33	76.5	(6.26)	102.9	+0.57
EBITDA*2	208.3	195.4	93.8	(12.8)	99.4	(1.2)

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

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

Notes) 1. Exchange rate: 1USD=148.63JPY, 1CNY=20.63JPY

2. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS" and "EPS before amortization of goodwill" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

6

Here are the consolidated result highlights for the first quarter.

Revenues from operations were 2 trillion 734.7 billion yen, corresponding to 103.2% of the previous year and 100.5% of the results outlined in the plan at the beginning of the fiscal year.

Operating income was 59.3 billion yen, corresponding to 72.4% of the previous year and down 22.6 billion yen. Compared to the plan at the beginning of the fiscal year results came to 98.3%.

Net income attributable to owners of parent was 21.3 billion yen, corresponding to 50.7% of the previous year and down 20.7 billion yen. Compared to the plan at the beginning of the fiscal year results came to 105.9%.

In summation, while our revenue increased, profit saw a significant decline. Additionally, foreign exchange rates brought an increase in operating income by 0.4 billion yen.

Lastly, EBITDA was 93.8% of the previous fiscal year and 99.4% of the plan due to increased depreciation and amortization of goodwill, the impact of weaker yen, etc.

# Q1 Revenues from operations, Operating Income and EBITDA by Operating Segment (YOY)



(Billions of yen, %)

	Revenues from operations		Operating income		EBITDA	
		YOY/Change		YOY/Change		YOY/Change
Consolidated	2,734.7	103.2 +84.0	59.3	72.4 (22.6)	195.4	93.8 (12.8)
Domestic CVS operations	224.9	98.2 (4.0)	61.2	95.6 (2.8)	84.4	98.2 (1.5)
Overseas CVS operations	2,029.4	106.8 +128.7	4.4	21.3 (16.5)	89.7	91.4 (8.4)
Superstore operations	359.2	99.7 (0.92)	2.1	64.9 (1.1)	12.5	95.8 (0.54)
Financial services	52.3	102.7 +1.3	8.3	84.2 (1.5)	17.8	96.7 (0.61)
Others	85.8	68.7 (39.1)	2.1	118.2 +0.33	3.9	68.4 (1.8)
Eliminations/Corporate	(17.0)	- (1.9)	(19.0)	- (0.90)	(13.1)	- +0.12

Note) Exchange rate: 1USD=148.63JPY, 1CNY=20.63JPY

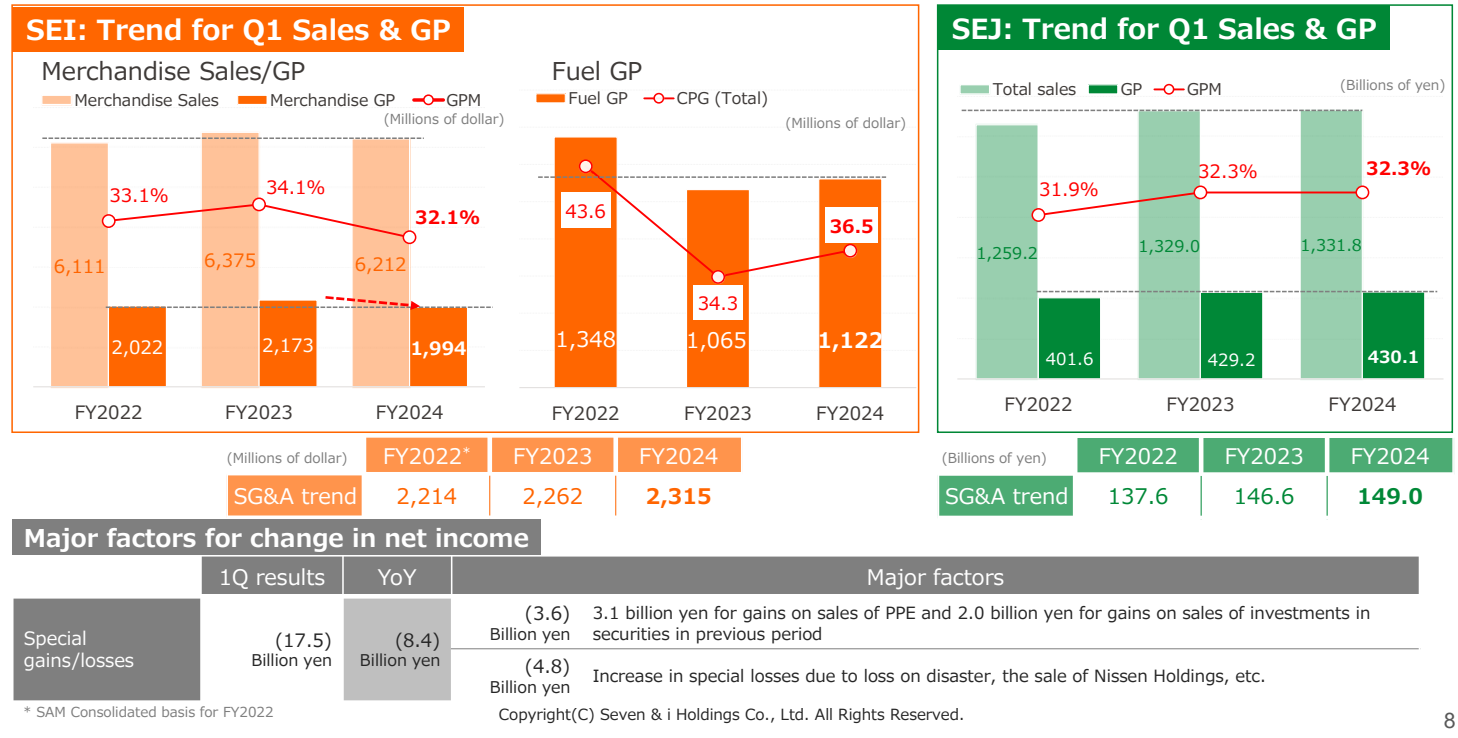
Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

7

This slide shows a breakdown by segment of the consolidated results for revenues from operations, operating income, and EBITDA, as well as a comparison with the previous fiscal year.

Furthermore, note that the results for Overseas CVS Operations which are presented here are after goodwill amortization of 30.5 billion yen.

# YoY Difference Factors -Operating income/Net income



8

On this slide, I will explain the main factors in the decrease in profit.

First, let me look back at the major performance trends in both Domestic and Overseas CVS Operations, in fiscal year 2023.

In the first quarter of fiscal year 2023, thanks to the successful execution of cost pass-throughs starting in October 2022, year-over-year same-store sales both in Japan and the U.S. increased significantly.

However, due to the rapid progression of inflation, consumers' purchasing appetite declined significantly starting in the third quarter of fiscal year 2023. In particular, the end of various stimulus and support packages put in place during COVID in the United States also weighed down on results, leading to a year-over-year decline in same store sales starting in September.

Our biggest challenge is to recover the number of customers, both in Japan and in the United States. To cope with this issue, in the first quarter of fiscal year 2024, SEI aimed at increasing the number of customers and growing revenue without passing on costs to the end consumer, seeking to attract customers.

The results are as shown on the vertical bar graph on the left, which shows sales and gross profit results. The section colored light orange shows realized merchandise sales in the first quarter of fiscal years 2022, 2023, and 2024.

While merchandise sales this year were lower than in the corresponding period in 2023 - which saw strong results - we were able to exceed fiscal year 2022 numbers. That said, because we did not pass on costs to consumers, gross profit margin declined by approximately 2%, resulting in a \$178 million decrease in merchandise gross profit - as shown in the section colored dark orange.

In terms of fuel, in the first quarter of fiscal year 2024, while gross profit fell short of the all-time highs reached in fiscal year 2022, it was higher than fiscal year 2023 results. As such, a crucial reason behind weaker results at SEI was how pricing measures aiming at growing sales by increasing the number of customers failed to achieve the results we had hoped for.

In light of this, SEI has already changed its strategy to optimize prices, and both same-store sales and merchandise gross profit margins are starting to improve on a year-over-year basis.

Results at Seven-Eleven Japan (Hereafter, SEJ) were less affected compared to SEI. As shown on the right - in the section colored dark green - merchandise gross profit increased, but SG&A went up as well, with this increase in SG&A being primarily driven by higher advertising expenses. Sales promotion efforts designed to grow topline results fell short of Company expectations, and this ultimately translated into an operating income decrease. We have already changed course in terms of this strategy and are taking measures in order to improve the situation.

Also, the decrease in net income was more pronounced than the decline in operating income due to an increase in special losses and the impact of tax effects - both of which are one-time factors.



# Q1 Revenues from operations, Operating Income and EBITDA by Operating Segment (vs. plan)



(Billions of yen, %)

	Revenues from operations		Operating income		EBITDA	
		vs. plan/Change		vs. plan/Change		vs. plan/Change
Consolidated	2,734.7	100.5 +13.7	59.3	98.3 (1.0)	195.4	99.4 (1.2)
Domestic CVS operations	224.9	97.8 (5.0)	61.2	95.3 (3.0)	84.4	96.8 (2.8)
Overseas CVS operations	2,029.4	100.8 +16.4	4.4	75.8 (1.4)	89.7	98.1 (1.7)
Superstore operations	359.2	99.8 (0.76)	2.1	126.6 +0.45	12.5	102.4 +0.29
Financial services	52.3	102.6 +1.3	8.3	81.3 (1.9)	17.8	90.3 (1.9)
Others	85.8	102.2 +1.8	2.1	436.6 +1.6	3.9	178.0 +1.7
Eliminations/Corporate	(17.0)	- (0.08)	(19.0)	- +3.2	(13.1)	- +3.2

Note) Exchange rate: 1USD=148.63JPY, 1CNY=20.63JPY

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

9

This chart shows the comparison of the items versus the initial plan by segment.

Operating income and EBITDA fell short of the plan for Domestic and Overseas CVS Operations and the Financial Services business. Conversely, results in SST Operations and the segment of Others came in above the plan.

All in all, operating income and EBITDA came in below the forecast by 1.0 billion yen and 1.2 billion yen, respectively, but overall, results were mostly in line with the plan.

# TODAY'S AGENDA

- 1 Q1 Results
- 2 Status of Major Operation Strategies
  - North American CVS Operations
  - Domestic CVS Operations & SST Operations

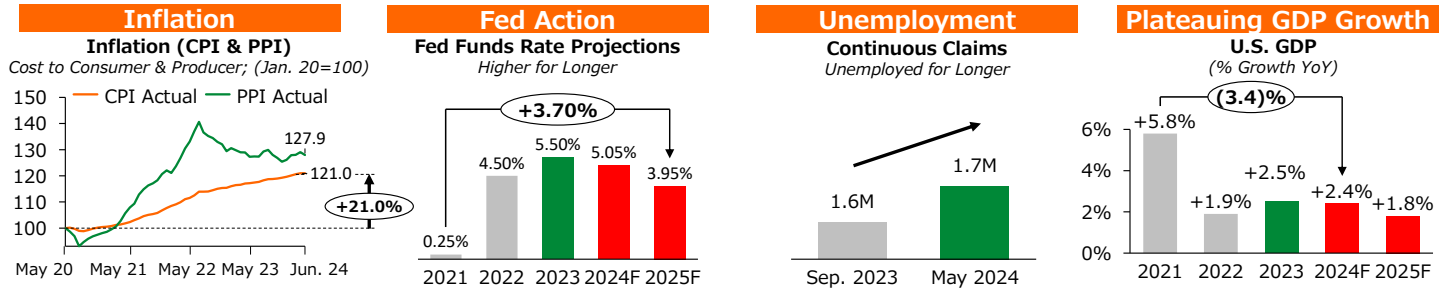
Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

My name is Stanley Reynolds, President of SEI.  
Allow me to go over the results within North American CVS Operations.

# CSA: Macro Environment and Consumer Position

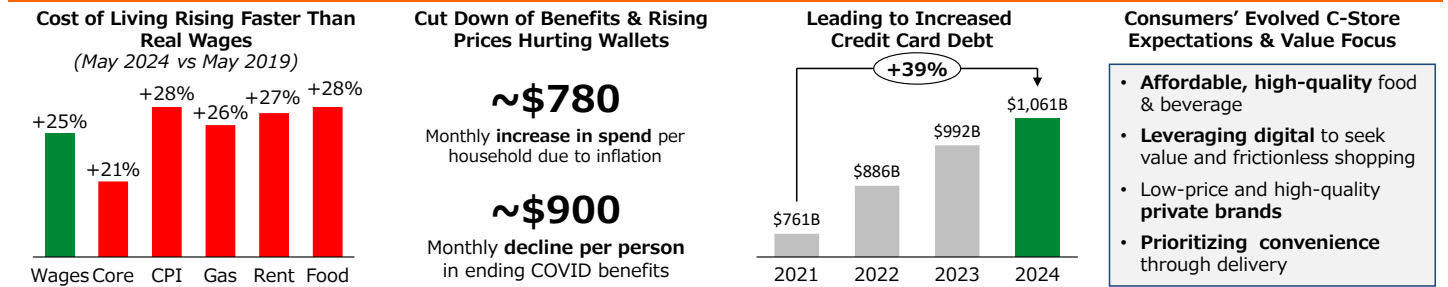


## Challenging Macro Environment



Source: BEA, Bloomberg

## Continued Pressure on Consumer Finances



Source: PYMNTS, University of Michigan, FRED, Census.gov, USDA, McKinsey

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

11

So, I would like to start by briefly reminding you about the U.S. economy and the consumer.

Inflation continues to put pressure on the U.S. economy and has held above 3% for 38 consecutive months, with a cumulative impact of approximately 20% higher than in 2020.

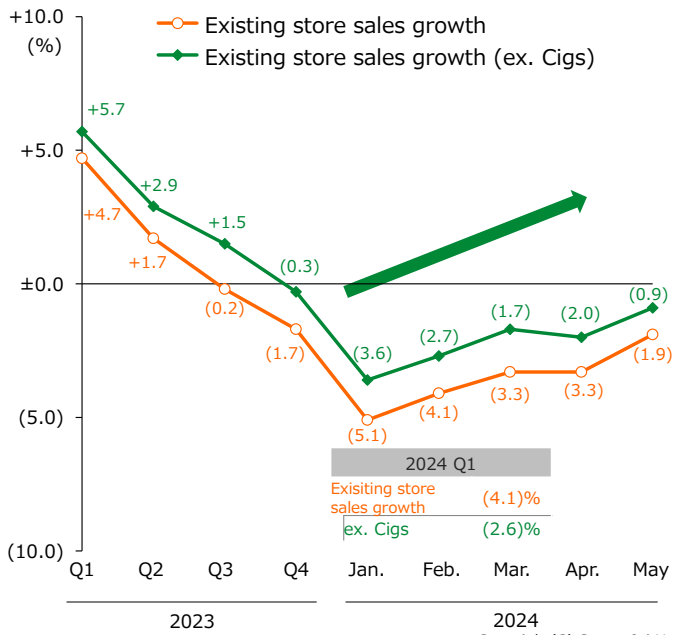
To control inflation the FRB is expected to keep interest rates higher for longer.

The labor market is also showing signs of cooling and GDP growth is expected to slow to 2.4% in 2024.

So, these economic conditions are putting pressure on the consumer, with prices of essentials such as rent, food, and gas all rising faster than real wages. Households are spending an additional \$780 per month due to rising costs and have \$900 less per person per month to spend, based on reduced COVID and other government benefits.

With less money to spend, Americans continue to accumulate higher levels of credit card debt, causing their behavior to focus more on value for every dollar spent.

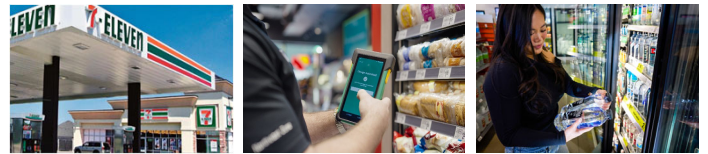
## Merchandise Same Store Sales Growth



## SEI's Approach to Drive Traffic & Sales

- Identifying new, innovative, high-potential categories and items to grow the business
- Driving sales and traffic through value-oriented offers & assortment, and digital & delivery
- Investing in stores, infrastructure and operational excellence to drive growth in Proprietary Products
- Accelerating RIS\* 2.0 & DEX\*\* rollout in Speedway to enable assortment differentiation

\* RIS: Retail Information System  
 \*\* DEX: Dispenser Experience



Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

12

The last quarter of 2023 and the beginning of this year had more economic challenges than expected, which directly impacted our customers and stores. This resulted in negative 4.1% same-store sales – negative 2.6% excluding cigarettes in the first quarter.

We invested heavily in promotions in the first quarter to drive traffic and, while our overall sales performance fell short of our expectations, we have seen month-to-month improvement. We are currently focusing on new product introduction, value-oriented offers, and continued growth of our 7NOW delivery business.

We are also investing in our stores with food and beverage modernization and exterior refresh investments. Finally, we are focusing on the roll-out of RIS 2.0 and DEX to Speedway stores to enable a differentiated product assortment.

# Grow Proprietary Products



## Investing in Store Enhancements in 2H 2024

### Food & Beverage Modernization

#### Summary

- Bake In-Store
- Self-Serve Roller Grill
- Grab & Go Cases
- Specialty Beverage

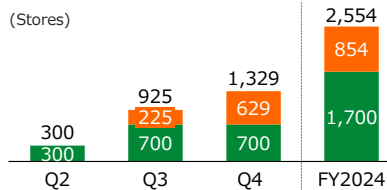


Initial Results from 15 completed stores  
**+9.0%**  
Fresh Food PSD Sales (Apr-May YTD vs. PY)

#### Rollout Plan

##### Food & Beverage Modernization

- Full Food & Beverage Modernization
- Elements of Food & Beverage Modernization Program



## Innovating with Warabeya Virginia

Opened  
**Sep. 2023**

Supporting  
**1,361 Stores**



**+13%**

**Warabeya Virginia Categories  
APSD Sales \$**  
(from Q1 2023 to Q1 2024)

**+29%**

**Warabeya Virginia  
APSD Units**  
(from Q1 2023 to Q1 2024)

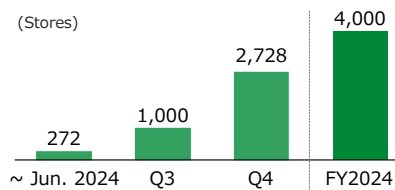
### Enhance Store Execution & Exterior Refresh

#### Summary

- Enhanced Ops Training
- Exterior Refresh
- Merchandise Reset & Localized Products



#### Rollout Plan



### Virginia New Items



**Potato, Egg and  
Cheese Taco:**  
Jan. 2024



**Old Bay  
Chicken Slider:**  
Jun. 2024



**Hamburger Steak  
Bento:**  
Dec. 2024

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

13

Growing our proprietary products has been and continues to be a top priority for SEI.

To accelerate our growth, we are strategically investing in store enhancements in the second half of this year. This includes our food and beverage modernization program that offers our customers a wider assortment of hot food and specialty coffee.

Stores with these new platforms significantly outperform legacy stores, as early results have shown a 9.0% lift in 2-month sales over the last year for 15 stores receiving elements of this new platform.

We are planning a rollout of this modernization program (either in the form of partial elements or full-fledged implementation) to over 2,500 stores in 2024. In 2023, we targeted underperforming stores in the Louisville, Kentucky market to strengthen work operations and to update exteriors. In fiscal year 2024, we plan to scale this operational focus to 4,000 stores.

Further, to help meet customer demand for innovative, high-quality food products, we have partnered with Warabeya in Virginia. The facility opened in September 2023 and supports over 1,300 stores. For Warabeya categories, we have seen a significant year-over-year increase in both APSD and units and continue to expand assortment with innovative new item launches throughout the year.

# Grow Proprietary Products – Private Brands



## Private Brand – Process Improvement

### Strategy

- Innovate & Create Demand: 215 New Items (+60% vs. 2023)
- Improve Quality & Value for Core Items – Relaunch +50 Items
- Grow PB in Low Index Categories / Optimize Promotions
- Resetting Planograms to allocate Shelf Space to New PB Items



### Process

- Re-Launched new Product Development Roadmap (Processes)
- Integrated new Manufacturers & Logistics into New Roadmap
- Increased Consumer Value with New Promotions
- Improved 2024 Seven Select Packaging and Brand Design

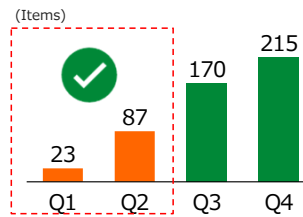


### Organization

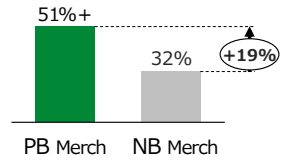
- Implemented New Org Design Focused on Product Development and Commercialization pipeline
- Hiring and On-Boarding new resources to drive new processes (+12 PB Team Members)

## Private Brands Driving Value

### Launching 215 New Items In 2024



### Private Brands Margin



## Private Brand New Items



Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

14

We launched our private brand (Hereafter, PB) business with the mission of delivering high-quality, differentiated products, bringing value to customers while achieving a better margin and profit.

Our growing PB team has a clear strategic focus and holistic execution plan to grow our PB portfolio to offer high-quality products that are great value for our customers.

Through identifying our customers' changing needs and creating a robust product pipeline, we are launching 215 new items in 2024 at a 51% average margin.

New items being launched the rest of this year include 7-Select Rehydrate, new package Nuts & Seeds products, Fusion Energy, and a Prosecco (sparkling wine), which we believe will resonate with our customers.

7NOW Competitive Advantage

Store & Delivery Infrastructure

- 95%+ Footprint Coverage
- >50% US Population within 2 miles of a store
- ~30 min Delivery time: Industry best

Proprietary Food & Private Brand Assortment

Alcohol & Tobacco Delivery

Restaurant Menu

7NOW Gold Pass Subscription



Strong 7NOW Performance

Strong Q1 2024 7NOW Performance

~\$312

APSD

\$15.83

Avg. Basket Size

3.1%

Sales composition vs. Overall SEI Merch Sales

~20

Transactions to Stores Daily

27.9mins

End to End Delivery Time

5.7%

Sales composition for stores with 7NOW Delivery

Top Selling Proprietary Products

Proprietary Products as % of 7NOW Sales



Pizza

Taquito

Chicken Wings

7Select Water



7NOW Growth Plan

7NOW Growth Plan & Key Actions to Drive Growth

7NOW Total Sales



- Continue expansion to Speedway stores
- Drive fresh food with 7NOW
- Grow Gold Pass membership & engagement
- Expand restaurant delivery

Our final strategic focus area that I would like to share with you is the acceleration of our 7NOW delivery program.

We have a significant strategic advantage with our delivery business. We’re close to the customer, with a store within 2 miles of 50% of the U.S. population, and we can deliver a wide variety of products within 30 minutes. These competitive advantages enabled us to achieve strong performance in the first quarter of 2024, with delivery sales up 30% year-over-year, contributing \$312 and 20 transactions per store day, representing 3.1% of overall SEI merchandise sales, and 5.7% of stores that have 7NOW delivery.

We are also growing the mix of our proprietary products in our delivery business to over 21% of total sales - up 130 basis points year-over-year - pizza, taquitos, and wings being the top-selling proprietary products within this category.

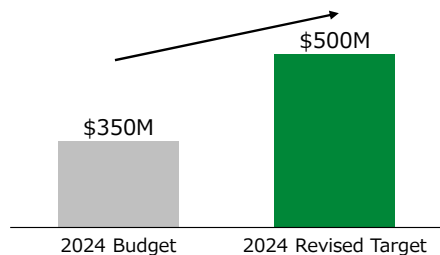
As a leader in the convenience store delivery industry, we will continue to build on this momentum.

Throughout the rest of the year, we aim to continue to expand to Speedway stores, increase fresh food sales on the platform, expand 7NOW Gold Pass memberships, and expand restaurant delivery, targeting \$725 million in delivery (7NOW) sales this year.

15

## Cost Structure Efficiencies

### Revised 2024 Target



### Strategy

- ✓ Established Cost Leadership Committee
- ✓ Benchmarking for Opportunity Sizing
- ✓ Holistic Company Cost Structure Review
- ✓ Enhanced rigor and discipline to achieve operating and capital efficiencies

### Q1 Progress

Key Focus Areas:

- Merch COGS**  
(Focus on sourcing negotiations)
- Fuel Logistics**  
(Focus on supply optimization)
- Store Labor/Operations**
- Repairs & Maintenance**
- Financial Fees**
- Other\***

\* Includes Demand Chain, IT, Real Estate, Finance/ Audit, Marketing, HR, Legal, Store supplies, and Utilities.

## RIS/DEX

### Impact of RIS/ DEX

- ✓ **Enables Retailer Initiative:** Improve assortment to meet customer preferences, resulting in higher sales
- ✓ **Unifies store systems and integrates store reporting:** Store simplification and SSC administrative savings

### RIS 2.0 Rollout Progress Update

#### Major RIS 2.0 Milestones

- Rollout complete for all 7-Eleven branded stores (8,842 stores)
- 328 Speedway stores now on RIS 2.0

#### Targeting to Complete Speedway Store Conversions to RIS 2.0 by 2025

#### Focus on Quality

- Decreasing store downtime
- Resolving service tickets faster
- Change Management for smooth conversion

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

16

We're also leaning in heavily on optimizing our cost structure.

We increased our target for the fiscal year 2024, from \$350 million to \$500 million. SEI will continue to optimize spending and improve our profitability by focusing on merchandise cost of goods sold, store labor and operating expenses, financial fees, fuel logistics, and repairs and maintenance.

We're also focused on the rollout of RIS 2.0 and DEX. This will not only enable single item inventory management at Speedway stores, but will also standardize our technology, reporting, and operations across the entire network and the back-office support systems.

We recently successfully completed RIS 2.0 and DEX rollout across all 7-Eleven stores and we're targeting to complete all Speedway store RIS 2.0 conversions by mid-2025.



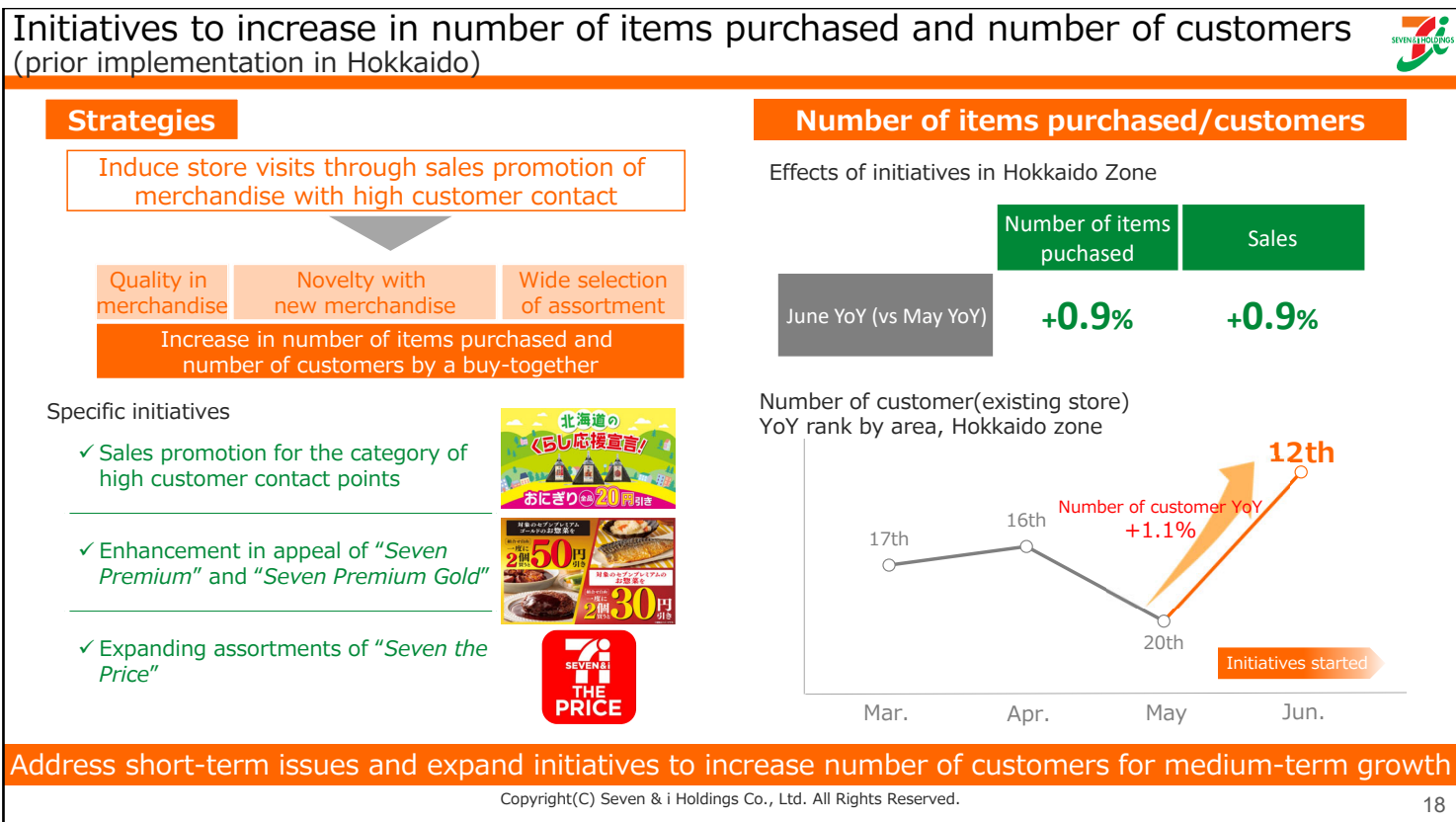
# TODAY'S AGENDA

- 1 Q1 Results
- 2 Status of Major Operation Strategies
  - North American CVS Operations
  - Domestic CVS Operations & SST Operations

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

This is Maruyama speaking.

Next, allow me to give you an update regarding the status of the major operation strategies on Domestic CVS Operations and SST Operations in the first quarter.



First, allow me to go over initiatives executed within the scope of Domestic CVS Operations.

We recognize two main challenges facing SEJ. Over the short term, we need to address and leverage a shift in consumer psychology toward more frugal and cost-conscious spending habits resulting from changes in the economic climate, i.e., our pricing strategy is key.

Over the medium to long term, our challenge is making sure Seven-Eleven becomes an integral part of consumers' lives, as part of our efforts to deliver sustained growth. In other words, we are targeting a recovery in store visit frequency and in the number of customers.

To counter these two challenges, we piloted an initiative in the Hokkaido Zone, so allow me to brief you on the results.

First, in order to address this shift in consumer psychology toward more frugal and cost-conscious spending habits, we expanded our assortment of "SEVEN THE PRICE" merchandise with lower price points, developed in the SST Operations.

Furthermore, we also carried out sales promotions for merchandise in categories with high customer contact points, for example, like the category of rice balls. These initiatives allow customers who visit our stores to experience our strengths in terms of the quality in merchandise, novelty with new merchandise and wide selection of assortment.

These would translate into an increase in the number of items purchased and to an increase in the number of customers.

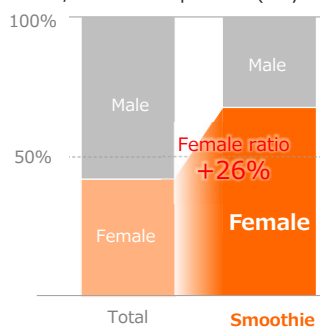
As a result, as you see on the right-hand side, we saw a 0.9% improvement in the number of items purchased and in sales compared to the results for the month of May, before the implementation of these initiatives. The number of customers also grew by 1.1%.

We will be carrying out similar initiatives tailored to other specific regions, as soon as possible.

## Smoothie



Male/Female composition (May 2024)



APSD effects (Q1)

**+0.5%**

Expansion of store installation

Q1

1H

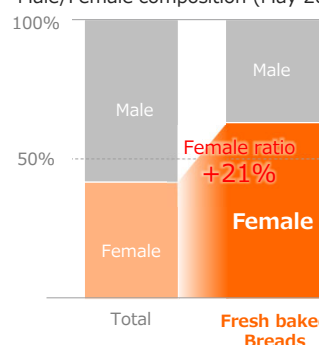
Approx. **17,000** stores

**All stores that are capable of installation**

## Fresh baked breads



Male/Female composition (May 2024)



APSD effects (Q1)

**+0.7%**

Expansion of store installation

Q1

FY2024

Approx. **810** stores

Approx. **3,000** stores

Improve profitability by expanding customer base and improving GPM targeting equivalent to that of counter food

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

19

Over the medium-to-long-term horizon, we seek to capture new customer base and carry out new merchandise initiatives to increase the number of customers. Within these efforts, we have, for example, been carrying out initiatives in the merchandise categories of smoothies and fresh baked breads.

The introduction of new products will make them more visible and accessible to customers, and a noteworthy fact about our smoothies and freshly baked breads is that many female customers purchase these items.

The introduction of fresh baked breads is the result of our learnings from our SIP store, and we believe an increase in the number of customers resulting from our ability to attract new customer base will be a vital factor contributing to long-term growth, and in fact, we believe we are already benefiting from this.

By the end of the first half of this year, we expect this smoothie offering to be available at all stores that are capable of installation, and we will be expanding our fresh baked bread offerings to approximately 3,000 stores over the course of fiscal year 2024.

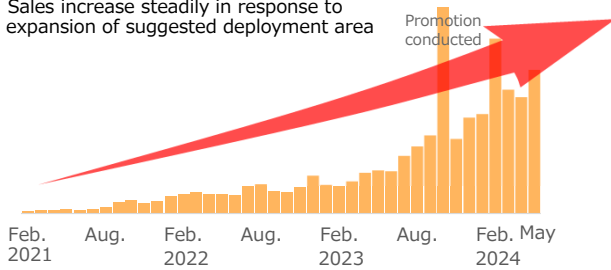
Furthermore, we have plans to expand learnings from our SIP store.

# Prepare to Expand 7NOW deployment



## Sales trend and challenges for nationwide deployment

- Sales increase steadily in response to expansion of suggested deployment area



### Further enhance of 7NOW app

UI/UX improvement / visualization of delivery status enhanced convenience

### FC store initiatives

Service announcements in stores (in-store/leafleting) / FC store delivery enhancement

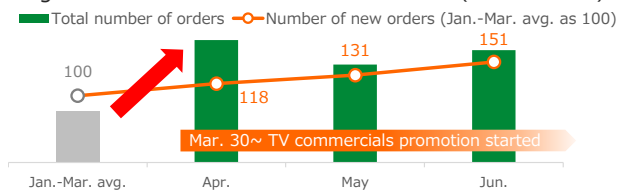
### Delivery area expansion and cooperation enhancement

Further cooperation enhancement with delivery companies

### Increase awareness of service and expand nationwide

## Initiatives to increase awareness

Change in new users due to TV commercials (Hokkaido area)



Number of new users and total number of orders increased due to TV commercials promotion

## 7NOW sales add-on to in-store sales



Increase total sales including in-store sales by further expanding 7NOW sales through raising awareness

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

20

I would now like to go over our 7NOW delivery service, which has been a new steady growth driver for the Company.

As you can see from the vertical bar graph on the upper left-hand corner, the high convenience proposition offered by our 7NOW app, and the development of delivery infrastructure has translated into steady growth in terms of sales from our 7NOW delivery service.

We now have good prospects for nationwide deployment of this service in the fiscal year 2024 and have worked to foster brand recognition through a TV commercial campaign in the Hokkaido Zone.

As you can see on the upper right graph, the number of new orders saw a large jump and the total number of orders remains high. Moreover, this growth in new users has not cannibalized in-store sales, as customers are using physical stores and 7NOW for different purposes. In other words, we view 7NOW sales as an add-on to in-store sales.

# 7NOW Competitive Advantage



## 7NOW top selling items (Jun. 2024)

1	Seven Premium Milk 1L	11	Seven Premium Natural Mineral Water 2L
2	Spicy Fried Chicken	12	Rice Ball (Tuna Mayonnaise)
3	Fried Chicken with Soy Sause (Fried Chicken on a Stick)	13	BIG Frankfurt Sausage
4	Fried Chicken	14	Spicy Fried Chicken (Black Pepper)
5	Potato & Beef Croquette	15	Seven Premium Shaved Ice with Strawberries & Condensed Milk
6	Seven Premium Fresh Eggs (10)	16	Seven Premium Cabbage (Shredded)
7	Corn Dog	17	Meiji Oishii Gyunyu 900ML (Milk)
8	Seven Premium Rock Ice 1.1kg	18	Spring Roll
9	Seven Premium Moukotanmen-Nakamoto Spicy Miso	19	Rice Ball (Salty Red Salmon)
10	Hashed Potatoes	20	Octopus, Broccoli & Basil Salad
Almost all proprietary merchandise		Items prepared in-store 9 items	
Service that meets both “ready-to-eat needs” and “short-term pantry staples needs”			

## 7NOW advantage




- ✓ Deliver Seven Eleven merchandise in 20 minutes at the earliest
- ✓ Real-time inventory linkage (approx. 3,000 items)
- ✓ Personalized merchandise suggestions and coupon distribution via App

Evolution of services for nationwide deployment

New merchandise development	Implement area expansion	Service hours expansion
-----------------------------	--------------------------	-------------------------

## 7NOW deployment plan

Feb. 2024	~Aug.	~Feb. 2025
Approx. 12,000 stores	Approx. 16,000 stores	Nationwide deployment
<u>Deployed area</u> ✓ Metropolitan area ✓ Hokkaido ✓ Hiroshima ✓ Kyushu area	<u>New deploy area</u> ✓ Osaka, Kyoto, Hyogo, Nara, Shiga, Wakayama ✓ Yamaguchi, Tottori, Shimane, Fukushima, etc.	

To be rolled out nationwide in 2024 as a one-of-a-kind delivery service

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

21

Page 21 shows 7NOW's competitive advantages.

In terms of merchandise, as shown on the left, our competitive advantage lies in the fact that almost all top-selling items are proprietary merchandise, approximately half of which are freshly prepared (items prepared in-store), allowing us to achieve differentiation.

Furthermore, another advantage is how 7NOW allows us to address both ready-to-eat needs such as spicy fried chicken and fried chicken with soy sauce, as well as short-term pantry staple needs through merchandise like milk and natural mineral water.

On the service front, merchandise can be delivered in 20 minutes at the earliest and we have a real-time inventory linkage system in place, with Seven-Eleven stores as stock locations. Lastly, another competitive advantage is how we offer personalized merchandise suggestions and coupon distribution via our app.

That said, we will work to further enhance our competitiveness by developing more 7NOW proprietary merchandise and lengthening service hours. Concurrently, we are also working to achieve nationwide coverage by the end of fiscal year 2024.

# EBITDA of SST Operations



(Billions of yen, %)

	Q1 results	YOY	vs. plan	FY2024 plan	YOY
Ito-Yokado	4.3	93.4	133.9	27.9	152.2
SHELL GARDEN	(0.06)	-	-	0.14	-
Tokyo metropolitan area SST operations	4.5	114.1	141.1	28.2	150.8
York-Benimaru	7.0	99.5	96.2	30.1	104.5
SST operations*	11.3	98.0	110.9	56.6	113.4

\* SST operations: Figures exclude Ito-Yokado in China and other operating companies from SST operations

Continue to accomplish the fundamental transformation

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

22

Page 22 shows EBITDA in the first quarter of fiscal year 2024 results for SST Operations.

In the first quarter, SST Operations in the Tokyo metropolitan area and SST Operations including York-Benimaru both achieved respective targets.

We are aiming for at least 55 billion yen from Tokyo metropolitan area SST Operations for fiscal year 2025, and, to this end, we will continue executing our transformation.

# Fundamental Transformation Roadmap of Tokyo Metropolitan Area SST Operations



# Further structural changes

# Growth strategy

Major initiatives

1 Exit from the apparel business

Optimize directly operated sales floor space

Expand FOUND GOOD

Expand Food & Drug

2 Accelerate focus on Tokyo metropolitan area with additional store closures

Store closures & external succession

Optimize organization scale

3 Consolidate SST operations in Tokyo metropolitan area

Execute PMI

Improve productivity

4 Establish Group's strategic investment infrastructures

Improve store productivity by PC

Sales & GP growth by CK (Enhance delicatessen)

Major KPI

	FY2022	FY2024 Q1	FY2024 Full year	FY2025
Number of stores with self-planned apparel*1 [All stores excluding Shokuhinkan]	113 stores	93 stores	32 stores	Completely exit
Number of Ito-Yokado stores*1	126 stores	119 stores	93 stores	93 stores
SG&A reduction ratio (vs. FY2022)	-	(4.9)% Reduction more than planned	(7.6)%	(19.7)%
Labor share [Salaries and wages/gross profit from operations×100]	39.5 %	39.2 %	36.4 %	34.0 %
Sales composition of delicatessen	13 %	13 %	14 %	15 %
Store productivity [Sales per tsubo] (vs. FY2022)	3.65 Million yen (-)	3.56 Million yen (2.4) % Renovation Influence	3.92 Million yen (+7.4%)	4.25 Million yen (+16.4%)

\*1 Figures exclude York Mart, York Foods, etc.

Status of progress

As of May 31, 2024

All initiatives are in progress

Number of solid effects\*2

1,028

vs. plan

101%

Image of solid effects (EBITDA)

2023

2024

2025

Expansion of self checkout installation

Q1

Launch of Peace Deli

Expansion of Food & Drug

\*2 Initiatives that reached the stage where profit and loss improvement is expected

Progress as planned, with a focus on structure reforms

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

23

\*1 Figures exclude York Mart, York Foods, etc.

\*2 Initiatives that reached the stage where profit and loss improvement is expected

Progress as planned, with a focus on structure reforms

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

23

This slide is what we showed you last October and contains an updated roadmap covering the fundamental transformation of Tokyo metropolitan area SST Operations.

The overall progress has been in line with the plan and 1,028 items have already materialized in the form of positive effects, with more than 70% being measures to improve revenue and profits. As such, our focus is now shifting from cost structure transformation to improving revenue and profits.

Regarding the major KPIs, in the first quarter, we succeeded in reducing SG&A even more than planned. Meanwhile, store productivity decreased slightly but this was due to store renovations, meaning this is merely a temporary issue.

In summation, we can say that we have been making progress in line with the forecast, toward achieving the targets we have set for ourselves.

Action items in each area has kicked off based on the action plan announced on April 10, 2024

## Action plan based on recommendations from the Strategy Committee

### A Formulation of concrete action plans to accelerate growth

- 1 Accelerate growth and improve profitability in the North American CVS market
- 2 Develop more aggressive plans and investments
- 3 Establish the IT/DX strategy for the foundation of our growth, and the IT/DX governance to improve cost competitiveness
- 4 Monitor and support the completion of the transformation and growth of Tokyo Metropolitan Area SST.
- 5 Maximize the synergy between Retail and Financial

### B Changes to the Group structure that will enhance our long-term growth and corporate value

### C Enhancement of investor engagement

## Status of Initiatives up to Date

### Monitored by the newly structured Board of Directors

#### Accelerate growth of the CVS business and efforts to improve capital efficiency in North America

- ✓ Discussed concrete measures to improve capital efficiency

#### Organized the Global CVS Steering Committee

- ✓ Composed of management teams from HD, SEJ, SEI, 7IN
- ✓ Promoted the inter-regional collaboration in terms of business operation and oversaw optimal distribution of Strategic Investments and Financing to accelerate growth (including M&A)

#### Project team up towards SST business IPO

- ✓ Verified multidimensionally on Implementation options and key issues for implementation with the appointed external advisors

#### Identified issues and strengthened initiatives related to investor engagement (Collaboration with SEJ, SEI, 7IN)

More specific progress will be revealed at the announcement of Q2 Financial Results

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

24

Lastly, allow me to go over the implementation of our Action Plans, as announced on April 10, 2024.

Based on recommendations from the Strategy Committee and upon deliberation, the Board of Directors has agreed on the execution of the following three-pronged course of action: A) Formulation of concrete action plans to accelerate growth, B) Changes to the Group structure that will enhance our long-term growth and corporate value, and C) Enhancement of investor engagement.

We are in the process of establishing a clear timeline for implementation of the Action Plans, and promoting specific discussions and initiatives under the monitoring by the Board of Directors.

On the right-hand side of the page, you will find a summary of the status of initiatives up to date. For example, in North American CVS Operations, we focus on accelerating growth from a quantitative perspective, as well as on improving capital efficiency. We are having specific discussions within this scope.

More specific progress will be revealed at the time of the announcement of the Group's second-quarter financial results.

This concludes today's presentation. Thank you.

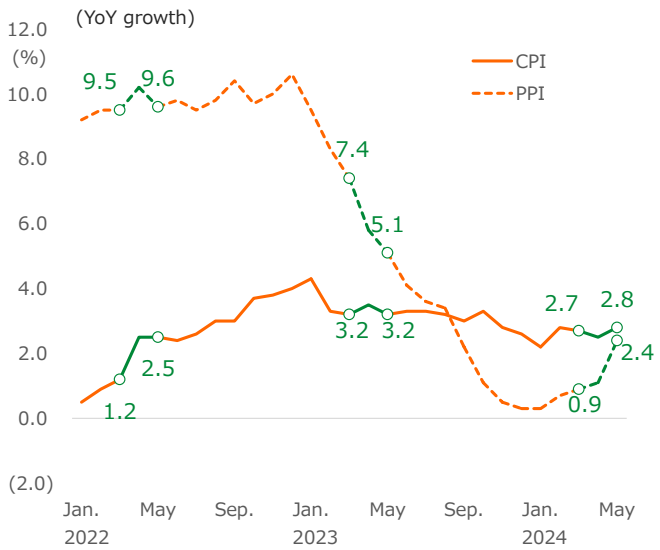


# Appendix

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.



Domestic PPI/CPI (Comprehensive)\*1、2



CPI (Food)\*1

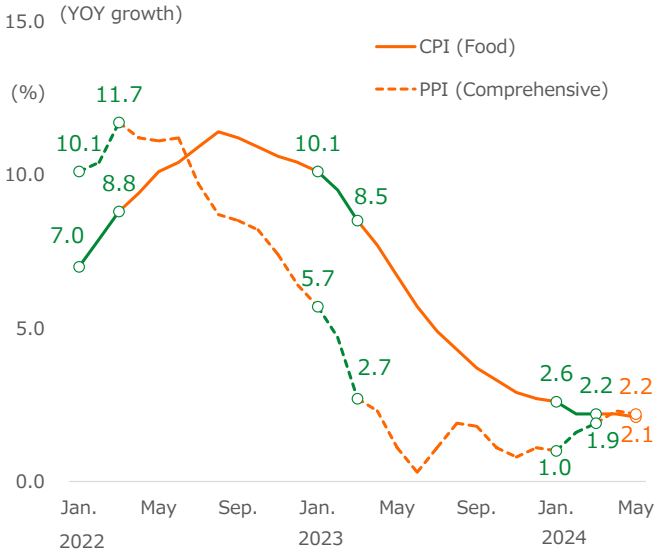


Source: \*1 e-Stat, \*2 Bank of Japan

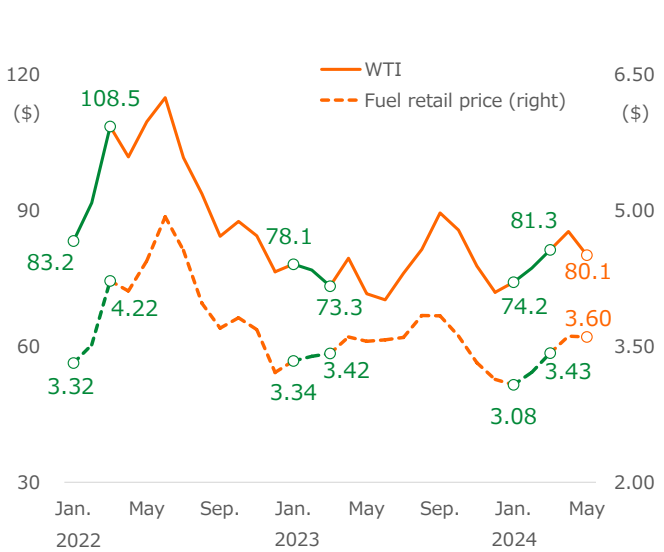
Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.



CPI(Food) / PPI(Comprehensive)\*1



Crude oil price (WTI) / Fuel retail price\*2



Source: \*1 BLS, \*2 EIA

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

# Consolidated B/S Summary (As of May 31, 2024)



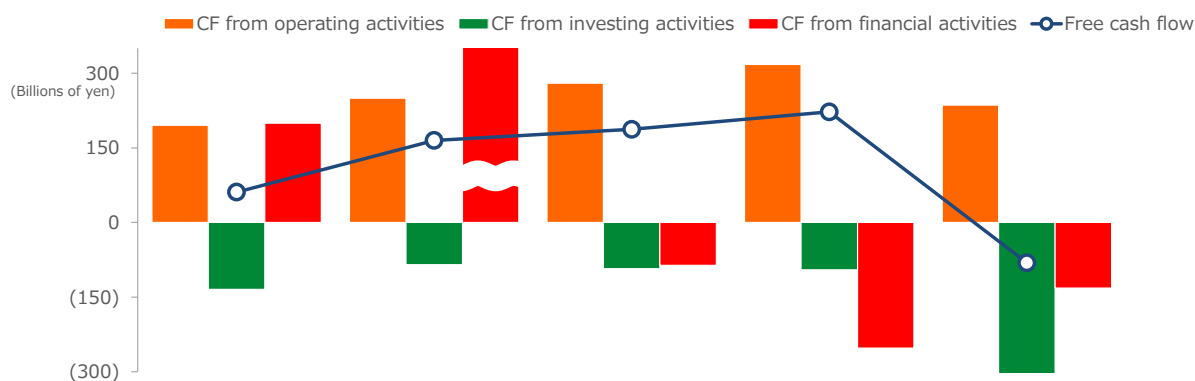
(Billions of yen)

Assets (Main items only)	As of Feb. 29, 2024	As of May 31, 2024	Change
<b>Current assets</b>	<b>3,035.6</b>	<b>2,952.5</b>	<b>(83.0)</b>
Cash and bank deposits	1,558.7	1,370.5	(188.1)
Cash and bank deposits at Seven Bank	877.1	879.8	+2.7
Notes and accounts receivable - trade, and contract assets	464.1	507.9	+43.8
Merchandise and finished goods	283.3	312.3	+28.9
<b>Non-current assets</b>	<b>7,555.4</b>	<b>8,270.1</b>	<b>+714.6</b>
Property and equipment	4,362.5	4,800.2	+437.7
Buildings and structures, net	1,606.8	1,687.6	+80.8
Land	1,096.6	1,145.9	+49.2
Right-of-use assets, net	985.6	1,225.6	+239.9
Intangible assets	2,356.5	2,613.5	+256.9
Investments and other assets	836.3	856.3	+19.9
Deferred assets	0.98	0.78	(0.19)
<b>Total assets</b>	<b>10,592.1</b>	<b>11,223.4</b>	<b>+631.3</b>

Liabilities and net assets (Main items only)	As of Feb. 29, 2024	As of May 31, 2024	Change
<b>Total liabilities</b>	<b>6,691.4</b>	<b>7,232.2</b>	<b>+540.7</b>
<b>Current liabilities</b>	<b>3,073.2</b>	<b>3,262.1</b>	<b>+188.8</b>
Notes and accounts payable, trade	528.1	628.8	+100.7
Short-term loans	84.8	344.1	+259.2
Current portion of bonds and current portion of long-term loans	472.5	195.5	(277.0)
Allowance for restructuring expenses	15.9	7.2	(8.7)
Lease obligations	132.3	158.5	+26.2
Deposits received in banking business	803.7	800.7	(2.9)
<b>Non-current liabilities</b>	<b>3,618.2</b>	<b>3,970.1</b>	<b>+351.8</b>
Bonds	1,356.5	1,413.3	+56.7
Long-term loans	824.6	873.1	+48.4
Lease obligations	931.7	1,145.4	+213.7
<b>Total net assets</b>	<b>3,900.6</b>	<b>3,991.2</b>	<b>+90.6</b>
<b>Total liabilities and net assets</b>	<b>10,592.1</b>	<b>11,223.4</b>	<b>+631.3</b>

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

# Q1 Consolidated Statements of Cash Flows



(Billions of yen)	FY2020	FY2021	FY2022	FY2023	FY2024	vs. FY2023
CF from operating activities	195.5	249.9	280.1	317.6	236.1	(81.5)
CF from investing activities	(134.4)	(84.8)	(92.8)	(95.1)	(316.8)	(221.7)
Free cash flow	61.1	165.0	187.3	222.5	(80.7)	(303.2)
CF from financing activities	199.7	1,099.4	(86.0)	(252.3)	(131.7)	+120.5
Cash and cash equivalents at the end of the year	1,614.1	3,562.4	1,527.0	1,645.9	1,373.2	(272.7)

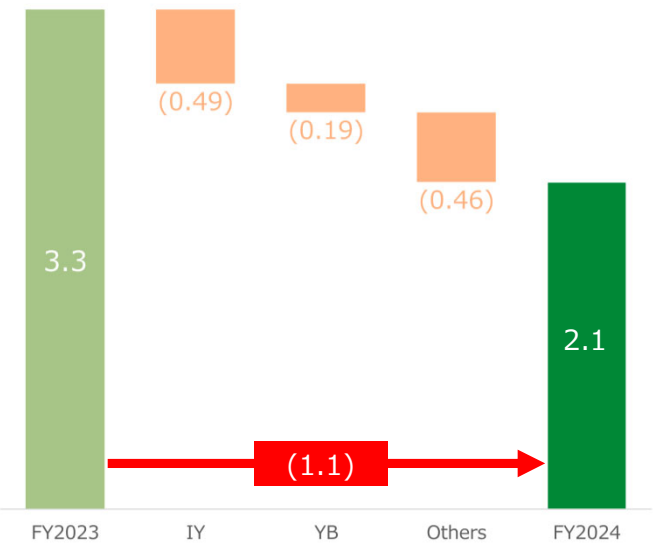
Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

# Q1 Superstore Operations & Others - Change in Operating Income



## Superstore operations

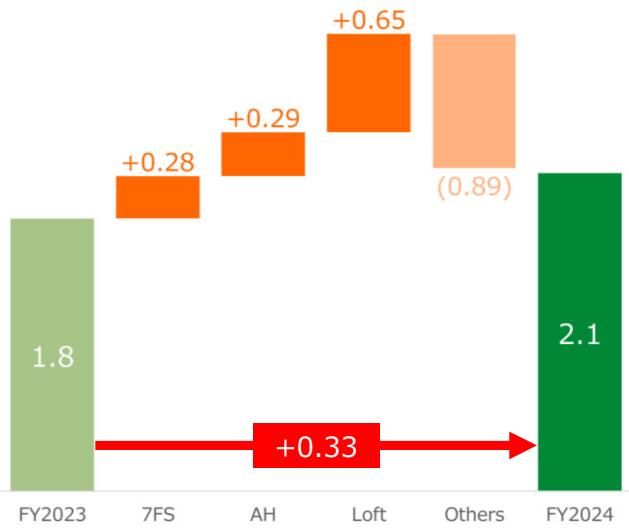
(Billions of yen)



Note) IY: Ito-Yokado, YB: York-Benimaru

## Others

(Billions of yen)



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

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

# Q1 Results of Major Operating Companies



(Billions of yen, %)

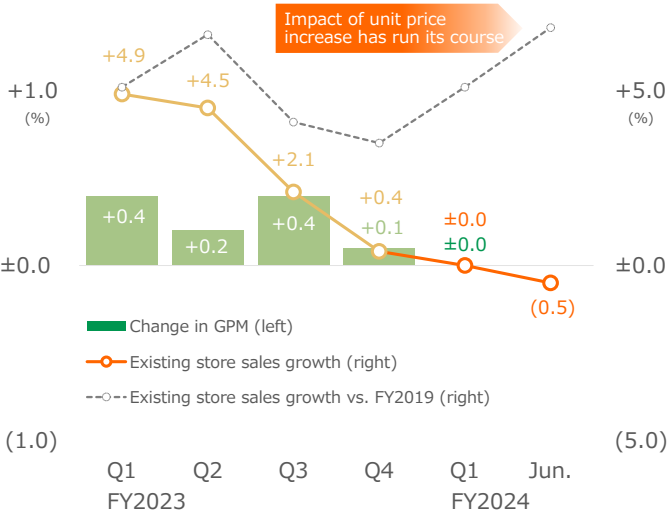
	Operating income		Existing store sales growth	Change in merchandise GPM
		YOY	YOY change	
Seven-Eleven Japan	61.1	94.9	(3.2)	±0.0
7-Eleven, Inc.* <sup>1</sup>	29.9	68.6	(13.7)	(4.1)
[Millions of dollar]	[201]	[61.1]	[(128)]	
Ito-Yokado	(0.66)	-	(0.49)	(Former IY) (2.9) <sup>*2</sup>
				(Former YO) +0.6
York-Benimaru	4.3	95.7	(0.19)	(Former IY) (1.2)
				(Former YO) (0.6)
				±0.0

\*1 Figures are shown on SEI consolidated basis. \*2 Represents SC total  
 Note) Exchange rate: 1USD = 148.63JPY

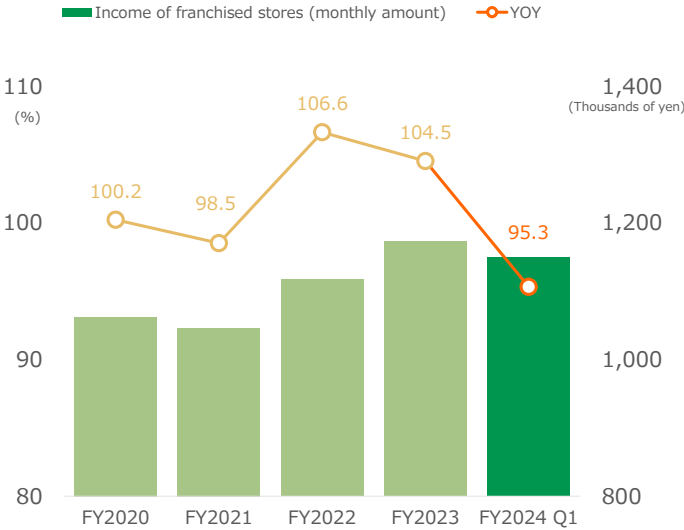
Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.



Existing store sales & GPM



Trend in income of franchised stores





# Seven-Eleven Japan (2)



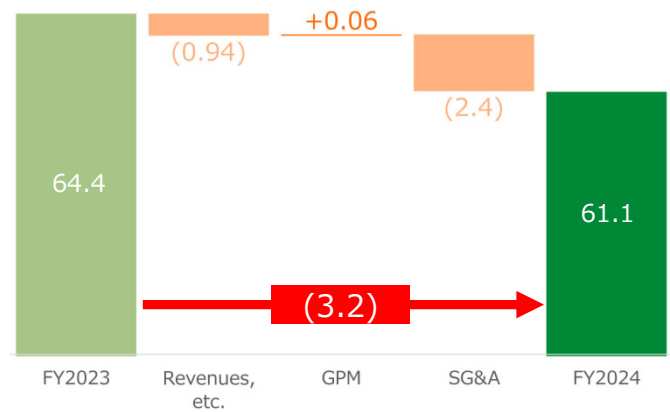
## SG&A

(Billions of yen, %)

		Q1		Major factors for change
		YOY	YOY change	
SG&A	149.0	101.6	+2.4	
Advertising expenses	10.0	118.4	+1.5	Enhanced sales promotion
Salaries and wages	18.3	90.3	(1.9)	Optimization of directly operated stores
Land and building rent	49.5	102.3	+1.0	Increase in number of stores
Depreciation and amortization	22.8	105.9	+1.2	
Utility expenses	14.3	91.0	(1.4)	Decrease in utility cost
Others	33.8	105.8	+1.8	Increase in settlement fees

## Change in operating income

(Billions of yen)



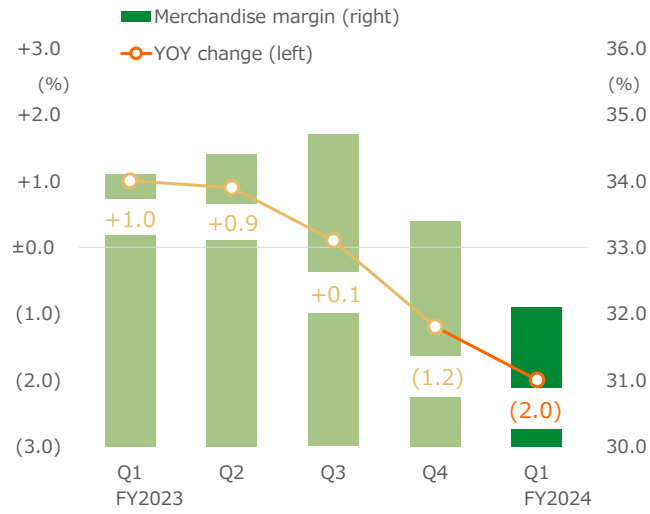
Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.



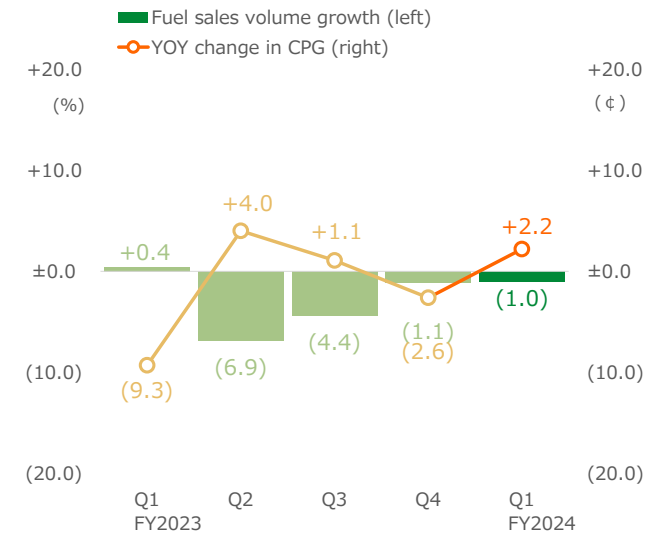
Merchandise Same Store Sales Growth



Merchandise Margin

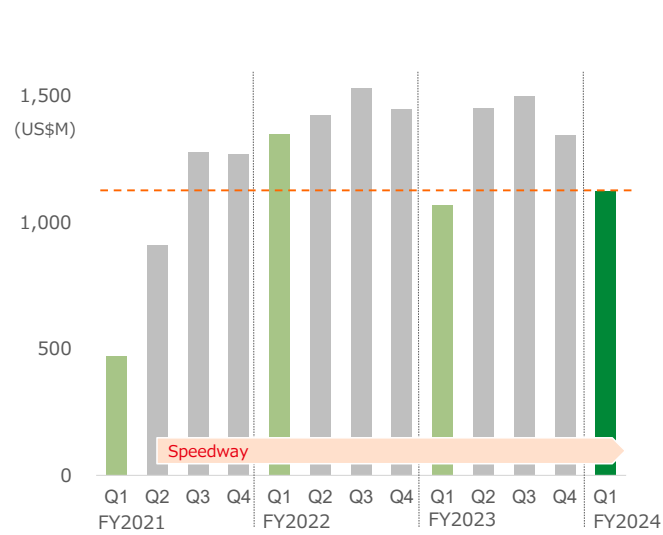


Total Fuel Volume & Margin (Total CPG\*)



\* Total CPG is inclusive of Retail, Supply and Wholesale business

Fuel Gross Profit



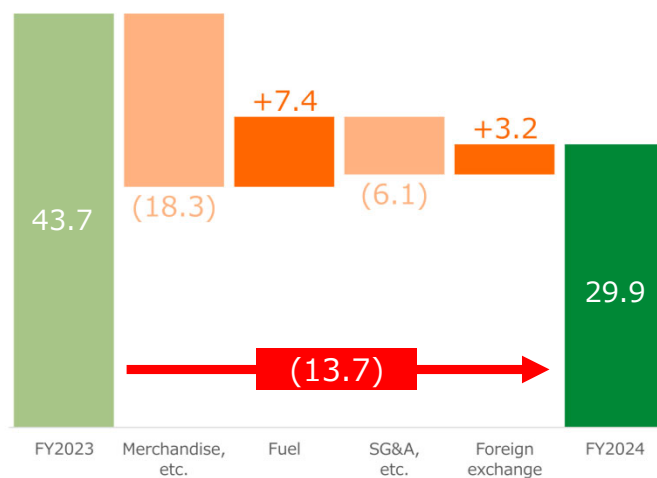
## SG&A

(Millions of dollar, %)

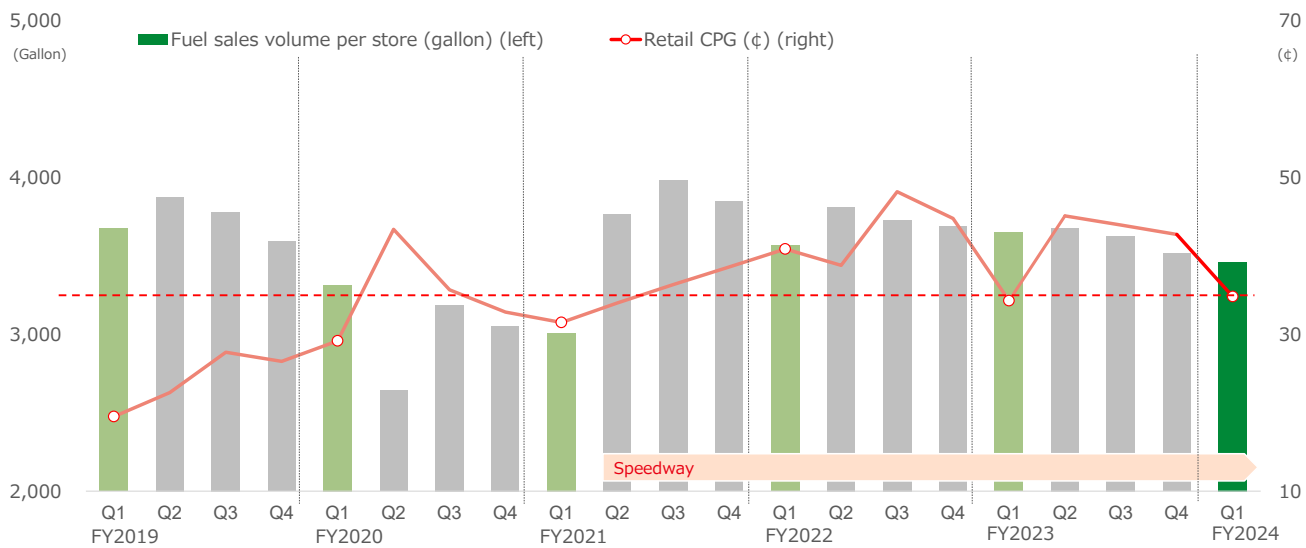
		Q1		Major factors for change
		YOY	YOY change	
SG&A	2,315	102.3	+52	
Advertising expenses	31	91.6	(2.9)	Decrease due to advertising timing
Salaries and wages	749	102.8	+20	Increase due to inflation
Land and building rent	284	105.7	+15	Increase due to inflation
Depreciation and amortization	358	97.7	(8.5)	Partial completion of Speedway asset depreciation
Utility expenses	125	101.8	+2.2	Increase in utility rates
Others	765	103.5	+25	Increase due to insurance costs etc.

## Change in operating income

(Billions of yen)



Fuel sale volume / CPG (Retail)



Note) The chart shows retail fuel business

# FY2024 Consolidated Financial Forecasts

(Reposting of the presentation materials on April 10, 2024)



	Amount	YOY	(Billions of yen, %) YOY change
Group's total sales	17,815.0	100.1	+25.0
Revenues from operations	11,246.0	98.0	(225.7)
Operating income	545.0	102.0	+10.7
Ordinary income	502.0	99.0	(5.0)
Net income attributable to owners of parent	293.0	130.4	+68.3
EPS (yen)	112.80	132.9	+27.92
EPS before amortization of goodwill (yen)	163.62	125.7	+33.43
EBITDA*	1,102.0	104.5	+47.0

\* EBITDA: Operating income + Depreciation and amortization + Amortization of goodwill

Notes) 1. Exchange rate: 1USD=145.00JPY, 1CNY=19.00JPY

2. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS" and "EPS before amortization of goodwill" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

# FY2024 Forecasts by Operating Segment

(Reposting of the presentation materials on April 10, 2024)



(Billions of yen, %)

	Revenues from operations		Operating income		EBITDA	
		YOY/Change		YOY/Change		YOY/Change
Consolidated	11,246.0	98.0 (225.7)	545.0	102.0 +10.7	1,102.0	104.5 +47.0
Domestic CVS operations	943.0	102.3 +21.2	260.0	103.8 +9.4	356.2	104.5 +15.4
Overseas CVS operations	8,410.0	98.7 (106.9)	318.7	105.7 +17.0	663.5	106.2 +38.9
7-Eleven, Inc. [Millions of dollar]*	57,210	95.7 (2,568)	2,930	104.0 +113	4,374	102.8 +117
Superstore operations	1,448.0	98.0 (29.3)	18.6	136.9 +5.0	62.7	116.7 +8.9
Financial services	210.0	101.2 +2.5	36.0	94.3 (2.1)	75.8	103.7 +2.7
Others	310.0	75.4 (101.3)	1.7	63.2 (0.98)	8.7	64.0 (4.8)
Eliminations/Corporate	(75.0)	- (11.9)	(90.0)	- (17.6)	(64.9)	- (14.1)

\* Figures are shown on SEI consolidated basis.

Note) Exchange rate: 1USD=145.00JPY, 1CNY=19.00JPY

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

# FY2024 Financial Forecasts of Major Operating Companies

(Reposting of the presentation materials on April 10, 2024)



(Billions of yen, %)

	Operating income		Existing store sales growth	Change in merchandise GPM	
	YOY	YOY change			
Seven-Eleven Japan	260.0	103.6	+8.9	+2.5	+0.2
7-Eleven, Inc.* <sup>1</sup>	424.9	107.2	+28.6	+0.5	±0.0
[Millions of dollar]	[2,930]	[104.0]	[+113]		
Ito-Yokado	5.4	-	+6.6	(Former IY) (1.9)* <sup>2</sup>	(Former IY)±0.0
				(Former YO)+0.6	(Former YO) (0.1)
York-Benimaru	18.9	101.1	+0.19	+1.9	+0.1

\*1 Figures are shown on SEI consolidated basis. \*2 Represents SC total  
 Note) Exchange rate: 1USD = 145.00JPY

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.



## Q1 results

(Billions of yen, %)


	Expenses					Capex				
	Results	YOY change	vs. plan	vs. FY2024 plan	FY2024 plan	Results	YOY change	vs. plan	vs. FY2024 plan	FY2024 plan
DX, system, security, etc.	(13.5)	+0.09	(0.22)	24.9	(54.5)	2.5	(0.77)	(2.3)	11.1	23.1
Others	(5.5)	(0.99)	+3.4	15.5	(35.5)	0.79	(2.3)	(1.1)	19.4	4.0
Eliminations/Corporate (Operating income)	(19.0)	(0.90)	+3.2	21.2	(90.0)	3.3	(3.1)	(3.5)	12.4	27.2

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

# 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

<b>Environmental Declaration</b> “GREEN CHALLENGE 2050”  GREEN CHALLENGE 2050 私たちの挑戦で、未来を変えよう。 —FY2050 target—	<b>① Reduce CO2 emissions</b> Target <b>net zero</b> emissions through group’s operational management Aim to reduce through whole supply chain including Scope 3	<b>② Measures against plastic</b> Includes reduction of overall plastic materials related to sales <b>Containers used for original merchandise</b> <b>100%</b> made with Eco-friendly materials <b>No usage</b> of <b>plastic bags</b>
	<b>③ Reduce food waste &amp; food waste recycling</b> <b>Food waste volume</b> 75% reduction <b>Food waste recycling rate</b> 100%	<b>④ Sustainable sourcing</b> <b>Raw materials for original merchandise</b> <b>100%</b> sustainability-sourced materials



Taskforce on Nature-related Financial Disclosures

Disclosed in June 2020  
\* Revised in March 2022

Preparation for disclosure in 2024

Achieving sustainable society with global perspectives

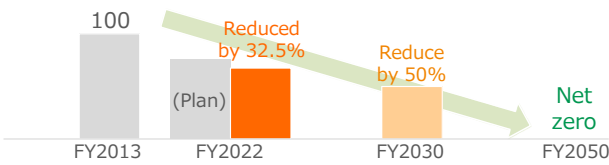
Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

# Promotion of Sustainable Management (2)

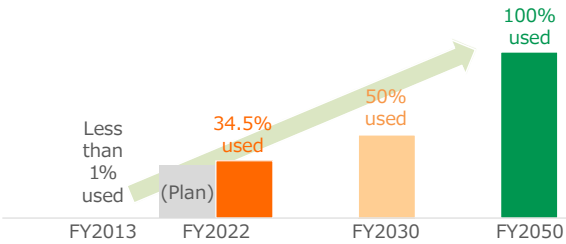


Further strengthen efforts to meet the targets by 2050 in the Environmental Declaration

① Reduce CO2 emissions

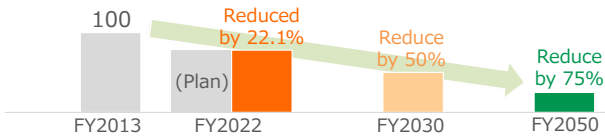


② Measures against plastic

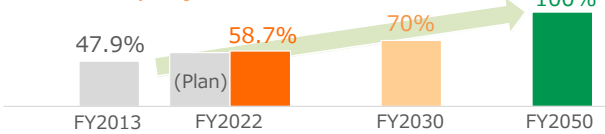


③ Reduce food waste & food waste recycling (Domestic)

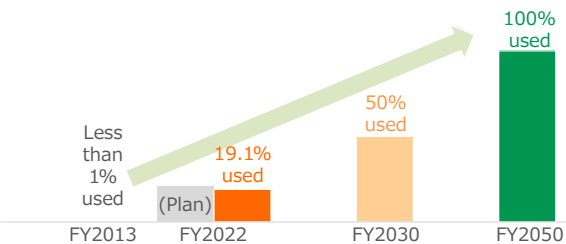
Food waste volume



Food waste recycling rate



④ Sustainable sourcing (Domestic)



Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.



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.

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.