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Annual Securities Report

(Pursuant to Article 24, paragraph (1) of the Financial Instruments and Exchange Act)

For the 20th Fiscal Year (From March 1, 2024 to February 28, 2025)

Seven & i Holdings Co., Ltd.

(E03462)

20th Fiscal Year (From March 1, 2024 to February 28, 2025)

Annual Securities Report

1. This document was prepared for printing by adding a table of contents and pages to the Annual Securities Report pursuant to Article 24, paragraph (1) of the Financial Instruments and Exchange Act submitted on May 23, 2025 as data using the Electronic Disclosure for Investors' NETwork (EDINET) prescribed in Article 27-30-2 of the Financial Instruments and Exchange Act.
2. Although the attached documents to the Annual Securities Report submitted as described above are not included in this document, the Audit Report and Internal Control Report are included at the end of this document.

Seven & i Holdings Co., Ltd.

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[Document title]	Annual Securities Report
[Clause of stipulation]	Article 24, paragraph (1) of the Financial Instruments and Exchange Act
[Place of filing]	Director-General of the Kanto Local Finance Bureau
[Filing date]	May 23, 2025
[Fiscal year]	20th fiscal year (From March 1, 2024 to February 28, 2025)
[Company name]	*Kabushiki-Kaisha Seven & i Holdings*
[Company name in English]	Seven & i Holdings Co., Ltd.
[Title and name of representative]	Ryuichi Isaka, President, Representative Director and CEO
[Address of registered head office]	8-8, Nibancho, Chiyoda-ku, Tokyo
[Telephone number]	+81-3-6238-3000 (Main)
[Name of contact person]	Akira Okamoto, Senior Officer of the Accounting Department
[Nearest place of contact]	8-8, Nibancho, Chiyoda-ku, Tokyo
[Telephone number]	+81-3-6238-3000 (Main)
[Name of contact person]	Akira Okamoto, Senior Officer of the Accounting Department
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihonbashi-Kabutocho, Chuo-ku, Tokyo)

Part I. [Company Information]

I. [Overview of the Company]

1. [Trends in key management indicators]

   (1) Management indicators (Consolidated)

		16th fiscal year	17th fiscal year	18th fiscal year	19th fiscal year	20th fiscal year
Fiscal year-end		February 2021	February 2022	February 2023	February 2024	February 2025
Revenues from operations	(Millions of yen)	5,766,718	8,749,752	11,811,303	11,471,753	11,972,762
Ordinary income	(Millions of yen)	357,364	358,571	475,887	507,086	374,586
Net income attributable to owners of parent	(Millions of yen)	179,262	210,774	280,976	224,623	173,068
Comprehensive income	(Millions of yen)	169,315	415,883	572,887	424,311	486,357
Net assets	(Millions of yen)	2,831,335	3,147,732	3,648,161	3,900,624	4,217,445
Total assets	(Millions of yen)	6,946,832	8,739,279	10,550,956	10,592,117	11,386,111
Net assets per share	(Yen)	1,007.56	1,125.17	1,311.31	1,416.94	1,553.17
Net income per share	(Yen)	67.68	79.56	106.05	84.88	66.62
Diluted net income per share	(Yen)	67.67	79.56	106.04	84.87	66.61
Equity ratio	(%)	38.4	34.1	32.9	35.1	35.4
Return on equity	(%)	6.8	7.5	8.7	6.2	4.5
Price earnings ratio	(Times)	19.9	23.4	19.1	26.3	32.2
Cash flows from operating activities	(Millions of yen)	539,995	736,476	928,476	673,015	876,458
Cash flows from investing activities	(Millions of yen)	(394,127)	(2,505,566)	(413,229)	(431,809)	(732,363)
Cash flows from financing activities	(Millions of yen)	690,542	937,077	(270,373)	(377,065)	(392,648)
Cash and cash equivalents at the end of the fiscal year	(Millions of yen)	2,183,837	1,414,890	1,674,787	1,562,493	1,349,820
Number of employees [Separately, average number of temporary employees]	(Persons)	58,975 [76,357]	83,635 [87,122]	84,154 [83,094]	77,902 [79,275]	62,012 [90,847]

Notes: 1. The Company has introduced the BIP Trust and the ESOP Trust, and the Company's shares held by these trusts are recorded as treasury stock in the consolidated financial statements. Accordingly, the Company's shares held by the trusts are included in the number of shares of treasury stock deducted from the total number of shares issued at the end of period to calculate net assets per share, and included in the number of shares of treasury stock deducted for the computation of the average number of shares during the period, to calculate net income per share and diluted net income per share.

2. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the "Revenue Recognition Accounting Standard"), etc., from the beginning of the 18th fiscal year, and the key management indicators, etc., for the 18th fiscal year and beyond are those after applying the Revenue Recognition Accounting Standard, etc.

3. The Company implemented a three-for-one share split of its common stock on March 1, 2024. "Net assets per share," "Net income per share," and "Diluted net income per share" are calculated on the assumption that the share split was implemented at the beginning of the 16th fiscal year.

(2) The Company's management indicators (Non-consolidated)

		16th fiscal year	17th fiscal year	18th fiscal year	19th fiscal year	20th fiscal year
Fiscal year-end		February 2021	February 2022	February 2023	February 2024	February 2025
Revenues from operations	(Millions of yen)	163,940	152,208	248,468	202,277	209,743
Ordinary income	(Millions of yen)	128,034	100,680	173,656	122,042	121,679
Net income	(Millions of yen)	64,096	107,109	179,780	42,915	109,556
Capital	(Millions of yen)	50,000	50,000	50,000	50,000	50,000
Total number of shares issued	(Thousands of shares)	886,441	886,441	886,441	877,742	2,604,555
Net assets	(Millions of yen)	1,413,027	1,421,117	1,511,564	1,399,685	1,349,685
Total assets	(Millions of yen)	2,529,336	2,561,080	2,593,865	2,657,276	2,690,398
Net assets per share	(Yen)	533.40	536.37	570.44	533.61	520.11
Dividend per share [Of which, interim dividend per share]	(Yen)	98.50 [47.50]	100.00 [48.00]	113.00 [49.50]	113.00 [56.50]	40.00 [20.00]
Net income per share	(Yen)	24.20	40.43	67.85	16.22	42.17
Diluted net income per share	(Yen)	24.20	40.43	67.85	16.22	42.17
Equity ratio	(%)	55.9	55.5	58.3	52.7	50.2
Return on equity	(%)	4.5	7.6	12.3	2.9	8.0
Price earnings ratio	(Times)	55.6	46.1	29.9	137.5	50.8
Dividend payout ratio	(%)	135.7	82.4	55.5	232.2	94.9
Number of employees [Separately, average number of temporary employees]	(Persons)	799 [16]	969 [15]	1,017 [15]	1,074 [17]	1,097 [14]
Total shareholder return	(%)	111.9	156.6	173.2	192.5	188.8
[Comparative indicator: TOPIX including dividend]	(%)	[126.4]	[130.7]	[141.8]	[195.1]	[200.2]
Highest share price	(Yen)	4,373	6,083	6,203	2,245 [6,734]	2,703
Lowest share price	(Yen)	2,937	4,095	5,041	1,721 [5,162]	1,600

Notes: 1. The highest and lowest share prices are those on the Tokyo Stock Exchange (Prime Market) on and after April 4, 2022, and those on the Tokyo Stock Exchange (First Section) on and before April 3, 2022.

2. The Company has introduced the BIP Trust and the ESOP Trust, and the Company's shares held by these trusts are recorded as treasury stock in the nonconsolidated financial statements. Accordingly, the Company's shares held by the trusts are included in the number of shares of treasury stock deducted from the total number of shares issued at the end of period to calculate net assets per share, and included in the number of shares of treasury stock deducted for the computation of the average number of shares during the period, to calculate net income per share and diluted net income per share.

3. The Company has applied the Revenue Recognition Accounting Standard, etc., from the beginning of the 18th fiscal year, and the key management indicators, etc., for the 18th fiscal year and beyond are those after applying the Revenue Recognition Accounting Standard, etc.
4. The Company implemented a three-for-one share split of its common stock on March 1, 2024. “Net assets per share,” “Net income per share,” and “Diluted net income per share” are calculated on the assumption that the share split was implemented at the beginning of the 16th fiscal year. The highest and lowest share prices for the 19th fiscal year are those after the share split, and those before the share split are shown in brackets.
5. The dividend per share for the 18th fiscal year includes a commemorative dividend of ¥10 per share for the 50th anniversary of the establishment of SEVEN-ELEVEN JAPAN CO., LTD.
6. Of the ¥40.00 per share dividend for the 20th fiscal year, the year-end dividend of ¥20.00 per share is subject to approval at the Annual Shareholders’ Meeting scheduled to be held on May 27, 2025.

2. [History]

Date	Outline
April 2005	SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., and Denny's Japan Co., Ltd. (hereinafter the "3 Companies") resolved at the Board of Directors' meeting to jointly establish a holding company that is a wholly owning parent company (the Company) through share transfers and entered into a share transfer agreement.
May 2005	The establishment of a holding company through share transfers was approved at the shareholders' meetings of the 3 Companies.
September 2005	Seven & i Holdings Co., Ltd. was established. Listed its shares on the First Section of the Tokyo Stock Exchange.
November 2005	Shares of 7-Eleven, Inc. were acquired by means of tender offer through a subsidiary, and the said company became a wholly owned subsidiary.
December 2005	Entered into a basic agreement regarding a business alliance and management integration with Millennium Retailing, Inc.
January 2006	The Company acquired 65.45% of shares of Millennium Retailing, Inc., and 11 subsidiaries of said company including Sogo Co., Ltd. and The Seibu Department Stores, Ltd. became subsidiaries of the Company.
June 2006	After the additional acquisition of shares of Millennium Retailing, Inc., a share exchange was conducted and said company became a wholly owned subsidiary.
September 2006	A share exchange was conducted with York-Benimaru Co., Ltd., and said company became a wholly owned subsidiary.
January 2007	To achieve synergies in the restaurant business area, decided to integrate and reorganize three companies in said business area (Denny's Japan Co., Ltd., Famil Co., Ltd. and York Bussan K.K.), and established Seven & i Food Systems Co., Ltd., which became a wholly owning parent company of these three companies.
January 2008	To strengthen the financial services, established SEVEN & i FINANCIAL GROUP CO., LTD., a new company that oversees the services.
February 2008	Seven Bank, Ltd. listed its shares on the Jasdaq Securities Exchange (currently JASDAQ (Standard) market of the Tokyo Stock Exchange) on February 29, 2008.
July 2008	To strengthen IT services, established Seven & i Net Media Co., Ltd., a new company that oversees the services.
June 2009	To tap into the over-the-counter drug market, established Seven Health Care Co., Ltd.
August 2009	Three companies, Millennium Retailing, Inc., Sogo Co., Ltd. and The Seibu Department Stores, Ltd., were integrated, and the company name of Sogo Co., Ltd., the surviving company, was changed to Sogo & Seibu Co., Ltd.
March 2011	SEVEN & i FINANCIAL GROUP CO., LTD. merged with SE CAPITAL CORPORATION and dissolved, and SE CAPITAL CORPORATION, the surviving company, changed its company name to Seven Financial Service Co., Ltd.
April 2011	The Company acquired 51.00% of shares of Seven CS Card Service Co., Ltd., and said company became a subsidiary.
December 2011	Seven Bank, Ltd. listed its shares on the First Section of the Tokyo Stock Exchange on December 26, 2011.
January 2014	Seven & i Net Media Co., Ltd. acquired 50.74% of voting rights of Nissen Holdings Co., Ltd. through tender offer and underwriting of a third-party allotment of new shares, and Nissen Holdings Co., Ltd. and its 25 subsidiaries became consolidated subsidiaries of the Company.
November 2016	Seven & i Net Media Co., Ltd. acquired shares of Nissen Holdings Co., Ltd. through a share exchange, and Nissen Holdings Co., Ltd. became a wholly owned subsidiary.
May 2021	SEI Speedway Holdings, LLC, which was established as a wholly owned subsidiary of 7-Eleven, Inc., acquired shares and other interests in Speedway LLC and other 20 companies from Marathon Petroleum Corporation in the U.S., and Speedway LLC and other companies became consolidated subsidiaries of the Company.
April 2022	Due to the Tokyo Stock Exchange's market restructuring, the Company and Seven Bank, Ltd. moved from the First Section to the Prime Market of the Tokyo Stock Exchange.
September 2023	The Company transferred all of the issued shares of Sogo & Seibu Co., Ltd. it held, resulting in Sogo & Seibu Co., Ltd. and its subsidiaries excluded from the scope of consolidation.

3. [Details of business]
   Consisting of 196 companies (including the Company), the Group is a corporate group, under which the Company serves as the pure holding company, operates mainly in the distribution industry with the focus on domestic convenience store operations, overseas convenience store operations, superstore operations, and financial services.
   Operating segment, major group companies and number of companies are as follows. This segmentation is same as the reportable segment shown in the section of segment information.
   The Company is a specified listed company, etc. Because the Company falls under the category of specified listed companies, etc., a judgment is to be made based on figures on a consolidated basis regarding the de minimis thresholds for material events under the insider trading regulations.

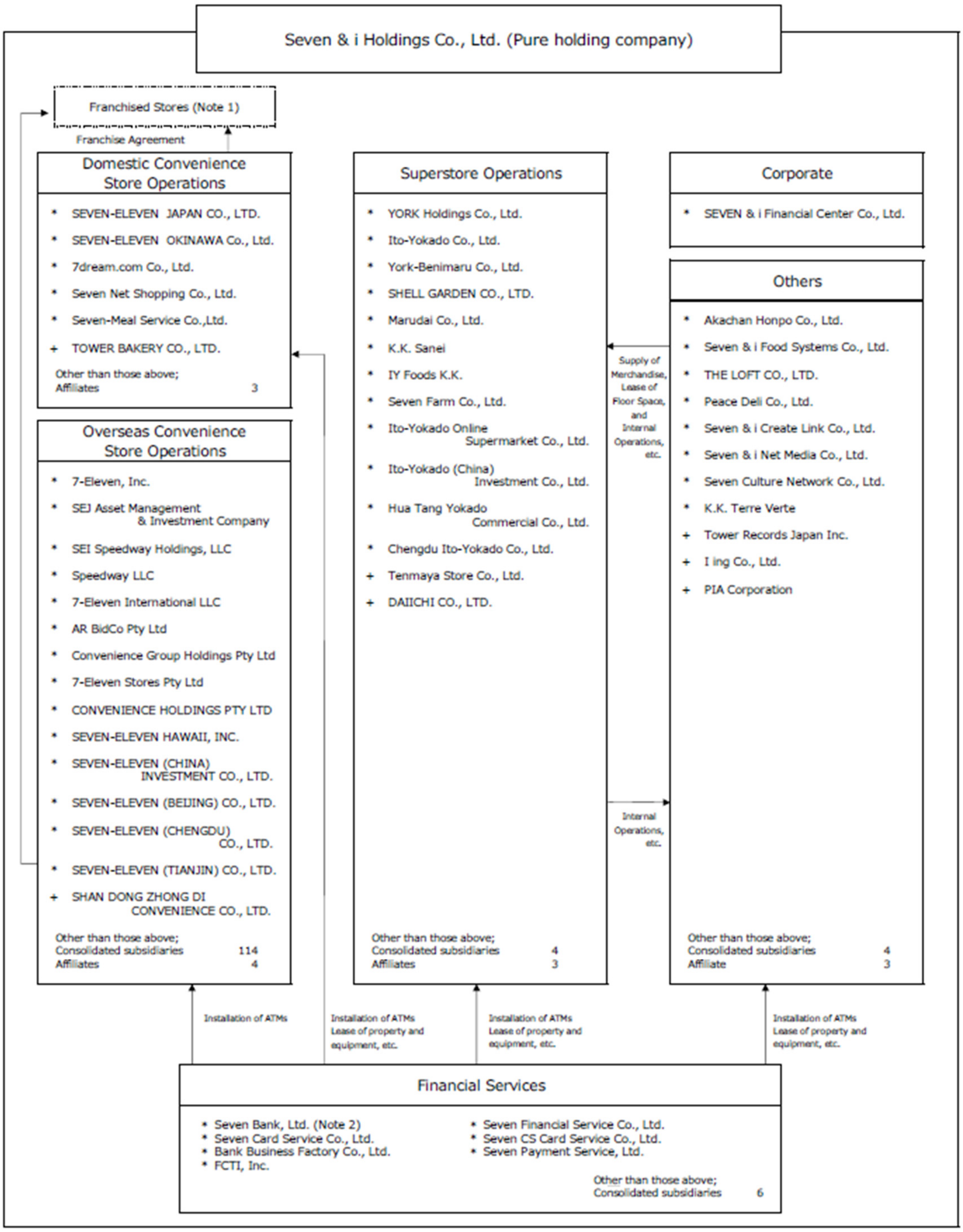
Operating segment	Major group companies	Number of companies
Domestic convenience store operations (9 companies)	SEVEN-ELEVEN JAPAN CO., LTD. SEVEN-ELEVEN OKINAWA Co., Ltd. 7dream.com Co., Ltd. Seven Net Shopping Co., Ltd. Seven-Meal Service Co., Ltd. TOWER BAKERY CO., LTD.[*1]	Consolidated subsidiaries 5 Affiliates 4 Total 9
Overseas convenience store operations (133 companies)	7-Eleven, Inc. SEJ Asset Management & Investment Company SEI Speedway Holdings, LLC Speedway LLC 7-Eleven International LLC AR BidCo Pty Ltd Convenience Group Holdings Pty Ltd 7-Eleven Stores Pty Ltd CONVENIENCE HOLDINGS PTY LTD SEVEN-ELEVEN HAWAII, INC. SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD. SEVEN-ELEVEN (BEIJING) CO., LTD. SEVEN-ELEVEN (CHENGDU) CO., LTD. SEVEN-ELEVEN (TIANJIN) CO., LTD. SHAN DONG ZHONG DI CONVENIENCE CO., LTD.[*1]	Consolidated subsidiaries 128 Affiliates 5 Total 133
Superstore operations (21 companies)	YORK Holdings Co., Ltd., Ito-Yokado Co., Ltd. York-Benimaru Co., Ltd., SHELL GARDEN CO., LTD. Marudai Co., Ltd.[*2], K.K. Sanei, IY Foods K.K.[*3] Seven Farm Co., Ltd. Ito-Yokado Online Supermarket Co., Ltd. Ito-Yokado (China) Investment Co., Ltd. Hua Tang Yokado Commercial Co., Ltd. Chengdu Ito-Yokado Co., Ltd. Tenmaya Store Co., Ltd.[*1] DAIICHI CO., LTD.[*1]	Consolidated subsidiaries 16 Affiliates 5 Total 21
Financial services (13 companies)	Seven Bank, Ltd. Seven Financial Service Co., Ltd. Seven Card Service Co., Ltd. Seven CS Card Service Co., Ltd. Bank Business Factory Co., Ltd. Seven Payment Service, Ltd. FCTI, Inc.	Consolidated subsidiaries 13
Others (18 companies)	Akachan Honpo Co., Ltd. Seven & i Food Systems Co., Ltd. THE LOFT CO., LTD. Peace Deli Co., Ltd. Seven & i Create Link Co., Ltd. Seven & i Net Media Co., Ltd. Seven Culture Network Co., Ltd., K.K. Terre Verte Tower Records Japan Inc.[*1], I ing Co., Ltd.[*1] PIA Corporation[*1]	Consolidated subsidiaries 12 Affiliates 6 Total 18
Corporate (1 company)	SEVEN & i Financial Center Co., Ltd.	Consolidated subsidiary 1

Notes: *1. TOWER BAKERY CO., LTD., SHAN DONG ZHONG DI CONVENIENCE CO., LTD., Tenmaya Store Co., Ltd., DAIICHI CO., LTD., Tower Records Japan Inc., I ing Co., Ltd., and PIA Corporation are affiliates.

*2. Marudai Co., Ltd. was excluded from the Company's scope of consolidation due to the transfer of shares as of March 1, 2025.

*3. IY Foods K.K. ceased to exist as of March 1, 2025, as a result of its absorption-type merger with Peace Deli Co., Ltd.

The structure of businesses is basically as indicated by the following chart.



* Consolidated subsidiary
\+ Affiliate accounted for using the equity method

Notes: 1. Each franchised store is operated by an independent franchisee which enters into franchise agreement with SEVEN-ELEVEN JAPAN CO., LTD., SEVEN-ELEVEN OKINAWA Co., Ltd., 7-Eleven, Inc., 7-Eleven Stores Pty Ltd, SEVEN-ELEVEN (BEIJING) CO., LTD., SEVEN-ELEVEN (CHENGDU) CO., LTD., and SEVEN-ELEVEN (TIANJIN) CO., LTD.

2. As of February 28, 2025, Seven Bank, Ltd. has 27,965 units of ATMs placed mainly in the stores of Group companies.

4. [Status of subsidiaries and affiliates]

Name	Location	Capital or investments in capital (Millions of yen)	Principal business	Voting rights held by the Company (%)	Relationship		
					Interlocking officers		Business transaction
					The Company's officers (Persons)	The Company's employees (Persons)	
(Consolidated subsidiaries)							
SEVEN-ELEVEN JAPAN CO., LTD. (Note 3)	Tokyo Met. Chiyoda-ku	17,200	Domestic convenience store operations	100.0	2	2	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with various business operations.
7-Eleven, Inc. (Notes 3, 8)	U.S. Texas	Thousands of U.S. dollars 17	Overseas convenience store operations	100.0 [100.0]	5	1	–
YORK Holdings Co., Ltd. (Note 3)	Tokyo Met. Chiyoda-ku	100	Superstore operations	100.0	1	4	• The Company is entrusted with various business operations.
Ito-Yokado Co., Ltd. (Note 3)	Tokyo Met. Chiyoda-ku	41,000	Superstore operations	100.0 [100.0]	1	4	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with various business operations.
York-Benimaru Co., Ltd. (Note 3)	Fukushima Pref. Koriyama-shi	9,927	Superstore operations	100.0 [100.0]	–	4	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with various business operations.

Name	Location	Capital or investments in capital (Millions of yen)	Principal business	Voting rights held by the Company (%)	Relationship		
					Interlocking officers		Business transaction
					The Company's officers (Persons)	The Company's employees (Persons)	
Seven Bank, Ltd. (Notes 3, 4, 5)	Tokyo Met. Chiyoda-ku	30,724	Financial services	46.6 [46.6]	–	1	–
SEVEN-ELEVEN OKINAWA Co., Ltd.	Okinawa Pref. Naha-shi	1,500	Domestic convenience store operations	100.0 [100.0]	–	–	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.
7dream.com Co., Ltd.	Tokyo Met. Chiyoda-ku	450	Domestic convenience store operations	68.0 [68.0]	–	–	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company contracts out various business operations.
Seven Net Shopping Co., Ltd.	Tokyo Met. Chiyoda-ku	10	Domestic convenience store operations	100.0 [100.0]	–	–	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.
Seven-Meal Service Co., Ltd.	Tokyo Met. Chiyoda-ku	300	Domestic convenience store operations	90.0 [90.0]	–	1	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with various business operations.
SEJ Asset Management & Investment Company (Notes 3, 8)	U.S. Delaware	Thousands of U.S. dollars 159	Overseas convenience store operations	100.0 [73.7]	1	1	–

Name	Location	Capital or invest-ments in capital (Millions of yen)	Principal business	Voting rights held by the Compa-ny (%)	Relationship		
					Interlocking officers		Business transaction
					The Compa-ny's officers (Per-sons)	The Compa-ny's employ-ees (Per-sons)	
SEI Speedway Holdings, LLC (Notes 3, 8)	U.S. Delaware	–	Overseas convenience store operations	100.0 [100.0]	–	–	–
Speedway LLC (Notes 3, 8)	U.S. Delaware	–	Overseas convenience store operations	100.0 [100.0]	–	–	–
7-Eleven International LLC (Note 8)	U.S. Delaware	–	Overseas convenience store operations	100.0 [100.0]	5	1	–
AR BidCo Pty Ltd (Notes 3, 8)	Australia Victoria	Thousands of Australian dollars 1,766,503	Overseas convenience store operations	100.0 [100.0]	–	–	–
Convenience Group Holdings Pty Ltd (Notes 3, 8)	Australia Victoria	Thousands of Australian dollars 203,909	Overseas convenience store operations	100.0 [100.0]	–	–	–
7-Eleven Stores Pty Ltd (Note 8)	Australia Victoria	Thousands of Australian dollars 240	Overseas convenience store operations	100.0 [100.0]	–	–	–
CONVENIENC E HOLDINGS PTY LTD (Notes 3, 8)	Australia Victoria	Thousands of Australian dollars 72,000	Overseas convenience store operations	100.0 [100.0]	–	–	–
SEVEN-ELEVEN HAWAII, INC.	U.S. Hawaii	Thousands of U.S. dollars 20,000	Overseas convenience store operations	100.0 [100.0]	2	–	–
SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD. (Note 3)	China Beijing	Thousands of yuan 876,217	Overseas convenience store operations	100.0 [100.0]	–	1	–
SEVEN-ELEVEN (BEIJING) CO., LTD.	China Beijing	Thousands of U.S. dollars 44,000	Overseas convenience store operations	65.0 [65.0]	–	–	–
SEVEN-ELEVEN (CHENGDU) CO., LTD. (Note 3)	China Sichuan Province	Thousands of yuan 472,924	Overseas convenience store operations	100.0 [100.0]	–	–	–
SEVEN-ELEVEN (TIANJIN) CO., LTD.	China Tianjin	Thousands of yuan 200,000	Overseas convenience store operations	100.0 [100.0]	–	–	–

Name	Location	Capital or investments in capital (Millions of yen)	Principal business	Voting rights held by the Company (%)	Relationship		
					Interlocking officers		Business transaction
					The Company's officers (Persons)	The Company's employees (Persons)	
SHELL GARDEN CO., LTD.	Tokyo Met. Chiyoda-ku	100	Superstore operations	90.0 [90.0]	–	2	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with various business operations.
Marudai Co., Ltd.	Niigata Pref. Niigata-shi	213	Superstore operations	100.0 [100.0]	–	–	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with various business operations.
K.K. Sanei	Miyagi Pref. Ishinomaki-shi	138	Superstore operations	100.0 [100.0]	–	–	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with various business operations.
IY Foods K.K.	Saitama Pref. Kazo-shi	75	Superstore operations	100.0 [100.0]	–	–	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with various business operations.

Name	Location	Capital or investments in capital (Millions of yen)	Principal business	Voting rights held by the Company (%)	Relationship		
					Interlocking officers		Business transaction
					The Company's officers (Persons)	The Company's employees (Persons)	
Seven Farm Co., Ltd.	Tokyo Met. Chiyoda-ku	13	Superstore operations	100.0 [100.0]	–	–	• The Company is entrusted with various business operations.
Ito-Yokado Online Supermarket Co., Ltd.	Tokyo Met. Chiyoda-ku	50	Superstore operations	100.0 [100.0]	–	3	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with various business operations.
Ito-Yokado (China) Investment Co., Ltd.	China Beijing	Thousands of U.S. dollars 47,250	Superstore operations	100.0 [100.0]	–	–	–
Hua Tang Yokado Commercial Co., Ltd. (Note 3)	China Beijing	Thousands of U.S. dollars 102,391	Superstore operations	100.0 [100.0]	–	–	–
Chengdu Ito-Yokado Co., Ltd.	China Sichuan Province	Thousands of U.S. dollars 23,000	Superstore operations	80.0 [80.0]	–	–	–
Seven Financial Service Co., Ltd.	Tokyo Met. Chiyoda-ku	75	Financial services	100.0	–	2	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with various business operations.
Seven Card Service Co., Ltd. (Note 3)	Tokyo Met. Chiyoda-ku	7,500	Financial services	100.0 [100.0]	–	2	• The Company is entrusted with various business operations.
Seven CS Card Service Co., Ltd.	Tokyo Met. Chiyoda-ku	100	Financial services	51.0 [51.0]	–	–	• The Company is entrusted with various business operations.

Name	Location	Capital or investments in capital (Millions of yen)	Principal business	Voting rights held by the Company (%)	Relationship		
					Interlocking officers		Business transaction
					The Company's officers (Persons)	The Company's employees (Persons)	
Bank Business Factory Co., Ltd.	Yokohama-shi Hodogaya-ku	400	Financial services	100.0 [100.0]	–	–	–
Seven Payment Service, Ltd.	Tokyo Met. Chiyoda-ku	475	Financial services	100.0 [100.0]	–	–	–
FCTI, Inc.	U.S. California	Thousands of U.S. dollars 19,836	Financial services	100.0 [100.0]	–	–	–
Akachan Honpo Co., Ltd.	Osaka-shi Chuo-ku	3,780	Others	95.0 [95.0]	–	1	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with various business operations.
Seven & i Food Systems Co., Ltd.	Tokyo Met. Chiyoda-ku	3,000	Others	100.0 [100.0]	–	3	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with and contracts out various business operations.
THE LOFT CO., LTD.	Tokyo Met. Shibuya-ku	750	Others	75.2 [75.2]	–	2	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration.
Peace Deli Co., Ltd.	Tokyo Met. Chiyoda-ku	100	Others	100.0 [100.0]	–	3	• The Company is entrusted with various business operations.

Name	Location	Capital or invest-ments in capital (Millions of yen)	Principal business	Voting rights held by the Compa-ny (%)	Relationship		
					Interlocking officers		Business transaction
					The Compa-ny's officers (Per-sons)	The Compa-ny's employ-ees (Per-sons)	
Seven & i Create Link Co., Ltd.	Tokyo Met. Chiyoda-ku	1,070	Others	100.0 [100.0]	–	2	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with and contracts out various business operations.
Seven & i Net Media Co., Ltd.	Tokyo Met. Chiyoda-ku	2,500	Others	100.0	–	4	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with and contracts out various business operations.
Seven Culture Network Co., Ltd.	Tokyo Met. Chiyoda-ku	100	Others	97.3 [97.3]	–	1	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with and contracts out various business operations.

Name	Location	Capital or investments in capital (Millions of yen)	Principal business	Voting rights held by the Company (%)	Relationship		
					Interlocking officers		Business transaction
					The Company's officers (Persons)	The Company's employees (Persons)	
K.K. Terre Verte	Hokkaido Kitami-shi	400	Others	99.0 [25.0]	–	1	• The Company provides various services and benefits, etc. in addition to those concerning management strategies, and receives consideration. • The Company is entrusted with various business operations.
SEVEN & i Financial Center Co., Ltd.	Tokyo Met. Chiyoda-ku	10	Corporate	100.0	1	3	• The Company deposits and borrows funds. • The Company is entrusted with various business operations.
128 other companies (Note 7)	–	–	–	–	–	–	–

Name	Location	Capital or investments in capital (Millions of yen)	Principal business	Voting rights held by the Company (%)	Relationship		
					Interlocking officers		Business transaction
					The Company's officers (Persons)	The Company's employees (Persons)	
(Affiliates accounted for using the equity method)							
TOWER BAKERY CO., LTD.	Saitama Pref. Koshigaya-shi	100	Domestic convenience store operations	20.0 [20.0]	–	–	–
SHAN DONG ZHONG DI CONVENIENC E CO., LTD.	China Shandong Province	Thousands of yuan 210,000	Overseas convenience store operations	35.0 [35.0]	–	–	–
Tenmaya Store Co., Ltd. (Note 4)	Okayama-shi Kita-ku	3,697	Superstore operations	20.1 [20.1]	–	–	–
DAIICHI CO., LTD. (Note 4)	Hokkaido Obihiro-shi	1,639	Superstore operations	30.4 [30.4]	–	–	–
Tower Records Japan Inc.	Tokyo Met. Shibuya-ku	100	Others	45.0	–	2	–
I ing Co., Ltd. (Note 6)	Tokyo Met. Chiyoda-ku	99	Others	19.0 [19.0]	–	1	–
PIA Corporation (Notes 4, 6)	Tokyo Met. Shibuya-ku	6,444	Others	18.4 [9.2]	–	1	–
13 other companies (Note 7)	–	–	–	–	–	–	–

Notes:
1. Names of reportable segments are shown in “Principal business.”
2. In “Voting rights held by the Company,” the figures shown in brackets (included in total) represent indirect ownership.
3. Falls under the category of specified subsidiaries.
4. Has submitted a securities registration statement or annual securities report.
5. Deemed as a consolidated subsidiary based on substantial judgment.
6. Deemed as an affiliate based on substantial judgment.
7. Since other companies do not significantly affect the consolidated financial statements, information on them is omitted.
8. Revenues from operations (excluding intersegment revenues between consolidated companies) of 7-Eleven, Inc. account for over 10% of consolidated revenues from operations. Major profit/loss information, etc., of 7-Eleven, Inc. is as follows.

	Revenues from operations (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net assets (Millions of yen)	Total assets (Millions of yen)
7-Eleven, Inc.*	9,078,911	302,466	232,156	3,655,845	7,707,217

* The amounts including SEJ Asset Management & Investment Company and its consolidated subsidiaries are shown.

5. [Status of employees]

(1) Consolidated companies

February 28, 2025

Name of segment	Number of employees	
Domestic convenience store operations	8,517	[2,050]
Overseas convenience store operations	33,560	[44,167]
Superstore operations	11,414	[35,664]
Financial services	1,887	[486]
Others	5,537	[8,466]
Corporate (shared)	1,097	[14]
Total	62,012	[90,847]

Notes: 1. The number of employees represents the number of workers (excluding people dispatched from the Group to outside the Group, but including people dispatched from outside the Group to the Group), and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.

2. The number of employees for "Corporate (shared)" is the number of employees of the Company.

3. The decrease in the number of employees in overseas convenience store operations is due to a change in the employment contract structure at 7-Eleven, Inc. The decrease in the number of employees in superstore operations is due to initiatives aimed at transforming the SST business.

(2) The Company

February 28, 2025

Number of employees		Average age	Average number of years of continuous service	Average annual salary (Yen)
1,097	[14]	44.6	16.8	8,320,143

Notes: 1. Most of the Company's employees have been transferred from the Group companies. The average number of years of continuous service is the total of the number of years of continuous service at each Group company.

2. The number of employees represents the number of workers, and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.

3. Average annual salary includes bonuses.

(3) Labor union

In the Group, the Federation of Seven & i Group Labor Unions and other bodies have been organized.

There are no noteworthy matters that are pertinent to labor relations.

(4) Ratio of female workers in managerial positions, ratio of childcare leave taken by male workers, and gender wage gap

(i) The Company

Year ended February 28, 2025					Supplementary explanation
Ratio of female workers in managerial positions (%) (Note 1)	Ratio of childcare leave taken by male workers (%) (Note 2)	Gender wage gap (%) (Notes 1, 3)			
		All employees	Regular employees	Part-time/fixed-term employees	
16.6	72.7	79.1	77.2	85.7	–

Notes: 1. The ratio is calculated in accordance with the provisions of the "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64, 2015).

2. In accordance with the provisions of the "Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave" (Act No. 76, 1991), the percentage of employees who took childcare leave, etc. as stipulated in Article 71-4-1 of the "Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Ordinance of the Ministry of Labor No. 25, 1991) was calculated. The calculation of the percentage is based on regular employees.
3. Gender pay gap represents the ratio of women's wages to men's wages. There is no difference in treatment based on gender in the wage system.

(ii) Major consolidated subsidiaries

Year ended February 28, 2025						Supplementary explanation
Name	Ratio of female workers in managerial positions (%) (Note 1)	Ratio of childcare leave taken by male workers (%) (Note 2)	Gender wage gap (%) (Notes 1, 3)			
			All employees	Regular employees	Part-time/fixed-term employees	
SEVEN-ELEVEN JAPAN CO., LTD.	21.1	58.8	60.0	78.1	76.8	–
Ito-Yokado Co., Ltd.	14.3	32.3	63.5	73.7	101.1	–
York-Benimaru Co., Ltd.	31.5	2.1	51.9	68.1	132.4	–
Seven Bank, Ltd.	19.2	58.3	74.0	79.2	53.6	–
Akachan Honpo Co., Ltd.	27.4	100.0	57.2	72.1	110.2	–
Seven & i Food Systems Co., Ltd.	11.6	62.5	65.2	79.2	100.6	–
THE LOFT CO., LTD.	25.2	66.7	72.2	76.7	123.6	–

Notes: 1. The ratio is calculated in accordance with the provisions of the "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64, 2015).
2. In accordance with the provisions of the "Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave" (Act No. 76, 1991), the percentage of employees who took childcare leave, etc. as stipulated in Article 71-4-1 of the "Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Ordinance of the Ministry of Labor No. 25, 1991) was calculated. The calculation of the percentage is based on regular employees.
3. Gender pay gap represents the ratio of women's wages to men's wages. Within our Group, there are no gender-based differences in the human resources system, and the compensation system reflects each individual's role and contribution, regardless of gender. However, across Group companies, men tend to have a higher average age and managerial ratio, while more women opt for shorter working hours or regional roles to balance work and family, resulting in wage differences. To close these gaps, we continue promoting childcare leave for men, reducing long working hours, and creating a more supportive work environment, while also advancing women's career development, training, and promotion to managerial positions.
4. Data on consolidated subsidiaries other than major consolidated subsidiaries are presented in "VII. Reference Information on the Company, 2. Other reference information, (9) Female manager ratio, paternity leave usage rate, and gender pay gap."

II. [Overview of Business]

1. [Management policies, business environment and issues to address]
The management policies, business environment, and issues to address of the Group are as follows.
This section includes forward-looking statements and future expectations of the Group as of the end of the fiscal year under review.
(1) Basic management policies
The Company is a pure holding company established on September 1, 2005. With the Corporate Creed of “Trust and Sincerity,” which has been respected since its foundation as its unwavering foundation, and under the basic policy of “Responding to Change while Strengthening Fundamentals,” the Company is determined to: quickly respond to customer needs, market conditions, and rapidly changing social circumstances; tirelessly reform its operations and business structure; promote innovation; and provide new values and experiences. In addition, by leveraging our strengths in food, our global network centered on convenience store operations, and our information capabilities, we aim to become a world-class global retailer that meets the diverse needs of customers in all aspects of daily life. Furthermore, we are committed to maximizing corporate and shareholder value through strengthened governance and expansion of our global business, while also enhancing engagement with stakeholders as a publicly listed company. At the same time, with sustainability initiatives at the fundamental basis of our management, we formulated the Group’s “GREEN CHALLENGE 2050” environmental declaration in 2019, setting goals for the year 2050 in four themes: reduction of CO_2 emissions, measures against plastic, measures against food loss and for food recycling, and sustainable procurement. We are promoting actions to solve environmental issues and external diseconomies in order to achieve these goals.

(2) Target performance indicators
In order to sustainably increase corporate and shareholder value, we have established financial targets according to our basic policies of increasing returns (profits) in excess of the cost of capital and enhancing our ability to generate cash flow.

(Medium-Term Management Plan 2021-2025: Key consolidated financial indicators)

	Targets of the Medium-Term Management Plan for FY2025	Forecast for FY2025
EBITDA	¥1.1 trillion or more	¥963 billion
ROE	11.5% or more	6.9%
ROIC (excluding financial services)	8.0% or more	5.3%
Debt/EBITDA ratio	1.8-2.5 times	2.3 times
EPS growth rate (CAGR)	18% or more	8.5%

* ROIC (excluding financial services) = {Net income + Interest expense x (1 – Effective tax rate)} ÷ {Shareholders’ equity + Interest-bearing debt [average of fiscal beginning/end for both figures]}

* EPS growth rate (CAGR) is estimated based on CAGR (compound annual growth rate) for the year ended February 28, 2021.

* The forecast for FY2025 is based on the assumptions outlined in the announcement made on March 6, 2025, titled “Plan to Unlock Shareholder Value Through Leadership Changes and Transformational Capital and Business Initiatives.” It represents the projected figures assuming the transformation of the business portfolio is completed by mid-fiscal year.

(3) Management vision in the medium to long term

Based on the Group Strategy Reevaluation in FY2022, the Ideal Group Image for 2030 was established as “A world-class retail group centered around its ‘food’ that leads retail innovation through global growth strategies centered on the 7-Eleven business and proactive utilization of technology.”

(4) Business environment and management issues

Business conditions surrounding the Company are changing dramatically at an ever-quickening pace. In Japan, the need to purchase fresh foods and prepared foods close to home is increasing due to accelerating changes the social structure, such as the aging of the population and the increase in single-person households and dual-income households. Moreover, due to recent exchange rate fluctuations, persistently high fuel and raw material costs, and the rapid expansion of inbound consumption, customers’ behavior patterns and values have changed, and their needs for food have become more diverse. On the other hand, the employment environment is expected to remain challenging in light of rising minimum wages and the increased social insurance contributions.

In the U.S., there are growing expectations for convenience stores to satisfy the need for fresh, healthy, and delicious food. There are also great opportunities worldwide in the area of providing safe, secure, and high quality daily “food” tailored to the characteristics of each region, and the establishment of business infrastructure to make this possible has become increasingly important. Meanwhile, social issues related to climate change, marine pollution, food loss, and sustainable procurement are becoming more serious, both in Japan and abroad. Being members of society, companies are facing the situation that they will have to put their efforts to solve these issues more seriously than ever.

We have a strong position in the “food” field that ensures the Group’s competitiveness, ranging from food product assortments, procurement capabilities and supplier networks to innovative product development capabilities, and private brands (Seven Premium). From the perspective of forecasting future macro and market trends as mentioned above, we believe that this “food” strength will become increasingly important as a source of competitiveness to support the growth our domestic and overseas convenience store operations.

Recommendations by the Strategy Committee and action plans to maximize the Company’s corporate and shareholder value over the medium to long term

On March 9, 2023, the Company announced the “Results of the Group Strategy Reevaluation” and established a Strategy Committee composed solely of independent Outside Directors, with the aim of maximizing our medium- to long-term corporate and shareholder value. On April 10, 2024, the Strategy Committee submitted a set of recommendation to the Board of Directors summarizing the discussions held by the committee, and after a thorough review by the Board, we decided and announced the following specific action plans for the Company’s future direction.

<Specific action plans for accelerating growth>

- Accelerate growth and improve profitability and capital efficiency in the North American convenience store market with large growth potential
- Develop more ambitious business plans and make more ambitious investments in the global convenience store operations
- Develop IT/DX strategy as a foundation for global growth and build IT/DX governance to boost cost competitiveness
- Monitor and support for the completion of transformation and growth of the Tokyo metropolitan area superstore operations*1
- Maximize synergies between retail and finance in the Group

*1. Tokyo metropolitan area superstore operations: Ito-Yokado Co., Ltd. and SHELL GARDEN CO., LTD.

While faithfully executing the action plans, we have continued to sincerely consider all possible options to maximize corporate and shareholder value through monitoring by the Board of Directors. As a result, on March 6, 2025, we announced the following series of initiatives to further focus on convenience store operations and to maximize and return value to our shareholders through leadership changes and transformational capital and business initiatives.

<Plan to Unlock Shareholder Value Through Leadership Changes and Transformational Capital and Business Initiatives>

- To Accelerate transformation, appoints Stephen Hayes Dacus as President & Representative Director and CEO after the Group's Annual General Meeting in May 2025
- Will pursue IPO of 7-Eleven, Inc. (SEI, 7-Eleven in North America) by 2H 2026
- Signs Definitive Agreement upon sale of Superstore Business Group to Bain Capital Private Equity, L.P. and its group companies for ¥814.7 billion ($5.37 billion)[*2, 3]
- Commits to return approximately ¥2 trillion (c. $13.2 billion)[*2] in aggregate cash proceeds from SEI IPO and sale of Superstore Business Group[*4] to shareholders in the form of share buybacks by FY2030 and implement progressive dividend policy for cashflow generated from ordinary business operation
- Remains fully committed to pursuing all avenues to unlock value for shareholders; Provides update on Special Committee work

*2. U.S.$1 = ¥151.46

*3. This amount is the current estimate calculated based on the enterprise value agreed in the Definitive Agreements and adjustment in it for such as cash and deposits and working capital as of the estimated effective date of the absorption-type split and the final amount will be determined through adjustments provided in the Definitive Agreements

*4. Grocery retail, specialties, and other retail business

Be executing these initiatives, we will sharpen our focus on domestic and overseas convenience store operations and accelerate growth. In domestic convenience store operations, we will respond to changes in social structure and customer needs by leveraging the core competencies of SEVEN-ELEVEN JAPAN CO., LTD.: product strength, area-based store opening strategies, item-level management, and communication with franchisees. We recognize the growing polarization of consumer spending due to rising prices as a key issue, and under the basic policy of “balancing quality and price,” we will strengthen product development and selection that support high quality across a wide range of price points. We also recognize the expansion of delivery demand and inbound consumption as notable customer needs, and are working to improve services such as the 7NOW delivery platform and offerings for inbound visitors. We will continue to enhance value provided to customers through proactive investment in products and services, while also pursuing new businesses such as retail media and concept stores tailored to specific domains.
In overseas convenience store operations, we recognize that rising prices and interest rates, along with a worsening employment environment in North America, are intensifying cost-consciousness among lower- and middle-income consumers. 7-Eleven, Inc. will work to drive business growth and improve capital efficiency by offering products and services that respond to evolving customer needs. In addition to enhancing original products, including fresh food items, proprietary beverages, and quick-service restaurants, through value chain development with partner companies, we will expand digital investments in loyalty programs and 7NOW delivery services to improve customer convenience. In an environment of rising prices and income polarization, maintaining a cost advantage is essential, and we will continue promoting cost leadership initiatives. We will also strive to build new store models that achieve high customer satisfaction and investment efficiency, while expanding and strengthening our store network.
Furthermore, under the policy of expanding to 30 countries and regions worldwide (including Japan and North America) by FY2030, 7-Eleven International LLC is driving its growth strategy through both existing and new markets. In existing markets, we aim to evolve into a more profitable business model by making strategic investments and loans to transform stores into “food-focused convenience stores” tailored to local market characteristics.

Solid management foundation to support our strategy

(i) Realizing a sustainable society

To date, the Company has been proactive in its efforts to resolve social issues and enhance corporate value, both of which are fundamental to management. Having chosen out of all social challenges “Seven Material Issues (Materiality)” which are particularly relevant to our business domain, we are endeavoring to address them by linking them to the 17 SDGs (United Nations “Sustainable Development Goals”). Through these efforts, we are working through our core businesses to create a new business model that takes social issues and material issues as its starting points.

“Seven Material Issues (Materiality)”

- Create a livable society with local communities through various customer touchpoints
- Provide safe, reliable, and healthier merchandise and services
- Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts
- Achieve a society in which diverse people can actively participate
- Improve work engagement and environment for people working in Group businesses
- Create an ethical society through dialogue and collaboration with customers
- Achieve a sustainable society through partnerships

In May 2019, we announced the “GREEN CHALLENGE 2050” environmental declaration, which sets four key themes: reduction of CO_2 emissions, measures against plastic, measures against food loss and for food recycling, and sustainable procurement. As we address these themes, we are working to realize a sustainable society in cooperation with customers, local communities, business partners, and other stakeholders. In addition, to advance the realization of nature-positive outcomes, we have established the “Seven & i Group Nature Policy” and are promoting initiatives related to natural capital and biodiversity, while also strengthening collaboration with 7-Eleven, Inc. and 7-Eleven International LLC in line with our global expansion efforts.

Furthermore, communities are becoming increasingly concerned about the human rights efforts of companies as their activities become more global in nature. The Company has been working to protect human rights under its “Corporate Action Guidelines.” We have established the Seven & i Group Human Rights Policy, which is based on the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the International Labor Organization Declaration on Fundamental Principles and Rights at Work, the 10 principles of the U.N. Global Compact, and the “U.N. Guiding Principles on Business and Human Rights,” etc. We will continue encouraging employees, supply chain partners, and local communities to work with us as we step up our efforts to respect human rights.

(ii) Further strengthening corporate governance

With respect to corporate governance, to date, we have been constantly striving to improve and expand corporate governance based on dialogue with all stakeholders. We are further improving the diversity of the Board of Directors, and, since FY2022, have increased the number of Independent Outside Directors to a majority. This is to build a governance system suitable for aiming to become a world-class global retail group, which is our Ideal Group Image for 2030.

In order to strengthen and stabilize our governance system, we have appointed Chief x Officers (CxO) for each corporate function, as well as a general manager for each business segment and business area in FY2023.

Furthermore, in FY2024, the roles of Chairperson of the Board of Directors and CEO were separated in order to further ensure the effectiveness of the Board of Directors’ discussion regarding management strategy and supervision of business execution.

Our aim is to achieve sustainable growth in the global market and increase corporate value over the medium to long term. The Board of Directors will continue making appropriate and important decisions, conducting highly effective oversight, and appropriately fulfilling roles and responsibilities to further strengthen corporate governance.

The Special Committee, comprised of only Independent Outside Directors of the Company, continues to seriously examine all avenues for pursuing the maximization of corporate value as well as shareholder value.

(iii) Human resource measures linked to management strategy

Human resources are the source of the Group's growth potential. In particular, we believe that management measures and human resource strategy are inseparable and must be linked in order to promote global strategies and enhance both social and corporate value. Accordingly, we pursue human resource measures that is integrated with our management strategy, and we will not only seek human resources with specialized knowledge and skills from outside but also actively develop them within the Company. In developing human resources, we are guided by the concept that "a company grows as its people grow." With this in mind, we aim for mutual growth between employees and the Group by actively providing growth opportunities to employees and developing human resources who voluntarily continue learning and improving their skills at all times.

In addition, we will work to create workplaces where everyone can work comfortably by reforming work styles and improving productivity. We will create an environment that recognizes diversity and tolerates differences among workers and a system that supports flexible work styles. We will focus particular attention on fostering an organization and corporate culture where diverse human resources can play active roles.

Furthermore, we established the "Engagement Improvement Committee," consisting of the presidents of each operating company, to formulate and monitor action plans to improve employee engagement. We will continue promoting these activities in the belief that increased employee engagement and desire to contribute will revitalize the organization and strengthen the competitiveness of the Group.

The Company is committed to achieving sustainable growth by enhancing corporate value over the medium and long terms. To this end, we will further expand our strengths while sincerely listening to the opinions of all stakeholders and providing even more value and appropriate returns on profits.

2. [Sustainability policies and initiatives]

The Group's sustainability policies and initiatives are as follows.

This section includes forward-looking statements and future expectations of the Group as of the end of the fiscal year under review.

Based on the Corporate Creed of "aiming to be a sincere company trusted" by all stakeholders, including customers, business partners, shareholders, investors, local communities, member stores, and employees, the Group is working towards a sustainable society as outlined in the Sustainable Development Goals (SDGs).

We believe that the starting point of our business activities and the basis of our pursuit of sustainability is to stay close to our customers' lives and to continue to provide new customer experiences and values inspired by our customers' lifestyles.

To this end, having identified material issues (Materiality) through dialogue with our stakeholders, we are working to resolve social issues of high importance for society and the Group through our core business.

In 2019, we announced the "GREEN CHALLENGE 2050" environmental declaration in order to make the most of the limited global environment and resources and pass them on to future generations. We have set visions and specific goals for 2030 and 2050, and formed innovation teams for each of the four themes in order to achieve these visions and goals. With each team working to introduce diverse new technologies and build a recycling-oriented society in cooperation with customers, business partners, and local communities, the Group is making a concerted effort to reduce environmental impact.

In addition, in order to understand the human rights of all people and fulfill our responsibility to respect human rights, we have established the "Seven & i Group Human Rights Policy" in accordance with international principles and standards. The Policy applies to all officers and employees, and we ask for the continued support of all business partners, thereby working together to promote human rights due diligence and respect for human rights.

We recognize that mitigating medium- and long-term risks and proactively taking advantage of opportunities through these sustainability measures will enhance the resilience and sustainability of our business activities and increase the social and economic value of the Group as an indispensable presence in the lives of our customers in Japan and overseas.

Described below are our approaches to (1) Overall sustainability, (2) Climate change, and (3) Human capital and diversity, in four aspects of (i) Governance, (ii) Strategy, (iii) Risk management, and (iv) Indicators and targets, respectively.

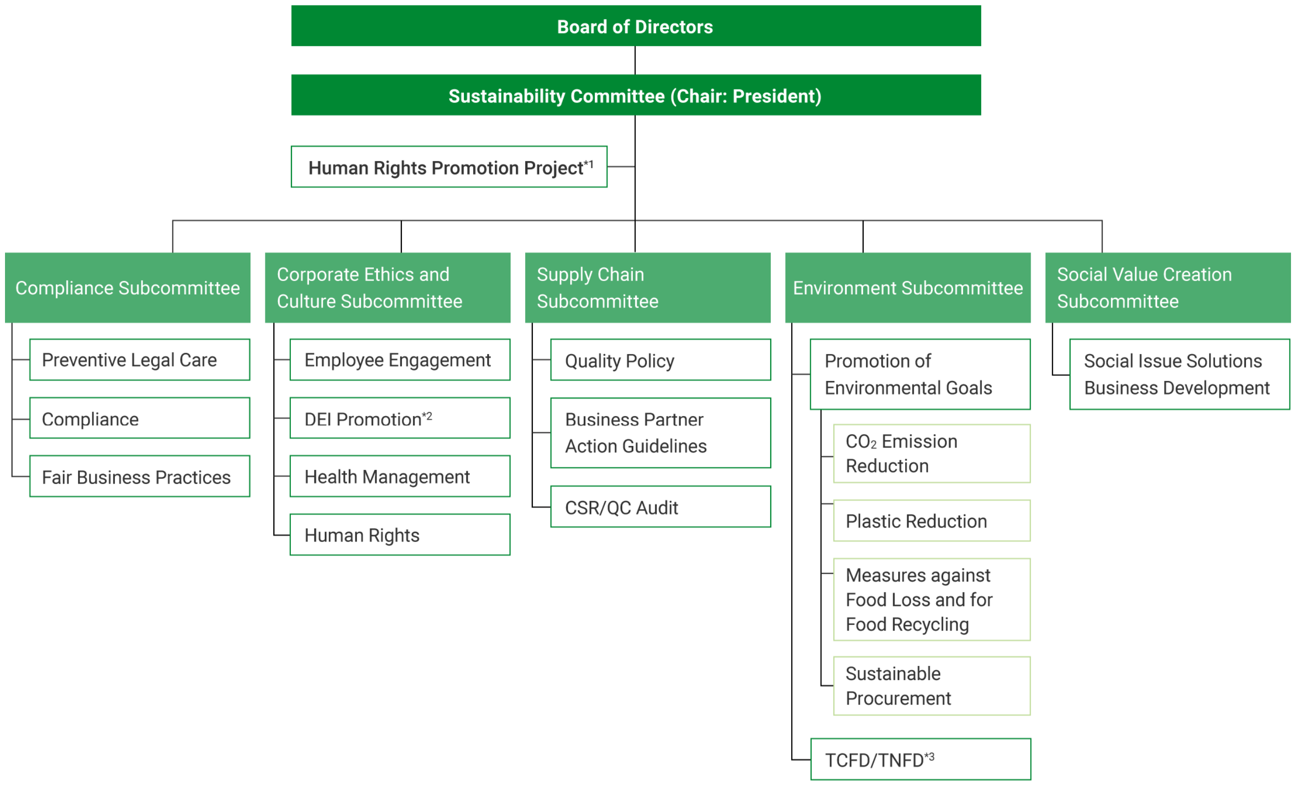
(1) Overall sustainability

(i) Governance

In order to contribute to solving social issues and aim for sustainable growth for both society and the Group, the Company has established, in accordance with the Sustainability Basic Rules, the "Sustainability Committee," which is chaired by the Representative Director and President and meets twice a year, to promote, administer and supervise the sustainability activities through operating activities. The Company has also established five subcommittees (Compliance Subcommittee, Corporate Ethics and Culture Subcommittee, Supply Chain Subcommittee, Environment Subcommittee, and Social Value Creation Subcommittee) under the Sustainability Management Committee tasked with the examination and promotion of concrete measures to promote operating activities that will contribute to solving material issues (Materiality) identified to address the expectations and demands of stakeholders and realizing a more thorough compliance practice. Through these subcommittees, the Company has carried out initiatives to find solutions to issues and implemented preventive measures.

The "Sustainability Committee" receives reports on the activities of the five subcommittees under its umbrella and provides guidance and improvements, while strengthening cooperation between the holding company and operating companies.

Organizational Structure of Sustainability Promotion



*1 Promoting human rights due diligence and responding to serious human rights incidents
*2 Diversity, Equity, and Inclusion. Promote a diverse organization that respects individual differences and emphasizes fairness
*3 Task Force on Climate-related Financial Disclosures/Task Force on Nature-related Financial Disclosures

- Compliance Subcommittee
  Ensuring that employees of Group companies comply with laws, regulations, and social norms, including their conducting fair transactions with customers and business partners, forms the essential foundation for the realization of the Group's Corporate Creed, "Trust and Sincerity." As a holding company, the Company supports the strengthening of the compliance system of each Group company and provides effective supervision, thereby ensuring thorough compliance at each Group company. The Compliance Subcommittee is chaired by the Executive Officer and General Manager of the Corporate General Affairs & Legal Division of the Company, and is managed by the department in charge of legal affairs of the Company to promote specific measures.

- Corporate Ethics and Culture Subcommittee
  Ensuring that employees of Group companies understand the Group's Corporate Creed and comply with the Corporate Action Guidelines forms the essential foundation for the realization of the Group's Corporate Creed, "Trust and Sincerity." The Corporate Ethics and Culture Subcommittee is engaged in activities aimed at having employees of Group companies thoroughly adhere to the Corporate Action Guidelines, including making the Corporate Creed and the Corporate Action Guidelines thoroughly known to them and raising awareness among them through education. In addition, in order to create a rewarding workplace, the Corporate Ethics and Culture Subcommittee carries out Culture & Engagement Surveys, promotes the activities of diverse human resources, including women and people with disabilities, supports the balancing of work and nursing care, improves the working environment, including correcting long working hours, and encourages employees to take leave and holidays. Through these measures, the Subcommittee strives to create an environment in which all employees can work with peace of mind. The Corporate Ethics and Culture Subcommittee is chaired by the Executive Officer, Chief Human Resource Officer (CHRO) and General Manager of the HR Division of the Company, and is managed by the department in charge of personnel affairs of the Company to promote specific measures.

- Supply Chain Subcommittee
  Promptly responding to the “U.N. Guiding Principles on Business and Human Rights” and the “Sustainable Development Goals (SDGs)” and establishing a sound supply chain that takes human rights and the environment into consideration is one of the important social responsibilities of companies, and is also strongly demanded by stakeholders. In order to fulfill our social responsibility throughout the product and service supply chains, the Supply Chain Subcommittee asks business partners to understand and comply with the “Seven & i Group Business Partner Sustainable Action Guidelines.” The status of compliance is regularly verified and shared through CSR audits, etc., and education, awareness-raising, and corrective measures are promoted. In addition, in order to improve quality and ensure the safety of each Group company, the Supply Chain Subcommittee is developing and reinforcing the quality standards and management systems of each Group company in accordance with the Group’s “Quality Policy.” The Supply Chain Subcommittee is chaired by the Executive Officer, Chief Merchandising Officer (CMDO) and General Manager of the Group Merchandise Strategy & Planning Division of the Company, and is managed by the department in charge of merchandise strategy of the Company to promote specific measures.

- Environment Subcommittee
  In response to issues such as climate change and resource depletion, working to reduce the environmental impact throughout our entire supply chain by using products, raw materials, and energy with zero waste, while asking for our customers’ and business partners’ cooperation in our efforts is an important element that contributes to the sustainable development of not only society but also the Group. To this end, the Environment Subcommittee is promoting initiatives aimed at realizing a “decarbonized society,” “circular economy” and a “society in harmony with nature” in accordance with the “GREEN CHALLENGE 2050” environmental declaration, which was approved by the Board of Directors in April 2019 and announced in May of the same year. Based on recommendation of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD), the Environment Subcommittee is also analyzing the risks and opportunities of climate change and stepping up our response measures. The Environment Subcommittee is chaired by the Executive Officer and General Manager of ESG Development Division, and is managed by the department in charge of environmental measures of the Company to promote specific measures.

- Social Value Creation Subcommittee
  The Social Value Creation Subcommittee is engaged in activities aimed at creating businesses that generate both social and economic value (CSV: Creating Shared Value), based on the recognition that, as business domains expand and the social issues involved diversify, working to solve social issues will lead to new business opportunities. In an effort to address “Seven Material Issues” identified through dialogue with various stakeholders towards the realization of a sustainable society, the Social Value Creation Subcommittee will plan, develop and execute new businesses originating from addressing social issues through our core business which utilizes our business characteristics and management resources, including the business infrastructure and know-how we have cultivated to date. The Subcommittee will also consider working together with external parties, such as business partners, social entrepreneurs, and NPOs, to step up its initiatives. The Social Value Creation Subcommittee is chaired by the Director and Executive Officer, Chief Strategy Officer (CSO), and General Manager of the Corporate Planning Division, and is managed by the department in charge of corporate planning of the Company to promote specific measures.

(ii) Strategy
The Group is actively engaged in the promotion of sustainability, with both the resolution of social issues and the enhancement of corporate value as the fundamental basis of its management. As social issues and social demands related to our business diversify, we have, in order to focus on and appropriately respond to issues that require special emphasis, determined “Seven Material Issues (Materiality)” which are particularly relevant to the Group’s business domain, and striven to resolve them. Through these efforts, we

are working through our core businesses to create a new business model that takes social issues and material issues as its starting points.

<Seven Material Issues (Materiality)>
Material Issue 1: Create a livable society with local communities through various customer touchpoints
Material Issue 2: Provide safe, reliable, and healthier merchandise and services
Material Issue 3: Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts
Material Issue 4: Achieve a society in which diverse people can actively participate
Material Issue 5: Improve work engagement and environment for people working in Group businesses
Material Issue 6: Create an ethical society through dialogue and collaboration with customers
Material Issue 7: Achieve a sustainable society through partnerships

Risks and opportunities related to material issues

Seven Material Issues (Materiality)	Risks	Opportunities
(i) Create a livable society with local communities through various customer touchpoints	・Declining population, depopulation, and aging of society due to fewer living centers, resulting in fewer sales opportunities ・New store opening not proceeding as planned due to lack of cooperation with local communities, resulting in loss of opportunities to provide new value	・Stakeholders' trust earned thanks to expanding social role as lifestyle infrastructure ・Expansion of sales opportunities through regional revitalization
(ii) Provide safe, reliable, and healthier merchandise and services	・Customer defection due to product accidents and in-store accidents ・Loss of credibility due to violations of quality control, labeling, and other laws and regulations ・Customer defection due to delays in health product development	・Increased customer loyalty supported by thorough safety and quality control ・Expansion of sales opportunities by offering health-conscious products and new products that meet customer needs
(iii) Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts	・Physical damage to stores and distribution networks due to increased natural disasters brought about by climate change ・Soaring purchase prices due to changes in supply and demand brought about by abnormal weather conditions and fluctuations in the prices of crude oil and other raw materials ・Customer defection due to widespread environment-unfriendly corporate image deriving from food waste generation, greenhouse gas emissions, etc.	・Cost reduction through energy savings, waste reduction, recycling, and review of energy supply sources ・Creation of brand value as a company taking advanced environmental measures
(iv) Achieve a society in which diverse people can actively participate	・Discrimination, prejudice, etc., left unchecked, resulting in damage to corporate image, customer defection, and lower employee engagement ・Difficulty in securing human resources and outflow of human resources outside the company	・Securing prospective customers and development of new services through dialogue with and nurturing of the next generation, the youth generation, and people with different values

Seven Material Issues (Materiality)	Risks	Opportunities
(v) Improve work engagement and environment for people working in Group businesses	・Decline in employee engagement due to lack of improvement in working environment ・Difficulty in securing human resources and outflow of human resources outside the company	・Enhanced competitiveness through the active participation of diverse talent ・Increased productivity through enhancing employee competence and autonomy ・New business development and acquisition of talented human resources
(vi) Create an ethical society through dialogue and collaboration with customers	・Delays in responding to changes in consumer lifestyles and diversification of values, resulting in loss of opportunities to provide new value through products and services	・Expansion of sales opportunities by offering products and services that help promote ethical consumption ・Increased customer loyalty through collaboration with customers
(vii) Achieve a sustainable society through partnerships	・Discontinuation of supply of products or deterioration of product quality due to labor environment or human rights issues or noncompliance in the supply chain, and resulting in decline in social reputation due to boycott campaigns	・Improving resilience through sustainable sourcing of raw materials ・Provision of new products and services through collaboration with business partners and players in the same and other industries

- For more information about risks and opportunities related to material issues, please refer to "Seven Material Issues (Materiality)" on pages 53–54 of our Management Report 2024 (Integrated Report), which is available at the following URL.
https://www.7andi.com/library/en/ir/library/mr/pdf/mr_pdf-04_2504.pdf

Specific measures to address material issues

Seven Material Issues (Materiality)	Specific measures
(i) Create a livable society with local communities through various customer touchpoints	1. Management rooted in local communities Expansion of delivery service for those who experience shopping inconvenience (Online convenience stores, online supermarkets, and mobile supermarket vehicles) Development and sales of products that reduce household chores for those who experience inconvenience or difficulty in having meals Contribution to local crime prevention as a familiar community hub
(ii) Provide safe, reliable, and healthier merchandise and services	2. Support for a safe, secure and prosperous society Development and expansion of sales of nutritional and health-conscious products Further strengthening quality control system
(iii) Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts	3. Environmentally friendly management Establishment of a retail electricity company aimed at expanding the use of renewable energy Reduction of plastic use, closed-loop recycling system of recycling PET bottles into new PET bottles Food recycling through feed and composting, and procurement of sustainably sourced products
(iv) Achieve a society in which diverse people can actively participate	4. Realization of a society that are tolerant towards people with different values and lifestyles Maternity and childcare counseling and nursery operations Providing on-site classes and support for people with disabilities

Seven Material Issues (Materiality)	Specific measures
(v) Improve work engagement and environment for people working in Group businesses	5. Creating an organization where employees feel a sense of fulfillment and accomplishment Promotion of diversity, equity, and inclusion (DEI) Improving employee engagement through human resource development and dialogue Improvement of working environment through DX
(vi) Create an ethical society through dialogue and collaboration with customers	6. Realization of a prosperous community with our customers Organizing surplus food donation activities and environmental conservation events Customer participation initiatives that contribute to solving social issues
(vii) Achieve a sustainable society through partnerships	7. Realization of a prosperous community with our customers Collaboration with business partners conscious of human rights and the global environment Collaboration with NPOs, NGOs, and companies in the same and other industries Expansion of services as social infrastructure in collaboration with national and local governments

- For more information about material issues, please refer to “Seven Material Issues (Materiality)” on pages 53–54 of our Management Report 2024 (Integrated Report), which is available at the following URL.
  https://www.7andi.com/library/en/ir/library/mr/pdf/mr_pdf-04_2504.pdf

(iii) Risk management
The Company has established a Risk Management Committee as one of the various committees related to corporate governance, which regularly identifies risks in business activities, determines important risks, and strengthens the management system for such risks.
This risk management system covers sustainability risks as well. For details on risk management, including individual risks, please refer to “Part I. Company Information, II. Overview of Business, 3. Risk factors” below.

(iv) Indicators and targets
Each operating company sets its own targets for activities that contribute to the resolution of the “Seven Material Issues (Materiality)” through the Group’s businesses by each material issue. Details of targets and results are provided in the “Data Section” of our Sustainability Data Book 2024 (results for the fiscal year ended February 29, 2024) (see page 295 and on), which are available at the following URL.
https://www.7andi.com/library/dbps_data/_template_/_res/en/sustainability/sustainabilityreport/2024/pdf/2024_25_01.pdf

(2) Climate change
As described above, the Group has set “3. Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts” as one of its material issues, and addressing climate change as one of its management issues in its management strategy as well. To accelerate our response to climate change, we announced our environmental declaration “GREEN CHALLENGE 2050” in 2019, identifying CO_2 emission reduction as one of the key focus areas. The declaration sets quantitative targets for 2030 and a long-term vision for 2050. We have established a Group-wide promotion structure to drive our initiatives forward. We have performed scenario analysis in line with TCFD recommendations to identify risks and opportunities related to climate change for each entity and taken measures to reduce the risks and maximize the opportunities.

(i) Governance
For information on the promotion framework for overall sustainability, please refer to “Part I. Company Information, II. Overview of Business, 2. Sustainability policies and initiatives,

(1) Overall sustainability, (i) Governance.” The table below shows the framework for climate change response. The CO_2 emissions reduction targets in the “GREEN CHALLENGE 2050” environmental declaration formulated in May 2019 have been added from FY2020 as non-financial indicators to the KPIs for stock compensation in compensation for directors and other officers.

Framework	Roles	Members
Board of Directors	・Oversee climate change mitigation efforts by receiving reports on progress of such efforts and achievement of targets at least once a year ・Review and decide on policies and important matters	・Directors ・Audit & Supervisory Board Members Members include internal and outside Directors with extensive knowledge and experience in sustainability
Sustainability Committee	・Meet twice a year to share trends in indicators related to climate change issues (e.g. CO_2 emissions) and mitigation and adaptation measures ・Approve and give advice on initiatives implemented by the Environment Subcommittee and Group companies	・Chairperson: Representative Director and President, Seven & i Holdings Co., Ltd. ・Members: Persons responsible for sustainability promotion at Group companies (e.g. Representative Director and President, etc.); persons responsible for sustainability development departments at Seven & i Holdings Co., Ltd.
Environment Subcommittee	・Sub-organization of the Sustainability Committee ・Meet twice a year ・Promote actions to combat climate change ・Promote response to TCFD recommendations	・Chairperson: Executive Officer and General Manager of ESG Development Division, Seven & i Holdings Co., Ltd. ・Members: Persons responsible for sustainability development and those responsible for practical affairs related to climate change at Group companies

(ii) Strategy

1. Scenario analysis based on TCFD recommendations

<Background>

From FY2019 to FY2021, the Group conducted a scenario analysis of its domestic convenience store operations, which accounted for 60% of its operating income (as of 2019). The analysis gave us some insight into the inherent risks of the convenience store operations. In FY2022, a scenario analysis was conducted for the superstore operations as a domestic business with similar geographical conditions. Starting in FY2023, we effectively utilized the results of scenario analysis conducted for our domestic operations in analyzing our overseas operations, and carried out a more effective and efficient scenario analysis for 7-Eleven, Inc., focusing on climate-related physical risks, transition risks, and opportunities. From FY2024, we have begun disclosing the results of our analysis of the overseas convenience store operations, and are reviewing updates to the scenario analysis of our domestic operations and progress on related countermeasures.
*In the financial services, Seven Bank, Ltd. expressed its support for the TCFD recommendations in 2021, and in 2024, it reviewed updates to the disclosed scenario analysis and the progress of related countermeasures.

<Assumptions for the analysis>

Scenario*	Decarbonization scenario (1.5°C to 2°C), Warming scenario (2.7°C to 4°C) *Two scenarios were established with reference to reports on future projections issued by governments and international organizations, including the Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS), and Net Zero Emissions by 2050 (NZE2050) Scenario presented in the International Energy Agency (IEA) “World Energy Outlook.”
Analytical method	Analyze not only the direct physical impact on stores, but also costs incurred in store operations, the supply chain of products (raw materials, product manufacturing plants, and product delivery) and customer behavior, which have a significant impact on store operations
Target years	Domestic convenience store operations and superstore operations: Impact as of 2030 Overseas convenience store operations: Short-term (0-5 years), medium-term (5-10 years), and long-term (10-30 years)

<Target entities>

・ Domestic convenience store operations: SEVEN-ELEVEN JAPAN CO., LTD.
・ Superstore operations: Ito-Yokado Co., Ltd. and York-Benimaru Co., Ltd.
・ Overseas convenience store operations: 7-Eleven, Inc.

<Business environment>

- Decarbonization scenario

We envision a world in which various laws and regulations will be introduced to achieve the 1.5°C target, and the cost of store operations will rise due to the cost of dealing with such laws and regulations, and portfolio diversification will be required. In this scenario, we also expect that consumers' interest in sustainable products and services, as well as their interest in EVs, will increase, and that sales of products that respond to this interest will lead to business growth.

- Warming scenario

This scenario assumes an increase in the occurrence and severity of natural disasters, a marked change in weather patterns, damage to stores and other facilities, impact on raw material procurement, and an increase in air conditioning costs at stores due to higher temperatures.

<Analysis results>

1. Climate change-related risks and opportunities identified

The Company has identified the risks and opportunities related to climate change and the measures to deal with them, some of which are common to the Group and others are specific to some operations or entities.

* For detailed analysis results by entity, please refer to "Response Based on the Taskforce on Climate-related Financial Disclosures (TCFD)" on page 65 in our Sustainability Data Book 2024 (results for the fiscal year ended February 29, 2024) available at the following URL.
https://www.7andi.com/library/dbps_data/_template_/_res/en/sustainability/sustainabilityreport/2024/pdf/2024_all_01.pdf

	Significant risks and opportunities identified	Response measures
Decarbonization scenario	<Risks> ・The global introduction of emissions regulations and carbon pricing, such as carbon taxes, resulting in a cost burden for CO_2 emissions from store operations and increased costs in the supply chain that will affect products and other items (For the projected financial impact of carbon taxes, please refer to "2. Business impact" below.) ・Increased electricity payments due to higher electricity retail prices ・(Overseas convenience store operations) Especially in the decarbonization scenario, lower demand for petroleum-based fuels owing to changing consumer preferences, adoption of new technologies, and improved fuel efficiency, resulting in a decrease in revenues from petroleum-based fuels (long-term) ・(Overseas convenience store operations) Increase in costs related to Extended Producer Responsibility (EPR) due to product waste regulations (medium-term)	・Promote measures to reduce CO_2 emissions in accordance with the "GREEN CHALLENGE 2050" environmental declaration (aiming for a 50% reduction in 2030 from the FY2013 level and virtually zero emissions in 2050). ・Promote initiatives and investments to save energy and improve energy efficiency in stores ・Aggressively increase the percentage of renewable energy use in stores ・Increase sustainable products and services (low-carbon products, environmentally friendly containers and packaging, PET bottle collection and recycling, certified products, etc.) ・Promote EV charging services at stores (Overseas convenience store operations: Plan to deploy EV fast-charging ports for the "7Charge" EV fast-charging network in the U.S. and Canada in the future) ・Promote various measures against product packaging in accordance with measures against plastic set in the "GREEN CHALLENGE 2050" environmental declaration

	Significant risks and opportunities identified	Response measures
	<Opportunities> ・Increased consumer interest in sustainable products and services ・Increased demand for EV charging due to tighter regulations and changing consumer preferences ・(Overseas convenience store operations) Reduction in overall energy use by investing in measures to improve energy efficiency (medium-term)	・Promote measures to reduce the amount of food waste generated (reduce the amount of food to be incinerated) in accordance with measures against food loss and for food recycling set in the “GREEN CHALLENGE 2050” environmental declaration
Warming scenario	<Risks> ・Increased frequency and intensity of severe natural disasters, resulting in store damage, merchandise damage, supply chain disruptions, blocked store access, lost in sales due to store closures, and increased losses due to restoration costs and others ・Changes in precipitation and weather patterns, resulting in higher merchandise costs due to reduced harvest of merchandise raw materials, water stress, and supply chain disruptions ・Rising air conditioning operating costs due to soaring global temperatures	・Develop a contingency plan to be followed during severe weather events such as floods and storms ・Establish a system for information gathering and early recovery in the event of a disaster (such as “7VIEW”) ・Ensure stable procurement by expanding procurement sources, such as vegetable plants and land-based fish farms ・Promote energy saving and install energy-saving equipment in stores ・Expand delivery and e-commerce services
	<Opportunities> ・Customers seldom going out during summer season due to high temperatures, which will boost demand for delivery and e-commerce services	

2. Business impact

・ Impact of carbon tax (2030)

Business	Business impact
Domestic convenience store operations	¥13.5 billion
Overseas convenience store operations	¥14.2 billion
Superstore operations	¥7.9 billion
Total	¥35.6 billion

<Assumption> ・Carbon tax amount: $135/t-$CO_2$ (maximum amount from IEA “World Energy Outlook 2022”)
・Exchange rate: ¥140.67/$ (the exchange rate used at the time of closing of the fiscal year ended February 29, 2024)

The carbon tax amount as of 2030 is set at $135/t-$CO_2$ with reference to the IEA “World Energy Outlook 2022” and the impact is estimated using the maximum amount. We expect to be able to significantly reduce the carbon tax amount in 2030 by promoting initiatives based on the targets set forth in the “GREEN CHALLENGE 2050” environmental declaration. Moreover, by achieving our 2050 target of virtually zero CO_2 emissions, our business will not be subject to the carbon tax.

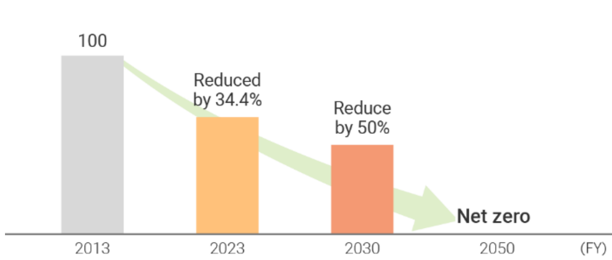
(iii) Risk management

The Group’s risk management system covers climate change-related risks as well.
For details on risk management, please refer to “Part I. Company Information, II. Overview of Business, 3. Risk factors” below.

(iv) Indicators and targets

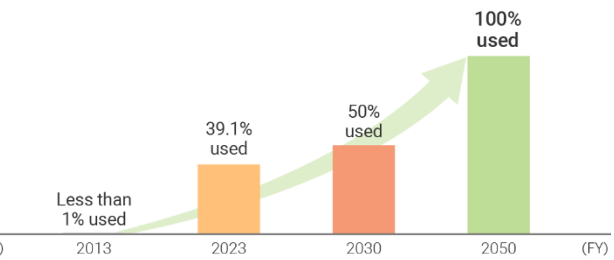
Indicators and targets of and progress in the four areas of the "GREEN CHALLENGE 2050" environmental declaration are as follows.

Reduce CO_2 emissions



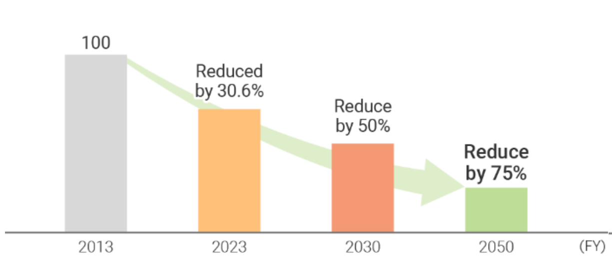
Reduction rate of CO_2 emissions from group store operations (compared to FY2013)[*1]

Measures against plastic

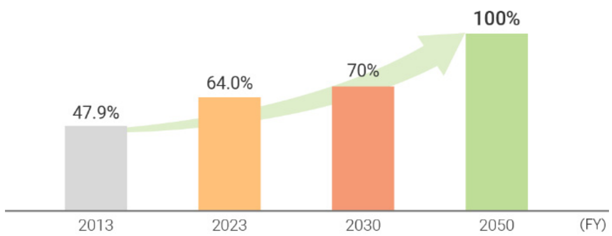


Ratio of environmentally friendly materials used in containers for original products[*2]

Reduce food waste & food waste recycling (Japan)

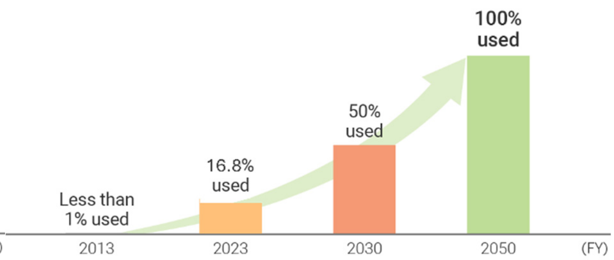


Amount of food waste[*3]



Food waste recycling rate[*4]

Sustainable sourcing (Japan)



Ratio of sustainable food ingredients used in original products[*5]

*1 Total of nine companies: SEVEN-ELEVEN JAPAN CO., LTD., 7-Eleven, Inc., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., SHELL GARDEN CO., LTD., IY Foods K.K., Akachan Honpo Co., Ltd., Seven & i Food Systems Co., Ltd., and THE LOFT CO., LTD.

*2 Ratio of environmentally friendly materials (biomass, biodegradable, recycled materials, paper, etc.) used in containers for original products (including Seven Premium) Calculated for seven companies that handle original products (SEVEN-ELEVEN JAPAN CO., LTD., 7-Eleven, Inc., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., IY Foods K.K., Akachan Honpo Co., Ltd., and Seven & i Food Systems Co., Ltd.)

*3 Food waste generated per million yen in sales. Calculated for five food-related operating companies (SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., SHELL GARDEN CO., LTD., and Seven & i Food Systems Co., Ltd.)
*Preparations are underway at 7-Eleven, Inc. to calculate accurate figures.

*4 Calculated for five food-related operating companies (SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., SHELL GARDEN CO., LTD., and Seven & i Food Systems Co., Ltd.)
*Preparations are underway at 7-Eleven, Inc. to calculate accurate figures.

*5 Ratio of food ingredients used in original products (including Seven Premium) that have been certified as sustainable. Calculated for five food-related operating companies (SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., IY Foods K.K., and Seven & i Food Systems Co., Ltd.)
*Preparations are underway at 7-Eleven, Inc. to calculate accurate figures.

In addition, in order to meet the world's target of limiting global warming to "1.5°C target" as called for in the Paris Agreement, we have set targets to reduce CO_2 emissions from Group store operations by 50% from the 2013 level by 2030, and to virtually zero by 2050. We also aim to reduce CO_2 emissions, including Scope 3, across our entire supply chain.

- Results of CO_2 emissions from store operations (Scopes 1 and 2)

· FY2023: 2,603 thousand t-CO_2 (3.0% reduction from the previous fiscal year)

*Total of nine companies: SEVEN-ELEVEN JAPAN CO., LTD., 7-Eleven, Inc., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., SHELL GARDEN CO., LTD., IY Foods K.K., Akachan Honpo Co., Ltd., THE LOFT CO., LTD., and Seven & i Food Systems Co., Ltd.
*CO_2 emissions in FY2024 are scheduled to be disclosed on the Company's website in August or September 2025.

- Results of CO_2 emissions across the entire supply chain excluding store operations (Scope 3)

· FY2023: 173,523 thousand t-CO_2

*Total of ten companies: SEVEN-ELEVEN JAPAN CO., LTD., 7-Eleven, Inc., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., SHELL GARDEN CO., LTD., IY Foods K.K., Akachan Honpo Co., Ltd., THE LOFT CO., LTD., Seven & i Food Systems Co., Ltd., and Seven Bank, Ltd.

(3) Human capital and diversity

(i) Governance

For information on governance over human capital, please refer to "Part I. Company Information, II. Overview of Business, 2. Sustainability policies and initiatives, (1) Overall sustainability, (i) Governance."

(ii) Strategy

Since our founding, the Group has cultivated talent that co-creates new value by continuously embracing challenge and innovation, based on the spirit of "Trust and Sincerity." We believe that such talent is the very foundation of the Group's growth—a belief that remains constant. As society becomes increasingly uncertain, further investment in talent development is essential for the Group to evolve into a world-leading retail group. With this in mind, we are advancing three key human resource measures aligned with our future growth strategy.

Human Resource Measure 1: Fostering a culture of continuous challenge and innovation

In an era of increasingly rapid and unpredictable change, it is essential to build an organization where each employee can take initiative and continue to embrace challenges in order to keep meeting customer needs. We are working to foster a culture that boldly confronts the challenges of changing times while upholding the founding spirit of the Company.

・Group philosophy training

To deepen understanding of the Group's founding spirit, expressed in the Corporate Creed "Trust and Sincerity," and to inherit and instill a culture of continuous challenge and innovation, each Group company is implementing a variety of initiatives.

At the Ito Training Center, established in 2012 as the Group's talent development hub, we conduct "Group philosophy training." The center also houses an archive room where employees can learn about the Group's philosophy and its history of challenge and innovation. In FY2024, approximately 550 employees from the Company and Group companies participated in the Group philosophy training. We will continue to strengthen efforts to embed this culture across the organization.

Group companies also provide a range of training programs tailored to the nature of their businesses and roles. For example, at SEVEN-ELEVEN JAPAN CO., LTD., new hires operate a directly managed "training store" as a store manager or assistant manager for a set period after joining, enabling them to put into practice the core behaviors needed on the front lines.

・Fostering an environment where diverse talent can thrive and promoting women's participation

The Group promotes DEI to build and organization where each individual, regardless of background, can thrive and take on challenges. In 2012, we launched the Diversity Promotion Project (now the DEI Promotion Project), which sets Group-wide policy directions and supports company-level initiatives across Japan. In addition, DEI Promotion Liaison Council and information sharing meetings consisting of major Group companies are held regularly to share policies and the progress and challenges of each company's activities, and to speedily deploy good practices horizontally.

Specific initiatives include awareness activities aimed at addressing generational gaps and unconscious bias, as well as promoting understanding of LGBTQ+ issues. Currently, our highest priority is the promotion of women's participation and advancement. We have set a Group target of increasing the ratio of female Executive Officers and the ratio of female managers (classes for section manager and team leader) to 30% by the end of February 2026. To achieve this, each domestic Group company has established numerical targets and actions plans.

The "Women Encouragement Seminar," a cross-Group training program aimed at developing candidates for female in managerial positions provides a forum to learn about management policies and leadership. Participants are further motivated to pursue managerial roles by hearing messages of support from senior management and real experiences shared by female role models. Furthermore, we have started "Women Leader Empowerment Sessions" from 2022 to promote the appointment of female Executive Officers.

Creating a welcoming, respectful environment for all people is a hallmark of 7-Eleven, Inc. in North America, with several key initiatives driving this commitment for its employees including 7-Eleven's Associate Business Resource Group (ABRG). These voluntary, employee-led groups grew membership over the past year. The company also continued its programming with employee spotlights, professional development opportunities and ongoing dialogue to showcase talented employees across the enterprise.

Human Resource Measure 2: Enhancing job satisfaction and ease of work

We aim to create an environment where employees can fully exercise their autonomy, while enhancing their sense of job satisfaction and ease of working. Achieving our growth strategy requires the active participation of a diverse workforce. To that end, we believe it is essential to provide finely tune support and expanded systems that accommodate each employee's values and work-life balance.

・Promoting communication with management

Group companies value direct communication between employees and senior management. Through activities such as café meetings with the president and dialogue sessions with officers, employees gain a clearer understanding of the company's direction and are encouraged to envision their own future paths.

・Promoting employee health

The Group promotes health maintenance, disease prevention, and overall wellness through various initiatives, including: initiatives to increase follow-up rates after routine health checkups, regularly held walking events in collaboration with our Health Insurance Union, and offering free comprehensive medical checkups to employees reaching a certain age. These initiatives have contributed to raising health awareness among employees, as of the spring 2024 health checkup, 39.7% of male and 28.7% of female employees had a BMI of 25 or higher, indicating a continued need for improvement.
The entire Group will continue to promote wellness by encouraging healthy habits and regular physical activity.

・Enhancing systems to support work-life balance

The Group has developed a variety of programs to help employees remain at work with peace of mind through life events such as childbirth, childcare, and caregiving.
One unique initiative is our special five-day annual childcare leave program for employees with preschool-aged children. This leave can be used for various parenting needs, such as attending a child's entrance or graduation ceremony or sports day, and has been widely used since its introduction.
Group companies also host online seminars and other initiatives to promote the involvement of male employees in household and childcare responsibilities.
Going forward, we will continue to enhance these systems so that each employee can experience greater fulfillment and ease in their work life.

Human Resource Measure 3: Developing and recruiting talent to realize our strategic goals

To become a world-leading retail group, it is essential to drive mindset transformation among employees and promote integration with professionals possessing specialized knowledge and experience. As we expand globally, we will strengthen efforts to develop and hire talent capable of leading the Group forward.

・Developing global human resources

The Group has outlined as the Ideal Group Image for 2030, aiming to pursue global growth strategies centered on the 7-Eleven business. We are committed to enhancing the value of our brand on a global scale.
To achieve this, we are strengthening and accelerating initiatives to develop global talent. These include the "Seven-Eleven English Training" program launched in 2021 and short-term overseas study programs. Group companies also provide internal training and self-development support systems to foster global talent.

・Hiring experienced professionals

The Group hires mid-career professionals from outside the Company with specialized knowledge and experience. As society evolves rapidly, so too does the labor market. Group companies are reviewing and improving their HR systems to enable diverse talent to fully apply their skills and experience in various roles. We evaluate ability and performance fairly, regardless of hiring track, nationality, or gender, and promote employees to managerial positions accordingly.
Going forward, we will continue to hire diverse talent who understand the Group's strengths and can co-create value. These individuals will participate actively in North America and Asian countries, help advance the development of a value chain centered on food and support global business expansion.

Effect measurement mechanism (Implementation of the Culture & Engagement Survey)

To evaluate the effectiveness of Human Resource Measure 1 (Fostering a culture of continuous challenge and innovation) and Human Resource Measure 2 (Enhancing job satisfaction and ease of work), we use scores from the Culture & Engagement Survey as key indicators.

The Group conducts the Culture & Engagement Survey once a year to objectively and quantitatively assess the culture and engagement within each organization and use this information to build a better organizational environment. This survey calculates scores based on unique items related to culture (such as integrity, respect for autonomy, encouragement to take on challenges, openness) and engagement, making the state of these aspects visible.
In FY2024, the survey was conducted with approximately 59,000 employees across 26 Group companies in Japan. Of those surveyed, 70% gave positive responses to culture-related questions, and the engagement score, indicating those who felt engaged, was 50%.
To improve organizational culture and employee engagement based on the survey results, the Group established the Engagement Improvement Committees in 2021. This Committee analyzes the survey results and identifies issues. It also formulates measures to foster culture and enhance engagement while regularly monitoring the implementation of these measures. The survey results and the progress of these measures are reported to the Board of Directors and Group company management meetings, etc.
To further improve engagement, we will continue implementing initiatives based on employee feedback, such as facilitating dialogue between employees and management across Group companies, renovating the employee cafeteria, and introducing systems that support work-life balance.

(iii) Risk management
For details on human capital risk, please refer to "Part I. Company Information, II. Overview of Business, 3. Risk factors" below.

(iv) Indicators and targets
For the above initiatives, it is difficult to include data covering all companies within the consolidated Group, so the indicators and targets presents include results for the filing company and certain consolidated subsidiaries.

(a) Culture & Engagement Survey results
These results indicate the percentage of positive responses to culture-related questions and the percentage of employees who reported feeling engaged.

Fiscal year	Culture (Workplace)	Engagement (Company)
FY2024	70%	50%

* 26 Group companies in Japan

(b) Ratio of female Executive Officers / ratio of female managers

		Ratio of female Executive Officers*1	Section manager class*2	Team leader class*2
FY2020	Achievement	13.6%	22.1%	32.4%
FY2021	Achievement	14.4%	23.3%	30.4%
FY2022	Achievement	15.7%	24.1%	36.8%
FY2023	Achievement	21.2%	27.3%	35.3%
FY2024	Achievement	19.2%	29.0%	34.6%
Fiscal year ending February 28, 2026	Target	30.0%	30.0%	30.0%

*1 Figures for FY2020 to 2023 are as of the end of May; FY2024 results are as of the end of February. Total of four Group companies (Seven & i Holdings Co., Ltd., SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., and York-Benimaru Co., Ltd.). However, figures for FY2022 and earlier include Sogo & Seibu Co., Ltd. and York Co., Ltd.
*2 As of the last day of February each year. Total of eight Group companies (Seven & i Holdings Co., Ltd., SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., THE LOFT CO., LTD., Akachan Honpo Co., Ltd., Seven & i Food Systems Co., Ltd., and Seven Bank, Ltd.). However, figures for FY2022 and earlier include Sogo & Seibu Co., Ltd., but do not include THE LOFT CO., LTD.

(c) Ratio of men's taking childcare leave

FY2020	6.1%
FY2021	7.4%
FY2022	26.3%
FY2023	47.5%
FY2024	50.7%

* Total of eight Group companies (Seven & i Holdings Co., Ltd., SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., THE LOFT CO., LTD., Akachan Honpo Co., Ltd., Seven & i Food Systems Co., Ltd., and Seven Bank, Ltd.). However, figures for FY2022 and earlier include Sogo & Seibu Co., Ltd., but do not include THE LOFT CO., LTD.

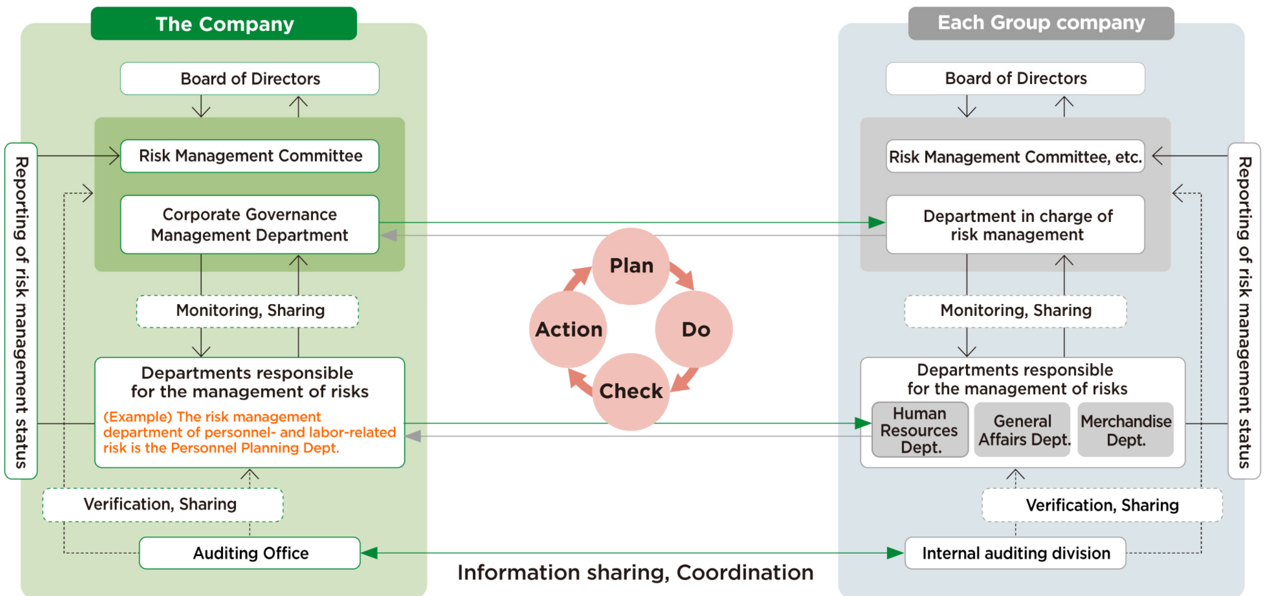
3. [Risk factors]

The Company strives to appropriately manage various risks through practical and effective measures in order to enhance corporate value and maintain the continuous development of the Group. Among the risks identified through these efforts, those that may have a significant influence on the decisions of investors based on the likelihood of the risk materializing, the timing of the risk, and the degree of impact are described below. However, these do not cover all risks related to the Group; there are risks other than those listed that are difficult to foresee. Also, these risks are not independent of each other, and certain events may lead to an increase in various other risks. This section includes forward-looking statements and future expectations of the Group as of the submission date of the Group's Securities Report.

<Group risk management system>

The Company and Group companies have established a Risk Management Committee. As a general rule, the Risk Management Committee meets once every six months to receive reports on the risk management status of the respective companies from the departments responsible for the management of risks, to comprehensively identify, assess, and analyze risks and discuss measures, and to determine the future direction going forward.

Meanwhile, with regard to various risks, Group policies related to such risks, initiatives to mitigate risks undertaken by each company, and various internal and external examples illustrating signs of materializing risks, etc., are shared through a group-wide meeting body, etc., headed by the Company's departments responsible for the management of risks.



<PDCA for risk management>

The Group conducts risk management based on information from inside and outside the Group, through "the comprehensive identification of risks," "risk assessment and proposal of improvement measures," "prioritization of risks," and "improvement activities and monitoring."

In addition, the Auditing Office of each company verifies whether risk management is being conducted effectively, from an independent perspective, through periodic internal audits, and provides each department with advice for improving risk management, as required.

<Group growth strategy and risk situation>
For the Medium-Term Management Plan (2021-2025), the Group has formulated Group growth strategies around its strengths in “food,” and promotes enterprise risk management to provide a foundation to support these growth strategies. The following is a description of the risk situation as it pertains to the main businesses that constitute the growth strategy.

(1) North America Convenience Store Operations
In order to drive further growth for the Group, 7-Eleven, Inc. is working to strengthen proprietary merchandise, promote digitalization and delivery measures, enhance efficiency and cost leadership, and grow and enhance store networks.
With regard to the strengthening of proprietary products that are a pillar of the growth strategy, we are taking steps to broaden the range of categories offered and develop new products, to enhance the food value chain, and to improve quality and lineups, but logistics disruptions, food safety problems, and the issue of competition with fast food chains and other rivals could affect the performance and financial standing of the Group.
In terms of promoting digitalization and delivery initiatives, these include the expansion of the 7Rewards loyalty program and the 7NOW delivery network, but in the event that information security problems occur or that we are unable to respond to customer needs, the performance and financial standing of the Group could be affected.
With regard to enhancing efficiency and cost leadership, in order to achieve successive reductions in costs and improvements in efficiency we are introducing our unique item-by-item management POS system and fuel system in all Speedway stores with the aim of boosting both sales and gross profits and streamlining store management. However, in the event that changes in the business environment or competitive situation prevent growth opportunities or efficiency gains from being realized, the performance and financial standing of the Group could be affected.
In the North American convenience store operations, we aim to increase market share through M&A, strengthen store operations, and develop new standard stores. However, the performance and financial standing of the Group may be affected by the impact on the business of intensifying competition or changes in environmental laws and regulations, difficulties in securing personnel, litigation, law and order problems, and climate change and natural disasters.

(2) Global Convenience Store Operations
7-Eleven International LLC will strengthen cooperation with 7-Eleven, Inc. and SEVEN-ELEVEN JAPAN CO., LTD. with the long-term objective of operating 100,000 stores in 30 countries and regions worldwide by 2030. To accelerate its entry into new markets, 7IN is implementing a strategic process that spans market selection to partner selection and determination of the entry model, while for existing markets it will improve performance gaps between markets and raise the proportion of proprietary products to support the transformation into a food-focused convenience store. It is also accelerating business growth in key markets through strategic investments.
However, the development of the business in overseas areas is expected to be affected by political and social instability, economic fluctuations such as exchange rates and trade, and the revision and strengthening of legal regulations, including those related to the environment and data protection. If these factors limit our growth potential and prevent us from realizing the benefits and profits we initially anticipated, the performance and financial standing of the Group could be affected.

(3) Domestic Convenience Store Operations
In order to further develop the operations of the domestic convenience stores that are the foundation of the Group's growth, SEVEN-ELEVEN JAPAN CO., LTD. is enhancing its ability to respond to change, which is the driving force behind this expansion. In the food sector, we are addressing the polarization of consumption by rolling out a three-tiered price strategy covering everything from high-value-added items of superior quality to staple goods that are felt to be good value. By working on our "Pleasant Value! Declaration" initiative of providing products at an affordable price while maintaining our commitment to taste and quality, we aim to increase the pull factor of our stores. In terms of services, we are providing new experience value through the promotion of the 7NOW delivery service nationwide. Our efforts to address the social issue of food waste and other environmental problems are centered on the "Eco-Price initiative." With regard to store openings, in addition to ensuring urban development through high-quality stores opened under even stricter criteria, we will continue to close or relocate underperforming stores. However, we will work with the authorities to open compact stores in areas where other stores and offices have been closed in order to create buying opportunities for those having difficulty shopping. Furthermore, we have opened a store at World Expo 2025 (Osaka Kansai Banpaku) to exhibit the urban lifestyle of the future and enable visitors to experience for themselves a health-focused lifestyle. As well as providing economic value, these measures offer social value that helps to resolve some of the issues of society.
However, customer needs change unceasingly, and in the event that we are unable to provide new value, the performance and financial standing of the Group could be affected.

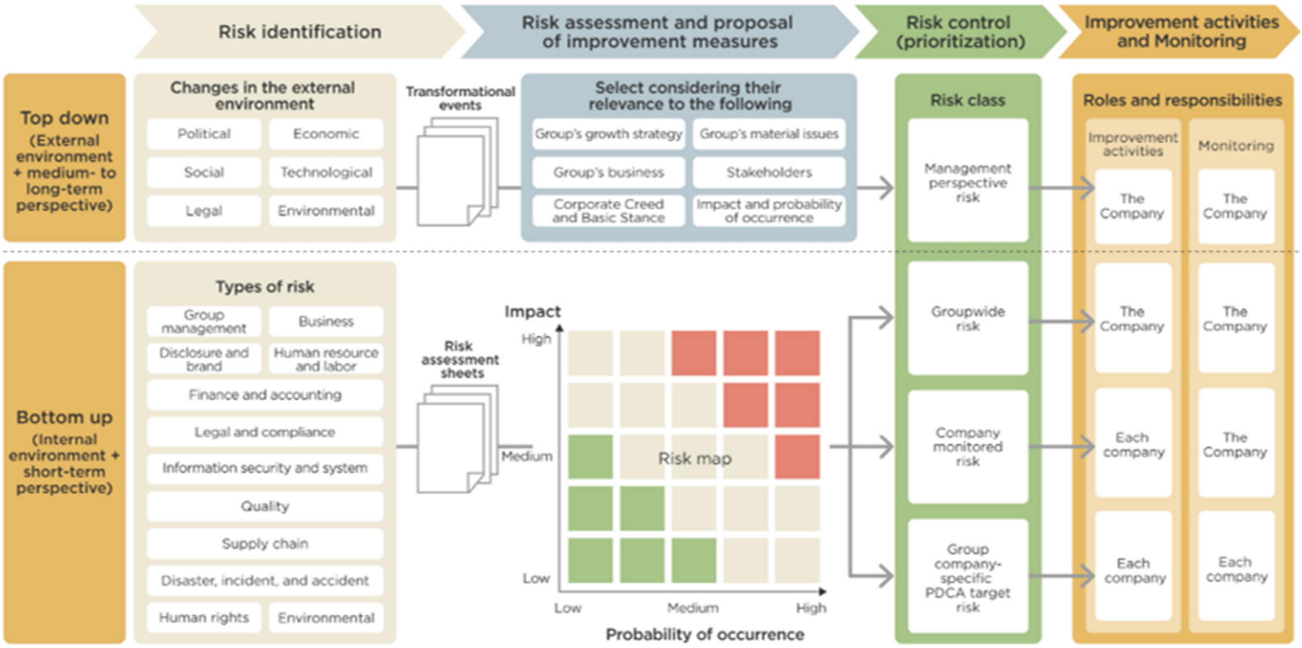
(4) Superstore Operations
In the superstore operations, we aim to realize a Group business structure that enables us to set our own growth direction, characterized by independent financial discipline, as an autonomous corporate entity that allows employees to be strongly involved in business growth. Along with improving profitability, we will execute fundamental measures aimed at becoming a competitive business that generates growth in sales, including store renovations and the pursuit of new opportunities in the food manufacturing and retail business, by utilizing the Group-wide infrastructure in which we have invested thus far.
Nevertheless, in the event that the restructuring of the Superstore Operations does not proceed according to plan, we may not be able to achieve the effects initially anticipated, which could affect the performance and financial standing of the Group.

(5) Financial Services
With regard to Financial Services, we will continue to focus our efforts on the ATM platform business expansion, the e-money and credit card businesses, promoting the development and deployment of retail-specific financial products and services that enhance customer convenience. Though the Group has devised a full range of security and information management measures in relation to its financial and payment systems, it is impossible to completely avoid the risk that important information is leaked externally or falsified following diversification of external attacks, human errors within the Group and deficiencies in the management of subcontractors, depending on the scale of the damage, the performance and financial standing of the Group could be affected.

Progress in these key strategies of the Group is monitored by the Board of Directors, a majority of the members of which are independent outside directors.

<Risk assessment process>
In addition to changes in the internal environment of the Group, there is a need to recognize global shifts in trend such as heightened geopolitical and ESG-related risks, and various alterations in the business environment including changes in consumer values and the growth of online shopping.
In recent years in particular, there has been a rise in factors that heighten the uncertainty of the environments in which corporate activities take place, such as the unpredictable international situation.
In response to these conditions, we have added external environment risks and medium- to long-term risks, alongside the internal environment and short-term risks that had previously been the focus of our risk management efforts, as well as maintaining and expanding risk categories to enable us to address changes in the internal and external environments. Moreover, from the

perspective of assessing the degree of impact on performance arising from the emergence of risk, by adding qualitative elements such as business continuity, damage to the Group's brand image, and other factors to the quantitative factors previously considered, we seek to take a more multifaceted and sophisticated approach to assessment and analysis of all risks.



In addition, having formed a comprehensive judgment of each risk from the perspectives of significance, commonality, the degree of emergence, and efficiency, we divide them into four classes of risk. The roles and responsibilities of the Company and each company in the Group are clarified for each risk class, and improvement activities for various risks are carried out by the entities responsible for them, thereby enhancing the effectiveness of risk management for the Group as a whole.

Risk class	Definition	Roles and responsibilities	
		Improvement activities	Monitoring
Management perspective risk	Risks that have a high impact on the Group in the medium- to long-term, and are characterized by requiring a unified approach for the Group as a whole	The Company	The Company
Groupwide risk	Risks that are common across the Group as a whole, relatively high, and characterized by requiring cross-group action from the perspective of efficiency of risk measure	The Company	The Company
Company monitored risk	Risks that are relatively high and that should be addressed by each company	Each company	The Company
Group company-specific PDCA target risk	Risks other than those described above that should be addressed by each company	Each company	Each company

<Major risks to the Group>
Based on assessment and analysis of various risks, significant risk events that would be expected to have an impact on the growth strategy, performance, or financial standing of the Group are as follows.

1. Medium- to long-term perspective risk (Management perspective risk)
After identifying change events that are anticipated to occur in the external environment over the medium to long term, and assessing their relevance to the growth strategies, material issues, nature of business, stakeholders, and other aspects of the Group, change events that could have a medium- to long-term impact on the growth strategies and sustainability of the Group if they were to occur in the future are designated as events in the category of management perspective risks (emerging risks). For each risk a risk owner (responsible department) is selected, which proceeds to investigate anticipated scenarios and measures. Trends in these change events are also monitored periodically and updated, and their measures are revised as necessary.
By monitoring for the occurrence of anticipated scenarios, we seek to detect risks at an early stage, initiate measures promptly, and control the impact on the Group. Decisions on risk measures (risk taking/risk hedging) will continue to be taken at a level of management that takes into consideration such factors as the growth strategy and material issues of the Group.
Management perspective risks (change events) identified at this point in time are as described in the following table.

№	Classification	Management perspective risk (change events)	Anticipated Risk scenarios
1	Politics	Political change, disruption, dysfunction	Changing and strengthening of laws and regulations following changes of government or of policies in countries in which we have opened stores may have an impact on business licenses and the taxation regime, customs, foreign exchange rates, and other matters. In addition, political disruption, political dysfunction, economic crises, and other factors could lead to social instability and changes in market demand and the competitive environment.
2		Collapse of security due to conflict, etc.	The health and safety of customers, employees, and others may be threatened as a result of outbreaks of conflict in countries in which we have opened stores, or due to them being embroiled in such crimes as terrorism, violence, and kidnapping. In addition, the destruction or looting of assets such as stores, logistics facilities, product supply networks, and product warehouses could make the continuation or recovery of the business infeasible.
3	Economy	Decline of demand for gasoline	In countries with restrictions on the sale of gasoline vehicles or where the shift to electric vehicles (EV), etc. is progressing, earnings obtained from the sale of gasoline may decline in future, and there might also be a decline in the number of customers visiting stores that have gasoline filling stations. Such a scenario might require changes to the business, and could incur costs in order to comply with relevant laws and regulations, or to increase the number of facilities, etc. for EV charging, and so on.

№	Classification	Management perspective risk (change events)	Anticipated Risk scenarios
4	Society	Food crises	For a variety of reasons, including natural disasters, abnormal weather related to climate change, pandemics, crop pests and diseases, and violent conflict, shortages of raw materials could occur globally or in specific regions, which could make the stable supply of products infeasible.
5		Human resources/ manpower shortage	Wage inflation, insufficiently developed labor environments, changing demographics, and other factors could have a serious impact on our ability to secure human resources and labor, such as producers in the agricultural, fishery, and livestock sectors, and employees engaged in food production facility, delivery, and store operations.
6		Growing demands for respect for human rights	If we are unable to demonstrate respect for the human rights of our various stakeholders, this could lead to a backlash from consumers and society, leading to a situation in which we have no choice but to discontinue product supply and services.
7	Technology	Acceleration of technological innovation (including AI) to improve productivity in logistics and store operations	A variety of technologies such as automated driving and store automation are making advances on a yearly basis. While the introduction of such new technologies could lead to the streamlining of operations and improvements in efficiency on the one hand, on the other hand it could lead to increases in costs associated with complying with laws and regulations, responding to changes in business operations, and making capital investments.
8	Environmental	Acceleration of decarbonization	In the event that the Group fails to make progress in its decarbonization initiatives, this could lead to an increase in the burden of taxation, emissions trading, and costs associated with procurement of the energy required for business operations. The Group could also lose trust and reputation among consumers and in society, which could affect business profits.
9		Growing demand for mitigation of environmental impact of food supply chain	In the event that the Group fails to make progress in its initiatives for mitigating the environmental impact of the food supply chain as a whole, it could result in an increase in the burden of costs associated with changes in production methods, means of delivery, and container and packaging materials. The Group could also lose trust and reputation among consumers and in society, which could affect business profits.
10		Growing demands for reductions in food waste	In the event that food demand forecasting and inventory management do not function adequately, a failure to make progress in initiatives for reducing food waste could lead to an increase in costs associated with the disposal or return of foods and increase in environmental impacts. The Group could also lose trust and reputation among consumers and in society, which could affect business profits.

For some of the management perspective risks (change events) described above, a risk owner (responsible department) has been selected, and various initiatives are being implemented.
The following are examples of such initiatives.

Main examples of initiatives related to “6 Growing demands for respect for human rights” (risk owner: Human Rights Promotion Project)

- Formulation and promotion of human rights policy
- Implementation of human rights due diligence
- Assessment of impact of human rights (identifying human rights risks and creating human rights risk map)
- Implementation of prevention and remedial measures (education and training for employees, awareness-raising activities for business partners, establishing of internal environment and systems)
- Implementation of monitoring (culture & engagement surveys, questionnaire surveys for business partners, CSR audits of factories at which the Group’s original products are

manufactured)
・Establishment of grievance mechanism and measures for redress (Groupwide Employee Helpline, Business Partner Helpline, Audit & Supervisory Board Hotline)
・Initiatives to prevent customer harassment (creation of guidelines and manuals to address, implementation of training)

Main examples of initiatives related to “7 Acceleration of technological innovation (including AI) to improve productivity in logistics and store operations” (risk owner: Group DX Division)
・Promote understanding of generative AI (introductory training, training in prompt engineering)
・Recruitment and training of DX human resources in each department

Main examples of initiatives related to “8 Acceleration of decarbonization” (risk owner: Sustainability Development Department)
・Establishment of new company with the aim of expanding procurement of renewable energy
・Promotion of energy-saving by employees (holding of group-wide “Energy Saving Contest,” etc.)
・Promotion of energy-saving and energy-generation facilities in stores (installation of large solar power generation, etc.)
・Commencement of trial test on “100% renewable energy store,” etc.
・Long-term procurement of electricity derived exclusively from power plants using renewable energy such as solar and wind (offsite PPA, etc.)

Main examples of initiatives related to “9 Growing demand for mitigation of environmental impact of food supply chain” (risk owner: Sustainability Development Department)
・Identify important raw materials from the perspectives of the volume handled, and dependencies and impacts on nature, and analyze and formulate measures to address the risks and opportunities of the place of production
・Procure products that are guaranteed to be sustainable
・Monitor the impact on the Group of new materials, the latest technologies, and the latest trends in laws and regulations for environmentally friendly containers and packaging, etc.
・Share and roll out some GREEN CHALLENGE 2050 initiatives throughout the supply chain as a whole

Main examples of initiatives related to “10 Growing demands for reductions in food waste” (risk owner: Sustainability Development Department)
・Initiatives for the supply chain as a whole
・Initiatives for the reduction of food waste at each company (promotion of Eco-Price discounted sales, donations to food bank organizations, etc.)
・Initiatives for environmental recycling-oriented agriculture (founding of Seven Farm Co., Ltd.), etc.

2. Short-term perspective risk
After coming to a decision based on a comprehensive consideration of the degree of impact, likelihood of occurrence, and other aspects of the various risks identified by the Company and Group companies, we select risk events that should be managed by the Company and monitor the status of various risks and execution of risk measures periodically.
From among these significant risk events, we selected the “Groupwide risks” shown in the table below, which have a significant impact on the Group growth strategies and, by their nature, should be addressed across the Group from the perspectives of commonality, the degree of emergence, and efficiency.

Risk details	Impact	Probability of occurrence
Risks related to food quality labeling and sanitation	High	Low
Risks related to blowing up on social media or crisis management public relations	Medium	Medium
Risks related to earthquakes, tsunami, and volcanic eruptions	High	Low
Risks related to cybersecurity	Medium	Low
Risks related to response to antisocial forces	Low	Low

The Significant risk events that the Company takes a leading role in managing (including Groupwide risks) are as follows.

(1) Group management risk

<table>
<tr><th>Risk details</th><th>Risk class</th></tr>
<tr><td>Risks related to Group management strategy and growth strategy</td><td>Company monitored risk</td></tr>
<tr><th colspan="2">Anticipated Risk scenarios</th></tr>
<tr><td colspan="2">Based on the Group Strategy Reevaluation announced in March 2023, the Ideal Group Image for 2030 has been established as “A world-class retail group centered around its ‘food’ that leads retail innovation through global growth strategies centered on the 7-Eleven business and proactive utilization of technology.” During the course of executing measures aimed at achieving these goals, there is the possibility of such events as inappropriate allocation of management resources, impairment of the strengths in “food” assumed by the Company, and stagnation of the growth strategy for our domestic and overseas convenience store operations, which could affect the performance and financial standing of the Group.</td></tr>
<tr><th colspan="2">Measures</th></tr>
<tr><td colspan="2">- Stabilize group management and strengthen monitoring functions through ongoing changes to group governance structures
- Monitor the progress of the Group’s key strategies on the Board of Directors, a majority of the members of which are independent outside directors
- Guarantee effectiveness of discussions of management’s strategy and monitoring of progress by separating the roles of CEO and Chairman of the Board of Directors</td></tr>
</table>

<table>
<tr><th>Risk details</th><th>Risk class</th></tr>
<tr><td>Risks related to the failure of M&A, sale or business alliance (recovery of investment)</td><td>Company monitored risk</td></tr>
<tr><th colspan="2">Anticipated Risk scenarios</th></tr>
<tr><td colspan="2">The Group engages in strategic investments such as M&A in order to expand the business. Due to insufficient due diligence at the time of the acquisition, or for other reasons, PMI (Post Merger Integration) may not proceed smoothly, or the expected synergies may not be realized, which could lead to impairment losses. These factors could also result in a reduction in corporate value and affect the performance and financial standing of the Group.</td></tr>
<tr><th colspan="2">Measures</th></tr>
<tr><td colspan="2">- Implement due diligence thoroughly at the time of acquisition
- Periodic monitoring of the integration process</td></tr>
</table>

<table>
<tr><th>Risk details</th><th>Risk class</th></tr>
<tr><td>Risks related to M&A (takeover defense)</td><td>Company monitored risk</td></tr>
<tr><th colspan="2">Anticipated Risk scenarios</th></tr>
<tr><td colspan="2">If a takeover bid against the Company that would damage our corporate value succeeds, changes in the strategic direction and corporate culture under the control of new shareholders and a new management team, and changes in the management team and senior managers, could lead to anxiety and dissatisfaction among employees, putting a huge burden on the integration of business processes and IT systems and causing a variety of problems. These factors could also result in a reduction in corporate value and affect the performance and financial standing of the Group.</td></tr>
<tr><th colspan="2">Measures</th></tr>
<tr><td colspan="2">- Maximize corporate value of the Group through such measures as enhancing performance further and strengthening corporate governance
- Formulation of “The basic policy on the composition of persons to control the decision-making over the financial and business policies of the Company” and “Policy for dealing with takeover”</td></tr>
</table>

(2) Business risk

Risk details	Risk class
Risks related to the business model	Company monitored risk
Anticipated Risk scenarios	
The Group not only conducts its main businesses in Japan and the United States, but also operates in other regions around the world. In order to strengthen product development and product lineups to take regional characteristics into account and to respond accurately to customer needs, the Group undertakes joint development of products with business partners in a range of fields, in accordance with its sales strategy, and uses the apps of each company to make effective use of sales promotions by collecting and analyzing a variety of data. However, in the event that the economic situation in Japan, the United States, or in other countries and regions in which the Group operates deteriorates due to business conditions or trends in consumer spending or due to an inability to provide products and services that meet the needs of customers and markets, the performance and financial standing of the Group could be affected.	
Measures	
- Monitor the state of business at operating companies using the Board of Directors, a majority of the members of which are independent outside directors - Strengthens synergies and collaborative structures associated with “food” - Revise price strategy based on surveys of markets and custom needs	

(3) Disclosure and brand risk

Risk details	Risk class
Risks related to blowing up on social media or crisis management public relations	Groupwide risk
Anticipated Risk scenarios	
Inappropriate behavior by customers or employees, or the posting of undisclosed information on social media may lead to a wave of criticism, which if taken up and distributed by mass media could result in damage to the corporate image of the Group. Delays or failures in the disclosure of appropriate information could have a significant impact on the business operations of the Group.	
Measures	
- Provide training on social media to employees and strengthen their sense of crisis regarding its use (e-learning, regular dissemination of information on risks associated with social media) - Hold risk measure training for risk management personnel, public relations personnel, social media operations personnel, etc. - Establish a structure for the gathering, early detection, analysis, investigation, and assessment of information on social media and mass media, with the assistance of external specialist companies - Prepare and distribute a crisis management public relations manual - Strengthen the Company and Group company cooperative structures (information sharing, first response)	

Risk details	Risk class
Risks related to corporate brand management	Company monitored risk
Anticipated Risk scenarios	
Brand image could be damaged by PR or marketing strategies that are not congruent with corporate philosophy or by inappropriate communication by an official account. Blowing up on social media and coverage by various mass media could result in criticism from customers and business partners and significantly affect the business operations of the Group.	
Measures	
- Put in place preventive measures such as establishing operational guidelines for social media use, screening documents through the use of a checking department, and verifying business appropriateness based on the compliance program - Hold seminars to teach examples of blowing up on social media and measures, and provide training on information dissemination risks	

(4) Personnel and labor risk

Risk details	Risk class
Risks related to violations of labor laws and regulations and the health and safety of employees	Company monitored risk
Anticipated Risk scenarios	
In accordance with the standards of behavior set out in the Seven & i Group Corporate Action Guidelines, the Group has devised measures for occupational safety and health and for the prevention of occupational accidents, as well as introducing and supporting mechanisms to enable employees to work healthily. Nevertheless, in the event that deficiencies in the employment management of employees lead to a violation of the Labor Standards Act (unpaid overtime allowance, annual pay leave not being taken, etc.) and subsequently to administrative punishment (business suspension, fines, etc.), or in the event of damage to mental or physical health due to injury, illness, or overwork as a result of inadequate occupational health and safety measures, this could lead to a loss of appropriateness and efficiency in business operations and affect the performance and financial standing of the Group.	
Measures	
- Manage working hours (overtime) and the taking of leave through the use of a working hours management system - Have workplaces inspected by industrial physicians - Disseminate information through the Health and Safety Committee - Conduct stress checks for employees	

(5) Financial and accounting risk

Risk details	Risk class
Risks related to fluctuations in interest rates and exchange rates	Company monitored risk
Anticipated Risk scenarios	
The Group engages in derivatives transactions, such as those involving forward foreign exchange contracts and swaps, to optimize future cash flows, mitigate the risk of volatility in foreign exchange rates and interest rates, and reduce financing costs. However, fluctuations in interest rates have an impact on interest receipts and payments and on the value of financial assets and liabilities, and could affect the performance and financial standing of the Group. Assets and liabilities of overseas group companies denominated in local currencies are converted to Japanese yen for the preparation of consolidated financial statements. Some of the products sold by the Group are products developed overseas that are affected by changes in foreign exchange rates, and so such fluctuations could affect the performance and financial standing of the Group.	
Measures	
- Use forward foreign exchange contracts, swaps, and other derivatives transactions - Monitor continuously	

Risk details	Risk class
Risks related to impairment of non-current assets	Company monitored risk
Anticipated Risk scenarios	
The ratio of property, plant and equipment and goodwill, etc. to consolidated total assets is high, and revenue management is implemented rigorously for stores, etc. However, in the event that becomes necessary to record impairment losses going forward due to deterioration in the profitability of stores, and significant declines in the market value of assets owned, the performance and financial standing of the Group could be affected.	
Measures	
- Establish screening criteria for opening stores and monitor periodically - Establish criteria for purchasing assets and monitor market value for assets held periodically	

(6) Legal and compliance risk

Risk details	Risk class
Risks related to competition law (violations of the Subcontractors Act or of regulations on abuse of dominant bargaining position)	Company monitored risk
Anticipated Risk scenarios	
The Group conducts business in Japan, the United States, and other countries around the world in compliance with the laws and regulations of each country and region with respect to fair competition. We monitor the status of compliance with these laws and regulations and have put in place structures to enable us to respond appropriately as required. However, in the event of violations of the Subcontractors Act or of regulations on abuse of dominant bargaining position as a result of reducing fees, delaying payments, demanding the dispatch of temporary employees, or other inappropriate behavior, the Group may be subject to measures taken by an administrative agency involved in matters of fair trade, such as guidance, recommendations, public announcements, cease and desist orders, surcharge payment orders, or criminal penalties. Consequently, the business activities, performance, and financial standing of the Group could be affected.	
Measures	
- Implement voluntary inspections, monitoring programs, and questionnaires of business partners, and establish Business Partner Helpline - Provide internal education through e-learning and training on fair trade (to ensure compliance with trading rules and raise awareness among employees)	

Risk details	Risk class
Risks related to intellectual property rights	Company monitored risk
Anticipated Risk scenarios	
Products and services of the Group could infringe intellectual property rights held by third parties, leading to disputes, etc., and resulting in reductions in revenue caused by injunctions to prevent usage, liability for damages, and other outcomes. On the other hand, violations of intellectual property rights of the Company through the imitation by third parties of designs and technology pertaining to the products and services of the Group could lead to a reduction in competitiveness and the impairment of our brand image. These could affect the performance and financial standing of the Group.	
Measures	
- Establish a system for researching the intellectual property rights of third parties when providing new products and services - Implement “patrols” of the intellectual property rights of the Company (activities to look out for infringements) - Provide intellectual property education (e-learning, study group sessions, etc.)	

Risk details	Risk class
Risks related to response to antisocial forces	Groupwide risk
Anticipated Risk scenarios	
Based on the Seven & i Group Corporate Action Guidelines, the Group has set a policy of not engaging with antisocial forces, but in the event that it becomes clear that dealings with antisocial forces have taken place, the consequences could include sanctions such as public announcements and punishments based on relevant laws and regulations, dispositions by administrative agencies, suspension of dealings with financial institutions, cancellation of agreements with trusted business partners, and so on. In addition, mistakes in the approach used to address the issue could result in the matter being taken up by social media and mass media, leading to impairment of the corporate image of the Group. These could affect the performance and financial standing of the Group.	
Measures	
- Build system for group-wide checks for antisocial forces and monitor periodically - Prepare a manual on how to respond when dealings with antisocial forces come to light - Information exchange with external police-affiliated organizations	

(7) Information security and system risk

Risk details	Risk class
Risks related to cybersecurity	Groupwide risk
Anticipated Risk scenarios	
In order to provide customers with new value and services in each of its businesses, centered on retail, the Group handles data entrusted by customers, confidential commercial information, and other important information. In order to protect such information, the Group has designated cyberattacks a serious risk to the business and is striving to strengthen its cybersecurity measures. However, methods of attack are becoming more diverse and sophisticated with every passing day, and include attacks such as targeted threat email and ransomware on specific targets, DDoS and other attacks that put a burden on the system, and attacks that target vulnerabilities in teleworking and online meeting systems. In the event of an external cyberattack resulting in such damage as leaks of important information, alteration or loss of data, takeovers of customer accounts, or interruptions of systems and services, this could have a tremendous impact on our reputation among consumers and in society.	
Measures	
- Use 7&i CSIRT (7&i Computer Security Incident Response Team) to provide rapid responses and promote prevention measures and countermeasures - Use SOC (Security Operation Center) to detect security risks and analyze and respond to threat information - Collaborate on information security with specialist external organizations - Implement security reviews and diagnostics for information security measures and vulnerabilities - Provide cybersecurity education and training for incident response personnel at Group companies - Provide periodic training on targeted threat email for all employees - Implement job-specific (directors, managers, general employees) information security education program	

Risk details	Risk class
Risks related to systems	Company monitored risk
Anticipated Risk scenarios	
The Group operates a large number of IT systems to enable it to perform its business activities. Given the requirement for stable operation of these systems, the Group has designated risks related to information systems a serious risk to the business and is striving to strengthen measures. However, insufficient quality management during development, deficiencies in system settings, human errors in operation, unexpected suspensions of external services including cloud services, and natural disasters such as major earthquakes or windstorm, flood, or other phenomena could result in damage to information systems and hinder stable operation, which could cause damage to assets, interrupt business operations and services, and have a tremendous impact on our reputation among consumers and in society.	
Measures	
- Implement thorough reviews at each stage of the development process, beginning with IT service planning - Strengthen management of system development schedules and resource management - Secure human resources with knowledge and skills for new development techniques - Monitor for deficiencies in system settings and deploy software for security measures - Selection and evaluation of cloud services - Build redundancy into core information systems such as servers and networks - Strengthen fault monitoring of hardware and networks, etc. - Enhance protective measures for important facilities and equipment	

Risk details	Risk class
Risks related to personal information	Company monitored risk
Anticipated Risk scenarios	
In order to provide customers with new value and services in each of its businesses, centered on retail, the Group handles personal information from customers, suppliers, and other parties. In response to the rising importance of personal information, which requires it to be handled in compliance with laws and regulations, the Group has designated risks related to personal information a serious risk to the business and is striving to strengthen measures. However, insufficient enhancement of internal controls in response to changes in internal and external environments, insufficient safety measures, human error in the handling of personal information, illicit behavior by employees, deficiencies in the management of subcontractors, etc. could lead to leakage, destruction, or impairment of personal information, resulting in violations of laws and regulations, which could cause damage to assets, interrupt business operations and services, and have a tremendous impact on our reputation among consumers and in society.	
Measures	
- Maintain and revise “Seven & i Group Personal Information Protection Policy” - Maintain procedures that are compliant with laws and regulations, including the Act on the Protection of Personal Information - Maintain safety measures that are compliant with ISO27001 and other standards - Implement education and training for employees - Strengthen management of subcontractors - Establish emergency countermeasures in the event of an accident involving personal information	

(8) Quality risk

Risk details	Risk class
Risks related to food quality labeling and sanitation	Groupwide risk
Anticipated Risk scenarios	
In accordance with relevant laws and regulations, the Group strives to provide safe and secure products to customers and to communicate information accurately. The Group is also taking on the challenge of expanding “Seven Premium” as well as original products from Group companies in order to continue to provide new value and high-quality products and services to customers. Nevertheless, in the event of a serious incident occurring as a result of violations of the Food Labeling Act, deficiencies in food sanitation management, or other events, the performance and financial standing of the Group could be affected by such factors as a loss of trust in the Group’s products, payment of compensation to customers, and product recall and other remedial costs.	
Measures	
- Implement joint initiatives with business partners to improve quality management, and put in place measures to prevent labeling errors, deficiencies in sanitation management, and other serious incidents. - Promote training to prevent labeling errors and deficiencies in sanitation management in stores, and promote the introduction of countermeasure facilities - Provide education and training for employees, such as HACCP training, supplier audit training, and various types of e-learning - Implement internal and external audit of production facilities for Seven Premium products	

(9) Supply chain risk

Risk details	Risk class
Risks related to the hindrance of stable supply (operational factors)	Company monitored risk
Anticipated Risk scenarios	
For the business activities of the Group, it is essential that we are able to purchase products and raw materials, etc. of adequate quality, in sufficient quantity and at the required time, and we seek to diversify procurement so that we are not overly dependent on specific regions, suppliers, products, technologies, or other factors. In particular, there is a possibility that rising temperatures, changes in precipitation and weather patterns, and other forms of climate change will lead to reductions in the yield and quality of agricultural, livestock and marine products, as well as changes in fishing grounds and regions suitable for the cultivation of agricultural products. In response to such potential changes we are making efforts to diversify procurement and to work with primary producers to improve yields, but in the event that rising temperatures, changes in weather patterns, and other forms of climate change may lead to the suspension of factory production and to the subsequent interruption of some procurement routes. Supply chains could also be interrupted by soaring prices for fuel used by operators of delivery services and human capital shortages in the logistics industry. In future, purchasing prices could also be affected by soaring prices for energy, including electricity, at the product manufacturing stage, caused by such factors as regulations arising from climate change, policies, and conflicts. These could affect the performance and financial standing of the Group.	
Measures	
- Secure substitute sources of energy and facilities, prepare manuals for response in times of emergency, and implement training - Monitor market trends, revise prices, and develop high-markup products, procure raw materials at a fixed cost, etc. - Monitor credit information and cash flows at business partners, diversify risk to avoid dependence on specific suppliers - Stabilize deliveries by improving logistics cost efficiencies and through cooperation with operators of delivery services	

(10) Disaster, accident and incident risk

Risk details	Risk class
Risks related to earthquakes, tsunami, and volcanic eruptions	Groupwide risk
Anticipated Risk scenarios	
The Group not only conducts business in Japan and the United States but also in other regions around the world. Moreover, the core business of the Group is retail, which acts as a lifeline to local communities, and in the event of a major earthquake, especially one that occurs in a metropolitan area in which the stores that constitute our core business are concentrated, our supply chains could be interrupted and our business activities suspended, leading to massive costs being incurred for the restoration of facilities, and creating enormous obstacles to the business operations of the Group, the performance and financial standing of the Group could be affected. Furthermore, in the event that the process of restoring business activities is prolonged, the Group may be unable to fulfill its role as a provider of social infrastructure, such as engaging in aid activities in regions in the aftermath of the disaster.	
Measures	
- Establish and update Business Continuity Plan (BCP) for responding to a major disaster and establish systems to enable us to put human life first in accordance with the BCP - Build system of Business Continuity Management (BCM) for the Group as a whole, centered on training - Provide education to employees (disaster prevention e-learning and training, etc.) - Implement countermeasures exercises simulating a major natural disaster (including cooperation between Group companies)	

Risk details	Risk class
Risks related to floods, typhoons, torrential rain, tornadoes, lightning or heavy snowfall	Company monitored risk
Anticipated Risk scenarios	
In the event of river flooding, etc. as a result of typhoons or other strong winds and torrential rain, our supply chains could be interrupted and our business activities suspended, leading to massive costs being incurred for the restoration of facilities, and creating enormous obstacles to the business operations of the Group, the performance and financial standing of the Group could be affected. Furthermore, in the event that the process of restoring business activities is prolonged, the Group may be unable to fulfill its role as a provider of social infrastructure, such as engaging in aid activities in regions in the aftermath of the disaster.	
Measures	
- Gather information and hold meetings to discuss measures in advance - Disseminate plans for responding to a major disaster (BCP) and establish systems to enable us to put human life first in accordance with the BCP - Implement water countermeasures (flood barriers, installation of watertight panels), and implement disaster prevention education and training - Established alternative locations and establish backup structures for logistics centers	

(11) Human rights risk

Risk details	Risk class
Risks related to violations of human rights (employees, business partners)	Company monitored risk
Anticipated Risk scenarios	
With the increasing globalization of corporate activities, there is growing social interest in the human rights efforts of companies. In October 2021, we established the Seven & i Group Human Rights Policy based on the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights, and we are striving to prevent and mitigate negative impacts on human rights by establishing a human rights due diligence mechanism. With the cooperation of our business partners, we are also moving forward with initiatives to respect human rights based on the Seven & i Group Business Partner Sustainable Action Guidelines. However, any deviation from these policies could lead to a decline in trust in the Group among customers and business partners, which may adversely affect the performance and financial standing of the Group.	
Measures	
- Provide education and training to employees (harassment prevention training, e-learning, etc.) and awareness-raising activities for business partners - Implement culture & engagement surveys, questionnaire surveys for business partners, and CSR audits of factories at which the Group's original products are manufactured - Promote use of whistleblowing system (Group-wide Employee Helpline, Business Partner Helpline, Audit & Supervisory Board Hotline) to enable early detection of and corrective action for human rights violations, etc.	

(12) Environmental risk

Risk details	Risk class
Risks related to climate change and natural capital (physical risks)	Company monitored risk
Anticipated Risk scenarios	
A range of environmental problems have begun to emerge, including global climate change and the issue of plastic pollution. To address such changes in society, the Group has drawn up the "GREEN CHALLENGE 2050" environmental declaration, in which it designates decarbonization, a circular economy, and a society in harmony with nature as its vision for society, and is proceeding with initiatives to accomplish these goals. However, increases in the frequency of occurrence and severity of natural disasters resulting from climate change could cause damage to stores and the distribution network, and lead to a rise in associated costs of store operation. Increases in the frequency of occurrence and severity of natural disasters, and changes in weather patterns could also make procurement of raw material difficult. Moreover, because as a food-focused retail group we are highly dependent on nature for the production of raw materials and particularly agricultural produce, decreases in the production of and soaring prices for raw materials driven by deterioration in natural capital, damage to biodiversity, and other factors could make it difficult for the Company to source raw materials and products, which may adversely affect the performance and financial standing of the Group.	
Measures	
[Response to general climate change and natural capital risks] - Formulation of GREEN CHALLENGE 2050 environmental declaration (2019) - Formation of innovation teams based on these four themes of GREEN CHALLENGE 2050 [Response to climate change] - Scenario analysis and information disclosure based on TCFD recommendations - Evolution of scenarios based on social changes - Consideration and implementation of substantive measures to address risks and opportunities in the supply chain as a whole [Response to natural capital] - Formulation of natural capital policy (October 2024) - Information disclosure in accordance with TNFD recommendations (first disclosure in September 2024) - Assessment of businesses and their dependencies and impacts on nature, assessment of risks and opportunities in coffee beans, and consideration of countermeasures - Expand scope of raw material subject to analysis	

<table>
<tr><th>Risk details</th><th>Risk class</th></tr>
<tr><td>Risks related to response to environmental regulations and laws (transition risks)</td><td>Company monitored risk</td></tr>
<tr><th colspan="2">Anticipated Risk scenarios</th></tr>
<tr><td colspan="2">A range of environmental problems have begun to emerge, including global climate change and the issue of plastic pollution. To address such changes in society, the Group has drawn up the “GREEN CHALLENGE 2050” environmental declaration, in which it designates decarbonization, a circular economy, and a society in harmony with nature as its vision for society, and is proceeding with initiatives to accomplish these goals. Conversely, the Group is subject to the application of a variety of environmental laws and regulations dealing with climate change measures, including reductions in energy usage and CO^2 emissions, food waste, recycling of containers and packaging made out of plastic and other materials, and treatment of waste. In the future, it is possible that laws and regulations will be strengthened, for example, heightened interest in natural capital and biodiversity could lead to the introduction of regulations associated with procurement of raw materials, or regulations controlling greenhouse gas emissions may be bolstered as a climate change measure, or new laws and regulations and policies, such as carbon taxes, may be introduced. For the Group, compliance with laws and regulations could lead to additional costs and constraints on its business activities. In addition, fluctuations in the cost of energy such as gas and electricity resulting from strengthened regulations could increase expenses associated with store operation, and affect the performance and financial standing of the Group.</td></tr>
<tr><th colspan="2">Measures</th></tr>
<tr><td colspan="2">[Response to general environmental regulation/legislation risks]
We are moving forward with initiatives led by innovation teams based on the following four themes of all GREEN CHALLENGE 2050
●Reduction of CO2 emissions
- Establish a retail electric operating company to promote the use of renewable energy
- Encourage the adoption of energy-saving and energy-generation facilities in stores
- Long-term procurement of electricity derived exclusively from power plants using renewable energy such as solar and wind (offsite PPA, etc.)
●Measures against plastic
- Reduce use of plastic materials, replace them with environmentally friendly materials, establish goals and plans to promote recovery and recycling
●Measures against food loss/ waste and for organic waste recycling
- Place the highest priority on curbing the generation of food waste in stores, and promote initiatives for food waste that has been generated with an awareness of the circular economy
●Sustainable procurement
- Promote procurement of products that are guaranteed to be sustainable, in accordance with the Seven & i Group Sourcing Principles and Policies</td></tr>
</table>

4. [Management analysis of financial position, business results and cash flows]
   (1) Overview of business results
      (i) Business results
      In the fiscal year under review, in the Japanese economy, there were signs of recovery in consumer spending as employment and income conditions improved although some areas remain stagnant. This has led to a clear divergence in consumption patterns, with incomes of the young and the elderly increasing due to rising wages and the extension of the retirement age, but also an emerging awareness of the need to protect livelihoods, especially among those responsible for child rearing.
      The North American economy remained robust overall thanks to the consumption of high income earners, despite a persistently inflationary, elevated interest rate and deteriorating employment environment. In this context, there was a more prudent approach to consumption, in particular among middle- and low-income earners.
      In this environment, the Group aims to be “a world-class retail group centered around its ‘food’ that leads retail innovation through global growth strategies centered on the 7-Eleven business and proactive utilization of technology.” To achieve this goal, the Group has been pushing ahead with the operation strategies and Group strategy laid out in the updated Medium-Term Management Plan (announced on March 9, 2023).
      Our consolidated results for the fiscal year ended February 28, 2025 are summarized below.
      On March 6, 2025, we announced the Plan to Unlock Shareholder Value Through Leadership Changes and Transformational Capital and Business Initiatives. These initiatives involve a series of measures designed to refine our management system, capital structure, and business operations. The primary objective of these measures is to further streamline our focus on the convenience store operations, with a commitment to enhancing value for all shareholders. We will also continue to implement the business reform measures that have been announced to date and are currently underway.

(Consolidated results)

(Millions of yen)

	Year ended February 29, 2024		Year ended February 28, 2025	
		Compared to previous year		Compared to previous year
Revenues from operations	11,471,753	97.1%	11,972,762	104.4%
Operating income	534,248	105.5%	420,991	78.8%
Ordinary income	507,086	106.6%	374,586	73.9%
Net income attributable to owners of parent	224,623	79.9%	173,068	77.0%

(Medium-Term Management Plan 2021-2025: Key consolidated financial indicators)

(Millions of yen)

	Year ended February 29, 2024		Year ended February 28, 2025	
		Compared to previous year		Compared to previous year
EBITDA	1,054,951	106.0%	995,523	94.4%
Operating CF (excluding financial services)	778,398	93.5%	783,254	100.6%
Free CF (excluding financial services)	391,694	82.6%	435,015	111.1%
ROE (%)	6.2		4.5	
ROIC (excluding financial services) (%)	4.1		3.5	
Debt/EBITDA ratio (times)	2.6		2.7	
Net income per share (EPS) (Yen)	84.88	80.0%	66.62	78.5%

Exchange rate (Income statement)	U.S.$1 = ¥140.67	U.S.$1 = ¥151.69
	1 yuan = ¥19.82	1 yuan = ¥21.04
Exchange rate (Balance sheet)	U.S.$1 = ¥141.83	U.S.$1 = ¥158.18
	1 yuan = ¥19.93	1 yuan = ¥21.67

Notes:
1. Operating CF (excluding financial services) is a management accounting figure based on NOPAT excluding financial services.
2. Free CF (excluding financial services) is a management accounting-based figure excluding financial services.
   M&A-related investments are regarded as strategic investments and thus are excluded from cash flows from investing activities.
3. ROIC (excluding financial services) = {Net income + Interest expense x (1 – Effective tax rate)} ÷ {Shareholders' equity + Interest-bearing debt [average of fiscal beginning/end for both figures]}
4. The Company implemented a three-for-one share split of its common stock on March 1, 2024. "Net income per share" for the fiscal year ended February 29, 2024 and the year-over-year comparison are calculated based on the assumption that the stock split was effective from the beginning of the fiscal year ended February 28, 2023.

Total Group sales (including sales of franchisees of SEVEN-ELEVEN JAPAN CO., LTD., SEVEN-ELEVEN OKINAWA Co., Ltd., 7-Eleven, Inc., and 7-Eleven Stores Pty Ltd) amounted to ¥18,442,884 million (103.7% of the previous year). In the fiscal year under review, group revenue increased by ¥810.4 billion, revenues from operations increased by ¥669.1 billion, and operating income increased by ¥15.5 billion, as a result of exchange rate fluctuations.

Business overview by operating segment for the fiscal year ended February 28, 2025 is as follows.

(Revenues from operations by operating segment)

(Millions of yen)

	Year ended February 29, 2024		Year ended February 28, 2025	
		Compared to previous year		Compared to previous year
Domestic convenience store operations	921,706	103.5%	904,152	98.1%
Overseas convenience store operations	8,516,939	96.3%	9,170,782	107.7%
Superstore operations	1,477,384	101.9%	1,432,126	96.9%
Financial services	207,479	106.8%	212,127	102.2%
Others	411,305	84.2%	320,914	78.0%
Total	11,534,814	97.2%	12,040,102	104.4%
Adjustments (Eliminations/corporate)	(63,060)	–	(67,339)	–
Total	11,471,753	97.1%	11,972,762	104.4%

(Operating income by operating segment)

(Millions of yen)

	Year ended February 29, 2024		Year ended February 28, 2025	
		Compared to previous year		Compared to previous year
Domestic convenience store operations	250,544	108.0%	233,554	93.2%
Overseas convenience store operations	301,628	104.1%	216,248	71.7%
Superstore operations	13,588	109.6%	10,415	76.7%
Financial services	38,172	102.8%	32,015	83.9%
Others	2,688	103.6%	5,779	215.0%
Total	606,622	105.7%	498,014	82.1%
Adjustments (Eliminations/corporate)	(72,373)	–	(77,023)	–
Total	534,248	105.5%	420,991	78.8%

a. Domestic convenience store operations

Revenues from the domestic convenience store operations were ¥904,152 million (98.1% of the previous year), and operating income was ¥233,554 million (93.2% of the previous year).

SEVEN-ELEVEN JAPAN CO., LTD. is focusing on addressing changes in customers' purchasing behavior caused by shifts in the external environment, such as ongoing population decline, aging society with declining birthrate and the increasing polarization of spending due to rising prices and other factors. Accordingly, SEVEN-ELEVEN JAPAN CO., LTD. has been striving to expand the customer base and increase the frequency of store visits, with efforts based on refining basic merchandise. To this purpose, SEVEN-ELEVEN JAPAN CO., LTD. has been promoting its initiatives including expanding merchandise assortments according to market needs, providing a new shopping experience for customers as well as delivering value that balances quality and price.

In addition, SEVEN-ELEVEN JAPAN CO., LTD. is taking steps to implement the 7NOW delivery service on a national scale. This involves building a system for national expansion and enhancing other initiatives, such as promoting the 7NOW App to a wider audience.

Furthermore, in order to meet diverse customer needs, SEVEN-ELEVEN JAPAN CO., LTD. has launched the SIP* store, a new concept store, on February 29, 2024. In this store, potential customer needs are identified, paving the way for the introduction of products and services aligned with these needs to other stores. Based on the results of this initiative, we began testing the service at about 20 stores in Saitama Prefecture from January 2025 with a view to expanding the service in the future, and the service has been well received. Based on the results of this review, we will aim to improve profitability by expanding the service.
In the fiscal year under review, measures to increase the frequency of customer visits and expand into new customer segments by providing value that balances quality and price were successful, and existing stores sales and numbers of customers exceeded the previous year's figures, with total store sales (the sum of sales from directly operated stores and franchisees) reaching ¥5,369,756 million (100.5% of the previous year). Meanwhile, operating income was ¥233,797 million (93.1% of the previous year) because of a drop in gross profit margin due to rising material costs and utility expenses.

* Refers to a partnership (dubbed "SIP") between SEVEN-ELEVEN JAPAN CO., LTD. (SEJ) and Ito-Yokado Co., Ltd. (IY).

b. Overseas convenience store operations

Revenues from the overseas convenience store operations were ¥9,170,782 million (107.7% of the previous year), and operating income was ¥216,248 million (71.7% of the previous year).
In North America, 7-Eleven, Inc. is pursuing sustained business growth and enhanced capital efficiency in the context of a tough consumer spending environment, particularly among lower- and middle-income earners whose desire to save on food and other necessities has become even stronger. Also, there is a growing polarization of consumption due to a decline in labor incomes, which is a result of challenging employment conditions, as well as inflationary pressures and high interest rates. To this end, 7-Eleven, Inc. has promoted four measures: Enhance Proprietary Products (including value offers), Accelerate Digital & Delivery, Improve Efficiencies and Cost leadership, and Grow and Enhance Store Network.
Furthermore, 7-Eleven, Inc. completed on April 16, 2024, the acquisition of a part of the convenience store business and fuel retail business of U.S. company Sunoco LP.
As a result, for the fiscal year under review, merchandise sales at existing stores in the U.S. decreased year on year in U.S. dollars, while operating income (before amortization of goodwill) amounted to ¥329,620 million (83.2% of the previous year).
Total sales of all stores in the chain (the sum of sales from directly managed stores and franchisees) amounted to ¥10,493,291 million (102.9% of the previous year).
Despite the impact of various external factors, we are seeing a trend toward improving sales, particularly as our proprietary products are driving overall sales as we move forward with the four measures.
7-Eleven International LLC has plans to extend our presence to 30 countries and regions including Japan and North America by the fiscal year ending December 31, 2030. Under this policy, we will promote a growth strategy that leverages both existing and new markets. As for existing market growth, we are working to transform our stores into "food-focused convenience stores" that are tailored to the characteristics of each market. As part of this, on April 1, 2024, 7-Eleven International LLC completed the acquisition of the Australian company Convenience Group Holdings Pty Ltd.* (hereinafter "SEA"), which holds shares in several companies, including 7-Eleven Stores Pty Ltd., a licensee that operates convenience store and fuel retail businesses under the 7-Eleven brand, and we are working to enhance the development of fresh food merchandise and expand our lineup.

* Convenience Group Holdings Pty Ltd. is a holding company of 7-Eleven Stores Pty Ltd., which operates the convenience store and fuel retail business under the "7-Eleven" brand as a licensee of the Company in Australia.

c. Superstore operations

Revenues from the superstore operations were ¥1,432,126 million (96.9% of the previous year), and operating income was ¥10,415 million (76.7% of the previous year).

Ito-Yokado Co., Ltd. is executing fundamental reforms to improve profitability in line with its plan on the whole. Ito-Yokado Co., Ltd. has been making efforts to improve merchandise quality, to enhance product assortment, and to enhance store operating efficiency. These efforts included the launch of YORK DELI, a new delicatessen brand, by utilizing strategic investment infrastructure such as process centers and central kitchens, including Peace Deli Chiba Kitchen, which started operations on February 27, 2024.

For the fiscal year under review, existing store sales decreased from the previous year due to factors such as a reduction of the directly managed sales floor area, but operating income was ¥3,020 million (compared to an operating loss of ¥1,205 million in the previous year) due to the suppression of SG&A expenses through drastic reforms such as store closures.

For York-Benimaru Co., Ltd., we have been furthering initiatives to revitalize same stores, enhance development and sales of delicatessen merchandise, etc. in order to realize its concept of "making the daily meals of customers in local areas more enjoyable, plentiful, and convenient."

For the fiscal year under review, although sales at existing stores exceeded the previous year's figures due to factors including sales promotion measures being successful, operating income was ¥16,810 million (89.9% of the previous year) due to factors such as the sharp rise in the price of raw materials.

d. Financial services

Revenues from the financial services operations were ¥212,127 million (102.2% of the previous year), and operating income was ¥32,015 million (83.9% of the previous year).

As of the end of the fiscal year under review, the number of domestic ATMs operated by Seven Bank, Ltd. stood at 27,965, up 595 from the previous fiscal year-end. The average number of ATM use per day per ATM was 107.9 (up 3.3 from the previous year) owing to improvement in the number of transactions at savings and deposit financial institutions, and an increase in non-banking transactions such as consumer finance in line with increased demand for funds, as well as a sustained high level of cash charge transactions associated with various cashless payments. As a result, total transactions of ATMs of Seven Bank, Ltd. during the fiscal year ended February 28, 2025 increased from a year earlier. As of the end of the fiscal year under review, Seven Bank, Ltd. had cash and deposits (including cash for ATM loading) of ¥903.1 billion.

e. Others

Revenues from operations for the "Others" segment amounted to ¥320,914 million (78.0% of the previous year), and operating income was ¥5,779 million (215.0% of the previous year).

Revenues decreased partly due to the transfer of operating companies as a result of business portfolio optimization, while operating income increased due to strong performance at operating companies such as THE LOFT CO., LTD. helped by a recovery in customer traffic.

f. Adjustments (Eliminations/corporate)

Operating loss under adjustments (eliminations/corporate) totaled ¥77,023 million (compared with operating loss of ¥72,373 million in the previous year).

This operating loss mainly reflected expenses related to the construction of the Group's shared infrastructure system for purposes such as enhancing operating efficiency and bolstering security.

(ii) Financial position

a. Assets, liabilities and net assets

Total assets increased by ¥793,993 million from the end of the previous fiscal year to ¥11,386,111 million, due to factors such as exchange rate fluctuations and the acquisition of SEA in the overseas convenience store operations.

Current assets declined ¥211,883 million from the end of the previous fiscal year, mainly due to a decrease in cash and deposits.

Non-current assets increased ¥1,006,276 million, mainly due to factors such as exchange rate fluctuations and an increase in property and equipment and intangible assets resulting from the acquisition of SEA in the overseas convenience store operations.

Liabilities increased by ¥477,172 million from the end of the previous fiscal year to ¥7,168,665 million, due to factors such as exchange rate fluctuations and an increase in lease obligations associated with the acquisition of SEA.
Net assets increased ¥316,821 million from the end of the previous fiscal year to ¥4,217,445 million, mainly due to an increase in foreign currency translation adjustments.

b. Cash flows
Cash and cash equivalents at the end of the fiscal year under review totaled ¥1,349,820 million, a decrease of ¥212,673 million from the end of the previous fiscal year.
Net cash provided by operating activities amounted to ¥876,458 million (130.2% of the previous year). This was largely due to a decrease in notes and accounts payable - trade, amounting to ¥73,035 million, despite income before income taxes of ¥269,351 million and depreciation and amortization of ¥436,593 million.
Net cash used in investing activities totaled ¥732,363 million (169.6% of the previous year). This was mainly due to capital expenditures of ¥430,866 million for the acquisition of property and equipment associated with new store openings and renovations; ¥166,657 million in payments for purchase of shares in subsidiaries resulting in change in scope of consolidation due to the SEA acquisition in the overseas convenience store operations; and ¥109,675 million in payments for acquisition of business, among other factors.
Net cash used in financing activities totaled ¥392,648 million (104.1% of the previous year). This was mainly due to the repayment of long-term debt of ¥146,693 million, payment for redemption of bonds of ¥341,302 million, and dividend payments of ¥101,408 million, despite proceeds from long-term debt of ¥201,945 million.

(2) Production, orders, and sales results

(i) Production and orders

None

(ii) Purchases

Purchases in the fiscal year ended February 28, 2025 by segment are as follows.

Name of segment	Purchases (Millions of yen)	Compared to previous year (%)
Domestic convenience store operations	46,586	84.0
Overseas convenience store operations	7,110,698	106.8
Superstore operations	985,556	96.5
Financial services	22,993	106.2
Others	176,365	83.7
Total	8,342,201	104.7

Notes: 1. Purchases in the domestic and overseas convenience store operations in the above table only include purchases of directly managed stores.

2. The above purchase results are amounts after eliminating inter-company transactions among consolidated companies.

(iii) Sales

Net sales (net sales among revenues from operations) in the fiscal year ended February 28, 2025 by segment are as follows.

Name of segment	Net sales (Millions of yen)	Compared to previous year (%)
Domestic convenience store operations	63,256	83.3
Overseas convenience store operations	8,650,205	107.6
Superstore operations	1,332,250	96.8
Financial services	22,558	104.8
Others	274,052	81.9
Total	10,342,323	105.0

Notes: 1. Net sales in the domestic and overseas convenience store operations in the above table only include sales of directly managed stores.

2. The above sales results are amounts after eliminating inter-company transactions among consolidated companies.

3. Sales of major subsidiaries are as follows.

(1) Domestic convenience store operations

SEVEN-ELEVEN JAPAN CO., LTD.

Category	Total sales of all stores in the chain (Millions of yen)	Compared to previous year (%)	Composition (%)
Processed food	1,460,763	102.4	27.1
Fast food	1,525,446	97.4	28.3
Daily food	668,393	99.7	12.4
Food sales	3,654,603	99.8	67.8
Nonfood	1,735,667	102.1	32.2
Total	5,390,271	100.5	100.0

Note: The above amounts are before the application of the Revenue Recognition Accounting Standard, etc., and do not include consumption taxes, etc. Total sales of all stores in the chain represent the total amount of sales of franchised stores (franchisees) and training stores (directly managed stores).

(2) Overseas convenience store operations

7-Eleven, Inc.

Category	Total sales of all stores in the chain (Millions of yen)	Compared to previous year (%)	Composition (%)
Processed food	1,923,603	107.0	18.3
Fast food	551,086	107.6	5.3
Daily food	162,592	105.5	1.5
Food sales	2,637,282	107.1	25.1
Nonfood	1,476,574	104.4	14.1
Merchandise sales	4,113,857	106.1	39.2
Fuel sales	6,379,433	100.9	60.8
Total	10,493,291	102.9	100.0

Note: Total sales of all stores in the chain represent the total amount of sales of franchised stores (franchisees) and training stores (directly managed stores).

(3) Superstore operations

(i) Ito-Yokado Co., Ltd.

Category	Net sales (Millions of yen)	Compared to previous year (%)	Composition (%)
Food & Drug	526,785	91.0	53.9
Specialty stores	108,562	83.5	11.1
Merchandise sales	635,348	89.7	65.0
Tenants	333,336	101.1	34.1
Others	9,521	305.6	1.0
Total	978,206	93.9	100.0

Notes: 1. The above amounts are before the application of the Revenue Recognition Accounting Standard, etc., and do not include consumption taxes, etc.

2. From the fiscal year under review, we have revised our reporting segments from the previous classifications of “Lifestyle,” “Specialty stores,” “Food,” “Tenants,” and “Others” to the new classifications of “Food & Drug,” “Specialty stores,” “Tenants,” and “Others.” Comparisons with the previous year are based on the figures for the previous fiscal year reclassified into the new segment classifications.
3. Ito-Yokado Co., Ltd. merged with York Co., Ltd. (which operated under the York Mart and York Foods store brands, among others) on September 1, 2023, but the above amounts do not include figures for the York Mart, York Foods, etc. The figures for York Mart and York Foods, etc., are as follows.

(Reference) York Mart and York Foods, etc.

Category	Net sales (Millions of yen)	Compared to previous year (%)
Merchandise sales	197,924	103.4

(ii) York-Benimaru Co., Ltd.

Category	Net sales (Millions of yen)	Compared to previous year (%)	Composition (%)
Fresh food	177,755	102.3	34.8
Processed food	127,285	104.7	24.9
Daily food	106,085	102.2	20.8
Delicatessen food	62,553	101.9	12.2
Food sales	473,679	102.8	92.7
Apparel	9,965	98.2	1.9
Household goods	17,993	97.8	3.5
Merchandise sales	501,639	102.5	98.1
Tenants	9,487	104.0	1.9
Total	511,126	102.6	100.0

Note: The above amounts are before the application of the Revenue Recognition Accounting Standard, etc., and do not include consumption taxes, etc.

(3) Details of analysis and considerations regarding the status of business results from management's perspective
The details of recognition as well as analysis and considerations regarding the status of business results of the Group from management's perspective are as follows. This section includes forward-looking statements and future expectations as of the end of the fiscal year under review.

(i) Analysis of business results

a. Revenues from operations and operating income
Revenues from operations for the fiscal year under review amounted to ¥11,972,762 million (104.4% of the previous year), an increase of ¥501,008 million from the previous fiscal year. Operating income was ¥420,991 million (78.8% of the previous year), a decrease of ¥113,257 million from the previous fiscal year.

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025	Increase/decrease
Revenues from operations			
Domestic convenience store operations	921,706	904,152	(17,554)
Overseas convenience store operations	8,516,939	9,170,782	653,842
Superstore operations	1,477,384	1,432,126	(45,258)
Financial services	207,479	212,127	4,648
Others	411,305	320,914	(90,390)
Total	11,534,814	12,040,102	505,287
Eliminations/corporate	(63,060)	(67,339)	(4,278)
Total	11,471,753	11,972,762	501,008
Operating income			
Domestic convenience store operations	250,544	233,554	(16,990)
Overseas convenience store operations	301,628	216,248	(85,379)
Superstore operations	13,588	10,415	(3,172)
Financial services	38,172	32,015	(6,156)
Others	2,688	5,779	3,091
Total	606,622	498,014	(108,607)
Eliminations/corporate	(72,373)	(77,023)	(4,649)
Total	534,248	420,991	(113,257)

Revenues from the domestic convenience store operations were ¥904,152 million (98.1% of the previous year), and operating income was ¥233,554 million (93.2% of the previous year).
SEVEN-ELEVEN JAPAN CO., LTD. is focusing on addressing changes in customers' purchasing behavior caused by shifts in the external environment, such as ongoing population decline, aging society with declining birthrate and the increasing polarization of spending due to rising prices and other factors. Accordingly, SEVEN-ELEVEN JAPAN CO., LTD. has been striving to expand the customer base and increase the frequency of store visits, with efforts based on refining basic

merchandise. To this purpose, SEVEN-ELEVEN JAPAN CO., LTD. has been promoting its initiatives including expanding merchandise assortments according to market needs, providing a new shopping experience for customers as well as delivering value that balances quality and price.

In addition, SEVEN-ELEVEN JAPAN CO., LTD. is taking steps to implement the 7NOW delivery service on a national scale. This involves building a system for national expansion and enhancing other initiatives, such as promoting the 7NOW App to a wider audience.

Furthermore, in order to meet diverse customer needs, SEVEN-ELEVEN JAPAN CO., LTD. has launched the SIP* store, a new concept store, on February 29, 2024. In this store, potential customer needs are identified, paving the way for the introduction of products and services aligned with these needs to other stores. Based on the results of this initiative, we began testing the service at about 20 stores in Saitama Prefecture from January 2025 with a view to expanding the service in the future, and the service has been well received. Based on the results of this review, we will aim to improve profitability by expanding the service.

In the fiscal year under review, measures to increase the frequency of customer visits and expand into new customer segments by providing value that balances quality and price were successful, and existing stores sales and numbers of customers exceeded the previous year's figures, with total store sales (the sum of sales from directly operated stores and franchisees) reaching ¥5,369,756 million (100.5% of the previous year). Meanwhile, operating income was ¥233,797 million (93.1% of the previous year) because of a drop in gross profit margin due to rising material costs and utility expenses.

* Refers to a partnership (dubbed "SIP") between SEVEN-ELEVEN JAPAN CO., LTD. (SEJ) and Ito-Yokado Co., Ltd. (IY).

Revenues from the overseas convenience store operations were ¥9,170,782 million (107.7% of the previous year), and operating income was ¥216,248 million (71.7% of the previous year).

In North America, 7-Eleven, Inc. is pursuing sustained business growth and enhanced capital efficiency in the context of a tough consumer spending environment, particularly among lower- and middle-income earners whose desire to save on food and other necessities has become even stronger. Also, there is a growing polarization of consumption due to a decline in labor incomes, which is a result of challenging employment conditions, as well as inflationary pressures and high interest rates. To this end, 7-Eleven, Inc. has promoted four measures: Enhance Proprietary Products (including value offers), Accelerate Digital & Delivery, Improve Efficiencies and Cost leadership, and Grow and Enhance Store Network.

Furthermore, 7-Eleven, Inc. completed on April 16, 2024, the acquisition of a part of the convenience store business and fuel retail business of U.S. company Sunoco LP. As a result, for the fiscal year under review, merchandise sales at existing stores in the U.S. decreased year on year in U.S. dollars, while operating income (before amortization of goodwill) amounted to ¥329,620 million (83.2% of the previous year). Total sales of all stores in the chain (the sum of sales from directly managed stores and franchisees) amounted to ¥10,493,291 million (102.9% of the previous year). Despite the impact of various external factors, we are seeing a trend toward improving sales, particularly as our proprietary products are driving overall sales as we move forward with the four measures.

7-Eleven International LLC has plans to extend our presence to 30 countries and regions including Japan and North America by the fiscal year ending December 31, 2030. Under this policy, we will promote a growth strategy that leverages both existing and new markets. As for existing market growth, we are working to transform our stores into "food-focused convenience stores" that are tailored to the characteristics of each market. As part of this, on April 1, 2024, 7-Eleven International LLC completed the acquisition of the Australian company Convenience Group Holdings Pty Ltd.* hereinafter "SEA"), which holds shares in several companies, including 7-Eleven Stores Pty Ltd., a licensee that operates convenience store and fuel retail businesses under the 7-Eleven brand, and we are working to enhance the development of fresh food merchandise and expand our lineup.

* Convenience Group Holdings Pty Ltd. is a holding company of 7-Eleven Stores Pty Ltd., which operates the convenience store and fuel retail business under the “7-Eleven” brand as a licensee of the Company in Australia.

Revenues from the superstore operations were ¥1,432,126 million (96.9% of the previous year), and operating income was ¥10,415 million (76.7% of the previous year).

Ito-Yokado Co., Ltd. is executing fundamental reforms to improve profitability in line with its plan on the whole. Ito-Yokado Co., Ltd. has been making efforts to improve merchandise quality, to enhance product assortment, and to enhance store operating efficiency. These efforts included the launch of YORK DELI, a new delicatessen brand, by utilizing strategic investment infrastructure such as process centers and central kitchens, including Peace Deli Chiba Kitchen, which started operations on February 27, 2024.

For the fiscal year under review, existing store sales decreased from the previous year due to factors such as a reduction of the directly managed sales floor area, but operating income was ¥3,020 million (compared to an operating loss of ¥1,205 million in the previous year) due to the suppression of SG&A expenses through drastic reforms such as store closures.

For York-Benimaru Co., Ltd., we have been furthering initiatives to revitalize same stores, enhance development and sales of delicatessen merchandise, etc. in order to realize its concept of “making the daily meals of customers in local areas more enjoyable, plentiful, and convenient.”

For the fiscal year under review, although sales at existing stores exceeded the previous year’s figures due to factors including sales promotion measures being successful, operating income was ¥16,810 million (89.9% of the previous year) due to factors such as the sharp rise in the price of raw materials.

Revenues from the financial services operations were ¥212,127 million (102.2% of the previous year), and operating income was ¥32,015 million (83.9% of the previous year).

As of the end of the fiscal year under review, the number of domestic ATMs operated by Seven Bank, Ltd. stood at 27,965, up 595 from the previous fiscal year-end. The average number of ATM use per day per ATM was 107.9 (up 3.3 from the previous year) owing to improvement in the number of transactions at savings and deposit financial institutions, and an increase in non-banking transactions such as consumer finance in line with increased demand for funds, as well as a sustained high level of cash charge transactions associated with various cashless payments. As a result, total transactions of ATMs of Seven Bank, Ltd. during the fiscal year ended February 28, 2025 increased from a year earlier. As of the end of the fiscal year under review, Seven Bank, Ltd. had cash and deposits (including cash for ATM loading) of ¥903.1 billion.

b. Non-operating income/expenses and ordinary income

Non-operating income/expenses came to loss of ¥46,404 million (net amount), compared with loss of ¥27,162 million (net amount) in the previous fiscal year. This was mainly due to a decrease in interest income and an increase in interest expenses for 7-Eleven, Inc.

As a result, ordinary income decreased ¥132,499 million from the previous fiscal year to ¥374,586 million.

c. Special gains/losses and income before income taxes

Special gains/losses came to loss of ¥105,235 million (net amount), compared with loss of ¥230,078 million (net amount) in the previous fiscal year. This was mainly due to the recording of gain on sales of property and equipment related to a sale-leaseback agreement by 7-Eleven, Inc.

As a result, income before income taxes decreased ¥7,655 million from the previous fiscal year to ¥269,351 million.

d. Income taxes (including income taxes - deferred) and net income attributable to owners of parent

Income taxes amounted to ¥86,331 million, up ¥44,527 million from the previous fiscal year. Effective rate of income taxes after application of deferred tax accounting was 32.1%.

As a result, net income attributable to owners of parent decreased ¥51,555 million from the previous fiscal year to ¥173,068 million. Net income per share was ¥66.62, a decrease of ¥18.26 from ¥84.88 in the previous fiscal year.

(ii) Analysis of financial position

a. Assets, liabilities and net assets

(Millions of yen)

	February 29, 2024	February 28, 2025	Increase/decrease
Total assets	10,592,117	11,386,111	793,993
Liabilities	6,691,492	7,168,665	477,172
Net assets	3,900,624	4,217,445	316,821

As of the end of the fiscal year under review, total assets amounted to ¥11,386,111 million, up ¥793,993 million from the end of the previous fiscal year.

Current assets declined ¥211,883 million from the end of the previous year to ¥2,823,782 million, mainly due to a decrease of ¥190,075 million in cash and deposits.

Property and equipment increased by ¥618,798 million, mainly due to exchange rate fluctuations and the acquisition of SEA in the overseas convenience store operations.

Intangible assets increased by ¥354,804 million, mainly due to exchange rate fluctuations and an increase associated with the acquisition of SEA. In addition, investments and other assets increased ¥32,674 million, mainly due to increases in municipal bonds and corporate bonds acquired by Seven Bank, Ltd. As a result, non-current assets increased ¥1,006,276 million from the end of the previous fiscal year to ¥8,561,745 million.

Total liabilities increased ¥477,172 million from the end of the previous fiscal year to ¥7,168,665 million.

Current liabilities totaled ¥3,316,615 million, an increase of ¥243,363 million from the end of the previous fiscal year, mainly because short-term loans and call money increased ¥87,614 million and ¥60,000 million, respectively.

Non-current liabilities increased by ¥233,809 million from the end of the previous fiscal year to ¥3,852,050 million, due to factors such as exchange rate fluctuations and an increase in lease obligations associated with the acquisition of SEA.

Total net assets increased ¥316,821 million from the end of the previous fiscal year to ¥4,217,445 million.

Retained earnings increased ¥71,595 million from the end of the previous fiscal year, mainly due to an increase of ¥173,068 million resulting from recording of net income attributable to owners of parent and a decrease of ¥101,469 million resulting from payment of dividends.

Foreign currency translation adjustments increased ¥293,002 million, mainly due to translation of the financial statements of 7-Eleven, Inc.

As a result, net assets per share amounted to ¥1,553.17, up ¥136.23 from the end of the previous fiscal year, and equity ratio advanced to 35.4% from 35.1% at the end of the previous fiscal year.

b. Cash flows

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025	Increase/decrease
Cash flows from operating activities	673,015	876,458	203,443
Cash flows from investing activities	(431,809)	(732,363)	(300,553)
Cash flows from financing activities	(377,065)	(392,648)	(15,582)
Cash and cash equivalents at the end of the fiscal year	1,562,493	1,349,820	(212,673)

Cash and cash equivalents (hereinafter "net cash") decreased ¥212,673 million from the end of the previous fiscal year to ¥1,349,820 million, primarily due to expenditures for new store openings and store renovations mainly in the domestic and overseas convenience store operations, repayment of debts and redemption of bonds, despite the cash flow generated by high operating profitability mainly in the domestic and overseas convenience store operations.

(Cash flows from operating activities)
Net cash provided by operating activities amounted to ¥876,458 million (130.2% of the previous year). The ¥203,443 million increase from the previous fiscal year was mainly because while loss on transfer of department store decreased ¥129,618 million, the change in notes and accounts receivable - trade and net change in call money in banking business increased ¥98,410 million and ¥130,000 million, respectively.
(Cash flows from investing activities)
Net cash used in investing activities amounted to ¥732,363 million (169.6% of the previous year). The ¥300,553 million increase from the previous fiscal year was mainly because while proceeds from sales of property and equipment grew ¥105,687 million, payment for purchase of shares in subsidiaries resulting in change in scope of consolidation and payment for acquisition of business increased ¥165,880 million and ¥107,488 million, respectively.
(Cash flows from financing activities)
Net cash used in financing activities amounted to ¥392,648 million (104.1% of the previous year). The ¥15,582 million increase from the previous fiscal year was mainly because while proceeds from long-term debts increased ¥149,245 million, proceeds from issuance of bonds decreased ¥220,000 million.

(iii) Strategic current state and outlook
In Japan, there are concerns that continued price increases will further heighten household thriftiness, but a moderate recovery is expected, supported by wage hikes, expanded capital investment, and rising inbound demand.
In North America, the personal consumption environment is expected to remain challenging due to increasing uncertainty surrounding trade policy and other factors.
In light of this business environment, on March 6, 2025, we announced the Plan to Unlock Shareholder Value Through Leadership Changes and Transformational Capital and Business Initiatives. While continuing to move forward with previously announced business transformation initiatives, we also outlined policies to elevate these efforts further through reforms to our leadership, promotion of an IPO for 7-Eleven, Inc., and a renewed approach to shareholder returns. We are by our basic stance that states: "We aim to contribute to local communities both in Japan and overseas by providing new experiences and values, from the customer's point of view." With this in mind, we will continue to advance these management initiatives.
In light of these factors, we have summarized our consolidated performance forecasts for the fiscal year ending February 28, 2026, as follows.

(Consolidated forecasts) (Millions of yen)

	Year ending February 28, 2026	
		Compared to previous year
Revenues from operations	10,722,000	89.6%
Operating income	424,000	100.7%
Ordinary income	386,000	103.0%
Net income attributable to owners of parent	255,000	147.3%

Notes: 1. Assumed exchange rates: U.S.$1 = ¥148.00; 1 yuan = ¥21.00
2. Total Group sales (including sales of franchisees of SEVEN-ELEVEN JAPAN CO., LTD., SEVEN-ELEVEN OKINAWA Co., Ltd., 7-Eleven, Inc., and 7-Eleven Stores Pty): ¥17,338,000 million

(Medium-Term Management Plan 2021-2025: Key consolidated financial indicators)

	Targets of the Medium-Term Management Plan FY2025	Forecast for FY2025
EBITDA	¥1.1 trillion or more	¥963.0 billion
ROE (%)	11.5% or more	6.9%
ROIC (excluding financial services) (%)	8.0% or more	5.3%
Debt/EBITDA ratio (times)	1.8-2.5 times	2.3 times
EPS growth rate (CAGR)	18% or more	8.5%

Notes: 1. ROIC (excluding financial services) = {Net income + Interest expense x (1 – Effective tax rate)} ÷ {Shareholders' equity + Interest-bearing debt [average of fiscal beginning/end for both figures]}

2. EPS growth rate (CAGR) is estimated based on CAGR (compound annual growth rate) for the year ended February 28, 2021.

3. The forecast for FY2025 is based on the assumptions outlined in the announcement made on March 6, 2025, on the Plan to Unlock Shareholder Value Through Leadership Changes and Transformational Capital and Business Initiatives. The forecast assumes the business portfolio transformation is completed by mid-fiscal year.

(Forecasts for revenues from operations and operating income by operating segment)

(Millions of yen)

	Year ending February 28, 2026			
	Revenues from operations		Operating income	
		Compared to previous year		Compared to previous year
Domestic convenience store operations	950,000	105.1%	244,700	104.8%
Overseas convenience store operations	8,848,000	96.5%	230,000	106.4%
Superstore operations	687,000	48.0%	15,400	147.9%
Financial services	119,000	56.1%	18,500	57.8%
Others	164,000	51.1%	1,900	32.9%
Total	10,768,000	89.4%	510,500	102.5%
Adjustments (Eliminations/corporate)	(46,000)	–	(86,500)	–
Total	10,722,000	89.6%	424,000	100.7%

As announced in the press release, "Notice Regarding the Transfer of Subsidiaries due to a Company Split (Absorption-type Split) at the Company's Subsidiary," on March 6, 2025, the Company resolved that the head office functions, subsidiary management functions of a total of 29 companies comprising 22 of our consolidated subsidiaries and 7 equity-method affiliates engaged in the Group's grocery retail, specialties, and other retail business held by YORK Holdings Co., Ltd. would be transferred to K.K. BCJ-96, a wholly-owned subsidiary of K.K. BCJ-95, an acquisition purpose company established by Bain Capital Private Equity, L.P. and its affiliates through an absorption-type split. As a result, the FY2025 performance forecasts for the transferred companies reflect only the first half of the fiscal year of the 29 companies concerned.

a. Domestic convenience store operations
SEVEN-ELEVEN JAPAN CO., LTD. will address changing customer purchasing behavior associated with shifts in external economic conditions such as a declining population, falling birthrates, with an aging society, as well as polarization of consumption. At the same time, SEVEN-ELEVEN JAPAN CO., LTD. will further strengthen efforts in the three areas of "expanding our product range to meet market needs," "providing customers with a new shopping experience," and "offering value that balances quality and price." We will also roll out the products and services identified at the SIP store to other stores, with the goal of improving store attractiveness and profitability.
In addition, by providing new experiential value that from the customers' perspective, such as through our delivery service "7NOW," we will unlock the next doorway to

convenience, and work to achieve sustainable growth throughout the entire value chain, including our franchisees and business partners.

b. Overseas convenience store operations
In North America, 7-Eleven, Inc. will continue to focus on the following key priorities: grow proprietary products, accelerate digital and delivery, improving efficiency and cost leadership, and grow and enhance store network.
7-Eleven International LLC will continue to work to achieve growth with quality and speed with the aim of opening stores in 30 countries and regions around the world, including Japan and North America, by the year ending December 31, 2030. Guided by these plans, 7-Eleven International LLC will strive to achieve high-quality and speedy growth.

c. Superstore operations
At Ito-Yokado Co., Ltd., we will establish a business model and work to maximize value through initiatives such as product and logistics improvements centered on Peace Deli Co., Ltd., strengthening collaboration with group companies, establishing a specialty store business, and strengthening the last mile strategy through collaboration with ONIGO Co.

d. Financial services
In the finance services, in addition to continuing to expand the ATM platform business, we will focus on the e-money and credit card businesses, etc. Additionally, under the Group financial strategy, we seek to develop distinctive financial services based on "7iD," an ID that customers can use across the Group, and to provide new value.
As part of such efforts, we began linking 7iD and accounts of Seven Bank, Ltd. on February 21, 2024. This initiative is expected to promote further coordination and data utilization, including strengthening coordination between the Bank app and operating companies' apps and awarding miles to customers when they use financial services.
Moreover, through these efforts, we will enhance customers' store visit frequency and spending per customer in the retail business, while working to propose financial services and develop products using purchasing data.

(iv) Capital resources and liquidity of funds
Fund demand
Major demand for working capital of the Group is purchases of goods and operating expenses such as selling, general and administrative expenses. Fund demand aimed at investments is mainly for capital expenditures for opening of new stores, renovation of stores and investments in software, as well as for M&A.
Funds necessary for capital expenditures made during the fiscal year ended February 28, 2025 were procured through loans from financial institutions and funds on hand.

Financial policies
To stably secure funds needed to maintain and expand the Group's business activities, we raise funds through utilization of funds on hand as well as loans from financial institutions and issuance of bonds.
We procure long-term funds such as long-term loans and bonds by appropriately judging size and method of financing after taking into account fund demand based on business plans, financing environment such as interest-rate trend, timing of repayment of existing loans, and other factors.
With regard to financial policies, in order to sustainably increase corporate value, we have our basic policy of increasing returns in excess of the cost of capital and enhancing our ability to generate cash flow.
The balance of interest bearing debt including loans, bonds and lease obligations at the end of fiscal year under review was ¥2,770,345 million.

(v) Objective indicators, etc. for judging achievement of management policies, strategies and management targets
In order to sustainably increase corporate value, we have established the following financial targets according to our basic policies of increasing returns (profits) in excess of the cost of capital and enhancing our ability to generate cash flow.

(Key consolidated financial targets for year ending February 28, 2026 (FY2025))

	FY2024 results	FY2025 targets (Announced on April 10, 2024)
EBITDA	¥995,523 million	¥1.1 trillion or more
Operating CF (excluding financial services)	¥783,254 million	¥900 billion or more
Free CF (excluding financial services)	¥435,015 million	¥500 billion or more
ROE	4.5%	11.5% or more
ROIC (excluding financial services)	3.5%	8.0% or more
Debt/EBITDA ratio	2.7 times	1.8-2.5 times
EPS growth rate (CAGR)	–	18% or more

* Operating CF (excluding financial services) is a management accounting figure based on NOPAT excluding financial services.

Free CF (excluding financial services) is a management accounting-based figure excluding financial services.

M&A-related investments are regarded as strategic investments and thus are excluded from cash flows from investing activities.

ROIC (excluding financial services) = {Net income + Interest expense x (1 – Effective tax rate)} ÷ {Shareholders' equity + Interest-bearing debt [average of fiscal beginning/end for both figures]}

EPS growth rate (CAGR) is estimated based on CAGR (compound annual growth rate) for the year ended February 28, 2021.

(vi) Significant accounting estimates and assumptions used in such estimates

The consolidated financial statements of the Group have been prepared in accordance with accounting principles generally accepted in Japan. In the preparation of these consolidated financial statements, we used estimates and assumptions that might affect reported amounts of assets, liabilities, revenue and expenses, but figures based on the estimates and assumptions may differ from actual results.

Of accounting estimates used in the preparation of the consolidated financial statements and assumptions used in such estimates, significant ones are described in "Significant Accounting Estimates" under "V. Financial Information, 1. Consolidated financial statements and other information, Notes to consolidated financial statements."

5. [Critical contracts for operation]
   (1) Group management administration agreement
   The Company has entered into a "Master Agreement for Provision of Group Management Services, etc." with each of SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd. and 17 other subsidiaries with regard to management administration conducted by the Company for each company.
   (2) Franchise agreement
   The overview of the franchise agreement between SEVEN-ELEVEN JAPAN CO., LTD. and each franchised store is as follows.
      (i) Agreement concluded between the parties (SEVEN-ELEVEN JAPAN CO., LTD. and a franchised store)
         a. Name of the agreement
         Franchise agreement and supplemental agreement thereto
         b. Purpose of the agreement
         To form a franchise contractual relationship with a franchised store for convenience store operation under license from SEVEN-ELEVEN JAPAN CO., LTD.
      (ii) Matters related to conditions of merchandise sales for franchisees
      Except asking for purchase of stock at the time of store opening, SEVEN-ELEVEN JAPAN CO., LTD. does not sell merchandise subsequently, and franchisees buy merchandise from suppliers recommended by SEVEN-ELEVEN JAPAN CO., LTD. or any other suppliers that they choose.
      (iii) Matters related to guidance on management
      SEVEN-ELEVEN JAPAN CO., LTD. continuously sends a person in charge to the franchised store to have him or her observe the status of the store, merchandise and sales, and provide advice and guidance, or cooperates to solve various problems arising in management. In addition, SEVEN-ELEVEN JAPAN CO., LTD. continues to conduct provision of materials including sales information, transmission of information regarding systems, effective disclosure of standard retail prices, assistance in various purchases, advertising, business consulting, and calculation and others for management through figures as well as to provide services such as extending credit for purchase of merchandise to franchisees.
      (iv) Matters related to trademark, trade name and other signs allowed to be used
      SEVEN-ELEVEN JAPAN CO., LTD. grants franchisees the right to use the "7-Eleven" trademark, other business symbols, and copyrighted materials for operating convenience stores.
      (v) Matters related to the term of agreement, etc.
      The term of agreement is 15 years from the day the franchise store first opens. Renewal of the agreement is subject to mutual discussion and agreement between the parties.
      (vi) Matters related to money collected regularly from franchisees
      The amount derived from certain calculation based on monthly gross profit on sales (amount computed by deducting monthly cost of merchandise sold (net cost of sales calculated by deducting each cost of merchandise loss and defective goods and purchase discounts from gross cost of merchandise sold) from monthly net sales) is paid to SEVEN-ELEVEN JAPAN CO., LTD. as consideration for services provided by SEVEN-ELEVEN JAPAN CO., LTD.

6. [Research and development activities]
   None

III. [Facilities]

1. [Capital expenditures]

Breakdown of capital expenditures in the fiscal year ended February 28, 2025 is as follows:

(Millions of yen)

Name of segment	Year ended February 28, 2025
Domestic convenience store operations	110,009
Overseas convenience store operations	290,828
Superstore operations	64,798
Financial services	68,041
Others	7,756
Eliminations/corporate	11,343
Total	552,778

Notes: 1. The amounts above include guarantee deposits and advances for store construction.

2. The amount for "Eliminations/corporate" is an aggregate of eliminated intersegment transactions and the Company's capital expenditures.

The amount of capital expenditures in the fiscal year ended February 28, 2025 totaled ¥552,778 million. In the domestic convenience store operations and overseas convenience store operations, investments of ¥110,009 million and ¥290,828 million, respectively, were made mainly due to opening of new stores and store renovation. In the superstore operations and the others, investments of ¥64,798 million and ¥7,756 million, respectively, were made mainly due to opening of new stores and store renovation. Furthermore, in the financial services, investments of ¥68,041 million were made mainly for installment of ATMs of Seven Bank, Ltd.

2. [Major facilities]

Major facilities as of February 28, 2025 are as follows.

(1) Breakdown by segment

Name of segment	Book value (Millions of yen)								Number of employees (Persons)
	Property and equipment					Intangible assets		Total	
	Buildings and structures	Furniture, fixtures and equipment, other	Land (m^2)	Lease assets	Right-of-use assets	Leasehold interests in land	Software		
Domestic convenience store operations	376,539	103,117	115,498 [1,457,799]	228	–	16,513	85,687	697,584	8,517 [2,050]
Overseas convenience store operations	1,109,974	343,242	776,874 [7,381,589]	–	1,272,958	–	88,752	3,591,802	33,560 [44,167]
Superstore operations	211,442	20,837	248,273 [2,311,487]	398	16,349	451	10,023	507,778	11,414 [35,664]
Financial services	17,317	84,957	16,822 [198,221]	172	26	–	50,030	169,327	1,887 [486]
Others	31,208	7,229	12,377 [116,364]	184	472	468	4,217	56,158	5,537 [8,466]
Corporate (shared)	2,683	2,513	2,712 [3,622]	656	–	–	57,104	65,671	1,097 [14]
Total	1,749,166	561,899	1,172,559 [11,469,082]	1,641	1,289,807	17,433	295,814	5,088,322	62,012 [90,847]

Notes: 1. The amounts above do not include construction in progress.

2. The number of employees represents the number of workers, and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.

3. “Corporate (shared)” represents the facilities and the number of employees of the Company.

(2) The Company

Name (Location)	Name of segment	Description	Book value (Millions of yen)								Number of employees (Persons)
			Property and equipment				Intangible assets			Total	
			Buildings and structures	Furniture, fixtures and equipment, other	Land (m^2)	Lease assets	Leasehold interests in land	Software	Lease assets		
Headquarters (Tokyo Met.)	Corporate (shared)	Office	1,413	2,450	– [–]	656	–	39,567	24,256	68,344	1,092 [10]
Ito Training Center (Kanagawa Pref.)	Corporate (shared)	Training center	1,129	47	2,712 [3,622]	–	–	–	–	3,889	5 [4]
Others	Corporate (shared)	Others	141	0	– [–]	–	–	–	–	141	– [–]

Notes: 1. The amounts above do not include construction in progress.

2. The number of employees represents the number of workers, and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.

(3) Domestic subsidiaries

(i) SEVEN-ELEVEN JAPAN CO., LTD. (Domestic convenience store operations)

Name (Location)	Description	Book value (Millions of yen)							Number of employees (Persons)
		Property and equipment				Intangible assets		Total	
		Buildings and structures	Furniture, fixtures and equipment, other	Land (m^2)	Lease assets	Leasehold interests in land	Software		
Minami 7-Jo and 993 other stores (Hokkaido)	Stores, etc.	19,232	5,021	13,981 [315,678]	2	454	–	38,691	41 [10]
Aomori Nitta 3 Chome and 112 other stores (Aomori Pref.)	Stores	2,203	604	300 [5,628]	–	78	–	3,187	– [–]
Ichinoseki Jonai and 158 other stores (Iwate Pref.)	Stores, etc.	9,139	829	1,007 [67,155]	1	157	–	11,135	2 [–]
Sendai Haranomachi and 443 other stores (Miyagi Pref.)	Stores	8,313	2,118	4,895 [57,398]	1	511	–	15,840	21 [5]
Yokote Matsubaramachi and 121 other stores (Akita Pref.)	Stores	2,599	648	36 [2,188]	0	123	–	3,407	3 [1]

Name (Location)	Description	Book value (Millions of yen)							Number of employees (Persons)
		Property and equipment				Intangible assets		Total	
		Buildings and structures	Furniture, fixtures and equipment, other	Land (m^2)	Lease assets	Leasehold interests in land	Software		
Murayama Tateoka Shinmachi and 186 other stores (Yamagata Pref.)	Stores	3,457	788	729 [13,982]	–	180	–	5,156	6 [1]
Koriyama Yatagawa and 452 other stores (Fukushima Pref.)	Stores	5,138	2,008	1,749 [27,113]	–	256	–	9,153	2 [–]
Tsuchiura Naka and 649 other stores (Ibaraki Pref.)	Stores	10,682	2,811	3,729 [51,938]	–	452	–	17,676	19 [5]
Oyama Joto and 473 other stores (Tochigi Pref.)	Stores	7,277	1,958	3,082 [48,777]	–	473	–	12,792	8 [2]
Takasaki Midoricho and 483 other stores (Gunma Pref.)	Stores	9,390	2,217	3,474 [53,293]	–	639	–	15,721	10 [2]
Saitama Kawajima and 1,252 other stores (Saitama Pref.)	Stores, etc.	25,627	5,373	6,395 [43,040]	3	1,061	–	38,461	52 [13]
Kakemama and 1,174 other stores (Chiba Pref.)	Stores, etc.	17,549	5,151	7,859 [116,399]	11	508	–	31,080	40 [10]
Chiyoda Nibancho and 2,913 other stores (Tokyo Met.)	Stores	39,841	14,010	17,960 [51,514]	6	1,037	–	72,855	110 [27]
Aioi and 1,520 other stores (Kanagawa Pref.)	Stores, etc.	19,596	7,081	8,481 [51,186]	0	625	–	35,786	70 [17]
Niigata Kurumaba and 431 other stores (Niigata Pref.)	Stores	7,771	2,098	4,082 [64,547]	0	323	–	14,276	6 [1]
Toyama Nishiosawa and 131 other stores (Toyama Pref.)	Stores	2,433	625	141 [5,650]	–	161	–	3,362	4 [1]
Kanazawa Ishikawa Kenchomae and 135 other stores (Ishikawa Pref.)	Stores	3,388	593	833 [21,285]	0	230	–	5,045	8 [2]
Fukui Haruyama 1 Chome and 70 other stores (Fukui Pref.)	Stores	1,653	366	617 [5,876]	–	88	–	2,724	7 [2]
Kofu Kotobukicho and 205 other stores (Yamanashi Pref.)	Stores	3,002	805	563 [11,792]	–	192	–	4,563	6 [1]
Shiojiri Daimon and 455 other stores (Nagano Pref.)	Stores	6,374	1,850	1,579 [32,533]	–	411	–	10,215	9 [2]

Name (Location)	Description	Book value (Millions of yen)							Number of employees (Persons)
		Property and equipment				Intangible assets		Total	
		Buildings and structures	Furniture, fixtures and equipment, other	Land (m^2)	Lease assets	Leasehold interests in land	Software		
Hashima Takehanacho Hachijiri and 190 other stores (Gifu Pref.)	Stores	3,987	745	701 [12,648]	0	315	–	5,750	6 [1]
Shizuoka Oshika and 757 other stores (Shizuoka Pref.)	Stores	11,629	3,235	4,143 [35,337]	0	620	–	19,630	18 [4]
Nagoya Amazukacho and 1,059 other stores (Aichi Pref.)	Stores	18,576	4,173	2,665 [28,169]	0	1,491	–	26,909	35 [9]
Kuwana Eba and 176 other stores (Mie Pref.)	Stores	3,439	781	122 [1,813]	–	137	–	4,480	8 [2]
Otsu Kinoshitacho and 224 other stores (Shiga Pref.)	Stores	3,625	952	1,790 [17,331]	1	255	–	6,624	7 [2]
Kyoto Karasuma Jujo and 352 other stores (Kyoto Pref.)	Stores	5,540	1,595	570 [2,597]	0	252	–	7,958	23 [6]
Osaka Ono 1 Chome and 1,296 other stores (Osaka Pref.)	Stores	17,814	5,113	1,648 [8,860]	2	775	–	25,354	77 [19]
JR Hyogo Ekimae and 695 other stores (Hyogo Pref.)	Stores, etc.	10,182	2,819	2,453 [33,684]	2	425	–	15,883	27 [7]
Nara Takabatakecho and 134 other stores (Nara Pref.)	Stores	2,210	532	62 [426]	0	85	–	2,891	5 [1]
Wakayama Tsuwada and 83 other stores (Wakayama Pref.)	Stores	1,383	359	180 [2,261]	–	47	–	1,970	– [–]
Yonago Kawasaki and 60 other stores (Tottori Pref.)	Stores	2,085	399	– [–]	–	30	–	2,515	– [–]
Hamada Aioicho and 69 other stores (Shimane Pref.)	Stores	1,658	363	133 [2,132]	1	52	–	2,209	6 [1]
Okayama Daigakumae and 317 other stores (Okayama Pref.)	Stores	5,841	1,479	1,648 [22,226]	1	278	–	9,249	10 [2]
Hiroshima Shimogochi and 597 other stores (Hiroshima Pref.)	Stores	9,897	2,549	4,746 [43,736]	3	639	–	17,836	12 [3]
Shimonoseki Ozuki and 319 other stores (Yamaguchi Pref.)	Stores	5,552	1,277	2,172 [38,715]	1	370	–	9,374	7 [2]

Name (Location)	Description	Book value (Millions of yen)							Number of employees (Persons)
		Property and equipment				Intangible assets		Total	
		Buildings and structures	Furniture, fixtures and equipment, other	Land (m^2)	Lease assets	Leasehold interests in land	Software		
Tokushima Showacho and 82 other stores (Tokushima Pref.)	Stores	1,303	491	322 [4,768]	0	21	–	2,139	– [–]
Takamatsu Sunport and 120 other stores (Kagawa Pref.)	Stores, etc.	3,821	732	736 [26,418]	–	67	–	5,357	2 [–]
Matsuyama Daigakumae and 132 other stores (Ehime Pref.)	Stores	2,751	791	66 [1,048]	0	113	–	3,723	4 [1]
Kochi Hommachi 1 Chome and 50 other stores (Kochi Pref.)	Stores	1,092	339	– [–]	0	39	–	1,472	5 [1]
Hakata Sumiyoshibashi and 1,056 other stores (Fukuoka Pref.)	Stores, etc.	17,302	4,709	3,831 [30,552]	0	1,122	–	26,966	22 [5]
Tosu Sonezakimachi and 193 other stores (Saga Pref.)	Stores	3,707	936	823 [18,733]	0	185	–	5,652	5 [1]
Nagasaki Matsuyamamachi and 206 other stores (Nagasaki Pref.)	Stores	3,443	990	– [–]	2	182	–	4,618	7 [2]
Kumamoto Nuyamazu 4 Chome and 378 other stores (Kumamoto Pref.)	Stores	8,499	1,902	1,586 [15,967]	2	307	–	12,299	13 [3]
Oita Benten and 188 other stores (Oita Pref.)	Stores	4,027	973	62 [3,212]	0	164	–	5,228	5 [1]
Miyazaki Hiroshima 2 Chome and 202 other stores (Miyazaki Pref.)	Stores	4,009	1,060	562 [9,996]	0	164	–	5,797	3 [1]
Kagoshima Kukomae and 215 other stores (Kagoshima Pref.)	Stores	4,753	1,129	495 [13,671]	0	132	–	6,512	2 [–]
Headquarters and regional offices, etc. (Tokyo Met. & others)	Offices, etc.	2,515	3,796	679 [8,332]	177	98	86,722	93,989	7,515 [1,828]

Notes: 1. The amounts above do not include construction in progress.

2. Stores show the total number of franchised stores (franchisees) and training stores (directly managed stores), and for franchised stores (franchisees), only lent equipment owned by the Company is shown.

3. The number of employees represents the number of workers, and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.

(ii) Ito-Yokado Co., Ltd. (Superstore operations)

Name (Location)	Description	Book value (Millions of yen)								Number of employees (Persons)
		Property and equipment				Intangible assets			Total	
		Buildings and structures	Furniture, fixtures and equipment, other	Land (m^2)	Lease assets	Leasehold interests in land	Software	Lease assets		
Utsunomiya (Tochigi Pref.)	Stores, etc.	–	–	– [–]	–	–	–	–	–	32 [123]
Urawa and 37 other stores (Saitama Pref.)	Stores, etc.	16,465	1,821	24,431 [168,579]	246	28	–	–	42,993	772 [2,951]
Kashiwa and 39 other stores (Chiba Pref.)	Stores, etc.	12,655	1,397	10,791 [140,870]	274	70	–	–	25,190	767 [3,053]
Takasago and 46 other stores (Tokyo Met.)	Stores, etc.	36,320	3,652	65,498 [181,888]	477	242	–	–	106,191	1,407 [4,693]
Sagamihara and 55 other stores (Kanagawa Pref.)	Stores, etc.	36,655	3,476	57,675 [210,219]	524	55	–	–	98,386	1,193 [4,951]
Kofu Showa (Yamanashi Pref.)	Stores, etc.	1,980	113	1,921 [8,893]	15	–	–	–	4,030	27 [139]
Yanaizu (Gifu Pref.)	Stores, etc.	–	–	– [–]	–	–	–	–	–	23 [66]
Shizuoka and 1 other store (Shizuoka Pref.)	Stores, etc.	2,528	337	5,170 [26,238]	29	–	–	–	8,067	72 [269]
Chita and 2 other stores (Aichi Pref.)	Stores, etc.	2,319	252	8,533 [65,147]	25	–	–	–	11,130	77 [308]
Tsukuno and 3 other stores (Osaka Pref.)	Stores, etc.	9,833	818	3,653 [32,284]	55	–	–	–	14,360	127 [713]
Kakogawa and 2 other stores (Hyogo Pref.)	Stores, etc.	483	80	– [–]	7	–	–	–	570	85 [393]
Headquarters and others (Tokyo Met. & others)	Offices, etc.	10,519	440	16,132 [181,609]	107	10	5,411	86	32,708	1,002 [647]

Notes: 1. The amounts above do not include construction in progress or software in progress.

2. The number of employees represents the number of workers, and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.

3. Headquarters and others include land, etc. of stores that were closed.

(iii) York-Benimaru Co., Ltd. (Superstore operations)

Name (Location)	Description	Book value (Millions of yen)							Number of employees (Persons)
		Property and equipment				Intangible assets		Total	
		Buildings and structures	Furniture, fixtures and equipment, other	Land (m²)	Lease assets	Leasehold interests in land	Software		
Yanome and 80 other stores (Fukushima Pref.)	Stores	25,708	1,847	15,771 [305,910]	4,422	–	–	47,749	866 [5,597]
Yamoto and 62 other stores (Miyagi Pref.)	Stores	17,042	952	8,439 [148,207]	2,976	–	–	29,410	648 [4,140]
Yonezawa and 21 other stores (Yamagata Pref.)	Stores	7,477	352	2,177 [47,013]	1,297	–	–	11,305	215 [1,169]
Ujiie and 34 other stores (Tochigi Pref.)	Stores	8,807	451	6,608 [227,228]	1,535	–	–	17,403	382 [2,040]
Akatsuka and 46 other stores (Ibaraki Pref.)	Stores	9,326	831	10,619 [259,217]	3,137	–	–	23,915	483 [2,602]
Headquarters and others (Fukushima Pref. & others)	Offices, etc.	10,601	3,370	8,768 [289,557]	638	–	2,256	25,635	539 [823]

Notes: 1. The amounts above do not include construction in progress or software in progress.

2. The number of employees represents the number of workers, and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.

3. Headquarters and others include land, etc. of stores that were closed.

(4) Foreign subsidiaries

Company name	Location	Name of segment	Description	Book value (Millions of yen)						Number of employees (Persons)
				Buildings and structures	Furniture, fixtures and equipment, other	Land (m²)	Right-of-use assets	Software	Total	
7-Eleven, Inc.	U.S. Texas	Overseas convenience store operations	Stores, etc.	1,106,753	337,047	773,886 [7,346,993]	1,255,539	88,710	3,561,938	32,150 [43,585]

Notes: 1. The amounts above do not include construction in progress.

2. The number of employees represents the number of workers, and the monthly average number of temporary employees through the conversion of their working hours to a 163-hour working month is shown in brackets and not included in the total.

3. [Plans for new construction and disposal of facilities]

(1) New construction of important facilities

Company name	Location	Name of segment	Description	Expenditure plan		Financing method	Start date	Scheduled completion date
				Total amount (Millions of yen)	Paid amount (Millions of yen)			
SEVEN-ELEVEN JAPAN CO., LTD.	Tokyo Met. & others	Domestic convenience store operations	New store construction, renovation, etc.	170,000	1,156	Funds on hand	January 2025	February 2026
7-Eleven, Inc.	U.S. Texas, etc.	Overseas convenience store operations	New store construction, renovation, etc.	226,400	–	Funds on hand and loans	January 2025	December 2025

(2) Disposal of important facilities

None

IV. [Information about the Company]

1. [Information about shares, etc.]

(1) [Total number of shares, etc.]

(i) [Total number of shares]

Type	Number of shares authorized to be issued (Shares)
Common stock	10,000,000,000
Total	10,000,000,000

(ii) [Issued shares]

Type	As of end of fiscal year Number of issued shares (Shares) (February 28, 2025)	As of filing date Number of issued shares (Shares) (May 23, 2025)	Name of financial instruments exchange on which shares are listed or name of authorized financial instruments firms association with which Company has registered	Description
Common stock	2,604,555,849	2,604,555,849	Tokyo Stock Exchange Prime Market	Number of shares per share unit: 100 shares
Total	2,604,555,849	2,604,555,849	–	–

Note: "Number of shares issued as of the filing date" does not include the number of shares issued upon exercise of share subscription rights from May 1, 2025 until the filing date of this Annual Securities Report.

(2) [Share subscription rights]

(i) [Details of stock option program]

Share subscription rights issued based on the Companies Act are as follows.

Shown below is information as of the end of the fiscal year under review (February 28, 2025). As of the end of the month preceding the filing date (April 30, 2025), all rights had been exercised.

	15th	17th	19th
Date of resolution of the Annual Shareholders' Meeting	–	–	–
Date of resolution of the Board of Directors meeting	July 7, 2015	July 7, 2016	July 6, 2017
Category and number of grantees	Directors of the Company (excluding Outside Directors): 8	Directors of the Company (excluding Outside Directors): 7	Directors of the Company (excluding Outside Directors): 6
Number of share subscription rights (Units)	30	30	30
Number of share subscription rights to treasury stock (Units)	–	–	–
Class of shares to be acquired upon exercise of the share subscription rights	Common stock	Same as left	Same as left
Number of shares to be acquired upon exercise of the share subscription rights (Shares) (Note 1)	9,000 (Note 5)	9,000 (Note 5)	9,000 (Note 5)
Amount to be paid in upon exercise of share subscription rights (Yen)	1	Same as left	Same as left
Exercise period of share subscription rights	From February 29, 2016 to August 5, 2035	From February 28, 2017 to August 3, 2036	From February 28, 2018 to August 4, 2037
Share issue price and amount incorporated into capital per share in the event of issuance of shares upon exercise of share subscription rights (Yen)	Issue price: 1,776 Amount incorporated into capital (Notes 2, 5)	Issue price: 1,204 Amount incorporated into capital (Notes 2, 5)	Issue price: 1,232 Amount incorporated into capital (Notes 2, 5)
Conditions for exercise of share subscription rights	(Note 3)	Same as left	Same as left
Transfer of share subscription rights	Acquisition of share subscription rights by transfer shall require approval of the Company's Board of Directors.	Same as left	Same as left
Subrogation payment	–	–	–
Delivery of share subscription rights associated with internal reorganization	(Note 4)	Same as left	Same as left

	21st
Date of resolution of the Annual Shareholders' Meeting	–
Date of resolution of the Board of Directors meeting	July 5, 2018
Category and number of grantees	Directors of the Company (excluding Outside Directors): 7
Number of share subscription rights (Units)	30
Number of share subscription rights to treasury stock (Units)	–
Class of shares to be acquired upon exercise of the share subscription rights	Common stock
Number of shares to be acquired upon exercise of the share subscription rights (Shares) (Note 1)	9,000 (Note 5)
Amount to be paid in upon exercise of share subscription rights (Yen)	1
Exercise period of share subscription rights	From February 28, 2019 to August 3, 2038
Share issue price and amount incorporated into capital per share in the event of issuance of shares upon exercise of share subscription rights (Yen)	Issue price: 1,268 Amount incorporated into capital (Notes 2, 5)
Conditions for exercise of share subscription rights	(Note 3)
Transfer of share subscription rights	Acquisition of share subscription rights by transfer shall require approval of the Company's Board of Directors.
Subrogation payment	–
Delivery of share subscription rights associated with internal reorganization	(Note 4)

Notes: 1. The number of shares to be issued upon exercise of one share subscription right (hereinafter the "Number of Allotted Shares") shall be 100 shares.

If the Company conducts a share split, allotment of shares without contribution or consolidation of shares after the date of allotting share subscription rights, the Number of Allotted Shares shall be adjusted by the following formula. However, such adjustment shall be made to the number of shares to be issued upon exercise of the share subscription rights which remain unexercised at the time of the share split, allotment or consolidation, and any fractions less than one share resulting from the adjustment shall be rounded off.

Adjusted number of shares = unadjusted number of shares × ratio of split or consolidation

Furthermore, other than the above case, if there is any unavoidable reason requiring adjustment of the number of shares after the allotment date, the Company shall make adjustment to the number of shares that it considers necessary to a reasonable extent.

2. Amount incorporated into capital

(1) The amount of increase in capital stock resulting from issuance of shares upon exercise of share subscription rights shall be one-half of the maximum amount of increase in capital stock, etc. calculated in accordance with the provisions of Article 17, paragraph (1) of the Regulations on Corporate Accounting, and any fractions less than ¥1 resulting from the calculation shall be rounded up.

(2) The amount of increase in additional paid-in capital resulting from issuance of shares upon exercise of share subscription rights shall be the amount calculated by deducting the amount of increase in capital

stock as stipulated in (1) above from the maximum amount of increase in capital stock, etc. stated in (1) above.

3. Conditions for exercise of share subscription rights are as follows:
   (1) A share subscription right holder may exercise the share subscription rights only within ten (10) days from the day following the day he/she loses his/her position as a Director or Executive Officer of the Company, or as a Director or Executive Officer of a subsidiary of the Company.
   (2) Regardless of the condition set forth in (1) above, in the event that a shareholders' meeting of the Company (if a resolution of the shareholders' meeting is not required, then in the event that the Company's Board of Directors) approves a resolution for approval of a merger agreement in which the Company is the dissolved company or a resolution for approval of a share exchange agreement or a share transfer plan resulting in the Company becoming a wholly owned subsidiary of another company, then the share subscription right holder may exercise the share subscription rights only within thirty (30) days from the day following the day on which the resolution was approved.
   (3) If the share subscription right holder is a Director or Executive Officer of a subsidiary of the Company, then regardless of the condition set forth in (1) above, in the event that the company in question ceases to be a subsidiary of the Company (including but not limited to circumstances resulted from internal reorganization or the transfer of stock), then the share subscription right holder may exercise the share subscription rights only within thirty (30) days from the day following the day on which the company in question ceases to be a subsidiary of the Company.
   (4) The share subscription right holder is to exercise at one time all of the share subscription rights allotted.
   (5) If a share subscription right holder passes away, his/her heir may exercise such rights. The conditions for exercising the share subscription rights by the heir shall be as set forth in the agreement referred to in (6) below.
   (6) Other conditions shall be as set forth in the "Share Subscription Rights Allotment Agreement" entered into upon each issuance between the Company and the share subscription right holders based on a resolution of the Board of Directors.
4. When the Company implements a merger (limited to the case where the Company is dissolved due to the merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (hereinafter collectively referred to as "Internal Reorganization"), in each case, share subscription rights of any stock company listed in Article 236, paragraph (1), item (viii), (a) to (e) of the Companies Act (hereinafter the "Reorganized Company") shall be delivered to each share subscription right holder of share subscription rights remaining at the time when the Internal Reorganization takes effect (hereinafter "Remaining Share Subscription Rights") based on the following conditions. In this case, Remaining Share Subscription Rights shall be extinguished. However, this shall apply only if it is stipulated in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split agreement, share exchange agreement, or share transfer plan that share subscription rights of the Reorganized Company are delivered in line with the following conditions.
   (1) Number of share subscription rights of the Reorganized Company to be delivered

       Share subscription rights shall be each delivered in the number equal to the number of share subscription rights owned by share subscription right holders of Remaining Share Subscription Rights at the time when the Internal Reorganization takes effect.
   (2) Class of shares of the Reorganized Company to be acquired upon exercise of the share subscription rights

       It shall be common stock of the Reorganized Company.
   (3) Number of shares of the Reorganized Company to be acquired upon exercise of the share subscription rights

       It shall be determined in accordance with "Class of shares to be acquired upon exercise of the share subscription rights" and "Number of shares to be acquired upon exercise of the share subscription rights" provided above, taking into account the conditions of the Internal Reorganization and other factors.
   (4) Amount of property contributed upon exercise of the share subscription rights

       The amount of property contributed upon exercise of the share subscription rights to be delivered shall be the amount derived by multiplying adjusted exercise price after the reorganization by the number of shares to be acquired upon exercise of the share subscription rights, taking into account the conditions of the Internal Reorganization and other factors.
   (5) Exercise period of share subscription rights

       It shall be from the later of the commencement date of the exercise period of the remaining share subscription rights set forth in "Exercise period of share subscription rights" above or the effective date of the Internal Reorganization, to the last day of the exercise period of the Remaining Share Subscription Rights set forth in "Exercise period of share subscription rights."
   (6) Matters concerning the amount of increase in capital stock and additional paid-in capital resulting from issuance of shares upon exercise of share subscription rights

It shall be determined in accordance with “Share issue price and amount incorporated into capital per share in the event of issuance of shares upon exercise of share subscription rights” above.

(7) Restrictions on acquisition of share subscription rights by transfer

Acquisition of share subscription rights by transfer shall require approval by resolution of the board of directors (if the Reorganized Company is not a company with board of directors, then it shall be “by decision of directors”) of the Reorganized Company.

(8) Reasons and conditions for the acquisition of share subscription rights by the Reorganized Company

It shall be determined in accordance with the reasons and conditions for the acquisition of share subscription rights.

Reasons and conditions for the acquisition of share subscription rights are as follows:

(i) In the event that a shareholders’ meeting of the Company (if a resolution of the shareholders’ meeting is not required, then in the event that the Company’s Board of Directors) approves a resolution for approval of a merger agreement in which the Company is the dissolved company, a resolution for approval of a company split agreement or a company split plan in which the Company is the split company, or a resolution for approval of a share exchange agreement or a share transfer plan resulting in the Company becoming a wholly owned subsidiary of another company, then the Company may acquire the share subscription rights without compensation on the date separately specified by the Board of Directors.

(ii) In the event that share subscription right holders can no longer meet the conditions for exercise stated in “Conditions for exercise of share subscription rights” above, the Company shall be able to acquire their share subscription rights without compensation.

(iii) In the event that share subscription right holders violate the provisions of the “Share Subscription Rights Allotment Agreement” entered into upon each issuance, the Company shall be able to acquire their share subscription rights without compensation.

(9) Conditions for exercise of share subscription rights

It shall be determined in accordance with “Conditions for exercise of share subscription rights” above.

5. By resolution of the Board of Directors adopted at its meeting held on November 30, 2023, the Company implemented a three-for-one share split of its common stock on March 1, 2024. As a result, “Number of shares to be acquired upon exercise of the share subscription rights” and “Share issue price and amount incorporated into capital per share in the event of issuance of shares upon exercise of share subscription rights” are adjusted.

(ii) [Rights plan]

None

(iii) [Share subscription rights for other uses]

None

(3) [Exercise of bond certificates with share subscription rights with exercise price amendment clause]

None

(4) [Trends in total number of shares issued and capital stock]

Date	Change in total number of shares issued (Thousands of shares)	Balance of total number of shares issued (Thousands of shares)	Change in capital stock (Millions of yen)	Balance of capital stock (Millions of yen)	Change in additional paid-in capital (Millions of yen)	Balance of additional paid-in capital (Millions of yen)
February 29, 2024 (Note 1)	(8,699)	877,742	–	50,000	–	875,496
March 1, 2024 (Note 2)	1,755,484	2,633,226	–	50,000	–	875,496
June 28, 2024 (Note 1)	(28,670)	2,604,555	–	50,000	–	875,496

Notes: 1. The decrease in total number of shares issued is due to retirement of treasury stock based on the provisions of Article 178 of the Companies Act.

2. The Company implemented a three-for-one share split of its common stock on March 1, 2024. As a result, the total number of shares issued increased by 1,755,484 thousand shares.

(5) [Classification of shareholders]

February 28, 2025

Category	Shares (Number of shares constituting one unit: 100 shares)								Odd-lot shares (Shares)
	Govern-mental organi-zations	Financial institutions	Secu-rities compa-nies	Other Japan-ese corpo-rations	Foreign shareholders		Indi-viduals and others	Total	
					Other than individuals	Indi-viduals			
Number of shareholders (Persons)	–	146	61	1,989	861	491	207,936	211,484	–
Number of shares held (Units)	–	8,478,585	1,699,083	4,455,700	8,623,317	2,380	2,778,393	26,037,458	810,049
Shareholding ratio (%)	–	32.56	6.53	17.11	33.12	0.01	10.67	100.00	–

Notes: 1. As for treasury stock of 5,519,663 shares, 55,196 units are included in “individuals and others,” and 63 shares are included in “odd-lot shares.” In addition, it is equal to the actual number of shares held as of February 28, 2025.

2. “Financial institutions” includes the shares of the Company held by the BIP Trust and the ESOP Trust of 26,231 units and 15,140 units, respectively. These shares are presented as treasury stock in the consolidated financial statements and the nonconsolidated financial statements.

3. “Other Japanese corporations” includes 32 units of shares under the name of Japan Securities Depository Center.

(6) [Major shareholders]

February 28, 2025

Name	Address	Number of shares held (Thousands of shares)	Percentage of number of shares held in the total number of shares issued (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	8-1, 1-chome, Akasaka, Minato-ku, Tokyo	412,346	15.86
Ito-Kogyo Co., Ltd.	12-3, Gobancho, Chiyoda-ku, Tokyo	212,103	8.16
Custody Bank of Japan, Ltd. (Trust account)	8-12, 1-chome, Harumi, Chuo-ku, Tokyo	139,766	5.37
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (15-1, 2-chome, Konan, Minato-ku, Tokyo)	56,959	2.19
Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	6-6, 1-chome, Marunouchi, Chiyoda-ku, Tokyo (8-1, 1-chome, Akasaka, Minato-ku, Tokyo)	53,017	2.03
JP MORGAN CHASE BANK 385632 (Standing proxy: Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (15-1, 2-chome, Konan, Minato-ku, Tokyo)	50,504	1.94
MITSUI & CO., LTD. (Standing proxy: Custody Bank of Japan, Ltd.)	2-1, 1-chome, Otemachi, Chiyoda-ku, Tokyo (8-12, 1-chome, Harumi, Chuo-ku, Tokyo)	48,667	1.87
SMBC Nikko Securities Inc.	3-1, 3-chome, Marunouchi, Chiyoda-ku, Tokyo	47,591	1.83
STATE STREET BANK WEST CLIENT － TREATY 505234 (Standing proxy: Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (15-1, 2-chome, Konan, Minato-ku, Tokyo)	43,883	1.68
JP MORGAN CHASE BANK 385864 (Standing proxy: Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (15-1, 2-chome, Konan, Minato-ku, Tokyo)	33,715	1.29
Total	–	1,098,553	42.26

Notes:
1. Of the number of shares of the Company held in The Master Trust Bank of Japan, Ltd. (Trust account), 409,603 thousand shares are shares owned in trust for trust business (such as securities investment trust).
2. Of the number of shares of the Company held in Custody Bank of Japan, Ltd. (Trust account), 139,588 thousand shares are shares owned in trust for trust business (such as securities investment trust).
3. Treasury stock excluded from the above shares issued does not include the shares of the Company held by the BIP Trust and the ESOP Trust.

(7) [Voting rights]

(i) [Issued shares]

February 28, 2025

Category	Number of shares (Shares)		Number of voting rights (Units)	Description
Shares without voting rights		–	–	–
Shares with restricted voting rights (Treasury stock, etc.)		–	–	–
Shares with restricted voting rights (Other)		–	–	–
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock	5,519,600	–	–
	(Cross-held shares) Common stock	136,300	–	
Shares with full voting rights (Other)	Common stock	2,598,089,900	25,980,899	–
Odd-lot shares	Common stock	810,049	–	–
Total number of shares issued		2,604,555,849	–	–
Total number of voting rights		–	25,980,899	–

Notes: 1. Common stock in “Shares with full voting rights (Other)” includes 3,261 shares of shares under the name of Japan Securities Depository Center. “Number of voting rights” includes 32 voting rights related to shares with full voting rights under the name of said center.

2. Common stock in “Shares with full voting rights (Other)” includes 2,623,100 shares (number of voting rights: 26,231) of the shares of the Company held by the BIP Trust and 1,514,000 shares (number of voting rights: 15,140) of the shares of the Company held by the ESOP Trust.

(ii) [Treasury stock, etc.]

February 28, 2025

Name of shareholder	Address of shareholder	Number of shares held under own name (Shares)	Number of shares held under the name of others (Shares)	Total number of shares held (Shares)	Percentage of number of shares held in the total number of shares issued (%)
(Treasury stock) Seven & i Holdings Co., Ltd.	8-8, Nibancho, Chiyoda-ku, Tokyo	5,519,600	–	5,519,600	0.21
(Cross-held shares) PRIME DELICA CO., LTD.	7-1, 1-chome, Asamizodai, Minami-ku, Sagamihara-shi, Kanagawa Pref.	136,300	–	136,300	0.00
Total	–	5,655,900	–	5,655,900	0.21

Note: The shares of the Company held by the BIP Trust and the ESOP Trust are not included in the above treasury stock.

(8) [Details of officer and employee share ownership programs]

(Performance-Based Stock Compensation Plan for Directors)

The Company has introduced a Performance-Based Stock Compensation Plan (hereinafter the “Plan”) for Directors of the Company (excluding nonexecutive Directors and Directors residing overseas, the same applies hereinafter) using the Directors’ Compensation BIP (Board Incentive Plan) Trust (hereinafter “BIP Trust”), mainly aiming to raise willingness to contribute to the improvement of medium- and long-term corporate value and to share interests with shareholders.

(i) Outline of the Plan

The Plan is a program in which shares of the Company and others are granted to persons eligible for the BIP Trust depending on the position and the achievement level of performance targets, etc. in each fiscal year.

The covered period of the BIP Trust shall be three fiscal years from the fiscal year ended February 29, 2024 to the fiscal year ending February 28, 2026 (hereinafter the "Covered Period"). When the BIP Trust is continued, the following three fiscal years shall be the new Covered Period.

(ii) Total number of shares or total amount of money to be acquired by officers

As compensation granted to persons eligible for the ESOP Trust in the Covered Period, money of up to ¥1,200 million shall be contributed. In addition, the maximum number of points granted from the BIP Trust to persons eligible for the BIP Trust shall be 240,000 points per fiscal year (one point = one share of common stock).

(iii) Scope of persons who may receive beneficiary rights or other rights under the Plan

Of the Company's Directors, persons who meet the beneficiary requirements

(Performance-Based Stock Compensation Plan for Executive Officers)

The Company has introduced a Performance-Based Stock Compensation Plan (hereinafter the "Plan") for Executive Officers of the Company (excluding those residing overseas, the same applies hereinafter) using the Stock Grant Employee Stock Ownership Plan (ESOP) Trust (hereinafter "ESOP Trust"), mainly aiming to raise willingness to contribute to the improvement of medium- and long-term corporate value and to share interests with shareholders.

(i) Outline of the Plan

This is a program in which shares of the Company and others are granted to persons eligible for the ESOP Trust depending on the position and the achievement level of performance targets, etc. in each fiscal year.

The covered period of the ESOP Trust shall be three fiscal years from the fiscal year ended February 29, 2024 to the fiscal year ending February 28, 2026 (hereinafter the "Covered Period"). When the ESOP Trust is continued, the following three fiscal years shall be the new Covered Period.

(ii) Total number of shares or total amount of money to be acquired by officers

As compensation granted to persons eligible for the ESOP Trust in the Covered Period, money of up to ¥600 million shall be contributed. In addition, the maximum number of points granted from the ESOP Trust to persons eligible for the ESOP Trust shall be 120,000 points per fiscal year (one point = one share of common stock).

(iii) Scope of persons who may receive beneficiary rights or other rights under the Plan

Of the Company's Executive Officers, persons who meet the beneficiary requirements

2. [Acquisition of treasury stock, etc.]

[Class of shares, etc.]

Acquisition of common stock falling under Article 155, item (iii) of the Companies Act and acquisition of common stock falling under Article 155, item (vii) of the Companies Act

(1) [Acquisition by resolution of the shareholders' meeting]

None

(2) [Acquisition by resolution of the Board of Directors]
Acquisition under the provisions of Article 155, item (iii) of the Companies Act

Classification	Number of shares (Shares)	Total value (Yen)
Status of the resolution of the Board of Directors (November 30, 2023) (Acquisition period: December 1, 2023 - May 31, 2024)	25,000,000	110,000,000,000
Treasury stock acquired prior the fiscal year ended February 28, 2025	8,699,800	50,363,250,573
Treasury stock acquired during the fiscal year ended February 28, 2025	28,670,700	59,636,617,664
Non-exercised portion at the end of the fiscal year ended February 28, 2025	–	131,763
Ratio of non-exercised portion at the end of the fiscal year ended February 28, 2025 (%)	–	–
Treasury stock acquired during the period after the reporting period to the filing date of this report	–	–
Ratio of non-exercised portion as of the filing date (%)	–	–

Notes: 1. The number of shares of treasury stock acquired does not include the number of shares acquired by the BIP Trust and the ESOP Trust.

2. The Company implemented a three-for-one share split of its common stock on March 1, 2024. Therefore, the number of shares before the share split is shown for treasury stock acquired before the fiscal year ended February 28, 2025, and the number of shares after the share split is shown for treasury stock acquired during the period after the reporting period to the filing date of this report. After the effective date of the share split (March 1, 2024), the number of shares that may be acquired based on the resolution of the Board of Directors (November 30, 2023) is 75,000,000 shares.

Classification	Number of shares (Shares)	Total value (Yen)
Status of the resolution of the Board of Directors (April 9, 2025) (Acquisition period: April 10, 2025 - February 28, 2026)	400,000,000 (Upper limit)	600,000,000,000 (Upper limit)
Treasury stock acquired prior the fiscal year ended February 28, 2025	–	–
Treasury stock acquired during the fiscal year ended February 28, 2025	–	–
Non-exercised portion at the end of the fiscal year ended February 28, 2025	–	–
Ratio of non-exercised portion at the end of the fiscal year ended February 28, 2025 (%)	–	–
Treasury stock acquired during the period after the reporting period to the filing date of this report	12,603,400	26,182,070,800
Ratio of non-exercised portion as of the filing date (%)	96.8	95.6

Notes: 1. Treasury stock acquired during the period after the reporting period to the filing date of this report does not include the shares acquired through the purchase of odd-lot shares from May 1, 2025 until the filing date of this Annual Securities Report.

2. The number of shares of treasury stock acquired does not include the number of shares acquired by the BIP Trust and the ESOP Trust.

3. The Company implemented a three-for-one share split of its common stock on March 1, 2024. Therefore, the number of shares after the share split is shown for treasury stock acquired during the period after the reporting period to the filing date of this report.

(3) [Acquisition not based on resolution of the shareholders' meeting or Board of Directors]
Acquisition under the provisions of Article 155, item (vii) of the Companies Act

Classification	Number of shares (Shares)	Total value (Yen)
Treasury stock acquired during the fiscal year ended February 28, 2025	3,105	6,804,392
Treasury stock acquired during the period after the reporting period to the filing date of this report	721	1,553,218

Notes: 1. Treasury stock acquired during the period after the reporting period to the filing date of this report does not include the shares acquired through the purchase of odd-lot shares from May 1, 2025 until the filing date of this Annual Securities Report.

2. The number of shares of treasury stock acquired does not include the number of shares acquired by the BIP Trust and the ESOP Trust.

3. The Company implemented a three-for-one share split of its common stock on March 1, 2024. Therefore, the number of shares after the share split is shown for treasury stock acquired during the fiscal year ended February 28, 2025 and during the period after the reporting period to the filing date of this report.

(4) [Status of disposal and ownership of acquired treasury stock]

Classification	Year ended February 28, 2025		Period after the reporting period to the filing date of this report	
	Number of shares (Shares)	Total value of disposal (Yen)	Number of shares (Shares)	Total value of disposal (Yen)
Treasury stock acquired for which subscribers were solicited	–	–	–	–
Treasury stock acquired which was retired	28,670,700	58,062,711,319	–	–
Treasury stock acquired which was transferred in association with a merger, share exchange, delivery of shares, or company split	–	–	–	–
Other (Sale of odd-lot shares based on demand for sale)	223	440,496	36,000	72,907,917
Number of shares of treasury stock	5,519,663	–	18,087,784	–

Notes: 1. The number of shares of treasury stock does not include the number of shares owned by the BIP Trust and the ESOP Trust.

2. Treasury stock owned in the period after the reporting period to the filing date of this report does not include shares resulting from the exercise of share subscription rights, purchase and sale of odd-lot shares from May 1, 2025 until the filing date of this Annual Securities Report.

3. The Company implemented a three-for-one share split of its common stock on March 1, 2024. Therefore, the number of shares after the share split is shown for treasury stock during the fiscal year ended February 28, 2025 and the period after the reporting period to the filing date of this report, respectively.

3. [Dividend policy]

The Company intends to return profits to shareholders with a target total return ratio of 50% or more (accumulated from FY2023 to FY2025), while steadily and continuously increasing the dividend per share.

Beginning in FY2024, the Company has adopted a "progressive dividend" policy where the dividend is expected to rise in line with increases in profits.

The Company follows a basic policy of paying dividends of surplus twice a year as interim dividend and year-end dividend. The body deciding on these dividends of surplus is the shareholders' meeting for year-end dividend, and the Board of Directors for interim dividend.

Dividends of surplus as of February 28, 2025 are planned to be ¥20.00 per share. Together with the interim dividend of ¥20.00 per share, annual dividends amounts to ¥40.00 per share.

The Company's policy is to promote accelerated growth by allocating retained earnings to strategic investments in the convenience store operations, the Group's growth driver, based on investment decisions taking capital efficiency into consideration.

The Articles of Incorporation stipulate that the Company “may, by resolution of the Board of Directors, pay an interim dividend with August 31 of each year as the record date.”
Dividends of surplus for the fiscal year ended February 28, 2025 are as follows.

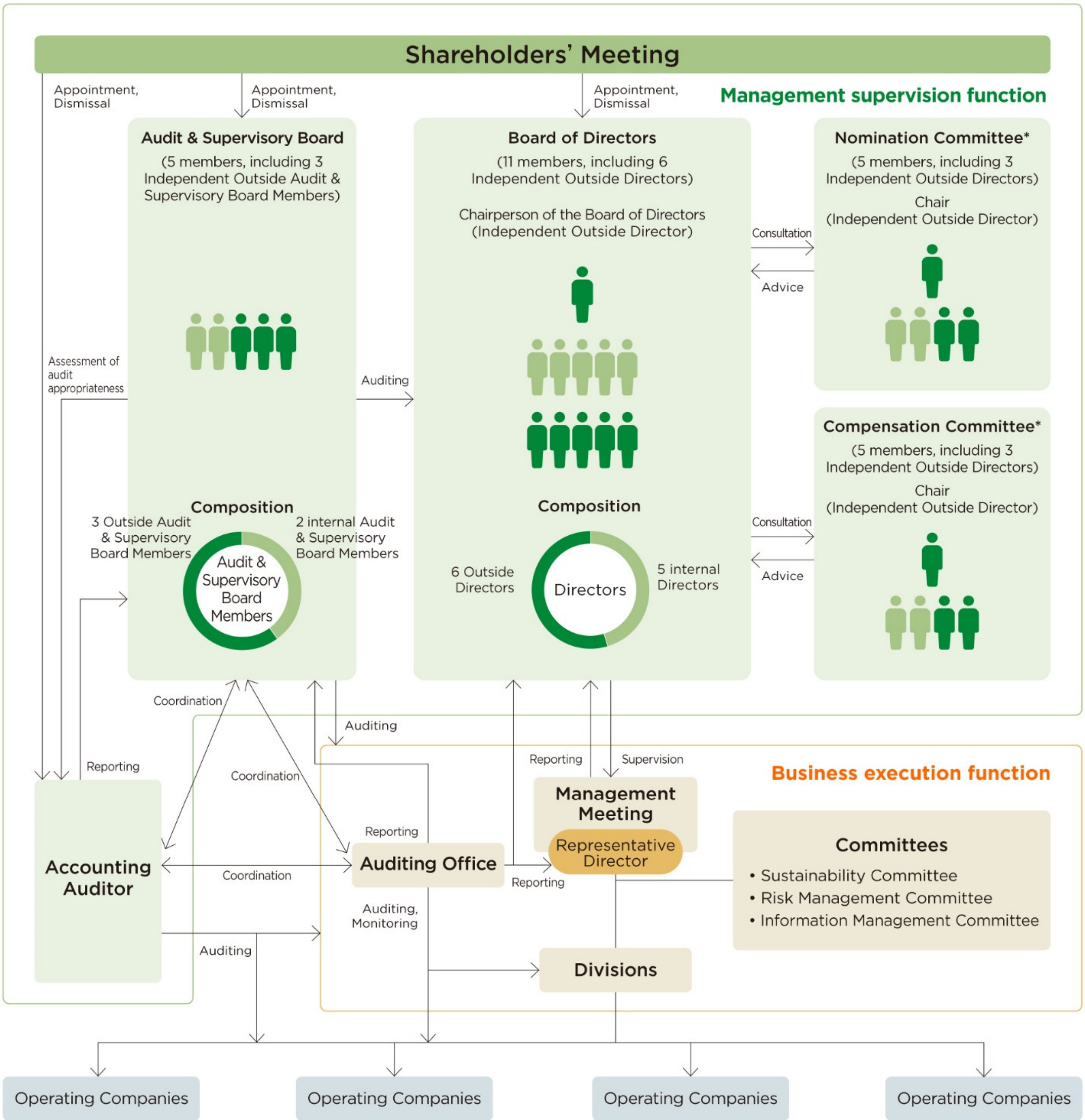
Date of resolution	Total amount of cash dividends (Millions of yen)	Dividend per share
October 10, 2024 Board of Directors meeting	51,980	20.00 yen
May 27, 2025 Annual shareholders' meeting (Planned)	51,980	20.00 yen

4. [Corporate governance, etc.]
   (1) [Overview of corporate governance]
      (i) Basic views on corporate governance
         ○ Corporate Philosophy
           The Company formulated its “Corporate Creed” as below. The Corporate Creed is unchanging and comprehensively symbolizes the Group’s corporate philosophy, thus, the Company values it most as the fundamental basis of the Group’s management.
           “Corporate Creed”
           We aim to be a sincere company that our customers trust.
           We aim to be a sincere company that our business partners, shareholders and local communities trust.
           We aim to be a sincere company that our employees trust.
         ○ Corporate Action Guidelines
           The spirit embraced in the “Corporate Creed” is an abiding universal philosophy no matter how significantly the social environment will change in the future, and the Company has formulated ideas needed to realize this philosophy as the “Corporate Action Guidelines.”
           The “Corporate Action Guidelines” shows the basic stance of all officers and employees of the Group, and is divided into the “basic policy,” which stipulates views as a group and the “code of conduct,” which sets forth principles of action. In addition, each group company has established guidelines and standards of conduct which reflect the views and principles at the concrete action level according to business categories, and these guidelines and standards of conduct, together with the Group’s guidelines, are disseminated through training for new employees and newly appointed officers, etc. Moreover, the dissemination level of the Corporate Creed and compliance awareness is regularly confirmed with the Culture & Engagement Surveys.
         ○ Basic views on corporate governance
           The Company considers corporate governance to be a system for sustainable growth by establishing and maintaining a sincere management structure and continuously increasing the Group’s corporate value over the medium- and long-term in both financial and non-financial (ESG) aspects to ensure the trust and longstanding patronage of all stakeholders, including customers, business partners and franchisees, shareholders and investors, local communities, and employees, based on the Corporate Creed.
           The Company’s mission as a holding company is to strengthen corporate governance and maximize the Group’s corporate value, and the Company will strive to achieve this mission through the provision of support, oversight, and optimal resource allocation to its operating companies.

(ii) Overview of corporate governance system and reasons for adopting the system

○ Corporate governance system

The Company's corporate governance system (as of the date of filing of this Annual Securities Report) is as follows.



* The chair and committee members are selected by the Board of Directors.

○ Reason for adoption of current corporate governance system

As of the date of filing of this Annual Securities Report, the Company ensures the effectiveness of its corporate governance by coordinating "audits" conducted by the Audit & Supervisory Board Members (Audit & Supervisory Board), including multiple Outside Audit & Supervisory Board Members who maintain their independence and have specialized knowledge in such areas as legal affairs and financial accounting, through their actively cooperating with the accounting auditor and the internal audit division, and "formulation of management strategies" and "supervision of business execution" conducted by the Board of Directors (10 men and 1 woman), including 6 Independent Outside Directors who maintain their independence and have advanced management knowledge and experience.

The Company has adopted above corporate governance structure because it judges the structure to be workable for realizing and ensuring the Company's corporate governance and for conducting appropriate and efficient corporate management.

○ Separation of the Board of Directors' supervisory functions and Executive Officers' business execution functions through introduction of the executive officer system

To facilitate prompt decision making and business execution even amid a dramatically changing operating environment, the Company has introduced the executive officer system and separated the Board of Directors' supervisory function from the Executive Officers' business execution function. This developed an environment where the Board of Directors is able to focus on the "formulation of management strategies" and the "supervision of business execution," while the Executive Officers can focus on "business execution." As of the date of filing of this Annual Securities Report, the Company had 21 Executive Officers (18 men and 3 women).

The term of office of the Directors is set to one year in order to reflect the intentions of shareholders regarding the appointment of the management team in a more timely manner.

○ Monitoring based on the Audit & Supervisory Board Member system

The Company conducts monitoring of management based on the Audit & Supervisory Board Member system. As of the date of filing of this Annual Securities Report, the Company's Audit & Supervisory Board is composed of 5 members (including 3 Independent Outside Audit & Supervisory Board Members / 3 men and 2 women). For details of Audit & Supervisory Board Member audits, etc., please refer to "(3) Status of audits, (i) Audit & Supervisory Board Member audits, (ii) Internal audits, (iii) Coordination between Audit & Supervisory Board Member audits, internal audits and accounting audits, etc." provided below.

○ Oversight and audits by Outside Directors and Outside Audit & Supervisory Board Members who have independence

As of the date of filing of this Annual Securities Report, the Company has designated all Outside Directors (6 persons) and all Outside Audit & Supervisory Board Members (3 persons) as Independent Outside Directors and Independent Outside Audit & Supervisory Board Members based on the provisions of the financial instruments exchange, and oversight and audits are conducted by these Outside Directors and Outside Audit & Supervisory Board Members who have independence. For details of oversight and audits, etc. by Outside Directors and Outside Audit & Supervisory Board Members, please refer to "(2) Status of officers, (ii) Outside Directors and Outside Audit & Supervisory Board Members, (iii) Coordination between oversight or audits by Outside Directors or Outside Audit & Supervisory Board Members, and internal audits, Audit & Supervisory Board Member audits and accounting audits, and relationships with the internal control divisions" provided below.

In addition, in light of the fact that the Board of Directors is composed of a majority of Outside Directors with diverse experience and knowledge, the Company has appointed a Lead Independent Outside Director as of May 2022, with the aim of further ensuring the effectiveness of the oversite function of the Board of Directors by fulfilling the following roles.

<Roles of the Lead Independent Outside Director>

(i) Ensure mutual coordination and follow-up among Outside Directors

(ii) Further enhance and maintain dialogue and communication between Outside Directors and senior management

(iii) Strengthen coordination between Outside Directors and the Audit & Supervisory Board

(iv) Promote "constructive dialogue with shareholders and investors" in which Outside Directors participate

At the Board of Directors meeting held on April 18, 2024, it was resolved that the Company would separate the positions of Chairperson of the Board of Directors and CEO for the purpose of strengthening the corporate governance system and improving the transparency and objectivity of management decision-making, among others. Additionally, the proposal (resolution) for the election of 13 Directors is scheduled to be presented at the Annual Shareholders' Meeting held on May 27, 2025. If this proposal is approved, Fuminao Hachiuma is expected to be appointed as the Lead Independent

Outside Director and Chairperson of the Board (Gicho) at the Board of Directors meeting scheduled for the same day.

○ Nomination Committee and Compensation Committee system

The Company has established the “Nomination Committee” and the “Compensation Committee,” with the chairperson and a majority of the committee members being Independent Outside Directors, as advisory bodies to the Board of Directors, in order to utilize the knowledge and advice of a more diverse range of Outside Directors and Outside Audit & Supervisory Board Members, and ensure more objectivity and transparency of procedures for appointment of Representative Directors, Directors, Audit & Supervisory Board Members and Executive Officers and determination of compensation, etc., and hence to improve the Board of Directors’ supervisory functions and further enhance corporate governance functions.

○ Corporate governance by various committees

The Company has established the “Sustainability Committee,” “Risk Management Committee,” and “Information Management Committee,” which report to the Representative Directors. Each committee determines Group policies in cooperation with the operating companies, and strengthens corporate governance by managing and supervising their dissemination and execution.

- Sustainability Committee

  The Company has established the Sustainability Committee based on Sustainability Basic Rules for the purpose of promoting, administrating and supervising the sustainability activities of the entire Group through operating activities in order to contribute to solving social issues and aim for sustainable growth for both society and the Group. The Company has also established five subcommittees under the Sustainability Committee tasked with the examination and promotion of specific measures to promote operating activities that will contribute to solving material issues (Materiality) identified to address the expectations and demands of stakeholders and realizing a more thorough compliance practice. Through these subcommittees, the Company works to solve problems and prevent the occurrence of such problems.

  Under the Sustainability Committee, to resolve material issues that should be addressed by the Group, the Company tasks a subcommittee with each relevant issue: the “Environment Subcommittee” with helping mitigate climate change, depletion of resources, and other environmental burdens; the “Supply Chain Subcommittee” with building a sound supply chain that takes human rights and the environment into consideration and with improving quality and ensuring safety for merchandise and services; the “Corporate Ethics and Culture Subcommittee” with ensuring thorough awareness and adoption of the Corporate Creed and the Corporate Action Guidelines, building worker-friendly workplaces, promoting advancement of diverse human resources and improving the labor environments; the “Compliance Subcommittee” with strengthening compliance and internal controls; and the “Social Value Creation Subcommittee” with the planning, proposal and operation of new businesses originating from addressing social issues through our core business, by utilizing business characteristics and management resources. These subcommittees have formulated and carried out measures to address such individual issues on a group-wide basis.

  Through the activities of these subcommittees, we will promote business activities that further ensure compliance and contribute to the resolution of the material issues (Materiality) related to stakeholders, while aiming for sustainable development of both society and our Group from sustainability perspective.

- Risk Management Committee

  In accordance with the Basic Rules for Risk Management, the Company and its Group companies establish, streamline, and manage comprehensive risk management systems, centered on the Risk Management Committee, in order to properly analyze, evaluate, and appropriately respond to risks associated with each business, with consideration for changes in the management environment and risk factors.

  The Risk Management Committee receives reports from the departments in charge of risk management regarding the risk management status of their respective

companies. The committee comprehends, assesses, and analyzes risks and discusses measures, and determines the future direction going forward.
In recent years, in addition to changes in the Group's internal environment, various changes in the external environment, such as the rise of geopolitical risks and ESG-related risks, have had a greater impact on our business activities. In response to these changes, the Company is engaged in risk management that takes into account not only short-term risks but also medium- to long-term risks. In addition, the Company identifies various risks with high priority in terms of importance, commonality, etc., and clarifies the roles and responsibilities of the Company and each company in the Group, thereby enhancing the effectiveness of risk management for the entire Group.

● Information Management Committee
In accordance with the Information Control Regulations, the Company has carried out risk analysis, evaluation and measures regarding the information management of operations-related information that is learned, created or retained by officers and employees of the Group under the Information Management Committee, chaired by the information management supervisor.
In the fiscal year under review, as in the previous fiscal year, the committee continued working to strengthen its information collection and management system, and strengthened the system to collect important information from each Group company in a timely and appropriate manner and to cooperate with each other to deal with such information, as well as to centrally manage such information and report it to management and related departments without omission and without delay.
In addition, the committee is stepping up organizational, human, physical, and technical security measures by reviewing information handling procedures and reporting channels for security incidents, strengthening management of contractors, and educating and training officers and employees to strengthen the information security management system to better respond to cyber attacks that are becoming more sophisticated and complex every day, as well as to comply with information security and personal data protection laws, regulations, and guidelines.
Also, the committee conducts in-house training for the officers of the Group for prohibiting insider trading, in order to familiarize them with the "Rules against Insider Trading," an in-house regulation, to prevent insider trading from occurring, and to ensure the proper handling of information such as material facts.
The Information Management Committee is responsible for spreading these initiatives across the Group companies and setting the direction thereof, and helps them autonomously and continuously promote the initiatives by monitoring and evaluating them, with the aim of strengthening governance in information management.

○ Members of bodies established
As of the date of filing of this Annual Securities Report, members of the Board of Directors, the Audit & Supervisory Board, the Nomination Committee, the Compensation Committee, the Management Meeting, the Sustainability Committee, the Risk Management Committee and the Information Management Committee are as follows (◎ indicates the chairperson or the committee chairperson).

Name	Position in the Company	Board of Directors	Audit & Supervisory Board	Nomination Committee	Compensation Committee	Management Meeting	Sustainability Committee	Risk Management Committee	Information Management Committee
Ryuichi Isaka	Representative Director and President Executive Officer and President Chief Executive Officer (CEO)	○		○		◎	◎		

Name	Position in the Company	Board of Directors	Audit & Supervisory Board	Nomination Committee	Compensation Committee	Management Meeting	Sustainability Committee	Risk Management Committee	Information Management Committee
Junro Ito	Representative Director and Vice President Executive Officer and Vice President Supervising Officer of Superstore Operations Chief Sustainability Officer (CSuO) Chief Administrative Officer (CAO)	○			○	○	○	○	◎
Fumihiko Nagamatsu	Director Senior Managing Executive Officer Head of Domestic CVS operations (Japan)	○					○		
Yoshimichi Maruyama	Director Managing Executive Officer Chief Financial Officer (CFO) General Manager of the Corporate Finance & Accounting Division	○		○		○	○	○	○
Tamaki Wakita	Director Executive Officer Chief Strategy Officer (CSO) General Manager of the Corporate Planning Division	○			○	○	○	○	○
Stephen Hayes Dacus	Lead Independent Outside Director	◎							
Toshiro Yonemura	Independent Outside Director	○			◎				
Yoshiyuki Izawa	Independent Outside Director	○		○					
Meyumi Yamada	Independent Outside Director	○		◎					
Fuminao Hachiuma	Independent Outside Director	○		○	○				
Paul Yonamine	Independent Outside Director	○			○				
Noriyuki Habano	Standing Audit & Supervisory Board Member		◎			○	○	○	○
Nobutomo Teshima	Standing Audit & Supervisory Board Member		○			○	○	○	○
Kazuhiro Hara	Independent Outside Audit & Supervisory Board Member		○						
Mitsuko Inamasu	Independent Outside Audit & Supervisory Board Member		○						
Kaori Matsuhashi (Real name: Kaori Hosoya)	Independent Outside Audit & Supervisory Board Member		○						

Name	Position in the Company	Board of Directors	Audit & Supervisory Board	Nomination Committee	Compensation Committee	Management Meeting	Sustainability Committee	Risk Management Committee	Information Management Committee
Seiji Oku	Executive Officer General Manager of the Corporate General Affairs & Legal Division					○	○	○	○
Nobuyuki Miyaji	Executive Officer General Manager of the ESG Development Division					○	○	◎	○
Izuru Nishimura	Executive Officer Chief Information Officer (CIO) General Manager of the Group DX Division					○	○	○	○
Seiji Kitamura	Executive Officer Chief Merchandising Officer (CMDO) General Manager of the Group Merchandise Strategy & Planning Division					○	○	○	○
Takuya Enomoto	Executive Officer Chief Human Resource Officer (CHRO) General Manager of the HR Division					○	○	○	○
Hirotake Henmi	Executive Officer General Manager of the Corporate Communication Division					○	○	○	○
Other members	Executive Officer, Senior Officer of the Corporate Management Department					○	○	○	○
	Senior Officers of the sustainability-related departments						○		
	Officers responsible for sustainability promotion of operating companies						○		
	Senior Officers of the departments responsible for the management of risks							○	
	Officers responsible for information management of each department								○

Note: Because the name of Mr. Yoshiyuki Izawa contains a letter other than letters that are set usable based on the provisions of "Considerations regarding special provisions, etc. of procedures conducted by electronic data processing system for disclosure, etc." and "file specifications for submitted documents" (Planning and Coordination Bureau of the Financial Services Agency), a letter that can be used in the Electronic Disclosure for Investors NETwork (EDINET) is used as a substitute.

The "Election of 13 Directors" and "Election of 1 Audit & Supervisory Board Member" are on the proposals (resolutions) for the Annual Shareholders' Meeting to be held on May 27, 2025. If the proposals are approved, the status of the Company's officers will be as described in "(2) [Status of officers], (i) Directors and Audit & Supervisory Board Members, 2)."

○ Activities of the Board of Directors

Members of the Board of Directors and its advisory committees as of the date of filing of this Annual Securities Report, and frequency of and attendance at meetings during the fiscal year under review

Name	Position in the Company	Frequency of meetings and attendance of each member at the meetings		
		Board of Directors meeting	Nomination Committee	Compensation Committee
Ryuichi Isaka	Representative Director and President Executive Officer and President Chief Executive Officer (CEO)	16/16	10/10	
Junro Ito	Representative Director and Vice President Executive Officer and Vice President Supervising Officer of Superstore Operations Chief Sustainability Officer (CSuO) Chief Administrative Officer (CAO)	16/16		8/8
Fumihiko Nagamatsu	Director Senior Managing Executive Officer Head of Domestic CVS operations (Japan)	16/16		
Yoshimichi Maruyama	Director Managing Executive Officer Chief Financial Officer (CFO) General Manager of the Corporate Finance & Accounting Division	16/16	6/6	2/2
Tamaki Wakita	Director Executive Officer Chief Strategy Officer (CSO) General Manager of the Corporate Planning Division	11/11		5/6
Stephen Hayes Dacus	Lead Independent Outside Director	16/16	10/10	
Toshiro Yonemura	Independent Outside Director	16/16	4/4	7/8
Yoshiyuki Izawa	Independent Outside Director	16/16	10/10	
Meyumi Yamada	Independent Outside Director	16/16	10/10	
Fuminao Hachiuma	Independent Outside Director	16/16	10/10	
Paul Yonamine	Independent Outside Director	15/16		8/8

Notes: 1. Mr. Shinji Wada passed away on December 29, 2024, and retired as a Director of the Company on the same date. Attended 12 out of 13 subject Board of Directors meetings.

2. Mr. Joseph Michael DePinto resigned as a Director of the Company on March 9, 2025. Attended 15 out of 16 subject Board of Directors meetings.

3. Ms. Jenifer Simms Rogers resigned as a Director of the Company on March 11, 2025. Attended all subject Board of Directors meetings (16/16) and Compensation Committee meetings (8/8).
4. Ms. Elizabeth Miin Meyerdirk resigned as a Director of the Company on March 11, 2025. Attended all subject Board of Directors meetings (16/16).
5. Mr. Yoshimichi Maruyama retired as a member of the Compensation Committee on May 28, 2024 and was appointed as a member of the Nomination Committee.
6. Mr. Tamaki Wakita was appointed as a Director and member of the Compensation Committee on May 28, 2024.
7. Mr. Stephen Hayes Dacus retired as a member of the Nomination Committee on March 25, 2025.
8. Mr. Toshiro Yonemura retired as a member of the Nomination Committee on May 28, 2024.
9. Mr. Fuminao Hachiuma was appointed as a member of the Compensation Committee on March 27, 2025.

● Matters deliberated by the Board of Directors

The Board of Directors deliberates, receives reports, and makes resolutions on important management matters in accordance with laws, regulations, and the Articles of Incorporation. The Board of Directors met 16 times during the fiscal year under review to set key management targets and budget allocations for the Company and its Group companies, and to address important management issues, including inspection and review of the efficiency and soundness of business execution, by receiving reports from the Company's Directors and managers responsible for business execution.

● Matters deliberated by the Nomination Committee and the Compensation Committee

The "Nomination Committee" and the "Compensation Committee" have been established, with the chairperson and a majority of the committee members being Independent Outside Directors, as advisory bodies to the Board of Directors, in order to utilize the knowledge and advice of a more diverse range of Outside Directors and Outside Audit & Supervisory Board Members, and ensure more objectivity and transparency of procedures for appointment of Representative Directors, Directors, Audit & Supervisory Board Members and Executive Officers and determination of compensation, etc., and hence to improve the Board of Directors' supervisory functions and further enhance corporate governance functions.

The main topics of discussion during the fiscal year under review were as follows.

Committee	Main topics of discussion
Nomination Committee	Basic policy and criteria for nominating candidates Proposal of candidates
Compensation Committee	Basic policy and standards for compensation, etc. Proposal for the upper limit of the total compensation amount Compensation, etc. by individual

(iii) Other matters concerning corporate governance

○ Status of development of internal control systems

The Company has adopted the following resolutions regarding "the development of systems for ensuring that the execution of duties by the Directors complies with laws, regulations, and the Articles of Incorporation and other systems required by the Ministry of Justice Ordinance for ensuring the compliance of operations performed by a corporation and by the corporate group comprised of the corporation and its subsidiaries," as stipulated by the Companies Act.

I Systems for ensuring that the execution of duties by the Company's and its subsidiaries' Directors and employees is compliant with laws, regulations, and the Articles of Incorporation

i The Company and its Group companies shall comply with the "Corporate Creed" and the "Corporate Action Guidelines," etc. In order to continue to be trusted and known for integrity, the Company and its Group companies shall implement ethical corporate activities; strictly observe laws, regulations, and social norms; and announce their fulfillment of corporate social responsibilities.

On that basis, the Company shall establish, maintain, and utilize compliance systems, centered on the Company's Sustainability Committee; operate internal whistleblowing systems; promote fair trade; and disseminate the Corporate Action Guidelines and the guidelines of each company. In these ways, compliance shall be further enhanced.

ii The Company and its Group companies will announce their commitment to not having any contact with antisocial groups and will clearly refuse unreasonable requests, etc. Through cooperation with outside specialists, such as the police and lawyers, we will rapidly implement legal countermeasures, both civil and criminal.

iii The Company's internal auditing division, which is independent from operating divisions, will internally audit and confirm the status of the maintenance and operation of the compliance systems of all Group companies.

iv The Company's and its Group companies' Audit & Supervisory Board Members will ensure that the execution of duties by their respective companies' Directors is compliant with laws, regulations, and the Articles of Incorporation and work to raise the effectiveness of the supervisory function.

II Systems for the storage and control of information related to the execution of duties by the Company's Directors and systems for reporting to the Company related to the matters concerning the execution of duties by the subsidiaries' Directors

i In accordance with laws, regulations, and the Information Control Regulations, the Company and its Group companies shall properly produce, store, and manage documents for which production and storage are legally required, such as minutes of shareholders' meetings, minutes of Board of Directors' meetings (including electromagnetic records; hereafter the same), circular decision-making documents (ringisho), and other documents and information necessary to secure appropriate operational execution.

ii The Company and its Group companies shall appoint an information management supervisor at each company to be responsible for supervising management of business information and also controlling planning, development and facilitation of initiatives related to the information management. The information management supervisor of the Company shall be then responsible for business information management of the overall Group by setting the Company's Information Management Committee as the core function for the purpose, ensuring enhanced effectiveness of timely and accurate information disclosure by the function responsible for comprehensively collecting and disclosing important information, and integrated information management in view of the safe management of such important information as trade secrets and personal information. In addition, reports on such matters as the status of information management shall be made periodically to the Board of Directors and the Audit & Supervisory Board Members.

iii Directors and employees of the Company and its Group companies shall report to the information management supervisor of the Company where any important matter relating to each Group company arises.

III The Company's and its subsidiaries' regulations and systems for loss risk management

i In accordance with the Basic Rules for Risk Management, the Company and its Group companies shall establish, maintain, and utilize comprehensive risk management systems, centered on the Risk Management Committee, in order to properly analyze, evaluate, and appropriately respond to risks associated with each business, with consideration for changes in the management environment and risk factors relevant to the Company and its Group companies.

ii In regard to risk management status, a system for periodic reporting to the Board of Directors and Audit & Supervisory Board Members shall be established, maintained, and utilized. The Board of Directors, Directors, and people responsible for operating divisions shall conduct sufficient analysis and evaluation of risks associated with operational execution, and improvement measures shall be implemented rapidly.

iii In the case where a business experiences a major disruption, a serious incident or accident, or a large-scale disaster, etc., in order to minimize damage to the Company and all Group companies, a Crisis Management Headquarters shall be established, and measures to facilitate the continuation of operations shall be implemented immediately.

IV The Company’s and its subsidiaries’ systems for ensuring the efficiency of the execution of duties by Directors

i The details of the decision-making authority of the Directors and Executive Officers and the divisions with responsibility for each administrative area shall be clearly and appropriately defined in the Decision Authority Regulations, etc. In this way, the Company and its Group companies shall avoid administrative duplication and conduct flexible decision-making and administrative execution.

ii To secure the sustained growth of the Company, the Company’s Board of Directors shall make decisions on such matters as important management objectives and budget allocations for the Company and its Group companies. Through such means as periodic reports from the Company’s Directors and people responsible for operating divisions, the efficiency and soundness of administrative execution shall be investigated and appropriate reevaluations shall be conducted.

iii The Company’s Board of Directors, as a general rule, shall meet once each month. In addition, when necessary, extraordinary meetings of the Company’s Board of Directors shall be held or resolutions of the Company’s Board of Directors shall be adopted through documents. Rapid decision making will be implemented and efficient administrative execution will be promoted. The Company shall comply with the Articles of Incorporation, Rules of the Board of Directors, etc. of the Company concerning specific operations of the Board of Directors.

V The Company’s systems for ensuring the appropriateness of financial reporting

i In order to ensure the Company and its Group companies are able to provide shareholders, investors, creditors, and other stakeholders with highly reliable, timely financial reports in compliance with laws and regulations, the Company and its Group companies shall build, develop, and appropriately operate internal control systems that ensure appropriate accounting procedures and financial reporting, in accordance with the relevant rules, such as Rules on Establishing Internal Controls for Financial Reporting.

ii The Company’s internal auditing division, which is independent from operating divisions, shall check and assess the effectiveness of the development and operational status of internal controls for the financial reporting of the Company and its Group companies.

iii Directors, Audit & Supervisory Board Members, and the accounting auditor shall appropriately share information about matters recognized as highly likely to have a significant effect on financial standing.

VI Matters related to the provision of support staff for the Company’s Audit & Supervisory Board Members when so requested

The Company shall provide full-time staff to support Audit & Supervisory Board Members.

VII Matters related to the independence from the Company’s Directors of the support staff for the Company’s Audit & Supervisory Board Members and securing effectiveness of instructions

The selection (including subsequent replacements) of support staff to work exclusively for the Audit & Supervisory Board Members shall be subject to the approval of the Audit & Supervisory Board Members. In addition, the support staff shall comply with the Employment Rules of the Company. However, the Audit & Supervisory Board Members shall have the authority to provide directions and orders to the support staff and personnel matters such as working conditions and disciplinary actions shall be implemented upon prior consultation with the Audit & Supervisory Board Members.

VIII Systems for reporting to the Company's Audit & Supervisory Board Members

i Systems for Directors and employees of the Company to report to the Audit & Supervisory Board Members of the Company

When matters that could cause significant damage to the Company, as well as malfeasances or violations of laws, regulations, or the Articles of Incorporation, etc. committed by a Director or an employee are found, Directors and employees of the Company shall report them to the Audit & Supervisory Board Members pursuant to the predetermined procedures.

ii Systems for Directors, Audit & Supervisory Board Members, and employees of the Company's subsidiaries, or persons who have received reporting from these people to report to the Audit & Supervisory Board Members of the Company

When matters that could cause significant damage to the Group companies, as well as malfeasances or violations of laws, regulations, or the Articles of Incorporation, etc. in the Group companies are found, Directors, Audit & Supervisory Board Members and employees of the Group companies shall report them to the Audit & Supervisory Board Members of the Company pursuant to the predetermined procedures.

iii Systems for reporting to the Audit & Supervisory Board Members of the Company through an internal whistleblowing system

Directors and employees of the Company as well as Directors, Audit & Supervisory Board Members and employees of the Group companies may use an internal whistleblowing system established by the Company at any time when acts constituting a violation of laws and regulations, social norms, internal rules or the like are found in the operations of the Company and the Group companies, and the secretariat operating the internal whistleblowing system shall provide reports to the Audit & Supervisory Board Members of the Company concerning the content of the reports and the operation of the internal whistleblowing system, pursuant to the internal rules.

IX Systems for ensuring that no one providing such reports defined in the preceding item shall suffer any disadvantageous treatment due to such reporting made

The Company and the Group companies shall take appropriate measures such as establishing provisions in their internal rules to ensure that no one providing such reports defined in the preceding item shall suffer any disadvantageous treatment due to such reporting made.

X Matters concerning policies for processing prepayment or repayment of costs incurred in relation to execution of duties of the Audit & Supervisory Board Members of the Company and other processing of costs or liabilities incurred in relation to execution of duties thereof

The Company shall bear the costs incurred in relation to the execution of duties by the Audit & Supervisory Board Members.

XI Other systems for ensuring that the Company's Audit & Supervisory Board Members can conduct their activities effectively

i The Company's Audit & Supervisory Board Members shall meet regularly with the Representative Directors, and exchange opinions concerning important audit matters.

ii The Company's Audit & Supervisory Board Members shall maintain close contact with the Company's internal auditing division, and may request the division to conduct inspections when necessary.

iii The Company's Audit & Supervisory Board Members shall meet regularly with the Audit & Supervisory Board Members of all Group companies and work together from time to time in order to conduct appropriate audits of all Group companies.

iv The Company's Audit & Supervisory Board Members may consult with the accounting auditor and lawyers as needed, and the Company shall bear all of the costs of such consultation.

Summary of operational status of systems for ensuring appropriate operations is as follows:

I Status of the Company's corporate governance

As of the date of filing of this Annual Securities Report, the Company's Board of Directors is composed of 11 Directors (including 6 Independent Outside Directors / 10 men and a woman) and meets once a month in principle. To facilitate prompt decision making and business execution even amid a dramatically changing operating environment, the Company has introduced the executive officer system and separated the Board of Directors' supervisory function from the Executive Officers' business execution function. This developed an environment where the Board of Directors is able to focus on the "formulation of management strategies" and the "supervision of business execution," while the Executive Officers can focus on "business execution." The Executive Officers consist of 21 members (18 men and 3 women) as of the date of filing of this Annual Securities Report. The term of office of the Directors is set to one year in order to reflect the intentions of shareholders regarding the appointment of the management team in a timely manner.

Matters to be decided by the Board of Directors at the Company are stipulated in the Board of Directors Regulations, the Decision Authority Regulations, and so forth, and matters stipulated by the Companies Act and the Company's internal regulations are decided by the Board of Directors. The Decision Authority Regulations clearly set forth the scope of matters to be decided by the Representative Director and President. This clarifies the decision-making process for management and the structure of responsibility, while also expediting decision-making by rational delegation of authority.

The Board of Directors met 16 times during the fiscal year under review to set key management targets and budget allocations for the Company and its Group companies, and to address important management issues, including inspection and review of the efficiency and soundness of business execution, by receiving reports from the Company's Directors and managers responsible for business execution.

As of the date of filing of this Annual Securities Report, the Company's Audit & Supervisory Board is composed of 5 members (including 3 Independent Outside Audit & Supervisory Board Members / 3 men and 2 women) and monitors management based on the Audit & Supervisory Board Member system. In addition to attending Board of Directors' meetings and other important meetings, the Audit & Supervisory Board Members exchange opinions with the Representative Directors and periodically interview Directors regarding the status of business execution, and they investigate the status of business operations and assets of the Company and its operating companies based on the audit plan. In addition, they share information with operating companies' Directors and Audit & Supervisory Board Members and audit the Directors' performance of duties. Further, the Audit & Supervisory Board Members exchange information with the accounting auditor to maintain close ties with them with respect to accounting audits.

The Outside Directors and Outside Audit & Supervisory Board Members provide advice and suggestions to ensure the validity and appropriateness of decision-making and business execution by the Board of Directors. They also supervise and audit the execution of business by exchanging opinions regarding company management, corporate governance, and other matters at meetings with Directors and others.

II Initiatives at internal auditing divisions

The Company has established an Auditing Office as an independent internal auditing division to evaluate the internal controls related to financial reporting for the entire Group. In addition to auditing our own holding company, we conduct a confirmation of internal audits or direct audits of major operating companies, including the establishment and operation of compliance systems, in order to enhance and strengthen the audit functions of the entire Group.

III Coordination between Audit & Supervisory Board Member audits, internal audits and accounting audits

In order to improve the overall quality of audits, the Company ensures that the Audit & Supervisory Board Members (including the Outside Audit & Supervisory Board Members), the Auditing Office, and the auditing firm proactively exchange information and endeavor to maintain close ties with each other, by such means as periodically holding tri-partite meetings. In the meeting, the Audit & Supervisory Board Members (including the Outside Audit & Supervisory Board Members) receive reports from the auditing firm on, among other matters, the performance of accounting audits, and reports from the Auditing Office on, among other matters, the performance of internal audits, respectively, and request explanations as necessary.

Moreover, the Company periodically holds reporting sessions for accounting audits, which are attended by the Representative Directors and other officers, as well as the Standing Audit & Supervisory Board Members and the Auditing Office, etc. In the sessions, they receive reports from the auditing firm on the accounting audits, and confirm, among other matters, the results of the accounting audits.

Furthermore, the Standing Audit & Supervisory Board Members and the Auditing Office hold meetings, basically once a month. In the meetings, the Auditing Office reports on the results of operational audits and the progress of internal control evaluations, etc., and also actively exchanges opinions with the Standing Audit & Supervisory Board Members regarding, among other matters, priority matters that should be examined in order to improve the quality of audits. With these efforts, the two parties aim to ensure comprehensive sharing of audit information between each other.

In the Audit & Supervisory Board meetings and other meetings, the Standing Audit & Supervisory Board Members report to the Outside Audit & Supervisory Board Members on, inter alia, the status of the reporting session for accounting audits and the contents of the meeting with the Auditing Office, respectively described above, and thereby share and discuss issues to be addressed and the like. Furthermore, by providing the Auditing Office and the auditing firm with feedback on the matters thus discussed, the Standing Audit & Supervisory Board Members aim to ensure that (i) audits by the Audit & Supervisory Board Members, including the Outside Audit & Supervisory Board Members; (ii) internal audits; and (iii) accounting audits are linked with each other in a timely manner.

Further, the Auditing Office reports on the performance and the results of internal audits in the Audit & Supervisory Board meetings and other meetings from time to time, and provides explanations in response to questions and so on from the Audit & Supervisory Board Members (including the Outside Audit & Supervisory Board Members).

At each audit, the Audit & Supervisory Board Members (including the Outside Audit & Supervisory Board Members), the Auditing Office, and the auditing firm receive reports and materials, etc. from the internal control divisions, and request explanations as deemed necessary, and the internal control divisions cooperate in the appropriate performance of these audits.

IV Efforts of each committee

The information is the same as information provided in “4. Corporate governance, etc. (1) Overview of corporate governance, (ii) Overview of corporate governance system and reasons for adopting the system.”

○ Overview of the liability limitation agreement

The Company has concluded an agreement with each of the Outside Directors and Outside Audit & Supervisory Board Members as per Article 427, paragraph (1) of the Companies Act, limiting their liability for compensation for damage under Article 423, paragraph (1) of the Companies Act.

These agreements limit the amount of their liability for compensation for damage to the minimum legally stipulated amounts.

○ Overview of the directors’ and officers’ liability insurance contract

The Company has entered into a directors’ and officers’ liability insurance contract, as stipulated in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. Directors and Audit & Supervisory Board Members will be insured under the contract. The brief overview of the said insurance contract is as follows:

I Scope of the insured individuals
Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and its subsidiaries (excluding certain subsidiaries)

II The ratio of premiums to be actually borne by the insured individuals
The Company will bear the full amount of insurance premiums, and thus, the insured individuals need not to bear any premiums.

III Outline of insured events covered by the said insurance
The contract covers damage (including the legal compensation for damages and legal fees) that may be incurred by the insured individuals due to claims filed against them in relation to the execution of their duties as officers of the Company (including omissions) during the insurance term. However, the coverage is subject to certain exclusions, such as in cases where violations of laws and regulations were knowingly committed.

(iv) Number of Directors
The Articles of Incorporation stipulate that the number of Directors of the Company shall be no more than 15.

(v) Requirements for resolution of election of Directors
The Company has stipulated in its Articles of Incorporation that resolutions to elect Directors shall be adopted by a majority of the voting rights of the shareholders present at the meeting where shareholders holding one-third or more of the voting rights of shareholders entitled to exercise voting rights are present, and that no cumulative voting shall be used in resolutions to elect Directors.

(vi) Matters requiring resolution at a shareholders' meeting that shall be able to be resolved by the Board of Directors

I The Articles of Incorporation stipulate that pursuant to the provisions of Article 165, paragraph (2) of the Companies Act, the Company may acquire its own shares by resolution of the Board of Directors. This is aimed to allow flexible implementation of a capital policy that addresses changes in the business environment.

II The Articles of Incorporation stipulate that pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Directors (including former Directors) and Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liability for damages under Article 423, paragraph (1) of the Companies Act where the requirements set forth in laws and regulations are satisfied, to the extent of the amount obtained by deducting the minimum amount of liability set forth in laws or regulations from the amount of liability for damages. This is aimed to prevent from undermining flexibility of the management and the management's overly shrinking due to careful and detailed examination more than necessary with more complex and diversified duties of Directors, and from Audit & Supervisory Board Members' excessively putting a brake on managerial judgments of Directors which results in hampering efficiency of the management in the situation where the scope of Directors' business execution that is subject to audits is very complex and extensive, and to allow Directors and Audit & Supervisory Board Members to play their expected role sufficiently in carrying out their duties.

III The Articles of Incorporation stipulate that pursuant to the provisions of Article 454, paragraph (5) of the Companies Act, the Company may, by resolution of the Board of Directors, pay an interim dividend with August 31 of each year as the record date. This is aimed to flexibly provide returns on profits to shareholders.

(vii) Requirements for special resolutions at the shareholders' meeting
The Company has stipulated in its Articles of Incorporation that special resolutions at the shareholders' meeting set forth in Article 309, paragraph (2) of the Companies Act shall be adopted by two-thirds or more of the voting rights of shareholders present at the meeting where shareholders holding one-third or more of the voting rights of shareholders entitled to exercise voting rights are present. This is aimed to smoothly run a shareholders' meeting by reducing the quorum for special resolution at a shareholders' meeting.

(2) [Status of officers]

(i) Directors and Audit & Supervisory Board Members

1) The following table shows the status of the officers as of May 23, 2025 (the date of filing of this Annual Securities Report).

Men: 13, Women: 3 (ratio of female officers: 18.8%)

Title	Name	Date of birth	Brief personal history		Term of office	Number of shares of the Company owned (Thousands of shares)
Representative Director and President Executive Officer and President Chief Executive Officer (CEO)	Ryuichi Isaka	October 4, 1957	Mar. 1980	Joined SEVEN-ELEVEN JAPAN CO., LTD.	(Note 3)	47
			May 2002	Director of SEVEN-ELEVEN JAPAN CO., LTD.		
			May 2003	Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD.		
			May 2006	Managing Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD.		
			May 2009	Representative Director and President of SEVEN-ELEVEN JAPAN CO., LTD. Chief Operating Officer (COO) of SEVEN-ELEVEN JAPAN CO., LTD. Director of the Company		
			Apr. 2016	Member of the Nomination and Compensation Committee of the Company		
			May 2016	Representative Director and President of the Company (incumbent) Executive Officer and President of the Company (incumbent)		
			May 2020	Member of the Nomination Committee of the Company (incumbent)		
			Apr. 2023	Chief Executive Officer (CEO) of the Company (incumbent)		

Title	Name	Date of birth	Brief personal history	Term of office	Number of shares of the Company owned (Thousands of shares)
Representative Director and Vice President Executive Officer and Vice President Supervising Officer of Superstore Operations Chief Sustainability Officer (CSuO) Chief Administrative Officer (CAO)	Junro Ito	June 14, 1958	Aug. 1990 Joined SEVEN-ELEVEN JAPAN CO., LTD. May 2002 Director of SEVEN-ELEVEN JAPAN CO., LTD. May 2003 Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD. Jan. 2007 Managing Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD. May 2009 Director of the Company Executive Officer of the Company Senior Officer of the Corporate Development Department of the Company Apr. 2011 Senior Officer of the CSR Management Department of the Company May 2015 Audit & Supervisory Board Member of York-Benimaru Co., Ltd. May 2016 In charge of Group Corporate Support of the Company July 2016 Senior Officer of the Corporate Support Department of the Company Dec. 2016 Managing Executive Officer of the Company Head of the Corporate Development Office of the Company Mar. 2017 Director of Ito-Yokado Co., Ltd. Mar. 2018 General Manager of the Corporate Development Division of the Company July 2019 Outside Director of AIN HOLDINGS INC. May 2020 Member of the Compensation Committee of the Company (incumbent) Sept. 2021 Representative Director of Ito-Kogyo Co., Ltd. Apr. 2023 Representative Director of the Company Senior Managing Executive Officer of the Company Chief Sustainability Officer (CSuO) of the Company (incumbent) General Manager of ESG Development Division of the Company Supervising Officer of Superstore Operations of the Company (incumbent)	(Note 3)	9,519

Title	Name	Date of birth	Brief personal history		Term of office	Number of shares of the Company owned (Thousands of shares)
			May 2024	Representative Director and Vice President of the Company (incumbent) Executive Officer and Vice President of the Company (incumbent) Chief Administrative Officer (CAO) of the Company (incumbent) Information Management Supervisor of the Company (incumbent)		
			Aug. 2024	Representative Director and President of Seven & i Energy Management Co., Ltd. (incumbent)		
			Oct. 2024	Chairman & Representative Director of YORK Holdings Co., Ltd. (incumbent)		
Director Senior Managing Executive Officer Head of Domestic CVS operations (Japan)	Fumihiko Nagamatsu	January 3, 1957	Mar. 1980	Joined SEVEN-ELEVEN JAPAN CO., LTD.	(Note 3)	43
			May 2004	Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD.		
			Mar. 2014	Representative Director and Vice President of Nissen Holdings Co., Ltd.		
			Mar. 2015	Executive Officer of the Company		
			May 2017	Senior Officer of the Personnel Planning Department of the Company		
			Dec. 2017	Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD.		
			Mar. 2018	General Manager of the Corporate Personnel Planning Division of the Company Director of SEVEN-ELEVEN JAPAN CO., LTD. Director of Seven & i Food Systems Co., Ltd.		
			May 2018	Director of the Company (incumbent)		
			Mar. 2019	Director and Vice President of SEVEN-ELEVEN JAPAN CO., LTD.		
			Apr. 2019	Representative Director and President of SEVEN-ELEVEN JAPAN CO., LTD.		
			Apr. 2023	Senior Managing Executive Officer of the Company (incumbent) Head of Domestic CVS operations (Japan) of the Company (incumbent)		
			May 2025	Chairperson and Director of SEVEN-ELEVEN JAPAN CO., LTD. (incumbent) Chairperson of the Executive Board of SEVEN-ELEVEN JAPAN CO., LTD. (incumbent)		

Title	Name	Date of birth	Brief personal history	Term of office	Number of shares of the Company owned (Thousands of shares)
Director Managing Executive Officer Chief Financial Officer (CFO) General Manager of the Corporate Finance & Accounting Division	Yoshimichi Maruyama	November 2, 1959	Apr. 1982 Joined The Long-Term Credit Bank of Japan, Limited July 2008 Joined the Company May 2012 Senior Officer of the Risk Management Department of the Company Nov. 2014 Senior Officer of the Information Management & Security Office of the Company July 2016 Senior Officer of the Corporate Planning Department of the Company Dec. 2016 Senior Officer of the Corporate Development Department of the Company May 2017 Executive Officer of the Company Senior Officer of the Finance Planning Department of the Company Representative Director and President of SEVEN & i Financial Center Co., Ltd. (incumbent) Oct. 2017 Representative Director and President of Seven & i Asset Management Co., Ltd. Mar. 2018 General Manager of the Corporate Finance & Accounting Division of the Company (incumbent) May 2020 Director of the Company (incumbent) Jan. 2021 Director of 7-Eleven, Inc. (incumbent) Oct. 2021 Director of 7-Eleven International LLC (incumbent) Mar. 2022 Managing Executive Officer of the Company (incumbent) May 2022 Member of the Compensation Committee of the Company Apr. 2023 Chief Financial Officer (CFO) of the Company (incumbent) May 2024 Member of the Nomination Committee of the Company (incumbent)	(Note 3)	5

Title	Name	Date of birth	Brief personal history		Term of office	Number of shares of the Company owned (Thousands of shares)
Director Executive Officer Chief Strategy Officer (CSO) General Manager of the Corporate Planning Division	Tamaki Wakita	May 12, 1972	Apr. 1995	Joined Nichimen Corporation (currently Sojitz Corporation)	(Note 3)	6
			Feb. 2002	Joined General Electric International, Inc.		
			Feb. 2003	Joined Nissen Co., Ltd. (currently Nissen Holdings Co., Ltd.)		
			June 2006	Executive Officer of Nissen Co., Ltd.		
			Mar. 2012	Director of Nissen Holdings Co., Ltd.		
			Sept. 2016	Representative Director and President of Nissen Holdings Co., Ltd. Director and Chair of SHADDY CO., LTD		
			Mar. 2019	Senior Officer of the Corporate Development Department of the Company		
			May 2019	Director of Francfranc Corporation		
			Mar. 2020	Director of Ito-Yokado Co., Ltd.		
			Jan. 2021	Director of 7-Eleven, Inc. (incumbent)		
			Oct. 2021	Director of 7-Eleven International LLC (incumbent)		
			Mar. 2022	Executive Officer of the Company (incumbent)		
			Apr. 2023	Chief Strategy Officer (CSO) of the Company (incumbent) General Manager of the Corporate Planning Division of the Company (incumbent)		
			Aug. 2023	Director of Sogo & Seibu Co., Ltd.		
			May 2024	Director of the Company (incumbent) Member of the Compensation Committee of the Company (incumbent)		

Title	Name	Date of birth	Brief personal history		Term of office	Number of shares of the Company owned (Thousands of shares)
Director	Stephen Hayes Dacus	November 7, 1960	Sept. 1983 Sept. 1985 Mar. 1994 June 2001 Sept. 2005 July 2007 Apr. 2010 June 2011 Oct. 2015 July 2016 May 2019 June 2019 July 2020 Nov. 2021 May 2022 Dec. 2022 Oct. 2023 Apr. 2024	Joined Northrop Corporation (currently Northrop Grumman Corporation) Joined Coopers & Lybrand L.L.P. (currently Pricewaterhouse Coopers) Joined Mars, Incorporated CEO of MasterFoods Ltd. Senior Vice President of FAST RETAILING CO., LTD. Senior Vice President of Walmart Stores, Inc. Executive Vice President of Walmart Japan Holdings G.K. (currently Seiyu Co., Ltd.) CEO of Walmart Japan Holdings G.K. Outside Director of Sushiro Global Holdings Co., Ltd. (currently FOOD & LIFE COMPANIES LTD.) Chairman and Representative Director of Sushiro Global Holdings Co., Ltd. Non-executive Director of Hana Group SAS CEO of Hana Group SAS Chairman of the Supervisory Board of Hana Group SAS Chairman of Daiso California L.L.C. (currently Daiso USA L.L.C.) (incumbent) Outside Director of the Company Member of the Nomination Committee of the Company Non-executive Director of Hana Group SAS (incumbent) Lead Independent Outside Director of the Company (incumbent)	(Note 3)	–

Title	Name	Date of birth	Brief personal history		Term of office	Number of shares of the Company owned (Thousands of shares)
Director	Toshiro Yonemura	April 26, 1951	Apr. 1974	Joined the National Police Agency	(Note 3)	–
			Aug. 2005	Vice Superintendent General, Tokyo Metropolitan Police Department		
			Aug. 2008	Superintendent General, Tokyo Metropolitan Police Department		
			June 2011	Outside Audit & Supervisory Board Member, Jowa Holdings Company, Limited (currently UNIZO Holdings Company, Limited)		
			Dec. 2011	Deputy Chief Cabinet Secretary for Crisis Management		
			Feb. 2014	Special Advisor to the Cabinet		
			May 2014	Outside Director of the Company (incumbent)		
			June 2014	Outside Director, Jowa Holdings Company, Limited (currently UNIZO Holdings Company, Limited)		
			Mar. 2016	Member of the Nomination and Compensation Committee of the Company		
			May 2020	Member of the Nomination Committee of the Company		
			Dec. 2021	Outside Director of Kansaidengyosha Co., Ltd. (incumbent)		
			Dec. 2022	Chair of the Compensation Committee of the Company (incumbent)		

Title	Name	Date of birth	Brief personal history		Term of office	Number of shares of the Company owned (Thousands of shares)
Director	Yoshiyuki Izawa	February 10, 1948	Apr. 1970	Joined MITSUI & CO., LTD.	(Note 3)	0
			June 2000	Director of MITSUI & CO., LTD.		
			Apr. 2004	Executive Managing Officer of MITSUI & CO., LTD.		
			Apr. 2007	Senior Executive Managing Officer of MITSUI & CO., LTD.		
			June 2007	Representative Director, Senior Executive Managing Officer of MITSUI & CO., LTD.		
			Apr. 2008	Representative Director, Executive Vice President of MITSUI & CO., LTD. (Retired in November 2009)		
			Dec. 2009	President & CEO, Representative Executive Officer of JAPAN POST BANK Co., Ltd.		
			June 2010	Director and Representative Executive Officer, Executive Vice President of JAPAN POST HOLDINGS Co., Ltd.		
			June 2013	Director of JAPAN POST HOLDINGS Co., Ltd.		
			May 2015	Chairman & CEO, Representative Director of BlackRock Japan Co., Ltd.		
			Apr. 2021	Director and Chairman of BlackRock Japan Co., Ltd. (Retired in March 2022)		
			May 2022	Outside Director (Member of the Audit and Supervisory Committee) of Nitori Holdings Co., Ltd. (incumbent) Outside Director of the Company (incumbent)		
			June 2022	Outside Director of Sanoh Industrial Co., Ltd. (incumbent)		
			Dec. 2022	Member of the Nomination Committee of the Company (incumbent)		

Title	Name	Date of birth	Brief personal history		Term of office	Number of shares of the Company owned (Thousands of shares)
Director	Meyumi Yamada	August 30, 1972	Apr. 1995	Joined KOEI KOGYO Co., Ltd.	(Note 3)	–
			May 1997	Joined Kiss Me Cosmetics Co., Ltd. (currently ISEHAN Co., Ltd.)		
			July 1999	Representative Director of istyle LLC		
			Apr. 2000	Representative Director of istyle Inc.		
			Dec. 2009	Director of istyle Inc. (incumbent)		
			May 2012	Representative Director and President of Cyberstar Co., Ltd.		
			Sept. 2016	Director of Eat Smart, Inc.		
			June 2017	Outside Director of JAPAN POST INSURANCE Co., Ltd. Outside Director of SEINO HOLDINGS CO., LTD. (incumbent)		
			June 2021	Outside Director of Sompo Holdings, Inc. (incumbent)		
			Nov. 2021	Representative Director of Bank For Smiles (incumbent)		
			May 2022	Outside Director of the Company (incumbent) Member of the Nomination Committee of the Company		
			May 2023	Chair of the Nomination Committee of the Company (incumbent)		

Title	Name	Date of birth	Brief personal history		Term of office	Number of shares of the Company owned (Thousands of shares)
Director	Fuminao Hachiuma	December 8, 1959	Apr. 1983	Joined Ajinomoto Co., Inc.	(Note 3)	–
			July 1998	President of PT AJINOMOTO SALES INDONESIA		
			July 2008	Director and Vice President of AJINOMOTO USA Inc.		
			June 2013	Corporate Executive Officer of Ajinomoto Co., Inc.		
			June 2015	Corporate Vice President of Ajinomoto Co., Inc. Representative Director, President of J-OIL MILLS, Inc.		
			June 2016	Representative Director, President and CEO of J-OIL MILLS, Inc.		
			Apr. 2022	Director of J-OIL MILLS, Inc.		
			May 2023	Outside Director of the Company (incumbent)		
			June 2023	Outside Audit & Supervisory Board Member of YKK AP Inc. (incumbent) Outside Director of SUBARU CORPORATION (incumbent)		
			Aug. 2023	Member of the Nomination Committee of the Company (incumbent)		
			Mar. 2025	Member of the Compensation Committee of the Company (incumbent)		

Title	Name	Date of birth	Brief personal history		Term of office	Number of shares of the Company owned (Thousands of shares)
Director	Paul Yonamine	August 20, 1957	June 1979	Joined Peat, Marwick, Mitchell & Co. (currently KPMG LLP)	(Note 3)	–
			May 1983	Registered as U.S. Certified Public Accountant		
			Apr. 1995	Managing Partner of KPMG LLP Hawaii		
			Mar. 1997	Representative Partner of KPMG Global Solutions LLC (currently PwC Advisory LLC)		
			Aug. 2001	Representative Partner and Chairman of KPMG Global Solutions LLC		
			Apr. 2006	President and CEO of Hitachi Consulting Co., Ltd.		
			May 2010	VP & CFO of IBM Japan, Ltd.		
			Apr. 2013	Vice President of IBM Japan, Ltd.		
			Jan. 2015	President of IBM Japan		
			Mar. 2017	Director of GCA Corporation		
			June 2017	Director of Central Pacific Bank		
			July 2017	Director and Chairman of GCA Corporation		
			Oct. 2018	Director and Non-executive Chairman of GCA Corporation Chairman & CEO of Central Pacific Financial Corp. Executive Chairman of Central Pacific Bank		
			June 2019	Outside Director of Sumitomo Mitsui Banking Corporation (incumbent)		
			Dec. 2020	Outside Director of circlace Inc.		
			May 2022	Outside Director of the Company (incumbent)		
			Jan. 2023	Chairman Emeritus & Director (Non Executive Director) of Central Pacific Financial Corp. (incumbent) Chairman Emeritus & Director (Non Executive Director) of Central Pacific Bank (incumbent)		
			May 2023	Member of the Compensation Committee of the Company (incumbent)		
			June 2023	Outside Director (Audit and Supervisory Committee Member) of PayPay Corporation (incumbent)		

Title	Name	Date of birth	Brief personal history		Term of office	Number of shares of the Company owned (Thousands of shares)
Standing Audit & Supervisory Board Member	Noriyuki Habano	February 10, 1958	Mar. 1980	Joined Ito-Yokado Co., Ltd.	(Note 4)	16
			Jan. 2006	Senior Officer of the Group Communication, the Public Relations Center of the Company		
			May 2008	Executive Officer of the Company Senior Officer of the Society and Culture Development Department of the Company		
			Sept. 2008	Executive Officer of Ito-Yokado Co., Ltd.		
			Sept. 2014	Senior Officer of the Auditing Office of the Company		
			Oct. 2014	Audit & Supervisory Board Member of York Mart Co., Ltd.		
			May 2017	Audit & Supervisory Board Member of Sogo & Seibu Co., Ltd. Standing Audit & Supervisory Board Member of the Company (incumbent)		
			May 2019	Audit & Supervisory Board Member of Ito-Yokado Co., Ltd.		
Standing Audit & Supervisory Board Member	Nobutomo Teshima	June 15, 1962	Oct. 1991	Joined SEVEN-ELEVEN JAPAN CO., LTD.	(Note 4)	11
			Feb. 2008	General Manager of the Accounting Administrative Department of SEVEN-ELEVEN JAPAN CO., LTD.		
			Jan. 2013	Senior Officer of the Operational Support Department of the Company		
			Sept. 2017	Senior Officer of the Accounting Management Department of the Company		
			Mar. 2018	Executive Officer of the Company		
			Mar. 2019	Senior Officer of the Auditing Office of the Company		
			Mar. 2021	Audit & Supervisory Board Member of York-Benimaru Co., Ltd.		
			May 2022	Audit & Supervisory Board Member of SEVEN-ELEVEN JAPAN CO., LTD. (incumbent) Standing Audit & Supervisory Board Member of the Company (incumbent)		

Title	Name	Date of birth	Brief personal history		Term of office	Number of shares of the Company owned (Thousands of shares)
Audit & Supervisory Board Member	Kazuhiro Hara	February 25, 1954	Aug. 1983	Joined Chuo Accounting Office	(Note 4)	–
			Mar. 1985	Registered as a Certified Public Accountant		
			July 2007	Joined Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC)		
			July 2016	Director of Hara Certified Accounting Office (incumbent)		
			Nov. 2016	Registered as a Certified Tax Accountant Director of Hara Kazuhiro Tax Accountant Office (incumbent)		
			Sept. 2017	Representative Director of Hara Consulting Office		
			May 2018	Outside Audit & Supervisory Board Member of the Company (incumbent)		
			Dec. 2020	Supervisory Director of SMBC Private REIT Investment Corporation (incumbent)		
Audit & Supervisory Board Member	Mitsuko Inamasu	March 15, 1976	Oct. 2000	Registered as an Attorney at Law (Tokyo Bar Association) Joined Hattori Law Office (incumbent)	(Note 4)	–
			May 2018	Outside Audit & Supervisory Board Member of the Company (incumbent)		
			June 2022	Outside Director, Member of the Audit and Supervisory Committee of NTT DATA Corporation (currently NTT DATA Group Corporation) (incumbent)		

Title	Name	Date of birth	Brief personal history		Term of office	Number of shares of the Company owned (Thousands of shares)
Audit & Supervisory Board Member	Kaori Matsuhashi (Real name: Kaori Hosoya)	June 7, 1969	Apr. 2006	Registered as a Certified Public Accountant	(Note 4)	0
			July 2006	Joined Asset Investors, Inc. (currently MBK Co., Ltd.)		
			Nov. 2007	General Manager of the Corporate Planning Division of Asset Investors, Inc.		
			Mar. 2008	Joined MK Capital Management Corporation (currently IDERA Capital Management Ltd.) Executive Officer of MK Capital Management Corporation		
			May 2009	Representative Director of Luminous Consulting Co., Ltd. (incumbent) Representative of Kaori Matsuhashi Certified Public Accountant Office (incumbent)		
			Jan. 2014	External Auditor of NTS Holdings Company, Limited		
			June 2014	External Director of Spiber Inc. (incumbent)		
			June 2017	Outside Audit & Supervisory Board Member of Kakaku.com, Inc.		
			May 2019	Outside Audit & Supervisory Board Member of the Company (incumbent)		
			May 2022	Outside Director (Member of the Audit and Supervisory Committee) of YASKAWA Electric Corporation (incumbent)		
Total						9,651

Notes:
1. Directors Stephen Hayes Dacus, Toshiro Yonemura, Yoshiyuki Izawa, Meyumi Yamada, Fuminao Hachiuma, and Paul Yonamine are Independent Outside Directors.
2. Audit & Supervisory Board Members Kazuhiro Hara, Mitsuko Inamasu, and Kaori Matsuhashi are Independent Outside Audit & Supervisory Board Members.
3. The term of office of the Director is one year starting from May 2024.
4. The term of office of Standing Audit & Supervisory Board Member Noriyuki Habano is four years starting from May 2021; the term of office of Standing Audit & Supervisory Board Member Nobutomo Teshima and Outside Audit & Supervisory Board Members Kazuhiro Hara and Mitsuko Inamasu is four years starting from May 2022; and the term of office of Outside Audit & Supervisory Board Member Kaori Matsuhashi is four years starting from May 2023.
5. The Company has introduced the executive officer system, which makes each person’s sphere of responsibility and performance target clearer, makes decision-making and implementation in management speedier and more efficient, allows each person to focus on their operational execution, and clarifies the business management and oversight functions and functions of executing targets on which a policy decision was made.

Of the 21 Executive Officers, those who do not serve concurrently as Director are the following 16 persons.

Title	Name
Managing Executive Officer, Head of Superstore operations, General Manager of Superstore Business Management Office	Seiichiro Ishibashi
Managing Executive Officer, Head of Financial Services	Tsuyoshi Kobayashi
Managing Executive Officer	Tetsuya Yamamoto
Managing Executive Officer	Koichiro Otaka
Executive Officer, Head of Overseas CVS operations (International)	Shinji Abe
Executive Officer, General Manager of the Corporate General Affairs & Legal Division	Seiji Oku
Executive Officer, General Manager of ESG Development Division	Nobuyuki Miyaji
Executive Officer, Chief Information Officer (CIO), General Manager of Group DX Division	Izuru Nishimura
Executive Officer, Chief Merchandising Officer (CMDO), General Manager of the Group Merchandise Strategy & Planning Division	Seiji Kitamura
Executive Officer, Chief Human Resource Officer (CHRO), General Manager of the HR Division	Takuya Enomoto
Executive Officer, General Manager of the Corporate Communication Division	Hirotake Henmi
Executive Officer, Deputy Manager of the Corporate Finance & Accounting Division	Yasukiyo Toda
Executive Officer, Senior Officer of the Corporate Management Department	Shinya Ishii
Executive Officer, Senior Officer of the Public Relations Center	Yuki Oda
Executive Officer, Senior Officer of the Brand Communications Department	Miho Terada
Executive Officer, Senior Officer of the Sustainability Development Department	Junko Waseda

2) The “Election of 13 Directors” and “Election of 1 Audit & Supervisory Board Member” are on the proposals (resolutions) for the Annual Shareholders’ Meeting to be held on May 27, 2025, and if these proposals are approved and passed, the Company’s officers will be as follows.
Brief personal histories are based on information as of May 23, 2025.
Men: 14, Women: 4 (ratio of female officers: 22.2%)

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)		Term of office	Number of shares of the Company owned (Thousands of shares)
Representative Director and Executive Chair (Kaicho) Executive Officer and Executive Chair (Kaicho) (Note 1)	Junro Ito	June 14, 1958	Aug. 1990	Joined SEVEN-ELEVEN JAPAN CO., LTD.	(Note 4)	9,519
			May 2002	Director of SEVEN-ELEVEN JAPAN CO., LTD.		
			May 2003	Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD.		
			Jan. 2007	Managing Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD.		
			May 2009	Director of the Company Executive Officer of the Company Senior Officer of the Corporate Development Department of the Company		
			Apr. 2011	Senior Officer of the CSR Management Department of the Company		
			May 2015	Audit & Supervisory Board Member of York-Benimaru Co., Ltd.		
			May 2016	In charge of Group Corporate Support of the Company		
			July 2016	Senior Officer of the Corporate Support Department of the Company		
			Dec. 2016	Managing Executive Officer of the Company Head of the Corporate Development Office of the Company		
			Mar. 2017	Director of Ito-Yokado Co., Ltd.		
			Mar. 2018	General Manager of the Corporate Development Division of the Company		
			July 2019	Outside Director of AIN HOLDINGS INC.		
			May 2020	Member of the Compensation Committee of the Company (incumbent)		
			Sept. 2021	Representative Director of Ito-Kogyo Co., Ltd.		

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)		Term of office	Number of shares of the Company owned (Thousands of shares)
			Apr. 2023	Representative Director of the Company Senior Managing Executive Officer of the Company Chief Sustainability Officer (CSuO) of the Company (incumbent) General Manager of ESG Development Division of the Company Supervising Officer of Superstore Operations of the Company (incumbent)		
			May 2024	Representative Director and Vice President of the Company (incumbent) Executive Officer and Vice President of the Company (incumbent) Chief Administrative Officer (CAO) of the Company (incumbent) Information Management Supervisor of the Company (incumbent)		
			Aug. 2024	Representative Director and President of Seven & i Energy Management Co., Ltd. (incumbent)		
			Oct. 2024	Chairman & Representative Director of YORK Holdings Co., Ltd. (incumbent)		

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)		Term of office	Number of shares of the Company owned (Thousands of shares)
Representative Director and President Executive Officer and President Chief Executive Officer (CEO) (Note 1)	Stephen Hayes Dacus	November 7, 1960	Sept. 1983	Joined Northrop Corporation (currently Northrop Grumman Corporation)	(Note 4)	–
			Sept. 1985	Joined Coopers & Lybrand L.L.P. (currently Pricewaterhouse Coopers)		
			Mar. 1994	Joined Mars, Incorporated		
			June 2001	CEO of MasterFoods Ltd.		
			Sept. 2005	Senior Vice President of FAST RETAILING CO., LTD.		
			July 2007	Senior Vice President of Walmart Stores, Inc.		
			Apr. 2010	Executive Vice President of Walmart Japan Holdings G.K. (currently Seiyu Co., Ltd.)		
			June 2011	CEO of Walmart Japan Holdings G.K.		
			Oct. 2015	Outside Director of Sushiro Global Holdings Co., Ltd. (currently FOOD & LIFE COMPANIES LTD.)		
			July 2016	Chairman and Representative Director of Sushiro Global Holdings Co., Ltd.		
			May 2019	Non-executive Director of Hana Group SAS		
			June 2019	CEO of Hana Group SAS		
			July 2020	Chairman of the Supervisory Board of Hana Group SAS		
			Nov. 2021	Chairman of Daiso California L.L.C. (currently Daiso USA L.L.C.) (incumbent)		
			May 2022	Outside Director of the Company		
			Dec. 2022	Member of the Nomination Committee of the Company		
			Oct. 2023	Non-executive Director of Hana Group SAS (incumbent)		
			Apr. 2024	Lead Independent Outside Director of the Company (incumbent)		

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)		Term of office	Number of shares of the Company owned (Thousands of shares)
Representative Director and Vice President Executive Officer and Vice President (Note 1)	Shigeki Kimura	March 16, 1962	Mar. 1986	Joined SEVEN-ELEVEN JAPAN CO., LTD.	(Note 4)	25
			Mar. 2014	Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD.		
			May 2016	Senior Officer of the Secretary Office of the Company		
			Dec. 2016	Executive Officer of the Company Senior Officer of the Corporate Development Department of the Company		
			Mar. 2019	General Manager of the Corporate Personnel Planning Division of the Company Director of SEVEN-ELEVEN JAPAN CO., LTD.		
			May 2019	Director of the Company		
			Mar. 2020	Senior Managing Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD. General Manager of the Administration Division of SEVEN-ELEVEN JAPAN CO., LTD.		
			Mar. 2021	Director of SEVEN-ELEVEN OKINAWA Co., Ltd. (incumbent)		
			Mar. 2024	Director and Vice President of SEVEN-ELEVEN JAPAN CO., LTD. Executive Vice President of SEVEN-ELEVEN JAPAN CO., LTD.		
			July 2024	Outside Director of AIN HOLDINGS INC. (incumbent)		
			May 2025	Director of SEVEN-ELEVEN JAPAN CO., LTD. (incumbent)		

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)		Term of office	Number of shares of the Company owned (Thousands of shares)
Director Managing Executive Officer Chief Financial Officer (CFO) General Manager of the Corporate Finance & Accounting Division	Yoshimichi Maruyama	November 2, 1959	Apr. 1982	Joined The Long-Term Credit Bank of Japan, Limited	(Note 4)	5
			July 2008	Joined the Company		
			May 2012	Senior Officer of the Risk Management Department of the Company		
			Nov. 2014	Senior Officer of the Information Management & Security Office of the Company		
			July 2016	Senior Officer of the Corporate Planning Department of the Company		
			Dec. 2016	Senior Officer of the Corporate Development Department of the Company		
			May 2017	Executive Officer of the Company Senior Officer of the Finance Planning Department of the Company Representative Director and President of SEVEN & i Financial Center Co., Ltd. (incumbent)		
			Oct. 2017	Representative Director and President of Seven & i Asset Management Co., Ltd.		
			Mar. 2018	General Manager of the Corporate Finance & Accounting Division of the Company (incumbent)		
			May 2020	Director of the Company (incumbent)		
			Jan. 2021	Director of 7-Eleven, Inc. (incumbent)		
			Oct. 2021	Director of 7-Eleven International LLC (incumbent)		
			Mar. 2022	Managing Executive Officer of the Company (incumbent)		
			May 2022	Member of the Compensation Committee of the Company		
			Apr. 2023	Chief Financial Officer (CFO) of the Company (incumbent)		
			May 2024	Member of the Nomination Committee of the Company (incumbent)		

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)		Term of office	Number of shares of the Company owned (Thousands of shares)
Director Executive Officer Chief Strategy Officer (CSO) General Manager of the Corporate Planning Division	Tamaki Wakita	May 12, 1972	Apr. 1995	Joined Nichimen Corporation (currently Sojitz Corporation)	(Note 4)	6
			Feb. 2002	Joined General Electric International, Inc.		
			Feb. 2003	Joined Nissen Co., Ltd. (currently Nissen Holdings Co., Ltd.)		
			June 2006	Executive Officer of Nissen Co., Ltd.		
			Mar. 2012	Director of Nissen Holdings Co., Ltd.		
			Sept. 2016	Representative Director and President of Nissen Holdings Co., Ltd. Director and Chair of SHADDY CO., LTD		
			Mar. 2019	Senior Officer of the Corporate Development Department of the Company		
			May 2019	Director of Francfranc Corporation		
			Mar. 2020	Director of Ito-Yokado Co., Ltd.		
			Jan. 2021	Director of 7-Eleven, Inc. (incumbent)		
			Oct. 2021	Director of 7-Eleven International LLC (incumbent)		
			Mar. 2022	Executive Officer of the Company (incumbent)		
			Apr. 2023	Chief Strategy Officer (CSO) of the Company (incumbent) General Manager of the Corporate Planning Division of the Company (incumbent)		
			Aug. 2023	Director of Sogo & Seibu Co., Ltd.		
			May 2024	Director of the Company (incumbent) Member of the Compensation Committee of the Company (incumbent)		

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)		Term of office	Number of shares of the Company owned (Thousands of shares)
Director	Fuminao Hachiuma	December 8, 1959	Apr. 1983	Joined Ajinomoto Co., Inc.	(Note 4)	–
			July 1998	President of PT AJINOMOTO SALES INDONESIA		
			July 2008	Director and Vice President of AJINOMOTO USA Inc.		
			June 2013	Corporate Executive Officer of Ajinomoto Co., Inc.		
			June 2015	Corporate Vice President of Ajinomoto Co., Inc.		
				Representative Director, President of J-OIL MILLS, Inc.		
			June 2016	Representative Director, President and CEO of J-OIL MILLS, Inc.		
			Apr. 2022	Director of J-OIL MILLS, Inc.		
			May 2023	Outside Director of the Company (incumbent)		
			June 2023	Outside Audit & Supervisory Board Member of YKK AP Inc. (incumbent)		
				Outside Director of SUBARU CORPORATION (incumbent)		
			Aug. 2023	Member of the Nomination Committee of the Company (incumbent)		
			Mar. 2025	Member of the Compensation Committee of the Company (incumbent)		

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)		Term of office	Number of shares of the Company owned (Thousands of shares)
Director	Yoshiyuki Izawa	February 10, 1948	Apr. 1970 June 2000 Apr. 2004 Apr. 2007 June 2007 Apr. 2008 Dec. 2009 June 2010 June 2013 May 2015 Apr. 2021 May 2022 June 2022 Dec. 2022	Joined MITSUI & CO., LTD. Director of MITSUI & CO., LTD. Executive Managing Officer of MITSUI & CO., LTD. Senior Executive Managing Officer of MITSUI & CO., LTD. Representative Director, Senior Executive Managing Officer of MITSUI & CO., LTD. Representative Director, Executive Vice President of MITSUI & CO., LTD. (Retired in November 2009) President & CEO, Representative Executive Officer of JAPAN POST BANK Co., Ltd. Director and Representative Executive Officer, Executive Vice President of JAPAN POST HOLDINGS Co., Ltd. Director of JAPAN POST HOLDINGS Co., Ltd. Chairman & CEO, Representative Director of BlackRock Japan Co., Ltd. Director and Chairman of BlackRock Japan Co., Ltd. (Retired in March 2022) Outside Director (Member of the Audit and Supervisory Committee) of Nitori Holdings Co., Ltd. (incumbent) Outside Director of the Company (incumbent) Outside Director of Sanoh Industrial Co., Ltd. (incumbent) Member of the Nomination Committee of the Company (incumbent)	(Note 4)	0

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)		Term of office	Number of shares of the Company owned (Thousands of shares)
Director	Meyumi Yamada	August 30, 1972	Apr. 1995	Joined KOEI KOGYO Co., Ltd.	(Note 4)	–
			May 1997	Joined Kiss Me Cosmetics Co., Ltd. (currently ISEHAN Co., Ltd.)		
			July 1999	Representative Director of istyle LLC		
			Apr. 2000	Representative Director of istyle Inc.		
			Dec. 2009	Director of istyle Inc. (incumbent)		
			May 2012	Representative Director and President of Cyberstar Co., Ltd.		
			Sept. 2016	Director of Eat Smart, Inc.		
			June 2017	Outside Director of JAPAN POST INSURANCE Co., Ltd. Outside Director of SEINO HOLDINGS CO., LTD. (incumbent)		
			June 2021	Outside Director of Sompo Holdings, Inc. (incumbent)		
			Nov. 2021	Representative Director of Bank For Smiles (incumbent)		
			May 2022	Outside Director of the Company (incumbent) Member of the Nomination Committee of the Company		
			May 2023	Chair of the Nomination Committee of the Company (incumbent)		

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)		Term of office	Number of shares of the Company owned (Thousands of shares)
Director	Paul Yonamine	August 20, 1957	June 1979	Joined Peat, Marwick, Mitchell & Co. (currently KPMG LLP)	(Note 4)	–
			May 1983	Registered as U.S. Certified Public Accountant		
			Apr. 1995	Managing Partner of KPMG LLP Hawaii		
			Mar. 1997	Representative Partner of KPMG Global Solutions LLC (currently PwC Advisory LLC)		
			Aug. 2001	Representative Partner and Chairman of KPMG Global Solutions LLC		
			Apr. 2006	President and CEO of Hitachi Consulting Co., Ltd.		
			May 2010	VP & CFO of IBM Japan, Ltd.		
			Apr. 2013	Vice President of IBM Japan, Ltd.		
			Jan. 2015	President of IBM Japan		
			Mar. 2017	Director of GCA Corporation		
			June 2017	Director of Central Pacific Bank		
			July 2017	Director and Chairman of GCA Corporation		
			Oct. 2018	Director and Non-executive Chairman of GCA Corporation Chairman & CEO of Central Pacific Financial Corp. Executive Chairman of Central Pacific Bank		
			June 2019	Outside Director of Sumitomo Mitsui Banking Corporation (incumbent)		
			Dec. 2020	Outside Director of circlace Inc.		
			May 2022	Outside Director of the Company (incumbent)		
			Jan. 2023	Chairman Emeritus & Director (Non Executive Director) of Central Pacific Financial Corp. (incumbent) Chairman Emeritus & Director (Non Executive Director) of Central Pacific Bank (incumbent)		
			May 2023	Member of the Compensation Committee of the Company (incumbent)		
			June 2023	Outside Director (Audit and Supervisory Committee Member) of PayPay Corporation (incumbent)		

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)		Term of office	Number of shares of the Company owned (Thousands of shares)
Director	Takashi Sawada	July 12, 1957	Apr. 1981	Joined ITOCHU Corporation	(Note 4)	–
			May 1997	Joined FAST RETAILING CO., LTD.		
			Nov. 1997	Managing Director of FAST RETAILING CO., LTD.		
			Nov. 1998	Director and Vice President of FAST RETAILING CO., LTD.		
			Jan. 2003	Representative Director and President of KIACON Corporation		
			Oct. 2005	Representative Director, President and Chief Executive Officer of Revamp Corporation		
			June 2008	Outside Director of Nomura Research Institute, Ltd.		
			Apr. 2012	Outside Director of Culture Convenience Club Co., Ltd.		
			June 2013	Outside Director of SECOM CO., LTD.		
			June 2014	Outside Director of K'S HOLDINGS CORPORATION		
			Mar. 2015	Outside Director of Link and Motivation Inc.		
			May 2016	Director, Senior Managing Executive Officer and Assistant to President of FamilyMart Co., Ltd.		
			Sept. 2016	Representative Director and President of FamilyMart Co., Ltd.		
			Mar. 2018	Representative Director, Executive Vice President and Executive Officer of FamilyMart UNY Holdings Co., Ltd. (currently FamilyMart Co., Ltd.)		
			May 2019	Representative Director and President of FamilyMart Co., Ltd.		
			Jan. 2022	External Director of CellSource Co., Ltd.		
			Mar. 2022	Representative Director of LOTTE VENTURES JAPAN CO., LTD.		
			June 2022	Outside Director of Hey Inc. (currently STORES, Inc.) (incumbent)		
			Jan. 2024	Director of LOTTE VENTURES JAPAN CO., LTD. (incumbent) Representative Director and CEO of CellSource Co., Ltd. (incumbent)		

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)		Term of office	Number of shares of the Company owned (Thousands of shares)
Director	Masaki Akita	December 24, 1958	Apr. 1983	Joined Hankyu Corporation (currently Hankyu Hanshin Holdings, Inc.)	(Note 4)	–
			July 1991	Joined Matsuya Co., Ltd.		
			May 1999	Director of Matsuya Co., Ltd.		
			May 2001	Managing Director of Matsuya Co., Ltd.		
			Mar. 2005	Senior Managing Director of Matsuya Co., Ltd.		
			May 2005	Representative Director and Vice President of Matsuya Co., Ltd.		
			May 2007	Representative Director and President of Matsuya Co., Ltd.		
			May 2008	Representative Director, President and Executive Officer of Matsuya Co., Ltd.		
			July 2017	Outside Director of Meiji Yasuda Life Insurance Company (incumbent)		
			Mar. 2023	Director, Chair and Chairperson of the Board of Directors of Matsuya Co., Ltd. (incumbent)		

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)		Term of office	Number of shares of the Company owned (Thousands of shares)
Director	Tatsuya Terazawa	January 20, 1961	Apr. 1984	Joined Ministry of International Trade and Industry	(Note 4)	–
			June 2013	Director-General of Commerce and Distribution Safety Policy of Ministry of Economy, Trade and Industry		
			July 2015	Director-General of Trade and Economic Cooperation Bureau of Ministry of Economy, Trade and Industry		
			July 2017	Director-General of Commerce and Information Policy Bureau of Ministry of Economy, Trade and Industry		
			July 2018	Vice-Minister for International Affairs of Ministry of Economy, Trade and Industry		
			Aug. 2020	Outside Director of Toyo Engineering Corporation (incumbent)		
			Jan. 2021	Special Advisor to the Cabinet Office		
			July 2021	Chairman and CEO of The Institute of Energy Economics, Japan (incumbent)		
Director	Christine Edman	Decem-ber 23, 1975	Nov. 1997	Joined Mattel International K.K.	(Note 4)	–
			Jan. 2000	Joined Aunt Stella Inc.		
			Aug. 2005	Joined H&M Hennes & Mauritz AB (Sweden)		
			Feb. 2007	Area Manager of H&M Hong Kong		
			Mar. 2008	Representative Director and President of H&M Hennes & Mauritz Japan		
			June 2017	Director of LVMH Fashion Group Japan Co., Ltd. (currently LVMH Fashion Group Japan G.K.) President & CEO of GIVENCHY Japan		
			Dec. 2021	Executive Officer of ZOZO, Inc.		

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)	Term of office	Number of shares of the Company owned (Thousands of shares)
Standing Audit & Supervisory Board Member	Shinya Ishii	February 21, 1965	Mar. 1987 Joined SEVEN-ELEVEN JAPAN CO., LTD. Jan. 2011 General Manager of the Budget Department, Planning Office of SEVEN-ELEVEN JAPAN CO., LTD. May 2016 Senior Officer of the Secretary Office of the Company Dec. 2016 Senior Officer of the Corporate Management Department of the Company May 2017 Director of Sogo & Seibu Co., Ltd. Mar. 2018 Executive Officer, Senior Officer of the Corporate Management Department of the Company (incumbent) Mar. 2022 Director of THE LOFT CO., LTD. Mar. 2024 Director of Akachan Honpo Co., Ltd. May 2024 Audit & Supervisory Board Member of York-Benimaru Co., Ltd.	(Note 5)	3
Standing Audit & Supervisory Board Member	Nobutomo Teshima	June 15, 1962	Oct. 1991 Joined SEVEN-ELEVEN JAPAN CO., LTD. Feb. 2008 General Manager of the Accounting Administrative Department of SEVEN-ELEVEN JAPAN CO., LTD. Jan. 2013 Senior Officer of the Operational Support Department of the Company Sept. 2017 Senior Officer of the Accounting Management Department of the Company Mar. 2018 Executive Officer of the Company Mar. 2019 Senior Officer of the Auditing Office of the Company Mar. 2021 Audit & Supervisory Board Member of York-Benimaru Co., Ltd. May 2022 Audit & Supervisory Board Member of SEVEN-ELEVEN JAPAN CO., LTD. (incumbent) Standing Audit & Supervisory Board Member of the Company (incumbent)	(Note 5)	11

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)		Term of office	Number of shares of the Company owned (Thousands of shares)
Audit & Supervisory Board Member	Kazuhiro Hara	February 25, 1954	Aug. 1983	Joined Chuo Accounting Office	(Note 5)	–
			Mar. 1985	Registered as a Certified Public Accountant		
			July 2007	Joined Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC)		
			July 2016	Director of Hara Certified Accounting Office (incumbent)		
			Nov. 2016	Registered as a Certified Tax Accountant Director of Hara Kazuhiro Tax Accountant Office (incumbent)		
			Sept. 2017	Representative Director of Hara Consulting Office		
			May 2018	Outside Audit & Supervisory Board Member of the Company (incumbent)		
			Dec. 2020	Supervisory Director of SMBC Private REIT Investment Corporation (incumbent)		
Audit & Supervisory Board Member	Mitsuko Inamasu	March 15, 1976	Oct. 2000	Registered as an Attorney at Law (Tokyo Bar Association) Joined Hattori Law Office (incumbent)	(Note 5)	–
			May 2018	Outside Audit & Supervisory Board Member of the Company (incumbent)		
			June 2022	Outside Director, Member of the Audit and Supervisory Committee of NTT DATA Corporation (currently NTT DATA Group Corporation) (incumbent)		

Title	Name	Date of birth	Brief personal history (As of May 23, 2025)		Term of office	Number of shares of the Company owned (Thousands of shares)
Audit & Supervisory Board Member	Kaori Matsuhashi (Real name: Kaori Hosoya)	June 7, 1969	Apr. 2006	Registered as a Certified Public Accountant	(Note 5)	0
			July 2006	Joined Asset Investors, Inc. (currently MBK Co., Ltd.)		
			Nov. 2007	General Manager of the Corporate Planning Division of Asset Investors, Inc.		
			Mar. 2008	Joined MK Capital Management Corporation (currently IDERA Capital Management Ltd.) Executive Officer of MK Capital Management Corporation		
			May 2009	Representative Director of Luminous Consulting Co., Ltd. (incumbent) Representative of Kaori Matsuhashi Certified Public Accountant Office (incumbent)		
			Jan. 2014	External Auditor of NTS Holdings Company, Limited		
			June 2014	External Director of Spiber Inc. (incumbent)		
			June 2017	Outside Audit & Supervisory Board Member of Kakaku.com, Inc.		
			May 2019	Outside Audit & Supervisory Board Member of the Company (incumbent)		
			May 2022	Outside Director (Member of the Audit and Supervisory Committee) of YASKAWA Electric Corporation (incumbent)		
					Total	9,573

Notes:
1. Scheduled to be appointed at the Board of Directors meeting following the Annual Shareholders' Meeting to be held on May 27, 2025.
2. Directors Fuminao Hachiuma, Yoshiyuki Izawa, Meyumi Yamada, Paul Yonamine, Takashi Sawada, Masaki Akita, Tatsuya Terazawa, and Christine Edman are Independent Outside Directors.
3. Audit & Supervisory Board Members Kazuhiro Hara, Mitsuko Inamasu, and Kaori Matsuhashi are Independent Outside Audit & Supervisory Board Members.
4. The term of office of the Director is one year starting from May 2025.
5. The term of office of Standing Audit & Supervisory Board Member Shinya Ishii is four years starting from May 2025; the term of office of Standing Audit & Supervisory Board Member Nobutomo Teshima and Outside Audit & Supervisory Board Members Kazuhiro Hara and Mitsuko Inamasu is four years starting from May 2022; and the term of office of Outside Audit & Supervisory Board Member Kaori Matsuhashi is four years starting from May 2023.
6. The Company has introduced the executive officer system, which makes each person's sphere of responsibility and performance target clearer, makes decision-making and implementation in management speedier and more efficient, allows each person to focus on their operational execution, and clarifies the business management and oversight functions and functions of executing targets on which a policy decision was made.

   The Executive Officers will be appointed at the Board of Directors meeting following the Annual Shareholders' Meeting scheduled to be held on May 27, 2025.

(ii) Outside Directors and Outside Audit & Supervisory Board Members

I View on independence of Outside Directors and Outside Audit & Supervisory Board Members and independence standards

- Designation of Independent Directors and Independent Audit & Supervisory Board Members
  The Company designates all Outside Directors and Outside Audit & Supervisory Board Members who satisfy the qualifications for independent officers as the Independent Outside Directors and Independent Outside Audit & Supervisory Board Members.
- Standards for the independence of Outside Directors and Outside Audit & Supervisory Board Members, etc.
  The Company emphasizes diversity in its Directors and Audit & Supervisory Board Members, including in Outside Directors and Outside Audit & Supervisory Board Members, and strives to secure highly capable external human resources who will support enhanced corporate governance. Accordingly, the Company has adopted the following standards for independence of Outside Directors and Outside Audit & Supervisory Board Members, considering that it is better to judge each candidate from the essential perspective of "whether they have any potential conflict of interest with general shareholders."

1. Independence standards for Outside Directors and Outside Audit & Supervisory Board Members
   (1) Fundamental approach
   Independent Directors and Independent Audit & Supervisory Board Members are defined as Outside Directors and Outside Audit & Supervisory Board Members who have no potential conflicts of interest with general shareholders of the Company.
   In the event that an Outside Director or an Outside Audit & Supervisory Board Member is likely to be significantly controlled by the management of the Company or is likely to significantly control the management of the Company, that Outside Director or Outside Audit & Supervisory Board Member is considered to have a potential conflict of interest with general shareholders of the Company and is considered to lack independence.
   (2) Independence standards
   In accordance with this fundamental approach, the Company uses the independence standards established by the financial instruments exchange as the independence standards for the Company's Outside Directors and Outside Audit & Supervisory Board Members.
2. De minimis thresholds for information disclosure regarding the attributes of Independent Directors and Independent Audit & Supervisory Board Members as negligible
   (In the most-recent business year of the Company)
   - With regard to transactions, "less than 1% of the nonconsolidated revenues from operations of the Company in the most recent accounting period"
   - With regard to donations, "less than ¥10 million"

II Main activities of Outside Directors and Outside Audit & Supervisory Board Members

・ Attendance and remarks at meetings of the Board of Directors and the Audit & Supervisory Board during the fiscal year ended February 28, 2025

(Outside Directors)

Name	Attendance at the meetings of the Board of Directors (Attendance rate)	Main remarks made and summary of duties performed with respect to the roles expected of Outside Directors
Stephen Hayes Dacus	16/16 100%	Mr. Stephen Hayes Dacus gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding organizational management, marketing, finance, accounting, etc.
Toshiro Yonemura	16/16 100%	Mr. Toshiro Yonemura gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding organizational management, risk management, etc.
Yoshiyuki Izawa	16/16 100%	Mr. Yoshiyuki Izawa gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding international corporate management, management administration, finance & accounting, sustainability, capital market, etc.
Meyumi Yamada	16/16 100%	Ms. Meyumi Yamada gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing her opinions based on her broad high level knowledge and experience regarding e-commerce, DX (digital transformation), organizational management, marketing, sustainability, etc.
Jenifer Simms Rogers	16/16 100%	Ms. Jenifer Simms Rogers gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing her opinions based on her broad high level knowledge and experience regarding global legal affairs, risk management, finance, accounting, sustainability, etc.
Fuminao Hachiuma	16/16 100%	Mr. Fuminao Hachiuma gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding business management, organizational management, marketing, and sustainability.
Paul Yonamine	15/16 93.8%	Mr. Paul Yonamine gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding DX (digital transformation), organizational management, finance, accounting, etc.
Elizabeth Miin Meyerdirk	16/16 100%	Ms. Elizabeth Miin Meyerdirk gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing her opinions based on her broad high level knowledge and experience regarding DX (digital transformation), marketing, finance, accounting, etc.
Shinji Wada	12/13 92.3%	Mr. Shinji Wada gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding retail business management, DX (digital transformation), organizational management, and corporate governance.

Notes: 1. Mr. Shinji Wada passed away on December 29, 2024, and retired as a Director of the Company on the same date.

2. Jenifer Simms Rogers and Elizabeth Miin Meyerdirk have resigned as directors of the Company with an effective date of March 11, 2025.

(Outside Audit & Supervisory Board Members)

Name	Attendance at the meetings of the Board of Directors (Attendance rate)	Attendance at the meetings of the Audit & Supervisory Board (Attendance rate)	Main remarks
Kazuhiro Hara	16/16 100%	26/26 100%	Mr. Kazuhiro Hara asked questions and expressed his opinions as he deemed appropriate, with his abundant experience and technical knowledge related to finance, accounting, tax and risk management.
Mitsuko Inamasu	16/16 100%	26/26 100%	Ms. Mitsuko Inamasu asked questions and expressed her opinions as she deemed appropriate, with her abundant experience and technical knowledge related to overall corporate legal affairs and risk management.
Kaori Matsuhashi	15/16 93.8%	26/26 100%	Ms. Kaori Matsuhashi asked questions and expressed her opinions as she deemed appropriate, with her abundant experience and technical knowledge related to finance, accounting, management administration, and risk management.

・ Exchanges of opinions with Directors, etc.
In addition to meetings of the Board of Directors, Outside Directors and Outside Audit & Supervisory Board Members meet with the Representative Directors, Directors, Standing Audit & Supervisory Board Members, and others. These meetings including Management Opinion Exchange Meetings are held on a regular and as-needed basis. The themes are set for each of the meetings, centered on various management issues and matters of high social concern. Reports are provided by Directors, the internal control divisions, and so forth, regarding the status of business execution and internal control at the Company and its Group companies, and explanations are given in response to questions from the Outside Directors and Outside Audit & Supervisory Board Members, who also express their opinions regarding the Company's management, corporate governance, and other topics based on their respective expert knowledge and wide-ranging, high-level experience and insight into management. In these and other ways, the Outside Directors and Outside Audit & Supervisory Board Members coordinate with each other while exchanging frank and lively opinions. The Outside Directors and Outside Audit & Supervisory Board Members also exchange opinions with the Directors and Audit & Supervisory Board Members, etc. of operating companies.
Through these activities, Outside Directors supervise operational execution, and Outside Audit & Supervisory Board Members perform audits of operational execution and accounting practices.

・ Functions and roles of Outside Directors and Outside Audit & Supervisory Board Members
The Outside Directors and Outside Audit & Supervisory Board Members provide supervision or audits and advice and proposals from an external perspective based on their respective expertise and wide-ranging, high-level experience and insight into management from an objective and neutral standpoint with no risk of conflict of interest with general shareholders, and fulfill the function and role of ensuring valid and appropriate decision-making and business execution by the Board of Directors.

・ Support system for Outside Directors and Outside Audit & Supervisory Board Members
The Company has assigned dedicated staff to assist the Outside Directors and Outside Audit & Supervisory Board Members in their duties, enabling close coordination and smooth exchange of information with the internal Directors and internal Audit & Supervisory Board Members. The Company has entered into liability limitation agreements with each Outside Director and each Outside Audit & Supervisory Board Member to ensure that their expected roles are fully fulfilled.

These agreements limit the amount of their liability for compensation for damage to the minimum legally stipulated amounts.

III Personal relationships, capital relationships or trading relations, or other interest between Outside Directors and Outside Audit & Supervisory Board Members, and the Company

There are no special personal relationships, capital relationships or trading relations, or other interest between 6 Outside Directors and 3 Outside Audit & Supervisory Board Members, and the Company as of the date of filing of this Annual Securities Report.

In addition, other than compensation for serving as Directors and Audit & Supervisory Board Members, the Company does not pay any fees for services as a legal, accounting or tax expert or as a consultant to each Independent Outside Director or Independent Outside Audit & Supervisory Board Member.

(iii) Coordination between oversight or audits by Outside Directors or Outside Audit & Supervisory Board Members, and internal audits, Audit & Supervisory Board Member audits and accounting audits, and relationships with the internal control divisions

Outside Directors and Outside Audit & Supervisory Board Members work to make coordination with Audit & Supervisory Board Member audits, internal audits and accounting audits through exchange of opinions, etc. with the Board of Directors, the Audit & Supervisory Board, Directors and others, and oversee and audit the status of establishment and operation of internal control systems. At the Board of Directors' meeting, as well as reports on accounting audits and reports on Audit & Supervisory Board Member audits, reports on internal audits are periodically made by the Auditing Office, and the status of internal control, etc. is also reported by the internal control divisions on an as-needed basis. For the status of the coordination in audits by Outside Audit & Supervisory Board Members, please also refer to information provided in "Coordination between Audit & Supervisory Board Member audits, internal audits and accounting audits" above.

(3) [Status of audits]

(i) Audit & Supervisory Board Member audits

(a) Organization and personnel for Audit & Supervisory Board Member audits

As of the date of filing of this Annual Securities Report, Audit & Supervisory Board consists of 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members).

The Company has elected Audit & Supervisory Board Members who possess a respectable level of knowledge on finance and accounting as follows.

- Standing Audit & Supervisory Board Member Nobutomo Teshima was engaged in operations relating to finance and accounting in the finance and accounting division in the Company and its Group companies.
- Audit & Supervisory Board Member Kazuhiro Hara is a certified public accountant and certified tax accountant.
- Audit & Supervisory Board Member Kaori Matsuhashi is a certified public accountant.

Additionally, as a proposal (resolution) for the Annual Shareholders' Meeting scheduled for May 27, 2025, we are proposing the "Election of 1 Audit & Supervisory Board Member" due to the expiration of the term of the Standing Audit & Supervisory Board Member, Noriyuki Habano. If this proposal is approved, the Audit & Supervisory Board will continue to be composed of 5 members (including 3 Outside Directors).

Mr. Shinya Ishii, who is newly scheduled to be appointed as a Standing Audit & Supervisory Board Member, has extensive knowledge and experience in finance, accounting, and business administration, as well as broad knowledge of the whole Group's operations, which he gained as Executive Officer of the Corporate Management Department of the Company.

In addition, the Audit & Supervisory Board has established the Audit & Supervisory Board Members Office and has two dedicated staff members to support Audit & Supervisory Board Members.

(b) Activities of the Audit & Supervisory Board and its members
Attendance at meetings of the Audit & Supervisory Board and the Board of Directors is as follows:

Title	Name	Attendance at the meetings held in the fiscal year ended February 28, 2025	
		Audit & Supervisory Board	Board of Directors
Standing Audit & Supervisory Board Member	Noriyuki Habano	100% (26/26)	100% (16/16)
Standing Audit & Supervisory Board Member	Nobutomo Teshima	100% (26/26)	100% (16/16)
Independent Outside Audit & Supervisory Board Member	Kazuhiro Hara	100% (26/26)	100% (16/16)
Independent Outside Audit & Supervisory Board Member	Mitsuko Inamasu	100% (26/26)	100% (16/16)
Independent Outside Audit & Supervisory Board Member	Kaori Matsuhashi	100% (26/26)	93.8% (15/16)

The Audit & Supervisory Board held a total of 26 meetings during the fiscal year ended February 28, 2025. The average time required per meeting was approximately one and a half hours. The Audit & Supervisory Board receives reports on, discusses or resolves important matters related to audits.
Specifically, the following resolutions, discussions, deliberations, and reports were made throughout the year.

[Resolutions]
Audit policy, audit plan and division of duties, audit report of the Audit & Supervisory Board, reappointment of accounting auditors, agreement on audit fees for accounting auditors, etc.
[Matters for discussion and deliberation]
Agenda for exchange of opinions with Representative Directors, appropriateness of agenda for Board of Directors meetings, contents of reports of the Audit & Supervisory Board to the Board of Directors, evaluation of accounting auditors, non-assurance services of accounting auditors, involvement of the Nomination Committee and the Compensation Committee, matters stated in the Annual Securities Report (status of audit), evaluation of the effectiveness of the Audit & Supervisory Board, etc.
[Reporting matters]
Status of execution of duties by Standing Audit & Supervisory Board Members, reports on important meetings (management meetings, etc.) and important facts, results of internal audits, the status of development and operation of governance system, the status of litigation, the status of financial results, the status of IR response, whistleblowing, etc.

(c) Effectiveness evaluation by the Audit & Supervisory Board
The Audit & Supervisory Board reviewed the audit activities during the fiscal year under review and conducted an evaluation of the effectiveness of the Audit & Supervisory Board by means of a questionnaire filled in by each Audit & Supervisory Board Member to improve the quality and effectiveness of the audit and to reflect the results in the audit plan for the next fiscal year.
The evaluation items were 21 in all, including the operation of the Audit & Supervisory Board, independence, cooperation among the three audits, audit activities, and summary. After conducting a five-point evaluation and free-form comments on each item, and discussing and verifying them with the Audit & Supervisory Board, we have concluded that the effectiveness of the Audit &

Supervisory Board is ensured. On the other hand, there was an assessment that there is room for further improvement regarding the “establishment of an Audit & Supervisory Board succession plan,” “support for strengthening human resources and systems of internal auditing divisions,” “liaison of information with Outside Directors,” and “confirmation and verification of the process of preparing disclosure information,” etc. Therefore, the Audit & Supervisory Board shared the recognition of the issue and confirmed that it will be addressed as a specific action in the audit plan for the next fiscal year.
In FY2025, the Company will continue an effectiveness evaluation by the Audit & Supervisory Board in order to further improve audit quality and effectiveness.

(d) Key audit items
The Company has established a Strategy Committee consisting solely of Independent Outside Directors for the purpose of maximizing the Company’s corporate and shareholder value over the medium to long term. On April 10, 2024, the Strategy Committee submitted a recommendation to the Board of Directors summarizing the discussions of the Strategy Committee. In response, the Board of Directors of the Company announced a specific action plan for the future, and efforts are underway to transform the Group structure and business. In addition, we have made changes to our governance system, such as appointing an Independent Outside Director as the chairperson, and have worked to further strengthen corporate governance. In addition to checking the decision-making process of the Board of Directors, Audit & Supervisory Board Members also collaborate with Audit & Supervisory Board Members of Group companies to audit the effectiveness of measures taken to strengthen and stabilize governance.

(e) Group audit
In Group audits, a Standing Audit & Supervisory Board Member concurrently serves as an Audit & Supervisory Board Member of some major subsidiaries in Japan. Group audit meetings with Audit & Supervisory Board Members of domestic subsidiaries are held twice a year to share information on the status of efforts to strengthen the Group governance system, audit findings, the status of Group whistleblowing and reports on audits by Audit & Supervisory Board Members of each company, thereby strengthening cooperation. At the same time, for some operating companies, Standing Audit & Supervisory Board Member confirms the status of management and governance systems directly from the Representative Director and President at the head offices of operating companies.
In addition, the Standing Audit & Supervisory Board Members regularly meet the Audit & Supervisory Board Members of each company on an individual basis to receive reports on the progress of each company’s audit plan, issues and status of response, and to provide appropriate advice. The Standing Audit & Supervisory Board Members also regularly meet their counterparts (Outside Directors, supervisors, etc. in charge of audit) of major overseas subsidiaries to confirm and discuss the status of development and operation of governance systems, and work to improve the quality of Group audits.
In addition, the Standing Audit & Supervisory Board Members provide training and education and continuous support to newly appointed Audit & Supervisory Board Member of domestic subsidiaries.

(f) Operation of a whistleblower hotline independent of management (Audit & Supervisory Board Hotline)
As an internal whistleblowing system that is independent of the execution functions, the “Audit & Supervisory Board Hotline,” which receives reports and provides consultation for actions violating laws and regulations, social norms and internal rules in relation to the top management team such as the Group’s Directors, Audit & Supervisory Board Members and Executive Officers, has been operated.

(g) Division of roles between Standing Audit & Supervisory Board Members and Outside Audit & Supervisory Board Members

Target	Roles	Standing	Outside
Directors	Board of Directors meetings	○	○
	Observer participation in Nomination Committee and Compensation Committee meetings	○	○
	Exchanges of opinions with Representative Directors	○	○
Business execution	Attendance at management meetings and other important meetings	○	
	Exchanges of opinions with General Managers	○	○
	Exchange of opinions with business execution departments	○	○
	Regular meetings between internal control departments and Standing Audit & Supervisory Board Members	○	
	Inspection of important documents such as circular decision-making documents (ringisho)	○	
Subsidiaries	On-site audits of headquarters, stores, etc. of operating companies	○	Optional
	Individual meetings with Audit & Supervisory Board Members of subsidiaries	○	
	Group audit meetings	○	Optional

(ii) Internal audits

(a) Organization and personnel for internal audits

The Company has established an Auditing Office as an independent internal auditing division to evaluate the internal controls related to financial reporting for the entire Group. In addition to auditing our own holding company, we conduct a confirmation of internal audits or direct audits of major operating companies, including the establishment and operation of compliance systems, in order to enhance and strengthen the audit functions of the entire Group.

As of the date of filing of this Annual Securities Report, there were 28 employees dedicated to internal audit services. A total of 17 employees hold certifications directly related to internal auditing, including a Systems Auditor, Qualified Internal Auditor (QIA), and Internal Auditor specializing in information systems auditing.

For highly specialized IT areas, the Company utilizes the expertise of outside specialists to improve the effectiveness of its audits.

(b) Activities of the Auditing Office

With the “Internal Audit Policy” focusing on “audits that contribute to management,” the Auditing Office formulates risk-based annual plans and conducts internal audits of operating companies and the Company’s overall operations, which are critical to the achievement of the Medium-Term Management Plan.

The annual audit plan is formulated based on the opinions of the Representative Director and President, Audit & Supervisory Board Members, risk management departments, and the accounting auditor (KPMG AZSA LLC), as well as risk assessment conducted every year. In addition, the annual audit plan is reviewed as necessary in line with changes in the management, business, and risk environments surrounding the Company.

Regarding the “assessment of the effectiveness of internal control over financial reporting” in accordance with the Financial Instruments and Exchange Act, the Auditing Office assesses the status of Group-wide internal control and business process control at important locations, and reports the results to the Board of Directors (12 companies including the Company were subject to this assessment in FY2024). Meanwhile, the Auditing Office is strengthening cooperation with major overseas subsidiaries through regular exchanges of opinions with the internal audit departments and accounting departments.

To improve the internal audit function of the entire Group, the Auditing Office provides supervising support to the audit departments of domestic operating companies. Specifically, the Auditing Office helps operating companies with practical auditing, such as conducting cooperative internal audits, according to the risks of the operating companies and the resources of their audit departments, with the aim of improving the skills of the audit department at each operating company and reducing the risks of the operating companies. Furthermore, joint meetings with Group audit departments as well as meetings with an audit department of individual Group companies are held regularly to share audit case studies and discuss various audit-related topics which help improve audit quality.

Audit results, audit plans, etc. are reported to the Representative Director and President and the Board of Directors, as well as to the Audit & Supervisory Board, in order to improve the effectiveness of audits through collaboration with the Audit & Supervisory Board Member audits and discussion with them.

(iii) Coordination between Audit & Supervisory Board Member audits, internal audits and accounting audits

(a) Coordination between the Audit & Supervisory Board Members, the Auditing Office, and the accounting auditor

In order to improve the quality of Group-wide audits, the Company ensures that the Audit & Supervisory Board Members, the Auditing Office, and the accounting auditor proactively share information, exchange opinions, hold discussions and endeavor to maintain close ties with each other, by such means as periodically holding tri-partite meetings.

Coordination method	Schedule	Proceedings	Responsibility	
			Standing	Outside
Tri-partite meetings	April, October	Exchanges information on the performance of accounting audits with the accounting auditor, the performance of internal audits with the Auditing Office, and the performance of Audit & Supervisory Board Member audits with the Audit & Supervisory Board Members and conducts exchanges of opinions	○	○

(b) Coordination between the Audit & Supervisory Board Members and the accounting auditor

The Audit & Supervisory Board Members receive reports from the accounting auditor at the beginning of the fiscal year on the annual audit plan, and on the procedures and results of accounting audits and internal control audits on a quarterly basis, and exchange opinions to coordinate with them.

Coordination method	Schedule	Proceedings	Responsibility	
			Standing	Outside
Explanation of audit and interim review plans	June	Receives an explanation of the audit plan and proposed audit fees for the fiscal year from the accounting auditor	○	○
Report of interim review (status of annual audit) results	July, October, January	Receives reports on interim review (status of annual audit) results from the accounting auditor and exchanges opinions	○	○
Interview with Audit & Supervisory Board Members	January	The accounting auditor conducts interviews and exchanges opinions with the Audit & Supervisory Board Members.	○	○
Exchange of opinions on key audit matters (KAM)	June, July, October, January, April	Receives explanations from the accounting auditor on matters that may become KAM and on the draft text thereof, reviews their contents, and exchanges opinions. Examines the appropriateness of information disclosure	○	○
Report on audit results under the Companies Act	April	Receives a report on the audit results under the Companies Act from the accounting auditor	○	○
Report on audit results under the Financial Instruments and Exchange Act	May	Receives a report on the audit results under the Financial Instruments and Exchange Act from the accounting auditor	○	○
Report on audit results of major overseas subsidiaries	August	Receives reports on audit results from accounting auditors of overseas network firms and exchanges opinions	○	○
Accompanying on-site audits on Group companies	August, February	Accompanies the accounting auditor's on-site audits on Group companies to confirm the appropriateness of audits, etc.	○	

(c) Coordination between the Audit & Supervisory Board Members and the Auditing Office
The Audit & Supervisory Board Members and the Auditing Office ensure comprehensive sharing of audit information between each other in order to improve the quality of audits.

Coordination method	Schedule	Proceedings	Responsibility	
			Standing	Outside
Regular meetings between the Standing Audit & Supervisory Board Members and the Auditing Office	Monthly	Receives reports from the Auditing Office on the audit plan, the results of operational audits, the progress of internal control evaluations, etc., and exchanges opinions. The Standing Audit & Supervisory Board Members report important matters to Outside Audit & Supervisory Board Members.	○	
Information sharing and exchange of opinions on the status and results of internal audits	April, October	Receives reports on the results of operational audits and activity status from the Auditing Office and exchanges opinions	○	○
Report on the status and results of evaluations of internal controls regarding the financial reporting	Quarterly	Receives reports from the Auditing Office on the internal controls regarding the Group's financial reporting as stipulated by the Financial Instruments and Exchange Act	○	○

(d) At each audit, the Audit & Supervisory Board Members, the Auditing Office, and the accounting auditor receive reports and materials, etc. from the internal control divisions, and request explanations as deemed necessary, and the internal control divisions cooperate in the appropriate performance of these audits.

(iv) Accounting audits

(a) Name of auditing firm
KPMG AZSA LLC

(b) Continuous audit period
19 years
For the fiscal year ended February 28, 2007, joint audits were performed with MISUZU Audit Corporation.

(c) Certified public accountants who executed the audit duties
Reiji Kobayashi, Designated Engagement Partner
Masahiro Sasaki, Designated Engagement Partner
Daisuke Nakamura, Designated Engagement Partner

(d) Composition of support staff for the auditing team
Support staff for the auditing team in the fiscal year ended February 28, 2025 were as follows.
20 certified public accountants and 38 others

(e) Policy and basis for selection of the auditing firm
The Audit & Supervisory Board obtains necessary materials and reports from Directors, relevant internal departments and the accounting auditor, and assesses independence and the status of development of quality control system, etc. as an auditing firm, and skills, experience and abilities as an auditing team, auditing method, status of audit results, etc., based on the "assessment basis for the accounting auditor" prepared by the Audit & Supervisory Board to make a selection.

In addition, if the accounting auditor is in the situation that falls under any event set forth in items of Article 340, paragraph (1) of the Companies Act, the Company's Audit & Supervisory Board considers dismissing the accounting auditor. When the dismissal is deemed appropriate, the accounting auditor is dismissed in accordance with the agreement of all Audit & Supervisory Board Members. Furthermore, if it is deemed necessary to change the accounting auditor, taking into account the performance of duties of the accounting auditor and the Company's audit system, the Company's Audit & Supervisory Board decides to submit a proposal on non-reappointment of the accounting auditor to a shareholders' meeting.

(f) Assessment of the auditing firm by the Audit & Supervisory Board and its members
The Audit & Supervisory Board and its members continued to make an assessment through cooperation with the accounting auditor, observation of the accounting auditor's on-site inspection of business offices, etc. during the fiscal year, judged that there was no special problem in audits by KPMG AZSA LLC, the accounting auditor, including judgment on reasonableness of the accounting auditor's audits based on the "assessment basis for the accounting auditor" prepared by the Audit & Supervisory Board, and resolved to reappoint the accounting auditor.

(v) Details of audit-related compensation

(a) Compensation for auditing certified public accountants

(Millions of yen)

Category	Year ended February 29, 2024		Year ended February 28, 2025	
	Compensation for audit attestation	Compensation for non-auditing services	Compensation for audit attestation	Compensation for non-auditing services
The Company	203	65	192	60
Consolidated subsidiaries	826	23	661	20
Total	1,029	88	854	80

(Year ended February 29, 2024)
Details of non-auditing services for the Company are advisory services for accounting and preparing the comfort letter associated with the issuance of corporate bonds.
In addition, details of non-auditing services for consolidated subsidiaries are validation services for the status of design and operation of internal control in contracted businesses and other services.

(Year ended February 28, 2025)
The Company's non-auditing services consist of accounting advisory services.
In addition, details of non-auditing services for consolidated subsidiaries are validation services for the status of design and operation of internal control in contracted businesses and other services.

(b) Compensation for organizations which belong to the same network (KPMG) as the auditing certified public accountants (excluding (a))

(Millions of yen)

Category	Year ended February 29, 2024		Year ended February 28, 2025	
	Compensation for audit attestation	Compensation for non-auditing services	Compensation for audit attestation	Compensation for non-auditing services
The Company	–	502	–	238
Consolidated subsidiaries	513	69	810	111
Total	513	572	810	350

(Year ended February 29, 2024)
Details of non-auditing services for the Company are advisory services for accounting and tax affairs related to the Group’s strategy and other services.
In addition, details of non-auditing services for consolidated subsidiaries are support services for tax affairs and other services.

(Year ended February 28, 2025)
Details of non-auditing services for the Company are advisory services for accounting and tax affairs related to the Group’s strategy and other services.
In addition, details of non-auditing services for consolidated subsidiaries are support services for tax affairs and other services.

(c) Details of other material compensation for audit attestation

None

(d) Policy for determining audit-related compensation

The Company determines audit-related compensation for auditing certified public accountants, etc. with the consent of the Audit & Supervisory Board through consultation with auditing certified public accountants, etc., comprehensively taking into account the number of auditing days, details of audits and other factors.

(e) Basis of consent to the amount of compensation, etc. for the accounting auditor by the Audit & Supervisory Board

The Audit & Supervisory Board decided to provide consent as set forth in Article 399, paragraph (1) of the Companies Act as for the amount of compensation, etc. for the accounting auditor after conducting necessary verifications on details of its audit plans, performance of duties for accounting audits, and whether the calculation base for estimates of the compensation amount is appropriate.

(4) [Compensation, etc. of Directors and Audit & Supervisory Board Members]
Fiscal year ended February 28, 2025

I. Matters regarding policies on determining the amount of compensation, etc. of Directors and Audit & Supervisory Board Members and calculation method thereof

1. Basic views on compensation for Directors and Audit & Supervisory Board Members
The Company considers the compensation system for Directors and Audit & Supervisory Board Members of the Company (“officers”) to be “a mechanism to appropriately take risks for the sake of the continued growth of the medium- and long-term corporate value and sustainable growth of the Group, based on our basic views on corporate governance,” and builds and operates the system based on the points set forth below.

○ Emphasis is placed on the link between the financial results and corporate value of the Group, and establishing a system that further increases the motivation and morale to contribute to improved financial results and increased corporate value continuously over the medium to long term.

- ○ To secure highly capable human resources who will support enhanced corporate governance through appropriate oversight and auditing of operational execution, provide compensation levels and systems commensurate with responsibilities.
- ○ Ensure the objectivity and transparency of the compensation decision process, and establish a compensation system trusted by all stakeholders.
- ○ With regard to the design of a specific compensation system for officers, continue to consider tailoring it more appropriately in light of future trends in legal systems and society.

2. Compensation levels
   The levels of compensation for officers will be determined, taking into consideration various fundamentals in the business content and the business environment of the Company, with reference to the compensation levels of officers in major companies of the same size as the Company based on market capitalization and revenues, etc.
3. Compensation composition
   (1) Operating Directors
   (a) Compensation composition ratios
   The compensation composition ratios for operating Directors (*) are as follows: The ratio of performance-based and stock-based compensation for President and Representative Director is set higher in order to promote the sharing of profits and risks with our shareholders who have medium- and long-term perspectives.

	Fixed compensation	Performance-based compensation	
		Bonuses	Stock-based compensation
Representative Directors	30%	30%	40%
Other Representative Directors	35%	30%	35%
Directors	50%	25%	25%

← Monetary compensation → ← Stock-based compensation →

(*) Calculated under the assumption that performance-based compensation (bonuses) and performance-based and stock-based compensation are based on a standard compensation amount.

(b) Composition
(i) Fixed compensation
- A fixed monetary compensation commensurate with the responsibilities of each position will be paid.
- Compensation will be paid monthly during the term of office.

(ii) Performance-based compensation (bonuses)
- Short-term incentive compensation will be a performance-based compensation that varies based on the Company's business performance and individual evaluations, etc., for the relevant fiscal year.
- Compensation will be paid annually after the Company's business performance and individual evaluations, etc., for the relevant fiscal year have been confirmed.
- The KPIs for performance-based compensation (bonuses) are per the table below. While evaluating the cash-generating capability in the main business, for incorporating the shareholders' viewpoint, consolidated net income is also used together as a KPI (Key Performance Indicator).

(KPIs for performance-based compensation (bonuses))

KPIs	Ratio	Purpose of evaluation	Fiscal year ended February 28, 2025 Targets	Fiscal year ended February 28, 2025 Results
(a) Consolidated operating CF (excluding financial services) (*)	60%	Evaluation of the capability of generating cash by the main business	¥841.7 billion	¥783.2 billion
(b) Consolidated net income	40%	Evaluation of the degree of achievement of budgeted net income	¥293.0 billion	¥173.0 billion

<Coefficient formula pertaining to performance-based compensation (bonuses)>

Coefficient pertaining to performance-based compensation (bonuses) = {(a) + (b)} × (c)

(a) “Consolidated operating CF (excluding financial services) (*)” related coefficient × 60%

(b) “Consolidated net income” related coefficient × 40%

(c) “Individual evaluations” related coefficient

- When evaluating KPIs, the range of compensation of Representative Directors is set wider by using different coefficients pertaining to performance-based compensation (bonuses) from other Directors, so that the compensation of Representative Directors will be more affected by the link to performance.

- The coefficient pertaining to performance-based compensation (bonuses) will vary depending on, not only an evaluation of KPI, but also individual evaluations.

(*) A management accounting figure based on NOPAT (excluding financial services)

(iii) Performance-based and stock-based compensation

- Medium- and long-term incentive compensation will be a performance-based and stock-based compensation that varies based on the Company’s business performance, management indicators, non-financial indicators, etc. (introduction of the BIP Trust system (*) as a stock-based compensation system was resolved at the Annual Shareholders’ Meeting held in May 2019).

- Performance-based and stock-based compensation will enhance sharing profits and risks with our shareholders who have medium- and long-term perspectives by providing points during the term of office based on which shares will be delivered.

- The initial covered period shall be four fiscal years starting from the fiscal year ended February 29, 2020 and the subsequent covered periods shall be per three fiscal years.

- Shares will be delivered to Directors upon their retirement.

- Points to be granted for each fiscal year will be calculated by multiplying the standard points based on their position by a coefficient pertaining to performance-based and stock-based compensation and will vary between 0% and 200% depending on the achievement level of targets, etc.

- The KPIs for performance-based and stock-based compensation are per the table below. In order to incorporate medium- and long-term shareholder perspectives, consolidated ROE and consolidated EPS are used as indicators, and the degree of achievement of these indicators will be evaluated.

- The Company, aiming for the balance of corporate value and social value, added a target to reduce the amount of CO_2 emissions under the environmental declaration called “GREEN CHALLENGE 2050” made in May 2019, as an indicator of the KPIs for performance-based and stock-based compensation from the fiscal year ended February 28, 2021.

- The degree of improvement in employee engagement was added as the KPI for performance-based and stock-based compensation in the fiscal year ended February 28, 2023 to further promote the creation of an environment that allows various human resources to exercise their abilities, and to ensure the strengthening of corporate competitiveness through increased employee motivation to contribute.

(*) A BIP (Board Incentive Plan) trust is an incentive plan for officers established with reference to a performance share plan and a restricted share compensation plan in the U.S.

(KPIs for performance-based and stock-based compensation)

KPI	Ratio	Purpose of evaluation	Fiscal year ended February 28, 2025 Targets	Fiscal year ended February 28, 2025 Results
(a) Consolidated ROE	60%	Evaluation of profitability against equity	7.8%	4.5%
(b) Consolidated EPS	40%	Evaluation of net income from shareholders’ viewpoint	112.05 yen	66.62 yen
(c) CO_2 emissions	See the formula below	Evaluation of the degree of promotion of reducing the environmental burden	1,898,449 t	1,813,924 t

<Coefficient formula pertaining to performance-based and stock-based compensation>

Coefficient pertaining to performance-based and stock-based compensation = {(a) + (b)} × {(c) + (d)}

(a) “Consolidated ROE” related coefficient × 60%

(b) “Consolidated EPS” related coefficient × 40%

(c) “CO_2 emissions” related coefficient

(d) “Employee engagement” related coefficient

- When evaluating KPIs, the range of compensation of Representative Directors is set wider by using different coefficients pertaining to performance-based and stock-based compensation from other Directors, so that the compensation of Representative Directors will be more affected by the link to performance.

- If an eligible Director commits a material illegal or unlawful act, no shares under this system will be delivered to such Director (malus) or the Company may request that such Director refund money corresponding to the shares delivered to him/her (clawback).

Notes:
1. The CO_2 emissions target and result are FY2023 data.
2. The CO_2 emissions target for every fiscal year is calculated on the assumption that emissions are reduced evenly each year toward the CO_2 emissions target of FY2030 set forth in “GREEN CHALLENGE 2050” (to achieve 50% reduction in emissions from the Group’s store operations compared to FY2013).
3. “Employee engagement” related coefficient is determined by the Compensation Committee’s overall evaluation.

(2) Outside Directors and Audit & Supervisory Board Members

(a) Compensation composition ratios

The compensation composition ratios for Outside Directors and Audit & Supervisory Board Members will be fixed compensation only as described in (b) below.

(b) Composition

Fixed compensation

- With an emphasis on further strengthening the independence of Outside Directors and Audit & Supervisory Board Members from management, the compensation of Outside Directors and Audit & Supervisory Board Members consists only of fixed compensation. Performance-based compensation (bonuses and stock-based compensation) will not be paid to Outside Directors and Audit & Supervisory Board Members.

- Compensation will be paid monthly during the term of office.

4. Compensation governance

(1) Compensation Committee

The Company has established a compensation committee to ensure objectivity and transparency in the procedures for deciding the compensation of officers, etc. (referring to "Directors, Audit & Supervisory Board Members, and executive officers"). The committee's chair and the majority of its members are Independent Outside Directors, and all of its members are Directors.

(2) Method of determining compensation

The compensation policy for officers, a basic policy on compensation of officers, has been determined by the Board of Directors through deliberations by the Compensation Committee. Based on the Policy, the amount of compensation of each Director is deliberated by the Compensation Committee in accordance with the evaluation of each Director's function, degree of contribution, and the Group's results, as well as the degree of achievement of KPIs, and then determined by the Board of Directors based on the reports submitted by the Compensation Committee. The compensation of each Audit & Supervisory Board Member is determined through discussions by the Audit & Supervisory Board Members.

(3) Details of activities of the Board of Directors and the Compensation Committee of the Company in the process of determination of amounts of compensation of officers for the latest fiscal year

The Compensation Committee held eight meetings during the fiscal year under review. The Committee members deliberated performance-related coefficient and appropriate levels of performance-linked compensation of officers, such as bonuses and stock compensation and reported to the Board of Directors. Then these matters were resolved by the Board of Directors.

5. Compensation limit for Directors and Audit & Supervisory Board Members

The amount of compensation of officers is decided within the following compensation limits, determined at the shareholders' meeting.

The Company has already abolished the severance payment system for Directors and Audit & Supervisory Board Members, and no severance payments will be paid.

(1) Directors

- Monetary compensation

  Not more than ¥1 billion per year (not including employee salaries paid to Directors who serve concurrently as employees)

  (Resolved at the 1st Annual Shareholders' Meeting held on May 25, 2006)

- Stock-based compensation

  3 fiscal years/not more than ¥1,200 million (not more than ¥400 million per fiscal year)

  Limit on the points granted per fiscal year: 240,000 points (1 point = 1 share of common stock)

  (Resolved at the 17th Annual Shareholders' Meeting held on May 26, 2022, separately from monetary compensation. Although the limit on the points granted per fiscal year was 80,000 points, which was resolved at the same Meeting, it is adjusted to 240,000 points in line with a three-for-one share split of common stock effective on March 1, 2024.)

(2) Audit & Supervisory Board Members

- Monetary compensation
  Not more than ¥200 million per year
  (Resolved at the 14th Annual Shareholders' Meeting held on May 23, 2019)

6. Reasons the Board of Directors has deemed that compensation, etc. of each Director pertaining to the fiscal year ended February 28, 2025 aligns with the determination policy
The determination of details of compensation, etc. of each Director pertaining to the fiscal year ended February 28, 2025 is made by the Board of Directors, which receives a report from the Compensation Committee, and the Board of Directors has determined that it is in line with the determination policy as the decision is based on the report by the Compensation Committee, which is an advisory body to the Board of Directors, after deliberation by the Compensation Committee in accordance with the evaluation of each Director's function, degree of contribution, and the Group's results, as well as the degree of achievement of KPIs based on the policy on compensation of officers.

II. Total amount of compensation, etc. for each officer category, total amount of compensation, etc., by type, and number of eligible officers

Classification of Directors/Audit & Supervisory Board Members	Number of eligible Directors/Audit & Supervisory Board Members	Total amount of compensation, etc. (Millions of yen)	Total amount of compensation, etc., by type (Millions of yen)			
			Fixed compensation	Performance-based compensation (Note 6)		
				Bonuses	Stock-based compensation (BIP Trust)	Non-monetary compensation, etc., among those listed on the left
Directors (excluding Outside Directors)	7	731	266	205	259	259 (Note 8)
Outside Directors	9	284	284	–	–	–
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	2	84	84	–	–	–
Outside Audit & Supervisory Board Members	3	70	70	–	–	–

Notes:
1. The above includes one internal Director who retired at the conclusion of the 19th Annual Shareholders' Meeting held on May 28, 2024, and one Outside Director who passed away on December 29, 2024, and retired on the same date.
2. The amounts of compensation, etc. of Directors shown above do not include amounts paid as salaries for employees to Directors who serve concurrently as employees.
3. It was resolved at the 1st Annual Shareholders' Meeting held on May 25, 2006 that the annual amount of compensation paid to Directors shall not exceed ¥1 billion (not including amounts paid as salaries for employees). The number of Directors related to the said resolution of the Annual Shareholders' Meeting is 16.
4. The 17th Annual Shareholders' Meeting held on May 26, 2022 resolved as follows regarding compensation amounts for Directors' stock-based compensation (BIP Trust). The number of Directors related to the said resolution of the Annual Shareholders' Meeting is 4.

   3 fiscal years/not more than ¥1.2 billion

   Limit on the points granted per fiscal year: 80,000 points (1 point = 1 share of common stock)

   The number of points to be granted per fiscal year has been adjusted to no more than 240,000 points following a three-for-one share split of common stock on March 1, 2024.
5. It was resolved at the 14th Annual Shareholders' Meeting held on May 23, 2019 that the annual amount of compensation paid to Audit & Supervisory Board Members shall not exceed ¥200 million. The number of Audit & Supervisory Board Members related to the said resolution of the Annual Shareholders' Meeting is 5.

6. The amount of performance-based compensation above includes the amount of provision for bonuses for directors (and other officers) and provision for share awards for directors (and other officers) in the fiscal year under review.
7. Stock-based compensation (BIP Trust) is for 5 Directors, including 1 internal Director who retired.
8. The total amount of non-monetary compensation, etc. for Directors (excluding Outside Directors) consists of stock-based compensation (BIP Trust) of ¥259 million.

III. Total amount of consolidated compensation, etc. for each officer

<table>
<tr><th rowspan="4">Name</th><th rowspan="4">Classification of Directors/ Audit & Supervisory Board Members</th><th rowspan="4">Company category</th><th colspan="5">Total amount of compensation, etc., by type (Millions of yen)</th><th rowspan="4">Total amount of consolidated compensation, etc. (Millions of yen) (Note 1)</th></tr>
<tr><th rowspan="3">Fixed compensation</th><th colspan="4">Performance-based compensation (Note 2)</th></tr>
<tr><th rowspan="2">Short-term incentive (bonuses)</th><th colspan="2">Long-term incentive</th><th rowspan="2">Non-monetary compensation, etc., among those listed on the left (Note 3)</th></tr>
<tr><th>Monetary compensation</th><th>Stock-based compensation (BIP Trust)</th></tr>
<tr><td rowspan="2">Ryuichi Isaka</td><td>Director</td><td>The Company</td><td>116</td><td>130</td><td>–</td><td>168</td><td>168</td><td rowspan="2">419</td></tr>
<tr><td>Director</td><td>7-Eleven, Inc.</td><td>4</td><td>–</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Junro Ito</td><td>Director</td><td>The Company</td><td>50</td><td>47</td><td>–</td><td>55</td><td>55</td><td>153</td></tr>
<tr><td rowspan="3">Fumihiko Nagamatsu</td><td>Director</td><td>The Company</td><td>21</td><td>–</td><td>–</td><td>–</td><td>–</td><td rowspan="3">166</td></tr>
<tr><td>Director</td><td>SEVEN-ELEVEN JAPAN CO., LTD.</td><td>31</td><td>52</td><td>–</td><td>56</td><td>56</td></tr>
<tr><td>Director</td><td>7-Eleven, Inc.</td><td>4</td><td>–</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td rowspan="2">Joseph Michael DePinto</td><td>Director</td><td>The Company</td><td>23</td><td>–</td><td>–</td><td>–</td><td>–</td><td rowspan="2">4,349</td></tr>
<tr><td>Director</td><td>7-Eleven, Inc. (Note 4)</td><td>295</td><td>437</td><td>3,592</td><td>–</td><td>–</td></tr>
</table>

Notes:
1. Information is provided only on persons whose total amount of consolidated compensation, etc. is ¥100 million or more.
2. The amount of performance-based compensation above includes the amount of provision for bonuses for directors (and other officers) and provision for share awards for directors (and other officers) in the fiscal year under review.
3. The total amount of non-monetary compensation, etc., is all stock-based compensation (BIP trust).
4. Joseph Michael DePinto, who resigned as a Director of the Company effective March 9, 2025, was paid compensation as Director & CEO of 7-Eleven, Inc. in addition to his compensation as a Director of the Company (fixed compensation only) for the fiscal year ended February 28, 2025.
A summary of his compensation as Director & CEO of 7-Eleven, Inc. is as follows. The compensation structure of 7-Eleven, Inc.'s CEO consists of "fixed compensation," which is fixed pecuniary compensation, and "short-term incentives" and "long-term incentives," which are performance-based pecuniary compensation, emphasizing the relationship between performance and corporate value and aiming to increase morale and the motivation to contribute to the mid- to long-term enhancement of 7-Eleven, Inc.'s performance and corporate value. In order to encourage the achievement of performance targets, more than 90% of the total compensation is performance-based compensation. Setting the short-term incentives for one year and the long-term incentives for three years as an evaluation period, we evaluate their performance based on their target achievement levels and value increased levels. The evaluation period for the short-term incentives and long-term incentives paid in 2024 were 2023 and from 2021 to 2023 respectively. Compensation is paid in local currency. In 2024, fixed compensation of U.S.$1,950 thousand, short-term incentives of U.S.$2,881 thousand, and long-term incentives of U.S.$23,684 thousand were paid and converted to yen at ¥151.69 to the dollar. The compensation levels of 7-Eleven, Inc.'s CEO refer to the compensation levels in the U.S. market, and factor in the knowledge of external evaluation organizations, from the perspective of securing and retaining talented personnel, etc. The amount of compensation is

ultimately determined by resolution of the board of directors of 7-Eleven, Inc., after discussion by the Company's Compensation Committee, to secure objectivity and transparency in the decision-making process.

Fiscal year ending February 28, 2026

Matters regarding policies on determining the amount of compensation, etc. of Directors and Audit & Supervisory Board Members and calculation method thereof

An overview of the policy for determining the details of compensation, etc. for each individual Director (excluding Outside Directors) of the Company, as revised by the Board of Directors at its meeting held on April 17, 2025, subject to the approval of a resolution regarding the revision of compensation for Directors and the introduction of a restricted stock unit plan for Directors at the 20th Annual Shareholders' Meeting (the "Meeting") scheduled to be held on May 27, 2025, is as follows.

1. Basic views on compensation for Directors and Audit & Supervisory Board Members
   The Company considers the compensation system for Directors and Audit & Supervisory Board Members of the Company ("officers") to be "a mechanism to appropriately take risks for the sake of the continued growth of the medium- and long-term corporate value and sustainable growth of the Group, based on our basic views on corporate governance," and builds and operates the system based on the points set forth below.
   - Emphasis is placed on the link between the financial results and corporate value of the Group, and establishing a system that further increases the motivation and morale to contribute to improved financial results and increased corporate value continuously over the medium to long term.
   - To secure highly capable human resources who will support enhanced corporate governance through appropriate oversight and auditing of operational execution, provide compensation levels and systems commensurate with responsibilities.
   - In order to secure human resources with global experience and a high level of expertise in our business domain and further enhance our corporate value, we will establish a compensation level and compensation system that is competitive in the global human resources market.
   - Ensure the objectivity and transparency of the compensation decision process, and establish a compensation system trusted by all stakeholders.
   - With regard to the design of a specific compensation system for officers, continue to consider tailoring it more appropriately in light of future trends in legal systems and society.
2. Compensation levels
   The levels of compensation for officers will be determined, taking into consideration various fundamentals in the business content and the business environment of the Company, with reference to the compensation levels of officers in major companies of the same size as the Company based on market capitalization and revenues, etc.

3. Compensation composition

(1) Operating Directors

(a) Compensation composition ratios

The compensation composition ratios for operating Directors (*1) are generally as follows:

Due to its operating structure, the Company's performance-based and stock-based compensation system currently applies only to persons who reside in Japan. Also, to share value with stockholders and provide further incentives toward sustainable improvements to the Company's corporate value, separately from the previously mentioned performance-based and stock-based compensation system, Mr. Dacus, as Representative Director, President and CEO (*2) is also eligible for restricted stock units that are based on fulfillment of commitments over a certain period.

	Fixed compensation	Performance-based compensation		Restricted stock units
		Bonuses	Performance-based and stock-based compensation	
Representative Director, President and CEO	13%	27%	–	60%
Other Representative Directors	35%	30%	35%	–
Directors	50%	25%	25%	–

← Monetary compensation → ← Stock-based compensation →

(*1) Calculated under the assumption that performance-based compensation (bonuses) and performance-based and stock-based compensation are based on a standard compensation amount.

(*2) Mr. Dacus will be elected as a Director of the Company at the Meeting and as Representative Director, President and CEO at the Board of Directors meeting to be held after the conclusion of the Meeting. The same applies to the following statements regarding compensation to Mr. Dacus. The basic compensation ratio of fixed compensation, performance-based compensation (bonuses), and restricted stock units for Mr. Dacus is generally set at 1:2:4.5. However, the ratio of fixed compensation may be increased if the Company pays certain allowances to persons who reside overseas.

(b) Composition

(i) Fixed compensation

- A fixed monetary compensation commensurate with the responsibilities of each position will be paid.
- Compensation will be paid monthly during the term of office.
- After deliberation and reporting by the Compensation Committee, and based on a decision by the Board of Directors, it is possible to pay certain allowances to persons who reside overseas as part of their base compensation.
- Executive allowance according to their position may be paid based on the resolution by the Board of Directors meeting after deliberation and reporting by the Compensation Committee.

(ii) Performance-based compensation (bonuses)

- Short-term incentive compensation will be a performance-based compensation that varies based on the Company’s business performance and individual evaluations, etc., for the relevant fiscal year.
- Compensation will be paid annually after the Company’s business performance and individual evaluations, etc., for the relevant fiscal year have been confirmed.
- Performance-based compensation (bonuses) for Mr. Dacus, who is Representative Director, President and CEO, and those for other Directors, are designed somewhat differently considering the differences between their duties and responsibilities.

<Performance-based compensation (bonuses) for Mr. Dacus, as Representative Director, President and CEO>

- The Key Performance Indicator (KPI), percentages, and evaluation objectives related to performance-based compensation (bonuses) for Mr. Dacus will be determined by the Board of Directors. This decision by the Board of Directors will be based on reports received from the Compensation Committee, which deliberates taking into account the KPI that will be prioritized in the Company’s new growth strategy and measures to reform the Company’s capital structure and business, as well as the Company’s previous KPI used for performance-based compensation (bonuses) indicated below.
- With regard to the coefficient for bonuses used as performance-based compensation, the Company will set a wider range of the coefficient so that bonuses will be more affected by the link to business performance.

<Performance-based compensation (bonuses) for other Directors>

- The KPIs for performance-based compensation (bonuses) are per the table below. While evaluating the cash-generating capability in the main business, for incorporating the shareholders’ viewpoint, consolidated net income is also used together as a KPI.

(KPIs for performance-based compensation (bonuses))

KPI	Ratio	Purpose of evaluation
(a) Consolidated operating CF (excluding financial services) (*)	60%	Evaluation of the capability of generating cash by the main business
(b) Consolidated net income	40%	Evaluation of the degree of achievement of budgeted net income

<Coefficient formula pertaining to performance-based compensation (bonuses)>

Coefficient pertaining to performance-based compensation (bonuses) = {(a) + (b)} × (c)

(a) “Consolidated operating CF (excluding financial services) (*)” related coefficient × 60%

(b) “Consolidated net income” related coefficient × 40%

(c) “Individual evaluations” related coefficient

- When evaluating KPIs, the range of compensation of Representative Directors is set wider by using different coefficients pertaining to performance-based compensation (bonuses) from other Directors, so that the compensation of Representative Directors will be more affected by the link to performance.

- The coefficient pertaining to performance-based compensation (bonuses) will vary depending on, not only an evaluation of KPI, but also individual evaluations.

(*) A management accounting figure based on NOPAT (excluding financial services)

(iii) Performance-based and stock-based compensation

- Performance-based and stock-based compensation currently applies only to Directors who reside in Japan.
- Medium- and long-term incentive compensation will be a performance-based and stock-based compensation that varies based on the Company's business performance, management indicators, non-financial indicators, etc. (introduction of the BIP Trust system (*) as a stock-based compensation system was resolved at the Annual Shareholders' Meeting held in May 2019).
- Performance-based and stock-based compensation will enhance sharing profits and risks with our shareholders who have medium- and long-term perspectives by providing points during the term of office based on which shares will be delivered.
- The initial covered period shall be four fiscal years starting from the fiscal year ended February 29, 2020 and the subsequent covered periods shall be per three fiscal years.
- Shares will be delivered to Directors upon their retirement.
- Points to be granted for each fiscal year will be calculated by multiplying the standard points based on their position by a coefficient pertaining to performance-based and stock-based compensation and will vary between 0% and 200% depending on the achievement level of targets, etc.
- The KPIs for performance-based and stock-based compensation are per the table below. In order to incorporate medium- and long-term shareholder perspectives, consolidated ROE and consolidated EPS are used as indicators, and the degree of achievement of these indicators will be evaluated.
- The Company, aiming for the balance of corporate value and social value, added a target to reduce the amount of CO_2 emissions under the environmental declaration called "GREEN CHALLENGE 2050" made in May 2019, as an indicator of the KPIs for performance-based and stock-based compensation from the fiscal year ended February 28, 2021.
- The degree of improvement in employee engagement was added as the KPI for performance-based and stock-based compensation in the fiscal year ended February 28, 2023 to further promote the creation of an environment that allows various human resources to exercise their abilities, and to ensure the strengthening of corporate competitiveness through increased employee motivation to contribute.

(*) A BIP (Board Incentive Plan) trust is an incentive plan for officers established with reference to a performance share plan and a restricted share compensation plan in the U.S.

(KPIs for performance-based and stock-based compensation)

KPI	Ratio	Purpose of evaluation
(a) Consolidated ROE	60%	Evaluation of profitability against equity
(b) Consolidated EPS	40%	Evaluation of net income from shareholders' viewpoint
(c) CO_2 emissions	See the formula below	Evaluation of the degree of promotion of reducing the environmental burden
(d) Employee engagement		Evaluation of the degree of improvement in employee engagement (*)

(*) Comprehensive evaluation by the Compensation Committee

<Coefficient formula pertaining to performance-based and stock-based compensation>

Coefficient pertaining to performance-based and stock-based compensation = {(a) + (b)} × {(c) + (d)}

(a) "Consolidated ROE" related coefficient × 60%

(b) "Consolidated EPS" related coefficient × 40%

(c) "CO_2 emissions" related coefficient

(d) "Employee engagement" related coefficient

・ When evaluating KPIs, the range of compensation of Representative Directors is set wider by using different coefficients pertaining to performance-based and stock-based compensation from other Directors, so that the compensation of Representative Directors will be more affected by the link to performance.

(iv) Restricted stock units

・ The restricted stock units are applicable only to operating Directors who reside overseas (Mr. Dacus, as Representative Director, President and CEO); thus, there will not be an overlap between the compensation and the performance-based and stock-based compensation mentioned in item (iii) above.

・ Restricted stock units will be delivered as incentive-based compensation conditional on fulfillment of commitments over a certain period of time. (A restricted stock unit (RSU) plan (*) is scheduled to be voted on at the Meeting.)

・ In the restricted stock unit plan, units for delivery of shares will be provided to eligible Directors during the relevant Director's term in office, to share value with shareholders and to provide further incentives toward sustainable improvements to the Company's corporate value.

・ The initial period of eligibility will be three fiscal years starting from the fiscal year ending February 28, 2026.

・ The delivery, etc. of shares, etc. to eligible Directors shall be conducted based on a resolution to be passed at the Board of Directors meeting held after the adjournment of the first Annual Shareholders' Meeting convened after expiration of the aforementioned period of eligibility.

(*) A restricted stock unit plan is a system of stock compensation through which eligible Directors are delivered a number of units determined by the Board of Directors in advance. Conditional on continuous fulfillment of duties as eligible Directors, a specified number of shares, or the cash equivalent, is issued to eligible Directors based on the number of vested units after the end of a specified period. Such specific period is the period from the Company's first Annual Shareholders' Meeting convened during the number of fiscal years specified by the Board of Directors to the adjournment of the first Annual Shareholders' Meeting convened after the conclusion of said number of fiscal years.

(c) Malus and clawback

- If a Director who is eligible for each type of compensation engages in serious misconduct or commits a violation, the Board of Directors passes a resolution to change the Company's past financial statements due to material errors in accounting or accounting fraud, or any similar events to be designated by the Board of Directors, depending on the nature of the relevant compensation, occurs, the Company may choose not to deliver or provide all or a part of each type of compensation (malus) or may request the return of all or a part of each type of compensation delivered or provided to that Director (clawback).

(2) Outside Directors and Audit & Supervisory Board Members

(a) Compensation composition ratios
The compensation composition ratios for Outside Directors and Audit & Supervisory Board Members will be fixed compensation only as described in (b) below.

(b) Composition
Fixed compensation

- With an emphasis on further strengthening the independence of Outside Directors and Audit & Supervisory Board Members from management, the compensation of Outside Directors and Audit & Supervisory Board Members consists only of fixed compensation. Performance-based compensation (bonuses and stock-based compensation) will not be paid to Outside Directors and Audit & Supervisory Board Members.

- Compensation will be paid monthly during the term of office.

- Executive allowance according to their position may be paid based on the resolution by the Board of Directors meeting after deliberation and reporting by the Compensation Committee.

4. Compensation governance

(1) Compensation Committee
The Company has established a compensation committee to ensure objectivity and transparency in the procedures for deciding the compensation of officers, etc. (referring to Directors, Audit & Supervisory Board Members, and executive officers). The committee's chair and the majority of its members are Independent Outside Directors, and all of its members are Directors.

(2) Method of determining compensation
The compensation policy for officers, a basic policy on compensation of officers, has been determined by the Board of Directors through deliberations by the Compensation Committee. Based on the Policy, the amount of compensation of each Director is deliberated by the Compensation Committee in accordance with the evaluation of each Director's function, degree of contribution, and the Group's results, as well as the degree of achievement of KPIs, and then determined by the Board of Directors based on the reports submitted by the Compensation Committee. The compensation of each Audit & Supervisory Board Member is determined through discussions by the Audit & Supervisory Board Members.

5. Compensation limit for Directors and Audit & Supervisory Board Members
The amount of compensation of officers is decided within the following compensation limits, determined at the shareholders' meeting.
The Company has already abolished the severance payment system for Directors and Audit & Supervisory Board Members, and no severance payments will be paid.

(1) Directors

- Monetary compensation
  Not more than ¥2.0 billion per year (and to within ¥0.5 billion per year for Outside Directors—neither limit includes employee salaries paid to Directors who serve concurrently as employees)
  (Scheduled to be resolved at the Meeting)
- Stock-based compensation

Performance-based and stock-based compensation

3 fiscal years/not more than ¥1,200 million (not more than ¥400 million per fiscal year)
Limit on the points granted per fiscal year: 240,000 points (1 point = 1 share of common stock)
(Resolved at the 17th Annual Shareholders' Meeting held on May 26, 2022, separately from monetary compensation. Although the limit on the points granted per fiscal year was 80,000 points, which was resolved at the same Meeting, it is adjusted to 240,000 points in line with a three-for-one share split of common stock effective on March 1, 2024.)

Restricted stock units

500,000 shares per fiscal year (however, after the end of the appointment term, the Company may deliver the total number of common shares corresponding to that term)
In the case of (1) delivery of shares, etc. without consideration, the maximum amount will be an amount calculated by multiplying the amount calculated based on the closing price of the common shares in the Company ("Common Shares") on Tokyo Stock Exchange, Inc. on the business day immediately preceding the day on which the Company's Board of Directors passes a resolution concerning this system to issue or dispose of Common Shares ("Company Stock Closing Price") or another fairly appraised amount per share, by the number of Common Shares to be delivered to eligible Directors. In the case of (2) a contribution in kind, the maximum amount will be the amount calculated by multiplying the per-share amount to be paid, which is to be determined by the Company's Board of Directors based on the Company Stock Closing Price and is to be an amount that is within a scope that is not particularly advantageous to the eligible Directors who receive Common Shares by the number of Common Shares to be delivered to eligible Directors.
(Scheduled to be resolved on separately from monetary compensation and performance-based and stock-based compensation at the Meeting)

(2) Audit & Supervisory Board Members

- Monetary compensation
  Not more than ¥200 million per year
  (Resolved at the 14th Annual Shareholders' Meeting held on May 23, 2019)

6. Reasons the Board of Directors has deemed that compensation, etc. of each Director pertaining to the fiscal year ended February 28, 2025 aligns with the determination policy
The determination of details of compensation, etc. of each Director pertaining to the fiscal year ended February 28, 2025 is made by the Board of Directors, which receives a report from the Compensation Committee, and the Board of Directors has determined that it is in line with the determination policy as the decision is based on the report by the Compensation Committee, which is an advisory body to the Board of Directors, after deliberation by the Compensation Committee in accordance with the evaluation of each Director's function, degree of contribution, and the Group's results, as well as the degree of achievement of KPIs based on the policy on compensation of officers.

(5) [Status of shareholdings]

Standard and approach for the classification of investment shares

The Company does not hold any so-called shares held for a pure investment purpose which are aimed to gain profits solely through changes in value of the shares or dividends on the shares. The Company holds shares for which there is an accepted rationale for doing so, such as maintaining or strengthening business alliances or business relationships, in order to maintain and strengthen business competitiveness, as cross-shareholdings, and classifies them as shares held for other than pure investment purposes.

I Information on SEVEN-ELEVEN JAPAN CO., LTD., which is the company whose carrying amount of investment shares (recorded amount of investment shares) is the largest (largest holding company) among the Company and its consolidated subsidiaries, is as follows.

(i) Investment shares held for any purpose other than a pure investment purpose

(a) Holding policy and method of verifying the reasonableness of shareholding, and details of verification of appropriateness of holding of individual issues in the Board of Directors, etc.

In principle, SEVEN-ELEVEN JAPAN CO., LTD. does not hold listed cross-shareholdings except where there is an accepted rationale for doing so, such as maintaining or strengthening business alliances or business relationships, in order to maintain and strengthen business competitiveness. Stocks held are reviewed annually and shares with less rationale for or less effectiveness of holding are to be sold in view of the circumstances of the investee companies.

The Company's Board of Directors assesses the following matters regarding the rationale for and effectiveness of holding listed cross-shareholdings of SEVEN-ELEVEN JAPAN CO., LTD. and makes comprehensive decisions regarding the appropriateness of holding said shares, taking into account details of verification by SEVEN-ELEVEN JAPAN CO., LTD.

Qualitative matters: (a) Background of acquisition, (b) Presence or absence of business relationship, (c) Strategic significance at the time of holding, (d) Possibility of future business, (e) Risks related to survival or stability, etc. of business if shares are not held, and (f) Continuity of advantages, future outlook for business, and risks if shares continue to be held

Quantitative matters: (a) The most recent amounts of transactions and profits if any business is conducted through business alliances, etc., (b) Annual dividends received and gain or loss on valuation of shares, and (c) Whether the benefits and risks from each holding cover the Company's cost of capital

(b) Number of stocks and the amount recorded on the balance sheet

	Number of stocks (Stocks)	Total amount recorded on the balance sheet (Millions of yen)
Unlisted shares	10	6,867
Shares other than unlisted shares	15	50,652

(Stocks whose number of shares increased in the fiscal year ended February 28, 2025)

	Number of stocks (Stocks)	Total acquisition costs associated with increase in number of shares (Millions of yen)	Reason for increase in number of shares
Unlisted shares	2	1,211	For strengthening business alliances
Shares other than unlisted shares	–	–	–

(Stocks whose number of shares decreased in the fiscal year ended February 28, 2025)

	Number of stocks (Stocks)	Total sale value associated with decrease in number of shares (Millions of yen)
Unlisted shares	–	–
Shares other than unlisted shares	–	–

(c) Information on the number of shares, carrying amount, etc. of specified investment shares and deemed shareholdings by issue

Specified investment shares

Stock	Year ended February 28, 2025	Year ended February 29, 2024	Purpose of shareholding, outline of business alliance etc., quantitative effectiveness of shareholding and reason for increase in number of shares (Note 1)	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
Nomura Research Institute, Ltd.	7,804,500	7,804,500	Reinforcement of business collaboration in system operations, etc., of the Group companies	Yes
	38,842	32,810		
WARABEYA NICHIYO HOLDINGS CO., LTD.	2,195,400	2,195,400	Reinforcement of business collaboration in promotion of joint merchandise development, etc.	Yes
	4,498	5,997		
PIA Corporation	704,700	704,700	Reinforcement of business collaboration with the Group operating companies in relation to ticket sales	No
	2,107	2,195		
STI Foods Holdings, Inc.	1,500,000	500,000	Reinforcement of business collaboration in promotion of joint merchandise development, etc. Because a share split was conducted at the ratio of three shares per one share of common stock as of January 1, 2025, the number of shares increased.	Yes
	1,822	1,955		
The Hachijuni Bank, Ltd.	700,000	700,000	Reinforcement of business collaboration in financial transactions, etc., with the Group companies	Yes
	674	642		
Sumitomo Mitsui Financial Group, Inc.	177,900	59,300	Reinforcement of business collaboration in financial transactions, etc., with the Group companies. Because a share split was conducted at the ratio of three shares per one share of common stock as of October 1, 2024, the number of shares increased.	No (Note 2)
	674	494		
Mebuki Financial Group, Inc.	819,000	819,000	Reinforcement of business collaboration in financial transactions, etc., with the Group companies	No (Note 2)
	518	383		
MS&AD Insurance Group Holdings, Inc.	117,900	39,300	Reinforcement of business collaboration in financial transactions, etc., with the Group companies. Because a share split was conducted at the ratio of three shares per one share of common stock as of April 1, 2024, the number of shares increased.	No (Note 2)
	369	291		
PICKLES HOLDINGS CO., LTD	280,000	280,000	Reinforcement of business collaboration in promotion of joint merchandise development, etc.	No (Note 2)
	270	332		
NAKAMURAYA CO., LTD.	70,000	70,000	Reinforcement of business collaboration in promotion of joint merchandise development, etc.	Yes
	222	221		

Stock	Year ended February 28, 2025	Year ended February 29, 2024	Purpose of shareholding, outline of business alliance etc., quantitative effectiveness of shareholding and reason for increase in number of shares (Note 1)	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
MEGMILK SNOW BRAND Co., Ltd.	82,800	82,800	Reinforcement of business collaboration in promotion of joint merchandise development, etc.	Yes
	213	186		
Kyushu Financial Group, Inc.	300,000	300,000	Reinforcement of business collaboration in financial transactions, etc., with the Group companies	No (Note 2)
	213	338		
Resona Holdings, Inc.	76,700	76,700	Reinforcement of business collaboration in financial transactions, etc., with the Group companies	No (Note 2)
	89	62		
ITOCHU-SHOKUHIN Co., Ltd.	10,000	10,000	Reinforcement of business collaboration in promotion of joint merchandise development, etc.	Yes
	74	75		
KITOKU SHINRYO CO., LTD.	10,000	10,000	Reinforcement of business collaboration in promotion of joint merchandise development, etc.	Yes
	61	51		

Notes: 1. Although the quantitative effects of shareholding are not indicated in view of confidentiality of contracts and agreements pertaining to individual transactions, the Company's Board of Directors assesses the following matters regarding the rationale for and effectiveness of holding listed cross-shareholdings of SEVEN-ELEVEN JAPAN CO., LTD. and makes comprehensive decisions regarding the appropriateness of holding said shares, taking into account details of verification by SEVEN-ELEVEN JAPAN CO., LTD.
Qualitative matters: (a) Background of acquisition, (b) Presence or absence of business relationship, (c) Strategic significance at the time of holding, (d) Possibility of future business, (e) Risks related to survival or stability, etc. of business if shares are not held, and (f) Continuity of advantages, future outlook for business, and risks if shares continue to be held
Quantitative matters: (a) The most recent amounts of transactions and profits if any business is conducted through business alliances, etc., (b) Annual dividends received and gain or loss on valuation of shares, and (c) Whether the benefits and risks from each holding cover the Company's cost of capital

2. Although the company whose shares the Company holds does not hold the Company's shares, a subsidiary/subsidiaries of the company hold(s) the Company's shares.

Not applicable as for deemed shareholdings.

(ii) Investment shares held for a pure investment purpose
None

II Information on the Company, which is the company whose carrying amount of investment shares (recorded amount of investment shares) is the next largest after the largest holding company among the Company and its consolidated subsidiaries, is as follows.

(i) Investment shares held for any purpose other than a pure investment purpose

(a) Holding policy and method of verifying the reasonableness of shareholding, and details of verification of appropriateness of holding of individual issues in the Board of Directors, etc.
In principle, the Company does not hold cross-shareholdings except where there is an accepted rationale for doing so, such as maintaining or strengthening business alliances or business relationships, in order to maintain and strengthen business competitiveness. Stocks held are reviewed annually and shares with less rationale for or less effectiveness of holding are to be sold in view of the circumstances of the investee companies.
The Company's Board of Directors assesses the following matters regarding the rationale for and effectiveness of holding listed cross-shareholdings and makes

comprehensive decisions regarding the appropriateness of holding said shares.
Qualitative matters: (a) Background of acquisition, (b) Presence or absence of business relationship, (c) Strategic significance at the time of holding, (d) Possibility of future business, (e) Risks related to survival or stability, etc. of business if shares are not held, and (f) Continuity of advantages, future outlook for business, and risks if shares continue to be held
Quantitative matters: (a) The most recent amounts of transactions and profits if any business is conducted through business alliances, etc., (b) Annual dividends received and gain or loss on valuation of shares, and (c) Whether the benefits and risks from each holding cover the Company's cost of capital

(b) Number of stocks and the amount recorded on the balance sheet

	Number of stocks (Stocks)	Total amount recorded on the balance sheet (Millions of yen)
Unlisted shares	5	540
Shares other than unlisted shares	6	30,888

(Stocks whose number of shares increased in the fiscal year ended February 28, 2025)

	Number of stocks (Stocks)	Total acquisition costs associated with increase in number of shares (Millions of yen)	Reason for increase in number of shares
Unlisted shares (Note)	1	43	Reinforcement of business collaboration through promotion of recycling of waste plastics, etc.
Shares other than unlisted shares	–	–	–

(Stocks whose number of shares decreased in the fiscal year ended February 28, 2025)

	Number of stocks (Stocks)	Total sale value associated with decrease in number of shares (Millions of yen)
Unlisted shares	2	16,085
Shares other than unlisted shares	–	–

(c) Information on the number of shares, carrying amount, etc. of specified investment shares and deemed shareholdings by issue

Specified investment shares

Stock	Year ended February 28, 2025 Number of shares (Shares) Carrying amount (Millions of yen)	Year ended February 29, 2024 Number of shares (Shares) Carrying amount (Millions of yen)	Purpose of shareholding, outline of business alliance etc., quantitative effectiveness of shareholding and reason for increase in number of shares (Note 1)	Holding of the Company's shares
AIN HOLDINGS INC.	2,750,000	2,750,000	Reinforcement of business collaboration in promotion of joint merchandise development, etc.	No
	12,298	13,029		
Credit Saison Co., Ltd.	2,050,000	2,050,000	Reinforcement of business collaboration through the Group financial business companies, etc.	No
	7,218	5,969		
Mitsui Fudosan Co., Ltd.	3,051,000	1,017,000	Reinforcement of business collaboration in transactions, etc., related to stores, logistics facilities, and other real estate for the Group operating companies. Because a share split was conducted at the ratio of three shares per one share of common stock as of April 1, 2024, the number of shares increased.	Yes
	3,966	4,130		
SEIBU HOLDINGS INC.	1,088,000	1,088,000	Reinforcement of business collaboration in joint development of stores, areas, etc., of the Group operating companies	No (Note 2)
	3,435	2,354		
TBS HOLDINGS, INC.	804,000	804,000	Reinforcement of business collaboration in sales promotion, etc. leveraging media content	No (Note 2)
	3,281	3,162		
Dai-ichi Life Holdings, Inc.	156,100	156,100	Reinforcement of business collaboration in life insurance and other financial transactions, etc., with the Group companies	No (Note 2)
	689	531		

Notes: 1. Although the quantitative effects of shareholding are not indicated in view of confidentiality of contracts and agreements pertaining to individual transactions, the Company's Board of Directors assesses the following matters regarding the rationale for and effectiveness of holding listed cross-shareholdings and makes comprehensive decisions regarding the appropriateness of holding said shares.
Qualitative matters: (a) Background of acquisition, (b) Presence or absence of business relationship, (c) Strategic significance at the time of holding, (d) Possibility of future business, (e) Risks related to survival or stability, etc. of business if shares are not held, and (f) Continuity of advantages, future outlook for business, and risks if shares continue to be held
Quantitative matters: (a) The most recent amounts of transactions and profits if any business is conducted through business alliances, etc., (b) Annual dividends received and gain or loss on valuation of shares, and (c) Whether the benefits and risks from each holding cover the Company's cost of capital

2. Although the company whose shares the Company holds does not hold the Company's shares, a subsidiary/subsidiaries of the company hold(s) the Company's shares.

Not applicable as for deemed shareholdings.

(ii) Investment shares held for a pure investment purpose

None

V. [Financial Information]

1. Preparation of the consolidated financial statements and nonconsolidated financial statements
   (1) The consolidated financial statements of the Company are prepared in accordance with the "Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Order No. 28 of 1976; hereinafter referred to as the "Regulation on Consolidated Financial Statements").

   (2) The nonconsolidated financial statements of the Company are prepared in accordance with the "Regulation on Terminology, Forms, and Preparation Methods of Financial Statements" (Ministry of Finance Order No. 59 of 1963; hereinafter referred to as the "Regulation on Financial Statements").
   The Company is a company filing nonconsolidated financial statements prepared in accordance with special provisions and prepares non-consolidated financial statements pursuant to Article 127 of the Regulation on Financial Statements.

2. Note on independent audit
   The consolidated financial statements and the nonconsolidated financial statements for the fiscal year from March 1, 2024 to February 28, 2025 were audited by KPMG AZSA LLC in accordance with Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act.

3. Remarkable efforts to ensure fair presentation of consolidated financial statements, etc.
   The Company takes remarkable efforts to ensure fair presentation of consolidated financial statements, etc. To be specific, the Company has joined the Financial Accounting Standards Foundation and attends training seminars held by auditing firms and various organizations in order to properly understand details of accounting standards and other rules and establish a system that enables appropriate response to changes.

1. [Consolidated financial statements and other information]

(1) Consolidated Financial Statements

(i) Consolidated Balance Sheets

(Millions of yen)

	February 29, 2024	February 28, 2025
ASSETS		
Current assets		
Cash and bank deposits	1,558,738	1,368,663
Notes and accounts receivable - trade, and contract assets	*1 464,159	*1 441,630
Trade accounts receivable-financial services	100,645	111,029
Merchandise and finished goods	283,349	312,739
Work in process	79	46
Raw materials and supplies	2,444	3,002
Prepaid expenses	90,576	94,707
ATM-related temporary payments	99,351	118,172
Other	447,812	388,696
Allowance for doubtful accounts	(11,491)	(14,905)
Total current assets	3,035,666	2,823,782
Non-current assets		
Property and equipment		
Buildings and structures	3,251,014	3,571,664
Accumulated depreciation	(1,644,175)	(1,822,497)
Buildings and structures, net	*3 1,606,839	*3 1,749,166
Furniture, fixtures and equipment	1,473,135	1,679,198
Accumulated depreciation	(979,379)	(1,140,599)
Furniture, fixtures and equipment, net	493,756	538,598
Vehicles	36,100	37,135
Accumulated depreciation	(14,317)	(13,835)
Vehicles, net	21,783	23,300
Land	*3 1,096,630	*3 1,172,559
Lease assets	15,196	11,590
Accumulated depreciation	(12,226)	(9,948)
Lease assets, net	2,970	1,641
Right-of-use assets	1,231,045	1,690,613
Accumulated depreciation	(245,388)	(400,805)
Right-of-use assets, net	985,657	1,289,807
Construction in progress	154,862	206,223
Total property and equipment	4,362,500	4,981,298
Intangible assets		
Goodwill	1,928,916	2,264,441
Software	302,767	295,814
Other	124,895	151,125
Total intangible assets	2,356,578	2,711,382

(Millions of yen)

	February 29, 2024	February 28, 2025
Investments and other assets		
Investments in securities	*2, *3, *6 277,526	*2, *3, *6 321,086
Long-term loans receivable	14,488	14,295
Long-term leasehold deposits	*3 278,642	*3 264,136
Net defined benefit asset	116,852	126,974
Deferred income taxes	92,015	75,058
Other	59,297	69,189
Allowance for doubtful accounts	(2,432)	(1,675)
Total investments and other assets	836,390	869,065
Total non-current assets	7,555,469	8,561,745
Deferred assets		
Business commencement expenses	193	–
Bond issuance cost	788	582
Total deferred assets	981	582
TOTAL ASSETS	10,592,117	11,386,111

(Millions of yen)

	February 29, 2024	February 28, 2025
LIABILITIES		
Current liabilities		
Notes and accounts payable, trade	334,121	328,748
Accounts payable, franchised stores	194,033	190,748
Short-term loans	84,882	172,497
Current portion of bonds	334,039	210,000
Current portion of long-term loans	*3 138,530	*3 290,128
Income taxes payable	18,389	36,003
Accrued expenses	264,862	282,395
Contract liabilities	188,890	178,031
Deposits received	140,845	146,967
ATM-related temporary advances	60,880	73,388
Lease obligations	132,392	180,624
Allowance for loss on transfer of subsidiary	–	18,235
Allowance for restructuring expenses	15,989	2,626
Allowance for sales promotion expenses	773	815
Allowance for bonuses to employees	13,870	14,249
Allowance for bonuses to Directors and Audit & Supervisory Board Members	496	501
Deposits received in banking business	803,763	813,388
Call money	40,000	100,000
Other	306,490	277,264
Total current liabilities	3,073,252	3,316,615
Non-current liabilities		
Bonds	1,356,585	1,244,036
Long-term loans	*3 824,616	*3 778,068
Deferred tax liabilities	220,658	239,401
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	459	439
Allowance for stock payments	4,707	4,947
Net defined benefit liability	16,323	16,313
Deposits received from tenants and franchised stores	45,025	44,178
Lease obligations	931,759	1,223,438
Asset retirement obligations	163,328	235,024
Other	54,776	66,201
Total non-current liabilities	3,618,240	3,852,050
TOTAL LIABILITIES	6,691,492	7,168,665

(Millions of yen)

	February 29, 2024	February 28, 2025
NET ASSETS		
Shareholders’ equity		
Common stock	50,000	50,000
Capital surplus	351,851	293,455
Retained earnings	2,650,575	2,722,170
Treasury stock, at cost	(16,368)	(17,108)
Total shareholders’ equity	3,036,059	3,048,517
Accumulated other comprehensive income		
Unrealized gains (losses) on available-for-sale securities, net of taxes	46,116	51,770
Unrealized gains (losses) on hedging derivatives, net of taxes	4,823	5,035
Foreign currency translation adjustments	608,057	901,059
Remeasurements of defined benefit plans	21,466	23,827
Total accumulated other comprehensive income	680,464	981,693
Subscription rights to shares	60	80
Non-controlling interests	184,041	187,154
TOTAL NET ASSETS	3,900,624	4,217,445
TOTAL LIABILITIES AND NET ASSETS	10,592,117	11,386,111

(ii) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Revenues from operations	*1 11,471,753	*1 11,972,762
Net sales	9,850,470	10,342,323
Cost of sales	8,060,919	8,485,841
Gross profit on sales	1,789,551	1,856,482
Operating revenues	*2 1,621,283	*2 1,630,439
Gross profit from operations	3,410,834	3,486,921
Selling, general and administrative expenses		
Advertising and decoration expenses	103,036	93,224
Salaries and wages	699,665	723,719
Provision for bonuses to employees	14,769	14,276
Pension expenses	13,833	12,765
Legal welfare expenses	82,957	88,532
Land and building rent	450,944	480,095
Depreciation and amortization	388,036	422,032
Utility expenses	183,411	192,189
Store maintenance and repair expenses	164,886	182,536
Other	775,044	856,557
Total selling, general and administrative expenses	2,876,585	3,065,929
Operating income	534,248	420,991
Non-operating income		
Interest income	12,186	10,372
Dividend income	1,533	1,876
Equity in earnings of affiliates	3,711	–
Gain on valuation of investments securities	146	7,632
Other	5,910	5,823
Total non-operating income	23,487	25,705
Non-operating expenses		
Interest expenses	22,060	40,841
Interest on bonds	21,059	20,541
Equity in losses of affiliates	–	450
Other	7,529	10,277
Total non-operating expenses	50,649	72,110
Ordinary income	507,086	374,586

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Special gains		
Gain on sales of property and equipment	[3] 11,027	[3] 91,933
Gain on sales of property and equipment related to restructuring	–	[3] 3,118
Gain on sales of investments in securities	2,867	11,807
Insurance income	492	4,623
Other	1,525	4,223
Total special gains	15,912	115,706
Special losses		
Loss on disposals of property and equipment	[4] 15,590	[4] 23,165
Impairment loss	[5] 43,010	[5] 98,260
Loss on business of subsidiaries and associates	–	[5,6] 46,416
Restructuring expenses	[5,7] 28,858	[4,5,7] 25,605
Loss on transfer of subsidiary	4,866	4,782
Loss on transfer of department store	129,618	–
Other	24,047	22,711
Total special losses	245,991	220,941
Income before income taxes	277,007	269,351
Income taxes - current	63,116	80,171
Income taxes - deferred	(21,313)	6,160
Total income taxes	41,803	86,331
Net income	235,203	183,020
Net income attributable to non-controlling interests	10,580	9,952
Net income attributable to owners of parent	224,623	173,068

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Net income	235,203	183,020
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities, net of taxes	11,212	5,618
Unrealized gains (losses) on hedging derivatives, net of taxes	19	697
Foreign currency translation adjustments	165,163	294,534
Remeasurements of defined benefit plan, net of taxes	12,845	2,416
Share of other comprehensive income (loss) of entities accounted for using equity method, net of taxes	(133)	70
Total other comprehensive income (loss)	* 189,107	* 303,336
Comprehensive income (loss)	424,311	486,357
Comprehensive income (loss) attributable to owners of parent	412,085	474,298
Comprehensive income (loss) attributable to non-controlling interests	12,225	12,059

(iii) Consolidated Statements of Changes in Net Assets
Year ended February 29, 2024

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 1, 2023	50,000	408,926	2,532,491	(9,873)	2,981,545
Increase (decrease) for the year					
Cash dividends			(106,152)		(106,152)
Net income attributable to owners of parent			224,623		224,623
Purchase of treasury stock				(52,393)	(52,393)
Disposal of treasury stock		0		489	489
Cancellation of treasury stock		(45,408)		45,408	–
Other		(11,666)	(387)	1	(12,052)
Net changes of items other than shareholders' equity					
Net increase (decrease) for the year	–	(57,074)	118,083	(6,494)	54,513
Balance at February 29, 2024	50,000	351,851	2,650,575	(16,368)	3,036,059

	Accumulated other comprehensive income							
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	TOTAL NET ASSETS
Balance at March 1, 2023	34,823	4,799	444,478	8,899	493,001	49	173,565	3,648,161
Increase (decrease) for the year								
Cash dividends								(106,152)
Net income attributable to owners of parent								224,623
Purchase of treasury stock								(52,393)
Disposal of treasury stock								489
Cancellation of treasury stock								–
Other								(12,052)
Net changes of items other than shareholders’ equity	11,292	23	163,578	12,567	187,462	10	10,475	197,949
Net increase (decrease) for the year	11,292	23	163,578	12,567	187,462	10	10,475	252,462
Balance at February 29, 2024	46,116	4,823	608,057	21,466	680,464	60	184,041	3,900,624

Year ended February 28, 2025

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 1, 2024	50,000	351,851	2,650,575	(16,368)	3,036,059
Increase (decrease) for the year					
Cash dividends			(101,469)		(101,469)
Net income attributable to owners of parent			173,068		173,068
Purchase of treasury stock				(59,643)	(59,643)
Disposal of treasury stock		0		840	840
Cancellation of treasury stock		(58,062)		58,062	–
Other		(333)	(3)	(0)	(337)
Net changes of items other than shareholders' equity					
Net increase (decrease) for the year	–	(58,396)	71,595	(740)	12,458
Balance at February 28, 2025	50,000	293,455	2,722,170	(17,108)	3,048,517

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at March 1, 2024	46,116	4,823	608,057	21,466	680,464	60	184,041	3,900,624
Increase (decrease) for the year								
Cash dividends								(101,469)
Net income attributable to owners of parent								173,068
Purchase of treasury stock								(59,643)
Disposal of treasury stock								840
Cancellation of treasury stock								–
Other								(337)
Net changes of items other than shareholders’ equity	5,654	211	293,002	2,361	301,229	19	3,112	304,362
Net increase (decrease) for the year	5,654	211	293,002	2,361	301,229	19	3,112	316,821
Balance at February 28, 2025	51,770	5,035	901,059	23,827	981,693	80	187,154	4,217,445

(iv) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Cash flows from operating activities		
Income before income taxes	277,007	269,351
Depreciation and amortization	400,789	436,593
Impairment loss	57,079	143,993
Amortization of goodwill	119,912	138,209
Increase (decrease) in allowance for bonuses to employees	472	766
Increase in net defined benefit asset	(8,195)	(9,806)
Interest and dividends income	(13,719)	(12,249)
Interest expenses and interest on bonds	43,120	61,382
Equity in losses (earnings) of affiliates	(3,711)	450
Insurance income	(492)	(4,623)
Gain on sales of property and equipment	(11,027)	(95,052)
Loss on disposals of property and equipment	15,590	24,744
Loss on transfer of subsidiary	4,866	4,782
Loss on transfer of department store	129,618	–
Loss (gain) on sale of investment in securities	(2,867)	(11,723)
Decrease (increase) in notes and accounts receivable, trade	(50,033)	48,376
Decrease (increase) in trade accounts receivable, financial services	(7,155)	(10,383)
Decrease (increase) in inventories	(5,984)	7,911
Increase (decrease) in notes and accounts payable, trade	5,587	(73,035)
Increase (decrease) in deposits received	(23,689)	6,197
Net increase (decrease) in bonds in banking business	(40,000)	(15,000)
Net increase (decrease) in deposits received in banking business	(6,376)	9,625
Net decrease (increase) in call loan in banking business	23,000	–
Net increase (decrease) in call money in banking business	(70,000)	60,000
Net decrease (increase) in ATM-related temporary accounts	2,626	(5,937)
Other	(66,580)	(26,729)
Subtotal	769,836	947,843
Interest and dividends received	12,646	11,399
Interest paid	(41,920)	(57,962)
Insurance income received	1,090	7,910
Income taxes paid	(87,527)	(51,628)
Income taxes refund	18,889	18,896
Net cash provided by operating activities	673,015	876,458

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Cash flows from investing activities		
Acquisition of property and equipment	*6 (337,439)	*6 (430,866)
Proceeds from sales of property and equipment	24,317	130,005
Acquisition of intangible assets	(120,202)	(108,151)
Payment for purchase of investments in securities	(44,240)	(64,402)
Proceeds from sales of investments in securities	29,973	43,208
Payment for purchase of shares in subsidiaries resulting in change in scope of consolidation	(776)	*4 (166,657)
Proceeds from sales of shares in subsidiaries resulting in change in scope of consolidation	*3 36,036	2,603
Payment for sales of shares in subsidiaries resulting in change in scope of consolidation	(2,687)	*2 (22,573)
Payment for long-term leasehold deposits	(17,026)	(8,847)
Refund of long-term leasehold deposits	18,046	25,645
Proceeds from deposits from tenants	2,093	3,715
Refund of deposits from tenants	(1,872)	(3,368)
Payment for acquisition of business	*6 (2,187)	*6 (109,675)
Payment for time deposits	(7,302)	(7,104)
Proceeds from withdrawal of time deposits	5,522	5,036
Other	(14,064)	(20,929)
Net cash used in investing activities	(431,809)	(732,363)
Cash flows from financing activities		
Net increase (decrease) in short-term loans	12,821	82,447
Proceeds from long-term debts	52,700	201,945
Repayment of long-term debts	(150,246)	(146,693)
Proceeds from issuance of bonds	220,000	–
Payment for redemption of bonds	(325,837)	(341,302)
Proceeds from share issuance to non-controlling shareholders	2,988	619
Purchase of treasury stock	(52,393)	(59,643)
Dividends paid	(106,092)	(101,408)
Dividends paid to non-controlling interests	(7,533)	(7,620)
Payment for changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(2,062)	(367)
Other	(21,409)	(20,625)
Net cash used in financing activities	(377,065)	(392,648)
Effect of exchange rate changes on cash and cash equivalents	23,566	35,879
Net increase (decrease) in cash and cash equivalents	(112,293)	(212,673)
Cash and cash equivalents at beginning of period	1,674,787	1,562,493
Cash and cash equivalents at end of period	*1 1,562,493	*1 1,349,820

Notes to Consolidated Financial Statements

Accounting Policies for the Preparation of Consolidated Financial Statements

1. Scope of consolidation

Number of consolidated subsidiaries: 175

Major consolidated subsidiaries:

SEVEN-ELEVEN JAPAN CO., LTD., 7-Eleven, Inc., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., Seven Bank, Ltd., and Seven Financial Service Co., Ltd.

During the current fiscal year, 7-Eleven International LLC, a consolidated subsidiary of the Company, acquired shares of CONVENIENCE HOLDINGS PTY LTD and 20 other companies through its wholly owned subsidiary, AR BidCo Pty Ltd. In addition, YORK Holdings Co., Ltd., Seven & i Energy Management Co., Ltd., and two other companies were newly established, and shares of two additional companies were acquired. As a result of the above, 27 companies are consolidated subsidiaries.

Following the transfer of shares of Nissen Holdings Co., Ltd. held by Seven & i Net Media Co., Ltd. a wholly owned subsidiary of the Company, nine companies including its subsidiaries were excluded from the scope of consolidation. In addition, one company was liquidated and one company had its shares transferred. Following the transfer of shares, one more company was changed from a consolidated subsidiary to an equity-method affiliate. As a result, 12 companies were excluded from the scope of consolidation.

2. Application of the equity method

(1) Number of unconsolidated subsidiaries to which the equity method was applied: None

(2) Number of affiliates to which the equity method was applied: 20

Major affiliates:

Tenmaya Store Co., Ltd., DAIICHI CO., LTD. and PIA Corporation

During the current fiscal year, one company was newly established and one company was changed from a consolidated subsidiary to an equity-method affiliate following the transfer of shares, making a total of two companies accounted for by the equity method.
In addition, following the transfer of shares, two companies were excluded from equity method affiliates.

(3) Procedure for applying the equity method

(i) The affiliates which have different closing dates are included in the consolidated financial statements based on their respective fiscal year-end.

(ii) When an affiliate has a deficit net worth, the Company's share of such loss is reduced from its loan receivable from affiliate.

3. Accounting period of consolidated subsidiaries

The fiscal year-end of some subsidiaries is December 31. The financial statements of such subsidiaries as of and for the year ended December 31 are used in preparing the consolidated financial statements. All material transactions during the period from the closing date to the end of February are adjusted for the consolidation purpose.
The closing date of Seven Bank, Ltd., etc. is March 31. Pro forma financial statements as of the end of February are prepared in a manner that is substantially identical to the preparation of the official financial statements in order to facilitate its consolidation.

4. Summary of significant accounting policies

(1) Valuation method for major assets

(i) Valuation method for securities

a. Held-to-maturity debt securities are carried at amortized cost.

b. Other available-for-sale securities are classified into two categories, where: (A) Securities other than shares that do not have a market value and (B) Shares that do not have a market value.

(A) Securities other than shares that do not have a market value are valued at fair value. Net unrealized gains or losses on these securities are reported as a

separate component of net assets at a net-of-tax amount. Cost of securities sold is determined using the moving-average method.
(B) Shares that do not have a market value are mainly valued at cost, determined using the moving-average method.

(ii) Valuation method for derivatives
Derivative financial instruments are valued at fair value.

(iii) Valuation method for inventories

a. Merchandise:
Inventories of domestic consolidated subsidiaries are stated mainly at cost determined by the retail method with book value written down to the net realizable value.
Cost is determined principally by the first-in, first-out (FIFO) method (except for gasoline inventory that is determined by the weighted average cost method) for foreign consolidated subsidiaries. Some domestic consolidated subsidiaries applied the FIFO method.

b. Supplies:
Supplies are carried at cost which is mainly determined by the last purchase price method with book value written down to the net realizable value.

(2) Depreciation and amortization

(i) Property and equipment (excluding Lease assets)
Property and equipment are depreciated using the straight-line method.

(ii) Intangible assets (excluding Lease assets)
Intangible assets are amortized using the straight-line method. Internal use software is amortized using the straight-line method over an estimated useful life, generally 5 years.

(iii) Lease assets
For the assets leased under finance lease contracts that do not transfer ownership of leased property to the lessee, useful life is determined based on the duration of the lease period and straight-line depreciation method is applied with an assumed residual value at nil.
Finance leases, commenced prior to March 1, 2009, which do not transfer ownership of leased property to the lessee, are accounted for in the same manner as operating leases.

(iv) Right-of-use assets
Some foreign consolidated subsidiaries have adopted IFRS 16 Leases and application of Accounting Standards Update ("ASU") 2016-02, Leases (Topic842). Therefore, lessees are in principle required to recognize all leases as assets and liabilities on their consolidated balance sheets. Right-of-use assets recorded in assets as result of the application of IFRS 16 Leases are depreciated using the straight-line method.
Moreover, as a result of the application of ASU 2016-02, Leases (Topic842), the amount equivalent to depreciation of right-of-use assets for operating lease is recorded not as "Depreciation and amortization" but as "Land and building rent," because it is not depreciable assets.

(3) Accounting for deferred assets

(i) Business commencement expenses
Business commencement expenses are amortized using the straight-line method over 5 years.

(ii) Bond issuance cost
Bond issuance cost is amortized using the straight-line method over the redemption period.

(4) Allowances

(i) Allowance for doubtful accounts
Allowance for doubtful accounts is provided in an amount sufficient to cover probable losses on collection. It consists of the estimated uncollectible amount with respect to certain identified doubtful receivables and an amount calculated using the actual historical rate of losses.

(ii) Allowance for loss on transfer of subsidiary
Allowance for loss on transfer of subsidiary is provided. The estimated amount is recorded in preparation for expenses or losses associated with the withdrawal from the online supermarket business.

(iii) Allowance for restructuring expenses
Allowance for restructuring expenses is provided. The estimated amount is recorded in preparation for expenses or losses associated with business restructuring.

(iv) Allowance for sales promotion expenses
Points granted to customers under the loyalty program, which is designed to promote sales, are divided into two types: points granted based on the amount of purchases and points granted based on events other than purchases.
Of these, allowance for sales promotion expenses is provided for the use of points granted to customers for events other than purchases at the amount expected to be used in the future as at the balance sheet date.

(v) Allowance for bonuses to employees
Allowance for bonuses to employees is provided at the amount calculated based on the estimation of payment.

(vi) Allowance for bonuses to Directors and Audit & Supervisory Board Members
Allowance for bonuses to Directors and Audit & Supervisory Board Members is provided at the amount estimated to be paid.

(vii) Allowance for retirement benefits to Directors and Audit & Supervisory Board Members
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members is provided at the amount required to be paid in accordance with internal rules.
The Company and some of its consolidated subsidiaries abolished the retirement benefits policy for Directors and Audit & Supervisory Board Members, for which some consolidated subsidiaries have determined to pay the balance at the time of retirement.

(viii) Allowance for stock payments
Allowance for stock payments is provided to prepare for payments of stock benefits to directors and executive officers of the Company and its consolidated. The amount is based on the expected stock benefit payable as at the balance sheet date.

(5) Accounting method for retirement benefits

(i) Allocation method of estimated total retirement benefits
When calculating retirement benefit obligation, the benefit formula basis is used to allocate estimated total retirement benefits to the period up to the fiscal year-end.

(ii) Amortization method of the actuarial difference and the prior service cost
The amount of actuarial differences is amortized on a straight-line basis over a period of 10 years from the year following the year in which they arise, which is within the average remaining years of service of the eligible employees.
The amount of prior service costs is amortized on a straight-line basis over a period of 5 years or 10 years, which are within the average remaining years of service of the eligible employees.

(6) Revenue recognition
The Group recognizes revenue based on the following five-step approach.
Step 1: Identifying the contract
Step 2: Identifying the performance obligations
Step 3: Determining the transaction price
Step 4: Allocating the transaction price to the performance obligations
Step 5: Recognizing revenue as the performance obligation is satisfied

(i) Revenue recognition criteria for each operating segment

a. Domestic convenience store operations
Domestic convenience store operations operate a convenience store business comprising directly managed corporate stores and franchised stores mainly under SEVEN-ELEVEN JAPAN CO., LTD.
The Group sells processed foods, fast foods, daily delivered foods, and non-food merchandise to customers visiting the directly managed corporate stores. For these merchandise sales, revenue is recognized at the delivery of the

merchandise to the customer by determining that the performance obligation of the merchandise is satisfied at the time of delivery.
The Group assumes contractual obligations to franchised convenience stores, such as licensing of the use of the business expertise and trademarks, lending of equipment, purchase cooperation, advertising, management consulting, credit support for merchandise purchases, preparation for business commencement, as well as provision of services including training and accounting/bookkeeping services. These activities are determined to be a single performance obligation since they are closely connected with each other and cannot be separately performed as distinct services. This performance obligation is satisfied over time or as the service is provided. In addition, revenue is recognized over the contract period as gross profit on sales is generated, since the transaction prices are loyalties based on the gross profit on sales of the stores.
Sales promotion expenses and other consideration paid to customers are deducted from the transaction prices.

b. Overseas convenience store operations
Overseas convenience store operations operate a convenience store business comprising directly managed corporate stores and franchised stores mainly under 7-Eleven, Inc.
The Group sells processed foods, fast foods, daily delivered foods, and non-food merchandise to customers visiting the directly managed corporate stores. For these merchandise sales, revenue is recognized at the delivery of the merchandise to the customer by determining that the performance obligation of the merchandise is satisfied at the time of delivery.
The Group sells gasoline to customers visiting the stores and dealers. For these merchandise sales, revenue is recognized at the time of delivery of the merchandise to the customer by determining that the performance obligation of the merchandise is satisfied at the time of delivery.
The Group assumes contractual obligations to franchised convenience stores, such as licensing of the use of the trademarks, provision of training, preparation for business commencement, advertising, management instructions, and permitting the use of the land, buildings and equipment. These activities are determined to be a single performance obligation since they are closely connected with each other and cannot be separately performed as distinct services. This performance obligation is satisfied over time or as the service is provided. In addition, revenue is recognized over the contract period as gross profit on sales is generated, since the transaction prices are loyalties based on the gross profit on sales of the stores.
The revenue is measured at the amount of the consideration promised under the contract with the customer less discounts or others.
Subsidiaries in North America that adopt US GAAP have applied ASU No. 2014-09 “Revenue from Contracts with Customers (Topic606).”

c. Superstore operations
Superstore operations of the Group, whose main components are Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., etc., comprise general merchandise store (GMS) operations and food supermarket operations, and operate a retail business that provides a comprehensive range of daily life necessities such as food and other daily necessities. Superstore operations operate merchandise sales at the Company or provision of services to tenants. As for merchandise sales at the Company, revenue is recognized at the delivery of the merchandise to the customer by determining that the performance obligation is satisfied at the time of delivery of the merchandise. As for the provision of services to tenants, revenue is recognized as the service is provided by determining that the performance obligation is satisfied over the contract period.
As for merchandise sales at the Company, revenue is measured at the amount of the consideration promised under the contract with the customer less discounts or others. The provision of services to tenants includes some transactions where mainly the transaction price is a variable consideration based on net sales to the tenant.

d. Financial services
Financial services operate a banking business, credit card business, electronic money business, and leasing business. Commission fee income received for the provision of various services are recognized as revenue at the point when each transaction occurs.

(ii) Granting options for customers to obtain additional goods or services
Based on the loyalty program, which is designed to promote sales, the Group grants points in accordance with the amount of purchase by members and provide goods or services equivalent to the points used. The Group identifies the points granted as performance obligations, and the transaction price is allocated based on the stand-alone selling price calculated considering the estimated future forfeitures, etc.

(iii) Determination of a principal or an agent
If the Group has control of the merchandise or service before it is transferred to a customer, the transaction is deemed to be a transaction by a principal, and the revenue is recognized at the total amount. If the Group does not have such control or if the Group's performance obligation is to arrange the provision of the merchandise or service, the transaction is deemed to be a transaction by an agent, and the revenue is recognized on the net amount (an amount equivalent to the commission fee). In our group, revenue related to commission fees for the sales on wholesaler owned goods and merchandise sales by tenants is recognized on the net amount by subtracting payments to suppliers from the total amount.

(7) Foreign currency translation
All assets and liabilities of the Company and its domestic consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen at the exchange rate in effect as at the respective balance sheet dates. Translation gains or losses are included in the accompanying consolidated statements of income.
All balance sheets accounts of foreign subsidiaries are translated into Japanese yen at the exchange rate in effect at the respective balance sheet dates. All income and expense accounts are translated at the average exchange rate for the period. The resulting translation adjustments are included in the accompanying consolidated balance sheets under "Non-controlling interests" and "Foreign currency translation adjustments."

(8) Hedge accounting
(i) Hedge accounting
If derivative financial instruments are used as hedges and meet certain hedging criteria, the recognition of gains and losses resulting from the changes in fair value of derivative financial instruments is deferred until the related gains and losses on the hedged items are recognized. The forward foreign exchange contracts are accounted for by the designated accounting treatment when they meet certain treatment for that. Certain interest rate swap contracts that meet specific accounting treatment are not measured at market value but the differences between the paid and received amount under the swap contracts are recognized and included in interest income or expense as incurred. The Company applies integral accounting treatment (specific accounting treatment, designated accounting treatment) to interest rate and currency swap contracts that meet the requirements of integral accounting treatment.

(ii) Hedge instruments and hedged items
a. Hedge instruments – Forward foreign exchange contracts
Hedged items – Foreign currency-denominated monetary asset and liability
b. Hedge instruments – Interest swap
Hedged items – Loans
c. Hedge instruments – Interest rate and currency swap
Hedged items – Foreign currency-denominated loans

(iii) Hedging policies
The Company and its subsidiaries have policies to utilize derivative instruments for the purposes of hedging their exposure to fluctuations in foreign currency rates and interest rates and reducing financing costs as well as optimizing future cash flow. The Company and its subsidiaries do not hold or issue derivative instruments for trading or speculative purposes.

(iv) Assessing hedge effectiveness
The hedge effectiveness is assessed by comparing the fluctuation quarterly except for those that meet specific accounting treatment and integral accounting treatment.

(9) Goodwill and negative goodwill
Goodwill is amortized mainly over a period of 20 years on a straight-line basis, or recognized as income or expenses immediately if immaterial.
Negative goodwill is recognized as income when it occurs.
The goodwill recognized in applying the equity method is accounted for in the same manner.

(10) Cash and cash equivalents
Cash and cash equivalents in the accompanying consolidated statements of cash flows consist of cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition, that are liquid, readily convertible into cash and are subject to minimum risk of price fluctuation.

(11) Other accounting treatments
(i) Accounting for franchised stores in Domestic and Overseas convenience store operations
SEVEN-ELEVEN JAPAN CO., LTD. and 7-Eleven, Inc. recognize franchise commission from its franchised stores as revenues and include it in “Operating revenues.”
(ii) Accounting for consumption taxes and excise tax
The excise tax levied in the U.S. and Canada is included in the revenues from operations.

Significant Accounting Estimates

Year ended February 29, 2024

Accounting estimates are based on reasonable amounts based on information available at the time of preparation of the consolidated financial statements. Of the accounting estimates in the items recorded in the consolidated financial statements for the fiscal year ended February 29, 2024 whose amounts are based on accounting estimates, the following items have the risk of significantly impacting the consolidated financial statements for the following fiscal year:

Judgment of necessity of recognizing impairment losses on non-current assets

(1) Amount recorded on the consolidated financial statements for the fiscal year ended February 29, 2024

The Group has retail stores in a variety of forms such as GMSs and food supermarkets. Of them, Ito-Yokado Co, Ltd., which is included in the superstore operations segment, runs superstore operations.

Amounts recorded in the consolidated balance sheets and consolidated statements of income for the fiscal year ended February 29, 2024 of Ito-Yokado Co., Ltd. are as follows.

(Millions of yen)

Company name	Property and equipment	Intangible assets	Impairment loss
Ito-Yokado Co., Ltd.	339,304	25,865	19,692

(2) Information on the content of significant accounting estimates for identified items

(i) Method of calculation

In Ito-Yokado Co., Ltd., the smallest unit that generates independent cash flows is mainly stores. Although Ito-Yokado Co., Ltd. promotes restructuring, there seemed to be an indication of impairment loss in multiple stores in the current fiscal year due to the significant impact of increase in costs for developing the strategic investment infrastructure. If there is considered to be an indication of impairment on non-current assets of stores, and if necessity of recognizing an impairment loss is judged by comparing the total amount of undiscounted future cash flows obtained from the none non-current assets of stores with the book value, the book value is reduced to the recoverable value and the reduction amount is recorded as an impairment loss.

(ii) Major assumptions

Undiscounted future cash flows used in the judgment of necessity of recognizing an impairment loss include significant assumptions such as the sales growing rate, gross margin ratio and expected changes in expenses.

(iii) Impact on the consolidated financial statements for the next fiscal year

The above estimates and assumptions may be affected by future changes in uncertain economic conditions, and if review of the assumptions becomes required, this may have significant impact on the consolidated financial statements for the next fiscal year.

Year ended February 28, 2025

Accounting estimates are based on reasonable amounts based on information available at the time of preparation of the consolidated financial statements. Of the accounting estimates in the items recorded in the consolidated financial statements for the fiscal year ended February 28, 2025 whose amounts are based on accounting estimates, the following items have the risk of significantly impacting the consolidated financial statements for the following fiscal year:

Judgment of necessity of recognizing impairment losses on non-current assets

(1) Amount recorded on the consolidated financial statements for the fiscal year ended February 28, 2025

The Group has retail stores in a variety of forms such as GMSs and food supermarkets. Of them, Ito-Yokado Co, Ltd., which is included in the superstore operations segment, runs superstore operations.

Amounts recorded in the consolidated balance sheets and consolidated statements of income for the fiscal year ended February 28, 2025 of Ito-Yokado Co., Ltd. are as follows.

(Millions of yen)

Company name	Property and equipment	Intangible assets	Impairment loss
Ito-Yokado Co., Ltd.	340,992	9,767	34,962

(2) Information on the content of significant accounting estimates for identified items

(i) Method of calculation

In Ito-Yokado Co., Ltd., the smallest unit that generates independent cash flows is mainly stores. Although Ito-Yokado Co., Ltd. promotes restructuring, there seemed to be an indication of impairment loss in multiple stores in the current fiscal year due to the significant impact of rising prices and fluctuations in foreign exchange rates.

If there is considered to be an indication of impairment on non-current assets of stores, and if necessity of recognizing an impairment loss is judged by comparing the total amount of undiscounted future cash flows obtained from the none non-current assets of stores with the book value, the book value is reduced to the recoverable value and the reduction amount is recorded as an impairment loss.

(ii) Major assumptions

Undiscounted future cash flows used in the judgment of necessity of recognizing an impairment loss include significant assumptions such as the sales growing rate, gross margin ratio and expected changes in expenses.

(iii) Impact on the consolidated financial statements for the next fiscal year

The above estimates and assumptions may be affected by future changes in uncertain economic conditions, and if review of the assumptions becomes required, this may have significant impact on the consolidated financial statements for the next fiscal year.

Accounting Standards Issued But Not Yet Applied

Accounting Standard for Current Income Taxes, etc.

・ “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022, Accounting Standards Board of Japan)

・ “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, October 28, 2022, Accounting Standards Board of Japan)

・ “Implementation Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022, Accounting Standards Board of Japan)

(1) Overview

In February 2018, Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28) (hereinafter referred to as ASBJ Statement No. 28, etc.) was issued, completing the transfer of practical guidelines for tax effect accounting in the Japanese Institute of Certified Public Accountants to the Accounting Standards Board of Japan. During the deliberation process, the following two issues, which were to be studied after the issuance of ASBJ Statement No. 28, were deliberated and issued.

・ Accounting section of tax expenses (taxation on other comprehensive income)

・ Tax effect of sales of shares of subsidiaries or affiliates when the corporate group tax system is applied

(2) Scheduled date of application

This accounting standard will be applied effective from the beginning of the fiscal year ending February 28, 2026.

(3) Effects of application of the accounting standard, etc.

The effects of applying the “Accounting Standard for Current Income Taxes” on the consolidated financial statements are currently under evaluation.

Accounting Standard for Leases, etc.

・ “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024, Accounting Standards Board of Japan)

・ “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024, Accounting Standards Board of Japan), etc.

(1) Overview

As part of efforts to make the Japanese GAAP internationally consistent, the Accounting Standards Board of Japan (ASBJ) has been considering to develop accounting standards for

leases in which assets and liabilities are recognized for all leases of lessees, taking into account international accounting standards. The basic policy is to base the accounting standards on the single accounting model of IFRS 16, by not adopting all the provisions of IFRS 16, but adopting only the main provisions, which will result in simple and convenient accounting standards that will basically not require any amendments even if a company that voluntarily adopts IFRS for its consolidated financial statements uses the provisions of IFRS 16 for its nonconsolidated financial statements.
As for the accounting treatment of lessees, the single accounting model will be applied to the method of allocating lease expenses to lessees in which depreciation expenses for right-of-use assets and interest expenses for lease liabilities are recorded for all leases, regardless of whether the lease is a finance lease or an operating lease, same as IFRS 16.

(2) Scheduled date of application
This accounting standard will be applied effective from the beginning of the fiscal year ending February 28, 2029.

(3) Effects of application of the accounting standard, etc.
The effects of applying the “Accounting Standard for Leases” on the consolidated financial statements are currently undetermined.

Changes in Method of Presentation

Consolidated Balance Sheets

“Advances for store construction” under investments and other assets, which had been separately presented until the fiscal year ended February 29, 2024, is included in “Other” for the fiscal year ended February 28, 2025 since it has become insignificant in terms of amount. To reflect this change in method of presentation, the Company reclassified consolidated balance sheets for the fiscal year ended February 29, 2024.
As a result, 75 million yen that was presented as “Advances for store construction” under investments and other assets for the fiscal year ended February 29, 2024 has been reclassified as “Other.”

Consolidated Statements of Income

“Insurance income,” which was included in “Other” under special gains in the fiscal year ended February 29, 2024, is separately presented in the fiscal year ended February 28, 2025 since its monetary importance has increased. To reflect this change in method of presentation, the Company reclassified consolidated statements of income for the fiscal year ended February 29, 2024.
As a result, 2,017 million yen that was presented as “Other” in special gains for the fiscal year ended February 29, 2024 has been reclassified as “Insurance income” of 492 million yen and “Other” of 1,525 million yen.

Consolidated Statements of Cash Flows

“Insurance income,” which was included in “Other” in cash flows from operating activities in the fiscal year ended February 29, 2024, is separately presented in the fiscal year ended February 28, 2025 since its monetary importance has increased.
To reflect this change in method of presentation, the Company reclassified the consolidated statements of cash flows for the fiscal year ended February 29, 2024.
As a result, (67,073) million yen that was presented as “Other” in cash flows from operating activities in the consolidated statements of cash flows for the fiscal year ended February 29, 2024 has been reclassified as “Insurance income” of (492) million yen and “Other” of (66,580) million yen.

Supplementary Information

Performance-Based Stock Compensation Plan for Directors

The Company and certain consolidated subsidiaries (hereinafter the “Companies”) have introduced a Performance-Based Stock Compensation Plan (hereinafter the “Plan”) for the directors of the Companies (excluding nonexecutive Directors and Directors residing overseas, the same applies hereinafter) using the Directors’ Compensation BIP (Board Incentive Plan) Trust (hereinafter “BIP Trust”), mainly aiming to raise willingness to contribute to the improvement of medium- and long-term corporate value and to share interests with shareholders.
The accounting treatment for the BIP Trust agreement is in accordance with “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (PITF (Practical Issue Task Force) No. 30, March 26, 2015).

(1) Outline of the transaction
The Plan is a performance-based stock compensation plan whereby the Companies contribute an appropriate amount of money to the BIP Trust, which is used as funds to acquire Company's shares. The Company's shares are delivered to directors in accordance with Share Delivery Rules for directors stipulated by the Companies. Directors shall receive delivery of the Company's shares, etc., in principle, upon their retirement.

(2) Company's shares remaining in the BIP Trust
The Company's shares remaining in the BIP Trust are recorded as treasury stock under net assets at their carrying amounts (excluding incidental expenses). As of February 28, 2025, the carrying amount and the number of the Company's shares remaining in the Trust are 3,842 million yen and 2,623 thousand shares, respectively.
The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The number of shares stated above is the number of shares after the share split.

Performance-Based Stock Compensation Plan for Executive Officers
The Company and certain consolidated subsidiaries (hereinafter the "Companies") have introduced a Performance-Based Stock Compensation Plan (hereinafter the "Plan") for the executive officers of the Companies (excluding those residing overseas, the same applies hereinafter) using the Stock Grant Employee Stock Ownership Plan (ESOP) Trust (hereinafter "ESOP Trust"), mainly aiming to raise willingness to contribute to the improvement of medium- and long-term corporate value and to share interests with shareholders.
The Companies adopted "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF No. 30, March 26, 2015) to account for the said trust agreement.

(1) Outline of the transaction
The Plan is a performance-based stock compensation plan whereby the Companies contribute an appropriate amount of money to the ESOP Trust, which is used as funds to acquire the Company's shares. The Company's shares are delivered to executive officers in accordance with the Share Delivery Rules for executive officers stipulated by the Companies. Executive officers shall receive delivery of the Company's shares, etc., in principle, upon their retirement.

(2) Company's shares remaining in the ESOP Trust
The Company's shares remaining in the ESOP Trust are recorded as treasury stock under net assets at their carrying amounts (excluding incidental expenses). As of February 28, 2025, the carrying amount and the number of the Company's shares remaining in the Trust are 2,040 million yen and 1,514 thousand shares, respectively.
The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The number of shares stated above is the number of shares after the share split.

Consolidated Balance Sheets

*1. Claims and contract assets arising from contracts with customers
For notes and accounts receivable - trade, and contract assets, the amounts of claims arising from contracts with customers and contract assets are stated in "Note (Revenue Recognition) 3 (i) Balance of claims, contract assets and contract liabilities arising from contracts with customers."

*2. The following "Investments in securities" under "Investments and other assets" are made in unconsolidated subsidiaries and associates.

(Millions of yen)

	February 29, 2024	February 28, 2025
Investments in securities (shares)	43,808	41,730

*3. Assets pledged as collateral

(1) Assets pledged as collateral for the debts

Assets pledged as collateral

(Millions of yen)

	February 29, 2024	February 28, 2025
Buildings and structures	1,197	1,077
Land	1,258	1,258
Investments in securities	101,596	97,682
Total	104,052	100,018

Debts for which above assets are pledged as collateral

(Millions of yen)

	February 29, 2024	February 28, 2025
Long-term loans (including current portion of long-term loans)	6,335	5,752

(2) Assets pledged as collateral for fund transfer

Assets pledged as collateral

(Millions of yen)

	February 29, 2024	February 28, 2025
Investments in securities	999	–
Long-term leasehold deposits	6,500	7,000
Total	7,499	7,000

(3) Assets pledged as collateral for real estate business

Assets pledged as collateral

(Millions of yen)

	February 29, 2024	February 28, 2025
Long-term leasehold deposits	20	20

4. Guarantees

Guarantees for loans from financial institutions of employees of consolidated subsidiaries are as follows:

(Millions of yen)

	February 29, 2024	February 28, 2025
Employees’ housing loans	28	21

5. Loan commitment
Some financial subsidiaries conduct a cash loan business that is associated with their credit card business. Unused credit balance related to the cash loan business is as follows:

(Millions of yen)

	February 29, 2024	February 28, 2025
Credit availability of cash loan business	801,857	767,987
Outstanding balance	55,155	66,979
Unused credit balance	746,701	701,008

Unused credit balance will not have a material impact on future cash flows because most of the unused credit balance will remain unused considering the historical record. Some financial subsidiaries will cease finance services or reduce the credit limit based on the credit situation of customers or other justifiable reasons.

*6. Others
Bonds held by Seven Bank, Ltd.
Seven Bank, Ltd., one of the Company's consolidated subsidiaries, holds bonds to serve as collateral for exchange settlement transactions and overdraft transactions with the Bank of Japan. These bonds are recorded in "Investments in securities" in the consolidated balance sheets due to its nature of restriction even if they have redemption at maturity less than one year.

Consolidated Statements of Income
*1. Revenues from contracts with customers
For revenues from operations, revenues from contracts with customer and other revenues are not separately stated. The amount of revenues from contracts with customers are stated in "Note (Revenue Recognition) 1. Components of revenues from contracts with customers" in the consolidated financial statements.
*2. The franchise commission from SEVEN-ELEVEN JAPAN CO., LTD.'s franchised stores and 7-Eleven, Inc.'s is included in "Operating revenues." The franchise commission from franchised stores is as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
SEVEN-ELEVEN JAPAN CO., LTD.	824,401	818,141
7-Eleven, Inc.	402,054	440,600
Total	1,226,455	1,258,741

Net sales of franchised stores is as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
SEVEN-ELEVEN JAPAN CO., LTD.	5,278,502	5,313,789
7-Eleven, Inc.	2,268,878	2,493,394
Total	7,547,381	7,807,183

*3. Major items included in "Gain on sales of property and equipment" are as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Buildings and structures	2,575	42,495
Land	7,989	51,997
Others	463	559
Total	11,027	95,052

Notes: 1. 1,660 million yen (Buildings and structures), 1,458 million yen (Land), and (0) million yen (Other) are included in "Gain on sales of property and equipment related to restructuring" in consolidated statements of income for the fiscal year ended February 28, 2025.

2. A gain on sales of property and equipment of 88,210 million yen was recorded due to a sale-leaseback executed in November 2024 by the U.S. consolidated subsidiary 7-Eleven, Inc.

*4. Major items included in "Loss on disposals of property and equipment" are as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Buildings and structures	7,791	10,564
Furniture, fixtures and equipment	4,497	5,767
Removal expenses	3,116	7,677
Others	184	734
Total	15,590	24,744

Note: 265 million yen (Buildings and structures), 64 million yen (Furniture, fixtures and equipment), and 1,248 million yen (Removal expenses) are included in "Restructuring expenses" in consolidated statements of income for the fiscal year ended February 28, 2025.

*5. Impairment loss

For the fiscal year ended February 29, 2024, the Company and its consolidated subsidiaries recognized as impairment loss on the following group of assets.

Description	Classification	Location			Amount (Millions of yen)
Stores	Land and buildings, etc.	Tokyo Met.	Domestic convenience stores	357 stores	51,777
			Superstores	11 stores	
			Others	1 store	
		Osaka Pref.	Domestic convenience stores	184 stores	
			Others	1 store	
		Aichi Pref.	Domestic convenience stores	108 stores	
		U.S. & others	Overseas convenience stores	1,214 stores	
			Others	2 stores	
Other facility, etc.	Software, etc.	Tokyo Met., Osaka Pref., Kyoto Pref., & others			5,302
Total					57,079

Note: 14,069 million yen (Stores) is included in “Restructuring expenses” in consolidated statements of income.

For the fiscal year ended February 28, 2025, the Company and its consolidated subsidiaries recognized as impairment loss on the following group of assets.

Description	Classification	Location			Amount (Millions of yen)
Stores	Land and buildings, etc.	Tokyo Met.	Domestic convenience stores	123 stores	98,763
			Others	2 stores	
		Osaka Pref.	Domestic convenience stores	97 stores	
			Others	2 stores	
		Aichi Pref.	Domestic convenience stores	92 stores	
			Others	1 store	
		U.S. & others	Overseas convenience stores	800 stores	
Other facility, etc.	Software, etc.	Tokyo Met., Kanagawa Pref., Chiba Pref., & others			45,230
Total					143,993

Note: In the consolidated statements of income, 19,192 million yen (Stores) is included in “Restructuring expenses” and 26,540 million yen (Other facility, etc.) is included in “Loss on business of subsidiaries and associates.”

The Company and its domestic consolidated subsidiaries group their fixed assets by store, which is the minimum cash-generating unit.
The book values of stores whose land had significantly declined in market prices or which incurred consecutive operating losses were reduced to recoverable amounts when the book values exceed future cash flows before discount, and such deducted amount was recorded as impairment loss in special losses.
U.S. consolidated subsidiary 7-Eleven, Inc. reassessed its asset groupings for purposes of promoting closing underperforming retail locations and other measures based on current strategic long-term plans. As a result, 56,797 million yen is recorded as “impairment loss” in the third quarter of the fiscal year ended February 28, 2025.

A breakdown of impairment loss is as follows:

Year ended February 29, 2024

(Millions of yen)

	Stores	Other facilities, etc.	Total
Buildings and structures	33,070	356	33,427
Furniture, fixtures and equipment	6,051	289	6,340
Land	10,627	10	10,638
Software	6	2,855	2,862
Other	2,021	1,789	3,810
Total	51,777	5,302	57,079

Note: 5,650 million yen (Buildings and structures), 283 million yen (Furniture, fixtures and equipment), 8,026 million yen (Land), 0 million yen (Software) and 108 million yen (Other) are included in "Restructuring expenses" in consolidated statements of income.

Year ended February 28, 2025

(Millions of yen)

	Stores	Other facilities, etc.	Total
Buildings and structures	75,760	3,387	79,147
Furniture, fixtures and equipment	12,937	4,554	17,492
Land	7,047	1	7,049
Software	1	28,496	28,497
Other	3,016	8,790	11,806
Total	98,763	45,230	143,993

Note: 3,455 million yen (Buildings and structures), 134 million yen (Furniture, fixtures and equipment), 15,490 million yen (Software), and 111 million yen (Other) are included in "Restructuring expenses" in consolidated statements of income. In addition, 3,260 million yen (Buildings and structures), 4,412 million yen (Furniture, fixtures and equipment), 10,445 million yen (Software), and 8,422 million yen (Other) are included in "Loss on business of subsidiaries and associates."

In the case where net selling prices were used as recoverable amounts, relevant assets were evaluated based on the real estate appraisal standards, etc., and in the case where values in use were used as recoverable amounts, relevant assets were evaluated by discounting estimated future cash flows using discount rates of 4.0% - 8.6% (3.4% - 8.6% for fiscal year ended February 29, 2024).

*6. Loss on business of subsidiaries and associates

Loss on business of subsidiaries and associates is the loss on withdrawal from the online supermarket business, and the breakdown is as follows.

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Impairment loss	–	26,540
Early termination fees	–	14,278
Other	–	5,597
Total	–	46,416

*7. Restructuring expenses

A breakdown of restructuring expenses is as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Impairment loss	14,069	19,192
Loss on disposals of property and equipment	–	1,578
Early retirement benefit	9,155	1,125
Other	5,632	3,708
Total	28,858	25,605

Consolidated Statements of Comprehensive Income

* The components of other comprehensive income including reclassification adjustments and tax (expense) or benefits for the fiscal years ended February 29, 2024 and February 28, 2025 are as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Unrealized gains (losses) on available-for-sale securities, net of taxes:		
Increase (decrease) during the fiscal year	20,064	9,709
Reclassification adjustments	(2,655)	(1,777)
Amount before tax	17,408	7,932
Tax effects	(6,196)	(2,313)
Subtotal	11,212	5,618
Unrealized gains (losses) on hedging derivatives, net of taxes:		
Increase during the fiscal year	14	789
Reclassification adjustments	–	(11)
Amount before tax	14	777
Tax effects	5	(79)
Subtotal	19	697
Foreign currency translation adjustments:		
Increase (decrease) during the fiscal year	165,163	294,534
Remeasurements of defined benefit plan, net of taxes:		
Increase (decrease) during the fiscal year	22,881	6,017
Reclassification adjustments	(3,121)	(3,880)
Amount before tax	19,760	2,137
Tax effects	(6,914)	278
Subtotal	12,845	2,416
Share of other comprehensive income of entities accounted for using the equity method:		
Increase (decrease) during the fiscal year	(133)	70
Total other comprehensive income (loss)	189,107	303,336

Consolidated Statements of Changes in Net Assets

Year ended February 29, 2024

1. Type and number of shares outstanding and treasury stock

(Thousands of shares)

	As of March 1, 2023	Number of shares increased	Number of shares decreased	As of February 29, 2024
Outstanding stock				
Ordinary Share	886,441	–	8,699	877,742
Treasury stock				
Ordinary Share	3,217	9,047	8,827	3,437

Notes:
1. The increase in treasury stock of 9,047 thousand shares of common stock consists of the increase of 8,699 thousand shares due to the acquisition of treasury stock determined by the resolution of the Board of Directors meeting, the increase of 345 thousand shares due to the acquisition of treasury stock held by the BIP Trust and the ESOP Trust, and the increase due to the purchase of two thousand shares of odd-lot shares.
2. The decrease in treasury stock of 8,827 thousand shares of common stock consists of the decrease of 8,699 thousand shares due to the cancellation of treasury stock, the decrease of 126 thousand shares due to the delivery of the shares held by the BIP Trust and the ESOP Trust, and the decrease of 0 thousand shares due to the sale of odd-lot shares.
3. The number of shares of treasury stock as of February 29, 2024 includes 1,576 thousand shares of the Company held by the BIP Trust and the ESOP Trust.
4. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The number of shares stated above is the number of shares before the share split.

2. Subscription rights to shares and subscription rights to treasury shares

<table>
<tr><td colspan="2">Entity</td><td>The Company</td><td>Consolidated subsidiaries</td><td rowspan="2">Total</td></tr>
<tr><td colspan="2">Description of subscription rights to shares</td><td colspan="2">Subscription rights to shares as stock-linked compensation stock option</td></tr>
<tr><td colspan="2">Type of shares to be issued upon excise of the rights</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td rowspan="4">Number of shares to be issued upon the exercise of the rights (shares)</td><td>Number of shares as of March 1, 2023</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Number of shares increased</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Number of shares decreased</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Number of shares as of February 29, 2024</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td colspan="2">Balance as of February 29, 2024
(millions of yen)</td><td>49</td><td>10</td><td>60</td></tr>
</table>

3. Matters related to dividends

(1) Dividend payments

Resolution	Type	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 25, 2023 Ordinary general meeting of shareholders	Ordinary Share	56,172 million yen	63.50 yen	Feb. 28, 2023	May 26, 2023
October 12, 2023 Board of Directors meeting	Ordinary Share	49,980 million yen	56.50 yen	Aug. 31, 2023	Nov. 15, 2023

Notes: 1. The total amount of cash dividends determined by the resolution of the ordinary general meeting of shareholders held on May 25, 2023 includes 86 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust. Dividend per share 63.50 yen includes commemorative dividend of 10 yen for the 50th anniversary of the establishment of SEVEN-ELEVEN JAPAN CO., LTD.

2. The total amount of cash dividends determined by the resolution of the Board of Directors meeting held on October 12, 2023 includes 70 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

(2) Dividends whose record date is within the fiscal year ended February 29, 2024, but to be effective after the fiscal year-end

Resolution	Type	Funds for dividends	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 28, 2024 Ordinary general meeting of shareholders	Ordinary Share	Retained earnings	49,488 million yen	56.50 yen	Feb. 29, 2024	May 29, 2024

Notes: 1. The total amount of cash dividends includes 89 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

2. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The dividend per share is the amount before the share split.

Year ended February 28, 2025

1. Type and number of shares outstanding and treasury stock

(Thousands of shares)

	As of March 1, 2024	Number of shares increased	Number of shares decreased	As of February 28, 2025
Outstanding stock				
Ordinary Share	877,742	1,755,484	28,670	2,604,555
Treasury stock				
Ordinary Share	3,437	35,549	29,263	9,723

Notes: 1. The increase of 1,755,484 thousand shares in the total number of ordinary shares issued and outstanding was due to a three-for-one share split of common stock on March 1, 2024.

2. The increase in treasury stock of 35,549 thousand shares of common stock was due to the three-for-one share split of common stock on March 1, 2024, which resulted in an increase of 6,875 thousand shares, the purchase of 28,670 thousand shares of treasury stock based on a resolution of the Board of Directors, and the purchase of odd-lot shares, which resulted in an increase of 3 thousand shares.

3. The decrease in treasury stock of 29,263 thousand shares of common stock consists of the decrease of 28,670 thousand shares due to the cancellation of treasury stock, the decrease of 592 thousand shares due to the delivery of the shares held by the BIP Trust and the ESOP Trust, and the decrease of 0 thousand shares due to the sale of odd-lot shares.

4. The number of shares of treasury stock as of February 28, 2025 includes 4,137 thousand shares of the Company held by the BIP Trust and the ESOP Trust.

2. Subscription rights to shares and subscription rights to treasury shares

Entity		The Company	Consolidated subsidiaries	Total
Description of subscription rights to shares		Subscription rights to shares as stock-linked compensation stock option		
Type of shares to be issued upon excise of the rights		–	–	–
Number of shares to be issued upon the exercise of the rights (shares)	Number of shares as of March 1, 2024	–	–	–
	Number of shares increased	–	–	–
	Number of shares decreased	–	–	–
	Number of shares as of February 28, 2025	–	–	–
Balance as of February 28, 2025 (millions of yen)		49	30	80

3. Matters related to dividends

(1) Dividend payments

Resolution	Type	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 28, 2024 Ordinary general meeting of shareholders	Ordinary Share	49,488 million yen	56.50 yen	Feb. 29, 2024	May 29, 2024
October 10, 2024 Board of Directors meeting	Ordinary Share	51,980 million yen	20.00 yen	Aug. 31, 2024	Nov. 15, 2024

Notes: 1. The total amount of cash dividends determined by the resolution of the ordinary general meeting of shareholders held on May 28, 2024 includes 89 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust. Also, the Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The dividend per share is the amount before the share split.

2. The total amount of cash dividends determined by the resolution of the Board of Directors meeting held on October 10, 2024 includes 84 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

(2) Dividends whose record date is within the fiscal year ended February 28, 2025, but to be effective after the fiscal year-end

The following proposal is scheduled to be put on the agenda of the ordinary general meeting of shareholders to be held on May 27, 2025.

Resolution	Type	Funds for dividends	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 27, 2025 Ordinary general meeting of shareholders	Ordinary Share	Retained earnings	51,980 million yen	20.00 yen	Feb. 28, 2025	May 28, 2025

Note: The total amount of cash dividends includes 82 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

Consolidated Statements of Cash Flows

*1. Reconciliation of cash and cash equivalents of the consolidated statements of cash flows and account balances of the consolidated balance sheets

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Cash and bank deposits	1,558,738	1,368,663
Restricted cash	20,952	1,974
Time deposits and negotiable certificates of deposits with an original maturity of more than three months	(17,197)	(20,818)
Cash and cash equivalents	1,562,493	1,349,820

*2. The “Payment for sales of shares in subsidiaries resulting in change in scope of consolidation” for the fiscal year ended February 28, 2025 include the payment of 22,068 million yen for the unrecognized amount related to price adjustments, etc., for the sale of shares of Sogo & Seibu Co., Ltd., which ceased to be a consolidated subsidiary in the fiscal year ended February 29, 2024.

*3. Assets and liabilities of companies ceasing to be consolidated subsidiaries due to sale of shares are as follows:

Year ended February 29, 2024

The breakdown of assets and liabilities as of the sale of Sogo & Seibu Co., Ltd. and its subsidiaries, which ceased to be consolidated subsidiaries as a result of the sale of shares, and the sales price and proceeds from the sale of Sogo & Seibu shares are as follows:

Sogo & Seibu Co., Ltd. and its subsidiaries

(Millions of yen)

Current assets	86,711
Non-current assets	326,331
Current liabilities	(292,665)
Non-current liabilities	(22,654)
Non-controlling interests	(4,979)
Unrealized gains (losses), etc.	(4,315)
Loss (gain) on sale of shares	(88,341)
Sales price of shares	85
Consideration adjustment	(22,068)
Accounts payable, other	22,068
Collection of loans receivable	79,297
Cash and cash equivalents	(43,346)
Proceeds from sales of business	36,036

*4. Assets and liabilities of a newly consolidated subsidiary by acquisition of shares are as follows:

Year ended February 28, 2025

The components of assets and liabilities of newly consolidated subsidiaries acquired by purchase of shares at the start of their consolidation, and the relationship between the acquisition cost of their shares and the related payments (net amount) are as follows:

Convenience Group Holdings Pty Ltd

(Millions of yen)

Current assets	57,123
Non-current assets	225,417
Goodwill	143,261
Current liabilities	(76,799)
Non-current liabilities	(152,495)
Acquisition of shares	196,507
Cash and cash equivalents	(29,850)
Payment for acquisition of business	166,657

*5. Major non-cash transactions

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Finance lease assets for property and equipment recorded in the consolidated balance sheet for the current fiscal year	5,832	6,928
Right-of-use assets recorded in the consolidated balance sheet for the current fiscal year	175,607	240,515
Asset retirement obligations recorded in the consolidated balance sheet for the current fiscal year	19,870	71,992

*6. Acquisition of business

Year ended February 29, 2024

The followings are the details of payment made by 7-Eleven, Inc. to acquire the assets and liabilities related to business acquisition.

(Millions of yen)

Inventory	2,187
Property and equipment	2,556
Total	4,744

Property and equipment set out above at an amount of 2,556 million yen is included in acquisition of property and equipment in the Statements of Cash Flows for the fiscal year ended February 29, 2024.

Year ended February 28, 2025

The followings are the details of payment made by 7-Eleven, Inc. to acquire the assets and liabilities related to business acquisition.

(Millions of yen)

Inventory	5,432
Goodwill	107,145
Others	(2,901)
Subtotal	109,675
Property and equipment	44,187
Total	153,863

Property and equipment set out above at an amount of 44,187 million yen is included in acquisition of property and equipment in the Statements of Cash Flows for the fiscal year ended February 28, 2025.

Leases

Operating lease transactions

As lessee:

Future lease payments to be received under non-cancellable leases of operating lease transactions

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Due within one year	18,405	16,188
Due after one year	102,686	76,085
Total	121,092	92,274

As lessor:

Future lease payments to be received under non-cancellable leases of operating lease transactions

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Due within one year	12,112	12,821
Due after one year	28,493	31,659
Total	40,605	44,480

Financial Instruments

1. Status of financial instruments

(1) Policy on financial instruments

For the management of surplus funds, the Group follows a basic policy of prioritizing safety, liquidity, and efficiency and limits the management of such funds to management through deposits with banks. The Group mainly raises funds through bank loans and bond issuance.

In addition, the Group uses derivative instruments to hedge the exposure to the risk of fluctuations in currency exchange rates regarding foreign currency-denominated asset and liability and hedge the exposure to the risk of fluctuations in interest rates regarding interest bearing debt as well as to optimize cash flows for future interest payments. The Company does not hold or issue derivative instruments for short-term trading or speculative purposes.

(2) Description of financial instruments and their risks, and risk management system

The Group has stipulated responsible departments for each risk type and departments in charge of comprehensive risk management in the "basic rules for risk management," and recognizes and manages risks with regard to financial instruments as follows.

While notes and accounts receivable-trade, which are operating receivables, are exposed to customers' credit risks, relevant due dates and balances are managed for each counterparty. In addition, the Group works to monitor credibility of counterparties regularly and in a timely manner to early discover uncollectable receivables due to deterioration of financial conditions, etc., and avoid and mitigate losses.

Although leasehold deposits which mainly arise in association with lease agreements for stores are also exposed to credit risks of entities to which the deposits are made, like notes and accounts receivable-trade, the Group strives to early discover uncollectable receivables and avoid and mitigate losses by monitoring credibility of counterparties.

Although investments in securities are mainly shares of companies with which the Group has business relationships, government bonds held by Seven Bank, Ltd., etc. and are exposed to risks of fluctuations in market prices, the Group periodically assesses fair value of the securities, financial conditions of issuers, and others, and continuously reviews shareholdings in view of relationships with counterparty companies.

Of notes and accounts payable, trade, which are operating payables, foreign currency-denominated payables are exposed to risks of exchange rate fluctuations, but the Group enters into forward foreign exchange contracts for part of the amount of transactions settled for the purpose of avoiding and mitigating the risks. Furthermore, for forward foreign exchange contracts, the Group regularly assesses the status of gain or loss on valuation.

Of debt obligations, short-term loans are mainly aimed at procurement of funds for operating transactions, and long-term loans and bonds are principally aimed at procurement of funds for capital expenditures and M&A. For these items, the Group undertakes comprehensive asset-liability management (ALM).

While foreign currency-denominated loans are exposed to risks of exchange rate fluctuations, the Group strives to avoid such risks using currency swap contracts.

Although bonds and long-term loans with floating interest rate are exposed to risks of interest rate fluctuations, the Group strives to avoid and mitigate such risks using interest rate swap contracts and interest rate and currency swap contracts for some of the bonds and long-term loans.

For the above derivative transactions (forward foreign exchange contracts, interest rate swap contracts, and interest rate and currency swap contracts), the Group avoids and mitigates credit risks due to contractual default of counterparties by limiting transactions to contracts with financial instruments with high credibility.

In addition, although operating payables, loans and bonds are exposed to the liquidity risk of failure to make a payment on the due date, in the management of this risk, each operating company of the Group develops and manages the financial plan appropriately and the Company conducts cash management on a group-wide basis.

(3) Supplemental explanation regarding items relating to the market values of financial instruments
Because the determination of the value of financial instruments incorporates variable factors, the value may change by using different preconditions. In addition, the contract amount for derivative transactions in the note “Derivatives” itself does not represent market risks related to derivative transactions.

2. Items relating to the market values of financial instruments
The amounts recorded on the consolidated balance sheet, the market values, and the difference between these amounts are as follows. Unmarketable shares, etc. and investment in partnerships, etc. are not included in the table below. (please refer to Notes). In addition, “Cash and deposits,” “Notes and accounts payable, trade” and “Short-term loans,” are omitted because “Cash and deposits” are cash and cash equivalent and the others’ carrying amounts are approximately fair values due to the short maturity.

February 29, 2024

(Millions of yen)

	Consolidated Balance Sheet	Market value	Difference
(1) Notes and accounts receivable - trade, and contract assets	464,159		
Allowance for doubtful accounts(*1)	(3,706)		
	460,452	464,603	4,150
(2) Investments in securities	209,195	215,255	6,060
(3) Long-term leasehold deposits(*2)	284,296		
Allowance for doubtful accounts(*3)	(199)		
	284,097	280,604	(3,492)
Total assets	953,745	960,463	6,718
(1) Deposits received in banking business	803,763	803,781	18
(2) Bonds(*4)	1,690,624	1,523,189	(167,435)
(3) Long-term loans(*5)	963,146	945,018	(18,128)
(4) Deposits received from tenants and franchised stores(*6)	46,026	42,434	(3,591)
Total liabilities	3,503,561	3,314,424	(189,136)
Derivative instruments(*7)			
(i) Derivative transactions to which hedge accounting is not applied	30	30	–
(ii) Derivative transactions to which hedge accounting is applied	33	33	–
Total derivative instruments	64	64	–

(*1) Net allowance (after deducting allowance for doubtful accounts for notes and accounts receivable - trade, and contract assets).
(*2) Including current portion of long-term leasehold deposits.
(*3) Net allowance (after deducting allowance for doubtful accounts for long-term leasehold deposits).
(*4) Including current portion of bonds.
(*5) Including current portion of long-term loans
(*6) Including current portion of deposits received from tenants and franchised stores.
(*7) Net credit or debt generated from derivative transactions is indicated on a net basis whereas net obligations in total are indicated in parentheses.

February 28, 2025

(Millions of yen)

	Consolidated Balance Sheet	Market value	Difference
(1) Notes and accounts receivable - trade, and contract assets	441,630		
Allowance for doubtful accounts(*1)	(5,098)		
	436,532	440,508	3,975
(2) Investments in securities	231,068	235,603	4,535
(3) Long-term leasehold deposits(*2)	268,570		
Allowance for doubtful accounts(*3)	(171)		
	268,398	258,519	(9,879)
Total assets	935,999	934,631	(1,368)
(1) Deposits received in banking business	813,388	813,208	(180)
(2) Bonds(*4)	1,454,036	1,239,034	(215,002)
(3) Long-term loans(*5)	1,068,196	1,045,587	(22,608)
(4) Deposits received from tenants and franchised stores(*6)	44,846	39,260	(5,585)
Total liabilities	3,380,468	3,137,091	(243,376)
Derivative instruments(*7)			
(i) Derivative transactions to which hedge accounting is not applied	(19)	(19)	–
(ii) Derivative transactions to which hedge accounting is applied	–	–	–
Total derivative instruments	(19)	(19)	–

(*1) Net allowance (after deducting allowance for doubtful accounts for notes and accounts receivable - trade, and contract assets).

(*2) Including current portion of long-term leasehold deposits.

(*3) Net allowance (after deducting allowance for doubtful accounts for long-term leasehold deposits).

(*4) Including current portion of bonds.

(*5) Including current portion of long-term loans

(*6) Including current portion of deposits received from tenants and franchised stores.

(*7) Net credit or debt generated from derivative transactions is indicated on a net basis whereas net obligations in total are indicated in parentheses.

(Note) The book value of unmarketable shares, etc., and investment in partnerships, etc., on the consolidated balance sheet are shown below, which are not included in Assets (2) Investments in securities.

(Millions of yen)

Category	February 29, 2024	February 28, 2025
Unlisted shares(*1)	18,631	43,217
Stocks of affiliates(*1)	33,731	30,911
Investments in partnerships, etc.(*2)	15,969	15,890

(*1) The market value of unlisted stocks and stocks of subsidiaries and affiliates are not disclosed based on Paragraph 5 of Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, March 31, 2020).

(*2) The market value of investment in partnerships, etc. is not disclosed based on Paragraph 24-16 of Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021).

Note 1: Expected redemption amounts of monetary claims and securities with maturity after the consolidated balance sheet date

February 29, 2024

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Cash and bank deposits	1,558,738	–	–	–
Notes and accounts receivable - trade, and contract assets	449,093	12,766	1,871	427
Investments in securities				
Available-for-sale securities with maturities				
Government and municipal bonds	4,644	60,560	–	–
Corporate bonds	16,700	28,500	1,000	–
Other	–	–	–	–
Long-term leasehold deposits	35,727	52,952	60,694	134,922
Total	2,064,904	154,778	63,566	135,349

February 28, 2025

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Cash and bank deposits	1,368,663	–	–	–
Notes and accounts receivable - trade, and contract assets	427,193	12,071	1,890	475
Investments in securities				
Available-for-sale securities with maturities				
Government and municipal bonds	–	67,260	–	–
Corporate bonds	–	39,300	1,000	–
Other	–	–	–	–
Long-term leasehold deposits	23,800	57,289	61,660	125,820
Total	1,819,657	175,920	64,551	126,295

Note 2: Expected redemption amounts of deposits received in banking business after the consolidated balance sheet date

February 29, 2024

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits received in banking business	699,222	104,540	–	–

(*) Of deposits received in banking business, demand deposits are included in "Within 1 year."

February 28, 2025

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits received in banking business	704,718	108,669	–	–

(*) Of deposits received in banking business, demand deposits are included in "Within 1 year."

Note 3: Repayment schedule of bonds payable and long-term loans after the consolidated balance sheet date

February 29, 2024

(Millions of yen)

	Within 1 year	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years	After 5 years
Bonds	334,039	210,000	236,547	70,000	220,918	619,119
Long-term loans	138,530	260,949	136,023	203,342	61,646	162,654
Total	472,569	470,949	372,571	273,342	282,564	781,773

February 28, 2025

(Millions of yen)

	Within 1 year	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years	After 5 years
Bonds	210,000	257,288	70,000	237,405	–	679,342
Long-term loans	290,128	164,497	324,197	83,047	75,479	130,846
Total	500,128	421,786	394,197	320,452	75,479	810,189

3. Market value of financial instruments by level
The market value of financial instruments is classified into the following three levels in proportion to the observability and significance of inputs used for the calculation of market value.

Market value of Level 1:	Of the observable inputs used for the calculation of market value, market values calculated using market prices of assets or liabilities formed in an active market, which are subject to the calculation of the relevant market value
Market value of Level 2:	Of the observable inputs used for the calculation of market value, market values calculated using inputs other than those inputs used in Level 1
Market value of Level 3:	Market values calculated using inputs for the calculation of unobservable market values

In the event of using multiple inputs that have a significant impact on the calculation of market value, of the inputs belong to each Level, market value is classified as the lowest priority level for the calculation of market value.

(1) Financial assets and liabilities stated on the consolidated balance sheet with market values
February 29, 2024

(Millions of yen)

Category	Market value			
	Level 1	Level 2	Level 3	Total
Investments in securities				
Available-for-sale securities				
Shares	87,650	–	–	87,650
Municipal bonds	–	65,308	–	65,308
Bonds	–	46,158	–	46,158
Total assets	87,650	111,467	–	199,118
Derivative instruments				
Currency related	–	64	–	64
Interest related	–	–	–	–
Total liabilities	–	64	–	64

February 28, 2025

(Millions of yen)

Category	Market value			
	Level 1	Level 2	Level 3	Total
Investments in securities				
Available-for-sale securities				
Shares	97,363	–	–	97,363
Municipal bonds	–	67,073	–	67,073
Bonds	–	40,079	–	40,079
Other	–	15,732	–	15,732
Total assets	97,363	122,886	–	220,249
Derivative instruments				
Currency related	–	(19)	–	(19)
Interest related	–	–	–	–
Total liabilities	–	(19)	–	(19)

(2) Financial assets and liabilities stated at not market value on the consolidated balance sheet

February 29, 2024

(Millions of yen)

Category	Market value			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade, and contract assets	–	389,445	75,158	464,603
Investments in securities				
Available-for-sale securities				
Shares	16,136	–	–	16,136
Long-term leasehold deposits	–	280,604	–	280,604
Total assets	16,136	670,050	75,158	761,345
Deposits received in banking business	–	803,781	–	803,781
Bonds	–	1,523,189	–	1,523,189
Long-term loans	–	945,018	–	945,018
Deposits received from tenants and franchised stores	–	42,434	–	42,434
Total liabilities	–	3,314,424	–	3,314,424

February 28, 2025

(Millions of yen)

Category	Market value			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade, and contract assets	–	365,752	74,755	440,508
Investments in securities				
Available-for-sale securities				
Shares	15,354	–	–	15,354
Long-term leasehold deposits	–	258,519	–	258,519
Total assets	15,354	624,272	74,755	714,382
Deposits received in banking business	–	813,208	–	813,208
Bonds	–	1,239,034	–	1,239,034
Long-term loans	–	1,045,587	–	1,045,587
Deposits received from tenants and franchised stores	–	39,260	–	39,260
Total liabilities	–	3,137,091	–	3,137,091

Note: Explanation regarding the valuation method and inputs used for calculation of the market value

(Assets)

Investments in securities

The market value of listed stocks is classified as Level 1 because their market prices are used. Market values of municipal bonds and corporate bonds are classified as Level 2 because the frequency of their transactions in the market is low and transaction prices cannot be regarded as market prices in an active market.

Notes and accounts receivable - trade, and contract assets

The market value of notes and accounts receivable-trade with short settlement periods is classified as Level 2 because the relevant book values are used as market values and book values are almost equivalent. The market value of items with long settlement periods is classified as Level 3 because it is the present value, which is calculated by discounting the total of principal and interest by the corresponding yield on government bonds over the remaining period, making allowance for credit risk.

Long-term leasehold deposits

The market value of long-term leasehold deposits is classified as Level 2 because it is the present value, which is calculated by discounting future cash flows—reflecting collectability—by the corresponding yield on government bonds over the remaining period.

(Liabilities)

Deposits received in banking business

For demand deposits, the market value is regarded as the amount payable (book value) if demands were received on the consolidated balance sheet date. Time deposits are classified according to certain periods, and the market value of time deposits is the present value, which is calculated by discounting future cash flows. The discount rate used for this is the interest rate used when new deposits are received. For time deposits with short remaining periods (within one (1) year), the market value is the relevant book value because the market value approximates the book value. The relevant market value is classified as Level 2.

Bonds

The market value of domestic bonds that have market prices is based on these prices. The market value of bonds that do not have market prices is the present value, which is calculated by discounting the total of principal and interest to reflect the remaining period of the said bonds and an interest rate that allows for credit risk. So they are classified as Level 2. In addition, since foreign currency-denominated bonds are subject to designated accounting treatment, their market value is determined by the method where fair value is calculated by discounting future cash flows treated as a part of the currency swaps using the interest rate assumed to be applied if a new similar domestic bond is issued. Therefore it is classified as Level 2.

Long-term loans

The market value of long-term loans is the present value, which is calculated by discounting the total of principal and interest by the interest rate assumed to be applied if the same loan were to be newly taken. Therefore it is classified as Level 2. Long-term loans with floating interest rate are subject to specific accounting treatment for interest rate swaps or integral accounting treatment (specific accounting treatment or designated accounting treatment) for interest rate and currency swaps, and the market value is calculated by discounting the total of principal and interest that were treated as a part of the interest rate swaps or interest rate and currency swaps at a reasonably estimated interest rate that would be applied for similar loans. Therefore it is classified as Level 2.

Deposits received from tenants and franchised stores

The market value of deposits received from tenants and franchised stores is the present value, which is calculated by discounting future cash flows—reflecting collectability—by the corresponding yield on government bonds over the remaining period. So it is classified as Level 2.

Valuation method for derivatives

The currency related market value is calculated by the discounted present method using observable inputs such as interest and exchange rate. The fair value of forward foreign exchange contracts that are accounted for using designated accounting is included in that of corresponding notes and accounts payable, trade, since those forward foreign exchange contracts are treated as an adjustment to accounts payable, trade, as hedged items. The relevant market value is classified as Level 2.

The interest related fair value is calculated by the discounted present method using observable inputs such as interest and exchange rate. The fair value of interest rate swaps that are accounted for using specific accounting is included in that of corresponding long-term loans, since those interest rate swaps are treated as an adjustment to the long-term loans as hedged items. The fair value of interest rate and currency swaps that are accounted for using integral accounting treatment (specific accounting treatment, designated accounting treatment) is included in that of corresponding long-term loans, since those interest rate and currency swaps are treated as an adjustment to the long-term loans as hedged items. The relevant market value is classified as Level 2.

Securities

1. Available-for-sale securities

February 29, 2024

(Millions of yen)

	Classification	Carrying amount	Acquisition cost	Difference
Items whose carrying amount exceeds acquisition cost	(1) Shares	87,340	23,987	63,352
	(2) Debentures			
	(i) Government and municipal bonds, etc.	–	–	–
	(ii) Corporate bonds	3,006	3,001	5
	(iii) Other	–	–	–
	(3) Other	–	–	–
	Subtotal	90,347	26,989	63,357
Items whose carrying amount does not exceed acquisition cost	(1) Shares	310	326	(15)
	(2) Debentures			
	(i) Government and municipal bonds, etc.	65,308	65,510	(201)
	(ii) Corporate bonds	43,151	43,390	(239)
	(iii) Other	–	–	–
	(3) Other	–	–	–
	Subtotal	108,771	109,227	(456)
Total		199,118	136,216	62,901

Note: Unmarketable stocks, etc. (¥18,631 million on the consolidated balance sheet) are not included in the above table.

February 28, 2025

(Millions of yen)

	Classification	Carrying amount	Acquisition cost	Difference
Items whose carrying amount exceeds acquisition cost	(1) Shares	97,140	23,829	73,311
	(2) Debentures			
	(i) Government and municipal bonds, etc.	–	–	–
	(ii) Corporate bonds	–	–	–
	(iii) Other	–	–	–
	(3) Other	–	–	–
	Subtotal	97,140	23,829	73,311
Items whose carrying amount does not exceed acquisition cost	(1) Shares	222	233	(10)
	(2) Debentures			
	(i) Government and municipal bonds, etc.	67,073	67,431	(357)
	(ii) Corporate bonds	40,079	40,388	(308)
	(iii) Other	–	–	–
	(3) Other	–	–	–
	Subtotal	107,376	108,053	(677)
Total		204,516	131,882	72,634

Note: Unmarketable stocks, etc. (¥43,217 million on the consolidated balance sheet) are not included in the above table.

2. Available-for-sale securities sold during the fiscal year ended February 28, 2025

Year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)

(Millions of yen)

Classification	Sale proceeds	Total gain on sale	Total loss on sale
(1) Shares	3,367	2,063	–
(2) Debentures			
(i) Government and municipal bonds, etc.	–	–	–
(ii) Corporate bonds	–	–	–
(iii) Other	–	–	–
(3) Other	–	–	–
Total	3,367	2,063	–

Year ended February 28, 2025 (From March 1, 2024 to February 28, 2025)

(Millions of yen)

Classification	Sale proceeds	Total gain on sale	Total loss on sale
(1) Shares	18,967	11,807	83
(2) Debentures			
(i) Government and municipal bonds, etc.	–	–	–
(ii) Corporate bonds	–	–	–
(iii) Other	–	–	–
(3) Other	–	–	–
Total	18,967	11,807	83

3. Securities for which an impairment loss has been recognized

In the fiscal year ended February 29, 2024, impairment losses of 1,479 million yen were recognized for securities.

In the fiscal year ended February 28, 2025, impairment losses of 718 million yen were recognized for securities.

In the recognition of impairment losses, impairment losses are recognized for the full amount if the fair value at year-end has fallen by 50% or more compared to the acquisition cost, and for the amount deemed necessary in light of recoverability, etc. if the fair value at year-end has fallen by 30% to 50% or so.

Derivatives

1. Derivative transactions to which hedge accounting is not applied

Currency related

February 29, 2024

(Millions of yen)

Category	Type of transaction	Contract amount	Due after one year	Fair value	Valuation gain (loss)
Transactions other than at the exchange	Forward foreign exchange contracts				
	Purchased				
	USD	1,268	–	18	18
	EUR	212	–	13	13
	RMB	149	–	2	2
	Sold				
	TWD	137	27	(4)	(4)
Total		1,767	27	30	30

February 28, 2025

(Millions of yen)

Category	Type of transaction	Contract amount	Due after one year	Fair value	Valuation gain (loss)
Transactions other than at the exchange	Forward foreign exchange contracts				
	Purchased				
	USD	1,329	–	(16)	(16)
	EUR	75	–	0	0
	RMB	123	–	(3)	(3)
	Sold				
	TWD	27	–	0	0
Total		1,556	–	(19)	(19)

2. Derivative transactions to which hedge accounting is applied

(1) Currency related

February 29, 2024

(Millions of yen)

Method of hedge accounting	Type of transaction	Major hedged items	Contract amount	Due after one year	Fair value
Deferred hedge accounting	Forward foreign exchange contracts Purchased USD	Accounts payable, trade	1,528	–	33
Designated accounting treatment for forward foreign exchange contracts	Forward foreign exchange contracts Purchased USD	Accounts payable, trade	60	–	–

February 28, 2025

None

(2) Interest related
February 29, 2024

(Millions of yen)

Method of hedge accounting	Type of transaction	Major hedged items	Contract amount	Due after one year	Fair value
Specific accounting treatment for interest rate swaps	Interest rate swap contracts Payment: fixed / Receipt: floating	Long-term loans	625	125	–
Integral accounting treatment (specific accounting treatment, designated accounting treatment) for interest rate and currency swaps	Interest rate and currency swap contracts Payment: fixed / Receipt: floating Receipt: USD / Payment: JPY	Foreign currency-denominated long-term loans	298,974	298,974	–

February 28, 2025

(Millions of yen)

Method of hedge accounting	Type of transaction	Major hedged items	Contract amount	Due after one year	Fair value
Specific accounting treatment for interest rate swaps	Interest rate swap contracts Payment: fixed / Receipt: floating	Long-term loans	125	–	–
Integral accounting treatment (specific accounting treatment, designated accounting treatment) for interest rate and currency swaps	Interest rate and currency swap contracts Payment: fixed / Receipt: floating Receipt: USD / Payment: JPY	Foreign currency-denominated long-term loans	298,974	298,974	–

Retirement Benefits

1. Overview of retirement benefit plans adopted

   The Company and consolidated domestic subsidiaries have established corporate pension fund plans mainly as defined benefit plans, and the Company and certain subsidiaries have also adopted selection-type defined contribution pension plans. Certain subsidiaries have adopted defined contribution plans or lump-sum retirement benefit plans. In addition, extra retirement payments may be made upon retirement, etc. of employees.

   Certain consolidated subsidiaries in the U.S. have established defined contribution pension plans in addition to defined-benefit-type retirement benefit plans.

   Certain consolidated subsidiaries apply the simplified method in calculating retirement benefit obligations.

2. Defined benefit plans

   (1) Changes in retirement benefit obligations

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Balance of retirement benefit obligations at beginning of period	260,142	260,461
Service cost(Note)	11,366	12,655
Interest cost	3,772	3,833
Actuarial gains and losses accrued	(202)	(2,408)
Retirement benefits paid	(15,587)	(23,761)
Other	971	1,644
Balance of retirement benefit obligations at end of period	260,461	252,426

Note: Pension expenses of consolidated subsidiaries using the simplified method are recorded in "service cost."

   (2) Changes in plan assets

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Balance of plan assets (including retirement benefit trust) at beginning of period	333,647	360,991
Expected return on plan assets	6,659	7,188
Actuarial gains and losses accrued	22,680	3,609
Contribution from employer	12,131	12,052
Retirement benefits paid	(14,127)	(20,406)
Other	–	(347)
Balance of plan assets at end of period	360,991	363,088

(3) Reconciliation between ending balance of retirement benefit obligations and plan assets, and net defined benefit liability/asset recorded in the consolidated balance sheet

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Retirement benefit obligations of funded plans	244,138	236,113
Plan assets	(360,991)	(363,088)
	(116,852)	(126,974)
Retirement benefit obligations of unfunded plans	16,323	16,313
Net amount of liabilities and assets recorded in the consolidated balance sheet	(100,528)	(110,661)
Net defined benefit liability	16,323	16,313
Net defined benefit asset	(116,852)	(126,974)
Net amount of liabilities and assets recorded in the consolidated balance sheet	(100,528)	(110,661)

(4) Amounts of retirement benefit expenses and their components

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Service cost(Note)	11,366	12,655
Interest cost	3,772	3,833
Expected return on plan assets	(6,659)	(7,188)
Amortization of actuarial gains and losses	(2,960)	(3,403)
Amortization of prior service cost	0	0
Extra amount paid on a non-regular basis	10,483	1,301
Retirement benefit expenses for defined benefit plans	16,002	7,198

Note: Pension expenses of consolidated subsidiaries using the simplified method are recorded in "service cost."

(5) Remeasurements of defined benefit plans included in other comprehensive income
The components of remeasurements of defined benefit plans (before deduction of tax effects) are as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Prior service cost	(0)	(1)
Actuarial gains and losses	19,761	2,139
Total	19,760	2,137

(6) Remeasurements of defined benefit plans
The components of remeasurements of defined benefit plans (before deduction of tax effects) are as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Unrecognized prior service cost	13	14
Unrecognized actuarial gains and losses	(33,010)	(35,150)
Total	(32,996)	(35,135)

(7) Matters related to plan assets
(i) Major components of plan assets
The ratio of each major category to total plan assets is as follows:

	Year ended February 29, 2024	Year ended February 28, 2025
Debentures	50 %	49 %
Shares	28	22
Other	22	29
Total	100	100

(ii) Method for setting the long-term expected rate of return on plan assets
To determine the long-term expected rate of return on plan assets, the Company takes into account current and expected allocation of plan assets, and current and expected long-term return rate on various types of assets constituting plan assets.

(8) Actuarial assumptions
Major actuarial assumptions

	Year ended February 29, 2024	Year ended February 28, 2025
Discount rate	Primarily 1.3% (5.2% for consolidated subsidiaries in the U.S.)	Primarily 1.3% (5.6% for consolidated subsidiaries in the U.S.)
Long-term expected rate of return	Primarily 2.0%	Primarily 2.0%
Expected rate of salary increase	Primarily 2.3%	Primarily 2.3%

3. Defined contribution plans
The amounts of required contributions to defined contribution plans of the Company and certain consolidated subsidiaries in Japan and the U.S. were 7,008 million yen as of February 29, 2024 and 6,785 million yen as of February 28, 2025.

Stock Options
1. Expenses and account titles for stock options

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Selling, general and administrative expenses	7	19

2. Amount recorded as profit due to unexercised rights

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Non-operating income	0	0

3. Details, volume and changes of stock options

The Company

(1) Details of stock options

	15th share subscription rights issue (Stock option as stock-based compensation)	17th share subscription rights issue (Stock option as stock-based compensation)	19th share subscription rights issue (Stock option as stock-based compensation)	21st share subscription rights issue (Stock option as stock-based compensation)
Category and number of grantees	Directors of the Company: 8	Directors of the Company: 7	Directors of the Company: 6	Directors of the Company: 7
Class and number of shares granted(Note 1)	Ordinary share: 28,100 shares	Ordinary share: 16,500 shares	Ordinary share: 16,100 shares	Ordinary share: 18,200 shares
Grant date	August 5, 2015	August 3, 2016	August 4, 2017	August 3, 2018
Vesting conditions	(Note 2)	Same as left	Same as left	Same as left
Requisite service period	Not prescribed	Same as left	Same as left	Same as left
Exercise period	From February 29, 2016 to August 5, 2035	From February 28, 2017 to August 3, 2036	From February 28, 2018 to August 4, 2037	From February 28, 2019 to August 3, 2038

Notes: 1. The number of stock options is converted and stated as number of shares. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The numbers of shares at the time of granting them to Directors of the Company is shown.

2. A share subscription right holder may exercise the share subscription rights only within ten (10) days from the day following the day he/she loses his/her position as a Director or executive officer of the Company, or as a Director or executive officer of a subsidiary of the Company.

(2) Volume and changes of stock options

Targeting stock options that existed in the fiscal year ended February 28, 2025, the number of stock options is converted and stated as number of shares.

(i) Number of stock options

	15th share subscription rights issue (Stock option as stock-based compensation)	17th share subscription rights issue (Stock option as stock-based compensation)	19th share subscription rights issue (Stock option as stock-based compensation)	21st share subscription rights issue (Stock option as stock-based compensation)
Stock options before vesting (shares)				
At end of previous fiscal year	–	–	–	–
Granted	–	–	–	–
Lapsed	–	–	–	–
Vested	–	–	–	–
Unvested balance	–	–	–	–
Stock options after vesting (shares)				
At end of previous fiscal year	9,000	9,000	9,000	9,000
Vested	–	–	–	–
Exercised	–	–	–	–
Lapsed	–	–	–	–
Unexercised balance	9,000	9,000	9,000	9,000

Note: The Company implemented a three-for-one share split of its common stock on March 1, 2024. The number of shares stated above is the number of shares after the share split.

(ii) Unit price information

	15th share subscription rights issue (Stock option as stock-based compensation)	17th share subscription rights issue (Stock option as stock-based compensation)	19th share subscription rights issue (Stock option as stock-based compensation)	21st share subscription rights issue (Stock option as stock-based compensation)
Exercise price(Note)	¥1 per share	¥1 per share	¥1 per share	¥1 per share
Average share price at the time of exercise	–	–	–	–
Fair value per unit at grant date(Note)	¥533,000 per subscription right	¥361,300 per subscription right	¥369,800 per subscription right	¥380,600 per subscription right

Note: The number of shares to be issued upon exercise of one subscription right is adjusted to 300 shares of the Company’s common stock.

Seven Bank, Ltd.

(1) Details of stock options

	10th-1 share subscription rights issue (Stock option as stock-based compensation)
Category and number of grantees	Directors, Corporate Auditors, and employees of Seven Bank, Ltd. and its subsidiaries (including workers dispatched from the Group) 418 persons
Class and number of shares granted (Note)	Ordinary share: 3,835,200 shares
Grant date	October 31, 2023
Vesting conditions	1. Share subscription right holders shall be able to exercise their subscription rights only when they achieve all the financial targets from (a) to (c) set out in the medium-term business plan. (a) Ordinary revenue in the consolidated statements of income as of March 31, 2026: 250 billion yen (b) Ordinary income in the consolidated statements of income as of March 31, 2026: 45 billion yen (c) Return on Equity (ROE) calculated based on the consolidated balance sheets and consolidated statements of income as of March 31, 2026: 8% When determining results of the above achievement targets, reference shall be made to figures in the annual securities report presented by the Company. If the Board of Directors considers that it is not appropriate to determine results of achievement targets with figures in the consolidated balance sheets and consolidated statements of income, in the event of occurrence of changes during the fiscal, including change in accounting standards, and M&A that could significantly and adversely affect the Company’s operating results, the Company shall be able to make appropriate adjustments to a reasonable extent in order to eliminate such affects. 2. Share subscription holders are required to be Directors, Corporate Auditors, or employees of the Company or its subsidiaries and affiliates (including workers dispatched form the Group). 3. If a share subscription holder passes away, his/her heir shall not be able to exercise the share subscription rights. 4. If share subscription rights are exercised and the total number of outstanding shares of the Company exceeds the total number of authorized shares, such share subscription rights shall not be exercised. 5. Less than one share subscription right cannot be exercised.
Requisite service period	From October 31, 2023 to May 31, 2026
Exercise period	From June 1, 2026 to October 31, 2027

(Note) The number of stock options is converted and stated as number of shares.

(2) Volume and changes of stock options

Targeting stock options that existed in the fiscal year ended February 28, 2025, the number of stock options is converted and stated as number of shares.

(i) Number of stock options

	10th-1 share subscription rights issue (Stock option as stock-based compensation)
Stock options before vesting (shares)	
At end of previous fiscal year	3,815,200
Granted	–
Lapsed	188,000
Vested	–
Unvested balance	3,627,200
Stock options after vesting (shares)	
At end of previous fiscal year	–
Vested	–
Exercised	–
Lapsed	–
Unexercised balance	–

(ii) Unit price information

	10th-1 share subscription rights issue (Stock option as stock-based compensation)
Exercise price	¥319.4 per share
Average share price at the time of exercise	–
Fair value per unit at grant date	16 yen per subscription right

4. Method for estimating the fair value per unit of stock options
None

5. Method for estimating the number of stock options vested
Because it is difficult to reasonably estimate the number of options that will expire in the future, the number of stock options vested only reflects the number of options that have actually lapsed.

Deferred Tax Accounting

1. Major components of deferred tax assets and liabilities

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Deferred income taxes		
Contract liabilities	22,146	20,376
Allowance for bonuses to employees	4,382	4,481
Allowance for sales promotion expenses	210	230
Denial of accrued personnel expenses	15,050	13,847
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	141	138
Excess of allowable limit of deductible expenses for net defined benefit liability	942	926
Excess of allowable limit of deductible expenses for depreciation and amortization	7,473	12,147
Tax loss carried forward(*)	129,516	121,609
Loss on valuation of securities	720	777
Excess of allowable limit of deductible expenses for allowance for doubtful accounts	1,924	2,611
Valuation difference on non-current assets	4,149	4,512
Valuation difference on land and denial of impairment loss	54,069	47,449
Accrued enterprise taxes and business office taxes	3,862	3,574
Denial of accrued expenses	33,244	31,239
Asset retirement obligations	28,050	33,607
Unearned revenue	577	638
Other	31,706	28,870
Subtotal (deferred tax assets)	338,169	327,037
Valuation allowance for tax loss carried forward(*)	(69,817)	(72,869)
Valuation allowance for total deductible temporary differences, etc.	(26,031)	(25,973)
Subtotal (valuation allowance)	(95,849)	(98,843)
Total deferred tax assets	242,319	228,194
Deferred tax liabilities		
Valuation difference on non-current assets	(240,808)	(243,558)
Valuation difference on royalties, etc.	(53,471)	(62,121)
Reserve for advanced depreciation of non-current assets	(704)	(583)
Valuation difference on securities	(20,569)	(22,872)
Net defined benefit asset	(35,732)	(38,867)
Adjustment of gain/loss on transfer	(4,296)	(5,471)
Removal cost related to asset retirement obligations	(12,337)	(16,215)
Other	(3,041)	(2,847)
Total deferred tax liabilities	(370,962)	(392,538)
Net deferred tax liabilities	(128,642)	(164,343)

(*) Amounts of tax loss carried forward and the relevant deferred tax assets by expiration of carryforwards

February 29, 2024

(Millions of yen)

	Within 1 year	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years	After 5 years	Total
Tax loss carried forward[(a)]	6,516	3,139	4,555	2,180	3,097	110,028	129,516
Valuation allowance	6,507	2,924	4,391	2,153	3,093	50,747	69,817
Deferred tax assets	8	215	163	26	3	59,281	(b) 59,698

(a) Tax loss carried forward is the amount calculated by multiplying the tax loss carried forward by the statutory effective tax rate.

(b) Deferred tax assets for the tax loss carried forward are considered recoverable based on expected future taxable profit.

February 28, 2025

(Millions of yen)

	Within 1 year	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years	After 5 years	Total
Tax loss carried forward[(a)]	2,091	3,126	1,866	3,124	2,849	108,550	121,609
Valuation allowance	1,926	2,963	1,854	3,124	2,787	60,213	72,869
Deferred tax assets	165	163	12	–	61	48,336	（b） 48,739

(a) Tax loss carried forward is the amount calculated by multiplying the tax loss carried forward by the statutory effective tax rate.

(b) Deferred tax assets for the tax loss carried forward are considered recoverable based on expected future taxable profit.

Net deferred tax liabilities in the fiscal years ended February 29, 2024 and February 28, 2025 are included in the following items in the consolidated balance sheets.

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Deferred tax assets: Non-current assets	92,015	75,058
Deferred tax liabilities: Non-current liabilities	(220,658)	(239,401)

2. Reconciliation of significant differences between the statutory effective tax rate and the actual effective rate of income taxes after application of deferred tax accounting

	Year ended February 29, 2024	Year ended February 28, 2025
Statutory effective tax rate	30.6%	30.6%
(Adjustments)		
Equity in earnings of affiliates	(0.4)	0.1
Expenses not deductible permanently, such as entertainment expenses	0.4	0.4
Change in valuation allowance	5.3	4.9
Inhabitant per capita taxes	0.5	0.5
Amortization of goodwill	13.3	15.7
Differences in tax rates of foreign subsidiaries	(9.1)	(8.4)
Tax effect adjustments for consolidated journal entry	(10.5)	(12.0)
Effects of exclusion from the scope of consolidation	(15.7)	(0.1)
Other	0.7	0.4
Effective rate of income taxes after application of deferred tax accounting	15.1	32.1

3. Accounting treatment of corporate tax and local corporate tax and their deferred tax accounting
The Company and some of its domestic consolidated subsidiaries have applied the Group Tax Sharing System. Furthermore, the Company undertakes and discloses the accounting treatment for national corporate taxes and local corporate taxes or tax effect accounting relating to these taxes in compliance with provisions in the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ Practical Issues Task Force No. 42, August 12, 2021).

4. Changes in tax rates for income taxes, etc. after the balance sheet date
The “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, and the “Special Defense Corporation Tax” will be imposed from the fiscal years beginning on or after April 1, 2026.
As a result, the statutory effective tax rate used for calculating deferred tax assets and deferred tax liabilities has been changed from 30.6% to 31.5%, pertaining to temporary differences that are expected to be settled in the fiscal year beginning on or after March 1, 2027. The impact of this change will be immaterial.

Business Combinations, etc.

Year ended February 28, 2025

I Business combination by acquisition

The Company resolved to approve the execution of an agreement by and between 7-Eleven International LLC ("7IN"), the Company's wholly-owned subsidiary and the joint venture of SEVEN-ELEVEN JAPAN CO., LTD. and 7-Eleven, Inc., and Australian Company R.G. Withers Nominees Pty Ltd as trustee for R.G. Withers Unit Trust, to acquire all shares of Convenience Group Holdings Pty Ltd ("SEA"), a holding company of 7-Eleven Stores Pty Ltd, which operates the convenience store and fuel retail business under the "7-Eleven" brand as a licensee of the Company in Australia via 7IN's wholly-owned subsidiary, AR BidCo Pty Ltd (the "Transaction") at a meeting of the Board of Directors held on November 30, 2023. In addition, 7IN executed the agreement relating to the Transaction on April 1, 2024 (March 31, 2024, U.S. time). The details are as follows.

1 Overview

(1) Name and main business of the acquired company

Name of the successor entity Convenience Group Holdings Pty Ltd

Description of business: Operation of the convenience store business and fuel retail business

(2) Main reasons for the business combination

In the Medium-Term Management Plan 2021-2025, the Company announced its ideal group image for 2030 as well as its corporate creed since its establishment to be a sincere company that earns the trust of all stakeholders, and its basic stance of "We aim to contribute to the local community both in Japan and overseas by providing new experiences and values from the customer's point of view." Additionally, based on Results of the Group Strategy Reevaluation announced in March 2023, the Company adopted "A world-class retail group centered around its 'food' that leads retail innovation through global growth strategies centered on the 7-Eleven business and proactive utilization of technology" as the new ideal group image for 2030.

One of the essential initiatives for realizing the ideal group image for 2030 is the global CVS strategy. 7IN, which operates global CVS business outside of Japan and North America, aims to have 50,000 stores worldwide (excluding Japan and North America) by FY2025 and to expand to 30 countries/regions by FY2030. In particular, 7IN pursues profit growth by not only new market entry but also strategic investments in existing licensees for maximizing licensee growth potential through business transformation, including strengthening "food," which has led to the remarkable growth of SEI in the U.S. In addition, the Company decided to increase its investment in its Vietnam business in February 2023, and is actively considering M&A including strategic investments in licensees to pursue accelerated profit growth in the global CVS business, which has significant potential of growth.

SEA's subsidiary, 7-Eleven Stores Pty Ltd has been operating convenience stores in Australia for many years as a licensee of the "7-Eleven" brand. 7-Eleven Stores Pty Ltd is currently the largest convenience store retailer in Australia with a leading merchandise offering, targeted product range, and established loyalty program.

The Company and 7IN have a longstanding relationship with SEA and a deep knowledge of the business. By executing the Transaction, the Company intends to achieve the following objectives.

(i) Expansion of store network in Australia

The Australian market is a growing market with a diverse population of young people and immigrants, and the Australian Government expects its population to grow at a CAGR of 1.4% over time by the mid-2060s. SEA operates 751 stores as of the end of June 2023 and the Transaction will enable the Company to establish itself as the clear industry leader in the Australian convenience store market, which has significant growth potential. In addition, the Company strongly believes that there is room for further growth by actively opening new stores in Victoria, New South Wales, Queensland, Western Australia, and other states, and that the expansion of the store network in Australia will accelerate the entire group's long-term growth strategy.

By utilizing the product strength and operational knowhow of the business cultivated in Japan and North America and experience of cultivating synergies through 50

M&A transactions since 2005, the Company expects that it will be able to increase product sales and improve gross product margin, further reduce costs, strengthen the customer base, and realize further innovation and an even greater increase in corporate value.

(ii) ESG leadership

In May 2019, the Company group, as a global retailer representing Japan, announced the "GREEN CHALLENGE 2050," as its environmental declaration. The Company group is committed to achieving the declaration's four themes: (1) reducing CO_2 emissions; (2) measures with respect to plastics; (3) measures for food loss and recycling; and (4) sustainable procurement. The Company group has set clear targets to achieve by 2030 and for the next generation of society in 2050 with respect to its missions and duties. Following the Transaction, the Company group has reaffirmed that it remains committed to the environmental declaration as part of its ESG efforts, and will further accelerate these efforts in the Australian market through expansion of its network and presence.

(3) Date of the business combination

April 1, 2024 (March 31, 2024, U.S. time)

(4) Legal form of the business combination

Acquisition of shares

(5) The acquired company's name after the business combination

The names of the companies will not change subsequent to the business combination.

(6) Percentage of voting rights acquired

100%

(7) Reason for determining the acquired company

The Company's subsidiary acquired the shares of the companies in exchange for cash.

2 Period of performance of the acquired company included in the consolidated financial statements

From April 1, 2024 to December 31, 2024

3 Acquisition cost of acquired business and breakdown by type of consideration

Consideration for acquisition: Cash 1,989,098 thousand Australian dollars (196,145 million yen)

Acquisition cost: Cash 1,989,098 thousand Australian dollars (196,145 million yen)

(Note) The cash and cash equivalents held by the acquired company amounted to 302,155 thousand Australian dollars (29,795 million yen).
Converted at the rate of 1 Australian dollar = 98.61 yen (as of March 29, 2024).

4 Details and amounts of main acquisition-related costs

Payment for financial and legal investigations: 15,578 thousand U.S. dollars (2,363 million yen)

(Note) Converted at the rate of 1 U.S. dollar = 151.69 yen (average exchange rate for the period)

5 Amount, reason for recognition, and period and method of amortization of goodwill

(1) Amount of goodwill

1,450,122 thousand Australian dollars (142,996 million yen)

(2) Reason for recognition of goodwill

Future excess earning power is expected due to future business developments.

(3) Period and method of amortization of goodwill

Straight-line method over 20 years

6 Total amounts and principal breakdowns of assets received and liabilities assumed on the effective date of the business combination

Current assets	578,218 thousand Australian dollars	(57,018 million yen)
Non-current assets	2,281,729 thousand Australian dollars	(225,001 million yen)
Total assets	2,859,948 thousand Australian dollars	(282,019 million yen)
Current liabilities	777,379 thousand Australian dollars	(76,657 million yen)
Non-current liabilities	1,543,592 thousand Australian dollars	(152,213 million yen)
Total liabilities	2,320,972 thousand Australian dollars	(228,871 million yen)

(Note) Converted at the rate of 1 Australian dollar = 98.61 yen (as of March 29, 2024)

7 Approximate amounts of impact of the business combination on the Company's consolidated statements of income for the fiscal year assuming the business was completed at the beginning of the fiscal year, and the calculation method thereof

Net sales	1,324,164 thousand Australian dollars	(132,376 million yen)
Operating income	(8,485) thousand Australian dollars	((848) million yen)
Ordinary income	(5,932) thousand Australian dollars	((593) million yen)
Income before income taxes	(5,932) thousand Australian dollars	((593) million yen)
Net income attributable to owners of parent	(9,256) thousand Australian dollars	((925) million yen)
Net income per share	(0.00) Australian dollar	((0.36) yen)

Method of Calculation of Estimated Amount
The difference between the net sales and profit/loss information calculated as if the business combination had been completed at the beginning of the consolidated fiscal year and the net sales and profit/loss information in the consolidated statement of income of the acquired company is the estimated amount of impact. The estimated amount includes an adjustment for amortization of goodwill and other items, assuming that the goodwill and other items recognized at the time of the business combination were recognized as of the beginning of the current fiscal year.
These notes are not audited.

(Note) Converted at the rate of 1 Australian dollar = 99.97 yen (average exchange rate for the period)

II Business combination by acquisition

At a meeting of the Board of Directors held on January 11, 2024, the Company resolved that 7-Eleven, Inc., one of the Company's consolidated subsidiaries, would acquire part of the convenience store business and gasoline retail business of U.S. company Sunoco LP. (the "Transaction"), and the procedures were completed on April 16, 2024. The details are as follows.

1 Overview

(1) Name and main business of the other entity
Name of the other entity Sunoco LP
Description of business: Wholesale fuel sales and operation of retail and convenience store business

(2) Main reasons for the business combination
In the Medium-Term Management Plan 2021-2025, the Company announced its ideal group image for 2030 as well as its corporate creed since its establishment to be a sincere company that earns the trust of all stakeholders, and its basic stance of "We aim to contribute to the local community both in Japan and overseas by providing new experiences and values from the customer's point of view." Additionally, based on the Results of the Group Strategy Reevaluation announced in March 2023, the Company adopted "A world-class retail group centered around its "food" that leads retail innovation through global growth strategies centered on the 7-Eleven business and proactive utilization of technology" as the new ideal group image for 2030.

One of the essential initiatives for realizing the ideal group image for 2030 is the global CVS strategy. 7-Eleven, Inc., mainly operating in North America, will focus on the four key strategic areas in the medium-term, and aim for a continuous growth and improved efficiency in the business.

1) Expanding the development and distribution of its proprietary products (fresh foods, proprietary beverages, and private brands) to 34% of sales by 2025 while growing overall merchandise margins and continuing to strengthen the value chain.
2) In the 7NOW delivery business, aim for revenue of 1 billion dollars by accelerating growth through our value proposal of high-value quality food and immediate consumables delivered fast (national average 28 minutes).
3) Complete the overall integration with Speedway and realize 800 million dollars synergies in 2023, aiming for further synergy expansion.
4) Continue to pursue growth in the fragmented North American market through both M&A opportunities and organic new build stores.

Since acquiring 1,030 stores of Sunoco LP's convenience store and gasoline business in 2018, SEI has expanded its store network and enhanced user convenience in Texas and East Coast area of the United States, improving profitability.

Through the Transaction, SEI will newly acquire 204 stores in western Texas, New Mexico, and Oklahoma, which will connect our 7-Eleven and Speedway store network alongside the interstate highway, contribute to increase our regional market share, and SEI will accelerate the growth in North America market by leading to the associated 123 restaurant chain enhancing / accelerating our restaurant strategy.

(3) Date of the business combination
April 16, 2024

(4) Legal form of the business combination
Business acquisition

(5) The acquired company's name after the business combination
The names of the companies will not change subsequent to the business combination.

(6) Reason for determining the acquired company
The Company's subsidiary acquired the business in exchange for cash.

2 Period of performance of the acquired businesses included in the consolidated financial statements
April 16, 2024 to December 31, 2024

3 Acquisition cost of acquired business and breakdown by type of consideration
Consideration for acquisition: Cash 995,608 thousand U.S. dollars (152,786 million yen)
Acquisition cost: Cash 995,608 thousand U.S. dollars (152,786 million yen)
(Note) Converted at the rate of 1 U.S. dollar = 153.46 yen (as of April 15, 2024)

4 Details and amounts of main acquisition-related costs
Payment for financial and legal investigations: 5,916 thousand U.S. dollars (897 million yen)
(Note) Converted at the rate of 1 U.S. dollar = 151.69 yen (average exchange rate for the period)

5 Amount, reason for recognition, and period and method of amortization of goodwill

(1) Amount of goodwill
697,677 thousand U.S. dollars (107,065 million yen)

(2) Reason for recognition of goodwill
Future excess earning power is expected due to future business developments.

(3) Period and method of amortization of goodwill
Straight-line method over 20 years

6 Total amounts and principal breakdowns of assets received and liabilities assumed on the effective date of the business combination

Current assets	42,115 thousand U.S. dollars	(6,462 million yen)
Non-current assets	327,257 thousand U.S. dollars	(50,220 million yen)
Total assets	369,372 thousand U.S. dollars	(56,683 million yen)
Non-current liabilities	71,441 thousand U.S. dollars	(10,963 million yen)
Total liabilities	71,441 thousand U.S. dollars	(10,963 million yen)

(Note) Converted at the rate of 1 U.S. dollar = 153.46 yen (as of April 15, 2024)

7 Approximate amounts of impact of the business combination on the Company's consolidated statements of income for the fiscal year assuming the business was completed at the beginning of the fiscal year, and the calculation method thereof

Net sales	122,699 thousand U.S. dollars	(18,612 million yen)
Operating income	8,007 thousand U.S. dollars	(1,214 million yen)
Ordinary income	8,007 thousand U.S. dollars	(1,214 million yen)
Income before income taxes	8,007 thousand U.S. dollars	(1,214 million yen)
Net income attributable to owners of parent	5,990 thousand U.S. dollars	(908 million yen)
Net income per share	0.00 U.S. dollar	(0.35 yen)

Method of Calculation of Estimated Amount
The difference between the net sales and profit/loss information calculated as if the business combination had been completed at the beginning of the consolidated fiscal year and the net sales and profit/loss information in the consolidated statement of income of the acquired company is the estimated amount of impact. The estimated amount includes an adjustment for amortization of goodwill and other items, assuming that the goodwill and other items recognized at the time of the business combination were recognized as of the beginning of the current fiscal year.
These notes are not audited.

(Note) Converted at the rate of 1 U.S. dollar = 151.69 yen (average exchange rate for the period)

Asset Retirement Obligations

Asset retirement obligations recorded in the consolidated balance sheet

(1) Overview of the asset retirement obligations
They are mainly obligations to restore the site to its original condition associated with real estate lease agreements for buildings for stores.

(2) Method of calculating the amount of the asset retirement obligations
The expected use period is estimated to be the contractual period of the real estate lease agreement, etc. and is one to 50 years. The amount of the asset retirement obligations was calculated using the discount rate of 0% to 8.3%.

(3) Increase (decrease) in the total amount of the asset retirement obligations

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Balance at beginning of period	157,324	168,599
Increase due to acquisition of property and equipment	5,536	20,399
Adjustments due to the passage of time	2,787	3,444
Decrease due to fulfillment of asset retirement obligations	(4,838)	(10,488)
Increase (decrease) due to change of estimates	11,546	48,148
Decrease due to exclusion from the scope of consolidation(Note 1)	(7,898)	(233)
Other increase (decrease)(Note 2)	4,140	7,850
Balance at end of period	168,599	237,721

Notes: 1. Decrease due to exclusion from the scope of consolidation for the previous fiscal year was mainly because of the decrease due to the exclusion of Sogo & Seibu Co., Ltd. and its subsidiaries from the scope of consolidation.

2. "Other increase (decrease)" is mainly due to exchange rate fluctuations.

(4) Change of the estimated amount of the asset retirement obligations
For asset retirement obligations recorded as obligations to restore the site to its original condition for the fiscal years ended February 29, 2024 and February 28, 2025, the estimates of the costs to restore the site to its original condition and the expected use period were changed as a result of obtaining new information, such as the most recent data on restoration costs, and the increases of 11,546 million yen and 48,148 million yen due to the changed estimates were added to the balances of the asset retirement obligations before the change.

Changes in Method of Presentation

In the previous fiscal year, the separately presented items "Decrease due to exemption from obligations to restore the site to its original condition" and "Decrease due to differences between the balance of asset retirement obligations and the actual retirement costs" have been included under "Other increase (decrease)" in the fiscal year under review, as their materiality has diminished.

To reflect this change in method of presentation, the Company reclassified the consolidated financial statements for the fiscal year ended February 29, 2024.

As a result, the figures of (5) million yen and (65) million yen previously presented under "Decrease due to exemption from obligations to restore the site to its original condition" and "Decrease due to differences between the balance of asset retirement obligations and the actual retirement costs" in the previous fiscal year have been reclassified under "Other increase (decrease)."

Rental and Other Investment Property
The information is omitted as the total amount of rental and other investment property is immaterial.

Revenue Recognition

1. Components of revenues from contracts with customers

Year ended February 29, 2024

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjust-ments (Note 2)	Revenue from external customers
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Japan	916,238	–	1,434,916	118,761	382,074	2,851,991	599	2,852,590
North America	–	8,218,195	–	9,589	–	8,227,785	–	8,227,785
Others (Note 3)	–	29,626	36,152	8,499	1,972	76,250	–	76,250
Revenues from contracts with customers	916,238	8,247,822	1,471,068	136,850	384,046	11,156,027	599	11,156,626
Other revenues (Note 4)	3,115	266,330	2,190	41,181	2,309	315,126	–	315,126
Revenue from external customers	919,354	8,514,152	1,473,259	178,031	386,356	11,471,154	599	11,471,753

Notes: 1. Others that are not allocated to reportable segments include department store operations, specialty store operations, real estate business etc.

2. "Adjustments" are in the segment of operating revenues that do not belong to reportable segments.
3. "Others" consist of the business results in China etc.
4. Other revenues are revenues based on ASU No. 2016-02, Leases (Topic 842), rental revenues from movable property or real estate based on Accounting Standard for Lease Transactions (ASBJ Statement No. 13), financial revenues based on Accounting Standard for Financial Instruments (ASBJ Statement No. 10), etc.
5. The classification of geographic area segments is determined according to geographical distances.

Year ended February 28, 2025

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjust-ments (Note 2)	Revenue from external customers
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Japan	898,374	–	1,392,791	119,059	283,894	2,694,119	634	2,694,754
North America	–	8,416,261	–	11,221	–	8,427,482	–	8,427,482
Others (Note 3)	–	466,571	33,463	11,857	2,268	514,160	–	514,160
Revenues from contracts with customers	898,374	8,882,832	1,426,254	142,137	286,163	11,635,762	634	11,636,397
Other revenues (Note 4)	3,814	285,601	2,282	43,493	1,172	336,365	–	336,365
Revenue from external customers	902,189	9,168,434	1,428,536	185,631	287,336	11,972,128	634	11,972,762

Notes: 1. Others that are not allocated to reportable segments include specialty store operations, real estate business, etc.

2. "Adjustments" are in the segment of operating revenues that do not belong to reportable segments.
3. "Others" consist of the business results in Australia, China, etc.
4. Other revenues are revenues based on ASU No. 2016-02, Leases (Topic 842), rental revenues from movable property or real estate based on Accounting Standard for Lease Transactions (ASBJ

Statement No. 13), financial revenues based on Accounting Standard for Financial Instruments (ASBJ Statement No. 10), etc.

5. The classification of geographic area segments is determined according to geographical distances.

2. Basic information for understanding revenue
Basic information for understanding revenue arising from contracts with customers is described in “Notes to Accounting Policies for the Preparation of Consolidated Financial Statements 4. Summary of significant accounting policies, (6) Revenue recognition.”

3. Relationship between satisfied performance obligation based on contracts with customers and cash flows generated from the contracts, and information on the amount and time of expected revenues from contracts with customers existing at the end of the current fiscal year, which could be recognized in and after the next fiscal year

Year ended February 29, 2024

(i) Balance of claims, contract assets and contract liabilities arising from contracts with customers

The amounts of claims, contract assets and contract liabilities arising from contracts with customers are as follows:

(Millions of yen)

	March 1, 2023	February 29, 2024
Claims arising from contracts with customers		
Notes receivable	66	2
Accounts receivable-trade	421,179	463,022
Other	133,351	130,901
Contract assets	531	5
Contract liabilities	211,356	188,890

Contract assets are related to considerations of recognized revenues that have not been claimed under a contract in which performance obligation is satisfied over a certain period of time. Contract assets shall be transferred to operating receivables at the time when the claim to payment becomes unconditional and the payment request is made. Contract assets are included in “Notes and accounts receivable - trade, and contract assets” on the consolidated balance sheet.

Contract liabilities are the balance of the amount of outstanding performance obligation that have not been satisfied as of the end of the fiscal year for gift certificates issued by the Group, electronic money, granted points, store opening preparation expenses, etc., to be received form franchised stores. Contract liabilities arising from electronic money, gift certificates, points, etc., shall be reversed depending on their use, and those arising from store opening preparation expenses, etc., to be received from franchised stores shall be reversed on the recognition of revenues with the passage of time.

Of the recognized revenues, the amount of recognized revenues included in contract liabilities as of the beginning of the fiscal year was 142,025 million yen. Revenues recognized from performance obligation that was satisfied in the past period have no significance in the amount.

(ii) Transaction price allocated to remaining performance obligation
The total transaction prices allocated to the remaining performance obligations were 227,142 million yen as of the end of fiscal year ended February 28, 2025. Revenues from remaining performance obligations of electronic money, gift certificates, points, etc. are estimated to be recognized depending on their use, and revenues from those of fixed rent to be received from tenants and store opening preparation expenses, etc. to be received from franchised stores are recognized with the passage of time within approximately 15 years.

Transactions and sales within a year of the estimated original contract period, or variable considerations including royalties based on the usage fees are not included in the above revenues. Sales or royalties based on the usage fees are mainly royalties received from franchised stores. Remaining contract periods are one year to 15 years for each contract.

Year ended February 28, 2025

(i) Balance of claims, contract assets and contract liabilities arising from contracts with customers

The amounts of claims, contract assets and contract liabilities arising from contracts with customers are as follows:

(Millions of yen)

	March 1, 2024	February 28, 2025
Claims arising from contracts with customers		
Notes receivable	2	–
Accounts receivable-trade	463,022	440,269
Other	130,901	124,706
Contract assets	5	4
Contract liabilities	188,890	178,031

Contract assets are related to considerations of recognized revenues that have not been claimed under a contract in which performance obligation is satisfied over a certain period of time. Contract assets shall be transferred to operating receivables at the time when the claim to payment becomes unconditional and the payment request is made. Contract assets are included in “Notes and accounts receivable - trade, and contract assets” on the consolidated balance sheet.

Contract liabilities are the balance of the amount of outstanding performance obligation that have not been satisfied as of the end of the fiscal year for gift certificates issued by the Group, electronic money, granted points, store opening preparation expenses, etc., to be received form franchised stores. Contract liabilities arising from electronic money, gift certificates, points, etc., shall be reversed depending on their use, and those arising from store opening preparation expenses, etc., to be received from franchised stores shall be reversed on the recognition of revenues with the passage of time.

Of the recognized revenues, the amount of recognized revenues included in contract liabilities as of the beginning of the fiscal year was 122,367 million yen. Revenues recognized from performance obligation that was satisfied in the past period have no significance in the amount.

(ii) Transaction price allocated to remaining performance obligation

The total transaction prices allocated to the remaining performance obligations were 224,937 million yen as of the end of fiscal year ended February 28, 2025. Revenues from remaining performance obligations of electronic money, gift certificates, points, etc. are estimated to be recognized depending on their use, and revenues from those of fixed rent to be received from tenants and store opening preparation expenses, etc. to be received from franchised stores are recognized with the passage of time within approximately 15 years.

Transactions and sales within a year of the estimated original contract period, or variable considerations including royalties based on the usage fees are not included in the above revenues. Sales or royalties based on the usage fees are mainly royalties received from franchised stores. Remaining contract periods are one year to 15 years for each contract.

Segment Information

Segment Information

1. Overview of reportable segments

   With respect to its reportable segments, the Company is able to obtain delineated financial data from its structural units. Its segments are subject to periodical review for the purpose of making decisions on allocation of managerial resources and evaluating business performance by the Board of Directors.

   Under the holding company structure, the Company has classified its consolidated subsidiaries into four segments which are “Domestic convenience store operations,” “Overseas convenience store operations,” “Superstore operations,” and “Financial services,” according to the nature of products, services and sales operations.

   “Domestic convenience store operations” operate a convenience store business comprising directly managed corporate stores and franchised stores mainly under SEVEN-ELEVEN JAPAN CO., LTD. “Overseas convenience store operations” operate a convenience store business comprising directly managed corporate stores and franchised stores mainly under 7-Eleven, Inc. “Superstore operations” operate a retail business that provides a comprehensive range of daily life necessities such as food and other daily necessities. “Financial services” operate a banking business, credit card business and leasing business.

2. Calculation methodology for revenues from operations, income or losses, assets and liabilities and other items for each reportable segments

   The accounting treatment of each reportable segments is in line with the “Accounting policies for the preparation of consolidated financial statements.”

   Segment income (loss) and segment liabilities as reported in this section are based on operating income and interest bearing debt, respectively. Intersegment revenues and transfers are calculated at prevailing market prices.

3. Information on revenues from operations, income, loss, assets, liabilities and other monetary items for each reportable segments
Year ended February 29, 2024

(Millions of yen)

	Reportable segment				Others	Total	Adjust-ments	Consoli-dated total
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Revenues from operations								
Customers	919,354	8,514,152	1,473,259	178,031	386,356	11,471,154	599	11,471,753
Intersegment	2,351	2,787	4,125	29,447	24,949	63,660	(63,660)	–
Total	921,706	8,516,939	1,477,384	207,479	411,305	11,534,814	(63,060)	11,471,753
Segment income (loss)	250,544	301,628	13,588	38,172	2,688	606,622	(72,373)	534,248
Segment assets	1,272,137	6,101,146	991,748	1,763,916	182,364	10,311,312	280,805	10,592,117
Segment liabilities (interest bearing debt)	–	1,585,017	526	264,172	19,963	1,869,680	868,974	2,738,654
Other items								
Depreciation	90,172	207,066	36,994	34,463	10,440	379,137	21,651	400,789
Amortization of goodwill	–	115,862	3,137	449	462	119,912	–	119,912
Investment in associates accounted for using the equity method	9,661	12,714	8,230	0	13,201	43,808	–	43,808
Impairment loss	9,383	17,368	24,887	1,523	2,440	55,603	1,476	57,079
Net increase in property and equipment, and intangible assets	120,427	192,736	44,415	49,927	24,979	432,486	24,613	457,100

Notes:
1. Others that are not allocated to reportable segments include department store operations, specialty store operations, real estate business etc.
2. The adjustments of (72,373) million yen for segment income (loss) are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
3. The adjustments of 280,805 million yen for segment assets are eliminations of intersegment transactions and corporate assets.
4. The adjustments of 868,974 million yen for segment liabilities are corporate liabilities and the Company's bonds. The amount of each segment liability does not include intersegment transactions.
5. The adjustments of 21,651 million yen for depreciation are depreciation for corporate assets.
6. The adjustments of 24,613 million yen for net increase in property and equipment, and intangible assets, are eliminations of intersegment transactions and net increase in corporate assets.
7. Segment income (loss) is reconciled with the operating income in the consolidated statements of income.
8. 14,069 million yen out of "Impairment loss" in the table above is included in "Restructuring expenses" in consolidated statements of income for the fiscal year ended February 29, 2024.

(Reference)

Revenues from operations and operating income by geographic area segments are as described below.

Year ended February 29, 2024

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
Customers	2,900,596	8,494,165	76,991	11,471,753	–	11,471,753
Intersegment	15,032	679	147	15,859	(15,859)	–
Total revenues	2,915,628	8,494,845	77,138	11,487,613	(15,859)	11,471,753
Operating income (loss)	248,521	297,926	1,517	547,965	(13,716)	534,248

Notes: 1. The classification of geographic area segments is determined according to geographical distances.

2. “Others” consist of the business results in China etc.

Year ended February 28, 2025

(Millions of yen)

	Reportable segment				Others	Total	Adjust-ments	Consoli-dated total
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Revenues from operations								
Customers	902,189	9,168,434	1,428,536	185,631	287,336	11,972,128	634	11,972,762
Intersegment	1,962	2,347	3,589	26,496	33,578	67,974	(67,974)	–
Total	904,152	9,170,782	1,432,126	212,127	320,914	12,040,102	(67,339)	11,972,762
Segment income (loss)	233,554	216,248	10,415	32,015	5,779	498,014	(77,023)	420,991
Segment assets	1,315,808	6,965,924	980,415	1,820,541	172,816	11,255,506	130,605	11,386,111
Segment liabilities (interest bearing debt)	–	1,520,446	423	247,751	16,562	1,785,184	909,546	2,694,730
Other items								
Depreciation	91,312	237,661	38,529	40,024	6,413	413,940	22,653	436,593
Amortization of goodwill	–	133,931	3,150	697	429	138,209	–	138,209
Investment in associates accounted for using the equity method	9,785	11,303	9,319	–	11,321	41,730	–	41,730
Impairment loss	9,655	64,874	40,095	1,640	1,679	117,945	26,048	143,993
Net increase in property and equipment, and intangible assets	104,520	290,785	63,216	58,784	7,156	524,462	11,339	535,802

Notes:
1. Others that are not allocated to reportable segments include specialty store operations, real estate business, etc.
2. The adjustments of (77,023) million yen for segment income (loss) are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
3. The adjustments of 130,605 million yen for segment assets are eliminations of intersegment transactions and corporate assets.
4. The adjustments of 909,546 million yen for segment liabilities are corporate liabilities and the Company’s bonds. The amount of each segment liability does not include intersegment transactions.
5. The adjustments of 22,653 million yen for depreciation are depreciation for corporate assets.
6. The adjustments of 11,339 million yen for net increase in property and equipment, and intangible assets, are eliminations of intersegment transactions and net increase in corporate assets.
7. Segment income (loss) is reconciled with the operating income in the consolidated statements of income.
8. 26,540 million yen out of “Impairment loss” in the table above is included in “Loss on business of subsidiaries and associates,” and 19,192 million yen is included in “Restructuring expenses” in consolidated statements of income for the fiscal year ended February 28, 2025.

(Reference)

Revenues from operations and operating income by geographic area segments are as described below.

Year ended February 28, 2025

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
Customers	2,744,719	8,713,222	514,820	11,972,762	–	11,972,762
Intersegment	16,488	1,858	79	18,426	(18,426)	–
Total revenues	2,761,208	8,715,080	514,900	11,991,189	(18,426)	11,972,762
Operating income (loss)	220,838	219,207	(4,402)	435,642	(14,651)	420,991

Notes: 1. The classification of geographic area segments is determined according to geographical distances.

2. “Others” consist of the business results in Australia, China, etc.

Related Information

Year ended February 29, 2024

1. Information on products and services

Information is omitted since it is described in the segment information.

2. Information by region

(1) Revenues from operations

(Millions of yen)

Japan	North America [of which, the U.S.]	Others	Total
2,900,596	8,494,165 [8,137,579]	76,991	11,471,753

(2) Property and equipment

(Millions of yen)

Japan	North America [of which, the U.S.]	Others	Total
1,248,128	3,075,349 [2,979,422]	39,022	4,362,500

3. Information about major customers

Information is omitted because there is no customer accounting for 10% or more of the net sales on the consolidated statements of income.

Year ended February 28, 2025

1. Information on products and services

Information is omitted since it is described in the segment information.

2. Information by region

(1) Revenues from operations

(Millions of yen)

Japan	North America [of which, the U.S.]	Others	Total
2,744,719	8,713,222 [8,344,154]	514,820	11,972,762

(2) Property and equipment

(Millions of yen)

Japan	North America [of which, the U.S.]	Others	Total
1,258,118	3,484,251 [3,387,807]	238,928	4,981,298

3. Information about major customers

Information is omitted because there is no customer accounting for 10% or more of the net sales on the consolidated statements of income.

Information Regarding Impairment Loss on Non-current Assets by Reportable Segment

Year ended February 29, 2024

Information is omitted since it is described in the segment information.

Year ended February 28, 2025

Information is omitted since it is described in the segment information.

Information on Amortization and Outstanding Balance of Goodwill by Reportable Segment

Year ended February 29, 2024

(Millions of yen)

	Reportable segment				Others	Total	Elimi-nations/ Corpo-rate	Consolidated total
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Depreciation and amortization in the fiscal year	–	115,862	3,137	449	462	119,912	–	119,912
Balance at the end of current year	2,153	1,913,558	8,824	2,882	1,496	1,928,916	–	1,928,916

Year ended February 28, 2025

(Millions of yen)

	Reportable segment				Others	Total	Elimi-nations/ Corpo-rate	Consolidated total
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Depreciation and amortization in the fiscal year	–	133,931	3,150	697	429	138,209	–	138,209
Balance at the end of current year	1,782	2,253,978	5,669	2,185	826	2,264,441	–	2,264,441

Significant Change in Amount of Goodwill

During the fiscal year under review, we acquired all shared of Convenience Group Holdings Pty Ltd through AR BidCo Pty Ltd, a wholly owned subsidiary of our consolidated subsidiary 7-Eleven International LLC. As a result, CONVENIENCE HOLDINGS PTY LTD and 20 other companies have been included in the scope of consolidation. This resulted in the recognition of 142,996 million yen in goodwill in the overseas convenience store operations.

Information Regarding Gain on Negative Goodwill by Reportable Segment

Year ended February 29, 2024

None

Year ended February 28, 2025

None

Related Parties Transactions

1. Transactions with related parties

(1) Transactions between the Company and related parties

(a) Unconsolidated subsidiaries and affiliates

None

(b) A director of the Company and primary shareholders (limited to individuals)

Year ended February 29, 2024

None

Year ended February 28, 2025

(Millions of yen)

Attribution	Name of company or Name	Address	Capital or invest-ments	Business or title	Voting rights held by the Company/ Holding of voting rights of the Company (%)	Business relation-ship	Details of trans-action	Trans-action amount	Account	Year-end balance
Director	Junro Ito	–	–	Represen-tative Director and Vice President of the Company	(Holding) Directly owns 0.36	–	Receipt of donation	500	–	–

Notes: 1. Consumption tax, etc., is not included in the transaction amount.

2. Funds were received in cash to support the development of employees expected to contribute to the Group’s further global expansion.

2. Notes about the parent company and the important affiliates

None

Per Share Information

	Year ended February 29, 2024	Year ended February 28, 2025
Owners' equity per share	1,416.94 yen	1,553.17 yen
Net income per share	84.88 yen	66.62 yen
Diluted net income per share	84.87 yen	66.61 yen

Notes: 1. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. Owners' equity per share, net income per share, and diluted net income per share have been calculated assuming the share split was conducted at the beginning of the fiscal year ended February 29, 2024.

2. Basis for calculation of net income per share and diluted net income per share is as follows:

	Year ended February 29, 2024	Year ended February 28, 2025
Net income attributable to owners of parent on the consolidated statements of income (millions of yen)	224,623	173,068
Amount not attributable to owners of ordinary shares (millions of yen)	–	–
Net income attributable to owners of ordinary shares of parent (millions of yen)	224,623	173,068
Average number of ordinary shares outstanding during the period (thousands of shares)	2,646,511	2,597,855
Adjustments to net income attributable to owners of parent which is used for calculating diluted net income per share (millions of yen)		
Net income attributable to non-controlling interests	(7)	(22)
Adjustments to net income attributable to owners of parent (millions of yen)	(7)	(22)
Number of ordinary shares increased used for calculating the diluted net income per share (thousands of shares)		
Subscription rights to shares	36	35
Number of ordinary shares increased (thousands of shares)	36	35

Notes: 1. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The average number of ordinary shares outstanding during the period (thousands of shares) and the number of ordinary shares increased (thousand shares) have been calculated assuming the share split was conducted at the beginning of the fiscal year ended February 29, 2024.

2. As the Company has introduced the BIP Trust and the ESOP Trust, the Company's shares held by the trusts are included in the number of shares of treasury stock deducted for the computation of the average number of shares during the period, to calculate net income per share and diluted net income per share. The average number of shares of treasury stock during the period deducted for the computation is 4,077 thousand shares for the fiscal year ended February 29, 2024 and 4,381 thousand shares for the fiscal year ended February 28, 2025.

3. Basis for calculation of owner's equity per share is as follows:

	Year ended February 29, 2024	Year ended February 28, 2025
Total net assets (millions of yen)	3,900,624	4,217,445
Amounts subtracted from total net assets (millions of yen)	184,101	187,234
[Subscription rights to shares] (millions of yen)	[60]	[80]
[Net income attributable to non-controlling interests] (millions of yen)	[184,041]	[187,154]
Owners' equity for ordinary shares at the end of period (millions of yen)	3,716,523	4,030,211
Number of ordinary shares at the end of period used for calculating the amounts of owner's equity per share (thousands of shares)	2,622,913	2,594,832

Notes: 1. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The number of ordinary shares at the end of period used for calculating the amounts of owners' equity per share (thousands of shares) has been calculated assuming the share split was conducted at the beginning of the fiscal year ended February 29, 2024.

2. As the Company has introduced the BIP Trust and the ESOP Trust, the Company's shares held by the trusts are included in the number of shares of treasury stock deducted for the computation of the total number of shares outstanding at the end of period, to calculate owners' equity per share. The total number of shares of treasury stock at the end of period deducted for the computation is 4,730 thousand shares as of February 29, 2024 and 4,137 thousand shares as of February 28, 2025.

Subsequent Event

I Significant Change in Scope of Consolidation

At a meeting of its Board of Directors held on March 6, 2025, the Company resolved that the rights and obligations relating to the head office functions, subsidiary management functions of a total of 29 companies (“SST Business Group Split Companies”)—comprising 22 of our consolidated subsidiaries and 7 equity-method affiliates engaged in the Group’s grocery retail, specialties, and other retail business (“SST Business Group”) and all other businesses held by YORK Holdings Co., Ltd. (“YORK HD”), which includes all shares of the Transferred Companies (collectively referring to Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., THE LOFT CO., LTD., Akachan Honpo Co., Ltd., Seven & i Food Systems Co., Ltd., Seven & i Create Link Co., Ltd., and SHELL GARDEN CO., LTD.; the same applies hereinafter) held directly by YORK HD—would be transferred to K.K. BCJ-96 (“SPC (2)”), which will be newly established as a wholly-owned subsidiary of K.K. BCJ-95 (“SPC (1)”), an acquisition purpose company established by Bain Capital Private Equity, L.P. and its affiliates (collectively, “Bain Capital”) through an absorption-type split for a consideration of estimated 814.7 billion yen(*) (“Absorption-type Split”) and that the Company would respectively enter into various agreements related to the Transaction (as defined below) (collectively, “Definitive Agreements”), and as a result of them, changes are expected in our subsidiaries. As described in “2. Overview of the Transaction” below, the Company and Mr. Yasuhisa Ito, Mr. Junro Ito, and Mr. Koichiro Otaka (collectively, “Founder Family”) plan to invest in SPC (1) so that the Company’s shareholding ratio will be 35.07%, Bain Capital’s will be 60.00%, and the Founder Family’s will be 4.93% (“Capital Contribution”) after the Absorption-type Split becomes effective (series of transactions, including the Absorption-type Split, is referred to as the “Transaction”).

* This amount is the current estimate calculated based on the enterprise value agreed in the Definitive Agreements and adjustment in it for such as estimated cash and deposits as of the estimated effective date of the Absorption-type Split and the final amount will be determined through adjustments provided in the Definitive Agreements.

1. Purpose of the Transaction

In the pursuit of the best interests of the Company’s shareholders and other stakeholders through the optimization of the group structure, the Company announced in “The Discussions in Our Board and Strategy Committee Recommendations and Our Group’s Action Plans Toward the Maximization of Corporate and Shareholder Value” dated April 10, 2024 that the Company would begin considering an IPO of the SST Business Group as soon as practically possible, as one workable option to realize SST Business Group’s sustainable growth beyond fundamental transformation, on the basis that the Company will continue to retain a certain shareholding of the SST business and collaborate between convenience store business and the SST business in the area of food products development.

Subsequently, in the “Notice Regarding the Establishment of an Intermediate Holding Company” dated October 10, 2024, the Company announced its intention to conduct organizational restructuring by establishing YORK HD, whose major role entails planning the corporate strategies, managing, and supporting the SST Business Group. The Company has also announced to convert YORK HD into an equity method affiliate by bringing in a strategic partner. The Company has been seeking a strategic partner to strengthen the growth strategy of the SST Business Group, whose growth story differs from the convenience store businesses.

The Transaction aligns with such management policy of the Company and broader strategic efforts. The Company places the utmost importance on achieving the sustainable growth of the SST Business Group and carried out a rigorous selection process to identify the best partner. After thoroughly evaluating multiple candidates, the Company has chosen Bain Capital as the optimal partner.

The Company has engaged in extensive discussions with Bain Capital to maximize value for its shareholders and stakeholders. As a result, the Company determined that leveraging Bain Capital’s expertise in the consumer and retail industry and financial strength, backed by its strong investment track record as one of the world’s leading private equity fund, will contribute to the sustainable growth of the SST Business Group. Bain Capital intends to engage in discussions with respective SST Business Group Split Companies regarding the SST Business Group’s specific business management policies following the Transaction. Its goal is to maximize the potential value of the SST Business Group by optimizing the profit structure, whose initiative the Company is currently promoting, and effectively utilizing the SST Business Group's real estate assets, with the ultimate aim of achieving an IPO.

2. Overview of the Transaction

   In advance of the effective date of the Absorption-type Split, the Founder Family will make a cash contribution to SPC (1) and will receive an allocation of common shares of SPC (1).

   Additionally, through the Absorption-type Split, YORK HD will, subject to certain conditions, transfer its the rights and obligations relating to the head office functions, management functions of SST Business Group Split Companies and all other businesses (including all shares of the Transferred Companies held by YORK HD) to SPC (2) in exchange for a split consideration of 814.7 billion yen (Step (1)). At the same time, YORK HD will transfer part of its right to claim payment for the cash consideration of the Absorption-type Split (hereinafter referred to as the "Cash Consideration Payment Claim for the Absorption-type Split") to the Company, while SPC (1) will assume part of the debt related to the Cash Consideration Payment Claim for the Absorption-type Split in exchange for shares of SPC (2).

   Additionally, concurrently with Step (1), the Company will make a contribution in kind of a portion of the Cash Consideration Payment Claim for the Absorption-type Split to SPC (1) and will receive an allocation of common shares of SPC (1) (Step (2)). As a result, the shareholding ratios of SPC (1) will be 35.07% for the Company, 60.00% for Bain Capital, and 4.93% for the Founder Family. SPC (2) will serve as an intermediate holding company for the SST Business Group Split Companies. Step (1) and (2) will be carried out at the same timing.

3. Impact of the change

   Upon execution of the Transaction, scheduled for September 1, 2025, the 22 consolidated subsidiaries of the Company belonging to the SST Business Group will be excluded from the scope of consolidation, and SPC (1), SPC (2), the successor companies, and their affiliates will become equity method affiliates of the Company.

   The impact of this change on the Company's consolidated results for the fiscal year ending February 28, 2026 is currently under review.

II Acquisition of Treasury Stock

The Company resolved, at the meeting of the Board of Directors held on April 9, 2025, to establish a facility for share repurchase under Article 156 which is applicable in accordance with Article 165, paragraph 3 of the Companies Act.

The Company plans to fully cancel the treasury shares acquired related to this release.

1. Reason for establishing the facility for the repurchase of own shares

   As we announced in "Update on Management Initiatives" on March 6, 2025, the Company commits to repurchase 2.0 trillion yen of capital in total to shareholders. Furthermore, we announced a repurchase of own shares up to a maximum of 600 billion yen in FY2025, and plan to repurchase an additional approximately 1.4 trillion yen from FY2026 onward with a consistent cadence, totaling the repurchase to 2.0 trillion yen by FY2030 in the presentation material "Financial Results Presentation FY2024" released on April 9, 2025.

   Based on the above, we have established a facility to enable flexible repurchase of own shares that takes into account growth opportunities including strategic investments, cash at hand, share price etc.

2. Facility for the repurchase of shares

(i) Class of shares to be repurchased	Common stock of the Company
(ii) Total number of shares that can be acquired	400,000,000 shares (maximum) (The percentage to the total number of shares outstanding (excluding treasury stock): 15.4%)
(iii) Total purchase amount for share repurchase	600,000,000,000 yen (maximum)
(iv) Method of repurchase	Plan to purchase shares in the open market on the Tokyo Stock Exchange
(v) Period of repurchase	From April 10, 2025 to February 28, 2026

* Depending on investment opportunities, market environment, and other factors, it is possible that no share repurchase, or a share repurchase of only a portion of the above, will be carried out.

(Reference) The status of holding of treasury stock as of February 28, 2025

Number of shares outstanding (excluding treasury shares)	2,599,036,186 shares
Number of treasury stock	5,519,663 shares

* The shares held by the BIP and ESOP Trust are excluded from the above number of treasury stock.

(v) Annexed Consolidated Detailed Schedules

Consolidated Detailed Schedule of Corporate Bonds

Company name	Issue name	Date of issuance	Balance at March 1, 2024 (Millions of yen)	Balance at February 28, 2025 (Millions of yen)	Interest rate (%)	Secured/ un-secured	Maturity
Seven & i Holdings Co., Ltd.	(JPY) 12th Unsecured straight bonds	June 17, 2015	30,000	30,000 (30,000)	0.781	Un-secured	June 20, 2025
Seven & i Holdings Co., Ltd.	(JPY) 14th Unsecured straight bonds	Dec. 14, 2020	180,000	180,000 (180,000)	0.190	Un-secured	Dec. 19, 2025
Seven & i Holdings Co., Ltd.	(JPY) 15th Unsecured straight bonds	Dec. 14, 2020	40,000	40,000	0.280	Un-secured	Dec. 20, 2027
Seven & i Holdings Co., Ltd.	(JPY) 16th Unsecured straight bonds	Nov. 2, 2023	60,000	60,000	0.400	Un-secured	Nov. 2, 2026
Seven & i Holdings Co., Ltd.	(JPY) 17th Unsecured straight bonds	Nov. 2, 2023	60,000	60,000	0.687	Un-secured	Nov. 2, 2028
Seven & i Holdings Co., Ltd.	(JPY) 18th Unsecured straight bonds	Nov. 2, 2023	30,000	30,000	1.040	Un-secured	Nov. 1, 2030
Seven & i Holdings Co., Ltd.	(JPY) 19th Unsecured straight bonds	Nov. 2, 2023	70,000	70,000	1.392	Un-secured	Nov. 2, 2033
7-Eleven, Inc.	(USD) Mature in 2024 Unsecured straight bonds	Feb. 10, 2021	319,039 [$2,249 million] (319,039)	–	0.800	Un-secured	Feb. 10, 2024
7-Eleven, Inc.	(USD) Mature in 2026 Unsecured straight bonds	Feb. 10, 2021	176,547 [$1,244 million]	197,288 [$1,247 million]	0.950	Un-secured	Feb. 10, 2026
7-Eleven, Inc.	(USD) Mature in 2028 Unsecured straight bonds	Feb. 10, 2021	140,918 [$993 million]	157,405 [$995 million]	1.300	Un-secured	Feb. 10, 2028
7-Eleven, Inc.	(USD) Mature in 2031 Unsecured straight bonds	Feb. 10, 2021	239,632 [$1,689 million]	267,475 [$1,690 million]	1.800	Un-secured	Feb. 10, 2031
7-Eleven, Inc.	(USD) Mature in 2041 Unsecured straight bonds	Feb. 10, 2021	104,512 [$736 million]	116,657 [$737 million]	2.500	Un-secured	Feb. 10, 2041
7-Eleven, Inc.	(USD) Mature in 2051 Unsecured straight bonds	Feb. 10, 2021	174,974 [$1,233 million]	195,208 [$1,234 million]	2.800	Un-secured	Feb. 10, 2051
Seven Bank, Ltd.	(JPY) 11th Unsecured straight bonds	Dec. 17, 2014	15,000 (15,000)	–	0.536	Un-secured	Dec. 20, 2024
Seven Bank, Ltd.	(JPY) 12th Unsecured straight bonds	Oct. 20, 2017	30,000	30,000	0.390	Un-secured	Sept. 17, 2027

Company name	Issue name	Date of issuance	Balance at March 1, 2024 (Millions of yen)	Balance at February 28, 2025 (Millions of yen)	Interest rate (%)	Secured/ un-secured	Maturity
Seven Bank, Ltd.	(JPY) 14th Unsecured straight bonds	Jan. 25, 2019	20,000	20,000	0.385	Un-secured	Dec. 20, 2028
Total		–	1,690,624 (334,039)	1,454,036 (210,000)	–	–	–

Notes: 1. The figures shown in round brackets ( ) represent the amount to be redeemed within one year.

2. The figures shown in square brackets [ ] represent the amount denominated in U.S. dollars.

3. If the consolidated fiscal year end and the fiscal year end of consolidated subsidiaries are different, bonds with the maturity date before the consolidated fiscal year end are included.

4. The scheduled amount of redemption of bonds within five years after the consolidated balance sheet date is as follows:

(Millions of yen)

Within 1 year	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years
210,000	257,288	70,000	237,405	–

Consolidated Detailed Schedule of Borrowings

Category	Balance at March 1, 2024 (Millions of yen)	Balance at February 28, 2025 (Millions of yen)	Average interest rate (%)	Payment due
Short-term loans	84,882	172,497	4.02	–
Current portion of long-term loans	138,530	290,128	3.08	–
Current portion of lease obligations	23,108	28,744	–	–
Long-term loans (excluding current portion)	824,616	778,068	3.86	2026-2037
Lease obligations (excluding current portion)	52,278	46,870	–	2026-2044
Total	1,123,416	1,316,308	–	–

Notes: 1. Average interest rate represents weighted average interest rate with respect to the ending balance of borrowings.

2. The Balance of lease obligations excludes lease obligations posted according to the adoption of ASU No. 2016-02, Leases (Topic 842) by foreign subsidiaries who adopted US GAAP because they have no burden of interest.

3. The average interest rate of lease obligations is not provided, since lease obligations are recorded in the amount before deduction of the amount equivalent to interest included in the lease payments in the consolidated balance sheets.

4. The repayment schedule of long-term loans and lease obligations (excluding current portion) within five years after the consolidated balance sheet date is as follows:

(Millions of yen)

Category	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years
Long-term loans	164,497	324,197	83,047	75,479
Lease obligations	9,368	7,917	7,145	6,496
Total	173,866	332,115	90,192	81,975

Consolidated Detailed Schedule of Asset Retirement Obligations

The consolidated detailed schedule of asset retirement obligations is omitted, as matters to be provided in the detailed schedule are stated as notes set forth in Article 15-23 of the Regulations on Consolidated Financial Statements.

(2) Other Information

Quarterly information for the fiscal year ended February 28, 2025

Cumulative period	Three months ended May 31, 2024	Six months ended August 31, 2024	Nine months ended November 30, 2024	Year ended February 28, 2025
Revenues from operations (Millions of yen)	2,734,750	6,035,534	9,069,591	11,972,762
Income before income taxes (Millions of yen)	37,414	91,128	115,175	269,351
Net income attributable to owners of parent (Millions of yen)	21,388	52,242	63,630	173,068
Net income per share (Yen)	8.20	20.09	24.48	66.62

Accounting period	First quarter	Second quarter	Third quarter	Fourth quarter
Net income per share (Yen)	8.20	11.89	4.39	42.18

Notes:
1. For the first quarter, a quarterly securities report has been submitted in accordance with Article 24-4-7, paragraph (1) of the Financial Instruments and Exchange Act.
2. For the third quarter, financial information for the quarter has been prepared in accordance with the rules established by the financial instruments exchange, but the information has not been reviewed during the period.
3. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares.

2. [Nonconsolidated financial statements and other information]

(1) Nonconsolidated Financial Statements

(i) Nonconsolidated Balance Sheets

(Millions of yen)

	February 29, 2024	February 28, 2025
ASSETS		
Current assets		
Cash and bank deposits	* 628	* 874
Prepaid expenses	3,409	* 3,577
Accounts receivable, other	* 75,285	* 74,007
Income taxes receivable	18,779	125
Deposits held by subsidiaries and affiliates	4,557	14,244
Other	* 1,244	* 1,562
Total current assets	103,905	94,391
Non-current assets		
Property and equipment		
Buildings and structures	5,852	2,683
Fixtures, equipment and vehicles	6,948	2,498
Land	2,712	2,712
Lease assets	859	656
Construction in progress	8,969	277
Total property and equipment	25,342	8,828
Intangible assets		
Software	46,703	35,864
Software in progress	6,262	3,702
Lease assets	30,370	24,256
Other	1,045	1,045
Total intangible assets	84,382	64,868
Investments and other assets		
Investments in securities	45,938	41,188
Stocks of subsidiaries and affiliates	2,345,702	2,443,849
Prepaid pension cost	2,219	2,522
Long-term leasehold deposits	4,234	* 4,250
Deposits paid in subsidiaries and affiliates	10,000	–
Deferred income taxes	30,141	26,178
Other	4,621	3,737
Total investments and other assets	2,442,858	2,521,726
Total non-current assets	2,552,582	2,595,424
Deferred assets		
Bond issuance cost	788	582
Total deferred assets	788	582
TOTAL ASSETS	2,657,276	2,690,398

(Millions of yen)

	February 29, 2024	February 28, 2025
LIABILITIES		
Current liabilities		
Current portion of bonds	–	210,000
Short-term loans from subsidiaries and affiliates	251,003	328,504
Current portion of long-term loans	41,000	61,856
Lease obligations	* 7,130	* 6,087
Accounts payable, other	* 52,578	* 35,280
Accrued expenses	* 6,059	* 5,386
Income taxes payable	386	301
Advance received	* 335	* 294
Allowance for bonuses to employees	795	784
Allowance for bonuses to Directors and Audit & Supervisory Board Members	182	183
Allowance for loss on transfer of subsidiary	–	18,039
Other	1,107	911
Total current liabilities	360,579	667,630
Non-current liabilities		
Bonds	470,000	260,000
Long-term loans	357,974	377,690
Long-term loans from subsidiaries and affiliates	1	4
Lease obligations	* 27,515	* 21,694
Allowance for stock payments	2,016	1,884
Provision for loss on guarantees	32,782	5,696
Deposits paid in subsidiaries	3,550	3,228
Deposits received from tenants	* 2,502	* 2,090
Other	666	794
Total non-current liabilities	897,011	673,082
TOTAL LIABILITIES	1,257,590	1,340,713

(Millions of yen)

	February 29, 2024	February 28, 2025
NET ASSETS		
Shareholders’ equity		
Common stock	50,000	50,000
Capital surplus		
Additional paid-in capital	875,496	875,496
Other capital surplus	311,992	253,930
Total capital surplus	1,187,489	1,129,427
Retained earnings		
Other retained earnings		
Retained earnings brought forward	163,770	171,857
Total retained earnings	163,770	171,857
Treasury stock, at cost	(16,321)	(17,061)
Total shareholders’ equity	1,384,938	1,334,223
Accumulated gains from valuation and translation adjustments		
Unrealized gains on available-for-sale securities, net of taxes	14,697	15,413
Total accumulated gains from valuation and translation adjustments	14,697	15,413
Subscription rights to shares	49	49
TOTAL NET ASSETS	1,399,685	1,349,685
TOTAL LIABILITIES AND NET ASSETS	2,657,276	2,690,398

(ii) Nonconsolidated Statements of Income

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Revenues from operations		
Dividend income	[*1] 194,816	[*1] 202,421
Management consulting fee income	[*1] 4,572	[*1] 4,423
Commission fee income	[*1] 2,229	[*1] 2,188
Other	[*1] 658	[*1] 709
Total revenues from operations	202,277	209,743
General and administrative expenses	[*1,*2] 76,970	[*1, *2] 81,818
Operating income	125,307	127,925
Non-operating income		
Interest income	[*1] 113	[*1] 159
Dividend income	520	741
Other	95	[*1] 375
Total non-operating income	729	1,276
Non-operating expenses		
Interest expenses	[*1] 2,288	[*1] 4,224
Interest on bonds	1,393	2,623
Other	311	675
Total non-operating expenses	3,993	7,523
Ordinary income	122,042	121,679
Special gains		
Gain on sales of stocks of subsidiaries and affiliates	1,619	–
Gain on sales of investments in securities	–	9,115
Gain on donation	–	500
Other	[*1] 61	0
Total special gains	1,681	9,615
Special losses		
Loss on disposals of property and equipment	24	107
Impairment loss	1,476	172
Loss on business of subsidiaries and associates	–	[*1, *3] 36,212
Loss on transfer of subsidiary	[*1] 8,727	[*1] 5,921
Loss on transfer of department store	[*1] 143,092	—
Loss on valuation of stocks of subsidiaries and affiliates	[*4] 102	—
Other	[*1] 4,782	[*1] 4,994
Total special losses	158,205	47,408
Income (loss) before income taxes	(34,481)	83,886
Income taxes - current	(42,055)	(29,316)
Income taxes - deferred	(35,341)	3,647
Total income taxes	(77,397)	(25,669)
Net income	42,915	109,556

(iii) Nonconsolidated Statements of Changes in Net Assets
Year ended February 29, 2024

(Millions of yen)

	Shareholders' equity					
	Common stock	Capital surplus			Retained earnings	
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings
Balance at March 1, 2023	50,000	875,496	357,401	1,232,897	227,007	227,007
Increase (decrease) for the year						
Cash dividends					(106,152)	(106,152)
Net income					42,915	42,915
Purchase of treasury stock						
Disposal of treasury stock			0	0		
Cancellation of treasury stock			(45,408)	(45,408)		
Net changes of items other than shareholders' equity						
Net increase (decrease) for the year	–	–	(45,408)	(45,408)	(63,236)	(63,236)
Balance at February 29, 2024	50,000	875,496	311,992	1,187,489	163,770	163,770

	Shareholders' equity		Accumulated gains (losses) from valuation and translation adjustments		Subscription rights to shares	TOTAL NET ASSETS
	Treasury stock, at cost	Total shareholders' equity	Unrealized gains (losses) on available-for-sale securities, net of taxes	Total accumulated gains (losses) from valuation and translation adjustments		
Balance at March 1, 2023	(9,825)	1,500,079	11,435	11,435	49	1,511,564
Increase (decrease) for the year						
Cash dividends		(106,152)				(106,152)
Net income		42,915				42,915
Purchase of treasury stock	(52,393)	(52,393)				(52,393)
Disposal of treasury stock	489	489				489
Cancellation of treasury stock	45,408	–				–
Net changes of items other than shareholders' equity			3,262	3,262	–	3,262
Net increase (decrease) for the year	(6,496)	(115,140)	3,262	3,262	–	(111,878)
Balance at February 29, 2024	(16,321)	1,384,938	14,697	14,697	49	1,399,685

Year ended February 28, 2025

(Millions of yen)

	Shareholders' equity					
	Common stock	Capital surplus			Retained earnings	
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings
Balance at March 1, 2024	50,000	875,496	311,992	1,187,489	163,770	163,770
Increase (decrease) for the year						
Cash dividends					(101,469)	(101,469)
Net income					109,556	109,556
Purchase of treasury stock						
Disposal of treasury stock			0	0		
Cancellation of treasury stock			(58,062)	(58,062)		
Net changes of items other than shareholders' equity						
Net increase (decrease) for the year	–	–	(58,062)	(58,062)	8,086	8,086
Balance at February 28, 2025	50,000	875,496	253,930	1,129,427	171,857	171,857

	Shareholders' equity		Accumulated gains (losses) from valuation and translation adjustments		Subscription rights to shares	TOTAL NET ASSETS
	Treasury stock, at cost	Total shareholders' equity	Unrealized gains (losses) on available-for-sale securities, net of taxes	Total accumulated gains (losses) from valuation and translation adjustments		
Balance at March 1, 2024	(16,321)	1,384,938	14,697	14,697	49	1,399,685
Increase (decrease) for the year						
Cash dividends		(101,469)				(101,469)
Net income		109,556				109,556
Purchase of treasury stock	(59,643)	(59,643)				(59,643)
Disposal of treasury stock	840	840				840
Cancellation of treasury stock	58,062	–				–
Net changes of items other than shareholders' equity			715	715	–	715
Net increase (decrease) for the year	(739)	(50,715)	715	715	–	(49,999)
Balance at February 28, 2025	(17,061)	1,334,223	15,413	15,413	49	1,349,685

Notes to Nonconsolidated Financial Statements

Significant Accounting Policies

1. Valuation basis and method for securities
   (1) Stocks of subsidiaries and affiliates
   Securities whose fair value is not available are valued at cost, determined using the moving-average method.
   (2) Other available-for-sale securities are classified into two categories, where: (i) the fair value is available and (ii) the fair value is not available.
   Securities other than unmarketable shares, etc.
   Market value method (Net unrealized gains or losses on these securities are reported as a separate component of net assets at a net-of-tax amount. Cost of securities sold is determined using the moving-average method) is used.
   Unmarketable shares, etc.
   Securities whose fair value is not available are valued at cost, determined using the moving-average method.
   (3) Valuation basis and method for derivatives
   Derivative financial instruments are valued at fair value.

2. Methods of depreciation for non-current assets
   (1) Property and equipment (Excluding Lease assets)
   Property and equipment are depreciated using the straight-line method.
   (2) Intangible assets (Excluding Lease assets)
   Intangible assets are amortized using the straight-line method. Internal use software is amortized using the straight-line method over an estimated useful life of 5 years.
   (3) Lease assets
   Lease assets in finance leases which do not transfer ownership of leased property to the lessee
   These assets are amortized using the straight-line method with no residual value over the lease period which is treated as the expected lifetime.

3. Accounting for deferred assets
   Bond issuance cost
   All costs are expensed when paid. However, when cost is recorded as deferred asset, it is amortized using the straight-line method over a redemption period of the bond.

4. Methods of accounting for allowances
   (1) Allowance for bonuses to employees
   Allowance for bonuses to employees is provided at the amount calculated based on the estimation of payment.
   (2) Allowance for bonuses to Directors and Audit & Supervisory Board Members
   Allowance for bonuses to Directors and Audit & Supervisory Board Members is provided at the amount estimated to be paid.
   (3) Allowance for loss on transfer of subsidiary
   Allowance for loss on transfer of subsidiary is provided. The estimated amount is recorded in preparation for expenses or losses associated with the withdrawal from the online supermarket business.
   (4) Allowance for stock payments
   Allowance for stock payments is provided to prepare for payments of stock benefits to directors and executive officers. The amount is based on the expected stock benefit payable as at the end of the fiscal year.
   (5) Allowance for accrued pension and severance costs (Prepaid pension cost)
   Allowance for accrued pension and severance costs is provided to prepare for payments of retirement benefits to employees. The amount is based on the estimated retirement benefit obligation and the estimated pension plan assets at the end of the fiscal year.
      (i) Allocation method of estimated total retirement benefits
      In calculating retirement benefit obligations, the estimated total retirement benefit obligation is allocated to the period up to the end of the fiscal year on a benefit formula basis.

(ii) Amortization of actuarial gains and losses
The amount of actuarial differences is amortized on a straight-line basis over a period of 10 years from the year following the year in which they arise, which is within the average remaining years of service of the eligible employees.

(6) Provision for loss on guarantees
Provision for loss on guarantees is provided to cover losses related to guarantees offered to subsidiaries and affiliates. The estimated loss amount is recorded, taking into account the financial position and other factors of the guaranteed parties.

5. Accounting standard for recognition of revenues and expenses
Revenues of the Company as a holding company are mainly management fees, commission fees and dividend income from subsidiaries. The Company's performance obligation is to provide subsidiaries with commissioned business according to the contract. Management fees and commission fees from subsidiaries are recognized when its performance obligation is satisfied. Dividend income is recognized on the effective date of dividend.

6. Hedge accounting
(1) Method of hedge accounting
In principle, hedging activities are accounted for by the deferred hedge method. The Company applies integral accounting treatment (specific accounting treatment, designated accounting treatment) to interest rate and currency swap contracts that meet the requirements of integral accounting treatment.
(2) Hedge instruments and hedged items
Hedge instruments – Interest rate and currency swap
Hedged items – Foreign currency-denominated loans
(3) Hedging policies
The Company has policies to utilize derivative instruments for the purposes of hedging its exposure to fluctuations in foreign currency rates and interest rates, and optimizing future cash flow. The Company does not hold or issue derivative instruments for short-term trading or speculative purposes.
(4) Assessing hedge effectiveness
Comparing the fluctuation of the hedged items with that of hedging instruments quarterly, we assess the hedge effectiveness based on changes in both. Interest and currency swaps that are accounted for using integral accounting treatment, the assessment of effectiveness is omitted.

7. Other significant items that form the basis of the preparation of nonconsolidated financial statements
Accounting method related to retirement benefits
The method for accounting for unrecognized actuarial differences related to retirement benefits differs from that in the Consolidated Financial Statements.

Significant Accounting Estimates
Year ended February 29, 2024
Accounting estimates are based on reasonable amounts based on information available at the time of preparation of the nonconsolidated financial statements.
Accounting estimates in the items recorded in the nonconsolidated financial statements for fiscal year ended February 29, 2024 whose amounts are based on accounting estimates and that have the risk of significantly impacting the nonconsolidated financial statements for the following fiscal year are as follows:

Valuation of stocks of subsidiaries and affiliates
(1) Amounts recorded in the financial statements for the current fiscal year

Unmarketable stocks of subsidiaries	2,340,912 million yen
Unmarketable stocks of affiliates	3,288 million yen
Loss on valuation of stocks of subsidiaries and affiliates	102 million yen

(2) Information on the content of significant accounting estimates for identified items

An impairment loss is recognized for unmarketable stocks of subsidiaries and affiliates, when their substantive value, which is calculated by multiplying the amount of net assets per share by the number of shares held, declines significantly due to deterioration in the financial condition of the company issuing the shares, unless there is sufficient persuasive evidence to support a subsequent recovery.

In the current fiscal year, there are no unmarketable stocks of subsidiaries and affiliates whose substantive value has declined significantly but for which no impairment loss has been recognized.

Year ended February 28, 2025

Accounting estimates are based on reasonable amounts based on information available at the time of preparation of the nonconsolidated financial statements.

Accounting estimates in the items recorded in the nonconsolidated financial statements for fiscal year ended February 28, 2025 whose amounts are based on accounting estimates and that have the risk of significantly impacting the nonconsolidated financial statements for the following fiscal year are as follows:

Valuation of stocks of subsidiaries and affiliates

(1) Amounts recorded in the financial statements for the current fiscal year

Unmarketable stocks of subsidiaries	2,439,058 million yen
Unmarketable stocks of affiliates	3,288 million yen

(2) Information on the content of significant accounting estimates for identified items

An impairment loss is recognized for unmarketable stocks of subsidiaries and affiliates, when their substantive value, which is calculated by multiplying the amount of net assets per share by the number of shares held, declines significantly due to deterioration in the financial condition of the company issuing the shares, unless there is sufficient persuasive evidence to support a subsequent recovery.

In the current fiscal year, there are no unmarketable stocks of subsidiaries and affiliates whose substantive value has declined significantly but for which no impairment loss has been recognized.

Changes in Method of Presentation

Nonconsolidated Statements of Income

The “Loss on transfer of subsidiary,” which had previously been included under “Other” in special losses through the prior fiscal year, has exceeded 10% of the total amount of special losses. As a result, it has been presented as a separate line item starting this fiscal year. Accordingly, we have reclassified the prior fiscal year’s financial statements to reflect this change in presentation.

As a result, in the prior fiscal year’s statements of income, the 13,510 million yen previously shown under “Other” in special losses has been reclassified as 8,727 million yen for "Loss on transfer of subsidiary" and 4,782 million yen for "Other."

Supplementary Information

Performance-Based Stock Compensation Plan for Directors and Executive Officers

The Company has introduced a performance-based stock-based compensation plan for the Company’s Directors (excluding non-executive Directors and Directors residing overseas) and executive officers (excluding executive officers residing overseas). An overview of the plan is described in “Supplementary Information” under “V. Financial Information, 1. Consolidated financial statements and other information, (1) Notes to Consolidated Financial Statements.”

Nonconsolidated Balance Sheets

* Monetary claims and monetary obligations in regard to subsidiaries and affiliates (excluding items listed elsewhere) are as follows:

(Millions of yen)

	February 29, 2024	February 28, 2025
Short-term receivables	66,547	68,455
Long-term receivables	–	12
Short-term payables	30,362	35,964
Long-term payables	29,988	23,746

Nonconsolidated Statements of Income

*1. Transaction amounts with subsidiaries and affiliates are as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Operating transactions		
Revenues from operations	201,669	209,097
General and administrative expenses	8,125	8,441
Non-operating transactions	118,707	36,877

*2. Main components and amounts of general and administrative expenses are as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Salaries and wages	8,684	9,400
Provision for bonuses to employees	795	784
Pension expenses	283	312
Depreciation and amortization	12,383	14,294
Commissions paid	8,355	12,484
Electronical data processing expenses	33,007	29,861

*3. Loss on business of subsidiaries and associates

Loss on business of subsidiaries and associates is the loss on withdrawal from the online supermarket business, and the breakdown is as follows.

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Impairment loss	–	25,909
Early termination fee	–	10,153
Others	–	150
Total	–	36,212

*4. Loss on valuation of stocks of subsidiaries and affiliates

Year ended February 29, 2024

The Company recorded 102 million yen of loss on valuation of stock of subsidiary SHELL GARDEN CO., LTD.

Year ended February 28, 2025

None

Securities

Stocks of subsidiaries and affiliates

February 29, 2024

(Millions of yen)

Category	Carrying amount	Fair value	Difference
Stocks of affiliates	1,501	4,390	2,888
Total	1,501	4,390	2,888

February 28, 2025

(Millions of yen)

Category	Carrying amount	Fair value	Difference
Stocks of affiliates	1,501	4,214	2,712
Total	1,501	4,214	2,712

Note: Unmarketable stock, etc., excluded from the above table.

(Millions of yen)

Category	Year ended February 29, 2024	Year ended February 28, 2025
Stocks of subsidiaries	2,340,912	2,439,058
Stocks of subsidiaries and affiliates	3,288	3,288

Deferred Tax Accounting

1. Major components of deferred tax assets and liabilities

(Millions of yen)

	February 29, 2024	February 28, 2025
Deferred income taxes		
Allowance for bonuses to employees	309	274
Accrued enterprise taxes and business office taxes	128	104
Accounts payable, other / accrued expenses	8,135	1,188
Allowance for loss on transfer of subsidiary	–	2,954
Subscription rights to shares	15	15
Tax loss carried forward	55,000	58,684
Denial of impairment loss	872	4,911
Loss on valuation of stocks of subsidiaries and affiliates	17,277	4,747
Allowance for stock payments	426	362
Provision for loss on guarantees	10,039	1,744
Adjustment of gain/loss on transfer	277	206
Other	344	170
Subtotal (deferred tax assets)	92,827	75,365
Valuation allowance for tax loss carried forward	(26,052)	(31,959)
Valuation allowance for total deductible temporary differences, etc.	(29,464)	(8,478)
Subtotal (valuation allowance)	(55,517)	(40,437)
Total deferred tax assets	37,309	34,927
Deferred tax liabilities		
Prepaid pension cost	(679)	(772)
Adjustment of gain/loss on transfer	–	(1,172)
Unrealized gains (losses) on available-for-sale securities	(6,488)	(6,804)
Total deferred tax liabilities	(7,167)	(8,749)
Net deferred income taxes	30,141	26,178

2. Reconciliation of significant differences between the statutory effective tax rate and the actual effective rate of income taxes after application of deferred tax accounting

	February 29, 2024	February 28, 2025
Statutory effective tax rate	–	30.6%
(Adjustments)		
Expenses not deductible permanently, such as entertainment expenses	–	14.9
Income not taxable permanently, such as dividend income	–	(73.7)
Change in valuation allowance	–	(3.0)
Expiration of tax loss brought forward	–	0.5
Other	–	0.1
Effective rate of income taxes after application of deferred tax accounting	–	(30.6)

Note: The above items are omitted since net loss before taxes was recognized for the fiscal year ended February 29, 2024.

3. Accounting treatment of corporate tax and local corporate tax and their deferred tax accounting
The Company applies the Group Tax Sharing System. Furthermore, the Company undertakes and discloses the accounting treatment for national corporate taxes and local corporate taxes or tax effect accounting relating to these taxes in compliance with provisions in the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ Practical Issues Task Force No. 42, August 12, 2021).

4. Change in income tax rate after fiscal year-end
The "Act for Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, and the "Special Defense Corporation Tax" will be imposed from the fiscal years beginning on or after April 1, 2026.
As a result, the statutory effective tax rate used for calculating deferred tax assets and deferred tax liabilities has been changed from 30.6% to 31.5%, pertaining to temporary differences that are expected to be settled in the fiscal year beginning on or after March 1, 2027. The impact of this change will be immaterial.

Business Combinations, etc.

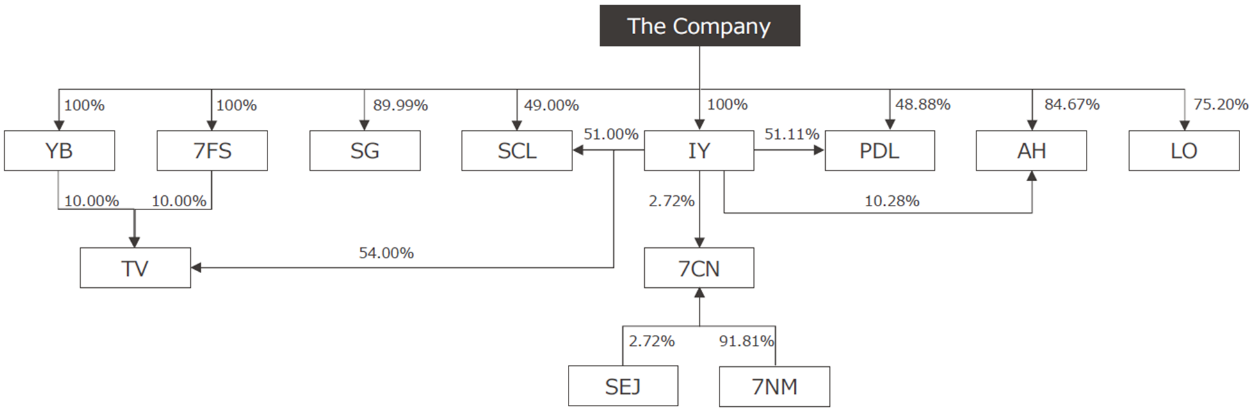
Transactions under common control

1. Organizational restructuring within the Group
The Company established YORK Holdings Co., Ltd. ("YORK HD") on October 11, 2024 as an intermediate holding company that presides over the Group's grocery retail, specialties, and other retail business (collectively, the "SST Business Group"), and conducted the distributions of dividends in kind, the absorption-type splits, and the share exchange in order to consolidate under YORK HD and its subsidiaries all of the shares of the SST Business Group held by the Company and its consolidated subsidiaries.

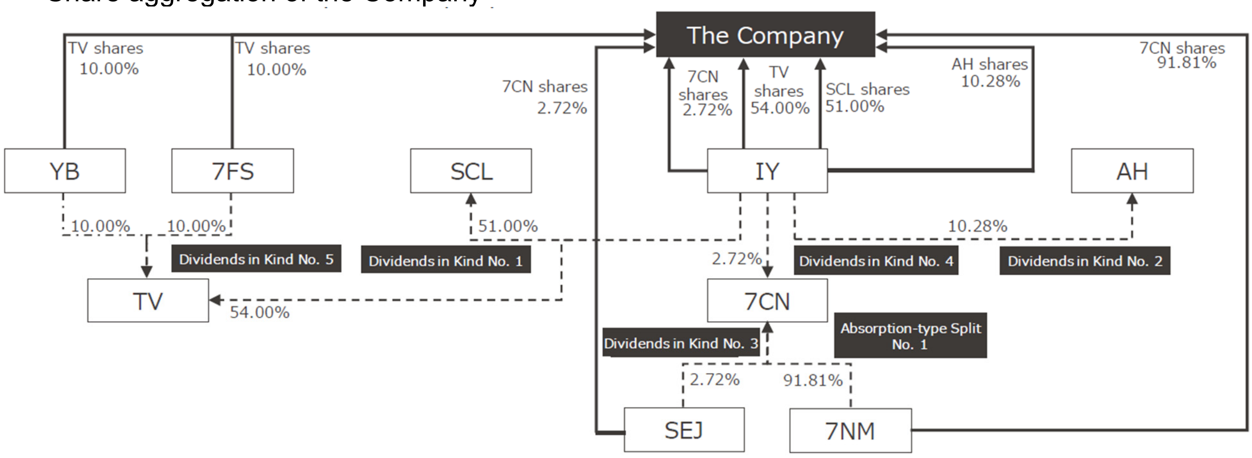
Structure diagram
(List of abbreviations)
SEVEN-ELEVEN JAPAN CO., LTD. - SEJ
Ito-Yokado Co., Ltd. - IY
York-Benimaru Co., Ltd. - YB
SHELL GARDEN CO., LTD. - SG
Akachan Honpo Co., Ltd. - AH
Seven & i Food Systems Co., Ltd. - 7FS
THE LOFT CO., LTD. - LO
Peace Deli Co., Ltd. - PDL
Seven & i Create Link Co., Ltd. - SCL
Seven & i Net Media Co., Ltd. - 7NM

Seven Culture Network Co., Ltd. - 7CN
K.K. Terre Verte - TV

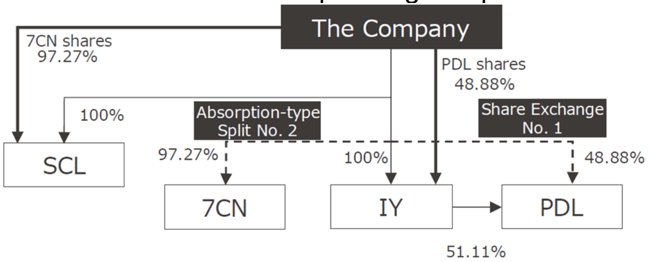
<Structure of the Group before the organizational restructuring (partial)>



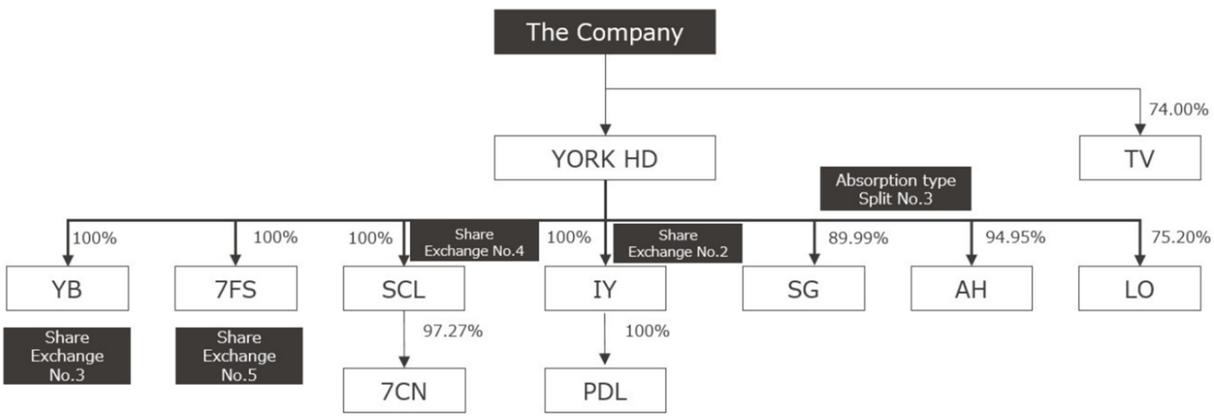
<Share aggregation of the Company>



<Share transfer to the operating companies>



<Share transfer to the intermediate holding company>



2. Share aggregation of the Company

All of the shares of SCL and AH held by IY were transferred to the Company as dividends in kind (“Dividends in Kind No. 1” and “Dividends in Kind No. 2”).
Also, all of the shares of 7CN held by SEJ and IY were transferred to the Company as dividends in kind (“Dividends in Kind No. 3” and “Dividends in Kind No. 4”)
In addition, all of the shares of 7CN held by 7NM were transferred to the Company by means of an absorption-type split (“Absorption-type Split No. 1”).
Moreover, all of the shares of TV held by IY, YB, and 7FS were transferred to the Company as dividends in kind (“Dividends in Kind No. 5”).

(i) Name and description of business of entity involved in business combination
The business combination involves only shares, and there will be no changes to the company names and descriptions of business.

(ii) Date of the business combination
February 26, 2025

(iii) Legal form of the business combination
Refer to the information above.

(vi) Name of entity after the business combination
The names of the companies will not change subsequent to the business combination.

(v) Other items regarding overview of transaction
Refer to the information above.

3. Transfer of shares to the operating companies

For all of the shares of 7CN held by the Company, the Company conducted an absorption-type split in which the Company was the company splitting in the absorption-type split and SCL was the company succeeding in the absorption-type split (“Absorption-type Split No. 2”).
In addition, for all of the shares of PDL held by the Company, the Company conducted a share exchange in which IY became the wholly owning parent company resulting from the share exchange and PDL became the wholly owned subsidiary resulting from the share exchange (“Share Exchange No. 1”).

(i) Name and description of business of entity involved in business combination
The business combination involves only shares, and there will be no changes to the company names and descriptions of business.

(ii) Date of the business combination
February 27, 2025

(ii) Legal form of the business combination
Refer to the information above.

(vi) Name of entity after the business combination
The names of the companies will not change subsequent to the business combination.

(v) Other items regarding overview of transaction
Refer to the information above.

4. Transfer of shares to the intermediate holding company

YORK HD and IY conducted a share exchange in which YORK HD became the wholly owning parent company resulting from the share exchange and IY became the wholly-owned subsidiary resulting from the share exchange (“Share Exchange No. 2”).
YORK HD and YB conducted a share exchange in which YORK HD became the wholly owning parent company resulting from the share exchange and YB became the wholly-owned subsidiary resulting from the share exchange (“Share Exchange No. 3”).

YORK HD and SCL conducted a share exchange in which YORK HD became the wholly-owning parent company resulting from the share exchange and SCL became the wholly-owned subsidiary resulting from the share exchange (“Share Exchange No. 4”).
YORK HD and 7FS conducted a share exchange in which YORK HD became the wholly-owning parent company resulting from the share exchange and 7FS became the wholly-owned subsidiary resulting from the share exchange (“Share Exchange No. 5”)
For all of the shares of AH, the shares of LO and the shares of SG held by the Company, the Company conducted an absorption-type split in which the Company was the company splitting in the absorption-type split and YORK HD was the company succeeding in the absorption-type split (“Absorption-type Split No. 3”).

(i) Name and description of business of entity involved in business combination
The business combination involves only shares, and there will be no changes to the company names and descriptions of business.

(ii) Date of the business combination
February 28, 2025

(iii) Legal form of the business combination
Refer to the information above.

(vi) Name of entity after the business combination
The names of the companies will not change subsequent to the business combination.

(v) Other items regarding overview of transaction
Refer to the information above.

5. Overview of the accounting treatment
Each transaction is accounted for pursuant to the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019), as a transaction under common control.

Revenue Recognition
Basic information for understanding revenues from contracts with customers
It is described in “Significant Accounting Policies,” “5. Accounting standard for recognition of revenues and expenses.”

Subsequent Event
Acquisition of Treasury Stock
The Company resolved, at the meeting of the Board of Directors held on April 9, 2025, to establish a facility for share repurchase under Article 156 which is applicable in accordance with Article 165, paragraph 3 of the Companies Act.
An overview of the plan is described in “Subsequent Event” under “V. Financial Information, 1. Consolidated financial statements and other information, (1) Notes to Consolidated Financial Statements.”

(iv) Annexed Nonconsolidated Detailed Schedules

Detailed Schedule of Property and Equipment and Others

(Millions of yen)

Category	Type of assets	Balance at March 1, 2024	Increase during the fiscal year	Decrease during the fiscal year	Depreciation and amortization in the fiscal year	Balance at February 28, 2025	Accumulated depreciation
Property and equipment	Buildings and structures	5,852	467	3,273 [3,247]	363	2,683	2,929
	Fixtures, equipment and vehicles	6,948	665	4,443 [4,409]	671	2,498	2,216
	Land	2,712	–	–	–	2,712	–
	Lease assets	859	4	3	204	656	348
	Construction in progress	8,969	719	9,411 [7,546]	–	277	–
	Total	25,342	1,857	17,131 [15,203]	1,238	8,828	5,494
Intangible assets	Software	46,703	10,860	8,643 [8,277]	13,055	35,864	–
	Software in progress	6,262	11,957	14,518 [2,271]	–	3,702	
	Lease assets	30,370	718	537 [537]	6,294	24,256	
	Other	1,045	–	–	0	1,045	
	Total	84,382	23,536	23,699 [11,086]	19,350	64,868	

Notes:
1. Major increase in “Buildings and structures” and “Fixtures, equipment and vehicles” during the current fiscal year are related to the facilities jointly used by Group companies.
2. Major increase in “Construction in progress” during the current fiscal year is related to the acquisition of PCs and network equipment jointly used by Group companies.
3. Major increase in “Software” and major increase / decrease in “Software in progress” during the current fiscal year are related to development of software jointly used by Group companies.
4. Major increase in “Lease assets (intangible)” during the current fiscal year is related to the sale and leaseback of software jointly used by Group companies.
5. Major decrease in “Buildings and structures,” “Fixtures, equipment and vehicles,” “Construction in progress,” “Software,” and “Lease assets (intangible)” during the current fiscal year are related to the online supermarket business.
6. The figures shown in square brackets [ ] in “Decrease during the fiscal year” are included in the figures shown outside of round brackets, and represent the amount of impairment losses recorded.

Detailed Schedule of Allowances

(Millions of yen)

Account title	Balance at March 1, 2024	Increase during the fiscal year	Decrease during the fiscal year	Balance at February 28, 2025
Allowance for bonuses to employees	795	784	795	784
Allowance for bonuses to Directors and Audit & Supervisory Board Members	182	183	182	183
Allowance for stock payments	2,016	347	479	1,884
Provision for loss on guarantees	32,782	992	28,078	5,696
Allowance for loss on transfer of subsidiary	–	18,039	–	18,039

(2) Components of Major Assets and Liabilities
Information is omitted as the consolidated financial statements have been prepared.

(3) Other Information
None

VI. [Administrative Information on the Company's Shares]

<table>
<tr><td>Fiscal year</td><td>From March 1 to the last day of February</td></tr>
<tr><td>Annual shareholders' meeting</td><td>May</td></tr>
<tr><td>Record date</td><td>The last day of February</td></tr>
<tr><td>Record dates for dividends from surplus</td><td>August 31
The last day of February</td></tr>
<tr><td>Number of shares constituting one unit</td><td>100 shares</td></tr>
<tr><td>Purchase or sale of shares less than one unit</td><td></td></tr>
<tr><td>Office for handling business</td><td>(Special account)
4-5, 1-chome, Marunouchi, Chiyoda-ku, Tokyo
Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division</td></tr>
<tr><td>Shareholder register administrator</td><td>(Special account)
4-5, 1-chome, Marunouchi, Chiyoda-ku, Tokyo
Mitsubishi UFJ Trust and Banking Corporation</td></tr>
<tr><td>Forwarding office</td><td>―――</td></tr>
<tr><td>Fee for purchase or sale</td><td>None</td></tr>
<tr><td>Method of public notice</td><td>Electronic public notice will be made; provided, however, that if the Company is unable to give an electronic public notice because of an accident or any other unavoidable reason, public notices may be given in "The Nikkei" newspaper.
URL for public notice:
https://www.7andi.com/ir/koukoku.html (in Japanese)</td></tr>
<tr><td>Special benefits for shareholders</td><td>Shareholders listed or recorded in the shareholder register as of the end of February each year*[1] and holding at least one unit (100 shares) of the Company's stock can either choose Seven & i Gift certificates*[2] or donation to charitable organizations*[3], based on the number of shares held and the length of continuous ownership.
<table>
<tr><th>Number of shares held</th><th>Holding period: less than three years*[4]</th><th>Holding period: three years and more*[4]</th></tr>
<tr><td>100 shares and more</td><td>2,000 yen</td><td>2,500 yen</td></tr>
<tr><td>400 shares and more</td><td>2,500 yen</td><td>3,000 yen</td></tr>
<tr><td>700 shares and more</td><td>3,000 yen</td><td>3,500 yen</td></tr>
</table>
*1 For 2024, the end of August was used as the reference date.
*2 There are some stores, goods or services that are not available for this benefit plan.
*3 Shareholders' donation to charitable organizations will be donated to the World Food Programme (UN WFP) by the Company through its official support contact, Japan Association for the World Food Programme.
*4 The continuous holding period is a period during which a shareholder is continuously registered with the same shareholder No. on the shareholder register as of the effective date (as of the last day of every February).</td></tr>
</table>

Notes: 1. As provided for in the Company's Articles of Incorporation, a shareholder of the Company holding shares less than one unit may not exercise any rights other than the rights listed below with regard to shares less than one unit held by the shareholder:

(1) Rights set forth in items of Article 189, paragraph (2) of the Companies Act;

(2) Right to make a demand pursuant to the provisions of Article 166, paragraph (1) of the Companies Act;

(3) Right to receive an allotment of offered shares and offered share acquisition rights in proportion to the number of shares held by the shareholder; and

(4) Right to request the Company to sell to the shareholder a number of shares which will, when combined with the number of shares already held by the shareholder, constitute one share unit.

VII. [Reference Information on the Company]

1. [Information on the parent company or equivalent of the Company]
   The Company does not have a parent company or equivalent.

2. [Other reference information]
   From the beginning of the current fiscal year until the filing date of this Annual Securities Report, the Company has filed the following documents.
   (1) Registration Documents (Debentures, Bond Certificates) and their supplementary documents
   Filed to Director-General of the Kanto Local Finance Bureau on November 29, 2024
   (2) Amended Shelf Registration Statement
   Filed to Director-General of the Kanto Local Finance Bureau on March 6, 2025
   Filed to Director-General of the Kanto Local Finance Bureau on March 6, 2025
   Filed to Director-General of the Kanto Local Finance Bureau on April 17, 2025
   (3) Annual Securities Report and Appendices, and Written Confirmation
   19th fiscal year from March 1, 2023 to February 29, 2024 filed to Director-General of the Kanto Local Finance Bureau on May 29, 2024
   (4) Internal Control Report and Appendices
   Filed to Director-General of the Kanto Local Finance Bureau on May 29, 2024
   (5) Quarterly Securities Reports and Written Confirmations
   1Q of 20th fiscal year from March 1, 2024 to May 31, 2024 filed to Director-General of the Kanto Local Finance Bureau on July 12, 2024
   (6) Semiannual Securities Report and Written Confirmations
   1st Half of 20th fiscal year from March 1, 2024 to August 31, 2024: filed to Director-General of the Kanto Local Finance Bureau on October 11, 2024
   (7) Extraordinary Securities Report
   Filed to Director-General of the Kanto Local Finance Bureau on April 10, 2024
   Extraordinary Securities Report based on Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (ix) of the Cabinet Office Order on Disclosure of Corporate Affairs.
   Filed to Director-General of the Kanto Local Finance Bureau on May 9, 2024
   Extraordinary Securities Report based on Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (iii) of the Cabinet Office Order on Disclosure of Corporate Affairs.
   Filed to Director-General of the Kanto Local Finance Bureau on May 30, 2024
   Extraordinary Securities Report based on Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (ix)-2 of the Cabinet Office Order on Disclosure of Corporate Affairs.
   Filed to Director-General of the Kanto Local Finance Bureau on March 6, 2025
   Extraordinary Securities Report based on Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (ix) of the Cabinet Office Order on Disclosure of Corporate Affairs.
   Filed to Director-General of the Kanto Local Finance Bureau on March 6, 2025
   Extraordinary Securities Report based on Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (iii) of the Cabinet Office Order on Disclosure of Corporate Affairs.
   Filed to Director-General of the Kanto Local Finance Bureau on April 17, 2025
   Extraordinary Securities Report based on Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (ix) of the Cabinet Office Order on Disclosure of Corporate Affairs.
   (8) Report on the purchase of treasury shares
   Report period from May 1, 2024 to May 31, 2024: filed to Director-General of the Kanto Local Finance Bureau on June 10, 2024
   Report period from April 1, 2025 to April 30, 2025: filed to Director-General of the Kanto Local Finance Bureau on May 9, 2025
   (9) Female manager ratio, paternity leave usage rate, and gender pay gap
   Female manager ratio, paternity leave usage rate, and gender pay gap in consolidated subsidiaries other than major consolidated subsidiaries are as follows:

Year ended February 28, 2025						Supplemental explanation
Name	Female manager ratio (%) (Note 1)	Percentage of male employees taking childcare leave (%) (Note 2)	Gender pay gap (%) (Notes 1, 3)			
			All employees	Regular employees	Part-time workers Fixed-term workers	
SHELL GARDEN CO., LTD.	13.0	*	51.4	74.1	91.7	–
IY Foods K.K.	18.4	*	68.6	74.0	84.3	–
Seven Financial Service Co., Ltd.	15.6	100.0	68.3	74.8	73.1	–
Seven Card Service Co., Ltd.	14.5	100.0	53.3	80.0	52.9	–
Seven CS Card Service Co., Ltd.	20.0	—	—	—	—	–
Bank Business Factory Co., Ltd.	30.0	33.3	38.9	61.0	58.4	–
Seven & i Create Link Co., Ltd.	8.3	0.0	41.7	71.6	52.9	–
Seven & i Net Media Co., Ltd.	24.6	75.0	75.7	76.0	145.8	–
Seven Culture Network Co., Ltd.	25.0	–	–	–	–	–
MARUNI CO., LTD.	5.6	*	60.2	86.2	116.3	–

Notes: 1. The ratio is calculated in accordance with the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64, 2015).

2. In accordance with the provisions of the “Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave” (Act No. 76, 1991), the percentage of employees who took childcare leave, etc. as stipulated in Article 71-4-1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25, 1991) was calculated. The calculation of the percentage is based on regular employees.

3. Gender pay gap represents the ratio of women’s wages to men’s wages. There is no difference in treatment based on gender in the wage system.

4. The mark * indicates that there is no applicable employee.

5. Data on the Company and its major consolidated subsidiaries are presented in “I. Overview of the Company, 5. Status of employees, (4) Ratio of female workers in managerial positions, ratio of childcare leave taken by male workers, and gender wage gap.”

Part II. [Information on Guarantors for the Company]

None

Independent Auditor's Audit Report and Internal Control Audit Report

May 23, 2025

Seven & i Holdings Co., Ltd.

To Board of Directors

KPMG AZSA LLC

Tokyo Office, Japan

Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Reiji Kobayashi
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Masahiro Sasaki
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Daisuke Nakamura

<Audit of the Consolidated Financial Statements>

Audit Opinion

Pursuant to the provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements, that is, the consolidated balance sheets, consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in net assets, consolidated statements of cash flows, accounting policies for the preparation of consolidated financial statements, other notes and annexed consolidated detailed schedules, of Seven & i Holdings Co., Ltd. for the fiscal year from March 1, 2024 to February 28, 2025, which are provided in "Financial Information."

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position as of February 28, 2025 and business results and cash flow situation for the fiscal year ended February 28, 2025 of Seven & i Holdings Co., Ltd. and its consolidated subsidiaries in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

As stated in Subsequent Event under Notes to Consolidated Financial Statements, the Company resolved at the Board of Directors meeting held on March 6, 2025, to transfer, through an absorption-type company split effective September 1, 2025 (planned), the head office functions of YORK Holdings Co., Ltd., as well as the rights and obligations related to all operations of 22 consolidated subsidiaries and 7 equity method affiliates associated with the grocery retail, specialties, and other retail business, to K.K. BCJ-96, a wholly owned subsidiary of K.K. BCJ-95, and acquisition purpose company established by Bain Capital Private Equity, L.P. and its affiliates. The Company also resolved to invest in K.K. BCJ-95 on the same date so that its ownership ratio after the effective date of the absorption-type split would be 35.07%. Accordingly, a significant change in the scope of consolidation is expected. This matter does not affect our audit opinion of the Company.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Appropriateness of judgement of necessity of recognizing impairment losses on non-current assets of stores of Ito-Yokado Co., Ltd.</th></tr>
<tr><th>Description of the Key Audit Matter and Reason for Determining the Matter</th><th>How We Addressed the Matter in Our Audit</th></tr>
<tr><td>In the consolidated balance sheet of Seven & i Holdings Co., Ltd. (hereinafter referred to as the “Company”) for the fiscal year ended February 28, 2025, property and equipment of ¥4,981,298 million and intangible assets of ¥2,711,382 million were recorded. As stated in Significant Accounting Estimates under Notes to Consolidated Financial Statements, of the above-mentioned amounts, property and equipment and intangible assets related to Ito-Yokado Co., Ltd. (hereinafter referred to as “Ito-Yokado”), which is included in the Superstore operations segment, were 340,992 million yen and 9,767 million yen, respectively. Furthermore, in the fiscal year ended February 28, 2025, an impairment loss of 34,962 million yen were recorded for Ito-Yokado.
In Ito-Yokado, the smallest unit that generates independent cash flows is mainly stores. If there is considered to be an indication of impairment on non-current assets of stores of Ito-Yokado, and if necessity of recognizing an impairment loss is judged by comparing the total amount of undiscounted future cash flows obtained from the non-current assets of stores with the book value, the book value shall be reduced to the recoverable value and the reduction amount shall be recorded as an impairment loss.
In the fiscal year ended February 28, 2025, Ito-Yokado considered that there was an indication of impairment mainly in the following stores, and judged necessity of recognizing impairment losses.
・Stores which incurred consecutive operating losses
・Stores whose non-current assets had significantly declined in fair value
・Stores which made a decision to close the store
Although Ito-Yokado promotes restructuring, there seemed to be an indication of impairment loss in multiple stores in the current fiscal year due to the significant impact of increase in costs for developing the strategic investment infrastructure.
The estimate of undiscounted future cash flows used to judge the necessity of recognizing impairment losses was made, taking into account actual past results, changes in the external environment, business strategies, including business restructuring, and other factors. Undiscounted future cash flows include significant assumptions such as the sales growing rate, gross margin ratio and expected changes in expenses. Future outlooks for the assumptions involve uncertainty, and the management’s judgement on them has important impact on the estimate of undiscounted future cash flows.
Therefore, we judged that appropriateness of the judgment of necessity of recognizing impairment losses on non-current assets of stores of Ito-Yokado was of particular significance in the audit of the consolidated financial statements for the fiscal year ended February 28, 2025, and was a “key audit matter.”</td><td>We principally performed the following audit procedures to assess appropriateness of the judgment of necessity of recognizing impairment losses on non-current assets of stores of Ito-Yokado.
(1) Assessment of internal control
We assessed effectiveness of the development and operation of internal control related to the judgment of necessity of recognizing impairment losses on non-current assets of stores. A particular focus was placed on internal control to prevent or detect the use of any unreasonable assumptions that were not consistent with actual past results with regard to significant assumptions such as the sales growing rate, gross margin ratio and expected changes in expenses included in the business plan.
(2) Assessment of reasonableness of the estimate of undiscounted future cash flows
To assess reasonableness of the estimate of undiscounted future cash flows are appropriate, we asked questions on the grounds to the management and mainly performed the following procedures.
・ As for sales growing rate, we examined appropriateness of the significant assumptions based on talks with appropriate managers, etc., effects of past similar measures, including customer-attracting measures, and consistency with data from external third-party institutions.
・ As for the gross margin ratio, we conducted analysis of consistency with changes in the assumed sales mix. In addition, as for effects of measures to improve gross margin, appropriateness of the significant assumptions was examined based on actual effects of past similar measures.
・ As for expected changes in expenses, we examined appropriateness of the significant assumptions based on actual results of past similar measures and consistency with data from external third-party institutions.</td></tr>
</table>

Other information

Other information is information in this Securities Report other than consolidated financial statements, non-consolidated financial statements and their audit report. The management is responsible for preparing and disclosing other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors’ performance of their duties including the design, implementation and maintenance of the Group’s reporting process of other information. Other information is not subject to our audit opinions on consolidated financial statements, and we do not express our opinions on that.

We are responsible for reading through other information, and in the process of reading, we are responsible for examining if there is any significant difference between the other information and consolidated financial statements or our knowledge obtained in the audit process, and paying attention if there is an indication of any significant error in the other information other than such significant difference.
If we judge there is any significant error in the other information based on our audit procedures, we are required to report such fact.
We have nothing to report on the other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements
The management is responsible for the preparation and fair presentation of consolidated financial documents in accordance with corporate accounting standards generally accepted in Japan. This includes the development and implementation of internal control deemed necessary by the management for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern, and disclosing matters related to going concern as applicable in accordance with accounting principles generally accepted in Japan.
Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatements due to fraud or error. Prepare and implement an audit plan addressing the risk of material misstatements. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.

- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if such notes are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.

- The audit of the consolidated financial statements is planned and conducted to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries, which forms the basis for expressing an opinion on the consolidated financial statements. As auditors, we are responsible for the direction, supervision, and review of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence. In the event that some measures are taken in order to eliminate obstruction factors, or related safeguards are applied to reduce them to the acceptable level, we provide them with the contents of such measures and safeguards.

Out of the matters we share in our cooperation with the Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine those matters that we judge as being of most significance in our audit of the consolidated financial statements for the fiscal year ended February 28, 2025 to be key audit matters, and we present those matters as such in our auditor’s report. However, in cases where the disclosure of such matters are prohibited by laws, regulations, etc., or although very limited, in cases where it is our judgment that such matters should not be reported by us because it can be reasonably expected that the disadvantages that could arise from reporting them in our auditor’s report would outweigh the public benefit from doing so, we don’t present those matters.

<Audit of Internal Control>

Audit Opinion

Pursuant to Article 193-2, paragraph (2) of the Financial Instruments and Exchange Act, we have audited the Internal Control Report as of February 28, 2025 of Seven & i Holdings Co., Ltd.

In our opinion, the Internal Control Report referred to above, which represents that internal control over financial reporting of the consolidated financial statements as of February 28, 2025 is effective, presents fairly, in all material respects, the result of the management’s assessment on internal control over financial reporting in conformity with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Audit Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Internal Control section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Internal Control Report

The management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of the Internal Control Report in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing and verifying the design and operation of internal control over financial reporting.

Internal control over financial reporting may not fully prevent or detect misstatements.

Auditor’s Responsibilities for the Audit of Internal Control

Our responsibilities are to obtain reasonable assurance about whether the Internal Control Report is free from material misstatement, and to issue an internal control audit report that includes our opinion on the Internal Control Report based on our internal control audit from an independent point of view.
In accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit.
We also:

- Perform audit procedures to obtain audit evidence regarding the results of the assessment of internal control over financial reporting in the Internal Control Report. The procedures selected and applied depend on the auditor's judgment, including the significance of effects on the reliability of financial reporting.

- Evaluate the overall presentation of the Internal Control Report, including disclosures on scope, procedures and conclusions of management's assessment of internal control over financial reporting.

- The audit of internal control is planned and conducted to obtain sufficient appropriate audit evidence regarding the evaluation results of internal control over financial reporting as stated in the internal control report. As auditors, we are responsible for the direction, supervision, and review of the audit of the internal control report. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the internal control audit, result of the internal control audit, any identified significant deficiencies in internal control which should be disclosed and the results of their remediation, and any other matters required by the auditing standards for internal control.
We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence. In the event that some measures are taken in order to eliminate obstruction factors, or related safeguards are applied to reduce them to the acceptable level, we provide them with the contents of such measures and safeguards.

<Information on compensation>
The amounts of audit attestation duty-based compensation and non-audit-based compensation for us as well as persons who belong to the same network of our firm are provided in (3) Status of audits, Status of corporate governance etc. included in "Status of the Company."

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan
Our firm and the designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

Notes: 1. The original version of the Audit Report presented above is kept separately by the Company (the filing company of the Annual Securities Report).
2. XBRL data is not included in the scope of audit.

Independent Auditor’s Report (Translation)

May 23, 2025

Seven & i Holdings Co., Ltd.

To Board of Directors

KPMG AZSA LLC

Tokyo Office, Japan

Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Reiji Kobayashi
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Masahiro Sasaki
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Daisuke Nakamura

<Audit of the Financial Statements>

Audit Opinion

Pursuant to the provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, we have audited the nonconsolidated financial statements, that is, the nonconsolidated balance sheets, nonconsolidated statements of income, nonconsolidated statements of changes in net assets, significant accounting policies, other notes and annexed nonconsolidated detailed schedules, of Seven & i Holdings Co., Ltd. for the 20th fiscal year from March 1, 2024 to February 28, 2025, which are provided in “Financial Information.”

In our opinion, the nonconsolidated financial statements referred to above present fairly, in all material respects, the financial position as of February 28, 2025 and business results for the fiscal year ended February 28, 2025 of Seven & i Holdings Co., Ltd. in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the nonconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the nonconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reasonableness of the valuation of unmarketable stocks of subsidiaries and affiliates	
Description of the Key Audit Matter and Reason for Determining the Matter	How We Addressed the Matter in Our Audit
In the nonconsolidated balance sheets as of February 28, 2025, stocks of subsidiaries and affiliates of ¥2,443,849 million were recorded. As stated in Securities under Notes to Nonconsolidated Financial Statements, these amounts include ¥2,439,058 million of stocks of subsidiaries and ¥3,288 million of stocks of affiliates which are unmarketable shares, etc., as per ASBJ Statement No. 10 "Accounting Standard for Financial Instruments" (hereinafter referred to as "unmarketable stocks of subsidiaries and affiliates"), and they account for 90.8% of total assets of ¥2,690,398 million. As stated in Significant Accounting Estimates under Notes to Nonconsolidated Financial Statements, for unmarketable stocks of subsidiaries and affiliates, acquisition cost is used as the book value. An impairment loss needs to be recognized, when their substantive value, which is calculated by multiplying the amount of net assets per share by the number of shares held, declines significantly due to deterioration in the financial condition of the company issuing the shares, unless there is sufficient persuasive evidence to support a subsequent recovery. In the fiscal year ended February 28, 2025, there are no unmarketable stocks of subsidiaries and affiliates whose substantive value has declined significantly but for which no impairment loss has been recognized, the recoverability of the substantive value has not become a problem. However, since Seven & i Holdings Co., Ltd. is a pure holding company, unmarketable stocks of subsidiaries and affiliates account for a major portion of its assets and their amount is material. Therefore, we judged that reasonableness of the valuation of unmarketable stocks of subsidiaries and affiliates was of particular significance in the audit of the nonconsolidated financial statements for the fiscal year ended February 28, 2025, and was one of "key audit matters."	To examine reasonableness of the valuation of unmarketable stocks of subsidiaries and affiliates, we principally performed the following audit procedures. (1) Assessment of internal control We assessed effectiveness of the design and operation of internal control related to the valuation of unmarketable stocks of subsidiaries and affiliates. (2) Reasonableness of the valuation of unmarketable stocks of subsidiaries and affiliates ・ Understood the business environment of subsidiaries and affiliates through reviewing minutes of the Board of Directors' meetings and asking questions to the management, and confirmed whether or not there is any subsidiary or affiliate who shows an indication of deterioration in the financial condition. ・ As for financial figures of significant subsidiaries, assessed credibility of the financial information based on the audit procedures performed by their auditor and results thereof. ・ To confirm accuracy of the substantive value used in the comparison with the book value, made a recalculation based on the net asset amount and the ratio of shareholdings of subsidiaries and affiliates. ・ Confirmed whether or not the substantive value had declined significantly, by making comparison examination between the book value of stocks of subsidiaries and affiliates and substantive value of subsidiaries and affiliates.

Other information

Other information is information in this Securities Report other than consolidated financial statements, non-consolidated financial statements and their audit report. The management is responsible for preparing and disclosing other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process of other information.

Other information is not subject to our audit opinions on financial statements, and we do not express our opinions on that.

We are responsible for reading through other information, and in the process of reading, we are responsible for examining if there is any significant difference between the other information and nonconsolidated financial statements or our knowledge obtained in the audit process, and paying attention if there is an indication of any error in the other information other than such significant difference.

If we judge there is any significant error in the other information based on our audit procedures, we are required to report such fact.

We have nothing to report on the other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements

The management is responsible for the preparation and fair presentation of financial documents in accordance with corporate accounting standards generally accepted in Japan. This includes the

development and implementation of internal control deemed necessary by the management for the preparation and fair presentation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the nonconsolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Company’s ability to continue as a going concern, and disclosing matters related to going concern as applicable in accordance with accounting principles generally accepted in Japan.
Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors’ performance of their duties including the design, implementation and maintenance of the Company’s financial reporting process.
Auditor’s Responsibilities for the Audit of the Nonconsolidated Financial Statements
Our responsibilities are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion on the nonconsolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.
In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatements due to fraud or error. Prepare and implement an audit plan addressing the risk of material misstatements. The procedures selected to be applied depend on the auditor’s judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the nonconsolidated financial statements is not to express an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.

- Conclude on the appropriateness of management’s use of the going concern basis for preparing the nonconsolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related notes to the nonconsolidated financial statements or, if such notes are inadequate, to express a qualified opinion with exceptions on the nonconsolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation of the nonconsolidated financial statements and the notes thereto are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the nonconsolidated financial statements, including the related notes thereto, and whether the nonconsolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.
We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence. In the event that some measures are taken in order to eliminate obstruction

factors, or related safeguards are applied to reduce them to the acceptable level, we provide them with the contents of such measures and safeguards.
Out of the matters we share in our cooperation with the Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine those matters that we judge as being of most significance in our audit of the nonconsolidated financial statements for the fiscal year ended February 28, 2025 to be key audit matters, and we present those matters as such in our auditor's report. However, in cases where the disclosure of such matters are prohibited by laws, regulations, etc., or although very limited, in cases where it is our judgment that such matters should not be reported by us because it can be reasonably expected that the disadvantages that could arise from reporting them in our auditor's report would outweigh the public benefit from doing so, we don't present those matters.

<Information on compensation>
Information on compensation is described in Audit Report of consolidated financial statements.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan
Our firm and the designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

Notes: 1. The original version of the Audit Report presented above is kept separately by the Company (the filing company of the Annual Securities Report).
2. XBRL data is not included in the scope of audit.

[Cover]

[Document title]	Internal Control Report
[Clause of stipulation]	Article 24-4-4, paragraph (1) of the Financial Instruments and Exchange Act
[Place of filing]	Director-General of the Kanto Local Finance Bureau
[Filing date]	May 23, 2025
[Company name]	*Kabushiki-Kaisha Seven & i Holdings*
[Company name in English]	Seven & i Holdings Co., Ltd.
[Title and name of representative]	Ryuichi Isaka, President, Representative Director and CEO
[Title and name of chief financial officer]	Yoshimichi Maruyama, Director, Managing Executive Officer and CFO
[Address of registered head office]	8-8, Nibancho, Chiyoda-ku, Tokyo
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihonbashi-Kabutocho, Chuo-ku, Tokyo)

1. Basic framework for internal controls regarding the financial reporting

   Ryuichi Isaka, President and Representative Director, CEO, and Yoshimichi Maruyama, Director and Managing Executive Officer, CFO, are responsible for the design and operation of internal control over financial reporting, and have designed and operated internal control over financial reporting in accordance with the basic framework for internal control set forth in “On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)” released by the Business Accounting Council.
   Internal control is aimed at achieving its goal to a reasonable extent through basic elements of internal control organically intertwining and functioning in an integrated manner. Accordingly, internal control over financial reporting may not fully prevent or detect misstatements.

2. Scope of assessment, record date, and assessment procedures

   The assessment of internal control over financial reporting was made with February 28, 2025 as the record date, which is the last day of the fiscal year ended, and in the assessment, we complied with assessment standards for internal control over financial reporting generally accepted in Japan.
   In this assessment, we assessed internal control that significantly affects the entire financial reporting on a consolidated basis (Company Level Controls), and then, based on the result, selected business processes to be assessed. In the assessment of the business processes, we made an assessment of effectiveness of internal control by analyzing the selected business processes, and then identifying key controls that have significant impact on credibility of financial reporting and assessing the design and operation for the key controls.
   As for the scope of the assessment of internal control over financial reporting, a necessary scope was determined from the viewpoint of significance of impact on credibility of financial reporting for the Company and its consolidated subsidiaries and entities accounted for using equity method. Significance of impact on credibility of financial reporting was determined in light of significance in terms of the amount and quality, and the scope of assessment of internal control over the business processes was reasonably determined based on results of assessment of Company Level Controls made targeting the Company and 12 consolidated subsidiaries. We judged that 43 consolidated subsidiaries and 20 entities accounted for using equity method were insignificant from the perspective of significance in terms of the amount and quality, so that they were not included in the scope of the assessment of Company Level Controls.
   As for the scope of the assessment of internal control over the business processes, we added up gross profit from operations (after elimination of transactions between consolidated companies) for the previous fiscal year of each business location whose amount of gross profit from operations is higher, and deemed four business locations whose amount in total roughly reached two-thirds of consolidated gross profit from operations for the previous fiscal year as “significant business entities,” taking into account the characteristics of businesses in the Group. In the selected significant business entities, as account items that are closely associated with the company’s business objectives, business process concerning net sales, accounts receivable and inventories was subject to the assessment. Furthermore, regardless of the selected significant business entities, as for the scope including other business entities, business processes related to significant account items for which the possibility of material misstatements are high and which involve estimates and forecasts were added to matters to be assessed as high significant business processes of in view of the impact on financial reporting.

3. Results of the assessment

   As a result of the above assessment, we judged that the Company’s internal control over financial reporting was effective as of February 28, 2025.

4. Supplementary notes

   The Company resolved at the Board of Directors meeting held on March 6, 2025, to transfer, through an absorption-type company split effective September 1, 2025 (planned), the head office functions of YORK Holdings Co., Ltd., as well as the rights and obligations related to all operations of 22 consolidated subsidiaries and 7 equity method affiliates associated with the grocery retail, specialties, and other retail business, to K.K. BCJ-96, a wholly owned subsidiary of K.K. BCJ-95, and acquisition purpose company established by Bain Capital Private Equity, L.P. and its affiliates. The Company also resolved to invest in K.K. BCJ-95 on the same date so that its ownership ratio after the effective date of the absorption-type split would be 35.07%. Accordingly, a significant change in the scope of consolidation is expected.

5. Special notes
   None