CONVOCATION NOTICE OF THE 20TH ANNUAL SHAREHOLDERS' MEETING

Seven & i Holdings Co., Ltd.

Note: This document has been translated from Japanese original for reference purpose only, without any warranty as to its accuracy or as to the completeness of the information. The Japanese original version is the sole official version.

Dear Shareholders,

We thank you for your continued support, which is deeply appreciated.

We are sending this convocation notice as we will shortly be holding our 20th Annual Shareholders' Meeting.

Please find included in this notice an overview of the business of Seven & i Holdings Co., Ltd. together with the matters to be resolved at this Annual Shareholders' Meeting, which we encourage you to read.

With "Trust" and "Sincerity," mentioned in our Corporate Creed below, forming the basis to everything we do, we are moving toward realizing our "Ideal Group Image for 2030" while taking the basic stance of "aiming to contribute to local communities in Japan and overseas by providing new experiences and values from the customer's point of view."

We look forward to the prospect of your further support.

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.

Ideal Group Image for 2030:
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.

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

<TRANSLATION FOR REFERENCE PURPOSES ONLY>

Securities Code No. 3382
May 9, 2025

To Our Shareholders,

8-8, Nibancho, Chiyoda-ku, Tokyo
Seven & i Holdings Co., Ltd.
Ryuichi Isaka, Representative Director and President

CONVOCATION NOTICE OF THE 20TH ANNUAL SHAREHOLDERS' MEETING

Notice is hereby provided of the 20th Annual Shareholders' Meeting of Seven & i Holdings Co., Ltd. (the "Company"), which will be held as indicated below.

Shareholders who do not plan to attend the meeting may exercise their voting rights in writing or by electronic method (via the Internet, etc.). You are kindly requested to examine the Shareholders' Meeting Reference Materials, and exercise your voting right by 5:30 p.m. on May 26, 2025 (Monday) in accordance with Information about Exercising Your Voting Rights on pages 6 to 7.

When convening this Shareholders' Meeting, the Company takes measures for providing information that constitutes the content of shareholders' meeting reference materials, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company's website. Please access the Company's website by using the Internet address shown below to review the information.

[The Company's website]

https://www.7andi.com/en/ir/stocks/general.html

In addition to posting items for which measures for providing information in electronic format are to be taken on the website listed above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information from the latter website, access the TSE website (Listed Company Search) by using the internet address given below, input "Seven & i Holdings" in "Issue name (company name)" or our securities code "3382" in "Code" and click "Search," and then click "Basic information" and select "Documents for public inspection/PR information," and you can access the document from "Notice of General Shareholders' Meeting/Informational Materials for a General Shareholders' Meeting" shown under "Filed information available for public inspection."

[The Tokyo Stock Exchange's website (Listed Company Search)]
https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show (in Japanese)

In addition to the above, the following website also provides the information in electronic format.

[Website for posted informational materials for the Shareholders' Meeting]
https://d.sokai.jp/3382/teiji/ (in Japanese)

Best regards,

Notes

1. Date: 10:00 a.m., May 27, 2025 (Tuesday)

2. Place: Head office of the Company (8-8, Nibancho, Chiyoda-ku, Tokyo)
Conference Room

3. Purposes of this Annual Shareholders' Meeting

Matters to be Reported:

(1) Reporting on the substance of the Business Report, the substance of the Consolidated Financial Statements for the 20th fiscal year (from March 1, 2024 to February 28, 2025), and the results of audits of the Consolidated Financial Statements by the accounting auditor and the Audit & Supervisory Board.

(2) Reporting on the substance of the Financial Statements for the 20th fiscal year (from March 1, 2024 to February 28, 2025).

Matters to be Resolved:

Item No. 1: Appropriation of retained earnings

Item No. 2: Decrease in additional paid-in capital (additional paid-in capital transferred to other capital surplus)

Item No. 3: Partial amendment of the Articles of Incorporation

Item No. 4: Election of thirteen (13) Directors

Item No. 5: Election of one (1) Audit & Supervisory Board Member

Item No. 6: Revision to amount of compensation for Directors

Item No. 7: Determining compensation related to restricted stock units (RSU) for Directors (excluding Outside Directors)

4. Matters Determined for Convocation

(1) Please be advised that if you redundantly exercise your voting right both in writing and by electronic method, the Company will only deem your exercise by electronic method valid. Also, please be advised that if you exercise your voting right multiple times by electronic method, the Company will only deem the substance of your final exercise to be valid.

(2) If neither approval nor disapproval of each proposal is indicated on the Voting Instructions Form, the Company will deem that you indicated "approval."

(3) If you wish to make a diverse exercise of your voting rights, please notify the Company in writing or by electronic method of your intention of making a diverse exercise of your voting rights and the reasons thereof by three (3) days prior to the Annual Shareholders' Meeting.

End

If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on each of the websites indicated on page 3.

When you attend the Annual Shareholders' Meeting, please submit the Voting Instructions Form that will be sent together with this Notice of Convocation at the reception desk. In addition, please assist us in conserving resources by bringing with you this Convocation Notice.

Free samples will not be provided at Annual Shareholders' Meetings. Your understanding would be appreciated in this regard.

Information about Exercising Your Voting Rights

You may exercise your voting rights using one of the following three methods.

Exercise of voting rights by attending the Annual Shareholders' Meeting

You are kindly requested to exercise your voting rights by submitting the Voting Instructions Form to the Reception Desk at the Meeting.

Date of the Annual Shareholders' Meeting
10:00 a.m. Japan Standard Time (JST), May 27, 2025 (Tuesday)

Exercise of voting rights by post

You are kindly requested to indicate your vote for or against the proposed actions on the Voting Instructions Form, and to return the completed Voting Instructions Form to the Company. You do not need to affix a stamp.

Deadline for exercise of voting rights by post
The Company must receive the completed Voting Instructions Form by 5:30 p.m. JST, May 26, 2025 (Monday).

Exercise of voting rights via the Internet

Follow the instructions on page 7 and input your vote for or against the proposed actions.

Deadline for exercise of voting rights via the Internet
The Company must receive your voting instructions by 5:30 p.m. JST, May 26, 2025 (Monday).

Handling of votes

(1) If you redundantly exercise your voting right both by the Voting Instructions Form (post) and via the Internet, the Company will only deem your exercise via the Internet valid. Also, if you exercise your voting right multiple times via the Internet, the Company will only deem the substance of your final exercise to be valid.
(2) If neither approval nor disapproval of each proposal is indicated on the Voting Instructions Form (post), the Company will deem that you indicated "approval" of the proposal.
(3) If you wish to make a diverse exercise of your voting rights, please notify the Company in writing or by electronic method of your intention of making a diverse exercise of your voting rights and the reasons thereof by three (3) days prior to the Annual Shareholders' Meeting.

Information about Exercising Your Voting Rights via the Internet

Scanning QR code®

You can simply login to the Voting Website for exercising voting rights without entering your login ID and temporary password printed on the Voting Instructions Form.

1. Please scan the QR code® located on the right side of the Voting Instructions Form.

   * "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

2. Indicate your approval or disapproval by following the instructions on the screen.

Entering login ID and temporary password

Voting Website:
https://evote.tr.mufg.jp/ (in Japanese)

1. Please access the Voting Website.
2. Enter your "login ID" and "temporary password" printed on the Voting Instructions Form.
3. Indicate your approval or disapproval by following the instructions on the screen.

Please confirm the following items if you exercise your voting rights via the Internet.

(1) Please note that service is not available between 2:30 a.m. and 4:30 a.m. (JST) each day.
(2) Costs (Internet connection charges, packet transmission fees, etc.) incurred in accessing the Voting Website (https://evote.tr.mufg.jp/) (in Japanese) will be the responsibility of the shareholder.
(3) Depending on certain factors in the shareholder's Internet usage environment, it might not be possible to exercise voting rights. These factors include the use of a firewall, etc., in the Internet connection, the use of anti-virus software, and the use of a proxy server.

In case you need instructions for how to operate your personal computer/smartphone in order to exercise your voting rights via the Internet, please contact:
Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Department Help Desk
Tel: 0120-173-027 (Toll free only from Japan / Hours: 9:00 a.m. to 9:00 p.m. JST)

Platform for Electronic Exercise of Voting Rights

Nominee shareholders such as trust and custody services banks (including standing proxies) who have made prior application to use the platform for the electronic exercise of voting rights that is operated by ICJ Inc. may use this platform.

Shareholders' Meeting Reference Materials

Item No. 1: Appropriation of retained earnings

It is proposed that retained earnings will be appropriated as described below:

The Company implements shareholder returns aiming for a total shareholder return ratio of 50% or more (cumulative from the 19th fiscal year to the fiscal year ending February 28, 2026) while increasing dividends per share in a stable and continuous manner.

Starting from the fiscal year ended February 28, 2025, the Company has introduced a "progressive dividend" that will be increased in line with sustained profit growth.

Matters concerning year-end dividends

It is proposed that the year-end dividends for the 20th fiscal year be paid as follows in consideration of the performance for the 20th fiscal year and the future business development, etc.

(1) Type of dividend property

It is proposed that the dividend property will be paid in monetary terms.

(2) Matters concerning the allocation of dividend property and the aggregate amount thereof

It is proposed that the amount of allocation will be ¥20 per share of the Company's common stock.

In such a case, the aggregate amount of dividends shall be ¥51,980,723,720.

Therefore, the annual dividends for the 20th fiscal year, including interim dividends of ¥20, shall be ¥40 per share.

(3) Date on which the dividends from retained earnings become effective

It is proposed that the dividends from retained earnings become effective on May 28, 2025.

Item No. 2: Decrease in additional paid-in capital (additional paid-in capital transferred to other capital surplus)

In order to increase the amount available for distribution and prepare for future capital policies, ¥450.0 billion will be withdrawn from the additional paid-in capital and transferred to other capital surplus, in accordance with the provisions of Article 448, Paragraph 1 of the Companies Act.

(1) Amount of additional paid-in capital to be reduced
¥450,000,000,000
(2) Effective date of reduction in additional paid-in capital
July 17, 2025

Item No. 3: Partial amendment of the Articles of Incorporation

1. Reason for amendment

In order to enable flexible operation of Shareholders' Meetings, the person authorized to convene and chair Shareholders' Meetings, as stipulated in Article 15 of the current Articles of Incorporation, shall be changed to the Director who is predetermined by the Board of Directors.

2. Details of amendments

The proposed amendments are as follows:

(Underlined portions indicate amendments.)

Current provisions of the Articles of Incorporation	Proposed amendments
Article 15 (Convener and Chairperson) 1. Shareholders meetings shall be convened and chaired by the president. 2. If the president's position is vacant or the president is unable to attend to his/her duties, a shareholders meeting shall be convened and chaired by one of the other directors in the order predetermined by the board of directors.	Article 15 (Convener and Chairperson) 1. Shareholders meetings shall be convened and chaired by the director who is predetermined by the board of directors. 2. If the position of the director predetermined pursuant to the preceding paragraph is vacant or the predetermined director is unable to attend to his/her duties, a shareholders meeting shall be convened and chaired by one of the other directors in the order predetermined by the board of directors.

Item No. 4: Election of thirteen (13) Directors

The terms of office of all eleven (11) current Directors expire upon the conclusion of this Annual Shareholders' Meeting. Shareholders are therefore requested to elect thirteen (13) Directors. This proposal was approved at the Board of Directors meeting after its details were supported, after deliberation based on the "Guidelines for Directors and Audit & Supervisory Board Members" of the Company, by the "Nomination Committee," which is an advisory committee to the Board of Directors chaired by an Independent Outside Director and the majority of whose members is comprised of Independent Outside Directors.

Reference: Guidelines for Directors and Audit & Supervisory Board Members
https://www.7andi.com/library/ir/management/governance/en/pdf/guidelines202201.pdf

The candidates for Directors are as follows:

Candidate No.	Name	Current position in the Company	Attendance at Board of Directors meetings			
1	Junro Ito	Representative Director and Vice President Executive Officer and Vice President Chief Sustainability Officer (CSuO) Chief Administrative Officer (CAO)	16/16	Reappointment		
2	Stephen Hayes Dacus	Lead Independent Outside Director	16/16	Reappointment		
3	Shigeki Kimura			New appointment		
4	Yoshimichi Maruyama	Director Managing Executive Officer Chief Financial Officer (CFO)	16/16	Reappointment		
5	Tamaki Wakita	Director Executive Officer Chief Strategy Officer (CSO)	11/11	Reappointment		
6	Fuminao Hachiuma	Outside Director	16/16	Reappointment	Outside	Independent
7	Yoshiyuki Izawa	Outside Director	16/16	Reappointment	Outside	Independent
8	Meyumi Yamada	Outside Director	16/16	Reappointment	Outside	Independent
9	Paul Yonamine	Outside Director	15/16	Reappointment	Outside	Independent
10	Takashi Sawada			New appointment	Outside	Independent
11	Masaki Akita			New appointment	Outside	Independent
12	Tatsuya Terazawa			New appointment	Outside	Independent
13	Christine Edman			New appointment	Outside	Independent

(Notes)
1. Attendance at meetings of the Board of Directors held in the 20th fiscal year is presented as attendance at Board of Directors meetings.
2. If all of the above candidates for Director are approved, the ratio of foreign national Directors will be 23.1% (3/13) and the ratio of female Directors will be 15.4% (2/13).
   *Rounded to one decimal place
3. Major management and industry experience, management skills, knowledge, etc. of Directors and Audit & Supervisory Board Members after this Annual Shareholders' Meeting, assuming that Items No. 4 and No.5 will be approved as originally proposed, are as shown on page 27.

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">1</td><td>Junro Ito
(June 14, 1958)
* 9,519,009 shares
Reappointment
Term of office: 16 years and 0 months

<u>Attendance at meetings</u>
Board of Directors:
16/16 (100%)
Compensation Committee:
8/8 (100%)</td><td>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)
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)
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)
(Important Concurrent Positions)
Chairman & Representative Director of YORK Holdings Co., Ltd.
Representative Director and President of Seven & i Energy Management Co., Ltd.</td></tr>
<tr><td colspan="2">[Reasons, etc. for Nomination as Candidate for Director]
He has overseas business experience and a broad range of knowledge of the retail industry cultivated as Vice President and a director of the Company and its Group companies as well as a broad range of knowledge and experience in company management, social marketing, risk management, sustainability, and so forth.
Because we would like him to utilize this knowledge and experience to realize our management plans, to enhance our corporate value including non-financial aspects, and to smoothly execute group management, we would like to request his election as a Director. He will assume the post of Representative Director and Executive Chair (Kaicho) upon approval at this Annual Shareholders’ Meeting and approval at the meeting of the Board of the Directors held after such Shareholders’ Meeting.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">2</td><td>Stephen Hayes Dacus
(November 7, 1960)
* 0 shares
Reappointment
Term of office: 3 years and 0 months

Attendance at meetings
Board of Directors:
16/16 (100%)
Nomination Committee:
10/10 (100%)</td><td>Sept. 1983: Joined Northrop Corporation (currently Northrop Grumman Corporation)
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)
(Important Concurrent Positions)
Non-executive Director of Hana Group SAS
Chairman of Daiso USA L.L.C.</td></tr>
<tr><td colspan="2">[Reasons, etc. for Nomination as Candidate for Director]
He has served as a corporate executive officer in the retail industry and other industries both in the U.S. and Japan, and has a broad range of high level knowledge and experience in marketing and finance and accounting, etc. cultivated through abundant global business experience.
He was appointed as an Independent Outside Director of the Company in May 2022, and was appointed as the Chairman of the Board of Directors and Lead Independent Outside Director in April 2024. As Chair of the Strategic Committee and the Special Committee, he has played an important role in overseeing strategies for the pursuit of Group value creation.
Because we would like him to utilize this knowledge and experience to realize our management plans, and to refine our management system, capital structure, and business operations with a focus on the convenience store business in order to maximize the Group’s corporate value, we would like to request his election as a Director.
He will assume the post of Representative Director, President and Chief Executive Officer (CEO) upon approval at this Annual Shareholders’ Meeting and approval at the meeting of the Board of the Directors held after such Shareholders’ Meeting.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">3</td><td>Shigeki Kimura
(March 16, 1962)
* 25,200 shares
New appointment
Term of office: –</td><td>Mar. 1986: Joined SEVEN-ELEVEN JAPAN CO., LTD.
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. (incumbent)
Mar. 2021: Director of SEVEN-ELEVEN OKINAWA Co., Ltd. (incumbent)
Mar. 2024: Director and Vice President of SEVEN-ELEVEN JAPAN CO., LTD. (incumbent)
Executive Vice President of SEVEN-ELEVEN JAPAN CO., LTD. (incumbent)
July 2024: Outside Director of AIN HOLDINGS INC. (incumbent)
(Important Concurrent Positions)
Director, Executive Vice President and General Manager of the Administration Division of SEVEN-ELEVEN JAPAN CO., LTD.
Director of SEVEN-ELEVEN OKINAWA Co., Ltd.
Outside Director of AIN HOLDINGS INC.</td></tr>
<tr><td colspan="2">[Reasons, etc. for Nomination as Candidate for Director]
He has a broad range of knowledge of the retail industry cultivated as a Director of the Company and Vice President of a Group company, as well as a broad range of knowledge and experience in company management including the franchise business, risk management, IT, sustainability, and other areas.
Because we would like him to utilize this knowledge and experience to realize our management plans, to enhance Group functions, and to pursue Group synergies, we would like to request his election as a Director.
He will assume the post of Representative Director and Vice President upon approval at this Annual Shareholders' Meeting and approval at the meeting of the Board of the Directors held after such Shareholders' Meeting.</td></tr>
</table>

Candidate No.	Name (Date of birth) * Number of shares of the Company owned Term of office	Brief personal history, position, area of responsibility, and important concurrent positions
4	Yoshimichi Maruyama (November 2, 1959) * 5,400 shares Reappointment Term of office: 5 years and 0 months Attendance at meetings Board of Directors: 16/16 (100%) Nomination Committee: 6/6 (100%)	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) (Important Concurrent Positions) Representative Director and President of SEVEN & i Financial Center Co., Ltd. Director of 7-Eleven, Inc. Director of 7-Eleven International LLC
	[Reasons, etc. for Nomination as Candidate for Director] He has business experience in a financial institution and a broad range of knowledge relating to the Group’s overall operations cultivated as a senior officer in the risk management division of the Company and the finance division of the Company as well as a broad range of knowledge and experience relating to risk management, finance and accounting, and so forth. Because we would like him to utilize this knowledge and experience to realize our management plans, to stabilize the Group’s financial base, and to strengthen financial discipline, we would like to request his election as a Director.	

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">5</td><td>Tamaki Wakita
(May 12, 1972)
* 6,680 shares
Reappointment
Term of office: 1 year and 0 months

<u>Attendance at meetings</u>
Board of Directors:
11/11 (100%)
Compensation Committee:
5/6 (83.3%)</td><td>Apr. 1995: Joined Nichimen Corporation (currently Sojitz Corporation)
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)
(Important Concurrent Positions)
Director of 7-Eleven, Inc.
Director of 7-Eleven International LLC</td></tr>
<tr><td colspan="2">[Reasons, etc. for Nomination as Candidate for Director]
He has overseas business experience and a broad range of knowledge of the retail industry, cultivated as a president and director of the Group companies, as well as a broad range of knowledge of and experience in company management, marketing, and so forth.
Because we would like him to utilize this knowledge and experience to realize our management plans, to promote the management of the Group, and to formulate our future management strategy, we would like to request his election as a Director.</td></tr>
</table>

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(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">6</td><td>Fuminao Hachiuma
(December 8, 1959)
* 0 shares
Reappointment
Outside Director
Independent Director
Term of office: 2 years and 0 months

<u>Attendance at meetings</u>
Board of Directors:
16/16 (100%)
Nomination Committee:
10/10 (100%)</td><td>Apr. 1983: Joined Ajinomoto Co., Inc.
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)
(Important Concurrent Positions)
Outside Audit & Supervisory Board Member of YKK AP Inc.
Outside Director of SUBARU CORPORATION</td></tr>
<tr><td colspan="2">[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.]
He has a broad range of high level knowledge and experience in corporate management, marketing and sustainability, among others as well as abundant international knowledge related to “Food” cultivated through his experience serving in important positions such as Representative Director at food companies in Japan and overseas.
Because we would like him to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request his election as an Outside Director.
He will assume the post of Chairman of the Board of Directors and Lead Independent Outside Director upon approval at this Annual Shareholders’ Meeting and approval at the meeting of the Board of the Directors held after such Shareholders’ Meeting.</td></tr>
</table>

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<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">7</td><td>Yoshiyuki Izawa
(February 10, 1948)
* 600 shares
Reappointment
Outside Director
Independent Director
Term of office: 3 years and 0 months

<u>Attendance at meetings</u>
Board of Directors:
16/16 (100%)
Nomination Committee:
10/10 (100%)</td><td>Apr. 1970: Joined MITSUI & CO., LTD.
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)
Feb. 2024: Outside Director of Newton Investment Partners, Inc. (currently Japan Activation Capital, Inc.) (incumbent)
(Important Concurrent Positions)
Outside Director (Member of the Audit and Supervisory Committee) of Nitori Holdings Co., Ltd.
Outside Director of Sanoh Industrial Co., Ltd.
Outside Director of Japan Activation Capital, Inc.</td></tr>
<tr><td colspan="2">[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.]
He has a broad range of high level knowledge in international corporate management, finance and accounting, capital markets, sustainability, among others, and as well as his experience served as a Representative Director of a trading company and a financial institution, and has served such important positions as Chairman & CEO, Representative Director of BlackRock Japan Co., Ltd. Because we would like him to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request his election as an Outside Director.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">8</td><td>Meyumi Yamada
(August 30, 1972)
* 0 shares
Reappointment
Outside Director
Independent Director
Term of office: 3 years and 0 months

<u>Attendance at meetings</u>
Board of Directors:
16/16 (100%)
Nomination Committee:
10/10 (100%)</td><td>Apr. 1995: Joined KOEI KOGYO Co., Ltd.
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)
(Important Concurrent Positions)
Director of istyle Inc.
Outside Director of SEINO HOLDINGS CO., LTD.
Outside Director of Sompo Holdings, Inc.</td></tr>
<tr><td colspan="2">[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.]
She has a broad range of high level knowledge and experience in corporate management, EC (e-commerce), DX (digital transformation), marketing, sustainability, among others, which she has cultivated through the operation of “@cosme,” one of Japan’s largest cosmetics and beauty portal sites, and through starting up a women’s skill development and job hunting support business.
Because we would like her to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request her election as an Outside Director.</td></tr>
</table>

Candidate No.	Name (Date of birth) * Number of shares of the Company owned Term of office	Brief personal history, position, area of responsibility, and important concurrent positions
9	Paul Yonamine (August 20, 1957) * 0 shares Reappointment Outside Director Independent Director Term of office: 3 years and 0 months <u>Attendance at meetings</u> Board of Directors: 15/16 (93.8%) Compensation Committee: 8/8 (100%)	June 1979: Joined Peat, Marwick, Mitchell & Co. (currently KPMG LLP) 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) (Important Concurrent Positions) Chairman Emeritus & Director (Non Executive Director) of Central Pacific Financial Corp. Chairman Emeritus & Director (Non Executive Director) of Central Pacific Bank Outside Director of Sumitomo Mitsui Banking Corporation Outside Director (Audit and Supervisory Committee Member) of PayPay Corporation
	[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.] He has a broad range of high level knowledge and experience in DX (digital transformation), finance, and accounting, etc. cultivated through his extensive management experience at consulting firms, as President of IBM Japan, Ltd. and as CEO of overseas financial institutions, among others. Because we would like him to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request his election as an Outside Director.	

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">10</td><td>Takashi Sawada
(July 12, 1957)
* 0 shares
New appointment
Outside Director
Independent Director
Term of office: –</td><td>Apr. 1981: Joined ITOCHU Corporation
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)
(Important Concurrent Positions)
Director of LOTTE VENTURES JAPAN CO., LTD.
Representative Director and CEO of CellSource Co., Ltd.
Outside Director of STORES, Inc.</td></tr>
<tr><td colspan="2">[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.]
He has a broad range of high level knowledge and experience in overseas expansion in the retail industry, franchise businesses, branding, and finance and accounting, etc., cultivated through his extensive track record in corporate management as Vice President of FAST RETAILING CO., LTD. and in other roles.
Because we would like him to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request his election as an Outside Director.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">11</td><td>Masaki Akita
(December 24, 1958)
* 0 shares
New appointment
Outside Director
Independent Director
Term of office: –</td><td>Apr. 1983: Joined Hankyu Corporation (currently Hankyu Hanshin Holdings, Inc.)
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)
(Important Concurrent Positions)
Director, Chair and Chairperson of the Board of Directors of Matsuya Co., Ltd.
Outside Director of Meiji Yasuda Life Insurance Company</td></tr>
<tr><td colspan="2">[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.]
He has wide-ranging knowledge of the inbound tourism business and of food, as well as a broad range of high level knowledge and experience in marketing, risk management, etc., cultivated through his track record in corporate management as the Representative Director of Matsuya Co., Ltd. and in other roles.
Because we would like him to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request his election as an Outside Director.</td></tr>
<tr><td rowspan="2">12</td><td>Tatsuya Terazawa
(January 20, 1961)
* 0 shares
New appointment
Outside Director
Independent Director
Term of office: –</td><td>Apr. 1984: Joined Ministry of International Trade and Industry
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)
(Important Concurrent Positions)
Chairman and CEO of The Institute of Energy Economics, Japan
Outside Director of Toyo Engineering Corporation</td></tr>
<tr><td colspan="2">[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.]
He has served as Vice-Minister for International Affairs in the Ministry of Economy, Trade and Industry, and as Chairman and CEO of The Institute of Energy Economics, Japan, as well as in other important roles, and has a broad range of high level knowledge and experience in such areas as international trade, franchise businesses, risk management, and sustainability.
Because we would like him to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request his election as an Outside Director.</td></tr>
</table>

Candidate No.	Name (Date of birth) * Number of shares of the Company owned Term of office	Brief personal history, position, area of responsibility, and important concurrent positions
13	Christine Edman (December 23, 1975) * 0 shares New appointment Outside Director Independent Director Term of office: –	Nov. 1997: Joined Mattel International K.K. 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. (Important Concurrent Positions) Not applicable.
	[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.] She has wide-ranging knowledge of the global retail industry, as well as a broad range of high level knowledge and experience in such areas as DX (digital transformation), marketing and branding, cultivated through her experience serving as the representative director of companies in the apparel industry both in Japan and overseas, and in other important roles. Because we would like her to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request her election as an Outside Director.	

(Notes)

1. The Company established the "Nomination Committee" as an advisory committee to the Board of Directors. The committee's chair and the majority of its members are Independent Outside Directors. Through the committee's deliberations on the nomination of Representative Directors, Directors, Audit & Supervisory Board Members, and Executive Officers (hereinafter collectively, "officers, etc."), the Company utilizes the knowledge and advice of Outside Directors and Outside Audit & Supervisory Board Members, and ensures objectivity and transparency in the procedures for deciding the nomination of officers, etc., thereby enhancing the supervisory function of the Board of Directors and further substantiating corporate governance functions. Audit & Supervisory Board Members act as observers at the "Nomination Committee" since it is important to ensure due process at the committee as an advisory committee to the Board of Directors.
2. "New appointment" indicates new candidates for Director, and "Reappointment" indicates reappointed candidates for Director.
3. "Outside Director" indicates candidates for Outside Director, and "Independent Director" indicates those candidates for Director who are independent officers as stipulated by the Tokyo Stock Exchange.
4. There is no special relationship of interest between each of the above candidates and the Company.
5. Fuminao Hachiuma, Yoshiyuki Izawa, Meyumi Yamada, Paul Yonamine, Takashi Sawada, Masaki Akita, Tatsuya Terazawa, and Christine Edman satisfy the requirements for nomination for the office of Outside Director. In addition, Fuminao Hachiuma, Yoshiyuki Izawa, Meyumi Yamada, Paul Yonamine, Takashi Sawada, Masaki Akita, Tatsuya Terazawa, and Christine Edman are neither a spouse nor a relative within the third degree of relationship, etc., of the business administrators or officer of the Company or the specified relation business associates of the Company.
6. Sompo Japan Insurance Inc. (hereinafter "Sompo Japan"), a subsidiary of Sompo Holdings, Inc. (hereinafter "Sompo Holdings") where Meyumi Yamada has served as an Outside Director since June 28, 2021 to date, received administrative dispositions from the Financial Services Agency on December 26, 2023, based on the Insurance Business Act, and from the Japan Fair Trade Commission on October 31, 2024, based on the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, for issues such as inappropriate insurance premium adjustment practices. In addition, Sompo Japan received an administrative disposition from the Financial Services Agency on March 24, 2025, based on the Insurance Business Act for leaks of customer information. Sompo Holdings and Sompo Japan received an administrative disposition from the Financial Services Agency on January 25, 2024, based on the Insurance Business Act for issues related to their response to fraudulent automobile insurance claims by used car dealers. Meyumi Yamada has fulfilled her responsibilities by making proposals from the perspective of legal compliance and customer protection, and by making proposals for effective group governance after these incidents were discovered.
7. The Company has concluded an agreement with each of the Outside Directors 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. If the new appointment/reappointment of the candidates for Outside Director are approved, the Company intends to conclude or continue its liability limitation agreement with each of them.

8. 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; the contract is scheduled to be renewed in September 2025. Among the candidates above, those who are incumbent Directors are currently insured under the contract, and if the new appointment/reappointment of the above candidates for Director is approved, they will be insured under the contract. The brief overview of the said insurance contract is as follows:
   (1) Scope of the insured individuals
   Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and its subsidiaries (excluding certain subsidiaries)
   (2) 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.
   (3) 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.
9. Fuminao Hachiuma, Yoshiyuki Izawa, Meyumi Yamada, and Paul Yonamine are Independent Directors in accordance with the rules of the Tokyo Stock Exchange, and satisfy the independence standards for outside officers established by the Company.
10. The Company intends to designate Takashi Sawada, Masaki Akita, Tatsuya Terazawa, and Christine Edman as Independent Directors in accordance with the rules of the Tokyo Stock Exchange, and accordingly intends to submit a report to the Tokyo Stock Exchange. In addition, they satisfy the independence standards for outside officers established by the Company.
11. The Company uses the independence standards established by the financial instruments exchanges as the independence standards for the Company's Outside Directors and Outside Audit & Supervisory Board Members, and with respect to the de minimis thresholds for information disclosure regarding the attributes of Independent Directors and Independent Audit & Supervisory Board Members as negligible, "transactions" are "less than 1% of the non-consolidated revenues from operations of the Company for the most recent accounting period," and "donations" are "less than ¥10 million," in the most-recent business year of the Company.
12. "Term of office" refers to the term of office as of the conclusion of this Annual Shareholders' Meeting.
13. Attendance at meetings of the Board of Directors and other meetings is the status of attendance during the 20th fiscal year.
14. The number of shares of the Company owned by each of the candidates is stated as of April 10, 2025, and the brief personal history, etc. of each of the above candidates is as of April 17, 2025.

Item No. 5: Election of one (1) Audit & Supervisory Board Member

The term of office of current Audit & Supervisory Board Member Noriyuki Habano expires upon the conclusion of this Annual Shareholders' Meeting. Shareholders are therefore requested to elect one (1) Audit & Supervisory Board Member. This proposal was deliberated by the Audit & Supervisory Board based on the "Guidelines for Directors and Audit & Supervisory Board Members" of the Company and obtained the consent of the Audit & Supervisory Board. It was then referred to the "Nomination Committee," an advisory committee to the Board of Directors, and approved by the Board of Directors.

Reference: Guidelines for Directors and Audit & Supervisory Board Members
https://www.7andi.com/library/ir/management/governance/en/pdf/guidelines202201.pdf

The candidate for Audit & Supervisory Board Member is as follows:

Name	Current position in the Company	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	
Shinya Ishii	Executive Officer	–	–	New appointment

(Note)
Major management and industry experience, management skills, knowledge, etc. of Directors and Audit & Supervisory Board Members after this Annual Shareholders' Meeting, assuming that Items No. 4 and No. 5 will be approved as originally proposed, are as shown on page 27.

Name (Date of birth) * Number of shares of the Company owned Term of office	Brief personal history, position, and important concurrent positions
Shinya Ishii (February 21, 1965) * 3,900 shares New appointment Term of office: –	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. (incumbent) (Important Concurrent Positions) Not applicable.

[Reasons, etc. for Nomination as Candidate for Audit & Supervisory Board Member]
He has wide-ranging knowledge of the operations of the Group as a whole, as well as a broad range of knowledge and experience in finance, accounting, and management administration, cultivated in his role of Executive Officer, Senior Officer of the Corporate Management Department.
Because we would like him to contribute this knowledge and experience to the establishment of a good corporate governance structure that can realize robust and sustainable growth of the Company, create medium- to long- term corporate value, and respond to social trust, we would like to request his election as an Audit & Supervisory Board Member.

(Notes)
1. The Company established the “Nomination Committee” as an advisory committee to the Board of Directors. The committee’s chair and the majority of its members are Independent Outside Directors. Through the committee’s deliberations on the nomination of Representative Directors, Directors, Audit & Supervisory Board Members, and Executive Officers (hereinafter collectively, “officers, etc.”), the Company utilizes the knowledge and advice of Outside Directors and Outside Audit & Supervisory Board Members, and ensures objectivity and transparency in the procedures for deciding the nomination of officers, etc., thereby enhancing the supervisory function of the Board of Directors and further substantiating corporate governance functions. Audit & Supervisory Board Members act as observers at the “Nomination Committee” since it is important to ensure due process at the committee as an advisory committee to the Board of Directors.
2. “New appointment” indicates new candidates for Audit & Supervisory Board Member.
3. There is no special relationship of interest between the above candidate and the Company.
4. 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; the contract is scheduled to be renewed in September 2025. If the new appointment of the above candidate for Audit & Supervisory Board Member is approved, he will be insured under the contract. The brief overview of the said insurance contract is as follows:
   (1) Scope of the insured individuals
   Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and its subsidiaries (excluding certain subsidiaries)
   (2) 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.
   (3) 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.
5. The number of shares of the Company owned by the candidate is stated as of April 10, 2025, and the brief personal history, etc. of the above candidate is as of April 17, 2025.

Major management and industry experience, management skills, knowledge, etc., of Directors and Audit & Supervisory Board Members after this Annual Shareholders' Meeting, assuming that Items No. 4 and No. 5 will be approved as originally proposed, are as follows:

Name	Title	Corporate Manage-ment	Retail Industry	Global Business	Marketing/ Branding	DX/IT/ Security	Finance, Account-ing, Capital markets	Risk Manage-ment/ Compliance	Sustain-ability
Junro Ito	Representative Director and Executive Chair (Kaicho)	●	●					●	●
Stephen Hayes Dacus	Representative Director and President	●	●	●	●		●		
Shigeki Kimura	Representative Director and Vice President	●	●			●		●	●
Yoshimichi Maruyama	Director		●				●	●	
Tamaki Wakita	Director	●	●	●	●				
Fuminao Hachiuma	Lead Independent Outside Director	●		●	●				●
Yoshiyuki Izawa	Independent Outside Director	●		●			●		●
Meyumi Yamada	Independent Outside Director	●	●		●	●			●
Paul Yonamine	Independent Outside Director	●		●		●	●		
Takashi Sawada	Independent Outside Director	●	●	●	●		●		
Masaki Akita	Independent Outside Director	●	●		●			●	●
Tatsuya Terazawa	Independent Outside Director		●	●				●	●
Christine Edman	Independent Outside Director	●	●	●	●	●			
Shinya Ishii	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	●		●		●	●	●	●

* The above table is not an exhaustive list of the knowledge and experience each person can offer.

* The ratio of foreign national Directors will be 23.1% (3/13) and the ratio of female Directors will be 15.4% (2/13). (Rounded to one decimal place)

Item No. 6: Revision to amount of compensation for Directors

At the 1st Annual Shareholders' Meeting held on May 25, 2006, the Company resolved that the compensation of the Company's Directors shall not exceed ¥1 billion per year (however, not including the employee salaries paid to Directors who serve concurrently as employees; hereinafter, "Monetary Compensation Upper Limit"). Since then, the Company has paid Directors fixed compensation and bonuses as performance-based compensation, as monetary compensation within this upper limit. Separate from this Monetary Compensation Upper Limit, which is the subject of this Proposal No. 6, based on approval at the 14th Annual Shareholders' Meeting held on May 23, 2019 and the 17th Annual Shareholders' Meeting held on May 26, 2022, the Company introduced a performance-based and stock-based compensation system, for which the Company's Directors (excluding Outside Directors) are eligible and under which Company shares and an amount of money equivalent to the converted value of Company shares are to be delivered and provided, and such system has continued operating until now.

This proposal seeks approval to revise the Monetary Compensation Upper Limit to within ¥2 billion per year (including within ¥0.5 billion per year for Outside Directors). As was the case before, this does not include the portion of employee salaries paid to Directors who serve concurrently as employees.

Despite the domestic and international management environment surrounding the Company having changed significantly, the Monetary Compensation Upper Limit has not been changed since it was set at the 1st Annual Shareholders' Meeting held on May 25, 2006. However, it is necessary that the Company further improve its corporate value and make management decisions, which are becoming increasingly complex, quickly by appointing executive personnel, regardless of nationality, who possess global experience and a high level of expertise in the Company's business fields to serve as Directors. To achieve this, it is necessary to set compensation levels that are competitive even in the global human resources market. Furthermore, to strengthen our commitment to improving our corporate value, it is necessary to set a wider range of the coefficient pertaining to bonuses used as performance-based compensation so that bonuses will be more affected by the link to business performance. In addition, with regard to Outside Directors, as their required roles have been increasing from the viewpoint of corporate governance, it is necessary to attract highly capable human resources in a stable manner from now on. For these reasons, we are requesting a revision of the Monetary Compensation Upper Limit.

A summary of the policy for determining the details of individual compensation, etc. for Directors for the current fiscal year is as set forth in the Business Report (page 64 of this document). However, at the Board of Directors meeting held on April 17, 2025, a resolution to change the content of that policy subject to approval of this Item No. 6 and Item No. 7 was passed. A summary of the policy for determining the details of individual compensation for Directors after this change is as set forth on page 33 of this document. The content of this Item No. 6 is in line with the revised policy and has been deliberated by the Compensation Committee, the chairperson and the majority of the members of which are independent Outside Directors, and we believe that the content of this Item No. 6 is appropriate in light of the purposes of the changes to the Monetary Compensation Upper Limit as described above.

Additionally, the Company has fourteen (14) Directors (including eight (8) Outside Directors) as of February 28, 2025. If Item No. 4 is approved as originally proposed, the number of Directors will be thirteen (13) (including eight (8) Outside Directors) as of the adjournment of this Annual Shareholders' Meeting.

Item No. 7: Determining compensation related to restricted stock units (RSU) for Directors (excluding Outside Directors)

1. Reasons for the proposal and reasons such compensation has been deemed appropriate

At the 1st Annual Shareholders' Meeting held on May 25, 2006, the Company resolved that the compensation of the Company's Directors shall not exceed ¥1 billion per year (however, not including the employee salaries paid to Directors who concurrently serve as employees). Since then, the Company has paid Directors fixed compensation and bonuses as performance-based compensation, as monetary compensation within this upper limit. Separate from this monetary compensation, based on approval at the 14th Annual Shareholders' Meeting held on May 23, 2019 and the 17th Annual Shareholders' Meeting held on May 26, 2022, the Company introduced a performance-based and stock-based compensation system (hereinafter, "Performance-Based and Stock-Based Compensation System"), under which Company shares and an amount of money equivalent to the converted value of Company shares are to be delivered and provided to the Company's Directors (excluding Outside Directors), and such system has continued operating until now.

The Performance-Based and Stock-Based Compensation System requires that the Company contribute up to a total of ¥1.2 billion to a trust as compensation for a period of three (3) fiscal years designated by the Company (however, with respect to the fiscal year ended February 2019, compensation for a period of four fiscal years (including that fiscal year), and up to a total of ¥1 billion). Furthermore, the number of points (number of shares) to be granted per fiscal year will be capped at 240,000 points (240,000 shares), and the number of shares to be acquired by the trust over a period of three (3) fiscal years will be capped at 720,000 shares (however, for the fiscal year ended February 2019, the number of shares to be acquired by the trust over a four-year period (including that fiscal year) will be capped at 1,080,000 shares). (*1) As performance-linked indicators, the Performance-Based and Stock-Based Compensation System will use indicators such as consolidated ROE, consolidated EPS, CO_2 emissions, and employee engagement for each target fiscal year, which are to be determined separately by the Board of Directors.

(*1) The points and number of shares related to the Performance-Based and Stock-Based Compensation System here are the numbers after adjustment conducted to account for the three-for-one split of common shares implemented on March 1, 2024.

As set forth in 2. below, this proposal seeks approval to introduce a new restricted stock unit plan (hereinafter, "RSU Plan") for Company Directors (excluding Outside Directors; hereinafter, "Eligible Directors"), separate from the abovementioned monetary compensation and Performance-Based and Stock-Based Compensation System.

As outlined in Item No. 6, it is necessary that the Company further improve its corporate value and make management decisions, which are becoming increasingly complex, quickly by appointing executive personnel, regardless of nationality, who possess global experience and a high level of expertise in the Company's business fields to serve as Directors. To achieve this, it is necessary to set compensation levels that are competitive even in the global human resources market. However, currently, the Performance-Based and Stock-Based Compensation System only applies to persons who reside in Japan. As such, the Company requires a more flexible stock-based compensation system. Furthermore, to share value with shareholders and to provide further incentives for making sustainable improvements to the Company's corporate value, separate from the abovementioned Performance-Based and Stock-Based Compensation System, the Company also requires a restricted stock unit plan that is based on fulfillment of commitments over a certain period of time. For this reason, this proposal seeks approval to introduce the RSU Plan.

A summary of the policy for determining the details of individual compensation, etc. for Directors for the current fiscal year is as set forth in the Business Report (page 64 of this document). However, at the Board of Directors meeting held on April 17, 2025, a resolution to change the content of that policy subject to approval of this Item No. 7 and Item No. 6 was passed. A summary of the policy for determining the details of individual compensation, etc. for Directors after this change is as set forth on page 33 of this document. The content of this Item No. 7 is in line with the revised policy and has been deliberated by the Compensation Committee, the chairperson and the majority of the members of which are Independent Outside Directors, and we believe that the content of this Item No. 7 is appropriate in light of the purposes of the adoption of the RSU Plan as described above. Furthermore, as described in 2 (2) below, the maximum number of common shares in the Company (hereinafter, "Common Shares") that the Company will deliver to Eligible Directors under the RSU Plan is 500,000 shares for each fiscal year. This will represent approximately 0.02% of the total number of shares issued (as of February 28, 2025, after deducting the Company's treasury shares; the same shall apply in this Item No. 7) (the percentage of the total number of shares delivered would be approximately 0.19% of the total number of shares issued if the maximum number of Company Shares would be delivered over a ten-year period); thus, the degree of dilution will be minor.

Additionally, the Company has fourteen (14) Directors (including eight (8) Outside Directors) as of February 28, 2025. If Item No. 4 is approved as originally proposed, the number of Directors will be thirteen (13) (including eight (8) Outside Directors) as of the adjournment of this Annual Shareholders' Meeting.

2. Details of RSU Plan, etc.

(1) Details of RSU Plan

The RSU Plan is a stock compensation plan that grants a specific number of units, which is designated by the Board of Directors in advance, to Eligible Directors and delivers a number of Common Shares or money in lieu of Common Shares (*2) that is determined based on the number of vested units after the end of the Service Period (as defined below). Said delivery is subject to Eligible Directors having continuously served as Eligible Directors during the Service Period. "Plan Covered Period" refers to the specified number of fiscal years determined by the Board of Directors, and "Service Period" refers to the period starting from the Company's 1st Annual Shareholders' Meeting convened during the Plan Covered Period until the adjournment of the 1st Annual Shareholders' Meeting convened after the end of the Plan Covered Period. Furthermore, the Plan Covered Period will be a period of three (3) fiscal years or longer to be designated by the Board of Directors.

After the end of the Service Period, based on the vesting of units granted in advance, the Company will issue or dispose of Common Shares to Eligible Directors in one of the following ways. (*3)(*4) However, since the delivery of Common Shares to Eligible Directors will be made after the Service Period, at the time the RSU Plan is introduced, whether Common Shares will be delivered to each Eligible Director and the number of shares to be delivered have yet to be determined.

(i) Issuance or disposal of Common Shares as compensation, etc. to Eligible Directors without payment of money or provision of in-kind contribution assets (hereinafter, "Delivery without Consideration").

(ii) Eligible Directors will be provided monetary compensation claims as compensation, etc. and will contribute all of the monetary compensation claims as in-kind contributions in exchange for the issuance or disposal of Common Shares (hereinafter, "In-kind Contributions").

(*2) From the perspective of ensuring funds for tax payment, etc., a certain percentage of the number of shares that the Board of Directors deems appropriate will be delivered, but there may be cases in which no cash payments in lieu of delivery of Common Shares will be made.

(*3) If, during the Service Period, an Eligible Director loses his/her status as an Eligible Director for a reason that is deemed justifiable by the Company's Board of Directors, the Company's Board of Directors may reasonably adjust the number and timing of allotment of Common Shares to the Eligible Director.

(*4) However, if, before a date on which Company shares are to be delivered pursuant to the RSU Plan, an Eligible Director resigns due to death, the Company will pay money to the heirs of the Eligible Director in an amount reasonably calculated by the Company's Board of Directors in lieu of delivery of Common Shares. Furthermore, if, before a date on which Company shares are to be delivered pursuant to the RSU Plan, a merger agreement in which the Company will be the dissolved company, a share exchange agreement or share transfer plan in which the Company will be a wholly owned subsidiary, a new incorporation-type company split plan or absorption-type company split agreement (limited to company split-type company splits) in which the Company will be the split company, a consolidation of shares in which the Company will be controlled by a specific shareholder, an acquisition of class shares subject to class-wide call, or a demand for the sale of shares (hereinafter, "Organizational Restructuring") is approved at a shareholders' meeting of the Company (if shareholders' meeting approval is not required for the Organizational Restructuring, then by the Company's Board of Directors) (however, this is limited to the case where the effective date of the Organizational Restructuring is set to occur prior to a date on which Company shares are to be delivered pursuant to the RSU Plan), and if Eligible Directors will lose their status as Eligible Directors as a result of the Organizational Restructuring, then the Company will deliver to Eligible Directors money in an amount reasonably calculated by the Company's Board of Directors in lieu of delivery of Common Shares prior to the effective date of the Organizational Restructuring.

(2) Maximum amount of compensation, etc. and maximum number of shares under the RSU Plan

The number of Common Shares that the Company will deliver to Eligible Directors under the RSU Plan will be up to 500,000 shares for each fiscal year (however, after completion of the Service Period, the Company may deliver the total number of Common Shares corresponding to the Service Period)(*5). Furthermore, (i) in the case of a Delivery without Consideration, the maximum amount (including the amount of money to be paid in lieu of delivery of Common Shares) will be an amount calculated by multiplying the number of Common Shares to be delivered to Eligible Directors by the amount calculated based on the closing price of the 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 the RSU Plan to issue or dispose of Common Shares (if no transactions are made on that day, the closing price on the most recent trading day immediately preceding that day; hereinafter, "Company Stock Closing Price"), or another fairly appraised amount per share. In the case of (ii) In-kind Contributions, the maximum amount (including the amount of money to be paid in lieu of delivery of Common Shares) will be an amount calculated by multiplying the number of Common Shares to be delivered to Eligible Directors by 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 (*6).

(*5) However, if the total number of Company shares issued increases or decreases due to a consolidation of shares or a stock split (including a gratis allotment of shares), the upper limit of shares to be delivered will be adjusted in proportion to the increase or decrease.

(*6) However, as indicated in Note 4 above, if an Eligible Director resigns due to death before a date on which Company shares are to be delivered pursuant to the RSU Plan, the Company will pay money to the heirs of the Eligible Director in an amount reasonably calculated by the Company's Board of Directors in lieu of delivery of Common Shares. In this case, rather than the Company Stock Closing Price, the multiplier will be an amount calculated based on the closing price of the Common Shares on the day the Eligible Director resigns (or, if no transactions are made on that day, the closing price on the most recent trading day immediately preceding that day) or another fairly appraised amount per share. Furthermore, if, before a date on which Company shares are to be delivered pursuant to the RSU Plan, an Organizational Restructuring is approved at a shareholders' meeting of the Company (if shareholders' meeting approval is not required for the Organizational Restructuring, then by the Company's Board of Directors) (however, this is limited to the case where the effective date of the Organizational Restructuring is set to occur prior a date on which Company shares are to be delivered pursuant to the RSU Plan), and if Eligible Directors will lose their status as Eligible Directors as a result of the Organizational Restructuring, then, as outlined in Note 4 above, the Company will deliver to Eligible Directors money in an amount reasonably calculated by the Company's Board of Directors in lieu of delivery of Common Shares. Therefore, in such case, rather than the Company Stock Closing Price, the multiplier will be an amount calculated based on the closing price of the Common Shares on the date of said approval (if no transactions are made on that day, the closing price on the most recent trading day immediately preceding that day) or another fairly appraised amount per share.

(3) Malus and clawback

If an Eligible Director engages in serious misconduct or commits a violation, or the Board of Directors passes a resolution to change the Company's past financial statements due to material errors in accounting or accounting fraud, the Company may choose not to deliver all or a part of Company shares or money pursuant to the RSU Plan to that Eligible Director (malus) or may request the return of all or a part of the Company shares or money delivered to that Eligible Director (clawback).

[Reference]

After the RSU Plan is introduced, it is expected that it will be implemented only for Eligible Directors who reside overseas. On the other hand, the Performance-Based and Stock-Based Compensation System will continue to be operated only for Eligible Directors who reside in Japan. Therefore, it is not expected, between the RSU Plan and the Performance-Based and Stock-Based Compensation System, that there will be an overlap regarding Directors who are eligible for them.

Furthermore, the initial plan period for the RSU Plan will be the three (3) fiscal years from the fiscal year ending February 28, 2026 to the fiscal year ending February 29 2028, and the Service Period will be from this Annual Shareholders' Meeting to the adjournment of the Annual Shareholders' Meeting for the fiscal year ending February 29, 2028. If Item No. 4 is approved as originally proposed, Mr. Stephen Hayes Dacus is elected as a Director of the Company, and he is elected as President and Representative Director at the Board of Directors meeting following this Annual Shareholders' Meeting, then the Eligible Director will be him.

<Explanation on Compensation System for Directors regarding Item No. 6 and Item No. 7 at this Annual Shareholders' Meeting>

In order to maintain and improve its corporate value by making management decisions quickly and appropriately considering the domestic and international management environment surrounding the Company, which is becoming increasingly complex, the Company intends to appoint executive personnel who possess global experience and a high level of expertise in the Company's business fields to serve as directors. To achieve this, it is necessary to set compensation levels that are competitive even in the global human resources market and to introduce a compensation system for Directors that enhances their commitment to improving the Company's corporate value.

Therefore, at the Board of Directors meeting held on April 17, 2025, the Company passed a resolution to revise the policy for determining the details of individual compensation, etc. for Directors as explained below, subject to the approval of Item No. 6 and Item No. 7 at this Annual Shareholders' Meeting. Based on the revised policy for determining the details of individual compensation, etc. for Directors, the Company has submitted the proposals in Item No. 6 and Item No. 7 to this Annual Shareholders' Meeting in order to implement the new compensation system for Directors.

Matters Concerning Policies Related to Determining the Amount of Compensation, etc. for Directors and Audit & Supervisory Board Members and Said Calculation Methods

An outline of the policy for determining the details of individual compensation, etc. for Directors that was revised at the Board of Directors meeting held on April 17, 2025 and is to come into effect subject to approval of Item No. 6 and Item No. 7 at this Annual Shareholder's Meeting 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 (the "Directors and Audit & Supervisory Board Members") to be "the important measures to take appropriate risk for the sake of continued growth of the medium- and long- term corporate value and sustainable growth of our group based on a basic view on corporate governance," and build and operate the system based on the points set forth below.

- ○ Emphasis is placed on the link between the business performance and corporate value of our group, and establishing a system that further enhances the motivation and morale to contribute to the continuous improvement of business performance and corporate value over the medium to long term.
- ○ To secure highly capable human resources who will enhance corporate governance through supervision and auditing of the execution of operations, and provide compensation levels and systems commensurate with responsibilities.
- ○ To further improve the corporate value by securing human resources with global experience and advanced expertise in the Company's operating domains, establish compensation levels and compensation system to ensure competitiveness even in the global human resource markets.
- ○ 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 Directors and Audit & Supervisory Board Members, 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 Directors and Audit & Supervisory Board Members 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 Directors and Audit & Supervisory Board Members in major companies of the same size as the Company based on market capitalization and revenues, etc.

3 Compensation composition

(1) Operating Directors

(a) Ratio of compensation composition

The ratio of compensation composition of operating Directors (*1) generally is as follows:
Due to its operating structure, the Company's performance-based and stock-based compensation system is currently only applicable to persons who reside in Japan. Also, to share value with stockholders and provide further incentive towards sustainable improvements to the Company's corporate value, separately from the abovementioned performance-based and stock-based compensation system, Mr. Dacus, as President, Representative Director, 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	
President, Representative Director, and CEO	13%	27%	-	60%
Other Representative Directors	35%	30%	35%	-
Directors	50%	25%	25%	-
	← Monetary compensation →		← Stock-based compensation →	

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

(*2) Conditional on Mr. Dacus being appointed as a Director at this Annual Shareholders' Meeting and, furthermore, being appointed as President, Representative Director, and CEO at the Board of Directors meeting convened after the adjournment of this Annual Shareholders' Meeting. The same shall apply below with regard to the compensation for Mr. Dacus. The basic compensation ratio of fixed compensation, performance-based bonuses, and restricted stock units for Mr. Dacus generally is 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.
- After deliberation and reporting by the Compensation Committee, and based on a decision by the Board of Directors, an executive allowance may be paid according to position.

(ii) Performance-based bonuses

- Short-term incentive compensation will be a performance-based cash 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 bonuses for Mr. Dacus, who is the President, Representative Director, and CEO, and those for other Directors, are designed somewhat differently considering the differences between their duties and responsibilities.

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

- The KPI (Key Performance Indicator), percentages, and evaluation objectives related to performance-based 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 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 bonuses for other directors>

- The KPIs for performance-based bonuses is per the table below. In order to evaluate the capability of the main business to make a profit in cash during a given fiscal year and to incorporate the shareholder perspectives, consolidated net income is also used together as a KPI.

Key Performance Indicators for performance-based bonuses

KPI	Ratio	Purpose of Evaluation
(a) Consolidated Operating CF (excl. financial services)*	60%	Evaluation of profit-making capability in the main business in cash
(b) Consolidated Net Income	40%	Evaluation of the degree of achievement of budgeted net income

The coefficient formula pertaining to performance-based bonuses

Coefficient pertaining to performance-based bonuses = {(a) + (b)} × (c)
(a) "Consolidated operating CF (excl. 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 bonuses from other Directors, so that the compensation of Representative Directors will be more affected by the link to performance.
- The coefficients pertaining to performance-based bonuses will vary depending on, not only an evaluation of KPI, but also individual evaluations.

* Management accounting figures based on NOPAT excluding financial services.

(iii) Performance-based and stock-based compensation

- Performance-based and stock-based compensation currently only is applicable to Directors who reside in Japan.
- Medium- and long-term incentive compensation is a performance-based and stock-based compensation that varies based on the Company's business performance, management indicators, non-financial indicators, etc. (the 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 granting points during the term of office based on which shares will be delivered.
- The initial covered period will be four fiscal years starting from the fiscal year ended February 29, 2020, and the subsequent covered periods will be per three (3) 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 KPI for performance-based and stock-based compensation is 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 the achievement 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 the KPI 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 from the fiscal year ended February 28, 2023 to further promote the creation of an environment that allows various human resources to exercise their abilities.

* 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.

Key Performance Indicators for performance-based and stock-based compensation

KPIs	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) CO2 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) "CO2 emissions" related coefficient
(d) "Employee engagement" related coefficient

- When evaluating KPI, the range of compensation of Representative Directors is set wider by using different performance-based coefficients 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 President, Representative Director, and CEO); thus, there will not be an overlap between these units and the Performance-Based and Stock-Based Compensation System mentioned in item (ii) 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 (*1) is scheduled to be voted on at this Annual Shareholders' Meeting (*2)).
- 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 the three (3) fiscal years 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.

(*1) 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.

(*2) The words "scheduled to be" and this note will be deleted after the resolutions at this Annual Shareholders' Meeting.

(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) Ratio of compensation composition

The compensation for Outside Directors and Audit & Supervisory Board is fixed compensation only as described in below (b).

(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. (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 Policy on Compensation of Directors and Audit & Supervisory Board Members, the basic policy on compensation of Directors and Audit & Supervisory Board Members, is determined by the Board of Directors following deliberations by the

Compensation Committee. The amount of compensation of each Director is deliberated on 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 KPI, and then determined by the Board of Directors based on reports received from 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 Directors and Audit & Supervisory Board Members 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 to Directors and Audit & Supervisory Board Members.

(1) Directors

- Monetary compensation
  Not more than ¥2.0 billion per year (and to within ¥0.5 billion per year for Outside Directors (out of the ¥2 billion)—neither limit includes employee salaries paid to Directors who serve concurrently as employees)
  (Scheduled to be resolved at this Annual Shareholders' Meeting)

  (*) The word "scheduled to be" and this note will be deleted after the resolutions at this Annual Shareholders' Meeting.

- Stock-based compensation
  Performance-based and stock-based compensation
    Three (3) fiscal years / ¥1.2 billion or less (not more than ¥0.4 billion per fiscal year)
    The upper limit of the total points to be granted per fiscal year: 240,000 points(*) (1 point = 1 share of common share)
    (Resolved at the 17th Annual Shareholders' Meeting held on May 26, 2022, separately from monetary compensation. As per a resolution at that Annual Shareholders' Meeting, the number of points to be allotted per fiscal year to be within 80,000 points. However, due to the three-for-one split of common shares implemented on March 1, 2024, this has been adjusted to within 240,000 points.)

  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 the RSU Plan 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 this Annual Shareholders' Meeting (*))

(*) The words "scheduled to be" and this note will be deleted after the resolutions at this Annual Shareholders' 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)

End

Business Report (March 1, 2024 to February 28, 2025)

1. Items Regarding Current Status of Corporate Group

(1) Business progress and results

In the 20th fiscal year, 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 Seven & i 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 business strategies and Group strategy laid out in the updated Medium-Term Management Plan (announced on March 9, 2023).

Our consolidated results for the 20th fiscal year 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 business, 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.

Group's total 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 (up 3.7% YOY). For the 20th fiscal year, Group's total sales, revenues from operations and operating income increased by ¥810.4 billion, ¥669.1 billion and ¥15.5 billion, respectively, as a result of exchange rate fluctuations.

Overview of business by segment

Domestic convenience store operations

Revenues from operations: ¥904,152 million (down 1.9% YOY)
Operating income: ¥233,554 million (down 6.8% YOY)

In “Domestic convenience store operations,” revenues from operations amounted to ¥904,152 million (down 1.9% YOY), and operating income amounted to ¥233,554 million (down 6.8% YOY).

SEVEN-ELEVEN JAPAN CO., LTD. (“SEJ”) 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, SEJ 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, SEJ 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, SEJ 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, SEJ has launched the SIP (Note) 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 20th fiscal year, 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 (up 0.5% YOY). Meanwhile, operating income was ¥233,797 million (down 6.9% YOY) because of a drop in gross profit margin due to rising material costs and utility expenses.

(Note) Refers to a partnership (dubbed “SIP”) between SEJ and Ito-Yokado Co., Ltd. (“IY”).

Overseas convenience store operations

Revenues from operations: ¥9,170,782 million (up 7.7% YOY)
Operating income: ¥216,248 million (down 28.3% YOY)

In “Overseas convenience store operations,” revenues from operations amounted to ¥9,170,782 million (up 7.7% YOY), and operating income amounted to ¥216,248 million (down 28.3% YOY).

In North America, 7-Eleven, Inc. (“SEI”) 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, SEI 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, SEI 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 20th fiscal year, 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 (down 16.8% YOY). Moreover, total store sales (the sum of sales from directly operated stores and franchisees) amounted to ¥10,493,291 million (up 2.9% YOY). Despite the impact of various external factors, we are seeing a trend towards improving sales, particularly as our proprietary products are driving overall sales as we move forward with the four measures.

7-Eleven International LLC ("7IN") 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, 7IN completed the acquisition of the Australian company Convenience Group Holdings Pty Ltd. (Note), 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.

(Note) 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.

Superstore operations

Revenues from operations: ¥1,432,126 million (down 3.1% YOY)
Operating income: ¥10,415 million (down 23.3% YOY)

In "Superstore operations," revenues from operations amounted to ¥1,432,126 million (down 3.1% YOY), and operating income amounted to ¥10,415 million (down 23.3% YOY).

IY is executing fundamental reforms to improve profitability in line with its plan on the whole. IY 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 20th fiscal year, 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. ("YB"), we have been furthering initiatives to revitalize existing stores and to enhance development and sales of delicatessen merchandise in order to realize its concept of "making the daily meals of customers in local areas more enjoyable, plentiful, and convenient."

For the 20th fiscal year, 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 (down 10.1% YOY) due to factors such as the sharp rise in the price of raw materials.

Financial services operations

Revenues from operations: ¥212,127 million (up 2.2% YOY)
Operating income: ¥32,015 million (down 16.1% YOY)

In "Financial services operations," revenues from operations amounted to ¥212,127 million (up 2.2% YOY), and operating income amounted to ¥32,015 million (down 16.1% YOY).

As of February 28, 2025, the number of domestic ATMs operated by Seven Bank, Ltd. ("7BK"), stood at 27,965, up 595 from the previous fiscal year-end. The average number of transactions per day per ATM amounted to 107.9 (up 3.3 YOY), owing to improvement in the number of transactions at deposit-taking 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 as consumers opted for various cashless payments. As a result, total transactions of 7BK's ATMs during the 20th fiscal year increased year on year. Cash and deposits at the 7BK (including cash for ATM loading) amounted to ¥903.1 billion including cash for ATM loading.

In Others, revenues from operations amounted to ¥320,914 million (down 22.0% YOY), and operating income amounted to ¥5,779 million (up 115.0% YOY).

Revenue decreased partly due to the impact of factors such as the transfer of operating companies as a result of business portfolio optimization, while profit increased due to strong business performance with a recovery in customer traffic at operating companies such as THE LOFT CO., LTD.

<u>Eliminations and corporate</u>

Revenues from operations: ¥(67,339) million (down ¥4,278 million YOY)
Operating loss: ¥77,023 million (up ¥4,649 million YOY)

The operating loss from "Eliminations and corporate" totaled ¥77,023 million (operating loss of ¥72,373 million for the previous fiscal 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.

(2) Capital expenditures and fundraising

Total capital expenditures in the 20th fiscal year were ¥552,778 million. The funds required for these expenditures were appropriated from loans from the financial institutions and from funds on hand.

Business segment	Capital expenditures (Millions of yen)
Domestic convenience stores	110,009
Overseas convenience stores	290,828
Superstores	64,798
Financial services	68,041
Others	7,756
Eliminations and corporate	11,343
Total	552,778

(Notes)
1. The amounts above include guaranty deposits and advances for store construction.
2. The amount for eliminations and corporate is an aggregate of eliminated intersegment transactions and the Company's capital expenditures.

(3) Trends in assets and profit/loss in the 20th fiscal year and the most recent three (3) fiscal years

Trends in the corporate group's assets and profit/loss

Item	17th fiscal year March 1, 2021 to February 28, 2022	18th fiscal year March 1, 2022 to February 28, 2023	19th fiscal year March 1, 2023 to February 29, 2024	20th fiscal year March 1, 2024 to February 28, 2025
Revenues from operations	Millions of yen 8,749,752	Millions of yen 11,811,303	Millions of yen 11,471,753	Millions of yen 11,972,762
Net income attributable to owners of parent	Millions of yen 210,774	Millions of yen 280,976	Millions of yen 224,623	Millions of yen 173,068
Net income per share	Yen 79.56	Yen 106.05	Yen 84.88	Yen 66.62
Total assets	Millions of yen 8,739,279	Millions of yen 10,550,956	Millions of yen 10,592,117	Millions of yen 11,386,111
Net assets	Millions of yen 3,147,732	Millions of yen 3,648,161	Millions of yen 3,900,624	Millions of yen 4,217,445
Net assets per share	Yen 1,125.17	Yen 1,311.31	Yen 1,416.94	Yen 1,553.17

(Notes)

1. "Net income per share" is calculated on the basis of the average number of shares issued during the fiscal year, excluding the number of treasury stock. "Net assets per share" is calculated on the basis of the total number of shares issued at the end of the fiscal year (the number of shares excluding the number of treasury stock).
2. The Group has applied the "Accounting Standard for Revenue Recognition" and relevant ASBJ regulations effective from the beginning of the 18th fiscal year.
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. "Net income per share" and "Net assets per share" are calculated on the assumption that the share split was implemented at the beginning of the 17th fiscal year.

(4) Corporate reorganization measures, etc.

1. Acquisition of shares of Convenience Group Holdings Pty Ltd.

7-Eleven International LLC, a wholly-owned subsidiary of the Company, completed the procedures for the acquisition of all shares of Convenience Group Holdings Pty Ltd. from Australian Company R.G. Withers Nominees Pty Ltd as trustee for R.G. Withers Unit Trust on April 1, 2024 via 7-Eleven International LLC’s wholly-owned subsidiary, AR BidCo Pty Ltd. With the aim of expanding its store network in the Australian market and further accelerating efforts in the ESG sector, 7-Eleven International LLC acquired the shares of Convenience Group Holdings Pty Ltd., 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.

2. Acquisition of part of the business from U.S. company Sunoco LP by 7-Eleven, Inc.

7-Eleven, Inc., a consolidated subsidiary of the Company, completed the procedures for the acquisition of an additional part of the convenience store and gasoline retail business from U.S. company Sunoco LP on April 16, 2024, after having previously acquired part of U.S. company Sunoco LP’s convenience store and gasoline retail business in 2018. The aim of the acquisition is to connect our 7-Eleven and Speedway store network alongside the interstate highway, contribute to increase our regional market share, and 7-Eleven, Inc. will accelerate the growth in the North America market by leading to the associated 123 restaurant chain enhancing / accelerating our restaurant strategy.

3. Establishment of a subsidiary in Malaysia by Seven Bank, Ltd.

Seven Bank, Ltd. established ABADI TAMBAH MULIA INTERNASIONAL MALAYSIA SDN. BHD. as an ATM operating company in Malaysia in a joint venture with a local company on May 30, 2024. Seven Bank, Ltd. holds a 50.1% stake in the said company.

4. Transfer of shares of Nissen Holdings Co., Ltd.

Based on the Group’s policy on business portfolio, Seven & i Net Media Co., Ltd. transferred all of the issued shares of Nissen Holdings Co., Ltd. held by Seven & i Net Media Co., Ltd. to Ci Medical Co., Ltd. on July 1, 2024.

5. Establishment of Seven & i Energy Management Co., Ltd.

The Company established Seven & i Energy Management Co., Ltd. as a retail electricity supplier on August 1, 2024, with the aim of expanding the procurement of renewable energy.

6. Business transfers of Ito-Yokado stores

Ito-Yokado Co., Ltd., as part of its emphasis on accelerating its focus on its store network in the Tokyo metropolitan area, which is one of the radical reforms extending deep into its business structure, has completed the following actions to transfer the business of some of its stores to York-Benimaru Co., Ltd. and OIC Group Co., Ltd., which operates the food supermarket LOPIA.

- On March 1, 2025, the Company transferred all of the issued shares of K.K. Sanei, which operates the Ishinomaki Akebono store, to York-Benimaru Co., Ltd.
- The Company transferred the operations of some stores to a subsidiary of OIC Group Co., Ltd. through an absorption-type company split on August 28, 2024, October 23, 2024, October 30, 2024, January 31, 2025, February 19, 2025, and February 26, 2025, and it transferred all of the issued shares of Marudai Co., Ltd., which operates the Marudai Niigata store, on March 1, 2025.

7. Reorganization of the SST Business Group

The Company established York Holdings Co., Ltd. on October 11, 2024 as an intermediate holding company whose main role is to formulate strategies and to manage and support a superstore, specialty store, and other businesses (hereinafter the “SST Business Group”), which has a growth story that differs from the convenience store business, and the Company has transferred and consolidated the SST Business Group to said company through the following actions.

- On February 26, 2025, Ito-Yokado Co., Ltd. transferred all of the shares of Seven & i Create Link Co., Ltd., Akachan Honpo Co., Ltd., Seven Culture Network Co., Ltd., and Terube Ltd. held by Ito-Yokado Co., Ltd. to the Company by means as a dividend distribution.
- On February 26, 2025, SEVEN-ELEVEN JAPAN CO., LTD. transferred all of the shares of Seven Culture Network Co., Ltd. held by SEVEN-ELEVEN JAPAN CO., LTD. to the Company by means as a dividend distribution.
- On February 26, 2025, Seven & i Net Media Co., Ltd. transferred the business of holding and managing shares related to Seven Culture Network Co., Ltd. to the Company through an absorption-type company split.
- On February 26, 2025, York-Benimaru Co., Ltd. transferred all of the shares of Terube Ltd. held by York-Benimaru Co., Ltd. to the Company by means as a dividend distribution.
- On February 26, 2025, Seven & i Food Systems Co., Ltd. transferred all of the shares of Terube Ltd. held by Seven & i Food Systems Co., Ltd. to the Company by means as a dividend distribution.
- On February 27, 2025, the Company transferred the business of holding and managing shares related to Seven Culture Network Co., Ltd. to Seven & i Create Link Co., Ltd. through an absorption-type company split.
- On February 27, 2025, Ito-Yokado Co., Ltd. and Peace Deli Co., Ltd. completed a share exchange, making Ito-Yokado Co., Ltd. the wholly-owning parent company and Peace Deli Co., Ltd. the wholly-owned subsidiary.
- York Holdings Co., Ltd. conducted a share exchange with Ito-Yokado Co., Ltd., York Benimaru Co., Ltd., Seven & i Create Link Co., Ltd., and Seven & i Food Systems Co., Ltd. on February 28, 2025, making York Holdings Co., Ltd. the wholly-owning parent company and the other companies wholly-owned subsidiaries.
- On February 28, 2025, the Company transferred the business of holding and managing shares related to Akachan Honpo Co., Ltd., THE LOFT CO., LTD. and SHELL GARDEN CO., LTD. to York Holdings Co., Ltd. through an absorption-type company split.

In addition, on March 6, 2025, the Company entered into a definitive agreement with a special purpose company, a related entity of Bain Capital Private Equity, L.P., related to transition of the rights and obligations related to the SST Business Group through an absorption-type company split and reinvestment by the Company.

(5) Status of major subsidiaries (as of February 28, 2025)

(i) Status of major subsidiaries

Business segment	Company name	Paid-in capital	Capital contribution ratio (%)
Domestic convenience stores	SEVEN-ELEVEN JAPAN CO., LTD.	¥17,200 million	100.0
Overseas convenience stores	7-Eleven, Inc.	US$17 thousand	100.0
Superstores	Ito-Yokado Co., Ltd.	¥41,000 million	100.0
	York-Benimaru Co., Ltd.	¥9,927 million	100.0
Financial services	Seven Bank, Ltd.	¥30,724 million	46.6
Others	Seven & i Food Systems Co., Ltd.	¥3,000 million	100.0

(Notes)

1. In the above, the capital contribution ratio for companies other than SEVEN-ELEVEN JAPAN CO., LTD. indicates indirect holdings.
2. The status of specified wholly owned subsidiaries as of the last day of the 20th fiscal year is as follows.

Name of specified wholly owned subsidiaries	Address of specified wholly owned subsidiaries	Book value of shares of specified wholly owned subsidiaries held by the Company and its wholly owned subsidiaries	Total assets of the Company
SEVEN-ELEVEN JAPAN CO., LTD.	8-8, Nibancho, Chiyoda-ku, Tokyo	¥680,210 million	¥2,690,398 million
YORK Holdings Co., Ltd.	8-8, Nibancho, Chiyoda-ku, Tokyo	¥794,622 million	

(ii) Status of other major business combinations

None.

(iii) Consolidated subsidiaries and equity-method affiliates

The Company has 175 consolidated subsidiaries and 20 equity-method affiliates.

(6) Issues to address

Business conditions surrounding the Company are changing dramatically at an ever-quickening pace. Currently, in Japan, the accelerated change in the social structure, such as the aging population and the increases in single-person and co-working households, has further increased the demand for readily available and convenient fresh food and pre-cooked meals. In addition, consumer demand for food has also diversified further following changes in behavior and values due to changes such as recent exchange rate fluctuations, surging prices due to persistently high fuel and raw materials costs, and the rapid expansion of inbound tourism consumption. On the other hand, the employment environment is expected to remain challenging in light of rising minimum wages and increasing burden of social insurance premiums.

Moreover, in the U.S., there are higher expectations for convenience stores to meet demand for fresh, healthy and delicious food. Globally, significant opportunities exist for the Company to provide locally adapted, safe, reliable and high-quality food on a daily basis, and it is important to establish a business infrastructure that enables the Company to meet those consumer demands. 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 find themselves in a situation where they will have to work to solve these issues more seriously than ever.

In our operations, we possess strengths in food that support the Group’s competitiveness. These strengths include the Group’s merchandising assortment, procurement capabilities, supplier network, product innovation capabilities, and private brands (*Seven Premium*). This strength in food will become an increasingly important competitive advantage to support the growth of the Company’s domestic and overseas convenience store operations from the standpoint of the aforementioned macro and market trends expected in the future.

Strategy committee recommendations and the Company’s action plans toward the maximization of corporate and shareholder value in the medium- to long-term

We announced the “Update to the Medium-Term Management Plan and the Results of the Group Strategy Reevaluation” on March 9, 2023, and established the Strategy Committee composed of all the Company’s Independent Outside Directors, focused on maximizing corporate value and thus shareholder value in the medium- to long-term. Based on the discussions in the Strategy Committee, the Strategy Committee shared its recommendations with the Company’s Board of Directors on April 10, 2024. Following the recommendations, the Board of Directors considered them in earnest and as a result, we have decided on and announced the following future specific action plan for the Company.

Concrete action plans to accelerate growth:

- Accelerate growth and improve profitability and capital efficiency in the North American convenience store market with large growth potential
- Develop more aggressive business plans and investments for the global convenience store business
- Establish the IT/DX strategy that is the foundation of our global growth, and the IT/DX governance to improve cost competitiveness
- Monitor and support the completion of the transformation and growth of Tokyo Metropolitan Area Superstore business (Note 1)
- Maximize the synergy between Retail and Financial Services

The Company has seriously considered all avenues for effectively maximizing corporate value and shareholder value through steady execution of its action plans and monitoring by the Board of Directors. As a result, on March 6, 2025 the Company announced a series of transformational leadership, capital, and business initiatives to enhance focus on its convenience store business and unlock and distribute significant value to shareholders.

Plan to unlock shareholder value through leadership changes and transformational capital and business initiatives

- To accelerate transformation, Mr. Stephen Hayes Dacus will be appointed as President, Representative Director and CEO after this Annual Shareholders' Meeting in May 2025
- Pursue IPO of 7-Eleven, Inc., which operates 7-Eleven business in North America, by the second half of FY2026
- Sign definitive agreement upon transfer of SST Business Group to Bain Capital Private Equity, L.P. and its group companies for ¥814.7 billion (U.S.$ 5.37 billion) (Note 2) (Note 3)
- Commit to return total of ¥2 trillion (approximately U.S.$ 13.2 billion) (Note 2) of capital recovered through the IPO of 7-Eleven, Inc. and the deconsolidation of SST Business Group (Note 4) to shareholders in the form of share buybacks by FY2030 and also implement progressive dividend policy to return profits generated from ordinary business operations to shareholders
- Remain fully committed to pursuing all avenues to unlock value for shareholders; provide update on special committee work

Through the implementation of these measures, the Company will strengthen its focus on domestic and overseas convenience store operations and accelerate growth. In domestic convenience store operations, the Company will address changes in the social structure and customer needs based on SEVEN-ELEVEN JAPAN CO., LTD.'s core competencies of merchandising, area store opening strategy, item-by-item management, and communication with franchisees. The Company views the increasing polarization of spending associated with rising prices as a key issue. Under the basic policy of balancing quality and price, the Company will strengthen high-quality merchandise development and merchandise assortments covering a wide variety of price ranges. Additionally, the Company recognizes that demand for delivery and the expansion of inbound tourism consumption are significant customer needs. Efforts are being made to improve the 7NOW delivery service and services to address inbound tourism consumption. Looking ahead, the Company will continue to enhance the value provided to customers through active investment in merchandise and services, while also taking on the challenge of new businesses such as retail media and concept stores specialized in specific domains.

In addition, the Company's Overseas Convenience Stores business recognizes that more and more people are cutting back on their spending, particularly lower- and middle-income earners, in response to continued increases in prices and interest rates and the deteriorating employment environment in North America. 7-Eleven, Inc. ("SEI") will pursue sustained business growth and enhanced capital efficiency through merchandise and services that address changing customer needs. In addition to strengthening original merchandise, including fresh food, proprietary beverages, and quick service restaurants, through value chain creation with partner companies, SEI will work to enhance customer convenience by expanding digital investments in loyalty programs, 7NOW delivery, and other areas. In the face of rising prices and income polarization, securing cost advantages is essential, and SEI will continue to advance its cost leadership efforts. Additionally, SEI will work to establish a new store model that achieves high customer evaluations and investment efficiency, while striving to grow and enhance the store network.

Furthermore, 7-Eleven International LLC ("7IN") has a plan to extend its presence to 30 countries and regions including Japan and North America by the fiscal year ending December 31, 2030. Under this policy, 7IN is promoting a growth strategy that leverages both existing and new markets. In existing markets, 7IN will work to evolve into a more profitable business model by transforming its stores into "food-focused convenience stores" that are tailored to the characteristics of each market through strategic investments and financing.

(Notes) 1. Tokyo Metropolitan Area Superstore business encompasses Ito-Yokado Co., Ltd., and SHELL GARDEN CO., LTD.
2. U.S.$1=¥151.46

3. The amount is the estimated cash consideration at this point in time, calculated by adding the amount of the enterprise value agreed upon in the definitive agreement for the transaction, and making adjustments for expected net deposits etc. at the time when the absorption-type company split is expected to take effect. The final amount of consideration will be determined after price adjustments, etc. as set forth in the definitive agreement for the transaction.
4. SST Business Group: Food supermarket business and specialty store/other business

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. We have identified the social issues that are highly compatible with the Company's business areas as "Seven Material Issues (Materiality)." We are working to solve such issues while linking them to the 17 Sustainable Development Goals (SDGs) set forth by the United Nations. Through these efforts, we are making efforts through our core businesses to create a new business model that takes social issues and priority 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 our "GREEN CHALLENGE 2050" environmental declaration, which sets four themes: reduction of CO_2 emissions, measures against plastic, measures against food loss and measures for food recycling, and sustainable procurement. In order to achieve these targets, we have promoted initiatives toward the creation of a sustainable society in cooperation with our customers, local communities, business partners, and all our other stakeholders. Furthermore, we have formulated the Seven & i Group Nature Policy to further promote initiatives toward achieving nature positive. We will promote responses to natural capital and biodiversity, while also strengthening coordination with 7-Eleven, Inc. and 7-Eleven International LLC in step with strengthening our global development.

Moreover, corporate activities continue to globalize and society's interest in corporate approaches to human rights increases. The Company works to protect human rights under its Corporate Action Guidelines. We have established the Seven & i Group Human Rights Policy, which is primarily 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. We will continue encouraging employees, supply chain partners, and local communities to work with us as we step up 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. With the aim of becoming a global retail group as the Ideal Group Image for 2030, in order to build a governance system suitable therefor, we have further improved the diversity of the Board of Directors and increased the number of independent outside directors to a majority since the fiscal year ended

February 28, 2023.

Concurrently, in order to strengthen and stabilize the governance system, we have appointed Chief Officers (CxO) for each corporate function, as well as a Head for each business segment and business area in the fiscal year ended February 29, 2024.

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.

In the future, in order to realize sustainable growth and improvement of medium- to long-term corporate value in the global market, the Board of Directors will continue its efforts to conduct appropriate decision-making while implementing highly effective supervision, to properly fulfill the Board of Directors' roles and responsibilities, and 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

The source of the Company growth potential is our human resources. We believe that management strategy and human resource strategy are inseparable for promoting global strategies and seeking a balance between social value and corporate value. Accordingly, we pursue a human resource strategy that is integrated with our management strategy, and we will not only seek human resources with specialized knowledge and skills from outside the Company but also actively develop them within the Company. In human resource development, we adhere to the concept of being "a company that grows together with its human resources." With this in mind, by actively providing employees with opportunities for growth, we aim to develop human resources who continue to learn and improve their skills on their own, thereby achieving mutual growth for both employees and the company.

In addition, we will work to create workplaces where everyone can work comfortably by reforming work styles and improving productivity. We will focus on fostering an organization and corporate culture that allows the active participation of diverse human resources by creating an environment where employees accept each other's diversity and differences and by establishing a system to support flexible work styles.

Furthermore, the Company has 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 to promote these activities based on the belief that increased employee engagement and a desire to contribute will revitalize our organization and boost our corporate competitiveness.

The Company is committed to achieving sustainable growth by enhancing corporate value over the medium and long terms. To this end, we will continue further expanding the Company's strengths. While listening sincerely to the voices of all stakeholders, we will strive to provide more value and appropriate returns on profits to all stakeholders.

(7) Scope of principal businesses (as of February 28, 2025)

The Group is centered on the retail industry and comprises 196 companies (including the Company itself), with the Company as a pure holding company. The Group's principal business activities are domestic convenience store operations, overseas convenience store operations, superstore operations, and financial services operations.

Business segments, names of major Group companies, and numbers of companies are as follows. This segmentation is the same as that used in the segment information section.

Business segments	Names of major Group companies
Domestic convenience stores (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
Overseas convenience stores (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
Superstores (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 Net Super 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
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.

Business segments	Names of major Group companies
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. Terube Ltd. Tower Records Japan Inc.*1 I ing Co., Ltd.*1 PIA Corporation*1
Corporate (1 company)	SEVEN & i Financial Center Co., Ltd.

(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 a result of its absorption-type merger with Peace Deli Co., Ltd., effective on March 1, 2025.

(8) Principal business locations (as of February 28, 2025)

(i) The Company

- Head office: 8-8, Nibancho, Chiyoda-ku, Tokyo

(ii) Principal subsidiaries

(Domestic convenience stores)

SEVEN-ELEVEN JAPAN CO., LTD.

- Head office: 8-8, Nibancho, Chiyoda-ku, Tokyo
- Corporate stores: 150 stores

(Overseas convenience stores)

7-Eleven, Inc.

- Head office: Texas, U.S.A.
- Corporate stores: 5,734 stores

(Note)
The number of corporate stores for 7-Eleven, Inc., is the number of stores as of the end of December 2024.

(Superstores)

Ito-Yokado Co., Ltd.

- Head office: 8-8, Nibancho, Chiyoda-ku, Tokyo
- Corporate stores: 196 stores

York-Benimaru Co., Ltd.

- Head office: 5-42, Yashimamachi, Koriyama, Fukushima
- Corporate stores: 248 stores

(Financial services)

Seven Bank, Ltd.

- Head office: 6-1, 1-chome, Marunouchi, Chiyoda-ku, Tokyo

(Others)

Seven & i Food Systems Co., Ltd.

- Head office: 8-8, Nibancho, Chiyoda-ku, Tokyo
- Main office: 4-5, Nibancho, Chiyoda-ku, Tokyo
- Corporate stores: 373 stores

(9) Status of employees (as of February 28, 2025)

(i) Status of employees of the corporate group

Business segment	Number of employees	Change from the previous fiscal year-end
Domestic convenience stores	8,517 employees	81 employees (decrease)
Overseas convenience stores	33,560 employees	13,953 employees (decrease)
Superstores	11,414 employees	1,535 employees (decrease)
Financial services	1,887 employees	23 employees (decrease)
Others	5,537 employees	321 employees (decrease)
Corporate (shared)	1,097 employees	23 employees (increase)
Total	62,012 employees	15,890 employees (decrease)

(Notes)

1. The number of employees is 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).
2. In addition to the number of employees listed above, the Company and its Group companies employ 92,105 part-time employees (monthly average based on a 163-hour working month).
3. The number of employees for corporate (shared) is the number of employees of the Company.
4. The decrease in the number of employees at overseas convenience stores is due to changes in the form of employment agreements at 7-Eleven, Inc. The decrease in the number of employees at superstores is a result of efforts to transform the SST business.

(ii) Status of employees of the Company

	Number of employees	Change from the previous fiscal year-end	Average age	Average number of years of continuous service
Males	803 employees	10 employees (increase)	45 years 8 months	17 years 1 month
Females	294 employees	13 employees (increase)	41 years 10 months	16 years 5 months
Total or average	1,097 employees	23 employees (increase)	44 years 7 months	16 years 9 months

(Notes)

1. Most of the Company’s employees have been transferred from SEVEN-ELEVEN JAPAN CO., LTD. and Ito-Yokado Co., Ltd. The average number of years of continuous service is the total of the number of years of continuous service at each company.
2. In addition to the number of employees listed above, the Company employs 14 part-time employees (monthly average based on a 163-hour working month).

(10) Status of major lenders (as of February 28, 2025)

Lender	Amount borrowed (Millions of yen)
Japan Bank for International Cooperation	298,974
Sumitomo Mitsui Banking Corporation	287,504
MUFG Bank, Ltd.	155,803
Bank of America Corporation	122,122
Mizuho Bank, Ltd.	63,164

(11) Other important matters regarding the current situation of the company group

We have received a non-binding acquisition proposal from Alimentation Couche-Tard ("ACT"). We promptly established the Special Committee composed solely of independent outside directors upon receipt of the proposal. The Special Committee is exploring all avenues, including the ACT proposal, to maximize value for shareholders and other stakeholders. We continue to engage constructively with ACT. The status of the review by the Special Committee and facts pertaining to our engagement with ACT are disclosed on our website. For more details, please refer to our website.

[The Company's website] IR News
https://www.7andi.com/en/company/news/2025.html

2. Items Regarding Shares (as of February 28, 2025)

(1) Number of shares authorized to be issued: 10,000,000,000 shares

(2) Number of shares issued: 2,604,555,849 shares

(Note)
The number of shares issued includes 5,519,663 shares of treasury stock.

(3) Number of shareholders: 238,846

(4) Major shareholders (Top 10)

Name of shareholders	Number of shares (Thousand shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	412,346	15.9
Ito-Kogyo Co., Ltd.	212,103	8.2
Custody Bank of Japan, Ltd. (Trust account)	139,766	5.4
State Street Bank and Trust Company 505001	56,959	2.2
Nippon Life Insurance Company	53,017	2.0
JP Morgan Chase Bank 385632	50,504	1.9
MITSUI & CO., LTD.	48,667	1.9
SMBC Nikko Securities Inc.	47,591	1.8
State Street Bank West Client - Treaty 505234	43,883	1.7
JP Morgan Chase Bank 385864	33,715	1.3

(Note)
The calculation of the percentage of shares held does not include shares of treasury stock. The shares of treasury stock do not include 4,137 thousand shares held by the “Board Incentive Plan (BIP) Trust” (the “BIP Trust”) and the “ESOP Trust for Granting Stock” (the “ESOP Trust”).

(5) Shares delivered to officers as consideration for the execution of duties during the 20th fiscal year

Classification	Number of shares	Number of persons to whom shares were delivered
Directors (excluding Outside Directors)	226,572 shares	1

(6) Other important matters relating to shares

With regard to compensation, etc., to further clarify the link with business performance and stock price, and to enhance motivation to contribute to the improvement of medium- and long-term corporate value and sharing interests with shareholders, the Company has introduced the “BIP Trust” for Directors (excluding Outside Directors) of the Company and the certain consolidated subsidiaries (hereinafter the “Subject Subsidiaries”) and the “ESOP Trust” for Executive Officers of the Company and the Subject Subsidiaries.

As of February 28, 2025, the number of the Company’s shares held by “BIP Trust” and “ESOP Trust” was 2,623 thousand shares and 1,514 thousand shares, respectively.

Reference: cross-shareholdings

In principle, the Group 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 or less effectiveness for holding are to be sold in view of the circumstances of the investee companies. For further information on cross-shareholdings, please refer to the Company’s website (https://www.7andi.com/en/ir/management/governance/structure.html#cross).

3. Items Regarding Share Subscription Rights

(1) Overview, etc. of the share subscription rights held by Directors or Audit & Supervisory Board Members of the Company as compensation for the performance of their duties (as of February 28, 2025)

<table>
<tr><td colspan="2">Name of share subscription rights issue</td><td>15th share subscription rights issue</td><td>17th share subscription rights issue</td></tr>
<tr><td colspan="2">Date of resolution for issue</td><td>July 7, 2015</td><td>July 7, 2016</td></tr>
<tr><td colspan="2">Number of share subscription rights</td><td>281*1</td><td>165*1</td></tr>
<tr><td colspan="2">Class and number of shares to be acquired upon exercise of the share subscription rights</td><td>28,100 shares*1 of common stock of the Company (with one share subscription right corresponding to 300 shares)</td><td>16,500 shares*1 of common stock of the Company (with one share subscription right corresponding to 300 shares)</td></tr>
<tr><td colspan="2">Amount to be paid for the share subscription rights</td><td>¥533,000 per subscription right</td><td>¥361,300 per subscription right</td></tr>
<tr><td colspan="2">Amount of property contributed upon exercise of the share subscription rights</td><td>¥300 per subscription right
(¥1 per share)</td><td>¥300 per subscription right
(¥1 per share)</td></tr>
<tr><td colspan="2">Exercise period</td><td>From February 29, 2016
to August 5, 2035</td><td>From February 28, 2017
to August 3, 2036</td></tr>
<tr><td colspan="2">Exercise conditions</td><td>*2</td><td>*2</td></tr>
<tr><td>Directors’ or Audit & Supervisory Board Members’ ownership status</td><td>Directors (excluding Outside Directors)</td><td>Number of share subscription rights: 30
Class and number of corresponding shares: 9,000 shares of common stock
Number of Directors holding the share subscription rights: 1</td><td>Number of share subscription rights: 30
Class and number of corresponding shares: 9,000 shares of common stock
Number of Directors holding the share subscription rights: 1</td></tr>
</table>

<table>
<tr><td colspan="2">Name of share subscription rights issue</td><td>19th share subscription rights issue</td><td>21st share subscription rights issue</td></tr>
<tr><td colspan="2">Date of resolution for issue</td><td>July 6, 2017</td><td>July 5, 2018</td></tr>
<tr><td colspan="2">Number of share subscription rights</td><td>161*1</td><td>182*1</td></tr>
<tr><td colspan="2">Class and number of shares to be acquired upon exercise of the share subscription rights</td><td>16,100 shares*1 of common stock of the Company (with one share subscription right corresponding to 300 shares)</td><td>18,200 shares*1 of common stock of the Company (with one share subscription right corresponding to 300 shares)</td></tr>
<tr><td colspan="2">Amount to be paid for the share subscription rights</td><td>¥369,800 per subscription right</td><td>¥380,600 per subscription right</td></tr>
<tr><td colspan="2">Amount of property contributed upon exercise of the share subscription rights</td><td>¥300 per subscription right
(¥1 per share)</td><td>¥300 per subscription right
(¥1 per share)</td></tr>
<tr><td colspan="2">Exercise period</td><td>From February 28, 2018
to August 4, 2037</td><td>From February 28, 2019
to August 3, 2038</td></tr>
<tr><td colspan="2">Exercise conditions</td><td>*2</td><td>*2</td></tr>
<tr><td>Directors’ or Audit & Supervisory Board Members’ ownership status</td><td>Directors (excluding Outside Directors)</td><td>Number of share subscription rights: 30
Class and number of corresponding shares: 9,000 shares of common stock
Number of Directors holding the share subscription rights: 1</td><td>Number of share subscription rights: 30
Class and number of corresponding shares: 9,000 shares of common stock
Number of Directors holding the share subscription rights: 1</td></tr>
</table>

(Notes)
*1. The total number of share subscription rights at the time of granting them to Directors of the Company is shown.

*2. Exercise conditions are as follows:

(i) 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.

(ii) Regardless of the condition set forth in (i) 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.

(iii) 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 (i) 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.

(iv) The share subscription right holder is to exercise at one time all of the share subscription rights allotted.

(v) 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 (vi) below.

(vi) Other conditions shall be as set forth in the "Share Subscription Rights Allotment Agreement" entered into between the Company and the share subscription right holders based on a resolution of the Board of Directors.

(2) Overview, etc. of the share subscription rights granted to employees, etc. during the 20th fiscal year as compensation for the performance of their duties

None.

4. Items Regarding the Company's Directors and Audit & Supervisory Board Members

(1) Directors and Audit & Supervisory Board Members (as of February 28, 2025)

Position in the Company	Name	Area of responsibility in the Company and important concurrent positions
Representative Director and President	Ryuichi Isaka	Member of the Nomination Committee of the Company Chief Executive Officer (CEO) of the Company Director of 7-Eleven, Inc. Director of 7-Eleven International LLC
Representative Director and Vice President	Junro Ito	Member of the Compensation Committee of the Company Chief Sustainability Officer (CSuO) of the Company Chief Administrative Officer (CAO) of the Company Representative Director and Chairman of YORK Holdings Co., Ltd. Representative Director and President of Seven & i Energy Management Co., Ltd.
Director	Fumihiko Nagamatsu	Representative Director and President of SEVEN-ELEVEN JAPAN CO., LTD. Director of 7-Eleven, Inc. Director of 7-Eleven International LLC
Director	Joseph Michael DePinto	Director and Chief Executive Officer (CEO) of 7-Eleven, Inc. Director of 7-Eleven International LLC Chairman of the Board (Non-Executive) of Brinker International, Inc. Director of Children's Health System of Texas
Director	Yoshimichi Maruyama	Member of the Nomination Committee of the Company Chief Financial Officer (CFO) of the Company General Manager of the Corporate Finance & Accounting Division of the Company Representative Director and President of SEVEN & i Financial Center Co., Ltd. Director of 7-Eleven, Inc. Director of 7-Eleven International LLC
Director	Tamaki Wakita	Member of the Compensation Committee of the Company Chief Strategy Officer (CSO) of the Company General Manager of the Corporate Planning Division of the Company Director of 7-Eleven, Inc. Director of 7-Eleven International LLC
Director	Stephen Hayes Dacus	Lead Independent Outside Director of the Company Member of the Nomination Committee of the Company Director (Non-executive Director) of Hana Group SAS Chairman of Daiso USA L.L.C.
Director	Toshiro Yonemura	Chair of the Compensation Committee of the Company Outside Director of Kansaidengyosha Co., Ltd.
Director	Yoshiyuki Izawa	Member of the Nomination Committee of the Company Outside Director (Member of the Audit and Supervisory Committee) of Nitori Holdings Co., Ltd. Outside Director of Sanoh Industrial Co., Ltd. Director of Japan Activation Capital, Inc.
Director	Meyumi Yamada	Chair of the Nomination Committee of the Company Director of istyle Inc. Outside Director of SEINO HOLDINGS CO., LTD. Outside Director of Sompo Holdings, Inc.
Director	Jenifer Simms Rogers	Member of the Compensation Committee of the Company General Counsel Asia of Asurion Japan Holdings G.K. Outside Director of Kawasaki Heavy Industries, Ltd. Outside Director of Sumitomo Mitsui Financial Group, Inc.
Director	Fuminao Hachiuma	Member of the Nomination Committee of the Company Outside Audit & Supervisory Board Member of YKK AP Inc. Outside Director of SUBARU CORPORATION

Position in the Company	Name	Area of responsibility in the Company and important concurrent positions
Director	Paul Yonamine	Member of the Compensation Committee of the Company Chairman Emeritus & Director (Non Executive Director) of Central Pacific Financial Corp. Chairman Emeritus & Director (Non Executive Director) of Central Pacific Bank Outside Director of Sumitomo Mitsui Banking Corporation Outside Director (Audit and Supervisory Committee Member) of PayPay Corporation
Director	Elizabeth Miin Meyerdirk	Founder & CEO of Babs AI, LLC

Position in the Company	Name	Area of responsibility in the Company and important concurrent positions
Standing Audit & Supervisory Board Member	Noriyuki Habano	Audit & Supervisory Board Member of Ito-Yokado Co., Ltd.
Standing Audit & Supervisory Board Member	Nobutomo Teshima	Audit & Supervisory Board Member of SEVEN-ELEVEN JAPAN CO., LTD.
Audit & Supervisory Board Member	Kazuhiro Hara	Certified Public Accountant Certified Tax Accountant
Audit & Supervisory Board Member	Mitsuko Inamasu	Attorney at Law Outside Director (Audit & Supervisory Committee Member) of NTT DATA Group Corporation
Audit & Supervisory Board Member	Kaori Matsuhashi (Real name: Kaori Hosoya)	Certified Public Accountant Representative Director of Luminous Consulting Co., Ltd. Outside Director (Member of the Audit and Supervisory Committee) of YASKAWA Electric Corporation

Director who retired during the 20th fiscal year (on and after the date following the date of the conclusion of the 19th Annual Shareholders' Meeting)

Name	Date of retirement	Position in the Company at the time of retirement	Area of responsibility in the Company and important concurrent positions at the time of retirement
Shinji Wada	December 29, 2024	Director	Chairman, Director and Executive Officer of NIPPON GAS CO., LTD.

(Notes)

1. Since establishing the Nomination Committee and the Compensation Committee (the "Committees"), the Company has been utilizing the diverse range of knowledge of Outside Directors and Outside Audit & Supervisory Board Members in the committee deliberations to ensure objectivity and transparency in the procedures for deciding the nomination and compensation of Representative Directors, Directors, Audit & Supervisory Board Members, and executive officers, thereby enhancing the supervisory functions of the Board of Directors and further substantiating corporate governance functions. In order to utilize diverse range of knowledge of Outside Directors and Outside Audit & Supervisory Board Members in committee deliberations and improve their objectivity and transparency, it was decided that the chairs of the Committees and a majority of the members of the Committees shall be Independent Outside Directors.

   Audit & Supervisory Board Members act as observers at the Committees, since it is important to ensure due process at the Committees as advisory committees to the Board of Directors.

   During the 20th fiscal year, the "Nomination Committee" held ten meetings and each of the meetings was attended by all members who should have been present. During the 20th fiscal year, the "Compensation Committee" held eight meetings. Director Toshiro Yonemura attended 7 of 8 meetings, Director Tamaki Wakita attended 5 of 6 meetings, and other Directors attended all meetings that they were required to attend.

2. Director Joseph Michael DePinto resigned from his position as Director of the Company on March 9, 2025.
3. Director Jenifer Simms Rogers resigned from her position as Director of the Company on March 11, 2025.
4. Director Elizabeth Miin Meyerdirk resigned from her position as Director of the Company on March 11, 2025.

5. Director Shinji Wada passed away on December 29, 2024, and therefore retired from his position as Director of the Company.

6. Representative Director Junro Ito retired from his position as Director of AIN HOLDINGS INC. on July 30, 2024.

7. Director Joseph Michael DePinto retired from his position as Director of DHC Acquisition Corp. in September 2024.

8. Audit & Supervisory Board Member Nobutomo Teshima resigned from his position as Audit & Supervisory Board Member of York-Benimaru Co., Ltd. on May 14, 2024.

9. Directors Stephen Hayes Dacus, Toshiro Yonemura, Yoshiyuki Izawa, Meyumi Yamada, Jenifer Simms Rogers, Fuminao Hachiuma, Paul Yonamine, and Elizabeth Miin Meyerdirk are Outside Directors.

10. Director Yoshimichi Maruyama was appointed as a member of the Nomination Committee effective May 28, 2024. Directors Tamaki Wakita and Fuminao Hachiuma were appointed as members of the Compensation Committee effective May 28, 2024 and March 27, 2025, respectively.

11. Directors Toshiro Yonemura and Stephen Hayes Dacus retired from their positions as members of the Nomination Committee on May 28, 2024 and March 25, 2025, respectively. Director Yoshimichi Maruyama retired from his position as a member of the Compensation Committee on May 28, 2024.

12. Audit & Supervisory Board Members Kazuhiro Hara, Mitsuko Inamasu, and Kaori Matsuhashi are Outside Audit & Supervisory Board Members.

13. Standing Audit & Supervisory Board Member Nobutomo Teshima and Audit & Supervisory Board Members Kazuhiro Hara and Kaori Matsuhashi have the following expertise with regard to finance and accounting:

・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 for a total period of twenty five (25) years or more.

・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.

14. All Outside Directors and Outside Audit & Supervisory Board Members are Independent Directors or Audit & Supervisory Board Members in accordance with the rules of the Tokyo Stock Exchange.

15. 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. In addition, a similar agreement was concluded with Shinji Wada, who retired from his position as Outside Director on December 29, 2024.

16. 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:

(1) Scope of the insured individuals

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

(2) 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.

(3) 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.

17. During the 20th fiscal year, Directors Joseph Michael DePinto and Paul Yonamine attended 15 of 16 meetings of the Board of Directors, and other Directors attended all meetings of the Board of Directors that they were required to attend. Katsuhiro Goto attended all five meetings of the Board of Directors prior to his retirement on May 28, 2024, and Director Shinji Wada attended 12 of 13 meetings of the Board of Directors prior to his retirement on December 29, 2024.

・During the 20th fiscal year, Audit & Supervisory Board Member Kaori Matsuhashi attended 15 of 16 meetings of the Board of Directors and other Standing Audit & Supervisory Board Members and Audit & Supervisory Board

Members attended all meetings of the Board of Directors that they were required to attend. Standing Audit & Supervisory Board Members and Audit & Supervisory Board Members attended all meetings of the Audit & Supervisory Board that they were required to attend.

18. Executive officers of the Company as of February 28, 2025 were as follows:

Position	Name
Executive Officer and President	Ryuichi Isaka
Executive Officer and Vice President	Junro Ito
Senior Managing Executive Officer	Fumihiko Nagamatsu
Senior Managing Executive Officer	Joseph Michael DePinto
Managing Executive Officer	Yoshimichi Maruyama
Executive Officer	Tamaki Wakita
Managing Executive Officer	Seiichiro Ishibashi
Managing Executive Officer	Tsuyoshi Kobayashi
Managing Executive Officer	Masaki Saito
Managing Executive Officer	Tetsuya Yamamoto
Managing Executive Officer	Koicihiro Otaka
Executive Officer	Shinji Abe
Executive Officer	Masato Otake
Executive Officer	Seiji Oku
Executive Officer	Nobuyuki Miyaji
Executive Officer	Takuya Enomoto
Executive Officer	Hirotake Itsumi
Executive Officer	Yasukiyo Toda
Executive Officer	Shinya Ishii
Executive Officer	Yuki Oda
Executive Officer	Miho Terada
Executive Officer	Junko Waseda

(2) Compensation, etc. of Directors and Audit & Supervisory Board Members

(i) Policies and procedures in determining the compensation of Directors and Audit & Supervisory Board Members

Purpose of the establishment of policy on compensation of Directors and Audit & Supervisory Board Members

Development of compensation of Directors and Audit & Supervisory Board Members based on the “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 order to ensure the trust of various stakeholders, based on the Corporate Creed of the Company. Based on this basic views on corporate governance, the Company considers a compensation system for Directors and Audit & Supervisory Board Members to be one of the important mechanisms to further increase the motivation and morale of Directors and Audit & Supervisory Board Members, and to appropriately take risks for the sake of the continued growth of medium- and long-term corporate value and the sustainable growth of the Group, and constructs and operates this system.

《Policy on Compensation of Directors and Audit & Supervisory Board Members》

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 (the “Directors and Audit & Supervisory Board Members”) to be “the important measures to enhance the motivation and morale of Directors and Supervisory Board Members and to take appropriate risk for the sake of continued growth of the medium- and long-term corporate value and sustainable growth of our group based on a basic view on corporate governance,” and build and operate the system based on the points set forth below.

◇ Emphasis is placed on the link between the business performance and corporate value of our group, and establishing a system that further enhances the motivation and morale to contribute to the continuous improvement of business performance and corporate value over the medium to long term.

◇ To secure highly capable human resources who will enhance corporate governance through supervision and auditing of the execution of operations, and 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 Directors and Audit & Supervisory Board Members, continue to consider to tailor it more appropriately in light of future trends in legal systems and society.

2. Compensation levels

The levels of compensation for Directors and Audit & Supervisory Board Members 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 Directors and Audit & Supervisory Board Members in major companies of the same size as the Company based on market capitalization and revenues, etc.

3. Compensation composition

(1) Operating Directors

(a) Ratio of compensation composition

The ratio of compensation composition of operating Directors (*) is as follows:

The ratio of performance-based and stock-based compensation for Representative Director and President 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 Director and President	30%	30%	40%
Other Representative Directors	35%	30%	35%
Directors	50%	25%	25%

← Monetary compensation →← Stock-based compensation →

* Calculated on the assumption that performance-based 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 bonuses

- Short-term incentive compensation will be a performance-based cash 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 (key performance indicators) for performance-based compensation (bonuses) is per the table below. In order to evaluate the capability of the main business to make a profit in cash and to incorporate the shareholder perspectives, consolidated net income is also used together as a KPI.

Key Performance Indicators for performance-based bonuses

KPI	Ratio	Purpose of Evaluation
(a) Consolidated Operating CF (excl. financial services)*	60%	Evaluation of profit-making capability in the main business in cash
(b) Consolidated Net Income	40%	Evaluation of the degree of achievement of budgeted net income

<The coefficient formula pertaining to performance-based bonuses>

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

(a) "Consolidated operating CF (excl. 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 bonuses from other Directors, so that the compensation of Representative Directors will be more affected by the link to performance.
- The coefficients pertaining to performance-based bonuses will vary depending on, not only an evaluation of KPI, but also individual evaluations.

*Management accounting figures based on NOPAT excluding financial services.

(iii) Performance-based and stock-based compensation

- Medium- and long-term incentive compensation is a performance-based and stock-based compensation that varies based on the Company's business performance, management indicators, non-financial indicators, etc. (the 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 will be four fiscal years starting from the fiscal year ended February 29, 2020, and the subsequent covered periods will be per three (3) 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 KPI for performance-based and stock-based compensation is 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 the achievement 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 the KPI for performance-based and stock-based compensation from the fiscal year ended February 28, 2021.
- The degree of improvement in employee engagement has been added as the KPI for performance-based and stock-based compensation from the fiscal year ended February 28, 2023 to further promote the creation of an environment that allows various human resources to exercise their abilities.

*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.

Key Performance Indicators for performance-based and stock-based compensation

KPIs	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 of 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 KPI, the range of compensation of Representative Directors is set wider by using different performance-based coefficients 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).

(2) Outside Directors and Audit & Supervisory Board Members

(a) Ratio of compensation composition

The ratio of compensation composition of Outside Directors and Audit & Supervisory Board Members is as follows:

Fixed compensation	Performance-based compensation	
	Bonuses	Stock-based compensation
100%		

← Monetary compensation →

(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 (in this Policy, the "Compensation Committee") to ensure objectivity and transparency in the procedures for deciding the compensation of Officers, etc. (referring in this Policy 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

This Policy, the basic policy on compensation of Directors and Audit & Supervisory Board Members, is determined by the Board of Directors through deliberations by the Compensation Committee. Based on this Policy, the amount of compensation of each Director is deliberated on 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 KPI, and then determined by the Board of Directors based on reports received from 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 Directors and Audit & Supervisory Board Members 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 to Directors and Audit & Supervisory Board Members.

(1) Directors

- Monetary compensation

  Not more than ¥1.0 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

  Three (3) fiscal years / ¥1.2 billion or less (not more than ¥0.4 billion per fiscal year)
  The upper limit of the total points to be 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. The number of points granted per fiscal year had been

limited to 80,000 by a resolution of that Annual Shareholders' Meeting, but following a share split with an effective date of March 1, 2024, whereby each share of common stock was split into 3 shares, this limit was adjusted to 240,000 points.)

(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)

(ii) Aggregate amount of compensation, etc. regarding the 20th fiscal year

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	
				Bonus	Stock-based compensation (BIP Trust)
Directors (excluding Outside Directors)	7	731	266	205	259
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 (1) Inside Director who retired at the conclusion of the 19th Annual Shareholders' Meeting held on May 28, 2024 and one (1) Outside Director who passed away on December 29, 2024 and retired from his position on the same day.

2. The aggregate 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 ¥1.0 billion (not including amounts paid as salaries for employees). The number of Directors was sixteen (16) in accordance with the resolution of this Shareholders' Meeting.

4. The 17th Annual Shareholders' Meeting held on May 26, 2022 revolved as follows regarding compensation amounts for Directors' stock-based compensation (BIP Trust). The number of Directors is four (4) in accordance with the resolution of this Shareholders' Meeting.
   3 fiscal years / ¥1.2 billion or less
   The upper limit of the total points to be granted per fiscal year: 80,000 points (1 point = 1 share of common stock)
   Following a share split with an effective date of March 1, 2024, whereby each share of common stock was split into 3 shares, the limit on the number of points granted per fiscal year was adjusted to 240,000 points.

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 is five (5) in accordance with the resolution of this Shareholders' Meeting.

6. The amount of performance-based compensation above includes the amount of provision for the allowance for bonuses to Directors and Audit & Supervisory Board Members and the amount of provision for the allowance for stock payments in the 20th fiscal year.

7. Stock-based compensation (BIP Trust) was granted to five (5) individuals, including one (1) internal Director who retired.

(iii) KPI results pertaining to performance-based compensation in the 20th fiscal year

KPIs	Results in the 20th fiscal year
(a) Consolidated Operating CF (excl. financial services)*	¥783.2 billion
(b) Consolidated Net Income	¥173.0 billion

* a management accounting figure based on NOPAT excluding financial services.

Key Performance Indicators for performance-based and stock-based compensation

KPIs	Results in the 20th fiscal year
(a) Consolidated ROE	4.5%
(b) Consolidated EPS	¥66.62
(c) CO_2 Emissions	1,813,924 t

(Notes) 1. The result of "(c) CO_2 Emissions" is from the fiscal year ended February 29, 2024.
2. "Employee engagement" related coefficient has been decided using the comprehensive evaluation by the Compensation Committee.

(iv) Reasons the Board of Directors has deemed that compensation, etc. of each Director pertaining to the 20th fiscal year aligns with the determination policy

The determination of details of compensation, etc. of each Director pertaining to the 20th fiscal year is made by the Board of Directors and the Board of Directors has determined that it is in line with the determination policy as the decision is based on a 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 Directors and Audit & Supervisory Board Members stated in (i) above.

(v) Aggregate amount of compensation, etc. of Outside Directors and Outside Audit & Supervisory Board Members from subsidiaries

None.

(vi) Total amount of consolidated compensation, etc. for each Director/Audit & Supervisory Board Member

Name	Classification of Directors/ Audit & Supervisory Board Members	Company category	Total amount of compensation, etc., by type (Millions of yen)					Total amount of consolidated compensation (Millions of yen) (Note 1)
				Performance-based compensation (Note 2)				
					Long-term incentives			
			Fixed compensation	Short-term incentives (Bonus)	Monetary compensation	Stock-based compensation (BIP Trust)	Of the left, non-monetary compensation, etc. (Note 3)	
Ryuichi Isaka	Director	The Company	116	130	–	168	168	419
	Director	7-Eleven, Inc.	4	–	–	–	–	
Junro Ito	Director	The Company	50	47	–	55	55	153
Fumihiko Nagamatsu	Director	The Company	21	–	–	–	–	166
	Director	SEVEN-ELEVEN JAPAN CO., LTD.	31	52	–	56	56	
	Director	7-Eleven, Inc.	4	–	–	–	–	
Joseph Michael DePinto	Director	The Company	23	–	–	–	–	4,349
	Director	7-Eleven, Inc. (Note 4)	295	437	3,592	–	–	

(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 the allowance for bonuses to Directors and Audit & Supervisory Board Members and the amount of provision for the allowance for stock payments in the 20th fiscal year.

3. The total amount of non-monetary compensation, etc., consists entirely of stock-based compensation (BIP Trust).

4. Joseph M. DePinto, who resigned from his position as Director of the Company on March 9, 2025, was paid compensation as Director of the Company for the fiscal year ended February 28, 2025 (fixed compensation only), in addition to which he received compensation as Director and CEO of 7-Eleven, Inc. An overview of his compensation, etc. as Director and Chief Executive Officer (CEO) of 7-Eleven, Inc. is as follows. The compensation structure of 7-Eleven, Inc.'s CEO consists of "fixed compensation," which is fixed monetary compensation, and "short-term incentives" and "long-term incentives," which are performance-based monetary 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. The evaluation period for short-term incentives is one (1) year and for long-term incentives is three (3) years, and performance is evaluated based on target achievement levels and value increase levels. The period of evaluation for short-term incentives paid in 2024 was 2023, and the period of evaluation for long-term incentives was 2021-2023. 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, which were provided after being converted to yen at ¥151.69 to the dollar. The compensation levels 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 discussions by the Company's Compensation Committee, to ensure objectivity and transparency in the decision-making process.

(3) Items related to Outside Directors and Outside Audit & Supervisory Board Members

(i) 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.

The opinions of the Outside Directors and Outside Audit & Supervisory Board Members were also considered in the adoption of the following standards; the Company will continue to discuss the standards going forward, noting that other companies and so forth have examined their independence standards from various perspectives.

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 non-consolidated revenues from operations of the Company in the most recent accounting period"

・With regard to donations, "less than ¥10 million"

(ii) Relationship between the Company and other companies at which Outside Directors and Outside Audit & Supervisory Board Members hold important concurrent positions

There are no special relationships between the Company and other companies at which Outside Directors and Outside Audit & Supervisory Board Members hold important concurrent positions.

(iii) Main activities during the 20th fiscal year

(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%)	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 and accounting, etc.
Toshiro Yonemura	16/16 (100%)	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%)	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, business administration, finance and accounting, sustainability and capital markets.
Meyumi Yamada	16/16 (100%)	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 EC, DX (digital transformation), organizational management, marketing and sustainability.
Jenifer Simms Rogers	16/16 (100%)	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 and risk management, finance and accounting, and sustainability, etc.
Fuminao Hachiuma	16/16 (100%)	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 corporate management, organizational management, marketing and sustainability.
Paul Yonamine	15/16 (93.8%)	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 and accounting, etc.
Elizabeth Miin Meyerdirk	16/16 (100%)	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 and accounting, etc.
Shinji Wada	12/13 (92.3%)	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 corporate management in retail industry, DX (digital transformation), organizational management and corporate governance.

(Notes)

1. Shinji Wada passed away on December 29, 2024, and therefore retired from his position as Director of the Company on the same day.
2. Jenifer Simms Rogers and Elizabeth Miin Meyerdirk resigned from their position as Director of the Company on 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%)	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%)	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 (Real name: Kaori Hosoya)	15/16 (93.8%)	26/26 (100%)	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 met with the Representative Directors, Directors, Standing Audit & Supervisory Board Members, and others. These meetings including Management Opinion Exchange Meetings were held on a regular and as-needed basis. The themes were set for each of the meetings, centered on various management issues and matters of high social concern. Reports were 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 were given in response to questions from the Outside Directors and Outside Audit & Supervisory Board Members, who also expressed 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 coordinated with each other while exchanging frank and lively opinions.

Through these activities, Outside Directors supervised operational execution, and Outside Audit & Supervisory Board Members performed audits of operational execution and accounting practices.

5. Items Related to the Accounting Auditor

(1) Name: KPMG AZSA LLC

(2) Amount of compensation, etc.

	Amount paid (Millions of yen)
Amount of compensation, etc. for services as accounting auditor for the 20th fiscal year	854
Total amount of monies and other financial benefits to be paid to the accounting auditor by the Company and its subsidiaries	934

(Notes)

1. Under the audit contract concluded between the Company and the accounting auditor, the amounts of compensation, etc. for audits as per the Companies Act and the amounts of compensation, etc. for audits as per the Financial Instruments and Exchange Act are not clearly separated, and those amounts cannot practically be separated; therefore, the aggregate of those amounts is shown as the amount of compensation, etc. for services as an accounting auditor for the 20th fiscal year.
2. The Audit & Supervisory Board performed necessary verification to see whether the audit plan prepared by the accounting auditor, the status of the performance of their duties during the accounting audit, and the basis for calculating the estimated amount of compensation and the like were appropriate; thereafter, it decided to consent to the amount of compensation, etc. for services as an accounting auditor, as stipulated in Article 399, Paragraph 1 of the Companies Act.
3. Among the major subsidiaries of the Company, 7-Eleven, Inc. is audited by an audit corporation other than the Company's accounting auditor.

(3) Non-audit operations

The Company made payment of consideration to the Accounting Auditor for advisory service related to accounting.

(4) Policy for determining the dismissal or non-reappointment of the accounting auditor

In the event any of the reasons stipulated in the items of Article 340, Paragraph 1 of the Companies Act becomes applicable to the accounting auditor, the Company's Audit & Supervisory Board will consider the dismissal of that accounting auditor, and if dismissal is deemed appropriate, the accounting auditor will be dismissed based on the unanimous agreement of the Audit & Supervisory Board Members. In the event the Company's Audit & Supervisory Board determines that circumstances related to the accounting auditor's performance of its duties and the Company's audit system necessitate a change in the accounting auditor, the Company's Audit & Supervisory Board will make a decision to propose a resolution for the non-reappointment of the accounting auditor to a Shareholders' Meeting.

(5) Summary of the liability limitation agreement

None.

6. Systems for Ensuring Appropriate Operations

1. 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.

2. 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.

3. The resolution of the Board of Directors

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.

(1) 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. 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.

(2) 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.

(3) 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, 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. to minimize damage to the Company and all Group companies when risk events occur, a Crisis Management Headquarters shall be established, and measures to facilitate the continuation of operations shall be implemented immediately.

(4) 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.

(5) 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 exchange information about matters recognized as highly likely to have a significant effect on financial standing.

(6) 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.

(7) 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.

(8) 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 of the Company 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.

(9) 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.

(10) 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.

(11) 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 Director, 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.

4. Summary of operational status of systems for ensuring appropriate operations

(1) Status of the Company's corporate governance

The Company's Board of Directors comprises 14 members (including 8 Independent Outside Directors / 11 men and 3 women) 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 "oversight of business execution," while the executive officers can focus on "business execution." The executive officers comprise 22 members (19 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 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 President and Representative Director. This clarifies the decision-making process for management and the structure of responsibility, while also expediting decision-making by rational delegation of authority.

The Company's Board of Directors held 16 meetings during the 20th fiscal year, and made decisions on such matters as important management objectives and budget allocations for the Company and its Group companies. Through such means as reports from the Company's Directors and people responsible for operating divisions, the Company addressed important management issues, including investigating and re-evaluating the efficiency and soundness of administrative execution.

The 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.

(2) Initiatives at internal auditing divisions

The Company has established the Auditing Office as an independent internal auditing division, and it evaluates internal controls regarding the financial reporting of the whole Group. In addition to auditing the Company itself as a holding company, the Auditing Office verifies internal audits of core operating companies or directly audits them, including in relation to the status of the maintenance and management of compliance systems, in order to enhance and reinforce the auditing function of the whole Group.

(3) 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.

Furthermore, 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.

(4) Efforts of each committee

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 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.

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 the main 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 a 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 the Company. The committee comprehensively determines, 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 have had a significant impact on business activities, including heightening of geopolitical risks and ESG-related risks. In response to these changes, the Company is working on risk management that takes into account not only short-term risks but also medium- to long-term risks. Furthermore, by identifying high-priority risks from various perspectives such as importance and commonality, and by clarifying the roles and responsibilities within the Company and each Group company, we have enhanced the effectiveness of risk management across 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 handling 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 20th fiscal year, as in the 19th fiscal year, we continued our efforts to strengthen our information collection and management system, and strengthened the system to gather important information from Group companies in an appropriate and timely manner in order to cooperate with each other to deal with such information, as well as to centrally manage such information and report it, without omission or delay, to management and the relevant divisions.

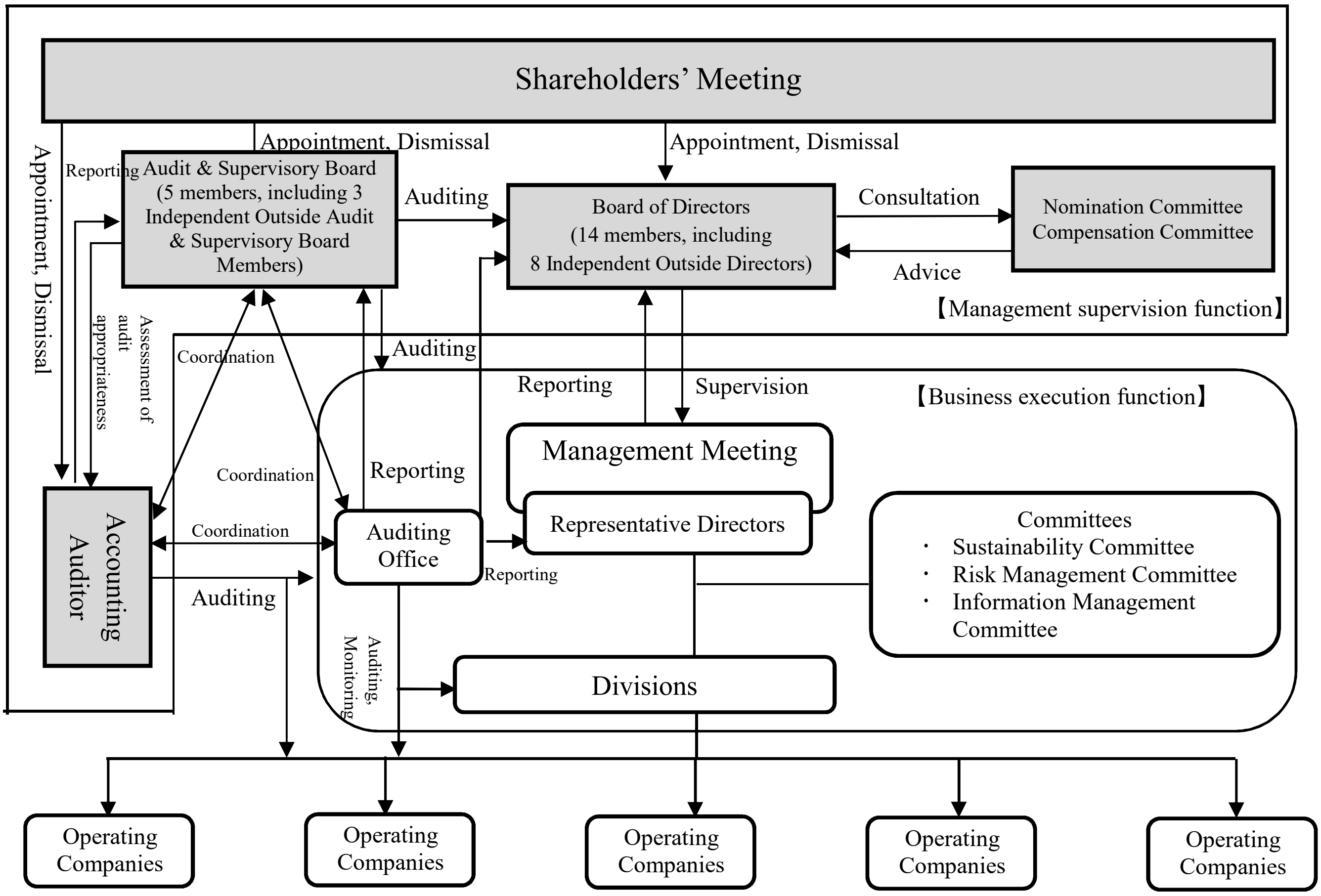
In addition, in order to comply with laws, regulations and guidelines surrounding information security and the protection of personal information, as well as to take measures against cyber attacks, which are becoming more sophisticated and complex by the day, the Company enhances its information security management system and promotes the advancement of organizational, human, physical, and technical safety control measures by reviewing information handling procedures, strengthening management of contractors, educating and training officers and employees, and reviewing the reporting routes for security incidents.

Furthermore, we provide officers of the Group with in-house training regarding the prevention of insider trading in order to familiarize them with the "Insider Trading Prevention Rules," which are internal regulations, and prevent insider trading, thereby ensuring the proper handling of information such as material facts.

These initiatives are disseminated to all Group companies by the Information Management Committee, which also provides direction to them, and supports the autonomous and continuous promotion of these initiatives by monitoring and evaluating them, thereby making efforts to strengthen the governance of information management.

Corporate Governance System

The Company's corporate governance system is as follows (as of February 28, 2025):



* As of April 16, 2025, the Board of Directors consists of 11 members, six of whom are Independent Outside Directors.

Reference: Effectiveness evaluations of the Board of Directors

https://www.7andi.com/en/ir/management/governance/board.html#evaluation

(Note)

In this Business Report, the final numbers that are described have been rounded down, and amounts less than the stated numbers have been omitted. Except that, unless otherwise noted, percentages have been rounded to one decimal place, and net income per share and net assets per share have been rounded to the nearest number as stated.

CONSOLIDATED BALANCE SHEET (as of February 28, 2025)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		**LIABILITIES**	
Current assets	**2,823,782**	**Current liabilities**	**3,316,615**
Cash and bank deposits	1,368,663	Notes and accounts payable, trade	519,497
Notes and accounts receivable - trade, and contract assets	441,630	Short-term loans	172,497
		Current portion of bonds	210,000
Trade accounts receivable-financial services	111,029	Current portion of long-term loans	290,128
Merchandise and finished goods	312,739	Income taxes payable	36,003
Work in process	46	Accrued expenses	282,395
Raw materials and supplies	3,002	Contract liabilities	178,031
Prepaid expenses	94,707	Deposits received	146,967
ATM-related temporary payments	118,172	ATM-related temporary advances	73,388
Other	388,696	Lease obligations	180,624
Allowance for doubtful accounts	(14,905)	Allowance for loss on business of subsidiary	18,235
Non-current assets	**8,561,745**	Allowance for restructuring expenses	2,626
Property and equipment	**4,981,298**	Allowance for sales promotion expenses	815
Buildings and structures	1,749,166	Allowance for bonuses to employees	14,249
Furniture, fixtures and equipment	538,598	Allowance for bonuses to Directors and Audit & Supervisory Board Members	501
Vehicles	23,300		
Land	1,172,559	Deposits received in banking business	813,388
Lease assets	1,641	Call money	100,000
Right-of-use assets	1,289,807	Other	277,264
Construction in progress	206,223	**Non-current liabilities**	**3,852,050**
Intangible assets	**2,711,382**	Bonds	1,244,036
Goodwill	2,264,441	Long-term loans	778,068
Software	295,814	Deferred tax liabilities	239,401
Other	151,125	Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	439
Investments and other assets	**869,065**		
Investments in securities	321,086		
Long-term loans receivable	14,295	Allowance for stock payments	4,947
Long-term leasehold deposits	264,136	Net defined benefit liability	16,313
Net defined benefit asset	126,974	Deposits received from tenants and franchised stores	44,178
Deferred income taxes	75,058		
Other	69,189	Lease obligations	1,223,438
Allowance for doubtful accounts	(1,675)	Asset retirement obligations	235,024
Deferred assets	**582**	Other	66,201
Bond issuance cost	582	**TOTAL LIABILITIES**	**7,168,665**
		NET ASSETS	
		Shareholders' equity	**3,048,517**
		Common stock	50,000
		Capital surplus	293,455
		Retained earnings	2,722,170
		Treasury stock, at cost	(17,108)
		Total accumulated other comprehensive income	**981,693**
		Unrealized gains (losses) on available-for-sale securities, net of taxes	51,770
		Unrealized gains (losses) on hedging derivatives, net of taxes	5,035
		Foreign currency translation adjustments	901,059
		Remeasurements of defined benefit plan	23,827
		Subscription rights to shares	**80**
		Non-controlling interests	**187,154**
		TOTAL NET ASSETS	**4,217,445**
TOTAL ASSETS	**11,386,111**	**TOTAL LIABILITIES AND NET ASSETS**	**11,386,111**

CONSOLIDATED STATEMENT OF INCOME (March 1, 2024 to February 28, 2025)

(Millions of yen)

Item	Amount	
Revenues from operations		**11,972,762**
Net sales		10,342,323
Cost of sales		8,485,841
Gross profit on sales		**1,856,482**
Operating revenues		1,630,439
Gross profit from operations		**3,486,921**
Selling, general and administrative expenses		3,065,929
Operating income		**420,991**
Non-operating income		
Interest and dividend income	12,249	
Gain on valuation of investment securities	7,632	
Other	5,823	25,705
Non-operating expenses		
Interest expenses	40,841	
Interest on bonds	20,541	
Equity in losses of affiliates	450	
Other	10,277	72,110
Ordinary income		**374,586**
Special gains		
Gain on sales of property and equipment	91,933	
Gain on sales of property and equipment related to restructuring	3,118	
Gain on sales of investments in securities	11,807	
Insurance income	4,623	
Other	4,223	115,706
Special losses		
Loss on disposals of property and equipment	23,165	
Impairment loss	98,260	
Loss on business of subsidiaries and associates	46,416	
Restructuring expenses	25,605	
Loss on transfer of subsidiary	4,782	
Other	22,711	220,941
Income before income taxes		**269,351**
Income taxes - current	80,171	
Income taxes - deferred	6,160	86,331
Net income		**183,020**
Net income attributable to non-controlling interests		9,952
Net income attributable to owners of parent		**173,068**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (March 1, 2024 to 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 plan	**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**

Notes to Consolidated Financial Statements

Notes relating to Significant Accounting Policies for the Preparation of Consolidated Financial Statements

1. Items relating to scope of consolidation

Status of consolidated subsidiaries

(1) Number of consolidated subsidiaries: 175

(2) Names of major consolidated subsidiaries:

SEVEN-ELEVEN JAPAN CO., LTD.

7-Eleven, Inc.

Ito-Yokado Co., Ltd.

York-Benimaru Co., Ltd.

Seven Bank, Ltd.

Seven Financial Service Co., Ltd.

During the 20th fiscal year, 7-Eleven International LLC, which is a consolidated subsidiary of the Company, acquired the shares of CONVENIENCE HOLDINGS PTY LTD and 20 other companies through AR BidCo Pty Ltd, which is a wholly-owned subsidiary of 7-Eleven International LLC. The Company also established YORK Holdings Co., Ltd., Seven & i Energy Management Co., Ltd., and two other companies, and acquired the shares of two further companies. As a result of the above, there were 27 consolidated subsidiaries.

Following the transfer of shares of Nissen Holdings Co., Ltd. held by Seven & i Net Media Co., Ltd., the Company's wholly-owned subsidiary, nine companies including Nissen Holdings Co., Ltd. subsidiaries were excluded from the scope of consolidation. In addition, one company was liquidated, and one company had its shares transferred. Furthermore, one company was changed from a consolidated subsidiary to an equity-method affiliate following a transfer of shares. As a result, twelve (12) companies were excluded from the scope of consolidation.

2. Items relating to application of the equity method

(1) Number of non-consolidated subsidiaries to which the equity method was applied: None

(2) Number of affiliates to which the equity method was applied: 20

Names of major affiliates:

Tenmaya Store Co., Ltd.

DAIICHI CO., LTD.

PIA Corporation

During the 20th fiscal year, one (1) company was newly established, and one (1) company was changed from a consolidated subsidiary to an equity-method affiliate due to a transfer of shares. As a result, two (2) companies became equity-method affiliates in total.

Two (2) companies were excluded from equity-method affiliate status due to the transfer of shares.

(3) Items regarding 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 is in a net loss position, the Company's share of such loss is reduced from its loan receivable from the affiliate.

3. Items relating to accounting period of consolidated subsidiaries

The fiscal year-end of some consolidated subsidiaries is December 31. The financial statements of such subsidiaries as of such dates and for such period are used in preparing the Consolidated Financial Statements. All material transactions during the period from the closing date to February 28 or 29 are adjusted for in the consolidation process.

The closing date of Seven Bank, Ltd. etc. is March 31. Pro forma financial statements as of February 28 or 29 prepared in a manner that is substantially identical to the preparation of the official financial statements were prepared in order to facilitate its consolidation.

4. Items relating to accounting policies

(1) Valuation basis and method for major assets

(i) Valuation basis and method for securities

Held-to-maturity debt securities are carried at amortized cost (straight-line method).

Other available-for-sale securities are classified into two (2) categories: (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 stated 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 sales is determined using the moving-average method.

(b) Shares that do not have a market value are valued mainly at cost, determined using the moving-average method.

(ii) Valuation basis and method for derivatives

Derivative financial instruments are valued at fair value.

(iii) Valuation basis and method for inventories

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.

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 of significant assets

(i) Property and equipment (excluding lease assets)

Depreciation of property and equipment is computed using the straight-line method.

(ii) Intangible assets (excluding lease assets)

Intangible assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method over an estimated useful life of five (5) years in most cases.

(iii) Lease assets

For the assets leased under finance lease contracts that do not transfer ownership of leased property to the lessee, a useful life is determined based on the duration of the lease period and straight-line depreciation is applied with an assumed residual value of zero.

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 sheet. 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) Methods of accounting for significant allowance

(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 with respect to general receivables.

(ii) Allowance for loss on business of subsidiary

Allowance for loss on business of subsidiary is provided in an amount estimated to prepare for expenses or losses associated with withdrawal from online supermarket business.

(iii) Allowance for restructuring expenses

Allowance for restructuring expenses is provided in an amount estimated to prepare 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 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 at the end of the fiscal year calculated in accordance with internal rules.

The Company and some of its consolidated subsidiaries have abolished the retirement benefits system for Directors and Audit & Supervisory Board Members, among 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 some of its consolidated subsidiaries. The amount is based on the expected stock benefit payable at the end of the 20th fiscal year.

(4) Accounting method for retirement benefits

(i) Allocation method of estimated total retirement benefits:

In calculating retirement benefit obligations, the estimated total retirement benefits are allocated to the period up to the end of the 20th fiscal year on a benefit formula basis.

(ii) Amortization method of the actuarial differences and the prior service costs:

Actuarial differences are amortized on a straight-line basis over a certain period (ten (10) years) from the consolidated fiscal year following the consolidated fiscal year in which they arise, which is within the average remaining years of service of the eligible employees when the actuarial differences arise in a consolidated fiscal year.

Prior service costs are amortized on a straight-line basis over a certain period (five (5) years or ten (10) years), which is within the average remaining years of service of the eligible employees when the prior service costs arise.

(5) Accounting policy for significant revenue and expenses

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 that time of the 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 royalties 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 that time of the 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 royalties 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

Foreign consolidated subsidiaries 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. and York-Benimaru Co., Ltd., 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 the 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.

(6) Significant hedge accounting methods

(i) Hedge accounting

In principle, hedging activities are accounted for by the deferred hedge method.

However, forward foreign exchange contracts are accounted for by the short-cut method (*furiate shori*), i.e., translated at the foreign exchange rate stipulated in the contracts, when they meet certain criteria for the method, interest rate swap contracts are accounted for by specific hedging when they meet certain criteria for the method, and interest rate and currency swaps are accounted for by integrated accounting treatment (specific hedging and the short-cut method) when they meet certain criteria for the method.

(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 rate swaps

Hedged items – Loans payable

c. Hedge instruments – Interest rate and currency swaps

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 exchange rates and interest rates, reducing financing costs, and optimizing future cash flow. The Company and its subsidiaries do not hold or issue derivative instruments for short-term trading or speculative purposes.

(iv) Assessing hedge effectiveness

By comparing fluctuations in quotations of the hedge instruments and those of the hedged items, the hedge effectiveness is assessed quarterly based on their fluctuation amounts except for interest rate swap contracts that meet specific hedging criteria and interest rate and currency swap contracts for which integrated accounting treatment has been applied.

(7) Other significant matters that serve as the basis for preparation of the Consolidated Financial Statements

(i) Accounting for deferred assets

Bond issuance costs are amortized using the straight-line method over the redemption period.

(ii) Goodwill and negative goodwill

Goodwill is amortized mainly over a period of twenty (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.

(iii) Foreign currency translation for major assets and liabilities denominated in foreign currency

All assets and liabilities of the Company and its domestic consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen at the relevant spot exchange rate in effect at the respective consolidated balance sheet dates. Translation gains or losses are included in the accompanying Consolidated Statement of Income.

All balance sheets accounts of foreign subsidiaries are translated into Japanese yen at the relevant spot exchange rate in effect at the respective consolidated balance sheet dates except for shareholders' equity, which is translated at the historical rates. 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 "Foreign currency translation adjustments" and "Non-controlling interests."

(iv) Accounting for franchised stores in domestic and overseas convenience store operations

SEVEN-ELEVEN JAPAN CO., LTD. and its U.S. consolidated subsidiary, 7-Eleven, Inc., recognize franchise commission from their franchised stores as revenues and include it in "Operating revenues."

(v) Accounting for consumption taxes and excise tax

The excise tax levied in the U.S. and Canada is included in the revenues from operations.

(vi) Application of the Group Tax Sharing System

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 corporation tax and local corporation tax 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" (Practical Issues Task Force ("PITF") No. 42 issued on August 12, 2021).

Notes concerning changes in method of presentation

(Consolidated Balance Sheet)

"Advances for store construction," which was previously separately presented of Investments and other assets in the 19th fiscal year, is included in "Other" for the 20th fiscal year due to its decreased materiality.

(Consolidated Statement of Income)

"Insurance income," which was previously included in "Other" of Special gains in the 19th fiscal year, is separately presented for the 20th fiscal year due to its increased materiality.

Notes on accounting estimates

Accounting estimates are based on reasonable amounts based on information available at the time of preparation of the consolidated financial statements. Among the amounts which include accounting estimates recorded in the consolidated financial statements for the 20th fiscal year, the following items have risks of having a material effect on the consolidated financial statements for the following fiscal year:

Determination of whether impairment losses on long-lived assets are required to be recognized

(1) Amounts recorded in the consolidated financial statements for the 20th fiscal year

Our Group operates retail stores in a variety of formats, including GMS and food supermarkets. Of these, Ito-Yokado Co., Ltd., which is included in the Superstore operations segment, operates a superstore business.

Amounts recorded in the consolidated balance sheets and consolidated statements of income for the 20th fiscal year at Ito-Yokado Co., Ltd. are as follows:

(Millions of yen)

Company Name	Property, plant, 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

① Calculation method

At Ito-Yokado Co., Ltd., the smallest group of assets that generates independent cash flow are mainly stores. Although Ito-Yokado Co., Ltd. is promoting business restructuring, there were indications of impairment for several stores in the 20th fiscal year as rising prices, exchange rate fluctuations and other factors had a significant impact.

Whenever there is an indication of impairment for long-lived assets of a store, it is necessary to determine whether an impairment loss should be recognized by comparing the total undiscounted future cash flows to be generated from the store's long-lived assets with their carrying amount. If it is determined that an impairment loss should be recognized, the carrying amount is reduced to the recoverable amount and the resulting reduction is recognized as an impairment loss.

② Key assumptions

The undiscounted future cash flows used to determine whether an impairment loss is required to be recognized include significant assumptions such as sales growth rates, gross margin ratios and estimated cost fluctuation.

③ Effect on the consolidated financial statements for the following fiscal year

The estimates and assumptions discussed above may be affected by future changes in uncertain economic conditions. Any changes in the assumptions may have a material effect on the consolidated financial statements for the following fiscal year.

Supplementary information

(Performance-Based Stock Compensation Plan for Directors)

The Company and some of its 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 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 said trust agreement is in accordance with “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (PITF 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 the 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) The 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 BIP Trust are ¥3,842 million 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 some of its 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 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 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) The 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 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.

Notes to Consolidated Balance Sheet

1. Assets pledged as collateral and debts for which those assets are pledged as collateral

(1) Assets pledged as collateral

Buildings and structures:	¥1,077 million
Land:	¥1,258 million
Investments in securities:	¥97,682 million
Total	¥100,018 million

(2) Debts for which above assets are pledged as collateral

Long-term loans:

(including current portion of long-term loans):

¥5,752 million

Long-term leasehold deposits (¥7,000 million) are pledged as collateral for exchange settlement transactions. Long-term leasehold deposits (¥20 million) are deposited with an official depository under the Real Estate Brokerage Act.

2. Accumulated depreciation of property and equipment: ¥3,006,240 million

The Company's foreign subsidiaries that adopted U.S. GAAP have applied ASU 2016-02, Leases (Topic842). As a result, the amount equivalent to depreciation of right-of-use assets related with operating lease is not included in accumulated depreciation, because the amount was deducted from right-of-use assets directly.

3. Contingent liabilities

Guarantees of borrowings from financial institutions by employees of consolidated subsidiaries are ¥21 million.

4. Loan commitment

Certain finance-related subsidiaries conduct a cash loan business. Unused credit balance related to loan commitment in the cash loan business is as follows.

Credit availability of loan commitment:	¥767,987 million
Outstanding balance:	¥66,979 million
Unused credit balance	¥701,008 million

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 records. Those subsidiaries will cease finance services or reduce the credit limit based on the credit situation of customers or other reasonable reasons.

5. Other

Government bonds and others held by Seven Bank, Ltd.

Seven Bank, Ltd., a consolidated subsidiary of the Company, holds government bonds and others to serve as collateral for exchange settlement transactions and overdraft transactions with the Bank of Japan. These government bonds and others (including whose redemption at maturity is less than one (1) year) are recorded in “Investments in securities” in the Consolidated Balance Sheet due to the substantive nature of the restrictions.

Notes to Consolidated Statement of Changes in Net Assets

1. Items relating to total number of outstanding shares

(Thousands of shares)

Type	As of March 1, 2024	Number of shares increased	Number of shares decreased	As of February 28, 2025
Common stock	877,742	1,755,484	28,670	2,604,555

2. Items relating to total number of shares of treasury stock

(Thousands of shares)

Type	As of March 1, 2024	Number of shares increased	Number of shares decreased	As of February 28, 2025
Common stock	3,437	35,549	29,263	9,723

(Notes)

1. The increase in total number of outstanding stock of 1,755,484 thousand shares of common stock is the increase due to a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares.
2. The increase in treasury stock of 35,549 thousand shares of common stock is the increase of 6,875 thousand shares due to a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares, the increase of 28,670 thousand shares due to the acquisition of stock of the Company by the resolution of the Board of Directors and the increase of 3 thousand shares due to the purchase of odd-lot shares.
3. The decrease in treasury stock of 29,263 thousand shares of common stock is 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 of the Company held by the BIP Trust and the ESOP Trust, 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.

3. Items relating to cash dividends

(1) Dividend payments, etc.

Resolution	Type	Total amount of cash dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 28, 2024; Annual Shareholders' Meeting	Common stock	49,488	56.50	February 29, 2024	May 29, 2024
October 10, 2024; Board of Directors' meeting	Common stock	51,980	20.00	August 31, 2024	November 15, 2024
Total		101,469			

(Notes)

1. The total amount of cash dividends determined by the resolution of the Annual Shareholders' Meeting held on May 28, 2024 includes ¥89 million of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust. 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. Dividend per share is the amount of dividend 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 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 20th fiscal year but to be effective during the 21st fiscal year

At the Annual Shareholders' Meeting to be held on May 27, 2025, the following proposal for resolution will be presented for matters concerning common stock dividends.

(i) Total amount of cash dividends: ¥51,980 million

(ii) Dividend per share: ¥20.00

(iii) Record date: February 28, 2025

(iv) Effective date: May 28, 2025

(Note)
The total amount of cash dividends includes ¥82 million of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

4. Items relating to share subscription rights at the end of the 20th fiscal year

Category	Breakdown of share subscription rights	Class of shares to be acquired upon exercise of the share subscription rights	Number of shares to be acquired upon exercise of the share subscription rights
The Company	15th share subscription rights issue	Common stock	9,000 shares
	17th share subscription rights issue	Common stock	9,000 shares
	19th share subscription rights issue	Common stock	9,000 shares
	21st share subscription rights issue	Common stock	9,000 shares

Notes relating to financial instruments

1. Items relating to the status of 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 principal and interest payments. The Group does not hold or issue derivative instruments for short-term trading or speculative purposes.

The Group's risk management is conducted pursuant to the "basic rules for risk management," stipulating which departments have overall control of each type of risk and which departments have overall control of general risk.

The Group reduces credit risk relating to notes and accounts receivable-trade, and leasehold deposits by continuously monitoring the credit ratings of business partners while undertaking due date control and balance control of notes and accounts receivable-trade for each business partner. Also, investments in securities are mainly shares and government bonds. In relation to these securities, the Group periodically checks market values and the financial standing of issuers while continuously reviewing the status of securities holdings in light of the Group's relationship with business partner companies.

The Group uses forward exchange contracts to hedge the risk of currency exchange rate fluctuations in relation to certain notes and accounts payable-trade, that are denominated in foreign currencies. Further, among loans, short-term loans are mainly for fund raising related to sales transactions, while long-term loans and bonds are mainly for fund raising related to capital investment and M&As. In relation to these loans, the Group undertakes comprehensive asset-liability management (ALM). The Group reduces the risks of currency exchange rate fluctuations and interest rate fluctuations through interest rate and currency swaps and interest rate swap transactions for certain long-term loans.

Because the determination of the value of financial instruments incorporates variable factors, the value may change if different preconditions are used. In addition, the contract amount for derivative transactions 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 on February 28, 2025, the market values, and the difference between these amounts are as follows. Shares that do not have a market value and investments in partnerships, etc. are not included in the following table (please refer to (Note) on page 105). "Cash and bank deposits," "Notes and accounts payable, trade" and "Short-term loans" are omitted because they are in cash and their market values approximate their book values due to their short maturities.

	Consolidated Balance Sheet (Millions of yen)	Market value (Millions of yen)	Difference (Millions of yen)
(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) Items for which hedge accounting is not applied	(19)	(19)	–
(ii) Items for which hedge accounting is applied	–	–	–
Derivative instruments	(19)	(19)	–

(Notes)

*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 liabilities arising from derivative instruments are shown, and the figures in parentheses indicate total net liabilities.

(Note) The amounts recorded on the Consolidated Balance Sheet for shares that do not have a market value and investment in partnerships, etc. are as follows, and are not included in Assets "(2) Investments in securities."

Classification	Consolidated Balance Sheet (Millions of yen)
Unlisted shares*1	43,217
Shares of subsidiaries and affiliates*1	30,911
Investment in partnerships, etc.*2	15,890

(Notes)

*1 Unlisted shares and shares of subsidiaries and affiliates are not subject to disclosure of their fair values in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020).

*2 Investment in partnerships, etc. is not subject to disclosure of fair value in accordance with Paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021).

3. Items relating to the breakdown, etc. of fair value of financial instruments by level

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate their fair values.

Level 1 fair value:	Among the inputs to the calculation of observable fair value, fair value calculated based on quoted market prices for the assets or liabilities for which such fair value is calculated that are formed in an active market
Level 2 fair value:	Among the inputs to the calculation of observable fair value, fair value calculated using inputs for fair value calculations other than Level 1 inputs
Level 3 fair value:	Fair value calculated using inputs for unobservable fair value calculations

When multiple inputs that have a significant impact on the calculation of fair value are used, the fair value of financial instruments is classified to the level with the lowest priority in the calculation of fair value among the levels to which each of those inputs belongs.

(1) Financial assets and liabilities recorded at fair value on the consolidated balance sheets

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Investments in securities				
Available-for-sale securities				
Stocks	97,363	–	–	97,363
Government bonds and 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 transactions				
Currency-related	–	(19)	–	(19)
Interest rate-related	–	–	–	–
Total liabilities	–	(19)	–	(19)

(2) Financial assets and liabilities that are not recorded at fair value on the consolidated balance sheets

(Millions of yen)

Classification	Fair 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				
Stocks	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 of valuation techniques used in the calculation of fair value and inputs related to the calculation of fair value

(Assets)

Investments in securities

Listed stocks are based on the prices quoted on the stock exchange and are classified as Level 1 fair value. Municipal bonds and bonds are classified as Level 2 fair value because they are not traded frequently in the market and are not considered to have prices quoted in an active market.

Notes and accounts receivable-trade, and contract assets

For notes and accounts receivable-trade, and contract assets with short settlement periods, the relevant book values are used because market values and book values are almost equivalent, and it is classified as Level 2 fair value. The market value of items with long settlement periods 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, and is classified as Level 3 fair value.

Long-term leasehold deposits

The market value of long-term leasehold deposits 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, and is classified as Level 2 fair value.

(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. Such fair value is classified as Level 2 fair value.

Bonds

For the fair value of domestic bonds, bonds that have market prices are based on market value, bonds that do not have market prices are measured using 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, and they are classified as Level 2 fair value. Also, the fair value of foreign currency-denominated bonds is classified as Level 2 fair value, since the bonds are subject to the allocation method for currency swaps, which is calculated by discounting future cash flows accounted for as a single currency swap at the interest rate that would be applicable to a new issue of similar domestic bonds.

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, and is classified as Level 2 fair value. Also, long-term loans with variable interest rates are subject to special treatment of interest rate swaps or integrated treatment of interest rate and currency swaps (special treatment and allocation treatment), which is calculated by discounting the total amount of principal and interest treated together with the relevant interest rate or currency swap at a reasonably estimated interest rate that would be applied to similar loans, and are classified as Level 2 fair value.

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 by the corresponding yield on government bonds over the remaining period, and is classified as Level 2 fair value.

Derivatives

Currency-related fair value is measured with the discounted present value method by using observable inputs such as interest rates and foreign exchange rates. In addition, because items such as forward foreign exchange contracts subject to the short-cut method are processed together with hedged accounts payable-trade, the market values of such items are included in the market value of the corresponding notes and accounts payable-trade. Such fair value is classified as Level 2 fair value.

Interest rate-related fair value is measured with the discounted present value method by using observable inputs such as interest rates and foreign exchange rates. In addition, since the specific hedging of interest rate swaps is treated as one with long-term loans that are subject to hedging, the market value is included in the market value of the long-term loans. Since the integrated accounting treatment of interest rate and currency swaps (specific hedging and the short-cut method) is treated as one with long-term loans that are subject to hedging, the market value is included in the market value of the long-term loans. Such fair value is classified as Level 2 fair value.

Notes concerning real estate for lease

Notes about real estate for lease have been omitted because the total amount thereof is considered immaterial.

Notes concerning per share information

1. Net assets per share: ¥1,553.17
2. Net income per share: ¥66.62

(Notes)

1. 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 issued at the end of the fiscal year, to calculate net assets per share. The total number of shares of treasury stock at the end of the fiscal year deducted for the computation is 4,137 thousand shares.
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 fiscal year, to calculate net income per share. The average number of shares of treasury stock during the fiscal year deducted for the computation is 4,381 thousand shares.

Notes concerning significant subsequent event

I Change in the scope of consolidation

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 seven equity-method affiliates engaged in the Group's food supermarket, specialty store, and other businesses ("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 was 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(*) ("Absorption-type Split") and that the Company would respectively enter into various agreements related to the Transaction (as defined below) (collectively, "Definitive Agreements") at a meeting of its Board of Directors held March 6, 2025, 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 Co., Ltd., 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 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 (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. Steps (1) and (2) will be carried out at the same timing.

(3) Impact of the change

As a result of the Transaction on September 1, 2025 (scheduled), 22 consolidated subsidiaries of the Company under the SST Business Group will be excluded from the scope of consolidation. Additionally, after the Transaction, SPC (1), SPC (2), the Transferred Companies, and their affiliates will become equity-method affiliates of the Company.

The impact of the Transaction on the Company's business results for the fiscal year ending February 28, 2026 is currently being examined.

II. Repurchase of own shares

The Company resolved, at the Board of Directors meeting 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 above.

1. Reasons for establishing the facility for the repurchase of own shares

As the Company announced in "Update on Management Initiatives" on March 6, 2025, the Company commits to repurchase ¥2.0 trillion of capital in total to shareholders. The Company has announced a repurchase of own shares up to a maximum of ¥600 billion in FY2025 and plans to repurchase incremental approximately ¥1.4 trillion from FY2026 with a consistent cadence, totaling the repurchase to ¥2.0 trillion by FY2030 in the presentation material "Financial Results Presentation FY2024" released on April 9, 2025. Based on the above, the Company has 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

(a) Class of shares to be repurchased	Common stock of the Company
(b) Total number of shares to be repurchased	400,000,000 shares (maximum) (The percentage compared to the total number of shares outstanding (excluding treasury shares): 15.4%)
(c) Total purchase amount for share repurchase	¥600,000,000,000 (maximum)
(d) Method of repurchase	Plan to purchase shares in the open market on the Tokyo Stock Exchange
(e) 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 treasury shares as of February 28, 2025

Total number of shares outstanding (excluding treasury shares)	2,599,036,186 shares
Number of treasury shares	5,519,663 shares

* The shares held by the BIP and ESOP Trust are excluded in the above number of treasury stock.

Notes concerning revenue recognition

(1) Information disaggregating revenue from contracts with customers is as follows.

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustments (Note 2)	Revenues 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
Other regions (Note 3)	–	466,571	33,463	11,857	2,268	514,160	–	514,160
Revenue from contracts with customers	898,374	8,882,832	1,426,254	142,137	286,163	11,635,762	634	11,636,397
Other income (Note 4)	3,814	285,601	2,282	43,493	1,172	336,365	–	336,365
Revenues 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" represent the businesses which are not included in any of the reportable segments and consist of the specialty store operations and real estate operations, etc.
2. The "Adjustments" category represents operating revenues that do not belong to any business segment.
3. Countries belonging to "Other regions" include Australia and China, among others.
4. "Other income" includes revenues based on ASU No. 2016-02 "Leases (Topic842)" and rental income from movable and real estate properties based on "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13), and finance income, etc. based on "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10).
5. The classification of geographic area segments is determined according to geographical distances.

(2) Information that provides the basis for understanding revenue

Information that provides the basis for understanding revenue from contracts with customers is described in "Notes relating to Significant Accounting Policies for the Preparation of Consolidated Financial Statements, 4. Items relating to accounting policies, (5) Accounting policy for significant revenue and expenses.”

(3) Information for understanding the amount for the 20th fiscal year and the following fiscal years

(i) Balance of receivables, contract assets and contract liabilities arising from contracts with customers

The amounts of receivables, contract assets and contract liabilities arising from contracts with customers are as follows.

(Millions of yen)

	As of March 1, 2024	As of February 28, 2025
Receivables from contracts with customer		
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 relate primarily to consideration for work for which revenue has been recognized but not yet invoiced in contracts where the performance obligation is satisfied over a specified period of time. Contract assets are reclassified as trade receivables when they become unconditional rights to payment and are invoiced. Contract assets are included in “Notes and accounts receivable - trade, and contract assets” in the consolidated balance sheets.

Contract liabilities are mainly the balances of gift certificates, e-money, and points issued by the Group and opening preparation fees received from franchisees the performance obligation of which has not been fulfilled as of the end of the fiscal year. Contract liabilities arising from e-money, gift certificates, and points are reversed as they are used, while contract liabilities arising from opening preparation fees received from franchisees are reversed as revenue is recognized over time.

The amount of revenue recognized from contract liabilities included in the balance of contract liabilities at the beginning of the period was ¥122,367 million. The amount of revenue recognized from performance obligations that had been satisfied in prior periods was not material.

(ii) Transaction prices allocated to remaining performance obligations

As of February 28, 2025, the total transaction price amount allocated to the remaining performance obligations was ¥224,937 million. The Group expects to recognize revenues from remaining performance obligations such as e-money, gift certificates, and points, etc. as they are used, and from remaining performance obligations such as fixed rents from tenants and opening preparation fees received from franchisees as time passes, generally within 15 years.

Variable consideration such as royalties based on transactions, sales or rent with an initial expected contract period of one year or less are not included in the table above. Royalties based on sales or rent are primarily royalties received from franchisees, and the remaining contract terms range from 1 to 15 years for each individual contract.

Other notes

1. Notes on Consolidated Financial Statements

Loss on business of subsidiaries and associates is caused by withdrawal of online supermarket business and the breakdown is as follows:

Impairment loss:	¥26,540 million
Early termination fee:	¥14,278 million
Others:	¥5,597 million
Total:	¥46,416 million

2. Notes concerning business combination

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 the Board of Directors meeting held on November 30, 2023. In addition, 7IN executed the agreement relating to the Transaction on April 1, 2024 (March 31, 2024 in the U.S.). The details are as follows.

1. Overview

(1) Name and main business of the acquired company

Name: Convenience Group Holdings Pty Ltd.

Description of business: Operation of the convenience store business and fuel retail business

(2) Main reason 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.

(a) 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 until 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.

(b) 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, as a global leader, reaffirms 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 in the U.S.)

(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) Ratio 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)

   Acquisition cost: 1,989,098 thousand Australian dollars (¥196,145 million)

   Note: The amount of cash and cash equivalents held by the acquiree was 302,155 thousand Australian dollars (¥29,795 million).

4. Details and amounts of main acquisition-related costs

   Payment for financial and legal investigations: 15,578 thousand U.S. dollars (¥2,363 million)

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)

   (2) Reason for recognition of goodwill

   Future excess earning power expected from future business development.

   (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)
Non-current assets	2,281,729 thousand Australian dollars	(¥225,001 million)
Total assets	2,859,948 thousand Australian dollars	(¥282,019 million)
Current liabilities	777,379 thousand Australian dollars	(¥76,657 million)
Non-current liabilities	1,543,592 thousand Australian dollars	(¥152,213 million)
Total liabilities	2,320,972 thousand Australian dollars	(¥228,871 million)

Note: Converted at the rate of 1 Australian dollar = ¥98.61 (as of March 29, 2024)
Converted at the rate of 1 U.S. dollar = ¥151.69 (average exchange rates)

II. Business combination by acquisition

The Company's Board of Directors resolved on January 11, 2024 that the Company's consolidated subsidiary 7-Eleven, Inc. ("SEI") would acquire stores and other assets constituting most of the convenience store business and gasoline retail business of U.S. company Sunoco LP ("the Transaction"). In addition, the Transaction has been completed on April 16, 2024. The details are as follows.

1. Overview

   (1) Name and main business of the other company

   Name: Sunoco LP

   Description of business: Operation of fuel wholesale and retail, and convenience store business

(2) Main reason 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.

(I) 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.

(II) 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).

(III) Complete the overall integration with Speedway and realize 800 million dollars synergies in 2023, aiming for further synergy expansion.

(IV) 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 and contribute to increasing 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

Acquisition of business

(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 businesses with all consideration paid in cash.

2. Period of performance of the acquired business included in the consolidated financial statements

From 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)

   Acquisition cost: 995,608 thousand U.S. dollars (¥152,786 million)

   Note: Converted at the rate of 1 U.S. dollar = ¥153.46 (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)

   Note: Converted at the rate of 1 U.S. dollar = ¥151.69 (average exchange rates)

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)

   (2) Reason for recognition of goodwill

   Future excess earning power expected from future business development.

   (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)
Non-current assets	327,257 thousand U.S. dollars	(¥50,220 million)
Total assets	369,372 thousand U.S. dollars	(¥56,683 million)
Non-current liabilities	71,441 thousand U.S. dollars	(¥10,963 million)
Total liabilities	71,441 thousand U.S. dollars	(¥10,963 million)

Note: Converted at the rate of 1 U.S. dollar = ¥153.46 (as of April 15, 2024)

NON-CONSOLIDATED BALANCE SHEET (as of February 28, 2025)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		**LIABILITIES**	
Current assets	**94,391**	**Current liabilities**	**667,630**
Cash and bank deposits	874	Current portion of bonds	210,000
Prepaid expenses	3,577	Short-term loans from subsidiaries and affiliates	328,504
Accounts receivable, other	74,007		
Income taxes receivable	125	Current portion of long-term loans	61,856
Deposits held by subsidiaries and affiliates	14,244	Lease obligations	6,087
Other	1,562	Accounts payable, other	35,280
Non-current assets	**2,595,424**	Accrued expenses	5,386
Property and equipment	**8,828**	Income taxes payable	301
Buildings and structures	2,683	Advance received	294
Fixtures, equipment and vehicles	2,498	Allowance for bonuses to employees	784
Land	2,712	Allowance for bonuses to Directors and Audit & Supervisory Board Members	183
Lease assets	656		
Construction in progress	277	Allowance for loss on business of subsidiary	18,039
Intangible assets	**64,868**	Other	911
Software	35,864	**Non-current liabilities**	**673,082**
Software in progress	3,702	Bonds	260,000
Lease assets	24,256	Long-term loans	377,690
Other	1,045	Long-term loans from subsidiaries and affiliates	4
Investments and other assets	**2,521,726**		
Investments in securities	41,188	Lease obligations	21,694
Stocks of subsidiaries and affiliates	2,443,849	Allowance for stock payments	1,884
Prepaid pension cost	2,522	Provision for loss on guarantees	5,696
Long-term leasehold deposits	4,250	Deposits paid in subsidiaries	3,228
Deferred income taxes	26,178	Deposits received from tenants	2,090
Other	3,737	Other	794
Deferred assets	**582**	**TOTAL LIABILITIES**	**1,340,713**
Bond issuance costs	582	**NET ASSETS**	
		Shareholders' equity	**1,334,223**
		Common stock	**50,000**
		Capital surplus	**1,129,427**
		Additional paid-in capital	875,496
		Other capital surplus	253,930
		Retained earnings	**171,857**
		Other retained earnings	171,857
		Retained earnings brought forward	171,857
		Treasury stock, at cost	**(17,061)**
		Accumulated gains from valuation and translation adjustments	**15,413**
		Unrealized gains (losses) on available-for-sale securities, net of taxes	15,413
		Subscription rights to shares	**49**
		TOTAL NET ASSETS	**1,349,685**
TOTAL ASSETS	**2,690,398**	**TOTAL LIABILITIES AND NET ASSETS**	**2,690,398**

NON-CONSOLIDATED STATEMENT OF INCOME (March 1, 2024 to February 28, 2025)

(Millions of yen)

Item	Amount	
Revenues from operations		
Dividend income	202,421	
Management consulting fee income	4,423	
Commission fee income	2,188	
Other	709	209,743
General and administrative expenses		81,818
Operating income		**127,925**
Non-operating income		
Interest income	159	
Dividend income	741	
Other	375	1,276
Non-operating expenses		
Interest expenses	4,224	
Interest on bonds	2,623	
Other	675	7,523
Ordinary income		**121,679**
Special gains		
Gain on sales of investments in securities	9,115	
Gain on donation	500	
Other	0	9,615
Special losses		
Loss on disposals of property and equipment	107	
Impairment loss	172	
Loss on business of subsidiaries and associates	36,212	
Loss on transfer of subsidiary	5,921	
Other	4,994	47,408
Income before income taxes		**83,886**
Income taxes - current	(29,316)	
Income taxes - deferred	3,647	(25,669)
Net income		**109,556**

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (March 1, 2024 to February 28, 2025)

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock, at cost	**Total shareholders' equity**
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at March 1, 2024	**50,000**	**875,496**	**311,992**	**1,187,489**	**163,770**	**163,770**	**(16,321)**	**1,384,938**
Increase (decrease) for the year								
Cash dividends					(101,469)	(101,469)		**(101,469)**
Net income					109,556	109,556		**109,556**
Purchase of treasury stock							(59,643)	**(59,643)**
Disposal of treasury stock			0	0			840	**840**
Cancellation of treasury stock			(58,062)	(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**	**(739)**	**(50,715)**
Balance at February 28, 2025	**50,000**	**875,496**	**253,930**	**1,129,427**	**171,857**	**171,857**	**(17,061)**	**1,334,223**

	Accumulated gains (losses) from valuation and translation adjustments		**Subscription rights to shares**	**TOTAL NET ASSETS**
	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	**14,697**	**14,697**	**49**	**1,399,685**
Increase (decrease) for the year				
Cash dividends				**(101,469)**
Net income				**109,556**
Purchase of treasury stock				**(59,643)**
Disposal of treasury stock				**840**
Cancellation of treasury stock				–
Net changes of items other than shareholders' equity	715	**715**	–	**715**
Net increase (decrease) for the year	**715**	**715**	–	**(49,999)**
Balance at February 28, 2025	**15,413**	**15,413**	**49**	**1,349,685**

Notes to Non-Consolidated Financial Statements
Notes concerning matters pertaining to significant accounting policies

1. Valuation basis and method for securities

(1) Stock of subsidiaries and affiliates:

Valued at cost by the moving-average method.

(2) Available-for-sale securities

Securities other than shares that do not have a market value:

Securities whose fair value is available are valued at the quoted market price prevailing at the end of the 20th fiscal year. 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 sales is determined using the moving-average method.

Shares, etc. with no market price:

Shares that do not have a market value are valued at cost, determined using the moving-average method.

(3) Valuation basis and method for derivatives:

Valued at fair value.

2. Methods of depreciation for non-current assets

(1) Property and equipment (excluding lease assets):

Amortized using the straight-line method.

(2) Intangible assets (excluding lease assets):

Amortized using the straight-line method. Software for internal use is amortized using the straight-line method over a usable period of five (5) years.

(3) Lease assets

For depreciation of lease assets, a useful life is based on the duration of the lease period, and straight-line depreciation is applied with an assumed residual value of zero.

3. Methods of processing deferred assets

Bond issuance cost:

In principle, the entire amount is expensed at the time of expenditure. However, if the bonds are recorded as deferred assets, the issuance cost is amortized on a straight-line basis over the redemption period of the bonds.

4. Methods of accounting for allowances

(1) Allowance for bonuses to employees

Allowance for bonuses to employees is provided at the amount calculated 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 expected to be paid.

(3) Allowance for loss on business of subsidiary

Allowance for loss on business of subsidiary is provided in an amount estimated to accrue to prepare for expenses or losses associated with withdrawing 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 at the end of the 20th 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 20th fiscal year. In calculating retirement benefit obligations, the estimated total retirement benefit obligation is allocated to the period up to the end of the 20th fiscal year on a benefit formula basis.

Actuarial differences are amortized on a straight-line basis over a certain period (ten (10) years) from the fiscal year following the fiscal year in which they arise, which is within the average remaining years of service of the eligible employees when the actuarial differences arise in a fiscal year.

(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 policy for revenue and expenses

As a holding company, the Company’s revenues consist mainly of business management fees, outsourcing fees, and dividend income from subsidiaries. The Company recognizes business management fees and outsourcing fees as revenues when the Company’s services are provided because the Company’s performance obligation is to provide outsourced services to its subsidiaries in accordance with the terms of the contract; accordingly, the Company’s performance obligation is fulfilled when the services are performed. Dividend income is recognized as of the effective date of the dividends.

6. Significant hedge accounting methods

(1) Hedge accounting

In principle, hedging activities are accounted for by the deferred hedge method.

However, interest rate and currency swaps are accounted for by integrated accounting treatment (specific hedging and *furiate shori*) when they meet certain criteria for the method.

(2) Hedge instruments and hedged items

Hedge instruments – Interest rate and currency swaps

Hedged items – Foreign currency-denominated loans payable

(3) Hedging policies

The Company has policies to utilize derivative instruments for the purposes of hedging their exposure to fluctuations in foreign currency exchange 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

By comparing fluctuations in quotations of the hedge instruments and those of the hedged items, the hedge effectiveness is assessed quarterly based on their fluctuation amounts except for interest rate and currency swap contracts for which integrated accounting treatment has been applied.

7. Other significant items that form the basis of the preparation of 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.

Notes concerning changes in method of presentation

(Non-Consolidated Statement of Income)

"Loss on transfer of subsidiary," which until the 19th fiscal year was included in "Other" under extraordinary losses, has been separately presented from "Other" from the 20th fiscal year because it exceeded 10% of the total amount of extraordinary losses.

Notes on accounting estimates

Accounting estimates are based on reasonable amounts based on information available at the time of preparation of the financial statements. Among the amounts which include accounting estimates recorded in the financial statements for the 20th fiscal year, the following items have risks of having a material effect on the financial statements for the following fiscal year:

The valuation of stocks of subsidiaries and affiliates

(1) Amounts recorded in the financial statements for the 20th fiscal year

Shares of subsidiaries that do not have a market value	¥2,439,058 million
Shares of affiliates that do not have a market value	¥3,288 million

(2) Information on the nature of significant accounting estimates for the items identified

An impairment loss shall be recognized for shares of subsidiaries and affiliates that do not have a market value, 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 20th fiscal year, there are no shares of subsidiaries and affiliates that do not have a market value and whose substantial value has declined significantly but for which no impairment loss has been recognized.

Supplementary information

(Performance-Based and Stock-Based Compensation Plan for Directors and Executive Officers)

The Company has introduced a performance-based and 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 "Notes to Consolidated Financial Statements."

Notes to Non-Consolidated Balance Sheet

1. Accumulated depreciation of property and equipment: ¥5,494 million

2. Monetary claims and monetary obligations in regard to subsidiaries and affiliates (excluding items listed elsewhere)

(1) Short-term receivables:	¥68,455 million
(2) Long-term receivables:	¥12 million
(3) Short-term payables:	¥35,964 million
(4) Long-term payables:	¥23,746 million

Notes to Non-Consolidated Statement of Income

1. Items relating to transactions with subsidiaries and affiliates

(1) Operating transactions

Revenues from operations:	¥209,097 million
General and administrative expenses:	¥8,441 million
(2) Non-operating transactions:	¥36,877 million

2. Loss on business of subsidiaries and associates

Loss on business of subsidiaries and associates is caused by withdrawal of online supermarket business and the breakdown is as follows:

Impairment loss:	¥25,909 million
Early termination fee:	¥10,153 million
Others:	¥150 million
Total:	¥36,212 million

Notes to Non-Consolidated Statement of Changes in Net Assets

Shares of treasury stock at the end of the fiscal year Common stock 9,656,801 shares

(Note)

Shares of treasury stock at the end of the fiscal year include 4,137 thousand shares of the Company held by the BIP Trust and the ESOP Trust.

Notes regarding tax effect accounting

1. Deferred tax assets and deferred tax liabilities by cause of occurrence

Deferred tax assets	
Allowance for bonuses to employees:	¥274 million
Accrued enterprise taxes and business office taxes:	¥104 million
Accounts payable, other and accrued expenses:	¥1,188 million
Allowance for loss on business of subsidiary	¥2,954 million
Subscription rights to shares:	¥15 million
Tax loss carried forward:	¥58,684 million
Denial of impairment loss:	¥4,911 million
Valuation loss on subsidiaries' and affiliates' stock:	¥4,747 million
Allowance for stock payments:	¥362 million
Provision for loss on guarantees:	¥1,744 million
Assets adjusted for gain or loss on transfer:	¥206 million
Other:	¥170 million
Sub-total:	¥75,365 million
Less: Valuation allowance:	(¥40,437 million)
Total:	¥34,927 million

Deferred tax liabilities	
Prepaid pension cost:	(¥772 million)
Assets adjusted for gain or loss on transfer:	(¥1,172 million)
Unrealized losses on available-for-sale securities, net of taxes:	(¥6,804 million)
Total:	(¥8,749 million)
Deferred tax assets, net:	¥26,178 million

2. Accounting treatment for national corporation tax, local corporation tax, and tax effect accounting relating to these taxes

The Company has applied the Group Tax Sharing System. Furthermore, the Company undertakes and discloses the accounting treatment for national corporation tax, local corporation tax, and 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" (PITF No. 42 issued on August 12, 2021).

Notes concerning non-current assets utilized through leases

Future lease payments for non-cancellable operating leases

Due within one year:	¥4 million
Due after one year:	¥3 million
Total:	¥7 million

Notes concerning transactions with related parties

1. Subsidiaries and affiliates, etc.

(Millions of yen)

Attribution	Name of company, etc.	Voting rights held by the Company (%)	Relationship with related party	Details of transaction	Amount of transaction	Account title	Year-end balance
Subsidiary	SEVEN & i Financial Center Co., Ltd.	Ownership Direct: 100	Deposit and borrowing of funds Concurrently serving corporate officers	Deposit of funds (Note 1)	3,802,878	Deposits held by subsidiaries and affiliates	14,239
				Interest on deposits (Note 1)	116	Other current assets	21
				Borrowing of funds (Note 1)	3,730,500	Short-term loans payable to subsidiaries and affiliates	328,500
						Accrued expenses	9
				Interest on borrowed funds (Note 1)	2,031		
Subsidiary	SEVEN-ELEVEN JAPAN CO., LTD.	Ownership Direct: 100	Concurrently serving corporate officers	Business management (Note 2)	3,271	Accounts receivable	53,649
				Operational consignment (Note 3)	805		
				Amount expected to be received due to the Group Tax Sharing System	52,366		
Subsidiary	Ito-Yokado Co., Ltd.	Ownership Indirect: 100	Concurrently serving corporate officers	Operational consignment (Note 3)	1,140	Accounts receivable	703
Subsidiary	Seven Financial Service Co., Ltd.	Ownership Direct: 100	Lease of non-current assets	Payment of lease obligations (Note 4)	7,658	Short-term lease obligations	6,087
				Lease interest expenses (Note 4)	339	Long-term lease obligations	21,694
Subsidiary	YORK Holdings Co., Ltd.	Ownership Direct: 100	Concurrently serving corporate officers	Share exchange (Note 5)	769,498	–	–
Subsidiary	Seven & i Net Media Co., Ltd.	Ownership Direct: 10	–	Provision of funds (Note 6)	34,000	Accounts payable, other	1,837

(Notes)

1. Transactions are conducted based on interest rates for deposits to and loans from subsidiaries and affiliates that are determined reasonably by taking into account market interest rates.
2. Business management fees are determined proportionately according to the size of each subsidiary’s business in line with the Group’s rules.
3. Operational consignment fees are determined based on negotiations between the relevant parties.
4. Lease transactions are determined through consultation with reference to general transaction conditions.
5. The share exchange was effected by overseeing, and consolidating the shares of, the Group’s food supermarket, specialty store, and other businesses (SST Business Group).
6. This is a provision of funds to Seven & i Net Media Co., Ltd. for the purpose of increasing its capital investment in Nissen Holdings Co., Ltd., and the decision was made after consultation between the two companies.

2. Corporate officers and principal individual shareholders, etc.

(Millions of yen)

Attribution	Name of company, etc. or name	Voting rights held in the Company (%)	Relationship with related party	Details of transaction	Amount of transaction	Account title	Year-end balance
Director	Junro Ito	(Held) Direct: 0.36	–	Receipt of donation	500	–	–

(Notes)

1. The amount of transaction does not include consumption taxes, etc.
2. Received in cash as funds for the development of human resources who are expected to actively participate in the further global expansion of the Group going forward.

Notes concerning per share information

1. Net assets per share: ¥520.11
2. Net income per share: ¥42.17

(Notes)

1. 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 issued at the end of the fiscal year, to calculate net assets per share. The total number of shares of treasury stock at the end of the fiscal year deducted for the computation is 4,137 thousand shares.
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 fiscal year, to calculate net income per share. The average number of shares of treasury stock during the fiscal year deducted for the computation is 4,381 thousand shares.

Notes concerning significant subsequent event

(Acquisition of own shares)

The same information is included in "Notes concerning significant subsequent event" under "Notes to Consolidated Financial Statements," so the notes have been omitted.

Notes concerning revenue recognition

(Information that provides the basis for understanding revenue from contracts with customers)

As stated in "5. Accounting policy for revenue and expenses" under "Notes concerning matters pertaining to significant accounting policies."

Other notes

Notes on business combinations

Transactions under common control

1. Organizational restructuring within the Group

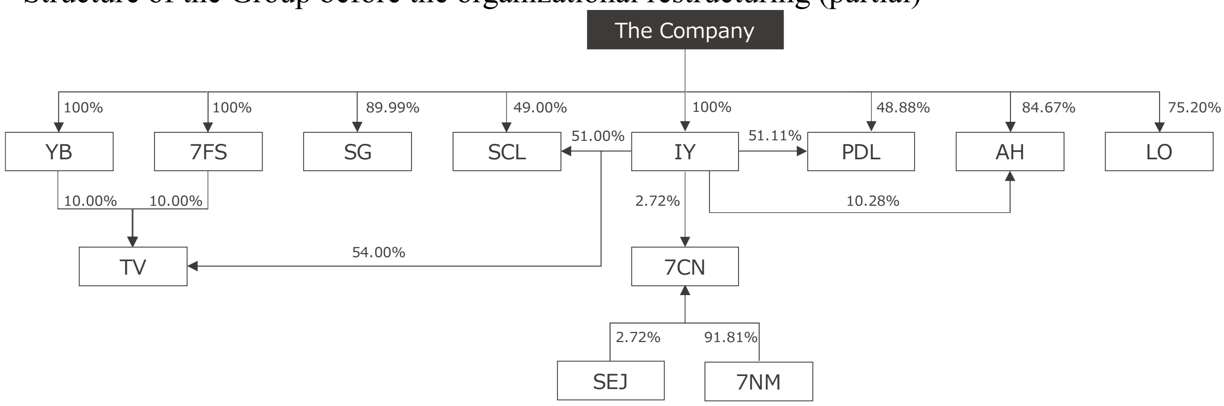
The Company established YORK Holdings Co., Ltd. (“YORK HD”) on October 11, 2024 as an intermediate holding company that presides over the Group’s food supermarket businesses, specialty stores, and other businesses (collectively, the “SST Business Group”), and conducted the distributions of dividends 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

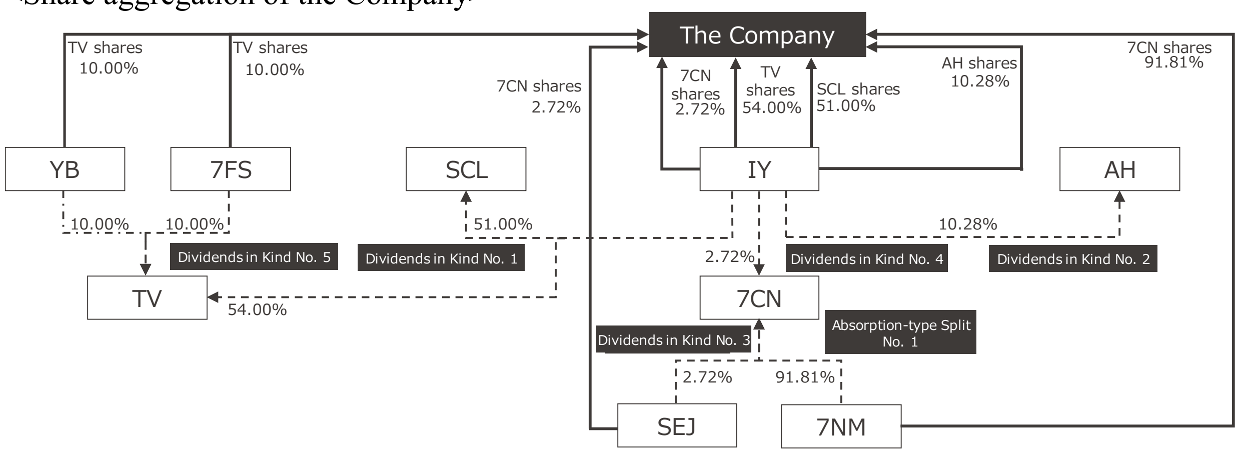
(List of abbreviations)

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

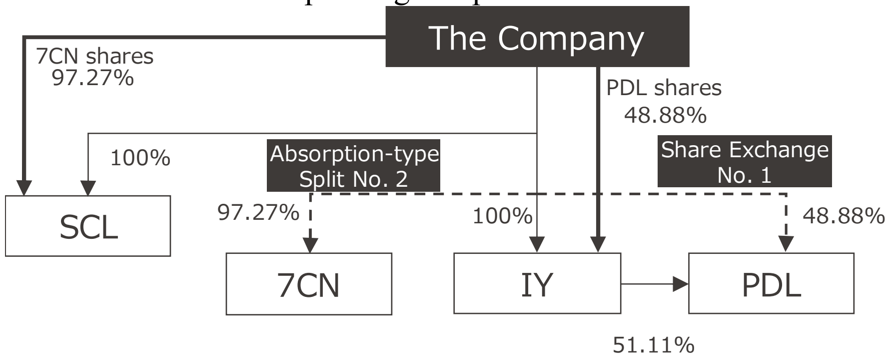
<Structure of the Group before the organizational restructuring (partial)>



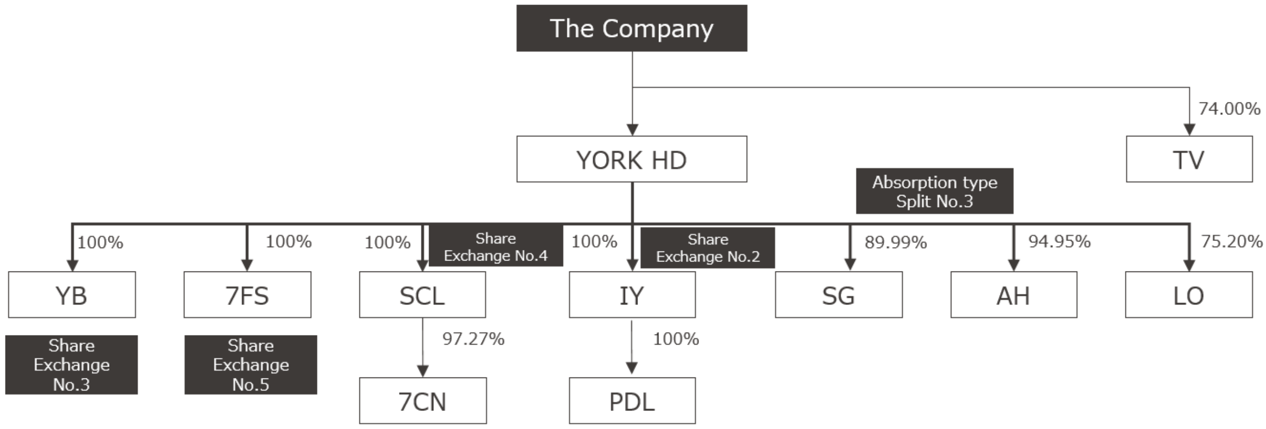
<Share aggregation of the Company>



<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").

(1) 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.

(2) Date of business combination

February 26, 2025

(3) Legal form of business combination

Refer to the information above.

(4) Name of entity after the business combination

There will be no change to the company names.

(5) 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").

(1) 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.

(2) Date of business combination

February 27, 2025

(3) Legal form of business combination

Refer to the information above.

(4) Name of entity after the business combination

There will be no change to the company names.

(5) 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").

(1) 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.

(2) Date of business combination

February 28, 2025

(3) Legal form of business combination

Refer to the information above.

(4) Name of entity after the business combination

There will be no change to the company names.

(5) Other items regarding overview of transaction

Refer to the information above.

5. Summary of 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.

End