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June 4, 2025

Questions and Answers for the 20th Annual Shareholders' Meeting (Summary)

We appreciate the attendance of many of our shareholders at the 20th Annual Shareholders' Meeting. During the Q&A session, we received opinions and questions below from our shareholders. For the sake of easy understanding, we have summarized the important points.

Questioner 1

Q)

- I feel that the percentage of female executives at Seven & i Holdings is low. Please tell us about your efforts to achieve a 30% female executive ratio by 2030 in line with government policy.

A)

- In order to increase the number of female executives, it is important to promote female employees to positions such as general managers, managers, and team leaders. We are also holding seminars within the company to encourage them and raise their motivation. We will continue to promote the appointment of female executives while striving to enhance corporate value and contribute to the revitalization of Japanese society.

Questioner 2

Q)

- I oppose doubling executive compensation. In recent years, the current ratio has declined, debts have increased, and profits for the most recent FY have decreased by more than 20% compared to the previous FY. You mentioned that you have revamped the executive structure, but I believe that this is still insufficient. I would like you to consider the optimal personnel allocation to generate profits for the company.

A)

- The performance for FY 2024 was extremely difficult, causing concern and inconvenience to our stakeholders. The performance for the previous FY deteriorated due to factors such as cost push inflation which rapidly deteriorated and a decline in consumer spending. In particular, the slow response during the first half was a contributing factor. In the second half, we revised our pricing strategy under the "Pleasant Value" initiative, resulting in the number of customers per store at Seven-Eleven Japan exceeding the previous year's level. Additionally, we have strengthened our fresh food offerings at the counter, resulting in an improving trend in gross profit margin. We aim for a net profit of 255.0 billion yen in FY 2025, representing a 147% increase from the previous year. Under the new management structure, we will work to enhance the value of the Seven-Eleven brand globally.

Questioner 3

Q)

- 7-Eleven has successfully localized its international expansion, but there are risks in some regions. How will you address these risks?

A)

- We aim to expand from the current 19 countries and regions to 30 countries and regions by 2030, and we are focusing on risk assessment. Previously, we had adopted a low-risk, low-return

licensing model for countries and regions other than Japan and North America, but three years ago, we established 7-Eleven International, LLC and changed our strategy to pursue higher returns through proactive and disciplined investment, while carefully assessing risks. Going forward, we will continue to thoroughly assess risks and expand our store network effectively.

Questioner 4

Q)

- Why does Director Dacus not hold any shares in our company? Is it because he does not believe the company will grow in the future?

A)

- Many of the outside directors, including Director Dacus, do not hold shares in our company. There are pros and cons to outside directors holding shares. While there is merit in holding shares as an incentive to improve corporate performance, outside directors are in a position to monitor management and may choose not to hold shares in order to avoid biased decisions. Director Dacus is scheduled to be appointed as President and Representative Director at the board meeting following this Annual Shareholders' Meeting, and as improving share price and earnings, which are common goals with shareholders, will become extremely important, a proposal to make 60% of remuneration in the form of stock compensation will be submitted.

Questioner 5

Q)

- As you focus on the convenience store business in the future, please tell us about the challenges of the franchise business model and what you will do to help franchisees operate their businesses in a positive manner.

A)

- 7-Eleven has been in business in Japan for 50 years and has led the Japanese retail industry by offering convenience in terms of time and distance. In recent years, the environment surrounding the company is changing dramatically due to the COVID-19 pandemic, inflation, labor shortages, and the declining birthrate with aging population. In particular, inflation has significantly impacted consumers' awareness of protecting their livelihoods. We implemented the "Pleasant Value" initiative in September last year to address customers' reluctance to spend. However, 7-Eleven's ideal business model is not low-margin, high-volume sales, but rather providing value for each and every product. As the population ages and shrinks, stores where customers can do all their shopping nearby are becoming increasingly important. In February last year, we opened the SIP Store, expanded our product range, and introduced "freshly made products," which has led to a significant increase in sales. We plan to expand the positive aspects of the SIP Store to 10,000 stores by the end of this year. Under the new executive leadership of Seven-Eleven Japan, we will continue to work toward realizing the ideal role of 7-Eleven in Japan's aging society.

Questioner 6

Q)

- After the acquisition proposal from Alimentation Couche-Tard (ACT), the founding family proposed a management buyout, but the amount was too large, and it seems that there was no realistic possibility from the outset. Please tell us if your management plans to buy back the shares in the future and continue to operate independently.

A)

- We established a Special Committee to consider the proposals from ACT, the founding family, and our management. All proposals were evaluated with the maximization of shareholder value

and corporate value as the core principle. However, the founding family's proposal was withdrawn. Regarding ACT's proposal, the key point is whether approval from U.S. antitrust regulatory authorities, Federal Trade Commission (FTC) can be obtained. Without resolving this issue, proceeding with business integration could disrupt our investments, potentially putting our corporate value and shareholder value at risk. Therefore, at this point, we are continuing to consider the proposal from ACT and our own management measures in parallel.

Questioner 7

Q)

- We would like to know why Director Dacus will be appointed as CEO. Will his experience at Seiyu and Wal-Mart be valuable?

A)

- Since 2023, an appointment committee with a majority of independent outside directors has been discussing the ideal profile for our CEO in charge of global strategy and considered many candidates from various perspectives. As a result of objective evaluation, Director Dacus was determined to be the most suitable candidate for our new leader, given his background, extensive expertise including in finance, and ability to communicate with investors.

Questioner 8

Q)

- I think the shareholder benefits program is inadequate. Sending all shareholders a choice between a donation or gift certificates by mail is inefficient, and I believe that shareholders holding larger numbers of shares should receive more generous benefits. Additionally, while share buybacks are positive, reducing interest-bearing debt is also a meaningful option.

A)

- Shareholder benefits were introduced with the aim of encouraging individual shareholders to hold a significant number of shares and provide feedback through their experiences with our products and services, thereby contributing to the advancement of our management. While there are areas that require improvement, we will continue to make efforts in this regard. Regarding share buybacks, we plan to allocate 40% of the operating cash flow through 2030, the IPO of our North American business, and the deconsolidation of the SST business to growth investment, 40% to shareholder returns, and 20% to the repayment of interest-bearing debt. We are keeping a close eye on interest-bearing debt, so please rest assured.

Questioner 9

Q)

- Are Ito-Yokado's prices higher than those of its competitors?

A)

- It is true that we have received complaints and opinions about prices from our customers through surveys and other means. Ito-Yokado has been operating for many years with the fundamental principle of providing products that customers can purchase with confidence by focusing on freshness, taste, and quality in food products. However, we understand that price is also an important value. We are conducting price comparisons with competitors and developing products at lower prices, such as SEVEN THE PRICE within Seven Premium. We will continue to implement strategies, including promotions, so that customers will say that Ito-Yokado offers good products at reasonable prices.

Questioner 10

Q)

- How did the current management take responsibility for the poor performance? Why are you proposing resolutions to reappoint half of the board members and increase their compensation despite poor performance?

A)

- Approximately 60% of the compensation for the current management team is performance-based, meaning it varies depending on performance. This year's compensation has been reduced compared to last year, and the reduction is equivalent to the decrease in profits. This is stated in the securities report and was disclosed prior to this Annual Shareholders' Meeting. We have taken appropriate measures to ensure that compensation decreases if performance does not improve, and we ask for your understanding. Additionally, from the perspective of securing talented human resources for global growth, we ask for your understanding regarding Proposal No. 6, which aims to secure and nurture top talent.

Questioner 11

Q)

- We would like to ask about your thoughts on the current stock price, which is stagnant, in light of the acquisition proposal from ACT and the stock price proposed in the MBO.

A)

- We are objectively and neutrally reviewing the contents of the proposal from ACT, and other third parties, centered on the Special Committee, to determine what is most appropriate to enhance shareholder value and corporate value. We are discussing what Seven & i Holdings should be for shareholders and other stakeholders, rather than from the perspective of management, with legal and financial experts serving as advisors, conducting extremely transparent and neutral discussions. The founding family's proposal has been withdrawn, and we are currently reviewing both ACT's proposal and our management measures in parallel. We are advancing measures to ensure a solid total return, including stock price and dividends, and are proceeding with a 600.0 billion yen share buyback, with the IPO of 7-Eleven, Inc. scheduled for the second half of next year. We aim to increase the stock price through such measures and will continue to work toward this goal under the new management structure.

Questioner 12

Q)

- Will there be no further acquisitions centered on the founding family in the future? Also, regarding the plan to purchase 2 trillion yen worth of shares over the long term, will these shares be canceled, how will they be utilized in capital policy, and what are your thoughts on capital structure?

A)

- Regarding intentions for acquisition proposals from the founding family or other third parties, we would like you to understand that we are not in a position to provide answers at this time. Regarding share buybacks, we generally intend to cancel them, but this will be decided by the new management team in the future.

End.