

July 22, 2025

An Update from Seven & i's Special Committee of the Board of Directors

In light of Alimentation Couche-Tard Inc.'s ("ACT") unilateral decision to withdraw its acquisition proposal, Special Committee of the Board of Directors is compelled to provide the following update and to address the claims made in ACT's highly misleading public letter.

As a special committee, we have worked for about a year to explore the possibility of a deal with ACT. We consistently engaged in good faith, and we are disappointed that ACT has decided to walk away from these discussions. We are further disappointed that they have done so in a way that completely mischaracterizes both our engagement and the significant hurdles this transaction faced that they were not committed to resolving. In the commentary below, we have highlighted three critical points we want all stakeholders to understand.

As we turn the page and look forward, we are moving forward with unwavering focus to execute our standalone value creation plan and unlock the value of our businesses.

The Special Committee believes management's plan is concrete and actionable. With the proceeds from the sale of the company's Superstore Business and an IPO of our North American convenience store business, Management aims to return approximately JPY 2Tn to shareholders through share buybacks by the end of FY2030. Management is also moving quickly to improve key areas of our operations to enhance performance metrics over both the medium and longer term.

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1) Most important, from the start, ACT did not take antitrust concerns seriously.

ACT never deviated from the claim that they had a "clear path" forward on antitrust approval. But that does not make it true.

Here is the reality: this transaction could not be consummated without a very significant divestiture. As a result, the critical question was whether ACT could identify a viable buyer who would meet with the FTC's approval. They could not.

ACT never:

- Identified a viable strategic buyer
- Presented a viable plan for how the divested stores could be put together as a standalone, competitive enterprise, including, for example, the necessary IT and other critical systems, as well as the proposed leadership team for the new enterprise

The U.S. Federal Trade Commission contacted Seven & i with questions shortly after it was publicly reported that ACT was exploring a potential acquisition. The FTC also requested several calls – two of which included numerous state Attorneys General, a highly unusual circumstance. We assume ACT had the same inquiries. Yet ACT never engaged with us with full recognition of the gravity of the concerns expressed by the regulators. Specifically:

- The unprecedented level of pre-deal scrutiny
- The need to be highly circumspect about what competitive information could be shared, and
- The fact that the only potential buyers that emerged were private equity firms, which are not viewed as desirable buyers by the FTC

We did everything we could to find a divestiture solution, recognizing the extraordinary challenge.

2) Suggestions that our governance was not up to the task or fell back on a conventional “Japan Inc” mentality are simply wrong.

Recently, Japanese companies have enhanced their corporate governance. We have been well ahead of other Japanese companies in how we responded to ACT’s unsolicited offer. We immediately formed this Special Committee. We pushed ACT to find a serious divestiture solution to understand if a transaction was even possible given the antitrust challenge, over their initial resistance. We urged the signing of a full NDA, over their initial resistance. We conducted ten virtual management meetings and two full in-person meetings – not merely “two tightly constrained management meetings”. We were ready to go the distance to determine if a solution could be found.

3) ACT’s unhappiness with our engagement demonstrates an unfortunate lack of knowledge of the Japanese market.

Understanding how business is conducted in the other party’s country is important for the successful completion of a cross-border transaction. To suggest that our management presentations were scripted is to misunderstand Japanese culture. Sometimes being different isn’t wrong or an act of resistance. On a related note, despite continued claims that they had a Japanese partner to work with and educate them about specifics of the Japanese market, they were never able to do so -- or never shared that information with us.

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While we are disappointed by ACT’s decision, we are not surprised. In our view, the more access and information ACT obtained, the more it has understood the clear regulatory challenges the Special Committee identified from the outset.

We understand and respect the operational, financial and market challenges their business is facing, and we recognize how financing markets have changed. But there is no need to blame Seven & i for that reality. ACT decided on its own it was easier to walk away.

Now we are turning our full attention to creating value through our standalone plan. We know better than anyone that we need to perform and deliver. Our hard work continues, and we look forward to updating our stakeholders later this summer.

Signed,

Special Committee of Board
Chair, Paul Yonamine
Fuminao Hachiuma
Yoshiyuki Izawa
Meyumi Yamada