We will strive to improve corporate value based on medium- to long-term perspectives.

Yoshimichi Maruyama

Executive Officer, General Manager of the Corporate Finance & Accounting Division

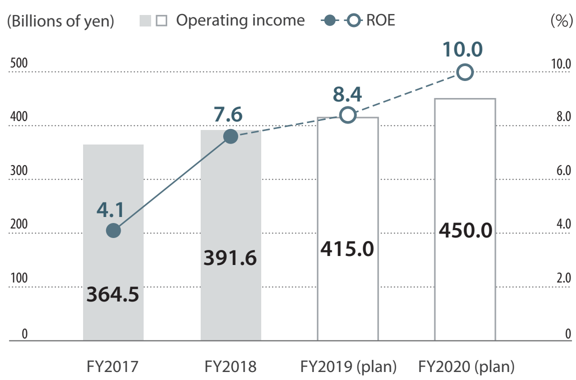
Joined Seven & i Holdings Co., Ltd. in 2008. Appointed Executive Officer and Senior Officer of Finance Planning Dept. in May 2017, then Executive Officer and General Manager of the Corporate Finance & Accounting Division in March 2018.

Improving Corporate Value

The Seven & i Group has set the following targets for fiscal 2020 under its Medium-Term Management Plan: operating income of ¥450.0 billion and ROE of 10%.

These targets illustrate our intention to step up efforts—in both sustainability and growth potential—aimed at improving corporate value over the medium and long terms.

To this end, it is important to create a positive cycle. On the one hand, we need to maintain and strengthen our sound financial structure and secure management resources to continue active investments for growth. On the other hand, we must fully examine the efficiency of our investments from medium- to long-term perspectives to further strengthen our financial base.



Pursuing Group Synergies to Expedite Achievement of Fiscal 2020 Targets

Maintain and Strengthen Our Sound Financial Structure

To maintain and strengthen our sound financial structure, it is important to first improve capital productivity and enhance profitability.

Therefore, we have set key performance indicators (KPIs) aimed at enabling everyone—from top management to front-line workers—to share in directing our operations. We are also working to strengthen our organization to advance effective initiatives throughout the Group.

At the Corporate Finance & Accounting Division, we use several indicators to measure the impact of our business plans and their progress on the soundness and efficiency of our financial status. These indicators include the owners' equity ratio, debt/equity ratio, return on invested capital and return on equity. To help us make more appropriate management decisions, we report to the Company's management in a timely manner on the Group's progress vis-à-vis the KPIs.

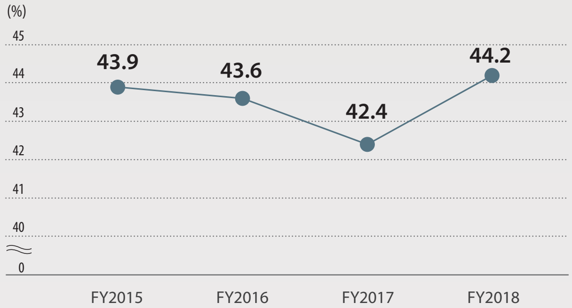
Meanwhile, the proportion of the Group's consolidated net assets denominated in foreign currencies is increasing, reflecting the development of our convenience store operations in North America. Accordingly, we will strengthen asset-liability management by currency and also work to improve the financial governance of subsidiaries.

Securing Management Resources for Growth

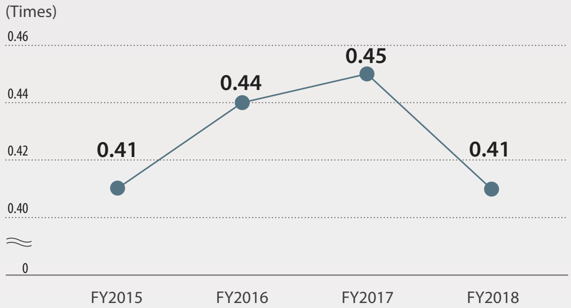
With the advancement of the Internet, AI and other technologies, the competitive environment and other business conditions surrounding the Group are changing dramatically. For this reason, we expect the scale of investments needed to address these changes and otherwise promote growth will increase considerably.

Major priorities for the Group, therefore, are to increase procurement capacity and diversify procurement methods. Here, we will focus on expanding and allocating our management resources optimally—including reviewing our business portfolio and formulating financial and capital strategies—while closely monitoring our financial soundness.

Owners' equity ratio



Debt/equity ratio



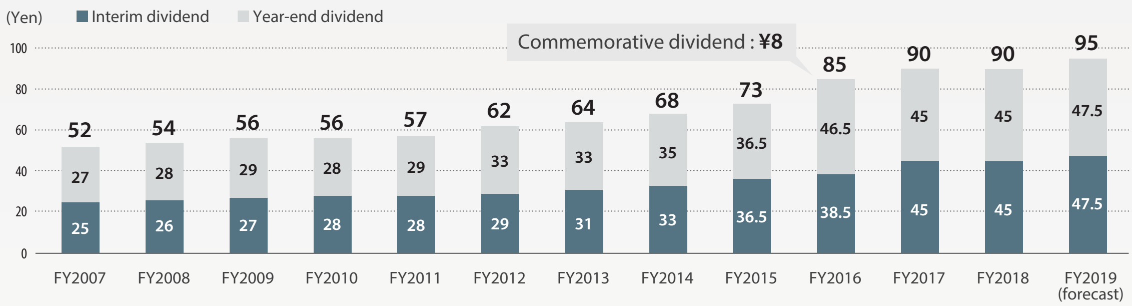
Approach to Shareholder Returns

Regarding the return of profits to shareholders, our basic policy is a return to shareholders matched to profit improvement. Under this policy, when declaring per-share dividends, we aim to make ongoing enhancements while maintaining a consolidated dividend payout ratio of 40%, with the objective of boosting the cash dividend per share.

In the fiscal year ending February 28, 2019, we plan to pay a full-year dividend of ¥95 per share, up ¥5 from the previous fiscal year, for a dividend payout ratio of 40%.

Dividends per share

Consolidated dividend payout ratio target: maintain **40**% and increase it



Dividend payout ratio (%)	36.4	39.4	55.7	112.7	45.2	42.2	41.0	34.2	37.3	46.7	82.3	43.9	40.0

In the fiscal year ending February 28, 2019, we plan to increase the total dividend by ¥5, to ¥95 per share (a payout ratio 40%).