

# Strengthening Corporate Governance

We will pursue the governance appropriate for a corporate group specializing in global CVS operations while deepening dialogue with our stakeholders.



## Message from the Chairperson of the Board of Directors



**Fuminao Hachiuma**  
Lead Independent Outside Director  
Chairperson of the Board of Directors

### We will harness dialogue to drive transformation, and as a result accelerate value creation as a global company.

#### On assuming the position of chairperson of the Board of Directors

Since May 2023, I have served as an outside director, and then since May 2025 as chairperson of the Board of Directors. In 2024, I joined the Strategy Committee, composed of outside directors, and made recommendations regarding the Group's growth strategy and improvement of capital efficiency. Furthermore, at the Special Committee, which also includes outside experts in finance and international legal affairs, we have held more than 40 discussions over the past year on takeover bids from foreign companies and 7-Eleven's medium- to long-term, essential corporate value.

In May 2025, the Company made a fresh start as an entity specializing in the CVS business under a new management team led by CEO Stephen Hayes Dacus, who previously served as chair of the Strategy Committee and chairperson of the Board of Directors. Through our discussions thus far, I have been reminded of 7-Eleven's strengths and global potential. On the other hand, business performance continues to be challenging, and we feel the need to address this issue with a sense of urgency. As an outside director and chairperson of the Board of Directors, I will oversee the Company's steady growth trajectory and enhancement of corporate value in line with its roadmap toward 2030 and beyond, while sincerely listening to the voices of shareholders and other stakeholders. I strongly recognize that this is my greatest mission and I intend to fulfill these responsibilities.

#### Understanding of the current situation

Turning our attention to the external environment, in addition to prolonged global inflation and supply chain uncertainties, Japan continues to suffer from structural headwinds such as labor shortages. A sense of urgency has also developed within the Group about a declining brand image and a lack of proposal capabilities, and markets are also assessing us quite harshly. Now that the Group structure has undergone major changes, I believe it is necessary to make renewed efforts to transform the corporate culture and climate to reach an ideal state.

On the other hand, the Group possesses an unparalleled global retail platform with approximately 60 million customers a day, primarily in Japan and the United States. If we can reaccelerate field-oriented value creation and further stimulate use of digital technologies and data, I believe there is significant room for renewed growth. Based on this understanding of the current situation, the Board of Directors has narrowed down its agenda to four important issues for discussion.

#### Important issues for the Board of Directors in FY2025

First, in light of the current situation in which the Group has pivoted from having diverse business categories, mainly in Japan, to a new business format specializing in the global CVS business, I believe that our first priority is to redefine the roles of the holding company and each operating company and to strengthen the necessary functions and the human resources to carry them out.

The second point is how to establish a governance

## Message from the Chairperson of the Board of Directors

system as we expand our business globally. It will be important to accelerate decision-making and actions by transferring authority to operating companies, while redesigning internal control mechanisms, including risk management, such as cybersecurity and BCP. To achieve this, supervision will be necessary such that the Company demonstrates its capabilities as a Center of Excellence, leveraging our global scale and knowledge (best practices) by updating our business management and operating framework.

Third, we will monitor the status of execution of the initiatives for growth and structural reforms described in the “Transformation of 7-Eleven” released in August 2025 under the new system. This monitoring will be to see whether these initiatives and reforms are being steadily carried out and whether trajectories are being promptly corrected in response to changes in the business environment. In doing so, we intend to accurately assess the situation, and, while not falling into the trap of micromanagement, maintain an appropriate distance between execution and supervision, exercising the supervisory function of the Board of Directors through constructive dialogue.

Finally, I strongly feel the need to deepen the discussion on human capital, which is becoming more and more important, and on the corporate culture and awareness reforms that form the foundation of human capital. We should reflect on whether the concepts of “trust and sincerity,” “responding to change while strengthening fundamentals,” and “thinking from the customer’s perspective” that we have espoused are instilled in our daily activities. At the same time, we need to define new values that we should share as a global retail group in a business environment that is undergoing dramatic change.

### Operation of the Board of Directors

In my view, an important role of the chairperson of the Board of Directors is to enhance the effectiveness of the Board, and for this purpose, it is essential to take an overarching view on the agenda items that incorporates shareholders’ perspectives, clarify the issues they represent, and lead the Board to form conclusions through constructive discussions. The Company’s management structure has undergone major changes in this fiscal year, and the addition of new directors has made the Board of Directors an even more diverse forum. Though we may disagree, I believe this is also a sign of healthy debate.

In such an environment, rich communication that is both tense and cooperative is essential. For this reason, I emphasize dialogue both on and off the floor of Board meetings. We actively observe executive-side meetings and set up meetings with the CEO, operating divisions, and Audit & Supervisory Board members before and



after Board meetings to ensure diligent exchange of information. Particularly for newly appointed outside directors, we consciously provide opportunities to communicate and fill the gaps in information so as to facilitate and further invigorate discussions.

### Enhancing corporate value

The Board of Directors plays several important roles: through strategic discussions, monitoring of measures, and KPI progress management, we ensure steady progress toward the growth strategies and structural reforms for 2030 that we have presented to shareholders and investors; and we visualize and share with stakeholders the status of capital efficiency and shareholder returns.

Overseeing the formulation of strategies and the progress of measures is a fundamental task for us outside directors, and we will place more emphasis on the speed of this process in the future. The key to revitalizing the retail front lines is to make precise course corrections while implementing the PDCA cycle at high speed in response to daily customer movements, and speeding up this process is crucial to increasing the accuracy of measures. From a corporate management perspective, setting targets for 2030 is not such a far-off view, and the Group is keenly aware of the need to further increase the speed of management.

We have received a variety of feedback from our stakeholders regarding the “Transformation of 7-Eleven” released by the Company. These include not only expectations for growth, but also suggestions and questions regarding room for further improvement. Going forward, we will continue to listen sincerely to our shareholders, investors, and other stakeholders and strive to enhance management transparency and efficiency and improve corporate value through constructive dialogue.

## Message from the Chair of the Nomination Committee

### We will closely monitor efforts to cultivate the team of next-generation management that will support this world-leading CVS corporate group.



#### Discussion on what makes an ideal leader

Since May 2022, when the Company achieved a majority of outside directors, there has been significant internal and external interest in the Group's bold structural reforms and discussions at our Nomination Committee, where we select

new directors and the next CEO. The role of outside directors on the committee is to provide constructive recommendations from an objective perspective to ensure the sustainable growth and sound governance of the Company. Expectations on this role of ours have increased year by year, and since assuming the position of outside director, I have constantly felt that the importance of this role has been growing. Especially in the two years since 2023, when I was appointed as chair of the Nomination Committee, discussions have been more and more energized about the new Group structure and measures for business transformation, and we have been tasked with accelerating the selection of future director candidates. In this context, the committee has endeavored to actively exchange views on what qualities and abilities are required of a CEO to lead a new growth strategy, what knowledge and skills directors must possess, and the ideal leaders and governance structure for a global CVS company from Japan.

#### Top management should be capable of both dialogue and execution

At the core of our vision for the next CEO is to have experience in managing distribution and retail businesses in global markets, a sincere attitude toward diverse stakeholders, and the capability to execute strategies and deliver results. Effective stakeholder communication is essential for strategy execution. I believe that, instead of a charismatic leader who will use that quality to strongly influence the organization and drive management, it is essential that top management at global companies going forward should possess capabilities for dialogue and execution. With these, they can steadily carry out strategies based on dialogue with stakeholders.

Accordingly, newly appointed CEO Stephen Hayes Dacus possesses both of these qualities. He is a hands-on

practitioner of management who has demonstrated leadership in retail as well as food products and food service companies in Japan and the United States, and as a bilingual person, he can also serve as a global bridge. In particular, I expect that his attitude of emphasizing speed in transformation and being a "servant" leader, rather than a "top-down approach," who gives top priority to the growth of subordinates and the organization, will be a major driving force in achieving the Group's growth.

#### Discussion on CxO succession plan

At the Annual Shareholders' Meeting in 2025, four new outside directors were appointed alongside the CEO change. All of them have the knowledge and experience essential for the Company's global growth, further increasing the diversity of the Board of Directors. On that basis, our next task, as we look to make the Group a truly global CVS organization, is to expand the depth of our management team, including chief officers (CxOs), and strengthen its functions. Currently, the Board of Directors is in the process of redefining the ideal state of the holding company, and in parallel, we will discuss the CxO succession plan that will be required going forward.

In addition, I am currently involved as an observer in the development of senior management candidates, including through women's empowerment and DX, and I would like to actively provide input on the development of next-generation human resources to help the Company reach a state of global talent management, where there is strategic cross-border utilization of talent.

As for the Nomination Committee, we will continue to work with the Board of Directors to improve the quality of the nomination process and help to build a virtuous cycle of recruitment, development, and promotion.

## Message from the Chair of the of Compensation Committee

### Establishing a compensation system that drives global value creation



#### Compensation practices: Fueling global growth and shareholder value

Since joining the Board of Directors as an independent director in 2022, a significant portion of our time was necessarily focused on structural reforms and managing acquisition proposals. While these strategic discussions were crucial for our future vision, they occasionally

diverted focus from developing proactive growth strategies.

Under the leadership of our new CEO, Mr. Stephen Dacus, we are actively charting the course for the global CVS group, specifically defining the ideal structure and role of the holding company and its growth trajectory. Within this critical context, my mission is unequivocal: to establish compensation practices that are perfectly aligned with this new structure and reliably contribute to enhancing shareholder value.

#### A new focus: Value creation and human capital strategy

I believe a robust compensation framework is the starting point of our value creation process. It must be a system that attracts and motivates key talent across the organization—from executives with global management skills and next-generation leadership candidates to employees driving store operations worldwide. Everyone must find their compensation attractive, take pride in their work, continuously challenge themselves, and see their results directly contribute to sustained profits.

#### Promoting a new, global compensation framework

To achieve this, we must first correctly understand the compensation approaches and operational best practices in the United States. Our global expansion, particularly our high-growth North American operations, is a very critical engine driving our future.

I bring a unique, bilateral perspective to this challenge. Having served as a CEO at U.S. financial institutions and major consulting firms, and as President of a foreign-affiliated IT company in Japan, I have a deep understanding of compensation committee approaches and evaluation

processes in both countries. I currently leverage this expertise not only here but also as an outside director and Compensation Committee Chair at SEI in the U.S., establishing a framework for two-way strategic alignment.

#### Bridging the divide for global competitiveness

While the simple adoption of the U.S. model is impractical—given variations in local cost of living, productivity, and industrial structures—we must address current limitations. In Japan, deeply entrenched practices like seniority-based promotion and ambiguous job definitions complicate a necessary shift toward a performance-based compensation framework.

Nevertheless, as chair of the Compensation Committee for a company in global competition, I have a responsibility to persistently push for this transition. A rigid system that fails to attract global talent or inhibit personnel mobility will undeniably hinder our growth. With this urgency and mission, the Compensation Committee and the Board are currently defining compensation practices appropriate for a truly global CVS enterprise.

#### My role as a U.S.-Japan bridge

Born and raised in Japan, I graduated from a U.S. university and subsequently honed essential skills—communication, negotiation, active listening, and empathy—across different languages, cultures, and values. It is my life’s work to serve as a bridge connecting these two nations as we globally expand 7-Eleven, a company born in the U.S. and grown in Japan.

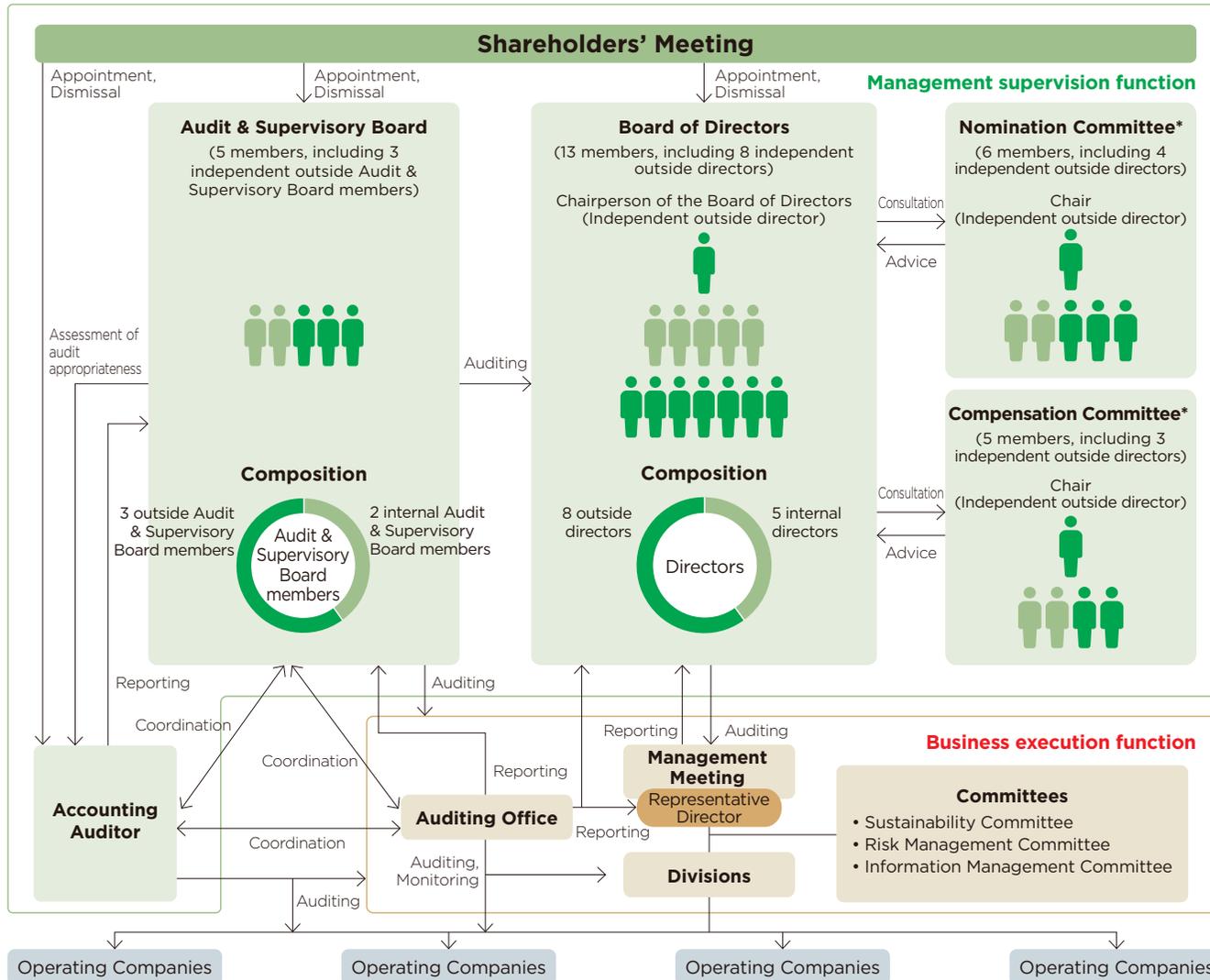
I will fulfill my role to establish compensation practices that nurture people, reward challenges, and achieve sustainable growth in shareholder value, ensuring 7-Eleven remains a corporate brand respected by business professionals worldwide.

# Corporate Governance

 For details, please visit our corporate website.  
<https://www.7andi.com/en/ir/management/governance/structure.html>  
<https://www.7andi.com/en/ir/management/governance/basicviews.html>

## Corporate governance system

As of December 31, 2025



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

### Basic approach

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 long-standing patronage of all stakeholders, including customers, business partners and franchisees, shareholders and investors, local communities, and employees, based on the Corporate Creed.

### Reason for adoption of current corporate governance system

The Company ensures the effectiveness of its corporate governance by coordinating "audits" conducted by the Audit & Supervisory Board members (Audit & Supervisory Board), including multiple outside Audit & Supervisory Board members who maintain their independence and have specialized knowledge in such areas as legal affairs and financial accounting, through their actively cooperating with the accounting auditor and the internal auditing division, and "formulation of management strategies" and "supervision of business execution" conducted by the Board of Directors, including multiple outside directors who maintain their independence and have advanced management knowledge and experience.

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

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### Adoption of a company with an Audit & Supervisory Board member system

The Company considers the following characteristics and advantages of an Audit & Supervisory Board member system to be effective for ensuring the appropriateness of the Company's Group governance and has therefore adopted it as the corporate governance system. These characteristics and benefits are: each Audit & Supervisory Board member independently has their own auditing authority (individual independence system), which allows audits to be conducted from the perspectives of each Audit & Supervisory Board member; the independence of the Audit & Supervisory Board members is clearly

specified by law, which enables independent and objective audits; and the Audit & Supervisory Board members have legally specified authority to investigate subsidiaries, which is effective also from a Group audit perspective.

### Ensuring objectivity and transparency in decision-making

The Company has established the Nomination Committee and the Compensation Committee ("the Committees") as advisory committees to the Board of Directors. The chairs of the Committees and the majority of their members are independent outside directors. It has been utilizing the more diverse range of knowledge and advice

of outside directors and outside Audit & Supervisory Board members to ensure further objectivity and transparency in procedures for deciding the nomination of and compensation for representative directors, directors, Audit & Supervisory Board members, and executive officers ("Officers, etc."), thereby enhancing the supervisory functions of the Board of Directors and further substantiating corporate governance functions.

The Committees deliberate on the nomination and compensation of not only the Company's Officers, etc., but also representative directors and others (including presidents and CEOs) of core operating companies.

### Evolution toward stronger governance

	2005	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of outside directors/total number of directors*1 (%)**2	2/11 (18.1%)	4/14 (28.5%)	4/13 (30.7%)	4/12 (33.3%)	5/12 (41.6%)	5/13 (38.4%)	5/13 (38.4%)	9/15 (60.0%)	9/15 (60.0%)	9/15 (60.0%)	8/13 (61.5%)
Enhancement and establishment of the Board of Directors	<ul style="list-style-type: none"> <li>Established the holding company</li> <li>Introduced the executive officer system</li> </ul>	<ul style="list-style-type: none"> <li>Established Guidelines for Directors and Audit &amp; Supervisory Board Members</li> </ul>			<ul style="list-style-type: none"> <li>Appointed a female outside director</li> </ul>	<ul style="list-style-type: none"> <li>Selected directors by utilizing the skills matrix</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened diversity of the Board of Directors</li> <li>Enhanced skills</li> <li>Made the majority of Board members independent outside directors</li> <li>Number of non-Japanese directors/percentage**2 5/33.3%</li> <li>Number of female directors/percentage**2 3/20.0%</li> <li>Establishment of a lead independent outside director</li> </ul>			<ul style="list-style-type: none"> <li>Separated the positions of chairperson of the Board of Directors and CEO</li> </ul>	
Establishment of advisory committees		<ul style="list-style-type: none"> <li>Established the Nomination and Compensation Committee (2 internal/2 outside) Chair: Outside director</li> </ul>							<ul style="list-style-type: none"> <li>Established the Strategy Committee</li> </ul>	<ul style="list-style-type: none"> <li>Established the Special Committee</li> </ul>	
Enhancement of the Board of Directors' evaluation		<ul style="list-style-type: none"> <li>Commenced Board of Directors' evaluation (Discussion by all)</li> </ul>	<ul style="list-style-type: none"> <li>Third-party involvement</li> <li>All officers interviewed</li> <li>Discussion by all</li> </ul>								<ul style="list-style-type: none"> <li>Conducted performance reviews (360-degree feedback)</li> </ul>
Establishment of the compensation system for directors and Audit & Supervisory Board members					<ul style="list-style-type: none"> <li>Introduced the performance-based and stock-based compensation system</li> </ul>			<ul style="list-style-type: none"> <li>Linked performance-based compensation to Medium-Term Management Plan 2021-2025</li> <li>Modified the compensation ratio by position</li> <li>Modified the system in line with stronger CO<sub>2</sub> reduction targets</li> <li>Added employee engagement to stock-based compensation KPIs</li> </ul>			

\*1 As of May 31 each year

\*\*2 Percentages are truncated to the first decimal place.

## Corporate Governance

 For details, please visit our corporate website.  
<https://www.7andi.com/en/ir/management/governance/board.html>

### Composition of the Board of Directors

The Company executed a bold reform to the Board of Directors, the majority of which are independent outside directors, at its FY2022 Annual Shareholders' Meeting to establish a governance structure suitable for a world-class retail group, an aim outlined in its Medium-Term Management Plan 2021–2025 announced in July 2021.

In FY2025, the composition of the Board of Directors emphasizes experience in top management at listed companies; knowledge and experience relating to food, DX, and global management, which are viewed as the strategic axes of the Group; and skill sets such as specialization in business transformation to establish a management structure which will contribute to further growth and maximization of long-term corporate value and shareholder value. These relevant skill sets have been formulated following deliberation by the Nomination Committee and the Board of Directors.

Additionally, in FY2025, Stephen Hayes Dacus assumed the position of representative director & president, symbolizing our commitment to strengthen global management. His participation in management, leveraging his extensive international experience and leadership, will further accelerate the Group's enhancement of global competitiveness and business transformation.

The Board of Directors of the Company will make important decisions which support the swift and decisive risk-taking of the management team thanks to this diverse member composition. At the same time, it will provide highly effective oversight and appropriately fulfill its roles and responsibilities as the Board of Directors.

### Directors (Internal)



**Junro Ito**  
 Representative Director &  
 Executive Chair  
 (June 14, 1958)



**Stephen Hayes Dacus**  
 Representative Director,  
 President & CEO  
 (November 7, 1960)



**Shigeki Kimura**  
 Representative Director,  
 Vice President & CAO  
 (March 16, 1962)



**Yoshimichi Maruyama**  
 Director and CFO  
 (November 2, 1959)



**Tamaki Wakita**  
 Director and  
 CSO (Chief Strategy Officer)  
 (May 12, 1972)

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### Directors (Outside)



**Fuminao Hachiuma**  
 Lead Independent  
 Outside Director  
 (December 8, 1959)



**Yoshiyuki Izawa**  
 Independent Outside  
 Director  
 (February 10, 1948)



**Meyumi Yamada**  
 Independent Outside  
 Director  
 (August 30, 1972)



**Paul Yonamine**  
 Independent Outside  
 Director  
 (August 20, 1957)



**Takashi Sawada**  
 Independent Outside  
 Director  
 (July 12, 1957)



**Masaki Akita**  
 Independent Outside  
 Director  
 (December 24, 1958)



**Tatsuya Terazawa**  
 Independent Outside  
 Director  
 (January 20, 1961)



**Christine Edman**  
 Independent Outside  
 Director  
 (December 23, 1975)

### Audit & Supervisory Board members (Internal/Outside)



**Shinya Ishii**  
 Standing Audit &  
 Supervisory Board  
 Member  
 (February 21, 1965)



**Nobutomo Teshima**  
 Standing Audit &  
 Supervisory Board  
 Member  
 (June 15, 1962)



**Kazuhiro Hara**  
 Independent Outside  
 Audit & Supervisory  
 Board Member  
 (February 25, 1954)



**Mitsuko Inamasu**  
 Independent Outside  
 Audit & Supervisory  
 Board Member  
 (March 15, 1976)



**Kaori Matsuhashi**  
 Independent Outside  
 Audit & Supervisory  
 Board Member  
 (June 7, 1969)

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### ■ Directors and Audit & Supervisory Board members' skills matrix and reasons for selection

Name	Participating meeting bodies (◎ indicates the chairperson)				Knowledge and experience									Reasons for selection	
	Board of Directors	Audit & Supervisory Board	Nomination Committee	Compensation Committee	Corporate management	Retail industry	Global business	Marketing/ Branding	DX/IT/Security	Finance/ Accounting/ Capital markets	Risk management/ Compliance	Sustainability			
<b>Junro Ito</b> Representative Director & Executive Chair	○		○		○	○							○	○	He has business experience overseas and broad knowledge of the retail industry cultivated as vice president of the Company and as director of a Group company, as well as a wide range of advanced knowledge and experience relating to corporate management, social marketing, risk management, sustainability, and so forth. The Company would like him to utilize this knowledge and experience to realize the management plans aimed for by the Company, to enhance its corporate value including non-financial aspects, and to smoothly execute Group management.
<b>Stephen Hayes Dacus</b> Representative Director, President & CEO	○		○		○	○	○	○			○				He has served as a corporate executive officer in the retail industry and other industries both in the United States and Japan and has a broad range of high-level knowledge and experience in corporate management, marketing, 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 chairperson 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. The Company would like him to utilize this knowledge and experience to realize its management plans, and to refine its management system, capital structure, and business operations with a focus on the CVS business in order to maximize the Group's corporate value.
<b>Shigeki Kimura</b> Representative Director, Vice President & CAO	○			○	○	○			○				○	○	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 corporate management including the franchise business, risk management, IT, sustainability, and other areas. The Company would like him to utilize this knowledge and experience to realize its management plans, to enhance Group functions, and to pursue Group synergies.
<b>Yoshimichi Maruyama</b> Director and CFO	○					○					○		○		He has business experience in a financial institution and broad knowledge relating to the Group's overall operations cultivated as a senior officer in the risk management division and finance division of the Company, as well as broad knowledge and experience relating to risk management, finance, accounting, and so forth. The Company would like him to utilize this knowledge and experience to realize its management plans, stabilize the Group's financial base, and strengthen financial discipline, among other matters.
<b>Tamaki Wakita</b> Director and CSO	○			○	○	○	○	○							He has overseas business experience and a broad range of knowledge in the retail industry, cultivated as a president and director of Group companies, as well as a broad range of knowledge of and experience in corporate management, marketing, and so forth. The Company would like him to utilize this knowledge and experience to realize its management plans, to promote the management of the Group, and to formulate our future management strategy.
<b>Fuminao Hachiuma</b> Lead Independent Outside Director	◎		○		○		○	○						○	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. The Company would like him to utilize this knowledge and experience to realize its management plans and to further improve the effectiveness of its management and the Board of Directors.

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<b>Yoshiyuki Izawa</b> Independent Outside Director	○		○		○		○				○		○	He has a broad range of high-level knowledge in international corporate management, finance and accounting, capital markets, and sustainability, among others, as well as experience serving in important positions, such as representative director of a trading company and a financial institution, as well as Chairman & CEO, Representative Director of BlackRock Japan Co., Ltd. The Company would like him to utilize this knowledge and experience to realize its management plans and to further improve the effectiveness of its management and the Board of Directors.	
<b>Meyumi Yamada</b> Independent Outside Director	○		◎	○	○	○		○	○				○	She has a broad range of high-level knowledge and experience in corporate management, e-commerce, DX, marketing, and 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. The Company would like her to utilize this knowledge and experience to realize its management plans and to further improve the effectiveness of its management and the Board of Directors.	
<b>Paul Yonamine</b> Independent Outside Director	○			◎	○		○		○	○				He has a broad range of high-level knowledge and experience in DX, 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. The Company would like him to utilize this knowledge and experience to realize its management plans and to further improve the effectiveness of its management and the Board of Directors.	
<b>Takashi Sawada</b> Independent Outside Director	○				○	○	○	○			○			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. The Company would like him to utilize this knowledge and experience to realize its management plans and to further improve the effectiveness of its management and the Board of Directors.	
<b>Masaki Akita</b> Independent Outside Director	○		○	○	○	○		○					○	○	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. The Company would like him to utilize this knowledge and experience to realize its management plans and to further improve the effectiveness of its management and the Board of Directors.
<b>Tatsuya Terazawa</b> Independent Outside Director	○					○	○						○	○	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. The Company would like him to utilize this knowledge and experience to realize its management plans and to further improve the effectiveness of its management and the Board of Directors.

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	Board of Directors	Audit & Supervisory Board	Nomination Committee	Compensation Committee	Corporate management	Retail industry	Global business	Marketing/ Branding	DX/IT/Security	Finance/ Accounting/ Capital markets	Risk management/ Compliance	Sustainability	
<b>Christine Edman</b> Independent Outside Director	○				○	○	○	○	○				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, 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. The Company would like her to utilize this knowledge and experience to realize its management plans and to further improve the effectiveness of its management and the Board of Directors.
<b>Shinya Ishii</b> Standing 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 as an executive officer, senior officer of the Corporate Management Department. The Company 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 live up to the trust placed in the Company by society.
<b>Nobutomo Teshima</b> Standing 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, risk management, and IT, cultivated in his role as a senior officer of the Accounting Management Department and the Auditing Office. The Company 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 live up to the trust placed in the Company by society.
<b>Kazuhiro Hara</b> Independent Outside Audit & Supervisory Board Member		○				○	○			○	○		He has abundant experience and specialized knowledge related to finance, accounting, tax, and risk management, cultivated as a certified public accountant and certified tax accountant. The Company 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 live up to the trust placed in the Company by society.
<b>Mitsuko Inamasu</b> Independent Outside Audit & Supervisory Board Member		○							○		○		She has abundant experience and specialized knowledge related to overall corporate legal affairs (including laws related to digital technologies) and risk management as an attorney at law. The Company would like her 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 live up to the trust placed in the Company by society.
<b>Kaori Matsuhashi</b> Independent Outside Audit & Supervisory Board Member		○			○		○		○	○	○	○	She has abundant experience and specialized knowledge related to finance, accounting, business management, and risk management cultivated in her business experience at operating companies and as a consultant and certified public accountant. The Company would like her 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 live up to the trust placed in the Company by society.

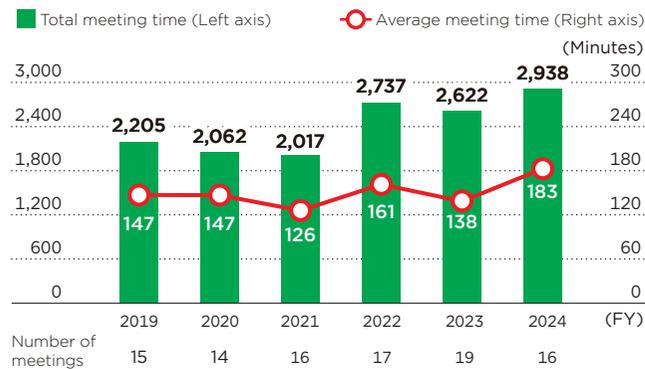
## Corporate Governance

 For details, please visit our corporate website.  
<https://www.7andi.com/en/ir/management/governance/board.html>

### Items for deliberation at the Board of Directors

The Board of Directors deliberates on a wide range of matters. In FY2024, in addition to items mandated by laws and regulations such as the Companies Act and items specified by the Corporate Governance Code, the Board deliberated on agenda items related to the following four key themes: monitoring of the action plans aimed at accelerating growth, consideration of optimal Group structure, strengthening of investor engagement, and promotion of initiatives related to governance and human capital management, etc.

### Board of Directors meeting deliberation time\*



\* Data is for the period from March to February of the following year.  
 Ex: FY2024 indicates March 1, 2024 to February 28, 2025

### Evaluation of the Board of Directors' effectiveness

The Company recognizes that the effective functioning of the Board of Directors is essential for enhancing corporate governance and maximizing corporate value. Therefore, each year, we evaluate the effectiveness of the Board of Directors through objective analysis and thorough deliberation. We then link the results to

concrete actions aimed at further improving the Board's effectiveness, thereby implementing a crucial PDCA cycle.

Results of the FY2024 Board of Directors' evaluation, as resolved at the Board meeting held on April 17, 2025, as well as important topics for the Board in FY2025, are as follows.

### FY2024 Board of Directors' evaluation process

Evaluators	All directors (15) and Audit & Supervisory Board members (5)
Third-party organization	Sumitomo Mitsui Trust Bank, Limited ("the third party")
Scope of evaluation	Board of Directors, Nomination Committee, Compensation Committee, Audit & Supervisory Board, and individual directors
Evaluation process	<ol style="list-style-type: none"> <li>1. Surveys for all evaluators (conducted by the third party)</li> <li>2. Individual interviews with all evaluators (conducted by the third party)                      Note: Performance reviews (360-degree feedback) of directors also conducted during individual interviews</li> <li>3. Compilation and analysis of surveys and individual interviews (conducted by the third party)</li> <li>4. Report of evaluation results to the Board of Directors (conducted by the third party)                      Note: Feedback on the results of the performance reviews (360-degree feedback) of directors is provided to individual directors by the chairperson of the Board of Directors.</li> <li>5. Discussion at the Board of Directors</li> </ol>
Outline of survey	<ol style="list-style-type: none"> <li>I. Evaluation of important topics, etc., for the Board of Directors in FY2024</li> <li>II. Evaluation of Board of Directors' composition and member contributions</li> <li>III. Evaluation of Board of Directors' operation</li> <li>IV. Evaluation of the Nomination Committee</li> <li>V. Evaluation of the Compensation Committee</li> <li>VI. Evaluation of the Audit &amp; Supervisory Board, etc.</li> <li>VII. Summary</li> </ol>

## Corporate Governance

 For details, please visit our corporate website.  
<https://www.7andi.com/en/ir/management/governance/board.html>

### Summary of evaluation

1. The Board of Directors for FY2024 established important topics for the fiscal year and advanced measures based on the issues confirmed in the previous fiscal year's Board of Directors' evaluation and the action plan announced on April 10, 2024.
2. On April 18, 2024, the Board resolved to separate the positions of chairperson of the Board of Directors and CEO. Stephen Hayes Dacus, an independent outside director, has since assumed the role of chairperson of the Board of Directors and oversees Board operations. As a result, Board meeting proceedings have become more objective, with agendas streamlined and operations conducted more appropriately.
3. Regarding agenda management, particularly concerning the FY2024 important topics for the Board, focused reporting and discussions were conducted throughout the year, advancing the action plan. However, there is room for improvement in the frequency of reporting and the pace of implementation.
4. Each director and Audit & Supervisory Board member also contributed to deliberations from a more diverse range of perspectives through free and open discussions, drawing on their respective knowledge, experience, and capabilities. As a result, the Board of Directors, utilizing its voluntary committees (Nomination Committee, Compensation Committee, and Special Committee), has appropriately fulfilled its monitoring functions and other responsibilities, ensuring its effectiveness. Going forward, we will strive to further enhance the Board's effectiveness by advancing monitoring capabilities and strengthening collaboration between the voluntary committees and the Board.

5. When the Company received a non-binding acquisition proposal from Alimentation Couche-Tard Inc. in July 2024, we promptly formed a Special Committee composed of independent outside directors. Since then, we have continuously held

discussions from the perspective of enhancing shareholder value and corporate value, and the content of these discussions has been continuously reported to the Board of Directors.

### Challenges indicated in the FY2024 Board of Directors' evaluation (excerpt)

Challenges	Measures
1. Monitoring steady progress on important topics for the Board of Directors in FY2024	Greater speed is needed in addressing important topics
2. The role of the holding company and the composition of the Board of Directors	There is an ongoing need to have discussions on the role of the holding company, considering changes in the Group structure, and to have discussions on the composition of the Board of Directors based on this
3. Initiatives to enhance the efficiency of deliberations	Appropriate agenda streamlining and further improvement in the quality of information provided to the Board are required to secure more deliberation time for important matters
4. Appropriate identification and monitoring of risks within the Board of Directors	Further enhancement is required for appropriate explanations of risk conditions when making resolutions, including investment deals, and for post-resolution monitoring
5. Enhancing the performance of internal and outside directors	Measures are needed to deepen understanding of business operations and corporate governance to further enhance the effectiveness of the Board of Directors
6. Information sharing among committees and meeting bodies, and in-depth examination of specific issues (Nomination Committee, Compensation Committee, etc.)	Further enhancement is needed of opportunities for communication between management and the Board of Directors, as well as between directors and Audit & Supervisory Board members

To ensure reliable promotion and execution of matters relating to the important topics for FY2025, we have been incorporating those topics into the annual agenda of the Board of Directors, ensuring opportunities for the Board to deliberate and confirm, among other actions. Furthermore, this annual agenda is regularly reviewed and revised as necessary based on the implementation and promotion of action items related to the important topics and other factors. The Company will work to further enhance the effectiveness of the Board of Directors through ongoing evaluations in order to achieve sustainable growth and

increase corporate value over the medium to long term.

Note: We will also steadily implement the various initiatives outlined in the FY2024 Board of Directors' evaluation.

### FY2025 important topics

Important topics
1. Ensuring thorough monitoring in the final year of the Medium-Term Management Plan
2. Formulating new strategies and establishing a monitoring system under the new structure
3. Redefining the role of the holding company and its Board of Directors based on 1. and 2. above

## Corporate Governance

 For details, please visit our corporate website.  
<https://www.7andi.com/en/ir/management/governance/nomination.html>

### Policies and procedures for appointment/dismissal and nomination of directors and Audit & Supervisory Board members, and training

#### Basic policy

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 ("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 functions of the Board of Directors and further substantiating corporate governance functions.



#### Basic perspective on the requirements and qualities of directors and Audit & Supervisory Board members

The Company believes that discussion of corporate governance concerning Officers, etc., should begin with the assumption that "nobody is perfect." Thus, the Company has clarified "conditions that must be satisfied by directors and Audit & Supervisory Board members" as universal "requirements." Meanwhile, the "strengths" of each individual can vary; thus, the Company has treated these "personnel selection analysis and perspective that allows for individual strengths and weaknesses" as "qualities" separately from the requirements.

The desirable qualities differ depending on the duties assigned to each director and Audit & Supervisory Board

#### Illustration of requirements and qualities

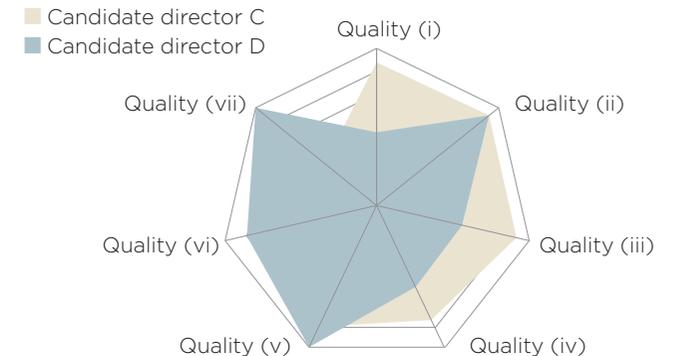
(Reference) Directors and Audit & Supervisory Board member requirements: Conditions that must be satisfied

	Candidate director A	Candidate director B	Candidate director C	Candidate director D
Requirement 1	○	○	○	○
Requirement 2	×	○	○	○
Requirement 3	○	×	○	○
<b>Result</b>	×	×	○	○

member, and have been set separately depending on the positions as set forth below: 1. Directors responsible for business execution; 2. Directors and Audit & Supervisory Board members responsible for supervision and audits; and 3. Group representative (Company president). On the assumption that each individual director and Audit & Supervisory Board member has different strengths and weaknesses with regard to their qualities, the Company considers it important to select Board members by utilizing and combining individual strengths while emphasizing the diversity of the directors and Audit & Supervisory Board members.

If any director or Audit & Supervisory Board member has come to lack these requirements or qualities, the Company shall consider dismissing such director or Audit & Supervisory Board member.

(Reference) Director and Audit & Supervisory Board member qualities: Personnel selection analysis and perspective allowing for individual strengths and weaknesses



## Corporate Governance

 For details, please visit our corporate website.  
<https://www.7andi.com/en/ir/management/governance/nomination.html>

### Basic policy regarding qualities and appointment/dismissal of the Group representative (Company president)

The Company has stipulated the following qualities desired for the Group representative (Company president) in the “Guidelines for Directors and Audit & Supervisory Board Members.”

The Group representative (Company president) should have the following qualities as appropriate.	
Qualities	Viewpoints
Business management capability	<ul style="list-style-type: none"> <li>• Have problem-solving capabilities</li> <li>• Have outstanding judgment, etc.</li> </ul>
Leadership ability	<ul style="list-style-type: none"> <li>• Set constructive targets and lead the Company to achieve beyond them</li> <li>• Have strong ability to communicate with other officers and employees</li> <li>• Ability to drive change, etc.</li> </ul>
Personal qualities	<ul style="list-style-type: none"> <li>• Understand own strengths and weaknesses, able to collaborate with persons who possess qualities to compensate for qualities they lack</li> <li>• Always prepared to learn</li> </ul>

The basic policy regarding appointment/dismissal of Group representatives is as follows.

- Evaluate the candidate through a sincere process using multifaceted and objective materials
- Examine in detail whether the candidate has the management capabilities required for solving management issues facing the Group companies
- Specifically check and evaluate the leadership style and ability of the candidate

### Training for directors and Audit & Supervisory Board members

The Company has built and implements a training system tailored to each position for its directors, Audit & Supervisory Board members, executive officers, and other officers and employees.

Training for directors covers corporate governance, relevant laws and regulations such as the Companies Act and the Financial Instruments and Exchange Act, which is also provided for executive officers who have responsibility for administrative divisions. The expenses for the training are borne by the Company.

In addition, the Company’s directors and Audit & Supervisory Board members make use of all opportunities to train themselves through their own efforts, and the Company affords opportunities for improvement. The Company’s training policy for directors and Audit & Supervisory Board members is set out in the Guidelines for Directors and Audit & Supervisory Board Members.

The Company provides outside directors and Audit & Supervisory Board members with opportunities to visit the places of business of major subsidiaries.

Furthermore, for the four newly appointed directors elected at the 20th Annual Shareholders’ Meeting held on May 27, 2025, we have provided guidance on topics such as the Group’s history, culture, and recent business environment, along with advance explanations regarding matters to be deliberated by the Board of Directors.

### Regarding site visits

To deepen understanding of the Group’s business operations, we conduct site visits to operating company facilities (such as stores) and supplier factories, primarily for newly appointed outside directors.

Through these site visits, we have gained insights that extend beyond a mere understanding of our Group’s operations, including various proposals and advice based on the knowledge of each outside director regarding the CVS business and other areas both domestically and internationally.



A November 2024 visit to a 7-Eleven store in Hawaii



An October 2025 visit to the Ito Training Center

## Corporate Governance

 Please refer to our corporate website for the complete Board Members' Compensation Policy <https://www.7andi.com/en/ir/management/governance/compensation.html>

### Compensation for directors and Audit & Supervisory Board members

#### Executive directors

##### Compensation composition ratios<sup>1</sup>

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 toward sustainable improvements to the Company's corporate value, separately from the performance-based and stock-based compensation system, Representative Director, President & CEO Stephen Hayes Dacus<sup>2</sup> 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-based compensation
		Bonuses	Performance-based and stock-based compensation	
Representative Director & Executive Chair	30%	30%	40%	-
Representative Director, President & CEO	13%	27%	-	60%
Other representative directors	35%	30%	35%	-
Directors	50%	25%	25%	-



<sup>1</sup> Calculated assuming that performance-based bonuses and performance-based and stock-based compensation were at base compensation amounts.

<sup>2</sup> Stephen Hayes Dacus' base compensation ratio for fixed compensation, performance-based bonuses, and restricted stock-based compensation is generally set at 1:2:4.5. However, when providing various allowances to him as a non-resident of Japan, the fixed compensation proportion may increase.

#### Fixed compensation

- A fixed compensation commensurate with the responsibilities for 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.

#### 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 Representative Director, President & CEO Stephen Hayes Dacus

- The KPIs, weighting, and evaluation criteria for Stephen Hayes Dacus' performance-based bonuses shall be determined by the Board of Directors based on the recommendation received from the Compensation Committee. This recommendation and determination shall incorporate the KPIs previously used for the Company's performance-based bonuses, as well as new KPIs prioritized under the Company's growth strategy and capital structure/business transformation initiatives.
- Regarding the coefficient for performance-based bonuses, the range of potential coefficient values will be widened to enhance the linkage with performance.

#### Performance-based bonuses for other directors

- In order to evaluate the capability of the main business

to make a profit in cash and to incorporate shareholder perspectives, consolidated net income is also used as a KPI for performance-based bonuses.

#### Performance-based and stock-based compensation

- This compensation is provided to directors residing 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 and non-financial indicators, etc., (the introduction of the BIP Trust system<sup>3</sup> as the stock-based compensation system was resolved at the Annual Shareholders' Meetings held in May 2019).
  - Performance-based and stock-based compensation will enhance sharing profits and risks with our shareholders who have medium- and long-term perspectives by providing points during the term of office based on which shares will be delivered.
  - The initial covered period shall be four fiscal years starting from FY2019, and the subsequent covered periods shall be per three fiscal years.
  - Shares will be delivered to directors upon their retirement.
  - Points to be granted for each fiscal year will be calculated by multiplying the standard points based on their position by a coefficient pertaining to performance-based and stock-based compensation and will vary between 0% and 200% depending on the achievement level of targets, etc.
  - In order to incorporate medium- and long-term shareholder perspectives, consolidated ROE and consolidated EPS are used as KPIs for performance and stock-based compensation, and the degree of achievement will be evaluated.
  - Since FY2020, the Company has set a CO<sub>2</sub> emissions reduction target under the environmental declaration called GREEN CHALLENGE 2050 as a KPI for performance-based and stock-based compensation.
  - The degree of improvement in employee engagement was added as a KPI for performance-based and stock-based compensation from FY2022 to further promote the creation of an environment that allows various human resources to exercise their abilities.
- <sup>3</sup> 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 United States.

## Corporate Governance

 Please refer to our corporate website for the complete Board Members' Compensation Policy <https://www.7andi.com/en/ir/management/governance/compensation.html>

### KPIs for performance-based bonuses

KPI	Ratio	Purpose of evaluation
(a) Consolidated operating cash flow (excl. financial services)*1	60%	Evaluation of cash-generating capability from main business
(b) Consolidated net income	40%	Evaluation of the degree of achievement of budgeted net income

Calculation formula for coefficient pertaining to performance-based bonuses

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

(a) "Consolidated operating cash flow (excluding financial services)\*1" related coefficient × 60%

(b) "Consolidated net income" related coefficient × 40%

(c) "Individual evaluations" related coefficient

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

\*1 Managerial accounting figures based on net operating profit after tax excluding financial services.

### KPIs for performance-based and stock-based compensation

KPI	Ratio	Purpose of evaluation
(a) Consolidated ROE	60%	Evaluation of profitability against equity
(b) Consolidated EPS	40%	Evaluation of net income from shareholder perspectives
(c) CO <sub>2</sub> emissions	See the formula below	Evaluation of the degree of promoting a reduction in the environmental burden
(d) Employee engagement		Evaluation of the degree of improvement in employee engagement*2

Calculation formula for coefficient 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<sub>2</sub> emissions" related coefficient

(d) "Employee engagement" related coefficient

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

\*2 Comprehensive evaluation by the Compensation Committee

### Restricted stock-based compensation

- This compensation is provided only to executive directors residing outside of Japan (specifically Representative Director, President & CEO Stephen Hayes Dacus) and does not overlap with performance-based and stock-based compensation.
- This restricted stock compensation will take the form of restricted stock units\*3 delivered as incentive-based compensation conditional on fulfillment of commitments over a certain period of time.
- In the restricted stock unit plan, units for delivery of shares will be provided during the director's term of 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 fiscal years from FY2025.
- The delivery of shares 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.

\*3 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.

### Malus and clawback

If any events designated by the Board of Directors occur, the Company may, depending on the nature of the relevant compensation, 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).

### Outside directors and Audit & Supervisory Board members

#### Compensation composition ratios

- 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.
- 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.

### Compensation governance

#### Compensation Committee

For details regarding the Compensation Committee, please refer to page 70. Compensation will be paid monthly during the term of office.

#### Method of determining compensation

The amount of compensation of each director is based on the basic policy for compensation of directors and Audit & Supervisory Board members, which is established through deliberation by the Compensation Committee. The amount is deliberated by the Compensation Committee in accordance with the evaluation of each director's function, degree of contribution, and the Group's results, as well as the degree of achievement of KPIs, and then determined by the Board of Directors based on the report of the Compensation Committee.

The compensation of each Audit & Supervisory Board member is determined through discussions by the Audit & Supervisory Board members.

# Risk Management

 For details, please visit our corporate website.  
<https://www.7andi.com/en/ir/management/risks.html>

## Group risk management system

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

Meanwhile, with regard to various risks, the directions of responses to such risks, initiatives to mitigate risks undertaken by each company, and various internal and external examples illustrating signs of materializing risks, etc., are shared through a Groupwide meeting body, etc., headed by the Company's departments responsible for

the management of risks.

As PDCA for risk management, the Group conducts risk management based on information from inside and outside the Group, through “the comprehensive identification of risks,” “risk assessment and proposal of improvement measures,” “prioritization of risks,” and “improvement activities and monitoring.”

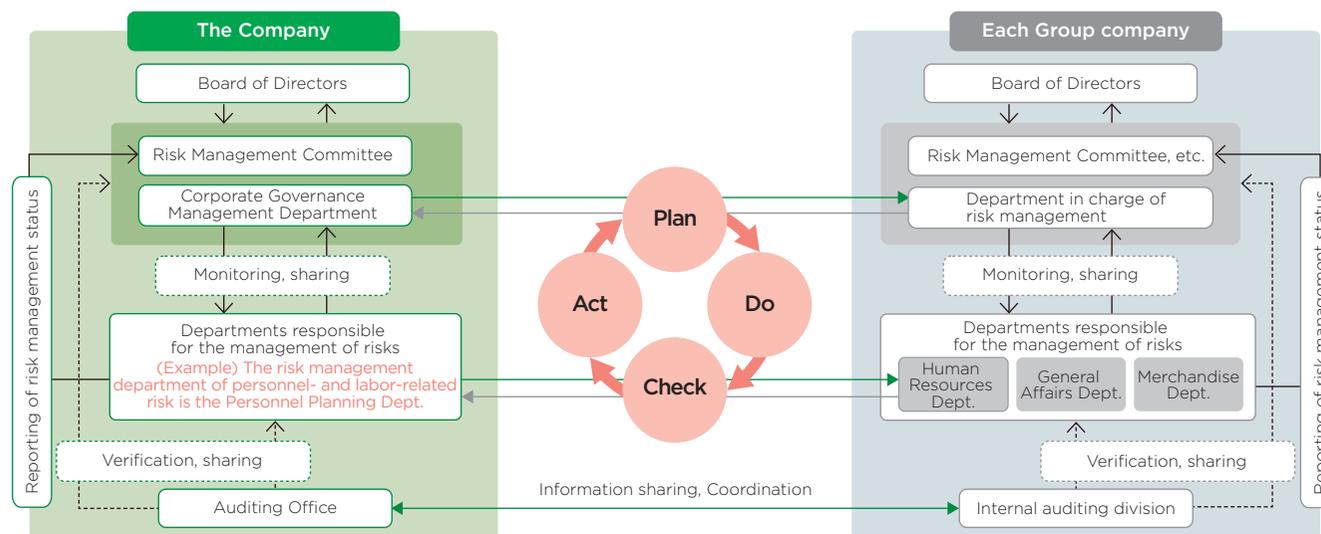
In addition, the internal auditing division of each company verifies whether risk management is being conducted effectively, from an independent perspective, through periodic internal audits, and provides each department with advice for improving risk management, as required.

## Risk assessment process

In addition to changes in the internal environment of the Group, there is a need to recognize global shifts in trends such as heightened geopolitical and ESG-related risks and various alterations in the business environment including changes in consumer values and the growth of online shopping. In recent years in particular, there has been a rise in factors that heighten the uncertainty of the environments in which corporate activities take place, such as the unpredictable international situation.

Against this backdrop, the Company is bolstering and broadening its risk classification framework to incorporate external factors and medium- to long-term perspectives. This ensures effective adaptation to evolving landscapes, augmenting traditional risk management, which primarily addressed internal environments and short-term horizons. Moreover, in terms of the assessment perspective of the degree of impact on performance in the event of risk materialization, by adding the qualitative factors such as business continuity, damage to the Group's brand image, and other factors to the quantitative factors previously considered, we seek to take a more multifaceted and sophisticated approach to assessment and analysis of all risks.

The Company conducts a comprehensive assessment of various risks, focusing on importance, commonality, the degree of emergence and efficiency, before organizing them into four risk classes. Subsequently, roles and responsibilities for each risk class are defined for both the Company and its Group companies, ensuring that the responsible parties undertake improvement activities. This approach boosts the effectiveness of risk management across the Group.



# Risk Management

 For details, please visit our corporate website.  
<https://www.7andi.com/en/ir/management/risks.html>

## Major risks to the Group

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

### Medium- to long-term perspective risk (Management perspective risk)

We identify events that could potentially occur in the future and have a medium- to long-term impact on the Group's growth strategy and sustainability as

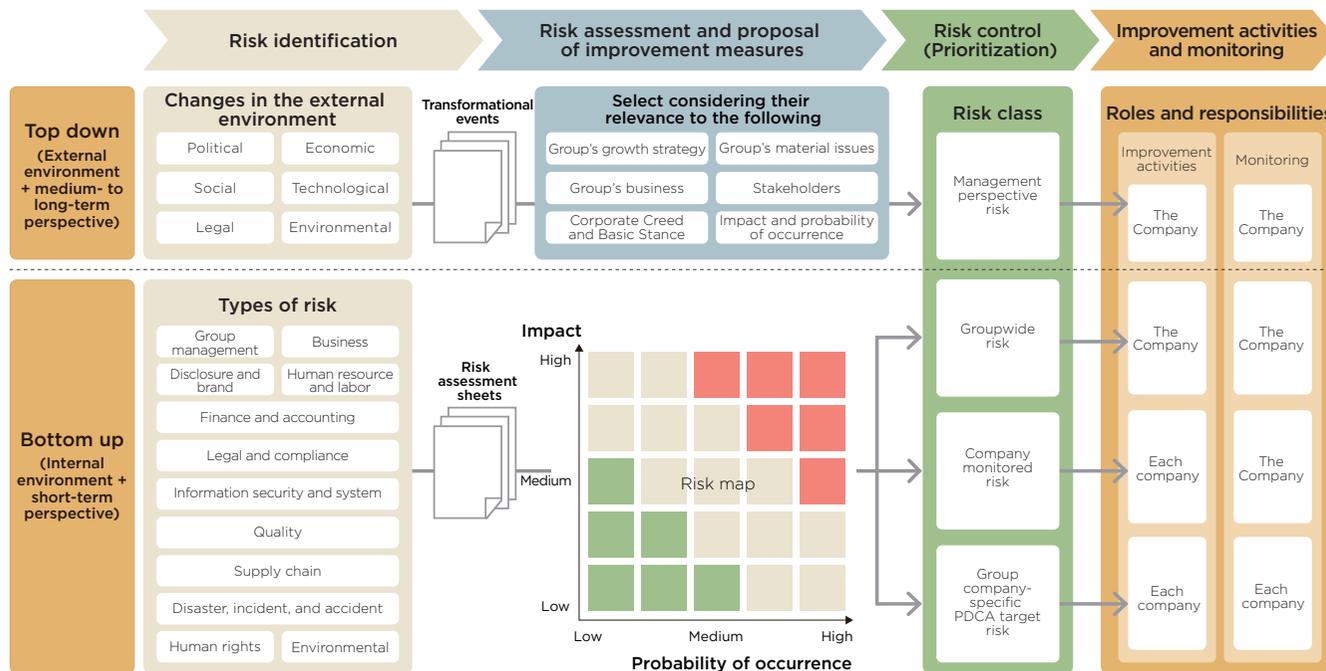
management perspective risks (emerging risks).

For each type of risk, risk owners (responsible departments) are selected within the Company, expected scenarios and measures are considered, regular monitoring is conducted, and measures are revised and updated as needed. In terms of risk measures, management decisions (risk-taking/risk-hedging) will be made with consideration of the Group's growth strategy and material issues.

## Management perspective risks (Transformational events)

Political	Political change, disruption, dysfunction Collapse of security due to conflict, etc.
Economic	Decline of demand for gasoline
Social	Food crises
	Human resources / manpower shortage Growing demands for respect for human rights
Technological	Acceleration of technological innovation (including AI) to improve productivity in logistics and store operations
Environmental	Acceleration of decarbonization
	Growing demand for mitigation of environmental impact of food supply chain Growing demands for reductions in food waste

## Risk assessment process



## Short-term perspective risk

After coming to a decision based on a comprehensive consideration of the degree of impact, likelihood of occurrence, and other aspects of the various risks identified by the Company and Group companies, we select risk events that should be managed by the Company and monitor the status of various risks and execution of risk measures periodically.

From among these significant risk events, we selected the "Groupwide risks" shown below, which have a significant impact on the Group growth strategies and, by their nature, should be addressed across the Group from the perspectives of commonality, the degree of emergence, and efficiency.

- Risks related to food quality labeling and sanitation
- Risks related to blowing up on social media or crisis management public relations
- Risks related to earthquakes, tsunami, and volcanic eruptions
- Risks related to cybersecurity
- Risks related to response to antisocial forces