



Seven & i Holdings Co., Ltd.

# FY2023 Financial Results Presentation

April 10, 2024

- ✓ Operating income for FY2023 consolidated financial results achieved record highs
- ✓ Achieve record highs in operating income and net income centered on Domestic and Overseas CVS operations in response to changes in the external environment in FY2024
- ✓ Execute action plans to maximize corporate and shareholder values

# TODAY'S AGENDA

- 1 FY2023 Results
- 2 FY2024 Forecasts
- 3 Management Policy

Domestic CVS Operations, Overseas CVS Operations,  
Superstore Operations & Group Strategies

# TODAY'S AGENDA

- 1 FY2023 Results
- 2 FY2024 Forecasts
- 3 Management Policy

Domestic CVS Operations, Overseas CVS Operations,  
Superstore Operations & Group Strategies

# FY2023 Consolidated Results Highlight

(Billions of yen, %)

	FY2022	FY2023	YOY	Change	vs. initial plan	Change
Group's total sales*1	17,842.6	17,789.9	99.7	(52.7)	102.2	+384.9
Revenues from operations	11,811.3	11,471.7	97.1	(339.5)	103.0	+330.7
Operating income	506.5	534.2	105.5	+27.7	104.1	+21.2
Ordinary income	475.8	507.0	106.6	+31.1	105.6	+27.0
Net income attributable to owners of parent	280.9	224.6	79.9	(56.3)	78.8	(60.3)
EPS (yen)	106.05	84.88	80.0	(21.17)	78.9	(22.69)
EPS before amortization of goodwill (yen) *2	148.58	130.19	87.6	(18.40)	86.8	(19.83)
<b>Adjusted*3</b>						
Net income attributable to owners of parent	280.9	288.3	102.6	+7.3	101.2	+3.3
EPS (yen)	106.05	108.96	102.7	+2.91	101.3	+1.40
EPS before amortization of goodwill (yen) *2	148.58	154.27	103.8	+5.69	102.8	+4.25

\*1 Group's total sales include the sales of franchisees of Seven-Eleven Japan, Seven-Eleven Okinawa and 7-Eleven, Inc.

\*2 EPS before amortization of goodwill: (Net income attributable to owners of parent + Amortization of goodwill) / Average shares outstanding during the period

\*3 Adjusted figures for the effects of the transfer of the shares of Sogo & Seibu and Barneys Japan

Notes) 1. Exchange rate: 1USD=140.67JPY, 1CNY=19.82JPY

2. "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied since the fiscal year ended February 28, 2023

3. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS" and "EPS before amortization of goodwill" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

# FY2023 Revenues from operations, Operating Income and EBITDA by Operating Segment (YOY)



(Billions of yen, %)

	Revenues from operations		Operating income		EBITDA	
		YOY/Change		YOY/Change		YOY/Change
Consolidated	11,471.7	97.1 (339.5)	534.2	105.5 +27.7	1,054.9	106.0 +59.6
Domestic CVS operations	921.7	103.5 +31.4	250.5	108.0 +18.5	340.7	107.3 +23.1
Overseas CVS operations	8,516.9	96.3 (329.2)	301.6	104.1 +11.9	624.5	105.6 +33.1
Superstore operations	1,477.3	101.9 +28.2	13.5	109.6 +1.1	53.7	105.6 +2.8
Financial services	207.4	106.8 +13.1	38.1	102.8 +1.0	73.0	104.8 +3.3
Others	411.3	84.2 (76.9)	2.6	103.6 +0.09	13.5	75.3 (4.4)
Eliminations/Corporate	(63.0)	- (6.1)	(72.3)	- (5.0)	(50.7)	- +1.6

Note) Exchange rate: 1USD=140.67JPY, 1CNY=19.82JPY

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

# FY2023 Revenues from operations, Operating Income and EBITDA by Operating Segment (vs. Plan)



(Billions of yen, %)

	Revenues from operations		Operating income		EBITDA	
		vs. Initial plan/Change		vs. Initial plan/Change		vs. Initial plan/Change
Consolidated	11,471.7	103.0 +330.7	534.2	104.1 +21.2	1,054.9	104.5 +44.9
Domestic CVS operations	921.7	100.0 (0.29)	250.5	102.7 +6.5	340.7	101.9 +6.3
Overseas CVS operations	8,516.9	104.1 +334.9	301.6	101.7 +5.1	624.5	103.8 +22.6
Superstore operations	1,477.3	99.6 (6.6)	13.5	93.7 (0.91)	53.7	97.3 (1.4)
Financial services	207.4	99.7 (0.52)	38.1	113.9 +4.6	73.0	106.9 +4.6
Others	411.3	100.8 +3.3	2.6	- +2.5	13.5	222.8 +7.4
Eliminations/Corporate	(63.0)	- (0.06)	(72.3)	- +3.2	(50.7)	- +5.2

Note) Exchange rate: 1USD=140.67JPY, 1CNY=19.82JPY

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

# Consolidated Financial KPI

	FY2022 Results	FY2023	
		Initial plan	Results
EBITDA	¥ 995.3 B	¥ 1,010.0 B	¥ 1,054.9 B
Operating cash flow (excl. financial services)	¥ 832.8 B	¥ 834.5 B	¥ 778.3 B
Free cash flow level (excl. financial services)	¥ 474.0 B	¥ 427.7 B	¥ 391.6 B
ROE	8.7 %	8.2 %	6.2 % (Adjusted) 7.9 %
ROIC (excl. financial services)	5.2 %	5.2 %	4.1 % (Adjusted) 5.1 %
Debt/EBITDA ratio	3.0 x	2.6 x	2.6 x
EPS	¥ 106	¥ 107	¥ 84 (Adjusted) ¥ 108

- Notes) 1. Adjusted figures for the effects of the transfer of the shares of Sogo & Seibu and Barneys Japan  
2. ROIC (excl. financial services):  $\{\text{Net income} + \text{Interest expense} \times (1 - \text{Effective tax rate})\} / \{\text{Owner's equity} + \text{Interest-bearing debt (both the averages of the figures at the beginning and the end of each fiscal year)}\}$   
3. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

# TODAY'S AGENDA

- 1 FY2023 Results
- 2 FY2024 Forecasts
- 3 Management Policy  
Domestic CVS Operations, Overseas CVS Operations,  
Superstore Operations & Group Strategies

# FY2024 Consolidated Financial Forecasts



	Amount	YOY	YOY change
Group's total sales	17,815.0	100.1	+25.0
Revenues from operations	11,246.0	98.0	(225.7)
Operating income	545.0	102.0	+10.7
Ordinary income	502.0	99.0	(5.0)
Net income attributable to owners of parent	293.0	130.4	+68.3
EPS (yen)	112.05	132.0	+27.18
EPS before amortization of goodwill (yen)	162.53	124.8	+32.35
EBITDA*	1,102.0	104.5	+47.0

\* EBITDA: Operating income + Depreciation and amortization + Amortization of goodwill

Notes) 1. Exchange rate: 1USD=145.00JPY, 1CNY=19.00JPY

2. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS" and "EPS before amortization of goodwill" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

# FY2024 Forecasts by Operating Segment

(Billions of yen, %)

	Revenues from operations		Operating income		EBITDA	
		YOY/Change		YOY/Change		YOY/Change
Consolidated	11,246.0	98.0 (225.7)	545.0	102.0 +10.7	1,102.0	104.5 +47.0
Domestic CVS operations	943.0	102.3 +21.2	260.0	103.8 +9.4	356.2	104.5 +15.4
Overseas CVS operations	8,410.0	98.7 (106.9)	318.7	105.7 +17.0	663.5	106.2 +38.9
7-Eleven, Inc. [Millions of dollar]*	57,210	95.7 (2,568)	2,930	104.0 +113	4,374	102.8 +117
Superstore operations	1,448.0	98.0 (29.3)	18.6	136.9 +5.0	62.7	116.7 +8.9
Financial services	210.0	101.2 +2.5	36.0	94.3 (2.1)	75.8	103.7 +2.7
Others	310.0	75.4 (101.3)	1.7	63.2 (0.98)	8.7	64.0 (4.8)
Eliminations/Corporate	(75.0)	- (11.9)	(90.0)	- (17.6)	(64.9)	- (14.1)

\* Figures are shown on SEI consolidated basis.

Note) Exchange rate: 1USD=145.00JPY, 1CNY=19.00JPY

Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

# FY2024 Consolidated Financial Forecasts (1H and 2H)



(Billions of yen, %)

		1H		2H	
		YOY	YOY change	YOY	YOY change
Group's total sales	8,893.0	102.3	+199.1	8,922.0	98.1 (174.0)
Revenues from operations	5,606.0	101.1	+58.9	5,640.0	95.2 (284.7)
Operating income	222.0	92.1	(19.1)	323.0	110.2 +29.8
Ordinary income	201.0	88.6	(25.8)	301.0	107.4 +20.7
Net income attributable to owners of parent	111.0	138.4	+30.7	182.0	126.0 +37.6
EPS (yen)	42.44	140.2	+12.17	69.61	127.5 +15.01
EPS before amortization of goodwill (yen)	67.30	129.4	+15.28	95.24	121.8 +17.07
EBITDA	497.0	100.1	+0.53	605.0	108.3 +46.5

Notes) 1. Exchange rate: 1H 1USD=146.00JPY, 1CNY=19.00JPY Full-Year 1USD=145.00JPY, 1CNY=19.00JPY

2. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS" and "EPS before amortization of goodwill" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

# FY2024 Operating Income Forecasts by Operating Segment (1H and 2H)

(Billions of yen, %)

		1H		2H	
		YOY	YOY change	YOY	YOY change
Consolidated	222.0	92.1	(19.1)	323.0	110.2 +29.8
Domestic CVS operations	139.0	100.4	+0.49	121.0	108.0 +8.9
Overseas CVS operations	108.0	95.7	(4.8)	210.7	111.6 +21.9
7-Eleven, Inc. [Millions of dollar]*	1,098	94.0	(70)	1,831	111.1 +183
Superstore operations	2.0	45.1	(2.4)	16.6	181.3 +7.4
Financial services	20.0	100.0	+0.00	16.0	88.0 (2.1)
Others	0.00	-	(2.4)	1.7	699.1 +1.4
Eliminations/Corporate	(47.0)	-	(9.9)	(43.0)	- (7.7)

\* Figures are shown on SEI consolidated basis.

Note) Exchange rate: 1H 1USD=146.00JPY, 1CNY=19.00JPY Full-Year 1USD=145.00JPY, 1CNY=19.00JPY

# Consolidated Financial KPI

	FY2023 Results	FY2024 Forecasts	FY2025 Medium-Term Management Plan target
EBITDA	¥ 1,054.9 B	¥ 1,102.0 B	¥ <b>1.1</b> T or more
ROE	6.2 % (Adjusted) 7.9 %	7.8 %	<b>11.5</b> % or more
ROIC (excl. financial services)	4.1 % (Adjusted) 5.1 %	5.5 %	<b>8.0</b> % or more
Debt/EBITDA ratio	2.6 x	2.3 x	<b>1.8~2.5</b> x Updated
EPS	¥ 84 (Adjusted) ¥ 108	¥ 112	<b>18</b> % or more (CAGR)

Notes) 1. Adjusted figures for the effects of the transfer of the shares of Sogo & Seibu and Barneys Japan  
 2. ROIC (excl. financial services): {Net income + Interest expense x (1 - Effective tax rate)} / {Owner's equity + Interest-bearing debt (both the averages of the figures at the beginning and the end of each fiscal year)}  
 3. Debt/EBITDA ratio: We changed our FY2025 target to proactively implement strategic investments in the Convenience Store business with a more agile and flexible financial discipline, in order to promote the growth strategy of our Group.  
 4. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

Achieve goals for quantitative expansion, qualitative improvement and financial integrity  
 At the same time, aim to increase corporate value for the future

# Shareholder Return

## Shareholder return policy

We have **introduced a “Progressive Dividend”** policy that increases dividends in line with sustained profit growth, and achieve a total payout ratio of over 50% (Cumulative total return to shareholders from FY2023 to FY2025)

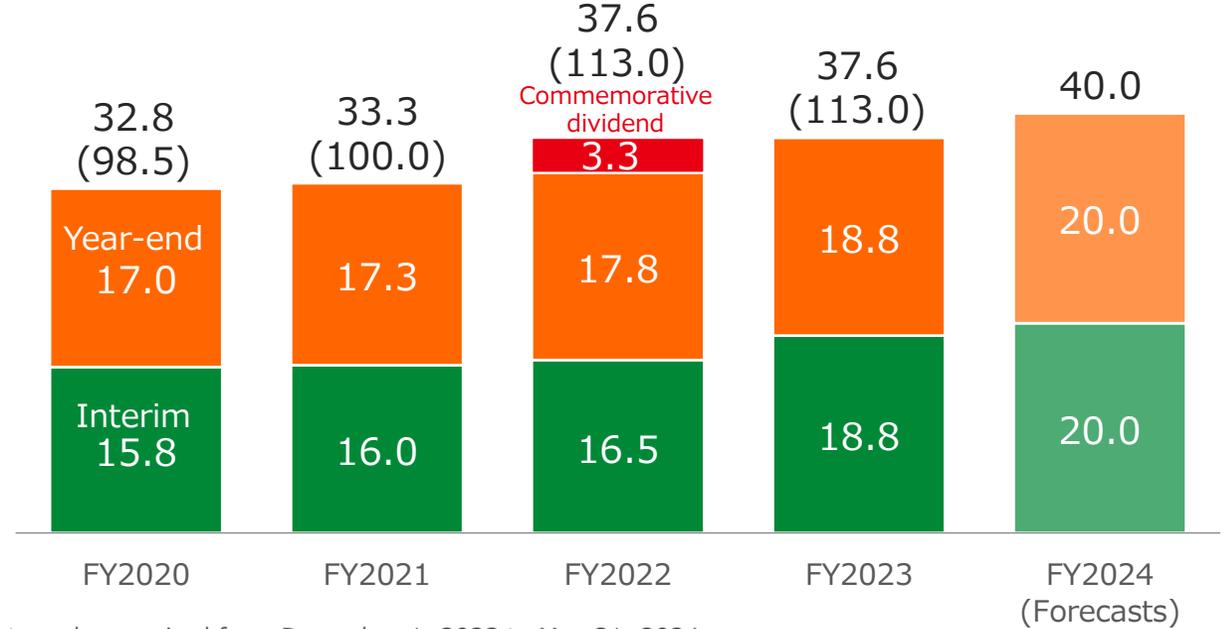
- Increase operating cash flow
- Focus on investments in the growth of domestic and overseas CVS operations
- Ensure financial integrity
- Expand shareholder return

- Introduced “Progressive Dividend”**
- Conducting a share buyback up to JPY 110Bn of the total JPY 210Bn planned by FY2025**

\* Conducting a share buyback up to 75 million shares (post-split) with amount of 110 billion yen that can be acquired from December 1, 2023 to May 31, 2024. 8,699,800 shares were cancelled on February 29, 2024.

## Dividends per share trend

- The Company conducted a 3-for-1 common share split on March 1, 2024
- Calculated as if the share split had occurred from the beginning of FY2020
- Figures in ( ) show the amount before share split



Increase operating cash flow, focus on investments in the growth of domestic and overseas CVS operations and ensure financial integrity. Also, achieve a total payout ratio of over 50% by enhancing shareholder return

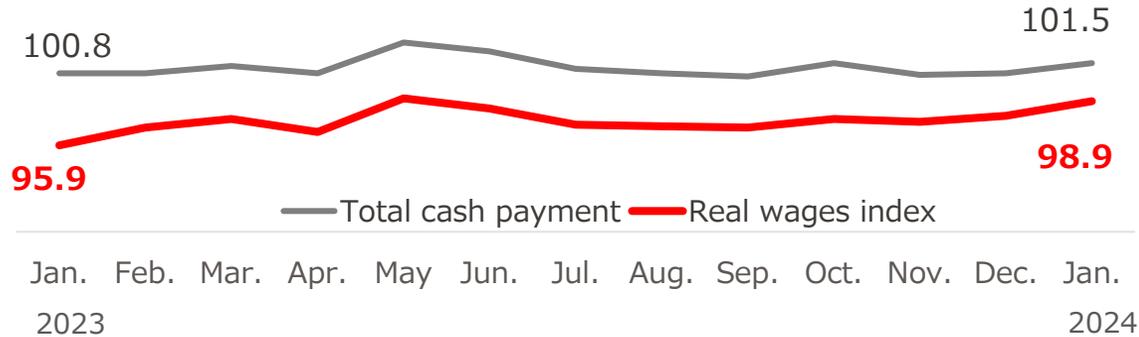
# TODAY'S AGENDA

- 1 FY2023 Results
- 2 FY2024 Forecasts
- 3 Management Policy  
Domestic CVS Operations, Overseas CVS Operations,  
Superstore Operations & Group Strategies

# Current Situation Recognition

## "Saving" Domestic real wages index

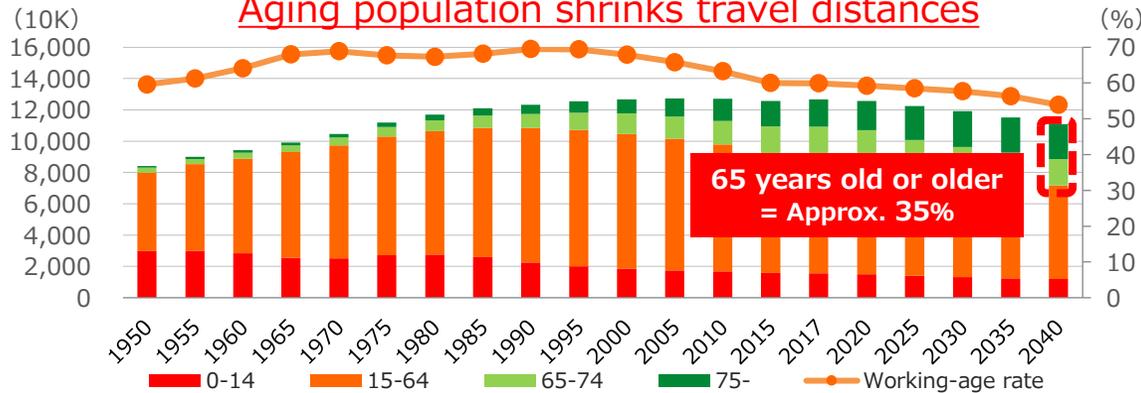
Negative real wages for 22 consecutive months



\* Source: Ministry of Health, Labour and Welfare, Provisional Report of Monthly Labour Survey

## "Market area changes" Declining population & birthrate, and aging population

Aging population shrinks travel distances



\*Source: National Institute of Population and Social Security Research, "Future Projections for the Number of Households in Japan(National Estimates)" (2018 (Heisei30)estimates)  
Percentages are calculated based on the number of households with a member aged 65 or older from the White Paper on Aging, Cabinet Office, Government of Japan.

## "Decrease in frequency of visits" Work-from-home implementation rate

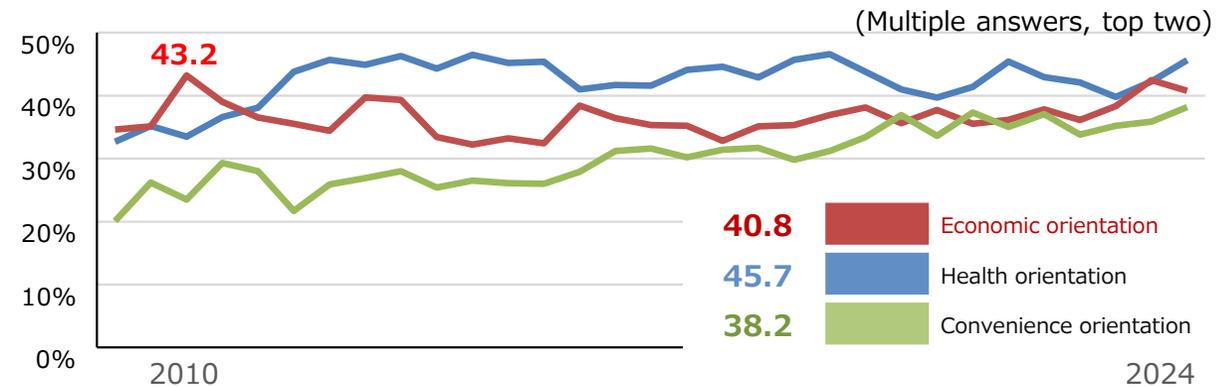
Work-from-home continues after reclassification of COVID-19's category to Class 5



\*Source: PERSOL RESEARCH AND CONSULTING CO., LTD. Survey on Work-from-home

## "Customer orientation" Change in food-related orientation

Increase in economic orientation



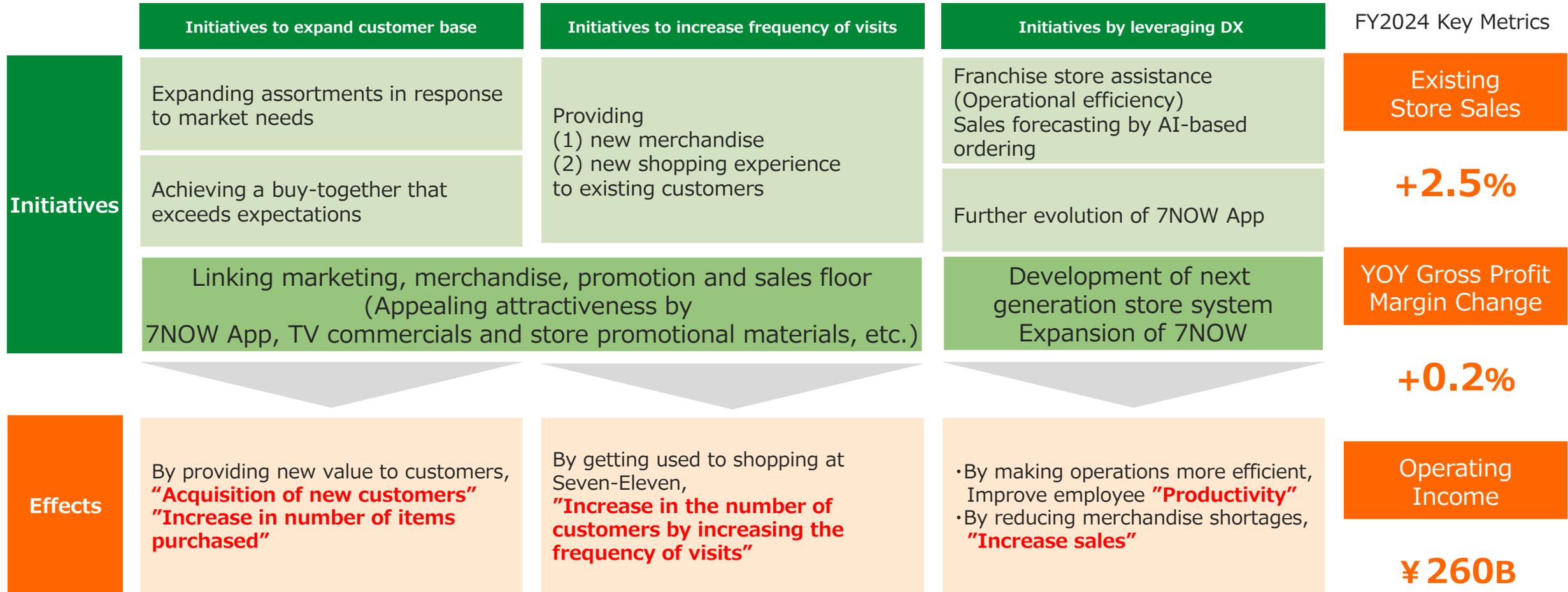
\*Source: Japan Finance Corporation, Consumer confidence survey (July 2023)

Respond to the changing consumer behavior, and conducting initiatives by leveraging SEJ's strengths to increase the frequency of visits

# FY2024 SEJ Management Policy

## Strategy for Growth

- Promote store visits based on refining merchandise, expanding new assortments and services
- Leverage DX to improve employee productivity and provide a new shopping experience for customers

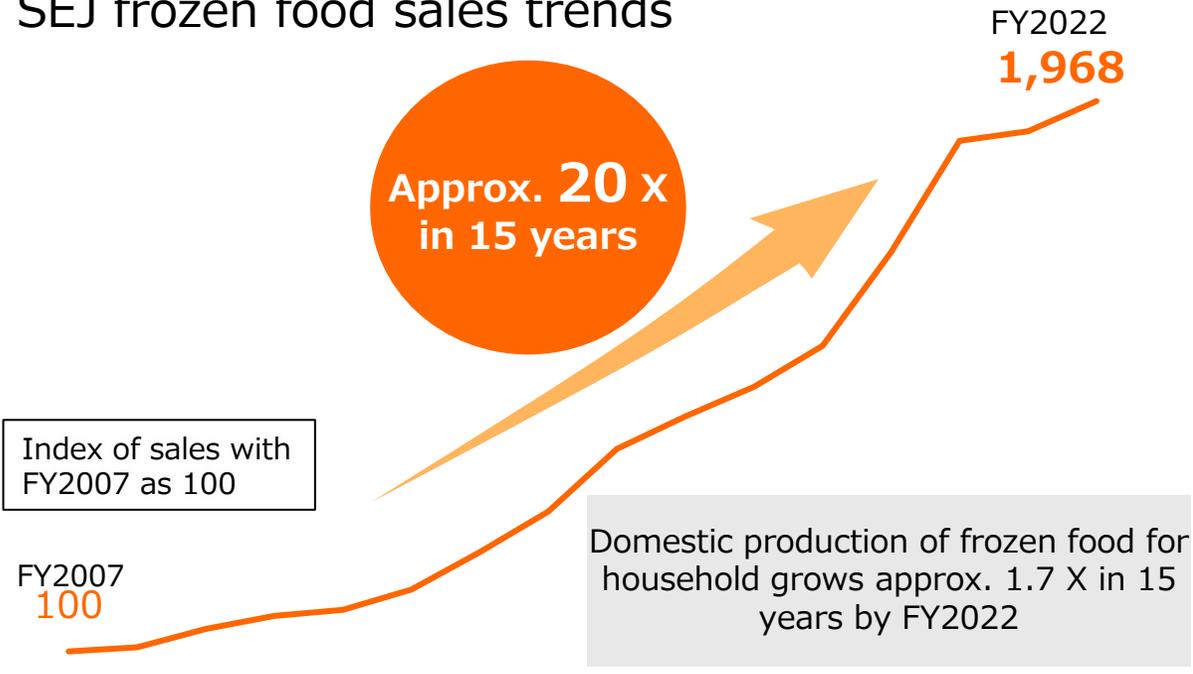


# Initiatives to expand customer base [Frozen food (1)]

## Current situation analysis

- Demand for ready-to-eat increases due to changes in the social environment
- **SEJ's frozen food grows significantly faster than the market**

### SEJ frozen food sales trends



\*Source: Japan Frozen Food Association

**Continue to focus on the sales floor and merchandise,  
leading Seven-Eleven to be the chosen company**

## Expansion of frozen food sales floor

New layout with additional refrigerated cases

[Issue] Low installation ratio due to the sales floor space restriction in urban area



◆Area ranking with the highest APSD of frozen food

APSD rank	Prefectures	Installation ratio
1	Tokyo	<b>27.2%</b>
2	Kanagawa	<b>45.3%</b>
3	Chiba	61.2%
4	Saitama	<b>49.6%</b>



◆Change in sales floor space

Ice cream case comparison

Volume: Approx. 2 X

Face area: Approx. 3 X

Number of items:



Expand assortments and sales floor to meet the expanding needs of customers in line with changing lifestyles

# Initiatives to expand customer base [Frozen food (2)]

## Initiatives and what we learned in FY2023

**New needs of customers are becoming apparent** due to Group collaboration in FY2023, and an expanded assortments based on market survey

### ◆ FY2023 initiatives

Start introducing "Ease Up" assortment developed by IY  
Challenge in group merchandise introduction and categories that have not handled before



### ◆ New frozen food keyword

**[Bread]**  
Freshly baked at home

**[Dessert]**  
Eat whenever you want

**[Delicatessen]**  
High value-added food

**[Hot seller NB merchandise in market]**  
Wide range of assortments

## Initiatives in FY2024

Check assortments by location and sales floor in order to increase sales

"Expand sales floor" of smaller stores  
"Expand assortment" of existing stores

Conduct expansion and test of new categories  
Expansion and revision of the number of recommend assortments

- Island frozen utensil: approx. 3,000 stores installation (plan)
- Wall refrigerator: plan to install centered on general stores

APSD effects (target)

Capex plan  
(Since FY2024)

**+1.0% or more**

**JPY 10.0Bn or more**

**Expand recommended merchandise to increase sales**

# Initiatives to expand customer base (New counter merchandise)



## Breads

### Provide fresh breads baked in the store

#### ◆ Scheme



#### ◆ Assortments



Breads	Cookie
 <b>Melon bread</b>	 <b>Chocolate cookie</b>
 <b>Croissant</b>	 <b>Financier</b>

## Test results in stores (March 2024)

Number of stores	<b>Approx. 600 stores</b>
Avg. units sold/day	<b>Approx. 30</b>
Positive effect on APSD	<b>+0.7%</b>

## Initiatives in FY2024

- Expansion of store installation  
**Approx. 3,000 stores**
- APSD effects target  
**+1.0% or more**
- Capex plan  
**Approx. JPY 5.0Bn**



# Expanding new initiatives to generate new sales for the next generation

# Initiatives to increase frequency of visits (Smoothie)

## Smoothie

Appeal the value of deliciousness and health through **new merchandise**

Consumer behavior	Frequency of visit*
Purchase health-related merchandise	<b>2.2 X higher</b>
Get used to purchase smoothie	<b>2.7 X higher</b>

\* Comparison with all members based on national ID-POS data: June 2023 results

### ◆ Diversification of "Health" values



- Fatty Ingredients labels
- Sugar free
- No additives
- Carbohydrate free
- Gluten free
- Guilt free

## Initiatives in FY2024

Plan to launch of merchandise with **novelty**, such as seasonal fruits

**Change package to better emphasize health**  
Calories labels, emphasize nutritional value (e.g. contains dietary fiber)

## Expansion of store installation

FY2024 1H  
**+3,000 stores**

**18,000 stores**  
(All stores that are capable of installation)

**APSD effects target**

**Capex plan**

**+1.0% or more**

**Approx. JPY 3.0Bn**

Increase frequency of visits by emphasizing newness in existing merchandise

# Initiatives to increase frequency of visits (Regional fair)

## Successful practices of regional fair

Three key points learned through the regional fair

<b>(1) Regional Characteristics</b>	<b>(2) Social contribution</b>	<b>(3) Reasonable price</b>
<ul style="list-style-type: none"> <li>• Local menu</li> <li>• Utilize local raw materials</li> </ul>	<ul style="list-style-type: none"> <li>• Corporation with municipalities</li> <li>• Utilize local raw materials</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Appearance, volume</b></li> <li>• <b>Price</b></li> </ul>

Successful practice of increased sales by focusing on reasonable price (Saitama Fair)

◆ November 2023



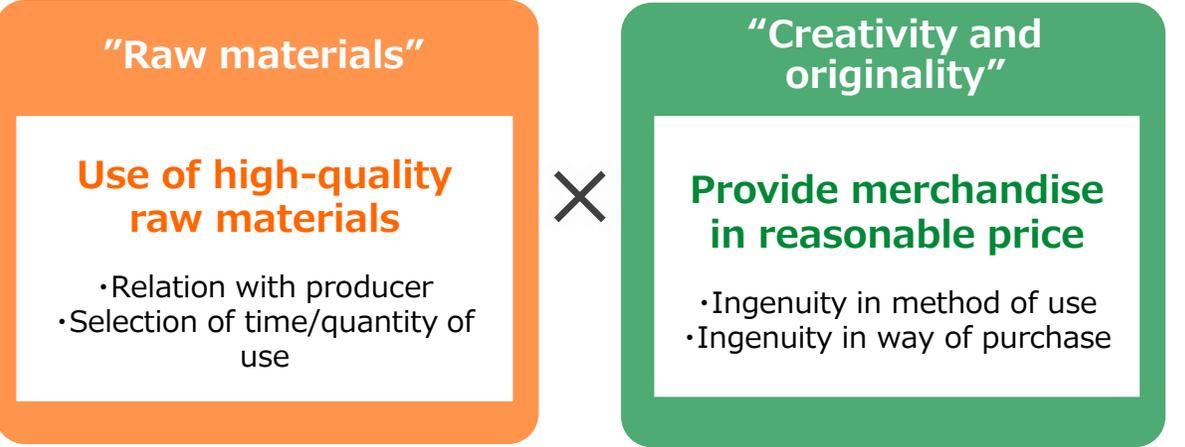
Bowl of miso mixed with Charcoal-broiled pork from Saitama Prefecture

Price: 640JPY (Tax excluded)

Motivation of franchisees stays very high, leading positive effect to sales

Positive effect to APSD+0.9% as well as in "Sainokuni (Saitama) Fair"

## Factors contributing to reasonable price



## Initiatives in FY2024

**Expand nationwide** of Saitama fair's Know-How

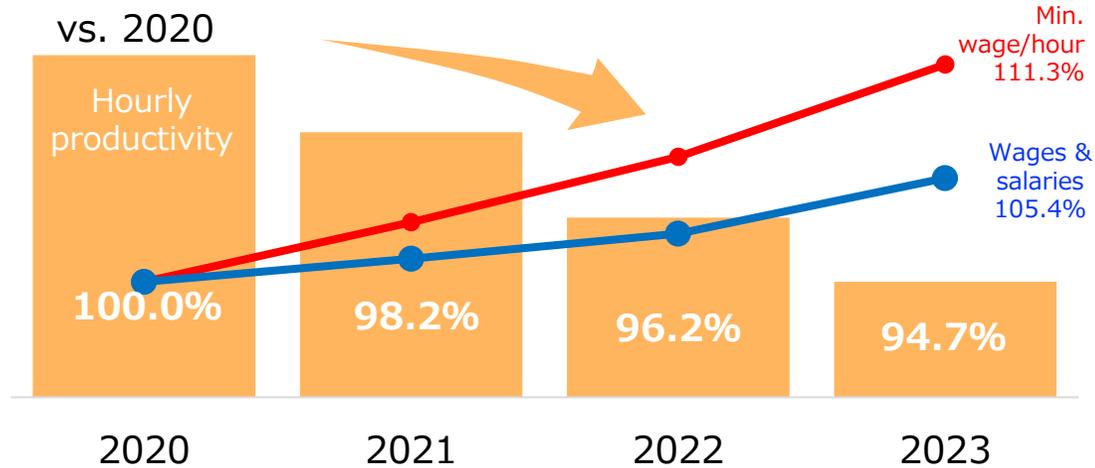
Number of regional fairs held	APSD effects target
<b>Approx. 50 times</b> (Twice or more a year in each area)	<b>+1.1% or more</b> (FY2023 +0.9%)

Increase frequency of visits by improving "Quality" of local standard merchandise through regional fairs

# Initiatives by leveraging DX

## Franchisees hourly productivity trends

Improvement trend due to DX-based initiatives



Major initiatives of franchisee support by using DX since 2020



Semi self-checkout  
**((90)min/day)**



New inspection system  
**((25)min/day)**



AI-based ordering  
**((32)min/day)**

## Sales improvement initiatives by leveraging DX

AI-based ordering  
(Forecast demand and calculate the number of orders)



Non-daily merchandise	Utilized	Underutilized
YOY (%)	<b>104.4</b>	103.9
Change (K JPY/day)	<b>+18.7</b>	+16.3

AI-based ordering utilized stores vs. underutilized

Variance in change **+2.4 K JPY/day**

(Next-Gen system) Suggestion for ordering based on merchandise tag information



Providing tag information on current topics when selecting the merchandise

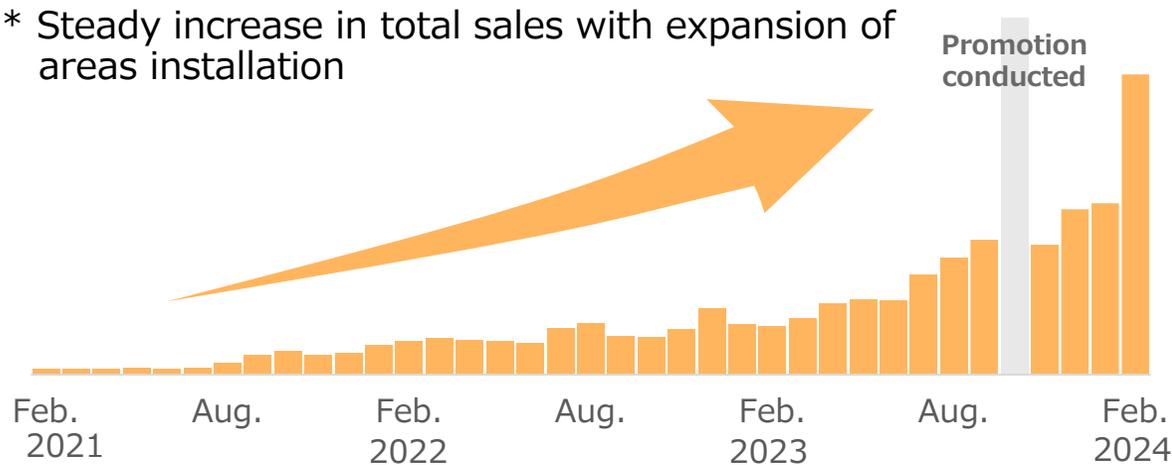
Reduce opportunity loss by presenting order quantities based on information

# Contribute to franchisees' sales and profit through IT/DX support

# Initiatives by leveraging DX (Expansion of 7NOW)

## Sales trend

\* Steady increase in total sales with expansion of areas installation



## 7NOW app



In 6 months from September 2023 release

**DL count: approx. 770k**

(As of end of Feb. 2024)

App stores food/drink app No. 1 (As of Feb. 29)

Reviews:4.5/5 (App stores reviews)

[Functions]  
Recommend, Coupons



## Initiatives to expand stores installation



7NOW suggested installation counts for **12,000** stores



Expand in Tokyo, Hokkaido and 14 prefectures as of the end of Feb. 2024

### Further enhancement of 7NOW app

Improvement of UI&UX / visualization of delivery status for greater convenience

### Response to franchisee

Service announcement in stores (in-store, flyer distribute) / enhancement of franchisee delivery

### Expand delivery areas and strengthen alliances

Strengthen of partner delivery companies

### Number of store installation plan

FY2024

Suggested installation nationwide

### Sales plan



FY2023 FY2023 FY2025

Provide a new shopping experience through 7NOW to meet the needs of a changing environment

## SIP Store

### Objective

- (1) Considering merchandise and assortments response flexible to changes in environment
- (2) Realizing new synergies by Seven & i Group

### ◆ Matsudo Tokiwadaira Ekimae (Store opening on 29 February 2024)



floor space  
**Approx. 1.8x**  
(Approx. 88 tsubo)

sales floor scale  
**Approx. 1.5x**  
(164 feet)

Number of items  
**Approx. 1.7x**  
(5,300SKU)

### ◆ Distinctive sales floor



Vegetables  
Fruits



Daily Foods



Group  
Merchandise  
(Akachan-Honpo, etc.)

## What we learned from SIP Store

**The categories that customers potentially expected from 7-Eleven were identified**

▼ Food with growing sales  
(including fast food, frozen food)

Categories	YOY (Mar 18 - Mar 31, 2024)	Major Initiatives
<b>Daily merchandise</b> (Perishables, etc.)	Approx. <b>3.1x</b>	<ul style="list-style-type: none"> <li>Expand assortment of tofu, natto</li> <li>Expand assortment of fishes, meats and vegetables</li> </ul>
<b>Hot Food</b> (Including fried food)	Approx. <b>3.0x</b>	<ul style="list-style-type: none"> <li>Introducing Bake In-Store</li> </ul>
<b>Frozen Food</b>	Approx. <b>1.9x</b>	<ul style="list-style-type: none"> <li>Sales floor expansion (Deployed with 11 refrigerated cases)</li> <li>Assortment with 150 proprietary items</li> </ul>

Applying successful practice of initiative referring to latent needs revealed in SIP Store in existing stores

# TODAY'S AGENDA

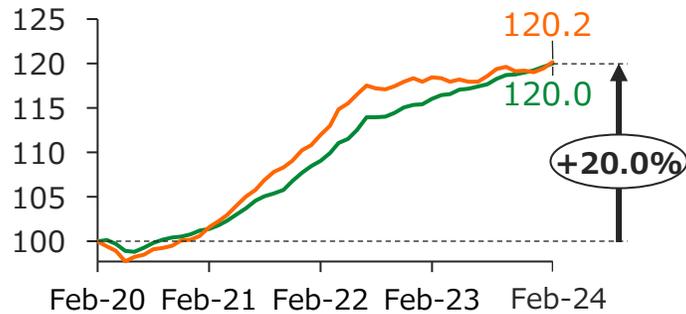
- 1 FY2023 Results
- 2 FY2024 Forecasts
- 3 Management Policy

Domestic CVS Operations, Overseas CVS Operations,  
Superstore Operations & Group Strategies

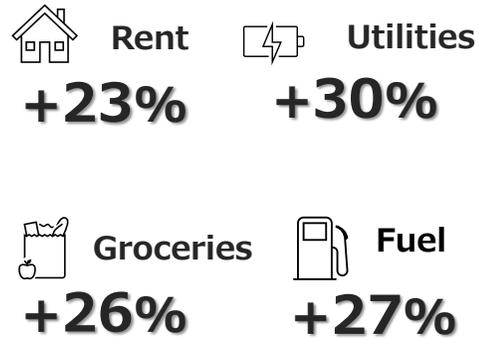
# CSA: U.S. External Macro Environment

## Prices Remain Elevated...

**Inflation (CPI/ PPI) Index**  
 Cost to Consumer/ Producer; (Jan'20=100)  
 — CPI Actual — PPI Actual

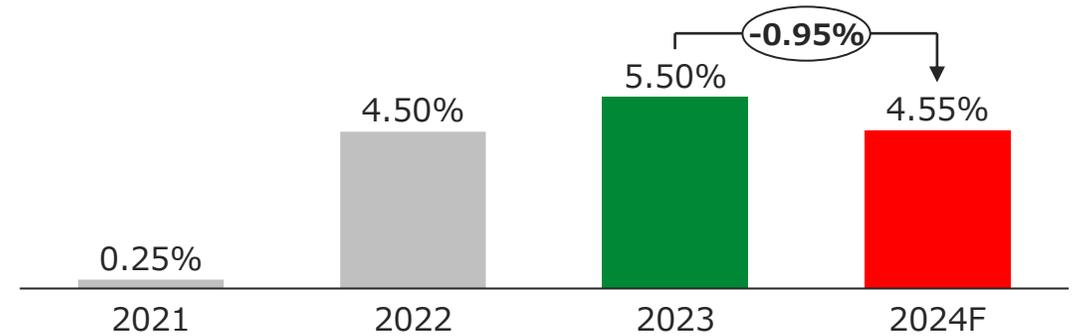


**Rising Cost of Living**  
 (Feb'24 vs. Jan'20)



## ...Leading to Higher Fed Rates for Longer

**Federal Reserve Funds Rate Projections**  
**Highest since 2001**



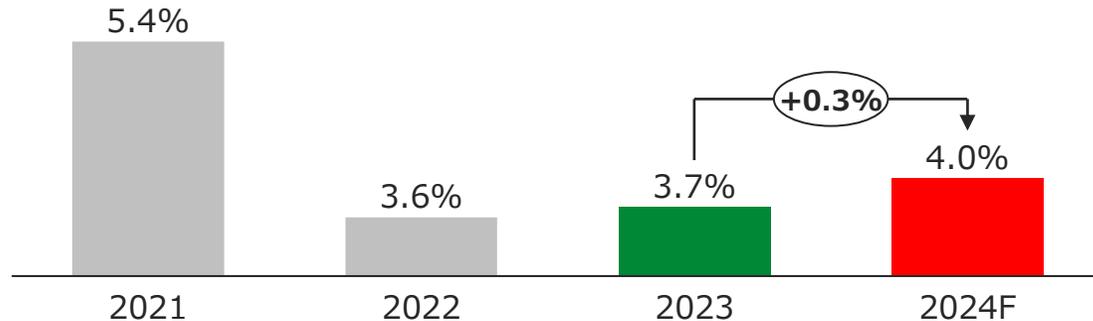
Source: The Fed, Bloomberg

Source: BLS, FRED

## Unemployment to Rise As Participation Slowly Catching Up

**Unemployment Rate**

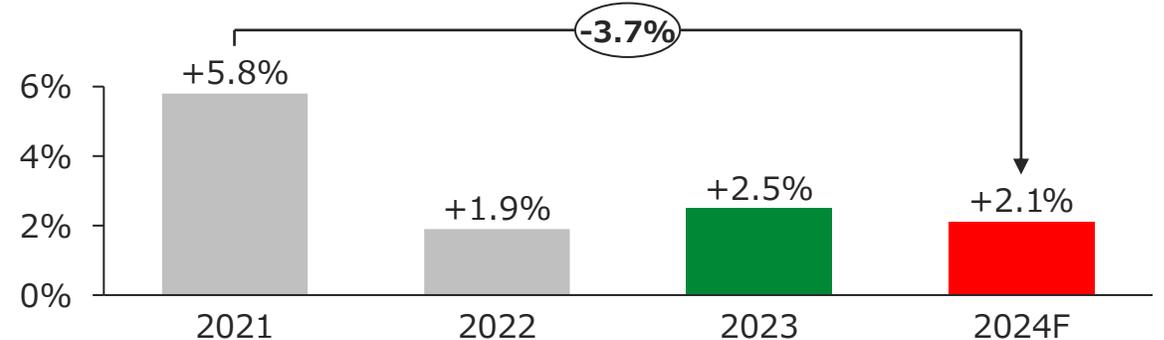
**Additional 700K unemployed persons in 2024**



Source: BLS, Bloomberg

## Slowing GDP Growth

**U.S. GDP**  
 (% Growth YoY)



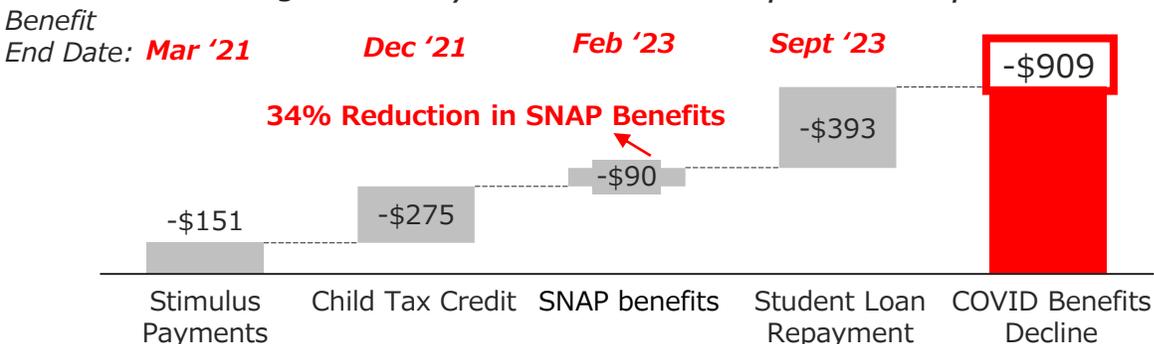
Source: BEA, Bloomberg

# CSA: U.S. Consumer Financial Position

## Consumers Remained Challenged in 2023

### Due to Pull-back of COVID Benefits...

Average Monthly Benefit Decline per Participant



### ...And Rising Expenses Due to Inflation

Cumulative Monthly Price Increases (Vs 2021) for All Households



Source: PYMNTS, WSJ, The White House, Pandemic Oversight, Jeffries, Circana, Numerator

Source: US Joint Economic Committee, Bloomberg

## Increasing Reliance on Debt

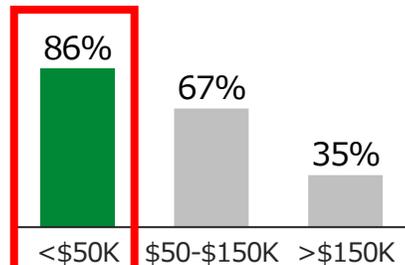
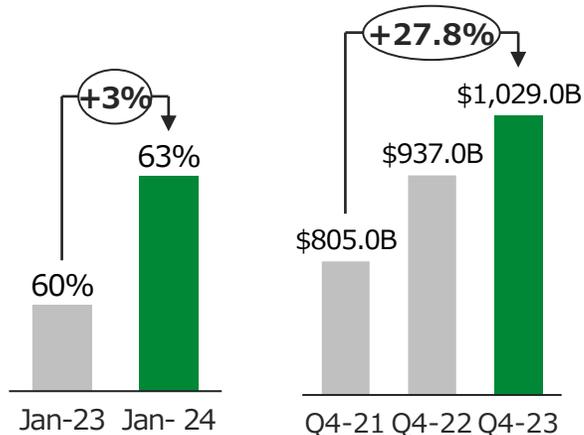
Share of Population Living Paycheck to Paycheck

U.S. Credit Card Debt

Low Income Consumers Having Difficulty Paying Household Expenses

Week of Feb 1- 13, 2024

31% of income spent by the lowest income quintile on Food vs. 8% for highest income quintile

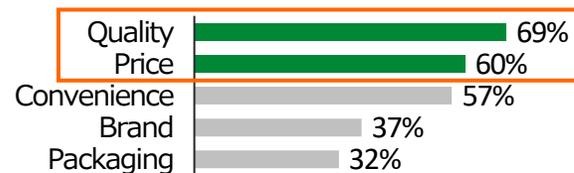


Copyright(C) Seven & i Holdings Co., Ltd. All Rights Reserved.

## Causing Consumers to Change Behavior and Expectations

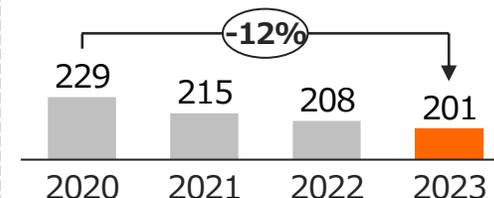
### Quality and Affordable Food

Most Important Food Purchasing Factors



### Decline in Cigarettes

Declining Sales Volume (Cigarette units in billions)



### Loyalty & Digital

71%

Millennials use Loyalty Programs to save money

### Delivery

94%

Consumers say a positive delivery experience drives reorders

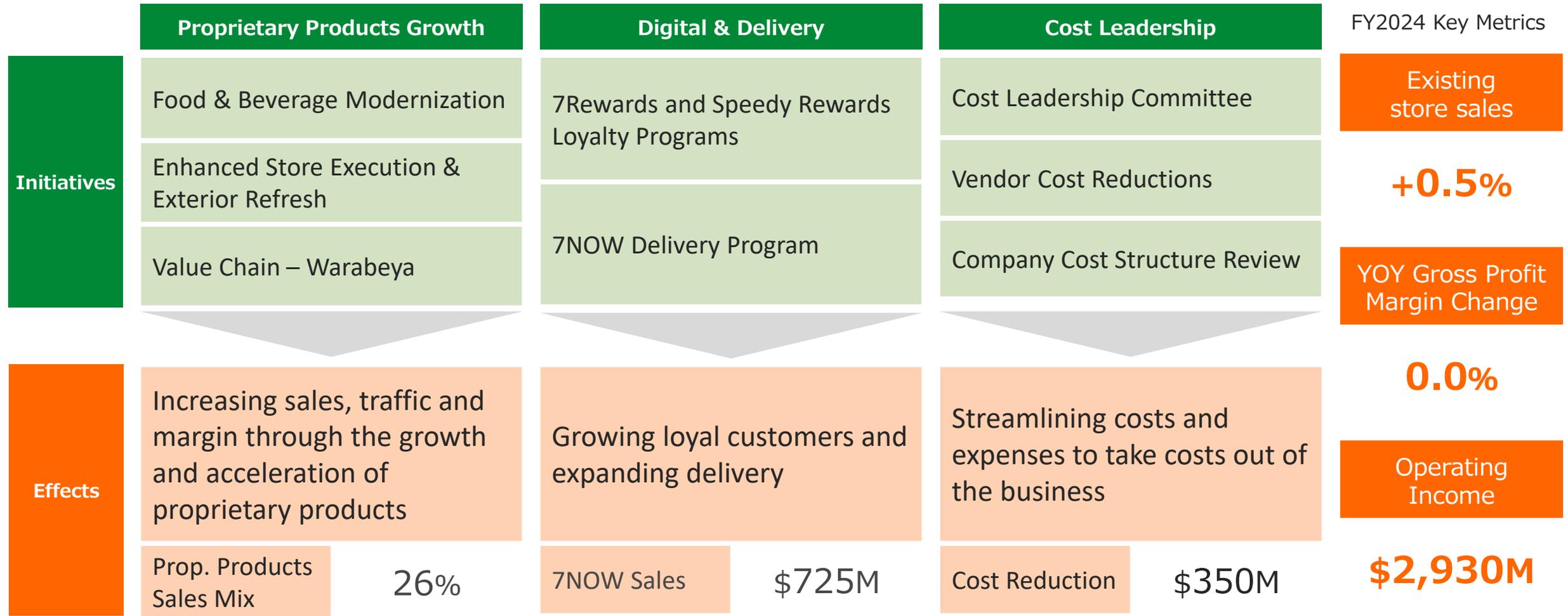
Source: PYMNTS, University of Michigan, FRED, Census.gov, USDA

Source: Numerator, NIH, Uber, YouGov, McKinsey

# FY2024 SEI Management Policy

## Strategy for Growth

Offer value and quality products to our customers in the most convenient way possible as we continue to focus on cost leadership to grow in profitability



# FY2024 SEI Financial Forecasts

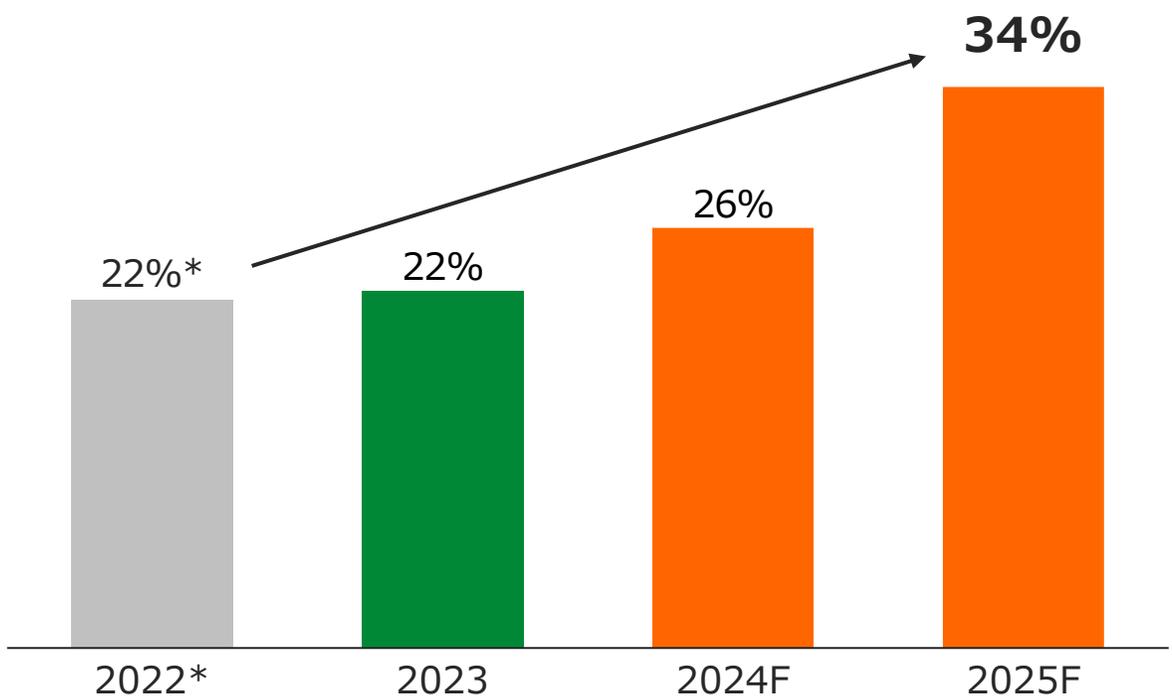
(Millions of dollar, %)

	1H			2H			FY2024		
		YOY	YOY Change		YOY	YOY Change		YOY	YOY Change
Total store sales	34,596	96.9	(1,114)	35,692	97.0	(1,110)	70,289	96.9	(2,224)
Revenues from operations	28,276	96.0	(1,167)	28,933	95.4	(1,401)	57,210	95.7	(2,568)
Operating income	1,098	94.0	(70)	1,831	111.1	+183	2,930	104.0	+113
EBITDA*	1,819	95.9	(78)	2,555	108.3	+196	4,374	102.8	+117

\* EBITDA: Operating income + Depreciation and amortization  
 Note) Figures are shown on SEI consolidated basis.

## Fresh Food, Prop. Bev. & Private Brands

*% Mix of Total Merch Product & Restaurant Sales  
(US & Canada, all banners)*



\*SEI alone at 24% - including SPW 22% - plan to get all stores to 34% by 2025

### Key Actions for Growth

- **Grow Assortment – New Categories and Products**
- **Accelerate Food and Beverage modernization**
  - Beverage investments
  - Fresh Food investments
  - Restaurant investments
- **Grow Private Brands**
  - Adding 215 new SKUs across 5 new categories
- **Enhanced Store Execution and Exterior Refresh**
  - Targeted Operations training
  - Exterior refresh
  - Detailed merchandising footprint and assortment refresh

# Grow Proprietary Products – Key Programs

## Food & Beverage Modernization

### Food & Beverage Modernization

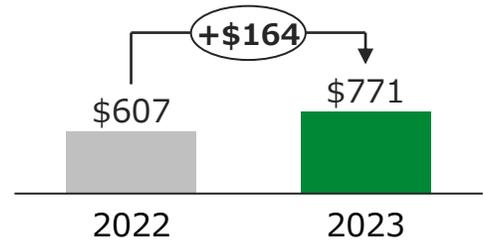
- Bake In-Store
- Self-Serve Roller Grill
- Grab & Go Cases
- Specialty Beverage



### 2023 Results

*Outperforming in Food Sales vs. Non-Food & Beverage Modernization Stores*

Total Food Sales APSD



### 2024 Targets

*Accelerate rollout of the program across 7-Eleven & Speedway stores*

Full Food & Beverage Modernization Program

**854 stores in 2024**

Elements of Food & Beverage Modernization Program

**1,700 stores in 2024**

## Enhance Store Execution & Exterior Refresh

### Enhance Store Execution & Exterior Refresh

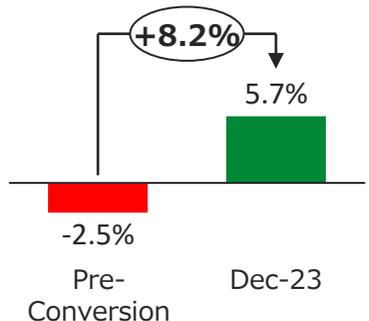
- Enhanced Ops Training
- Exterior Refresh
- Merchandise Reset & Localized Products



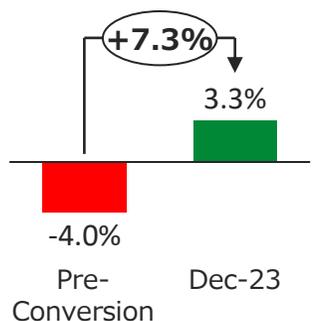
### 2023 Results

*Focused on Louisville, KY to Increase Sales & Traffic*

Merch Sales Growth



Traffic Growth



**+16.9%**  
Fresh Food

**+8.9%**  
Proprietary Beverages

### 2024 Targets

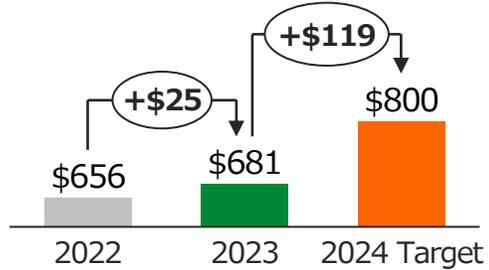
*Expand & Scale Initiatives to Enhance Store Execution across all stores*

*Exterior Refresh*

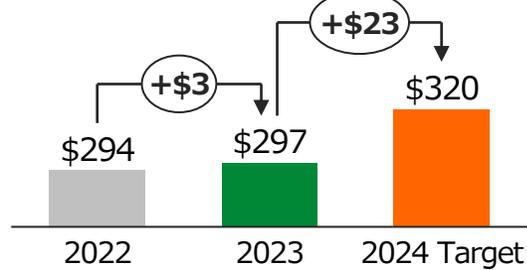
**4,000 stores in 2024**

## Food & Proprietary Beverages

**Fresh Food APSD**  
(RIS SS)



**Proprietary Beverages APSD**  
(RIS SS)



### 2024 Focus

#### Innovation



- Innovate and Launch New Platforms
- 79 new national product launches (including LTOs)**

#### Quality Improvement



- Test and Improve Quality of 50 Top Products

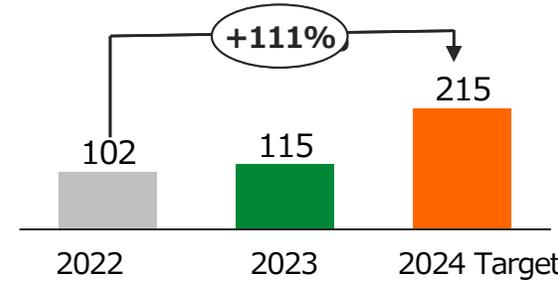
#### Value Promotions



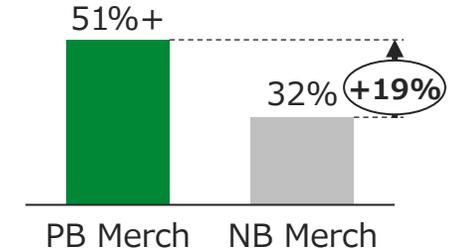
- Market leading value combos
- Increased promo activity by ~30%

## Private Brands

**Private Brands New Items**



**Private Brands Margin**



### 2024 Focus

#### Innovation



- 215 New Items
- Enter 5 New Categories

#### Continuous Improvement



- Expand & Improve 8 Categories

#### Increase Value



- Increased key item promo activity +15%
- Mitigated cost increases

# Value Chain – Warabeya Overview

## Modernizing Fresh Food Infrastructure

Leverage Warabeya expertise



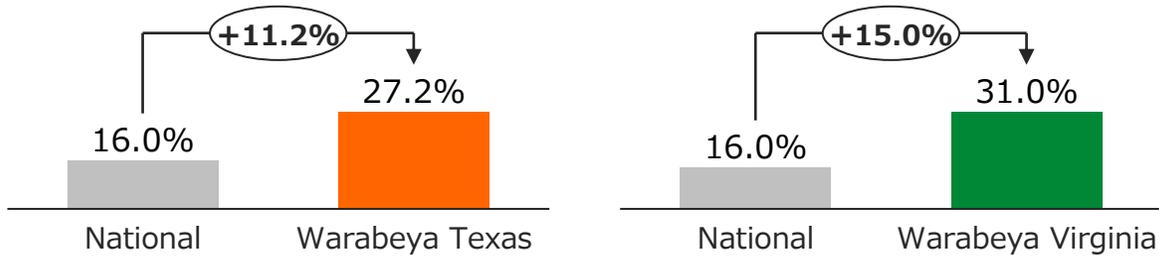
- Advanced product development
- Elevated food manufacturing know how
- Increased production capability



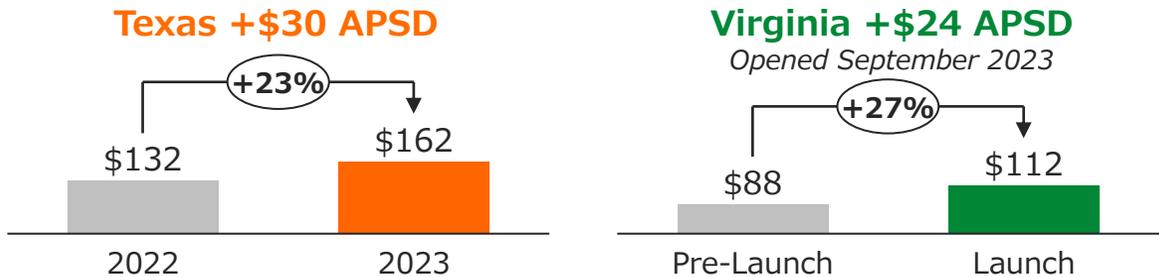
2018- Texas 743 stores  
2023- Virginia 1,361 stores  
2025- Ohio 1,318 stores

## 2023 Review

Commissary Sales \$ Contribution to Entire Fresh Food Business



2023 APSD Sales Growth (Warabeya Categories)



Texas +\$30 APSD

Virginia +\$24 APSD

Opened September 2023

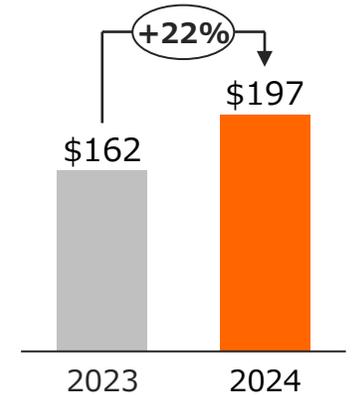
## Next Steps

### Texas

Continuous Innovation



Goal 2024  
Warabeya Categories  
APSD Sales \$

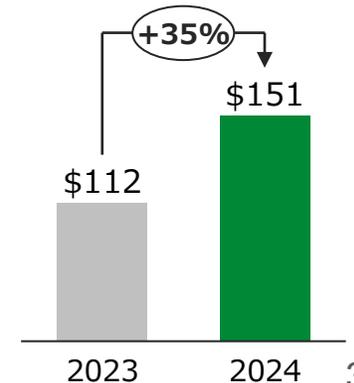


### Virginia

Continuous Innovation - New Products and QI



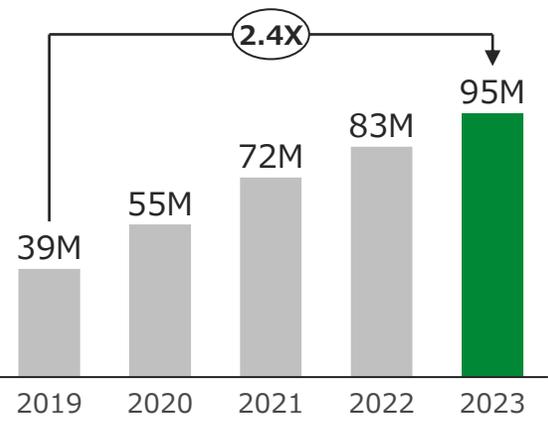
Goal 2024  
Warabeya Categories  
APSD Sales \$



# Accelerate Digital & Delivery

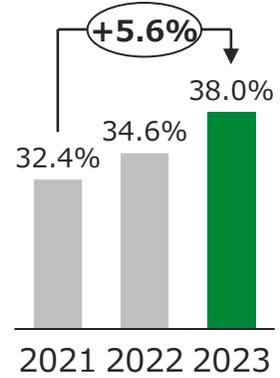
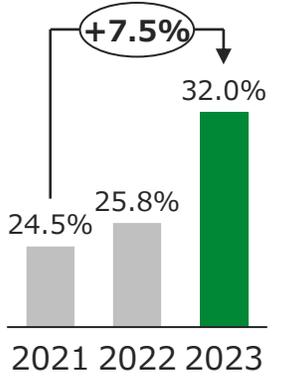
## Loyalty Program

### Total Registered Members

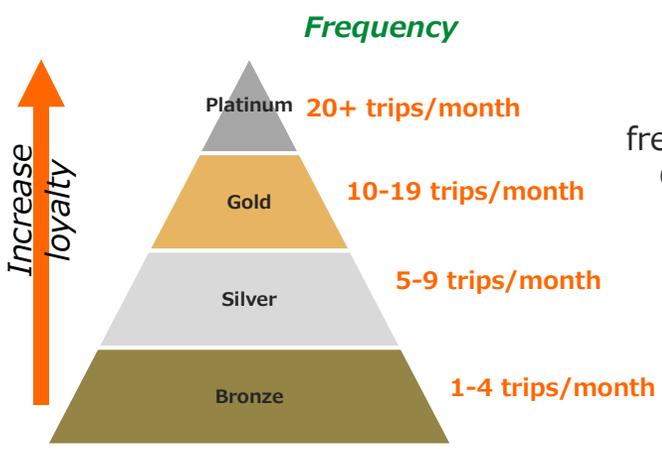


### Scan Rate

**7REWARDS Speedy Rewards**



### Driving Sales with High Frequency Shoppers



**+22%**

Increase in our highest frequency shoppers: Platinum, Gold & Silver Members vs. 2022

**+10.7%**

Increase in member sales vs. 2022

## 7NOW Delivery

### Strong 2023 7NOW Performance

**~\$249**  
APSD

**\$15.64**  
Avg. Basket Size

**25%**  
Same Store Growth

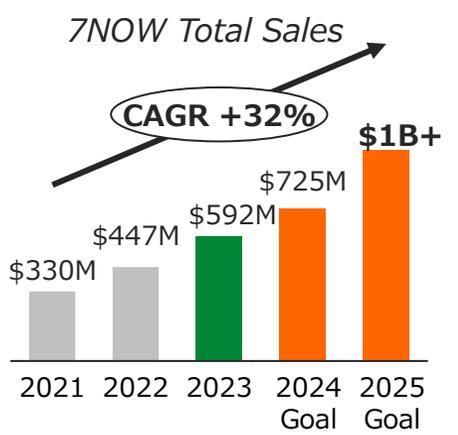
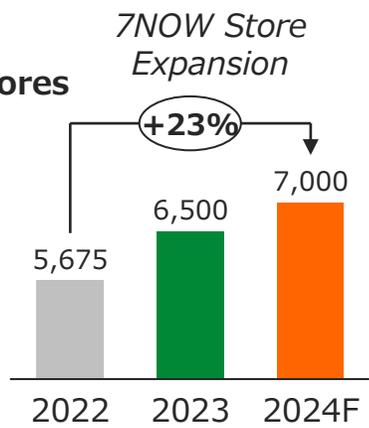
**16**  
Transactions to Stores Daily

**4.2%**  
of 7NOW store sales

**27.5**  
End to End Time

### 7NOW Growth Plan & Key Actions to Drive Growth

- Continue expansion to **Speedway stores**
- Drive **fresh food with 7NOW**
- Grow **Gold Pass** membership & engagement
- Expand **restaurant delivery**



# SEI & Speedway Integration – RIS/DEX Installation

## RIS/DEX – Store Systems

Total 2023 YTD Actual: **\$976.5M**

Target Total: **\$800.0M** Variance: **+\$176.5M**

### Merch Sales & Margin

- Optimized and Expanded Assortment
- Expanded Private Brand Assortment by 300+ products

### Scale/ Cost Leadership

- Leverage Scale through National Contracts (*Cost Leadership Committee*)
- Transitioned In-House Maintenance to 5,000+ 7-Eleven Stores
- Process Improvement Initiatives to simplify store operations

### Fuel Logistics

- Optimized SWTO\* routing and mileage
- Expanded SWTO Coverage to 456 7-Eleven Stores
- Leverage Scale with Fuel Supply to Lower COGS

\*Speedway Transport Operations

### Digital (Growth) Synergies

- Launched Delivery in 1,900+ Stores
- Expanding self-checkout in the Speedway banner

## SEI & SPW Synergies

### Next Major Unlock in Speedway Synergies

# RIS

Proprietary Point  
of Sale System

# DEX

Fuel Forecourt  
System

- ✓ **Enables Retailer Initiative:** Improve assortment to meet customer preferences, resulting in higher sales
- ✓ **Unifies store systems and integrates store reporting:** Store simplification and SSC administrative savings



# SEI Cost Leadership

## 2023 Actions & Results

- **Cost Leadership Committee** tracked 240 discrete cost improvement initiatives
  - ✓ **140 Negotiations**
  - ✓ **90 Process Improvement Actions**
  - ✓ **10 Resource/Labor Optimization Initiatives**
- **Cost Reduction** achieved across 15 P&L lines
- **400+ Sourcing Events** completed

- Resource Optimization
- Cost Savings / Avoidance
- Targeted OSG&A Reductions
- Negotiations
- Process Improvements
- Other Near-Term Actions



**\$308M**  
2023 Total Reduction / Avoidance

## 2024 Strategy & Target

### Strategy

- 1 Cost Leadership Committee
- 2 Vendor Cost Reductions
- 3 Company Cost Structure Review



### Opportunities

- Merch and Fuel COGS
- Store Labor Optimization
- Indirect Spend
- In-House Maintenance
- Debit/Credit Card Fees



**\$350M**  
2024 Budgeted Cost Reduction

# TODAY'S AGENDA

- 1 FY2023 Results
- 2 FY2024 Forecasts
- 3 Management Policy

Domestic CVS Operations, Overseas CVS Operations,  
Superstore Operations & Group Strategies

# EBITDA of SST Operations

(Billions of yen, %)

	FY2023			FY2024	
	Results	YOY	vs. initial plan	plan	YOY
Ito-Yokado	14.8	93.8	94.4	27.9	152.2
York	3.5	153.8	117.1		
New Ito-Yokado	18.3	101.4	98.0	0.14	-
SHELL GARDEN	(0.24)	-	-		
Tokyo metropolitan area SST operations	18.7	108.8	103.4	28.2	150.8
York Benimaru	28.7	104.8	101.8	30.1	104.5
SST operations*	49.9	106.0	102.2	56.6	113.4

\* SST operations: Figures exclude Ito-Yokado in China and other operating companies from SST operations

Achieved FY2023 plan, and will continue to accomplish the fundamental transformation

# Major Initiative Results of Tokyo Metropolitan Area SST Operations

## 1 Exit from the apparel business

### Optimize directly operated sales floor space

Renovation for tenant introduction  
 Progress **47%\***  
 (As of March 2024, 35 stores)

### Expand Food & Drug

Expansion of introduction  
 Progress **62%\***  
 (As of March 2024, 42 stores)

## 2 Accelerate focus on Tokyo metropolitan area with additional store closures

### Store closures & external succession

**33 stores\***  
 Decision made

### Optimize organization scale

Trim down headquarters' functions  
 Reorganization to improve management efficiency  
 (Executed on March 2024)

## 3 Consolidate SST operations in Tokyo metropolitan area

### Execute PMI

Integration of IY & YO headquarters' organization functions  
 (Executed on March 2024)

### Improve productivity

Self checkout installation  
 Progress **68%\***  
 (As of March 2024, 63 stores)

## 4 Establish Group's strategic infrastructures

### Improve store productivity by PC

Improve meat dept. productivity in FY2023  
 Sales per capita **+11%\***  
 (As of March 2024)

### Sales & GP growth by CK (Enhance delicatessen)

Peace Deli Chiba Kitchen started  
 (On February 2024)

■ Initiatives □ Progress

Implement fundamental reform initiatives as planned and confirmed steady effects

\* Results of Ito-Yokado

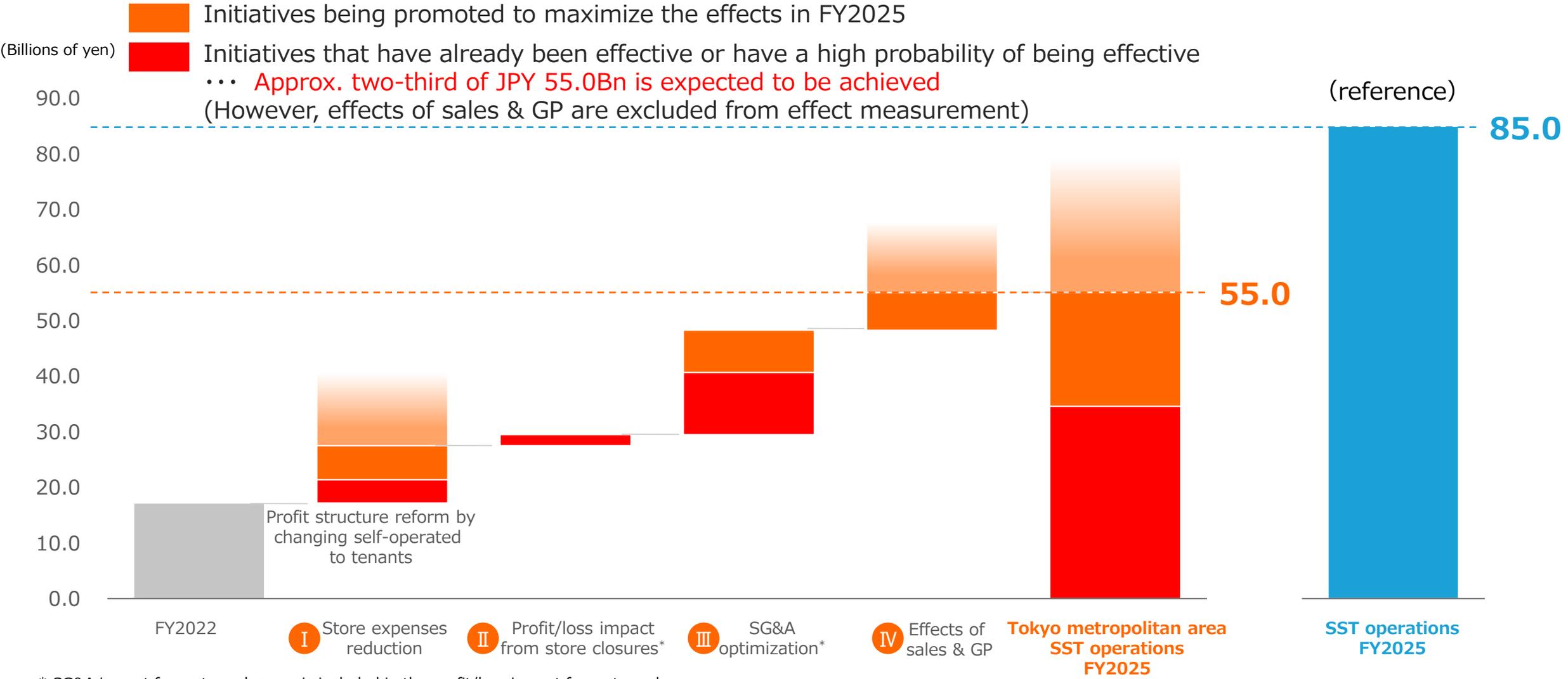
# Fundamental Transformation Roadmap

	FY2022	FY2023		FY2024	FY2025
		Initial plan	Results		
<b>Number of stores with self-planned apparel*</b> [All stores excluding Shokuhinkan]	113 stores	98 stores	<b>98 stores</b> 100% achieved	32 stores	Completely exit
<b>Number of Ito-Yokado stores*</b>	126 stores	124 stores	<b>123 stores</b> Over 100% achieved	<b>93 stores</b> 100% achieved	—
<b>SG&amp;A reduction ratio</b> (vs. FY2022)	-	+2.5%	<b>(1.4)%</b> Controlled more than planned	(6.9)%→ <b>(7.6)%</b> Raise the target	<b>(19.7)%</b> Raise the target
<b>Labor share</b> [Salaries and wages/gross profit from operations×100]	39.5%	37.9%	<b>38.4%</b>	34.9%→ <b>36.4%</b>	32.7%→ <b>34.0%</b>
Figures in ( ) as productivity metrics Gross profit from operations/salaries and wages	(2.5 x)	(2.7 x)	<b>(2.6 x)</b>	(2.7 x)	(2.9 x)
<b>Sales composition of delicatessen</b>	13%	13%	<b>13%</b> 100% achieved	14%	15%
<b>Store productivity</b> [Sales per tsubo] (vs. FY2022)	3.65 Million yen (-)	3.78 Million yen (+3.6%)	<b>3.78</b> Million yen (+3.6%) 100% achieved	3.92 Million yen (+7.4%)	4.25 Million yen (+16.4%)

Effects generally in line with plans, centered on cost structure reforms

\* Figures exclude York Mart, York Foods, etc.

# EBITDA Plan of SST Operations



\* SG&A impact from store closures is included in the profit/loss impact from store closures

**Achieve an EBITDA of JPY 55.0Bn by fundamental cost structure reforms and growth strategy promotion**

# TODAY'S AGENDA

- 1 FY2023 Results
- 2 FY2024 Forecasts
- 3 Management Policy

Domestic CVS Operations, Overseas CVS Operations,  
Superstore Operations & Group Strategies

# Progress of Strategic Initiatives



## To Become a World-Class Retail Group Centered Around Its "Food"

September 1, 2023  
**Completed** the sale of **Sogo & Seibu**

July 31, 2023  
**Completed** additional sale of **Francofranc**

May 1, 2023  
**Completed** the sale of **Barneys Japan**

March 1, 2022  
**Completed** the sale of **OSHMANN'S**

### Medium-Term Management Plan

April 1, 2024  
Completed the acquisition of **7-Eleven Australia**



January 11, 2024  
Announcement of the acquisition of **Sunoco-Stripes (West Texas)**

September 1, 2023  
The merger between **Ito-Yokado and York**



February 2023  
Decided to invest additionally in **Vietnam business**

May 14, 2021  
**Completed** the acquisition of **Speedway**



Continue to accelerate various strategic initiatives to realize the Ideal Group Image

# Corporate Vision

## Corporate creed

We aim to be a sincere company that our customers trust.  
 We aim to be a sincere that our business partners, shareholders and local communities trust.  
 We aim to be a sincere company that our employees trust.

## Basic stance

We aim to contribute to the local community both in Japan and overseas by providing new experiences and values from the customer's perspective.

## Ideal Group Image for 2030\*

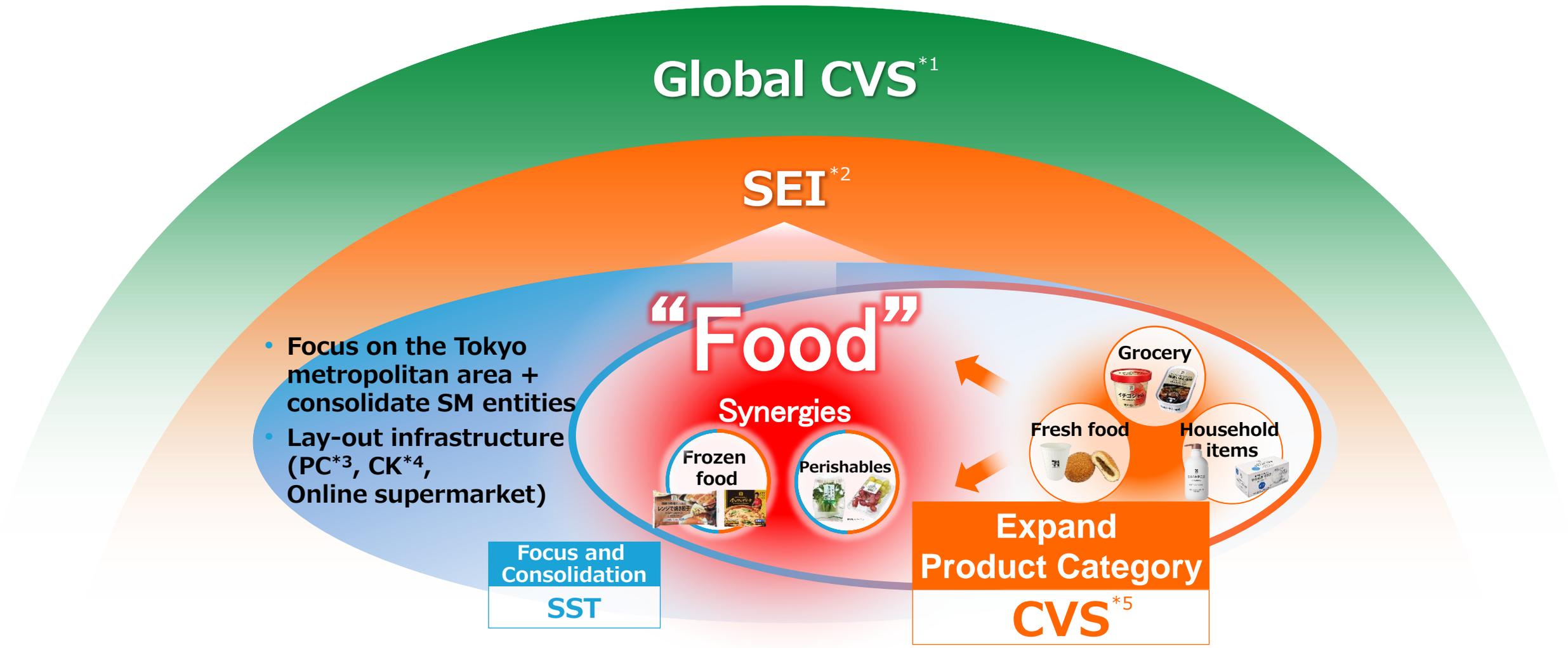
A world-class retail group **centered around its "food"** that leads retail innovation through global growth strategies centered on the 7-Eleven business and proactive utilization of technology.



As per announced on March 9, 2023 ("Update to the Medium-Term Management Plan and the Results of the Group Strategy Reevaluation"), we will aim towards 2030 to become "A world-class retail group centered around its 'food' "

\*Announced on March 9, 2023

# Globally expand SEJ's strength in "food"



- Focus on the Tokyo metropolitan area + consolidate SM entities
- Lay-out infrastructure (PC<sup>\*3</sup>, CK<sup>\*4</sup>, Online supermarket)

\*1 Mainly operated by 7IN  
\*2 Mainly operated by SEI

\*3 PC: Process Center  
\*4 CK: Central Kitchen

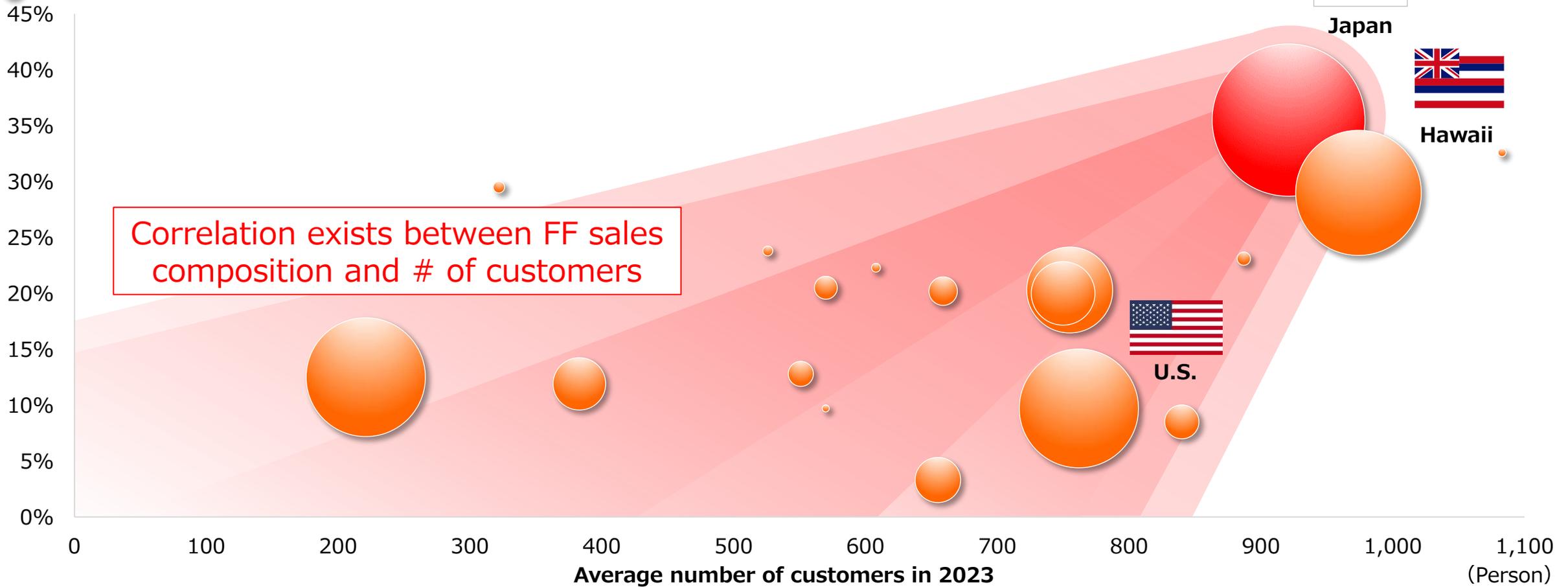
\*5 Operated by SEJ

Strength in "Food" is the key source of competitive advantage for the Group's CVS business

# Growth Strategy of CVS Businesses with "Food" at its Core

## Global 7-Eleven Operations

FF \* Sales Composition 2023 (%)  
 ○ Size of bubble = # of stores

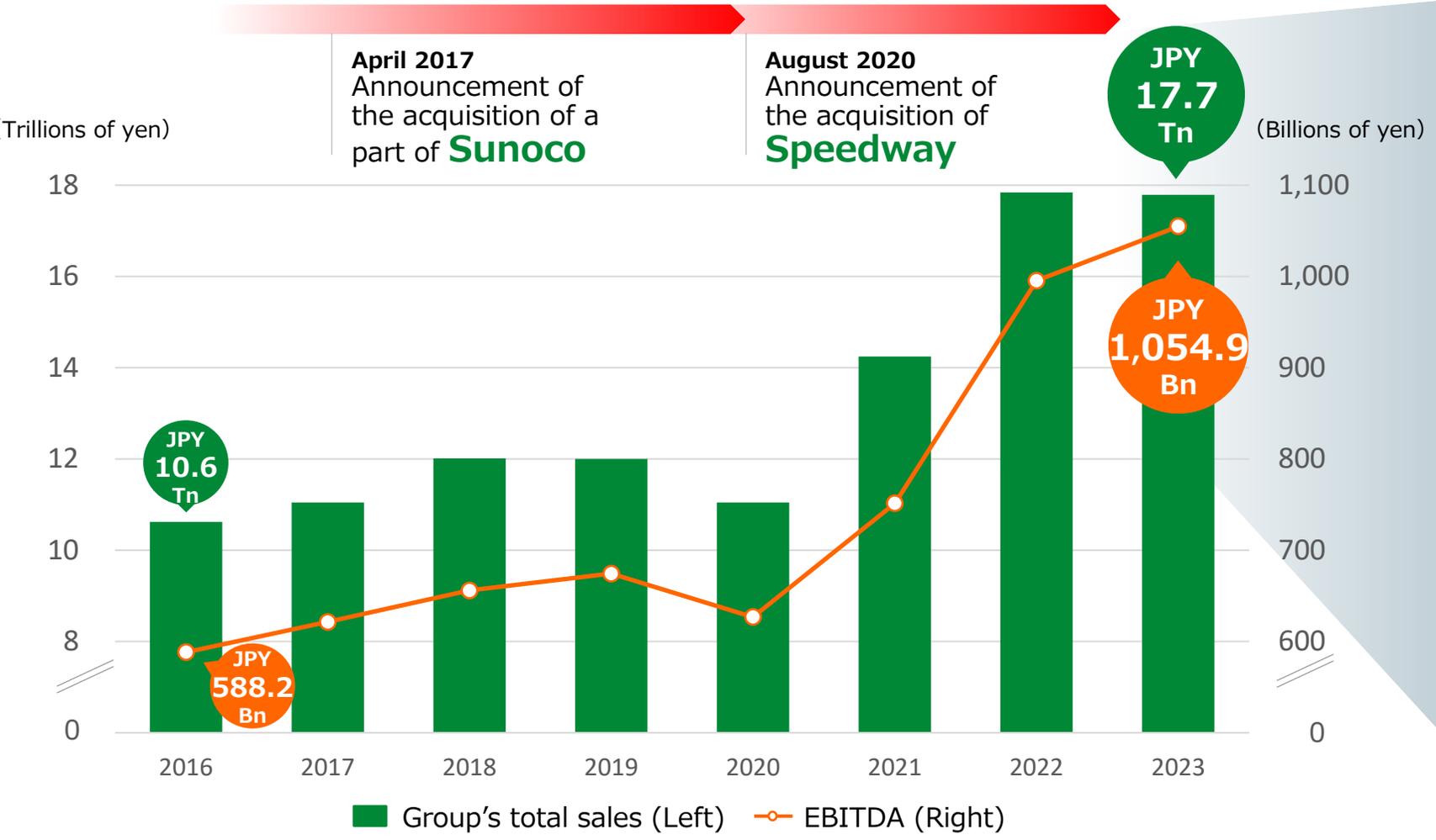


\* "FF": Fresh Food(Fresh foods include Ready-To-Eat foods only. Proprietary beverages, dairy products and long shelf-life foods are excluded.)

Expand the business scale globally by leveraging strengths in "food"

# Group's Growth Trajectory

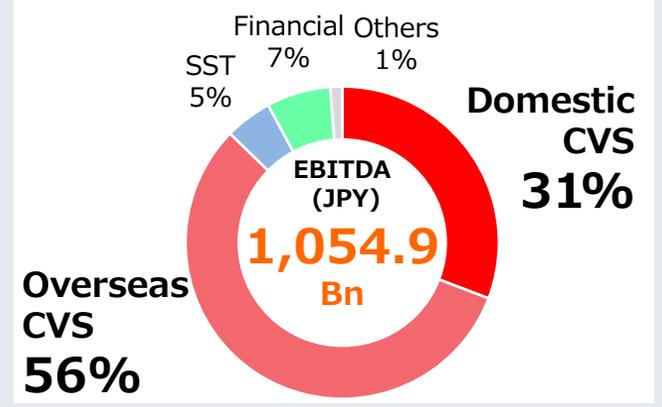
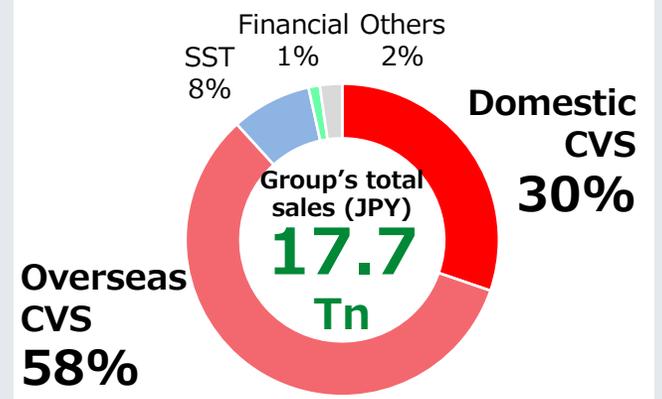
## Group's Growth Trajectory



**April 2017**  
Announcement of the acquisition of a part of **Sunoco**

**August 2020**  
Announcement of the acquisition of **Speedway**

### FY2023 Actual



Group's total sales has continuously increased steadily with contribution of M&A in North America

# The World's Top Retailers by Sales

**FY2023 Actual**



**Group's total sales**

**JPY 17,789.9 Bn**

**(US\$ 127,070M)**

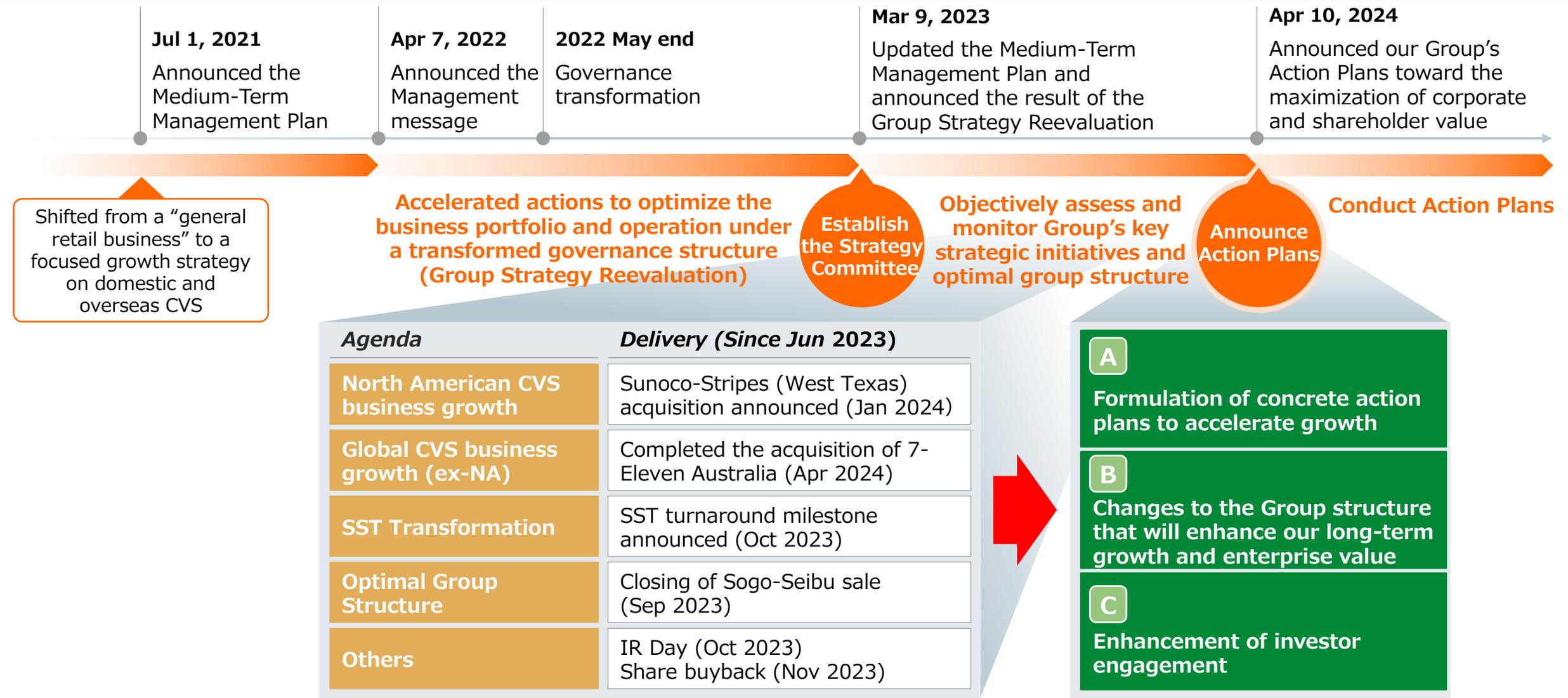
FY2021 Sales rank	Name of company	Geography of origin (# of countries/regions)	Sales (US \$M)
1	Walmart	U.S. (24)	572,754
2	Amazon	U.S. (21)	239,150
3	Costco	U.S. (12)	195,929
4	Schwarz	Germany (33)	153,754
5	The Home Depo	U.S. (3)	151,157
6	Kroger	U.S. (1)	136,971
7	JD.com	China (1)	126,387
8	Walgreens Boots Alliance	U.S. (6)	122,045
9	Aldi	Germany (19)	120,947
10	Target	U.S. (1)	104,611
11	CVS Health	U.S. (1)	100,105
12	Lowe's	U.S. (2)	96,250
13	Ahold Delhaize	Netherlands (10)	89,381
14	Tesco	U.K. (5)	82,881

\* Exchange rate: 1USD=140JPY

Source: Deloitte Touche Tohmatsu "Global Powers of Retailing 2023"

**Group's total sales recorded No.7 among global retailers**

# Footprint of Our Group Strategy Evolution



We have continuously implemented strategic initiatives with the assessment and monitoring by Strategy Committee

# Group's Concrete Action Plans

## Considering the Strategy Committee Recommendations to maximize corporate value and shareholder value in medium-to long-term...

A

Formulation of concrete action plans to accelerate growth

- 1 Accelerate growth and improve profitability in the North American CVS market
- 2 Develop more aggressive business plans and investments
- 3 Establish the IT/DX strategy for the foundation of our global growth, and the IT/DX governance to improve cost competitiveness
- 4 Monitor and support the completion of the transformation and growth of Tokyo Metropolitan Area SST
- 5 Maximize the synergy between Retail and Financial

B

Changes to the Group structure that will enhance our long-term growth and corporate value

- ❖ We will create a globally **integrated CVS management structure**, including Japan and North America, **with a unified leadership**
- ❖ SST business will aim to establish the refined management structure / business structure; employees having the autonomy to pursue re-growth, and **independently in** strategic decision making as well as **financial capacity**, while continuing to aim towards successful business transformation. With respect, **the Company is considering an IPO of SST business targeting to list as soon as reasonably practicable as one workable option**, on the basis that certain capital alliance and shareholdings among these business continues with the food related collaboration between CVS and SST would be maintained

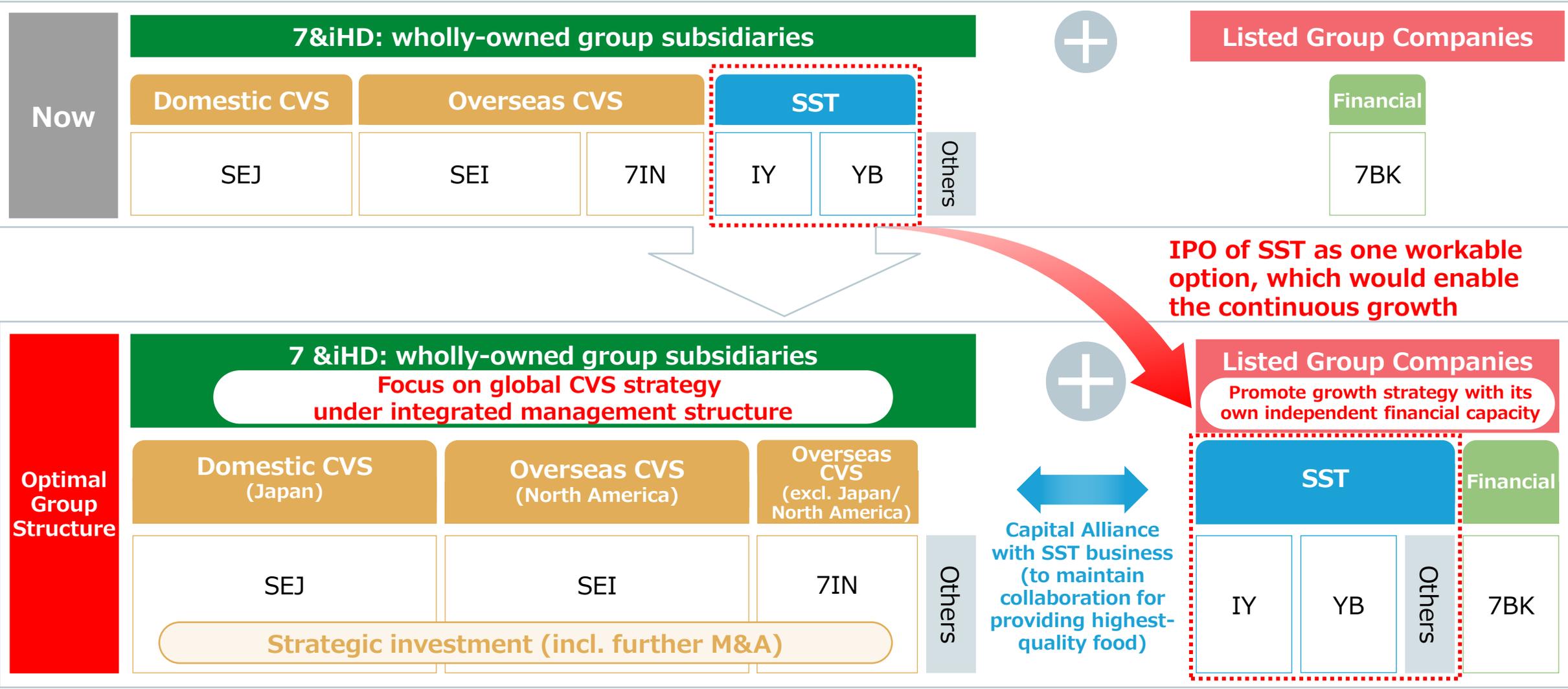
C

Enhancement of investor engagement

- ❖ We value of investors and want to ensure that we are engaging with them in a clear and transparent way to deliver on our mission and enhance shareholder value.
- ❖ We will continuously examine and strengthen the investor communication regarding our concrete strategy, growth path and its progress

Our concrete plan with actionable deliverables will enhance our current Medium-Term Management Plan

# Group Structure Transformation to Achieve Long-term Growth and Enhance Corporate Value



New Group structure will enable each business to focus on their own growth strategy independently

# Appendix



# Consolidated B/S Summary (As of February 29, 2024)

(Billions of yen)

Assets (Main items only)	As of Feb. 28, 2023	As of Feb. 29, 2024	Change
Current assets	3,060.6	3,035.6	(24.9)
Cash and bank deposits	1,670.8	1,558.7	(112.1)
Cash and bank deposits at Seven Bank	1,024.3	877.1	(147.2)
Notes and accounts receivable - trade, and contract assets	422.6	464.1	+41.5
Merchandise and finished goods	280.0	283.3	+3.3
Non-current assets	7,489.1	7,555.4	+66.2
Property and equipment	4,341.7	4,362.5	+20.7
Buildings and structures, net	1,614.8	1,606.8	(7.9)
Land	1,196.0	1,096.6	(99.3)
Right-of-use assets, net	885.6	985.6	+100.0
Intangible assets	2,364.6	2,356.5	(8.0)
Investments and other assets	782.7	836.3	+53.6
Deferred assets	1.1	0.98	(0.12)
<b>Total assets</b>	<b>10,550.9</b>	<b>10,592.1</b>	<b>+41.1</b>

Liabilities and net assets (Main items only)	As of Feb. 28, 2023	As of Feb. 29, 2024	Change
Total liabilities	6,902.7	6,691.4	(211.3)
Current liabilities	3,265.0	3,073.2	(191.8)
Notes and accounts payable, trade	536.1	528.1	(8.0)
Short-term loans	143.5	84.8	(58.6)
Current portion of bonds and current portion of long-term loans	501.4	472.5	(28.8)
Allowance for restructuring expenses	2.2	15.9	+13.7
Lease obligations	121.4	132.3	+10.9
Deposits received in banking business	810.1	803.7	(6.3)
Non-current liabilities	3,637.7	3,618.2	(19.4)
Bonds	1,394.7	1,356.5	(38.1)
Long-term loans	936.0	824.6	(111.4)
Lease obligations	834.9	931.7	+96.8
<b>Total net assets</b>	<b>3,648.1</b>	<b>3,900.6</b>	<b>+252.4</b>
<b>Total liabilities and net assets</b>	<b>10,550.9</b>	<b>10,592.1</b>	<b>+41.1</b>

# Working Capital (As of February 29, 2024)

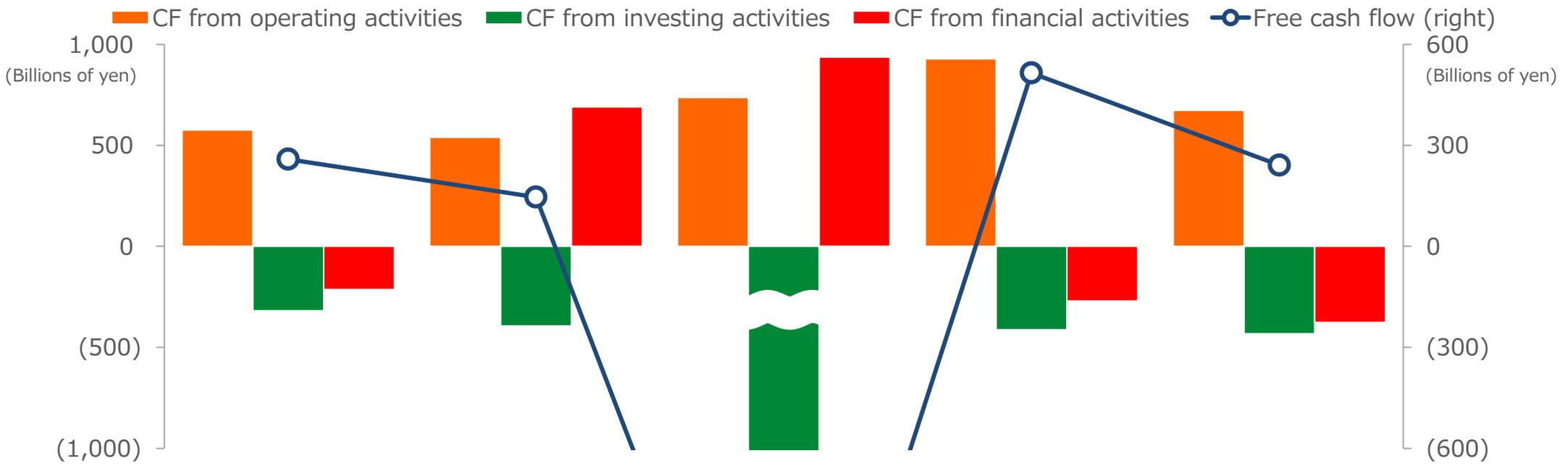
Upper row: consolidated basis

Lower row: excluding financial services

(Billions of yen)

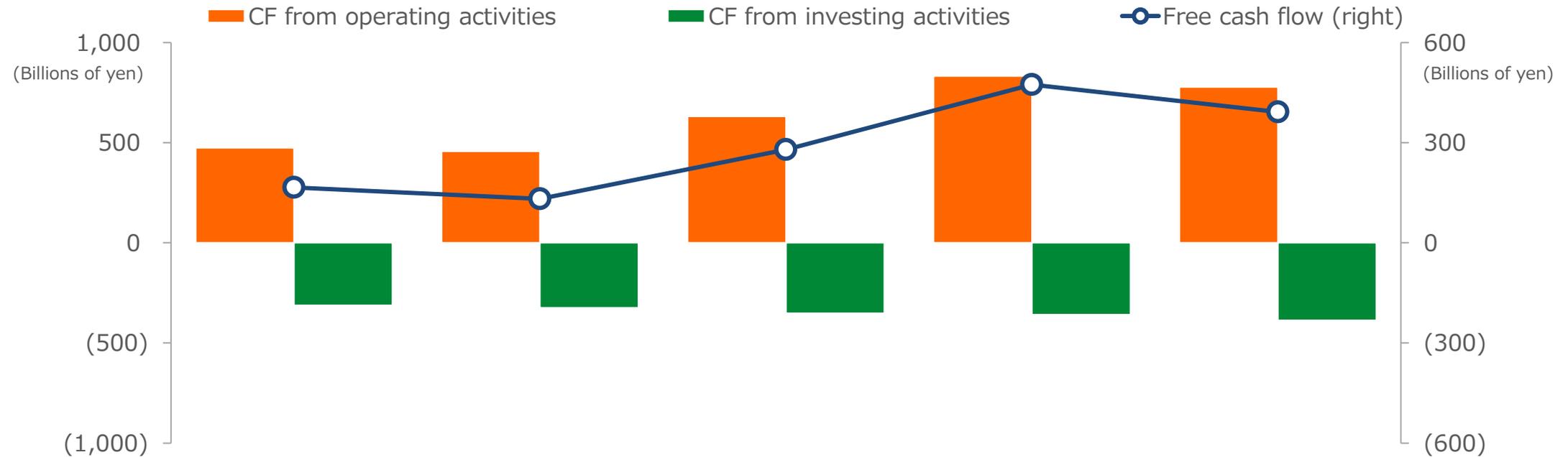
Current assets	As of Feb. 28, 2023	As of Feb. 29, 2024	Change	Current liabilities	As of Feb. 28, 2023	As of Feb. 29, 2024	Change
Notes and accounts receivable – trade, and contract assets	422.6	464.1	+41.5	Notes and accounts payable, trade	536.1	528.1	(8.0)
	163.9	204.7	+40.7				
Merchandise and finished goods	280.0	283.3	+3.3				
	280.0	283.3	+3.3				
Work in process	2.3	2.5	+0.18				
Raw materials and supplies	1.4	1.3	(0.10)				
<b>Total</b>	<b>705.0</b>	<b>750.0</b>	<b>+45.0</b>	<b>Total</b>	<b>536.1</b>	<b>528.1</b>	<b>(8.0)</b>
	445.4	489.4	+43.9		534.1	525.1	(8.9)

# Consolidated Statements of Cash Flows



(Billions of yen)	FY2019	FY2020	FY2021	FY2022	FY2023	vs. FY2022
CF from operating activities	576.6	539.9	736.4	928.4	673.0	(255.4)
CF from investing activities	(318.0)	(394.1)	(2,505.5)	(413.2)	(431.8)	(18.5)
Free cash flow	258.6	145.8	(1,769.0)	515.2	241.2	(274.0)
CF from financing activities	(213.2)	690.5	937.0	(270.3)	(377.0)	(106.6)
Cash and cash equivalents at the end of the year	1,354.8	2,183.8	1,414.8	1,674.7	1,562.4	(112.2)

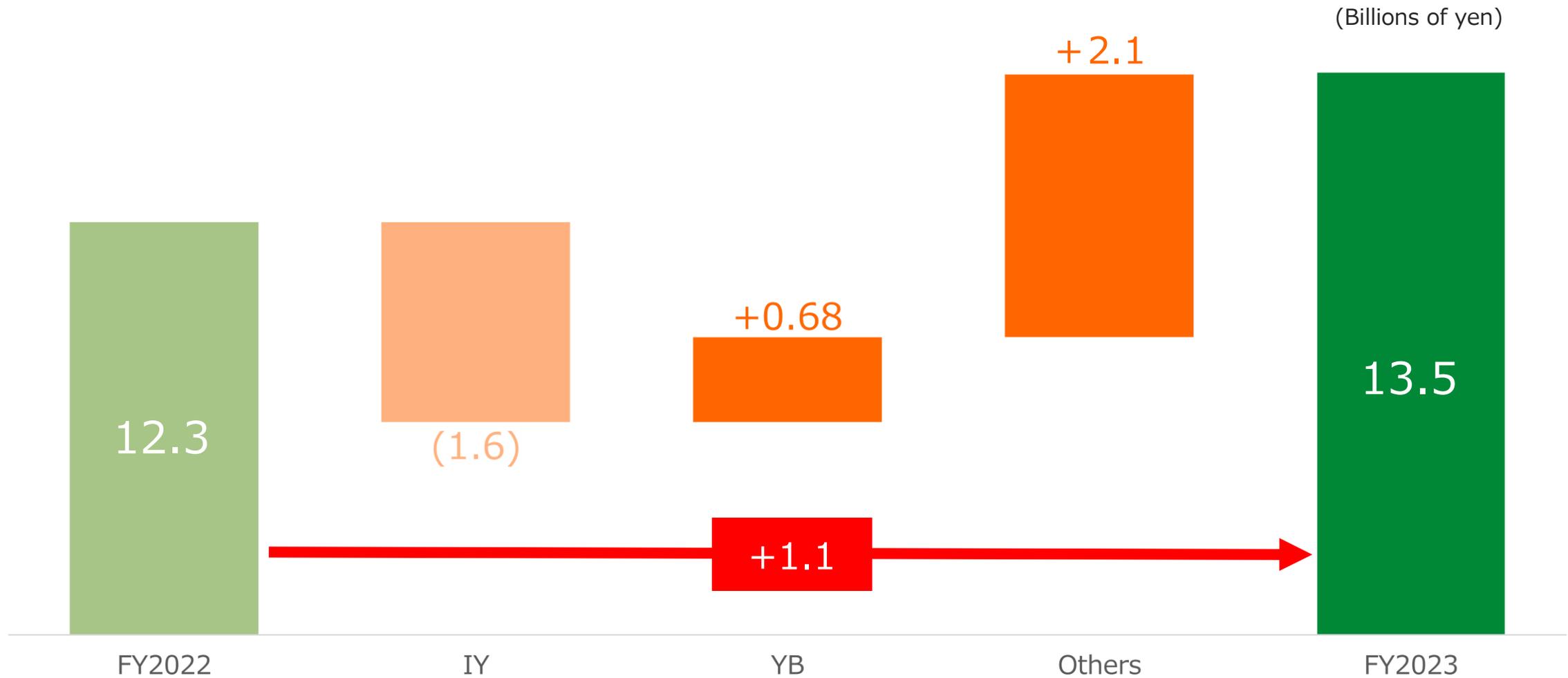
# Consolidated Statements of Cash Flows (Excl. Financial Services)



(Billions of yen)	FY2019	FY2020	FY2021	FY2022	FY2023	vs. FY2022
CF from operating activities	477.4	456.7	630.8	832.8	778.3	(54.4)
CF from investing activities	(311.2)	(324.6)	(351.2)	(358.7)	(386.7)	(27.9)
Free cash flow	166.2	132.0	279.5	474.0	391.6	(82.3)

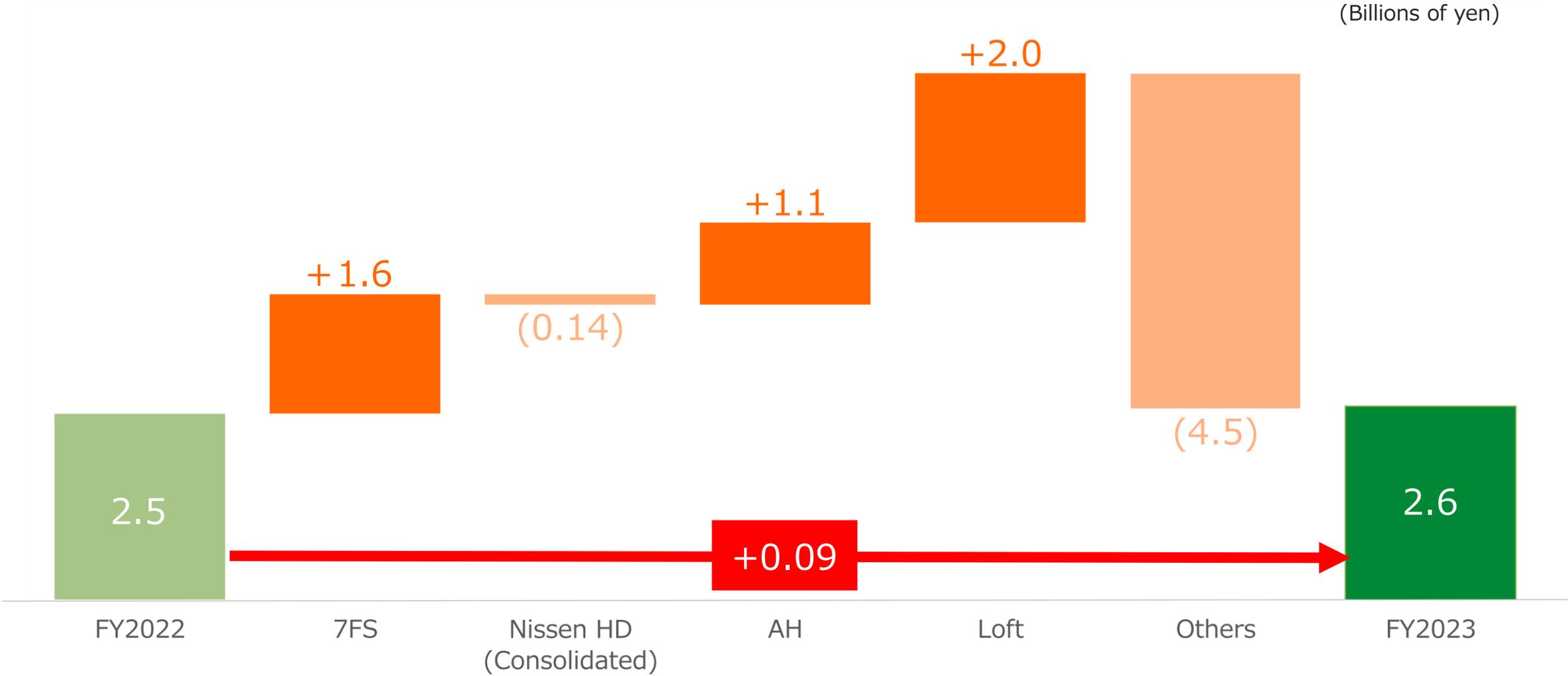
Note) Cash outflow from M&A is considered as strategic investment and is excluded from investing cash flow

# Superstore Operations - Change in Operating Income



Note) IY: Ito-Yokado, YB: York-Benimaru

# Others - Change in Operating Income



Note) 7FS: Seven & i Food Systems, AH: Akachan Honpo

# FY2023 Operating Income of Major Operating Companies



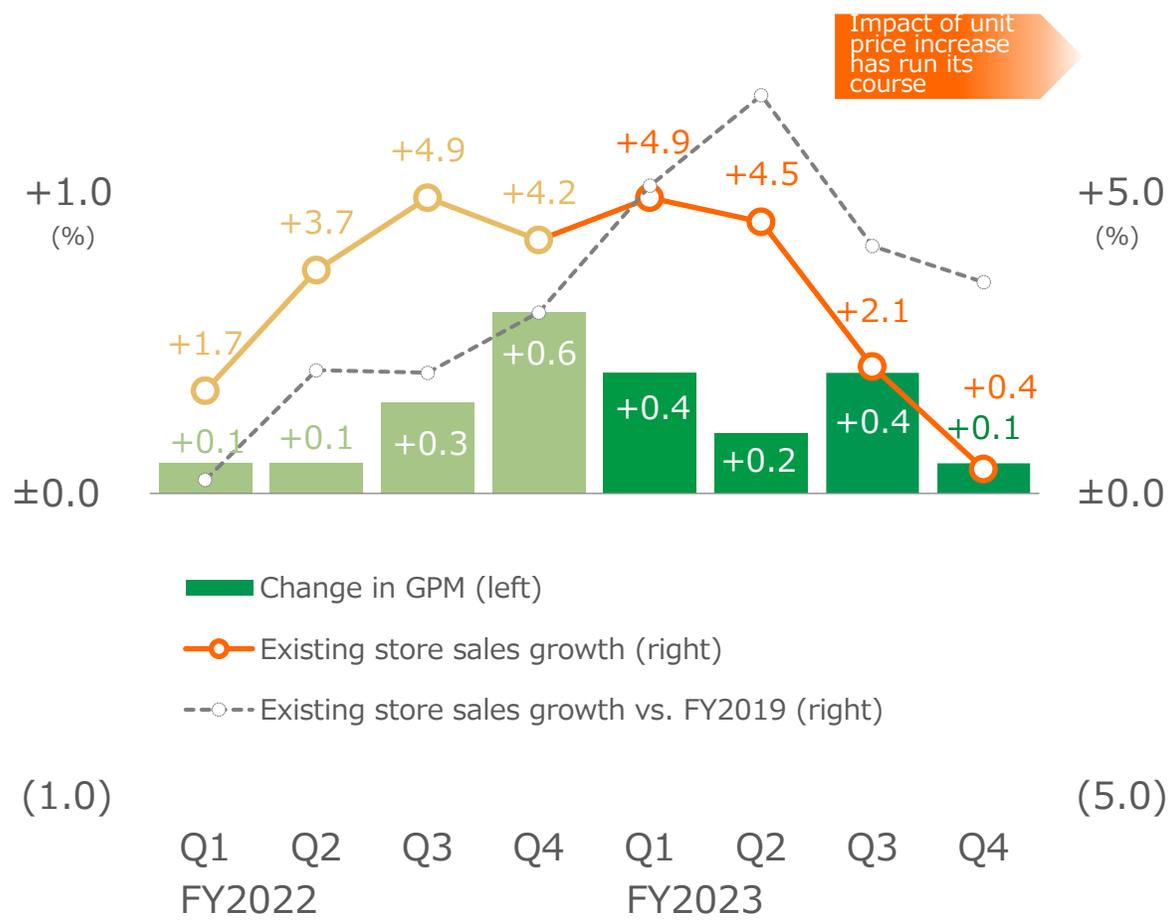
(Billions of yen, %)

	Operating income		Existing store sales growth	Change in merchandise GPM	
		YOY			YOY change
Seven-Eleven Japan	251.0	107.8	+18.1	+3.0	+0.3
7-Eleven, Inc.	413.9	104.4	+17.3	+1.0	+0.2
[Millions of dollar]	[2,942]	[97.7]	[(70)]		
Ito-Yokado	(1.2)	-	(1.6)	+0.5 (SC total)	(0.6)
York-Benimaru	18.7	103.8	+0.68	+2.4	+0.1

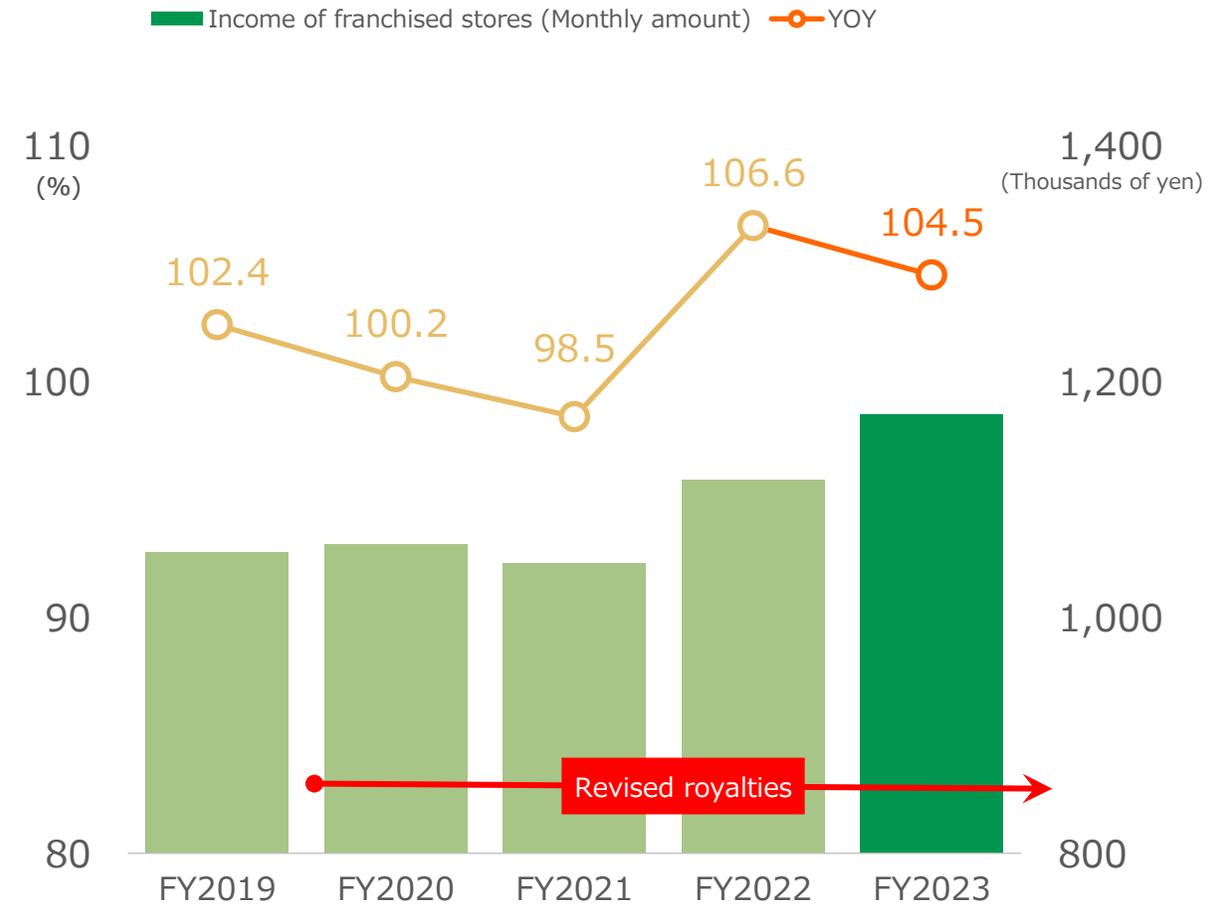
Note) Exchange rate: 1USD = 140.67JPY

# Seven-Eleven Japan (1)

## Existing store sales & GPM



## Trend in income of franchised stores



Growth in sales and gross profit due to high quality merchandise development, etc.

# Seven-Eleven Japan (2)

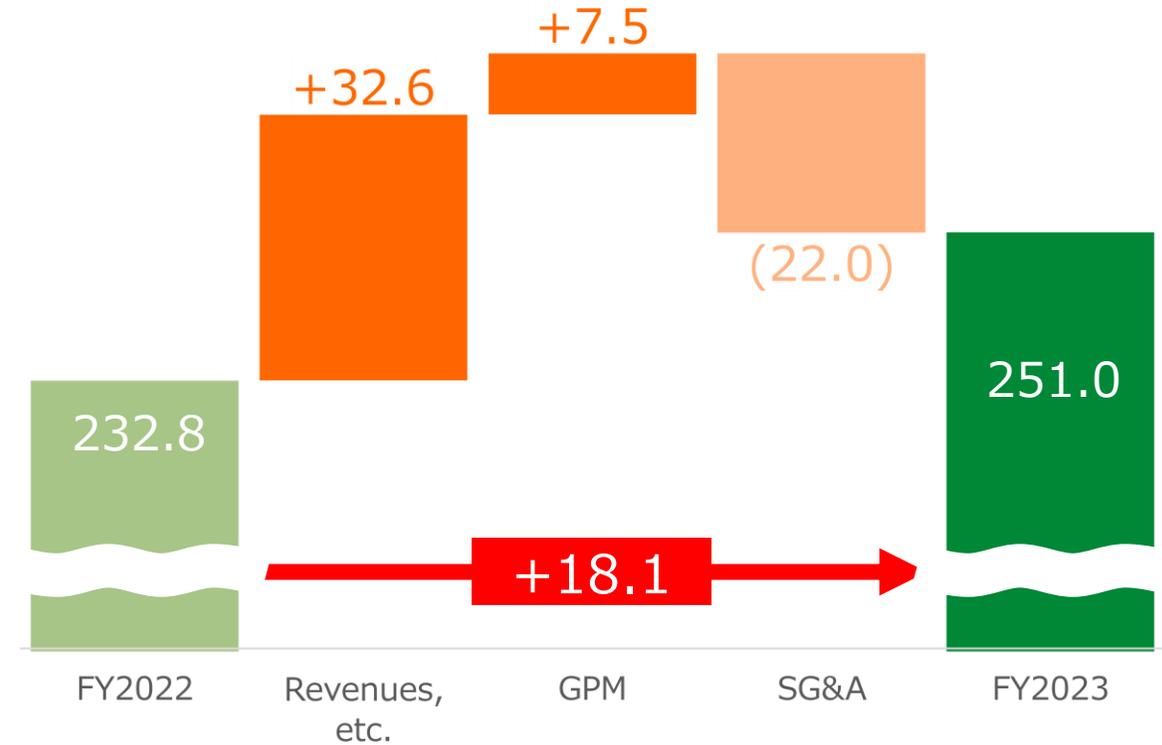
## SG&A

(Billions of yen, %)

	FY2023			Major factors for change
		YOY	YOY change	
SG&A	600.6	103.8	+22.0	
Advertising expenses	36.8	121.6	+6.5	Resumption of merchandise exhibitions 50 <sup>th</sup> anniversary related expenses
Salaries and wages	81.4	101.2	+0.99	Revision of compensation system
Land and building rent	195.2	101.6	+3.0	Increase in number of stores
Depreciation and amortization	88.5	105.4	+4.5	
Utility expenses	60.8	93.7	(4.1)	Decrease in utility cost
Others	137.6	108.7	+11.0	Increase in settlement fees

## Change in operating income

(Billions of yen)



# 7-Eleven, Inc. (2) Balance Sheet Summary (As of December, 2023)

(Millions of dollar)

Assets	As of Dec. 31, 2022	As of Dec. 31, 2023	Change	Liabilities	As of Dec. 31, 2022	As of Dec. 31, 2023	Change
Current assets	5,479	5,649	+170	Total liabilities	27,241	25,982	(1,259)
Cash and cash equivalents	2,378	2,084	(294)	Current liabilities	6,189	7,025	+836
Accounts receivable	1,476	1,813	+337	Trade and accounts payable	1,499	1,471	(28)
Inventory	1,319	1,383	+64	Accrued expenses	2,226	2,039	(187)
Others	306	369	+63	Current portion, operating leases	762	788	+26
Non-current assets	40,614	40,749	+135	Current portion, long-term debt	1,702	2,727	+1,025
Operating lease assets	6,550	6,843	+293	Non-current liabilities	21,052	18,957	(2,095)
Property and equipment	15,365	15,148	(217)	Operating lease obligations	5,944	6,258	+314
Intangible assets	17,967	17,955	(12)	Long term debt	11,552	8,840	(2,712)
Other assets	732	803	+71	Deferred credits and other liabilities	3,556	3,859	+303
Total assets	46,093	46,398	+305	Total net assets	18,852	20,416	+1,564
				Total liabilities and net assets	46,093	46,398	+305

Note) Figures are shown on SEI consolidated basis in accordance with U.S. GAAP.

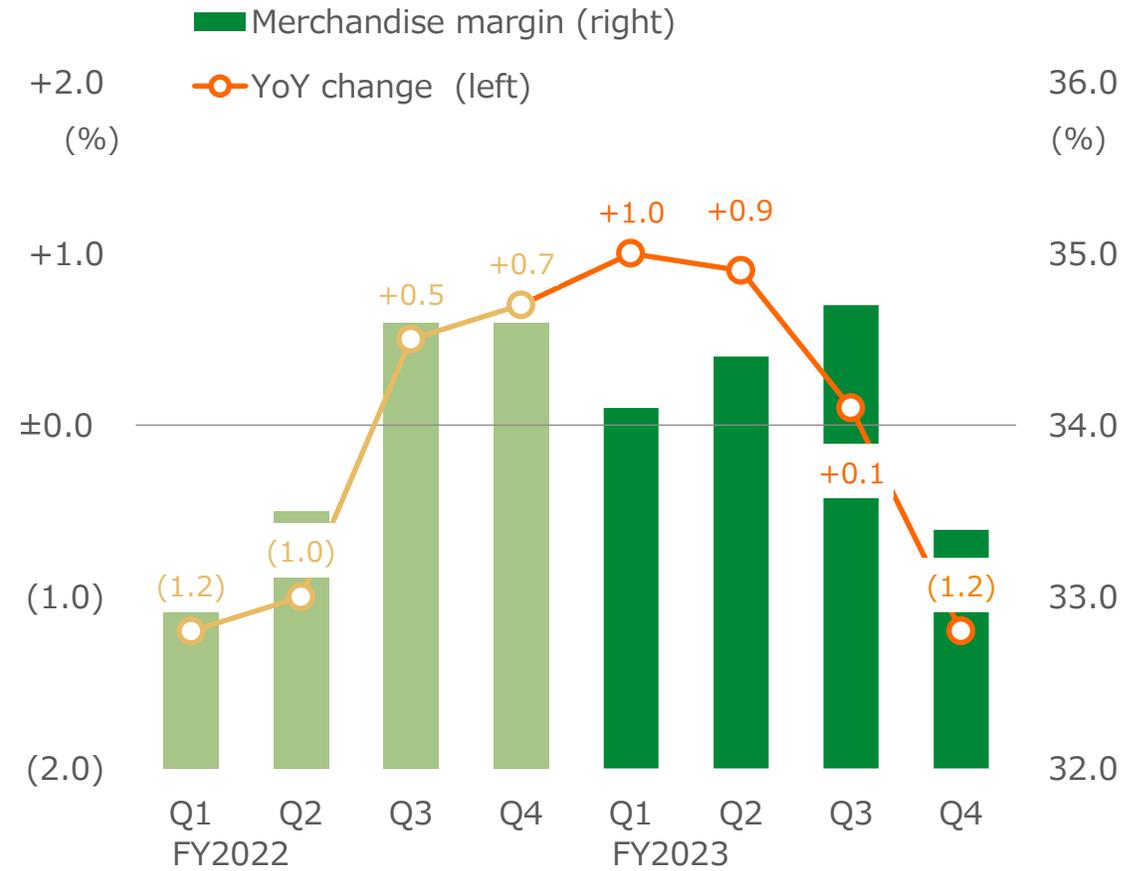
# 7-Eleven, Inc. (2)

## Merchandise Same Store Sales Growth



Note) Figures of existing store sales do not include Speedway through Q2 FY2022

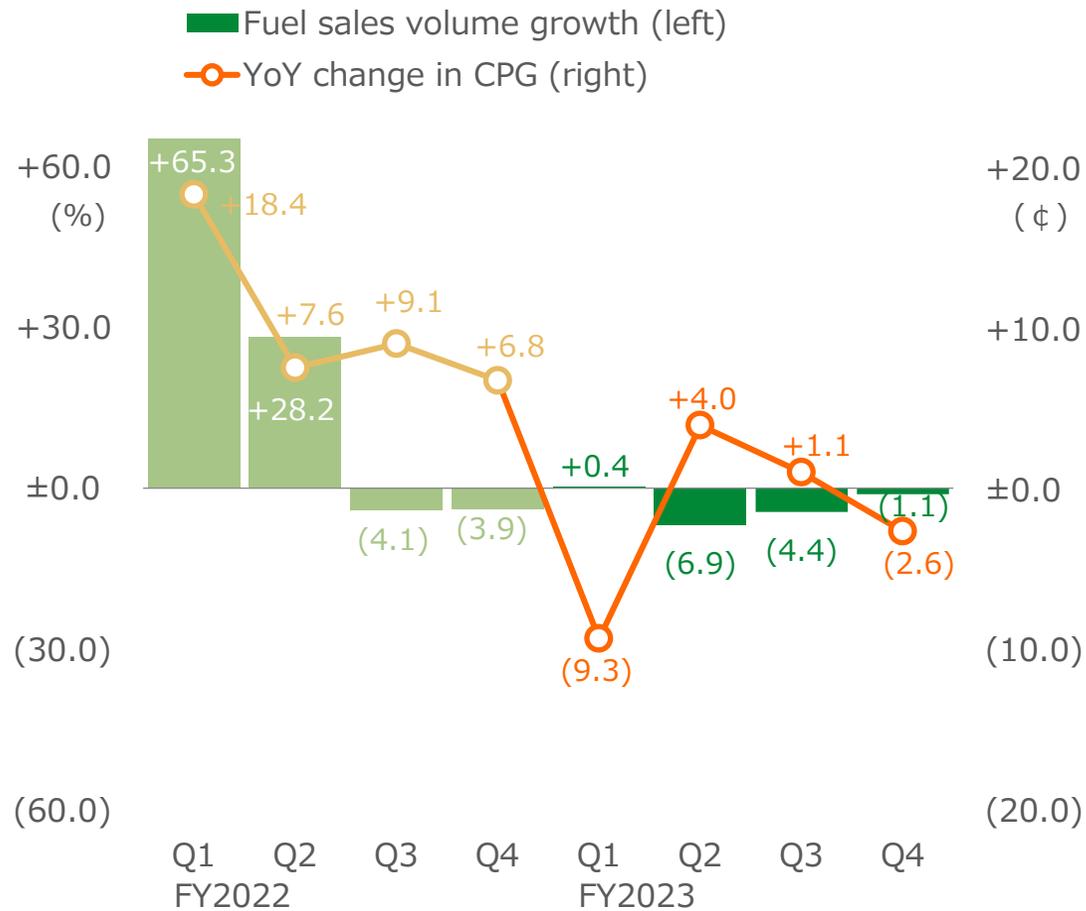
## Merchandise Margin



Respond to the challenging consumption environment by strengthening high-quality proprietary products

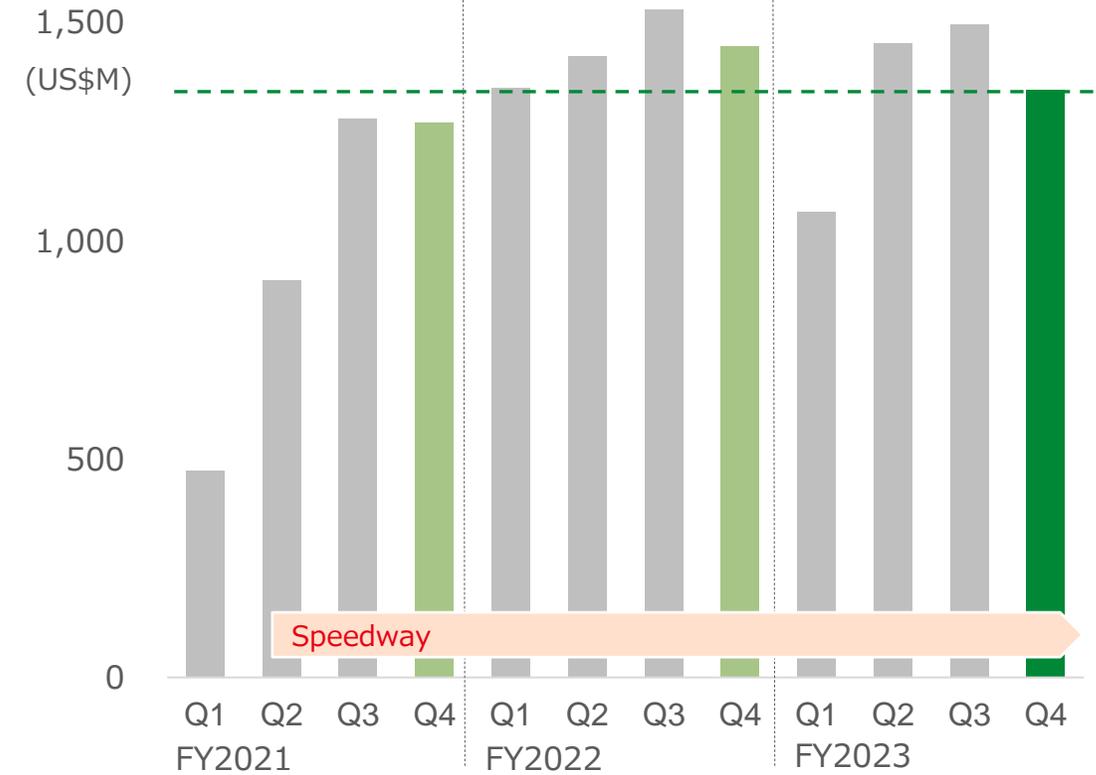
# 7-Eleven, Inc. (3)

## Total Fuel Volume & Margin (Total CPG\*)



\* Total CPG is inclusive of Retail, Supply and Wholesale business

## Fuel Gross Profit



Fuel profits are expected to remain stable over the medium-term, despite cycling historically high margin last year

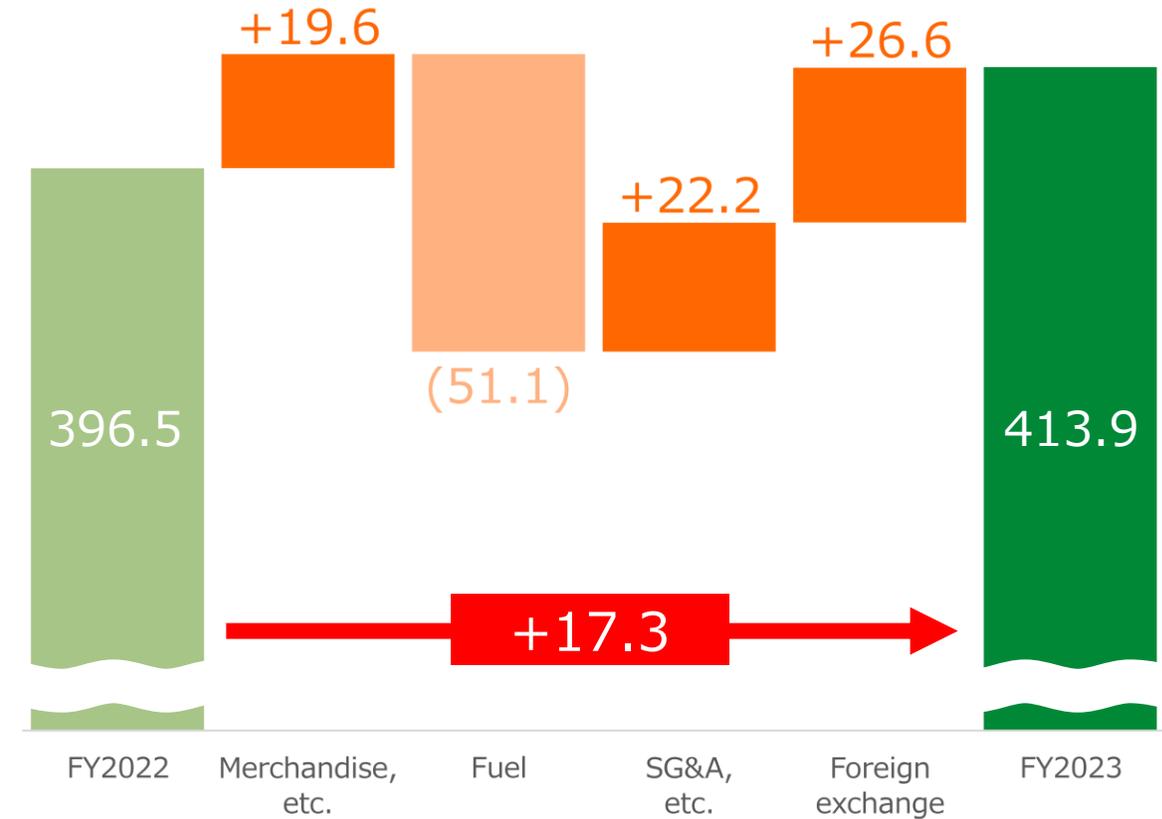
## SG&A

(Millions of dollar, %)

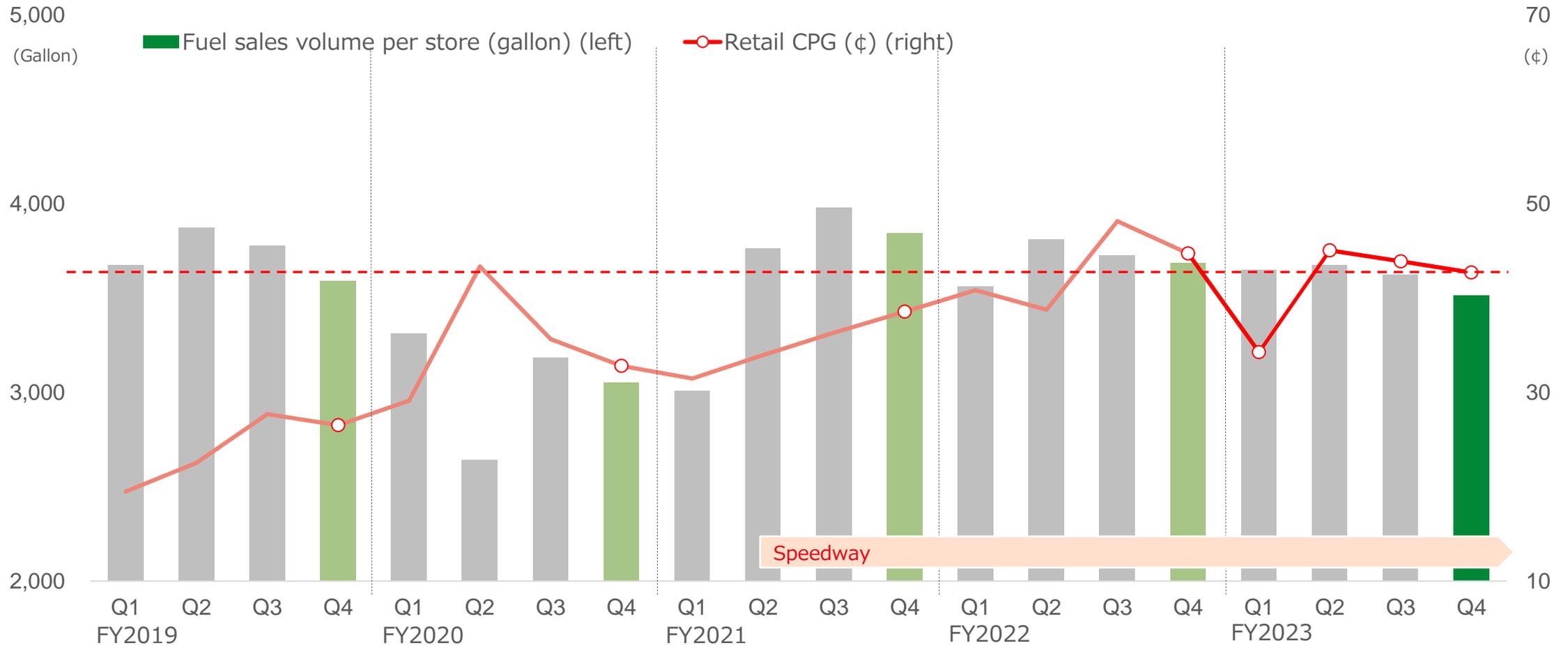
	FY2023		Major factors for change
	YOY	YOY change	
SG&A	9,133	98.8 (112)	
Advertising expenses	152	111.7 +15	Increase due to Media Ad
Salaries and wages	3,027	96.4 (113)	Decrease due to personnel cost management
Land and building rent	1,075	105.2 +53	Increase due to inflation
Depreciation and amortization	1,444	101.1 +15	IT investment
Utility expenses	528	105.1 +25	Increase in utility cost
Others	2,904	96.4 (108)	Decrease due to credit card fees

## Change in operating income

(Billions of yen)



Retail fuel CPG in Q4 is projected below the historical high of FY2022, but remained at a high level



Note) The chart shows retail fuel business

# Eliminations/Corporate Expenses and Capex for Group Strategy

(Billions of yen, %)

FY2023 results	Expenses			Capex		
	Results	YOY change	vs. Initial plan	Results	YOY change	vs. Initial plan
DX, system, security, etc.	(52.1)	(0.37)	+0.12	15.5	(10.5)	(10.0)
Others	(20.1)	(4.6)	+3.1	9.1	(3.6)	(4.6)
Eliminations/Corporate (Operating income)	(72.3)	(5.0)	+3.2	24.6	(14.1)	(14.6)

FY2024 plan	Expenses		Capex	
	FY2024 plan	YOY change	FY2024 plan	YOY change
DX, system, security, etc.	(54.5)	(2.3)	23.1	+7.6
Others	(35.5)	(15.3)	4.0	(5.0)
Eliminations/Corporate (Operating income)	(90.0)	(17.6)	27.2	+2.5

# FY2024 Financial Forecasts of Major Operating Companies

(Billions of yen, %)

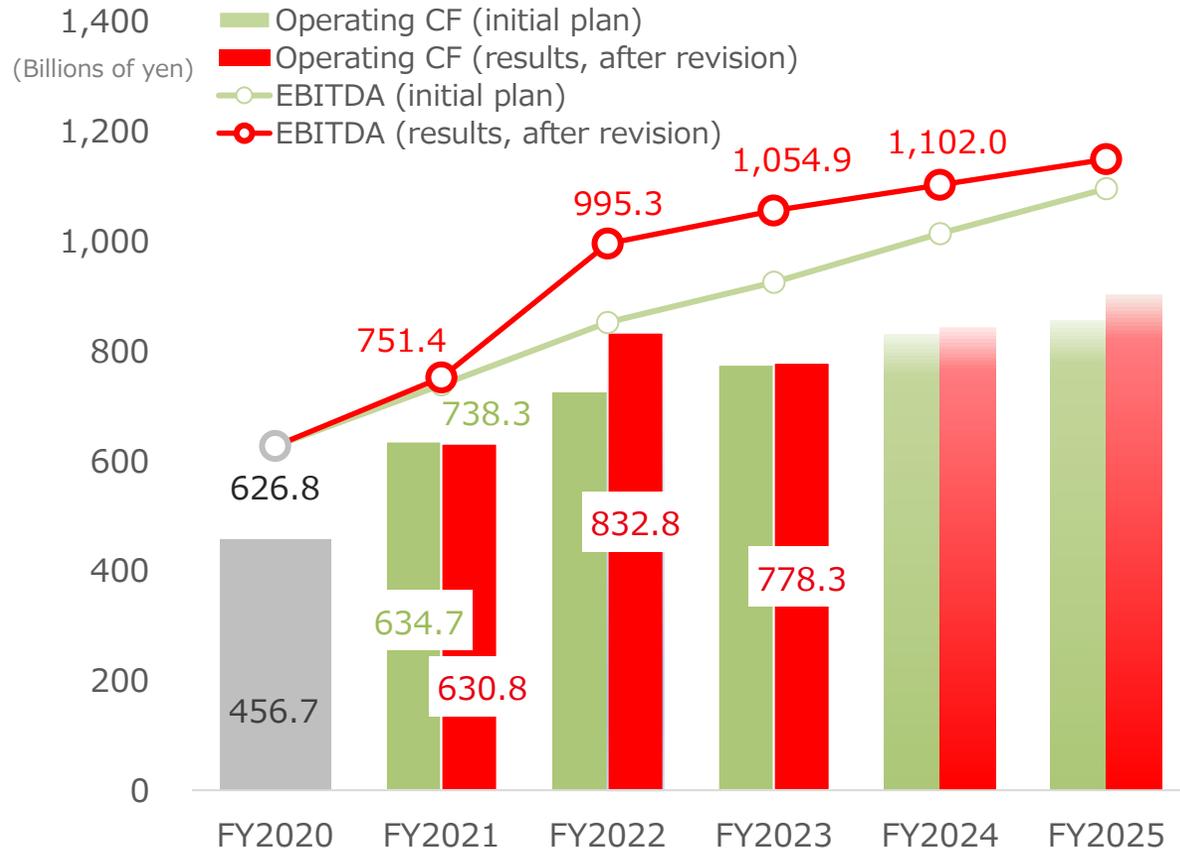
	Operating income		Existing store sales growth	Change in merchandise GPM
	YOY	YOY change		
Seven-Eleven Japan	260.0	103.6 +8.9	+2.5	+0.2
7-Eleven, Inc.*	424.9	107.2 +28.6	+0.5	±0.0
[Millions of dollar]	[2,930]	[104.0] [+113]		
Ito-Yokado	5.4	- +6.6	(1.9) (SC total)	±0.0
York-Benimaru	18.9	101.1 +0.19	+1.9	+0.1

\* Figures are shown on SEI consolidated basis.  
Note) Exchange rate: 1USD = 145.00JPY

# Consolidated Financial KPI (1)

## Plan of EBITDA and operating CF

[Until FY2025] **EBITDA** 1.1 trillion of yen or more  
**Operating CF\*** 900 billion of yen or more



\* Operating CF: Management accounting figures based on NOPAT (excl. financial services)

Note) Exchange rate: [Initial plan] 1USD=107JPY (FY2021), 1USD=105JPY (FY2022-2025)

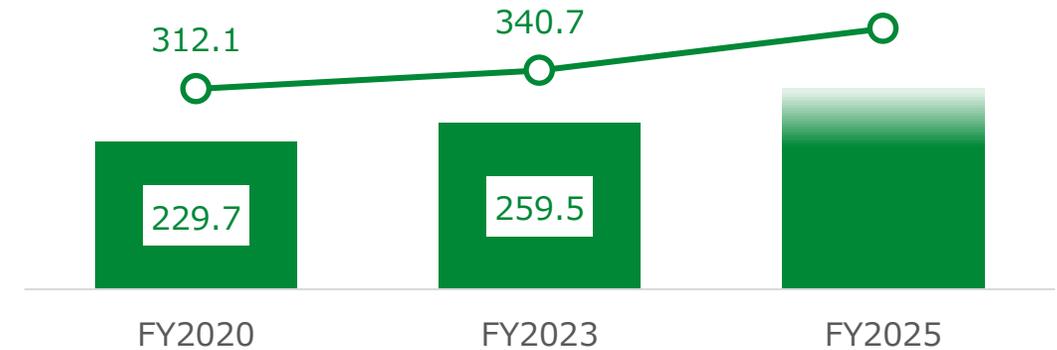
[Results, after revision] 1USD=109.90JPY (FY2021), 1USD=131.62JPY (FY2022), 1USD=140.67JPY (FY2023), 1USD=145.0JPY (FY2024), 1USD=116.0JPY (FY2025)

Figures in the initial plan exclude the effect of sales & leaseback

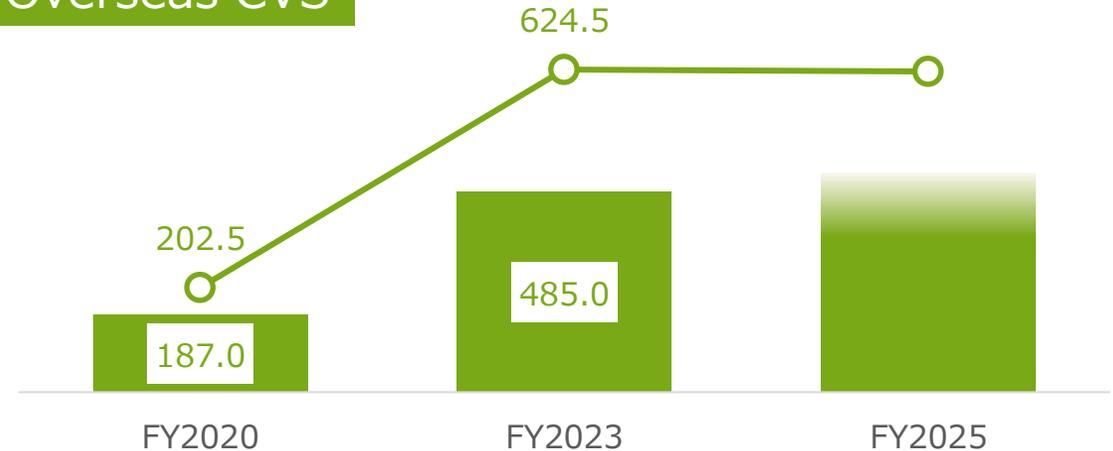
## Plan by segment (bar chart: operating CF / line graph: EBITDA)

### Domestic CVS

(Billions of yen)



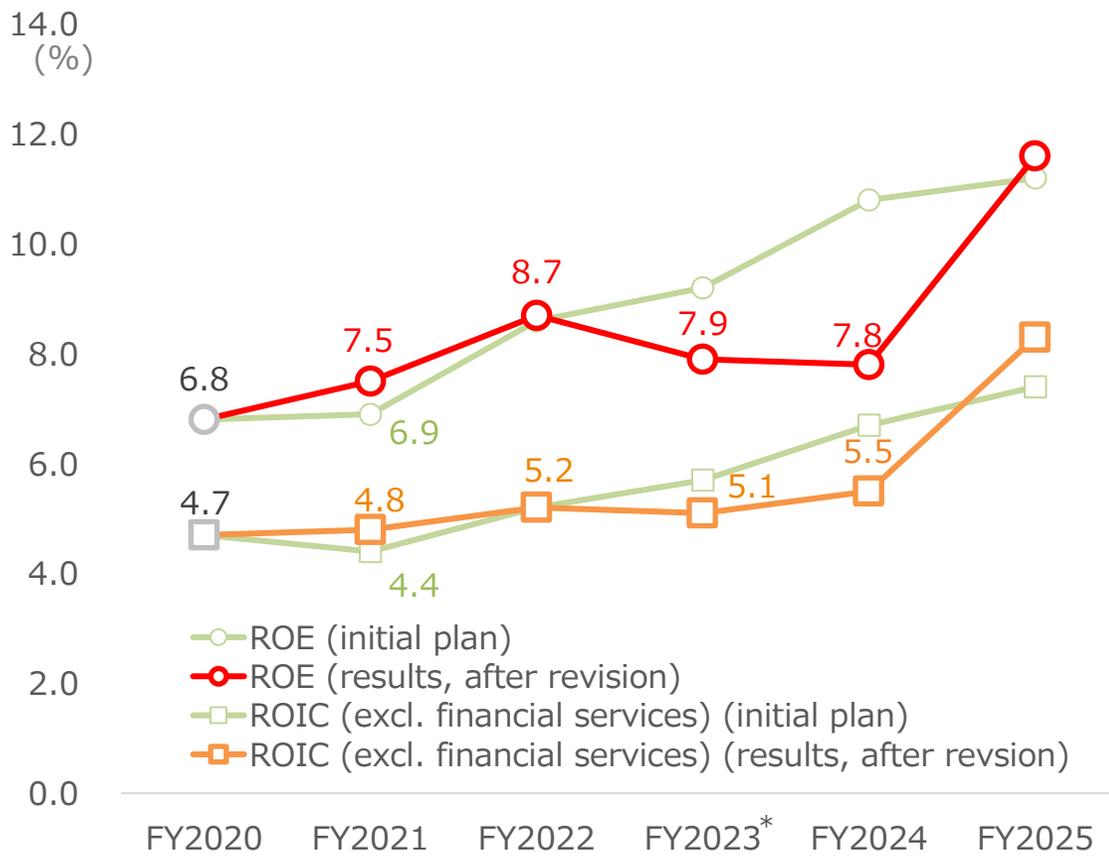
### Overseas CVS



# Consolidated Financial KPI (2)

## ROE, ROIC

[Until FY2025] **ROE 11.5% or more**  
**ROIC 8% or more**  
(excl. financial services)

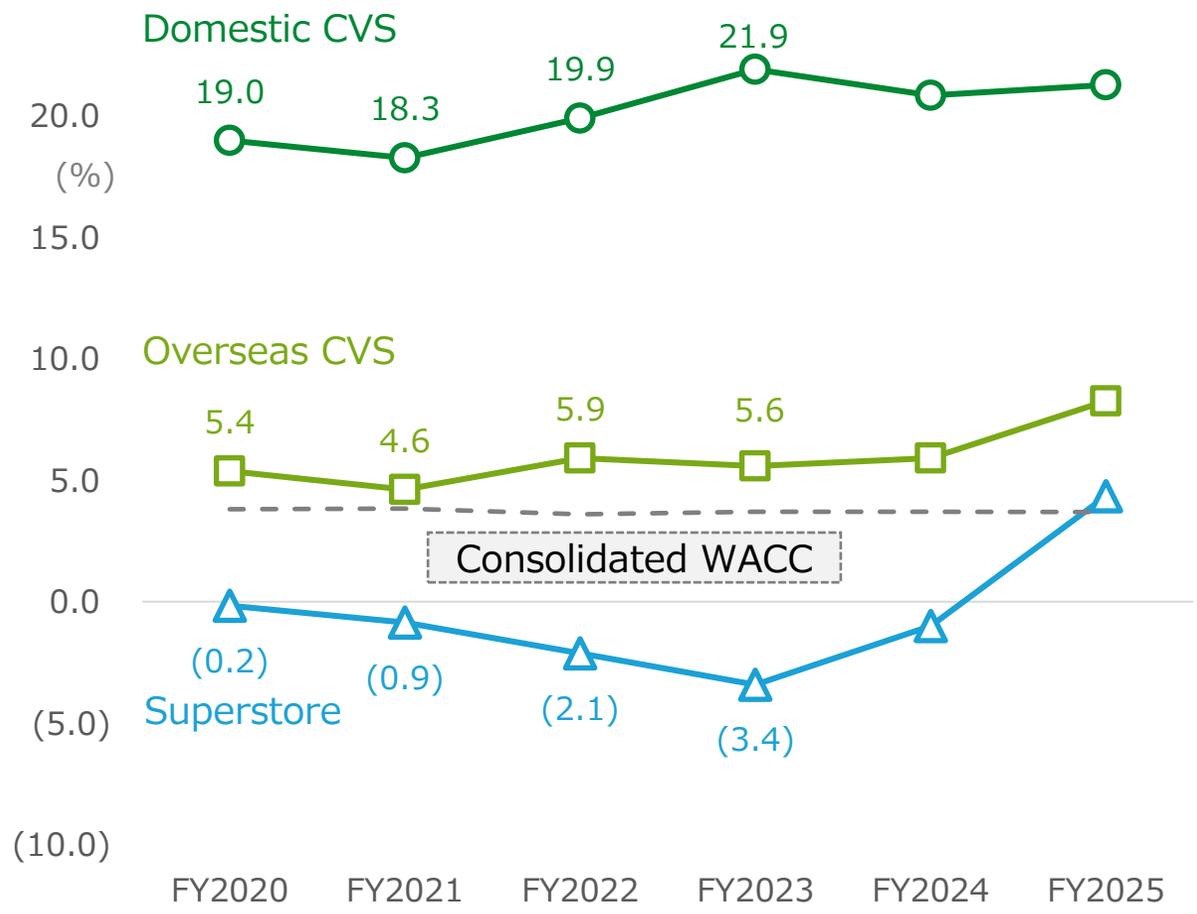


\* Adjusted figures for the effects of the transfer of the shares of Sogo & Seibu and Barneys Japan

Notes) 1. Figures in the initial plan exclude the effect of sales & leaseback  
2. ROIC:  $\{\text{Net income} + \text{Interest expense} \times (1 - \text{Effective tax rate})\} / \{\text{Owner's equity} + \text{Interest-bearing debt (both the averages of the figures at the beginning and the end of each fiscal year)}\}$

## ROIC by segment

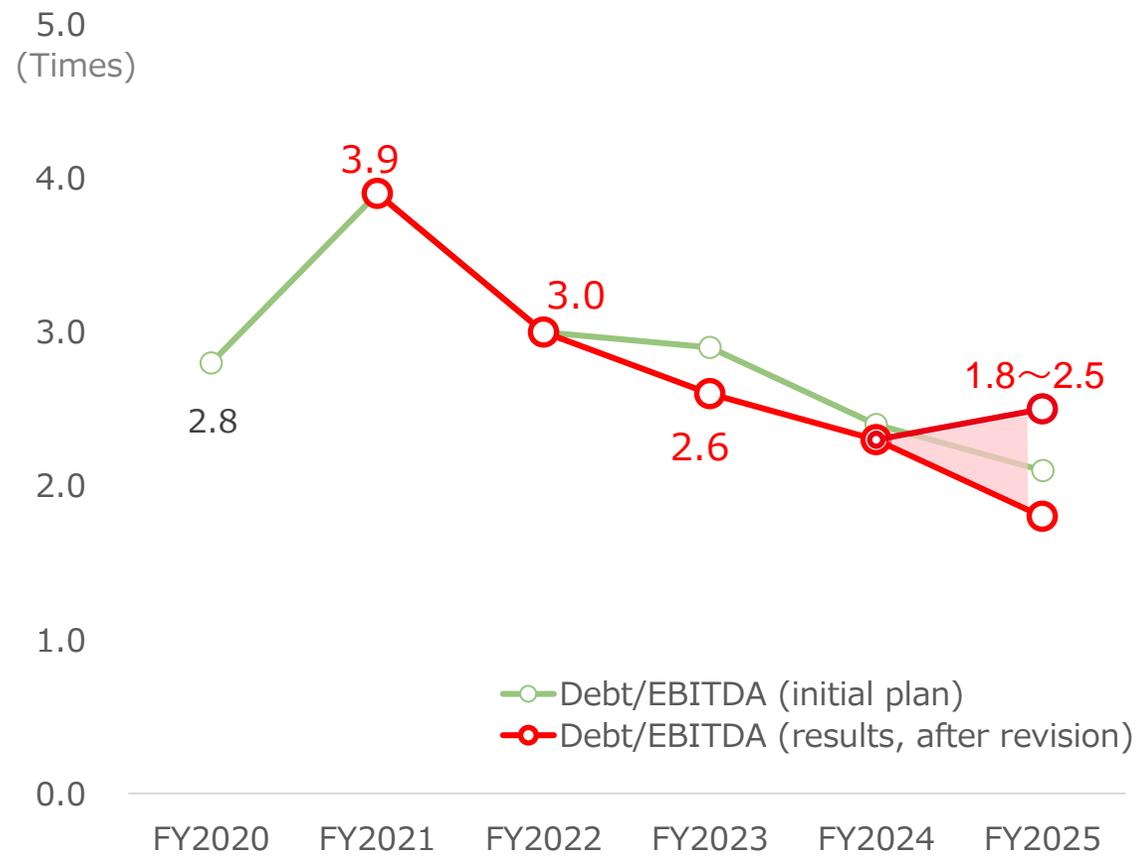
\* Management accounting figures adjusted for intra-group capital and financing transactions



# Consolidated Financial KPI (3)

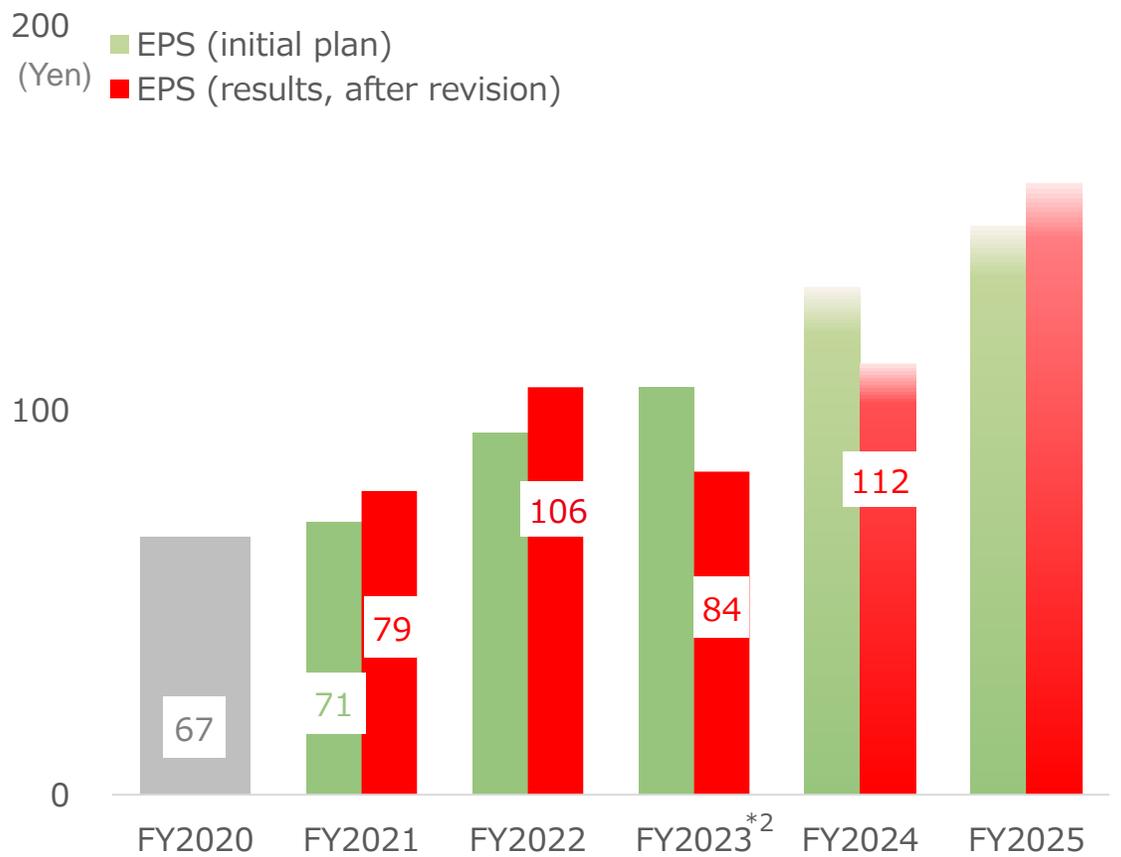
## Debt/EBITDA ratio

[FY2025] below 1.8 times to **1.8~2.5 times**



## EPS

[FY2021-2025] EPS growth plan: **18% or more\*1**



Note) We changed our FY2025 target to proactively implement strategic investments in the Convenience Store business with a more agile and flexible financial discipline, in order to promote the growth strategy of our Group.

\*1 Calculated based on CAGR (compound Annual Growth Rate) for FY2020  
 \*2 Adjusted figures for the effects of the transfer of the shares of Sogo & Seibu and Barneys Japan  
 Note) The Company conducted a 3-for-1 common share split on March 1, 2024.  
 "EPS" are calculated as if the share split had occurred at the beginning of the FY2020.

# Promotion of Sustainable Management (1)

Sustainable management efforts are the basis for the “Medium-Term Management Plan 2021 – 2025”  
 Promote group-wide efforts to address climate change

**Environmental Declaration**  
“GREEN CHALLENGE 2050”



—FY2050 target—

**① Reduce CO2 emissions**  
 Target **net zero emissions** through group’s operational management  
 Aim to reduce through whole supply chain including Scope 3

**③ Reduce food waste & food waste recycling**

<b>Food waste volume</b>	<b>75% reduction</b>
<b>Food waste recycling rate</b>	<b>100%</b>

**② Measures against plastic**  
 Includes reduction of overall plastic materials related to sales  
**Containers used for original merchandise 100%** made with Eco-friendly materials  
**No usage of plastic bags**

**④ Sustainable sourcing**  
**Raw materials for original merchandise 100%** sustainability-sourced materials



— Disclosed in June 2020 —  
 \* Revised in March 2022



Taskforce on Nature-related Financial Disclosures

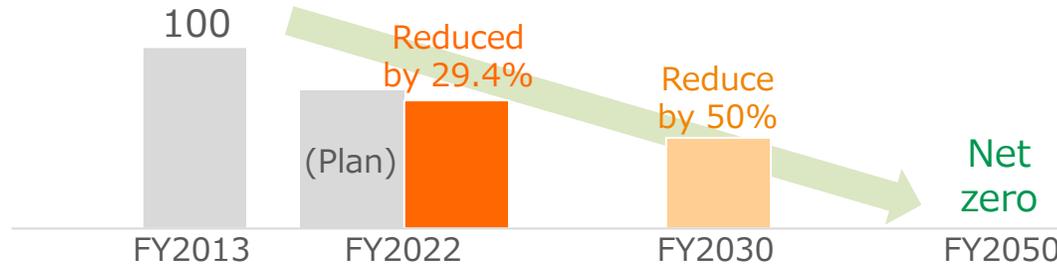
— Preparation for disclosure —  
 in 2024

Achieving sustainable society with global perspectives

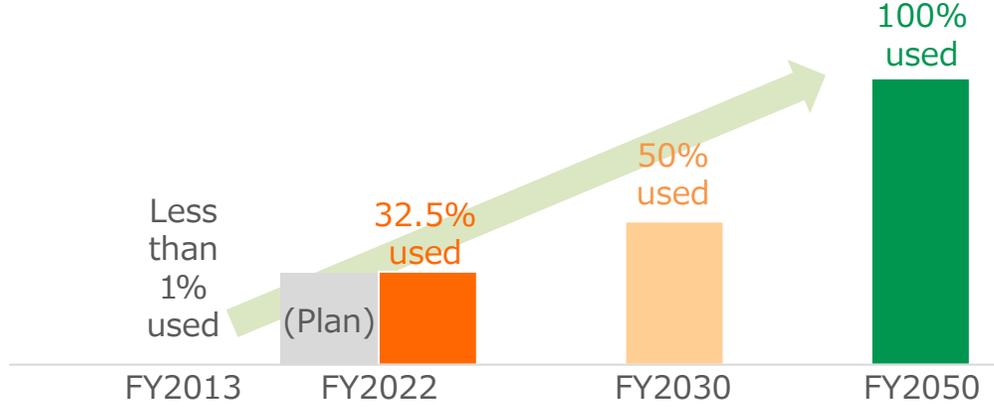
# Promotion of Sustainable Management (2)

Further strengthen efforts to meet the targets by 2050 in the Environmental Declaration

## ① Reduce CO2 emissions

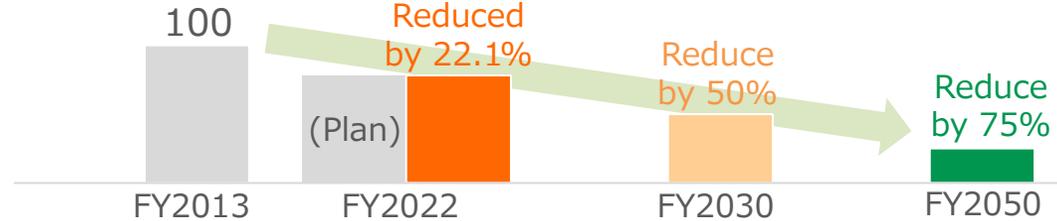


## ② Measures against plastic

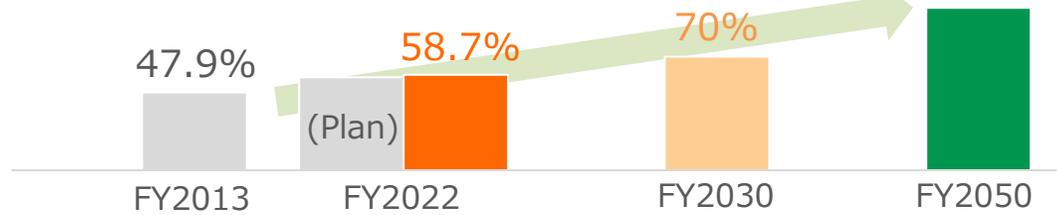


## ③ Reduce food waste & food waste recycling

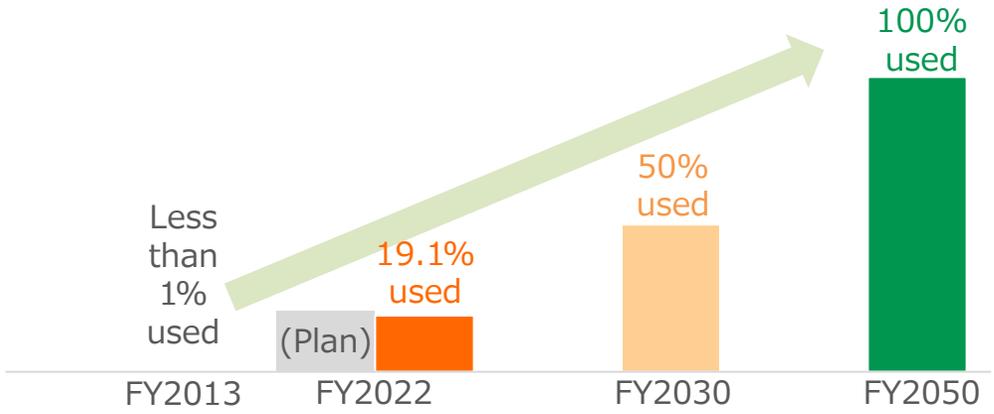
Food waste volume



Food waste recycling rate



## ④ Sustainable sourcing



Note) Data subject to all domestic operating companies



The information disclosed by the Company may contain forward-looking statements. These statements are based on management's judgment in accordance with materials available to the Company at the time of disclosure, with future projections based on certain assumptions. The forward-looking statements therefore incorporate various risks, estimates, and uncertainties, and as such, actual results and performance may differ from the future outlook included in disclosed information due to various factors, such as changes in business operations and the financial situation going forward.