Seven & i Holdings Co., Ltd.

Presentation for the Second Quarter of FY2023

(Fiscal Year Ending February 29, 2024)

October 12, 2023

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Executive Summary

- ✓ FY2023 1H operating income and ordinary income achieved record highs
- ✓ Completed the transfer of the shares of Sogo & Seibu, making steady progress on strategic initiatives
- ✓ Making steady progress on fundamental transformation of the SST operations in the Tokyo metropolitan area to achieve the FY2025 target

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TODAY'S AGENDA

1. 1H Results
2. FY2023 Forecasts
3. Management Policy

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1H Consolidated Results Highlight

(Billions of yen, %)

	FY2022	FY2023	YOY	Change	vs. Initial plan	Change
Group's total sales*1	8,590.7	8,693.8	101.2	+103.1	100.4	+33.8
Revenues from operations	5,651.5	5,547.0	98.2	(104.4)	99.9	(5.9)
Operating income	234.7	241.1	102.7	+6.3	102.2	+5.1
Ordinary income	219.7	226.8	103.2	+7.1	103.1	+6.8
Net income attributable to owners of parent	136.0	80.2	59.0	(55.8)	58.1	(57.7)
EPS (yen)	154.09	90.83	58.9	(63.26)	58.1	(65.41)
EPS before amortization of goodwill (yen)	214.19	156.06	72.9	(58.13)	71.1	(63.59)
Adjusted*2						
Net income attributable to owners of parent	136.0	143.9	105.8	+7.9	104.3	+5.9
EPS (yen)	154.09	163.03	105.8	+8.93	104.3	+6.78
EPS before amortization of goodwill (yen)	214.19	228.26	106.6	+14.06	103.9	+8.61

*1 Group's total sales include the sales of franchisees of Seven-Eleven Japan, Seven-Eleven Okinawa and 7-Eleven, Inc.
*2 Adjusted figures for the effects of the transfer of the shares of Sogo & Seibu and Barneys Japan
Notes) 1. Exchange rate: 1USD=135.00JPY, 1CNY=19.46JPY
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

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1H Revenues from operations, Operating Income and EBITDA by Operating Segment (YOY)

(Billions of yen, %)

	Revenues from operations	YOY/Change	Operating income	YOY/Change	EBITDA	YOY/Change
Consolidated	5,547.0	98.2 (104.4)	241.1	102.7 +6.3	496.4	106.0 +28.1
Domestic CVS operations	470.7	105.4 +24.0	138.5	109.3 +11.7	182.5	108.1 +13.7
Overseas CVS operations	4,026.8	96.2 (157.6)	112.8	97.6 (2.7)	269.3	105.3 +13.6
Superstore operations	729.0	102.0 +14.0	4.4	102.9 +0.12	24.2	105.1 +1.1
Financial services	102.8	107.4 +7.1	19.9	103.3 +0.63	37.0	99.4 (0.20)
Others	248.4	104.7 +11.2	2.4	- +2.2	10.2	130.3 +2.3
Eliminations/Corporate	(31.0)	- (3.1)	(37.0)	- (5.7)	(26.9)	- (2.6)

Note) Exchange rate: 1USD=135.00JPY, 1CNY=19.46JPY

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1H Revenues from operations, Operating Income and EBITDA by Operating Segment (vs. Initial Plan)

(Billions of yen, %)

	Revenues from operations	vs. Initial plan/Change	Operating income	vs. Initial plan/Change	EBITDA	vs. Initial plan/Change
Consolidated	5,547.0	99.9 (5.9)	241.1	102.2 +5.1	496.4	102.8 +13.4
Domestic CVS operations	470.7	103.0 +13.7	138.5	107.0 +9.0	182.5	105.4 +9.3
Overseas CVS operations	4,026.8	99.6 (15.1)	112.8	87.5 (16.1)	269.3	95.3 (13.4)
Superstore operations	729.0	99.6 (2.9)	4.4	192.6 +2.1	24.2	106.3 +1.4
Financial services	102.8	100.9 +0.87	19.9	121.2 +3.4	37.0	109.8 +3.3
Others	248.4	98.2 (4.5)	2.4	- +2.3	10.2	340.9 +7.2
Eliminations/Corporate	(31.0)	- +1.9	(37.0)	- +4.3	(26.9)	- +5.5

Note) Exchange rate: 1USD=135.00JPY, 1CNY=19.46JPY

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FY2023 Revised Consolidated Forecasts

(Billions of yen, %)

	Initial plan	Before revision (As of Sep. 1)	After revision	YOY	YOY change	Amount of revision/%
Group's total sales*1	17,418.0	-	17,773.0	99.6	(69.6)	-
Revenues from operations	11,154.0	11,527.0	11,432.0	96.8	(379.3)	(95.0)/(0.8)*1
Operating income	513.0	525.0	525.0	103.6	+18.4	-
Ordinary income	480.0	490.0	490.0	103.0	+14.1	-
Net income attributable to owners of parent	285.0	230.0	230.0	81.9	(50.9)	-
EPS (yen)	322.68	260.40	260.39	81.8	(57.75)	(0.01)
EPS before amortization of goodwill (yen)	450.06	-	393.52	88.3	(52.22)	-
Adjusted*2						
Net income attributable to owners of parent	-	-	293.7	104.6	+12.7	-
EPS (yen)	-	-	332.58	104.5	+14.44	-
EPS before amortization of goodwill (yen)	-	-	465.72	104.5	+19.97	-

*1 Revised consolidated revenues from operations due to the current and future status of retail fuel prices and merchandise sales of CVS operations in Japan and U.S.
*2 Adjusted figures for the effects of the transfer of the shares of Sogo & Seibu and Barneys Japan
Note) Exchange rate: 1USD=137.00JPY, 1CNY=19.00JPY

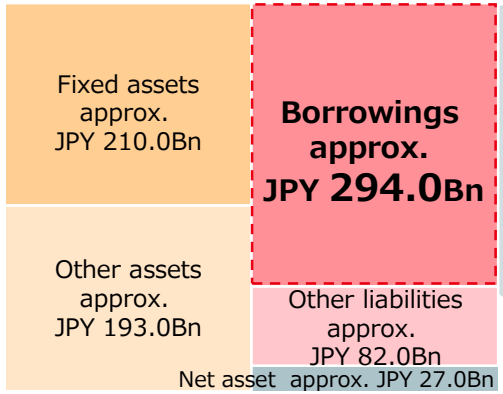
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Purpose and Outcomes of the Transfer

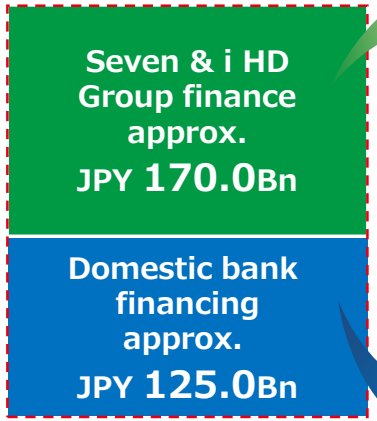
- Sogo & Seibu **ended with a deficit in the last four years and owed approx. JPY 300.0Bn in debt** including financing from the Group. **A drastic reform** to rebuild the business, including support from a new sponsor, was unavoidable
- However, **the transformation of Sogo & Seibu using the Group management resource did not match the direction of the updated Group strategy announced in March 9, 2023, and the Company determined that it is difficult for the Company to maximize the value provided by Sogo & Seibu to its customers and Sogo & Seibu's business value**
- The Company conducted a process to choose the best alternative owner **with maximum consideration for Sogo & Seibu's "business continuation" and "continuation of employment"**, and after sincerely considering from several potential partners, **decided on Fortress as the best owner and entered in to the agreement on November 11, 2022, and completed the transfer on September 1, 2023**

Balance sheet of Sogo & Seibu (non-consolidated)

Highly indebted with approx. JPY 300.0Bn debt including Group finance



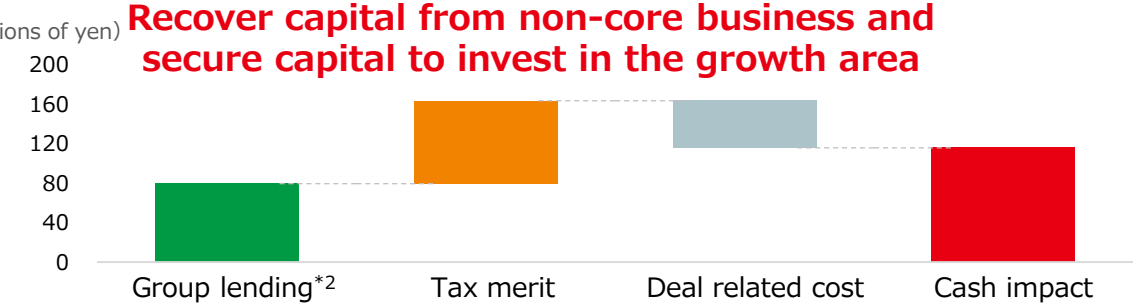
As of Feb. 2023



As of Aug. 2023*1

Cash impact to the Company from capital recovery

Recover capital from non-core business and secure capital to invest in the growth area



Decrease consolidated basis debt

Decrease in debt on consolidated basis and ensure financial health

Debt in Other business segments approx. JPY 146.0Bn*3

→ De-consolidated Debt approx. JPY 125.0Bn*4

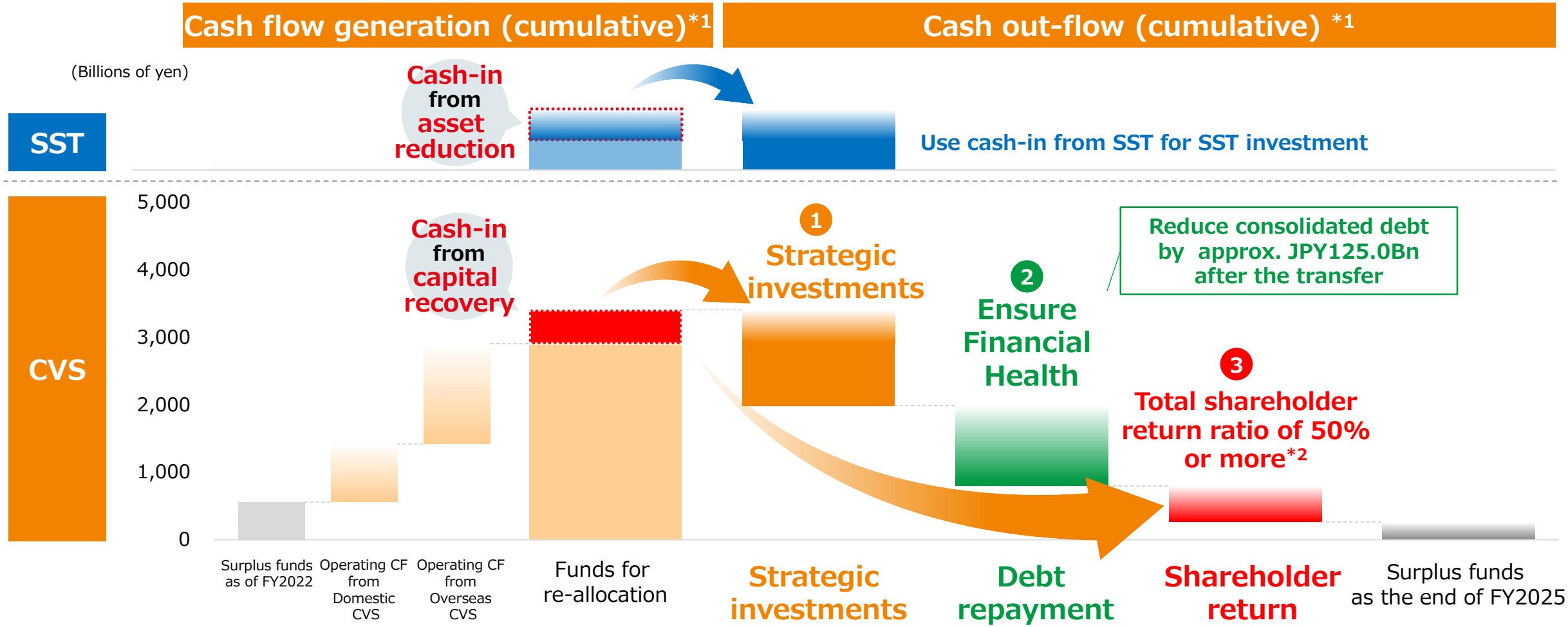
Remaining debt approx. JPY 21.0Bn

*1 Difference of borrowings between Feb. 2023 and Aug. 2023 is due to change in operating working capital *2 Excludes debt forgiveness *3 As of August 31, 2023 *4 As of September 1, 2023

Conducted an assessment based on the alignment with the Group strategy and the best owner who could contribute to Sogo & Seibu's re-growth

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Capital Re-Allocation Plan



*1 Total figures of fiscal year 2023 to 2025

*2 Cumulative total return to shareholders from fiscal year 2023 to 2025

Plan to use the cash-in from CVS Operating CF and capital recovery not only for CVS strategic-investments but also shareholder returns including share buyback

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Progress of Strategic Initiatives

SEVEN&i HOLDINGS

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 **Francfranc**

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

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

August 31, 2021
Completed partial sale of **Francfranc**

Medium-Term Management Plan

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

July 1, 2023
Completed the transfer of
Seven Card Service shares to
Seven Bank



February, 2023
Decided to invest additionally in
Vietnam business

January 12, 2022
Launch of
7-Eleven International LLC

May 14, 2021
Completed the acquisition of
Speedway

Continue to accelerate various strategic initiatives to realize the corporate vision

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EBITDA of Tokyo Metropolitan Area SST Operations

(Billions of yen, %)

	1H (results)	YOY	vs. Initial plan	FY2023	YOY
Ito-Yokado	5.4	93.1	120.9	15.7	99.3
York	1.5	188.6	214.1	2.9	131.4
New Ito-Yokado	6.9	104.6	133.6	18.6	103.3
SHELL GARDEN	(0.23)	-	-	(0.02)	-
Tokyo metropolitan area SST operations	6.4	109.2	139.5	18.1	105.2

Achieved the 1H EBITDA plan and realize full-scale fundamental transformation

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Fundamental Transformation of SST Operations Overview: 5 Fundamental Initiatives (Reposting of the Presentation Materials on March 9, 2023)

- Drastically transform business and profitability of the SST business within 3 years

Further structural changes
Growth strategy
Infrastructure for transformation

1 Exit from the apparel business*1

✓ **Focus on "food" as the center of our Group strategy**

Food Synergy

2 Accelerate focus on Tokyo metropolitan area with additional store closures

✓ **Accelerate focus on Tokyo metropolitan area**

✓ Strategically close stores with low profitability or strategic fit even in Tokyo metropolitan area



3 Consolidate SST operations in Tokyo metropolitan area

✓ Consolidate SST operations in Tokyo metropolitan area **to maximize synergies and operation efficiencies**

イトーヨーカドー THE GARDEN

4 Establish Group's strategic infrastructures

✓ **Realize a profit structure that can achieve further profit growth** utilizing strategic infrastructures: PC/CK*2 and online supermarket center

5 Ensure complete execution and monitoring with visibility

✓ Ensure complete execution of initiatives and process management by **retaining external advisors**

✓ **Monitoring by Board of Directors and Strategy Committee and progress update to shareholders with visibility**

*1 Self-operated apparel business

*2 PC: Processing Center, CK: Central Kitchen

*3 Ito-Yokado (IY), York (YO), SHELL GARDEN (SG)

Achieve an EBITDA of JPY 55.0Bn and 4% or more of ROIC for Tokyo metropolitan area SST operations*3 in FY2025

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Process for Implementing a Fundamental Transformation of SST Operations

Organizational structure

	Subcommittee category	Number of subcommittee	Contents
1	Exit from the apparel business (Focus on "Food")	10	Dairy, fruits & vegetables, meat, fresh fish, delicatessen and other 5 subcommittees
2	Accelerate focus on Tokyo metropolitan area with additional store closures	3	Renovation, growth strategy format, etc.
3	Consolidate SST operations in Tokyo metropolitan area	3	Organization optimization, SG&A optimization, etc.
4	Establish Group's strategic infrastructures	3	Logistics, online supermarket, etc.

Chief Transformation Officer (CTO)

- Transformation Promotion Team
- Integration Promotion Team

Process for fundamental transformation promotion

5 Entered the implementation period after the preparation & design period, with **guarantee of complete execution and monitoring with visibility**

SC: 2023 Mar. / May / Jun. / Jul. / Aug. / Sep. / 2026 Feb.

Preparation period

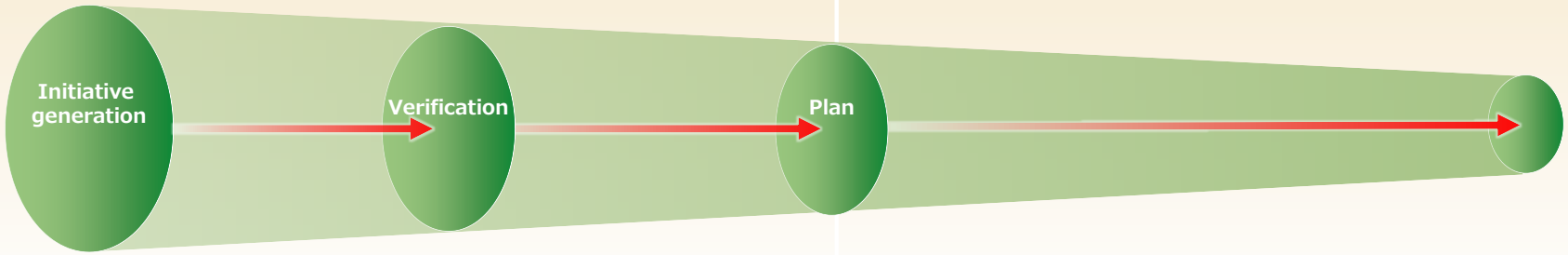
Set strategy, target and structure

Tokyo metropolitan area SST operations Target for FY2025

EBITDA	JPY **55.0**Bn or more
ROIC	**4**% or more

Design period

Quantify initiative effects — Formulate action plan



Number of initiatives Approx. **4,800** → Number of initiatives Approx. **2,500**

Implementation period

Implement the transformation by the whole company

SC Monitoring by the Strategy Committee

Narrowed down the number of initiatives to approx. 2,500 and moved into the implementation phase to achieve strategic target

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Fundamental Transformation Roadmap

Major initiatives

1 Exit from the apparel business
- Optimize directly operated sales floor space
- Implement external MD
- Expand Food & Drug

2 Accelerate focus on Tokyo metropolitan area with additional store closures
- Store closures & external succession
- Optimize organization scale

3 Consolidate SST operations in Tokyo metropolitan area
- Execute PMI
- Improve productivity

4 Establish Group's strategic infrastructures
- Improve store productivity by PC
- Sales & GP growth by CK (Enhance delicatessen)

Major KPI

	FY2022	FY2023	FY2024	FY2025
Number of stores with self-operated apparel* [All stores excluding Shokuhinkan]	113 stores	98 stores	32 stores	Completely exit
Number of Ito-Yokado stores*	126 stores	(33) stores →		93 stores
SG&A reduction ratio (vs. FY2022)	-	+2.5%	(6.9)%	(17.0)%
Labor share [Salaries and wages/gross profit from operations×100]	39.5%	37.9%	34.9%	32.7%
Sales composition of delicatessen	13%	13%	14%	15%
Store productivity [Sales per tsubo] (vs. FY2022)	3.65 Million yen (-)	3.78 Million yen (+3.6%)	3.92 Million yen (+7.4%)	4.25 Million yen (+16.4%)

* Figures exclude York Mart, York Foods, etc.

Major effects

- Ⅰ Store expenses reduction
- Ⅱ Profit/loss impact from store closures
- Ⅲ SG&A optimization
- Ⅳ Effects of sales & GP

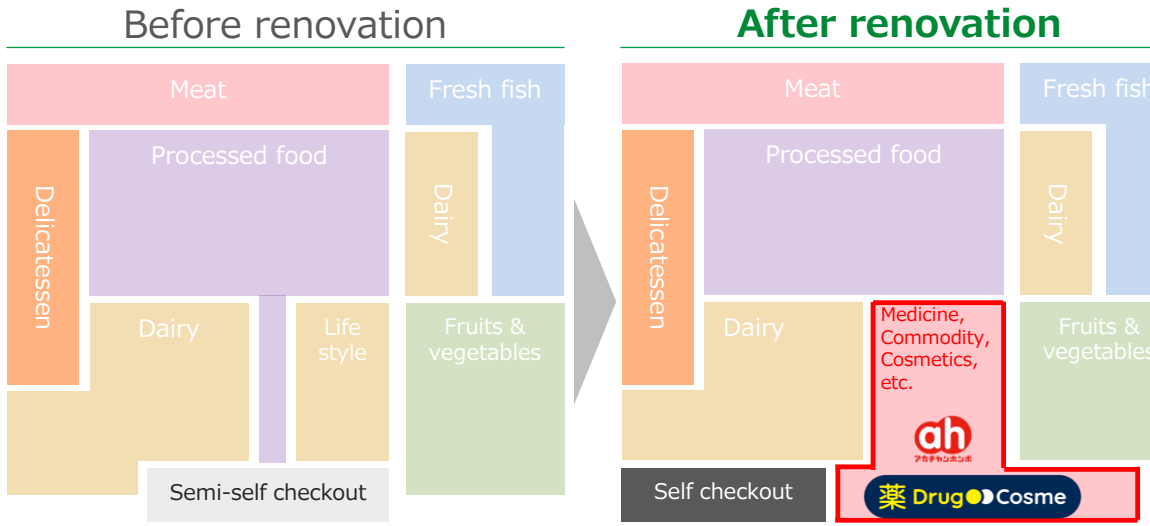
Aim to achieve solid effects by implementing fundamental transformation centered on cost structure reforms

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Examples of Initiatives

① Exit from the apparel business

Food & Drug initiatives



Seamless connection between food & Drug Cosme sales floor to increase both customer traffic

Food & Drug 1H results (Food and H&B*1)

	Installed stores (30 stores)	Uninstalled stores (95 stores)	FY2025 plan number of installed stores
Sales YOY	101.8%	99.8%	86 stores
(difference between installed stores and uninstalled stores)	(+2.0%)		

*1 Health & Beauty

③ Consolidate SST operations in Tokyo metropolitan area

Example of productivity improvement - Installation of self checkout



- Allocate cashier staff to sales
- Faster checkout
- Improve labor share

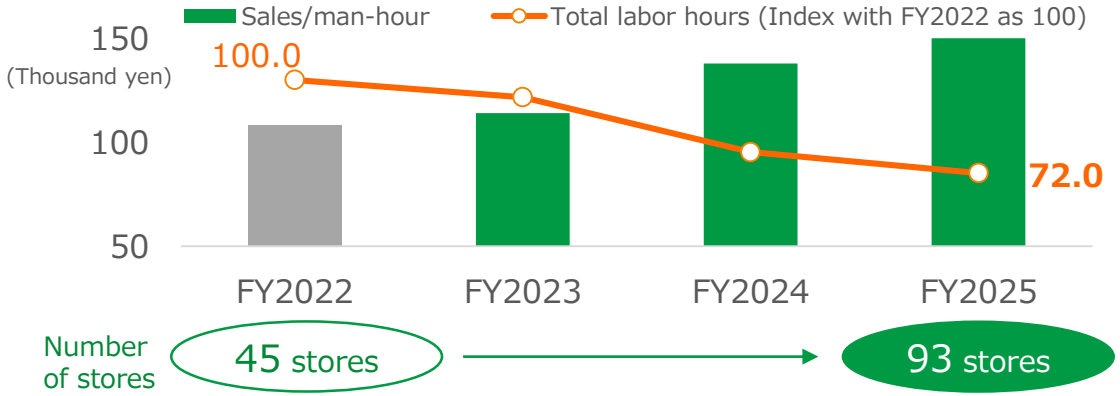
Improve overall store productivity

Verification of installation effects*2
(food sales/man-hour)

Installed stores (50 stores)	Uninstalled stores (75 stores)
116 Thousand yen	107 Thousand yen

*2 FY2023 1H

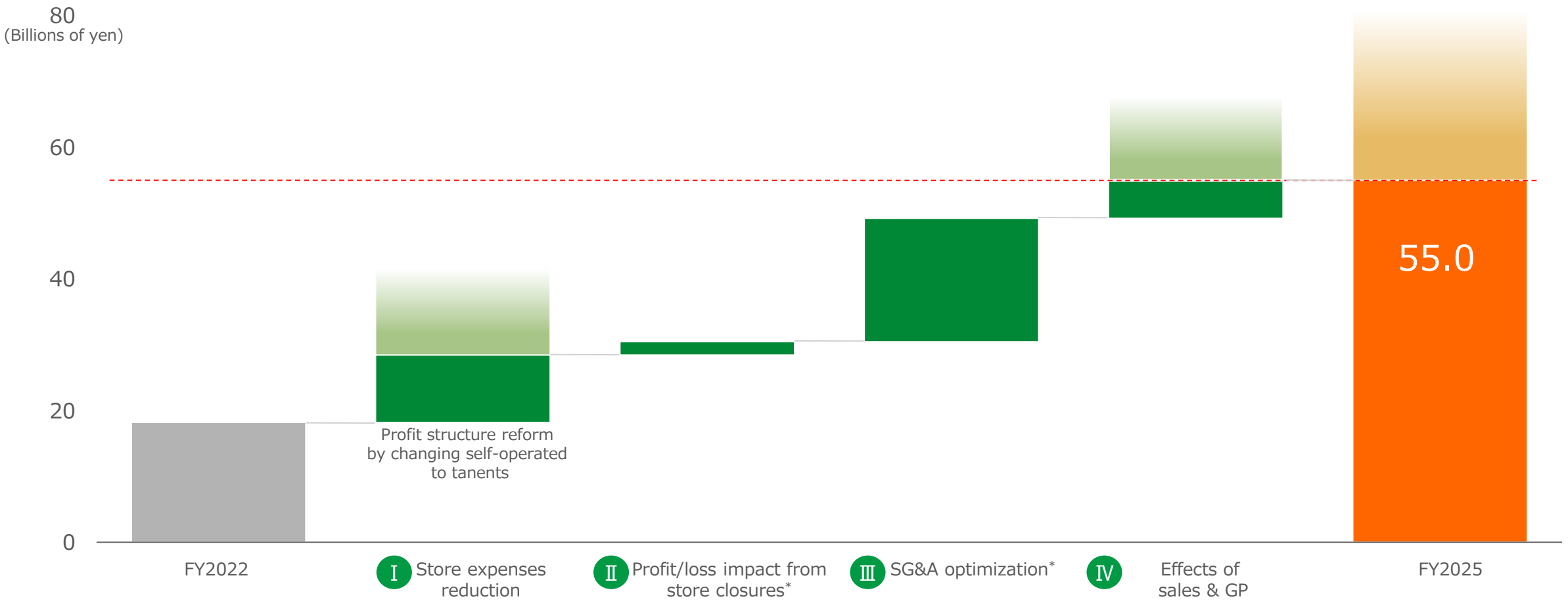
Store productivity improvement (sales per man-hour)



Verify the results of initiatives and lead to a solid effects

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EBITDA Plan of Tokyo Metropolitan Area SST Operations



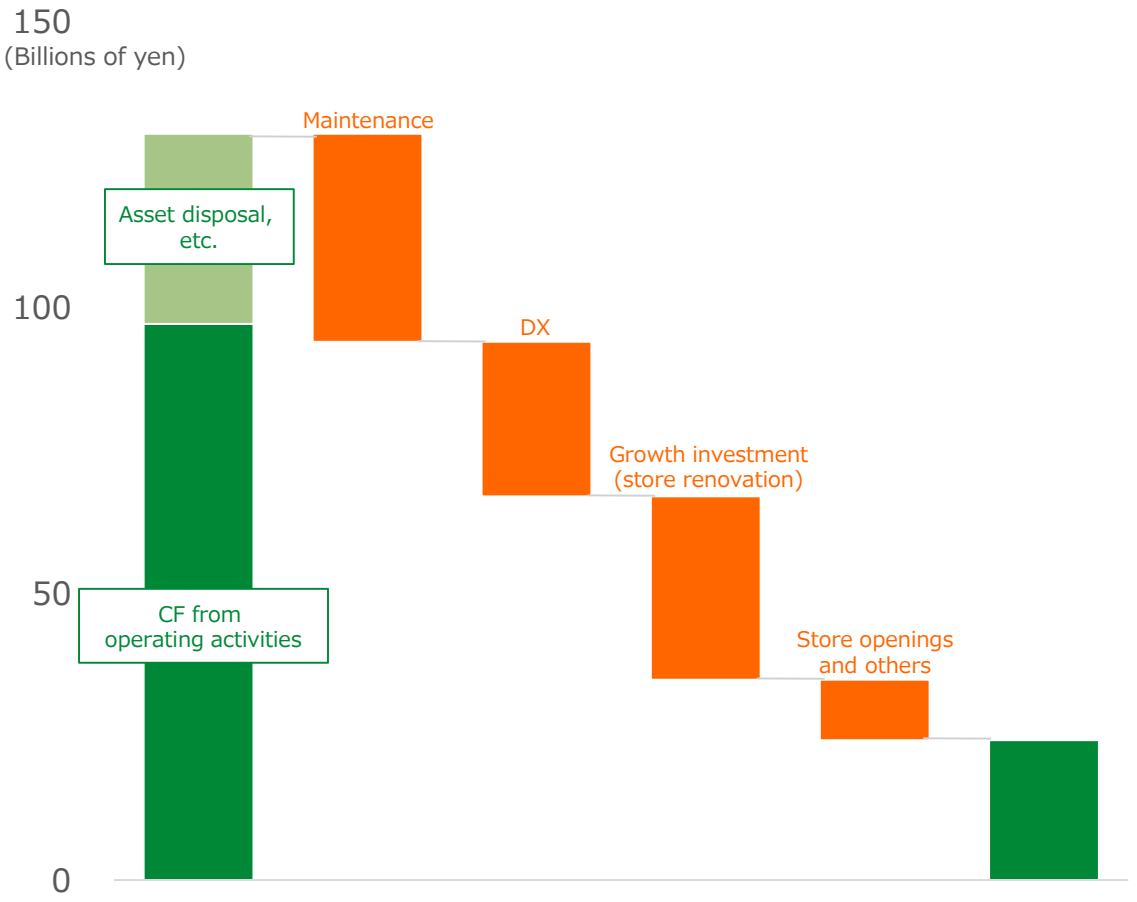
* SG&A impact from store closures is included in the profit/loss impact from store closures

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

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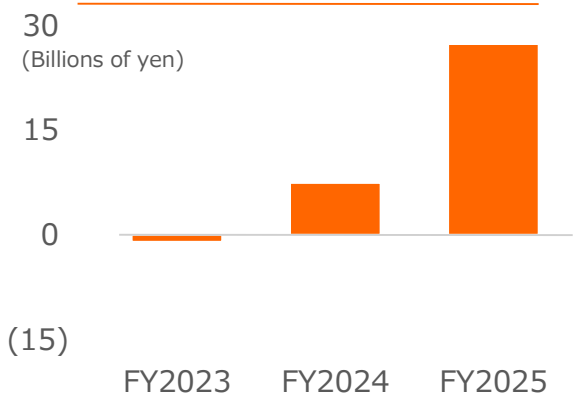
ROIC Plan of Tokyo Metropolitan Area SST Operations

Capex plan (FY2023 - FY2025)

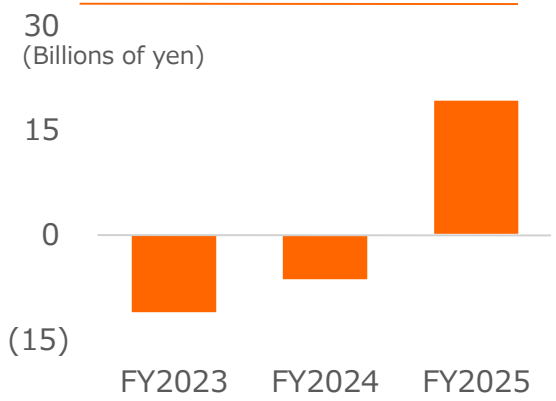


ROIC plan

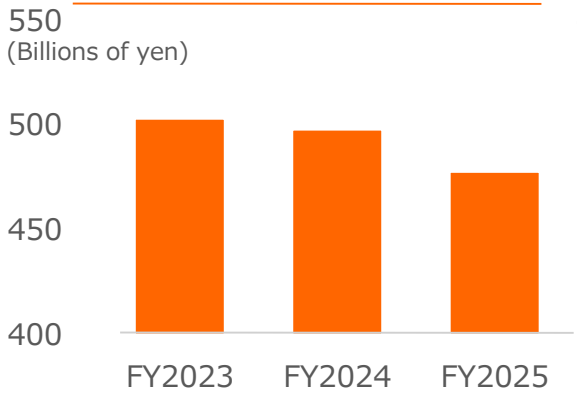
Operating income



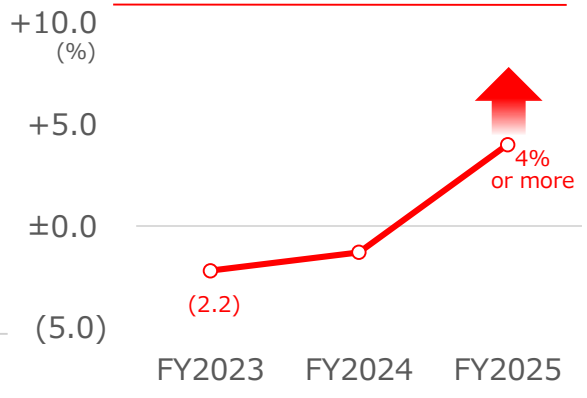
Net income



Invested capital



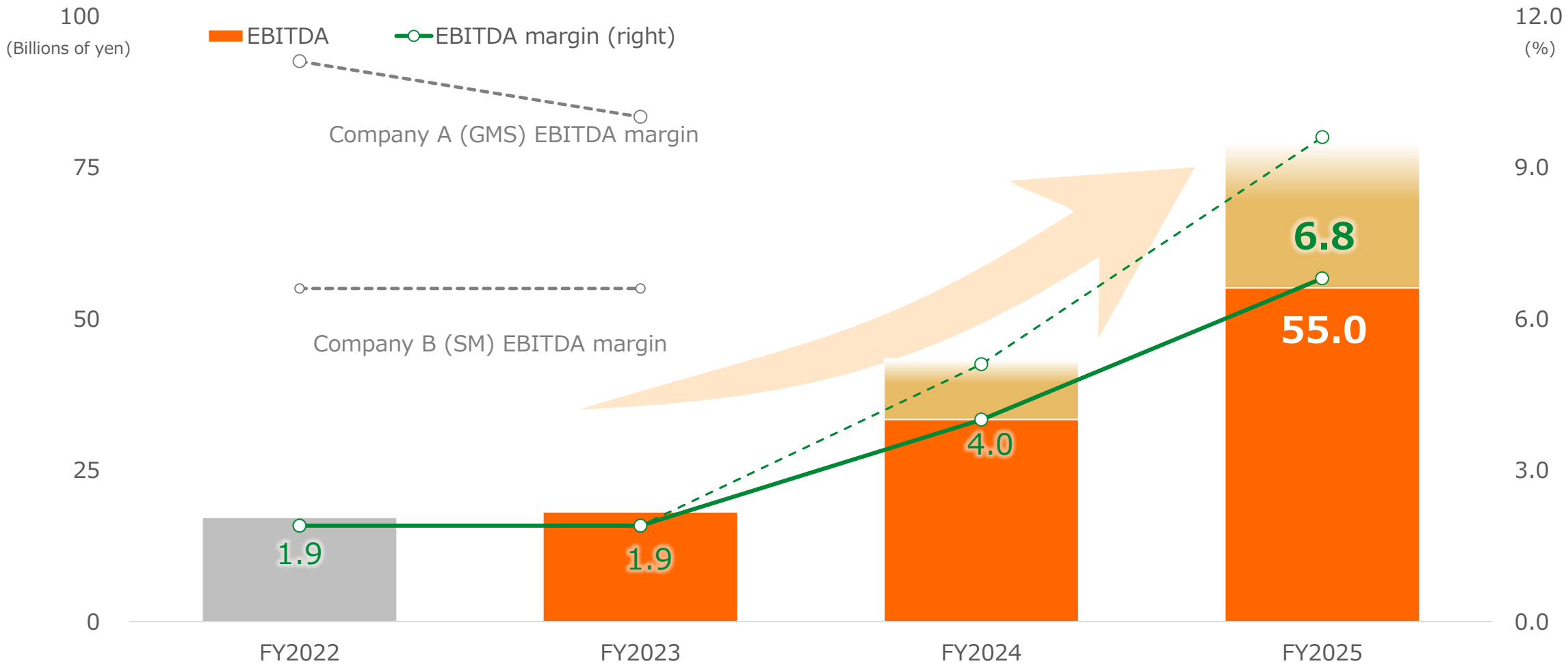
ROIC



Conduct Capex within the CF of SST operations and aim to achieve ROIC target

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Profit Structure of Tokyo Metropolitan Area SST Operations

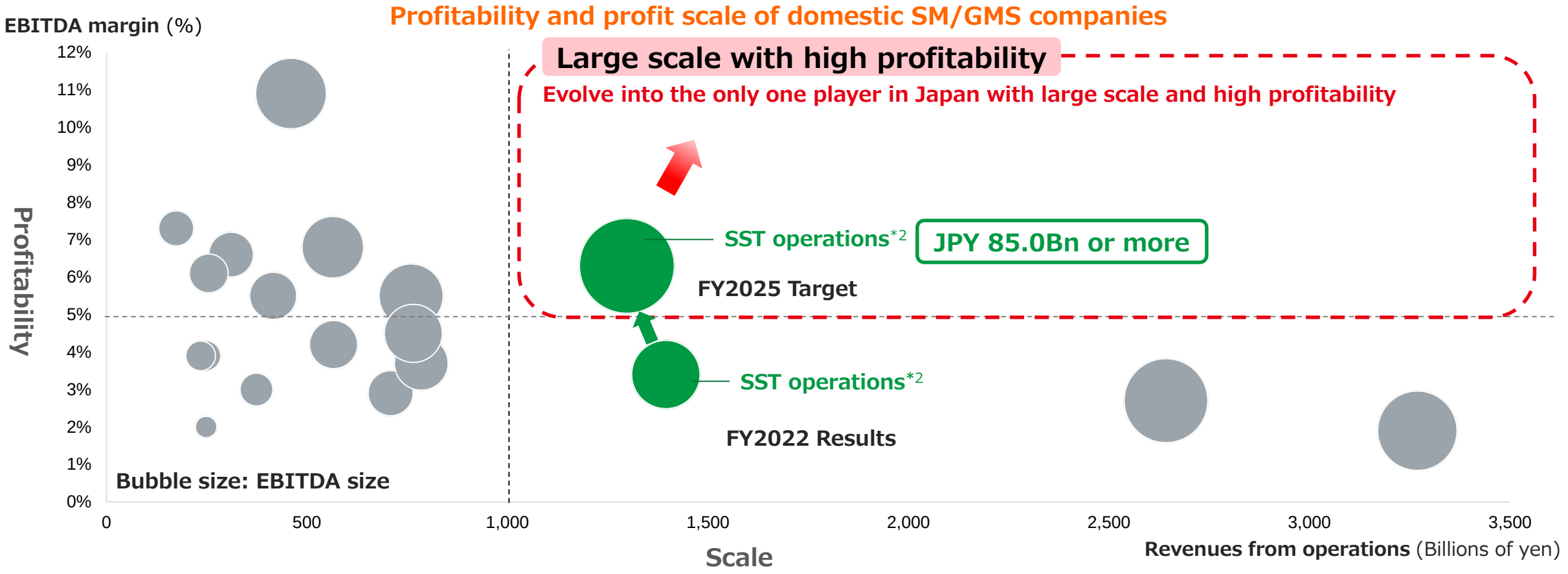


Strengthen competitiveness by EBITDA expansion and profit structure reform

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Aimed Positioning of SST Operations

Change of profitability of the SST operations*1



*1 Companies with multiple segments are shown by each segment

*2 SST operations: IY, SG, YB (York Benimaru)

Pursuing the only one positioning in domestic SM/GMS with large scale and high profitability

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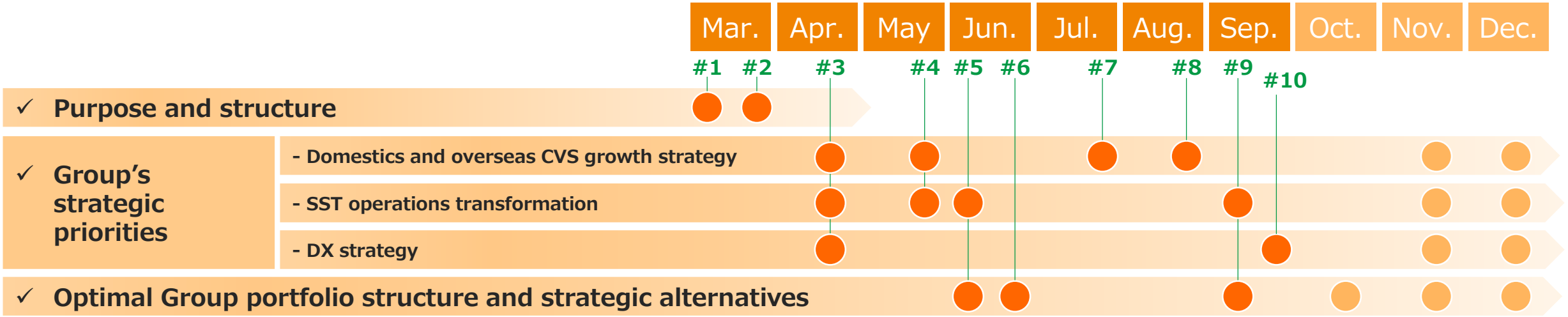
Strategy Committee: Status of Progress

Background and purpose

- Monitor progress of the Group's strategic priorities (domestic and overseas CVS growth strategy, SST operations transformation, etc.)
- **Continue to comprehensively and objectively review the optimal Group portfolio structure and strategic alternatives (IPO, spin-off, etc.) and provide advice to the Board of Directors** to enhance medium-to long- term corporate value

Status of progress of discussions in the Strategy Committee

- The Strategy Committee, composed only of independent outside directors, has retained external advisors and **held the committee 10 times** since March 2023
- **Continue to evaluate and analyze the Group's strategic priorities and the optimal Group portfolio structure/strategic alternatives**
- **The Strategy Committee is sharing its analysis and evaluation status to all Directors on the Board as necessary**

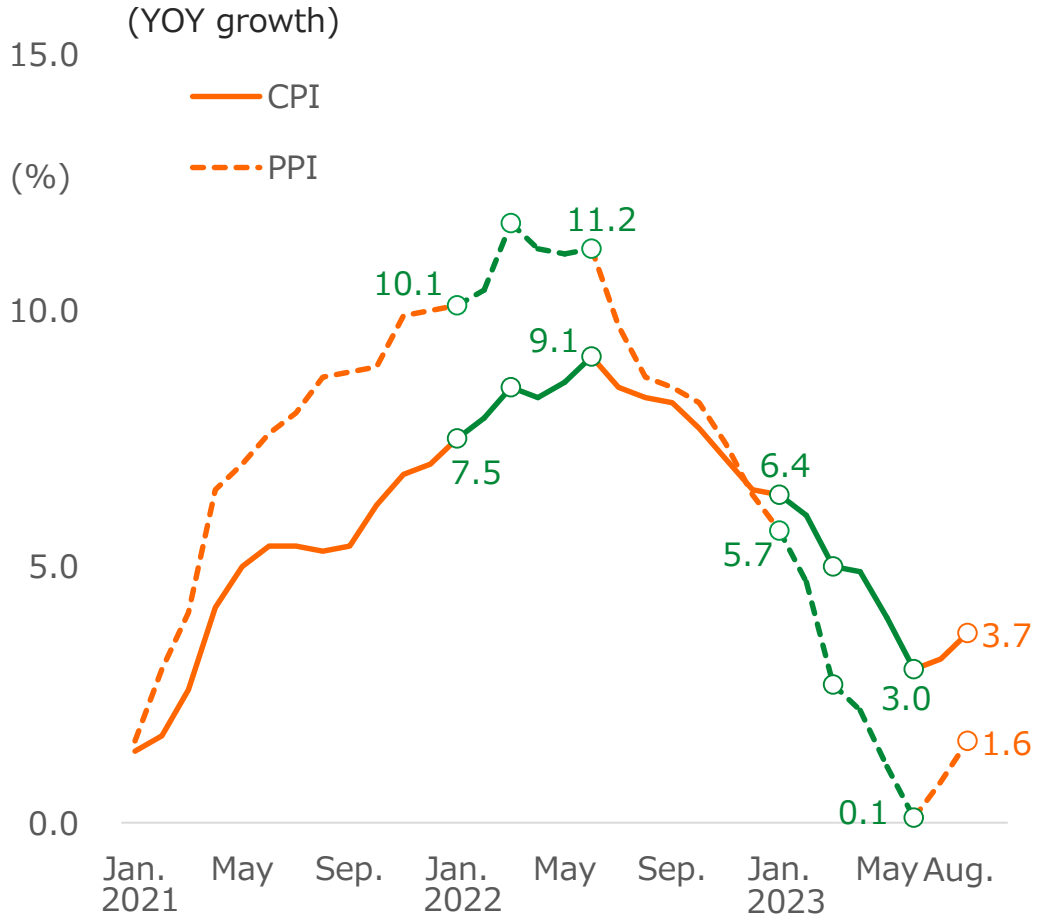


Active discussions on not limited to the transformation of the SST operations and Group portfolio structure but also the global CVS growth strategy

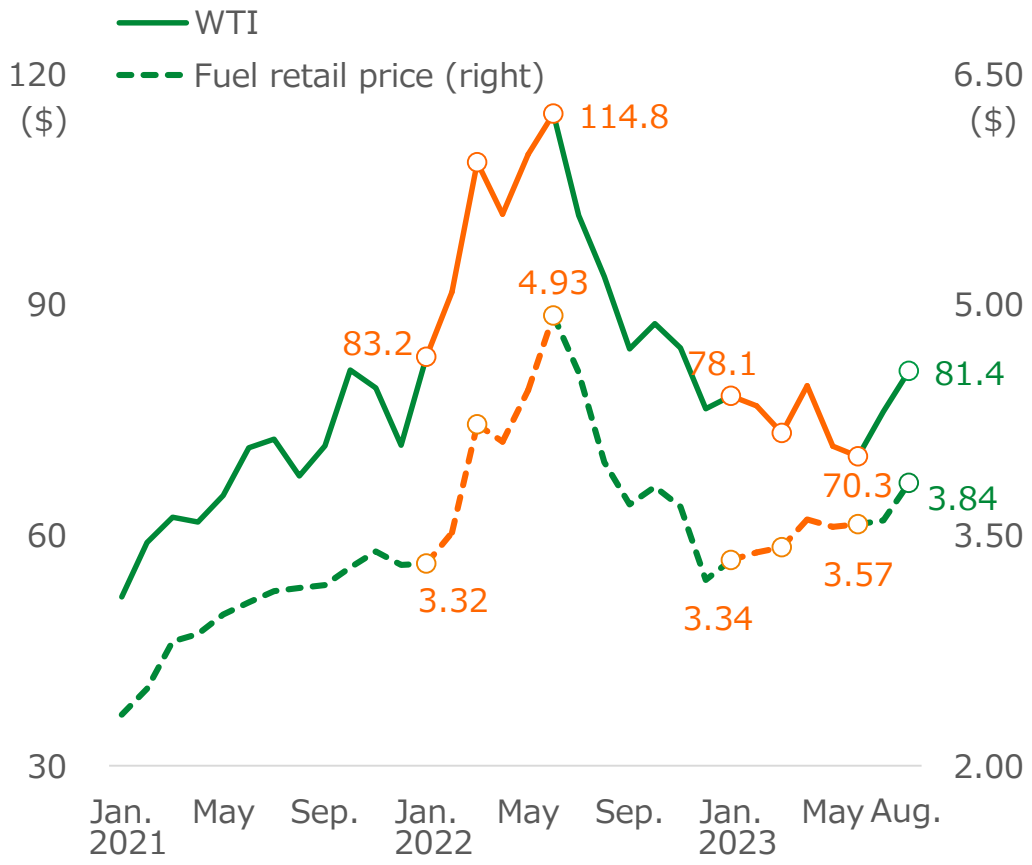
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7-Eleven, Inc. (1)

U.S. CPI/PPI (Comprehensive)*1



Crude oil price (WTI) Fuel retail price*2

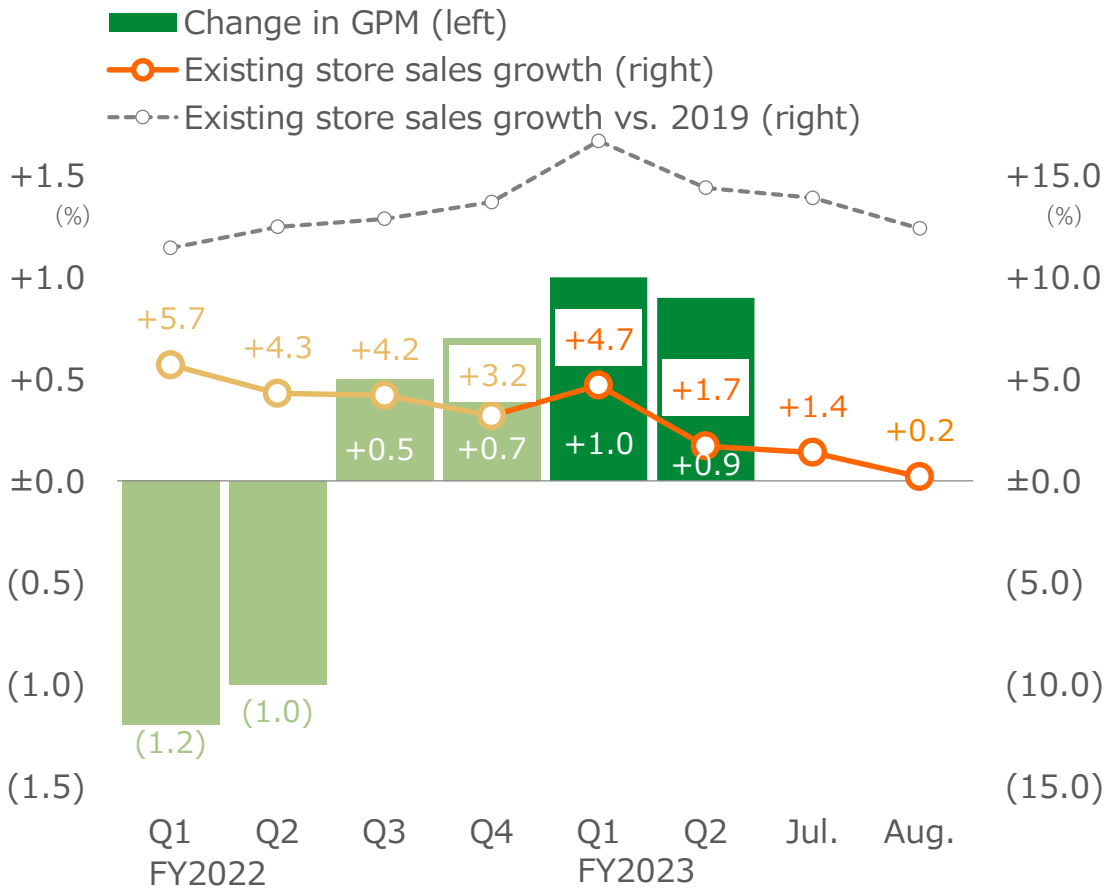


Source: *1 BLS, *2 EIA

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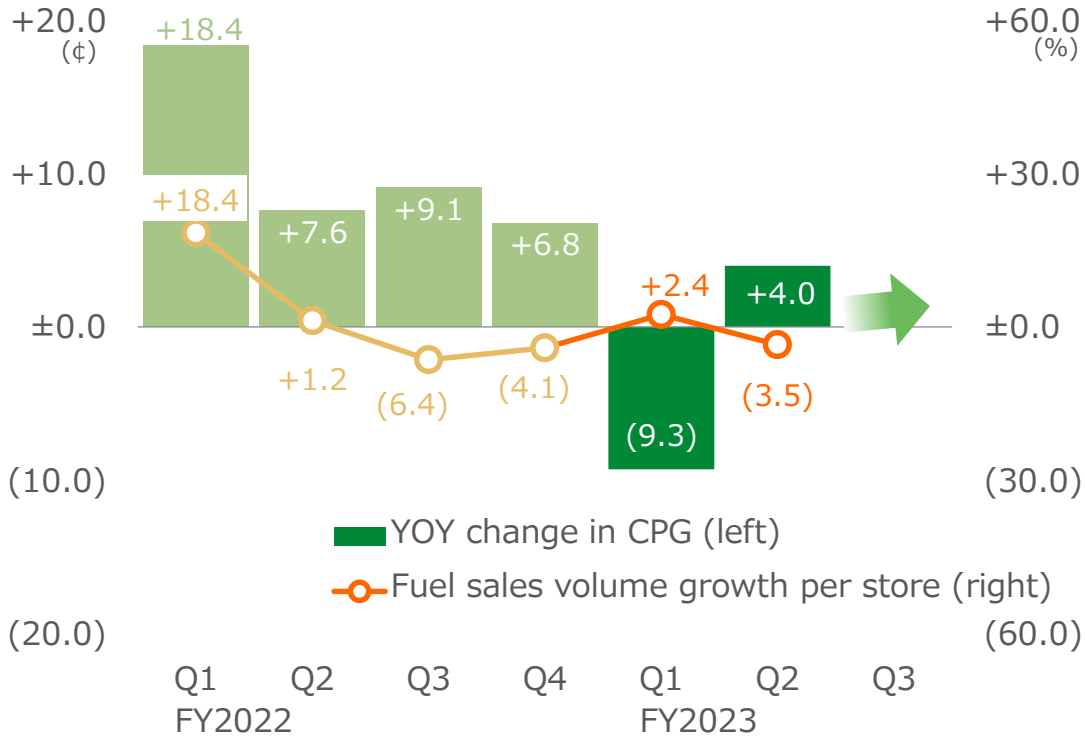
7-Eleven, Inc. (2)

Merchandise existing store sales growth & GPM



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

Fuel sales volume & GP (Total CPG*)



Fuel GP: $(255)M (9.2)%

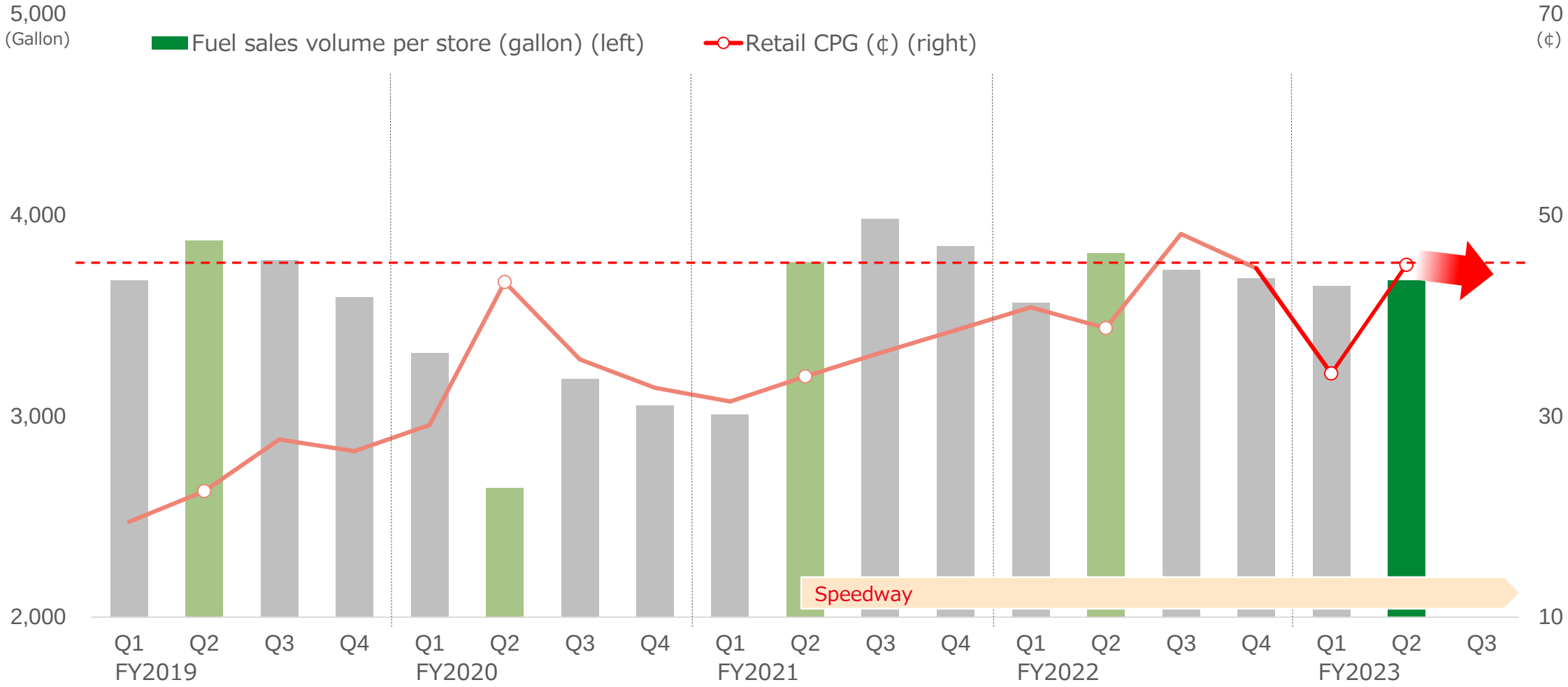
* Total CPG is inclusive of Retail, Supply and Wholesale business

Strong merchandise existing store sales and margin by accelerating proprietary products

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7-Eleven, Inc. (3)

Retail CPG improved significantly in Q2 and recovered to the same level as the 1H last year



Note) The chart shows retail fuel business

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

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7-Eleven, Inc. (4)

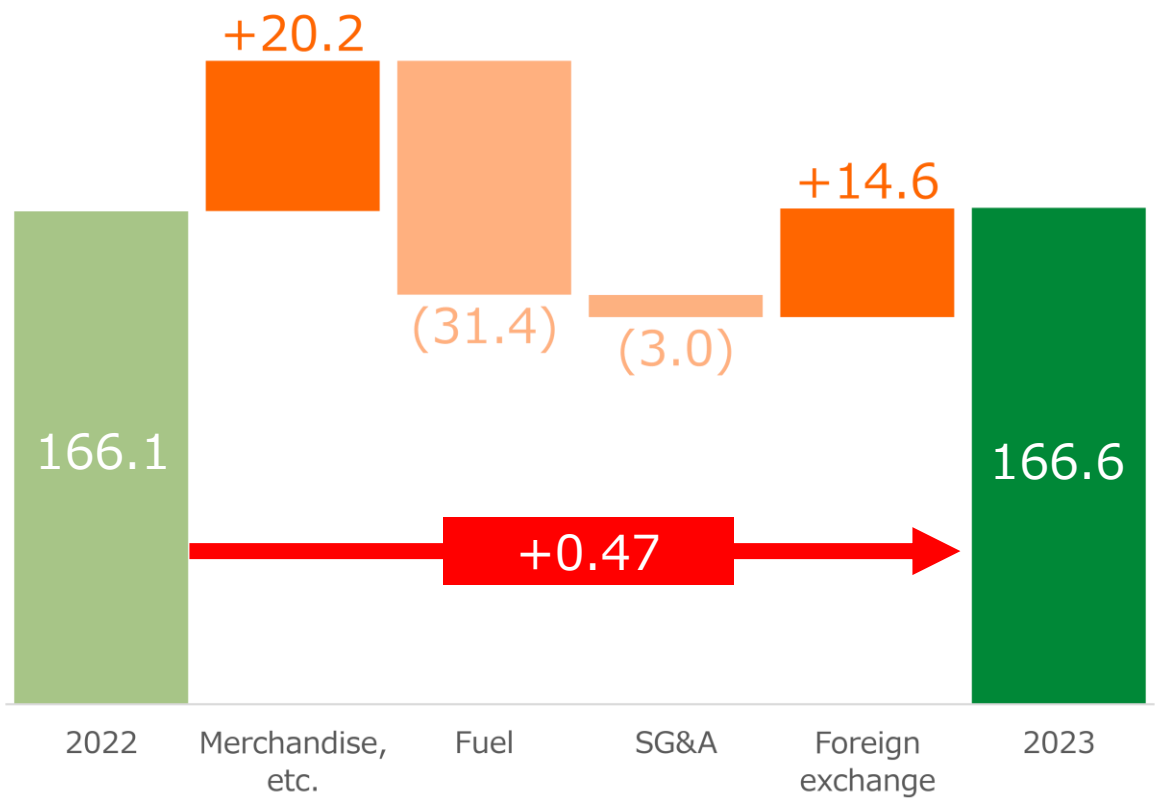
SG&A

(Millions of dollar, %)

	1H			Major factors for change
		YOY	YOY change	
SG&A	4,606	101.3	+57	
Advertising expenses	74	77.6	(21)	Timing of Media Ad
Salaries and wages	1,508	100.1	+1.8	Increase due to inflation
Land and building rent	528	105.5	+27	Increase due to inflation
Depreciation and amortization	731	103.4	+24	Organic new store build and IT investment
Utility expenses	252	108.1	+18	Increase in utility cost
Others	1,510	100.4	+6.3	Increase due to inflation

Change in operating income

(Billions of yen)



CLC* initiatives to control various cost increases

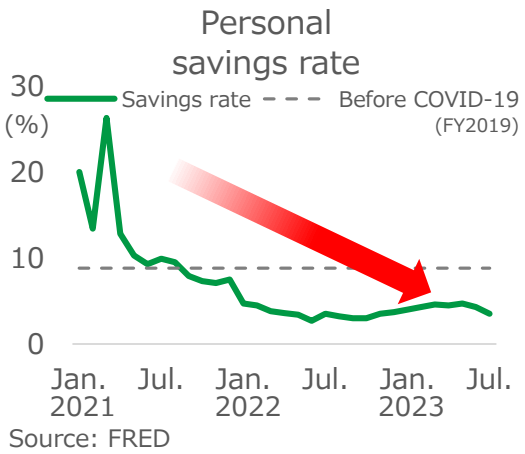
* Cost Leadership Committee

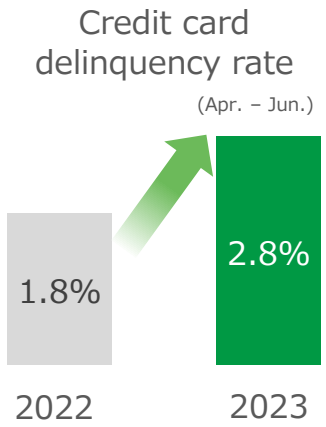
Merchandise profit increased while cycling 1H 2022 historically high fuel margin

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7-Eleven, Inc. (5)

Consumer financial position





Source: FRED

Consumer behavior change

Affordable, high-quality food & beverage	High quality & low-price Private Brands
Leverage digital to seek value and frictionless shopping	Delivery remains part of everyday life

Value focus causing a shift in C-Store expectations

Drive sales through offering more value

Fresh food promotion





Fresh Food existing store Sales growth

+8.8%
(Q2 YTD)

Leverage digital to drive in-store trips

Advertise promotions while fueling at the pump







Fuel Price Lock* User characteristics

% of user purchase items in store	57%	Store visit frequency	1.9x

Compared to Fuel Price Lock non-user

* Customers lock fuel price for next 4 days and use at any 7-Eleven branded pump

Respond to the challenging consumption environment by providing a wide merchandise assortment and high-quality proprietary products

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7-Eleven, Inc. (6)

Enhance value-chain

Warabeya North America



Virginia commissary started on Sep. 11, 2023

Products developed by Warabeya

Product Assortment (examples)



French Toast Ham, Egg, Cheese



Cheeseburger Slider



Chicken Salad Sandwich



Bacon Breakfast Taco



Croissant Sausage, Egg, Cheese

Accelerate product innovation by enhancing value-chain

Effects of Virginia commissary started

Sales of Warabeya products

Distribute to 278 stores with 26 items
(As of the end of Sep.)

Sales growth of the subject categories +28%*1

Store distribution plan

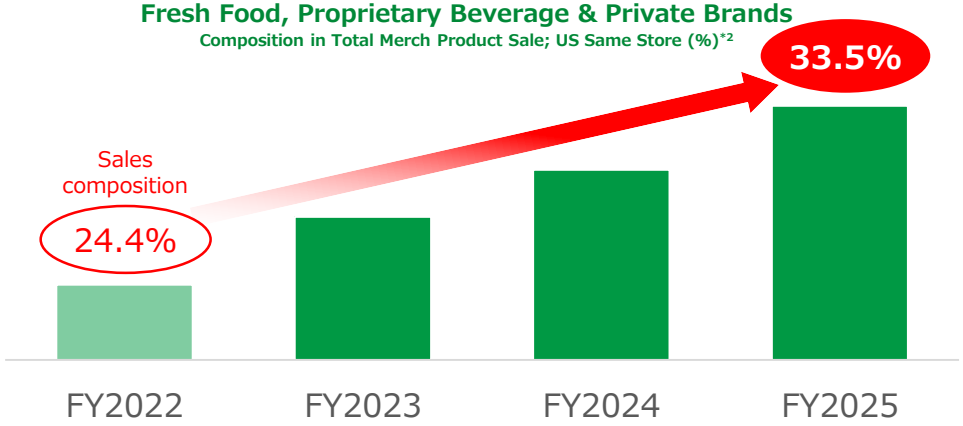
FY2023

Distribute to approx. 1,300 stores

*1 Three-week average compared to a week before opening

Enhance proprietary products

Fresh Food, Proprietary Beverage & Private Brands
Composition in Total Merch Product Sale; US Same Store (%)*2



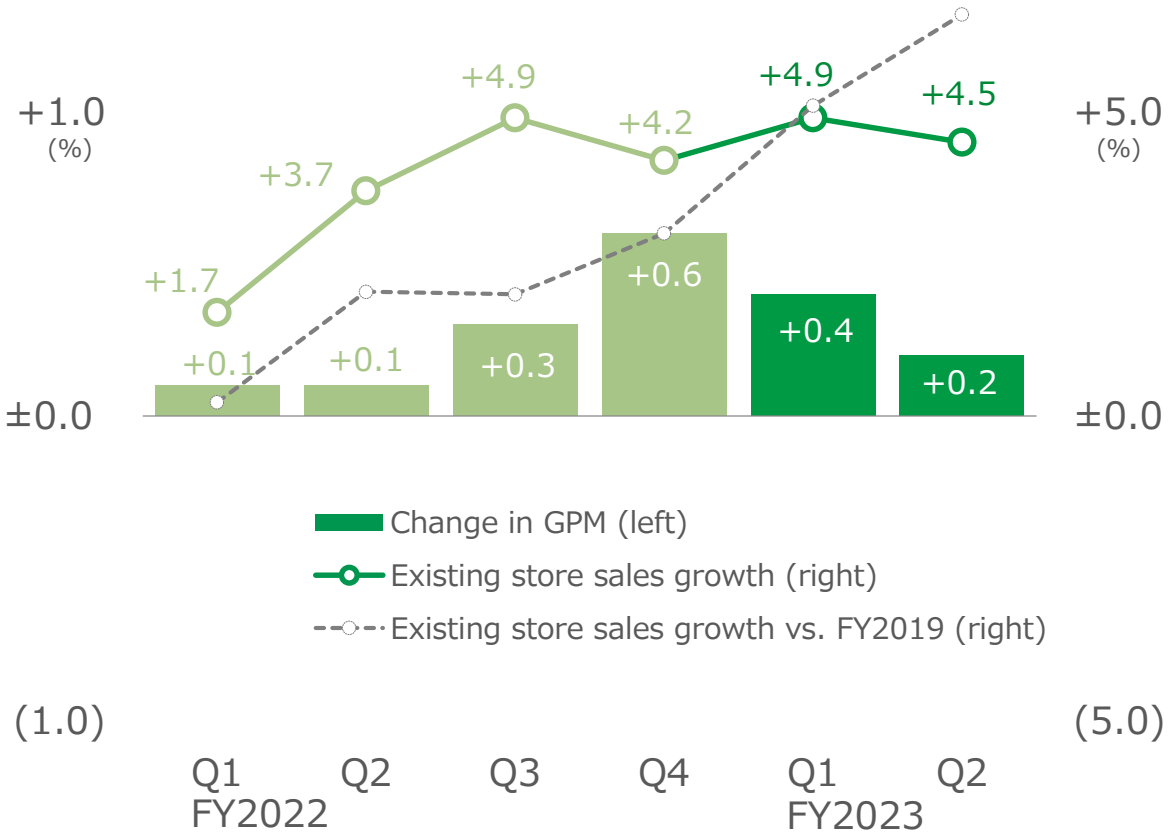
*2 Include SEI existing stores and Speedway stores which systems are fully integrated

Growing mix of high-margin proprietary products to ~34% by 2025

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Seven-Eleven Japan (1)

Existing store sales & GPM



SG&A

(Billions of yen, %)

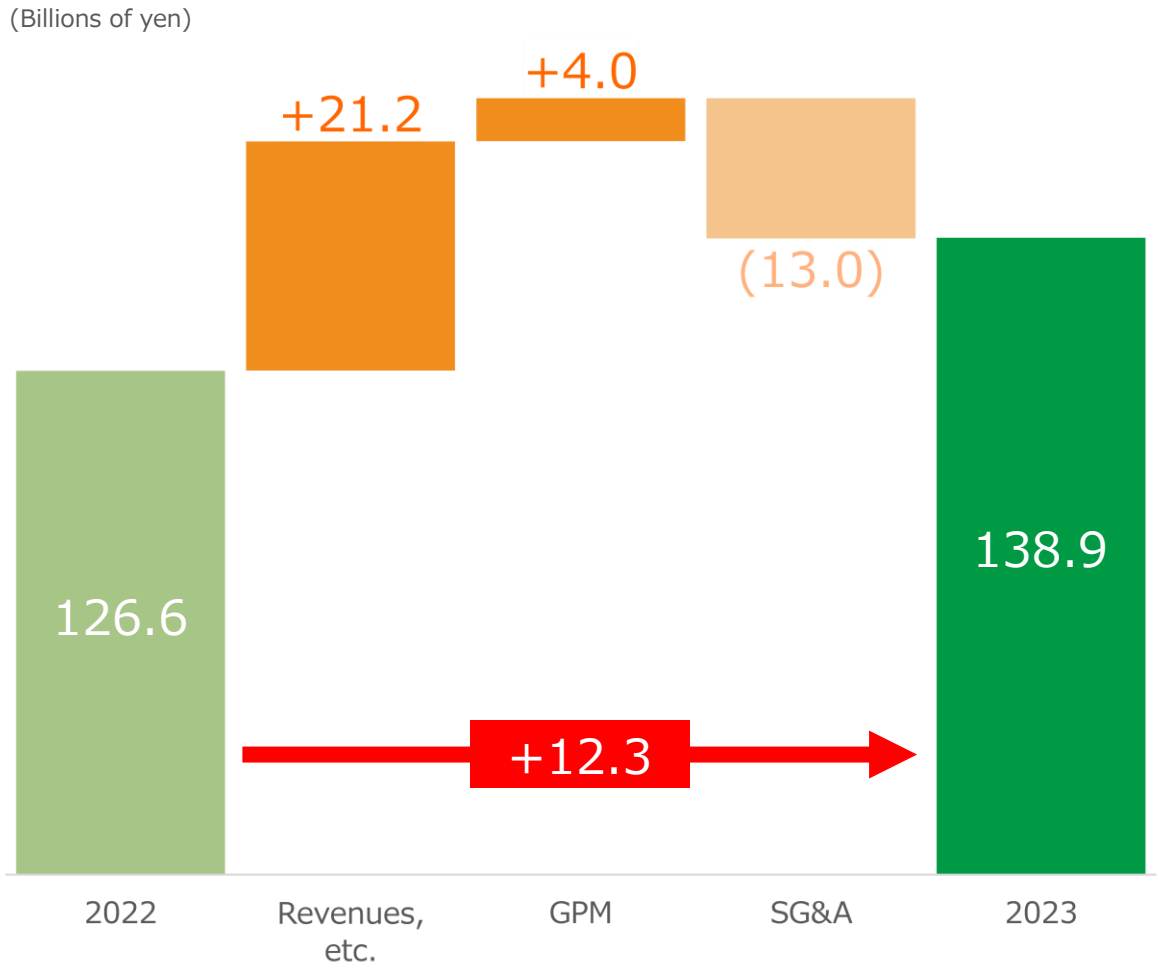
	1H			Major factors for change
		YOY	YOY change	
SG&A	295.4	104.6	+13.0	
Advertising expenses	15.8	114.2	+1.9	Resumption of merchandise exhibitions 50th anniversary related expenses
Salaries and wages	40.8	103.7	+1.4	Revision of compensation system
Land and building rent	97.0	101.3	+1.2	Increase in number of stores
Depreciation and amortization	43.2	104.6	+1.8	
Utility expenses	31.5	106.1	+1.8	Increase in utility cost
Others	66.7	107.5	+4.6	Increase in settlement fees

Growth in sales and gross profit due to the initiatives of linking the development of high quality merchandise, sales promotions including fairs, and setting up sales floor

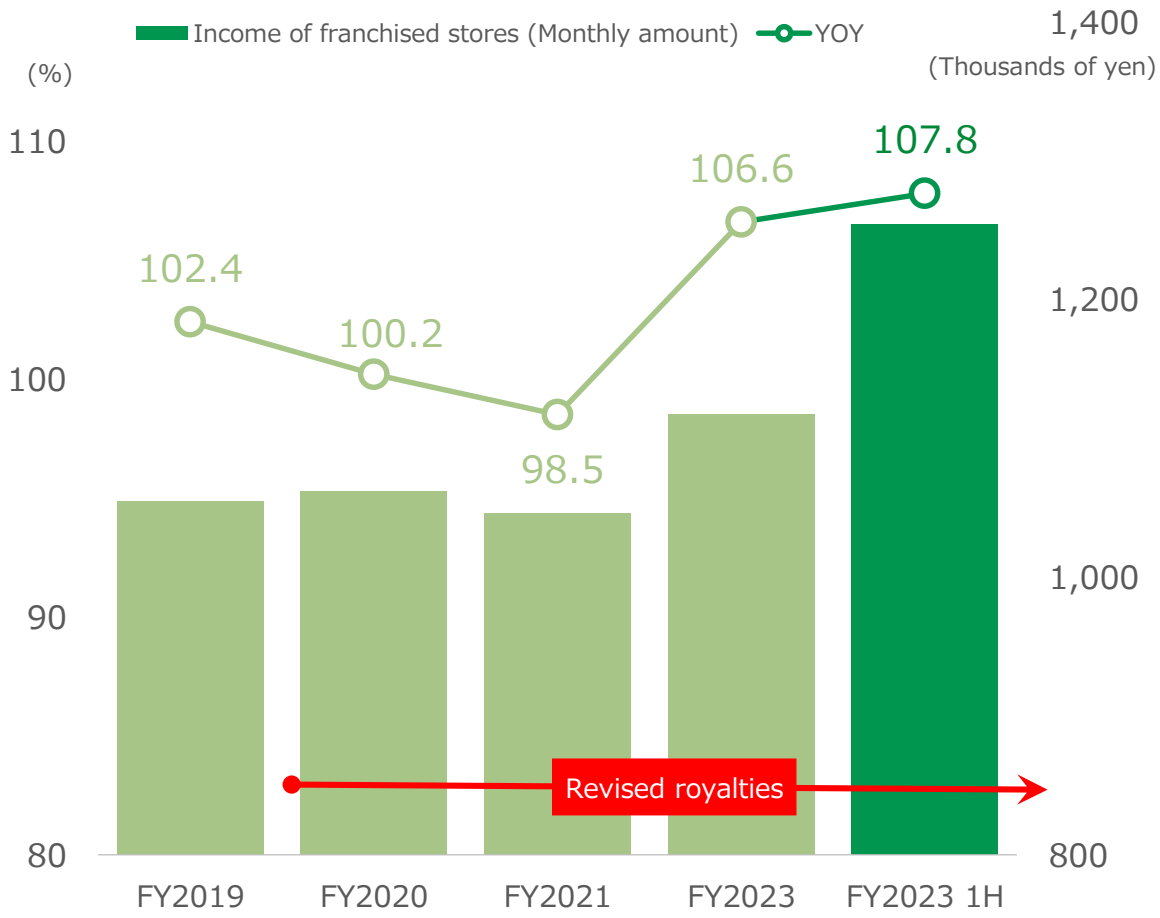
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Seven-Eleven Japan (2)

Change in operating income



Trend in income of franchised stores

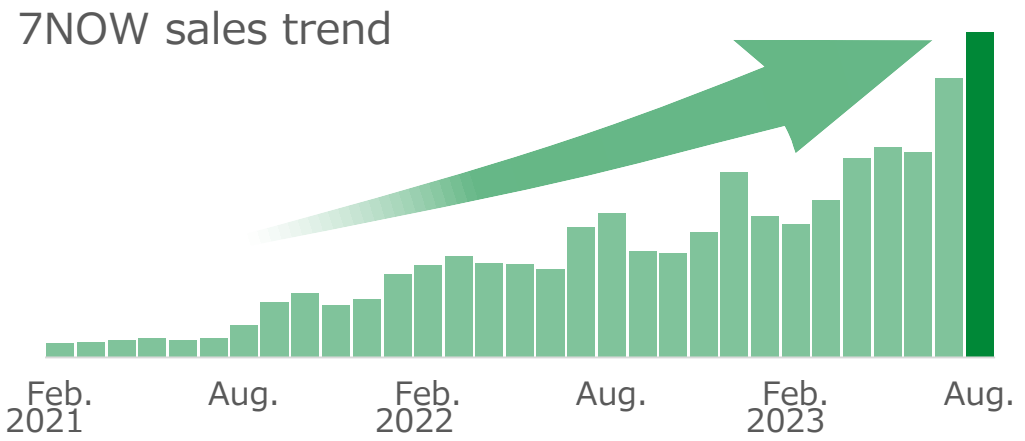


Despite cost increase such as energy cost, operating income increased thanks to strong sales

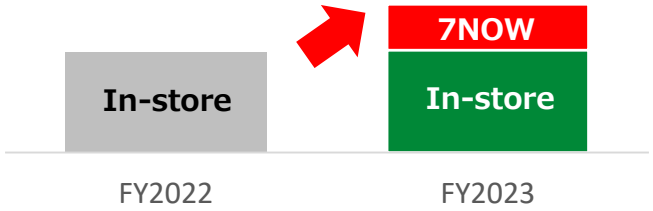
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Seven-Eleven Japan (3)

7NOW expanding steadily



Comparison of customer purchase amounts



Total spending by 7iD members who use both

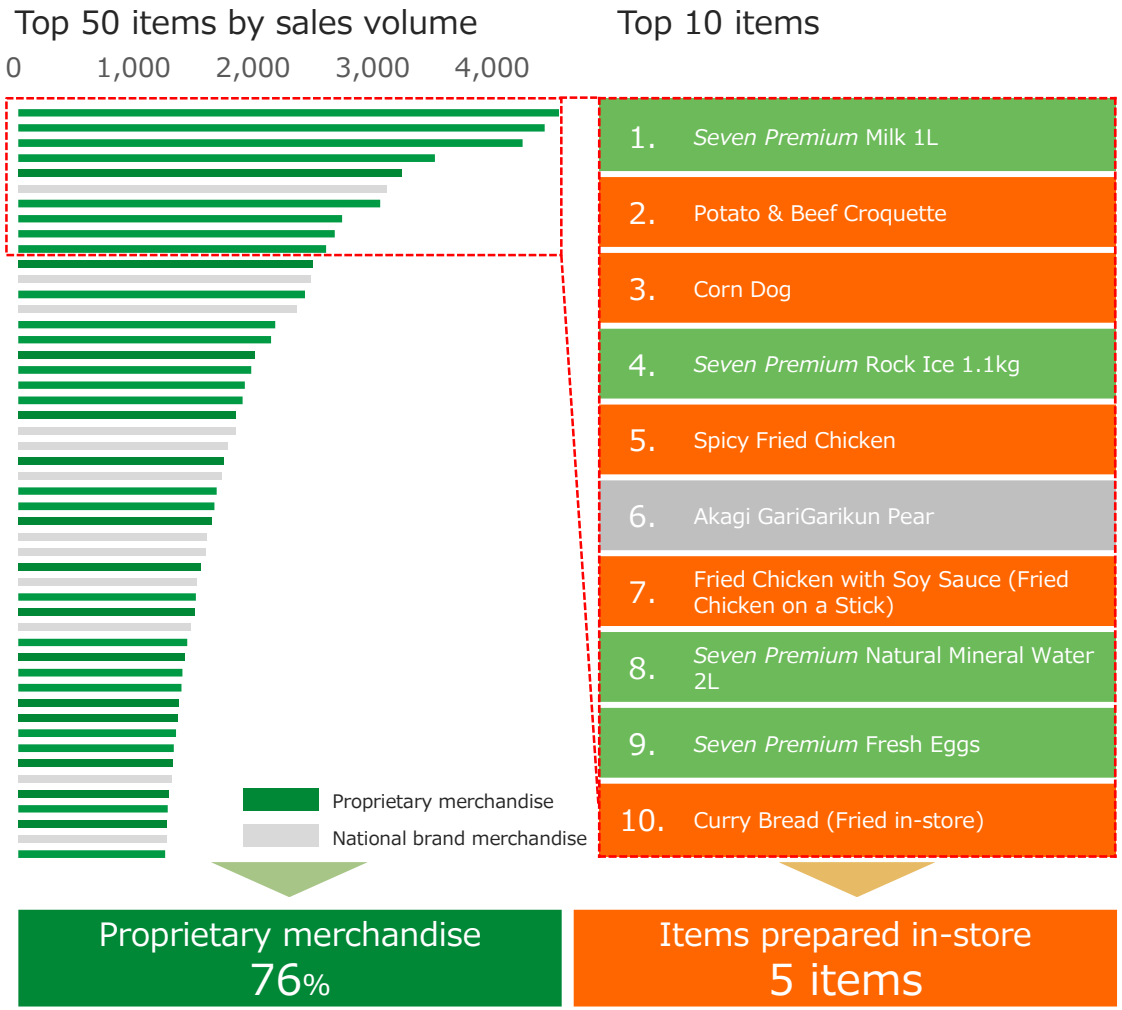
Approx.

+1.5x

compared to in-store purchase

* 7iD members (4,754 stores conducting 7NOW)
* Comparison between FY2022 (Mar. – Aug. 2022) and FY2023 (Mar. – Aug. 2023)

7NOW purchase trend (Aug. 2023)



Proprietary merchandise 76%

Items prepared in-store 5 items

Raise customer experience value through strengthening proprietary merchandise as well as enhancing convenience, and plan to recommend nationwide

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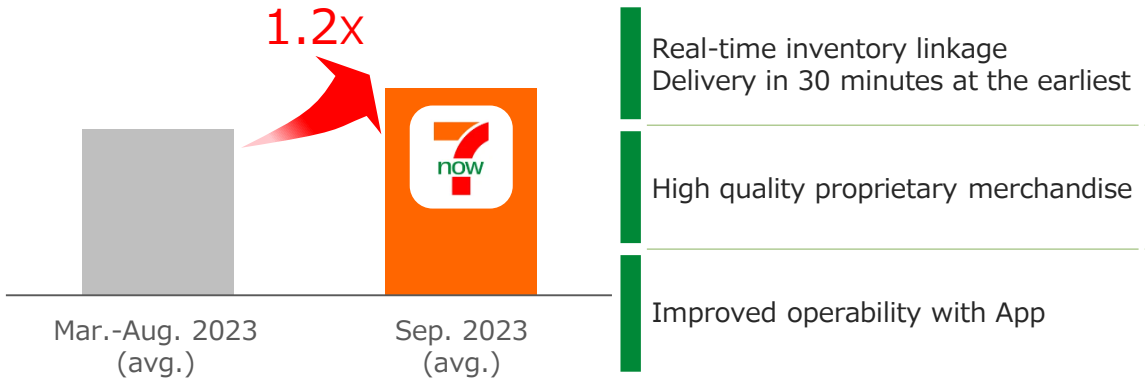
Seven-Eleven Japan (4)

7NOW App started on September 5, 2023

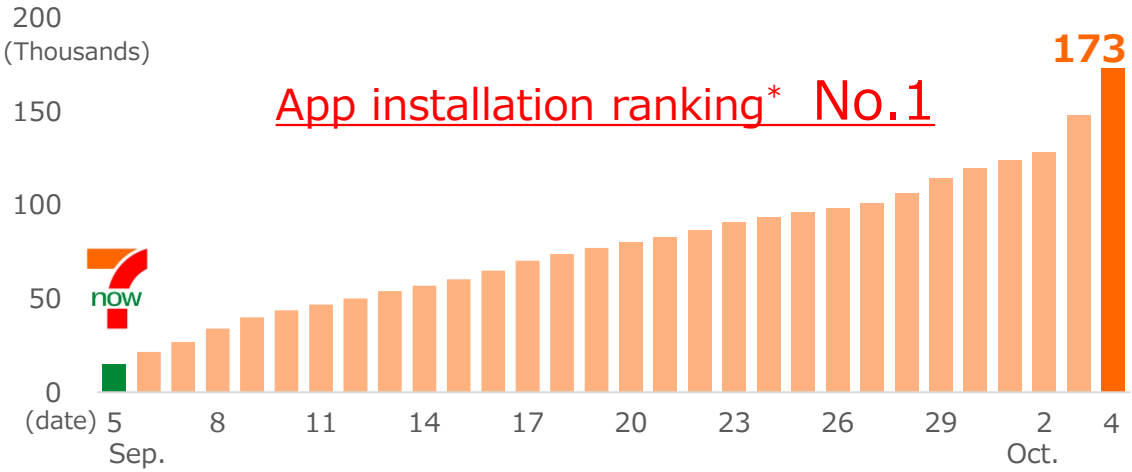


Improvement in conversion rate

By operability and a wide range of merchandise



Installation number of 7NOW App



7NOW sales trend (sales per day)

After the App's start, it became a hot topic on social media and grew rapidly



Improve usability as well as high quality merchandise assortment, and plan to recommend nationwide

* APPLION ranking on iOS App (food & drink categories)

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IR Day

Seven & i Holdings

“IR Day 2023”*

- Introduce the Group’s strategic initiatives to domestic and overseas investors
- Explain each initiative from a medium-to-long-term perspective by head of each operation
- Hold regularly with the themes including ESG in the future

IR Day 2023 will be held on Tuesday October 31, 2023

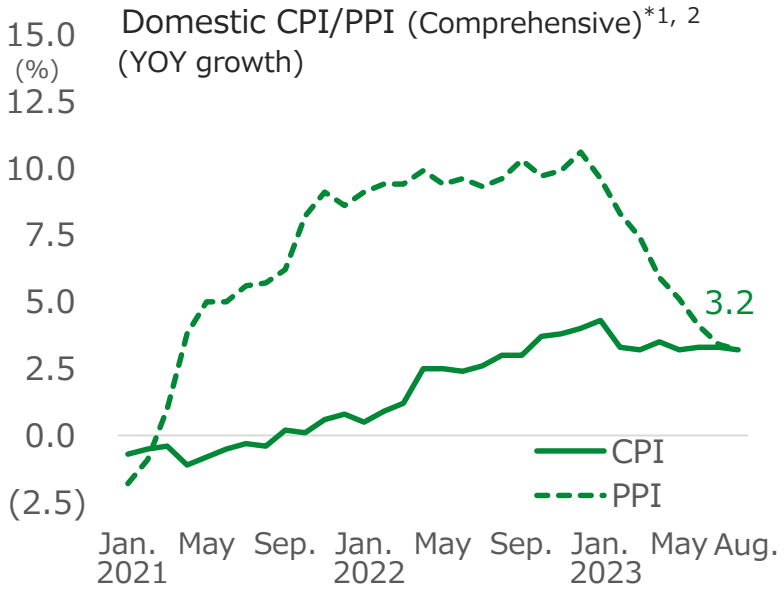
* For institutional investors and analysts

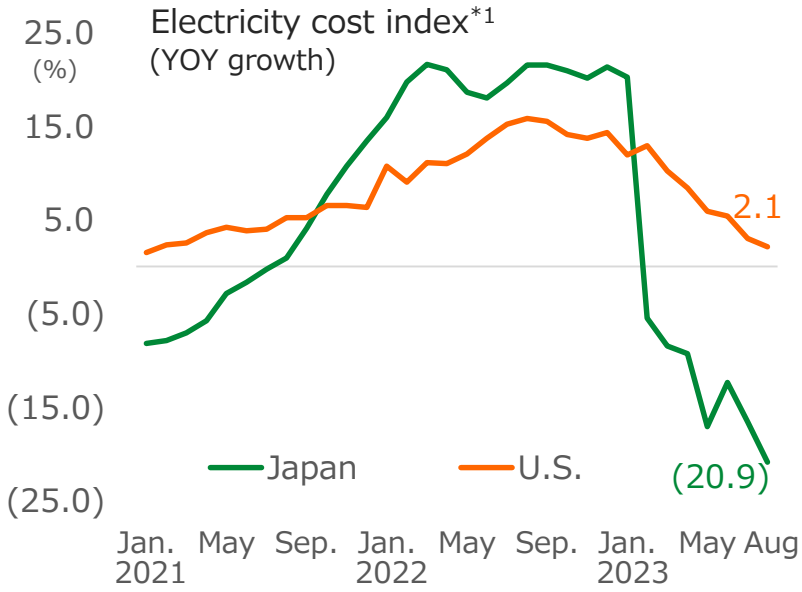
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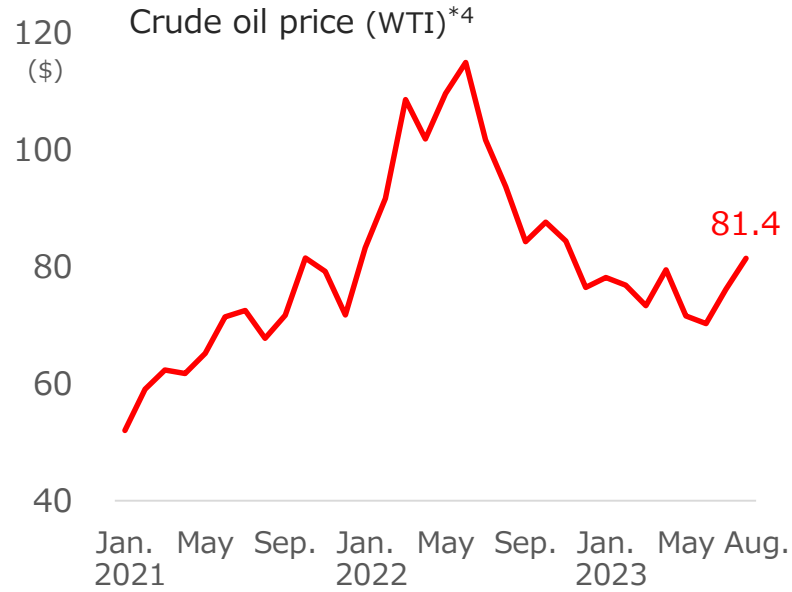
Appendix

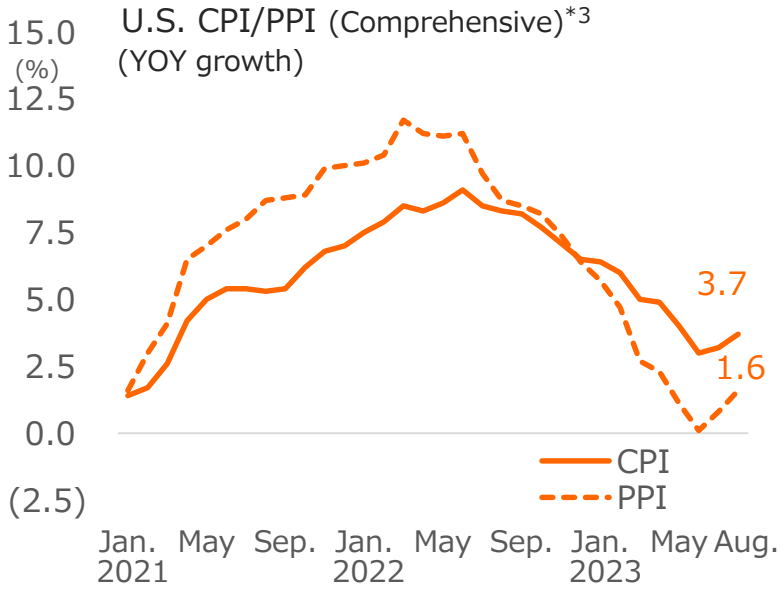
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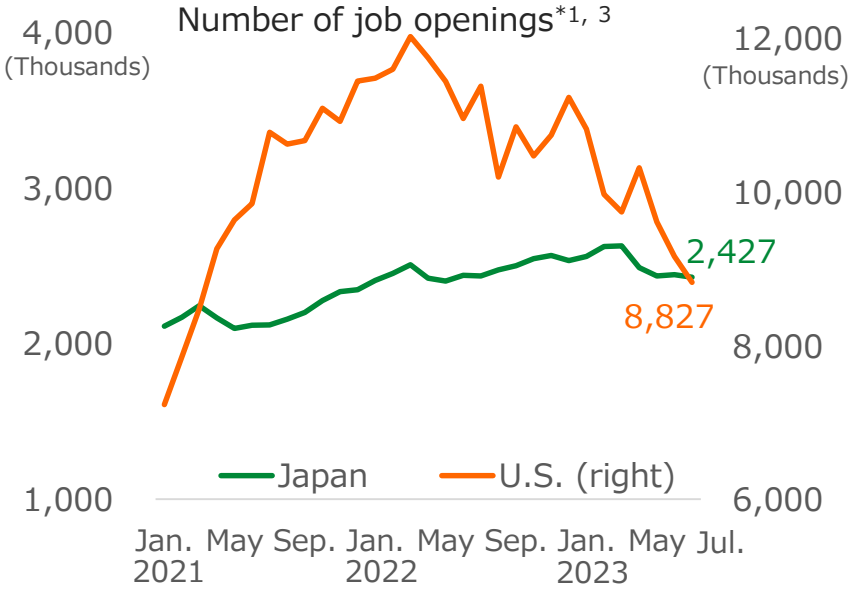
External Environment

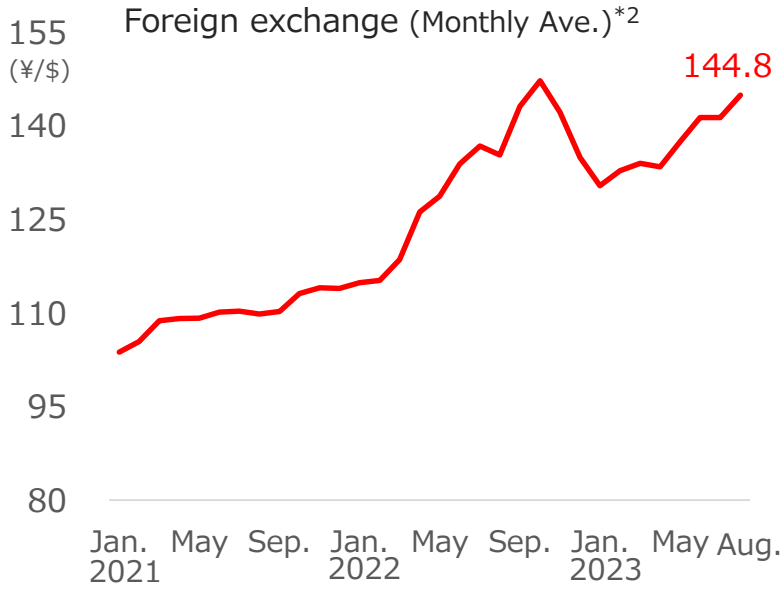












Source: *1 e-Stat, *2 Bank of Japan, *3 BLS, *4 EIA

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Consolidated B/S Summary (As of August 31, 2023)

(Billions of yen)

Assets (Main items only)	As of Feb. 28, 2023	As of Aug. 31, 2023	Change
Current assets	3,060.6	2,858.7	(201.8)
Cash and bank deposits	1,670.8	1,369.7	(301.1)
Cash and bank deposits at Seven Bank	1,024.3	840.2	(184.1)
Notes and accounts receivable - trade, and contract assets	422.6	444.8	+22.1
Merchandise and finished goods	280.0	308.6	+28.6
Non-current assets	7,489.1	7,979.4	+490.2
Property and equipment	4,341.7	4,599.7	+258.0
Buildings and structures, net	1,614.8	1,681.9	+67.1
Land	1,196.0	1,255.5	+59.5
Right-of-use assets, net	885.6	974.3	+88.7
Intangible assets	2,364.6	2,517.2	+152.5
Investments and other assets	782.7	862.4	+79.6
Deferred assets	1.1	0.73	(0.36)
Total assets	10,550.9	10,838.9	+288.0

Liabilities and net assets (Main items only)	As of Feb. 28, 2023	As of Aug. 31, 2023	Change
Total liabilities	6,902.7	6,930.9	+28.2
Current liabilities	3,265.0	3,470.9	+205.8
Notes and accounts payable, trade	536.1	605.6	+69.5
Short-term loans	143.5	154.0	+10.4
Current portion of bonds and current portion of long-term loans	501.4	678.9	+177.4
Allowance for related loss on transfer of department store	-	130.3	+130.3
Lease obligations	121.4	134.3	+12.8
Deposits received in banking business	810.1	790.8	(19.2)
Non-current liabilities	3,637.7	3,460.0	(177.6)
Bonds	1,394.7	1,169.7	(224.9)
Long-term loans	936.0	868.4	(67.6)
Lease obligations	834.9	917.2	+82.3
Total net assets	3,648.1	3,907.9	+259.8
Total liabilities and net assets	10,550.9	10,838.9	+288.0

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1H Consolidated Results Highlight (Q1 and Q2)

(Billions of yen, %)

	Q1				Q2			
		YOY	YOY change	vs. Initial plan		YOY	YOY change	vs. Initial plan
Group's total sales	4,162.0	108.4	+322.2	99.1	4,531.7	95.4	(219.1)	101.6
Revenues from operations	2,650.6	108.3	+203.3	98.2	2,896.3	90.4	(307.8)	101.5
Operating income	81.9	80.1	(20.3)	94.5	159.1	120.2	+26.7	106.7
Ordinary income	73.7	77.2	(21.8)	94.3	153.1	123.3	+28.9	108.0
Net income attributable to owners of parent	42.1	64.9	(22.8)	86.1	38.0	53.6	(33.0)	42.8
EPS (yen)	47.76	64.8	(25.89)	86.1	43.07	53.5	(37.37)	42.7
EPS before amortization of goodwill (yen)	79.75	78.3	(22.06)	91.4	76.31	67.9	(36.07)	57.7
EBITDA*	208.3	97.2	(6.0)	99.2	288.1	113.5	+34.1	105.5

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

Notes) 1. Exchange rate: 1USD = 135.00JPY, 1CNY = 19.46JPY

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

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1H Operating Income by Operating Segment (Q1 and Q2)

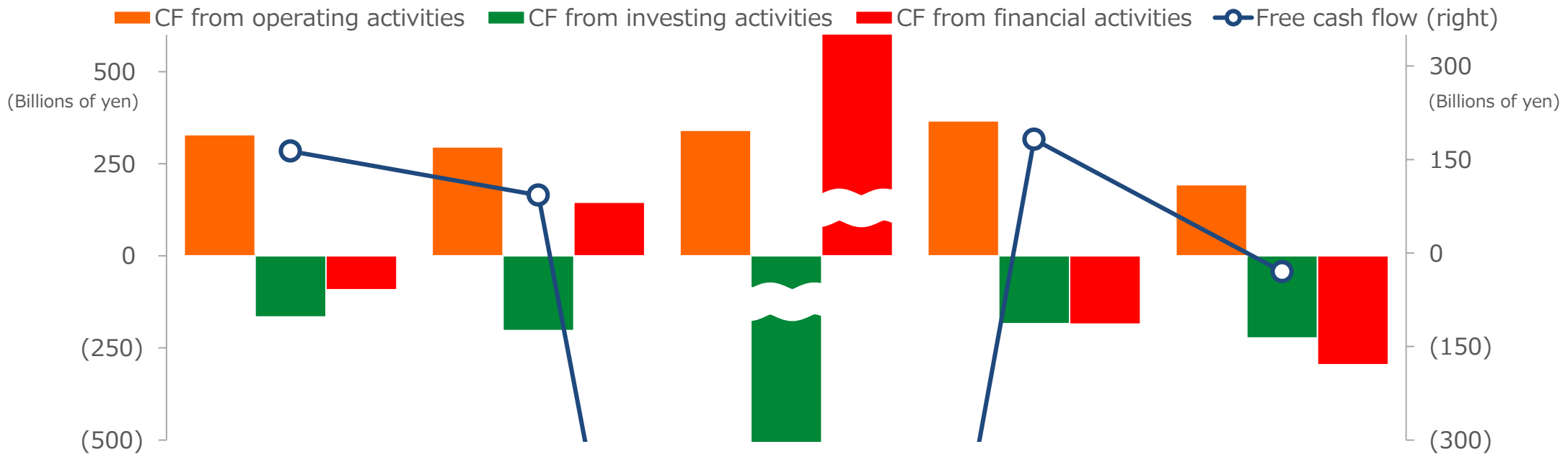
(Billions of yen, %)

	Q1				Q2			
		YOY	YOY change	vs. Initial plan		YOY	YOY change	vs. Initial plan
Consolidated	81.9	80.1	(20.3)	94.5	159.1	120.2	+26.7	106.7
Domestics CVS operations	64.0	108.1	+4.8	105.1	74.4	110.4	+6.9	108.6
Overseas CVS operations	20.9	47.7	(22.9)	58.0	91.8	128.3	+20.2	99.0
Superstore operations	3.3	94.2	(0.20)	207.3	1.1	142.0	+0.32	159.1
Financial services	9.9	108.1	+0.74	122.8	10.0	98.9	(0.10)	119.6
Others	1.8	187.2	+0.86	-	0.59	-	+1.4	427.0
Eliminations/corporate	(18.1)	-	(3.5)	-	(18.8)	-	(2.1)	-

Notes) 1. Exchange rate: 1USD = 135.00JPY, 1CNY = 19.46JPY
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

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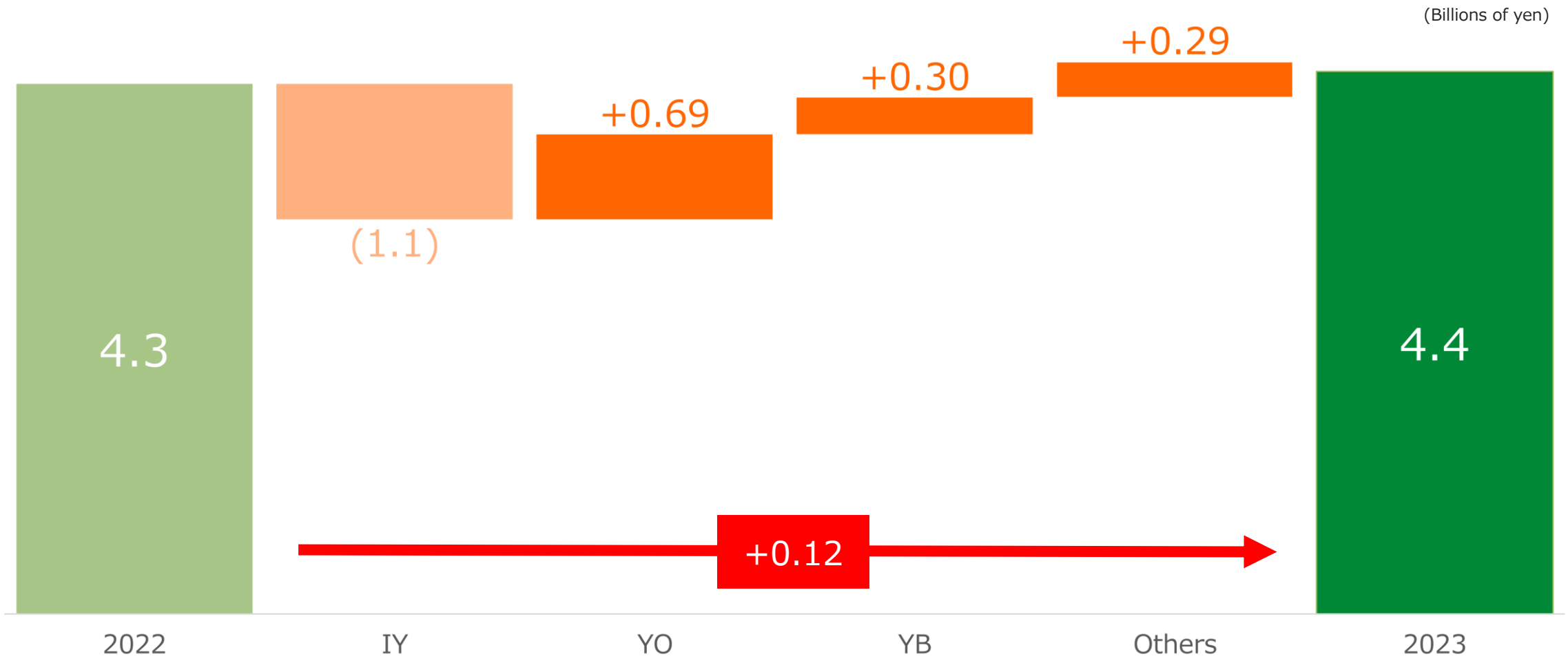
1H Consolidated Statements of Cash Flows



(Billions of yen)	FY2019	FY2020	FY2021	FY2022	FY2023	vs. FY2022
CF from operating activities	329.0	295.5	340.8	366.4	192.9	(173.4)
CF from investing activities	(165.7)	(202.7)	(2,343.9)	(184.2)	(223.1)	(38.9)
Free cash flow	163.3	92.7	(2,003.1)	182.2	(30.1)	(212.3)
CF from financing activities	(91.9)	145.6	1,243.1	(185.4)	(295.2)	(109.8)
Cash and cash equivalents at the end of the year	1,379.7	1,591.5	1,466.3	1,442.5	1,372.1	(70.4)

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1H Superstore Operations – Change in Operating Income

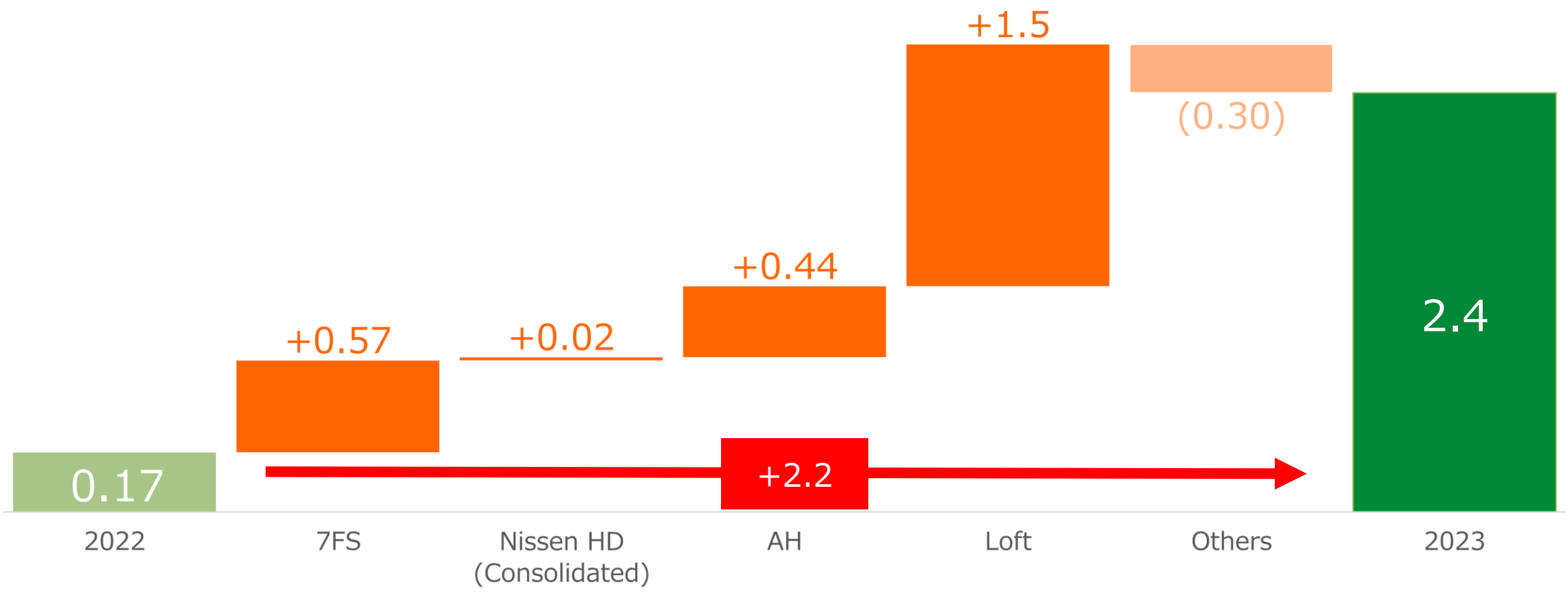


Note) IY: Ito-Yokado, YO: York, YB: York-Benimaru

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1H Others – Change in Operating Income

(Billions of yen)



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

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1H 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	138.9	109.7	+12.3	+4.7	+0.3
7-Eleven, Inc.	166.6	100.3	+0.47	+3.1	+1.0
[Millions of dollar]	[1,234]	[91.5]	[(115)]		
Ito-Yokado	(2.8)	-	(1.1)	+2.0 (SC total)	(0.2)
York-Benimaru	9.2	103.4	+0.30	+2.1	(0.1)

Note) Exchange rate: 1USD = 135.00JPY

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1H Impact of Energy Cost Increase

(Billions of yen)

	Operating income	YOY change	Utility expenses	YOY change
Seven-Eleven Japan	138.9	+12.3	31.5	+1.8
Ito-Yokado	(2.8)	(1.1)	11.5	+0.06
York-Benimaru	9.2	+0.30	5.3	+0.83
Total	145.3	+11.4	48.5	+2.7
Consolidated [reference]	241.1	+6.3	92.7	+8.6

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7-Eleven, Inc.

Trend of merchandise, fuel, SG&A and operating income (YOY growth on a dollar basis)

Merchandise

(%)

	Q4	Q1	Q2
Existing store sales	+3.2	+4.7	+1.7
YOY change in GPM	+0.7	+1.0	+0.9
Change in gross profit	+5.1	+7.4	+4.5

Fuel

(%)

	Q4	Q1	Q2
Fuel sales volume per store	(4.1)	+2.4	(3.5)
YOY change in CPG (¢)	+6.8	(9.3)	+4.0
Change in gross profit	+13.7	(21.0)	+2.0

SG&A, Operating income

(%)

	Q4	Q1	Q2
SG&A	+1.9	+2.2	+0.4
Advertising expenses	(66.6)	(28.9)	(15.6)
Salaries and wages	+1.3	(0.6)	+0.8
Land and building rent	+14.7	+5.8	+5.2
Depreciation and amortization	+7.1	+4.8	+2.1
Utility expenses	+7.4	+7.7	+8.5
Others	+0.1	+3.8	(2.7)
Operating income	+24.3	(38.1)	+14.0

Q2 results

Merchandise	Growth in both sales and gross profit
Fuel	Gross profit increased due to the improvement in CPG despite a decline in fuel sales volume
SG&A	Continue to manage the increase in SG&A by CLC* initiatives under inflationary environment

*Cost Leadership Committee

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FY2023 Consolidated Forecasts (1H and 2H)

(Billions of yen, %)

	1H (Results)				2H			
		YOY	YOY change	vs. Initial plan		YOY	YOY change	vs. Initial plan
Group's total sales	8,693.8	101.2	+103.1	100.4	9,079.1	98.1	(172.8)	103.7
Revenues from operations	5,547.0	98.2	(104.4)	99.9	5,884.9	95.5	(274.8)	105.1
Operating income	241.1	102.7	+6.3	102.2	283.8	104.5	+12.1	102.5
Ordinary income	226.8	103.2	+7.1	103.1	263.1	102.7	+7.0	101.2
Net income attributable to owners of parent	80.2	59.0	(55.8)	58.1	149.7	103.4	+4.8	101.9
EPS (yen)	90.83	58.9	(63.26)	58.1	169.56	103.4	+5.51	101.9
EPS before amortization of goodwill (yen)	156.06	72.9	(58.13)	71.1	237.46	102.6	+5.91	103.1
EBITDA	496.4	106.0	+28.1	102.8	544.1	103.3	+17.1	103.3

Notes) 1. Exchange rate: 1H (Results) 1USD = 135.00JPY, 1CNY = 19.46JPY, FY2023 forecasts 1USD = 137.00JPY, 1CNY = 19.00JPY
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

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FY2023 Forecasts by Operating Segment

(Billions of yen, %)

	Revenues from operations	YOY/Change	Operating income	YOY/Change	EBITDA	YOY/Change
Consolidated	11,432.0	96.8 (379.3)	525.0	103.6 +18.4	1,040.6	104.5 +45.2
Domestics CVS operations	937.0	105.2 +46.7	244.0	105.2 +11.9	334.4	105.3 +16.8
Overseas CVS operations	8,445.0	95.5 (401.1)	310.0	107.0 +20.2	629.3	106.4 +37.8
Superstore operations	1,484.0	102.4 +34.8	14.5	117.0 +2.1	55.2	108.5 +4.3
Financial services	208.0	107.1 +13.7	33.5	90.2 (3.6)	68.4	98.1 (1.3)
Others	424.0	86.8 (64.3)	0.10	3.9 (2.4)	10.8	59.9 (7.2)
Eliminations/corporate	(66.0)	- (9.0)	(77.1)	- (9.7)	(57.5)	- (5.1)

Note) Exchange rate: 1USD=137.00JPY, 1CNY=19.00JPY

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FY2023 Forecasts of Major Operating Companies

(Billions of yen, %)

	Before revision				After revision			
	Operating income		Existing store sales growth	Change in merchandise GPM	Operating income		Existing store sales growth	Change in merchandise GPM
		YOY/ Change				YOY/ Change		
Seven-Eleven Japan	245.0	105.2 +12.1	+2.5	+0.2	245.0	105.2 +12.1	+3.4	+0.2
7-Eleven, Inc.	403.2	101.7 +6.6	+4.5	+0.9	421.6	106.3 +25.0	+1.3	+0.4
[Millions of dollar]	[3,078]	[102.2] [+65]			[3,078]	[102.2] [+65]		
Ito-Yokado	(1.5)	- (1.9)	+2.2*	+0.1	(1.5)	- (1.9)	(Former IY) +2.2* (Former YO) +3.1	+0.1 +0.3
York-Benimaru	18.2	101.0 +0.18	+1.2	+0.3	18.2	101.0 +0.18	+1.2	+0.3

* Figure of SC total
Note) Exchange rate: 1USD = 137.00JPY

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Eliminations/Corporate Expenses and Capex for Group Strategy

(Billions of yen, %)

1H results

	Expenses			Capex		
	Results	YOY change	vs. Initial plan	Results	YOY change	vs. Initial plan
DX, system, security, etc.	(27.3)	(2.4)	+0.19	8.6	(3.4)	(4.3)
Others	(9.7)	(3.2)	+4.1	3.5	(7.1)	(4.9)
Eliminations/Corporate (Operating income)	(37.0)	(5.7)	+4.3	12.2	(10.6)	(9.2)

FY2023 plan

	FY2023 plan	Initial plan	Amount of revision	FY2023 plan	Initial Plan	Amount of revision
DX, system, security, etc.	(52.3)	(52.3)	-	25.5	25.5	-
Others	(24.7)	(23.2)	(1.5)	13.7	13.7	-
Eliminations/Corporate (Operating income)	(77.1)	(75.6)	(1.5)	39.3	39.3	-

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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”

GREEN CHALLENGE 2050 私たちの挑戦で、未来を変えよう。

—FY2050 target—

❶ Reduce CO2 emissions
Target **net zero emissions** through group’s operational management

Aim to reduce through whole supply chain including Scope 3

❷ 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**

❸ Reduce food waste & food waste recycling
Food waste volume **75% reduction**

Food waste recycling rate **100%**

❹ Sustainable sourcing
Raw materials for original merchandise

100% sustainability-sourced materials

TCFD

—Disclosed in June 2020—

* Revised in March 2022

TNFD Taskforce on Nature-related Financial Disclosures

—Preparation in progress—
in 2023

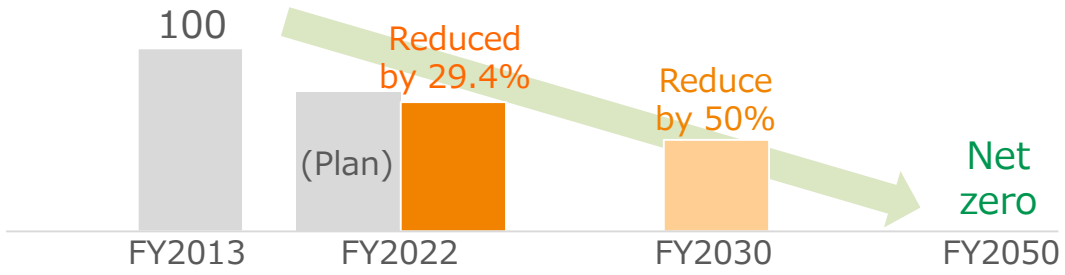
Achieving sustainable society with global perspectives

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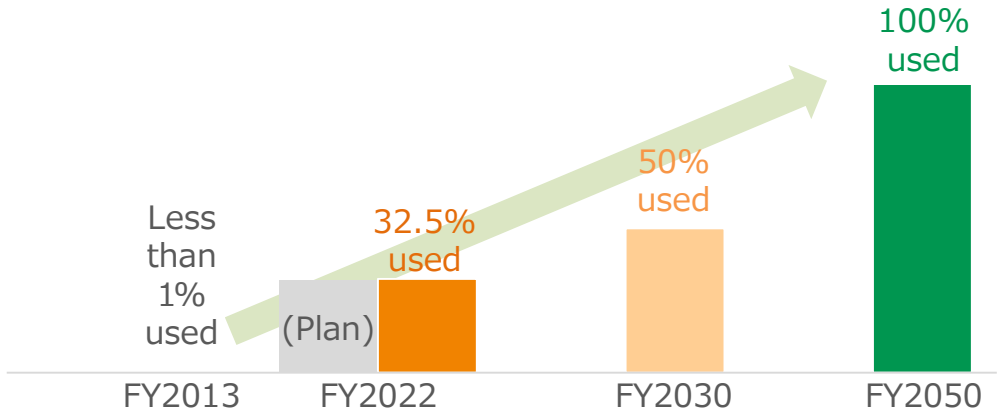
Promotion of Sustainable Management (2)

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

❶ Reduce CO2 emissions

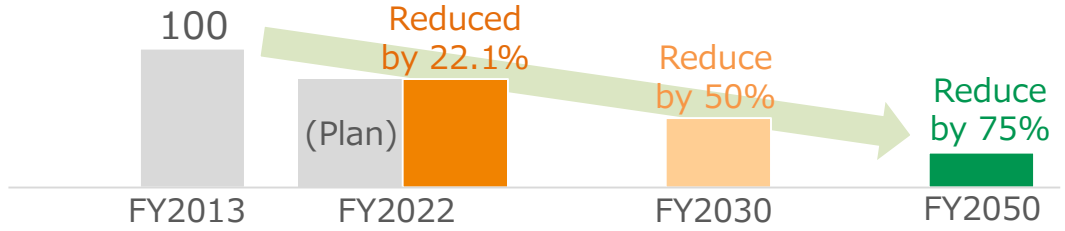


❷ Measures against plastic

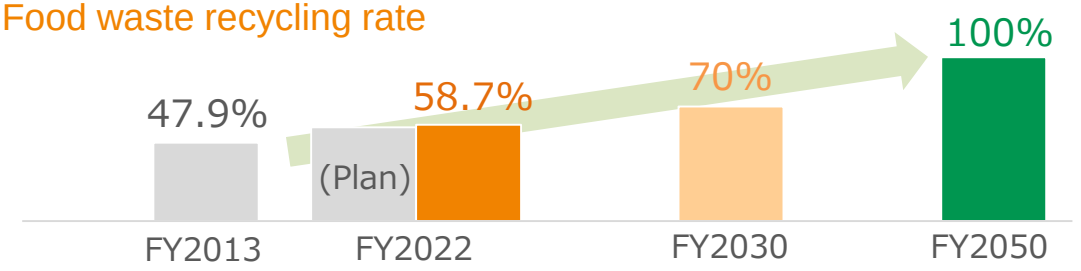


❸ Reduce food waste & food waste recycling

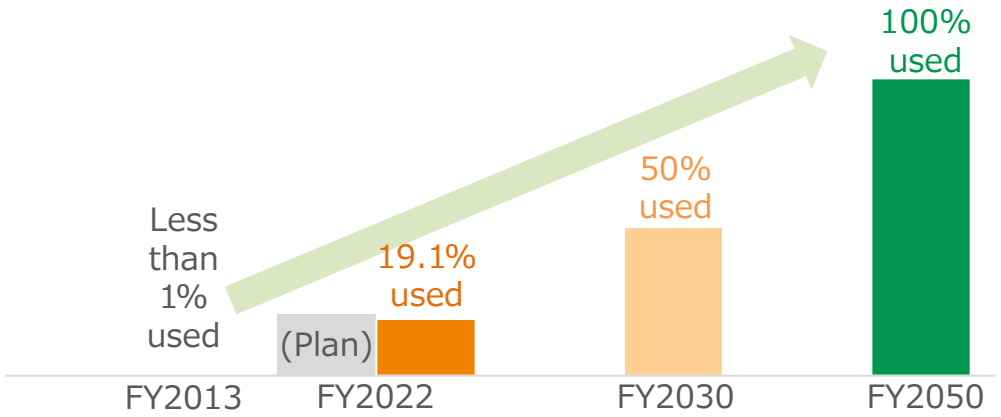
Food waste volume



Food waste recycling rate



❹ Sustainable sourcing



Note) Data subject to all domestic operating companies

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