



Presentation for the Third Quarter of FY2022

[Year Ending February 28, 2023]

January 12, 2023

Yoshimichi Maruyama

Director & Managing Executive Officer

General Manager of the Corporate Finance & Accounting Division

Seven & i Holdings Co., Ltd.

Executive Summary

- ✓ Both revenues and income in Q3 YTD consolidated financial results achieved record highs
- ✓ SEJ income expanded on further growth from existing store sales in Q3
- ✓ SEI income expanded due to strong merchandise and fuel revenues as well as stricter management of expenses and expenditures
- ✓ Speedway has made solid progress in PMI
- ✓ We made an upward revision of full-year forecasts

— TODAY'S

AGENDA

1

Q3 YTD Results

2

Revision of Full-Year
Forecasts

— TODAY'S

AGENDA

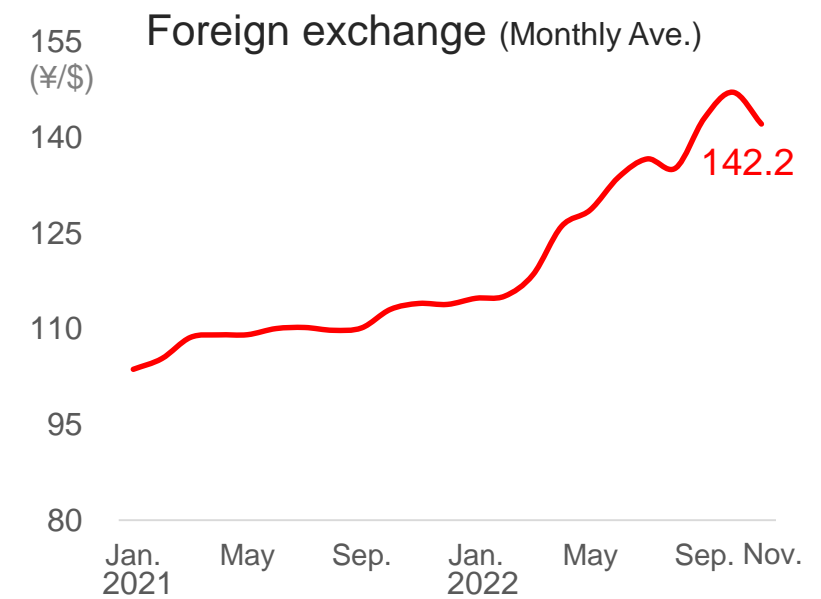
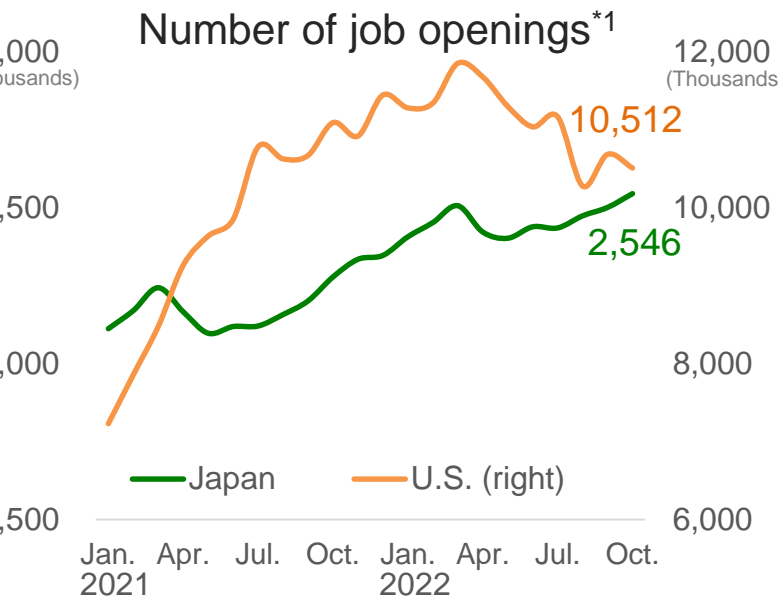
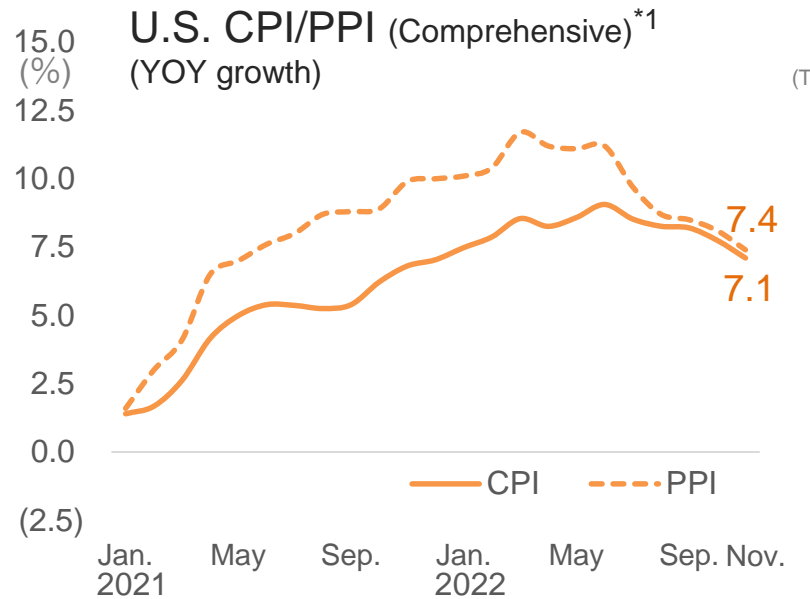
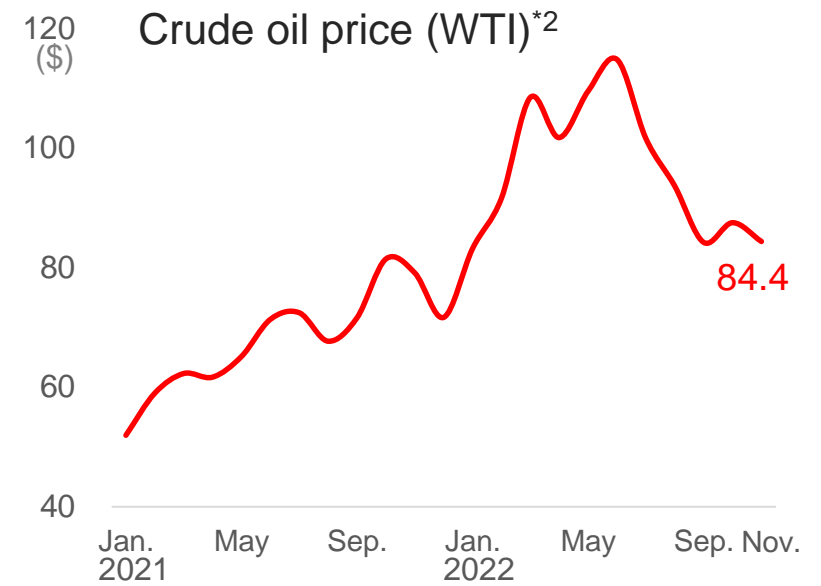
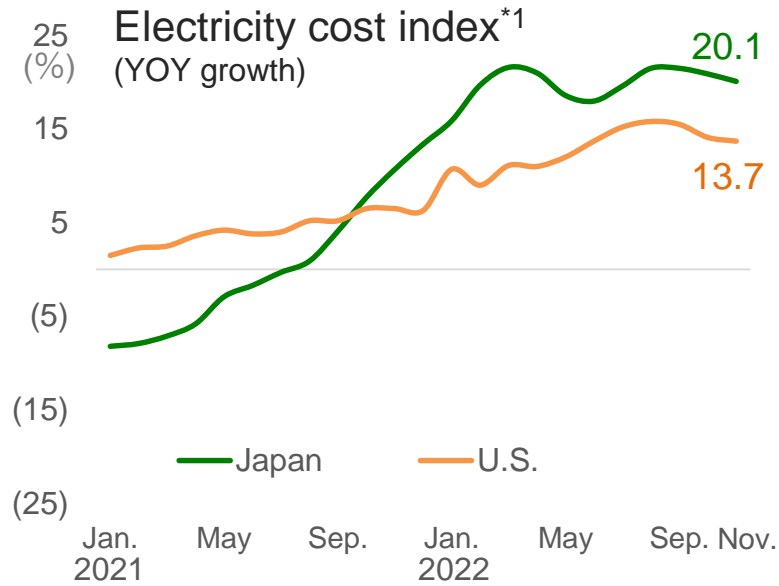
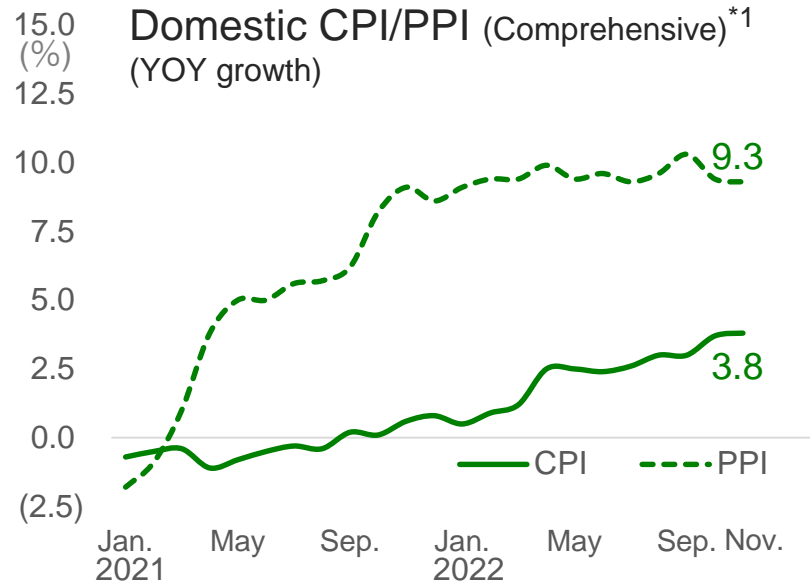
1

Q3 YTD Results

2

Revision of Full-Year
Forecasts

External Environment



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

Q3 YTD Consolidated Results Highlight

(Billions of yen, %)

	Q3 YTD FY2021	Q3 YTD FY2022	YOY	Change	vs. Plan	Change
Group's total sales ^{*1}	10,278.2	13,332.2	129.7	+3,053.9	100.5	+62.9
Revenues from operations	6,149.4	8,823.7	143.5	+2,674.3	100.8	+73.6
Gross revenues from operations [reference]	-	9,319.4	151.5	+3,169.9	100.5	+44.0
Operating income	302.9	394.8	130.4	+91.9	106.0	+22.2
Ordinary income	282.1	370.2	131.2	+88.1	106.7	+23.3
Net income attributable to owners of parent	174.8	234.7	134.2	+59.8	109.5	+20.4
EPS (yen)	198.04	265.75	134.2	+67.72	109.5	+23.11
EPS before amortization of goodwill (yen)	251.12	359.21	143.0	+108.09	106.9	+23.05
EBITDA ^{*2}	558.5	755.4	135.3	+196.9	103.4	+24.6

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

*2 Operating income + Depreciation and amortization + Amortization of goodwill

Notes) 1. Exchange rate: 1USD = 128.30JPY, 1CNY = 19.38JPY

2. Consolidated results for Q3 YTD FY2022 are based on figures after applying the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc.
Revenues from operations based on the previous accounting standard are presented as "Gross revenues from operations [reference]."

Q3 YTD Revenues from Operations and Operating Income by Operating Segment



(Billions of yen, %)

	Revenues from operations			Operating income		
		YOY	YOY change		YOY	YOY change
Consolidated	8,823.7	143.5	+2,674.3	394.8	130.4	+91.9
Domestic CVS operations	671.6	101.5	+9.6	185.3	104.6	+8.0
Overseas CVS operations	6,628.2	188.3	+3,107.5	227.5	182.3	+102.7
Superstore operations	1,064.8	79.6	(272.1)	1.2	12.8	(8.8)
Department store and specialty store operations	337.3	66.1	(172.9)	(0.79)	-	+9.4
Financial services	145.7	99.8	(0.23)	29.9	98.9	(0.33)
Others	18.8	132.8	+4.6	(0.17)	-	(0.16)
Eliminations/corporate	(42.9)	-	(2.2)	(48.2)	-	(18.9)

Note) Exchange rate : 1USD = 128.30JPY, 1CNY = 19.38JPY

Q3 YTD Impact of Energy Cost Increase

Rising energy cost continues to affect profit in Q3

(Billions of yen)

	Operating income		Utility expenses ^{*1}	
		YOY change		YOY change
Seven-Eleven Japan	185.6	+8.5	47.3	+12.9
Ito-Yokado	(5.6)	(3.1)	13.6	+4.7
York-Benimaru ^{*2}	11.9	(2.0)	7.1	+2.4
Sogo & Seibu	(1.3)	+5.0	4.6	+1.2
Total	190.7	+8.4	72.7	+21.4
Consolidated [reference]	394.8	+91.9	136.6	+47.5

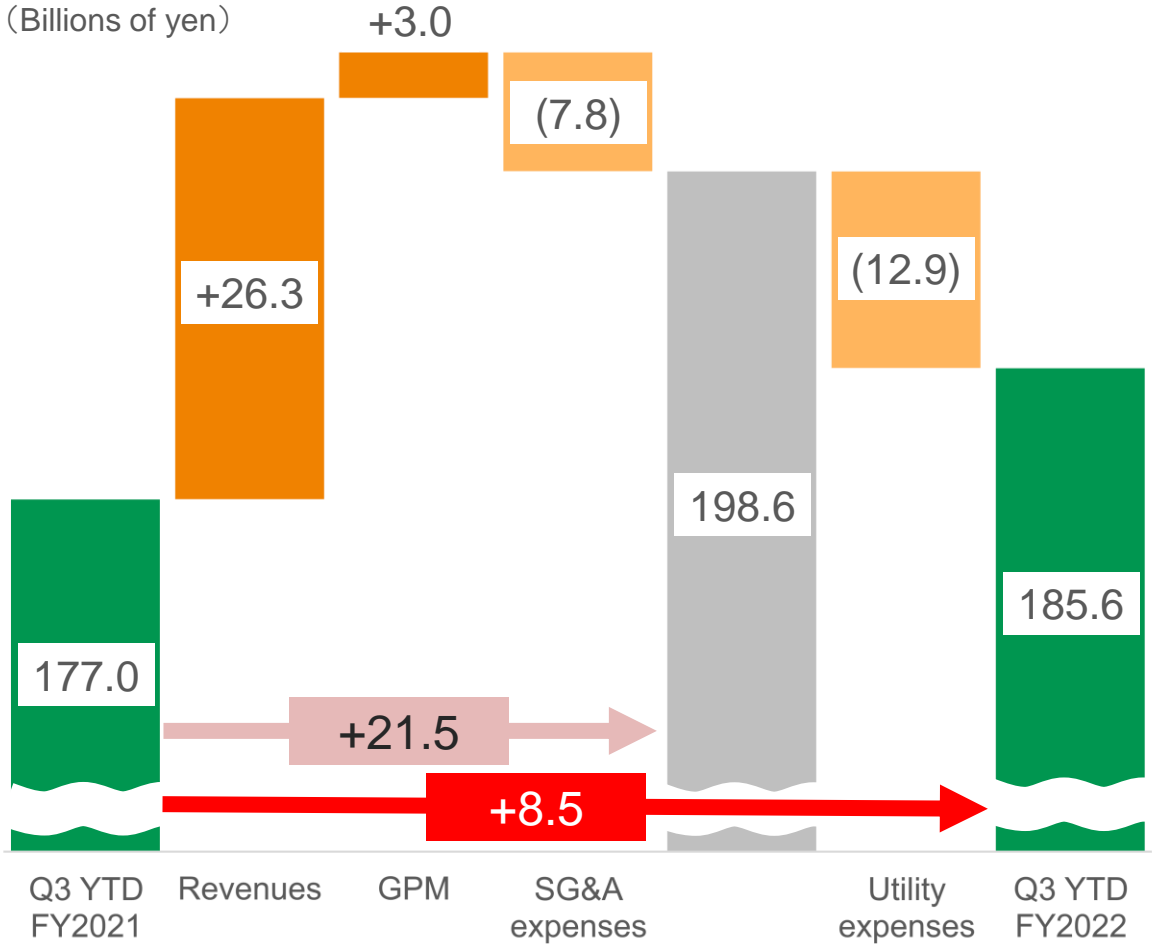
*1. Impact of "Accounting Standard for Revenue Recognition" is excluded for the figures of Ito-Yokado and Sogo & Seibu

*2. Include the business of formerly Life Foods

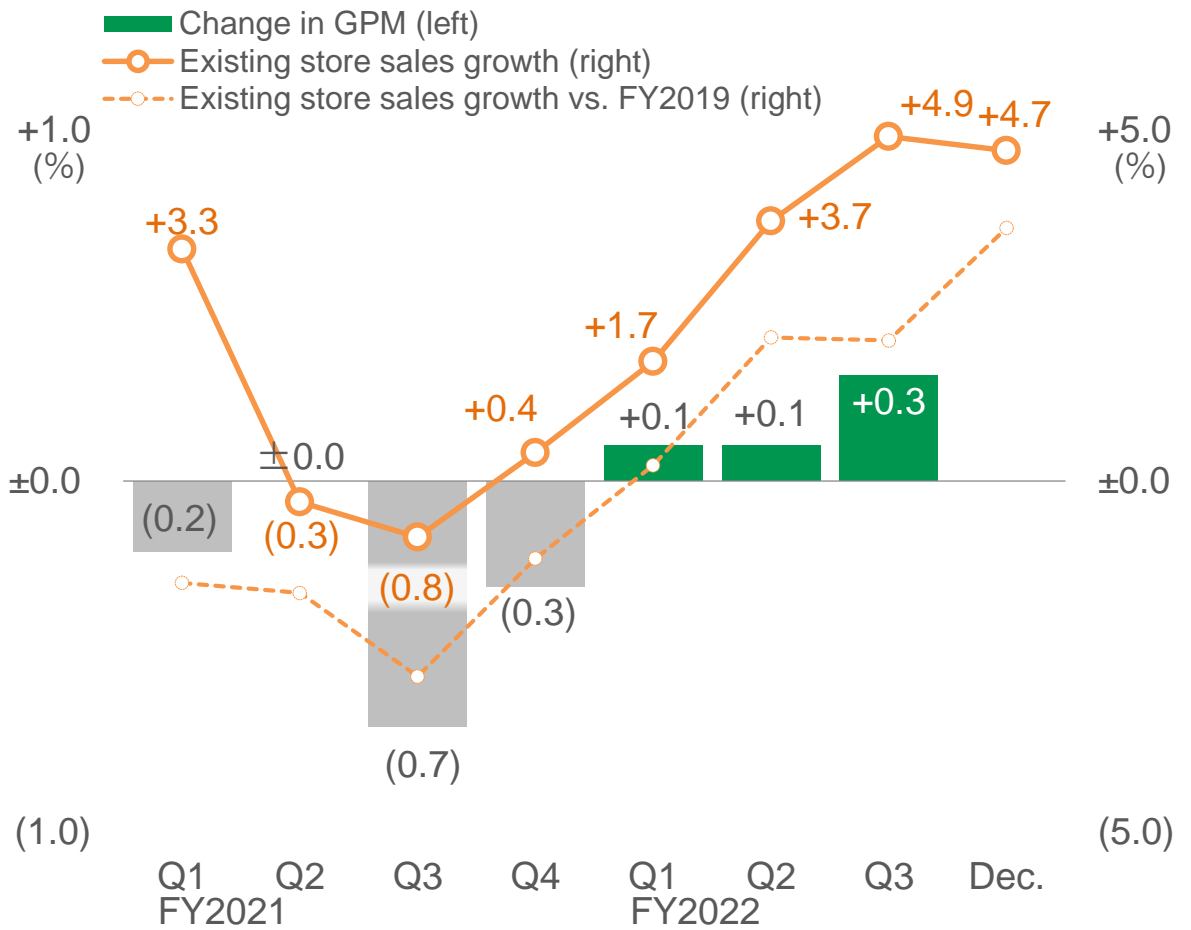
Seven-Eleven Japan (1)

Energy cost increase has been absorbed by the expansion of merchandise assortments and the effect of various fair events resulted in acceleration in profit growth

Change in operating income



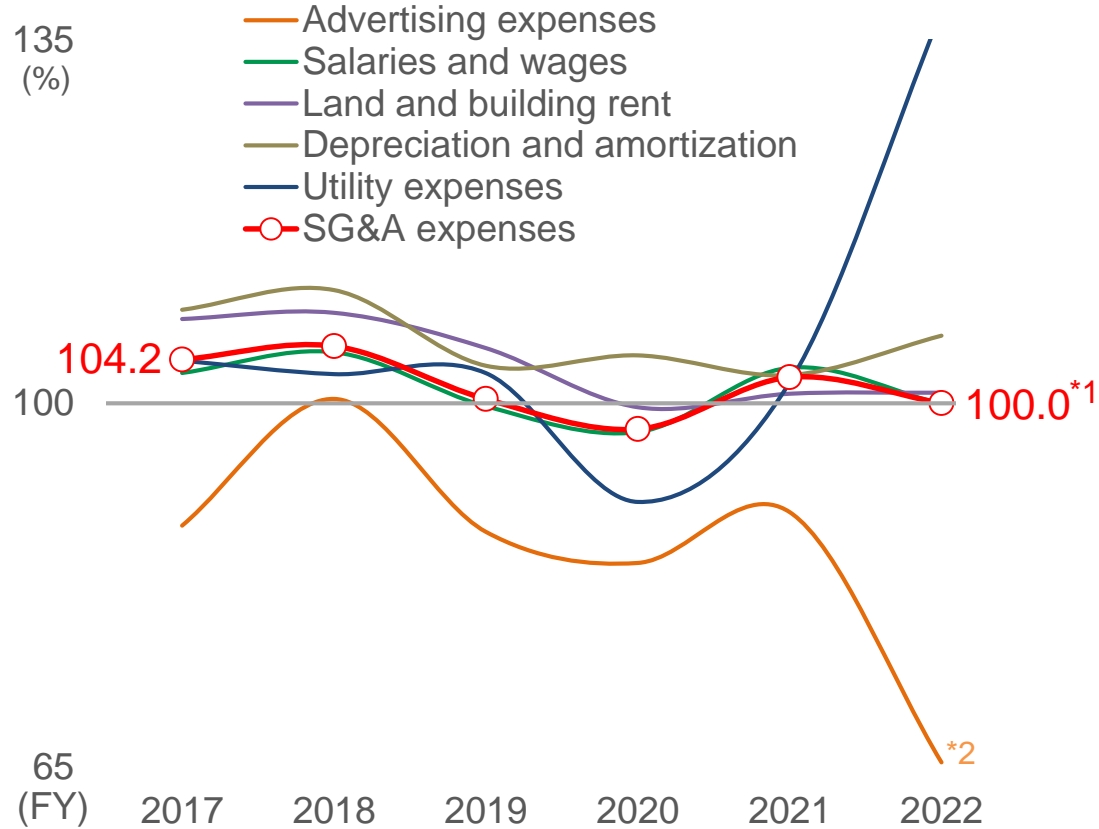
Existing store sales and GPM



Seven-Eleven Japan (2)

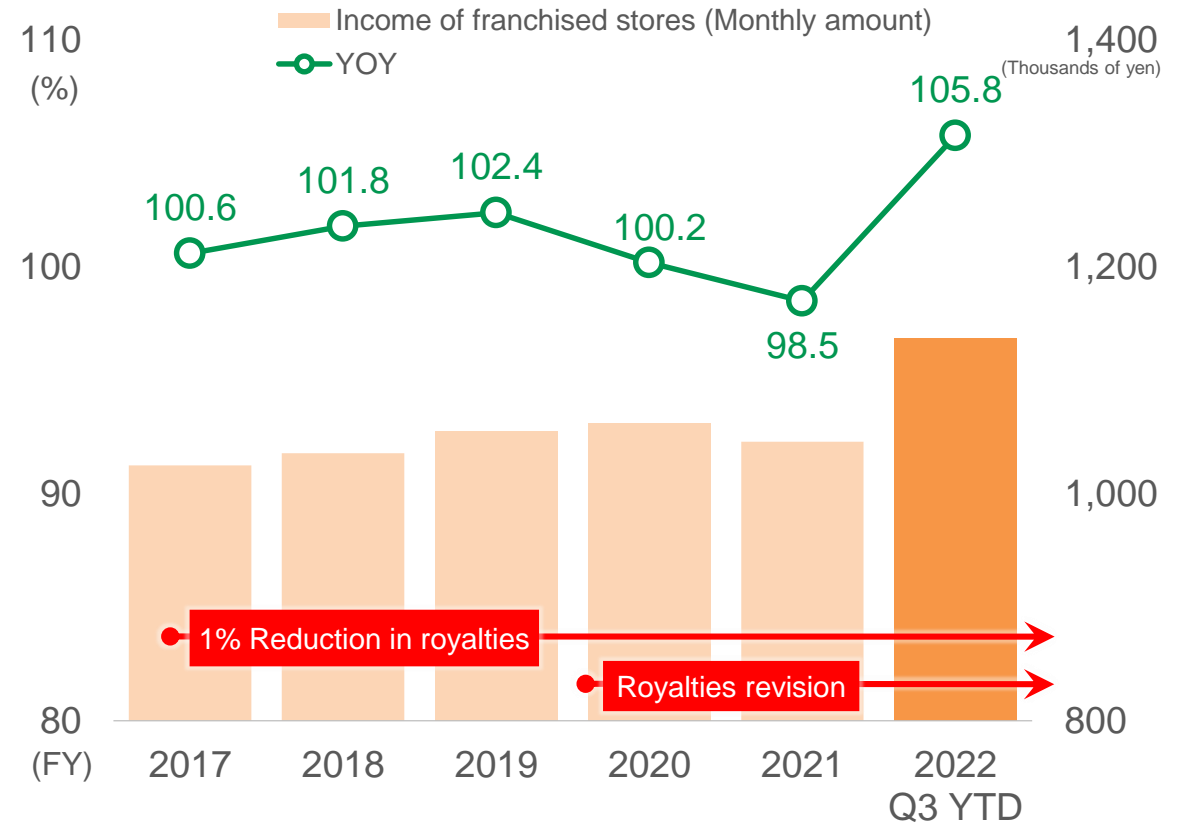
Income of franchised stores grows steadily despite the impact of the external environment

Q3 YTD YOY SG&A expenses



Figures before applying the "Accounting Standard for Revenue Recognition"	SG&A expenses (*1)	104.9%
	Advertising expenses (*2)	99.2%

Income YOY franchised stores



Seven-Eleven Japan (3)

Continue holding fairs to stimulate motivation of store visit

Balance of value and price

Merchandise assortment responding to diverse needs

Effects on average daily sales per store



Price range



Value range

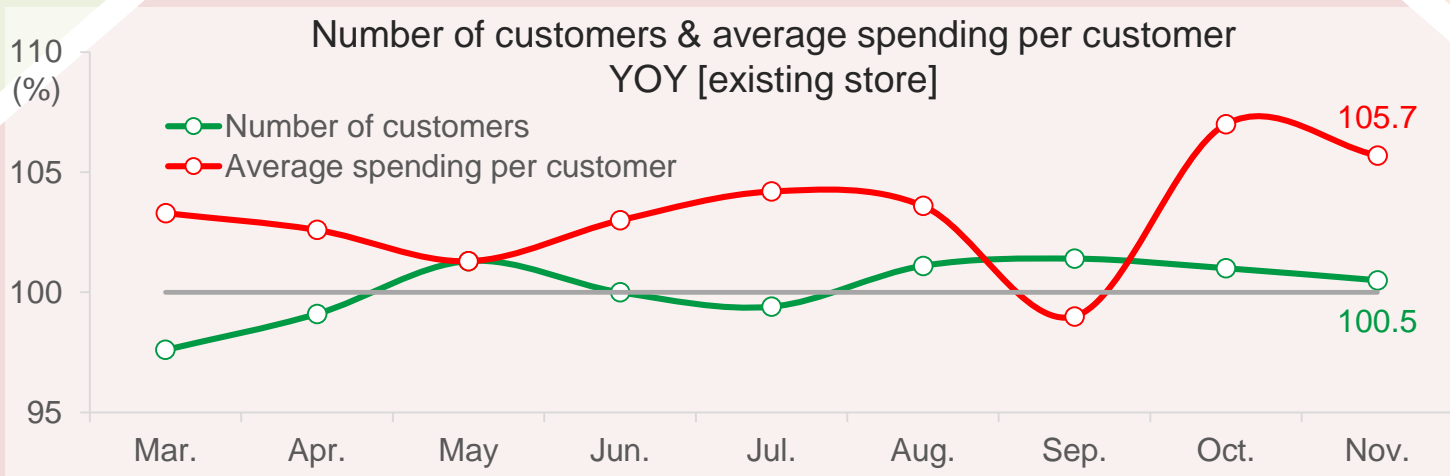


number of items/store (difference between implemented and not implemented stores*)

Approx. +90 items

* Excluding special stores Including room temperature merchandise

Number of customers & average spending per customer YOY [existing store]

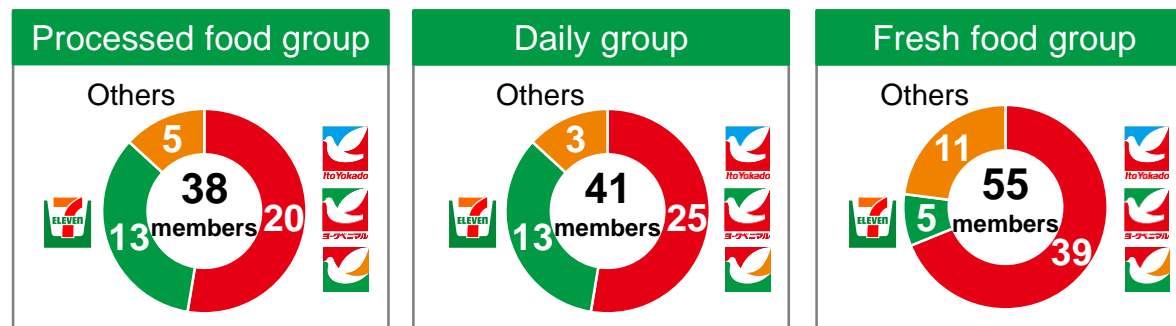
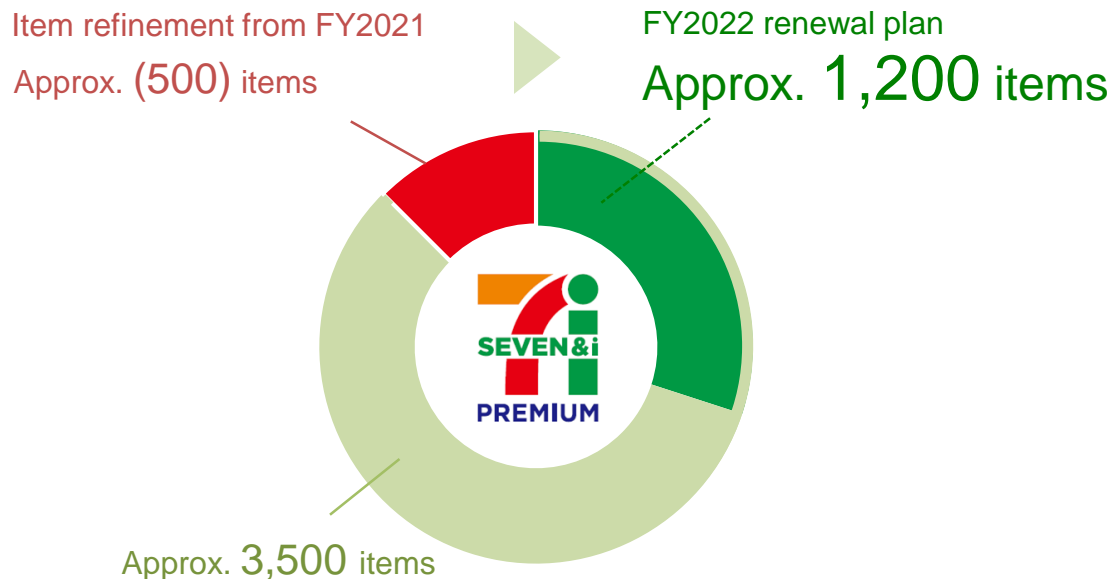


Seven-Eleven Japan (4)

Seven Premium: Further improvement of value and price advantage by narrowing down items and renewal

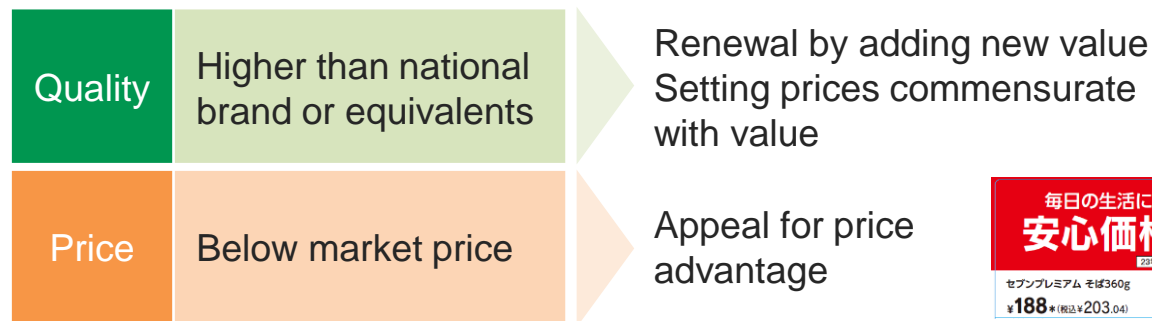
Review the merchandise assortments and initiatives for improvement

Seven Premium (food) development organization*



* As of Mar. 2022

Practical use for features of *Seven Premium*



Renewal of main merchandise
(As of the end of Nov.)

Number of items
933

Progress
77.8%

Seven-Eleven Japan (5)

Sales enhanced due to rising support for *Seven Premium*

Changes in single merchandise sales top 10*
(instant noodles sales volume in descending order)

Per store sales volume per day for Nov. 22-28, 2021

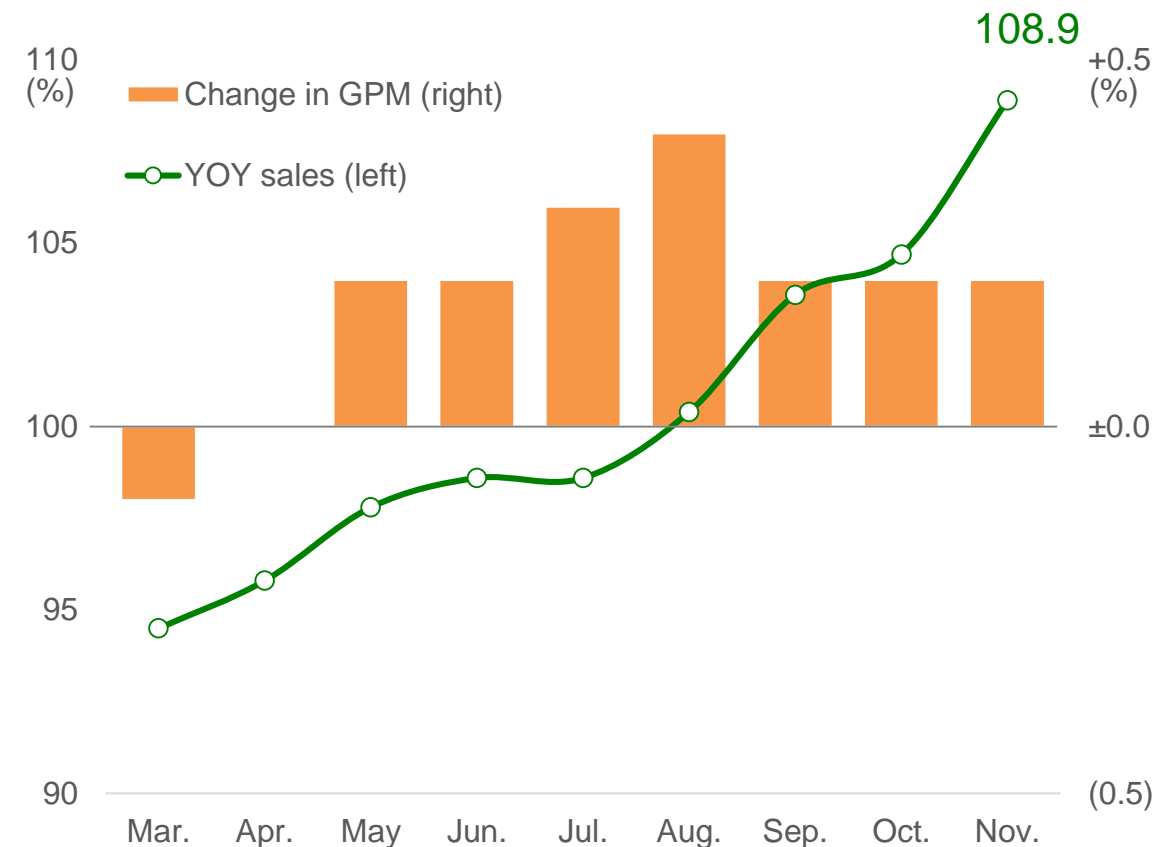
	Merchandise name	Sales price
1	<i>Seven Premium</i> Moukotanmen-Nakamoto Spicy Miso	200
2	Ramen YouTuber SUSURU Wants to Eat: Menya Rokutousei Thick Pork Bone Soy Sauce	228
3	<i>Seven Premium</i> Soba with Tempura (cup)	128
4	<i>Seven Premium</i> Moukotanmen-Nakamoto Hard-hitting Cheese	208
5	Maruchan Mini-wonton Soy Sauce Noodles	109



Per store sales volume per day for Nov. 21-27, 2022

	Merchandise name	Sales price
1	<i>Seven Premium</i> Moukotanmen-Nakamoto Spicy Miso	200
2	<i>Seven Premium</i> Moukotanmen-Nakamoto Tomato and Cheese	208
3	<i>Seven Premium</i> Soba with Tempura	118
4	<i>Seven Premium</i> Curry Noodles	118
5	<i>Seven Premium</i> Soy Sauce Noodles	118
6	<i>Seven premium</i> Seafood Noodles	118
7	<i>Seven Premium</i> Soba with Tempura (bowl)	118
8	<i>Seven Premium</i> Udon with Meat	128
9	NISSIN BIG CUP NOODLE SEAFOOD NOODLE	245
10	Kinseisohonke Mufu Scorched Miso Ramen	198

Seven Premium SEJ sales and GPM

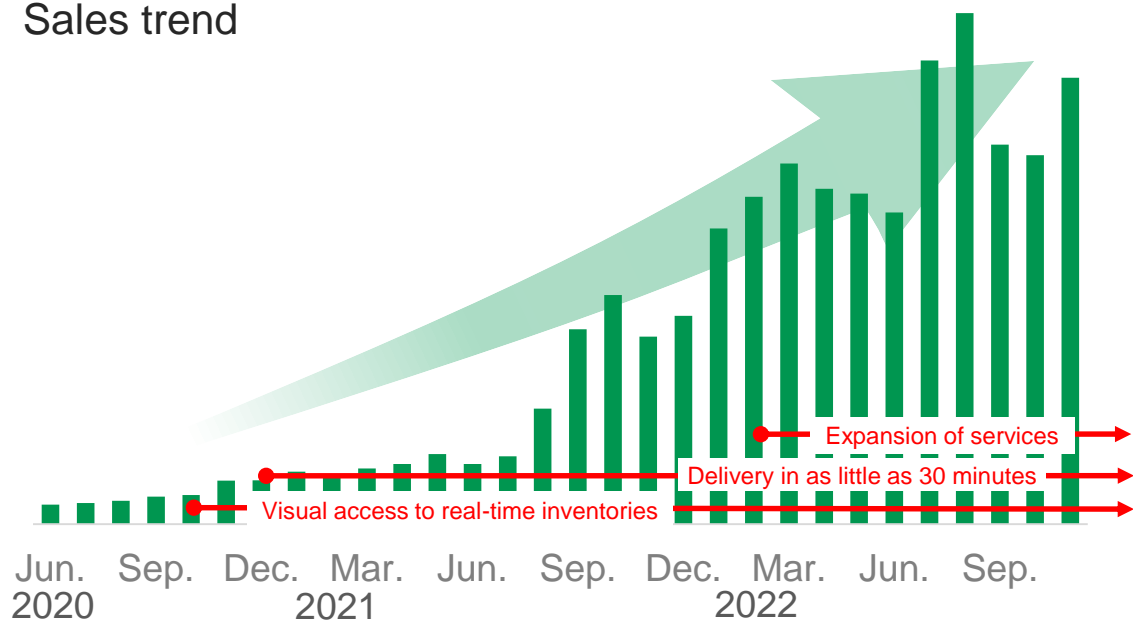


Accelerate growth by enhancing assortment of merchandise that meet the changing needs

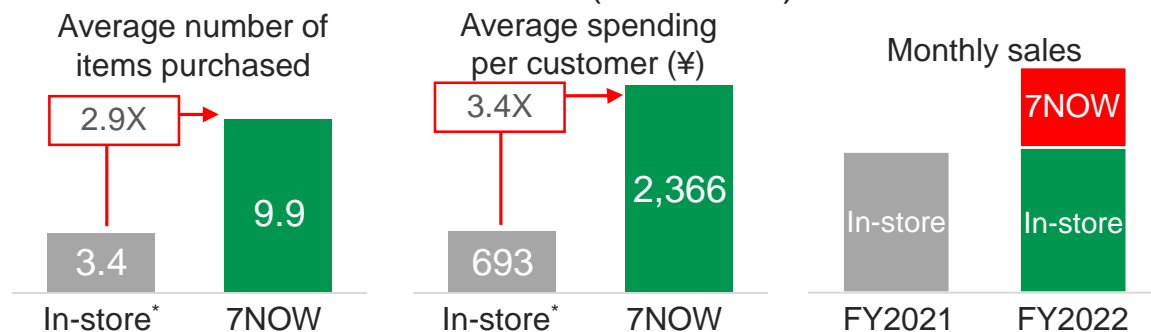
Seven Eleven Japan (6)

7NOW sales grow steadily

Sales trend



Features of 7NOW results (Nov. YTD)



* 7iD membership results

Progress on schedule for 7NOW nationwide expansion

Improvement of store operations

- Order terminal operability
- Store employee training

Improvement of logistics network

- Preparation for expansion into new areas
- Strengthening of system integration

Number of stores

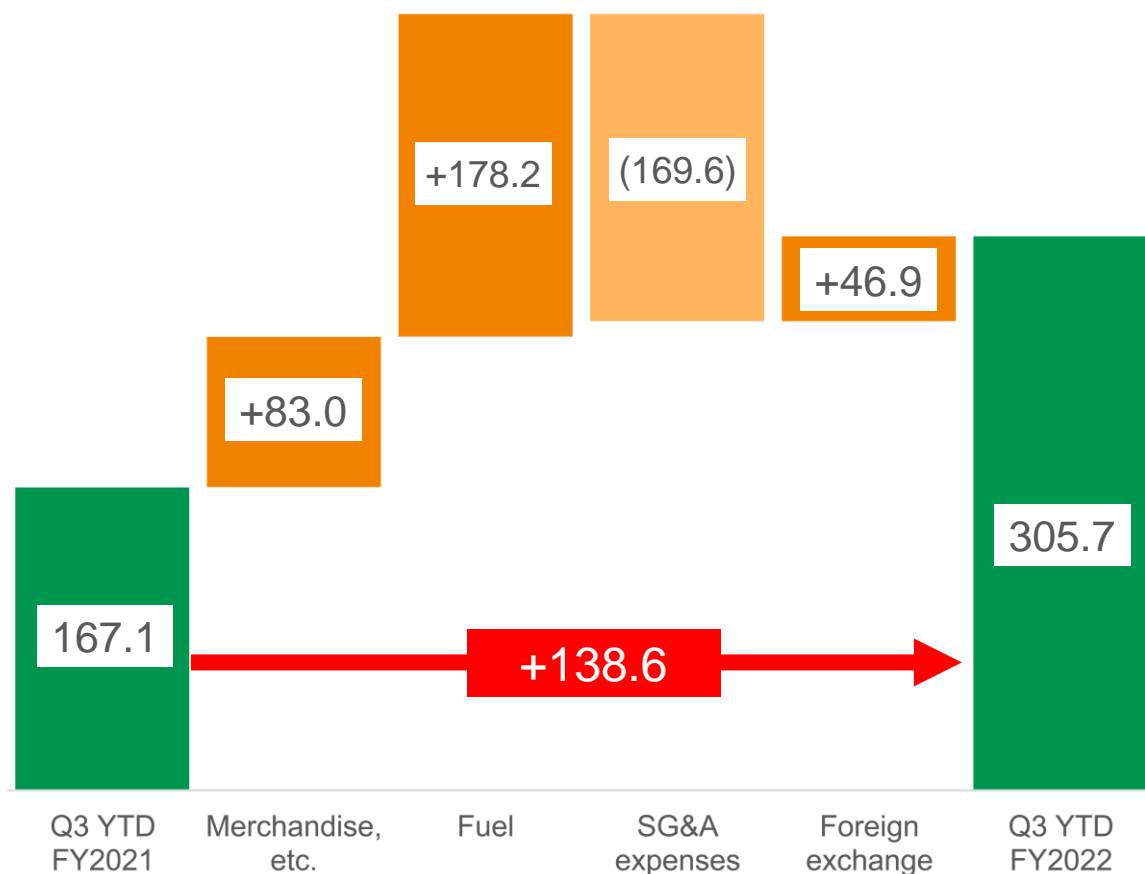
End of Nov. 2022	1,401 stores
End of Feb. 2023	Approx. 5,000 stores
	⋮
FY2024	Roll out nationwide

7-Eleven, Inc. (1)

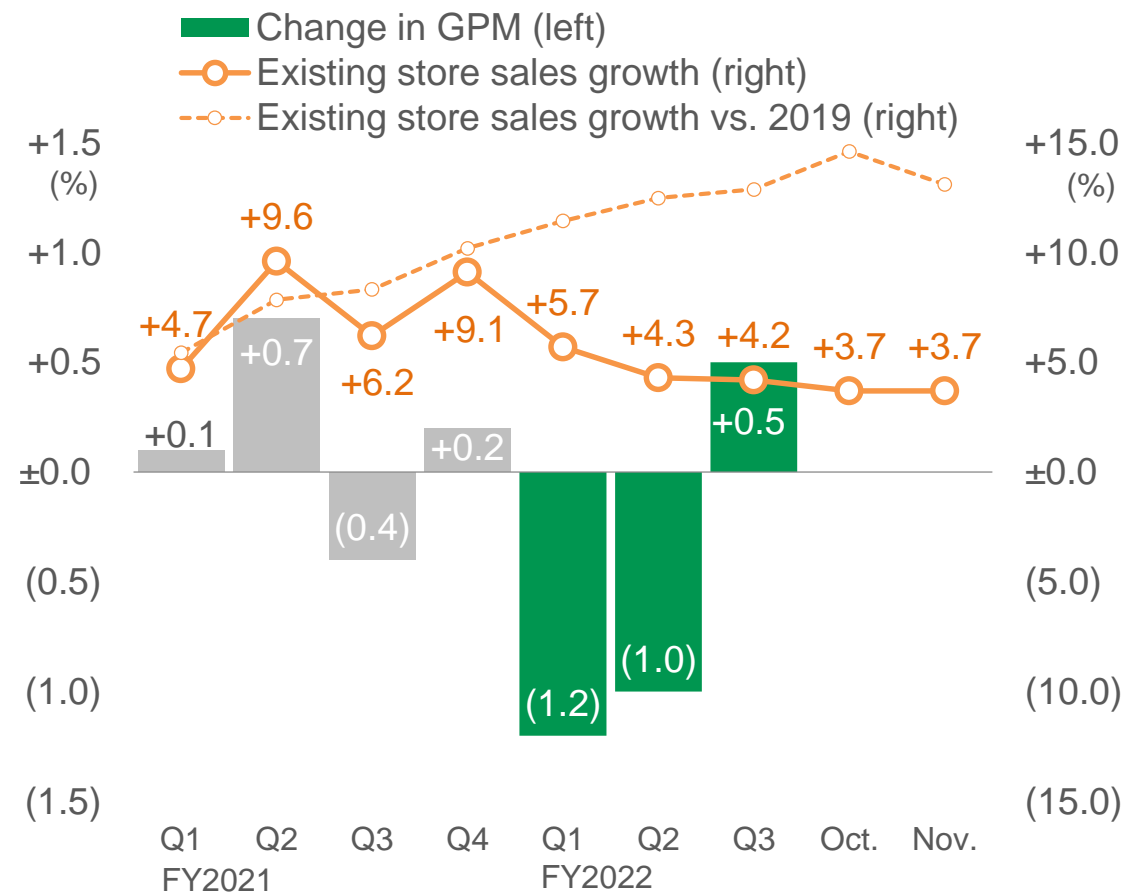
SEI has made a significant increase in operating income due to Speedway integration effect, strong fuel GP growth and stricter management of expenses and expenditures

Change in operating income

(Billions of yen)



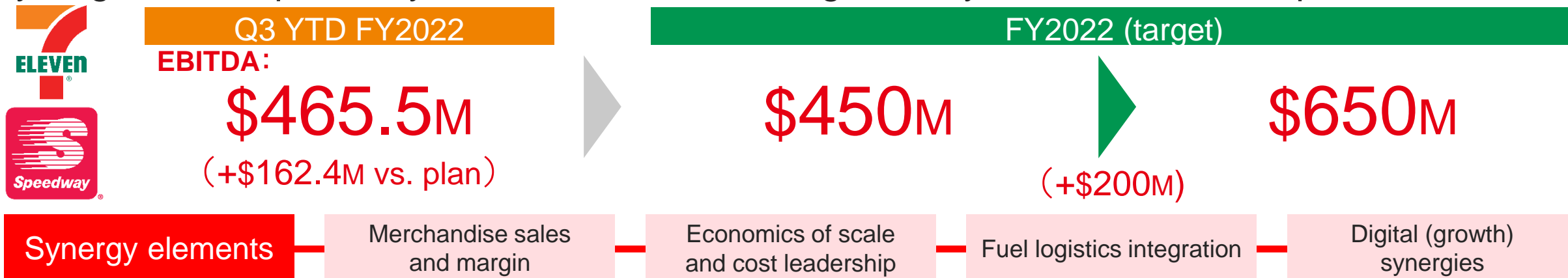
Existing store sales growth and GPM



Note) Figures of existing store sales do not include Speedway through Q2 FY2022 but include it in Q3, Oct. and Nov. 2022

7-Eleven, Inc. (2)

Synergies with Speedway have been materializing steadily, much faster than planned



Speedway keeps growing steadily after 1 year of its acquisition (Jul.-Sep. 2022 YOY growth)

Merchandise			SG&A	
Existing store sales	Change in GPM	Gross profit	+3.5%	<ul style="list-style-type: none"> Practical use in economics of scale Personnel optimization Promote CLC* initiatives
+4.2%	+0.5%	+5.0%		
<ul style="list-style-type: none"> Develop differentiated merchandise Introduce merchandise to Speedway Strong supply chain 				
Fuel			Operating income	In-store photo of Speedway
Fuel sales volume per store	Change in CPG	Gross profit	+27.0%	
(6.4)%	+9.1 ¢	+19.6%		
<ul style="list-style-type: none"> Gross profit increased due to high CPG to cover the decrease in fuel sales volume 				

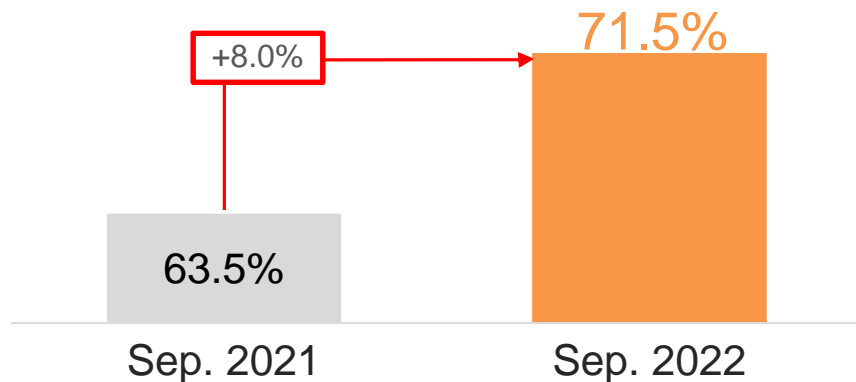
* Cost Leadership Committee

7-Eleven, Inc. (3)

Realize resilient operations to environmental changes

Stable supply system of merchandise through the practical use of consolidated distribution center

Composition of supply stores by consolidated distribution center



Fresh food & proprietary beverage sales YOY

Sep. 2022 YTD

114.6%

Preparations for the start of operations at the Virginia and Ohio commissaries in FY2023 and beyond are progressing on schedule

Improve profitability by expanding private brand with high GP

High-quality

- Enhancing core merchandise
- Expanding merchandise assortment

Appropriate pricing

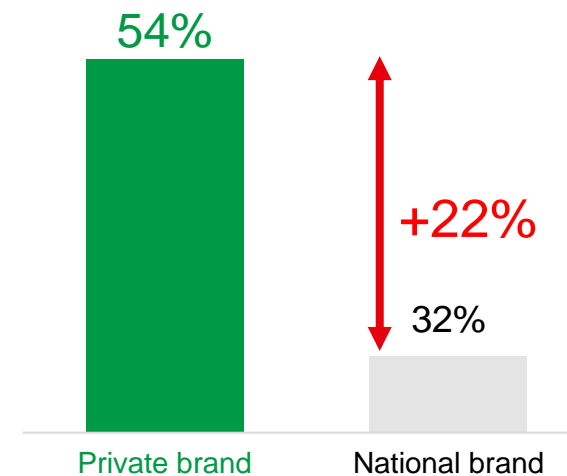
- Providing high-quality merchandise with the appropriate price

Merchandise innovation

- Differentiated merchandise development

Number of private brand items

GPM comparison



936 +150

End of Sep. 2022 FY2023 (plan)

Profitability has been improved steadily by CLC initiatives

Results for CLC initiatives

Promote short-term reductions and long-term efficiency improvements

- | | |
|-------------------------|---------------------------------|
| ✓ Communication Network | ✓ Procurement of store supplies |
| ✓ Financial Services | ✓ Personnel Optimization |
| ✓ Building Equipment | ✓ Store Management |
| ✓ Merchandise | ✓ Digital Marketing |

Savings and cost avoidance

Q3 FY2022 YTD

FY2022 (forecast)

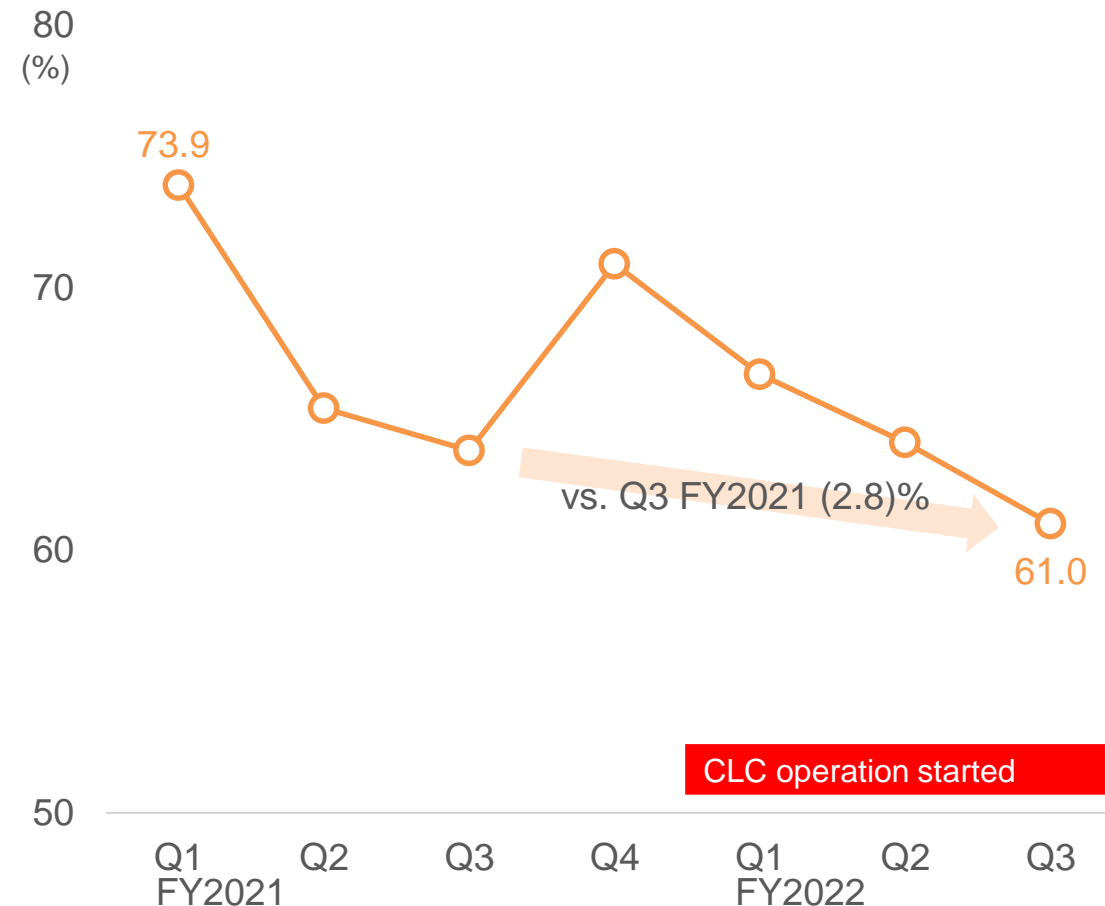
Approx.

\$175M

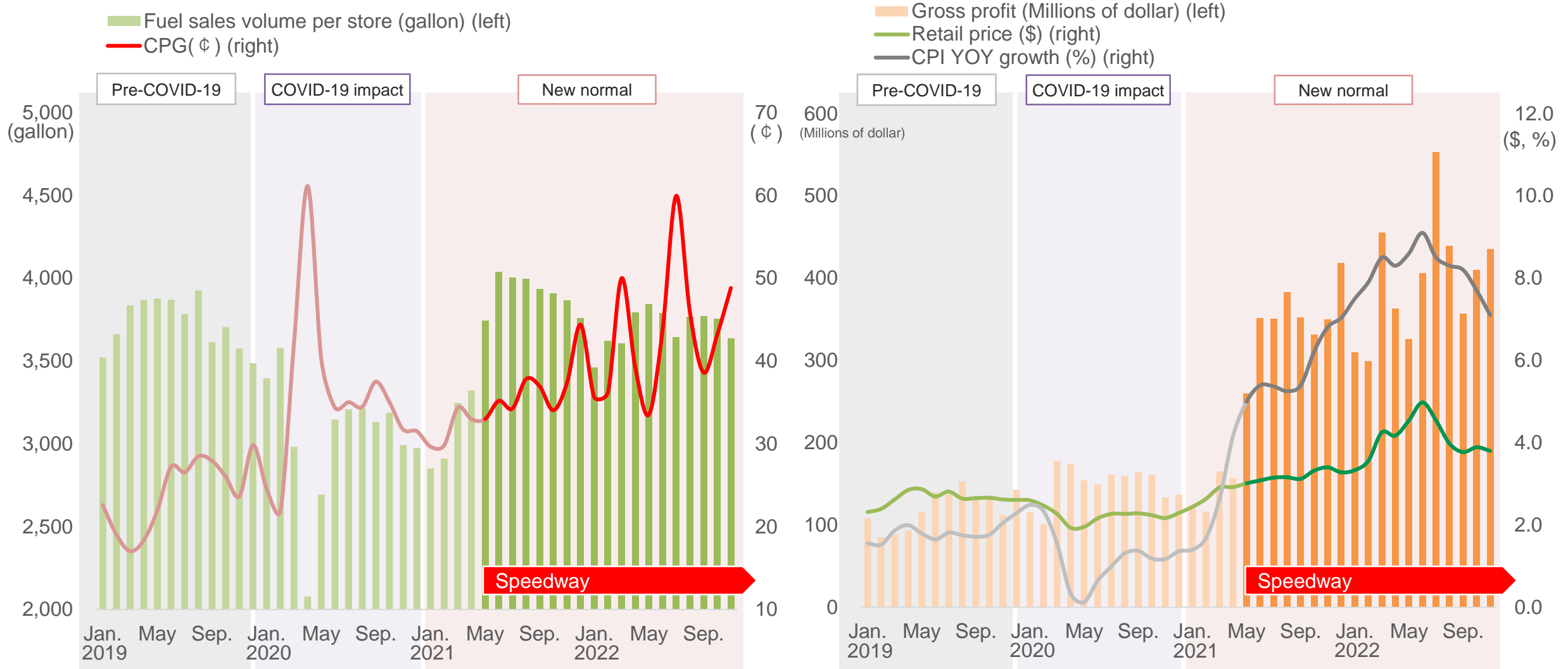
Approx.

\$265M

SG&A/total gross profit trend



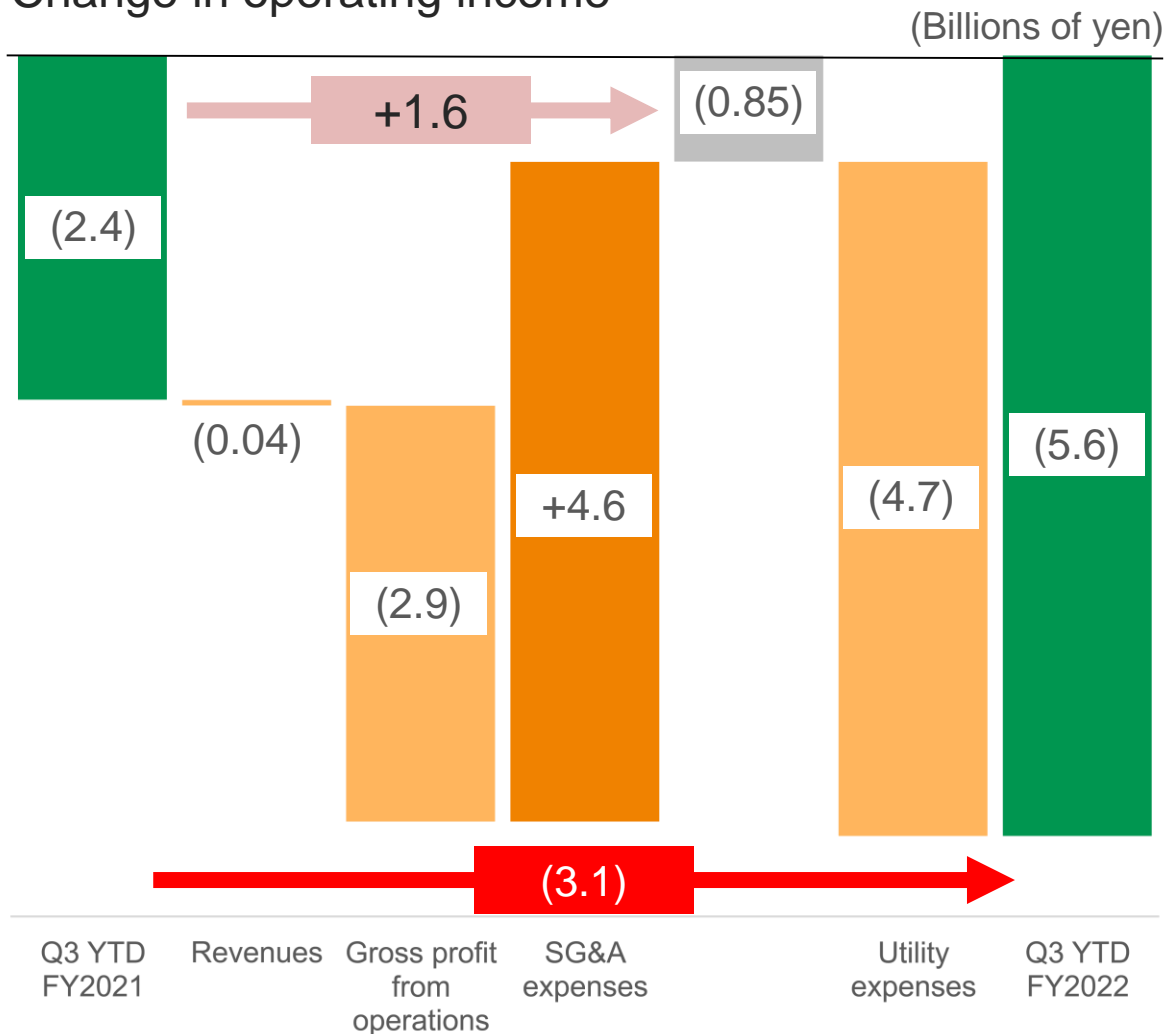
Fuel business is shifting to new normal after COVID-19 impact



Note) Fuel related indices indicate the figures of retailing

Although structural reform effects were confirmed, operating income decreased due to rising raw material and energy prices

Change in operating income

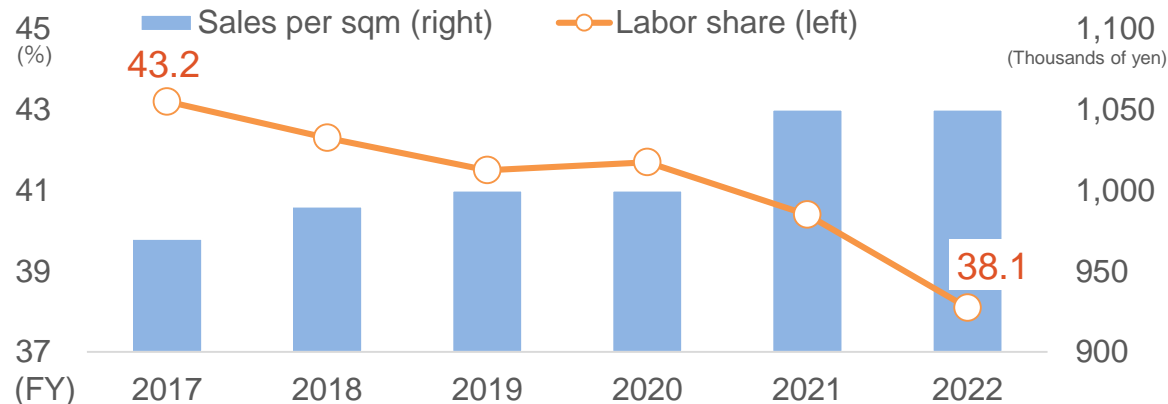


Effects of store structural reform initiatives

(%)

	Structurally reformed stores (80 stores)	Other stores (45 stores)	Existing stores (incl. tenants)
YOY sales	102.2	98.2	101.1
YOY number of customers	103.5	98.3	102.4

Results of productivity improvement initiatives (Q3 YTD)



Promote efficiency through DX-based initiatives and personnel optimization

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

Food waste volume	75% reduction
Food waste recycling rate	100%

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



— Committed since —
March 2021



Taskforce on Nature-related
Financial Disclosures

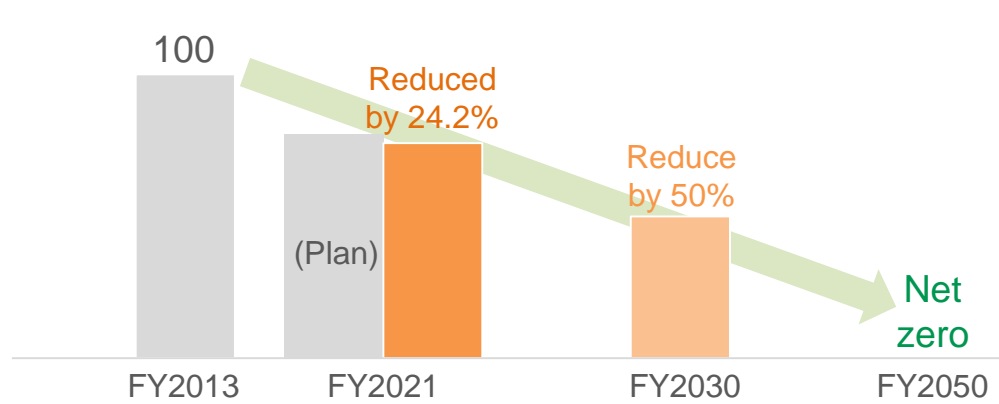
— Preparation in progress —
in 2023

Achieving sustainable society with global perspectives

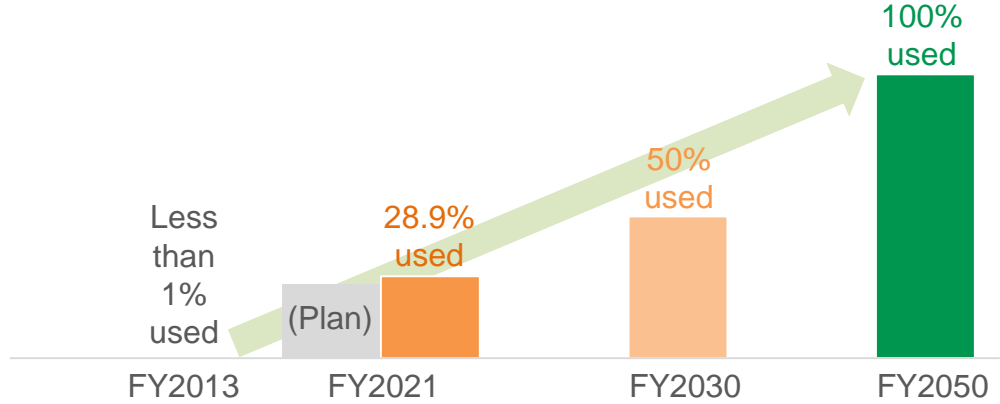
Promotion of Sustainable Management (2)

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

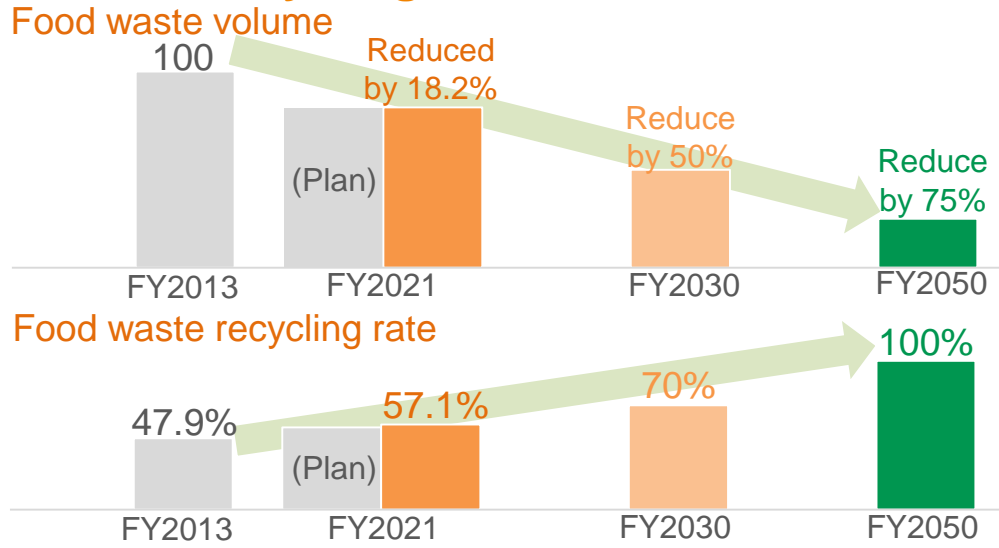
① Reduce CO2 emissions



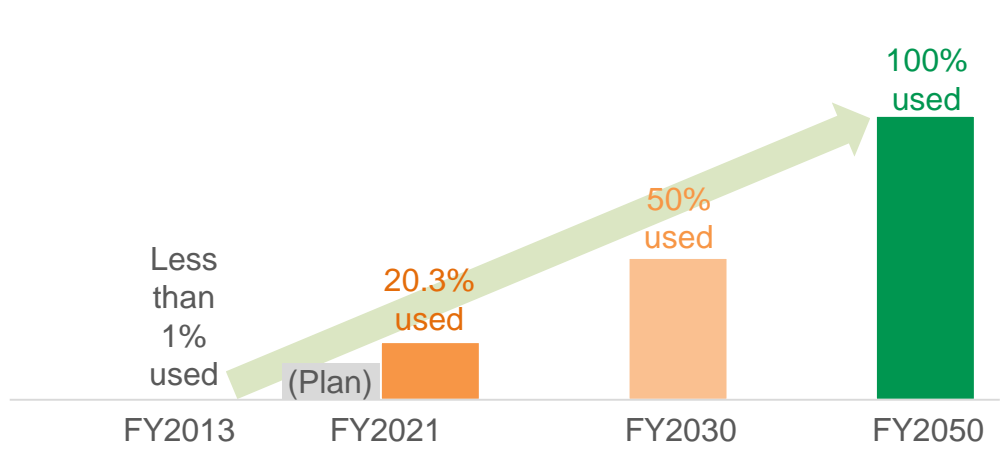
② Measures against plastic



③ Reduce food waste & food waste recycling



④ Sustainable sourcing



— TODAY'S

AGENDA

1

Q3 YTD Results

2

Revision of Full-Year
Forecasts

FY2022 Revised Consolidated Forecasts

(Billions of yen, %)

	Before revision	After revision		Amount of revision	
		YOY	YOY change		
Group's total sales	17,685.0	17,829.0	125.2	+3,585.7	+144.0
Revenues from operations	11,646.0	11,812.0	135.0	+3,062.2	+166.0
Gross revenues from operations [reference]	12,365.0	12,498.0	142.8	+3,748.2	+133.0
Operating income	477.0	500.0	129.0	+112.3	+23.0
Ordinary income	442.4	467.5	130.4	+108.9	+25.1
Net income attributable to owners of parent	264.0	280.0	132.8	+69.2	+16.0
EPS (yen)	298.92	317.03	132.8	+78.35	+18.12
EPS before amortization of goodwill (yen)	426.30	444.07	139.0	+124.67	+17.78
EBITDA	964.6	985.5	131.1	+234.0	+20.9

Notes) 1. There are no changes in exchange rate: 1USD=131.00JPY, 1CNY=19.00JPY

2. Consolidated forecasts for FY2022 are based on figures after applying the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. Revenues from operations based on the previous accounting standard are presented as "Gross revenues from operations [reference]."

3. Financial figures do not include the result of the transfer of Sogo & Seibu's shares announced on November 11, 2022.

FY2022 Revised Forecasts of Operating Income by Operating Segment

(Billions of yen, %)

	Before revision	After revision			Amount of revision
			YOY	YOY change	
Consolidated	477.0	500.0	129.0	+112.3	+23.0
Domestic CVS operations	230.3	231.7	103.7	+8.3	1.4
Overseas CVS operations	263.6	286.6	179.3	+126.7	+23.0
Superstore operations	14.9	13.2	70.2	(5.5)	(1.7)
Department and specialty store operations	3.0	0.70	-	+8.8	(2.3)
Financial services	36.3	37.1	98.8	(0.44)	+0.80
Others	0.70	(0.40)	-	(0.28)	(1.1)
Eliminations/corporate	(71.8)	(68.9)	-	(25.2)	+2.9
Dollar basis [reference]					
					(Millions of dollar, %)
Overseas CVS operations	2,012	2,187	150.4	+733	+175

Notes) 1. There are no changes in exchange rate: 1USD=131.00JPY, 1CNY=19.00JPY

2. Financial figures do not include the result of the transfer of Sogo & Seibu's shares announced on November 11, 2022

FY2022 Revised Forecasts of Operating Income of Major Operating Companies



(Billions of yen, %)

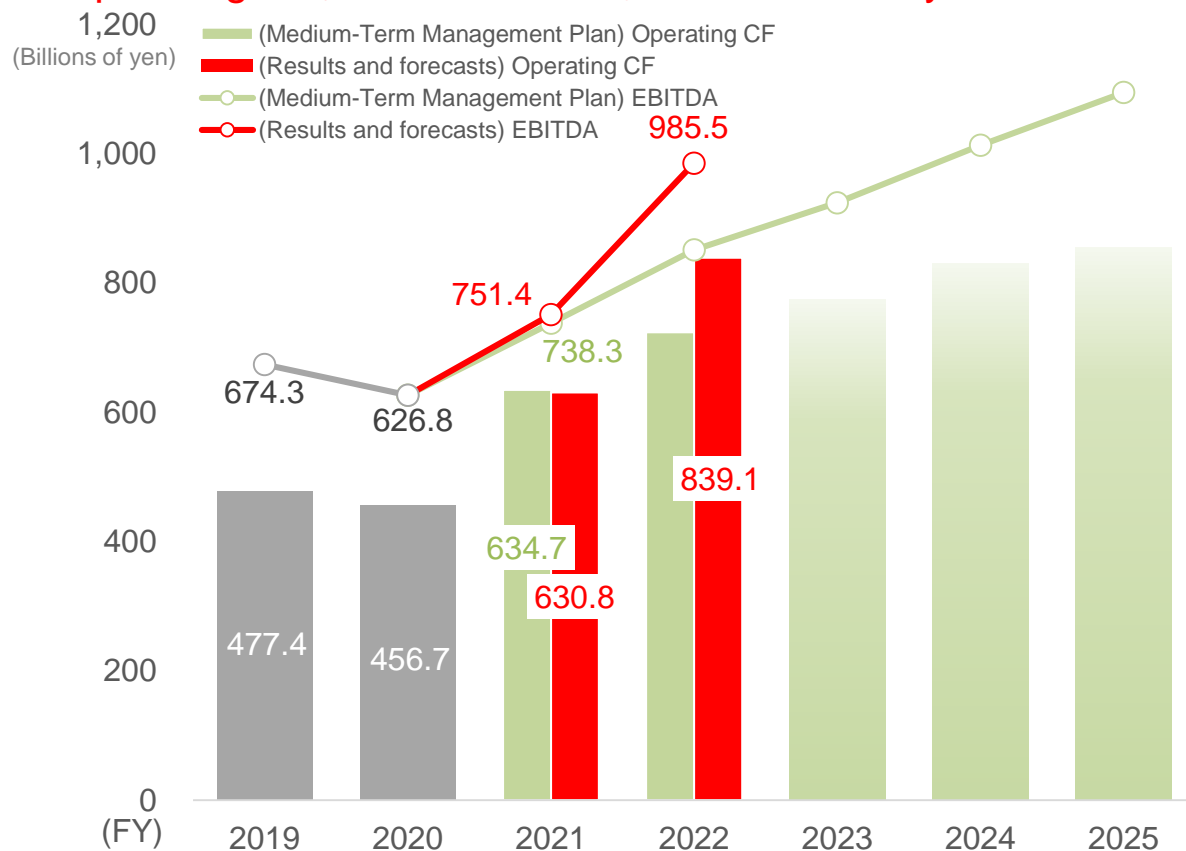
	Before revision			After revision				
	Operating income	Existing store sales growth	Change in merchandise GPM	Operating income			Existing store sales growth	Change in merchandise GPM
				YOY	YOY change			
Seven-Eleven Japan	230.0	+2.5	+0.2	232.0	104.0	+8.9	+3.5	+0.2
7-Eleven, Inc.	371.0	+4.1	(0.4)	393.0	174.8	+168.1	+4.5	(0.2)
[Millions of dollar]	[2,832]			[3,000]	[146.6]	[+953]		
Ito-Yokado	1.0	+1.2 (incl. tenants)	+0.3	1.0	61.7	(0.62)	+1.2 (incl. tenants)	+0.3
York-Benimaru	19.0	+0.1	+4.6	19.0	129.2	+4.2	+0.1	+4.6
Sogo & Seibu	3.0	+12.6	+0.4	3.0	-	+6.5	+12.6	+0.4

Progress of Consolidated Financial KPI

EBITDA・CF from operating activities

【Until FY2025】

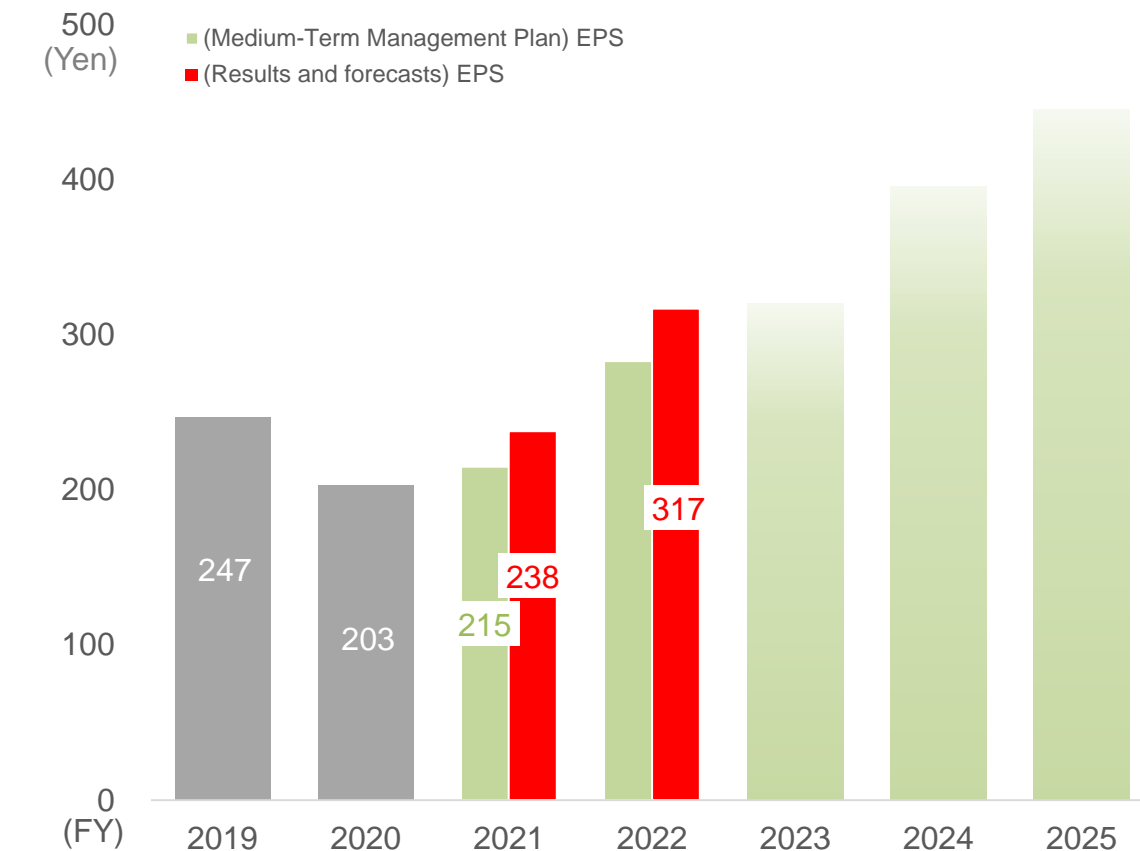
EBITDA 1 trillion of yen or more
Operating CF(excl. financial services)*1 800 billion of yen or more



EPS

【FY2021-2025】

Aim for **EPS growth rate 15% or more***2



*1 Operating CF: Management accounting figures based on NOPAT
 Notes) 1. Exchange rate: Medium-Term Management Plan: 1USD=107JPY (FY2021), 1USD=105JPY (FY2022-2025)
 Results and forecasts: 1USD=109.9JPY(FY2021), 1USD=131JPY (FY2022)
 2. Effects of sale leaseback are excluded from the figures of Medium-Term Management Plan

*2 Estimated by CAGR (Compound Annual Growth Rate) for FY2020

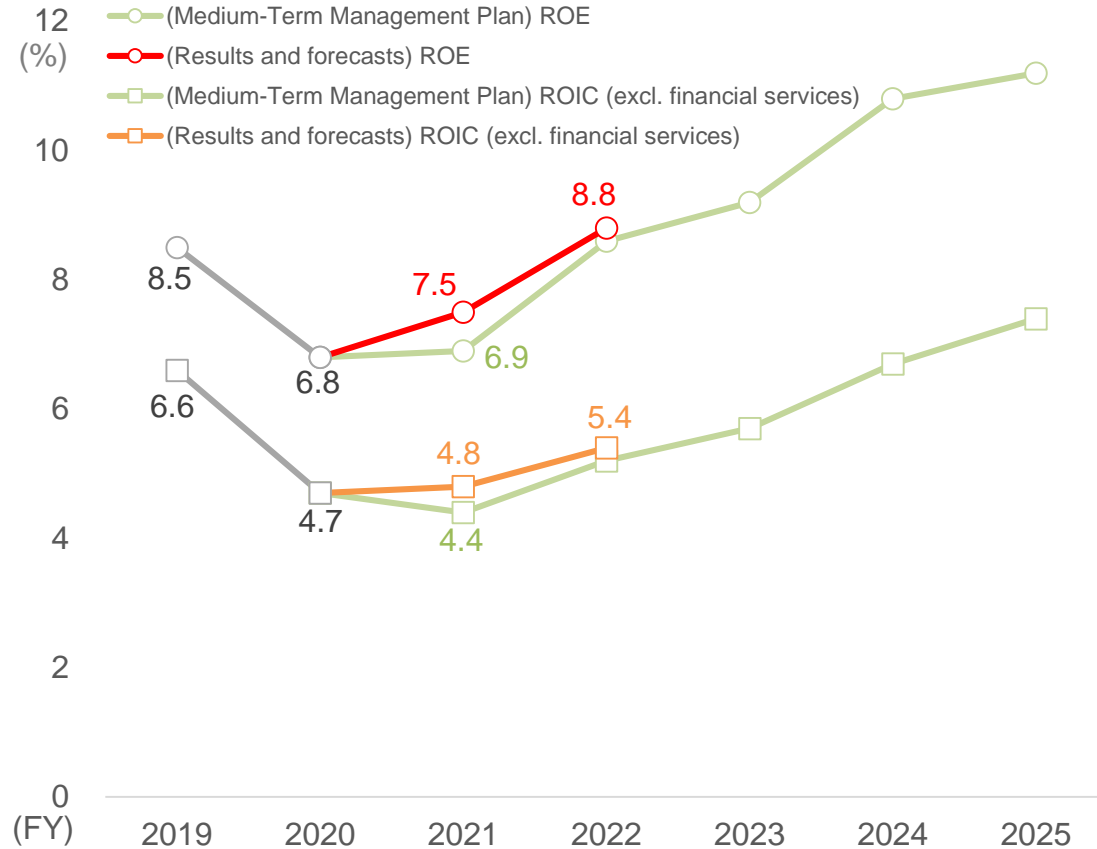
Progress of Consolidated Financial KPI

ROE · ROIC

【Until FY2025】

ROE 10% or more

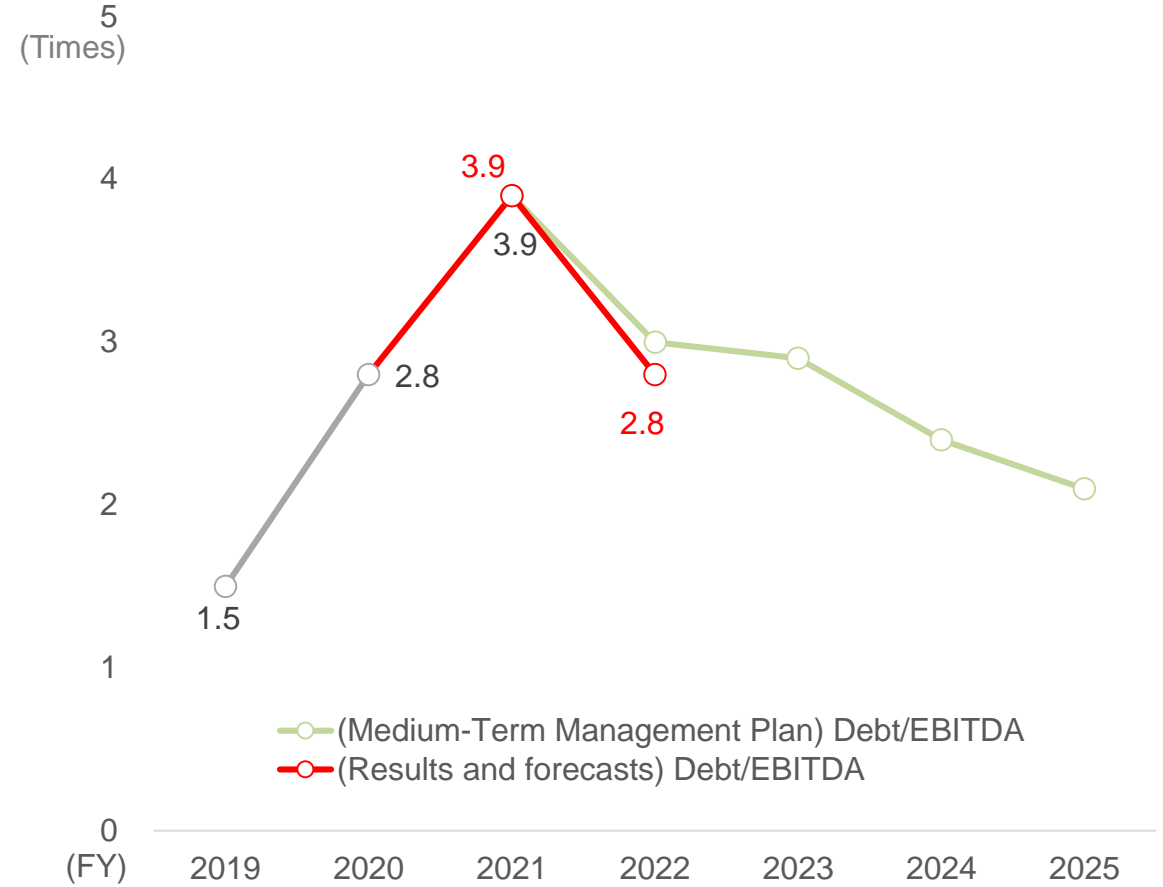
ROIC 7% or more (excl. financial services)



Debt/EBITDA Ratio

【FY2025】

Below 2.0 times



Note) Effects of sale leaseback are excluded from the figures of Medium-Term Management Plan

Status of Consideration on the Group Strategy at the BOD

- We are continuing discussions on strategic initiatives which contribute to Group corporate value enhancement considering the efficiency and the growth of each business under the new BOD/governance framework after the announcement of the Management Message on April 7, 2022.
 - ✓ We assigned independent outside advisors to pursue Group growth strategy focused on CVS business.
 - ✓ While we view maximizing Group synergy originated by “Food” as a basic strategic direction, the discussion about strategic alternatives including superstore business and drastic Group business structure reform is ongoing, without ruling out all possibilities.
- Based on the above-mentioned discussion, we plan to announce the results of Group strategy re-evaluation by March 10, 2023.





Appendix

Consolidated B/S Summary (As of Nov. 30, 2022)

(Billions of yen)

Assets (Main items only)	As of Feb.28, 2022	As of Nov. 30, 2022	Change	Liabilities and net assets (Main items only)	As of Feb.28, 2022	As of Nov. 30, 2022	Change
Current assets	2,604.7	2,948.9	+344.2	Total liabilities	5,591.5	7,084.4	+1,492.9
Cash and bank deposits	1,420.6	1,511.8	+91.1	Current liabilities	2,480.7	3,068.3	+587.6
Cash and bank deposits at Seven Bank	934.6	895.5	(39.1)	Notes and accounts payable, trade	483.9	616.5	+132.6
Notes and accounts receivable - trade, and contract assets	365.7	460.9	+95.2	Short-term loans	140.1	141.7	+1.6
Merchandise and finished goods	246.5	314.1	+67.5	Current portion of bonds and current portion of long-term loans	181.2	378.6	+197.4
Non-current assets	6,132.6	7,951.1	+1,818.5	Contract liabilities	-	209.7	+209.7
Property and equipment	3,232.3	4,590.7	+1,358.4	Lease obligations	20.4	136.1	+115.7
Buildings and structures, Net	1,527.8	1,711.6	+183.7	Deposits received in banking business	787.8	772.2	(15.5)
Land	1,119.7	1,258.6	+138.8	Non-current liabilities	3,110.8	4,016.0	+905.2
Right-of-use assets, net	10.8	955.3	+944.5	Bonds	1,582.9	1,642.8	+59.9
Intangible assets	2,140.0	2,578.2	+438.2	Long-term loans	994.3	994.2	(0.12)
Investments and other assets	760.3	782.1	+21.8	Lease obligations	36.5	900.7	+864.1
Deferred assets	1.8	1.2	(0.55)	Total net assets	3,147.7	3,817.0	+669.2
Total assets	8,739.2	10,901.4	+2,162.1	Total liabilities and net assets	8,739.2	10,901.4	+2,162.1

Consolidated Results Highlight (1H and Q3)

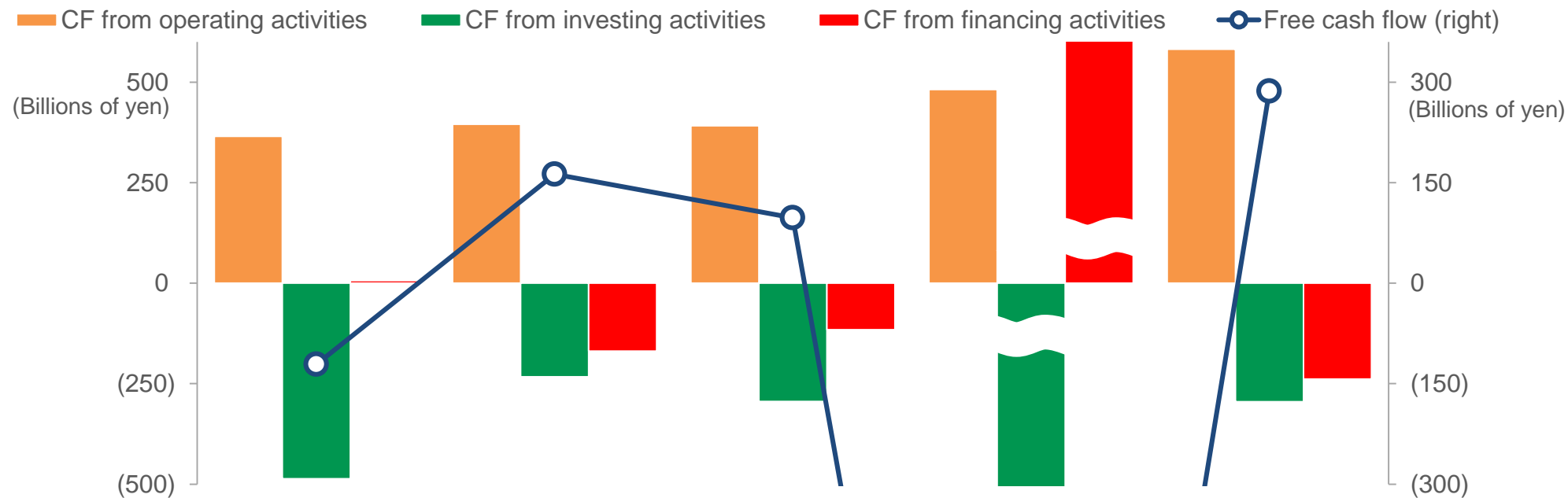
(Billions of yen, %)

	Amount	1H			Amount	Q3		
		YOY	YOY change	vs. Plan		YOY	YOY change	vs. Plan
Group's total sales	8,590.7	134.7	+2,214.2	107.5	4,741.5	121.5	+839.7	101.3
Revenues from operations	5,651.5	155.0	+2,005.0	112.3	3,172.2	126.7	+669.2	102.4
Gross revenues from operations [reference]	5,978.6	164.0	+2,332.1	111.1	3,340.8	133.5	+837.8	101.3
Operating income	234.7	126.1	+48.5	105.5	160.1	137.1	+43.3	116.2
Ordinary income	219.7	126.7	+46.3	105.9	150.5	138.5	+41.8	118.4
Net income attributable to owners of parent	136.0	127.8	+29.5	110.6	98.6	144.2	+30.2	126.1
EPS (yen)	154.09	127.8	+33.48	110.6	111.66	144.2	+34.23	126.1
EPS before amortization of goodwill (yen)	214.19	145.5	+66.95	108.0	145.02	139.6	+41.14	118.9
EBITDA	468.3	137.2	+127.0	102.9	287.1	132.2	+69.8	109.4

Notes) 1. Exchange rate: 1USD= 128.30JPY, 1CNY= 19.38JPY

2. FY2022 consolidated results are based on figures after applying the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc.
Revenues from operations based on the previous accounting standard are presented as "Gross revenues from operations [reference]."

Q3 YTD Consolidated Statements of Cash Flows



(Billions of yen)	FY2018	FY2019	FY2020	FY2021	FY2022	vs. FY2021
CF from operating activities	365.2	395.2	391.4	481.5	581.5	+99.9
CF from investing activities	(486.2)	(232.8)	(294.0)	(2,367.0)	(295.0)	+2,072.0
Free cash flow	(120.9)	162.3	97.4	(1,885.4)	286.5	+2,172.0
CF from financing activities	6.5	(169.0)	(115.5)	1,030.3	(238.6)	(1,268.9)
Cash and cash equivalents at end of period	1,182.1	1,300.6	1,334.4	1,379.0	1,516.0	+137.0

Q3 YTD Revenues from Operations and Gross Revenues from Operations by Operating Segment



(Billions of yen, %)

	Revenues from operations			Gross revenues from operations [reference]		
		YOY	YOY change		YOY	YOY change
Consolidated	8,823.7	143.5	+2,674.3	9,319.4	151.5	+3,169.9
Domestic CVS operations	671.6	101.5	+9.6	692.4	104.6	+30.5
Overseas CVS operations	6,628.2	188.3	+3,107.5	6,628.2	188.3	+3,107.5
Superstore operations	1,064.8	79.6	(272.1)	1,305.0	97.6	(31.9)
Department store and specialty store operations	337.3	66.1	(172.9)	564.1	110.6	+53.8
Financial services	145.7	99.8	(0.23)	155.1	106.3	+9.2
Others	18.8	132.8	+4.6	18.4	129.8	+4.2
Eliminations/corporate	(42.9)	-	(2.2)	(44.0)	-	(3.4)

Note) Exchange rate : 1USD = 128.30JPY, 1CNY = 19.38JPY

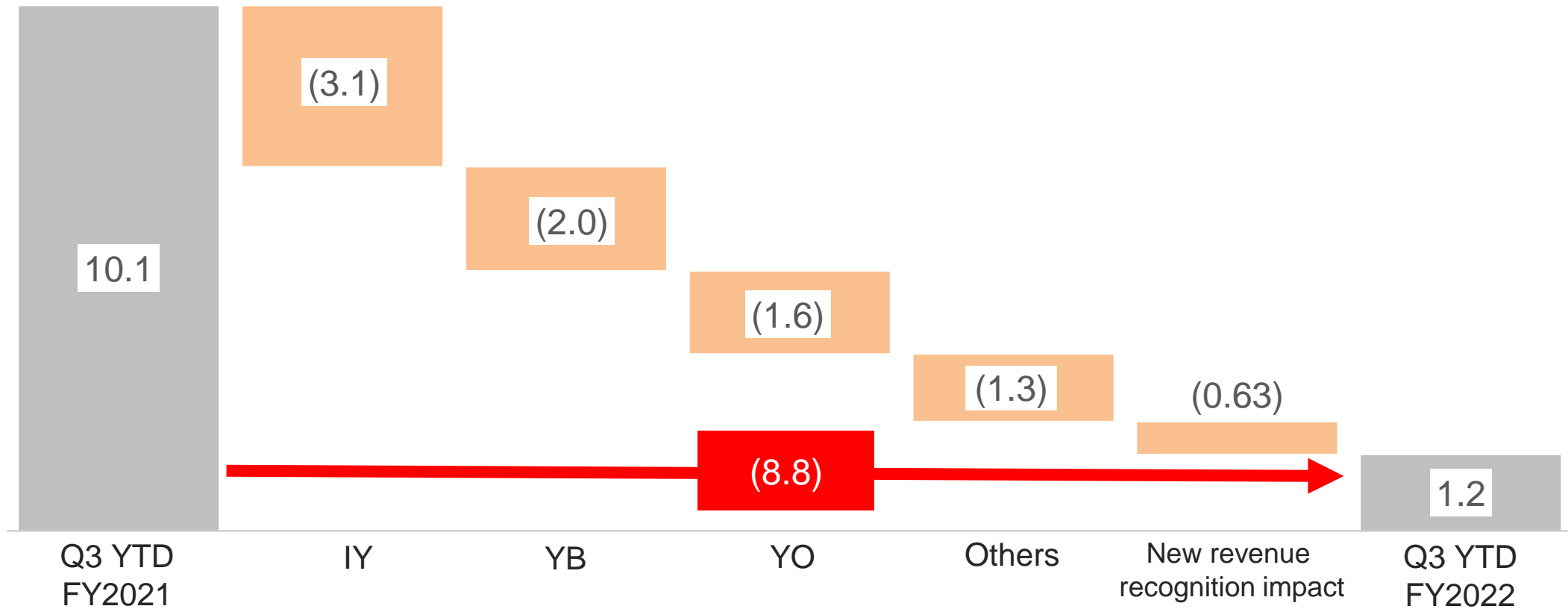
Q3 YTD Special Losses

(Billions of yen)

	Q3 YTD FY2021	Q3 YTD FY2022	Change	Major factors for the change
Special losses	39.6	42.7	+3.0	Increase due to the SEI management rationalization, etc. Decrease in loss related to COVID-19
Loss on disposals of property and equipment	10.0	10.1	+0.08	-
Impairment loss	12.1	17.5	+5.4	SS[+3.1]: Expiration of contract in a certain stores SEI[+3.0]: store closings, etc.
Restructuring expenses	0.86	0.57	(0.28)	IY[(0.30)]: Store closures, personnel measures, etc. in previous year SS[+0.01]
Loss related to COVID-19	9.9	-	(9.9)	Transfer of fix costs, etc. in previous year
Others	6.6	14.4	+7.7	SEI: Personnel optimization, etc. YB: Disaster related

Note) SS:Sogo & Seibu, IY:Ito-Yokado, YB: York-Benimaru (incl. formerly Life Foods)

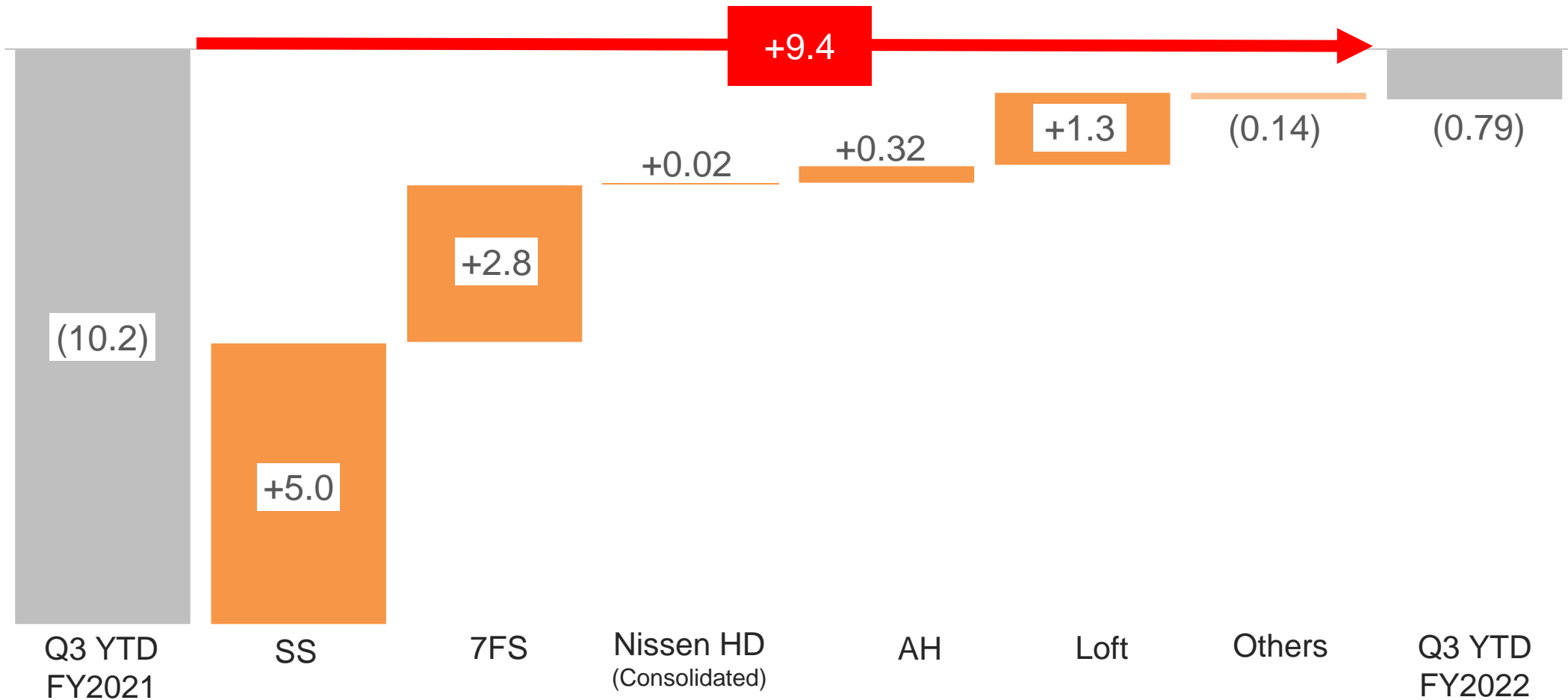
Change in operating income (Billions of yen)



Note) IY:Ito-Yokado, YB:York-Benimaru (incl. formerly Life Foods), YO:York

Department and Specialty Store Operations

Change in operating income (Billions of yen)



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

Q3 YTD Operating Income of Major Operating Companies

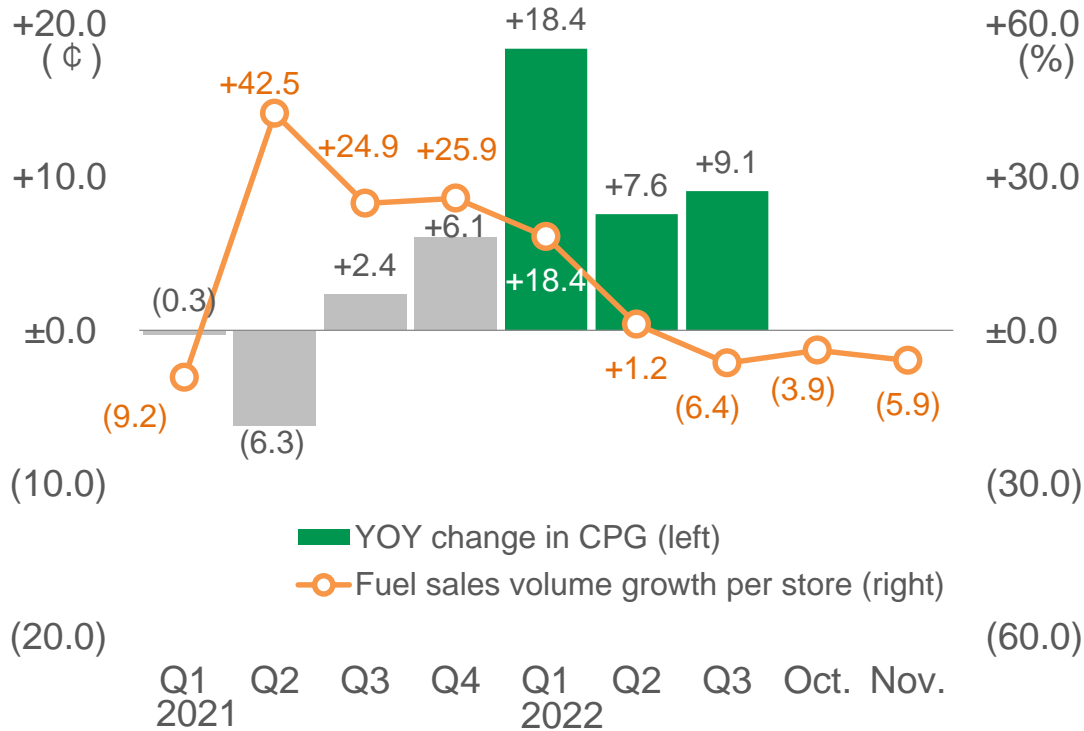


(Billions of yen, %)

	Operating income	Operating income		Existing store sales growth	Change in merchandise GPM
		YOY	YOY change		
Seven-Eleven Japan	185.6	104.8	+8.5	+3.4	+0.2
7-Eleven, Inc.	305.7	182.9	+138.6	+4.8	(0.5)
[Millions of dollar]	[2,383]	[154.8]	[+843]		
Ito-Yokado	(5.6)	-	(3.1)	+1.1 (incl. tenants)	+0.1
York-Benimaru	11.9	112.7	+1.3	(1.2)	+4.6
Sogo & Seibu	(1.3)	-	+5.0	+12.3	±0.0

Stable gross profit regardless of fluctuation in fuel sales volume

Fuel sales volume & GP (CPG)



Q3 YTD FY2022
Fuel GP : +\$1,641M (+61.8%)

Changes in the environment surrounding the fuel business

- Increase in business operating costs due to inflation
- Decline in sales volume due to COVID-19 impact and fuel price hikes
- WTI volatility due to geopolitical and other factors

Industry structure with small businesses accounting for approx. 65% of the market

Trend of CPG under new normal environment

Results of Speedway after 1 year of its acquisition (YOY growth)

Merchandise			
	Q3 (%)		
	Q1	Q2	Q3
Existing store sales*	+5.7	+4.3	+4.2
Change in GPM	(1.2)	(1.0)	+0.5
Change in gross profit	+34.3	+12.0	+5.0

Fuel			
	Q3 (%)		
	Q1	Q2	Q3
Fuel sales volume per store	+18.4	+1.2	(6.4)
Change in CPG (¢)	+18.4	+7.6	+9.1
Change in gross profit	+185.7	+56.6	+19.6

SG&A - Operating income			
	Q3 (%)		
	Q1	Q2	Q3
SG&A	+74.3	+28.6	+3.5
Advertising expenses	+79.9	+3.1	(51.1)
Salaries and wages	+121.6	+39.3	+4.2
Land and building rent	+30.2	+21.5	+15.7
Depreciation and amortization	+71.3	+30.5	+20.2
Utility expenses	+64.9	+23.9	+16.1
Others	+60.5	+23.4	(6.1)

Q3 represents the results after 1 year

Merchandise	Sales & gross profit are growing steadily
Fuel	Gross profit increased due to high CPG regardless of a decline in fuel sales volume
SG&A	Reduce the increase in SG&A by CLC initiatives under inflation

Operating income	+249.2	+37.1	+27.0
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* Speedway is not included in Q1 and Q2 of existing store sales

Eliminations/Corporate Expenses and Investments for Group Strategy



(Billions of yen)

Q3 YTD results	Expenses			Investments		
	Results	YOY change	vs. Plan	Results	YOY change	vs. Plan
DX, System, Security, etc.	(37.6)	(13.6)	+1.0	20.8	(6.2)	(1.6)
Others	(10.6)	(5.2)	+2.3	10.3	+1.5	+0.18
Eliminations/corporate (Operating income)	(48.2)	(18.9)	+3.4	31.2	(4.6)	(1.5)

FY2022 plan	FY2022 plan	Before revision	Amount of revision	FY2022 plan	Before revision	Amount of revision
	DX, System, Security, etc.	(51.8)	(53.0)	+1.2	28.8	31.2
Others	(17.1)	(18.8)	+1.7	12.4	14.4	(1.9)
Eliminations/corporate (Operating income)	(68.9)	(71.8)	+2.9	41.3	45.7	(4.4)

FY2022 Revised Forecast of Revenues from Operations by Operating Segment



(Billions of yen, %)

	Before revision	After revision			Amount of revision
			YOY	YOY Change	
Consolidated	11,646.0	11,812.0	135.0	+3,062.2	+166.0
Domestic CVS operations	853.0	891.0	102.0	+17.7	+38.0
Overseas CVS operations	8,703.0	8,840.0	170.2	+3,645.6	+137.0
Superstore operations	1,451.0	1,445.0	79.8	(365.7)	(6.0)
Department and specialty store operations	471.0	467.0	65.6	(245.2)	(4.0)
Financial services	193.0	194.0	99.8	(0.39)	+1.0
Others	28.0	26.0	127.8	+5.6	(2.0)
Eliminations/corporate	(53.0)	(51.0)	-	+4.5	+2.0
Dollar basis [reference]					(Millions of dollar, %)
Overseas CVS operations	66,435	67,480	142.8	+20,216	+1,045

Notes) 1. There are no changes in exchange rate: 1USD=131.00JPY, 1CNY=19.00JPY

2. Financial figures do not include the results for the transfer of Sogo & Seibu's shares announced on November 11, 2022

Consolidated Financial KPI

All consolidated financial KPI targets for the full-year are expected to be achieved

	FY2021 results	FY2022			FY2025 forecasts
		Plan at the beginning of the FY2022	Forecasts	Progress in Q3 YTD	
EBITDA	¥751.4 B	¥882.3 B	¥985.5 B	◎	¥1 T or more
Operating cash flow (excl. financial services)	¥630.8 B	¥760.5 B	¥839.1 B	◎	¥800 B or more
Free cash flow level (excl. financial services)	¥279.5 B	¥295.4 B	¥445.3 B	◎	¥400 B or more
ROE	7.5%	7.9%	8.8%	◎	10% or more
ROIC (excl. financial services)	4.8%	4.8%	5.4%	◎	7% or more
Debt/EBITDA ratio	3.9x	2.9x	2.8x	◎	Below 2.0x
EPS	¥238	¥271	¥317	◎	15% or more (CAGR)

Creating a Sustainable Future, Together



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.