



Consolidated Financial Results for the Fiscal Year Ended February 29, 2024

April 10, 2024

Seven & i Holdings Co., Ltd. (URL <https://www.7andi.com/en>)

Securities Code No. 3382

President, Representative Director and CEO: Ryuichi Isaka

The Company's shares are listed on the Prime Market of the Tokyo Stock Exchange.

Date of the ordinary general meeting of shareholders: May 28, 2024

Submission date of the annual securities report scheduled: May 29, 2024

Starting date of paying year-end dividend: May 29, 2024

Preparation of brief summary materials for financial results: Yes

Holding of financial results presentation: Yes

- (Notes) 1. Percentages represent increase (decrease) from the corresponding period in the prior fiscal year.
2. All amounts less than one million yen have been truncated.

1. Results for the Fiscal Year Ended February 29, 2024

(from March 1, 2023 to February 29, 2024)

(1) Results of operations (cumulative)

(Millions of yen)

	Revenues from Operations		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent	
Year Ended February 29, 2024	11,471,753	(2.9) %	534,248	5.5 %	507,086	6.6 %	224,623	(20.1) %
Year Ended February 28, 2023	11,811,303	35.0 %	506,521	30.7 %	475,887	32.7 %	280,976	33.3 %
	Net Income per Share (EPS)	Diluted Net Income per Share (Diluted EPS)	Ratio of Net Income to Owners' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Revenues from Operations			
Year Ended February 29, 2024	84.88 (yen)	84.87 (yen)	6.2 %	4.8 %	4.7 %			
Year Ended February 28, 2023	106.05 (yen)	106.04 (yen)	8.7 %	4.9 %	4.3 %			

(Note) Comprehensive income:

Year Ended February 29, 2024: 424,311 million yen [(25.9) %]

Year Ended February 28, 2023: 572,887 million yen [37.8%]

(Reference) Equity in earnings of affiliates:

Year Ended February 29, 2024: 3,711 million yen Year Ended February 28, 2023: 2,506 million yen

Group's total sales:

Year Ended February 29, 2024: 17,789,927 million yen

Year Ended February 28, 2023: 17,842,688 million yen

EBITDA:

Year Ended February 29, 2024: 1,054,951 million yen

Year Ended February 28, 2023: 995,319 million yen

EPS before amortization of goodwill:

Year Ended February 29, 2024: 130.19 yen Year Ended February 28, 2023: 148.58 yen

*Group's total sales include the sales of franchisees of SEVEN-ELEVEN JAPAN CO., LTD., SEVEN-ELEVEN OKINAWA Co., Ltd. and 7-Eleven, Inc.

*For EBITDA and EPS before amortization of goodwill, see "4.Others (4) Formula of various management indicators."

- (Notes)
1. "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc., are applied from the beginning of the first quarter of the fiscal year ended February 28, 2023.
 2. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS", "Diluted EPS" and "EPS before amortization of goodwill" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

(2) Financial position

(Millions of yen)

	Total Assets	Net Assets	Owners' Equity Ratio	Net Assets per Share
February 29, 2024	10,592,117	3,900,624	35.1 %	1,416.94 (yen)
February 28, 2023	10,550,956	3,648,161	32.9 %	1,311.31 (yen)

(Reference) Owners' equity (net assets excluding non-controlling interests and subscription rights to shares):

As of February 29, 2024: 3,716,523 million yen As of February 28, 2023: 3,474,547 million yen

- (Notes)
1. "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc., are applied from the beginning of the first quarter of the fiscal year ended February 28, 2023.
 2. The Company conducted a 3-for-1 common share split on March 1, 2024. "Net assets per share" is calculated as if the share split had occurred at the beginning of the previous fiscal year.

(3) Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of the Fiscal Year
Year Ended February 29, 2024	673,015	(431,809)	(377,065)	1,562,493
Year Ended February 28, 2023	928,476	(413,229)	(270,373)	1,674,787

2. Dividends

	Dividends per Share (yen)			Total Amount of Dividends (Millions of yen)	Dividends Payout Ratio (Consolidated)	Ratio of Total Amount of Dividends to Net Assets (Consolidated)
	Interim	Year-end	Annual			
Cash Dividends						
Year Ended February 28, 2023	49.50	63.50	113.00	99,960	35.5 %	3.1 %
Year Ended February 29, 2024	56.50	56.50	113.00	99,468	44.4 %	2.8 %
Year Ending February 28, 2025 (forecast)	20.00	20.00	40.00		35.7 %	

(Notes) 1. Breakdown of year-end dividend for the fiscal year ended February 28, 2023:

Commemorative dividend 10.00 yen

2. The Company conducted a 3-for-1 common share split on March 1, 2024. For the fiscal year ended February 28, 2023 and the fiscal year ended February 29, 2024, the actual amount of dividends per share of dividends prior to the share split are presented. For the fiscal year ending February 28, 2025 (forecast), the figures after the share split are presented. For reference, annual dividends per share for the fiscal year ending February 28, 2025 (forecast) without considering the share split are 120.00 yen.

3. Forecast of Business Results for the Fiscal Year ending February 28, 2025 (From March 1, 2024 to February 28, 2025)

(Millions of yen, YOY change %)

	Revenues from Operations	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Income per Share (EPS)
Interim Period	5,606,000 1.1 %	222,000 (7.9)%	201,000 (11.4)%	111,000 38.4%	42.44 (yen)
Entire Year	11,246,000 (2.0)%	545,000 2.0 %	502,000 (1.0)%	293,000 30.4%	112.05 (yen)

(Reference) Group's total sales:

Interim Period: 8,893,000 million yen Entire Year: 17,815,000 million yen

EBITDA:

Interim Period: 497,000 million yen Entire Year: 1,102,000 million yen

EPS before amortization of goodwill:

Interim Period: 67.30 yen Entire Year: 162.53 yen

- (Notes) 1. The Company resolved to acquire its own shares at the meeting of the Board of Directors held on November 30, 2023. The estimated impact of acquisition of own shares and cancellation of treasury stock are taken into account in regards to "EPS" and "EPS before amortization of goodwill" in the forecast for fiscal year ending February 28, 2025.
2. The Company conducted a 3-for-1 common share split on March 1, 2024. For "EPS" and "EPS before amortization of goodwill", the figures after the share split is presented.

4. Others

(1) Changes in significant subsidiaries during the period

(Changes in specific subsidiaries accompanying change in scope of consolidation): Yes

Added: None Excluded: One company (Sogo & Seibu Co., Ltd.)

(2) Changes in accounting policies, accounting estimates or restatements

1. Changes due to amendment of accounting standards: Yes

2. Changes due to other reasons other than 1. : None

3. Changes in accounting estimates: None

4. Restatements: None

(3) Number of shares outstanding (Common stock)

1. Number of shares outstanding at the end of period (Including treasury stock)

As of February 29, 2024: 2,633,226,549 shares As of February 28, 2023: 2,659,325,949 shares

2. Number of treasury stock at the end of period

As of February 29, 2024: 10,312,992 shares As of February 28, 2023: 9,651,813 shares

3. Average number of shares during the period

As of February 29, 2024: 2,646,511,134 shares As of February 28, 2023: 2,649,567,603 shares

- (Notes) 1. The Company has introduced the BIP Trust and ESOP Trust, and its shares held by these Trusts are included in the number of treasury stock to be deducted when calculating the number of treasury stock at the end of the fiscal period and the average number of shares during the period.
2. The Company conducted a 3-for-1 common share split on March 1, 2024. "Number of shares outstanding at the end of period", "Number of treasury stock at the end of period" and "Average number of shares during the period" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

(4) Formula of various management indicators

1. EBITDA: Operating income + Depreciation and amortization + Amortization of goodwill

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

Reference:**Nonconsolidated Results for the Fiscal Year Ended February 29, 2024****(From March 1, 2023 to February 29, 2024)****(1) Results of operations**

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income	
Year Ended February 29, 2024	202,277	(18.6) %	125,307	(29.0) %	122,042	(29.7) %
Year Ended February 28, 2023	248,468	63.2 %	176,457	71.8 %	173,656	72.5 %

	Net Income		Net Income per Share (EPS)		Diluted Net Income per Share (Diluted EPS)	
Year Ended February 29, 2024	42,915	(76.1)%	16.22	(yen)	16.22	(yen)
Year Ended February 28, 2023	179,780	67.8 %	67.85	(yen)	67.85	(yen)

- (Notes) 1. "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc., are applied from the beginning of the first quarter of the consolidated fiscal year ended February 28, 2023.
2. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS" and "Diluted EPS" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

(2) Financial position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
February 29, 2024	2,657,276	1,399,685	52.7 %	533.61 (yen)
February 28, 2023	2,593,865	1,511,564	58.3 %	570.44 (yen)

(Reference) Owners' equity:

As of February 29, 2024: 1,399,636 million yen As of February 28, 2023: 1,511,514 million yen

- (Notes) 1. "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc., are applied from the beginning of the first quarter of the consolidated fiscal year ended February 28, 2023.
2. The Company conducted a 3-for-1 common share split on March 1, 2024. "Net assets per share" is calculated as if the share split had occurred at the beginning of the previous fiscal year.

NOTICE REGARDING AUDIT PROCEDURES FOR THE CONSOLIDATED FINANCIAL RESULTS

This consolidated financial results statement is not subject to audit.

FORWARD LOOKING STATEMENTS

- The forecast of the business results is based on the Company's hypotheses, plans and estimates at the date of publication. It is possible that some uncertain factors will cause the Company's future performance to differ significantly from the contents of the forecast.
- This translation is to be used solely as a reference. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
- Other materials related in the financial results are available on the Company's website.
(<https://www.7andi.com/en/ir/library>)

Attached Materials

Contents

1. Results	
(1) Analysis of Results	3
(2) Analysis of Financial Position	11
(3) Basic Policy on Profit Distribution; Dividends for Current and Next Fiscal Years	12
(4) Business and Other Risks	12
2. Scope of Consolidated Subsidiaries and Affiliates	13
3. Management Policies	15
4. Basic Concept on Choice of Accounting Standards	20
5. Consolidated Financial Statements	
(1) Consolidated Balance Sheets	21
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	23
(3) Consolidated Statements of Changes in Net Assets	26
(4) Consolidated Statements of Cash Flows	30
(5) Doubts on the Premise of Going Concern	32
(6) Accounting Policies for the Preparation of Consolidated Financial Statements	32
(7) Changes in Accounting Policies	38
(8) Changes in Method of Presentation	38
(9) Supplementary Information	39
(10) Notes to Consolidated Financial Statements	
Consolidated Balance Sheets	42
Consolidated Statements of Income	44
Consolidated Statements of Comprehensive Income	48
Consolidated Statements of Changes in Net Assets	49
Consolidated Statements of Cash Flows	54
Segment Information	57
Business Combinations, etc.	64
Related Parties Transactions	66
Per Share Information	67
Subsequent Event	69
6. Nonconsolidated Financial Statements	
(1) Nonconsolidated Balance Sheets	73
(2) Nonconsolidated Statements of Income	75
(3) Nonconsolidated Statements of Changes in Net Assets	76
(4) Doubts on the Premise of Going Concern	80
(5) Changes in Accounting Policies	80
(6) Supplementary Information	80
(7) Notes to Nonconsolidated Financial Statements	
Nonconsolidated Balance Sheets	80
Nonconsolidated Statements of Income	81

[Reference]

SEVEN-ELEVEN JAPAN CO., LTD.

Nonconsolidated Balance Sheets82

Nonconsolidated Statements of Income84

Ito-Yokado Co., Ltd.

Nonconsolidated Balance Sheets85

Nonconsolidated Statements of Income87

York-Benimaru Co., Ltd.

Nonconsolidated Balance Sheets88

Nonconsolidated Statements of Income90

1. Results

(1) Analysis of results

I. Overview

In the fiscal year under review, the Japanese economy showed signs of improvement due to the normalization of economic activity as further progress was made on the easing of activity restrictions, including reclassification of COVID-19's category to Class 5 under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases. However, consumer spending has not recovered yet due to rising prices associated with soaring energy and raw material costs. Furthermore, the outlook remained uncertain, mainly owing to concerns about the impact of global monetary tightening on business conditions, in addition to the impact of fluctuations in foreign exchange rates.

In North America, the effects of continued inflation, monetary tightening, and certain other factors led to growing concerns about an economic slowdown, although employment conditions continued to improve. Consumer spending continued to fall, owing primarily to a decline in personal savings among middle- and low-income earners.

In this environment, the Seven & i Group aims to be "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." To achieve this goal, the Group has been pushing ahead with the business strategies and Group strategy laid out in the updated Medium-Term Management Plan (announced on March 9, 2023).

Our consolidated results for the fiscal year ended February 29, 2024 are summarized below.

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

(Millions of yen)

	Year ended February 28, 2023		Year ended February 29, 2024	
		YOY		YOY
Revenues from operations	11,811,303	135.0%	11,471,753	97.1%
Operating income	506,521	130.7%	534,248	105.5%
Ordinary income	475,887	132.7%	507,086	106.6%
Net income attributable to owners of parent	280,976	133.3%	224,623	79.9%

(Medium-Term Management Plan 2021-2025 principal consolidated financial KPIs)

	Year ended February 28, 2023		Year ended February 29, 2024	
		YOY		YOY
EBITDA	995,319	132.4%	1,054,951	106.0%
Operating CF (excluding financial services)	832,804	132.0%	778,398	93.5%
Free CF level (excluding financial services)	474,055	169.5%	391,694	82.6%
ROE (%)	8.7		6.2	
ROIC (excluding financial services) (%)	5.2		4.1	
Debt/EBITDA ratio (times)	3.0		2.6	
Net income per share (EPS) (yen)	106.05	133.3%	84.88	80.0%

Exchange rates (Income statements)	U.S.\$1 = ¥131.62	U.S.\$1 = ¥140.67
	1yuan = ¥19.50	1yuan = ¥19.82
Exchange rates (Balance sheets)	U.S.\$1 = ¥132.70	U.S.\$1 = ¥141.83
	1yuan = ¥19.01	1yuan = ¥19.93

- (Notes) 1. Operating CF (excluding financial services) is a management accounting figure based on NOPAT excluding financial services.
2. Free CF level (excluding financial services) is a management accounting figure excluding financial services. Cash outflow from M&A is considered as strategic investment and is excluded from investing cash flow.
3. ROIC (excluding financial services) = $\{(\text{Net income} + \text{Interest expense}) \times (1 - \text{Effective tax rate})\} \div \{(\text{Shareholders' equity} + \text{Interest-bearing debt [average of fiscal-year beginning/end for both figures]})\}$
4. The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS", is calculated as if the share split had occurred at the beginning of the previous fiscal year.

Group's total sales (including sales of franchisees of SEVEN-ELEVEN JAPAN CO., LTD., SEVEN-ELEVEN OKINAWA Co., Ltd. and 7-Eleven, Inc.) amounted to ¥17,789,927 million (99.7% year on year). For the fiscal year ended February 29, 2024, revenues from operations and operating income increased by ¥548.0 billion, and ¥19.2 billion, respectively, as a result of exchange rate fluctuations.

II. Overview by operating segment

The Company changed its classification of reportable segments since the first quarter of the fiscal year ended February 29, 2024. Figures for the fiscal year ended February 28, 2023 in the table below have been revised to reflect the new classification.

(Revenues from operations by operating segment)

(Millions of yen)

	Year ended February 28, 2023		Year ended February 29, 2024	
		YOY		YOY
Domestic convenience store operations	890,293	102.0 %	921,706	103.5 %
Overseas convenience store operations	8,846,163	170.3 %	8,516,939	96.3 %
Superstore operations	1,449,165	80.0 %	1,477,384	101.9 %
Financial services	194,295	99.9 %	207,479	106.8 %
Others	488,304	66.8 %	411,305	84.2 %
Total	11,868,223	134.8 %	11,534,814	97.2 %
Adjustments (Eliminations/corporate)	(56,920)	–	(63,060)	–
Consolidated Total	11,811,303	135.0%	11,471,753	97.1 %

(Operating income by operating segment)

(Millions of yen)

	Year ended February 28, 2023		Year ended February 29, 2024	
		YOY		YOY
Domestic convenience store operations	232,033	103.9 %	250,544	108.0 %
Overseas convenience store operations	289,703	181.2 %	301,628	104.1 %
Superstore operations	12,395	65.2 %	13,588	109.6 %
Financial services	37,140	98.9 %	38,172	102.8 %
Others	2,593	–	2,688	103.6 %
Total	573,865	133.1 %	606,622	105.7 %
Adjustments (Eliminations/corporate)	(67,344)	–	(72,373)	–
Consolidated Total	506,521	130.7%	534,248	105.5 %

Domestic convenience store operations

In Domestic convenience store operations, revenues from operations amounted to ¥921,706 million (103.5% year on year), and operating income amounted to ¥250,544 million (108.0% year on year).

SEVEN-ELEVEN JAPAN CO., LTD. ("SEJ") is focusing on addressing changes in customers' purchasing behavior that emerged from the COVID-19 pandemic, in addition to population aging and increases in single-person households and working women. Accordingly, SEJ has been implementing activities including strengthening the development of original merchandise such as fast food and *Seven Premium*, changing store layouts in order to increase the number of items carried, and conducting sales promotions that produce an event-like sense of excitement.

In addition, SEJ has been enhancing measures to achieve a nationwide roll-out of the "7NOW" delivery service. These measures include establishing a system to increase the number of stores handling the service. Further, SEJ launched the "7NOW App" on September 5, 2023.

Furthermore, SEJ opened the SIP* store, a new concept store, on February 29, 2024. The new store was launched to address significant changes in customers' purchasing behavior, lifestyle values, and diverse needs in a rapidly changing environment.

For the fiscal year ended February 29, 2024, we benefited from the success of various measures such as proactively conducting limited-time sales promotions, setting themes based on region, menu, etc., and offering a varied assortment of merchandise for each theme, and conducting sales promotion initiatives leveraging our app. We also benefited from a recovery in customer traffic brought on by the resumption of special exhibitions and events in each region and favorable weather. As a result, existing store sales increased year on year. Moreover, operating income was ¥251,029 million (107.8% year on year). Total store sales (the sum of sales from directly operated stores and franchisees) amounted to ¥5,345,243 million (103.8% year on year).

* Refers to a partnership (dubbed "SIP") between SEVEN-ELEVEN JAPAN CO., LTD. (SEJ) and Ito-Yokado Co., Ltd. (IY).

Overseas convenience store operations

In Overseas convenience store operations, revenues from operations amounted to ¥8,516,939 million (96.3% year on year), and operating income amounted to ¥301,628 million (104.1% year on year).

In North America, 7-Eleven, Inc. ("SEI") faced a tough consumer spending environment due to an economic stimulus package during COVID-19 having ended, in addition to ongoing concerns about the economy slowing in connection with inflation and monetary tightening. Nevertheless, SEI worked to address the needs of customers seeking value, strengthen the development and sales of high-quality, high-margin proprietary products (fresh food items, proprietary beverages, and private brand products), bolster "7NOW" delivery service initiatives, and enhance customer loyalty through the use of digital technology. Also, SEI started operations at its Virginia plant on September 11, 2023 as part of steps to strengthen the development of high-quality fresh food items by building a value chain in North America. In addition, the integration process with the Speedway business acquired in May 2021 is proceeding smoothly, with synergies generated since the integration reaching U.S.\$976.5 million in the fiscal year ended December 31, 2023, exceeding our target of U.S.\$800 million.

As a result, for the fiscal year ended December 31, 2023, merchandise sales at existing stores in the U.S. increased year on year in U.S. dollars. Moreover, total store sales (the sum of sales from directly operated stores and franchisees) amounted to ¥10,200,414 million (97.7% year on year) due to lower gasoline prices and lower sales volume, despite growth in merchandise sales. Meanwhile, operating income amounted to ¥413,966 million (104.4% year on year) due to factors such as improvement in the merchandise gross profit margin and impact from yen depreciation.

Furthermore, SEI announced in January 2024 the acquisition of a part of the convenience store business and gasoline retail business of U.S. company Sunoco LP. The aim of the acquisition is to further accelerate growth in the North American market.

7-Eleven International LLC has plans to establish a store network of 50,000 stores in areas outside Japan and North America by the fiscal year ending December 31, 2025, and to open stores in 30 countries and regions worldwide, including Japan and North America by the fiscal year ending

December 31, 2030. Based on these goals, it will advance growth strategies both in countries where it already has stores and those where it will open stores for the first time. As for existing countries, 7-Eleven International LLC decided in February 2023 to invest in the Vietnam business. In November 2023, 7-Eleven International LLC announced the acquisition of the Australian company Convenience Group Holdings Pty Ltd (SEA) and acquired all shares of this company on April 1, 2024. And for new countries, the first store was opened in Israel in January 2023 and in Laos in September 2023. As a result, 7-Eleven has the stores in 20 countries and regions worldwide.

Superstore operations

In Superstore operations, revenues from operations amounted to ¥1,477,384 million (101.9% year on year), and operating income amounted to ¥13,588 million (109.6% year on year).

Ito-Yokado Co., Ltd. is implementing growth initiatives and fundamental reforms to improve profitability. As part of those efforts, Ito-Yokado Co., Ltd. and York Co., Ltd. completed a merger on September 1, 2023 with Ito-Yokado Co., Ltd. being the surviving company and York Co., Ltd. being the dissolved company. By maximizing both companies' synergies and operational efficiencies, we are working to strengthen sales capabilities, reduce SG&A expenses, and improve productivity. In addition, strategic investment infrastructure, such as process centers, central kitchens, and online supermarkets, started operations. Moreover, as part of efforts to accelerate its focus on the Tokyo metropolitan area store network, Ito-Yokado Co., Ltd. signed an agreement on business succession and related matters with York-Benimaru Co., Ltd., DAIICHI CO., LTD., and OIC Group Co., Ltd. on February 2024, for certain stores in the Hokkaido, Tohoku, and Shinetsu areas.

For the fiscal year ended February 29, 2024, sales rose year on year accompanying the merger with York Co., Ltd. However, the operating loss amounted to ¥1,205 million (operating income of ¥408 million for the same period of the previous fiscal year), mainly owing to higher costs associated with strategic investments in infrastructure.

For York-Benimaru Co., Ltd., we are furthering initiatives to revitalize existing stores, enhance development and sales of delicatessen merchandise in order to realize its concept of "making the daily meals of customers in local areas more enjoyable, plentiful, and convenient."

For the fiscal year ended February 29, 2024, existing store sales increased year on year, as it benefited from the success of suitable price increases in response to soaring raw material prices, and sales promotion initiatives, in addition to a recovery in customer traffic. As a result, York-Benimaru's operating income amounted to ¥18,701 million (103.8% year on year), despite an increase in SG&A expenses such as new store-related costs and personnel costs.

Financial services

In Financial services, revenues from operations amounted to ¥207,479 million (106.8% year on year), and operating income amounted to ¥38,172 million (102.8% year on year).

As of February 29, 2024, the number of domestic ATMs operated by Seven Bank, Ltd. stood at 27,370, up 481 from the previous fiscal year-end. The average number of transactions per day per ATM amounted to 104.6 (up 3.5 year on year), owing to improvement in the number of transactions at deposit-taking institutions in step with a recovery in customer traffic and an increase in non-banking transactions such as consumer finance in line with increased demand for funds, as well as a sustained high level of cash charge transactions as consumers opted for various cashless payments. As a result, total transactions of Seven Bank's ATMs during the fiscal year ended February 29, 2024 increased year on year. As of February 29, 2024, Seven Bank had cash and deposits (including cash for ATM loading) of ¥877.1 billion.

In addition, on July 1, 2023, we transferred all shares of Seven Card Services Co., Ltd. owned by Seven Financial Service Co., Ltd., a consolidated subsidiary of the Company, to Seven Bank, Ltd. Through this transaction, we aim to capture synergies by integrating the management of banking and non-banking businesses.

Others

In Others, revenues from operations amounted to ¥411,305 million (84.2% year on year), and operating income amounted to ¥2,688 million (103.6% year on year).

Revenue decreased partly due to the impact of factors such as the transfer of shares of Sogo & Seibu Co., Ltd., while profit increased due to strong business performance with a recovery in customer traffic at operating companies such as THE LOFT CO., LTD.

Adjustments (eliminations/corporate)

The operating loss from adjustments totaled ¥72,373 million (operating loss of ¥67,344 million for the same period of the previous fiscal year).

This operating loss mainly reflected expenses related to the construction of the Group's shared infrastructure system for purposes such as enhancing operating efficiency and bolstering security. Moreover, we will continue to work on measures to realize the Ideal Group Image for 2030, including the development of the 7iD membership platform to expand customer interfaces, and the evolution of the Last Mile DX Platform supporting the "7NOW" delivery service and Ito-Yokado's *Net Supermarket* (online supermarket) to provide new experiences and value.

III. Outlook for the year ending February 28, 2025

In Japan, the outlook is expected to remain uncertain due to factors such as rising budget-consciousness among households and a decline in consumer appetite as prices continue to rise.

In North America, despite concerns that the personal consumption environment will remain constrained, monetary easing and other factors are expected to result in a successive improvement in business conditions beginning in the second half of 2024.

Given this business environment, we will implement a vast array of strategic measures that address customer changes in order to achieve growth led by convenience store operations. To do so, we will leverage our strength in food, which lies at the heart of our Group strategy.

In light of these factors, we have summarized our consolidated performance forecasts for the fiscal year ending February 28, 2025, as follows.

(Consolidated forecasts)	(Millions of yen)	
	Year ending February 28, 2025	
		YOY
Revenues from operations	11,246,000	98.0%
Operating income	545,000	102.0%
Ordinary income	502,000	99.0%
Net income attributable to owners of parent	293,000	130.4%

* Assumed exchange rates: U.S.\$1 = ¥145.00; 1 yuan = ¥19.00

* Total Group sales forecast (including sales of franchisees of SEVEN-ELEVEN JAPAN CO., LTD., SEVEN-ELEVEN OKINAWA Co., Ltd. and 7-Eleven, Inc.): ¥17,815,000 million

(Medium-Term Management Plan 2021-2025 principal consolidated financial KPIs)

	(Millions of yen)	
	Year ending February 28, 2025	
		YOY
EBITDA	1,102,000	104.5%
ROE (%)	7.8	
ROIC (excluding financial services) (%)	5.5	
Debt/EBITDA ratio (times)	2.3	
Net income per share (EPS) (yen)	112.05	132.0%

* ROIC (excluding financial services) = $\{(\text{Net income} + \text{Interest expense}) \times (1 - \text{Effective tax rate})\} \div \{(\text{Shareholders' equity} + \text{Interest-bearing debt [average of fiscal-year beginning/end for both figures]})\}$

* The Company resolved to acquire its own shares at the meeting of the Board of Directors held on November 30, 2023. The estimated impact of acquisition of own shares and cancellation of treasury stock are taken into account in regards to "EPS" in the forecast for fiscal year ending February 28, 2025.

* The Company implemented a 3-for-1 common share split on March 1, 2024. Year on year comparison of "EPS" is calculated as if the share split had occurred at the beginning of the previous fiscal year.

(Revenues from operations and operating income by operating segment)

(Millions of yen)

	Year ending February 28, 2025			
	Revenues from operations		Operating income	
		YOY		YOY
Domestic convenience store operations	943,000	102.3%	260,000	103.8%
Overseas convenience store operations	8,410,000	98.7%	318,700	105.7%
Superstore operations	1,448,000	98.0%	18,600	136.9%
Financial services	210,000	101.2%	36,000	94.3%
Others	310,000	75.4%	1,700	63.2%
Total	11,321,000	98.1%	635,000	104.7%
Adjustments (Eliminations/corporate)	(75,000)	–	(90,000)	–
Consolidated Total	11,246,000	98.0%	545,000	102.0%

Domestic convenience store operations

SEVEN-ELEVEN JAPAN CO., LTD. (“SEJ”) will address customer changes associated with shifts in external economic conditions such as a declining population, falling birthrates, and an aging society, as well as rising prices and lower real wages.

SEJ will endeavor to provide value propositions to customers by striking a balance between great taste and reasonable prices in order to meet the needs of customers who are more inclined to save.

Moreover, SEJ aims to generate sales through new initiatives from a medium- to long-term perspective. To this end, SEJ will open the next door of convenience by constantly providing new experiences and values from the customer’s point of view, such as the SIP store opened in February 2024 and the 7NOW delivery service. Through these efforts, SEJ will work to realize sustainable growth throughout the value chain, including franchisees and business partners.

Overseas convenience store operations

In North America, 7-Eleven, Inc. (“SEI”) will continue to advance its strategy for growth, which is focused on the following key priorities: Grow Proprietary Products, Accelerate Digital & Delivery, Generate Synergies From SEI and Speedway Integration, and Grow and Enhance Store Network.

In the fiscal year ending December 31, 2024, in addition to successive improvements in business conditions and expansion of personal consumption, the measures described above are expected to contribute to growth. Furthermore, SEI will continue the cost-reduction measures led by the Cost Leadership Committee, as part of efforts to enhance profitability from both sales and cost standpoints.

7-Eleven International LLC (“7IN”) will continue to advance growth strategies in countries where the Group already has stores and in those where it will open its first stores. By the fiscal year ending December 31, 2025, 7IN plans to establish a store network of 50,000 stores in areas outside Japan and North America. By the fiscal year ending December 31, 2030, it plans to open stores in 30 countries and regions worldwide, including Japan and North America. Guided by these plans, 7IN will strive to achieve high-quality and speedy growth.

Superstore operations

In superstore operations, we will continue to implement drastic transformation initiatives at Ito-Yokado Co., Ltd. to improve its profitability. Ito-Yokado Co., Ltd. will maximize synergies and operating efficiency with York Co., Ltd., with whom it merged in September 2023, while also working to improve product quality through the use of Peace Deli Chiba Kitchen, which began operations on February 27, 2024, and enhance store operational efficiency.

We will ensure the complete execution of these transformation initiatives through process management by retaining external advisors, and through monitoring by the Company’s Board of

Directors and Strategy Committee. Through these efforts, we will strive to achieve EBITDA of ¥55.0 billion and ROIC of 4% or more for Tokyo metropolitan area superstore operations, and EBITDA of ¥85.0 billion or more for superstore operations as a whole by the fiscal year ending February 28, 2026.

Financial services

In financial services, we will continue to focus on expanding our ATM platform strategy, as well as our e-money and credit card businesses. Additionally, under the Group financial strategy, we seek to develop distinctive financial services based on 7iD, an ID that customers can use across the Group, and to provide new value.

As part of such efforts, we began linking 7iD and Seven Bank accounts on February 21, 2024. This initiative is expected to promote further coordination and data utilization, including strengthening coordination between the Bank app and operating companies' apps and awarding miles to customers when they use financial services. Moreover, through these efforts, we will enhance customers' store visit frequency and spending per customer in the retail business, while working to propose financial services and develop products using purchasing data.

(2) Analysis of financial position

I. Assets, liabilities and net assets

(Millions of yen)

	February 28, 2023	February 29, 2024	Change
Total assets	10,550,956	10,592,117	41,161
Total liabilities	6,902,794	6,691,492	(211,301)
Net assets	3,648,161	3,900,624	252,462

Exchange rates	U.S.\$1 = ¥132.70	U.S.\$1 = ¥141.83
	1yuan = ¥19.01	1yuan = ¥19.93

Total assets amounted to ¥10,592,117 million, up ¥41,161 million from the previous fiscal year-end. Current assets decreased ¥24,987 million from the previous fiscal year-end, mainly due to a decrease in cash and bank deposits. Non-current assets increased ¥66,273 million, mainly due to an increase in right-of-use assets.

Total liabilities decreased ¥211,301 million from the previous fiscal year-end to ¥6,691,492 million, mainly due to a decrease in long-term loans.

Net assets increased ¥252,462 million from the previous fiscal year-end to ¥3,900,624 million, mainly due to an increase in foreign currency translation adjustments.

II. Cash flows

(Consolidated cash flows)

(Millions of yen)

	Year ended February 28, 2023	Year ended February 29, 2024	Change
Cash flows from operating activities	928,476	673,015	(255,461)
Cash flows from investing activities	(413,229)	(431,809)	(18,579)
Cash flows from financing activities	(270,373)	(377,065)	(106,692)
Cash and cash equivalents at end of the period	1,674,787	1,562,493	(112,293)

Net cash provided by operating activities amounted to ¥673,015 million. This was mainly due to income before income taxes of ¥277,007 million.

Net cash used in investing activities amounted to ¥431,809 million, mainly due to acquisition of property and equipment.

Net cash used in financing activities amounted to ¥377,065 million, mainly due to redemption of bonds.

As a result of the above, cash and cash equivalents at the end of the fiscal year decreased ¥112,293 million from the end of the previous fiscal year to ¥1,562,493 million.

(Cash flow indicators)

	Year ended February 28, 2022	Year ended February 28, 2023	Year ended February 29, 2024
Owner's equity ratio (%)	34.1	32.9	35.1
Owner's equity ratio (market base) (%)	56.5	51.0	55.8
Cash flow to interest-bearing debt ratio (years)	4.0	4.2	5.7
Interest coverage ratio (times)	33.9	25.3	15.7

(Notes)

1. Owner's equity ratio: Shareholders' equity ÷ Total assets
 2. Owner's equity ratio (market base): Total market capitalization ÷ Total assets
 3. Cash flow to interest-bearing debt ratio: Interest-bearing debt ÷ Cash flow from operating activities
 4. Interest coverage ratio: Cash flow from operating activities ÷ Interest paid
- * Each indicator is calculated based on consolidated financial figures.
* Market capitalization is calculated by multiplying the closing stock price at each fiscal year-end by the number of shares outstanding (less treasury stock) at each fiscal year-end.

(3) Basic Policy on Profit Distribution; Dividends for Current and Next Fiscal Years

The Group's basic policy is to provide returns commensurate with profit growth. The dividends are paid in compliance with the shareholder return policy of progressive dividends in line with sustained profit growth and plan to achieve a total shareholder return ratio of 50% or more (cumulative figures from 2023 to 2025).

For the fiscal year under review, we declared a year-end dividend of ¥56.5 per share. Together with the ¥56.5 interim dividend already paid, this will bring total annual dividends to ¥113.0 per share.

The company conducted a 3-for-1 common share split on March 1, 2024, to create a more accessible investment environment for investors, including individual investors, and to improve the liquidity of our company's stock.

In the fiscal year ending February 28, 2025, we plan to pay an interim dividend of ¥20.0 and a year-end dividend of ¥20.0, bringing total annual dividends to ¥40.0 per share.

(4) Business and Other Risks

Descriptions of business and other risks are provided in the Company's most recent Securities Report (released May 26, 2023). Since no new risks that require prompt disclosure have materialized since then, we have omitted such descriptions in this report.

Our risk factors can be viewed at the following sites.

Company website (Investor Relations): <https://www.7andi.com/en/ir/management/risks/>

2. Scope of Consolidated Subsidiaries and Affiliates

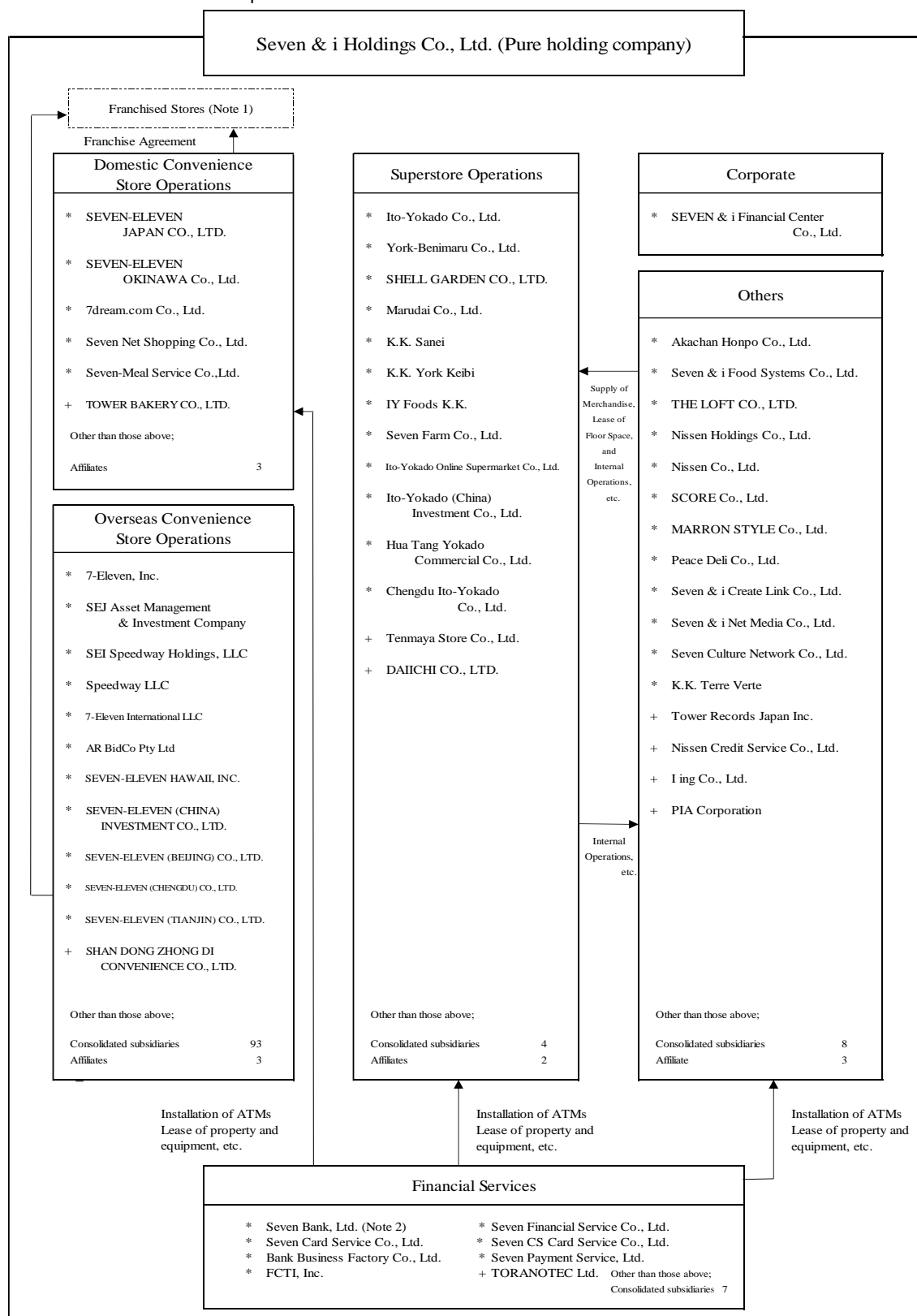
Seven & i Group consists of 181 diversified retail companies, mainly engaged in domestic convenience store operations, overseas convenience store operations, superstore operations, and financial services. Operating segment, major group companies and number of companies are as follows. This segmentation is same as the reportable segment shown in the section of segment information.

Operating Segment	Major Group Companies	Number of Companies	
Domestic Convenience Store Operations	SEVEN-ELEVEN JAPAN CO., LTD. SEVEN-ELEVEN OKINAWA Co., Ltd. 7dream.com Co., Ltd. Seven Net Shopping Co., Ltd. Seven-Meal Service Co., Ltd. TOWER BAKERY CO., LTD.* ¹	Consolidated Subsidiaries	5
		Affiliates	4
		Total	9
Overseas Convenience Store Operations	7-Eleven, Inc. SEJ Asset Management & Investment Company SEI Speedway Holdings, LLC, Speedway LLC 7-Eleven International LLC AR BidCo Pty Ltd SEVEN-ELEVEN HAWAII, INC. SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD. SEVEN-ELEVEN (BEIJING) CO., LTD. SEVEN-ELEVEN (CHENGDU) CO., LTD. SEVEN-ELEVEN (TIANJIN) CO., LTD. SHAN DONG ZHONG DI CONVENIENCE CO., LTD.* ¹	Consolidated Subsidiaries	104
		Affiliates	4
		Total	108
Superstore Operations	Ito-Yokado Co., Ltd. York-Benimaru Co., Ltd. SHELL GARDEN CO., LTD. Marudai Co., Ltd. K.K. Sanei K.K. York Keibi* ² IY Foods K.K. Seven Farm Co., Ltd. Ito-Yokado Online Supermarket Co., Ltd. Ito-Yokado (China) Investment Co., Ltd. Hua Tang Yokado Commercial Co., Ltd. Chengdu Ito-Yokado Co., Ltd. Tenmaya Store Co., Ltd.* ¹ DAIICHI CO., LTD.* ¹	Consolidated Subsidiaries	16
		Affiliates	4
		Total	20
Financial Services	Seven Bank, Ltd. Seven Financial Service Co., Ltd. Seven Card Service Co., Ltd. Seven CS Card Service Co., Ltd. Bank Business Factory Co., Ltd. Seven Payment Service, Ltd. FCTI, Inc. TORANOTEC Ltd.* ¹	Consolidated Subsidiaries	14
		Affiliates	1
		Total	15
Others	Akachan Honpo Co., Ltd. Seven & i Food Systems Co., Ltd. THE LOFT CO., LTD. Nissen Holdings Co., Ltd. Nissen Co., Ltd. SCORE Co., Ltd. MARRON STYLE Co., Ltd. Peace Deli Co., Ltd. Seven & i Create Link Co., Ltd. Seven & i Net Media Co., Ltd. Seven Culture Network Co., Ltd., K.K. Terre Verte Tower Records Japan Inc.* ¹ Nissen Credit Service Co., Ltd.* ¹ I ing Co., Ltd.* ¹ PIA Corporation* ¹	Consolidated Subsidiaries	20
		Affiliates	7
		Total	27
Corporate	SEVEN & i Financial Center Co., Ltd.	Consolidated Subsidiaries	1

(Notes) 1. TOWER BAKERY CO., LTD., SHAN DONG ZHONG DI CONVENIENCE CO., LTD., Tenmaya Store Co., Ltd., DAIICHI CO., LTD., TORANOTEC Ltd., Tower Records Japan Inc., Nissen Credit Service Co., Ltd., I ing Co., Ltd., and PIA Corporation are affiliates.

2. K.K. York Keibi was excluded from the scope of consolidation due to the transfer of shares on March 1, 2024.

Business Relation in Group



* Consolidated subsidiary

+ Affiliate accounted for using the equity method

- (Notes) 1. Each franchised store is operated by an independent franchisee which enters into franchise agreement with SEVEN-ELEVEN JAPAN CO., LTD., SEVEN-ELEVEN OKINAWA Co., Ltd., 7-Eleven, Inc., SEVEN-ELEVEN (BEIJING) CO., LTD., SEVEN-ELEVEN (CHENGDU) CO., LTD., and SEVEN-ELEVEN (TIANJIN) CO., LTD.
2. As of February 29, 2024, Seven Bank, Ltd. has 27,370 units of ATMs placed mainly in the stores of Group companies.

3. Management Policies

(1) Basic Management Policies

The Company is a pure holding company that was established on September 1, 2005. With 160 consolidated subsidiaries operating mainly in the retail business, we strive to quickly respond to customer needs, market conditions, and rapidly changing social circumstances while tirelessly reforming our operations and business structure under our basic policies of “Trust and Sincerity” and “Responding to Change while Strengthening Fundamentals.” The Group also has a global network and exceptional information capabilities, along with strengths in food, and it meets a variety of customer needs in various settings in customers’ daily lives primarily through its convenience store operations, as well as its superstore operations, financial services and other businesses. As a global retail group unparalleled in the world, we will relentlessly pursue synergies. In addition, we will strive to maximize Group corporate value by strengthening governance and pursuing Group synergies while fulfilling our accountability to stakeholders as a listed company representing the Group. We formulated our GREEN CHALLENGE 2050 Environmental Declaration in 2019 for the sustainability initiatives our group has placed at the core of our management. We have set targets for 2050 under four themes: reduction of CO2 emissions, measures against plastic, measures against food loss and for food recycling, and sustainable procurement. We promote actions to solve environmental issues and external diseconomies to achieve those targets.

In addition, operating companies in the Group will fulfill their respective responsibilities within their assigned business scope and pursue profit growth and improve asset efficiency while exercising their independence.

(2) Target Performance Indicators

In order to sustainably increase corporate value, we have established financial targets according to our basic policies of increasing returns (profits) in excess of the cost of capital and enhancing our ability to generate cash flow. We announced the “Update to the Medium-Term Management Plan and the Results of the Group Strategy Reevaluation” (the “Group Strategy Reevaluation”) on March 9, 2023, and updated our “Medium-Term Management Plan 2021-2025” targets announced on July 1, 2021, as follows.

(Key consolidated financial targets for year ending February 28, 2026)

	Initial target	Updated target	Change
EBITDA	¥1 trillion or more	¥1.1 trillion or more	¥100 billion
Operating CF (excluding financial services)	¥800 billion or more	¥900 billion or more	¥100 billion
Free CF (excluding financial services)	¥400 billion or more	¥500 billion or more	¥100 billion
ROE	10% or more	11.5% or more	1.5%
ROIC (excluding financial services)	7% or more	8.0% or more	1.0%
Debt/EBITDA ratio	Less than 2.0 times	Less than 1.8 times	(0.2) times
Adjusted debt/EBITDA ratio	Less than 2.2 times	Less than 2.0 times	(0.2) times
EPS growth rate (CAGR)	15% or more	18% or more	3%

* Operating CF (excluding financial services) is a management accounting figure based on NOPAT excluding financial services.

Free CF (excluding financial services) is a management accounting figure excluding financial services.

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

ROIC (excluding financial services) = $\{(\text{Net income} + \text{Interest expense}) \times (1 - \text{Effective tax rate})\} \div \{(\text{Shareholders' equity} + \text{Interest-bearing debt [average of fiscal-year beginning/end for both figures]})\}$

Adjusted debt / EBITDA ratio is management accounting-based figure (excluding financial services).
Net debt / EBITDAR = (Net debt: interest-bearing debt + On-balance-sheet leases – Cash and cash equivalents and other adjustments)

EPS growth rate (CAGR) is computed as the CAGR (compound annual growth rate) from the fiscal year ended February 28, 2021.

(3) Medium- to long-term management strategies

In the “Medium-Term Management Plan 2021-2025” announced in July 2021, we reaffirmed our corporate creed since our founding – to be a sincere company trusted by all stakeholders – and our basic stance that states: “We aim to contribute to local communities both in Japan and overseas by providing new experiences and values, from the customer’s point of view.” We also clarified our “Ideal Group Image for 2030”: “A world-class global retail group that leads retail innovation through global growth strategies centered on the 7-Eleven business and proactive utilization of technology.” Adhering to this stance, we have steadily and speedily responded to changes in customer purchasing behavior against the backdrop of a changing social structure. As a result of the Group Strategy Reevaluation conducted in the fiscal year ended February 28, 2023, we have updated our “Ideal Group Image for 2030” to “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.” We will continue to ensure the complete execution of various initiatives to achieve this new “Ideal Group Image for 2030.”

(4) Issues to Address

Business conditions surrounding the Group are changing dramatically at an ever-quicken pace. Currently, in Japan, the accelerated change in the social structure, such as the aging population and the increases in single-person and co-working households, has further increased the demand for readily available and convenient fresh food and pre-cooked meals. Consumer taste has also diversified further following changes in behavior and values, influenced by the global pandemic. On the other hand, the employment environment is expected to remain challenging in light of rising minimum wages and the expansion of social insurance enrollment.

Moreover, in the U.S., there are higher expectations for convenience stores to meet demand for fresh, healthy and delicious food. Globally, significant opportunities exist for the Group to provide locally adapted, safe, reliable and high-quality food on a daily basis, and it is important to establish a business infrastructure that enables the Group to meet those consumer demands. Meanwhile, social issues related to climate change, marine pollution, food loss, and sustainable procurement are becoming more serious, both in Japan and abroad. Being members of society, companies find themselves in a situation where they will have to work to solve these issues more seriously than ever.

In our superstore operations, we possess strengths in food that support the Group’s competitiveness. These strengths include the Group’s merchandising assortment, procurement capabilities, supplier network, product innovation capabilities, and private brands (*Seven Premium*). This strength in food will become an increasingly important competitive advantage to support the growth of the Group’s domestic and overseas convenience store operations from the standpoint of the aforementioned macro and market trends expected in the future. In promoting the Group food strategy, concrete measures to advance the development and operation of common Group infrastructure such as process centers and central kitchens have been implemented. As the first common infrastructure within the Seven & i Group, the “Peace Deli Chiba Kitchen” food manufacturing facility has commenced operations, combining functions of a central kitchen for producing prepared dishes and meal kits, etc., along with a process center for processing fresh meat.

Strategy Committee Recommendations and Our Group’s Action Plans toward the Maximization of Corporate and Shareholder Value in the Medium- to Long-term

We announced the “Update to the Medium-Term Management Plan and the Results of the Group Strategy Reevaluation” (the “Group Strategy Reevaluation”) on March 9, 2023, and established the Strategy Committee (“the Strat Com”) composed of all the Group’s Independent Outside Directors, focused on maximizing corporate value and thus shareholder value in the medium- to long-term. Based

on the discussions in the Strat Com, the Strat Com recently shared its recommendations to the Company's Board of Directors (the "Board"), and the Board considered and adopted the recommendations. We created a timeline for actioning those items and have started working towards implementation.

- The Strat Com has held 13 formal meetings and several informal meetings, in addition to a great deal of analytical work prior to the meetings, with a great amount of time and effort being made since its formation.
- These Recommendations were reflected in the action plan that was presented to the Board. The Strat Com had provided input to management in advance of its final recommendations to the Board and some of these have been adopted already. The categories below will be implemented under a concrete plan with actionable deliverables for the Board to track going forward to ensure these objectives are met.

Concrete action plans to accelerate growth:

In order to promote the growth strategy of our Group, we will proactively implement strategic investments in the convenience store business with a more agile and flexible financial discipline (target leverage: Net Debt/EBITDA ratio 1.8-2.5x) while at the same time working to improve the Group's capital efficiency.

- i) Accelerate growth and improve profitability and capital efficiency in the North American convenience store market with large growth potential
- ii) Develop more aggressive business plans and investments for the Global convenience store business
- iii) Establish the IT/DX strategy that is the foundation of our global growth, and the IT/DX governance to improve cost competitiveness
- iv) Monitor and support the completion of the transformation and growth of Tokyo Metropolitan Area Superstore ("Tokyo Metropolitan Area SST") business¹
- v) Maximize the synergy between Retail and Financial Services

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

The Board seriously considered our optimal group structure through cooperation with Group subsidiaries, focusing on how to maximize value of each of our businesses including convenience store, align employee interests, and create long-term shareholder value.

As a result, we will create a globally integrated convenience store management structure, including Japan and North America, with a unified leadership. The Superstore ("SST") business² will aim to establish a refined management/business structure to provide employees with autonomy to pursue re-growth, and to have independence financially in strategic decision making, while continuing to aim towards a successful business transformation. With respect to that aim, 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 alliances and shareholdings among these businesses will continue to allow the food related collaboration between convenience store and SST to be maintained.

Enhancement of investor engagement

We value our 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.

We will continue to engage and actively listen to the voice of all the stakeholders including our shareholders and will also commit to the continuous growth of the Group and increase of our corporate value through realizing "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", by implementing the recommendations of the Strat Com as approved by the Board and clearly reflecting these within the progress of our next Medium-Term Management Plan.

Notes: 1. Tokyo Metropolitan Area SST business encompasses Ito-Yokado Co., Ltd., and SHELL GARDEN CO., LTD.

2. SST business encompasses all operating companies under the SST business segment.

Solid management foundation to support our strategy

I. Realizing a sustainable society

To date, the Group has been proactive in its efforts to resolve social issues and enhance corporate value, both of which are fundamental to management. We have identified the social issues that are highly compatible with the Group's business areas as "Seven Material Issues (Materiality)." We are working to solve such issues while linking them to the 17 Sustainable Development Goals (SDGs) set forth by the United Nations. Through these efforts, we are making efforts through our core businesses to create a new business model that takes social issues and priority issues as its starting points.

"Seven Material Issues (Materiality)"

- Create a livable society with local communities through various customer touchpoints
- Provide safe, reliable and healthier merchandise and services
- Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts
- Achieve a society in which diverse people can actively participate
- Improve work engagement and environment for people working in Group businesses
- Create an ethical society through dialogue and collaboration with customers
- Achieve a sustainable society through partnerships

In May 2019, we announced our "GREEN CHALLENGE 2050" environmental declaration, which sets four themes: reduction of CO2 emissions, measures against plastic, measures against food loss and measures for food recycling, and sustainable procurement. As we address these themes, we are working to realize a sustainable society in cooperation with customers, local communities, business partners, and other stakeholders. In conjunction with the global expansion of our business, we are promoting CO2 emission reduction and plastic-related measures in collaboration with 7-Eleven licensees around the world. In addition, communities are becoming increasingly concerned about the human rights efforts of companies as their activities become more global in nature. The Group works to protect human rights under its Corporate Action Guidelines. We have established the Seven & i Group Human Rights Policy, which is primarily based on the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the International Labor Organization Declaration on Fundamental Principles and Rights at Work, the 10 principles of the U.N. Global Compact, and the U.N. Guiding Principles on Business and Human Rights. We will continue encouraging employees, supply chain partners, and local communities to work with us as we step up efforts to respect human rights.

II. Further strengthening corporate governance

With respect to corporate governance, to date, we have been constantly striving to improve and expand corporate governance based on dialogue with all stakeholders. We have further improved the diversity of the Board of Directors and increased the number of independent outside directors to a majority. This change was made to build a governance system that is suitable for our goal of becoming a global retail group, which is part of our "Ideal Group Image for 2030." Furthermore, in the fiscal year ended February 29, 2024, we appointed an additional representative director of the Company to strengthen and stabilize the governance structure, bringing the total number of representative directors to three. Concurrently, we have appointed Chief Officers (CxO) for each corporate function, as well as a Head for each business segment and business area.

In addition, we have established the Strategy Committee composed solely of independent outside directors to provide advice to the Board of Directors for the purpose of increasing the Group's medium- to long-term corporate value. The Strategy Committee has monitored the progress of the Group's strategic priorities, and comprehensively and objectively analyzed and reviewed the optimal group structure and other matters to achieve the Group's strategic goals.

In the future, the Board of Directors will continue its efforts to conduct appropriate decision-making while implementing highly effective supervision, to properly fulfill the Board of Directors' roles and

responsibilities, and to further strengthen corporate governance. These efforts will be made in order to achieve sustainable growth in global markets and to increase the Group's corporate value over the medium and long terms.

III. Human resource measures linked to management strategy

Human resources are the source of the Group's growth potential. In particular, we believe that management strategy and human resource strategy are inseparable and must be linked in order to promote DX and global strategies and enhance both social and corporate value. Accordingly, we pursue a human resource strategy that is integrated with our management strategy, and we will not only seek human resources with specialized knowledge and skills from outside the Group but also actively develop them within the Group. In human resource development, we adhere to the concept of being "a company that grows together with its human resources." With this in mind, by actively providing employees with opportunities for growth, we aim to develop human resources who continue to learn and improve their skills on their own, thereby achieving mutual growth for both employees and the Group.

In addition, we will work to create workplaces where everyone can work comfortably by reforming work styles and improving productivity. We are establishing frameworks to create environments that allow diversity and differences among workers and to support flexible work styles. We are focusing particular attention on fostering an organization and corporate culture where diverse human resources can play active roles, taking into consideration the nature of the Group's main business.

Furthermore, the Group has established the Engagement Improvement Committee, consisting of the presidents of each Group operating company, to formulate and monitor action plans to improve employee engagement. We will continue to promote these activities based on the belief that increased employee engagement and a desire to contribute will revitalize our organization and boost our corporate competitiveness.

The Group is committed to achieving sustainable growth by enhancing corporate value over the medium and long terms. To this end, we will continue strengthening Group synergies to further expand the Group's strengths. While listening sincerely to the voices of all stakeholders, we will strive to provide more value and appropriate returns on profits to all stakeholders.

4. Basic concept on choice of Accounting Standards

The company prepares its consolidated financial statements under standards applicable in Japan for the time being, taking into account the comparability of the consolidated financial statements and the comparability between companies.

As regards the international financial reporting standards (IFRS), the Company will adopt it appropriately in the future, based on the domestic and international situation.

5. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	February 28, 2023	February 29, 2024
	Amount	Amount
ASSETS		
Current assets	3,060,653	3,035,666
Cash and bank deposits	1,670,872	1,558,738
Call loan	23,000	–
Notes and accounts receivable - trade, and contract assets	422,635	464,159
Trade accounts receivable - financial services	93,490	100,645
Merchandise and finished goods	280,044	283,349
Work in process	119	79
Raw materials and supplies	2,216	2,444
Prepaid expenses	78,588	90,576
ATM-related temporary payments	102,755	99,351
Other	397,288	447,812
Allowance for doubtful accounts	(10,356)	(11,491)
Non-current assets	7,489,195	7,555,469
Property and equipment	4,341,750	4,362,500
Buildings and structures, net	1,614,830	1,606,839
Furniture, fixtures and equipment, net	463,518	493,756
Vehicles, net	18,640	21,783
Land	1,196,007	1,096,630
Lease assets, net	6,264	2,970
Right-of-use assets, net	885,645	985,657
Construction in progress	156,842	154,862
Intangible assets	2,364,673	2,356,578
Goodwill	1,913,017	1,928,916
Software	265,638	302,767
Other	186,016	124,895
Investments and other assets	782,772	836,390
Investments in securities	243,215	277,526
Long-term loans receivable	14,903	14,488
Long-term leasehold deposits	321,945	278,642
Advances for store construction	770	75
Net defined benefit asset	87,088	116,852
Deferred income taxes	57,186	92,015
Other	60,627	59,222
Allowance for doubtful accounts	(2,965)	(2,432)
Deferred assets	1,106	981
Business commencement expenses	773	193
Bond issuance cost	332	788
TOTAL ASSETS	10,550,956	10,592,117

(Millions of yen)

	February 28, 2023	February 29, 2024
	Amount	Amount
LIABILITIES		
Current liabilities	3,265,089	3,073,252
Notes and accounts payable, trade	536,173	528,155
Short-term loans	143,568	84,882
Current portion of bonds	355,823	334,039
Current portion of long-term loans	145,605	138,530
Income taxes payable	25,549	18,389
Accrued expenses	274,563	264,862
Contract liabilities	211,356	188,890
Deposits received	165,501	140,845
ATM-related temporary advances	61,772	60,880
Lease obligations	121,472	132,392
Allowance for restructuring expenses	2,208	15,989
Allowance for sales promotion expenses	1,104	773
Allowance for bonuses to employees	14,389	13,870
Allowance for bonuses to Directors and Audit & Supervisory Board Members	483	496
Deposits received in banking business	810,139	803,763
Call money	110,000	40,000
Other	285,377	306,490
Non-current liabilities	3,637,704	3,618,240
Bonds	1,394,728	1,356,585
Long-term loans	936,070	824,616
Deferred income taxes	184,242	220,658
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	526	459
Allowance for stock payments	4,555	4,707
Net defined benefit liability	13,584	16,323
Deposits received from tenants and franchised stores	50,322	45,025
Lease obligations	834,913	931,759
Asset retirement obligations	155,137	163,328
Other	63,623	54,776
TOTAL LIABILITIES	6,902,794	6,691,492
NET ASSETS		
Shareholders' equity	2,981,545	3,036,059
Common stock	50,000	50,000
Capital surplus	408,926	351,851
Retained earnings	2,532,491	2,650,575
Treasury stock, at cost	(9,873)	(16,368)
Total accumulated other comprehensive Income	493,001	680,464
Unrealized gains (losses) on available-for-sale securities, net of taxes	34,823	46,116
Unrealized gains (losses) on hedging derivatives, net of taxes	4,799	4,823
Foreign currency translation adjustments	444,478	608,057
Remeasurements of defined benefit plans	8,899	21,466
Subscription rights to shares	49	60
Non-controlling interests	173,565	184,041
TOTAL NET ASSETS	3,648,161	3,900,624
TOTAL LIABILITIES AND NET ASSETS	10,550,956	10,592,117

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

	Year ended February 28, 2023	Year ended February 29, 2024
	Amount	Amount
Revenues from operations	11,811,303	11,471,753
Net sales	10,265,151	9,850,470
Cost of sales	8,503,617	8,060,919
Gross profit on sales	1,761,534	1,789,551
Operating revenues	1,546,151	1,621,283
Gross profit from operations	3,307,685	3,410,834
Selling, general and administrative expenses	2,801,164	2,876,585
Advertising and decoration expenses	97,091	103,036
Salaries and wages	696,197	699,665
Provision for bonuses to employees	14,314	14,769
Pension expenses	13,812	13,833
Legal welfare expenses	81,495	82,957
Land and building rent	441,127	450,944
Depreciation and amortization	363,564	388,036
Utility expenses	185,724	183,411
Store maintenance and repair expenses	162,768	164,886
Other	745,068	775,044
Operating income	506,521	534,248
Non-operating income	15,827	23,487
Interest income	6,050	12,186
Dividend income	1,267	1,533
Equity in earnings of affiliates	2,506	3,711
Gain on valuation of investment securities	1,920	146
Other	4,083	5,910
Non-operating expenses	46,460	50,649
Interest expenses	15,673	22,060
Interest on bonds	20,711	21,059
Other	10,076	7,529
Ordinary income	475,887	507,086
Special gains	13,510	15,912
Gain on sales of property and equipment	9,116	11,027
Gain on sales of investments in securities	272	2,867
Other	4,120	2,017

	Year ended February 28, 2023	Year ended February 29, 2024
	Amount	Amount
Special losses	86,636	245,991
Loss on disposals of property and equipment	14,038	15,590
Impairment loss	43,420	43,010
Loss on transfer of department store	–	129,618
Restructuring expenses	10,298	28,858
Loss on transfer of subsidiary	–	4,866
Other	18,878	24,047
Income before income taxes	402,761	277,007
Total Income taxes	110,591	41,803
Income taxes - current	71,881	63,116
Income taxes - deferred	38,710	(21,313)
Net income	292,169	235,203
Net income attributable to non-controlling interests	11,193	10,580
Net income attributable to owners of parent	280,976	224,623

Consolidated statements of comprehensive income

(Millions of yen)

	Year ended February 28, 2023	Year ended February 29, 2024
	Amount	Amount
Net income	292,169	235,203
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities, net of taxes	(2,962)	11,212
Unrealized gains (losses) on hedging derivatives, net of taxes	532	19
Foreign currency translation adjustments	288,056	165,163
Remeasurements of defined benefit plans, net of taxes	(5,113)	12,845
Share of other comprehensive income (loss) of entities accounted for using equity method, net of taxes	203	(133)
Total other comprehensive income (loss)	280,717	189,107
Comprehensive income (loss)	572,887	424,311
Comprehensive income (loss) attributable to owners of parent	560,539	412,085
Comprehensive income (loss) attributable to non-controlling interests	12,347	12,225

(3) Consolidated statements of changes in net assets

Fiscal year ended February 28, 2023 (From March 1, 2022 to February 28, 2023)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 1, 2022	50,000	408,645	2,319,155	(10,282)	2,767,517
Cumulative effects of changes in accounting policies			22,815		22,815
Increase (Decrease) due to the adoption of IFRS in foreign subsidiaries			(902)		(902)
Restated balance	50,000	408,645	2,341,068	(10,282)	2,789,430
Increase (decrease) for the year					
Cash dividends			(89,787)		(89,787)
Net income attributable to owners of parent			280,976		280,976
Purchase of treasury stock				(16)	(16)
Disposal of treasury stock		0		425	425
Other		281	234	(0)	515
Net changes of items other than shareholders' equity					
Net increase (decrease) for the year	-	281	191,423	409	192,114
Balance at February 28, 2023	50,000	408,926	2,532,491	(9,873)	2,981,545

(Millions of yen)

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at March 1, 2022	37,696	4,270	157,570	13,901	213,438	56	166,719	3,147,732
Cumulative effects of changes in accounting policies								22,815
Increase (Decrease) due to the adoption of IFRS in foreign subsidiaries								(902)
Restated balance	37,696	4,270	157,570	13,901	213,438	56	166,719	3,169,645
Increase (decrease) for the year								
Cash dividends								(89,787)
Net income attributable to owners of parent								280,976
Purchase of treasury stock								(16)
Disposal of treasury stock								425
Other								515
Net changes of items other than shareholders' equity	(2,872)	529	286,908	(5,002)	279,563	(7)	6,846	286,401
Net increase (decrease) for the year	(2,872)	529	286,908	(5,002)	279,563	(7)	6,846	478,516
Balance at February 28, 2023	34,823	4,799	444,478	8,899	493,001	49	173,565	3,648,161

Fiscal year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 1, 2023	50,000	408,926	2,532,491	(9,873)	2,981,545
Increase (decrease) for the year					
Cash dividends			(106,152)		(106,152)
Net income attributable to owners of parent			224,623		224,623
Purchase of treasury stock				(52,393)	(52,393)
Disposal of treasury stock		0		489	489
Cancellation of treasury stock		(45,408)		45,408	-
Other		(11,666)	(387)	1	(12,052)
Net changes of items other than shareholders' equity					
Net increase (decrease) for the year	-	(57,074)	118,083	(6,494)	54,513
Balance at February 29, 2024	50,000	351,851	2,650,575	(16,368)	3,036,059

(Millions of yen)

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at March 1, 2023	34,823	4,799	444,478	8,899	493,001	49	173,565	3,648,161
Increase (decrease) for the year								
Cash dividends								(106,152)
Net income attributable to owners of parent								224,623
Purchase of treasury stock								(52,393)
Disposal of treasury stock								489
Cancellation of treasury stock								-
Other								(12,052)
Net changes of items other than shareholders' equity	11,292	23	163,578	12,567	187,462	10	10,475	197,949
Net increase (decrease) for the year	11,292	23	163,578	12,567	187,462	10	10,475	252,462
Balance at February 29, 2024	46,116	4,823	608,057	21,466	680,464	60	184,041	3,900,624

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended	Year ended
	February 28, 2023	February 29, 2024
	Amount	Amount
Cash flows from operating activities		
Income before income taxes	402,761	277,007
Depreciation and amortization	376,097	400,789
Impairment loss	48,950	57,079
Amortization of goodwill	112,700	119,912
Increase (decrease) in allowance for bonuses to employees	515	472
Increase in net defined benefit asset	(8,993)	(8,195)
Interest and dividends income	(7,317)	(13,719)
Interest expenses and interest on bonds	36,384	43,120
Equity in losses (earnings) of affiliates	(2,506)	(3,711)
Gain on sales of property and equipment	(9,116)	(11,027)
Loss on disposals of property and equipment	14,110	15,590
Loss on transfer of department store	–	129,618
Loss on transfer of subsidiary	–	4,866
Loss (gain) on sales of investments in securities	(272)	(2,867)
Decrease (increase) in notes and accounts receivable, trade	(44,022)	(50,033)
Decrease (increase) in trade accounts receivable, financial services	(1,824)	(7,155)
Decrease (increase) in inventories	(12,111)	(5,984)
Increase (decrease) in notes and accounts payable, trade	25,183	5,587
Increase (decrease) in deposits received	(57,643)	(23,689)
Net increase (decrease) in bonds in banking business	–	(40,000)
Net increase (decrease) in deposits received in banking business	22,260	(6,376)
Net decrease (increase) in call loan in banking business	(23,000)	23,000
Net increase (decrease) in call money in banking business	110,000	(70,000)
Net decrease (increase) in ATM-related temporary accounts	(6,997)	2,626
Other	62,019	(67,073)
Subtotal	1,037,177	769,836
Interest and dividends received	5,967	12,646
Interest paid	(35,807)	(41,920)
Insurance income received	174	1,090
Income taxes paid	(96,856)	(87,527)
Income taxes refund	17,820	18,889
Net cash provided by operating activities	928,476	673,015

(Millions of yen)

	Year ended	Year ended
	February 28, 2023	February 29, 2024
	Amount	Amount
Cash flows from investing activities		
Acquisition of property and equipment	(305,217)	(337,439)
Proceeds from sales of property and equipment	20,221	24,317
Acquisition of intangible assets	(105,672)	(120,202)
Payment for purchase of investments in securities	(50,305)	(44,240)
Proceeds from sales of investments in securities	30,317	29,973
Payment for purchase of shares in subsidiaries resulting in change in scope of consolidation	(459)	(776)
Proceeds from sales of shares in subsidiaries resulting in change in scope of consolidation	938	36,036
Payment for sales of shares in subsidiaries resulting in change in scope of consolidation	–	(2,687)
Payment for long-term leasehold deposits	(13,125)	(17,026)
Refund of long-term leasehold deposits	20,588	18,046
Proceeds from deposits from tenants	2,577	2,093
Refund of deposits from tenants	(2,535)	(1,872)
Payment for acquisition of business	(224)	(2,187)
Payment for time deposits	(2,594)	(7,302)
Proceeds from withdrawal of time deposits	2,176	5,522
Other	(9,914)	(14,064)
Net cash used in investing activities	(413,229)	(431,809)
Cash flows from financing activities		
Net increase (decrease) in short-term loans	3,718	12,821
Proceeds from long-term debts	163,652	52,700
Repayment of long-term debts	(262,650)	(150,246)
Proceeds from issuance of bonds	–	220,000
Payment for redemption of bonds	(60,000)	(325,837)
Proceeds from share issuance to non-controlling shareholders	2,368	2,988
Purchase of treasury stock	(16)	(52,393)
Dividends paid	(89,762)	(106,092)
Dividends paid to non-controlling interests	(7,803)	(7,533)
Payment for changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(975)	(2,062)
Other	(18,904)	(21,409)
Net cash used in financing activities	(270,373)	(377,065)
Effect of exchange rate changes on cash and cash equivalents	15,023	23,566
Net increase (decrease) in cash and cash equivalents	259,897	(112,293)
Cash and cash equivalents at beginning of period	1,414,890	1,674,787
Cash and cash equivalents at end of period	1,674,787	1,562,493

(5) Doubts on the premise of going concern

None

(6) Accounting policies for the preparation of consolidated financial statements

I. Scope of consolidation

(i) Number of consolidated subsidiaries: 160

Major consolidated subsidiaries: SEVEN-ELEVEN JAPAN CO., LTD., 7-Eleven, Inc., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., Seven Bank, Ltd. and Seven Financial Service Co., Ltd.

Consolidated subsidiaries increased by 7

(Establishment)

Ito-Yokado Online Supermarket Co., Ltd. and AR Bidco Pty Ltd and two other companies

(Acquisition of shares, and others)

Three companies

Consolidated subsidiaries decreased by 12

Following the transfer of shares of Sogo & Seibu Co., Ltd. on September 1, 2023, six companies including Sogo & Seibu Co., Ltd. subsidiaries were excluded from the scope of consolidation and one company was changed from a consolidated subsidiary to an equity-method affiliate. York Co., Ltd. ceased to exist as a result of its merger with Ito-Yokado Co., Ltd. on September 1, 2023. In addition, one company was absorbed, one company had its shares transferred, and two companies were liquidated.

II. Application of the equity method

(i) Number of unconsolidated subsidiaries to which the equity method was applied: None

(ii) Number of affiliates to which the equity method was applied: 20

Major affiliates: Tenmaya Store Co., Ltd., DAIICHI CO., LTD. and PIA Corporation

During the current fiscal year, one company was changed from a consolidated subsidiary to an equity-method affiliate due to the transfer of Sogo & Seibu Co., Ltd. shares on September 1, 2023. In addition, one company was acquired, and as a result, two companies became equity-method affiliates in total. Six companies were excluded from equity-method affiliate status for reasons such as transfer of shares.

(iii) Procedure for applying the equity method

(a) The affiliates which have different closing dates are included in the consolidated financial statements based on their respective fiscal year-end.

(b) When an affiliate has a deficit net worth, the Company's share of such loss is reduced from its loan receivable from affiliate.

III. Accounting period of consolidated subsidiaries

The fiscal year-end of some subsidiaries is December 31. The financial statements of such subsidiaries as of and for the year ended December 31 are used in preparing the consolidated financial statements. All material transactions during the period from the closing date to the end of February are adjusted for the consolidation purpose.

The closing date of Seven Bank, Ltd., etc. is March 31. Pro forma financial statements as of the end of February are prepared in a manner that is substantially identical to the preparation of the official financial statements in order to facilitate its consolidation.

IV. Summary of significant accounting policies

(i) Valuation method for major assets

(a) Valuation method for securities

(I) Held-to-maturity debt securities are carried at amortized cost.

(II) Other available-for-sale securities are classified into two categories, where: (i) Securities other than shares that do not have a market value and (ii) Shares that do not have a market value.

(i) Securities other than shares that do not have a market value are valued at fair value. Net unrealized gains or losses on these securities are reported as a separate component of net assets at a net-of-tax amount. Cost of securities sold is determined using the moving-average method.

(ii) Shares that do not have a market value are mainly valued at cost, determined using the moving-average method.

(b) Valuation method for derivatives

Derivative financial instruments are valued at fair value.

(c) Valuation method for inventories

(I) Merchandise:

Inventories of domestic consolidated subsidiaries are stated mainly at cost determined by the retail method with book value written down to the net realizable value.

Cost is determined principally by the first-in, first-out (FIFO) method (except for gasoline inventory that is determined by the weighted average cost method) for foreign consolidated subsidiaries. Some domestic consolidated subsidiaries applied the FIFO method.

(II) Supplies:

Supplies are carried at cost which is mainly determined by the last purchase price method with book value written down to the net realizable value.

(ii) Depreciation and amortization

(a) Property and equipment (excluding lease assets)

Property and equipment are depreciated using the straight-line method.

(b) Intangible assets (excluding lease assets)

Intangible assets are amortized using the straight-line method. Internal use software is amortized using the straight-line method over an estimated useful life, generally 5 years.

(c) Lease assets

For the assets leased under finance lease contracts that do not transfer ownership of leased property to the lessee, useful life is determined based on the duration of the lease period and straight-line depreciation method is applied with an assumed residual value at nil.

Finance leases, commenced prior to March 1, 2009, which do not transfer ownership of leased property to the lessee, are accounted for in the same manner as operating leases.

(d) Right-of-use assets

Some foreign consolidated subsidiaries have adopted IFRS 16 Leases and application of Accounting Standards Update ("ASU") 2016-02, Leases (Topic842). Therefore, lessees are in principle required to recognize all leases as assets and liabilities on their consolidated balance sheets. Right-of-use assets recorded in assets as result of the application of IFRS 16 Leases are depreciated using the straight-line method.

Moreover, as a result of the application of ASU 2016-02, Leases (Topic842), the amount equivalent to depreciation of right-of-use assets for operating lease is recorded not as "Depreciation and amortization" but as "Land and building rent", because it is not depreciable assets.

(iii) Accounting for deferred assets

(a) Business commencement expenses

Business commencement expenses are amortized using the straight-line method over 5 years.

(b) Bond issuance cost

Bond issuance cost are amortized using the straight-line method over the redemption period.

(iv) Allowances

(a) Allowance for doubtful accounts

Allowance for doubtful accounts is provided in an amount sufficient to cover probable losses on collection. It consists of the estimated uncollectible amount with respect to certain identified doubtful receivables and an amount calculated using the actual historical rate of losses.

(b) Allowance for restructuring expenses

Allowance for restructuring expenses is provided. The estimated amount is recorded in preparation for expenses or losses associated with business restructuring.

(c) Allowance for sales promotion expenses

Points granted to customers under the loyalty program, which is designed to promote sales, are divided into two types: points granted based on the amount of purchases and points granted based on events other than purchases.

Of these, allowance for sales promotion expenses is provided for the use of points granted to customers for events other than purchases at the amount expected to be used in the future as at the balance sheet date.

(d) Allowance for bonuses to employees

Allowance for bonuses to employees is provided at the amount calculated based on the estimation of payment.

(e) Allowance for bonuses to Directors and Audit & Supervisory Board Members

Allowance for bonuses to Directors and Audit & Supervisory Board Members is provided at the amount estimated to be paid.

(f) Allowance for retirement benefits to Directors and Audit & Supervisory Board Members

Allowance for retirement benefits to Directors and Audit & Supervisory Board Members is provided at the amount required to be paid in accordance with internal rules.

The Company and some of its consolidated subsidiaries abolished the retirement benefits policy for Directors and Audit & Supervisory Board Members, for which some consolidated subsidiaries have determined to pay the balance at the time of retirement.

(g) Allowance for stock payments

Allowance for stock payments is provided to prepare for payments of stock benefits to directors and executive officers of the Company and its consolidated. The amount is based on the expected stock benefit payable as at the balance sheet date.

(v) Accounting method for retirement benefits

(a) Allocation method of estimated total retirement benefits

When calculating retirement benefit obligation, the benefit formula basis is used to allocate estimated total retirement benefits to the period up to the fiscal year-end.

(b) Amortization method of the actuarial difference and the prior service cost

The amount of actuarial differences is amortized on a straight-line basis over a period of 10 years from the year following the year in which they arise, which is within the average remaining years of service of the eligible employees.

The amount of prior service costs is amortized on a straight-line basis over a period of 5 years or 10 years, which are within the average remaining years of service of the eligible employees.

(vi) Revenue recognition

The Group recognizes revenue based on the following five-step approach.

Step 1: Identifying the contract

Step 2: Identifying the performance obligations

Step 3: Determining the transaction price

Step 4: Allocating the transaction price to the performance obligations

Step 5: Recognizing revenue as the performance obligation is satisfied

(a) Revenue recognition criteria for each operating segment

(I) Domestic convenience store operations

Domestic convenience store operations operate a convenience store business comprising directly managed corporate stores and franchised stores mainly under SEVEN-ELEVEN JAPAN CO., LTD.

The Group sells processed foods, fast foods, daily delivered foods, and non-food merchandise to customers visiting the directly managed corporate stores. For these merchandise sales, revenue is recognized at the delivery of the merchandise to the customer by determining that the performance obligation of the merchandise is satisfied at that time of the delivery.

The Group assumes contractual obligations to franchised convenience stores, such as licensing of the use of the business expertise and trademarks, lending of equipment, purchase cooperation, advertising, management consulting, credit support for merchandise purchases, preparation for business commencement, as well as provision of services including training and accounting/bookkeeping services. These activities are determined to be a single performance obligation since they are closely connected with each other and cannot be separately performed as distinct services. This performance obligation is satisfied over time or as the service is provided. In addition, revenue is recognized over the contract period as gross profit on sales is generated, since the transaction prices are royalties based on the gross profit on sales of the stores.

Sales promotion expenses and other consideration paid to customers are deducted from the transaction prices.

(II) Overseas convenience store operations

Overseas convenience store operations operate a convenience store business comprising directly managed corporate stores and franchised stores mainly under 7-Eleven, Inc.

The Group sells processed foods, fast foods, daily delivered foods, and non-food merchandise to customers visiting the directly managed corporate stores. For these merchandise sales, revenue is recognized at the delivery of the merchandise to the customer by determining that the performance obligation of the merchandise is satisfied at the time of delivery.

The Group sells gasoline to customers visiting the stores and dealers. For these merchandise sales, revenue is recognized at the time of delivery of the merchandise to the customer by determining that the performance obligation of the merchandise is satisfied at that time of the delivery.

The Group assumes contractual obligations to franchised convenience stores, such as licensing of the use of the trademarks, provision of training, preparation for business commencement, advertising, management instructions, and permitting the use of the land, buildings and equipment. These activities are determined to be a single performance obligation since they are

closely connected with each other and cannot be separately performed as distinct services. This performance obligation is satisfied over time or as the service is provided. In addition, revenue is recognized over the contract period as gross profit on sales is generated, since the transaction prices are royalties based on the gross profit on sales of the stores.

The revenue is measured at the amount of the consideration promised under the contract with the customer less discounts or others

Subsidiaries in North America that adopt US GAAP have applied ASU No. 2014-09 "Revenue from Contracts with Customers (Topic606)".

(III) Superstore operations

Superstore operations of the Group, whose main components are Ito-Yokado Co., Ltd. and York-Benimaru Co., Ltd., comprise general merchandise store (GMS) operations and food supermarket operations, and operate a retail business that provides a comprehensive range of daily life necessities such as food and other daily necessities. Superstore operations operate merchandise sales at the Company or provision of services to tenants. As for merchandise sales at the Company, revenue is recognized at the delivery of the merchandise to the customer by determining that the performance obligation is satisfied at the time of the delivery of the merchandise. As for the provision of services to tenants, revenue is recognized as the service is provided by determining that the performance obligation is satisfied over the contract period.

As for merchandise sales at the Company, revenue is measured at the amount of the consideration promised under the contract with the customer less discounts or others. The provision of services to tenants includes some transactions where mainly the transaction price is a variable consideration based on net sales to the tenant.

(IV) Financial services

Financial services operate a banking business, credit card business, electronic money business, and leasing business. Commission fee income received for the provision of various services are recognized as revenue at the point when each transaction occurs.

(b) Granting options for customers to obtain additional goods or services

Based on the loyalty program, which is designed to promote sales, the Group grants points in accordance with the amount of purchase by members and provide goods or services equivalent to the points used. The Group identifies the points granted as performance obligations, and the transaction price is allocated based on the stand-alone selling price calculated considering the estimated future forfeitures, etc.

(c) Determination of a principal or an agent

If the Group has control of the merchandise or service before it is transferred to a customer, the transaction is deemed to be a transaction by a principal, and the revenue is recognized at the total amount. If the Group does not have such control or if the Group's performance obligation is to arrange the provision of the merchandise or service, the transaction is deemed to be a transaction by an agent, and the revenue is recognized on the net amount (an amount equivalent to the commission fee).

In our group, revenue related to commission fees for the sales on wholesaler owned goods and merchandise sales by tenants is recognized on the net amount by subtracting payments to suppliers from the total amount.

(vii) Foreign currency translation

All assets and liabilities of the Company and its domestic consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen at the exchange rate in effect as at the respective balance sheet dates. Translation gains or losses are included in the accompanying consolidated statements of income.

All balance sheets accounts of foreign subsidiaries are translated into Japanese yen at the exchange rate in effect at the respective balance sheet dates. All income and expense accounts are translated at the average exchange rate for the period. The resulting translation adjustments are included in the accompanying consolidated balance sheets under "Non-controlling interests" and "Foreign currency translation adjustments."

(viii) Hedge accounting

(a) Hedge accounting

If derivative financial instruments are used as hedges and meet certain hedging criteria, the recognition of gains and losses resulting from the changes in fair value of derivative financial instruments is deferred until the related gains and losses on the hedged items are recognized.

The forward foreign exchange contracts are accounted for by the designated accounting treatment when they meet certain treatment for that. Certain interest rate swap contracts that meet specific accounting treatment are not measured at market value but the differences between the paid and received amount under the swap contracts are recognized and included in interest income or expense as incurred. The Company applies integral accounting treatment (specific accounting treatment, designated accounting treatment) to interest rate and currency swap contracts that meet the requirements of integral accounting treatment.

(b) Hedge instruments and hedged items

(I) Hedge instruments – Forward foreign exchange contracts

Hedged items – Foreign currency-denominated monetary asset and liability

(II) Hedge instruments – Interest swap

Hedged items – Loans

(III) Hedge instruments – Interest rate and currency swap

Hedged items – Foreign currency-denominated loans

(c) Hedging policies

The Company and its subsidiaries have policies to utilize derivative instruments for the purposes of hedging their exposure to fluctuations in foreign currency rates and interest rates and reducing financing costs as well as optimizing future cash flow. The Company and its subsidiaries do not hold or issue derivative instruments for trading or speculative purposes.

(d) Assessing hedge effectiveness

The hedge effectiveness is assessed by comparing the fluctuation quarterly except for those that meet specific accounting treatment and integral accounting treatment.

(ix) Goodwill and negative goodwill

Goodwill is amortized mainly over a period of 20 years on a straight-line basis, or recognized as income or expenses immediately if immaterial.

Negative goodwill is recognized as income when it occurs.

The goodwill recognized in applying the equity method is accounted for in the same manner.

(x) Cash and cash equivalents

Cash and cash equivalents in the accompanying consolidated statements of cash flows consist of cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition, that are liquid, readily convertible into cash and are subject to minimum risk of price fluctuation.

(xi) Other accounting treatments

(a) Accounting for franchised stores in Domestic and Overseas convenience store operations

SEVEN-ELEVEN JAPAN CO., LTD. and 7-Eleven, Inc. recognize franchise commission from its franchised stores as revenues and include it in "Operating revenues."

(b) Accounting for consumption taxes and excise tax

The excise tax levied in the U.S. and Canada is included in the revenues from operations.

(c) Application of the Group Tax Sharing System

The Company and part of its wholly owned domestic subsidiaries have applied the Group Tax Sharing System.

(d) Application of the practical solution on the accounting and disclosure under the Group Tax Sharing System

The Company and some of its domestic consolidated subsidiaries have applied the Group Tax Sharing System from the beginning of the fiscal year ended February 29, 2024. Furthermore, the Company undertakes and discloses the accounting treatment for national corporate taxes and local corporate taxes or tax effect accounting relating to these taxes in compliance with provisions in the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ Practical Issues Task Force No. 42, August 12, 2021).

(7) Changes in accounting policies

(Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021, hereinafter the "Implementation Guidance on Accounting Standard for Fair Value Measurement") from the beginning of the fiscal year ended February 29, 2024, and it has applied the new accounting policy prescribed by the Implementation Guidance on Accounting Standard for Fair Value Measurement, prospectively in accordance with the transitional treatment prescribed in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. There is no impact on the consolidated financial statements of the fiscal year ended February 29, 2024.

(8) Changes in method of presentation

(Consolidated balance sheets)

"Allowance for restructuring expenses," which was previously included in "Accrued expenses" of Current liabilities in the fiscal year ended February 28, 2023, is separately presented for the fiscal year ended February 29, 2024 due to its increased materiality. To reflect this change in method of presentation, the Company reclassified consolidated balance sheets for the fiscal year ended February 28, 2023.

As a result, 276,771 million yen that was presented as "Accrued expenses" in Current liabilities in the fiscal year ended February 28, 2023 has been reclassified as "Accrued expenses" of 274,563 million yen and "Allowance for restructuring expenses" of 2,208 million yen.

(Consolidated statements of income)

"Income from electronic money breakage," which was previously separately presented of Non-operating income in the fiscal year ended February 28, 2023, is included in "Other" for the fiscal year ended February 29, 2024 due to its decreased materiality. To reflect this change in method of presentation, the Company reclassified consolidated statements of income for the fiscal year ended February 28, 2023.

As a result, 772 million yen that was presented as "Income from electronic money breakage" in Non-operating income in the fiscal year ended February 28, 2023 has been reclassified as "Other".

"Insurance income," which was previously separately presented of Non-operating income in the fiscal

year ended February 28, 2023, is included in “Other” for the fiscal year ended February 29, 2024 due to its decreased materiality. To reflect this change in method of presentation, the Company reclassified consolidated statements of income for the fiscal year ended February 28, 2023.

As a result, 174 million yen that was presented as “Insurance income” in Non-operating income in the fiscal year ended February 28, 2023 has been reclassified as “Other”.

“Commitment fee,” which was previously separately presented of Non-operating expenses in the fiscal year ended February 28, 2023, is included in “Other” for the fiscal year ended February 29, 2024 due to its decreased materiality. To reflect this change in method of presentation, the Company reclassified consolidated statements of income for the fiscal year ended February 28, 2023.

As a result, 618 million yen that was presented as “Commitment fee” in Non-operating expenses in the fiscal year ended February 28, 2023 has been reclassified as “Other”.

(Consolidated statements of cash flows)

“Insurance income,” which was previously separately presented of Cash flows from operating activities in the fiscal year ended February 28, 2023, is included in “Other” for the fiscal year ended February 29, 2024 due to its decreased materiality. To reflect this change in method of presentation, the Company reclassified consolidated cash flows for the fiscal year ended February 28, 2023.

As a result, (174) million yen that was presented as “Insurance income” in Cash flows from operating activities in the fiscal year ended February 28, 2023 has been reclassified as “Other”.

“Proceeds from subsidy income,” which was previously separately presented of Cash flows from operating activities in the fiscal year ended February 28, 2023, is included in “Other” for the fiscal year ended February 29, 2024 due to its decreased materiality. To reflect this change in method of presentation, the Company reclassified consolidated cash flows for the fiscal year ended February 28, 2023.

As a result, 0 million yen that was presented as “Proceeds from subsidy income” in Cash flows from operating activities in the fiscal year ended February 28, 2023 has been reclassified as “Other”.

(9) Supplementary information

(Performance-based stock compensation plan for Directors)

The Company and certain consolidated subsidiaries (hereinafter the “Companies”) have introduced a Performance- Based Stock Compensation Plan (hereinafter the “Plan”) for the directors of the Companies (excluding nonexecutive Directors and Directors residing overseas, the same applies hereinafter) using the Directors’ Compensation BIP (Board Incentive Plan) Trust (hereinafter “BIP Trust”), mainly aiming to raise willingness to contribute to the improvement of medium-and long-term corporate value and to share interests with shareholders.

The accounting treatment for the BIP Trust agreement is in accordance with “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (PITF (Practical Issue Task Force) No. 30, March 26, 2015).

(1) Outline of the transaction

The plan is a performance-based stock compensation plan whereby the Companies contribute an appropriate amount of money to the BIP Trust, which is used as funds to acquire Company’s shares. The Company’s shares are delivered to directors in accordance with Share Delivery Rules for directors stipulated by the Companies. Directors shall receive delivery of the Company’s shares, etc., in principle, upon their retirement.

(2) Company's shares remaining in the BIP Trust

The Company's shares remaining in the BIP Trust are recorded as treasury stock under net assets at their carrying amounts (excluding incidental expenses). As of February 29, 2024, the carrying amount and the number of Company's shares remaining in the BIP Trust are 4,357 million yen and 991 thousand shares, respectively.

The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The number of shares stated above is the number of shares before the share split.

(Performance-based stock compensation plan for Executive Officers)

The Company and certain consolidated subsidiaries (hereinafter the "Companies") have introduced a Performance- Based Stock Compensation Plan (hereinafter the "Plan") for the executive officers of the Companies (excluding those residing overseas, the same applies hereinafter) using the Stock Grant Employee Stock Ownership Plan (ESOP) Trust (hereinafter "ESOP Trust"), mainly aiming to raise willingness to contribute to the improvement of medium-and long-term corporate value and to share interests with shareholders. The Companies adopted "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF No. 30, March 26, 2015) to account for the said trust agreement.

(1) Outline of the transaction

The plan is a performance-based stock compensation plan whereby the Companies contribute an appropriate amount of money to the ESOP Trust, which is used as funds to acquire the Company's shares. The Company's shares are delivered to executive officers in accordance with the Share Delivery Rules for executive officers stipulated by the Companies. Executive officers shall receive delivery of the Company's shares, etc., in principle, upon their retirement.

(2) Company's shares remaining in the ESOP Trust

The Company's shares remaining in the ESOP Trust are recorded as treasury stock under net assets at their carrying amounts (excluding incidental expenses). As of February 29, 2024, the carrying amount and the number of the Company's shares remaining in the Trust are 2,366 million yen and 585 thousand shares, respectively.

The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The number of shares stated above is the number of shares before the share split.

(Acquisition of own shares)

The Company resolved, at a meeting of the Board of Directors held on November 30, 2023, to acquire its own shares under Article 156 which is applicable in accordance with Article 165, paragraph 3 of the Companies Act.

1. Reasons for the acquisition of own shares

We have established the fundamental policy of profit distribution to ensure a profit allocation that corresponds to profit improvement. Furthermore, in our medium-term management plan, we aim to achieve a total return ratio of 50% or more (cumulative). Under these policies, taking into consideration the maintenance of financial soundness and investment flexibility for the growth of our group in the future, we have decided to implement the acquisition of our own shares. The Company plans to fully retire all of the treasury stock acquired related to this release. The 8,699,800 shares of treasury stock acquired during the fiscal year ended February 29, 2024 have been retired within the same fiscal year.

2. Contents of the acquisition

(1) Class of shares to be acquired	Common stock of the Company
(2) Total number of shares to be acquired	25,000,000 shares (maximum) (The percentage compared to the total number of shares outstanding (excluding treasury stock): 2.83%)
(3) Aggregate amount of acquisition cost	110,000,000,000 yen (maximum)
(4) Method of repurchase	Acquisitions on the Tokyo Stock Exchange
(5) Period of acquisition	From December 1, 2023 to May 31, 2024

※After the effective date of the share split (on March 1, 2024), the total number of shares that can be acquired will be 75,000,000 shares.

(Reference) The status of treasury stock as of February 29, 2024

Total number of shares outstanding (excluding treasury stock)	875,903,256 shares
Number of treasury stock	1,838,927 shares

※The shares held by the BIP and ESOP Trust are excluded in the above number of treasury stock.

(10) Notes to consolidated financial statements

Consolidated balance sheets;

1. Accumulated depreciation of property and equipment

(Millions of yen)

	February 28, 2023	February 29, 2024
Accumulated depreciation	2,625,245	2,667,223

The Company's overseas subsidiaries that adopted U.S. GAAP have applied ASU2016-02, Leases (Topic842). As a result, the amount equivalent to depreciation of right-of-use assets related with operating lease is not included in accumulated depreciation, because the amount was deducted from right-of-use assets directly.

2. Assets pledged as collateral

Assets pledged as collateral for the debts

(Millions of yen)

	February 28, 2023	February 29, 2024
Buildings and structures	581	1,197
Land	1,258	1,258
Investments in securities	86,736	101,596
Long-term leasehold deposits	1,149	-
Total	89,726	104,052
Debts for which above assets are pledged as collateral		
Long-term loans (including current portion of long-term loans)	9,229	6,335

Assets pledged as collateral for fund transfer

(Millions of yen)

	February 28, 2023	February 29, 2024
Investments in securities	2,503	999
Long-term leasehold deposits	1,700	6,500
Total	4,203	7,499

Assets pledged as collateral for real estate business

(Millions of yen)

	February 28, 2023	February 29, 2024
Long-term leasehold deposits	55	20

Assets pledged as collateral to secure the amount of prepaid tickets issued

(Millions of yen)

	February 28, 2023	February 29, 2024
Long-term leasehold deposits	1,006	-

3. Guarantees

(Millions of yen)

	February 28, 2023	February 29, 2024
Employees' housing loans	34	28

4. Loan commitment

Some financial subsidiaries conduct a cash loan business that is associated with their credit card business. Unused credit balance related to the cash loan business is as follows:

(Millions of yen)

	February 28, 2023	February 29, 2024
Credit availability of cash loan business	817,777	801,857
Outstanding balance	47,345	55,155
Unused credit balance	770,431	746,701

Unused credit balance will not have a material impact on future cash flows because most of the unused credit balance will remain unused considering the historical record. Some financial subsidiaries will cease finance services or reduce the credit limit based on the credit situation of customers or other justifiable reasons.

5. Others

Bonds held by Seven Bank, Ltd.

Seven Bank, Ltd., one of the Company's consolidated subsidiaries, holds bonds to serve as collateral for exchange settlement transactions and overdraft transactions with the Bank of Japan. These bonds are recorded in "Investments in securities" in the consolidated balance sheets due to its nature of restriction even if they have redemption at maturity less than one year.

Consolidated statements of income;

1. The franchise commission from SEVEN-ELEVEN JAPAN CO., LTD.'s franchised stores and 7-Eleven, Inc.'s is included in "Operating revenues."

The franchise commission from franchised stores are as follows:

(Millions of yen)

	Year ended February 28, 2023	Year ended February 29, 2024
SEVEN-ELEVEN JAPAN CO., LTD.	778,735	824,401
7-Eleven, Inc.	362,301	402,054
Total	1,141,036	1,226,455

The net sales of franchised stores are as follows:

(Millions of yen)

	Year ended February 28, 2023	Year ended February 29, 2024
SEVEN-ELEVEN JAPAN CO., LTD.	5,056,946	5,278,502
7-Eleven, Inc.	2,111,197	2,268,878
Total	7,168,143	7,547,381

2. Major items included in "Gain on sales of property and equipment" are as follows:

(Millions of yen)

	Year ended February 28, 2023	Year ended February 29, 2024
Buildings and structures	1,687	2,575
Land	7,066	7,989
Others	363	463
Total	9,116	11,027

3. Major items included in "Loss on disposals of property and equipment" are as follows:

(Millions of yen)

	Year ended February 28, 2023	Year ended February 29, 2024
Buildings and structures	6,308	7,791
Furniture, fixtures and equipment	3,873	4,497
Others	3,929	3,301
Total	14,110	15,590

Note: 61 million yen (Buildings and structures) and 10 million yen (Furniture, fixtures and equipment) are included in "Restructuring expenses" in consolidated statements of income for the year ended February 28, 2023.

4. Impairment loss

The Company and its consolidated subsidiaries recognized as impairment loss on the following group of assets.

Fiscal Year ended February 28, 2023 (From March 1, 2022 to February 28, 2023)

(Millions of yen)

Description	Classification	Location			Amount
Stores	Land and buildings, etc.	Tokyo Met.	Domestic convenience stores	155 Stores	45,504
			Superstores	7 Stores	
			Others	3 Stores	
		Osaka Pref.	Domestic convenience stores	62 Stores	
			Others	2 Stores	
		Aichi Pref.	Domestic convenience stores	51 Stores	
		U.S. and others	Overseas convenience stores	258 Stores	
Other facility, etc.	Software, etc.	Tokyo Met., Kyoto Pref., Nagano Pref., & others			3,445
Total					48,950

Note: 5,530 million yen (Stores) is included in "Restructuring expenses" in consolidated statements of income.

Fiscal Year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)

(Millions of yen)

Description	Classification	Location			Amount
Stores	Land and buildings, etc.	Tokyo Met.	Domestic convenience stores	357 Stores	51,777
			Superstores	11 Stores	
			Others	1 Store	
		Osaka Pref.	Domestic convenience stores	184 Stores	
			Others	1 Store	
		Aichi Pref.	Domestic convenience stores	108 Stores	
		U.S. and others	Overseas convenience stores	1,214 Stores	
			Others	2 Stores	
Other facility, etc.	Software, etc.	Tokyo Met., Osaka Pref., Kyoto Pref., & others			5,302
Total					57,079

Note: 14,069 million yen (Stores) is included in "Restructuring expenses" in consolidated statements of income.

The Company and its domestic consolidated subsidiaries group their fixed assets by store, which is the minimum cash-generating unit.

The book values of stores whose land had significantly declined in market prices or which incurred consecutive operating losses were reduced to recoverable amounts when the book values exceed future cash flows before discount, and such deducted amount was recorded as impairment loss in special losses.

A breakdown of impairment loss is as follows:

Fiscal Year ended February 28, 2023 (From March 1, 2022 to February 28, 2023)

(Millions of yen)

	Stores	Other facilities, etc.	Total
Buildings and structures	35,145	216	35,361
Furniture, fixtures and equipment	4,130	117	4,247
Land	2,240	137	2,377
Software	1	2,577	2,579
Other	3,986	397	4,383
Total	45,504	3,445	48,950

Note: 3,537 million yen (Buildings and structures), 602 million yen (Furniture, fixtures and equipment), 992 million yen (Land) and 396 million yen (Other) are included in "Restructuring expenses" in consolidated statements of income.

Fiscal Year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)

(Millions of yen)

	Stores	Other facilities, etc.	Total
Buildings and structures	33,070	356	33,427
Furniture, fixtures and equipment	6,051	289	6,340
Land	10,627	10	10,638
Software	6	2,855	2,862
Other	2,021	1,789	3,810
Total	51,777	5,302	57,079

Note: 5,650 million yen (Buildings and structures), 283 million yen (Furniture, fixtures and equipment), 8,026 million yen (Land), 0 million yen (Software) and 108 million yen (Other) are included in "Restructuring expenses" in consolidated statements of income.

In the case where net selling prices were used as recoverable amounts, relevant assets were evaluated based on the real estate appraisal standards etc., and in the case where values in use were used as recoverable amounts, relevant assets were evaluated by discounting estimated future cash flows using discount rates of 3.4% - 8.6% (3.4% - 7.3% for the fiscal year ended February 28, 2023).

5. Restructuring expenses

A breakdown of restructuring expenses is as follows:

(Millions of yen)

	Year ended February 28, 2023	Year ended February 29, 2024
Impairment loss	5,530	14,069
Early retirement benefit	105	9,155
Store closing loss	2,088	-
Others	2,575	5,632
Total	10,298	28,858

Consolidated statements of comprehensive income;

1. The components of other comprehensive income including reclassification adjustments and tax (expense) or benefits for the fiscal years ended February 28, 2023 and February 29, 2024 are as follows:

(Millions of yen)

	Year ended February 28, 2023	Year ended February 29, 2024
Unrealized gains (losses) on available-for-sale securities, net of taxes:		
Increase (decrease) during the fiscal year	(4,112)	20,064
Reclassification adjustments	(97)	(2,655)
Amount before tax	(4,210)	17,408
Tax effects	1,247	(6,196)
Subtotal	(2,962)	11,212
Unrealized gains (losses) on hedging derivatives, net of taxes		
Increase during the fiscal year	723	14
Reclassification adjustments	-	-
Amount before tax	723	14
Tax effects	(190)	5
Subtotal	532	19
Foreign currency translation adjustments:		
Increase (decrease) during the fiscal year	288,056	165,163
Remeasurements of defined benefit plans, net of taxes:		
Increase (decrease) during the fiscal year	(2,644)	22,881
Reclassification adjustments	(4,663)	(3,121)
Amount before tax	(7,308)	19,760
Tax effects	2,194	(6,914)
Subtotal	(5,113)	12,845
Share of other comprehensive income of entities accounted for using the equity method:		
Increase (decrease) during the fiscal year	203	(133)
Total other comprehensive income (loss)	280,717	189,107

Consolidated statements of changes in net assets;

(From March 1, 2022 to February 28, 2023)

1. Type and number of shares outstanding and treasury stock

(Thousands of shares)

	March 1, 2022	Number of shares increased (Note 1)	Number of shares decreased (Note 2)	February 28, 2023 (Note 3)
Outstanding stock				
Ordinary share	886,441	-	-	886,441
Treasury stock				
Ordinary share	3,325	2	111	3,217

Notes: (1) The increase in treasury stock of 2 thousand shares of common stock is the increase due to the purchase of 2 thousand shares of odd-lot shares.

(2) The decrease in treasury stock of 111 thousand shares of common stock is the decrease of 111 thousand shares due to the delivery of the shares of the Company held by the BIP Trust and the ESOP Trust and the decrease of 0 thousand shares due to the sale of odd-lot shares.

(3) The number of shares of treasury stock as of February 28, 2023 includes 1,358 thousand shares of the Company held by the BIP Trust and the ESOP Trust.

2. Subscription rights to shares and treasury subscription rights to shares

Entity	The Company	
Description of subscription rights to shares	Subscription rights to shares as stock-linked compensation stock option	Total
Type of shares to be issued upon excise of the rights	-	-
Number of shares to be issued upon the exercise of the rights (shares)	Number of shares as of March 1, 2022	-
	Number of shares increased	-
	Number of shares decreased	-
	Number of shares as of February 28, 2023	-
Balance as of February 28, 2023 (millions of yen)	49	49

3. Matters related to dividends

(1) Dividend payments

Resolution	Type	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 26, 2022 Ordinary general meeting of shareholders	Ordinary share	45,999 million yen	52.00 yen	Feb. 28, 2022	May 27, 2022
October 6, 2022 Board of Directors meeting	Ordinary share	43,788 million yen	49.50 yen	Aug. 31, 2022	Nov. 15, 2022

Notes:

1. The total amount of cash dividends determined by the resolution of the ordinary general meeting of shareholders held on May 26, 2022 includes 76 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.
2. The total amount of cash dividends determined by the resolution of the Board of Directors meeting held on October 6, 2022 includes 67 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

(2) Dividends whose record date is within the fiscal year ended February 28, 2023, but to be effective after the fiscal year-end

Resolution	Type	Funds for dividends	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 25, 2023 Ordinary general meeting of shareholders	Ordinary share	Retained earnings	56,172 million yen	63.50 yen	Feb. 28, 2023	May 26, 2023

Notes:

1. The total amount of cash dividends includes 86 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.
2. Dividend per share 63.50 yen includes commemorative dividend of 10 yen for the 50th anniversary of the establishment of SEVEN-ELEVEN JAPAN CO., LTD.

(From March 1, 2023 to February 29, 2024)

1. Type and number of shares outstanding and treasury stock

(Thousands of shares)

	March 1, 2023	Number of shares increased (Note 1)	Number of shares decreased (Note 2)	February 29, 2024 (Note 3)
Outstanding stock				
Ordinary share	886,441	-	8,699	877,742
Treasury stock				
Ordinary share	3,217	9,047	8,827	3,437

Notes: (1) The increase in treasury stock of 9,047 thousand shares of common stock is the increase due to the purchase of 8,699 thousand shares by the resolution of the Board of Directors, the increase of 345 thousand shares due to the delivery of the shares of the Company held by the BIP Trust and the ESOP Trust, and the acquisition of 2 thousand odd-lot shares.

(2) The decrease in treasury stock of 8,827 thousand shares of common stock is the decrease of 8,699 thousand shares due to the cancellation of treasury stock, the decrease of 126 thousand shares due to the delivery of the shares of the Company held by the BIP Trust and the ESOP Trust, the decrease of 0 thousand shares due to the sale of odd-lot shares.

(3) The number of shares of treasury stock as of February 29, 2024 includes 1,576 thousand shares of the Company held by the BIP Trust and the ESOP Trust.

(4) The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The number of shares stated above is the number of shares before the share split.

2. Subscription rights to shares and treasury subscription rights to shares

Entity		The Company	Consolidated subsidiaries	Total
Description of subscription rights to shares		Subscription rights to shares as stock-linked compensation stock option	Subscription rights to shares as stock-linked compensation stock option	
Type of shares to be issued upon excise of the rights		-	-	-
Number of shares to be issued upon the exercise of the rights (shares)	Number of shares as of March 1, 2023	-	-	-
	Number of shares increased	-	-	-
	Number of shares decreased	-	-	-
	Number of shares as of February 29, 2024	-	-	-
Balance as of February 29, 2024 (millions of yen)		49	10	60

3. Matters related to dividends

(1) Dividend payments

Resolution	Type	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 25, 2023 Ordinary general meeting of shareholders	Ordinary share	56,172 million yen	63.50 yen	Feb. 28, 2023	May 26, 2023
October 12, 2023 Board of Directors meeting	Ordinary share	49,980 million yen	56.50 yen	Aug. 31, 2023	Nov. 15, 2023

Notes:

- The total amount of cash dividends determined by the resolution of the ordinary general meeting of shareholders held on May 25, 2023 includes 86 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust. In addition, dividend per share 63.50 yen includes commemorative dividend of 10 yen for the 50th anniversary of the establishment of SEVEN-ELEVEN JAPAN CO., LTD.

2. The total amount of cash dividends determined by the resolution of the Board of Directors meeting held on October 12, 2023 includes 70 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

(2) Dividends whose record date is within the fiscal year ended February 29, 2024, but to be effective after the fiscal year-end

Resolution	Type	Funds for dividends	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 28, 2024 Ordinary general meeting of shareholders	Ordinary share	Retained earnings	49,488 million yen	56.50 yen	Feb. 29, 2024	May 29, 2024

Notes:

1. The total amount of cash dividends includes 89 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.
2. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. Dividend per share is the amount of dividend before the share split.

Consolidated statements of cash flows;

(For the fiscal year ended February 28, 2023)

1. Reconciliation of cash and cash equivalents of the consolidated statements of cash flows and account balances of the consolidated balance sheets

(Millions of yen)

	February 28, 2023
Cash and bank deposits	1,670,872
Restricted cash	18,835
Time deposits and negotiable certificates of deposits with an original maturity of more than three months	(14,920)
Cash and cash equivalents	1,674,787

2. Major non-cash transactions

(Millions of yen)

	Year ended February 28, 2023
Finance lease assets for property and equipment recorded in the consolidated balance sheet for the current fiscal year	9,824
Right-of-use assets recorded in the consolidated balance sheet for the current fiscal year	985,497
Asset retirement obligations recorded in the consolidated balance sheet for the current fiscal year	21,859

3. Acquisition of business

The followings are the details of payment made by 7-Eleven, Inc. to acquire the assets and liabilities related to business acquisition.

(Millions of yen)

	February 28, 2023
Goodwill	224
Property and equipment	275
Total	500

Property and equipment set out above at an amount of 275 million yen is included in acquisition of property and equipment in the Statements of Cash Flows for the fiscal year ended February 28, 2023.

(For the fiscal year ended February 29, 2024)

1. Reconciliation of cash and cash equivalents of the consolidated statements of cash flows and account balances of the consolidated balance sheets

(Millions of yen)

	February 29, 2024
Cash and bank deposits	1,558,738
Restricted cash	20,952
Time deposits and negotiable certificates of deposits with an original maturity of more than three months	(17,197)
Cash and cash equivalents	1,562,493

2. Assets and liabilities of companies ceasing to be consolidated subsidiaries due to sale of shares are as follows:

The breakdown of assets and liabilities as of the sale of Sogo & Seibu Co., Ltd. and its subsidiaries, which ceased to be consolidated subsidiaries as a result of the sale of shares, and the sales price and proceeds from the sale of Sogo & Seibu shares are as follows:

Sogo & Seibu Co., Ltd., and its subsidiaries

(Millions of yen)

	February 29, 2024
Current assets	86,711
Non-current assets	326,331
Current liabilities	(292,665)
Non-current liabilities	(22,654)
Non-controlling interests	(4,979)
Unrealized gains (losses), etc.	(4,315)
Loss (gain) on sale of shares	(88,341)
Sales price of shares	85
Consideration adjustment	(22,068)
Accounts payable, other	22,068
Collection of loans receivable	79,297
Cash and cash equivalents	(43,346)
Proceeds from sales of business	36,036

3. Major non-cash transactions

(Millions of yen)

	Year ended February 29, 2024
Finance lease assets for property and equipment recorded in the consolidated balance sheet for the current fiscal year	5,832
Right-of-use assets recorded in the consolidated balance sheet for the current fiscal year	175,607
Asset retirement obligations recorded in the consolidated balance sheet for the current fiscal year	19,870

Note: Overseas subsidiaries applying the U.S. GAAP have adopted the ASU 2016-02 "Leases (Topic 842)" from the beginning of the fiscal year ended February 28, 2023.

4. Acquisition of business

The followings are the details of payment made by 7-Eleven, Inc. to acquire the assets and liabilities related to business acquisition.

(Millions of yen)

	February 29, 2024
Inventory	2,187
Property and equipment	2,556
Total	4,744

Property and equipment set out above at an amount of 2,556 million yen is included in acquisition of property and equipment in the Statements of Cash Flows for the fiscal year ended February 29, 2024.

Segment information;

Segment information

1. Overview of reportable segments

With respect to its reportable segments, the Company is able to obtain delineated financial data from its structural units. Its segments are subject to periodical review for the purpose of making decisions on allocation of managerial resources and evaluating business performance by the Board of Directors.

From the fiscal year ended February 29, 2024, changes have been made to the classification of reportable segments. Accordingly, the figures for the fiscal year ended February 28, 2023 have been restated to reflect the segment classification that now exists after the change.

Under the holding company structure, the Company has classified its consolidated subsidiaries into five segments which are "Domestic convenience store operations," "Overseas convenience store operations," "Superstore operations," "Financial services" and "Others," according to the nature of products, services and sales operations.

"Domestic convenience store operations" operate a convenience store business comprising directly managed corporate stores and franchised stores mainly under SEVEN-ELEVEN JAPAN CO., LTD. "Overseas convenience store operations" operate a convenience store business comprising directly managed corporate stores and franchised stores mainly under 7-Eleven, Inc. "Superstore operations" operate a retail business that provides a comprehensive range of daily life necessities such as food and other daily necessities. "Financial services" operate a banking business, credit card business and leasing business. "Others" operate several businesses including the department store operations, specialty store operations and real estate operations, etc.

2. Calculation methodology for revenues from operations, income or losses, assets and liabilities and other items for each reportable segments

The accounting treatment of each reportable segments is in line with the "Accounting policies for the preparation of consolidated financial statements."

Segment income (loss) and segment liabilities as reported in this section are based on operating income and interest bearing debt, respectively. Intersegment revenues and transfers are calculated at prevailing market prices.

3. Information on revenues from operations, income, loss, assets, liabilities and other monetary items for each reportable segments

Fiscal Year ended February 28, 2023 (From March 1, 2022 to February 28, 2023)

(Millions of yen)

	Reportable segments				Others	Total	Adjustments	Consolidated total
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Revenues from operations								
1. Customers	888,216	8,843,366	1,444,627	164,898	469,632	11,810,741	561	11,811,303
2. Intersegment	2,077	2,797	4,538	29,397	18,671	57,482	(57,482)	-
Total	890,293	8,846,163	1,449,165	194,295	488,304	11,868,223	(56,920)	11,811,303
Segment income (loss)	232,033	289,703	12,395	37,140	2,593	573,865	(67,344)	506,521
Segment assets	1,204,038	5,764,895	975,836	1,905,942	571,810	10,422,523	128,432	10,550,956
Segment liabilities (interest bearing debt)	-	1,703,683	-	279,839	152,299	2,135,823	839,974	2,975,797
Other items								
Depreciation	85,553	192,968	35,388	32,227	14,985	361,124	14,973	376,097
Amortization of goodwill	-	108,756	3,098	381	462	112,700	-	112,700
Investment in associates accounted for using the equity method	9,801	8,072	7,721	933	16,277	42,806	-	42,806
Impairment loss	8,918	9,816	15,589	78	13,423	47,826	1,124	48,950
Net increase in property and equipment, and intangible assets	88,873	188,641	46,879	30,851	22,870	378,115	38,250	416,366

Notes:

- Others represent the businesses which are not included in any of the reportable segments and consist of the department store operations, specialty store operations and real estate operations, etc.
- The adjustments of (67,344) million yen for segment income (loss) are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
- The adjustments of 128,432 million yen for segment assets are eliminations of intersegment transactions and corporate assets.
- The adjustments of 839,974 million yen for segment liabilities are corporate liabilities and the Company's bonds. The amount of each segment liability does not include intersegment transactions.
- The adjustments of 14,973 million yen for depreciation are depreciation for corporate assets.
- The adjustments of 38,250 million yen for net increase in property and equipment, and intangible assets, are eliminations of intersegment transactions and net increase in corporate assets.
- Segment income (loss) is reconciled with the operating income in the consolidated statements of income.
- 5,530 million yen out of "Impairment loss" in the table above is included in "Restructuring expenses" in consolidated statements of income for the year ended February 28, 2023.

Fiscal Year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)

(Millions of yen)

	Reportable segments				Others	Total	Adjustments	Consolidated total
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Revenues from operations								
1. Customers	919,354	8,514,152	1,473,259	178,031	386,356	11,471,154	599	11,471,753
2. Intersegment	2,351	2,787	4,125	29,447	24,949	63,660	(63,660)	-
Total	921,706	8,516,939	1,477,384	207,479	411,305	11,534,814	(63,060)	11,471,753
Segment income (loss)	250,544	301,628	13,588	38,172	2,688	606,622	(72,373)	534,248
Segment assets	1,272,137	6,101,146	991,748	1,763,916	182,364	10,311,312	280,805	10,592,117
Segment liabilities (interest bearing debt)	-	1,585,017	526	264,172	19,963	1,869,680	868,974	2,738,654
Other items								
Depreciation	90,172	207,066	36,994	34,463	10,440	379,137	21,651	400,789
Amortization of goodwill	-	115,862	3,137	449	462	119,912	-	119,912
Investment in associates accounted for using the equity method	9,661	12,714	8,230	0	13,201	43,808	-	43,808
Impairment loss	9,383	17,368	24,887	1,523	2,440	55,603	1,476	57,079
Net increase in property and equipment, and intangible assets	120,427	192,736	44,415	49,927	24,979	432,846	24,613	457,100

Notes:

- Others represent the businesses which are not included in any of the reportable segments and consist of the department store operations, specialty store operations and real estate operations, etc.
- The adjustments of (72,373) million yen for segment income (loss) are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
- The adjustments of 280,805 million yen for segment assets are eliminations of intersegment transactions and corporate assets.
- The adjustments of 868,974 million yen for segment liabilities are corporate liabilities and the Company's bonds. The amount of each segment liability does not include intersegment transactions.
- The adjustments of 21,651 million yen for depreciation are depreciation for corporate assets.
- The adjustments of 24,613 million yen for net increase in property and equipment, and intangible assets, are eliminations of intersegment transactions and net increase in corporate assets.
- Segment income (loss) is reconciled with the operating income in the consolidated statements of income.
- 14,069 million yen out of "Impairment loss" in the table above is included in "Restructuring expenses" in consolidated statements of income for the year ended February 29, 2024.

(Reference)

Revenues from operations and operating income by geographic area segments are as described below.

Fiscal Year ended February 28, 2023 (From March 1, 2022 to February 28, 2023)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
1. Customers	2,915,035	8,824,367	71,900	11,811,303	-	11,811,303
2. Intersegment	15,676	532	90	16,299	(16,299)	-
Total revenues	2,930,711	8,824,900	71,990	11,827,602	(16,299)	11,811,303
Operating income (loss)	235,110	287,265	(1,355)	521,021	(14,499)	506,521

Notes:

1. The classification of geographic area segments is determined according to geographical distances.
2. "Others" consist of the business results in the China, etc.

Fiscal Year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
1. Customers	2,900,596	8,494,165	76,991	11,471,753	-	11,471,753
2. Intersegment	15,032	679	147	15,859	(15,859)	-
Total revenues	2,915,628	8,494,845	77,138	11,487,613	(15,859)	11,471,753
Operating income (loss)	248,521	297,926	1,517	547,965	(13,716)	534,248

Notes:

1. The classification of geographic area segments is determined according to geographical distances.
2. "Others" consist of the business results in the China, etc.

Related Information

Fiscal Year ended February 28, 2023 (From March 1, 2022 to February 28, 2023)

1. Information on products and services

Information is omitted since it is described in the segment information.

2. Information by region

(1) Revenues from operations

(Millions of yen)

Japan	North America (of which, the U.S.)	Others	Total
2,915,035	8,824,367 (8,461,448)	71,900	11,811,303

(2) Property and equipment

(Millions of yen)

Japan	North America (of which, the U.S.)	Others	Total
1,432,104	2,869,010 (2,781,997)	40,634	4,341,750

3. Information about major customers

Information is omitted because there is no customer accounting for 10% or more of the net sales on the consolidated statements of income.

Fiscal Year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)

1. Information on products and services

Information is omitted since it is described in the segment information.

2. Information by region

(1) Revenues from operations

(Millions of yen)

Japan	North America (of which, the U.S.)	Others	Total
2,900,596	8,494,165 (8,137,579)	76,991	11,471,753

(2) Property and equipment

(Millions of yen)

Japan	North America (of which, the U.S.)	Others	Total
1,248,128	3,075,349 (2,979,422)	39,022	4,362,500

3. Information about major customers

Information is omitted because there is no customer accounting for 10% or more of the net sales on the consolidated statements of income.

Information regarding impairment loss on non-current assets by reportable segments

Fiscal Year ended February 28, 2023 (From March 1, 2022 to February 28, 2023)

Information is omitted since it is described in the segment information.

Fiscal Year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)

Information is omitted since it is described in the segment information.

Information on amortization and outstanding balance of goodwill by reportable segments

Fiscal Year ended February 28, 2023 (From March 1, 2022 to February 28, 2023)

(Millions of yen)

	Reportable segments				Others	Total	Eliminations / Corporate	Consolidated total
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Goodwill								
Amortization	-	108,756	3,098	381	462	112,700	-	112,700
Balance at the end of current year	2,529	1,894,266	10,929	3,331	1,960	1,913,017	-	1,913,017
Negative Goodwill								
Amortization	-	-	23	-	4	27	-	27
Balance at the end of current year	-	-	-	-	-	-	-	-

Fiscal Year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)

(Millions of yen)

	Reportable segments				Others	Total	Eliminations / Corporate	Consolidated total
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Goodwill								
Amortization	-	115,862	3,137	449	462	119,912	-	119,912
Balance at the end of current year	2,153	1,913,558	8,824	2,882	1,496	1,928,916	-	1,928,916
Negative Goodwill								
Amortization	-	-	-	-	-	-	-	-
Balance at the end of current year	-	-	-	-	-	-	-	-

Information regarding gain on negative goodwill by reportable segments

Fiscal Year ended February 28, 2023 (From March 1, 2022 to February 28, 2023)

None

Fiscal Year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)

None

Business combinations, etc.;

Fiscal Year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)

Business divestiture

(Transfer of subsidiary shares)

The Company entered into an agreement (the "Agreement") to transfer all of the issued shares of Sogo & Seibu Co., Ltd. held by the Company to a special purpose company, which is a related entity of Fortress Investment Group LLC, Sugi Godo Kaisha (the "Transferee Company") (the "Transfer") on November 11, 2022, and the share transfer was completed on September 1, 2023.

As a result, Sogo & Seibu Co., Ltd., and its subsidiaries* have been excluded from the scope of consolidation.

*IKEBUKURO SHOPPING PARK CO., LTD., GOTTSUOBIN CO., LTD., Yatsugatake Kogen Lodge Co., Ltd., DISTRICT HEATING AND COOLING CHIBA CO., LTD., and Sogo Co., Ltd.

1. Outline of the business divestiture

(1) Name of the successor entity

Sugi Godo Kaisha

(2) Description of the divested businesses

Department store business, and operation of shopping centers, large-scale commercial facilities, etc.

(3) Main objectives of the business divestiture

For the Company, the Transfer is one initiative that aligns with the Group strategy announced on March 9, 2023, and the Company determined that the execution of the Transfer suits the best interests of the Company and its stakeholders including the shareholders.

(4) Date of the business divestiture

September 1, 2023

(5) Outline of the business divestiture including the legal form thereof

Share transfers for which the consideration to be received is assets such as cash only.

2. Overview of the accounting treatment

(1) Amount of loss on the transfer

129,618 million yen

The loss amount includes other costs related to the business transfer.

(2) Appropriate carrying amounts of assets and liabilities related to the transferred business and major breakdown thereof

Current assets 86,711 million yen

Non-current assets 326,331 million yen

Total assets 413,043 million yen

Current liabilities 292,665 million yen

Non-current liabilities 22,654 million yen

Total liabilities 315,320 million yen

(3) Accounting treatment

The difference between the sale price and the book value of the transferred shares are included in special losses as "Loss on transfer of department store" along with other related costs.

3. Name of the reporting segment in which the divested business was included in the segment information disclosure

Others

4. Approximate amount of profit or loss related to the divested business recorded in the consolidated statements of income for the fiscal year

Revenues from operations 91,959 million yen

Operating income 412 million yen

Related parties transactions;

1. Transactions with related parties

(1) Transactions between the Company and related parties

(a) Unconsolidated subsidiaries and affiliates

None

(b) A director of the Company and primary shareholders (limited to individuals)

None

2. Notes about the parent company and the important affiliates

None

Per share information;

(Yen)

	Year ended February 28, 2023	Year ended February 29, 2024
Owners' equity per share	1,311.31	1,416.94
Net income per share	106.05	84.88
Diluted net income per share	106.04	84.87

Notes:

- The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. Owners' equity per share, net income per share, and diluted net income per share have been calculated assuming the share split was conducted at the beginning of the fiscal year ended February 28, 2023.
- Basis for calculation of net income per share and diluted net income per share is as follows:

(Millions of yen, except number of ordinary shares)

	Year ended February 28, 2023	Year ended February 29, 2024
Net income attributable to owners of parent on the consolidated statements of income	280,976	224,623
Amount not attributable to owners of ordinary shares	-	-
Net income attributable to owners of ordinary shares of parent	280,976	224,623
Average number of ordinary shares outstanding during the period (thousands of shares)	2,649,567	2,646,511
Adjustments to net income attributable to owners of parent which is used for calculating diluted net income per share		
Net income attributable to non-controlling interests	-	(7)
Adjustments to net income attributable to owners of parent	-	(7)
Number of ordinary shares increased used for calculating the diluted net income per share		
Subscription rights to shares (thousands of shares)	38	36
Number of ordinary shares increased (thousands of shares)	38	36

Notes:

1. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The average number of ordinary shares outstanding during the period (thousands of shares) and the number of ordinary shares increased (thousand shares) have been calculated assuming the share split was conducted at the beginning of the fiscal year ended February 28, 2023.
2. As the Company has introduced the BIP Trust and the ESOP Trust, the Company's shares held by the trusts are included in the number of shares of treasury stock deducted for the computation of the average number of shares during the period, to calculate net income per share and diluted net income per share. The average number of shares of treasury stock during the period deducted for the computation is 4,186 thousand shares for the fiscal year ended February 28, 2023 and 4,077 thousand shares for the fiscal year ended February 29, 2024.

3. Basis for calculation of owners' equity per share is as follows:

(Millions of yen, except number of ordinary shares)

	February 28, 2023	February 29, 2024
Total net assets	3,648,161	3,900,624
Amounts subtracted from total net assets:	173,614	184,101
(Subscription rights to shares)	(49)	(60)
(Net income attributable to non-controlling interests)	(173,565)	(184,041)
Owners' equity for ordinary shares at the end of period	3,474,547	3,716,523
Number of ordinary shares at the end of period used for calculating the amounts of owners' equity per share (thousands of shares)	2,649,674	2,622,913

Notes:

1. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The number of ordinary shares at the end of period used for calculating the amounts of owners' equity per share (thousands of shares) has been calculated assuming the share split was conducted at the beginning of the fiscal year ended February 28, 2023.
2. As the Company has introduced the BIP Trust and the ESOP Trust, the Company's shares held by the trusts are included in the number of shares of treasury stock deducted for the computation of the total number of shares outstanding at the end of period, to calculate owners' equity per share. The total number of shares of treasury stock at the end of period deducted for the computation is 4,075 thousand shares as of February 28, 2023 and 4,730 thousand shares as of February 29, 2024.

Subsequent event;

I Business combination by acquisition

The Company resolved to approve the execution of an agreement by and between 7-Eleven International LLC ("7IN"), the Company's wholly-owned subsidiary and the joint venture of SEVEN-ELEVEN JAPAN CO., LTD. and 7-Eleven, Inc., and Australian Company R.G. Withers Nominees Pty Ltd as trustee for R.G. Withers Unit Trust, to acquire all shares of Convenience Group Holdings Pty Ltd ("SEA"), a holding company of 7-Eleven Stores Pty Ltd, which operates the convenience store and fuel retail business under the "7-Eleven" brand as a licensee of the Company in Australia via 7IN's wholly-owned subsidiary, AR BidCo Pty Ltd (the "Transaction") at a meeting of the Board of Directors held on November 30, 2023. In addition, 7IN executed the agreement relating to the Transaction on April 1, 2024. The details are as follows.

1 Overview

(1) Name and main business of the acquired company

Name: Convenience Group Holdings Pty Ltd

Description of business: Operation of the convenience store business and fuel retail business

(2) Main reason for the business combination

In the Medium-Term Management Plan 2021-2025, the Company announced its ideal group image for 2030 as well as its corporate creed since its establishment to be a sincere company that earns the trust of all stakeholders, and its basic stance of "We aim to contribute to the local community both in Japan and overseas by providing new experiences and values from the customer's point of view." Additionally, based on Results of the Group Strategy Reevaluation announced in March 2023, the Company adopted "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 the new ideal group image for 2030.

One of the essential initiatives for realizing the ideal group image for 2030 is the global CVS strategy. 7IN, which operates global CVS business outside of Japan and North America, aims to have 50,000 stores worldwide (excluding Japan and North America) by FY2025 and to expand to 30 countries/regions by FY2030. In particular, 7IN pursues profit growth by not only new market entry but also strategic investments in existing licensees for maximizing licensee growth potential through business transformation, including strengthening "food," which has led to the remarkable growth of SEI in the U.S. In addition, the Company decided to increase its investment in its Vietnam business in February 2023, and is actively considering M&A including strategic investments in licensees to pursue accelerated profit growth in the global CVS business, which has significant potential of growth.

SEA's subsidiary, 7-Eleven Stores Pty Ltd has been operating convenience stores in Australia for many years as a licensee of the "7-Eleven" brand. 7-Eleven Stores Pty Ltd is currently the largest convenience store retailer in Australia with a leading merchandise offering, targeted product range, and established loyalty program.

The Company and 7IN have a longstanding relationship with SEA and a deep knowledge of the business. By executing the Transaction, the Company intends to achieve the following objectives.

(a) Expansion of store network in Australia

The Australian market is a growing market with a diverse population of young people and immigrants, and the Australian Government expects its population to grow at a CAGR of 1.4% over time by the mid-2060s. SEA operates 751 stores as of the end of June 2023 and the Transaction will enable the Company to establish itself as the clear industry leader in the Australian convenience store market, which has significant growth potential. In addition, the Company strongly believes that

there is room for further growth by actively opening new stores in Victoria, New South Wales, Queensland, Western Australia, and other states, and that the expansion of the store network in Australia will accelerate the entire group's long-term growth strategy.

By utilizing the product strength and operational knowhow of the business cultivated in Japan and North America and experience of cultivating synergies through 50 M&A transactions since 2005, the Company expects that it will be able to increase product sales and improve gross product margin, further reduce costs, strengthen the customer base, and realize further innovation and an even greater increase in corporate value.

(b) ESG leadership

In May 2019, the Company group, as a global retailer representing Japan, announced the "GREEN CHALLENGE 2050", as its environmental declaration. The Company group is committed to achieving the declaration's four themes: (1) reducing CO2 emissions; (2) measures with respect to plastics; (3) measures for food loss and recycling; and (4) sustainable procurement. The Company group has set clear targets to achieve by 2030 and for the next generation of society in 2050 with respect to its missions and duties. Following the Transaction, the Company group has reaffirmed that it remains committed to the environmental declaration as part of its ESG efforts, and will further accelerate these efforts in the Australian market through expansion of its network and presence.

(3) Date of the business combination

April 1, 2024

(4) Legal form of the business combination

Acquisition of shares

(5) The acquired company's name after the business combination

The names of the companies will not change subsequent to the business combination.

(6) Ratio of voting rights acquired

100%

(7) Reason for determining the acquired company

The Company's subsidiary acquired the shares of the companies in exchange for cash.

2 Acquisition cost of acquired business and breakdown by type of consideration

Consideration for acquisition: Cash 1,710 million Australian dollars (168,623 million yen*)

Acquisition cost: 1,710 million Australian dollars (168,623 million yen*)

※Pursuant to the Transaction agreement, the acquisition price is subject to a price adjustment reflecting increases or decreases of working capital and other items.

*Converted at the rate of 1 Australian dollar = 98.61 yen (as of March 29, 2024).

3 Details and amounts of main acquisition-related costs

Not determined at this time.

4 Amount, reason for recognition, and period and method of amortization of goodwill

Not determined at this time.

5 Total amounts and principal breakdowns of assets received and liabilities assumed on the effective date of the business combination

Not determined at this time.

II Share split and related amendment to articles of incorporation

The Company resolved, at a meeting of the Board of Directors held on November 30, 2023, to conduct a share split and to partially amend the Articles of Incorporation, and conducted a share split with an effective date of March 1, 2024.

1 Purpose of share split

The objective of the share split is to lower the minimum investment price per unit that will create a more accessible investment environment for investors, including individual investors, and to improve the liquidity of the Company's stock.

2 Overview of share split

(1) Method of share split

The Company conducted a share split into 3 shares for every one common share held by shareholders recorded on the final shareholder register on February 29, 2024.

(2) Number of shares increased by share split

(a) Total number of issued shares before the share split	877,742,183 shares
(b) Number of shares increased by this share split	1,755,484,366 shares
(c) Total number of issued shares after the share split	2,633,226,549 shares
(d) Total number of shares authorized issued after the share split	10,000,000,000 shares

3 Amendment to Articles of Incorporation

(1) Reason for the Amendment

In connection with the share split described above, the Company has amended the total number of authorized shares described in Article 6 of its Articles of Incorporation with an effective date of March 1, 2024, pursuant to the provisions of Article 184, Paragraph 2 of the Companies Act of Japan.

(2) Content of the Amendment

The details of the amendment are as follows: (Underlined sections indicate proposed amendments)

Pre-Share Split Articles of Incorporation	After Amendment
Article 6. (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>4,500,000,000</u> shares.	Article 6. (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>10,000,000,000</u> shares.

4 Amendment to Articles of Incorporation

(i) Date of public notice of the record date	February 15, 2024
(ii) Record date	February 29, 2024
(iii) Date of amendment to the Articles of Incorporation Effective date	March 1, 2024

5 Impact for information of per share

The Company conducted a 3-for-1 common share split on March 1, 2024. "Net income per share" and "Diluted net income per share" are calculated as if the share split had occurred at the beginning of the previous fiscal year.

(Yen)

	Year ended February 28, 2023	Year ended February 29, 2024
Net income per share	106.05	84.88
Diluted net income per share	106.04	84.87

6 Others

- (1) There will be no change in the amount of stated capital as a result of the share split.
- (2) The dividend for the fiscal year ended February 29, 2024 will be applicable to the shares before the share split since the effective date of the share split is set for March 1, 2024.

6. Nonconsolidated Financial Statements

(1) Nonconsolidated balance sheets

(Millions of yen)

	February 28, 2023	February 29, 2024
	Amount	Amount
ASSETS		
Current assets	69,962	103,905
Cash and bank deposits	918	628
Prepaid expenses	2,836	3,409
Accounts receivable, other	40,494	75,285
Income taxes receivable	18,367	18,779
Deposits held by subsidiaries and affiliates	5,943	4,557
Other	1,402	1,244
Non-current assets	2,523,569	2,552,582
Property and equipment	21,547	25,342
Buildings and structures	2,569	5,852
Fixtures, equipment and vehicles	2,198	6,948
Land	2,712	2,712
Leased assets	899	859
Construction in progress	13,167	8,969
Intangible assets	81,961	84,382
Software	29,006	46,703
Software in progress	32,928	6,262
Lease assets	20,021	30,370
Other	4	1,045
Investments and other assets	2,420,061	2,442,858
Investments in securities	39,483	45,938
Stocks of subsidiaries and affiliates	2,359,003	2,345,702
Prepaid pension cost	1,970	2,219
Long-term leasehold deposits	4,233	4,234
Deposits paid in subsidiaries and affiliates	10,000	10,000
Deferred income taxes	-	30,141
Other	5,370	4,621
Deferred assets	332	788
Bond issuance costs	332	788
TOTAL ASSETS	2,593,865	2,657,276

(Millions of yen)

	February 28, 2023	February 29, 2024
	Amount	Amount
LIABILITIES		
Current liabilities	371,496	360,579
Current portion of bonds	150,000	-
Short-term loans from subsidiaries and affiliates	154,006	251,003
Current portion of long-term loans	41,000	41,000
Lease obligations	5,859	7,130
Accounts payable, other	15,482	52,578
Accrued expenses	1,027	6,059
Income taxes payable	1,644	386
Advance received	241	335
Allowance for bonuses to employees	647	795
Allowance for bonuses to Directors and Audit & Supervisory Board Members	141	182
Other	1,445	1,107
Non-current liabilities	710,804	897,011
Bonds	250,000	470,000
Long-term loans	398,974	357,974
Long-term loans from subsidiaries and affiliates	6	1
Lease obligations	17,271	27,515
Allowance for stock payments	2,040	2,016
Provision for loss on guarantees	33,286	32,782
Deposits paid in subsidiaries	2,702	3,550
Deposits received from tenants	2,223	2,502
Deferred income taxes	3,759	-
Other	539	666
TOTAL LIABILITIES	1,082,301	1,257,590
NET ASSETS		
Shareholders' equity	1,500,079	1,384,938
Common stock	50,000	50,000
Capital surplus	1,232,897	1,187,489
Additional paid-in capital	875,496	875,496
Other capital surplus	357,401	311,992
Retained earnings	227,007	163,770
Other retained earnings		
Retained earnings brought forward	227,007	163,770
Treasury stock, at cost	(9,825)	(16,321)
Accumulated gains from valuation and translation adjustments	11,435	14,697
Unrealized gains on available-for-sale securities, net of taxes	11,435	14,697
Subscription rights to shares	49	49
TOTAL NET ASSETS	1,511,564	1,399,685
TOTAL LIABILITIES AND NET ASSETS	2,593,865	2,657,276

(2) Nonconsolidated statements of income

(Millions of yen)

	Year ended February 28, 2023	Year ended February 29, 2024
	Amount	Amount
Revenues from operations	248,468	202,077
Dividend income	241,026	194,816
Management consulting fee income	4,573	4,572
Commission fee income	2,277	2,229
Other	591	658
General and administrative expenses	72,010	76,970
Operating income	176,457	125,307
Non-operating income	614	729
Interest income	113	113
Dividend income	444	520
Other	55	95
Non-operating expenses	3,415	3,993
Interest expenses	2,121	2,288
Interest on bonds	995	1,393
Other	298	311
Ordinary income	173,656	122,042
Special gains	12,064	1,681
Gain on sales of stocks of subsidiaries and affiliates	0	1,619
Consolidated tax payment individual attribution adjustment amount	11,788	–
Other	276	61
Special losses	20,833	158,205
Loss on disposals of property and equipment	11	24
Impairment loss	1,124	1,476
Loss on valuation of stocks of subsidiaries and affiliates	15,113	102
Loss on transfer of department store	–	143,092
Other	4,584	13,510
Income before income taxes	164,887	(34,481)
Total income taxes	(14,893)	(77,397)
Income taxes - current	(14,921)	(42,055)
Income taxes - deferred	28	(35,341)
Net income	179,780	42,915

(3) Nonconsolidated statements of changes in net assets

Fiscal year ended February 28, 2023 (From March 1, 2022 to February 28, 2023)

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock, at cost	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Balance at March 1, 2022	50,000	875,496	357,400	1,232,897	137,037	137,037	(10,235)	1,409,699
Cumulative effects of changes in accounting policies					(23)	(23)		(23)
Balance at March 1, 2022 (as restated)	50,000	875,496	357,400	1,232,897	137,014	137,014	(10,235)	1,409,676
Increase (decrease) for the year								
Cash dividends					(89,787)	(89,787)		(89,787)
Net income					179,780	179,780		179,780
Purchase of treasury stock							(16)	(16)
Disposal of treasury stock			0	0			425	425
Net changes of items other than shareholders' equity								
Net increase (decrease) for the year	-	-	0	0	89,993	89,993	409	90,402
Balance at February 28, 2023	50,000	875,496	357,401	1,232,897	227,007	227,007	(9,825)	1,500,079

	Accumulated gains (losses) from valuation and translation adjustments		Subscription rights to shares	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Total accumulated gains (losses) from valuation and translation adjustments		
Balance at March 1, 2022	11,360	11,360	56	1,421,117
Cumulative effects of changes in accounting policies				(23)
Balance at March 1, 2022 (as restated)	11,360	11,360	56	1,421,094
Increase (decrease) for the year				
Cash dividends				(89,787)
Net income				179,780
Purchase of treasury stock				(16)
Disposal of treasury stock				425
Net changes of items other than shareholders' equity	74	74	(7)	66
Net increase (decrease) for the year	74	74	(7)	90,469
Balance at February 28, 2023	11,435	11,435	49	1,511,564

Fiscal year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock, at cost	Total shareholder's equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at March 1, 2023	50,000	875,496	357,401	1,232,897	227,007	227,007	(9,825)	1,500,079
Increase (decrease) for the year								
Cash dividends					(106,152)	(106,152)		(106,152)
Net income					42,915	42,915		42,915
Purchase of treasury stock							(52,393)	(52,393)
Disposal of treasury stock			0	0			489	489
Cancellation of treasury stock			(45,408)	(45,408)			45,408	-
Net changes of items other than shareholders' equity								
Net increase (decrease) for the year	-	-	(45,408)	(45,408)	(63,236)	(63,236)	(6,496)	(115,140)
Balance at February 29, 2024	50,000	875,496	311,992	1,187,489	163,770	163,770	(16,321)	1,384,938

	Accumulated gains (losses) from valuation and translation adjustments		Subscription rights to shares	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Total accumulated gains (losses) from valuation and translation adjustments		
Balance at March 1, 2023	11,435	11,435	49	1,511,564
Increase (decrease) for the year				
Cash dividends				(106,152)
Net income				42,915
Purchase of treasury stock				(52,393)
Disposal of treasury stock				489
Cancellation of treasury stock				-
Net changes of items other than shareholder s' equity	3,262	3,262	-	3,262
Net increase (decrease) for the year	3,262	3,262	-	(111,878)
Balance at February 29, 2024	14,697	14,697	49	1,399,685

(4) Doubts on the premise of going concern

None

(5) Changes in accounting policies

(Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021, hereinafter the "Implementation Guidance on Accounting Standard for Fair Value Measurement") from the beginning of the fiscal year ended February 29, 2024, and it has applied the new accounting policy prescribed by the Implementation Guidance on Accounting Standard for Fair Value Measurement, prospectively in accordance with the transitional measures provided for in paragraph 27-2 of the Implementation Guidance on Accounting Standard For Fair Value Measurement. There is no impact on the Financial Statements of the fiscal year ended February 29, 2024.

(6) Supplementary information

(Acquisition of own shares)

The Company resolved, at a meeting of the Board of Directors held on November 30, 2023, to acquire its own shares under Article 156 which is applicable in accordance with Article 165, paragraph 3 of the Companies Act.

The overview is in 5. Consolidated Financial Statements (9) Supplementary information.

(7) Notes to nonconsolidated financial statements

Nonconsolidated balance sheets;

1. Accumulated depreciation of property and equipment

(Millions of yen)

	February 28, 2023	February 29, 2024
Accumulated depreciation	5,284	4,312

2. Monetary claims and monetary obligations in regard to subsidiaries and affiliates

Major balances included in each account on the balance sheet, which are not separately shown.

(Millions of yen)

	February 28, 2023	February 29, 2024
Short-term receivables	35,651	66,547
Short-term payables	9,214	30,362
Long-term payables	19,457	29,988

Nonconsolidated statements of income;

1. Major transactions with subsidiaries and affiliates

(Millions of yen)

	Year ended February 28, 2023	Year ended February 29, 2024
Operating transactions		
Revenues from operations	247,903	201,669
General and administrative expenses	10,344	8,125
Non-operating transactions	17,807	118,707

2. Main components and amounts of general and administrative expenses

(Millions of yen)

	Year ended February 28, 2023	Year ended February 29, 2024
Salaries and wages	7,717	8,684
Provision for bonuses to employees	647	795
Pension expenses	173	283
Depreciation and amortization	8,349	12,383
Commissions paid	8,261	8,355
Electronical data processing expenses	33,742	33,007

3. Main components and amounts of "Loss on valuation of stocks of subsidiaries and affiliates"

Fiscal year ended February 28, 2023 (From March 1, 2022 to February 28, 2023)

The Company recorded 15,113 million yen of loss on valuation of stocks of subsidiaries and affiliates (mainly 14,257 million yen and 855 million yen on Sogo & Seibu Co., Ltd. and SHELL GARDEN CO., LTD. respectively).

Fiscal year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)

The Company recorded 102 million yen of loss on valuation of stocks of a subsidiary SHELL GARDEN CO., LTD.

Subsequent event;

(Share split and related amendment to articles of incorporation)

The Company resolved, at a meeting of the Board of Directors held on November 30, 2023, to conduct a share split and to partially amend the Articles of Incorporation, and conducted a share split with an effective date of March 1, 2024.

The overview is in 5. Consolidated Financial Statements (10) Notes to Consolidated Financial statements (Subsequent event).

[Reference] SEVEN-ELEVEN JAPAN CO., LTD.

Nonconsolidated balance sheets

(Millions of yen)

	February 28, 2023	February 29, 2024
	Amount	Amount
ASSETS		
Current assets	632,749	683,867
Cash and bank deposits	54,977	47,336
Accounts receivable due from franchised stores	11,167	11,265
Lease investment assets	2,710	3,049
Inventories	1,572	1,161
Prepaid expenses	24,292	26,481
Deposits held by subsidiaries and affiliates	375,018	408,786
Accounts receivable, other	161,408	184,413
Other	1,762	1,603
Allowance for doubtful accounts	(159)	(230)
Non-current assets	1,483,394	1,530,596
Property and equipment	575,902	582,139
Buildings	307,554	311,168
Structures	40,156	39,622
Vehicles	0	0
Furniture, fixtures and equipment	112,456	108,886
Land	115,069	113,394
Lease assets	477	302
Construction in progress	187	8,765
Intangible assets	64,315	89,956
Goodwill	2,529	2,153
Rights of leasehold	15,087	15,522
Trademark	520	514
Software	45,690	70,542
Other	486	1,222
Investments and other assets	843,176	858,501
Investments in securities	34,224	51,909
Stocks of subsidiaries and affiliates	583,737	583,737
Investments in capital of subsidiaries and affiliates	6,765	6,765
Long-term loans receivable	380	396
Long-term loans to subsidiaries and affiliates	3,353	4,053
Long-term prepaid expenses	13,811	13,356
Prepaid pension cost	8,399	11,224
Long-term leasehold deposits	158,600	156,950
Deferred income taxes	34,270	29,885
Other	1,237	1,777
Allowance for doubtful accounts	(1,603)	(1,555)
TOTAL ASSETS	2,116,144	2,214,464

SEVEN-ELEVEN JAPAN CO., LTD.

(Millions of yen)

	February 28, 2023	February 29, 2024
	Amount	Amount
LIABILITIES		
Current liabilities	488,010	502,758
Accounts payable, trade	185,705	195,616
Accounts payable due to franchised stores	19,652	21,220
Lease obligations	984	894
Accounts payable, other	31,473	33,281
Accrued expenses	27,679	24,597
Income taxes payable	10,130	9,478
Accounts payable to parent company	28,227	59,095
Consumption taxes withheld	7,866	6,779
Contract liabilities	5,232	4,789
Deposits received	161,380	137,725
Allowance for bonuses to employees	4,691	4,960
Allowance for bonuses to Directors and Audit & Supervisory Board Members	93	99
Other	4,892	4,219
Non-current liabilities	70,921	83,538
Guarantee deposits received from franchised stores	10,541	10,594
Long-term loans	362	378
Lease obligations	2,252	2,118
Allowance for stock payments	516	662
Allowance for retirement benefits to directors and corporate auditors	9	9
Allowance for loss on guarantee	1,750	1,750
Asset retirement obligations	55,489	68,024
TOTAL LIABILITIES	558,932	586,296
NET ASSETS		
Shareholder's equity	1,540,066	1,602,398
Common stock	17,200	17,200
Capital surplus	25,204	25,204
Additional paid-in capital	24,563	24,563
Other capital surplus	640	640
Retained earnings	1,497,661	1,559,993
Legal reserve	4,300	4,300
Other retained earnings		
General reserve	823,409	823,409
Retained earnings brought forward	669,952	732,284
Accumulated gains (losses) from valuation and translation adjustments	17,145	25,769
Unrealized gains (losses) on available-for-sale securities, net of taxes	17,145	25,769
TOTAL NET ASSETS	1,557,212	1,628,167
TOTAL LIABILITIES AND NET ASSETS	2,116,144	2,214,464

SEVEN-ELEVEN JAPAN CO., LTD.

Nonconsolidated statements of income

(Millions of yen)

	Year Ended February 28, 2023	Year Ended February 29, 2024
	Amount	Amount
Operating income and expenses		
Gross revenues from operations	872,719	894,659
Revenues from operations	787,257	833,945
Franchise commission from franchised stores	779,161	824,847
Net sales reported by franchised stores		
Year ended February 28, 2023: 5,061,782		
Year ended February 29, 2024: 5,283,525		
Total net sales (including net sales of corporate stores)		
Year ended February 28, 2023: 5,148,742		
Year ended February 29, 2024: 5,345,243		
Other operating revenues	8,095	9,097
Net sales of corporate stores	85,462	60,714
Cost of sales	61,295	43,002
Gross profit from operations	811,423	851,656
Selling, general and administrative expenses	578,549	600,627
Land and building rent	192,215	195,286
Depreciation and amortization	73,102	72,977
Commission paid	58,123	65,681
Utility expenses	64,998	60,885
Salaries and wages	49,582	49,011
Other	140,527	156,784
Operating income	232,873	251,029
Non-operating income	50,816	47,256
Interest income	2,117	2,038
Dividend income	47,838	44,038
Reversal of allowance for doubtful accounts	91	-
Other	769	1,179
Non-operating expenses	1,059	570
Interest expenses	43	26
Provision of allowance for doubtful accounts	-	8
Loss on cancellation of construction contribution	828	387
Other	188	149
Ordinary income	282,630	297,714
Special gains	1,600	464
Gain on sales of property and equipment	384	449
Gain on sales of investment securities	1,023	-
Other	193	15
Special losses	14,826	13,953
Loss on sales of property and equipment	21	60
Loss on disposals of property and equipment	3,356	2,764
Loss on cancellation of lease contracts	74	190
Impairment loss	8,193	8,547
Loss on cancellation of rental contracts	2,335	1,754
Other	846	635
Income before income taxes	269,404	284,225
Income taxes - current	67,983	72,545
Income taxes - deferred	(1,588)	577
Net income	203,009	211,102

[Reference] Ito-Yokado Co., Ltd.

Nonconsolidated balance sheets

(Millions of yen)

	February 28, 2023	February 29, 2024
	Amount	Amount
ASSETS		
Current assets	159,989	152,293
Cash and bank deposits	16,890	15,813
Accounts receivable, trade	14,249	17,956
Inventories	44,159	43,375
Supplies	25	48
Advance paid	275	208
Prepaid expenses	7,040	6,569
Short-term loans to employees	106	112
Short-term loans receivable	449	864
Deposits held by subsidiaries and affiliates	41,018	27,103
Accounts receivable, other	26,892	32,652
Short-term leasehold deposits	4,463	5,261
Payments in advance	4,378	2,261
Other	65	94
Allowance for doubtful accounts	(25)	(27)
Non-current assets	490,382	545,460
Property and equipment	300,355	322,188
Buildings	112,485	121,955
Structures	5,519	6,193
Vehicles	5	0
Furniture, fixtures and equipment	10,454	12,982
Land	167,533	176,884
Lease assets	1,921	2,781
Construction in progress	2,435	1,390
Intangible assets	22,298	25,863
Rights of leasehold	236	416
Trademark	9	7
Software	7,076	12,357
Software in progress	14,449	12,185
Other	527	895
Investments and other assets	167,727	197,408
Investments in securities	20,201	23,399
Stocks of subsidiaries and affiliates	15,296	21,583
Investments in capital	3	4
Investments in capital of subsidiaries and affiliates	4,581	4,581
Long-term loans receivable	10,789	10,382
Long-term loans to subsidiaries and affiliates	426	699
Long-term prepaid expenses	3,731	3,628
Prepaid pension cost	42,465	49,606
Long-term leasehold deposits	70,119	73,375
Receivable in bankruptcy	173	113
Deferred income taxes	–	9,792
Other	1,960	2,440
Allowance for doubtful accounts	(2,021)	(2,199)
TOTAL ASSETS	650,372	697,754

Ito-Yokado Co., Ltd.

(Millions of yen)

	February 28, 2023	February 29, 2024
	Amount	Amount
LIABILITIES		
Current liabilities	113,084	147,197
Accounts payable, trade	46,922	56,035
Short-term loans	27	26
Current portion of long-term loans	72	78
Lease obligations	1,519	1,583
Accounts payable, other	13,981	20,104
Income taxes payable	973	1,207
Consumption taxes withheld	154	1,096
Accrued expenses	5,680	7,214
Advance received	178	111
Deposits received	20,316	18,457
Allowance for bonuses to employees	1,792	1,890
Allowance for bonuses to Directors and Audit & Supervisory Board Members	28	40
Allowance for sales promotion expenses	788	975
Contract liabilities	17,503	17,448
Allowance for restructuring expenses	2,208	16,563
Other	936	4,362
Non-current liabilities	44,655	45,417
Long-term loans	139	141
Lease obligations	3,284	5,178
Deferred income taxes	464	–
Allowance for stock payments	225	451
Deposits received from tenants	27,820	27,760
Asset retirement obligations	12,721	11,885
TOTAL LIABILITIES	157,739	192,615
NET ASSETS		
Shareholder's equity	483,075	493,345
Common stock	40,000	40,000
Capital surplus	171,808	189,014
Additional paid-in capital	165,621	165,621
Other capital surplus	6,186	23,392
Retained earnings	271,267	264,331
Legal reserve	11,700	11,950
Other retained earnings		
Reserve for deferred gains on property and equipment	1,038	1,020
Retained earnings brought forward	258,528	251,361
Accumulated gains (losses) from valuation and translation adjustments	9,556	11,793
Unrealized gains (losses) on available-for-sale securities, net of taxes	9,556	11,793
TOTAL NET ASSETS	492,632	505,138
TOTAL LIABILITIES AND NET ASSETS	650,372	697,754

Ito-Yokado Co., Ltd.

Nonconsolidated statements of income

(Millions of yen)

	Year Ended February 28, 2023	Year Ended February 29, 2024
	Amount	Amount
Revenues from operations	729,342	814,964
Net sales	654,251	737,318
Cost of sales	470,990	536,684
Gross profit on sales	183,261	200,633
Other operating revenues	75,090	77,646
Gross profit from operations	258,351	278,279
Selling, general and administrative expenses	257,943	279,485
Advertising and decoration expenses	8,138	7,602
Salaries and wages	78,884	84,516
Land and building rent	47,508	49,783
Depreciation and amortization	15,402	18,021
Utility expenses	24,057	22,956
Other	83,952	96,605
Operating income (loss)	408	(1,205)
Non-operating income	1,580	1,884
Interest income	532	430
Dividend income	797	841
Other	250	612
Non-operating expenses	901	947
Interest expenses	11	11
Foreign exchange losses	93	-
Other	796	935
Ordinary income (loss)	1,087	(268)
Special gains	1,832	104
Gain on sales of property and equipment	5	6
Compensation income	854	-
Gain on sales of investment securities	-	2
Other	971	95
Special losses	21,877	37,746
Loss on sales of property and equipment	29	59
Loss on disposals of property and equipment	1,670	1,852
Impairment loss	5,016	5,623
Restructuring expenses	8,658	28,137
Loss on disaster	-	1,495
Consolidated tax payment individual attribution adjustment amount	6,226	-
Other	276	578
Income (loss) before income taxes	(18,958)	(37,911)
Income taxes - current	(5,766)	(2,837)
Income taxes - deferred	2,011	(9,109)
Net income (loss)	(15,203)	(25,963)

[Reference] York-Benimaru Co., Ltd.

Nonconsolidated balance sheets

(Millions of yen)

	February 28, 2023	February 29, 2024
	Amount	Amount
ASSETS		
Current assets	54,861	62,566
Cash and bank deposits	15,708	25,404
Accounts receivable, trade	3,044	3,659
Inventories	11,697	12,019
Work in process	19	16
Supplies	168	169
Prepaid expenses	1,084	1,183
Short-term loans receivable	90	90
Short-term loans to subsidiaries and affiliates	–	380
Deposits held by subsidiaries and affiliates	12,500	10,000
Accounts receivable, other	7,614	7,159
Payments in advance	2,092	1,781
Other	840	702
Non-current assets	192,851	199,314
Property and equipment	149,827	149,964
Buildings	69,228	68,635
Structures	9,333	8,682
Machinery and equipment	3,560	3,406
Vehicles, net	9	6
Furniture, fixtures and equipment	4,318	3,974
Land	50,223	51,516
Lease assets	10,550	12,142
Construction in progress	2,603	1,598
Intangible assets	906	1,984
Software	885	1,965
Other	21	18
Investments and other assets	42,117	47,366
Investments in securities	12,808	14,102
Stocks of subsidiaries and affiliates	–	2,845
Investments in capital	1	1
Long-term loans receivable	278	274
Long-term prepaid expenses	3,448	3,619
Prepaid pension cost	7,317	8,240
Long-term leasehold deposits	16,356	16,569
Deferred income taxes	1,504	633
Other	654	1,097
Allowance for doubtful accounts	(252)	(18)
TOTAL ASSETS	247,713	261,881

York-Benimaru Co., Ltd.

(Millions of yen)

	February 28, 2023	February 29, 2024
	Amount	Amount
LIABILITIES		
Current liabilities	43,447	49,742
Accounts payable, trade	21,514	22,352
Short-term loans	74	74
Lease obligations	2,156	2,656
Accounts payable, other	7,052	8,474
Accounts payable to parent company	1,466	3,960
Income taxes payable	915	1,206
Accrued expenses	4,160	4,817
Deposits received	1,645	1,669
Contract liabilities	1,694	1,565
Advance received	45	30
Allowance for bonuses to employees	2,328	2,590
Allowance for bonuses to Directors and Audit & Supervisory Board Members	76	86
Other	315	257
Non-current liabilities	17,658	19,022
Long-term loans	149	148
Lease obligations	10,266	11,667
Deposits received from tenants	3,484	3,413
Allowance for retirement benefits to directors and corporate auditors	216	216
Allowance for stock payments	506	654
Asset retirement obligations	2,997	2,908
Other	37	13
TOTAL LIABILITIES	61,106	68,764
NET ASSETS		
Shareholder's equity	180,144	185,742
Common stock	9,927	9,927
Capital surplus	12,605	12,605
Additional paid-in capital	12,605	12,605
Other capital surplus	0	0
Retained earnings	157,610	163,209
Legal reserve	2,186	2,186
General reserve	69,334	69,324
Retained earnings brought forward	86,090	91,699
Accumulated gains (losses) from valuation and translation adjustments	6,462	7,374
Unrealized gains (losses) on available-for-sale securities, net of taxes	6,462	7,374
TOTAL NET ASSETS	186,606	193,117
TOTAL LIABILITIES AND NET ASSETS	247,713	261,881

York-Benimaru Co., Ltd.

Nonconsolidated statements of income

(Millions of yen)

	Year Ended February 28, 2023	Year Ended February 29, 2024
	Amount	Amount
Revenues from operations	469,994	491,515
Net sales	458,991	479,931
Cost of sales	325,622	340,144
Gross profit on sales	133,368	139,786
Other operating revenues	11,002	11,584
Gross profit from operations	144,371	151,370
Selling, general and administrative expenses	126,357	132,669
Salaries and wages	55,661	58,276
Provision for bonuses to employees	2,264	2,509
Legal welfare expenses	8,910	9,148
Advertising and decoration expenses	4,065	4,080
Land and building rent	10,722	11,144
Store maintenance and repair expenses	5,910	6,044
Depreciation and amortization	9,466	10,093
Utility expenses	9,979	10,094
Other	19,376	21,277
Operating income	18,013	18,701
Non-operating income	654	696
Interest income	95	92
Dividend income	508	509
Other	50	93
Non-operating expenses	246	213
Interest expenses	3	3
Maintenance expenses for idle assets	105	77
Other	138	132
Ordinary income	18,421	19,183
Special gains	36,113	699
Gain on sales of property and equipment	24	50
Insurance income	400	492
Compensation income	–	1
Reversal of allowance for doubtful accounts	96	155
Gain on extinguishment of tie-in shares	35,516	–
Other	76	–
Special losses	4,478	2,624
Loss on sales of property and equipment	106	–
Loss on disposals of property and equipment	667	481
Impairment loss	1,633	1,920
Loss on disaster	2,072	33
Other	–	188
Income before income taxes	50,056	17,258
Income taxes - current	4,126	5,158
Income taxes - deferred	651	482
Net income	45,278	11,616