CONVOCATION NOTICE OF THE 21ST ANNUAL SHAREHOLDERS' MEETING

Seven & i Holdings Co., Ltd.

Note: This document has been translated from Japanese original for reference purpose only, without any warranty as to its accuracy or as to the completeness of the information. The Japanese original version is the sole official version.

Welcome to Our Annual Shareholders Meeting

On behalf of the Board of Directors and management team of Seven & i Holdings Co., Ltd., we are delighted to welcome you to our Annual Shareholders Meeting for 2026. This event marks a pivotal opportunity for us to reflect on the achievements of the past year, share our vision for the future, and engage in dialogue with our valued shareholders.

The Annual Shareholders Meeting stands as a cornerstone of our commitment to transparency, accountability and best in class corporate governance. In this brochure, you will find information about the meeting's agenda, key business highlights, and important decisions that will shape our organization in the year ahead.

We appreciate your ongoing support and participation. Your insights and feedback are important to us as we continue to build a stronger, more innovative, and sustainable organization. We look forward to sharing our progress and plans to accelerate our transformation.

Yours sincerely,

Stephen Hayes Dacus
Representative Director, President & CEO

<TRANSLATION FOR REFERENCE PURPOSES ONLY>

Securities Code No. 3382
May 11, 2026

To Our Shareholders,

8-8, Nibancho, Chiyoda-ku, Tokyo
Seven & i Holdings Co., Ltd.
Stephen Hayes Dacus, Representative Director and President

CONVOCATION NOTICE OF THE 21ST ANNUAL SHAREHOLDERS' MEETING

Notice is hereby provided of the 21st Annual Shareholders' Meeting of Seven & i Holdings Co., Ltd. (the "Company"), which will be held as indicated below.

Shareholders who do not plan to attend the meeting may exercise their voting rights in writing or by electronic method (via the Internet, etc.). You are kindly requested to examine the Shareholders' Meeting Reference Materials, and exercise your voting right by 5:30 p.m. on May 26, 2026 (Tuesday) in accordance with Information about Exercising Your Voting Rights on pages 6 to 7.

When convening this Shareholders' Meeting, the Company takes measures for providing information that constitutes the content of shareholders' meeting reference materials, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company's website. Please access the Company's website by using the Internet address shown below to review the information.

[The Company's website]
https://www.7andi.com/en/ir/stocks/general.html

In addition to posting items for which measures for providing information in electronic format are to be taken on the website listed above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information from the latter website, access the TSE website (Listed Company Search) by using the internet address given below, input "Seven & i Holdings" in "Issue name (company name)" or our securities code "3382" in "Code" and click "Search," and then click "Basic information" and select "Documents for public inspection/PR information," and you can access the document from "Notice of General Shareholders' Meeting/Informational Materials for a General Shareholders' Meeting" shown under "Filed information available for public inspection."

[The Tokyo Stock Exchange's website (Listed Company Search)]
https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show (in Japanese)

In addition to the above, the following website also provides the information in electronic format.

[Website for posted informational materials for the Shareholders' Meeting]
https://d.sokai.jp/3382/teiji/ (in Japanese)

Best regards,

Notes

1. Date: 10:00 a.m., May 27, 2026 (Wednesday)

2. Place: Head office of the Company (8-8, Nibancho, Chiyoda-ku, Tokyo)
Conference Room

3. Purposes of this Annual Shareholders' Meeting

Matters to be Reported:

(1) Reporting on the substance of the Business Report, the substance of the Consolidated Financial Statements for the 21st fiscal year (from March 1, 2025 to February 28, 2026), and the results of audits of the Consolidated Financial Statements by the accounting auditor and the Audit & Supervisory Board.

(2) Reporting on the substance of the Financial Statements for the 21st fiscal year (from March 1, 2025 to February 28, 2026).

Matters to be Resolved:

Item No. 1: Appropriation of retained earnings

Item No. 2: Decrease in additional paid-in capital (additional paid-in capital transferred to other capital surplus)

Item No. 3: Partial amendment of the Articles of Incorporation

Item No. 4: Election of thirteen (13) Directors

Item No. 5: Election of three (3) Audit & Supervisory Board Members

Item No. 6: Revision of the Amount of Compensation for Directors

Item No. 7: Partial Revision of Stock-Based Compensation Plan for Directors (Excluding Outside Directors)

Item No. 8: Introduction of Stock-Based Compensation Plan for Outside Directors

4. Matters Determined for Convocation

(1) Please be advised that if you redundantly exercise your voting right both in writing and by electronic method, the Company will only deem your exercise by electronic method valid. Also, please be advised that if you exercise your voting right multiple times by electronic method, the Company will only deem the substance of your final exercise to be valid.

(2) If neither approval nor disapproval of each proposal is indicated on the Voting Instructions Form, the Company will deem that you indicated "approval."

(3) If you wish to make a diverse exercise of your voting rights, please notify the Company in writing or by electronic method of your intention of making a diverse exercise of your voting rights and the reasons thereof by three (3) days prior to the Annual Shareholders' Meeting.

End

If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on each of the websites indicated on page 3.

When you attend the Annual Shareholders' Meeting, please submit the Voting Instructions Form that will be sent together with this Notice of Convocation at the reception desk. In addition, please assist us in conserving resources by bringing with you this Convocation Notice.

Free samples will not be provided at Annual Shareholders' Meetings. Your understanding would be appreciated in this regard.

Information about Exercising Your Voting Rights

You may exercise your voting rights using one of the following three methods.

Exercise of voting rights by attending the Annual Shareholders’ Meeting

You are kindly requested to exercise your voting rights by submitting the Voting Instructions Form to the Reception Desk at the Meeting.

Date of the Annual Shareholders’ Meeting
10:00 a.m. Japan Standard Time (JST), May 27, 2026 (Wednesday)

Exercise of voting rights by post

You are kindly requested to indicate your vote for or against the proposed actions on the Voting Instructions Form, and to return the completed Voting Instructions Form to the Company. You do not need to affix a stamp.

Deadline for exercise of voting rights by post
The Company must receive the completed Voting Instructions Form by 5:30 p.m. JST, May 26, 2026 (Tuesday).

Exercise of voting rights via the Internet

Follow the instructions on page 7 and input your vote for or against the proposed actions.

Deadline for exercise of voting rights via the Internet
The Company must receive your voting instructions by 5:30 p.m. JST, May 26, 2026 (Tuesday).

Handling of votes

(1) If you redundantly exercise your voting right both by the Voting Instructions Form (post) and via the Internet, the Company will only deem your exercise via the Internet valid. Also, if you exercise your voting right multiple times via the Internet, the Company will only deem the substance of your final exercise to be valid.
(2) If neither approval nor disapproval of each proposal is indicated on the Voting Instructions Form (post), the Company will deem that you indicated “approval” of the proposal.
(3) If you wish to make a diverse exercise of your voting rights, please notify the Company in writing or by electronic method of your intention of making a diverse exercise of your voting rights and the reasons thereof by three (3) days prior to the Annual Shareholders’ Meeting.

Information about Exercising Your Voting Rights via the Internet

Scanning QR code®

You can simply login to the Voting Website for exercising voting rights without entering your login ID and temporary password printed on the Voting Instructions Form.

1. Please scan the QR code® located on the right side of the Voting Instructions Form.

   * "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

2. Indicate your approval or disapproval by following the instructions on the screen.

Entering login ID and temporary password

Voting Website:
https://evote.tr.mufg.jp/ (in Japanese)

1. Please access the Voting Website.

2. Enter your "login ID" and "temporary password" printed on the Voting Instructions Form.

3. Indicate your approval or disapproval by following the instructions on the screen.

Please confirm the following items if you exercise your voting rights via the Internet.

(1) Please note that service is not available between 2:30 a.m. and 4:30 a.m. (JST) each day.
(2) Costs (Internet connection charges, packet transmission fees, etc.) incurred in accessing the Voting Website (https://evote.tr.mufg.jp/) (in Japanese) will be the responsibility of the shareholder.
(3) Depending on certain factors in the shareholder's Internet usage environment, it might not be possible to exercise voting rights. These factors include the use of a firewall, etc., in the Internet connection, the use of anti-virus software, and the use of a proxy server.

In case you need instructions for how to operate your personal computer/smartphone in order to exercise your voting rights via the Internet, please contact:
Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Department Help Desk
Tel: 0120-173-027 (Toll free only from Japan / Hours: 9:00 a.m. to 9:00 p.m. JST)

Platform for Electronic Exercise of Voting Rights

Nominee shareholders such as trust and custody services banks (including standing proxies) who have made prior application to use the platform for the electronic exercise of voting rights that is operated by ICJ Inc. may use this platform.

Shareholders' Meeting Reference Materials

Item No. 1: Appropriation of retained earnings

It is proposed that retained earnings will be appropriated as described below:

The Company has introduced a "progressive dividend" that will be increased in line with sustained profit growth.

Matters concerning year-end dividends

It is proposed that the year-end dividends for the 21st fiscal year be paid as follows in consideration of the performance for the 21st fiscal year and the future business development, etc.

(1) Type of dividend property

It is proposed that the dividend property will be paid in monetary terms.

(2) Matters concerning the allocation of dividend property and the aggregate amount thereof

It is proposed that the amount of allocation will be ¥25 per share of the Company's common stock.

In such a case, the aggregate amount of dividends shall be ¥57,869,312,275.

Therefore, the annual dividends for the 21st fiscal year, including interim dividends of ¥25, shall be ¥50 per share.

(3) Date on which the dividends from retained earnings become effective

It is proposed that the dividends from retained earnings become effective on May 28, 2026.

Item No. 2: Decrease in additional paid-in capital (additional paid-in capital transferred to other capital surplus)

In order to increase the amount available for distribution and prepare for future capital policies, ¥350.0 billion will be withdrawn from the additional paid-in capital and transferred to other capital surplus, in accordance with the provisions of Article 448, Paragraph 1 of the Companies Act.

(1) Amount of additional paid-in capital to be reduced
¥350,000,000,000
(2) Effective date of reduction in additional paid-in capital
July 17, 2026

Item No. 3: Partial amendment of the Articles of Incorporation

1. Reason for amendment

To make it easy for many shareholders to attend, regardless of their address, and to invigorate the shareholders meeting and enhance the efficiency and smoothness of its operations, and also to mitigate risks such as the spread of infectious diseases and the occurrence of major natural disasters, it is proposed that Article 13, Paragraph 2 be added to the Articles of Incorporation to enable shareholders meetings to be held without a designated location.

2. Details of amendments

The proposed amendments are as follows:

(Underlined portions indicate amendments.)

Current provisions of the Articles of Incorporation	Proposed amendments
Article 13 (Convocation) An annual shareholders meeting of the Company shall be convened in May each year, and extraordinary shareholders meetings shall be convened from time to time as necessary. (Newly established)	Article 13 (Convocation) 1. An annual shareholders meeting of the Company shall be convened in May each year, and extraordinary shareholders meetings shall be convened from time to time as necessary. 2. The Company may hold a shareholders meeting without a designated location.

Item No. 4: Election of thirteen (13) Directors

The terms of office of all thirteen (13) current Directors expire upon the conclusion of this Annual Shareholders' Meeting. Shareholders are therefore requested to elect thirteen (13) Directors. This proposal was approved at the Board of Directors meeting after its details were supported, after deliberation based on the "Guidelines for Directors and Audit & Supervisory Board Members" of the Company, by the "Nomination Committee," which is an advisory committee to the Board of Directors chaired by an Independent Outside Director and the majority of whose members is comprised of Independent Outside Directors.

Reference: Guidelines for Directors and Audit & Supervisory Board Members
https://www.7andi.com/library/ir/management/governance/en/pdf/guidelines202201.pdf

The candidates for Directors are as follows:

Candidate No.	Name	Current position in the Company	Attendance at Board of Directors meetings			
1	Junro Ito	Representative Director and Executive Chair (Kaicho) Executive Officer and Executive Chair (Kaicho)	15/15	Reappointment		
2	Stephen Hayes Dacus	Representative Director and President Executive Officer and President Chief Executive Officer (CEO)	15/15	Reappointment		
3	Shigeki Kimura	Representative Director and Vice President Executive Officer and Vice President Chief Administrative Officer (CAO) Information Management Supervisor	11/11	Reappointment		
4	Tamaki Wakita	Director Managing Executive Officer Chief Strategy Officer (CSO)	15/15	Reappointment		
5	Tetsuya Takagi	Executive Officer Chief Financial Officer (CFO)		New appointment		
6	Fuminao Hachiuma	Lead Independent Outside Director Chairperson of the Board (Gicho)	15/15	Reappointment	Outside	Independent
7	Yoshiyuki Izawa	Outside Director	15/15	Reappointment	Outside	Independent
8	Meyumi Yamada	Outside Director	15/15	Reappointment	Outside	Independent
9	Paul Yonamine	Outside Director	15/15	Reappointment	Outside	Independent
10	Takashi Sawada	Outside Director	11/11	Reappointment	Outside	Independent
11	Masaki Akita	Outside Director	11/11	Reappointment	Outside	Independent
12	Tatsuya Terazawa	Outside Director	11/11	Reappointment	Outside	Independent
13	Christine Edman	Outside Director	11/11	Reappointment	Outside	Independent

(Notes)
1. Attendance at meetings of the Board of Directors held in the 21st fiscal year is presented as attendance at Board of Directors meetings.

2. If all of the above candidates for Director are approved, the ratio of foreign national Directors will be 23.1% (3/13) and the ratio of female Directors will be 15.4% (2/13).
   *Rounded to one decimal place
3. Major management and industry experience, management skills, knowledge, etc. of Directors and Audit & Supervisory Board Members after this Annual Shareholders' Meeting, assuming that Items No. 4 and No. 5 will be approved as originally proposed, are as shown on page 31.

Candidate No.	Name (Date of birth) * Number of shares of the Company owned Term of office	Brief personal history, position, area of responsibility, and important concurrent positions
1	Junro Ito (June 14, 1958) * 9,519,009 shares Reappointment Term of office: 17 years and 0 months Attendance at meetings Board of Directors: 15/15 (100%) Nomination Committee: 6/6 (100%) Compensation Committee: 5/5 (100%)	Aug. 1990: Joined SEVEN-ELEVEN JAPAN CO., LTD. May 2002: Director of SEVEN-ELEVEN JAPAN CO., LTD. May 2003: Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD. Jan. 2007: Managing Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD. May 2009: Director of the Company Executive Officer of the Company May 2015: Audit & Supervisory Board Member of York-Benimaru Co., Ltd. May 2016: In charge of Group Corporate Support of the Company Dec. 2016: Managing Executive Officer of the Company Head of the Corporate Development Office of the Company Mar. 2017: Director of Ito-Yokado Co., Ltd. Mar. 2018: General Manager of the Corporate Development Division of the Company July 2019: Outside Director of AIN HOLDINGS INC. May 2020: Member of the Compensation Committee of the Company Sept. 2021: Representative Director of Ito-Kogyo Co., Ltd. Apr. 2023: Representative Director of the Company Senior Managing Executive Officer of the Company Chief Sustainability Officer (CSuO) of the Company General Manager of ESG Development Division of the Company Supervising Officer of Superstore Operations of the Company May 2024: Representative Director and Vice President of the Company Executive Officer and Vice President of the Company Chief Administrative Officer (CAO) of the Company Aug. 2024: Representative Director and President of Seven & i Energy Management Co., Ltd. (incumbent) Oct. 2024: Chairman and Representative Director of YORK Holdings Co., Ltd. May 2025: Representative Director and Executive Chair (Kaicho) of the Company (incumbent) Executive Officer and Executive Chair (Kaicho) of the Company (incumbent) Member of the Nomination Committee of the Company (incumbent) Sept. 2025: Director and Chairman of YORK Holdings Co., Ltd. (incumbent) (Important Concurrent Positions) Director and Chairman of YORK Holdings Co., Ltd. Representative Director and President of Seven & i Energy Management Co., Ltd.
	[Reasons, etc., for Nomination as Candidate for Director] He has overseas business experience and a broad range of knowledge of the retail industry cultivated as Representative Director and Executive Chair (Kaicho) of the Company and a director of the Group companies as well as a broad range of knowledge and experience in company management, social marketing, risk management, sustainability, and so forth. Because we would like him to utilize this knowledge and experience to realize our management plans, to enhance our corporate value including non-financial aspects, and to smoothly execute group management, we would like to request his election as a Director.	

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">2</td><td>Stephen Hayes Dacus
(November 7, 1960)
* 0 shares
Reappointment
Term of office: 4 years and 0 months

Attendance at meetings
Board of Directors:
15/15 (100%)
Nomination Committee:
8/9 (88.9%)</td><td>Sept. 1983: Joined Northrop Corporation (currently Northrop Grumman Corporation)
Sept. 1985: Joined Coopers & Lybrand L.L.P. (currently Pricewaterhouse Coopers)
Mar. 1994: Joined Mars, Incorporated
June 2001: CEO of MasterFoods Ltd.
Sept. 2005: Senior Vice President of FAST RETAILING CO., LTD.
July 2007: Senior Vice President of Walmart Stores, Inc.
Apr. 2010: Executive Vice President of Walmart Japan Holdings G.K. (currently Seiyu Co., Ltd.)
June 2011: CEO of Walmart Japan Holdings G.K.
Oct. 2015: Outside Director of Sushiro Global Holdings Co., Ltd. (currently FOOD & LIFE COMPANIES LTD.)
July 2016: Chairman and Representative Director of Sushiro Global Holdings Co., Ltd.
May 2019: Non-executive Director of Hana Group SAS
June 2019: CEO of Hana Group SAS
July 2020: Chairman of the Supervisory Board of Hana Group SAS
Nov. 2021: Chairman of Daiso California L.L.C. (currently Daiso USA L.L.C.) (incumbent)
May 2022: Outside Director of the Company
Dec. 2022: Member of the Nomination Committee of the Company
Oct. 2023: Non-executive Director of Hana Group SAS (incumbent)
Apr. 2024: Lead Independent Outside Director of the Company
May 2025: Representative Director and President of the Company (incumbent)
Executive Officer and President of the Company (incumbent)
Chief Executive Officer (CEO) of the Company (incumbent)
Member of the Nomination Committee of the Company (incumbent)
June 2025: Director of 7-Eleven, Inc. (incumbent)
Director of 7-Eleven International LLC (incumbent)
(Important Concurrent Positions)
Non-executive Director of Hana Group SAS
Chairman of Daiso USA L.L.C.
Director of 7-Eleven, Inc.
Director of 7-Eleven International LLC</td></tr>
<tr><td colspan="2">[Reasons, etc., for Nomination as Candidate for Director]
He has served as a corporate executive officer in the retail industry and other industries both in the U.S. and Japan, and has a broad range of knowledge in the retail industry cultivated as Representative Director and President of the Company. In addition, he has a broad range of high level knowledge and experience in marketing and finance and accounting, etc. cultivated through abundant global business experience.
Because we would like him to utilize this knowledge and experience to realize our management plans, and to refine our management system, capital structure, and business operations with a focus on the convenience store business in order to maximize the Group's corporate value, we would like to request his election as a Director.</td></tr>
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<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">3</td><td>Shigeki Kimura
(March 16, 1962)
* 25,200 shares
Reappointment
Term of office: 1 year and 0 months

Attendance at meetings
Board of Directors:
11/11 (100%)
Compensation Committee:
7/7 (100%)</td><td>Mar. 1986: Joined SEVEN-ELEVEN JAPAN CO., LTD.
Mar. 2014: Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD.
Dec. 2016: Executive Officer of the Company
Mar. 2019: General Manager of the Corporate Personnel Planning Division of the Company
Director of SEVEN-ELEVEN JAPAN CO., LTD.
May 2019: Director of the Company
Mar. 2020: Senior Managing Executive Officer of SEVEN-ELEVEN JAPAN CO., LTD.
General Manager of the Administration Division of SEVEN-ELEVEN JAPAN CO., LTD.
Mar. 2021: Director of SEVEN-ELEVEN OKINAWA Co., Ltd.
Mar. 2024: Director and Vice President of SEVEN-ELEVEN JAPAN CO., LTD.
Executive Vice President of SEVEN-ELEVEN JAPAN CO., LTD.
July 2024: Outside Director of AIN HOLDINGS INC. (incumbent)
May 2025: Director of SEVEN-ELEVEN JAPAN CO., LTD. (incumbent)
Representative Director and Vice President of the Company (incumbent)
Executive Officer and Vice President of the Company (incumbent)
Chief Administrative Officer (CAO) of the Company (incumbent)
Member of the Compensation Committee of the Company (incumbent)
June 2025: Information Management Supervisor of the Company (incumbent)
(Important Concurrent Positions)
Director of SEVEN-ELEVEN JAPAN CO., LTD.
Outside Director of AIN HOLDINGS INC.</td></tr>
<tr><td colspan="2">[Reasons, etc., for Nomination as Candidate for Director]
He has a broad range of knowledge of the retail industry cultivated as Representative Director and Vice President of the Company and Vice President of a Group company, as well as a broad range of knowledge and experience in company management including the franchise business, risk management, IT, sustainability, and other areas. Because we would like him to utilize this knowledge and experience to realize our management plans, to enhance Group functions, and to pursue Group synergies, we would like to request his election as a Director.</td></tr>
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<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">4</td><td>Tamaki Wakita
(May 12, 1972)
* 6,680 shares
Reappointment
Term of office: 2 years and 0 months

Attendance at meetings
Board of Directors:
15/15 (100%)
Compensation Committee:
12/12 (100%)</td><td>Apr. 1995: Joined Nichimen Corporation (currently Sojitz Corporation)
Feb. 2002: Joined General Electric International, Inc.
Feb. 2003: Joined Nissen Co., Ltd. (currently Nissen Holdings Co., Ltd.)
June 2006: Executive Officer of Nissen Co., Ltd.
Mar. 2012: Director of Nissen Holdings Co., Ltd.
Sept. 2016: CEO and Representative Director of Nissen Holdings Co., Ltd.
Chairman and Director of SHADDY CO., LTD
Mar. 2019: Senior Officer of the Corporate Development Department of the Company
May 2019: Director of Francfranc Corporation
Mar. 2020: Director of Ito-Yokado Co., Ltd.
Jan. 2021: Director of 7-Eleven, Inc. (incumbent)
Oct. 2021: Director of 7-Eleven International LLC (incumbent)
Mar. 2022: Executive Officer of the Company
Apr. 2023: Chief Strategy Officer (CSO) of the Company (incumbent)
General Manager of the Management Planning Division of the Company (incumbent)
Aug. 2023: Director of Sogo & Seibu Co., Ltd.
May 2024: Director of the Company (incumbent)
Member of the Compensation Committee of the Company (incumbent)
May 2025: Managing Executive Officer of the Company (incumbent)
(Important Concurrent Positions)
Director of 7-Eleven, Inc.
Director of 7-Eleven International LLC</td></tr>
<tr><td colspan="2">[Reasons, etc., for Nomination as Candidate for Director]
He has overseas business experience and a broad range of knowledge of the retail industry, cultivated as a president and director of the Group companies, as well as a broad range of knowledge of and experience in company management, marketing, and so forth.
Because we would like him to utilize this knowledge and experience to realize our management plans, to promote the management of the Group, and to formulate our future management strategy, we would like to request his election as a Director.</td></tr>
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<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">5</td><td>Tetsuya Takagi
(August 16, 1963)
* 0 shares
New appointment
Term of office: –</td><td>Apr. 1986: Joined Fuji Xerox Co., Ltd. (currently FUJIFILM Business Innovation Corp.)
July 2015: Executive Officer, General Manager of Corporate Planning Division of Fuji Xerox Co., Ltd.
July 2017: Executive Counselor of Fuji Xerox Co., Ltd.
Apr. 2018: Managing Executive Officer, responsible (deputy) for Corporate Planning Division and Financial Planning Division of UNIZO Holdings Company, Limited
July 2019: Chief Financial Officer (CFO) of Twinbird Corporation
Executive Officer, Group Executive of Administration Division and Deputy Group Executive of Corporate Planning Division of Twinbird Corporation
Apr. 2022: Senior Executive Officer, responsible for Accounting and Corporate Communications Division of Morinaga & Co., Ltd.
June 2022: Director of Morinaga & Co., Ltd.
Senior Executive Officer of Morinaga & Co., Ltd.
Chief Financial Officer (CFO) of Morinaga & Co., Ltd.
Representative Director, President of Morinaga Finance Co., Ltd.
Apr. 2026: Joined the Company
Executive Officer of the Company (incumbent)
Chief Financial Officer (CFO) of the Company (incumbent)
General Manager of the Corporate Finance & Accounting (incumbent)
(Important Concurrent Positions)
Not applicable.</td></tr>
<tr><td colspan="2">[Reasons, etc., for Nomination as Candidate for Director]
He has overseas business experience and a broad range of knowledge of finance and accounting, cultivated as CFO of a major domestic confectionery manufacturer, as well as a broad range of knowledge of and experience in company management, DX, risk management, and so forth.
Because we would like him to utilize this knowledge and experience to realize our management plans, to stabilize the Group’s financial base, and to strengthen financial discipline, we would like to request his election as a Director.</td></tr>
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<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">6</td><td>Fuminao Hachiuma
(December 8, 1959)
* 0 shares
Reappointment
Outside Director
Independent Director
Term of office: 3 years and 0 months

<u>Attendance at meetings</u>
Board of Directors:
15/15 (100%)
Nomination Committee:
16/16 (100%)
Compensation Committee:
4/4 (100%)</td><td>Apr. 1983: Joined Ajinomoto Co., Inc.
July 1998: President of PT AJINOMOTO SALES INDONESIA
July 2008: Director and Vice President of AJINOMOTO USA Inc.
June 2013: Corporate Executive Officer of Ajinomoto Co., Inc.
June 2015: Corporate Vice President of Ajinomoto Co., Inc.
Representative Director, President of J-OIL MILLS, Inc.
June 2016: Representative Director, President and CEO of J-OIL MILLS, Inc.
Apr. 2022: Director of J-OIL MILLS, Inc.
May 2023: Outside Director of the Company
June 2023: Outside Audit & Supervisory Board Member of YKK AP Inc. (incumbent)
Outside Director of SUBARU CORPORATION (incumbent)
Aug. 2023: Member of the Nomination Committee of the Company (incumbent)
Mar. 2025: Member of the Compensation Committee of the Company
May 2025: Lead Independent Outside Director of the Company (incumbent)
Chairperson of the Board (Gicho) of the Company (incumbent)
(Important Concurrent Positions)
Outside Audit & Supervisory Board Member of YKK AP Inc.
Outside Director of SUBARU CORPORATION</td></tr>
<tr><td colspan="2">[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.]
He has a broad range of high level knowledge and experience in corporate management, marketing and sustainability, among others as well as abundant international knowledge related to food cultivated through his experience serving in important positions such as Representative Director at food companies in Japan and overseas.
Because we would like him to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request his election as an Outside Director.</td></tr>
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<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">7</td><td>Yoshiyuki Izawa
(February 10, 1948)
* 600 shares
Reappointment
Outside Director
Independent Director
Term of office: 4 years and 0 months

<u>Attendance at meetings</u>
Board of Directors:
15/15 (100%)
Nomination Committee:
16/16 (100%)</td><td>Apr. 1970: Joined MITSUI & CO., LTD.
June 2000: Director of MITSUI & CO., LTD.
Apr. 2004: Executive Managing Officer of MITSUI & CO., LTD.
Apr. 2007: Senior Executive Managing Officer of MITSUI & CO., LTD.
June 2007: Representative Director, Senior Executive Managing Officer of MITSUI & CO., LTD.
Apr. 2008: Representative Director, Executive Vice President of MITSUI & CO., LTD. (Retired in November 2009)
Sept. 2008: Asian Executive Board Member of MIT Sloan School of Management
Dec. 2009: President & CEO, Representative Executive Officer of JAPAN POST BANK Co., Ltd.
June 2010: Director and Representative Executive Officer, Executive Vice President of JAPAN POST HOLDINGS Co., Ltd.
June 2013: Director of JAPAN POST HOLDINGS Co., Ltd.
May 2015: Chairman & CEO, Representative Director of BlackRock Japan Co., Ltd.
Apr. 2021: Director and Chairman of BlackRock Japan Co., Ltd. (Retired in March 2022)
May 2022: Outside Director (Member of the Audit and Supervisory Committee) of Nitori Holdings Co., Ltd. (incumbent)
Outside Director of the Company (incumbent)
June 2022: Outside Director of Sanoh Industrial Co., Ltd. (incumbent)
Dec. 2022: Member of the Nomination Committee of the Company (incumbent)
(Important Concurrent Positions)
Outside Director (Member of the Audit and Supervisory Committee) of Nitori Holdings Co., Ltd.
Outside Director of Sanoh Industrial Co., Ltd.</td></tr>
<tr><td colspan="2">[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.]
He has a broad range of high level knowledge in international corporate management, finance and accounting, capital markets, sustainability, among others, and as well as his experience served as a Representative Director of a trading company and a financial institution, and has served such important positions as Chairman & CEO, Representative Director of BlackRock Japan Co., Ltd. Because we would like him to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request his election as an Outside Director.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">8</td><td>Meyumi Yamada
(August 30, 1972)
* 0 shares
Reappointment
Outside Director
Independent Director
Term of office: 4 years and 0 months

<u>Attendance at meetings</u>
Board of Directors:
15/15 (100%)
Nomination Committee:
16/16 (100%)
Compensation Committee:
7/7 (100%)</td><td>Apr. 1995: Joined KOEI KOGYO Co., Ltd.
May 1997: Joined Kiss Me Cosmetics Co., Ltd. (currently ISEHAN Co., Ltd.)
July 1999: Representative Director of istyle LLC
Apr. 2000: Representative Director of istyle Inc.
Dec. 2009: Director of istyle Inc. (incumbent)
May 2012: Representative Director and President of Cyberstar Co., Ltd.
Sept. 2016: Director of Eat Smart, Inc.
June 2017: Outside Director of JAPAN POST INSURANCE Co., Ltd.
Outside Director of SEINO HOLDINGS CO., LTD.
June 2021: Outside Director of Sompo Holdings, Inc. (incumbent)
Nov. 2021: Representative Director of Bank For Smiles (incumbent)
May 2022: Outside Director of the Company (incumbent)
Member of the Nomination Committee of the Company
May 2023: Chair of the Nomination Committee of the Company (incumbent)
May 2025: Member of the Compensation Committee of the Company (incumbent)
(Important Concurrent Positions)
Director of istyle Inc.
Outside Director of Sompo Holdings, Inc.</td></tr>
<tr><td colspan="2">[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.]
She has a broad range of high level knowledge and experience in corporate management, EC (e-commerce), DX (digital transformation), marketing, sustainability, among others, which she has cultivated through the operation of “@cosme,” one of Japan’s largest cosmetics and beauty portal sites, and through starting up a women’s skill development and job hunting support business.
Because we would like her to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request her election as an Outside Director.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">9</td><td>Paul Yonamine
(August 20, 1957)
* 0 shares
Reappointment
Outside Director
Independent Director
Term of office: 4 years and 0 months

Attendance at meetings
Board of Directors:
15/15 (100%)
Compensation Committee:
12/12 (100%)</td><td>June 1979: Joined Peat, Marwick, Mitchell & Co. (currently KPMG LLP)
May 1983: Registered as U.S. Certified Public Accountant
Apr. 1995: Managing Partner of KPMG LLP Hawaii
Mar. 1997: Representative Partner of KPMG Global Solutions LLC (currently PwC Advisory LLC)
Aug. 2001: Representative Partner and Chairman of KPMG Global Solutions LLC
Apr. 2006: President and CEO of Hitachi Consulting Co., Ltd.
May 2010: VP & CFO of IBM Japan, Ltd.
Apr. 2013: Vice President of IBM Japan, Ltd.
Jan. 2015: President of IBM Japan, Ltd.
Mar. 2017: Director of GCA Corporation
June 2017: Director of Central Pacific Bank
July 2017: Director and Chairman of GCA Corporation
Oct. 2018: Director and Non-executive Chairman of GCA Corporation
Chairman & CEO of Central Pacific Financial Corp.
Executive Chairman of Central Pacific Bank
June 2019: Outside Director of Sumitomo Mitsui Banking Corporation (incumbent)
Dec. 2020: Outside Director of circlace Inc.
May 2022: Outside Director of the Company (incumbent)
Jan. 2023: Chairman Emeritus & Director (Non Executive Director) of Central Pacific Financial Corp.
Chairman Emeritus & Director (Non Executive Director) of Central Pacific Bank
May 2023: Member of the Compensation Committee of the Company
June 2023: Outside Director (Audit and Supervisory Committee Member) of PayPay Corporation (incumbent)
May 2025: Chair of the Compensation Committee of the Company (incumbent)
Aug. 2025: Outside Director of 7-Eleven, Inc. (incumbent)
Nov. 2025: Chairman Emeritus of Central Pacific Bank (incumbent)
(Important Concurrent Positions)
Outside Director of Sumitomo Mitsui Banking Corporation
Outside Director (Audit and Supervisory Committee Member) of PayPay Corporation
Outside Director of 7-Eleven, Inc.</td></tr>
<tr><td colspan="2">[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.]
He has a broad range of high level knowledge and experience in DX (digital transformation), finance, and accounting, etc. cultivated through his extensive management experience at consulting firms, as President of IBM Japan, Ltd. and as CEO of overseas financial institutions, among others.
Because we would like him to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request his election as an Outside Director.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">10</td><td>Takashi Sawada
(July 12, 1957)
* 0 shares
Reappointment
Outside Director
Independent Director
Term of office: 1 year and 0 months

Attendance at meetings
Board of Directors:
11/11 (100%)</td><td>Apr. 1981: Joined ITOCHU Corporation
May 1997: Joined FAST RETAILING CO., LTD.
Nov. 1997: Managing Director of FAST RETAILING CO., LTD.
Nov. 1998: Director and Vice President of FAST RETAILING CO., LTD.
Jan. 2003: Representative Director and President of KIACON Corporation
Oct. 2005: Representative Director, President and Chief Executive Officer of Revamp Corporation
June 2008: Outside Director of Nomura Research Institute, Ltd.
Apr. 2012: Outside Director of Culture Convenience Club Co., Ltd.
June 2013: Outside Director of SECOM CO., LTD.
June 2014: Outside Director of K'S HOLDINGS CORPORATION
Mar. 2015: Outside Director of Link and Motivation Inc.
May 2016: Director, Senior Managing Executive Officer and Assistant to President of FamilyMart Co., Ltd.
Sept. 2016: Representative Director and President of FamilyMart Co., Ltd.
Mar. 2018: Representative Director, Executive Vice President and Executive Officer of FamilyMart UNY Holdings Co., Ltd. (currently FamilyMart Co., Ltd.)
May 2019: Representative Director and President of FamilyMart Co., Ltd.
Jan. 2022: External Director of CellSource Co., Ltd.
Mar. 2022: Representative Director of LOTTE VENTURES JAPAN CO., LTD.
June 2022: Outside Director of Hey Inc. (currently STORES, Inc.) (incumbent)
Jan. 2024: Director of LOTTE VENTURES JAPAN CO., LTD.
Representative Director and CEO of CellSource Co., Ltd.
May 2025: Outside Director of the Company (incumbent)
June 2025: Outside Director of FUJI MEDIA HOLDINGS, Inc. (incumbent)
Nov. 2025: Director and Chairman of the Board of CellSource Co., Ltd.
Feb. 2026: Director and Chairman of the Board of LOTTE VENTURES JAPAN CO., LTD. (incumbent)
(Important Concurrent Positions)
Director and Chairman of the Board of LOTTE VENTURES JAPAN CO., LTD.
Outside Director of STORES, Inc.
Outside Director of FUJI MEDIA HOLDINGS, Inc.</td></tr>
<tr><td colspan="2">[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.]
He has a broad range of high level knowledge and experience in overseas expansion in the retail industry, franchise businesses, branding, and finance and accounting, etc., cultivated through his extensive track record in corporate management as Vice President of FAST RETAILING CO., LTD. and in other roles.
Because we would like him to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request his election as an Outside Director.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">11</td><td>Masaki Akita
(December 24, 1958)
* 800 shares
Reappointment
Outside Director
Independent Director
Term of office: 1 year and 0 months

<u>Attendance at meetings</u>
Board of Directors:
11/11 (100%)
Nomination Committee:
6/6 (100%)
Compensation Committee:
7/7 (100%)</td><td>Apr. 1983: Joined Hankyu Corporation (currently Hankyu Hanshin Holdings, Inc.)
July 1991: Joined Matsuya Co., Ltd.
May 1999: Director of Matsuya Co., Ltd.
May 2001: Managing Director of Matsuya Co., Ltd.
Mar. 2005: Senior Managing Director of Matsuya Co., Ltd.
May 2005: Representative Director and Vice President of Matsuya Co., Ltd.
May 2007: Representative Director and President of Matsuya Co., Ltd.
May 2008: Representative Director, President and Executive Officer of Matsuya Co., Ltd.
July 2017: Outside Director of Meiji Yasuda Life Insurance Company (incumbent)
Mar. 2023: Director, Chair and Chairperson of the Board of Directors of Matsuya Co., Ltd. (incumbent)
May 2025: Outside Director of the Company (incumbent)
Member of the Nomination Committee of the Company (incumbent)
Member of the Compensation Committee of the Company (incumbent)
June 2025: Chairman of Tax-Free Shop Association (incumbent)
(Important Concurrent Positions)
Director, Chair and Chairperson of the Board of Directors of Matsuya Co., Ltd.
Outside Director of Meiji Yasuda Life Insurance Company
Chairman of Tax-Free Shop Association</td></tr>
<tr><td colspan="2">[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.]
He has wide-ranging knowledge of the inbound tourism business and of food, as well as a broad range of high level knowledge and experience in marketing, risk management, etc., cultivated through his track record in corporate management as the Representative Director of Matsuya Co., Ltd. and in other roles.
Because we would like him to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request his election as an Outside Director.</td></tr>
<tr><td rowspan="2">12</td><td>Tatsuya Terazawa
(January 20, 1961)
* 400 shares
Reappointment
Outside Director
Independent Director
Term of office: 1 year and 0 months

<u>Attendance at meetings</u>
Board of Directors:
11/11 (100%)</td><td>Apr. 1984: Joined Ministry of International Trade and Industry
June 2013: Director-General of Commerce and Distribution Safety Policy of Ministry of Economy, Trade and Industry
July 2015: Director-General of Trade and Economic Cooperation Bureau of Ministry of Economy, Trade and Industry
July 2017: Director-General of Commerce and Information Policy Bureau of Ministry of Economy, Trade and Industry
July 2018: Vice-Minister for International Affairs of Ministry of Economy, Trade and Industry
Aug. 2020: Outside Director of Toyo Engineering Corporation (incumbent)
Jan. 2021: Special Advisor to the Cabinet Office
July 2021: Chairman and CEO of The Institute of Energy Economics, Japan (incumbent)
May 2025: Outside Director of the Company (incumbent)
(Important Concurrent Positions)
Chairman and CEO of The Institute of Energy Economics, Japan
Outside Director of Toyo Engineering Corporation</td></tr>
<tr><td colspan="2">[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.]
He has served as Vice-Minister for International Affairs in the Ministry of Economy, Trade and Industry, and as Chairman and CEO of The Institute of Energy Economics, Japan, as well as in other important roles, and has a broad range of high level knowledge and experience in such areas as international trade, franchise businesses, risk management, and sustainability.
Because we would like him to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request his election as an Outside Director.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, area of responsibility, and important concurrent positions</th></tr>
<tr><td rowspan="2">13</td><td>Christine Edman
(December 23, 1975)
* 0 shares
Reappointment
Outside Director
Independent Director
Term of office: 1 year and 0 months

Attendance at meetings
Board of Directors:
11/11 (100%)</td><td>Nov. 1997: Joined Mattel International K.K.
Jan. 2000: Joined Aunt Stella Inc.
Aug. 2005: Joined H&M Hennes & Mauritz AB (Sweden)
Feb. 2007: Area Manager of H&M Hong Kong
Mar. 2008: Representative Director and President of H&M Hennes & Mauritz Japan
June 2017: Director of LVMH Fashion Group Japan Co., Ltd. (currently LVMH Fashion Group Japan G.K.)
President & CEO of GIVENCHY Japan
Dec. 2021: Executive Officer of ZOZO, Inc.
May 2025: Outside Director of the Company (incumbent)
(Important Concurrent Positions)
Not applicable.</td></tr>
<tr><td colspan="2">[Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles, etc.]
She has wide-ranging knowledge of the global retail industry, as well as a broad range of high level knowledge and experience in such areas as DX (digital transformation), marketing and branding, cultivated through her experience serving as the representative director of companies in the apparel industry both in Japan and overseas, and in other important roles.
Because we would like her to utilize this knowledge and experience to realize our management plans and to further improve the effectiveness of our management and the Board of Directors, we would like to request her election as an Outside Director.</td></tr>
</table>

(Notes)

1. The Company established the “Nomination Committee” as an advisory committee to the Board of Directors. The committee’s chair and the majority of its members are Independent Outside Directors. Through the committee’s deliberations on the nomination of Representative Directors, Directors, Audit & Supervisory Board Members, and Executive Officers (hereinafter collectively, “officers, etc.”), the Company utilizes the knowledge and advice of Outside Directors and Outside Audit & Supervisory Board Members, and ensures objectivity and transparency in the procedures for deciding the nomination of officers, etc., thereby enhancing the supervisory function of the Board of Directors and further substantiating corporate governance functions. Audit & Supervisory Board Members act as observers at the “Nomination Committee” since it is important to ensure due process at the committee as an advisory committee to the Board of Directors.
2. “New appointment” indicates new candidates for Director, and “Reappointment” indicates reappointed candidates for Director.
3. “Outside Director” indicates candidates for Outside Director, and “Independent Director” indicates those candidates for Director who are independent officers as stipulated by the Tokyo Stock Exchange.
4. There is no special relationship of interest between each of the above candidates and the Company.
5. Fuminao Hachiuma, Yoshiyuki Izawa, Meyumi Yamada, Paul Yonamine, Takashi Sawada, Masaki Akita, Tatsuya Terazawa, and Christine Edman satisfy the requirements for nomination for the office of Outside Director. In addition, Fuminao Hachiuma, Yoshiyuki Izawa, Meyumi Yamada, Paul Yonamine, Takashi Sawada, Masaki Akita, Tatsuya Terazawa, and Christine Edman are neither a spouse nor a relative within the third degree of relationship, etc., of the business administrators or officer of the Company or the specified relation business associates of the Company.
6. In March 2026, YKK AP Inc., at which Fuminao Hachiuma has served as an Outside Audit & Supervisory Board Member since June 8, 2023 to date, received a recommendation from the Japan Fair Trade Commission for violations of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors in relation to the free storage of mold, etc. at business partners. As well as making proposals from the perspective of legal compliance, Fuminao Hachiuma has fulfilled his responsibilities by making suggestions aimed at prevention of recurrence in relation to this incident.
7. Sompo Japan Insurance Inc. (hereinafter “Sompo Japan”), a subsidiary of Sompo Holdings, Inc. (hereinafter “Sompo Holdings”) where Meyumi Yamada has served as an Outside Director since June 28, 2021 to date, received administrative dispositions from the Financial Services Agency on December 26, 2023, based on the Insurance Business Act, and from the Japan Fair Trade Commission on October 31, 2024, based on the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, for issues such as inappropriate insurance premium adjustment practices. In addition, Sompo Japan received an administrative disposition from the Financial Services Agency on March 24, 2025, based on the Insurance Business Act for leaks of customer information. Sompo Holdings and Sompo Japan received an administrative disposition from the Financial Services Agency on January 25, 2024, based on the Insurance Business Act for issues related to their response to fraudulent automobile insurance claims by used car dealers. Meyumi Yamada has fulfilled her responsibilities by making proposals from

the perspective of legal compliance and customer protection, and by making proposals for effective group governance after these incidents were discovered.

8. The Company has concluded an agreement with each of the Outside Directors as per Article 427, Paragraph 1 of the Companies Act, limiting their liability for compensation for damage under Article 423, Paragraph 1 of the Companies Act. These agreements limit the amount of their liability for compensation for damage to the minimum legally stipulated amounts. If the reappointment of the candidates for Outside Director are approved, the Company intends to continue its liability limitation agreement with each of them.
9. The Company has entered into a compensation agreement with each of the Directors in accordance with the provisions of Article 430-2, Paragraph 1 of the Companies Act, which covers costs set out in item 1 of the same Paragraph and losses set out in item 2 of the same Paragraph to the extent provided by laws and regulations. If the Directors are reappointed, the Company intends to continue the same agreement with each of them. If the appointment of Tetsuya Takagi is approved, the Company intends to enter into the same agreement with him. Under this agreement, the Company is entitled to require a Director or an Audit & Supervisory Board Member to return any indemnification for expenses, etc. received if it is ascertained that the Director or Audit & Supervisory Board Member executed their duties with the aim of unfairly benefiting themselves or a third party, or of damaging the Company's interests.
10. The Company has entered into a directors' and officers' liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company; the contract is scheduled to be renewed in September 2026. Among the candidates above, those who are incumbent Directors are currently insured under the contract, and if the new appointment/reappointment of the above candidates for Director is approved, they will be insured under the contract. The brief overview of the said insurance contract is as follows:
    (1) Scope of the insured individuals
    Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and its subsidiaries (excluding certain subsidiaries)
    (2) The ratio of premiums to be actually borne by the insured individuals
    The Company will bear the full amount of insurance premiums, and thus, the insured individuals need not to bear any premiums.
    (3) Outline of insured events covered by the said insurance
    The contract covers damage (including the legal compensation for damages and legal fees) that may be incurred by the insured individuals due to claims filed against them in relation to the execution of their duties as officers of the Company (including omissions) during the insurance term. However, the coverage is subject to certain exclusions, such as in cases where violations of laws and regulations were knowingly committed.
11. Fuminao Hachiuma, Yoshiyuki Izawa, Meyumi Yamada, Paul Yonamine, Takashi Sawada, Masaki Akita, Tatsuya Terazawa, and Christine Edman are Independent Directors in accordance with the rules of the Tokyo Stock Exchange, and satisfy the independence standards for outside officers established by the Company.
12. The Company uses the independence standards established by the financial instruments exchanges as the independence standards for the Company's Outside Directors and Outside Audit & Supervisory Board Members, and with respect to the de minimis thresholds for information disclosure regarding the attributes of Independent Directors and Independent Audit & Supervisory Board Members as negligible, "transactions" are "less than 1% of the non-consolidated revenues from operations of the Company for the most recent accounting period," and "donations" are "less than ¥10 million," in the most-recent fiscal year of the Company.
13. "Term of office" refers to the term of office as of the conclusion of this Annual Shareholders' Meeting.
14. Attendance at meetings of the Board of Directors and other meetings is the status of attendance during the 21st fiscal year.
15. The number of shares of the Company owned by each of the candidates is stated as of March 31, 2026, and the brief personal history, etc. of each of the above candidates is as of April 16, 2026.

Item No. 5: Election of three (3) Audit & Supervisory Board Members

The terms of office of current Audit & Supervisory Board Members Nobutomo Teshima, Kazuhiro Hara, and Mitsuko Inamasu expire upon the conclusion of this Annual Shareholders' Meeting. Shareholders are therefore requested to elect three (3) Audit & Supervisory Board Members. This proposal was deliberated by the Audit & Supervisory Board based on the "Guidelines for Directors and Audit & Supervisory Board Members" of the Company and obtained the consent of the Audit & Supervisory Board. It was then referred to the "Nomination Committee," an advisory committee to the Board of Directors, and approved by the Board of Directors.

Reference: Guidelines for Directors and Audit & Supervisory Board Members
https://www.7andi.com/library/ir/management/governance/en/pdf/guidelines202201.pdf

The candidates for Audit & Supervisory Board Members are as follows:

Candidate No.	Name	Current position in the Company	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings			
1	Seiji Oku	Executive Officer	–	–	New appointment		
2	Hitoshi Matsumoto	–	–	–	New appointment	Outside	Independent
3	Yukiko Omura (Real name: Yukiko Yuyama)	–	–	–	New appointment	Outside	Independent

(Note)
Major management and industry experience, management skills, knowledge, etc., of Directors and Audit & Supervisory Board Members after this Annual Shareholders' Meeting, assuming that Items No. 4 and No. 5 will be approved as originally proposed, are as shown on page 31.

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, and important concurrent positions</th></tr>
<tr><td rowspan="2">1</td><td>Seiji Oku
(April 16, 1962)
* 0 shares
New appointment
Term of office: –</td><td>Apr. 1987: Joined Nissan Motor Co., Ltd.
Jan. 2012: Joined the Company
Mar. 2017: Director of Seven-Meal Service Co., Ltd.
June 2018: Audit & Supervisory Board Member of Seven & i Net Media Co., Ltd. (currently SpireX Co., Ltd.) (incumbent)
Sept. 2019: Audit & Supervisory Board Member of Barneys Japan Co., Ltd.
Mar. 2021: General Manager of the Corporate General Affairs & Legal Division of the Company (incumbent)
Mar. 2023: Executive Officer of the Company (incumbent)
May 2024: Director of SEVEN-ELEVEN JAPAN CO., LTD. (incumbent)
(Important Concurrent Positions)
Director of SEVEN-ELEVEN JAPAN CO., LTD.</td></tr>
<tr><td colspan="2">[Reasons, etc., for Nomination as Candidate for Audit & Supervisory Board Member]
He has overseas business experience, and a broad range of knowledge of and experience in the overall operations of the Group, corporate legal affairs, risk management, and so forth, cultivated as the Executive Officer and General Manager of the Corporate General Affairs & Legal Division of the Company.
Because we would like him to contribute this knowledge and experience to the establishment of a good corporate governance structure that can realize robust and sustainable growth of the Company, create medium- to long-term corporate value, and respond to social trust, we would like to request his election as an Audit & Supervisory Board Member.</td></tr>
</table>

Candidate No.	Name (Date of birth) * Number of shares of the Company owned Term of office	Brief personal history, position, and important concurrent positions
2	Hitoshi Matsumoto (February 19, 1960) * 2,500 shares New appointment Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member Term of office: –	Oct. 1982: Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC) Mar. 1986: Registered as a Certified Public Accountant Aug. 1989: Seconded to Detroit office of Deloitte & Touche LLP June 1996: Partner of Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) June 1999: Audit Partner and Deputy Partner in charge of International Services Management Duties of Tohmatsu & Co. July 2003: Audit Partner and Japanese Company Service Group Joint Leader, New York office of Deloitte & Touche LLP June 2011: Japanese Company Service Group Managing Partner and Joint Chairman of Deloitte & Touche LLP June 2013: Executive Officer in charge of Global of Deloitte Touche Tohmatsu LLC June 2015: Global Board Member of Deloitte & Touche LLP Nov. 2015: Board Member of Deloitte Tohmatsu LLC Sept. 2018: Chairman of the Board of Deloitte Asia Pacific Limited June 2020: Deputy Chairman of the Board of Deloitte Global Oct. 2024: Representative of MATSUMOTO HITOSHI CPA OFFICE (incumbent) Jan. 2025: Outside Audit & Supervisory Member of Crasus Chemical Inc. June 2025: Outside Director of SEIKITOKYU KOGYO CO., LTD. (incumbent) Mar. 2026: Outside Director (Audit and Supervisory Committee Member) of Crasus Chemical Inc. (incumbent) (Important Concurrent Positions) Outside Director of SEIKITOKYU KOGYO CO., LTD.
	[Reasons, etc., for Nomination as Candidate for Audit & Supervisory Board Member] He has overseas business experience, and abundant experience and expertise related to finance and accounting, risk management, sustainability and so forth, cultivated as a partner of a major audit firm and as a certified public accountant. Because we would like him to contribute this knowledge and experience to the establishment of a good corporate governance structure that can realize robust and sustainable growth of the Company, create medium- to long-term corporate value, and respond to social trust, we would like to request his election as an Outside Audit & Supervisory Board Member.	

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
* Number of shares of the Company owned
Term of office</th><th>Brief personal history, position, and important concurrent positions</th></tr>
<tr><td rowspan="2">3</td><td>Yukiko Omura
(Real name: Yukiko Yuyama)
(January 15, 1979)
* 0 shares
New appointment
Outside Audit & Supervisory Board Member
Independent Audit & Supervisory Board Member
Term of office: –</td><td>Apr. 2003: Joined Toyota Motor Corporation
Sept. 2007: Joined Nagashima Ohno & Tsunematsu
Sept. 2013: U.S. Court of Appeals for the Federal Circuit Fellow
Aug. 2014: Seconded to the Financial Services Agency
Mar. 2019: Joined Miura & Partners (incumbent)
Jan. 2020: Outside Director of ASIRO Inc.
May 2020: Outside Audit & Supervisory Board Member of Kokopelli Inc.
Sept. 2022: Outside Director (Audit & Supervisory Committee Member) of Halmek Holdings Co., Ltd. (incumbent)
Mar. 2024: External Director (Audit & Supervisory Board Member) of Sodick Co., Ltd. (incumbent)
Mar. 2026: Outside Director (Audit and Supervisory Committee Member) of Euglena Co., Ltd. (incumbent)
(Important Concurrent Positions)
Outside Director (Audit & Supervisory Committee Member) of Halmek Holdings Co., Ltd.
External Director (Audit & Supervisory Board Member) of Sodick Co., Ltd.
Outside Director (Audit and Supervisory Committee Member) of Euglena Co., Ltd.</td></tr>
<tr><td colspan="2">[Reasons, etc., for Nomination as Candidate for Audit & Supervisory Board Member]
She has abundant experience and expertise related to overall corporate legal affairs, security, risk management, sustainability, and so forth, cultivated as an attorney at law.
Because we would like her to contribute this knowledge and experience to the establishment of a good corporate governance structure that can realize robust and sustainable growth of the Company, create medium- to long-term corporate value, and respond to social trust, we would like to request her election as an Outside Audit & Supervisory Board Member.</td></tr>
</table>

(Notes)

1. The Company established the “Nomination Committee” as an advisory committee to the Board of Directors. The committee’s chair and the majority of its members are Independent Outside Directors. Through the committee’s deliberations on the nomination of Representative Directors, Directors, Audit & Supervisory Board Members, and Executive Officers (hereinafter collectively, “officers, etc.”), the Company utilizes the knowledge and advice of Outside Directors and Outside Audit & Supervisory Board Members, and ensures objectivity and transparency in the procedures for deciding the nomination of officers, etc., thereby enhancing the supervisory function of the Board of Directors and further substantiating corporate governance functions. Audit & Supervisory Board Members act as observers at the “Nomination Committee,” since it is important to ensure due process at the committee as an advisory committee to the Board of Directors.
2. “New appointment” indicates new candidates for Audit & Supervisory Board Members.
3. “Outside” indicates candidates for Outside Audit & Supervisory Board Members, and “Independent” indicates those candidates for Audit & Supervisory Board Members who are independent officers as stipulated by the Tokyo Stock Exchange.
4. There is no special relationship of interest between the above candidate and the Company.
5. Hitoshi Matsumoto and Yukiko Omura satisfy the requirements for nomination as candidates for Outside Audit & Supervisory Board Members. In addition, Hitoshi Matsumoto and Yukiko Omura are neither a spouse nor a relative within the third degree of relationship, etc., of the business administrators or officer of the Company or the specified relation business associates of the Company.
6. The Company has concluded an agreement with each of the Outside Audit & Supervisory Board Members as per Article 427, Paragraph 1 of the Companies Act, limiting their liability for compensation for damage under Article 423, Paragraph 1 of the Companies Act. These agreements limit the amount of their liability for compensation for damage to the minimum legally stipulated amounts. If the appointment of the candidates for Outside Audit & Supervisory Board Member are approved, the Company intends to enter into the liability limitation agreement with each of them.
7. The Company has entered into a compensation agreement with each of the Audit & Supervisory Board Members in accordance with the provisions of Article 430-2, Paragraph 1 of the Companies Act, which covers costs set out in item 1 of the same Paragraph and losses set out in item 2 of the same Paragraph to the extent provided by laws and regulations. If the appointments of Seiji Oku, Hitoshi Matsumoto, and Yukiko Omura are approved, the Company intends to enter into the same agreement with each of them. Under this agreement, the Company is entitled to require a Director or an Audit & Supervisory Board Member to return any indemnification for expenses, etc., received, if it is ascertained that the Director or Audit & Supervisory Board Member executed their duties with the aim of unfairly benefiting themselves or a third party, or of damaging the Company’s interests.

8. The Company has entered into a directors' and officers' liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company; the contract is scheduled to be renewed in September 2026. If the new appointment of the above candidate for Audit & Supervisory Board Member is approved, they will be insured under the contract. The brief overview of the said insurance contract is as follows:
   (1) Scope of the insured individuals
   Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and its subsidiaries (excluding certain subsidiaries)
   (2) The ratio of premiums to be actually borne by the insured individuals
   The Company will bear the full amount of insurance premiums, and thus, the insured individuals need not to bear any premiums.
   (3) Outline of insured events covered by the said insurance
   The contract covers damage (including the legal compensation for damages and legal fees) that may be incurred by the insured individuals due to claims filed against them in relation to the execution of their duties as officers of the Company (including omissions) during the insurance term. However, the coverage is subject to certain exclusions, such as in cases where violations of laws and regulations were knowingly committed.
9. The Company intends to designate Hitoshi Matsumoto and Yukiko Omura as Independent Audit & Supervisory Board Members in accordance with the rules of the Tokyo Stock Exchange, and accordingly intends to submit a report to the Tokyo Stock Exchange. In addition, they satisfy the independence standards for outside officers established by the Company.
10. The Company uses the independence standards established by the financial instruments exchanges as the independence standards for the Company's Outside Directors and Outside Audit & Supervisory Board Members, and with respect to the de minimis thresholds for information disclosure regarding the attributes of Independent Directors and Independent Audit & Supervisory Board Members as negligible, "transactions" are "less than 1% of the non-consolidated revenues from operations of the Company for the most recent accounting period," and "donations" are "less than ¥10 million," in the most-recent fiscal year of the Company.
11. The number of shares of the Company owned by the candidate is stated as of March 31, 2026, and the brief personal history, etc., of the above candidate is as of April 16, 2026.

Major management and industry experience, management skills, knowledge, etc., of Directors and Audit & Supervisory Board Members after this Annual Shareholders' Meeting, assuming that Items No. 4 and No. 5 will be approved as originally proposed, are as follows:

Name	Title	Corporate Management	Retail Industry	Global Business	Marketing/ Branding	DX/IT/ Security	Finance, Accounting, Capital markets	Risk Management/ Compliance	Sustainability
Junro Ito	Representative Director and Executive Chair (Kaicho)	●	●					●	●
Stephen Hayes Dacus	Representative Director and President	●	●	●	●		●		
Shigeki Kimura	Representative Director and Vice President	●	●			●		●	●
Tamaki Wakita	Director	●	●	●	●				
Tetsuya Takagi	Director	●		●		●	●	●	
Fuminao Hachiuma	Lead Independent Outside Director	●		●	●				●
Yoshiyuki Izawa	Independent Outside Director	●		●			●		●
Meyumi Yamada	Independent Outside Director	●	●		●	●			●
Paul Yonamine	Independent Outside Director	●		●		●	●		
Takashi Sawada	Independent Outside Director	●	●	●	●		●		
Masaki Akita	Independent Outside Director	●	●		●			●	●
Tatsuya Terazawa	Independent Outside Director		●	●				●	●
Christine Edman	Independent Outside Director	●	●	●	●	●			
Shinya Ishii	Standing Audit & Supervisory Board Member		●				●	●	
Seiji Oku	Standing Audit & Supervisory Board Member		●	●				●	
Kaori Matsuhashi (Real name: Kaori Hosoya)	Independent Outside Audit & Supervisory Board Member	●		●		●	●	●	●
Hitoshi Matsumoto	Independent Outside Audit & Supervisory Board Member	●		●			●	●	●
Yukiko Omura (Real name: Yukiko Yuyama)	Independent Outside Audit & Supervisory Board Member			●		●		●	●

* The above table is not an exhaustive list of the knowledge and experience each person can offer.

* The ratio of foreign national Directors will be 23.1% (3/13) and the ratio of female Directors will be 15.4% (2/13). (Rounded to one decimal place)

<Overview of the Revisions to the Compensation Plan for Directors (Explanation of Items No. 6 to No. 8)>

The Company has decided to revise the compensation plan for Directors by placing more weight on Short-term incentives and stock-based compensation, with the aim of further enhancement of the Company's corporate and shareholder value, as well as establishing compensation levels and mix that are competitive in the global human resources market. Accordingly, the Company hereby submits Items No. 6 through No. 8 for approval by the shareholders.

The detail of the proposals are set forth on pages 34 to 46 of this document; however, an overview and the key points thereof are explained below.

In addition, an overview of the policy for determining the details of individual compensation, etc., for the Company's Directors following these revisions is set forth on pages 47 to 57 of this document.

<Overview of Main Revisions to the Compensation Plan for Directors>

Items		Before Revision	After Revision
Compensation Policy and Compensation Governance		The Compensation Committee monitors the compensation of the Company and key operating subsidiaries.	- The Company will newly establish the "Global Executive Compensation Framework", a globally integrated, common compensation policy for Executive Directors, etc., of the Company and its key operating subsidiaries, and will revise its existing Executive Compensation Policy. - Based on these policies, the Compensation Committee uniformly monitors the compensation of the Executive Directors, etc. of the Company and the key operating subsidiaries.
Compensation for Executive Directors	Compensation Mix	- In the fiscal year 2025, individualized compensation package was applied to the CEO's variable compensation, and RSU was granted as stock-based compensation, unlike the package applied to other Directors.	With the aim of strengthening the linkage with short-term and medium- to long-term growth and corporate value, the compensation mix for the Company's Executive Directors and Executive Officers consists of fixed compensation, Short-term incentive, PSU and RSU. PSU: Performance-linked Long-term incentive (Performance share units; granted based on performance against the KPI set forth below) RSU: Time/tenure-based Long-term incentive (Restricted stock units; granted subject to continued service)
	Range of Variability for Variable Compensation	Determined for each position.	With the aim of strengthening commitment to short-term and medium- to long-term growth and the enhancement of corporate value, the proportion of Short-term incentive and stock-based compensation (PSU) has been increased compared to the previous compensation mix, with payouts varying within a range of 0% to 200% depending on the level of achievement.
	KPI for Stock-based Compensation and Evaluation Method	- KPI: consolidated ROE, consolidated EPS, CO_2 emissions, employee engagement, and other metrics - Service Period: one fiscal year	To assess from multiple perspectives management's contribution toward mid-to-long-term corporate value creation, including mid-to-long-term growth and improvement in capital efficiency, the Company has, for fiscal year 2026, adopted consolidated EBITDA, consolidated ROIC, and relative TSR as an evaluation of performance against the external market as KPIs, and has changed the evaluation period to three fiscal years. Relative TSR refers to a metric, under which, for the purpose of ensuring linkage to shareholder value, performance is assessed by comparing the Company's total shareholder return with that of the domestic equity market and the global retail industry.
	Delivery timing of the Stock-based compensation	Delivered upon retirement.	With the aim of enhancing corporate and shareholder value during the term of office, Company shares, etc., will be delivered with respect to PSU and RSU after three fiscal years have elapsed from the grant date of the relevant units (changed to an in-service model).
Stock-based Compensation for Outside Directors		(New)	RSU is granted to Outside Directors of the Company to enhance their motivation to contribute to medium- to long-term corporate value creation and to align their interests with those of shareholders.
Stock Ownership Guidelines		(New)	To ensure long-term and sustainable sharing of value with shareholders, the Company has established Stock Ownership Guidelines for its Directors. ・The Company's Representative Director, President and CEO: Five times the annual base salary ・The Company's other Directors (Excluding Outside Directors): the annual base salary ・The Company's Outside Directors: In principle, continue to hold all Company Shares held by themselves during their term of office (except for sale to satisfy tax obligations arising from stock-based compensation).

<Details of Revisions to Compensation Limit for Directors>

Items	Before Revisions	After Revisions	Item No.
Fixed Compensation and Short-Term Incentive	Not more than ¥2 billion per year (of which, no more than ¥0.5 billion per year applies for Outside Directors)	Not more than ¥2.5 billion per year (of which, no more than ¥0.5 billion per year applies for Outside Directors)	No. 6
Maximum Number of Shares to be Delivered to Directors (Excluding Outside Directors)	Trust-type Stock-Based Compensation: 240,000 shares per fiscal year Long-Term Incentive: 500,000 shares per fiscal year	4,500,000 units (equivalent to 4,500,000 shares) for each service period (*1) - PSU: 4,000,000 units (equivalent to 4,000,000 shares) - RSU: 500,000 units (equivalent to 500,000 shares) * In principle, Company shares, etc., will be delivered after completion of each service period (3 years).	No. 7
Maximum Number of Shares to be Delivered to Outside Directors	Not applicable	45,000 units (equivalent to 45,000 shares) for each service period (RSU) (*2) * In principle, Company shares, etc., will be delivered after completion of each service period (3 years).	No. 8

(*1) This represents 0.19% (rounded to two decimal places) of the total number of shares issued by the Company (after deduction of treasury shares, as of February 28, 2026).
(*2) This represents 0.002% (rounded to three decimal places) of the total number of shares issued by the Company (after deduction of treasury shares, as of February 28, 2026).
* For further details, please refer to Item No. 6 through Item No. 8, respectively.

Item No. 6: Revision of the Amount of Compensation for Directors

At the 20th Annual Shareholders' Meeting held on May 27, 2025, the Company resolved that the compensation of the Company's Directors shall not exceed ¥2 billion per year (of which, no more than ¥0.5 billion per year applies for Outside Directors; neither limit includes the employee salaries paid to Directors who serve concurrently as employees) (hereinafter, "Monetary Compensation Upper Limit"). Since then, the Company has paid Directors fixed compensation ("Fixed Compensation" or "Base Salary") and bonuses as Short-term incentive, as monetary compensation within this upper limit. Separate from this Monetary Compensation Upper Limit, which is the subject of this Item No. 6, based on approval at the 14th Annual Shareholders' Meeting held on May 23, 2019 and the 17th Annual Shareholders' Meeting held on May 26, 2022, the Company introduced a performance-linked and stock-based compensation system utilizing a trust, for which the Company's Directors are eligible and under which Company shares and an amount of money equivalent to the converted value of Company shares are to be delivered and provided, and has applied this system to eligible Directors who reside in Japan. In addition, based on approval at the 20th Annual Shareholders' Meeting held on May 27, 2025, the Company introduced a Long-term incentive plan, for which the Company's Directors, excluding Outside Directors, are eligible, and has applied this system to eligible Directors who reside overseas.

This proposal seeks approval to revise the Monetary Compensation Upper Limit to be within 2.5 billion per year (of which, no more than ¥0.5 billion per year applies for Outside Directors). As was the case before, this does not include the portion of employee salaries paid to Directors who serve concurrently as employees.

As the domestic and international management environment surrounding the Company continues to change significantly, it is necessary that the Company further improve its corporate value and make management decisions, which are becoming increasingly complex, quickly by appointing executive personnel, regardless of nationality, who possess global experience and a high level of expertise in the Company's business fields to serve as Directors. To achieve these objectives, it is necessary to further strengthen the linkage between performance and the coefficient pertaining to bonuses used as Short-term incentive, and to set a wider range of variability, thereby reinforcing Directors' commitment to improving our corporate value and ensuring the Company remains competitive amid changes in compensation levels in the global human resources market.

In light of the foregoing, the Company respectfully requests approval of the proposed revision to the Monetary Compensation Upper Limit.

A summary of the policy for determining the details of individual compensation, etc., for Directors for the current fiscal year is as set forth in the Business Report (under "4. Items Regarding the Company's Directors and Audit & Supervisory Board Members," "(2) Compensation, etc. of Directors and Audit & Supervisory Board Members"). However, at the Board of Directors meeting held on April 16, 2026, a resolution to update the content of that policy was adopted, subject to the approval of this Item No. 6 as well as Items No. 7 and No. 8 was passed. A summary of the policy for determining the details of individual compensation for Directors after this update is as set forth on pages 47 to 57 of this document. The content of this Item No. 6 is in line with the revised policy and has been deliberated by the Compensation Committee, the chairperson and the majority of the members of which are Independent Outside Directors, and we believe that the content of this Item No. 6 is appropriate in light of the purposes of the changes to the Monetary Compensation Upper Limit as described above.

Additionally, the Company currently has thirteen (13) Directors (including eight (8) Outside Directors). If Item No. 4 is approved as originally proposed, the number of Directors will be thirteen (13) (including eight (8) Outside Directors) as of the adjournment of this Annual Shareholders' Meeting.

Item No. 7: Partial Revision of Stock-Based Compensation Plan for Directors (Excluding Outside Directors)

1. Reasons for the Proposal and Reasons Such Compensation Has Been Deemed Appropriate

At the 14th Annual Shareholders' Meeting held on May 23, 2019, the Company received approval for introduction of a stock-based compensation plan (hereinafter, "Trust-type Stock-Based Compensation Plan"; hereinafter, defined terms shall have the meanings ascribed to them in this Item), under which Company shares and an amount of money equivalent to the converted value of Company shares are to be delivered and provided to the Company's Directors (excluding Outside Directors; hereinafter the same in this proposal); and at the 17th Annual Shareholders' Meeting held on May 26, 2022, the Company received approval for partial revision of the Trust-type Stock-Based Compensation Plan; and such system has continued operating until now. In addition, as a framework separate from the foregoing, at the 20th Annual Shareholders' Meeting held on May 27, 2025, the Company received approval for introduction of a stock-based compensation plan (the "Long-Term Incentive Plan") under which the Company's shares or money in lieu thereof are delivered or paid to the Company's Directors who reside overseas, and such system has continued operating until now.

As the domestic and international business environment surrounding the Company continues to change significantly, it is necessary that the Company further improve its corporate value and make management decisions, which are becoming increasingly complex, quickly by appointing executive personnel, regardless of nationality, who possess global experience and a high level of expertise in the Company's business fields to serve as Directors. In light of the foregoing, the Company proposes to review its existing Trust-type Stock-Based Compensation Plan and the Long-Term Incentive Plan, and seeks shareholder approval to introduce a new long-term incentive plan that is a performance-linked and time/tenure-based stock plan whereby units are converted to shares after vesting (the "New Long-Term Incentive Plan"). The New Long-Term Incentive Plan presented in this proposal is submitted for approval as a separate compensation framework, independent of Items No. 6 and No. 8.

To set compensation levels that are competitive even in the global human resources market, to have Directors further share value with shareholders, and to provide further incentives for making sustainable improvements to the Company's corporate value, the Company resolved at Board of Directors Meeting held on April 16, 2026 to revise the policy for determining the details of individual compensation, etc. for Directors, conditional on the proposals from Item No. 6 through Item No. 8, including this proposal being approved as originally proposed. Such revision includes, among other matters, an increase in the amount of stock-based compensation, changes to metrics to evaluate business performance, and changes to the timing of share delivery. An outline of such details is as described on pages 47 to 57 of this document. This proposal is necessary and reasonable for the purpose of granting individual compensation, etc., for Directors that is consistent with the relevant policy, and has been deliberated by the Compensation Committee, the chairperson, and a majority of whose members are Independent Outside Directors. Furthermore, as set forth in 2.(3) below, under the New Long-Term Incentive Plan, for each fiscal year, a number of base units determined by the Board of Directors of the Company will be granted in advance to Directors (excluding Outside Directors) with respect to the period from the conclusion of the Annual Shareholders' Meeting held during such fiscal year until the conclusion of the Annual Shareholders' Meeting for the last fiscal year ending within three (3) years thereafter (the "Service Period"). The maximum number of shares of the Company (or cash in lieu thereof; collectively, "Company Shares") to be delivered or provided (hereinafter collectively referred to as "Delivered" or "Delivery," as the case may be, and any derivatives thereof) upon vesting of such base units during each Service Period is 4,500,000 shares (for the treatment in certain other cases, including Organizational Restructuring, etc. (as defined in 2.(4) below; hereinafter the same shall apply in this Item), please refer to 2.(4)).This represents 0.19% (rounded to two decimal places) of the total number of shares issued by the Company (after deduction of treasury shares, as of February 28, 2026). In light of the foregoing, we believe that the contents of this proposal are reasonable.

If this proposal is approved as originally proposed, the compensation of the Company's Directors will consist of the following three: "base salary (fixed compensation)", "Short-term incentive", and "stock-based compensation".

In addition, the number of Directors eligible for the New Long-Term Incentive Plan will be five (5), if Item No. 4 is approved as originally proposed.

2. Amount and Details of Compensation, etc. under the New Long-Term Incentive Plan

(1) Details of the New Long-Term Incentive Plan and Overview of the Revision

Under the New Long-Term Incentive Plan, for the period from the conclusion of the Company's Annual Shareholders' Meeting to the conclusion of the next Company's Annual Shareholders' Meeting to be held (provided, however, that the initial period shall be from the conclusion of this Annual Shareholders' Meeting to the conclusion of the next Annual Shareholders' Meeting of the Company), a certain number of base units determined by the Board of Directors of the Company will be granted in advance to Directors (excluding Outside Directors). Subject to the condition that such Directors continuously provide services as Directors during the Service Period for three consecutive fiscal years (provided, however, that the initial Service Period shall be from the conclusion of this Annual Shareholders' Meeting to the conclusion of the Company's Annual Shareholders' Meeting scheduled to be held in 2029), the Company will, after the end of the Service Period, Deliver a number of Company Shares determined in accordance with the number of units that have vested.

Under the New Long-Term Incentive Plan, Company Shares shall be Delivered to each Director by either method (a) or (b) below, taking into account the Director's country of residence and other relevant factors.

(a) A method under which a certain number of units determined by the Board of Directors of the Company is granted in advance to Directors, the trust (the "Trust") acquires the Company shares using funds contributed by the Company for Directors' compensation, and, through such Trust, a number of the Company shares and an amount of money equivalent to the converted value of the Company shares, determined in accordance with the number of units that have vested, are delivered or provided to Directors (hereinafter referred to as the "Trust Delivery").

(b) A method under which a certain number of units determined by the Board of Directors of the Company is granted in advance to Directors, and, after the end of the Service Period, a number of the Company shares determined in accordance with the number of units that have vested is delivered to Directors (hereinafter referred to as the "Direct Delivery").

With respect to Directors who reside in Japan, Company Shares shall first be Delivered by the Trust Delivery, and if the Trust Delivery cannot be effected, Company Shares shall be Delivered by the Direct Delivery.

Under the revision, with respect to both methods (a) and (b), after base units determined in accordance with position and other factors are granted for each fiscal year, the compensation will consist of a "performance-linked portion," under which the number of Company Shares to be Delivered varies depending on the achievement level of performance conditions (performance-linked stock compensation whereby units are converted to shares after vesting (Performance Share Units); hereinafter referred to as "PSU"), and a "fixed portion," under which base units are granted in accordance with their position, etc. for each fiscal year and do not vary thereafter (time/tenure-based stock compensation whereby units are converted to shares after vesting (Restricted Stock Units); hereinafter referred to as "RSU". In principle, the Company Shares will be Delivered at a certain point in time after three fiscal years have elapsed from the respective grant date of base units.

(a) Eligible recipients of the Delivery of Company Shares subject to this proposal	Directors (excluding Outside Directors)

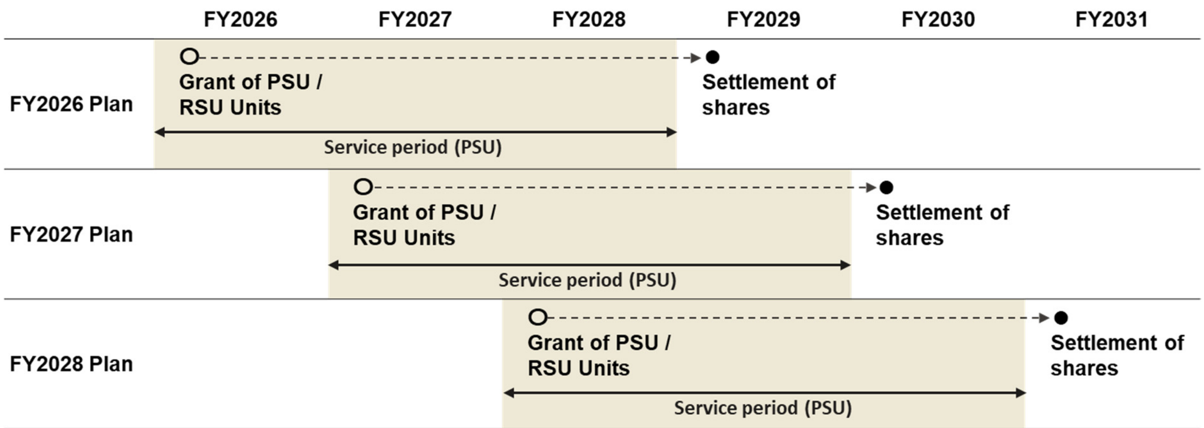
(b) Impact of the Company shares subject to this proposal on the total number of issued shares	
Upper limit of compensation, etc. under the New Long-term Incentive Plan (As set forth in (2) below.)	• In the Trust Delivery, with respect to each Service Period, the upper limit of the value of stock-based compensation shall be an amount obtained by multiplying (i) the amount calculated based on the closing price of the Company shares on the Tokyo Stock Exchange as of the date of establishment (or extension) of the Trust (or, if no transaction is executed on such date, the closing price on the most recent preceding trading day) by (ii) the maximum number of shares expected to vest under the New Long-term Incentive Plan. The number of shares currently held by the Trust for the purpose of the Long-Term Incentive Plan is 1,014,000 shares (rounded up to the nearest thousand), and the amount of trust money contributed by the Company is 1,484 million yen (rounded up to the nearest million yen; 1,464 yen per share). • In the Direct Delivery, with respect to each Service Period, the upper limit of the value of stock-based compensation shall be an amount obtained by multiplying (i) the amount calculated based on the closing price of the Company shares on Tokyo Stock Exchange on the business day immediately preceding the day on which the resolution was passed to issue or dispose of the Company shares (or, if no transaction is executed on such date, the closing price on the most recent preceding trading day) or another fairly appraised amount per share, or the per-share amount to be paid by

	(ii) the maximum number of shares expected to vest under the New Long-term Incentive Plan (not exceeding 4,500,000 shares).
Upper limit of shares to be delivered (As set forth in (3) below.)	• The upper limit of the number of shares that may vest shall be 4,500,000 shares for each Service Period (of which 4,000,000 shares shall be PSU and 500,000 shares shall be RSU); accordingly, the upper limit of Company shares that may vest and may be delivered per fiscal year shall, in principle, also be 4,500,000 shares.* • This represents 0.19% (rounded to two decimal places) of the total number of shares issued by the Company (as of February 28, 2026, after deduction of treasury shares). • If the trust acquires Company shares, the method will be acquisition from the stock market or the Company (issuance of new shares or disposal of treasury shares). * As set forth in (4) below, in certain cases such as Organizational Restructuring, etc., units granted in respect of multiple Service Periods may vest simultaneously.

(c) Details of the performance achievement conditions (As set forth in (3) below.)	• The performance-linked portions will vary within a range of 0% to 200%, depending on the degree of achievement of performance targets, etc. • The metrics to evaluate the degree of achievement of performance targets, etc. in the Service Period commencing in fiscal year 2026 shall be consolidated EBITDA, consolidated ROIC, relative TSR, etc. • The metrics to evaluate the degree of achievement of performance targets, etc. in the Service Period commencing in fiscal year 2027 and thereafter shall be determined by the Board of Directors after deliberation by the Compensation Committee.

(d) Timing of the Delivery of Company Shares to Directors (As set forth in (4) below.)	In principle, at a certain time after three fiscal years have elapsed from the grant date of each base unit.

The indicative timing of the grant of units and the Delivery of Company Shares under the New Long-Term Incentive Plan is as illustrated below.



(2) Upper Limit of Compensation, etc. under the New Long-term Incentive Plan, etc.

The upper limit of the total number of Company Shares to be Delivered to each Director shall be 4,500,000 shares for each Service Period (of which 4,000,000 shares shall be PSU and 500,000 shares shall be RSU). This upper limit has been determined taking into account the fact that, under the New Long-term Incentive Plan, the "performance-linked portion" will vary within a range of 0% to 200%, depending on the degree of achievement of performance targets, etc., as set forth in the achievement performance conditions.

(a) Trust Delivery

As a stock-based compensation plan utilizing the Trust, the Company will contribute trust money (*1) that is reasonably expected to be necessary during the three fiscal years determined by the Company as the period for evaluating the achievement of medium- to long-term performance targets (the "Trust Coverage Period"), and will establish the Trust for stock-based compensation with a trust period of three years (including any extension of the trust period as described below; the same shall apply hereinafter), under which Directors satisfying the beneficiary requirements are beneficiaries. If the Trust acquires the Company shares, the method will be acquisition from the stock market or the Company (by issuance of new shares or disposal of treasury shares) using the trust money as the source of funds pursuant to the instructions of the trust administrator. However, with respect to the units to be granted for the first Trust Coverage Period after extension (from fiscal year 2026 to fiscal year 2028), the shares already acquired from the stock market in July 2019 and December 2023 (the number of shares held by the Trust for the New Long-term Incentive Plan is 1,014,000 shares (rounded up to the nearest thousand), and the amount of trust money contributed by the Company is 1,484 million yen (rounded up to the nearest million yen; 1,464 yen per share) can be used as shares required to be Delivered upon the vesting of such number of units to Directors who reside in Japan (excluding Outside Directors) under the New Long-term Incentive Plan. Accordingly, no additional contribution of funds to the Trust is expected to be made for the first Trust Coverage Period after extension (from fiscal year 2026 to fiscal year 2028).

(*1) The amount of the trust money will include not only funds for the Trust to acquire shares during the trust period, but also trust fees and trust expenses.

The upper limit of money contributed to the Trust shall be an amount obtained by multiplying (i) an amount calculated based on the closing price of the Company shares on the Tokyo Stock Exchange as of the date of establishment of the Trust (including any extension of the Trust) (or, if no transaction is executed on such date, the closing price on the most recent preceding trading day) by (ii) the maximum number of shares expected to vest during the Trust Coverage Period under the New Long-term Incentive Plan.

The Trust may continue to be used, instead of a new Trust being established, by amending the trust agreement and entrusting additional funds at the expiration of the Trust Coverage Period. In such case, the trust period will be extended for a further three years, and the Company will make additional contributions of trust money within the aforementioned scope and continue to grant units and Deliver the Company Shares to Directors during such extended trust period.

However, if such additional contributions are to be made, if there are any Company shares for the Company's Directors (excluding Company shares corresponding to units granted to the Company's Directors (including units granted as transitional measures from stock options) that are yet to be Delivered) and money remaining in the trust assets (collectively, the "Residual Shares") as of the last day of the trust period prior to the extension, the amount of the additional trust money to be contributed will be determined taking such Residual Shares into consideration.

Furthermore, even if the trust agreement is not amended and no additional funds are entrusted at the time of the expiration of the trust period, if there are Directors in office who may satisfy the beneficiary requirements at that time, the trust period of the Trust may be extended until the Delivery of Company Shares to such Directors is completed.

(b) Direct Delivery

Under the New Long-term Incentive Plan, the Company may directly Deliver the Company shares or money in lieu thereof to Directors. In such case, the upper limit of compensation, etc. under the New Long-term Incentive Plan (including the amount of cash, if any, to be provided in lieu of the Company shares) shall be as follows. In the case (1) the method of issuance or disposition of the Company shares to the Directors is delivery of the Company shares without consideration(*2), the upper limit will be, with respect to each Service Period, an amount calculated by multiplying (a) the amount calculated based on the closing price of the Company shares on Tokyo Stock Exchange on the business day immediately preceding the day on which the Company's Board of Directors passes a resolution, for the New Long-term Incentive Plan, to issue or dispose of the Company shares (or, if no transaction is executed on such date, the closing price on the most recent preceding trading day; hereinafter referred to as the "Company share Closing Price") or another fairly appraised amount per share, by (b) the maximum number of shares expected to vest under the New Long-term Incentive Plan (not exceeding 4,500,000 shares). In the case (2) the method of issuance or disposition of the Company shares to Directors is delivery for contribution in kind(*3), the upper limit will be, with respect to each Service Period, the amount calculated by multiplying (a) the per-share amount to be paid, which is to be determined by the Company's Board of Directors based on the Company share Closing Price and is to be an amount that is within a scope that is not particularly advantageous to the Directors who receive Company shares, (b) by the maximum number of shares expected to vest during the relevant period under the New Long-term Incentive Plan (not exceeding 4,500,000 shares) (*4).

(*2) A method of issuing or disposing of the Company shares as compensation, etc. for Directors, without requiring the payment of cash or the contribution of assets in kind

(*3) A method under which monetary compensation claims are granted to Directors as compensation, etc., and Directors contribute the entirety of such monetary compensation claims as assets for contribution in kind, thereby receiving the issuance or disposition of the Company shares

(*4) If a Director retires due to death prior to the Delivery of Company Shares under the New Long-term Incentive Plan, the Company shall, as set forth in (4) below, deliver cash in an amount reasonably determined by the Company in lieu of Company shares. In such case, the amount shall be calculated by multiplying, instead of the price based on the Company share Closing Price, the closing price of ordinary trading of the Company shares on the date of such Director's retirement (or, if no transaction is executed on such date, the closing price on the most recent preceding trading day), or another fairly appraised per-share value by the maximum number of shares expected to vest during the relevant period under the New Long-term Incentive Plan. Furthermore, if a Director residing in Japan comes to reside in another country or region, or if a Director residing outside Japan comes to reside in another country or region, then, in accordance with (4) below, the Company shall deliver cash in an amount reasonably determined by the Company in lieu of Company shares. In such case, the amount shall be calculated by multiplying, instead of the price based on the Company share Closing Price, the closing price of ordinary trading of the Company shares on the date that such transfer of the Director was determined (or, if no transaction is executed on such date, the closing price on the most recent preceding trading day), or another fairly appraised per-share value by the maximum number of shares expected to vest during the relevant period under the New Long-term Incentive Plan. In addition, if, prior to the delivery of shares under the New Long-term Incentive Plan, matters related to Organizational Restructuring, etc., are approved at a shareholders' meeting of the Company (or at a Board of Directors meeting of the Company, if approval by a shareholders' meeting of the Company is not required for the Organizational Restructuring, etc.,) (provided, however, that this shall apply only where the effective date of such Organizational Restructuring, etc., is scheduled to arrive prior to the date of the Delivery of Company Shares under the New Long-term Incentive Plan), and if, in connection with such Organizational Restructuring, etc., a Director loses his or her directorship or a designated position or other matters predetermined by the Company occur, then, in accordance with (4) below, the Company shall provide cash in an amount reasonably determined by the Company in lieu of Company shares. In such case, the amount shall be calculated by multiplying, instead of the price based on the Company share Closing Price, the closing price of ordinary trading of the Company shares on the date of such approval (or, if no transaction is executed on such date, the closing price on the most recent preceding trading day), or another fairly appraised per-share value by the maximum number of shares expected to vest during the relevant period under the New Long-term Incentive Plan.

(3) Method for Calculating the Number of Company Shares to be Delivered to Directors and the Upper Limit Thereof

Directors will be granted the base units determined in accordance with their position, etc. at a certain time every fiscal year for each Service Period, which is defined as the period from the conclusion of the annual shareholders' meeting held during the relevant fiscal year to the conclusion of the annual shareholders' meeting relating to the final fiscal year ending within three years. In principle, the Company Shares will be Delivered based on the number of units (the "Share Delivery Units") that vest after the expiration of the Service Period.

The performance-linked portion will be calculated by multiplying the base units by the performance-related coefficient (*5) derived from the achievement level of the target values under metrics to evaluate business performance as of the time when three fiscal years have elapsed from the grant date of the base units.

The number of shares per unit will be equal to one Company share (*6).

(*5) For the Service Period commencing in fiscal year 2026, the performance-related coefficients shall be based on consolidated EBITDA, consolidated ROIC, and relative TSR, etc., and the performance-linked portions will vary within a range of 0% to 200%, depending on the degree of achievement of the target values, etc. Meanwhile, with respect to Service Periods commencing in fiscal year 2027 and thereafter, the performance-related coefficient shall be determined by the Board of Directors after deliberation by the Compensation Committee.

(*6) If the Company conducts a share split or share consolidation, etc., of the Company shares, the number of the Company shares per one unit and the upper limit of the number of shares set forth below will be adjusted in accordance with the share split ratio or share consolidation ratio, etc., of the Company shares.

The upper limit of the Company Shares that may be Delivered to Directors for each Service Period will be 4,500,000 shares; accordingly, the upper limit of the Company Shares that may vest per fiscal year will, in principle, also be 4,500,000 shares. However, in the cases set forth in (4) below, the Company may cause all or a part of the units, which have already been granted by such time but the delivery date of which has not yet arrived, to vest simultaneously, with respect to each Service Period.

(4) Overview of Method and Timing of the Delivery of the Company Shares to Directors, and Other Conditions for the Delivery of Shares

Directors shall, subject to the condition that they have continuously provided services as Directors during the Service Period, receive, after the end of the Service Period, the Delivery of the Company Shares in a number equivalent to the number of the Share Delivery Units that have vested following the lapse of three fiscal years from the grant date, calculated in accordance with (3) above.

However, in any of the cases set forth in items (a) through (c) below, even if a Director loses his or her directorship or a designated position prior to the expiration of the Service Period as a result of such factors, the Share Delivery Units calculated pursuant to items (a) through (c) below shall vest, and the Company shall Deliver all or a part of the Company Shares in a number equivalent to the number of vested Share Delivery Units. In any event, the performance-related coefficient used in determining the number of Share Delivery Units shall be 100%.

Where the Company Delivers the Company Shares to Directors in accordance with the foregoing, and where the Company Shares are to be Delivered by way of Trust Delivery, the Directors shall receive from the Trust the Company shares in the number corresponding to 50% of the number of Share Delivery Units for each of the performance-linked portion (PSU) and the fixed portion (RSU) (shares less than one unit will be rounded up) and shall receive money equivalent to the converted value of the Company shares in the number corresponding to the number of the remaining Share Delivery Units, which are converted into cash within the Trust. Where the Company Shares are to be Delivered by way of Direct Delivery, the Directors shall receive from the Company the Delivery of the Company Shares in the number corresponding to the number of Share Delivery Units for each of the performance-based portion (PSU) and the fixed portion (RSU). In any event, if provisions prescribing otherwise are set forth in items (a) through (c) below, such provisions shall prevail.

(a) In the case of death or retirement for good reason

If, prior to the Delivery of the Company Shares under the New Long-Term Incentive Plan, (i) a Director passes away, or (ii) a Director loses his or her position as a Director for good reason (the details of which shall be separately determined by the Board of Directors of the Company), the number of base units having been granted by that time, pro-rated based on the term of office of the Director (*7), shall vest as the number of Share Delivery Units. In the event of the death of a Director, with respect to the Company shares in the number corresponding to the number of the vested Share Delivery Units, money shall be paid in an amount reasonably determined by the Company, in lieu of such Company shares.

(*7) Notwithstanding the foregoing, in the event of death, if the Board of Directors of the Company, having received a report from the Compensation Committee of the Company, determines that it is appropriate to apply full vesting, all of the base units having been granted shall vest as the number of Share Delivery Units.

(b) In the case of relocation to a foreign country or region, etc.

If a Director residing in Japan comes to reside in another country or region, or if a Director residing outside Japan comes to reside in another country or region, the Company may cause all or a part of the base units having been granted by such time to vest. In such case, with respect to the Company shares in the number corresponding to the number of the vested Share Delivery Units, money shall be paid in an amount reasonably determined by the Company, in lieu of such Company shares.

(c) In the case of retirement for Organizational Restructuring, etc.

If, prior to the Delivery of the Company Shares, matters related to a merger agreement in which the Company will be the disappearing company, a share exchange agreement or a share transfer plan in which the Company will be a wholly owned subsidiary, an incorporation-type company split plan or an absorption-type company split agreement with consideration allotted to the shareholders of the splitting company in which the Company will be the company splitting, or a consolidation of shares, an acquisition of shares subject to class-wide call, or a demand for cash-out in which the Company will be controlled by a specific shareholder (“Organizational Restructuring, etc.”) are approved at a shareholders’ meeting of the Company (or at a Board of Directors meeting of the Company, if approval by a shareholders’ meeting of the Company is not required for the Organizational Restructuring, etc.) (provided, however, that this shall apply only where the effective date of such Organizational Restructuring, etc., is scheduled to arrive prior to the date of the Delivery of the Company Shares under the New Long-term Incentive Plan), and if, the Director loses his or her directorship or a designated position or other matters predetermined by the Company occur as a result of the Organizational Restructuring, etc., then the Company may cause all units having been granted by that time to vest. In this case, unless otherwise reasonably determined by the Company, in principle, with respect to the Company shares in the number corresponding to the number of the vested Share Delivery Units, money shall be paid to the Director in an amount reasonably determined by the Company, in lieu of such Company shares.

(5) Malus and Clawback

If a Director engages in serious misconduct or violations, or if any of the other matters predetermined by the Company occurs, or if the Board of Directors passes a resolution to change the Company's past financial statements due to material accounting error or fraud the Company may choose not to conduct all or part of the Delivery of shares under the New Long-term Incentive Plan (malus) or may request the return of all or a part of the Company Shares Delivered (clawback).

(6) Other Matters Concerning the Trust

(a) Exercise of voting rights attached to the Company shares held in the Trust

With respect to the Company shares held in the Trust, in order to ensure neutrality in management, no voting rights shall be exercised during the trust period.

(b) Treatment of dividends on the Company shares held in the Trust

Dividends on the Company shares held in the Trust shall be received by the Trust and used to cover trust fees and trust expenses of the Trust.

(c) Other matters concerning the Trust

Any other matter concerning the Trust shall be determined by the Board of Directors each time upon the establishment of the Trust, any amendment to the trust agreement, and any additional contribution to the Trust.

Item No. 8: Introduction of Stock-Based Compensation Plan for Outside Directors

1. Reasons for the Proposal and Reasons Such Compensation Has Been Deemed Appropriate

The compensation, etc. for the Company's Outside Directors was approved at the 20th Annual Shareholders' Meeting held on May 27, 2025, to be within an annual limit of 500 million yen. In addition, under Item No. 6, approval is being sought for Outside Directors with respect to the same matters. This proposal seeks approval, as a separate compensation plan independent of the foregoing, for the introduction of a time/tenure-based stock plan whereby units are converted to shares after vesting for Outside Directors (the "Outside Director Stock-Based Compensation Plan (RSU)"; hereinafter, defined terms shall have the meanings ascribed to them in this proposal).

The Company expects its Outside Directors, from an objective and independent standpoint free from any potential conflict of interest with general shareholders, to fulfill their oversight and advisory role — drawing on their individual expertise and broad management experience and to support sound and appropriate decision-making by the Board of Directors. In light of such expectation, in order to enhance their motivation to contribute to the medium- to long-term enhancement of corporate value and promote their sharing of value with shareholders, the Company resolved at Board of Directors Meeting held on April 16, 2026 to revise the policy for determining the details of individual compensation, etc. for Outside Directors, conditional on the proposals from Item No. 6 through Item No. 8, including this proposal being approved as originally proposed. Such revision includes, among other matters, the introduction of stock-based compensation for Outside Directors. An outline of such details is as described on pages 47 to 57 of this document. This proposal is necessary and reasonable for the purpose of granting individual compensation, etc. for Outside Directors that is consistent with the relevant policy. In submitting this proposal, deliberations have also been conducted by the Compensation Committee, the chairperson, and a majority of whose members are Independent Outside Directors.

In addition, in light of the fact that Outside Directors are entrusted with a management oversight function from an objective and neutral standpoint without any potential conflict of interest with general shareholders, as set forth in 2.(3) below, the number of shares to be delivered will not be linked to performance and will instead be granted on a fixed basis.

Furthermore, under the Outside Director Stock-Based Compensation Plan (RSU), for each fiscal year, a certain number of base units determined by the Board of Directors of the Company will be granted in advance to Outside Directors with respect to the period from the conclusion of the Annual Shareholders' Meeting held in such fiscal year until the conclusion of the Annual Shareholders' Meeting for the last fiscal year ending within three (3) years thereafter (the "Service Period"). The maximum number of shares of the Company (or cash in lieu thereof; collectively, "Company Shares") to be delivered or provided (hereinafter collectively referred to as "Delivered" or "Delivery," as the case may be, and any derivatives thereof) upon vesting of such base units during each Service Period is 45,000 shares (for the treatment in certain other cases, including Organizational Restructuring, etc. (as defined in 2.(4) below; hereinafter the same shall apply in this proposal), please refer to 2.(4)). This represents 0.002% (rounded to three decimal places) of the total number of shares issued by the Company (after deduction of treasury shares, as of February 28, 2026). In light of the foregoing, we believe that the contents of this proposal are reasonable.

If this proposal is approved as originally proposed, the compensation of the Company's Outside Directors will consist of the following two: fixed compensation (base salary) and stock-based compensation.

In addition, the number of Outside Directors eligible for the Outside Director Stock-Based Compensation Plan (RSU) will be eight (8), if Item No. 4 is approved as originally proposed.

2. Amount and Details of Compensation, etc. under the Outside Director Stock-Based Compensation Plan (RSU)

(1) Overview of the Outside Director Stock-Based Compensation Plan (RSU)

Under the Outside Director Stock-Based Compensation Plan (RSU), for the period from the conclusion of the Company's Annual Shareholders' Meeting to the conclusion of the Company's Annual Shareholders' Meeting to be held in the next year (provided, however, that the initial period shall be from the conclusion of this Annual Shareholders' Meeting to the conclusion of the Annual Shareholders' Meeting of the Company to be held in the next year), a certain number of base units determined by the Board of Directors of the Company will be granted in advance to Outside Directors. Subject to the condition that such Outside Directors continuously provide services as Outside Directors during the Service Period for three consecutive fiscal years (provided, however, that the initial Service Period shall be from the conclusion of this Annual Shareholders' Meeting to the conclusion of the Company's Annual Shareholders' Meeting scheduled to be held in 2029), the Company will, after the end of the Service Period, Deliver a number of Company Shares determined in accordance with the number of units that have vested.

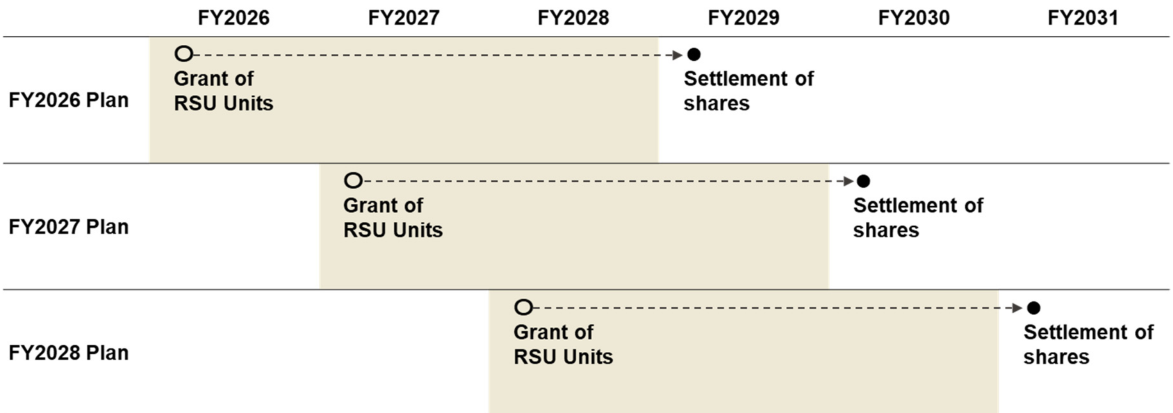
(a) Eligible recipients of the Delivery of Company Shares subject to this proposal	Outside Directors

(b) Impact of the Company shares subject to this proposal on the total number of issued shares	
Upper limit of compensation, etc. under the Outside Director Stock-Based Compensation Plan (RSU) (As set forth in (2) below.)	• With respect to each Service Period, the upper limit of stock-based compensation shall be an amount obtained by multiplying (i) the amount calculated based on the closing price of the Company shares on Tokyo Stock Exchange on the business day immediately preceding the day on which the resolution was passed to issue or dispose of the Company shares (or, if no transaction is executed on such date, the closing price on the most recent preceding trading day) or another fairly appraised amount per share, or the per-share amount to be paid by (ii) the maximum number of shares expected to vest under the Outside Director Stock-Based Compensation Plan (RSU).
Upper limit of the number of the Company shares to be Delivered to Outside Directors (As set forth in (3) below.)	• The upper limit of the number of shares that may vest shall be 45,000 shares for each Service Period; accordingly, the upper limit of Company shares that may vest and may be delivered per fiscal year shall, in principle, also be 45,000 shares per fiscal year.* • This represents 0.002% (rounded to three decimal places) of the total number of shares issued by the Company (as of February 28, 2026, after deduction of treasury shares). * As set forth in (4) below, in certain cases such as Organizational Restructuring, etc., units granted to Outside Directors in respect of multiple Service Periods may vest simultaneously.

(c) Details of the performance achievement conditions (As set forth in (3) below.)	N/A (to be granted on a fixed basis)

(d) Timing of the Delivery of Company Shares to Outside Directors (As set forth in (4) below.)	In principle, at a certain time after three fiscal years have elapsed from the grant date of each base unit.

The indicative timing of the grant of units and the Delivery of Company Shares under the Outside Director Stock-Based Compensation Plan (RSU) is as illustrated below.



(2) Upper Limit of Compensation, etc. under the Outside Director Stock-Based Compensation Plan (RSU)

The upper limit of compensation, etc. under the Outside Director Stock-Based Compensation Plan (RSU) (including the amount of cash, if any, to be provided in lieu of the Company shares) shall be as follows. In the case (1) the method of issuance or disposition of the Company shares to Outside Directors is delivery of the Company shares without consideration(*1), the upper limit will be, with respect to each Service Period, an amount calculated by multiplying (a) the amount calculated based on the closing price of the Company shares on Tokyo Stock Exchange on the business day immediately preceding the day on which the Company's Board of Directors passes a resolution, for the Outside Director Stock-Based Compensation Plan (RSU), to issue or dispose of the Company shares (or, if no transaction is executed on such date, the closing price on the most recent preceding trading day;

hereinafter referred to as the "Company share Closing Price") or another fairly appraised amount per share, by (b) the maximum number of shares expected to vest during the relevant period under the Outside Director Stock-Based Compensation Plan (RSU). In the case (2) the method of issuance or disposition of the Company shares to Directors is delivery for contribution in kind(*2), the upper limit will be, with respect to each Service Period, the amount calculated by multiplying (a) the per-share amount to be paid, which is to be determined by the Company's Board of Directors based on the Company share Closing Price and is to be an amount that is within a scope that is not particularly advantageous to the Outside Directors who receive Company shares, by (b) the maximum number of shares expected to vest under the Outside Director Stock-Based Compensation Plan (RSU) (*3).

(*1) A method of issuing or disposing of the Company shares as compensation, etc. for Outside Directors, without requiring the payment of cash or the contribution of assets in kind

(*2) A method under which monetary compensation claims are granted to Outside Directors as compensation, etc., and Outside Directors contribute the entirety of such monetary compensation claims as assets for contribution in kind, thereby receiving the issuance or disposition of the Company shares

(*3) If an Outside Director retires due to death prior to the delivery of shares under the Outside Director Stock-Based Compensation Plan (RSU), the Company shall, as set forth in (4) below, deliver cash in an amount reasonably determined by the Company in lieu of Company shares. In such case, the amount shall be calculated by multiplying, instead of the price based on Company share Closing Price, the closing price of ordinary trading of the Company shares on the date of such Outside Director's retirement (or, if no transaction is executed on such date, the closing price on the most recent preceding trading day), or another fairly appraised per-share value by the maximum number of shares expected to vest during the relevant period under the Outside Director Stock-Based Compensation Plan. Furthermore, if an Outside Director residing in Japan comes to reside in another country or region, or if an Outside Director residing outside Japan comes to reside in another country or region, then, in accordance with (4) below, the Company shall deliver cash in an amount reasonably determined by the Company in lieu of Company shares. In such case, the amount shall be calculated by multiplying, instead of the price based on Company share Closing Price, the closing price of ordinary trading of the Company shares on the date that such transfer of the Outside Director was determined (or, if no transaction is executed on such date, the closing price on the most recent preceding trading day), or another fairly appraised per-share value by the maximum number of shares expected to vest during the relevant period under the Outside Director Stock-Based Compensation Plan (RSU). In addition, if, prior to the delivery of shares under the Outside Director Stock-Based Compensation Plan (RSU), matters related to Organizational Restructuring, etc., are approved at a shareholders' meeting of the Company (or at a Board of Directors meeting of the Company, if approval by a shareholders' meeting of the Company is not required for the Organizational Restructuring, etc.) (provided, however, that this shall apply only where the effective date of such Organizational Restructuring, etc., is scheduled to arrive prior to the date of the delivery of shares under the Outside Director Stock-Based Compensation Plan (RSU)), and if the Outside Director loses his or her directorship or a designated position or other matters predetermined by the Company occur as a result of the Organizational Restructuring, etc., in accordance with (4) below, the Company shall provide cash in an amount reasonably determined by the Company in lieu of Company shares. In such case, the amount shall be calculated by multiplying, instead of the price based on Company share Closing Price, the closing price of ordinary trading of the Company shares on the date of such approval (or, if no transaction is executed on such date, the closing price on the most recent preceding trading day), or another fairly appraised per-share value by the maximum number of shares expected to vest during the relevant period under the Outside Director Stock-Based Compensation Plan.

(3) Method for Calculating the Number of Company Shares to be Delivered to Outside Directors and the Upper Limit Thereof

Outside Directors will be granted fixed base units that are not linked to performance at a certain time every fiscal year, and, in principle, the Company Shares will be Delivered based on the number of units (the "Share Delivery Units") that vest after three fiscal years have elapsed from the grant date.

The number of shares per unit will be equal to one Company share (*4).

(*4) If the Company conducts a share split or share consolidation, etc., of the Company shares, the number of the Company shares per one unit and the upper limit of the number of shares set forth below will be adjusted in accordance with the share split ratio or share consolidation ratio, etc., of the Company shares.

The upper limit of the Company Shares that may be Delivered to Outside Directors for each Service Period will be 45,000 shares, and the upper limit of the Company Shares that may vest per fiscal year will, in principle, be 45,000 shares. However, in the cases set forth in (4) below, the Company may cause all or a part of the units, which have already been granted by such time but the delivery date of which has not yet arrived, to vest, with respect to each Service Period.

(4) Overview of Method and Timing of the Delivery of the Company Shares to Outside Directors, and Other Conditions for the Delivery of Shares

Outside Directors shall, subject to the condition that they continuously provide services as Outside Directors during the Service Period, receive, after the end of the Service Period, the Delivery of the Company Shares in a number equivalent to the number of the units that vest after three fiscal years have elapsed from the grant date, calculated in accordance with (3) above.

However, in any of the cases set forth in items (a) through (c) below, even if an Outside Director loses his or her position prior to the expiration of the Service Period, the Company shall deliver all or a part of the Company Shares in a number calculated pursuant to (3) above.

Where the Company Delivers the Company Shares to Outside Directors in accordance with the foregoing, the Outside Directors shall receive the Company Shares in the number corresponding to the number of Share Delivery Units. However, if provisions prescribing otherwise are set forth in items (a) through (c) below, such provisions shall prevail.

(a) In the case of death or retirement for good reason

If, prior to the Delivery of the Company Shares under the Outside Director Stock-Based Compensation Plan (RSU), (i) an Outside Director passes away, or (ii) an Outside Director loses his or her position as a Director for good reason (the details of which shall be separately determined by the Board of Directors of the Company), the number of base units having been granted, pro-rated based on the term of office of the Outside Director (*5), shall vest as the number of Share Delivery Units. In the event of the death of an Outside Director, with respect to the Company shares in the number corresponding to the number of the vested Share Delivery Units, money shall be paid in an amount reasonably determined by the Company, in lieu of such Company shares.

(*5) Notwithstanding the foregoing, in the event of death, if the Board of Directors of the Company, having received a report from the Compensation Committee of the Company, determines that it is appropriate to apply full vesting, all of the base units having been granted shall vest as the number of Share Delivery Units.

(b) In the case of relocation to a foreign country or region, etc.

If an Outside Director residing in Japan comes to reside in another country or region, or if an Outside Director residing outside Japan comes to reside in another country or region, the Company may cause all or a part of the base units having been granted by such time to vest as the number of Share Delivery Units. In such case, with respect to the Company shares in the number corresponding to the number of the vested Share Delivery Units, money shall be paid in an amount reasonably determined by the Company, in lieu of such Company shares.

(c) In the case of retirement for Organizational Restructuring, etc.

If, prior to the Delivery of the Company Shares, matters related to a merger agreement in which the Company will be the disappearing company, a share exchange agreement or a share transfer plan in which the Company will be a wholly owned subsidiary, an incorporation-type company split plan or an absorption-type company split agreement with consideration allotted to the shareholders of the splitting company in which the Company will be the company splitting, or a consolidation of shares, an acquisition of shares subject to class-wide call, or a demand for cash-out in which the Company will be controlled by a specific shareholder ("Organizational Restructuring, etc.") are approved at a shareholders' meeting of the Company (or at a Board of Directors meeting of the Company, if approval by a shareholders' meeting of the Company is not required for the Organizational Restructuring, etc.,) (provided, however, that this shall apply only where the effective date of such Organizational Restructuring, etc., is scheduled to arrive prior to the date of the Delivery of the Company Shares under the Outside Director Stock-Based Compensation Plan (RSU)), and if the Outside Director loses his or her directorship or a designated position or other matters predetermined by the Company occur as a result of the Organizational Restructuring, etc., the Company may cause all units having been granted by that time to vest. In this case, unless otherwise reasonably determined by the Company, in principle, with respect to the Company shares in the number corresponding to the number of the vested Share Delivery Units, money shall be paid to the Outside Director in an amount reasonably determined by the Company, in lieu of such Company shares.

(5) Malus and Clawback

If an Outside Director engages in serious misconduct or violations, or if any of the other matters predetermined by the Company occurs, the Company may choose not to conduct all or part of the Delivery of shares under the Outside Director Stock-Based Compensation Plan (RSU) (malus) or may request the return of all or a part of the Company Shares Delivered (clawback).

[For Reference] Overview of the Revision to the Policy for Determining the Details of Individual Compensation, etc. for Directors

At the meeting of the Board of Directors of the Company held on April 16, 2026, the Company resolved to revise the policy for determining the details of individual compensation, etc. for Directors, subject to the approval of Items No. 6 to 8 at this Annual Shareholders' Meeting. An overview of the revised policy is as set forth below.

Seven & i Holdings Co., Ltd.

Executive Compensation

○ Objectives of the New Executive Compensation Plan

Following the launch of our new management structure in May 2025, Seven & i Holdings Co., Ltd. (the "Company") announced " Transformation of 7-Eleven" in August 2025, outlining the Company's future strategy, action plans, and new group management policies and goals. To promote this transformation plan and enhance corporate value, it is essential to ensure that Executive Directors are deeply committed to the management of the Company. Accordingly, the Company's executive compensation plan was revised effective as of 2026. This revised plan aims to ensure objective and transparent procedures while functioning as a sound incentive for sustainable growth.

In establishing this new executive compensation plan, and in line with the initiative to "set clear global management approach and cadence" outlined as part of the "Our Approach for Growth" in "Transformation of 7-Eleven", the Company will develop a globally integrated common compensation framework covering the holdings company and its key operating subsidiaries. Based on this framework, compensation plans specific to each company within the Group will be designed considering their function and role within the Group's management.

Seven & i Holdings Co., Ltd.
Executive Compensation Policy

1. Basic Philosophy on Executive Compensation

The Company's compensation plan for Directors and Audit & Supervisory Board Members (collectively, "Executives") is based on our "Basic Policy on Corporate Governance." The Company positions this plan as a mechanism to encourage appropriate risk-taking in pursuit of sustained medium-to-long-term Group corporate value growth. The plan shall be established and operated in accordance with the following basic policies.

(1) Basic Policy on Executive Compensation

The Company shall establish its executive compensation plan based on an integrated compensation framework (the " Global Executive Compensation Framework") developed for the Company and its key operating subsidiaries: Seven-Eleven Japan Co., Ltd. ("SEJ"), 7-Eleven, Inc. ("SEI"), and 7-Eleven International LLC ("7IN"). While using this as a common foundation, specific plans for the Company and its key operating subsidiaries shall be designed according to their respective functions and roles within the Group's management.

(2) Compensation Philosophy by Position

(a) Executive Directors

Compensation plans for our Executive Directors of the Company shall be established and operated based on the Global Executive Compensation Framework. Compensation plans will be designed ensuring Executive Directors of the Company and Executives of key operating subsidiaries work together with a shared sense of purpose regarding strategic objectives and foster mutual cooperation while enhancing transparency and fairness in setting compensation with a view to creating corporate value of the medium-to-long term. The Global Executive Compensation Framework shall be operated based on the following Guiding Principles of Compensation.

《Guiding Principles of Compensation》

○ Attracting and Retaining Premier Executive Talent

○ World-Class Long-Term Value Creation

○ Engaging Leaders Around Strategic Priorities

○ Pay-for-Performance Alignment
○ Alignment with Broad Stakeholder Interests
○ Encouraging Appropriate Risk Management
○ Transparency and Accountability

(b) Outside Directors

The Company's Outside Directors oversee and advise the Board from an objective and independent standpoint, drawing on their individual expertise and broad management experience in a manner that is free from any potential conflicts of interest with general shareholders. Given this role in ensuring the soundness and appropriateness of the Board of Directors' decision-making and business execution, outside director compensation is set at a level commensurate with the significance of their responsibilities and is not linked to performance.

(c) Audit & Supervisory Board Members

The basic policy of our Audit & Supervisory Board Members is to ensure the sound and sustainable growth of the Company and its group companies and to establish high-quality corporate governance practices that meet societal expectations. They conduct audits based on plans that prioritize the establishment of internal control systems, compliance, and risk management. Accordingly, their compensation shall consist solely of fixed compensation.

2. Compensation Levels

Executive compensation levels shall be determined referencing compensation practices of major companies of similar size in terms of market capitalization and revenue, while considering various fundamentals in our business and operating environment.

In determining compensation levels for Executive Directors, the Company selects appropriate benchmarking peer groups for individuals or groups of Executive Directors based on the following:

・Similarity in industry of the relevant business entity
・Similarity in scale of the relevant business entity
・The talent market where the relevant Executive Director is sourced
・The scope of authority and responsibility of the relevant Executive Director
・Where more careful consideration is warranted, the Company will consider validating compensation levels against additional peer groups, rather than relying solely on a single peer group as the basis for benchmarking.

For the Representative Director, President and CEO, global retailers are used as the peer group. The Compensation Committee shall appropriately select the constituent companies of this global retail peer group based on their performance and other factors.

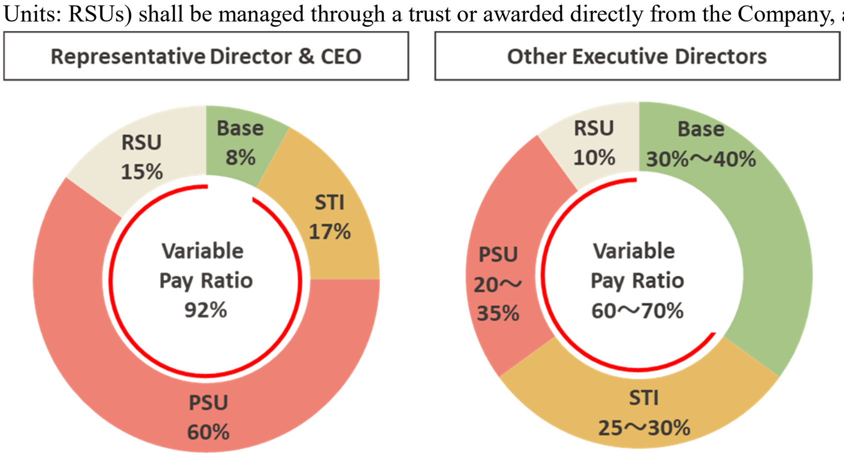
3. Composition of Compensation

(1) Executive Directors

(a) Compensation Mix Ratio

The ratio of compensation mix of Executive Directors (*1) is generally as follows.

Performance-linked stock plan whereby units are converted to shares after vesting (Performance Share Units: PSUs) and Time/tenure-based stock plan whereby units are converted to shares after vesting (Restricted Stock Units: RSUs) shall be managed through a trust or awarded directly from the Company, as appropriate.



(*1) Represents target pay for Short Term Incentive and PSUs. Where allowances are paid to Directors who are non-residents of Japan or in connection with specific roles, the proportion of fixed compensation may be higher than the mix shown in the table above.

(b) Compensation Components

(i) Fixed Compensation

・Fixed cash compensation set for each position reflecting scope of responsibilities.

・Paid in regular monthly installments during the term of office.

・Additional allowances as a part of base salaries for Directors who are non-residents of Japan may be payable based on the Board of Directors' decision following the Compensation Committee's deliberations and recommendations.

・Position-based allowances may be paid based on the Board of Directors' decision following the Compensation Committee's deliberations and recommendations.

(ii) Variable Compensation

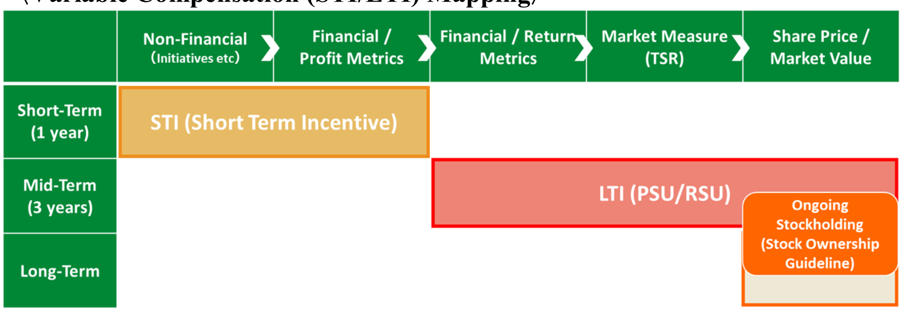
〇Design Principles of Variable Compensation

The Company's variable compensation plans have been designed to strongly incentivize and motivate the Company's Executive Directors to achieve "World-Class Long-Term Value Creation" as defined in the Global Executive Compensation Framework.

The Group aims to create corporate value over the long-term through holistic initiatives that span different time horizons. These include strengthening the Company's "ability to earn" to achieve short-term organic growth through expansion of the CVS business and enhancement of its profitability; achieving mid-to-long-term growth through improvements in capital efficiency driven by strategic capital allocation; and maintaining and continuing to enhance the corporate value thus generated. The Company's variable compensation plans contextualize these management actions across short-, medium-, and long-term time horizons through a three-tier incentive structure comprising Short Term Incentives, long-term incentives (PSU and RSU), and Stock Ownership Guidelines - with the aim of clarifying the strategic priorities of each time horizon and ensuring Executive Directors are taking action to meet those priorities.

The Company's variable compensation plans also ensures an appropriate link between corporate value and performance-linked compensation which thereby ensures accountability, objectivity and transparency of the Company's compensation plan.

〈Variable Compensation (STI/LTI) Mapping〉



※STI: Short Term Incentive, LTI: Long Term Incentive

Moreover, the same design principles described above, in accordance with the Global Executive Compensation Framework, will also be applied to the design of compensation for executives that are responsible for the management of the Company's key operating subsidiaries (SEJ, SEI and 7IN). The Company has adopted TSR (Total Shareholder Return) as a KPI (Key Performance Indicator) for the long-term incentive plan, and the same TSR assessment has also been incorporated into the long-term incentive plans of the Company's key operating subsidiaries. In doing so, awareness toward corporate value creation of the entire Group is shared across the Group's executives at the subsidiary level who are involved in business operations, thereby securing a collaborative framework that promotes common strategic goals and mutual cooperation.

Specific design considerations are as follows:

〈Short Term Incentives〉

KPIs assessed in the Short Term Incentive include consolidated revenues from operations, consolidated operating income in addition to strategic objectives and non-financial metrics with a view to incentivize Executive Directors to manage day-to-day activities with a view to strengthen the Group's "ability to earn."

〈PSU (performance-linked stock plan whereby units are converted to shares on vesting) 〉

The PSU plan is the most important component within the Company's variable compensation plan. To assess management's contribution toward mid-to-long-term corporate value creation, including mid-to-long-term improvement in capital efficiency, the Company has adopted as KPIs consolidated EBITDA, consolidated ROIC, and relative TSR as an evaluation of performance against the external market Given the importance of enhancing corporate value during the Company's transformation period, relative TSR is given the highest weighting for the PSU performance assessment. Moreover, the Company's TSR performance is evaluated relative to two defined groups – TOPIX (dividends readjusted) and a global retail peer group. The purpose of this approach is to strongly instill in management the importance of creating expectations of corporate value creation through the steady progress of the transformation, and the mindset that the Company must achieve growth that outperforms both domestic listed companies and global retailers.

〈RSU（Time/tenure-based stock plan whereby units are converted to shares on vesting) and Stock Ownership Guidelines〉

RSU units are granted at a fixed value each financial year without any performance hurdles to promote the sharing of profits and risks with shareholders on an ongoing basis. Stock Ownership Guidelines which require Executive Directors to retain – without selling – the Company's shares until a prescribed guideline level is reached, have also been put in place. This serves to clarify the commitment of Executive Directors to sustain and further enhance the outcomes of corporate value creation over the long-term, as well as their accountability to shareholder value.

Based on the above, the variable compensation of each Executive Director shall be structured in accordance with the following principles.

〇Target setting and evaluation

Goals for KPIs are set with sufficient stretch to ensure targets are appropriately challenging and geared toward meeting stakeholder expectations (including shareholders and investors) to create value. In parallel, design elements that encourage short-termism or excessive risk-taking are avoided.

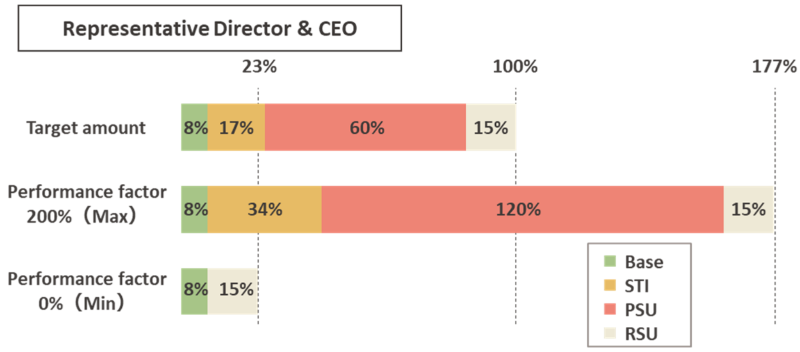
〇Payout ranges for Short Term Incentive and PSU

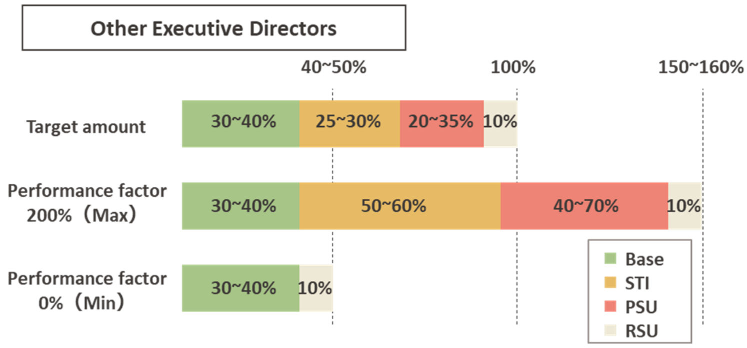
The payout range for both Short Term Incentive and PSUs are set at 0~200%(The range reflects the variation from the target amount for Short Term Incentive, and from the target number of units for PSUs.)

The below figure illustrates total compensation for cases where variable pay components payout at minimum or maximum.

〈Illustration of compensation in minimum and maximum payouts scenarios〉

The compensation plan is designed to strengthen the link between changes in corporate value and award payouts, thereby ensuring accountability and objectivity across the overall compensation program. Note that the ratio of PSU・RSU below may also vary based on fluctuations in stock price.





○Discretionary adjustment at end of service period

To ensure the effectiveness of incentive plans, the Board of Directors will retain the discretion to adjust the final payouts for incentive plans based on the recommendations of the Compensation Committee following careful discussion of the impact of special circumstances. These may include unforeseen changes in the business environment or extraordinary gains / losses that impact the payouts of variable compensation components

(ii-1) Short Term Incentive

・Short Term Incentive compensation will be performance-linked cash compensation that varies based on the Company's business performance and individual evaluations, etc., for the relevant fiscal year.

・Compensation will be paid annually after the Company's business performance and individual evaluations, etc., for the relevant fiscal year have been confirmed.

・The KPIs for the Short Term Incentive are as set out in the table below. These KPIs focus on the growth and profitability of the Group's businesses during the relevant fiscal year, as well as qualitative initiatives and non-financial metrics which assess initiatives specific to each Executive Director.

- ”Employee Engagement Improvement” is employed as a non-financial KPI with the aim (i) of further promoting an environment in which diverse talent can fully demonstrate their abilities, and (ii) of strengthening corporate competitiveness by enhancing employees' motivation to contribute.
- As a company seeking to achieve both a sustainable society and sustainable corporate growth, the Company added the CO_2 emissions reduction targets set forth in our environmental declaration "GREEN CHALLENGE 2050," formulated in May 2019, as KPIs for performance-linked stock-based compensation starting from fiscal year 2020. However, in connection with the Group restructuring implemented in September 2025, the Company is currently reviewing the CO_2 emissions reduction targets and related matters. Once such review is finalized, the revised "progress in promoting initiatives to reduce CO_2 emissions and other environmental impacts" will be evaluated as a non-financial KPI for Short Term Incentives.

(KPIs for Short Term Incentives)

KPI	Weight	Evaluation Objectives
(a) Consolidated Revenues from Operations	35%	Evaluates annual business growth of the entire Group
(b) Consolidated Operating Income	35%	Evaluates annual business profitability of the entire Group
(c) Individual Performance	25%	Evaluates each Executive Director's annual progress on strategic objectives
(d) Non-financial Score(*)	5%	Evaluates the level of improvement in employee engagement, the progress in promoting initiatives to reduce CO_2 emissions and other environmental impacts, and other non-financial indicators

(*) Overall Evaluation by the Compensation Committee

＜Calculation Formula for Short Term Incentives＞

Performance Factor for Short Term Incentives＝(a)＋(b)＋(c)＋(d)

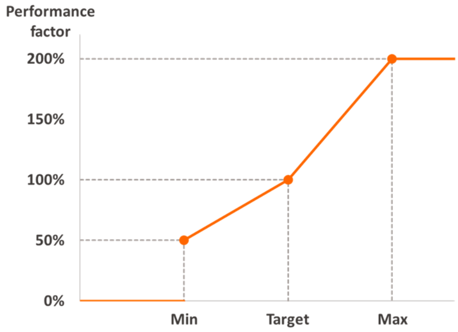
(a) 「Consolidated Revenues from Operations」 -linked Factor × 35%

(b) 「Consolidated Operating Income」 -linked Factor × 35%

(c) 「Individual Performance」 -linked Factor× 25%

(d) 「Non-financial Score」 -linked Factor × 5%

＜Illustration of the Performance-Linked Mechanism for Consolidated Revenue from Operations and Consolidated Operating Income＞



・The payout for Short Term Incentives ranges from 0% to 200% of the target amount.

(ii-2) PSU (Performance-linked stock plan whereby units are converted to shares after vesting, Performance Share Units)

- The PSU is a performance-linked medium to long-term stock incentive compensation plan that is variable based on corporate performance, management metrics and other relevant factors.
- Units are granted to directors annually. Units vest upon completion of a service period spanning three consecutive years, subject in principle to continued service as a director during the service period, at which point units are converted to ordinary shares of the Company. The initial service period shall run from the conclusion of the 2026 Annual General Meeting of Shareholders through the conclusion of the Annual General Meeting of Shareholders scheduled for 2029, with units granted annually (overlapping structure).
- Vesting shall, in principle, occur after the expiration of the service period (3-years) (cliff vesting).
- If a director retires before the end of the service period, units will in principle be forfeited; however, in the event of retirement due to death or other good reason, vesting may be accelerated and the number of units to be vested may be reasonably adjusted as necessary.
- In the event of an organizational restructuring, etc., vesting may be accelerated; however, vesting shall not be triggered solely by the organizational restructuring, etc., itself. Vesting is triggered only if the director also loses his or her directorship or a designated position as a result of the organizational restructuring, etc. (so-called "double trigger" vesting).
- The KPIs for the performance-linked stock compensation (PSU) are set forth in the table below.

（KPIs for PSU）

KPI	Weight	Evaluation Objectives
(a) Consolidated EBITDA	25%	Evaluates medium- to long-term growth in the scale of profits and cash flow generated by the business
(b) Consolidated ROIC	25%	Evaluates medium- to long-term improvement in the efficiency of profits generated by the business relative to invested capital
(c) Relative TSR (vs. TOPIX Total Return Index)	25%	Evaluates the Company's relative performance in the domestic stock market over the medium to long term
(d) Relative TSR (vs. Global Retail Peers)	25%	Evaluates the Company's relative performance against global retailers over the medium- to long-term

＜Calculation Formula for PSU＞

PSU Performance Factor＝(a)＋(b)＋(c)＋(d)

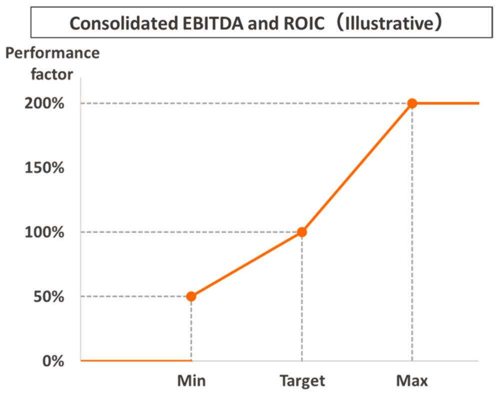
(a) 「Consolidated EBITDA」 -linked Factor × 25%

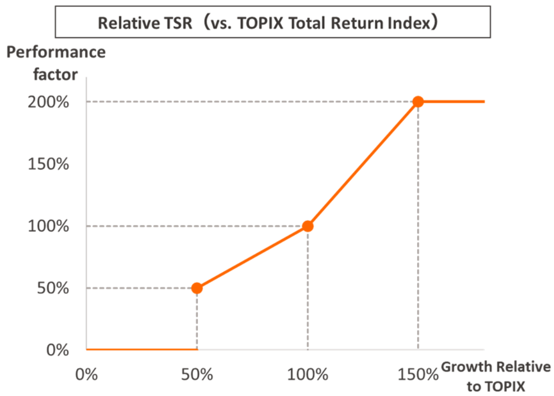
(b) 「Consolidated ROIC」 -linked Factor × 25%

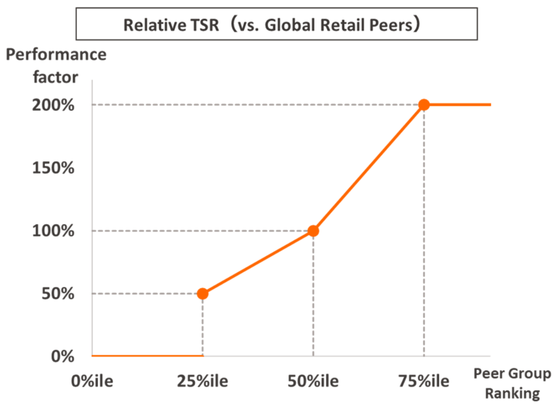
(c) 「Relative TSR（vs. TOPIX Total Return Index）」 -linked Factor × 25%

(d) 「Relative TSR（vs. Global Retail Peers）」 -linked Factor × 25%

〈 Performance-Linkage Mechanism for Each KPI 〉







＊The global retail peer group shall be selected by the Compensation Committee based on the performance and other relevant factors of the constituent companies.

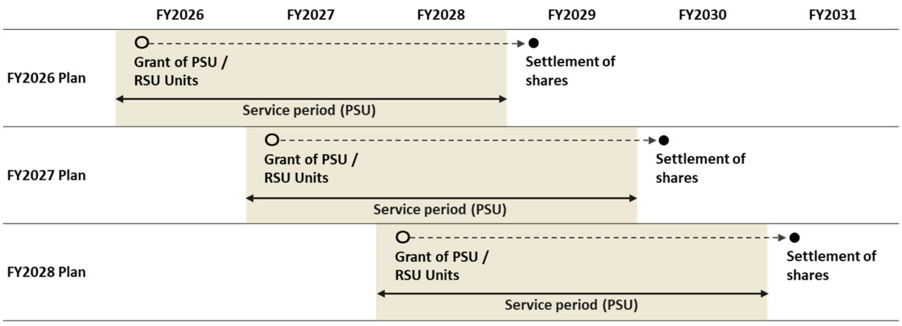
(ii-3) RSU (Time/Tenure-Based Stock Plan Whereby Units are Converted to Shares After Vesting)

- To promote continuous share ownership and alignment with shareholder value during tenure, this is structured as a time/tenure-based stock plan conditioned on continued service throughout the applicable service period.
- The initial service period runs from the close of the 2026 AGM to the close of the AGM scheduled for 2029. Units are granted annually on an overlapping basis.
- Vesting occurs, in principle, in a single lump sum upon completion of the service period (3-years).
- If a director leaves before the end of the service period, unvested units are generally forfeited. However, in

the case of death or other good reason for departure, vesting may be accelerated, with the number of vested units adjusted as reasonably appropriate.

- In the event of an organizational restructuring, etc., vesting may be accelerated; however, vesting does not occur solely on account of the restructuring, etc. Vesting is triggered only if the director also loses his or her directorship or a designated position as a result of the restructuring, etc. (i.e., "double trigger" vesting).

〈Illustration of the PSU・RSU grant〉



(c) Stock Ownership Guidelines

To ensure long-term and sustained alignment of interests with shareholders, the Company has established Stock Ownership Guidelines as shown in the table below. Executive Directors are expected to maintain holdings at or above the target ownership levels throughout their tenure, even after the target has been reached.

(Stock Ownership Guidelines)

Target ownership levels are to be achieved within 5 years of appointment (or, for Executive Directors in office as of the effective date of these Guidelines, within 5 years from such effective date). For the purpose of measuring compliance, unvested RSUs that are considered substantially equivalent to actual shareholdings may be included.

	Target Ownership Level
Representative Director, President & CEO	5x annual base salary
Other Executive Directors	1x annual base salary

(d) Malus & Clawback

If a director engages in serious misconduct or violations, or if the Board of Directors resolves to restate financials due to a material accounting error or fraud — or in other circumstances as defined by the Board of Directors for each compensation type — the Company may withhold all or part of any unpaid compensation (malus), or seek for the return of all or part of compensation already paid or delivered (clawback). Note that compensation subject to clawback is limited to variable compensation paid or delivered during the fiscal year in which the clawback trigger is identified and the preceding three fiscal years.

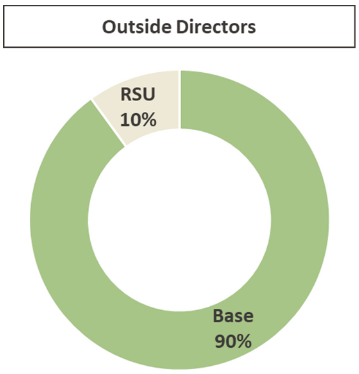
(e) Severance

Beyond the compensation described in this policy, considering compensation levels and practices in the relevant talent market (based on the relevant director's responsibility, background, country of residence, etc.), the Board of Directors — upon recommendation from the Compensation Committee — may determine that severance payments are appropriate. In such cases, severance in an amount deemed appropriate by the Board of Directors may be paid, subject to shareholder approval at the AGM.

(2) Outside Directors

(a) Compensation Mix Ratio

Compensation consists of fixed compensation and time/tenure-based stock plan whereby units are converted to shares after vesting (RSU). The ratio of fixed compensation (before any role-based allowances) to time/tenure-based stock plan whereby units are converted to shares after vesting (RSU) is approximately 9:1.



(b) Compensation Structure

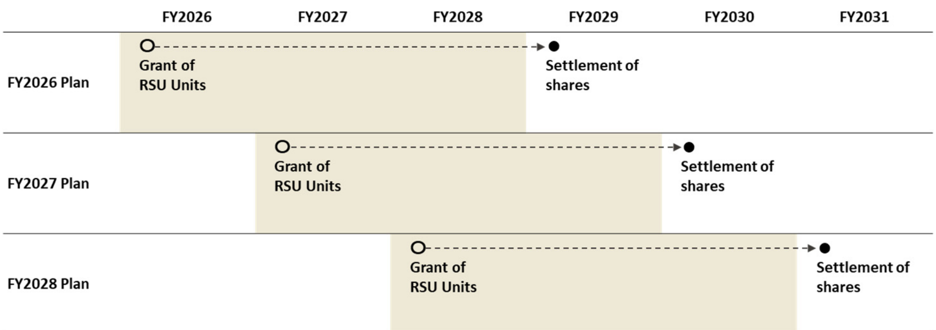
(i) Fixed Compensation

- A fixed cash payment is made monthly throughout the term of office.
- Subject to Compensation Committee deliberation and Board of Directors' approval, additional role-based allowances may be paid for positions such as Chair of the Board of Directors, Chair of the Nomination Committee, and Chair of the Compensation Committee.

(ii) RSU (Time/Tenure-Based Stock Plan Whereby Units are Converted to Shares After Vesting)

- RSUs are granted to Outside Directors to enhance their motivation to contribute to medium- to long-term corporate value creation and to align their interests with those of shareholders, while fulfilling their oversight and advisory role — drawing on their individual expertise and broad management experience — from an objective and independent standpoint, free from any potential conflicts of interest with general shareholders, and to support sound and appropriate decision-making by the Board of Directors.
- The initial service period runs from the close of the 2026 AGM to the close of the AGM scheduled for 2029. Units are granted annually on an overlapping basis.
- Vesting occurs, in principle, in a single lump sum upon completion of the service period (3-years).
- If a director leaves before the end of the service period, unvested units are generally forfeited. However, in the case of death or other good reason for departure, vesting may be accelerated, with the number of vested units adjusted as reasonably appropriate.
- In the event of an organizational restructuring, etc., vesting may be accelerated; however, vesting does not occur solely on account of the restructuring, etc. Vesting is triggered only if the director also loses his or her directorship or a designated position as a result of the restructuring, etc. (i.e., "double trigger" vesting).

〈Illustration of the RSU grant〉



(c) Malus & Clawback (RSU)

If an Outside Director engages in serious misconduct or violations, or if the Board of Directors resolves to restate financials due to a material accounting error or fraud — or in other circumstances as defined by the Board of Directors — the Company may withhold all or part of any undelivered RSU awards (malus), or seek for the return of all or part of RSU awards already delivered (clawback). RSU awards subject to clawback shall be limited to those granted during the fiscal year in which the triggering event is identified and the three preceding fiscal years.

(d) Stock Ownership Guidelines

Outside Directors are expected to retain all shares of the Company acquired during their term of office until their departure, with the sole exception of sales made to cover tax obligations arising from stock compensation.

(3) Audit & Supervisory Board Members

(a) Compensation Mix Ratio

Compensation consists solely of the fixed compensation described in (b) below.

(b) Compensation Structure

Fixed Compensation

- To further strengthen independence from management, compensation is limited to a fixed cash payment only. No Short Term Incentives or stock-based compensation is provided.
- Paid monthly installments throughout the term of office.

4. Compensation Governance

(1) Compensation Committee

The Company has established a Compensation Committee — chaired by, and with a majority of members being, independent Outside Directors — to ensure objectivity and transparency in the process of determining compensation for the Executives and Executive Officers (the “Executives, etc.”). Under the Global Executive Compensation Framework, the Committee is authorized to deliberate on and make recommendations regarding the compensation structure and individual compensation for the Company's Executives, etc., as well as the Representative Director of SEJ and the CEOs of SEI and 7IN.

In carrying out its deliberations, the Committee considers alignment with the Global Executive Compensation Framework, changes in the business environment, and feedback from dialogue with shareholders and investors, in order to exercise its roles and authorities appropriately. The Committee also engages WTW (Willis Towers Watson) as its compensation advisor, bringing extensive global expertise, to provide relevant information and advice necessary for deliberations as well as procedural support.

(2) Method of Determining Compensation

The basic policy on Executive compensation is determined by the Board of Directors and is based on the deliberations of the Compensation Committee.
Individual compensation amounts for each director are determined by the Board of Directors based on a recommendation from the Compensation Committee. The Committee's recommendation considers each director's role, contribution, Group performance evaluation, and KPI achievement.
The compensation of each Audit & Supervisory Board Member is determined through discussions among themselves.

5. Executive Compensation Limits

The compensation amounts for Executives will be determined within the limits outlined below, subject to shareholder approval of the relevant agenda items — specifically, the revision of director compensation and the introduction of a stock plan whereby units are converted to real shares on vesting — at the Company's 21st Annual General Meeting of Shareholders, scheduled for May 27, 2026.
Note that the Company has already abolished its Executive retirement allowance program, and no such allowances will be paid.

(1) Directors

・Monetary Compensation

No more than ¥2.5 billion per year (of which, no more than ¥0.5 billion per year applies for Outside Directors; neither limit includes employee salaries paid to Directors who serve concurrently as employees)

・Stock plan whereby units are converted to real shares on vesting

The maximum number of shares per service period is 4,500,000 shares for directors other than Outside Directors (of which 4,000,000 are PSUs and 500,000 are RSUs), and 45,000 shares (all RSUs) for Outside Directors. Note that in certain circumstances such as an organizational restructuring, etc., units granted across multiple service periods may vest simultaneously.

The maximum compensation amount is calculated as follows:

① Trust delivery: For each service period, the maximum is calculated by multiplying the closing price of the Company's shares on the Tokyo Stock Exchange at the time of the trust being established (or extended) — or, if no trades were executed on that day, the closing price on the most recent preceding trading day — by the maximum number of shares expected to vest under the stock plan whereby units are converted to real shares on vesting for the eligible directors.

② Direct delivery: For each service period, the maximum is calculated by multiplying the fair per-share value or per-share payment amount — based on the closing price of the Company's shares on the Tokyo Stock Exchange on the business day prior to the Board resolution authorizing the issuance or disposal of shares (or, if no trades were executed on that day, the closing price on the most recent preceding trading day) — by the maximum number of shares expected to vest under the stock plan whereby units are converted to real shares on vesting for the eligible directors.

(2) Audit & Supervisory Board Members

・Monetary Compensation

Not more than ¥200 million per year

(Resolved at the 14th Annual Shareholders' Meeting held on May 23, 2019)

End

Business Report (March 1, 2025 to February 28, 2026)

1. Items Regarding Current Status of Corporate Group

(1) Business progress and results

In the 21st fiscal year, the Japanese economy experienced a gradual recovery. While personal consumption showed signs of weakness in consumer sentiment due to rising prices and other factors, it maintained a moderate growth trend supported by improvements in the employment and income environment.

In North America, although the economy remained robust, personal consumption also began to soften, particularly among low-income households, as inflation continued to weigh on spending.

Against this backdrop, the Company advanced initiatives for global growth, outlined in the "Transformation of 7-Eleven" announced on August 6, 2025. Aligned with the plan, during this period the Company has rebuilt its management foundation to secure future growth and has been implementing initiatives to achieve results as soon as possible.

The Company's consolidated results for the 21st fiscal year are summarized below.

The Group's total sales (including sales of franchisees of SEVEN-ELEVEN JAPAN CO., LTD., SEVEN-ELEVEN OKINAWA Co., Ltd., 7-Eleven, Inc., and 7-Eleven Stores Pty Ltd) amounted to ¥16,992,087 million (down 7.9% YOY). Additionally, as a result of exchange rate fluctuations, compared to the previous year, the Group's total sales, revenues from operations, and operating income decreased by ¥146.6 billion, ¥119.7 billion, and ¥3.1 billion, respectively.

Furthermore, net income attributable to owners of parent increased to 169.2% compared to the previous year. This was due to the increase in operating income as well as the impact of the deconsolidation of subsidiaries under YORK Holdings Co., Ltd. ("YORK Holdings"). Additionally, the decrease in special losses compared to the previous year, primarily impacted by the closure of underperforming stores by 7-Eleven, Inc. ("SEI") and the withdrawal from Ito-Yokado's online supermarket business, also contributed to this increase.

Overview of business by segment

<u>Domestic convenience store operations</u>

Revenues from operations: ¥914,583 million (up 1.2% YOY)
Operating income: ¥222,521 million (down 4.7% YOY)

In Domestic convenience store operations, revenues from operations amounted to ¥914,583 million (up 1.2% YOY), and operating income amounted to ¥222,521 million (down 4.7% YOY).

SEVEN-ELEVEN JAPAN CO., LTD. (“SEJ”) is responding to shifting customer purchasing patterns by advancing several key initiatives. From May 2025, under the new leadership, in addition to “Distinctive Fresh Food Offering,” “Store Network Enhancement,” “Unleash 7NOW’s full potential,” SEJ is advancing initiatives focused on “Enhance Customer Engagement” as its key strategy, aiming to broaden its customer base, increase visit frequency, and transform its business structure to be less susceptible to external environmental impacts. For example, SEJ has rolled out freshly prepared items (just-made merchandise) such as “SEVEN CAFÉ Bakery” and “SEVEN CAFÉ Tea” nationwide.

In the 21st fiscal year, same store sales exceeded the previous year, while gross profit margin was lower than the previous year due to soaring prices of raw materials, including those of rice. In addition, SG&A expenses exceeded the previous year due to rising prices, and operating income was ¥220,263 million (down 5.8% YOY). Furthermore, the total sales of directly-operated stores and franchise stores were ¥5,469,315 million (up 1.9% YOY).

During the fourth quarter, SEJ continued to strengthen merchandise development and sales through a co-creation marketing. This approach brings together the four functions of merchandise development, marketing, operations, and communications, and incorporates external expertise. As a merchandise development strategy, SEJ worked on every category and aimed to strengthen daily merchandise. Additionally, as efforts to strengthen communication with customers, SEJ implemented initiatives such as airing new concept TV commercials, holding events in collaboration with mass media and influencers, and utilizing social media platforms. As a result, sales at same stores exceeded those of the previous year. Regarding gross profit margin, despite an increase in sales of just-made counter items, it declined year on year due to the impact of rising raw material costs.

<u>Overseas convenience store operations</u>

Revenues from operations: ¥8,556,832 million (down 6.7% YOY)
Operating income: ¥222,223 million (up 2.8% YOY)

In Overseas convenience store operations, revenues from operations amounted to ¥8,556,832 million (down 6.7% YOY), and operating income amounted to ¥222,223 million (up 2.8% YOY).

SEI in North America is working on “Distinctive Fresh Food Offering,” “Store Network Enhancement,” “Unleash 7NOW’s full potential,” and “OSG&A Control across the Value Chain” as priority initiatives, amid rising prices and a growing tendency among low-income consumers to cut back on spending on food and daily necessities.

In the 21st fiscal year, although the U.S. same store merchandise sales on a U.S. dollar basis fell below the previous year’s level, operating income (before amortization of goodwill) was ¥332,381 million (up 0.8% YOY), driven by continued cost optimization efforts. Total store sales, including directly-operated and franchise stores, were ¥9,725,461 million (down 7.3% YOY).

During the fourth quarter, average spending per customer exceeded those of the previous year, supported by initiatives such as fresh-food-led value offerings. However, this increase failed to fully offset the impact of decreased customer traffic due to various factors including the government shutdown in October to November, causing same store merchandise sales to fall below the previous year’s level. The revenue from fuel business recovered due to market conditions. Despite our continuous efforts for cost optimization, SG&A expenses were higher than the previous year, primarily driven by rising labor costs and rent.

7-Eleven International LLC ("7IN") is strengthening support for its existing markets and transitioning the business to a "food-focused convenience store" model tailored to each market. In the fiscal year under review, operating income (before goodwill amortization) was ¥20,723 million (up 44.9% YOY). At 7-Eleven Australia, which became a subsidiary in FY2024, sales were impacted by stricter tobacco sales regulations. However, customer traffic increased due to initiatives such as enhanced fresh food product development and an expanded assortment, resulting in same store sales exceeding the previous year's level.

Superstore operations

Revenues from operations:	¥689,478 million (down 51.9% YOY)
Operating income:	¥17,515 million (up 68.2% YOY)

In Superstore operations, revenues from operations amounted to ¥689,478 million (down 51.9% YOY), and operating income amounted to ¥17,515 million (up 68.2% YOY).

Additionally, as of September 1, 2025, subsidiaries under YORK Holdings Co., Ltd. ("YORK Holdings") were excluded from the scope of consolidation. To note, their results for the first half were included in the consolidated statement of income and cash flows.

Financial services operations

Revenues from operations:	¥137,197 million (down 35.3% YOY)
Operating income:	¥20,970 million (down 34.5% YOY)

In Financial services, revenues from operations amounted to ¥137,197 million (down 35.3% YOY), and operating income amounted to ¥20,970 million (down 34.5% YOY).

Additionally, as of June 24, 2025, Seven Bank, Ltd. ("Seven Bank") and its nine subsidiaries were excluded from the scope of consolidation. To note, their results for the first half were included in the consolidated statement of income and cash flows.

In Others, revenues from operations amounted to ¥179,716 million (down 44.0% YOY), and operating income amounted to ¥6,979 million (up 20.8% YOY).

Additionally, as of September 1, 2025, subsidiaries under YORK Holdings were excluded from the scope of consolidation. To note, their results for the first half were included in the consolidated statement of income and cash flows.

Eliminations and corporate

Revenues from operations:	¥(47,538) million (up ¥19,801 million YOY)
Operating loss:	¥(67,218) million (down ¥9,805 million YOY)

The operating loss from adjustments totaled ¥67,218 million (operating loss of ¥77,023 million for the previous fiscal year).

The Company recorded head office expenses, including costs related to the construction of a group-wide common infrastructure system aimed at improving efficiency and strengthening security.

(2) Capital expenditures and fundraising

Total capital expenditures in the 21st fiscal year were ¥402,277 million. The funds required for these expenditures were appropriated from loans from the financial institutions and from funds on hand.

Business segment	Capital expenditures (Millions of yen)
Domestic convenience stores	114,499
Overseas convenience stores	226,309
Superstores	17,090
Financial services	35,638
Others	4,602
Eliminations and corporate	4,136
Total	402,277

(Notes)

1. The amounts above include guaranty deposits and advances for store construction.
2. The amount for eliminations and corporate is an aggregate of eliminated intersegment transactions and the Company's capital expenditures.

(3) Trends in assets and profit/loss in the 21st fiscal year and the most recent three (3) fiscal years

Trends in the corporate group's assets and profit/loss

Item	18th fiscal year March 1, 2022 to February 28, 2023	19th fiscal year March 1, 2023 to February 29, 2024	20th fiscal year March 1, 2024 to February 28, 2025	21st fiscal year March 1, 2025 to February 28, 2026
Revenues from operations	Millions of yen 11,811,303	Millions of yen 11,471,753	Millions of yen 11,972,762	Millions of yen 10,430,269
Net income attributable to owners of parent	Millions of yen 280,976	Millions of yen 224,623	Millions of yen 173,068	Millions of yen 292,760
Net income per share	Yen 106.05	Yen 84.88	Yen 66.62	Yen 118.81
Total assets	Millions of yen 10,550,956	Millions of yen 10,592,117	Millions of yen 11,386,111	Millions of yen 9,142,957
Net assets	Millions of yen 3,648,161	Millions of yen 3,900,624	Millions of yen 4,223,212	Millions of yen 3,648,195
Net assets per share	Yen 1,311.31	Yen 1,416.94	Yen 1,555.39	Yen 1,566.06

(Notes)

1. "Net income per share" is calculated on the basis of the average number of shares issued during the fiscal year, excluding the number of treasury stock. "Net assets per share" is calculated on the basis of the total number of shares issued at the end of the fiscal year (the number of shares excluding the number of treasury stock).
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. "Net income per share" and "Net assets per share" are calculated on the assumption that the share split was implemented at the beginning of the 18th fiscal year.
3. The Company has applied the Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022), etc. from the beginning of the 21st fiscal year. The trends in the corporate group's assets and profit/loss in the 20th fiscal year are stated after retrospectively applying the accounting standard, etc.

(4) Corporate reorganization measures, etc.

1. Business succession through a company split (absorption-type split) at YORK Holdings Co., Ltd.

The Company resolved, at the meeting of the Board of Directors held on March 6, 2025, to transfer the rights and obligations relating to the head office functions, subsidiary management functions of a total of 29 companies - comprising 22 of the Company's consolidated subsidiaries and 7 equity-method affiliates engaged in the Group's food supermarket, specialty store, and other businesses - along with all other businesses held by the Company's wholly owned subsidiary, YORK Holdings Co., Ltd. ("Former YORK HD"), to K.K. BCJ-96 (currently YORK Holdings Co., Ltd.; "Current York HD"), which will be newly established as a wholly owned subsidiary of K.K. BCJ-95 (the "SPC"), an acquisition purpose company established by Bain Capital Private Equity, L.P. and its affiliates. The transfer, which includes transfer of all shares of the Transferred Companies (referring to Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., THE LOFT CO., LTD., Akachan Honpo Co., Ltd., Seven & i Food Systems Co., Ltd. (currently Denny's Japan Co., Ltd.), Seven & i Create Link Co., Ltd. (currently Create Link Co., Ltd.), and SHELL GARDEN CO., LTD. held directly by Former YORK HD), will be executed through an absorption-type split ("Absorption-type Split"). On September 1, 2025, the procedures for the Absorption-type Split were completed. On the same day, the Company reinvested in the SPC so that the Company's shareholding ratio became 35.07%. As a result, the subsidiaries which are owned by Former YORK HD have been excluded from the scope of consolidation and the SPC has become an equity-method affiliate of the Company.

2. Transfer of shares of Seven Bank, Ltd. and resulting change of subsidiaries

SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., and York-Benimaru Co., Ltd. which are wholly owned subsidiaries of the Company decided to tender some or all of their shares in Seven Bank, Ltd. ("Seven Bank") in response to the share repurchase announced by Seven Bank on June 19, 2025 (the "Transfers"), and the change of subsidiaries was completed on June 24, 2025, due to the implementation of the Transfers. As a result of the Transfers, the ratio of voting rights for Seven Bank by the Group became 39.9%. As a result, Seven Bank and its 9 subsidiaries have been excluded from the scope of consolidation and Seven Bank has become an equity-method affiliate of the Company.

(5) Status of major subsidiaries (as of February 28, 2026)

(i) Status of major subsidiaries

Business segment	Company name	Paid-in capital	Capital contribution ratio (%)
Domestic convenience stores	SEVEN-ELEVEN JAPAN CO., LTD.	¥17,200 million	100.0
Overseas convenience stores	7-Eleven, Inc.	US$17 thousand	100.0

(Notes)

1. In the above, the capital contribution ratio for 7-Eleven, Inc. indicates indirect holdings.
2. The status of specified wholly owned subsidiaries as of the last day of the 21st fiscal year is as follows.

Name of specified wholly owned subsidiaries	Address of specified wholly owned subsidiaries	Book value of shares of specified wholly owned subsidiaries held by the Company and its wholly owned subsidiaries	Total assets of the Company
SEVEN-ELEVEN JAPAN CO., LTD.	8-8, Nibancho, Chiyoda-ku, Tokyo	¥680,210 million	¥1,941,718 million

(ii) Status of other major business combinations

None.

(iii) Consolidated subsidiaries and equity-method affiliates

The Company has 140 consolidated subsidiaries and 13 equity-method affiliates.

(6) Issues to address

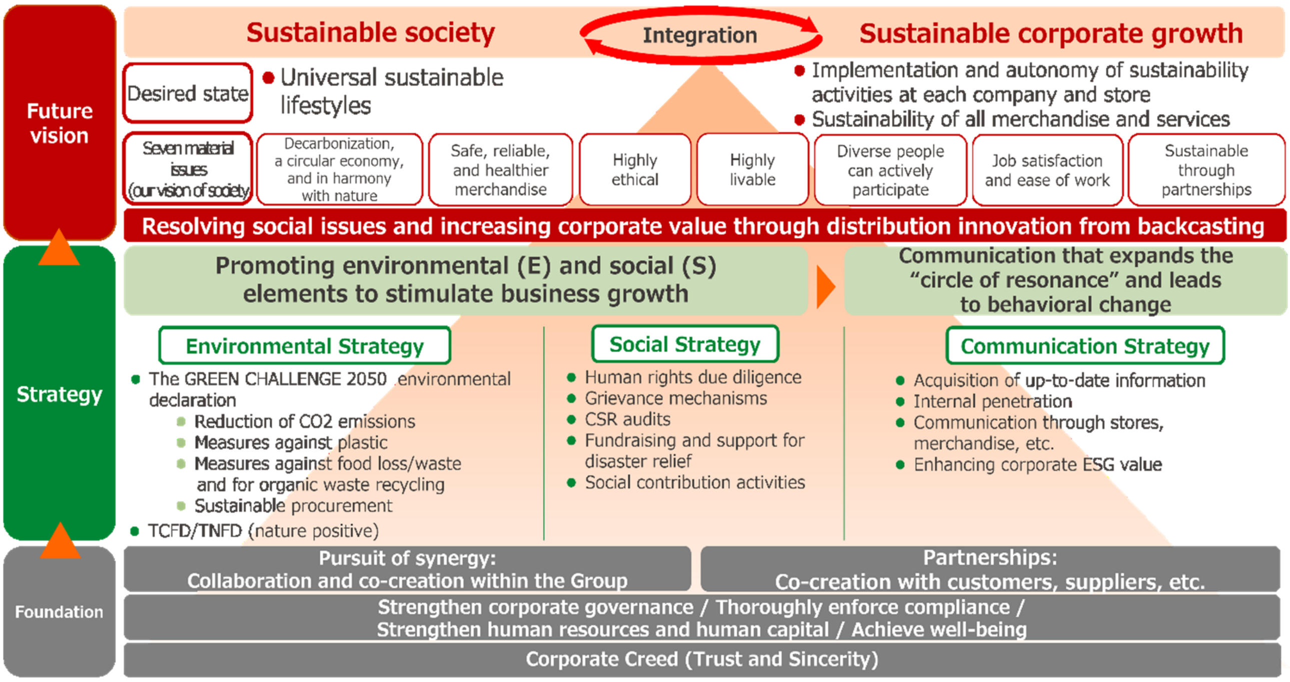
Through the “Transformation Plan,” the Company will build a lean organization and adapt swiftly to any change.

The Company has expanded the 7-Eleven business globally, maintained the top position for many years, and established our status as a market leader. However, despite numerous successes, the risks of slowing innovation and declining business momentum have become apparent in recent years. The new management team shares a strong sense of urgency regarding this point and recognizes the need to swiftly transform business operations. In driving this transformation forward, we will uphold the founder’s mentality of “trust and sincerity” and “responding to change” as unwavering values and philosophy. Based on this, we will continue to cultivate a corporate culture within our Group characterized by a humble attitude toward learning and a proactive stance toward driving change. Furthermore, it is essential that we redefine our business, challenge ourselves, think proactively, and change our actions. It is crucial that all employees think and act like founders to drive innovation and accelerate growth. To achieve this Group-wide reconstruction of corporate culture and the fundamental transformation outlined in this plan, the new management team will establish a framework for advancing management as a single, unified team, working closely with leadership from each operating company, and swiftly execute various initiatives. The management team engaged in extensive dialogue and discussion with each operating company during the formulation of the Transformation Plan, identifying key management issues requiring urgent attention.

Key challenges		How to address the challenges		Our approach for growth
HD/HQ	• Global planning and mgmt. • Global decision making • Global talent • HQ not fit for purpose • Global leverage	HD/HQ	Establish a basis for effective management	• Set **clear global management approach and cadence** • Upgrade our **HD function**
Across SEI/SEJ/ 7IN	• Consumer spending • Channel shift • Cost inflation • Franchisee profitability	Across SEI/SEJ/ 7IN	More customer centric Shift to digital Optimize value chain	• **Invest in stores/equipment** for distinctive food offering **Store network expansion** with optimal store formats • **7NOW expansion** • **Cost control** to invest in growth
SEI	• Consumer perception re: food • Fuel demand	SEI	Build foundation as growth engine Maximize existing opportunities	• Expand **proprietary products and Private Brand** • Maximize **fuel vertical integration opportunities**
SEJ	• Consumer perception re: brand • Intensifying competition	SEJ	Reestablish SEJ as the leader in innovation	• Enhance **customer engagement**
7IN	• Global talent • Investment process	7IN	Solidify and roll out the equity model	• Accelerate global talent acquisition /development • Set rigorous investment criteria and mgmt. rules

A solid management foundation supporting the Transformation of 7-Eleven
-Sustainability strategy, human capital initiatives, and strengthening corporate governance-

To achieve both a sustainable society and the enhancement of corporate value, the Group is advancing its sustainability strategy based on the “seven material issues.” In FY2024, we formulated the Sustainability Strategy Map and since then, we have strengthened initiatives in areas including reduction of CO_2 emissions, measures against plastic, measures against food loss/waste and for organic waste recycling, sustainable procurement, and human rights due diligence. In addition, we are promoting initiatives to achieve a nature positive state, disclosing climate and nature-related risks based on the TCFD and TNFD recommendations, and assessing their financial impact on our business.



Regarding human capital initiatives, we recognize the essential need for human resource measures linked to our business strategy, specifically: "fostering a culture of continuous challenge and innovation," "enhancing job satisfaction and ease of work," and "developing and recruiting global talent." Through the execution of corporate culture transformation, the promotion of DEI, support for work-life balance, the enhancement of skill development and training programs, and career development support, we are focusing on creating an environment where employees can experience their growth and thrive. In terms of corporate governance, under the Board of Directors where independent outside directors constitute a majority, we have separated the roles of the chairperson of the Board (Gicho) and the CEO to enable swift decision-making on management strategies and to improve transparency and objectivity, thereby working to strengthen our management supervision function. We also ensure the independence of the Nomination Committee and the Compensation Committee and are advancing initiatives such as evaluating the skill sets of Directors and Audit & Supervisory Board members and introducing performance-based compensation.

As we move forward, aiming to achieve both "sustainable society" and "sustainable corporate growth," we will realize the enhancement of corporate value over the medium to long term in the global market while sincerely listening to the voices of all our stakeholders.

(7) Scope of principal businesses (as of February 28, 2026)

The Group is centered on the retail industry and comprises 154 companies (including the Company itself), with the Company as a pure holding company. The Group's principal business activities are domestic convenience store operations and overseas convenience store operations.

Business segments, names of major Group companies, and numbers of companies are as follows. This segmentation is the same as that used in the segment information section.

Business segments	Names of major Group companies
Domestic convenience stores (9 companies)	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
Overseas convenience stores (133 companies)	7-Eleven, Inc. SEJ Asset Management & Investment Company SEI Speedway Holdings, LLC Speedway LLC 7-Eleven International LLC AR BidCo Pty Ltd Convenience Group Holdings Pty Ltd. 7-Eleven Stores Pty Ltd. CONVENIENCE HOLDINGS 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
Superstores (2 companies)	K.K. BCJ-95*1
Financial services (3 companies)	Seven Financial Service Co., Ltd. Seven CS Card Service Co., Ltd. Seven Bank, Ltd.*1
Others (5 companies)	SpireX Co., Ltd.*2 Terube Ltd. Seven & i Energy Management Co., Ltd. Tower Records Japan Inc.*1 PIA Corporation*1
Corporate (1 company)	SEVEN & i Financial Center Co., Ltd.

(Notes)

1. TOWER BAKERY CO., LTD., SHAN DONG ZHONG DI CONVENIENCE CO., LTD., K.K. BCJ-95, Seven Bank, Ltd., Tower Records Japan Inc., and PIA Corporation are affiliates.
2. SpireX Co., Ltd. changed its trade name from Seven & i Net Media Co., Ltd. effective November 16, 2025.

(8) Principal business locations (as of February 28, 2026)

(i) The Company

- Head office: 8-8, Nibancho, Chiyoda-ku, Tokyo

(ii) Principal subsidiaries

(1) Domestic convenience stores

SEVEN-ELEVEN JAPAN CO., LTD.

- Head office: 8-8, Nibancho, Chiyoda-ku, Tokyo
- Corporate stores: 158 stores

(2) Overseas convenience stores

7-Eleven, Inc.

- Head office: Texas, U.S.A.
- Corporate stores: 5,432 stores

(Note)

The number of corporate stores for 7-Eleven, Inc., is the number of stores as of the end of December 2025.

(9) Status of employees (as of February 28, 2026)

(i) Status of employees of the corporate group

Business segment	Number of employees	Change from the previous fiscal year-end
Domestic convenience stores	8,388 employees	129 employees (decrease)
Overseas convenience stores	26,048 employees	7,512 employees (decrease)
Superstores	0 employees	11,414 employees (decrease)
Financial services	341 employees	1,546 employees (decrease)
Others	324 employees	5,213 employees (decrease)
Corporate (shared)	866 employees	231 employees (decrease)
Total	35,967 employees	26,045 employees (decrease)

(Notes)

1. The number of employees is the number of workers (excluding people dispatched from the Group to outside the Group, but including people dispatched from outside the Group to the Group).
2. In addition to the number of employees listed above, the Company and its Group companies employ 50,395 part-time employees (monthly average based on a 163-hour working month).
3. The number of employees for corporate (shared) is the number of employees of the Company.
4. The decrease in the number of employees in the Overseas convenience stores operations is due to the reduction in the number of directly operated stores at 7-Eleven, Inc., as well as ongoing execution of initiatives aimed at enhancing staff efficiency at existing directly operated stores. The decrease in the number of employees in the Superstores and Others operations reflects the exclusion from the scope of consolidation of subsidiaries under YORK Holdings Co., Ltd. The decrease in the number of employees in the Financial services operations is the result of the exclusion from the scope of consolidation of Seven Bank, Ltd. and its subsidiaries. The decrease in the number of employees in Corporate (shared) operations is the result of restructuring functions within the Group and optimizing the allocation of headcount as part of business structure reforms to focus on the convenience store operations.

(ii) Status of employees of the Company

	Number of employees	Change from the previous fiscal year-end	Average age	Average number of years of continuous service
Males	616 employees	187 employees (decrease)	45 years 11 months	17 years 6 months
Females	250 employees	44 employees (decrease)	42 years 11 months	17 years 7 months
Total or average	866 employees	231 employees (decrease)	45 years 1 month	17 years 6 months

(Notes)

1. Most of the Company’s employees have been transferred from SEVEN-ELEVEN JAPAN CO., LTD. and Ito-Yokado Co., Ltd. The average number of years of continuous service is the total of the number of years of continuous service at each company.
2. In addition to the number of employees listed above, the Company employs 12 part-time employees (monthly average based on a 163-hour working month).

(10) Status of major lenders (as of February 28, 2026)

Lender	Amount borrowed (Millions of yen)
Japan Bank for International Cooperation	298,974
Sumitomo Mitsui Banking Corporation	200,204
MUFG Bank, Ltd.	126,676
Bank of America Corporation	65,174
Mizuho Bank, Ltd.	57,225

(11) Other important matters regarding the current situation of the company group

We had received a non-binding acquisition proposal from Alimentation Couche-Tard ("ACT"); however, in July 2025, we confirmed that ACT decided to withdraw the proposal.

2. Items Regarding Shares (as of February 28, 2026)

(1) Number of shares authorized to be issued: 10,000,000,000 shares

(2) Number of shares issued: 2,604,555,849 shares

(Note)
The number of shares issued includes 289,783,358 shares of treasury stock.

(3) Number of shareholders: 288,198

(4) Major shareholders (Top 10)

Name of shareholders	Number of shares (Thousand shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	395,433	17.1
Ito-Kogyo Co., Ltd.	212,103	9.2
Custody Bank of Japan, Ltd. (Trust account)	142,434	6.2
Nippon Life Insurance Company	53,017	2.3
MITSUI & CO., LTD.	48,667	2.1
JP Morgan Chase Bank 385864	47,916	2.1
State Street Bank and Trust Company 505001	46,922	2.0
SMBC Nikko Securities Inc.	38,247	1.7
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	33,864	1.5
THE CHASE MANHATTAN BANK, N.A. LONDON SECS LENDING OMNIBUS ACCOUNT	33,200	1.4

(Note)
1. Although the Company holds 289,783,358 shares of treasury stock, the Company is excluded from the above major shareholders.
2. The calculation of the percentage of shares held does not include shares of treasury stock. The shares of treasury stock do not include 3,029 thousand shares held by the “Board Incentive Plan (BIP) Trust” (the “BIP Trust”) and the “ESOP Trust for Granting Stock” (the “ESOP Trust”).

(5) Shares delivered to officers as consideration for the execution of duties during the 21st fiscal year

Classification	Number of shares	Number of persons to whom shares were delivered
Directors (excluding Outside Directors)	405,912 shares	1

(6) Other important matters relating to shares

With regard to compensation, etc., to further clarify the link with business performance and stock price, and to enhance motivation to contribute to the improvement of medium- and long-term corporate value and sharing interests with shareholders, the Company has introduced the “BIP Trust” for Directors (excluding Outside Directors) of the Company and the certain consolidated subsidiaries (hereinafter the “Subject Subsidiaries”) and the “ESOP Trust” for Executive Officers of the Company and the Subject Subsidiaries.

As of February 28, 2026, the number of the Company’s shares held by “BIP Trust” and “ESOP Trust” was 1,825 thousand shares and 1,203 thousand shares, respectively.

Reference: cross-shareholdings

In principle, the Group does not hold cross-shareholdings except where there is an accepted rationale for doing so, such as maintaining or strengthening business alliances or business relationships, in order to maintain and strengthen business competitiveness. Stocks held are reviewed annually and shares with less rationale or less effectiveness for holding are to be sold in view of the circumstances of the investee companies. For further information on cross-shareholdings, please refer to the Company's website (https://www.7andi.com/en/ir/management/governance/structure.html#cross).

3. Items Regarding Share Subscription Rights

None.

4. Items Regarding the Company's Directors and Audit & Supervisory Board Members

(1) Directors and Audit & Supervisory Board Members (as of February 28, 2026)

Position in the Company	Name	Area of responsibility in the Company and important concurrent positions
Representative Director and Executive Chair (Kaicho)	Junro Ito	Member of the Nomination Committee of the Company Director and Chairman of YORK Holdings Co., Ltd. Representative Director and President of Seven & i Energy Management Co., Ltd.
Representative Director and President	Stephen Hayes Dacus	Member of the Nomination Committee of the Company Chief Executive Officer (CEO) of the Company Chairman of Daiso USA L.L.C. Director (Non-executive Director) of Hana Group SAS Director of 7-Eleven, Inc. Director of 7-Eleven International LLC
Representative Director and Vice President	Shigeki Kimura	Member of the Compensation Committee of the Company Chief Administrative Officer (CAO) of the Company Information Management Supervisor of the Company Director of SEVEN-ELEVEN JAPAN CO., LTD. Outside Director of AIN HOLDINGS INC.
Director	Yoshimichi Maruyama	Chief Financial Officer (CFO) of the Company General Manager of the Corporate Finance & Accounting Division of the Company Representative Director and President of SEVEN & i Financial Center Co., Ltd. Director of 7-Eleven, Inc. Director of 7-Eleven International LLC
Director	Tamaki Wakita	Member of the Compensation Committee of the Company Chief Strategy Officer (CSO) of the Company General Manager of the Management Planning Division of the Company Director of 7-Eleven, Inc. Director of 7-Eleven International LLC
Director	Fuminao Hachiuma	Member of the Nomination Committee of the Company Lead Independent Outside Director of the Company Chairperson of the Board (Gicho) of the Company Outside Audit & Supervisory Board Member of YKK AP Inc. Outside Director of SUBARU CORPORATION
Director	Yoshiyuki Izawa	Member of the Nomination Committee of the Company Outside Director (Member of the Audit and Supervisory Committee) of Nitori Holdings Co., Ltd. Outside Director of Sanoh Industrial Co., Ltd.
Director	Meyumi Yamada	Chair of the Nomination Committee of the Company Member of the Compensation Committee of the Company Director of istyle Inc. Outside Director of Sompo Holdings, Inc.
Director	Paul Yonamine	Chair of the Compensation Committee of the Company Outside Director of Sumitomo Mitsui Banking Corporation Outside Director (Audit and Supervisory Committee Member) of PayPay Corporation Outside Director of 7-Eleven, Inc.
Director	Takashi Sawada	Director and Chairman of the Board of LOTTE VENTURES JAPAN CO., LTD. Outside Director of STORES, Inc. Outside Director of FUJI MEDIA HOLDINGS, Inc.
Director	Masaki Akita	Member of the Nomination Committee of the Company Member of the Compensation Committee of the Company Director, Chair and Chairperson of the Board of Directors of Matsuya Co., Ltd. Outside Director of Meiji Yasuda Life Insurance Company Chairman of Tax-Free Shop Association
Director	Tatsuya Terazawa	Chairman and CEO of The Institute of Energy Economics, Japan Outside Director of Toyo Engineering Corporation

Position in the Company	Name	Area of responsibility in the Company and important concurrent positions
Director	Christine Edman	

Position in the Company	Name	Area of responsibility in the Company
Standing Audit & Supervisory Board Member	Shinya Ishii	Chairman of the Audit & Supervisory Board
Standing Audit & Supervisory Board Member	Nobutomo Teshima	Audit & Supervisory Board Member of SEVEN-ELEVEN JAPAN CO., LTD.
Audit & Supervisory Board Member	Kazuhiro Hara	Certified Public Accountant Certified Tax Accountant
Audit & Supervisory Board Member	Mitsuko Inamasu	Attorney at Law Outside Director (Audit & Supervisory Committee Member) of NTT DATA Group Corporation
Audit & Supervisory Board Member	Kaori Matsuhashi (Real name: Kaori Hosoya)	Certified Public Accountant Representative Director of Luminous Consulting Co., Ltd. Outside Director (Member of the Audit and Supervisory Committee) of YASKAWA Electric Corporation

(Notes)

1. Since establishing the Nomination Committee and the Compensation Committee (the “Committees”), the Company has been utilizing the diverse range of knowledge of Outside Directors and Outside Audit & Supervisory Board Members in the committee deliberations to ensure objectivity and transparency in the procedures for deciding the nomination and compensation of Representative Directors, Directors, Audit & Supervisory Board Members, and executive officers, thereby enhancing the supervisory functions of the Board of Directors and further substantiating corporate governance functions. In order to utilize diverse range of knowledge of Outside Directors and Outside Audit & Supervisory Board Members in committee deliberations and improve their objectivity and transparency, it was decided that the chairs of the Committees and a majority of the members of the Committees shall be Independent Outside Directors.

   Audit & Supervisory Board Members act as observers at the Committees, since it is important to ensure due process at the Committees as advisory committees to the Board of Directors.

   During the 21st fiscal year, the “Nomination Committee” held 16 meetings. Director Stephen Hayes Dacus attended 8 of 9 meetings, and other Directors attended all meetings that they were required to attend. During the 21st fiscal year, the “Compensation Committee” held 12 meetings and each of the meetings was attended by all members who should have been present.

2. Director Joseph Michael DePinto resigned from his position as Director of the Company on March 9, 2025.

3. Director Jenifer Simms Rogers resigned from her position as Director of the Company on March 11, 2025.

4. Director Elizabeth Miin Meyerdirk resigned from her position as Director of the Company on March 11, 2025.

5. Director Meyumi Yamada retired from her position as Director of SEINO HOLDINGS CO., LTD. on June 26, 2025.

6. Director Paul Yonamine retired from his position as Director of Central Pacific Financial Corp. and Central Pacific Bank on November 6, 2025.

7. Director Takashi Sawada retired from his position as Director of CellSource Co., Ltd. on January 28, 2026.

8. Directors Fuminao Hachiuma, Yoshiyuki Izawa, Meyumi Yamada, Paul Yonamine, Takashi Sawada, Masaki Akita, Tatsuya Terazawa, and Christine Edman are Outside Directors.

9. Directors Junro Ito, Stephen Hayes Dacus, and Masaki Akita were appointed as members of the Nomination Committee effective May 27, 2025. Directors Shigeki Kimura, Meyumi Yamada, and Masaki Akita were appointed as members of the Compensation Committee effective May 27, 2025.

10. Director Yoshimichi Maruyama retired from his position as a member of the Nomination Committee on May 27, 2025. Directors Junro Ito and Fuminao Hachiuma retired from their positions as members of the Compensation Committee on May 27, 2025.

11. Audit & Supervisory Board Members Kazuhiro Hara, Mitsuko Inamasu, and Kaori Matsuhashi are Outside Audit & Supervisory Board Members.

12. Standing Audit & Supervisory Board Members Shinya Ishii and Nobutomo Teshima and Audit & Supervisory Board Members Kazuhiro Hara and Kaori Matsuhashi have the following expertise with regard to finance and

accounting:

・Standing Audit & Supervisory Board Member Shinya Ishii was engaged in operations relating to corporate management in the corporate management division in the Company and its Group companies for a total period of twenty nine (29) years or more.

・Standing Audit & Supervisory Board Member Nobutomo Teshima was engaged in operations relating to finance and accounting in the finance and accounting division in the Company and its Group companies for a total period of twenty five (25) years or more.

・Audit & Supervisory Board Member Kazuhiro Hara is a certified public accountant and certified tax accountant.

・Audit & Supervisory Board Member Kaori Matsuhashi is a certified public accountant.

13. All Outside Directors and Outside Audit & Supervisory Board Members are Independent Directors or Audit & Supervisory Board Members in accordance with the rules of the Tokyo Stock Exchange.

14. The Company has concluded an agreement with each of the Outside Directors and Outside Audit & Supervisory Board Members as per Article 427, Paragraph 1 of the Companies Act, limiting their liability for compensation for damage under Article 423, Paragraph 1 of the Companies Act. These agreements limit the amount of their liability for compensation for damage to the minimum legally stipulated amounts.

15. The Company has concluded a compensation agreement with each Director and Audit & Supervisory Board Member, stipulating that the Company will compensate for the costs specified in Article 430-2, Paragraph 1, Item 1 and the losses specified in Item 2 of the same paragraph of the Companies Act, within the scope defined by law. However, the agreement includes conditions such as requiring the return of compensated costs if it is found that a Director or Audit & Supervisory Board Member has performed their duties with the intent to gain improper benefits for themselves or a third party, or to cause damage to the Company.

16. The Company has entered into a directors' and officers' liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. Directors and Audit & Supervisory Board Members will be insured under the contract. The brief overview of the said insurance contract is as follows:

(1) Scope of the insured individuals

Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and its subsidiaries (excluding certain subsidiaries)

(2) The ratio of premiums to be actually borne by the insured individuals

The Company will bear the full amount of insurance premiums, and thus, the insured individuals need not to bear any premiums.

(3) Outline of insured events covered by the said insurance

The contract covers damage (including the legal compensation for damages and legal fees) that may be incurred by the insured individuals due to claims filed against them in relation to the execution of their duties as officers of the Company (including omissions) during the insurance term. However, the coverage is subject to certain exclusions, such as in cases where violations of laws and regulations were knowingly committed.

17. During the 21st fiscal year, the Board of Directors held 15 meetings and each of the meetings was attended by all Directors who should have been present. There was one meeting held before the retirement of Joseph Michael DePinto, Jenifer Simms Rogers, and Elizabeth Miin Meyerdirk, and each of them attended that meeting.

・During the 21st fiscal year, Audit & Supervisory Board Member Mitsuko Inamasu attended 14 of 15 meetings of the Board of Directors and other Standing Audit & Supervisory Board Members and Audit & Supervisory Board Members attended all meetings of the Board of Directors that they were required to attend. Standing Audit & Supervisory Board Members and Audit & Supervisory Board Members attended all meetings of the Audit & Supervisory Board that they were required to attend. Noriyuki Habano attended all meetings of the Board of Directors and all meetings of the Audit & Supervisory Board that were held before his retirement.

18. Executive officers of the Company as of February 28, 2026 were as follows:

Position	Name
Executive Officer and Executive Chair (Kaicho)	Junro Ito
Executive Officer and President	Stephen Hayes Dacus
Executive Officer and Vice President	Shigeki Kimura
Managing Executive Officer	Yoshimichi Maruyama
Managing Executive Officer	Tamaki Wakita
Managing Executive Officer	Seiichiro Ishibashi

Position	Name
Managing Executive Officer	Izuru Nishimura
Executive Officer	Seiji Oku
Executive Officer	Nobuyuki Miyaji
Executive Officer	Seiji Kitamura
Executive Officer	Takuya Enomoto
Executive Officer	Hirotake Henmi
Executive Officer	Yasukiyo Toda
Executive Officer	Yuki Oda
Executive Officer	Miho Terada
Executive Officer	Junko Waseda
Executive Officer	Akira Okamoto
Executive Officer	Shinichiro Endo
Executive Officer	Kei Hamada

(2) Compensation, etc. of Directors and Audit & Supervisory Board Members

(i) Policies and procedures in determining the compensation of Directors and Audit & Supervisory Board Members

Purpose of the establishment of policy on Executive Compensation

Development of compensation of Directors and Audit & Supervisory Board Members (“Executive Compensation”) based on the “Basic Views on Corporate Governance”

The Company considers corporate governance to be a system for sustainable growth by establishing and maintaining a sincere management structure and continuously increasing the Group’s corporate value over the medium- and long-term in order to ensure the trust of various stakeholders, based on the Corporate Creed of the Company. Based on this basic views on corporate governance, the Company considers Executive Compensation plan to be one of the important mechanisms to further increase the motivation and morale of Directors and Audit & Supervisory Board Members (“Executives”), and to appropriately take risks for the sake of the continued growth of medium- and long-term corporate value and the sustainable growth of the Group, and constructs and operates this plan.

《Policy on Executive Compensation》

1. Basic views on Executive Compensation

The Company considers the compensation plan for directors and audit & supervisory board members of the Company (“Executive Compensation Plan”) to be “the important measures to enhance the motivation and morale of Directors and Supervisory Board Members (“Executives”) and to take appropriate risk for the sake of continued growth of the medium- and long-term corporate value and sustainable growth of our group based on a basic view on corporate governance,” and build and operate the system based on the points set forth below.

- ◇ Emphasis is placed on the link between the business performance and corporate value of our group, and establishing a system that further enhances the motivation and morale to contribute to continuous improvement of business performance and corporate value over the medium to long term.
- ◇ To secure highly capable human resources who will enhance corporate governance through supervising and auditing of the execution of operations, and provide compensation levels and systems commensurate with responsibilities.
- ◇ To provide compensation levels and systems that are competitive in the global human

resources market in order to secure highly specialized talent with experience in the business areas in which the Company operates, and further enhance corporate value.

◇ Ensure the objectivity and transparency of the compensation decision process, and establish a compensation plan trusted by all stakeholders.

◇ With regard to the design of a specific Executive Compensation Plan, continue to consider to tailor it more appropriately in light of future trends in legal systems and society.

2. Compensation levels

The levels of compensation for Executives ("Executive Compensation") will be determined, taking into consideration various fundamentals in the business content and the business environment of the Company, with reference to the compensation levels of Executives in major companies of the same size as the Company based on market capitalization and revenues, etc.

3. Compensation mix

(1) Executive Directors

(a) Compensation Mix Ratio

The ratio of compensation mix of Executive Directors (*1) is basically as follows:

Due to its operational structure, the Company's performance-based and stock-based compensation plan currently applies only to persons residing in Japan. Additionally, to share value with shareholders and provide further incentives toward sustainable improvements to the Company's corporate value, separately from the performance-based and stock-based compensation system, Mr. Dacus, as Representative Director, President and CEO (*2) is eligible for restricted stock units that are based on fulfillment of commitments over a certain period.

	Fixed compensation	Performance-based compensation		Restricted stock units
		Bonuses	Performance-based and stock-based compensation	
Representative Director and Chairman	30%	30%	40%	–
President & Representative Director and CEO	13%	27%	–	60%
Other Representative Directors	35%	30%	35%	–
Directors	50%	25%	25%	–

← Monetary compensation →← Stock-based compensation →

*1 Calculated on the assumption that performance-based bonuses and performance-based and stock-based compensation are based on a standard compensation amount.

*2 The basic compensation ratio of fixed compensation, performance-based compensation (bonuses), and restricted stock units for Mr. Dacus is generally set at 1:2:4.5. However, the ratio of fixed compensation may be increased if the Company pays certain allowances to persons who reside overseas.

(b) Compensation Components

(i) Fixed Compensation

- A fixed monetary compensation commensurate with the responsibilities of each position will be paid.
- Compensation will be paid monthly during the term of office.
- Certain allowances may be paid to persons who reside overseas as part of their base compensation, after deliberation and reporting by the Compensation Committee and based on a decision by the Board of Directors.
- An executive allowance, dependent on position, may be paid, after deliberation and reporting by the Compensation Committee and based on a resolution of the Board of Directors.

(ii) Performance-based bonuses

- Short-term incentive compensation will be a performance-based cash compensation that varies based on the Company's business performance and individual evaluations, etc., for the relevant fiscal year.
- Compensation will be paid annually after the Company's business performance and individual evaluations, etc., for the relevant fiscal year have been confirmed.
- Performance-based compensation (bonuses) for Mr. Dacus, who is the Representative Director, President and CEO, and those for other Directors are designed somewhat differently, taking into account the differences between their duties and responsibilities.

<Performance-based compensation (bonuses) for Mr. Dacus, as Representative Director, President and CEO>

- The Key Performance Indicator (KPI), percentages, and evaluation objectives related to performance-based compensation (bonuses) for Mr. Dacus will be determined by the Board of Directors. This decision by the Board of Directors will be based on reports received from the Compensation Committee, which deliberates the matter taking into account the KPI that will be prioritized in the Company's new growth strategy and measures to reform the Company's capital structure and business, as well as the Company's previous KPIs used for performance-based compensation (bonuses) indicated below.
- With regard to the coefficient for bonuses used as performance-based compensation, the Company will set a wider range for the coefficient to enhance the linkage to business performance.

<Performance-based compensation (bonuses) for other Directors>

- The KPIs for performance-based compensation (bonuses) is per the table below. In order to evaluate the capability of the main business to make a profit in cash during a given fiscal year and to incorporate the shareholder perspectives, consolidated net income is also used together as a KPI.

Key Performance Indicators for performance-based bonuses

KPI	Ratio	Purpose of Evaluation
(a) Consolidated Operating CF (excl. financial services)*3	60%	Evaluation of profit-making capability in the main business in cash
(b) Consolidated Net Income	40%	Evaluation of the degree of achievement of budgeted net income

<The coefficient formula pertaining to performance-based bonuses>

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

(a) "Consolidated operating CF (excl. financial services)(*3)" related coefficient × 60%

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

(c) "Individual evaluations" related coefficient

- When evaluating KPIs, the range of compensation of Representative Directors is set wider by using different coefficients pertaining to performance-based bonuses from other Directors, so that the compensation of Representative Directors will be more affected by the link to performance.
- The coefficients pertaining to performance-based bonuses will vary depending on, not only an evaluation of KPI, but also individual evaluations.

(*3) Management accounting figures based on NOPAT excluding financial services.

(iii) Performance-based and stock-based compensation

- Performance-based and stock-based compensation currently applies only to Directors residing in Japan.
- Medium- and long-term incentive compensation is a performance-based and stock-based compensation that varies based on the Company's business performance, management indicators, non-financial indicators, etc. (the introduction of the BIP Trust system(*4) as a stock-based compensation system was resolved at the Annual Shareholders' Meeting held in May 2019).
- Performance-based and stock-based compensation will enhance sharing profits and risks with our shareholders who have medium- and long-term perspectives by providing points during the term of office based on which shares will be delivered.
- The initial covered period will be four fiscal years starting from the fiscal year ended February 29, 2020, and the subsequent covered periods will be per three (3) fiscal years.
- Shares will be delivered to Directors upon their retirement.
- Points to be granted for each fiscal year will be calculated by multiplying the standard points based on their position by a coefficient pertaining to performance-based and stock-based compensation and will vary between 0% and 200% depending on the achievement level of targets, etc.
- The KPI for performance-based and stock-based compensation is per the table below. In order to incorporate medium- and long-term shareholder perspectives, consolidated ROE and consolidated EPS are used as indicators and the degree

of the achievement will be evaluated.

- The Company, aiming for the balance of corporate value and social value, added a target to reduce the amount of CO_2 emissions under the environmental declaration called “GREEN CHALLENGE 2050” made in May 2019, as the KPI for performance-based and stock-based compensation from the fiscal year ended February 28, 2021.
- The degree of improvement in employee engagement has been added as the KPI for performance-based and stock-based compensation from the fiscal year ended February 28, 2023 to further promote the creation of an environment that allows various human resources to exercise their abilities.

(*4) A BIP (Board Incentive Plan) Trust is an incentive plan for officers established with reference to a performance share plan and a restricted share compensation plan in the U.S.

Key Performance Indicators for performance-based and stock-based compensation

KPIs	Ratio	Purpose of Evaluation
(a) Consolidated ROE	60%	Evaluation of profitability against equity
(b) Consolidated EPS	40%	Evaluation of net income from shareholders’ viewpoint
(c) CO_2 Emissions	See the formula below	Evaluation of the degree of promotion of reducing the environmental burden
(d) Employee engagement		Evaluation of the degree of improvement of employee engagement*5

*5 Comprehensive evaluation by the Compensation Committee

<Coefficient formula pertaining to performance-based and stock-based compensation>

Coefficient pertaining to performance-based and stock-based compensation = {(a)+(b)} × {(c)+(d)}

(a) “Consolidated ROE” related coefficient × 60%

(b) “Consolidated EPS” related coefficient × 40%

(c) “CO_2 emissions” related coefficient

(d) “Employee engagement” related coefficient

- When evaluating KPI, the range of compensation of Representative Directors is set wider by using different performance-based coefficients from other Directors, so that the compensation of Representative Directors will be more affected by the link to performance.

(iv) Restricted stock units

- The restricted stock units are applicable only to Executive Directors who reside overseas (Mr. Dacus, as Representative Director, President and CEO); thus, there will not be an overlap between the compensation and the performance-based and stock-based compensation mentioned in item (iii) above.

- Restricted stock units will be delivered as incentive-based compensation conditional on fulfillment of commitments over a certain period of time (restricted stock unit plan*6).
- In the restricted stock unit plan, units for delivery of shares will be provided to eligible Directors during the relevant Director's term of office, to share value with shareholders and to provide further incentives toward sustainable improvements to the Company's corporate value.
- The initial period of eligibility will be three fiscal years starting from the fiscal year ended February 28, 2026.
- The delivery, etc. of shares, etc. to eligible Directors shall be conducted based on a resolution passed at the Board of Directors meeting held after the adjournment of the first Annual Shareholders' Meeting convened following the expiration of the aforementioned period of eligibility.

*6 A restricted stock unit plan is a system of stock compensation through which eligible Directors are allocated a number of units determined by the Board of Directors in advance. Conditional on the continuous fulfillment of duties as eligible Directors, a specified number of shares, or the cash equivalent, is issued to eligible Directors based on the number of vested units after the end of a specified period. This specified period is from the Company's first Annual Shareholders' Meeting convened during the number of fiscal years specified by the Board of Directors to the adjournment of the first Annual Shareholders' Meeting convened after the conclusion of said number of fiscal years.

(c) Malus and clawback

- If a Director eligible for each type of compensation engages in serious misconduct or commits a violation, or if the Board of Directors passes a resolution to amend the Company's past financial statements due to material errors in accounting or accounting fraud, or if any similar events, designated by the Board of Directors depending on the nature of the relevant compensation, occur, the Company may choose not to deliver or provide all or part of each type of compensation (malus) or may request the return of all or part of each type of compensation delivered or provided to that Director (clawback).

(2) Outside Directors and Audit & Supervisory Board Members

(a) Compensation Mix Ratio

The compensation mix ratios for Outside Directors and Audit & Supervisory Board Members will be fixed compensation only as described in (b) below.

(b) Compensation Components

Fixed Compensation

- With an emphasis on further strengthening the independence of Outside Directors and Audit & Supervisory Board Members from management, the compensation of Outside Directors and Audit & Supervisory Board Members consists only of fixed compensation. Performance-based compensation (bonuses and stock-based compensation) will not be paid to Outside Directors and Audit & Supervisory Board Members.
- Compensation will be paid monthly during the term of office.
- An executive allowance, dependent on position, may be paid, after deliberation and reporting by the Compensation Committee and based on a resolution of the Board of Directors.

4. Compensation Governance

(1) Compensation Committee

The Company has established a compensation committee (in this Policy, the "Compensation Committee") to ensure objectivity and transparency in the procedures for deciding the compensation of Officers, etc. (referring in this Policy to Directors, Audit & Supervisory Board Members, and Executive Officers). The committee's chair and the majority of its members are Independent Outside Directors, and all of its members are Directors.

(2) Method of determining compensation

This Policy, the basic policy on Executive Compensation, is determined by the Board of Directors through deliberations by the Compensation Committee. Based on this Policy, the amount of compensation of each Director is deliberated on by the Compensation Committee in accordance with the evaluation of each Director's function, degree of contribution, and the Group's results, as well as the degree of achievement of KPI, and then determined by the Board of Directors based on reports received from the Compensation Committee.

The compensation of each Audit & Supervisory Board Member is determined through discussions by the Audit & Supervisory Board Members.

5. Compensation limit for Executives

The amount of Executive Compensation is decided within the following compensation limits determined at the Shareholders' Meeting.

The Company has already abolished the severance payment system for Executives, and no severance payments will be paid to Executive.

(1) Directors

- Monetary compensation

  Not more than ¥2.0 billion per year (and to within ¥0.5 billion per year for Outside Directors (out of the ¥2 billion)—neither limit includes employee salaries paid to Directors who serve concurrently as employees)
  (Resolved at the 20th Annual Shareholders' Meeting held on May 27, 2025)

- Stock-based compensation

  Performance-based and stock-based compensation

  Three (3) fiscal years / ¥1.2 billion or less (not more than ¥0.4 billion per fiscal year)
  The upper limit of the total points to be granted per fiscal year: 240,000 points(*) (1 point = 1 share of common stock)
  (Resolved at the 17th Annual Shareholders' Meeting held on May 26, 2022, separately from monetary compensation. The number of points granted per fiscal year had been limited to 80,000 by a resolution of that Annual Shareholders' Meeting, but following a share split with an effective date of March 1, 2024, whereby each share of common stock was split into 3 shares, this limit was adjusted to 240,000 points.)

  Restricted stock units

  500,000 shares per fiscal year (however, after the end of the service period, the Company may deliver the total number of common shares corresponding to that period in a lump sum).

  In the case of (1) delivery of shares, etc. without consideration, the maximum amount will be calculated by multiplying the closing price of the common shares in the Company ("Common Shares") on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution concerning this system to issue or dispose of Common Shares ("Company Stock Closing Price"), or another fairly appraised per-share value, by the number of Common Shares to be allocated to eligible Directors. In the case of (2) a contribution in kind, the maximum amount will be calculated by multiplying the per-share payment amount, which is to be determined by the Company's Board of Directors based on the Company Stock Closing Price and within a range that is not particularly advantageous to the eligible Directors receiving the Common Shares, by the number of Common Shares to be allocated to eligible Directors

(Resolved at the 20th Annual Shareholders' Meeting held on May 27, 2025)

(2) Audit & Supervisory Board Members

- Monetary compensation

Not more than ¥200 million per year
(Resolved at the 14th Annual Shareholders' Meeting held on May 23, 2019)

(ii) Aggregate amount of compensation, etc. regarding the 20th fiscal year

Classification of Directors/Audit & Supervisory Board Members	Number of eligible Directors/Audit & Supervisory Board Members	Total amount of compensation, etc. (Millions of yen)	Total amount of compensation, etc., by type (Millions of yen)			
			Fixed compensation	Performance-based compensation		
				Bonus	Stock-based compensation (BIP Trust)	Compensation under the stock plan whereby units are converted into shares after vesting (RSU)
Directors (excluding Outside Directors)	8	2,022	399	538	185	900
Outside Directors	12	259	259	–	–	–
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	3	84	84	–	–	–
Outside Audit & Supervisory Board Members	3	71	71	–	–	–

(Notes)

1. The above includes three (3) Directors (including one (1) Outside Director) and one (1) Audit & Supervisory Board Member who retired at the conclusion of the 20th Annual Shareholders' Meeting held on May 27, 2025, one (1) internal Director who resigned on March 9, 2025, and two (2) Outside Directors who resigned on March 11, 2025.
2. With regard to the individual whose appointment was changed from Outside Director to Representative Director and President on May 27, 2025, the portion of his term served as Outside Director is classified under Outside Directors, and the portion of his term served as Representative Director and President is classified under Directors (excluding Outside Directors).
3. The aggregate amounts of compensation, etc. of Directors shown above do not include amounts paid as salaries for employees to Directors who serve concurrently as employees.
4. At the 20th Annual Shareholders' Meeting held on May 27, 2025, it was resolved that compensation for Directors would be not more than ¥2.0 billion per year (including not more than ¥0.5 billion per year for Outside Directors; and not including salaries paid to Directors who serve concurrently as employees). The number of Directors was thirteen (13) in accordance with the resolution of this Shareholders' Meeting.

5. The 17th Annual Shareholders' Meeting held on May 26, 2022 revolved as follows regarding compensation amounts for Directors' stock-based compensation (BIP Trust). The number of Directors is four (4) in accordance with the resolution of this Shareholders' Meeting.
   3 fiscal years / ¥1.2 billion or less (not more than ¥0.4 billion per fiscal year)
   The upper limit of the total points to be granted per fiscal year: 80,000 points (1 point = 1 share of common stock)
   Following a share split with an effective date of March 1, 2024, whereby each share of common stock was split into 3 shares, the limit on the number of points granted per fiscal year was adjusted to 240,000 points.
6. At the 20th Annual Shareholders' Meeting held on May 27, 2025, compensation amounts for Directors' compensation under the stock plan whereby units are converted into shares after vesting (RSU) were resolved as follows. The number of Directors related to said resolution of the Annual Shareholders' Meeting is thirteen (13).
   500,000 shares per fiscal year (however, after the end of the Service Period, the Company may deliver the total number of common shares corresponding to that period in a lump sum)
   In the case of (1) delivery of shares, etc. without consideration, the maximum amount will be calculated by multiplying the closing price of the common shares in the Company ("Common Shares") on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution concerning this system to issue or dispose of Common Shares ("Company Stock Closing Price"), or another fairly appraised per-share value, by the number of Common Shares to be allocated to eligible Directors. In the case of (2) a contribution in kind, the maximum amount will be calculated by multiplying the per-share payment amount, which is to be determined by the Company's Board of Directors based on the Company Stock Closing Price and within a range that is not particularly advantageous to the eligible Directors receiving the Common Shares, by the number of Common Shares to be allocated to eligible Directors.
7. It was resolved at the 14th Annual Shareholders' Meeting held on May 23, 2019 that the annual amount of compensation paid to Audit & Supervisory Board Members shall not exceed ¥200 million. The number of Audit & Supervisory Board Members is five (5) in accordance with the resolution of this Shareholders' Meeting.
8. The amount of compensation under the stock plan whereby units are converted into shares after vesting (RSU) in the fiscal year under review is based on the number of units granted during the period of eligibility that consists of the three fiscal years from the fiscal year under review to the fiscal year ending February 29, 2028, and calculated by multiplying the total number of shares of the Company's common stock that would be issued if all of said units vested by the fair price at the time said units were delivered.
   The amount of the expense for compensation under the stock plan whereby units are converted into shares after vesting in the fiscal year under review was ¥225 million.
9. The amount of performance-based compensation above includes the amount of provision for bonuses to Directors and Audit & Supervisory Board Members, the amount of provision for the allowance for stock payments, and the amount of the expense for compensation under the stock plan whereby units are converted into shares after vesting in the fiscal year under review.
10. Stock-based compensation (BIP Trust) was granted to five (5) individuals, including one (1) internal Director who retired. Compensation under the stock plan whereby units are converted into shares after vesting (RSU), is for one Director (excluding Outside Directors).

(iii) KPI results pertaining to performance-based compensation in the 21st fiscal year

KPIs	Results in the 21st fiscal year
(a) Consolidated Operating CF (excl. financial services)*	¥759.0 billion
(b) Consolidated Net Income	¥292.7 billion

* a management accounting figure based on NOPAT excluding financial services.

Key Performance Indicators for performance-based and stock-based compensation

KPIs	Results in the 21st fiscal year
(a) Consolidated ROE	7.6%
(b) Consolidated EPS	¥118.81
(c) CO_2 Emissions	1,626,302 t

(Notes) 1. The result of "(c) CO_2 Emissions" is from fiscal year 2024.

2. “Employee engagement” related coefficient has been decided using the comprehensive evaluation by the Compensation Committee.

(iv) Reasons the Board of Directors has deemed that compensation, etc. of each Director pertaining to the 21st fiscal year aligns with the determination policy

The determination of details of compensation, etc. of each Director pertaining to the 21st fiscal year is made by the Board of Directors and the Board of Directors has determined that it is in line with the determination policy as the decision is based on a report by the Compensation Committee, which is an advisory body to the Board of Directors, after deliberation by the Compensation Committee in accordance with the evaluation of each Director’s function, degree of contribution, and the Group’s results, as well as the degree of achievement of KPIs based on the policy on Executive Compensation stated in (i) above.

(v) Aggregate amount of compensation, etc. of Outside Directors and Outside Audit & Supervisory Board Members from subsidiaries

During the 21st fiscal year, the total amount of compensation, etc. paid to Outside Directors and Outside Audit & Supervisory Board Members for their services as Executives by subsidiaries of the Company at which they hold concurrent positions was ¥14 million.

(vi) Total amount of consolidated compensation, etc. for each Executive

Name	Classification of Directors/ Audit & Supervisory Board Members	Company category	Total amount of compensation, etc., by type (Millions of yen)							Total amount of consolidated compensation, etc. (Millions of yen) (Note 1)
				Performance-based compensation						
					Long-term incentives					
			Fixed compensation	Short-term incentives (Bonus) (Note 2)	Monetary compensation (Note 2)	Stock-based compensation (BIP Trust) (Note 2)	Compensation under the stock plan whereby units are converted into shares after vesting (RSU) (Note 3)	Of the left, non-monetary compensation, etc. (Note 4)	Severance pay	
Junro Ito	Director	The Company	103	103	–	146	–	146	–	354
Stephen Hayes Dacus	Director	The Company (Note 5)	172	400	–	–	900	900	–	1,472
Shigeki Kimura	Director	The Company	40	45	–	52	–	52	–	182
	Director	SEVEN-ELEVEN JAPAN CO., LTD.	10	16	–	17	–	17	–	
Joseph Michael DePinto	Director	The Company	1	–	–	–	–	–	–	13,417
	Director	7-Eleven, Inc. (Note 6)	291	99	2,656	–	–	–	10,368	

(Notes)
1. Information is provided only on persons whose total amount of consolidated compensation, etc. is ¥100 million or more.
2. The amounts of performance-based compensation for the short-term incentive (bonuses), and among the long-term incentives, the monetary compensation and the stock-based compensation (BIP Trust) set forth above include the amounts recorded as provision expenses for directors’ bonuses and stock-based compensation for the fiscal year 2025.
3. The amount of compensation under the stock plan whereby units are converted into shares after vesting (RSU) is calculated by multiplying the total number of shares of the Company’s common stock deliverable, assuming that all units granted during the fiscal year 2025 covering the three-fiscal-year period from the fiscal year 2025 through the fiscal year 2027 vest in full, by the fair value of such units at the grant date. The amount of the expense for compensation under the stock plan whereby units are converted into shares after vesting (RSU) recorded for the fiscal year 2025 was ¥225 million.
4. The total amount of non-monetary compensation, etc., consists entirely of stock-based compensation (BIP Trust) and compensation under the stock plan whereby units are converted into shares after vesting (RSU).
5. The amount of compensation for Stephen Hayes Dacus, who assumed the position of Representative Director, President and CEO from Outside Director of the Company effective May 27, 2025, is provided as the aggregate of the compensation paid to him in his capacity as Outside Director and as Representative Director, President and CEO.
6. Joseph Michael DePinto, who resigned from his position as Director of the Company effective March 9, 2025, was paid compensation as Director & CEO of 7-Eleven, Inc. in addition to his compensation as a Director of the

Company (fixed compensation only) for the fiscal year 2025.

A summary of his compensation, etc., as Director & CEO of 7-Eleven, Inc. is as follows. The compensation structure of 7-Eleven, Inc.'s CEO consists of "fixed compensation," which is fixed monetary compensation, and "short-term incentives" and "long-term incentives," which are performance-based monetary compensation, emphasizing the relationship between performance and corporate value and aiming to increase morale and the motivation to contribute to the mid- to long-term enhancement of 7-Eleven, Inc.'s performance and corporate value. To encourage the achievement of performance targets, more than 90% of the total compensation is performance-based. Setting the short-term incentives for one year and the long-term incentives for three years as an evaluation period, we evaluate their performance based on their target achievement levels and value increased levels. The evaluation periods for the short-term incentives and long-term incentives paid in the fiscal year 2025 were the fiscal year 2024 and from the fiscal year 2022 to 2024 respectively. Compensation is paid in local currency. In the fiscal year 2025, fixed compensation of US$1,950 thousand, short-term incentives of US$664 thousand, and long-term incentives of US$17,754 thousand were paid and converted to yen at ¥149.61 to the dollar. The compensation levels of 7-Eleven, Inc.'s CEO refer to the compensation levels in the U.S. market, and factor in the knowledge of external evaluation organizations, from the perspective of securing and retaining talented personnel, etc. The amount of compensation is ultimately determined by resolution of the board of directors of 7-Eleven, Inc., after discussions by the Company's Compensation Committee, to secure objectivity and transparency in the decision-making process. In addition, the amount of severance pay (special compensation payable upon termination of an engagement agreement or an employment agreement) payable to Joseph Michael DePinto by 7-Eleven, Inc. upon his retirement from his position as Director and CEO of 7-Eleven, Inc. is presented as "Severance payment" above. The P&L impact for the fiscal year 2025 amounted to ¥5,635 million, of which ¥2,977 million was recorded as other extraordinary losses.

(3) Items related to Outside Directors and Outside Audit & Supervisory Board Members

(i) Standards for the independence of Outside Directors and Outside Audit & Supervisory Board Members, etc.

The Company emphasizes diversity in its Directors and Audit & Supervisory Board Members, including in Outside Directors and Outside Audit & Supervisory Board Members, and strives to secure highly capable external human resources who will support enhanced corporate governance. Accordingly, the Company has adopted the following standards for independence of Outside Directors and Outside Audit & Supervisory Board Members, considering that it is better to judge each candidate from the essential perspective of whether they have any potential conflict of interest with general shareholders.

The opinions of the Outside Directors and Outside Audit & Supervisory Board Members were also considered in the adoption of the following standards; the Company will continue to discuss the standards going forward, noting that other companies and so forth have examined their independence standards from various perspectives.

1. Independence standards for Outside Directors and Outside Audit & Supervisory Board Members

(1) Fundamental approach

Independent Directors and Independent Audit & Supervisory Board Members are defined as Outside Directors and Outside Audit & Supervisory Board Members who have no potential conflicts of interest with general shareholders of the Company.

In the event that an Outside Director or an Outside Audit & Supervisory Board Member is likely to be significantly controlled by the management of the Company or is likely to significantly control the management of the Company, that Outside Director or Outside Audit & Supervisory Board Member is considered to have a potential conflict of interest with general shareholders of the Company and is considered to lack independence.

(2) Independence standards

In accordance with this fundamental approach, the Company uses the independence standards established by the financial instruments exchange as the independence standards for the Company's Outside Directors and Outside Audit & Supervisory Board Members.

2. De minimis thresholds for information disclosure regarding the attributes of Independent Directors and Independent Audit & Supervisory Board Members as negligible (in the most-recent business year of the Company)

・With regard to transactions, "less than 1% of the non-consolidated revenues from operations of the Company in the most recent accounting period"

・With regard to donations, "less than ¥10 million"

(ii) Relationship between the Company and other companies at which Outside Directors and Outside Audit & Supervisory Board Members hold important concurrent positions

There are no special relationships between the Company and other companies at which Outside Directors and Outside Audit & Supervisory Board Members hold important concurrent positions.

(iii) Main activities during the 21st fiscal year

(Outside Directors)

Name	Attendance at the meetings of the Board of Directors (Attendance rate)	Main remarks made and summary of duties performed with respect to the roles expected of Outside Directors
Fuminao Hachiuma	15/15 (100%)	Fuminao Hachiuma gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding corporate management, organizational management, marketing and sustainability.
Yoshiyuki Izawa	15/15 (100%)	Yoshiyuki Izawa gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding international corporate management, business administration, finance and accounting, sustainability and capital markets.
Meyumi Yamada	15/15 (100%)	Meyumi Yamada gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing her opinions based on her broad high level knowledge and experience regarding EC, DX (digital transformation), organizational management, marketing and sustainability.
Paul Yonamine	15/15 (100%)	Paul Yonamine gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding DX (digital transformation), organizational management, finance and accounting, etc.
Takashi Sawada	11/11 (100%)	Takashi Sawada gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding overseas expansion in the retail industry, franchise businesses, branding, and finance and accounting, etc.
Masaki Akita	11/11 (100%)	Masaki Akita gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing his opinions based on his broad knowledge of the inbound tourism business and of food, as well as his broad high level knowledge and experience regarding marketing, risk management, etc.
Tatsuya Terazawa	11/11 (100%)	Tatsuya Terazawa gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing his opinions based on his broad high level knowledge and experience regarding international trade, franchise businesses, risk management, sustainability, etc.
Christine Edman	11/11 (100%)	Christine Edman gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors’ decision making, primarily by expressing her opinions based on her broad knowledge of the global retail industry, as well as her broad high level knowledge and experience regarding DX (digital transformation), and marketing and branding, etc.

(Outside Audit & Supervisory Board Members)

Name	Attendance at the meetings of the Board of Directors (Attendance rate)	Attendance at the meetings of the Audit & Supervisory Board (Attendance rate)	Main remarks
Kazuhiro Hara	15/15 (100%)	22/22 (100%)	Kazuhiro Hara asked questions and expressed his opinions as he deemed appropriate, with his abundant experience and technical knowledge related to finance, accounting, tax and risk management.
Mitsuko Inamasu	14/15 (93.3%)	22/22 (100%)	Mitsuko Inamasu asked questions and expressed her opinions as she deemed appropriate, with her abundant experience and technical knowledge related to overall corporate legal affairs and risk management.
Kaori Matsuhashi (Real name: Kaori Hosoya)	15/15 (100%)	22/22 (100%)	Kaori Matsuhashi asked questions and expressed her opinions as she deemed appropriate, with her abundant experience and technical knowledge related to finance, accounting, management administration and risk management.

・Exchanges of opinions with Directors, etc.

In addition to meetings of the Board of Directors, Outside Directors and Outside Audit & Supervisory Board Members met with the Representative Directors, Directors, Standing Audit & Supervisory Board Members, and others on a regular or as-needed basis, including in Management Opinion Exchange Meetings. The themes were set for each of the meetings, including the Board of Directors' meetings, centered on various management issues and matters of high social concern. Reports were provided by Directors, the internal control divisions, and so forth, regarding the status of business execution and internal control at the Company and its Group companies, and explanations were given in response to questions from the Outside Directors and Outside Audit & Supervisory Board Members, who also expressed their opinions regarding the Company's management, corporate governance, and other topics based on their respective expert knowledge and wide-ranging, high-level experience and insight into management. In these and other ways, the Outside Directors and Outside Audit & Supervisory Board Members coordinated with each other while exchanging frank and lively opinions.

Through these activities, Outside Directors supervised operational execution, and Outside Audit & Supervisory Board Members performed audits of operational execution and accounting practices.

5. Items Related to the Accounting Auditor

(1) Name: KPMG AZSA LLC

(2) Amount of compensation, etc.

	Amount paid (Millions of yen)
Amount of compensation, etc. for services as accounting auditor for the 21st fiscal year	675
Total amount of monies and other financial benefits to be paid to the accounting auditor by the Company and its subsidiaries	713

(Notes)

1. Under the audit contract concluded between the Company and the accounting auditor, the amounts of compensation, etc. for audits as per the Companies Act and the amounts of compensation, etc. for audits as per the Financial Instruments and Exchange Act are not clearly separated, and those amounts cannot practically be separated; therefore, the aggregate of those amounts is shown as the amount of compensation, etc. for services as an accounting auditor for the 21st fiscal year.
2. The Audit & Supervisory Board performed necessary verification to see whether the audit plan prepared by the accounting auditor, the status of the performance of their duties during the accounting audit, and the basis for calculating the estimated amount of compensation and the like were appropriate; thereafter, it decided to consent to the amount of compensation, etc. for services as an accounting auditor, as stipulated in Article 399, Paragraph 1 of the Companies Act.
3. Among the major subsidiaries of the Company, 7-Eleven, Inc. is audited by an audit corporation other than the Company's accounting auditor.

(3) Non-audit operations

The Company made payment of consideration to the Accounting Auditor for advisory service related to accounting.

(4) Policy for determining the dismissal or non-reappointment of the accounting auditor

In the event any of the reasons stipulated in the items of Article 340, Paragraph 1 of the Companies Act becomes applicable to the accounting auditor, the Company's Audit & Supervisory Board will consider the dismissal of that accounting auditor, and if dismissal is deemed appropriate, the accounting auditor will be dismissed based on the unanimous agreement of the Audit & Supervisory Board Members. In the event the Company's Audit & Supervisory Board determines that circumstances related to the accounting auditor's performance of its duties and the Company's audit system necessitate a change in the accounting auditor, the Company's Audit & Supervisory Board will make a decision to propose a resolution for the non-reappointment of the accounting auditor to a Shareholders' Meeting.

(5) Summary of the liability limitation agreement

None.

6. Systems for Ensuring Appropriate Operations

1. Corporate Philosophy

The Company formulated its Corporate Creed as below. The Corporate Creed is unchanging and comprehensively symbolizes the Group's corporate philosophy, thus, the Company values it most as the fundamental basis of the Group's management.

"Corporate Creed"

We aim to be a sincere company that our customers trust.

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

We aim to be a sincere company that our employees trust.

2. Basic views on corporate governance

The Company considers corporate governance to be a system for sustainable growth by establishing and maintaining a sincere management structure and continuously increasing the Group's corporate value over the medium- and long-term in both financial and non-financial aspects to ensure the trust and longstanding patronage of all stakeholders, including customers, business partners and franchisees, shareholders and investors, local communities, and employees, based on the Corporate Creed.

The Company's mission as a holding company is to strengthen corporate governance and maximize the Group's corporate value, and the Company will strive to achieve this mission through the provision of support, oversight, and optimal resource allocation to its operating companies.

3. The resolution of the Board of Directors

The Company has adopted the following resolutions regarding "the development of systems for ensuring that the execution of duties by the Directors complies with laws, regulations, and the Articles of Incorporation and other systems required by the Ministry of Justice Ordinance for ensuring the compliance of operations performed by a corporation and by the corporate group comprised of the corporation and its subsidiaries," as stipulated by the Companies Act.

(1) Systems for ensuring that the execution of duties by the Company's and its subsidiaries' Directors and employees is compliant with laws, regulations, and the Articles of Incorporation

(i) The Group announces in the "Corporate Creed" and the "Corporate Action Guidelines," etc. that in order to continue to be trusted and known for integrity, the Group shall implement ethical corporate activities; strictly observe laws, regulations, and social norms; and fulfill corporate social responsibilities. On that basis, the Company shall establish, maintain, and utilize management systems related to the promotion, management, and supervision of compliance and corporate ethics of the Group; operate internal whistleblowing systems; promote fair trade; and disseminate the Corporate Action Guidelines and the guidelines of each company. In these ways, compliance shall be further enhanced.

(ii) The Group will announce its commitment to not having any contact with antisocial groups and will clearly refuse unreasonable requests. Through cooperation with outside specialists, such as the police and lawyers, we will rapidly implement legal countermeasures, both civil and criminal.

(iii) The Company's internal auditing division, which is independent from operating divisions, will internally audit the status of the maintenance and operation of the Company's compliance system, and will also confirm the status of the maintenance and operation of the compliance systems of the Company's subsidiaries in collaboration with the internal auditing divisions, etc. of each subsidiary.

(iv) The Group's Audit & Supervisory Board Members will ensure that the execution of duties by their respective companies' Directors is compliant with laws, regulations, and the Articles of Incorporation and work to raise the effectiveness of the supervisory function.

(2) Systems for the storage and control of information related to the execution of duties by the Company's Directors

(i) In accordance with laws, regulations, and related internal rules, the Company shall properly produce, store, and manage documents for which production and storage are legally required, such as minutes of Shareholders' Meetings, minutes of Board of Directors' meetings (including electromagnetic records; hereafter the same), circular decision-making documents (*ringisho*), and other documents and information necessary to secure appropriate operational execution.

(ii) The Company shall establish, maintain, and utilize a system for supervising management of business information and also controlling planning, development and facilitation of initiatives related to the information management. The Company shall appoint an information management supervisor at each company, and the information management supervisor of the Company shall be then responsible for business information management of the overall Group by setting the Company's Information Management Committee as the core function for the purpose, ensuring enhanced effectiveness of timely and accurate information disclosure by the function responsible for comprehensively collecting and disclosing important information, and integrated information management in view of the safe management of such important information as trade secrets and personal information. In addition, reports on such matters as the status of information management shall be made periodically to the Board of Directors and the Audit & Supervisory Board Members.

(3) The Company's and its subsidiaries' regulations and systems for loss risk management

(i) The Company shall establish, maintain, and utilize systems, in order to properly analyze, evaluate, and appropriately respond to risks associated with each business, with consideration for changes in the management environment and risk factors relevant to the Group.

(ii) The Board of Directors, Directors, and people responsible for operating divisions of each Group company shall conduct sufficient analysis and evaluation of risks associated with operational execution, and improvement measures shall be implemented rapidly.

(iii) In the case where any business of the Group experiences a major disruption, a serious incident or accident, or a large-scale disaster, etc., the Company shall establish a countermeasures headquarters, and measures to facilitate the continuation of operations shall be implemented immediately in order to minimize damage to the Group.

(4) The Company's systems for ensuring the efficiency of the execution of duties by Directors

(i) The details of the decision-making authority of the Directors and executive officers and the divisions with responsibility for each administrative area shall be clearly and appropriately defined in the Decision Authority Regulations, etc. In this way, the Company shall avoid administrative duplication and conduct flexible decision-making and administrative execution.

(ii) To secure the sustained growth of the Company, the Company's Board of Directors shall make decisions on such matters as important management objectives and budget allocations for the Group. Through such means as periodic reports from the Company's Directors and people responsible for operating divisions, the efficiency and soundness of administrative execution shall be investigated and appropriate reevaluations shall be conducted.

(iii) The Company's Board of Directors, as a general rule, shall meet once each month. In addition, when necessary, extraordinary meetings of the Company's Board of Directors shall be held or resolutions of the Company's Board of Directors shall be adopted through documents. Rapid decision making will be implemented and efficient administrative execution will be promoted. The Company shall comply with the Articles of Incorporation, Rules of the Board of Directors, etc. of the Company concerning specific operations of the Board of Directors.

(5) Systems for ensuring appropriate operations within the corporate group consisting of the Company and its subsidiaries

(i) In regard to the status of the maintenance and operation of the Group's internal control systems, a system for periodic reporting to the Company's Board of Directors and Audit & Supervisory Board Members will be established.

(ii) Regarding important decision-making matters of subsidiaries, the Company will set out items requiring approval from the Board of Directors, etc. of the Company, as well as related procedures, and establish management structures of subsidiaries.

(iii) The Company will set out items subject to reporting by subsidiaries to the Company, as well as related procedures, and establish cooperative structures with subsidiaries.

(6) The Company's systems for ensuring the appropriateness of financial reporting

(i) In order to ensure the Company is able to provide shareholders, investors, creditors, and other stakeholders with highly reliable, timely financial reports in compliance with laws and regulations, the Company shall build, develop, and appropriately operate internal control systems that ensure appropriate accounting procedures and financial reporting, in accordance with the relevant rules, such as rules on establishing internal controls for financial reporting.

(ii) The Company's internal auditing division, which is independent from operating divisions, shall check and assess the effectiveness of the development and operation of internal controls for the financial reporting of the Group in collaboration with the internal auditing divisions, etc. of the Company's subsidiaries.

(iii) Directors, Audit & Supervisory Board Members, and the accounting auditor shall appropriately exchange information about matters recognized as highly likely to have a significant effect on financial standing.

(7) Matters related to the provision of support staff for the Company's Audit & Supervisory Board Members when so requested

Upon discussion with the Audit & Supervisory Board, the Company shall determine the number of full-time staff to support Audit & Supervisory Board Members and provide such staff.

(8) Matters related to the independence from the Company's Directors of the support staff for the Company's Audit & Supervisory Board Members and securing effectiveness of instructions

The selection (including subsequent replacements) of support staff to work exclusively for the Audit & Supervisory Board Members shall be subject to the approval of the Audit & Supervisory Board Members. In addition, the support staff shall comply with the Employment Rules of the Company. However, the Audit & Supervisory Board Members shall have the authority to provide directions and orders to the support staff and personnel matters such as working conditions and disciplinary actions shall be implemented upon prior consultation with the Audit & Supervisory Board Members.

(9) Systems for reporting to the Company's Audit & Supervisory Board Members

(i) Systems for Directors and employees of the Company to report to the Audit & Supervisory Board Members of the Company
When matters that could cause significant damage to the Company, as well as malfeasances or violations of laws, regulations, or the Articles of Incorporation, etc. committed by a Director or an employee are found, Directors and employees of the Company shall report them to the Audit & Supervisory Board Members of the Company pursuant to the predetermined procedures.

(ii) Systems for Directors, Audit & Supervisory Board Members, and employees of the Company's subsidiaries, or persons who have received reporting from these people to report to the Audit & Supervisory Board Members of the Company
When matters that could cause significant damage to the Group companies, as well as malfeasances or violations of laws, regulations, or the Articles of Incorporation, etc. in the Group companies are found, Directors, Audit & Supervisory Board Members and employees of the Company's subsidiaries shall report them to the Audit & Supervisory Board Members of the Company pursuant to the predetermined procedures.

(iii) Systems for reporting to the Audit & Supervisory Board Members of the Company through an internal whistleblowing system
Directors, Audit & Supervisory Board Members and employees of the Group companies may use an internal whistleblowing system established by the Company at any time when acts constituting a violation of laws and regulations, social norms, internal rules or the like are found in the operations of the Group companies, and the secretariat operating the internal whistleblowing system shall provide reports to the Audit & Supervisory Board Members of the Company concerning the content of the reports and the operation of the internal whistleblowing system, pursuant to the internal rules.

(10) Systems for ensuring that no one providing such reports defined in the preceding item shall suffer any disadvantageous treatment due to such reporting made

The Company shall explicitly state in its internal rules that no one providing such reports defined in the preceding item shall suffer any disadvantageous treatment in terms of personnel matters or any other aspects due to such reporting made. Furthermore, the Company will ensure thorough awareness of this issue among its subsidiaries so that, in the same way, no one providing reports defined in the preceding item shall suffer any disadvantageous treatment.

(11) Matters concerning policies for processing prepayment or repayment of costs incurred in relation to execution of duties of the Audit & Supervisory Board Members of the Company and other processing of costs or liabilities incurred in relation to execution of duties thereof

The Company shall bear the costs incurred in relation to the execution of duties by the Company's Audit & Supervisory Board Members. Furthermore, the Company shall handle the prepayment or repayment of audit expenses in accordance with internal rules.

(12) Other systems for ensuring that the Company's Audit & Supervisory Board Members can conduct their activities effectively

(i) The Company's Audit & Supervisory Board Members shall meet regularly with the Representative Director, and exchange opinions concerning important audit matters.

(ii) The Company's Audit & Supervisory Board Members shall maintain close contact with the Company's internal auditing division, and may request the division to conduct inspections when necessary.

(iii) The Company's Audit & Supervisory Board Members shall meet regularly with the Audit & Supervisory Board Members, etc. of the Company's subsidiaries and work together from time to time in order to conduct appropriate audits of the corporate group.

(iv) The Company's Audit & Supervisory Board Members may consult with the accounting auditor and lawyers as needed, and the Company shall bear all of the costs of such consultation.

4. Summary of operational status of systems for ensuring appropriate operations

(1) Status of the Company's corporate governance

The Company's Board of Directors comprises 13 members (including 8 Independent Outside Directors / 11 men and 2 women) and meets once a month in principle. To facilitate prompt decision making and business execution even amid a dramatically changing operating environment, the Company has introduced the executive officer system and separated the Board of Directors' supervisory function from the executive officers' business execution function. This developed an environment where the Board of Directors is able to focus on the "formulation of management strategies" and the "oversight of business execution," while the executive officers can focus on "business execution." The executive officers comprise 19 members (16 men and 3 women). The term of office of the Directors is set to one year in order to reflect the intentions of shareholders regarding the appointment of the management team in a timely manner.

Matters to be decided by the Board of Directors at the Company are stipulated in the Board of Directors Regulations, the Decision Authority Regulations, and so forth, and matters stipulated by the Companies Act and the Company's internal regulations are decided by the Board of Directors. The Decision Authority Regulations clearly set forth the scope of matters to be decided by the President and Representative Director. This clarifies the decision-making process for management and the structure of responsibility, while also expediting decision-making by rational delegation of authority.

The Company's Board of Directors held 15 meetings during the 21st fiscal year, and made decisions on such matters as important management objectives and budget allocations for the Company and its Group companies. Through such means as reports from the Company's Directors and people responsible for operating divisions, the Company addressed important management issues, including investigating and re-evaluating the efficiency and soundness of administrative execution.

The Audit & Supervisory Board is composed of 5 members (including 3 Independent Outside Audit & Supervisory Board Members / 3 men and 2 women), and monitors management based on the Audit & Supervisory Board Member system. In addition to attending Board of Directors' meetings and other important meetings, the Audit & Supervisory Board Members exchange opinions with the Representative Directors and periodically interview Directors regarding the status of business execution, and they investigate the status of business operations and assets of the Company and its operating companies based on the audit plan. In addition, they share information with operating companies' Directors and Audit & Supervisory Board Members and audit the Directors' performance of duties. Further, the Audit & Supervisory Board Members exchange information with the accounting auditor to maintain close ties with them with respect to accounting audits.

The Outside Directors and Outside Audit & Supervisory Board Members provide advice and suggestions to ensure the validity and appropriateness of decision-making and business execution by the Board of Directors. They also supervise and audit the execution of business by exchanging opinions regarding company management, corporate governance, and other matters at meetings with Directors and others.

(2) Initiatives at internal auditing divisions

The Company has established the Auditing Office as an independent internal auditing division, and it evaluates internal controls regarding the financial reporting of the whole Group. In addition to auditing the Company itself as a holding company, the Auditing Office verifies internal audits of key operating companies or directly audits them, including in relation to the status of the maintenance and management of compliance systems, in order to enhance and reinforce the auditing function of the whole Group.

(3) Coordination between Audit & Supervisory Board Member audits, internal audits and accounting audits

In order to improve the overall quality of audits, the Company ensures that the Audit & Supervisory Board Members (including the Outside Audit & Supervisory Board Members), the Auditing Office, and the auditing firm proactively exchange information and endeavor to maintain close ties with each other, by such means as periodically holding tri-partite meetings. In the meeting, the Audit & Supervisory Board Members (including the Outside Audit & Supervisory Board Members) receive reports from the auditing firm on, among other matters, the performance of accounting audits, and reports from the Auditing Office on, among other matters, the performance of internal audits, respectively, and request explanations as necessary.

Furthermore, the Company periodically holds reporting sessions for accounting audits, which are attended by the Representative Directors and other Executives, as well as the Standing Audit & Supervisory Board Members and the Auditing Office, etc. In the sessions, they receive reports from the auditing firm on the accounting audits, and confirm, among other matters, the results of the accounting audits.

Furthermore, the Standing Audit & Supervisory Board Members and the Auditing Office hold meetings, basically once a month. In the meetings, the Auditing Office reports on the results of operational audits and the progress of internal control evaluations, etc., and also actively exchanges opinions with the Standing Audit & Supervisory Board Members regarding, among other matters, priority matters that should be examined in order to improve the quality of audits. With these efforts, the two parties aim to ensure comprehensive sharing of audit information between each other.

In the Audit & Supervisory Board meetings and other meetings, the Standing Audit & Supervisory Board Members report to the Outside Audit & Supervisory Board Members on, inter alia, the status of the reporting session for accounting audits and the contents of the meeting with the Auditing Office, respectively described above, and thereby share and discuss issues to be addressed and the like. Furthermore, by providing the Auditing Office and the auditing firm with feedback on the matters thus discussed, the Standing Audit & Supervisory Board Members aim to ensure that (i) audits by the Audit & Supervisory Board Members, including the Outside Audit & Supervisory Board Members; (ii) internal audits; and (iii) accounting audits are linked with each other in a timely manner.

Further, the Auditing Office reports on the performance and the results of internal audits in the Audit & Supervisory Board meetings and other meetings from time to time, and provides explanations in response to questions and so on from the Audit & Supervisory Board Members (including the Outside Audit & Supervisory Board Members).

At each audit, the Audit & Supervisory Board Members (including the Outside Audit & Supervisory Board Members), the Auditing Office, and the auditing firm receive reports and materials, etc. from the internal control divisions, and request explanations as deemed necessary, and the internal control divisions cooperate in the appropriate performance of these audits.

(4) Efforts of each committee

The Company has established the "Sustainability Committee," "Risk Management Committee," and "Information Management Committee," which report to the Representative Directors. Each committee determines Group policies in cooperation with the operating companies, and strengthens corporate governance by managing and supervising their dissemination and execution.

●Sustainability Committee

The Company has established the Sustainability Committee based on Sustainability Basic Rules for the purpose of promoting, administrating and supervising the sustainability activities of the entire Group through operating activities in order to contribute to solving social issues and aim for sustainable growth for both society and the Group. The Company has also established five subcommittees under the Sustainability Committee tasked with the examination and promotion of concrete measures to promote operating activities that will contribute to solving material issues (Materiality) identified to address the expectations and demands of stakeholders and realizing a more thorough compliance practice. Through these subcommittees, the Company has carried out initiatives to find solutions to issues and implemented preventive measures.

Under the Sustainability Committee, to resolve material issues that should be addressed by the Group, the Company tasks a subcommittee with each relevant issue: the "Environment Subcommittee" with helping mitigate climate change, depletion of resources, and other environmental burdens; the "Supply Chain Subcommittee" with building a sound supply chain that takes human rights and the environment into consideration and with ensuring safety and improving quality for merchandise and services; the "Corporate Ethics and Culture Subcommittee" with ensuring thorough awareness and adoption of the Corporate Creed and the Corporate Action Guidelines, building worker-friendly workplaces, promoting advancement of diverse human resources and improving the labor environments; the "Compliance Subcommittee" with strengthening compliance and internal controls; and the "Social Value Creation Subcommittee" with the planning, proposal and operation of new businesses originating from addressing social issues through the main business, by utilizing business characteristics and management resources. These subcommittees have formulated and carried out measures to address such individual issues on a Group-wide basis.

Through the activities of these subcommittees, we will promote business activities that further ensure compliance and contribute to the resolution of the material issues (Materiality) related to stakeholders, while aiming for sustainable development of both society and our Group from a sustainability perspective.

To strengthen governance related to sustainability, we are considering revising the sustainability promotion system within our Group.

●Risk Management Committee

In accordance with the basic rules for risk management, the Company and its Group companies establish, streamline, and manage comprehensive risk management systems, centered on the Risk Management Committee, in order to properly analyze, evaluate, and appropriately respond to risks associated with each business, with consideration for changes in the management environment and risk factors.

The Risk Management Committee receives reports from the departments in charge of risk management regarding the risk management status of the Company. The committee comprehensively determines, assesses, and analyzes risks and discusses measures, and determines the future direction going forward.

In recent years, in addition to changes in the Group's internal environment, various changes in the external environment have had a significant impact on business activities, including heightening of geopolitical risks and ESG-related risks. In response to these changes, the Company is working on risk management that takes into account not only short-term risks but also medium- to long-term risks. Furthermore, by identifying high-priority risks from various perspectives such as importance and commonality, and by clarifying the roles and responsibilities within the Company and each Group company, we have enhanced the effectiveness of risk management across the entire Group.

●Information Management Committee

In accordance with the Information Control Regulations, the Company has carried out risk analysis, evaluation and measures regarding the handling of operations-related information that is learned, created or retained by officers and employees of the Group under the Information Management Committee, chaired by the information management supervisor.

In the 21st fiscal year, as in the 20th fiscal year, we continued our efforts to strengthen our information collection and management system, and strengthened the system to gather important information from Group companies in an appropriate and timely manner in order to cooperate with each other to deal with such information, as well as to centrally manage such information and report it, without omission or delay, to management and the relevant divisions.

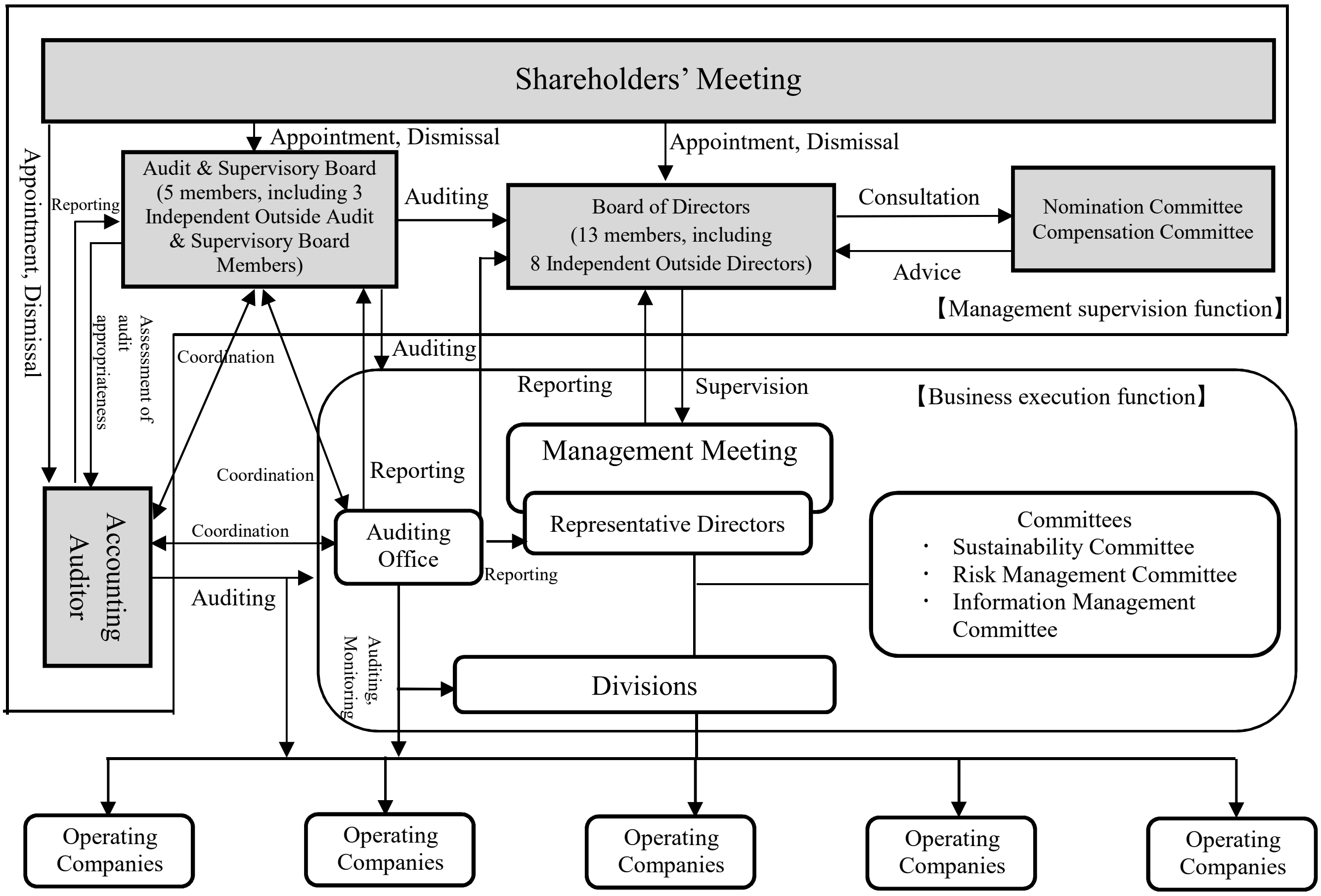
In addition, in order to comply with laws, regulations and guidelines surrounding information security and the protection of personal information, as well as to take measures against cyber attacks, which are becoming more sophisticated and complex by the day, the Company enhances its information security management system and promotes the advancement of organizational, human, physical, and technical safety control measures by reviewing information handling procedures, strengthening management of contractors, educating and training officers and employees, and establishing systems to promptly detect suspicious communications.

Furthermore, we provide officers of the Group with in-house training regarding the prevention of insider trading in order to familiarize them with the "Insider Trading Prevention Rules," which are internal regulations, and prevent insider trading, thereby ensuring the proper handling of information such as material facts.

These initiatives are disseminated to all Group companies by the Information Management Committee, which also provides direction to them, and supports the autonomous and continuous promotion of these initiatives by monitoring and evaluating them, thereby making efforts to strengthen the governance of information management.

Corporate Governance System

The Company's corporate governance system is as follows (as of February 28, 2026):



* As of April 16, 2026, the Board of Directors consists of 13 members, eight of whom are Independent Outside Directors.

Reference: Effectiveness evaluations of the Board of Directors

https://www.7andi.com/en/ir/management/governance/board.html#evaluation

(Note)

In this Business Report, the final numbers that are described have been rounded down, and amounts less than the stated numbers have been omitted. Except that, unless otherwise noted, percentages have been rounded to one decimal place, and net income per share and net assets per share have been rounded to the nearest number as stated.

CONSOLIDATED BALANCE SHEET (as of February 28, 2026)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		**LIABILITIES**	
Current assets	**1,492,546**	**Current liabilities**	**1,900,670**
Cash and bank deposits	438,634	Notes and accounts payable, trade	416,083
Notes and accounts receivable - trade, and contract assets	298,684	Short-term loans	135,580
		Current portion of bonds	255,657
Trade accounts receivable-financial services	42,214	Current portion of long-term loans	190,456
Merchandise and finished goods	223,018	Income taxes payable	37,440
Work in process	94	Accrued expenses	258,979
Raw materials and supplies	286	Contract liabilities	70,667
Prepaid expenses	89,344	Deposits received	177,934
Other	407,277	Lease obligations	164,772
Allowance for doubtful accounts	(7,008)	Allowance for loss on business of subsidiary	3,299
Non-current assets	**7,650,015**	Allowance for sales promotion expenses	335
Property and equipment	**4,497,967**	Allowance for bonuses to employees	5,388
Buildings and structures	1,449,775	Allowance for bonuses to Directors and Audit & Supervisory Board Members	718
Furniture, fixtures and equipment	435,334		
Land	902,246	Other	183,357
Right-of-use assets	1,451,665	**Non-current liabilities**	**3,594,091**
Construction in progress	231,458	Bonds	929,828
Other	27,487	Long-term loans	718,495
Intangible assets	**2,469,026**	Deferred tax liabilities	224,633
Goodwill	2,109,806	Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	134
Software	201,682		
Other	157,537		
Investments and other assets	**683,021**	Allowance for stock payments	1,504
Investments in securities	363,740	Net defined benefit liability	16,566
Long-term loans receivable	7,056	Deposits received from tenants and franchised stores	13,796
Long-term leasehold deposits	157,112		
Net defined benefit asset	67,194	Lease obligations	1,398,990
Deferred income taxes	37,148	Asset retirement obligations	225,304
Other	52,406	Other	64,836
Allowance for doubtful accounts	(1,637)	**TOTAL LIABILITIES**	**5,494,762**
Deferred assets	**395**	**NET ASSETS**	
Bond issuance cost	395	**Shareholders' equity**	**2,634,255**
		Common stock	50,000
		Capital surplus	293,429
		Retained earnings	2,906,276
		Treasury stock, at cost	(615,450)
		Total accumulated other comprehensive income	**985,971**
		Unrealized gains (losses) on available-for-sale securities, net of taxes	55,662
		Unrealized gains (losses) on hedging derivatives, net of taxes	4,622
		Foreign currency translation adjustments	884,784
		Remeasurements of defined benefit plan	40,900
		Share award rights	**225**
		Non-controlling interests	**27,743**
		TOTAL NET ASSETS	**3,648,195**
TOTAL ASSETS	**9,142,957**	**TOTAL LIABILITIES AND NET ASSETS**	**9,142,957**

CONSOLIDATED STATEMENT OF INCOME (March 1, 2025 to February 28, 2026)

(Millions of yen)

Item	Amount	
Revenues from operations		**10,430,269**
Net sales		8,893,693
Cost of sales		7,300,235
Gross profit on sales		**1,593,457**
Operating revenues		1,536,575
Gross profit from operations		**3,130,033**
Selling, general and administrative expenses		2,707,040
Operating income		**422,993**
Non-operating income		
Interest and dividend income	13,002	
Gain on valuation of investment securities	2,214	
Other	3,566	18,782
Non-operating expenses		
Interest expenses	29,773	
Interest on bonds	19,709	
Equity in losses of affiliates	5,304	
Other	9,576	64,363
Ordinary income		**377,411**
Special gains		
Gain on sales of property and equipment	94,599	
Gain on change in equity in superstore business	26,946	
Gain on sales of investments in securities	5,485	
Insurance income	344	
Other	15,540	142,915
Special losses		
Loss on disposals of property and equipment	22,525	
Impairment loss	32,829	
Restructuring expenses	873	
Other	29,534	85,762
Income before income taxes		**434,564**
Income taxes - current	114,352	
Income taxes - deferred	21,120	135,472
Net income		**299,091**
Net income attributable to non-controlling interests		6,330
Net income attributable to owners of parent		**292,760**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (March 1, 2025 to February 28, 2026)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	**Total shareholders' equity**
Balance at March 1, 2025	**50,000**	**293,455**	**2,722,170**	**(17,108)**	**3,048,517**
Cumulative effects of changes in accounting policies			5,766		**5,766**
Restated balance at March 1, 2025	**50,000**	**293,455**	**2,727,937**	**(17,108)**	**3,054,284**
Increase (decrease) for the year					
Cash dividends			(113,635)		**(113,635)**
Net income attributable to owners of parent			292,760		**292,760**
Purchase of treasury stock				(600,004)	**(600,004)**
Disposal of treasury stock		(23)		1,659	**1,636**
Other		(3)	(785)	2	**(786)**
Net changes of items other than shareholders' equity					
Net increase (decrease) for the year	**–**	**(26)**	**178,339**	**(598,342)**	**(420,029)**
Balance at February 28, 2026	**50,000**	**293,429**	**2,906,276**	**(615,450)**	**2,634,255**

	Accumulated other comprehensive income								
	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 plan	**Total accumulated other comprehensive income**	**Share award rights**	**Subscription rights to shares**	**Non-controlling interests**	**TOTAL NET ASSETS**
Balance at March 1, 2025	**51,770**	**5,035**	**901,059**	**23,827**	**981,693**	**–**	**80**	**187,154**	**4,217,445**
Cumulative effects of changes in accounting policies									**5,766**
Restated balance at March 1, 2025	**51,770**	**5,035**	**901,059**	**23,827**	**981,693**	**–**	**80**	**187,154**	**4,223,212**
Increase (decrease) for the year									
Cash dividends									**(113,635)**
Net income attributable to owners of parent									**292,760**
Purchase of treasury stock									**(600,004)**
Disposal of treasury stock									**1,636**
Other									**(786)**
Net changes of items other than shareholders' equity	3,892	(412)	(16,274)	17,072	**4,277**	**225**	**(80)**	**(159,410)**	**(154,987)**
Net increase (decrease) for the year	**3,892**	**(412)**	**(16,274)**	**17,072**	**4,277**	**225**	**(80)**	**(159,410)**	**(575,017)**
Balance at February 28, 2026	**55,662**	**4,622**	**884,784**	**40,900**	**985,971**	**225**	**–**	**27,743**	**3,648,195**

Notes to Consolidated Financial Statements

Notes relating to Significant Accounting Policies for the Preparation of Consolidated Financial Statements

1. Items relating to scope of consolidation

Status of consolidated subsidiaries

(1) Number of consolidated subsidiaries: 140

(2) Names of major consolidated subsidiaries:

SEVEN-ELEVEN JAPAN CO., LTD.

7-Eleven, Inc.

SEJ Asset Management & Investment Company

7-Eleven International LLC

7-Eleven Stores Pty Ltd.

Seven Financial Service Co., Ltd.

During the 21st fiscal year, SEVEN-ELEVEN JAPAN CO., LTD., Ito-Yokado Co., Ltd., and York-Benimaru Co., Ltd. tendered some or all of their shares in Seven Bank, Ltd. ("Seven Bank") in response to the share repurchase announced by Seven Bank. As a result, Seven Bank and its nine (9) subsidiaries have been excluded from the scope of consolidation and Seven Bank has become an equity-method affiliate of the Company.

The Company resolved and completed the procedures to transfer the rights and obligations relating to the head office functions, subsidiary management functions of a total of 29 companies – comprising 22 of the Company's consolidated subsidiaries and seven (7) equity-method affiliates engaged in the Group's food supermarket, specialty store, and other businesses - along with all other businesses held by the Company's wholly-owned subsidiary, YORK Holdings Co., Ltd. ("YORK HD"), to K.K. BCJ-96 (currently known as YORK HD), a wholly-owned subsidiary of K.K. BCJ-95, an acquisition purpose company established by Bain Capital Private Equity, L.P. and its affiliates. The transfer, which includes all shares of the Transferred Companies (referring to Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., THE LOFT CO., LTD., Akachan Honpo Co., Ltd., Seven & i Food Systems Co., Ltd. (currently known as Denny's Japan Co., Ltd.), Seven & i Create Link Co., Ltd. (currently known as Create Link Co., Ltd.), and SHELL GARDEN CO., LTD.) held directly by YORK HD, was executed through an absorption-type split ("Absorption-type Split"). On the same date, following an investment in K.K. BCJ-95 that brought the Company's shareholding to 35.07% after the Absorption-type Split became effective, 21 of YORK HD's subsidiaries were excluded from the scope of consolidation, and K.K. BCJ-95 became an equity-method affiliate of the Company.

In addition to the above, two (2) companies were liquidated, one (1) company's shares were transferred, and one (1) company was absorbed through a merger. As a result of the above, 35 companies have been excluded from the scope of consolidation.

2. Items relating to application of the equity method

(1) Number of non-consolidated subsidiaries to which the equity method was applied: None

(2) Number of affiliates to which the equity method was applied: 13

Names of major affiliates:

K.K. BCJ-95

Seven Bank, Ltd.

PIA Corporation

During the 21st fiscal year, as described in “1. Items relating to scope of consolidation” above, K.K. BCJ-95 and Seven Bank, Ltd. have become equity-method affiliates of the Company, while seven (7) equity-method affiliates previously attributable to YORK Holdings Co., Ltd., a wholly owned subsidiary of the Company, have been excluded. In addition, one (1) company has been excluded due to a transfer of shares and one (1) due to liquidation, resulting in a total of nine (9) companies being excluded from equity-method affiliates.

(3) Items regarding procedure for applying the equity method

(i) The affiliates which have different closing dates are included in the Consolidated Financial Statements based on their financial statements or interim financial statements prepared within three (3) months from February 28 or 29.

(ii) When an affiliate is in a net loss position, the Company’s share of such loss is reduced from its loan receivable from the affiliate.

3. Items relating to accounting period of consolidated subsidiaries

The fiscal year-end of some consolidated subsidiaries is December 31. The financial statements of such subsidiaries as of such dates and for such period are used in preparing the Consolidated Financial Statements. All material transactions during the period from the closing date to February 28 or 29 are adjusted for in the consolidation process.

4. Items relating to accounting policies

(1) Valuation basis and method for major assets

(i) Valuation basis and method for securities

Held-to-maturity debt securities are carried at amortized cost (straight-line method).

Other available-for-sale securities are classified into two (2) categories: (a) securities other than shares that do not have a market value; and (b) shares that do not have a market value

(a) Securities other than shares that do not have a market value are stated 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 sales is determined using the moving-average method.

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

(ii) Valuation basis and method for derivatives

Derivative financial instruments are valued at fair value.

(iii) Valuation basis and method for inventories

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.

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.

(2) Depreciation and amortization of significant assets

(i) Property and equipment (excluding right-of-use assets)

Depreciation of property and equipment is computed using the straight-line method.

(ii) Intangible assets

Intangible assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method over an estimated useful life of five (5) - ten (10) years in most cases.

(iii) 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 sheet. 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.

(3) Methods of accounting for significant allowance

(i) 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 with respect to general receivables.

(ii) Allowance for loss on business of subsidiary

Allowance for loss on business of subsidiary is provided in an amount estimated to prepare for expenses or losses associated with withdrawal from online supermarket business.

(iii) 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.

(iv) Allowance for bonuses to employees

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

(v) 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.

(vi) 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 at the end of the fiscal year calculated in accordance with internal rules.

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

(vii) 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 some of its consolidated subsidiaries. The amount is based on the expected stock benefit payable at the end of the 21st fiscal year.

(4) Accounting method for retirement benefits

(i) Allocation method of estimated total retirement benefits:

In calculating retirement benefit obligations, the estimated total retirement benefits are allocated to the period up to the end of the 21st fiscal year on a benefit formula basis.

(ii) Amortization method of the actuarial differences and the prior service costs:

Actuarial differences are amortized on a straight-line basis over a certain period (ten (10) years) from the consolidated fiscal year following the consolidated fiscal year in which they arise, which is within the average remaining years of service of the eligible employees when the actuarial differences arise in a consolidated fiscal year.

Prior service costs are amortized on a straight-line basis over a certain period (five (5) years or ten (10) years), which is within the average remaining years of service of the eligible employees when the prior service costs arise.

(5) Accounting policy for significant revenue and expenses

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

(i) Revenue recognition criteria for each operating segment

a. 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.

b. 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

Foreign consolidated subsidiaries that adopt US GAAP have applied ASU No. 2014-09 “Revenue from Contracts with Customers (Topic606).”

c. 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.

d. 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.

(ii) 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.

(iii) 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.

(6) Significant hedge accounting methods

(i) Hedge accounting

In principle, hedging activities are accounted for by the deferred hedge method.

However, forward foreign exchange contracts are accounted for by the short-cut method (*furiate shori*), i.e., translated at the foreign exchange rate stipulated in the contracts, when they meet certain criteria for the method, and interest rate and currency swaps are accounted for by integrated accounting treatment (specific hedging and the short-cut method) when they meet certain criteria for the method.

(ii) Hedge instruments and hedged items

Hedge instruments – Interest rate and currency swaps

Hedged items – Foreign currency-denominated loans

(iii) 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 exchange rates and interest rates, reducing financing costs, and optimizing future cash flow. The Company and its subsidiaries do not hold or issue derivative instruments for short-term trading or speculative purposes.

(iv) Assessing hedge effectiveness

By comparing fluctuations in quotations of the hedge instruments and those of the hedged items, the hedge effectiveness is assessed quarterly based on their fluctuation amounts except for interest rate and currency swap contracts for which integrated accounting treatment has been applied.

(7) Other significant matters that serve as the basis for preparation of the Consolidated Financial Statements

(i) Accounting for deferred assets

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

(ii) Goodwill and negative goodwill

Goodwill is amortized mainly over a period of twenty (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.

(iii) Foreign currency translation for major assets and liabilities denominated in foreign currency

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

All balance sheets accounts of foreign subsidiaries are translated into Japanese yen at the relevant spot exchange rate in effect at the respective consolidated balance sheet dates except for shareholders' equity, which is translated at the historical rates. 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 "Foreign currency translation adjustments" and "Non-controlling interests."

(iv) Accounting for franchised stores in domestic and overseas convenience store operations

SEVEN-ELEVEN JAPAN CO., LTD. and its U.S. consolidated subsidiary, 7-Eleven, Inc. (including 7-Eleven Stores Pty Ltd.), recognize franchise commission from their franchised stores as revenues and include it in "Operating revenues."

(v) Accounting for consumption taxes and excise tax

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

(vi) Application of the Group Tax Sharing System

The Company and some of its domestic consolidated subsidiaries have applied the Group Tax Sharing System. Furthermore, the Company undertakes and discloses the accounting treatment for national corporation tax and local corporation tax 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" (Practical Issues Task Force ("PITF") No. 42 issued on August 12, 2021).

Notes concerning changes in accounting policies

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Company has applied the Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022, hereinafter the "Revised Accounting Standard 2022"), etc. from the beginning of the 21st fiscal year.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022, hereinafter the "Revised Guidance 2022"). There is no impact on the consolidated financial statements due to the change in accounting policies.

With respect to the treatment of the tax effects of gains or losses arising from the sale of shares of subsidiaries, etc. among consolidated companies that are deferred for tax purposes, if deferred tax assets or deferred tax liabilities are recognized for a temporary difference related to the gain or loss on the sale in the financial statements of a company that sold the shares of subsidiaries, etc., the Company had not adjusted the amount of deferred tax assets or deferred tax liabilities relating to such temporary differences in the process of consolidated accounting procedures. However, the Company has decided to reverse the deferred tax assets or deferred tax liabilities related to such temporary differences.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on the sale of shares of subsidiaries, etc. resulting from transactions between consolidated companies are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the 21st fiscal year. The change in accounting policies has been applied retrospectively and reflected in the consolidated financial statements for the 21st fiscal year.

As a result, in the consolidated balance sheet as of February 28, 2026, the opening balance of retained earnings increased by ¥5,766 million.

Notes concerning changes in method of presentation

(Consolidated Balance Sheet)

"Vehicles" and "Lease assets" which were previously separately presented as Property and equipment in the 20th fiscal year, are included in "Other" for the 21st fiscal year due to their decreased materiality.

Notes on accounting estimates

Accounting estimates are based on reasonable amounts based on information available at the time of preparation of the consolidated financial statements. Among the amounts which include accounting estimates recorded in the consolidated financial statements for the 21st fiscal year, the following items have risks of having a material effect on the consolidated financial statements for the following fiscal year:

Impairment test of goodwill

(1) Amounts recorded in the consolidated financial statements for the 21st fiscal year

Goodwill has been recorded in SEJ Asset Management & Investment Company and its consolidated subsidiaries, which are included in the overseas convenience store operations segment, due to the business combinations conducted for the global expansion of the business.

Amounts recorded in the consolidated balance sheet and consolidated statement of income for the 21st fiscal year are as follows:

(Millions of yen)

	21st fiscal year
Goodwill (Note)	2,106,574
Impairment loss	–

(Note)
The goodwill is the balance after amortization, as PITF No. 18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries ,etc. for Consolidated Financial Statements" has been applied.

(2) Information on the content of significant accounting estimates for identified items

① Method of impairment test for goodwill

SEJ Asset Management & Investment Company is a foreign consolidated subsidiary that adopts U.S. GAAP. Accordingly, adjustments related to the amortization of goodwill, etc. are made in the consolidated financial statements based on PITF No. 18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements." In addition, goodwill impairment testing is performed at the reporting unit level based on U.S. GAAP.

The company performs a qualitative assessment to determine whether it is necessary to perform a quantitative goodwill impairment test in accordance with U.S. GAAP.

In a case where, in the course of the qualitative assessment, it is unlikely that the fair value of a reporting unit is less than its carrying amount, a quantitative goodwill impairment test is not required.

Conversely, in a case where, in the course of the qualitative assessment, it is likely that the fair value of a reporting unit is less than its carrying amount, a quantitative goodwill impairment test is performed. As a result, if the fair value of the reporting unit is less than its carrying amount, an impairment loss on goodwill is recognized.

During the 21st fiscal year, the company performed the qualitative assessment discussed above and determined that it is unlikely that the fair value of the reporting unit is less than its carrying amount. Accordingly, the company has determined that the quantitative goodwill impairment test is not required, and the recognition of an impairment loss on goodwill is not required.

② Key assumptions

The qualitative assessment discussed above includes significant assumptions for an analysis of the current situation and future forecasts, such as the macroeconomic conditions for a reporting unit being assessed, industry and market considerations, cost factors, overall financial performance, and other relevant entity-specific events.

③Effect on the consolidated financial statements for the following fiscal year

The assumptions discussed above may be affected by future changes in uncertain economic conditions, etc. Any changes in the key assumptions may have a material effect on the consolidated financial statements for the following fiscal year.

Supplementary information

(Performance-Based Stock Compensation Plan for Directors)

The Company and some of its 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 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 said trust agreement is in accordance with "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF 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 the 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) The 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 28, 2026, the carrying amount and the number of the Company’s shares remaining in the BIP Trust are ¥2,673 million and 1,825 thousand shares, respectively.

(Performance-Based Stock Compensation Plan for Executive Officers)

The Company and some of its 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 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 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) The 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 28, 2026, the carrying amount and the number of the Company’s shares remaining in the Trust are ¥1,622 million and 1,203 thousand shares, respectively.

Notes to Consolidated Balance Sheet

1. Accumulated depreciation of property and equipment: ¥2,658,475 million

The Company's foreign subsidiaries that adopted U.S. GAAP have applied ASU 2016-02, 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. Loan commitment

Certain finance-related subsidiaries conduct a cash loan business. Unused credit balance related to loan commitment in the cash loan business is as follows.

Credit availability of loan commitment:	¥326,004 million
Outstanding balance:	¥7,079 million
Unused credit balance	¥318,924 million

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 records. Those subsidiaries will cease finance services or reduce the credit limit based on the credit situation of customers or other reasonable reasons.

Notes to Consolidated Statement of Changes in Net Assets

1. Items relating to total number of outstanding shares

(Thousands of shares)

Type	As of March 1, 2025	Number of shares increased	Number of shares decreased	As of February 28, 2026
Common stock	2,604,555	–	–	2,604,555

2. Items relating to total number of shares of treasury stock

(Thousands of shares)

Type	As of March 1, 2025	Number of shares increased	Number of shares decreased	As of February 28, 2026
Common stock	9,723	284,300	1,147	292,876

(Notes)

1. The increase in treasury stock of 284,300 thousand shares of common stock is the increase of 284,297 thousand shares due to the acquisition of stock of the Company by the resolution of the Board of Directors and the increase of 2 thousand shares due to the purchase of odd-lot shares.
2. The decrease in treasury stock of 1,147 thousand shares of common stock is the decrease of 1,107 thousand shares due to the delivery of the shares of the Company held by the BIP Trust and the ESOP Trust, the decrease of 36 thousand shares due to exercise of share subscription rights, the decrease of 3 thousand shares in treasury stock due to changes in equity in equity-method affiliates, 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, 2026 includes 3,029 thousand shares of the Company held by the BIP Trust and the ESOP Trust.

3. Items relating to cash dividends

(1) Dividend payments, etc.

Resolution	Type	Total amount of cash dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 27, 2025; Annual Shareholders' Meeting	Common stock	51,980	20.00	February 28, 2025	May 28, 2025
October 9, 2025; Board of Directors' meeting	Common stock	61,654	25.00	August 31, 2025	November 14, 2025
Total		113,635			

(Notes)

1. The total amount of cash dividends determined by the resolution of the Annual Shareholders' Meeting held on May 27, 2025 includes ¥82 million 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 9, 2025 includes ¥75 million 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 21st fiscal year but to be effective during the 22nd fiscal year

At the Annual Shareholders' Meeting to be held on May 27, 2026, the following proposal for resolution will be presented for matters concerning common stock dividends.

(i) Total amount of cash dividends: ¥57,869 million

(ii) Dividend per share:	¥25.00
(iii) Record date:	February 28, 2026
(iv) Effective date:	May 28, 2026

(Note)
The total amount of cash dividends includes ¥75 million of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

(3) Number of shares relating to share award rights at the end of the 21st fiscal year

Common stock	450,450 shares

Notes relating to financial instruments

1. Items relating to the status of financial instruments

For the management of surplus funds, the Group follows a basic policy of prioritizing safety, liquidity, and efficiency and limits the management of such funds to management through deposits with banks. The Group mainly raises funds through bank loans and bond issuance.

In addition, the Group uses derivative instruments to hedge the exposure to the risk of fluctuations in currency exchange rates regarding foreign currency-denominated asset and liability and hedge the exposure to the risk of fluctuations in interest rates regarding interest bearing debt as well as to optimize cash flows for future principal and interest payments. The Group does not hold or issue derivative instruments for short-term trading or speculative purposes.

The Group's risk management is conducted pursuant to the "basic rules for risk management," stipulating which departments have overall control of each type of risk and which departments have overall control of general risk.

The Group reduces credit risk relating to notes and accounts receivable-trade, and leasehold deposits by continuously monitoring the credit ratings of business partners while undertaking due date control and balance control of notes and accounts receivable-trade for each business partner. Also, in relation to investments in securities, the Group periodically checks market values and the financial standing of issuers while continuously reviewing the status of securities holdings in light of the Group's relationship with business partner companies.

Short-term loans are mainly for fund raising related to sales transactions, while long-term loans and bonds are mainly for fund raising related to capital investment and M&As. In relation to these loans, the Group undertakes comprehensive asset-liability management (ALM). The Group reduces the risks of currency exchange rate fluctuations and interest rate fluctuations through interest rate and currency swaps and interest rate swap transactions for certain long-term loans.

Because the determination of the value of financial instruments incorporates variable factors, the value may change if different preconditions are used. In addition, the contract amount for derivative transactions does not represent market risks related to derivative transactions.

2. Items relating to the market values of financial instruments

The amounts recorded on the Consolidated Balance Sheet on February 28, 2026, the market values, and the difference between these amounts are as follows. Shares that do not have a market value and investments in partnerships, etc. are not included in the following table (please refer to (Note) on the next page). "Cash and bank deposits," "Notes and accounts payable, trade" and "Short-term loans" are omitted because they are in cash and their market values approximate their book values due to their short maturities.

	Consolidated Balance Sheet (Millions of yen)	Market value (Millions of yen)	Difference (Millions of yen)
(1) Notes and accounts receivable - trade, and contract assets	298,684		
Allowance for doubtful accounts*1	(1,837)		
	296,846	300,063	3,217
(2) Investments in securities	93,454	99,365	5,910
(3) Long-term leasehold deposits*2	156,727		
Allowance for doubtful accounts*3	(112)		
	156,614	152,584	(4,029)
Total assets	546,915	552,013	5,098
(1) Bonds*4	1,185,486	1,025,511	(159,974)
(2) Long-term loans*5	908,952	883,911	(25,040)
(3) Deposits received from tenants and franchised stores*6	13,820	12,079	(1,741)
Total liabilities	2,108,259	1,921,502	(186,756)

(Notes)
*1. Net allowance (after deducting allowance for doubtful accounts for notes and accounts receivable-trade, and contract assets).

*2. Including current portion of long-term leasehold deposits.

*3. Net allowance (after deducting allowance for doubtful accounts for long-term leasehold deposits).

*4. Including current portion of bonds.

*5. Including current portion of long-term loans.

*6. Including current portion of deposits received from tenants and franchised stores.

(Note) The amounts recorded on the Consolidated Balance Sheet for shares that do not have a market value and investment in partnerships, etc. are as follows, and are not included in Assets "(2) Investments in securities."

Classification	Consolidated Balance Sheet (Millions of yen)
Unlisted shares*1	46,145
Shares of subsidiaries and affiliates*1	211,772
Investment in partnerships, etc.*2	12,368

(Notes)

*1 Unlisted shares and shares of subsidiaries and affiliates are not subject to disclosure of their fair values in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020).

*2 Investment in partnerships, etc. is not subject to disclosure of fair value in accordance with Paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021).

3. Items relating to the breakdown, etc. of fair value of financial instruments by level

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate their fair values.

Level 1 fair value:	Among the inputs to the calculation of observable fair value, fair value calculated based on quoted market prices for the assets or liabilities for which such fair value is calculated that are formed in an active market
Level 2 fair value:	Among the inputs to the calculation of observable fair value, fair value calculated using inputs for fair value calculations other than Level 1 inputs
Level 3 fair value:	Fair value calculated using inputs for unobservable fair value calculations

When multiple inputs that have a significant impact on the calculation of fair value are used, the fair value of financial instruments is classified to the level with the lowest priority in the calculation of fair value among the levels to which each of those inputs belongs.

(1) Financial assets and liabilities recorded at fair value on the consolidated balance sheets

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Investments in securities				
Available-for-sale securities				
Stocks	90,838	–	–	90,838
Total assets	90,838	–	–	90,838

(2) Financial assets and liabilities that are not recorded at fair value on the consolidated balance sheets

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade, and contract assets	–	253,035	47,028	300,063
Investments in securities				
Available-for-sale securities				
Stocks	8,526	–	–	8,526
Long-term leasehold deposits	–	152,584	–	152,584
Total assets	8,526	405,619	47,028	461,175
Bonds	–	1,025,511	–	1,025,511
Long-term loans	–	883,911	–	883,911
Deposits received from tenants and franchised stores	–	12,079	–	12,079
Total liabilities	–	1,921,502	–	1,921,502

Note

Explanation of valuation techniques used in the calculation of fair value and inputs related to the calculation of fair value

(Assets)

Investments in securities

Listed stocks are based on the prices quoted on the stock exchange and are classified as Level 1 fair value.

Notes and accounts receivable-trade, and contract assets

For notes and accounts receivable-trade, and contract assets with short settlement periods, the relevant book values are used because market values and book values are almost equivalent, and it is classified as Level 2 fair value. The market value of items with long settlement periods is the present value, which is calculated by discounting the total of principal and interest by the corresponding yield on government bonds over the remaining period, making allowance for credit risk, and is classified as Level 3 fair value.

Long-term leasehold deposits

The market value of long-term leasehold deposits is the present value, which is calculated by discounting future cash flows—reflecting collectability—by the corresponding yield on government bonds over the remaining period, and is classified as Level 2 fair value.

(Liabilities)

Bonds

For the fair value of domestic bonds, bonds that have market prices are based on market value, bonds that do not have market prices are measured using the present value, which is calculated by discounting the total of principal and interest to reflect the remaining period of the said bonds and an interest rate that allows for credit risk, and they are classified as Level 2 fair value. Also, the fair value of foreign currency-denominated bonds is classified as Level 2 fair value, since the bonds are subject to the allocation method for currency swaps, which is calculated by discounting future cash flows accounted for as a single currency swap at the interest rate that would be applicable to a new issue of similar domestic bonds.

Long-term loans

The market value of long-term loans is the present value, which is calculated by discounting the total of principal and interest by the interest rate assumed to be applied if the same loan were to be newly taken, and is classified as Level 2 fair value. Also, long-term loans with variable interest rates are subject to special treatment of interest rate swaps or integrated treatment of interest rate and currency swaps (special treatment and allocation treatment), which is calculated by discounting the total amount of principal and interest treated together with the relevant interest rate or currency swap at a reasonably estimated interest rate that would be applied to similar loans, and are classified as Level 2 fair value.

Deposits received from tenants and franchised stores

The market value of deposits received from tenants and franchised stores is the present value, which is calculated by discounting future cash flows by the corresponding yield on government bonds over the remaining period, and is classified as Level 2 fair value.

Notes concerning real estate for lease

Notes about real estate for lease have been omitted because the total amount thereof is considered immaterial.

Notes concerning per share information

1. Net assets per share: ¥1,566.06
2. Net income per share: ¥118.81

(Notes)

1. 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 issued at the end of the fiscal year, to calculate net assets per share. The total number of shares of treasury stock at the end of the fiscal year deducted for the computation is 3,029 thousand shares.
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 fiscal year, to calculate net income per share. The average number of shares of treasury stock during the fiscal year deducted for the computation is 3,458 thousand shares.

Notes concerning significant subsequent event

None.

Notes concerning revenue recognition

(1) Information disaggregating revenue from contracts with customers is as follows.

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustments (Note 2)	Revenues from external customers
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Japan	908,437	–	670,848	66,999	149,305	1,795,590	1,302	1,796,892
North America	–	7,660,380	–	6,428	–	7,666,808	–	7,666,808
Other regions (Note 3)	–	601,408	15,823	5,931	1,333	624,497	–	624,497
Revenue from contracts with customers	908,437	8,261,788	686,671	79,359	150,639	10,086,897	1,302	10,088,199
Other income (Note 4)	3,722	294,399	951	42,455	540	342,069	–	342,069
Revenues from external customers	912,159	8,556,188	687,623	121,815	151,180	10,428,966	1,302	10,430,269

(Notes)

1. “Others” represent the businesses which are not included in any of the reportable segments and consist of the specialty store operations and real estate operations, etc.
2. The “Adjustments” category represents operating revenues that do not belong to any business segment.
3. Countries belonging to “Other regions” include Australia and China, among others.
4. “Other income” includes revenues based on ASU No. 2016-02 “Leases (Topic842)” and rental income from movable and real estate properties based on “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13), and finance income, etc. based on “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10).
5. The classification of geographic area segments is determined according to geographical distances.

(2) Information that provides the basis for understanding revenue

Information that provides the basis for understanding revenue from contracts with customers is described in “Notes relating to Significant Accounting Policies for the Preparation of Consolidated Financial Statements, 4. Items relating to accounting policies, (5) Accounting policy for significant revenue and expenses.”

(3) Information for understanding the amount for the 21st fiscal year and the following fiscal years

(i) Balance of receivables, contract assets and contract liabilities arising from contracts with customers

The amounts of receivables, contract assets and contract liabilities arising from contracts with customers are as follows.

(Millions of yen)

	As of March 1, 2025	As of February 28, 2026
Receivables from contracts with customer		
Accounts receivable-trade	440,269	296,747
Other	124,706	84,037
Contract assets	4	–
Contract liabilities	178,031	70,667

Contract assets relate primarily to consideration for work for which revenue has been recognized but not yet invoiced in contracts where the performance obligation is satisfied over a specified period of time. Contract assets are reclassified as trade receivables when they become unconditional rights to payment and are invoiced. Contract assets are included in “Notes and accounts receivable - trade, and contract assets” in the consolidated balance sheets.

Contract liabilities are mainly the balances of gift certificates, e-money, and points issued by the Group and opening preparation fees received from franchisees the performance obligation of which has not been fulfilled as of the end of the fiscal year. Contract liabilities arising from e-money, gift certificates, and points are reversed as they are used, while contract liabilities arising from opening preparation fees received from franchisees are reversed as revenue is recognized over time. The decrease of ¥107,364 million in contract liabilities in the 21st fiscal year was due mainly to the exclusion of Seven Bank, Ltd. and its subsidiaries, as well as subsidiaries under YORK Holdings Co., Ltd., from the scope of consolidation.

The amount of revenue recognized from contract liabilities included in the balance of contract liabilities at the beginning of the period was ¥107,633 million. The amount of revenue recognized from performance obligations that had been satisfied in prior periods was not material.

(ii) Transaction prices allocated to remaining performance obligations

As of February 28, 2026, the total transaction price amount allocated to the remaining performance obligations was ¥70,145 million. The Group expects to recognize revenues from remaining performance obligations such as e-money, gift certificates, and points, etc. as they are used, and from remaining performance obligations such as fixed rents from tenants and opening preparation fees received from franchisees as time passes, generally within 15 years.

Variable consideration such as royalties based on transactions, sales or rent with an initial expected contract period of one year or less are not included in the table above. Royalties based on sales or rent are primarily royalties received from franchisees, and the remaining contract terms range from one (1) to 15 years for each individual contract.

Other notes

Notes concerning business combination

I. Business divestiture

(Transfer of subsidiary shares)

The Company resolved, at the meeting of the Board of Directors held on March 6, 2025, to transfer the rights and obligations relating to the head office functions, subsidiary management functions of a total of 29 companies - comprising 22 of the Company's consolidated subsidiaries and seven (7) equity-method affiliates engaged in the Group's food supermarket, specialty store, and other businesses ("SST Business Group") along with all other businesses held by the Company's wholly-owned subsidiary, YORK Holdings Co., Ltd. ("YORK HD"), to K.K. BCJ-96 ("SPC (2)"), which will be newly established as a wholly-owned subsidiary of K.K. BCJ-95 ("SPC (1)"), an acquisition purpose company established by Bain Capital Private Equity, L.P. and its affiliates (collectively, "Bain Capital"). The transfer, which includes all shares of the Transferred Companies (referring to Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., THE LOFT CO., LTD., Akachan Honpo Co., Ltd., Seven & i Food Systems Co., Ltd. (currently known as Denny's Japan Co., Ltd.), Seven & i Create Link Co., Ltd. (currently known as Create Link Co., Ltd.), and SHELL GARDEN CO., LTD.) held directly by YORK HD, will be executed through an absorption-type split ("Absorption-type Split"). On September 1, 2025, the procedures for the Absorption-type Split were completed.

The Company had planned to invest in SPC (1) so that the Company's shareholding ratio would be 35.07% after the Absorption-type Split became effective ("Reinvestment"), and the Reinvestment was completed as of the same date.

As a result, the subsidiaries which are engaged in SST Business Group have been excluded from the scope of consolidation and SPC (1) has become an equity-method affiliate of the Company.

1. Outline of the business divestiture

(1) Name of the successor entity

K.K. BCJ-96 (currently changed its trade name to "YORK Holdings Co., Ltd.")

(2) Description of the divested businesses

Superstore operations, etc.

(3) Main objectives of the business divestiture

The Company has engaged in extensive discussions with Bain Capital to maximize value for shareholders and stakeholders. As a result, the Company determined that leveraging Bain Capital's expertise in the consumer and retail industry and financial strength, backed by its strong investment track record as one of the world's leading private equity funds, will contribute to the sustainable growth of the SST Business Group.

(4) Date of the business divestiture

September 1, 2025

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

An absorption-type split in which YORK HD was the company splitting in the absorption-type split and SPC (2) was the company succeeding.

2. Overview of the accounting treatment

(1) Amount of gain on change in equity

¥26,946 million

The amount of gain on change in equity is presented net of transaction 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	¥326,088 million
Non-current assets	¥825,324 million
Total assets	¥1,151,413 million
Current liabilities	¥258,262 million
Non-current liabilities	¥114,934 million
Total liabilities	¥373,197 million

(3) Accounting treatment

The difference between the sale price and the consolidated carrying amounts of the assets and liabilities are included in special gains as “Gain on change in equity in superstore business.”

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

Revenues from operations	¥837,994 million
Operating income	¥23,032 million

II. Business divestiture

(Partial transfer of subsidiary shares)

SEVEN-ELEVEN JAPAN CO., LTD. (“Seven-Eleven Japan”), Ito-Yokado Co., Ltd., and York-Benimaru Co., Ltd. which are wholly owned subsidiaries of the Company (hereinafter referred to as “the Company’s Subsidiaries”) have decided to tender some or all of their shares in Seven Bank, Ltd. (“Seven Bank”) in response to the share repurchase announced by Seven Bank on June 19, 2025 (the “Transfers”), and the change of subsidiaries was completed on June 24, 2025 due to the implementation of the Transfers. As a result of the Transfers, the ratio of voting rights for Seven Bank by the Group became 39.9%.

As a result, Seven Bank and its nine (9) subsidiaries have been excluded from the scope of consolidation and Seven Bank has become an equity-method affiliate of the Company.

1. Outline of the business divestiture

(1) Name of the successor entity

Seven Bank, Ltd.

(2) Description of the divested businesses

Financial services

(3) Main objectives of the business divestiture

The Company discussed with Seven Bank and considered all possible measures that would enable sustainable growth while maintaining synergies in the businesses for both the Company and Seven Bank. As a result, based on the judgment that Seven Bank will be able to collaborate with a broader range of partners, develop high value-added businesses, and achieve further growth by establishing a management structure with more autonomy than ever before, and it will also contribute to enhancing the corporate value and shareholder value of Seven Bank by enabling the flexible implementation of various capital policies in response to changes in the business environment, Seven Bank announced that it will purchase its own shares on June 19, 2025 (the "Share Buyback") and the Company's Subsidiaries have decided to tender some or all of the shares of Seven Bank held by each of them in response to the Share Buyback.

Although Seven Bank and its subsidiaries will be excluded from the Company's consolidated subsidiaries as a result of the Share Buyback, the Company believes that the Company will be able to retain synergies with the financial business and further focus on the convenience store business to accelerate growth and maximize corporate and shareholder value by continuing to hold a certain amount of Seven Bank shares through Seven-Eleven Japan.

(4) Date of the business divestiture

June 24, 2025 (deemed transfer date: August 31, 2025)

(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 profit on the transfer

¥1,889 million

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

Current assets	¥1,362,660 million
Non-current assets	¥236,942 million
Total assets	¥1,599,602 million
Current liabilities	¥1,259,742 million
Non-current liabilities	¥52,343 million
Total liabilities	¥1,312,086 million

(3) Accounting treatment

The difference between the sale price and the book value of the transferred shares are included in special gains as "Other."

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

Revenues from operations	¥81,982 million
Operating income	¥15,303 million

(Impact of changes in tax rates for income taxes, etc.)

The “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 13 of 2025) was enacted by the Japanese Diet on March 31, 2025, and the “Special Corporate Tax for Defense” will be imposed from the consolidated fiscal years beginning on or after April 1, 2026.

As a result, the statutory effective tax rate used for calculating deferred tax assets and deferred tax liabilities has been changed from 30.6% to 31.5%, pertaining to temporary differences that are expected to be settled in or after the consolidated fiscal year beginning on March 1, 2027.

The impact of this change will be immaterial.

NON-CONSOLIDATED BALANCE SHEET (as of February 28, 2026)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		**LIABILITIES**	
Current assets	**43,666**	**Current liabilities**	**564,981**
Cash and bank deposits	982	Current portion of bonds	60,000
Prepaid expenses	3,432	Short-term loans from subsidiaries and affiliates	382,505
Accounts receivable, other	30,211		
Income taxes receivable	124	Current portion of long-term loans	84,161
Deposits held by subsidiaries and affiliates	3,748	Lease obligations	6,034
Other	5,167	Accounts payable, other	21,644
Non-current assets	**1,897,656**	Accrued expenses	5,110
Property and equipment	**8,058**	Income taxes payable	5
Buildings and structures	2,640	Advance received	196
Fixtures, equipment and vehicles	2,100	Allowance for bonuses to employees	372
Land	2,712	Allowance for bonuses to Directors and Audit & Supervisory Board Members	601
Lease assets	528		
Construction in progress	76	Allowance for loss on business of subsidiary	3,299
Intangible assets	**37,316**	Other	1,048
Software	26,667	**Non-current liabilities**	**614,683**
Software in progress	1,362	Bonds	200,000
Lease assets	8,240	Long-term loans	393,528
Other	1,046	Long-term loans from subsidiaries and affiliates	14
Investments and other assets	**1,852,281**		
Investments in securities	45,964	Lease obligations	16,681
Stocks of subsidiaries and affiliates	1,783,723	Allowance for stock payments	868
Prepaid pension cost	2,796	Deposits paid in subsidiaries	944
Long-term leasehold deposits	3,561	Deposits received from tenants	1,687
Deferred income taxes	13,914	Other	958
Other	2,321	**TOTAL LIABILITIES**	**1,179,665**
Deferred assets	**395**	**NET ASSETS**	
Bond issuance costs	395	**Shareholders' equity**	**741,574**
		Common stock	**50,000**
		Capital surplus	**1,129,403**
		Additional paid-in capital	425,496
		Other capital surplus	703,906
		Retained earnings	**177,577**
		Other retained earnings	177,577
		Retained earnings brought forward	177,577
		Treasury stock, at cost	**(615,406)**
		Accumulated gains from valuation and translation adjustments	**20,253**
		Unrealized gains (losses) on available-for-sale securities, net of taxes	20,253
		Share award rights	**225**
		TOTAL NET ASSETS	**762,053**
TOTAL ASSETS	**1,941,718**	**TOTAL LIABILITIES AND NET ASSETS**	**1,941,718**

NON-CONSOLIDATED STATEMENT OF INCOME (March 1, 2025 to February 28, 2026)

(Millions of yen)

Item	Amount	
Revenues from operations		
Dividend income	182,181	
Management consulting fee income	3,912	
Commission fee income	2,236	
Other	683	189,014
General and administrative expenses		70,532
Operating income		**118,481**
Non-operating income		
Interest income	80	
Dividend income	705	
Other	114	900
Non-operating expenses		
Interest expenses	6,185	
Interest on bonds	2,397	
Other	288	8,872
Ordinary income		**110,510**
Special gains		
Gain on sales of investments in securities	4,884	
Reversal of provision for loss on guarantees	2,625	
Reversal of provision for loss on business of subsidiaries and associates	1,941	
Other	7	9,458
Special losses		
Loss on disposals of property and equipment	294	
Impairment loss	12,679	
Acquisition proposal response expenses	4,691	
Superstore business restructuring expenses	4,072	
Other	1,952	23,689
Income before income taxes		**96,278**
Income taxes - current	(32,822)	
Income taxes - deferred	9,745	(23,076)
Net income		**119,355**

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (March 1, 2025 to February 28, 2026)

(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: Retained earnings brought forward	Total retained earnings		
Balance at March 1, 2025	**50,000**	**875,496**	**253,930**	**1,129,427**	**171,857**	**171,857**	**(17,061)**	**1,334,223**
Increase (decrease) for the year								
Cash dividends					(113,635)	(113,635)		**(113,635)**
Net income					119,355	119,355		**119,355**
Reversal of additional paid-in capital		(450,000)	450,000	–				**–**
Purchase of treasury stock							(600,004)	**(600,004)**
Disposal of treasury stock			(23)	(23)			1,659	**1,636**
Net changes of items other than shareholders' equity								
Net increase (decrease) for the year	**–**	**(450,000)**	**449,976**	**(23)**	**5,719**	**5,719**	**(598,344)**	**(592,648)**
Balance at February 28, 2026	**50,000**	**425,496**	**703,906**	**1,129,403**	**177,577**	**177,577**	**(615,406)**	**741,574**

	Accumulated gains (losses) from valuation and translation adjustments		**Share award rights**	**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, 2025	**15,413**	**15,413**	**–**	**49**	**1,349,685**
Increase (decrease) for the year					
Cash dividends					**(113,635)**
Net income					**119,355**
Reversal of additional paid-in capital					**–**
Purchase of treasury stock					**(600,004)**
Disposal of treasury stock					**1,636**
Net changes of items other than shareholders' equity	4,840	**4,840**	**225**	**(49)**	**5,016**
Net increase (decrease) for the year	**4,840**	**4,840**	**225**	**(49)**	**(587,632)**
Balance at February 28, 2026	**20,253**	**20,253**	**225**	**–**	**762,053**

Notes to Non-Consolidated Financial Statements
Notes concerning matters pertaining to significant accounting policies

1. Valuation basis and method for securities

(1) Stock of subsidiaries and affiliates:

Valued at cost by the moving-average method.

(2) Available-for-sale securities

Securities other than shares that do not have a market value:

Securities whose fair value is available are valued at the quoted market price prevailing at the end of the 21st fiscal year. 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 sales is determined using the moving-average method.

Shares, etc. with no market price:

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

(3) Valuation basis and method for derivatives:

Valued at fair value.

2. Methods of depreciation for non-current assets

(1) Property and equipment (excluding lease assets):

Amortized using the straight-line method.

(2) Intangible assets (excluding lease assets):

Amortized using the straight-line method. Software for internal use is amortized using the straight-line method over a usable period of five (5) years.

(3) Lease assets

For depreciation of lease assets, a useful life is based on the duration of the lease period, and straight-line depreciation is applied with an assumed residual value of zero.

3. Methods of processing deferred assets

Bond issuance cost:

In principle, the entire amount is expensed at the time of expenditure. However, if the bonds are recorded as deferred assets, the issuance cost is amortized on a straight-line basis over the redemption period of the bonds.

4. Methods of accounting for allowances

(1) Allowance for bonuses to employees

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

(2) 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 expected to be paid.

(3) Allowance for loss on business of subsidiary

Allowance for loss on business of subsidiary is provided in an amount estimated to accrue to prepare for expenses or losses associated with withdrawing from the online supermarket business.

(4) Allowance for stock payments

Allowance for stock payments is provided to prepare for payments of stock benefits to directors and executive officers. The amount is based on the expected stock benefit payable at the end of the 21st fiscal year.

(5) Allowance for accrued pension and severance costs (Prepaid pension cost)

Allowance for accrued pension and severance costs is provided to prepare for payments of retirement benefits to employees. The amount is based on the estimated retirement benefit obligation and the estimated pension plan assets at the end of the 21st fiscal year. In calculating retirement benefit obligations, the estimated total retirement benefit obligation is allocated to the period up to the end of the 21st fiscal year on a benefit formula basis.

Actuarial differences are amortized on a straight-line basis over a certain period (ten (10) years) from the fiscal year following the fiscal year in which they arise, which is within the average remaining years of service of the eligible employees when the actuarial differences arise in a fiscal year.

5. Accounting policy for revenue and expenses

As a holding company, the Company's revenues consist mainly of business management fees, outsourcing fees, and dividend income from subsidiaries. The Company recognizes business management fees and outsourcing fees as revenues when the Company's services are provided because the Company's performance obligation is to provide outsourced services to its subsidiaries in accordance with the terms of the contract; accordingly, the Company's performance obligation is fulfilled when the services are performed. Dividend income is recognized as of the effective date of the dividends.

6. Significant hedge accounting methods

(1) Hedge accounting

In principle, hedging activities are accounted for by the deferred hedge method.

However, interest rate and currency swaps are accounted for by integrated accounting treatment (specific hedging and *furiate shori*) when they meet certain criteria for the method.

(2) Hedge instruments and hedged items

Hedge instruments – Interest rate and currency swaps

Hedged items – Foreign currency-denominated loans payable

(3) Hedging policies

The Company has policies to utilize derivative instruments for the purposes of hedging their exposure to fluctuations in foreign currency exchange rates and interest rates, and optimizing future cash flow. The Company does not hold or issue derivative instruments for short-term trading or speculative purposes.

(4) Assessing hedge effectiveness

By comparing fluctuations in quotations of the hedge instruments and those of the hedged items, the hedge effectiveness is assessed quarterly based on their fluctuation amounts except for interest rate and currency swap contracts for which integrated accounting treatment has been applied.

7. Other significant items that form the basis of the preparation of financial statements

Accounting method related to retirement benefits

The method for accounting for unrecognized actuarial differences related to retirement benefits differs from that in the Consolidated Financial Statements.

Notes on accounting estimates

Accounting estimates are based on reasonable amounts based on information available at the time of preparation of the financial statements. Among the amounts which include accounting estimates recorded in the financial statements for the 21st fiscal year, the following items have risks of having a material effect on the financial statements for the following fiscal year:

The valuation of stocks of subsidiaries and affiliates

(1) Amounts recorded in the financial statements for the 21st fiscal year

Shares of subsidiaries that do not have a market value	¥1,681,518 million
Shares of affiliates that do not have a market value	¥100,702 million

(2) Information on the nature of significant accounting estimates for the items identified

An impairment loss shall be recognized for shares of subsidiaries and affiliates that do not have a market value, when their substantive value, which is calculated by multiplying the amount of net assets per share by the number of shares held, declines significantly due to deterioration in the financial condition of the company issuing the shares, unless there is sufficient persuasive evidence to support a subsequent recovery.

In the 21st fiscal year, there are no shares of subsidiaries and affiliates that do not have a market value and whose substantial value has declined significantly but for which no impairment loss has been recognized.

Supplementary information

(Performance-Based and Stock-Based Compensation Plan for Directors and Executive Officers)

The Company has introduced a performance-based and stock-based compensation plan for the Company’s Directors (excluding non-executive Directors and Directors residing overseas) and executive officers (excluding executive officers residing overseas). An overview of the plan is described in “Supplementary Information” under “Notes to Consolidated Financial Statements.”

Notes to Non-Consolidated Balance Sheet

1. Accumulated depreciation of property and equipment: ¥5,474 million

2. Monetary claims and monetary obligations in regard to subsidiaries and affiliates (excluding items listed elsewhere)

(1) Short-term receivables:	¥21,935 million
(2) Short-term payables:	¥19,916 million
(3) Long-term payables:	¥18,237 million

Notes to Non-Consolidated Statement of Income

Items relating to transactions with subsidiaries and affiliates

(1) Operating transactions

Revenues from operations:	¥187,712 million
General and administrative expenses:	¥5,856 million
(2) Non-operating transactions:	¥6,613 million

Notes to Non-Consolidated Statement of Changes in Net Assets

Shares of treasury stock at the end of the fiscal year Common stock 292,812,806 shares

(Note)

Shares of treasury stock at the end of the fiscal year include 3,029 thousand shares of the Company held by the BIP Trust and the ESOP Trust.

Notes regarding tax effect accounting

1. Deferred tax assets and deferred tax liabilities by cause of occurrence

Deferred tax assets	
Allowance for bonuses to employees:	¥131 million
Accrued enterprise taxes and business office taxes:	¥16 million
Accounts payable, other and accrued expenses:	¥1,062 million
Allowance for loss on business of subsidiary:	¥1,010 million
Tax loss carried forward:	¥55,824 million
Denial of impairment loss:	¥4,057 million
Valuation loss on subsidiaries' and affiliates' stock:	¥4,885 million
Allowance for stock payments:	¥197 million
Assets adjusted for gain or loss on transfer:	¥137 million
Other:	¥166 million
Sub-total:	¥67,490 million
Less: Valuation allowance:	(¥43,366 million)
Total:	¥24,123 million

Deferred tax liabilities	
Prepaid pension cost:	(¥881 million)
Unrealized losses on available-for-sale securities, net of taxes:	(¥9,322 million)
Other:	(¥4 million)
Total:	(¥10,208 million)
Deferred tax assets, net:	¥13,914 million

2. Accounting treatment for national corporation tax, local corporation tax, and tax effect accounting relating to these taxes

The Company has applied the Group Tax Sharing System. Furthermore, the Company undertakes and discloses the accounting treatment for national corporation tax, local corporation tax, and 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" (PITF No. 42 issued on August 12, 2021).

3. Amendments to the amounts of deferred tax assets and deferred tax liabilities due to changes in tax rates for income taxes, etc.

The "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 13 of 2025) was enacted by the Japanese Diet on March 31, 2025, and the "Special Corporate Tax for Defense" will be imposed from the business years beginning on or after April 1, 2026.

As a result, the statutory effective tax rate used for calculating deferred tax assets and deferred tax liabilities has been changed from 30.6% to 31.5%, pertaining to temporary differences that are expected to be settled in or after the business years beginning on March 1, 2027.

The impact of this change will be immaterial.

Notes concerning non-current assets utilized through leases

Future lease payments for non-cancellable operating leases

Due within one year:	¥8 million
Due after one year:	¥10 million
Total:	¥18 million

Notes concerning transactions with related parties

Subsidiaries and affiliates, etc.

(Millions of yen)

Attribution	Name of company, etc.	Voting rights held by the Company (%)	Relationship with related party	Details of transaction	Amount of transaction	Account title	Year-end balance
Subsidiary	SEVEN & i Financial Center Co., Ltd.	Ownership Direct: 100	Deposit and borrowing of funds Concurrently serving corporate officers	Deposit of funds (Note 1)	4,347,101	Deposits held by subsidiaries and affiliates	3,748
				Interest on deposits (Note 1)	52		
				Borrowing of funds (Note 1)	4,009,000	Short-term loans payable to subsidiaries and affiliates	382,500
						Accrued expenses	32
				Interest on borrowed funds (Note 1)	3,170		
Subsidiary	SEVEN-ELEVEN JAPAN CO., LTD.	Ownership Direct: 100	Concurrently serving corporate officers	Business management (Note 2)	3,211		
				Operational consignment (Note 3)	886	Accounts receivable	20,519
				Amount expected to be received due to the Group Tax Sharing System	18,575		
Subsidiary	Seven Financial Service Co., Ltd.	Ownership Direct: 100	Lease of non-current assets	Payment of lease obligations (Note 4)	6,231	Short-term lease obligations	6,034
				Lease interest expenses (Note 4)	284	Long-term lease obligations	16,681
Subsidiary of affiliate	Ito-Yokado Co., Ltd.	Ownership Indirect: 35.07	–	Operational consignment (Note 3)	1,027	Accounts receivable	3,114

(Notes)

1. Transactions are conducted based on interest rates for deposits to and loans from subsidiaries and affiliates that are determined reasonably by taking into account market interest rates.
2. Business management fees are determined proportionately according to the size of each subsidiary's business in line with the Group's rules.
3. Operational consignment fees are determined based on negotiations between the relevant parties.
4. Lease transactions are determined through consultation with reference to general transaction conditions.
5. Due to an absorption-type split executed on September 1, 2025, Ito-Yokado Co., Ltd. has changed from being a subsidiary to a subsidiary of an affiliate. The transaction amount presented includes transactions from the period during which it was a subsidiary.

Notes concerning per share information

1. Net assets per share:	¥329.55
2. Net income per share:	¥48.44

(Notes)

1. 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 issued at the end of the fiscal year, to calculate net assets per share. The total number of shares of treasury stock at the end of the fiscal year deducted for the computation is 3,029 thousand shares.
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 fiscal year, to calculate net income per share. The average number of shares of treasury stock during the fiscal year deducted for the computation is 3,458 thousand shares.

Notes concerning significant subsequent event

None.

Notes concerning revenue recognition

(Information that provides the basis for understanding revenue from contracts with customers)

As stated in "5. Accounting policy for revenue and expenses" under "Notes concerning matters pertaining to significant accounting policies."

End