

Consolidated Financial Results for the Fiscal Year Ended February 28, 2025

April 9, 2025

Seven & i Holdings Co., Ltd.

(URL <https://www.7andi.com/en>)

Securities Code No. 3382

President, Representative Director and CEO: Ryuichi Isaka

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

Date of the ordinary general meeting of shareholders: May 27, 2025

Submission date of the annual securities report scheduled: May 28, 2025

Starting date of paying year-end dividend: May 28, 2025

Preparation of brief summary materials for financial results: Yes

Holding of financial results presentation: Yes

(Notes) 1. Percentages represent increase (decrease) from the prior fiscal year.

2. All amounts less than one million yen have been truncated.

1. Results for the Fiscal Year Ended February 28, 2025

(from March 1, 2024 to February 28, 2025)

(1) Results of operations (cumulative)

(Millions of yen)

	Revenues from Operations	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent
Year Ended February 28, 2025	11,972,762 4.4 %	420,991 (21.2) %	374,586 (26.1) %	173,068 (23.0) %
Year Ended February 29, 2024	11,471,753 (2.9) %	534,248 5.5 %	507,086 6.6 %	224,623 (20.1) %

(Note) Comprehensive income:

Year Ended February 28, 2025: 486,357 million yen [14.6 %]

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

	Net Income per Share (EPS)	Diluted Net Income per Share (Diluted EPS)	Ratio of Net Income to Owners' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Revenues from Operations
Year Ended February 28, 2025	66.62 (yen)	66.61 (yen)	4.5 %	3.4 %	3.5 %
Year Ended February 29, 2024	84.88 (yen)	84.87 (yen)	6.2 %	4.8 %	4.7 %

(Reference) Equity in earnings of affiliates:

Year Ended February 28, 2025: (450) million yen

Year Ended February 29, 2024: 3,711 million yen

Group's total sales:

Year Ended February 28, 2025: 18,442,884 million yen

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

EBITDA:

Year Ended February 28, 2025: 995,523 million yen

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

EPS before amortization of goodwill:

Year Ended February 28, 2025: 105.12 yen

Year Ended February 29, 2024: 117.24 yen

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

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

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

(2) Financial position

(Millions of yen)

	Total Assets	Net Assets	Owners' Equity Ratio	Net Assets per Share
February 28, 2025	11,386,111	4,217,445	35.4 %	1,553.17 (yen)
February 29, 2024	10,592,117	3,900,624	35.1 %	1,416.94 (yen)

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

As of February 28, 2025: 4,030,211 million yen As of February 29, 2024: 3,716,523 million yen

(Note) The Company conducted a 3-for-1 common share split on March 1, 2024. "Net assets per share" is calculated as if the share split had occurred at the beginning of the previous fiscal year.

(3) Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of the Fiscal Year
Year Ended February 28, 2025	876,458	(732,363)	(392,648)	1,349,820
Year Ended February 29, 2024	673,015	(431,809)	(377,065)	1,562,493

2. Dividends

	Dividends per Share (yen)					Total Amount of Dividends (Millions of yen)	Dividends Payout Ratio (Consolidated)	Ratio of Total Amount of Dividends to Net Assets (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual			
Year Ended February 29, 2024	-	56.50	-	56.50	113.00	99,468	44.4 %	2.8 %
Year Ended February 28, 2025	-	20.00	-	20.00	40.00	103,961	60.0 %	2.7 %
Year Ending February 28, 2026 (forecast)	-	25.00	-	25.00	50.00		49.0 %	

(Note) The Company conducted a 3-for-1 common share split on March 1, 2024. For the fiscal year ended February 29, 2024, the actual amount of dividends per share of dividends prior to the share split are presented. The annual dividend per share for the fiscal year ended February 2024, considering into account the stock split will be 37.6 yen.

3. Forecast of Business Results for the Fiscal Year Ending February 28, 2026 (From March 1, 2025 to February 28, 2026)

(Millions of yen)

	Revenues from Operations	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Income per Share (EPS)
Interim Period	5,785,000 (4.2)%	197,000 5.3%	172,000 2.9%	98,000 87.6%	38.00(yen)
Entire Year	10,722,000 (10.4)%	424,000 0.7%	386,000 3.0%	255,000 47.3%	101.96(yen)

(Reference) Group's total sales:

Interim Period: 9,110,000 million yen Entire Year: 17,338,000 million yen

EBITDA:

Interim Period: 485,000 million yen Entire Year: 963,000 million yen

EPS before amortization of goodwill:

Interim Period: 59.02 yen Entire Year: 143.96 yen

(Note) The Company resolved to acquire its own shares at the meeting of the Board of Directors held on April 9, 2025. In association with this, the estimated impact of acquisition of own shares and cancellation of treasury stock are taken into account in regards to "EPS" and "EPS before amortization of goodwill" in the forecast for fiscal year ending February 28, 2026.

4. Others

(1) Significant change in the scope of consolidation during the period: Yes

Added: One company (CONVENIENCE HOLDINGS PTY LTD)

Excluded: None

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

1. Changes due to amendment of accounting standards: None

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

3. Changes in accounting estimates: None

4. Restatements: None

(3) Number of shares outstanding (Common stock)

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

As of February 28, 2025: 2,604,555,849 shares As of February 29, 2024: 2,633,226,549 shares

2. Number of treasury stock at the end of period

As of February 28, 2025: 9,723,478 shares As of February 29, 2024: 10,312,992 shares

3. Average number of shares during the period

As of February 28, 2025: 2,597,855,216 shares As of February 29, 2024: 2,646,511,134 shares

(Notes) 1. The Company has introduced the BIP Trust and ESOP Trust, and its shares held by these Trusts are included in the number of treasury stock to be deducted when calculating the number of treasury stock at the end of the fiscal period and the average number of shares during the period.
2. The Company conducted a 3-for-1 common share split on March 1, 2024. "Number of shares outstanding at the end of period", "Number of treasury stock at the end of period" and "Average number of shares during the period" are calculated as if the share split had occurred at the beginning of the fiscal year ended February 29, 2024.

(4) Formula of various management indicators

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

* Only figures included in SG&A expenses

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

For EPS before amortization of goodwill, tax impact related to amortization of goodwill is taken into account to make the figures more accurate.

Reference:**Nonconsolidated Results for the Fiscal Year Ended February 28, 2025****(From March 1, 2024 to February 28, 2025)****(1) Results of operations**

(Millions of yen, except per share amounts)

	Revenues from Operations	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent
Year Ended February 28, 2025	209,743 3.7 %	127,925 2.1 %	121,679 (0.3) %	109,556 155.3 %
Year Ended February 29, 2024	202,277 (18.6) %	125,307 (29.0) %	122,042 (29.7) %	42,915 (76.1) %

	Net Income per Share (EPS)	Diluted Net Income per Share (Diluted EPS)
Year Ended February 28, 2025	42.17 (yen)	42.17 (yen)
Year Ended February 29, 2024	16.22 (yen)	16.22 (yen)

(Note) The Company conducted a 3-for-1 common share split on March 1, 2024. "EPS" and "Diluted EPS" are calculated as if the share split had occurred at the beginning of the previous fiscal year ended February 29, 2024.

(2) Financial position

(Millions of yen)

	Total Assets	Net Assets	Owners' Equity Ratio	Net Assets per Share
February 28, 2025	2,690,398	1,349,685	50.2 %	520.11 (yen)
February 29, 2024	2,657,276	1,399,685	52.7 %	533.61 (yen)

(Reference) Owners' equity

As of February 28, 2025: 1,349,636 million yen As of February 29, 2024: 1,399,636 million yen

(Note) The Company conducted a 3-for-1 common share split on March 1, 2024. "Net assets per share" is calculated as if the share split had occurred at the beginning of fiscal year ended February 29, 2024.

NOTICE REGARDING AUDIT PROCEDURES FOR THE CONSOLIDATED FINANCIAL RESULTS

This consolidated financial results statement is not subject to audit.

FORWARD LOOKING STATEMENTS

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

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1. Results

(1) Analysis of results

I. Overview

In the fiscal year under review, the Japanese economy, there were signs of recovery in consumer spending as employment and income conditions improved although some areas remain stagnant. This has led to a clear divergence in consumption patterns, with incomes of the young and the elderly increasing due to rising wages and the extension of the retirement age, but also an emerging awareness of the need to protect livelihoods, especially among those responsible for child rearing.

The North American economy remained robust overall thanks to the consumption of high-income earners, despite a persistently inflationary, elevated interest rate and deteriorating employment environment. In this context, there was a more prudent approach to consumption, in particular among middle- and low-income earners.

In this environment, the Seven & i Group aims to be “a world-class retail group centered around its *food* that leads retail innovation through global growth strategies centered on the 7-Eleven business and proactive utilization of technology.” To achieve this goal, the Group has been pushing ahead with the business strategies and Group strategy laid out in the updated Medium-Term Management Plan (announced on March 9, 2023).

Our consolidated results for the fiscal year ended February 28, 2025 are summarized below.

On March 6, 2025, we announced the Plan to Unlock Shareholder Value Through Leadership Changes and Transformational Capital and Business Initiatives. These initiatives involve a series of measures designed to refine our management system, capital structure, and business operations. The primary objective of these measures is to further streamline our focus on the convenience store business, with a commitment to enhancing value for all shareholders. We will also continue to implement the business reform measures that have been announced to date and are currently underway.

(Millions of yen)

	Year ended February 29, 2024		Year ended February 28, 2025	
		YOY		YOY
Revenues from operations	11,471,753	97.1%	11,972,762	104.4%
Operating income	534,248	105.5%	420,991	78.8%
Ordinary income	507,086	106.6%	374,586	73.9%
Net income attributable to owners of parent	224,623	79.9%	173,068	77.0%

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

	Year ended February 29, 2024		Year ended February 28, 2025	
		YOY		YOY
EBITDA	1,054,951	106.0%	995,523	94.4%
Operating CF (excluding financial services)	778,398	93.5%	783,254	100.6%
Free CF level (excluding financial services)	391,694	82.6%	435,015	111.1%
ROE (%)	6.2		4.5	
ROIC (excluding financial services) (%)	4.1		3.5	
Debt/EBITDA ratio (times)	2.6		2.7	
Net income per share (EPS) (yen)	84.88	80.0%	66.62	78.5%

Exchange rates (Income statements)	U.S.\$1 = ¥140.67	U.S.\$1 = ¥151.69
	1yuan = ¥19.82	1yuan = ¥21.04
Exchange rates (Balance sheets)	U.S.\$1 = ¥141.83	U.S.\$1 = ¥158.18
	1yuan = ¥19.93	1yuan = ¥21.67

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

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 ¥18,442,884 million (103.7% year on year). For the fiscal year ended February 28, 2025, Group's total sales, revenues from operations and operating income increased by ¥810.4 billion, ¥669.1 billion and ¥15.5 billion, respectively, as a result of exchange rate fluctuations.

II. Overview by operating segment

(Revenues from operations by operating segment)

(Millions of yen)

	Year ended February 29, 2024		Year ended February 28, 2025	
		YOY		YOY
Domestic convenience store operations	921,706	103.5%	904,152	98.1%
Overseas convenience store operations	8,516,939	96.3%	9,170,782	107.7%
Superstore operations	1,477,384	101.9%	1,432,126	96.9%
Financial services	207,479	106.8%	212,127	102.2%
Others	411,305	84.2%	320,914	78.0%
Total	11,534,814	97.2%	12,040,102	104.4%
Adjustments (Eliminations/corporate)	(63,060)	—	(67,339)	—
Consolidated Total	11,471,753	97.1%	11,972,762	104.4%

(Operating income by operating segment)

(Millions of yen)

	Year ended February 29, 2024		Year ended February 28, 2025	
		YOY		YOY
Domestic convenience store operations	250,544	108.0%	233,554	93.2%
Overseas convenience store operations	301,628	104.1%	216,248	71.7%
Superstore operations	13,588	109.6%	10,415	76.7%
Financial services	38,172	102.8%	32,015	83.9%
Others	2,688	103.6%	5,779	215.0%
Total	606,622	105.7%	498,014	82.1%
Adjustments (Eliminations/corporate)	(72,373)	—	(77,023)	—
Consolidated Total	534,248	105.5%	420,991	78.8%

Domestic convenience store operations

In Domestic convenience store operations, revenues from operations amounted to ¥904,152 million (98.1% year on year), and operating income amounted to ¥233,554 million (93.2% year on year).

SEVEN-ELEVEN JAPAN CO., LTD. ("SEJ") is focusing on addressing changes in customers' purchasing behavior caused by shifts in the external environment, such as ongoing population decline, aging society with declining birthrate and the increasing polarization of spending due to rising prices and other factors. Accordingly, SEJ has been striving to expand the customer base and increase the frequency of store visits, with efforts based on refining basic merchandise. To this purpose, SEJ has been promoting its initiatives including expanding merchandise assortments according to market needs, providing a new shopping experience for customers as well as delivering value that balances quality and price.

In addition, SEJ is taking steps to implement the 7NOW delivery service on a nation scale. This involves building a system for national expansion and enhancing other initiatives, such as promoting the 7NOW App to a wider audience.

Furthermore, in order to meet diverse customer needs, SEJ has launched the SIP* store, a new concept store, on February 29, 2024. At this stage, potential customer needs are identified, paving the way for the introduction of products and services aligned with these needs to other stores. Based on the results of this initiative, we began testing the service at about 20 stores in Saitama Prefecture from January 2025 with a view to expanding the service in the future, and the service has been well received. Based on the results of this review, we will aim to improve profitability by expanding the service.

In the current consolidated fiscal year, measures to increase the frequency of customer visits and expand into new customer segments by providing value that balances quality and price were successful, and existing stores sales and numbers of customers exceeded the previous year's figures, with Total store sales (the sum of sales from directly operated stores and franchisees) reaching 5,369,756 million yen (100.5% year on year). Meanwhile, operating income was 233,797 million yen (93.1% year on year) because of a drop in gross profit margin due to rising material costs and utility expenses.

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

Overseas convenience store operations

In Overseas convenience store operations, revenues from operations amounted to ¥9,170,782 million (107.7% year on year), and operating income amounted to ¥216,248 million (71.7% year on year).

In North America, 7-Eleven, Inc. ("SEI") is pursuing sustained business growth and enhanced capital efficiency in the context of a tough consumer spending environment, particularly among lower-and middle-income earners whose desire to save on food and other necessities has become even stronger. Also, there is a growing polarization of consumption due to a decline in labor incomes, which is a result of challenging employment conditions, as well as inflationary pressures and high interest rates. To this end, SEI has promoted four measures: Enhance Proprietary Products (including value offers), Accelerate Digital & Delivery, Improve Efficiencies and Cost leadership, and Grow and Enhance Store Network.

Furthermore, SEI completed on April 16, 2024, the acquisition of a part of the convenience store business and fuel retail business of U.S. company Sunoco LP.

As a result, for the fiscal year ended December 31, 2024, merchandise sales at existing stores in the U.S. decreased year on year in U.S. dollars, while operating income (before amortization of goodwill) amounted to ¥329,620 million (83.2% year on year). Moreover, total store sales (the sum of sales from directly operated stores and franchisees) amounted to ¥10,493,291 million (102.9% year on year). Despite the impact of various external factors, we are seeing a trend towards improving sales, particularly as our proprietary products are driving overall sales as we move forward with the four measures.

7-Eleven International LLC ("7IN") has plans to extend our presence to 30 countries and regions including Japan and North America by the fiscal year ending December 31, 2030. Under this policy, we will promote a growth strategy that leverages both existing and new markets. As for existing market growth, we are working to transform our stores into 'food-focused convenience stores' that tailored into the characteristics of each market. As part of this, on April 1, 2024, 7IN completed the acquisition of the Australian company Convenience Group Holdings Pty Ltd* ("SEA"), which holds shares in several companies, including 7-Eleven Stores Pty Ltd, a licensee that operates convenience store and fuel retail businesses under the 7-Eleven brand, and we are working to enhance the development of fresh food merchandise and expand our lineup.

* Convenience Group Holdings Pty Ltd is a holding company of 7-Eleven Stores Pty Ltd, which operates the convenience store and fuel retail business under the "7-Eleven" brand as a licensee of the Company in Australia.

Superstore operations

In Superstore operations, revenues from operations amounted to ¥1,432,126 million (96.9% year on year), and operating income amounted to ¥10,415 million (76.7% year on year).

IY is executing fundamental reforms to improve profitability in line with its plan on the whole. IY has been making efforts to improve merchandise quality and to enhance store operating efficiency. These efforts included the launch of *YORK DELI*, a new delicatessen brand, by utilizing strategic investment infrastructure such as process centers and central kitchens, including Peace Deli Chiba Kitchen, which started operations on February 27, 2024.

For the fiscal year ended February 28, 2025, existing store sales decreased from the previous year due to factors such as a reduction of the directly managed sales floor area, but operating income was 3,020 million yen (compared to an operating loss of 1,205 million yen in the previous year) due to the suppression of SG&A expenses through drastic reforms such as store closures.

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

For the fiscal year ended February 28, 2025, although sales at existing stores exceeded the previous year's figures, operating income was 16,810 million yen (89.9% year on year) due to factors such as the sharp rise in the price of raw materials.

Financial services

In Financial services, revenues from operations amounted to ¥212,127 million (102.2% year on year), and operating income amounted to ¥32,015 million (83.9% year on year).

As of February 28, 2025, the number of domestic ATMs operated by Seven Bank, Ltd. ("7BK"), stood at 27,965, up 595 from the previous fiscal year-end. The average number of transactions per day per ATM amounted to 107.9 (up 3.3 year on year), owing to improvement in the number of transactions at deposit-taking institutions and an increase in non-banking transactions such as consumer finance in line with increased demand for funds, as well as a sustained high level of cash charge transactions as consumers opted for various cashless payments. As a result, total transactions of 7BK's ATMs during the fiscal year ended February 28, 2025 increased year on year. Cash and deposits at the 7BK (including cash for ATM loading) amounted to ¥903.1 billion including cash for ATM loading.

Others

In Others, revenues from operations amounted to ¥320,914 million (78.0% year on year), and operating income amounted to ¥5,779 million (215.0% year on year).

Revenue decreased partly due to the impact of factors such as the transfer of operating companies as a result of business portfolio optimization, while profit increased due to strong business performance with a recovery in customer traffic at operating companies such as THE LOFT CO., LTD.

Adjustments (eliminations/corporate)

The operating loss from adjustments totaled ¥77,023 million (operating loss of ¥72,373 million for the previous fiscal year).

This operating loss mainly reflected expenses related to the construction of the Group's shared infrastructure system for purposes such as enhancing operating efficiency and bolstering security.

III. Outlook for the year ending February 28, 2026

In Japan, concerns about households saving money due to continued price rises are expected to recover gradually against factors like pay rises, increased capital investment, and an increase in inbound tourism demand.

In North America, due to factors such as increasing trade policy uncertainty, the consumer spending environment is expected to remain challenging.

Given this business environment, On March 6, 2025, we disclosed an announcement - "Seven & i Holdings Announces Plan to Unlock Shareholder Value Through Leadership Changes and Transformational Capital and Business Initiatives". We will continue to promote the business transformation initiatives that we have announced so far. We have also announced our policy regarding a senior leadership transformation to move the initiatives forward, promotion of efforts to realize the IPO of 7-Eleven, Inc., and our commitment to shareholder returns. We will further promote these management initiatives in line with our basic stance: "We aim to contribute to the local community both in Japan and overseas by providing new experiences and values from the customer's perspective."

In light of these factors, we have summarized our consolidated performance forecasts for the fiscal year ending February 28, 2026, as follows.

(Consolidated forecasts)

(Millions of yen)

	Year ending February 28, 2026	
		YOY
Revenues from operations	10,722,000	89.6%
Operating income	424,000	100.7%
Ordinary income	386,000	103.0%
Net income attributable to owners of parent	255,000	147.3%

* Assumed exchange rates: U.S.\$1 = ¥148.00; 1 yuan = ¥21.00

* Total Group sales forecast (including sales of franchisees of SEVEN-ELEVEN JAPAN CO., LTD., SEVEN-ELEVEN OKINAWA Co., Ltd., 7-Eleven, Inc., and 7-Eleven Stores Pty Ltd): ¥17,338,000 million

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

	FY2025 Medium-Term Management Plan target	FY2025 Estimate
EBITDA	¥1.1 trillion or more	¥963.0 billion
ROE	11.5% or more	6.9%
ROIC (excluding financial services)	8.0% or more	5.3%
Debt/EBITDA ratio	1.8~2.5 times	2.3 times
EPS growth rate (CAGR)	18% or more	8.5%

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

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

* The forecast for the fiscal year ending February 2026 is based on the assumption that the transformation of the business portfolio will be completed by the middle of the current fiscal year, as announced in the Plan to Unlock Shareholder Value Through Leadership Changes and Transformational Capital and business Initiatives released on 6 March 2025.

(Revenues forecasts from operations and operating income by operating segment) (Millions of yen)

	Year ending February 28, 2026			
	Revenues from operations		Operating income	
		YOY		YOY
Domestic convenience store operations	950,000	105.1%	244,700	104.8%
Overseas convenience store operations	8,848,000	96.5%	230,000	106.4%
Superstore operations	687,000	48.0%	15,400	147.9%
Financial services	119,000	56.1%	18,500	57.8%
Others	164,000	51.1%	1,900	32.9%
Total	10,768,000	89.4%	510,500	102.5%
Adjustments (Eliminations/corporate)	(46,000)	—	(86,500)	—
Consolidated Total	10,722,000	89.6%	424,000	100.7%

As announced in the press release, "Notice Regarding the Transfer of Subsidiaries due to a Company Split (Absorption-type Split) at the Company's Subsidiary," on March 6, 2025, the Company resolved that the head office functions, subsidiary management functions of a total of 29 companies comprising 22 of our consolidated subsidiaries and 7 equity-method affiliates engaged in the Group's food supermarket, specialty store, and other businesses and all other businesses held by YORK Holdings Co., Ltd. would be transferred to K.K. BCJ-96, a wholly-owned subsidiary of K.K. BCJ-95, an acquisition purpose company established by Bain Capital Private Equity, L.P. and its affiliates through an absorption-type split. As a result, the FY2025 performance forecasts for the transferred companies reflect only the first half of the fiscal year of the 29 companies concerned.

Domestic convenience store operations

SEJ will address changing customer purchasing behavior associated with shifts in external economic conditions such as a declining population, falling birthrates, with an aging society, as well as polarization of consumption.

At the same time, SEJ will further strengthen efforts in the three areas of "expanding our product range to meet market needs," "providing customers with a new shopping experience," and "offering value that balances quality and price." We will also roll out the products and services identified at the SIP Store to other stores, with the goal of improving store attractiveness and profitability.

In addition, by providing new experiential value that from the customers' perspective, such as through our delivery service "7NOW", we will unlock the next doorway to convenience, and work to achieve sustainable growth throughout the entire value chain, including our franchisees and business partners.

Overseas convenience store operations

In North America, SEI will continue to focus on the following key priorities: Grow Proprietary Products, Accelerate Digital & Delivery, Improving Efficiency and Cost Leadership, and Grow and Enhance Store Network.

7IN will continue to work to achieve growth with quality and speed with the aim of opening stores in 30 countries and regions around the world, including Japan and North America, by the year ending December 31, 2030. Guided by these plans, 7IN will strive to achieve high-quality and speedy growth.

Superstore operations

At Ito-Yokado Co., Ltd., we will establish a business model and work to maximize value through initiatives such as product and logistics improvements centered on Peace Deli, strengthening collaboration with group companies, establishing a specialty store business, and strengthening the last mile strategy through collaboration with ONIGO Co.

Financial services

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

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

(2) Analysis of financial position

I. Assets, liabilities and net assets

(Consolidated financial position)		(Millions of yen)	
	February 29, 2024	February 28, 2025	Change
Total assets	10,592,117	11,386,111	793,993
Total liabilities	6,691,492	7,168,665	477,172
Net assets	3,900,624	4,217,445	316,821

Exchange rates	U.S.\$1 = ¥141.83	U.S.\$1 = ¥158.18
	1yuan = ¥19.93	1yuan = ¥21.67

Total assets amounted to ¥11,386,111 million, up ¥793,993 million from the previous fiscal year-end, mainly due to the acquisition of SEA in the overseas convenience store operations. Current assets decreased ¥211,883 million from the previous fiscal year-end, mainly due to a decrease of cash and bank deposits. Non-current assets increased ¥1,006,276 million from the previous fiscal year-end, compared to the end of the previous fiscal year, mainly due to an increase in tangible and intangible fixed assets accompanying the acquisition of SEA in the overseas convenience store business.

Total liabilities increased ¥477,172 million from the previous fiscal year-end to ¥7,168,665 million, mainly due to the fluctuation in exchange rates and an increase in lease obligations in accordance with the acquisition of SEA, etc.

Net assets increased ¥316,821 million from the previous fiscal year-end to ¥4,217,445 million, due to factors such as an increase in foreign currency translation adjustments.

II. Cash flows

(Consolidated cash flows)		(Millions of yen)	
	Year ended February 29, 2024	Year ended February 28, 2025	Change
Cash flows from operating activities	673,015	876,458	203,443
Cash flows from investing activities	(431,809)	(732,363)	(300,553)
Cash flows from financing activities	(377,065)	(392,648)	(15,582)
Cash and cash equivalents at end of the period	1,562,493	1,349,820	(212,673)

Net cash provided by operating activities amounted to ¥876,458 million. This was mainly due to income before income taxes of ¥269,351 million.

Net cash used in investing activities amounted to ¥732,363 million, mainly due to payment for purchase of shares in subsidiaries resulting in change in scope of consolidation following acquisition of SEA in the overseas convenience store operations. Net cash used in financing activities amounted to ¥392,648 million, mainly due to payment for redemption of bonds.

As a result of the above, cash and cash equivalents for the end of February 28, 2025 decreased by ¥212,673 million from the previous fiscal year-end to ¥1,349,820 million.

(Cash flow indicators)

	Year ended February 28, 2023	Year ended February 29, 2024	Year ended February 28, 2025
Owner's equity ratio (%)	32.9	35.1	35.4
Owner's equity ratio (market base) (%)	51.0	55.8	48.9
Cash flow to interest-bearing debt ratio (years)	4.2	5.7	4.7
Interest coverage ratio (times)	25.3	15.7	14.8

(Notes)

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

(3) Basic policy on profit distribution; Dividends for current and next fiscal years

The Group's basic policy is to provide returns commensurate with profit growth. The dividends are paid in compliance with the shareholder return policy of progressive dividends in line with sustained profit growth and plan to achieve a total payout ratio of 50% or more (cumulative figures from FY2023 to FY2025).

For the fiscal year under review, we declared a year-end dividend of ¥20.0 per share. Together with the ¥20.0 interim dividend already paid; this will bring total annual dividends to ¥40.0 per share.

For the distribution of surplus funds in the fiscal year ending February 28 2026, we plan to pay an interim dividend of ¥25.0 and a year-end dividend of ¥25.0, for a total annual dividend of ¥50.0 per share.

(4) Business and other risks

Descriptions of business and other risks are provided in the Company's most recent Securities Report (released May 29, 2024). Since no new risks that require prompt disclosure have materialized since then, we have omitted such descriptions in this report.

Our risk factors can be viewed at the following sites.

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

2. Scope of Consolidated Subsidiaries and Affiliates

Seven & i Group consists of 196 diversified retail companies, mainly engaged in domestic convenience store operations, overseas convenience store operations, superstore operations, and financial services. Operating segment, major group companies and number of companies are as follows. This segmentation is same as the reportable segment shown in the section of segment information.

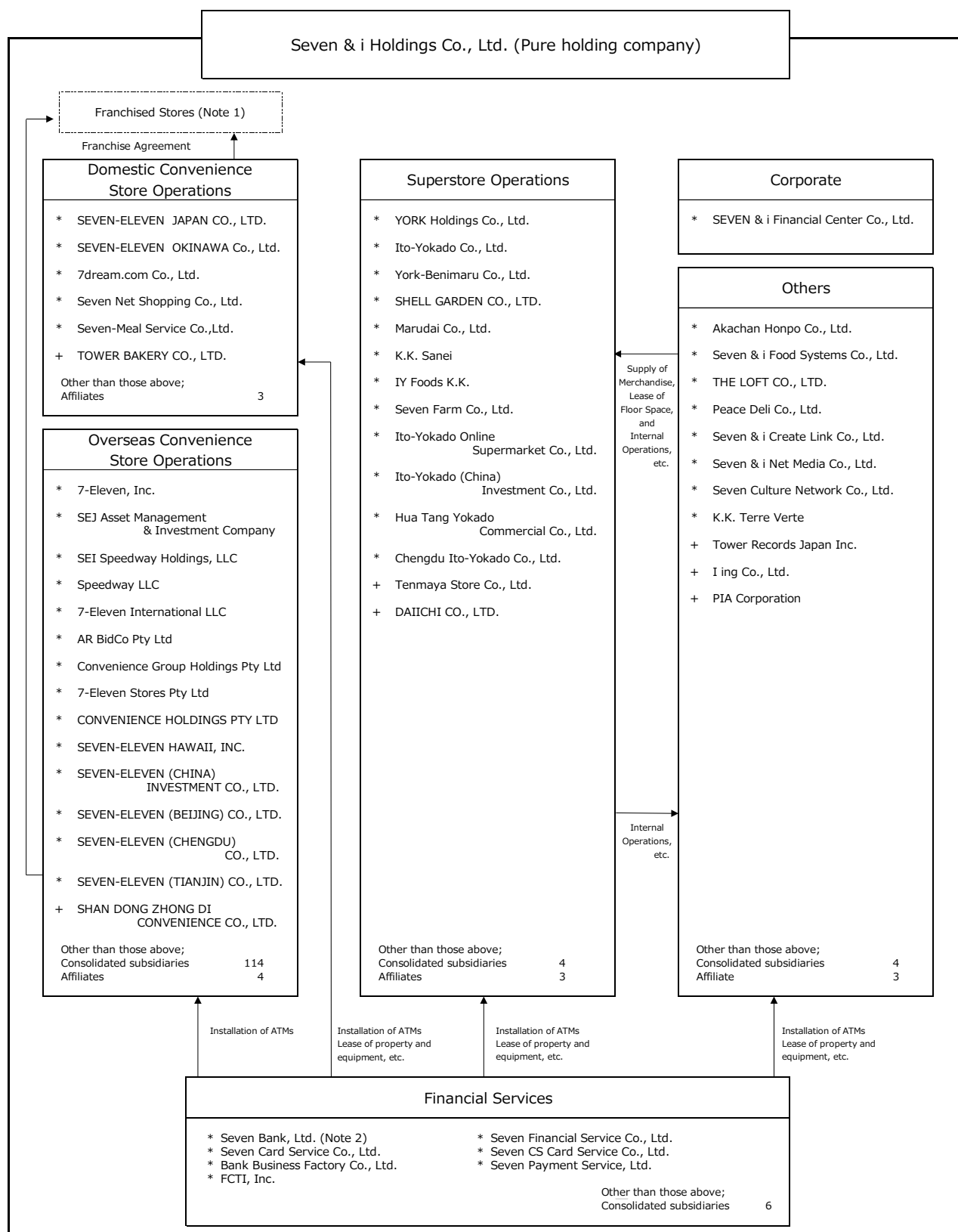
Operating Segment	Major Group Companies	Number of Companies	
Domestic Convenience Store Operations	SEVEN-ELEVEN JAPAN CO., LTD.	Consolidated Subsidiaries	5
	SEVEN-ELEVEN OKINAWA Co., Ltd.	Affiliates	4
	7dream.com Co., Ltd. Seven Net Shopping Co., Ltd.		
	Seven-Meal Service Co., Ltd. TOWER BAKERY CO., LTD.* ¹	Total	9
Overseas Convenience Store Operations	7-Eleven, Inc. SEJ Asset Management & Investment Company		
	SEI Speedway Holdings, LLC, Speedway LLC		
	7-Eleven International LLC, AR BidCo Pty Ltd		
	Convenience Group Holdings Pty Ltd		
	7-Eleven Stores Pty Ltd	Consolidated Subsidiaries	128
	CONVENIENCE HOLDINGS PTY LTD	Affiliates	5
	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	Total	133
Superstore Operations	YORK Holdings Co., Ltd.		
	Ito-Yokado Co., Ltd. York-Benimaru Co., Ltd.		
	SHELL GARDEN CO., LTD. Marudai Co., Ltd.* ² K.K. Sanei		
	IY Foods K.K.* ³ Seven Farm Co., Ltd.	Consolidated Subsidiaries	16
	Ito-Yokado Online Supermarket Co., Ltd.	Affiliates	5
	Ito-Yokado (China) Investment Co., Ltd.		
	Hua Tang Yokado Commercial Co., Ltd.		
	Chengdu Ito-Yokado Co., Ltd.		
	Tenmaya Store Co., Ltd.* ¹ DAIICHI CO., LTD.* ¹	Total	21
Financial Services	Seven Bank, Ltd. Seven Financial Service Co., Ltd.		
	Seven Card Service Co., Ltd.		
	Seven CS Card Service Co., Ltd.		
	Bank Business Factory Co., Ltd.	Consolidated Subsidiaries	13
	Seven Payment Service, Ltd. FCTI, Inc.		
Others	Akachan Honpo Co., Ltd. Seven & i Food Systems Co., Ltd.		
	THE LOFT CO., LTD. Peace Deli Co., Ltd.	Consolidated Subsidiaries	12
	Seven & i Create Link Co., Ltd. Seven & i Net Media Co., Ltd.	Affiliates	6
	Seven Culture Network Co., Ltd., K.K. Terre Verte		
	Tower Records Japan Inc.* ¹ I ing Co., Ltd.* ¹ PIA Corporation* ¹	Total	18
Corporate	SEVEN & i Financial Center Co., Ltd.	Consolidated Subsidiaries	1

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

2. Following the transfer of shares of Marudai Co., Ltd. on March 1, 2025, Marudai Co., Ltd. was excluded from the scope of consolidation.

3. IY Foods K.K. ceased to exist as a result of its merger with Peace Deli Co., Ltd. on March 1, 2025.

Business Relation in Group



* Consolidated subsidiary

+ Affiliate accounted for using the equity method

- (Notes) 1. Each franchised store is operated by an independent franchisee which enters into franchise agreement with SEVEN-ELEVEN JAPAN CO., LTD., SEVEN-ELEVEN OKINAWA Co., Ltd., 7-Eleven, Inc., 7-Eleven Stores Pty Ltd, SEVEN-ELEVEN (BEIJING) CO., LTD., SEVEN-ELEVEN (CHENGDU) CO., LTD., and SEVEN-ELEVEN (TIANJIN) CO., LTD.
2. As of February 28, 2025, Seven Bank, Ltd. has 27,965 units of ATMs placed mainly in the stores of Group companies.

3. Management Policies

(1) Basic management policies

The Company is a pure holding company that was established on September 1, 2005. We strive to quickly respond to customer needs, market conditions, and rapidly changing social circumstances while tirelessly reforming our operations and business structure under our imperishable company motto since foundation “Trust and Sincerity” and basic policy of “Responding to Change while Strengthening Fundamentals.” In addition, the Group will endeavor to become a global retailer like no other, responding to the needs of our customers in a variety of situations in their daily lives, by leveraging our global network and exceptional information capabilities, with a focus on the convenience store business, and by leveraging the strengths of our food business as the axis. In addition, we will strive to maximize Group corporate value by strengthening governance and expanding global business while strengthening engagement with our stakeholders as a listed company. We formulated our GREEN CHALLENGE 2050 Environmental Declaration in 2019 for the sustainability initiatives our group has placed at the core of our management. We have set targets for 2050 under four themes: reduction of CO2 emissions, measures against plastic, measures against food loss and for food recycling, and sustainable procurement. We promote actions to solve environmental issues and external diseconomies to achieve those targets.

(2) Target performance indicators

In order to sustainably increase corporate value, we have established financial targets according to our basic policies of increasing returns (profits) in excess of the cost of capital and enhancing our ability to generate cash flow.

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

	FY2025 Medium-Term Management Plan target	FY2025 Estimate
EBITDA	¥1.1 trillion or more	¥963.0 billion
ROE	11.5% or more	6.9%
ROIC (excluding financial services)	8.0% or more	5.3%
Debt/EBITDA ratio	1.8~2.5 times	2.3 times
EPS growth rate (CAGR)	18% or more	8.5%

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

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

* The forecast for the fiscal year ending February 2026 is based on the assumption that the transformation of the business portfolio will be completed by the middle of the current fiscal year, as announced in the Plan to Unlock Shareholder Value Through Leadership Changes and Transformational Capital and business Initiatives released on 6 March 2025.

(3) Medium- to long-term management vision

As a result of the Group Strategy Reevaluation conducted in the fiscal year ended February 28, 2023, the Company has updated our “Ideal Group Image for 2030” to “a world-class retail group centered around its ‘food’ that leads retail innovation through global growth strategies centered on the 7-Eleven business and proactive utilization of technology.”

(4) Issues to address

Business conditions surrounding the Group are changing dramatically at an ever-quicken pace. Currently, in Japan, the accelerated change in the social structure, such as the aging population and

the increases in single-person and co-working households, has further increased the demand for readily available and convenient fresh food and pre-cooked meals. In addition, consumer demand for food has also diversified further following changes in behavior and values due to changes such as recent exchange rate fluctuations, surging prices due to persistently high fuel and raw materials costs, and the rapid expansion of inbound tourism consumption. On the other hand, the employment environment is expected to remain challenging in light of rising minimum wages and increasing burden of social insurance premiums.

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

In our operations, we possess strengths in food that support the Group's competitiveness. These strengths include the Group's merchandising assortment, procurement capabilities, supplier network, product innovation capabilities, and private brands (*Seven Premium*). This strength in food will become an increasingly important competitive advantage to support the growth of the Group's domestic and overseas convenience store operations from the standpoint of the aforementioned macro and market trends expected in the future.

Strategy committee recommendations and our group's action plans toward the maximization of corporate and shareholder value in the medium- to long-term

We announced the "Update to the Medium-Term Management Plan and the Results of the Group Strategy Reevaluation" (the "Group Strategy Reevaluation") on March 9, 2023, and established the Strategy Committee ("the Strat Com") composed of all the Group's Independent Outside Directors, focused on maximizing corporate value and thus shareholder value in the medium- to long-term. Based on the discussions in the Strat Com, the Strat Com shared its recommendations to the Company's Board of Directors (the "Board") on April 10 2024, and the Board considered and adopted the recommendations. Following the proposal, our board of directors considered it in earnest and as a result, we have decided on and announced the following specific action plan for our company.

Concrete action plans to accelerate growth:

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

(Notes) 1. Tokyo Metropolitan Area Superstore business encompasses Ito-Yokado Co., Ltd., and SHELL GARDEN CO., LTD.

The Company has seriously considered all avenues for effectively maximizing corporate value and shareholder value through steady execution of its action plans and monitoring by the Board of Directors. As a result, on March 6, 2025 the Company announced a series of transformational leadership, capital, and business initiatives to enhance focus on its convenience store business and unlock and distribute significant value to shareholders.

Plan to unlock shareholder value through leadership changes and transformational capital and business initiatives

- To accelerate transformation, Stephen Hayes Dacus will be appointed as President & Representative Director and CEO after the Group's Annual General Meeting in May 2025
- Pursue IPO of 7-Eleven, Inc., which operates 7-Eleven business in North America, by the second half of FY2026
- Sign definitive agreement upon transfer of SST Business Group to Bain Capital for ¥814.7 billion(U.S.\$ 5.37 billion)^{2 3}
- Commit to return total of ¥2 trillion (approximately U.S.\$ 13.2 billion)² of capital recovered through the IPO of 7-Eleven, Inc. and the deconsolidation of SST Business Group⁴ to shareholders in the form of share buybacks by FY2030 and also implement progressive dividend policy to return profits generated from ordinary business operations to shareholders
- Remain fully committed to pursuing all avenues to unlock value for shareholders; provide update on special committee work

(Notes) 2. U.S.\$1=151.46 yen

3. The amount is the estimated cash consideration at this point in time, calculated by adding the amount of the enterprise value agreed upon in the definitive agreement for the transaction, and making adjustments for expected net deposits etc. at the time when the absorption-type company split is expected to take effect.
The final amount of consideration will be determined after price adjustments, etc. as set forth in the definitive agreement for the transaction.
4. Food supermarket business and specialty store/other business

Through the implementation of these measures, the Company will strengthen its focus on domestic and overseas convenience store operations and accelerate growth. In Domestic convenience store operations, the Company will address changes in the social structure and customer needs based on SEVEN-ELEVEN JAPAN CO., LTD.'s core competencies of merchandising, area store opening strategy, item-by-item management, and communication with franchisees. The Company views the increasing polarization of spending associated with rising prices as a key issue. Under the basic policy of balancing quality and price, the Company will strengthen high-quality merchandise development and merchandise assortments covering a wide variety of price ranges. Additionally, the Company recognizes that demand for delivery and the expansion of inbound tourism consumption are significant customer needs. Efforts are being made to improve the 7NOW delivery service and services to address inbound tourism consumption. Looking ahead, the Company will continue to enhance the value provided to customers through active investment in merchandise and services, while also taking on the challenge of new businesses such as retail media and concept stores specialized in specific domains.

In addition, the Company's Overseas Convenience Stores business recognizes that more and more people are cutting back on their spending, particularly lower- and middle-income earners, in response to continued increases in prices and interest rates and the deteriorating employment environment in North America. 7-Eleven, Inc. ("SEI") will pursue sustained business growth and enhanced capital efficiency through merchandise and services that address changing customer needs. In addition to strengthening original merchandise, including fresh food, proprietary beverages, and quick service restaurants, through value chain creation with partner companies, SEI will work to enhance customer convenience by expanding digital investments in loyalty programs, 7NOW delivery, and other areas. In the face of rising prices and income polarization, securing cost advantages is essential, and SEI will continue to advance its cost leadership efforts. Additionally, SEI will work to establish a new store model that achieves high customer evaluations and investment efficiency, while striving to grow and enhance the store network.

Furthermore, 7-Eleven International LLC ("7IN") has a plan to extend its presence to 30 countries and regions including Japan and North America by the fiscal year ending December 31, 2030. Under this policy, 7IN is promoting a growth strategy that leverages both existing and new markets. In existing markets, 7IN will work to evolve into a more profitable business model by transforming its stores into "food-focused convenience stores" that are tailored to the characteristics of each market through strategic investments and financing.

Solid management foundation to support our strategy

I. Realizing a sustainable society

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

"Seven Material Issues (Materiality)"

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

In May 2019, we announced our "GREEN CHALLENGE 2050" environmental declaration, which sets four themes: reduction of CO2 emissions, measures against plastic, measures against food loss and measures for food recycling, and sustainable procurement. Furthermore, we have formulated the Seven & i Group Nature Policy to further promote initiatives toward achieving nature positive. We will promote responses to natural capital and biodiversity, while also strengthening coordination with 7-Eleven, Inc. and 7-Eleven International LLC in step with strengthening our global development.

The Group works to protect human rights under its Corporate Action Guidelines. We have established the Seven & i Group Human Rights Policy, which is primarily based on the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the International Labor Organization Declaration on Fundamental Principles and Rights at Work, the 10 principles of the U.N. Global Compact, and the U.N. Guiding Principles on Business and Human Rights. We will continue encouraging employees, supply chain partners, and local communities to work with us as we step up efforts to respect human rights.

II. Further strengthening corporate governance

With respect to corporate governance, to date, we have been constantly striving to improve and expand corporate governance based on dialogue with all stakeholders. We have further improved the diversity of the Board of Directors and increased the number of independent outside directors to a majority since the fiscal year ended February 28, 2023. Concurrently, we have appointed Chief Officers (CxO) for each corporate function, as well as a Head for each business segment and business area in the fiscal year ended February 29, 2024.

Furthermore, in FY2024, the roles of Chairperson of the Board of Directors and CEO were separated in order to further ensure the effectiveness of the Board of Directors' discussion regarding management strategy and supervision of business execution.

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

The Special Committee, comprised of only Independent Outside Directors of the Company, continues to seriously examine all avenues for pursuing the maximization of corporate value as well as shareholder value.

III. Human resource measures linked to management strategy

The source of the Group growth potential is our human resources. We believe that management

strategy and human resource strategy are inseparable. Accordingly, we pursue a human resource strategy that is integrated with our management strategy, and we will not only seek human resources with specialized knowledge and skills from outside the Company but also actively develop them within the Company. In human resource development, we adhere to the concept of being “a company that grows together with its human resources.” With this in mind, by actively providing employees with opportunities for growth, we aim to develop human resources who continue to learn and improve their skills on their own, thereby achieving mutual growth for both employees and the Group.

In addition, we will work to create workplaces where everyone can work comfortably by reforming work styles and improving productivity. We believe that increasing employee engagement and motivation to contribute will lead to the revitalization of the organization and strengthen the company's competitiveness, and we will continue to promote these activities in the future.

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

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

4. Basic Concept on Choice of Accounting Standards

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

As regards the international financial reporting standards (IFRS), the Company has begun considering preparations for its introduction, taking into account the situation both in Japan and overseas.

5. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	February 29, 2024	February 28, 2025
	Amount	Amount
ASSETS		
Current assets	3,035,666	2,823,782
Cash and bank deposits	1,558,738	1,368,663
Notes and accounts receivable - trade, and contract assets	464,159	441,630
Trade accounts receivable - financial services	100,645	111,029
Merchandise and finished goods	283,349	312,739
Work in process	79	46
Raw materials and supplies	2,444	3,002
Prepaid expenses	90,576	94,707
ATM-related temporary payments	99,351	118,172
Other	447,812	388,696
Allowance for doubtful accounts	(11,491)	(14,905)
Non-current assets	7,555,469	8,561,745
Property and equipment	4,362,500	4,981,298
Buildings and structures, net	1,606,839	1,749,166
Furniture, fixtures and equipment, net	493,756	538,598
Vehicles, net	21,783	23,300
Land	1,096,630	1,172,559
Lease assets, net	2,970	1,641
Right-of-use assets, net	985,657	1,289,807
Construction in progress	154,862	206,223
Intangible assets	2,356,578	2,711,382
Goodwill	1,928,916	2,264,441
Software	302,767	295,814
Other	124,895	151,125
Investments and other assets	836,390	869,065
Investments in securities	277,526	321,086
Long-term loans receivable	14,488	14,295
Long-term leasehold deposits	278,642	264,136
Net defined benefit asset	116,852	126,974
Deferred tax assets	92,015	75,058
Other	59,297	69,189
Allowance for doubtful accounts	(2,432)	(1,675)
Deferred assets	981	582
Business commencement expenses	193	—
Bond issuance cost	788	582
TOTAL ASSETS	10,592,117	11,386,111

(Millions of yen)

	February 29, 2024	February 28, 2025
	Amount	Amount
LIABILITIES		
Current liabilities	3,073,252	3,316,615
Notes and accounts payable, trade	528,155	519,497
Short-term loans	84,882	172,497
Current portion of bonds	334,039	210,000
Current portion of long-term loans	138,530	290,128
Income taxes payable	18,389	36,003
Accrued expenses	264,862	282,395
Contract liabilities	188,890	178,031
Deposits received	140,845	146,967
ATM-related temporary advances	60,880	73,388
Lease obligations	132,392	180,624
Allowance for Loss on transfer of subsidiary	–	18,235
Allowance for restructuring expenses	15,989	2,626
Allowance for sales promotion expenses	773	815
Allowance for bonuses to employees	13,870	14,249
Allowance for bonuses to Directors and Audit & Supervisory Board Members	496	501
Deposits received in banking business	803,763	813,388
Call money	40,000	100,000
Other	306,490	277,264
Non-current liabilities	3,618,240	3,852,050
Bonds	1,356,585	1,244,036
Long-term loans	824,616	778,068
Deferred tax liabilities	220,658	239,401
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	459	439
Allowance for stock payments	4,707	4,947
Net defined benefit liability	16,323	16,313
Deposits received from tenants and franchised stores	45,025	44,178
Lease obligations	931,759	1,223,438
Asset retirement obligations	163,328	235,024
Other	54,776	66,201
TOTAL LIABILITIES	6,691,492	7,168,665
NET ASSETS		
Shareholders' equity	3,036,059	3,048,517
Common stock	50,000	50,000
Capital surplus	351,851	293,455
Retained earnings	2,650,575	2,722,170
Treasury stock, at cost	(16,368)	(17,108)
Total accumulated other comprehensive income	680,464	981,693
Unrealized gains (losses) on available-for-sale securities, net of taxes	46,116	51,770
Unrealized gains (losses) on hedging derivatives, net of taxes	4,823	5,035
Foreign currency translation adjustments	608,057	901,059
Remeasurements of defined benefit plans	21,466	23,827
Subscription rights to shares	60	80
Non-controlling interests	184,041	187,154
TOTAL NET ASSETS	3,900,624	4,217,445
TOTAL LIABILITIES AND NET ASSETS	10,592,117	11,386,111

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

Consolidated statements of income

(Millions of yen)

	Year Ended February 29, 2024	Year Ended February 28, 2025
	Amount	Amount
Revenues from operations	11,471,753	11,972,762
Net sales	9,850,470	10,342,323
Cost of sales	8,060,919	8,485,841
Gross profit on sales	1,789,551	1,856,482
Operating revenues	1,621,283	1,630,439
Gross profit from operations	3,410,834	3,486,921
Selling, general and administrative expenses	2,876,585	3,065,929
Advertising and decoration expenses	103,036	93,224
Salaries and wages	699,665	723,719
Provision for bonuses to employees	14,769	14,276
Pension expenses	13,833	12,765
Legal welfare expenses	82,957	88,532
Land and building rent	450,944	480,095
Depreciation and amortization	388,036	422,032
Utility expenses	183,411	192,189
Store maintenance and repair expenses	164,886	182,536
Other	775,044	856,557
Operating income	534,248	420,991
Non-operating income	23,487	25,705
Interest income	12,186	10,372
Dividend income	1,533	1,876
Equity in earnings of affiliates	3,711	—
Gain on valuation of investment securities	146	7,632
Other	5,910	5,823
Non-operating expenses	50,649	72,110
Interest expenses	22,060	40,841
Interest on bonds	21,059	20,541
Equity in losses of affiliates	—	450
Other	7,529	10,277
Ordinary income	507,086	374,586

(Millions of yen)

	Year Ended February 29, 2024	Year Ended February 28, 2025
	Amount	Amount
Special gains	15,912	115,706
Gain on sales of property and equipment	11,027	91,933
Gain on sales of property and equipment related to restructuring	—	3,118
Gain on sales of investments in securities	2,867	11,807
Insurance income	492	4,623
Other	1,525	4,223
Special losses	245,991	220,941
Loss on disposals of property and equipment	15,590	23,165
Impairment loss	43,010	98,260
Loss on business of subsidiaries and associates	—	46,416
Restructuring expenses	28,858	25,605
Loss on transfer of subsidiary	4,866	4,782
Loss on transfer of department store	129,618	—
Other	24,047	22,711
Income before income taxes	277,007	269,351
Total Income taxes	41,803	86,331
Income taxes - current	63,116	80,171
Income taxes - deferred	(21,313)	6,160
Net income	235,203	183,020
Net income attributable to non-controlling interests	10,580	9,952
Net income attributable to owners of parent	224,623	173,068

Consolidated statements of comprehensive income

(Millions of yen)

	Year Ended February 29, 2024	Year Ended February 28, 2025
	Amount	Amount
Net income	235,203	183,020
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities, net of taxes	11,212	5,618
Unrealized gains (losses) on hedging derivatives, net of taxes	19	697
Foreign currency translation adjustments	165,163	294,534
Remeasurements of defined benefit plans, net of taxes	12,845	2,416
Share of other comprehensive income (loss) of entities accounted for using equity method, net of taxes	(133)	70
Total other comprehensive income (loss)	189,107	303,336
Comprehensive income (loss)	424,311	486,357
Comprehensive income (loss) attributable to owners of parent	412,085	474,298
Comprehensive income (loss) attributable to non-controlling interests	12,225	12,059

(3) Consolidated statements of changes in net assets

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

(Millions of yen)

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

(Millions of yen)

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

Fiscal year ended February 28, 2025 (From March 1, 2024 to February 28, 2025)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 1, 2024	50,000	351,851	2,650,575	(16,368)	3,036,059
Increase (decrease) for the year					
Cash dividends			(101,469)		(101,469)
Net income attributable to owners of parent			173,068		173,068
Purchase of treasury stock				(59,643)	(59,643)
Disposal of treasury stock		0		840	840
Cancellation of treasury stock		(58,062)		58,062	–
Other		(333)	(3)	(0)	(337)
Net changes of items other than shareholders' equity					
Net increase (decrease) for the year	–	(58,396)	71,595	(740)	12,458
Balance at February 28, 2025	50,000	293,455	2,722,170	(17,108)	3,048,517

(Millions of yen)

	Accumulated other comprehensive income					Sub- scrip- tion rights to shares	Non- controlling interests	TOTAL NET ASSETS
	Unrealized gains (losses) on available- for-sale securities, net of taxes	Unrealized gains (losses) on hedging deriva- tives, net of taxes	Foreign currency translation adjust- ments	Remea- surements of defined benefit plans	Total accumu- lated other compre- hensive income			
Balance at March 1, 2024	46,116	4,823	608,057	21,466	680,464	60	184,041	3,900,624
Increase (decrease) for the year								
Cash dividends								(101,469)
Net income attributable to owners of parent								173,068
Purchase of treasury stock								(59,643)
Disposal of treasury stock								840
Cancellation of treasury stock								-
Other								(337)
Net changes of items other than shareholders' equity	5,654	211	293,002	2,361	301,229	19	3,112	304,362
Net increase (decrease) for the year	5,654	211	293,002	2,361	301,229	19	3,112	316,821
Balance at February 28, 2025	51,770	5,035	901,059	23,827	981,693	80	187,154	4,217,445

(4) Consolidated statements of cash flows

(Millions of yen)

	Year Ended February 29, 2024	Year Ended February 28, 2025
	Amount	Amount
Cash flows from operating activities		
Income before income taxes	277,007	269,351
Depreciation and amortization	400,789	436,593
Impairment loss	57,079	143,993
Amortization of goodwill	119,912	138,209
Increase (decrease) in allowance for bonuses to employees	472	766
Increase in net defined benefit asset	(8,195)	(9,806)
Interest and dividends income	(13,719)	(12,249)
Interest expenses and interest on bonds	43,120	61,382
Equity in losses (earnings) of affiliates	(3,711)	450
Insurance income	(492)	(4,623)
Gain on sales of property and equipment	(11,027)	(95,052)
Loss on disposals of property and equipment	15,590	24,744
Loss on transfer of subsidiary	4,866	4,782
Loss on transfer of department store	129,618	–
Loss (gain) on sales of investments in securities	(2,867)	(11,723)
Decrease (increase) in notes and accounts receivable, trade	(50,033)	48,376
Decrease (increase) in trade accounts receivable, financial services	(7,155)	(10,383)
Decrease (increase) in inventories	(5,984)	7,911
Increase (decrease) in notes and accounts payable, trade	5,587	(73,035)
Increase (decrease) in deposits received	(23,689)	6,197
Net increase (decrease) in bonds in banking business	(40,000)	(15,000)
Net increase (decrease) in deposits received in banking business	(6,376)	9,625
Net decrease (increase) in call loan in banking business	23,000	–
Net increase (decrease) in call money in banking business	(70,000)	60,000
Net decrease (increase) in ATM-related temporary accounts	2,626	(5,937)
Other	(66,580)	(26,729)
Subtotal	769,836	947,843
Interest and dividends received	12,646	11,399
Interest paid	(41,920)	(57,962)
Insurance income received	1,090	7,910
Income taxes paid	(87,527)	(51,628)
Income taxes refund	18,889	18,896
Net cash provided by operating activities	673,015	876,458

(Millions of yen)

	Year Ended February 29, 2024	Year Ended February 28, 2025
	Amount	Amount
Cash flows from investing activities		
Acquisition of property and equipment	(337,439)	(430,866)
Proceeds from sales of property and equipment	24,317	130,005
Acquisition of intangible assets	(120,202)	(108,151)
Payment for purchase of investments in securities	(44,240)	(64,402)
Proceeds from sales of investments in securities	29,973	43,208
Payment for purchase of shares in subsidiaries resulting in change in scope of consolidation	(776)	(166,657)
Proceeds from sales of shares in subsidiaries resulting in change in scope of consolidation	36,036	2,603
Payment for sales of shares in subsidiaries resulting in change in scope of consolidation	(2,687)	(22,573)
Payment for long-term leasehold deposits	(17,026)	(8,847)
Refund of long-term leasehold deposits	18,046	25,645
Proceeds from deposits from tenants	2,093	3,715
Refund of deposits from tenants	(1,872)	(3,368)
Payment for acquisition of business	(2,187)	(109,675)
Payment for time deposits	(7,302)	(7,104)
Proceeds from withdrawal of time deposits	5,522	5,036
Other	(14,064)	(20,929)
Net cash used in investing activities	(431,809)	(732,363)
Cash flows from financing activities		
Net increase (decrease) in short-term loans	12,821	82,447
Proceeds from long-term debts	52,700	201,945
Repayment of long-term debts	(150,246)	(146,693)
Proceeds from issuance of bonds	220,000	—
Payment for redemption of bonds	(325,837)	(341,302)
Proceeds from share issuance to non-controlling shareholders	2,988	619
Purchase of treasury stock	(52,393)	(59,643)
Dividends paid	(106,092)	(101,408)
Dividends paid to non-controlling interests	(7,533)	(7,620)
Payment for changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(2,062)	(367)
Other	(21,409)	(20,625)
Net cash used in financing activities	(377,065)	(392,648)
Effect of exchange rate changes on cash and cash equivalents	23,566	35,879
Net increase (decrease) in cash and cash equivalents	(112,293)	(212,673)
Cash and cash equivalents at beginning of period	1,674,787	1,562,493
Cash and cash equivalents at end of period	1,562,493	1,349,820

(5) Doubts on the premise of going concern

None

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

I. Scope of consolidation

(i) Number of consolidated subsidiaries: 175

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

Consolidated subsidiaries increased by 27

(Establishment)

YORK Holdings Co., Ltd. and Seven & i Energy Management Co., Ltd. and two other companies

(Acquisition of shares, and others)

CONVENIENCE HOLDINGS PTY LTD and 22 other companies

Consolidated subsidiaries decreased by 12

Following the transfer of shares of Nissen Holdings Co., Ltd. held by Seven & i Net Media Co., Ltd., the Company's wholly owned subsidiary, nine companies including Nissen Holdings Co., Ltd. subsidiaries were excluded from the scope of consolidation. In addition, one company was liquidated, one company had its shares transferred. Furthermore, one company was changed from a consolidated subsidiary to an equity-method affiliate following the transfer of shares.

II. Application of the equity method

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

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

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

During the current fiscal year, one company was newly established, and one company was changed from a consolidated subsidiary to an equity-method affiliate due to a transfer of shares. As a result, two companies became equity-method affiliates in total.

Two companies were excluded from equity-method affiliate status due to the transfer of shares.

(iii) Procedure for applying the equity method

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

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

III. Accounting period of consolidated subsidiaries

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

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

IV. Summary of significant accounting policies

(i) Valuation method for major assets

(a) Valuation method for securities

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

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

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

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

(b) Valuation method for derivatives

Derivative financial instruments are valued at fair value.

(c) Valuation method for inventories

(I) Merchandise:

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

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

(II) Supplies:

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

(ii) Depreciation and amortization

(a) Property and equipment (excluding lease assets)

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

(b) Intangible assets (excluding lease assets)

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

(c) Lease assets

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

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

(d) Right-of-use assets

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

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

(iii) Accounting for deferred assets

(a) Business commencement expenses

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

(b) Bond issuance cost

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

(iv) Allowances

(a) Allowance for doubtful accounts

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

(b) Allowance for loss on transfer of subsidiary

Allowance for loss on transfer of subsidiary is provided. The estimated amount is recorded in preparation for expenses or losses associated with withdrawal of online supermarket business.

(c) Allowance for restructuring expenses

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

(d) 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.

(e) Allowance for bonuses to employees

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

(f) 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.

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

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

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

(h) Allowance for stock payments

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

(v) Accounting method for retirement benefits

(a) Allocation method of estimated total retirement benefits

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

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

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

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

(vi) Revenue recognition

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

Step 1: Identifying the contract

Step 2: Identifying the performance obligations

Step 3: Determining the transaction price

Step 4: Allocating the transaction price to the performance obligations

Step 5: Recognizing revenue as the performance obligation is satisfied

(a) Revenue recognition criteria for each operating segment

(I) Domestic convenience store operations

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

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

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

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

(II) Overseas convenience store operations

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

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

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

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

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

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

(III) Superstore operations

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

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

(IV) Financial services

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

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

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

(c) Determination of a principal or an agent

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

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

(vii) Foreign currency translation

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

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

(viii) Hedge accounting

(a) Hedge accounting

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

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

(b) Hedge instruments and hedged items

- (I) Hedge instruments – Forward foreign exchange contracts
Hedged items – Foreign currency-denominated monetary asset and liability
- (II) Hedge instruments – Interest swap
Hedged items – Loans
- (III) Hedge instruments – Interest rate and currency swap
Hedged items – Foreign currency-denominated loans

(c) Hedging policies

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

(d) Assessing hedge effectiveness

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

(ix) Goodwill and negative goodwill

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

Negative goodwill is recognized as income when it occurs.

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

(x) Cash and cash equivalents

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

(xi) Other accounting treatments

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

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

(b) Accounting for consumption taxes and excise tax

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

(c) Application of the Group Tax Sharing System

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

(7) Changes in method of presentation

(Consolidated balance sheets)

"Advances for store construction," which was previously separately presented of Investments and other assets in the fiscal year ended February 29, 2024, is included in "Other" for the fiscal year ended February 28, 2025 due to its decreased materiality. To reflect this change in method of presentation, the Company reclassified consolidated balance sheets for the fiscal year ended February 29, 2024.

As a result, 75 million yen that was presented as "Advances for store construction" in Investments and other assets in the fiscal year ended February 29, 2024 has been reclassified as "Other."

(Consolidated statements of income)

"Insurance income," which was previously included in "Other" of Special gains in the fiscal year ended February 29, 2024, is separately presented for the fiscal year ended February 28, 2025 due to its increased materiality. To reflect this change in method of presentation, the Company reclassified consolidated statements of income for the fiscal year ended February 29, 2024.

As a result, 2,017 million yen that was presented as "Other" in Special gains in the fiscal year ended February 29, 2024 has been reclassified as "Insurance income" of 492 million yen and "Other" of 1,525 million yen.

(Consolidated statements of cash flows)

“Insurance income,” which was previously included in “Other” of Cash flows from operating activities in the fiscal year ended February 29, 2024, is separately presented for the fiscal year ended February 28, 2025 due to its increased materiality. To reflect this change in method of presentation, the Company reclassified consolidated cash flows for the fiscal year ended February 29, 2024.

As a result, (67,073) million yen that was presented as “Other” in Cash flows from operating activities in the fiscal year ended February 29, 2024 has been reclassified as “Insurance income” of (492) million yen and “Other” of (66,580) million yen.

(8) Supplementary information

(Performance-based stock compensation plan for Directors)

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

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

(1) Outline of the transaction

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

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

The Company’s shares remaining in the BIP Trust are recorded as treasury stock under net assets at their carrying amounts (excluding incidental expenses). As of February 28, 2025, the carrying amount and the number of Company’s shares remaining in the BIP Trust are 3,842 million yen and 2,623 thousand shares, respectively.

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

(Performance-based stock compensation plan for Executive Officers)

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

(1) Outline of the transaction

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

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

The Company's shares remaining in the ESOP Trust are recorded as treasury stock under net assets at their carrying amounts (excluding incidental expenses). As of February 28, 2025, the carrying amount and the number of the Company's shares remaining in the Trust are 2,040 million yen and 1,514 thousand shares, respectively.

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

(9) Notes to consolidated financial statements

Notes to consolidated balance sheets;

1. Accumulated depreciation of property and equipment

(Millions of yen)

	February 29, 2024	February 28, 2025
Accumulated depreciation	2,667,223	3,006,240

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

2. Assets pledged as collateral

Assets pledged as collateral for the debts

(Millions of yen)

	February 29, 2024	February 28, 2025
Buildings and structures	1,197	1,077
Land	1,258	1,258
Investments in securities	101,596	97,682
Total	104,052	100,018
Debts for which above assets are pledged as collateral		
Long-term loans (including current portion of long-term loans)	6,335	5,752

Assets pledged as collateral for fund transfer

(Millions of yen)

	February 29, 2024	February 28, 2025
Investments in securities	999	–
Long-term leasehold deposits	6,500	7,000
Total	7,499	7,000

Assets pledged as collateral for real estate business

(Millions of yen)

	February 29, 2024	February 28, 2025
Long-term leasehold deposits	20	20

3. Guarantees

(Millions of yen)

	February 29, 2024	February 28, 2025
Employees' housing loans	28	21

4. Loan commitment

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

(Millions of yen)

	February 29, 2024	February 28, 2025
Credit availability of cash loan business	801,857	767,987
Outstanding balance	55,155	66,979
Unused credit balance	746,701	701,008

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

5. Others

Bonds held by Seven Bank, Ltd.

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

Notes to consolidated statements of income;

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

The franchise commission from franchised stores are as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
SEVEN-ELEVEN JAPAN CO., LTD.	824,401	818,141
7-Eleven, Inc.	402,054	440,600
Total	1,226,455	1,258,741

The net sales of franchised stores are as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
SEVEN-ELEVEN JAPAN CO., LTD.	5,278,502	5,313,789
7-Eleven, Inc.	2,268,878	2,493,394
Total	7,547,381	7,807,183

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

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Buildings and structures	2,575	42,495
Land	7,989	51,997
Others	463	559
Total	11,027	95,052

Notes: (1) 1,660 million yen (Buildings and structures), 1,458 million yen (Land) and (0) million yen (Others) are included in "Gain on sales of property and equipment related to restructuring" in consolidated statements of income for the year ended February 28, 2025.

(2) In conjunction with a sale-leaseback it carried out in November 2024, U.S. consolidated subsidiary 7-Eleven, Inc. recorded 88,210 million yen as gain on sales of property and equipment.

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

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Buildings and structures	7,791	10,564
Furniture, fixtures and equipment	4,497	5,767
Removal expenses	3,116	7,677
Others	184	734
Total	15,590	24,744

Note: 265 million yen (Buildings and structures), 64 million yen (Furniture, fixtures and equipment) and 1,248 million yen (Others) are included in "Restructuring expenses" in consolidated statements of income for the year ended February 28, 2025.

4. Impairment loss

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

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

(Millions of yen)

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

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

Fiscal Year ended February 28, 2025 (From March 1, 2024 to February 28, 2025)

(Millions of yen)

(Millions of yen)					
Description	Classification	Location			Amount
Stores	Land and buildings, etc.	Tokyo Met.	Domestic convenience stores	123 Stores	98,763
			Others	2 Stores	
		Osaka Pref.	Domestic convenience stores	97 Stores	
			Others	2 Stores	
		Aichi Pref.	Domestic convenience stores	92 Stores	
			Others	1 Store	
		U.S. and others	Overseas convenience stores	800 Stores	
Other facility, etc.	Software, etc.	Tokyo Met., Kanagawa Pref., Chiba Pref., & others			45,230
Total					143,993

Note: 19,192 million yen (Stores) is included in "Restructuring expenses" and 26,540 million yen (Other facility, etc.) is included in "Loss on business of subsidiaries and associates" in consolidated statements of income.

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

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

U.S. consolidated subsidiary 7-Eleven, Inc. reassessed its asset groupings for purposes of promoting closing underperforming retail locations and other measures based on current strategic long-term plans. As a result, 56,797 million yen is recorded as “impairment loss” in the third quarter of the fiscal year ended February 28, 2025.

A breakdown of impairment loss is as follows:

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

(Millions of yen)

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

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

Fiscal Year ended February 28, 2025 (From March 1, 2024 to February 28, 2025)

(Millions of yen)

	Stores	Other facilities, etc.	Total
Buildings and structures	75,760	3,387	79,147
Furniture, fixtures and equipment	12,937	4,554	17,492
Land	7,047	1	7,049
Software	1	28,496	28,497
Other	3,016	8,790	11,806
Total	98,763	45,230	143,993

Note: 3,455 million yen (Buildings and structures), 134 million yen (Furniture, fixtures and equipment), 15,490 million yen (Software) and 111 million yen (Other) are included in “Restructuring expenses” in consolidated statements of income. 3,260 million yen (Buildings and structures), 4,412 million yen (Furniture, fixtures and equipment), 10,445 million yen (Software) and 8,422 million yen (Other) are included in “Loss on business of subsidiaries and associates.”

In the case where net selling prices were used as recoverable amounts, relevant assets were evaluated based on the real estate appraisal standards etc., and in the case where values in use were used as recoverable amounts, relevant assets were evaluated by discounting estimated future cash flows using discount rates of 4.0% - 8.6% (3.4% - 8.6% for the fiscal year ended February 29, 2024).

5. Loss on business of subsidiaries and associates

Loss on business of subsidiaries and associates is caused by withdrawal of online supermarket business and the breakdown is as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Impairment loss	–	26,540
Early termination fee	–	14,278
Others	–	5,597
Total	–	46,416

6. Restructuring expenses

A breakdown of restructuring expenses is as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Impairment loss	14,069	19,192
Loss on disposals of property and equipment	–	1,578
Early retirement benefit	9,155	1,125
Others	5,632	3,708
Total	28,858	25,605

Notes to consolidated statements of comprehensive income;

1. The components of other comprehensive income including reclassification adjustments and tax (expense) or benefits for the fiscal years ended February 29, 2024 and February 28, 2025 are as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Unrealized gains (losses) on available-for-sale securities, net of taxes:		
Increase (decrease) during the fiscal year	20,064	9,709
Reclassification adjustments	(2,655)	(1,777)
Amount before tax	17,408	7,932
Tax effects	(6,196)	(2,313)
Subtotal	11,212	5,618
Unrealized gains (losses) on hedging derivatives, net of taxes:		
Increase during the fiscal year	14	789
Reclassification adjustments	-	(11)
Amount before tax	14	777
Tax effects	5	(79)
Subtotal	19	697
Foreign currency translation adjustments:		
Increase (decrease) during the fiscal year	165,163	294,534
Remeasurements of defined benefit plans, net of taxes:		
Increase (decrease) during the fiscal year	22,881	6,017
Reclassification adjustments	(3,121)	(3,880)
Amount before tax	19,760	2,137
Tax effects	(6,914)	278
Subtotal	12,845	2,416
Share of other comprehensive income of entities accounted for using the equity method:		
Increase (decrease) during the fiscal year	(133)	70
Total other comprehensive income (loss)	189,107	303,336

Notes to consolidated statements of changes in net assets;

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

1. Type and number of shares outstanding and treasury stock

(Thousands of shares)

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

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

(2) The decrease in treasury stock of 8,827 thousand shares of common stock is the decrease of 8,699 thousand shares due to the cancellation of treasury stock, the decrease of 126 thousand shares due to the delivery of the shares of the Company held by the BIP Trust and the ESOP Trust, 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 29, 2024 includes 1,576 thousand shares of the Company held by the BIP Trust and the ESOP Trust.

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

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

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

3. Matters related to dividends

(1) Dividend payments

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

Notes:

1. The total amount of cash dividends determined by the resolution of the ordinary general meeting of shareholders held on May 25, 2023 includes 86 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust. In addition, dividend per share 63.50 yen includes commemorative dividend of 10 yen for the 50th anniversary of the establishment of SEVEN-ELEVEN JAPAN CO., LTD.
2. The total amount of cash dividends determined by the resolution of the Board of Directors meeting held on October 12, 2023 includes 70 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

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

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

Notes:

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

(From March 1, 2024 to February 28, 2025)

1. Type and number of shares outstanding and treasury stock

(Thousands of shares)

	March 1, 2024	Number of shares increased (Note 1)	Number of shares decreased (Note 2)	February 28, 2025 (Note 3)
Outstanding stock				
Ordinary share	877,742	1,755,484	28,670	2,604,555
Treasury stock				
Ordinary share	3,437	35,549	29,263	9,723

Notes: (1) The increase in total number of outstanding stock of 1,755,484 thousand shares of common stock is the increase due to a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares.

(2) The increase in treasury stock of 35,549 thousand shares of common stock is the increase of 6,875 thousand shares due to a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares, the increase of 28,670 thousand shares due to the purchase of treasury stock by the resolution of the Board of Directors and the increase of 3 thousand shares due to the purchase of odd-lot shares.

(3) The decrease in treasury stock of 29,263 thousand shares of common stock is the decrease of 28,670 thousand shares due to the cancellation of treasury stock, the decrease of 592 thousand shares due to the delivery of the shares of the Company held by the BIP Trust and the ESOP Trust, and the decrease of 0 thousand shares due to the sale of odd-lot shares.

(4) The number of shares of treasury stock as of February 28, 2025 includes 4,137 thousand shares of the Company held by the BIP Trust and the ESOP Trust.

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

Entity		The Company	Consolidated subsidiaries	Total
Description of subscription rights to shares		Subscription rights to shares as stock-linked compensation stock option	Subscription rights to shares as stock-linked compensation stock option	
Type of shares to be issued upon excise of the rights		-	-	-
Number of shares to be issued upon the exercise of the rights (shares)	Number of shares as of March 1, 2024	-	-	-
	Number of shares increased	-	-	-
	Number of shares decreased	-	-	-
	Number of shares as of February 28, 2025	-	-	-
Balance as of February 28, 2025 (millions of yen)		49	30	80

3. Matters related to dividends

(1) Dividend payments

Resolution	Type	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 28, 2024 Ordinary general meeting of shareholders	Ordinary share	49,488 million yen	56.50 yen	Feb. 29, 2024	May 29, 2024
October 10, 2024 Board of Directors meeting	Ordinary share	51,980 million yen	20.00 yen	Aug. 31, 2024	Nov. 15, 2024

Notes:

1. The total amount of cash dividends determined by the resolution of the ordinary general meeting of shareholders held on May 28, 2024 includes 89 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust. In addition, the Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. Dividend per share is the amount of dividend before the share split.
2. The total amount of cash dividends determined by the resolution of the Board of Directors meeting held on October 10, 2024 includes 84 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

(2) Dividends whose record date is within the fiscal year ended February 28, 2025, but to be effective after the fiscal year-end

Resolution	Type	Funds for dividends	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 27, 2025 Ordinary general meeting of shareholders	Ordinary share	Retained earnings	51,980 million yen	20.00 yen	Feb. 28, 2025	May 28, 2025

Note:

The total amount of cash dividends includes 82 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

Notes to consolidated statements of cash flows;

(For the fiscal year ended February 29, 2024)

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

(Millions of yen)

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

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

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

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

(Millions of yen)

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

3. Major non-cash transactions

(Millions of yen)

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

4. Acquisition of business

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

(Millions of yen)

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

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

(For the fiscal year ended February 28, 2025)

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

(Millions of yen)

	February 28, 2025
Cash and bank deposits	1,368,663
Restricted cash	1,974
Time deposits and negotiable certificates of deposits with an original maturity of more than three months	(20,818)
Cash and cash equivalents	1,349,820

2. "Payment for sales of shares in subsidiaries resulting in change in scope of consolidation" in the fiscal year ended February 28, 2025 contains the payment of 22,068 million yen as accrued amount of price adjustment for Sogo & Seibu Co., Ltd., which has been excluded from the scope of consolidation as a result of the sale of shares in the fiscal year ended February 29, 2024.

3. Assets and liabilities of a newly consolidated subsidiary by acquisition of shares are as follows:

The breakdown of assets and liabilities at the time of the start of consolidation due to the new consolidation by acquisition of shares and the relationship between the price of the acquisition of shares and the payment for the acquisition (net) are as follows:

Convenience Group Holdings Pty Ltd

(Millions of yen)

	February 28, 2025
Current assets	57,123
Non-current assets	225,417
Goodwill	143,261
Current liabilities	(76,799)
Non-current liabilities	(152,495)
Acquisition of shares	196,507
Cash and cash equivalents	(29,850)
Payment for acquisition of business	166,657

4. Major non-cash transactions

(Millions of yen)

	Year ended February 28, 2025
Finance lease assets for property and equipment recorded in the consolidated balance sheet for the current fiscal year	6,928
Right-of-use assets recorded in the consolidated balance sheet for the current fiscal year	240,515
Asset retirement obligations recorded in the consolidated balance sheet for the current fiscal year	71,992

5. Acquisition of business

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

(Millions of yen)

	February 28, 2025
Inventory	5,432
Goodwill	107,145
Other	(2,901)
Subtotal	109,675
Property and equipment	44,187
Total	153,863

Property and equipment set out above at an amount of 44,187 million yen is included in acquisition of property and equipment in the Statements of Cash Flows for the fiscal year ended February 28, 2025.

Segment information;

Segment information

1. Overview of reportable segments

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

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

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

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

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

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

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

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

(Millions of yen)

	Reportable segments				Others	Total	Adjustments	Consolidated total
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Revenues from operations								
1. Customers	919,354	8,514,152	1,473,259	178,031	386,356	11,471,154	599	11,471,753
2. Intersegment	2,351	2,787	4,125	29,447	24,949	63,660	(63,660)	-
Total	921,706	8,516,939	1,477,384	207,479	411,305	11,534,814	(63,060)	11,471,753
Segment income (loss)	250,544	301,628	13,588	38,172	2,688	606,622	(72,373)	534,248
Segment assets	1,272,137	6,101,146	991,748	1,763,916	182,364	10,311,312	280,805	10,592,117
Segment liabilities (interest bearing debt)	-	1,585,017	526	264,172	19,963	1,869,680	868,974	2,738,654
Other items								
Depreciation	90,172	207,066	36,994	34,463	10,440	379,137	21,651	400,789
Amortization of goodwill	-	115,862	3,137	449	462	119,912	-	119,912
Investment in associates accounted for using the equity method	9,661	12,714	8,230	0	13,201	43,808	-	43,808
Impairment loss	9,383	17,368	24,887	1,523	2,440	55,603	1,476	57,079
Net increase in property and equipment, and intangible assets	120,427	192,736	44,415	49,927	24,979	432,486	24,613	457,100

Notes:

1. Others represent the businesses which are not included in any of the reportable segments and consist of the department store operations, specialty store operations and real estate operations, etc.
2. The adjustments of (72,373) million yen for segment income (loss) are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
3. The adjustments of 280,805 million yen for segment assets are eliminations of intersegment transactions and corporate assets.
4. The adjustments of 868,974 million yen for segment liabilities are corporate liabilities and the Company's bonds. The amount of each segment liability does not include intersegment transactions.
5. The adjustments of 21,651 million yen for depreciation are depreciation for corporate assets.
6. The adjustments of 24,613 million yen for net increase in property and equipment, and intangible assets, are eliminations of intersegment transactions and net increase in corporate assets.
7. Segment income (loss) is reconciled with the operating income in the consolidated statements of income.
8. 14,069 million yen out of "Impairment loss" in the table above is included in "Restructuring expenses" in consolidated statements of income for the year ended February 29, 2024.

(Reference)

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

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

(Millions of yen)

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

Notes:

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

Fiscal Year ended February 28, 2025 (From March 1, 2024 to February 28, 2025)

(Millions of yen)

	Reportable segments				Others	Total	Adjustments	Consolidated total
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Revenues from operations								
1. Customers	902,189	9,168,434	1,428,536	185,631	287,336	11,972,128	634	11,972,762
2. Intersegment	1,962	2,347	3,589	26,496	33,578	67,974	(67,974)	–
Total	904,152	9,170,782	1,432,126	212,127	320,914	12,040,102	(67,339)	11,972,762
Segment income (loss)	233,554	216,248	10,415	32,015	5,779	498,014	(77,023)	420,991
Segment assets	1,315,808	6,965,924	980,415	1,820,541	172,816	11,255,506	130,605	11,386,111
Segment liabilities (interest bearing debt)	–	1,520,446	423	247,751	16,562	1,785,184	909,546	2,694,730
Other items								
Depreciation	91,312	237,661	38,529	40,024	6,413	413,940	22,653	436,593
Amortization of goodwill	–	133,931	3,150	697	429	138,209	–	138,209
Investment in associates accounted for using the equity method	9,785	11,303	9,319	–	11,321	41,730	–	41,730
Impairment loss	9,655	64,874	40,095	1,640	1,679	117,945	26,048	143,993
Net increase in property and equipment, and intangible assets	104,520	290,785	63,216	58,784	7,156	524,462	11,339	535,802

Notes:

- 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.
- The adjustments of (77,023) million yen for segment income (loss) are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
- The adjustments of 130,605 million yen for segment assets are eliminations of intersegment transactions and corporate assets.
- The adjustments of 909,546 million yen for segment liabilities are corporate liabilities and the Company's bonds. The amount of each segment liability does not include intersegment transactions.
- The adjustments of 22,653 million yen for depreciation are depreciation for corporate assets.
- The adjustments of 11,339 million yen for net increase in property and equipment, and intangible assets, are eliminations of intersegment transactions and net increase in corporate assets.
- Segment income (loss) is reconciled with the operating income in the consolidated statements of income.
- Out of "Impairment loss" in the table above, 26,540 million yen is included in "Loss on business of subsidiaries and associates" and 19,192 million yen is included in "Restructuring expenses" in consolidated statements of income for the year ended February 28, 2025.

(Reference)

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

Fiscal Year ended February 28, 2025 (From March 1, 2024 to February 28, 2025)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
1. Customers	2,744,719	8,713,222	514,820	11,972,762	–	11,972,762
2. Intersegment	16,488	1,858	79	18,426	(18,426)	–
Total revenues	2,761,208	8,715,080	514,900	11,991,189	(18,426)	11,972,762
Operating income (loss)	220,838	219,207	(4,402)	435,642	(14,651)	420,991

Notes:

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

Related Information

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

1. Information on products and services

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

2. Information by region

(1) Revenues from operations

(Millions of yen)

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

(2) Property and equipment

(Millions of yen)

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

3. Information about major customers

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

Fiscal Year ended February 28, 2025 (From March 1, 2024 to February 28, 2025)

1. Information on products and services

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

2. Information by region

(1) Revenues from operations

(Millions of yen)

Japan	North America (of which, the U.S.)	Others	Total
2,744,719	8,713,222 (8,344,154)	514,820	11,972,762

(2) Property and equipment

(Millions of yen)

Japan	North America (of which, the U.S.)	Others	Total
1,258,118	3,484,251 (3,387,807)	238,928	4,981,298

3. Information about major customers

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

Information regarding impairment loss on non-current assets by reportable segments**Fiscal Year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)**

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

Fiscal Year ended February 28, 2025 (From March 1, 2024 to February 28, 2025)

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

Information on amortization and outstanding balance of goodwill by reportable segments

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

(Millions of yen)

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

Fiscal Year ended February 28, 2025 (From March 1, 2024 to February 28, 2025)

(Millions of yen)

	Reportable segments				Others	Total	Eliminations / Corporate	Consolidated total
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Goodwill								
Amortization	–	133,931	3,150	697	429	138,209	–	138,209
Balance at the end of current year	1,782	2,253,978	5,669	2,185	826	2,264,441	–	2,264,441

(Significant changes in the amount of goodwill)

In the fiscal year ended February 28, 2025, the acquisition of the shares of Convenience Group Holdings Pty Ltd was completed through the 7-Eleven International LLC's wholly-owned subsidiary, AR BidCo Pty Ltd. Due to the acquisition, the Company has included CONVENIENCE HOLDINGS PTY LTD and other 20 companies in the scope of consolidation. As a result, the amount of goodwill in Overseas convenience store operations has been increased by 142,996 million yen.

Information regarding gain on negative goodwill by reportable segments

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

None

Fiscal Year ended February 28, 2025 (From March 1, 2024 to February 28, 2025)

None

Business combinations, etc.;

Fiscal Year ended February 28, 2025 (From March 1, 2024 to February 28, 2025)

I Business combination by acquisition

The Company resolved to approve the execution of an agreement by and between 7-Eleven International LLC ("7IN"), the Company's wholly-owned subsidiary and the joint venture of SEVEN-ELEVEN JAPAN CO., LTD. and 7-Eleven, Inc., and Australian Company R.G Withers Nominees Pty Ltd as trustee for R.G Withers Unit Trust, to acquire all shares of Convenience Group Holdings Pty Ltd ("SEA"), a holding company of 7-Eleven Stores Pty Ltd, which operates the convenience store and fuel retail business under the "7-Eleven" brand as a licensee of the Company in Australia via 7IN's wholly-owned subsidiary, AR BidCo Pty Ltd (the "Transaction") at a meeting of the Board of Directors held on November 30, 2023. In addition, 7IN executed the agreement relating to the Transaction on April 1, 2024 (March 31, 2024 in the U.S.). The details are as follows.

1 Overview

(1) Name and main business of the acquired company

Name: Convenience Group Holdings Pty Ltd

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

(2) Main reason for the business combination

In the Medium-Term Management Plan 2021-2025, the Company announced its ideal group image for 2030 as well as its corporate creed since its establishment to be a sincere company that earns the trust of all stakeholders, and its basic stance of "We aim to contribute to the local community both in Japan and overseas by providing new experiences and values from the customer's point of view." Additionally, based on Results of the Group Strategy Reevaluation announced in March 2023, the Company adopted "A world-class retail group centered around its 'food' that leads retail innovation through global growth strategies centered on the 7-Eleven business and proactive utilization of technology" as the new ideal group image for 2030.

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

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

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

(a) Expansion of store network in Australia

The Australian market is a growing market with a diverse population of young people and immigrants, and the Australian Government expects its population to grow at a CAGR of 1.4% over

time by the mid-2060s. SEA operates 751 stores as of the end of June 2023 and the Transaction will enable the Company to establish itself as the clear industry leader in the Australian convenience store market, which has significant growth potential. In addition, the Company strongly believes that there is room for further growth by actively opening new stores in Victoria, New South Wales, Queensland, Western Australia, and other states, and that the expansion of the store network in Australia will accelerate the entire group's long-term growth strategy.

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

(b) ESG leadership

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

(3) Date of the business combination

April 1, 2024 (March 31, 2024 in the U.S.)

(4) Legal form of the business combination

Acquisition of shares

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

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

(6) Ratio of voting rights acquired

100%

(7) Reason for determining the acquired company

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

2 Period of performance of the acquired company included in the consolidated financial statements

From April 1, 2024 to December 31, 2024

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

Consideration for acquisition: Cash 1,989,098 thousand Australian dollars (196,145 million yen)

Acquisition cost: 1,989,098 thousand Australian dollars (196,145 million yen)

Note: The amount of cash and cash equivalents held by the acquiree was 302,155 thousand Australian dollars (29,795 million yen).

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

4 Details and amounts of main acquisition-related costs

Payment for financial and legal investigations: 15,578 thousand U.S. dollars (2,363 million yen)

Note: Converted at the rate of 1 U.S. dollar = 151.69 yen (average exchange rates)

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

(1) Amount of goodwill

1,450,122 thousand Australian dollars (142,996 million yen)

(2) Reason for recognition of goodwill

Future excess earning power expected from future business development.

(3) Period and method of amortization of goodwill

Straight-line method over 20 years

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

Current assets	578,218 thousand Australian dollars	(57,018 million yen)
<u>Non-current assets</u>	<u>2,281,729 thousand Australian dollars</u>	<u>(225,001 million yen)</u>
<u>Total assets</u>	<u>2,859,948 thousand Australian dollars</u>	<u>(282,019 million yen)</u>
Current liabilities	777,379 thousand Australian dollars	(76,657 million yen)
<u>Non-current liabilities</u>	<u>1,543,592 thousand Australian dollars</u>	<u>(152,213 million yen)</u>
<u>Total liabilities</u>	<u>2,320,972 thousand Australian dollars</u>	<u>(228,871 million yen)</u>

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

7 Estimated amount of impact on the consolidated statements of income for the current fiscal year, assuming the business combination had been completed on the start date of the fiscal year, and method of calculating the estimated amount

Net sales	1,324,164 thousand Australian dollars	(132,376 million yen)
Operating income	(8,485) thousand Australian dollars	((848) million yen)
Ordinary income	(5,932) thousand Australian dollars	((593) million yen)
Income before income taxes	(5,932) thousand Australian dollars	((593) million yen)
Net income attributable to owners of parent	(9,256) thousand Australian dollars	((925) million yen)
Net income per share	(0.00) Australian dollars	((0.36) yen)

Method of calculating the estimated amount

The estimated amount of the impact is the difference between the net sales and profit/loss information calculated assuming that the business combination was completed at the beginning of the fiscal year, and the net sales and profit/loss information in the acquired company's consolidated statements of income. In addition, the estimated amount includes adjustments for the amortization of goodwill, etc., on the assumption that the goodwill, etc., recognized at the time of the business combination occurred on the first day of the current fiscal year.

This note has not been received audit attestation.

Note: Converted at the rate of 1 Australian dollar = 99.97 yen (average exchange rates)

II Business combination by acquisition

The Company's Board of Directors resolved on January 11, 2024 that the Company's consolidated subsidiary 7-Eleven, Inc. ("SEI") would acquire stores and other assets constituting most of the convenience store business and gasoline retail business of U.S. company Sunoco LP ("the Transaction"). In addition, the Transaction has been completed on April 16, 2024. The details are as follows.

1 Overview

(1) Name and main business of the other company

Name: Sunoco LP

Description of business: Operation of fuel wholesale and retail, and convenience store business

(2) Main reason for the business combination

In the Medium-Term Management Plan 2021-2025, the Company announced its ideal group image for 2030 as well as its corporate creed since its establishment to be a sincere company that earns the trust of all stakeholders, and its basic stance of “We aim to contribute to the local community both in Japan and overseas by providing new experiences and values from the customer’s point of view.” Additionally, based on the Results of the Group Strategy Reevaluation announced in March 2023, the Company adopted “A world-class retail group centered around its “food” that leads retail innovation through global growth strategies centered on the 7-Eleven business and proactive utilization of technology” as the new ideal group image for 2030.

One of the essential initiatives for realizing the ideal group image for 2030 is the global CVS strategy. 7-Eleven, Inc., mainly operating in North America, will focus on the four key strategic areas in the medium-term, and aim for a continuous growth and improved efficiency in the business.

(I) Expanding the development and distribution of its proprietary products (fresh foods, proprietary beverages, and private brands) to 34% of sales by 2025 while growing overall merchandise margins and continuing to strengthen the value chain.

(II) In the 7NOW delivery business, aim for revenue of 1 billion dollars by accelerating growth through our value proposal of high-value quality food and immediate consumables delivered fast (national average 28 minutes).

(III) Complete the overall integration with Speedway and realize 800 million dollars synergies in 2023, aiming for further synergy expansion.

(IV) Continue to pursue growth in the fragmented North American market through both M&A opportunities and organic new build stores.

Since acquiring 1,030 stores of Sunoco LP’s convenience store and gasoline business in 2018, SEI has expanded its store network and enhanced user convenience in Texas and East Coast area of the United States, improving profitability.

Through the Transaction, SEI will newly acquire 204 stores in western Texas, New Mexico, and Oklahoma, which will connect our 7-Eleven and Speedway store network alongside the interstate highway, contribute to increase our regional market share, and SEI will accelerate the growth in North America market by leading to the associated 123 restaurant chain enhancing / accelerating our restaurant strategy.

(3) Date of the business combination

April 16, 2024

(4) Legal form of the business combination

Acquisition of business

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

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

(6) Reason for determining the acquired company

The Company’s subsidiary acquired the businesses with all consideration paid in cash.

2 Period of performance of the acquired business included in the consolidated financial statements

From April 16, 2024 to December 31, 2024

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

Consideration for acquisition: Cash 995,608 thousand U.S. dollars (152,786 million yen)

Acquisition cost: 995,608 thousand U.S. dollars (152,786 million yen)

Note: Converted at the rate of 1 U.S. dollar = 153.46 yen (as of April 15, 2024)

4 Details and amounts of main acquisition-related costs

Payment for financial and legal investigations: 5,916 thousand U.S. dollars (897 million yen)

Note: Converted at the rate of 1 U.S. dollar = 151.69 yen (average exchange rates)

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

(1) Amount of goodwill

697,677 thousand U.S. dollars (107,065 million yen)

(2) Reason for recognition of goodwill

Future excess earning power expected from future business development.

(3) Period and method of amortization of goodwill

Straight-line method over 20 years

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

Current assets	42,115 thousand U.S. dollars	(6,462 million yen)
<u>Non-current assets</u>	<u>327,257 thousand U.S. dollars</u>	<u>(50,220 million yen)</u>
<u>Total assets</u>	<u>369,372 thousand U.S. dollars</u>	<u>(56,683 million yen)</u>
<u>Non-current liabilities</u>	<u>71,441 thousand U.S. dollars</u>	<u>(10,963 million yen)</u>
<u>Total liabilities</u>	<u>71,441 thousand U.S. dollars</u>	<u>(10,963 million yen)</u>

Note: Converted at the rate of 1 U.S. dollar = 153.46 yen (as of April 15, 2024)

7 Estimated amount of impact on the consolidated statements of income for the current fiscal year, assuming the business combination had been completed on the start date of the fiscal year, and method of calculating the estimated amount

Net sales	122,699 thousand U.S. dollars	(18,612 million yen)
Operating income	8,007 thousand U.S. dollars	(1,214 million yen)
Ordinary income	8,007 thousand U.S. dollars	(1,214 million yen)
Income before income taxes	8,007 thousand U.S. dollars	(1,214 million yen)
Net income attributable to owners of parent	5,990 thousand U.S. dollars	(908 million yen)
Net income per share	0.00 U.S. dollars	(0.35 yen)

Method of calculating the estimated amount

The estimated amount of the impact is the difference between the net sales and profit/loss information calculated assuming that the business combination was completed at the beginning of the fiscal year, and the net sales and profit/loss information in the acquired company's consolidated statements of income. In addition, the estimated amount includes adjustments for the amortization of goodwill, etc., on the assumption that the goodwill, etc., recognized at the time of the business combination occurred on the first day of the current fiscal year.

This note has not been received audit attestation.

Note: Converted at the rate of 1 U.S. dollar = 151.69 yen (average exchange rates)

Related parties transactions;

1. Transactions with related parties

(1) Transactions between the Company and related parties

(a) Unconsolidated subsidiaries and affiliates

None

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

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

None

Fiscal Year ended February 28, 2025 (From March 1, 2024 to February 28, 2025)

(Millions of yen)

Attribution	Name of company, etc. or Name	Address	Capital or investments	Business or title	Voting rights held by the Company / Holding of voting rights of the Company (%)	Business relationship	Details of transaction	Transaction amount	Account	Year-end balance
Director	Junro Ito	–	–	Representative Director and Vice President	(Holding) Directly 0.36	–	Donations received	500	–	–

Notes:

1. The amount of transaction does not include consumption taxes, etc.
2. Received in cash as funds for the development of human resources who are expected to actively participate in the further global expansion of the Seven & i Group going forward.

2. Notes about the parent company and the important affiliates

None

Per share information;

(Yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Owners' equity per share	1,416.94	1,553.17
Net income per share	84.88	66.62
Diluted net income per share	84.87	66.61

Notes:

1. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. Owners' equity per share, net income per share, and diluted net income per share have been calculated assuming the share split was conducted at the beginning of the fiscal year ended February 29, 2024.
2. Basis for calculation of net income per share and diluted net income per share is as follows:

(Millions of yen, except number of ordinary shares)

	Year ended February 29, 2024	Year ended February 28, 2025
Net income attributable to owners of parent on the consolidated statements of income	224,623	173,068
Amount not attributable to owners of ordinary shares	-	-
Net income attributable to owners of ordinary shares of parent	224,623	173,068
Average number of ordinary shares outstanding during the period (thousands of shares)	2,646,511	2,597,855
Adjustments to net income attributable to owners of parent which is used for calculating diluted net income per share		
Net income attributable to non-controlling interests	(7)	(22)
Adjustments to net income attributable to owners of parent	(7)	(22)
Number of ordinary shares increased used for calculating the diluted net income per share		
Subscription rights to shares (thousands of shares)	36	35
Number of ordinary shares increased (thousands of shares)	36	35

Notes:

1. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The average number of ordinary shares outstanding during the period (thousands of shares) and the number of ordinary shares increased (thousand shares) have been calculated assuming the share split was conducted at the beginning of the fiscal year ended February 29, 2024.
2. As the Company has introduced the BIP Trust and the ESOP Trust, the Company's shares held by the trusts are included in the number of shares of treasury stock deducted for the computation of the average number of shares during the period, to calculate net income per share and diluted net income per share. The average number of shares of treasury stock during the period deducted for the computation is 4,077 thousand shares for the fiscal year ended February 29, 2024 and 4,381 thousand shares for the fiscal year ended February 28, 2025.
3. Basis for calculation of owners' equity per share is as follows:

(Millions of yen, except number of ordinary shares)

	February 29, 2024	February 28, 2025
Total net assets	3,900,624	4,217,445
Amounts subtracted from total net assets:	184,101	187,234
(Subscription rights to shares)	(60)	(80)
(Net income attributable to non-controlling interests)	(184,041)	(187,154)
Owners' equity for ordinary shares at the end of period	3,716,523	4,030,211
Number of ordinary shares at the end of period used for calculating the amounts of owners' equity per share (thousands of shares)	2,622,913	2,594,832

Notes:

1. The Company implemented a share split with an effective date of March 1, 2024 whereby each share of common stock was split into 3 shares. The number of ordinary shares at the end of period used for calculating the amounts of owners' equity per share (thousands of shares) has been calculated assuming the share split was conducted at the beginning of the fiscal year ended February 29, 2024.
2. As the Company has introduced the BIP Trust and the ESOP Trust, the Company's shares held by the trusts are included in the number of shares of treasury stock deducted for the computation of the total number of shares outstanding at the end of period, to calculate owners' equity per share. The total number of shares of treasury stock at the end of period deducted for the computation is 4,730 thousand shares as of February 29, 2024 and 4,137 thousand shares as of February 28, 2025.

Subsequent event;

1 Change in the scope of consolidation

The Company resolved that the rights and obligations relating to the head office functions, subsidiary management functions of a total of 29 companies (“SST Business Group Split Companies”)—comprising 22 of our consolidated subsidiaries and seven equity-method affiliates engaged in the Group’s food supermarket, specialty store, and other businesses (“SST Business Group”) and all other businesses held by YORK Holdings Co., Ltd. (“YORK HD”), which includes all shares of the Transferred Companies (collectively referring to Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., THE LOFT CO., LTD., Akachan Honpo Co., Ltd., Seven & i Food Systems Co., Ltd., Seven & i Create Link Co., Ltd., and SHELL GARDEN CO., LTD.; the same applies hereinafter) held directly by YORK HD—would be transferred 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”) through an absorption-type split for a consideration of estimated 814.7 billion yen(*) (“Absorption-type Split”) and that the Company would respectively enter into various agreements related to the Transaction (as defined below) (collectively, “Definitive Agreements”) at a meeting of its Board of Directors held March 6, 2025, and as a result of them changes are expected in our subsidiaries.

As described in “(2) Overview of the Transaction” below, the Company and Mr. Yasuhisa Ito, Mr. Junro Ito, and Mr. Koichiro Otaka (collectively, “Founder Family”) plan to invest in SPC (1) so that the Company’s shareholding ratio will be 35.07%, Bain Capital’s will be 60.00%, and the Founder Family’s will be 4.93% (“Capital Contribution”) after the Absorption-type Split becomes effective (series of transactions, including the Absorption-type Split, is referred to as the “Transaction”).

* This amount is the current estimate calculated based on the enterprise value agreed in the Definitive Agreements and adjustment in it for such as estimated cash and deposits as of the estimated effective date of the Absorption-type Split and the final amount will be determined through adjustments provided in the Definitive Agreements.

(1) Purpose of the Transaction

In the pursuit of the best interests of the Company’s shareholders and other stakeholders through the optimization of the group structure, the Company announced in “The Discussions in Our Board and Strategy Committee Recommendations and Our Group’s Action Plans Toward the Maximization of Corporate and Shareholder Value” dated April 10, 2024 that the Company would begin considering an IPO of the SST Business Group as soon as practically possible, as one workable option to realize SST Business Group’s sustainable growth beyond fundamental transformation, on the basis that the Company will continue to retain a certain shareholding of the SST business and collaborate between convenience store business and the SST business in the area of food products development.

Subsequently, in the “Notice Regarding the Establishment of an Intermediate Holding Company” dated October 10, 2024, the Company announced its intention to conduct organizational restructuring by establishing YORK HD Co., Ltd., whose major role entails planning the corporate strategies, managing, and supporting the SST Business Group. The Company has also announced to convert YORK HD into an equity method affiliate by bringing in a strategic partner. The Company has been seeking a strategic partner to strengthen the growth strategy of the SST Business Group, whose growth story differs from the convenience store businesses.

The Transaction aligns with such management policy of the Company and broader strategic efforts. The Company places the utmost importance on achieving the sustainable growth of the SST Business Group and carried out a rigorous selection process to identify the best partner. After thoroughly evaluating multiple candidates, the Company has chosen Bain Capital as the optimal partner.

The Company has engaged in extensive discussions with Bain Capital to maximize value for its 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 fund, will contribute to the sustainable growth of the SST Business Group.

Bain Capital intends to engage in discussions with respective SST Business Group Split Companies regarding the SST Business Group's specific business management policies following the Transaction. Its goal is to maximize the potential value of the SST Business Group by optimizing the profit structure, whose initiative the Company is currently promoting, and effectively utilizing the SST Business Group's real estate assets, with the ultimate aim of achieving an IPO.

(2) Overview of the Transaction

In advance of the effective date of the Absorption-type Split, the Founder Family will make a cash contribution to SPC (1) and will receive an allocation of common shares of SPC (1). Additionally, through the Absorption-type Split, YORK HD will, subject to certain conditions, transfer its rights and obligations relating to the head office functions, management functions of SST Business Group Split Companies and all other businesses (including all shares of the Transferred Companies held by YORK HD) to SPC (2) in exchange for a split consideration of 814.7 billion yen (estimated amount) (Step (1)). At the same time, YORK HD will transfer part of its right to claim payment for the cash consideration of the Absorption-type Split (hereinafter referred to as the "Cash Consideration Payment Claim for the Absorption-type Split") to the Company, while SPC (1) will assume part of the debt related to the Cash Consideration Payment Claim for the Absorption-type Split in exchange for shares of SPC (2).

Additionally, concurrently with Step (1), the Company will make a contribution in kind of a portion of the Cash Consideration Payment Claim for the Absorption-type Split to SPC (1) and will receive an allocation of common shares of SPC (1) (Step (2)). As a result, the shareholding ratios of SPC (1) will be 35.07% for the Company, 60.00% for Bain Capital, and 4.93% for the Founder Family. SPC (2) will serve as an intermediate holding company for the SST Business Group Split Companies. Steps (1) and (2) will be carried out at the same timing.

(3) Impact of the change

As a result of the Transaction on September 1, 2025 (scheduled), 22 consolidated subsidiaries of the Company under the SST Business Group will be excluded from the scope of consolidation. Additionally, after the Transaction, SPC (1), SPC (2), the Transferred Companies will become equity-method affiliate of the Company.

The impact of the Transaction on the Company's business results for the fiscal year ending February 28, 2026 is currently being examined.

2 Repurchase of own shares

The Company resolved, at the meeting of the Board of Directors held on April 9, 2025, to establish a facility for share repurchase under Article 156 which is applicable in accordance with Article 165, paragraph 3 of the Companies Act.

The Company plans to fully cancel the treasury shares acquired related above.

(1) Reasons for establishing the facility for the repurchase of own shares

As we announced in "Update on Management Initiatives" on March 6, 2025, the Company commits to repurchase JPY 2.0 trillion of capital in total to shareholders. On April 9, 2025, we have announced a repurchase of own shares up to a maximum of JPY 600 billion in FY2025 and plan to repurchase

incremental approximately JPY 1.4 trillion from FY2026 with a consistent cadence, totaling the repurchase to JPY 2.0 trillion by FY2030 in the presentation material “Financial Results Presentation FY2024” released on April 9, 2025.

Based on the above, we have established a facility to enable flexible repurchase of own shares that takes into account growth opportunities including strategic investments, cash at hand, share price etc.

(2) Facility for the repurchase of shares

(a) Class of shares to be repurchased	Common stock of the Company
(b) Total number of shares to be repurchased	400,000,000 shares (maximum) (The percentage compared to the total number of shares outstanding (excluding treasury shares): 15.4%)
(c) Total purchase amount for share repurchase	JPY 600,000,000,000 (maximum)
(d) Method of repurchase	Plan to purchase shares in the open market on the Tokyo Stock Exchange
(e) Period of repurchase	From April 10, 2025 to February 28, 2026

※Depending on investment opportunities, market environment and other factors, it is possible that no share repurchase, or a share repurchase of only a portion of the above, will be carried out.

(Reference)

The status of treasury shares as of February 28, 2025

Total number of shares outstanding (excluding treasury shares)	2,599,036,186 shares
Number of treasury shares	5,519,663 shares

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

6. Nonconsolidated Financial Statements

(1) Nonconsolidated balance sheets

(Millions of yen)

	February 29, 2024	February 28, 2025
	Amount	Amount
ASSETS		
Current assets	103,905	94,391
Cash and bank deposits	628	874
Prepaid expenses	3,409	3,577
Accounts receivable, other	75,285	74,007
Income taxes receivable	18,779	125
Deposits held by subsidiaries and affiliates	4,557	14,244
Other	1,244	1,562
Non-current assets	2,552,582	2,595,424
Property and equipment	25,342	8,828
Buildings and structures	5,852	2,683
Fixtures, equipment and vehicles	6,948	2,498
Land	2,712	2,712
Leased assets	859	656
Construction in progress	8,969	277
Intangible assets	84,382	64,868
Software	46,703	35,864
Software in progress	6,262	3,702
Lease assets	30,370	24,256
Other	1,045	1,045
Investments and other assets	2,442,858	2,521,726
Investments in securities	45,938	41,188
Stocks of subsidiaries and affiliates	2,345,702	2,443,849
Prepaid pension cost	2,219	2,522
Long-term leasehold deposits	4,234	4,250
Deposits paid in subsidiaries and affiliates	10,000	-
Deferred income taxes	30,141	26,178
Other	4,621	3,737
Deferred assets	788	582
Bond issuance costs	788	582
TOTAL ASSETS	2,657,276	2,690,398

(Millions of yen)

	February 29, 2024	February 28, 2025
	Amount	Amount
LIABILITIES		
Current liabilities	360,579	667,630
Current portion of bonds	–	210,000
Short-term loans from subsidiaries and affiliates	251,003	328,504
Current portion of long-term loans	41,000	61,856
Lease obligations	7,130	6,087
Accounts payable, other	52,578	35,280
Accrued expenses	6,059	5,386
Income taxes payable	386	301
Advance received	335	294
Allowance for bonuses to employees	795	784
Allowance for bonuses to Directors and Audit & Supervisory Board Members	182	183
Allowance for Loss on transfer of subsidiary	–	18,039
Other	1,107	911
Non-current liabilities	897,011	673,082
Bonds	470,000	260,000
Long-term loans	357,974	377,690
Long-term loans from subsidiaries and affiliates	1	4
Lease obligations	27,515	21,694
Allowance for stock payments	2,016	1,884
Provision for loss on guarantees	32,782	5,696
Deposits paid in subsidiaries	3,550	3,228
Deposits received from tenants	2,502	2,090
Other	666	794
TOTAL LIABILITIES	1,257,590	1,340,713
NET ASSETS		
Shareholders' equity	1,384,938	1,334,223
Common stock	50,000	50,000
Capital surplus	1,187,489	1,129,427
Additional paid-in capital	875,496	875,496
Other capital surplus	311,992	253,930
Retained earnings	163,770	171,857
Other retained earnings		
Retained earnings brought forward	163,770	171,857
Treasury stock, at cost	(16,321)	(17,061)
Accumulated gains from valuation and translation adjustments	14,697	15,413
Unrealized gains on available-for-sale securities, net of taxes	14,697	15,413
Subscription rights to shares	49	49
TOTAL NET ASSETS	1,399,685	1,349,685
TOTAL LIABILITIES AND NET ASSETS	2,657,276	2,690,398

(2) Nonconsolidated statements of income

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
	Amount	Amount
Revenues from operations	202,277	209,743
Dividend income	194,816	202,421
Management consulting fee income	4,572	4,423
Commission fee income	2,229	2,188
Other	658	709
General and administrative expenses	76,970	81,818
Operating income	125,307	127,925
Non-operating income	729	1,276
Interest income	113	159
Dividend income	520	741
Other	95	375
Non-operating expenses	3,993	7,523
Interest expenses	2,288	4,224
Interest on bonds	1,393	2,623
Other	311	675
Ordinary income	122,042	121,679
Special gains	1,681	9,615
Gain on sales of stocks of subsidiaries and affiliates	1,619	–
Gain on sales of investments in securities	–	9,115
Gain on donation	–	500
Other	61	0
Special losses	158,205	47,408
Loss on disposals of property and equipment	24	107
Impairment loss	1,476	172
Loss on business of subsidiaries and associates	–	36,212
Loss on transfer of subsidiary	8,727	5,921
Loss on transfer of department store	143,092	–
Loss on valuation of stocks of subsidiaries and affiliates	102	–
Other	4,782	4,994
Income (loss) before income taxes	(34,481)	83,886
Total income taxes	(77,397)	(25,669)
Income taxes - current	(42,055)	(29,316)
Income taxes - deferred	(35,341)	3,647
Net income	42,915	109,556

(3) Nonconsolidated statements of changes in net assets

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

(Millions of yen)

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

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

Fiscal year ended February 28, 2025 (From March 1, 2024 to February 28, 2025)

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock, at cost	Total shareholder s' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at March 1, 2024	50,000	875,496	311,992	1,187,489	163,770	163,770	(16,321)	1,384,938
Increase (decrease) for the year								
Cash dividends					(101,469)	(101,469)		(101,469)
Net income					109,556	109,556		109,556
Purchase of treasury stock							(59,643)	(59,643)
Disposal of treasury stock			0	0			840	840
Cancellation of treasury stock			(58,062)	(58,062)			58,062	–
Net changes of items other than shareholder s' equity								
Net increase (decrease) for the year	–	–	(58,062)	(58,062)	8,086	8,086	(739)	(50,715)
Balance at February 28, 2025	50,000	875,496	253,930	1,129,427	171,857	171,857	(17,061)	1,334,223

	Accumulated gains (losses) from valuation and translation adjustments		Subscription rights to shares	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Total accumulated gains (losses) from valuation and translation adjustments		
Balance at March 1, 2024	14,697	14,697	49	1,399,685
Increase (decrease) for the year				
Cash dividends				(101,469)
Net income				109,556
Purchase of treasury stock				(59,643)
Disposal of treasury stock				840
Cancellation of treasury stock				–
Net changes of items other than shareholders' equity	715	715	–	715
Net increase (decrease) for the year	715	715	–	(49,999)
Balance at February 28, 2025	15,413	15,413	49	1,349,685

(4) Doubts on the premise of going concern

None

(5) Changes in method of presentation

(Nonconsolidated statements of income)

"Loss on transfer of subsidiary," which was previously included in "Other" of Special losses up to the fiscal year ended February 29, 2024, is separately presented for the fiscal year ended February 28, 2025 due to exceeding 10% of the total amount of Special losses. To reflect this change in method of presentation, the Company reclassified the information presented for the fiscal year ended February 29, 2024 in the financial statements.

As a result, 13,510 million yen that was presented as "Other" in Special losses in the nonconsolidated statements of income for the fiscal year ended February 29, 2024 has been reclassified as "Loss on transfer of subsidiary" of 8,727 million yen and "Other" of 4,782 million yen.

(6) Supplementary information

(Performance-based stock compensation plans for Directors and Executive Officers)

The Company has introduced performance-based stock compensation plans for Directors (excluding nonexecutive Directors and Directors residing overseas) and Executive Officers (excluding those residing overseas) of the Company. The overview is in "5. Consolidated Financial Statements (8) Supplementary information."

(7) Notes to nonconsolidated financial statements

Notes to nonconsolidated balance sheets;

1. Accumulated depreciation of property and equipment

(Millions of yen)

	February 29, 2024	February 28, 2025
Accumulated depreciation	4,312	5,494

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

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

(Millions of yen)

	February 29, 2024	February 28, 2025
Short-term receivables	66,547	68,455
Long-term receivables	–	12
Short-term payables	30,362	35,964
Long-term payables	29,988	23,746

Notes to nonconsolidated statements of income;

1. Major transactions with subsidiaries and affiliates

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Operating transactions		
Revenues from operations	201,669	209,097
General and administrative expenses	8,125	8,441
Non-operating transactions	118,707	36,877

2. Main components and amounts of general and administrative expenses

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Salaries and wages	8,684	9,400
Provision for bonuses to employees	795	784
Pension expenses	283	312
Depreciation and amortization	12,383	14,294
Commissions paid	8,355	12,484
Electronical data processing expenses	33,007	29,861

3. Loss on business of subsidiaries and associates

Loss on business of subsidiaries and associates is caused by withdrawal of online supermarket business and the breakdown is as follows:

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Impairment loss	–	25,909
Early termination fee	–	10,153
Others	–	150
Total	–	36,212

4. Main components and amounts of “Loss on valuation of stocks of subsidiaries and affiliates”

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

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

Fiscal year ended February 28, 2025 (From March 1, 2024 to February 28, 2025)

None

Business combinations, etc.;

Transactions under common control

1. Organizational restructuring within the Group

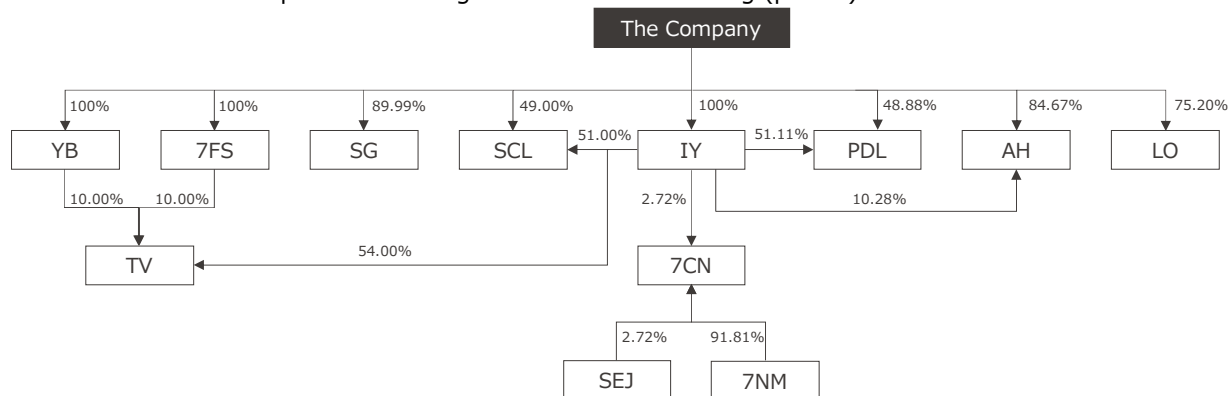
The Company established YORK Holdings Co., Ltd. ("YORK HD") on October 11, 2024 as an intermediate holding company that oversees the Group's food supermarket, specialty store, and other businesses ("SST Business Group"), and conducted the distributions of dividends in kind, the absorption-type splits and the share exchange in order to consolidate under YORK HD and its subsidiaries all of the shares of the SST Business Group held by the Company and its consolidated subsidiaries.

Structure diagram

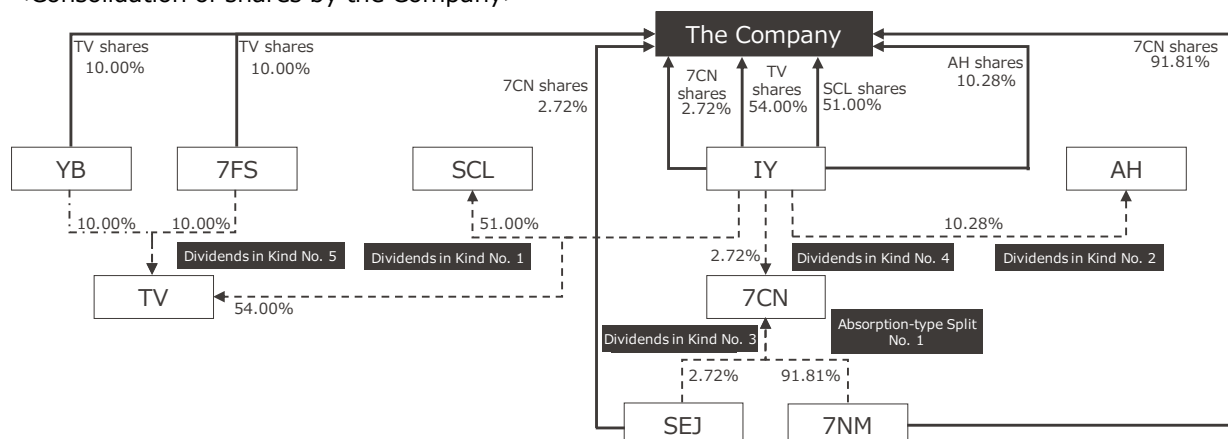
(List of abbreviations)

SEVEN-ELEVEN JAPAN CO., LTD.	SEJ
Ito-Yokado Co., Ltd.	IY
York-Benimaru Co., Ltd.	YB
SHELL GARDEN CO., LTD.	SG
Akachan Honpo Co., Ltd.	AH
Seven & i Food Systems Co., Ltd.	7FS
THE LOFT CO., LTD.	LO
Peace Deli Co., Ltd.	PDL
Seven & i Create Link Co., Ltd.	SCL
Seven & i Net Media Co., Ltd.	7NM
Seven Culture Network Co., Ltd.	7CN
K.K. Terre Verte	TV

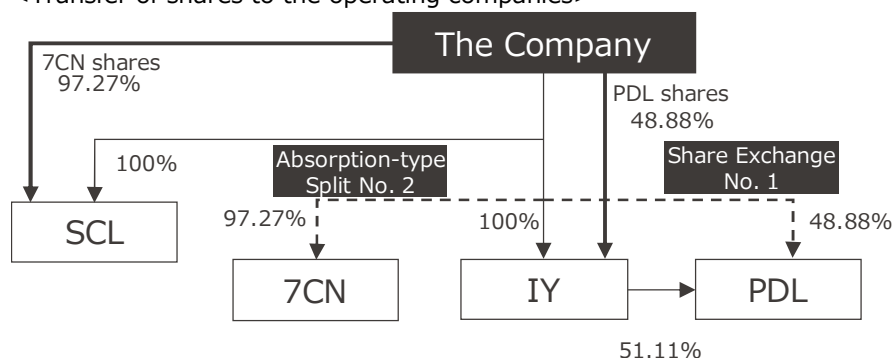
<Structure of the Group before the organizational restructuring (partial)>



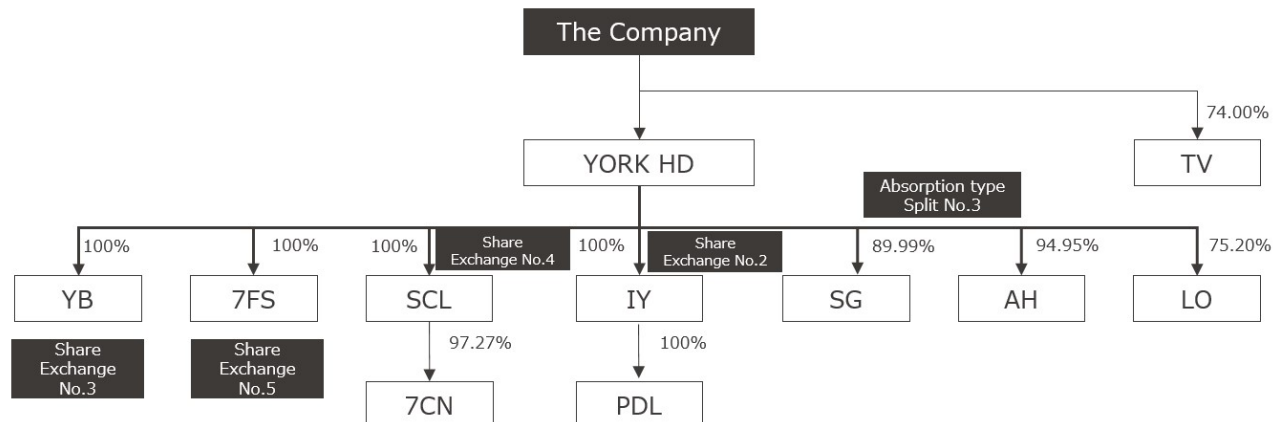
<Consolidation of shares by the Company>



<Transfer of shares to the operating companies>



<Transfer of shares to the intermediate holding company>



2. Consolidation of shares by the Company

All of the shares of SCL and AH held by IY were transferred to the Company as dividends in kind ("Dividends in Kind No. 1" and "Dividends in Kind No. 2").

Also, all of the shares of 7CN held by SEJ and IY were transferred to the Company as dividends in kind ("Dividends in Kind No. 3" and "Dividends in Kind No. 4").

In addition, all of the shares of 7CN held by 7NM were transferred to the Company by means of an absorption-type split ("Absorption-type Split No. 1").

Moreover, all of the shares of TV held by IY, YB and 7FS were transferred to the Company as dividends in kind ("Dividends in Kind No. 5").

- (1) Name and description of business of entity involved in business combination

The business combination involves only shares, and there will be no changes to the company names and descriptions of business.

- (2) Date of business combination

February 26, 2025

- (3) Legal form of business combination

Refer to the information above.

- (4) Name of entity after the business combination

There will be no change to the company names.

- (5) Other items regarding overview of transaction

Refer to the information above.

3. Transfer of shares to the operating companies

For all of the shares of 7CN held by the Company, the Company conducted an absorption-type split in which the Company was the company splitting in the absorption-type split and SCL was the company succeeding in the absorption-type split ("Absorption-type Split No. 2").

In addition, for all of the shares of PDL held by the Company, the Company conducted a share exchange in which IY became the wholly owning parent company resulting from the share exchange and PDL became the wholly owned subsidiary resulting from the share exchange ("Share Exchange No. 1").

- (1) Name and description of business of entity involved in business combination

The business combination involves only shares, and there will be no changes to the company names and descriptions of business.

- (2) Date of business combination

February 27, 2025

- (3) Legal form of business combination

Refer to the information above.

- (4) Name of entity after the business combination

There will be no change to the company names.

- (5) Other items regarding overview of transaction

Refer to the information above.

4. Transfer of shares to the Intermediate Holding Company

YORK HD and IY will carry out a share exchange in which YORK HD will be the wholly owning parent company resulting from the share exchange and IY will be the wholly-owned subsidiary resulting from the share exchange ("Share Exchange No. 2").

YORK HD and YB will carry out a share exchange in which YORK HD will be the wholly-owning parent company resulting from the share exchange and YB will be the wholly-owned subsidiary resulting from the share exchange ("Share Exchange No.3").

YORK HD and SCL will carry out a share exchange in which YORK HD will be the wholly-owning parent

company resulting from the share exchange and SCL will be the wholly-owned subsidiary resulting from the share exchange ("Share Exchange No.4").

YORK HD and 7FS will carry out a share exchange in which YORK HD will be the wholly-owning parent company resulting from the share exchange and 7FS will be the wholly-owned subsidiary resulting from the share exchange ("Share Exchange No.5").

The Company will transfer to YORK HD all of the shares of AH, the shares of LO and the shares of SG which the Company will hold on February 28, 2025 by means of an absorption-type company split in which the Company will be the company splitting in an absorption-type split and YORK HD will be the company succeeding in an absorption-type split ("Absorption-type Company Split No.3").

(1) Name and description of business of entity involved in business combination

The business combination involves only shares, and there will be no changes to the company names and descriptions of business.

(2) Date of business combination

February 28, 2025

(3) Legal form of business combination

Refer to the information above.

(4) Name of entity after the business combination

There will be no change to the company names.

(5) Other items regarding overview of transaction

Refer to the information above.

5. Summary of accounting treatment

Each transaction is accounted for pursuant to the Accounting Standard for Business Divestitures (ASBJ Statement No.21, January 16, 2019) and Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No.10, January 16, 2019), as common control transaction.

Subsequent event;

Acquisition of own shares

The Company resolved, at a meeting of the Board of Directors held on April 9, 2025, to acquire its own shares under Article 156 which is applicable in accordance with Article 165, paragraph 3 of the Companies Act.

The overview is in "5. Consolidated Financial Statements (9) Notes to Consolidated Financial Statements, Subsequent event".

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

Nonconsolidated balance sheets

(Millions of yen)

	February 29, 2024	February 28, 2025
	Amount	Amount
ASSETS		
Current assets	683,867	724,477
Cash and bank deposits	47,336	50,097
Accounts receivable due from franchised stores	11,265	14,326
Lease investment assets	3,049	2,686
Inventories	1,161	971
Prepaid expenses	26,481	33,336
Deposits held by subsidiaries and affiliates	408,786	430,540
Accounts receivable, other	184,413	190,986
Other	1,603	1,873
Allowance for doubtful accounts	(230)	(341)
Non-current assets	1,530,596	1,550,896
Property and equipment	582,139	581,199
Buildings	311,168	325,722
Structures	39,622	39,603
Vehicles	0	—
Furniture, fixtures and equipment	108,886	101,196
Land	113,394	113,710
Lease assets	302	228
Construction in progress	8,765	737
Intangible assets	89,956	107,161
Goodwill	2,153	1,782
Rights of leasehold	15,522	16,346
Trademark	514	569
Software	70,542	86,722
Other	1,222	1,740
Investments and other assets	858,501	862,535
Investments in securities	51,909	57,520
Stocks of subsidiaries and affiliates	583,737	583,727
Investments in capital of subsidiaries and affiliates	6,765	6,765
Long-term loans receivable	396	463
Long-term loans to subsidiaries and affiliates	4,053	5,203
Long-term prepaid expenses	13,356	12,881
Prepaid pension cost	11,224	14,656
Long-term leasehold deposits	156,950	153,741
Deferred income taxes	29,885	28,441
Other	1,777	1,705
Allowance for doubtful accounts	(1,555)	(2,570)
TOTAL ASSETS	2,214,464	2,275,374

SEVEN-ELEVEN JAPAN CO., LTD.

(Millions of yen)

	February 29, 2024	February 28, 2025
	Amount	Amount
LIABILITIES		
Current liabilities	502,758	491,261
Accounts payable, trade	195,616	191,978
Accounts payable due to franchised stores	21,220	19,138
Lease obligations	894	987
Accounts payable, other	33,281	27,880
Accrued expenses	24,597	22,706
Income taxes payable	9,478	14,356
Accounts payable to parent company	59,095	52,366
Consumption taxes withheld	6,779	5,178
Contract liabilities	4,789	4,421
Deposits received	137,725	143,850
Allowance for bonuses to employees	4,960	5,014
Allowance for bonuses to Directors and Audit & Supervisory Board Members	99	110
Other	4,219	3,271
Non-current liabilities	83,538	99,562
Guarantee deposits received from franchised stores	10,594	10,834
Long-term loans	378	445
Lease obligations	2,118	1,968
Allowance for stock payments	662	811
Allowance for retirement benefits to directors and corporate auditors	9	9
Allowance for loss on guarantee	1,750	1,750
Asset retirement obligations	68,024	83,492
Other	–	250
TOTAL LIABILITIES	586,296	590,824
NET ASSETS		
Shareholder's equity	1,602,398	1,655,578
Common stock	17,200	17,200
Capital surplus	25,204	25,204
Additional paid-in capital	24,563	24,563
Other capital surplus	640	640
Retained earnings	1,559,993	1,613,174
Legal reserve	4,300	4,300
Other retained earnings		
General reserve	823,409	823,409
Retained earnings brought forward	732,284	785,464
Accumulated gains (losses) from valuation and translation adjustments	25,769	28,971
Unrealized gains (losses) on available-for-sale securities, net of taxes	25,769	28,971
TOTAL NET ASSETS	1,628,167	1,684,550
TOTAL LIABILITIES AND NET ASSETS	2,214,464	2,275,374

SEVEN-ELEVEN JAPAN CO., LTD.

Nonconsolidated statements of income

(Millions of yen)

	Year Ended February 29, 2024 Amount	Year Ended February 28, 2025 Amount
Operating income and expenses		
Gross revenues from operations	894,659	879,460
Revenues from operations	833,945	828,858
Franchise commission from franchised stores	824,847	818,546
Net sales reported by franchised stores		
Year ended February 29, 2024: 5,283,525		
Year ended February 28, 2025: 5,318,352		
Total net sales (including net sales of corporate stores)		
Year ended February 29, 2024: 5,345,243		
Year ended February 28, 2025: 5,369,756		
Other operating revenues	9,097	10,312
Net sales of corporate stores	60,714	50,602
Cost of sales	43,002	35,917
Gross profit from operations	851,656	843,543
Selling, general and administrative expenses	600,627	609,746
Land and building rent	195,286	199,706
Depreciation and amortization	72,977	71,390
Commission paid	65,681	68,953
Utility expenses	60,885	65,010
Salaries and wages	49,011	48,757
Other	156,784	155,927
Operating income	251,029	233,797
Non-operating income	47,256	52,562
Interest income	2,038	2,879
Dividend income	44,038	48,607
Other	1,179	1,075
Non-operating expenses	570	1,580
Interest expenses	26	18
Provision of allowance for doubtful accounts	8	1,138
Loss on cancellation of construction contribution	387	189
Other	149	233
Ordinary income	297,714	284,779
Special gains	464	430
Gain on sales of property and equipment	449	304
Other	15	125
Special losses	13,953	14,502
Loss on sales of property and equipment	60	168
Loss on disposals of property and equipment	2,764	2,924
Loss on cancellation of lease contracts	190	615
Impairment loss	8,547	9,049
Loss on cancellation of rental contracts	1,754	1,103
Other	635	641
Income before income taxes	284,225	270,706
Income taxes - current	72,545	68,688
Income taxes - deferred	577	30
Net income	211,102	201,987

[Reference] Ito-Yokado Co., Ltd.

Nonconsolidated balance sheets

(Millions of yen)

	February 29, 2024	February 28, 2025
	Amount	Amount
ASSETS		
Current assets	152,293	135,660
Cash and bank deposits	15,813	14,082
Accounts receivable, trade	17,956	13,688
Inventories	43,375	36,161
Supplies	48	34
Advance paid	208	139
Prepaid expenses	6,569	6,117
Short-term loans to employees	112	86
Short-term loans receivable	864	12,487
Deposits held by subsidiaries and affiliates	27,103	5,416
Accounts receivable, other	32,652	49,357
Short-term leasehold deposits	5,261	4,331
Payments in advance	2,261	1,716
Other	94	56
Allowance for doubtful accounts	(27)	(8,016)
Non-current assets	545,460	523,218
Property and equipment	322,188	323,776
Buildings	121,955	123,750
Structures	6,193	6,011
Vehicles	0	0
Furniture, fixtures and equipment	12,982	12,390
Land	176,884	176,359
Lease assets	2,781	1,763
Construction in progress	1,390	3,500
Intangible assets	25,863	9,765
Rights of leasehold	416	407
Trademark	7	11
Software	12,357	5,411
Software in progress	12,185	1,316
Other	895	2,618
Investments and other assets	197,408	189,677
Investments in securities	23,399	26,399
Stocks of subsidiaries and affiliates	21,583	28,272
Investments in capital	4	1
Investments in capital of subsidiaries and affiliates	4,581	4,581
Long-term loans receivable	10,382	9,923
Long-term loans to subsidiaries and affiliates	699	637
Long-term prepaid expenses	3,628	2,934
Prepaid pension cost	49,606	53,746
Long-term guarantee deposits	73,375	60,784
Receivable in bankruptcy	113	94
Deferred income taxes	9,792	1,728
Other	2,440	2,472
Allowance for doubtful accounts	(2,199)	(1,898)
TOTAL ASSETS	697,754	658,879

Ito-Yokado Co., Ltd.

(Millions of yen)

	February 29, 2024	February 28, 2025
	Amount	Amount
LIABILITIES		
Current liabilities	147,197	139,960
Accounts payable, trade	56,035	47,678
Short-term loans	26	13,017
Current portion of long-term loans	78	61
Lease obligations	1,583	1,459
Accounts payable, other	20,104	28,845
Income taxes payable	1,207	392
Consumption taxes withheld	1,096	—
Accrued expenses	7,214	6,814
Advance received	111	102
Deposits received	18,457	15,402
Allowance for bonuses to employees	1,890	2,312
Allowance for bonuses to Directors and Audit & Supervisory Board Members	40	25
Allowance for sales promotion expenses	975	968
Contract liabilities	17,448	17,037
Allowance for restructuring expenses	16,563	3,461
Other	4,362	2,378
Non-current liabilities	45,417	45,990
Long-term loans	141	111
Lease obligations	5,178	4,090
Allowance for stock payments	451	430
Deposits received from tenants	27,760	25,684
Asset retirement obligations	11,885	15,673
TOTAL LIABILITIES	192,615	185,950
NET ASSETS		
Shareholder's equity	493,345	460,158
Common stock	40,000	41,000
Capital surplus	189,014	195,563
Additional paid-in capital	165,621	166,621
Other capital surplus	23,392	28,942
Retained earnings	264,331	223,594
Legal reserve	11,950	11,950
Other retained earnings		
Reserve for deferred gains on property and equipment	1,020	746
Retained earnings brought forward	251,361	210,897
Accumulated gains (losses) from valuation and translation adjustments	11,793	12,770
Unrealized gains (losses) on available-for-sale securities, net of taxes	11,793	12,770
TOTAL NET ASSETS	505,138	472,929
TOTAL LIABILITIES AND NET ASSETS	697,754	658,879

Nonconsolidated statements of income

(Millions of yen)

	Year Ended February 29, 2024	Year Ended February 28, 2025
	Amount	Amount
Revenues from operations	814,964	842,736
Net sales	737,318	764,706
Cost of sales	536,684	563,496
Gross profit on sales	200,633	201,210
Other operating revenues	77,646	78,030
Gross profit from operations	278,279	279,240
Selling, general and administrative expenses	279,485	276,220
Advertising and decoration expenses	7,602	7,685
Salaries and wages	84,516	86,649
Land and building rent	49,783	48,975
Depreciation and amortization	18,021	20,112
Utility expenses	22,956	22,861
Other	96,605	89,934
Operating income (loss)	(1,205)	3,020
Non-operating income	1,884	1,901
Interest income	430	359
Dividend income	841	960
Other	612	581
Non-operating expenses	947	755
Interest expenses	11	46
Foreign exchange losses	—	82
Other	935	626
Ordinary income (loss)	(268)	4,166
Special gains	104	10,115
Gain on sales of property and equipment	6	8
Gain on sales of property and equipment due to restructuring	—	3,144
Insurance income	—	4,623
Gain on sales of securities of subsidiaries	—	769
Compensation income	—	616
Gain on sales of investment securities	2	—
Other	95	954
Special losses	37,746	61,788
Loss on sales of property and equipment	59	72
Loss on disposals of property and equipment	1,852	5,867
Impairment loss	5,623	15,822
Restructuring expenses	28,137	25,944
Loss on business of subsidiaries related	—	8,089
Loss on disaster	1,495	5,326
Other	578	668
Income (loss) before income taxes	(37,911)	(47,506)
Income taxes - current	(2,837)	(21,408)
Income taxes - deferred	(9,109)	7,639
Net income (loss)	(25,963)	(33,737)

[Reference] York-Benimaru Co., Ltd.

Nonconsolidated balance sheets

(Millions of yen)

	February 29, 2024	February 28, 2025
	Amount	Amount
ASSETS		
Current assets	62,566	57,795
Cash and bank deposits	25,404	21,406
Accounts receivable, trade	3,659	3,932
Inventories	12,019	13,169
Work in process	16	17
Supplies	169	180
Prepaid expenses	1,183	1,214
Short-term loans receivable	90	99
Short-term loans to subsidiaries and affiliates	380	554
Deposits held by subsidiaries and affiliates	10,000	8,000
Accounts receivable, other	7,159	6,807
Payments in advance	1,781	1,854
Other	702	558
Non-current assets	199,314	211,135
Property and equipment	149,964	160,719
Buildings	68,635	69,363
Structures	8,682	7,896
Machinery and equipment	3,406	3,361
Vehicles, net	6	3
Furniture, fixtures and equipment	3,974	4,387
Land	51,516	51,913
Lease assets	12,142	13,788
Construction in progress	1,598	10,003
Intangible assets	1,984	2,271
Software	1,965	2,256
Other	18	15
Investments and other assets	47,366	48,143
Investments in securities	14,102	13,557
Stocks of subsidiaries and affiliates	2,845	2,845
Investments in capital	1	1
Long-term loans receivable	274	256
Long-term prepaid expenses	3,619	3,692
Prepaid pension cost	8,240	9,288
Long-term leasehold deposits	16,569	16,624
Deferred income taxes	633	896
Other	1,097	979
Allowance for doubtful accounts	(18)	—
TOTAL ASSETS	261,881	268,930

York-Benimaru Co., Ltd.

(Millions of yen)

	February 29, 2024	February 28, 2025
	Amount	Amount
LIABILITIES		
Current liabilities	49,742	50,489
Accounts payable, trade	22,352	22,668
Short-term loans	74	74
Lease obligations	2,656	2,977
Accounts payable, other	8,474	8,841
Accounts payable to parent company	3,960	3,528
Income taxes payable	1,206	1,393
Accrued expenses	4,817	4,982
Deposits received	1,669	1,660
Contract liabilities	1,565	1,515
Advance received	30	44
Allowance for bonuses to employees	2,590	2,477
Allowance for bonuses to Directors and Audit & Supervisory Board Members	86	90
Other	257	234
Non-current liabilities	19,022	21,828
Long-term loans	148	146
Lease obligations	11,667	13,214
Deposits received from tenants	3,413	3,573
Net defined benefit liability	–	701
Allowance for retirement benefits to directors and corporate auditors	216	216
Allowance for stock payments	654	678
Asset retirement obligations	2,908	3,145
Other	13	153
TOTAL LIABILITIES	68,764	72,318
NET ASSETS		
Shareholder's equity	185,742	189,519
Common stock	9,927	9,927
Capital surplus	12,605	12,605
Additional paid-in capital	12,605	12,605
Other capital surplus	0	0
Retained earnings	163,209	166,985
Legal reserve	2,186	2,186
General reserve	69,324	69,313
Retained earnings brought forward	91,699	95,486
Accumulated gains (losses) from valuation and translation adjustments	7,374	7,092
Unrealized gains (losses) on available-for-sale securities, net of taxes	7,374	7,092
TOTAL NET ASSETS	193,117	196,612
TOTAL LIABILITIES AND NET ASSETS	261,881	268,930

York-Benimaru Co., Ltd.

Nonconsolidated statements of income

(Millions of yen)

	Year Ended February 29, 2024 Amount	Year Ended February 28, 2025 Amount
Revenues from operations	491,515	503,797
Net sales	479,931	491,952
Cost of sales	340,144	350,123
Gross profit on sales	139,786	141,828
Other operating revenues	11,584	11,844
Gross profit from operations	151,370	153,673
Selling, general and administrative expenses	132,669	136,863
Salaries and wages	58,276	60,096
Provision for bonuses to employees	2,509	2,400
Legal welfare expenses	9,148	9,434
Advertising and decoration expenses	4,080	4,028
Land and building rent	11,144	11,496
Store maintenance and repair expenses	6,044	6,496
Depreciation and amortization	10,093	10,551
Utility expenses	10,094	9,820
Other	21,277	22,537
Operating income	18,701	16,810
Non-operating income	696	708
Interest income	92	120
Dividend income	509	516
Other	93	72
Non-operating expenses	213	365
Interest expenses	3	3
Maintenance expenses for idle assets	77	156
Other	132	205
Ordinary income	19,183	17,153
Special gains	699	283
Gain on sales of property and equipment	50	—
Gain on sales of investment securities	1	158
Compensation income	—	124
Insurance income	492	—
Reversal of allowance for doubtful accounts	155	—
Special losses	2,624	2,839
Loss on sales of property and equipment	—	13
Loss on disposals of property and equipment	481	1,004
Impairment Loss	1,920	1,692
Loss on sale of investment securities	—	17
Loss on disaster	33	—
Other	188	111
Income before income taxes	17,258	14,597
Income taxes - current	5,158	4,843
Income taxes - deferred	482	(145)
Net income	11,616	9,898