

Promoting business structural reform, shifting focus from general retail business to domestic and overseas convenience store operations

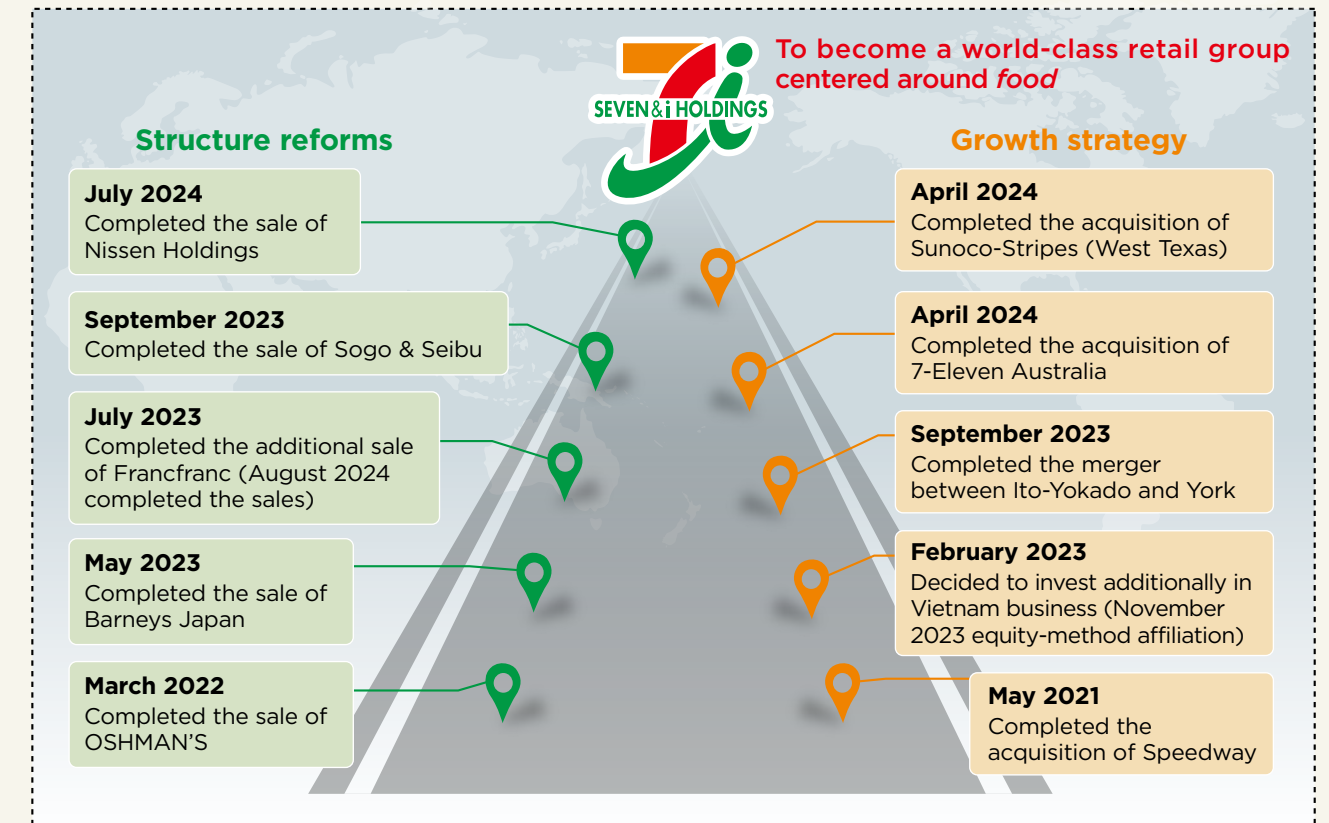
Optimizing the Group's business structure with a focus on domestic and overseas CVS operations

In March 2016, we announced a focus on CVS operations in Japan and the United States, leveraging Group synergies as the core of our growth strategy. This marked a clear departure from our previous stance toward the general retail business. After Ryuichi Isaka was appointed as president in May of the same year, we executed several major initiatives, including the acquisition of certain convenience store (CVS) businesses from Sunoco LP in 2018 and the acquisition of Speedway in 2021. At the same time, we undertook structural reforms and a review of the business portfolio for Ito-Yokado (IY) and began exploring ways to optimize the Group's businesses, with a commitment to enhancing corporate and shareholder value.

In July 2021, we unveiled our Medium-Term Management Plan 2021-2025, charting our vision for 2030 of becoming a world-class global retail group centered on the 7-Eleven business. Simultaneously, we initiated a review of our business portfolio to embody this vision. To foster a more comprehensive and diversified governance structure, we transitioned to a Board of Directors with a majority

of independent outside directors in May 2022. This strategic shift aligned with our commitment to enhancing Group corporate value. Concurrently, we conducted a thorough review of each business unit's strategic initiatives, exploring all potential avenues for growth and optimization.

In March 2023, following these discussions, we announced the Update to the Medium-Term Management Plan and the Results of the Group Strategic Reevaluation. To capitalize on the Group's strengths, we set our vision for 2030 as 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. This clarified the direction for the Group's medium- to long-term growth. In October 2023, we announced a major milestone for the fundamental transformation of the superstore (SST) business. Additionally, we established a Strategic Committee comprised solely of independent outside directors to monitor progress of the Group's strategic priorities. The Committee began a comprehensive, objective analysis and review of the optimal Group business structure and strategic alternatives (IPOs, spin-offs, etc.) aimed at maximizing medium- to long-term corporate and shareholder value.



Group strategy and growth trajectory

