

# Consolidated Financial Results for the Six Months Ended August 31, 2024

October 10, 2024

## Seven & i Holdings Co., Ltd.

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

Securities Code No. 3382

President, Representative Director and CEO: Ryuichi Isaka

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

Submission date of the semi-annual securities report scheduled: October 11, 2024

Starting date of paying dividend: November 15, 2024

Preparation of brief summary materials for financial results: Yes

Holding of financial results presentation: Yes

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

## 1. Results for the Six Months Ended August 31, 2024 (from March 1, 2024 to August 31, 2024)

### (1) Results of operations (cumulative)

(Millions of yen)

	Revenues from Operations	Operating Income	Ordinary Income
Six Months Ended August 31, 2024	6,035,534 8.8 %	186,996 (22.4) %	167,220 (26.3) %
Six Months Ended August 31, 2023	5,547,013 (1.8) %	241,115 2.7 %	226,867 3.2 %
	Net Income Attributable to Owners of Parent	Net Income per Share (EPS)	Diluted Net Income per Share (Diluted EPS)
Six Months Ended August 31, 2024	52,242 (34.9) %	20.09 (yen)	20.08 (yen)
Six Months Ended August 31, 2023	80,228 (41.0) %	30.28 (yen)	30.28 (yen)

(Reference) Group's total sales:

Six Months Ended August 31, 2024: 9,287,008 million yen

Six Months Ended August 31, 2023: 8,693,839 million yen

EBITDA:

Six Months Ended August 31, 2024: 471,507 million yen

Six Months Ended August 31, 2023: 496,467 million yen

EPS before amortization of goodwill:

Six Months Ended August 31, 2024: 38.87 yen

Six Months Ended August 31, 2023: 45.81 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 (5) Formula of various management indicators."

(Notes) 1. Comprehensive income:

Six Months Ended August 31, 2024: 434,043 million yen [35.3%]

Six Months Ended August 31, 2023: 320,692 million yen [(37.7) %]

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

## (2) Financial position

(Millions of yen)

	Total Assets	Net Assets	Owners' Equity Ratio	Net Assets per Share
As of August 31, 2024	11,851,693	4,220,526	34.0 %	1,554.73 (yen)
As of 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 August 31, 2024: 4,034,165 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.

## 2. Dividends

Record Date	Dividends per Share (yen)				
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
Year Ended February 29, 2024	-	56.50	-	56.50	113.00
Year Ending February 28, 2025	-	20.00			
Year Ending February 28, 2025 (forecast)			-	20.00	40.00

(Notes) 1. Revisions to the forecast of dividends most recently announced: None

2. 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. For the fiscal year ending February 28, 2025, and the fiscal year ending February 28, 2025 (forecast), the figures after the share split are presented. For reference, annual dividends per share for the fiscal year ending February 28, 2025 (forecast) without considering the share split are 120.00 yen.

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

(Millions of yen)

	Revenues from Operations	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Income per Share (EPS)
Entire Year	11,879,000 3.5%	403,000 (24.6)%	356,000 (29.8)%	163,000 (27.4)%	62.74 (yen)

(Reference) Group's total sales: 18,993,000 million yen

EBITDA: 975,800 million yen

EPS before amortization of goodwill: 100.47 yen

(Notes) 1. Revisions to the forecast of business results most recently announced: Yes

2. The Company acquired its own shares that were authorized under the resolution at the meeting of the Board of Directors of the Company held on November 30, 2023. The estimated impact of acquisition of own shares and cancellation of treasury stock are taken into account in regards to "EPS" and "EPS before amortization of goodwill" in the forecast for fiscal year ending February 28, 2025.

3. The Company conducted a 3-for-1 common share split on March 1, 2024.

#### 4. Others

- (1) Significant change in the scope of consolidation during the period: Yes  
Added: One company (CONVENIENCE HOLDINGS PTY LTD)  
Excluded: None
- (2) Application of specific accounting for preparing the semi-annual consolidated financial statements: None
- (3) 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
- (4) Number of shares outstanding (Common stock)
1. Number of shares outstanding at the end of period (Including treasury stock)  
As of August 31, 2024: 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 August 31, 2024: 9,785,671 shares      As of February 29, 2024: 10,312,992 shares
  3. Average number of shares during the period (Cumulative from the beginning of the fiscal year)  
As of August 31, 2024: 2,600,856,372 shares      As of August 31, 2023: 2,649,803,808 shares
- (Notes) 1. The Company has introduced the BIP Trust and ESOP Trust, and its shares held by these Trusts are included in the number of treasury stock to be deducted when calculating the number of treasury stock at the end of the fiscal period and the average number of shares during the period.
2. The Company conducted a 3-for-1 common share split on March 1, 2024. "Number of shares outstanding at the end of period", "Number of treasury stock at the end of period" and "Average number of shares during the period" are calculated as if the share split had occurred at the beginning of the previous fiscal year.
- (5) Formula of various management indicators
1. EBITDA: Operating income + Depreciation and amortization + Amortization of goodwill
  2. EPS before amortization of goodwill: (Net income attributable to owners of parent + Amortization of goodwill) / Average number of shares during the period  
For EPS before amortization of goodwill, tax impact related to amortization of goodwill is taken into account to make the figures more accurate.

#### NOTICE REGARDING REVIEW PROCEDURES FOR THE SEMI-ANNUAL FINANCIAL RESULTS

This semi-annual financial results statement is exempt from the review procedures by certified public accountants or audit corporations.

#### 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. Qualitative Information on Results for the Six Months Ended August 31, 2024

## (1) Qualitative information on consolidated results

### I. Overview

In the six months ended August 31, 2024, in the Japanese economy, real wages which had been negative for some time due to factors such as rising prices associated with soaring energy and raw material costs, are turning to a positive trend, while employment and income conditions improved. 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).

The Group is taking a multi-faceted approach on addressing changes in the consumption environment in Japan and abroad, not only from a medium- to long-term perspective but also from a short-term perspective.

As previously announced on April 10, 2024, the Group has developed concrete action plans to maximize the Group’s corporate and shareholder value and is promoting initiatives to steadily implement these plans.

Our consolidated results for the six months ended August 31, 2024 are summarized below.

(Millions of yen)

	Six months ended August 31, 2023		Six months ended August 31, 2024	
		YOY		YOY
Revenues from operations	5,547,013	98.2%	6,035,534	108.8%
Operating income	241,115	102.7%	186,996	77.6%
Ordinary income	226,867	103.2%	167,220	73.7%
Net income attributable to owners of parent	80,228	59.0%	52,242	65.1%

Exchange rates	U.S.\$1 = ¥135.00	U.S.\$1 = ¥152.36
	1yuan = ¥19.46	1yuan = ¥21.07

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 ¥9,287,008 million (106.8% year on year). For the six months ended August 31, 2024, Group’s total sales, revenues from operations and operating income increased by ¥636.1 billion, ¥527.4 billion and ¥8.1 billion, respectively, as a result of exchange rate fluctuations.

## II. Overview by operating segment

(Revenues from operations by operating segment)

(Millions of yen)

	Six months ended August 31, 2023		Six months ended August 31, 2024	
		YOY		YOY
Domestic convenience store operations	470,786	105.4%	462,368	98.2%
Overseas convenience store operations	4,026,853	96.2%	4,612,501	114.5%
Superstore operations	729,091	102.0%	724,543	99.4%
Financial services	102,876	107.4%	105,248	102.3%
Others	248,408	104.7%	164,535	66.2%
Total	5,578,015	98.2%	6,069,197	108.8%
Adjustments (Eliminations/corporate)	(31,001)	—	(33,663)	—
<b>Consolidated Total</b>	<b>5,547,013</b>	<b>98.2%</b>	<b>6,035,534</b>	<b>108.8%</b>

(Operating income by operating segment)

(Millions of yen)

	Six months ended August 31, 2023		Six months ended August 31, 2024	
		YOY		YOY
Domestic convenience store operations	138,503	109.3%	127,712	92.2%
Overseas convenience store operations	112,832	97.6%	73,325	65.0%
Superstore operations	4,430	102.9%	3,514	79.3%
Financial services	19,990	103.3%	17,464	87.4%
Others	2,444	—	3,834	156.8%
Total	278,202	104.5%	225,851	81.2%
Adjustments (Eliminations/corporate)	(37,086)	—	(38,854)	—
<b>Consolidated Total</b>	<b>241,115</b>	<b>102.7%</b>	<b>186,996</b>	<b>77.6%</b>

### **Domestic convenience store operations**

In Domestic convenience store operations, revenues from operations amounted to ¥462,368 million (98.2% year on year), and operating income amounted to ¥127,712 million (92.2% 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.

In the six months ended August 31, 2024, SEJ's existing store sales were slightly lower than the previous year, with operating income reaching ¥127,661 million (91.9% year on year). Moreover, total store sales (the sum of sales from directly operated stores and franchisees) amounted to ¥2,729,934 million (100.3% year on year).

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

### **Overseas convenience store operations**

In Overseas convenience store operations, revenues from operations amounted to ¥4,612,501 million (114.5% year on year), and operating income amounted to ¥73,325 million (65.0% 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. 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: “Grow Proprietary Products”, “Accelerate Digital & Delivery Initiatives”, “Generate Synergies from SEI & Speedway Integration”, and “Grow 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.

In the six months ended August 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 ¥130,839 million (82.9% year on year). Moreover, total store sales (the sum of sales from directly operated stores and franchisees) amounted to ¥5,331,059 million (110.6% year on year).

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

### **Superstore operations**

In Superstore operations, revenues from operations amounted to ¥724,543 million (99.4% year on year), and operating income amounted to ¥3,514 million (79.3% year on year).

Ito-Yokado Co., Ltd. (“Ito-Yokado”) is executing fundamental reforms to improve profitability in line with its planned strategy. Ito-Yokado 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.

In addition, Ito-Yokado launched *FOUND GOOD*, a new brand of clothing planned, developed and manufactured by Adastria Co., Ltd. to expand our customer base.

In the six months ended August 31, 2024, Ito-Yokado’s sales rose year on year accompanying the merger with York Co., Ltd., although the operating loss amounted to ¥1,988 million (in comparison to an operating loss of ¥2,834 million in the same period of the previous year).

For York-Benimaru Co., Ltd. (“York-Benimaru”), 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.”

In the six months ended August 31, 2024, York-Benimaru’s existing store sales increased year on year, as it benefited from the success of price adjustments in response to soaring raw material prices and sales promotion initiatives, and operating income amounted to ¥9,296 million (100.6% year on year).

### **Financial services**

In Financial services, revenues from operations amounted to ¥105,248 million (102.3% year on year), and operating income amounted to ¥17,464 million (87.4% year on year).

As of August 31, 2024, the number of domestic ATMs operated by Seven Bank, Ltd. stood at 27,693,

up 323 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 Seven Bank's ATMs during the six months ended August 31, 2024 increased year on year. Seven Bank had cash and deposits (including cash for ATM loading) of ¥906.4 billion.

### ***Others***

In Others, revenues from operations amounted to ¥164,535 million (66.2% year on year), and operating income amounted to ¥3,834 million (156.8% 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.

Additionally, the transfer of all of the issued shares of Nissen Holdings Co., Ltd. held by Seven & i Net Media Co., Ltd., the Company's wholly owned subsidiary, announced on May 9, 2024, to Ci Medical Co., Ltd. was completed on July 1, 2024.

### ***Adjustments (eliminations/corporate)***

The operating loss from adjustments totaled ¥38,854 million (operating loss of ¥37,086 million for the same period of the previous fiscal year).

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



## (2) Qualitative information on consolidated financial position

### I. Assets, liabilities and net assets

(Consolidated Financial Position)

(Millions of yen)

	February 29, 2024	August 31, 2024	Change
Total assets	10,592,117	11,851,693	1,259,575
Total liabilities	6,691,492	7,631,166	939,674
Net assets	3,900,624	4,220,526	319,901

Exchange rates	U.S.\$1 = ¥141.83	U.S.\$1 = ¥161.07
	1yuan = ¥19.93	1yuan = ¥22.04

Total assets amounted to ¥11,851,693 million, up ¥1,259,575 million from the previous fiscal year-end, mainly due to fluctuations in foreign exchange rates. Current assets increased ¥49,209 million from the previous fiscal year-end, mainly due to an increase of merchandise and finished goods in accordance with the acquisition of Convenience Group Holdings Pty Ltd\* ("SEA") in the overseas convenience store business. Non-current assets increased ¥1,210,662 million from the previous fiscal year-end, mainly due to an increase in property and equipment and intangible assets following the acquisition of SEA in the overseas convenience store operations.

Total liabilities increased ¥939,674 million from the previous fiscal year-end to ¥7,631,166 million, mainly due to fluctuations in foreign exchange rates, and an increase in interest-bearing debt which was incurred to fund the acquisition of SEA.

Net assets increased ¥319,901 million from the previous fiscal year-end to ¥4,220,526 million, mainly due to an increase in foreign currency translation adjustments.

\*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.

### II. Cash flows

(Consolidated cash flows)

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024	Change
Cash flows from operating activities	192,993	542,422	349,428
Cash flows from investing activities	(223,140)	(600,782)	(377,641)
Cash flows from financing activities	(295,290)	(76,534)	218,756
Cash and cash equivalents at end of the period	1,372,116	1,469,596	97,480

Net cash provided by operating activities amounted to ¥542,422 million. This was mainly due to income before income taxes of ¥91,128 million.

Net cash used in investing activities amounted to ¥600,782 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 ¥76,534 million, mainly due to payment for redemption of bonds.

As a result of the above, cash and cash equivalents for the six months ended August 31, 2024 amounted to ¥1,469,596 million.

### (3) Qualitative information on forecasts

The Company has revised its forecasts for the consolidated fiscal year ending February 28, 2025 from the previous forecasts announced on July 11, 2024.

(Millions of yen)

	Year ending February 28, 2025			
	Newly revised forecasts	YOY	YOY change (amount)	Change from the previous forecasts
Revenues from operations	11,879,000	103.5%	407,246	633,000
Operating income	403,000	75.4%	(131,248)	(142,000)
Ordinary income	356,000	70.2%	(151,086)	(146,000)
Net income attributable to owners of parent	163,000	72.6%	(61,623)	(130,000)

\* Assumed exchange rates: U.S.\$1 = ¥149.00; 1 yuan = ¥19.00 (After revision)

\* Group's total sales forecasts including sales of franchisees of SEVEN-ELEVEN JAPAN CO., LTD., SEVEN-ELEVEN OKINAWA Co., Ltd., 7-Eleven, Inc., and 7-Eleven Stores Pty Ltd: ¥18,993,000 million

(Revenues from operations by operating segment)

(Millions of yen)

	Year ending February 28, 2025			
	Newly revised forecasts	YOY	YOY change (amount)	Change from the previous forecasts
Domestic convenience store operations	915,000	99.3%	(6,706)	(28,000)
Overseas convenience store operations	9,067,000	106.5%	550,060	657,000
Superstore operations	1,439,000	97.4%	(38,384)	(9,000)
Financial services	212,000	102.2%	4,520	2,000
Others	312,000	75.9%	(99,305)	2,000
Total	11,945,000	103.6%	410,185	624,000
Adjustments (Eliminations/corporate)	(66,000)	—	(2,939)	9,000
<b>Consolidated Total</b>	<b>11,879,000</b>	<b>103.5%</b>	<b>407,246</b>	<b>633,000</b>

(Revenues from operating income by operating segment)

(Millions of yen)

	Year ending February 28, 2025			
	Newly revised forecasts	YOY	YOY change (amount)	Change from the previous forecasts
Domestic convenience store operations	239,600	95.6%	(10,944)	(20,400)
Overseas convenience store operations	207,200	68.7%	(94,428)	(111,500)
Superstore operations	13,500	99.3%	(88)	(5,100)
Financial services	30,400	79.6%	(7,772)	(5,600)
Others	3,600	133.9%	911	1,900
Total	494,300	81.5%	(112,322)	(140,700)
Adjustments (Eliminations/corporate)	(91,300)	—	(18,926)	(1,300)
<b>Consolidated Total</b>	<b>403,000</b>	<b>75.4%</b>	<b>(131,248)</b>	<b>(142,000)</b>

## **2. Related to Summary Information (Others)**

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

In the six months ended August 31, 2024, the acquisition of the shares of Convenience Group Holdings Pty Ltd, 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, by the Company’s consolidated subsidiary 7-Eleven International LLC (“7IN”) from Australian Company R.G. Withers Nominees Pty Ltd as trustee for R.G. Withers Unit Trust, was completed through the 7IN’s wholly-owned subsidiary, AR BidCo Pty Ltd. Due to the acquisition, the Company has included CONVENIENCE HOLDINGS PTY LTD, specified subsidiary, in the scope of consolidation.

### **(2) Application of specific accounting for preparing the semi-annual consolidated financial statements: None**

### **(3) Changes in accounting policies, accounting estimates or restatements: None**

### **(4) Supplementary information: None**

### 3. Semi-annual Consolidated Financial Statements

#### (1) Semi-annual consolidated balance sheets

(Millions of yen)		
	February 29, 2024	August 31, 2024
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>3,035,666</b>	<b>3,084,875</b>
Cash and bank deposits	1,558,738	1,470,393
Notes and accounts receivable - trade, and contract assets	464,159	524,700
Trade accounts receivable - financial services	100,645	104,976
Merchandise and finished goods	283,349	334,181
Work in process	79	70
Raw materials and supplies	2,444	3,180
Prepaid expenses	90,576	96,417
ATM-related temporary payments	99,351	142,298
Other	447,812	422,825
Allowance for doubtful accounts	(11,491)	(14,167)
<b>Non-current assets</b>	<b>7,555,469</b>	<b>8,766,131</b>
<b>Property and equipment</b>	<b>4,362,500</b>	<b>5,045,868</b>
Buildings and structures, net	1,606,839	1,768,133
Furniture, fixtures and equipment, net	493,756	575,343
Land	1,096,630	1,208,372
Lease assets, net	2,970	2,359
Right-of-use assets, net	985,657	1,284,777
Construction in progress	154,862	184,108
Other, net	21,783	22,773
<b>Intangible assets</b>	<b>2,356,578</b>	<b>2,843,787</b>
Goodwill	1,928,916	2,379,076
Software	302,767	309,232
Other	124,895	155,478
<b>Investments and other assets</b>	<b>836,390</b>	<b>876,475</b>
Investments in securities	277,526	308,371
Long-term loans receivable	14,488	14,219
Long-term leasehold deposits	278,642	274,303
Net defined benefit asset	116,852	118,782
Deferred tax assets	92,015	97,559
Other	59,297	65,414
Allowance for doubtful accounts	(2,432)	(2,174)
<b>Deferred assets</b>	<b>981</b>	<b>685</b>
Business commencement expenses	193	—
Bond issuance cost	788	685
<b>TOTAL ASSETS</b>	<b>10,592,117</b>	<b>11,851,693</b>

(Millions of yen)

	February 29, 2024	August 31, 2024
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>3,073,252</b>	<b>3,582,280</b>
Notes and accounts payable, trade	528,155	676,732
Short-term loans	84,882	394,513
Current portion of bonds	334,039	45,000
Current portion of long-term loans	138,530	267,183
Income taxes payable	18,389	23,618
Accrued expenses	264,862	301,305
Contract liabilities	188,890	189,249
Deposits received	140,845	220,515
ATM-related temporary advances	60,880	76,646
Lease obligations	132,392	173,452
Allowance for Loss on transfer of subsidiary	–	19,726
Allowance for restructuring expenses	15,989	7,224
Allowance for loss on litigation	–	1,610
Allowance for sales promotion expenses	773	1,299
Allowance for bonuses to employees	13,870	15,844
Allowance for bonuses to Directors and Audit & Supervisory Board Members	496	244
Deposits received in banking business	803,763	829,768
Call money	40,000	50,000
Other	306,490	288,344
<b>Non-current liabilities</b>	<b>3,618,240</b>	<b>4,048,886</b>
Bonds	1,356,585	1,440,582
Long-term loans	824,616	849,703
Deferred tax liabilities	220,658	239,721
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	459	413
Allowance for stock payments	4,707	4,535
Net defined benefit liability	16,323	16,891
Deposits received from tenants and franchised stores	45,025	44,854
Lease obligations	931,759	1,199,722
Asset retirement obligations	163,328	180,714
Other	54,776	71,747
<b>TOTAL LIABILITIES</b>	<b>6,691,492</b>	<b>7,631,166</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>	<b>3,036,059</b>	<b>2,979,542</b>
Common stock	50,000	50,000
Capital surplus	351,851	293,405
Retained earnings	2,650,575	2,653,328
Treasury stock, at cost	(16,368)	(17,191)
<b>Total accumulated other comprehensive income</b>	<b>680,464</b>	<b>1,054,622</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	46,116	54,161
Unrealized gains (losses) on hedging derivatives, net of taxes	4,823	5,312
Foreign currency translation adjustments	608,057	974,143
Remeasurements of defined benefit plans	21,466	21,004
<b>Subscription rights to shares</b>	<b>60</b>	<b>70</b>
<b>Non-controlling interests</b>	<b>184,041</b>	<b>186,290</b>
<b>TOTAL NET ASSETS</b>	<b>3,900,624</b>	<b>4,220,526</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>10,592,117</b>	<b>11,851,693</b>

(2) Semi-annual consolidated statements of income and semi-annual consolidated statements of comprehensive income

Semi-annual consolidated statements of income

(Millions of yen)

	Six Months Ended August 31, 2023	Six Months Ended August 31, 2024
	Amount	Amount
<b>Revenues from operations</b>	<b>5,547,013</b>	<b>6,035,534</b>
Net sales	4,722,936	5,220,606
Cost of sales	3,873,366	4,317,995
<b>Gross profit on sales</b>	<b>849,570</b>	<b>902,610</b>
Operating revenues	824,077	814,927
<b>Gross profit from operations</b>	<b>1,673,647</b>	<b>1,717,538</b>
Selling, general and administrative expenses	1,432,531	1,530,541
<b>Operating income</b>	<b>241,115</b>	<b>186,996</b>
<b>Non-operating income</b>	<b>10,494</b>	<b>16,235</b>
Interest income	4,988	6,093
Equity in earnings of affiliates	1,403	440
Gain on valuation of investment securities	494	6,244
Other	3,608	3,456
<b>Non-operating expenses</b>	<b>24,742</b>	<b>36,011</b>
Interest expenses	10,878	19,661
Interest on bonds	9,859	10,456
Other	4,005	5,892
<b>Ordinary income</b>	<b>226,867</b>	<b>167,220</b>
<b>Special gains</b>	<b>8,538</b>	<b>10,145</b>
Gain on sales of property and equipment	4,571	1,515
Gain on sales of investments in securities	2,841	7,448
Other	1,126	1,181
<b>Special losses</b>	<b>159,611</b>	<b>86,237</b>
Loss on disposals of property and equipment	6,691	6,871
Impairment loss	10,594	10,626
Loss on business of subsidiaries and associates	—	45,877
Restructuring expenses	800	5,196
Loss on transfer of subsidiary	4,866	4,782
Loss on transfer of department store	130,321	—
Other	6,336	12,883
<b>Income before income taxes</b>	<b>75,795</b>	<b>91,128</b>
<b>Total Income taxes</b>	<b>(11,243)</b>	<b>33,669</b>
Income taxes - current	30,564	38,468
Income taxes - deferred	(41,808)	(4,799)
Net income	87,038	57,459
Net income attributable to non-controlling interests	6,810	5,216
<b>Net income attributable to owners of parent</b>	<b>80,228</b>	<b>52,242</b>

# Semi-annual consolidated statements of comprehensive income

(Millions of yen)

	Six Months Ended August 31, 2023	Six Months Ended August 31, 2024
	Amount	Amount
<b>Net income</b>	<b>87,038</b>	<b>57,459</b>
<b>Other comprehensive income</b>		
Unrealized gains (losses) on available-for-sale securities, net of taxes	10,106	8,087
Unrealized gains (losses) on hedging derivatives, net of taxes	319	974
Foreign currency translation adjustments	224,381	367,943
Remeasurements of defined benefit plans, net of taxes	(1,009)	(498)
Share of other comprehensive income (loss) of entities accounted for using equity method, net of taxes	(144)	77
<b>Total other comprehensive income (loss)</b>	<b>233,654</b>	<b>376,584</b>
<b>Comprehensive income (loss)</b>	<b>320,692</b>	<b>434,043</b>
Comprehensive income (loss) attributable to owners of parent	311,659	426,401
Comprehensive income (loss) attributable to non-controlling interests	9,033	7,642

### (3) Semi-annual consolidated statements of cash flows

(Millions of yen)

	Six Months Ended August 31,2023	Six Months Ended August 31,2024
	Amount	Amount
<b>Cash flows from operating activities</b>		
Income before income taxes	75,795	91,128
Depreciation and amortization	197,735	216,764
Impairment loss	10,884	39,800
Amortization of goodwill	57,615	67,746
Interest income	(4,988)	(6,093)
Interest expenses and interest on bonds	20,737	30,118
Equity in losses (earnings) of affiliates	(1,403)	(440)
Gain on sales of property and equipment	(4,571)	(1,515)
Loss on disposals of property and equipment	6,691	7,654
Loss on transfer of subsidiary	4,866	4,782
Loss on transfer of department store	130,321	—
Loss (gain) on sales of investments in securities	(2,841)	(7,447)
Decrease (increase) in notes and accounts receivable, trade	(11,863)	(28,156)
Decrease (increase) in trade accounts receivable, financial services	(2,958)	(4,330)
Decrease (increase) in inventories	(15,064)	(8,458)
Increase (decrease) in notes and accounts payable, trade	50,298	74,879
Increase (decrease) in deposits received	(25,528)	79,950
Net increase (decrease) in bonds in banking Business	(20,000)	—
Net increase (decrease) in deposits received in banking business	(19,278)	26,005
Net decrease (increase) in call loan in banking Business	(12,000)	—
Net increase (decrease) in call money in banking business	(110,000)	10,000
Net decrease (increase) in ATM-related temporary accounts	3,587	(26,791)
Other	(85,307)	(2,380)
<b>Subtotal</b>	<b>242,729</b>	<b>563,216</b>
Interest and dividends received	5,342	6,810
Interest paid	(20,741)	(24,914)
Insurance income received	1,046	1,523
Income taxes paid	(54,175)	(23,042)
Income taxes refund	18,792	18,828
<b>Net cash provided by operating activities</b>	<b>192,993</b>	<b>542,422</b>



(Millions of yen)

	Six Months Ended August 31,2023	Six Months Ended August 31,2024
	Amount	Amount
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(158,697)	(238,106)
Proceeds from sales of property and equipment	12,764	4,450
Acquisition of intangible assets	(54,856)	(59,003)
Payment for purchase of investments in securities	(36,910)	(27,487)
Proceeds from sales of investments in securities	24,744	21,999
Payment for purchase of shares in subsidiaries resulting in change in scope of consolidation	(776)	(167,141)
Proceeds from sales of shares in subsidiaries resulting in change in scope of consolidation	—	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	(7,910)	(4,775)
Refund of long-term leasehold deposits	9,677	11,530
Proceeds from deposits from tenants	995	1,727
Refund of deposits from tenants	(982)	(2,116)
Payment for acquisition of business	-	(109,835)
Payment for time deposits	(5,629)	(6,976)
Proceeds from withdrawal of time deposits	2,967	3,283
Other	(5,839)	(8,362)
<b>Net cash used in investing activities</b>	<b>(223,140)</b>	<b>(600,782)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans	8,732	290,935
Proceeds from long-term debts	35,700	186,980
Repayment of long-term debts	(86,089)	(92,679)
Payment for redemption of bonds	(188,750)	(342,810)
Proceeds from share issuance to non-controlling shareholders	2,368	399
Purchase of treasury stock	(7)	(59,641)
Dividends paid	(56,139)	(49,449)
Dividends paid to non-controlling interests	(4,039)	(4,044)
Payment for changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(717)	(367)
Other	(6,349)	(5,857)
<b>Net cash used in financing activities</b>	<b>(295,290)</b>	<b>(76,534)</b>
<b>Effect of exchange rate changes on cash and cashequivalents equivalents</b>	<b>22,766</b>	<b>41,997</b>
<b>Net increase (decrease) in cash and cash Equivalents</b>	<b>(302,671)</b>	<b>(92,897)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,674,787</b>	<b>1,562,493</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,372,116</b>	<b>1,469,596</b>

**(4) Doubts on the premise of going concern**

None

**(5) Change in scope of consolidation or equity method application**

(Significant change in the scope of consolidation)

In the six months ended August 31, 2024, 7-Eleven International LLC ("7IN"), the Company's wholly-owned subsidiary, acquired 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 AR BidCo Pty Ltd, 7IN's wholly-owned subsidiary, from Australian Company R.G Withers Nominees Pty Ltd as the trustee for R.G Withers Unit Trust. Due to the acquisition, the Company has included CONVENIENCE HOLDINGS PTY LTD, specified subsidiary, and other 20 companies in the scope of consolidation.

**(6) Notes to semi-annual consolidated statements of income**

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

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Impairment loss	-	26,511
Early termination fee	-	14,555
Others	-	4,810
Total	-	45,877

II . A breakdown of restructuring expenses is as follows:

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Impairment loss	290	2,662
Loss on disposals of property and equipment	-	783
Early retirement benefit	38	449
Others	471	1,301
Total	800	5,196

**(7) Notes to semi-annual consolidated statements of cash flows**

I . Reconciliation of Cash and cash equivalents as of August 31, 2023 and 2024 between the amounts shown in the consolidated balance sheets and the consolidated statements of cash flows is as follows.

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Cash and bank deposits	1,369,714	1,470,393
Restricted cash	20,862	22,061
Time deposits with maturities and certificate deposits in excess of three months	(18,461)	(22,858)
Cash and cash equivalents	1,372,116	1,469,596

II. “Payment for sales of shares in subsidiaries resulting in change in scope of consolidation” in the six months ended August 31, 2024 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.

## (8) Segment information

I. Six months ended August 31, 2023 (From March 1, 2023 to August 31, 2023)

( i ) Information on revenues from operations and income (loss) by reportable segment

(Millions of yen)

	Reportable segments				Others (Note 1)	Total	Adjustments (Note 2)	Consolidated total (Note 3)
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Revenues from operations								
1.Customers	469,732	4,025,508	726,903	87,286	237,280	5,546,710	303	5,547,013
2.Intersegment	1,054	1,344	2,188	15,590	11,128	31,305	(31,305)	-
Total	470,786	4,026,853	729,091	102,876	248,408	5,578,015	(31,001)	5,547,013
Segment income (loss)	138,503	112,832	4,430	19,990	2,444	278,202	(37,086)	241,115

Notes:

- Others represent the businesses which are not included in any of the reportable segments and consist of the department store operations, specialty store operations and real estate operations, etc.
- The adjustments on segment income (loss) of (37,086) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to operating segments.
- Segment income (loss) is reconciled with the operating income in the semi-annual consolidated statements of income.

( ii ) Impairment of fixed assets and goodwill by reportable segment

No significant items to be reported.

II. Six months ended August 31, 2024 (From March 1, 2024 to August 31, 2024)

( i ) Information on revenues from operations and income (loss) by reportable segment

(Millions of yen)

	Reportable segments				Others (Note 1)	Total	Adjustments (Note 2)	Consolidated total (Note 3)
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Financial services				
Revenues from operations								
1.Customers	461,318	4,611,061	722,754	91,829	148,255	6,035,219	314	6,035,534
2.Intersegment	1,050	1,440	1,788	13,418	16,279	33,977	(33,977)	-
Total	462,368	4,612,501	724,543	105,248	164,535	6,069,197	(33,663)	6,035,534
Segment income (loss)	127,712	73,325	3,514	17,464	3,834	225,851	(38,854)	186,996

Notes:

1. Others represent the businesses which are not included in any of the reportable segments and consist of specialty store operations and real estate operations, etc.
2. The adjustments on segment income (loss) of (38,854) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to operating segments.
3. Segment income (loss) is reconciled with the operating income in the semi-annual consolidated statements of income.

( ii ) Impairment of fixed assets and goodwill by reportable segment

(Significant changes in the amount of goodwill)

In the six months ended August 31, 2024, 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 126,320 million yen. The amount above is provisional since the purchase price allocation has not been finalized.

(Reference)

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

Six months ended August 31, 2023 (From March 1, 2023 to August 31, 2023)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
1. Customers	1,493,570	4,015,602	37,839	5,547,013	—	5,547,013
2. Intersegment	13,946	302	61	14,310	(14,310)	—
Total revenues	1,507,517	4,015,905	37,901	5,561,324	(14,310)	5,547,013
Operating income (loss)	142,579	110,739	934	254,253	(13,137)	241,115

Notes:

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

Six months ended August 31, 2024 (From March 1, 2024 to August 31, 2024)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
1. Customers	1,394,569	4,453,937	187,027	6,035,534	—	6,035,534
2. Intersegment	15,555	712	61	16,329	(16,329)	—
Total revenues	1,410,125	4,454,650	187,088	6,051,863	(16,329)	6,035,534
Operating income (loss)	129,894	73,828	(2,068)	201,654	(14,657)	186,996

Notes:

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

## **(9) Business Combination, etc.**

Six months ended August 31, 2024 (From March 1, 2024 to August 31, 2024)

### **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. ("SEI"), 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.

#### **( i ) Overview**

##### **(a) Name and main business of the acquired company**

Name: Convenience Group Holdings Pty Ltd

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

##### **(b) 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.

#### **( I ) 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.

( II ) 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.

(c) Date of the business combination

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

(d) Legal form of the business combination

Acquisition of shares

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

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

(f) Ratio of voting rights acquired

100%

(g) Reason for determining the acquired company

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

( ii ) Period of performance of the acquired company included in the consolidated financial statements

From April 1, 2024 to June 30, 2024

( iii ) Acquisition cost of acquired business and breakdown by type of consideration

Consideration for acquisition: Cash 1,986,560 thousand Australian dollars (195,894 million yen)

Acquisition cost: 1,986,560 thousand Australian dollars (195,894 million yen)

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

( iv ) Details and amounts of main acquisition-related costs

Payment for financial and legal investigations: 13,256 thousand U.S. dollars (2,019 million yen)

( v ) Amount, reason for recognition, and period and method of amortization of goodwill

(a) Amount of goodwill

1,281,005 thousand Australian dollars (126,320 million yen)

The amount above is provisional since the purchase price allocation has not been finalized and fair value measurement of identifiable assets and liabilities at the acquisition date has not been finalized.

(b) Reason for recognition of goodwill

Future excess earning power expected from future business development.

(c) Period and method of amortization of goodwill

Straight-line method over 20 years

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

Current assets	577,414 thousand Australian dollars	(56,938 million yen)
Non-current assets	2,575,648 thousand Australian dollars	(253,984 million yen)
Total assets	3,153,062 thousand Australian dollars	(310,923 million yen)
Current liabilities	794,732 thousand Australian dollars	(78,368 million yen)
Non-current liabilities	1,652,775 thousand Australian dollars	(162,980 million yen)
Total liabilities	2,447,507 thousand Australian dollars	(241,348 million yen)

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

Converted at the rate of 1 U.S. dollar = 152.36 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.

### (i) Overview

#### (a) Name and main business of the other company

Name: Sunoco LP

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

#### (b) 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 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 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.

(c) Date of the business combination

April 16, 2024

(d) Legal form of the business combination

Acquisition of business

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

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

(f) Reason for determining the acquired company

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

( ii ) Period of performance of the acquired business included in the consolidated financial statements

From April 16, 2024 to June 30, 2024

( iii ) Acquisition cost of acquired business and breakdown by type of consideration

Consideration for acquisition: Cash 995,214 thousand U.S. dollars (152,725 million yen)

Acquisition cost: 995,214 thousand U.S. dollars (152,725 million yen)

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

( iv ) Details and amounts of main acquisition-related costs

Payment for financial and legal investigations: 4,978 thousand U.S. dollars (758 million yen)

(Note) Converted at the rate of 1 U.S. dollar = 152.36 yen (average exchange rates)

( v ) Amount, reason for recognition, and period and method of amortization of goodwill

(a) Amount of goodwill

716,350 thousand U.S. dollars (109,931 million yen)

The amount above is provisional since the purchase price allocation has not been finalized and fair value measurement of identifiable assets and liabilities at the acquisition date has not been finalized.

(b) Reason for recognition of goodwill

Future excess earning power expected from future business development.

(c) Period and method of amortization of goodwill

Straight-line method over 20 years

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

Current assets	38,656 thousand U.S. dollars	(5,932 million yen)
Non-current assets	311,469 thousand U.S. dollars	(47,798 million yen)
Total assets	350,125 thousand U.S. dollars	(53,730 million yen)
Non-current liabilities	71,261 thousand U.S. dollars	(10,935 million yen)
Total liabilities	71,261 thousand U.S. dollars	(10,935 million yen)

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

**(10) Notes on significant changes in the amount of shareholders' equity**

None

**(11) Subsequent event**

In the Group, the book values of stores which incurred consecutive operating losses were reduced 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. ("SEI") reassessed its asset groupings for purposes of promoting closing underperforming retail locations based on current strategic long-term plans. As a result, the impairment loss is expected to be recorded in the nine months ending November 30, 2024, but the impact is currently being examined.

In addition, SEI entered into an agreement for sale-leaseback in September 2024, and the agreement will be completed in the fourth quarter of the fiscal year ending February 28, 2025. As a result, around 520 million U.S. dollars is expected to be recorded as gain on sales of property and equipment.