August 3, 2020

To whom it may concern:

Company Name Seven & i Holdings Co., Ltd.
Representative Ryuichi Isaka
President & Representative Director
(Code No. 3382/First Section of the Tokyo Stock Exchange)

Notice Regarding Acquisition of Shares and Other Interests Related to the Convenience Store Business and Other Business of U.S. Company Marathon Petroleum Corporation by a Subsidiary

Seven & i Holdings Co., Ltd. ("the Company") hereby announces that its Board of Directors resolved to approve the execution of an agreement by and between the Company's consolidated subsidiary, 7-Eleven, Inc. (location of head office: Texas, U.S.A., President and CEO: Joseph M. DePinto) and U.S. company Marathon Petroleum Corporation ("MPC"), to acquire the shares and other interests of the companies operating the convenience store and fuel retail businesses of MPC mainly under the Speedway brand (excluding certain fuel retail operations with direct dealers and other certain businesses) (the "Transaction") and that 7-Eleven, Inc. executed the agreement relating to the Transaction as of today, details of which are as follows.

I. Purposes of the Transaction

Based on our ethos of coexistence and co-prosperity, the Company constantly pursues growth opportunities, striving to deliver the best value to all stakeholders, including shareholders and customers. At the same time, the Company views the following four areas as the core of the group's growth strategy: (1) its overseas convenience store business; (2) its food product strategy for the Tokyo metropolitan area; (3) its environmental declaration; and (4) its digital strategy. In particular, the growth of the Company's convenience store business centered around 7-Eleven, Inc. in the North America market, where solid economic growth is expected, is positioned as an important growth engine for our group, and we have been proactively leveraging the positive effects of acquisitions, expansion of our store network and optimization of our supply chain.

7-Eleven, Inc. which is leading the Company's North American business and the group's global expansion, operates 9,802 stores as of the end of March 2020, and is focused on increasing revenue by increasing product strength and expanding its store network through implementation of the Company's "Six Point Plan" growth strategy: (1) Deliver a consistent customer experience; (2) Modernize food and beverage experience; (3) Optimize the Product Offering; (4) Digitally transform convenience; (5) Modernize the store base; and (6) Grow the store base. At the same time, MPC operates a high-quality and relatively large-scale network of convenience stores and gasoline stations mainly under the Speedway brand with approximately 3,900 locations in the U.S. as of the end of December 2019 that highly complement the locations of stores of 7-Eleven, Inc.

By carrying out the Transaction, we intend to achieve the following objectives.

1. Strategic Expansion of Store Network

As the Company believes that the expansion of the store network in the North America market, where the share of major players is still low, will support the mid- to long-term growth of 7-Eleven, Inc., the Company is continuously exploring promising investment opportunities. Upon consummation of the Transaction, 7-Eleven, Inc. will have stores in 47 of the 50 most populated metro areas in the U.S., and will establish itself as the clear industry leader in the North American convenience store market, which has significant growth potential. In addition, the Company strongly believes that through the substantial expansion of the Company's business portfolio through the North American convenience store business, the group's management resources will be further concentrated in the convenience store business, which is a pillar of the group's growth strategy, accelerating the entire group's long-term growth strategy. By combining the powerful 7-Eleven brand that has been cultivated thus far with Speedway's solid brand, we will add economies of scale in the U.S., and furthermore, by utilizing the product strength and operational know-how of the business cultivated by 7-Eleven, Inc. in the U.S. to increase product sales and improve gross product margin, we expect that it will be possible to further reduce costs, strengthen the customer base, and realize further innovation and an even greater increase in corporate value.

2. Financial Effect

We expect to achieve significant synergies while maintaining financial flexibility and a robust balance sheet. We anticipate synergies of approximately 475-575 million U.S. dollars (on a run-rate basis) by the end of the third fiscal year after completion of the Transaction, and a tax savings of approximately 3 billion U.S. dollars in total (net present value) by the end of the 15th fiscal year after completion of the Transaction due to beneficial tax treatment in the U.S. Furthermore, the Company plans to increase investment efficiency by using sale and leaseback transactions concerning stores acquired by 7-Eleven, Inc. pursuant to the Transaction. Following the Transaction, both the operating profit and EBITDA of the business of the Company group in the U.S. are expected to be more than double those of 7-Eleven, Inc. in 2019.

3. ESG Leadership

In May 2019, the Company group, including 7-Eleven, Inc. as a global retailer representing Japan, announced the "GREEN CHALLENGE 2050", the Company's environmental declaration. The Company group is committed to achieving the declaration's four themes: (1) reducing CO_2 emissions to achieve a carbon-free society; (2) measures to realize a circular economy with respect to plastics; (3) measures for food loss and recycling; and (4) sustainable procurement to achieve a society that coexists with nature. The Company group, including 7-Eleven, Inc. has set clear targets to achieve by 2030 and for the next-generation of society in 2050 with respect to the missions and duties of the Company group. Following the Transaction, the Company group, including 7-Eleven, Inc. as a leading global retailer, reaffirms that it remains committed to the environmental declaration as part of its ESG efforts, and it will further accelerate these efforts in the North American market through expansion of its network and presence.

7-Eleven, Inc., as a chance of the Transactions, will set mutual and shared targets for 2027 to reduce CO_2 emissions, to utilize more ecofriendly packaging and sustainable food supplies, and to drive reduction in plastic usage for both newly acquired stores and existing stores and aim to enhance long-term corporate value.

The parties will also execute an agreement which provides that MPC will supply fuel to the acquired stores for the next 15 years.

II. Details of the Transaction

1. Outline of the Transaction

The outline of the purchase and sale agreement concerning the target business is as follows. Acquisition of the shares and other interests is subject to satisfaction of the conditions precedent to close the Transaction, including the completion of procedures under U.S. antitrust laws.

(1)	Parties to the agreement	Sellers: Five companies including the companies that operate the retail businesses of MPC. Purchaser: 7-Eleven, Inc.
(2)	Target shares and other interests	Shares and other interests, held by MPC, of the companies which operate, mainly under the "Speedway" brand, the convenience store business and the fuel retail business (excluding business with direct dealers and certain other businesses) in the U.S. (the "Target Companies"). The sellers will consolidate the convenience store business and the fuel retail business (excluding business with direct dealers and certain other businesses) into the Target Companies prior to the completion of the Transaction.
(3)	Acquisition price	21,000 million U.S. dollars (2,217,600 million yen*) The acquisition price will be adjusted based on the cash amounts and indebtedness as well as increases or decreases of working capital at closing.

2. Outline of the Target Business

The business to be acquired in the Transaction consists of 24 companies (including companies other than wholly-owned subsidiaries). Because we are unable to accurately disclose the financial condition of each target company separately, for purposes of this outline we disclose the information of one representative company which is as follows.

(1)	Name	Speedway LLC	
(2)	Location of the head office	Ohio, U.S.	
(3)	Representative	President, Timothy T. Griffith	
(4)	Details of business	Operation of convenience store business and fuel retail business	
(5)	Stated capital	Not applicable	
(6)	Date of incorporation	July 18, 1997	
(7)	Large shareholder and its shareholding ratio	MPC Investment LLC (100%)	
(8)	Relationship between the listed company and the relevant company	Capital relationship	Not applicable
		Personnel relationship	Not applicable
		Transaction relationship	Not applicable
		Status as a related party	Not applicable

3. Financial Position and Operating Results of Target Business (unit: million U.S. dollars)

		Result for the term ending in December 2017	Result for the term ending in December 2018	Result for the term ending in December 2019
(1)	Net Assets	Not applicable	6,722	7,085
(2)	Total Assets	Not applicable	10,524	11,203
(3)	Sales of products	5,170	5,231	6,284
(4)	Sales of fuels	13,866	16,715	20,273
(5)	Operating income (EBIT)	667	747	960

4. Outline of the Counterparty to the Business Acquisition

(1)	Name	Marathon Petroleum Corporation	
(2)	Location of the head office	Ohio, U.S.	
(3)	Representative	President and CEO, Michael J. Hennigan	
(4)	Details of business	Operation of petroleum refining, transportation and retail business as well as convenience store business	
(5)	Stated capital	649.5 million U.S. dollars (68,587 million yen*)	
(6)	Date of incorporation	November 9, 2009	
(7)	Net asset	42,139 million U.S. dollars (4,449,878 million yen*)	
(8)	Total asset	98,556 million U.S. dollars (10,407,513 million yen*)	
(9)	Large shareholder and its shareholding ratio	BlackRock, Inc. (10.7%)	
(10)	Relationship between the listed company and the relevant company	Capital relationship	Not applicable
		Personnel relationship	Not applicable
		Transaction relationship	Not applicable
		Status as a related party	Not applicable

5. Outline of Subsidiary that Will Acquire the Shares and Other Interests

(1)	Name	7-Eleven, Inc.
(2)	Location of the head office	Texas, U.S.
(3)	Representative	President and CEO, Joseph M. DePinto
(4)	Details of business	Operation of convenience store business

(5)	Stated capital	13 thousand U.S. dollars (1.3 million yen*)
(6)	Date of incorporation	May 1999
(7)	Net asset	7,323 million U.S. dollars (773,308 million yen*)
(8)	Total asset	14,502 million U.S. dollars (1,531,411 million yen*)

* Converted at the rate of 1 U.S. dollar = 105.60 yen (as of July 31, 2020). The figures other than the acquisition price in 1(3) are as of the end of December 2019.

III. Key Dates

(1)	Execution date of the agreement	August 3, 2020
(2)	Acquisition date (expected)	1st Quarter 2021

Acquisition of the shares and other interests is subject to satisfaction of the conditions precedent to implement the Transaction, including the completion of procedures under U.S. antitrust laws.

IV. Financing Plan

With regard to the funds necessary for the Transaction, the Company and 7-Eleven, Inc. plan to carry out debt financing, including a bridge loan, taking into account costs, currencies and annual periods (cash and deposits in hand may be used for part of such funds). In the Transaction, it is expected that the debt/EBITDA ratio will temporarily increase and that financial indicators, such as the equity ratio, will temporarily decrease.

After completion of the Transaction, the capacity to generate cash flow is expected to improve. Accordingly, we plan to use consolidated free cash flow as a source of repayment of the obligations and as a result, two years following the Transaction, aim to maintain a financial condition worthy of an “A” credit rating by limiting the Debt/EBITDA ratio to less than 3.

The Company will announce concrete methods for fund raising as soon as they have been determined. At present, the Company does not plan to raise funds through the issuance of new shares (equity financing).

V. Future Outlook

The Transaction will have a minor impact on the Company’s consolidated financial results for the term ending in February 2021. However, the Transaction will contribute to the improvement of the Company’s financial performance in the mid- and long-term.

Information disclosed in this press release may include forward-looking statements. The statements are based on management's judgment taking into account information available at the time of disclosure and may include various risks and uncertainties as we use certain assumptions in making forward-looking statements. Accordingly, actual numbers and results may differ from the future outlook included in this press release due to various factors such as changes in future business operations and economic conditions.

This page intentionally left blank



Acquisition of Speedway by 7-Eleven, Inc.

August 3, 2020

Seven & i Holdings Co., Ltd.

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

TODAY'S

AGENDA

1. Growth Opportunity of 7-Eleven, Inc.
2. Speedway Acquisition
3. ESG Initiatives

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

TODAY'S

AGENDA

1 Growth Opportunity of 7-Eleven, Inc.

2 Speedway Acquisition

3 ESG Initiatives

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Group Strategy Overview (Reposting of FY2020 Financial Presentation)

Open the next "Convenience" door	Challenge for "Food" that are now needed by customers	Creation of affluent "lifestyle hubs"
CVS Business strategy as a core of growth	Strengthening food / Tokyo metropolitan area food strategy	Large-scale commercial base strategy
・Further enhance customer value by domestic CVS ・Expand scale through M&As in the North American market ・Providing value through 70,000 stores worldwide (20,000 domestic and 50,000 overseas)	・Further strengthen *Seven Premium* Group-wide team merchandising method High quality + reasonable price + good health ・Tokyo metropolitan area food strategy Reinforcement of food value chain toughness (Manufacturing, Distribution, Sales)	・Operation of large-scale shopping centers ・Respond to local needs and premium Respond to local needs and demand for premium products ・Building facilities and communities from an experience-based perspective ・Monetization through product sales + tenants + services

Expansion of "contact points" with our customers

Digital and financial strategies

・Enhancing credit cards business
・Promote Group CRM based on 7iD
・Expansion of last mile functions
・Active utilization of AI and other technologies (productivity improvement)

Contributing to improving QOL* with four growth engines

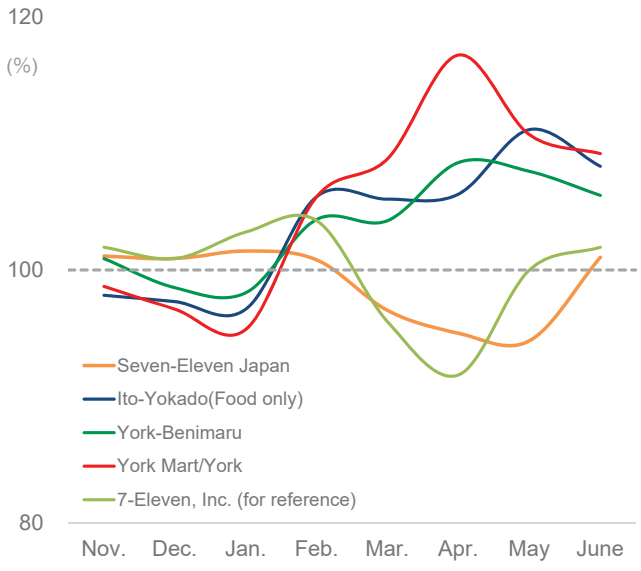
Aiming to become a corporate group that is indispensable to people's daily lives

*QOL：Quality of Life

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Group Strategy – Trends in Japan –

Existing Store Sales YOY



Change of Values due to COVID-19

Safety, Security, and Health	Social Distancing
Takeout / Delivery	At-home Eating/Drinking trend
Shrinking Commercial Areas	ESG・Sustainability

Approx. 60% of Sales in Japan come from "Foods"

significance of existence as "Essential Business"

York Co., Ltd. established in June 2020
Promote Tokyo metropolitan area food strategy

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Group Strategy Overview(Reposting of FY2020 Financial Presentation)

Open the next "Convenience" door	Challenge for "Food" that are now needed by customers	Creation of affluent "lifestyle hubs"
CVS Business strategy as a core of growth	Strengthening food / Tokyo metropolitan area food strategy	Large-scale commercial base strategy
・Further enhance customer value by domestic CVS ・Expand scale through M&As in the North American market ・Providing value through 70,000 stores worldwide (20,000 domestic and 50,000 overseas)	・Further strengthen *Seven Premium* Group-wide team merchandising method High quality + reasonable price + good health ・Tokyo metropolitan area food strategy Reinforcement of food value chain toughness (Manufacturing, Distribution, Sales)	・Operation of large-scale shopping centers ・Respond to local needs and premium Respond to local needs and demand for premium products ・Building facilities and communities from an experience-based perspective ・Monetization through product sales + tenants + services

Expansion of "contact points" with our customers

Digital and financial strategies

・Enhancing credit cards business
・Promote Group CRM based on 7iD
・Expansion of last mile functions
・Active utilization of AI and other technologies (productivity improvement)

Contributing to improving QOL* with four growth engines

Aiming to become a corporate group that is indispensable to people's daily lives

*QOL：Quality of Life

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

7-Eleven, Inc.(SEI) Overview

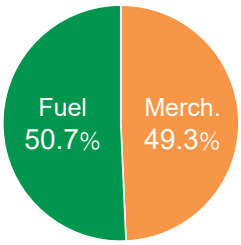
- **North America's largest convenience store chain** operating and franchising over 9,800 stores in the U.S. and Canada
- Operating models:
  - ー Company operated :24%
  - ー Type C franchise: 70%:
  - ー Type A(BCP) franchise: 6%
- Stores typically vary in size from **2,400 to 3,000** square feet and are most often located on corners for great visibility and easy access
- **Proprietary offerings** (including high margin fresh foods, dispensed beverages and private brands) represent 22%+ of all merchandise sales
- 7-Eleven, Inc. is privately held and became a wholly owned, indirect subsidiary of Seven & i Holdings in Tokyo, Japan, on Nov. 9, 2005

71,100+ Locations globally	**9,800+** Locations in U.S. & Canada	Owns Global 7-Eleven Trademark (ex. Japan)
2019 **$36.1B** Total sales	2019 **$1.1B** Op. income	2019 **$1.8B** EBITDA

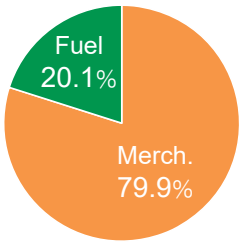




Sales MIX



GP MIX

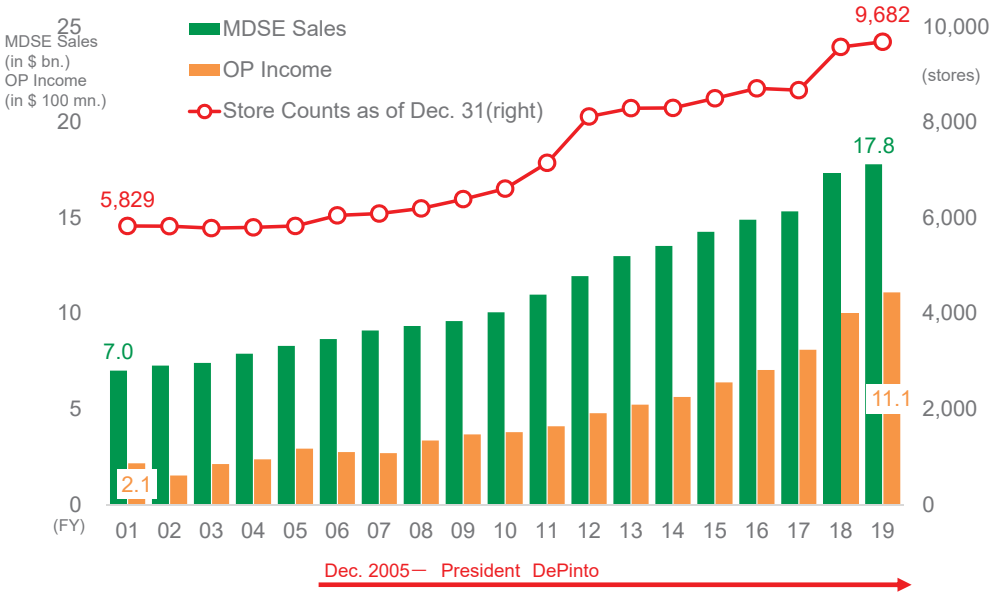


Source: Company information.

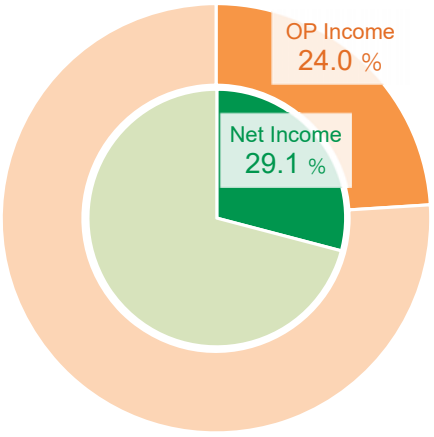
Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Growth of SEI

MDSE Sales, Operating Income, Store Counts



Contribution for Consolidated Figures (FY 2020)



Accounts for approx. 30% of consolidated net income

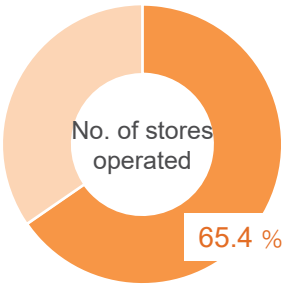
*Composition ratio is calculated on a yen basis after amortization of goodwill

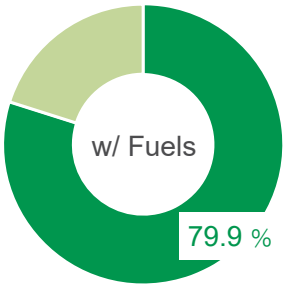
Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

U.S. Convenience Store Industry

Total Store Counts: 152,720 (as of Dec. 31, 2019)

	Chain Name	No. of Stores	Shares (%)
1	**7-Eleven, Inc.**	**9,046**	**5.9**
2	Alimentation Couche-Tard Inc.	5,933	3.9
3	**Speedway LLC**	**3,900**	**2.6**
4	Casey's General Stores Inc.	2,181	1.4
5	EG America LLC	1,679	1.1
6	Murphy USA Inc.	1,489	1.0
7	GPM Investments LLC	1,272	0.8
8	BP America Inc.	1,017	0.7
9	ExtraMile Convenience Stores LLC	942	0.6
10	Wawa Inc.	880	0.6
	Top 10 chains	28,339	18.6





Small operators (10 or fewer stores) over 65%

with motor fuels approx. 80%

Top 10 chains' shares less than 20%

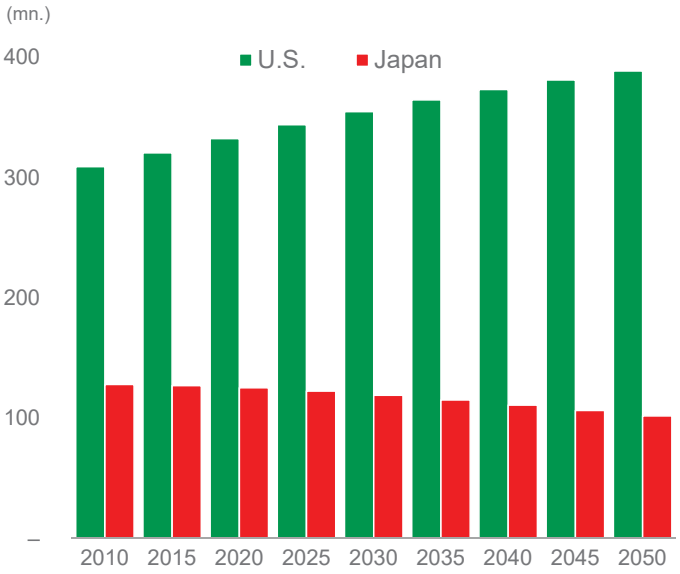
Industry remains fragmented

•Source: NACS State of the Industry Compensation Report, CSP's TOP 202 Convenience Stores 2020, except for SEI, which is the U.S. store count as of December 2019.

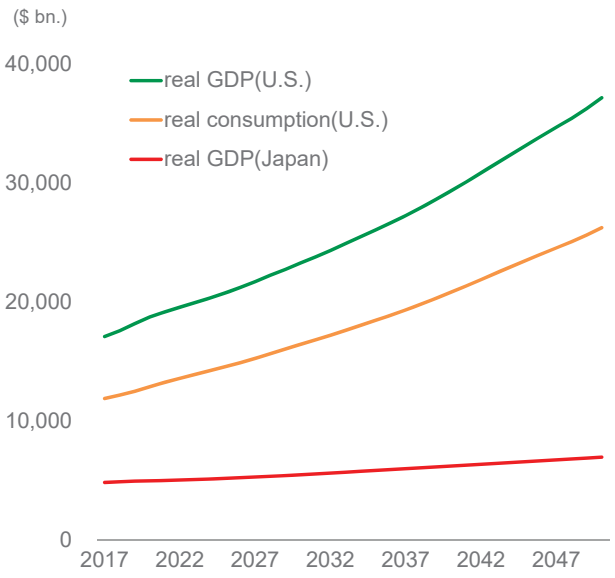
Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

U.S. Macro Environment (Population, GDP)

Estimated Population



Estimated GDP

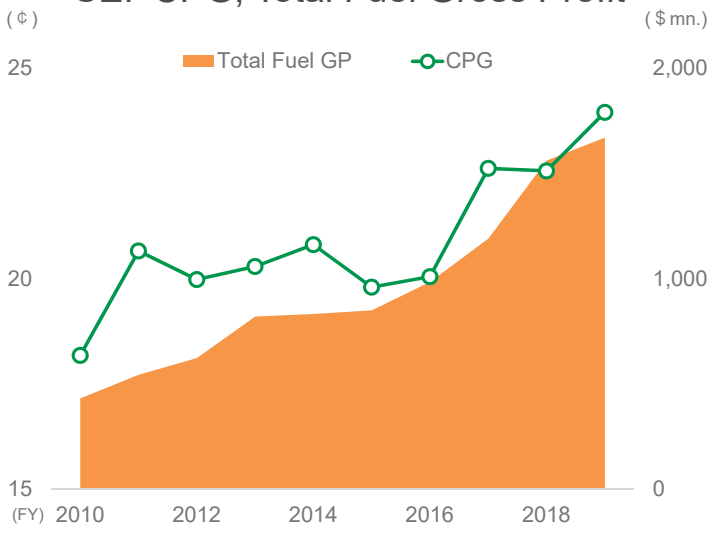


Source: OECD, National Institute of Population and Social Security Research

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

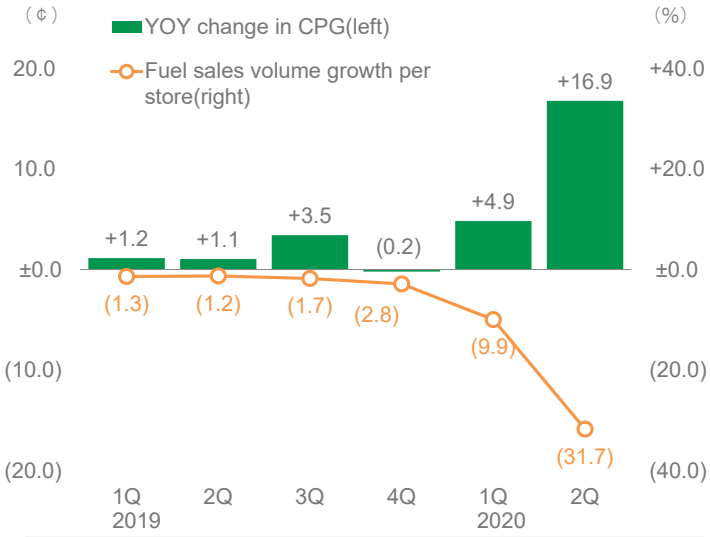
Motor Fuels (1)

SEI：CPG, Total Fuel Gross Profit



Profitability of fuel business has grown continuously

SEI：CPG・Fuel Sales Volume

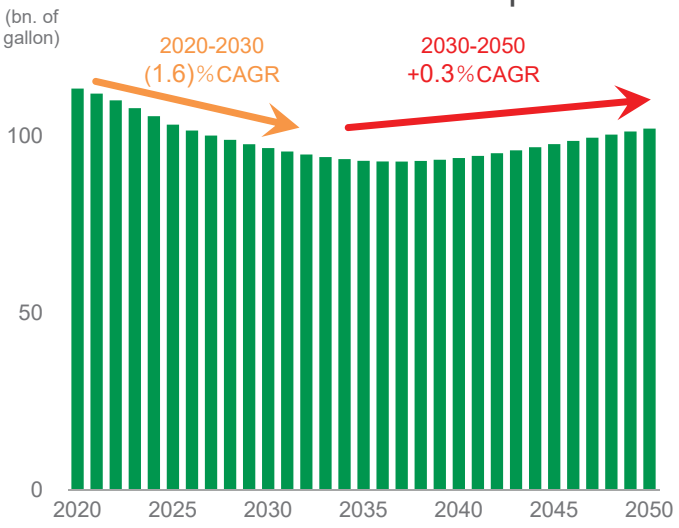


FY2020 Q2 (Apr. – June) Fuel GP：+30%

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

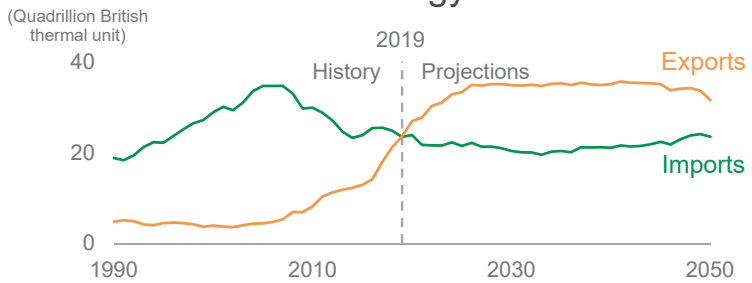
Motor Fuels (2)

Estimated Fuel Consumption

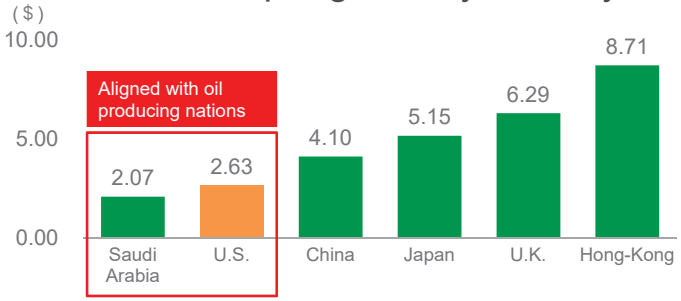


2020-2050 Total: (0.4)%CAGR

Gross Energy Trade



Fuel Prices per gallon by Country

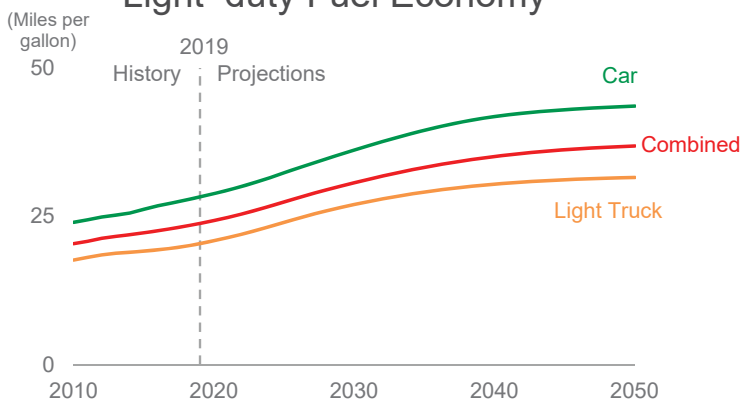


Source: Energy Information Agency Annual Energy Outlook 2020., GlobalPetrolPrices.com

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

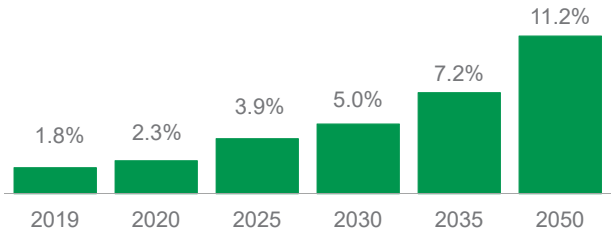
Motor Fuels (3)

Light–duty Fuel Economy



Penetration of Electric Vehicles

New EV sales as a % of total



- Fuel retail price is low and stable
- Fuel economy is continuously improving
- Penetration of EV will be limited

Profitability of fuel business would be stable over the medium term

Source: Energy Information Agency Annual Energy Outlook 2020

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Growth Strategy and Key Initiatives

Six Point Plan

1. Deliver a Consistent Customer Experience
2. Modernize Food & Beverage Experience
3. Optimize the Product Offering
4. Digitally Transform Convenience
5. Modernize the Store Base
6. Grow the Store Base

Fresh Food & Proprietary Beverages



- Fresh Foods is a $2B+ business
- Proprietary Beverages average 62% margin
- New Food & Beverage platform, accelerating sales growth, in 1,500 stores by year-end

Product Offering: Private Brands



- $1B / year business with +22% CAGR
- High quality, lower price
- 55% average margin

Digitally Transform

Loyalty / Innovation — 7REWARDS

- 35M Registered Members
- 2020 Launch: Mobile Check-Out, Digital Wallet and Fuel Loyalty

Delivery — NOW

- 1,100+ Stores, 1,650+ by year-end
- Volume +400% Since February
- Transaction size ~2x average in-store basket
- Industry leading delivery time: <30 mins

We have a customer focused strategy that produces results and supports ongoing growth

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Merchandise Strategy

Goal to aim	Stores indispensable to customers' daily lives for "foods", with a focus on fresh food (FF) offering

FF Reinforcement with Warabeya USA

Japan-style MDSE Development (Team MD)

Analysis	Setting Benchmarks/ KPIs
PDCA	
Weekly Verification	Test Offerings

Roll-out the success in Dallas to other regions





Evolution Store：New Platform

Counter Beverage	Cold-pressed juices, Smoothies, etc.
Alcoholic Beverage	Craft beers, Wine cellar
In-Store Bakery	Croissants, Cookies, etc.
With Restaurant	Laredo Taco
Others	Mobile Checkout technology





Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Expansion of Evolution Stores

In spite of COVID-19 adverse impact, new Evolution Stores have had enthusiastic customer response

■June 2020 Results of 3 Additional stores　Figures in [ ] are vs. Market averages



Washington DC (Opened in Apr.)	
MDSE APSD	$8,374[+76%]
Customer Count	1,048[+41%]
Fresh Food Ratio	18%[+2%pt.]



New York City (Opened in Apr.)	
MDSE APSD	$4,937[+44%]
Customer Count	638[+40%]
Fresh Food Ratio	26%[+12%pt.]



San Diego (Opened in May)	
MDSE APSD	$6,758[+18%]
Customer Count	780[+17%]
Fresh Food Ratio	19%[+11%pt.]

We continue to accelerate Evolution Store pipeline and successful innovations will get standardized into core stores.

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

TODAY'S

AGENDA

1 Growth Opportunity of 7-Eleven, Inc.

2 Speedway Acquisition

3 ESG Initiatives

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Transaction Overview

Purchase Price	$ 21 bn. ⇒ Pro forma $ 12 bn.
No. of Stores Acquired	～3,900 stores, ～$ 1.1 bn. OP Income, ～$ 1.5 bn. EBITDA
Acquisition Date	1st Quarter of 2021 (projected)
Sale Leaseback	Approx. $ 5 bn. of sale leaseback planned
Tax Benefit	Approx. $ 3 bn. (for 15 years after the acquisition)
Synergies	$ 475～$ 575 mn. (Year 3 projected)
EBITDA Multiple	Pre-Synergy：13.7x ⇒ Post-Synergy：7.1x
Fuel Supply Agreement	15-year supply agreement with Marathon Petroleum Corp.
EPS Uplift	Increase approx. 50 yen of 7&iHD consolidated EPS (Year 4 projected)

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Speedway Overview

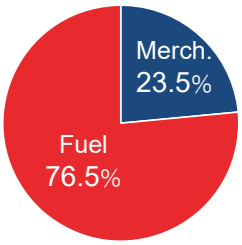
- Operates third largest U.S. convenience store chain, primarily under the Speedway brand
  - ~3,900 stores primarily across the Midwest, East Coast, Northeast and Southeast
  - Favorable site and business attributes
    - 100% of sites directly operated w/ fuel (large facilities)
    - High fuel brand loyalty (sales volume APSD :1.5x SEI)
    - Over 70% of real estate owned
    - Speedy Rewards loyalty program with 6+ million active users



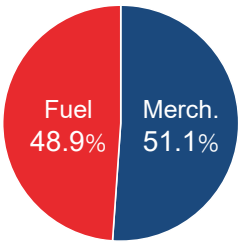


~3,900 Locations	100% Sites offer fuel	6M+ Speedy Rewards Members
2019 $6.3B Merch Sales	2019 7.7B Fuel Gallons	2019 $1.5B EBITDA

Sales MIX



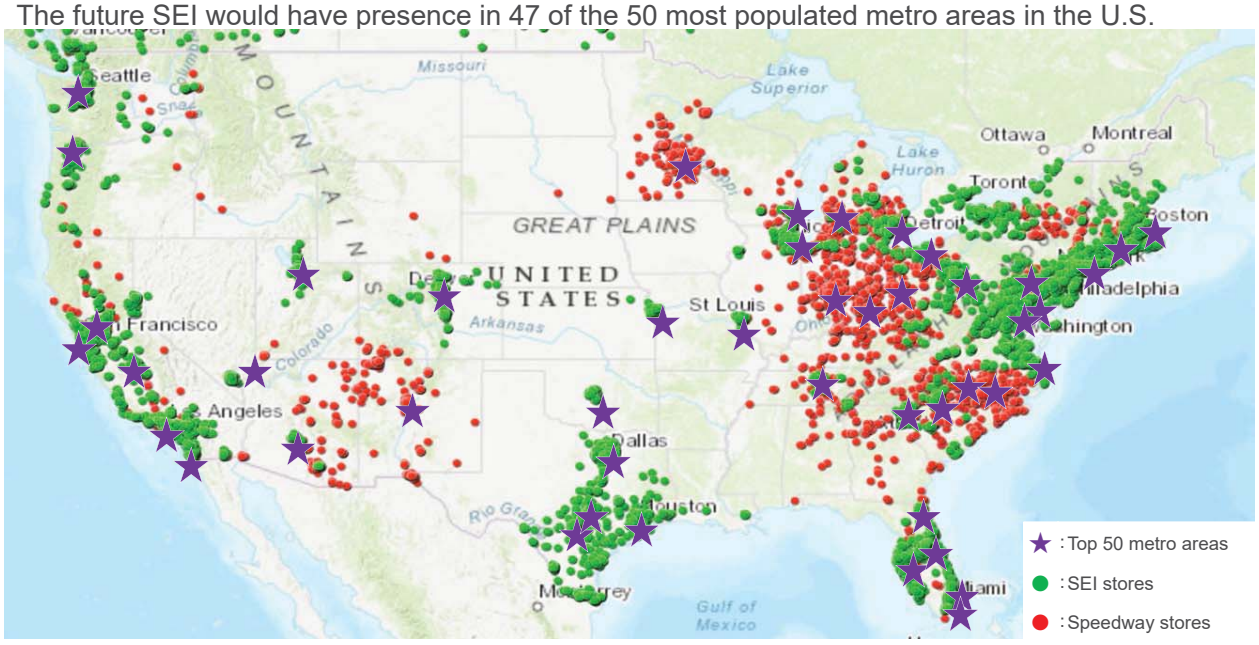
GP MIX



Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Complementary Locations

Combined Footprint:
The future SEI would have presence in 47 of the 50 most populated metro areas in the U.S.



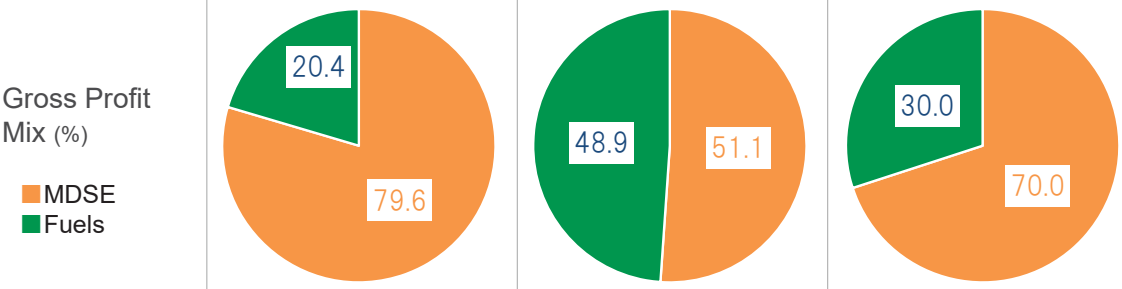
Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Pro forma – Pre-Synergy –

FY2019 Results

	7-Eleven, Inc.	Speedway	Pro forma	% Increase
MDSE Sales	$17.8B	$6.3B	$24.1B	+35%
Fuel Sales	$18.3B	$20.5B	$38.8B	+112%
Total Sales	$36.1B	$26.8B	$62.9B	+74%
OP Income	$1.1B	$1.1B	$2.2B	+100%
EBITDA	$1.8B	$1.5B	$3.3B	+78%

Gross Profit Mix (%)



Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Significant Synergy Opportunity

7-Eleven has a proven “playbook” for successfully integrating acquisitions

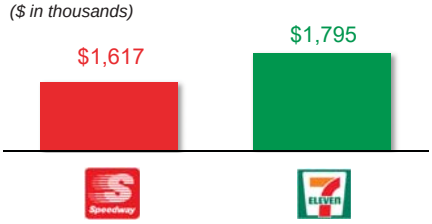


Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Significant Merchandising Opportunity

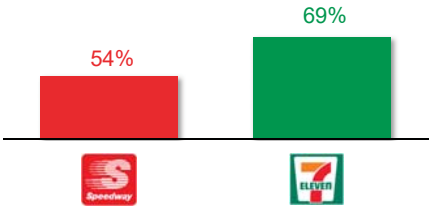
Merch Sales / Store / Year

($ in thousands)



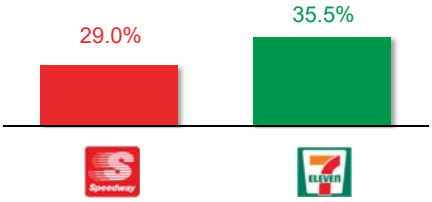
Increase Speedway's merch sales per store through improved assortment and categories

Non-Tobacco Merch Mix %



Drive higher merch margins by moving merch mix to more profitable categories

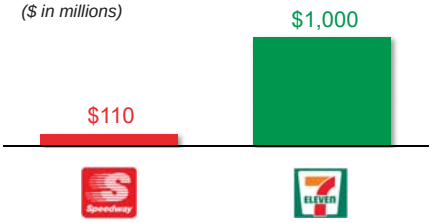
Merch Margin %



Drive higher merch margins through improved economies of scale combined store base

Private Label Sales

($ in millions)



Expand high margin private label sales through introduction to Speedway store base

Note: 2019A metrics shown. SEI figures represent US Same Store results

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Proven Track Record of Successful Acquisitions

Since 2006, 7-Eleven has acquired 3,362 stores

Locations Acquired*



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Deal Closed	2	-	3	2	2	4	10	4	-	4	4	-	1	3	3	42
Locations Acquired*	213	-	43	71	30	394	702	127	-	285	258	-	1,030	58	151	3,362
% Locations w/ Gas	4.2	0.0	100	18.3	100	57.1	61.0	52.8	0.0	41.8	100	0.0	98.1	74.1	98.0	71.2

*Includes all channels of trade that include real estate.

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Synergy – Successful M&A Track Record –

Mature M&A History (36 transactions 2006-2018)

$7.1B	$(1.7B)	$5.4B
Original Investment	Store Optimization	Net Investment

Current Performance of Mature M&A
(Dec. 2019 LTM)

EBITDA	$697M [39.7%]
Operating Income	$519M [46.5%]
MDSE APSD Increase	+$1,141 [+33.2%]
ROIC	9.6%

*Figures in [ ] are vs. pre-acquisition.

Big Oil Acquisition History
(Dec. 2019 LTM)

Avg. of 4 Deals below	MDSE APSD Increase	MDSE GPM Improvement	ROIC
Exxon Mobil FL	+44.4%	461 bps	14.2%
Exxon Mobil DFW			
Tetco Retail			
CST Retail			

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Synergy – Review of Sunoco Deal –

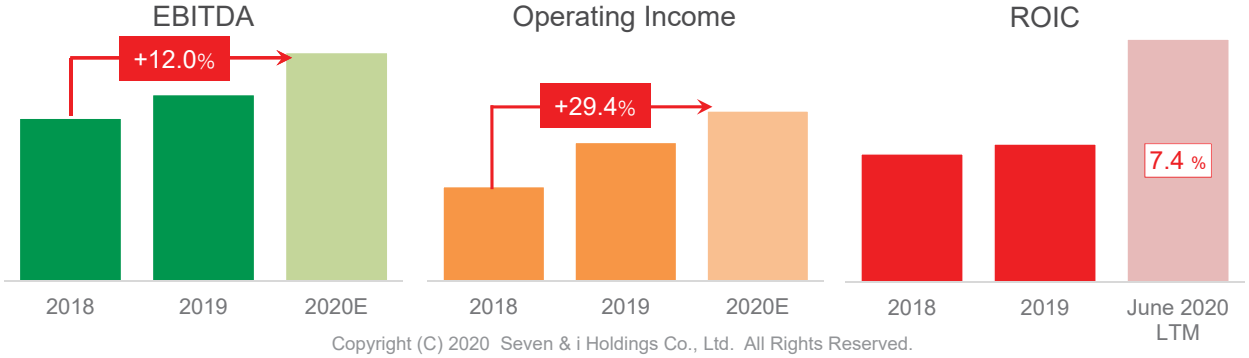
Transaction Overview

Purchase Price	$3.1bn.
Date of Acquisition	Jan. 23, 2018
No. of Stores Acquired	1,030

Operating Figures

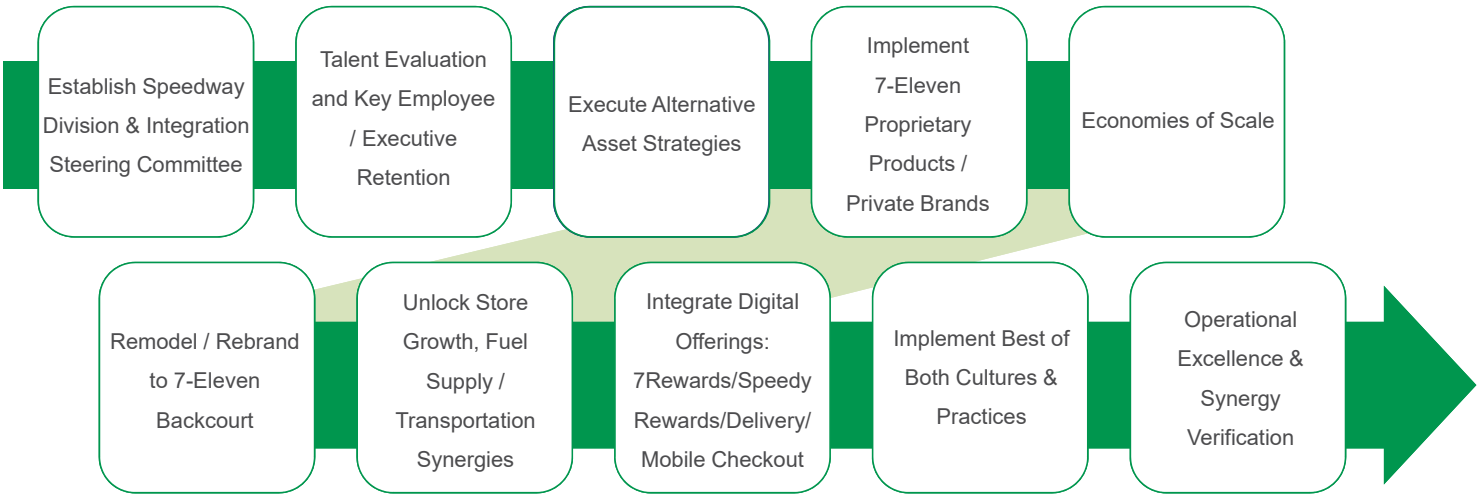
	FY2018	FY2019	Change
MDSE /store/day	$4,926	$4,975	$+49
MDSE GPM	32.9%	34.4%	+1.5%
Fuel Volume gallons/store/day	5,009	4,864	(145)

Financial Figures



Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

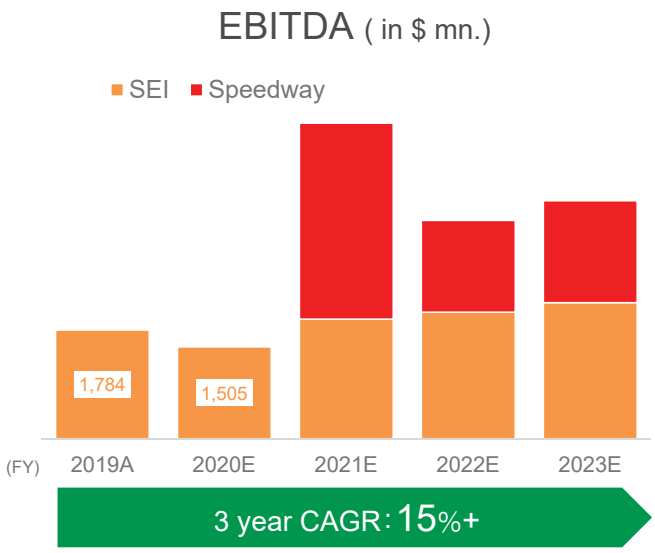
Framework for Successful Integration

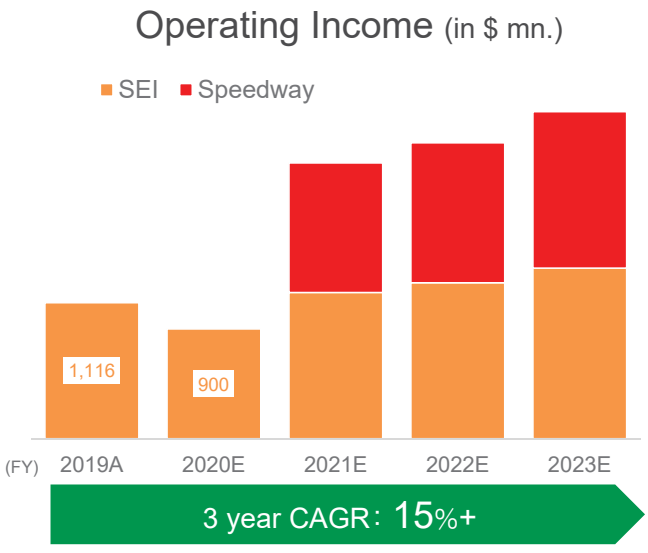


Methodical and disciplined integration program will unlock best of both companies and synergy realization

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Pro forma – Post-Synergy –





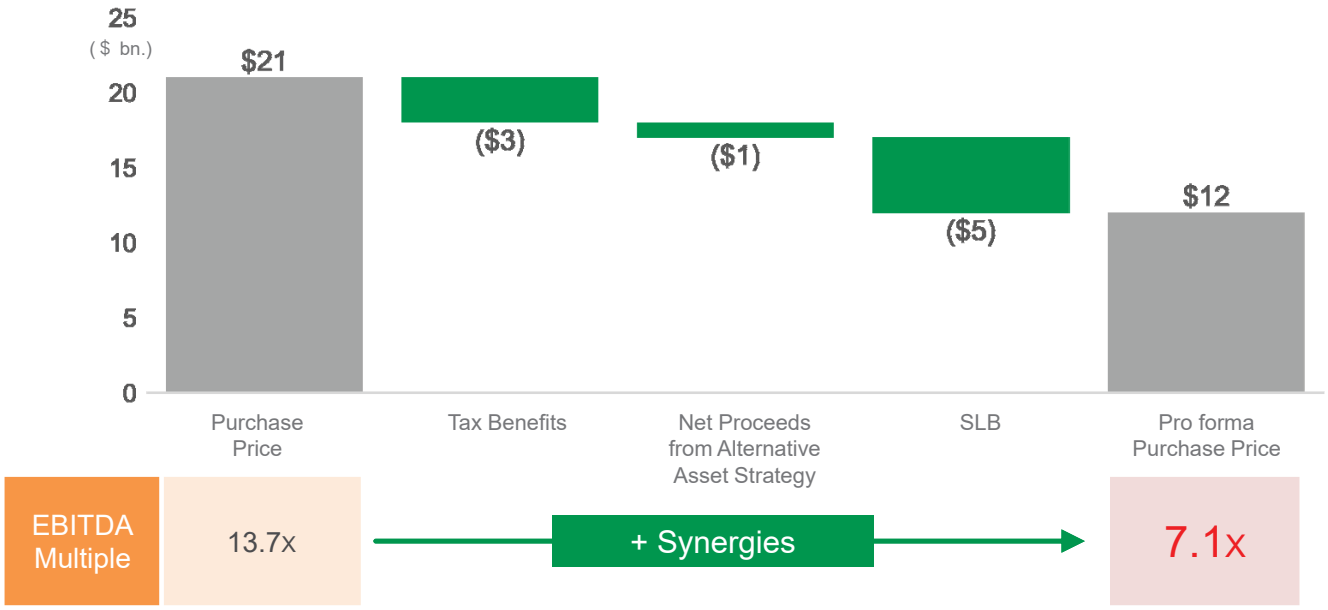
Acquisition of Speedway will increase both EBITDA and OP income more than double the FY2019 results

*Assume the acquisition closed at the beginning of FY2021
*Assume proceeds from SLB in FY2021

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Adjusted Purchase Price and EBITDA Multiple

Adjustments tax benefits, sale leasebacks and alternative asset strategy reduce the purchase price



Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Funding Plan

Sources	($ bn.)
Bridge loan	13
Equity Infusion from 7&iHD	8
Total	21

Equity Infusion from 7&iHD	($ bn.)
Corporate Bonds / Bank term loans	8

*Method and currency are under consideration

Equity financing is not planned

Bridge Loan Repayment	($ bn.)
Private placement debt / Bank term loans	8
Sale leaseback	5
Total	13

SEI：Debt/EBITDA

Reduce to less than 3 times in 2 years after closing the deal

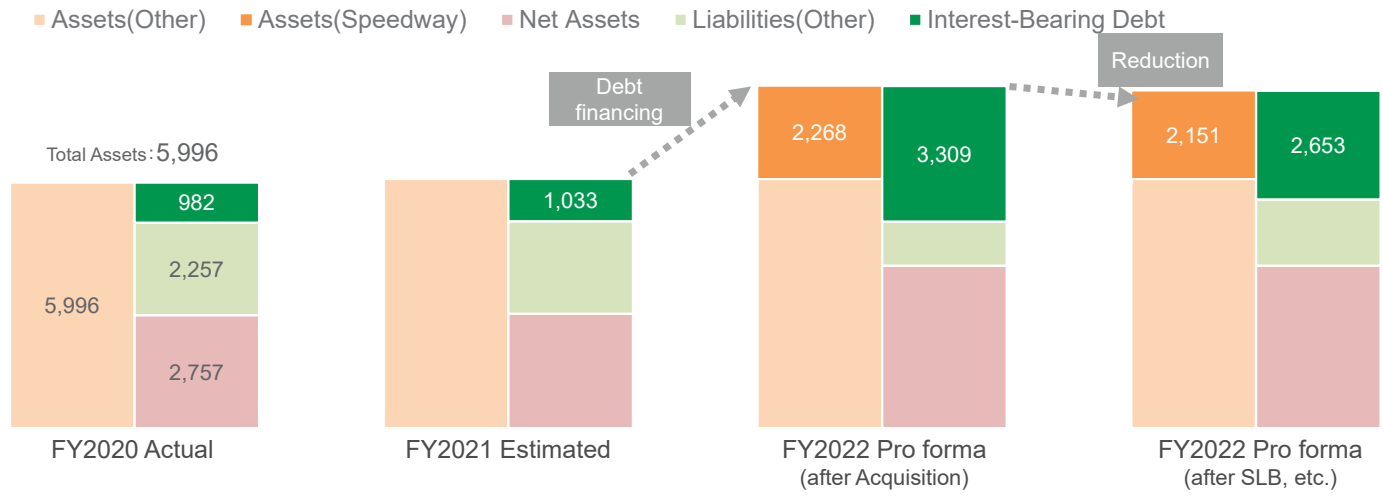
Aim for further reduction by improving profitability

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Impact to 7&i Consolidated Figures (BS)

Changes of Balance Sheet due to the Acquisition of Speedway(image)

(in ¥ bn.)



Planned to raise debt for the acquisition fund.

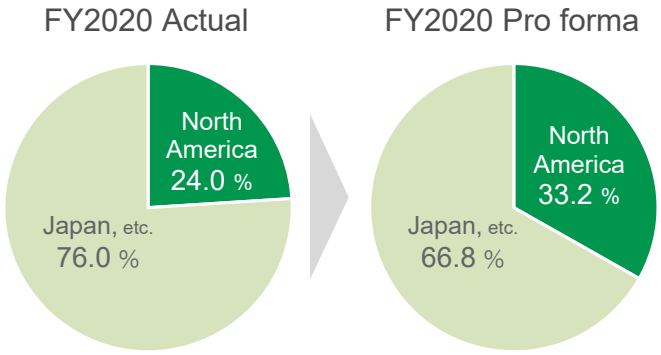
Reduction of assets and interest-bearing debt by SLB and alternative asset strategy, etc.

*Exchange rate：$1＝¥108.00

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

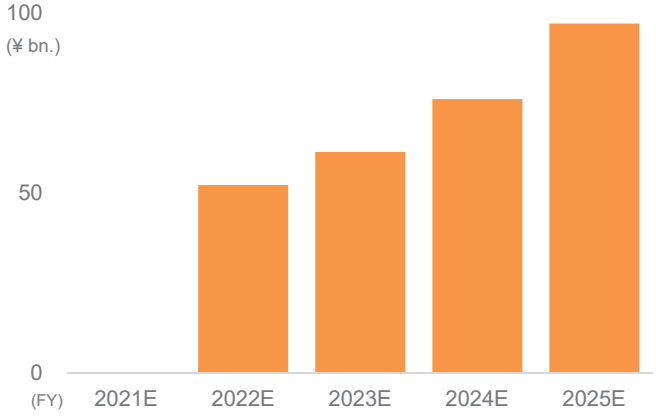
Impact to 7&i Consolidated Figures (PL)

Consolidated Operating Income Mix



*Composition ratio is calculated on a yen basis after amortization of goodwill

Consolidated Operating Income Uplift



*Exchange rate: $1 = ¥108.00

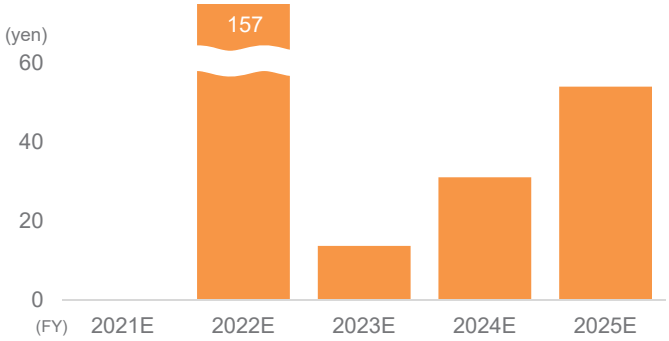
*Assume the acquisition closed at the beginning of FY2022

North American CVS business will drive the Group’s growth more than ever with Speedway acquisition

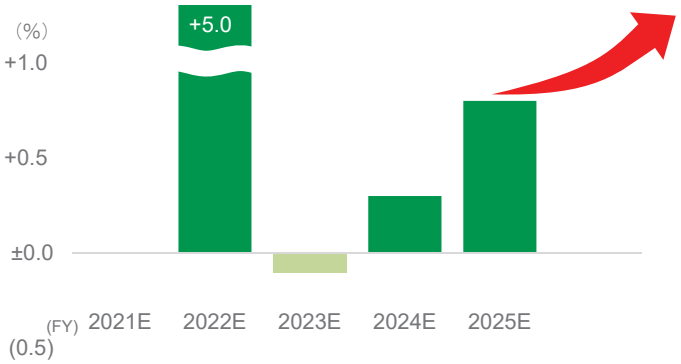
Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Impact to 7&i Consolidated Figures (PL)

Consolidated EPS Uplift



Consolidated ROE Uplift



Estimated 5year CAGR：+8.6%

Estimated uplift in the 4th year: +0.8%pt.

Aiming to achieve both corporate value and social value as a true global retailer

*Assume the acquisition closed at the beginning of FY2022
*Assume proceeds from SLB in FY2022

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

TODAY'S

AGENDA

1 Growth Opportunity of 7-Eleven, Inc.

2 Speedway Acquisition

3 ESG Initiatives

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

SEI Initiatives – Significance of Speedway Acquisition–

SEI and Speedway have similar ESG philosophies ⇒ One of the reasons for acquisition

■Major Initiatives of Two Companies

SEI	Speedway (Marathon Petroleum)
18.2% CO_2 reduction from 2015 to 2018 ・217K metric tons of carbon offset (through 100K+trees) ・400 stores using solar by 2021 ・850+ stores using wind in 2018 ・70% of stores 100% LED, with additional 25% partial LED lighting ・11 EV charging sites	・10.3% GHG* reduction from 2015 to 2018 ・Installed energy efficient lighting across all ~4,000 retail locations ・Reduced energy costs by $500M since 2007 ($57M in 2018) *Greenhouse Gas

Great opportunity to accelerate ESG initiatives by taking advantage of scale gained by acquiring Speedway

Source：Marathon Petroleum Corporation 2018 Sustainability Report

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

SEI Initiatives – New ESG Goals –

Acquisition of Speedway sets new ESG goals by 2027

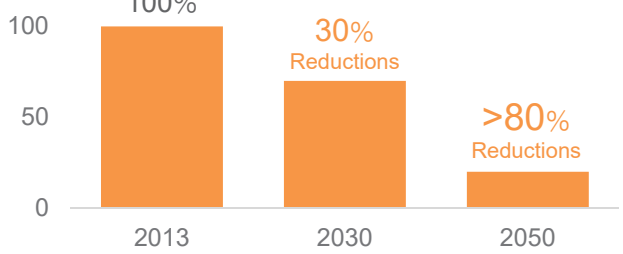
Current 2027 Goals	New 2027 Goals Adding Speedway
・20% lower CO_2 emissions (vs. 2015)	・40% reduction in CO_2 emissions (vs. 2015) Launch 250 EV sites Store base to be 25% carbon neutral
・100% eco-friendly private brand packaging	・100% eco-friendly packaging for both SEI and Speedway private brands ・Enhance sustainable sourcing of food & beverage products ・Drive plastic reduction in plastic usage

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Group ESG Initiatives GREEN CHALLENGE 2050

In May 2019, announced "GREEN CHALLENGE 2050" with 4 goals.

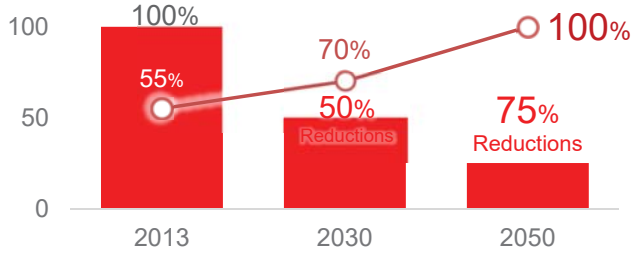
CO_2 Emissions



Measures for Plastic

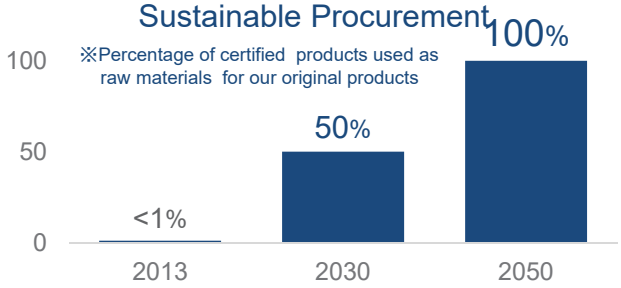


Measures for Food Loss/Recycle



※Generation unit (per ¥ 1 mn. in sales)

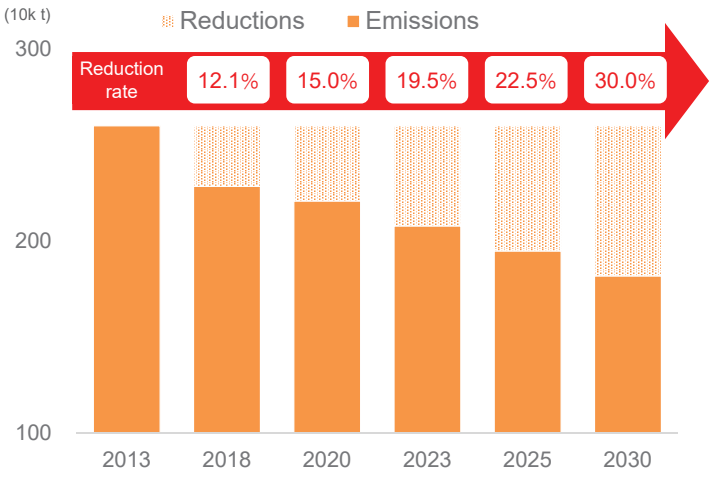
Sustainable Procurement



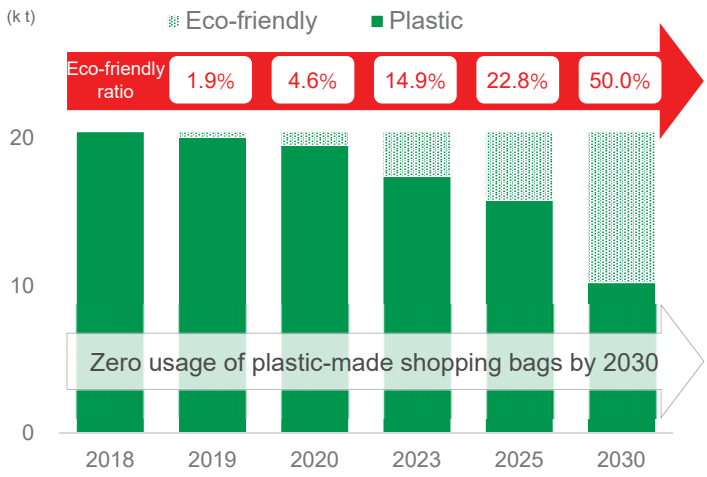
Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Progress of GREEN CHALLENGE 2050

CO_2 Emissions



Measures for Plastic

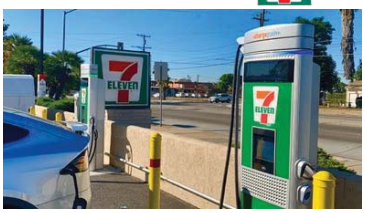


Steady progress towards achieving the 2030 goals ⇒ Further promotion to 2050 goals

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

For a Sustainable Society – Environmental Investments –

SEI



EV Charger



Wind-Power Generation

SEJ



Storage Battery



IY



Solar Power Panel

Ratio of Environmental Investment (FY2020 Actual and 2025 Target)



Continue to contribute to the creation of a sustainable society by allocating 5% or more of total investments to environmental investments

＊Excludes strategic investments

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

Collaboration with Overseas Licensees

17 PARTNERSHIPS FOR THE GOALS

Partnership with overseas licensees at the Licensee Summit in March 2019
Adopted joint declaration to achieve SDGs ⇒ Promoting initiatives globally



Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.

With Livings — Seven & i Group



The information disclosed by the Company may contain forward-looking statements. These statements are based on management's judgment in accordance with materials available to the Company at the time of disclosure, with future projections based on certain assumptions. The forward-looking statements therefore incorporate various risks, estimates, and uncertainties, and as such, actual results and performance may differ from the future outlook included in disclosed information due to various factors, such as changes in business operations and the financial situation going forward.

Copyright (C) 2020 Seven & i Holdings Co., Ltd. All Rights Reserved.