

March 10, 2025

7&i HOLDINGS ISSUES PUBLIC LETTER TO SHAREHOLDERS ON ENGAGEMENT WITH ALIMENTATION COUCHE-TARD ON ANTITRUST ISSUES AND SUCCESSION PROCESS

Seven & i Holdings Co., Ltd. (“7&i,” “the Group,” or “the Company”) today sent the following letter to its shareholders to provide additional information related to the Special Committee’s ongoing engagement with Alimentation Couche-Tard (“ACT”) and other potential acquirers of the Group and to its succession planning process.

Dear Shareholders of Seven & i,

Last week we announced a series of transformational leadership, capital and business initiatives to enhance our focus on the convenience store business and unlock and distribute significant value to shareholders.

We appreciate the positive and constructive feedback we received from investors since making this announcement. We also note the letter sent to the Board by Artisan Partners Asset Management. We are disappointed that Artisan has prejudged our commitment to pursuing all paths to unlock shareholder value without knowing all the facts.

In this letter, we would like to provide you with additional information about the constructive ongoing engagement with ACT and the Nomination Committee's rigorous succession process.

The Special Committee Continues to Engage Constructively with ACT on Antitrust Issues

The Board of Directors established the Special Committee comprised solely of independent directors – Stephen Hayes Dacus, Paul Yonamine, Yoshiyuki Izawa, Meyumi Yamada, and Fuminao Hachiuma – promptly upon receipt of the ACT proposal. The Special Committee was created to assure proper, independent consideration and evaluation of the ACT Proposal and any alternatives and so that the company could respond nimbly to developments in the course of potential engagement with ACT.

The Special Committee's top priority has been and continues to be generating the most value for our shareholders and other stakeholders. Over half a year, the Special Committee has held more than 30 meetings to review materials in connection with the ACT proposal as well as other value-creating options. The overriding goals have been to address both value and certainty of closing.

Importantly, as we announced, the Special Committee continues to engage constructively with ACT and has not recommended to reject any third-party proposal. However, it has taken some time to get to that constructive engagement.

As is well known, a combination of 7&i and ACT would face significant antitrust hurdles. A consistent threshold issue that we have raised from the outset has been how to put together a divestiture package involving an unprecedented number of 2,000 or more overlapping stores that could be divested to a viable, credible and independent buyer in a manner that could be stood up to operate effectively on a go-forward basis and assure competition between the buyer and ACT post its acquisition of 7&i.

Until recently, however, ACT's position had been that 7&i should first sign a deal to be acquired by ACT and then either spin out overlapping stores or try to find a divestiture buyer only after signing a definitive agreement. This would have put an unacceptable burden of risk on 7&i that the transaction will not be realized.

There is no certainty that a divestiture package can be stood up as an independent company or that a suitable divestiture buyer can be identified that can operate it independently – both key factors that would be considered by regulatory authorities and courts. The cautionary tale of the Albertsons-Kroger transaction¹ clearly demonstrates the risks of consumer-facing retailers looking to divest thousands of stores without a

¹ An announced merger transaction in the U.S. retail industry, which was opposed by the U.S. Federal Trade Commission and subsequently enjoined by a federal court after more than two years of seeking to clear regulatory hurdles. The transaction was ultimately terminated.

buyer that is market-tested and well positioned to preserve the competitive landscape. As responsible stewards of our shareholders' capital, we will not blindly enter a transaction with no clear path to closing that could leave our company in a value destructive limbo for multiple years.

Accordingly, the Special Committee proposed that the Company and ACT do this work on the front end jointly, not after a deal with ACT is signed. We proposed the following actionable paths that ACT could take to mitigate that risk:

- ACT could divest all the stores including Circle K stores in the U.S. in a “clean sweep,” taking U.S. antitrust risk off the table.
- ACT could execute a definitive divestiture agreement with a buyer of the 2,000 or more divestiture stores as a condition precedent to the signing of a definitive merger agreement between 7&i and ACT.
- Together, without waiting for a definitive agreement, ACT and 7&i could immediately map out the viability of a divestiture process by defining operational, management, and financial characteristics of the group of stores to be sold and identifying potential buyers. This would provide some insight into the prospects of success along terms that had a reasonable likelihood of satisfying U.S. antitrust regulators and court challenge.

We are pleased that ACT has recently agreed to explore the third option we proposed above, and joint outreach by financial advisors to ACT and 7&i to potential buyers has begun. We and our advisors believe we can now make progress towards determining whether a credible and actionable remedy and divestiture package can be achieved that would allow a realistic assessment of ACT's proposal under the areas we noted above – value and certainty of closing.

The Nomination Committee's Process

As announced on March 6, the Board of Directors resolved to appoint Stephen Hayes Dacus as its next President & Representative Director, and CEO, following the recommendation of the Nomination Committee, which is an advisory committee to the Board of Directors.

After a careful consideration and review process at the Nomination Committee, a majority of whose members are independent outside directors, we are confident that Mr. Dacus is the right individual to lead the Company forward and that he best meets the criteria of the “Ideal CEO of this Company” deliberated on by the Nomination Committee. He is a highly experienced retail executive with significant executive, financial, and operational experience, who is both bilingual and bicultural. Over his career, he has worked with consumer retail companies in Japan and globally and has been a change agent at 7&i, spearheading the Strategy Committee and Special Committee as the Group has transformed into a global company. His knowledge of 7&i's business and strategy are also invaluable assets.

The Nomination Committee consists of six directors, four of whom are independent – Meyumi Yamada (Chair), Yoshiyuki Izawa, Fuminao Hachiuma, and Stephen Hayes Dacus, who are the independent outside directors, in addition to Ryuichi Isaka and Yoshimichi Maruyama.

Before making their recommendation, the Committee members carefully made a comparative review of candidates during the process for CEO succession planning that began in 2023 with the engagement of a global executive search firm. By March 2024, the Committee had developed a detailed set of criteria for a successor CEO through which to screen potential candidates, giving due consideration to discussions with management and strategic initiatives approved by the Board. Following that, the executive search firm and the Committee conducted its assessment and interview process.

The Committee considered a number of candidates with its advisor. In addition to interviewing and assessing multiple internal candidates including management members of both domestic and overseas subsidiaries, the executive search firm and the Committee also screened a number of potential external candidates, but could not identify an individual who met the criteria and could be strongly recommended as a CEO candidate at that moment in time. In a conversation with the incumbent CEO of the Company in November 2024, Mr. Dacus emerged as a potential candidate for the position, and then the discussion and consideration between Mr. Dacus and the Nomination Committee commenced in December 2024.

As soon as it became clear that Mr. Dacus was under consideration to become CEO, he recused himself from Nomination Committee deliberations, and the Special Committee considered whether he should be asked to withdraw from the Special Committee. Of note, as mentioned above, the Special Committee was created to independently consider and evaluate the ACT Proposal and any alternatives – not to address any potential conflict situation or not because it was required by law. It chose to keep Mr. Dacus on the Special Committee for the following reasons:

- His continued participation and insights were important benefits for the Special Committee,
- The Special Committee continued to be well-advised by independent legal and financial advisors, and
- At that point it had become increasingly clear through the course of engagement with each party that the threshold issues of financing for the privatization proposal and the antitrust risk inherent in the ACT proposal were unlikely to be resolved in a timely manner, if ever.

Accordingly, the Special Committee determined to continue with Mr. Dacus's participation but determined to meet periodically in "executive session" without the participation of Mr. Dacus and declined to engage in discussions on potential CEO succession within the Special Committee, but rather viewed that as the domain of the Nomination Committee. Paul Yonamine, formerly named as Vice Chair of the Special Committee, will be Chair of the Special Committee going forward. Joseph DePinto, who was one of the internal candidates noted above, submitted his resignation from the Board of the Company on March 9, 2025, JST (March 8, 2025, CST).

As we said in our March 6 announcement, the Board and management team believe now is the right time to move these initiatives forward in parallel with our engagement with ACT – to execute our transformation strategy while we remain focused on identifying all other avenues to continue driving shareholder value.

We look forward to keeping you informed of our progress.

Sincerely,

Paul Yonamine, Chair of the Special Committee of the 7&i Board of Directors
Meyumi Yamada, Chair of the Nomination Committee of the 7&i Board of Directors