

# Brief Summary for the Second Quarter of FY2019

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## ■ Consolidated Results

### I. Financial Results

(Millions of yen)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
<b>Group's total sales</b> <sup>*1</sup>	5,499,592	104.1	5,950,391	108.2	11,048,215	104.0	11,920,000	107.9
<b>Revenues from operations</b>	2,987,198	104.2	3,343,538	111.9	6,037,815	103.5	6,683,000	110.7
Domestic convenience store operations	472,696	103.8	486,243	102.9	928,649	103.0	958,000	103.2
Overseas convenience store operations	957,948	120.3	1,357,934	141.8	1,981,533	119.5	2,635,000	133.0
Superstore operations	942,830	96.5	948,520	100.6	1,901,164	97.5	1,947,000	102.4
Department store operations	330,190	92.9	285,851	86.6	657,886	90.2	615,000	93.5
Financial services	101,341	102.8	108,117	106.7	202,942	100.5	211,000	104.0
Specialty store operations	208,622	98.7	182,733	87.6	416,616	92.5	368,000	88.3
Others	11,557	97.9	11,493	99.5	23,533	98.7	25,000	106.2
Eliminations / corporate	(37,988)	-	(37,356)	-	(74,510)	-	(76,000)	-
<b>Operating income (loss)</b>	194,466	107.2	199,610	102.6	391,657	107.4	415,000	106.0
Domestic convenience store operations	131,087	103.5	127,833	97.5	245,249	100.6	247,900	101.1
Overseas convenience store operations	33,437	102.3	36,259	108.4	79,078	117.3	90,400	114.3
Superstore operations	6,666	101.5	9,409	141.1	21,260	105.1	29,000	136.4
Department store operations	875	-	96	11.0	5,369	187.2	5,700	106.2
Financial services	25,821	100.1	28,349	109.8	49,713	99.2	49,800	100.2
Specialty store operations	834	-	3,794	454.8	435	-	6,100	-
Others	2,119	121.0	1,332	62.9	3,670	91.6	3,100	84.4
Eliminations / corporate	(6,375)	-	(7,465)	-	(13,120)	-	(17,000)	-
<b>Ordinary income</b>	194,170	106.3	196,890	101.4	390,746	107.2	408,500	104.5
Special gains	3,770	215.2	5,233	138.8	13,347	302.6		
Special losses	49,966	56.7	45,849	91.8	127,774	84.5		
<b>Income before income taxes</b>	147,974	153.7	156,275	105.6	276,320	127.0		
<b>Net income attributable to owners of parent</b>	89,421	267.1	101,355	113.3	181,150	187.2	210,000	115.9
<b>Net income per share</b>	yen	%	yen	%	yen	%	yen	%
	101.10	267.0	114.58	113.3	204.80	187.2	237.40	115.9
<b>Number of shares outstanding</b>								
Average <sup>*2</sup>	884,517,966		884,566,647		884,531,496			
End of period <sup>*2</sup>	884,544,159		884,570,773		884,544,201			

\*1. Group's total sales include the sales of Seven-Eleven Japan and 7-Eleven, Inc. franchisees.

\*2. Excluding treasury stock.

#### Exchange rates

(yen)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
Income statements	U.S.\$1=	112.34	108.67	112.16	110.00			
	1yuan=	16.39	17.08	16.62	16.00			
Balance sheets	U.S.\$1=	112.00	110.54	113.00	-			
	1yuan=	16.49	16.66	17.29	-			

#### Operating income before amortization of goodwill

(Millions of yen)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
<b>Total</b>	202,871	106.9	210,939	104.0	408,278	107.2	439,300	107.6
Domestic convenience store operations	131,087	103.5	127,833	97.5	245,249	100.6		
Overseas convenience store operations	39,415	107.7	45,179	114.6	90,848	118.5		
Superstore operations	8,216	101.2	10,959	133.4	24,359	104.4		
Department store operations	876	219.5	96	11.0	5,370	116.0		
Financial services	26,490	100.1	29,002	109.5	51,050	99.2		
Specialty store operations	1,040	-	4,001	384.4	848	-		
Others	2,119	121.0	1,332	62.9	3,670	91.6		
Eliminations / corporate	(6,375)	-	(7,465)	-	(13,120)	-		

Note: Eliminations / corporate in operating income mainly reflect the Company's operating expenses relating to the Group strategy.

## II. Major Factors for the Change

	(Millions of yen)		Major Factors for the Change
	Six Months Ended Aug. 31, 2018	Change	
Group's total sales <sup>*1</sup>	5,950,391	+450,799	Total store sales at Seven-Eleven Japan: +111.0 bn. Total store sales at 7-Eleven, Inc.: +398.1 bn. The effect of exchange rate: (63.4) bn.
Revenues from operations	3,343,538	+356,340	Domestic CVS: +13.5 bn. Overseas CVS: +399.9 bn. Financial services: +6.7 bn. Superstore: +5.6 bn. Department store: (44.3) bn. Specialty store: (25.8) bn. The effect of exchange rate: (44.1) bn.
Operating income (loss)	199,610	+5,143	Retirement benefit expense: +1.1 bn. Electricity charge [unit price] : (1.9) bn. The effect of exchange rate: (1.1) bn.
Domestic convenience store operations	127,833	(3,254)	Seven-Eleven Japan: (3.2) bn. Sales: +11.3 bn., Gross profit margin: +0.10 bn., SG&A expenses: (14.6) bn. Others: +0.02 bn.
Overseas convenience store operations	36,259	+2,821	7-Eleven, Inc.: +5.7 bn. Sales: +37.7 bn., Gross profit margin: +0.95 bn., SG&A expenses: (32.9) bn. Amortization of goodwill: (2.9) bn. The effect of exchange rate: (1.2) bn.
Superstore operations	9,409	+2,742	Ito-Yokado: +3.7 bn. Sales: (1.7) bn., Gross profit margin: +0.85 bn., SG&A expenses: +4.6 bn. York-Benimaru: (0.72) bn. Sales: +1.3 bn., Gross profit margin: (0.18) bn., SG&A expenses: (1.8) bn. Life Foods <sup>*2</sup> : (0.14) bn. Others: (0.15) bn.
Department store operations	96	(778)	Sogo & Seibu: (0.91) bn. Sales: (10.6) bn., Gross profit margin: +1.0 bn., SG&A expenses: +8.6 bn. Others: +0.14 bn.
Financial services	28,349	+2,528	Earnings increased mainly due to higher transaction volume for electronic money services in the non-bank business
Specialty store operations	3,794	+2,960	Seven & i Food Systems: +0.44 bn. Nissen Holdings [Consolidated]: +1.6 bn. Others: +0.89 bn.
Others	1,332	(786)	
Eliminations / corporate <sup>*3</sup>	(7,465)	(1,090)	
Ordinary income	196,890	+2,720	Increase in operating income, Increase in interest expenses, etc.
Income before income taxes	156,275	+8,300	Increase in ordinary income, decrease in special losses
Net income attributable to owners of parent	101,355	+11,933	Decline in net income attributable to non-controlling interests

\*1. Group's total sales include the sales of Seven-Eleven Japan and 7-Eleven, Inc. franchisees.

\*2. Life Foods is a wholly owned subsidiary which produces and sells delicatessen in York-Benimaru stores.

\*3. Eliminations / corporate in operating income mainly reflect the Company's operating expenses relating to the Group strategy.

### III. Segment Information

#### Business segment information

(Millions of yen)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018			Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)		YOY(%)	Composition(%)		YOY(%)		YOY(%)
<b>Capital expenditures</b>	149,785	86.7	350,088	233.7	100.0	347,374	90.4	645,200	185.7
	-	-	[336,222]	[224.5]	-	-	-	[631,334]	[181.7]
Domestic convenience store operations	58,809	101.1	59,093	100.5	16.9	140,333	111.4	167,500	119.4
Overseas convenience store operations *	43,866	93.2	220,076	501.7	62.9	94,285	64.0	327,100	346.9
Superstore operations	13,698	41.2	37,716	275.3	10.8	37,821	75.5	68,500	181.1
	-	-	[23,851]	[174.1]	-	-	-	[54,634]	[144.5]
Department store operations	5,224	92.3	6,793	130.0	1.9	12,992	106.9	15,500	119.3
Financial services	17,027	132.7	16,823	98.8	4.8	38,803	148.8	43,600	112.4
Specialty store operations	3,415	60.5	4,624	135.4	1.3	8,882	98.9	10,600	119.3
Others	3,001	126.8	1,002	33.4	0.3	3,723	114.2	2,000	53.7
Corporate	4,742	60.6	3,956	83.4	1.1	10,532	101.5	10,400	98.7
<b>Depreciation and amortization</b>	105,927	102.8	108,609	102.5	100.0	213,167	102.7	227,900	106.9
Domestic convenience store operations	32,146	107.8	36,068	112.2	33.2	66,500	108.8	76,200	114.6
Overseas convenience store operations	35,129	107.4	36,939	105.2	34.0	69,582	107.1	76,600	110.1
Superstore operations	11,905	95.7	11,901	100.0	11.0	23,893	97.9	24,400	102.1
Department store operations	5,063	84.9	4,084	80.7	3.8	9,727	84.8	9,400	96.6
Financial services	14,427	99.3	15,762	109.3	14.5	28,926	98.3	30,700	106.1
Specialty store operations	2,848	76.5	2,164	76.0	2.0	5,588	71.8	6,900	123.5
Others	1,153	112.2	1,126	97.7	1.0	2,257	103.1	2,000	88.6
Corporate	3,255	116.8	560	17.2	0.5	6,691	109.2	1,700	25.4
<b>Amortization of goodwill</b>	8,404	101.8	11,328	134.8	100.0	16,620	102.9	24,300	146.2
Domestic convenience store operations	-	-	-	-	-	-	-	-	-
Overseas convenience store operations	5,977	153.0	8,919	149.2	78.7	11,770	127.2	-	-
Superstore operations	1,549	99.9	1,549	100.0	13.7	3,098	99.9	-	-
Department store operations	1	0.1	-	-	-	1	0.1	-	-
Financial services	669	100.4	652	97.6	5.8	1,336	102.3	-	-
Specialty store operations	206	55.9	206	100.0	1.8	413	55.9	-	-
Others	-	-	-	-	-	-	-	-	-
Corporate	-	-	-	-	-	-	-	-	-
<b>Impairment loss</b>	31,966	78.2	22,943	71.8	100.0	88,879	148.8	-	-
Domestic convenience store operations	5,967	102.3	8,621	144.5	37.6	9,197	104.7	-	-
Overseas convenience store operations	291	431.3	503	172.4	2.2	3,393	213.2	-	-
Superstore operations	7,255	44.0	4,655	64.2	20.3	19,186	82.4	-	-
Department store operations	17,561	109.7	379	2.2	1.7	29,674	168.4	-	-
Financial services	-	-	10,582	-	46.1	-	-	-	-
Specialty store operations	887	56.5	1,700	191.5	7.4	5,697	75.7	-	-
Others	2	0.3	-	-	-	3	0.4	-	-
Corporate	-	-	(3,500)	-	-	21,727	-	-	-

Notes: 1. Capital expenditures include long-term leasehold deposits and advances for store construction. An increase of the future amortization of assets under the "Accounting Standard for Asset Retirement Obligations" is not included.

Figures for actual results don't include goodwill and others related to the acquisition of stores, etc.

Corporate in capital expenditures mainly reflect the Company's capital expenditures relating to the Group strategy.

2. Capital expenditures include investments related to openings of stores for each fiscal year and beyond.

3. In capital expenditures, figures in square brackets [ ] show the figures reflecting the sales & leaseback of assets in superstore operations.

4. Depreciation and amortization include amortization on intangible assets. Corporate in depreciation and amortization mainly reflect the Company's depreciation and amortization relating to the Group strategy.

5. Amortization of goodwill include only the amount recorded on selling, general and administrative expenses.

6. Impairment losses include 17,413 million yen, 1,078 million yen, and 31,809 million yen recorded as restructuring expenses in the consolidated income statements for the six months ended August 31, 2017 and 2018, and recorded as the same for the fiscal year ended Feb. 28, 2018.

\* The projected capital expenditures in the overseas convenience store operations for the fiscal year ending Dec.31, 2018 have now been changed by deducting the goodwill of Sunoco LP which acquired Jan. 23, 2018 and other.

#### Geographic area segment information

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018			Fiscal Year Ended Feb. 28, 2018	
		YOY(%)		YOY(%)	Composition(%)		YOY(%)
<b>Revenues from operations</b>	2,987,198	104.2	3,343,538	111.9	-	6,037,815	103.5
Japan	1,956,760	98.0	1,907,699	97.5	57.0	3,907,835	96.9
North America	975,657	120.1	1,377,853	141.2	41.2	2,017,092	119.3
Others	55,263	95.1	58,588	106.0	1.8	113,992	100.5
Eliminations	(482)	-	(601)	-	-	(1,104)	-
<b>Operating income</b>	194,466	107.2	199,610	102.6	-	391,657	107.4
Japan	161,718	108.0	164,459	101.7	82.4	314,700	105.2
North America	32,129	100.8	34,554	107.5	17.3	75,626	115.4
Others	613	-	591	96.4	0.3	1,320	-
Eliminations	4	85.9	5	104.2	-	10	88.0

Note: "Others" consists of the business results in China, etc.

#### IV. Interest-Bearing Debt

(Millions of yen)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018	
		YOY(%) / change		YOY(%) / change		YOY(%) / change
Short-term loans	153,745	106.5	202,530	131.7	127,255	84.6
Current portion of long-term loans	61,256	53.2	74,206	121.1	82,656	128.5
Current portion of bonds	74,998	150.0	50,000	66.7	74,999	150.0
Sub-total	290,000	93.7	326,736	112.7	284,911	107.6
Long-term loans	419,615	136.6	467,379	111.4	393,149	90.6
Bonds	275,000	78.6	255,000	92.7	305,000	87.1
Sub-total	694,615	105.7	722,379	104.0	698,149	89.1
Total	984,615	101.9	1,049,115	106.6	983,061	93.8
Ratio to total assets (%)	17.9	(0.6)	18.3	+0.4	17.9	(1.1)
Ratio to owners' equity (%)	41.6	(1.9)	42.4	+0.8	40.5	(4.4)

#### Segment Information excluding Financial Services

Domestic convenience store operations	-	-	-	-	-	-
Overseas convenience store operations	171,062	166.2	314,944	184.1	163,867	92.3
Superstore operations	2,550	66.7	1,275	50.0	1,912	60.0
Department store operations	181,810	105.1	169,612	93.3	175,711	93.5
Specialty store operations	52,363	102.6	47,450	90.6	52,673	98.0
Others	-	-	-	-	-	-
Corporate	269,998	93.1	210,000	77.8	269,999	93.1
Sub-total	677,784	109.2	743,282	109.7	664,164	93.2
Financial services	306,831	88.7	305,832	99.7	318,896	94.9
Total	984,615	101.9	1,049,115	106.6	983,061	93.8

#### Bond information

(As of Aug. 31, 2018)

	Amount	Date of issue	Coupon	Redemption date
Issued by Seven & i Holdings				
6th unsecured domestic straight bonds	60 billion yen	Jun. 29, 2010	1.399%	Jun. 19, 2020
8th unsecured domestic straight bonds	40 billion yen	Apr. 26, 2013	0.383%	Jun. 20, 2019
9th unsecured domestic straight bonds	20 billion yen	Apr. 26, 2013	0.671%	Mar. 20, 2023
11th unsecured domestic straight bonds	60 billion yen	Jun. 17, 2015	0.514%	Jun. 20, 2022
12th unsecured domestic straight bonds	30 billion yen	Jun. 17, 2015	0.781%	Jun. 20, 2025
Issued by Seven Bank				
7th unsecured domestic straight bonds	10 billion yen	May 31, 2012	0.613%	Jun. 20, 2019
9th unsecured domestic straight bonds	20 billion yen	Mar. 7, 2013	0.460%	Mar. 19, 2020
10th unsecured domestic straight bonds	20 billion yen	Mar. 7, 2013	0.803%	Mar. 20, 2023
11th unsecured domestic straight bonds	15 billion yen	Dec. 17, 2014	0.536%	Dec. 20, 2024
12th unsecured domestic straight bonds	30 billion yen	Oct. 20, 2017	0.390%	Sep. 17, 2027

#### Ratings

(As of Sep. 30, 2018)

		S&P	Moody's	R&I	JCR
Seven & i Holdings	Long-term	AA-	A1	AA	AA+
Seven-Eleven Japan	Long-term	AA-	-	-	AA+
	Short-term*	A-1+	P-1	-	-
7-Eleven, Inc.	Long-term	AA-	Baa1	-	-
Seven Bank	Long-term	A+	-	AA	-
	Short-term	A-1	-	-	-

\* From January 2006, Seven-Eleven Japan's short-term rating is its rating as the guarantor of 7-Eleven, Inc.'s commercial paper program.

## V. Consolidated Balance Sheets

	(Millions of yen)				
	Feb. 28, 2018	Aug. 31, 2018		Feb. 28, 2018	Aug. 31, 2018
	Amount	Amount		Amount	Amount
<b>[ASSETS]</b>			<b>[LIABILITIES]</b>		
Current assets	2,340,207	2,262,137	Current liabilities	1,944,007	2,076,530
Cash and bank deposits	1,316,793	1,187,513	Notes and accounts payable, trade	420,012	491,084
Notes and accounts receivable - trade	337,938	357,965	Short-term loans	127,255	202,530
Trade accounts receivable - financial services	95,482	95,026	Current portion of bonds	74,999	50,000
Merchandise and finished goods	173,999	185,721	Current portion of long-term loans	82,656	74,206
Work in process	27	34	Income taxes payable	32,211	36,643
Raw materials and supplies	2,962	2,782	Accrued expenses	117,362	123,611
Prepaid expenses	52,282	53,662	Deposits received	174,382	169,127
ATM-related temporary payments	96,826	92,916	ATM-related temporary advances	45,165	38,500
Deferred income taxes	27,981	26,799	Allowance for sales promotion expenses	19,793	21,610
Other	241,356	265,683	Allowance for bonuses to employees	14,662	16,011
Allowance for doubtful accounts	(5,441)	(5,969)	Allowance for bonuses to Directors and Audit & Supervisory Board Members	345	160
Non-current assets	3,154,734	3,456,549	Allowance for loss on future collection of gift certificates	1,590	1,496
Property and equipment	1,989,455	2,123,980	Provision for sales returns	89	43
Buildings and structures, net	872,271	971,608	Deposits received in banking business	553,522	564,474
Furniture, fixtures and equipment, net	327,961	313,616	Other	279,957	287,031
Land	725,180	767,581	Non-current liabilities	975,600	1,025,374
Lease assets, net	4,899	4,096	Bonds	305,000	255,000
Construction in progress	53,677	59,196	Long-term loans	393,149	467,379
Other, net	5,463	7,881	Deferred income taxes	35,416	42,740
Intangible assets	461,966	611,972	Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	988	886
Goodwill	251,233	381,094	Allowance for stock payments	95	113
Software	61,115	77,087	Net defined benefit liability	9,185	7,594
Other	149,617	153,791	Deposits received from tenants and franchised stores	54,806	54,162
Investments and other assets	703,313	720,595	Asset retirement obligations	79,412	85,611
Investments in securities	175,856	199,483	Other	97,546	111,885
Long-term loans receivable	14,794	14,453	<b>TOTAL LIABILITIES</b>	<b>2,919,607</b>	<b>3,101,904</b>
Long-term leasehold deposits	383,276	378,916	<b>[NET ASSETS]</b>		
Advances for store construction	573	229	Shareholder's equity	2,348,841	2,410,529
Net defined benefit asset	45,620	48,434	Common stock	50,000	50,000
Deferred income taxes	28,375	26,974	Capital surplus	409,128	409,154
Other	58,310	55,428	Retained earnings	1,894,444	1,956,045
Allowance for doubtful accounts	(3,493)	(3,323)	Treasury stock, at cost	(4,731)	(4,669)
Deferred assets	7	100	Total accumulated other comprehensive income	78,423	61,176
Business commencement expenses	7	100	Unrealized gains on available-for-sale securities, net of taxes	27,897	31,653
<b>TOTAL ASSETS</b>	<b>5,494,950</b>	<b>5,718,787</b>	Unrealized gains (loss) on hedging derivatives, net of taxes	(92)	43
			Foreign currency translation adjustments	46,638	24,590
			Remeasurements of defined benefit plans	3,979	4,889
			Subscription rights to shares	2,623	2,805
			Non-controlling interests	145,454	142,370
			<b>TOTAL NET ASSETS</b>	<b>2,575,342</b>	<b>2,616,882</b>
			<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>5,494,950</b>	<b>5,718,787</b>

## VI. Consolidated Statements of Income

(Millions of yen)

	Six Months Ended Aug. 31, 2017	Six Months Ended Aug. 31, 2018
Revenues from operations	2,987,198	3,343,538
Net sales	2,368,047	2,707,453
Cost of sales	1,858,556	2,173,075
Gross profit on sales	509,491	534,377
Operating revenues	619,151	636,085
Gross Profit from operations	1,128,642	1,170,463
Selling, general and administrative expenses	934,175	970,852
Operating income	194,466	199,610
Non-operating income	6,157	5,953
Interest income	2,562	2,585
Equity in earnings of affiliates	1,306	500
Other	2,288	2,867
Non-operating expenses	6,454	8,673
Interest expenses	3,319	5,669
Interest on bonds	1,211	1,035
Other	1,923	1,968
Ordinary income	194,170	196,890
Special gains	3,770	5,233
Gain on sales of property and equipment	2,014	4,723
Gain on sales of property and equipment related to Restructuring	1,145	14
Other	610	495
Special losses	49,966	45,849
Loss on disposals of property and equipment	9,299	9,047
Impairment loss on property and equipment	14,553	21,864
Amortization of goodwill	-	3,829
Loss on sales of shares of subsidiaries	1,644	3,320
Restructuring expenses	21,712	1,300
Other	2,755	6,486
Income before income taxes	147,974	156,275
Total income taxes	48,828	53,687
Income taxes - current	49,090	45,051
Income taxes - deferred	(261)	8,636
Net income	99,145	102,587
Net income attributable to non-controlling interests	9,724	1,232
Net income attributable to owners of parent	89,421	101,355

## VII. Consolidated Statements of Cash Flows

	(Millions of yen)	
	Six Months Ended Aug. 31, 2017	Six Months Ended Aug. 31, 2018
<b>[Cash flows from operating activities]</b>		
Income before income taxes	147,974	156,275
Depreciation and amortization	105,927	108,609
Impairment loss on property and equipment	31,966	22,943
Amortization of goodwill	8,404	15,158
Interest income	(2,562)	(2,585)
Interest expenses and interest on bonds	4,531	6,704
Equity in earnings of affiliates	(1,306)	(500)
Gain on sales of property and equipment	(3,160)	(4,738)
Loss on disposals of property and equipment	9,373	9,047
Loss on sales of stocks of subsidiaries	1,644	3,320
Increase in notes and accounts receivable, trade	(9,890)	(29,233)
Decrease (increase) in trade accounts receivable, financial services	(2,640)	455
Decrease (increase) in inventories	10,358	(502)
Increase in notes and accounts payable, trade	50,641	78,132
Increase in deposits received	(29,950)	(3,658)
Net decrease in corporate bonds in banking business	(30,000)	(15,000)
Net increase in deposits received in banking business	8,473	10,952
Net change in ATM-related temporary accounts	7,183	(2,760)
Other	(28,162)	853
<b>Sub-total</b>	<b>278,806</b>	<b>353,473</b>
Interest and dividends received	2,146	2,311
Interest paid	(4,562)	(6,416)
Income taxes paid	(41,869)	(40,873)
Income taxes refund	16,936	-
<b>Net cash provided by operating activities</b>	<b>251,457</b>	<b>308,495</b>
<b>[Cash flows from investing activities]</b>		
Acquisition of property and equipment	(123,370)	(329,590)
Proceeds from sales of property and equipment	14,151	71,316
Acquisition of intangible assets	(15,507)	(18,050)
Payment for purchase of investments in securities	(8,940)	(23,858)
Proceeds from sales of investments in securities	15,613	5,900
Proceeds from sales of shares in subsidiaries resulting in change in scope of consolidation	108	-
Payment for sales of shares in subsidiaries resulting in change in scope of consolidation	-	(127)
Payment for long-term leasehold deposits	(7,430)	(7,985)
Refund of long-term leasehold deposits	18,274	14,948
Proceeds from deposits from tenants	1,757	1,490
Refund of deposits to tenants	(3,123)	(1,866)
Payment for acquisition of business	(2,482)	(172,327)
Payment for time deposits	(3,523)	(9,562)
Proceeds from withdrawal of time deposits	6,471	6,810
Other	(5,577)	(2,034)
<b>Net cash used in investing activities</b>	<b>(113,578)</b>	<b>(464,936)</b>
<b>[Cash flows from financing activities]</b>		
Net increase in short-term loans	3,395	74,339
Proceeds from long-term debts	37,617	110,103
Repayment of long-term debts	(48,349)	(42,327)
Proceeds from commercial paper	-	2,281
Payment for redemption of commercial paper	-	(2,281)
Payment for redemption of bonds	(20,000)	(60,000)
Proceeds from share issuance to non-controlling shareholders	344	0
Dividends paid	(39,772)	(39,785)
Dividends paid to non-controlling interests	(3,929)	(3,939)
Other	11,222	6,712
<b>Net cash provided (used) in financing activities</b>	<b>(81,916)</b>	<b>31,677</b>
Effect of exchange rate changes on cash and cash equivalents	(930)	(6,873)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>55,032</b>	<b>(131,637)</b>
Cash and cash equivalents at beginning of period	1,209,497	1,300,383
Decrease in cash and cash equivalents due to deconsolidation	-	(7)
<b>Cash and cash equivalents at end of period</b>	<b>1,264,529</b>	<b>1,168,739</b>

## Financial Results and Business Performance of Major Companies

### I. Domestic Convenience Store Operations

#### Seven-Eleven Japan

##### Financial results

(Millions of yen)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Total store sales	2,373,164	103.8	2,484,261	104.7	4,678,083	103.6	4,875,000	104.2
Net sales of franchised stores	2,322,126	104.1	2,433,221	104.8	4,575,931	103.8		
Revenues from operations	434,823	102.8	446,135	102.6	849,862	101.9	872,700	102.7
Franchise commission from franchised stores	381,609	104.6	392,786	102.9	743,393	102.8		
Gross profit from operations	398,754	104.0	410,134	102.9	777,743	102.6		
SG&A expenses	268,008	104.4	282,664	105.5	533,633	103.6		
Advertising expenses	32,978	90.2	32,544	98.7	59,377	86.1		
Salaries and wages	37,458	103.2	39,405	105.2	74,404	102.6		
Land and building rent	81,714	108.2	89,031	109.0	166,947	107.8		
Depreciation and amortization*	31,043	108.6	34,818	112.2	64,294	109.3		
Utility expenses	22,855	101.7	23,517	102.9	46,366	105.4		
Others	61,957	108.2	63,346	102.2	122,243	105.7		
Operating income	130,746	103.3	127,470	97.5	244,110	100.3	246,500	101.0

\* Depreciation and amortization include amortization on intangible assets.

##### Sales by product category (total store sales)

(Millions of yen)

	Six Months Ended Aug. 31, 2017			Six Months Ended Aug. 31, 2018			Fiscal Year Ended Feb. 28, 2018			Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)
Total store sales	2,373,164	103.8	100.0	2,484,261	104.7	100.0	4,678,083	103.6	100.0	4,875,000	104.2
Processed food	631,261	103.8	26.6	665,782	105.5	26.8	1,230,335	104.0	26.3		
Fast food	716,695	105.2	30.2	760,184	106.1	30.6	1,412,781	104.6	30.2		
Daily food	315,630	103.0	13.3	322,954	102.3	13.0	626,863	102.1	13.4		
Nonfood	709,576	102.8	29.9	735,341	103.6	29.6	1,408,103	102.9	30.1		

##### Average daily sales per store

(Thousands of yen)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		Change		Change		Change		Change
All stores	663	(4)	666	+3	653	(4)		
Newly opened stores	566	+12	584	+18	546	+13		

##### Existing store sales increase

(%)

	Six Months Ended Aug. 31, 2017	Six Months Ended Aug. 31, 2018	Fiscal Year Ended Feb. 28, 2018	Fiscal Year Ending Feb. 28, 2019 (Forecast)
Existing store sales increase*	+0.8	+1.4	+0.6	+1.5
[incl. prepaid card]	[+1.0]	-	[+0.7]	-
Number of customers	(0.2)	(0.7)	(0.9)	
Average spending per customer*	+1.0	+2.1	+1.5	
[incl. prepaid card]	[+1.2]	-	[+1.6]	

\* From FY2019 onward, the Company has changed its disclosure to exclude the impact of prepaid card in its figures. Accordingly, previous fiscal years' results have been restated under this standard, and there is no impact on the number of customers.

##### Gross profit margin by product category

(%)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		Change		Change		Change		Change
Total	31.9	+0.1	31.9	±0.0	31.9	+0.1	32.1	+0.2
Processed food	39.3	+0.2	39.5	+0.2	39.4	+0.2		
Fast food	35.7	+0.3	35.8	+0.1	35.9	+0.2		
Daily food	33.4	+0.1	33.3	(0.1)	33.5	+0.1		
Nonfood	20.9	(0.1)	20.5	(0.4)	20.7	(0.3)		

## II. Overseas Convenience Store Operations

7-Eleven, Inc.

### Financial results

(Millions of yen)

	Six Months Ended Jun. 30, 2017		Six Months Ended Jun. 30, 2018		Fiscal Year Ended Dec. 31, 2017		Fiscal Year Ending Dec. 31, 2018 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Total store sales	1,518,799	113.8	1,916,979	126.2	3,134,412	114.6	3,840,000	122.5
Merchandise sales at directly operated stores	138,305	96.0	210,052	151.9	281,091	98.8		
Merchandise sales at franchised stores	699,153	104.8	698,077	99.8	1,440,311	107.7		
Gasoline sales	681,340	130.2	1,008,850	148.1	1,413,009	126.9		
Revenues from operations	957,948	120.3	1,357,934	141.8	1,981,533	119.5	2,635,000	133.0
Merchandise sales at directly operated stores ,etc	143,382	99.6	216,021	150.7	292,344	102.7		
Gasoline sales	681,340	130.2	1,008,850	148.1	1,413,009	126.9		
Other operating revenues	133,226	103.2	133,062	99.9	276,179	106.2		
Franchise commission from franchised stores	122,200	103.2	121,567	99.5	251,197	106.0		
Gross profit from operations	234,663	105.4	273,374	116.5	490,409	109.1		
SG&A expenses	195,244	105.0	228,201	116.9	399,557	107.2		
SG&A expenses (thousands of \$)	1,737,978	104.4	2,099,948	120.8	3,562,387	104.0		
Directly operated stores*	250,047	100.6	378,265	151.3	501,643	97.3		
Operating income	39,418	107.8	45,173	114.6	90,852	118.5	110,000	121.1
Operating income (thousands of dollar)	350,887	107.1	415,691	118.5	810,023	114.9	1,000,000	123.5

\* Selling expenses of directly operated stores.

### Sales by product category (total store sales)

(Millions of yen)

	Six Months Ended Jun. 30, 2017			Six Months Ended Jun. 30, 2018			Fiscal Year Ended Dec. 31, 2017			Fiscal Year Ending Dec. 31, 2018 (Forecast)	
		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)
Net sales	1,518,799	113.8	-	1,916,979	126.2	-	3,134,412	114.6	-	3,840,000	122.5
Merchandise sales	837,459	103.2	100.0	908,129	108.4	100.0	1,721,403	106.2	100.0		
Processed food	332,412	102.3	39.7	367,979	110.7	40.5	682,470	104.9	39.6		
Fast food	119,797	97.5	14.3	134,537	112.3	14.8	248,718	101.8	14.4		
Daily food	51,626	100.2	6.2	50,369	97.6	5.5	101,888	100.1	5.9		
Nonfood	333,622	107.0	39.8	355,243	106.5	39.1	688,325	110.2	40.0		
Gasoline sales	681,340	130.2	-	1,008,850	148.1	-	1,413,009	126.9	-		

### Existing store sales increase

(%)

	Six Months Ended Jun. 30, 2017	Six Months Ended Jun. 30, 2018	Fiscal Year Ended Dec. 31, 2017	Fiscal Year Ending Dec. 31, 2018 (Forecast)
U.S. merchandise sales increase (dollar basis)	+1.5	+1.0	+1.6	+3.1

### Average daily sales per store

	Six Months Ended Jun. 30, 2017		Six Months Ended Jun. 30, 2018		Fiscal Year Ended Dec. 31, 2017		Fiscal Year Ending Dec. 31, 2018 (Forecast)	
		Change		Change		Change		Change
All stores (dollar)	4,734	+36	4,832	+98	4,841	+72		
All stores (thousands of yen)	532	+7	525	(7)	543	+24		

### Merchandise gross profit margin

(%)

	Six Months Ended Jun. 30, 2017		Six Months Ended Jun. 30, 2018		Fiscal Year Ended Dec. 31, 2017		Fiscal Year Ending Dec. 31, 2018 (Forecast)	
		Change		Change		Change		Change
Gross profit margin	34.4	(0.5)	34.2	(0.2)	34.3	(0.5)	34.7	+0.4

### Gasoline

	Six Months Ended Jun. 30, 2017		Six Months Ended Jun. 30, 2018		Fiscal Year Ended Dec. 31, 2017		Fiscal Year Ending Dec. 31, 2018 (Forecast)	
		YOY(%) / change		YOY(%) / change		YOY(%) / change		YOY(%) / change
Sales (thousands of dollar)	6,064,984	129.4	9,283,613	153.1	12,598,161	123.0		
Gallons sold (thousands of gallon)	2,605,887	111.0	3,422,900	131.4	5,266,489	107.3		
Margin (cents per gallon)*	20.91	+1.79	20.49	(0.42)	22.62	+2.57		
Average retail price (dollars per gallon)	2.41	+0.32	2.77	+0.36	2.48	+0.31		
Retail fuel margin (cents per gallon)	21.45	+2.25	19.73	(1.72)	23.01	+2.51		

\*Gross profit is shown for the entire gasoline business, including wholesale business.

### Exchange rates (Income statements)

(yen)

	Six Months Ended Jun. 30, 2017	Six Months Ended Jun. 30, 2018	Fiscal Year Ended Dec. 31, 2017	Fiscal Year Ending Dec. 31, 2018 (Forecast)
U.S. \$1=	112.34	108.67	112.16	110.00

### III. Superstore Operations

#### Ito-Yokado

##### Financial results

(Millions of yen)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Revenues from operations	616,230	98.3	614,408	99.7	1,244,262	99.1	1,263,400	101.5
Net sales	600,897	98.6	599,152	99.7	1,213,613	99.5	1,232,100	101.5
Gross profit from operations	154,553	98.7	153,684	99.4	313,362	98.9		
SG&A expenses	156,480	97.8	151,833	97.0	310,285	97.9		
Advertising expenses	10,071	107.2	9,215	91.5	20,653	106.5		
Salaries and wages	67,303	100.3	64,560	95.9	132,474	99.5		
Land and building rent	29,811	96.3	28,920	97.0	59,005	95.7		
Depreciation and amortization*	6,392	90.0	5,905	92.4	12,606	92.3		
Utility expenses	8,071	95.5	7,809	96.8	15,290	96.9		
Others	34,830	94.0	35,422	101.7	70,255	95.9		
Operating income	(1,927)	-	1,851	-	3,077	-	10,000	325.0

\* Depreciation and amortization include amortization on intangible assets.

##### Sales by product category

(Millions of yen)

	Six Months Ended Aug. 31, 2017			Six Months Ended Aug. 31, 2018			Fiscal Year Ended Feb. 28, 2018			Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)
Net sales	600,897	98.6	100.0	599,152	99.7	100.0	1,213,613	99.5	100.0	1,232,100	101.5
Merchandise sales	436,170	98.4	72.6	426,953	97.9	71.3	881,343	99.4	72.6		
Apparel	83,977	91.1	14.0	78,557	93.5	13.1	162,589	90.8	13.4		
Household goods*	81,385	137.2	13.5	79,813	98.1	13.3	165,083	134.8	13.6		
Food	270,806	92.9	45.1	268,581	99.2	44.8	553,670	94.6	45.6		
Tenants	160,538	99.6	26.7	168,812	105.2	28.2	324,328	100.7	26.7		
Others	4,188	80.1	0.7	3,386	80.8	0.6	7,940	78.4	0.7		

\* The cosmetic and drug sales areas in Ito-Yokado's household goods division were carved out in a corporate split and transferred to

Seven Bi no Garden Co., LTD.; however, to facilitate a flexible sales area reorganization at Ito-Yokado, it absorbed Seven Bi no Garden Co., LTD. on March 1, 2017.

##### Existing store sales increase

(%)

	Six Months Ended Aug. 31, 2017	Six Months Ended Aug. 31, 2018	Fiscal Year Ended Feb. 28, 2018	Fiscal Year Ending Feb. 28, 2019 (Forecast)
Net sales	(1.7)	+0.1	(0.9)	
Existing store sales increase	(2.6)	(0.5)	(1.4)	+0.1
Apparel	(5.1)	(4.1)	(4.0)	
Household goods	(0.9)	+0.1	(0.5)	
Food	(2.3)	+0.5	(0.9)	
Number of customers	(2.6)	(1.3)	(1.7)	
Average spending per customer	±0.0	+0.9	+0.3	
Tenants	+0.8	+1.4	+0.5	

##### Gross profit margin by product category

(%)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		Change		Change		Change		Change
Total	29.4	+0.5	29.6	+0.2	29.6	+0.5	30.0	+0.4
Apparel	33.4	+0.4	35.7	+2.3	34.0	+1.5		
Household goods	31.3	+1.3	31.2	(0.1)	31.3	+1.1		
Food	27.6	+0.2	27.4	(0.2)	27.7	(0.1)		

## York-Benimaru

### Financial results

(Millions of yen)

	Six Months Ended Aug 31, 2017		Six Months Ended Aug 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Revenues from operations	217,885	102.6	222,883	102.3	437,197	102.6	457,000	104.5
Net sales	213,889	102.4	218,907	102.3	429,064	102.5	449,000	104.6
Gross profit from operations	53,529	101.9	54,698	102.2	108,783	102.4		
SG&A expenses	47,172	103.7	49,069	104.0	94,713	102.7		
Advertising expenses	3,371	103.7	3,222	95.6	6,655	100.5		
Salaries and wages	25,009	104.2	25,714	102.8	50,184	103.5		
Land and building rent	4,761	102.2	4,951	104.0	9,601	102.4		
Depreciation and amortization*	2,486	114.6	2,776	111.7	5,148	113.9		
Utility expenses	2,652	96.7	2,973	112.1	5,422	100.2		
Others	8,890	102.4	9,431	106.1	17,701	99.6		
Operating income	6,357	90.5	5,628	88.5	14,070	100.1	14,700	104.5

\* Depreciation and amortization include amortization on intangible assets.

### [Reference] Results including Life Foods\*

(Millions of yen)

	Six Months Ended Aug 31, 2017		Six Months Ended Aug 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Operating income	8,630	90.5	7,754	89.8	18,098	96.5	19,600	108.3

Note: Results including Life Foods represent internal management reporting figures.

\* Life Foods is a wholly owned subsidiary which produces and sells delicatessen in York-Benimaru stores.

### Sales by product category

(Millions of yen)

	Six Months Ended Aug 31, 2017			Six Months Ended Aug 31, 2018			Fiscal Year Ended Feb. 28, 2018			Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)
Net sales	213,889	102.4	100.0	218,907	102.3	100.0	429,064	102.5	100.0	449,000	104.6
Merchandise sales	183,703	102.4	85.9	188,405	102.6	86.0	369,510	102.6	86.1		
Food	166,866	103.2	78.0	172,226	103.2	78.6	335,985	103.4	78.3		
Fresh food	73,913	103.0	34.5	76,128	103.0	34.7	149,910	103.3	34.9		
Processed food	51,091	103.3	23.9	52,604	103.0	24.0	101,977	103.2	23.8		
Daily food	41,861	103.5	19.6	43,493	103.9	19.9	84,097	103.7	19.6		
Apparel	6,683	88.8	3.1	6,365	95.2	2.9	13,531	90.4	3.1		
Household goods	10,152	98.7	4.8	9,813	96.7	4.5	19,993	98.5	4.7		
Tenants	30,186	102.8	14.1	30,501	101.0	14.0	59,553	101.9	13.9		
Life Foods*	25,026	102.5	11.7	25,545	102.1	11.7	49,691	101.7	11.6		
Others	5,160	104.4	2.4	4,956	96.1	2.3	9,861	102.9	2.3		

\* Represents sales amount for delicatessen items in York-Benimaru stores.

### Existing store sales increase

(%)

	Six Months Ended Aug 31, 2017	Six Months Ended Aug 31, 2018	Fiscal Year Ended Feb. 28, 2018	Fiscal Year Ending Feb. 28, 2019 (Forecast)
Existing store sales increase	(0.4)	(0.9)	(0.4)	+1.0
Food	+0.1	(0.4)	+0.2	
Apparel	(11.9)	(4.2)	(9.9)	
Household goods	(2.9)	(5.3)	(2.8)	
Tenants	+0.3	(1.8)	(0.4)	
Number of customers	+0.8	(0.9)	±0.0	
Average spending per customer	(1.3)	±0.0	(0.5)	

### Gross profit margin by product category

(%)

	Six Months Ended Aug 31, 2017		Six Months Ended Aug 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		Change		Change		Change		Change
Total	25.4	(0.3)	25.3	(0.1)	25.7	(0.1)	26.1	+0.4
Food	25.0	(0.4)	25.0	±0.0	25.3	(0.2)		
Apparel	32.1	+1.1	31.9	(0.2)	32.4	+0.9		
Household goods	26.9	(0.1)	26.9	±0.0	26.5	(0.3)		

#### IV. Department Store Operations

##### Sogo & Seibu

##### Financial results

(Millions of yen)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Revenues from operations	344,351	93.0	297,241	86.3	685,888	90.2	641,300	93.5
Net sales	338,503	92.9	292,028	86.3	674,368	90.2	630,600	93.5
Gross profit from operations	75,042	92.0	65,475	87.3	149,853	90.5		
SG&A expenses	74,415	91.3	65,768	88.4	144,772	89.7		
Advertising expenses	11,203	89.5	9,728	86.8	22,274	87.5		
Salaries and wages	19,396	91.3	16,998	87.6	37,370	89.5		
Land and building rent	18,957	93.3	16,903	89.2	36,625	90.4		
Depreciation and amortization*	4,647	83.3	3,824	82.3	8,927	83.7		
Utility expenses	4,077	88.6	3,527	86.5	7,472	88.2		
Others	16,133	93.4	14,786	91.6	32,101	93.3		
Operating income	626	-	(292)	-	5,081	117.1	5,200	102.3

\* Depreciation and amortization include amortization on intangible assets.

##### Sales results of major stores

(Millions of yen)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Ikebukuro (flagship store)	90,684	100.4	88,675	97.8	185,149	99.2		
Yokohama	52,750	99.6	53,058	100.6	110,603	100.8		
Chiba	35,625	101.4	36,390	102.1	74,439	101.4		
Hiroshima	19,596	98.3	18,923	96.6	40,909	98.7		
Shibuya	20,674	104.2	21,363	103.3	43,671	104.5		
Omiya	16,027	100.5	15,933	99.4	33,120	100.2		

Note: Store sales include corporate sales.

##### Sales by product category

(Millions of yen)

	Six Months Ended Aug. 31, 2017			Six Months Ended Aug. 31, 2018			Fiscal Year Ended Feb. 28, 2018			Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)
Net sales	338,503	92.9	100.0	292,028	86.3	100.0	674,368	90.2	100.0	630,600	93.5
Merchandise sales	235,158	92.2	69.5	199,096	84.7	68.2	471,656	89.9	69.9		
Apparel	128,630	90.3	38.0	111,169	86.4	38.1	260,919	89.5	38.7		
Household goods	35,354	94.2	10.4	29,190	82.6	10.0	67,873	89.6	10.1		
Food	71,173	94.8	21.0	58,737	82.5	20.1	142,863	90.9	21.2		
Tenants	84,156	94.8	24.9	76,932	91.4	26.3	167,519	91.2	24.8		
Corporate sales	19,188	94.5	5.7	15,999	83.4	5.5	35,192	88.3	5.2		

##### Existing store sales increase

(%)

	Six Months Ended Aug. 31, 2017	Six Months Ended Aug. 31, 2018	Fiscal Year Ended Feb. 28, 2018	Fiscal Year Ending Feb. 28, 2019 (Forecast)
Existing store sales increase	(0.1)	(1.0)	+0.5	+3.3

##### Gross profit margin by product category

(%)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		Change		Change		Change		Change
Total	24.0	(0.2)	24.5	+0.5	24.0	+0.1	24.5	+0.5
Apparel	28.6	(0.1)	29.2	+0.6	28.6	+0.4		
Household goods	23.4	(0.3)	23.9	+0.5	23.5	(0.1)		
Food	16.0	±0.0	16.0	±0.0	16.0	±0.0		

## V. Financial Services

### Seven Bank

#### Number of ATMs

##### (1) Domestic installation

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018	
		Change		Change		Change
Total	23,839	+486	24,731	+393	24,338	+985
Net ATMs in the Group	21,682	+450	22,445	+344	22,101	+869
Seven-Eleven Japan	21,063	+457	21,828	+347	21,481	+875
Ito-Yokado	296	(16)	293	(1)	294	(18)
York-Benimaru	158	+10	169	+4	165	+17
York Mart	75	+1	77	+2	75	+1
Others	90	(2)	78	(8)	86	(6)
Net ATMs outside the Group	2,157	+36	2,286	+49	2,237	+116

##### (2) Overseas installation

	Six Months Ended Jun. 30, 2017		Six Months Ended Jun. 30, 2018		Fiscal Year Ended Dec. 31, 2017	
		Change		Change		Change
North America	5,680	(547)	13,235	+1,653	11,582	+5,355

#### Average number of transaction per day per ATM during the period

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018	
		Change		Change		Change
Average number of transactions	95.3	(1.8)	93.9	(1.4)	94.2	(1.4)

#### International money transfer service

(Thousands)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018	
		Change		Change		Change
Number of contract accounts	200	+18	235	+16	219	+37
Cumulative number of transfers	520	+53	552	+32	1,074	+107

#### Seven Card Service / Seven CS Card Service

#### Number of credit cards, point cards and cash cards

(10 thousands)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018	
		Change		Change		Change
Credit cards	662	(8)	669	+4	665	(5)
SEVEN CARD plus / SEVEN CARD	346	(1)	351	+3	348	+1
CLUB ON/Millennium CARD SAISON	316	(7)	318	+1	317	(6)
Electronic money ( <i>nanaco</i> )	5,653	+303	6,289	+306	5,983	+633

Notes: 1. SEVEN CARD plus / SEVEN CARD and CLUB ON/Millennium CARD SAISON issued represent only the number of effective card members.

2. CLUB ON/Millennium CARD SAISON does not include dedicated cards for point services, without credit functions.

3. The number of *nanaco* includes the number of mobile *nanaco* holders.

## VI. Specialty Store Operations

### Seven & i Food Systems

#### Financial results

(Millions of yen)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Revenues from operations	41,519	97.8	40,619	97.8	80,350	97.3	80,600	100.3
Net sales	41,437	97.8	40,540	97.8	80,188	97.3	80,400	100.3
Gross profit from operation	26,268	97.3	25,606	97.5	50,535	96.2		
SG&A expenses	25,632	96.1	24,527	95.7	49,692	95.6		
Operating income	636	207.7	1,078	169.4	842	163.5	1,200	142.4

#### [Denny's] Existing store sales increase

(%)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
Existing store sales increase	+1.1		+1.5		+1.0		+2.8	
Number of customers	(2.0)		(3.3)		(1.7)			
Average spending per customer	+3.1		+4.9		+2.8			

#### [Denny's] Gross profit margin

(%)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		Change		Change		Change		Change
Gross profit margin	68.4	+0.1	68.3	(0.1)	68.0	(0.4)	68.4	+0.4

### Nissen Holdings (Consolidated)

#### Financial results

(Millions of yen)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)		YOY(%)		YOY(%) <sup>*2</sup>		YOY(%)
Net sales <sup>*1</sup>	52,133	90.0	26,647	51.1	102,202	73.4	50,100	49.0
Gross profit from operations	17,574	85.6	10,797	61.4	32,561	76.2		
SG&A expenses	19,587	75.8	11,191	57.1	37,924	65.6		
Operating income <sup>*1</sup>	(2,013)	-	(393)	-	(5,363)	-	(200)	-

\*1. Figures excluding the impact of Shaddy Co., Ltd. and its subsidiaries, which were sold on April 27, 2018, are as follows.

FY2019 2Q: Net sales 19,059 million yen (36.6% YoY), Operating income (129) million yen

FY2019 forecast: Net sales 42,200 million yen (41.3% YoY), Operating income 100 million yen

\*2. Year-on-year comparisons are made relative to a 14-month accounting period reflecting a change in the end of FY2017 from December 20 to February 28.

## VII. Group Strategy

### (1) Seven Premium

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		Change		Change		Change		Change
Sales (billions of yen)	6,550	+600	7,200	+650	13,200	+1,700	14,100	+900
Items	3,820	+320	4,000	+180	3,900	+250	4,050	+150

### (2) EC sales

(Millions of yen)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		Change		Change		Change		Change
EC sales	52,673	+5,033	57,064	+4,391	108,785	+11,125	125,000	+16,215
Seven Net Shopping	10,585	+4,829	12,807	+2,222	22,048	+7,944		
Seven-Meal <sup>*1</sup>	13,052	(182)	14,977	+1,925	26,548	(130)		
Ito-Yokado	1,904	+837	2,499	+595	4,500	+1,839		
Ito-Yokado's Net Supermarket <sup>*1</sup>	21,863	(967)	21,323	(540)	44,234	(501)		
Akachan Honpo <sup>*2</sup>	2,925	(192)	3,053	+128	6,257	+640		
Sogo & Seibu	1,591	+377	1,739	+148	3,599	+748		
LOFT	434	+237	549	+115	1,002	+410		
Others	318	+93	112	(206)	595	+173		

\*1 Delivery-type service while others are mail order sales-type services.

\*2 Sales through the "omni7" website from September 2016.

## VIII. Capital Expenditures, Depreciation and Amortization of Major Companies

(Millions of yen)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
<b>Domestic convenience store operations</b>								
Seven-Eleven Japan								
Total capital expenditures	58,184	100.7	56,491	97.1	136,297	109.0	160,000	117.4
Investment to new stores	34,256	91.0	36,713	107.2	70,329	94.9		
Investment to existing stores and other	20,931	111.6	15,330	73.2	57,824	126.4		
Software development	2,996	217.4	4,448	148.5	8,143	155.4		
Depreciation and amortization	31,043	108.6	34,818	112.2	64,294	109.3	73,500	114.3
<b>Overseas convenience store operations</b>								
7-Eleven, Inc.								
Total capital expenditures	46,376	94.1	378,117	815.3	98,874	45.6	480,000	485.5
Investment to new stores and other	25,522	123.4	353,691	-	50,682	31.4		
Investment to existing stores and other	20,344	84.4	22,141	108.8	44,589	92.4		
Software development	510	11.3	2,284	447.8	3,602	49.9		
Depreciation and amortization	35,129	107.4	36,939	105.2	69,582	107.1	76,600	110.1
<b>Superstore operations</b>								
Ito-Yokado								
Capital expenditures	4,531	20.2	28,847	636.7	18,072	59.0	46,500	257.3
	-	-	[14,981]	[330.6]	-	-	[32,634]	[180.6]
Investment to new stores	209	1.2	1,440	689.0	2,168	11.4		
Investment to existing stores and other	4,124	89.8	26,777	649.3	15,396	138.3		
	-	-	[12,911]	[313.1]	-	-		
Software development	198	59.1	629	317.7	508	108.5		
Depreciation and amortization	6,392	90.0	5,905	92.4	12,606	92.3	12,800	101.5
York-Benimaru								
Total capital expenditures	6,041	99.3	4,229	70.0	13,452	109.1	13,500	100.4
Investment to new stores	4,514	96.0	2,414	53.5	10,411	116.5		
Investment to existing stores and other	1,436	107.9	1,788	124.5	2,924	89.1		
Software development	90	176.5	28	31.1	117	100.9		
Depreciation and amortization	2,486	114.6	2,776	111.7	5,148	113.9	5,600	111.7
<b>Department store operations</b>								
Sogo & Seibu								
Total capital expenditures	4,937	94.7	6,677	135.2	12,474	106.0	15,000	120.3
Investment to new stores	-	-	-	-	-	-		
Investment to existing stores and other	4,698	96.5	6,269	133.4	10,734	97.8		
Software development	239	68.7	408	170.7	1,740	218.6		
Depreciation and amortization	4,647	83.3	3,824	82.3	8,927	83.7	8,700	97.5

Notes: 1. Capital expenditures include long-term leasehold deposits and advances for store construction.

An increase of the future amortization of assets under the "Accounting Standard for Asset Retirement Obligations" is not included.

2. Capital expenditures include investments related to openings of stores for each fiscal year and beyond, and goodwill and others due to the acquisition of stores, etc.

3. Depreciation and amortization include amortization on intangible assets.

4. In capital expenditures, figures in square brackets [ ] show the figures reflecting the sales & leaseback of assets.

## ■ Store Information

### I. Store Openings and Closures of Major Companies

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018		Fiscal Year Ending Feb. 28, 2019 (Forecast)	
		Change		Change		Change		Change
<b>Domestic convenience store operations</b>								
Seven-Eleven Japan	19,851	+429	20,596	+336	20,260	+838	20,960	+700
Openings	800		769		1,554		1,500	
Closures	371		433		716		800	
Relocations, etc.	291		314		568			
Terminations of contract	80		119		148			
SEVEN-ELEVEN (BEIJING) *1	220	+1	252	+5	247	+28	300	+53
Openings	11		16		41		70	
Closures	10		11		13		17	
SEVEN-ELEVEN (TIANJIN) *1	83	+1	133	+15	118	+36	157	+39
Openings	8		16		44		45	
Closures	7		1		8		6	
SEVEN-ELEVEN (CHENGDU) *1	65	(2)	78	(9)	87	+20	87	±0
Openings	5		2		29		11	
Closures	7		11		9		11	
<b>Overseas convenience store operations</b>								
7-Eleven, Inc. *1	8,716	+9	9,623	+953	8,670	(37)	9,530	+860
Openings	72		1,098		214		1,230	
Closures	63		145		251		370	
<b>Superstore operations</b>								
Ito-Yokado	167	(4)	164	±0	164	(7)	158	(6)
Openings	1		1		2		1	
Closures	5		1		9		7	
York-Benimaru	214	+1	223	+3	220	+7	225	+5
Openings	4		4		11		7	
Closures	3		1		4		2	
York Mart	79	+1	80	+2	78	±0	80	+2
Openings	1		2		1		2	
Closures	0		0		1		0	
Hua Tang Yokado Commercial *1	1	(1)	1	±0	1	(1)	1	±0
Openings	0		0		0		0	
Closures	1		0		1		0	
Chengdu Ito-Yokado *1	7	+1	7	±0	7	+1	8	+1
Openings	1		0		1		1	
Closures	0		0		0		0	
<b>Department store operations</b>								
Sogo & Seibu	19	±0	15	±0	15	(4)	15	±0
Openings	0		0		0		0	
Closures/Transfers	0		0		4		0	
<b>Specialty store operations</b>								
Akachan Honpo	107	+1	110	±0	110	+4	111	+1
Openings	2		2		8		7	
Closures	1		2		4		6	
LOFT *2	111	+2	113	+3	110	+1	116	+6
Openings	4		5		8		8	
Closures	2		2		7		2	
Seven & i Food Systems	775	(40)	736	(13)	749	(66)	736	(13)
Denny's	384	(2)	374	(3)	377	(9)	374	(3)
Openings	3		3		4		6	
Closures	5		6		13		9	
Other	391	(38)	362	(10)	372	(57)	362	(10)

Note: Changes in number of stores represent the net change from the beginning of the fiscal year.

\*1. Figures are as of the end of June, or the end of December.

\*2. The number of LOFT stores includes 16 franchised stores for the six months ended Aug. 31, 2017, 17 franchised stores for the six months ended Aug. 31, 2018 and for the fiscal year ended Feb. 28, 2018.

## II. Store Information on Domestic/Overseas Convenience Store Operations

### Domestic Store Network

	Aug. 2017	Feb. 2018	Aug. 2018	Change
Hokkaido	974	988	1,005	+17
Aomori	59	69	83	+14
Iwate	136	143	143	±0
Miyagi	395	404	405	+1
Akita	90	99	102	+3
Yamagata	177	179	182	+3
Fukushima	431	434	442	+8
Ibaraki	636	638	637	(1)
Tochigi	429	437	442	+5
Gunma	458	462	463	+1
Saitama	1,175	1,196	1,203	+7
Chiba	1,069	1,090	1,102	+12
Tokyo	2,550	2,621	2,680	+59
Kanagawa	1,386	1,403	1,415	+12
Niigata	414	420	424	+4
Toyama	131	132	132	±0
Ishikawa	132	132	133	+1
Fukui	66	67	69	+2
Yamanashi	210	210	211	+1
Nagano	450	456	462	+6
Gifu	175	182	192	+10
Shizuoka	710	719	725	+6
Aichi	1,029	1,055	1,061	+6
Mie	150	161	171	+10
Shiga	233	235	240	+5
Kyoto	330	340	347	+7
Osaka	1,165	1,188	1,235	+47
Hyogo	694	703	707	+4
Nara	141	141	144	+3
Wakayama	77	79	80	+1
Tottori	19	26	30	+4
Shimane	53	55	57	+2
Okayama	297	301	304	+3
Hiroshima	575	584	592	+8
Yamaguchi	316	320	327	+7
Tokushima	89	90	90	±0
Kagawa	102	103	105	+2
Ehime	103	111	115	+4
Kochi	36	41	40	(1)
Fukuoka	963	988	1,002	+14
Saga	189	191	193	+2
Nagasaki	183	190	200	+10
Kumamoto	317	330	342	+12
Oita	159	165	170	+5
Miyazaki	187	191	195	+4
Kagoshima	191	191	197	+6
<b>Total</b>	<b>19,851</b>	<b>20,260</b>	<b>20,596</b>	<b>+336</b>

### Global Seven-Eleven Store Network

[Consolidated subsidiaries]

	Aug. 2017	Feb. 2018	Aug. 2018	Change
Japan	19,851	20,260	20,596	+336
North America <sup>*1</sup>	8,716	8,670	9,623	+953
U.S.A.	8,064	8,030	8,994	+964
Canada	652	640	629	(11)
Hawaii	64	64	64	±0
China [Beijing]	220	247	252	+5
China [Tianjin]	83	118	133	+15
China [Chengdu]	65	87	78	(9)
<b>Sub-total</b>	<b>28,999</b>	<b>29,446</b>	<b>30,746</b>	<b>+1,300</b>

\*1. Figures for North America are the number of franchised stores and directly operated stores operated by 7-Eleven, Inc.

[Area licensees]

	Jun. 2017	Dec. 2017	Jun. 2018	Change
South Korea	8,943	9,231	9,404	+173
China	1,818	1,907	1,982	+75
[Hong Kong and others]* <sup>2</sup>				
China [Shanghai]	115	118	122	+4
China [Shandong]	40	55	58	+3
China [Chongqing]	35	47	57	+10
China [Zhejiang]	1	20	23	+3
China [Jiangsu]	-	-	1	+1
Taiwan	5,161	5,221	5,282	+61
Thailand	10,007	10,268	10,760	+492
Philippines	2,087	2,285	2,386	+101
Malaysia	2,186	2,225	2,241	+16
Singapore	416	393	378	(15)
Australia	660	675	680	+5
UAE	11	13	14	+1
Vietnam	3	11	19	+8
U.S.A.	326	327	324	(3)
Mexico	1,868	1,835	1,787	(48)
Norway	154	153	151	(2)
Sweden	185	187	189	+2
Denmark	183	183	179	(4)
<b>Sub-total</b>	<b>34,199</b>	<b>35,154</b>	<b>36,037</b>	<b>+883</b>

\*2. Figures for China [Hong Kong and others] include Guang Dong Province and Macau.

	Aug. 2017	Feb. 2018	Aug. 2018	Change
<b>Total worldwide</b>	<b>63,198</b>	<b>64,600</b>	<b>66,783</b>	<b>+2,183</b>

Notes: 1. Figures for overseas stores are as of the end of June, or as of the end of December.

2. As of August 31, 2018, Seven-Eleven Japan operates in 46 prefectures out of 47 prefectures in Japan.

As of August 31, 2018, the number of 7-Eleven stores around the world including area licensees are 67,162 stores.

### III. Store Information of Superstore Operations

#### (1) Ito-Yokado

	Store name	Location	Date	Sales floor space	Directly managed sales floor space
Opening	<i>Shokuhinkan Seya</i> (food specialty store)	Kanagawa	Mar. 31, 2018	2,900	1,709
Closure	<i>Shokuhinkan Shinurayasu</i> (food specialty store)	Chiba	Apr. 8, 2018	4,683	4,683

In addition to the above, 6 stores will be closed in the fiscal year ending February 28, 2019.

#### (2) York-Benimaru

	Store name	Location	Date	Sales floor space	Directly managed sales floor space
Openings	Kanuma-Kamidonomachi	Tochigi	Mar. 9, 2018	1,962	1,792
	Takahata	Yamagata	Mar. 23, 2018	1,988	1,818
	Ishioka-nishi	Ibaraki	Jul. 13, 2018	2,360	2,202
	Onahama-Respo	Fukushima	Jul. 27, 2018	1,968	1,806
	Yonezawa-kasuga	Yamagata	Sep. 28, 2018	1,961	1,800
	Kamiatsusaki	Tochigi	Oct. 12, 2018	2,356	2,197
Closures	Onahama (S&B)	Fukushima	Jul. 22, 2018	1,510	1,357
	Kuroiso (S&B)	Tochigi	Oct. 7, 2018	4,414	3,696

In addition to the above, 1 store will be opened in the fiscal year ending February 28, 2019.

Notes: S&B stands for Scrap & Build.

## IV. Number of Stores by Type

### Seven-Eleven Japan

	Six Months Ended Aug. 31, 2017			Six Months Ended Aug. 31, 2018			Fiscal Year Ended Feb. 28, 2018		
		Change	Composition (%)		Change	Composition (%)		Change	Composition (%)
Number of stores	19,851	+429	100.0	20,596	+336	100.0	20,260	+838	100.0
Franchised stores	19,380	+403	97.6	20,193	+401	98.0	19,792	+815	97.7
Type A	4,565	+11	23.0	4,548	(15)	22.1	4,563	+9	22.5
Type C	14,815	+392	74.6	15,645	+416	76.0	15,229	+806	75.2
Directly operated stores	471	+26	2.4	403	(65)	2.0	468	+23	2.3
Open 24 hours	19,067	+388	96.1	19,748	+304	95.9	19,444	+765	96.0
With liquor license	19,570	+424	98.6	20,264	+308	98.4	19,956	+810	98.5
With cigarette license	18,970	+388	95.6	19,812	+409	96.2	19,403	+821	95.8

### 7-Eleven, Inc.

	Six Months Ended Jun. 30, 2017			Six Months Ended Jun. 30, 2018			Fiscal Year Ended Dec. 31, 2017		
		Change	Composition (%)		Change	Composition (%)		Change	Composition (%)
Number of stores	8,716	+9	100.0	9,623	+953	100.0	8,670	(37)	100.0
Franchised stores	7,024	+16	80.6	7,187	+26	74.7	7,161	+153	82.6
BCP stores [Type A]*	452	±0	5.2	466	+6	4.8	460	+8	5.3
Type C	6,572	+16	75.4	6,721	+20	69.8	6,701	+145	77.3
Directly operated stores	1,692	(7)	19.4	2,436	+927	25.3	1,509	(190)	17.4
With Gasoline station	3,375	+1	38.7	4,367	+991	45.4	3,376	+2	38.9

\* BCP stands for Business Conversion Program.

## V. Sales Floor Space

### Ito-Yokado

(Square meters)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018	
		YOY(%)		YOY(%)		YOY(%)
Total sales floor space	2,664,238	91.8	2,643,446	99.2	2,653,996	95.6
Directly managed floor space	1,545,064	97.4	1,484,717	96.1	1,490,522	98.8
Weighted average floor space	1,548,006	97.5	1,487,443	96.1	1,532,810	97.4

### York-Benimaru

(Square meters)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018	
		YOY(%)		YOY(%)		YOY(%)
Total sales floor space	653,549	100.7	681,896	104.3	675,128	102.8
Directly managed floor space	505,143	100.7	525,121	104.0	519,177	102.8
Weighted average floor space*	497,785	102.0	516,814	103.8	502,690	102.3

\* Excluding floor space of the stores which has been closed.

### Sogo & Seibu

(Square meters)

	Six Months Ended Aug. 31, 2017		Six Months Ended Aug. 31, 2018		Fiscal Year Ended Feb. 28, 2018	
		YOY(%)		YOY(%)		YOY(%)
Total sales floor space	700,420	82.6	571,738	81.6	617,618	80.2
Weighted average floor space	700,100	84.5	571,739	81.7	665,507	82.8

## Appendix

### Fiscal periods of consolidated subsidiaries

	Q1	Q2	Q3	Fiscal year
Consolidated subsidiaries except for below	May	August	November	February
Overseas subsidiaries	March	June	September	December
Seven Bank	June	September	December	March

Note: For consolidated subsidiaries ending fiscal year on December, financial statements for the fiscal year ended December have been adopted.

For consolidated subsidiary ending fiscal year on March, financial statements which were applied correspondingly to regular financial statements on February have been adopted.

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.