



October 8, 2015

Consolidated Financial Results for the Six Months ended August 31, 2015

Seven & i Holdings Co., Ltd.

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

Securities Code No. 3382

President and COO: Noritoshi Murata

The Company's shares are listed on the First Section of the Tokyo Stock Exchange.

Submission date of quarterly securities report scheduled: October 14, 2015

Starting date of paying dividend: November 13, 2015

Preparation of brief summary materials for quarterly financial results: Yes

Holding of quarterly financial results presentation: Yes

Note: All amounts less than one million yen have been disregarded.

1. Business Results for the Six Months ended August 31, 2015 (from March 1, 2015 to August 31, 2015)

(1) Results of Operations (cumulative)

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income	
Six Months ended August 31, 2015	2,994,992	(0.3)%	172,459	3.1%	170,686	2.1%
Six Months ended August 31, 2014	3,004,423	7.0%	167,225	1.6%	167,237	1.5%

	Net Income		Net Income per Share		Diluted Net Income per Share	
Six Months ended August 31, 2015	84,521	0.7%	95.60	(yen)	95.51	(yen)
Six Months ended August 31, 2014	83,901	0.7%	94.90	(yen)	94.82	(yen)

Notes: 1. Comprehensive income:

Six Months ended August 31, 2015: 101,767 million yen [44.3%]

Six Months ended August 31, 2014: 70,534 million yen [(51.3)%]

2. Percentages represent increase (decrease) from the corresponding period in the prior fiscal year.

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

Six Months ended August 31, 2015: 5,310,227 million yen [4.5%]

Six Months ended August 31, 2014: 5,082,915 million yen [7.0%]

(2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Owners' Equity Ratio	Owners' Equity per Share
As of August 31, 2015	5,464,642	2,497,967	43.3%	2,674.02 (yen)
As of February 28, 2015	5,234,705	2,430,917	43.9%	2,601.23 (yen)

Note: Owners' equity (net assets excluding minority interests in consolidated subsidiaries and subscription rights to shares) :

As of August 31, 2015: 2,364,239 million yen

As of February 28, 2015: 2,299,662 million yen

2. Dividends

Record Date	Dividends per Share (yen)				
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
Year ended February 28, 2015	-	36.50	-	36.50	73.00
Year ending February 29, 2016	-	38.50			
Year ending February 29, 2016 (forecast)			-	38.50	77.00

Note: Revision of dividends forecast during the current quarterly period: None

3. Forecast of Business Results for the Fiscal Year ending February 29, 2016 (from March 1, 2015 to February 29, 2016)

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income		Net Income		Net Income per Share	
Entire Year	6,150,000	1.8%	367,000	6.9%	362,000	6.0%	183,000	5.8%	206.98	(yen)

Notes:

1. Percentages represent increase (decrease) from the corresponding period in the prior fiscal year.
2. Revision of business results forecast during the current quarterly period: Yes

* The forecast of Group's total sales include the sales of Seven-Eleven Japan and 7-Eleven, Inc. franchisees:
Entire Year: 10,600,000 million yen [3.6%]

4. Others

- (1) Changes in significant subsidiaries during the period:

(changes in specific subsidiaries accompanying change in scope of consolidation): None

Added: none

Excluded: none

- (2) Application of specific accounting for preparing the quarterly consolidated financial statements: None

- (3) Changes in accounting policies, accounting estimates or restatements

1. Changes due to amendment of accounting standards: Yes

(Application of Accounting Standard for Retirement Benefits, etc.)

For the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012), the Company and its domestic consolidated subsidiaries have additionally applied the provisions set forth in the main clauses of paragraph 35 of the Accounting Standard for Retirement Benefits and paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits effective from the beginning of the first quarter of this consolidated fiscal year. Accordingly, the Company and its domestic consolidated subsidiaries reviewed the calculation of retirement benefit obligations and current service cost and changed the method of attributing expected benefits to periods from the point basis and straight-line basis to the benefit formula basis as well as amended the determination of discount rate from that determined based on bonds with a maturity period approximate to the expected average remaining working lives of employees to one that is a single weighted average discount rate reflecting the estimated timing of retirement benefit payment and the estimated amount of each retirement benefit payment.

The application of the Accounting Standard for Retirement Benefits and its Guidance is in accordance with the transitional measures provided in paragraph 37 of the Accounting Standard for Retirement Benefits.

Accordingly, the effect of the change in the calculation of retirement benefit obligations and current service cost has been added to or deducted from retained earnings as of the beginning of the first quarter of this consolidated fiscal year.

As a result of this application, as of the beginning of this consolidated fiscal year, net defined benefit asset decreased by 3 million yen, and retained earnings decreased by 3 million yen. The effect of this application on operating income, ordinary income and income before income taxes and minority interests during this consolidated fiscal year is immaterial.

2. Changes due to other reasons: None

3. Changes in accounting estimates: None

4. Restatements: None

- (4) Number of shares outstanding (common stock)

1. Number of shares outstanding at the end of period (including treasury stock)

As of August 31, 2015: 886,441,983 shares

As of February 28, 2015: 886,441,983 shares

2. Number of treasury stock at the end of period

As of August 31, 2015: 2,291,360 shares

As of February 28, 2015: 2,375,681 shares

3. Average number of shares during the period (cumulative quarterly consolidated period)

As of August 31, 2015: 884,114,221 shares

As of August 31, 2014: 884,060,592 shares

(5) Supplementary information

The Act for Partial Revision of the Income Tax Act, etc. (Act No.9 of 2015) and the Act for Partial Revision of Local Taxes, etc.(Act No.2 of 2015) were promulgated on March 31, 2015, and as a result, the corporate tax rate, etc. will be lowered from the consolidated fiscal years beginning on or after April 1, 2015.

Accordingly, the effective statutory tax rates used to measure deferred tax assets and deferred tax liabilities will be changed from 35.6% to 33.1% for temporary differences expected to be settled or realized in the fiscal year beginning on March 1, 2016. Additionally, the effective statutory tax rate used to measure deferred tax assets and deferred tax liabilities will be changed to 32.3% for temporary differences expected to be settled or realized in the fiscal years beginning on or after March 1, 2017.

As a result of this change in the tax rate, the amount of deferred tax assets (after deducting deferred tax liabilities) decreased by 2,347 million yen, the amount of income taxes-deferred increased by 3,759 million yen and unrealized gains (losses) on available-for-sale securities increased by 1,144 million yen, and remeasurements of defined benefit plan increased by 267 million yen.

NOTICE REGARDING QUARTERLY REVIEW PROCEDURES FOR THE QUARTERLY FINANCIAL RESULTS

This quarterly financial results statement is exempt from the quarterly review procedures based upon the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results statement, the quarterly review procedure based upon the Financial Instruments and Exchange Act has not been completed.

FORWARD LOOKING STATEMENTS

1. The forecast for the year ending February 29, 2016 is based on Seven & i Holdings' hypotheses, plans and estimates at the date of publication. It is possible that some uncertain factors will cause the Company's future performance to differ significantly from the contents of the forecast.
2. Brief summary for the second quarter of FY2016 is posted on the Company's website (<http://www.7andi.com/en/ir/library/kh/201602.html>). The presentation materials related to financial results which will be used on financial results presentation planned to be held on October 9, 2015, will be posted as soon as possible after the presentation.

<Reference>

Qualitative Information on Consolidated Financial Results Forecast for the Fiscal Year ending February 29, 2016
(from March 1, 2015 to February 29, 2016)

The Company has revised its consolidated financial results forecast for the fiscal year ending February 29, 2016 from the previous forecast announced on April 2, 2015.

Consolidated financial results forecast (Millions of yen)

	Year ending February 29, 2016	
		YOY
Revenues from operations	6,150,000	1.8%
Operating income	367,000	6.9%
Ordinary income	362,000	6.0%
Net income	183,000	5.8%

Assumed exchange rates: U.S.\$1 = 120.00 yen 1yuan = 19.00 yen

Revenues from operations and operating income forecast by business segment (Millions of yen)

	Year ending February 29, 2016			
	Revenues from operations		Operating income	
		YOY		YOY
Convenience store operations	2,767,000	1.4%	302,000	9.1%
Superstore operations	2,060,000	2.4%	20,600	6.5%
Department store operations	900,000	2.9%	7,600	7.7%
Food services	84,700	4.6%	1,600	—
Financial services	192,000	7.7%	50,000	6.0%
Mail order services	164,000	(11.7)%	(6,900)	—
Others	70,000	29.9%	4,500	22.6%
Eliminations / corporate	(87,700)	—	(12,400)	—
Consolidated Total	6,150,000	1.8%	367,000	6.9%

Attached Materials

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5. Consolidated Quarterly Financial Statements
(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	February 28, 2015	August 31, 2015
	Amount	Amount
ASSETS		
Current assets	2,133,185	2,310,449
Cash and bank deposits	933,959	1,047,677
Notes and accounts receivable, trade	340,792	357,077
Trade accounts receivable - financial services	71,198	81,960
Marketable securities	100,001	190,001
Merchandise and finished goods	208,927	211,698
Work in process	71	509
Raw materials and supplies	3,170	3,598
Prepaid expenses	48,585	52,715
ATM-related temporary payments	166,686	85,959
Deferred income taxes	41,499	41,390
Other	223,653	243,127
Allowance for doubtful accounts	(5,361)	(5,264)
Non-current assets	3,101,424	3,154,140
Property and equipment	1,876,941	1,953,699
Buildings and structures, net	825,831	852,409
Furniture, fixtures and equipment, net	271,327	291,301
Land	725,553	755,851
Lease assets, net	13,229	11,729
Construction in progress	39,369	41,142
Other, net	1,629	1,264
Intangible assets	507,004	512,841
Goodwill	297,233	290,577
Software	57,150	67,123
Other	152,620	155,140
Investments and other assets	717,478	687,599
Investments in securities	168,738	146,261
Long-term loans receivable	16,361	16,163
Long-term leasehold deposits	401,206	397,256
Advances for store construction	1,210	942
Net defined benefit asset	40,889	43,387
Deferred income taxes	28,382	24,531
Other	65,673	63,853
Allowance for doubtful accounts	(4,984)	(4,796)
Deferred assets	96	52
New organization costs	0	0
Business commencement expenses	96	52
TOTAL ASSETS	5,234,705	5,464,642

(Millions of yen)

	February 28, 2015	August 31, 2015
	Amount	Amount
LIABILITIES		
Current liabilities	1,826,791	1,904,427
Notes and accounts payable, trade	412,504	475,457
Short-term loans	130,780	134,636
Current portion of long-term loans	70,013	82,835
Current portion of bonds	59,999	40,000
Income taxes payable	42,979	41,426
Accrued expenses	104,284	108,945
Deposits received	149,610	160,800
ATM-related temporary advances	66,977	40,412
Allowance for sales promotion expenses	20,408	23,727
Allowance for bonuses to employees	12,893	15,101
Allowance for bonuses to Directors and Audit & Supervisory Board Members	375	179
Allowance for loss on future collection of gift certificates	2,532	2,276
Provision for sales returns	188	155
Deposits received in banking business	475,209	498,254
Other	278,035	280,218
Non-current liabilities	976,997	1,062,247
Bonds	319,992	399,993
Long-term loans	367,467	374,335
Deferred income taxes	63,536	64,572
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	2,060	1,996
Net defined benefit liability	8,669	8,867
Deposits received from tenants and franchised stores	56,779	56,304
Asset retirement obligations	67,068	69,725
Other	91,424	86,450
TOTAL LIABILITIES	2,803,788	2,966,675
NET ASSETS		
Shareholders' equity	2,193,677	2,246,132
Common stock	50,000	50,000
Capital surplus	527,470	527,474
Retained earnings	1,622,090	1,674,341
Treasury stock, at cost	(5,883)	(5,683)
Total accumulated other comprehensive income	105,985	118,106
Unrealized gains (losses) on available-for-sale securities, net of taxes	21,571	26,722
Unrealized gains (losses) on hedging derivatives, net of taxes	557	292
Foreign currency translation adjustments	80,342	86,825
Remeasurements of defined benefit plan	3,512	4,266
Subscription rights to shares	2,427	3,006
Minority interests in consolidated subsidiaries	128,827	130,721
TOTAL NET ASSETS	2,430,917	2,497,967
TOTAL LIABILITIES AND NET ASSETS	5,234,705	5,464,642

**(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly
Statements of Comprehensive Income
Consolidated Quarterly Statements of Income**

(Millions of yen)

	Six Months ended August 31, 2014	Six Months ended August 31, 2015
	Amount	Amount
Revenues from operations	3,004,423	2,994,992
Net sales	2,488,652	2,421,593
Cost of sales	1,961,239	1,885,725
Gross profit on sales	527,412	535,867
Operating revenues	515,770	573,399
Gross profit from operations	1,043,183	1,109,266
Selling, general and administrative expenses	875,957	936,807
Operating income	167,225	172,459
Non-operating income	5,475	5,800
Interest income	2,967	2,754
Equity in earnings of affiliates	249	896
Other	2,258	2,149
Non-operating expenses	5,463	7,573
Interest expenses	3,245	3,530
Interest on bonds	1,337	1,324
Other	880	2,718
Ordinary income	167,237	170,686
Special gains	952	1,614
Gain on sales of property and equipment	642	874
Gain on sales of investments in securities	242	159
Compensation income for expropriation	3	398
Other	63	182
Special losses	17,597	19,445
Loss on disposals of property and equipment	6,330	5,580
Impairment loss on property and equipment	6,653	10,182
Special expenses related to consumption tax rate change	2,031	-
Other	2,580	3,682
Income before income taxes and minority interests	150,592	152,855
Total income taxes	61,475	63,050
Income taxes - current	58,267	60,175
Income taxes - deferred	3,207	2,875
Income before minority interests	89,117	89,804
Minority interests in net income of consolidated subsidiaries	5,215	5,283
Net income	83,901	84,521

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Six Months ended August 31, 2014	Six Months ended August 31, 2015
	Amount	Amount
Income before minority interests	89,117	89,804
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities, net of taxes	2,755	5,066
Unrealized gains (losses) on hedging derivatives, net of taxes	(611)	(535)
Foreign currency translation adjustments	(20,735)	6,630
Remeasurements of defined benefit plan	-	782
Share of other comprehensive income of entities accounted for using equity method	9	18
Total other comprehensive income	(18,582)	11,962
Comprehensive income	70,534	101,767
Comprehensive income attributable to		
Shareholders of the parent	66,124	96,643
Minority interests	4,410	5,123

(3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Six Months ended August 31, 2014	Six Months ended August 31, 2015
	Amount	Amount
Cash flows from operating activities:		
Income before income taxes and minority interests	150,592	152,855
Depreciation and amortization	83,694	93,872
Impairment loss on property and equipment	6,653	10,182
Amortization of goodwill	9,450	12,201
Interest income	(2,967)	(2,754)
Interest expenses and interest on bonds	4,583	4,855
Equity in losses (earnings) of affiliates	(249)	(896)
Gain on sales of property and equipment	(642)	(874)
Loss on disposals of property and equipment	6,330	5,580
Decrease (increase) in notes and accounts receivable, trade	(16,345)	(15,780)
Decrease (increase) in trade accounts receivable, financial services	(1,967)	(10,761)
Decrease (increase) in inventories	2,625	(2,902)
Increase (decrease) in notes and accounts payable, trade	79,873	61,558
Increase (decrease) in deposits received	60,517	11,007
Net increase (decrease) in loans in banking business	(7,000)	4,016
Net increase (decrease) in corporate bonds in banking business	(20,000)	-
Net increase (decrease) in deposits received in banking business	16,398	23,045
Net decrease (increase) in call loan in banking business	3,000	(5,000)
Net increase (decrease) in call money in banking business	22,000	4,000
Net change in ATM-related temporary accounts	(51,333)	54,162
Other	3,622	(28,493)
Sub-total	348,837	369,873
Interest and dividends received	2,214	2,255
Interest paid	(5,353)	(4,848)
Income taxes paid	(78,127)	(59,896)
Net cash provided by operating activities	267,569	307,384
Cash flows from investing activities:		
Acquisition of property and equipment	(140,827)	(152,187)
Proceeds from sales of property and equipment	2,421	2,767
Acquisition of intangible assets	(12,821)	(21,909)
Payment for purchase of investments in securities	(22,355)	(15,609)
Proceeds from sales of investments in securities	13,321	44,909
Payment for purchase of investments in subsidiaries	(351)	(0)
Payment for long-term leasehold deposits	(13,179)	(11,206)
Refund of long-term leasehold deposits	19,480	17,072
Proceeds from deposits from tenants	1,909	1,164
Refund of deposits from tenants	(1,428)	(1,579)
Payment for acquisition of business	(98)	(4,733)
Payment for time deposits	(4,556)	(3,264)
Proceeds from withdrawal of time deposits	6,687	3,289
Other	(2,156)	(1,736)
Net cash used in investing activities	(153,955)	(143,021)

(Millions of yen)

	Six Months ended August 31, 2014	Six Months ended August 31, 2015
	Amount	Amount
Cash flows from financing activities:		
Net increase (decrease) in short-term loans	4,562	(1,160)
Proceeds from long-term debts	66,800	41,750
Repayment of long-term debts	(64,825)	(23,149)
Proceeds from commercial paper	12,601	-
Payment for redemption of commercial paper	(12,601)	-
Proceeds from issuance of bonds	-	119,679
Payment for redemption of bonds	-	(60,000)
Dividends paid	(30,902)	(32,253)
Capital contribution from minority interests	26	-
Dividends paid for minority interests	(3,205)	(3,201)
Other	(9,075)	(3,464)
Net cash provided by (used in) financing activities	(36,620)	38,199
Effect of exchange rate changes on cash and cash equivalents	(2,916)	621
Net increase (decrease) in cash and cash equivalents	74,077	203,184
Cash and cash equivalents at beginning of period	921,432	1,000,762
Cash and cash equivalents at end of period	995,510	1,203,946

(4) Doubts on the Premise of Going Concern

None

(5) Segment Information

1. Information on Revenues from Operations and Income (Loss) by Reportable Segment

Six Months ended August 31, 2014 (From March 1, 2014 to August 31, 2014)

(Millions of yen)

	Reportable segments							Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Convenience store operations	Superstore operations	Department store operations	Food services	Financial services	Mail order services	Others			
Revenues from operations										
Revenues										
1. Customers	1,367,655	998,187	422,058	40,937	72,896	90,786	11,901	3,004,423	-	3,004,423
2. Intersegment	339	3,875	1,086	384	15,261	94	15,710	36,752	(36,752)	-
Total	1,367,995	1,002,063	423,144	41,322	88,157	90,880	27,611	3,041,175	(36,752)	3,004,423
Segment income (loss)	136,887	9,183	(92)	25	24,006	(3,044)	1,809	168,776	(1,550)	167,225

Notes:

1. The adjustments on segment income (loss) of (1,550) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
2. Segment income (loss) is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

Six Months ended August 31, 2015 (From March 1, 2015 to August 31, 2015)

(Millions of yen)

	Reportable segments							Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Convenience store operations	Superstore operations	Department store operations	Food services	Financial services	Mail order services	Others			
Revenues from operations										
Revenues										
1. Customers	1,330,326	1,019,447	424,139	42,718	77,775	79,509	21,074	2,994,992	-	2,994,992
2. Intersegment	435	4,625	1,641	406	17,520	405	10,522	35,558	(35,558)	-
Total	1,330,761	1,024,073	425,781	43,125	95,296	79,915	31,597	3,030,550	(35,558)	2,994,992
Segment income (loss)	152,328	1,158	(869)	1,110	24,123	(4,703)	1,944	175,093	(2,634)	172,459

Notes:

1. The adjustments on segment income (loss) of (2,634) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
2. Segment income (loss) is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

2. Impairment of Fixed Assets and Goodwill by Reportable Segment

No significant items to be reported.

(Reference)

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

Six Months ended August 31, 2014 (From March 1, 2014 to August 31, 2014) (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
Revenues						
1. Customers	1,955,328	986,115	62,979	3,004,423	-	3,004,423
2. Intersegment	548	78	479	1,107	(1,107)	-
Total	1,955,877	986,193	63,458	3,005,530	(1,107)	3,004,423
Operating income (loss)	148,906	19,324	(1,001)	167,229	(3)	167,225

Six Months ended August 31, 2015 (From March 1, 2015 to August 31, 2015) (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
Revenues						
1. Customers	2,008,264	917,199	69,528	2,994,992	-	2,994,992
2. Intersegment	458	100	478	1,038	(1,038)	-
Total	2,008,722	917,300	70,007	2,996,030	(1,038)	2,994,992
Operating income (loss)	145,176	27,507	(230)	172,453	5	172,459

Notes:

1. The classification of geographic area segments is determined according to geographical distances.
2. "Others" consists of the business results in the People's Republic of China, etc.

(6) Notes on Significant Changes in the Amount of Shareholders' Equity

None