



Consolidated Financial Results Presentation for the Fiscal Year ended February 28, 2018

April 6, 2018

Seven & i Holdings Co., Ltd.

Overview of Consolidated Financial Results for FY2018

(Billions of yen)	Q3 cumulative		Q4		FY2018		Vs Budget Difference vs Budget
		YOY Change		YOY Change		YOY Change	
Group's [*] total sales	8,265.4 bn	104.5% +356.1 bn	2,782.7 bn	102.6% +70.5 bn	11,048.2 bn	104.0% +426.6 bn	99.1% (101.7) bn
Revenues from operations	4,479.7 bn	104.4% +190.7 bn	1,558.0 bn	100.7% +11.3 bn	6,037.8 bn	103.5% +202.1 bn	99.0% (62.1) bn
Operating income	295.7 bn	108.0% +21.7 bn	95.8 bn	105.8% +5.2 bn	391.6 bn	107.4% +27.0 bn	101.3% +5.1 bn
Ordinary income	295.7 bn	107.0% +19.3 bn	95.0 bn	108.0% +7.0 bn	390.7 bn	107.2% +26.3 bn	101.5% +5.7 bn
Income before income taxes	242.9 bn	141.1% +70.8 bn	33.3 bn	73.5% (12.0) bn	276.3 bn	127.0% +58.7 bn	- -
Net income attributable to owners of parent	149.2 bn	197.6% +73.7 bn	31.8 bn	150.3% +10.6 bn	181.1 bn	187.2% +84.3 bn	102.3% +4.1 bn

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

Revenues from Operations by Business Segment for FY2018

(yen)	Q3 cumulative		Q4		FY2018		
		YOY Change		YOY Change		YOY Change	Vs Budget Difference vs Budget
Consolidated revenues from operations	4,479.7 bn	104.4% +190.7 bn	1,558.0 bn	100.7% +11.3 bn	6,037.8 bn	103.5% +202.1 bn	99.0% (62.1) bn
Domestic CVS	705.0 bn	103.2% +21.9 bn	223.6 bn	102.5% +5.4 bn	928.6 bn	103.0% +27.3 bn	99.3% (6.3) bn
Overseas CVS	1,472.8 bn	121.2% +257.5 bn	508.6 bn	114.8% +65.4 bn	1,981.5 bn	119.5% +322.9 bn	100.2% 3.5 bn
Superstore	1,399.1 bn	96.9% (45.0) bn	501.9 bn	99.4% (3.1) bn	1,901.1 bn	97.5% (48.1) bn	99.0% (18.8) bn
Department store	479.3 bn	91.5% (44.7) bn	178.5 bn	86.9% (27.0) bn	657.8 bn	90.2% (71.7) bn	97.6% (16.1) bn
Financial services	152.5 bn	102.4% +3.6 bn	50.3 bn	95.1% (2.5) bn	202.9 bn	100.5% +1.0 bn	98.0% (4.0) bn
Specialty store	309.4 bn	98.2% (5.5) bn	107.1 bn	79.1% (28.2) bn	416.6 bn	92.5% (33.8) bn	98.7% (5.3) bn
Others	17.8 bn	98.3% (0.31) bn	5.6 bn	99.9% (5) mn	23.5 bn	98.7% (0.32) bn	76.4% (7.2) bn
Eliminations / corporate	(56.5) bn	- +3.3 bn	(17.9) bn	- +1.5 bn	(74.5) bn	- (4.8) bn	- (7.7) bn

Operating Income by Business Segment for FY2018

(yen)	Q3 cumulative		Q4		FY2018		
		YOY Change		YOY Change		YOY Change	Vs Budget Difference vs Budget
Consolidated operating income	295.7 bn	108.0% +21.7 bn	95.8 bn	105.8% +5.2 bn	391.6 bn	107.4% +27.0 bn	101.3% +5.1 bn
Domestic CVS	188.4 bn	100.6% +1.0 bn	56.7 bn	100.7% +0.37 bn	245.2 bn	100.6% +1.4 bn	100.1% +0.24 bn
Overseas CVS	63.9 bn	120.4% +10.8 bn	15.1 bn	105.7% +0.81 bn	79.0 bn	117.3% +11.6 bn	102.7% +2.0 bn
Superstore	9.0 bn	91.3% (0.86) bn	12.1 bn	118.5% +1.9 bn	21.2 bn	105.1% +1.0 bn	84.4% (3.9) bn
Department store	0.28 bn	- +3.2 bn	5.0 bn	87.0% (0.76) bn	5.3 bn	187.2% +2.5 bn	103.3% +0.16 bn
Financial services	39.4 bn	101.4% +0.54 bn	10.2 bn	91.4% (0.96) bn	49.7 bn	99.2% (0.4) bn	96.5% (1.7) bn
Specialty store	0.69 bn	- +6.7 bn	(0.25) bn	- +4.9 bn	0.43 bn	- +11.7 bn	- +2.1 bn
Others	3.4 bn	114.1% +0.42 bn	0.21 bn	22.2% (0.76) bn	3.6 bn	91.6% (0.33) bn	102.0% +0.07 bn
Eliminations / corporate	(9.5) bn	- (0.2) bn	(3.5) bn	- (0.26) bn	(13.1) bn	- (0.47) bn	- +6.1 bn

Operating Income for Major Operating Companies for FY2018

(yen)	Q3 cumulative		Q4		FY2018		
		YOY Change		YOY Change		YOY Change	Vs Budget Difference vs Budget
Seven-Eleven Japan	187.5 bn	100.2% +0.44 bn	56.5 bn	100.3% +0.17 bn	244.1 bn	100.3% +0.61 bn	100.0% +0.11 bn
7-Eleven, Inc. [in dollar basis]	72.7 bn [650.39 mn]	122.5% [118.9%] +13.3 bn [+103.18 mn]	16.3 bn [159.63 mn]	94.5% [101.3%] (0.95) bn [+2.01 mn]	89.0 bn [810.02 mn]	116.2% [114.9%] +12.4 bn [+105.18 mn]	100.1% [100.1%] +0.07 bn [+0.93 mn]
Ito-Yokado	(2.4) bn	- +1.8 bn	5.5 bn	125.5% +1.1 bn	3.0 bn	- +3.0 bn	76.9% (0.92) bn
York-Benimaru (incl. Life Foods*)	11.7 bn	87.7% (1.6) bn	6.3 bn	118.5% +0.99 bn	18.0 bn	96.5% (0.66) bn	92.3% (1.5) bn
Sogo & Seibu	(0.14) bn	- +1.6 bn	5.2 bn	85.6% (0.87) bn	5.0 bn	117.0% +0.74 bn	101.6% +80.0 mn

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

The combined operating income for York-Benimaru and Life Foods represents internal management reporting figures.

Overview of Special Losses for FY2018

(Billions of yen)		Change from previous year	Major factors for the change
Special losses total	127.7	(23.4)	Decreased due to fallback from impairment of goodwill mainly related to the department store operations
Restructuring expenses	42.6	+17.0	SS: 33.5 bn yen IY: 2.6 bn yen Incl. impairment losses 31.8 bn yen
Impairment loss on property and equipment	57.0	+7.9	Impairment losses related to stores IY: 15.3 bn yen SS: 1.6 bn yen Impairment loss related to <i>omni7</i>
Amortization of goodwill	-	(39.3)	Fallback from impairment of goodwill related to the department store operations and others in the previous year
Loss on disposals of property and equipment	20.6	+2.2	SEJ: scrap & build, store renovation IY/SS: store renovation
Reference			
Special losses for Q4	67.4	+23.2	Recorded impairment loss related to <i>omni7</i>



Consolidated Financial Results Forecast for FY2019

Consolidated Financial Results Forecast for FY2019

	1H		2H		FY2019	
(Billions of yen)		YOY Change		YOY Change		YOY Change
Group's total sales*	5,900.0	107.3% +400.4	6,020.0	108.5% +471.3	11,920.0	107.9% +871.7
Revenues from operations	3,269.0	109.4% +281.8	3,414.0	111.9% +363.3	6,683.0	110.7% +645.1
Operating income	196.7	101.1% +2.2	218.3	110.7% +21.1	415.0	106.0% +23.3
Ordinary income	194.2	100.0% +0.02	214.3	109.0% +17.7	408.5	104.5% +17.7
Net income attributable to owners of parent	101.0	112.9% +11.5	109.0	118.8% +17.2	210.0	115.9% +28.8
	Interim		Year-end		Annal	
Dividends per share	¥47.5	+¥2.5	¥47.5	+¥2.5	¥95.0	+¥5.0
					Dividends payout ratio 40.0%	

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

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Revenues from Operations Forecasts by Business Segment for FY2019

(Billions of yen)		YOY	Change from previous year
Consolidated revenues from operations	6,683.0	110.7%	+645.1
Domestic CVS	958.0	103.2%	+29.3
Overseas CVS	2,635.0	133.0%	+653.4
Superstore	1,947.0	102.4%	+45.8
Department store	615.0	93.5%	(42.8)
Financial services	211.0	104.0%	+8.0
Specialty store	368.0	88.3%	(48.6)
Others	25.0	106.2%	+1.4
Eliminations / corporate	(76.0)	-	(1.4)

Operating Income Forecast by Business Segment for FY2019

(Billions of yen)		YOY	Change from previous year
Consolidated operating income	415.0	106.0%	+23.3
Domestic CVS	247.9	101.1%	+2.6
Overseas CVS	90.4	114.3%	+11.3
Superstore	29.0	136.4%	+7.7
Department store	5.7	106.2%	+0.33
Financial services	49.8	100.2%	+0.08
Specialty store	6.1	-	+5.6
Others	3.1	84.4%	(0.57)
Eliminations / corporate	(17.0)	-	(3.8)

Operating Income Forecast of Major Operating Companies for FY2019

(yen)		YOY	Change from previous year	Existing store sales increase	GPM change from previous year
Seven-Eleven Japan	246.5 bn	101.0%	+2.3 bn	+1.5%	+0.2%
7-Eleven, Inc. [in dollar basis]	110.0 bn [1,000 mn]	121.1% [123.5%]	+19.1 bn [+189.97 mn]	+3.1%	+0.4%
Ito-Yokado	10.0 bn	325.0%	+6.9 bn	+0.1%	+0.4%
York-Benimaru <including Life Foods*1>	19.6 bn	108.3%	+1.5 bn	+1.0% ^{*2}	+0.4% ^{*2}
Sogo & Seibu	5.2 bn	102.3%	+0.11 bn	+3.3%	+0.5%

*1 Life Foods is a wholly owned subsidiary which produces and sells delicatessen in York-Benimaru stores.
The combined operating income for York-Benimaru and Life Foods represents internal management reporting figures.

*2 Existing store sales increase figures for York-Benimaru non-consolidated base.

Capital Expenditures Forecast by Business Segment for FY2019

(yen)		YOY	Change from previous year
Consolidated capital expenditures	778.4 bn	224.1%	+431.0 bn
Domestic CVS	167.5 bn	119.4%	+27.1 bn
Overseas CVS	480.0 bn	509.1%	+385.7 bn
Superstore	52.8 bn	139.6%	+14.9 bn
Department store	15.5 bn	119.3%	+2.5 bn
Financial services	43.6 bn	112.4%	+4.7 bn
Specialty store	10.6 bn	119.3%	+1.7 bn
Others	2.0 bn	53.7%	(1.7) bn
Ccorporate	6.4 bn	60.8%	(4.1) bn

Capital Expenditures Forecast for Major Operating Companies for FY2019

(yen)		YOY	Change from previous year
Seven-Eleven Japan	160.0 bn	112.7%	+23.7 bn
7-Eleven, Inc. [in dollar basis]	480.0 bn [4,363.63 mn]	485.5% [495.0%]	+381.1 bn [+3,482.08 mn]
Ito-Yokado	28.4 bn	157.1%	+10.3 bn
York-Benimaru	15.9 bn	118.2%	+2.4 bn
Sogo & Seibu	15.0 bn	120.3%	+2.5 bn



Appendix

Domestic Convenience Store Operations: Results

Seven-Eleven Japan

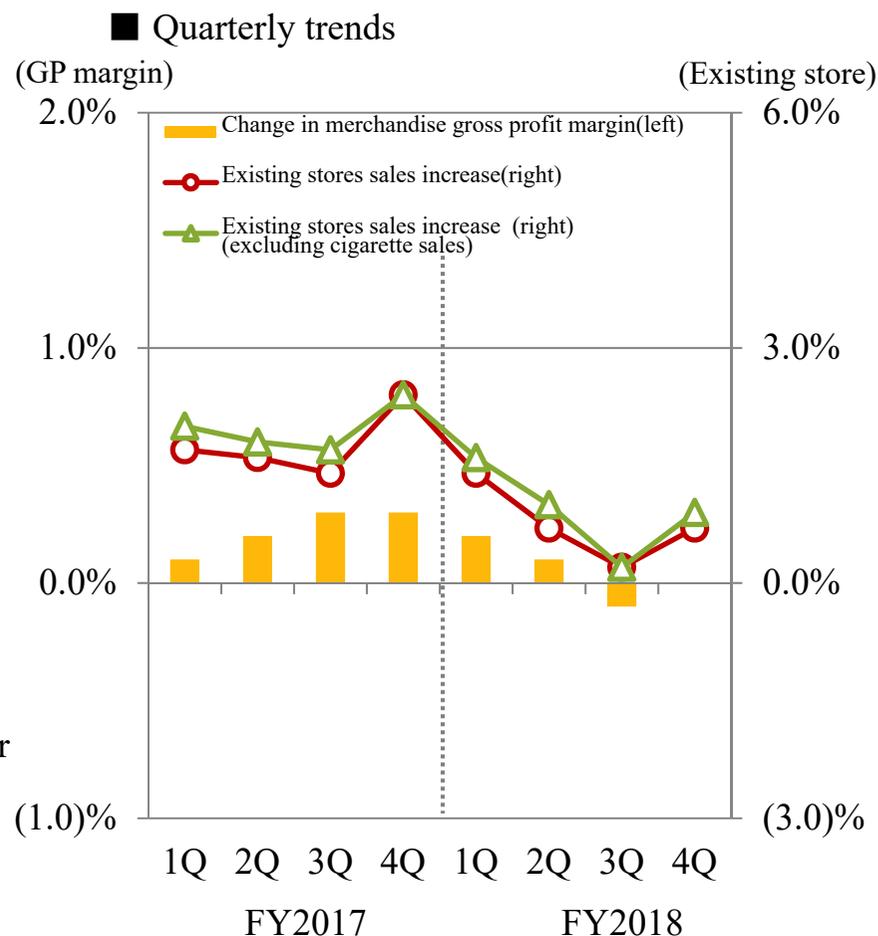


Record-high income for a seventh consecutive year resulted from increased existing store sales and improvement of gross profit margin

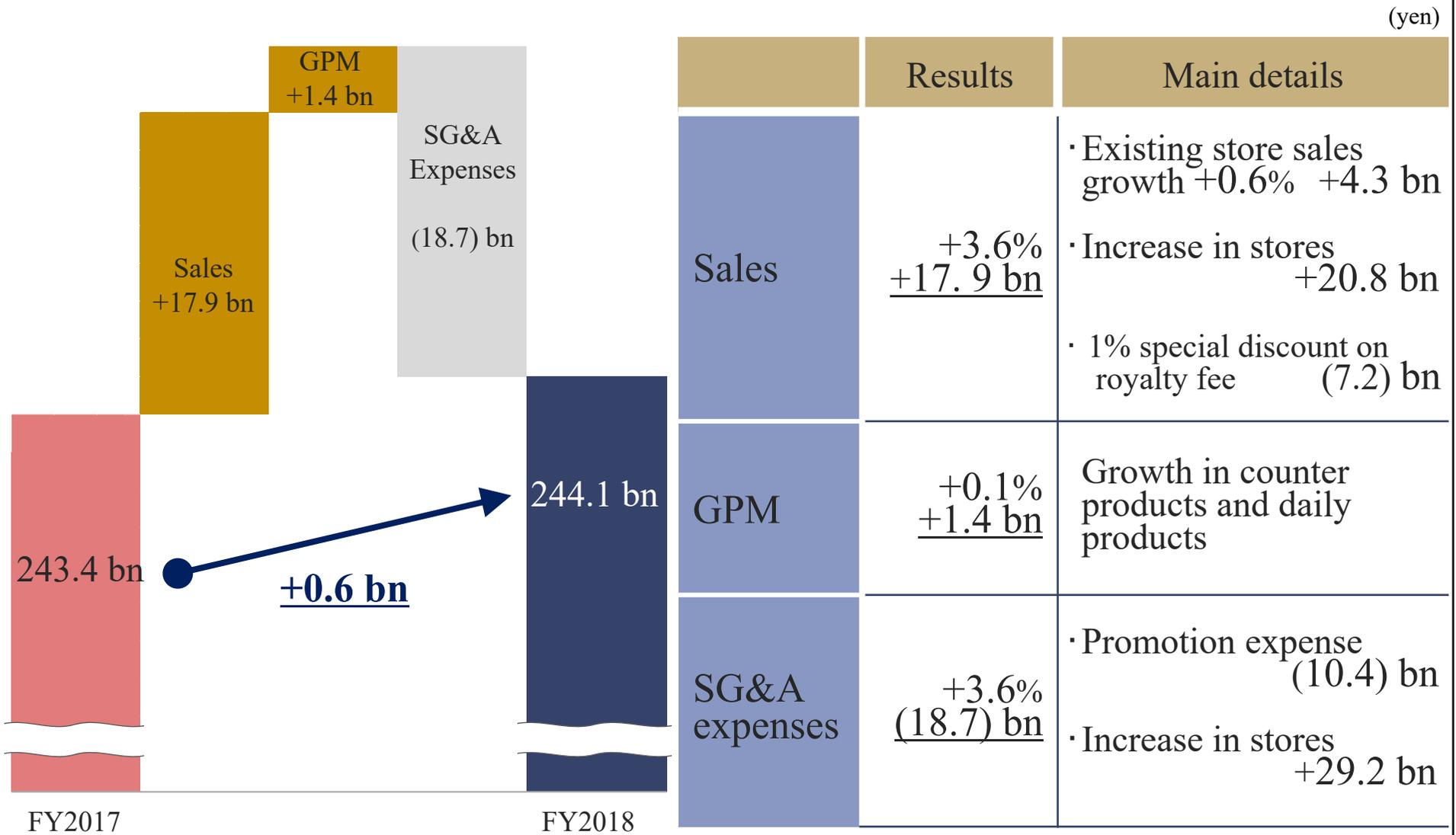
	Results	YOY
Operating income	244.1 bn yen	100.3% +0.61 bn yen
Existing store sales increase	+0.6% (incl. prepaid card: +0.7%)	
Merchandise gross profit margin	31.9%	+0.1%

Overview

- Existing store sales: Driven by growth in improved-quality daily products and counter products
- Gross profit margin: Improved due to increase in sales of fryer foods and *SEVEN CAFÉ*, etc. with high gross profit
- Operating income: Achieved record-high operating income by driving growth in existing store sales and improving gross profit margin, in addition to controlling growth in SG&A expenses

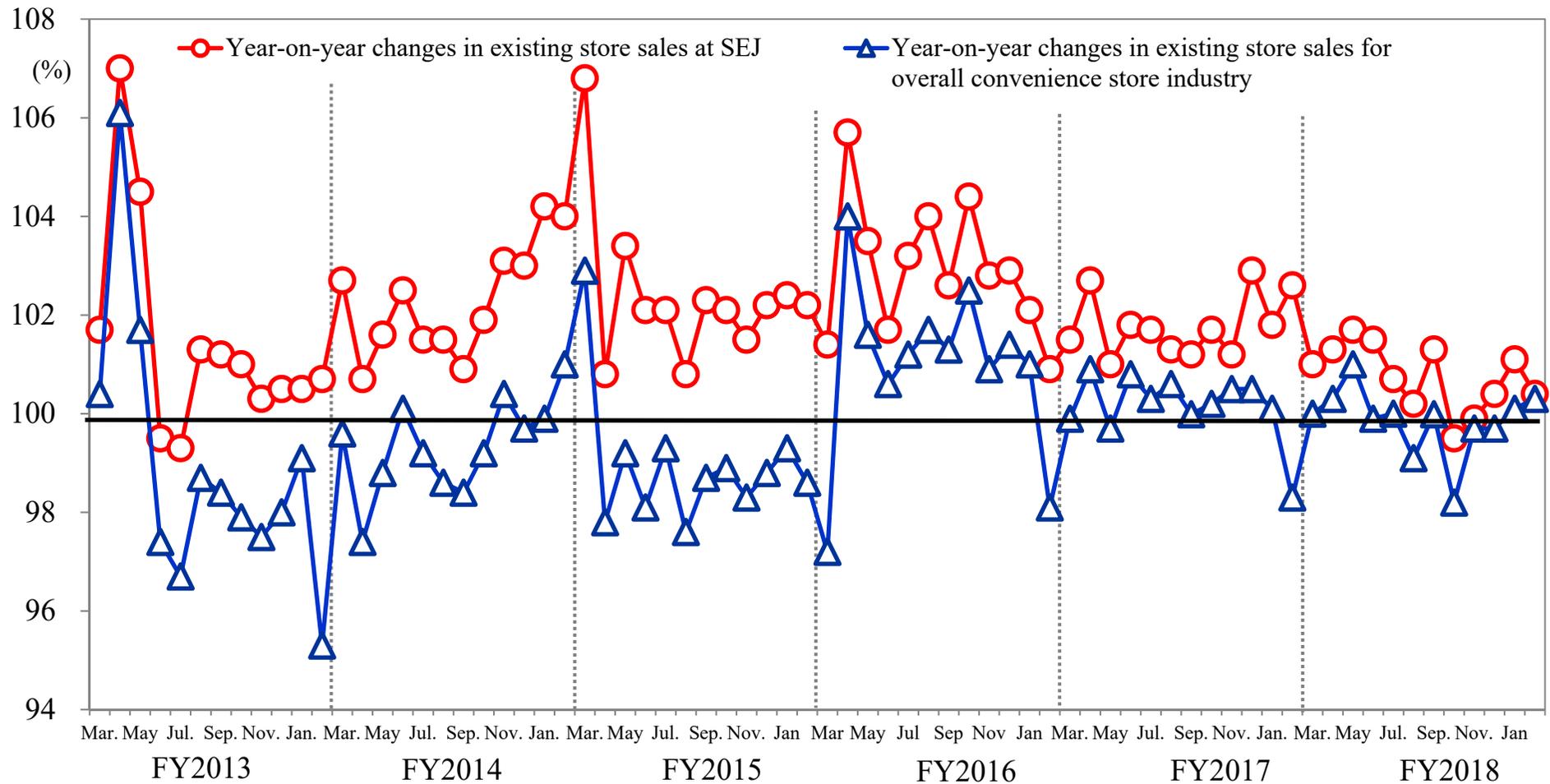


SEJ: Factors in YOY Change of Operating Income



SEJ: Trend in YOY Changes in Existing Store Sales

■ Trend in YOY changes in existing store sales at SEJ

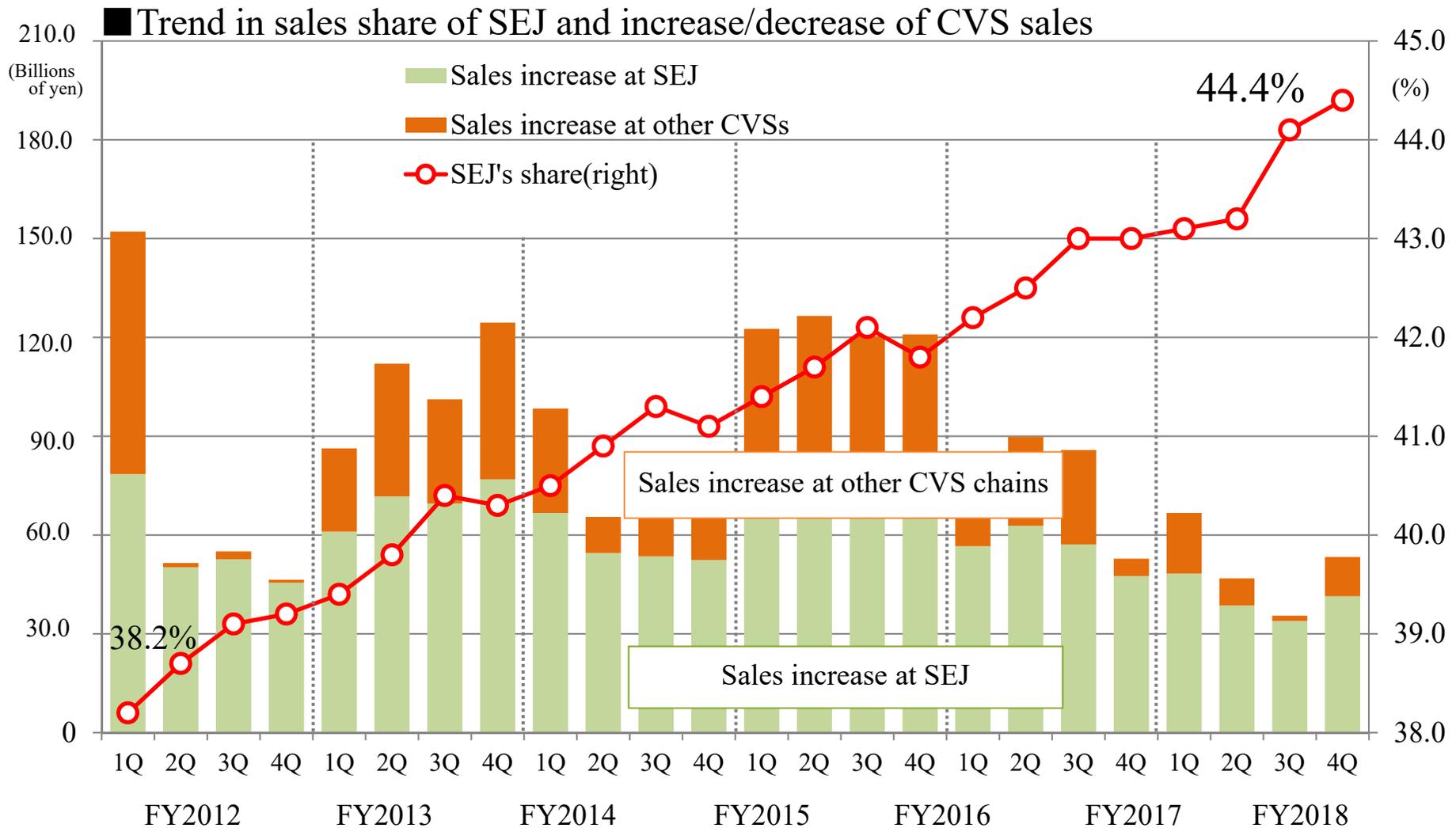


Note: February 2016 figures for existing store YOY change at overall convenience stores represent the YOY change in total sales [up 1.6%], including the impact of the leap year, converted to daily-sales basis.

Source: *Japan Franchise Association monthly convenience store survey*

SEJ: Trend in Sales Share and Changes in Sales by Quarter

● Record-high sales share expanded to **44.4%** resulted from increased existing store sales



Source: Japan Franchise Association monthly convenience store survey

Overseas Convenience Store Operations: Results

7-Eleven, Inc.

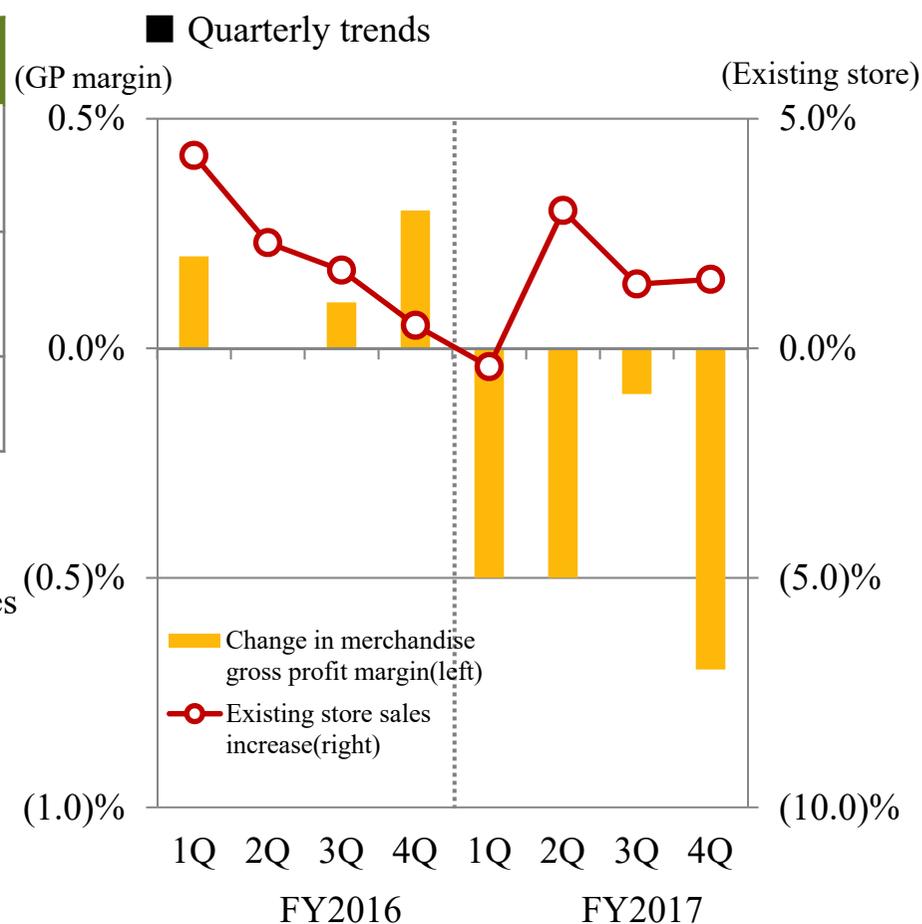


Higher income due to mainly driving growth in existing store sales and brisk sales of gasoline, despite deterioration in merchandise gross profit margin

	Results	YOY
Operating income	90.8 bn yen	118.5% +14.1 bn yen
Existing store sales increase (U.S. MDSE sales in \$ basis)	+1.6%	
Merchandise gross profit margin	34.3%	(0.5)%

Overview

- Existing store sales: Increased due primarily to brisk sales of cigarettes, despite the impact of poor weather.
- Gross profit margin: Deteriorated due to growth in low gross-profit-margin cigarettes sales and decline in beverages, etc.
- Operating income: Higher income due to mainly brisk sales of gasoline, despite deterioration in merchandise gross profit margin.



Superstore Operations: Results (1)

Ito-Yokado



Higher income mainly due to a reduction in SG&A expenses and improved gross profit margin despite a decline in existing store sales

	Results	YOY
Operating income	3.0 bn yen	- +3.0 bn yen
Existing store sales increase	(1.4)%	[(0.9)%]*
Merchandise gross profit margin	29.6%	+0.5%

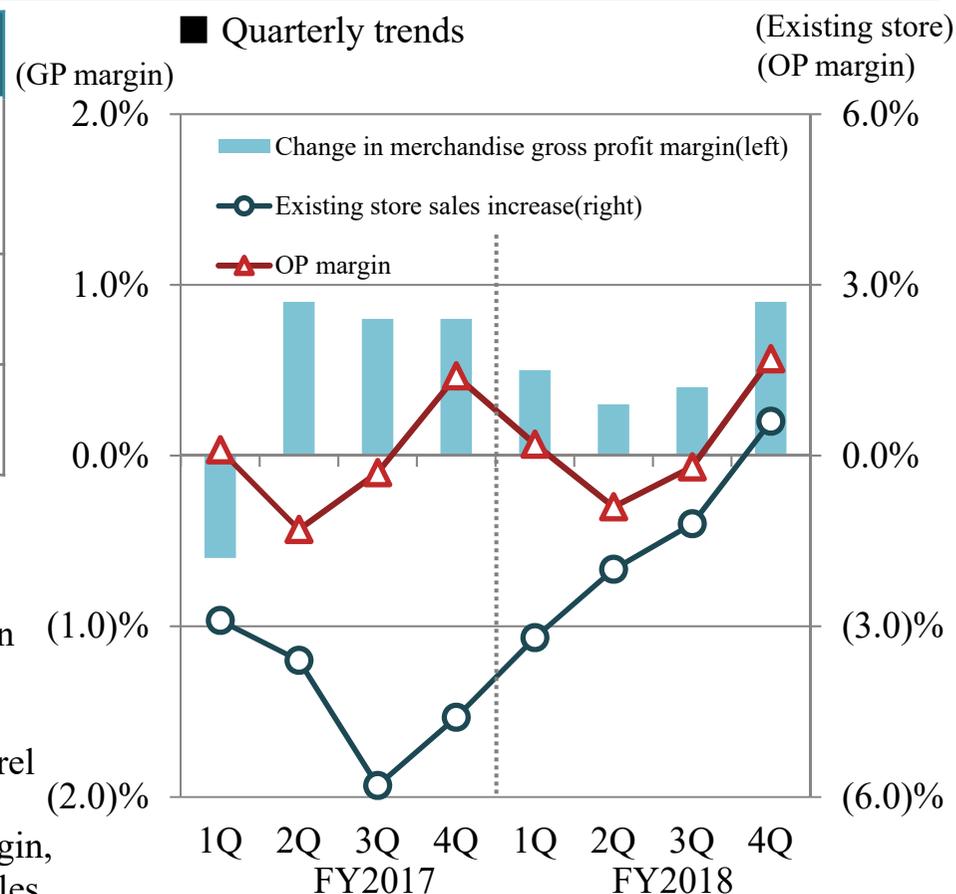
Overview

*Existing store sales increase of total shopping centers sales

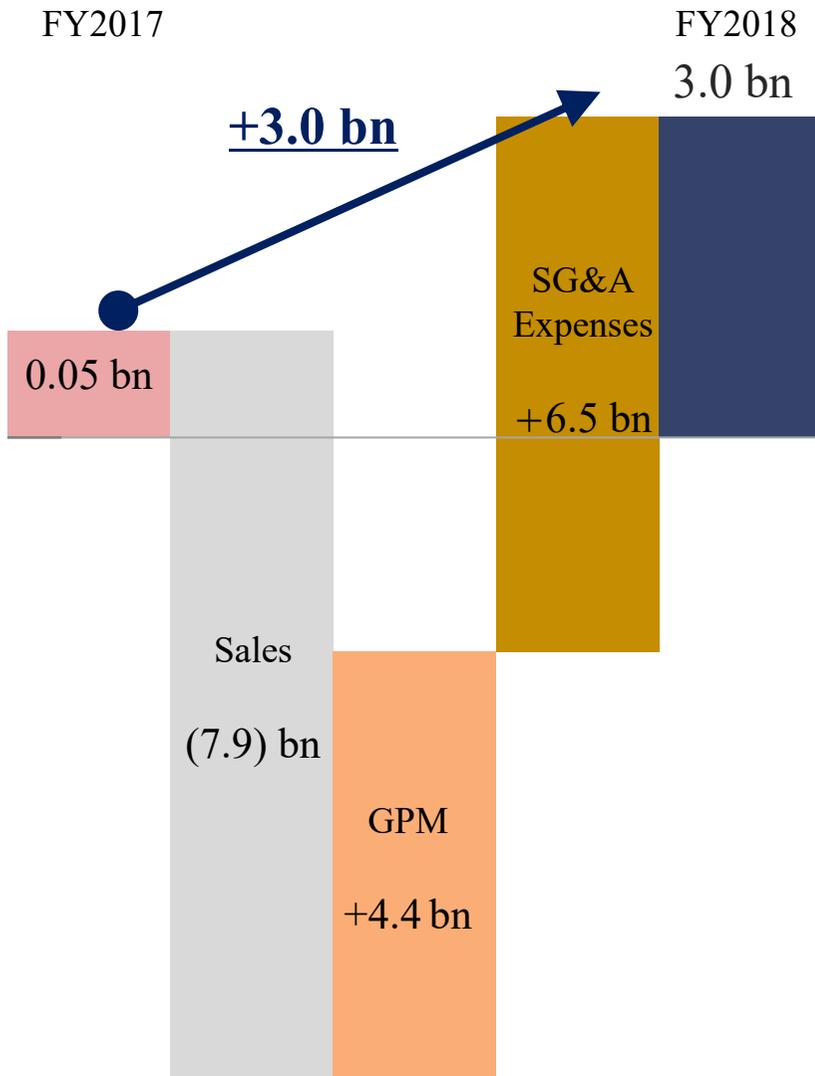
- Existing store sales: Decreased mainly due to a reduction in the number of pamphlets and in the level of discount on apparel and household goods
- Gross profit margin: Increased mainly due to revision of sales promotions and decrease in discount losses on apparel
- Operating income: Increased as reduction in SG&A expenses [(6.5) bn yen], improvement in gross profit margin, and other factors absorbed the decline in existing store sales

Progress on renovation

Renovated 19 stores for FY2018
(Conversion to Ario: 1, Existing Ario: 9, Tenant mix: 9)



IY: Factors in YOY Change of Operating Income



	Results	Main details
Sales	(0.5) % <u>(7.9) bn</u>	<ul style="list-style-type: none"> Existing store sales (1.4) % Reduced advertising & decoration expenses
GPM	+0.5% <u>+4.4 bn</u>	<ul style="list-style-type: none"> Apparel +1.5 % Household goods +1.1 % Food (0.1) %
SG&A expenses	(2.1) % <u>+6.5 bn</u>	<ul style="list-style-type: none"> Rent +2.6 bn Depreciation +1.0 bn

Superstore Operations: Results (2)

York-Benimaru



Higher income mainly due to a reduction in SG&A expenses despite declines in existing store sales and gross profit margin

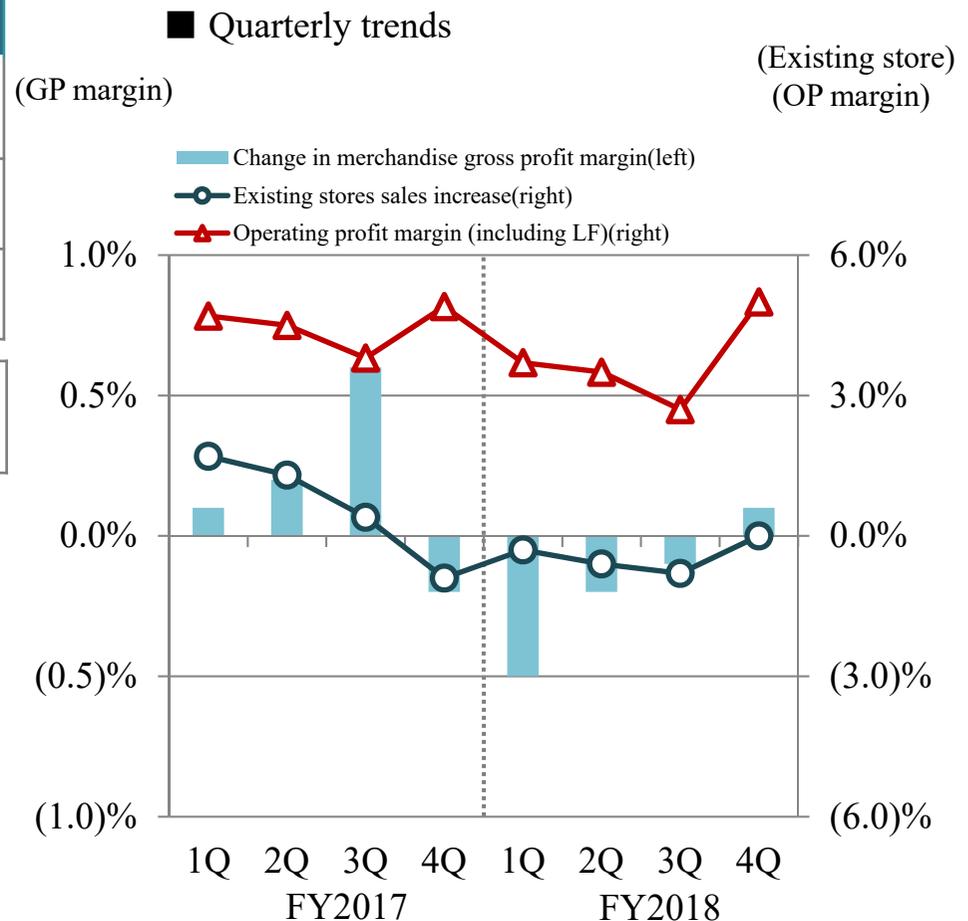
	Results	YOY
Operating income	14.0 bn yen	100.1% +0.01 bn yen
Existing store sales increase	(0.4)%	
Merchandise gross profit margin	25.7%	(0.1)%
Operating income (including Life Foods)*	18.0 bn yen	96.5% (0.6) bn yen

Overview

- Existing store sales: Food sales were increased from the previous year but were unable to cover struggling sales of apparel and household goods, leading to a decline in existing store sales.
- Gross profit margin: Lower due to strengthening sales promotions, etc.
- Operating income: Higher income mainly due to a reduction in SG&A expenses despite declines in existing store sales and gross profit margin.

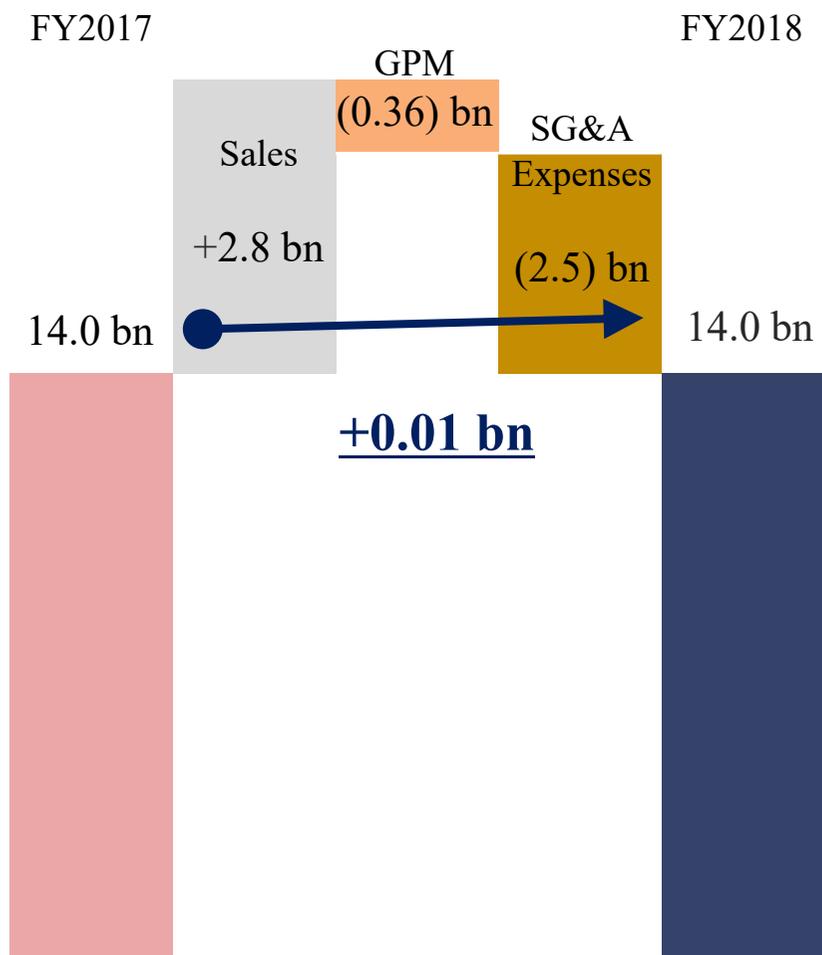
*Life Foods (LF): Life Foods is a wholly owned subsidiary which produces and sells delicatessen items in York-Benimaru stores.

Note: The combined operating income for YB and LF are management figures provided for reference purposes.



YB: Factors in YOY Change of Operating Income

(yen)



	Results	Main details
Sales	+2.5% <u>+2.8 bn</u>	<ul style="list-style-type: none"> · Increase in stores (openings: 11 closures: 11) · Existing store sales (0.4)% · Struggled apparel and household goods sales
GPM	(0.1) % <u>(0.36) bn</u>	<ul style="list-style-type: none"> · Apparel +0.9% · Household goods ▲0.3% · Food ▲0.2%
SG&A expenses	+2.7 % <u>(2.5) bn</u>	<ul style="list-style-type: none"> · Rent +2.2 bn · Depreciation +1.0 bn

Department Store Operations: Results

Sogo & Seibu

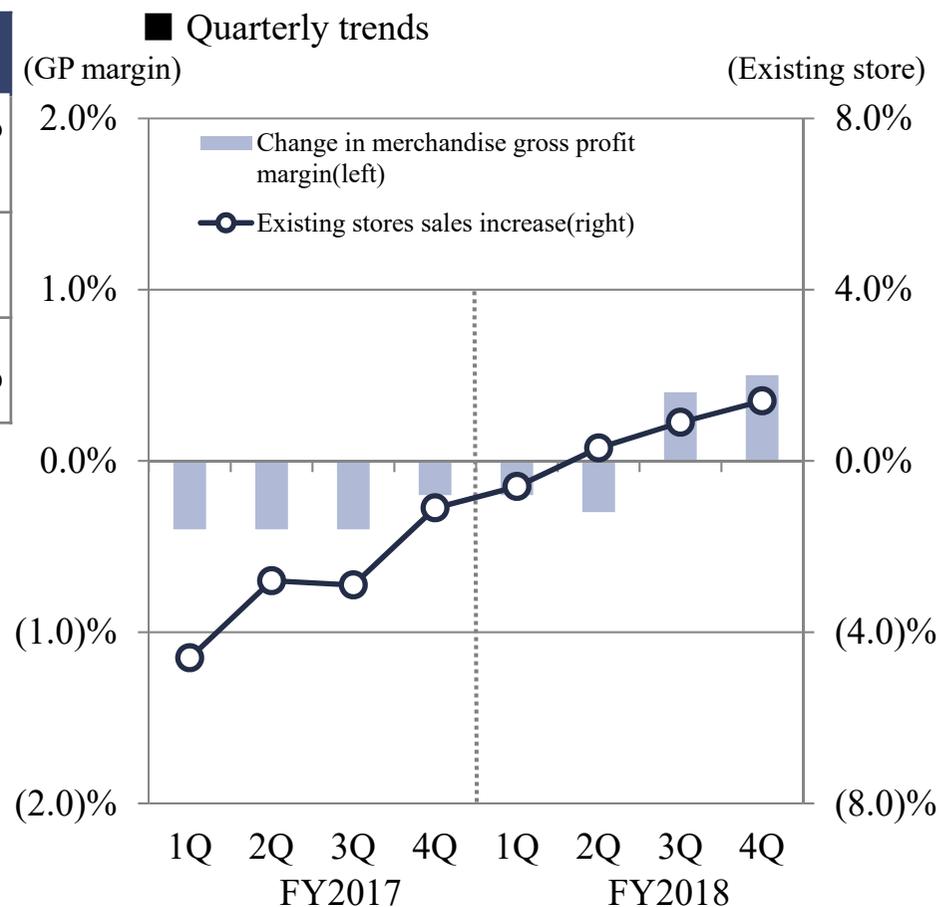


Higher income due to increase in existing stores sales and optimizing SG&A expenses in conjunction with structural reforms

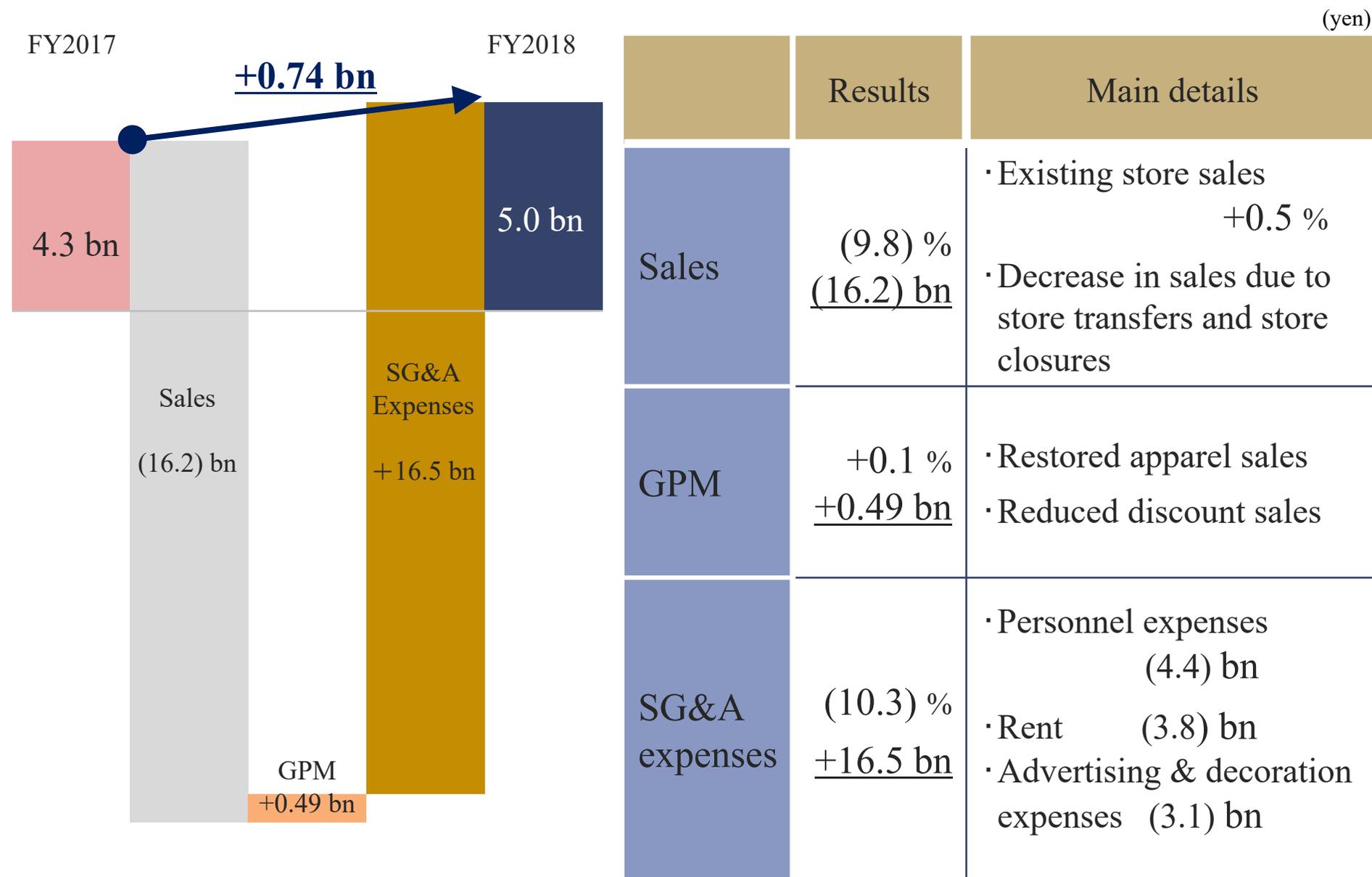
	Results	YOY
Operating income	5.0 bn yen	117.1% +0.74 bn yen
Existing store sales increase	+0.5%	
Merchandise gross profit margin	24.0%	+0.1%

Overview

- Existing store sales: Trending above YOY, partly due to progress in optimizing advertising and decoration expenses
- Gross profit margin: GPM was restored to the previous year's level owing to reduced losses on price discounts and improved apparel sales in 2H
- Operating income: Higher income due to increase in existing stores sales and optimizing SG&A expenses in conjunction with structural reforms



SS: Factors in YOY Change of Operating Income



This document contains certain statements based on the Company's current plans, estimates, strategies, and beliefs; all statements that are not historical fact are forward-looking statements. These statements represent the judgments and hypotheses of the Company's management based on currently available information. It is possible that the Company's future performance will differ from the contents of these forward-looking statements. Accordingly, there is no assurance that the forward-looking statements in this document will prove to be accurate.