

Brief Summary for the Second Quarter of FY2020

Contents

Consolidated Results

■ I . Financial Results	P1
■ II . Major Factors for the Change	P2
■ III . Segment Information	P3
■ IV . Interest-Bearing Debt	P4
■ V . Consolidated Balance Sheets	P5
■ VI . Consolidated Statements of Income	P6
■ VII . Consolidated Statements of Cash Flows	P7

Financial Results and Business Performance of Major Companies

■ I . Domestic Convenience Store Operations	P8
■ II . Overseas Convenience Store Operations	P9
■ III . Superstore Operations	P10
■ IV . Department Store Operations	P12
■ V . Financial Services	P13
■ VI . Specialty Store Operations	P14
■ VII . Group Strategy	P14
■ VIII . Capital Expenditures, Depreciation and Amortization of Major Companies	P15

Store Information

■ I . Store Openings and Closures of Major Companies	P16
■ II . Store Information on Domestic/Overseas Convenience Store Operations	P17
■ III . Store Information on Superstore Operations	P18
■ IV . Number of Stores by Type	P19
■ V . Sales Floor Space	P19

October 10, 2019
Seven & i Holdings Co., Ltd.

■ Consolidated Results

I. Financial Results

(Millions of yen)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Group's total sales ^{*1}	5,950,391	108.2	5,997,499	100.8	12,018,004	108.8	12,051,800	100.3
Revenues from operations	3,343,538	111.9	3,313,224	99.1	6,791,215	112.5	6,688,000	98.5
Domestic convenience store operations	486,243	102.9	488,063	100.4	955,443	102.9	972,200	101.8
Overseas convenience store operations	1,357,934	141.8	1,364,648	100.5	2,821,053	142.4	2,740,000	97.1
Superstore operations	948,520	100.6	922,950	97.3	1,902,507	100.1	1,869,200	98.2
Department store operations	285,851	86.6	283,348	99.1	592,100	90.0	590,600	99.7
Financial services	108,117	106.7	107,795	99.7	215,007	105.9	221,000	102.8
Specialty store operations	182,733	87.6	171,754	94.0	355,474	85.3	349,000	98.2
Others	11,493	99.5	12,016	104.5	23,720	100.8	27,000	113.8
Eliminations / Corporate	(37,356)	-	(37,353)	-	(74,093)	-	(81,000)	-
Operating income (loss)	199,610	102.6	205,127	102.8	411,596	105.1	420,000	102.0
Domestic convenience store operations	127,833	97.5	133,397	104.4	246,721	100.6	251,400	101.9
Overseas convenience store operations	36,259	108.4	40,660	112.1	92,266	116.7	102,700	111.3
Superstore operations	9,409	141.1	6,996	74.4	21,173	99.6	26,100	123.3
Department store operations	96	11.0	(618)	-	3,737	69.6	4,700	125.8
Financial services	28,349	109.8	27,100	95.6	52,874	106.4	46,300	87.6
Specialty store operations	3,794	454.8	4,065	107.1	6,680	-	8,100	121.3
Others	1,332	62.9	796	59.8	2,659	72.4	2,500	94.0
Eliminations / Corporate	(7,465)	-	(7,271)	-	(14,515)	-	(21,800)	-
Ordinary income	196,890	101.4	203,234	103.2	406,523	104.0	414,500	102.0
Special gains	5,233	138.8	2,398	45.8	15,556	116.5		
Special losses	45,849	91.8	29,969	65.4	104,668	81.9		
Income before income taxes	156,275	105.6	175,663	112.4	317,411	114.9		
Net income attributable to owners of parent	101,355	113.3	110,647	109.2	203,004	112.1	210,000	103.4
Net income per share	yen	%	yen	%	yen	%	yen	%
	114.58	113.3	125.14	109.2	229.50	112.1	237.87	103.6
Number of shares outstanding								
Average ^{*2}	884,566,647		884,167,217		884,568,131			
End of period ^{*2}	884,570,773		882,844,092		884,568,599			

*1. Group's total sales include the sales of SEVEN-ELEVEN JAPAN, SEVEN-ELEVEN OKINAWA and 7-Eleven, Inc. franchisees.

*2. Excluding treasury stock. Seven & i Holdings has introduced the BIP Trust and ESOP Trust from this consolidated cumulative second quarter and the Seven & i Holdings' shares held by these Trusts are included in the number of treasury shares.

Exchange rates

(yen)

	Six Months Ended Aug. 31, 2018	Six Months Ended Aug. 31, 2019	Fiscal Year Ended Feb. 28, 2019	Fiscal Year Ending Feb. 29, 2020 (Forecast)
Income statements U.S.\$1=	108.67	110.06	110.44	110.00
1yuan=	17.08	16.20	16.71	16.00
Balance sheets U.S.\$1=	110.54	107.79	111.00	-
1yuan=	16.66	15.69	16.16	-

Operating income before amortization of goodwill

(Millions of yen)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Total	210,939	104.0	216,916	102.8	434,781	106.5	443,900	102.1
Domestic convenience store operations	127,833	97.5	133,397	104.4	246,721	100.6		
Overseas convenience store operations	45,179	114.6	50,490	111.8	111,098	122.3		
Superstore operations	10,959	133.4	8,545	78.0	24,272	99.6		
Department store operations	96	11.0	(618)	-	3,737	69.6		
Financial services	29,002	109.5	27,280	94.1	53,714	105.2		
Specialty store operations	4,001	384.4	4,296	107.4	7,093	835.7		
Others	1,332	62.9	796	59.8	2,659	72.4		
Eliminations / Corporate	(7,465)	-	(7,271)	-	(14,515)	-		

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)		(yen)
	Six Months Ended Aug. 31, 2019	Change	Major Factors for the Change
Group's total sales ^{*1}	5,997,499	+47,107	Total store sales at Seven-Eleven Japan: +48.4 bn. Total store sales at 7-Eleven, Inc.: +31.3 bn. The effect of exchange rate: +21.8bn.
Revenues from operations	3,313,224	(30,313)	Domestic CVS: +1.8 bn. Overseas CVS: +6.7 bn. Superstore: (25.5) bn. Department store: (2.5) bn. Specialty store: (10.9) bn. The effect of exchange rate: +14.2 bn.
Operating income (loss)	205,127	+5,516	The effect of exchange rate: +0.48 bn.
Domestic convenience store operations	133,397	+5,564	Seven-Eleven Japan: +4.9 bn. Sales: +5.9 bn., Gross profit margin: +1.1 bn., SG&A expenses: (2.1) bn. Others: +0.60 bn.
Overseas convenience store operations	40,660	+4,401	7-Eleven, Inc.: +5.3 bn. Sales: +13.3 bn., Gross profit margin: +9.9 bn., SG&A expenses: (17.9) bn. Amortization of goodwill: (0.90) bn. The effect of exchange rate: +0.51 bn.
Superstore operations	6,996	(2,413)	Ito-Yokado: (1.3) bn. Sales: (5.3) bn., Gross profit margin: +0.05 bn., SG&A expenses: +3.9 bn. York-Benimaru: +0.62 bn. Sales: (0.26) bn., Gross profit margin: +1.3 bn., SG&A expenses: (0.42) bn. Life Foods ^{*2} : (0.20) bn. Others: (1.4) bn.
Department store operations	(618)	(715)	Sogo & Seibu: (0.78) bn. Sales: (0.74) bn., Gross profit margin: (0.58) bn., SG&A expenses: +0.54 bn. Others: +0.07 bn.
Financial services	27,100	(1,248)	Profit declined mainly for adapting credit cards to IC in the non-bank business and expenses associated with 7pay service.
Specialty store operations	4,065	+270	Seven & i Food Systems: +0.21 bn. Nissen Holdings (Consolidated): +0.29 bn. Others: (0.23) bn.
Others	796	(535)	
Eliminations / Corporate ^{*3}	(7,271)	+193	
Ordinary income	203,234	+6,343	Increase in operating income
Income before income taxes	175,663	+19,387	Increase in ordinary income, decrease in special losses
Net income attributable to owners of parent	110,647	+9,292	

*1. Group's total sales include the sales of Seven-Eleven Japan, SEVEN-ELEVEN OKINAWA 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, 2018		Six Months Ended Aug. 31, 2019			Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)		YOY(%)	Composition(%)		YOY(%)		YOY(%)
Capital expenditures	350,088	233.7	169,501	48.4	100.0	539,328	155.3	433,700	80.4
	[336,222]	[224.5]	-	-	-	[525,462]	[151.3]	-	-
Domestic convenience store operations	59,093	100.5	51,220	86.7	30.2	115,525	82.3	153,400	132.8
Overseas convenience store operations	220,076	501.7	53,601	24.4	31.6	288,221	305.7	121,000	42.0
Superstore operations	37,716	275.3	26,973	71.5	15.9	61,462	162.5	63,100	102.7
	[23,851]	[174.1]	-	-	-	[47,596]	[125.8]	-	-
Department store operations	6,793	130.0	4,311	63.5	2.5	16,955	130.5	22,300	131.5
Financial services	16,823	98.8	19,510	116.0	11.5	34,918	90.0	41,800	119.7
Specialty store operations	4,624	135.4	4,533	98.0	2.7	9,157	103.1	12,800	139.8
Others	1,002	33.4	1,461	145.8	0.9	2,931	78.7	3,900	133.1
Corporate	3,956	83.4	7,889	199.4	4.7	10,157	96.4	15,400	151.6
Depreciation and amortization	108,609	102.5	111,622	102.8	100.0	221,133	103.7	236,400	106.9
Domestic convenience store operations	36,068	112.2	37,529	104.0	33.6	72,717	109.3	77,500	106.6
Overseas convenience store operations	36,939	105.2	38,241	103.5	34.3	76,141	109.4	79,000	103.8
Superstore operations	11,901	100.0	12,770	107.3	11.4	24,475	102.4	26,900	109.9
Department store operations	4,084	80.7	4,553	111.5	4.1	8,667	89.1	9,400	108.5
Financial services	15,762	109.3	14,584	92.5	13.1	31,072	107.4	33,400	107.5
Specialty store operations	2,164	76.0	1,833	84.7	1.6	4,141	74.1	4,400	106.2
Others	1,126	97.7	1,193	105.9	1.1	2,267	100.4	2,500	110.3
Corporate	560	17.2	914	163.0	0.8	1,651	24.7	3,300	199.8
Amortization of goodwill	11,328	134.8	11,789	104.1	100.0	23,184	139.5	23,900	103.1
Domestic convenience store operations	-	-	-	-	-	-	-	-	-
Overseas convenience store operations	8,919	149.2	9,829	110.2	83.4	18,832	160.0	-	-
Superstore operations	1,549	100.0	1,549	100.0	13.1	3,098	100.0	-	-
Department store operations	-	-	-	-	-	-	-	-	-
Financial services	652	97.6	179	27.5	1.5	840	62.9	-	-
Specialty store operations	206	100.0	231	112.0	2.0	413	100.0	-	-
Others	-	-	-	-	-	-	-	-	-
Corporate	-	-	-	-	-	-	-	-	-
Impairment losses	22,943	71.8	15,276	66.6	100.0	57,368	64.5	-	-
Domestic convenience store operations	8,621	144.5	6,583	76.4	43.1	19,500	212.0	-	-
Overseas convenience store operations	503	172.4	287	57.2	1.9	3,435	101.2	-	-
Superstore operations	4,655	64.2	3,128	67.2	20.5	20,349	106.1	-	-
Department store operations	379	2.2	457	120.6	3.0	2,994	10.1	-	-
Financial services	10,582	-	4,575	43.2	30.0	10,756	-	-	-
Specialty store operations	1,700	191.5	235	13.9	1.5	3,888	68.3	-	-
Others	-	-	-	-	-	-	-	-	-
Eliminations / Corporate	(3,500)	-	6	-	±0.0	(3,557)	-	-	-

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 of a new store in superstore operations.

4. 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 1,078 million yen, 4,794 million yen, and 1,591 million yen recorded as "loss on digital and settlement services" and "restructuring expenses" in the consolidated income statements for the six months ended Aug. 31, 2018 and 2019, and recorded as the same for the fiscal year ended Feb. 28, 2019.

Geographic area segment information

(Millions of yen)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019			Fiscal Year Ended Feb. 28, 2019	
		YOY(%)		YOY(%)	Composition(%)		YOY(%)
Revenues from operations	3,343,538	111.9	3,313,224	99.1	-	6,791,215	112.5
Japan	1,907,699	97.5	1,869,324	98.0	56.4	3,812,200	97.6
North America	1,377,853	141.2	1,385,154	100.5	41.8	2,862,627	141.9
Others	58,588	106.0	59,486	101.5	1.8	117,555	103.1
Eliminations	(601)	-	(741)	-	-	(1,167)	-
Operating income	199,610	102.6	205,127	102.8	-	411,596	105.1
Japan	164,459	101.7	164,646	100.1	80.2	319,613	101.6
North America	34,554	107.5	40,525	117.3	19.7	90,411	119.6
Others	591	96.4	116	19.6	0.1	1,562	118.3
Eliminations	5	104.2	(160)	-	-	9	91.4

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

IV. Interest-Bearing Debt

(Millions of yen)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019	
		YOY(%)change		YOY(%)change		YOY(%)change
Short-term loans	202,530	131.7	153,360	75.7	143,160	112.5
Current portion of long-term loans	74,206	121.1	109,840	148.0	106,688	129.1
Current portion of bonds	50,000	66.7	80,000	160.0	50,000	66.7
Subtotal	326,736	112.7	343,200	105.0	299,848	105.2
Long-term loans	467,379	111.4	426,108	91.2	443,425	112.8
Bonds	255,000	92.7	281,915	110.6	361,914	118.7
Subtotal	722,379	104.0	708,023	98.0	805,340	115.4
Total	1,049,115	106.6	1,051,224	100.2	1,105,189	112.4
Ratio to total assets (%)	18.3	+0.4	17.6	(0.7)	19.1	+1.2
Ratio to owners' equity (%)	42.4	+0.8	41.8	(0.6)	43.8	+3.3

Segment Information excluding Financial Services

Domestic convenience store operations	-	-	-	-	-	-
Overseas convenience store operations	314,944	184.1	253,225	80.4	260,757	159.1
Superstore operations	1,275	50.0	-	-	637	33.3
Department store operations	169,612	93.3	167,015	98.5	163,564	93.1
Specialty store operations	47,450	90.6	46,113	97.2	44,296	84.1
Others	-	-	-	-	-	-
Corporate	210,000	77.8	236,915	112.8	281,914	104.4
Subtotal	743,282	109.7	703,269	94.6	751,170	113.1
Financial services	305,832	99.7	347,954	113.8	354,018	111.0
Total	1,049,115	106.6	1,051,224	100.2	1,105,189	112.4

Bond information

(As of Aug. 31, 2019)

	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
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
USD-denominated senior unsecured notes	\$ 600 million	Sep. 19, 2018	3.350%	Sep. 17, 2021
Issued by Seven Bank				
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
13th unsecured domestic straight bonds	20 billion yen	Jan. 25, 2019	0.160%	Dec. 20, 2023
14th unsecured domestic straight bonds	20 billion yen	Jan. 25, 2019	0.385%	Dec. 20, 2028

Ratings

(As of Sep. 30, 2019)

		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.28,2019	Aug. 31,2019
		Amount	Amount
ASSETS			
Current assets		2,326,459	2,497,855
Cash and bank deposits		1,314,564	1,387,053
Notes and accounts receivable-trade		336,070	372,507
Trade accounts receivable-financial services		101,490	102,343
Merchandise and finished goods		178,178	180,821
Work in process		60	55
Raw materials and supplies		2,781	2,900
Prepaid expenses		55,867	55,698
ATM-related temporary payments		95,694	140,776
Other		247,497	261,875
Allowance for doubtful accounts		(5,747)	(6,176)
Non-current assets		3,468,504	3,458,865
Property and equipment		2,118,630	2,131,469
Buildings and structures, net		954,093	973,839
Furniture, fixtures and equipment, net		306,321	313,505
Land		751,616	746,300
Lease assets, net		6,858	7,529
Construction in progress		89,463	77,223
Other, net		10,277	13,071
Intangible assets		608,487	599,777
Goodwill		371,969	357,419
Software		85,475	91,452
Other		151,043	150,905
Investments and other assets		741,385	727,618
Investments in securities		191,985	187,028
Long-term loans receivable		14,415	14,262
Long-term leasehold deposits		372,348	366,331
Advances for store construction		548	449
Net defined benefit asset		43,666	45,678
Deferred income taxes		57,424	55,887
Other		63,878	60,768
Allowance for doubtful accounts		(2,881)	(2,788)
Deferred assets		101	2,686
Business commencement expenses		101	2,686
TOTAL ASSETS		5,795,065	5,959,406
LIABILITIES			
Current liabilities		1,992,763	2,225,072
Notes and accounts payable-trade		411,602	488,326
Short-term loans		143,160	153,360
Current portion of bonds		50,000	80,000
Current portion of long-term loans		106,688	109,840
Income taxes payable		42,642	39,598
Accrued expenses		128,802	127,819
Deposits received		174,043	232,657
ATM-related temporary advances		43,530	56,439
Allowance for sales promotion expenses		19,467	19,691
Allowance for bonuses to employees		13,829	16,078
Allowance for bonuses to Directors and Audit & Supervisory Board Members		364	175
Allowance for loss on future collection of gift certificates		1,296	1,142
Provision for sales returns		98	77
Deposits received in banking business		588,395	613,549
Other		268,841	286,314
Non-current liabilities		1,129,814	1,067,880
Bonds		361,914	281,915
Long-term loans		443,425	426,108
Deferred income taxes		43,926	38,559
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members		925	825
Allowance for stock payments		159	3,090
Net defined benefit liability		7,534	7,182
Deposits received from tenants and franchised stores		53,145	52,891
Asset retirement obligations		85,971	86,752
Other		132,811	170,554
TOTAL LIABILITIES		3,122,578	3,292,952
NET ASSETS			
Shareholder's equity		2,470,808	2,489,521
Common stock		50,000	50,000
Capital surplus		409,859	409,262
Retained earnings		2,015,630	2,041,576
Treasury stock, at cost		(4,680)	(11,318)
Total accumulated other comprehensive income		50,587	27,762
Unrealized gains(losses)on available-for-sale securities,net of taxes		26,150	23,904
Unrealized gains(losses)on hedging derivatives,net of taxes		(69)	(318)
Foreign currency translation adjustments		23,768	4,615
Remeasurements of defined benefit plans		737	(438)
Subscription rights to shares		2,805	333
Non-controlling interests		148,285	148,836
TOTAL NET ASSETS		2,672,486	2,666,454
TOTAL LIABILITIES AND NET ASSETS		5,795,065	5,959,406

Note: "Partial Amendments to the Accounting Standard for Tax Effect Accounting" (ASBJ No.28; February 16, 2018), etc. have been applied from the beginning of the first quarter of the fiscal year ending February 29, 2020, and results for the fiscal year ended February 28, 2019 are those after retrospective application.

VI. Consolidated Statements of Income

	(Millions of yen)	
	Six Months ended Aug. 31, 2018	Six Months ended Aug. 31, 2019
Revenues from operations	3,343,538	3,313,224
Net sales	2,707,453	2,656,629
Cost of sales	2,173,075	2,120,628
Gross profit on sales	534,377	536,001
Operating revenues	636,085	656,595
Gross profit from operations	1,170,463	1,192,596
Selling, general and administrative expenses	970,852	987,469
Operating income	199,610	205,127
Non-operating income	5,953	5,962
Interest income	2,585	1,796
Equity in earnings of affiliates	500	2,188
Other	2,867	1,977
Non-operating expenses	8,673	7,855
Interest expenses	5,669	4,701
Interest on bonds	1,035	844
Other	1,968	2,310
Ordinary income	196,890	203,234
Special gains	5,233	2,398
Gain on sales of property and equipment	4,723	1,605
Gain on sales of property and equipment related to Restructuring	14	78
Other	495	713
Special losses	45,849	29,969
Loss on disposals of property and equipment	9,047	6,499
Impairment loss on property and equipment	21,864	10,481
Loss on digital and settlement services	-	6,524
Restructuring expenses	1,300	2,676
Amortization of goodwill	3,829	-
Loss on sales of shares of subsidiaries	3,320	-
Other	6,486	3,786
Income before income taxes	156,275	175,663
Total income taxes	53,687	56,989
Income taxes - current	45,051	43,884
Income taxes - deferred	8,636	13,105
Net income	102,587	118,673
Net income attributable to non-controlling interests	1,232	8,026
Net income attributable to owners of parent	101,355	110,647

VII. Consolidated Statements of Cash Flows

	(Millions of yen)	
	Six Months Ended Aug. 31, 2018	Six Months Ended Aug. 31, 2019
Cash flows from operating activities:		
Income before income taxes	156,275	175,663
Depreciation and amortization	108,609	111,622
Impairment loss on property and equipment	22,943	15,276
Amortization of goodwill	15,158	11,789
Interest income	(2,585)	(1,796)
Interest expenses and interest on bonds	6,704	5,545
Equity in earnings (losses) of affiliates	(500)	(2,188)
Gain on sales of property and equipment	(4,738)	(1,684)
Loss on disposals of property and equipment	9,047	6,500
Loss on sales of shares of subsidiaries	3,320	-
Increase (decrease) in notes and accounts receivable, trade	(29,233)	(38,065)
Increase (decrease) in trade accounts receivable, financial services	455	(852)
Increase (decrease) in inventories	(502)	(4,484)
Increase (decrease) in notes and accounts payable, trade	78,132	79,841
Increase (decrease) in deposits received	(3,658)	58,415
Net increase (decrease) in loans in banking business	-	(10,000)
Net increase (decrease) in corporate bonds in banking business	(15,000)	(10,000)
Net increase (decrease) in deposits received in banking business	10,952	25,153
Net change in ATM-related temporary accounts	(2,760)	(32,171)
Other	761	(7,662)
Subtotal	353,381	380,901
Interest and dividends received	2,311	1,725
Interest paid	(6,416)	(5,585)
Income taxes paid	(40,873)	(47,975)
Net cash provided (used) by operating activities	308,403	329,065
Cash flows from investing activities:		
Acquisition of property and equipment	(329,590)	(150,397)
Proceeds from sales of property and equipment	71,316	5,234
Acquisition of intangible assets	(18,050)	(21,120)
Payment for purchase of investments in securities	(23,858)	(11,907)
Proceeds from sales of investments in securities	5,900	18,198
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	12
Payment for sales of shares in subsidiaries resulting in change in scope of consolidation	(127)	-
Payment for long-term leasehold deposits	(7,985)	(4,463)
Refund of long-term leasehold deposits	14,948	14,448
Proceeds from deposits from tenants	1,490	1,479
Refund of deposits from tenants	(1,866)	(2,043)
Payment for acquisition of business	(172,327)	(9,461)
Payment for time deposits	(9,562)	(1,824)
Proceeds from withdrawal of time deposits	6,810	2,408
Other	(2,034)	(6,297)
Net cash provided (used) in investing activities	(464,936)	(165,735)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans	74,339	10,200
Proceeds from long-term debts	110,103	35,200
Repayment of long-term debts	(42,327)	(31,833)
Proceeds from commercial paper	2,281	-
Payment for redemption of commercial paper	(2,281)	-
Payment for redemption of bonds	(60,000)	(40,000)
Proceeds from share issuance to non-controlling shareholders	0	416
Purchase of treasury shares	(9)	(6,708)
Dividends paid	(39,785)	(41,990)
Dividends paid to non-controlling interests	(3,939)	(4,694)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(3,857)
Other	(6,703)	(8,714)
Net cash provided (used) in financing activities	31,677	(91,982)
Effect of exchange rate changes on cash and cash equivalents	(6,886)	(2,306)
Net increase (decrease) in cash and cash equivalents	(131,742)	69,040
Cash and cash equivalents at beginning of period	1,300,917	1,310,729
Decrease in cash and cash equivalents due to deconsolidation	(7)	-
Cash and cash equivalents at end of period	1,169,167	1,379,770

Note: Subsidiaries in North America that adopt USGAAP have applied ASU No.2016-18 "Statement of Cash Flows Restricted Cash (a consensus of the FASB Emerging Issues Task Force)" from the first three months of the fiscal year ending February 29, 2020.

As a result of adopting this standard, cash and cash equivalents in the quarterly consolidated cash flow statements for the six months ended Aug. 31, 2018 and 2019 indicate cash and cash equivalents including restricted cash.

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, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Total store sales	2,484,261	104.7	2,532,679	101.9	4,898,872	104.7	5,000,000	102.1
Net sales of franchised stores	2,433,221	104.8	2,489,416	102.3	4,803,852	105.0		
Revenues from operations	446,135	102.6	447,605	100.3	873,555	102.8	887,500	101.6
Franchise commission from franchised stores	392,786	102.9	401,854	102.3	773,954	104.1		
Gross profit from operations	410,134	102.9	417,269	101.7	806,688	103.7		
SG&A expenses	282,664	105.5	284,844	100.8	561,600	105.2		
Advertising expenses	32,544	98.7	28,575	87.8	60,417	101.8		
Salaries and wages	39,405	105.2	39,382	99.9	77,392	104.0		
Land and building rent	89,031	109.0	94,222	105.8	181,143	108.5		
Depreciation and amortization	34,818	112.2	36,114	103.7	70,182	109.2		
Utility expenses	23,517	102.9	24,476	104.1	48,002	103.5		
Others	63,346	102.2	62,073	98.0	124,461	101.8		
Operating income	127,470	97.5	132,425	103.9	245,088	100.4	250,000	102.0

Sales by product category (total store sales)

(Millions of yen)

	Six Months Ended Aug. 31, 2018			Six Months Ended Aug. 31, 2019			Fiscal Year Ended Feb. 28, 2019			Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)
Total store sales	2,484,261	104.7	100.0	2,532,679	101.9	100.0	4,898,872	104.7	100.0	5,000,000	102.1
Processed food	665,782	105.5	26.8	661,029	99.3	26.1	1,278,605	103.9	26.1		
Fast food	760,184	106.1	30.6	780,065	102.6	30.8	1,499,054	106.1	30.6		
Daily food	322,954	102.3	13.0	326,715	101.2	12.9	641,752	102.4	13.1		
Nonfood	735,341	103.6	29.6	764,869	104.0	30.2	1,479,459	105.1	30.2		

Average daily sales per store

(Thousands of yen)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		Change		Change		Change		Change
All stores	666	+3	659	(7)	656	+3		
Newly opened stores	584	+18	564	(20)	560	+14		

Existing store sales increase

(%)

	Six Months Ended Aug. 31, 2018	Six Months Ended Aug. 31, 2019	Fiscal Year Ended Feb. 28, 2019	Fiscal Year Ending Feb. 29, 2020 (Forecast)
Existing store sales increase	+1.4	(0.6)	+1.3	±0.0
Number of customers	(0.7)	(3.1)	(0.6)	
Average spending per customer	+2.1	+2.6	+1.9	

Gross profit margin by product category

(%)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		Change		Change		Change		Change
Total	31.9	±0.0	32.0	+0.1	31.9	±0.0	32.1	+0.2
Processed food	39.5	+0.2	39.6	+0.1	39.5	+0.1		
Fast food	35.8	+0.1	36.4	+0.6	36.1	+0.2		
Daily food	33.3	(0.1)	33.8	+0.5	33.4	(0.1)		
Nonfood	20.5	(0.4)	20.3	(0.2)	20.5	(0.2)		

II. Overseas Convenience Store Operations

7-Eleven, Inc.

Financial results

(Millions of yen)

	Six Months Ended Jun. 30, 2018		Six Months Ended Jun. 30, 2019		Fiscal Year Ended Dec. 31, 2018		Fiscal Year Ending Dec. 31, 2019 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Total store sales	1,916,979	126.2	1,948,346	101.6	3,993,259	127.4	3,963,000	99.2
Merchandise sales at directly operated stores	210,052	151.9	217,498	103.5	442,875	157.6		
Merchandise sales at franchised stores	698,077	99.8	734,558	105.2	1,472,966	102.3		
Gasoline sales	1,008,850	148.1	996,290	98.8	2,077,417	147.0		
Revenues from operations	1,357,934	141.8	1,364,648	100.5	2,821,053	142.4	2,740,000	97.1
Merchandise sales at directly operated stores ,etc	216,021	150.7	224,366	103.9	455,499	155.8		
Gasoline sales	1,008,850	148.1	996,290	98.8	2,077,417	147.0		
Other operating revenues	133,062	99.9	143,991	108.2	288,136	104.3		
Franchise commission from franchised stores	121,567	99.5	127,644	105.0	255,516	101.7		
Gross profit from operations	273,374	116.5	296,658	108.5	595,171	121.4		
SG&A expenses	228,201	116.9	246,164	107.9	484,090	121.2		
SG&A expenses (thousands of \$)	2,099,948	120.8	2,236,636	106.5	4,383,286	123.0		
Directly operated stores *	378,265	151.3	380,592	100.6	783,189	156.1		
Operating income	45,173	114.6	50,493	111.8	111,081	122.3	122,600	110.4
Operating income (thousands of dollar)	415,691	118.5	458,783	110.4	1,005,807	124.2	1,114,545	110.8

* Selling expenses of directly operated stores.

Sales by product category (total store sales)

(Millions of yen)

	Six Months Ended Jun. 30, 2018			Six Months Ended Jun. 30, 2019			Fiscal Year Ended Dec. 31, 2018			Fiscal Year Ending Dec. 31, 2019 (Forecast)	
		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)
Net sales	1,916,979	126.2	-	1,948,346	101.6	-	3,993,259	127.4	-	3,963,000	99.2
Merchandise sales	908,129	108.4	100.0	952,056	104.8	100.0	1,915,842	111.3	100.0		
Processed food	367,979	110.7	40.5	390,279	106.1	41.0	778,741	114.1	40.6		
Fast food	134,537	112.3	14.8	141,741	105.4	14.9	282,342	113.5	14.7		
Daily food	50,369	97.6	5.5	48,106	95.5	5.1	103,117	101.2	5.4		
Nonfood	355,243	106.5	39.1	371,928	104.7	39.1	751,641	109.2	39.2		
Gasoline sales	1,008,850	148.1	-	996,290	98.8	-	2,077,417	147.0	-		

Existing store sales increase

(%)

	Six Months Ended Jun. 30, 2018	Six Months Ended Jun. 30, 2019	Fiscal Year Ended Dec. 31, 2018	Fiscal Year Ending Dec. 31, 2019 (Forecast)
U.S. merchandise sales increase (dollar basis)	+1.0	+3.3	+1.9	+2.3

Average daily sales per store

	Six Months Ended Jun. 30, 2018		Six Months Ended Jun. 30, 2019		Fiscal Year Ended Dec. 31, 2018		Fiscal Year Ending Dec. 31, 2019 (Forecast)	
		Change		Change		Change		Change
All stores (dollar)	4,832	+98	4,987	+155	4,967	+126		
All stores (thousands of yen)	525	(7)	548	+23	549	+6		

Merchandise gross profit margin

(%)

	Six Months Ended Jun. 30, 2018		Six Months Ended Jun. 30, 2019		Fiscal Year Ended Dec. 31, 2018		Fiscal Year Ending Dec. 31, 2019 (Forecast)	
		Change		Change		Change		Change
Gross profit margin	34.2	(0.2)	35.0	+0.8	34.2	(0.1)	34.7	+0.5

Gasoline

	Six Months Ended Jun. 30, 2018		Six Months Ended Jun. 30, 2019		Fiscal Year Ended Dec. 31, 2018		Fiscal Year Ending Dec. 31, 2019 (Forecast)	
		YOY(%) / change		YOY(%) / change		YOY(%) / change		YOY(%) / change
Sales (thousands of dollar)	9,283,613	153.1	9,052,249	97.5	18,810,373	149.3		
Gallons sold (thousands of gallon)	3,422,900	131.4	3,469,099	101.3	6,919,338	131.4		
Gross profit (cents per gallon)*	20.49	(0.42)	21.62	+1.13	22.56	(0.06)		
Average retail price (dollars per gallon)	2.77	+0.36	2.63	(0.14)	2.78	+0.30		
Retail fuel margin (cents per gallon)	19.73	(1.72)	21.07	+1.34	22.82	(0.19)		

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

Exchange rates (Income statements)

(yen)

	Six Months Ended Jun. 30, 2018	Six Months Ended Jun. 30, 2019	Fiscal Year Ended Dec. 31, 2018	Fiscal Year Ending Dec. 31, 2019 (Forecast)
U.S. \$1=	108.67	110.06	110.44	110.00

III. Superstore Operations

Ito-Yokado

Financial results

(Millions of yen)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Revenues from operations	614,408	99.7	592,891	96.5	1,236,180	99.4	1,181,900	95.6
Net sales	599,152	99.7	577,895	96.5	1,205,751	99.4	1,150,000	95.4
Gross profit from operations	153,684	99.4	148,356	96.5	309,218	98.7		
SG&A expenses	151,833	97.0	147,850	97.4	304,510	98.1		
Advertising expenses	9,215	91.5	8,961	97.2	19,768	95.7		
Salaries and wages	64,560	95.9	61,238	94.9	127,536	96.3		
Land and building rent	28,920	97.0	27,713	95.8	57,687	97.8		
Depreciation and amortization	5,905	92.4	6,424	108.8	12,191	96.7		
Utility expenses	7,809	96.8	7,587	97.2	15,267	99.9		
Others	35,422	101.7	35,923	101.4	72,058	102.6		
Operating income	1,851	-	506	27.3	4,708	153.0	6,500	138.1

Sales by product category

(Millions of yen)

	Six Months Ended Aug. 31, 2018			Six Months Ended Aug. 31, 2019			Fiscal Year Ended Feb. 28, 2019			Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)
Net sales	599,152	99.7	100.0	577,895	96.5	100.0	1,205,751	99.4	100.0	1,150,000	95.4
Merchandise sales	426,953	97.9	71.3	406,093	95.1	70.3	862,788	97.9	71.6		
Lifestyle	156,057	95.6	26.0	146,081	93.6	25.3	310,796	96.1	25.8		
Specialty stores	6,500	96.8	1.1	6,718	103.3	1.2	13,213	98.5	1.1		
Food	264,395	99.3	44.1	253,293	95.8	43.8	538,778	98.9	44.7		
Tenants	168,812	105.2	28.2	169,955	100.7	29.4	336,390	103.7	27.9		
Others	3,386	80.8	0.6	1,847	54.5	0.3	6,573	82.8	0.5		

Existing store sales increase

(%)

	Six Months Ended Aug. 31, 2018	Six Months Ended Aug. 31, 2019	Fiscal Year Ended Feb. 28, 2019	Fiscal Year Ending Feb. 29, 2020 (Forecast)
Net sales	+0.1	(0.8)	(0.3)	
Existing store sales increase	(0.5)	(3.1)	(1.1)	(3.6)
Lifestyle	(2.5)	(4.5)	(3.4)	
Specialty stores	(0.8)	+4.2	(0.3)	
Food	+0.7	(2.5)	(0.5)	
Number of customers	(1.3)	(3.6)	(1.1)	
Average spending per customer	+0.9	+0.5	±0.0	
Tenants	+1.4	+4.1	+1.7	

Gross profit margin by product category

(%)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		Change		Change		Change		Change
Total	29.6	+0.2	30.0	+0.4	29.6	±0.0	29.9	+0.3
Lifestyle	33.5	+1.1	34.0	+0.5	33.0	+0.3		
Specialty stores	19.9	+1.3	21.4	+1.5	20.0	+1.0		
Food	27.6	(0.3)	28.0	+0.4	27.8	(0.2)		

Note: From FY2020, the previous product-base sales classifications have been revised from "Apparel", "Household goods" and "Food" to "Lifestyle", "Specialty stores" and "Food".

As a result, reflected retroactively in the figures for the six months ended Aug. 31, 2018, and for the fiscal year ended February 28, 2019.

"Lifestyle" = former "Apparel" and "Household goods" (excluding events, etc.)

"Specialty stores" = events, etc. of former "Apparel", "Household goods" and "Food"

"Food" = former "Food" (excluding events, etc.)

"Tenants" and "Others" remain unchanged.

York-Benimaru

Financial results

(Millions of yen)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Revenues from operations	222,883	102.3	221,728	99.5	445,297	101.9	450,000	101.1
Net sales	218,907	102.3	217,653	99.4	437,201	101.9	441,900	101.1
Gross profit from operations	54,698	102.2	55,747	101.9	111,139	102.2		
SG&A expenses	49,069	104.0	49,493	100.9	98,337	103.8		
Advertising expenses	3,222	95.6	3,109	96.5	6,386	96.0		
Salaries and wages	25,714	102.8	25,980	101.0	51,278	102.2		
Land and building rent	4,951	104.0	5,038	101.8	9,971	103.9		
Depreciation and amortization	2,776	111.7	2,875	103.6	5,675	110.2		
Utility expenses	2,973	112.1	3,072	103.3	6,014	110.9		
Others	9,431	106.1	9,417	99.9	19,011	107.4		
Operating income	5,628	88.5	6,253	111.1	12,801	91.0	13,900	108.6

[Reference] Results including Life Foods*

(Millions of yen)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Operating income	7,754	89.8	8,175	105.4	16,724	92.4	18,300	109.4

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, 2018			Six Months Ended Aug. 31, 2019			Fiscal Year Ended Feb. 28, 2019			Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)
Net sales	218,907	102.3	100.0	217,653	99.4	100.0	437,201	101.9	100.0	441,900	101.1
Merchandise sales	188,405	102.6	86.0	187,496	99.5	86.1	377,132	102.1	86.3		
Food	172,226	103.2	78.6	172,463	100.1	79.2	345,100	102.7	79.0		
Fresh food	76,128	103.0	34.7	76,238	100.1	35.0	153,597	102.5	35.2		
Processed food	52,604	103.0	24.0	52,813	100.4	24.3	104,950	102.9	24.0		
Daily food	43,493	103.9	19.9	43,412	99.8	19.9	86,551	102.9	19.8		
Apparel	6,365	95.2	2.9	5,786	90.9	2.7	12,761	94.3	2.9		
Household goods	9,813	96.7	4.5	9,246	94.2	4.2	19,270	96.4	4.4		
Tenants	30,501	101.0	14.0	30,157	98.9	13.9	60,069	100.9	13.7		
Life Foods*	25,545	102.1	11.7	25,215	98.7	11.6	50,539	101.7	11.5		
Others	4,956	96.1	2.3	4,941	99.7	2.3	9,529	96.6	2.2		

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

Existing store sales increase

(%)

	Six Months Ended Aug. 31, 2018	Six Months Ended Aug. 31, 2019	Fiscal Year Ended Feb. 28, 2019	Fiscal Year Ending Feb. 29, 2020 (Forecast)
Existing store sales increase	(0.9)	(1.9)	(1.0)	(0.5)
Food	(0.4)	(1.3)	(0.5)	
Apparel	(4.2)	(7.6)	(5.1)	
Household goods	(5.3)	(6.5)	(5.5)	
Tenants	(1.8)	(2.3)	(1.7)	
Number of customers	(0.9)	(2.8)	(0.9)	
Average spending per customer	±0.0	+0.9	(0.2)	

Gross profit margin by product category

(%)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		Change		Change		Change		Change
Total	25.3	(0.1)	26.0	+0.7	25.8	+0.1	26.4	+0.6
Food	25.0	±0.0	25.7	+0.7	25.5	+0.2		
Apparel	31.9	(0.2)	32.4	+0.5	32.1	(0.3)		
Household goods	26.9	±0.0	27.3	+0.4	26.5	±0.0		

IV. Department Store Operations

Sogo & Seibu

Financial results

(Millions of yen)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Revenues from operations	297,241	86.3	294,360	99.0	615,256	89.7	615,200	100.0
Net sales	292,028	86.3	289,022	99.0	604,362	89.6	604,400	100.0
Gross profit from operations	65,475	87.3	64,142	98.0	134,835	90.0		
SG&A expenses	65,768	88.4	65,220	99.2	131,568	90.9		
Advertising expenses	9,728	86.8	9,671	99.4	20,102	90.2		
Salaries and wages	16,998	87.6	16,540	97.3	33,677	90.1		
Land and building rent	16,903	89.2	16,950	100.3	33,938	92.7		
Depreciation and amortization	3,824	82.3	4,291	112.2	8,143	91.2		
Utility expenses	3,527	86.5	3,411	96.7	6,727	90.0		
Others	14,786	91.6	14,355	97.1	28,978	90.3		
Operating income	(292)	-	(1,078)	-	3,266	64.3	4,200	128.6

Sales results of major stores

(Millions of yen)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
SEIBU Ikebukuro (flagship store)	88,675	97.8	89,070	100.4	184,091	99.4		
Sogo Yokohama	53,058	100.6	53,373	100.6	110,568	100.0		
Sogo Chiba	36,390	102.1	35,999	98.9	75,522	101.5		
Sogo Hiroshima	18,923	96.6	18,814	99.4	39,663	97.0		
SEIBU Shibuya	21,363	103.3	21,443	100.4	43,550	99.7		
Sogo Omiya	15,933	99.4	15,393	96.6	32,983	99.6		

Note: Store sales include corporate sales.

Sales by product category

(Millions of yen)

	Six Months Ended Aug. 31, 2018			Six Months Ended Aug. 31, 2019			Fiscal Year Ended Feb. 28, 2019			Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)	Composition(%)		YOY(%)
Net sales	292,028	86.3	100.0	289,022	99.0	100.0	604,362	89.6	100.0	604,400	100.0
Merchandise sales	199,096	84.7	68.2	195,404	98.1	67.6	413,743	87.7	68.5		
Apparel	111,169	86.4	38.1	107,207	96.4	37.1	229,563	88.0	38.0		
Household goods	29,190	82.6	10.0	29,644	101.6	10.3	59,110	87.1	9.8		
Food	58,737	82.5	20.1	58,552	99.7	20.3	125,068	87.5	20.7		
Tenants	76,932	91.4	26.3	77,892	101.2	27.0	157,714	94.1	26.1		
Corporate sales	15,999	83.4	5.5	15,725	98.3	5.4	32,904	93.5	5.4		

Existing store sales increase

(%)

	Six Months Ended Aug. 31, 2018	Six Months Ended Aug. 31, 2019	Fiscal Year Ended Feb. 28, 2019	Fiscal Year Ending Feb. 29, 2020 (Forecast)
Existing store sales increase	(1.0)	(1.0)	(1.0)	±0.0

Gross profit margin by product category

(%)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		Change		Change		Change		Change
Total	24.5	+0.5	24.2	(0.3)	24.3	+0.3	24.3	±0.0
Apparel	29.2	+0.6	28.9	(0.3)	29.0	+0.4		
Household goods	23.9	+0.5	23.7	(0.2)	23.8	+0.3		
Food	16.0	±0.0	15.8	(0.2)	16.0	±0.0		

V. Financial Services

Seven Bank

Number of ATMs

(1) Domestic

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019	
		Change		Change		Change
Total	24,731	+393	25,325	+242	25,083	+745
Net ATMs in the Group	22,445	+344	22,936	+197	22,739	+638
Seven-Eleven Japan	21,828	+347	22,288	+174	22,114	+633
Ito-Yokado	293	(1)	285	(1)	286	(8)
York-Benimaru	169	+4	209	+23	186	+21
York Mart	77	+2	77	+1	76	+1
Others	78	(8)	77	±0	77	(9)
Net ATMs outside the Group	2,286	+49	2,389	+45	2,344	+107

(2) Overseas

	Six Months Ended Jun. 30, 2018		Six Months Ended Jun. 30, 2019		Fiscal Year Ended Dec. 31, 2018	
		Change		Change		Change
North America	13,235	+1,653	12,165	(630)	12,795	+1,213

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

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019	
		Change		Change		Change
Average number of transactions	93.9	(1.4)	90.4	(3.5)	92.4	(1.8)

International money transfer service

(Thousands)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019	
		Change		Change		Change
Cumulative number of contract accounts	235	+16	276	+20	256	+37
Cumulative number of transfers	552	+32	595	+43	1,135	+61

Seven Card Service / Seven CS Card Service

Number of credit cards and electronic money

(10 thousands)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019	
		Change		Change		Change
Credit cards	669	+4	671	±0	671	+6
SEVEN CARD plus / SEVEN CARD ^{*1}	351	+3	357	+2	355	+7
CLUB ON/Millennium CARD SAISON ^{*2}	318	+1	314	(2)	316	(1)
Electronic money (<i>nanaco</i>) ^{*3}	6,289	+306	6,690	+172	6,518	+535

*1. Only the number of effective card members.

*2. Excluding 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, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Revenues from operations	40,619	97.8	39,163	96.4	78,206	97.3	74,700	95.5
Net sales	40,540	97.8	38,945	96.1	78,047	97.3	74,300	95.2
Gross profit from operations	25,606	97.5	24,812	96.9	49,217	97.4		
SG&A expenses	24,527	95.7	23,520	95.9	47,925	96.4		
Operating income	1,078	169.4	1,291	119.8	1,291	153.3	1,500	116.1

[Denny's] Existing store sales increase

(%)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
Existing store sales increase	+1.5		(0.1)		+0.9		(1.8)	
Number of customers	(3.3)		(3.0)		(3.5)			
Average spending per customer	+4.9		+3.0		+4.5			

[Denny's] Gross profit margin

(%)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		Change		Change		Change		Change
Gross profit margin	68.3	(0.1)	68.7	+0.4	68.2	+0.2	68.6	+0.4

Nissen Holdings (Consolidated)

Financial results

(Millions of yen)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Net sales *	26,647	51.1	18,953	71.1	45,569	44.6	40,300	88.4
Gross profit from operation	10,797	61.4	9,066	84.0	19,673	60.4		
SG&A expenses	11,191	57.1	9,166	81.9	19,866	52.4		
Operating income *	(393)	-	(99)	-	(193)	-	1,000	-

* 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 / Operating income (129) million .

FY2020 2Q: Net sales 18,953 million (99.4% YoY) / Operating income (99) million (-% YoY).

VII. Group Strategy

(1) Seven Premium

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020(Forecast)	
		Change		Change		Change		Change
Sales (billions of yen)	720.0	+65.0	735.0	+15.0	1,413.0	+93.0	1,500.0	+87.0
Items	4,000	+180	4,100	+100	4,050	+150	4,100	+50

(2) EC sales

(Millions of yen)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020(Forecast)	
		Change		Change		Change		Change
EC sales	57,064	+4,391	50,316	(6,748)	113,193	+4,408	117,000	+3,807
Seven Net Shopping	12,807	+2,222	10,039	(2,768)	25,430	+3,382		
Seven-Meal *	14,977	+1,925	11,506	(3,471)	27,998	+1,450		
Ito-Yokado	2,499	+595	2,492	(7)	5,433	+933		
Ito-Yokado's Net Supermarket *	21,323	(540)	20,479	(844)	42,681	(1,553)		
Akachan Honpo	3,053	+128	3,371	+318	6,417	+160		
Sogo & Seibu	1,739	+148	1,880	+141	3,923	+324		
LOFT	549	+115	546	(3)	1,116	+114		
Other	112	(206)	-	(112)	191	(404)		

Note: EC sales indicates the sales of the omni channel service, "omni7" of Seven & i Group.

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

VIII. Capital Expenditures, Depreciation and Amortization of Major Companies

(Millions of yen)

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		YOY(%)		YOY(%)		YOY(%)		YOY(%)
Domestic convenience store operations								
Seven-Eleven Japan								
Total capital expenditures	56,491	97.1	45,867	81.2	110,028	80.7	145,000	131.8
Investment to new stores	36,713	107.2	20,413	55.6	68,654	97.6		
Investment to existing stores and other	15,330	73.2	21,371	139.4	33,438	57.8		
Software development	4,448	148.5	4,082	91.8	7,936	97.5		
Depreciation and amortization	34,818	112.2	36,114	103.7	70,182	109.2	75,500	107.6
Overseas convenience store operations								
7-Eleven, Inc.								
Total capital expenditures	378,117	815.3	62,910	16.6	452,029	457.2	121,000	26.8
Investment to new stores and other	353,691	-	36,940	10.4	393,170	775.8		
Investment to existing stores and other	22,141	108.8	24,588	111.1	51,442	115.4		
Software development	2,284	447.8	1,381	60.5	7,416	205.9		
Depreciation and amortization	36,939	105.2	38,241	103.5	76,141	109.4	79,000	103.8
Superstore operations								
Ito-Yokado								
Total capital expenditures	28,847	636.7	15,418	53.5	44,057	243.8	41,300	93.7
	[14,981]	[330.6]	-	-	[30,192]	[167.1]	-	-
Investment to new stores	1,440	689.0	3,106	215.7	2,212	102.1		
Investment to existing stores and other	26,777	649.3	11,225	41.9	40,177	261.0		
	[12,911]	[313.1]	-	-	[26,311]	[170.9]		
Software development	629	317.7	1,086	172.8	1,667	328.1		
Depreciation and amortization	5,905	92.4	6,424	108.8	12,191	96.7	13,500	110.7
York-Benimaru								
Total capital expenditures	4,229	70.0	7,104	168.0	10,328	76.8	13,700	132.6
Investment to new stores	2,414	53.5	4,485	185.9	6,266	60.2		
Investment to existing stores and other	1,788	124.5	2,478	138.7	3,896	133.2		
Software development	28	31.1	139	502.2	165	141.3		
Depreciation and amortization	2,776	111.7	2,875	103.6	5,675	110.2	5,900	104.0
Department store operations								
Sogo & Seibu								
Total capital expenditures	6,677	135.2	4,295	64.3	16,503	132.3	22,000	133.3
Investment to new stores	-	-	-	-	-	-		
Investment to existing stores and other	6,269	133.4	3,776	60.2	15,899	148.1		
Software development	408	170.7	518	127.0	604	34.7		
Depreciation and amortization	3,824	82.3	4,291	112.2	8,143	91.2	8,800	108.1

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. [] Figures reflect sales & leaseback of assets of new stores.

■ Store Information

I. Store Openings and Closures of Major Companies

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019		Fiscal Year Ending Feb. 29, 2020 (Forecast)	
		Change		Change		Change		Change
Domestic convenience store operations								
Seven-Eleven Japan	20,596	+336	21,017	+141	20,876	+616	20,976	+100
Openings	769		416		1,389		850	
Closures	433		275		773		750	
Relocations, etc.	314		186		642			
Terminations of contract	119		89		131			
SEVEN-ELEVEN OKINAWA	-	-	17	+17	-	-	50	+50
Openings	-		17		-		50	
Closures	-		0		-		0	
SEVEN-ELEVEN (BEIJING) ^{*1}	252	+5	281	+15	266	+19	312	+46
Openings	16		24		38		60	
Closures	11		9		19		14	
SEVEN-ELEVEN (TIANJIN) ^{*1}	133	+15	156	+1	155	+37	203	+48
Openings	16		8		43		58	
Closures	1		7		6		10	
SEVEN-ELEVEN (CHENGDU) ^{*1}	78	(9)	73	(4)	77	(10)	93	+16
Openings	2		0		4		24	
Closures	11		4		14		8	
Overseas convenience store operations								
7-Eleven, Inc. ^{*1}	9,623	+953	9,610	+37	9,573	+903	9,698	+125
Openings	1,098		98		1,245		300	
Closures	145		61		342		175	
Superstore operations								
Ito-Yokado	164	±0	158	(1)	159	(5)	157	(2)
Openings	1		3		1		4	
Closures	1		4		6		6	
York-Benimaru	223	+3	228	+3	225	+5	232	+7
Openings	4		3		7		8	
Closures	1		0		2		1	
York Mart	80	+2	79	±0	79	+1	77	(2)
Openings	2		2		2		2	
Closures	0		2		1		4	
Chengdu Ito-Yokado ^{*1}	7	±0	9	+1	8	+1	9	+1
Openings	0		1		1		1	
Closures	0		0		0		0	
Hua Tang Yokado Commercial ^{*1}	1	±0	1	±0	1	±0	1	±0
Openings	0		0		0		0	
Closures	0		0		0		0	
Department store operations								
Sogo & Seibu	15	±0	15	±0	15	±0	15	±0
Openings	0		0		0		0	
Closures	0		0		0		0	
Specialty store operations								
Akachan Honpo ^{*2}	110	±0	114	+4	110	±0	116	+6
Openings	2		5		6		9	
Closures	2		1		6		3	
LOFT ^{*3}	113	+3	120	+5	115	+5	124	+9
Openings	5		7		8		11	
Closures	2		2		3		2	
Seven & i Food Systems	736	(13)	688	(28)	716	(33)	690	(26)
Denny's	374	(3)	370	(1)	371	(6)	382	+11
Openings	3		4		4		18	
Closures	6		5		10		7	
Other	362	(10)	318	(27)	345	(27)	308	(37)

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. Including 1 franchised store for the six months ended Aug. 31, 2019.

*3. Including 17 franchised stores for the six months ended Aug. 31, 2018, 19 franchised stores for the six months ended Aug. 31, 2019 and 18 franchised stores for the fiscal year ended Feb. 28, 2019.

II. Store Information on Domestic/Overseas Convenience Store Operations

Domestic Store Network

	Aug. 2018	Feb. 2019	Aug. 2019	Change
Hokkaido	1,005	1,009	1,012	+3
Aomori	83	91	95	+4
Iwate	143	149	148	(1)
Miyagi	405	407	411	+4
Akita	102	108	108	±0
Yamagata	182	183	183	±0
Fukushima	442	450	453	+3
Ibaraki	637	645	653	+8
Tochigi	442	445	450	+5
Gunma	463	468	472	+4
Saitama	1,203	1,218	1,216	(2)
Chiba	1,102	1,120	1,132	+12
Tokyo	2,680	2,731	2,761	+30
Kanagawa	1,415	1,438	1,460	+22
Niigata	424	429	430	+1
Toyama	132	133	134	+1
Ishikawa	133	138	138	±0
Fukui	69	69	69	±0
Yamanashi	211	210	209	(1)
Nagano	462	467	468	+1
Gifu	192	199	197	(2)
Shizuoka	725	740	743	+3
Aichi	1,061	1,064	1,057	(7)
Mie	171	173	174	+1
Shiga	240	242	241	(1)
Kyoto	347	354	360	+6
Osaka	1,235	1,251	1,265	+14
Hyogo	707	712	708	(4)
Nara	144	141	141	±0
Wakayama	80	84	85	+1
Tottori	30	34	37	+3
Shimane	57	61	63	+2
Okayama	304	308	308	±0
Hiroshima	592	594	599	+5
Yamaguchi	327	332	334	+2
Tokushima	90	87	84	(3)
Kagawa	105	102	103	+1
Ehime	115	119	125	+6
Kochi	40	41	41	±0
Fukuoka	1,002	1,013	1,020	+7
Saga	193	192	190	(2)
Nagasaki	200	200	203	+3
Kumamoto	342	349	355	+6
Oita	170	175	179	+4
Miyazaki	195	198	199	+1
Kagoshima	197	203	204	+1
Okinawa	-	-	17	+17
Total	20,596	20,876	21,034	+158

Global Seven-Eleven Store Network

[Consolidated subsidiaries]

	Aug. 2018	Feb. 2019	Aug. 2019	Change
Japan	20,596	20,876	21,034	+158
North America *1	9,623	9,573	9,610	+37
U.S.A.	8,994	8,951	8,980	+29
Canada	629	622	630	+8
Hawaii	64	64	65	+1
China [Beijing]	252	266	281	+15
China [Tianjin]	133	155	156	+1
China [Chengdu]	78	77	73	(4)
Sub-total	30,746	31,011	31,219	+208

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

[Area licensees]

	Jun. 2018	Dec. 2018	Jun. 2019	Change
South Korea	9,404	9,400	9,696	+296
China	1,982	2,034	2,151	+117
[Hong Kong and others]*2				
China [Shanghai]	122	118	115	(3)
China [Shandong]	58	67	86	+19
China [Chongqing]	57	63	59	(4)
China [Zhejiang]	23	28	28	±0
China [Jiangsu]	1	8	9	+1
China [Hubei]	-	-	6	+6
Taiwan	5,282	5,369	5,505	+136
Thailand	10,760	10,988	11,528	+540
Philippines	2,386	2,550	2,664	+114
Malaysia	2,241	2,287	2,347	+60
Singapore	378	393	401	+8
Australia	680	692	699	+7
UAE	14	14	13	(1)
Vietnam	19	27	34	+7
U.S.A.	324	337	278	(59)
Mexico	1,787	1,801	1,805	+4
Norway	151	149	153	+4
Sweden	189	146	83	(63)
Denmark	179	174	171	(3)
Sub-total	36,037	36,645	37,831	+1,186

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

	Aug. 2018	Feb. 2019	Aug. 2019	Change
Total worldwide	66,783	67,656	69,050	+1,394

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

As of Aug. 31, 2019, the number of 7-Eleven stores around the world including area licensees are 69,254 stores.

III. Store Information on Superstore Operations

(1) Ito-Yokado

	Store name	Location	Date	Sales floor space	(Square meters)
					Directly managed sales floor space
Openings	<i>Shokuhinkan</i> Senju (S&B) (food specialty store)	Tokyo	Mar. 15, 2019	992	992
	<i>Shokuhinkan</i> Atsugi (S&B) (food specialty store)	Kanagawa	Mar. 27, 2019	5,040	1,920
	<i>Shokuhinkan</i> Kamioooka (S&B) (food specialty store)	Kanagawa	Apr. 12, 2019	5,405	2,822
Closures	Naoetsu	Niigata	May 12, 2019	7,422	7,257
	THE PRICE Kawaguchi	Saitama	May 19, 2019	6,497	4,662
	THE PRICE Nishikawaguchi (S&B)	Saitama	May 20, 2019	5,698	3,177
	Kamifukuoka-higashi	Saitama	Aug. 25, 2019	14,815	10,635
	Eniwa	Hokkaido	Sep. 29, 2019	9,154	7,668

In addition to the above, 1 store will be opened, and 1 store will be closed in the fiscal year ending February 29, 2020.

(2) York-Benimaru

	Store name	Location	Date	Sales floor space	(Square meters)
					Directly managed sales floor space
Openings	Sendai-nakayama	Miyagi	Mar. 8, 2019	1,493	1,344
	Toride-togashira	Ibaraki	Jul. 12, 2019	2,473	2,197
	Tokai	Ibaraki	Jul. 26, 2019	1,961	1,789
	Onahama	Fukushima	Sep. 20, 2019	1,698	1,545
	Jinmachi	Yamagata	Sep. 27, 2019	2,013	1,841

In addition to the above, 3 stores will be opened, and 1 store will be closed in the fiscal year ending February 29, 2020.

(3) Chengdu Ito-Yokado

	Store name	Location	Date	(Square meters)
				Total sales floor space
Opening	Yiteng Guangchang	Chengdu	Jan. 25, 2019	51,465

Notes: S&B stands for Scrap & Build.

IV. Number of Stores by Type

Seven-Eleven Japan

	Six Months Ended Aug. 31, 2018			Six Months Ended Aug. 31, 2019			Fiscal Year Ended Feb. 28, 2019		
		Change	Composition (%)		Change	Composition (%)		Change	Composition (%)
Number of stores	20,596	+336	100.0	21,017	+141	100.0	20,876	+616	100.0
Franchised stores	20,193	+401	98.0	20,642	+143	98.2	20,499	+707	98.2
Type A	4,548	(15)	22.1	4,556	(2)	21.7	4,558	(5)	21.8
Type C	15,645	+416	76.0	16,086	+145	76.5	15,941	+712	76.4
Directly operated stores	403	(65)	2.0	375	(2)	1.8	377	(91)	1.8
Open 24 hours	19,748	+304	95.9	20,096	+97	95.6	19,999	+555	95.8
With liquor license	20,264	+308	98.4	20,673	+128	98.4	20,545	+589	98.4
With cigarette license	19,812	+409	96.2	20,334	+222	96.8	20,112	+709	96.3

7-Eleven, Inc.

	Six Months Ended Jun. 30, 2018			Six Months Ended Jun. 30, 2019			Fiscal Year Ended Dec. 31, 2018		
		Change	Composition (%)		Change	Composition (%)		Change	Composition (%)
Number of stores	9,623	+953	100.0	9,610	+37	100.0	9,573	+903	100.0
Franchised stores	7,187	+26	74.7	7,207	(6)	75.0	7,213	+52	75.3
BCP stores [Type A] *	466	+6	4.8	483	+8	5.0	475	+15	5.0
Type C	6,721	+20	69.8	6,724	(14)	70.0	6,738	+37	70.4
Directly operated stores	2,436	+927	25.3	2,403	+43	25.0	2,360	+851	24.7
With Gasoline station	4,367	+991	45.4	4,411	+26	45.9	4,385	+1,009	45.8

* BCP stands for Business Conversion Program.

V. Sales Floor Space

Ito-Yokado

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019	
		YOY(%)		YOY(%)		YOY(%)
Total sales floor space	2,643,446	99.2	2,537,162	96.0	2,547,874	96.0
Directly managed floor space	1,484,717	96.1	1,377,155	92.8	1,420,357	95.3
Weighted average floor space	1,487,443	96.1	1,377,660	92.6	1,476,605	96.3

York-Benimaru

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019	
		YOY(%)		YOY(%)		YOY(%)
Total sales floor space	681,896	104.3	688,722	101.0	682,795	101.1
Directly managed floor space	525,121	104.0	529,220	100.8	525,508	101.2
Weighted average floor space*	516,814	103.8	521,288	100.9	518,149	103.1

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

Sogo & Seibu

	Six Months Ended Aug. 31, 2018		Six Months Ended Aug. 31, 2019		Fiscal Year Ended Feb. 28, 2019	
		YOY(%)		YOY(%)		YOY(%)
Total sales floor space	571,738	81.6	571,738	100.0	571,738	92.6
Weighted average floor space	571,738	81.7	571,738	100.0	571,738	85.9

Appendix

Fiscal periods of consolidated subsidiaries

	Q1	Q2	Q3	Year-end
Consolidated subsidiaries except for below	May	August	November	February
Overseas subsidiaries	March	June	September	December
Seven Bank,Ltd. and its domestic consolidated subsidiaries	June	September	December	March

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

For consolidated subsidiary ending fiscal year in March, financial statements which were applied correspondingly to regular financial statements in 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.