



Financial Results Presentation for the Fiscal Year Ended February 28, 2019

April 5, 2019

Seven & i Holdings Co., Ltd.

FY2019 Consolidated Financial Results



(Billions of yen)

	FY2018	FY2019			FY2019 Plan	
		YOY(%)	Variance	vs. plan		
Group's total sales*	11,048.2	12,018.0	108.8	+969.7	+98.0	11,920.0
Revenues from operations	6,037.8	6,791.2	112.5	+753.3	+108.2	6,683.0
Operating income	391.6	411.5	105.1	+19.9	(3.4)	415.0
Net income attributable to owners of parent	181.1	203.0	112.1	+21.8	(6.9)	210.0
EBITDA (Operating income + Depreciation and amortization + Amortization of goodwill)	621.4	655.9	105.5	+34.4	(11.2)	667.2
ROE [%] (Return on equity)	7.6	8.2	-	+0.6	(0.2)	8.4
EPS [yen] (Earnings per share)	204.80	229.50	-	+24.70	(7.9)	237.41
DPS [yen] (Dividends per share)	90.0	95.0	-	+5.0	±0.0	95.0

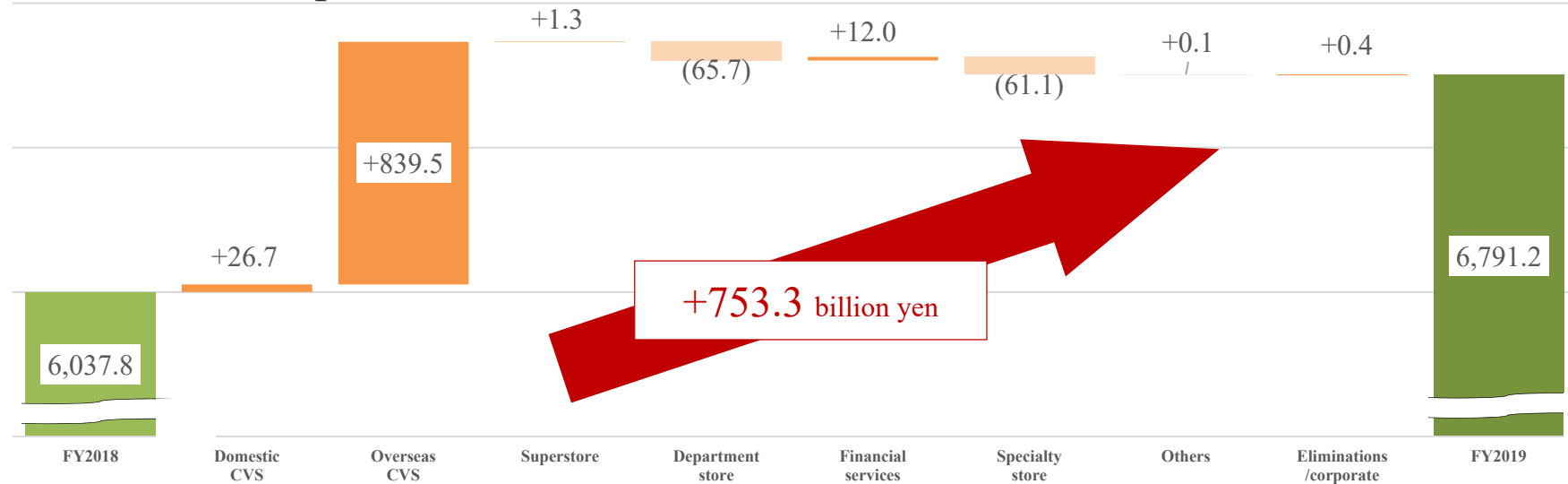
*Group's total sales include the sales of Seven-Eleven Japan and 7-Eleven, Inc. franchisees.

FY2019 Revenues from Operations and Operating Income Changes



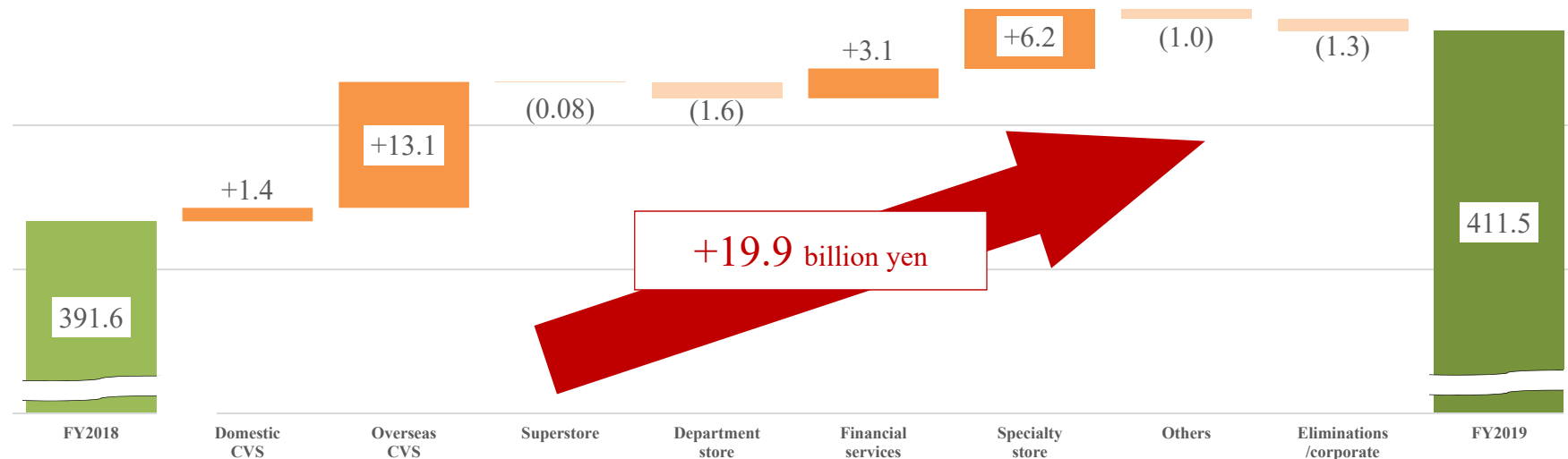
◆ Revenues from operations

(Billions of yen)

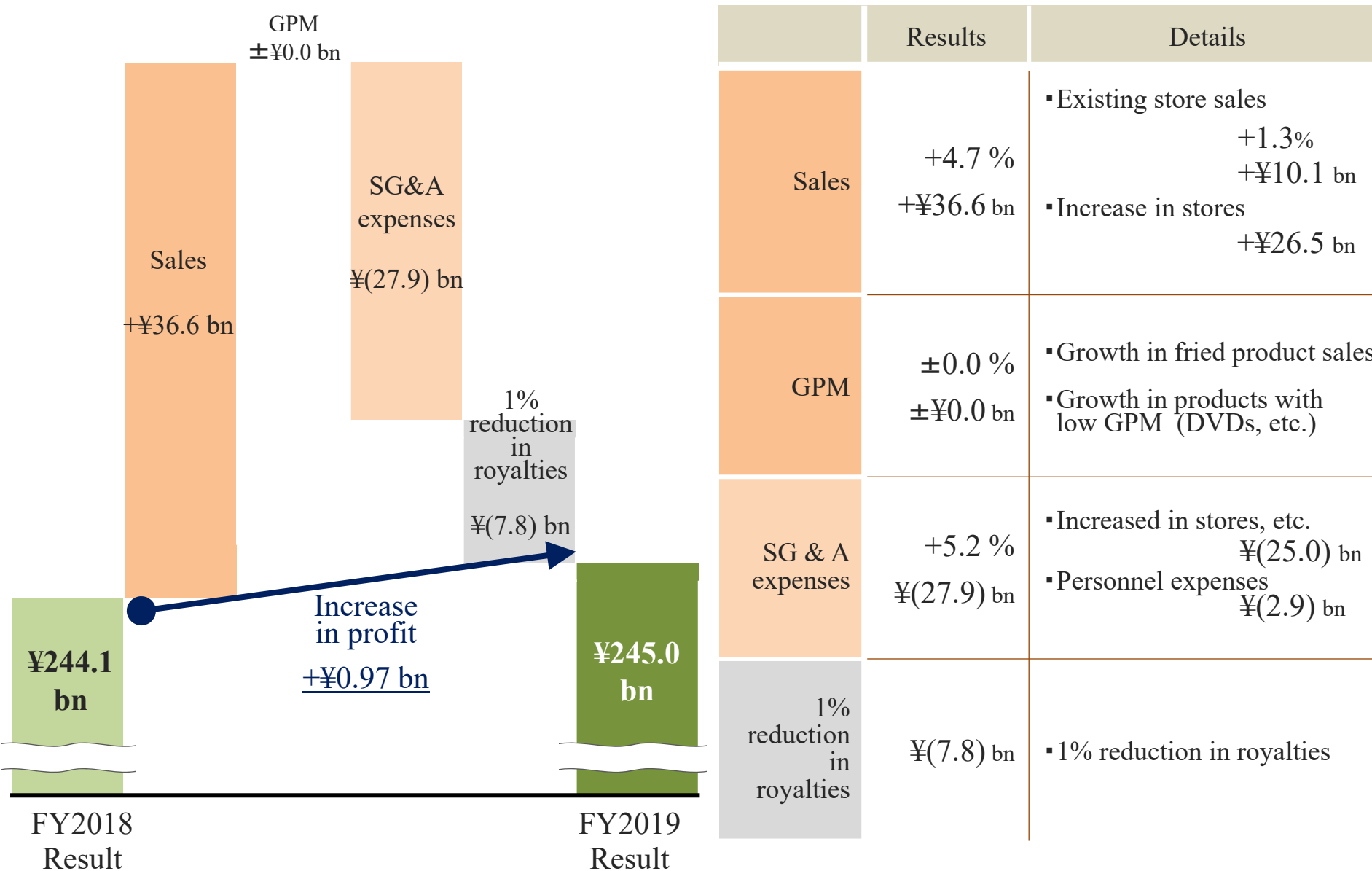


◆ Operating income

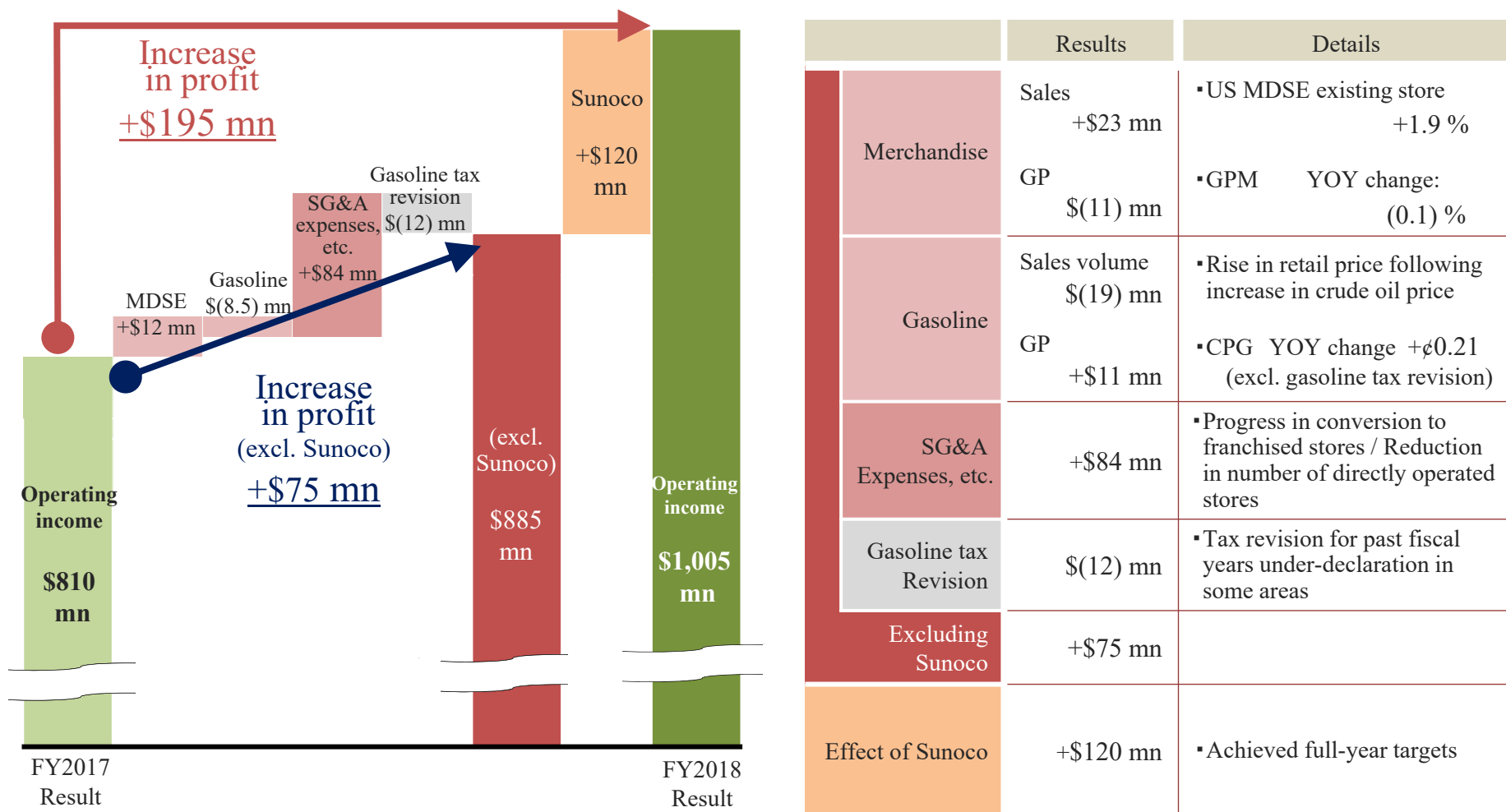
(Billions of yen)



Seven-Eleven Japan (SEJ): Operating Income YOY Change



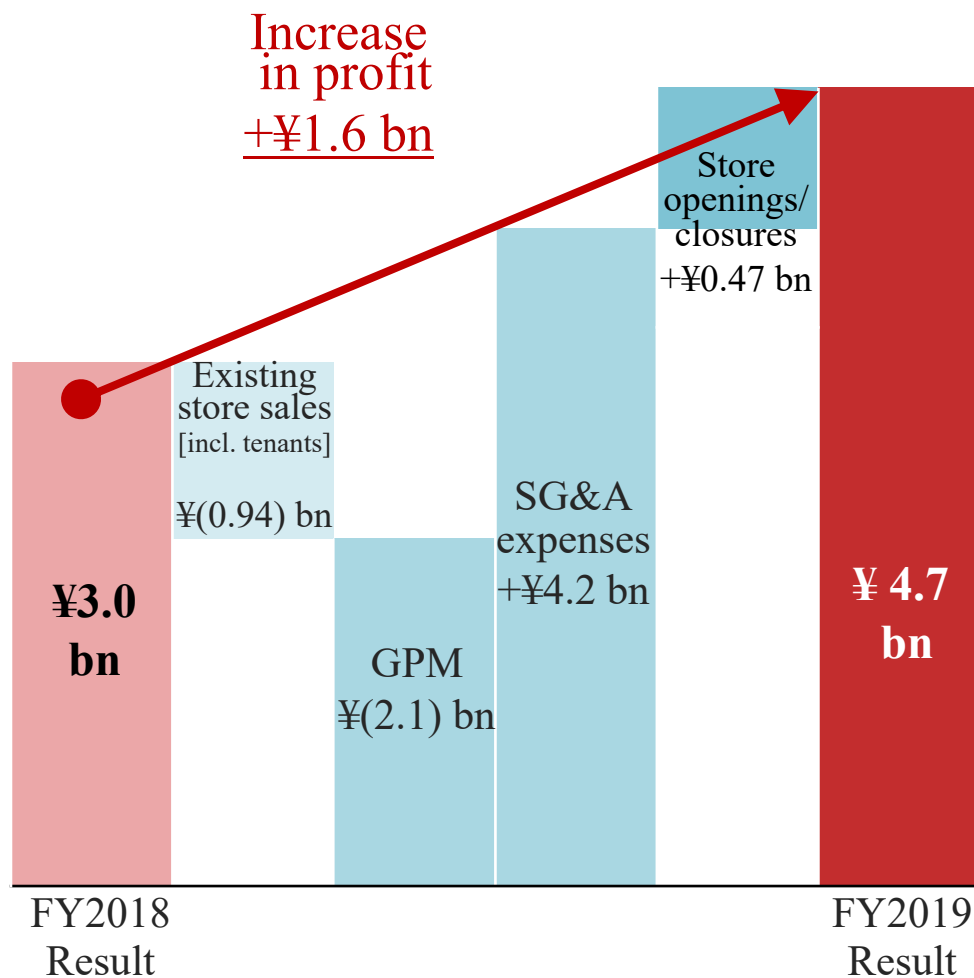
7-Eleven, Inc. (SEI): Operating Income YOY Change



Earnings increased, excluding Sunoco, due to successfully optimized SG&A expenses despite gasoline sales volume decreasing

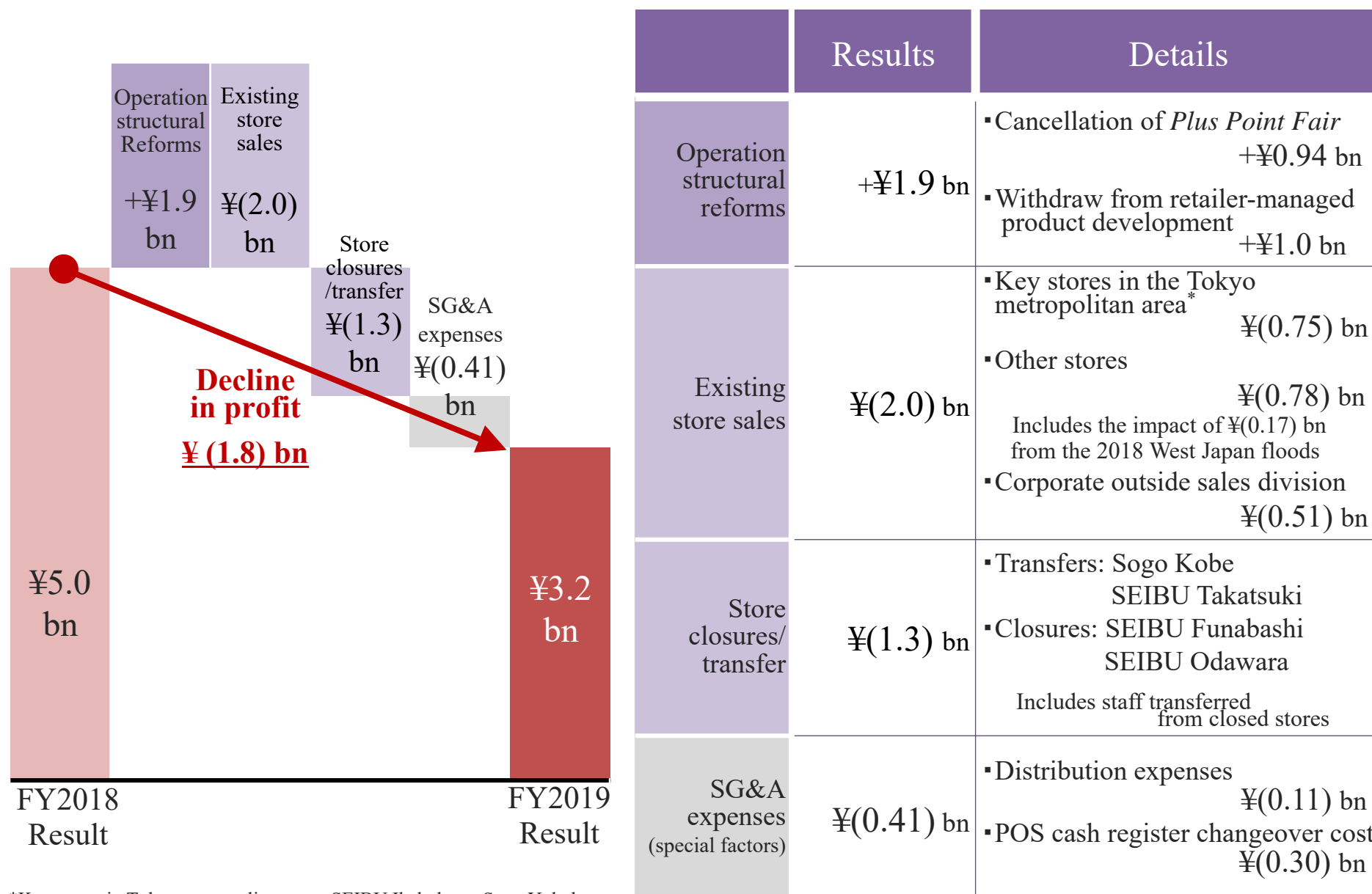
Gasoline profitability improved in Q4 from boost of \$120 million at Sunoco, contributing to achieving full-year target

Ito-Yokado (IY): Operating Income YOY Change



	Results	Details
Sales (incl. tenants)	(0.3)% ¥(0.94) bn	<ul style="list-style-type: none"> Stores that implemented structural reforms +1.4% Other existing stores (2.0)%
GPM	(0.2)% ¥(2.1) bn	<ul style="list-style-type: none"> MDSE GPM ±0.0% Food (0.1)% Apparel +1.3% Household goods (0.5)% Decrease in GPM due to increase in tenant composition ratio
SG&A expenses	(1.1)% +¥4.2 bn	<ul style="list-style-type: none"> Personnel expenses ¥(3.0) bn Selling expenses ¥(1.5) bn Other expenses +¥0.3 bn
Existing store sales total	+¥1.1 bn	<ul style="list-style-type: none"> Of which, effect of structural reforms +¥0.81 bn
Store openings/closures (FY2018, Y2019)	+¥0.47 bn	<ul style="list-style-type: none"> Store openings: 3 Store closures: 15

Sogo & Seibu (SS): Operating Income YOY Change



*Key stores in Tokyo metropolitan area: SEIBU Ikebukuro, Sogo Yokohama, Sogo Chiba, SEIBU Shibuya and Sogo Omiya

FY2020 Consolidated Financial Results Forecast



(Billions of yen, %)

	1H		2H		FY2020	
		YOY/Variance		YOY/Variance		YOY/Variance
Group's total sales	6,072.0	102.0 +121.6	6,079.0	100.2 +11.3	12,151.0	101.1 +132.9
Revenues from operations	3,337.0	99.8 (6.5)	3,404.0	98.7 (43.6)	6,741.0	99.3 (50.2)
Operating income	204.6	102.5 +4.9	215.4	101.6 +3.4	420.0	102.0 +8.4
Ordinary income	202.0	102.6 +5.1	212.5	101.4 +2.8	414.5	102.0 +7.9
Net income attributable to owners of parent	106.9	105.5 +5.5	103.1	101.4 +1.4	210.0	103.4 +6.9
EPS [yen] (Earnings per share)	127.75	+13.17	109.65	(5.27)	237.40	+7.90

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

Review of the Medium-Term Management Plan

Review of the Medium-Term Management Plan



◆ October 2016 announced

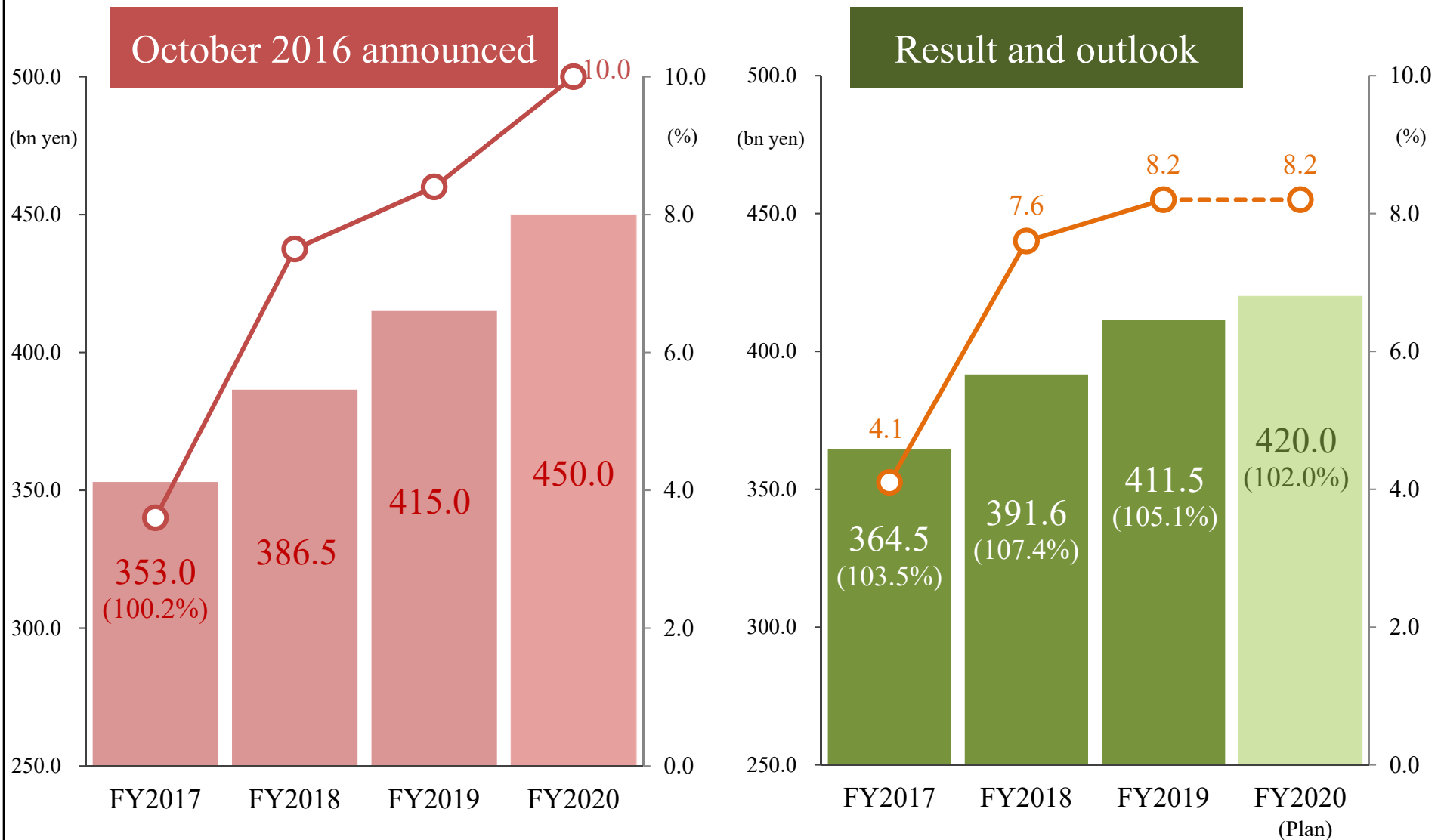
Overview;
100 Day Plan = Medium-Term Management Plan

■ Numerical target in FY2020;

Consolidated operating income 450.0 bn yen · ROE10%

I	Concentrate a management resources with a core focus on growth in CVS operations in both Japan and North America
II	Promote “selection and concentration” of each geographic area and business category (1) Memorandum of Understanding on Capital and Business Alliance with H2O Succession of the department stores in Kansai region Concentration of management resources on major stores in Tokyo metropolitan area (2) IY: Start an examination measures focused on Tokyo metropolitan area and food business
III	Adopting a perspective of property development in revival of GMS and department store
IV	Reviewing the Omni-Channel Strategy: Prioritize customer lifetime value from the standpoint of the customer’s strategy
V	Formulate our strategy, and revise our segments from the perspective of our management approach by next spring

Consolidated Operating Income and ROE



Forecast to fall below target in FY2019 2H and not achieve target in FY2020

Review of the Medium-Term Management Plan



◆ Main factors for change since time of announcement

(Operating income changes in the Medium-Term Management Plan from the initial forecast)

(Billions of yen)

	Initial plan	Outlook	Variance	Factors
Growth businesses	+38.0	+46.0	+8.0	
SEJ	+19.0	+8.0	(11.0)	Sales and GPM sluggish at existing stores, SG&A ratio increasing
SEI	+19.0	+38.0	+19.0	Acquired Sunoco LP stores Exchange rate (initially \$1=¥100, current \$1=¥110)
Structural reform businesses	+38.0	+28.2	(9.8)	
IY	+26.0	+17.5	(8.5)	Some success in store structural reforms, but business structural reforms have not started
SS	+8.0	(0.8)	(8.8)	Insufficient ability to respond to changes such as competitive environment, weather conditions. Delayed structural reform
Nissen	+4.0	+11.5	+7.5	Turnaround through decisive structural reforms based on “selection and concentration” strategy
Financial services	+8.0	(6.2)	(14.2)	Non-bank: Initial fee for 7pay, expenses for adapting credit cards to IC use
Others	+9.0	+2.3	(6.7)	Food supermarket sales did not achieve target, etc.
Omni-channel /corporate	+4.0	(3.2)	(7.2)	Effects of Omni7 loss, increase in initial investment for CRM strategy
Consolidated	+97.0	+67.0	(30.0)	

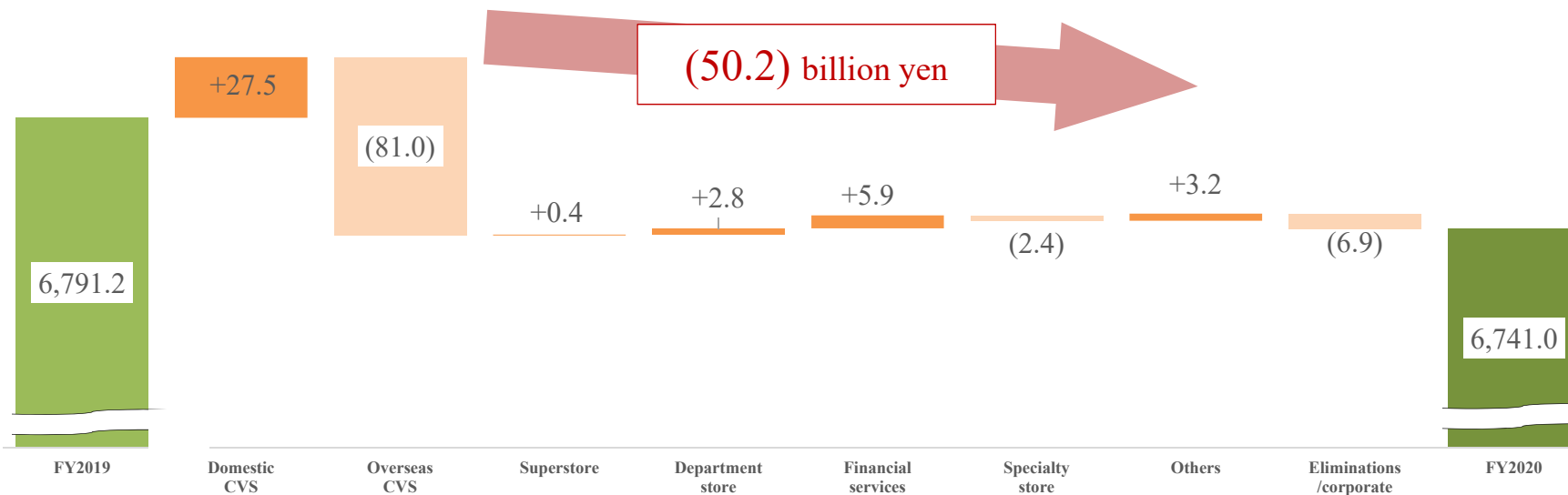
Revised Medium-Term Management Plan targets to ¥420.0 bn in consideration of the results of each company and the harsh consumer environment

FY2020 Revenues from Operations and Operating Income Changes Plan



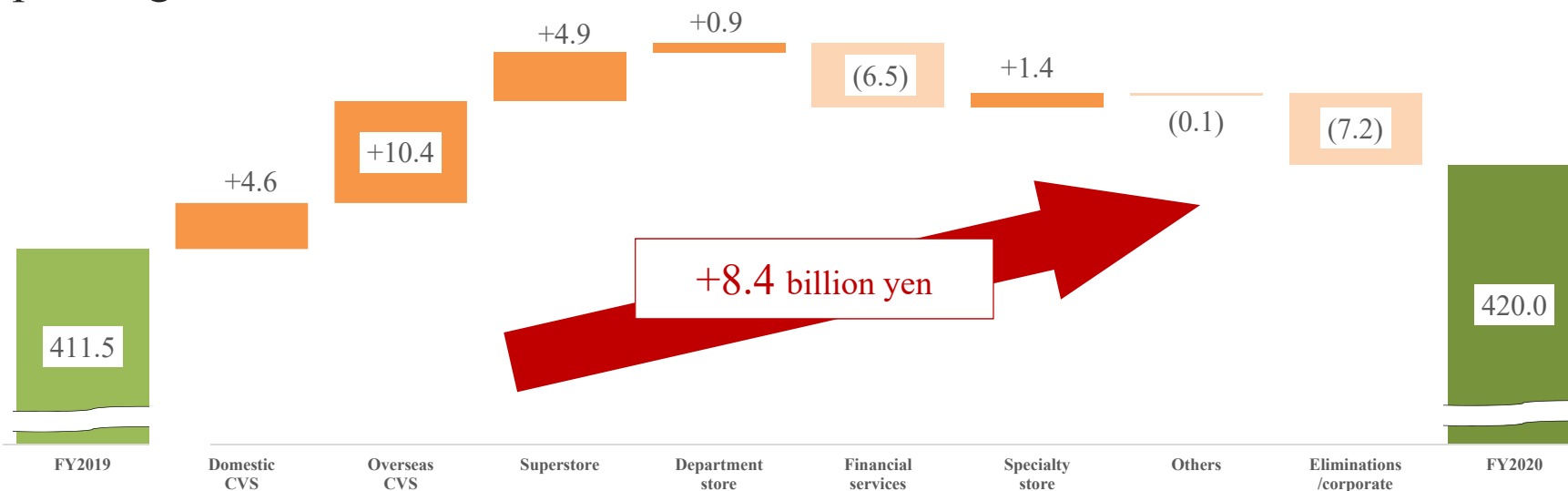
◆ Revenues from operations

(Billions of yen)



◆ Operating income

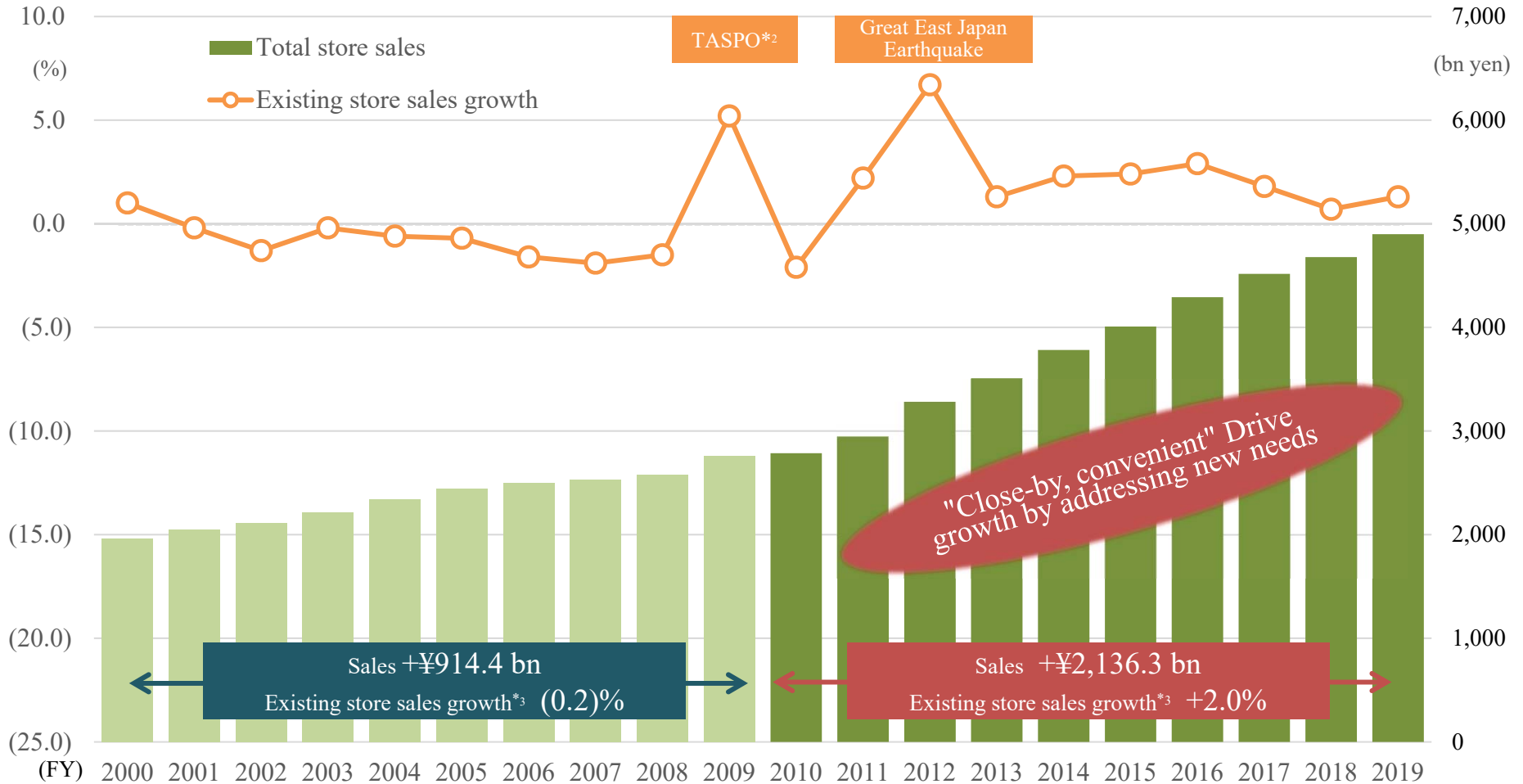
(Billions of yen)



Seven-Eleven Japan

SEJ

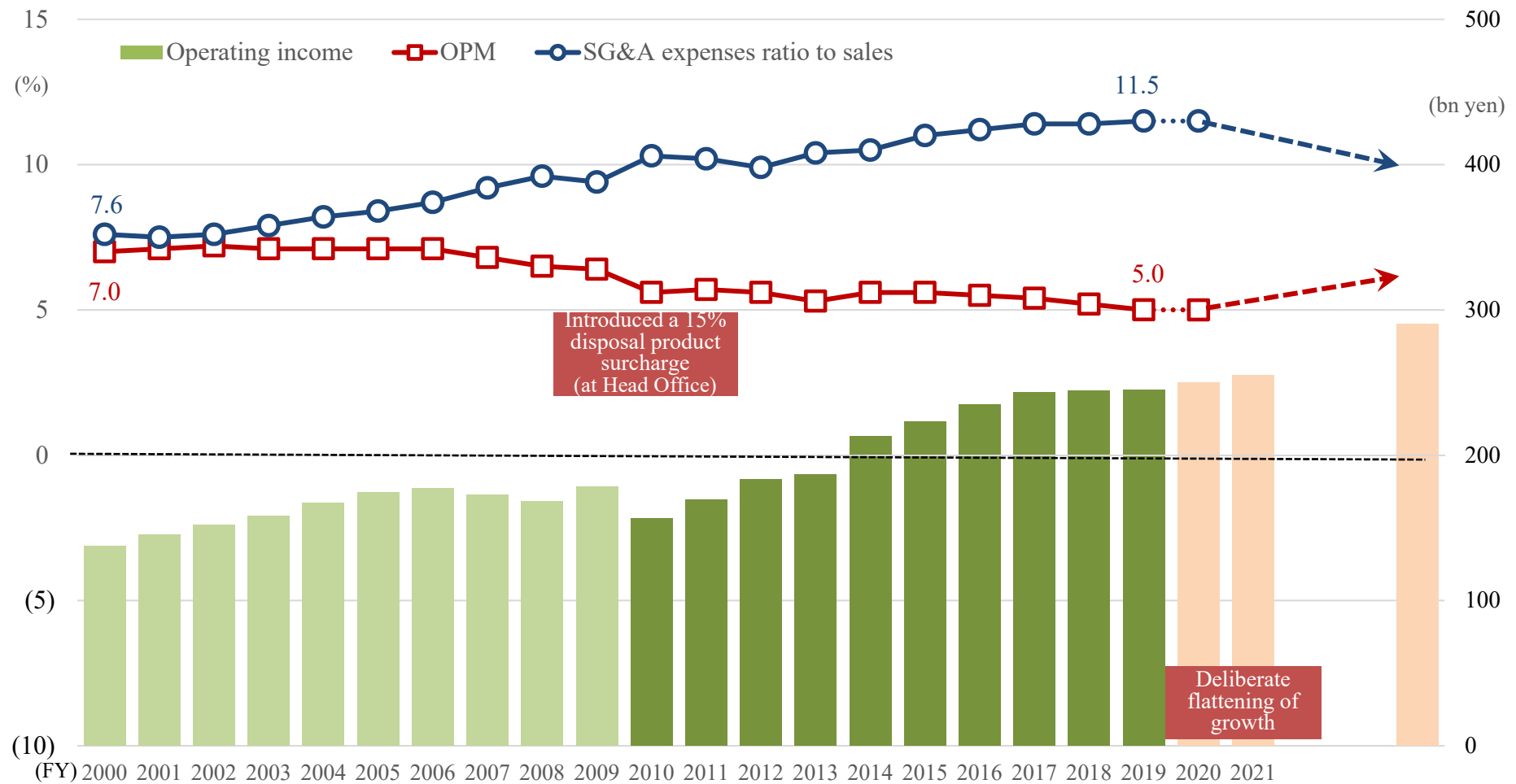
Total Store Sales and Existing Store Sales Growth ^{*1}



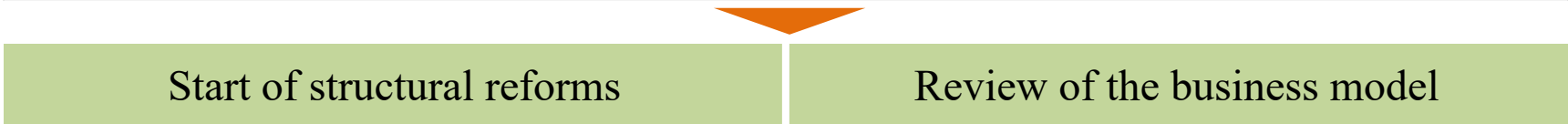
Since launching "Close-by, convenient" initiative in FY2010, increased existing store sales

*1: Includes POSA card transactions, from FY2014 to FY2018
 *2: Introduced ID card to purchase cigarette
 *3: Simple average over 10 years

Operating Income and Operating Profit Margin



Since FY2010, operating income has continued to increase but tended toward increases in SG&A ratio and decreases in GPM



Review Profit Structure

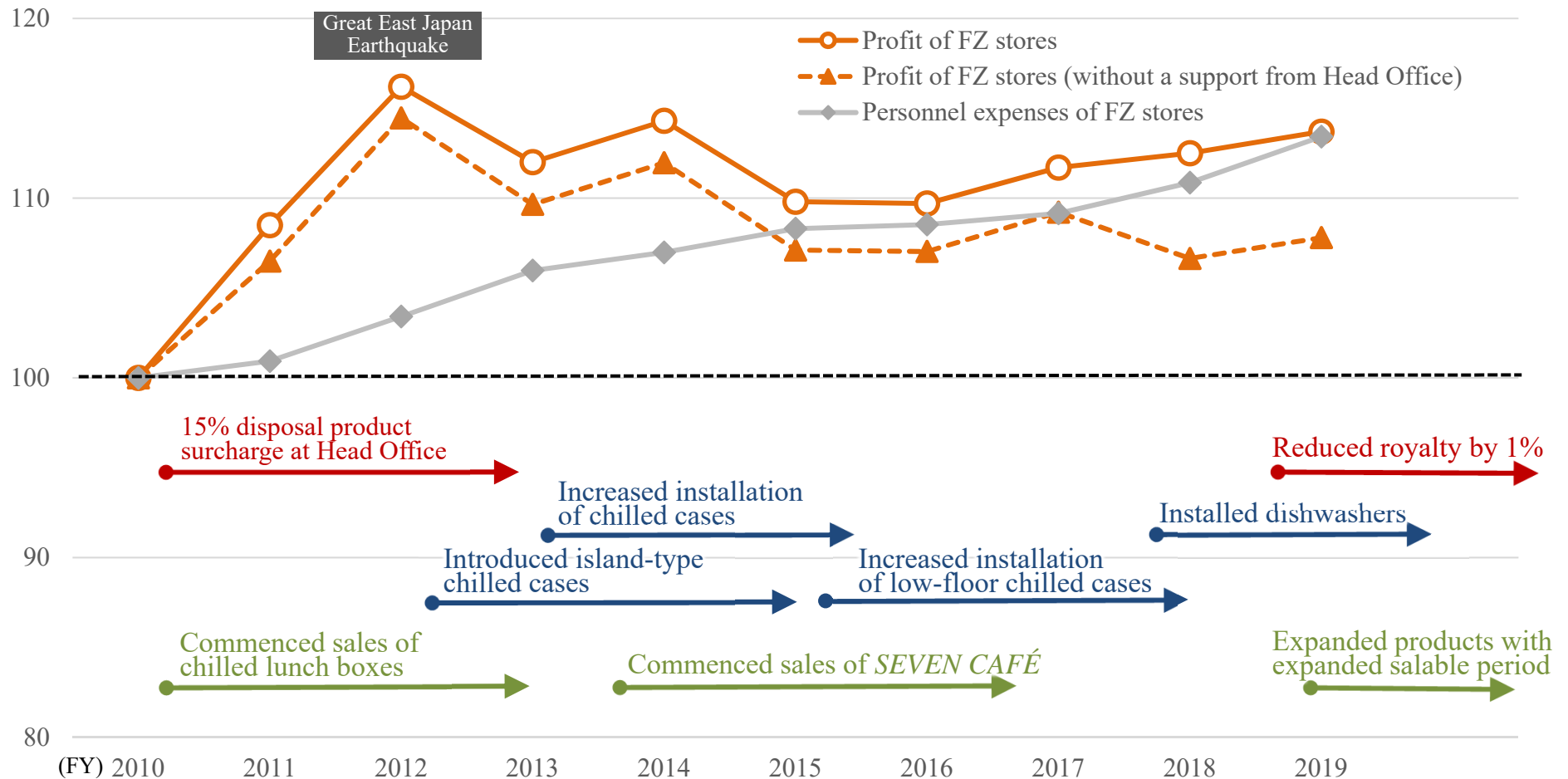


	Issues	Responses
Store initiatives	<ul style="list-style-type: none"> ▪ Increase in unprofitable stores 	<ul style="list-style-type: none"> ▪ Stricter standards for opening/closing stores Curtailment of new store openings Accelerate store closures ▪ Optimize number of directly operated stores
SG&A expenses	<ul style="list-style-type: none"> ▪ Increased rent expenses (opening more stores in urban areas) FY2010: ¥72.1 bn (ratio to sales 2.6%) FY2019: ¥181.1 bn (3.7%) Variance with FY2010: +¥109.0 bn (+1.1%) ▪ Increase in personnel expenses associated with increase in full-time employees ▪ Optimize number of directly operated stores 	<ul style="list-style-type: none"> ▪ Stricter standards for opening stores ▪ Review of Head Office costs Accounting system, Operation Field Counselor operations ▪ Increase productivity through personnel reduction
GPM	<ul style="list-style-type: none"> ▪ Increase in costs of raw materials, logistics, personnel expenses 	<ul style="list-style-type: none"> ▪ Pursuit of even better quality ▪ Pricing policy
Sales initiatives	<ul style="list-style-type: none"> ▪ Sluggishness of sales at existing stores (except cigarettes) ▪ Decrease in customer numbers 	<p><u>Strengthen invest in existing stores</u></p> <ul style="list-style-type: none"> ▪ Accelerate introduction of new layouts ▪ Promote use of Seven-Eleven app, 7pay

Support for Franchise Stores



◆ Profit of existing franchised stores and personnel expenses *indexed as FY2010 = 100



Continuously support improvements in profits at franchised stores in various ways

Support for Franchise Stores



◆ Initiatives for rebuilding a new business model for the future

Trial operations of less than 24H	Reduce personnel using advanced technologies	Prepare safety nets
<p>Started trials at 10 directly operated stores from March 21, 2019</p>	<p>Install facilities such as sliding shelves, etc. Phased-in introduction to newly opened stores and remodeled stores in FY2020</p>	<p>Owner Help System Head Office employees will take over owner's duties for a certain period</p>
	<p>New inspection system Started pilot test in Hokkaido area ⇒ Roll out nationwide within 2019</p>	<p>Dispatch center</p> <ul style="list-style-type: none"> ▪ Gather dispatch requests from franchised stores ▪ Provide information to allied dispatch agencies ▪ Advance training for dispatched staff
<p>Trial at franchised stores also under consideration (Implement sequentially from April 2019)</p>	<p>(Semi-) Self-service registers Started pilot test at 5 stores ⇒ Introduce at all stores by October</p>	<p>Application Center</p> <ul style="list-style-type: none"> ▪ Take over handling applications from franchise stores ▪ Provide recruitment management system
	<p>AI orders Started pilot test at 136 directly operated stores ⇒ After verifying the effect, expand implementation areas</p>	<p>Health checks for franchise store owners, employees Create a system for periodical health checks and provide to franchise stores (currently 2,100 stores) ⇒ Consider expanding applicable areas</p>

Respond flexibly to individual store management environment, avoid uniform judgments

Progress in New Layout Introduction

◆ Sales area concept



- Expand counter
- Expand refrigerators
- Expand frozen food sales area

◆ Changes by category

*Results of stores that underwent F2-type renovations in November 2018

Difference in APSD between new-layout-stores and conventional-layout-stores in each regional units

		(Thousand of yen)		
		Oct. 2018	Feb. 2019	Difference
Categories total excl. cigarettes		+11.6	+25.8	+14.2
1	Frozen food	±0.0	+4.1	+4.1
2	Rice products	+1.2	+3.2	+2.0
3	Sandwiches	(0.2)	+1.5	+1.7
4	Soft drinks	+1.2	+2.4	+1.2
5	Noodles	+0.9	+1.9	+1.0
6	Milk & milk beverages	+0.4	+1.1	+0.7
7	Toys	(0.3)	+0.4	+0.7
8	Fried products	+0.7	+1.4	+0.7
9	Spirits & wines	+0.3	+0.9	+0.6
10	Beer	+0.5	+1.0	+0.5

◆ Rollout schedule

	FY2018	FY2019	FY2020 (plan)
# of stores with new layout introduced	1,300	2,100	3,200 ⇒ 6,000
Cumulative total of stores to have introduced new layout	1,300	3,400	6,600 ⇒ 9,400

Initial plan:

As of the end of FY2022, **12,010** stores will be completed ahead of schedule

Promote improved sales, gross profit by actively investing in existing stores

SEJ: FY2020 Plan



(Billions of yen)

	FY2019 Results	FY2020 Plan		
			YOY	Variance
Total store sales	4,898.8	5,057.0	103.2%	+158.1
Revenue from operations	873.5	898.3	102.8%	+24.7
Operating income	245.0	250.0	102.0%	+4.9

Existing store sales growth	+1.3%	+1.5%	-	-
Gross profit margin	31.9%	32.1%	-	+0.2%
Store openings	1,389	850	-	(539)
Store closures	773	750	-	(23)
Net increase	+616	+100	-	(516)

Capital expenditures	110.0	145.0	131.8%	+34.9
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This year, firm foundation for business model restructuring
 ⇒ Plan to report on detailed strategy at the 1H financial results presentation

Ito-Yokado

IY

Medium-Term Management Plan Progress Check



◆ Mid-term Management Plan progress check

*Excludes stores that implemented structural reforms over different fiscal years

	Plan	Outlook	Evaluation		Plan	Outlook	Evaluation
Operating income (FY2020)	¥15.0 bn	¥6.5 bn	Not achieved	Store structural reform (through to FY2020)*	34	39	Achieved
OPM (FY2020)	1.3%	0.6%	Not achieved	Real estate redevelopment (through to FY2020)	6	4	Insufficient
Total # of store closures (through to FY2021)	40	40	Achieved	Increase efficiency of SG&A expenses	-	-	Insufficient

Some success in store structural reforms, but delays of IY overall

◆ Verification of stores that implemented structural reforms in FY2018

FY2019 Results (%)	Sales YOY	GPM YOY
<i>Ario Kasai</i>	115.8	110.0
<i>Oomori</i>	113.9	104.4
<i>Ario Kawaguchi</i>	105.9	101.6
<i>Misato</i>	110.3	105.3
<i>Ario Nishi-Arai</i>	102.0	101.6

Implemented at 19 stores in FY2018, increased income by ¥1.5 bn

*Operating income growth / descending order

*Excludes one-time expenses associated with remodeling in FY2018

◆ FY2020 Plan

22 stores plan to implement (incl. phase 2 renovation)

Concentrated investment in Tokyo metropolitan area stores

Implement in 1H before tax increase

Improve Profitability



◆ Problem Recognition

	Issues	Responses
Store structural reforms	Insufficient sense of speed in horizontal development of success stories	<ul style="list-style-type: none"> ▪ Accelerate ripple effect for Tokyo metropolitan area stores FY2020 22 stores: Plan ¥14.0 bn remodeling investment
Store initiatives	Difference in profitability between stores	<ul style="list-style-type: none"> ▪ Concentrated investment in Tokyo metropolitan area stores ▪ Closely survey profitability of individual stores Close unprofitable stores ▪ Synergies with collaborators
Cost structure	High SG&A ratio levels off (FY2019: 25.3%)	<ul style="list-style-type: none"> ▪ Sales promotion reform through CRM strategy ▪ Increase productivity by rebuilding expense system Reduce costs for Head Office (small Head office)

Plan to report on detailed strategy at the 1H financial results presentation

Sogo & Seibu

SS

Medium-Term Management Plan Progress Check and Issue Clarification

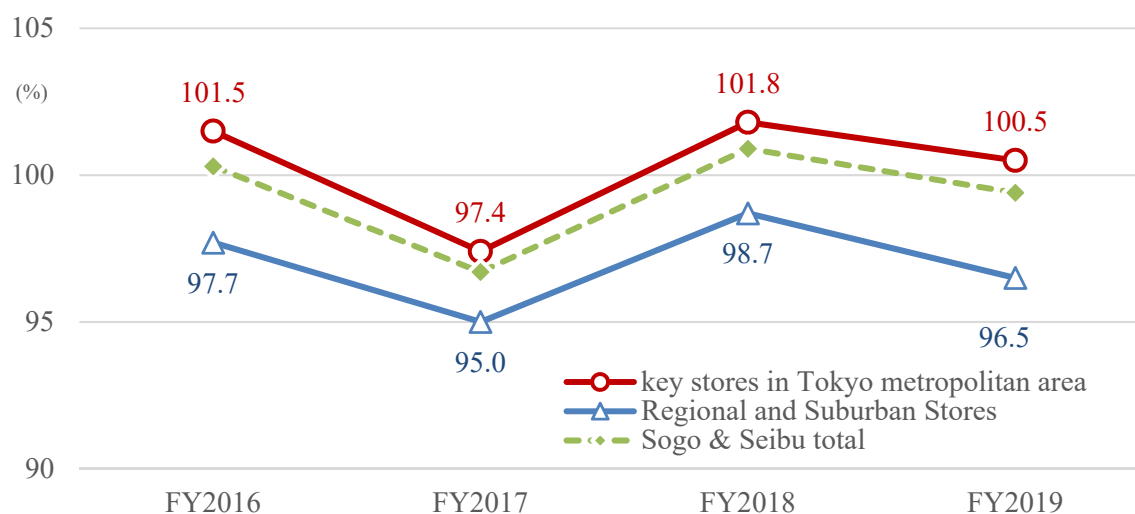


◆ Mid-term Management Plan progress check

	Plan	Outlook	Evaluation		Responses	Evaluation
Operating income (FY2020)	¥13.0 bn	¥4.2 bn	Not achieved	Store structural reforms (through to FY2020)	SEIBU Ikebukuro, Sogo Yokohama, Sogo Chiba and SEIBU Tokorozawa	Insufficient
OPM (FY2020)	1.8%	0.7%	Not achieved	Operation structural reforms (through to FY2020)	Withdraw from retailer-managed products Cancellation of point sales	Achieved
Closure / transfer (through to FY2020)	-	8	Achieved	Increase efficiency of SG&A expenses	Implemented voluntary early retirement program(Oct. 2016)	Achieved

Insufficient success of inability to respond to environmental changes and structural reform of stores

◆ YOY change in sales by store format (based on 15 existing stores)



Continued growth at key stores in the Tokyo metropolitan area

Store sales were lower than the previous fiscal year due to struggling regional and suburban stores : YOY 99.4%

(excluding corporate outside sales division)

Note) Key stores in Tokyo metropolitan area: SEIBU Ikebukuro, Sogo Yokohama, Sogo Chiba, SEIBU Shibuya and Sogo Omiya
Regional and suburban stores: 10 stores excluding 5 stores on the left

Further Promote Structural Reforms



◆ Problem Recognition

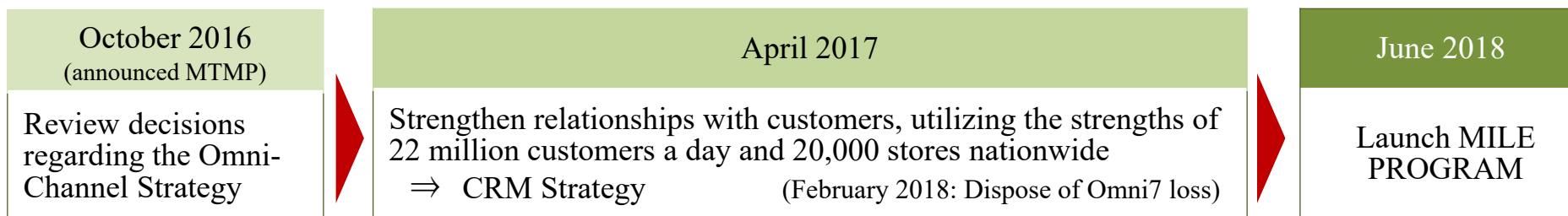
	Issues	Responses
Store structural reforms	Need to improve effect of visiting multiple sales areas throughout an entire building	<ul style="list-style-type: none"> ▪ Key stores in the Tokyo metropolitan area: Concentrate investment Luxury goods, cosmetics and food ▪ Regional stores: Establish store format that fits its location Convert to tenant space on upper floors (SEIBU Tokorozawa) Completely convert to specialty store (SEIBU Higashi-Totsuka)
Store initiatives	Difference in profitability between Stores	<ul style="list-style-type: none"> ▪ Closely survey profitability of individual stores Unprofitable stores ⇒ Decide on direction
Head Office costs	High SG&A ratio levels off (FY2019: 21.8%)	<ul style="list-style-type: none"> ▪ Implement further cost optimization measures

Plan to report on detailed strategy at the 1H financial results presentation

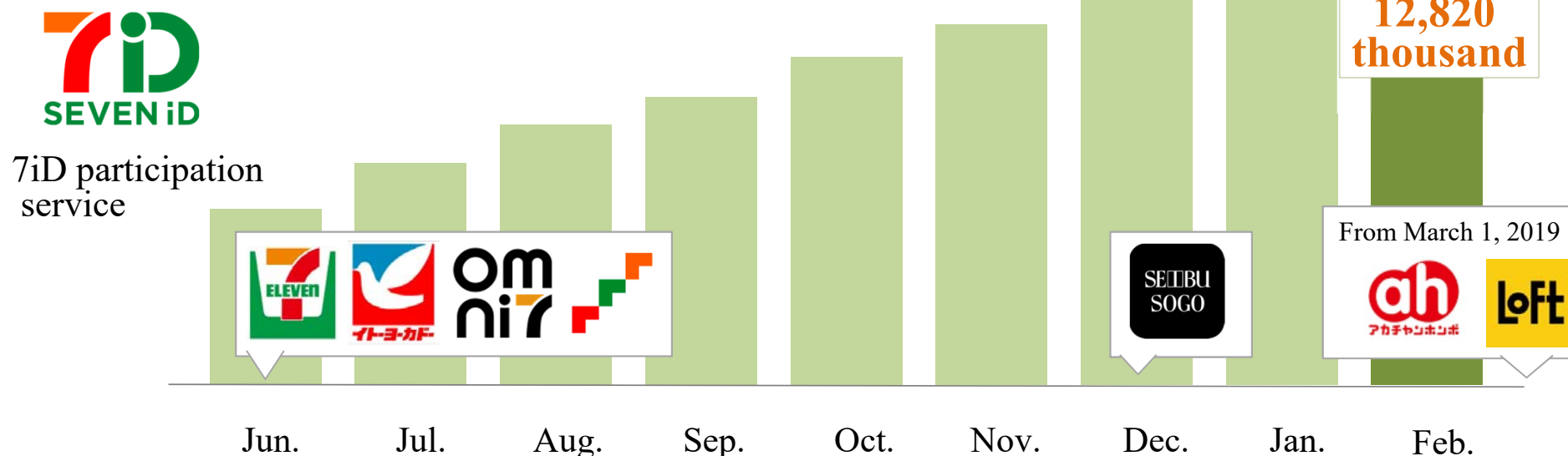
Group Strategy

Digital Strategy

◆ Review of the Medium-Term Management Plan



◆ Number of 7iD members



Benefits of Acquiring 7iD Members



◆ Compare members who transferred to 7iD and *nanaco* members

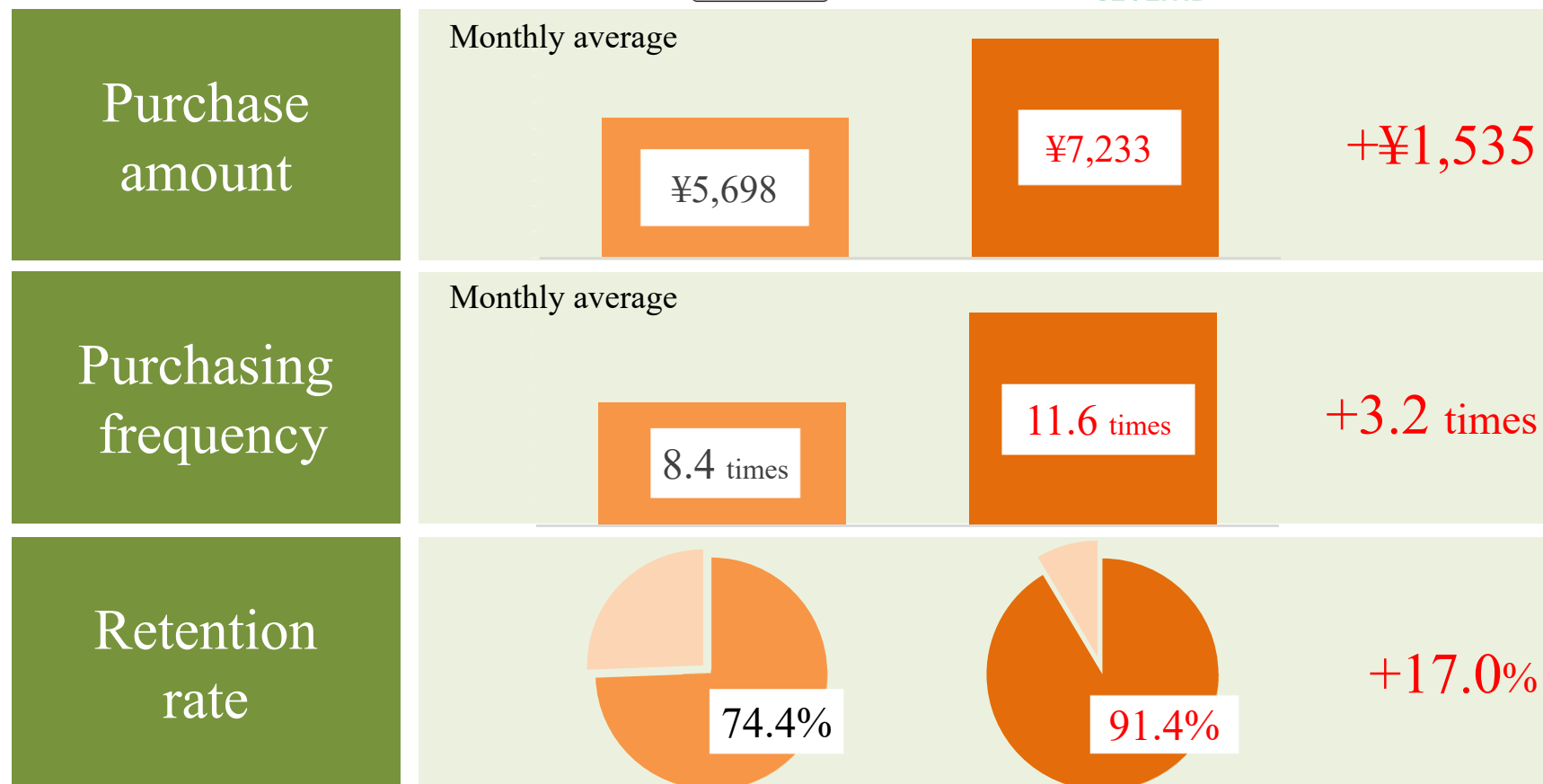
* Survey members who used nanaco from Aug.-Oct. 2017 (n=174.7 mn members; SEJ figures only)

* Compare members who transferred to 7iD (2.12 mn) and those who have not (not 7iD) as of Oct. 31, 2018

Continuing
nanaco members



Membership
transferred to 7iD

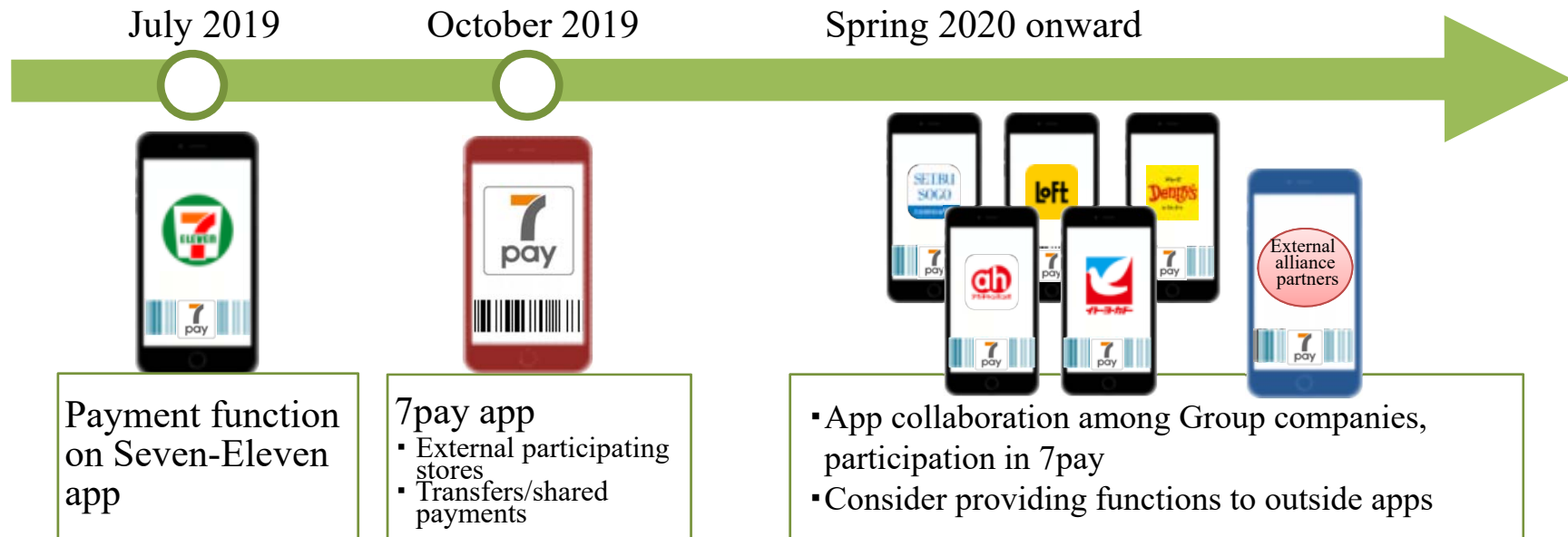


Coupons and information distribution are effective

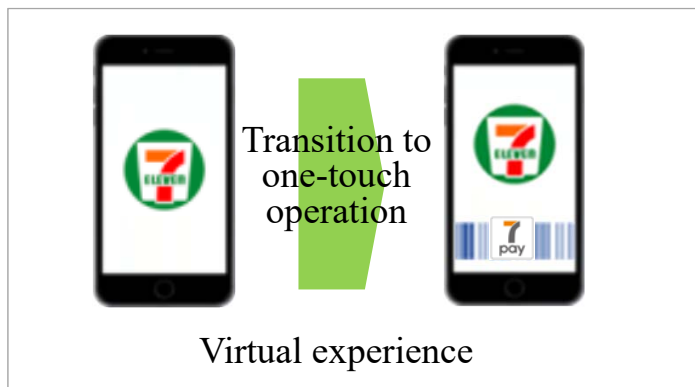
7pay Rollout Schedule



Start by adding payment function to SEJ app from July (planned)



◆ Pursuit of Convenience



No need to launch two apps at the same time

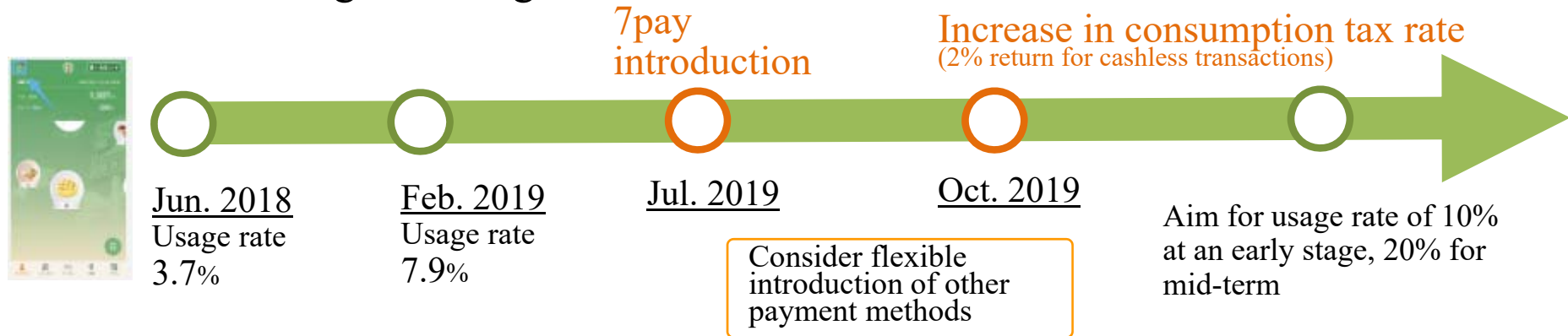
Ensure a smooth payment scheme

*7pay services are being registered in accordance with related laws and regulations

7pay Introduction (SEJ) and Change in Point / Mile Provision Rate



◆ Schedule and Targeted Usage Rate



Continue app, 7pay initiatives ⇒ improve sales, customer numbers

◆ Change in *nanaco* Point Provision Rate

Amounts do not include tax

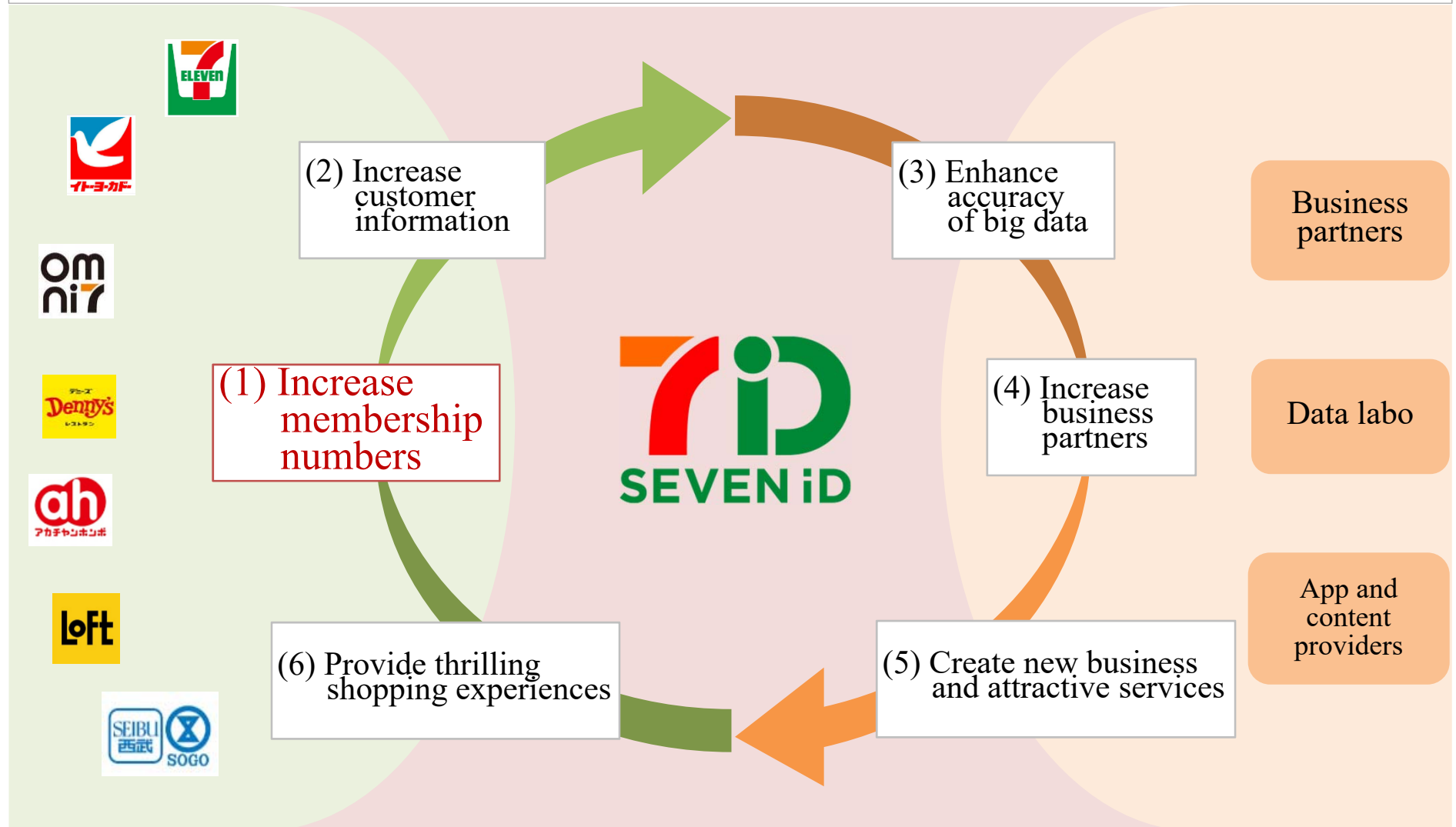
	June	July	August	September	October
	¥100 = 1 point	¥200 = 1 point			
		¥200 = 1 <i>nanaco</i> point (Considering limited-time campaign)			
				¥200 = 1 mile Enable converting to <i>nanaco</i> point	

*7pay services are being registered in accordance with related laws and regulations

Future Developments

(Establishing the Seven & i Economic Zone)

Number of members target by the end of FY2020: **30 million**
 ⇒ Continue growing permanently with franchise stores and suppliers



Established a Group Merchandise Strategy & Planning Division



◆ Purpose

Optimization of entire supply chain ⇒ Pursue sustainable potential

Group Merchandise Strategy & Planning Division

Seven Premium Development Strategy & Planning Department

- Strengthen core products
- Response to fine quality
- Response to health
- Environmental friendly

Procurement Strategy & Planning Department

- Improve efficiency utilizing scales
 - Reduce costs (waste and inconsistency)
 - Increase inventory management efficiency

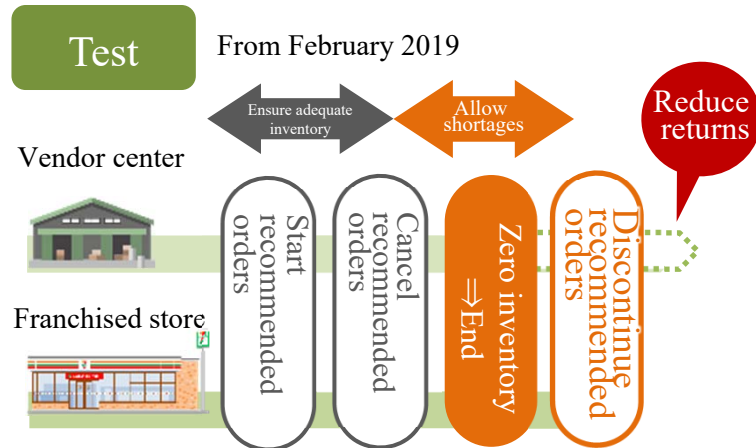
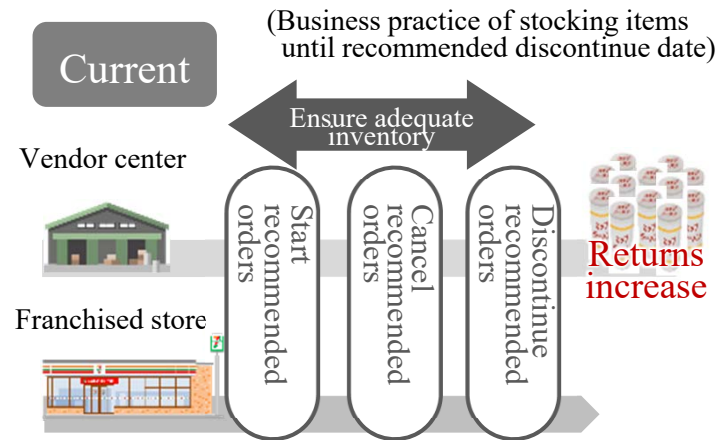
Logistics Strategy & Planning Department

- Redefine logistics from a Group viewpoint
- Reduce the load across the entire supply chain

Initiatives (Procurement and Logistics Strategy)

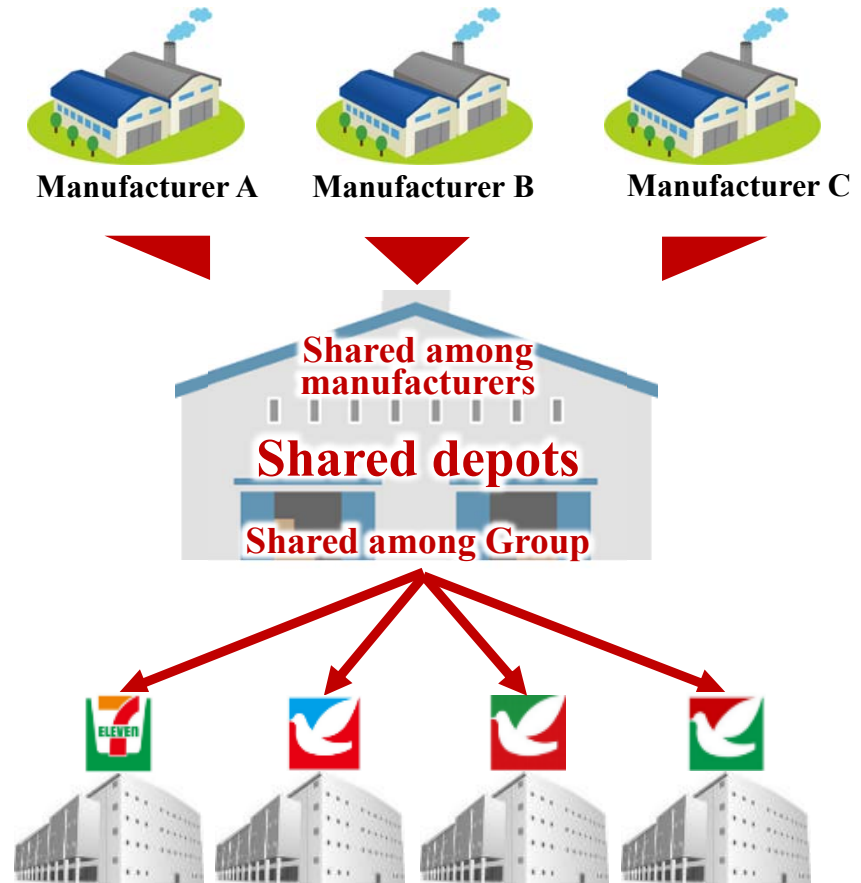


◆ Reduce manufacturer returns



After one month since started test :Reduced rate by **10 %**

◆ Joint deliveries for upstream logistics (Considered Cases)

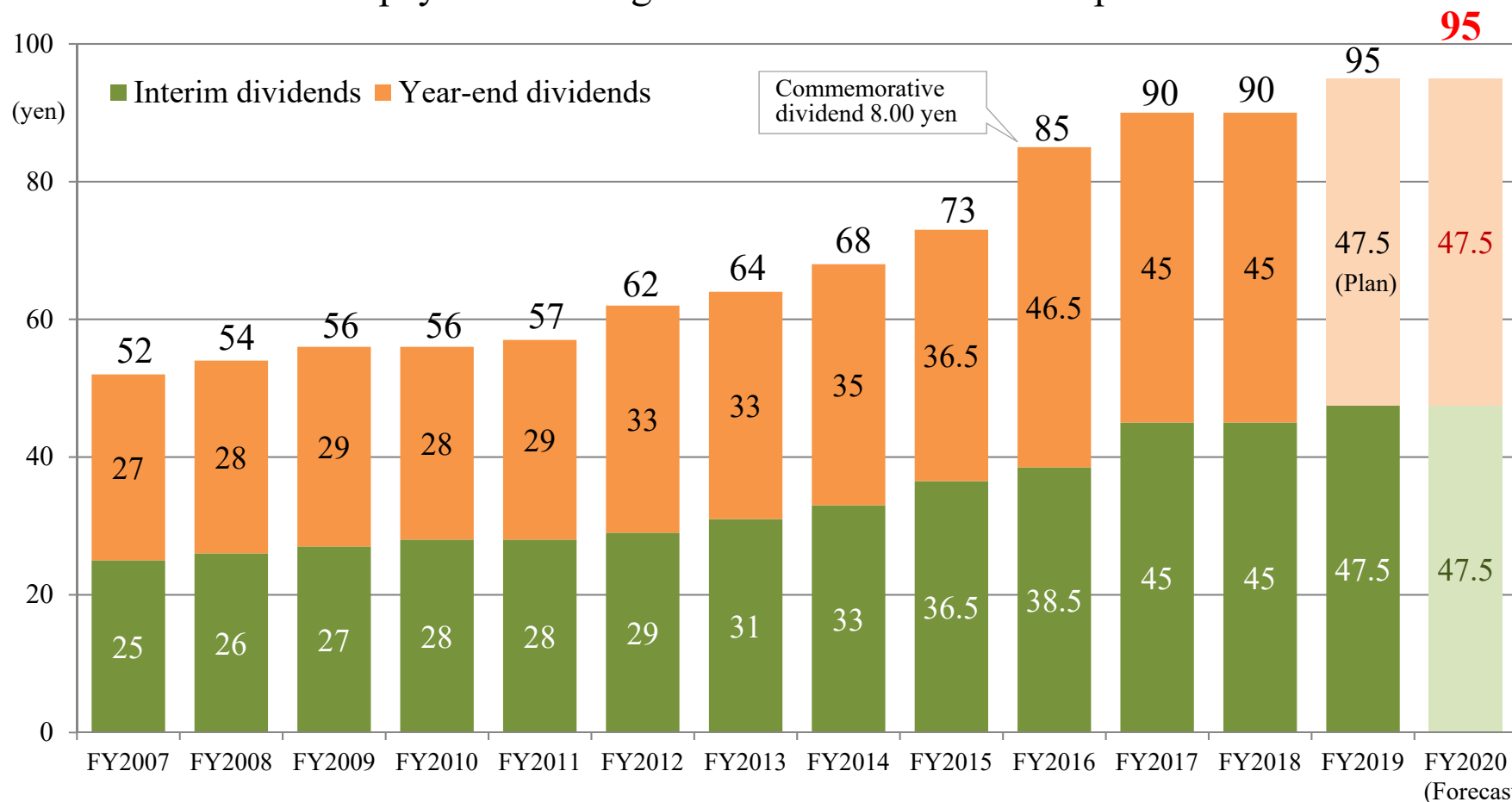


Promote pursuit of Group synergies from the sales channels and distribution viewpoints

Dividend Policy




◆ Consolidated dividend payout ratio target: Maintain 40.0% and improve it further



Dividend payout ratio (%)	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
	36.4	39.4	55.7	112.7	45.2	42.2	41.0	34.2	37.3	46.7	82.3	43.9	41.4	40.0

Plan ¥95 in FY2020, same as previous fiscal year (Dividend payout ratio: 40.0%)



A p p e n d i x

Consolidated Revenue from Operations by Business Segments



(Billions of yen)

	FY2018	FY2019				FY2019 Plan
			YOY (%)	Variance	vs. plan	
Consolidated revenues from operations	6037.8	6,791.2	112.5	+753.3	+108.2	6,683.0
Domestic CVS operations	928.6	955.4	102.9	+26.7	(2.5)	958.0
Overseas CVS operations	1,981.5	2,821.0	142.4	+839.5	+186.0	2,635.0
Superstore operations	1,901.1	1,902.5	100.1	+1.3	(44.4)	1,947.0
Department store operations	657.8	592.1	90.0	(65.7)	(22.8)	615.0
Financial services	202.9	215.0	105.9	+12.0	+4.0	211.0
Specialty store operations	416.6	355.4	85.3	(61.1)	(12.5)	368.0
Others	23.5	23.7	100.8	+0.18	(1.2)	25.0
Eliminations / corporate	(74.5)	(74.0)	-	+0.41	+1.9	(76.0)

Operating Income by Business Segments



(Billions of yen)

	FY2018	FY2019				FY2019 Plan
			YOY (%)	Variance	vs. plan	
Consolidated revenues from operations	391.6	411.5	105.1	+19.9	(3.4)	415.0
Domestic CVS operations	245.2	246.7	100.6	+1.4	(1.1)	247.9
Overseas CVS operations	79.0	92.2	116.7	+13.1	+1.8	90.4
Superstore operations	21.2	21.1	99.6	(0.08)	(7.8)	29.0
Department store operations	5.3	3.7	69.6	(1.6)	(1.9)	5.7
Financial services	49.7	52.8	106.4	+3.1	+3.0	49.8
Specialty store operations	0.43	6.6	-	+6.2	+0.58	6.1
Others	3.6	2.6	72.4	(1.0)	(0.44)	3.1
Eliminations / corporate	(13.1)	(14.5)	-	(1.3)	+2.4	(17.0)

Operating Income of Major Operating Companies



(Billions of yen)

	FY2018	FY2019			FY2019 Plan	
		YOY (%)	Variance	vs. plan		
Seven-Eleven Japan	244.1	245.0	100.4	+0.97	(1.4)	246.5
7-Eleven, Inc.	90.8	111.0	122.3	+20.2	+1.0	110.0
[Millions of dollar]	[810]	[1,005]	[124.2]	[+195]	[+5.8]	[1,000]
Ito-Yokado	3.0	4.7	153.0	+1.6	(5.2)	10.0
York-Benimaru <incl. Life Foods* >	18.0	16.7	92.4	(1.3)	(2.8)	19.6
Sogo & Seibu	5.0	3.2	64.3	(1.8)	(1.9)	5.2

* 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.

Consolidated Special Losses



(Billions of yen)

	FY2019		
	Results	Variance	Major factors
Consolidated special losses total	104.6	(23.1)	
Impairment loss on property & equipment	18.9	(1.6)	Scrap & build at Seven-Eleven Japan (SEJ), store renovation at Ito-Yokado and Sogo & Seibu (SS)
Impairment loss on property & equipment	55.7	(1.2)	Impairment loss related to overseas business at Seven Bank (7BK) [7.1], increased closures at SEJ, Cash register changeover at SS, etc.
Amortization of goodwill	3.8	+3.8	Amortization of goodwill related to overseas business at 7BK [3.8]
Loss on sales of shares of subsidiaries	3.3	+1.6	Sales of shares of subsidiaries at Nissen Holdings [3.3]
Restructuring expenses	2.6	(40.0)	Rebound after recording impairment losses [33.5] following SS transferring 2 stores in Kansai and closing 2 stores in previous fiscal year

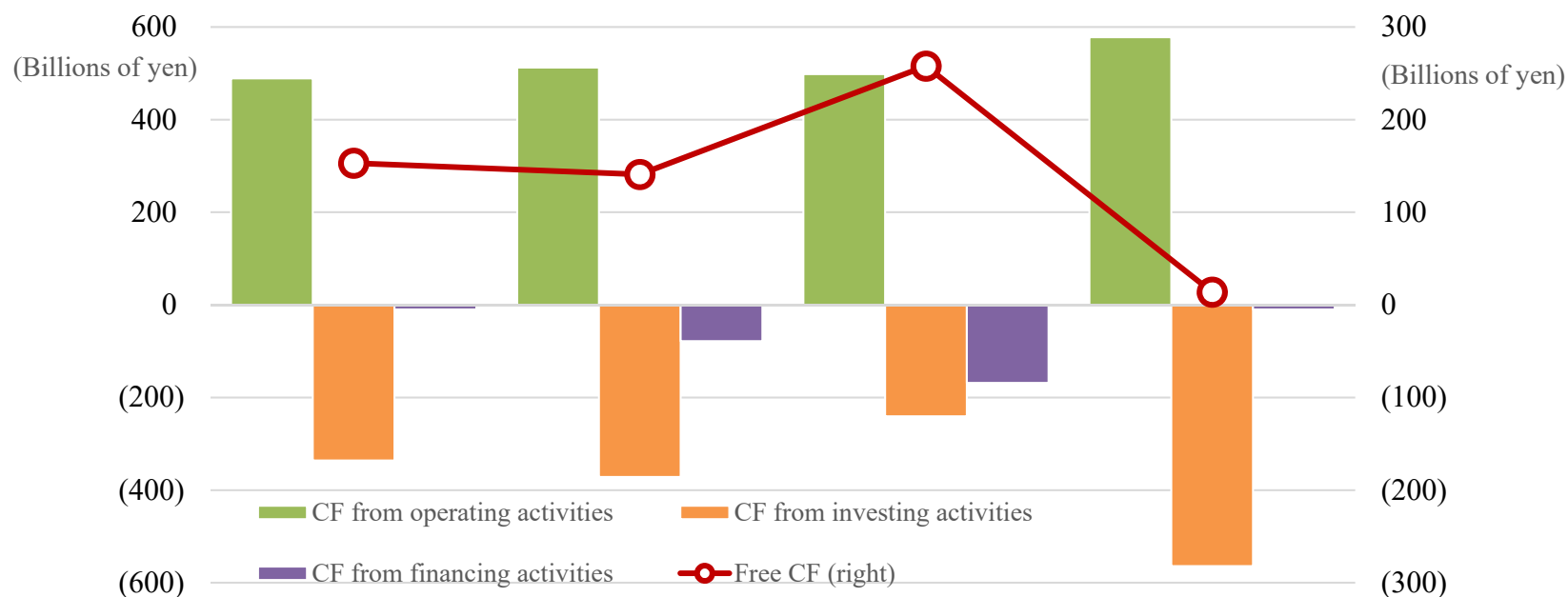
Consolidated Balance Sheets (Summary)



(Billions of yen)

Assets (Main items only)	Feb. 28 2018	Feb 28 2019	Variance	Liabilities and net assets (Main items only)	Feb. 28 2018	Feb 28 2019	Variance
Current assets	2,340.2	2,353.0	+12.8	Total liabilities	2,919.6	3,122.8	+203.2
Cash and bank deposits	1,316.7	1,314.5	(2.2)	Current liabilities	1,944.0	1,992.7	+48.7
Cash and due from banks at Seven Bank	715.8	775.4	+59.6	Notes and accounts payable, trade	420.0	411.6	(8.4)
Notes and accounts receivable-trade	337.9	336.0	(1.8)	Short-term loans	127.2	143.1	+15.9
Non-current assets	3,154.7	3,442.1	+287.4	Current portion of bonds Current portion of long- term loans	157.6	156.6	+0.96
Property and equipment	1,989.4	2,118.6	+129.1	Deposits received	174.3	174.0	(0.33)
Buildings and structures, net	872.2	954.0	+81.8	Deposit received in banking business	553.5	588.3	+34.8
Land	725.1	751.6	+26.4	Non-current liabilities	975.6	1,130.0	+154.4
Intangible assets	461.9	608.4	+146.5	Bonds	305.0	361.9	+56.9
Investments and other assets	703.3	715.0	+11.7	Long-term loans	393.1	443.4	+50.2
Deferred assets	0.0	0.1	+0.09	Total net assets	2,575.3	2,672.4	+97.1
Total assets	5,494.9	5,795.3	+300.3	Total liabilities and net assets	5,494.9	5,795.3	+300.3

Consolidated Statements of Cash Flows



(Billions of yen)	FY2016	FY2017	FY2018	FY2019	vs. FY2018
CF from operating activities	488.9	512.5	498.3	577.9	+79.6
CF from investing activities	(335.9)	(371.6)	(240.4)	(564.1)	(323.7)
Free cash flow	153.0	140.9	257.8	13.8	(244.0)
CF from financing activities	(2.3)	(78.1)	(168.5)	(5.3)	+163.1
Cash and cash equivalents at end of period	1,147.0	1,209.4	1,300.3	1,303.6	+3.2

FY2020 Plan of Revenues from Operations and Operating Income by Business Segments



(Billions of yen, %)

	Revenues from operations			Operating income		
		YOY	Variance		YOY	Variance
Consolidated	6,741.0	99.3	(50.2)	420.0	102.0	+8.4
Domestic CVS operations	983.0	102.9	+27.5	251.4	101.9	+4.6
Overseas CVS operations	2,740.0	97.1	(81.0)	102.7	111.3	+10.4
Superstore operations	1,903.0	100.0	+0.4	26.1	123.3	+4.9
Department store operations	595.0	100.5	+2.8	4.7	125.8	+0.96
Financial services	221.0	102.8	+5.9	46.3	87.6	(6.5)
Specialty store operations	353.0	99.3	(2.4)	8.1	121.3	+1.4
Others	27.0	113.8	+3.2	2.5	94.0	(0.15)
Eliminations / corporate	(81.0)	-	(6.9)	(21.8)	-	(7.2)

FY2020 Plan for Major Operating Companies

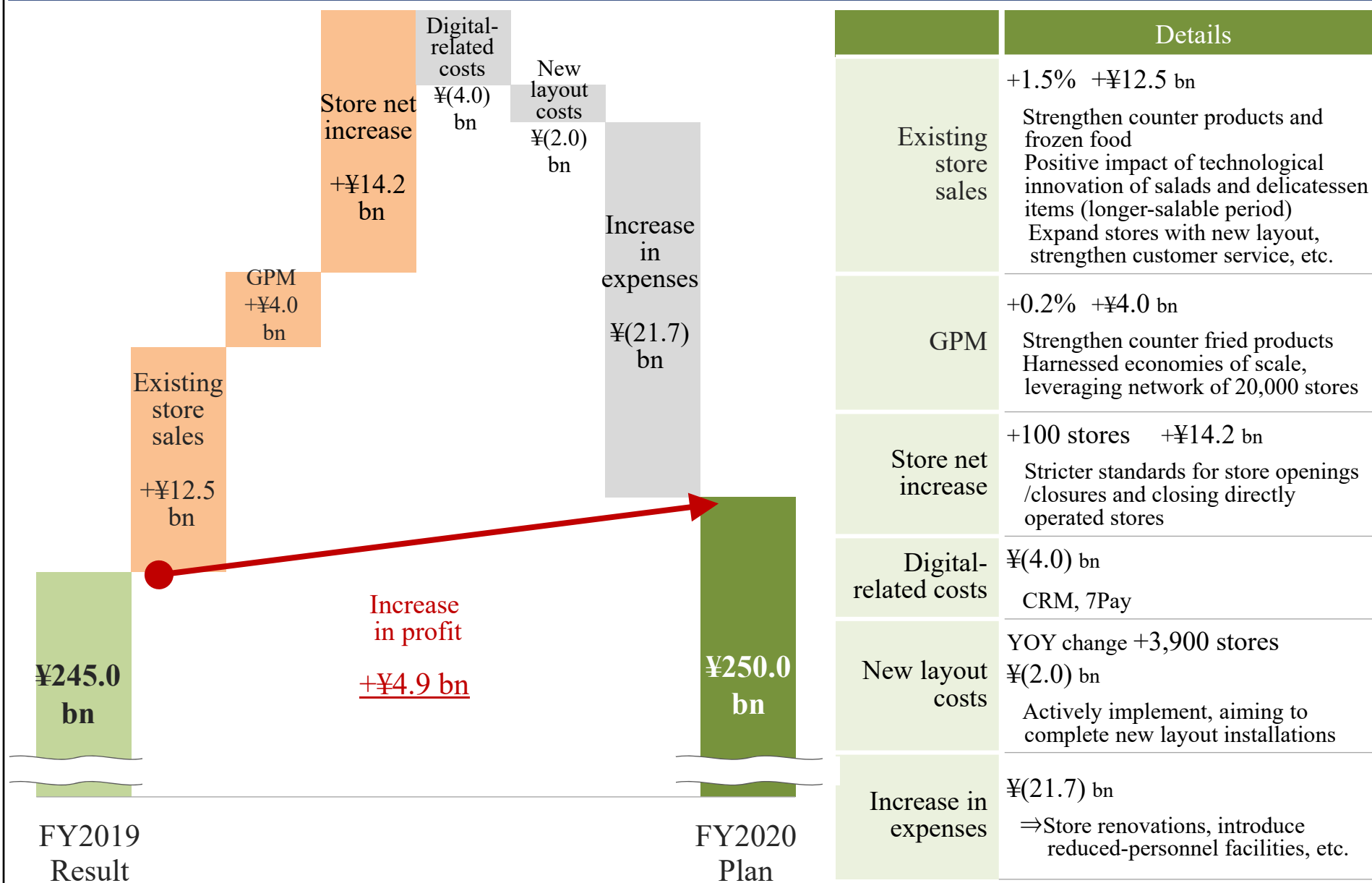


(Billions of yen, %)

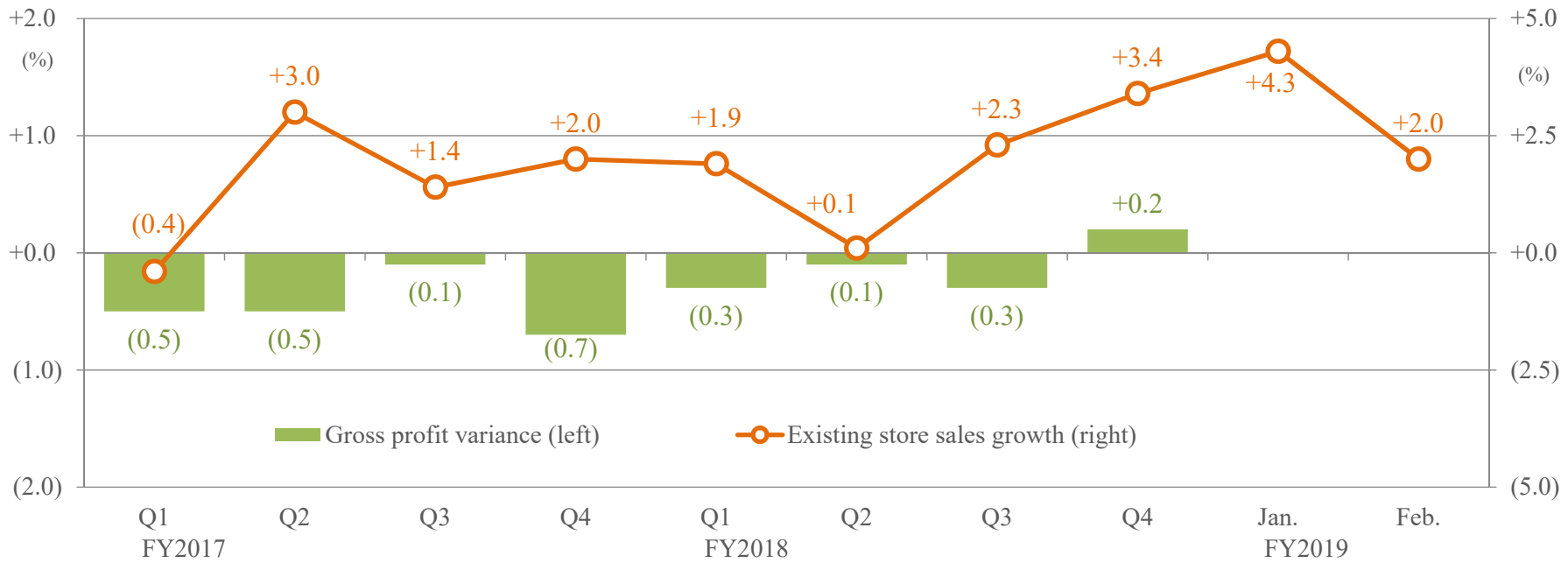
	Operating income		Existing store sales growth	GPM variance	
		YOY			Variance
Seven-Eleven Japan	250.0	102.0	+4.9	+1.5	+0.2
7-Eleven, Inc. [Millions of dollar]	122.6 [1,114]	110.4 [110.8]	+11.5 [+108]	+2.3	+0.5
Ito-Yokado	6.5	138.1	+1.7	(1.6)	+0.3
York-Benimaru <incl. Life Foods*>	18.3	109.4	+1.5	+0.5	+0.6
Sogo & Seibu	4.2	128.6	+0.93	+0.7	±0.0

* 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.

SEJ: FY2020 Operating Income Plan YOY Change



SEI: Existing Store Sales and Gross Profit Margin



Existing store MDSE sales: FY2018 +1.9%

Q3 onward was robust despite struggling due to special factors in Q2 by +0.1%

Merchandise GPM: FY2018 (0.1)%

7Rewards impact: (0.1) %

Acquisition of Sunoco stores drove down: (0.1) %

Improving trend with Q4 only +0.2%

FY2019 Plan

Existing store sales growth +2.3%

MDSE GPM YOY changes +0.5%

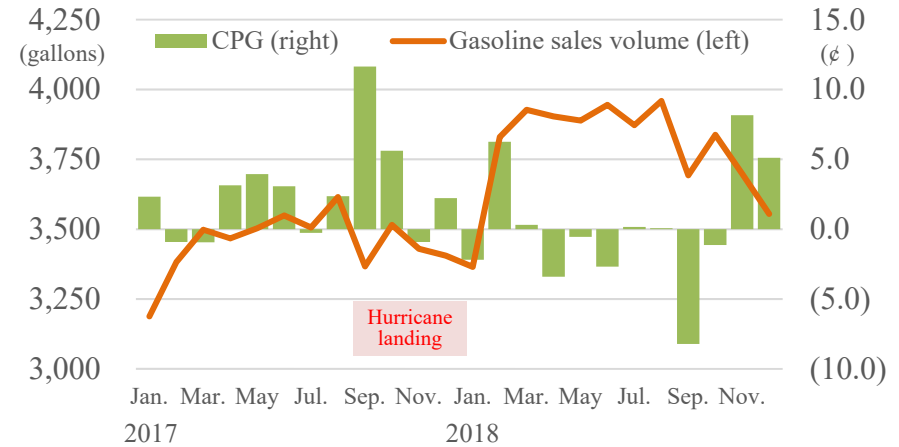
- Promote fresh food development and expand sales
- Expand the range of PB products “7-Select”
- Digital strategy royalty program “7Rewards”

SEI: Gross Profit on Gasoline

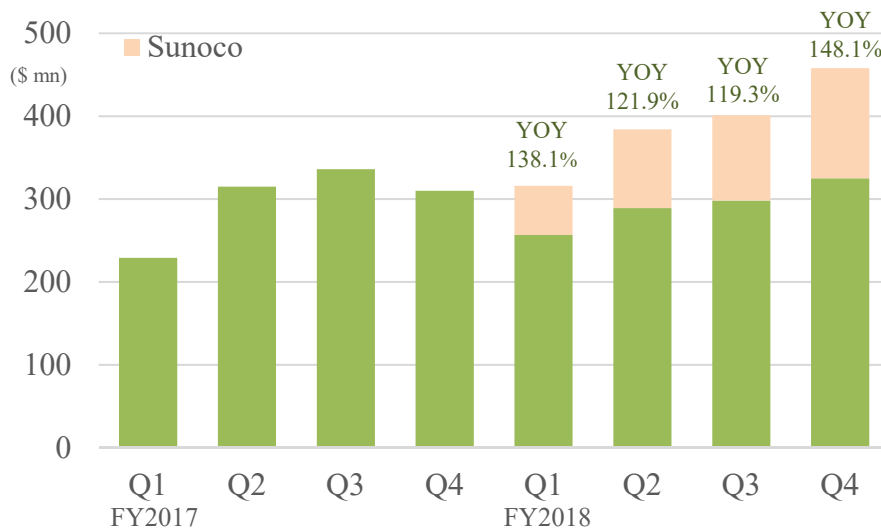
◆ Crude oil price (WTI) Source: EIA



◆ Gasoline sales volume (/day/store) and YOY change in CPG



◆ Gross profit on gasoline



Profitability improved significantly in Q4 due to rapid decrease in crude oil price



FY2018 Gasoline GP YOY : 131.1%
Ended above plan

SEI: FY2018 Sunoco Results



◆ Operating figures (Average daily sales per store)

	Sunoco	SEI (excl. Sunoco)	Variance
Merchandise (Millions of dollars)	4,930	4,970	(40)
Gasoline (Millions of gallons)	5,010	3,450	+1,560

◆ Financial figures

(FX rate: 1USD = 110.44JPY)

	Sunoco		SEI (excl. Sunoco)		Total	
		YOY		YOY		YOY
Operating income (Millions of dollars)	120	-	885	109.3%	1,005	124.2%
Operating income (Billions of yen)	13.3	-	97.7	107.6%	111.0	122.3%
Amortization of goodwill (Billions of yen)	7.6*	-	11.1	94.7%	18.8	160.0%
Contribution to consolidated operating income (Billions of ¥ mn)	5.6	-	86.5	109.5%	92.2	107.4%

Full-year target achieved due to remodeling effects, growth in gasoline gross profit due to fall in crude oil price, etc. in Q4

*Goodwill: Calculated as 1,388 mn USD.

SEI: FY2019 Plan



(Millions of dollars)

	FY2018 Results			FY2019 Plan					
	Sunoco	SEI	Total	Sunoco	YOY(%)	SEI	YOY(%)	Total	YOY(%)
Total store sales	6,429	29,728	36,157	6,561	102.1	29,416	99.0	36,027	99.6
Merchandise sales	1,720	15,627	17,347	1,878	109.2	15,992	102.3	17,870	103.0
Gasoline sales	4,709	14,101	18,810	4,683	99.4	13,474	95.6	18,157	96.5
Operating income	120	885	1,005	141	117.5	973	109.9	1,114	110.8
Operating income (Billions of yen)	13.3	97.7	111.0	15.5	116.5	107.1	109.6	122.6	110.4
Amortization of goodwill (Billions of yen)	7.6	11.1	18.8	7.6	100.0	12.4	110.7	20.0	106.4

◆ Impact on the consolidated financial results (Operating income after amortization of goodwill)

Operating income (Billions of yen)	5.6	86.5	92.2	7.9	138.6	94.7	109.5	102.6	111.3
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FX rate: 1USD = FY2018 110.44JPY, FY2019 110.00JPY

Estimated amortization of goodwill regarding Sunoco transaction: 1,388 mn USD 20-year amortization

IY: FY2020 Plan



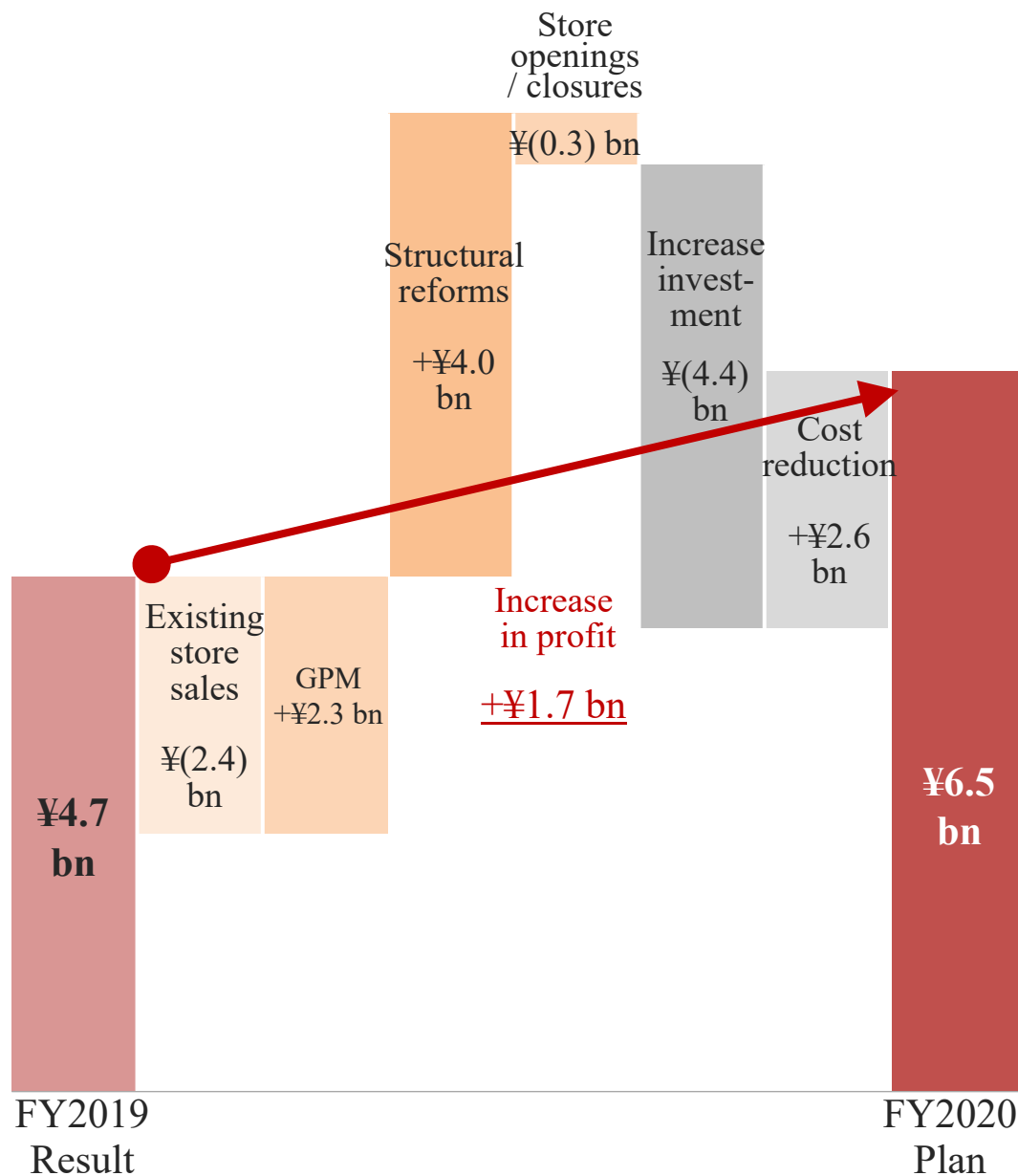
(Billions of yen)

	FY2019 Results			FY2020 Plan		
		YOY	Variance		YOY	Variance
Revenue from operations	1,236.1	99.4%	(8.0)	1,210.0	97.9%	(26.1)
Sales	1,205.7	99.4%	(7.8)	1,177.0	97.6%	(28.7)
Operating income	4.7	153.0%	+1.6	6.5	138.1%	+1.7
Existing store sales growth	(1.1)%	-	-	(1.6)%	-	-
Merchandise GPM	29.6%	-	±0.0%	29.9%	-	+0.3%
Store openings	1	-	(1)	4	-	+3
Store closures	6	-	(3)	6	-	±0
Capital expenditures	44.0	243.8%	+25.9	41.3	93.7%	(2.7)

◆ Action plans for FY2020

Structural reforms	Directly operated sales floor space reforms
Expand tenant introduction, a feature of attracting customers	Strengthen merchandizing capabilities (strengthen core products in each category and take-home meals)
Efficiency in allocating personnel	Establish sales floor format (reorganization of apparel and household item MDSE and right-sizing of directly managed sales floor space)

IY: FY2020 Operating Income Plan YOY Change



	Details
Existing store sales	(1.6)% ¥(2.4) bn Continue to strengthen food sales
GPM	+0.3% +¥2.3 bn Apparel inventory optimization, etc.
Structural reforms	+¥4.0 bn FY2019 16 stores
Store openings /closures	¥(0.3) bn FY2019: 1 opening, 6 closures FY2020: 4 openings, 6 closures
Increase investment	¥(4.4) bn FY2020: 22 stores
Cost reduction	+¥2.6 bn ⇒Reduce personnel expenses and store expenses, etc.

SS: FY2020 Plan



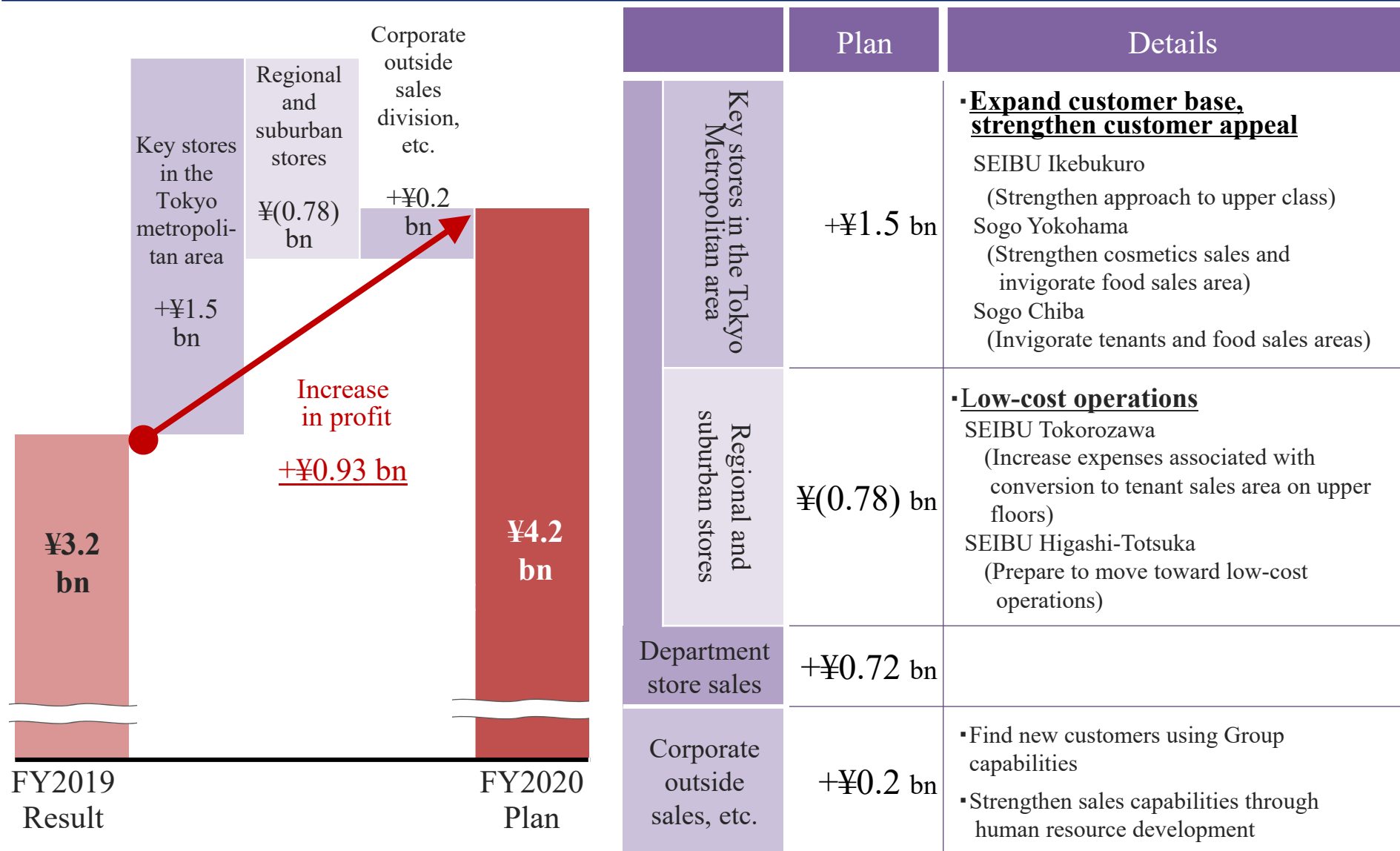
(Billions of yen)

	FY2019 Results			FY2020 Plan		
		YOY	Variance		YOY	Variance
Revenue from operations	615.2	89.7%	(70.6)	619.6	100.7%	+4.3
Sales	604.3	89.6%	(70.0)	608.8	100.7%	+4.4
Operating income	3.2	64.3%	(1.8)	4.2	128.6%	+0.9
Existing store sales growth	(1.0)%	-	-	+0.7%	-	-
Merchandise GPM	24.3%	-	+0.3%	24.3%	-	±0.0%
Total store count	15	-	-	15	-	-
Transfer / closures	-	-	-	-	-	-
Capital expenditures	16.5	132.3%	+4.0	22.0	133.3%	+5.4

◆ Action plans for FY2020

Key stores in the Tokyo Metropolitan area	Regional and suburban stores
Continue growth investment (SEIBU Ikebukuro, Sogo Yokohama and Sogo Chiba) Strengthen royal customer policies	Convert to tenant space on upper floors (SEIBU Tokorozawa)
Expand the customer base and strengthen customer pull	

SS: FY2020 Operating Income Plan YOY Change



*Key stores in Tokyo metropolitan area: SEIBU Ikebukuro, Sogo Yokohama, Sogo Chiba, SEIBU Shibuya and Sogo Omiya

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