

Financial Results Presentation Q1 FY2020

July 4, 2019

Seven & i Holdings Co., Ltd.

Q1 FY2019 Consolidated Financial Results Highlights

◆ Achieved record-high operating income and net income attributable to owners of parent

(Billions of yen)

	FY2019	FY2020	YOY(%)	Variance	vs. plan (%)	Variance
Group's total sales	2,851.0	2,894.8	101.5	+43.8	98.7	(37.8)
Revenues from operations	1,599.0	1,596.4	99.8	(2.5)	98.5	(23.9)
Operating income	86.3	90.3	104.6	+3.9	106.0	+5.1
Net income attributable to owners of parent	42.8	52.0	121.5	+9.2	116.0	+7.1
EBITDA (Operating income + Depreciation and amortization + Amortization of goodwill)	145.4	151.8	104.4	+6.3	-	-

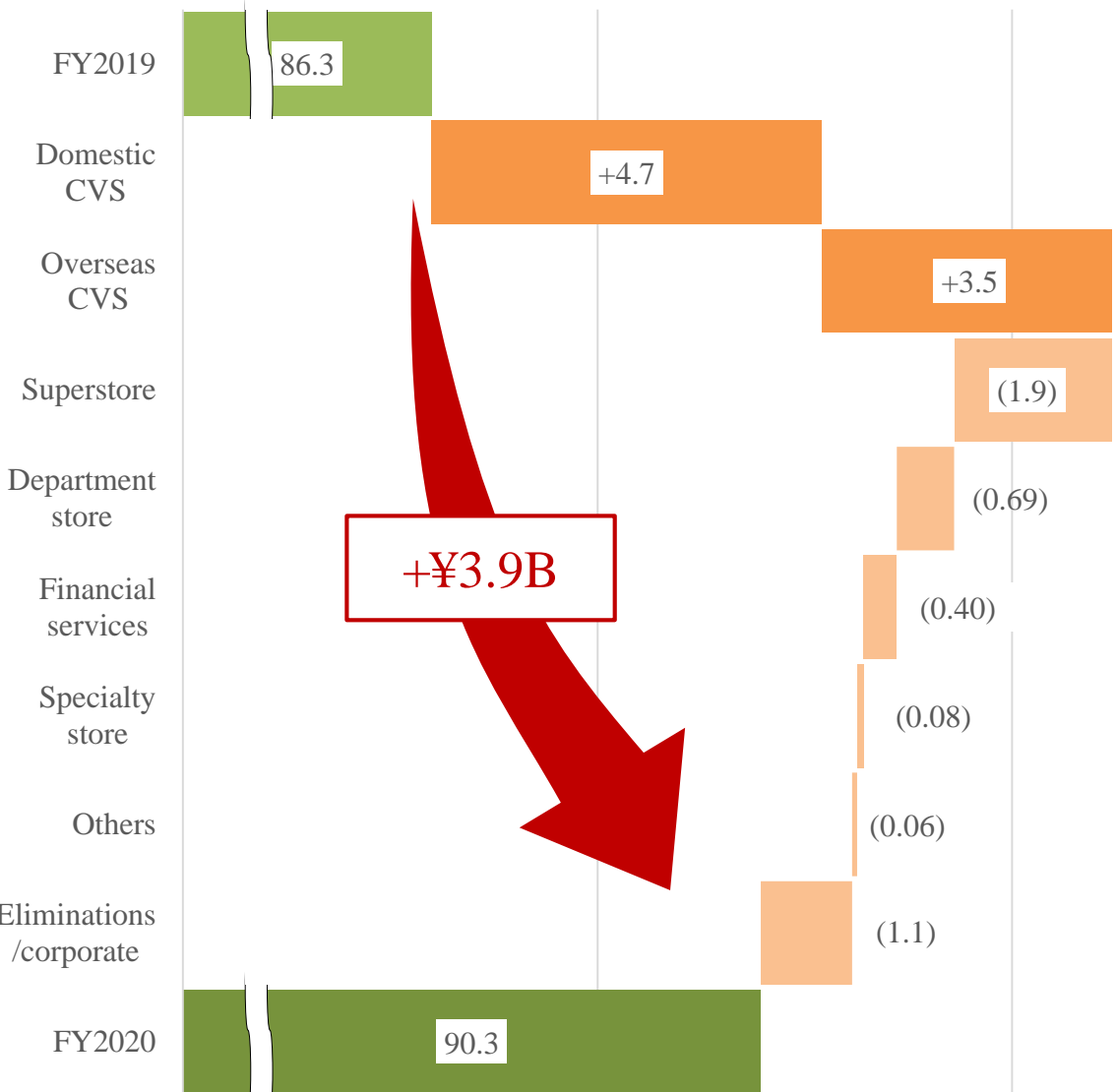
*Group's total sales include the sales of Seven-Eleven Japan and 7-Eleven, Inc. franchisees.

FX rate: 1USD = 110.22JPY, 1CNY = 16.33JPY

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Operating Income Changes for Q1

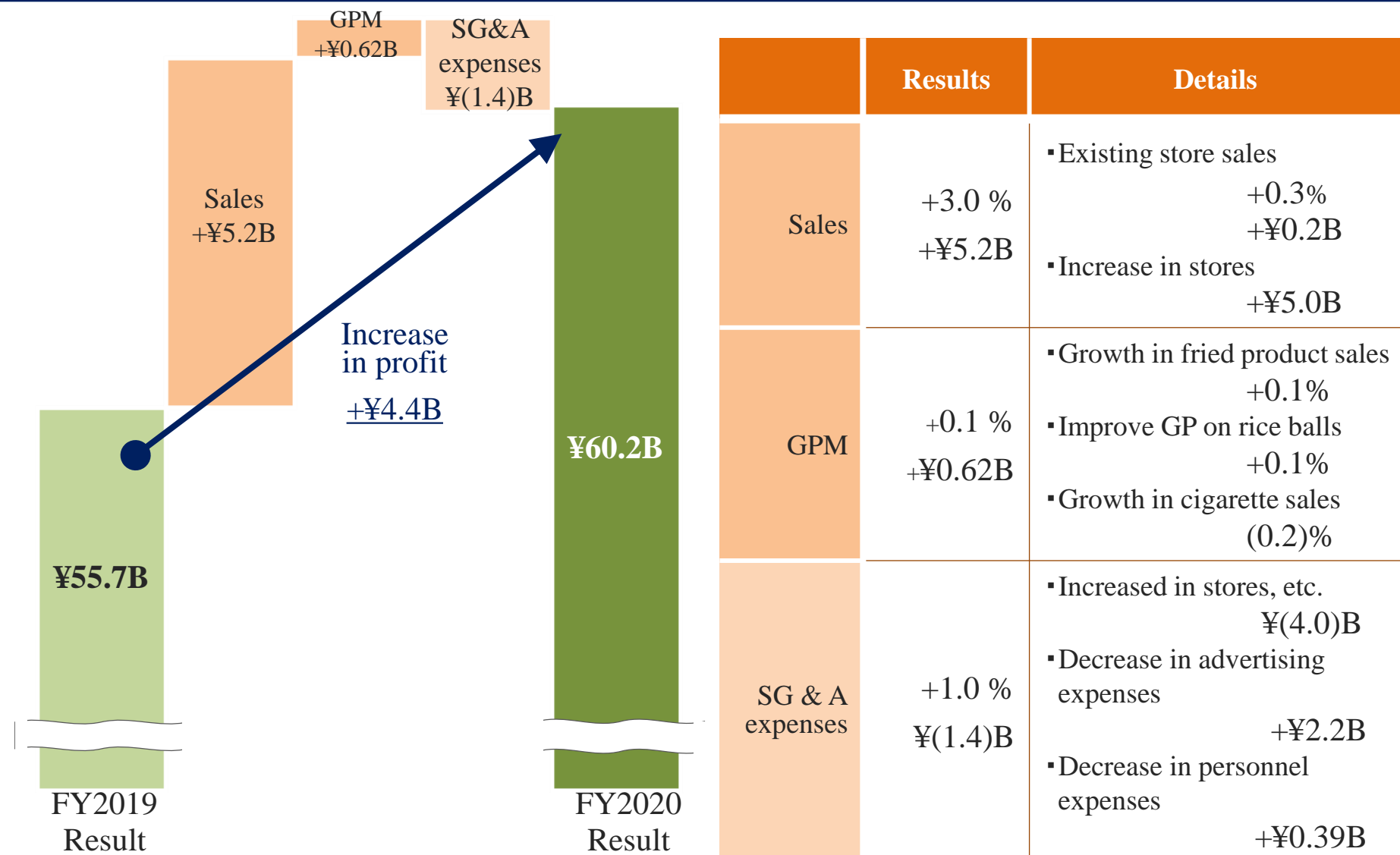
(Billions of yen)



Factors in YOY changes	
Improved SEJ's GPM and optimized SG&A expenses	
SEI existing store sales and GPM growth	
IY struggled while YB's profits increase	
SS existing store sales and GPM decreased	
Expenses for adapting credit cards to IC and personnel expenses for 7pay, etc.	
7FS and Nissen's profits increase, but other struggled	
-	
Increase in CRM related expenses	
Profits increased by ¥3.9B led by CVS operations in Japan and North America	

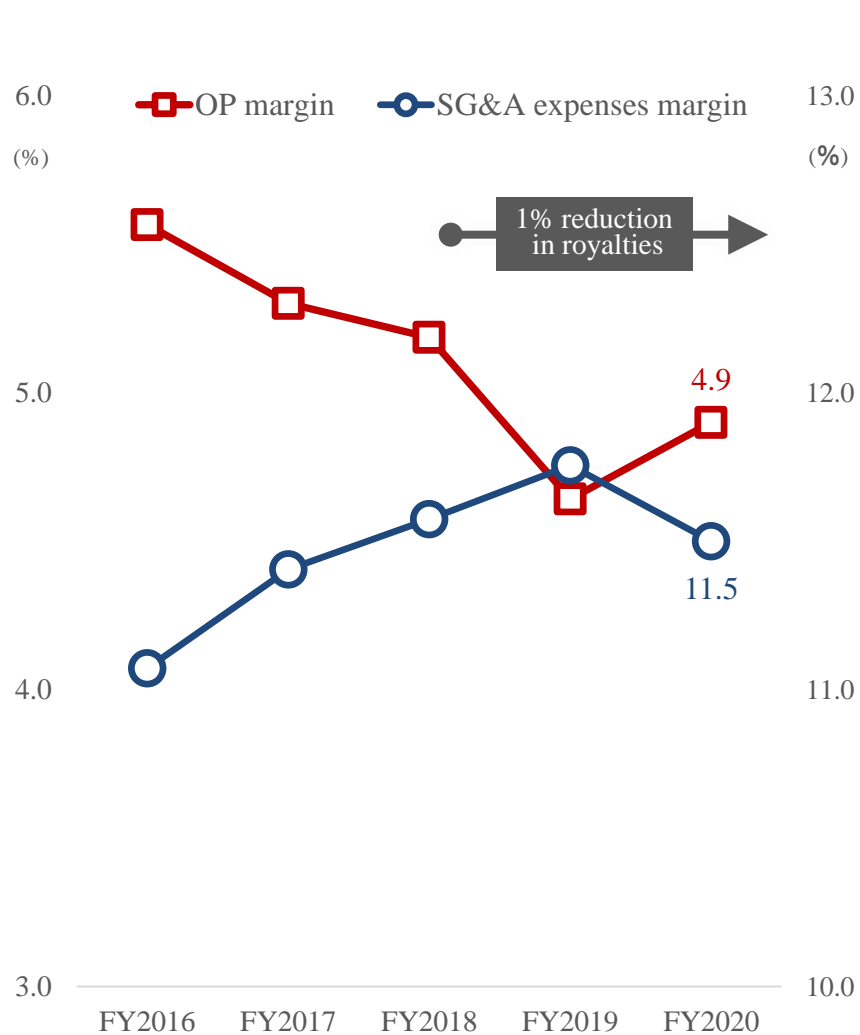
Seven-Eleven Japan SEJ

Factors in YOY Change of Operating Income for Q1



Achieve plan through growth in GPM and optimization of SG&A expenses, despite underperformance in same store

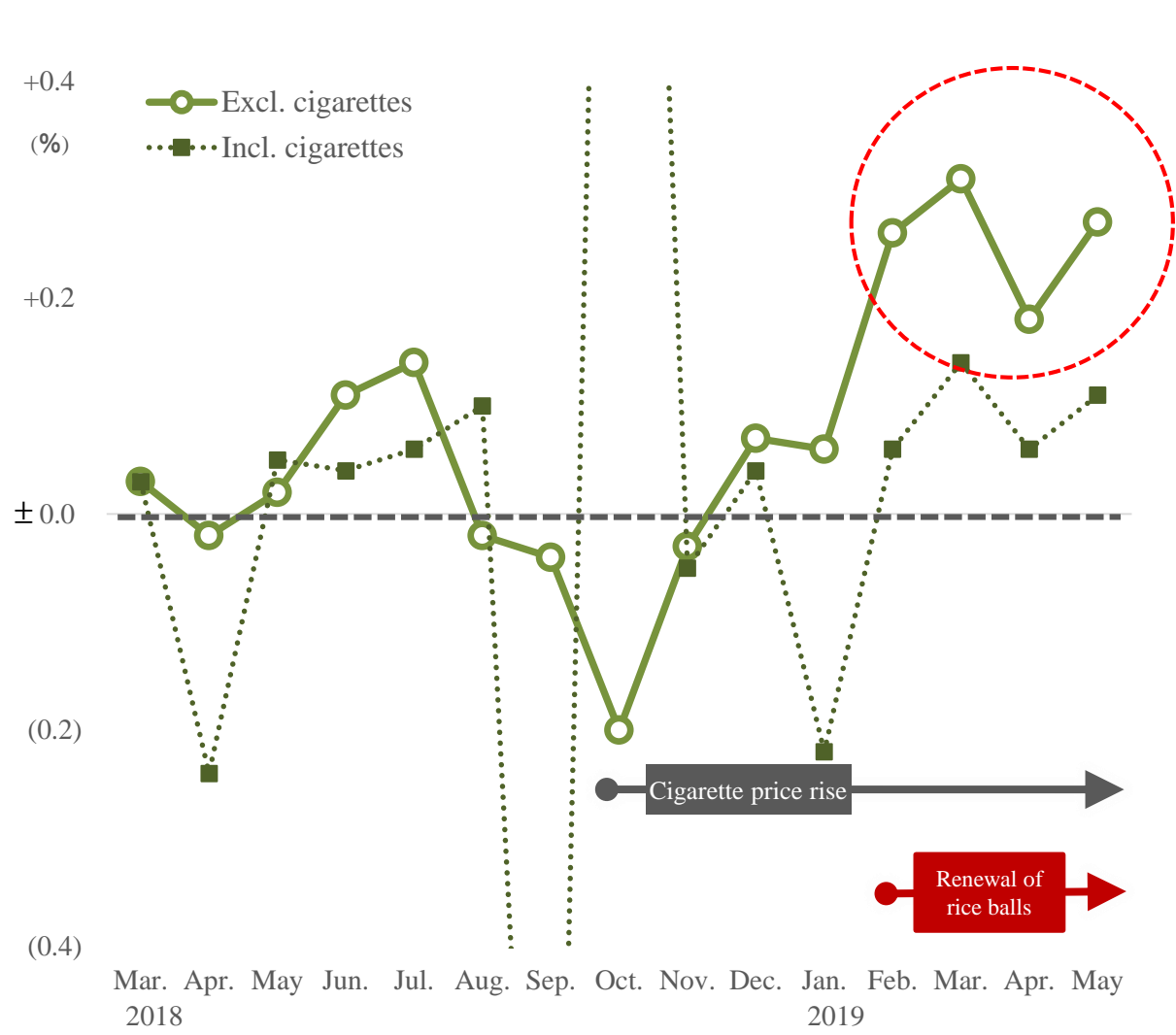
OPM and SG&A Expenses Margin for Q1



	Change (billions of yen)		Main factors
	FY2019	FY2020	
Advertising expenses	(0.19)	(2.2)	Optimized sales promotions (Shift to 7-Eleven app-based sales promotions)
Personnel cost	+1.4	(0.39)	Reduced directly operated stores (76 fewer stores compared to previous year)
Rent	+3.5	+2.7	Curbed on store openings (108 fewer stores compared to previous year)
Depreciation and amortization	+1.8	+0.69	Completion of POS register changeover
Total SG&A expenses	+8.2	+1.4	Curbed increase to 1% YoY

Promote further revision of Head Office cost structure
⇒ Continuous improvement in profitability

YOY Change in GPM



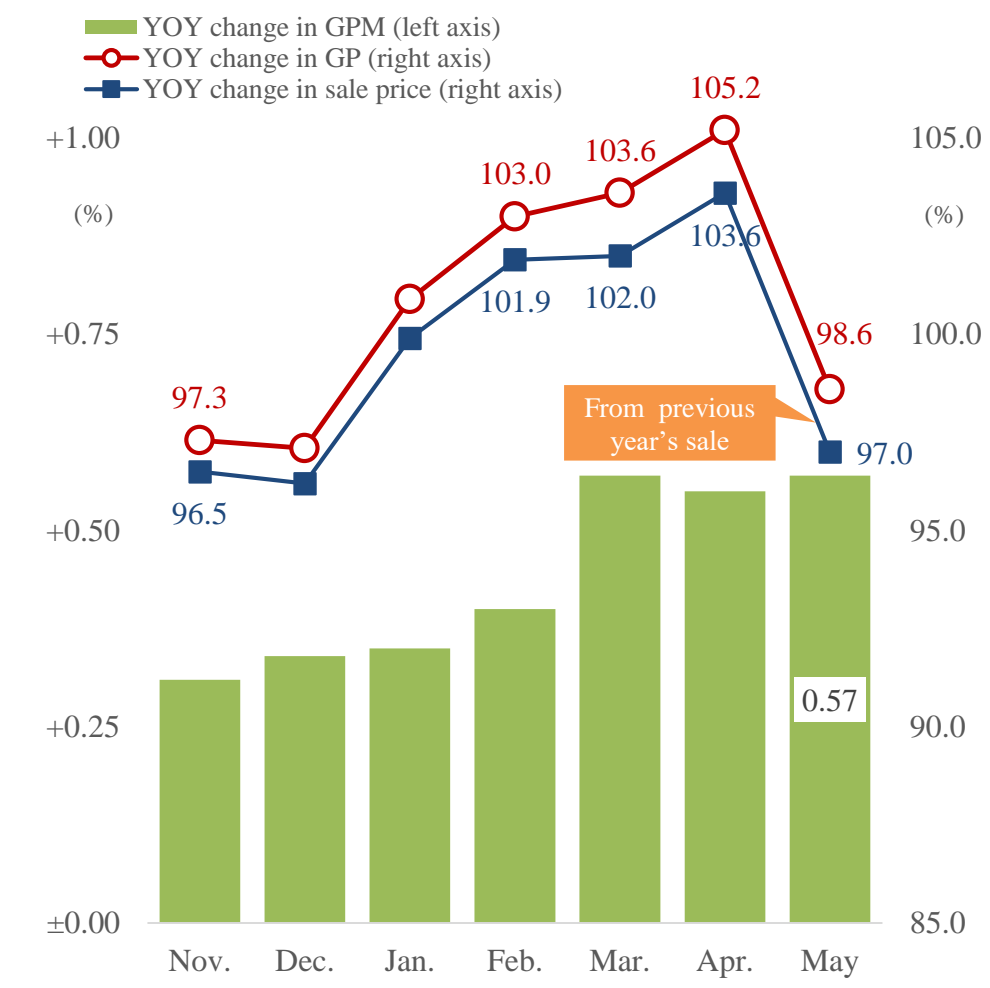
Q1 GPM results

Product category	Change
MDSE total (incl. cigarettes)	+0.1
MDSE total (excl. cigarettes)	+0.3
Fast food, daily food	+0.3
Fried products	+0.1
Rice products	+0.1
Others	+0.1
Nonfood	+0.0
Alcoholic beverage	+0.0
Snacks, processed food	▲0.0
Ice cream, soft drinks	▲0.1

GPM on an improving trend due to continuous renewals that increase quality

GP Improvement Example: Rice Balls

◆ “Hand-rolled rice balls” complete renewal of five items (from February)



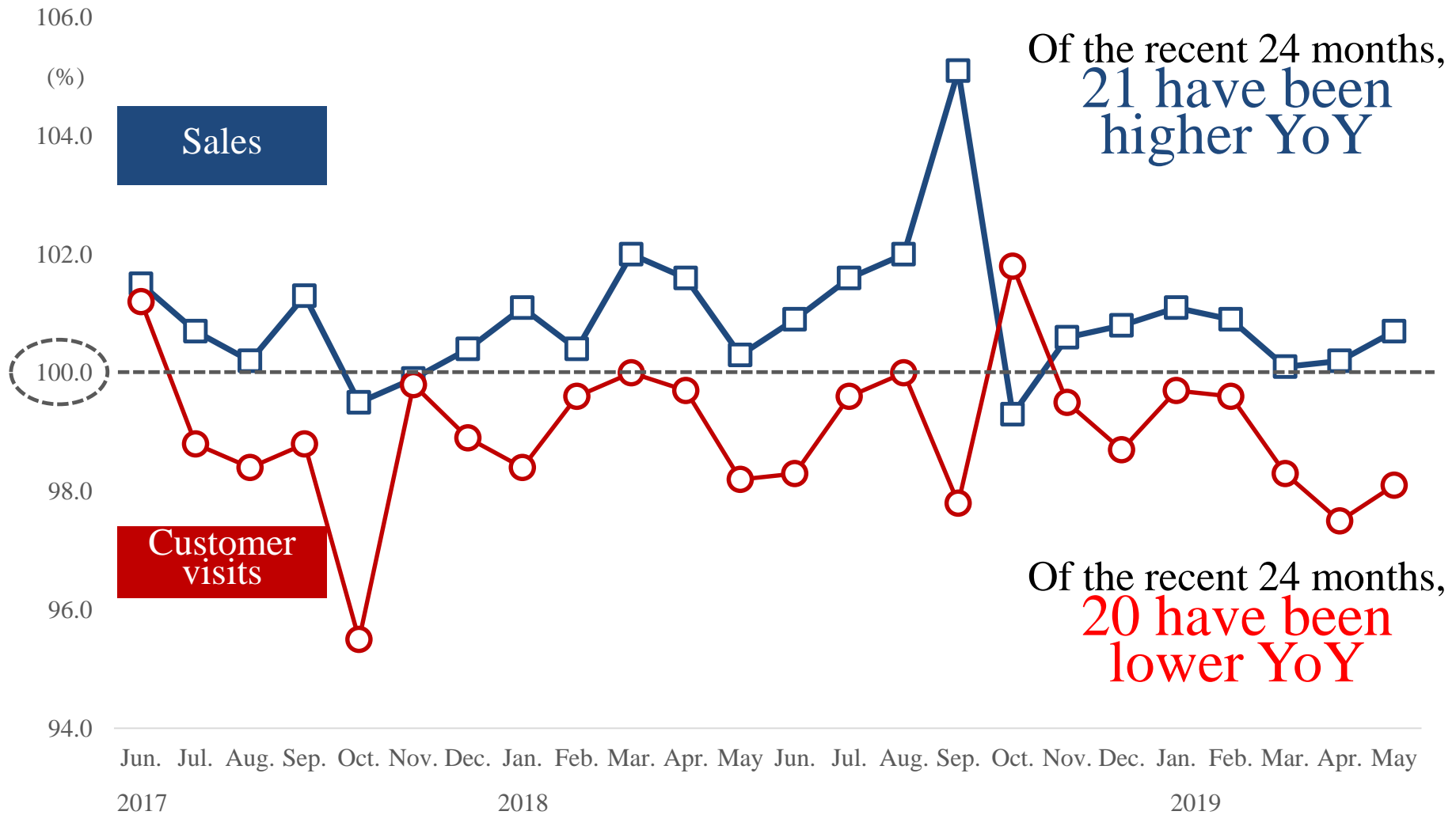
Rice	Nori seaweed	Fillings
Polishing	Grill	Materials, preparation method
Total revision		

Reset of prices and GPM following dramatic quality increase

Example	Recommended sale price (incl. VAT)	GPM
Mustard and roe	¥140 ⇒ ¥150	+0.9% pt.
Kelp	¥110 ⇒ ¥115	+0.4% pt.

Improved sales and GP after renewal ⇒ Improved performance for the entire category

existing store Sales and Customer Numbers YOY



The biggest issue has been **customer visits**
 The source of sales is customer visits

Efforts to Improve Customer Numbers

◆ *7pay* introduction



From July 1
Added a payment function to the Seven-
Eleven app

Number of app downloads:
Over 1.2 million
= strong starting position

Over 1.5 MM people registered
on the first three days alone



◆ Increase customer convenience

At the same time, five companies in and outside Japan started using barcode payment

- | | |
|------------|--------------|
| ▪ PayPay | ▪ ALIPAY |
| ▪ MerPay | ▪ WeChat Pay |
| ▪ LINE Pay | |

Strengthen sales promotion

Resolved reverse-discrimination issue



Overview of Action Plan

◆ Announced Action Plan to 24-hour operations issue on April 25

1. Strengthen support for franchise stores

- Respond to staff shortages
 - Enhance systems (Owner help and employee dispatch)
 - Employee recruiting center
- Personnel reduction
 - Self-service registers
(Scheduled for introduction at all stores during FY2020)
 - Plan to start introduction in Q2
 - Promote cashless payment (Smartphone payment from July)
 - Introduce new inspection system in 2H
 - Introduce new fittings and fixtures
(Start with new stores and refurbished stores in FY2020)

2. Strengthen communication with owners

- Store visits from directors and general managers
Every month starting from May
- Area study sessions
Hold regularly
- Owner surveys
Check regularly on franchise store concerns and management issues

3. Consider shortening operating hours

- Test at directly operated stores (From May 21 / 10 stores)
 - Three lengths of store closure time
(4 hours, 6 hours, 8 hours)
- Franchise store participation in trial
 - Set single term length of three months, with longest trial of two terms.
 - ⇒ Franchise stores to make the final decision on whether to shorten operating hours

4. Expand sales and profits

- Accelerate introduction of new layouts
Q1 result: 1,200 stores, FY2020 plan:
Changed from 6,000 stores to 7,000 stores
- Reduce food loss
Introduce ethical program in Autumn 2019
- Digital and financial strategies
From July: Introduce other companies' barcode payment systems at the same time as 7pay

Improve Operation Efficiency



New room-temperature gondola
Sliding shelves

Save 71 min



New open cases
All shelves are sliding type

Save 30 min



New deep fryers
Change to IH heaters
No boiling required,
Easy-clean

Save 60 min



Oil smasher
Can be washed just with water

Save 15 min



New fast food warmer
Sliding function
and LED light

Save 7 min



New walk-in fridge
Display volume increased
by 797 bottles

Save 10 min



Plastic bag dispenser
Enables smooth dispensing

Save 20 min



New flat-base freezer
Easy-clean filter

Save 6 min



New freezer case
Easy clean filter

Save 2 min



New hygienic drink case
Easy clean filter

Save 2 min

Reduce labor time
by **223 minutes**

Revise shifts and strengthen
customer service

Improve sales and profits

Progress in Introduction of New Layout

◆ Introduction effect (May results) * Figures for 411 stores that introduced changes by December 2018 (thousand of yen)

	Nationwide (Same store)	Stores with new layout (411 stores)
APSD	+¥4.6K	+¥17.4K
Customer numbers (per day)	(21.0)	+16.4
Gross profit on sales (May)	+¥45.3K	+¥165.2K

May	Variance
Total	+17.4
Cigarettes	+4.5
Frozen food	+2.9
Noodles	+1.7
Soft drinks	+1.4
Rice products	+1.1
Sandwiches	+1.1
Delicatessen	+1.0
Ice cream	+1.0

At 411 stores subject to inspection and measurement,
and elevation effect on sales and profits continues

◆ Introduction results

Introduction results for 1Q	Cumulative number of stores
1,200	4,600

Upward revision from original plan for
introduction at 6,000 stores to **7,000** stores

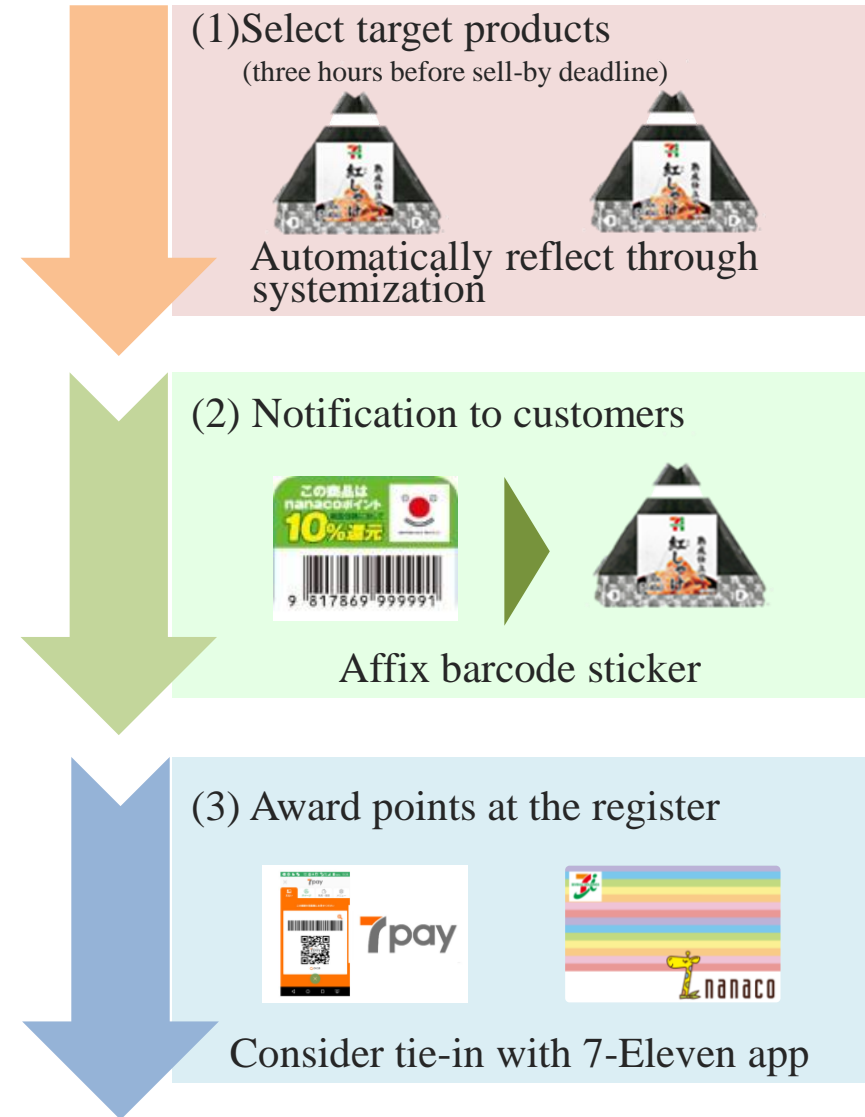
Accelerate strengthening of
same stores

Reduce Food Loss and Improve Profitability (Ethical Program)

◆Overview

Approach	Reduce food loss Sales promotion by granting <i>nanaco</i> points (No burden on franchise stores)
Scheme	Awarded 5% <i>nanaco</i> points from three-hours before the sell-by deadline (Subject to changes)
Benefits for franchise stores	Improved profitability (1) Sales growth (2) Disposal loss reduction
Benefits for Head Office	(1) Maintain price reliability (2) Increase charge revenue (3) Reduce Head Office expenses (disposal burden) (4) Realize flexible sales promotion strategy (5) Recirculate points to the Group (6) Promote use of <i>7pay</i> and <i>nanaco</i>

◆Flow



Ethical Program-Test Result from Directly Operated Stores

◆ Overview

Period: February 2019 Stores: 10 directly operated stores

Details: Award *nanaco* points (ethical points) for purchase of original daily products* sold 3 hours before sell-by deadline [Award rate: 3%]

*Rice products, sandwiches, noodles, delicatessen, sweets and pastries

◆ Review

YOY change (thousand of yen)	Existing store average			Test store average			Variance
	Past 12 months average	February	Variance	Past 12 months Average	February	Variance	
	(1)	(2)	(2) - (1) = (3)	(4)	(5)	(5) - (4) = (6)	
APSD	+8	+3	(5)	+12	+26	+14	+19
Disposal [monthly amount]	(9)	+8	+17	+17	(69)	(86)	(103)

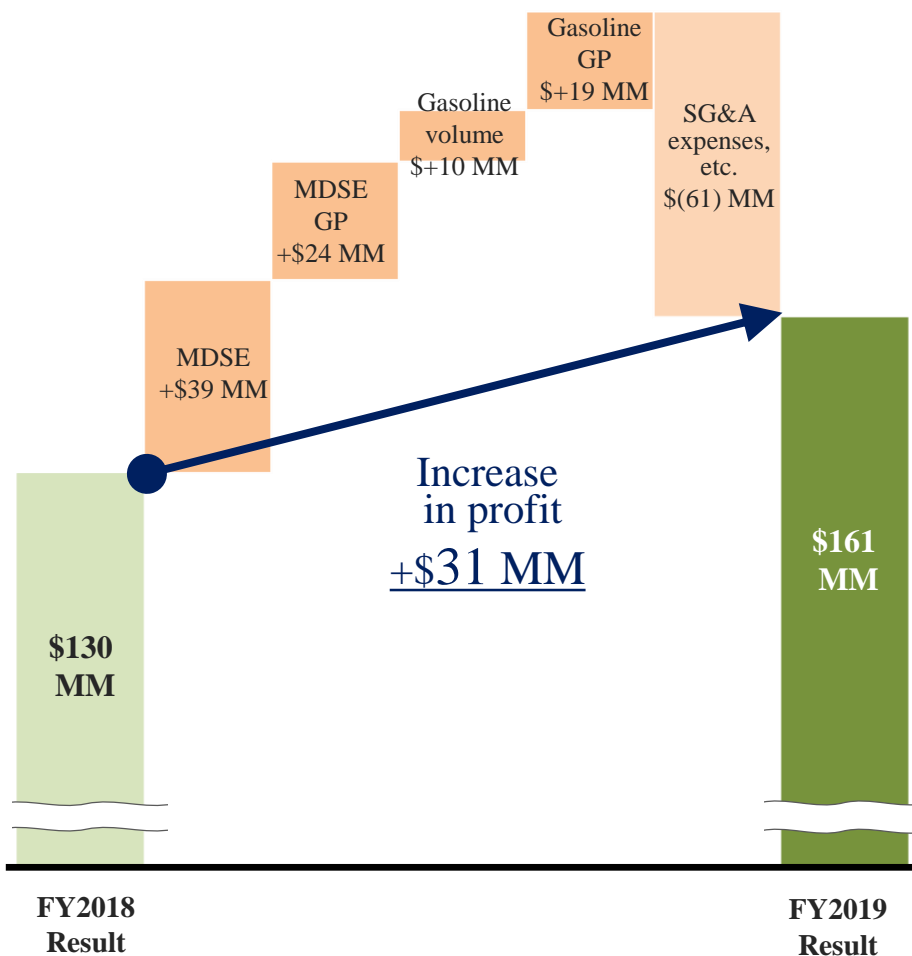
Plan to expand to all stores
in autumn 2019



Reduce food loss while increasing
franchise store earnings

7-Eleven, Inc.
SEI

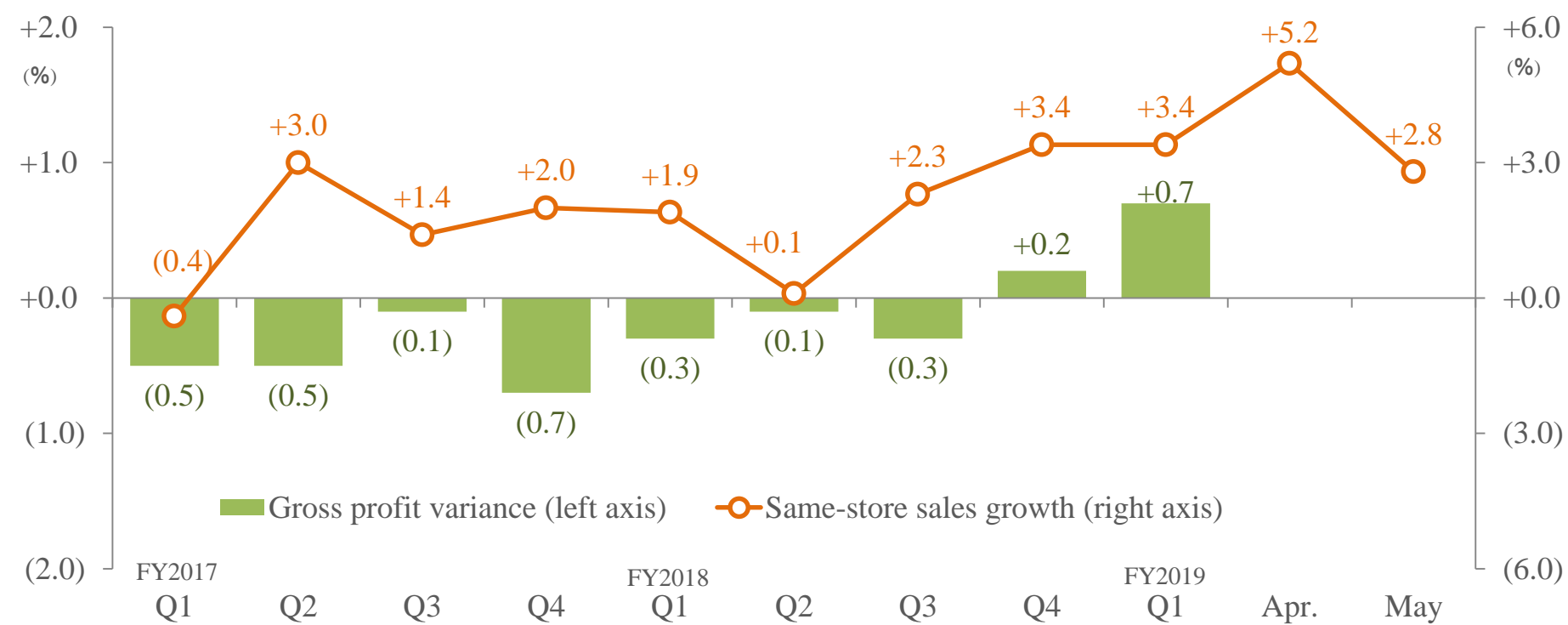
Factors in YOY Change of Operating Income for Q1



	Results	Details
Merchandise	Sales +\$39 MM	▪ US MDSE existing store +3.4 %
	GP +\$24 MM	▪ GPM YOY change: +0.7 %
Gasoline	Sales volume +\$10 MM	▪ Impact of Sunoco acquisition (acquired on Jan. 23, 2018)
	GP +\$19 MM	▪ CPG YOY change +¢1.20
SG&A Expenses, etc.	\$(61) MM	▪ Impact of Sunoco acquisition Increase in store days Increase in rents associated with sale-and-leaseback

Existing store sales, GPM growth and higher gasoline revenue lifted profits \$31 million

Existing Store Sales and Gross Profit Margin



Q1 existing store MDSE sales:
+3.4%

Sales Drivers;
 Fresh food
 PB products “7-Select”
 Non-alcoholic / Alcoholic beverages
 E-Cigarettes

Q1 MDSE GPM:
+0.7%

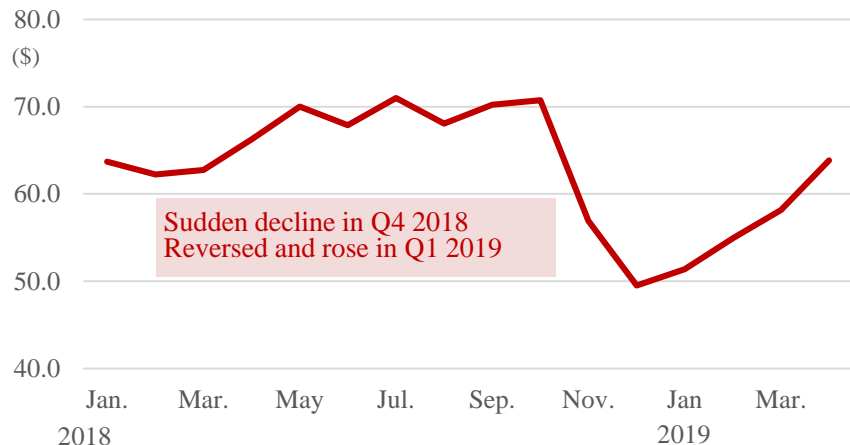
Margin Drivers;
 Non-alcoholic beverages
 PB products “7-Select”
 Impact of 7Rewards: +0.2%
 Impact of Sunoco acquisition: +0.1%



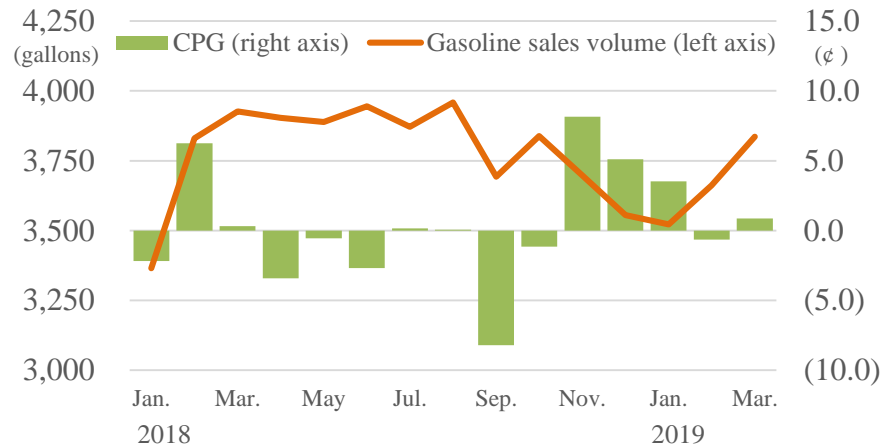
Gasoline Gross Profit

◆ Crude oil price (WTI)

Source: U.S. Energy Information Administration (EIA)



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



◆ Gasoline gross profit



Sales volume per store declined due to weather, etc.

Despite increase in crude oil prices, CPG rose YoY

109.7%: Gasoline GP improvement and increase in store days (Sunoco) offset the decline in gasoline sales volume.

Sunoco Results (Q1 FY2019)

◆ Operating figures (Average daily sales per store)

	Sunoco		SEI (excl. Sunoco)		SEI Total	
		Change		Change		Change
Merchandise (<small>(\$)</small>)	4,647	(13)	4,676	+166	4,673	+151
Gasoline (<small>(gallons)</small>)	4,717	(283)	3,360	(70)	3,674	(50)

◆ Financial figures

(Exchange rate: 1USD = 110.22JPY)

	Sunoco		SEI (excl. Sunoco)		SEI Total	
		YOY		YOY		YOY
Operating income (<small>Millions of dollars</small>)	1.9	12.8%	159	138.7%	161	124.3%
Operating income (<small>Billions of yen</small>)	0.2	13.0%	17.6	141.2%	17.8	126.6%
Amortization of goodwill (<small>Billions of yen</small>)	1.9*	101.8%	2.9	105.5%	4.9	104.0%
Contribution to consolidated operating income (<small>Billions of yen</small>)	(1.7)	-	14.6	151.8%	12.9	137.7%

SEI remained in line with Plan despite sharp increase in rent associated with the sale-and-leaseback

*Goodwill: Calculated as 1,388 MM USD.

New Test Store

New test store in Dallas opened on March 22, 2019

【Purpose】

- Test new platforms and products
- Run a PDCA cycle to understand customer needs
- Consider using in future store designs



◆ Test cases

Laredo Taco	Counter Beverages	Alcoholic Beverage	In-Store Bakeries	Other
				
First Laredo Taco location in Dallas	<ul style="list-style-type: none"> ▪ Coffee drinks ▪ Nitro cold brew ▪ Cold-pressed juices ▪ Smoothies, etc. 	<ul style="list-style-type: none"> ▪ Craft beers ▪ Wine cellar 	<ul style="list-style-type: none"> ▪ Cookies ▪ Croissants, etc. 	Scan & Pay technology (pay with smartphones)

Discard stereotypes, focus on customers, and test new ideas

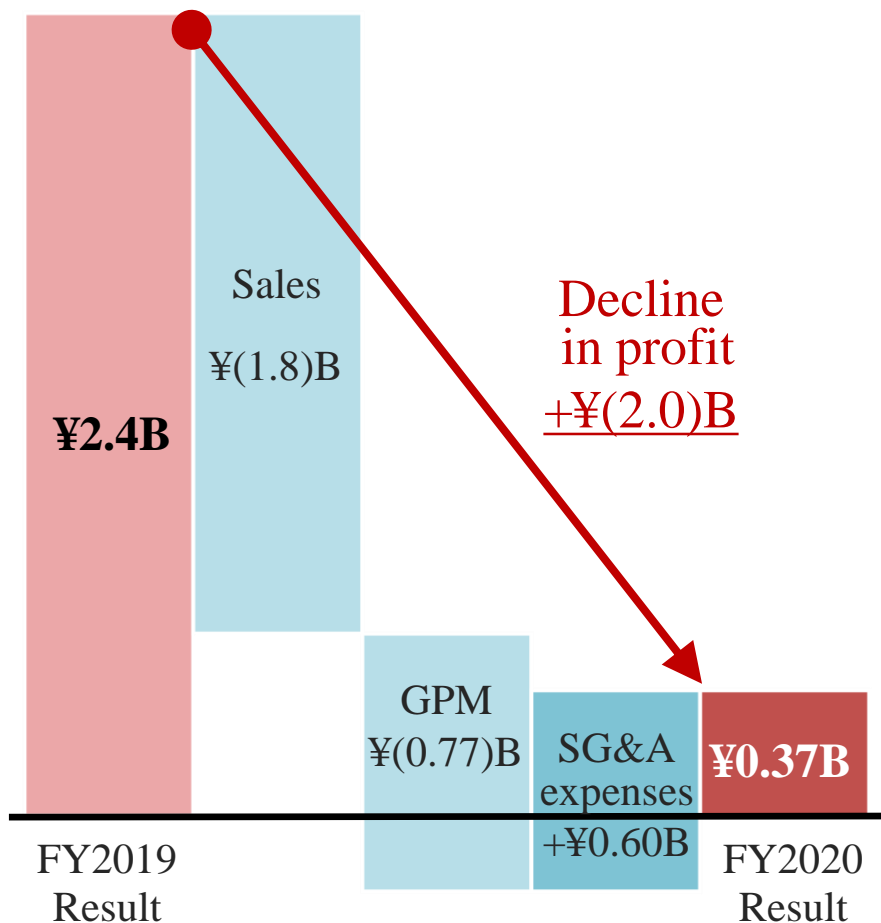


Repeat testing and then deploy successful initiatives to existing stores

Ito-Yokado

IY

Factors in YOY Change of Operating Income for Q1

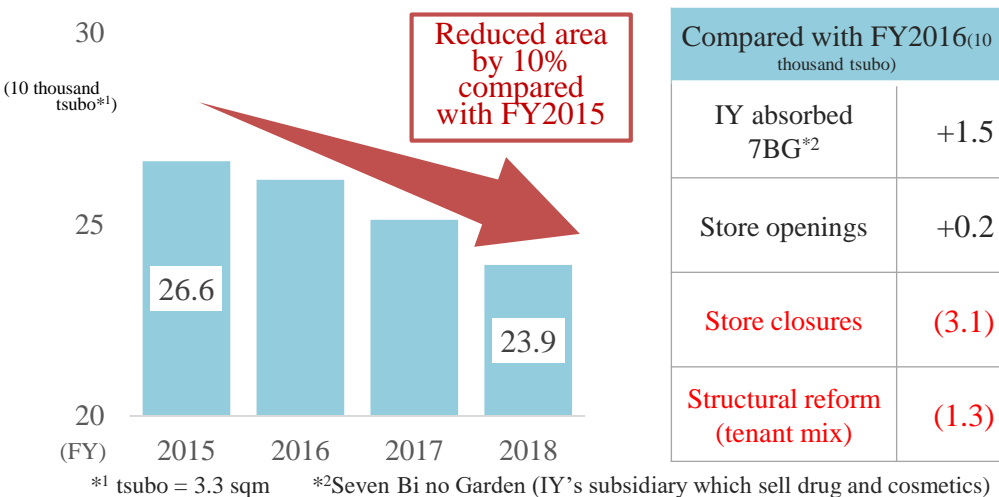


	Results	Details
Sales	(2.4)% ¥(1.8)B	<ul style="list-style-type: none"> Decline in store count Decrease in 5 stores YOY Same stores incl. tenants (0.1)% Directly operated stores (1.6)%
GPM	(0.3)% ¥(0.77)B	<ul style="list-style-type: none"> GPM of directly operated sales $\pm 0.0\%$ Decrease in gross operating profit margin due to increase in tenant composition ratio
SG&A expenses	(0.8)% +¥0.6B	<ul style="list-style-type: none"> Decrease in personnel cost +¥1.5B Decrease in Rent +¥0.54B Increase in advertising expenses ¥(0.39)B Other ¥(1.1)B

Significantly under plan despite SG&A curbs as sales and GPM struggled

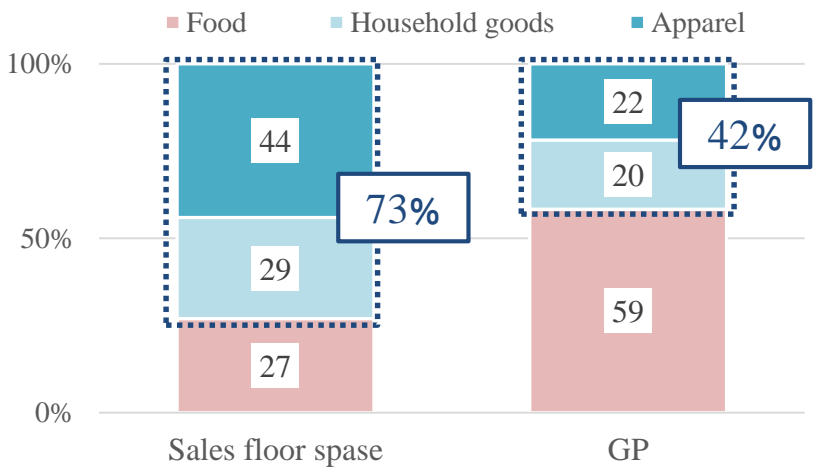
Store Structural Reform

Sales floor space in apparel and household goods division



Compared with FY2016(10 thousand tsubo)	
IY absorbed 7BG*2	+1.5
Store openings	+0.2
Store closures	(3.1)
Structural reform (tenant mix)	(1.3)

Comparison of directly-managed sales floor area with GP composition (FY2019)



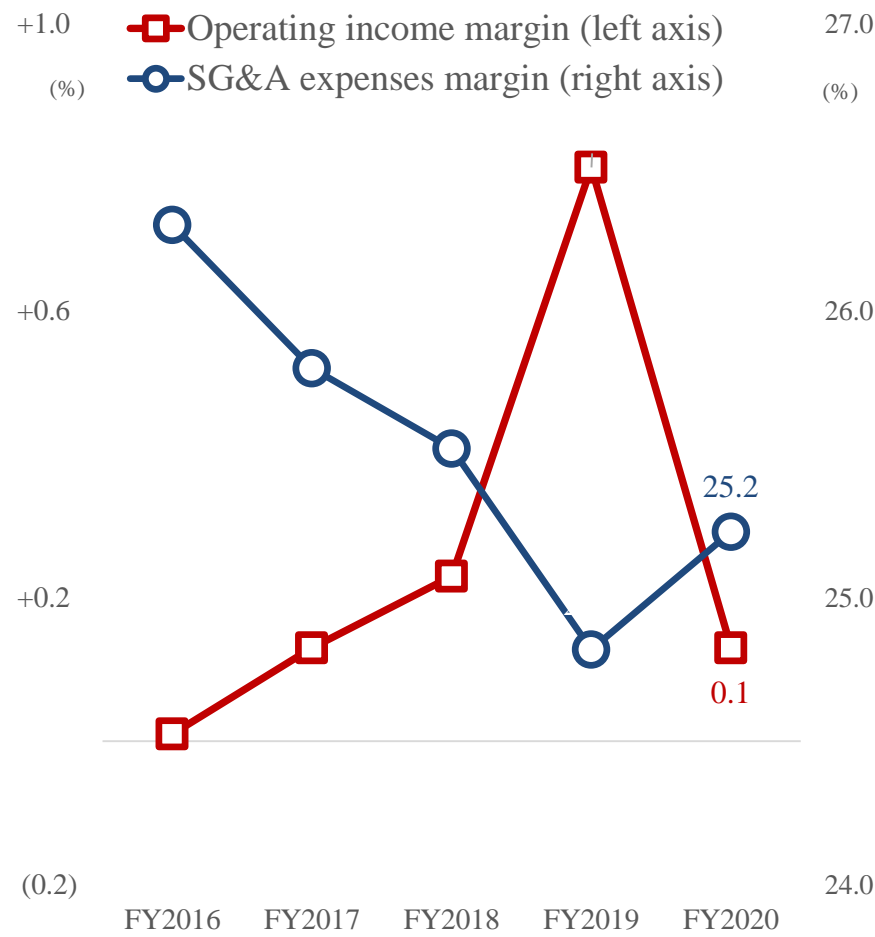
Revise organization and management structure, and future outlook



Develop and introduce new content, and recreate stores as commercial facilities aligned to local characteristics.

Initiatives to Reduce SG&A Expenses for Q1

◆ Operating income margin and SG&A margin



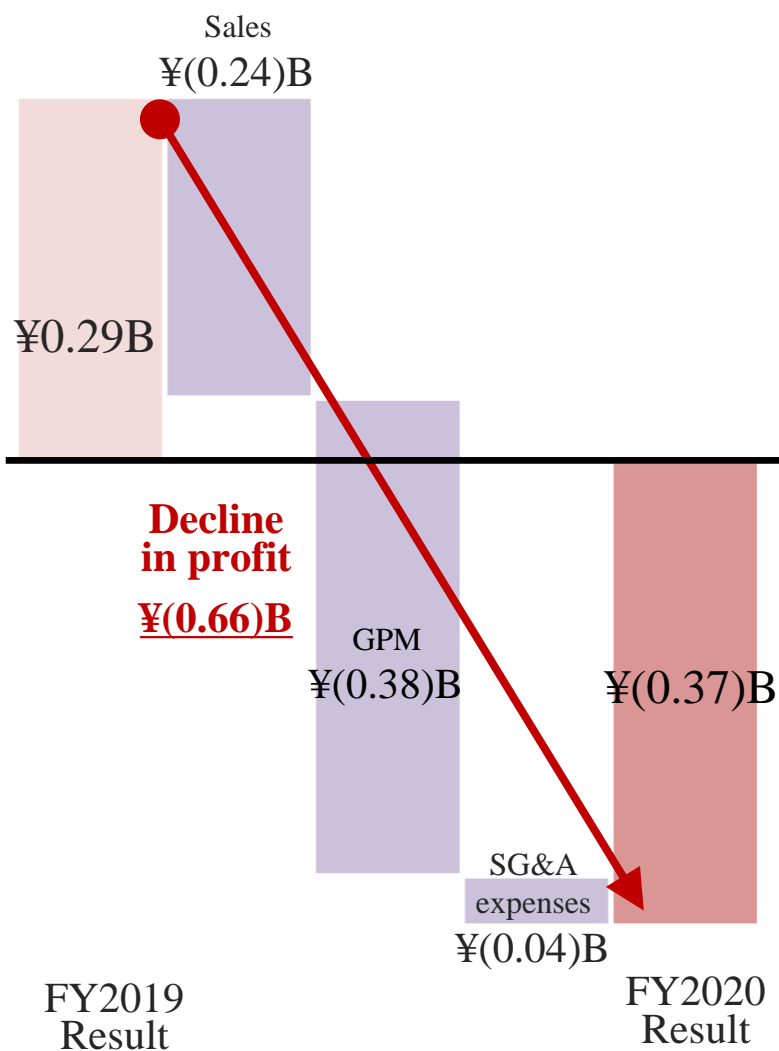
	Growth	Main factors
Advertising expenses	+8.7%	Sales promotions for Golden Week, etc.
Personnel cost	(5.0)%	Store closures and review salary structure
Rent	(3.8)%	Store closures
Depreciation and amortization	+7.8%	Store openings and remodels
Other	+4.2%	Increase in expenses associated with store remodeling, etc.
Total SG&A expenses	(0.8)%	

SG&A expense margin is trending lower, but still at a high level over 25%

Specific countermeasures to be announced in October
⇒Store policy, investment discipline, personnel allocation, etc.

Sogo & Seibu
SS

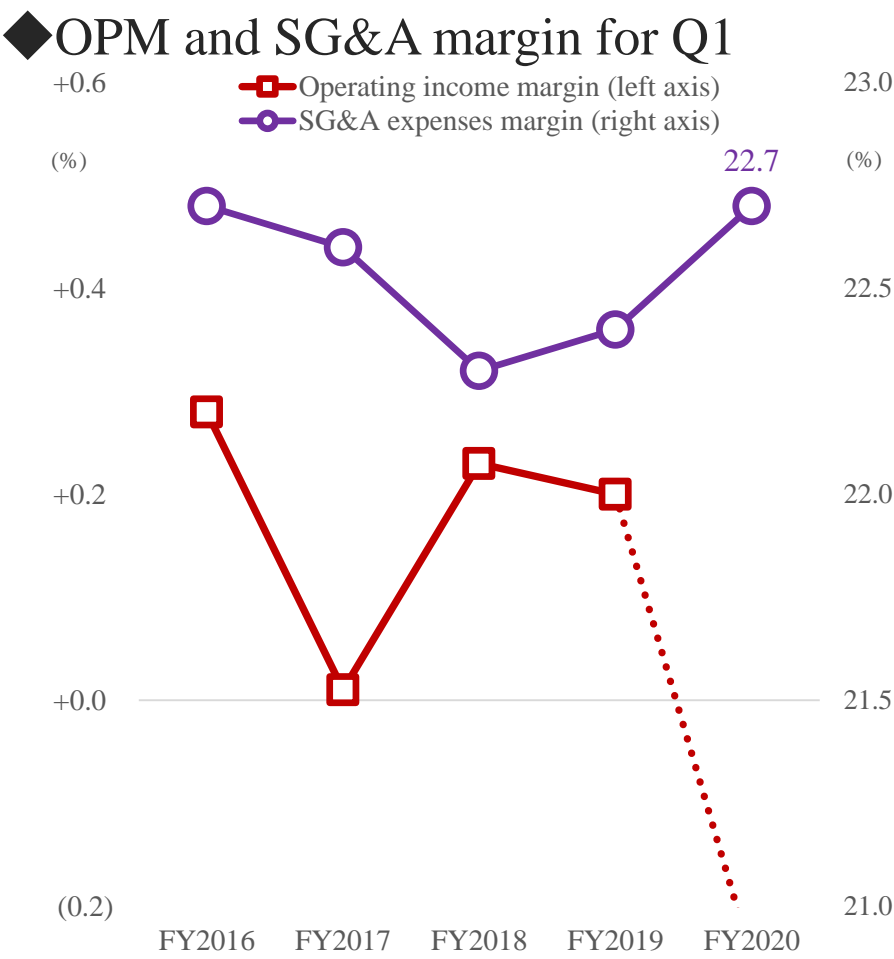
Factors in YOY Change of Operating Income for Q1



	Results	Details
Sales	(1.0)% ¥(0.24)	YOY <ul style="list-style-type: none"> ▪ Key stores in Tokyo metropolitan area 100.0% ▪ Regional and suburban stores 97.6% ▪ Corporate outside sales division 93.9%
GPM	(0.4)% ¥(0.38)	Growth in sales of low gross profit products, such as luxury brands and food products, etc.
SG&A expenses	+0.2% ¥(0.04)	<ul style="list-style-type: none"> ▪ Increase in depreciation and amortization ¥(0.25)B (Increased due to POS cash register changeover in previous year) ▪ Increase in advertising expenses ¥(0.13)B ▪ Decrease in personnel cost (Efficiency gains from personnel allocation management) +¥0.21B

Significantly under plan due to struggling existing store sales and GPM

Initiatives to Reduce SG&A Expenses for Q1



Further reform plans to be announced in October 2019

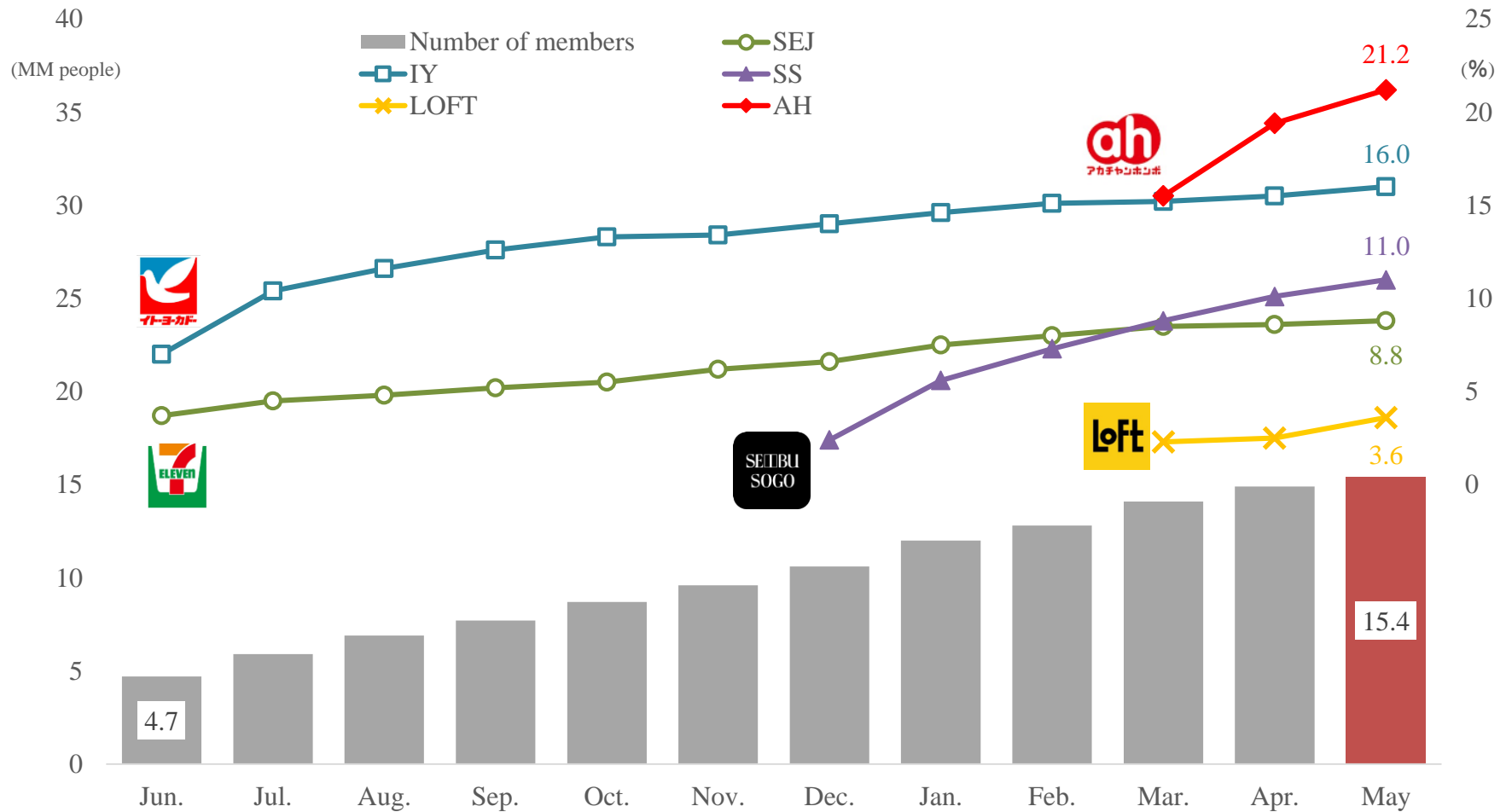
Efforts to optimize personnel to date		
2016	Call for voluntary retirement	approx. 360 people
2017	Transfer of Sogo Kobe and SEIBU Takatsuki	approx. 870 people (incl. part-time worker)

Initiatives for Q2 FY2020 onward		
Optimization Streamlining	Low-cost operation	Reduce by approx. 140 people
	Transition to a developer business model at SEIBU Tokorozawa	
	Test reduced staff operation of flagship store at Sogo Chiba	Reduce by approx. 20 people
Productivity improvement	Review personnel allocation (secondment, reassignment)	Reduce by approx. 50 people
	Curb hiring	
	Shift to growing areas (non-store) Strengthen sales to loyal customers division and corporate outside sales division	Increase by approx. 80 people

Financial impact in FY2020			
Personnel cost	approx. ¥(0.4)B	Productivity per person	YOY 103%

Digital Strategy

Number of 7iD Members and Each Company's App Utilization Rate







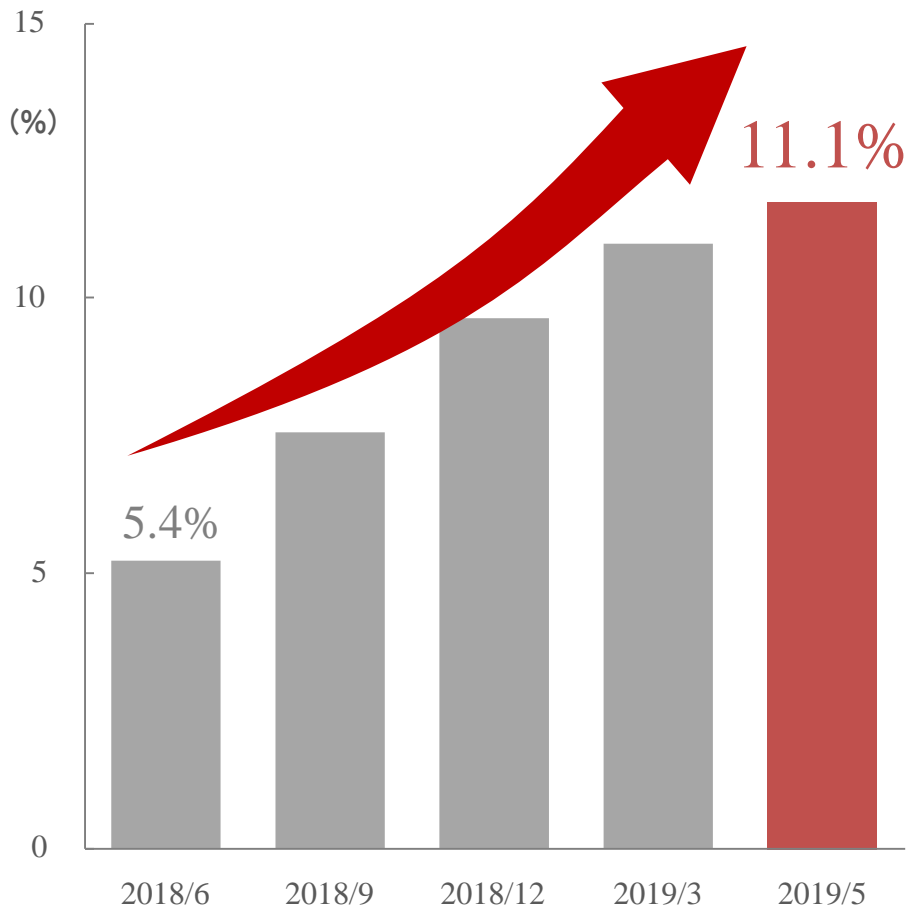
Over 15 MM people joined the SEVEN MILE PROGRAM in the 12 months since its launch
App utilization rates are also growing steadily

Comparison of 7iD and *nanaco* Memberships*

◆ Comparison of monthly purchases for May 2019

◆ Ratio of 7iD member purchase amount to total sales of the companies which introduced 7iD

		 SEVEN iD	 ナナコ nanaco	variance
	No. of active users (10 thousand people)	503	1,084	(581)
	Purchase amount (¥)	7,101	6,068	+1,033
	Purchase frequency	11.7	8.9	+2.8
	No. of active users (10 thousand people)	80	190	(110)
	Purchase amount (¥)	15,544	7,132	+8,412
	Purchase frequency	5.9	3.3	+2.6

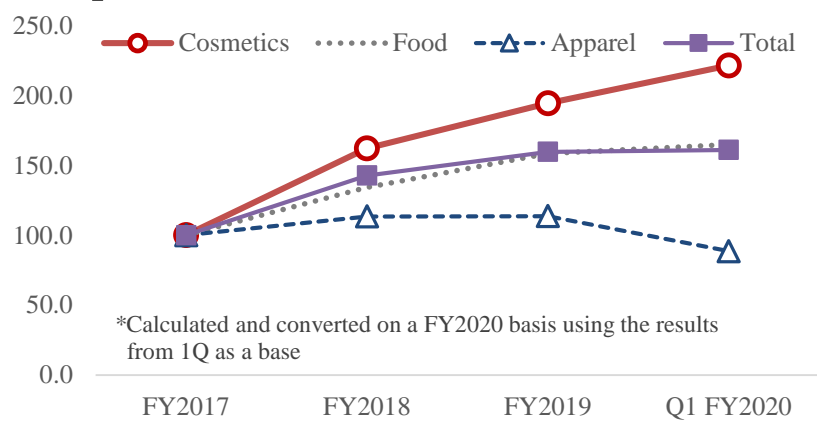


7iD members have higher purchase amounts and purchase frequency than *nanaco* members, but the active rate is an issue.

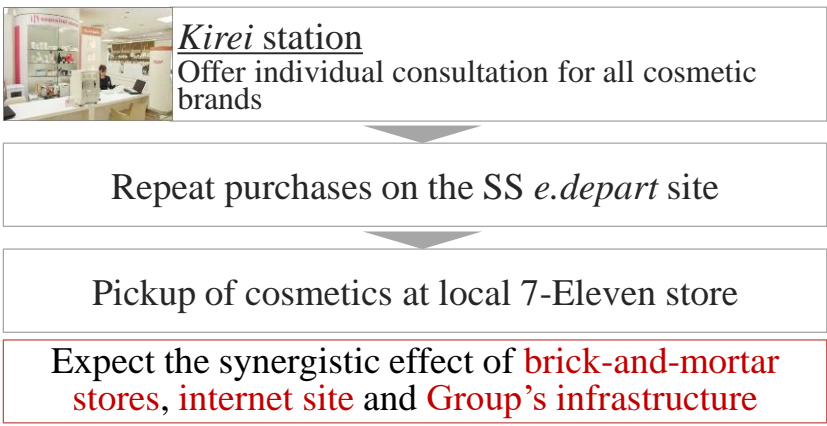
**nanaco* members who do not have a 7iD

Mutual Customer Referrals Campaigns between SS *e.depart* (online shopping site) and SEJ

◆ *e.depart* sales (Indexed as FY2017 sales = 100)



◆ Source of strengths



Mutual customer referrals campaign

Strengthen promotions to female app members in their 20s – 50s (From June 24 to July 21)

Order cosmetics via *e.depart* and pick it up at 7-Eleven store
 ⇒ Presented with “*nanaco* gift *omni7*(e-money)” or a ticket entitling them to a free *SEVEN CAFÉ* and café latte



*Limited to once per person for customers who spend more than ¥6,000 (incl. VAT) in purchases

◆ Review(1) Sales orders amount YOY

(%)	May	Week of June 24	Variance
<i>e.depart</i> total	104.9	107.1	+2.2
Cosmetics	106.7	127.8	+21.1
In-store pickup	108.1	191.3	+83.2

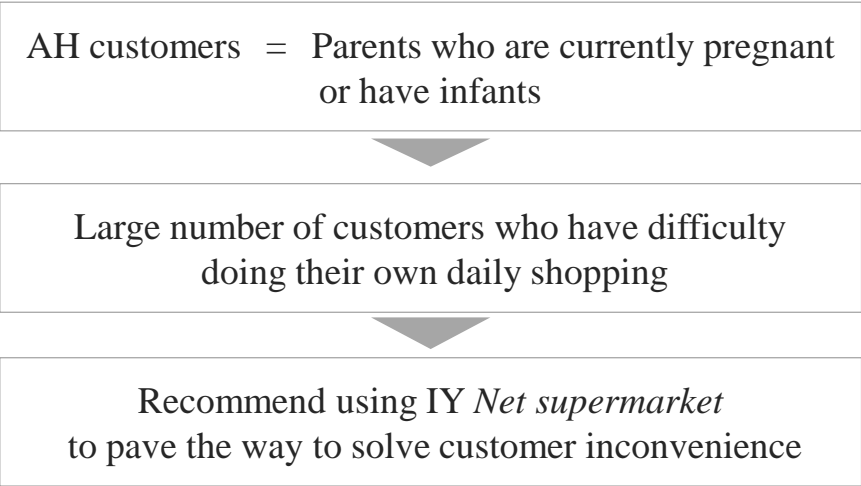
◆ Review(2) In-store pick-up ratio

(%)	May	Week of June 24	Variance
<i>e.depart</i> total	27.0	35.8	+8.8
Cosmetics	37.7	54.6	+16.9

53.8% of new customers who picked up cosmetics made a purchase at 7-Eleven store


Mutual Customer Referrals Campaigns between Akachan Honpo (AH) and IY

◆ Assumptions



◆ Measure for promoting recognition (From April 30 to May 22)

Coupon distribution for users who downloaded the IY and AH apps



◆ Increase in members who are combining usage of the two company apps

	Before measure	After measure	Variance
Members who are combining usage of IY and AH apps	34,100	41,300	+7,200
Compare with prior to execution: rose by approx. 20%			

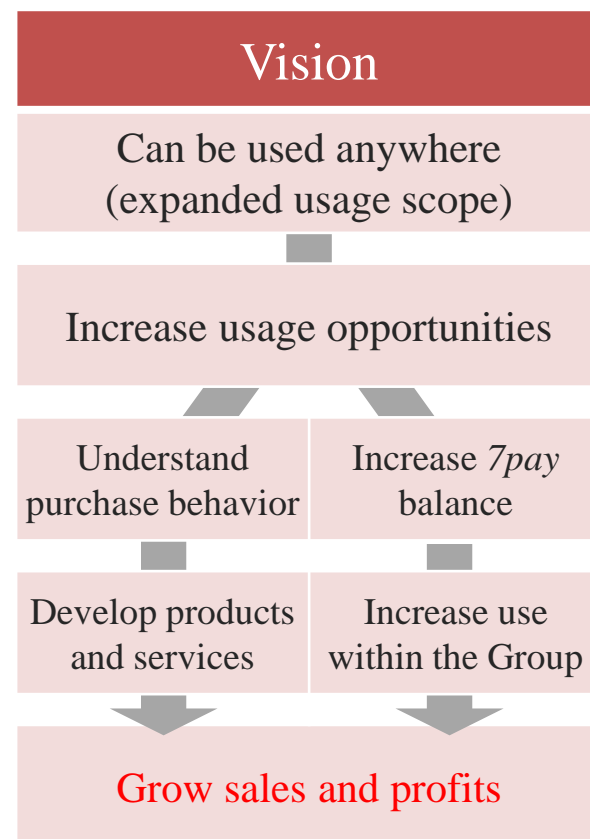
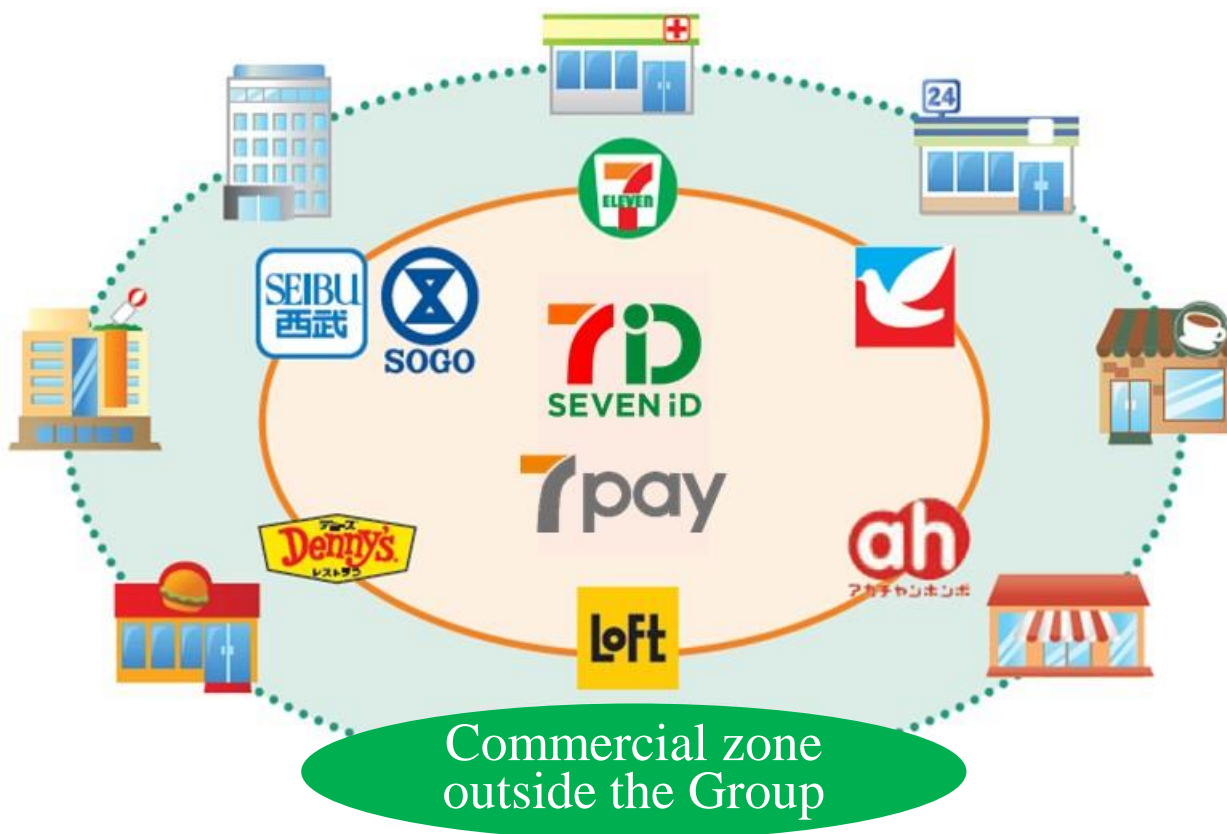
◆ Acquire new customers

Status of <i>IY Net supermarket</i> coupon use (From June 1 to June 15)	
Users	Sales
670 people	¥5.3 MM


Mutual customer referrals among operating companies
= Aim to create group synergies

Future Developments

October 2019: Distribution of original 7pay app ⇒ Start of usage at external



Pursue synergies between digital strategy and real business



A p p e n d i x

Consolidated Revenue from Operations by Business Segments for Q1

(Billions of yen)

	FY2019	FY2020		
			YOY (%)	Variance
Consolidated revenues from operations	1,599.0	1,596.4	99.8	(2.5)
Domestic CVS operations	233.8	236.4	101.1	+2.5
Overseas CVS operations	609.2	621.5	102.0	+12.2
Superstore operations	476.0	467.6	98.2	(8.4)
Department store operations	141.6	140.5	99.2	(1.1)
Financial services	53.6	53.9	100.7	+0.38
Specialty store operations	98.0	89.2	91.1	(8.7)
Others	5.6	5.5	98.8	(0.06)
Eliminations / corporate	(19.0)	(18.4)	-	+0.66

Operating Income by Business Segments for Q1



(Billions of yen)

	FY2019	FY2020	YOY (%)	Variance
Consolidated revenues from operations	86.3	90.3	104.6	+3.9
Domestic CVS operations	55.3	60.1	108.5	+4.7
Overseas CVS operations	9.3	12.9	137.7	+3.5
Superstore operations	6.2	4.3	69.4	(1.9)
Department store operations	0.36	(0.32)	-	(0.69)
Financial services	13.8	13.4	97.1	(0.40)
Specialty store operations	2.9	2.8	97.3	(0.08)
Others	0.6	0.54	89.4	(0.06)
Eliminations / corporate	(2.4)	(3.6)	-	(1.1)

Operating Income of Major Operating Companies for Q1



(Billions of yen)

	FY2019	FY2020		
			YOY (%)	Variance
Seven-Eleven Japan	55.7	60.2	108.0	+4.4
7-Eleven, Inc.	14.0	17.8	126.6	+3.7
[Millions of dollar]	[130]	[161]	[124.3]	[+31]
Ito-Yokado	2.4	0.37	15.7	(2.0)
York-Benimaru 〈incl. Life Foods*〉	3.7	4.3	116.3	+0.6
Sogo & Seibu	0.29	(0.37)	-	(0.66)

*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.

FX rate: 1USD = 110.22JPY ,1CNY = 16.33JPY

Consolidated B/S Summary (As of May 31, 2019)

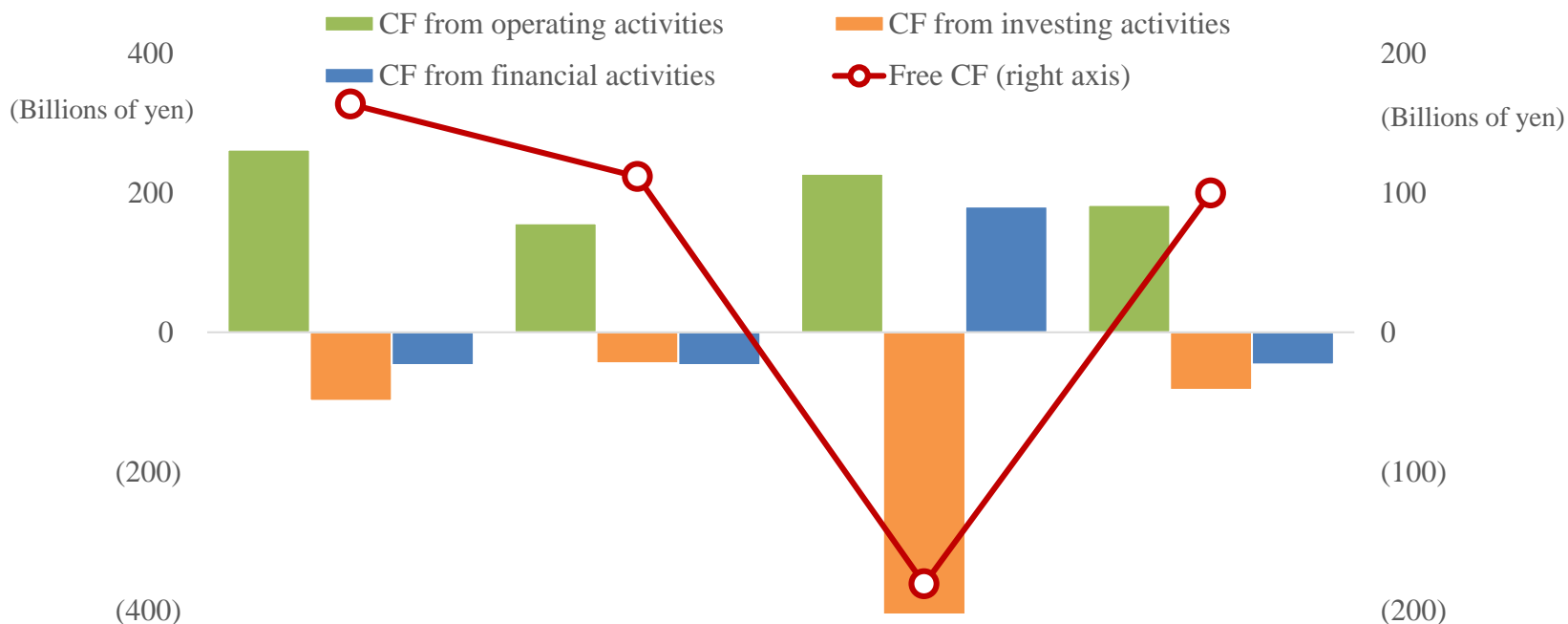
(Billions of yen)

Assets (Main items only)	Feb. 28 2019	May 31 2019	Variance
Current assets	2,326.4	2,461.6	+135.1
Cash and bank deposits	1,314.5	1,368.8	+54.3
Cash and due from banks at Seven Bank	775.4	776.5	+1.0
Notes and accounts receivable-trade	336.0	380.7	+44.7
Non-current assets	3,468.5	3,483.6	+15.1
Property and equipment	2,118.6	2,131.3	+12.7
Buildings and structures, net	954.0	968.4	+14.3
Land	751.6	752.3	+0.74
Intangible assets	608.4	608.7	+0.23
Investments and other assets	741.3	743.5	+2.1
Deferred assets	0.10	0.11	+0.01
Total assets	5,795.0	5,945.3	+150.3

Liabilities and net assets (Main items only)	Feb. 28 2019	May 31 2019	Variance
Total liabilities	3,122.5	3,304.4	+181.8
Current liabilities	1,992.7	2,155.6	+162.9
Notes and accounts payable, trade	411.6	460.6	+49.0
Short-term loans	143.1	140.3	(2.8)
Current portion of bonds Current portion of long- term loans	156.6	170.0	+13.3
Deposits received	174.0	276.0	+102.0
Deposit received in banking business	588.3	591.9	+3.5
Non-current liabilities	1,129.8	1,148.7	+18.9
Bonds	361.9	341.9	(19.9)
Long-term loans	443.4	447.5	+4.1
Total net assets	2,672.4	2,640.9	(31.5)
Total liabilities and net assets	5,795.0	5,945.3	+150.3

Note) ASBJ Statement No. 28 has been adopted and reflected retroactively in the figures for the fiscal year ended February 28, 2019

Consolidated Statements of Cash Flows for Q1



(Billions of yen)	FY2015	FY2016	FY2017	FY2018	vs. FY2019
CF from operating activities	261.7	155.8	226.9	182.2	(44.6)
CF from investing activities	(98.3)	(44.4)	(407.6)	(82.5)	+325.1
Free cash flow	163.3	111.4	(180.7)	99.6	+280.4
CF from financing activities	(47.1)	(47.1)	180.1	(46.4)	(226.6)
Cash and cash equivalents at end of period	1,260.9	1,271.1	1,290.6	1,364.2	+73.6

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	+0.49	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)

FX rate: 1USD = 110.22JPY ,1CNY = 16.33JPY

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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.	122.6	110.4	+11.5	+2.3	+0.5
[Millions of dollar]	[1,114]	[110.8]	[+108]		
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.

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