



# **Q3 FY2022 Financial Results Presentation**

January 13, 2022

Seven & i Holdings Co., Ltd.

Director & Executive Officer

**Yoshimichi Maruyama**



— TODAY'S

# AGENDA

1

Q3 YTD Results

2

Revision of Full-Year  
Forecast



— TODAY'S

# AGENDA

1

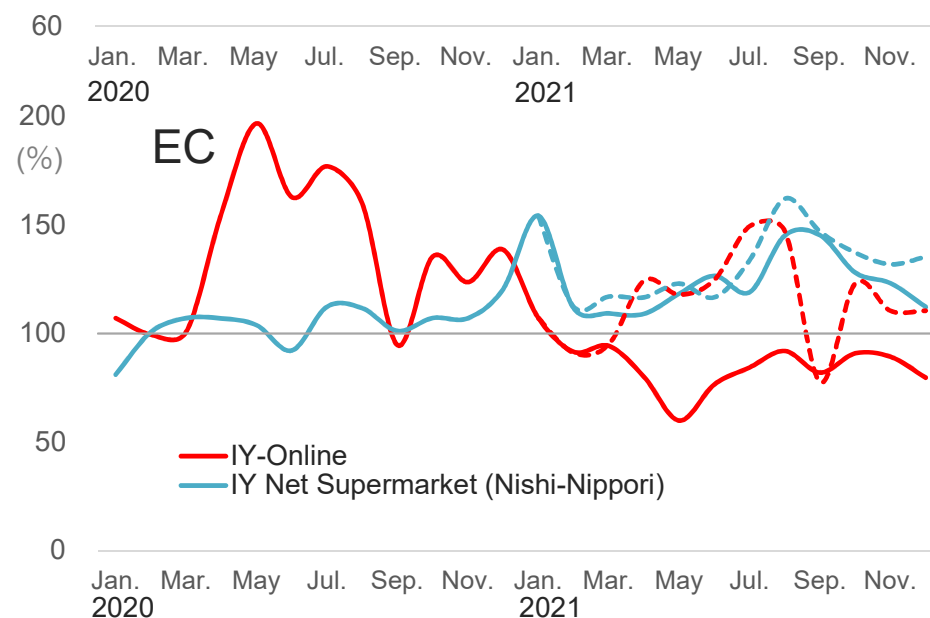
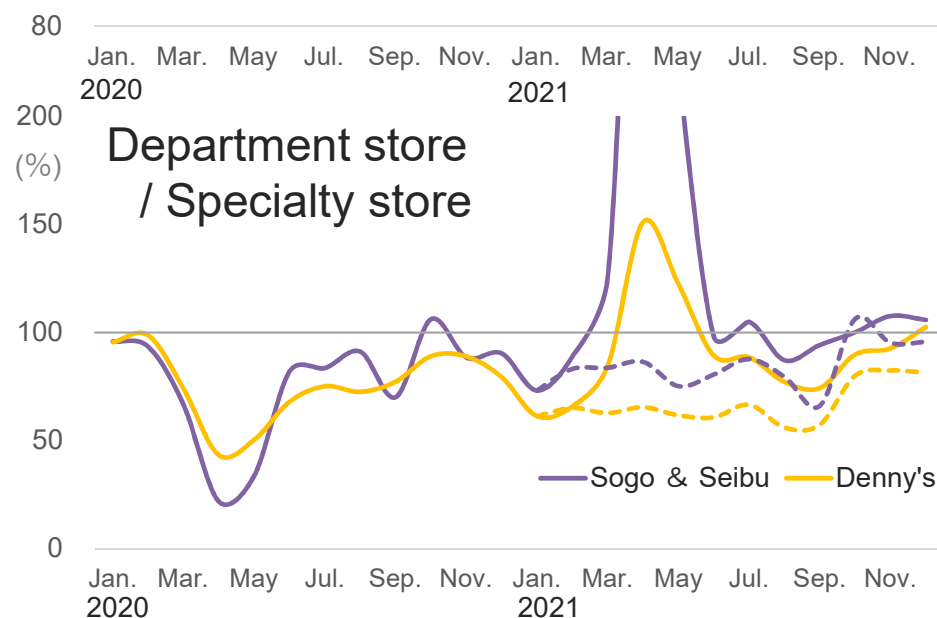
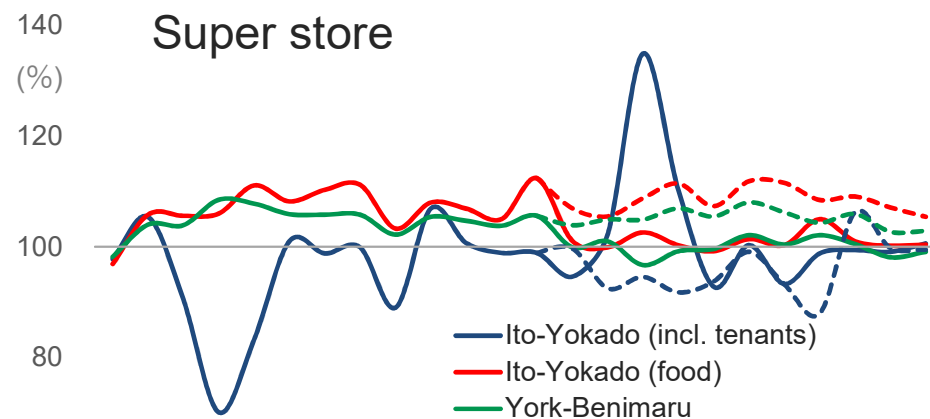
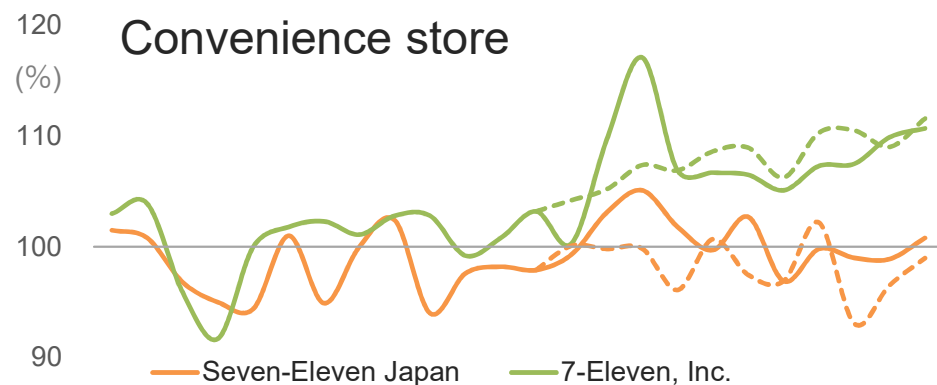
Q3 YTD Results

2

Revision of Full-Year  
Forecast

# YOY Change in Existing Store Sales

(Figures for Dec. are preliminary estimates except Seven-Eleven Japan )



Note) Broken lines indicate comparison with two years earlier Copyright (C) 2022 Seven & i Holdings Co., Ltd. All Rights Reserved.

# Q3 YTD Consolidated Financial Results Highlights

(Billions of yen, %)

	1H		Q3		Q3 YTD		
		YOY / Variance		YOY / Variance		YOY / Variance	vs. Plan / Variance
Group's total sales* <sup>1</sup>	6,376.4	117.6 +955.2	3,901.7	137.1 +1,056.7	10,278.2	124.3 +2,012.0	100.7 +70.1
Revenues from operations	3,646.4	130.8 +858.0	2,503.0	168.2 +1,014.6	6,149.4	143.8 +1,872.6	101.3 +77.3
Operating income	186.1	103.6 +6.4	116.7	110.3 +10.8	302.9	106.1 +17.2	102.0 +5.8
[Special losses]	27.2	44.3 (34.3)	12.4	94.4 (0.74)	39.6	53.1 (35.0)	- -
Net income attributable to owners of parent	106.5	146.9 +33.9	68.3	116.9 +9.9	174.8	133.5 +43.8	109.4 +15.0
EBITDA* <sup>2</sup>	341.2	110.6 +32.6	217.2	126.9 +46.0	558.5	116.4 +78.6	- -

\*1 Group's total sales include the sales of Seven-Eleven Japan, Seven-Eleven Okinawa and 7-Eleven, Inc. franchisees.

\*2 Operating income + Depreciation and amortization + Amortization of goodwill

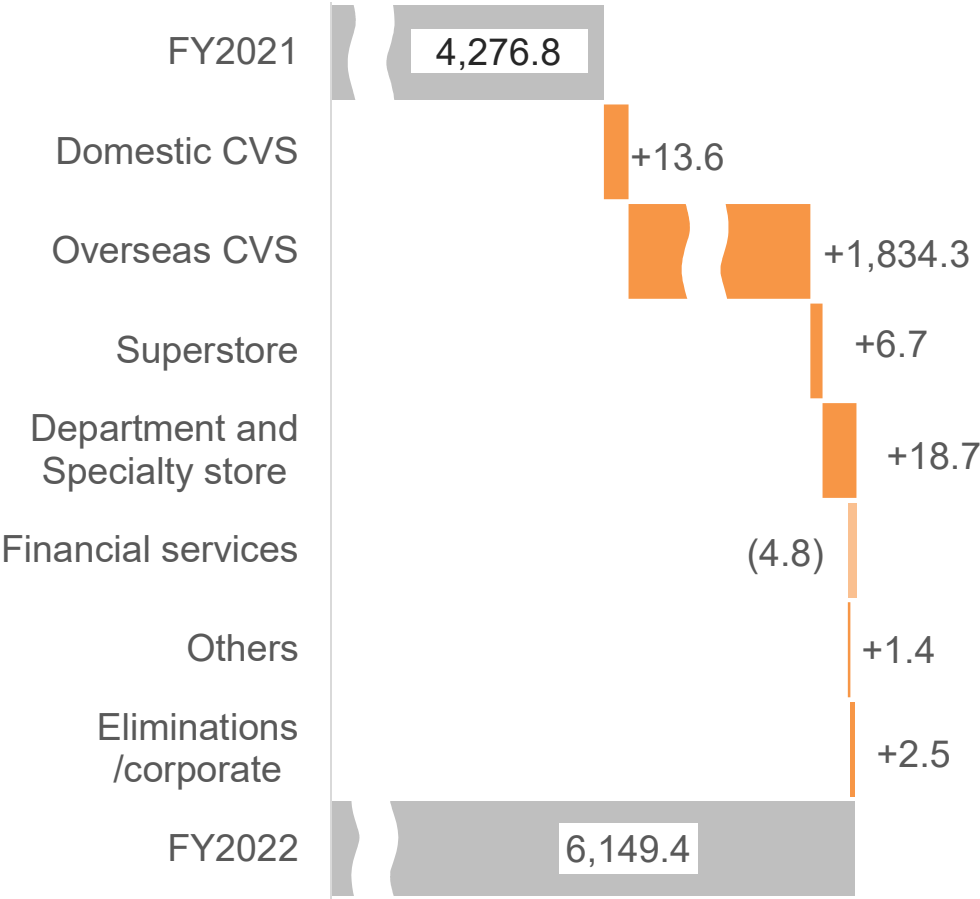
Q3 YTD exchange rate: 1USD = 108.58 JPY, 1CNY = 16.79 JPY

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# Q3 YTD YOY Change by Business Segment

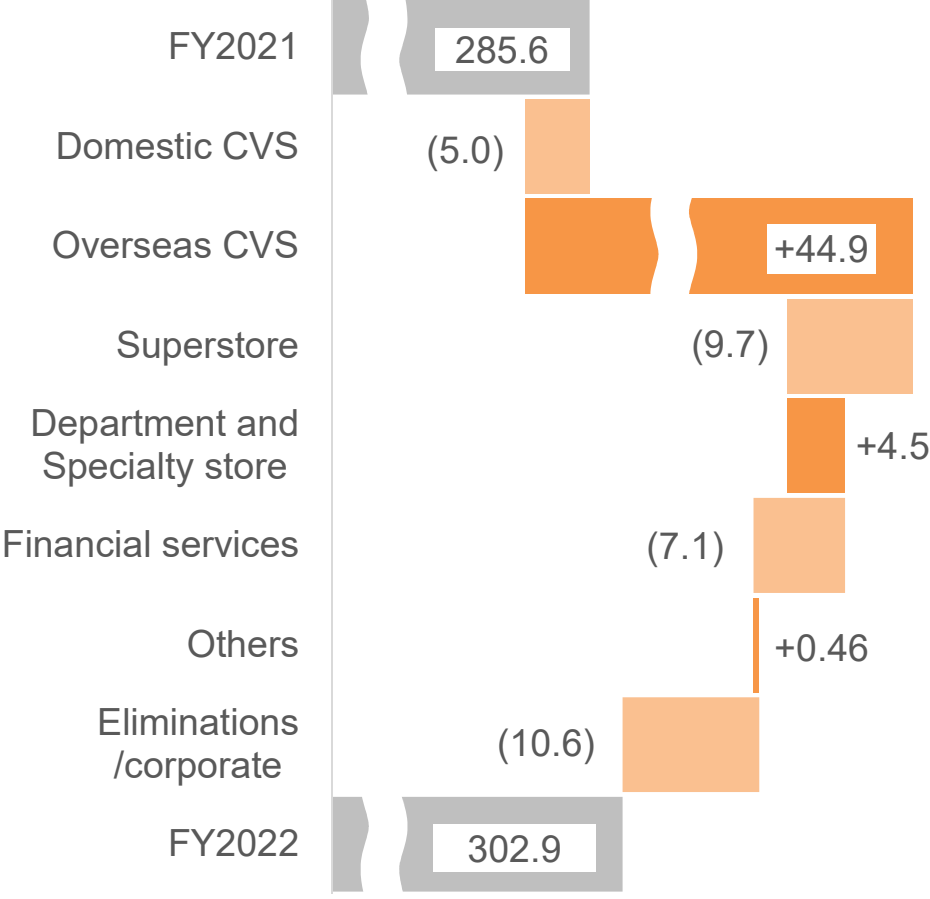
## Revenues from operations

(Billions of yen)



## Operating income

(Billions of yen)



# Domestic CVS Operations Q3 YTD Results

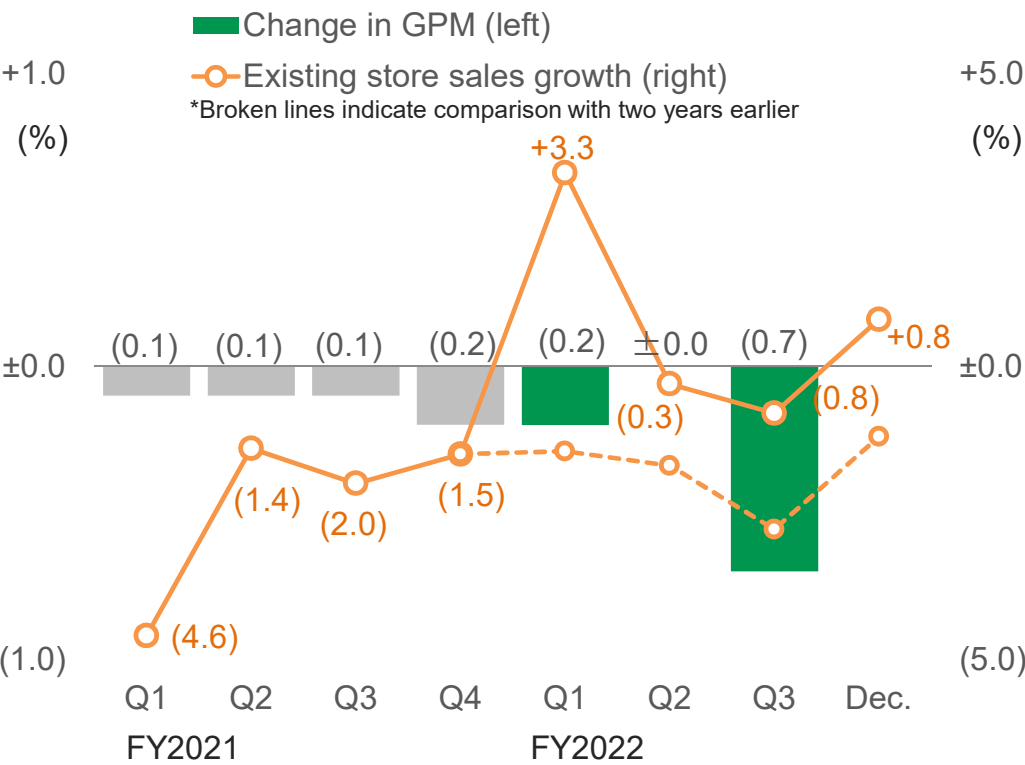
(Billions of yen, %)

	Amount	YOY	Variance
Revenues from operations	661.9	102.1	+13.6
Operating income	177.2	97.2	(5.0)
EBITDA*	237.0	98.5	(3.4)

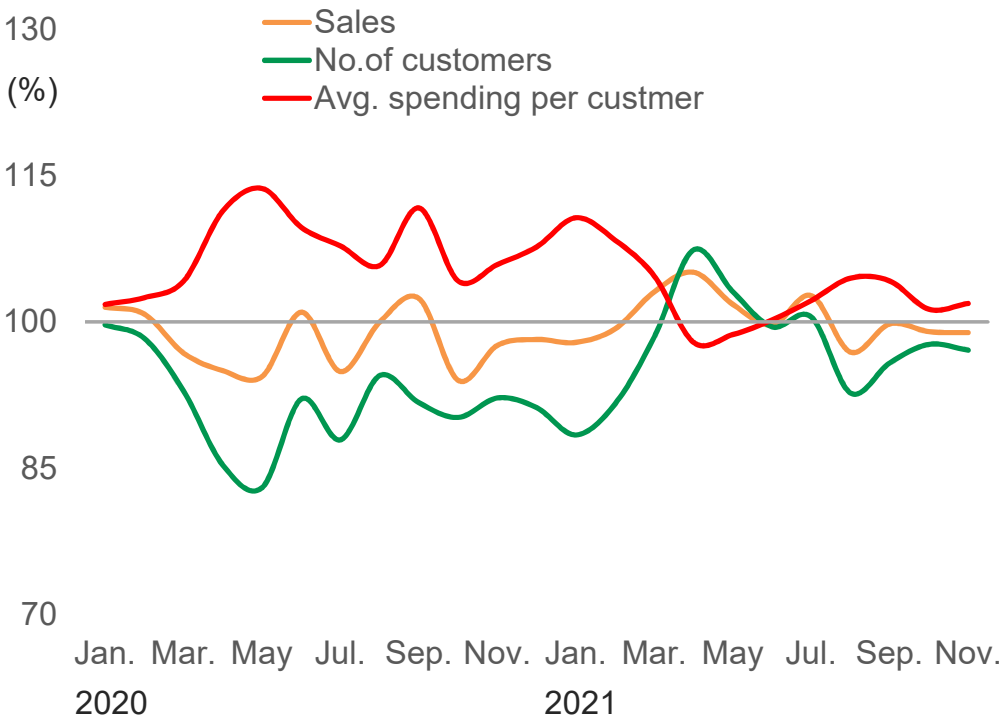
\*Operating income + Depreciation and amortization + Amortization of goodwill

# Domestic CVS Operations: Seven-Eleven Japan (1)

## Existing store sales growth and GPM



## Sales, No. of customers and Avg. spending per customer (Existing store)

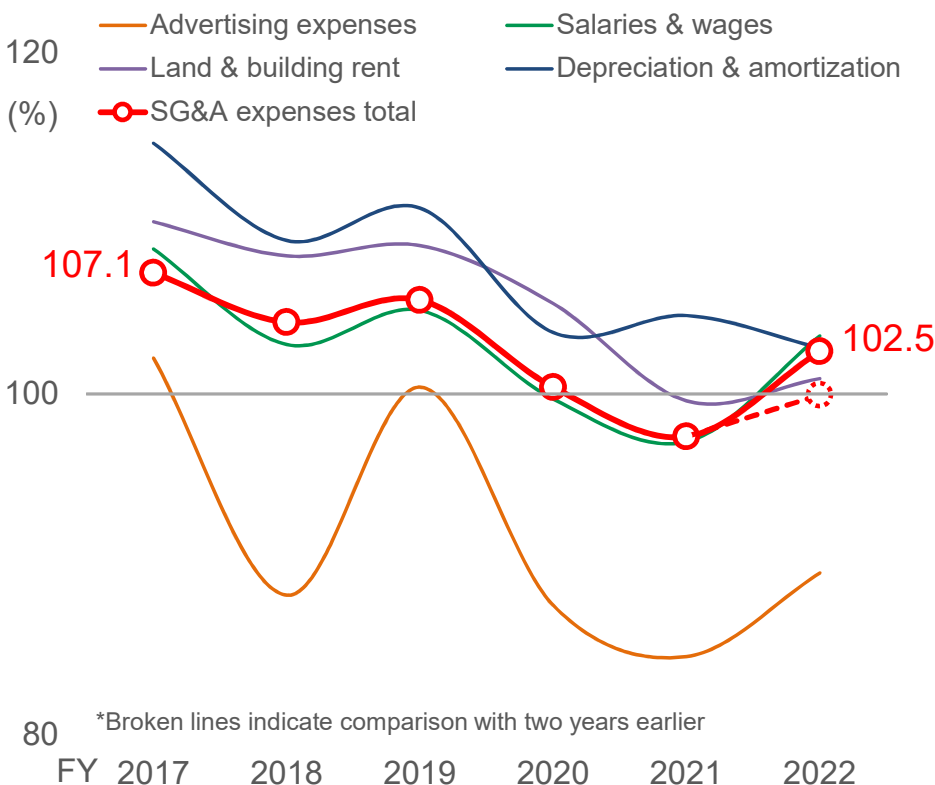


Q3 YTD(%)		Sales		No. of customers		Avg. spending per customer	
vs. FY2021	vs. FY2020	100.7	98.0	99.0	89.1	101.7	109.9

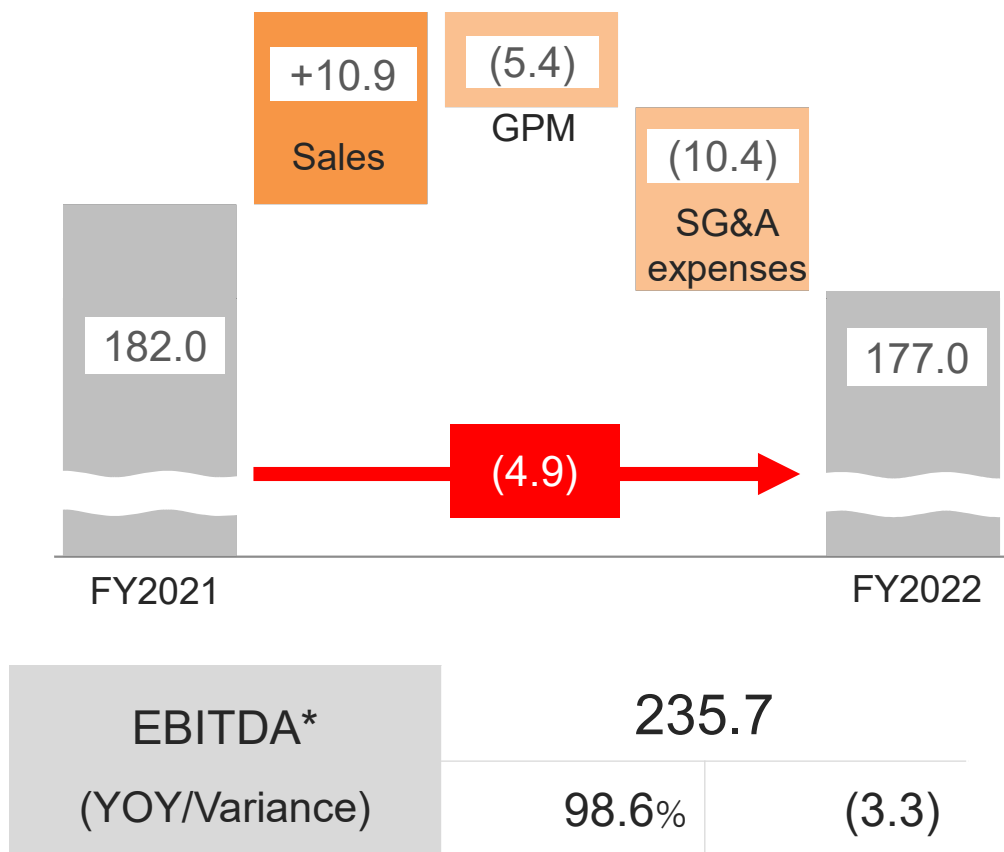


# Domestic CVS Operations: Seven-Eleven Japan (2)

## Q3 YTD YOY% SG&A expenses



## Q3 YTD YOY Change of operating income (Billions of yen)



\*Operating income + Depreciation and amortization

# Overseas CVS Operations Q3 YTD Results

(Billions of yen, %)

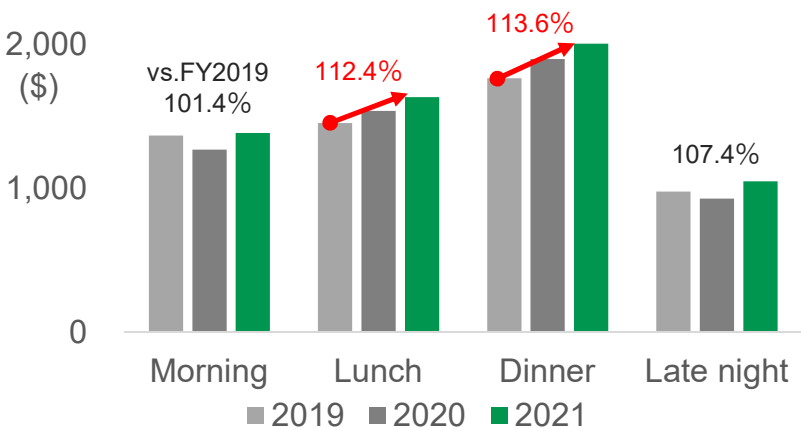
	Amount	YOY	Variance
Revenues from operations	3,520.7	208.8	+1,834.3
Operating income	124.7	156.2	+44.9
EBITDA*	256.2	162.4	+98.4

\*Operating income + Depreciation and amortization + Amortization of goodwill

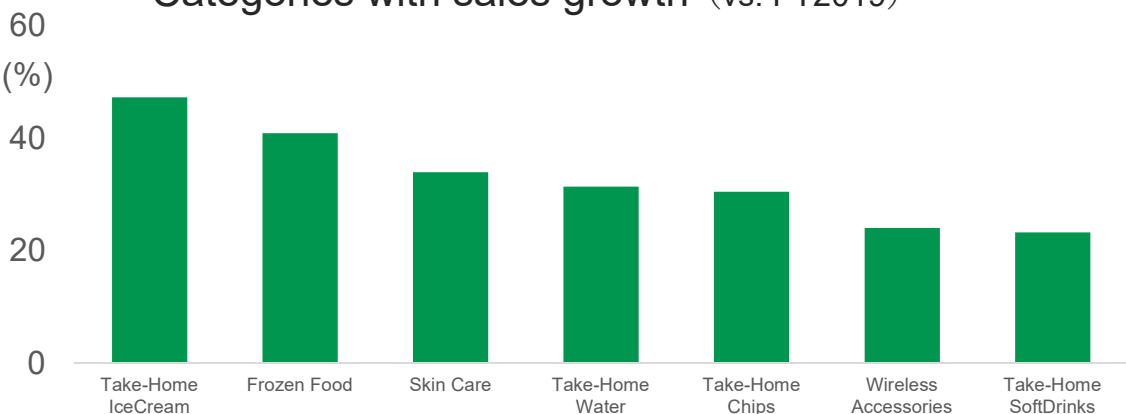
# Overseas CVS Operations: 7-Eleven, Inc. (1)

Changes in purchasing behavior due to COVID-19 (Jan. – Nov. cumulative)

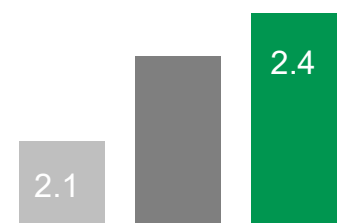
Sales by time period



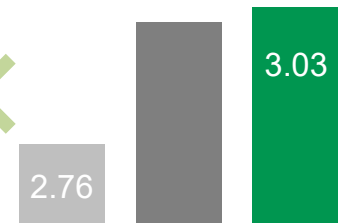
Categories with sales growth (vs. FY2019)



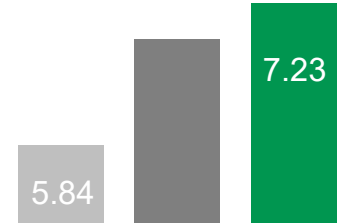
Avg. purchase quantities (units)



Avg. unit price per item (\$)



Avg. spending per customer (\$)



Existing store

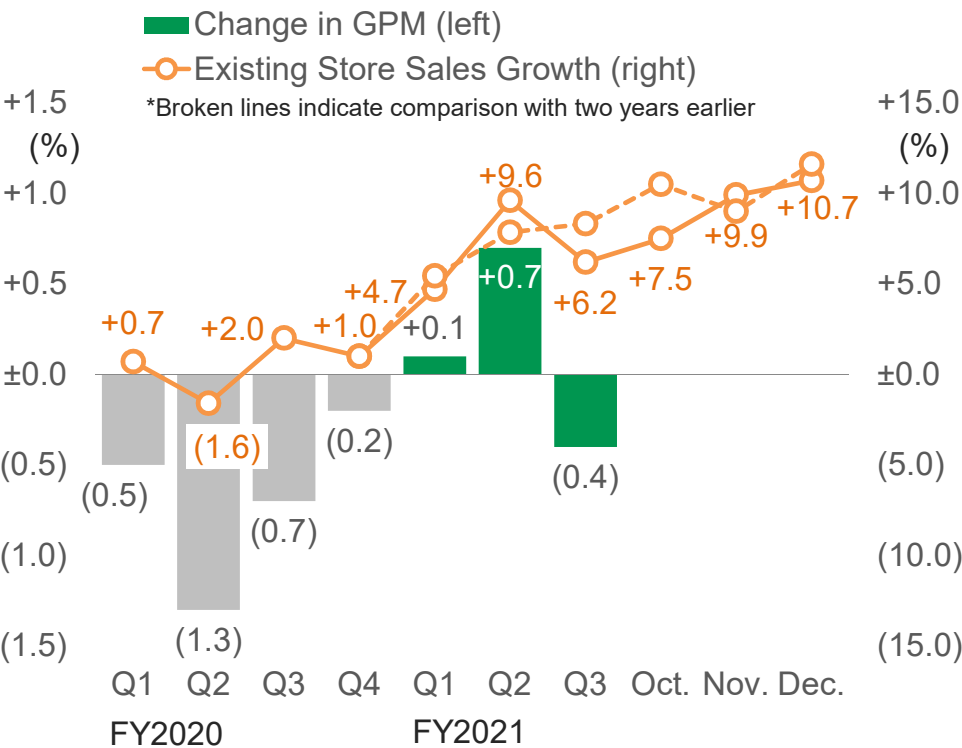
	vs. FY2019	vs. FY2020
APSD sales	108.1%	107.2%
Merchandise GPM	+84bps	+95bps

■ 2019 ■ 2020 ■ 2021

# Overseas CVS Operations: 7-Eleven, Inc. (2)

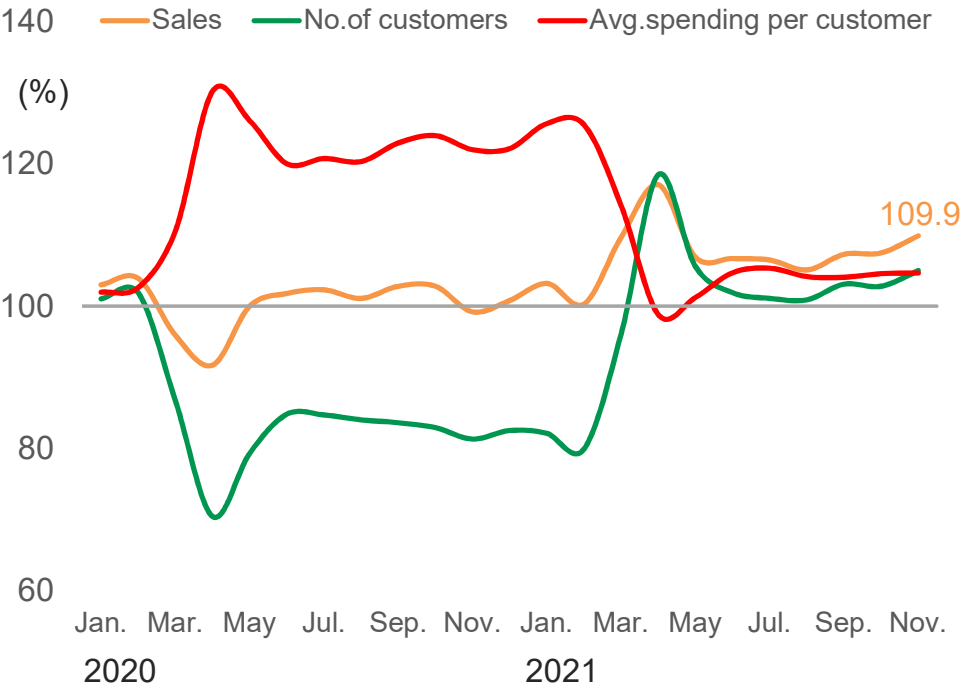
## Existing store sales\* and GPM

(Figures on Dec. are preliminary estimates)



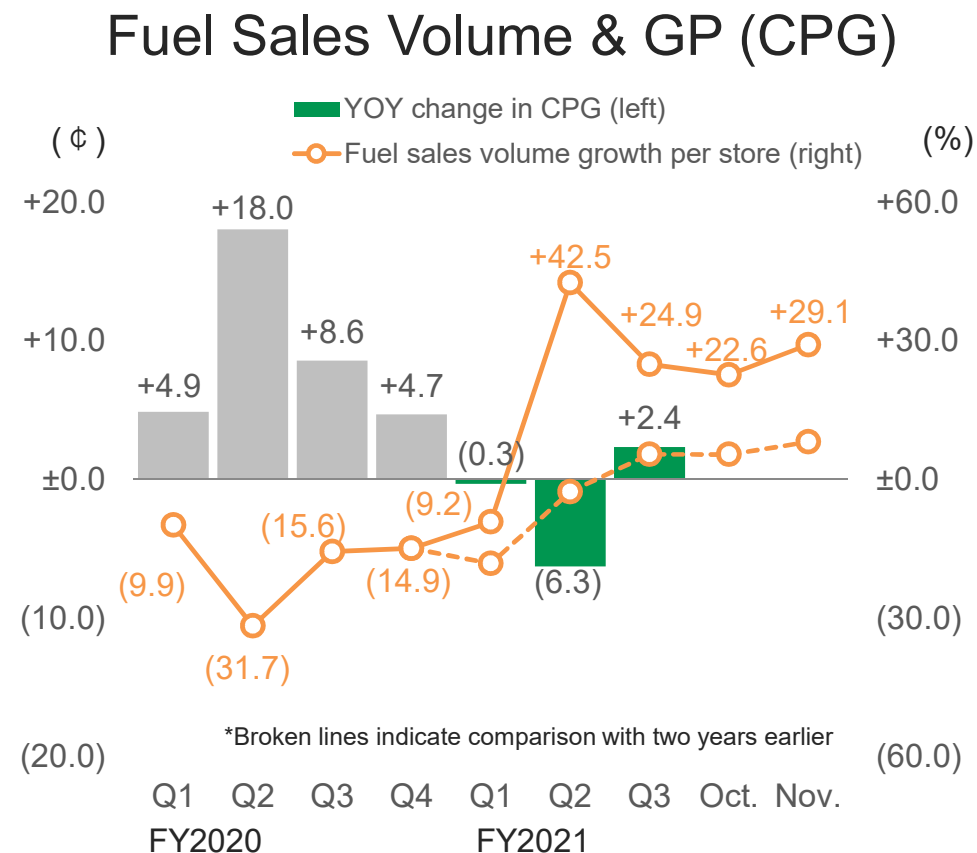
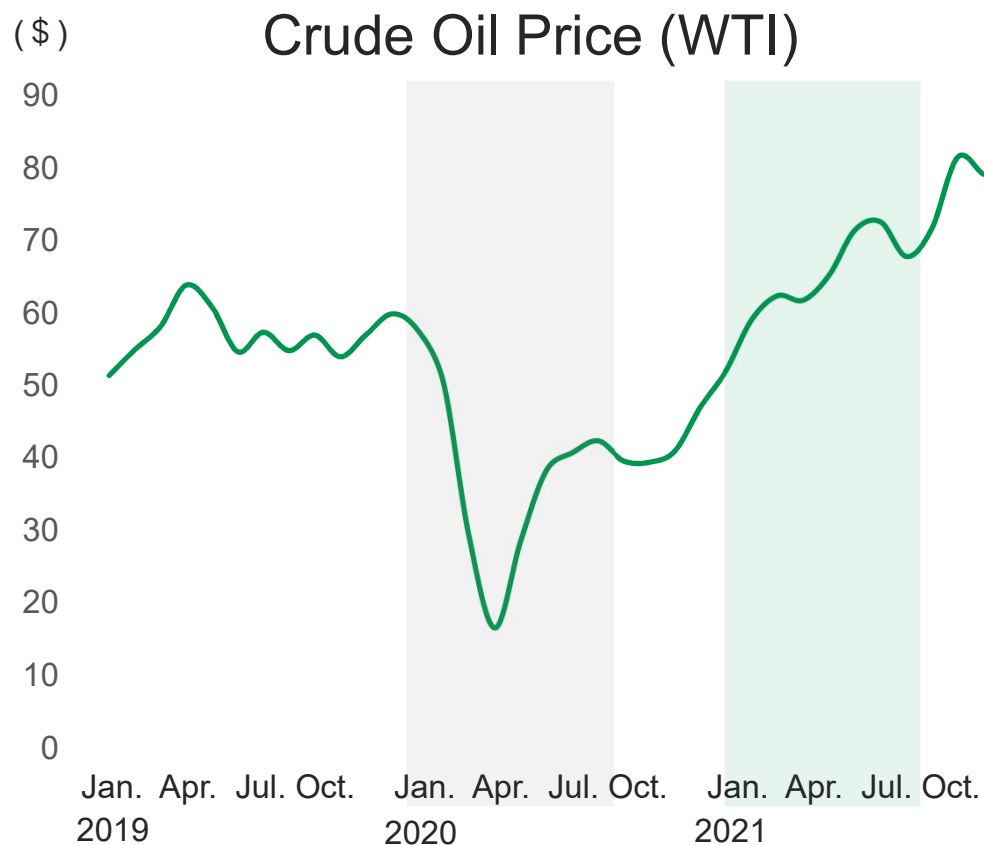
Note) Existing store sales do not include Speedway sales

## Sales, No. of customers and Avg. spending per customer (Existing store)



Q3 YTD(%)		Sales		No. of customers		Avg. spending per customer	
vs. FY2020	vs. FY2019						
		107.0	107.7	101.4	87.1	105.5	123.6

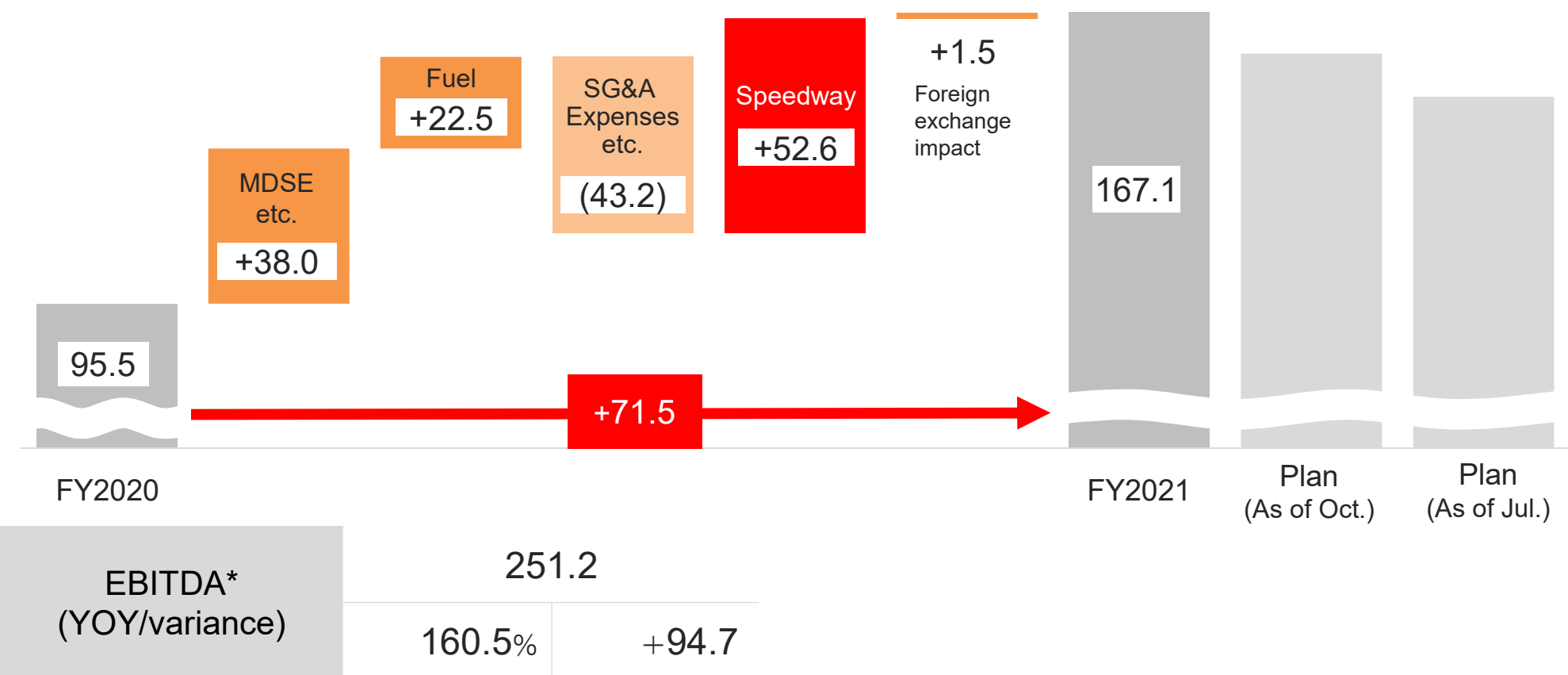
# Overseas CVS Operations: 7-Eleven, Inc. (3)



2021 Q3 YTD Fuel GP: +\$1,160M (+77.4%)

# Overseas CVS Operations: 7-Eleven, Inc. (4)

Q3 YTD YOY Change in operating income (Billions of yen)



\*Operating income + Depreciation and amortization

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# Overseas CVS Operations: 7-Eleven, Inc. (5)

## Q3 YTD business performance

	Speedway (May 14 – Sep.30)		SEI excl. Speedway (Jan.1 – Sep.30)		SEI total	
		YOY%		YOY%		YOY%
Merchandise sales APSD ( \$ )	5,556	-	5,517	107.1	5,524	107.2
Merchandise GPM (%)	30.0	-	35.1	+0.9	34.3	+0.1
Fuel sold APSD (gallons)	4,825	-	3,262	107.1	3,673	120.6
Operating income (\$MM)	489	-	1,049	118.1	1,539	173.3
Operating income (¥B)	53.1	-	113.9	119.3	167.1	174.9
Amortization of goodwill (¥B)	27.3	-	16.5	104.9	43.9	278.0
Contribution to consolidated results (¥B)	25.8	-	97.4	122.1	123.2	154.5

Exchange rate : 1USD = 108.58JPY for FY2021, 107.55JPY for FY2020

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# Superstore Operations Q3 YTD Results

(Billions of yen, %)

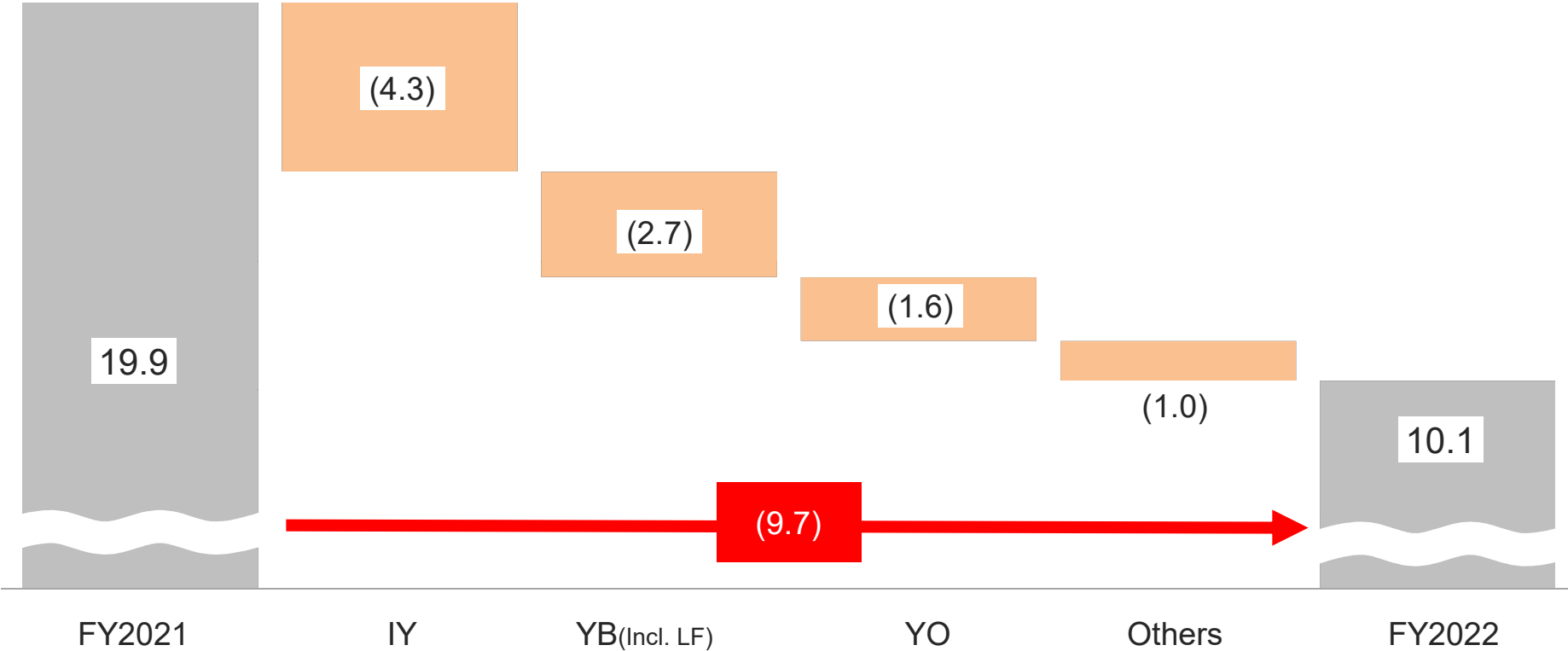
	Amount	YOY	Variance
Revenues from operations	1,337.0	100.5	+6.7
Operating income	10.1	50.9	(9.7)
EBITDA*	33.6	79.7	(8.5)

\*Operating income + Depreciation and amortization + Amortization of goodwill



# Superstore Operations

Q3 YTD YOY Change of operating income (Billions of yen)



Notes) IY:Ito-Yokado YB:York-Benimaru LF:Life foods (A wholly owned subsidiary which produces and sells delicatessen in York-Benimaru stores) YO:York  
 The combined operating income for York-Benimaru and Life Foods represents internal management reporting figures.

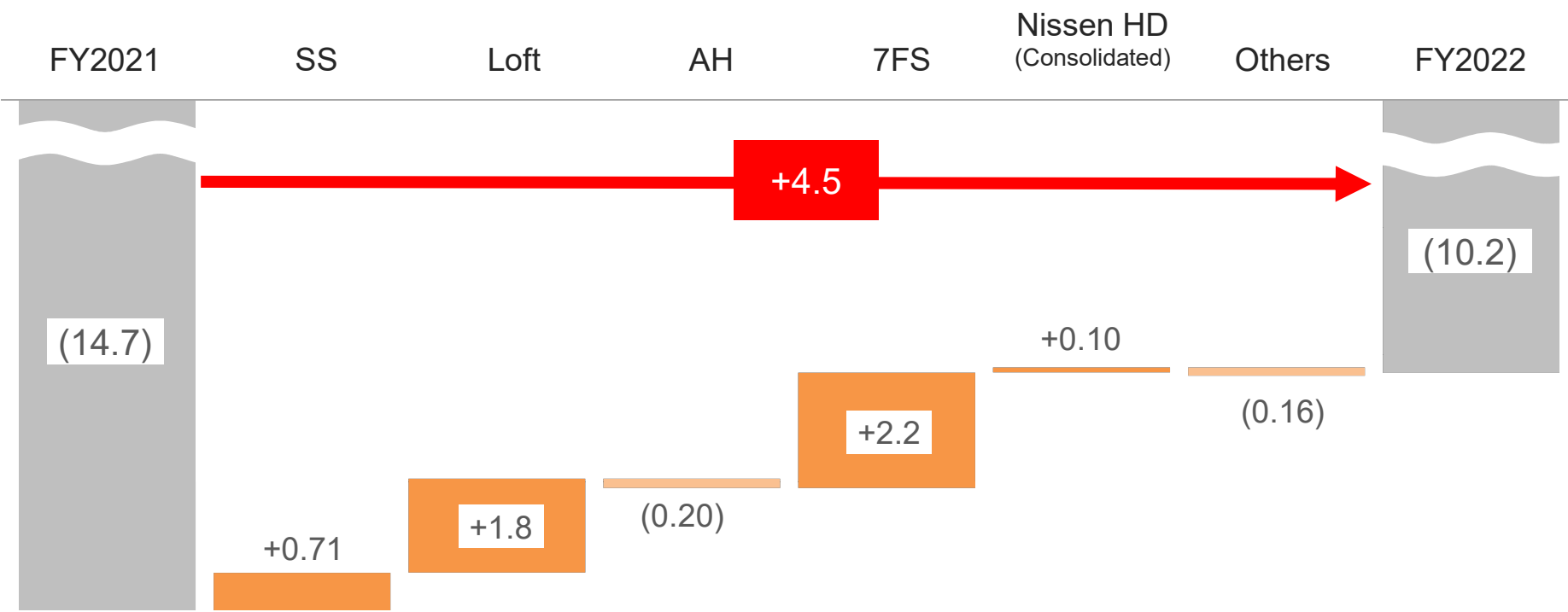
# Department and Specialty Store Operations Q3 YTD Results

	(Billions of yen, %)		
	Amount	YOY	Variance
Revenues from operations	510.2	103.8	+18.7
Operating income	(10.2)	-	+4.5
EBITDA*	0.80	-	+4.3

\*Operating income + Depreciation and amortization + Amortization of goodwill

# Department and Specialty Store Operations

Q3 YTD YOY Change of operating income (Billions of yen)



Note) SS: Sogo & Seibu AH: Akachan Honpo 7FS: Seven & i Food Systems



— TODAY'S

# AGENDA

1

Q3 YTD Results

2

Revision of Full-Year  
Forecast

# FY2022 Revised Consolidated Financial Result Forecast

(Billions of yen, %)

	Before revision			After revision			Change
		YOY	Variance		YOY	Variance	
Group's total sales <sup>*1</sup>	13,812.0	125.1	+2,767.1	14,226.0	128.8	+3,181.1	+414.0
Revenues from operations	8,309.0	144.1	+2,542.2	8,722.0	151.2	+2,955.2	+413.0
Operating income	380.0	103.7	+13.6	400.0	109.2	+33.6	+20.0
Ordinary income	343.5	96.1	(13.8)	368.5	103.1	+11.1	+25.0
Net income attributable to owners of parent	190.0	106.0	+10.7	215.0	119.9	+35.7	+25.0
EPS (yen)	215.16	106.0	+12.13	243.47	119.9	+40.44	+28.31
EPS before amortization of goodwill (yen)	292.50	126.4	+61.11	323.42	139.8	+92.03	+30.92
EBITDA <sup>*2</sup>	738.3	117.8	+111.4	759.6	121.2	+132.7	+21.3

<sup>\*1</sup> Group's total sales include the sales of Seven-Eleven Japan, Seven-Eleven Okinawa and 7-Eleven, Inc. franchisees.

<sup>\*2</sup> Operating income + Depreciation and amortization + Amortization of goodwill

Exchange rate: 1USD= 109.90JPY, 1CNY= 17.00JPY

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# FY2022 Revised Forecast of Revenues from Operations by Business Segment

(Billions of yen, %)

	Before revision			After revision			Change
		YOY	Variance		YOY	Variance	
Consolidated	8,309.0	144.1	+2,542.2	8,722.0	151.2	+2,955.2	+413.0
Domestic CVS operations	891.0	103.8	+32.2	877.0	102.1	+18.2	(14.0)
Overseas CVS operations	4,721.0	209.5	+2,467.6	5,160.0	229.0	+2,906.6	+439.0
Superstore operations	1,832.0	101.2	+21.1	1,814.0	100.2	+3.1	(18.0)
Department and specialty store operations	708.0	103.4	+23.3	714.0	104.3	+29.3	+6.0
Financial services	204.0	102.5	+5.0	194.0	97.5	+4.9	(10.0)
Others	20.0	115.5	+2.6	19.0	109.7	+1.6	(1.0)
Eliminations / corporate	(67.0)	-	(9.7)	(56.0)	-	+1.2	+11.0

Exchange rate: 1USD= 109.90JPY, 1CNY= 17.00JPY

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# FY2022 Revised Forecast of Operating Income by Business Segment

(Billions of yen, %)

	Before revision			After revision			Change
		YOY	Variance		YOY	Variance	
Consolidated	380.0	103.7	+13.6	400.0	109.2	+33.6	+20.0
Domestic CVS operations	245.6	105.1	+11.8	229.1	98.0	(4.6)	(16.5)
Overseas CVS operations	128.8	130.5	+30.1	160.0	162.2	+61.3	+31.2
Superstore operations	23.8	80.2	(5.8)	22.4	75.5	(7.2)	(1.4)
Department and specialty store operations	(9.2)	-	+8.2	(8.8)	-	+8.6	+0.40
Financial services	33.1	68.8	(14.9)	39.4	82.0	(8.6)	+6.3
Others	(0.50)	-	+0.07	(0.50)	-	+0.07	-
Eliminations / corporate	(41.6)	-	(15.8)	(41.6)	-	(15.8)	-

Exchange rate: 1USD= 109.90JPY, 1CNY= 17.00JPY

# FY2022 Forecast for Major Operating Companies

(Billions of yen, %)

	Operating income			Existing store sales growth		Merchandise GPM variance	
		YOY/Variance	Change	Before revision	After revision	Before revision	After revision
Seven-Eleven Japan	229.0	98.1 (4.3)	(16.0)	+1.8	+1.1	(0.1)	(0.3)
7-Eleven, Inc.	224.8	188.6 +105.5	+33.1	+5.6	+7.5	(0.2)	±0.0
7-Eleven, Inc. [Millions of dollar]	2,045	183.2 +928	+270				
Ito - Yokado	5.0	64.3 (2.7)	-	+3.1 [incl. tenants]	+2.5 [incl. tenants]	(0.6)	(0.6)
York – Benimaru (Incl. Life foods)*	18.4	89.7 (2.1)	-	(0.9)	(1.0)	(0.3)	(0.7)
Sogo & Seibu	(4.5)	- +2.1	+1.4	+10.8	+12.7	+0.2	+0.2

\* 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.

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# Seven-Eleven Japan Understanding of Issues

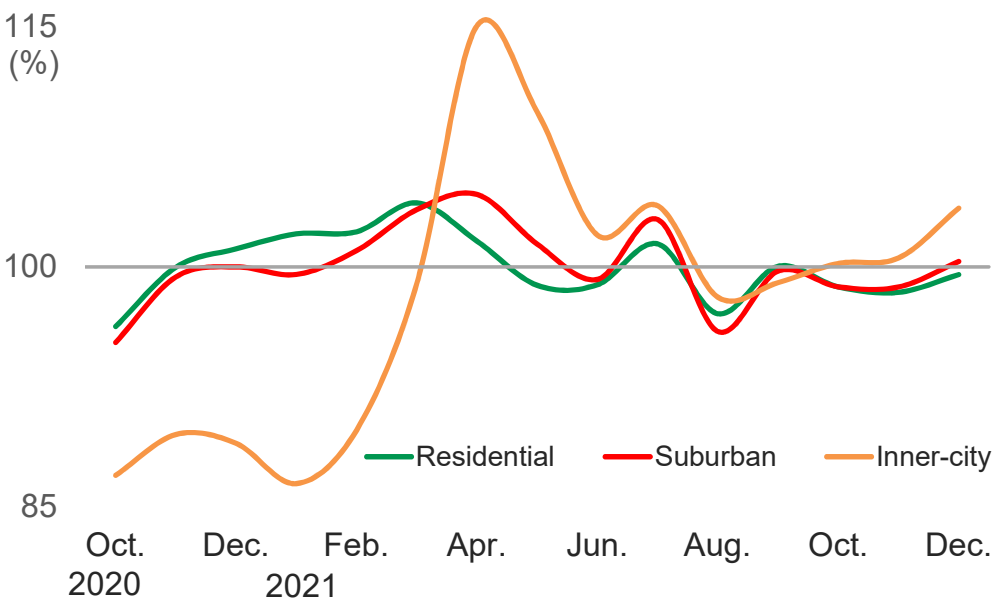
Address the issue of raw material supply restrictions

	Deep-fried foods	Frozen foods
Number of suspended items	5 items	4 items
Impact on daily sales	1% downward	

## Sales resumption status

Deep-fried foods	<i>Nana chiki</i> (fried chicken)	All stores resumed as of Dec. 31, 2021
	4 other items	All stores scheduled to resume by Mar. 31, 2022
Frozen foods	<i>Tebanaka karaage</i> (fried chicken wings)	Approx. 15,000 stores resumed as of Dec. 31, 2021
	3 other items	Approx. 19,000 stores scheduled to resume by Mar. 31, 2022
		Scheduled to resume in Apr. 2022 or later

Sales by store location (YOY change)



Sense of crisis over sales struggles of stores in residential and suburban locations

Merchandise assortment heavily focused on stay-at-home demand  
(Respond to demand for special day, etc.)

Insufficient sales promotion targeting new customers

# Seven-Eleven Japan Countermeasures and Schedule

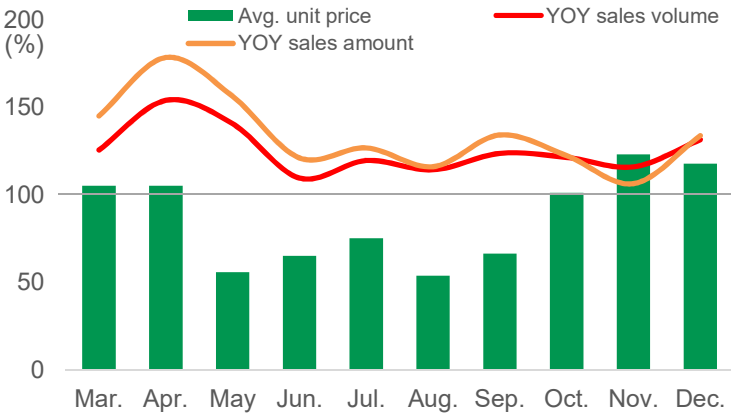
Address the demand for one-stop shopping

		FY2022		(Stores) FY2023
		Q3 results	Full year target	1H target
Measures to increase the number of items		6,707	10,000	15,000
Vegetables with traceability		1,600	1,600	4,700
DAISO	4 shelves deployment	-	10,000	20,000
	3 gondolas deployment	173	760	760
Loft		20	30	400

Expansion the breadth of quality and price band

Strengthen assortment of premium grade merchandise in “premium-special-regular” rank

Effect of expanding the of premium grade merchandise  
(Examples of special rice ball category)

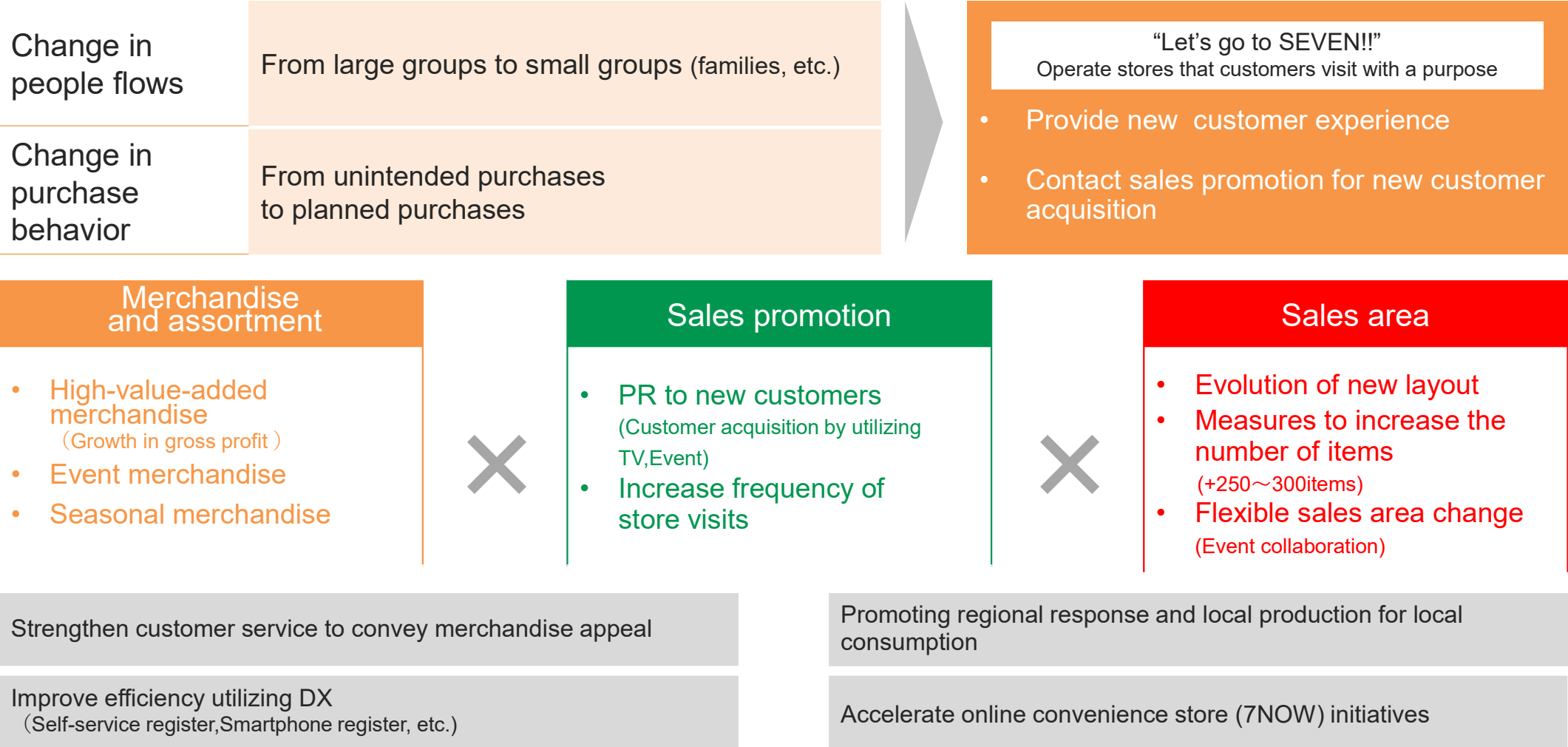


Special rice ball  
salty grilled red salmon

Growth in both  
unit price, sales volume  
and gross profit

Expansion of category

# Seven-Eleven Japan Concept to Era of Living with COVID-19



# Financing for Speedway Acquisition

As of May 31, 2021

	Date of Procurement	Total amount
7&iHD bond issue	Dec. 2020	¥350.0B
7&iHD borrowings	Jan. 2021	¥482.0B (Bridge loan)
Total funds raised (Japan)		¥832.0B
SEI bond issue	Feb. 2021	\$10.95B
SEI borrowings	May. 2021	\$2.25B
Total funds raised (overseas)		\$13.2B

Financing completed on schedule

As of Dec.31, 2021

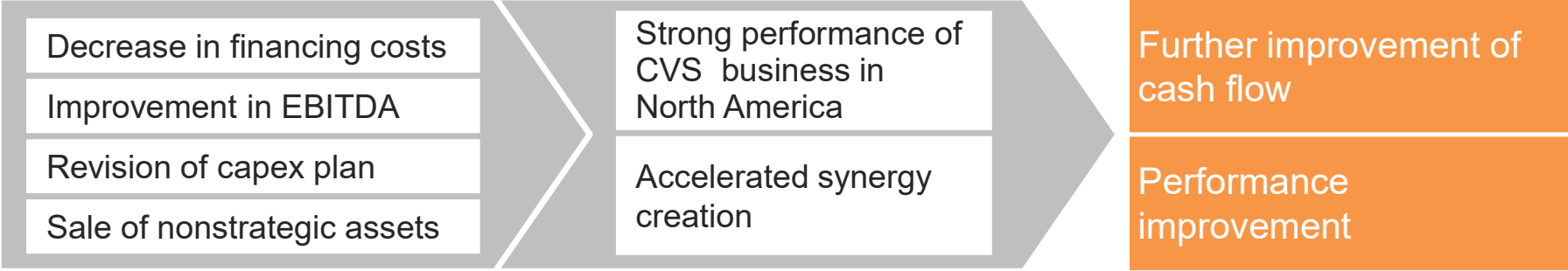
Repayment amount	Remaining debt	Interest rate terms (Fixed/Floating)
-	¥350.0B	Fixed
¥(1.0)B	¥299.0B ¥182.0B	Fixed Floating
¥(1.0)B	¥831.0B	
\$(1.5)B Pre-deadline redemption	\$9.45B	Fixed
\$(1.0)B Pre-deadline repayment	\$1.25B	Floating
\$(2.5)B	\$10.7B	

Repayment accelerated to restore financial soundness

# Sale Leaseback(SLB) (7-Eleven, Inc.)

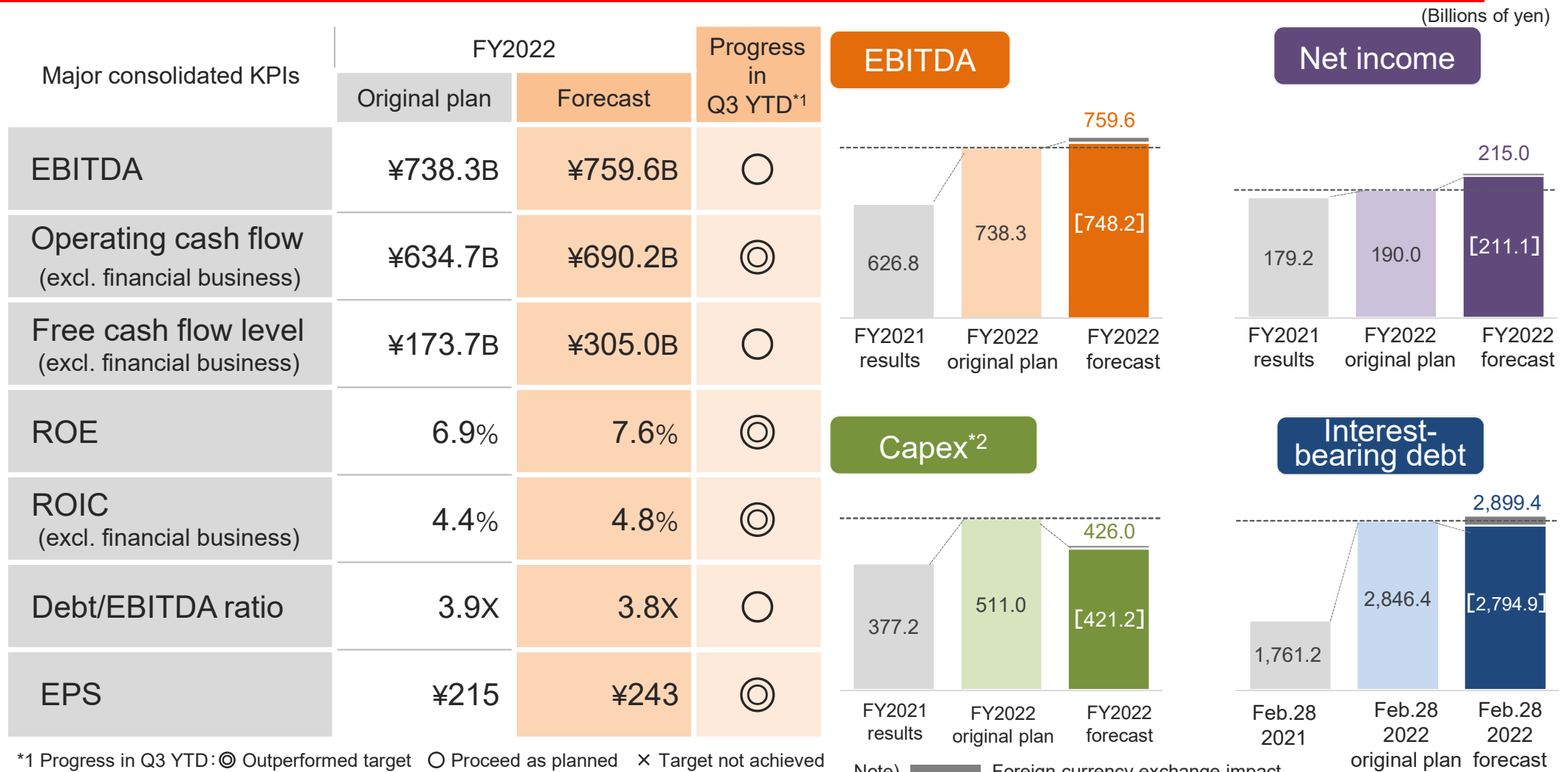
	As of Aug. 2020	As of Jul. 2021	As of Jan. 2022
Amount	approx.\$5.0B	approx.\$3.0B	SLB cancelled
Implementation period	Q4 FY2021	Q1 FY2022	

## Main factors/effects of SLB cancellation



The repayment period will remain at the original assumption even after SLB cancellation

# Consolidated Financial KPIs: Achievement Progress Status



\*1 Progress in Q3 YTD: ◎ Outperformed target ○ Proceed as planned × Target not achieved

\*2 Excluding investment in the acquisition of Speedway



# Appendix

# Q3 YTD Revenues from Operations and Operating Income by Business Segment

(Billions of yen, %)

	Revenues from operations			Operating income		
		YOY	Variance		YOY	Variance
Consolidated	6,149.4	143.8	+1,872.6	302.9	106.1	+17.2
Domestic CVS operations	661.9	102.1	+13.6	177.2	97.2	(5.0)
Overseas CVS operations	3,520.7	208.8	+1,834.3	124.7	156.2	+44.9
Superstore operations	1,337.0	100.5	+6.7	10.1	50.9	(9.7)
Department and specialty store operations	510.2	103.8	+18.7	(10.2)	-	+4.5
Financial services	145.9	96.8	(4.8)	30.2	80.8	(7.1)
Others	14.2	111.2	+1.4	(0.00)	-	+0.46
Eliminations / corporate	(40.6)	-	+2.5	(29.3)	-	(10.6)

Exchange rate: 1USD = 108.58JPY, 1CNY=16.79JPY



# Q3 YTD Operating Income of Major Operating Companies

(Billions of yen, %)

	Operating income	Operating income		Existing store sales growth	Merchandise GPM variance
		YOY	Variance		
Seven-Eleven Japan	177.0	97.3	(4.9)	+0.7	(0.3)
7-Eleven, Inc. [Millions of dollar]	167.1 [1,539]	174.9 [173.3]	+71.5 [+650]	+7.0	+0.1
Ito - Yokado	(2.4)	-	(4.3)	+2.2 [incl. tenants]	(0.8)
York - Benimaru (Incl. Life foods)*	14.0	83.8	(2.7)	(0.4)	(0.8)
Sogo & Seibu	(6.3)	-	+0.71	+14.3	+0.2

\* 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.

# Operating Income of Major Operating Companies

(Billions of yen, %)

	1H		Q3		Q3 YTD	
		YOY / Variance		YOY / Variance		YOY / Variance
Seven-Eleven Japan	123.1	104.1 +4.8	53.9	84.6 (9.8)	177.0	97.3 (4.9)
7-Eleven, Inc.	78.2	148.5 +25.5	88.9	207.4 +46.0	167.1	174.9 +71.5
7-Eleven, Inc. [Millions of dollar]	725	149.0 +238	813	202.6 +412	1,539	173.3 +650
Ito - Yokado	1.0	36.0 (1.9)	(3.5)	- (2.4)	(2.4)	- (4.3)
York - Benimaru (Incl. Life foods)*	10.2	78.4 (2.8)	3.7	103.0 +0.10	14.0	83.8 (2.7)
Sogo & Seibu	(4.9)	- (1.3)	(1.3)	- +2.1	(6.3)	- +0.71

\* 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.

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# Existing Store Sales Growth and GPM of Major Operating Companies



(%)

	1H		Q3		Q3 YTD	
	Existing store sales growth	GPM / Variance	Existing store sales growth	GPM / Variance	Existing store sales growth	GPM / Variance
Seven-Eleven Japan	+1.5	31.8 (0.1)	(0.8)	31.6 (0.7)	+0.7	31.7 (0.3)
7-Eleven, Inc.	+7.6	34.4 +0.4	+6.2	34.1 (0.4)	+7.0	34.3 +0.1
Ito - Yokado	+3.8 [incl. tenants]	28.9 (0.7)	(0.8) [incl. tenants]	28.7 (1.0)	+2.2 [incl. tenants]	28.9 (0.8)
York - Benimaru	(0.7)	25.6 (0.8)	+0.2	25.4 (0.5)	(0.4)	25.5 (0.8)
Sogo & Seibu	+23.4	22.9 +0.3	+0.5	23.3 ±0.0	+14.3	23.1 +0.2

# Q3 YTD Special Losses

(Billions of yen)

	FY2021	FY2022	Variance	Major factors for the variance
Special losses	74.7	39.6	(35.0)	Mainly decrease in loss related to COVID-19
Loss on disposals of property and equipment	8.0	10.0	+2.0	SEI[+0.67]: Increase due to store renovation, etc. SS[+0.59]: Same as above
Impairment loss	16.3	12.1	(4.2)	SEI[(2.5)]: Strategy level of store closures, etc. in PY FOC*[(1.4)]: Business reorganization in PY in line with the Tokyo metropolitan area food strategy
Restructuring expenses	7.1	0.86	(6.2)	IY [(4.0)]: Store closures, personnel measures, etc. in PY SS[(2.1)]: Same as above
Loss related to novel coronavirus (COVID-19)	36.8	9.9	(26.9)	SEJ [(5.2)] Franchisee support money [(3.1)], Cost of infection prevention and control [(1.8)], etc. SEI [(5.8)] Cost of infection prevention and control [(3.6)], Payment of employee allowances [(1.6)], etc. IY [(3.8)] Transfer of fixed costs [(3.2)], etc. SS [(7.7)] Transfer of fixed costs [(7.5)], etc. Others Loft [(0.86)], YB[(0.78)], AH[(0.42)], 7FS[(0.28)]

\*FOC: Forecast Co., Ltd.

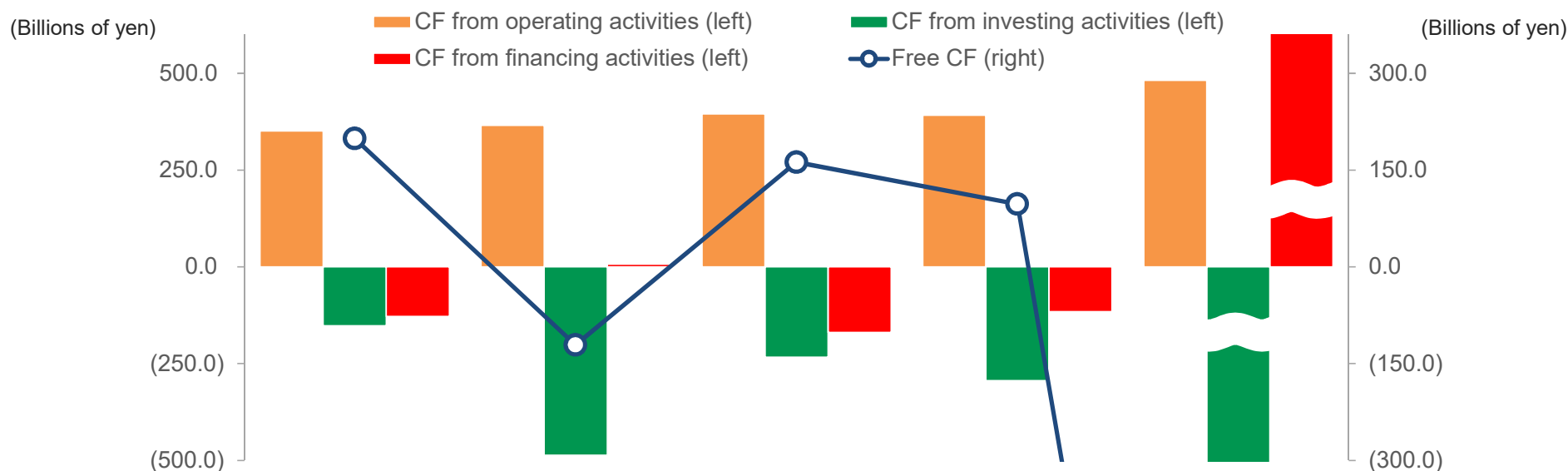
# Consolidated B/S Summary (As of Nov. 30, 2021)

(Billions of yen)

Assets (Main items only)	Feb.28 2021	Nov.30 2021	Variance
Current assets	3,350.2	2,640.1	(710.0)
Cash and bank deposits	2,189.1	1,386.3	(802.8)
Cash and due from banks at Seven Bank	925.4	904.5	(20.9)
Notes and accounts receivable-trade	318.1	415.3	+97.2
ATM-related temporary payments	216.4	86.5	(129.9)
Non-current assets	3,594.0	6,007.0	+2,413.0
Property and equipment	2,206.0	3,175.3	+969.3
Buildings and structures, net	994.0	1,499.1	+505.0
Land	746.2	1,104.0	+357.7
Intangible assets	645.8	2,076.4	+1,430.6
Investments and other assets	742.1	755.2	+13.1
Deferred assets	2.5	2.0	(0.55)
Total assets	6,946.8	8,649.3	+1,702.4

Liabilities and net assets (Main items only)	Feb.28 2021	Nov.30 2021	Variance
Total liabilities	4,115.4	5,590.8	+1,475.3
Current liabilities	2,782.4	3,024.2	+241.7
Notes and accounts payable-trade	385.2	533.3	+148.0
Short-term loans	619.9	626.1	+6.2
Current portion of bonds Current portion of long-term loans	213.6	277.3	+63.7
Deposits received	236.4	209.8	(26.5)
ATM-related temporary advances	130.1	49.9	(80.2)
Deposit received in banking business	741.4	749.9	+8.5
Non-current liabilities	1,333.0	2,566.6	+1,233.5
Bonds	565.0	1,553.4	+988.4
Long-term loans	362.5	500.0	+137.4
Total net assets	2,831.3	3,058.4	+227.1
Total liabilities and net assets	6,946.8	8,649.3	+1,702.4

# Q3 YTD Consolidated Statements of Cash Flows



(Billions of yen)	FY2018	FY2019	FY2020	FY2021	FY2022	vs. FY2021
CF from operating activities	351.0	365.2	395.2	391.4	481.5	+90.1
CF from investing activities	(152.0)	(486.2)	(232.8)	(294.0)	(2,367.0)	(2,073.0)
Free CF	198.9	(120.9)	162.3	97.4	(1,885.4)	(1,982.9)
CF from financing activities	(127.8)	6.5	(169.0)	(115.5)	1,030.3	+1,145.9
Cash and cash equivalents at end of period	1,281.3	1,182.1	1,300.6	1,334.4	1,379.0	+44.5

## With Livings - Seven & i Group



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.