



January 9, 2020

# Consolidated Financial Results for the Nine Months Ended November 30, 2019

## Seven & i Holdings Co., Ltd.

(URL <https://www.7andi.com/en>)

Securities Code No. 3382

President: Ryuichi Isaka

The Company's shares are listed on the First Section of the Tokyo Stock Exchange.

Submission date of quarterly securities report scheduled: January 10, 2020

Starting date of paying dividend: -

Preparation of brief summary materials for quarterly financial results: Yes

Holding of quarterly financial results presentation: Yes

(Notes) 1. Percentages represent increase (decrease) from the corresponding period in the prior fiscal year.

2. All amounts less than one million yen have been truncated.

### 1. Business Results for the Nine Months Ended November 30, 2019 (From March 1, 2019 to November 30, 2019)

#### (1) Results of Operations (Cumulative)

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income	
Nine Months Ended November 30, 2019	4,975,533	(1.9)%	319,085	4.9%	314,988	5.0%
Nine Months Ended November 30, 2018	5,072,379	13.2%	304,257	2.9%	299,998	1.4%

	Net Income Attributable to Owners of Parent		Net Income per Share		Diluted Net Income per Share	
Nine Months Ended November 30, 2019	169,968	8.8%	192.33	(yen)	192.23	(yen)
Nine Months Ended November 30, 2018	156,271	4.7%	176.66	(yen)	176.53	(yen)

(Note) Comprehensive income:

Nine Months Ended November 30, 2019: 162,938 million yen [(2.8)%]

Nine Months Ended November 30, 2018: 167,613 million yen [7.0%]

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

Nine Months Ended November 30, 2019: 9,019,326 million yen [0.1%]

Nine Months Ended November 30, 2018: 9,012,983 million yen [9.0%]

#### (2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Owners' Equity Ratio	Owners' Equity per Share
As of November 30, 2019	5,964,682	2,688,169	42.6%	2,875.35 (yen)
As of February 28, 2019	5,795,065	2,672,486	43.5%	2,850.42 (yen)

(Reference) Owners' equity (Net assets excluding non-controlling interests and subscription rights to shares) :

As of November 30, 2019: 2,538,485 million yen

As of February 28, 2019: 2,521,395 million yen

(Note) "Partial Amendments to the Accounting Standard for Tax Effect Accounting" (ASBJ No.28; February 16, 2018), 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.

### 2. Dividends

Record Date	Dividends per Share (yen)				
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
Year Ended February 28, 2019	-	47.50	-	47.50	95.00
Year Ending February 29, 2020	-	47.50	-		
Year Ending February 29, 2020 (Forecast)				47.50	95.00

(Note) Revision of dividends forecast during the current quarterly period: None

### 3. Forecast of Business Results for the Fiscal Year ending February 29, 2020 (From March 1, 2019 to February 29, 2020)

(Millions of yen, except per share amounts)

	Revenues from Operations	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Income per Share
Entire Year	6,688,000 (1.5)%	420,000 2.0%	414,500 2.0%	210,000 3.4%	237.63 (yen)

(Note) Revision of business results forecast during the current quarterly period: None

\*The forecast of Group's total sales includes the sales of SEVEN-ELEVEN JAPAN, SEVEN-ELEVEN OKINAWA and 7-Eleven, Inc. franchisees:

Entire Year: 12,051,800 million yen [0.3%]

### 4. Others

(1) Changes in significant subsidiaries during the period:

(Changes in specific subsidiaries accompanying change in scope of consolidation): None

Added: None

Excluded: None

(2) Application of specific accounting for preparing the quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates or restatements

1. Changes due to amendment of accounting standards: Yes

(Application of Financial Accounting Standards Board Accounting Standards Update (ASU) No.2014-09 "Revenue from Contracts with Customers (Topic606)")

Subsidiaries in North America that adopt USGAAP have applied ASU No.2014-09 "Revenue from Contracts with Customers (Topic606)" from the first three months of the fiscal year ending February 29, 2020. Due to this application, the Company has revised the standard for revenue recognition, and recognizes revenue for all contracts at the expected amount of consideration for the promised goods and services at the time of transfer to the customer. In applying the accounting standard, retained earnings have been adjusted for the cumulative effects of the application at the beginning of the first three months of the fiscal year ending February 29, 2020. As a result, the balance of retained earnings at the beginning of the fiscal year ending February 29, 2020 decrease 43,794 million yen. The effect of this adjustment on the profits and losses for the nine months ended November 30, 2019 is immaterial.

(Application of Financial Accounting Standards Board Accounting Standards Update (ASU) No.2016-18 "Statement of Cash Flows Restricted Cash (a consensus of the FASB Emerging Issues Task Force)")

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. This ASU requires an entity to report restricted cash and cash equivalents in cash and cash equivalents in the consolidated cash flow statement. As a result of adopting this standard, cash and cash equivalents in the quarterly consolidated cash flow statements for the nine months ended November 30, 2019 and 2018 indicate cash and cash equivalents including restricted cash.

2. Changes due to other reasons other than 1: None

3. Changes in accounting estimates: None

4. Restatements: None

(4) Number of shares outstanding (Common stock)

1. Number of shares outstanding at the end of period (Including treasury stock)

As of November 30, 2019: 886,441,983 shares

As of February 28, 2019: 886,441,983 shares

2. Number of treasury stock at the end of period

As of November 30, 2019: 3,599,017 shares

As of February 28, 2019: 1,873,384 shares

3. Average number of shares during the period (Cumulative quarterly consolidated period)

As of November 30, 2019: 883,729,191 shares

As of November 30, 2018: 884,567,817 shares

Note: Seven & i Holdings has introduced the BIP Trust and ESOP Trust from this consolidated cumulative third quarter. Seven & i Holdings' shares held by these Trusts are included in the number of treasury shares to be deducted when calculating the number of treasury shares at the end of the Fiscal term and the average number of shares during the term.

(5) Supplementary information

(Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting", etc.)

"Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan("ASBJ")Statement No.28, February 16, 2018),etc. have been applied from the beginning of the fiscal year

ending February 29, 2020. Accordingly, deferred tax assets have been reclassified under investments and other assets, and deferred tax liabilities have been reclassified under non-current liabilities.

As a result, on the consolidated balance sheets for the fiscal year ended February 28, 2019, “deferred income taxes” in current assets, “other” in current liabilities, and “deferred income taxes” in non-current liabilities decreased by 26,582 million yen, 31 million yen, and 205 million yen, respectively, while “deferred income taxes” in investments and other assets increased by 26,345 million yen.

#### (Performance-Based Stock Compensation Plan for Directors)

The Company and certain consolidated subsidiaries (hereinafter the “Companies”) have introduced a Performance-Based Stock Compensation Plan (hereinafter the “Plan”) for the directors of the Companies (excluding non-executive Directors and Directors residing overseas, the same applies hereinafter) using the Directors’ Compensation BIP (Board Incentive Plan) Trust (hereinafter “BIP Trust”), mainly aiming to raise willingness to contribute to the improvement of medium-and long-term corporate value and to share interests with shareholders.

The accounting treatment for the said trust agreement is in accordance with “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (PITF (Practical Issue Task Force) No. 30, March 26, 2015).

##### (1) Outline of the transaction

The plan is a performance-based stock compensation plan whereby the Companies contribute an appropriate amount of money to the BIP Trust, which is used as funds to acquire Company’s shares. The Company’s shares are delivered to directors in accordance with Share Delivery Rules for directors stipulated by the Companies. Directors shall receive delivery of the Company’s shares, etc., in principle, upon their retirement.

##### (2) Company’s shares remaining in the BIP Trust

The Company’s shares remaining in the BIP Trust are recorded as treasury stock under net assets at their carrying amounts (excluding incidental expenses). As of November 30, 2019, the carrying amount and the number of Company’s shares remaining in the BIP Trust are 3,888 million yen and 1,018 thousand shares, respectively.

#### (Performance-Based Stock Compensation Plan for Executive Officers)

The Company and certain consolidated subsidiaries (hereinafter the “Companies”) have introduced a Performance-Based Stock Compensation Plan (hereinafter the “Plan”) for the executive officers of the Companies (excluding those residing overseas, the same applies hereinafter) using the Stock Grant Employee Stock Ownership Plan (ESOP) Trust (hereinafter “ESOP Trust”), mainly aiming to raise willingness to contribute to the improvement of medium-and long-term corporate value and to share interests with shareholders. The Companies adopted “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (PITF No. 30, March 26, 2015) to account for the said trust agreement.

##### (1) Outline of the transaction

The plan is a performance-based stock compensation plan whereby the Companies contribute an appropriate amount of money to the ESOP Trust, which is used as funds to acquire Company’s shares. The Company’s shares are delivered to executive officers in accordance with Share Delivery Rules for executive officers stipulated by the Companies. Executive officers shall receive delivery of the Company’s shares, etc., in principle, upon their retirement.

##### (2) Company’s shares remaining in the ESOP Trust

The Company’s shares remaining in the ESOP Trust are recorded as treasury stock under net assets at their carrying amounts (excluding incidental expenses). As of November 30, 2019, the carrying amount and the number of Company’s shares remaining in the Trust are 2,813 million yen and 733 thousand shares, respectively.

### **NOTICE REGARDING QUARTERLY REVIEW PROCEDURES FOR THE QUARTERLY FINANCIAL RESULTS**

This quarterly financial results statement is exempt from the quarterly review procedures based upon the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results statement, the quarterly review procedure based upon the Financial Instruments and Exchange Act has not been completed.

### **FORWARD LOOKING STATEMENTS**

1. The forecast for the year ending February 29, 2020 is based on Seven & i Holdings’ hypotheses, plans and estimates at the date of publication. It is possible that some uncertain factors will cause the Company’s future performance to differ significantly from the contents of the forecast.
2. Brief summary for the third quarter of FY2020 will be posted on the Company’s website (<https://www.7andi.com/en/ir/library/kh/202002.html>). The presentation materials related to financial results which will be used at the financial results presentation planned to be held on January 9, 2020, will be posted as soon as possible after the presentation.

## Attached Materials

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**5. Consolidated Quarterly Financial Statements**  
**(1) Consolidated Quarterly Balance Sheets**

(Millions of yen)

	February 28, 2019	November 30, 2019
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>2,326,459</b>	<b>2,483,682</b>
Cash and bank deposits	1,314,564	1,303,956
Notes and accounts receivable-trade	336,070	389,412
Trade accounts receivable-financial services	101,490	104,825
Merchandise and finished goods	178,178	189,521
Work in process	60	49
Raw materials and supplies	2,781	2,684
Prepaid expenses	55,867	60,834
ATM-related temporary payments	95,694	150,202
Other	247,497	289,159
Allowance for doubtful accounts	(5,747)	(6,964)
<b>Non-current assets</b>	<b>3,468,504</b>	<b>3,478,434</b>
<b>Property and equipment</b>	<b>2,118,630</b>	<b>2,148,106</b>
Buildings and structures, net	954,093	979,626
Furniture, fixtures and equipment, net	306,321	314,415
Land	751,616	746,573
Lease assets, net	6,858	8,558
Construction in progress	89,463	84,835
Other, net	10,277	14,097
<b>Intangible assets</b>	<b>608,487</b>	<b>601,163</b>
Goodwill	371,969	353,344
Software	85,475	98,114
Other	151,043	149,704
<b>Investments and other assets</b>	<b>741,385</b>	<b>729,164</b>
Investments in securities	191,985	192,702
Long-term loans receivable	14,415	14,210
Long-term leasehold deposits	372,348	362,999
Advances for store construction	548	449
Net defined benefit asset	43,666	46,691
Deferred income taxes	57,424	54,670
Other	63,878	60,239
Allowance for doubtful accounts	(2,881)	(2,798)
<b>Deferred assets</b>	<b>101</b>	<b>2,565</b>
Business commencement expenses	101	2,565
<b>TOTAL ASSETS</b>	<b>5,795,065</b>	<b>5,964,682</b>

(Millions of yen)

	February 28, 2019	November 30, 2019
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>1,992,763</b>	<b>2,211,453</b>
Notes and accounts payable-trade	411,602	466,012
Short-term loans	143,160	127,260
Current portion of bonds	50,000	80,000
Current portion of long-term loans	106,688	125,716
Income taxes payable	42,642	19,366
Accrued expenses	128,802	158,370
Deposits received	174,043	236,606
ATM-related temporary advances	43,530	59,721
Allowance for sales promotion expenses	19,467	21,110
Allowance for bonuses to employees	13,829	4,270
Allowance for bonuses to Directors and Audit & Supervisory Board Members	364	206
Allowance for loss on future collection of gift certificates	1,296	1,064
Provision for sales returns	98	80
Deposits received in banking business	588,395	622,331
Other	268,841	289,335
<b>Non-current liabilities</b>	<b>1,129,814</b>	<b>1,065,059</b>
Bonds	361,914	281,915
Long-term loans	443,425	408,801
Deferred income taxes	43,926	53,363
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	925	837
Allowance for stock payments	159	3,111
Net defined benefit liability	7,534	7,316
Deposits received from tenants and franchised stores	53,145	52,654
Asset retirement obligations	85,971	87,017
Other	132,811	170,039
<b>TOTAL LIABILITIES</b>	<b>3,122,578</b>	<b>3,276,512</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>	<b>2,470,808</b>	<b>2,506,818</b>
Common stock	50,000	50,000
Capital surplus	409,859	409,262
Retained earnings	2,015,630	2,058,878
Treasury stock, at cost	(4,680)	(11,322)
<b>Total accumulated other comprehensive income</b>	<b>50,587</b>	<b>31,667</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	26,150	29,178
Unrealized gains (losses) on hedging derivatives, net of taxes	(69)	(320)
Foreign currency translation adjustments	23,768	3,687
Remeasurements of defined benefit plans	737	(878)
<b>Subscription rights to shares</b>	<b>2,805</b>	<b>331</b>
<b>Non-controlling interests</b>	<b>148,285</b>	<b>149,351</b>
<b>TOTAL NET ASSETS</b>	<b>2,672,486</b>	<b>2,688,169</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>5,795,065</b>	<b>5,964,682</b>

**(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly  
Statements of Comprehensive Income  
Consolidated Quarterly Statements of Income**

(Millions of yen)

	Nine Months Ended November 30, 2018	Nine Months Ended November 30, 2019
	Amount	Amount
<b>Revenues from operations</b>	<b>5,072,379</b>	<b>4,975,533</b>
Net sales	4,110,614	3,983,285
Cost of sales	3,303,159	3,174,583
<b>Gross profit on sales</b>	<b>807,455</b>	<b>808,702</b>
Operating revenues	961,764	992,247
<b>Gross profit from operations</b>	<b>1,769,220</b>	<b>1,800,950</b>
Selling, general and administrative expenses	1,464,963	1,481,864
<b>Operating income</b>	<b>304,257</b>	<b>319,085</b>
<b>Non-operating income</b>	<b>8,867</b>	<b>7,737</b>
Interest income	3,742	2,699
Equity in earnings of affiliates	950	2,369
Other	4,174	2,668
<b>Non-operating expenses</b>	<b>13,126</b>	<b>11,834</b>
Interest expenses	8,126	6,861
Interest on bonds	1,463	1,237
Other	3,535	3,735
<b>Ordinary income</b>	<b>299,998</b>	<b>314,988</b>
<b>Special gains</b>	<b>6,000</b>	<b>3,830</b>
Gain on sales of property and equipment	5,426	2,133
Gain on sales of property and equipment related to Restructuring	14	905
Other	558	791
<b>Special losses</b>	<b>64,484</b>	<b>48,974</b>
Loss on disposals of property and equipment	13,092	11,166
Impairment loss on property and equipment	31,924	15,990
Loss on digital and settlement services	-	11,305
Restructuring expenses	1,554	2,903
Amortization of goodwill	3,864	-
Loss on sales of shares of subsidiaries	3,320	-
Other	10,728	7,609
<b>Income before income taxes</b>	<b>241,514</b>	<b>269,844</b>
<b>Total income taxes</b>	<b>79,335</b>	<b>87,739</b>
Income taxes - current	81,018	60,751
Income taxes - deferred	(1,682)	26,988
Net income	162,178	182,104
Net income attributable to non-controlling interests	5,907	12,135
<b>Net income attributable to owners of parent</b>	<b>156,271</b>	<b>169,968</b>

## Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Nine Months Ended November 30, 2018	Nine Months Ended November 30, 2019
	Amount	Amount
<b>Net income</b>	<b>162,178</b>	<b>182,104</b>
Other comprehensive income (loss)		
Unrealized gains (loss) on available-for-sale securities, net of taxes	2,600	3,031
Unrealized gains (loss) on hedging derivatives, net of taxes	189	(251)
Foreign currency translation adjustments, net of taxes	1,371	(20,291)
Remeasurements of defined benefit plans, net of taxes	1,284	(1,630)
Share of other comprehensive income (loss) of entities accounted for using equity method, net of taxes	(10)	(24)
<b>Total other comprehensive income (loss)</b>	<b>5,435</b>	<b>(19,165)</b>
<b>Comprehensive income (loss)</b>	<b>167,613</b>	<b>162,938</b>
Comprehensive income (loss) attributable to owners of parent	161,809	151,049
Comprehensive income (loss) attributable to non-controlling interests	5,804	11,889



### (3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Nine Months Ended November 30, 2018	Nine Months Ended November 30, 2019
	Amount	Amount
<b>Cash flows from operating activities:</b>		
Income before income taxes	241,514	269,844
Depreciation and amortization	164,738	168,337
Impairment loss on property and equipment	33,244	20,929
Amortization of goodwill	21,110	17,607
Interest income	(3,742)	(2,699)
Interest expenses and interest on bonds	9,590	8,098
Equity in losses (earnings) of affiliates	(950)	(2,369)
Gain on sales of property and equipment	(5,441)	(3,039)
Loss on disposals of property and equipment	13,093	11,190
Loss (gain) on sales of shares of subsidiaries	3,320	-
Decrease (increase) in notes and accounts receivable, trade	(62,314)	(54,630)
Decrease (increase) in trade accounts receivable, financial services	(6,001)	(3,334)
Decrease (increase) in inventories	(15,663)	(12,918)
Increase (decrease) in notes and accounts payable, trade	62,656	57,206
Increase (decrease) in deposits received	1,140	62,286
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	8,895	33,935
Net decrease (increase) in ATM-related temporary accounts	(5,271)	(38,316)
Other	4,700	(21,626)
Subtotal	449,620	490,502
Interest and dividends received	3,016	2,223
Interest paid	(9,261)	(8,143)
Income taxes paid	(78,104)	(89,303)
<b>Net cash provided by (used in) operating activities</b>	<b>365,271</b>	<b>395,279</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	(398,787)	(214,504)
Proceeds from sales of property and equipment	111,995	7,365
Acquisition of intangible assets	(25,950)	(32,013)
Payment for purchase of investments in securities	(28,317)	(20,557)
Proceeds from sales of investments in securities	17,700	26,978
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	(10,693)	(6,141)
Refund of long-term leasehold deposits	20,785	20,838
Proceeds from deposits from tenants	2,173	2,254
Refund of deposits from tenants	(2,665)	(2,814)
Payment for acquisition of business	(174,222)	(10,994)
Payment for time deposits	(11,264)	(2,204)
Proceeds from withdrawal of time deposits	14,571	2,435
Other	(1,432)	(3,541)
<b>Net cash provided by (used in) investing activities</b>	<b>(486,232)</b>	<b>(232,886)</b>

(Millions of yen)

	Nine Months Ended November 30, 2018	Nine Months Ended November 30, 2019
	Amount	Amount
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term loans	19,454	(15,900)
Proceeds from long-term debts	129,940	50,580
Repayment of long-term debts	(53,357)	(48,953)
Proceeds from commercial paper	2,301	-
Payment for redemption of commercial paper	(2,301)	-
Proceeds from issuance of bonds	66,478	-
Payment for redemption of bonds	(60,000)	(40,000)
Proceeds from share issuance to non-controlling shareholders	0	416
Purchase of treasury shares	(14)	(6,713)
Dividends paid	(81,590)	(83,801)
Dividends paid to non-controlling interests	(3,967)	(4,747)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(3,857)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	716	-
Other	(11,090)	(16,064)
<b>Net cash provided by (used in) financing activities</b>	<b>6,570</b>	<b>(169,041)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(4,396)</b>	<b>(3,381)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(118,787)</b>	<b>(10,029)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,300,917</b>	<b>1,310,729</b>
<b>Decrease in cash and cash equivalents due to deconsolidation</b>	<b>(7)</b>	<b>-</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,182,122</b>	<b>1,300,699</b>

#### (4) Doubts on the Premise of Going Concern

None

#### (5) Notes to Consolidated Quarterly Statements of Income

1. A breakdown of Loss on digital and settlement services is as follows. (Millions of yen)

	Nine Months Ended November 30, 2018	Nine Months Ended November 30, 2019
Impairment loss	-	4,579
Security expenses	-	2,919
Others	-	3,807
Total	-	11,305

2. A breakdown of Restructuring expenses is as follows. (Millions of yen)

	Nine Months Ended November 30, 2018	Nine Months Ended November 30, 2019
Early retirement benefit	12	2,138
Impairment loss	1,319	359
Store closing losses	208	237
Others	13	167
Total	1,554	2,903

3. The Company recorded amortization of goodwill of 3,864 million yen on valuation of stocks of subsidiaries and affiliates on FCTI, Inc.'s share on its financial statement of the third quarter of the consolidated fiscal year ended February 28, 2019, it is determined that there has been a decrease in its substantial value.

#### (6) Notes to Consolidated Quarterly Statements of Cash Flows

Reconciliation of Cash and cash equivalents as of November 30, 2018 and 2019 between the amounts shown in the consolidated balance sheets and the consolidated statements of cash flows is as follows.

(Millions of yen)

	Nine Months Ended November 30, 2018	Nine Months Ended November 30, 2019
Cash and bank deposits	1,187,449	1,303,956
Restricted cash	7,302	6,842
Time deposits with maturities and certificate deposits in excess of three months	(12,628)	(10,099)
Cash and cash equivalents	1,182,122	1,300,699

#### (7) Segment Information

##### I . Nine Months Ended November 30, 2018 (From March 1, 2018 to November 30, 2018)

##### 1. Information on Revenues from Operations and Income (Loss) by Reportable Segment

(Millions of yen)

	Reportable segments							Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Department store operations	Financial services	Specialty store operations	Others			
Revenues from operations										
Revenues										
1. Customers	724,218	2,121,252	1,399,934	421,244	133,768	265,913	6,029	5,072,361	18	5,072,379
2. Intersegment	1,022	1,640	6,308	5,177	29,004	1,161	11,614	55,928	(55,928)	-
Total	725,240	2,122,893	1,406,242	426,421	162,772	267,075	17,643	5,128,289	(55,909)	5,072,379
Segment income (loss)	186,487	68,638	9,868	(385)	42,925	5,373	2,048	314,956	(10,699)	304,257

Notes:

- The adjustments on segment income (loss) of (10,699) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
- Segment income (loss) is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

##### 2. Impairment of Fixed Assets and Goodwill by Reportable Segment

(Significant changes in the amount of goodwill)

In the Overseas convenience store operations segment, the Company's consolidated subsidiary 7-Eleven, Inc. acquired stores and other assets constituting most of convenience store business and gasoline retail business of U.S. company Sunoco LP. As a result of the consolidation, the amount of goodwill increased by 154,116 million yen (US\$1,390,445 thousand) in the third quarter consolidated accounting period. The amount above is provisional since the purchase price allocation has not been finalized.

Note: The yen amounts were calculated using the January 23, 2018 rate (US\$1=110.84 yen).

By recording amortization of goodwill in "Financial services" in the third quarter of the consolidated fiscal year ended February 28, 2019, there has been a significant change in the amount of goodwill. In accordance with the application, the amount of goodwill was reduced by 3,864 million yen in "Financial services".

## II. Nine Months Ended November 30, 2019 (From March 1, 2019 to November 30, 2019)

### 1. Information on Revenues from Operations and Income (Loss) by Reportable Segment

(Millions of yen)

	Reportable segments							Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Department store operations	Financial services	Specialty store operations	Others			
Revenues from operations										
<b>Revenues</b>										
1. Customers	732,153	2,074,302	1,360,379	415,543	134,834	252,150	6,145	4,975,508	24	4,975,533
2. Intersegment	1,580	1,550	5,853	5,117	28,074	1,172	13,331	56,680	(56,680)	-
<b>Total</b>	<b>733,733</b>	<b>2,075,852</b>	<b>1,366,233</b>	<b>420,660</b>	<b>162,909</b>	<b>253,323</b>	<b>19,477</b>	<b>5,032,189</b>	<b>(56,655)</b>	<b>4,975,533</b>
<b>Segment income (loss)</b>	<b>200,187</b>	<b>76,471</b>	<b>7,911</b>	<b>(1,943)</b>	<b>41,700</b>	<b>4,071</b>	<b>1,538</b>	<b>329,937</b>	<b>(10,852)</b>	<b>319,085</b>

Notes:

- The adjustments on segment income (loss) of (10,852) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
- Segment income (loss) is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

### 2. Impairment of Fixed Assets and Goodwill by Reportable Segment

No significant items to be reported.

### 3. Matters concerning the change of Reportable Segment, etc.

(Application of Financial Accounting Standards Board Accounting Standards Update(ASU) No.2014-09 "Revenue from Contracts with Customers (Topic606)") Subsidiaries in North America that adopt USGAAP have applied ASU No.2014-09"Revenue from Contracts with Customers (Topic606)" from the first three months of the fiscal year ending February 29, 2020.

The effect of revenues and segment income (loss) for the nine months ended November 30, 2019 is immaterial.

### (Reference)

Revenues from operations and operating income by geographic area segments are as described below.

### Nine Months Ended November 30, 2018 (From March 1, 2018 to November 30, 2018)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
<b>Revenues</b>						
1. Customers	2,832,209	2,153,520	86,649	5,072,379	-	5,072,379
2. Intersegment	573	313	-	886	(886)	-
<b>Total</b>	<b>2,832,783</b>	<b>2,153,833</b>	<b>86,649</b>	<b>5,073,266</b>	<b>(886)</b>	<b>5,072,379</b>
<b>Operating income (loss)</b>	<b>236,039</b>	<b>66,940</b>	<b>1,270</b>	<b>304,250</b>	<b>6</b>	<b>304,257</b>

### Nine Months Ended November 30, 2019 (From March 1, 2019 to November 30, 2019)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
<b>Revenues</b>						
1. Customers	2,781,187	2,107,128	87,218	4,975,533	-	4,975,533
2. Intersegment	775	242	-	1,017	(1,017)	-
<b>Total</b>	<b>2,781,962</b>	<b>2,107,370</b>	<b>87,218</b>	<b>4,976,551</b>	<b>(1,017)</b>	<b>4,975,533</b>
<b>Operating income (loss)</b>	<b>242,240</b>	<b>76,442</b>	<b>559</b>	<b>319,242</b>	<b>(156)</b>	<b>319,085</b>

Notes:

- The classification of geographic area segments is determined according to geographical distances.
- "Others" consists of the business results in the People's Republic of China, etc.

### (8) Notes on Significant Changes in the Amount of Shareholders' Equity

Effective from the first quarter of the current consolidated financial year (ending February 29, 2020), an accounting method has been applied of Financial Standards Board Accounting Standards Update (ASU) No.2014-09 "Revenue from Contracts with Customers (Topic606)". The effect of applying this standard is described in the "4. Others, (3) Changes in accounting policies, accounting estimates or restatements".