



April 9, 2020

# Consolidated Financial Results for the Fiscal Year Ended February 29, 2020

## 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.

Date of the ordinary general meeting of shareholders: May 28, 2020

Submission date of the annual securities report scheduled: May 29, 2020

Starting date of paying year-end dividend: May 29, 2020

Preparation of brief summary materials for financial results: Yes

Holding of 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 Fiscal Year Ended February 29, 2020 (from March 1, 2019 to February 29, 2020)

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

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent	
Year Ended February 29, 2020	6,644,359	(2.2) %	424,266	3.1 %	417,872	2.8 %	218,185	7.5 %
Year Ended February 28, 2019	6,791,215	12.5 %	411,596	5.1 %	406,523	4.0 %	203,004	12.1 %

	Net Income per Share		Diluted Net Income per Share		Ratio of Net Income to Owners' Equity		Ratio of Ordinary Income to Total Assets		Ratio of Operating Income to Revenues from Operations	
Year Ended February 29, 2020	246.95	(yen)	246.85	(yen)	8.5 %		7.1 %		6.4 %	
Year Ended February 28, 2019	229.50	(yen)	229.31	(yen)	8.2 %		7.2 %		6.1 %	

(Notes) 1. Comprehensive income:

Year Ended February 29, 2020: 231,253 million yen [25.0%] Year Ended February 28, 2019: 184,963 million yen [(0.6)%]

2. Equity in earnings of affiliates:

Year Ended February 29, 2020: 937 million yen Year Ended February 28, 2019: 961 million yen

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

Year Ended February 29, 2020: 11,997,643 million yen [(0.2)%] Year Ended February 28, 2019: 12,018,004 million yen [8.8%]

#### (2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Owners' Equity Ratio	Owners' Equity per Share
As of February 29, 2020	5,996,887	2,757,222	43.4%	2,946.83 (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 February 29, 2020: 2,601,594 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.

#### (3) Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of the Fiscal Year
Year Ended February 29, 2020	576,670	(318,047)	(213,204)	1,354,856
Year Ended February 28, 2019	577,878	(557,497)	(5,324)	1,310,729

### 2. Dividends

	Dividends per Share (yen)			Total Amount of Dividends (Millions of yen)	Dividends Payout Ratio (Consolidated)	Ratio of Total Amount of Dividends to Net Assets (Consolidated)
	Interim	Year-end	Annual			
Cash Dividends						
Year Ended February 28, 2019	47.50	47.50	95.00	84,036	41.4 %	3.4%
Year Ended February 29, 2020	47.50	51.00	98.50	87,134	39.9 %	3.4%

(Note) The forecast of cash dividends for the year ending February 28, 2021 have yet to be determined at this point.

### 3. Forecast of Business Results for the Fiscal Year Ending February 28, 2021 (From March 1, 2020 to February 28, 2021)

The forecast of business results for the fiscal year ending February 28, 2021 have yet to be determined at this point, because of the effect of the worldwide spread of the novel coronavirus (COVID-19). We will carefully assess the impact and announce it promptly when we can disclose reasonable forecast.

### 4. Others

#### (1) Changes in significant subsidiaries during the fiscal year ended February 29, 2020

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

Added: None Excluded: None

#### (2) 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 ended 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 ended February 29, 2020. As a result, the balance of retained earnings at the beginning of the fiscal year ended February 29, 2020 decrease 43,794 million yen. The effect of this adjustment on the profits and losses for the fiscal year ended February 29, 2020 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 ended 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 fiscal year 2020, 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

#### (3) Number of shares outstanding (Common stock)

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

As of February 29, 2020:	886,441,983 shares	As of February 28, 2019:	886,441,983 shares
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##### 2. Number of treasury stock at the end of period

As of February 29, 2020:	3,596,516 shares	As of February 28, 2019:	1,873,384 shares
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##### 3. Average number of shares during the period

As of February 29, 2020:	883,508,868 shares	As of February 28, 2019:	884,568,131 shares
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(Notes) 1. For the number of shares as a basis of calculating net income per share (consolidated), please refer to Per Share Information on page 38 of attached materials.

2. Seven & i Holdings has introduced the BIP Trust and ESOP Trust from this Fiscal term. 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 hares during the term.

**Reference:****Nonconsolidated Business Results for the Fiscal Year Ended February 29, 2020 (From March 1, 2019 to February 29, 2020)****(1) Results of Operations**

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income	
Year Ended February 29, 2020	115,843	(3.5)%	90,202	(5.3)%	90,032	(4.8)%
Year Ended February 28, 2019	120,072	4.7%	95,209	6.0%	94,571	5.8%

	Net Income		Net Income per Share		Diluted Net Income per Share	
Year Ended February 29, 2020	56,198	(37.6)%	63.61	(yen)	63.58	(yen)
Year Ended February 28, 2019	90,098	28.7%	101.85	(yen)	101.78	(yen)

(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.

**(2) Financial Position**

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of February 29, 2020	1,789,952	1,435,871	80.2%	1,626.31 (yen)
As of February 28, 2019	1,817,363	1,476,199	81.1%	1,665.98 (yen)

(Reference) Owners' equity (net assets excluding subscription rights to shares) :

As of February 29, 2020: 1,435,814 million yen

As of February 28, 2019: 1,473,714 million yen

**NOTICE REGARDING AUDIT PROCEDURES FOR THE CONSOLIDATED FINANCIAL RESULTS**

This consolidated financial results statement is not subject to audit.

**FORWARD LOOKING STATEMENTS AND OTHER SPECIAL ITEMS**

1. The forecast of business results for the fiscal year ending February 28, 2021 have yet to be determined at this point, because of the effect of the worldwide spread of the novel coronavirus. We will carefully assess the impact and announce it promptly when we can disclose reasonable forecast.
2. Brief summary for the fiscal year ended February 29, 2020 is posted on the Company's website (<https://www.7andi.com/en/ir/library/kh/202002.html>). The presentation materials which will be used on financial results presentation planned to be held on April 10, 2020, will be posted as soon as possible after the presentation.

## Attached Materials

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# 1. Scope of Consolidated Subsidiaries and Affiliates

## Major Seven & i Group Companies by Business Segment

Seven & i Group consists 167 diversified retail companies, mainly engaged in domestic convenience store operations, overseas convenience store operations, superstore operations, department store operations, financial services, and specialty store operations.

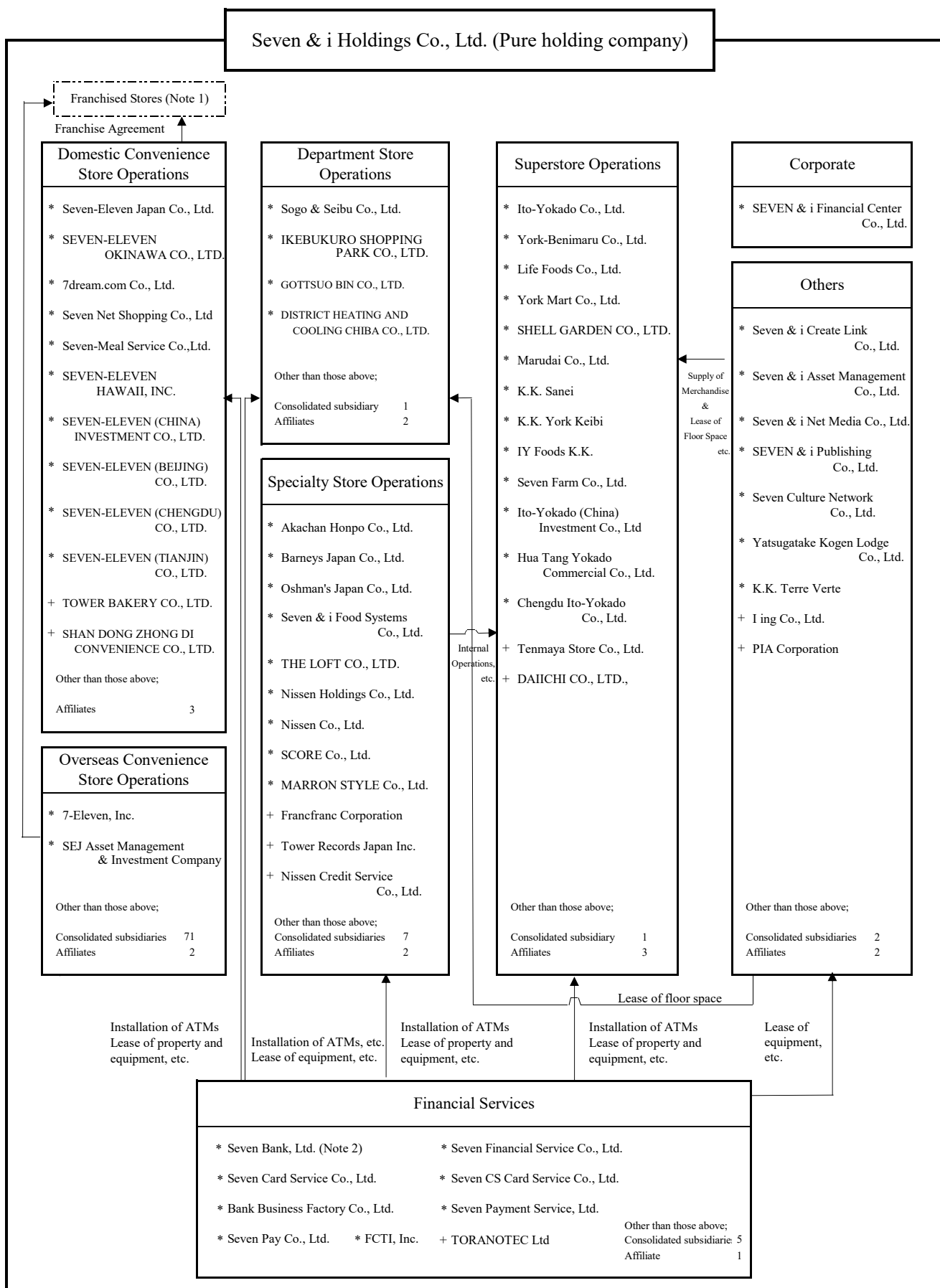
Business segments, major group companies and number of companies are as follows.

This segmentation is same as the reportable segment shown in the section of segment information.

Business Segments	Major Group Companies	Number of Companies			
<b>Domestic Convenience Store Operations</b>	Seven-Eleven Japan Co., Ltd. SEVEN-ELEVEN OKINAWA CO., LTD. 7dream.com Co., Ltd. Seven Net Shopping Co., Ltd. Seven-Meal Service Co., Ltd. SEVEN-ELEVEN HAWAII, INC. SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD. SEVEN-ELEVEN (BEIJING) CO., LTD. SEVEN-ELEVEN (CHENGDU) CO., LTD. SEVEN-ELEVEN (TIANJIN) CO., LTD. TOWER BAKERY CO., LTD. SHAN DONG ZHONG DI CONVENIENCE CO., LTD.	Consolidated Subsidiaries 10 Affiliates 5 <hr/> Total 15			
	<b>Overseas Convenience Store Operations</b>	7-Eleven, Inc. SEJ Asset Management & Investment Company	Consolidated Subsidiaries 73 Affiliates 2 <hr/> Total 75		
		<b>Superstore Operations</b>	Ito-Yokado Co., Ltd. York-Benimaru Co., Ltd. Life Foods Co., Ltd. York Mart Co., Ltd. SHELL GARDEN CO., LTD. Marudai Co., Ltd. K.K. Sanei K.K. York Keibi IY Foods K.K. Seven Farm Co., Ltd. Ito-Yokado (China) Investment Co., Ltd. Hua Tang Yokado Commercial Co., Ltd. Chengdu Ito-Yokado Co., Ltd. Tenmaya Store Co., Ltd. DAIICHI CO., LTD.	Consolidated Subsidiaries 14 Affiliates 5 <hr/> Total 19	
			<b>Department Store Operations</b>	Sogo & Seibu Co., Ltd. IKEBUKURO SHOPPING PARK CO., LTD. GOTTSUO BIN CO., LTD. DISTRICT HEATING AND COOLING CHIBA CO., LTD.	Consolidated Subsidiaries 5 Affiliates 2 <hr/> Total 7
	<b>Financial Services</b>			Seven Bank, Ltd. Seven Financial Service Co., Ltd. Seven Card Service Co., Ltd. Seven CS Card Service Co., Ltd. Bank Business Factory Co., Ltd. Seven Payment Service, Ltd. Seven Pay Co., Ltd. FCTI, Inc. TORANOTEC Ltd	Consolidated Subsidiaries 13 Affiliates 2 <hr/> Total 15
				<b>Specialty Stores Operations</b>	Akachan Honpo Co., Ltd. Barneys Japan Co., Ltd. Oshman's Japan Co., Ltd. Seven & i Food Systems Co., Ltd. THE LOFT CO., LTD. Nissen Holdings Co., Ltd. Nissen Co., Ltd. SCORE Co., Ltd. MARRON STYLE Co., Ltd. Francfranc Corporation Tower Records Japan Inc. Nissen Credit Service Co., Ltd.
<b>Others</b>			Seven & i Create Link Co., Ltd. Seven & i Asset Management Co., Ltd. Seven & i Net Media Co., Ltd. SEVEN & i Publishing Co., Ltd. Seven Culture Network Co., Ltd. Yatsugatake Kogen Lodge Co., Ltd. K.K. Terre Verte I ing Co., Ltd. PIA Corporation		Consolidated Subsidiaries 9 Affiliates 4 <hr/> Total 13
	<b>Corporate</b>	SEVEN & i Financial Center Co., Ltd.	Consolidated Subsidiary 1		

Note: TOWER BAKERY CO., LTD., SHAN DONG ZHONG DI CONVENIENCE CO., LTD., Tenmaya Store Co., Ltd., DAIICHI CO., LTD., TORANOTEC Ltd, Francfranc Corporation, Tower Records Japan Inc., Nissen Credit Service Co., Ltd., I ing Co., Ltd., and PIA CORPORATION are affiliates.

# Business Relation in Group



\* Consolidated subsidiary  
+ Affiliate accounted for using the equity method

Notes: 1. Each franchised store is operated by an independent franchisee which enters into franchise agreement with Seven-Eleven Japan Co., Ltd., SEVEN-ELEVEN OKINAWA CO., LTD., 7-Eleven, Inc., SEVEN-ELEVEN (BEIJING) CO., LTD., SEVEN-ELEVEN (CHENGDU) CO., LTD., and SEVEN-ELEVEN (TIANJIN) CO., LTD.  
2. As of February 29, 2020, Seven Bank, Ltd. has 25,194 units of ATMs placed mainly in the stores of Group companies.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	February 28, 2019	February 29, 2020
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>2,326,459</b>	<b>2,471,921</b>
Cash and bank deposits	1,314,564	1,357,733
Notes and accounts receivable-trade	336,070	351,915
Trade accounts receivable-financial services	101,490	102,723
Merchandise and finished goods	178,178	175,509
Work in process	60	44
Raw materials and supplies	2,781	2,541
Prepaid expenses	55,867	58,688
ATM-related temporary payments	95,694	153,057
Other	247,497	276,575
Allowance for doubtful accounts	(5,747)	(6,868)
<b>Non-current assets</b>	<b>3,468,504</b>	<b>3,522,541</b>
<b>Property and equipment</b>	<b>2,118,630</b>	<b>2,183,375</b>
Buildings and structures, net	954,093	992,368
Furniture, fixtures and equipment, net	306,321	323,436
Vehicles, net	10,277	14,785
Land	751,616	746,914
Lease assets, net	6,858	7,252
Construction in progress	89,463	98,618
<b>Intangible assets</b>	<b>608,487</b>	<b>608,883</b>
Goodwill	371,969	359,618
Software	85,475	102,015
Other	151,043	147,249
<b>Investments and other assets</b>	<b>741,385</b>	<b>730,282</b>
Investments in securities	191,985	184,670
Long-term loans receivable	14,415	13,836
Long-term leasehold deposits	372,348	360,725
Advances for store construction	548	458
Net defined benefit asset	43,666	55,986
Deferred income taxes	57,424	57,071
Other	63,878	60,270
Allowance for doubtful accounts	(2,881)	(2,737)
<b>Deferred assets</b>	<b>101</b>	<b>2,424</b>
Business commencement expenses	101	2,424
<b>TOTAL ASSETS</b>	<b>5,795,065</b>	<b>5,996,887</b>

(Millions of yen)

	February 28, 2019	February 29, 2020
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>1,992,763</b>	<b>2,157,172</b>
Notes and accounts payable, trade	411,602	410,793
Short-term loans	143,160	129,456
Current portion of bonds	50,000	80,000
Current portion of long-term loans	106,688	88,437
Income taxes payable	42,642	37,854
Accrued expenses	128,802	131,328
Deposits received	174,043	228,415
ATM-related temporary advances	43,530	74,227
Allowance for sales promotion expenses	19,467	18,996
Allowance for bonuses to employees	13,829	14,275
Allowance for bonuses to Directors and Audit & Supervisory Board Members	364	384
Allowance for loss on future collection of gift certificates	1,296	1,142
Provision for sales returns	98	80
Deposits received in banking business	588,395	655,036
Other	268,841	286,743
<b>Non-current liabilities</b>	<b>1,129,814</b>	<b>1,082,492</b>
Bonds	361,914	281,915
Long-term loans	443,425	403,151
Deferred income taxes	43,926	63,949
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	925	859
Allowance for stock payments	159	3,432
Net defined benefit liability	7,534	8,619
Deposits received from tenants and franchised stores	53,145	52,646
Asset retirement obligations	85,971	95,721
Other	132,811	172,196
<b>TOTAL LIABILITIES</b>	<b>3,122,578</b>	<b>3,239,665</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>	<b>2,470,808</b>	<b>2,554,869</b>
Common stock	50,000	50,000
Capital surplus	409,859	409,262
Retained earnings	2,015,630	2,106,920
Treasury stock, at cost	(4,680)	(11,313)
<b>Total accumulated other comprehensive income</b>	<b>50,587</b>	<b>46,725</b>
Unrealized gains on available-for-sale securities, net of taxes	26,150	25,953
Unrealized gains (losses) on hedging derivatives, net of taxes	(69)	(277)
Foreign currency translation adjustments	23,768	17,515
Remeasurements of defined benefit plan	737	3,533
<b>Subscription rights to shares</b>	<b>2,805</b>	<b>331</b>
<b>Non-controlling interests</b>	<b>148,285</b>	<b>155,295</b>
<b>TOTAL NET ASSETS</b>	<b>2,672,486</b>	<b>2,757,222</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>5,795,065</b>	<b>5,996,887</b>



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

(Millions of yen)

	Year ended February 28, 2019	Year ended February 29, 2020
	Amount	Amount
<b>Revenues from operations</b>	<b>6,791,215</b>	<b>6,644,359</b>
Net sales	5,508,600	5,329,919
Cost of sales	4,411,816	4,239,583
<b>Gross profit on sales</b>	<b>1,096,784</b>	<b>1,090,336</b>
Operating revenues	1,282,615	1,314,439
<b>Gross profit from operations</b>	<b>2,379,399</b>	<b>2,404,776</b>
<b>Selling, general and administrative expenses</b>	<b>1,967,802</b>	<b>1,980,510</b>
Advertising and decoration expenses	134,850	135,938
Salaries and wages	473,273	466,448
Provision for bonuses to employees	13,809	14,208
Pension expenses	12,365	8,861
Legal welfare expenses	62,611	63,565
Land and building rent	379,510	388,098
Depreciation and amortization	210,190	214,354
Utility expenses	118,428	115,535
Store maintenance and repair expenses	74,264	73,305
Other	488,498	500,193
<b>Operating income</b>	<b>411,596</b>	<b>424,266</b>
<b>Non-operating income</b>	<b>11,654</b>	<b>9,061</b>
Interest income	4,878	3,593
Dividend income	1,232	1,236
Equity in earnings of affiliates	961	937
Other	4,582	3,293
<b>Non-operating expenses</b>	<b>16,727</b>	<b>15,454</b>
Interest expenses	10,219	8,961
Interest on bonds	1,891	1,630
Other	4,615	4,862
<b>Ordinary income</b>	<b>406,523</b>	<b>417,872</b>
<b>Special gains</b>	<b>15,556</b>	<b>8,554</b>
Gain on sales of property and equipment	11,214	5,701
Gain on sales of property and equipment related to restructuring	427	905
Insurance income	-	944
Gain on sales of investments in securities	2,665	123
Other	1,248	879

(Millions of yen)

	Year ended February 28, 2019	Year ended February 29, 2020
	Amount	Amount
<b>Special losses</b>	<b>104,668</b>	<b>79,957</b>
Loss on disposals of property and equipment	18,956	15,556
Impairment loss	55,776	27,981
Loss on digital and settlement services	-	13,463
Restructuring expenses	2,619	7,740
Amortization of goodwill	3,895	-
Loss on sales of shares of subsidiaries	3,320	-
Other	20,099	15,215
<b>Income before income taxes</b>	<b>317,411</b>	<b>346,469</b>
<b>Total income taxes</b>	<b>104,351</b>	<b>111,263</b>
Income taxes - current	96,076	77,542
Income taxes - deferred	8,275	33,721
<b>Net income</b>	<b>213,060</b>	<b>235,206</b>
Net income attributable to non-controlling interests	10,056	17,020
<b>Net income attributable to owners of parent</b>	<b>203,004</b>	<b>218,185</b>

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended February 28, 2019	Year ended February 29, 2020
	Amount	Amount
<b>Net income</b>	<b>213,060</b>	<b>235,206</b>
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities, net of taxes	(1,512)	(212)
Unrealized gains (loss) on hedging derivatives, net of taxes	15	(209)
Foreign currency translation adjustments	(23,298)	(6,340)
Remeasurements of defined benefit plan, net of taxes	(3,272)	2,822
Share of other comprehensive income (loss) of entities accounted for using equity method	(28)	(12)
<b>Total other comprehensive income (loss)</b>	<b>(28,096)</b>	<b>(3,952)</b>
<b>Comprehensive income (loss)</b>	<b>184,963</b>	<b>231,253</b>
Comprehensive income (loss) attributable to owners of parent	175,167	214,323
Comprehensive income (loss) attributable to non-controlling interests	9,795	16,930

### (3) Consolidated Statements of Changes in Net Assets

Fiscal year ended February 28, 2019 (From March 1, 2018 to February 28, 2019)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 1, 2018	50,000	409,128	1,894,444	(4,731)	2,348,841
Increase (decrease) for the year					
Cash dividends			(81,823)		(81,823)
Net income attributable to owners of parent			203,004		203,004
Purchase of treasury stock				(20)	(20)
Disposal of treasury stock		25		71	97
Sales of investments in securities		704			704
Other		0	4	(0)	5
Net changes of items other than shareholders' equity					
Net increase (decrease) for the year	-	731	121,185	51	121,967
Balance at February 28, 2019	50,000	409,859	2,015,630	(4,680)	2,470,808

(Millions of yen)

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at March 1, 2018	27,897	(92)	46,638	3,979	78,423	2,623	145,454	2,575,342
Increase (decrease) for the year								
Cash dividends								(81,823)
Net income attributable to owners of parent								203,004
Purchase of treasury stock								(20)
Disposal of treasury stock								97
Sales of investments in securities								704
Other								5
Net changes of items other than shareholders' equity	(1,747)	22	(22,869)	(3,241)	(27,836)	182	2,830	(24,823)
Net increase (decrease) for the year	(1,747)	22	(22,869)	(3,241)	(27,836)	182	2,830	97,144
Balance at February 28, 2019	26,150	(69)	23,768	737	50,587	2,805	148,285	2,672,486

Fiscal year ended February 29, 2020 (From March 1, 2019 to February 29, 2020)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 1, 2019 (as previously reported)	50,000	409,859	2,015,630	(4,680)	2,470,808
Cumulative effects of changes in accounting policies			(42,857)		(42,857)
Balance at March 1, 2019 (as restated)	50,000	409,859	1,972,772	(4,680)	2,427,950
Increase (decrease) for the year					
Cash dividends			(84,037)		(84,037)
Net income attributable to owners of parent			218,185		218,185
Purchase of treasury stock				(6,718)	(6,718)
Disposal of treasury stock		30		85	115
Other		(626)		(0)	(627)
Net changes of items other than shareholders' equity					
Net increase (decrease) for the year	-	(596)	134,148	(6,632)	126,918
Balance at February 29, 2020	50,000	409,262	2,106,920	(11,313)	2,554,869

(Millions of yen)

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at March 1, 2019 (as previously reported)	26,150	(69)	23,768	737	50,587	2,805	148,285	2,672,486
Cumulative effects of changes in accounting policies								(42,857)
Balance at March 1, 2019 (as restated)	26,150	(69)	23,768	737	50,587	2,805	148,285	2,629,628
Increase (decrease) for the year								
Cash dividends								(84,037)
Net income attributable to owners of parent								218,185
Purchase of treasury stock								(6,718)
Disposal of treasury stock								115
Other								(627)

Net changes of items other than shareholders' equity	(197)	(207)	(6,252)	2,796	(3,861)	(2,473)	7,010	674
Net increase (decrease) for the year	(197)	(207)	(6,252)	2,796	(3,861)	(2,473)	7,010	127,593
Balance at February 29, 2020	25,953	(277)	17,515	3,533	46,725	331	155,295	2,757,222

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Year ended February 28, 2019	Year ended February 29, 2020
	Amount	Amount
<b>Cash flows from operating activities:</b>		
Income before income taxes	317,411	346,469
Depreciation and amortization	221,133	226,475
Impairment loss	57,368	35,477
Amortization of goodwill	27,079	23,574
Increase (decrease) in allowance for bonuses to employees	(893)	453
Increase in net defined benefit asset	(3,296)	(6,807)
Interest and dividends income	(6,111)	(4,830)
Interest expenses and interest on bonds	12,111	10,592
Equity in earnings of affiliates	(961)	(937)
Insurance income	-	(944)
Gain on sales of property and equipment	(11,642)	(6,607)
Loss on disposals of property and equipment	18,974	15,905
Loss on sales of shares of subsidiaries	3,320	-
Gain on sales of investment securities	(2,665)	331
Increase (decrease) in notes and accounts receivable, trade	(7,411)	(16,380)
Increase (decrease) in trade accounts receivable, financial services	(6,008)	(1,232)
Decrease(increase) in inventories	7,159	2,163
Increase (decrease) in notes and accounts payable, trade	(537)	753
Increase (decrease) in deposits received	1,303	54,067
Net increase (decrease) in loans in banking business	-	(10,000)
Net increase (decrease) in corporate bonds in banking business	25,000	(10,000)
Net increase (decrease) in deposits received in banking business	34,873	66,640
Net decrease (increase) in ATM-related temporary accounts	(509)	(26,663)
Other	(18,433)	(33,936)
Subtotal	667,267	664,565
Interest and dividends received	3,833	2,794
Interest paid	(11,729)	(10,735)
Insurance income	-	944
Income taxes paid	(81,493)	(92,629)
Income taxes refund	-	11,732
<b>Net cash provided by operating activities</b>	<b>577,878</b>	<b>576,670</b>

(Millions of yen)

	Year ended February 28, 2019	Year ended February 29, 2020
	Amount	Amount
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	(478,451)	(297,693)
Proceeds from sales of property and equipment	131,908	17,365
Acquisition of intangible assets	(33,083)	(41,649)
Payment for purchase of investments in securities	(36,623)	(24,678)
Proceeds from sales of investments in securities	22,608	33,928
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	12
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(470)	-
Payments for sales of subsidiaries resulting in change in scope of consolidation	(127)	-
Payment for long-term leasehold deposits	(14,308)	(10,593)
Refund of long-term leasehold deposits	27,430	27,049
Proceeds from deposits from tenants	3,004	2,864
Refund of deposits from tenants	(3,122)	(3,443)
Payment for acquisition of business	(177,763)	(16,631)
Payment for time deposits	(11,869)	(2,364)
Proceeds from withdrawal of time deposits	16,665	2,834
Other	(3,295)	(5,046)
<b>Net cash used in investing activities</b>	<b>(557,497)</b>	<b>(318,047)</b>
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term loans	15,904	(13,707)
Proceeds from long-term debts	160,696	53,580
Repayment of long-term debts	(83,993)	(98,555)
Proceeds from commercial paper	2,319	-
Payment for redemption of commercial paper	(2,319)	-
Proceeds from issuance of bonds	66,478	-
Payment for redemption of bonds	(60,000)	(40,000)
Capital contribution from non-controlling interests	0	1,488
Purchase of treasury shares	(20)	(6,718)
Dividends paid	(81,784)	(83,976)
Dividends paid to non-controlling interests	(7,196)	(8,224)
Payment for 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	(16,126)	(13,233)
<b>Net cash used in financing activities</b>	<b>(5,324)</b>	<b>(213,204)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(5,231)</b>	<b>(1,292)</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,824</b>	<b>44,126</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,300,917</b>	<b>1,310,729</b>
<b>Decrease in cash and cash equivalents resulting from exclusion of the subsidiary from consolidation</b>	<b>(11)</b>	<b>-</b>
<b>Cash and cash equivalents at end of year</b>	<b>1,310,729</b>	<b>1,354,856</b>



## **(5) Doubts on the Premise of Going Concern**

None

## **(6) Accounting Policies for the Preparation of Consolidated Financial Statements**

### 1. Scope of consolidation

(1) Number of consolidated subsidiaries: 141

Major consolidated subsidiaries: Seven-Eleven Japan Co., Ltd., 7-Eleven, Inc., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., Sogo & Seibu Co., Ltd., Seven Bank, Ltd., and Seven Financial Service Co., Ltd.

Consolidated subsidiaries increased by 6

(Establishment)

Six companies

### 2. Application of equity method

(1) Number of unconsolidated subsidiaries to which equity method was applied: none

(2) Number of affiliates to which equity method was applied: 25

Major affiliates: PRIME DELICA CO., LTD. and PIA CORPORATION

Affiliates to which equity method is applied increased by 2

(Acquisition of shares)

Two companies

Affiliates to which equity method is applied decreased by 1

(Dissolution)

One company

(3) Procedure for applying equity method

(a) The affiliates which have different closing dates are included in the Consolidated Financial Statements based on their respective fiscal year-end.

(b) When an affiliate has a deficit net worth, the Company's share of such loss is reduced from its loan receivable from affiliate.

### 3. Accounting period of consolidated subsidiaries

The fiscal year-end of some subsidiaries is December 31. The financial statements of such subsidiaries as of and for the year ended December 31 are used in preparing the Consolidated Financial Statements. All material transactions during the period from the closing date to the end of February are adjusted for the consolidation purpose.

The closing date of Seven Bank, Ltd., etc. is March 31. Pro forma financial statements as of the end of February are prepared in a manner that is substantially identical to the preparation of the official financial statements in order to facilitate its consolidation.

### 4. Summary of significant accounting policies

(1) Valuation method for major assets

(a) Valuation method for securities

(I) Held-to-maturity debt securities are carried at amortized cost.

(II) Other available-for-sale securities are classified into two categories, where: (i) the fair value is available and (ii) the fair value is not available.

(i) Securities whose fair value is available are valued at the quoted market price prevailing at the end of the fiscal year. Net unrealized gains or losses on these securities are reported as a separate component

of net assets at a net-of-tax amount. Cost of securities sold is determined using the moving-average method.

- (ii) Securities whose fair value is not available are mainly valued at cost, determined using the moving-average method.

(b) Valuation method for derivatives

Derivative financial instruments are valued at fair value.

(c) Valuation method for inventories

(I) Merchandise:

Inventories of domestic consolidated subsidiaries are stated mainly at cost determined by the retail method with book value written down to the net realizable value.

Cost is determined principally by the first-in, first-out (FIFO) method (except for gasoline inventory that is determined by the weighted average cost method) for foreign consolidated subsidiaries. Some domestic consolidated subsidiaries applied the FIFO method.

(II) Supplies:

Supplies are carried at cost which is mainly determined by the last purchase price method with book value written down to the net realizable value.

(2) Depreciation and amortization

(a) Property and equipment (Excluding Lease assets)

Property and equipment are depreciated using the straight-line method.

(b) Intangible assets (Excluding Lease assets)

Intangible assets are amortized using the straight-line method. Internal use software is amortized using the straight-line method over an estimated useful life, generally 5 years.

(c) Lease assets

For the assets leased under finance lease contracts that do not transfer ownership of leased property to the lessee, useful life is determined based on the duration of the lease period and straight-line depreciation method is applied with an assumed residual value at nil.

Finance leases, commenced prior to March 1, 2009, which do not transfer ownership of leased property to the lessee, are accounted for in the same manner as operating leases.

(3) Accounting for deferred assets

Business commencement expenses

Business commencement expenses are amortized using the straight-line method over 5 years, or expensed as incurred if immaterial.

(4) Allowances

(a) Allowance for doubtful accounts

Allowance for doubtful accounts is provided in an amount sufficient to cover probable losses on collection. It consists of the estimated uncollectible amount with respect to certain identified doubtful receivables and an amount calculated using the actual historical rate of losses.

(b) Allowance for sales promotion expenses

Allowance for sales promotion expenses is provided for the use of points given to customers at the amount expected to be used in the future as at the balance sheet date in accordance with the sales promotion point card program.

- (c) Allowance for bonuses to employees  
Allowance for bonuses to employees is provided at the amount calculated based on the estimation of payment.
  - (d) Allowance for bonuses to Directors and Audit & Supervisory Board Members  
Allowance for bonuses to Directors and Audit & Supervisory Board Members is provided at the amount estimated to be paid.
  - (e) Allowance for loss on future collection of gift certificates  
Allowance for loss on future collection of gift certificates issued by certain domestic consolidated subsidiaries is provided for future collection of gift certificates for income to be recognized after certain periods. The amount is calculated using the historical results of collection.
  - (f) Provision for sales returns  
Provision for sales returns is provided at the amount of estimated future loss due to sales returns. The amount is calculated using the historical results of sales returns.
  - (g) Allowance for retirement benefits to Directors and Audit & Supervisory Board Members  
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members is provided at the amount required to be paid in accordance with internal rules.  
The Company and some of its consolidated subsidiaries abolished the retirement benefits policy for Directors and Audit & Supervisory Board Members, for which some consolidated subsidiaries have determined to pay the balance at the time of retirement.
  - (h) Allowance for stock payments  
Allowance for stock payments is provided to prepare for payments of stock benefits to directors and executive officers of the Company and its consolidated. The amount is based on the expected stock benefit payable as at the balance sheet date.
- (5) Accounting method for retirement benefits
- (a) Allocation method of estimated total retirement benefits  
When calculating retirement benefit obligation, the benefit formula basis is used to allocate estimated total retirement benefits to the period up to the fiscal year-end.
  - (b) Amortization method of the actuarial difference and the prior service cost  
Actuarial differences are amortized on a straight-line basis over the period of 10 years from the year following the year in which they arise, which is within the average remaining years of service of the eligible employees.  
Prior service costs are amortized on a straight-line basis over the periods of 5 years or 10 years, which are within the average remaining years of service of the eligible employees.
- (6) Foreign currency translation
- All assets and liabilities of the Company and its domestic consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen at the exchange rate in effect as at the respective balance sheet dates. Translation gains or losses are included in the accompanying Consolidated Statements of Income.
- All balance sheets accounts of foreign subsidiaries are translated into Japanese yen at the exchange rate in effect at the respective balance sheet dates. All income and expense accounts are translated at the average exchange rate for the period. The resulting translation adjustments are included in the accompanying Consolidated Balance Sheets under “Non-controlling interests” and “Foreign currency translation adjustments”.
- (7) Hedge accounting
- (a) Hedge accounting

If derivative financial instruments are used as hedges and meet certain hedging criteria, the recognition of gains and losses resulting from the changes in fair value of derivative financial instruments is deferred until the related gains and losses on the hedged items are recognized.

The forward foreign exchange contracts are accounted for by the short-cut method when they meet certain criteria for the method. Certain interest rate swap contracts that meet specific hedging criteria are not measured at market value but the differences between the paid and received amount under the swap contracts are recognized and included in interest income or expense as incurred.

(b) Hedge instruments and hedged items

(I) Hedge instruments – Forward foreign exchange contracts

Hedged items – Foreign currency-denominated monetary asset and liability

(II) Hedge instruments – Interest swap

Hedged items – Loans payable

(c) Hedging policies

The Company and its subsidiaries have policies to utilize derivative instruments for the purposes of hedging their exposure to fluctuations in foreign currency rates and interest rates and reducing financing costs as well as optimizing future cash flow. The Company and its subsidiaries do not hold or issue derivative instruments for trading or speculative purposes.

(d) Assessing hedge effectiveness

The hedge effectiveness is assessed by comparing the fluctuation quarterly except for those that meet specific hedging criteria.

(8) Goodwill and negative goodwill

Goodwill and negative goodwill which generated before March 1, 2011 are amortized mainly over a period of 20 years on a straight-line basis, or recognized as income or expenses immediately if immaterial.

Negative goodwill arising on or after March 1, 2011 is recognized as income when it occurs.

The goodwill recognized in applying the equity method is accounted for in the same manner.

(9) Cash and cash equivalents

Cash and cash equivalents in the accompanying Consolidated Statements of Cash Flows are comprised of cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition, that are liquid, readily convertible into cash and are subject to minimum risk of price fluctuation.

(10) Other accounting treatments

(a) Accounting for franchised stores in Domestic and Overseas convenience store operations

Seven-Eleven Japan Co., Ltd. and 7-Eleven, Inc. recognize franchise commission from its franchised stores as revenues and include it in “Operating revenues”.

(b) Accounting for consumption taxes and excise tax

The Japanese consumption taxes withheld and consumption taxes paid are not included in the accompanying Consolidated Statements of Income. The excise tax levied in the U.S. and Canada is included in the revenues from operations.

(c) Application of Consolidated Taxation System

The Company and part of its wholly owned domestic subsidiaries have applied Consolidated Taxation System.

## **(7) Changes in Accounting Policies**

(Application of Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2014-09 “Revenue from Contracts with Customers (Topic 606)”)

Subsidiaries in North America that adopt US GAAP have applied ASU No. 2014-09 “Revenue from Contracts with Customers (Topic 606)” from the fiscal year ended 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 fiscal year ended February 29, 2020. As a result, the balance of retained earnings at the beginning of the fiscal year ended February 29, 2020 decrease 43,794 million yen. The effect of this adjustment on the profits and losses for the fiscal year ended February 29, 2020 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 US GAAP have applied ASU No. 2016-18 “Statement of Cash Flows Restricted Cash (a consensus of the FASB Emerging Issues Task Force)” from the fiscal year ended 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 consolidated cash flow statements for the fiscal year ended February 29, 2020 and 2019 indicate cash and cash equivalents including restricted cash.

## **(8) Changes in Method of Presentation**

(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 ended 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.

## **(9) Supplementary Information**

(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 nonexecutive 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 February 29, 2020, the carrying amount and the number of Company’s shares remaining in the BIP Trust are 3,874 million yen and 1,014 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 February 29, 2020, the carrying amount and the number of Company’s shares remaining in the Trust are 2,813 million yen and 733 thousand shares, respectively.

## **(10) Notes to Consolidated Financial Statements**

### ***Consolidated Balance Sheets;***

#### 1. Accumulated depreciation of property and equipment

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Accumulated depreciation	1,875,955	1,968,140

#### 2. Assets pledged as collateral

##### *Assets pledged as collateral for the debts*

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Buildings and structures	563	523
Land	1,258	1,258
Investments in securities	74,135	62,099
Long-term leasehold deposits	4,564	4,499
Total	80,522	68,380
Debts for which above assets are pledged as collateral		
Long-term loans (including current portion of long-term loans)	8,862	9,947

##### *Assets pledged as collateral for the debts of affiliates*

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Buildings and structures	327	306
Land	1,331	1,331
Total	1,658	1,637
Loans of affiliates for which above assets are pledged as collateral	2,743	2,651

##### *Assets pledged as collateral for fund transfer*

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Investments in securities	829	1,543
Long-term leasehold deposits	400	800
Total	1,229	2,343

##### *Assets pledged as collateral for real estate business*

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Long-term leasehold deposits	55	55

##### *Assets pledged as collateral under installment sales law*

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Long-term leasehold deposits	1,335	1,334

Assets pledged as collateral to secure the amount of prepaid tickets issued

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Long-term leasehold deposits	452	382

3. Guarantees

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Employees' housing loans	134	69

4. Loan commitment

Some financial subsidiaries conduct a cash loan business that is associated with their credit card business. Unused credit balance related to the cash loan business is as follows:

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Credit availability of cash loan business	857,286	855,436
Outstanding balance	44,855	45,407
Unused credit balance	812,430	810,029

Unused credit balance will not have a material impact on future cash flows because most of the unused credit balance will remain unused considering the historical record. Some financial subsidiaries will cease finance services or reduce the credit limit based on the credit situation of customers or other justifiable reasons.

5. Others

Bonds held by Seven Bank, Ltd.

Seven Bank, Ltd., one of the Company's consolidated subsidiaries, holds bonds to serve as collateral for exchange settlement transactions and overdraft transactions with the Bank of Japan. These bonds are recorded in "Investments in securities" in the Consolidated Balance Sheets due to its nature of restriction even if they have redemption at maturity less than one year.



## Consolidated Statements of Income;

1. The franchise commission from Seven-Eleven Japan Co., Ltd.'s franchised stores and 7-Eleven, Inc.'s is included in "Operating revenues".

The franchise commission from franchised stores and net sales of franchised stores are as follows:

Seven-Eleven Japan Co., Ltd.

(Millions of yen)

	For the year ended February 28, 2019	For the year ended February 29, 2020
Franchise commission from franchised stores	773,188	795,486
Net sales of franchised stores	4,795,151	4,914,928

7-Eleven, Inc.

(Millions of yen)

	For the year ended February 28, 2019	For the year ended February 29, 2020
Franchise commission from franchised stores	255,516	259,531
Net sales of franchised stores	1,472,966	1,503,717

2. Major items included in "Gain on sales of property and equipment" are as follows:

(Millions of yen)

	For the year ended February 28, 2019	For the year ended February 29, 2020
Buildings and structures	3,427	1,474
Land	6,996	4,845
Others	1,218	287
Total	11,642	6,607

Note: 5 million yen (Buildings and structures) and 421 million yen (Land) are included in "Gain on sales of property and equipment related to restructuring" in Consolidated Statements of Income for the year ended February 28, 2019. 5 million yen (Buildings and structures), 900 million yen (Land), and 0 million yen (Other) are included in "Gain on sales of property and equipment related to restructuring" in Consolidated Statements of Income for the year ended February 29, 2020.

3. Major items included in "Loss on disposals of property and equipment" are as follows:

(Millions of yen)

	For the year ended February 28, 2019	For the year ended February 29, 2020
Buildings and structures	10,959	6,437
Furniture, fixtures and equipment	3,552	3,774
Others	4,462	5,693
Total	18,974	15,905

Note: 18 million yen (Other) is included in "Restructuring expenses" in Consolidated Statements of Income for the year ended February 28, 2019. 0 million yen (Other) is included in "Restructuring expenses" and 218 million yen (Other) is included in "Loss on digital and settlement services" in Consolidated Statements of Income for the year ended February 29, 2020.

17 million yen (Buildings and structures), 10 million yen (Furniture, fixtures and equipment) and 101 million yen (Others) is included in Special losses "Others" (Loss on disaster).

#### 4. Impairment loss

For the fiscal year ended February 28, 2019, the Company and its consolidated subsidiaries recognized as impairment loss on the following group of assets.

(Millions of yen)

Description	Classification	Location		Amount	
Stores	Land and buildings, etc.	Tokyo Met.	Domestic convenience stores	102 Stores	47,480
			Superstores	5 Stores	
		Osaka Pref.	Domestic convenience stores	80 Stores	
			Specialty stores	1 Stores	
Aichi Pref.	Domestic convenience stores	79 Stores			
		U.S. & others	Overseas convenience stores	208 Stores	
Overseas ATM related business	Furniture, fixtures and equipment, etc.	U.S. & others		7,193	
Other facility, etc.	Land and buildings, etc.	Kyoto Pref., Nagano Pref. Tokyo Met., & others		2,694	
Total				57,368	

Note: 1,591 million yen (Stores) is included in “Restructuring expenses” in Consolidated Statements of Income.

The Company and its domestic consolidated subsidiaries group their fixed assets by store, which is the minimum cash-generating unit.

The book values of stores whose land had significantly declined in market prices or which incurred consecutive operating losses were reduced to recoverable amounts when the book values exceed future cash flows before discount, and such deducted amount was recorded as impairment loss in special losses.

A breakdown of impairment loss is as follows:

(Millions of yen)

	Stores	Overseas ATM related business	Other facilities, etc.	Total
Buildings and structures	24,424	26	368	24,819
Furniture, fixtures and equipment	9,631	4,132	51	13,815
Land	5,224	–	955	6,179
Software	1,592	314	105	2,012
Other	6,606	2,720	1,214	10,541
Total	47,480	7,193	2,694	57,368

Note: 1,144 million yen (Buildings and structures), 167 million yen (Furniture, fixtures and equipment), 196 million yen (Land), and 83 million yen (Other) are included in “Restructuring expenses” in Consolidated Statements of Income.

In the case where net selling prices were used as recoverable amounts, relevant assets were evaluated based on real estate appraisal standards etc., and in the case where values in use were used as recoverable amounts, relevant assets were evaluated by discounting estimated future cash flows to which the 3.1% - 11.5% discount rates were applied.

For the fiscal year ended February 29, 2020, the Company and its consolidated subsidiaries recognized as impairment loss on the following group of assets.

(Millions of yen)

Description	Classification	Location		Amount
Stores	Land and buildings, etc.	Tokyo Met.	Domestic convenience stores	108 Stores
			Specialty stores	41 Stores
		Osaka Pref.	Domestic convenience stores	71 Stores
			Specialty stores	5 Stores
Aichi Pref.	Domestic convenience stores	57 Stores		
		Specialty stores	6 Stores	
		U.S. & others	Overseas convenience stores	119 Stores
Digital and settlement services	Software, etc.	Tokyo Met.		4,615
Other facility, etc.	Land and buildings, etc.	Tokyo Met., Nagano Pref., Niigata Pref., & others		1,219
Total				35,477

Note: 2,880million yen (Stores) is included in “Restructuring expenses” and 4,615million yen is included in “Loss on digital and settlement services” in Consolidated Statements of Income.

The Company and its domestic consolidated subsidiaries group their fixed assets by store, which is the minimum cash-generating unit.

The book values of stores whose land had significantly declined in market prices or which incurred consecutive operating losses were reduced to recoverable amounts when the book values exceed future cash flows before discount, and such deducted amount was recorded as impairment loss in special losses.

A breakdown of impairment loss is as follows:

(Millions of yen)

	Stores	Digital and settlement services	Other facilities, etc.	Total
Buildings and structures	21,847	14	559	22,420
Furniture, fixtures and equipment	2,504	22	66	2,592
Land	2,392	-	207	2,599
Software	875	3,998	331	5,205
Other	2,022	580	55	2,658
Total	29,642	4,615	1,219	35,477

Note: 2,685 million yen (Buildings and structures), 73 million yen (Furniture, fixtures and equipment), and 121 million yen (Other) are included in “Restructuring expenses” in Consolidated Statements of Income. 14 million yen (Buildings and structures), 22 million yen (Furniture, fixtures and equipment), 3,998 million yen (Software), and 580 million yen (Other) are included in “Loss on digital and settlement services” in Consolidated Statements of Income.

In the case where net selling prices were used as recoverable amounts, relevant assets were evaluated based on real estate appraisal standards etc., and in the case where values in use were used as recoverable amounts, relevant assets were evaluated by discounting estimated future cash flows to which the 3.1% - 6.0% discount rates were applied.

5. Loss on digital and settlement services

A breakdown of loss on digital and settlement services is as follows:

(Millions of yen)

	For the year ended February 28, 2019	For the year ended February 29, 2020
Impairment loss	–	4,615
Security expenses	–	4,344
Others	–	4,502
<b>Total</b>	–	<b>13,463</b>

6. Restructuring expenses

A breakdown of restructuring expenses is as follows:

(Millions of yen)

	For the year ended February 28, 2019	For the year ended February 29, 2020
Impairment loss	1,591	2,880
Early retirement benefit	245	2,183
Store closing losses	204	1,828
Loss on sales of property and equipment	–	608
Others	578	239
<b>Total</b>	<b>2,619</b>	<b>7,740</b>

Note: The “Gain on sales of property and equipment related to restructuring” was recorded under “Special gains” for the fiscal years ended February 28, 2019 and February 29, 2020. This amount was 427 million yen for the fiscal year ended February 28, 2019, and 905 million yen for the fiscal year ended February 29, 2020.

7. Amortization of goodwill

The company recorded the loss on valuation of stocks of subsidiaries and affiliates on its nonconsolidated financial statements during the fiscal year ended February 28, 2019. In consequence, in accordance with Paragraph 32 of “Practical Guidelines on Accounting Standards for Capital Consolidation Procedures in Preparing Consolidated Financial Statements” (the Japanese Institute of Certified Public Accountants (JICPA) Accounting Practice Committee Statement No. 7, November 28, 2014), the Company recorded amortization of goodwill of 3,895 million yen on FCTI, Inc.

**Consolidated Statements of Comprehensive Income;**

1. The components of other comprehensive income including reclassification adjustments and tax (expense) or benefits for the fiscal years ended February 28, 2019 and February 29, 2020 are as follows:

(Millions of yen)

	For the year ended February 28, 2019	For the year ended February 29, 2020
Unrealized gains (losses) on available-for-sale securities, net of taxes:		
Decrease during the fiscal year	(504)	174
Reclassification adjustments	11	60
Amount before tax	(493)	234
Tax effects	(1,019)	(447)
Subtotal	(1,512)	(212)
Unrealized gains (losses) on hedging derivatives, net of taxes		
Decrease during the fiscal year	18	(277)
Reclassification adjustments	0	-
Amount before tax	19	(277)
Tax effects	(3)	68
Subtotal	15	(209)
Foreign currency translation adjustments:		
Decrease during the fiscal year	(23,298)	(6,340)
Remeasurements of defined benefit plan, net of taxes:		
Decrease during the fiscal year	(7,290)	7,168
Reclassification adjustments	2,539	(2,543)
Amount before tax	(4,750)	4,625
Tax effects	1,478	(1,802)
Subtotal	(3,272)	2,822
Share of other comprehensive income of entities accounted for using equity method:		
Decrease during the fiscal year	(28)	(12)
Total other comprehensive income	(28,096)	(3,952)

## Consolidated Statements of Changes in Net Assets;

(From March 1, 2018 to February 28, 2019)

### 1. Type and number of shares outstanding and treasury stock

#### (1) Outstanding stock

(Thousands of shares)

	As of March 1, 2018	Number of shares increased	Number of shares decreased	As of February 28, 2019
Ordinary Share	886,441	–	–	886,441

#### (2) Treasury stock

(Thousands of shares)

	As of March 1, 2018	Number of shares increased (Note 1)	Number of shares decreased (Note 2)	As of February 28, 2019
Ordinary Share	1,897	4	28	1,873

Notes: (1) 4 thousand shares increased because of the purchases of odd-lot shares.

(2) 28 thousand shares and 0 thousand shares out of the 28 thousand shares decreased due to the exercising of stock options and sale of odd-lot shares, respectively.

### 2. Subscription rights to shares and treasury subscription rights to shares

Entity		The Company	Consolidated subsidiaries	Total
Description of subscription rights to shares		Subscription rights to shares as stock-linked compensation stock option	Subscription rights to shares as stock-linked compensation stock option	
Type of shares to be issued upon excise of the rights		–	–	–
Number of shares to be issued upon the exercise of the rights (shares)	Number of shares as of March 1, 2018	–	–	–
	Number of shares increased	–	–	–
	Number of shares decreased	–	–	–
	Number of shares as of February 28, 2019	–	–	–
Balance as of February 28, 2019 (millions of yen)		2,484	320	2,805

### 3. Matters related to dividends

#### (1) Dividend payments

Resolution	Type	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 24, 2018 Ordinary general meeting of shareholders	Ordinary Share	39,805 million yen	45.00 yen	Feb. 28, 2018	May 25, 2018
October 11, 2018 Board of Directors meeting	Ordinary Share	42,018 million yen	47.50 yen	Aug. 31, 2018	Nov. 15, 2018

(2) Dividends whose record date is within the fiscal year ended February 28, 2019, but to be effective after the fiscal year-end

Resolution	Type	Funds for dividends	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 23, 2019 Ordinary general meeting of shareholders	Ordinary Share	Retained earnings	42,018 million yen	47.50 yen	Feb. 28, 2019	May 24, 2019

(From March 1, 2019 to February 29, 2020)

1. Type and number of shares outstanding and treasury stock

(1) Outstanding stock

(Thousands of shares)

	As of March 1, 2019	Number of shares increased	Number of shares decreased	As of February 29, 2020
Ordinary Share	886,441	–	–	886,441

(2) Treasury stock

(Thousands of shares)

	As of March 1, 2019	Number of shares increased (Note 1)	Number of shares decreased (Note 2)	As of February 29, 2020 (Note 3)
Ordinary Share	1,873	1,755	32	3,596

Notes: (1) 1,751 thousand shares and 3 thousand shares out of the 1,755 thousand shares increased due to the acquisitions of the shares of the Company by the BIP Trust and the ESOP Trust and purchase of odd-lot shares, respectively.

(2) 28 thousand shares, 3 thousand shares and 0 thousand shares out of the 32 thousand shares decreased due to the exercising of stock options, delivery of the shares of the Company held by the BIP Trust and the ESOP Trust, and sale of odd-lot shares, respectively.

(3) The number of shares of treasury stock as of February 29, 2020 includes 1,747 thousand shares of the Company held by the BIP Trust and the ESOP Trust.

## 2. Subscription rights to shares and treasury subscription rights to shares

Entity		The Company	Consolidated subsidiaries	Total
Description of subscription rights to shares		Subscription rights to shares as stock-linked compensation stock option	Subscription rights to shares as stock-linked compensation stock option	
Type of shares to be issued upon excise of the rights		–	–	–
Number of shares to be issued upon the exercise of the rights (shares)	Number of shares as of March 1, 2019	–	–	–
	Number of shares increased	–	–	–
	Number of shares decreased	–	–	–
	Number of shares as of February 29, 2020	–	–	–
Balance as of February 29, 2020 (millions of yen)		56	274	331

## 3. Matters related to dividends

### (1) Dividend payments

Resolution	Type	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 23, 2019 Ordinary general meeting of shareholders	Ordinary Share	42,018 million yen	47.50 yen	Feb. 28, 2019	May 24, 2019
October 10, 2019 Board of Directors meeting	Ordinary Share	42,019 million yen	47.50 yen	Aug. 31, 2019	Nov. 15, 2019

Note: The total amount of cash dividends determined by the resolution of the Board of Directors meeting held on October 10, 2019 includes 83 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

### (2) Dividends whose record date is within the fiscal year ended February 29, 2020, but to be effective after the fiscal year-end

Resolution	Type	Funds for dividends	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 28, 2020 Ordinary general meeting of shareholders	Ordinary Share	Retained earnings	45,115 million yen	51.00 yen	Feb. 29, 2020	May 29, 2020

Note: The total amount of cash dividends includes 89 million yen of the dividends for the shares of the Company held by the BIP Trust and the ESOP Trust.

### (3) Significant variance in the amount of shareholders' equity

Subsidiaries in North America that adopt US GAAP have applied ASU No. 2014-09 "Revenue from Contracts with Customers (Topic 606)" from the fiscal year ended February 29, 2020. The effect associated with this adjustment is described in "2. Consolidated Financial Statements (7) Changes in Accounting Policies".



### **Consolidated Statements of Cash Flows;**

(For the fiscal year ended February 28, 2019)

1. Reconciliation of cash and cash equivalents of the Consolidated Statements of Cash Flows and account balances of the Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2019
Cash and bank deposits	1,314,564
Restricted cash	7,118
Time deposits and negotiable certificates of deposits with an original maturity of more than three months	(10,953)
Cash and cash equivalents	1,310,729

2. Major non-cash transactions

(Millions of yen)

	Fiscal year ended February 28, 2019
Finance lease obligations for property and equipment recorded in the Consolidated Balance Sheet for the current fiscal year	9,156
Asset retirement obligations recorded in the Consolidated Balance Sheet for the current fiscal year	10,378

3. Acquisition of business

The followings are the details of payment made by 7-Eleven, Inc. to acquire the assets and liabilities related to business acquisition.

(Millions of yen)

	As of February 28, 2019
Inventory	14,205
Goodwill	156,797
Other	6,760
Subtotal	177,763
Property and equipment	184,311
Total	362,075

Property and equipment set out above at an amount of 184,311 million yen is included in acquisition of property and equipment in the Statements of Cash Flows for the fiscal year ended February 28, 2019.

(For the fiscal year ended February 29, 2020)

1. Reconciliation of cash and cash equivalents of the Consolidated Statements of Cash Flows and account balances of the Consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2020
Cash and bank deposits	1,357,733
Restricted cash	7,319
Time deposits and negotiable certificates of deposits with an original maturity of more than three months	(10,195)
Cash and cash equivalents	1,354,856

2. Major non-cash transactions

(Millions of yen)

	Fiscal year ended February 29, 2020
Finance lease obligations for property and equipment recorded in the Consolidated Balance Sheet for the current fiscal year	7,180
Asset retirement obligations recorded in the Consolidated Balance Sheet for the current fiscal year	13,276

3. Acquisition of business

The followings are the details of payment made by 7-Eleven, Inc. to acquire the assets and liabilities related to business acquisition.

(Millions of yen)

	As of February 29, 2020
Inventory	426
Goodwill	14,917
Other	1,287
Subtotal	16,631
Property and equipment	4,309
Total	20,941

Property and equipment set out above at an amount of 4,309 million yen is included in acquisition of property and equipment in the Statements of Cash Flows for the fiscal year ended February 29, 2020.

## Segment Information;

### Segment Information

#### 1. Overview of reportable segments

With respect to its reportable segments, the Company is able to obtain delineated financial data from its structural units. Its segments are subject to periodical review for the purpose of making decisions on allocation of managerial resources and evaluating business performance by the Board of Directors.

Under the holding company structure, the Company has classified its consolidated subsidiaries into seven segments which are “Domestic convenience store operations”, “Overseas convenience store operations”, “Superstore operations”, “Department store operations”, “Financial services”, “Specialty store operations” and “Others”, according to the nature of products, services and sales operations.

“Domestic convenience store operations” operate a convenience store business comprising directly-managed corporate stores and franchised stores mainly under Seven-Eleven Japan Co., Ltd. “Overseas convenience store operations” operate a convenience store business comprising corporate stores and franchised stores mainly under 7-Eleven, Inc. “Superstore operations” operate a retail business that provides a comprehensive range of daily life necessities such as food and other daily necessities. “Department store operations” operate a retail business that provides a various and wide assortment of high-quality merchandise. “Financial services” operate a banking business, credit card business and leasing business. “Specialty store operations” operate a retail business providing highly specialized, distinctively characterized merchandise and services. “Others” operate several businesses including the real estate business.

#### 2. Calculation methodology for revenues from operations, income or losses, assets and liabilities and other items for each reportable segment

The accounting treatment of each reportable segment is in line with the “Accounting Policies for the Preparation of Consolidated Financial Statements”.

Segment income (loss) and segment liabilities as reported in this section are based on operating income and interest bearing debt, respectively.

Intersegment revenues and transfers are calculated at prevailing market prices.

As stated in “2. Consolidated Financial Statements (7) Changes in Accounting Policies”, subsidiaries in North America that adopt US GAAP have applied ASU No. 2014-09 “Revenue from Contracts with Customers (Topic 606)” from the fiscal year ended February 29, 2020.

The effect of revenues and segment income (loss) for the fiscal year ended February 29, 2020 is immaterial.

As stated in “2. Consolidated Financial Statements (8) Changes in Method of Presentation”, “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 ended February 29, 2020. Segment assets (balance at March 1, 2019) are restated.

#### 3. Information on revenues from operations, income, loss, assets, liabilities and other monetary items for each reportable segment

Fiscal Year ended February 28, 2019 (From March 1, 2018 to February 28, 2019)

(Millions of yen)

	Reportable segment							Total	Adjustments	Consolidated total
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Department store operations	Financial services	Specialty store operations	Others			
<b>Revenues from operations</b>										
1. Customers	954,090	2,818,899	1,893,959	585,011	177,334	353,967	7,918	6,791,179	35	6,791,215
2. Intersegment	1,353	2,154	8,548	7,088	37,673	1,507	15,802	74,129	(74,129)	–
<b>Total</b>	<b>955,443</b>	<b>2,821,053</b>	<b>1,902,507</b>	<b>592,100</b>	<b>215,007</b>	<b>355,474</b>	<b>23,720</b>	<b>6,865,309</b>	<b>(74,093)</b>	<b>6,791,215</b>
<b>Segment income (loss)</b>	<b>246,721</b>	<b>92,266</b>	<b>21,173</b>	<b>3,737</b>	<b>52,874</b>	<b>6,680</b>	<b>2,659</b>	<b>426,112</b>	<b>(14,515)</b>	<b>411,596</b>
<b>Segment assets</b>	1,147,777	1,371,383	945,406	328,082	1,514,897	133,429	159,168	5,600,144	194,920	5,795,065
<b>Segment liabilities (interest bearing debt)</b>	–	260,757	637	163,564	354,018	44,296	–	823,274	281,914	1,105,189
Other items										
Depreciation	72,717	76,141	24,475	8,667	31,072	4,141	2,267	219,482	1,651	221,133
Amortization of goodwill	–	18,832	3,098	–	4,735	413	–	27,079	–	27,079
Investment in associates accounted for using the equity method	7,393	5,761	5,597	281	2,009	13,250	4,836	39,130	–	39,130
Impairment loss	19,500	3,435	20,349	2,994	10,756	3,888	–	60,926	(3,557)	57,368

Net increase in property and equipment, and intangible assets	106,297	288,221	58,233	16,245	29,263	8,801	2,889	509,953	10,070	520,024
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Notes:

1. The adjustments of (14,515) million yen for segment income (loss) are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
2. The adjustments of 194,920 million yen for segment assets are eliminations of intersegment transactions and corporate assets.
3. The adjustments of 281,914 million yen for segment liabilities are corporate liabilities and the Company's bonds. The amount of each segment liability does not include intersegment transactions.
4. Segment income (loss) is reconciled with the operating income in the Consolidated Statements of Income.
5. 1,591 million yen out of "Impairment loss" in the table above is included in "Restructuring expenses" in Consolidated Statements of Income for the year ended February 28, 2019.

**Fiscal Year ended February 29, 2020 (From March 1, 2019 to February 29, 2020)**

(Millions of yen)

	Reportable segment							Total	Adjustments	Consolidated total
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Department store operations	Financial services	Specialty store operations	Others			
<b>Revenues from operations</b>										
1. Customers	969,257	2,737,775	1,841,346	570,694	179,262	338,198	7,777	6,644,312	47	6,644,359
2. Intersegment	1,979	2,057	7,774	6,938	38,104	1,462	17,424	75,742	(75,742)	-
<b>Total</b>	<b>971,236</b>	<b>2,739,833</b>	<b>1,849,121</b>	<b>577,633</b>	<b>217,367</b>	<b>339,660</b>	<b>25,202</b>	<b>6,720,054</b>	<b>(75,695)</b>	<b>6,644,359</b>
<b>Segment income (loss)</b>	<b>256,601</b>	<b>102,001</b>	<b>21,307</b>	<b>797</b>	<b>53,610</b>	<b>4,690</b>	<b>1,554</b>	<b>440,562</b>	<b>(16,296)</b>	<b>424,266</b>
<b>Segment assets</b>	1,224,157	1,401,418	959,853	308,969	1,666,038	136,657	160,882	5,857,978	138,909	5,996,887
<b>Segment liabilities (interest bearing debt)</b>	-	219,041	-	160,999	348,261	17,743	-	746,044	236,915	982,960
Other items										
Depreciation	76,519	77,204	26,071	9,083	29,031	3,879	2,447	224,237	2,238	226,475
Amortization of goodwill	-	19,653	3,098	-	359	462	-	23,574	-	23,574
Investment in associates accounted for using the equity method	8,558	6,362	6,316	295	2,000	13,600	4,906	42,039	-	42,039
Impairment loss	11,801	3,565	10,102	3,179	4,651	2,123	39	35,463	14	35,477
Net increase in property and equipment, and intangible assets	98,691	134,684	45,870	9,730	31,110	9,641	2,706	332,435	13,955	346,391

Notes:

1. The adjustments of (16,296) million yen for segment income (loss) are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
2. The adjustments of 138,909 million yen for segment assets are eliminations of intersegment transactions and corporate assets.
3. The adjustments of 236,915 million yen for segment liabilities are corporate liabilities and the Company's bonds. The amount of each segment liability does not include intersegment transactions.
4. Segment income (loss) is reconciled with the operating income in the Consolidated Statements of Income.
5. 2,880 million yen out of "Impairment loss" in the table above is included in "Restructuring expenses" and 4,615 million yen out of "Impairment loss" in the table above is included in "Loss on digital and settlement services" in Consolidated Statements of Income for the year ended February 29, 2020.

**(Reference)**

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

**Fiscal Year ended February 28, 2019 (From March 1, 2018 to February 28, 2019)**

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
<b>Revenues from operations</b>						
1. Customers	3,811,410	2,862,249	117,555	6,791,215	–	6,791,215
2. Intersegment	790	377	–	1,167	(1,167)	–
<b>Total revenues</b>	<b>3,812,200</b>	<b>2,862,627</b>	<b>117,555</b>	<b>6,792,382</b>	<b>(1,167)</b>	<b>6,791,215</b>
<b>Operating income (loss)</b>	<b>319,613</b>	<b>90,411</b>	<b>1,562</b>	<b>411,587</b>	<b>9</b>	<b>411,596</b>

Notes:

1. The classification of geographic area segments is determined according to geographical distances.
2. “Others” consist of the business results in the P.R.C., etc.

**Fiscal Year ended February 29, 2020 (From March 1, 2019 to February 29, 2020)**

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
<b>Revenues from operations</b>						
1. Customers	3,744,516	2,781,724	118,118	6,644,359	–	6,644,359
2. Intersegment	958	331	–	1,289	(1,289)	–
<b>Total revenues</b>	<b>3,745,475</b>	<b>2,782,055</b>	<b>118,118</b>	<b>6,645,649</b>	<b>(1,289)</b>	<b>6,644,359</b>
<b>Operating income (loss)</b>	<b>321,441</b>	<b>101,777</b>	<b>1,199</b>	<b>424,419</b>	<b>(152)</b>	<b>424,266</b>

Notes:

1. The classification of geographic area segments is determined according to geographical distances.
2. “Others” consist of the business results in the P.R.C., etc.

## Related Information

### Fiscal Year ended February 28, 2019 (From March 1, 2018 to February 28, 2019)

1. Information on products and services

Information is omitted since it is described in the segment information.

2. Information by region

(1) Revenues from operations

(Millions of yen)

Japan	North America (of which, the U.S.)	Others	Total
3,811,410	2,862,249 (2,579,649)	117,555	6,791,215

(2) Property and equipment

(Millions of yen)

Japan	North America (of which, the U.S.)	Others	Total
1,407,274	707,211 (648,113)	4,144	2,118,630

3. Information about major customers

Information is omitted because there is no customer accounting for 10% or more of the net sales on the consolidated statements of income.

### Fiscal Year ended February 29, 2020 (From March 1, 2019 to February 29, 2020)

1. Information on products and services

Information is omitted since it is described in the segment information.

2. Information by region

(1) Revenues from operations

(Millions of yen)

Japan	North America (of which, the U.S.)	Others	Total
3,744,516	2,781,724 (2,520,681)	118,118	6,644,359

(2) Property and equipment

(Millions of yen)

Japan	North America (of which, the U.S.)	Others	Total
1,423,476	755,889 (702,525)	4,009	2,183,375

3. Information about major customers

Information is omitted because there is no customer accounting for 10% or more of the net sales on the consolidated statements of income.

## Information Regarding Impairment Loss on Non-current Assets by Reportable Segment

### Fiscal Year ended February 28, 2019 (From March 1, 2018 to February 28, 2019)

Information is omitted since it is described in the segment information.

### Fiscal Year ended February 29, 2020 (From March 1, 2019 to February 29, 2020)

Information is omitted since it is described in the segment information.

## Information on Amortization and Outstanding Balance of Goodwill by Reportable Segment

### Fiscal Year ended February 28, 2019 (From March 1, 2018 to February 28, 2019)

(Millions of yen)

	Reportable segment							Total	Eliminations / Corporate	Consolidated total
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Department store operations	Financial services	Specialty store operations	Others			
<b>Goodwill</b>										
Amortization	-	18,832	3,098	-	4,735	413	-	27,079	-	27,079
Balance at the end of current year	3,082	337,606	23,246	-	4,340	3,803	-	372,079	-	372,079
<b>Negative Goodwill</b>										
Amortization	-	-	23	-	-	4	-	27	-	27
Balance at the end of current year	-	-	93	-	-	16	-	110	-	110

### Fiscal Year ended February 29, 2020 (From March 1, 2019 to February 29, 2020)

(Millions of yen)

	Reportable segment							Total	Eliminations / Corporate	Consolidated total
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Department store operations	Financial services	Specialty store operations	Others			
<b>Goodwill</b>										
Amortization	-	19,653	3,098	-	359	462	-	23,574	-	23,574
Balance at the end of current year	2,826	329,406	20,147	-	3,980	3,340	-	359,701	-	359,701
<b>Negative Goodwill</b>										
Amortization	-	-	23	-	-	4	-	27	-	27
Balance at the end of current year	-	-	70	-	-	12	-	82	-	82

## Information Regarding Gain on Negative Goodwill by Reportable Segment

### Fiscal Year ended February 28, 2019 (From March 1, 2018 to February 28, 2019)

None

### Fiscal Year ended February 29, 2020 (From March 1, 2019 to February 29, 2020)

None

***Related Parties Transactions;***

1. Transactions with related parties

(1) Transactions between the Company and related parties

(a) Unconsolidated subsidiaries and affiliates

None

(b) A director of the Company and primary shareholders (limited to individuals)

None

2. Notes about the parent company and the important affiliates

None



## Per Share Information;

(Yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Owners' equity per share	2,850.42	2,946.83
Net income per share	229.50	246.95
Diluted net income per share	229.31	246.85

Notes:

1. Basis for calculation of net income per share and diluted net income per share is as follows:

(Millions of yen, except number of ordinary shares)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Net income attributable to owners of parent	203,004	218,185
Amount not attributable to owners of ordinary shares	—	-
Net income attributable to owners of ordinary shares of parent	203,004	218,185
Average number of ordinary shares outstanding during the period (thousands of shares)	884,568	883,508
Adjustments to net income which is used for calculating diluted net income per share		
Net income attributable to non-controlling interests	9	10
Adjustments to net income attributable to owners of parent	9	10
Number of ordinary shares increased used for calculating the diluted net income per share		
Subscription rights to shares (thousands of shares)	668	337
Number of ordinary shares increased (thousands of shares)	668	337

As the Company has introduced the BIP Trust and the ESOP Trust from the fiscal year ended February 29, 2020, the Company's shares held by the trusts are included in the number of shares of treasury stock deducted for the computation of the average number of shares during the period, to calculate net income per share and diluted net income per share. The average number of shares of treasury stock during the period deducted for the computation is 1,085 thousand shares.

2. Basis for calculation of owners' equity per share is as follows:

(Millions of yen, except number of ordinary shares)

	As of February 28, 2019	As of February 29, 2020
Total net assets	2,672,486	2,757,222
Amounts subtracted from total net assets:	151,091	155,627
(Subscription rights to shares)	(2,805)	(331)
(Net income attributable to non-controlling interests)	(148,285)	(155,295)
Owners' equity for ordinary shares at the end of period	2,521,395	2,601,594
Number of ordinary shares at the end of period used for calculating the amounts of owners' equity per share (thousands of shares)	884,568	882,845

As the Company has introduced the BIP Trust and the ESOP Trust from the fiscal year ended February 29, 2020, the Company's shares held by the trusts are included in the number of shares of treasury stock deducted for the computation of the total number of shares outstanding at the end of period, to calculate owners' equity per share. The total number of shares of treasury stock at the end of period deducted for the computation is 1,747 thousand shares.

***Subsequent Event;***

Prolonged exposure to the novel coronavirus disease (COVID-19) could have a material effect on operating results and financial position of the Company and its consolidated subsidiaries. As of the submission date, it is difficult to rationally calculate the effect.

### 3. Nonconsolidated Financial Statements

#### (1) Nonconsolidated Balance Sheets

(Millions of yen)

	February 28, 2019	February 29, 2020
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>41,044</b>	<b>99,671</b>
Cash and bank deposits	389	496
Prepaid expenses	623	960
Accounts receivable, other	32,436	33,255
Deposits held by subsidiaries and affiliates	6,177	62,566
Other	1,416	2,392
<b>Non-current assets</b>	<b>1,776,319</b>	<b>1,690,281</b>
<b>Property and equipment</b>	<b>6,027</b>	<b>5,728</b>
Buildings and structures	2,546	2,420
Fixtures, equipment and vehicles	116	92
Land	2,712	2,712
Leased assets	651	502
<b>Intangible assets</b>	<b>14,661</b>	<b>23,861</b>
Software	6,623	6,842
Software in progress	2,515	6,543
Lease assets	5,521	10,474
Other	1	1
<b>Investments and other assets</b>	<b>1,755,629</b>	<b>1,660,691</b>
Investments in securities	40,092	34,563
Stocks of subsidiaries and affiliates	1,639,238	1,609,913
Deferred income taxes	-	397
Prepaid pension cost	945	1,136
Long-term leasehold deposits	3,474	3,643
Deposits paid in subsidiaries and affiliates	70,000	10,000
Other	1,879	1,036
<b>TOTAL ASSETS</b>	<b>1,817,363</b>	<b>1,789,952</b>

(Millions of yen)

	February 28, 2019	February 29, 2020
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>66,775</b>	<b>127,793</b>
Current portion of bonds	40,000	60,000
Short-term loans payable to subsidiaries and affiliates	8	39,008
Lease obligations	2,359	3,499
Accounts payable, other	6,953	11,334
Accrued expenses	691	911
Income taxes payable	15,558	11,669
Advance received	241	254
Allowance for bonuses to employees	301	368
Allowance for bonuses to Directors and Audit & Supervisory Board Members	49	49
Other	611	695
<b>Non-current liabilities</b>	<b>274,388</b>	<b>226,287</b>
Bonds	236,914	176,915
Long-term loans payable to subsidiaries and affiliates	12	9
Lease obligations	4,560	8,569
Allowance for stock payments	-	2,695
Provision for loss on guarantees	28,912	32,174
Deposits paid in subsidiaries	-	3,073
Deposits received from tenants	2,348	2,425
Deferred income taxes	1,294	-
Other	345	423
<b>TOTAL LIABILITIES</b>	<b>341,164</b>	<b>354,080</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>	<b>1,460,238</b>	<b>1,425,797</b>
Common stock	50,000	50,000
Capital surplus	1,246,489	1,246,519
Additional paid-in capital	875,496	875,496
Other capital surplus	370,992	371,022
Retained earnings	168,381	140,542
Other retained earnings		
Retained earnings brought forward	168,381	140,542
Treasury stock, at cost	(4,632)	(11,265)
<b>Accumulated gains from valuation and translation adjustments</b>	<b>13,476</b>	<b>10,017</b>
Unrealized gains on available-for-sale securities, net of taxes	13,476	10,017
<b>Subscription rights to shares</b>	<b>2,484</b>	<b>56</b>
<b>TOTAL NET ASSETS</b>	<b>1,476,199</b>	<b>1,435,871</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,817,363</b>	<b>1,789,952</b>

**(2) Nonconsolidated Statements of Income**

(Millions of yen)

	Year ended February 28, 2019	Year ended February 29, 2020
	Amount	Amount
<b>Revenues from operations</b>	<b>120,072</b>	<b>115,843</b>
Dividend income	112,758	108,560
Management consulting fee income	4,804	4,858
Commission fee income	2,390	2,292
Other	118	130
<b>General and administrative expenses</b>	<b>24,863</b>	<b>25,640</b>
<b>Operating income</b>	<b>95,209</b>	<b>90,202</b>
<b>Non-operating income</b>	<b>1,797</b>	<b>1,774</b>
Interest income	1,142	1,140
Dividend income	594	578
Other	60	55
<b>Non-operating expenses</b>	<b>2,436</b>	<b>1,944</b>
Interest expenses	107	149
Interest on bonds	1,891	1,630
Amortization of bond issuance cost	435	0
Other	1	163
<b>Ordinary income</b>	<b>94,571</b>	<b>90,032</b>
<b>Special gains</b>	<b>-</b>	<b>948</b>
Insurance income	-	944
Other	-	4
<b>Special losses</b>	<b>4,552</b>	<b>37,305</b>
Loss on disposals of property and equipment	0	9
Impairment loss	-	18
Loss on valuation of stocks of subsidiaries and affiliates	-	28,760
Loss on digital and settlement services	-	4,854
Provision for loss on guarantees	4,050	3,262
Other	501	400
<b>Profit before income taxes</b>	<b>90,018</b>	<b>53,675</b>
<b>Total income taxes</b>	<b>(80)</b>	<b>(2,523)</b>
Income taxes - current	(1,602)	(2,357)
Income taxes - deferred	1,522	(165)
<b>Net income</b>	<b>90,098</b>	<b>56,198</b>

### (3) Nonconsolidated Statements of Changes in Net Assets

Fiscal year ended February 28, 2019 (From March 1, 2018 to February 28, 2019)

(Millions of yen)

	Shareholders' equity							Total shareholders' equity
	Common stock	Capital surplus			Retained earnings		Treasury stock, at cost	
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Balance at March 1, 2018	50,000	875,496	370,967	1,246,463	160,105	160,105	(4,684)	1,451,885
Increase (decrease) for the year								
Cash dividends					(81,823)	(81,823)		(81,823)
Net income					90,098	90,098		90,098
Purchase of treasury stock							(20)	(20)
Disposal of treasury stock			25	25			71	97
Net changes of items other than shareholders' equity								
Net increase (decrease) for the year	-	-	25	25	8,275	8,275	51	8,352
Balance at February 28, 2019	50,000	875,496	370,992	1,246,489	168,381	168,381	(4,632)	1,460,238

	Accumulated gains (losses) from valuation and translation adjustments		Subscription rights to shares	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Total accumulated gains (losses) from valuation and translation adjustments		
Balance at March 1, 2018	14,010	14,010	2,090	1,467,985
Increase (decrease) for the year				
Cash dividends				(81,823)
Net income				90,098
Purchase of treasury stock				(20)
Disposal of treasury stock				97
Net changes of items other than shareholders' equity	(533)	(533)	394	(138)
Net increase (decrease) for the year	(533)	(533)	394	8,213
Balance at February 28, 2019	13,476	13,476	2,484	1,476,199

Fiscal year ended February 29, 2020 (From March 1, 2019 to February 29, 2020)

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock, at cost	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Balance at March 1, 2019	50,000	875,496	370,992	1,246,489	168,381	168,381	(4,632)	1,460,238
Increase (decrease) for the year								
Cash dividends					(84,037)	(84,037)		(84,037)
Net income					56,198	56,198		56,198
Purchase of treasury stock							(6,718)	(6,718)
Disposal of treasury stock			30	30			85	115
Net changes of items other than shareholders' equity								
Net increase (decrease) for the year			30	30	(27,838)	(27,838)	(6,632)	(34,441)
Balance at February 29, 2020	50,000	875,496	371,022	1,246,519	140,542	140,542	(11,265)	1,425,797

	Accumulated gains (losses) from valuation and translation adjustments		Subscription rights to shares	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Total accumulated gains (losses) from valuation and translation adjustments		
Balance at March 1, 2019	13,476	13,476	2,484	1,476,199
Increase (decrease) for the year				
Cash dividends				(84,037)
Net income				56,198
Purchase of treasury stock				(6,718)
Disposal of treasury stock				115
Net changes of items other than shareholders' equity	(3,458)	(3,458)	(2,427)	(5,886)
Net increase (decrease) for the year	(3,458)	(3,458)	(2,427)	(40,327)
Balance at February 29, 2020	10,017	10,017	56	1,435,871

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

None

#### **(5) Changes in Method of Presentation**

(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 ended 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 balance sheets for the fiscal year ended February 28, 2019, “deferred income taxes” in current assets and “deferred income taxes” in non-current liabilities decreased by 142 million yen and 142 million yen, respectively.

#### **(6) Notes to Nonconsolidated Financial Statements**

##### ***Nonconsolidated Balance Sheets;***

##### **1. Accumulated depreciation of property and equipment**

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Accumulated depreciation	4,049	4,362

##### **2. Monetary claims and monetary obligations in regard to subsidiaries and affiliates**

Major balances included in each account on the balance sheet, which are not separately shown.

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Short-term receivables	32,474	34,127
Short-term payables	7,814	12,481
Long-term payables	6,892	10,979

##### ***Nonconsolidated Statements of Income;***

##### **1. Major transactions with subsidiaries and affiliates**

(Millions of yen)

	For the year ended February 28, 2019	For the year ended February 29, 2020
Operating transactions		
Revenues from operations	120,034	115,790
General and administrative expenses	5,390	4,689
Non-operating transactions	5,790	5,358

##### **2. Main components and amounts of general and administrative expenses**

(Millions of yen)

	For the year ended February 28, 2019	For the year ended February 29, 2020
Salaries and wages	4,223	4,579
Provision for bonuses to employees	301	368
Pension expenses	93	33
Depreciation and amortization	1,253	2,053
Commissions paid	3,790	4,548
Electronical data processing expenses	7,006	6,190



3. Loss on digital and settlement services

	For the year ended February 28, 2019	For the year ended February 29, 2020
Security expenses	-	4,647
Others	-	207

# [Reference] Seven-Eleven Japan Co., Ltd.

## Nonconsolidated Balance Sheets

(Millions of yen)

	February 28, 2019	February 29, 2020
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>419,071</b>	<b>570,622</b>
Cash and bank deposits	50,610	79,606
Accounts receivable due from franchised stores	18,328	14,661
Lease investment assets	4,097	3,539
Inventories	2,262	2,082
Prepaid expenses	26,597	27,002
Deposits held by subsidiaries and affiliates	231,574	313,993
Accounts receivable, other	83,354	128,010
Other	2,364	1,935
Allowance for doubtful accounts	(118)	(209)
<b>Non-current assets</b>	<b>1,461,437</b>	<b>1,458,753</b>
<b>Property and equipment</b>	<b>569,152</b>	<b>569,958</b>
Buildings	312,379	312,949
Structures	47,421	45,001
Vehicles	1	1
Furniture, fixtures and equipment	125,082	129,466
Land	80,914	80,514
Lease assets	1,730	1,116
Construction in progress	1,622	908
<b>Intangible assets</b>	<b>40,987</b>	<b>40,696</b>
Goodwill	3,082	2,826
Rights of leasehold	14,345	14,663
Trademark	6,051	3,297
Software	16,116	19,907
Other	1,392	2
<b>Investments and other assets</b>	<b>851,296</b>	<b>848,097</b>
Investments in securities	21,160	26,251
Stocks of subsidiaries and affiliates	583,770	583,737
Investments in capital of subsidiaries and affiliates	11,809	11,809
Long-term loans receivable	711	660
Long-term loans to subsidiaries and affiliates	3,503	3,353
Long-term prepaid expenses	21,852	19,561
Prepaid pension cost	3,330	3,963
Long-term leasehold deposits	175,177	168,467
Deferred income taxes	31,498	30,730
Other	571	1,476
Allowance for doubtful accounts	(2,090)	(1,914)
<b>TOTAL ASSETS</b>	<b>1,880,508</b>	<b>2,029,375</b>

## Seven-Eleven Japan Co., Ltd.

(Millions of yen)

	February 28, 2019	February 29, 2020
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>413,071</b>	<b>491,394</b>
Accounts payable, trade	182,292	193,752
Accounts payable due to franchised stores	15,652	16,697
Lease obligations	2,290	1,680
Accounts payable, other	26,402	26,706
Accrued expenses	18,843	19,976
Income taxes payable	10,753	12,215
Accounts payable to parent company	23,832	26,642
Consumption taxes withheld	6,797	12,904
Deposits received	115,806	169,910
Allowance for bonuses to employees	3,576	3,610
Allowance for bonuses to Directors and Audit & Supervisory Board Members	47	62
Allowance for sales promotion expenses	3,246	3,267
Other	3,530	3,966
<b>Non-current liabilities</b>	<b>58,880</b>	<b>59,563</b>
Guarantee deposits received from franchised stores	10,375	10,352
Long-term loans	317	374
Lease obligations	3,886	3,249
Allowance for stock payments	-	148
Allowance for retirement benefits to directors and corporate auditors	69	29
Allowance for loss on guarantee	1,750	1,750
Asset retirement obligations	42,481	43,659
<b>TOTAL LIABILITIES</b>	<b>471,951</b>	<b>550,958</b>
<b>NET ASSETS</b>		
<b>Shareholder's equity</b>	<b>1,400,497</b>	<b>1,466,821</b>
Common stock	17,200	17,200
Capital surplus	25,204	25,204
Additional paid-in capital	24,563	24,563
Other capital surplus	640	640
Retained earnings	1,358,092	1,424,416
Legal reserve	4,300	4,300
Other retained earnings	823,409	823,409
General reserve	530,383	596,707
Retained earnings brought forward	293,026	226,707
<b>Accumulated gains (losses) from valuation and translation adjustments</b>	<b>8,060</b>	<b>11,595</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	8,060	11,595
<b>TOTAL NET ASSETS</b>	<b>1,408,557</b>	<b>1,478,416</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,880,508</b>	<b>2,029,375</b>

# Seven-Eleven Japan Co., Ltd.

## Nonconsolidated Statements of Income

(Millions of yen)

	Year Ended February 28, 2019	Year Ended February 29, 2020
	Amount	Amount
<b>Operating income and expenses</b>		
<b>Revenues from operations</b>	<b>873,555</b>	<b>887,625</b>
Franchise commission from franchised stores	773,954	796,266
Net sales reported by franchised stores		
Year ended February 28, 2019: 4,803,852		
Year ended February 29, 2020: 4,923,751		
Total net sales (including net sales of corporate stores)		
Year ended February 28, 2019: 4,898,872		
Year ended February 29, 2020: 5,010,273		
Other operating revenues	6,094	6,217
Net sales of corporate stores	93,506	85,141
Cost of sales	66,866	60,541
<b>Gross profit from operations</b>	<b>806,688</b>	<b>827,084</b>
<b>Selling, general and administrative expenses</b>	<b>561,600</b>	<b>573,103</b>
Land and building rent	181,143	189,457
Depreciation and amortization	62,337	64,920
Advertising expenses	60,417	57,167
Commission paid	49,501	51,590
Salaries and wages	49,063	48,777
Other	159,136	161,189
<b>Operating income</b>	<b>245,088</b>	<b>253,980</b>
<b>Non-operating income</b>	<b>8,579</b>	<b>9,250</b>
Interest income	2,458	2,371
Dividend income	5,126	6,129
Reversal of allowance for doubtful accounts	34	75
Other	959	673
<b>Non-operating expenses</b>	<b>749</b>	<b>981</b>
Interest expenses	96	83
Loss on cancellation of construction contribution	422	330
Other	230	567
<b>Ordinary income</b>	<b>252,917</b>	<b>262,249</b>
<b>Special gains</b>	<b>715</b>	<b>1,091</b>
Gain on sales of property and equipment	604	560
Gain on sales of investment securities	-	498
Receipt of stock option income	111	-
Other	-	32
<b>Special losses</b>	<b>38,965</b>	<b>25,810</b>
Loss on sales of property and equipment	566	108
Loss on disposals of property and equipment	9,836	5,703
Loss on cancellation of lease contracts	650	468
Impairment loss	19,435	11,801
Loss on disaster	2,653	1,225
Loss on cancellation of rental contracts	3,696	3,918
Loss on sales of investment securities	11	-
Other	2,115	2,585
<b>Income before income taxes</b>	<b>214,668</b>	<b>237,529</b>
Income taxes - current	64,625	68,625
Income taxes - deferred	(3,191)	(791)
<b>Net income</b>	<b>153,233</b>	<b>169,695</b>

**[Reference] Ito-Yokado Co., Ltd.**

**Nonconsolidated Balance Sheets**

(Millions of yen)

	February 28, 2019	February 29, 2020
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>221,554</b>	<b>212,361</b>
Cash and bank deposits	17,709	21,625
Accounts receivable, trade	17,991	17,037
Inventories	57,945	56,060
Supplies	75	66
Advance paid	263	267
Prepaid expenses	7,145	7,112
Short-term loans to employees	172	153
Short-term loans receivable	378	393
Deposits held by subsidiaries and affiliates	78,365	69,890
Accounts receivable, other	29,479	30,671
Short-term leasehold deposits	7,506	4,847
Payments in advance	3,069	2,779
Other	1,593	1,613
Allowance for doubtful accounts	(142)	(158)
<b>Non-current assets</b>	<b>500,039</b>	<b>501,478</b>
<b>Property and equipment</b>	<b>316,599</b>	<b>323,383</b>
Buildings	118,315	126,408
Structures	7,514	7,379
Vehicles	0	3
Furniture, fixtures and equipment	7,484	8,495
Land	179,047	177,790
Lease assets	2,295	2,924
Construction in progress	1,942	381
<b>Intangible assets</b>	<b>2,328</b>	<b>4,392</b>
Rights of leasehold	417	392
Trademark	13	11
Software	799	1,245
Other	1,098	2,744
<b>Investments and other assets</b>	<b>181,110</b>	<b>173,702</b>
Investments in securities	22,187	19,495
Stocks of subsidiaries and affiliates	7,594	7,860
Investments in capital	6	4
Investments in capital of subsidiaries and affiliates	4,581	4,581
Long-term loans receivable	12,516	12,113
Long-term loans to subsidiaries and affiliates	5,100	5,033
Long-term prepaid expenses	4,613	4,429
Prepaid pension cost	26,511	30,556
Long-term leasehold deposits	95,585	89,253
Receivable in bankruptcy	0	40
Deferred income taxes	6,786	4,372
Other	2,273	2,576
Allowance for doubtful accounts	(6,646)	(6,615)
<b>TOTAL ASSETS</b>	<b>721,594</b>	<b>713,839</b>

# Ito-Yokado Co., Ltd.

(Millions of yen)

	February 28, 2019	February 29, 2020
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>135,431</b>	<b>129,105</b>
Accounts payable, trade	53,936	55,043
Short-term loans	57	47
Current portion of long-term loans	744	98
Lease obligations	2,342	2,053
Accounts payable, other	24,849	15,832
Income taxes payable	1,418	1,237
Consumption taxes withheld	31	1,694
Accrued expenses	9,647	8,650
Advance received	771	885
Deposits received	21,558	22,713
Allowance for bonuses to employees	2,724	2,925
Allowance for bonuses to Directors and Audit & Supervisory Board Members	17	17
Allowance for sales promotion expenses	165	466
Allowance for loss on future collection of gift certificates	288	248
Gift certificates	15,291	15,866
Other	1,584	1,323
<b>Non-current liabilities</b>	<b>55,795</b>	<b>54,995</b>
Long-term loans	200	190
Lease obligations	5,776	6,173
Allowance for retirement benefits to directors and corporate auditors	2	-
Allowance for stock payments	-	66
Allowance for loss on guarantee	4,060	4,376
Deposits received from tenants	34,024	32,522
Asset retirement obligations	11,730	11,665
<b>TOTAL LIABILITIES</b>	<b>191,226</b>	<b>184,101</b>
<b>NET ASSETS</b>		
<b>Shareholder's equity</b>	<b>519,474</b>	<b>520,732</b>
Common stock	40,000	40,000
Capital surplus	168,637	168,637
Additional paid-in capital	165,621	165,621
Other capital surplus	3,016	3,016
Retained earnings	310,836	312,095
Legal reserve	11,700	11,700
Other retained earnings		
Reserve for deferred gains on property and equipment	1,155	1,084
Retained earnings brought forward	297,981	299,310
<b>Accumulated gains (losses) from valuation and translation adjustments</b>	<b>10,893</b>	<b>9,004</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	10,893	9,004
<b>TOTAL NET ASSETS</b>	<b>530,367</b>	<b>529,737</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>721,594</b>	<b>713,839</b>

**Ito-Yokado Co., Ltd.**
**Nonconsolidated Statements of Income**

(Millions of yen)

	Year Ended February 28, 2019	Year Ended February 29, 2020
	Amount	Amount
<b>Revenues from operations</b>	<b>1,236,180</b>	<b>1,185,147</b>
Net sales	1,205,751	1,154,374
Cost of sales	926,961	887,573
<b>Gross profit on sales</b>	<b>278,789</b>	<b>266,800</b>
Other operating revenues	30,428	30,773
Rental income	23,740	23,444
Other income	6,688	7,328
<b>Gross profit from operations</b>	<b>309,218</b>	<b>297,573</b>
<b>Selling, general and administrative expenses</b>	<b>304,510</b>	<b>291,051</b>
Advertising and decoration expenses	19,768	17,873
Salaries and wages	106,511	100,979
Land and building rent	57,687	54,446
Depreciation and amortization	12,191	13,254
Other	108,350	104,498
<b>Operating income</b>	<b>4,708</b>	<b>6,522</b>
<b>Non-operating income</b>	<b>2,571</b>	<b>2,106</b>
Interest income	1,157	1,091
Dividend income	673	757
Other	740	257
<b>Non-operating expenses</b>	<b>1,157</b>	<b>1,013</b>
Interest expenses	38	15
Foreign exchange losses	-	64
Other	1,118	933
<b>Ordinary income</b>	<b>6,122</b>	<b>7,615</b>
<b>Special gains</b>	<b>1,487</b>	<b>2,085</b>
Gain on sales of property and equipment	32	543
Gain on sales of property and equipment related to restructuring	427	905
Gain on sales of stocks of subsidiaries and affiliates	596	445
Other	431	191
<b>Special losses</b>	<b>18,132</b>	<b>7,910</b>
Loss on sales of property and equipment	355	75
Loss on disposals of property and equipment	2,292	2,270
Impairment loss	11,002	3,095
Restructuring expenses	2,467	1,373
Provision for loss on guarantee	677	266
Other	1,336	829
<b>Income (loss) before income taxes</b>	<b>(10,522)</b>	<b>1,790</b>
Income taxes - current	(2,518)	(3,097)
Income taxes - deferred	(163)	3,213
<b>Net income (loss)</b>	<b>(7,840)</b>	<b>1,674</b>

**[Reference] York-Benimaru Co., Ltd.**

**Nonconsolidated Balance Sheets**

(Millions of yen)

	February 28, 2019	February 29, 2020
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>39,984</b>	<b>42,372</b>
Cash and bank deposits	14,901	19,511
Accounts receivable, trade	27	2,618
Inventories	9,636	9,390
Supplies	25	11
Prepaid expenses	822	849
Short-term loans receivable	94	92
Deposits held by subsidiaries and affiliates	1,500	1,500
Accounts receivable, other	9,461	4,760
Payments in advance	2,741	2,805
Other	774	833
<b>Non-current assets</b>	<b>143,497</b>	<b>147,718</b>
<b>Property and equipment</b>	<b>105,630</b>	<b>109,108</b>
Buildings	43,708	44,932
Structures	8,566	8,324
Furniture, fixtures and equipment	2,766	2,485
Land	44,988	46,863
Lease assets	4,110	5,112
Construction in progress	1,490	1,390
<b>Intangible assets</b>	<b>406</b>	<b>414</b>
Software	385	395
Other	20	18
<b>Investments and other assets</b>	<b>37,461</b>	<b>38,195</b>
Investments in securities	15,019	13,155
Stocks of subsidiaries and affiliates	170	170
Investments in capital	1	1
Long-term loans receivable	321	295
Long-term prepaid expenses	2,707	2,729
Prepaid pension cost	3,511	4,130
Long-term leasehold deposits	16,145	16,237
Deferred income taxes	-	1,143
Other	-	702
Allowance for doubtful accounts	(417)	(372)
<b>TOTAL ASSETS</b>	<b>183,481</b>	<b>190,090</b>



## York-Benimaru Co., Ltd.

(Millions of yen)

	February 28, 2019	February 29, 2020
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>32,265</b>	<b>36,705</b>
Accounts payable, trade	18,646	20,104
Short-term loans	80	78
Lease obligations	718	980
Accounts payable, other	4,826	6,694
Accounts payable to parent company	1,045	1,199
Income taxes payable	801	943
Accrued expenses	3,188	3,423
Deposits received	728	818
Advance received	319	305
Allowance for bonuses to employees	1,600	1,777
Allowance for bonuses to Directors and Audit & Supervisory Board Members	45	44
Allowance for loss on future collection of gift certificates	8	7
Other	256	328
<b>Non-current liabilities</b>	<b>10,446</b>	<b>11,962</b>
Long-term loans	154	144
Lease obligations	4,153	5,276
Deposits received from tenants	3,373	3,380
Allowance for retirement benefits to directors and corporate auditors	216	216
Allowance for stock payments	-	114
Deferred income taxes	36	-
Asset retirement obligations	2,085	2,429
Other	426	401
<b>TOTAL LIABILITIES</b>	<b>42,712</b>	<b>48,668</b>
<b>NET ASSETS</b>		
<b>Shareholder's equity</b>	<b>132,750</b>	<b>134,708</b>
Common stock	9,927	9,927
Capital surplus	12,605	12,605
Additional paid-in capital	12,605	12,605
Other capital surplus	0	0
Retained earnings	110,217	112,174
Legal reserve	2,186	2,186
General reserve	69,377	69,366
Retained earnings brought forward	38,654	40,622
<b>Accumulated gains (losses) from valuation and translation adjustments</b>	<b>8,019</b>	<b>6,714</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	8,019	6,714
<b>TOTAL NET ASSETS</b>	<b>140,769</b>	<b>141,422</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>183,481</b>	<b>190,090</b>

# York-Benimaru Co., Ltd.

## Nonconsolidated Statements of Income

(Millions of yen)

	Year Ended February 28, 2019	Year Ended February 29, 2020
	Amount	Amount
<b>Revenues from operations</b>	<b>445,297</b>	<b>446,843</b>
Net sales	437,201	438,637
Cost of sales	334,158	333,810
<b>Gross Profit on sales</b>	<b>103,043</b>	<b>104,826</b>
Other operating revenues	8,095	8,206
Rental income	5,192	5,348
Commission fee income	2,903	2,857
<b>Gross profit from operations</b>	<b>111,139</b>	<b>113,033</b>
<b>Selling, general and administrative expenses</b>	<b>98,337</b>	<b>99,932</b>
Salaries and wages	42,154	43,000
Provision for bonuses to employees	1,600	1,777
Legal welfare expenses	6,093	6,193
Advertising and decoration expenses	6,386	6,791
Land and building rent	9,971	10,133
Store maintenance and repair expenses	4,995	4,932
Depreciation and amortization	5,675	5,883
Utility expenses	6,014	5,940
Other	15,445	15,278
<b>Operating income</b>	<b>12,801</b>	<b>13,100</b>
<b>Non-operating income</b>	<b>1,361</b>	<b>1,380</b>
Interest income	88	86
Dividend income	1,251	1,272
Other	21	21
<b>Non-operating expenses</b>	<b>189</b>	<b>172</b>
Interest expenses	6	3
Maintenance expenses for idle assets	125	98
Other	56	71
<b>Ordinary income</b>	<b>13,973</b>	<b>14,308</b>
<b>Special gains</b>	<b>129</b>	<b>22</b>
Gain on sales of property and equipment	36	2
Receipt of stock option income	87	-
Compensation income	-	15
Gain on forgiveness of lease obligation	-	4
Reversal of allowance for doubtful accounts	5	-
Other	0	-
<b>Special losses</b>	<b>3,087</b>	<b>4,467</b>
Loss on disposals of property and equipment	412	599
Impairment loss	2,668	3,075
Loss on disaster	-	732
Other	5	59
<b>Income before income taxes</b>	<b>11,016</b>	<b>9,863</b>
Income taxes - current	3,722	3,774
Income taxes - deferred	(378)	(622)
<b>Net income</b>	<b>7,672</b>	<b>6,712</b>

**[Reference] Sogo & Seibu Co., Ltd.**

**Nonconsolidated Balance Sheets**

(Millions of yen)

	February 28, 2019	February 29, 2020
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>81,081</b>	<b>70,041</b>
Cash and bank deposits	31,745	20,383
Notes receivable, trade	302	181
Accounts receivable, trade	19,909	18,947
Inventories	17,089	15,779
Real estate for sale	2,457	2,456
Supplies	184	163
Prepaid expenses	2,921	2,972
Short-term loans receivable	428	420
Accounts receivable, other	5,542	5,725
Current portion of construction contribution	391	383
Other	529	2,635
Allowance for doubtful accounts	(421)	(8)
<b>Non-current assets</b>	<b>272,805</b>	<b>266,959</b>
<b>Property and equipment</b>	<b>154,760</b>	<b>159,169</b>
Buildings	58,121	57,218
Structures	843	820
Machinery and equipment	603	605
Furniture, fixtures and equipment	3,222	2,834
Lease assets	3,762	3,134
Land	88,156	94,516
Construction in progress	50	40
<b>Intangible assets</b>	<b>22,451</b>	<b>13,567</b>
Rights of leasehold	20,105	10,987
Other	2,345	2,580
<b>Investments and other assets</b>	<b>95,593</b>	<b>94,222</b>
Investments in securities	3,933	3,095
Stocks of subsidiaries and affiliates	25,124	25,588
Long-term loans receivable	140	32
Long-term leasehold deposits	52,139	51,791
Construction contribution	2,408	1,924
Long-term accounts receivable, other	219	179
Receivable in bankruptcy	141	90
Deferred income taxes	10,543	9,855
Other	1,232	1,906
Allowance for doubtful accounts	(289)	(241)
<b>TOTAL ASSETS</b>	<b>353,887</b>	<b>337,000</b>

## Sogo & Seibu Co., Ltd.

(Millions of yen)

	February 28, 2019	February 29, 2020
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>179,583</b>	<b>190,879</b>
Accounts payable, trade	26,674	24,343
Short-term loans	108,768	125,700
Accounts payable, other	9,613	5,979
Lease obligations	897	887
Accrued expenses	2,333	2,651
Income taxes payable	787	598
Consumption taxes withheld	-	888
Advance received	1,942	1,336
Gift certificates	14,465	13,531
Deposits received	6,768	6,999
Allowance for bonuses to employees	1,234	1,108
Allowance for bonuses to Directors and Audit & Supervisory Board Members	20	21
Allowance for sales promotion expenses	4,025	3,554
Allowance for loss on future collection of gift certificates	998	885
Allowance for store closing losses	620	1,786
Asset retirement obligations	100	250
Other	331	355
<b>Non-current liabilities</b>	<b>105,087</b>	<b>84,887</b>
Long-term loans	90,610	69,531
Long-term accounts payable, other	387	325
Lease obligations	4,107	3,301
Deposits received from tenants	5,666	5,755
Allowance for retirement benefits to directors and corporate auditors	12	14
Allowance for stock payments	-	89
Allowance for environmental obligations	340	340
Allowance for store closing losses	342	586
Allowance for business liquidation losses	120	-
Allowance for loss on guarantee	616	-
Asset retirement obligations	2,816	4,894
Other	65	47
<b>TOTAL LIABILITIES</b>	<b>284,670</b>	<b>275,766</b>
<b>NET ASSETS</b>		
<b>Shareholder's equity</b>	<b>68,041</b>	<b>60,515</b>
Common stock	20,000	20,000
Capital surplus	53,130	49,317
Additional paid-in capital	49,317	49,317
Other capital surplus	3,813	-
Retained earnings	(5,088)	(8,802)
Other retained earnings		
Retained earnings brought forward	(5,088)	(8,802)
<b>Accumulated gains (losses) from valuation and translation adjustments</b>	<b>1,174</b>	<b>718</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	1,174	718
<b>TOTAL NET ASSETS</b>	<b>69,216</b>	<b>61,233</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>353,887</b>	<b>337,000</b>

## Sogo & Seibu Co., Ltd.

### Nonconsolidated Statements of Income

(Millions of yen)

	Year Ended February 28, 2019	Year Ended February 29, 2020
	Amount	Amount
<b>Revenues from operations</b>	<b>615,256</b>	<b>600,148</b>
Net sales	604,362	589,410
Cost of sales	480,421	470,657
<b>Gross profit on sales</b>	<b>123,940</b>	<b>118,752</b>
Operating revenues	10,894	10,738
<b>Gross profit from operations</b>	<b>134,835</b>	<b>129,490</b>
<b>Selling, general and administrative expenses</b>	<b>131,568</b>	<b>129,318</b>
Advertising and decoration expenses	20,102	19,569
Salaries and wages	33,677	32,233
Land and building rent	33,938	33,902
Depreciation and amortization	8,109	8,534
Utility expenses	6,727	6,374
Other	29,011	28,703
<b>Operating income</b>	<b>3,266</b>	<b>172</b>
<b>Non-operating income</b>	<b>538</b>	<b>802</b>
Interest and dividend income	395	630
Other	143	171
<b>Non-operating expenses</b>	<b>2,053</b>	<b>1,833</b>
Interest expenses	845	806
Other	1,208	1,026
<b>Ordinary income (loss)</b>	<b>1,751</b>	<b>(858)</b>
<b>Special gains</b>	<b>2,714</b>	<b>405</b>
Gain on sales of investment securities	4	123
Gain on sales of property and equipment	2,584	-
Receipt of stock option income	69	-
Other	56	282
<b>Special losses</b>	<b>5,097</b>	<b>10,281</b>
Loss on disposals of property and equipment	1,514	2,272
Impairment loss	2,811	963
Restructuring expenses	387	6,487
Other	384	557
<b>Income(loss) before income taxes</b>	<b>(632)</b>	<b>(10,734)</b>
Income taxes - current	(2,584)	(4,084)
Income taxes - deferred	1,615	876
<b>Net income (loss)</b>	<b>336</b>	<b>(7,526)</b>