



July 8, 2021

Consolidated Financial Results for the Three Months Ended May 31, 2021

Seven & i Holdings Co., Ltd.

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

Securities Code No. 3382

President: Ryuichi Isaka

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

Submission date of quarterly securities report scheduled: July 14, 2021

Starting date of paying dividend: -

Preparation of brief summary materials for quarterly financial results: Yes

Holding of quarterly financial results presentation: Yes

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

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

1. Business Results for the Three Months Ended May 31, 2021 (from March 1, 2021 to May 31, 2021)

(1) Results of Operations (Cumulative)

(Millions of yen)

	Revenues from Operations		Operating Income		Ordinary Income	
Three Months Ended May 31, 2021	1,555,371	11.8%	77,512	8.6%	69,869	0.6%
Three Months Ended May 31, 2020	1,391,828	(12.8)%	71,390	(21.0)%	69,462	(21.8)%

	Net income Attributable to Owners of Parent		Net Income per Share		Diluted Net Income per Share	
Three Months Ended May 31, 2021	43,018	208.7%	48.72	(yen)	48.72	(yen)
Three Months Ended May 31, 2020	13,937	(73.2)%	15.79	(yen)	15.78	(yen)

(Note) Comprehensive income:

Three Months Ended May 31, 2021: 166,080 million yen [-%] Three Months Ended May 31, 2020: 8,182 million yen [(86.1)%]

(Reference) Group's total sales:

Three Months Ended May 31, 2021: 2,871,482 million yen Three Months Ended May 31, 2020: 2,660,733 million yen

EBITDA:

Three Months Ended May 31, 2021: 145,669 million yen Three Months Ended May 31, 2020: 136,150 million yen

EPS before amortization of goodwill:

Three Months Ended May 31, 2021: 55.92 yen Three Months Ended May 31, 2020: 22.65 yen

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

*For EBITDA and EPS before amortization of goodwill, see 4.Others "(5) Formula of Various Management Indicators"

(2) Financial Position

(Millions of yen)

	Total Assets	Net Assets	Owners' Equity Ratio	Net Assets per Share
As of May 31, 2021	8,397,040	2,944,585	33.2%	3,153.63 (yen)
As of February 28, 2021	6,946,832	2,831,335	38.4%	3,022.68 (yen)

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

As of May 31, 2021: 2,784,691 million yen

As of February 28, 2021: 2,668,925 million yen

2. Dividends

	Dividends per Share (yen)				
Record Date	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
Year Ended February 28, 2021	-	47.50	-	51.00	98.50
Year Ending February 28, 2022	-				
Year Ending February 28, 2022 (forecast)		48.00	-	52.00	100.00

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

3. Forecast of Business Results for the Fiscal Year Ending February 28, 2022 (from March 1, 2021 to February 28, 2022)

(Millions of yen)

	Revenues from Operations	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Income per Share
Interim Period	3,516,000 26.1%	184,000 2.4%	167,000 (4.7)%	90,000 24.1%	101.93 (yen)
Entire Year	8,038,000 39.4%	380,000 3.7%	343,500 (3.9)%	190,000 6.0%	215.18 (yen)

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

(Reference) Group's total sales:

Interim Period: 6,275,000 million yen Entire Year: 13,549,000 million yen

EBITDA:

Interim Period: 337,400 million yen Entire Year: 738,300 million yen

EPS before amortization of goodwill:

Interim Period: 128.43yen Entire Year: 292.52 yen

4. Others

(1) Changes in significant subsidiaries during the period:

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

Added: None Excluded: None

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

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

1. Changes due to amendment of accounting standards: None

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

3. Changes in accounting estimates: None

4. Restatements: None

(4) Number of shares outstanding (Common stock)

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

As of May 31, 2021: 886,441,983 shares As of February 28, 2021: 886,441,983 shares

2. Number of treasury stock at the end of period

As of May 31, 2021: 3,429,317 shares As of February 28, 2021: 3,475,704 shares

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

As of May 31, 2021: 882,969,270 shares As of May 31, 2020: 882,849,001 shares

(Note) The Company has introduced the BIP Trust and ESOP Trust, and its 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 period and the average number of shares during the period.

(5) Formula of Various Management Indicators

1. EBITDA: Operating income + Depreciation and amortization + Amortization of goodwill

2. EPS before amortization of goodwill: (Net income attributable to owners of parent + Amortization of goodwill) / Average number of shares during the period.

(6) Supplementary information

(Adoption of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System)

With respect to items subject to the review of the Non-Consolidated Taxation System conducted to coincide with transition from the Consolidated Taxation System to the Group Tax Sharing System, which was created under the Act on Partial Revision of the Income Tax Act, etc. (Act No. 8 of 2020), the Company and some of its domestic consolidated subsidiaries have not applied the provisions of Paragraph 44 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28 issued February 16, 2018) in accordance with the treatment set out in Paragraph 3 of Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System (PITF No.39 issued March 31, 2020) and the amounts of deferred tax liabilities and deferred tax assets are based on the provisions of tax laws before the revision.

(Accounting Estimates associated with the spread of novel coronavirus (COVID-19))

On the Group's assumption that the spread of novel coronavirus infection will have the business impact for a certain period after this fiscal year, accounting estimates are reflected in accounting treatment including those used to determine impairment losses.

NOTICE REGARDING QUARTERLY REVIEW PROCEDURES FOR THE QUARTERLY FINANCIAL RESULTS

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

FORWARD LOOKING STATEMENTS

1. The forecast of the business results is based on the Company's hypotheses, plans and estimates at the date of publication. It is possible that some uncertain factors will cause the Company's future performance to differ significantly from the contents of the forecast.
2. Other materials related in the financial results are available on the Company's website.
(<https://www.7andi.com/en/ir/library.html>)

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 175 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.

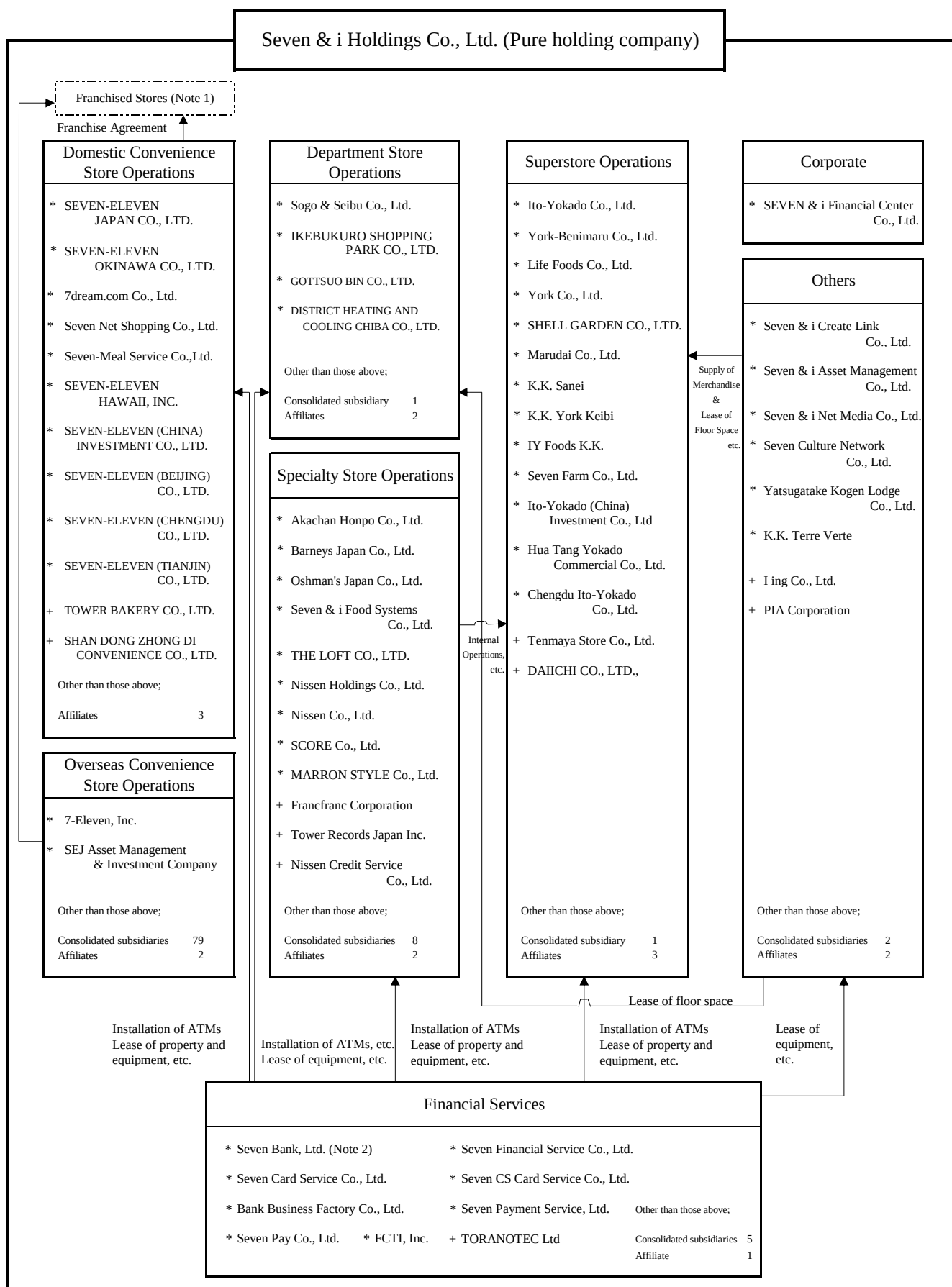
Business segments, major group companies and number of companies are as follows.

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

Business Segments	Major Group Companies	Number of Companies
Domestic Convenience Store Operations	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 Total 15
Overseas Convenience Store Operations	7-Eleven, Inc. SEJ Asset Management & Investment Company	Consolidated Subsidiaries 81 Affiliates 2 Total 83
Superstore Operations	Ito-Yokado Co., Ltd. York-Benimaru Co., Ltd. Life Foods Co., Ltd. York 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 Total 19
Department Store Operations	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 Total 7
Financial Services	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 Total 15
Specialty Stores Operations	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.	Consolidated Subsidiaries 17 Affiliates 5 Total 22
Others	Seven & i Create Link Co., Ltd. Seven & i Asset Management Co., Ltd. Seven & i Net Media Co., Ltd. Seven Culture Network Co., Ltd. Yatsugatake Kogen Lodge Co., Ltd. K.K. Terre Verte I ing Co., Ltd. PIA Corporation	Consolidated Subsidiaries 8 Affiliates 4 Total 12
Corporate	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 May 31, 2021, Seven Bank, Ltd. has 25,742 units of ATMs placed mainly in the stores of Group companies.

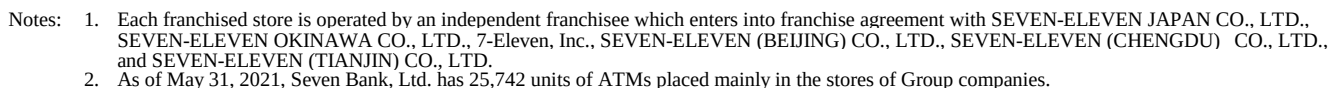
[Reference]

Major Seven & i Group Companies by New Business Segment

The company will change to six new business segments : domestic convenience store operations; overseas convenience store operations; superstore operations; department and specialty store operations; financial services; and others.

Business Segments	Major Group Companies	Number of Companies	
Domestic Convenience Store Operations	SEVEN-ELEVEN JAPAN CO., LTD. SEVEN-ELEVEN OKINAWA CO., LTD. 7dream.com Co., Ltd. Seven Net Shopping Co., Ltd. Seven-Meal Service Co., Ltd. TOWER BAKERY CO., LTD.	Consolidated Subsidiaries	5
		Affiliates	4
		Total	9
Overseas Convenience Store Operations	7-Eleven, Inc. SEJ Asset Management & Investment Company 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. SHAN DONG ZHONG DI CONVENIENCE CO., LTD.	Consolidated Subsidiaries	86
		Affiliates	3
		Total	89
Superstore Operations	Ito-Yokado Co., Ltd. York-Benimaru Co., Ltd. Life Foods Co., Ltd. York Co., Ltd. SHELL GARDEN CO., LTD. Marudai Co., Ltd. K.K. Sanei K.K. York Keibi IY Foods K.K. Seven Farm Co., Ltd. Peace Deli 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	15
		Affiliates	5
		Total	20
Department and Specialty Store Operations	Sogo & Seibu Co., Ltd. IKEBUKURO SHOPPING PARK CO., LTD. GOTTSUO BIN CO., LTD. DISTRICT HEATING AND COOLING CHIBA CO., LTD. Seven & i Asset Management Co., Ltd. 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.	Consolidated Subsidiaries	23
		Affiliates	7
		Total	30
Financial Services	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
		Total	15
Others	Seven & i Create Link Co., Ltd. Seven & i Net Media Co., Ltd. Seven Culture Network Co., Ltd. Yatsugatake Kogen Lodge Co., Ltd. K.K. Terre Verte I ing Co., Ltd. PIA Corporation	Consolidated Subsidiaries	6
		Affiliates	4
		Total	10
Corporate	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., Francfranc Corporation, Tower Records Japan Inc., Nissen Credit Service Co., Ltd., TORANOTEC Ltd, I ing Co., Ltd., and PIA Corporation are affiliates.



Consolidated Quarterly Financial Statements
(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	February 28, 2021	May 31, 2021
	Amount	Amount
ASSETS		
Current assets	3,350,223	4,684,409
Cash and bank deposits	2,189,152	3,567,071
Notes and accounts receivable - trade	318,142	345,087
Trade accounts receivable - financial services	95,010	94,853
Merchandise and finished goods	158,867	168,105
Work in process	80	74
Raw materials and supplies	2,378	2,596
Prepaid expenses	62,009	65,475
ATM-related temporary payments	216,471	89,602
Other	315,465	359,340
Allowance for doubtful accounts	(7,353)	(7,796)
Non-current assets	3,594,022	3,710,229
Property and equipment	2,206,023	2,286,981
Buildings and structures, net	994,096	1,038,971
Furniture, fixtures and equipment, net	330,185	356,526
Land	746,284	756,543
Lease assets, net	7,789	7,779
Construction in progress	110,019	97,899
Other, net	17,647	29,261
Intangible assets	645,873	684,138
Goodwill	349,882	373,097
Software	152,324	163,289
Other	143,666	147,752
Investments and other assets	742,125	739,108
Investments in securities	204,107	206,318
Long-term loans receivable	14,194	13,894
Long-term leasehold deposits	339,405	337,222
Advances for store construction	203	423
Net defined benefit asset	79,888	81,026
Deferred income taxes	44,352	43,013
Other	63,338	60,297
Allowance for doubtful accounts	(3,364)	(3,087)
Deferred assets	2,586	2,401
Business commencement expenses	1,934	1,789
Bond issuance costs	652	612
TOTAL ASSETS	6,946,832	8,397,040

(Millions of yen)

	February 28, 2021	May 31, 2021
	Amount	Amount
LIABILITIES		
Current liabilities	2,782,433	2,889,333
Notes and accounts payable, trade	385,289	419,356
Short-term loans	619,953	622,631
Current portion of bonds	66,917	66,917
Current portion of long-term loans	146,747	165,371
Income taxes payable	21,283	10,463
Accrued expenses	124,070	137,356
Deposits received	236,400	315,100
ATM-related temporary advances	130,167	48,843
Allowance for sales promotion expenses	19,859	19,019
Allowance for bonuses to employees	14,853	25,911
Allowance for bonuses to Directors and Audit & Supervisory Board Members	360	68
Allowance for loss on future collection of gift certificates	933	884
Provision for sales returns	27	44
Deposits received in banking business	741,422	723,413
Call money	-	50,000
Other	274,145	283,950
Non-current liabilities	1,333,063	2,563,120
Bonds	565,000	1,766,932
Long-term loans	362,592	359,286
Deferred income taxes	78,879	84,565
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	774	767
Allowance for stock payments	4,008	4,079
Net defined benefit liability	9,309	9,904
Deposits received from tenants and franchised stores	50,783	50,681
Asset retirement obligations	99,072	101,576
Other	162,644	185,328
TOTAL LIABILITIES	4,115,497	5,452,454
NET ASSETS		
Shareholders' equity	2,647,023	2,642,776
Common stock	50,000	50,000
Capital surplus	409,069	409,045
Retained earnings	2,198,805	2,194,405
Treasury stock, at cost	(10,851)	(10,675)
Total accumulated other comprehensive income	21,902	141,915
Unrealized gains on available-for-sale securities, net of taxes	35,729	36,743
Unrealized gains (losses) on hedging derivatives, net of taxes	1,580	4,171
Foreign currency translation adjustments	(30,835)	86,277
Remeasurements of defined benefit plans	15,427	14,723
Subscription rights to shares	56	56
Non-controlling interests	162,352	159,837
TOTAL NET ASSETS	2,831,335	2,944,585
TOTAL LIABILITIES AND NET ASSETS	6,946,832	8,397,040

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

(Millions of yen)

	Three Months Ended May 31, 2020	Three Months Ended May 31, 2021
	Amount	Amount
Revenues from operations	1,391,828	1,555,371
Net sales	1,094,317	1,241,517
Cost of sales	865,207	990,659
Gross profit on sales	229,110	250,857
Operating revenues	297,511	313,854
Gross profit from operations	526,621	564,712
Selling, general and administrative expenses	455,230	487,200
Operating income	71,390	77,512
Non-operating income	2,314	2,447
Interest income	800	924
Other	1,514	1,522
Non-operating expenses	4,242	10,089
Interest expenses	1,433	2,447
Interest on bonds	397	2,670
Equity in losses of affiliates	916	582
Commitment fee	-	2,902
Other	1,495	1,487
Ordinary income	69,462	69,869
Special gains	551	7,322
Gain on sales of property and equipment	470	3,069
Gain on sales of property and equipment related to restructuring	-	1,814
Other	80	2,438
Special losses	40,622	12,479
Loss on disposals of property and equipment	2,484	3,448
Impairment loss	3,678	2,075
Loss related to novel coronavirus(COVID-19)	29,510	5,436
Restructuring expenses	1,524	492
Other	3,424	1,026
Income before income taxes	29,391	64,713
Total Income taxes	12,686	18,976
Income taxes - current	7,307	17,834
Income taxes - deferred	5,378	1,141
Net income	16,704	45,736
Net income attributable to non-controlling interests	2,767	2,717
Net income attributable to owners of parent	13,937	43,018

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Three Months Ended May 31, 2020	Three Months Ended May 31, 2021
	Amount	Amount
Net income	16,704	45,736
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities net of taxes	4,860	1,054
Unrealized gains (losses) on hedging derivatives, net of taxes	(234)	2,590
Foreign currency translation adjustments, net of taxes	(13,127)	117,284
Remeasurements of defined benefit plans, net of taxes	(41)	(720)
Share of other comprehensive income (loss) of entities accounted for using equity method, net of taxes	19	135
Total other comprehensive income (loss)	(8,522)	120,344
Comprehensive income (loss)	8,182	166,080
Comprehensive income (loss) attributable to owners of parent	5,591	163,032
Comprehensive income (loss) attributable to non-controlling interests	2,590	3,048

(3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Three Months Ended May 31, 2020	Three Months Ended May 31, 2021
	Amount	Amount
Cash flows from operating activities:		
Income before income taxes	29,391	64,713
Depreciation and amortization	58,698	61,802
Impairment loss	4,077	2,252
Amortization of goodwill	6,061	6,353
Interest income	(800)	(924)
Interest expenses and interest on bonds	1,830	5,117
Equity in losses (earnings) of affiliates	916	582
Gain on sales of property and equipment	(470)	(4,884)
Loss on disposals of property and equipment	2,496	3,448
Decrease (increase) in notes and accounts receivable, trade	35,168	(23,918)
Decrease (increase) in trade accounts receivable, financial services	1,844	156
Decrease (increase) in inventories	5,268	(5,513)
Increase (decrease) in notes and accounts payable, trade	(39,930)	28,358
Increase (decrease) in deposits received	161,536	78,856
Net increase (decrease) in corporate bonds in banking business	(20,000)	-
Net increase (decrease) in deposits received in banking business	16,155	(18,009)
Net increase (decrease) in call money in banking business	50,000	50,000
Net decrease (increase) in ATM-related temporary accounts	(14,315)	45,557
Other	(48,349)	(11,611)
Subtotal	249,579	282,339
Interest and dividends received	416	792
Interest paid	(2,380)	(2,601)
Proceeds from settlement of interest rate swaps	-	5,786
Income taxes paid	(52,043)	(36,411)
Net cash provided by operating activities	195,572	249,904
Cash flows from investing activities:		
Acquisition of property and equipment	(76,035)	(86,142)
Proceeds from sales of property and equipment	1,722	20,577
Acquisition of intangible assets	(10,262)	(17,721)
Payment for purchase of investments in securities	(10,143)	(1,100)
Proceeds from sales of investments in securities	6,519	500
Payment for purchase of shares in subsidiaries resulting in change in scope of consolidation	(43,090)	-
Payment for long-term leasehold deposits	(1,356)	(2,512)
Refund of long-term leasehold deposits	5,620	6,523
Proceeds from deposits from tenants	470	1,021
Refund of deposits from tenants	(728)	(1,341)
Payment for acquisition of business	(4,858)	(2,121)
Payment for time deposits	(1,429)	(764)
Proceeds from withdrawal of time deposits	911	1,529
Other	(1,769)	(3,329)
Net cash used in investing activities	(134,431)	(84,881)

(Millions of yen)

	Three Months Ended May 31, 2020	Three Months Ended May 31, 2021
	Amount	Amount
Cash flows from financing activities:		
Net increase (decrease) in short-term loans	219,728	2,660
Proceeds from long-term debts	16,800	15,500
Repayment of long-term debts	(13,354)	(19,829)
Proceeds from commercial paper	101,783	-
Payment for redemption of commercial paper	(69,176)	-
Proceeds from issuance of bonds	-	1,151,516
Purchase of treasury shares	-	(7)
Dividends paid	(44,510)	(44,659)
Dividends paid to non-controlling interests	(444)	(361)
Payment for changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(1,722)
Other	(11,039)	(3,667)
Net cash used in financing activities	199,786	1,099,428
Effect of exchange rate changes on cash and cash equivalents	(1,606)	114,126
Net increase (decrease) in cash and cash equivalents	259,321	1,378,579
Cash and cash equivalents at beginning of period	1,354,856	2,183,837
Cash and cash equivalents at end of period	1,614,178	3,562,416

(4) Doubts on the Premise of Going Concern

None

(5) Notes to Consolidated Quarterly Statements of Income

I. A breakdown of Loss related to novel coronavirus (COVID-19) is as follows.

(Millions of yen)

	Three Months ended May 31, 2020	Three Months ended May 31, 2021
Fixed cost during temporary closure (Salaries and wages, Land and building rent, etc)	21,891	3,793
Cost of support to franchisees	4,531	1,510
Cost of infection prevention and control	1,941	-
Others	1,145	132
Total	29,510	5,436

Note: In addition to the above, 7-Eleven, Inc. and other entities also provide support to franchisees. In accordance with U.S. GAAP etc, the franchise commission included in "Operating revenues" was reduced by 1,919 million yen for the three months ended May 31, 2020. The "Cost of infection prevention and control" was recorded as "Special losses" for the three months ended May 31, 2020, because it was extraordinary expenses. However, it has been considered to be recurring expenses and has been recorded as "Selling, general and administrative expenses" for the three months ended May 31, 2021.

II. A breakdown of Restructuring expenses is as follows.

(Millions of yen)

	Three Months ended May 31, 2020	Three Months ended May 31, 2021
Impairment loss	398	177
Early retirement benefit	354	73
Store closing losses	750	-
Others	20	241
Total	1,524	492

Note: The "Gain on sales of property and equipment related to restructuring" of 1,814 million yen has been recorded separately under "Special gains" for the three months ended May 31, 2021.

(6) Notes to Consolidated Quarterly Statements of Cash Flows

Reconciliation of Cash and cash equivalents as of May 31, 2020 and 2021 between the amounts shown in the consolidated balance sheets and the consolidated statements of cash flows are as follows.

(Millions of yen)

	Three Months ended May 31, 2020	Three Months ended May 31, 2021
Cash and bank deposits	1,617,355	3,567,071
Restricted cash	7,325	7,651
Time deposits with maturities and certificate deposits in excess of three months	(10,502)	(12,306)
Cash and cash equivalents	1,614,178	3,562,416

(7) Segment Information

I. Three Months ended May 31, 2020 (From March 1, 2020 to May 31, 2020)

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

(Millions of yen)

	Reportable segments							Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Department store operations	Financial services	Specialty store operations	Others			
Revenues from operations										
Revenues										
1. Customers	218,633	588,554	425,497	64,007	41,347	52,652	1,130	1,391,823	4	1,391,828
2. Intersegment	314	563	2,818	1,078	7,999	184	3,053	16,013	(16,013)	-
Total	218,947	589,117	428,315	65,086	49,347	52,837	4,184	1,407,837	(16,008)	1,391,828
Segment income (loss)	51,658	11,485	10,373	(1,211)	11,485	(6,056)	(646)	77,087	(5,697)	71,390

Notes:

1. The adjustments on segment income (loss) of (5,697) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
2. Segment income (loss) is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

2. Impairment of Fixed Assets and Goodwill by Reportable Segment

No significant items to be reported.

II. Three Months ended May 31, 2021 (From March 1, 2021 to May 31, 2021)

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

(Millions of yen)

	Reportable segments							Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Department store operations	Financial services	Specialty store operations	Others			
Revenues from operations										
Revenues										
1. Customers	232,123	663,786	450,012	98,940	41,925	66,994	1,589	1,555,371	-	1,555,371
2. Intersegment	356	582	1,672	1,363	7,176	299	4,555	16,005	(16,005)	-
Total	232,479	664,368	451,684	100,303	49,101	67,294	6,145	1,571,376	(16,005)	1,555,371
Segment income (loss)	60,356	12,350	5,843	(2,154)	10,431	(1,688)	1,054	86,194	(8,682)	77,512

Notes:

1. The adjustments on segment income (loss) of (8,682) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
2. Segment income (loss) is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

2. Impairment of Fixed Assets and Goodwill by Reportable Segment

No significant items to be reported.

(Reference)

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

Three Months ended May 31, 2020 (From March 1, 2020 to May 31, 2020) (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
Revenues						
1. Customers	768,455	599,417	23,956	1,391,828	-	1,391,828
2. Intersegment	387	66	-	454	(454)	-
Total	768,842	599,483	23,956	1,392,283	(454)	1,391,828
Operating income (loss)	59,872	11,607	80	71,561	(170)	71,390

Three Months ended May 31, 2021 (From March 1, 2021 to May 31, 2021) (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
Revenues						
1. Customers	851,927	674,743	28,701	1,555,371	-	1,555,371
2. Intersegment	417	87	18	524	(524)	-
Total	852,345	674,831	28,719	1,555,896	(524)	1,555,371
Operating income (loss)	64,791	12,881	10	77,683	(170)	77,512

Notes:

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

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

None

(9) Subsequent Events

I. Change in segment classification

The Company consulted and announced its new five-year Medium-Term Management Plan at the Board of Directors of the Company held on July 1, 2021.

To promote the Medium-Term Management Plan, as a result of examining consistency with its priority strategies, the Company resolved to change the reportable segment classification as follows:

1. Domestic convenience store operations

“Domestic convenience store operations” are mainly supervised by SEVEN-ELEVEN JAPAN CO., LTD. (“SEJ”) and comprise of SEJ and its associated companies. Overseas group companies currently belonging to this segment (in China and Hawaii) are to be reclassified to overseas convenience store operations.

2. Overseas convenience store operations

“Overseas convenience store operations” are mainly supervised by 7-Eleven, Inc. (“SEI”) and comprise of SEI and its associated companies as well as overseas group companies supported, promoted and supervised by SEJ and SEI.

3. Superstore operations

“Superstore operations” operate a retail business that provides a comprehensive range of daily life necessities such as food and other daily necessities which are frequently consumed, comprising of Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., York Co., Ltd., SHELL GARDEN CO., LTD. and the associated companies.

4. Department and specialty store operations

“Department and specialty store operations” operate a retail business that collects and provides various and high-dollar merchandise and services as well as advanced and unique merchandise and services. Sogo & Seibu Co., Ltd., Akachan Honpo Co., Ltd., THE LOFT CO., LTD., Seven & i Food Systems Co., Ltd., Barneys Japan Co., Ltd., Nissen Co., Ltd. and the associated companies belong to this segment.

5. Financial services

“Financial services” operate a banking business, credit card business and leasing business, including Seven Bank, Ltd., its associated companies, Seven Financial Service Co., Ltd., Seven Card Service Co., Ltd. and Seven CS Card Service Co., Ltd.

6. Others

“Others” operate the businesses not belonging to the above five reportable segments, including Seven & i Create Link Co., Ltd. which operates a group-wide real estate business, Seven Culture Network Co., Ltd. involving in culture-studying school business, and Yatsugatake Kogen Lodge Co., Ltd. operating a management business for hotel and holiday home. Peace Deli Co., Ltd. is to be reclassified to the segment “Superstore operations” as this entity newly involves in acquisition and management functions of food-related infrastructures for the group companies belonging to the segment “Superstore operations.” Seven & i Asset Management Co., Ltd. is to be reclassified to the segment “Department and specialty store operations” since this entity is required to increase the real estate values of Department stores in a more integrated way.

The Company and SEVEN & i Financial Center Co., Ltd. are not included in any of the above segments, as they are classified as corporate operations.

Revenues from operations and income or loss for each reportable segment for the three Months ended May 31, 2021 with the revised reportable segment classification are as follows:

Three Months ended May 31, 2021 (From March 1, 2021 to May 31, 2021)

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

(Millions of yen)

	Reportable segments						Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Department and specialty store operations	Financial services	Others			
Revenues from operations									
Revenues									
1. Customers	217,107	678,802	450,012	165,934	41,925	1,589	1,555,371	-	1,555,371
2. Intersegment	429	494	1,672	701	7,176	3,181	13,655	(13,655)	-
Total	217,536	679,296	451,684	166,636	49,101	4,771	1,569,027	(13,655)	1,555,371
Segment income (loss)	60,573	12,136	5,843	(3,442)	10,431	291	85,832	(8,320)	77,512

Notes:

- The adjustments on segment income (loss) of (8,320) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
- Segment income (loss) is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

II. Business combination by acquisition

As of August 3, 2020, the Company’s consolidated subsidiary, 7-Eleven, Inc. executed an agreement with U.S. company Marathon Petroleum Corporation (“MPC”), to acquire the shares and other interests of the companies operating the convenience store and fuel retail businesses of MPC mainly under the Speedway brand (excluding certain fuel retail operations with direct dealers and other certain businesses) (hereinafter, the agreement is referred to as the “Transaction Agreement,” and the acquisition is referred to as the “Transaction”). 7-Eleven, Inc. acquired the shares and other interests of the companies as of May 14, 2021 through SEI Speedway Holdings, LLC established as the Company’s wholly-owned subsidiary. In parallel, the Company entered into a 15-year gasoline supply agreement for the acquired stores with MPC.

1. Overview

Although the business to be acquired in the Transaction consists of multiple companies, we only disclose the information of one representative company in “(1) Name and main business of the acquired company” and “(6) Ratio of voting rights acquired.”

(1) Name and main business of the acquired company

Name: Speedway LLC

Details of business: Operation of convenience store business and fuel retail business

(2) Main reason for the business combination

The growth of the Company’s convenience store business centered around 7-Eleven, Inc. in the North America market, where solid economic growth is expected, is positioned as an important growth engine for our group, and we have been proactively leveraging the positive effects of acquisitions, expansion of our store network and optimization of our supply chain. By carrying out the Transaction, we intend to achieve the following objectives:

(a) Strategic expansion of store network

By combining the powerful 7-Eleven brand that has been cultivated thus far with Speedway’s solid brand, we will add economies of scale in the North America market, and furthermore, by utilizing the product strength and operational know-how of the business cultivated by 7-Eleven, Inc. in the U.S. to increase product sales and improve gross product margin, we expect that it will be possible to further reduce costs, strengthen the customer base, and realize further innovation and an even greater increase in corporate value.

(b) Financial effect

We anticipate synergies and a tax savings due to beneficial tax treatment in the U.S. Furthermore, the Company plans to increase investment efficiency by using sale and leaseback transactions concerning stores acquired by 7-Eleven, Inc. pursuant to the Transaction. Following the Transaction, both the operating income and EBITDA of the business of the Company group in the U.S. are expected to be more than two and half times those of 7-Eleven, Inc. in 2020.

(c) ESG Leadership

In May 2019, the Company group, including 7-Eleven, Inc. as a global retailer representing Japan, announced the “GREEN CHALLENGE 2050,” the Company’s environmental declaration. The Company group is committed to achieving the declaration’s four themes:

(i) reducing CO₂ emissions to achieve a carbon-free society; (ii) measures to realize a circular economy with respect to plastics; (iii) measures for food loss and recycling; and (iv) sustainable procurement to achieve a society that coexists with nature. Following the Transaction, the Company group, including 7-Eleven, Inc. as a leading global retailer, reaffirms that it remains committed to the environmental declaration as part of its ESG efforts, and it will further accelerate these efforts in the North American market through expansion of its network and presence. 7-Eleven, Inc., as a chance of the Transactions, will set mutual and shared targets for 2027 to reduce CO₂ emissions, to utilize more ecofriendly packaging and sustainable food supplies, and to drive reduction in plastic usage for both newly acquired stores and existing stores and aim to enhance long-term corporate value.

(3) Date of the business combination

May 14, 2021

The fiscal year-end of the Company’s overseas subsidiaries is December 31. The Quarterly Financial Statements of those subsidiaries as of and for the three months ended March 31, 2021 are used in preparing the Consolidated Quarterly Financial Statements for the first quarter of the fiscal year ending February 28, 2022. The acquired company will be, therefore, included in the scope of consolidation from the second quarter of the fiscal year ending February 28, 2022.

(4) Legal form of the business combination

Acquisition of shares and other interests

(5) The acquired company’s name after the business combination

The names of the companies will not change subsequent to the business combination.

(6) Ratio of voting rights acquired

100%

(7) Reason for selecting the acquired company

The Company’s subsidiary acquired the shares and other interests of the companies in exchange for cash.

2. Acquisition cost of acquired business and breakdown by type of consideration

Consideration for acquisition: Cash \$21,000 million (¥2,323,230 million)

Acquisition cost: \$21,000 million (¥2,323,230 million)

The consideration for acquisition and acquisition cost will be adjusted based on changes in working capital and other factors up to the closing date in accordance with the Transaction Agreement.

3. Details and amounts of main acquisition-related costs

Not determined at this time.

4. Amount, reason for recognition, and period and method of amortization of goodwill

Not determined at this time.

5. Total amounts and principal breakdowns of assets received and liabilities assumed on the effective date of the business combination

Not determined at this time.

Note: Converted at the rate of \$1 = ¥110.63 (as of May 13, 2021).