

Consolidated Financial Results for the Nine Months Ended November 30, 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: January 13, 2022

Starting date of paying dividend: -

Preparation of brief summary materials for quarterly financial results: Yes

Holding of quarterly financial results presentation: Yes

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

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

1. Business Results for the Nine Months Ended November 30, 2021 (From March 1, 2021 to November 30, 2021)

(1) Results of Operations (Cumulative)

(Millions of yen)

	Revenues from Operations		Operating Income		Ordinary Income	
Nine Months Ended November 30, 2021	6,149,472	43.8%	302,927	6.1%	282,145	2.1%
Nine Months Ended November 30, 2020	4,276,808	(14.0)%	285,632	(10.5)%	276,266	(12.3)%

	Net Income Attributable to Owners of Parent		Net Income per Share		Diluted Net Income per Share	
Nine Months Ended November 30, 2021	174,877	33.5%	198.04	(yen)	198.04	(yen)
Nine Months Ended November 30, 2020	130,987	(22.9)%	148.36	(yen)	148.35	(yen)

(Note) Comprehensive income:

Nine Months Ended November 30, 2021: 326,075 million yen [170.4%]

Nine Months Ended November 30, 2020: 120,589 million yen [(26.0)%]

(Reference) Group's total sales:

Nine Months Ended November 30, 2021: 10,278,237 million yen Nine Months Ended November 30, 2020: 8,266,218 million yen

EBITDA:

Nine Months Ended November 30, 2021: 558,540 million yen Nine Months Ended November 30, 2020: 479,844 million yen

EPS before amortization of goodwill:

Nine Months Ended November 30, 2021: 251.12 yen Nine Months Ended November 30, 2020: 169.59 yen

*Group's total sales 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 November 30, 2021	8,649,303	3,058,492	33.5%	3,278.25 (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 November 30, 2021: 2,895,083 million yen

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

2. Dividends

Record Date	Dividends per Share (yen)				
	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	-	48.00	-		
Year Ending February 28, 2022 (forecast)				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
Entire Year	8,722,000 51.2%	400,000 9.2%	368,500 3.1%	215,000 19.9%	243.47 (yen)

(Note) Revision of business results forecast during the current quarterly period: Yes

(Reference) Group's total sales: 14,226,000 million yen

EBITDA: 759,600 million yen

EPS before amortization of goodwill: 323.42 yen

<Reference>

Qualitative Information on Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2022 (from March 1, 2021 to February 28, 2022)

The Company has revised its consolidated financial results forecast for the fiscal year ending February 28, 2022 from the previous forecast announced on October 7, 2021.

Consolidated financial results forecast

(Millions of yen)

	Year ending February 28, 2022			
	Newly revised forecast	YOY change (%)	YOY change (amount)	Change from the previous forecast
Group's total sales	14,226,000	28.8%	3,181,125	414,000
Revenues from Operations	8,722,000	51.2%	2,955,281	413,000
Operating Income	400,000	9.2%	33,670	20,000
Ordinary Income	368,500	3.1%	11,135	25,000
Net Income Attributable to Owners of Parent	215,000	19.9%	35,737	25,000

Revenues from operations forecast by business segment

(Millions of yen)

	Year ending February 28, 2022			
	Newly revised forecast	YOY change (%)	YOY change (amount)	Change from the previous forecast
Domestic convenience store operations	877,000	2.1%	18,223	(14,000)
Overseas convenience store operations	5,160,000	129.0%	2,906,644	439,000
Superstore operations	1,814,000	0.2%	3,115	(18,000)
Department and specialty store operations	714,000	4.3%	29,339	6,000
Financial services	194,000	(2.5)%	(4,927)	(10,000)
Others	19,000	9.7%	1,676	(1,000)
Total	8,778,000	50.7%	2,954,072	402,000
Eliminations / corporate	(56,000)	—	1,209	11,000
Consolidated total	8,722,000	51.2%	2,955,281	413,000

Operating income forecast by business segment

(Millions of yen)

	Year ending February 28, 2022			
	Newly revised forecast	YOY change (%)	YOY change (amount)	Change from the previous forecast
Domestic convenience store operations	229,100	(2.0)%	(4,600)	(16,500)
Overseas convenience store operations	160,000	62.2%	61,335	31,200
Superstore operations	22,400	(24.5)%	(7,281)	(1,400)
Department and specialty store operations	(8,800)	—	8,644	400
Financial services	39,400	(18.0)%	(8,677)	6,300
Others	(500)	—	70	—
Total	441,600	12.6%	49,490	20,000
Eliminations / corporate	(41,600)	—	(15,820)	—
Consolidated total	400,000	9.2%	33,670	20,000

Assumed exchange rates: U.S.\$1 = 109.90 yen 1yuan = 17.00 yen

4. Others

(1) Changes in significant subsidiaries during the period:

(Changes in specific subsidiaries accompanying change in scope of consolidation): Yes

Added: One company (Speedway LLC) Excluded: One company (Seven & i Asset Management Co., Ltd.)

(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 November 30, 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 November 30, 2021: 3,324,582 shares

As of February 28, 2021: 3,475,704 shares

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

As of November 30, 2021: 883,049,281 shares

As of November 30, 2020: 882,915,831 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 stock 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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Consolidated Quarterly Financial Statements
(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	February 28, 2021	November 30, 2021
	Amount	Amount
ASSETS		
Current assets	3,350,223	2,640,175
Cash and bank deposits	2,189,152	1,386,334
Notes and accounts receivable - trade	318,142	415,385
Trade accounts receivable - financial services	95,010	93,946
Merchandise and finished goods	158,867	237,562
Work in process	80	89
Raw materials and supplies	2,378	2,341
Prepaid expenses	62,009	78,311
ATM-related temporary payments	216,471	86,540
Other	315,465	347,500
Allowance for doubtful accounts	(7,353)	(7,836)
Non-current assets	3,594,022	6,007,096
Property and equipment	2,206,023	3,175,336
Buildings and structures, net	994,096	1,499,135
Furniture, fixtures and equipment, net	330,185	420,880
Land	746,284	1,104,083
Lease assets, net	7,789	7,385
Construction in progress	110,019	113,474
Other, net	17,647	30,376
Intangible assets	645,873	2,076,498
Goodwill	349,882	1,693,428
Software	152,324	199,950
Other	143,666	183,119
Investments and other assets	742,125	755,261
Investments in securities	204,107	220,682
Long-term loans receivable	14,194	14,279
Long-term leasehold deposits	339,405	332,350
Advances for store construction	203	542
Net defined benefit asset	79,888	83,492
Deferred income taxes	44,352	40,720
Other	63,338	66,275
Allowance for doubtful accounts	(3,364)	(3,082)
Deferred assets	2,586	2,031
Business commencement expenses	1,934	1,498
Bond issuance costs	652	532
TOTAL ASSETS	6,946,832	8,649,303

(Millions of yen)

	February 28, 2021	November 30, 2021
	Amount	Amount
LIABILITIES		
Current liabilities	2,782,433	3,024,201
Notes and accounts payable, trade	385,289	533,358
Short-term loans	619,953	626,166
Current portion of bonds	66,917	143,736
Current portion of long-term loans	146,747	133,653
Income taxes payable	21,283	12,900
Accrued expenses	124,070	236,172
Deposits received	236,400	209,840
ATM-related temporary advances	130,167	49,945
Allowance for sales promotion expenses	19,859	21,662
Allowance for bonuses to employees	14,853	4,334
Allowance for bonuses to Directors and Audit & Supervisory Board Members	360	208
Allowance for loss on future collection of gift certificates	933	792
Provision for sales returns	27	27
Deposits received in banking business	741,422	749,993
Other	274,145	301,408
Non-current liabilities	1,333,063	2,566,608
Bonds	565,000	1,553,445
Long-term loans	362,592	500,027
Deferred income taxes	78,879	106,329
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	774	751
Allowance for stock payments	4,008	3,845
Net defined benefit liability	9,309	12,474
Deposits received from tenants and franchised stores	50,783	51,578
Asset retirement obligations	99,072	118,441
Other	162,644	219,715
TOTAL LIABILITIES	4,115,497	5,590,810
NET ASSETS		
Shareholders' equity	2,647,023	2,731,743
Common stock	50,000	50,000
Capital surplus	409,069	409,018
Retained earnings	2,198,805	2,283,002
Treasury stock, at cost	(10,851)	(10,276)
Total accumulated other comprehensive income	21,902	163,339
Unrealized gains on available-for-sale securities, net of taxes	35,729	41,504
Unrealized gains (losses) on hedging derivatives, net of taxes	1,580	1,551
Foreign currency translation adjustments	(30,835)	106,685
Remeasurements of defined benefit plans	15,427	13,598
Subscription rights to shares	56	56
Non-controlling interests	162,352	163,352
TOTAL NET ASSETS	2,831,335	3,058,492
TOTAL LIABILITIES AND NET ASSETS	6,946,832	8,649,303

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

(Millions of yen)

	Nine Months Ended November 30, 2020	Nine Months Ended November 30, 2021
	Amount	Amount
Revenues from operations	4,276,808	6,149,472
Net sales	3,335,939	5,156,640
Cost of sales	2,565,359	4,161,821
Gross profit on sales	770,580	994,819
Operating revenues	940,868	992,831
Gross profit from operations	1,711,448	1,987,651
Selling, general and administrative expenses	1,425,816	1,684,723
Operating income	285,632	302,927
Non-operating income	6,888	9,378
Interest income	2,303	2,682
Equity in earnings of affiliates	-	2,067
Other	4,585	4,628
Non-operating expenses	16,254	30,160
Interest expenses	7,330	8,634
Interest on bonds	811	12,443
Equity in losses of affiliates	590	-
Commitment fee	268	3,380
Other	7,253	5,702
Ordinary income	276,266	282,145
Special gains	5,969	16,981
Gain on sales of property and equipment	1,464	4,850
Gain on sales of property and equipment related to restructuring	-	1,975
Subsidy income	3,645	5,241
Gain on sales of investments in securities	160	3,126
Other	699	1,787
Special losses	74,721	39,671
Loss on disposals of property and equipment	8,031	10,074
Impairment loss	16,359	12,144
Loss related to novel coronavirus(COVID-19)	36,888	9,923
Restructuring expenses	7,118	866
Other	6,324	6,661
Income before income taxes	207,514	259,454
Total income taxes	64,924	75,249
Income taxes - current	76,546	52,299
Income taxes - deferred	(11,621)	22,950
Net income	142,589	184,205
Net income attributable to non-controlling interests	11,601	9,327
Net income attributable to owners of parent	130,987	174,877

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Nine Months Ended November 30, 2020	Nine Months Ended November 30, 2021
	Amount	Amount
Net income	142,589	184,205
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities net of taxes	9,530	5,792
Unrealized gains (losses) on hedging derivatives, net of taxes	(141)	(29)
Foreign currency translation adjustments, net of taxes	(30,798)	137,835
Remeasurements of defined benefit plans, net of taxes	(582)	(1,858)
Share of other comprehensive income (loss) of entities accounted for using equity method, net of taxes	(6)	129
Total other comprehensive income (loss)	(21,999)	141,869
Comprehensive income (loss)	120,589	326,075
Comprehensive income (loss) attributable to owners of parent	109,366	316,315
Comprehensive income (loss) attributable to non-controlling interests	11,223	9,759

(3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Nine Months Ended November 30, 2020	Nine Months Ended November 30, 2021
	Amount	Amount
Cash flows from operating activities:		
Income before income taxes	207,514	259,454
Depreciation and amortization	175,468	208,738
Impairment loss	18,148	12,493
Amortization of goodwill	18,744	46,874
Interest income	(2,303)	(2,682)
Interest expenses and interest on bonds	8,141	21,077
Equity in losses (earnings) of affiliates	590	(2,067)
Gain on sales of property and equipment	(1,464)	(6,825)
Subsidy income	(3,645)	(5,241)
Loss on disposals of property and equipment	8,044	10,074
Loss (gain) on sales of investments in securities	-	(3,126)
Decrease (increase) in notes and accounts receivable, trade	(8,279)	(60,429)
Decrease (increase) in trade accounts receivable, financial services	5,839	1,063
Decrease (increase) in inventories	1,910	(21,463)
Increase (decrease) in notes and accounts payable, trade	14,315	65,901
Increase (decrease) in deposits received	(17,746)	(26,529)
Net increase (decrease) in corporate bonds in banking business	(20,000)	-
Net increase (decrease) in deposits received in banking business	45,177	8,570
Net decrease (increase) in ATM-related temporary accounts	38,888	49,736
Other	(64)	(13,037)
Subtotal	489,277	542,582
Interest and dividends received	1,783	4,147
Interest paid	(7,238)	(16,743)
Proceeds from settlement of interest rate swaps	-	5,921
Proceeds from subsidy income	3,607	5,241
Income taxes paid	(95,984)	(66,105)
Income taxes refund	-	6,544
Net cash provided by operating activities	391,444	481,588
Cash flows from investing activities:		
Acquisition of property and equipment	(208,179)	(252,612)
Proceeds from sales of property and equipment	5,449	140,795
Acquisition of intangible assets	(37,392)	(63,212)
Payment for purchase of investments in securities	(21,847)	(17,207)
Proceeds from sales of investments in securities	13,525	101,065
Payment for purchase of shares in subsidiaries resulting in change in scope of consolidation	(42,284)	(2,267,991)
Payment for long-term leasehold deposits	(6,098)	(7,809)
Refund of long-term leasehold deposits	21,063	18,262
Proceeds from deposits from tenants	1,871	3,481
Refund of deposits from tenants	(2,332)	(2,410)
Payment for acquisition of business	(8,556)	(6,723)
Payment for time deposits	(3,966)	(3,859)
Proceeds from withdrawal of time deposits	1,779	2,215
Other	(7,053)	(11,058)
Net cash used in investing activities	(294,021)	(2,367,065)

(Millions of yen)

	Nine Months Ended November 30, 2020	Nine Months Ended November 30, 2021
	Amount	Amount
Cash flows from financing activities:		
Net increase (decrease) in short-term loans	11,412	6,122
Proceeds from long-term debts	126,504	289,142
Repayment of long-term debts	(79,647)	(190,623)
Proceeds from commercial paper	286,575	80,888
Payment for redemption of commercial paper	(286,575)	(80,888)
Proceeds from issuance of bonds	-	1,178,385
Payment for redemption of bonds	(60,000)	(148,353)
Proceeds from share issuance to non-controlling shareholders	183	238
Purchase of treasury shares	(7)	(16)
Dividends paid	(86,889)	(87,351)
Dividends paid to non-controlling interests	(4,000)	(3,866)
Payment for changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(770)	(1,723)
Other	(22,379)	(11,637)
Net cash provided by financing activities	(115,593)	1,030,317
Effect of exchange rate changes on cash and cash equivalents	(2,190)	50,377
Net increase (decrease) in cash and cash equivalents	(20,360)	(804,782)
Cash and cash equivalents at beginning of period	1,354,856	2,183,837
Cash and cash equivalents at end of period	1,334,495	1,379,054

(4) Doubts on the Premise of Going Concern

None

(5) Change in Scope of Consolidation or Equity Method Application

(Significant change in the scope of consolidation)

During the second quarter of the current fiscal year, the Company's consolidated subsidiary, 7-Eleven, Inc. established its wholly-owned subsidiary, SEI Speedway Holdings, LLC, which acquired the shares and other interests from Marathon Petroleum Corporation.

Due to the acquisition, the company has included Speedway LLC and other 20 companies in the scope of consolidation.

This change in the scope of consolidation has significant impact on the consolidated financial statements for the fiscal year to which the third quarter of the current fiscal year belongs.

The overview of the impact is increase in total assets on the consolidated balance sheets and increase in net sales on the consolidated statements of income, etc.

(6) Notes to Consolidated Quarterly Statements of Income

I. A breakdown of Subsidy income is as follows.

(Millions of yen)

	Nine Months Ended November 30, 2020	Nine Months Ended November 30, 2021
Subsidy income related to COVID-19	-	3,555
Subsidies for employment adjustment	3,645	1,686
Total	3,645	5,241

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

(Millions of yen)

	Nine Months Ended November 30, 2020	Nine Months Ended November 30, 2021
Fixed cost during temporary closure (Salaries and wages, Land and building rent, etc.)	22,047	8,204
Cost of support to franchisees	4,689	1,492
Cost of infection prevention and control	6,630	-
Others	3,520	226
Total	36,888	9,923

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 10,439 million yen for the nine months ended November 30, 2020.

The "Cost of infection prevention and control" was recorded as "Special losses" for the nine months ended November 30, 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 nine months ended November 30, 2021.

III. A breakdown of Restructuring expenses is as follows.

(Millions of yen)

	Nine Months Ended November 30, 2020	Nine Months Ended November 30, 2021
Impairment loss	1,789	348
Early retirement benefit	2,465	168
Store closing losses	1,131	-
Others	1,731	349
Total	7,118	866

Note: The "Gain on sales of property and equipment related to restructuring" of 1,975 million yen has been recorded separately under "Special gains" for the nine months ended November 30, 2021.

(7) Notes to Consolidated Quarterly Statements of Cash Flows

Reconciliation of Cash and cash equivalents as of November 30, 2020 and 2021 between the amounts shown in the consolidated balance sheets and the consolidated statements of cash flows is as follows.

(Millions of yen)

	Nine Months Ended November 30, 2020	Nine Months Ended November 30, 2021
Cash and bank deposits	1,339,617	1,386,334
Restricted cash	7,182	7,815
Time deposits with maturities and certificate deposits in excess of three months	(12,304)	(15,094)
Cash and cash equivalents	1,334,495	1,379,054

(8) Segment Information

I. Nine Months Ended November 30, 2020 (From March 1, 2020 to November 30, 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 and specialty store operations	Financial services	Others			
Revenues from operations									
Revenues									
1. Customers	647,134	1,684,887	1,323,989	489,552	126,746	4,453	4,276,763	44	4,276,808
2. Intersegment	1,106	1,537	6,302	2,020	23,997	8,328	43,292	(43,292)	-
Total	648,241	1,686,425	1,330,291	491,572	150,744	12,781	4,320,056	(43,247)	4,276,808
Segment income (loss)	182,287	79,878	19,905	(14,771)	37,486	(469)	304,317	(18,685)	285,632

Notes:

- The adjustments on segment income (loss) of (18,685) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
- Segment income (loss) is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

2. Impairment of Fixed Assets and Goodwill by Reportable Segment

No significant items to be reported.

II. Nine Months Ended November 30, 2021 (From March 1, 2021 to November 30, 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 and specialty store operations	Financial services	Others			
Revenues from operations									
Revenues									
1. Customers	660,567	3,518,916	1,332,386	508,229	124,322	4,995	6,149,418	53	6,149,472
2. Intersegment	1,339	1,846	4,651	2,058	21,617	9,214	40,728	(40,728)	-
Total	661,906	3,520,763	1,337,038	510,288	145,940	14,210	6,190,147	(40,674)	6,149,472
Segment income (loss)	177,274	124,785	10,123	(10,217)	30,289	(8)	332,246	(29,319)	302,927

Notes:

- The adjustments on segment income (loss) of (29,319) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
- Segment income (loss) is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

2. Information on Reportable Segment change

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 from the second quarter ended August 31, 2021 as follows:

Segment information for the third quarter ended November 30, 2020 has been reclassified into the new segment classification.

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 (in China and Hawaii) have been 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. has been 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. has been 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.

To improve the profitability and the financial base, Sogo & Seibu Co., Ltd. (“Sogo & Seibu”), merged with Seven & i Asset Management Co., Ltd. with Sogo & Seibu as the surviving company in September 2021.

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.

3. Information on Assets by Reportable Segment

(Significant increase in assets due to acquisition of subsidiaries)

Speedway LLC and other 20 companies have been included in the scope of consolidation in the second quarter ended August 31, 2021 due to acquisitions of shares and other interests.

As a result, assets in Overseas convenience store operations at the third quarter ended November 30, 2021 have been increased by 1,755,124 million yen from the fiscal year ended February 28, 2021.

4. Impairment of Fixed Assets and Goodwill by Reportable Segment

(Significant changes in the amount of goodwill)

Speedway LLC and other 20 companies have been included in the scope of consolidation in the second quarter ended August 31, 2021 due to acquisitions of shares and other interests.

As a result, the amount of goodwill in Overseas convenience store operations has been increased by 1,338,031 million yen.

The amount above is provisional since the purchase price allocation has not been finalized.

(Reference)

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

Nine Months Ended November 30, 2020 (From March 1, 2020 to November 30, 2020)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
Revenues						
1. Customers	2,534,046	1,670,780	71,981	4,276,808	-	4,276,808
2. Intersegment	770	244	46	1,061	(1,061)	-
Total	2,534,816	1,671,024	72,028	4,277,869	(1,061)	4,276,808
Operating income (loss)	204,161	80,877	751	285,790	(158)	285,632

Nine Months Ended November 30, 2021 (From March 1, 2021 to November 30, 2021)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
Revenues						
1. Customers	2,564,379	3,502,009	83,083	6,149,472	-	6,149,472
2. Intersegment	872	333	66	1,273	(1,273)	-
Total	2,565,252	3,502,342	83,150	6,150,745	(1,273)	6,149,472
Operating income (loss)	177,248	124,824	1,016	303,089	(162)	302,927

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.

(9) Business Combination**Nine Months Ended November 30, 2021 (From March 1, 2021 to November 30, 2021)**

Purchase price allocation adjustments

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). 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, and made provisional acquisition accounting in the second quarter of the fiscal year ended Aug 31, 2021. The Company continues provisional acquisition accounting in the third quarter of the fiscal year ended November 30, 2021. However, the Company recognized purchase price allocation adjustments to reflect new information about facts and circumstances in existence as of the acquisition date. In addition, the amount of the purchase price has been changed due to adjustments of the consideration paid. As a result, the amount of goodwill has been revised as follows.

Goodwill [before revision]	\$11,781,074 thousand	¥1,303,340 million
Revised amount of goodwill		
Changes in purchase price due to adjustments of consideration paid	\$3,008 thousand	¥332 million
Decrease (increase) in property and equipment	\$156,936 thousand	¥17,361 million
Decrease (increase) in intangible assets	\$233,054 thousand	¥25,782 million
Increase (decrease) in Non-current liabilities	(\$76,438 thousand)	(¥8,456 million)
Other	(\$2,981 thousand)	(¥329 million)
Total	\$313,579 thousand	¥34,691 million
Goodwill [after revision]	\$12,094,653 thousand	¥1,338,031 million

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

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

None