

Seven & i Holdings Co., Ltd. Financial Results Presentation for the Third Quarter of FY2014

January 7, 2014 Seven & i Holdings Co., Ltd.



Consolidated Financial Results for the Nine Months Ended November 30, 2013

Overview of Consolidated Financial Results

• Achieved record-high operating income and net income

(Billions of yen)

	Nine Months Ended November 30, 2013			
	Amount	YOY	Change from previous year	
Total Group sales*	7,181.6	113.6%	+859.7	
Revenues from operations	4,186.5	113.8%	+509.0	
Operating income	249.1	115.1%	+32.7	
Net income	128.0	132.0%	+31.0	

Exchange rate (income statements): U.S.\$1=96.83 yen, down 17.44 yen YOY

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Operating Income by Business Segment

●Operating income increased mainly due to increased profits in convenience store operations and financial services (Billions of yen)

	Nine Months Ended Nov. 30, 2013		3Q (from Sept. to Nov., 20		v., 2013)	
	Amount	YOY	Change from previous year	Amount	YOY	Change from previous year
Consolidated operating income	249.1	115.1%	+32.7	84.5	122.2%	+15.3
Convenience stores	197.5	114.6%	+25.1	68.8	123.0%	+12.8
Superstores	17.0	132.5%	+4.1	5.2	145.3%	+1.6
Department stores [before amortization of goodwill]	(1.6) [2.2]	-	(1.5)	(1.1) [0.1]	-	+0.3
Food services	0.2	54.2%	(0.2)	(0.6)	-	(0.6)
Financial services	34.4	119.4%	+5.6	11.5	113.1%	+1.3
Others	2.0	67.4%	(0.9)	0.6	69.1%	(0.3)

^{*} Total Group sales include the sales of Seven-Eleven Japan and 7-Eleven, Inc. franchisees.

Operating Income for Major Operating Companies

• Seven-Eleven Japan and 7-Eleven, Inc. achieved record-high operating income

(Billions of yen)

	Nine Months Ended Nov. 30, 2013		Nine Months Ended Nov. 30, 20		3Q (from	Sept. to No	ov., 2013)
	Amount	YOY	Change from previous year	Amount	YOY	Change from previous year	
Seven-Eleven Japan	163.8	113.0%	+18.8	52.5	116.8%	+7.5	
7-Eleven, Inc.	38.5	130.6%	+9.0	17.7	151.3%	+6.0	
Ito-Yokado	3.7	270.6%	+2.3	1.0	171.6%	+0.4	
York- Benimaru (including Life Foods*)	11.7	109.2%	+0.9	3.2	117.2%	+0.4	
Sogo & Seibu	1.3	78.4%	(0.3)	(0.1)	-	+0.2	

*Life Foods (LF): Life Foods is a wholly owned subsidiary which produces and sells delicatessen items in York-Benimaru stores.

(Note) The combined operating income for YB and LF are management figures provided for reference purposes.

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Plans of Consolidated Financial Results for the Fiscal Year Ending February 28, 2014

Plans of Consolidated Financial Results for FY2014

•Plans for FY2014 are unchanged from the initial plans

(Billions of yen)

	FY2014 Plans			
	Amount	YOY	Change from the previous year	
Total Group sales*	9,560.0	112.4%	+1,052.3	
Revenues from operations	5,640.0	113.0%	+648.3	
Operating income	340.0	115.0%	+44.3	
Net income	170.0	123.1%	+31.9	

Exchange rate (income statements): FY2014 plan 92.00 yen, down 12.19 yen YOY

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Plans of Consolidated Financial Results: Operating Income by Business Segment

●Plans of operating income by segment is unchanged from the initial plans (Billions of yen)

	FY2014 Plans		
	Amount	YOY	Change from the previous year
Consolidated operating income	340.0	115.0%	+44.3
Convenience stores	249.0	112.3%	+27.2
Superstores	39.6	155.3%	+14.1
Department stores	8.9	110.8%	+0.8
Food services	1.4	194.0%	+0.6
Financial services	41.4	110.6%	+3.9
Others	4.0	102.9%	+0.1

^{*}Total Group sales include total store sales of Seven-Eleven Japan and 7-Eleven, Inc.

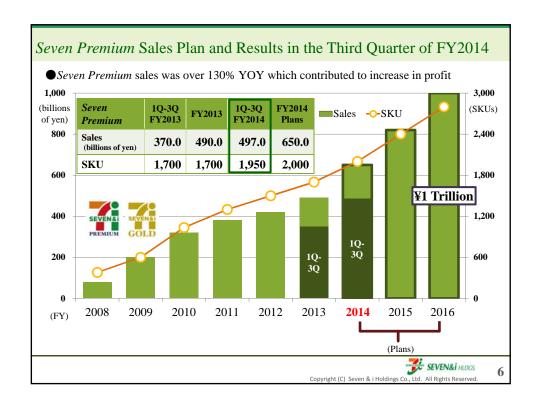
Outline of today's presentation



Group Private Brand Products: Seven Premium

Business Strategies for Major Operating Companies

Adapting to an Omni Channel Era





● Kirin Beverage Company, Limited

Seven Gold Golden Earl Grey Tea 138 yen



●Ezaki Glico Co., Ltd.

Seven Premium Pretzel 128 yen



●Lotte Ice Cream Co., Ltd. (First *Seven Gold* product)

Seven Gold Golden Chocolate Ganache Ice Cream Bar

195 yen



●Meiji Co., Ltd.
Seven Premium Cacao 198 yen



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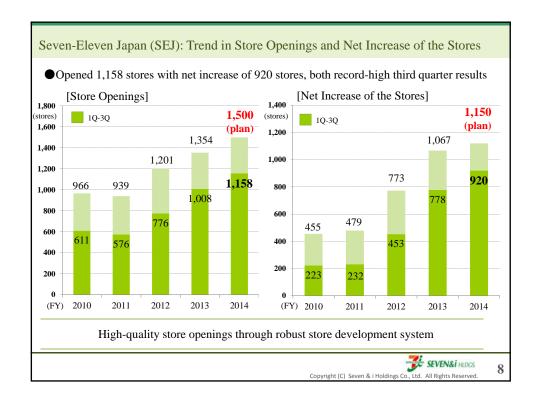
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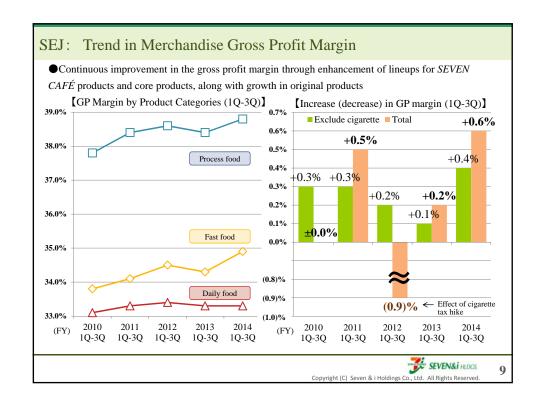


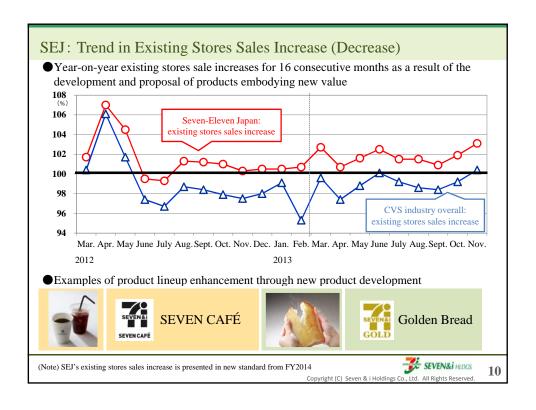
Group Private Brand Products: Seven Premium

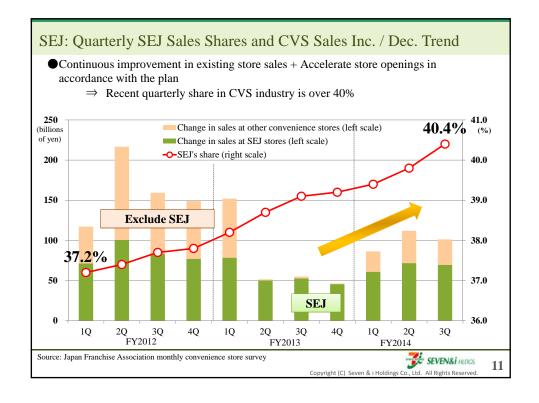
Business Strategies for Major Operating Companies

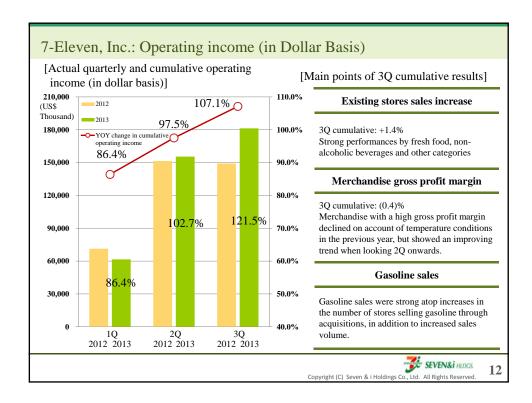
Adapting to an Omni Channel Era

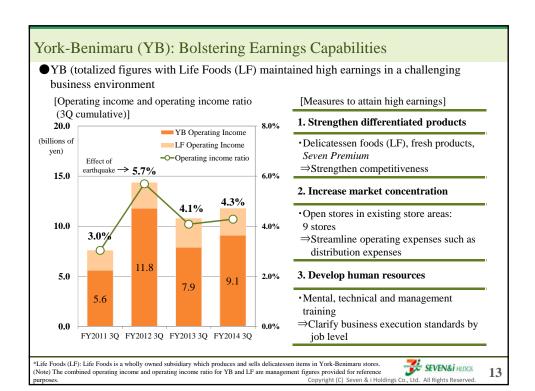












Ito-Yokado (IY): Structural Reforms of Apparel

• Apparel returned to profitability thanks to structural and merchandise reforms

1. Promoting Structural Reform

Structural store reforms (FY2011 – FY2014 3Q)	71 stores
Sales floor space of apparel	Down 10% (66,000) m ²

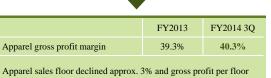
2. Strengthen development of PB products

area rose approx. 1% in FY2014 3Q.

Develop PB apparel products		FY2013	FY2014 3Q
	Percentage of net sales	33%	45%
	Percentage of gross profit	41%	52%



Number of stores implementing structural reforms in FY2014 3Q: 16





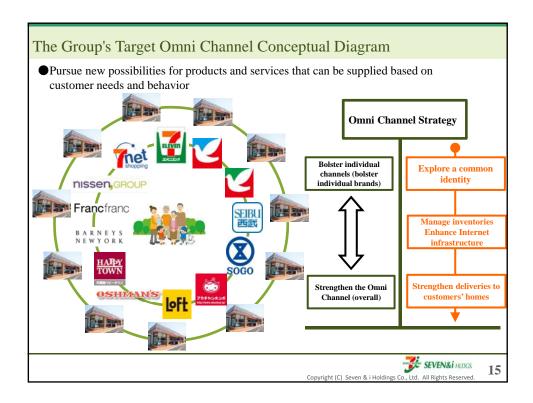
Measures to enhance merchandising capabilities have begun following the success of private-brand apparel initiatives

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Group Private Brand Products: Seven Premium

Business Strategies for Major Operating Companies

Adapting to an Omni Channel Era

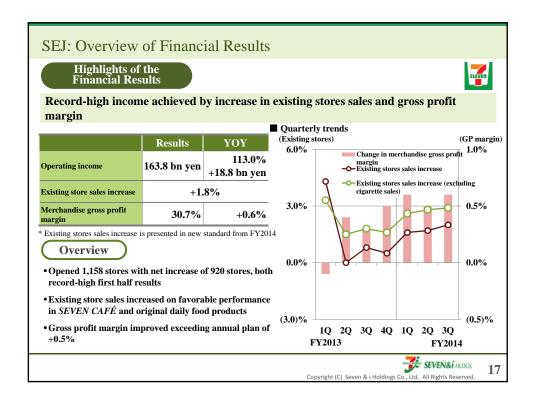


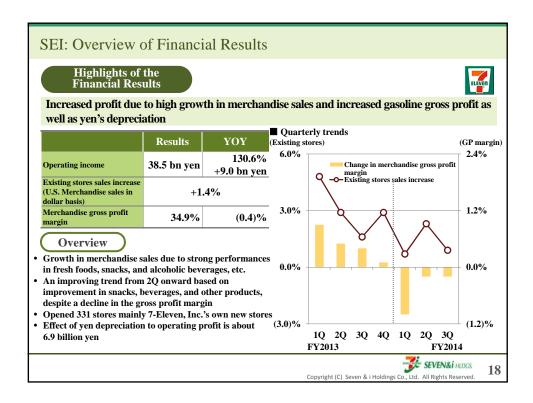
Laying the Groundwork for the Omni Channel Strategy

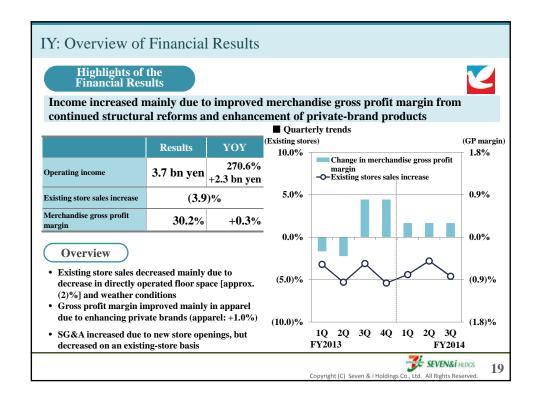
●Enhancing on-site and merchandising capabilities will serve as the basis for all actions; M&As could be an option for obtaining capabilities that the group does not have.

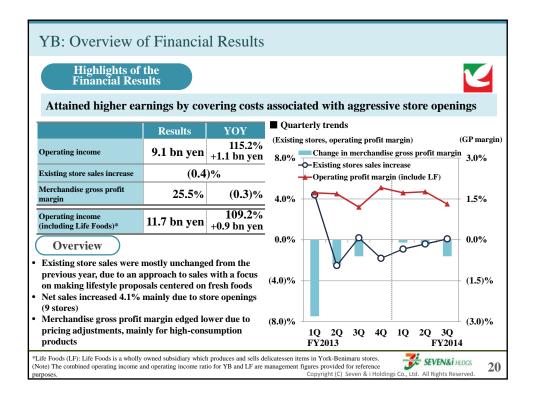
Announcement date	Actions	Remarks
December 2 (Mon)	Commencement of tender offer for shares of Nissen Holdings Co., Ltd.	Convert into a consolidated subsidiary
December 4 (Wed) Acquisition of equity stake in Barneys Japan Co., Ltd.		Convert into an equity- method affiliate
December 10 (Tue)	Capital and business alliance with Tenmaya Store Co., Ltd., and Tenmaya Company	Convert into an equity- method affiliate
December 25 (Wed)	Capital and business alliance with BALS CORPORATION	Convert into an equity- method affiliate
January 7 (Tue)	Absorption of Seven & i Net Media Co., Ltd. by Seven Net Shopping Co., Ltd. through merger	Unify the Internet business

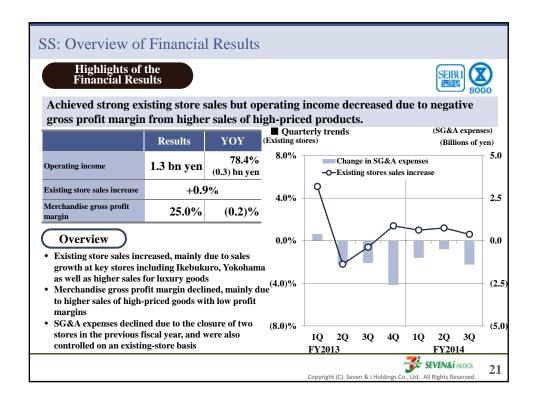












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