



**Seven & i Holdings Co., Ltd.  
Financial Results Presentation  
for the Fiscal Year ended February 28, 2014**

**April 4, 2014  
Seven & i Holdings Co., Ltd.**

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**Consolidated Financial Results  
for the Fiscal Year ended February 28, 2014**

## Overview of Consolidated Financial Results

- Record-high operating income for a third consecutive year, topping 300 bn yen in the domestic retail industry for the first time

(Billions of yen)

	FY2014 Results			
	Amount	YOY	Change from the previous year	Change from the plan
Total Group sales*	9,597.8	112.8%	+1,090.2	+37.8
Revenues from operations	5,631.8	112.8%	+640.1	(8.1)
Operating income	339.6	114.9%	+43.9	(0.3)
Net income	175.6	127.3%	+37.6	+5.6

Exchange rate (income statements): FY2014 result 97.73 yen [decline of 17.92 yen YOY]

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



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1

## Operating Income by Business Segment

- Operating income increased mainly due to increased profits in convenience store operations and financial services

(Billions of yen)

	FY2014 Results			
	Amount	YOY	Change from the previous year	Change from the plan
Consolidated operating income	339.6	114.9%	+43.9	(0.3)
Convenience store operations	257.5	116.1%	+35.7	+8.5
Superstore operations	29.6	116.4%	+4.1	(9.9)
Department store operations	6.5	82.1%	(1.4)	(2.3)
Food services	0.6	83.7%	(0.1)	(0.7)
Financial services	44.9	120.0%	+7.4	+3.5
Others	2.1	55.7%	(1.7)	(1.8)



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2

## Operating Income for Major Operating Companies

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

(Billions of yen)

	FY2014 Results				Remarks
	Amount	YOY	Change from the previous year	Change from the plan	
Seven-Eleven Japan	212.7	113.9%	+26.0	+7.7	Achieved record-high for a third consecutive year
7-Eleven, Inc.	51.2	134.1%	+13.0	+1.5	Achieved record-high for a second consecutive year
Ito-Yokado	11.2	124.7%	+2.2	(5.5)	Improved GP margin
York-Benimaru (including Life Foods*)	16.5	106.3%	+0.9	(2.2)	Increased operating income
Sogo & Seibu	10.1	101.0%	+0.1	(1.8)	Increased operating income

\*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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3

## Plan for Consolidated Financial Results for the Fiscal Year ending February 28, 2015

## Plan for Consolidated Financial Results

### ● Plan to achieve increased revenues and profit

(Billions of yen)

	FY2015 Plan		
	Amount	YOY	Change from the previous year
Total Group sales*	10,200.0	106.3%	+602.1
Revenues from operations	6,130.0	108.8%	+498.1
Operating income	356.0	104.8%	+16.3
Net income	184.0	104.7%	+8.3

Exchange rate (income statements): FY2015 plan 102.00 yen [decline of 4.27 yen YOY]

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



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4

## Plan for Consolidated Financial Results: Operating Income by Segment

### ● Income growth planned for all segments

(Billions of yen)

	FY2015 Plan		
	Amount	YOY	Change from the previous year
Consolidated operating income	356.0	104.8%	+16.3
Convenience store operations	270.0	104.8%	+12.4
Superstore operations	32.8	110.6%	+3.1
Department store operations	8.2	124.4%	+1.6
Food services	1.3	215.2%	+0.6
Financial services	47.5	105.8%	+2.5
Mail order services	(4.7)	-	-
Others	3.7	170.8%	+1.5



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5

## Plan for Consolidated Financial Results: Operating Income by Major Operating Company

### ● Income growth planned for all major operating companies

(Billions of yen)

	FY2015 Plan		
	Amount	YOY	Change from the previous year
Seven-Eleven Japan	219.0	102.9%	+6.2
7-Eleven, Inc.	58.7	114.6%	+7.4
Ito-Yokado	13.0	115.7%	+1.7
York-Benimaru (including Life Foods*)	16.7	101.0%	+0.1
Sogo & Seibu	12.0	118.3%	+1.8

\*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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6

## Plan for Capital Expenditure by Segment

### ● Actively pursue growth opportunities, mainly in convenience store operations

(Billions of yen)

	FY2015 Plan		
	Amount	YOY	Change from the previous year
Consolidated capital expenditure	395.0	117.3%	+58.2
Convenience store operations	238.0	120.4%	+40.2
Superstore operations	73.0	109.5%	+6.3
Department store operations	16.2	103.9%	+0.6
Food services	2.8	123.0%	+0.5
Financial services	46.0	117.0%	+6.6
Mail order services	3.0	-	-
Others	6.0	79.3%	(1.5)
Corporate	10.0	131.8%	+2.4



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7

## Plan for Capital Expenditure by Major Operating Company

### ● Invest for growth in new store openings and revitalization of existing stores

(Billions of yen)

	FY2015 Plan		
	Amount	YOY	Change from the previous year
Consolidated capital expenditure	395.0	117.3%	+58.2
Seven-Eleven Japan	145.0	116.6%	+20.6
7-Eleven, Inc.	90.5	112.8%	+10.3
Ito-Yokado	49.5	103.2%	+1.5
York-Benimaru	11.5	107.5%	+0.8



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8

## 【Appendix】

### Overview of Financial Results for Major Operating Companies

## Convenience Store Operations: Results (1)

### Seven-Eleven Japan



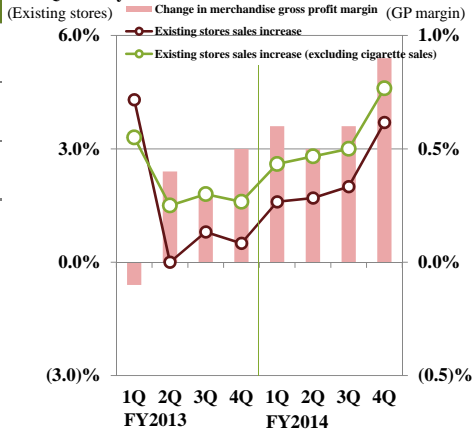
Record-high income achieved by increases in existing stores' sales and gross profit margin

	Results	YOY
Operating income	212.7 bn yen	113.9% +26.0 bn yen
Existing store sales increase	+2.3%	
Merchandise gross profit margin	30.7%	+0.7%

#### Overview

- Opened 1,579 stores with net increase of 1,247 stores, both record-high
- Existing store sales increased 2.3% on favorable performance in *SEVEN CAFÉ* and original daily food products (annual plan:+1.3%)
- Gross profit margin improved by +0.7%, exceeding annual plan of +0.5%

#### Quarterly trends



(Note) SEJ's existing store sales increase is presented in new standard from FY2014



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9

## Convenience Store Operations: Results (2)

### 7-Eleven, Inc.



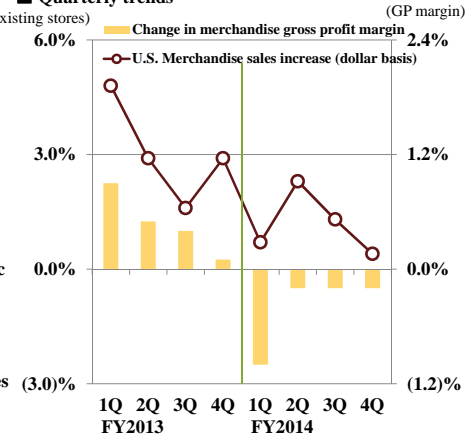
Increased profit due to high growth in merchandise sales and increased gross profit on gasoline as well as yen's depreciation

	Results	YOY
Operating income	51.2 bn yen	134.1% +13.0 bn yen
Existing store sales increase (U.S. Merchandise sales in dollar basis)	+1.0%	
Merchandise gross profit margin	34.8%	(0.4)%

#### Overview

- Growth in existing store merchandise sales : +1.0% strong performances in fresh foods, snacks, and alcoholic beverages, etc.
- Merchandise gross profit margin: (0.4)% mainly due to cigarette sales and acquired stores with lower margin
- Opened 462 stores mainly 7-Eleven, Inc.'s own new stores
- Effect of yen depreciation to operating profit is about +9.4 billion yen

#### Quarterly trends



\*Fiscal year-end: December



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10

## Convenience Store Operations: FY2015 Plan

### Seven-Eleven Japan

Operating income: 219.0 bn yen [YOY 102.9%, Change +6.2 bn yen]

	Plan [YOY]	Remarks
Total store sales	4,000.0 bn yen[105.8%]	Contribution from improvement in existing stores and new store openings
Existing store sales increase	+1.0%	Impact from cigarettes: (1.0)%
Merchandise gross profit margin	31.0%[+0.3%]	Impact from cigarettes: +0.2%
Number of stores	17,519 stores[+1,200 stores]	Openings: 1,600 stores Closures: 400 stores

### 7-Eleven, Inc.

Operating income: 58.7 bn yen [YOY114.6 %, Change +7.4 bn yen]

	Plan [YOY]	Remarks
Total store sales	2,843.0 bn yen[107.6%]	Contribution from improvement in existing stores and new store openings
Existing store sales increase (U.S. merchandise)	+2.3%	Strengthen operational capability and contribution by remodeling
Merchandise gross profit margin	35.0%[+0.2%]	Expansion of fresh food and private-brand products
Number of stores	8,622 stores [+330 stores]	Openings: 450 stores Closures: 120 stores



11

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## Superstore Operations: Results (1)

### Ito-Yokado



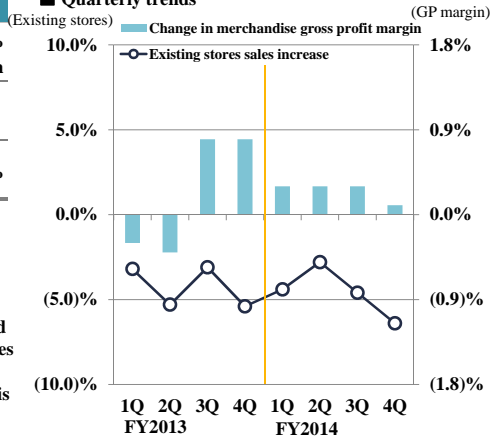
Increased profit by promoting structural reforms and strengthening private brands to boost merchandise gross profit margin

	Results	YOY
Operating income	11.2 bn yen	124.7% +2.2 bn yen
Existing store sales increase	(4.6)%[(3.3)%*]	
Merchandise gross profit margin	30.2%	+0.3%

### Overview

- Existing store sales decreased mainly due to weather conditions and review of promotional method
- Gross profit margin improved for apparel, household goods, and foods mainly due to an increase in the sales composition of private-brand products
- SG&A decreased about 4% on an existing-store basis

### Quarterly trends



\* Existing store sales for shopping centers(SC) total



12

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## Superstore Operations: Results (2)

### York-Benimaru

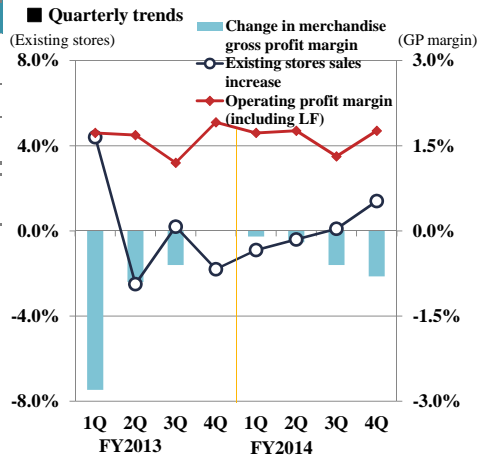


Increased profit by improving sales and reducing operating expenses at existing stores

	Results	YOY
Operating income	12.7 bn yen	107.3% +0.8 bn yen
Existing store sales increase	+0.1%	
Merchandise gross profit margin	25.6%	(0.4)%
Operating income (including Life Foods)*	16.5 bn yen	106.3% +0.9 bn yen

### Overview

- Existing store sales : +0.1% mainly due to a sales approach focused on making lifestyle proposals centered on fresh foods
- Net sales increased 4.7% mainly due to store openings (11 stores)
- Merchandise gross profit margin edged lower due to pricing adjustments, mainly for high-consumption products



\*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.



13

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## Superstore Operations: FY2015 Plan

### Ito-Yokado

Operating income: 13.0 bn yen [YOY 115.7%, Change +1.7 bn yen]

	Plans [YOY]	Remarks
Net sales	1,265.3 bn yen [98.8%]	—
Existing store sales increase	(3.0)%	Assuming uncertain consumption environment continues
Merchandise gross profit margin	30.5% [+0.3%]	Improvements expected mainly by strengthening private brand products
Number of stores	181-188stores [+2 - 9stores]	Openings 7-12 stores (SC 1 store) Closures: 3-5 stores

### York-Benimaru

Operating income: 12.8 bn yen [YOY 100.7%, Change +80 mn yen]

\*Operating income (including Life Foods): 16.7 bn yen [YOY 101.0%, Change +0.1 bn yen]

	Plans [YOY]	Remarks
Net sales	392.0 bn yen [104.6%]	Contribution from growth in existing stores and new stores
Existing store sales increase	+0.2%	Strengthening weekdays and differentiation by strengthening fresh food
Merchandise gross profit margin	25.8% [+0.2%]	Management of fresh food and strengthening sales of private-brand products
Number of stores	199 stores [+6 stores]	Openings: 8 stores Closure: 2 stores



14

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## Department Store Operations: Results

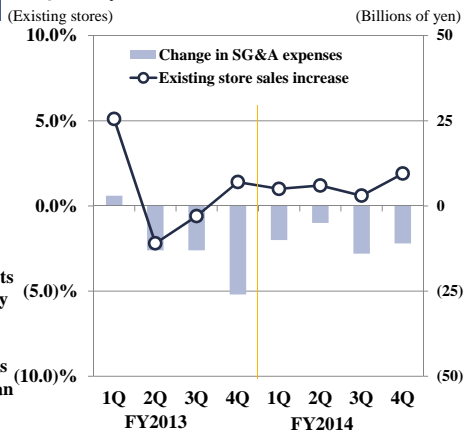
Sogo & Seibu



Increased profit due to strong existing store sales centered on key stores

	Results	YOY
Operating income	10.1 bn yen	101.1% +0.1 bn yen
Existing store sales increase	+1.2%	
Merchandise gross profit margin	24.8%	(0.1)%

### Quarterly trends



### Overview

- Existing store sales increased 1.2%, mainly due to sales growth at key stores including Ikebukuro, as well as higher sales for luxury goods and private brand products
- Merchandise gross profit margin declined 0.1%, mainly due to higher sales of high-priced goods with low profit margins
- SG&A expenses declined due to the closure of two stores in the previous fiscal year, and were also controlled on an existing-store basis



15

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## Department Store Operations: FY2015 Plan

Sogo & Seibu

Operating income: 12.0 bn yen [YOY 118.3%, Change +1.8 bn yen]

	Plans [YOY]	Remarks
Net sales	803.0 bn yen [101.7%]	—
Existing store sales increase	+1.7%	Positive growth expected for key stores
Merchandise gross profit margin	25.0% [+0.2%]	Strengthening apparel by expansion of <i>Limited Edition</i> and other private-brand products
Number of stores	24 stores [±0 store]	—



16

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