



Seven & i Holdings Co., Ltd.
Financial Results Presentation
for the Second Quarter of FY2015

October 3, 2014
Seven & i Holdings Co., Ltd.

Consolidated Financial Results for the
Six Months Ended August 31, 2014

Overview of Consolidated Financial Results

- Achieved record-high revenues from operations, operating income, and net income

(Billions of yen)

| | Six Months Ended August 31, 2014 | | | |
|--------------------------|----------------------------------|--------|---------------------------|----------------------|
| | Amount | YOY | Change from previous year | Change from the plan |
| Group's total sales* | 5,082.9 | 107.0% | +330.4 | +32.9 |
| Revenues from operations | 3,004.4 | 107.0% | +196.7 | (35.5) |
| Operating income | 167.2 | 101.6% | +2.6 | (2.7) |
| Net income | 83.9 | 100.7% | +0.5 | +0.4 |

Exchange rate (income statements): U.S.\$1=102.46 yen, down 6.73 yen YOY

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

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Operating Income by Business Segment

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

(Billions of yen)

| | Six Months Ended August 31, 2014 | | |
|-------------------------------|----------------------------------|--------|---------------------------|
| | Amount | YOY | Change from previous year |
| Consolidated operating income | 167.2 | 101.6% | +2.6 |
| Convenience store operations | 136.8 | 106.3% | +8.1 |
| Superstore operations | 9.1 | 77.8% | (2.6) |
| Department store operations | (0.09) | - | +0.4 |
| Food services | 0.02 | 3.0% | (0.8) |
| Financial services | 24.0 | 105.0% | +1.1 |
| Mail order services | (3.0) | - | (3.0) |
| Others | 1.8 | 134.5% | +0.4 |

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Operating Income for Major Operating Companies

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

(Billions of yen)

| | Six Months Ended August 31, 2014 | | | | Major Factors on YOY Changes |
|--|----------------------------------|--------|---------------------------|-------------------------------|---|
| | Amount | YOY | Change from previous year | Existing Store Sales Increase | |
| Seven-Eleven Japan | 115.8 | 104.0% | +4.5 | +2.6% | Growth in existing store sales and improvements in merchandise gross profit margins |
| 7-Eleven, Inc. | 23.9 | 115.5% | +3.2 | +1.6% | Growth in existing store sales |
| Ito-Yokado | 0.6 | 25.2% | (1.9) | (4.1)% | Decrease in existing store sales due to unseasonable weather |
| York-Benimaru (including Life Foods*¹) | 8.5 | 100.0% | ±0.0 | +0.8% * ² | Growth in existing store sales and strong performance of Life Foods |
| Sogo & Seibu | 1.7 | 111.3% | +0.1 | +0.6% | Rush demand in March and sales growth in August |

*¹Life Foods is a wholly owned subsidiary which produces and sells delicatessen in York-Benimaru stores.

*²Existing store sales increase figures for York-Benimaru non-consolidated base.

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7-Eleven, Inc.

● Quarterly operating income results

| | 1Q | | 2Q | | 1 st Half | |
|---|---------|--------|---------|--------|----------------------|--------|
| | Results | YOY | Results | YOY | Results | YOY |
| FY2014 Operating income(\$ thousand) | 55,561 | 90.2% | 178,620 | 114.9% | 234,181 | 107.9% |
| FY2014 Operating income(¥ million) | 5,710 | 100.2% | 18,284 | 121.2% | 23,994 | 115.5% |
| FY2013 Existing store sales increase (U.S. Merchandise sales) | +0.7% | | +2.3% | | +1.6% | |
| FY2014 Existing store sales increase (U.S. Merchandise sales) | +1.0% | | +2.1% | | +1.6% | |

1Q: Impact of a severe cold wave and absence of reduced expenses (approx. \$13 million) associated with the previous year's change in the paid leave system

2Q: Double-digit earnings growth driven by strong fast food sales centered on hot food

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Plans of Consolidated Financial Results for FY2015

● Initial plans for both consolidated and segment performance are unchanged;

Measures will be rigorously implemented to achieve our plans.

(Billions of yen)

| | FY2015 Plans | |
|--------------------------|--------------|--------|
| | Amount | YOY |
| Group's total sales | 10,200.0 | 106.3% |
| Revenues from operations | 6,130.0 | 108.8% |
| Operating income | 356.0 | 104.8% |
| Net income | 184.0 | 104.7% |

Exchange rate (income statements): FY2015 plan 102.00 yen, down 4.27 yen YOY

【Supplementary Material】 Overview of Financial Results for Major Operating Companies

Convenience Store Operations: Results (1)

Seven-Eleven Japan

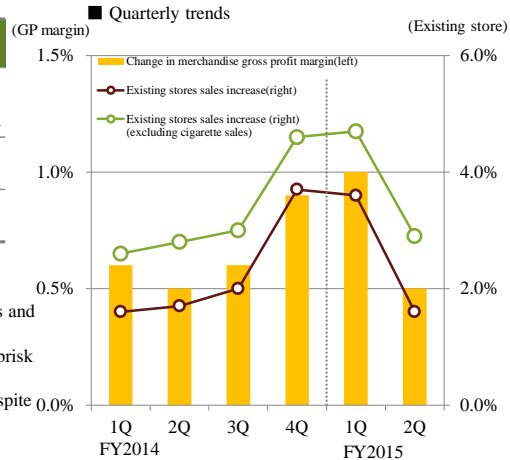


Product initiatives implemented in conjunction with the consumption tax increase and unsteady weather led to the achievement of record-high operating income for the fourth straight year.

| | Results | YOY |
|---------------------------------|--------------|-----------------------|
| Operating income | 115.8 bn yen | 104.0% +4.5 bn yen |
| Existing store sales increase | +2.6% | |
| Merchandise gross profit margin | 31.4% | +0.8% |

Overview

- Existing store sales: Increased after renewing original products and *Seven Premium* goods
- Gross profit margin: Significantly improved due to continued brisk sales of *SEVEN CAFÉ*(+0.3%) and effect of cigarettes(+0.3%)
- Operating income: Achieved record-high operating income despite the unseasonable weather



Convenience Store Operations: Results (2)

7-Eleven, Inc.

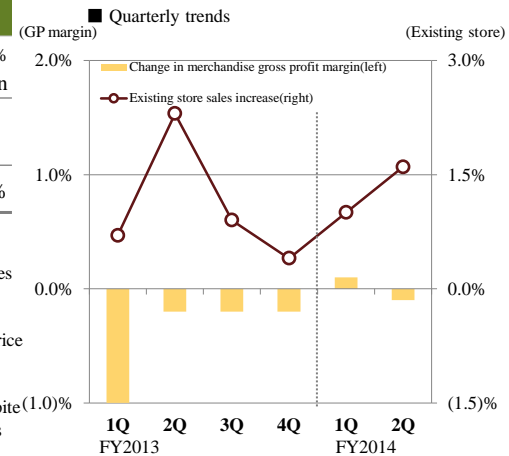


Growth in merchandise sales at existing stores driven by strong fast foods sales resulted in double-digit operating income growth

| | Results | YOY |
|---|-------------|------------------------|
| Operating income | 23.9 bn yen | 115.5% + 3.2 bn yen |
| Existing stores sales increase (U.S. Merchandise sales in dollar basis) | +1.6% | |
| Merchandise gross profit margin | 34.6% | (0.1)% |

Overview

- Merchandise sales: Increased due to growth in fast foods sales centered on hot foods despite the impact of the severe cold wave in the first quarter
- Gross profit margin: Decreased mainly due to competitive price setting for cigarettes
- Operating income: Double-digit growth in operating income mainly driven by a higher existing stores sales increase, despite special factors in the first quarter last year (reduced expenses associated with the change of paid leave system)



Superstore Operations: Results (1)

Ito-Yokado

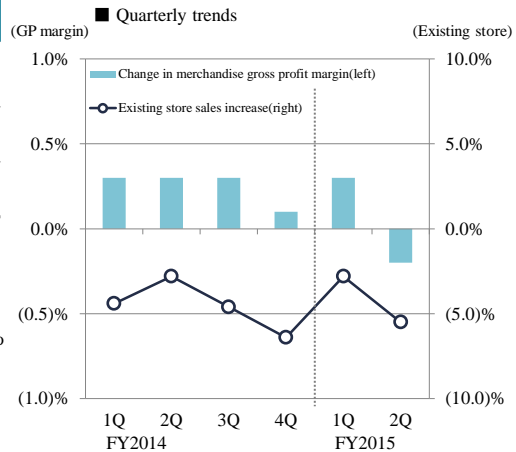


Lower operating income mainly reflected a decrease in existing store sales

| | Results | YOY |
|---------------------------------|------------|----------------------|
| Operating income | 0.6 bn yen | 25.2% (1.9)bn yen |
| Existing store sales increase | (4.1)% | |
| Merchandise gross profit margin | 29.9% | +0.1% |

Overview

- Existing store sales: Decreased due to fall-back following demand surge, unseasonable weather in summer, and optimizing directly-managed sales areas (increasing tenants)
- Gross profit margin: Increased by 0.1 percentage point due to an improvement in food, despite higher discount losses on apparel
- SG&A: Down 1.1% despite increase in electricity charges offset by decreased land and building rent expenses and salaries and wages



Superstore Operations: Results (2)

York-Benimaru

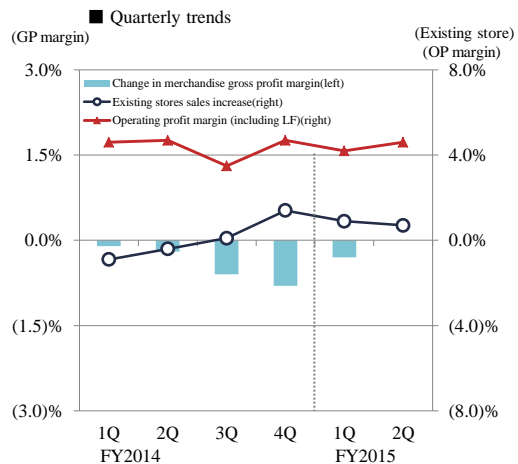


Existing store sales increased and operating income remained in line from the initial plans

| | Results | YOY |
|--|------------|-----------------------|
| Operating income | 6.1 bn yen | 94.3% (0.3) bn yen |
| Existing store sales increase | +0.8% | |
| Merchandise gross profit margin | 25.3% | (0.1)% |
| Operating income (including Life Foods)* | 8.5 bn yen | 100.0% |

Overview

- Existing store sales: Increased on brisk sales of fresh foods despite a fall-back following a surge in demand
- Gross profit margin: Maintained food at the same level as the previous fiscal year, although apparel and household goods declined
- SG&A: Up 6.9% on increases in electricity rates and new stores (9 more than in the 2Q ended August 2013)



*Life Foods is wholly owned subsidiary which produces and sells delicatessen in York-Benimaru stores.

Department Store Operations: Results

Sogo & Seibu

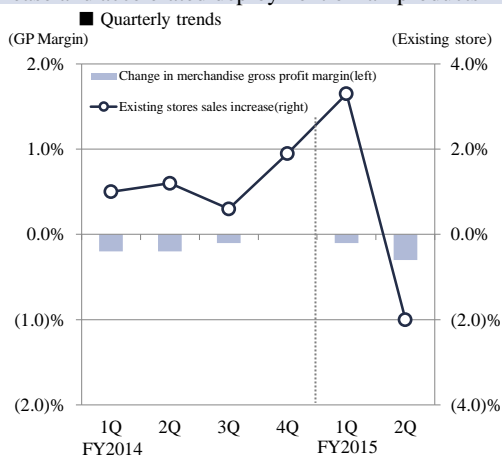


Posted higher operating income, outweighing the impact of a lower gross profit margin, as a result of a surge in demand ahead of the consumption tax increase and accelerated deployment of fall products

| | Results | YOY |
|---------------------------------|------------|-----------------------|
| Operating income | 1.7 bn yen | 111.3% +0.1 bn yen |
| Existing store sales increase | +0.6% | |
| Merchandise gross profit margin | 24.7% | (0.2)% |

Overview

- Existing store sales: Growth centered on the major stores thanks to higher sales of premium products due to a surge in demand ahead of the consumption tax increase and deployment of fall products in line with falling temperatures in late August
- Gross profit margin: Slight decrease due to growth in sales of premium and food products with low gross profit margins
- SG&A: Decreased only 0.2% despite an increase in advertising and decoration expenses associated with the launch of a shopping point system for food



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