



Consolidated Financial Results Presentation for the Fiscal Year ended February 28, 2017

Overview of Consolidated Financial Results for FY2017

(Billions of yen)	Q3 cumulative		Q4		FY2017		
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change	Vs Budg Difference vs Budg
Group's* total sales	7,909.3	98.6% (115.7)	2,712.1	101.3% +34.2	10,621.5	99.2% (81.5)	101.2% +121.5
Revenues from operations	4,288.9	95.0% (224.9)	1,546.7	101.0% +14.9	5,835.6	96.5% (210.0)	101.1% +65.6
Operating income	274.0	105.0% +12.9	90.5	99.2% (0.7)	364.5	103.5% +12.2	103.3% +11.5
Ordinary income	276.4	106.6% +16.9	88.0	97.0% (2.7)	364.4	104.1% +14.2	103.8% +13.4
Income before income taxes	172.1	73.9% (60.8)	45.4	64.2% (25.3)	217.5	71.6% (86.2)	- -
Net income attributable to owners of parent	75.5	60.2% (49.9)	21.2	59.8% (14.2)	96.7	60.1% (64.1)	120.9% +16.7

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

Revenues from Operations by Business Segment for FY2017 (1)

(Billions of yen)	Q3 cumulative		Q4		FY2017		
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change	Vs Budg Difference vs Budg
Consolidated revenues from operations	4,288.9	95.0% (224.9)	1,546.7	101.0% +14.9	5,835.6	96.5% (210.0)	101.1% +65.6
Convenience store operations	1,891.4	92.7% (149.3)	659.2	103.8% +24.0	2,550.6	95.3% (125.2)	103.7% +90.6
Superstore operations	1,501.9	98.5% (22.8)	523.6	97.7% (12.1)	2,025.5	98.3% (34.9)	97.9% (44.4)
Department store operations	610.7	96.6% (21.6)	241.4	95.7% (10.9)	852.1	96.3% (32.5)	101.1% +9.1
Food services	62.1	98.6% (0.9)	20.3	98.2% (0.3)	82.5	98.5% (1.2)	100.0% (0.0)

Revenues from Operations by Business Segment for FY2017 (2)

(Billions of yen)	Q3 cumulative		Q4		FY2017		
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change	Vs Budg Difference vs Budg
Consolidated revenues from operations	4,288.9	95.0% (224.9)	1,546.7	101.0% +14.9	5,835.6	96.5% (210.0)	101.0% +65.6
Financial services	148.9	103.4% +4.8	52.9	109.5% +4.6	201.9	104.9% +9.4	99.5% (1.0)
Mail order services	87.1	75.1% (28.8)	52.0	122.0% +9.3	139.2	87.7% (19.5)	107.9% +10.2
Others	42.2	92.0% (3.6)	15.1	97.0% (0.4)	57.4	93.2% (4.1)	100.7% +0.4
Eliminations / corporate	(55.7)	- (2.5)	(18.0)	- +0.7	(73.8)	- (1.7)	- +0.7

Operating Income by Business Segment for FY2017 (1)

(Billions of yen)	Q3 cumulative		Q4		FY2017		
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change	Vs Budg Difference vs Budg
Consolidated operating income	274.0	105.0% +12.9	90.5	99.2% (0.7)	364.5	103.5% +12.2	103.3% +11.5
Convenience store operations	241.9	102.7% +6.2	71.2	104.1% +2.8	313.1	103.0% +9.0	101.4% +4.1
Superstore operations	12.3	- +11.9	10.5	155.0% +3.7	22.9	316.6% +15.6	199.2% +11.4
Department store operations	(3.5)	- (0.2)	7.2	101.6% +0.1	3.6	95.8% (0.1)	91.8% (0.3)
Food services	0.2	31.8% (0.5)	0.2	226.1% +0.1	0.5	56.2% (0.4)	171.7% +0.2

Operating Income by Business Segment for FY2017 (2)

(Billions of yen)	Q3 cumulative		Q4		FY2017		
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change	Vs Budg Difference vs Budg
Consolidated revenues from operations	274.0	105.0% +12.9	90.5	99.2% (0.7)	364.5	103.5% +12.2	103.3% +11.5
Financial services	38.9	103.4% +1.2	11.1	92.9% (0.8)	50.1	100.9% +0.4	96.4% (1.8)
Mail order services	(7.7)	- (0.4)	(7.3)	- (6.2)	(15.0)	- (6.6)	- (4.5)
Others	3.1	83.1% (0.6)	1.4	83.8% (0.2)	4.6	83.3% (0.9)	92.6% (0.3)
Eliminations / corporate	(11.4)	- (4.6)	(3.9)	- (0.1)	(15.3)	- (4.8)	- +2.9

Operating Income for Major Operating Companies for FY2017

(Billions of yen)	Q3 cumulative		Q4		FY2017		
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change	Vs Budg Difference vs Budget
Seven-Eleven Japan	187.1	103.9% +7.0	56.3	102.5% +1.3	243.4	103.6% +8.4	100.6% +1.4
7-Eleven, Inc. [in dollar basis]	59.4 [547.2 mn]	96.6% [107.6%] (2.1) [+38.7 mn]	17.2 [157.6 mn]	108.1% [120.0%] +1.2 [+26.2 mn]	76.6 [704.8 mn]	99.0% [110.2%] (0.8) [+65.0 mn]	102.8% [100.2%] +2.0 [+1.0 mn]
Ito-Yokado	(4.3)	- +10.0	4.4	- +3.9	0.05	- +14.0	- +11.0
York-Benimaru <incl. Life Foods* >	13.3	110.8% +1.3	5.3	94.8% (0.2)	18.7	105.7% +1.0	100.9% +0.1
Sogo & Seibu	(1.7)	- (1.9)	6.1	84.3% (1.1)	4.3	58.6% (3.0)	86.8% ▲0.6

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

The combined operating income for York-Benimaru and Life Foods represents internal management reporting figures.

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Overview of Special Losses for FY2017

(Billions of yen)	Amount	Change from previous year	Major factors for the change
Special losses total	151.2	+98.7	Increased mainly due to expansion of impairment losses, in addition to the recording of restructuring expenses and amortization of goodwill
Restructuring expenses	25.6	+14.9	SS: 17.2 bn yen IY: 4.0 bn yen Includes impairment losses 10.6 bn yen
Impairment loss on property and equipment	49.1	+26.4	Impairment losses related to stores IY: 18.6 bn yen SS: 13.7 bn yen Loss on inventory disposal on business closure related to Nissen
Amortization of goodwill	39.3	+37.4	Impairment of goodwill related to the department store operations and others
Loss on disposals of property and equipment	18.3	+6.8	Increase due to the introduction of the Seventh-Generation Integrated Information System at SEJ, etc.
Reference			
Special losses [From Dec. 1 to Feb. 28]	44.2	+20.4	Due to store closure expenses and store impairment at IY and SS, etc.



Consolidated Financial Results Forecasts for FY2018

Change in Business Segments

Reason for the change

To help drive progress on this Medium-Term Management Plan, strengthen a segment administration scheme based on management approach.

Overview of business segment changes

Previous	“Convenience store operations”, “Superstore operations” “Department store operations”, “Food services”, “Financial services” “Mail order services” and “Others”
New	“Domestic convenience store operations”, “Overseas convenience store operations” “Superstore operations”, “Department store operations” “Financial services” “Specialty store operations” and “Others”

New business segments

Convenience store operations is positioned as a growth pillar and domestic and overseas operations will be managed separately to reflect their different environmental attributes.

Specialty store operations has been established in place of Food services and Mail order services, concentrating its specialty stores, which had previously been divided between each business segment.

Consolidated Financial Results Forecasts for FY2018

(Billions of yen)	1 st Half		2 nd Half		FY2018	
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change
Group's total sales*	5,530.0	104.7% +249.5	5,620.0	105.2% +278.9	11,150.0	105.0% +528.4
Revenues from operations	2,989.0	104.3% +122.8	3,111.0	104.8% +141.4	6,100.0	104.5% +264.3
Operating income	190.8	105.1% +9.3	195.7	106.9% +12.5	386.5	106.0% +21.9
Ordinary income	188.1	103.0% +5.4	196.9	108.3% +15.1	385.0	105.7% +20.5
Net income attributable to owners of parent	95.8	286.1% +62.3	81.2	128.3% +17.9	177.0	182.9% +80.2

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

Revenues from Operations Forecasts by Business Segment for FY2018

(Billions of yen)	Amount	YOY	Change from previous year
Consolidated revenues from operations	6,100.0	104.5%	+264.3
Domestic convenience store operations	935.0	103.7%	+33.6
Overseas convenience store operations	1,978.0	119.3%	+319.4
Superstore operations	1,920.0	98.5%	(29.3)
Department store operations	674.0	92.4%	(55.6)
Financial services	207.0	102.5%	+5.0
Specialty store operations	422.0	93.7%	(28.4)
Others	30.8	129.1%	+6.9
Eliminations / corporate	(66.8)	-	+12.5

Operating Income Forecasts by Business Segment for FY2018

(Billions of yen)	Amount	YOY	Change from previous year
Consolidated operating income	386.5	106.0%	+21.9
Domestic convenience store operations	245.0	100.5%	+1.1
Overseas convenience store operations	77.0	114.2%	+9.5
Superstore operations	25.2	124.6%	+4.9
Department store operations	5.2	181.4%	+2.3
Financial services	51.5	102.7%	+1.3
Specialty store operations	(1.7)	-	+9.5
Others	3.6	89.9%	(0.4)
Eliminations / corporate	(19.3)	-	(6.6)

Operating Income Forecasts for Major Operating Companies for FY2018

(Billions of yen)	Amount	YOY	Change from previous year	Existing store sales increase
Seven-Eleven Japan	244.0	100.2%	+0.5	+1.5%
7-Eleven, Inc. [in dollar basis]	89.0 [\$809.0 mn]	116.1% [114.8%]	+12.3 [+\$ 104.2 mn]	+3.1%
Ito-Yokado	4.0	-	+3.9	±0.0%
York-Benimaru 〈including Life Foods*1〉	19.6	104.5%	+0.8	+1.2% ^{*2}
Sogo & Seibu	5.0	115.2%	+0.6	(0.5)%

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

The combined operating income for York-Benimaru and Life Foods represents internal management reporting figures.

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

Capital Expenditure Forecasts by Business Segment for FY2018

(Billions of yen)	Amount	YOY	Change from previous year
Consolidated capital expenditure	807.0	210.1%	+422.8
Domestic convenience store operations	183.2	145.4%	+57.2
Overseas convenience store operations	510.0	346.4%	+362.7
Superstore operations	41.1	82.1%	(8.9)
Department store operations	13.3	109.5%	+1.1
Financial services	37.7	144.6%	+11.6
Specialty store operations	3.8	203.8%	+1.9
Others	1.9	39.3%	(2.9)
Eliminations / corporate	10.0	96.4%	(0.3)

Capital Expenditure Forecasts for Major Operating Companies for FY2018

(Billions of yen)	Amount	YOY	Existing store sales increase
Seven-Eleven Japan	180.0	143.9%	+54.9
7-Eleven, Inc. [in dollar basis]	510.0 [\$4,636.3 mn]	235.3% [232.7%]	+293.2 [+\$2,643.5 mn]
Ito-Yokado	19.3	63.0%	(11.3)
York-Benimaru	15.0	121.7%	+2.6
Sogo & Seibu	13.0	110.4%	+1.2



Appendix

Convenience Store Operations: Results (1)

Seven-Eleven Japan

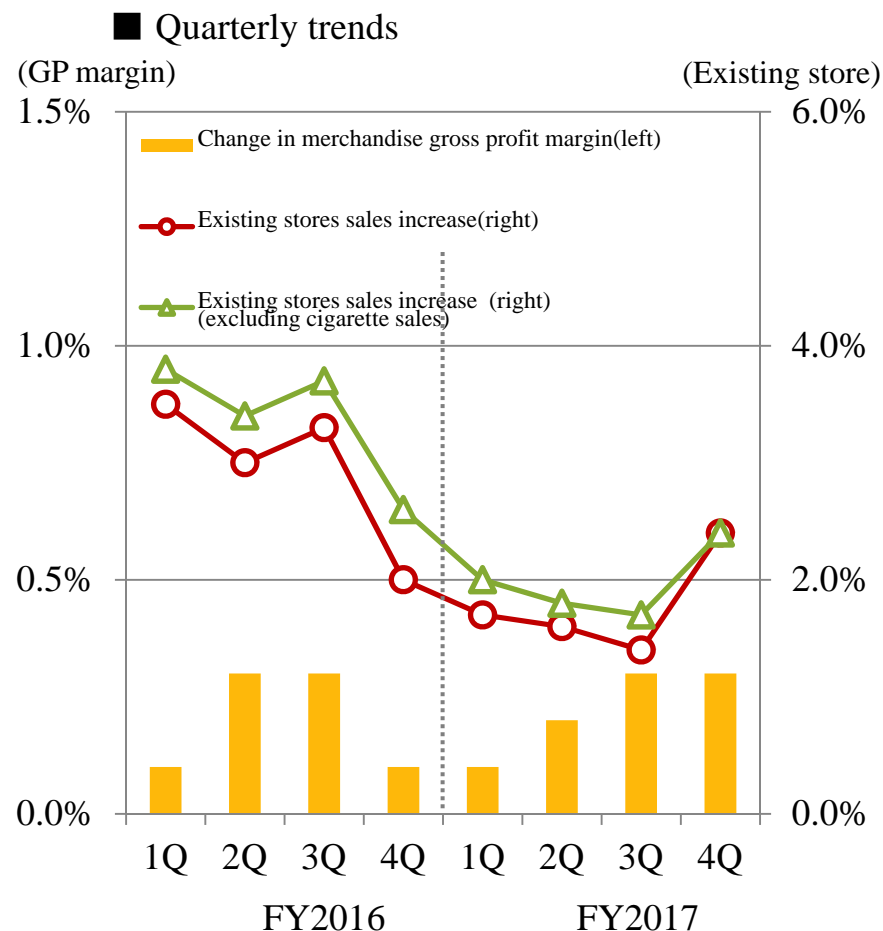


Record-high income for a sixth consecutive year resulted from increased existing store sales and improvement of gross profit margin

	Results	YOY
Operating income	243.4 bn yen	103.6% +8.4 bn yen
Existing store sales increase	+1.8%	
Merchandise gross profit margin	31.8%	+0.2%

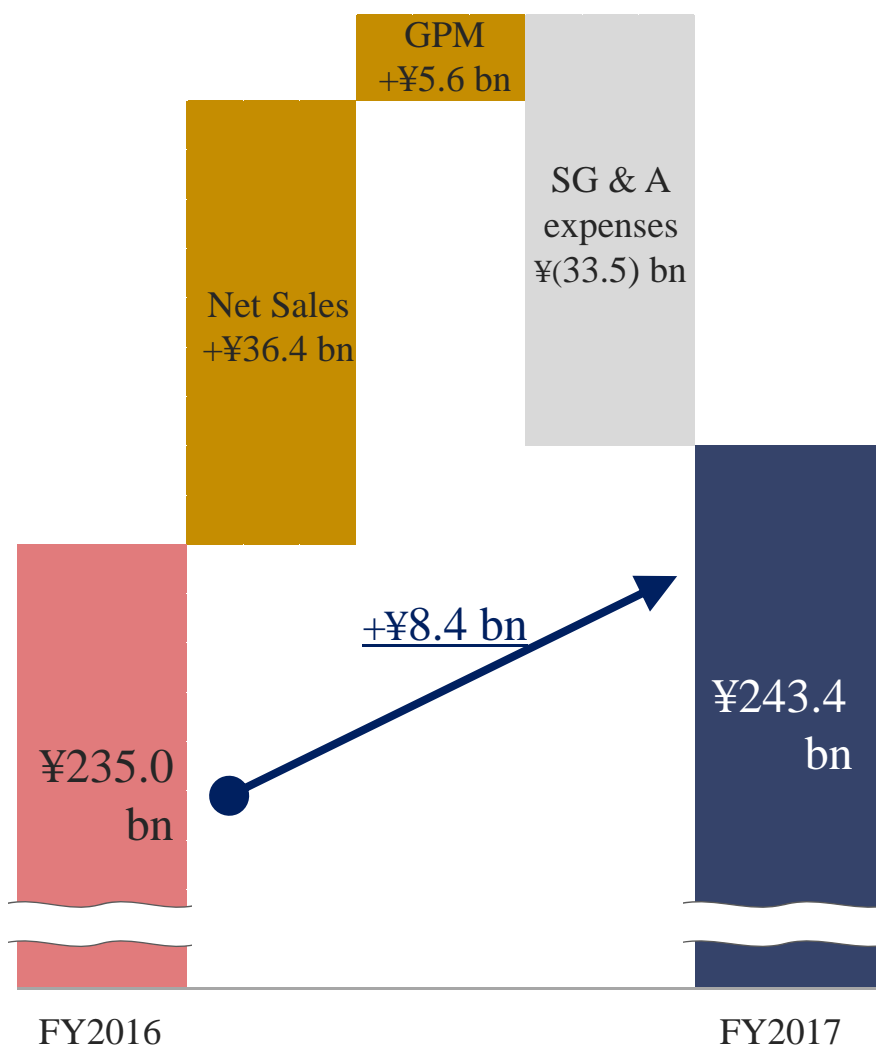
Overview

- Existing store sales: Driven by improvement of quality for counter products and daily products.
- Gross profit margin: Improved due to sales increase in renewed fryer foods and sandwiches, etc.
- Operating income: Achieved record-high operating income by driving growth in existing store sales and improving the gross profit margin, in addition to controlling growth in SG&A expenses



SEJ (Operating Income - Analysis Factors in YOY Change)

◆ OP changes in FY2017

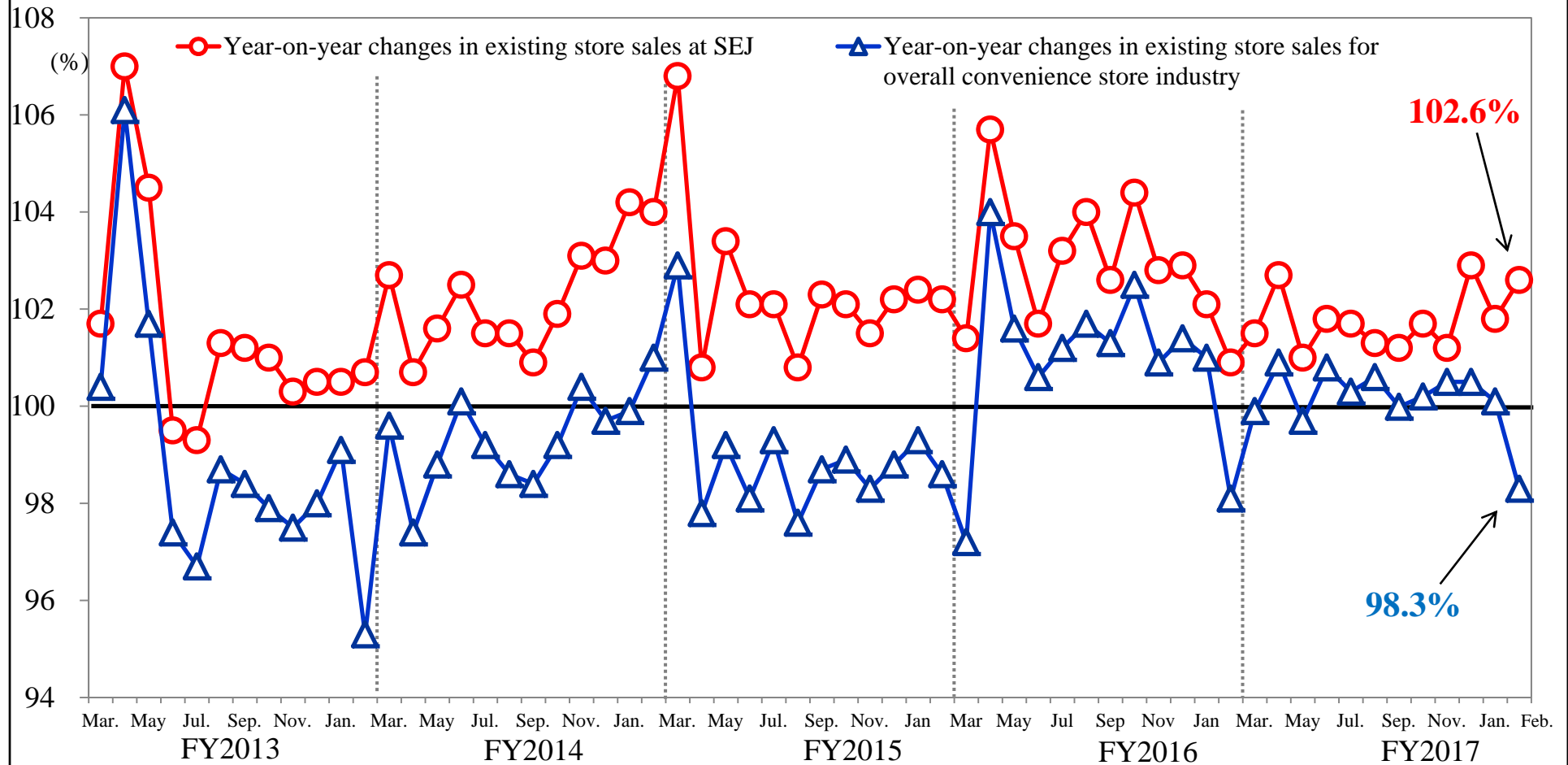


	Results	Details
Net Sales	+5.2% <u>+¥36.4 bn</u>	<ul style="list-style-type: none"> Existing stores +1.8% +¥10.4 bn (55 months of continuous YOY growth in existing store sales achieved in the previous year)
Gross Profit Margin	+0.2% <u>+¥5.6 bn</u>	<ul style="list-style-type: none"> Increase in sales from fryer foods and sandwiches, etc.
SG&A Expenses	+7.0% <u>¥(33.5) bn</u>	<ul style="list-style-type: none"> Special factors (Omni-Channel related, System related, etc.) +¥10.5 bn

SEJ: Trend in YOY Changes in Existing Store Sales

● Rising 55 consecutive months by the strong sales of fresh foods

■ Trend in YOY changes in existing store sales at SEJ



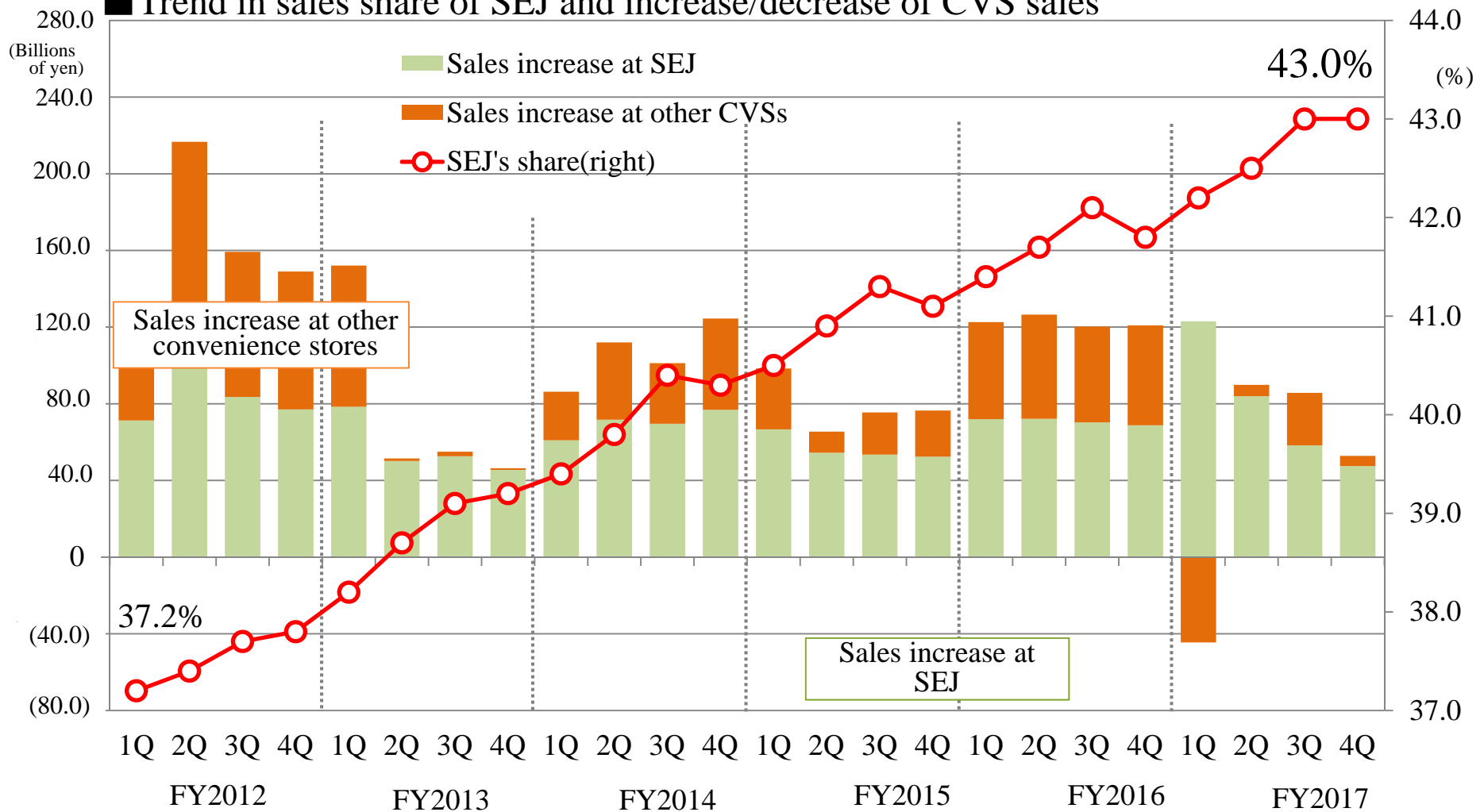
Note: February 2016 figures for existing store YOY change at overall convenience stores represent the YOY change in total sales [up 1.6%], including the impact of the leap year, converted to daily-sales basis.

Source: Japan Franchise Association monthly convenience store survey

SEJ: Trend in SEJ's Sales Share and Changes in Sales by Quarter

● Record-high sales share expanded to **43.0%** resulted from increased existing store sales

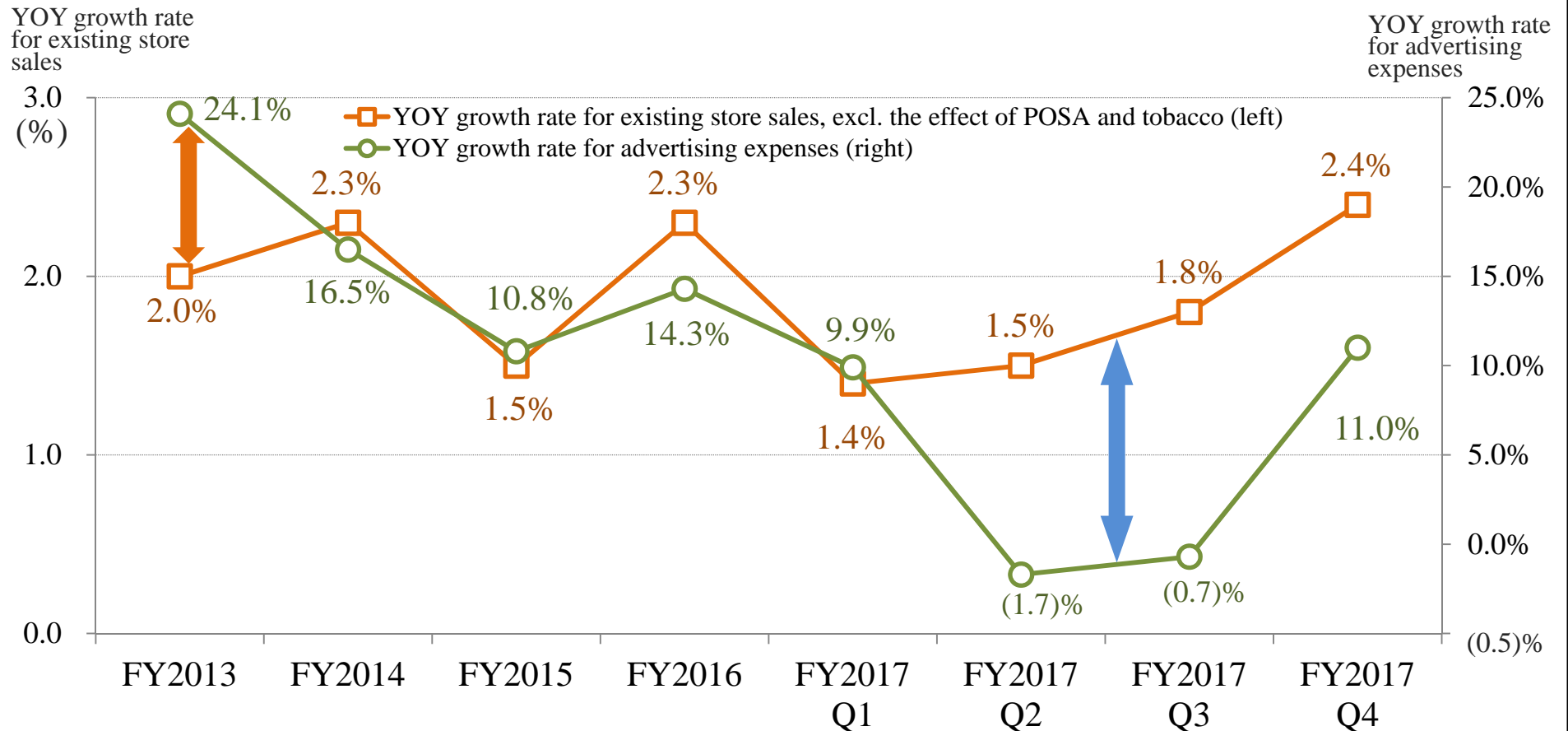
■ Trend in sales share of SEJ and increase/decrease of CVS sales



Source: Japan Franchise Association monthly convenience store survey

SEJ: Revision of Sales Promotion and Impact on Sales

■ Trend in YOY growth rates for existing store sales and advertising expenses



Making efficient use of advertising expenses, existing store sales increased despite a reduction of costs

*Increased 3.2% in Q4 FY2017 excluding sales promotion by holding Christmas-related events and initiative bolstering MDSE lineup

Convenience Store Operations: Results (2)

7-Eleven, Inc.

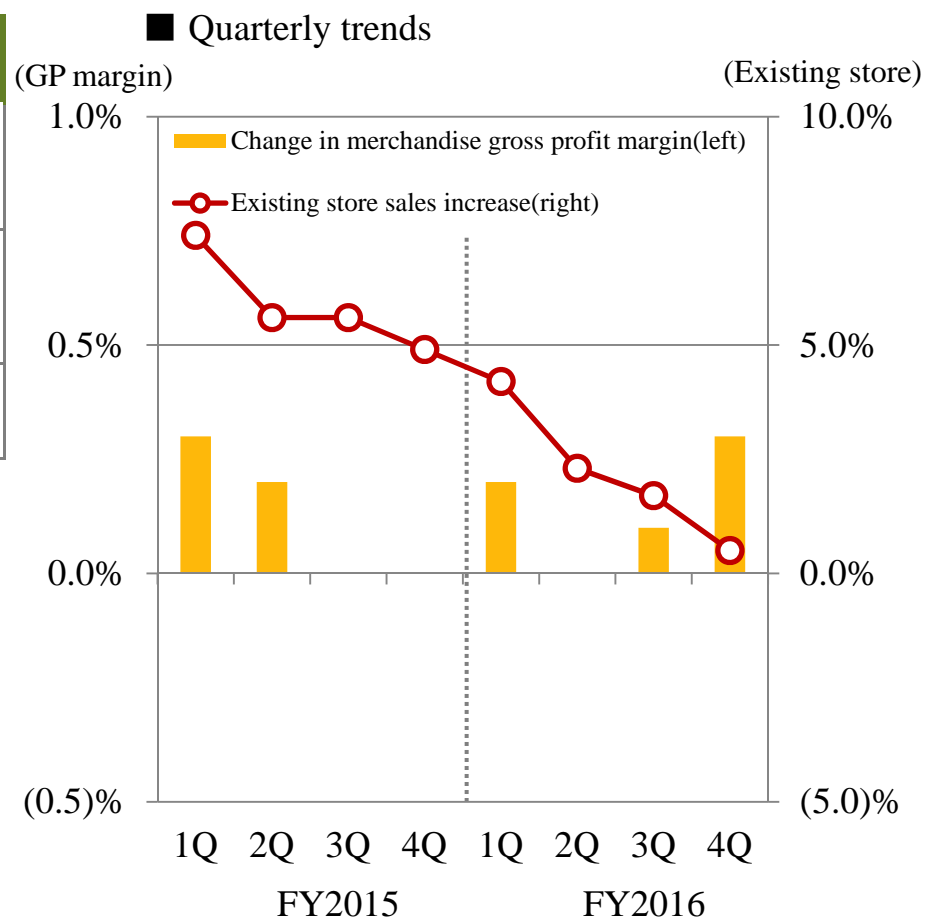


Lower income due to the negative impact of yen appreciation and weather despite the strong sales of fresh foods

	Results	YOY
Operating income	76.6 bn yen	99.0% (0.8) bn yen
Existing store sales increase (U.S. merchandise sales in dollar basis)	+2.1%	
Merchandise gross profit margin	34.8%	+0.2%

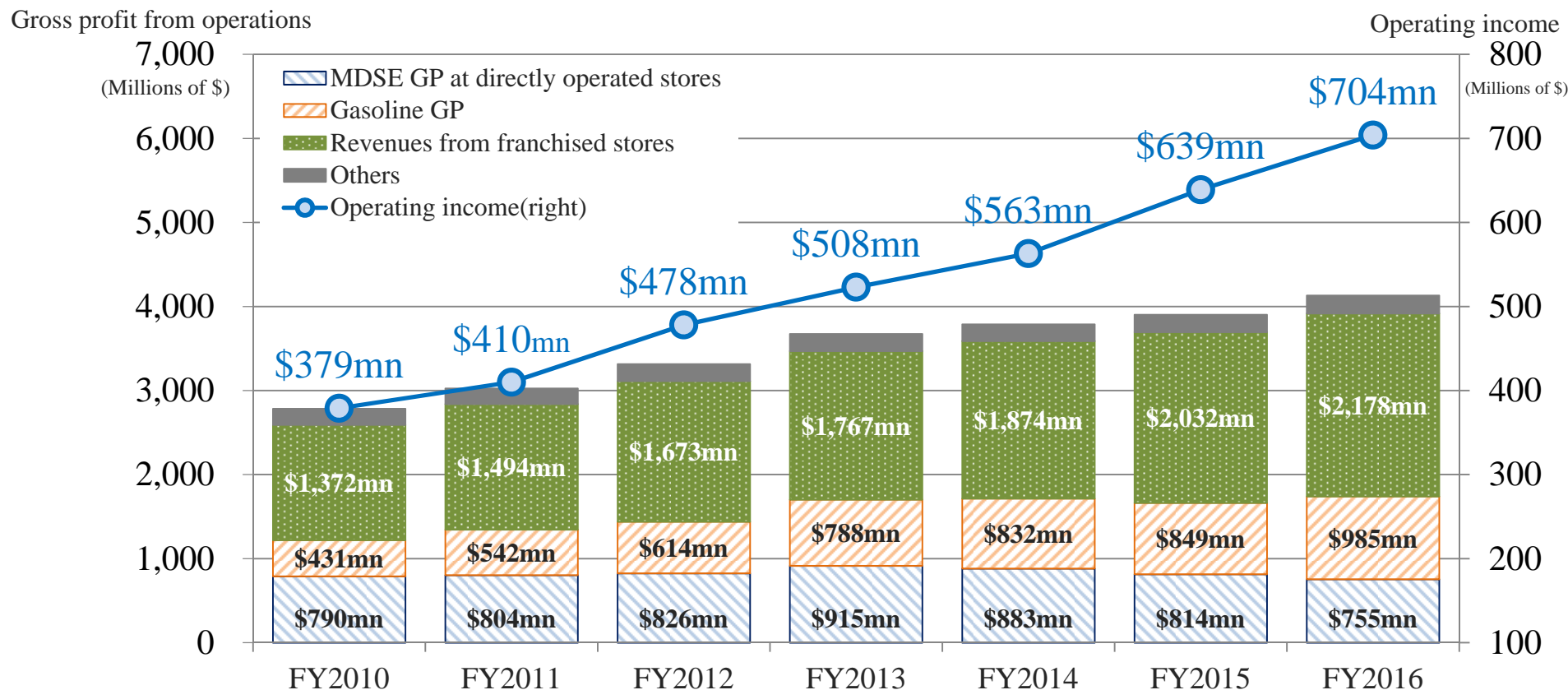
Overview

- Existing store sales: Increased due to growth in fresh foods sales centered on hot foods
- Gross profit margin: Improved mainly due to increased hot beverages and non-alcoholic beverages sales
- Operating income: Lower income reflected the negative impact of yen appreciation
[The effect of yen appreciation: (8.6) billion yen]



SEI: Enhance Profitability by Promoting Conversion to Franchised Stores

Trend in gross profit from operations* and operating income (line graph)



No. of directly operated stores	1,546	1,712	2,248	2,073	1,907	1,748	1,699
No. of franchised stores	5,064	5,437	5,870	6,219	6,390	6,752	7,008
Franchised ratio	76.6%	76.0%	72.3%	75.0%	77.0%	79.4%	80.5%

*Gross profit from operations: Sum of merchandise GP at directly operated stores, gasoline GP and other operating revenues including revenues from franchised stores.

Superstore Operations: Results (1)

Ito-Yokado



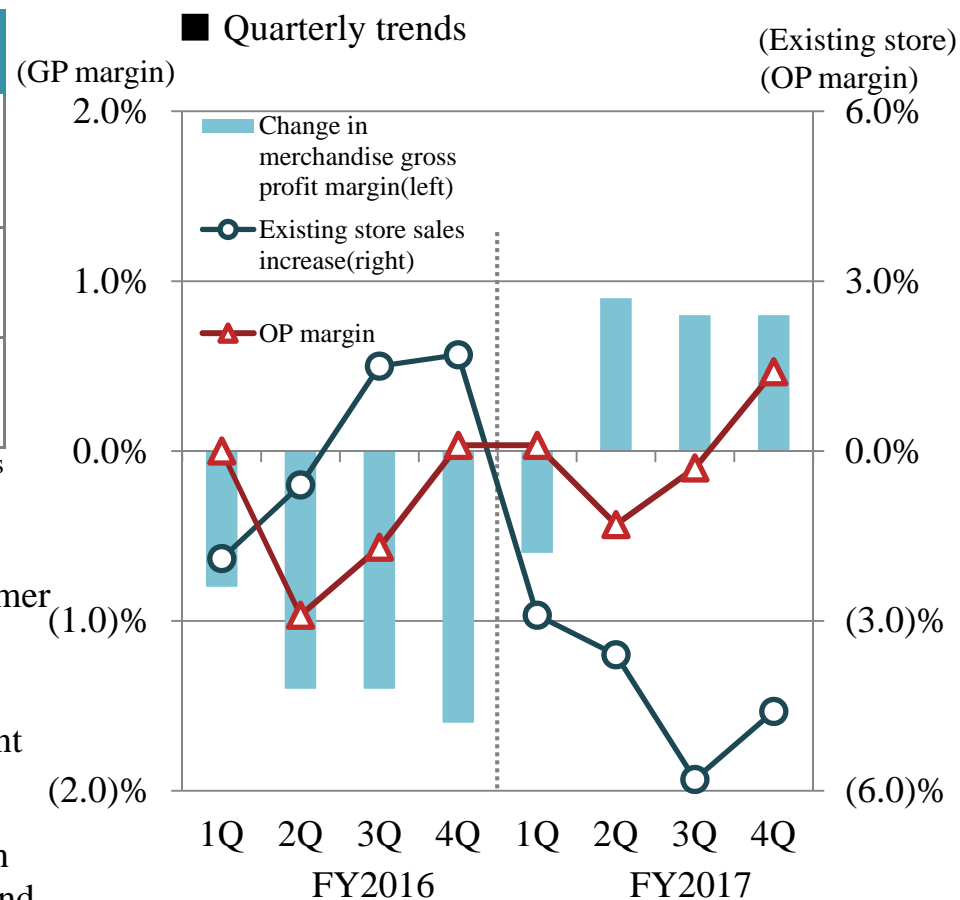
Higher income mainly due to optimization of sales promotion despite the decrease in existing store sales.

	Results	YOY
Operating income	0.5 bn yen	- +14.0 bn yen
Existing store sales increase	(4.2)%	[(3.4)%]*
Merchandise gross profit margin	29.1%	+0.5%

*Existing store sales increase of total shopping centers sales

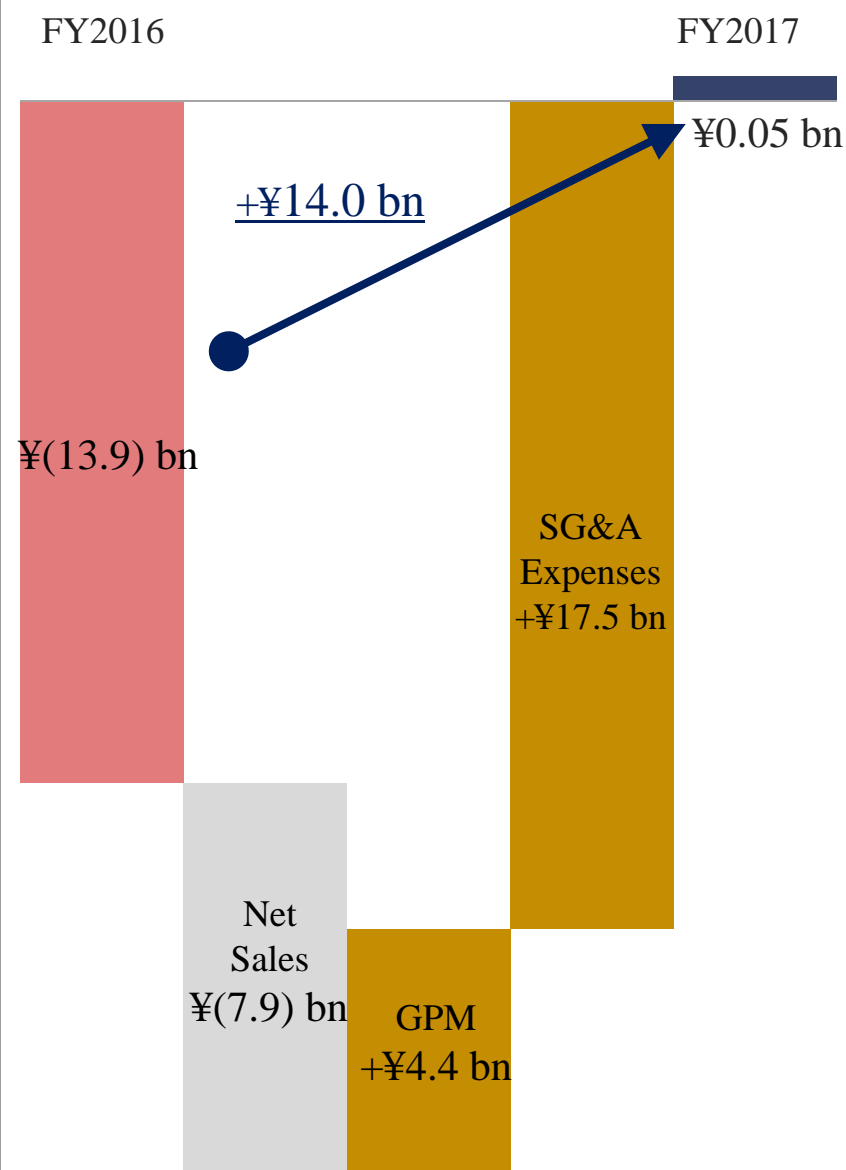
Overview

- **Existing store sales:** Decrease caused by impact on customer numbers from a review of sales promotion measures including advertising and discounts
- **Gross profit margin:** Increased mainly due to improvement in fresh food and control of discount losses
- **Operating income:** Controlling advertising and decoration expenses [(14.1)bn yen], improving gross profit margin and other measures covered a decline in existing store sales, resulting in higher operating income



IY (Operating Income - Analysis Factors in YOY Change)

◆ OP changes in FY2017



	Results	Details
Net Sales	(2.9)% ¥(7.9) bn	<ul style="list-style-type: none"> Existing stores (4.2)% Optimization of sales promotion
Gross Profit Margin	+0.5% ¥4.4 bn	<ul style="list-style-type: none"> Apparel +0.2% Household goods +0.5% Food +0.6%
SG&A Expenses	(5.2)% +¥17.5 bn	<ul style="list-style-type: none"> Advertising & decoration expenses ¥(14.1) bn Utility expenses ¥(3.5) bn

Superstore Operations: Results (2)

York-Benimaru



Higher income as increases in existing store sales and gross profit margin absorbed growth in expenses following the increase in stores, etc.

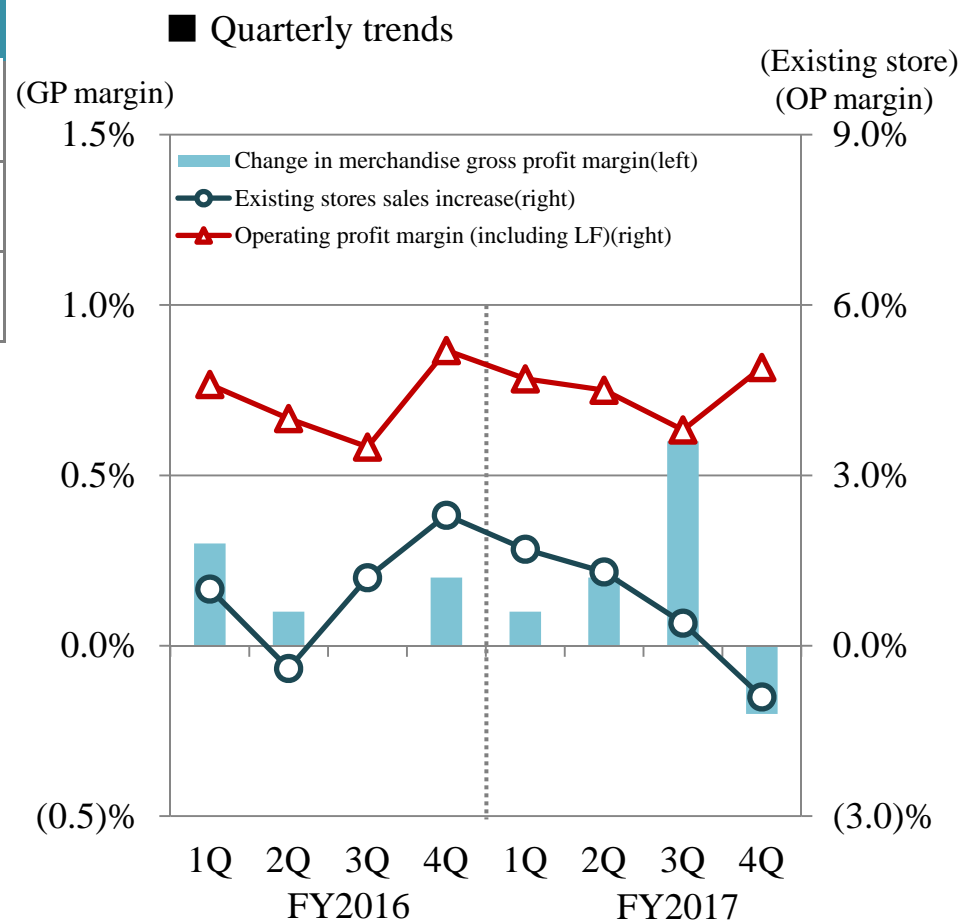
	Results	YOY
Operating income	14.0 bn yen	105.5% +0.7 bn yen
Existing store sales increase	+0.5%	
Merchandise gross profit margin	25.8%	+0.1%
Operating income (including Life Foods)*	18.7 bn yen	105.7% +1.0 bn yen

Overview

- Existing store sales: Strong sales of food continued to drive the entire company
- Gross profit margin: Increased mainly due to brisk sales of food
- Operating income: Higher income due to an increase in existing store sales and an improvement in the gross profit margin

*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.



Department Store Operations: Results

Sogo & Seibu

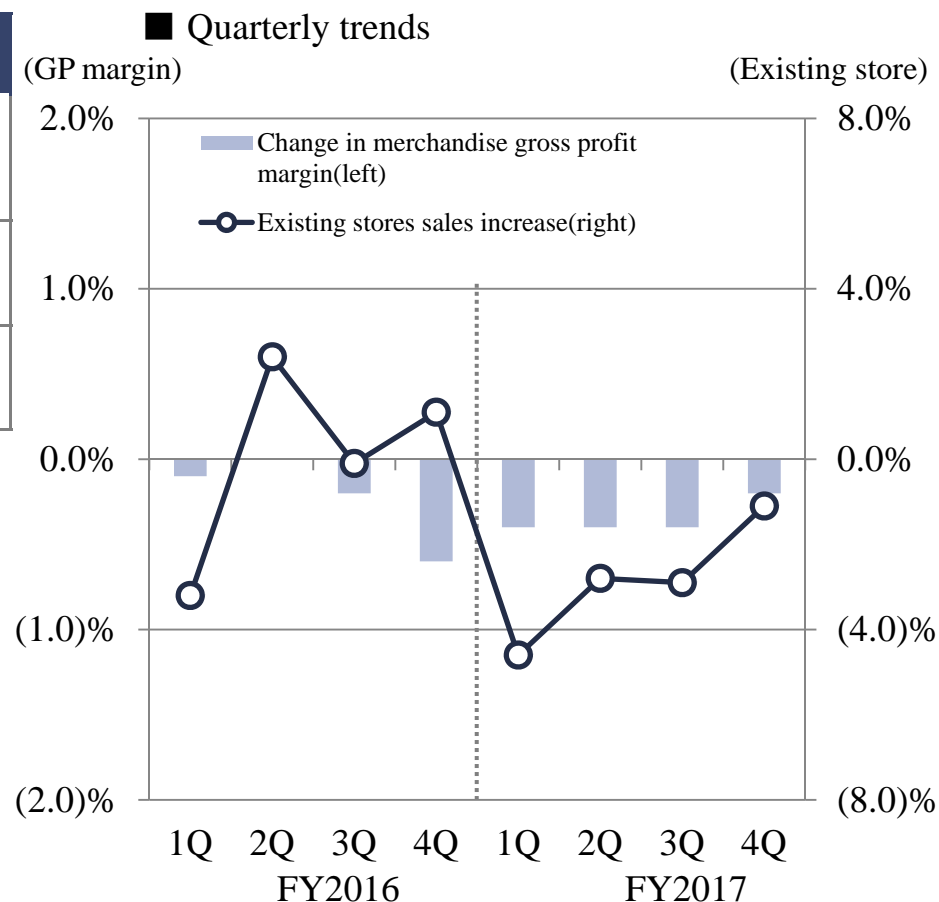


Lower income reflected struggling sales of apparel products and deterioration of GPM

	Results	YOY
Operating income	4.3 bn yen	58.6% (3.0) bn yen
Existing store sales increase	(2.7)%	
Merchandise gross profit margin	23.9%	(0.4)%

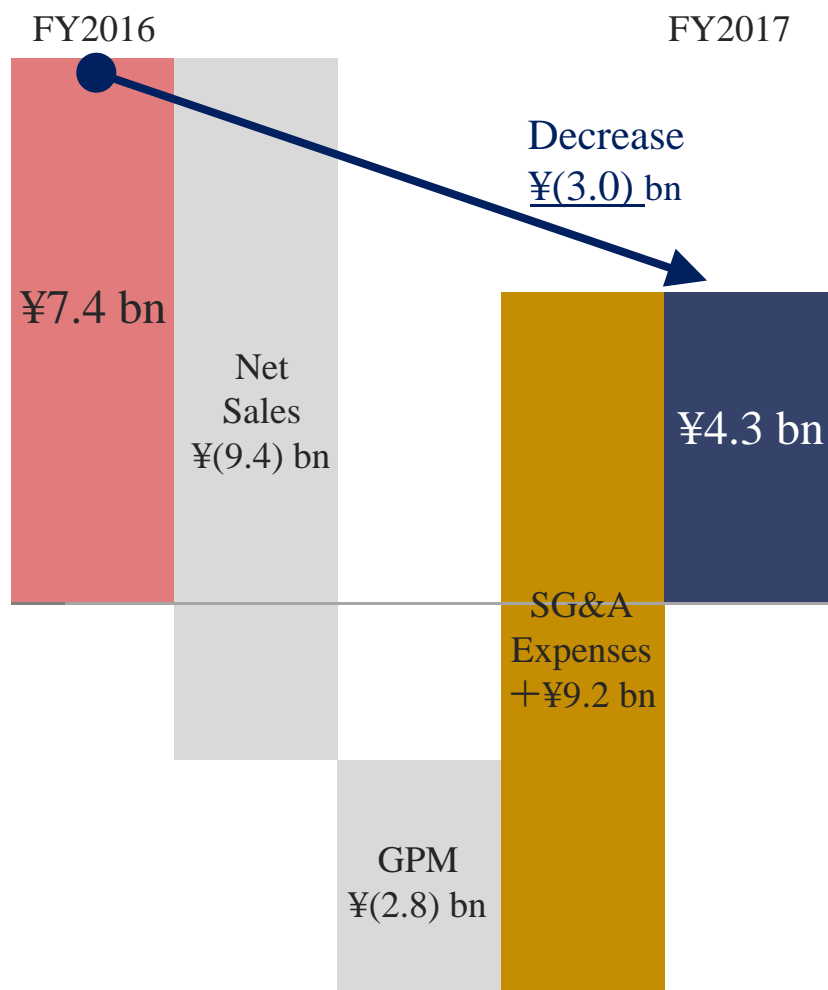
Overview

- Existing store sales: Decreased mainly due to soft sales centered on apparel products such as women's apparel
- Gross profit margin: In addition to the disposal of inventory in Q4, declined mainly due to a decrease in apparel sales with a high sales composition ratio and gross profit margin
- Operating income: Decreased mainly as controls on SG&A expenses were unable to cover the drop in sales centered on apparel products and deterioration of GPM



SS (Operating Income – Analysis Factors in YOY Change)

◆ OP changes in FY2017



	Results	Details
Net Sales	(5.4)% ¥(9.4) bn	<ul style="list-style-type: none"> ▪ Existing stores (2.7)% ▪ Decline in apparel sales, primarily in women's apparel
Gross Profit Margin	(0.4)% ¥(2.8) bn	<ul style="list-style-type: none"> ▪ Decline in apparel sales ▪ Increase sales share of food within product sales composition ▪ Disposal of inventory in Q4
SG&A Expenses	(5.4)% +¥9.2 bn	<ul style="list-style-type: none"> ▪ Advertising and decoration expenses ¥(1.5) bn ▪ Personnel expenses ¥(2.2) bn ▪ Utility expenses ¥(1.7) bn

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