



July 3, 2014

# Consolidated Financial Results for the Three Months ended May 31, 2014

## Seven & i Holdings Co., Ltd.

(URL <http://www.7andi.com/en>)

Securities Code No. 3382

President and COO: Noritoshi Murata

The Company's shares are listed on the First Section of the Tokyo Stock Exchange.

Submission date of quarterly securities report scheduled: July 14, 2014

Starting date of paying dividend: -

Preparation of brief summary materials for quarterly financial results: Yes

Holding of quarterly financial results presentation: Yes

Note: All amounts less than one million yen have been disregarded.

### 1. Business Results for the Three Months ended May 31, 2014 (from March 1, 2014 to May 31, 2014)

#### (1) Results of Operations (cumulative)

(Millions of yen, except per share amounts)

|                                 | Revenues from Operations |       | Operating Income |      | Ordinary Income |       |
|---------------------------------|--------------------------|-------|------------------|------|-----------------|-------|
| Three Months ended May 31, 2014 | 1,472,114                | 7.9%  | 77,478           | 5.1% | 77,294          | 4.9%  |
| Three Months ended May 31, 2013 | 1,364,939                | 13.1% | 73,692           | 9.5% | 73,681          | 10.1% |

  

|                                 | Net Income |       | Net Income per Share |       | Diluted Net Income per Share |       |
|---------------------------------|------------|-------|----------------------|-------|------------------------------|-------|
| Three Months ended May 31, 2014 | 39,520     | 5.6%  | 44.70                | (yen) | 44.67                        | (yen) |
| Three Months ended May 31, 2013 | 37,433     | 14.9% | 42.37                | (yen) | 42.34                        | (yen) |

Notes: 1. Comprehensive income:

Three Months ended May 31, 2014: 28,790 million yen [(62.4)%]

Three Months ended May 31, 2013: 76,484 million yen [37.1%]

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

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

Three Months ended May 31, 2014: 2,463,440 million yen [ 8.1%]

Three Months ended May 31, 2013: 2,279,820 million yen [11.8%]

#### (2) Financial Position

(Millions of yen, except per share amounts)

|                         | Total Assets | Net Assets | Owners' Equity Ratio | Owners' Equity per Share |
|-------------------------|--------------|------------|----------------------|--------------------------|
| As of May 31, 2014      | 5,015,500    | 2,217,199  | 41.7%                | 2,368.53 (yen)           |
| As of February 28, 2014 | 4,811,380    | 2,221,557  | 43.6%                | 2,371.92 (yen)           |

Note: Owners' equity (net assets excluding minority interests in consolidated subsidiaries and subscription rights to shares) :

As of May 31, 2014: 2,093,945 million yen

As of February 28, 2014: 2,095,746 million yen

### 2. Dividends

| Record Date                              | Dividends per Share (yen) |                |               |          |        |
|--|---------------------------|----------------|---------------|----------|--------|
|  | First Quarter             | Second Quarter | Third Quarter | Year-end | Annual |
| Year ended February 28, 2014             | -                         | 33.00          | -             | 35.00    | 68.00  |
| Year ending February 28, 2015            | -                         |                |               |          |        |
| Year ending February 28, 2015 (forecast) |                           | 35.00          | -             | 35.00    | 70.00  |

Note: Revision of dividends forecast during the current quarterly period: None

### 3. Forecast of Business Results for the Fiscal Year ending February 28, 2015 (from March 1, 2014 to February 28, 2015)

(Millions of yen, except per share amounts)

|                       | Revenues from Operations |      | Operating Income |      | Ordinary Income |      | Net Income |      | Net Income per Share |       |
|-----------------------|--------------------------|------|------------------|------|-----------------|------|------------|------|----------------------|-------|
| <b>Interim Period</b> | 3,040,000                | 8.3% | 170,000          | 3.3% | 169,000         | 2.5% | 83,500     | 0.2% | 94.45                | (yen) |
| <b>Entire Year</b>    | 6,130,000                | 8.8% | 356,000          | 4.8% | 354,000         | 4.4% | 184,000    | 4.7% | 208.13               | (yen) |

Notes:

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

2. Revision of business results forecast during the current quarterly period: None

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

Interim Period: 5,050,000 million yen [6.3%]

Entire Year: 10,200,000 million yen [6.3%]

### 4. Others

(1) Changes in significant subsidiaries during the period:

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

Added: none

Excluded: one company (Seven Net Shopping 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: 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 May 31, 2014: 886,441,983 shares As of February 28, 2014: 886,441,983 shares

2. Number of treasury stock at the end of period

As of May 31, 2014: 2,370,548 shares As of February 28, 2014: 2,876,349 shares

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

As of May 31, 2014: 884,050,849 shares As of May 31, 2013: 883,548,039 shares

### 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 for the year ending February 28, 2015 is based on Seven & i Holdings' 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. Brief summary for the first quarter of FY 2015 will be posted on the Company's website (<http://www.7andi.com/en/ir/library/kh/201502.html>). The presentation materials related to financial results which will be used on financial results presentation planned to be held on July 3, 2014, will be posted as soon as possible after the presentation.

## Attached Materials

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#### Consolidated Quarterly Financial Statements

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**5. Consolidated Quarterly Financial Statements**  
**(1) Consolidated Quarterly Balance Sheets**

(Millions of yen)

|  | February 28, 2014 | May 31, 2014     |
|--|-------------------|------------------|
|  | Amount            | Amount           |
| <b>ASSETS</b>                                  |                   |                  |
| <b>Current assets</b>                          | <b>1,899,556</b>  | <b>2,083,703</b> |
| Cash and bank deposits                         | 792,986           | 840,573          |
| Notes and accounts receivable, trade           | 327,072           | 339,011          |
| Trade accounts receivable - financial services | 66,230            | 68,145           |
| Marketable securities                          | 150,000           | 220,000          |
| Merchandise and finished goods                 | 198,847           | 195,533          |
| Work in process                                | 210               | 12               |
| Raw materials and supplies                     | 3,060             | 3,753            |
| Prepaid expenses                               | 42,984            | 47,766           |
| Deferred income taxes                          | 40,812            | 39,115           |
| Other  | 282,880           | 335,727          |
| Allowance for doubtful accounts                | (5,529)           | (5,935)          |
| <b>Non-current assets</b>                      | <b>2,911,623</b>  | <b>2,931,622</b> |
| <b>Property and equipment</b>                  | <b>1,709,990</b>  | <b>1,729,237</b> |
| Buildings and structures, net                  | 749,201           | 755,178          |
| Furniture, fixtures and equipment, net         | 232,991           | 238,936          |
| Land   | 681,651           | 681,790          |
| Lease assets, net                              | 18,491            | 16,049           |
| Construction in progress                       | 25,171            | 35,008           |
| Other, net                                     | 2,482             | 2,275            |
| <b>Intangible assets</b>                       | <b>467,947</b>    | <b>459,544</b>   |
| Goodwill                                       | 277,943           | 268,860          |
| Software                                       | 43,428            | 45,332           |
| Other  | 146,576           | 145,351          |
| <b>Investments and other assets</b>            | <b>733,685</b>    | <b>742,839</b>   |
| Investments in securities                      | 189,102           | 203,455          |
| Long-term loans receivable                     | 17,868            | 17,934           |
| Prepaid pension cost                           | 31,822            | 32,149           |
| Long-term leasehold deposits                   | 402,878           | 399,565          |
| Advances for store construction                | 591               | 638              |
| Deferred income taxes                          | 32,836            | 31,334           |
| Other  | 65,552            | 64,510           |
| Allowance for doubtful accounts                | (6,966)           | (6,748)          |
| <b>Deferred assets</b>                         | <b>200</b>        | <b>174</b>       |
| New organization costs                         | 14                | 10               |
| Business commencement expenses                 | 186               | 163              |
| <b>TOTAL ASSETS</b>                            | <b>4,811,380</b>  | <b>5,015,500</b> |

(Millions of yen)

|   | February 28, 2014 | May 31, 2014     |
|---|-------------------|------------------|
|   | Amount            | Amount           |
| <b>LIABILITIES</b>  |                   |                  |
| <b>Current liabilities</b>  | <b>1,628,167</b>  | <b>1,838,099</b> |
| Notes and accounts payable, trade   | 383,972           | 434,396          |
| Short-term loans  | 116,147           | 115,910          |
| Current portion of long-term loans  | 100,775           | 95,770           |
| Current portion of bonds  | 20,000            | 20,000           |
| Income taxes payable  | 62,625            | 15,925           |
| Accrued expenses  | 97,543            | 101,800          |
| Deposits received   | 154,795           | 279,919          |
| Allowance for sales promotion expenses  | 16,909            | 17,886           |
| Allowance for bonuses to employees  | 14,773            | 25,738           |
| Allowance for bonuses to Directors and<br>Audit & Supervisory Board Members             | 372               | 32               |
| Allowance for loss on future collection of<br>gift certificates                         | 2,932             | 2,768            |
| Provision for sales returns   | 205               | 172              |
| Deposits received in banking business   | 403,062           | 407,453          |
| Other   | 254,051           | 320,324          |
| <b>Non-current liabilities</b>  | <b>961,656</b>    | <b>960,201</b>   |
| Bonds   | 364,987           | 364,988          |
| Long-term loans   | 332,485           | 335,392          |
| Deferred income taxes   | 51,220            | 53,962           |
| Allowance for accrued pension and<br>severance costs                                    | 6,853             | 6,759            |
| Allowance for retirement benefits to Directors<br>and Audit & Supervisory Board Members | 2,019             | 2,024            |
| Deposits received from tenants and<br>franchised stores                                 | 55,046            | 54,764           |
| Asset retirement obligations  | 60,376            | 60,780           |
| Other   | 88,666            | 81,529           |
| <b>TOTAL LIABILITIES</b>  | <b>2,589,823</b>  | <b>2,798,301</b> |
| <b>NET ASSETS</b>   |                   |                  |
| <b>Shareholders' equity</b>   | <b>2,081,295</b>  | <b>2,091,776</b> |
| Common stock  | 50,000            | 50,000           |
| Capital surplus   | 526,850           | 527,470          |
| Retained earnings   | 1,511,555         | 1,520,166        |
| Treasury stock, at cost   | (7,109)           | (5,860)          |
| <b>Total accumulated other comprehensive income</b>                                     | <b>14,450</b>     | <b>2,169</b>     |
| Unrealized gains (losses) on available-for-sale<br>securities, net of taxes             | 10,672            | 12,336           |
| Unrealized gains (losses) on hedging derivatives,<br>net of taxes                       | (6)               | (207)            |
| Foreign currency translation adjustments  | 3,785             | (9,958)          |
| <b>Subscription rights to shares</b>  | <b>1,944</b>      | <b>1,880</b>     |
| <b>Minority interests in consolidated subsidiaries</b>                                  | <b>123,866</b>    | <b>121,373</b>   |
| <b>TOTAL NET ASSETS</b>   | <b>2,221,557</b>  | <b>2,217,199</b> |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>   | <b>4,811,380</b>  | <b>5,015,500</b> |

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

(Millions of yen)

|  | Three Months ended<br>May 31, 2013 | Three Months ended<br>May 31, 2014 |
|--|------------------------------------|------------------------------------|
|  | Amount                             | Amount                             |
| <b>Revenues from operations</b>                                  | <b>1,364,939</b>                   | <b>1,472,114</b>                   |
| Net sales  | 1,143,734                          | 1,224,535                          |
| Cost of sales  | 907,083                            | 963,580                            |
| <b>Gross profit on sales</b>                                     | <b>236,650</b>                     | <b>260,955</b>                     |
| Operating revenues   | 221,205                            | 247,578                            |
| <b>Gross profit from operations</b>                              | <b>457,855</b>                     | <b>508,534</b>                     |
| Selling, general and administrative expenses                     | 384,163                            | 431,055                            |
| <b>Operating income</b>  | <b>73,692</b>                      | <b>77,478</b>                      |
| <b>Non-operating income</b>                                      | <b>3,907</b>                       | <b>2,796</b>                       |
| Interest income  | 1,326                              | 1,495                              |
| Equity in earnings of affiliates                                 | 1,300                              | 155                                |
| Other  | 1,280                              | 1,146                              |
| <b>Non-operating expenses</b>                                    | <b>3,918</b>                       | <b>2,980</b>                       |
| Interest expenses  | 1,631                              | 1,619                              |
| Interest on bonds  | 758                                | 670                                |
| Other  | 1,527                              | 690                                |
| <b>Ordinary income</b>   | <b>73,681</b>                      | <b>77,294</b>                      |
| <b>Special gains</b>   | <b>229</b>                         | <b>600</b>                         |
| Gain on sales of property and equipment                          | 206                                | 351                                |
| Gain on sales of investments in securities                       | 9                                  | 242                                |
| Other  | 13                                 | 7                                  |
| <b>Special losses</b>  | <b>6,517</b>                       | <b>6,945</b>                       |
| Loss on disposals of property and equipment                      | 2,673                              | 2,299                              |
| Impairment loss on property and equipment                        | 2,211                              | 1,055                              |
| Special expenses related to consumption<br>tax rate change       | -                                  | 2,029                              |
| Other  | 1,631                              | 1,561                              |
| <b>Income before income taxes and minority interests</b>         | <b>67,394</b>                      | <b>70,950</b>                      |
| <b>Total Income taxes</b>  | <b>26,789</b>                      | <b>29,344</b>                      |
| Income taxes - current   | 25,442                             | 23,267                             |
| Income taxes - deferred  | 1,347                              | 6,076                              |
| Income before minority interests                                 | 40,604                             | 41,606                             |
| Minority interests in net income of consolidated<br>subsidiaries | 3,170                              | 2,085                              |
| <b>Net income</b>  | <b>37,433</b>                      | <b>39,520</b>                      |

## Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

|   | Three Months ended<br>May 31, 2013 | Three Months ended<br>May 31, 2014 |
|---|------------------------------------|------------------------------------|
|   | Amount                             | Amount                             |
| <b>Income before minority interests</b>   | <b>40,604</b>                      | <b>41,606</b>                      |
| Other comprehensive income  |                                    |                                    |
| Unrealized gains (losses) on available-for-sale securities, net of taxes            | 2,670                              | 1,609                              |
| Unrealized gains (losses) on hedging derivatives, net of taxes                      | 1                                  | (375)                              |
| Foreign currency translation adjustments  | 33,155                             | (14,011)                           |
| Share of other comprehensive income of associates accounted for using equity method | 53                                 | (38)                               |
| <b>Total other comprehensive income</b>   | <b>35,880</b>                      | <b>(12,816)</b>                    |
| <b>Comprehensive income</b>   | <b>76,484</b>                      | <b>28,790</b>                      |
| Comprehensive income attributable to  |                                    |                                    |
| Shareholders of the parent  | 72,426                             | 27,239                             |
| Minority interests  | 4,057                              | 1,550                              |

### (3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

|  | Three Months ended<br>May 31, 2013 | Three Months ended<br>May 31, 2014 |
|--|------------------------------------|------------------------------------|
|  | Amount                             | Amount                             |
| <b>Cash flows from operating activities:</b>                         |                                    |                                    |
| Income before income taxes and minority interests                    | 67,394                             | 70,950                             |
| Depreciation and amortization  | 35,105                             | 41,344                             |
| Impairment loss on property and equipment                            | 2,211                              | 1,055                              |
| Amortization of goodwill   | 4,474                              | 4,772                              |
| Interest income  | (1,326)                            | (1,495)                            |
| Interest expenses and interest on bonds                              | 2,390                              | 2,289                              |
| Equity in losses (earnings) of affiliates                            | (1,300)                            | (155)                              |
| Gain on sales of property and equipment                              | (206)                              | (351)                              |
| Loss on disposals of property and equipment                          | 2,673                              | 2,299                              |
| Decrease (increase) in notes and accounts receivable, trade          | (30,751)                           | (12,550)                           |
| Decrease (increase) in trade accounts receivable, financial services | (588)                              | (1,915)                            |
| Decrease (increase) in inventories                                   | (4,876)                            | 1,560                              |
| Increase (decrease) in notes and accounts payable, trade             | 47,730                             | 52,325                             |
| Increase (decrease) in deposits received                             | 63,371                             | 119,046                            |
| Net increase (decrease) in loans in banking business                 | (6,900)                            | (4,000)                            |
| Net increase (decrease) in corporate bonds in banking business       | 55,000                             | -                                  |
| Net increase (decrease) in deposits received in banking business     | 6,447                              | 4,391                              |
| Net decrease (increase) in call loan in banking business             | 5,000                              | 3,000                              |
| Net increase (decrease) in call money in banking business            | 1,400                              | 46,000                             |
| Net change in ATM-related temporary accounts                         | (5,756)                            | (28,463)                           |
| Other  | 9,760                              | 4,371                              |
| Sub-total  | 251,253                            | 304,476                            |
| Interest and dividends received                                      | 745                                | 898                                |
| Interest paid  | (2,370)                            | (2,308)                            |
| Income taxes paid  | (40,696)                           | (70,902)                           |
| <b>Net cash provided by operating activities</b>                     | <b>208,932</b>                     | <b>232,164</b>                     |
| <b>Cash flows from investing activities:</b>                         |                                    |                                    |
| Acquisition of property and equipment                                | (84,430)                           | (69,871)                           |
| Proceeds from sales of property and equipment                        | 2,448                              | 1,605                              |
| Acquisition of intangible assets                                     | (4,340)                            | (6,412)                            |
| Payment for purchase of investments in securities                    | (35,996)                           | (12,002)                           |
| Proceeds from sales of investments in securities                     | 36,191                             | 290                                |
| Payment for purchase of investments in subsidiaries                  | -                                  | (256)                              |
| Payment for long-term leasehold deposits                             | (8,187)                            | (6,601)                            |
| Refund of long-term leasehold deposits                               | 14,537                             | 11,281                             |
| Proceeds from deposits from tenants                                  | 1,022                              | 819                                |
| Refund of deposits from tenants                                      | (1,769)                            | (1,034)                            |
| Payment for time deposits  | (770)                              | (832)                              |
| Proceeds from withdrawal of time deposits                            | 2,495                              | 2,554                              |
| Other  | (2,214)                            | (621)                              |
| <b>Net cash used in investing activities</b>                         | <b>(81,012)</b>                    | <b>(81,081)</b>                    |



(Millions of yen)

|   | Three Months ended<br>May 31, 2013 | Three Months ended<br>May 31, 2014 |
|---|------------------------------------|------------------------------------|
|   | Amount                             | Amount                             |
| <b>Cash flows from financing activities:</b>                        |                                    |                                    |
| Net increase (decrease) in short-term loans                         | (20,600)                           | (237)                              |
| Proceeds from long-term debts                                       | 37,500                             | 17,400                             |
| Repayment of long-term debts  | (18,074)                           | (13,321)                           |
| Proceeds from commercial paper                                      | 93,836                             | 9,557                              |
| Payment for redemption of commercial paper                          | (75,162)                           | (9,557)                            |
| Proceeds from issuance of bonds                                     | 99,700                             | -                                  |
| Dividends paid  | (28,548)                           | (30,494)                           |
| Dividends paid for minority interests                               | (622)                              | (365)                              |
| Other   | (3,078)                            | (1,695)                            |
| <b>Net cash provided by (used in) financing activities</b>          | <b>84,950</b>                      | <b>(28,713)</b>                    |
| <b>Effect of exchange rate changes on cash and cash equivalents</b> | <b>4,102</b>                       | <b>(2,266)</b>                     |
| <b>Net increase (decrease) in cash and cash equivalents</b>         | <b>216,973</b>                     | <b>120,101</b>                     |
| <b>Cash and cash equivalents at beginning of period</b>             | <b>800,087</b>                     | <b>921,432</b>                     |
| <b>Cash and cash equivalents at end of period</b>                   | <b>1,017,061</b>                   | <b>1,041,534</b>                   |

#### (4) Doubts on the Premise of Going Concern

None

#### (5) Segment Information

##### 1. Information on Revenues from Operations and Income (Loss) by Reportable Segment

Three Months ended May 31, 2013 (From March 1, 2013 to May 31, 2013)

(Millions of yen)

|                              | Reportable segments                |                          |                                   |                  |                       |               | Total            | Adjustments<br>(Note 1) | Consolidated<br>total<br>(Note 2) |
|------------------------------|------------------------------------|--------------------------|-----------------------------------|------------------|-----------------------|---------------|------------------|-------------------------|-----------------------------------|
|                              | Convenience<br>store<br>operations | Superstore<br>operations | Department<br>store<br>operations | Food<br>services | Financial<br>services | Others        |                  |                         |                                   |
| Revenues from operations     |                                    |                          |                                   |                  |                       |               |                  |                         |                                   |
| <b>Revenues</b>              |                                    |                          |                                   |                  |                       |               |                  |                         |                                   |
| 1. Customers                 | 601,046                            | 494,505                  | 211,596                           | 19,472           | 32,563                | 5,754         | 1,364,939        | -                       | 1,364,939                         |
| 2. Intersegment              | 121                                | 2,231                    | 322                               | 219              | 6,815                 | 6,634         | 16,343           | (16,343)                | -                                 |
| <b>Total</b>                 | <b>601,167</b>                     | <b>496,737</b>           | <b>211,918</b>                    | <b>19,691</b>    | <b>39,379</b>         | <b>12,388</b> | <b>1,381,283</b> | <b>(16,343)</b>         | <b>1,364,939</b>                  |
| <b>Segment income (loss)</b> | <b>53,196</b>                      | <b>7,408</b>             | <b>672</b>                        | <b>286</b>       | <b>11,220</b>         | <b>1,022</b>  | <b>73,806</b>    | <b>(113)</b>            | <b>73,692</b>                     |

Notes:

1. The adjustments on segment income (loss) of (113) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
2. Segment income (loss) is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

Three Months ended May 31, 2014 (From March 1, 2014 to May 31, 2014)

(Millions of yen)

|                              | Reportable segments                |                          |                                   |                  |                       |                        |               | Total            | Adjustments<br>(Note 1) | Consolidated<br>total<br>(Note 2) |
|------------------------------|------------------------------------|--------------------------|-----------------------------------|------------------|-----------------------|------------------------|---------------|------------------|-------------------------|-----------------------------------|
|                              | Convenience<br>store<br>operations | Superstore<br>operations | Department<br>store<br>operations | Food<br>services | Financial<br>services | Mail order<br>services | Others        |                  |                         |                                   |
| Revenues from operations     |                                    |                          |                                   |                  |                       |                        |               |                  |                         |                                   |
| <b>Revenues</b>              |                                    |                          |                                   |                  |                       |                        |               |                  |                         |                                   |
| 1. Customers                 | 644,972                            | 506,726                  | 216,310                           | 20,137           | 36,359                | 41,670                 | 5,938         | 1,472,114        | -                       | 1,472,114                         |
| 2. Intersegment              | 177                                | 1,707                    | 517                               | 57               | 7,535                 | 43                     | 7,264         | 17,302           | (17,302)                | -                                 |
| <b>Total</b>                 | <b>645,149</b>                     | <b>508,433</b>           | <b>216,827</b>                    | <b>20,195</b>    | <b>43,895</b>         | <b>41,713</b>          | <b>13,202</b> | <b>1,489,417</b> | <b>(17,302)</b>         | <b>1,472,114</b>                  |
| <b>Segment income (loss)</b> | <b>59,284</b>                      | <b>7,492</b>             | <b>1,538</b>                      | <b>41</b>        | <b>10,902</b>         | <b>(2,192)</b>         | <b>809</b>    | <b>77,876</b>    | <b>(397)</b>            | <b>77,478</b>                     |

Notes:

1. The adjustments on segment income (loss) of (397) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
2. 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.

**(Reference)**

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

**Three Months ended May 31, 2013 (From March 1, 2013 to May 31, 2013)** (Millions of yen)

|                                | Japan          | North America  | Others        | Total before eliminations | Eliminations | Consolidated total |
|--------------------------------|----------------|----------------|---------------|---------------------------|--------------|--------------------|
| Revenues from operations       |                |                |               |                           |              |                    |
| <b>Revenues</b>                |                |                |               |                           |              |                    |
| 1. Customers                   | 899,495        | 436,430        | 29,013        | 1,364,939                 | -            | 1,364,939          |
| 2. Intersegment                | 193            | 25             | -             | 219                       | (219)        | -                  |
| <b>Total</b>                   | <b>899,688</b> | <b>436,456</b> | <b>29,013</b> | <b>1,365,158</b>          | <b>(219)</b> | <b>1,364,939</b>   |
| <b>Operating income (loss)</b> | <b>70,900</b>  | <b>3,469</b>   | <b>(689)</b>  | <b>73,681</b>             | <b>10</b>    | <b>73,692</b>      |

**Three Months ended May 31, 2014 (From March 1, 2014 to May 31, 2014)** (Millions of yen)

|                                | Japan          | North America  | Others        | Total before eliminations | Eliminations | Consolidated total |
|--------------------------------|----------------|----------------|---------------|---------------------------|--------------|--------------------|
| Revenues from operations       |                |                |               |                           |              |                    |
| <b>Revenues</b>                |                |                |               |                           |              |                    |
| 1. Customers                   | 975,165        | 462,224        | 34,724        | 1,472,114                 | -            | 1,472,114          |
| 2. Intersegment                | 225            | 38             | 225           | 489                       | (489)        | -                  |
| <b>Total</b>                   | <b>975,391</b> | <b>462,262</b> | <b>34,950</b> | <b>1,472,604</b>          | <b>(489)</b> | <b>1,472,114</b>   |
| <b>Operating income (loss)</b> | <b>74,829</b>  | <b>3,132</b>   | <b>(485)</b>  | <b>77,475</b>             | <b>2</b>     | <b>77,478</b>      |

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.

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

None