



April 7, 2016

Consolidated Financial Results for the Fiscal Year ended February 29, 2016

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.

Date of the ordinary general meeting of shareholders: May 26, 2016

Submission date of the annual securities report scheduled: May 27, 2016

Starting date of paying year-end dividend: May 27, 2016

Preparation of brief summary materials for financial results: Yes

Holding of financial results presentation: Yes

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

1. Business Results for the Fiscal Year ended February 29, 2016 (from March 1, 2015 to February 29, 2016)

(1) Results of Operations

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income		Net Income	
Year ended February 29, 2016	6,045,704	0.1 %	352,320	2.6 %	350,165	2.5 %	160,930	(7.0) %
Year ended February 28, 2015	6,038,948	7.2 %	343,331	1.1 %	341,484	0.7 %	172,979	(1.5) %

Note: Comprehensive income:

Year ended February 29, 2016: 144,603 million yen [(47.0)%] Year ended February 28, 2015: 272,582 million yen [(1.7)%]

	Net Income per Share		Diluted Net Income per Share		Ratio of Net Income to Owners' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Revenues from Operations
Year ended February 29, 2016	182.02	(yen)	181.84	(yen)	6.9 %	6.6 %	5.8 %
Year ended February 28, 2015	195.66	(yen)	195.48	(yen)	7.9 %	6.8 %	5.7 %

Notes: 1. Equity in earnings of affiliates:

Year ended February 29, 2016: 1,958 million yen Year ended February 28, 2015: (362) million yen

2. Percentages represent increase (decrease) from the prior year unless otherwise stated.

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

Year ended February 29, 2016: 10,703,064 million yen [4.6%]

Year ended February 28, 2015: 10,235,664 million yen [6.6%]

(2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Owners' Equity Ratio	Owners' Equity per Share
As of February 29, 2016	5,441,691	2,505,182	43.6%	2,683.11 (yen)
As of February 28, 2015	5,234,705	2,430,917	43.9%	2,601.23 (yen)

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

As of February 29, 2016: 2,372,274 million yen As of February 28, 2015: 2,299,662 million yen

(3) Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of the Fiscal Year
Year ended February 29, 2016	488,973	(335,949)	(2,312)	1,147,086
Year ended February 28, 2015	416,690	(270,235)	(79,482)	1,000,762

2. Dividends

	Dividends per Share (yen)			Total Amount of Dividends (Millions of yen)	Dividends Payout Ratio (Consolidated)	Ratio of Total Amount of Dividends to Net Assets (Consolidated)
	Interim	Year-end	Annual			
Year ended February 28, 2015	36.50	36.50	73.00	64,538	37.3 %	2.9%
Year ended February 29, 2016	38.50	46.50	85.00	75,154	46.7 %	3.2%
Year ending February 28, 2017 (forecast)	45.00	45.00	90.00	-	-	-

Note: Breakdown of year-end dividend for the fiscal year ended February 29, 2016: Commemorative dividend 8.00 yen.

3. Forecast of Business Results for the Fiscal Year ending February 28, 2017 (From March 1, 2016 to February 28, 2017)

The consolidated financial results forecast for the fiscal year ending February 28, 2017, has been left undetermined. The reason is that a business restructuring plan for the future of the Company's consolidated subsidiary Nissen Holdings Co., Ltd. is ongoing consideration at this point. The consolidated financial results forecast will be announced without delay as soon as it becomes possible to make a rational projection. The full-year consolidated financial results forecast excluding Mail order services is as follows.

(1) Interim Period

Revenues from Operations: 2,977,000 million yen [2.1%]
 Operating Income: 187,400 million yen [5.8%]
 Ordinary Income: 185,600 million yen [6.0%]
 Income Attributable to Owners of Parent: 87,500 million yen [1.0%]

(2) Entire Year

Revenues from Operations: 6,010,000 million yen [2.1%]
 Operating Income: 389,000 million yen [7.8%]
 Ordinary Income: 385,700 million yen [7.7%]
 Income Attributable to Owners of Parent: 184,100 million yen [10.1%]

Note: Percentages represent increase (decrease) from the corresponding period in the prior year.

4. Others

(1) Changes in significant subsidiaries during the fiscal year ended February 29, 2016
 (changes in specific subsidiaries accompanying change in scope of consolidation): None
 Added: none Excluded: none

(2) Changes in accounting policies, accounting estimates or restatements

1. Changes due to amendment of accounting standards: Yes
2. Changes due to other reasons: None
3. Changes in accounting estimates: None
4. Restatements: None

(3) Number of shares outstanding (common stock)

1. Number of shares outstanding at the end of period (including treasury stock)

As of February 29, 2016:	886,441,983 shares	As of February 28, 2015:	886,441,983 shares
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2. Number of treasury stock at the end of period

As of February 29, 2016:	2,290,888 shares	As of February 28, 2015:	2,375,681 shares
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3. Average number of shares during the period

As of February 29, 2016:	884,132,485 shares	As of February 28, 2015:	884,064,278 shares
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Note: For the number of shares as a basis of calculating net income per share (consolidated), please refer to Per Share Information on page 39 of attached materials.

Reference: Summary of Nonconsolidated Financial Statements

1. Nonconsolidated Business Results for the Fiscal Year ended February 29, 2016 (from March 1, 2015 to February 29, 2016)

(1) Results of Operations

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income	
Year ended February 29, 2016	110,008	2.9%	91,964	(4.4)%	90,341	(4.6)%
Year ended February 28, 2015	106,958	18.9%	96,247	18.5%	94,667	19.7%

	Net Income		Net Income per Share		Diluted Net Income per Share	
Year ended February 29, 2016	72,803	(23.5)%	82.34	(yen)	82.27	(yen)
Year ended February 28, 2015	95,119	22.0%	107.59	(yen)	107.50	(yen)

Note: Percentages represent increase (decrease) from the prior year unless otherwise stated.

(2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of February 29, 2016	1,941,937	1,480,584	76.1%	1671.77 (yen)
As of February 28, 2015	1,954,539	1,473,961	75.3%	1,664.97 (yen)

Note: Owners' equity (net assets excluding subscription rights to shares):
 As of February 29, 2016: 1,478,133 million yen As of February 28, 2015: 1,471,984 million yen

NOTICE REGARDING AUDIT PROCEDURES FOR THE CONSOLIDATED FINANCIAL RESULTS

This consolidated financial results statement is exempt from the audit procedures based upon the Financial Instruments and Exchange Act. At this time of disclosure of this consolidated financial results statement, the audit procedure based upon the Financial Instruments and Exchange Act has not been completed.

FORWARD LOOKING STATEMENTS AND OTHER SPECIAL ITEMS

1. The forecast for the year ending February 28, 2017 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 forecast.
2. Brief summary for the fiscal year ended February 29, 2016 is posted on the Company's website (<http://www.7andi.com/en/ir/library/kh/201602.html>). The presentation materials related to management policy and financial results which will be used on financial results presentation planned to be held on April 8, 2016, will be posted as soon as possible after the presentation.

Attached Materials

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1. Scope of Consolidated Subsidiaries and Affiliates

Major Seven & i Group Companies

Seven & i Group consists 147 diversified retail companies, mainly engaged in convenience store operations, superstore operations, department store operations, food services, financial services and mail order services.

Business segments, major group companies and number of companies are as follows.

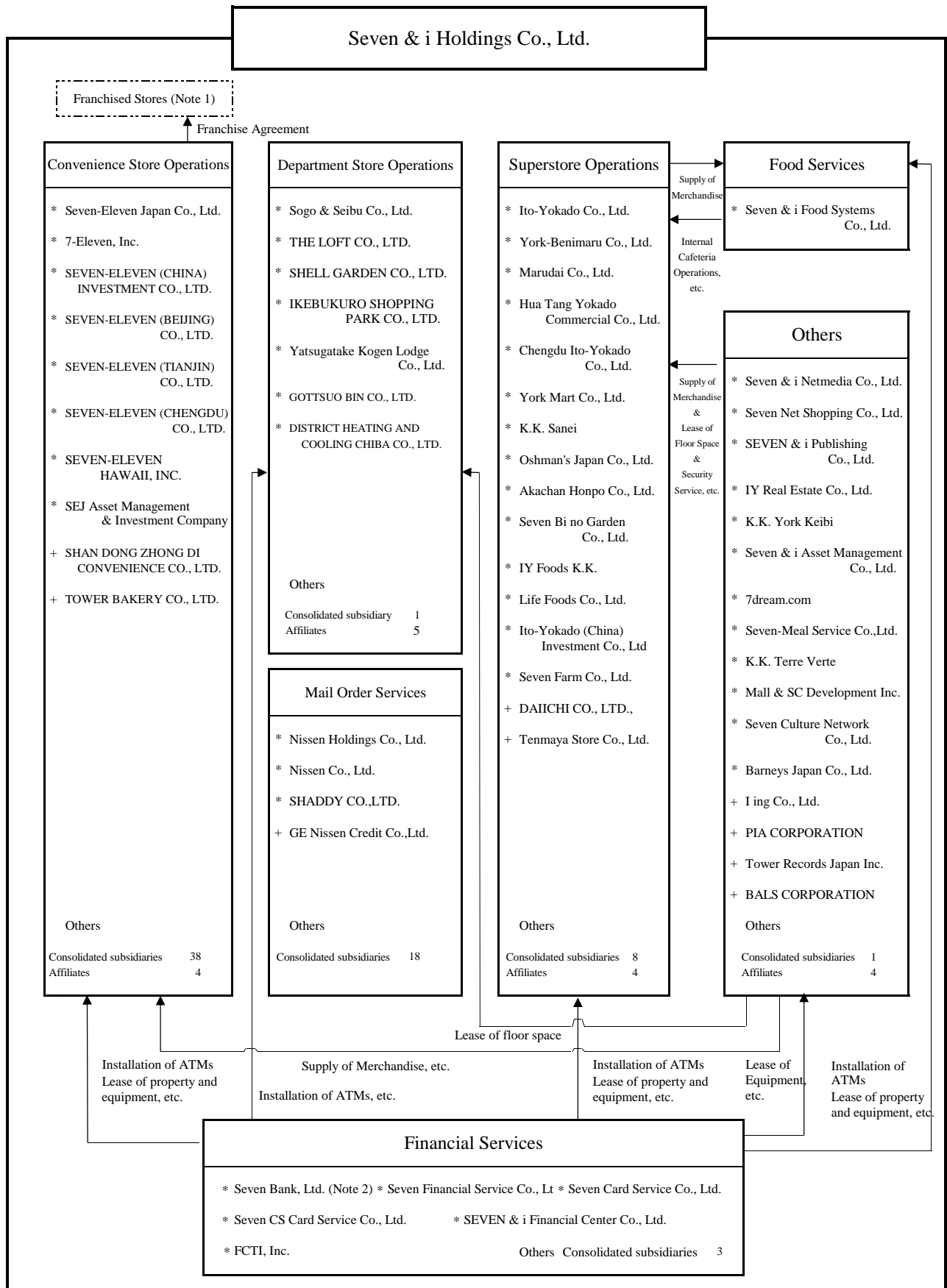
This segmentation is same as the reportable segment shown in the section of segment information.

Business Segments	Major Group Companies	Number of Companies						
Convenience Store Operations	Seven-Eleven Japan Co., Ltd. 7-Eleven, Inc. SEVEN-ELEVEN (CHINA) INVESTMENT CO., LTD. SEVEN-ELEVEN (BEIJING) CO., LTD. SEVEN-ELEVEN (TIANJIN) CO., LTD. SEVEN-ELEVEN (CHENGDU) CO., LTD. SEVEN-ELEVEN HAWAII, INC. SEJ Asset Management & Investment Company SHAN DONG ZHONG DI CONVENIENCE CO., LTD. TOWER BAKERY CO., LTD.	<table> <tr> <td>Consolidated Subsidiaries</td> <td>46</td> </tr> <tr> <td>Affiliates</td> <td>6</td> </tr> <tr> <td>Total</td> <td>52</td> </tr> </table>	Consolidated Subsidiaries	46	Affiliates	6	Total	52
Consolidated Subsidiaries	46							
Affiliates	6							
Total	52							
Superstore Operations	Ito-Yokado Co., Ltd. York-Benimaru Co., Ltd. Marudai Co., Ltd. Hua Tang Yokado Commercial Co., Ltd. Chengdu Ito-Yokado Co., Ltd. York Mart Co., Ltd. K.K. Sanei Oshman's Japan Co., Ltd. Akachan Honpo Co., Ltd. Seven Bi no Garden Co., Ltd. IY Foods K.K. Life Foods Co., Ltd. Ito-Yokado (China) Investment Co., Ltd. Seven Farm Co., Ltd. DAIICHI CO., LTD. Tenmaya Store Co., Ltd.	<table> <tr> <td>Consolidated Subsidiaries</td> <td>22</td> </tr> <tr> <td>Affiliates</td> <td>6</td> </tr> <tr> <td>Total</td> <td>28</td> </tr> </table>	Consolidated Subsidiaries	22	Affiliates	6	Total	28
Consolidated Subsidiaries	22							
Affiliates	6							
Total	28							
Department Store Operations	Sogo & Seibu Co., Ltd. THE LOFT CO., LTD. SHELL GARDEN CO., LTD. IKEBUKURO SHOPPING PARK CO., LTD. Yatsugatake Kogen Lodge Co., Ltd. GOTTSUO BIN CO., LTD. DISTRICT HEATING AND COOLING CHIBA CO., LTD.	<table> <tr> <td>Consolidated Subsidiaries</td> <td>8</td> </tr> <tr> <td>Affiliates</td> <td>5</td> </tr> <tr> <td>Total</td> <td>13</td> </tr> </table>	Consolidated Subsidiaries	8	Affiliates	5	Total	13
Consolidated Subsidiaries	8							
Affiliates	5							
Total	13							
Food Services	Seven & i Food Systems Co., Ltd.	Consolidated Subsidiary 1						
Financial Services	Seven Bank, Ltd. Seven Financial Service Co., Ltd. Seven Card Service Co., Ltd. Seven CS Card Service Co., Ltd. SEVEN & i Financial Center Co., Ltd. FCTI, Inc.	Consolidated Subsidiaries 9						
Mail Order Services	Nissen Holdings Co., Ltd. Nissen Co., Ltd. SHADDY CO.,LTD. GE Nissen Credit Co., Ltd.	<table> <tr> <td>Consolidated Subsidiaries</td> <td>21</td> </tr> <tr> <td>Affiliate</td> <td>1</td> </tr> <tr> <td>Total</td> <td>22</td> </tr> </table>	Consolidated Subsidiaries	21	Affiliate	1	Total	22
Consolidated Subsidiaries	21							
Affiliate	1							
Total	22							
Others	Seven & i Netmedia Co., Ltd. Seven Net Shopping Co., Ltd. SEVEN & i Publishing Co., Ltd. IY Real Estate Co., Ltd. K.K. York Keibi Seven & i Asset Management Co., Ltd. 7dream.com Seven-Meal Service Co., Ltd. K.K. Terre Verte Mall & SC Development Inc. Seven Culture Network Co., Ltd. Barneys Japan Co., Ltd. I ing Co., Ltd. PIA CORPORATION Tower Records Japan Inc. BALS CORPORATION	<table> <tr> <td>Consolidated Subsidiaries</td> <td>13</td> </tr> <tr> <td>Affiliates</td> <td>8</td> </tr> <tr> <td>Total</td> <td>21</td> </tr> </table>	Consolidated Subsidiaries	13	Affiliates	8	Total	21
Consolidated Subsidiaries	13							
Affiliates	8							
Total	21							

Notes: 1. SHAN DONG ZHONG DI CONVENIENCE CO., LTD., TOWER BAKERY CO., LTD., DAIICHI CO., LTD., Tenmaya Store Co., Ltd., GE Nissen Credit Co.,Ltd., I ing Co., Ltd., PIA CORPORATION, Tower Records Japan Inc. and BALS CORPORATION are affiliates.

2. On October 1, 2015, Financial Consulting & Trading International, Inc. changed its name to FCTI, Inc.

Business Relation in Group



* Consolidated subsidiary
+ Affiliate accounted for using the equity method

Notes: 1. Each franchised store is operated by an independent franchisee which enters into franchise agreement with Seven-Eleven Japan Co., Ltd. or 7-Eleven, Inc. or SEVEN-ELEVEN (BEIJING) CO., LTD. or SEVEN-ELEVEN (TIANJIN) CO., LTD or SEVEN-ELEVEN (CHENGDU) CO., LTD.
2. As of February 29, 2016, Seven Bank, Ltd. has 22,388 units of ATMs placed mainly in the stores of Group companies.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	February 28, 2015	February 29, 2016
	Amount	Amount
ASSETS		
Current assets	2,133,185	2,249,966
Cash and bank deposits	933,959	1,099,990
Call Loan	10,000	10,000
Notes and accounts receivable-trade	340,792	354,554
Trade accounts receivable-financial services	71,198	86,877
Marketable securities	100,001	80,000
Merchandise and finished goods	208,927	208,580
Work in process	71	27
Raw materials and supplies	3,170	3,579
Prepaid expenses	48,585	48,849
ATM-related temporary payments	166,686	91,725
Deferred income taxes	41,499	38,866
Other	213,653	232,319
Allowance for doubtful accounts	(5,361)	(5,404)
Non-current assets	3,101,424	3,191,716
Property and equipment	1,876,941	1,972,355
Buildings and structures, net	825,831	868,020
Furniture, fixtures and equipment, net	271,327	302,482
Vehicles, net	1,629	838
Land	725,553	746,729
Lease assets, net	13,229	12,123
Construction in progress	39,369	42,161
Intangible assets	507,004	545,670
Goodwill	297,233	313,667
Software	57,150	74,044
Other	152,620	157,959
Investments and other assets	717,478	673,690
Investments in securities	168,738	141,371
Long-term loans receivable	16,361	15,795
Long-term leasehold deposits	401,206	395,979
Advances for store construction	1,210	6,340
Net defined benefit asset	40,889	26,059
Deferred income taxes	28,382	27,636
Other	65,673	64,852
Allowance for doubtful accounts	(4,984)	(4,345)
Deferred assets	96	7
New organization costs	0	-
Business commencement expenses	96	7
TOTAL ASSETS	5,234,705	5,441,691

(Millions of yen)

	February 28, 2015	February 29, 2016
	Amount	Amount
LIABILITIES		
Current liabilities	1,826,791	1,880,903
Notes and accounts payable, trade	412,504	413,582
Short-term loans	130,780	130,782
Current portion of bonds	59,999	40,000
Current portion of long-term loans	70,013	101,329
Income taxes payable	42,979	44,744
Accrued expenses	104,284	108,696
Deposits received	149,610	157,530
ATM-related temporary advances	66,977	48,366
Allowance for sales promotion expenses	20,408	21,530
Allowance for bonuses to employees	12,893	13,432
Allowance for bonuses to Directors and Audit & Supervisory Board Members	375	362
Allowance for loss on future collection of gift certificates	2,532	2,063
Provision for sales returns	188	142
Deposits received in banking business	475,209	518,127
Other	278,035	280,211
Non-current liabilities	976,997	1,055,605
Bonds	319,992	399,994
Long-term loans	367,467	360,864
Deferred income taxes	63,536	64,859
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	2,060	2,010
Net defined benefit liability	8,669	8,564
Deposits received from tenants and franchised stores	56,779	56,574
Asset retirement obligations	67,068	72,034
Other	91,424	90,702
TOTAL LIABILITIES	2,803,788	2,936,508
NET ASSETS		
Shareholders' equity	2,193,677	2,289,557
Common stock	50,000	50,000
Capital surplus	527,470	527,474
Retained earnings	1,622,090	1,717,771
Treasury stock, at cost	(5,883)	(5,688)
Total accumulated other comprehensive income	105,985	82,716
Unrealized gains (losses) on available-for-sale securities, net of taxes	21,571	20,655
Unrealized gains (losses) on hedging derivatives, net of taxes	557	33
Foreign currency translation adjustments	80,342	70,927
Remeasurements of defined benefit plan	3,512	(8,900)
Subscription rights to shares	2,427	2,995
Minority interests in consolidated subsidiaries	128,827	129,912
TOTAL NET ASSETS	2,430,917	2,505,182
TOTAL LIABILITIES AND NET ASSETS	5,234,705	5,441,691

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

(Millions of yen)

	Year ended February 28, 2015	Year ended February 29, 2016
	Amount	Amount
Revenues from operations	6,038,948	6,045,704
Net sales	4,996,619	4,892,133
Cost of sales	3,926,210	3,803,968
Gross profit on sales	1,070,408	1,088,164
Operating revenues	1,042,329	1,153,571
Gross profit from operations	2,112,737	2,241,736
Selling, general and administrative expenses	1,769,405	1,889,415
Advertising and decoration expenses	165,645	176,335
Salaries and wages	438,849	461,658
Provision for bonuses to employees	12,680	13,366
Pension expenses	13,297	11,846
Legal welfare expenses	57,515	62,580
Land and building rent	318,485	342,128
Depreciation and amortization	164,020	186,538
Utility expenses	126,726	125,062
Store maintenance and repair expenses	67,671	73,230
Other	404,512	436,669
Operating income	343,331	352,320
Non-operating income	10,533	12,293
Interest income	5,971	5,385
Dividend income	894	975
Equity in earnings of affiliates	-	1,958
Other	3,667	3,975
Non-operating expenses	12,381	14,448
Interest expenses	6,700	6,955
Interest on bonds	2,652	2,604
Equity in losses of affiliates	362	-
Foreign currency exchange losses	267	922
Other	2,397	3,965
Ordinary income	341,484	350,165
Special gains	4,835	6,103
Gain on sales of property and equipment	2,702	2,171
Compensation income for expropriation	686	2,849
Gain on step acquisitions	763	-
Other	683	1,081
Special losses	36,124	52,493
Loss on disposals of property and equipment	13,349	11,557
Impairment loss on property and equipment	15,220	22,691
Restructuring expenses	-	10,695
Special expenses related to consumption tax rate change	2,028	-
Other	5,527	7,548

(Millions of yen)

	Year ended February 28, 2015	Year ended February 29, 2016
	Amount	Amount
Income before income taxes and minority interests	310,195	303,775
Total income taxes	127,643	135,094
Income taxes - current	123,421	124,031
Income taxes - deferred	4,222	11,062
Income before minority interests	182,551	168,681
Minority interests in net income of consolidated subsidiaries	9,572	7,751
Net income	172,979	160,930

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended February 28, 2015	Year ended February 29, 2016
	Amount	Amount
Income before minority interests	182,551	168,681
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities, net of taxes	11,020	(974)
Unrealized gains (losses) on hedging derivatives, net of taxes	1,132	(1,029)
Foreign currency translation adjustments	77,684	(9,701)
Remeasurements of defined benefit plan, net of taxes	-	(12,318)
Share of other comprehensive income of entities accounted for using equity method	192	(54)
Total other comprehensive income	90,030	(24,077)
Comprehensive income	272,582	144,603
Comprehensive income attributable to shareholders of the parent	261,001	137,661
Minority interests	11,581	6,942

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended February 28, 2015 (From March 1, 2014 to February 28, 2015)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 1, 2014	50,000	526,850	1,511,555	(7,109)	2,081,295
Cumulative effects of changes in accounting policies					-
Restated balance	50,000	526,850	1,511,555	(7,109)	2,081,295
Increase (decrease) for the year					
Cash dividends			(63,194)		(63,194)
Net income			172,979		172,979
Purchase of treasury stock				(27)	(27)
Disposal of treasury stock		620		1,253	1,873
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries			751		751
Other				(0)	(0)
Net changes of items other than shareholders' equity					
Net increase (decrease) for the year	-	620	110,535	1,226	112,381
Balance at February 28, 2015	50,000	527,470	1,622,090	(5,883)	2,193,677

(Millions of yen)

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests in consolidated subsidiaries	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at March 1, 2014	10,672	(6)	3,785	-	14,450	1,944	123,866	2,221,557
Cumulative effects of changes in accounting policies								-
Restated balance	10,672	(6)	3,785	-	14,450	1,944	123,866	2,221,557
Increase (decrease) for the year								
Cash dividends								(63,194)
Net income								172,979
Purchase of treasury stock								(27)
Disposal of treasury stock								1,873
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries								751
Other								(0)
Net changes of items other than shareholders' equity	10,899	564	76,557	3,512	91,534	482	4,960	96,978
Net increase (decrease) for the year	10,899	564	76,557	3,512	91,534	482	4,960	209,359
Balance at February 28, 2015	21,571	557	80,342	3,512	105,985	2,427	128,827	2,430,917

Fiscal year ended February 29, 2016 (From March 1, 2015 to February 29, 2016)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 1, 2015	50,000	527,470	1,622,090	(5,883)	2,193,677
Cumulative effects of changes in accounting policies			21		21
Restated balance	50,000	527,470	1,622,111	(5,883)	2,193,698
Increase (decrease) for the year					
Cash dividends			(66,309)		(66,309)
Net income			160,930		160,930
Purchase of treasury stock				(28)	(28)
Disposal of treasury stock		4		224	228
Other			1,039	(0)	1,038
Net changes of items other than shareholders' equity					
Net increase (decrease) for the year	-	4	95,659	195	95,858
Balance at February 29, 2016	50,000	527,474	1,717,771	(5,688)	2,289,557

(Millions of yen)

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests in consolidated subsidiaries	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at March 1, 2015	21,571	557	80,342	3,512	105,985	2,427	128,827	2,430,917
Cumulative effects of changes in accounting policies								21
Restated balance	21,571	557	80,342	3,512	105,985	2,427	128,827	2,430,938
Increase (decrease) for the year								
Cash dividends								(66,309)
Net income								160,930
Purchase of treasury stock								(28)
Disposal of treasury stock								228
Other								1,038
Net changes of items other than shareholders' equity	(916)	(523)	(9,414)	(12,413)	(23,268)	567	1,085	(21,615)
Net increase (decrease) for the year	(916)	(523)	(9,414)	(12,413)	(23,268)	567	1,085	74,243
Balance at February 29, 2016	20,655	33	70,927	(8,900)	82,716	2,995	129,912	2,505,182

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended February 28, 2015	Year ended February 29, 2016
	Amount	Amount
Cash flows from operating activities:		
Income before income taxes and minority interests	310,195	303,775
Depreciation and amortization	172,237	195,511
Impairment loss on property and equipment	15,220	28,800
Amortization of goodwill	18,894	23,110
Increase (decrease) in allowance for bonuses to employees	(2,030)	540
Decrease (increase) in net defined benefit asset	(1,664)	(3,685)
Interest and dividends income	(6,865)	(6,360)
Interest expenses and interest on bonds	9,353	9,559
Equity in losses (earnings) of affiliates	362	(1,958)
Gain on sales of property and equipment	(2,702)	(2,171)
Loss on disposals of property and equipment	13,349	12,068
Decrease (increase) in notes and accounts receivable, trade	(9,186)	(13,765)
Decrease (increase) in trade accounts receivable, financial services	(4,968)	(15,678)
Decrease (increase) in inventories	(806)	(141)
Increase (decrease) in notes and accounts payable, trade	19,181	5,556
Increase (decrease) in deposits received	33,451	7,433
Net increase (decrease) in loans in banking business	(9,000)	(1,000)
Net increase (decrease) in corporate bonds in banking business	(5,000)	-
Net increase (decrease) in deposits received in banking business	72,146	42,918
Net increase (decrease) in call money in banking business	(20,000)	-
Net change in ATM-related temporary accounts	(39,428)	56,349
Other	5,651	(20,686)
Sub-total	568,393	620,176
Interest and dividends received	4,067	4,018
Interest paid	(9,369)	(9,552)
Income taxes paid	(146,400)	(125,668)
Net cash provided by operating activities	416,690	488,973

(Millions of yen)

	Year ended February 28, 2015	Year ended February 29, 2016
	Amount	Amount
Cash flows from investing activities:		
Acquisition of property and equipment	(276,351)	(304,501)
Proceeds from sales of property and equipment	12,747	31,986
Acquisition of intangible assets	(30,551)	(42,937)
Payment for purchase of investments in securities	(23,602)	(23,710)
Proceeds from sales of investments in securities	54,334	50,815
Payment for purchase of investments in subsidiaries	(444)	(56)
Payment of investments in subsidiaries resulting in change in scope of consolidations	(6,373)	-
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidations	377	-
Payment for long-term leasehold deposits	(25,789)	(32,219)
Refund of long-term leasehold deposits	35,163	35,613
Proceeds from deposits from tenants	4,571	2,966
Refund of deposits from tenants	(2,346)	(2,637)
Payment for acquisition of business	(909)	(48,479)
Payment for time deposits	(28,379)	(13,478)
Proceeds from withdrawal of time deposits	20,398	13,188
Other	(3,079)	(2,498)
Net cash used in investing activities	(270,235)	(335,949)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans	13,122	(20)
Proceeds from long-term debts	88,650	96,550
Repayment of long-term debts	(97,538)	(70,903)
Proceeds from commercial paper	13,011	6,114
Payment for redemption of commercial paper	(13,011)	(6,114)
Proceeds from issuance of bonds	-	119,679
Payment for redemption of bonds	-	(60,000)
Dividends paid	(63,150)	(66,289)
Capital contribution from minority interests	26	-
Dividends paid for minority interests	(5,627)	(5,792)
Other	(14,966)	(15,536)
Net cash provided by (used in) financing activities	(79,482)	(2,312)
Effect of exchange rate change on cash and cash equivalents	12,422	(3,880)
Net increase (decrease) in cash and cash equivalents	79,395	146,830
Cash and cash equivalents at beginning of year	921,432	1,000,762
Decrease in cash and cash equivalents resulting from exclusion of the subsidiary from consolidation	(65)	(506)
Cash and cash equivalents at end of year	1,000,762	1,147,086

(5) Doubts on the Premise of Going Concern

None

(6) Accounting Policies for the Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 120

Major consolidated subsidiaries: Seven-Eleven Japan Co., Ltd., 7-Eleven, Inc., Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., Sogo & Seibu Co., Ltd., Seven & i Food Systems Co., Ltd., Seven Bank, Ltd., and Nissen Holdings Co., Ltd.

Consolidated subsidiaries increased by 7

Following the acquisition of shares of TFS Newco LLC by wholly owned subsidiary of the Company, 7-Eleven, Inc. and other transactions, a total of six companies, including TFS Newco LLC, became consolidated subsidiaries.

FCTI Canada, Inc. was also newly established.

Consolidated subsidiaries decreased by 5

(Dissolution)

Mail & e Business Logistics Service Co., Ltd., Mary Ann Co., Ltd.

(Liquidation)

Japan Product Distribution System Services Co., Ltd., Seven & i Restaurant Management (Beijing) Co., Ltd. WV ABC, Inc.

2. Application of equity method

(1) Number of unconsolidated subsidiary to which equity method was applied: none

(2) Number of affiliates to which equity method was applied: 26

Major affiliates: PRIME DELICA CO., LTD.
PIA CORPORATION

Affiliates to which equity method is applied increased by 2

(Establishment)

Seven Farm Niigatashi Co., Ltd., Trinity River Terminals, LLC

(3) Procedure for applying equity method

(a) The affiliates which have different closing dates are included in the Consolidated Financial Statements based on their respective fiscal year-end.

(b) When an affiliate is in a net loss portion, the Company's share of such loss is reduced from its loan receivable from affiliate.

3. Accounting period of consolidated subsidiaries

The fiscal year-end of some subsidiaries is December 20 or 31. The financial statements of such subsidiaries as of and for the year ended December 20 or 31 are used in preparing the Consolidated Financial Statements. All material transactions during the period from the closing date to February 28 or 29 are adjusted for in the consolidation process.

The closing date of Seven Bank, Ltd. etc. are March 31. Pro forma financial statements as of February 28 or 29 prepared in a manner that is substantially identical to the preparation of the official financial statements are prepared in order to facilitate its consolidation.

4. Summary of significant accounting policies

(1) Valuation method for major assets

(a) Valuation method for securities

- (I) Held-to-maturity debt securities are carried at amortized cost.
 - (II) Available-for-sale securities are classified into two categories, where: (i) the fair value is available and (ii) the fair value is not available.
 - (i) Securities whose fair value is available are valued at the quoted market price prevailing at the end of the fiscal year. Net unrealized gains or losses on these securities are reported as a separate component of net assets at a net-of-tax amount. Cost of sales is determined using the moving-average method.
 - (ii) Securities whose fair value is not available are valued at cost, determined using the moving-average method.
- (b) Valuation method for derivatives
Derivative financial instruments are valued at fair value.
- (c) Valuation method for inventories
- (I) Merchandise:

Inventories of domestic consolidated subsidiaries (excluding Mail order services) are stated mainly at cost determined by the retail method with book value written down to the net realizable value.

Cost is determined principally by the first-in, first-out (FIFO) method (except for gasoline inventory that is determined mainly by the weighted average cost method) for Mail order services and foreign consolidated subsidiaries. Some subsidiaries applied using the moving-average method.
 - (II) Supplies:

Supplies are carried at cost which is mainly determined by the last purchase price method with book value written down to the net realizable value.
- (2) Depreciation and amortization
- (a) Property and equipment (Excluding Lease assets)

Property and equipment are depreciated using the straight-line method.
 - (b) Intangible assets (Excluding Lease assets)

Intangible assets are amortized using the straight-line method for the Company and its domestic consolidated subsidiaries. Software for internal use is amortized using the straight-line method over an estimated useful life of 5 years.
 - (c) Lease assets

For the assets leased under finance lease contracts that do not transfer ownership of leased property to the lessee, a useful life is determined based on the duration of the lease period and straight-line depreciation is applied with an assumed residual value at nil.

Finance leases, commenced prior to March 1, 2009, which do not transfer ownership of leased property to the lessee, are accounted for in the same manner as operating leases.
- (3) Accounting for deferred assets
- (a) New organization costs

New organization costs are amortized using the straight-line method over 5 years, or expensed as incurred if immaterial.
 - (b) Business commencement expenses

Business commencement expenses are amortized using the straight-line method over 5 years, or expensed as incurred if immaterial.
- (4) Allowances
- (a) Allowance for doubtful accounts

Allowance for doubtful accounts is provided in an amount sufficient to cover probable losses on collection. It consists of the estimated uncollectible amount with respect to certain identified doubtful receivables and an amount calculated using the actual historical rate of losses.

(b) Allowance for sales promotion expenses

Allowance for sales promotion expenses is provided for the use of points given to customers at the amount expected to be used on the balance sheet date in accordance with the sales promotion point card program.

(c) Allowance for bonuses to employees

Allowance for bonuses to employees is provided at the amount expected to be paid in respect of the calculation period ended on the balance sheet date.

(d) Allowance for bonuses to Directors and Audit & Supervisory Board Members

Allowance for bonuses to Directors and Audit & Supervisory Board Members is provided at the amount estimated to be paid.

(e) Allowance for loss on future collection of gift certificates

Allowance for loss on future collection of gift certificates issued by certain domestic consolidated subsidiaries is provided for collection of gift certificates recognized as income after remaining uncollected for certain periods from their issuance. The amount is calculated using the historical results of collection.

(f) Provision for sales returns

Provision for sales returns is provided at the amount estimated future loss due to sales returns. The amount is calculated using the historical results of collection.

(g) Allowance for retirement benefits to Directors and Audit & Supervisory Board Members

Allowance for retirement benefits to Directors and Audit & Supervisory Board Members is provided at the amount required to be paid in accordance with internal rules.

The Company and some of its consolidated subsidiaries have abolished the retirement benefits system for Directors and Audit & Supervisory Board Members, among which some subsidiaries have determined to pay the balance at the time of retirement.

(5) Accounting method for retirement benefits

(a) Allocation method of estimated total retirement benefits

When calculating retirement benefit obligation, the benefit formula basis is used to allocate estimated total retirement benefits to the period up to the fiscal year-end.

(b) Amortization method of the actuarial difference and the prior service cost

Actuarial differences are amortized on a straight-line basis over the period of 10 years from the year following the year in which they arise, which is shorter than the average remaining years of service of the eligible employees.

Prior service costs are amortized on a straight-line basis over the periods of 5 years or 10 years, which are shorter than the average remaining years of service of the eligible employees.

(6) Foreign currency translation

All assets and liabilities of the Company and its domestic consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen at the exchange rate in effect at the respective balance sheet dates. Translation gains or losses are included in the accompanying Consolidated Statements of Income.

All balance sheets accounts of foreign subsidiaries are translated into Japanese yen at the exchange rate in effect at the respective balance sheet dates except for shareholders' equity, which is translated at the historical rates. All income and expense accounts are translated at the average exchange rate for the period. The resulting

translation adjustments are included in the accompanying Consolidated Balance Sheets under “Foreign currency translation adjustments” and “Minority interests in consolidated subsidiaries”.

(7) Hedge accounting

(a) Hedge accounting

If interest rate swap contracts are used as hedges and meet certain hedging criteria, the recognition of gains and losses resulting from the changes in fair value of interest rate swap contracts is deferred until the related gains and losses on the hedged items are recognized.

The forward foreign exchange contracts are accounted for by the short-cut method when they meet certain criteria for the method. Certain interest rate swap contracts that meet specific hedging criteria are not measured at market value but the differences between the paid and received amount under the swap contracts are recognized and included in interest income or expense as incurred.

(b) Hedge instruments and hedged items

(I) instruments – Forward foreign exchange contracts

Hedged items – Foreign currency-denominated monetary liability

(II) instruments – Interest swap

Hedged items – Loans payable

(c) Hedging policies

The Company and its subsidiaries have policies to utilize derivative instruments for the purposes of hedging their exposure to fluctuations in foreign currency rates and interest rates and reducing financing costs. The Company and its subsidiaries do not hold or issue derivative instruments for trading or speculative purposes.

(d) Assessing hedge effectiveness

The hedge effectiveness is assessed quarterly except for those that meet specific hedging criteria.

(8) Goodwill and negative goodwill

Goodwill and negative goodwill which generated before March 1, 2011 are amortized mainly over a period of 20 years on a straight-line basis, or recognized as income or expenses immediately if immaterial. Negative goodwill arising on or after March 1, 2011 is recognized as income when it occurs.

The goodwill recognized in applying the equity method is accounted for in the same manner.

(9) Cash and cash equivalents

Cash and cash equivalents in the accompanying Consolidated Statements of Cash Flows are comprised of cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition, that are liquid, readily convertible into cash and are subject to minimum risk of price fluctuation.

(10) Other accounting treatments

(a) Accounting for franchised stores in convenience store operations

Seven-Eleven Japan Co., Ltd. and 7-Eleven, Inc. recognize franchise commission from its franchised stores as revenues and include it in “Operating revenues”.

(b) Accounting for consumption taxes and excise tax

The Japanese consumption taxes withheld and consumption taxes paid are not included in the accompanying Consolidated Statements of Income. The excise tax levied in the U.S. and Canada is included in the revenues from operations.

(c) Application of consolidated taxation system

The Company and its wholly owned domestic subsidiaries have applied Consolidated Taxation System.

(7) Changes in accounting policies

(Application of Accounting Standard for Retirement Benefits)

For the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012; hereinafter the “Standard”) and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015; hereinafter the “Guidance”), the Company has additionally applied the provisions set forth in the main clauses of paragraph 35 of the Standard and paragraph 67 of the Guidance from the fiscal year ended February 29, 2016, and reviewed the determination of retirement benefit obligation and service cost. Accordingly, the Company changed the method of allocating estimated total retirement benefits to periods from the point basis and straight-line basis to the benefit formula basis, and changed the method for determining the discount rate from one that uses a discount rate based on a period approximate to the expected average remaining years of service of the eligible employees to one that uses a single weighted average discount rate reflecting the estimated timing and amount of benefit payments.

Application of the Standard and Guidance is in line with the transitional treatment provided in paragraph 37 of the Standard, and the effect of the revision to the calculation method for retirement benefit obligation and service cost has been added to or deducted from retained earnings as of March 1, 2015.

As a result of this change, as of March 1, 2015, net defined benefit asset decreased by 3 million yen and retained earnings decreased by 3 million yen. The effect of this change on operating income, ordinary income and income before income taxes and minority interests for the fiscal year ended February 29, 2016 is immaterial.

(New accounting standards not yet applied)

(Accounting Standard for Business Combinations, etc.)

- Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013)
- Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013)
- Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013)
- Accounting Standard for Earnings Per Share (ASBJ Statement No. 2, September 13, 2013)
- Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, September 13, 2013)
- Guidance on Accounting Standard for Earnings Per Share (ASBJ Guidance No. 4, September 13, 2013)

(1) Overview

The Accounting Standards and relevant regulations were revised mainly with a focus on (i) the treatment of changes to a parent company’s ownership of a subsidiary if control is maintained in the acquisition of additional shares of the subsidiary, (ii) the treatment of acquisition-related costs, (iii) the presentation of net income and change from minority interests to non-controlling interests, and (iv) the provisional application of accounting treatment.

(2) Effective date

The revised Accounting Standards and relevant regulations are scheduled to be applied from the beginning of the fiscal year ending February 28, 2017. The provisional application of accounting treatment is scheduled to be applied to business combinations carried out on or after the beginning of the fiscal year ending February 28, 2017.

(3) Effects of application of the Accounting Standards and relevant regulations

The effects of the application are under assessment at the time of preparing these consolidated financial statements.

(Implementation Guidance on Recoverability of Deferred Tax Assets)

- Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, December 28, 2015)

(1) Overview

The accounting treatment on recoverability of deferred tax assets still basically follows the framework of the Auditing Treatment Regarding Judgment of the Recoverability of Deferred Tax Assets outlined in the JICPA Industry Audit Committee Statement No. 66, i.e. a framework for estimating deferred tax assets by classifying entities into five categories and calculating the amount according to those categories, but it has made the following necessary revisions on treatment.

- (i) Accounting treatments of entities not satisfying any of the category criteria from (Category 1) to (Category 5).
- (ii) Category criteria of (Category 2) and (Category 3).
- (iii) Accounting treatments of unscheduled deductible temporary differences for entities in (Category 2).

(iv) Accounting treatments for reasonably estimated period for taxable income before temporary differences for entities in (Category 3).

(v) Accounting treatments for entities satisfying the category criteria of (Category 4) and also falling in (Category 2) or (Category 3).

(2) Effective date

The above revisions are scheduled to be applied from the beginning of the fiscal year ending February 28, 2017.

(3) Effects of application of the Accounting Standards and relevant regulations

The effects of the application are under assessment at the time of preparing these consolidated financial statements.

(8) Supplementary Information

The “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 9 of 2015) and the “Act for Partial Amendment of the Local Tax Act, etc.” (Act No. 2 of 2015) were promulgated on March 31, 2015. With this amendment, the rates of income taxes, etc. were changed effective from the fiscal year beginning on or after April 1, 2015.

In conjunction with this, the statutory effective tax rate used to calculate deferred tax assets and deferred tax liabilities was changed from the previous rate of 35.6% to 33.1% for temporary differences expected to be reversed in the fiscal year beginning on March 1, 2016, and the rate will be 32.3% for temporary differences expected to be reversed in the fiscal year beginning on or after March 1, 2017.

As a result of these changes, the amount of deferred tax assets (after deducting deferred tax liabilities) decreased by 4,485 million yen. Income taxes - deferred, unrealized gains (losses) on available-for-sale securities and unrealized gains (losses) on hedging derivatives increased by 4,784 million yen, 539 million yen, and 17 million yen respectively, while remeasurements of defined benefit plans decreased by 258 million yen.

(9) Notes to Consolidated Financial Statements

Consolidated Balance Sheets;

1. Accumulated depreciation of Property and equipment

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
Accumulated depreciation	1,710,189	1,795,547

2. Assets pledged as collateral

Assets pledged as collateral for the debts

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
Buildings and structures	2,867	893
Land	7,395	2,070
Investments in securities	63,019	30,622
Long-term leasehold deposits	5,005	4,856
Total	78,288	38,442
Debts for which above assets are pledged as collateral		
Short-term loans	2,200	1,900
Long-term loans (including current portion of long-term loans)	13,103	11,206
Long-term accounts payable, other	442	-
Deposits received from tenants and franchised stores	34	54
Total	15,780	13,160

Assets pledged as collateral for the debts of affiliates

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
Buildings	412	391
Land	1,368	1,368
Total	1,780	1,759
Loans of affiliates for which above assets are pledged as collateral	3,151	3,043

Assets pledged as collateral for fund transfer

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
Investments in securities	4,502	4,501

Assets pledged as collateral for real estate business

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
Long-term leasehold deposits	55	55

Assets pledged as collateral under installment sales law

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
Long-term leasehold deposits	1,335	1,335

Assets pledged as collateral to secure the amount of prepaid tickets issued

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
Long-term leasehold deposits	447	308

3. Guarantees

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
Employees' housing Loans	221	155

4. Loan commitment

Some financial subsidiaries conduct a cash loan business that is associated with their credit card business. Unused credit balance related to the cash loan business is as follows.

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
Credit availability of cash loan business	934,876	890,170
Outstanding balance	35,685	40,211
Unused credit balance	899,190	849,958

Unused credit balance will not have a material impact on future cash flows because most of the unused credit balance will remain unused considering the historical record. Some financial subsidiaries will cease finance services or reduce the credit limit based on the credit situation of customers or other justifiable reasons.

5. Others

Government Bonds held by Seven Bank, Ltd.

Seven Bank, Ltd., one of the Company's consolidated subsidiaries, holds government bonds to serve as collateral for exchange settlement transactions and overdraft transactions with the Bank of Japan. These government bonds are recorded in "Investments in securities" in the Consolidated Balance Sheets due to its nature of restriction though they have redemption at maturity less than one year.

Consolidated Statements of Income;

1. The franchise commission from Seven-Eleven Japan Co., Ltd.'s franchised stores and 7-Eleven, Inc.'s are included in "Operating revenues".

The franchise commission from franchised stores and net sales of franchised stores are as follows:

Seven-Eleven Japan Co., Ltd

(Millions of yen)

	For the year ended February 28, 2015	For the year ended February 29, 2016
Franchise commission from franchised stores	628,867	680,413
Net sales of franchised stores	3,905,369	4,182,231

7-Eleven, Inc.

(Millions of yen)

	For the year ended February 28, 2015	For the year ended February 29, 2016
Franchise commission from franchised stores	198,282	246,123
Net sales of franchised stores	1,118,497	1,401,665

2. Major items included in "Gain on sales of property and equipment" are as follows:

(Millions of yen)

	For the year ended February 28, 2015	For the year ended February 29, 2016
Buildings and structures	1,507	937
Land	974	1,174
Others	220	60
Total	2,702	2,171

3. Major items included in "Loss on disposals of property and equipment" are as follows:

(Millions of yen)

	For the year ended February 28, 2015	For the year ended February 29, 2016
Buildings and structures	4,840	5,151
Furniture, fixtures and equipment	6,028	2,683
Others	2,480	4,232
Total	13,349	12,068

Note: 18 million yen (Building and structures), 7 million yen (Furniture, fixtures and equipment), and 484 million yen (Other) are included in "Restructuring expenses" in Consolidated Statements of Income for the year ended February 29, 2016.

4. Impairment loss

For the fiscal year ended February 28, 2015, the Company and its consolidated subsidiaries recognized as impairment loss on the following group of assets.

(Millions of yen)

Description	Classification	Location		Amount
Stores (Convenience stores)	Land and buildings etc.	Tokyo Met.	71 Stores	14,694
		Aichi Pref.	38 Stores	
		Others (including U.S.)		
Stores (Superstores)	Land and buildings etc.	Saitama Pref.	6 Stores	
		Tokyo Met.	5 Stores	
		Others	22 Stores	
Stores (Department stores)	Land and buildings etc.	Saitama Pref.	1 Store	
		Tokyo Met.	1 Store	
		Others	3 Stores	
Stores (Food services)	Land and buildings etc.	Tokyo Met. & others	12 Stores	
Other facility etc.	Land and buildings etc.	Tokyo Met. & others		525
Total				15,220

The Company and its domestic consolidated subsidiaries group their fixed assets by store, which is the minimum cash-generating unit. The book values of stores whose land had significantly declined in market prices or which incurred consecutive operating losses were reduced to recoverable amounts, and such deducted amount was recorded as impairment loss in special losses.

A breakdown of impairment loss is as follows:

(Millions of yen)

	Stores	Other facilities etc.	Total
Building and structures	10,228	397	10,626
Land	1,973	86	2,060
Software	0	26	27
Other	2,492	14	2,506
Total	14,694	525	15,220

In the case where net selling prices were used as recoverable amounts, relevant assets were evaluated based on real estate appraisal standards, and in the case where values in use were used as recoverable amounts, relevant assets were evaluated by discounting estimated future cash flows to which the 2.9% - 6.0% discount rates were applied.

For the fiscal year ended February 29, 2016, the Company and its consolidated subsidiaries recognized as impairment loss on the following group of assets.

(Millions of yen)

Description	Classification	Location		Amount
Stores (Convenience stores)	Land and buildings etc.	Tokyo Met.	79 Stores	26,090
		Osaka Pref.	57 Stores	
		Others (including U.S.)		
Stores (Superstores)	Land and buildings etc.	Saitama Pref.	4 Stores	
		Tokyo Met.	3 Stores	
		Others	16 Stores	
Stores (Department stores)	Land and buildings etc.	Tokyo Met.	3 Stores	
		Kanagawa Pref.	3 Stores	
		Others	5 Stores	
Stores (Food services)	Land and buildings etc.	Tokyo Met. & others	32 Stores	
Other facility etc.	Land and buildings etc.	Kyoto Pref., Fukushima Pref., Nagano Pref. & others		2,710
Total				28,800

Note: 3,792 million yen (Stores) and 2,315 million yen (Other facility etc.) are included in “Restructuring expenses” in Consolidated Statements of Income.

The Company and its domestic consolidated subsidiaries group their fixed assets by store, which is the minimum cash-generating unit. The book values of stores whose land had significantly declined in market prices or which incurred consecutive operating losses were reduced to recoverable amounts, and such deducted amount was recorded as impairment loss in special losses.

A breakdown of impairment loss is as follows:

(Millions of yen)

	Stores	Other facilities etc.	Total
Building and structures	17,248	2,190	19,438
Land	4,706	200	4,907
Software	123	55	178
Other	4,011	263	4,275
Total	26,090	2,710	28,800

Note: 4,950 million yen (Building and structures), 643 million yen (Land), 41 million yen (Software), and 473 million yen (Other) are included in “Restructuring expenses” in Consolidated Statements of Income.

In the case where net selling prices were used as recoverable amounts, relevant assets were evaluated based on real estate appraisal standards, and in the case where values in use were used as recoverable amounts, relevant assets were evaluated by discounting estimated future cash flows to which the 3.0% - 6.0% discount rates were applied.

5. Restructuring expenses

The Company and its consolidated subsidiaries record restructuring expenses to promote the group’s growth strategies.

(Millions of yen)

	For the year ended February 28, 2015	For the year ended February 29, 2016
Impairment loss	–	6,108
Store closing losses	–	1,584
Loss on inventory disposal on business closure	–	1,527
Loss on disposals of property and equipment	–	510
Others	–	964
Total	–	10,695

Consolidated Statements of Comprehensive Income;

1. The components of other comprehensive income including reclassification adjustments and tax(expense) or benefits for the fiscal years ended February 28, 2015 and February 29, 2016 are as follows:

(Millions of yen)

	For the year end February 28, 2015	For the year end February 29, 2016
Unrealized gains (losses) on available-for-sale securities, net of taxes:		
Increase (decrease) during the fiscal year	15,917	(1,992)
Reclassification adjustments	(399)	(122)
Amount before tax	15,518	(2,114)
Tax (expense) or benefit	(4,497)	1,140
Subtotal	11,020	(974)
Unrealized gains (losses) on hedging derivatives, net of taxes		
Increase (decrease) during the fiscal year	1,769	(1,664)
Reclassification adjustments	-	-
Amount before tax	1,769	(1,664)
Tax (expense) or benefit	(636)	634
Subtotal	1,132	(1,029)
Foreign currency translation adjustments:		
Increase (decrease) during the fiscal year	77,684	(9,701)
Remeasurements of defined benefit plans, net of tax:		
Increase (decrease) during the fiscal year	-	(19,345)
Reclassification adjustments	-	1,434
Amount before tax	-	(17,910)
Tax (expense) or benefit	-	5,592
Subtotal	-	(12,318)
Share of other comprehensive income of entities accounted for using equity method:		
Increase (decrease) during the fiscal year	192	(54)
Total other comprehensive income	90,030	(24,077)

Consolidated Statements of Changes in Net Assets;

(From March 1, 2014 to February 28, 2015)

1. Type and number of shares of outstanding and treasury stock

(1) Outstanding stock

(Thousands of shares)

	As of March 1, 2014	Number of shares increased	Number of shares decreased	As of February 28, 2015
Ordinary Share	886,441	-	-	886,441

(2) Treasury stock

(Thousands of shares)

	As of March 1, 2014	Number of shares increased (Note 1)	Number of shares decreased (Note 2)	As of February 28, 2015
Ordinary Share	2,876	6	507	2,375

Notes: (1) 6 thousand shares increased mainly due to the acquisition of odd-lot shares.

(2) The 507 thousand decrease in the number of ordinary shares in treasury stock resulted from a 28 thousand decrease of shares through exercise of stock options, a 478 thousand decrease of shares through third-party allotment accompanying a merger of subsidiaries, and a 0 thousand decrease of shares due to sale of odd-lot shares.

2. Subscription rights to shares and treasury subscription rights to shares

Entity		The Company	Consolidated subsidiaries	
	Description of subscription rights to shares	Subscription rights to shares as stock-linked compensation stock option	Subscription rights to shares as stock-linked compensation stock option	Total
	Type of shares to be issued upon excise of the rights	-	-	-
Number of shares to be issued upon the exercise of the rights (shares)	Number of shares as of March 1, 2014	-	-	-
	Number of shares increased	-	-	-
	Number of shares decreased	-	-	-
	Number of shares as of February 28, 2015	-	-	-
	Balance as of February 28, 2015 (millions of yen)	1,977	449	2,427

3. Matters related to dividends

(1) Dividend payments

Resolution	Type	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 22, 2014 Ordinary general meeting of shareholders	Ordinary Share	30,942 million yen	35.00 yen	Feb. 28, 2014	May 23, 2014
October 2, 2014 Board of directors' meeting	Ordinary Share	32,269 million yen	36.50 yen	Aug. 31, 2014	Nov. 14, 2014

(2) Dividends whose record date is within the fiscal year ended February 28, 2015, but to be effective after the fiscal year-end

Resolution	Type	Funds for dividends	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 28, 2015 Ordinary general meeting of shareholders	Ordinary Share	Retained earnings	32,269 million yen	36.50 yen	Feb. 28, 2015	May 29, 2015

(From March 1, 2015 to February 29, 2016)

1. Type and number of shares of outstanding and treasury stock

(1) Outstanding stock

(Thousands of shares)

	As of March 1, 2015	Number of shares increased	Number of shares decreased	As of February 29, 2016
Ordinary Share	886,441	-	-	886,441

(2) Treasury stock

(Thousands of shares)

	As of March 1, 2015	Number of shares increased (Note 1)	Number of shares decreased (Note 2)	As of February 29, 2016
Ordinary Share	2,375	5	90	2,290

Notes: (1) 5 thousand shares increased mainly due to the acquisition of odd-lot shares.

(2) 90 thousand shares and 0 thousand shares out of the 90 thousand decreased by exercising of stock options and sale of odd-lot shares, respectively.

2. Subscription rights to shares and treasury subscription rights to shares

Entity		The Company	Consolidated subsidiaries	Total
Description of subscription rights to shares		Subscription rights to shares as stock-linked compensation stock option	Subscription rights to shares as stock-linked compensation stock option	
Type of shares to be issued upon excise of the rights		-	-	-
Number of shares to be issued upon the exercise of the rights (shares)	Number of shares as of March 1, 2015	-	-	-
	Number of shares increased	-	-	-
	Number of shares decreased	-	-	-
	Number of shares as of February 29, 2016	-	-	-
Balance as of February 29, 2016 (millions of yen)		2,450	545	2,995

3. Matters related to dividends

(1) Dividend payments

Resolution	Type	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 28, 2015 Ordinary general meeting of shareholders	Ordinary Share	32,269 million yen	36.50 yen	Feb. 28, 2015	May 29, 2015
October 8, 2015 Board of directors' meeting	Ordinary Share	34,040 million yen	38.50 yen	Aug. 31, 2015	Nov. 13, 2015

(2) Dividends whose record date is within the fiscal year ended February 29, 2016, but to be effective after the fiscal year-end

Resolution	Type	Funds for dividends	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 26, 2016 Ordinary general meeting of shareholders	Ordinary Share	Retained earnings	41,114 million yen	46.50 yen	Feb. 29, 2016	May 27, 2016

Note: The 46.50 yen dividends per share include an anniversary dividend of 8 yen to commemorate the Company's Tenth Anniversary.

Consolidated Statements of Cash Flows;

(For the fiscal year ended February 28, 2015)

1. Reconciliation of cash and cash equivalents of the Consolidated Statements of Cash Flows and account balances of the Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2015
Cash and bank deposits	933,959
Negotiable certificates of deposits included in marketable securities	100,000
Time deposits and negotiable certificates of deposits with an original maturity of more than three months	(33,197)
Cash and cash equivalents	1,000,762

2. Assets and Liabilities of a newly consolidated subsidiary by acquisition of shares are as follows:

Barneys Japan Co., Ltd.

(Millions of yen)

	As of February 28, 2015
Current assets	6,597
Non-current assets	8,518
Goodwill	6,579
Current liabilities	(5,313)
Non-current liabilities	(3,371)
Gain on step acquisitions	(763)
Investment in associates accounting for using the equity method until the acquisition of control	(5,733)
Acquisition of shares	6,512
Cash and cash equivalent	(139)
Payment for acquisition of business	6,373

3. Assets, liabilities, the sales amount and proceed from sales of investments resulting in exclusion of consolidation are as follow

APIX INTERNATIONAL CO.,LTD.

(Millions of yen)

	As of February 28, 2015
Current assets	744
Non-current assets	40
Current liabilities	(545)
Non-current liabilities	(37)
Minority interests in consolidated subsidiaries	75
Profit from sales of stocks	116
Sales amount of shares	394
Cash and cash equivalent	(16)
Proceed from sales of investments	377

4. Major non-cash transactions

(Millions of yen)

	Fiscal year ended February 28, 2015
Finance lease obligations for property and equipment recorded in the Consolidated Balance Sheet for the current fiscal year	5,239
Asset retirement obligations recorded in the Consolidated Balance Sheet for the current fiscal year	6,633

5. Acquisition of business

The followings are the details of payment made by 7-Eleven, Inc. to acquire the assets and liabilities related to business acquisition.

(Millions of yen)

	As of February 28, 2015
Inventory	24
Goodwill	668
Other	216
Sub-total	909
Property and equipment	617
Total	1,526

Property and equipment set out above at an amount of 617 million yen is included in acquisition of property and equipment in Cash Flow Statement for the fiscal year ended February 28, 2015.

(For the fiscal year ended February 29, 2016)

1. Reconciliation of cash and cash equivalents of the Consolidated Statements of Cash Flows and account balances of the Consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2016
Cash and bank deposits	1,099,990
Negotiable certificates of deposits included in marketable securities	80,000
Time deposits and negotiable certificates of deposits with an original maturity of more than three months	(32,903)
Cash and cash equivalents	1,147,086

2. Major non-cash transactions

(Millions of yen)

	Fiscal year ended February 29, 2016
Finance lease obligations for property and equipment recorded in the Consolidated Balance Sheet for the current fiscal year	13,384
Asset retirement obligations recorded in the Consolidated Balance Sheet for the current fiscal year	5,745

3. Acquisition of business

The followings are the details of payment made by 7-Eleven, Inc. to acquire the assets and liabilities related to business acquisition.

(Millions of yen)

	As of February 29, 2016
Inventory	1,189
Goodwill	39,838
Other intangible assets	7,785
Other	(333)
Sub-total	48,479
Property and equipment	29,203
Total	77,683

Property and equipment set out above at an amount of 29,203 million yen is included in acquisition of property and equipment in Cash Flow Statement for the fiscal year ended February 29, 2016.

The figures in the table above include the acquisition of subsidiaries.

Segment Information;

1. Overview of Reportable Segments

With respect to its reportable segments, the Company is able to obtain delineated financial data from its structural units. Its segments are subject to periodical review for the purpose of making decisions on allocation of managerial resources and evaluating business performance by the Board of Directors.

Under the holding company structure, the Company has classified its consolidated subsidiaries into seven segments which are "Convenience store operations", "Superstore operations", "Department store operations", "Food services", "Financial services", "Mail order services" and "Others", according to the nature of products, services and sales operations.

"Convenience store operations" operate corporate stores and franchised stores under the name of "7-Eleven". "Superstore operations" operate superstores, supermarkets, specialty shops and others. "Department store operations" operate department store business which mainly consists of Sogo & Seibu Co., Ltd. "Food services" operate restaurant operations, meal provision service business (mainly for company cafeteria, hospitals and schools) and fast food operations. "Financial services" operate bank, credit card, lease and other businesses. "Mail order services" operate mail order which mainly consists of Nissen Holdings Co., Ltd., and selling and wholesale of gift. "Others" operate IT business and other services.

2. Calculation methodology for revenues from operations, income or losses, assets and liabilities and other items for each reporting segment

The accounting treatment of each reporting segment is in line with the "Accounting Policies for the Preparation of consolidated Financial Statements".

Segment income (loss) and segment liabilities as reported in this section are based on operating income and interest bearing debt, respectively.

Inter-segment revenues and transfers are calculated at prevailing market prices.

3. Information on revenues from operations, income, loss, assets, liabilities and other monetary items for each reportable segment

Fiscal Year ended February 28, 2015 (From March 1, 2014 to February 28, 2015)

(Millions of yen)

	Reportable segment							Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Convenience store operations	Superstore operations	Department store operations	Food services	Financial services	Mail order services	Others			
Revenues from operations										
1. Customers	2,727,130	2,003,785	872,650	80,209	146,593	185,525	23,053	6,038,948	-	6,038,948
2. Intersegment	650	8,390	2,376	770	31,628	277	30,844	74,937	(74,937)	-
Total	2,727,780	2,012,176	875,027	80,980	178,221	185,802	53,897	6,113,886	(74,937)	6,038,948
Segment income (loss)	276,745	19,340	7,059	44	47,182	(7,521)	3,669	346,520	(3,188)	343,331
Segment Assets	1,927,221	1,040,068	495,961	26,307	1,871,705	105,717	207,073	5,674,056	(439,351)	5,234,705
Segment Liabilities (interest bearing debt)	132,632	16,131	174,395	-	326,132	24,158	4,810	678,260	269,991	948,252
Other items										
Depreciation	103,247	20,696	13,399	709	25,233	3,842	2,689	169,818	2,419	172,237
Amortization of goodwill	8,709	3,140	5,282	-	1,560	9	192	18,894	-	18,894
Investment in associates accounted for using the equity method	14,134	4,128	560	-	-	2,978	12,189	33,991	-	33,991
Impairment loss	5,739	7,111	1,763	471	-	90	44	15,220	-	15,220
Net increase in property and equipment, and intangible assets	172,219	62,051	13,504	3,304	30,919	3,566	5,381	290,947	15,106	306,054

Notes:

1. The adjustments of (3,188) million yen for segment income (loss) are eliminations of inter-segment transactions and certain expense items that are not allocated to reportable segments.
2. The adjustments of (439,351) million yen for segment assets are eliminations of inter-segment transactions and corporate assets.
3. The adjustments of 269,991 million yen for segment liabilities are corporate liabilities and the Company's bonds. The amount of each segment liability does not include inter-segment transactions.
4. Segment income (loss) is reconciled with the operating income in the Consolidated Statements of Income.

Fiscal Year ended February 29, 2016 (From March 1, 2015 to February 29, 2016)

(Millions of yen)

	Reportable segment							Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Convenience store operations	Superstore operations	Department store operations	Food services	Financial services	Mail order services	Others			
Revenues from operations										
1. Customers	2,674,779	2,051,542	881,817	83,019	156,581	157,191	40,772	6,045,704	-	6,045,704
2. Intersegment	1,111	8,973	2,899	819	35,906	1,540	20,809	72,061	(72,061)	-
Total	2,675,890	2,060,516	884,716	83,839	192,487	158,732	61,582	6,117,765	(72,061)	6,045,704
Segment income (loss)	304,110	7,234	3,832	917	49,697	(8,451)	5,559	362,898	(10,578)	352,320
Segment Assets	1,982,681	1,047,824	485,700	25,200	1,929,839	81,941	186,078	5,739,265	(297,574)	5,441,691
Segment Liabilities (interest bearing debt)	132,671	12,927	176,716	-	346,763	28,048	5,850	702,975	329,994	1,032,970
Other items										
Depreciation	116,514	23,800	13,569	828	29,071	3,730	2,958	190,474	5,036	195,511
Amortization of goodwill	10,677	3,140	5,288	-	1,695	184	2,124	23,110	-	23,110
Investment in associates accounted for using the equity method	13,471	4,420	584	-	-	3,374	12,895	34,746	-	34,746
Impairment loss	9,369	12,273	3,972	636	28	2,358	161	28,800	-	28,800
Net increase in property and equipment, and intangible assets	219,793	70,259	15,446	1,749	26,544	4,725	3,676	342,195	18,057	360,252

Notes:

1. The adjustments of (10,578) million yen for segment income (loss) are eliminations of inter-segment transactions and certain expense items that are not allocated to reportable segments.
2. The adjustments of (297,574) million yen for segment assets are eliminations of inter-segment transactions and corporate assets.
3. The adjustments of 329,994 million yen for segment liabilities are corporate liabilities and the Company's bonds. The amount of each segment liability does not include inter-segment transactions.
4. Segment income (loss) is reconciled with the operating income in the Consolidated Statements of Income.
5. 6,108 million yen out of "Impairment loss" in the table above is included in "Restructuring expenses" in Consolidated Statements of Income for the year ended February 29, 2016.

(Reference)

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

Fiscal Year ended February 28, 2015 (From March 1, 2014 to February 28, 2015)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
1. Customers	3,940,339	1,968,681	129,927	6,038,948	-	6,038,948
2. Intersegment	998	172	1,130	2,301	(2,301)	-
Total revenues	3,941,337	1,968,854	131,058	6,041,250	(2,301)	6,038,948
Operating income (loss)	295,666	49,825	(2,161)	343,329	1	343,331

Notes:

1. The classification of geographic area segments is determined according to geographical distances.
2. "Others" consist of the business results in the P.R.C.

Fiscal Year ended February 29, 2016 (From March 1, 2015 to February 29, 2016)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
1. Customers	4,055,345	1,855,096	135,262	6,045,704	-	6,045,704
2. Intersegment	927	208	795	1,931	(1,931)	-
Total revenues	4,056,272	1,855,305	136,058	6,047,636	(1,931)	6,045,704
Operating income (loss)	288,068	65,148	(842)	352,373	(53)	352,320

Notes:

1. The classification of geographic area segments is determined according to geographical distances.
2. "Others" consist of the business results in the P.R.C., etc.

Related Information

Fiscal Year ended February 28, 2015 (From March 1, 2014 to February 28, 2015)

1. Information on products and services

Information is omitted since it is described in the segment information.

2. Information by region

(1) Revenues from operations

(Millions of yen)

Japan	North America	Others	Total
3,940,339	1,968,681	129,927	6,038,948

(2) Property and equipment

(Millions of yen)

Japan	North America	Others	Total
1,387,023	486,955	2,963	1,876,941

3. Information about major customers

Information is omitted because there is no customer accounting for 10% or more of the net sales on the consolidated statements of income

Fiscal Year ended February 29, 2016 (From March 1, 2015 to February 29, 2016)

1. Information on products and services

Information is omitted since it is described in the segment information.

2. Information by region

(1) Revenues from operations

(Millions of yen)

Japan	North America	Others	Total
4,055,345	1,855,096	135,262	6,045,704

(2) Property and equipment

(Millions of yen)

Japan	North America	Others	Total
1,439,662	530,220	2,471	1,972,355

3. Information about major customers

Information is omitted because there is no customer accounting for 10% or more of the net sales on the consolidated statements of income

Information regarding impairment loss on Non-current assets by reporting segment

Fiscal Year ended February 28, 2015 (From March 1, 2014 to February 28, 2015)

Information is omitted since it is described in the segment information.

Fiscal Year ended February 29, 2016 (From March 1, 2015 to February 29, 2016)

Information is omitted since it is described in the segment information.

Information on amortization and outstanding balance of goodwill by reporting segment

Fiscal Year ended February 28, 2015 (From March 1, 2014 to February 28, 2015)

(Millions of yen)

	Reportable segment							Total	Eliminations / Corporate	Consolidated total
	Convenience store operations	Superstore operations	Department store operations	Food services	Financial services	Mail order services	Others			
Goodwill										
Amortization	8,709	3,140	5,282	-	1,560	9	192	18,894	-	18,894
Balance at the end of current year	176,238	36,277	59,101	-	17,275	186	8,374	297,454	-	297,454
Negative Goodwill										
Amortization	-	23	-	4	-	40	-	68	-	68
Balance at the end of current year	-	187	-	33	-	-	-	220	-	220

Fiscal Year ended February 29, 2016 (From March 1, 2015 to February 29, 2016)

(Millions of yen)

	Reportable segment							Total	Eliminations / Corporate	Consolidated total
	Convenience store operations	Superstore operations	Department store operations	Food services	Financial services	Mail order services	Others			
Goodwill										
Amortization	10,677	3,140	5,288	-	1,695	184	2,124	23,110	-	23,110
Balance at the end of current year	205,036	33,137	53,814	-	15,589	32	6,250	313,860	-	313,860
Negative Goodwill										
Amortization	-	28	-	4	-	2	-	34	-	34
Balance at the end of current year	-	163	-	29	-	-	-	193	-	193

Information regarding gain on negative goodwill by reporting segment

Fiscal Year ended February 28, 2015 (From March 1, 2014 to February 28, 2015)

None

Fiscal Year ended February 29, 2016 (From March 1, 2015 to February 29, 2016)

None

Related Parties Transactions

(1) Transactions between the Company and related parties

(a) Unconsolidated subsidiaries and affiliates

None

(b) A director of the Company and primary institutional shareholders

(From March 1, 2014 to February 28, 2015)

Attribution	Name	Address	Capital and investments	Business or title	Voting interest (held)
Close relative of the director	Yasuhiro Suzuki	-	-	A director of the company's subsidiaries	Directly 0.0%

(Millions of yen)

Business relationship	Detail of transaction	Transaction amount	Account	Year-end Balance
-	Exchange of shares	238	-	-

Notes:

1. The exchange of shares between the Company and the close relative of a director is the purpose of making Seven & i Netmedia Co., Ltd. wholly owned subsidiary, and the Company issued ordinary shares by ratio of exchange which third party organizations calculate. The transaction price is determined based on the market price.
2. Yasuhiro Suzuki is a son of Toshifumi Suzuki, Chairman and Chief Executive Officer of the Company.

(From March 1, 2015 to February 29, 2016)

None

(2) Notes about the parent company and the important affiliates

None

Per Share Information

(Yen)

	Fiscal year ended February 28, 2015	Fiscal year ended February 29, 2016
Net assets per share	2,601.23	2,683.11
Net income per share	195.66	182.02
Diluted net income per share	195.48	181.84

Notes:

1. Basis for calculation of net income per share and diluted net income per share is as follows.

(Millions of yen, except number of ordinary shares)

	Fiscal year ended February 28, 2015	Fiscal year ended February 29, 2016
Net income	172,979	160,930
Amount not attributable to share holder	-	-
Net income attributable to ordinary shares	172,979	160,930
Average number of ordinary shares outstanding during the period (thousands of shares)	884,064	884,132
Adjustments to net income which is used for calculating diluted net income per share		
Minority interest	24	23
Adjustments to net income	24	23
Number of ordinary shares increased used for calculating the diluted net income per shares		
Subscription rights to shares (thousands of shares)	710	764
Number of ordinary shares increased (thousands of shares)	710	764

2. Basis for calculation of net assets per share is as follows.

(Millions of yen, except number of ordinary shares)

	As of February 28, 2015	As of February 29, 2016
Total net assets	2,430,917	2,505,182
Amounts subtracted from total net assets:	131,254	132,908
Subscription rights to shares	2,427	2,995
Minority interest in consolidated subsidiaries	128,827	129,912
Net assets for ordinary shares at the end of period	2,299,662	2,372,274
Number of ordinary shares at the end of period used for calculating the amounts of net assets per share (thousands of shares)	884,066	884,151

Subsequent Event

None

3. Nonconsolidated Financial Statements

(1) Nonconsolidated Balance Sheets

(Millions of yen)

	February 28, 2015	February 29, 2016
	Amount	Amount
ASSETS		
Current assets	69,628	46,471
Cash and bank deposits	424	426
Prepaid expenses	387	563
Deferred income taxes	97	100
Accounts receivable, other	30,471	38,084
Deposits held by subsidiaries and affiliates	36,545	6,108
Other	1,702	1,187
Non-current assets	1,884,911	1,895,465
Property and equipment	6,999	9,602
Buildings and Structures	2,857	2,809
Furniture, fixtures and equipment	1,428	4,080
Land	2,712	2,712
Intangible assets	14,774	29,081
Software	3	20,691
Software in progress	6,520	-
Lease assets	8,248	8,387
Other	1	1
Investments and other assets	1,863,138	1,856,782
Investments in securities	33,271	32,320
Stocks of subsidiaries and affiliates	1,746,577	1,730,252
Prepaid pension cost	624	711
Long-term leasehold deposits	2,457	2,640
Deposits paid in subsidiaries and affiliates	80,000	90,000
Other	207	858
TOTAL ASSETS	1,954,539	1,941,937

(Millions of yen)

	February 28, 2015	February 29, 2016
	Amount	Amount
LIABILITIES		
Current liabilities	257,427	158,744
Current portion of bonds	59,999	40,000
Short-term loans payable to subsidiaries and affiliates	173,007	89,006
Lease obligations	2,387	2,819
Accounts payable, other	3,907	7,827
Accrued expenses	732	751
Income taxes payable	16,277	17,217
Advance received	179	163
Allowance for bonuses to employees	229	285
Allowance for bonuses to Directors and Audit & Supervisory Board Members	57	60
Other	650	611
Non-current liabilities	223,150	302,609
Bonds	209,992	289,994
Long-term loans payable to subsidiaries and affiliates	11	15
Deferred income taxes	3,768	3,421
Lease obligations	6,374	6,140
Deposits received from tenants	1,637	1,485
Provision for loss on guarantees	1,366	1,552
TOTAL LIABILITIES	480,578	461,353
NET ASSETS		
Shareholders' equity	1,460,955	1,467,649
Common stock	50,000	50,000
Capital surplus	1,246,251	1,246,255
Additional paid-in capital	875,496	875,496
Other capital surplus	370,754	370,759
Retained earnings	170,541	177,034
Other retained earnings		
Retained earnings brought forward	170,541	177,034
Treasury stock, at cost	(5,836)	(5,641)
Accumulated gains (losses) from valuation and translation adjustments	11,028	10,484
Unrealized gains (losses) on available-for-sale securities, net of taxes	11,028	10,484
Subscription rights to shares	1,977	2,450
TOTAL NET ASSETS	1,473,961	1,480,584
TOTAL LIABILITIES AND NET ASSETS	1,954,539	1,941,937

(2) Nonconsolidated Statements of Income

(Millions of yen)

	Year ended February 28, 2015	Year ended February 29, 2016
	Amount	Amount
Revenues from operations	106,958	110,008
Dividends income	99,553	102,279
Management consulting fee income	4,386	4,623
Commission fee income	2,908	2,991
Other	108	114
General and administrative expenses	10,711	18,044
Operating income	96,247	91,964
Non-operating income	2,032	1,985
Interest income	1,513	1,434
Dividend income	466	482
Other	52	67
Non-operating expenses	3,612	3,608
Interest expenses	959	673
Interest on bonds	2,652	2,604
Amortization of bond issuance cost	-	320
Other	0	9
Ordinary income	94,667	90,341
Special losses	818	19,253
Loss on disposals of property and equipment	12	3
Loss on valuation of investment securities	-	46
Loss on valuation of stocks of subsidiaries and affiliates	-	15,558
Loss on sales of stocks of subsidiaries and affiliates	68	-
Provision for loss on guarantees	737	1,552
Other	-	2,092
Income before income taxes	93,849	71,088
Total income taxes	(1,270)	(1,714)
Income taxes - current	(1,325)	(1,726)
Income taxes - deferred	54	11
Net income	95,119	72,803

(3) Nonconsolidated Statements of Changes in Net Assets

Fiscal year ended February 28, 2015 (from March 1, 2014 to February 28, 2015)

(Millions of yen)

	Shareholders' Equity							Total Shareholders' Equity
	Common Stock	Capital Surplus			Retained Earning		Treasury Stock, at cost	
		Additional Paid-in Capital	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings	Total Retained Earnings		
Balance at March 1, 2014	50,000	875,496	370,759	1,246,256	138,633	138,633	(5,881)	1,429,008
Increase (decrease) for the year								
Cash dividends					(63,211)	(63,211)		(63,211)
Net income					95,119	95,119		95,119
Purchase of treasury stock							(27)	(27)
Disposal of treasury stock			(4)	(4)			71	67
Net changes of items other than shareholders' equity								
Net increase (decrease) for the year	-	-	(4)	(4)	31,907	31,907	44	31,947
Balance at February 28, 2015	50,000	875,496	370,754	1,246,251	170,541	170,541	(5,836)	1,460,955

	Accumulated gains (losses) from valuation and translation adjustments		Subscription rights to shares	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Total accumulated gains (losses) from valuation and translation adjustments		
Balance at March 1, 2014	4,298	4,298	1,556	1,434,863
Increase (decrease) for the year				
Cash dividends				(63,211)
Net income				95,119
Purchase of treasury stock				(27)
Disposal of treasury stock				67
Net changes of items other than shareholders' equity	6,729	6,729	420	7,150
Net increase (decrease) for the year	6,729	6,729	420	39,098
Balance at February 28, 2015	11,028	11,028	1,977	1,473,961

Fiscal year ended February 29, 2016 (from March 1, 2015 to February 29, 2016)

(Millions of yen)

	Shareholders' Equity							
	Common Stock	Capital Surplus			Retained Earnings		Treasury Stock, at cost	Total Shareholders' Equity
		Additional Paid-in Capital	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings	Total Retained Earnings		
Balance at March 1, 2015	50,000	875,496	370,754	1,246,251	170,541	170,541	(5,836)	1,460,955
Increase (decrease) for the year								
Cash dividends					(66,309)	(66,309)		(66,309)
Net income					72,803	72,803		72,803
Purchase of treasury stock							(28)	(28)
Disposal of treasury stock			4	4			224	228
Net changes of items other than shareholders' equity								
Net increase (decrease) for the year	-	-	4	4	6,493	6,493	195	6,693
Balance at February 29, 2016	50,000	875,496	370,759	1,246,255	177,034	177,034	(5,641)	1,467,649

	Accumulated gains (losses) from valuation and translation adjustments		Subscription rights to shares	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Total accumulated gains (losses) from valuation and translation adjustments		
Balance at March 1, 2015	11,028	11,028	1,977	1,473,961
Increase (decrease) for the year				
Cash dividends				(66,309)
Net income				72,803
Purchase of treasury stock				(28)
Disposal of treasury stock				228
Net changes of items other than shareholders' equity	(543)	(543)	472	(71)
Net increase (decrease) for the year	(543)	(543)	472	6,622
Balance at February 29, 2016	10,484	10,484	2,450	1,480,584

(4) Doubts on the Premise of Going Concern

None

(5) Changes in Method of Presentation

Nonconsolidated Balance Sheets;

“Software” which was included in “other” of intangible assets in the fiscal year ended February 28, 2015 is separately presented for the fiscal year ended February 29, 2016 due to its increased materiality. To reflect this change in method of presentation, the Company reclassified Nonconsolidated Financial Statements for the fiscal year ended February 28, 2015.

The amount of “software” that was included in “other” of intangible assets in the fiscal year ended February 28, 2015 was 3 million yen.

(6) Notes to Nonconsolidated Financial Statements

Nonconsolidated Balance Sheets;

1. Accumulated depreciation of Property and equipment

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
Accumulated depreciation	963	1,619

2. Monetary claims and monetary obligations in regard to subsidiaries and affiliates

Major balances included in each account on the balance sheet, which are not separately shown.

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
Short-term receivables	31,633	37,271
Short-term payables	5,627	10,008
Long-term payables	7,995	7,608

Nonconsolidated Statements of Income;

1. Major transactions with subsidiaries and affiliates

(Millions of yen)

	For the year ended February 28, 2015	For the year ended February 29, 2016
Operating transactions		
Revenues from operations	106,955	110,003
General and administrative expenses	1,246	1,320
Non-operating transactions	2,472	2,108

2. Main components and amounts of general and administrative expenses

(Millions of yen)

	For the year ended February 28, 2015	For the year ended February 29, 2016
Salaries and wages	3,185	3,872
Provision for bonuses to employees	229	285
Pension expenses	177	137
Depreciation and amortization	250	2,493
Commissions paid	1,833	1,411
Electronical data processing expenses	1,397	3,275

[Reference] Seven-Eleven Japan Co., Ltd.

Nonconsolidated Balance Sheets

(Millions of yen)

	February 28, 2015	February 29, 2016
	Amount	Amount
ASSETS		
Current assets	512,640	551,777
Cash and bank deposits	80,635	44,627
Accounts receivable due from franchised stores	16,802	14,879
Lease investment assets	4,942	5,077
Inventories	2,486	2,582
Prepaid expenses	20,321	23,021
Deferred income taxes	8,028	9,271
Deposits held by subsidiaries and affiliates	328,733	392,385
Accounts receivable, other	49,804	58,845
Other	1,085	1,275
Allowance for doubtful accounts	(199)	(189)
Non-current assets	1,188,082	1,242,059
Property and equipment	452,346	493,018
Buildings	241,889	270,949
Structures	35,380	41,511
Vehicles	0	0
Furniture, fixtures and equipment	70,880	87,910
Land	84,826	82,430
Lease assets	14,181	10,014
Construction in progress	5,187	202
Intangible assets	35,613	39,870
Goodwill	2,625	3,075
Rights of leasehold	12,025	12,720
Rights of trademark	16,865	14,158
Software	3,965	8,583
Other	131	1,332
Investments and other assets	700,121	709,169
Investments in securities	18,200	18,428
Stocks of subsidiaries and affiliates	458,503	459,143
Investments in capital of subsidiaries and affiliates	7,776	7,776
Long-term loans receivable	469	398
Long-term loans to subsidiaries and affiliates	3,253	4,053
Long-term prepaid expenses	29,527	28,711
Prepaid pension cost	2,345	2,878
Long-term leasehold deposits	166,456	174,473
Deferred income taxes	15,585	15,232
Other	607	609
Allowance for doubtful accounts	(2,604)	(2,534)
TOTAL ASSETS	1,700,723	1,793,836

Seven-Eleven Japan Co., Ltd.

(Millions of yen)

	February 28, 2015	February 29, 2016
	Amount	Amount
LIABILITIES		
Current liabilities	387,960	411,188
Accounts payable, trade	153,678	165,397
Accounts payable due to franchised stores	9,607	15,057
Lease obligations	5,698	5,432
Accounts payable, other	22,571	28,882
Accrued expenses	14,388	16,035
Income taxes payable	13,576	15,764
Accounts payable for parent company	26,613	31,799
Consumption taxes withheld	12,276	6,097
Deposits received	120,704	116,489
Allowance for bonuses to employees	2,778	3,170
Allowance for bonuses to Directors and Audit & Supervisory Board Members	56	59
Allowance for sales promotion expenses	3,988	4,446
Other	2,020	2,555
Non-current liabilities	57,140	56,910
Guarantee deposits received from franchised stores	8,894	9,368
Long-term loans	230	219
Lease obligations	14,610	10,828
Allowance for retirement benefits to directors and corporate auditors	556	527
Allowance for loss on guarantee	1,750	1,750
Asset retirement obligations	31,098	34,216
TOTAL LIABILITIES	445,101	468,099
NET ASSETS		
Shareholder's equity	1,250,167	1,319,842
Common stock	17,200	17,200
Capital surplus	24,565	25,204
Additional paid-in capital	24,563	24,563
Other capital surplus	1	640
Retained earnings	1,208,402	1,277,437
Legal reserve	4,300	4,300
Other retained earnings		
General reserve	823,409	823,409
Retained earnings brought forward	380,692	449,728
Accumulated gains (losses) from valuation and translation adjustments	5,454	5,894
Unrealized gains (losses) on available-for-sale securities, net of taxes	5,454	5,894
TOTAL NET ASSETS	1,255,621	1,325,737
TOTAL LIABILITIES AND NET ASSETS	1,700,723	1,793,836

Seven-Eleven Japan Co., Ltd.

Nonconsolidated Statements of Income

(Millions of yen)

	Year ended February 28, 2015	Year ended February 29, 2016
	Amount	Amount
Operating income and expenses		
Revenues from operations	736,343	793,661
Franchise commission from franchised stores	628,867	680,413
Net sales reported by franchised stores		
Year ended February 28, 2015: 3,905,369		
Year ended February 29, 2016: 4,182,231		
Total net sales (including net sales of corporate stores)		
Year ended February 28, 2015: 4,008,261		
Year ended February 29, 2016: 4,291,067		
Other operating revenues	6,182	6,063
Net sales of corporate stores	101,293	107,184
Cost of sales	73,201	77,266
Gross profit from operations	663,142	716,395
Selling, general and administrative expenses	439,785	481,362
Land and building rent	126,663	140,340
Advertising expenses	56,865	66,007
Utility expenses	48,343	47,784
Depreciation and amortization	43,098	46,591
Salaries and wages	39,792	42,963
Other	125,022	137,675
Operating income	223,356	235,033
Non-operating income	9,758	22,422
Interest income	3,768	3,240
Dividends income	4,668	18,076
Reversal of allowance for doubtful accounts	419	41
Other	902	1,063
Non-operating expenses	522	729
Interest expenses	307	229
Lease cancellation expenses before store opening	32	289
Other	181	209
Ordinary income	232,593	256,726
Special gains	258	375
Gain on sales of property and equipment	157	240
Receipt of stock option income	100	135
Special losses	13,929	11,971
Loss on sales of property and equipment	142	268
Loss on disposals of property and equipment	5,988	3,196
Impairment loss	4,536	7,427
Loss on sales of investments in securities	705	-
Loss on snow damage	1,116	-
Special expenses related to consumption tax rate change	816	-
Other	623	1,078
Income before income taxes	218,922	245,131
Income taxes - current	81,490	82,897
Income taxes - deferred	507	(677)
Net income	136,924	162,910

[Reference] Ito-Yokado Co., Ltd.

Nonconsolidated Balance Sheets

(Millions of yen)

	February 28, 2015	February 29, 2016
	Amount	Amount
ASSETS		
Current assets	260,120	244,402
Cash and bank deposits	27,178	28,154
Accounts receivable, trade	24,777	25,514
Inventories	78,314	84,751
Supplies	74	77
Advance paid	390	472
Prepaid expenses	7,944	7,726
Deferred income taxes	5,002	3,493
Short-term loans to employees	237	203
Short-term loans receivable	394	394
Deposits held by subsidiaries and affiliates	72,694	46,647
Accounts receivable, other	26,398	32,600
Short-term leasehold deposits	11,632	9,062
Payments in advance	3,829	4,201
Other	1,248	1,102
Non-current assets	557,615	554,670
Property and equipment	331,488	336,045
Buildings	135,290	133,475
Structures	9,489	9,103
Vehicles	29	21
Furniture, fixtures and equipment	5,869	7,519
Land	176,363	176,126
Lease assets	1,260	7,151
Construction in progress	3,186	2,647
Intangible assets	2,159	2,892
Rights of leasehold	784	773
Trademark	20	17
Software	685	1,382
Other	669	718
Investments and other assets	223,966	215,733
Investments in securities	33,786	28,481
Stocks of subsidiaries and affiliates	12,665	16,669
Investments in capital	6	6
Investments in capital of subsidiaries and affiliates	4,578	4,578
Long-term loans receivable	14,068	13,641
Long-term loans to subsidiaries and affiliates	4,000	4,000
Long-term prepaid expenses	6,545	5,744
Prepaid pension cost	22,733	24,907
Long-term leasehold deposits	125,787	111,484
Advances for store construction	-	5,506
Receivable in bankruptcy	0	0
Other	1,832	2,670
Allowance for doubtful accounts	(2,039)	(1,959)
TOTAL ASSETS	817,735	799,073

Ito-Yokado Co., Ltd.

(Millions of yen)

	February 28, 2015	February 29, 2016
	Amount	Amount
LIABILITIES		
Current liabilities	144,607	143,185
Accounts payable, trade	61,623	61,714
Short-term loans	85	80
Current portion of long-term loans	1,412	1,387
Lease obligations	620	2,079
Accounts payable, other	24,168	22,603
Income taxes payable	652	654
Consumption taxes withheld	4,799	293
Accrued expenses	9,682	9,787
Advance received	754	723
Deposits received	20,889	23,643
Allowance for bonuses to employees	3,529	3,371
Allowance for bonuses to Directors and Audit & Supervisory Board Members	23	11
Allowance for sales promotion expenses	432	318
Allowance for loss on future collection of gift certificates	543	460
Gift certificates	14,144	14,841
Other	1,243	1,212
Non-current liabilities	66,800	74,664
Long-term loans	4,678	3,370
Lease obligations	1,017	7,103
Deferred income taxes	6,330	6,387
Allowance for retirement benefits to directors and corporate auditors	528	516
Allowance for loss on guarantee	1,799	4,894
Deposits received from tenants	41,389	40,296
Asset retirement obligations	11,058	12,095
TOTAL LIABILITIES	211,407	217,850
NET ASSETS		
Shareholder's equity	588,732	566,340
Common stock	40,000	40,000
Capital surplus	166,458	168,637
Additional paid-in capital	165,621	165,621
Other capital surplus	837	3,016
Retained earnings	382,273	357,702
Legal reserve	11,700	11,700
Other retained earnings		
Reserve for deferred gains on property and equipment	1,133	1,176
Retained earnings brought forward	369,439	344,825
Accumulated gains (losses) from valuation and translation adjustments	17,595	14,882
Unrealized gains (losses) on available-for-sale securities, net of taxes	17,595	14,882
TOTAL NET ASSETS	606,327	581,223
TOTAL LIABILITIES AND NET ASSETS	817,735	799,073

Nonconsolidated Statements of Income

(Millions of yen)

	Year ended February 28, 2015	Year ended February 29, 2016
	Amount	Amount
Revenues from operations	1,285,942	1,289,586
Net sales	1,253,296	1,255,608
Cost of sales	950,964	969,187
Gross profit on sales	302,331	286,421
Other operating revenues	32,646	33,978
Rental income	25,819	26,903
Other income	6,826	7,074
Gross profit from operations	334,978	320,399
Selling, general and administrative expenses	333,118	334,380
Advertising and decoration expenses	29,951	33,586
Salaries and wages	110,417	110,596
Land and building rent	63,580	61,175
Depreciation and amortization	11,137	13,125
Other	118,031	115,897
Operating income	1,859	(13,980)
Non-operating income	3,191	2,442
Interest income	1,448	1,226
Interest on securities	0	-
Dividends income	1,199	748
Other	543	467
Non-operating expenses	909	1,866
Interest expenses	147	124
Foreign exchange losses	484	1,029
Other	277	713
Ordinary income	4,142	(13,405)
Special gains	306	1,260
Gain on sales of property and equipment	4	48
Gain on donation received	-	1,061
Receipt of stock option income	57	88
Gain on sales of investments in securities	242	-
Other	2	62
Special losses	11,549	12,686
Loss on sales of property and equipment	9	14
Loss on disposals of property and equipment	1,127	1,900
Impairment loss	4,657	5,509
Restructuring expenses	-	2,111
Valuation loss on investments in securities of subsidiaries and affiliates	2,818	-
Provision for loss on guarantee	1,799	3,095
Special expenses related to consumption tax rate change	1,029	-
Other	108	53
Income (loss) before income taxes	(7,100)	(24,831)
Income taxes - current	(1,070)	(5,067)
Income taxes - deferred	850	4,158
Net income (loss)	(6,881)	(23,923)

[Reference] York-Benimaru Co., Ltd.

Nonconsolidated Balance Sheets

(Millions of yen)

	February 28, 2015	February 29, 2016
	Amount	Amount
ASSETS		
Current assets	43,342	47,425
Cash and bank deposits	13,722	18,880
Accounts receivable, trade	31	24
Inventories	9,065	9,344
Supplies	31	23
Prepaid expenses	800	817
Deferred income taxes	1,606	1,660
Short-term loans receivable	97	88
Deposits held by subsidiaries and affiliates	7,500	5,000
Accounts receivable, other	6,997	8,290
Payments in advance	2,672	2,596
Other	817	701
Non-current assets	138,925	137,468
Property and equipment	90,901	93,542
Buildings	36,705	38,001
Structures	6,688	6,911
Furniture, fixtures and equipment	1,973	2,853
Land	44,075	43,813
Lease assets	-	532
Construction in progress	1,458	1,429
Intangible assets	1,095	948
Goodwill	443	316
Software	618	601
Other	33	29
Investments and other assets	46,928	42,976
Investments in securities	26,533	22,066
Stocks of subsidiaries and affiliates	170	170
Investments in capital	1	1
Long-term loans receivable	286	264
Long-term prepaid expenses	2,691	2,728
Prepaid pension cost	2,610	2,903
Long-term leasehold deposits	15,360	15,361
Allowance for doubtful accounts	(726)	(519)
TOTAL ASSETS	182,267	184,894

York-Benimaru Co., Ltd.

(Millions of yen)

	February 28, 2015	February 29, 2016
	Amount	Amount
LIABILITIES		
Current liabilities	30,396	32,971
Accounts payable, trade	17,213	19,153
Short-term loans	87	78
Lease obligations	-	123
Accounts payable, other	5,562	5,312
Accounts payable for parent company	1,392	1,695
Income taxes payable	1,068	1,141
Accrued expenses	2,820	2,936
Deposits received	458	493
Advance received	232	255
Allowance for bonuses to employees	1,462	1,587
Allowance for bonuses to Directors and Audit & Supervisory Board Members	41	47
Allowance for loss on future collection of gift certificates	16	14
Other	40	131
Non-current liabilities	11,752	10,486
Long-term loans	158	146
Lease obligations	-	681
Deposits received from tenants	2,656	2,678
Allowance for retirement benefits to directors and corporate auditors	290	251
Deferred income taxes	7,082	4,687
Asset retirement obligations	1,564	1,818
Other	-	223
TOTAL LIABILITIES	42,148	43,458
NET ASSETS		
Shareholder's equity	125,153	128,775
Common stock	9,927	9,927
Capital surplus	12,605	12,605
Additional paid-in capital	12,605	12,605
Other capital surplus	0	0
Retained earnings	102,620	106,242
Legal reserve	2,186	2,186
General reserve	69,407	69,401
Retained earnings brought forward	31,026	34,654
Accumulated gains (losses) from valuation and translation adjustments	14,965	12,660
Unrealized gains (losses) on available-for-sale securities, net of taxes	14,965	12,660
TOTAL NET ASSETS	140,118	141,435
TOTAL LIABILITIES AND NET ASSETS	182,267	184,894

York-Benimaru Co., Ltd.

Nonconsolidated Statements of Income

(Millions of yen)

	Year ended February 28, 2015	Year ended February 29, 2016
	Amount	Amount
Revenues from operations	396,930	412,977
Net sales	390,492	406,223
Cost of sales	299,313	310,868
Gross Profit on sales	91,179	95,355
Other operating revenues	6,437	6,753
Commission fee income	2,750	2,911
Rental income	3,687	3,842
Gross profit from operations	97,616	102,109
Selling, general and administrative expenses	84,796	88,784
Salaries and wages	36,122	37,582
Provision for bonuses to employees	1,462	1,587
Legal welfare expenses	5,025	5,376
Advertising and decoration expenses	6,105	6,667
Land and building rent	8,956	9,136
Store maintenance and repair expenses	4,238	4,740
Depreciation and amortization	3,917	3,931
Utility expenses	6,516	6,127
Other	12,451	13,634
Operating income	12,820	13,324
Non-operating income	1,296	1,295
Interest income	120	102
Dividends income	1,142	1,158
Other	33	35
Non-operating expenses	98	91
Interest expenses	5	4
Maintenance expenses for idle assets	61	60
Cancellation expenses for leasehold contract	5	-
Other	25	25
Ordinary income	14,018	14,529
Special gains	779	3,448
Gain on sales of property and equipment	13	-
Receipt of stock option income	70	101
Compensation income for transfer	682	2,821
Reversal of allowance for doubtful accounts	-	344
Other	12	180
Special losses	2,325	4,578
Loss on sales of property and equipment	-	1,066
Loss on disposals of property and equipment	435	804
Impairment loss	1,677	2,427
Loss on disaster	120	139
Special expenses related to consumption	91	-
tax rate change	91	-
Other	-	140
Income before income taxes	12,472	13,399
Income taxes - current	4,738	4,717
Income taxes - deferred	(57)	(287)
Net income	7,792	8,969

[Reference] Sogo & Seibu Co., Ltd.

Nonconsolidated Balance Sheets

(Millions of yen)

	February 28, 2015	February 29, 2016
	Amount	Amount
ASSETS		
Current assets	87,801	87,368
Cash and bank deposits	16,613	15,975
Notes receivable, trade	798	625
Accounts receivable, trade	26,124	25,228
Inventories	22,839	23,916
Real estate for sale	2,529	2,494
Supplies	277	251
Prepaid expenses	3,708	3,721
Deferred income taxes	8,679	7,914
Short-term loans receivable	54	101
Accounts receivable, other	4,064	4,897
Current portion of construction contribution	882	950
Other	1,230	1,289
Allowance for doubtful accounts	(0)	(0)
Non-current assets	358,567	349,509
Property and equipment	226,657	219,523
Buildings	82,074	76,488
Structures	1,147	1,220
Machinery and equipment	574	573
Furniture, fixtures and equipment	3,001	2,842
Lease assets	4,055	3,048
Land	135,551	135,288
Construction in progress	250	59
Intangible assets	24,778	24,676
Rights of leasehold	20,881	20,881
Other	3,896	3,795
Investments and other assets	107,131	105,309
Investments in securities	5,382	4,286
Stocks of subsidiaries and affiliates	26,548	26,591
Long-term loans receivable	251	221
Long-term leasehold deposits	58,839	58,630
Construction contribution	10,358	10,210
Long-term accounts receivable, other	78	21
Receivable in bankruptcy	1,277	401
Deferred income taxes	2,876	3,177
Other	2,187	2,243
Allowance for doubtful accounts	(669)	(474)
TOTAL ASSETS	446,368	436,878

Sogo & Seibu Co., Ltd.

(Millions of yen)

	February 28, 2015	February 29, 2016
	Amount	Amount
LIABILITIES		
Current liabilities	223,577	240,899
Accounts payable, trade	35,810	36,684
Short-term loans	137,534	154,671
Accounts payable, other	8,383	6,467
Lease obligations	1,340	1,285
Accrued expenses	2,888	2,878
Income taxes payable	433	263
Consumption taxes withheld	1,826	257
Advance received	1,646	1,835
Gift certificates	15,532	15,619
Deposits received	8,575	8,522
Allowance for bonuses to employees	914	951
Allowance for bonuses to Directors and Audit & Supervisory Board Members	37	37
Allowance for sales promotion expenses	5,750	6,018
Allowance for loss on future collection of gift certificates	1,972	1,588
Allowance for store closing losses	397	1,173
Asset retirement obligations	100	2,217
Other	434	425
Non-current liabilities	91,429	71,073
Long-term loans	77,118	59,452
Long-term accounts payable, other	685	278
Lease obligations	3,685	2,449
Deposits received from tenants	7,583	7,108
Allowance for retirement benefits to directors and corporate auditors	44	49
Allowance for environmental obligations	346	346
Asset retirement obligations	1,952	1,354
Other	11	34
TOTAL LIABILITIES	315,006	311,973
NET ASSETS		
Shareholder's equity	129,334	123,526
Common stock	10,000	10,000
Capital surplus	52,298	53,998
Additional paid-in capital	39,317	39,317
Other capital surplus	12,981	14,681
Retained earnings	67,035	59,528
Other retained earnings		
Retained earnings brought forward	67,035	59,528
Accumulated gains (losses) from valuation and translation adjustments	2,027	1,378
Unrealized gains (losses) on available-for-sale securities, net of taxes	2,027	1,378
TOTAL NET ASSETS	131,361	124,905
TOTAL LIABILITIES AND NET ASSETS	446,368	436,878

Sogo & Seibu Co., Ltd.

Nonconsolidated Statements of Income

(Millions of yen)

	Year ended February 28, 2015	Year ended February 29, 2016
	Amount	Amount
Revenues from operations	802,996	803,443
Net sales	790,244	790,708
Cost of sales	622,068	625,517
Gross profit on sales	168,176	165,191
Operating revenues	12,751	12,734
Gross profit from operations	180,927	177,925
Selling, general and administrative expenses	170,700	170,514
Advertising and decoration expenses	26,053	27,005
Salaries and wages	43,626	43,977
Land and building rent	41,252	41,404
Depreciation and amortization	11,996	11,751
Utility expenses	10,836	10,202
Other	36,935	36,173
Operating income	10,226	7,411
Non-operating income	613	796
Interest and dividends income	290	430
Other	323	365
Non-operating expenses	1,623	2,136
Interest expenses	1,225	1,110
Other	398	1,026
Ordinary income	9,216	6,070
Special gains	180	578
Gain on sales of property and equipment	105	32
Receipt of stock option income	75	108
Gain on donation received	-	437
Special losses	4,903	10,365
Loss on disposals of property and equipment	2,194	2,596
Impairment loss	1,657	4,126
Restructuring expenses	-	3,153
Temporary expenses due to personnel system change	998	-
Other	53	489
Income before income taxes	4,493	(3,716)
Income taxes - current	160	(599)
Income taxes - deferred	340	917
Net income	3,992	(4,034)

[Reference] Seven & i Food Systems Co., Ltd.

Nonconsolidated Balance Sheets

(Millions of yen)

	February 28, 2015	February 29, 2016
	Amount	Amount
ASSETS		
Current assets	29,002	26,416
Cash and bank deposits	3,721	2,543
Accounts receivable, trade	787	793
Inventories	50	170
Materials	477	369
Supplies	94	79
Prepaid expenses	667	673
Accounts receivable, other	949	1,079
Deferred income taxes	349	562
Deposits held by subsidiaries and affiliates	21,564	19,852
Current portion of leasehold deposits	199	175
Other	140	115
Non-current assets	17,698	17,562
Property and equipment	7,613	7,902
Buildings	2,953	3,122
Structures	215	271
Furniture, fixtures and equipment	1,350	1,620
Land	2,346	2,346
Lease assets	732	497
Construction in progress	15	44
Intangible assets	143	157
Rights of leasehold	36	36
Software	83	108
Utility rights of facilities	18	11
Other	4	0
Investments and other assets	9,941	9,503
Investments in securities	306	242
Long-term prepaid expenses	193	178
Prepaid pension cost	1,660	1,867
Long-term leasehold deposits	6,563	6,436
Investments in capital of subsidiaries and affiliates	384	-
Deferred income taxes	782	710
Allowance for doubtful accounts	(30)	(30)
Other	80	97
TOTAL ASSETS	46,700	43,979

Seven & i Food Systems Co., Ltd.

(Millions of yen)

	February 28, 2015	February 29, 2016
	Amount	Amount
LIABILITIES		
Current liabilities	9,662	7,597
Accounts payable, trade	1,846	1,934
Accounts payable, other	645	1,033
Short-term loans payable	2,000	-
Income taxes payable	376	353
Consumption taxes withheld	1,187	528
Accrued expenses	2,382	2,407
Deposits received	217	240
Allowance for bonuses to Directors and Audit & Supervisory Board Members	15	12
Allowance for bonuses to employees	511	518
Accounts payable for acquisition of property and equipment	51	160
Current portion of lease obligations	300	300
Other	127	109
Non-current liabilities	3,202	2,909
Long-term allowance for impairment loss on lease assets	0	0
Lease obligations	765	498
Asset retirement obligations	2,166	2,156
Long-term guarantee deposited	215	212
Other	55	41
TOTAL LIABILITIES	12,865	10,507
NET ASSETS		
Shareholder's equity	33,724	33,414
Common stock	3,000	3,000
Capital surplus	52,629	51,861
Additional paid-in capital	750	750
Other capital surplus	51,879	51,111
Retained earnings	(21,904)	(21,446)
Other retained earnings		
Retained earnings brought forward	(21,904)	(21,446)
Accumulated gains (losses) from valuation and translation adjustments	111	57
Unrealized gains (losses) on available-for-sale securities, net of taxes	111	57
TOTAL NET ASSETS	33,835	33,471
TOTAL LIABILITIES AND NET ASSETS	46,700	43,979

Seven & i Food Systems Co., Ltd.

Nonconsolidated Statements of Income

(Millions of yen)

	Year ended February 28, 2015	Year ended February 29, 2016
	Amount	Amount
Revenues from operations	80,932	83,839
Net sales	80,685	83,680
Cost of sales	27,924	30,180
Gross profit on sales	52,761	53,499
Other operating revenues	246	158
Gross profit from operations	53,008	53,658
Selling, general and administrative expenses	52,844	52,636
Salaries and bonuses	27,523	26,904
Land and building rent	7,565	7,570
Utility expenses	4,430	4,016
Depreciation and amortization	700	822
Legal welfare expenses	2,422	2,515
Other	10,202	10,806
Operating income	163	1,021
Non-operating income	159	124
Interest income	108	85
Dividends income	5	6
Income related to advertising media installation	19	10
Miscellaneous income	26	21
Non-operating expenses	20	24
Interest expenses	2	1
Miscellaneous expenses	17	22
Ordinary income	302	1,121
Special gains	93	69
Compensation income for expropriation	59	-
Gain on donation received	-	33
Other	34	36
Special losses	591	688
Impairment loss	471	636
Store-closing cost and removal expenses	3	21
Valuation loss on investments in capital of subsidiaries and affiliates	97	-
Other	18	29
Income (loss) before income taxes	(195)	503
Income taxes - current	228	177
Income taxes - deferred	26	(131)
Net income (loss)	(449)	457