



July 7, 2016

Consolidated Financial Results for the Three Months ended May 31, 2016

Seven & i Holdings Co., Ltd.

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

Securities Code No. 3382

President: Ryuichi Isaka

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

Submission date of quarterly securities report scheduled: July 14, 2016

Starting date of paying dividend: -

Preparation of brief summary materials for quarterly financial results: Yes

Holding of quarterly financial results presentation: Yes

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

1. Business Results for the Three Months ended May 31, 2016 (from March 1, 2016 to May 31, 2016)

(1) Results of Operations (cumulative)

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income	
Three Months ended May 31, 2016	1,394,749	(3.2)%	81,483	(0.5)%	82,385	1.5%
Three Months ended May 31, 2015	1,440,782	(2.1)%	81,856	5.6%	81,181	5.0%

	Net income Attributable to Owners of Parent		Net Income per Share		Diluted Net Income per Share	
Three Months ended May 31, 2016	43,150	2.2%	48.80	(yen)	48.76	(yen)
Three Months ended May 31, 2015	42,228	6.9%	47.77	(yen)	47.72	(yen)

Notes: 1. Comprehensive income:

Three Months ended May 31, 2016: 16,147 million yen [(62.5)%]

Three Months ended May 31, 2015: 43,004 million yen [49.4%]

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

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

Three Months ended May 31, 2016: 2,560,924 million yen [0.6%]

Three Months ended May 31, 2015: 2,545,189 million yen [3.3%]

(2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Owners' Equity Ratio	Owners' Equity per Share
As of May 31, 2016	5,492,431	2,419,475	41.7%	2,588.84 (yen)
As of February 29, 2016	5,441,691	2,505,182	43.6%	2,683.11 (yen)

Note: Owners' equity (net assets excluding non-controlling interests and subscription rights to shares) :

As of May 31, 2016: 2,289,053 million yen

As of February 29, 2016: 2,372,274 million yen

2. Dividends

Record Date	Dividends per Share (yen)				
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
Year ended February 29, 2016	-	38.50	-	46.50	85.00
Year ending February 28, 2017	-				
Year ending February 28, 2017 (forecast)		45.00	-	45.00	90.00

Notes: 1. Revision of dividends forecast during the current quarterly period: None

2. 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 under consideration at this point. The consolidated financial results forecast will be announced as soon as the business restructuring plan by Nissen Holdings Co., Ltd. is available. 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%]

Notes:

1. Percentages represent increase (decrease) from the corresponding period in the prior fiscal year.
2. Revision of business results forecast during the current quarterly period: None

4. Others

(1) Changes in significant subsidiaries during the period:

(changes in specific subsidiaries accompanying change in scope of consolidation): None

Added: none

Excluded: none

(2) Application of specific accounting for preparing the quarterly consolidated financial statements: None

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

1. Changes due to amendment of accounting standards: Yes

(Application of Accounting Standard for Business Combinations and other accounting standards)

From the first quarter of the fiscal year ending February 28, 2017, the Company has applied the "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013; hereinafter, "the business combinations accounting standard"), the "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013; hereinafter, "the consolidated financial statements accounting standard"), and the "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013; hereinafter, "the business divestitures accounting standard"). The accounting standards reflect a switch in methodology with respect to the posting to capital surplus of differences arising from changes in equity in a subsidiary by the parent company in cases in which control continues, and the posting of acquisition-related costs as expenses for the consolidated fiscal year in which they are incurred. For business combinations occurring after the start of the first quarter, the Company has switched to a method in which revisions to the distribution of the cost of the acquisition due to the finalization of provisional accounting treatment are reflected in the quarterly consolidated financial statements applicable to the quarterly period in which the date of the business combination falls. Additionally, the Company has made changes in the presentation of quarterly net income, etc. and the presentation of a switch from minority interests to non-controlling interests. Financial statements for the first quarter of the previous fiscal year and for the previous fiscal year have been reconfigured to reflect these changes in presentation.

In the quarterly consolidated statements of cash flows for the first quarter of this consolidated fiscal period, cash flows from the purchase or sales of shares of subsidiaries without change in scope of consolidation are presented in cash flows from financing activities, and cash flows relating to the acquisition-related costs of shares of subsidiaries with change in scope of consolidation and cash flows relating to the costs incurred in acquisitions or sales of shares of subsidiaries without change in scope of consolidation are presented in cash flows from operating activities.

Regarding application of the above mentioned accounting standards, pursuant to pass-through handling procedures stipulated in Article 58-2(3) of the business combinations accounting standard, Article 44-5(3) of the consolidated financial statements accounting standard, and Article 57-4(3) of the business divestitures accounting standard, the cumulative monetary effect at the beginning of the first quarter of the current fiscal year arising from the retroactive application of the new accounting policies to all past periods are added or subtracted from capital surplus and retained earnings.

As a result of this change, goodwill, and capital surplus at the beginning of the period for the first quarter of the fiscal year ending February 28, 2017 decreased by 51,324 million yen, 116,446 million yen, respectively, while foreign currency translation adjustments and retained earnings increased by 5,900 million yen, 59,221 million yen, respectively. Additionally, operating income, ordinary income and income before income taxes for the first quarter of the fiscal year ending February 28, 2017 all increased by 1,244 million yen.

2. Changes due to other reasons: None
3. Changes in accounting estimates: None
4. Restatements: None

(4) Number of shares outstanding (common stock)

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

As of May 31, 2016: 886,441,983 shares As of February 29, 2016: 886,441,983 shares

2. Number of treasury stock at the end of period

As of May 31, 2016: 2,242,583 shares As of February 29, 2016: 2,290,888 shares

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

As of May 31, 2016: 884,180,553 shares As of May 31, 2015: 884,077,346 shares

(5) Supplementary information

The Act for Partial Revision of the Income Tax Act, etc. (Act No.15 of 2016) and the Act for Partial Revision of the Local Taxes, etc.(Act No.13 of 2016) were promulgated on March 31, 2016, and will reduce corporate tax rate, etc. from the consolidated fiscal years beginning on or after April 1, 2016. As a result, the effective legal tax rates used for calculating deferred tax assets and deferred tax liabilities were changed from 32.3% to 30.9%, pertaining to temporary differences that are expected to be settled in the consolidated fiscal year beginning on March 1, 2017 and the consolidated fiscal year beginning on March 1, 2018, and to 30.6% , pertaining to temporary differences that are expected to be settled in the consolidated fiscal year beginning on or after March 1, 2019.

As a result of this change in the tax rate, the amount of deferred tax assets (after deducting deferred tax liabilities) decreased by 1,017 million yen, the amount of income taxes-deferred increased by 900 million yen and unrealized gains (losses) on available-for-sale securities increased by 31 million yen, and remeasurements of defined benefit plan decreased by 147 million yen.

NOTICE REGARDING QUARTERLY REVIEW PROCEDURES FOR THE QUARTERLY FINANCIAL RESULTS

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

FORWARD LOOKING STATEMENTS

1. The forecast for the year ending February 28, 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 the forecast.
2. Brief summary for the first quarter of FY2017 will be posted on the Company's website (<http://www.7andi.com/en/ir/library/kh/201702.html>). The presentation materials related to financial results which will be used at the financial results presentation planned to be held on July 7, 2016, will be posted as soon as possible after the presentation.

Attached Materials

Contents

Consolidated Quarterly Financial Statements

- (1) Consolidated Quarterly Balance Sheets 2
- (2) Consolidated Quarterly Statements of Income
and Consolidated Quarterly Statements of Comprehensive Income 4
- (3) Consolidated Quarterly Statements of Cash Flows 6
- (4) Doubts on the Premise of Going Concern 8
- (5) Segment Information 8
- (6) Notes on Significant Changes in the Amount of Shareholders' Equity 9

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

(Millions of yen)

	February 29, 2016	May 31, 2016
	Amount	Amount
ASSETS		
Current assets	2,249,966	2,360,358
Cash and bank deposits	1,099,990	1,292,043
Call loan	10,000	5,000
Notes and accounts receivable - trade	354,554	352,834
Trade accounts receivable - financial services	86,877	89,833
Marketable securities	80,000	-
Merchandise and finished goods	208,580	209,979
Work in process	27	26
Raw materials and supplies	3,579	3,816
Prepaid expenses	48,849	55,729
ATM-related temporary payments	91,725	85,751
Deferred income taxes	38,866	29,076
Other	232,319	241,751
Allowance for doubtful accounts	(5,404)	(5,483)
Non-current assets	3,191,716	3,132,072
Property and equipment	1,972,355	1,954,302
Buildings and structures, net	868,020	863,992
Furniture, fixtures and equipment, net	302,482	300,823
Land	746,729	740,839
Lease assets, net	12,123	11,585
Construction in progress	42,161	36,367
Other, net	838	695
Intangible assets	545,670	472,440
Goodwill	313,667	243,759
Software	74,044	75,145
Other	157,959	153,534
Investments and other assets	673,690	705,330
Investments in securities	141,371	168,843
Long-term loans receivable	15,795	15,674
Long-term leasehold deposits	395,979	394,944
Advances for store construction	6,340	14,049
Net defined benefit asset	26,059	27,176
Deferred income taxes	27,636	25,503
Other	64,852	63,458
Allowance for doubtful accounts	(4,345)	(4,321)
Deferred assets	7	-
Business commencement expenses	7	-
TOTAL ASSETS	5,441,691	5,492,431

(Millions of yen)

	February 29, 2016	May 31, 2016
	Amount	Amount
LIABILITIES		
Current liabilities	1,880,903	2,118,901
Notes and accounts payable, trade	413,582	442,291
Short-term loans	130,782	132,226
Current portion of bonds	40,000	40,000
Current portion of long-term loans	101,329	171,431
Income taxes payable	44,744	12,335
Accrued expenses	108,696	105,541
Deposits received	157,530	246,550
ATM-related temporary advances	48,366	36,098
Allowance for sales promotion expenses	21,530	21,003
Allowance for bonuses to employees	13,432	24,912
Allowance for bonuses to Directors and Audit & Supervisory Board Members	362	37
Allowance for loss on future collection of gift certificates	2,063	1,947
Provision for sales returns	142	85
Deposits received in banking business	518,127	509,378
Call money	-	95,000
Other	280,211	280,061
Non-current liabilities	1,055,605	954,054
Bonds	399,994	399,995
Long-term loans	360,864	278,232
Deferred income taxes	64,859	57,419
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	2,010	933
Net defined benefit liability	8,564	8,016
Deposits received from tenants and franchised stores	56,574	56,547
Asset retirement obligations	72,034	71,552
Other	90,702	81,357
TOTAL LIABILITIES	2,936,508	3,072,956
NET ASSETS		
Shareholders' equity	2,289,557	2,234,561
Common stock	50,000	50,000
Capital surplus	527,474	411,047
Retained earnings	1,717,771	1,779,083
Treasury stock, at cost	(5,688)	(5,568)
Total accumulated other comprehensive income	82,716	54,491
Unrealized gains (losses) on available-for-sale securities, net of taxes	20,655	25,042
Unrealized gains (losses) on hedging derivatives, net of taxes	33	(401)
Foreign currency translation adjustments	70,927	37,850
Remeasurements of defined benefit plan	(8,900)	(7,999)
Subscription rights to shares	2,995	2,814
Non-controlling interests	129,912	127,607
TOTAL NET ASSETS	2,505,182	2,419,475
TOTAL LIABILITIES AND NET ASSETS	5,441,691	5,492,431

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

(Millions of yen)

	Three Months ended May 31, 2015	Three Months ended May 31, 2016
	Amount	Amount
Revenues from operations	1,440,782	1,394,749
Net sales	1,166,295	1,106,119
Cost of sales	900,618	850,360
Gross profit on sales	265,677	255,758
Operating revenues	274,486	288,630
Gross profit from operations	540,163	544,389
Selling, general and administrative expenses	458,307	462,905
Operating income	81,856	81,483
Non-operating income	2,755	4,126
Interest income	1,471	1,414
Equity in earnings of affiliates	341	1,321
Other	942	1,390
Non-operating expenses	3,430	3,224
Interest expenses	1,761	1,589
Interest on bonds	670	646
Other	999	988
Ordinary income	81,181	82,385
Special gains	973	598
Gain on sales of property and equipment	405	589
Compensation income for expropriation	394	9
Other	173	0
Special losses	5,332	8,131
Loss on disposals of property and equipment	2,673	2,458
Impairment loss on property and equipment	1,370	3,316
Restructuring expenses	94	1,511
Other	1,194	845
Income before income taxes	76,822	74,853
Total Income taxes	32,101	29,365
Income taxes - current	25,001	23,244
Income taxes - deferred	7,099	6,121
Net income	44,720	45,487
Net income attributable to non-controlling interests	2,492	2,337
Net income attributable to owners of parent	42,228	43,150

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Three Months ended May 31, 2015	Three Months ended May 31, 2016
	Amount	Amount
Net income	44,720	45,487
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities, net of taxes	4,351	4,344
Unrealized gains (losses) on hedging derivatives, net of taxes	(382)	(847)
Foreign currency translation adjustments	(6,203)	(33,671)
Remeasurements of defined benefit plan	522	915
Share of other comprehensive income of entities accounted for using equity method	(4)	(80)
Total other comprehensive income	(1,716)	(29,339)
Comprehensive income	43,004	16,147
Comprehensive income attributable to owners of parent	40,591	14,925
Comprehensive income attributable to non-controlling interests	2,412	1,222

(3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Three Months ended May 31, 2015	Three Months ended May 31, 2016
	Amount	Amount
Cash flows from operating activities:		
Income before income taxes	76,822	74,853
Depreciation and amortization	45,984	51,617
Impairment loss on property and equipment	1,464	4,636
Amortization of goodwill	5,102	4,114
Interest income	(1,471)	(1,414)
Interest expenses and interest on bonds	2,431	2,236
Equity in losses (earnings) of affiliates	(341)	(1,321)
Gain on sales of property and equipment	(405)	(589)
Loss on disposals of property and equipment	2,673	2,463
Decrease (increase) in notes and accounts receivable, trade	(16,138)	(66)
Decrease (increase) in trade accounts receivable, financial services	(7,822)	(2,956)
Decrease (increase) in inventories	(7,514)	(4,151)
Increase (decrease) in notes and accounts payable, trade	50,015	32,331
Increase (decrease) in deposits received	122,968	89,381
Net increase (decrease) in deposits received in banking business	3,152	(8,748)
Net decrease (increase) in call loan in banking business	(8,000)	5,000
Net increase (decrease) in call money in banking business	31,100	95,000
Net change in ATM-related temporary accounts	(22,495)	(6,294)
Other	(18,120)	(20,237)
Sub-total	259,404	315,853
Interest and dividends received	920	922
Interest paid	(2,439)	(2,283)
Income taxes paid	(52,470)	(52,735)
Net cash provided by operating activities	205,415	261,757
Cash flows from investing activities:		
Acquisition of property and equipment	(71,132)	(69,173)
Proceeds from sales of property and equipment	1,312	8,993
Acquisition of intangible assets	(10,913)	(6,089)
Payment for purchase of investments in securities	(14,306)	(29,470)
Proceeds from sales of investments in securities	20,478	8,560
Payment for purchase of investments in subsidiaries	(0)	-
Payment for long-term leasehold deposits	(5,181)	(14,037)
Refund of long-term leasehold deposits	7,865	7,526
Proceeds from deposits from tenants	590	845
Refund of deposits from tenants	(1,133)	(1,057)
Payment for acquisition of business	(3,463)	(1,509)
Payment for time deposits	(1,396)	(1,207)
Proceeds from withdrawal of time deposits	1,169	1,013
Other	(786)	(2,762)
Net cash used in investing activities	(76,896)	(98,368)

(Millions of yen)

	Three Months ended May 31, 2015	Three Months ended May 31, 2016
	Amount	Amount
Cash flows from financing activities:		
Net increase (decrease) in short-term loans	5,990	1,450
Proceeds from long-term debts	15,700	6,850
Repayment of long-term debts	(11,818)	(11,182)
Proceeds from commercial paper	-	5,421
Payment for redemption of commercial paper	-	(5,421)
Dividends paid	(31,743)	(40,567)
Dividends paid to non-controlling interests	(375)	(333)
Other	(3,035)	(3,376)
Net cash provided by (used in) financing activities	(25,281)	(47,158)
Effect of exchange rate changes on cash and cash equivalents	(1,970)	(2,384)
Net increase (decrease) in cash and cash equivalents	101,267	113,845
Cash and cash equivalents at beginning of period	1,000,762	1,147,086
Cash and cash equivalents at end of period	1,102,029	1,260,932

(4) Doubts on the Premise of Going Concern

None

(5) Segment Information

I. Three Months ended May 31, 2015 (From March 1, 2015 to May 31, 2015)

1. Information on revenues from operations, income and loss for each reportable segment

(Millions of yen)

	Reportable segments							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										
Revenues										
1. Customers	605,989	514,501	211,996	21,140	38,642	37,625	10,885	1,440,782	-	1,440,782
2. Intersegment	225	2,157	640	203	8,426	175	5,796	17,624	(17,624)	-
Total	606,214	516,659	212,636	21,344	47,068	37,801	16,682	1,458,407	(17,624)	1,440,782
Segment income (loss)	66,126	6,031	(92)	423	11,552	(2,793)	1,353	82,602	(745)	81,856

Notes:

1. The adjustments on segment income (loss) of (745) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
2. Segment income (loss) is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

2. Impairment of Fixed Assets and Goodwill by Reportable Segment

No significant items to be reported.

II. Three Months ended May 31, 2016 (From March 1, 2016 to May 31, 2016)

1. Information on revenues from operations, income and loss for each reportable segment

(Millions of yen)

	Reportable segments							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										
Revenues										
1. Customers	583,427	512,494	203,897	20,798	39,668	26,036	8,426	1,394,749	-	1,394,749
2. Intersegment	300	2,122	607	207	8,976	567	5,819	18,600	(18,600)	-
Total	583,727	514,617	204,505	21,005	48,644	26,604	14,246	1,413,350	(18,600)	1,394,749
Segment income (loss)	68,894	6,517	(1,005)	(125)	12,779	(2,992)	1,146	85,213	(3,729)	81,483

Notes:

1. The adjustments on segment income (loss) of (3,729) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
2. Segment income (loss) is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

2. Impairment of Fixed Assets and Goodwill by Reportable Segment

(Application of Accounting Standard for Business Combinations and other accounting standards)

Effective from the first quarter of the current consolidated financial year, differences caused by change in the Company's equity in the subsidiaries and affiliates remaining under the control of the Company are adjusted in capital surplus, and acquisition-related costs are reported as expenses incurred during the consolidated financial year in which acquisitions take place.

As a result of the application and in comparison with the previous method, segment income in the first quarter of the consolidated financial year increased by 824 million yen in "Convenience store operations" segment, by 10 million yen in "Superstore operations" segment, by 71 million yen in "Financial services" segment, and by 0 million yen in "Others" segment respectively. Furthermore, segment loss in "Department store operations" segment decreased by 338 million yen.

(Significant Change in the Amount of Goodwill)

As a result of the application of Accounting Standard for Business Combinations, Accounting Standard for Consolidated Financial Statements, and of Accounting Standard for Business Divestiture, etc., effective from the first quarter of the current consolidated financial year, the amount in Goodwill has been reduced.

In accordance with the application, the amount of goodwill, as at the beginning of the first quarter of the current consolidated financial year, was reduced by 33,368 million yen in the "Convenience store operations" segment, by 594 million yen in the "Superstore operations" segment, by 14,044 million yen in the "Department store operations" segment, by 3,271 million yen in the "Financial services" segment, and by 45 million yen in the "Others" segment respectively.

(Reference)

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

Three Months ended May 31, 2015 (From March 1, 2015 to May 31, 2015) (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
Revenues						
1. Customers	995,569	408,183	37,030	1,440,782	-	1,440,782
2. Intersegment	235	48	259	543	(543)	-
Total	995,804	408,231	37,289	1,441,325	(543)	1,440,782
Operating income (loss)	74,670	7,185	(1)	81,853	2	81,856

Three Months ended May 31, 2016 (From March 1, 2016 to May 31, 2016) (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
Revenues						
1. Customers	988,587	374,854	31,308	1,394,749	-	1,394,749
2. Intersegment	193	45	113	353	(353)	-
Total	988,780	374,899	31,422	1,395,103	(353)	1,394,749
Operating income (loss)	71,831	9,806	(158)	81,480	2	81,483

Notes:

1. The classification of geographic area segments is determined according to geographical distances.
2. "Others" consists of the business results in the People's Republic of China, etc.

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

Effective from the first quarter of the current consolidated financial year (ending February 28, 2017), an accounting method has been applied of Accounting Standard for Business Combinations, Accounting Standard for Consolidated Financial Statements, and of Accounting Standard for Business Divestiture, etc.