

3. Forecast of Business Results for the Fiscal Year ending February 28, 2019 (from March 1, 2018 to February 28, 2019)

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income		Net income Attributable to Owners of Parent		Net Income per Share	
Interim Period	3,269,000	9.4%	196,700	1.1%	194,200	0.0%	101,000	12.9%	114.18	(yen)
Entire Year	6,683,000	10.7%	415,000	6.0%	408,500	4.5%	210,000	15.9%	237.41	(yen)

Notes:

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

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

Interim Period: 5,900,000 million yen [7.3%]

Entire Year: 11,920,000 million yen [7.9%]

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: None

2. Changes due to other reasons: None

3. Changes in accounting estimates: None

4. Restatements: None

(4) Number of shares outstanding (common stock)

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

As of May 31, 2018: 886,441,983 shares

As of February 28, 2018: 886,441,983 shares

2. Number of treasury stock at the end of period

As of May 31, 2018: 1,870,280 shares

As of February 28, 2018: 1,897,782 shares

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

As of May 31, 2018: 884,562,080 shares

As of May 31, 2017: 884,495,504 shares

NOTICE REGARDING QUARTERLY REVIEW PROCEDURES FOR THE QUARTERLY FINANCIAL RESULTS

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

FORWARD LOOKING STATEMENTS

1. The forecast for the year ending February 28, 2019 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 FY2019 will be posted on the Company's website

(<http://www.7andi.com/en/ir/library/kh/201902.html>). The presentation materials related to financial results which will be used at the financial results presentation planned to be held on July 5, 2018, will be posted as soon as possible after the presentation.

(Millions of yen)

	Three Months ended May 31, 2017	Three Months ended May 31, 2018
	Amount	Amount
Cash flows from financing activities:		
Net increase in short-term loans	3,200	140,646
Proceeds from long-term debts	11,980	106,898
Repayment of long-term debts	(15,889)	(32,540)
Proceeds from commercial paper	-	2,272
Payment for redemption of commercial paper	-	(2,272)
Proceeds from share issuance to non-controlling shareholders	347	0
Dividends paid	(39,296)	(39,365)
Dividends paid to non-controlling interests	(349)	(388)
Other	(7,166)	4,935
Net cash used in financing activities	(47,174)	180,184
Effect of exchange rate changes on cash and cash equivalents	(2,677)	(9,694)
Net increase (decrease) in cash and cash equivalents	61,621	(10,141)
Cash and cash equivalents at beginning of period	1,209,497	1,300,383
Cash and cash equivalents at end of period	1,271,118	1,290,241

(4) Doubts on the Premise of Going Concern

None

(5) Notes to Consolidated Quarterly Statements of Income

A breakdown of Restructuring expenses listed below.

(Millions of yen)

	Three Months ended May 31, 2017	Three Months ended May 31, 2018
Impairment loss	17,267	1,063
Store closing losses	514	184
Early retirement benefit	273	12
Loss on disposals of property and equipment	65	0
Others	280	1
Total	18,401	1,262

(6) Segment Information

I. Three Months ended May 31, 2017 (From March 1, 2017 to May 31, 2017)

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

(Millions of yen)

	Reportable segments							Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Department store operations	Financial services	Specialty store operations	Others			
Revenues from operations										
Revenues										
1. Customers	227,757	459,923	473,582	160,524	41,383	103,117	1,797	1,468,086	-	1,468,086
2. Intersegment	342	51	2,463	2,113	9,151	641	3,840	18,604	(18,604)	-
Total	228,099	459,975	476,045	162,638	50,534	103,759	5,637	1,486,690	(18,604)	1,468,086
Segment income	59,478	7,045	5,291	400	12,513	1,197	986	86,911	(2,769)	84,141

Notes:

1. The adjustments on segment income of (2,769) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
2. Segment income 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, 2018 (From March 1, 2018 to May 31, 2018)

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

(Millions of yen)

	Reportable segments							Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Department store operations	Financial services	Specialty store operations	Others			
Revenues from operations										
Revenues										
1. Customers	233,569	608,521	474,014	139,859	43,885	97,584	1,597	1,599,032	2	1,599,034
2. Intersegment	320	748	2,065	1,755	9,726	433	4,047	19,096	(19,096)	-
Total	233,890	609,269	476,079	141,614	53,611	98,018	5,644	1,618,129	(19,094)	1,599,034
Segment income	55,394	9,382	6,236	365	13,892	2,947	608	88,827	(2,450)	86,376

Notes:

1. The adjustments on segment income of (2,450) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
2. Segment income is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

2. Impairment of Fixed Assets and Goodwill by Reportable Segment

(Significant changes in the amount of goodwill)

In the Overseas convenience store operations segment, the Company's consolidated subsidiary 7-Eleven, Inc. acquired stores and other assets constituting most of convenience store business and gasoline retail business of U.S. company Sunoco LP. As a result of the consolidation, the amount of goodwill increased by 154,116 million yen (US\$1,390,445 thousand) in the first quarter consolidated accounting period.

The amount above is provisional since the purchase price allocation has not been finalized.

Note: The yen amounts were calculated using the January 23, 2018 rate (US\$1 = 110.84 yen) .

(Reference)

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

Three Months ended May 31, 2017 (From March 1, 2017 to May 31, 2017) (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
Revenues						
1. Customers	970,814	468,637	28,634	1,468,086	-	1,468,086
2. Intersegment	188	51	14	255	(255)	-
Total	971,003	468,689	28,649	1,468,342	(255)	1,468,086
Operating income	77,486	6,379	272	84,138	2	84,141

Three Months ended May 31, 2018 (From March 1, 2018 to May 31, 2018) (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
Revenues						
1. Customers	950,791	617,960	30,282	1,599,034	-	1,599,034
2. Intersegment	202	128	-	330	(330)	-
Total	950,993	618,088	30,282	1,599,365	(330)	1,599,034
Operating income	77,851	8,348	174	86,373	2	86,376

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.

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

None

(8) Business Combination and Other Matters

Three months ended May 31, 2018

Business combination by acquisition

1. Outline of the business combination

(1) Name and main business of the acquired company

Name: Sunoco LP

Main business: Operation of fuel wholesale and retail, and convenience store business

(2) Main reason for the business combination

In accordance with the Medium-Term Management Plan for the Group announced in October 2016, 7-Eleven, Inc. is aiming to achieve average daily merchandise sales per store of \$5,000 and 10,000 stores by the fiscal year ending February 29, 2020, and is working to strengthen its merchandizing capabilities and expand its store network. Sunoco LP has a large number of stores in the State of Texas and the eastern area of the United States, where 7-Eleven, Inc., currently operates stores. By acquiring part of Sunoco LP's convenience store business and gasoline retail business, 7-Eleven, Inc. will expand its store network and offer greater convenience, while also improving profitability. Regarding the stores acquired, 7-Eleven, Inc. signed a contract to receive gasoline from Sunoco LP for the next 15 years.

(3) Date of the business combination

January 23, 2018

(4) Legal form of the business combination

Acquisition of business

(5) The acquired company's name after the business combination

No change

(6) Main reason for the decision of the acquiring company

7-Eleven, Inc. received the business with all consideration paid in cash.

2. Period for which the acquired company's operating results are included in the consolidated financial statements

From January 23, 2018 to March 31, 2018

3. Acquisition cost of acquired business and breakdown by type of consideration

Consideration for acquisition	Cash	US\$3,244,015 thousand	(359,566 million yen)
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Acquisition cost		US\$3,244,015 thousand	(359,566 million yen)

4. Details and amounts of main acquisition-related costs

Payment for financial and legal investigation US\$35,128 thousand (3,893 million yen)

5. Amount, reason for recognition, and period and method of amortization of goodwill

(1) Amount of goodwill

US\$1,390,445 thousand (154,116 million yen)

The amount above is provisional since the purchase price allocation has not been finalized and fair value measurement of identifiable assets and liabilities at the acquisition date has not been finalized.

(2) Reason for recognition of goodwill

Expected excess earning power of future business development

(3) Period and method of amortization of goodwill

20 years using the straight-line method

6. Total amounts and principal breakdowns of assets received and liabilities assumed on the date of the business combination

Current assets	US\$134,210 thousand	(14,875 million yen)
Non-current assets	US\$1,842,565 thousand	(204,229 million yen)
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Total assets	US\$1,976,775 thousand	(219,105 million yen)
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Non-current liabilities	US\$123,204 thousand	(13,656 million yen)
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Total liabilities	US\$123,204 thousand	(13,656 million yen)

7. Approximate amounts of impact of the business combination on the Company's consolidated statements of income for the fiscal year

assuming the business combination was completed at the beginning of the fiscal year, and the calculation method thereof

Information is omitted since the amounts are insignificant.

Note: The yen amounts were calculated using the January 23, 2018 rate (US\$1 = 110.84 yen).