July 6, 2017

Consolidated Financial Results for the Three Months ended May 31, 2017

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, 2017
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, 2017 (from March 1, 2017 to May 31, 2017)

(1) Results of Operations (cumulative) (Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income	
Three Months ended May 31, 2017	1,468,086	5.3%	84,141	3.3%	83,616	1.5%
Three Months ended May 31, 2016	1,394,749	(3.2)%	81,483	(0.5)%	82,385	1.5%

	Net income Attributable to Owners of Parent		Net Income per Share		Diluted Net Income per Share	
Three Months ended May 31, 2017	33,628	(22.1)%	38.02	(yen)	37.98	(yen)
Three Months ended May 31, 2016	43,150	2.2%	48.80	(yen)	48.76	(yen)

Notes: 1. Comprehensive income:
Three Months ended May 31, 2017: 19,784 million yen [22.5%]
Three Months ended May 31, 2016: 16,147 million yen [(62.5)%]
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, 2017: 2,674,956 million yen [4.5%]
Three Months ended May 31, 2016: 2,560,924 million yen [0.6%]

(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, 2017	5,530,949	2,451,959	41.8%	2,613.78	(yen)
As of February 28, 2017	5,508,888	2,475,806	42.4%	2,641.40	(yen)

Note: Owners' equity (net assets excluding non-controlling interests and subscription rights to shares) :
As of May 31, 2017: 2,311,919 million yen As of February 28, 2017: 2,336,057 million yen

2. Dividends

	Dividends per Share (yen)				
Record Date	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
Year ended February 28, 2017	-	45.00	-	45.00	90.00
Year ending February 28, 2018	-				
Year ending February 28, 2018 (forecast)		45.00	-	45.00	90.00

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

3. Forecast of Business Results for the Fiscal Year ending February 28, 2018 (from March 1, 2017 to February 28, 2018)

(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	2,989,000	4.3%	190,800	5.1%	188,100	3.0%	95,800	186.1%	108.31	(yen)
Entire Year	6,100,000	4.5%	386,500	6.0%	385,000	5.7%	177,000	82.9%	200.11	(yen)

Notes:

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

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

Interim Period: 5,530,000 million yen [4.7%]

Entire Year: 11,150,000 million yen [5.0%]

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, 2017: 886,441,983 shares As of February 28, 2017: 886,441,983 shares
2. Number of treasury stock at the end of period
As of May 31, 2017: 1,929,349 shares As of February 28, 2017: 2,039,799 shares
3. Average number of shares during the period (cumulative quarterly consolidated period)
As of May 31, 2017: 884,495,504 shares As of May 31, 2016: 884,180,553 shares

(5) Supplementary information
（Application of implementation on recoverability of deferred tax assets）
The Company has applied the "Implementation Guidance on Recoverability of Deferred Tax Assets"（ASBJ Guidance No.26 dated March 28,2016）from the first quarter of the consolidated fiscal year under review.
There is no impact on the consolidated financial statements from the application of the implementation guidance.

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, 2018 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 FY2018 will be posted on the Company's website (http://www.7andi.com/en/ir/library/kh/201802.html). The presentation materials related to financial results which will be used at the financial results presentation planned to be held on July 6, 2017, 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) Notes to Consolidated Quarterly Statements of Income ····· 8

(6) Segment Information ····· 8

(7) 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 28, 2017	May 31, 2017
	Amount	Amount
ASSETS		
Current assets	**2,274,403**	**2,354,739**
Cash and bank deposits	1,222,101	1,284,056
Notes and accounts receivable - trade	347,838	358,170
Trade accounts receivable - financial services	91,052	92,933
Merchandise and finished goods	189,193	185,131
Work in process	31	20
Raw materials and supplies	3,238	3,578
Prepaid expenses	49,113	54,909
ATM-related temporary payments	98,710	86,618
Deferred income taxes	30,239	29,163
Other	247,866	265,751
Allowance for doubtful accounts	(4,983)	(5,594)
Non-current assets	**3,234,485**	**3,176,210**
Property and equipment	**2,007,829**	**1,972,688**
Buildings and structures, net	865,439	860,801
Furniture, fixtures and equipment, net	311,762	307,109
Land	768,926	747,175
Lease assets, net	12,735	11,318
Construction in progress	48,677	44,816
Other, net	288	1,467
Intangible assets	**495,935**	**479,158**
Goodwill	270,055	256,342
Software	72,416	72,168
Other	153,463	150,647
Investments and other assets	**730,720**	**724,363**
Investments in securities	188,162	183,574
Long-term loans receivable	15,315	15,128
Long-term leasehold deposits	396,707	393,032
Advances for store construction	389	249
Net defined benefit asset	44,628	45,844
Deferred income taxes	25,261	27,676
Other	64,064	62,565
Allowance for doubtful accounts	(3,808)	(3,709)
TOTAL ASSETS	**5,508,888**	**5,530,949**

(Millions of yen)

	February 28, 2017	May 31, 2017
	Amount	Amount
LIABILITIES		
Current liabilities	**1,947,618**	**2,047,438**
Notes and accounts payable, trade	415,349	441,967
Short-term loans	150,376	153,334
Current portion of bonds	50,000	65,000
Current portion of long-term loans	64,301	85,931
Income taxes payable	34,462	17,565
Accrued expenses	131,871	124,197
Deposits received	188,798	240,561
ATM-related temporary advances	46,072	36,621
Allowance for sales promotion expenses	21,409	20,919
Allowance for bonuses to employees	14,159	25,817
Allowance for bonuses to Directors and Audit & Supervisory Board Members	311	40
Allowance for loss on future collection of gift certificates	1,807	1,707
Provision for sales returns	77	104
Deposits received in banking business	538,815	535,039
Call money	20,000	19,000
Other	269,804	279,629
Non-current liabilities	**1,085,463**	**1,031,551**
Bonds	349,996	334,997
Long-term loans	433,814	402,039
Deferred income taxes	49,080	52,714
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	939	910
Net defined benefit liability	9,163	8,497
Deposits received from tenants and franchised stores	55,327	54,635
Asset retirement obligations	77,640	77,639
Other	109,502	100,116
TOTAL LIABILITIES	**3,033,082**	**3,078,990**
NET ASSETS		
Shareholders' equity	**2,247,056**	**2,241,297**
Common stock	50,000	50,000
Capital surplus	409,095	409,232
Retained earnings	1,793,035	1,786,865
Treasury stock, at cost	(5,074)	(4,800)
Total accumulated other comprehensive income	**89,000**	**70,622**
Unrealized gains (losses) on available-for-sale securities, net of taxes	28,467	31,324
Unrealized gains (losses) on hedging derivatives, net of taxes	23	612
Foreign currency translation adjustments	56,391	33,770
Remeasurements of defined benefit plans	4,117	4,915
Subscription rights to shares	**2,594**	**2,264**
Non-controlling interests	**137,154**	**137,775**
TOTAL NET ASSETS	**2,475,806**	**2,451,959**
TOTAL LIABILITIES AND NET ASSETS	**5,508,888**	**5,530,949**

(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, 2016	Three Months ended May 31, 2017
	Amount	Amount
Revenues from operations	**1,394,749**	**1,468,086**
Net sales	1,106,119	1,169,170
Cost of sales	850,360	919,536
Gross profit on sales	**255,758**	**249,633**
Operating revenues	288,630	298,916
Gross profit from operations	**544,389**	**548,549**
Selling, general and administrative expenses	462,905	464,408
Operating income	**81,483**	**84,141**
Non-operating income	**4,126**	**2,598**
Interest income	1,414	1,217
Equity in earnings of affiliates	1,321	370
Other	1,390	1,010
Non-operating expenses	**3,224**	**3,123**
Interest expenses	1,589	1,590
Interest on bonds	646	623
Other	988	909
Ordinary income	**82,385**	**83,616**
Special gains	**598**	**734**
Gain on sales of property and equipment	589	503
Other	9	230
Special losses	**8,131**	**27,664**
Loss on disposals of property and equipment	2,458	3,813
Impairment loss on property and equipment	3,316	1,788
Restructuring expenses	1,511	18,401
Other	845	3,660
Income before income taxes	**74,853**	**56,686**
Total Income taxes	**29,365**	**17,999**
Income taxes - current	23,244	15,727
Income taxes - deferred	6,121	2,271
Net income	45,487	38,687
Net income attributable to non-controlling interests	2,337	5,058
Net income attributable to owners of parent	**43,150**	**33,628**

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Three Months ended May 31, 2016	Three Months ended May 31, 2017
	Amount	Amount
Net income	**45,487**	**38,687**
Other comprehensive income (loss)		
Unrealized gains (losses) on available-for-sale securities, net of taxes	4,344	2,867
Unrealized gains (losses) on hedging derivatives, net of taxes	(847)	599
Foreign currency translation adjustments	(33,671)	(23,122)
Remeasurements of defined benefit plans	915	810
Share of other comprehensive income (loss) of entities accounted for using equity method	(80)	(57)
Total other comprehensive income (loss)	**(29,339)**	**(18,902)**
Comprehensive income	**16,147**	**19,784**
Comprehensive income attributable to owners of parent	14,925	15,250
Comprehensive income attributable to non-controlling interests	1,222	4,533

(3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Three Months ended May 31, 2016	Three Months ended May 31, 2017
	Amount	Amount
Cash flows from operating activities:		
Income before income taxes	74,853	56,686
Depreciation and amortization	51,617	53,014
Impairment loss on property and equipment	4,636	19,055
Amortization of goodwill	4,114	4,229
Interest income	(1,414)	(1,217)
Interest expenses and interest on bonds	2,236	2,214
Equity in losses (earnings) of affiliates	(1,321)	(370)
Gain on sales of property and equipment	(589)	(503)
Loss on disposals of property and equipment	2,463	3,879
Decrease (increase) in notes and accounts receivable, trade	(66)	(11,812)
Decrease (increase) in trade accounts receivable, financial services	(2,956)	(1,880)
Decrease (increase) in inventories	(4,151)	884
Increase (decrease) in notes and accounts payable, trade	32,331	29,666
Increase (decrease) in deposits received	89,381	52,075
Net increase (decrease) in deposits received in banking business	(8,748)	(3,775)
Net decrease (increase) in call loans in banking business	5,000	-
Net increase (decrease) in call money in banking business	95,000	(1,000)
Net change in ATM-related temporary accounts	(6,294)	2,639
Other	(20,237)	(17,142)
Subtotal	315,853	186,643
Interest and dividends received	922	794
Interest paid	(2,283)	(2,247)
Income taxes paid	(52,735)	(29,292)
Net cash provided by operating activities	**261,757**	**155,898**
Cash flows from investing activities:		
Acquisition of property and equipment	(69,173)	(59,220)
Proceeds from sales of property and equipment	8,993	6,222
Acquisition of intangible assets	(6,089)	(6,617)
Payment for purchase of investments in securities	(29,470)	(663)
Proceeds from sales of investments in securities	8,560	13,300
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	108
Payment for long-term leasehold deposits	(14,037)	(3,078)
Refund of long-term leasehold deposits	7,526	12,470
Proceeds from deposits from tenants	845	700
Refund of deposits from tenants	(1,057)	(1,932)
Payment for acquisition of business	(1,509)	(1,056)
Payment for time deposits	(1,207)	(2,060)
Proceeds from withdrawal of time deposits	1,013	1,370
Other	(2,762)	(3,968)
Net cash used in investing activities	**(98,368)**	**(44,425)**

(Millions of yen)

	Three Months ended May 31, 2016	Three Months ended May 31, 2017
	Amount	Amount
Cash flows from financing activities:		
Net increase (decrease) in short-term loans	1,450	3,200
Proceeds from long-term debts	6,850	11,980
Repayment of long-term debts	(11,182)	(15,889)
Proceeds from commercial paper	5,421	-
Payment for redemption of commercial paper	(5,421)	-
Proceeds from share issuance to non-controlling shareholders	0	347
Dividends paid	(40,567)	(39,296)
Dividends paid to non-controlling interests	(333)	(349)
Other	(3,376)	(7,166)
Net cash used in financing activities	**(47,158)**	**(47,174)**
Effect of exchange rate changes on cash and cash equivalents	**(2,384)**	**(2,677)**
Net increase (decrease) in cash and cash equivalents	**113,845**	**61,621**
Cash and cash equivalents at beginning of period	**1,147,086**	**1,209,497**
Cash and cash equivalents at end of period	**1,260,932**	**1,271,118**

(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, 2016	Three Months ended May 31, 2017
Impairment loss	1,320	17,267
Store closing losses	76	514
Early retirement benefit	55	273
Loss on disposals of property and equipment	5	65
Others	53	280
Total	1,511	18,401

(6) Segment Information

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

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	218,582	366,848	491,224	172,335	39,668	104,427	1,663	1,394,749	-	1,394,749
2. Intersegment	362	45	2,777	2,380	8,976	763	4,782	20,088	(20,088)	-
Total	**218,945**	**366,894**	**494,001**	**174,715**	**48,644**	**105,191**	**6,446**	**1,414,838**	**(20,088)**	**1,394,749**
Segment income (loss)	**58,128**	**10,288**	**5,377**	**(793)**	**12,778**	**(2,189)**	**939**	**84,528**	**(3,045)**	**81,483**

Notes:

1. The adjustments on segment income (loss) of (3,045) 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 consolidated fiscal year ended February 28, 2017, differences caused by change in the Company's equity in the subsidiaries and 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 fiscal year increased by 824 million yen in "Overseas convenience store operations" segment, by 3 million yen in "Superstore operations" segment, by 71 million yen in "Financial service segment, respectively. Furthermore, segment loss decreased by 338 million yen in "Department store operations" segment, by 7 million yen in "Specialty store operations" segment, respectively.

(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 consolidated fiscal year ended February 28, 2017, the amount in Goodwill has been redu In accordance with the application, the amount of goodwill, as at the beginning of the first quarter of the consolidated fiscal year ended February 28, 2017, was reduc by 33,368 million yen in the "Overseas convenience store operations" segment, by 226 million yen in the "Superstore operations" segment, by 14,044 million yen in "Department store operations" segment, by 3,271 million yen in the "Financial services" segment, and by 413 million yen in the "Specialty store operations" segment respectively.

II. 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 (loss)	**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 (loss) of (2,769) 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.

3. Matters concerning the change of Reportable Segment, etc.

(Change in Reportable Segment Classifications)

The Company changed the Group's segment classification from the first quarter of this consolidated fiscal year as follows:

a. Domestic convenience store operations

This is the operating segment of convenience store operations led by Seven-Eleven Japan Co., Ltd. (hereinafter"SEJ"), and includes SEJ, its subsidiaries and affili and the overseas businesses (China, Hawaii) that SEJ provides sales support, and business promotion and management.

b. Overseas convenience store operations

This is the operating segment of convenience store operations led by 7-Eleven, Inc. (hereinafter "SEI"), and includes SEI, its subsidiaries and affiliates, and the business operating companies that SEI provides sales support, and business promotion and management.

c. Superstore operations

This is the operating segment of retail operations that comprehensively provide the necessary items for daily life such as popular consumer choices in foods and daily goods, and includes Ito-Yokado Co., Ltd., York-Benimaru Co., Ltd., York Mart Co., Ltd., SHELL GARDEN CO., LTD., and the subsidiaries and affiliates of these companies. Akachan Honpo Co., Ltd., etc. that provide high specialty products have been reorganized into specialty store operations.

d. Department store operations

This is the operating segment of retail operations that provide diverse luxury goods and high specialty products operated in large scale stores, and includes Sogo & Seibu Co., Ltd. and its subsidiaries and affiliates. THE LOFT CO., LTD., which provides high specialty products, has been reorganized into specialty store operations.

e. Financial services

This is the operating segment of the operations that provide services related to the banking, credit cards and leases businesses, and includes Seven Bank, Ltd. and its subsidiaries and affiliates, Seven Financial Service Co., Ltd., Seven Card Service Co., Ltd. and Seven CS Card Service Co., Ltd. SEVEN & i Financial Cer Co., Ltd. has been reorganized into the corporate operations not included in any reportable segment.

f. Specialty store operations

This is the operating segment of retail operations that provide high specialty or characteristic products and services, and includes business operating companies such as Akachan Honpo Co., Ltd., THE LOFT CO.,LTD., Seven & i Food Systems Co., Ltd., Barneys Japan Co., Ltd. and Nissen Co., Ltd.

g. Others

This includes the operating segments that do not belong to the other six segments above, and includes Seven & i Create Link Co., Ltd. and Seven & i Asset Management Co., Ltd. dealing with the real estate businesses, SEVEN & i Publishing Co., Ltd. dealing with the publishing business, Seven Culture Network Co., Ltd. providing cultural education services and Yatsugatake Kogen Lodge Co., Ltd running the hotel-operation, villa management, etc. business.

Note: The Company and SEVEN & i Financial Center Co., Ltd. are not included in any of the above segments, as they are classified as corporate operations.

(Reference)

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

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**

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 (loss)	**77,486**	**6,379**	**272**	**84,138**	**2**	**84,141**

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