September 7, 2018

To whom it may concern:

Company name: Seven & i Holdings Co., Ltd.
Representative: Ryuichi Isaka,
President and Representative Director
(Code No. 3382/First Section of the Tokyo Stock Exchange)

Notice Regarding Amendments to Earnings Forecast of Seven & i Holdings' Subsidiary

Seven & i Holdings Co., Ltd. ("the Company") today announced that Seven Bank, Ltd., a consolidated subsidiary of the Company, has amended the earnings forecast for the fiscal year ending March 31, 2019 (April 1, 2018 through March 31, 2019) as shown in the attached sheet.

The impact of this matter on the consolidated results of the Company will be negligible.

(Attachment)
Reference: "Notice Regarding Extraordinary Loss and Revision of Forecast"
(Materials released by Seven Bank, Ltd., as of September 7, 2018)

September 7, 2018
Seven Bank, Ltd

Notice Regarding Extraordinary Loss and Revision of Forecast

Seven Bank, Ltd.(Seven Bank, or the Company) plans to announce its financial results for the second quarter of FY18 on November 2, 2018. However, in the process of reviewing its earnings plan for overseas business, it is expected that extraordinary loss will be recorded in its financial results for the second quarter of FY18.

Accordingly, at today's meeting of the Board of Directors, Seven Bank have decided to revise the results forecast for the fiscal year ending March 31, 2019, which was announced on May 11, 2018, as follows.

1. Recognition of extraordinary loss (impairment loss on goodwill, etc.) in consolidated accounting

FCTI, Inc. (FCTI), a consolidated U.S. subsidiary and PT. ABADI TAMBAH MULIA INTERNASIONAL (ATMi), a consolidated Indonesian subsidiary, are currently promoting Seven Bank's overseas business. However their peformances are below the original plan. Therefore, Seven Bank will review their future plan and record an impairment loss of ¥14,596 million for fixed assets related to both FCTI and ATMi (mainly goodwill generated at the time of the acquisition of shares in FCTI).

2. Recognition of extraordinary losses (unrealized losses on shares of subsidiaries) in individual accounts

In line with the above-mentioned revisions to the plan for the overseas business, the Company recognizes the decline in the real value of the shares of the two overseas subsidiaries. It is expected to record an extraordinary loss of ¥21,877 million (calculated on the assumption of ¥110/1 USD and ¥0.900/100 Indonesian rupiah). In addition, unrealized losses on shares of subsidiaries recorded in individual accounts are eliminated in the consolidated financial statements, so there is no affect on the consolidated financial statements.

3. Reasons for the revision of the forecasts

In addition to the above extraordinary losses, Seven Bank revised its forecasts for the fiscal year ending March 31, 2019 due to delays in improving profitability in overseas businesses.

4. Revision of Consolidated Result Forecasts for the First Half of FY18 (April 1, 2018 to September 30, 2018)

	Ordinary income	Ordinary profit	Net income attributable to owners of the parent	Per share Net income
	Million Yen	Million Yen	Million Yen	Yen
Previously announced outlook (A)	72,600	20,600	13,800	11.58
Current revised outlook (B)	73,000	20,300	(500)	(0.41)
Increase (decrease) in B-A	400	(300)	(14,300)	
Rate of changes	0.5	(1.4)	—	
(Reference) Results for the Previous Fiscal Year	62,279	19,898	13,602	11.41

5. Revision of Consolidated Result Forecasts for FY18 (April 1, 2018 to March 31, 2019)

	Ordinary income	Ordinary profit	Net income attributable to owners of the parent	Per share Net income
	Million Yen	Million Yen	Million Yen	Yen
Previously announced outlook (A)	146,700	39,800	26,800	22.49
Current revised outlook (B)	147,200	39,900	12,800	10.74
Increase (decrease) in B-A	500	100	(14,000)	
Rate of changes	0.3	0.2	(52.2)	
(Reference) Results for the Previous Fiscal Year	127,656	38,305	25,301	21.24

6. Revision of Non-Consolidated Result Forecasts for the First Half of FY18(April 1, 2018 to September 30, 2018)

	Ordinary income	Ordinary profit	Net income	Per share Net income
	Million Yen	Million Yen	Million Yen	Yen
Previously announced outlook (A)	59,900	22,400	15,500	13.01
Current revised outlook (B)	59,900	22,400	100	0.08
Increase (decrease) in B-A	0	0	(15,400)	
Rate of changes	0	0	(99.3)	
(Reference) Results for the Previous Fiscal Year	58,186	21,507	14,808	12.43

7. Revision of Non-Consolidated Result Forecasts for FY18 (April 1, 2018 to March 31, 2019)

	Ordinary income	Ordinary profit	Net income	Per share Net income
	Million Yen	Million Yen	Million Yen	Yen
Previously announced outlook (A)	119,600	42,500	29,400	24.67
Current revised outlook (B)	119,600	42,500	14,000	11.75
Increase (decrease) in B-A	0	0	(15,400)	
Rate of changes	0	0	(52.3)	
(Reference) Results for the Previous Fiscal Year	116,650	42,262	29,106	24.43

NOTE)Exchange rates

Per USD 1

FY2017 results = 112.16 yen and FY2018 initial plan = 110.00 yen

The revised plan for the first half of fiscal 2018 = 108.67 yen and the revised plan for the full year 2018 = 110.00 yen.

Per IDR 100

FY2017 results = 0.838 yen and FY2018 initial plan = 0.900 yen

Revised plan for the first half of fiscal 2018 = 0.790 yen, full-year plan for fiscal 2018 = 0.900 yen

8. Credit Dividends

Recognizing that returning incomes to shareholders is one of the most important management policies, Seven Bank has established the basic policy of returning profits to shareholders to ensure that dividends continue to increase steadily.

As for the extraordinary loss, the Company has not changed its forecast for dividends of ¥10 per share, which was announced on May 11, 2018, as a result of the extraordinary and non-cash expenses, the Company's performance, fund position, and financial soundness.

	Dividend per share					Aggregate amount of dividends Total	Payout Ratio (consolidated)	Net assets: Dividend rate (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Term end	Total			
	Yen	Yen	Yen	Yen	Yen	Milliom Yen	%	%
FY16	-	4.25	-	4.75	9.00	10,723	42.6	5.6
FY17	-	4.75	-	5.25	10.00	11,915	47.0	5.8
FY18 (forecast)	-	5.00	-	5.00	10.00		93.0	

(NOTE)Whether or not a revision has been made from the most recently disclosed dividend forecast: No

With the aim of achieving sustainable growth, Seven Bank will continue to promote its overseas business strategy, which we formulated in May 2017. We will not change our policy of "Get U.S. operations on their way, establish a solid platform in Asia."

In particular, in March 2018, FCTI, a U.S. consolidated subsidiary, completed the installation of approximately 8,000 ATMs at 7-Eleven stores in the U.S., which began in August 2017. We will make use of this foundation to achieve income.

<Reference: Accounting for Impairment Loss on Goodwill and Valuation Loss on Share of Subsidiaries>

Impairment losses expected to be recorded in the consolidated financial statements are mainly losses on goodwill and intangible fixed assets recorded in the consolidated financial statements due to the devaluation of the carrying amount. On the other hand, unrealized losses on stockholdings of subsidiaries, which are expected to be recorded in individual accounts, are losses resulting from the revaluation of shares of affiliated companies included in the non-consolidated financial statements. The unrealized loss on investments in subsidiaries and shares is eliminated in the consolidated balance sheets, and therefore, there is no affect on consolidated profits and losses.

Impairment losses and unrealized losses on investments in subsidiaries and shares in the consolidated financial statements are different, so the amounts do not coincide.

Impairment losses expected to be recorded in the consolidated financial statements and unrealized losses on shares of subsidiaries expected to be recorded in the non-consolidated financial statements are not accompanied by a decrease in cash nor cash equivalents.

(NOTE)The forecasts presented in this material are based on the information currently available to the Company and certain assumptions that are deemed reasonable, and are not intended to be promised for the Company of achieving them. Actual results may differ materially from the forecast depending on a range of factors.

(End of document)