



# Consolidated Financial Results for the Six Months Ended August 31, 2022

October 6, 2022

## Seven & i Holdings Co., Ltd.

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

Securities Code No. 3382

President: Ryuichi Isaka

The Company's shares are listed on the Prime Market of the Tokyo Stock Exchange.

Submission date of quarterly securities report scheduled: October 14, 2022

Starting date of paying dividend: November 15, 2022

Preparation of brief summary materials for quarterly financial results: Yes

Holding of quarterly financial results presentation: Yes

(Notes) 1. Percentages represent increase (decrease) from the corresponding period in the prior fiscal year.

2. All amounts less than one million yen have been truncated.

### 1. Results for the Six Months Ended August 31, 2022 (from March 1, 2022 to August 31, 2022)

#### (1) Results of operations (cumulative)

(Millions of yen)

	Revenues from Operations		Operating Income		Ordinary Income	
Six Months Ended August 31, 2022	5,651,505	55.0 %	234,767	26.1 %	219,763	26.7 %
Six Months Ended August 31, 2021	3,646,449	30.8 %	186,170	3.6 %	173,450	(1.0) %

	Net Income Attributable to Owners of Parent		Net Income per Share		Diluted Net Income per Share	
Six Months Ended August 31, 2022	136,089	27.8 %	154.09	(yen)	154.09	(yen)
Six Months Ended August 31, 2021	106,500	46.9 %	120.61	(yen)	120.61	(yen)

(Notes) 1. Comprehensive income:

Six Months Ended August 31, 2022: 514,771 million yen [115.4%]

Six Months Ended August 31, 2021: 238,969 million yen [265.4%]

2. "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc., are applied from the beginning of the first quarter of the consolidated fiscal year ending February 28, 2023. Revenues from operations based on the previous accounting standard is 5,978,615 million yen [64.0%].

(Reference) Group's total sales:

Six Months Ended August 31, 2022: 8,590,700 million yen Six Months Ended August 31, 2021: 6,376,464 million yen

EBITDA:

Six Months Ended August 31, 2022: 468,346 million yen Six Months Ended August 31, 2021: 341,294 million yen

EPS before amortization of goodwill:

Six Months Ended August 31, 2022: 214.19 yen Six Months Ended August 31, 2021: 147.24 yen

\*Group's total sales include the sales of SEVEN-ELEVEN JAPAN CO., Ltd., SEVEN-ELEVEN OKINAWA CO., LTD. and 7-Eleven, Inc. franchisees

\*For EBITDA and EPS before amortization of goodwill, see "4.Others (5) Formula of various management indicators."

#### (2) Financial position

(Millions of yen)

	Total Assets	Net Assets	Owners' Equity Ratio	Net Assets per Share
As of August 31, 2022	10,499,995	3,635,009	33.0 %	3,921.81 (yen)
As of February 28, 2022	8,739,279	3,147,732	34.1 %	3,375.50 (yen)

(Note) "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc., are applied from the beginning of the first quarter of the consolidated fiscal year ending February 28, 2023.

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

As of August 31, 2022: 3,463,847 million yen As of February 28, 2022: 2,980,956 million yen

### 2. Dividends

Record Date	Dividends per Share (yen)				
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
Year Ended February 28, 2022	-	48.00	-	52.00	100.00
Year Ending February 28, 2023	-	49.50	-	-	-
Year Ending February 28, 2023 (forecast)	-	-	-	53.50	103.00

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

### 3. Forecast of Business Results for the Fiscal Year ending February 28, 2023 (From March 1, 2022 to February 28, 2023)

(Millions of yen)

	Revenues from Operations		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent		Net Income per Share	
Entire Year	11,646,000	33.1%	477,000	23.0%	442,400	23.4%	264,000	25.3%	298.92	(yen)

(Note) Revision of business results forecast during the current quarterly period: Yes

The forecast of gross revenues from operations (Revenues from operations based on the previous accounting standard) is 12,365,000 million yen (41.3%) for the consolidated fiscal year ending February 28, 2023.

(Reference) Group's total sales: 17,685,000 million yen

EBITDA: 964,600 million yen

EPS before amortization of goodwill: 426.30 yen

#### 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

2. Changes due to other reasons other than 1.: 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 August 31, 2022: 886,441,983 shares

As of February 28, 2022: 886,441,983 shares

2. Number of treasury stock at the end of period

As of August 31, 2022: 3,215,771 shares

As of February 28, 2022: 3,325,685 shares

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

As of August 31, 2022: 883,153,402 shares

As of August 31, 2021: 883,018,111 shares

(Note) The Company has introduced the BIP Trust and ESOP Trust, and its shares held by these Trusts are included in the number of treasury stock to be deducted when calculating the number of treasury stock at the end of the fiscal period and the average number of shares during the period.

(5) Formula of various management indicators

1. EBITDA: Operating income + Depreciation and amortization + Amortization of goodwill

2. EPS before amortization of goodwill: (Net income attributable to owners of parent + Amortization of goodwill) / Average number of shares during the period.

#### 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 of the business results is based on the Company's 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. This translation is to be used solely as a reference. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
3. Other materials related in the financial results are available on the Company's website.  
(<https://www.7andi.com/en/ir/library.html>)

## Attached Materials

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## 1. Qualitative Information on Results for the Six Months Ended August 31, 2022

### (1) Qualitative information on consolidated results

#### I. Overview

In the six months ended August 31, 2022, the Japanese economy continued to recover, led by consumer spending, reflecting the absence of government-mandated activity restrictions such as semi-emergency coronavirus measures, despite the arrival of a 7th wave of infections. The government did not impose such restrictions in order to facilitate both infection prevention and economic activity. However, the situation still warranted caution. There were signs of uncertainty emerging due to the Ukraine situation and other factors, as well as the impact of rising prices on household budgets, which reflected soaring energy costs and raw material prices as a result of the yen's rapid depreciation, and supply constraints.

In North America, consumer spending showed signs of slowing amid the continuation of historically high levels of inflation, exacerbated by the effects of policy interest rate hikes and other factors. Labor shortages and logistics disruptions have highlighted issues such as supply constraints, fueling growing concerns about the outlook for the real economy.

In this environment, to evolve into a world-class global retailer group, the Seven & i Group overhauled its governance structure with the aim of conducting integrated and diversified management of a wide range of business fields. Looking ahead, the Group will continue to focus on generating medium-to-long term corporate value and realizing sustainable business growth under its Medium-Term Management Plan 2021-2025.

"Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020, hereinafter the "Accounting Standard for Revenue Recognition"), etc., are applied from the beginning of the first quarter of the consolidated fiscal year ending February 28, 2023.

Our consolidated results for the six months ended August 31, 2022 are summarized below.

(Millions of yen)

	Six months ended August 31, 2021		Six months ended August 31, 2022	
		YOY		YOY
Gross revenues from operations (reference)	—	—	5,978,615	164.0%
Revenues from operations	3,646,449	130.8%	5,651,505	155.0%
Operating income	186,170	103.6%	234,767	126.1%
Ordinary income	173,450	99.0%	219,763	126.7%
Net income attributable to owners of parent	106,500	146.9%	136,089	127.8%
Exchange rates	U.S.\$1 = ¥107.82		U.S.\$1 = ¥123.14	
	1yuan = ¥16.67		1yuan = ¥18.97	

\* Revenues from operations based on the previous accounting standard are presented as gross revenues from operations (reference).

Group's total sales (including sales of franchisees of SEVEN-ELEVEN JAPAN CO., Ltd., SEVEN-ELEVEN OKINAWA CO., LTD. and 7-Eleven, Inc.) amounted to ¥8,590,700 million (134.7% year on year). In the six months ended August 31, 2022, revenues from operations and operating income increased by ¥523.8 billion, and ¥14.5 billion, respectively, as a result of exchange rate fluctuations.

#### II. Overview by operating segment

(Revenues from operations, by operating segment)

(Millions of yen)

	Six months ended August 31, 2021		Six months ended August 31, 2022	
		YOY		YOY
Domestic convenience store operations	445,805	104.0%	446,776	100.2%
Overseas convenience store operations	1,887,821	174.5%	4,184,549	221.7%
Superstore operations	901,190	101.4%	715,034	79.3%
Department and specialty store operations	332,432	107.2%	225,550	67.8%
Financial services	96,598	96.4%	95,753	99.1%
Others	9,406	122.4%	12,190	129.6%
Total	3,673,254	130.4%	5,679,854	154.6%
Adjustments (Eliminations/corporate)	(26,805)	—	(28,349)	—
<b>Consolidated Total</b>	<b>3,646,449</b>	<b>130.8%</b>	<b>5,651,505</b>	<b>155.0%</b>

(Operating income, by operating segment)

(Millions of yen)

	Six months ended August 31, 2021		Six months ended August 31, 2022	
		YOY		YOY
Domestic convenience store operations	123,341	104.3%	126,710	102.7%
Overseas convenience store operations	57,197	136.5%	115,598	202.1%
Superstore operations	11,024	62.0%	4,294	39.0%
Department and specialty store operations	(7,771)	—	465	—
Financial services	20,409	81.6%	19,357	94.8%
Others	314	—	(282)	—
Total	204,516	106.9%	266,143	130.1%
Adjustments (Eliminations/corporate)	(18,346)	—	(31,375)	—
<b>Consolidated Total</b>	186,170	103.6%	234,767	126.1%

### ***Domestic convenience store operations***

In Domestic convenience store operations, revenues from operations amounted to ¥446,776 million (100.2% year on year), and operating income amounted to ¥126,710 million (102.7% year on year).

The impact of COVID-19 has caused commercial areas to shrink in size and highlighted growing differences in customer needs among individual stores. In this environment, SEVEN-ELEVEN JAPAN CO., Ltd. (SEJ) continued to implement activities that integrate three initiatives, specifically expanding its assortment of high-value-added merchandise, changing store layouts as part of efforts to increase the number of items carried and conducting sales promotions that produce an event-like sense of excitement. The goal of these initiatives is to increase the number of customers visiting 7-Eleven stores to find the merchandise they seek. To address growing demand for delivery services, SEJ has been strengthening its initiative “7NOW,” a service that allows customers to order items via smartphone for delivery to a designated location in as little as 30 minutes. We will continue to open the next door of convenience by constantly providing new experiences and values, from the customer’s point of view, and continue working to realize sustainable growth throughout the value chain, including franchisees and business partners.

In the six months ended August 31, 2022, we benefited from factors including an increase in the number of stores carrying new fast food and DAISO merchandise to broaden the customer base and from the success of proactive sales promotion initiatives such as various fair events, as well as a recovery in customer traffic and favorable weather. As a result, existing store sales increased year on year. Operating income increased to ¥126,658 million (102.9% year on year), despite a continued increase in utilities costs resulting from much higher fuel cost adjustment rates. Moreover, total store sales (the sum of sales from directly operated stores and franchisees) amounted to ¥2,588,486 million (103.1% year on year).

### ***Overseas convenience store operations***

In Overseas convenience store operations, revenues from operations amounted to ¥4,184,549 million (221.7% year on year), and operating income amounted to ¥115,598 million (202.1% year on year).

In North America, 7-Eleven, Inc. strove for stable store management even as certain problems emerged, such as labor shortages and supply constraints caused by logistics disruptions in the U.S. market. It continued to implement measures such as expanding its assortment of exclusive merchandise, such as high quality and highly profitable fresh food and proprietary beverages and stepping up efforts focused on the “7NOW” delivery service, which is available at approximately 4,400 stores.

In the six months ended August 31, 2022, despite signs of consumer spending restraint due to surging prices, merchandise sales at existing stores in the U.S. increased year on year in U.S. dollars. In yen terms, operating income amounted to ¥166,154 million (212.4% year on year). Moreover, total store sales (the sum of sales from directly operated stores and franchisees) amounted to ¥4,903,568 million (197.2% year on year). In addition, the Cost Leadership Committee has been established and the cost structure is being drastically revised. Efforts will be made to improve profitability even further by implementing measures such as developing appropriate decision-making frameworks and changing attitudes toward cost control.

Currently, the integration process with the Speedway business acquired in May 2021 is proceeding smoothly. Synergies amounting to U.S.\$450 million are expected to be generated in the fiscal year ending December 31, 2022.

Moreover, 7-Eleven International LLC, which was established through a joint investment by SEVEN-ELEVEN JAPAN CO., Ltd. and 7-Eleven, Inc., will strengthen the co-creation of value through collaboration between the 7-Eleven businesses in Japan and the U.S. under the company’s direction, with a view to accelerate its global strategy. By the fiscal year ending

December 31, 2025, 7-Eleven International LLC plans to establish a store network of 50,000 stores in areas outside Japan and North America. And by the fiscal year ending December 31, 2030, it plans to open stores in 30 countries and regions worldwide, including Japan and North America. With these plans in mind, 7-Eleven International LLC is now formulating a more finely tuned strategic roadmap.

### ***Superstore operations***

In Superstore operations, revenues from operations amounted to ¥715,034 million (79.3% year on year), and operating income amounted to ¥4,294 million (39.0% year on year).

Ito-Yokado Co., Ltd., an operator of general merchandise stores, will continue to promote its regrowth strategy to achieve, including further differentiation and monetization. This will be accomplished by completing business structural reforms by the end of the fiscal year ending February 28, 2023, transforming its online supermarket service into large-scale centers, concentrating on the metropolitan area and other major cities, and converting food to an SPA (Specialty Retailer of Private Label Apparel)-like business model with vertically integrated operations from planning to production and sales.

In the six months ended August 31, 2022, existing store sales (including tenants) rose year on year mainly due to a recovery in customer traffic, and the rebound from the previous year's shortened opening hours and limited number of visitors. However, operating loss amounted to ¥1,669 million (in contrast to an operating income of ¥1,071 million for the same period of the previous year) mainly due to deterioration in the gross profit margin because of surging raw material prices and an increase in utilities costs and other expenses due to much higher fuel cost adjustment rates.

In addition, existing store sales at York-Benimaru Co., Ltd., a food supermarket operator, declined year on year, primarily due to a downturn in food sales, which had been firm since the start of the COVID-19 pandemic. However, the merchandise gross profit margin improved owing to the effects of its merger with Life Foods Co., Ltd., which was implemented on March 1, 2022. York-Benimaru's operating income amounted to ¥8,938 million (116.4% year on year). York-Benimaru will continue enhancing its high-growth integrated delicatessen production and sales business model, and to target sustainable growth as a supermarket operator that proposes lifestyle solutions.

The Group companies in Superstore operations, centered on Ito-Yokado Co., Ltd., have expansive procurement capabilities spanning fresh food, processed food and other items, a wide range of knowledge, information gathering capacity and relationships of trust with suppliers that have been fostered over many years. Meanwhile, SEVEN-ELEVEN JAPAN CO., Ltd. possesses a merchandise development process created independently and dominant sales capabilities. By integrating these strengths, we will continue to expand sales from competitive private brands and implement last mile initiatives, and thereby promote our Group food strategy.

### ***Department and specialty store operations***

In Department and specialty store operations, revenues from operations amounted to ¥225,550 million (67.8% year on year), and operating income amounted to ¥465 million. (in contrast to an operating loss of ¥7,771 million for the same period of the previous year).

In Department Store operations, existing store sales increased year on year, primarily due to a recovery in mainstay apparel sales and solid sales of luxury brands. In restaurant operations, existing store sales also increased year on year, mainly due to a rebound from shortened operating hours and restrictions on the serving of alcoholic beverages, along with a recovery in demand for eating out.

Based on the approach to the business portfolio that was presented in our Medium-Term Management Plan 2021-2025, we are currently conducting a strategic review of Sogo & Seibu Co., Ltd., following the appointment of a financial adviser.

### ***Financial services***

In Financial services, revenues from operations amounted to ¥95,753 million (99.1% year on year), and operating income amounted to ¥19,357 million (94.8% year on year).

As of May 31, 2022, the number of domestic ATMs operated by Seven Bank, Ltd. stood at 26,464, up 270 from the previous fiscal year-end. The average number of transactions per day per ATM amounted to 99.7 (up 3.1 year on year), owing to continued growth in the number of cash charge transactions at ATMs as consumers opted for various cashless payments, as well as improvement in the number of transactions at deposit-taking financial institutions. As a result, total transactions of Seven Bank's ATMs during the six months ended August 31, 2022 increased year on year. As of May 31, 2022, Seven Bank had cash and deposits (including cash for ATM loading) of ¥908.7 billion.

Under the Group financial strategy, we seek to develop distinctive financial services based on 7iD, an ID that customers can use across the Group, and to provide new experiences and values that span retailing and finance. Currently, the Financial Business Strategy Office is taking the lead in considering specific strategies.

### ***Others***

In Others, revenues from operations amounted to ¥12,190 million (129.6% year on year), and operating loss amounted to ¥282 million (in contrast to an operating income of ¥314 million for the same period of the previous year).

### ***Adjustments (eliminations/corporate)***

The operating loss from adjustments totaled ¥31,375 million, up ¥13,029 million year on year. This operating loss mainly reflected expenses related to measures to realize the Ideal Group image for 2030, including the development of the 7iD membership platform to expand customer interfaces, the evolution of the “7NOW” delivery service and the Last Mile DX Platform for online supermarkets and other such services to provide new experiences and value, and the construction of the Group’s shared infrastructure system for purposes such as enhancing operating efficiency and bolstering security.

## (2) Qualitative information on consolidated financial position

### I. Assets, liabilities and net assets

(Millions of yen)

	February 28, 2022	August 31, 2022	YOY change (amount)
Total assets	8,739,279	10,499,995	1,760,715
Total liabilities	5,591,546	6,864,986	1,273,439
Net assets	3,147,732	3,635,009	487,276

Exchange rates	U.S.\$1 = ¥115.02	U.S.\$1 = ¥136.68
	1yuan = ¥18.06	1yuan = ¥20.38

Total assets amounted to ¥10,499,995 million, up ¥1,760,715 million from the previous consolidated fiscal year-end. Current assets increased ¥225,465 million from the previous consolidated fiscal year-end, mainly due to an increase in merchandise and finished goods. Non-current assets increased ¥1,535,619 million, mainly due to an increase in right-of-use assets as a result of the application of "Accounting Standards Updates" ("ASU") 2016-02, Leases (Topic842) in the Overseas convenience store operations.

Total liabilities increased ¥1,273,439 million from the previous consolidated fiscal year-end, to ¥6,864,986 million, mainly due to an increase in lease obligations as a result of the application of ASU2016-02, Leases (Topic842) in the Overseas convenience store operations.

Net assets increased ¥487,276 million from the previous consolidated fiscal year-end, to ¥3,635,009 million, mainly due to an increase in net income attributable to owners of parent and foreign currency translation adjustments.

The application of the "Accounting Standard for Revenue Recognition", etc. resulted in a decrease of ¥11,948 million and the application of ASU2016-02, Leases (Topic842) resulted in an increase of ¥35,032 million in retained earnings at the beginning of the period.

### II. Cash flows

(Consolidated cash flows)

(Millions of yen)

	Six months ended August 31, 2021	Six months ended August 31, 2022	YOY change (amount)
Cash flows from operating activities	340,802	366,450	25,648
Cash flows from investing activities	(2,343,981)	(184,232)	2,159,749
Cash flows from financing activities	1,243,151	(185,471)	(1,428,623)
Cash and cash equivalents at end of the year	1,466,360	1,442,548	(23,811)

Cash and cash equivalents ("cash") at the end of the six month period ended August 31, 2022 increased ¥27,658 million from the end of the previous fiscal year to ¥1,442,548 million.

(Cash flows from operating activities)

Net cash provided by operating activities increased to ¥366,450 million (107.5% year on year). The increase of ¥25,648 million year on year was mainly due to an increase of ¥38,618 million in income before income taxes and an increase of ¥48,894 million in depreciation and amortization, while an increase of ¥35,933 million in decrease in deposits received.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥184,232 million (7.9% year on year). The decrease of ¥2,159,749 million year on year was mainly due to a decrease of ¥2,251,792 million in payment for purchase of shares in subsidiaries resulting in change in scope of consolidation from purchase of Speedway in Overseas convenience store operations.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥185,471 million, while it amounted ¥1,243,151 in the same period of the previous fiscal year. The change in number year on year was mainly due to an inflow of ¥1,170,137 million from issuance of bonds by 7-Eleven, Inc., for the six months ended August 31, 2021, and a payment of ¥60,000 million for redemption of bonds for the six months ended August 31, 2022.



**(3) Qualitative information on forecasts**

The Company has revised its forecasts for the consolidated fiscal year ending February 28, 2023 from the previous forecasts announced on July 7, 2022.

(Millions of yen)

	Year ending February 28, 2023			
	Newly revised forecasts	YOY	YOY change (amount)	Change from the previous forecasts
Gross revenues from operations (reference)	12,365,000	141.3%	3,615,247	1,231,000
Revenues from operations	11,646,000	133.1%	2,896,247	1,233,000
Operating income	477,000	123.0%	89,346	32,000
Ordinary income	442,400	123.4%	83,828	28,900
Net income attributable to owners of parent	264,000	125.3%	53,225	17,000

\* Assumed exchange rates: U.S.\$1 = ¥131.00 (before revision: U.S. \$1=¥127.00); 1 yuan = ¥19.00

\* Group's total sales forecasts (including sales of franchisees of SEVEN-ELEVEN JAPAN CO., Ltd., SEVEN-ELEVEN OKINAWA CO., LTD., and 7-Eleven, Inc.): ¥17,685,000 million

\* Reflecting the impact of the application of the "Accounting Standard for Revenue Recognition", etc. Revenues from operations based on the previous accounting standard, is presented as "Gross revenues from operations (reference)."

Revenues from operations forecasts by operating segment

(Millions of yen)

	Year ending February 28, 2023			
	Newly revised forecasts	YOY	YOY change (amount)	Change from the previous forecasts
Domestic convenience store operations	853,000	97.7%	(20,239)	(2,000)
Overseas convenience store operations	8,703,000	167.5%	3,508,672	1,293,000
Superstore operations	1,451,000	80.1%	(359,728)	(44,000)
Department and specialty store operations	471,000	66.1%	(241,282)	(16,000)
Financial services	193,000	99.3%	(1,399)	(7,000)
Others	28,000	137.7%	7,659	4,000
Total	11,699,000	132.9%	2,893,680	1,228,000
Adjustments (Eliminations/corporate)	(53,000)	—	2,567	5,000
<b>Consolidated Total</b>	<b>11,646,000</b>	<b>133.1%</b>	<b>2,896,247</b>	<b>1,233,000</b>

## Gross revenues from operations (reference) forecasts by operating segment

(Millions of yen)

	Year ending February 28, 2023			
	Newly revised forecasts	YOY	YOY change (amount)	Change from the previous forecasts
Domestic convenience store operations	885,000	101.3%	11,760	(1,000)
Overseas convenience store operations	8,703,000	167.5%	3,508,672	1,293,000
Superstore operations	1,773,000	97.9%	(37,728)	(77,000)
Department and specialty store operations	787,000	110.5%	74,717	(30,000)
Financial services	212,000	109.1%	17,600	3,000
Others	27,000	132.7%	6,659	2,000
Total	12,387,000	140.7%	3,581,680	1,190,000
Adjustments (Eliminations/corporate)	(22,000)	—	33,567	41,000
<b>Consolidated Total</b>	<b>12,365,000</b>	<b>141.3%</b>	<b>3,615,247</b>	<b>1,231,000</b>

## Operating income forecasts by operating segment

(Millions of yen)

	Year ending February 28, 2023			
	Newly revised forecasts	YOY	YOY change (amount)	Change from the previous forecasts
Domestic convenience store operations	230,300	103.1%	6,903	—
Overseas convenience store operations	263,600	164.9%	103,733	25,100
Superstore operations	14,900	79.3%	(3,891)	(6,800)
Department and specialty store operations	3,000	—	11,153	(2,500)
Financial services	36,300	96.7%	(1,249)	1,300
Others	700	—	815	(100)
Total	548,800	127.2%	117,465	17,000
Adjustments (Eliminations/corporate)	(71,800)	—	(28,118)	15,000
<b>Consolidated Total</b>	<b>477,000</b>	<b>123.0%</b>	<b>89,346</b>	<b>32,000</b>

## 2. Related to Summary Information (Others)

- (1) Changes in significant subsidiaries during the period: None
- (2) Application of specific accounting for preparing the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, accounting estimates or restatements

(Application of Accounting Standard for Revenue Recognition, etc.)

"Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020, hereinafter the "Accounting Standard for Revenue Recognition") and relevant revised ASBJ regulations are applied from the beginning of the first quarter of the consolidated fiscal year ending February 28, 2023, it has recognized revenue at the time the control promised goods or services is transferred to customers at the amount that is expected to be received upon exchange of said goods or services.

The main changes due to the application of the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations are as follows:

### I. Revenue recognition for transactions as an agent

Previously, revenue related to commission fees for the sales on wholesaler owned goods and merchandise sales by tenants was recognized at the total amount of consideration received from customers. However, after determining the role (principal or agent) in providing goods or services to customers, the Company has changed to a method of recognizing revenue on the net amount by subtracting payments to suppliers from the total amount. These revenues are included in "Operating revenues".

### II. Revenue recognition related to the Company's point system

Based on the point card system, which is designed to promote sales, the Company grants points in accordance with the amount of purchase by members and provide goods or services equivalent to the points used.

Previously, in order to prepare for the use of points granted, the amount expected to be used in the future was recorded as

a "Provision for sales promotion", and the provision of sales promotion expenses was recorded as "Selling, general and administrative expenses". However, the Company changed to the method in which the granted points are identified as performance obligations, and the transaction price is allocated based on the stand-alone selling price calculated considering the estimated future forfeitures, etc., and revenue is deferred as a "Contract liabilities".

The application of the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter of the consolidated fiscal year ending February 28, 2023 was added to or deducted from the opening balance of retained earnings of the first quarter of the consolidated fiscal year ending February 28, 2023, and thus the new accounting policy was applied from such opening balance.

As a result, "Retained earnings" were reduced by 11,948 million yen at the beginning of the first quarter of the consolidated fiscal year ending February 28, 2023.

In addition, for the second quarter of the consolidated fiscal year ending February 28, 2023, "Net sales" decreased by 365,781 million yen, "Cost of sales" decreased by 305,774 million yen, "Operating revenues" increased by 38,671 million yen, "Selling, general and administrative expenses" decreased by 21,346 million yen, and "Operating income", "Ordinary income", and "Income before income taxes" increased by 10 million yen, respectively.

Due to the application of the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations, "Notes and accounts receivable-trade," which was presented in "Current assets" in the consolidated balance sheets for the previous consolidated fiscal year, is included in "Notes and accounts receivable-trade and contract assets" from the first quarter of the consolidated fiscal year ending February 28, 2023, and "Deposits received", "Allowance for sales promotion expenses", "Allowance for loss on future collection of gift certificates" and a portion of "Other," which was presented in "Current liabilities," are included in "Contract liabilities" from the first quarter of the consolidated fiscal year ending February 28, 2023.

For "Provision for sales returns," which was presented in "Current liabilities," refund liabilities are included in "Other" under "Current liabilities," and returned assets are included in "Other" under "Current assets" from the first quarter of the consolidated fiscal year ending February 28, 2023.

In accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous consolidated fiscal year have not been restated in accordance with the new approach to presentation.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019, hereinafter the "Accounting Standard for Fair Value Measurement ") and other standards from the beginning of the first quarter of the consolidated fiscal year ending February 28, 2023, and it has applied the new accounting policy prescribed by the Accounting Standard for Fair Value Measurement, etc., prospectively in accordance with the transitional treatment prescribed in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019).

There is no impact on the quarterly consolidated financial statements.

(Application of ASU2016-02, Leases (Topic842))

The Company's overseas subsidiaries that adopted U.S. GAAP have applied the ASU2016-02, Leases (Topic842) effective from the beginning of the first quarter of the consolidated fiscal year ending February 28, 2023. Lessees are in principle required to recognize all leases as assets and liabilities on their balance sheets. In applying this accounting standard, the accepted method for the transitional treatment which the cumulative effect of a change in accounting policy is recognized at the date of application have been adopted.

As a result of the application of this accounting standard, mainly "Right-of-use assets" increased by 852,602 million yen, "Lease obligations" increased by 880,219 million yen in the consolidated balance sheets in the six months ended August 31, 2022, and "Retained earnings" at the beginning of the consolidated fiscal year ending February 28, 2023 increased by 35,032 million yen, respectively.

#### **(4) Supplementary information**

(Adoption of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System)

With respect to items subject to the review of the Non-Consolidated Taxation System conducted to coincide with transition from the Consolidated Taxation System to the Group Tax Sharing System, which was created under the Act on Partial Revision of the Income Tax Act, etc. (Act No. 8 of 2020), the Company and some of its domestic consolidated subsidiaries have not applied the provisions of Paragraph 44 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28 issued February 16, 2018) in accordance with the treatment set out in Paragraph 3 of Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System (PITF No.39 issued March 31, 2020) and the amounts of deferred tax liabilities and deferred tax assets are based on the provisions of tax laws before the revision.

(Accounting estimates associated with the spread of novel coronavirus (COVID-19))

On the Group's assumption that the spread of novel coronavirus infection will have the business impact for a certain period after this consolidated fiscal year, accounting estimates are reflected in accounting treatment including those used to determine impairment losses.

### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated quarterly balance sheets

(Millions of yen)

	February 28, 2022	August 31, 2022
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>2,604,774</b>	<b>2,830,240</b>
Cash and bank deposits	1,420,653	1,438,746
Call Loan	–	10,000
Notes and accounts receivable - trade, and contract assets	365,746	434,875
Trade accounts receivable - financial services	91,662	90,273
Merchandise and finished goods	246,571	327,015
Work in process	51	50
Raw materials and supplies	2,193	2,010
Prepaid expenses	71,249	77,666
ATM-related temporary payments	107,883	85,968
Other	306,593	372,643
Allowance for doubtful accounts	(7,829)	(9,009)
<b>Non-current assets</b>	<b>6,132,658</b>	<b>7,668,278</b>
<b>Property and equipment</b>	<b>3,232,347</b>	<b>4,424,527</b>
Buildings and structures, net	1,527,898	1,667,527
Furniture, fixtures and equipment, net	436,377	481,470
Land	1,119,796	1,222,571
Lease assets, net	7,240	6,376
Right-of-use assets, net	10,801	894,905
Construction in progress	110,725	133,256
Other, net	19,506	18,420
<b>Intangible assets</b>	<b>2,140,002</b>	<b>2,464,926</b>
Goodwill	1,741,604	2,031,683
Software	213,462	243,812
Other	184,935	189,430
<b>Investments and other assets</b>	<b>760,308</b>	<b>778,824</b>
Investments in securities	220,615	243,914
Long-term loans receivable	14,633	14,203
Long-term leasehold deposits	330,285	322,737
Advances for store construction	542	727
Net defined benefit asset	86,217	88,440
Deferred income taxes	43,539	45,583
Other	67,499	66,167
Allowance for doubtful accounts	(3,024)	(2,949)
<b>Deferred assets</b>	<b>1,846</b>	<b>1,476</b>
Business commencement expenses	1,353	1,063
Bond issuance cost	492	412
<b>TOTAL ASSETS</b>	<b>8,739,279</b>	<b>10,499,995</b>

(Millions of yen)

	February 28, 2022	August 31, 2022
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>2,480,725</b>	<b>3,010,548</b>
Notes and accounts payable, trade	483,908	645,531
Short-term loans	140,146	136,815
Current portion of bonds	60,000	210,551
Current portion of long-term loans	121,280	136,423
Income taxes payable	22,716	22,722
Accrued expenses	235,274	261,940
Contract liabilities	-	192,934
Deposits received	223,146	158,132
ATM-related temporary advances	73,901	48,436
Lease obligations	20,409	127,457
Allowance for sales promotion expenses	17,649	1,250
Allowance for bonuses to employees	13,937	14,470
Allowance for bonuses to Directors and Audit & Supervisory Board Members	349	248
Allowance for loss on future collection of gift certificates	602	-
Provision for sales returns	34	-
Deposits received in banking business	787,879	784,571
Other	279,489	269,060
<b>Non-current liabilities</b>	<b>3,110,820</b>	<b>3,854,437</b>
Bonds	1,582,906	1,576,340
Long-term loans	994,399	995,132
Deferred income taxes	109,825	163,383
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	569	496
Allowance for stock payments	4,272	4,073
Net defined benefit liability	12,702	14,845
Deposits received from tenants and franchised stores	51,422	51,237
Lease obligations	36,527	844,073
Asset retirement obligations	130,456	143,100
Other	187,738	61,754
<b>TOTAL LIABILITIES</b>	<b>5,591,546</b>	<b>6,864,986</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>	<b>2,767,517</b>	<b>2,880,210</b>
Common stock	50,000	50,000
Capital surplus	408,645	408,645
Retained earnings	2,319,155	2,431,429
Treasury stock, at cost	(10,282)	(9,864)
<b>Total accumulated other comprehensive income</b>	<b>213,438</b>	<b>583,636</b>
Unrealized gains (losses) on available-for-sale securities, net of taxes	37,696	43,011
Unrealized gains (losses) on hedging derivatives, net of taxes	4,270	5,201
Foreign currency translation adjustments	157,570	523,274
Remeasurements of defined benefit plans	13,901	12,149
<b>Subscription rights to shares</b>	<b>56</b>	<b>49</b>
<b>Non-controlling interests</b>	<b>166,719</b>	<b>171,112</b>
<b>TOTAL NET ASSETS</b>	<b>3,147,732</b>	<b>3,635,009</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>8,739,279</b>	<b>10,499,995</b>

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income  
 Consolidated quarterly statements of income

(Millions of yen)

	Six Months Ended August 31, 2021	Six Months Ended August 31, 2022
	Amount	Amount
<b>Revenues from operations</b>	<b>3,646,449</b>	<b>5,651,505</b>
Net sales	2,992,507	4,897,411
Cost of sales	2,402,566	4,084,052
<b>Gross profit on sales</b>	<b>589,941</b>	<b>813,359</b>
Operating revenues	653,941	754,094
<b>Gross profit from operations</b>	<b>1,243,882</b>	<b>1,567,453</b>
Selling, general and administrative expenses	1,057,712	1,332,685
<b>Operating income</b>	<b>186,170</b>	<b>234,767</b>
<b>Non-operating income</b>	<b>6,807</b>	<b>5,210</b>
Interest income	1,945	1,440
Equity in earnings of affiliates	1,392	1,439
Other	3,469	2,331
<b>Non-operating expenses</b>	<b>19,527</b>	<b>20,214</b>
Interest expenses	5,640	6,108
Interest on bonds	7,469	9,717
Commitment fee	3,185	400
Other	3,232	3,988
<b>Ordinary income</b>	<b>173,450</b>	<b>219,763</b>
<b>Special gains</b>	<b>13,618</b>	<b>7,908</b>
Gain on sales of property and equipment	3,596	6,323
Gain on sales of property and equipment related to restructuring	1,975	-
Gain on sales of investments in securities	3,126	261
Subsidy income	3,277	-
Other	1,642	1,322
<b>Special losses</b>	<b>27,240</b>	<b>29,224</b>
Loss on disposals of property and equipment	6,533	7,097
Impairment loss	8,607	10,175
Restructuring expenses	697	404
Loss related to COVID-19	8,516	-
Other	2,885	11,547
<b>Income before income taxes</b>	<b>159,828</b>	<b>198,447</b>
<b>Total Income taxes</b>	<b>47,176</b>	<b>56,343</b>
Income taxes - current	34,486	38,588
Income taxes - deferred	12,689	17,755
Net income	112,652	142,103
Net income attributable to non-controlling interests	6,152	6,014
<b>Net income attributable to owners of parent</b>	<b>106,500</b>	<b>136,089</b>

**Consolidated quarterly statements of comprehensive income**

(Millions of yen)

	Six Months Ended August 31, 2021	Six Months Ended August 31, 2022
	Amount	Amount
<b>Net income</b>	<b>112,652</b>	<b>142,103</b>
<b>Other comprehensive income</b>		
Unrealized gains (losses) on available-for-sale securities net of taxes	6,877	5,328
Unrealized gains (losses) on hedging derivatives, net of taxes	2,540	931
Foreign currency translation adjustments, net of taxes	118,048	367,952
Remeasurements of defined benefit plans, net of taxes	(1,274)	(1,797)
Share of other comprehensive income (loss) of entities accounted for using equity method, net of taxes	124	253
<b>Total other comprehensive income (loss)</b>	<b>126,317</b>	<b>372,667</b>
<b>Comprehensive income (loss)</b>	<b>238,969</b>	<b>514,771</b>
Comprehensive income (loss) attributable to owners of parent	232,375	506,287
Comprehensive income (loss) attributable to non-controlling interests	6,594	8,484



**(3) Consolidated quarterly statements of cash flows**

(Millions of yen)

	Six Months Ended August 31, 2021	Six Months Ended August 31, 2022
	Amount	Amount
<b>Cash flows from operating activities</b>		
Income before income taxes	159,828	198,447
Depreciation and amortization	131,608	180,503
Impairment loss	8,856	10,283
Amortization of goodwill	23,516	53,075
Interest income	(1,945)	(1,440)
Interest expenses and interest on bonds	13,109	15,826
Equity in losses (earnings) of affiliates	(1,392)	(1,439)
Gain on sales of property and equipment	(5,571)	(6,323)
Subsidy income	(3,277)	-
Loss on disposals of property and equipment	6,534	7,097
Loss (gain) on sales of investments in securities	(3,126)	(261)
Decrease (increase) in notes and accounts receivable, trade	(19,480)	(50,221)
Decrease (increase) in trade accounts receivable, financial services	748	1,392
Decrease (increase) in inventories	(9,558)	(48,261)
Increase (decrease) in notes and accounts payable, trade	65,011	120,898
Increase (decrease) in deposits received	(29,032)	(64,966)
Net increase (decrease) in deposits received in banking business	(2,410)	(3,307)
Net decrease (increase) in call loan in banking business	-	(10,000)
Net decrease (increase) in ATM-related temporary accounts	51,272	(3,407)
Other	(17,772)	11,413
<b>Subtotal</b>	<b>366,917</b>	<b>409,309</b>
Interest and dividends received	3,652	1,634
Interest paid	(5,926)	(16,171)
Proceeds from settlement of interest rate swaps	5,880	-
Proceeds from subsidy income	3,277	-
Income taxes paid	(39,543)	(43,262)
Income taxes refund	6,544	14,940
<b>Net cash provided by operating activities</b>	<b>340,802</b>	<b>366,450</b>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(173,121)	(142,884)
Proceeds from sales of property and equipment	33,535	13,313
Acquisition of intangible assets	(38,867)	(48,537)
Payment for purchase of investments in securities	(2,058)	(22,139)
Proceeds from sales of investments in securities	95,845	12,667
Payment for purchase of shares in subsidiaries resulting in change in scope of consolidation	(2,251,792)	-
Proceeds from sales of shares in subsidiaries resulting in change in scope of consolidation	-	938
Payment for long-term leasehold deposits	(5,275)	(5,159)
Refund of long-term leasehold deposits	11,733	10,042
Proceeds from deposits from tenants	1,768	1,280
Refund of deposits from tenants	(1,921)	(1,405)
Payment for acquisition of business	(6,657)	(209)
Payment for time deposits	(993)	(1,013)
Proceeds from withdrawal of time deposits	1,553	1,281
Other	(7,732)	(2,406)
<b>Net cash used in investing activities</b>	<b>(2,343,981)</b>	<b>(184,232)</b>

(Millions of yen)

	Six Months Ended August 31, 2021	Six Months Ended August 31, 2022
	Amount	Amount
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans	4,094	(3,899)
Proceeds from long-term debts	262,026	140,202
Repayment of long-term debts	(134,765)	(201,156)
Proceeds from commercial paper	80,322	-
Payment for redemption of commercial paper	(80,322)	-
Proceeds from issuance of bonds	1,170,137	-
Payment for redemption of bonds	-	(60,000)
Proceeds from share issuance to non-controlling shareholders	162	-
Purchase of treasury stock	(12)	(7)
Dividends paid	(45,089)	(45,998)
Dividends paid to non-controlling interests	(3,864)	(4,297)
Payment for changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,723)	(948)
Other	(7,814)	(9,365)
<b>Net cash used in financing activities</b>	<b>1,243,151</b>	<b>(185,471)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>42,551</b>	<b>30,911</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(717,476)</b>	<b>27,658</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,183,837</b>	<b>1,414,890</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,466,360</b>	<b>1,442,548</b>

**(4) Doubts on the premise of going concern**

None

**(5) Notes to consolidated quarterly statements of income****I. Subsidy income**

A breakdown of subsidy income is as follows:

(Millions of yen)

	Six Months ended August 31, 2021	Six Months ended August 31, 2022
Subsidy income related to COVID-19	1,834	-
Subsidies for employment adjustment	1,443	-
Total	3,277	-

Note: The amount below has been reduced from selling, general and administrative expenses for the six months ended August 31, 2022.

(Subsidy income related to COVID-19 1,618 million yen, Subsidies for employment adjustment 365 million yen)

**II. Restructuring expenses**

A breakdown of restructuring expenses is as follows:

(Millions of yen)

	Six Months ended August 31, 2021	Six Months ended August 31, 2022
Impairment loss	249	108
Early retirement benefit	138	92
Others	308	203
Total	697	404

Note: The "Gain on sales of property and equipment related to restructuring" of 1,975 million yen has been recorded separately under special gains for the six months ended August 31, 2021.

**III. Loss related to COVID-19**

A breakdown of loss related to COVID-19 is as follows:

(Millions of yen)

	Six Months ended August 31, 2021	Six Months ended August 31, 2022
Fixed cost during temporary closure (Salaries and wages, Land and building rent, etc.)	6,806	-
Cost of support to franchisees	1,493	-
Others	216	-
Total	8,516	-

Note: The "Loss related to COVID-19" was recorded as special losses for the six months ended August 31, 2021, because it was extraordinary expenses. However, it has been considered to be recurring expenses and has been recorded as selling, general and administrative expenses for the six months ended August 31, 2022.

**(6) Notes to consolidated quarterly statements of cash flows**

Reconciliation of Cash and cash equivalents as of August 31, 2021 and 2022 between the amounts shown in the consolidated balance sheets and the consolidated statements of cash flows is as follows.

(Millions of yen)

	Six Months ended August 31, 2021	Six Months ended August 31, 2022
Cash and bank deposits	1,471,373	1,438,746
Restricted cash	7,685	18,931
Time deposits with maturities and certificate deposits in excess of three months	(12,698)	(15,129)
Cash and cash equivalents	1,466,360	1,442,548

**(7) Segment information****I. Six months ended August 31, 2021 (From March 1, 2021 to August 31, 2021)****(i) Information on revenues from operations and income (loss) by reportable segment**

(Millions of yen)

	Reportable segment						Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Department and specialty store operations	Financial services	Others			
<b>Revenues from operations</b>									
1. Customers	444,891	1,886,759	898,003	331,049	82,496	3,194	3,646,395	53	3,646,449
2. Intersegment	914	1,061	3,186	1,382	14,102	6,211	26,858	(26,858)	-
<b>Total</b>	<b>445,805</b>	<b>1,887,821</b>	<b>901,190</b>	<b>332,432</b>	<b>96,598</b>	<b>9,406</b>	<b>3,673,254</b>	<b>(26,805)</b>	<b>3,646,449</b>
<b>Segment income (loss)</b>	<b>123,341</b>	<b>57,197</b>	<b>11,024</b>	<b>(7,771)</b>	<b>20,409</b>	<b>314</b>	<b>204,516</b>	<b>(18,346)</b>	<b>186,170</b>

Notes:

- The adjustments on segment income (loss) of (18,346) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to operating segments.
- Segment income (loss) is reconciled with the operating income in the consolidated quarterly statements of income.

**(ii) Information on Assets by reportable segment**

(Significant increase in assets due to acquisition of subsidiaries)

Speedway LLC and other 20 companies have been included in the scope of consolidation in the second quarter ended August 31, 2021 due to acquisitions of shares and other interests. As a result, assets in Overseas convenience store operations at the second quarter ended August 31, 2021 have been increased by 1,793,518 million yen from the fiscal year ended February 28, 2021.

**(iii) Impairment of Fixed Assets and Goodwill by reportable segment**

(Significant changes in the amount of goodwill)

Speedway LLC and other 20 companies have been included in the scope of consolidation in the second quarter ended August 31, 2021 due to acquisitions of shares and other interests. As a result, the amount of goodwill in Overseas convenience store operations has been increased by 1,303,340 million yen. The amount above is provisional since the purchase price allocation has not been finalized.

## II. Six months ended August 31, 2022 (From March 1, 2022 to August 31, 2022)

### (i) Information on revenues from operations and income (loss) by reportable segment

(Millions of yen)

	Reportable segment						Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Department and specialty store operations	Financial services	Others			
<b>Revenues from operations</b>									
1. Customers	445,754	4,183,273	712,787	224,047	80,808	4,563	5,651,234	270	5,651,505
2. Intersegment	1,022	1,275	2,247	1,502	14,945	7,626	28,620	(28,620)	-
<b>Total</b>	<b>446,776</b>	<b>4,184,549</b>	<b>715,034</b>	<b>225,550</b>	<b>95,753</b>	<b>12,190</b>	<b>5,679,854</b>	<b>(28,349)</b>	<b>5,651,505</b>
<b>Segment income (loss)</b>	<b>126,710</b>	<b>115,598</b>	<b>4,294</b>	<b>465</b>	<b>19,357</b>	<b>(282)</b>	<b>266,143</b>	<b>(31,375)</b>	<b>234,767</b>

#### Notes:

- The adjustments on segment income (loss) of (31,375) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to operating segments.
- Segment income (loss) is reconciled with the operating income in the consolidated quarterly statements of income.

### (ii) Impairment of fixed assets and goodwill by reportable segment

No significant items to be reported.

(Application of Accounting Standard for Revenue Recognition, etc.)

As described in "Change in Accounting Policies", "Accounting Standard for Revenue Recognition" and relevant revised ASBJ regulations are applied from the beginning of the first quarter of the consolidated fiscal year ending February 28, 2023. Due to the change in the accounting method for revenue recognition, the method of calculating income or loss for operating segments has been changed.

As a result of this change, compared with the previous method, for the six months ended August 31, 2022, revenues from operations in the "Domestic convenience store operations" decreased by 12,914 million yen, segment income increased by 405 million yen, revenues from operations in the "Superstore operations" decreased by 160,631 million yen, segment income decreased by 474 million yen, revenues from operations in the "Department and specialty store operations" decreased by 148,220 million yen, segment income increased by 54 million yen, revenues from operations in the "Financial services" decreased by 6,399 million yen, segment income decreased by 29 million yen, and the impact on the "Others" did not have a significant impact, respectively. There is no impact on revenues from operations or segment income in the "Overseas convenience store operations".

#### (Reference)

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

### Six months ended August 31, 2021 (From March 1, 2021 to August 31, 2021)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
<b>Revenues from operations</b>						
1. Customers	1,713,678	1,876,145	56,626	3,646,449	-	3,646,449
2. Intersegment	648	206	40	894	(894)	-
<b>Total revenues</b>	<b>1,714,327</b>	<b>1,876,351</b>	<b>56,666</b>	<b>3,647,344</b>	<b>(894)</b>	<b>3,646,449</b>
<b>Operating income (loss)</b>	<b>128,053</b>	<b>57,890</b>	<b>392</b>	<b>186,336</b>	<b>(166)</b>	<b>186,170</b>

### Six months ended August 31, 2022 (From March 1, 2022 to August 31, 2022)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
<b>Revenues from operations</b>						
1. Customers	1,441,519	4,174,597	35,388	5,651,505	-	5,651,505
2. Intersegment	15,084	233	37	15,355	(15,355)	-
<b>Total revenues</b>	<b>1,456,604</b>	<b>4,174,831</b>	<b>35,425</b>	<b>5,666,860</b>	<b>(15,355)</b>	<b>5,651,505</b>
<b>Operating income (loss)</b>	<b>134,042</b>	<b>115,244</b>	<b>(9)</b>	<b>249,277</b>	<b>(14,509)</b>	<b>234,767</b>

#### Notes:

- The classification of geographic area segments is determined according to geographical distances.
- "Others" consist of the results in the China, etc.

## **(8) Business combination**

### **Six months ended August 31, 2022 (From March 1, 2022 to August 31, 2022)**

Finalization of provisional acquisition accounting for business combination

As of August 3, 2020, the Company's consolidated subsidiary, 7-Eleven, Inc. executed an agreement with U.S. company Marathon Petroleum Corporation ("MPC"), to acquire the shares and other interests of the companies operating the convenience store and fuel retail businesses of MPC mainly under the Speedway brand (excluding certain fuel retail operations with direct dealers and other certain businesses). 7-Eleven, Inc. acquired the shares and other interests of the companies as of May 14, 2021 through SEI Speedway Holdings, LLC established as the Company's wholly-owned subsidiary, and made provisional acquisition accounting in the consolidated fiscal year ended February 28, 2022.

The Company finalized provisional acquisition accounting in the six months ended August 31, 2022.

In addition, the amount of the purchase price has been changed due to adjustments of the consideration paid in the six months ended August 31, 2022.

As a result, the amount and the breakdown of the revised allocation are as follows:

Goodwill [before revision]	\$12,267,329 thousand	¥1,357,134 million
Revised amount of goodwill		
Changes in purchase price due to adjustments of consideration paid	\$66,000 thousand	¥7,301 million
Decrease (increase) in property and equipment	\$6,566 thousand	¥726 million
Increase (decrease) in current liabilities	\$15,732 thousand	¥1,740 million
Other	\$965 thousand	¥106 million
Total	\$89,265 thousand	¥9,875 million
Goodwill [after revision]	\$12,356,594 thousand	¥1,367,010 million

Note: Converted at the rate of \$1 = ¥110.63 (as of May 13, 2021).

An acquirer, SEI Speedway Holdings, LLC and its parent company, 7-Eleven, Inc., a subsidiary of the Company, follows U.S. GAAP and has adopted ASU 2015-16.

As ASU 2015-16 requires that an acquirer recognize adjustments to provisional acquisition accounting that are identified during the measurement period in the reporting period in which the adjustment amounts are determined, adjustments of the purchase price allocation are not reflected in comparative information.

The impact of these adjustments did not have a significant impact on the Company's operating income, ordinary income, and income before income taxes for the six months ended August 31, 2022.

## **(9) Notes on significant changes in the amount of shareholders' equity**

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the first quarter of the consolidated fiscal year ending February 28, 2023. The impact of this change is described in "2. Others (3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements."

(Application of ASU2016-02, Leases (Topic842))

The Company has applied the ASU2016-02, Leases (Topic842) from the beginning of the first quarter of the consolidated fiscal year ending February 28, 2023. The impact of this change is described in "2. Related to Summary Information (Others) (3) Changes in accounting policies, changes in accounting estimates, and restatements."

## **(10) Subsequent event**

None