



Consolidated Financial Results for the Nine Months Ended November 30, 2022

January 12, 2023

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: January 13, 2023

Starting date of paying dividend: -

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 Nine Months Ended November 30, 2022 (from March 1, 2022 to November 30, 2022)

(1) Results of operations (cumulative)

(Millions of yen)

	Revenues from Operations		Operating Income		Ordinary Income	
Nine Months Ended November 30, 2022	8,823,781	43.5 %	394,873	30.4 %	370,264	31.2 %
Nine Months Ended November 30, 2021	6,149,472	43.8 %	302,927	6.1 %	282,145	2.1 %

	Net Income Attributable to Owners of Parent		Net Income per Share		Diluted Net Income per Share	
Nine Months Ended November 30, 2022	234,708	34.2 %	265.75	(yen)	265.75	(yen)
Nine Months Ended November 30, 2021	174,877	33.5 %	198.04	(yen)	198.04	(yen)

(Notes) 1. Comprehensive income:

Nine Months Ended November 30, 2022: 744,053 million yen [128.2%]

Nine Months Ended November 30, 2021: 326,075 million yen [170.4%]

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 9,319,446 million yen [51.5%].

(Reference) Group's total sales:

Nine Months Ended November 30, 2022: 13,332,202 million yen Nine Months Ended November 30, 2021: 10,278,237 million yen

EBITDA:

Nine Months Ended November 30, 2022: 755,490 million yen Nine Months Ended November 30, 2021: 558,540 million yen

EPS before amortization of goodwill:

Nine Months Ended November 30, 2022: 359.21 yen Nine Months Ended November 30, 2021: 251.12 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 November 30, 2022	10,901,476	3,817,004	33.4 %	4,128.23 (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 November 30, 2022: 3,646,155 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	11,812,000	35.0%	500,000	29.0%	467,500	30.4%	280,000	32.8%	317.03	(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 12,498,000 million yen (42.8%) for the consolidated fiscal year ending February 28, 2023.

(Reference) Group's total sales: 17,829,000 million yen

EBITDA: 985,500 million yen

EPS before amortization of goodwill: 444.07 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 November 30, 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 November 30, 2022: 3,216,297 shares

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

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

As of November 30, 2022: 883,177,403 shares

As of November 30, 2021: 883,049,281 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/>)

Attached Materials

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1. Qualitative Information on Results for the Nine Months Ended November 30, 2022

(1) Qualitative information on consolidated results

I. Overview

For the nine months ended November 30, 2022, amid the arrival of a 7th wave of COVID-19 infections and growing wariness of an 8th wave, the Japanese economy continued to recover, led by consumer spending, reflecting the absence of government-mandated activity restrictions such as semi-emergency COVID-19 measures. 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. Issues such as supply constraints caused by labor shortages and logistics disruptions have had an impact on 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. In addition, based on the approach to the business portfolio, we have entered into an agreement to transfer all shares outstanding of Sogo & Seibu Co., Ltd. held by the Company to Sugi Godo Kaisha, a special purpose company which is a related entity of Fortress Investment Group LLC, and are holding discussions to execute the agreement. 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 nine months ended November 30, 2022 are summarized below.

(Millions of yen)

	Nine months ended November 30, 2021		Nine months ended November 30, 2022	
		YOY		YOY
Gross revenues from operations (reference)	—	—	9,319,446	151.5%
Revenues from operations	6,149,472	143.8%	8,823,781	143.5%
Operating income	302,927	106.1%	394,873	130.4%
Ordinary income	282,145	102.1%	370,264	131.2%
Net income attributable to owners of parent	174,877	133.5%	234,708	134.2%
Exchange rates	U.S.\$1 = ¥108.58		U.S.\$1 = ¥128.30	
	1 yuan = ¥16.79		1 yuan = ¥19.38	

* 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 ¥13,332,202 million (129.7% year on year). For the nine months ended November 30, 2022, revenues from operations and operating income increased by ¥1,023.7 billion, and ¥34.9 billion, respectively, as a result of exchange rate fluctuations.

II. Overview by operating segment

(Revenues from operations by operating segment)

(Millions of yen)

	Nine months ended November 30, 2021		Nine months ended November 30, 2022	
		YOY		YOY
Domestic convenience store operations	661,906	102.1%	671,602	101.5%
Overseas convenience store operations	3,520,763	208.8%	6,628,271	188.3%
Superstore operations	1,337,038	100.5%	1,064,876	79.6%
Department and specialty store operations	510,288	103.8%	337,369	66.1%
Financial services	145,940	96.8%	145,700	99.8%
Others	14,210	111.2%	18,873	132.8%
Total	6,190,147	143.3%	8,866,694	143.2%
Adjustments (Eliminations/corporate)	(40,674)	—	(42,912)	—
Consolidated Total	6,149,472	143.8%	8,823,781	143.5%

(Operating income by operating segment)

(Millions of yen)

	Nine months ended November 30, 2021		Nine months ended November 30, 2022	
		YOY		YOY
Domestic convenience store operations	177,274	97.2%	185,345	104.6%
Overseas convenience store operations	124,785	156.2%	227,539	182.3%
Superstore operations	10,123	50.9%	1,295	12.8%
Department and specialty store operations	(10,217)	—	(794)	—
Financial services	30,289	80.8%	29,952	98.9%
Others	(8)	—	(177)	—
Total	332,246	109.2%	443,161	133.4%
Adjustments (Eliminations/corporate)	(29,319)	—	(48,288)	—
Consolidated Total	302,927	106.1%	394,873	130.4%

Domestic convenience store operations

In Domestic convenience store operations, revenues from operations amounted to ¥671,602 million (101.5% year on year), and operating income amounted to ¥185,345 million (104.6% 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. 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, SEVEN-ELEVEN JAPAN CO., LTD. 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.

For the nine months ended November 30, 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 ¥185,649 million (104.8% 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 ¥3,883,460 million (103.8% year on year).

Overseas convenience store operations

In Overseas convenience store operations, revenues from operations amounted to ¥6,628,271 million (188.3% year on year), and operating income amounted to ¥227,539 million (182.3% 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 including 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 5,000 stores.

For the nine months ended November 30, 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 ¥305,765 million (182.9% year on year). Moreover, total store sales (the sum of sales from directly operated stores and franchisees) amounted to ¥7,796,587 million (174.7% 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 and moving at a pace that will greatly outperform the synergies amounting to U.S.\$450 million 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. 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 ¥1,064,876 million (79.6% year on year), and operating income amounted to ¥1,295 million (12.8% 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 Ito-Yokado's *Net Supermarket* (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.

For the nine months ended November 30, 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 ¥5,617 million (in contrast to an operating loss of ¥2,465 million for the same period of the previous year) mainly due to deterioration in the food gross profit margin 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 mainly owing to the effects of its merger on March 1, 2022 with Life Foods Co., Ltd., which had been making and selling side dishes at York-Benimaru stores. York-Benimaru’s operating income amounted to ¥11,999 million (112.7% 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 ¥337,369 million (66.1% year on year), and operating loss amounted to ¥794 million. (in contrast to an operating loss of ¥10,217 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. However, this was unable to offset the increase in selling, general and administrative expenses such as utilities costs, resulting in an operating loss. In restaurant operations, performance was not profitable despite an improving trend 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.

In addition, based on the approach to the business portfolio, we have entered into an agreement to transfer all shares outstanding of Sogo & Seibu Co., Ltd. held by the Company to Sugi Godo Kaisha, a special purpose company which is a related entity of Fortress Investment Group LLC, and are holding discussions to execute the agreement.

Financial services

In Financial services, revenues from operations amounted to ¥145,700 million (99.8% year on year), and operating income amounted to ¥29,952 million (98.9% year on year).

As of November 30, 2022, the number of domestic ATMs operated by Seven Bank, Ltd. stood at 26,660, up 466 from the previous fiscal year-end. The average number of transactions per day per ATM amounted to 100.4 (up 4.1 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 nine months ended November 30, 2022 increased year on year. As of November 30, 2022, Seven Bank had cash and deposits (including cash for ATM loading) of ¥895.5 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 ¥18,873 million (132.8% year on year), and operating loss amounted to ¥177 million (in contrast to an operating loss of ¥8 million for the same period of the previous year).

Adjustments (eliminations/corporate)

The operating loss from adjustments totaled ¥48,288 million (in contrast to an operating loss of ¥29,319 million for the same period of the previous 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 Ito-Yokado's *Net Supermarket* (online supermarket) 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	November 30, 2022	Change
Total assets	8,739,279	10,901,476	2,162,197
Total liabilities	5,591,546	7,084,472	1,492,925
Net assets	3,147,732	3,817,004	669,271

Exchange rates	U.S.\$1=¥115.02	U.S.\$1=¥144.81
	1yuan=¥18.06	1yuan=¥20.37

Total assets amounted to ¥10,901,476 million, up ¥2,162,197 million from the previous consolidated fiscal year-end. Current assets increased ¥344,214 million from the previous consolidated fiscal year-end, mainly due to an increase in notes and accounts receivable - trade, and contract assets. Non-current assets increased ¥1,818,537 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 ¥1,492,925 million from the previous consolidated fiscal year-end to ¥7,084,472 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 ¥669,271 million from the previous consolidated fiscal year-end to ¥3,817,004 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

(Millions of yen)

	Nine months ended November 30, 2021	Nine months ended November 30, 2022	Change
Cash flows from operating activities	481,588	581,568	99,980
Cash flows from investing activities	(2,367,065)	(295,019)	2,072,046
Cash flows from financing activities	1,030,317	(238,669)	(1,268,987)
Cash and cash equivalents at end of the period	1,379,054	1,516,095	137,041

Cash and cash equivalents (“cash”) at the end of the nine month period ended November 30, 2022 increased ¥101,205 million from the end of the previous fiscal year to ¥1,516,095 million.

(Cash flows from operating activities)

Net cash provided by operating activities increased to ¥581,568 million (120.8% year on year). The increase of ¥99,980 million year on year was mainly due to an increase of ¥78,333 million in income before income taxes and an increase of ¥69,338 million in depreciation and amortization, while an increase of ¥34,719 million in decrease in deposits received.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥295,019 million (12.5% year on year). The decrease of ¥2,072,046 million year on year was mainly due to a decrease of ¥2,267,532 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 ¥238,669 million, while it amounted ¥1,030,317 in the same period of the previous fiscal year. The change in number year on year was mainly due to an inflow of ¥1,178,385 million from issuance of bonds by 7-Eleven, Inc., for the nine months ended November 30, 2021.

(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 October 6, 2022.

(Millions of yen)

	Year ending February 28, 2023			
	Newly revised forecasts	YOY	YOY change	Change from the previous forecasts
Gross revenues from operations (reference)	12,498,000	142.8%	3,748,247	133,000
Revenues from operations	11,812,000	135.0%	3,062,247	166,000
Operating income	500,000	129.0%	112,346	23,000
Ordinary income	467,500	130.4%	108,928	25,100
Net income attributable to owners of parent	280,000	132.8%	69,225	16,000

* Group's total sales : ¥17,829,000 million (Change from the previous forecasts: ¥144,000)

* Assumed exchange rates: U.S.\$1 = ¥131.00; 1 yuan = ¥19.00 (No changes)

* Figures do not include the effect of the sale of shares of Sogo & Seibu Co., Ltd., announced on November 11, 2022.

(Revenues from operations by operating segment)

(Millions of yen)

	Year ending February 28, 2023			
	Newly revised forecasts	YOY	YOY change	Change from the previous forecasts
Domestic convenience store operations	891,000	102.0%	17,760	38,000
Overseas convenience store operations	8,840,000	170.2%	3,645,672	137,000
Superstore operations	1,445,000	79.8%	(365,728)	(6,000)
Department and specialty store operations	467,000	65.6%	(245,282)	(4,000)
Financial services	194,000	99.8%	(399)	1,000
Others	26,000	127.8%	5,659	(2,000)
Total	11,863,000	134.7%	3,057,680	164,000
Adjustments (Eliminations/corporate)	(51,000)	—	4,567	2,000
Consolidated Total	11,812,000	135.0%	3,062,247	166,000

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

(Millions of yen)

	Year ending February 28, 2023			
	Newly revised forecasts	YOY	YOY change	Change from the previous forecasts
Domestic convenience store operations	918,000	105.1%	44,760	33,000
Overseas convenience store operations	8,840,000	170.2%	3,645,672	137,000
Superstore operations	1,773,000	97.9%	(37,728)	—
Department and specialty store operations	787,000	110.5%	74,717	—
Financial services	206,000	106.0%	11,600	(6,000)
Others	25,000	122.9%	4,659	(2,000)
Total	12,549,000	142.5%	3,743,680	162,000
Adjustments (Eliminations/corporate)	(51,000)	—	4,567	(29,000)
Consolidated Total	12,498,000	142.8%	3,748,247	133,000

(Operating income by operating segment)

(Millions of yen)

	Year ending February 28, 2023			
	Newly revised forecasts	YOY	YOY change	Change from the previous forecasts
Domestic convenience store operations	231,700	103.7%	8,303	1,400
Overseas convenience store operations	286,600	179.3%	126,733	23,000
Superstore operations	13,200	70.2%	(5,591)	(1,700)
Department and specialty store operations	700	—	8,853	(2,300)
Financial services	37,100	98.8%	(449)	800
Others	(400)	—	(284)	(1,100)
Total	568,900	131.9%	137,565	20,100
Adjustments (Eliminations/corporate)	(68,900)	—	(25,218)	2,900
Consolidated Total	500,000	129.0%	112,346	23,000

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 third quarter of the consolidated fiscal year ending February 28, 2023, “Net sales” decreased by 553,201 million yen, “Cost of sales” decreased by 462,463 million yen, “Operating revenues” increased by 57,537 million yen, “Selling, general and administrative expenses” decreased by 33,734 million yen, and “Operating income”, “Ordinary income”, and “Income before income taxes” increased by 533 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 918,686 million yen, "Lease obligations" increased by 950,364 million yen in the consolidated balance sheets for the nine months ended November 30, 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

(Transfer of Subsidiary Shares)

The Company has resolved to enter into an agreement (the "Agreement") to transfer all of the issued shares of Sogo & Seibu Co., Ltd. held by the Company to a special purpose company, which is a related entity of Fortress Investment Group LLC, Sugi Godo Kaisha (the "Transferee Company") (the "Transfer") at a meeting of its Board of Directors held on November 11, 2022, and entered into the Agreement as of the same date. The Transfer should meet the certain conditions for the execution. At the present moment, it is under negotiation and the Company does not reflect accounting treatments based on assumption of the Transfer execution.

(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	November 30, 2022
	Amount	Amount
ASSETS		
Current assets	2,604,774	2,948,989
Cash and bank deposits	1,420,653	1,511,845
Call Loan	—	12,000
Notes and accounts receivable - trade, and contract assets	365,746	460,951
Trade accounts receivable - financial services	91,662	92,215
Merchandise and finished goods	246,571	314,145
Work in process	51	51
Raw materials and supplies	2,193	1,997
Prepaid expenses	71,249	91,900
ATM-related temporary payments	107,883	93,996
Other	306,593	380,646
Allowance for doubtful accounts	(7,829)	(10,761)
Non-current assets	6,132,658	7,951,195
Property and equipment	3,232,347	4,590,778
Buildings and structures, net	1,527,898	1,711,692
Furniture, fixtures and equipment, net	436,377	493,957
Land	1,119,796	1,258,659
Lease assets, net	7,240	6,805
Right-of-use assets, net	10,801	955,325
Construction in progress	110,725	146,205
Other, net	19,506	18,134
Intangible assets	2,140,002	2,578,249
Goodwill	1,741,604	2,122,319
Software	213,462	260,627
Other	184,935	195,302
Investments and other assets	760,308	782,168
Investments in securities	220,615	240,031
Long-term loans receivable	14,633	14,994
Long-term leasehold deposits	330,285	321,974
Advances for store construction	542	965
Net defined benefit asset	86,217	89,696
Deferred income taxes	43,539	51,170
Other	67,499	66,312
Allowance for doubtful accounts	(3,024)	(2,976)
Deferred assets	1,846	1,291
Business commencement expenses	1,353	918
Bond issuance cost	492	372
TOTAL ASSETS	8,739,279	10,901,476

(Millions of yen)

	February 28, 2022	November 30, 2022
	Amount	Amount
LIABILITIES		
Current liabilities	2,480,725	3,068,398
Notes and accounts payable, trade	483,908	616,508
Short-term loans	140,146	141,790
Current portion of bonds	60,000	220,826
Current portion of long-term loans	121,280	157,873
Income taxes payable	22,716	15,675
Accrued expenses	235,274	314,122
Contract liabilities	—	209,701
Deposits received	223,146	161,871
ATM-related temporary advances	73,901	53,760
Lease obligations	20,409	136,133
Allowance for sales promotion expenses	17,649	1,410
Allowance for bonuses to employees	13,937	4,404
Allowance for bonuses to Directors and Audit & Supervisory Board Members	349	271
Allowance for loss on future collection of gift certificates	602	—
Provision for sales returns	34	—
Deposits received in banking business	787,879	772,290
Call Money	—	5,000
Other	279,489	256,756
Non-current liabilities	3,110,820	4,016,073
Bonds	1,582,906	1,642,855
Long-term loans	994,399	994,271
Deferred income taxes	109,825	192,185
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	569	505
Allowance for stock payments	4,272	4,101
Net defined benefit liability	12,702	15,774
Deposits received from tenants and franchised stores	51,422	51,269
Lease obligations	36,527	900,704
Asset retirement obligations	130,456	147,114
Other	187,738	67,290
TOTAL LIABILITIES	5,591,546	7,084,472
NET ASSETS		
Shareholders' equity	2,767,517	2,935,038
Common stock	50,000	50,000
Capital surplus	408,645	408,645
Retained earnings	2,319,155	2,486,261
Treasury stock, at cost	(10,282)	(9,867)
Total accumulated other comprehensive income	213,438	711,116
Unrealized gains (losses) on available-for-sale securities, net of taxes	37,696	36,327
Unrealized gains (losses) on hedging derivatives, net of taxes	4,270	5,353
Foreign currency translation adjustments	157,570	658,066
Remeasurements of defined benefit plans	13,901	11,369
Subscription rights to shares	56	49
Non-controlling interests	166,719	170,799
TOTAL NET ASSETS	3,147,732	3,817,004
TOTAL LIABILITIES AND NET ASSETS	8,739,279	10,901,476

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

Consolidated quarterly statements of income

(Millions of yen)

	Nine Months Ended November 30, 2021	Nine Months Ended November 30, 2022
	Amount	Amount
Revenues from operations	6,149,472	8,823,781
Net sales	5,156,640	7,665,598
Cost of sales	4,161,821	6,375,866
Gross profit on sales	994,819	1,289,731
Operating revenues	992,831	1,158,183
Gross profit from operations	1,987,651	2,447,915
Selling, general and administrative expenses	1,684,723	2,053,042
Operating income	302,927	394,873
Non-operating income	9,378	8,192
Interest income	2,682	2,982
Equity in earnings of affiliates	2,067	2,271
Other	4,628	2,938
Non-operating expenses	30,160	32,801
Interest expenses	8,634	10,381
Interest on bonds	12,443	15,184
Commitment fee	3,380	517
Other	5,702	6,718
Ordinary income	282,145	370,264
Special gains	16,981	10,253
Gain on sales of property and equipment	4,850	7,883
Gain on sales of property and equipment related to restructuring	1,975	—
Gain on sales of investments in securities	3,126	268
Subsidy income	5,241	—
Other	1,787	2,101
Special losses	39,671	42,729
Loss on disposals of property and equipment	10,074	10,161
Impairment loss	12,144	17,563
Restructuring expenses	866	576
Loss related to COVID-19	9,923	—
Other	6,661	14,427
Income before income taxes	259,454	337,788
Total Income taxes	75,249	94,320
Income taxes - current	52,299	60,526
Income taxes - deferred	22,950	33,793
Net income	184,205	243,468
Net income attributable to non-controlling interests	9,327	8,759
Net income attributable to owners of parent	174,877	234,708

Consolidated quarterly statements of comprehensive income

(Millions of yen)

	Nine Months Ended November 30, 2021	Nine Months Ended November 30, 2022
	Amount	Amount
Net income	184,205	243,468
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities net of taxes	5,792	(1,476)
Unrealized gains (losses) on hedging derivatives, net of taxes	(29)	1,083
Foreign currency translation adjustments, net of taxes	137,835	503,311
Remeasurements of defined benefit plans, net of taxes	(1,858)	(2,586)
Share of other comprehensive income (loss) of entities accounted for using equity method, net of taxes	129	252
Total other comprehensive income (loss)	141,869	500,584
Comprehensive income (loss)	326,075	744,053
Comprehensive income (loss) attributable to owners of parent	316,315	732,386
Comprehensive income (loss) attributable to non-controlling interests	9,759	11,666

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Nine Months Ended November 30, 2021	Nine Months Ended November 30, 2022
	Amount	Amount
Cash flows from operating activities		
Income before income taxes	259,454	337,788
Depreciation and amortization	208,738	278,077
Impairment loss	12,493	17,672
Amortization of goodwill	46,874	82,539
Interest income	(2,682)	(2,982)
Interest expenses and interest on bonds	21,077	25,565
Equity in losses (earnings) of affiliates	(2,067)	(2,271)
Gain on sales of property and equipment	(6,825)	(7,883)
Subsidy income	(5,241)	—
Loss on disposals of property and equipment	10,074	10,233
Loss (gain) on sales of investments in securities	(3,126)	(268)
Decrease (increase) in notes and accounts receivable, trade	(60,429)	(69,862)
Decrease (increase) in trade accounts receivable, financial services	1,063	(549)
Decrease (increase) in inventories	(21,463)	(28,399)
Increase (decrease) in notes and accounts payable, trade	65,901	83,041
Increase (decrease) in deposits received	(26,529)	(61,249)
Net increase (decrease) in deposits received in banking business	8,570	(15,589)
Net decrease (increase) in call loan in banking business	—	(12,000)
Net increase (decrease) in call money in banking business	—	5,000
Net decrease (increase) in ATM-related temporary accounts	49,736	(6,040)
Other	(13,037)	35,593
Subtotal	542,582	668,415
Interest and dividends received	4,147	2,998
Interest paid	(16,743)	(30,337)
Proceeds from settlement of interest rate swaps	5,921	—
Proceeds from subsidy income	5,241	—
Income taxes paid	(66,105)	(75,075)
Income taxes refund	6,544	15,567
Net cash provided by operating activities	481,588	581,568
Cash flows from investing activities		
Acquisition of property and equipment	(252,612)	(216,433)
Proceeds from sales of property and equipment	140,795	17,072
Acquisition of intangible assets	(63,212)	(80,812)
Payment for purchase of investments in securities	(17,207)	(36,955)
Proceeds from sales of investments in securities	101,065	22,192
Payment for purchase of shares in subsidiaries resulting in change in scope of consolidation	(2,267,991)	(459)
Proceeds from sales of shares in subsidiaries resulting in change in scope of consolidation	—	938
Payment for long-term leasehold deposits	(7,809)	(8,648)
Refund of long-term leasehold deposits	18,262	15,781
Proceeds from deposits from tenants	3,481	2,035
Refund of deposits from tenants	(2,410)	(1,991)
Payment for acquisition of business	(6,723)	(218)
Payment for time deposits	(3,859)	(2,178)
Proceeds from withdrawal of time deposits	2,215	1,723
Other	(11,058)	(7,066)
Net cash used in investing activities	(2,367,065)	(295,019)

(Millions of yen)

	Nine Months Ended November 30, 2021	Nine Months Ended November 30, 2022
	Amount	Amount
Cash flows from financing activities		
Net increase (decrease) in short-term loans	6,122	691
Proceeds from long-term debts	289,142	154,266
Repayment of long-term debts	(190,623)	(223,856)
Proceeds from commercial paper	80,888	—
Payment for redemption of commercial paper	(80,888)	—
Proceeds from issuance of bonds	1,178,385	—
Payment for redemption of bonds	(148,353)	(60,000)
Proceeds from share issuance to non-controlling shareholders	238	—
Purchase of treasury stock	(16)	(10)
Dividends paid	(87,351)	(89,481)
Dividends paid to non-controlling interests	(3,866)	(4,320)
Payment for changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,723)	(969)
Other	(11,637)	(14,988)
Net cash used in financing activities	1,030,317	(238,669)
Effect of exchange rate changes on cash and cash equivalents	50,377	53,325
Net increase (decrease) in cash and cash equivalents	(804,782)	101,205
Cash and cash equivalents at beginning of period	2,183,837	1,414,890
Cash and cash equivalents at end of period	1,379,054	1,516,095

(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)

	Nine Months ended November 30, 2021	Nine Months ended November 30, 2022
Subsidy income related to COVID-19	3,555	—
Subsidies for employment adjustment	1,686	—
Total	5,241	—

Note: The amount below has been reduced from selling, general and administrative expenses for the nine months ended November 30, 2022.

(Subsidy income related to COVID-19 1,648 million yen, Subsidies for employment adjustment 621 million yen)

II. Restructuring expenses

A breakdown of restructuring expenses is as follows:

(Millions of yen)

	Nine Months ended November 30, 2021	Nine Months ended November 30, 2022
Impairment loss	348	109
Early retirement benefit	168	105
Others	349	361
Total	866	576

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 nine months ended November 30, 2021.

III. Loss related to COVID-19

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

(Millions of yen)

	Nine Months ended November 30, 2021	Nine Months ended November 30, 2022
Fixed cost during temporary closure (Salaries and wages, Land and building rent, etc.)	8,204	—
Cost of support to franchisees	1,492	—
Others	226	—
Total	9,923	—

Note: The “Loss related to COVID-19” was recorded as special losses for the nine months ended November 30, 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 nine months ended November 30, 2022.

(6) Notes to consolidated quarterly statements of cash flows

Reconciliation of Cash and cash equivalents as of November 30, 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)

	Nine Months ended November 30, 2021	Nine Months ended November 30, 2022
Cash and bank deposits	1,386,334	1,511,845
Restricted cash	7,815	20,174
Time deposits with maturities and certificate deposits in excess of three months	(15,094)	(15,924)
Cash and cash equivalents	1,379,054	1,516,095

(7) Segment information**I. Nine months ended November 30, 2021 (From March 1, 2021 to November 30, 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			
Revenues from operations									
1. Customers	660,567	3,518,916	1,332,386	508,229	124,322	4,995	6,149,418	53	6,149,472
2. Intersegment	1,339	1,846	4,651	2,058	21,617	9,214	40,728	(40,728)	—
Total	661,906	3,520,763	1,337,038	510,288	145,940	14,210	6,190,147	(40,674)	6,149,472
Segment income (loss)	177,274	124,785	10,123	(10,217)	30,289	(8)	332,246	(29,319)	302,927

Notes:

- The adjustments on segment income (loss) of (29,319) 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 third quarter ended November 30, 2021 have been increased by 1,755,124 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 1,338,031 million yen. The amount above is provisional since the purchase price allocation has not been finalized.

II. Nine months ended November 30, 2022 (From March 1, 2022 to November 30, 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			
Revenues from operations									
1. Customers	670,118	6,626,227	1,061,524	335,146	123,559	6,821	8,823,399	382	8,823,781
2. Intersegment	1,483	2,043	3,351	2,222	22,141	12,052	43,295	(43,295)	—
Total	671,602	6,628,271	1,064,876	337,369	145,700	18,873	8,866,694	(42,912)	8,823,781
Segment income (loss)	185,345	227,539	1,295	(794)	29,952	(177)	443,161	(48,288)	394,873

Notes:

1. The adjustments on segment income (loss) of (48,288) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to operating segments.
2. 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 nine months ended November 30, 2022, revenues from operations in the "Domestic convenience store operations" decreased by 20,844 million yen, segment income increased by 574 million yen, revenues from operations in the “Superstore operations” decreased by 240,171 million yen, segment income decreased by 213 million yen, revenues from operations in the "Department and specialty store operations" decreased by 226,810 million yen, segment income increased by 12 million yen, revenues from operations in the “Financial services” decreased by 9,453 million yen, segment income increased by 35 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.

Nine months ended November 30, 2021 (From March 1, 2021 to November 30, 2021)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
1. Customers	2,564,379	3,502,009	83,083	6,149,472	—	6,149,472
2. Intersegment	872	333	66	1,273	(1,273)	—
Total revenues	2,565,252	3,502,342	83,150	6,150,745	(1,273)	6,149,472
Operating income (loss)	177,248	124,824	1,016	303,089	(162)	302,927

Notes:

1. The classification of geographic area segments is determined according to geographical distances.
2. “Others” consist of the results in the China, etc.

Nine months ended November 30, 2022 (From March 1, 2022 to November 30, 2022)

(Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
1. Customers	2,157,762	6,611,580	54,438	8,823,781	—	8,823,781
2. Intersegment	15,349	387	61	15,798	(15,798)	—
Total revenues	2,173,112	6,611,968	54,499	8,839,580	(15,798)	8,823,781
Operating income (loss)	183,662	226,257	(542)	409,377	(14,504)	394,873

Notes:

1. The classification of geographic area segments is determined according to geographical distances.
2. “Others” consist of the results in the China, etc.

(8) 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.”

(9) Subsequent event

None