

# CONSOLIDATED BALANCE SHEET

SEVEN & i HOLDINGS CO., LTD. AND ITS CONSOLIDATED SUBSIDIARIES AT FEBRUARY 28, 2006

ASSETS	Millions of yen	Thousands of U.S. dollars (Note 3)
	2006	2006
<b>Current assets:</b>		
Cash and cash equivalents (Note 13) .....	¥ 610,877	\$ 5,266,181
Accounts receivable:		
Trade (Note 13) .....	110,830	955,431
Financial services .....	37,563	323,819
Franchisees and other .....	46,307	399,198
Allowance for doubtful accounts .....	(2,220)	(19,138)
	<u>192,480</u>	<u>1,659,310</u>
Inventories .....	148,913	1,283,733
Deferred income taxes (Note 9) .....	31,725	273,491
Prepaid expenses and other current assets (Note 13) .....	118,824	1,024,345
Total current assets .....	<u>1,102,819</u>	<u>9,507,060</u>
<b>Property and equipment, at cost</b> (Notes 6, 7, 12 and 13) .....	2,181,522	18,806,224
<b>Less: Accumulated depreciation</b> .....	(981,030)	(8,457,155)
	<u>1,200,492</u>	<u>10,349,069</u>
<b>Intangible assets:</b>		
Goodwill .....	272,015	2,344,957
Software and other (Note 13) .....	96,957	835,836
	<u>368,972</u>	<u>3,180,793</u>
<b>Other assets:</b>		
Investments in securities (Notes 4 and 13) .....	216,933	1,870,112
Long-term loans .....	21,458	184,983
Long-term leasehold deposits (Note 13) .....	463,239	3,993,440
Deferred income taxes (Note 9) .....	26,978	232,569
Deferred assets .....	280	2,414
Other (Note 13) .....	34,686	299,017
Allowance for doubtful accounts .....	(10,978)	(94,638)
	<u>752,596</u>	<u>6,487,897</u>
	<u>¥3,424,879</u>	<u>\$29,524,819</u>

The accompanying notes are an integral part of these statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen	Thousands of U.S. dollars (Note 3)
	2006	2006
<b>Current liabilities:</b>		
Short-term loans (Note 11) .....	¥ 114,462	\$ 986,741
Current portion of long-term debt (Note 11).....	50,395	434,440
Accounts and notes payable:		
Trade (Note 5) .....	182,074	1,569,603
Trade for franchised stores (Note 14).....	103,050	888,362
Other .....	78,577	677,388
	<u>363,701</u>	<u>3,135,353</u>
Accrued expenses .....	88,149	759,905
Income taxes payable.....	94,030	810,603
Deposit received .....	73,837	636,526
Deposit received in banking business .....	96,246	829,707
Allowance for bonuses to employees .....	13,609	117,319
Allowance for sales promotion expenses .....	17,554	151,328
Other (Note 9) .....	70,876	611,000
Total current liabilities.....	<u>982,859</u>	<u>8,472,922</u>
<b>Long-term debt</b> (Note 11).....	547,437	4,719,284
<b>Allowance for accrued pension and severance costs</b> (Note 10).....	3,433	29,595
<b>Allowance for retirement benefits to directors and corporate auditors</b> .....	3,274	28,224
<b>Deferred income taxes</b> (Note 9) .....	77,213	665,629
<b>Deposits received from tenants and franchised stores</b> .....	57,821	498,457
<b>Other liabilities</b> .....	34,961	301,389
Total liabilities.....	<u>1,706,998</u>	<u>14,715,500</u>
<b>Minority interests in consolidated subsidiaries</b> .....	114,197	984,457
<b>Commitments and contingent liabilities</b> (Notes 12 and 13)		
<b>Shareholders' equity:</b>		
Common stock, authorized 4,500,000,000 shares, issued 1,346,383,002 shares at February 28, 2006 .....	50,000	431,034
Capital surplus .....	611,704	5,273,310
Retained earnings .....	1,040,613	8,970,802
Unrealized gains on available-for-sale securities (Note 4).....	7,954	68,569
Cumulative translation adjustments .....	6,298	54,294
Treasury stock, at cost, 441,608,396 shares at February 28, 2006.....	(112,885)	(973,147)
	<u>1,603,684</u>	<u>13,824,862</u>
	<u>¥3,424,879</u>	<u>\$29,524,819</u>