



January 10, 2008

# Consolidated Financial Results for the Nine Months Ended November 30, 2007

## Seven & i Holdings Co., Ltd.

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

Securities Code No. 3382

President and COO: Noritoshi Murata

The Company's shares are listed on the First Section of the Tokyo Stock Exchange.

Note: All amounts less than one million yen have been disregarded.

### 1. Business Results for the Nine Months Ended November 30, 2007 (from March 1, 2007 to November 30, 2007)

#### (1) Results of operations

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income	
Nine Months Ended November 30, 2007	4,255,973	8.1%	209,094	(1.9)%	208,260	(1.1)%
Nine Months Ended November 30, 2006	3,936,697	36.9%	213,240	11.4%	210,583	10.4%
Year Ended February 28, 2007	5,337,806	-	286,838	-	282,016	-

	Net Income		Net Income per Share		Diluted Net Income per Share	
Nine Months Ended November 30, 2007	102,286	(2.4)%	107.27	(yen)	-	(yen)
Nine Months Ended November 30, 2006	104,853	4.6%	113.09	(yen)	-	(yen)
Year Ended February 28, 2007	133,419	-	142.90	(yen)	-	(yen)

Note: Percentages represent increase (decrease) from the corresponding period in the prior year.

#### (2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of November 30, 2007	3,926,011	2,018,387	49.6%	2,041.24 (yen)
As of November 30, 2006	3,784,376	1,940,303	49.6%	1,967.73 (yen)
As of February 28, 2007	3,809,192	1,969,149	50.1%	1,999.77 (yen)

#### (3) Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Nine Months Ended November 30, 2007	406,691	(166,820)	(113,429)	695,749
Nine Months Ended November 30, 2006	179,018	(172,343)	46,289	664,274
Year Ended February 28, 2007	157,209	(235,983)	37,241	570,133

## 2. Dividends

(yen)

Record Date	Dividends per Share		
	Interim	Year-end	Annual
Year ended February 28, 2007	25.00	27.00	52.00
Year ending February 29, 2008	26.00		54.00
Year ending February 29, 2008 (forecast)		28.00	

## 3. Forecast of Business Results for the Fiscal Year Ending February 29, 2008 (from March 1, 2007 to February 29, 2008)

[Reference]

(Percentages represent increase (decrease) from the prior fiscal year.)

(Millions of yen, except per share amounts)

	Revenues from Operations	Operating Income	Ordinary Income	Net Income	Net Income per Share
Entire Year	5,744,000 7.6%	280,000 (2.4)%	277,000 (1.8)%	127,000 (4.8)%	133.19 (yen)

## 4. Others

(1) Changes in significant subsidiaries during the period

(Changes in specific subsidiaries accompanying changes in scope of consolidation): Yes

Added: none Excluded: one company (Denny's Japan Co., Ltd.)

On September 1, 2007, Denny's Japan Co., Ltd. was merged with and into Seven &amp; i Food Systems Co., Ltd., a consolidated subsidiary, and was dissolved.

(2) Adoption of Simplified Accounting Method: Applied

Simplified method is partially applied as a standard for recording allowances etc.

(3) Changes in Accounting Policies: Yes

(Change in depreciation method for property and equipment)

In accordance with the amendment of the Corporation Tax Law, the Company and its domestic consolidated subsidiaries have changed the depreciation method for those property and equipment acquired after April 1, 2007 to the method based on the amended Corporation Tax Law. The impact of this change on the Statement of Income is immaterial.

(Allowance for losses on uncollected gift tickets for future use)

Certain domestic consolidated subsidiaries set up an allowance for losses in case uncollected gift tickets are used after recorded as income in accordance with the "Auditing Treatment concerning Reserve under the Special Taxation Measures Law, Reserve under Special Laws, and Reserve for Retirement Benefits to Directors and Corporate Auditors". Previously, certain domestic consolidated subsidiaries stopped recording uncollected gift tickets as liabilities and recorded them as income after certain periods from their issuance.

As a result, 7,085 million yen was recorded in special losses and income before income taxes decreased by the same amount.

## 5. Subsequent Event

On December 25, 2007, THE SEIBU DEPARTMENT STORES, LTD., a consolidated subsidiary, sold 7,500 thousand stocks of CREDIT SAISON CO., LTD. In the Consolidated Financial Statements, 17,891 million yen will be recorded as "Loss on sales of investments in securities" in special losses and net income will decrease by 7,821 million yen in relation to this transaction. In the Non-consolidated Financial Statements of THE SEIBU DEPARTMENT STORES, LTD., 6,849 million yen will be recorded as "Gain on sales of investments in securities" in special gains.

## FORWARD LOOKING STATEMENTS

The forecast of consolidated results for the fiscal year ending February 29, 2008 and year-end dividend per share were changed from those disclosed on October 11, 2007. These forecasts are based on Seven & i Holdings' hypotheses, plans and estimated at the date of publication.

It is possible that some uncertain factors will cause the Company's future performance to differ significantly from the forecast.

(Reference)

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

## 1. Business Results for the Nine Months Ended November 30, 2007

(Millions of yen)

	Nine Months Ended November 30, 2006		Nine Months Ended November 30, 2007	
	Amount	YOY	Amount	YOY
Revenues from Operations	3,936,697	36.9%	4,255,973	8.1%
Operating Income	213,240	11.4%	209,094	(1.9)%
Ordinary Income	210,583	10.4%	208,260	(1.1)%
Net Income	104,853	4.6%	102,286	(2.4)%

## 2. Segment Information

(Revenues from operations by business segment)

(Millions of yen)

	Nine Months Ended November 30, 2006		Nine Months Ended November 30, 2007	
	Amount	YOY	Amount	YOY
Convenience store operations	1,714,190	15.0%	1,818,243	6.1%
Superstore operations	1,342,554	8.2%	1,529,969	14.0%
Department store operations	717,778	-	743,231	3.5%
Food services	91,969	(1.8)%	85,918	(6.6)%
Financial services	74,533	22.6%	88,202	18.3%
Others	22,652	67.4%	25,122	10.9%
Total before eliminations	3,963,679	36.7%	4,290,688	8.3%
Eliminations / Corporate	(26,982)	-	(34,714)	-
Consolidated total	3,936,697	36.9%	4,255,973	8.1%

(Operating income by business segment)

(Millions of yen)

	Nine Months Ended November 30, 2006		Nine Months Ended November 30, 2007	
	Amount	YOY	Amount	YOY
Convenience store operations	165,486	(1.0)%	158,769	(4.1)%
Superstore operations	15,592	74.5%	22,161	42.1%
Department store operations	14,637	-	13,353	(8.8)%
Food services	699	(72.7)%	(3,230)	-
Financial services	18,376	39.7%	15,572	(15.3)%
Others	498	(26.7)%	1,673	235.5%
Total before eliminations	215,291	11.8%	208,300	(3.2)%
Eliminations / Corporate	(2,050)	-	793	-
Consolidated total	213,240	11.4%	209,094	(1.9)%

Note: Restaurant operations changed its segment name to Food services from the six months ended August 2007, as a result of reorganization of food business due to the establishment of Seven & i Food Systems Co., Ltd.

# CONDENSED CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	November 30, 2006	November 30, 2007	Increase (Decrease)		February 28, 2007
	Amount	Amount	Amount	%	Amount
<b>ASSETS</b>					
<b>Current assets</b>	<b>1,263,727</b>	<b>1,372,601</b>	<b>108,874</b>	<b>8.6</b>	<b>1,274,376</b>
Cash and bank deposits	667,833	725,580	57,747	8.6	575,643
Notes and accounts receivable, trade	155,614	164,206	8,592	5.5	128,336
Trade accounts receivable - financial services	66,393	76,717	10,323	15.5	72,724
Inventories	175,426	187,498	12,071	6.9	159,897
Deferred income taxes	33,828	32,035	(1,793)	(5.3)	36,700
Other	167,786	189,640	21,853	13.0	304,033
Allowance for doubtful accounts	(3,156)	(3,078)	77	-	(2,959)
<b>Non-current assets</b>	<b>2,520,183</b>	<b>2,553,070</b>	<b>32,887</b>	<b>1.3</b>	<b>2,534,381</b>
<b>Property and equipment</b>	<b>1,322,697</b>	<b>1,335,812</b>	<b>13,115</b>	<b>1.0</b>	<b>1,333,157</b>
Buildings and structures	562,725	556,903	(5,821)	(1.0)	556,604
Furniture, fixtures and equipment	187,093	173,726	(13,367)	(7.1)	175,285
Vehicles	115	147	32	28.1	120
Land	554,153	562,045	7,891	1.4	564,223
Construction in progress	18,609	42,989	24,380	131.0	36,923
<b>Intangible assets</b>	<b>477,317</b>	<b>472,890</b>	<b>(4,427)</b>	<b>(0.9)</b>	<b>478,788</b>
<b>Investments and other assets</b>	<b>720,168</b>	<b>744,367</b>	<b>24,199</b>	<b>3.4</b>	<b>722,435</b>
Investments in securities	172,339	183,420	11,081	6.4	173,206
Long-term leasehold deposits	465,453	462,071	(3,381)	(0.7)	463,601
Deferred income taxes	24,109	19,040	(5,069)	(21.0)	21,654
Other	68,767	88,383	19,615	28.5	72,979
Allowance for doubtful accounts	(10,503)	(8,548)	1,954	-	(9,006)
<b>Deferred assets</b>	<b>465</b>	<b>339</b>	<b>(126)</b>	<b>(27.1)</b>	<b>434</b>
New organization costs	465	339	(126)	(27.1)	434
<b>TOTAL ASSETS</b>	<b>3,784,376</b>	<b>3,926,011</b>	<b>141,635</b>	<b>3.7</b>	<b>3,809,192</b>

(Millions of yen)

	November 30, 2006	November 30, 2007	Increase (Decrease)		February 28, 2007
	Amount	Amount	Amount	%	Amount
<b>LIABILITIES</b>					
<b>Current liabilities</b>	<b>1,154,231</b>	<b>1,171,343</b>	<b>17,111</b>	<b>1.5</b>	<b>1,097,656</b>
Notes and accounts payable, trade	352,477	378,791	26,314	7.5	305,529
Short-term loans	179,608	165,879	(13,729)	(7.6)	176,913
Current portion of long-term loans	59,270	66,217	6,946	11.7	61,398
Current portion of bonds	30,000	717	(29,282)	(97.6)	30,000
Income taxes payable	30,402	33,888	3,486	11.5	44,925
Deposits received	73,503	86,052	12,549	17.1	76,010
Other	428,968	439,794	10,825	2.5	402,879
<b>Non-current liabilities</b>	<b>689,841</b>	<b>736,281</b>	<b>46,439</b>	<b>6.7</b>	<b>742,386</b>
Bonds	85,000	146,577	61,577	<b>72.4</b>	145,000
Long-term loans	381,013	390,210	9,197	2.4	370,457
Commercial paper	29,680	14,111	(15,568)	(52.5)	30,344
Deferred income taxes	68,733	58,612	(10,120)	(14.7)	74,167
Allowance for accrued pension and severance costs	3,249	4,233	984	30.3	3,357
Allowance for retirement benefits to directors and corporate auditors	4,070	3,999	(71)	(1.8)	4,201
Deposits received from tenants and franchised stores	62,040	61,279	(761)	(1.2)	61,124
Other	56,053	57,255	1,202	2.1	53,733
<b>TOTAL LIABILITIES</b>	<b>1,844,072</b>	<b>1,907,624</b>	<b>63,551</b>	<b>3.4</b>	<b>1,840,043</b>
<b>NET ASSETS</b>					
<b>Shareholders' equity</b>	<b>1,871,240</b>	<b>1,951,496</b>	<b>80,255</b>	<b>4.3</b>	<b>1,899,768</b>
Common stock	50,000	50,000	-	-	50,000
Capital surplus	766,164	766,187	23	0.0	766,185
Retained earnings	1,096,376	1,176,679	80,302	7.3	1,124,892
Treasury stock, at cost	(41,300)	(41,370)	(70)	-	(41,309)
<b>Accumulated gains (losses) from valuation and translation adjustments</b>	<b>4,995</b>	<b>(5,195)</b>	<b>(10,190)</b>	<b>-</b>	<b>7,029</b>
Unrealized losses on available-for-sale securities, net of taxes	(1,999)	(9,502)	(7,503)	-	(2,100)
Unrealized losses on hedging derivatives, net of taxes	(1)	(431)	(429)	-	(370)
Foreign currency translation adjustments	6,996	4,738	(2,257)	(32.3)	9,500
<b>Minority interests in consolidated subsidiaries</b>	<b>64,067</b>	<b>72,086</b>	<b>8,019</b>	<b>12.5</b>	<b>62,350</b>
<b>TOTAL NET ASSETS</b>	<b>1,940,303</b>	<b>2,018,387</b>	<b>78,084</b>	<b>4.0</b>	<b>1,969,149</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,784,376</b>	<b>3,926,011</b>	<b>141,635</b>	<b>3.7</b>	<b>3,809,192</b>

# CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Nine Months Ended November 30, 2006	Nine Months Ended November 30, 2007	Increase (Decrease)		Fiscal Year Ended February 28, 2007
	Amount	Amount	Amount	%	Amount
<b>Revenues from operations</b>	<b>3,936,697</b>	<b>4,255,973</b>	<b>319,275</b>	<b>8.1</b>	<b>5,337,806</b>
Net sales	3,562,668	3,857,274	294,605	8.3	4,839,554
Cost of sales	2,623,015	2,843,431	220,415	8.4	3,568,335
<b>Gross profit on sales</b>	<b>939,652</b>	<b>1,013,842</b>	<b>74,190</b>	<b>7.9</b>	<b>1,271,218</b>
Other operating revenues	374,029	398,699	24,669	6.6	498,252
<b>Gross profit from operations</b>	<b>1,313,682</b>	<b>1,412,542</b>	<b>98,859</b>	<b>7.5</b>	<b>1,769,471</b>
Selling, general and administrative expenses	1,100,442	1,203,448	103,005	9.4	1,482,632
<b>Operating income</b>	<b>213,240</b>	<b>209,094</b>	<b>(4,146)</b>	<b>(1.9)</b>	<b>286,838</b>
Non-operating income and expenses					
Non-operating income	8,375	11,318	2,942	35.1	10,430
Non-operating expenses	11,032	12,152	1,119	10.1	15,252
<b>Ordinary income</b>	<b>210,583</b>	<b>208,260</b>	<b>(2,323)</b>	<b>(1.1)</b>	<b>282,016</b>
Special gains and losses					
Special gains	2,372	15,149	12,776	538.6	3,873
Special losses	22,999	26,982	3,983	17.3	42,830
<b>Income before income taxes and minority interests</b>	<b>189,956</b>	<b>196,426</b>	<b>6,469</b>	<b>3.4</b>	<b>243,060</b>
Income taxes - current	79,719	90,669	10,949	13.7	99,526
Income taxes - deferred	(2,551)	(2,765)	(213)	-	1,095
Minority interests in net income of consolidated subsidiaries	7,935	6,236	(1,699)	(21.4)	9,019
<b>Net income</b>	<b>104,853</b>	<b>102,286</b>	<b>(2,567)</b>	<b>(2.4)</b>	<b>133,419</b>

# CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Nine months ended November 30, 2006 (from March 1, 2006 to November 30, 2006)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance at February 28, 2006</b>	<b>50,000</b>	<b>611,704</b>	<b>1,040,613</b>	<b>(112,884)</b>	<b>1,589,432</b>
<b>Increase (decrease) during the period</b>					
Dividends from retained earnings			(25,792)		(25,792)
Directors' and corporate auditors' bonuses			(168)		(168)
Dividends from surplus			(23,129)		(23,129)
Net income			104,853		104,853
Increase resulting from stock-for-stock exchange		223,468		(6,440)	217,027
Purchase of treasury stock				(107)	(107)
Sales of treasury stock		1,483		7,640	9,123
Cancellation of treasury stock		(70,491)		70,491	-
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries			0		0
Other				1	1
Increase (decrease) of items during the period except those included in shareholders' equity					
<b>Net increase (decrease) during the period</b>	<b>-</b>	<b>154,459</b>	<b>55,763</b>	<b>71,584</b>	<b>281,808</b>
<b>Balance at November 30, 2006</b>	<b>50,000</b>	<b>766,164</b>	<b>1,096,376</b>	<b>(41,300)</b>	<b>1,871,240</b>

	Accumulated gains (losses) from valuation and translation adjustments				Minority interests in consolidated subsidiaries	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Unrealized losses on hedging derivatives, net of taxes	Foreign currency translation adjustments	Total accumulated gains (losses) from valuation and translation adjustments		
<b>Balance at February 28, 2006</b>	<b>7,953</b>	<b>-</b>	<b>6,298</b>	<b>14,251</b>	<b>114,196</b>	<b>1,717,880</b>
<b>Increase (decrease) during the period</b>						
Dividends from retained earnings						(25,792)
Directors' and corporate auditors' bonuses						(168)
Dividends from surplus						(23,129)
Net income						104,853
Increase resulting from stock-for-stock exchange						217,027
Purchase of treasury stock						(107)
Sales of treasury stock						9,123
Cancellation of treasury stock						-
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries						0
Other						1
Increase (decrease) of items during the period except those included in shareholders' equity	(9,952)	(1)	698	(9,256)	(50,129)	(59,385)
<b>Net increase (decrease) during the period</b>	<b>(9,952)</b>	<b>(1)</b>	<b>698</b>	<b>(9,256)</b>	<b>(50,129)</b>	<b>222,422</b>
<b>Balance at November 30, 2006</b>	<b>(1,999)</b>	<b>(1)</b>	<b>6,996</b>	<b>4,995</b>	<b>64,067</b>	<b>1,940,303</b>

Nine months ended November 30, 2007 (from March 1, 2007 to November 30, 2007)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance at February 28, 2007</b>	<b>50,000</b>	<b>766,185</b>	<b>1,124,892</b>	<b>(41,309)</b>	<b>1,899,768</b>
<b>Increase (decrease) during the period</b>					
Cash dividends			(50,536)		(50,536)
Net income			102,286		102,286
Purchase of treasury stock				(63)	(63)
Sales of treasury stock		1		3	5
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries			36		36
Other				(1)	(1)
Increase (decrease) of items during the period except those included in shareholders' equity					
<b>Net increase (decrease) during the period</b>	<b>-</b>	<b>1</b>	<b>51,786</b>	<b>(61)</b>	<b>51,727</b>
<b>Balance at November 30, 2007</b>	<b>50,000</b>	<b>766,187</b>	<b>1,176,679</b>	<b>(41,370)</b>	<b>1,951,496</b>

	Accumulated gains (losses) from valuation and translation adjustments				Minority interests in consolidated subsidiaries	TOTAL NET ASSETS
	Unrealized losses on available-for-sale securities, net of taxes	Unrealized losses on hedging derivatives, net of taxes	Foreign currency translation adjustments	Total accumulated gains (losses) from valuation and translation adjustments		
<b>Balance at February 28, 2007</b>	<b>(2,100)</b>	<b>(370)</b>	<b>9,500</b>	<b>7,029</b>	<b>62,350</b>	<b>1,969,149</b>
<b>Increase (decrease) during the period</b>						
Cash dividends						(50,536)
Net income						102,286
Purchase of treasury stock						(63)
Sales of treasury stock						5
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries						36
Other						(1)
Increase (decrease) of items during the period except those included in shareholders' equity	(7,402)	(60)	(4,761)	(12,224)	9,735	(2,489)
<b>Net increase (decrease) during the period</b>	<b>(7,402)</b>	<b>(60)</b>	<b>(4,761)</b>	<b>(12,224)</b>	<b>9,735</b>	<b>49,238</b>
<b>Balance at November 30, 2007</b>	<b>(9,502)</b>	<b>(431)</b>	<b>4,738</b>	<b>(5,195)</b>	<b>72,086</b>	<b>2,018,387</b>

Fiscal year ended February 28, 2007 (from March 1, 2006 to February 28, 2007)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance at February 28, 2006</b>	<b>50,000</b>	<b>611,704</b>	<b>1,040,613</b>	<b>(112,884)</b>	<b>1,589,432</b>
<b>Increase (decrease) during the year</b>					
Dividends from retained earnings			(25,792)		(25,792)
Directors' and corporate auditors' bonuses			(168)		(168)
Dividends from surplus			(23,129)		(23,129)
Net income			133,419		133,419
Increase (decrease) resulting from stock-for-stock exchange		223,468		(6,440)	217,027
Purchase of treasury stock				(128)	(128)
Sales of treasury stock		1,504		7,652	9,157
Cancellation of treasury stock		(70,491)		70,491	-
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries			(49)		(49)
Other				0	0
Increase (decrease) of items during the period except those included in shareholders' equity					
<b>Net increase (decrease) during the fiscal year</b>	<b>-</b>	<b>154,481</b>	<b>84,279</b>	<b>71,575</b>	<b>310,336</b>
<b>Balance at February 28, 2007</b>	<b>50,000</b>	<b>766,185</b>	<b>1,124,892</b>	<b>(41,309)</b>	<b>1,899,768</b>

	Accumulated gains (losses) from valuation and translation adjustments				Minority interests in consolidated subsidiaries	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Unrealized losses on hedging derivatives, net of taxes	Foreign currency translation adjustments	Total accumulated gains (losses) from valuation and translation adjustments		
<b>Balance at February 28, 2006</b>	<b>7,953</b>	<b>-</b>	<b>6,298</b>	<b>14,251</b>	<b>114,196</b>	<b>1,717,880</b>
<b>Increase (decrease) during the year</b>						
Dividends from retained earnings						(25,792)
Directors' and corporate auditors' bonuses						(168)
Dividends from surplus						(23,129)
Net income						133,419
Increase (decrease) resulting from stock-for-stock exchange						217,027
Purchase of treasury stock						(128)
Sales of treasury stock						9,157
Cancellation of treasury stock						-
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries						(49)
Other						0
Increase (decrease) of items during the period except those included in shareholders' equity	(10,053)	(370)	3,202	(7,222)	(51,845)	(59,068)
<b>Net increase (decrease) during the fiscal year</b>	<b>(10,053)</b>	<b>(370)</b>	<b>3,202</b>	<b>(7,222)</b>	<b>(51,845)</b>	<b>251,268</b>
<b>Balance at February 28, 2007</b>	<b>(2,100)</b>	<b>(370)</b>	<b>9,500</b>	<b>7,029</b>	<b>62,350</b>	<b>1,969,149</b>

# CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Nine Months Ended November 30, 2006	Nine Months Ended November 30, 2007	Fiscal Year Ended February 28, 2007
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	189,956	196,426	243,060
Depreciation and amortization	97,182	106,877	132,693
Equity in earnings of affiliates	(1,348)	(1,028)	(1,321)
Increase in notes and accounts receivable, trade	(44,577)	(35,630)	(17,030)
Increase in trade accounts receivable - financial services	(30,338)	(4,143)	(36,669)
Increase in inventories	(18,825)	(16,599)	(2,869)
Increase in notes and accounts payable, trade	49,065	62,499	2,717
Net decrease (increase) in call loan in banking business	-	129,400	(131,300)
Other	89,712	72,379	125,871
Sub-total	330,826	510,181	315,152
Interest and dividends received	2,747	4,065	3,605
Interest paid	(7,666)	(9,245)	(10,167)
Income taxes paid	(146,889)	(98,310)	(151,381)
<b>Net cash provided by operating activities</b>	<b>179,018</b>	<b>406,691</b>	<b>157,209</b>
<b>Cash flows from investing activities:</b>			
Acquisition of property and equipment	(161,308)	(128,369)	(220,540)
Proceeds from sales of property and equipment	6,528	16,593	9,907
Acquisition of intangible assets	(17,259)	(14,402)	(18,848)
Payment for purchase of investments in securities	(129,819)	(341,349)	(159,371)
Proceeds from sales and maturity of investments in securities	115,429	312,904	147,518
Acquisition of investments in subsidiaries	(20,410)	-	(24,666)
Acquisition of investments in newly consolidated subsidiary	(6,159)	(7,108)	(6,195)
Proceeds from acquisition of investments in newly consolidated subsidiaries	20,686	2,360	20,686
Payment for long-term leasehold deposits and advances for store construction	(15,879)	(23,134)	(24,933)
Refund of long-term leasehold deposits	23,012	23,583	30,449
Other	12,835	(7,899)	10,012
<b>Net cash used in investing activities</b>	<b>(172,343)</b>	<b>(166,820)</b>	<b>(235,983)</b>
<b>Cash flows from financing activities:</b>			
Increase (decrease) in short-term loans	66,618	(31,926)	63,945
Proceeds from long-term loans	215,695	56,000	227,695
Repayment of long-term loans	(195,426)	(43,220)	(215,316)
Proceeds from commercial paper	513,247	538,263	680,261
Payment for redemption of commercial paper	(525,061)	(558,186)	(683,990)
Payment for redemption of bonds	(300)	(30,390)	(300)
Dividends paid for minority interests	(48,530)	(50,069)	(48,881)
Other	20,047	6,101	13,827
<b>Net cash provided by (used in) financing activities</b>	<b>46,289</b>	<b>(113,429)</b>	<b>37,241</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>432</b>	<b>(825)</b>	<b>790</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>53,397</b>	<b>125,615</b>	<b>(40,742)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>610,876</b>	<b>570,133</b>	<b>610,876</b>
<b>Cash and cash equivalents at end of period</b>	<b>664,274</b>	<b>695,749</b>	<b>570,133</b>

# SEGMENT INFORMATION

## 1. Business Segments

Nine months ended November 30, 2006 (From March 1, 2006 to November 30, 2006)

(Millions of yen)

	Convenience store operations	Superstore operations	Department store operations	Restaurant operations	Financial services	Others	Total before eliminations	Eliminations / corporate	Consolidated total
Revenues and operating income									
<b>Revenues</b>									
1. Customers	1,713,413	1,334,248	717,778	90,700	63,248	17,306	3,936,696	1	3,936,697
2. Intersegment	777	8,306	-	1,269	11,284	5,346	26,983	(26,983)	-
<b>Total revenues</b>	<b>1,714,190</b>	<b>1,342,554</b>	<b>717,778</b>	<b>91,969</b>	<b>74,533</b>	<b>22,652</b>	<b>3,963,679</b>	<b>(26,982)</b>	<b>3,936,697</b>
<b>Operating expenses</b>	<b>1,548,704</b>	<b>1,326,962</b>	<b>703,141</b>	<b>91,270</b>	<b>56,157</b>	<b>22,153</b>	<b>3,748,388</b>	<b>(24,931)</b>	<b>3,723,457</b>
<b>Operating income</b>	<b>165,486</b>	<b>15,592</b>	<b>14,637</b>	<b>699</b>	<b>18,376</b>	<b>498</b>	<b>215,291</b>	<b>(2,050)</b>	<b>213,240</b>

Nine months ended November 30, 2007 (From March 1, 2007 to November 30, 2007)

(Millions of yen)

	Convenience store operations	Superstore operations	Department store operations	Food services	Financial services	Others	Total before eliminations	Eliminations / corporate	Consolidated total
Revenues and operating income									
<b>Revenues</b>									
1. Customers	1,816,271	1,521,780	743,221	84,666	70,626	19,406	4,255,973	-	4,255,973
2. Intersegment	1,972	8,189	9	1,252	17,575	5,715	34,714	(34,714)	-
<b>Total revenues</b>	<b>1,818,243</b>	<b>1,529,969</b>	<b>743,231</b>	<b>85,918</b>	<b>88,202</b>	<b>25,122</b>	<b>4,290,688</b>	<b>(34,714)</b>	<b>4,255,973</b>
<b>Operating expenses</b>	<b>1,659,474</b>	<b>1,507,807</b>	<b>729,877</b>	<b>89,149</b>	<b>72,629</b>	<b>23,448</b>	<b>4,082,387</b>	<b>(35,508)</b>	<b>4,046,879</b>
<b>Operating income (loss)</b>	<b>158,769</b>	<b>22,161</b>	<b>13,353</b>	<b>(3,230)</b>	<b>15,572</b>	<b>1,673</b>	<b>208,300</b>	<b>793</b>	<b>209,094</b>

### <Reference>

Fiscal year ended February 28, 2007 (From March 1, 2006 to February 28, 2007)

(Millions of yen)

	Convenience store operations	Superstore operations	Department store operations	Restaurant operations	Financial services	Others	Total before eliminations	Eliminations / corporate	Consolidated total
Revenues and operating income									
<b>Revenues</b>									
1. Customers	2,248,400	1,871,834	988,357	119,972	84,432	24,807	5,337,804	1	5,337,806
2. Intersegment	1,248	11,101	-	1,710	15,862	7,532	37,456	(37,456)	-
<b>Total revenues</b>	<b>2,249,648</b>	<b>1,882,935</b>	<b>988,357</b>	<b>121,683</b>	<b>100,295</b>	<b>32,340</b>	<b>5,375,261</b>	<b>(37,454)</b>	<b>5,337,806</b>
<b>Operating expenses</b>	<b>2,043,558</b>	<b>1,853,765</b>	<b>961,584</b>	<b>120,752</b>	<b>75,747</b>	<b>30,718</b>	<b>5,086,126</b>	<b>(35,158)</b>	<b>5,050,968</b>
<b>Operating income</b>	<b>206,090</b>	<b>29,170</b>	<b>26,772</b>	<b>931</b>	<b>24,547</b>	<b>1,621</b>	<b>289,135</b>	<b>(2,296)</b>	<b>286,838</b>

### Notes:

- The classification of business segment is made by the type of products and services and the type of sales.
- Restaurant operations changed its segment name to Food services from the six months ended August 2007, as a result of reorganization of food business due to the establishment of Seven & i Food Systems Co., Ltd.
- Major businesses in each segment are as follows:
  - Convenience store operations ----- Convenience store business operated by corporate stores and franchised stores under the name of "7-Eleven"
  - Superstore operations ----- Superstore, supermarket and specialty shop
  - Department store operations ----- Sogo Co., Ltd., THE SEIBU DEPARTMENT STORES, LTD. and other companies included in the department store business
  - Food services ----- Restaurant operations, meal provision service business (company cafeteria, hospital, school) and fast food operations
  - Financial services ----- Bank, credit card and lease business
  - Others ----- Electronic commerce business and other services

## 2. Geographic area segments

**Nine months ended November 30, 2006 (From March 1, 2006 to November 30, 2006)** (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues and operating income						
<b>Revenues</b>						
1. Customers	2,584,741	1,316,954	35,001	3,936,697	-	3,936,697
2. Intersegment	240	1,940	-	2,180	(2,180)	-
<b>Total revenues</b>	<b>2,584,982</b>	<b>1,318,894</b>	<b>35,001</b>	<b>3,938,878</b>	<b>(2,180)</b>	<b>3,936,697</b>
<b>Operating expenses</b>	<b>2,401,089</b>	<b>1,290,121</b>	<b>34,429</b>	<b>3,725,640</b>	<b>(2,183)</b>	<b>3,723,457</b>
<b>Operating income</b>	<b>183,892</b>	<b>28,773</b>	<b>571</b>	<b>213,237</b>	<b>2</b>	<b>213,240</b>

Notes

1. The classification of geographic area segments is made according to geographical distances.
2. "Others" consists of the business results mainly in People's Republic of China ("P.R.C.") .

**Nine months ended November 30, 2007 (From March 1, 2007 to November 30, 2007)** (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues and operating income						
<b>Revenues</b>						
1. Customers	2,796,568	1,413,132	46,272	4,255,973	-	4,255,973
2. Intersegment	222	1,944	-	2,167	(2,167)	-
<b>Total revenues</b>	<b>2,796,790</b>	<b>1,415,077</b>	<b>46,272</b>	<b>4,258,140</b>	<b>(2,167)</b>	<b>4,255,973</b>
<b>Operating expenses</b>	<b>2,616,937</b>	<b>1,387,511</b>	<b>44,600</b>	<b>4,049,049</b>	<b>(2,170)</b>	<b>4,046,879</b>
<b>Operating income</b>	<b>179,853</b>	<b>27,565</b>	<b>1,671</b>	<b>209,091</b>	<b>2</b>	<b>209,094</b>

Notes

1. The classification of geographic area segments is made according to geographical distances.
2. "Others" consists of the business results in P.R.C.

### <Reference>

**Fiscal year ended February 28, 2007 (From March 1, 2006 to February 28, 2007)** (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues and operating income						
<b>Revenues</b>						
1. Customers	3,562,124	1,725,922	49,759	5,337,806	-	5,337,806
2. Intersegment	247	2,559	-	2,806	(2,806)	-
<b>Total revenues</b>	<b>3,562,372</b>	<b>1,728,481</b>	<b>49,759</b>	<b>5,340,613</b>	<b>(2,806)</b>	<b>5,337,806</b>
<b>Operating expenses</b>	<b>3,308,403</b>	<b>1,696,496</b>	<b>48,879</b>	<b>5,053,779</b>	<b>(2,810)</b>	<b>5,050,968</b>
<b>Operating income</b>	<b>253,968</b>	<b>31,985</b>	<b>879</b>	<b>286,834</b>	<b>4</b>	<b>286,838</b>

Notes

1. The classification of geographic area segments is made according to geographical distances.
2. "Others" consists of the business results mainly in P.R.C.

### 3. Overseas sales

#### Nine months ended November 30, 2006 (From March 1, 2006 to November 30, 2006) (Millions of yen)

	North America	Others	Total
Overseas sales	1,316,954	35,001	1,351,955
Consolidated sales	-	-	3,936,697
Percentage of overseas sales to consolidated sales (%)	33.4	0.9	34.3

#### Notes

1. The classification of overseas sales area segments is made according to geographical distances.
2. "Others" consists of sales mainly in P.R.C.
3. "Overseas sales" represents net sales and other operating revenues of consolidated subsidiaries in countries and areas outside of Japan.

#### Nine months ended November 30, 2007 (From March 1, 2007 to November 30, 2007) (Millions of yen)

	North America	Others	Total
Overseas sales	1,413,132	46,272	1,459,405
Consolidated sales	-	-	4,255,973
Percentage of overseas sales to consolidated sales (%)	33.2	1.1	34.3

#### Notes

1. The classification of overseas sales area segments is made according to geographical distances.
2. "Others" consists of sales in P.R.C.
3. "Overseas sales" represents net sales and other operating revenues of consolidated subsidiaries in countries and areas outside of Japan.

#### <Reference>

#### Fiscal year ended February 28, 2007 (From March 1, 2006 to February 28, 2007) (Millions of yen)

	North America	Others	Total
Overseas sales	1,725,922	49,759	1,775,681
Consolidated sales	-	-	5,337,806
Percentage of overseas sales to consolidated sales (%)	32.4	0.9	33.3

#### Notes

1. The classification of overseas sales area segments is made according to geographical distances.
2. "Others" consists of sales mainly in P.R.C.
3. "Overseas sales" represents net sales and other operating revenues of consolidated subsidiaries in countries and areas outside of Japan.