



April 9, 2009

Consolidated Financial Results for the Fiscal Year ended February 28, 2009

Seven & i Holdings Co., Ltd.

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

Securities Code No. 3382

President and COO : Noritoshi Murata

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

Date of the ordinary general meeting of shareholders: May 28, 2009

Submission date of annual securities report scheduled: May 29, 2009

Starting date of paying year-end dividend: May 29, 2009

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

1. Business Results for the Fiscal Year ended February 28, 2009 (from March 1, 2008 to February 28, 2009)

(1) Results of Operations

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income		Net Income	
Year ended February 28, 2009	5,649,948	(1.8) %	281,865	0.3 %	279,306	0.4 %	92,336	(29.3) %
Year ended February 29, 2008	5,752,392	7.8 %	281,088	(2.0) %	278,262	(1.3) %	130,657	(2.1) %

	Net Income per Share	Diluted Net Income per Share	Ratio of Net Income to Owners' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Revenues from Operations
Year ended February 28, 2009	100.54 (yen)	100.54 (yen)	4.9 %	7.3 %	5.0 %
Year ended February 29, 2008	137.03 (yen)	- (yen)	6.7 %	7.2 %	4.9 %

Notes: 1. Equity in earnings of affiliates:

Year ended February 28, 2009: (667) million yen

Year ended February 29, 2008: 1,072 million yen

2. Percentages represent increase (decrease) from the prior year unless otherwise stated.

(2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Owners' Equity Ratio	Net Assets per Share
As of February 28, 2009	3,727,060	1,860,672	47.9%	1,975.95 (yen)
As of February 29, 2008	3,886,680	2,058,038	51.1%	2,081.85 (yen)

Note: Owners' equity (net assets excluding minority interests in consolidated subsidiaries) :

As of February 28, 2009: 1,785,189 million yen

As of February 29, 2008: 1,985,018 million 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 the Fiscal Year
Year ended February 28, 2009	310,007	(139,568)	(169,755)	663,483
Year ended February 29, 2008	465,380	(237,184)	(130,136)	667,770

2. Dividends

	Dividends per Share (yen)			Total Amount of Dividends (Millions of yen)	Dividends Payout Ratio (Consolidated)	Ratio of Total Amount of Dividends to Net Assets (Consolidated)
	Interim	Year-end	Annual			
Year ended February 29, 2008	26.00	28.00	54.00	51,938	39.4 %	2.6%
Year ended February 28, 2009	27.00	29.00	56.00	50,594	55.7 %	2.8%
Year ending February 28, 2010 (forecast)	28.00	28.00	56.00		41.1 %	

3. Forecast of Business Results for the Fiscal Year ending February 28, 2010 (From March 1, 2009 to February 28, 2010)

(Millions of yen, except per share amounts)

	Revenues from Operations	Operating Income	Ordinary Income	Net Income	Net Income per Share
Interim Period	2,747,000 (4.0) %	148,000 0.0 %	145,000 (2.0) %	66,000 (2.2) %	73.05 (yen)
Entire Year	5,313,000 (6.0) %	285,000 1.1 %	281,000 0.6 %	123,000 33.2 %	136.14 (yen)

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

4. Others

- (1) Changes in significant subsidiaries during the fiscal year ended February 28, 2009
(changes in specific subsidiaries accompanying change in scope of consolidation): None
Added: none Excluded: none
- (2) Changes in accounting principles, procedures, and method of presentation for preparing the consolidated financial statements (those to be described in the section of Significant Accounting Policies for the Preparation of Consolidated Financial Statements)

Changes due to amendment of accounting standards: None

Changes due to other reasons: None

- (3) Number of shares outstanding (common stock)

Number of shares outstanding at the end of period (including treasury stock)

As of February 28, 2009: 906,441,983 shares As of February 29, 2008: 956,441,983 shares

Number of treasury stock at the end of period

As of February 28, 2009: 2,982,472 shares As of February 29, 2008: 2,954,728 shares

Note: For the number of shares as a basis of calculating net income per share (consolidated), please refer to Per Share Information on page 54 of attached materials.

Reference: Summary of Nonconsolidated Financial Statements

1. Nonconsolidated Business Results for the Fiscal Year ended February 28, 2009

(from March 1, 2008 to February 28, 2009)

(1) Results of Operations

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income	
Year ended February 28, 2009	62,683	6.7%	55,622	7.1%	51,321	2.0%
Year ended February 29, 2008	58,734	(5.8)%	51,943	(2.3)%	50,294	(3.7)%

	Net Income		Net Income per Share		Diluted Net Income per Share	
Year ended February 28, 2009	49,327	3.0%	53.67	(yen)	53.67	(yen)
Year ended February 29, 2008	47,899	(8.1)%	50.15	(yen)	-	(yen)

Note: Percentages represent increase (decrease) from the prior year unless otherwise stated.

(2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of February 28, 2009	1,754,152	1,380,214	78.7%	1,527.29 (yen)
As of February 29, 2008	1,768,915	1,565,344	88.5%	1,636.77 (yen)

Note: Owners' equity (net assets excluding subscriptions to shares) :

As of February 28, 2009: 1,379,871 million yen As of February 29, 2008: 1,565,344 million yen

FORWARD LOOKING STATEMENTS

The forecast for the year ending February 28, 2010 is based on Seven & i Holdings' 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 forecast.

MAJOR SEVEN & i HOLDINGS GROUP COMPANIES

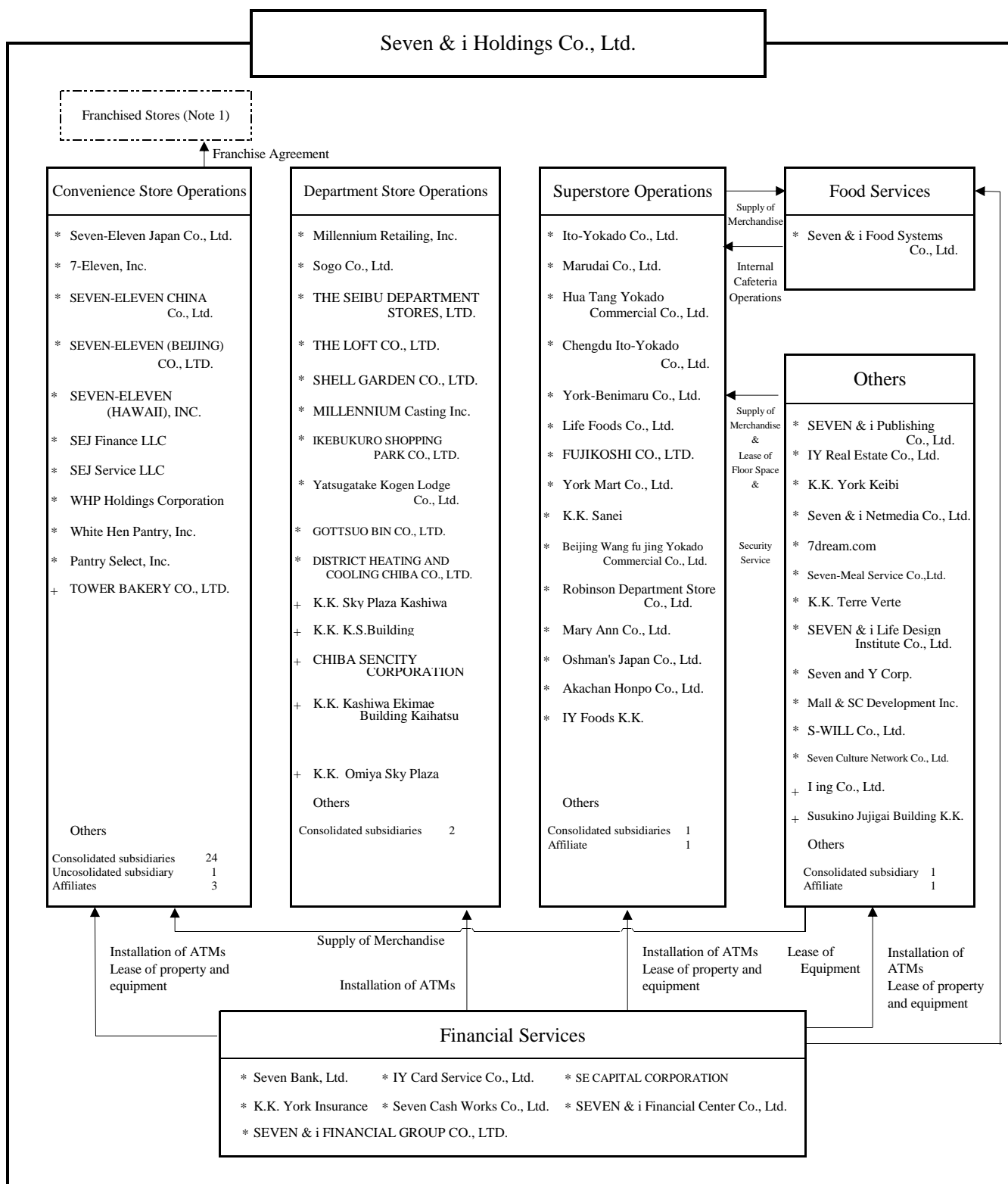
Seven & i Holdings Group consists 98 diversified retail companies, mainly engaged in convenience store operations, superstore operations, department store operations, food services and financial services. Business segments, major group companies and number of companies are as follows.

This segmentation is same as the business segment shown in the section of segment information.

Business Segments	Major Group Companies	Number of Companies
Convenience Store Operations	Seven-Eleven Japan Co., Ltd. 7-Eleven, Inc. SEVEN-ELEVEN CHINA Co., Ltd. SEVEN-ELEVEN (BEIJING) CO., LTD. SEVEN-ELEVEN (HAWAII), INC. SEJ Finance LLC SEJ Service LLC WHP Holdings Corporation White Hen Pantry, Inc. Pantry Select, Inc. TOWER BAKERY CO., LTD.	Consolidated Subsidiaries 34 Unconsolidated Subsidiary 1 Affiliates 4 <hr/> Total 39
Superstore Operations	Ito-Yokado Co., Ltd. Marudai Co., Ltd. Hua Tang Yokado Commercial Co., Ltd. Chengdu Ito-Yokado Co., Ltd. York-Benimaru Co., Ltd. Life Foods Co., Ltd. FUJIKOSHI CO., LTD. York Mart Co., Ltd. K.K. Sanei Beijing Wang fu jing Yokado Commercial Co., Ltd. Robinson Department Store Co., Ltd. Mary Ann Co., Ltd. Oshman's Japan Co., Ltd. Akachan Honpo Co., Ltd. IY Foods K.K.	Consolidated Subsidiaries 16 Affiliate 1 <hr/> Total 17
Department Store Operations	Millennium Retailing, Inc. Sogo Co., Ltd. THE SEIBU DEPARTMENT STORES, LTD. THE LOFT CO., LTD. SHELL GARDEN CO., LTD. MILLENNIUM Casting Inc. IKEBUKURO SHOPPING PARK CO., LTD. Yatsugatake Kogen Lodge Co., Ltd. GOTTSUO BIN CO., LTD. DISTRICT HEATING AND COOLING CHIBA CO., LTD. K.K. Sky Plaza Kashiwa K.K. K.S. Building CHIBA SENCITY CORPORATION K.K. Kashiwa Ekimae Building Kaihatsu K.K. Omiya Sky Plaza	Consolidated Subsidiaries 12 Affiliates 5 <hr/> Total 17
Food Services	Seven & i Food Systems Co., Ltd.	Consolidated Subsidiary 1
Financial Services	Seven Bank, Ltd. IY Card Service Co., Ltd. SE CAPITAL CORPORATION K.K. York Insurance Seven Cash Works Co., Ltd. SEVEN & i Financial Center Co., Ltd. SEVEN & i FINANCIAL GROUP CO., LTD.	Consolidated Subsidiaries 7
Others	SEVEN & i Publishing Co., Ltd. IY Real Estate Co., Ltd. K.K. York Keibi Seven & i Netmedia Co., Ltd. 7dream.com Seven-Meal Service Co., Ltd. K.K. Terre Verte SEVEN & i Life Design Institute Co., Ltd. Seven and Y Corp. Mall & SC Development Inc. S-WILL Co., Ltd. Seven Culture Network Co., Ltd. I ing Co., Ltd. Susukino Jujigai Building K.K.	Consolidated Subsidiaries 13 Affiliates 3 <hr/> Total 16

1. On April 10, 2008, SEVEN-ELEVEN CHINA Co., Ltd. was established as a wholly owned subsidiary of the Company.
2. SEJ Finance LLC and SEJ Service LLC are the holding companies of 7-Eleven, Inc.
3. WHP Holdings Corporation is the holding company of White Hen Pantry, Inc. and Pantry Select, Inc.
4. TOWER BAKERY CO., LTD., K.K. Sky Plaza Kashiwa, K.K. K.S. Building, CHIBA SENCITY CORPORATION, K.K. Kashiwa Ekimae Building Kaihatsu, K.K. Omiya Sky Plaza, I ing Co., Ltd., and Susukino Jujigai Building K.K. are affiliates and other companies are consolidated subsidiaries.
5. Millennium Retailing, Inc. is the holding company of Sogo Co., Ltd., and THE SEIBU DEPARTMENT STORES, LTD., etc.
6. On July 11, 2008, Seven & i Netmedia Co., Ltd. was established as a wholly owned subsidiary of the Company.
7. On January 15, 2009, Seven Culture Network Co., Ltd. was established as a wholly owned subsidiary of the Company.

BUSINESS RELATION IN GROUP



* Consolidated subsidiary

+ Affiliate accounted for using the equity method

- Notes:
1. Each franchised store is operated by an independent franchisee which enters into franchise agreement with Seven-Eleven Japan Co., Ltd. or 7-Eleven, Inc.
 2. As of February 28, 2009, Seven Bank, Ltd. placed 13,755 units of ATMs mainly in the stores of group companies.

Subsidiaries and Affiliates

Name	Address	Capital (Millions of yen)	Principal Business	Voting Rights Held by Company (%)	Description of Relationship		
					Shared Positions		Business Relationship
					Officers	Employees	
Consolidated Subsidiaries							
Seven-Eleven Japan Co., Ltd. *3	Chiyoda-ku, Tokyo	17,200	Convenience store operations	100.0	4	3	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
7-Eleven, Inc.	Texas, U.S.A.	Thousands of U.S. dollars 11	Convenience store operations	100.0 (100.0)	1	-	-
Ito-Yokado Co., Ltd. *3,4	Chiyoda-ku, Tokyo	40,000	Superstore operations	100.0	7	3	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
York-Benimaru Co., Ltd. *3	Koriyama-shi, Fukushima	9,927	Superstore operations	100.0	2	-	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Millennium Retailing, Inc. *3	Chiyoda-ku, Tokyo	37,733	Department store operations	100.0	2	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Sogo Co., Ltd.	Chuo-ku, Osaka-shi	1,000	Department store operations	100.0 (100.0)	-	-	-
THE SEIBU DEPARTMENT STORES, LTD *3	Toshima-ku, Tokyo	6,000	Department store operations	100.0 (100.0)	-	1	-
Seven & i Food Systems Co., Ltd.	Chiyoda-ku, Tokyo	3,000	Food services	100.0	1	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Seven Bank, Ltd. *3,4,5	Chiyoda-ku, Tokyo	30,500	Financial services	47.8 (47.8)	2	1	-
SEVEN-ELEVEN CHINA Co., Ltd.	Beijing, China	Thousands of Yuan 50,000	Convenience store operations	100.0 (100.0)	-	4	-
SEVEN-ELEVEN (BEIJING) CO., LTD.	Beijing, China	Thousands of U.S. dollars 35,000	Convenience store operations	65.0 (65.0)	-	1	-
SEVEN-ELEVEN (HAWAII), INC.	Hawaii, U.S.A.	Thousands of U.S. dollars 20,000	Convenience store operations	100.0 (100.0)	1	1	-
SEJ Finance LLC *3	Delaware, U.S.A.	Thousands of U.S. dollars 916,147	Convenience store operations	100.0 (100.0)	-	-	-
SEJ Service LLC *3	Delaware, U.S.A.	Thousands of U.S. dollars 1,276,984	Convenience store operations	100.0 (100.0)	-	-	-

Name	Address	Capital (Millions of yen)	Principal Business	Voting Rights Held by Company (%)	Description of Relationship		
					Shared Positions		Business Relationship
					Officers	Employees	
WHP Holdings Corporation	Delaware, U.S.A	U.S. dollars 17,098	Convenience store operations	100.0 (100.0)	-	-	-
White Hen Pantry, Inc.	Delaware, U.S.A	U.S. dollars 13,130	Convenience store operations	100.0 (100.0)	-	-	-
Pantry Select, Inc.	Illinois, U.S.A.	U.S.dollars 10	Convenience store operations	100.0 (100.0)	-	-	-
Marudai Co., Ltd.	Nagaoka-shi, Niigata	213	Superstore operations	100.0 (100.0)	1	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Hua Tang Yokado Commercial Co., Ltd. *3	Beijing, China	Thousands of U.S. dollars 65,000	Superstore operations	75.8 (75.8)	-	-	-
Chengdu Ito-Yokado Co., Ltd.	Sichuan, China	Thousands of U.S. dollars 23,000	Superstore operations	74.0 (74.0)	-	-	-
York Mart Co., Ltd.	Chiyoda-ku, Tokyo	1,000	Superstore operations	100.0	1	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
K.K. Sanei	Ishinomaki -shi, Miyagi	138	Superstore operations	100.0 (100.0)	-	3	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Beijing Wang fu jing Yokado Commercial Co., Ltd.	Beijing, China	Thousands of U.S. dollars 12,000	Superstore operations	60.0 (60.0)	1	-	-
Robinson Department Store Co., Ltd. *3	Kasukabe-shi, Saitama	5,500	Superstore operations	87.5 (87.5)	-	-	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Mary Ann Co., Ltd.	Chiyoda-ku, Tokyo	200	Superstore operations	100.0 (100.0)	-	-	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Oshman's Japan Co., Ltd.	Chiyoda-ku, Tokyo	1,200	Superstore operations	100.0 (100.0)	-	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Akachan Honpo Co., Ltd.	Chuo-ku, Osaka-shi	680	Superstore operations	66.7 (66.7)	-	-	-
IY Foods K.K.	Otone-cho, Kita-Saitama- gun, Saitama	75	Superstore operations	100.0 (100.0)	-	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Life Foods Co., Ltd.	Koriyama-shi, Fukushima	120	Superstore operations	100.0 (100.0)	1	-	-

Name	Address	Capital (Millions of yen)	Principal Business	Voting Rights Held by Company (%)	Description of Relationship		
					Shared Positions		Business Relationship
					Officers	Employees	
FUJIKOSHI CO., LTD.	Iwaki-shi, Fukushima	10	Superstore operations	100.0 (100.0)	1	-	-
THE LOFT CO., LTD.	Shibuya-ku, Tokyo	750	Department store operation	70.7 (70.7)	-	-	-
SHELL GARDEN CO., LTD.	Meguro-ku, Tokyo	989	Department store operations	100.0 (100.0)	-	-	-
MILLENNIUM Casting Inc.	Chuo-ku, Tokyo	208	Department store operations	51.8 (51.8) [48.2]	-	-	-
IKEBUKURO SHOPPING PARK CO., LTD.	Toshima-ku, Tokyo	1,200	Department store operations	50.6 (50.6)	-	-	-
Yatsugatake Kogen Lodge Co., Ltd.	Nanmoku -mura, Minami-Saku -gun, Nagano	100	Department store operations	100.0 (100.0)	-	-	-
GOTTSUO BIN CO., LTD.	Toshima-ku, Tokyo	10	Department store operations	100.0 (100.0)	-	-	-
DISTRICT HEATING AND COOLING CHIBA CO., LTD.	Chuo-ku, Chiba-shi	1,000	Department store operations	43.4 (43.4) [18.2]	-	-	-
IY Card Service Co., Ltd.	Chiyoda-ku, Tokyo	2,500	Financial services	94.1	-	2	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
SE CAPITAL CORPORATION	Chiyoda-ku, Tokyo	75	Financial services	100.0 (90.0)	1	2	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
K.K. York Insurance	Chiyoda-ku, Tokyo	30	Financial services	100.0	-	2	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Seven Cash Works Co., Ltd.	Chiyoda-ku, Tokyo	1,500	Financial services	85.5 (85.5)	-	1	The Company are entrusted with various types of businesses
SEVEN & i Financial Center Co., Ltd.	Chiyoda-ku, Tokyo	10	Financial services	100.0	1	3	The Company are entrusted with various types of businesses
SEVEN & i FINANCIAL GROUP CO., LTD.	Chiyoda-ku, Tokyo	10	Financial services	100.0	1	2	The Company are entrusted with various types of businesses
Seven & i Netmedia Co., Ltd.	Chiyoda-ku, Tokyo	665	Others	100.0	1	1	The Company are entrusted with various types of businesses
SEVEN & i Publishing Co., Ltd.	Chiyoda-ku, Tokyo	242	Others	100.0 (100.0)	-	-	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
IY Real Estate Co., Ltd.	Chiyoda-ku, Tokyo	58	Others	100.0 (100.0)	-	3	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses

Name	Address	Capital (Millions of yen)	Principal Business	Voting Rights Held by Company (%)	Description of Relationship		
					Shared Positions		Business Relationship
					Officers	Employees	
K.K. York Keibi	Chiyoda-ku, Tokyo	10	Others	100.0 (100.0)	-	2	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
7dream.com *3	Chiyoda-ku, Tokyo	5,000	Others	68.0 (68.0)	-	2	The Company provides management strategies as well as other services and various convenience for considerations
Seven-Meal Service Co., Ltd.	Chiyoda-ku, Tokyo	300	Others	90.0 (90.0)	1	1	The Company provides management strategies as well as other services and various convenience for considerations
K.K. Terre Verte	Kitami-shi, Hokkaido	400	Others	99.0 (99.0)	1	1	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
SEVEN & i Life Design Institute Co., Ltd.	Chiyoda-ku, Tokyo	435	Others	100.0 (14.5)	2	-	The Company are entrusted with various types of businesses
Seven and Y Corp.	Chiyoda-ku, Tokyo	438	Others	50.8 (50.8)	-	1	-
Mall & SC Development Inc.	Chiyoda-ku, Tokyo	622	Others	90.0 (15.0)	1	3	The Company provides management strategies as well as other services and various convenience for considerations The Company are entrusted with various types of businesses
Seven Culture Network Co., Ltd.	Chiyoda-ku, Tokyo	450	Others	100.0 (100.0)	1	1	The Company are entrusted with various types of businesses
S-WILL Co., Ltd.	Chiyoda-ku, Tokyo	0	Others	100.0	-	-	The Company are entrusted with various types of businesses
Other 28 Companies *6	-	-	-	-	-	-	-

Name	Address	Capital (Millions of yen)	Principal Business	Voting Rights Held by Company (%)	Description of Relationship		
					Shared Positions		Business Relationship
					Officers	Employees	
Equity Method - affiliates							
TOWER BAKERY CO., LTD	Koshigaya -shi, Saitama	495	Convenience store operations	20.0 (20.0)	-	-	-
K.K. Sky Plaza Kashiwa	Kashiwa-shi, Chiba	10	Department store operations	45.5 (45.5)	-	-	-
K.K. K.S. Building	Chuo-ku, Kobe-shi	100	Department store operations	40.0 (40.0)	-	-	-
CHIBA SENCITY CORPORATION	Chuo-ku, Chiba-shi	297	Department store operations	34.8 (34.8)	-	-	-
K.K. Kashiwa Ekimae Building Kaihatsu	Kashiwa-shi, Chiba	10	Department store operations	27.2 (27.2)	-	-	-
K.K. Omiya Sky Plaza	Omiya-ku, Saitama-shi	10	Department store operations	20.0 (20.0)	-	-	-
Susukino Jujigai Building K.K	Chuo-ku, Sapporo-shi	100	Others	37.6 (37.6)	-	2	-
I ing Co., Ltd	Chiyoda-ku, Tokyo	107	Others	23.2 (23.2)	-	2	-
Other 5 Companies *6	-	-	-	-	-	-	-

- * 1. The business segment within Group operations is listed under the Principal Business column.
2. Figures in parentheses () in Voting Rights Held by Company column indicate the share of indirect voting rights.
Those in brackets [] indicate share of related or approved parties (supernumerary).
3. Designated subsidiaries.
4. These companies file security registration statement or annual financial reports.
5. Seven Bank Ltd. is considered as a consolidated subsidiary substantially.
6. Key financial data for other companies have been omitted because their effects on the Consolidated Financial Statements are not considered material.

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	Amount
ASSETS					
Current assets	1,354,417	34.8	1,397,102	37.5	42,684
Cash and bank deposits	649,167		650,949		1,782
Call Loan	23,500		10,000		(13,500)
Notes and accounts receivable, trade	128,852		116,902		(11,949)
Trade accounts receivable - financial services	75,741		78,042		2,301
Marketable securities	94,524		94,824		300
Inventories	169,026		169,534		508
Prepaid expenses	33,298		28,584		(4,713)
Deferred income taxes	35,730		28,656		(7,073)
Other	147,563		223,928		76,364
Allowance for doubtful accounts	(2,987)		(4,321)		(1,334)
Non-current assets	2,531,954	65.2	2,329,776	62.5	(202,178)
Property and equipment	1,337,142	34.4	1,222,427	32.8	(114,714)
Buildings and structures	548,784		510,945		(37,838)
Furniture, fixtures and equipment	173,772		146,174		(27,597)
Vehicles	145		136		(9)
Land	561,204		525,022		(36,182)
Construction in progress	53,234		40,147		(13,086)
Intangible assets	465,847	12.0	421,647	11.3	(44,200)
Goodwill	360,348		318,945		(41,402)
Software	41,247		37,674		(3,572)
Other	64,251		65,026		775
Investments and other assets	728,964	18.8	685,701	18.4	(43,263)
Investments in securities	160,094		140,149		(19,944)
Long-term loans receivable	15,177		14,270		(907)
Prepaid pension cost	12,727		16,486		3,758
Long-term leasehold deposits	460,951		442,416		(18,535)
Advances for store construction	11,489		13,298		1,809
Deferred income taxes	28,114		22,966		(5,147)
Other	48,985		46,405		(2,580)
Allowance for doubtful accounts	(8,575)		(10,291)		(1,716)
Deferred assets	308	0.0	182	0.0	(126)
New organization costs	308		182		(126)
TOTAL ASSETS	3,886,680	100.0	3,727,060	100.0	(159,619)

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	Amount
LIABILITIES					
Current liabilities	1,177,493	30.3	1,254,927	33.7	77,434
Notes and accounts payable, trade	321,402		297,783		(23,618)
Short-term loans	149,861		191,100		41,239
Current portion of long-term loans	120,419		103,352		(17,066)
Current portion of bonds	16,217		50,592		34,375
Income taxes payable	44,773		53,311		8,537
Accrued expenses	84,605		78,622		(5,982)
Deposits received	87,205		120,038		32,832
Allowance for sales promotion expenses	21,188		16,601		(4,587)
Allowance for bonuses to employees	16,109		15,705		(404)
Allowance for bonuses to directors and corporate auditors	326		292		(34)
Allowance for loss on future collection of gift certificates	6,899		6,024		(874)
Deposits received in banking business	142,205		165,712		23,506
Other	166,280		155,791		(10,488)
Non-current liabilities	651,147	16.7	611,459	16.4	(39,687)
Bonds	131,077		180,448		49,370
Long-term loans	321,336		249,685		(71,651)
Commercial paper	11,777		18,688		6,911
Deferred income taxes	62,017		44,094		(17,922)
Allowance for accrued pension and severance costs	4,347		3,510		(837)
Allowance for retirement benefits to directors and corporate auditors	4,032		3,480		(551)
Deposits received from tenants and franchised stores	61,534		60,276		(1,257)
Other	55,023		51,274		(3,748)
TOTAL LIABILITIES	1,828,641	47.0	1,866,387	50.1	37,746
NET ASSETS					
Shareholders' equity	1,979,848	51.0	1,862,962	50.0	(116,885)
Common stock	50,000		50,000		-
Capital surplus	731,621		576,074		(155,547)
Retained earnings	1,205,042		1,246,165		41,123
Treasury stock, at cost	(6,815)		(9,277)		(2,461)
Accumulated gains (losses) from valuation and translation adjustments	5,170	0.1	(77,773)	(2.1)	(82,943)
Unrealized gains (losses) on available-for-sale securities, net of taxes	3,885		247		(3,637)
Unrealized gains (losses) on hedging derivatives, net of taxes	(676)		(622)		54
Foreign currency translation adjustments	1,961		(77,398)		(79,360)
Subscriptions to shares	-	-	391	0.0	391
Minority interests in consolidated subsidiaries	73,020	1.9	75,092	2.0	2,071
TOTAL NET ASSETS	2,058,038	53.0	1,860,672	49.9	(197,366)
TOTAL LIABILITIES AND NET ASSETS	3,886,680	100.0	3,727,060	100.0	(159,619)

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Year ended February 29, 2008		Year ended February 28, 2009		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
[Revenues from operations]	[5,752,392]		[5,649,948]		[(102,444)]	[98.2]
Net sales	5,223,832	100.0	5,094,757	100.0	(129,075)	97.5
Cost of sales	3,863,847	74.0	3,789,598	74.4	(74,249)	98.1
Gross profit on sales	1,359,984	26.0	1,305,158	25.6	(54,826)	96.0
Other operating revenues	528,560	10.2	555,191	10.9	26,631	105.0
Gross profit from operations	1,888,545	36.2	1,860,350	36.5	(28,195)	98.5
Selling, general and administrative expenses	1,607,457	30.8	1,578,484	31.0	(28,972)	98.2
Advertising and decoration expenses	115,789		106,575			
Salaries and wages	439,713		423,866			
Provision for bonuses to employees	16,065		15,645			
Pension expenses	8,895		11,249			
Legal welfare expenses	50,834		50,213			
Land and building rent	244,575		254,337			
Depreciation and amortization	136,110		131,813			
Utility expenses	100,124		105,417			
Store maintenance and repair expenses	79,781		73,101			
Other	415,566		406,264			
Operating Income	281,088	5.4	281,865	5.5	777	100.3
Non-operating income	13,371	0.2	13,102	0.3	(268)	98.0
Interest and dividends income	6,431		7,048			
Equity in earnings of affiliates	1,072		-			
Other	5,866		6,053			
Non-operating expenses	16,196	0.3	15,661	0.3	(535)	96.7
Interest expenses	10,901		8,470			
Interest on bonds	764		1,843			
Equity in losses of affiliates	-		667			
Foreign currency exchange losses	2,244		955			
Other	2,286		3,725			
Ordinary income	278,262	5.3	279,306	5.5	1,044	100.4
Special gains	22,352	0.5	6,202	0.1	(16,150)	27.7
Gain on sales of property and equipment	7,128		5,330			
Gain on sales of subsidiary's common stock	2,620		-			
U.S. federal excise tax refund	4,035		-			
Gain on increase of the Company's interest in consolidated subsidiaries	5,016		-			
Gain on donations received	1,600		-			
Other	1,952		872			
Special losses	73,173	1.4	70,393	1.4	(2,779)	96.2
Loss on disposals of property and equipment	8,480		6,185			
Impairment loss	20,030		39,372			
Loss on sales of investments in securities	17,942		85			
Valuation loss on investments in securities	11,122		11,354			
Provision for loss on future collection of gift certificates	7,085		-			
Additional retirement benefits for early retirement	-		3,076			
Other	8,512		10,318			
Income before income taxes and minority interests	227,441	4.4	215,115	4.2	(12,326)	94.6
Income taxes - current	109,461	2.1	111,231	2.2	1,769	101.6
Income taxes - deferred	(21,222)	(0.4)	2,626	0.0	23,849	-
Minority interests in net income of consolidated subsidiaries	8,545	0.2	8,920	0.2	375	104.4
Net income	130,657	2.5	92,336	1.8	(38,321)	70.7

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Year ended February 29, 2008 (From March 1, 2007 to February 29, 2008)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at February 28, 2007	50,000	766,185	1,124,892	(41,309)	1,899,768
Increase (decrease) for the year					
Cash dividends			(50,536)		(50,536)
Net income			130,657		130,657
Purchase of treasury stock				(76)	(76)
Sales of treasury stock		2		5	8
Cancellation of treasury stock		(34,565)		34,565	-
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries			27		27
Other				(1)	(1)
Increase (decrease) of items for the year except those included in shareholders' equity					
Net increase (decrease) for the year	-	(34,563)	80,149	34,493	80,079
Balance at February 29, 2008	50,000	731,621	1,205,042	(6,815)	1,979,848

	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 gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Total accumulated gains (losses) from valuation and translation adjustments		
Balance at February 28, 2007	(2,100)	(370)	9,500	7,029	62,350	1,969,149
Increase (decrease) for the year						
Cash dividends						(50,536)
Net income						130,657
Purchase of treasury stock						(76)
Sales of treasury stock						8
Cancellation of treasury stock						-
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries						27
Other						(1)
Increase (decrease) of items for the year except those included in shareholders' equity	5,985	(305)	(7,538)	(1,859)	10,669	8,810
Net increase (decrease) for the year	5,985	(305)	(7,538)	(1,859)	10,669	88,889
Balance at February 29, 2008	3,885	(676)	1,961	5,170	73,020	2,058,038

Year ended February 28, 2009 (From March 1, 2008 to February 28, 2009)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at February 29, 2008	50,000	731,621	1,205,042	(6,815)	1,979,848
Increase (decrease) for the year					
Cash dividends			(51,091)		(51,091)
Net income			92,336		92,336
Purchase of treasury stock				(158,018)	(158,018)
Sales of treasury stock		(0)		37	36
Cancellation of treasury stock		(155,546)		155,546	-
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries			(121)		(121)
Other				(26)	(26)
Increase (decrease) of items for the year except those included in shareholders' equity					
Net increase (decrease) for the year	-	(155,547)	41,123	(2,461)	(116,885)
Balance at February 28, 2009	50,000	576,074	1,246,165	(9,277)	1,862,962

	Accumulated gains (losses) from valuation and translation adjustments				Subscriptions to shares	Minority interests in consolidated subsidiaries	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Total accumulated gains (losses) from valuation and translation adjustments			
Balance at February 29, 2008	3,885	(676)	1,961	5,170	-	73,020	2,058,038
Increase (decrease) for the year							
Cash dividends							(51,091)
Net income							92,336
Purchase of treasury stock							(158,018)
Sales of treasury stock							36
Cancellation of treasury stock							-
Increase (decrease) resulting from adoption of U.S. GAAP by U.S. subsidiaries							(121)
Other							(26)
Increase (decrease) of items for the year except those included in shareholders' equity	(3,637)	54	(79,360)	(82,943)	391	2,071	(80,480)
Net increase (decrease) for the year	(3,637)	54	(79,360)	(82,943)	391	2,071	(197,366)
Balance at February 28, 2009	247	(622)	(77,398)	(77,773)	391	75,092	1,860,672

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Year ended February 29, 2008	Year ended February 28, 2009	Increase (Decrease)
Cash flows from operating activities:			
Income before income taxes and minority interests	227,441	215,115	(12,326)
Depreciation and amortization	143,642	140,529	(3,113)
Impairment loss	20,030	39,372	19,341
(Decrease) increase in allowance for bonuses to employees	984	(404)	(1,388)
Increase in prepaid pension cost	(6,701)	(3,655)	3,046
Interest and dividends income	(6,431)	(7,048)	(617)
Interest expenses and interest on bonds	11,665	10,313	(1,352)
Foreign currency exchange losses	789	1,505	715
Equity in losses (earnings) of affiliates	(1,072)	667	1,739
Gain on sales of property and equipment	(7,128)	(5,330)	1,797
Loss on disposals of property and equipment	8,480	6,185	(2,294)
Gain on sales of subsidiary's common stock	(2,620)	-	2,620
Gain on increase of the Company's interest in consolidated subsidiaries	(5,016)	-	5,016
Loss on sales of investments in securities	17,942	85	(17,856)
Valuation loss on investments in securities	11,122	11,354	232
Decrease (increase) in notes and accounts receivable, trade	(333)	9,241	9,574
Increase in trade accounts receivable - financial services	(3,167)	(2,301)	865
(Increase) decrease in inventories	1,463	(8,565)	(10,029)
(Decrease) increase in notes and accounts payable, trade	5,191	(14,455)	(19,647)
Proceeds from loans in banking business	-	4,000	4,000
Payment for issuance of bonds in subsidiary (Bank)	-	(15,000)	(15,000)
Net increase in deposits received in banking business	36,037	23,506	(12,531)
Net decrease in call loan in banking business	107,800	13,500	(94,300)
Net increase in call money in banking business	-	12,300	12,300
Net decrease in ATM-related temporary accounts	-	(38,217)	(38,217)
Other	16,269	26,335	10,065
Sub-total	576,391	419,033	(157,358)
Interest and dividends received	4,474	4,780	305
Interest paid	(11,576)	(10,076)	1,500
Income taxes paid	(103,909)	(103,730)	178
Net cash provided by operating activities	465,380	310,007	(155,373)
Cash flows from investing activities:			
Acquisition of property and equipment	(177,357)	(147,431)	29,926
Proceeds from sales of property and equipment	20,213	27,286	7,073
Acquisition of intangible assets	(16,842)	(12,183)	4,658
Payment for purchase of investments in securities	(454,543)	(260,770)	193,772
Proceeds from sales and maturity of investments in securities	449,104	260,488	(188,616)
Acquisition of investments in subsidiaries	(420)	-	420
Acquisition of investments in newly consolidated subsidiaries	(7,108)	-	7,108
Proceeds from acquisition of investments in newly consolidated subsidiaries	2,360	-	(2,360)
Payment of loans receivable	(637)	(539)	97
Collection of loans receivable	2,087	1,070	(1,017)
Payment for long-term leasehold deposits and advances for store construction	(29,757)	(25,622)	4,135
Refund of long-term leasehold deposits	30,924	33,290	2,365
Proceeds from deposits from tenants	5,535	2,813	(2,721)
Return of deposits from tenant	(3,449)	(3,757)	(308)
Payment for time deposits	(28,353)	(29,107)	(753)
Payment for negotiable certificates of deposits	(42,000)	(106,000)	(64,000)
Proceeds from withdrawal of time deposits	-	30,892	30,892
Proceeds from withdrawal of negotiable certificates of deposits	-	96,000	96,000
Other	13,058	(5,997)	(19,056)
Net cash used in investing activities	(237,184)	(139,568)	97,615

(Millions of yen)

	Year ended February 29, 2008	Year ended February 28, 2009	Increase (Decrease)
Cash flows from financing activities:			
Net increase (decrease) increase in short-term loans	(39,231)	38,239	77,470
Proceeds from long-term loans	65,869	27,600	(38,269)
Repayment of long-term loans	(67,354)	(116,570)	(49,216)
Proceeds from commercial paper	715,519	596,066	(119,452)
Payment for redemption of commercial paper	(725,063)	(599,704)	125,359
Proceeds from issuance of bonds	-	99,616	99,616
Payment for redemption of bonds	(30,390)	(1,217)	29,172
Dividends paid	(50,498)	(51,046)	(547)
Capital contribution from minority interests	435	371	(63)
Dividends paid for minority interests	(3,240)	(4,363)	(1,123)
Payment for acquisition of treasury stock	-	(158,122)	(158,122)
Proceeds from sales of treasury stock	8	36	28
Proceeds from sales of treasury stock by one of a subsidiary	7,134	-	(7,134)
Other	(3,324)	(660)	2,664
Net cash used in financing activities	(130,136)	(169,755)	(39,618)
Effect of exchange rate changes on cash and cash equivalents	(422)	(4,969)	(4,547)
Net (decrease) increase in cash and cash equivalents	97,636	(4,286)	(101,923)
Cash and cash equivalents at beginning of year	570,133	667,770	97,636
Cash and cash equivalents at end of year	667,770	663,483	(4,286)

Doubts on the premise of going concern

None

Accounting Policies for the Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 83

Major consolidated subsidiaries: Seven-Eleven Japan Co., Ltd., Ito-Yokado Co., Ltd., Millennium Retailing, Inc., Sogo Co., Ltd., THE SEIBU DEPARTMENT STORES, LTD., Seven & i Food Systems Co., Ltd., York-Benimaru Co., Ltd., Seven Bank, Ltd. and 7-Eleven, Inc.

Consolidated subsidiaries increased by three, due to the establishment of SEVEN-ELEVEN CHINA CO., LTD. , Seven & i Netmedia Co., Ltd. and Seven Culture Network Co.,Ltd.

On the other hand, consolidated subsidiaries decreased because FUJIKOSHI CO., LTD merged with its four subsidiaries.

(2) Number of unconsolidated subsidiary: 1

Name: 7-Eleven Limited

Reason for non-consolidation: Its total assets, sales, the Company's portion of its net income or loss, retained earnings and the effect on the Company's Consolidated Financial Statements are not considered material.

2. Application of equity method

(1) Number of unconsolidated subsidiary to which equity method was applied: none

(2) Number of affiliates to which equity method was applied: 13

Major affiliates: PRIME DELICA CO., LTD

(3) Name of unconsolidated subsidiary to which equity method was not applied:

7-Eleven Limited

Reason for not applying equity method: The Company's portion of its net income or loss (as calculated by the equity method), retained earnings (as calculated by the equity method) and the effect on the Company's Consolidated Financial Statements are not considered material.

(4) Procedure for applying equity method

(a) The affiliates which have different closing dates are included in the Consolidated Financial Statements based on their respective fiscal year-end.

(b) The advance to an affiliate that has negative net assets is reduced.

3. Accounting period of consolidated subsidiaries

The fiscal year-end of some subsidiaries is December 31. The financial statements of such subsidiaries as of and for the year ended December 31 are used in preparing the Consolidated Financial Statements of the Company. All material transactions during the period from January 1 to February 28 are adjusted for in the consolidation process.

The closing date of certain subsidiary is March 31. Pro forma financial statements as of February 28 prepared in a manner that is substantially identical to the preparation of the official financial statements were prepared in order to facilitate its consolidation.

4. Summary of significant accounting policies

(1) Valuation method for major assets

(a) Valuation method for securities

(I) Held-to-maturity debt securities are carried at amortized cost.

(II) Available-for-sale securities are classified into two categories, where: (i) the fair value is available and (ii) the fair value is not available.

(i) Securities whose fair value is available are valued at the quoted market price prevailing at the end of the fiscal year. Net unrealized gains or losses on these securities are reported as a separate component of net assets at a net-of-tax amount. Cost of sales is determined using the moving-average method.

(ii) Securities whose fair value is not available are valued at cost, determined using the moving-average method.

(b) Valuation method for derivatives

Derivative financial instruments are valued at fair value.

(c) Valuation method for inventories

(I) Merchandise:

Inventories are valued principally at the lower of cost or market. Cost is determined principally by the average retail method for domestic consolidated subsidiaries and by the LIFO method for foreign consolidated subsidiaries.

(II) Supplies:

Supplies are carried at cost which is mainly determined by the last purchase price method.

(2) Depreciation and amortization

(a) Property and equipment

Depreciation of property and equipment is computed generally using the declining-balance method for the Company and its domestic consolidated subsidiaries except for the domestic consolidated subsidiaries in the department store business and using the straight-line method for the domestic consolidated subsidiaries in the department store business and foreign consolidated subsidiaries.

Supplemental information

In accordance with the amendment of the Corporation Tax Law, the Company and its domestic consolidated subsidiaries depreciate their property and equipment acquired on or before March 31, 2007 up to one yen over five years evenly from the fiscal year following the year in which accumulated depreciation amount reaches 95% of the acquisition cost based on the previous depreciation method. Impact of this application on the Consolidated Statement of Income was immaterial.

(b) Intangible assets

Intangible assets are amortized using the straight-line method for the Company and domestic consolidated subsidiaries. Software for internal use is amortized using the straight-line method over an estimated useful life of 5 years.

(3) Accounting for deferred assets

New organization costs are amortized using the straight-line method over 5 years, or charged to income if immaterial.

(4) Allowances

(a) Allowance for doubtful accounts

Allowance for doubtful accounts is provided in an amount sufficient to cover probable losses on collection. It consists of the estimated uncollectible amount with respect to certain identified doubtful receivables and an amount calculated using the actual historical rate of losses.

(b) Allowance for sales promotion expenses

Allowance for sales promotion expenses is provided for the use of points given to customers at the amount expected to be used on the balance sheet date in accordance with the sales promotion point card program. In the department store business, estimated costs of sales for goods to be purchased by coupon tickets issued through point system are provided for.

(c) Allowance for loss on future collection of gift certificates

Allowance for loss on future collection of gift certificates issued by certain domestic consolidated subsidiaries is provided for collection of gift certificates recognized as income after certain periods from their issuance. The amount is calculated using the historical results of collection.

(d) Allowance for bonuses to employees

Allowance for bonuses to employees is provided at the amount expected to be paid in respect of the calculation period ended on the balance sheet date.

(e) Allowance for bonuses to directors and corporate auditors

Allowance for bonuses to directors and corporate auditors is provided at the amount estimated to be paid.

(f) Allowance for accrued pension and severance costs (Prepaid pension cost)

Allowance for accrued pension and severance costs is provided at the amount incurred during the current fiscal year, which is based on the estimated present value of the projected benefit obligation less the estimated fair value of plan assets at the end of the fiscal year. The excess amount of the estimated fair value of the plan assets over the estimated present value of projected benefit obligation adjusted by unrecognized actuarial differences at February 28, 2009 is recorded as prepaid pension cost. Also, certain domestic consolidated subsidiaries and consolidated subsidiaries in the United States provide allowance for accrued pension and severance cost.

Unrecognized actuarial differences are amortized on a straight-line basis over the period of mainly 10 years from the next year in which they arise which is shorter than the average remaining years of service of the eligible employees. Unrecognized prior service costs are amortized on a straight-line basis over the period of mainly 5 years.

(g) Allowance for retirement benefits to directors and corporate auditors

Allowance for retirement benefits to directors and corporate auditors is provided in accordance with the Company's internal policy. The Company and certain consolidated subsidiaries abolished the program of retirement benefits to directors and corporate auditors, and certain consolidated subsidiaries decided to pay it at the time of their resignation.

(5) Foreign currency translation for major assets and liabilities denominated in foreign currency

All assets and liabilities of the Company and its domestic consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen at the exchange rate in effect at the respective balance sheet dates. Translation gains or losses are included in the accompanying Consolidated Statements of Income.

All balance sheets accounts of foreign subsidiaries are translated into Japanese yen at the exchange rate in effect at the respective balance sheet dates except for shareholders' equity, which is translated at the historical rates. All income and expense accounts are translated at the average exchange rate for the period. The resulting translation adjustments are included in the accompanying Consolidated Balance Sheets under "Foreign currency translation adjustments" and "Minority interests in consolidated subsidiaries".

(6) Leases

The Company and its domestic consolidated subsidiaries account for finance leases, except those for which ownership of the leased asset is considered to be transferred to the lessee, as operating leases.

Foreign subsidiaries mainly account for finance leases as assets and obligations at an amount equal to the present value of future minimum lease payments, during the lease term.

(7) Hedge accounting

(a) Hedge accounting

If interest rate swap contracts are used as hedges and meet certain hedging criteria, the recognition of gains and losses resulting from the changes in fair value of interest rate swap contracts is deferred until the related gains and losses on the hedged items are recognized. However, certain interest rate swap contracts which meet specific hedging criteria are not measured at market value but the differences between the paid and received amount under the swap contracts are recognized and included in interest income or expense as incurred.

(b) Hedge instruments and hedged items

Hedge instruments - Interest swap

Hedged items - Loans payable

(c) Hedging policies

The Company and its subsidiaries have policies to utilize derivative instruments for the purposes of hedging their exposure to fluctuations in foreign currency rates and interest rates and reducing financing costs. The Company and its subsidiaries do not hold or issue derivative instruments for trading or speculative purposes.

(d) Assessing hedge effectiveness

The hedge effectiveness for interest rate swap contracts is assessed quarterly except for those that meet specific hedging criteria.

(8) Other accounting issues

(a) Accounting for franchised stores in convenience store operations

7-Eleven, Inc. includes the assets, liabilities, net assets and results of operations of its franchised stores in its consolidated financial statements. Seven-Eleven Japan Co., Ltd. recognizes franchise fees from its franchised stores as revenues and includes it in "Other operating revenues".

(b) Accounting for consumption taxes and excise tax

The Japanese consumption taxes withheld and consumption taxes paid are not included in the accompanying Consolidated Statements of Income. The excise tax levied in the U.S. and Canada is included in the revenues from operations.

5. Valuation of the assets and liabilities of consolidated subsidiaries

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, excluding the portion attributable to minority shareholders, are evaluated using the fair value at the time when the Company acquired control of the respective subsidiaries.

6. Goodwill and negative goodwill

Goodwill and negative goodwill arising from domestic consolidated subsidiaries is mainly amortized over a period of 20 years on a straight-line basis, or charged to income if immaterial. The goodwill recognized in applying the equity method was treated in the same manner.

The consolidated subsidiaries in the United States carry out an impairment test for goodwill and other intangible assets with indefinite lives in accordance with the provisions of Statement of Financial Accounting Standard No. 142 "Goodwill and Other Intangible Assets", and decrease the book value if required.

7. Cash and cash equivalents

Cash and cash equivalents in the accompanying Consolidated Statements of Cash Flows are comprised of cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition, that are liquid, readily convertible into cash and are subject to minimum risk of price fluctuation.

Changes in method of presentation

(Consolidated Statements of Cash Flows)

1. Net decrease in ATM-related temporary accounts in Consolidated Statement of Cash Flows from operating activities, which was included in Other for the fiscal year end of February 29, 2008, was separately presented due to the materiality. Net decrease in ATM-related temporary accounts included in Other for the fiscal year ended February 29, 2008 totaled 6,070 million yen.

Notes to Consolidated Financial Statements

Consolidated Balance Sheets;

1. Accumulated depreciation of Property and equipment

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Accumulated depreciation	1,148,496	1,155,608

2. Assets pledged as collateral

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Other current assets	2,274	-
Buildings and structures	61,594	38,592
Furniture, fixtures and equipment	790	625
Land	102,902	66,901
Other intangible assets	10,355	10,151
Investments in securities	64,473	59,020
Long-term leasehold deposits	4,606	4,451
Total	246,998	179,743
Debts for which above assets are pledged as collateral		
Call money	-	7,300
Short-term loans	2,569	3,000
Long-term loans (including current portion of long-term loans)	214,565	138,877
Long-term accounts payable, other	1,216	1,105
Deposits received from tenants and franchised stores	188	171

Assets pledged as collateral for the loans of affiliates and vendors

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Buildings	1,020	945
Land	2,032	2,032
Loans of affiliates and vendors for which above assets are pledged as collateral	3,985	3,985

Assets pledged as collateral for exchange settlement transaction

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Investments in securities	27,525	27,572

Assets pledged as collateral under building lots and building transaction business law

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Investments in securities	34	34
Long-term leasehold deposits	25	25

Assets pledged as collateral for call loan

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Investments in securities	9	-

Assets pledged as collateral under installment sales law

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Long-term leasehold deposits	1,877	1,670

Additional assets pledged as collateral

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Investments in securities	580	580
Long-term leasehold deposits	259	329

3. Guarantees

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Loans of Goshogawara Machi Dukuri K.K.	336	261
Employees' housing Loans	908	724
Total	1,244	985

4. Loan commitment

(As of February 28, 2009)

IY Card Service Co., Ltd. conducts cashing business which is associated with its credit card business. Unused credit balance related to loan commitment in cashing business is as follows.

(Millions of yen)

Credit availability of loan commitment	490,862
Outstanding balance	19,538
Unused credit balance	471,323

Unused credit balance will not have a material impact on future cash flows because most of the unused credit balance will remain unused considering the historical records. IY Card Service Co., Ltd. will cease finance services or reduce the credit limit based on the credit situation of customers or other reasonable reasons.

5. Others

(As of February 29, 2008)

(1) Securitization of store properties

The SEIBU DEPARTMENT STORES, LTD. (“SEIBU”), a consolidated subsidiary of the Company, established a real estate trust comprising of the land, land leasehold right and part of the buildings of a store and sold the beneficiary right of the trust to a Special Purpose Corporation (“SPC”). Concurrently, SEIBU has entered into a silent partnership arrangement with the SPC with a certain investment. Also, SEIBU leased back such store properties from the SPC who has the beneficiary right of the trust.

Under these arrangements, the above noted investment is subordinated to all liabilities to other members of silent partnership and third parties other than members of the silent partnership.

A summary of Store name, amount of investment and the SPC name is as follows:

(Millions of yen)

Store name	Amount of investment	Special purpose corporation		
		Name	Year-end	Total assets
Ikebukuro	5,850	Asset Ikesei Corp.	July	124,866

(2) Government Bonds held by Seven Bank, Ltd.

Seven Bank, Ltd., one of a consolidated subsidiary, holds government bonds to serve as collateral for exchange settlement transactions and overdraft transactions with the Bank of Japan. These government bonds are recorded in “Investments in securities” in the Consolidated Balance Sheet due to its nature of restriction though they have redemption at maturity less than one year.

(As of February 28, 2009)

(1) Securitization of store properties

A summary of Special Purpose Corporation (“SPC”) is described in the Special Purpose Corporation on page 53.

(2) Government Bonds held by Seven Bank, Ltd.

Seven Bank, Ltd., one of a consolidated subsidiary, holds government bonds to serve as collateral for exchange settlement transactions and overdraft transactions with the Bank of Japan. These government bonds are recorded in “Investments in securities” in the Consolidated Balance Sheet due to its nature of restriction though they have redemption at maturity less than one year.

Consolidated Statements of Income;

1. Inventories valuation loss included in "Cost of sales" is as follows:

(Millions of yen)

	For the year ended February 29, 2008	For the year ended February 28, 2009
Inventories valuation loss	3,476	5,367

2. The franchised commission from Seven-Eleven Japan Co., Ltd.'s franchised stores is included in "Other operating revenues".

The franchised commission from franchised stores and net sales of franchised stores are as follows:

(Millions of yen)

	For the year ended February 29, 2008	For the year ended February 28, 2009
Franchised commission from franchised stores	369,466	394,863
Net sales of franchised stores	2,421,352	2,621,567

3. Major items included in "Gain on sales of property and equipment" are as follows:

(Millions of yen)

	For the year ended February 29, 2008	For the year ended February 28, 2009
Buildings and structures	4,091	1,613
Land	2,168	3,540
Others	868	176
Total	7,128	5,330

4. "Gain on donations received"

Gain on donations received recorded for the fiscal year ended February 29, 2008 was received in cash.

5. Major items included in "Loss on disposals of property and equipment" are as follows:

(Millions of yen)

	For the year ended February 29, 2008	For the year ended February 28, 2009
Buildings and structures	3,579	3,568
Furniture, fixtures and equipment	1,958	811
Others	2,942	1,805
Total	8,480	6,185

6. Impairment loss

For the fiscal year ended February 29, 2008, the Company and its consolidated subsidiaries recognized 20,030 million yen of impairment loss on the following group of assets.

(Millions of yen)

Description	Classification	Location		Amount
Stores (Convenience stores)	Land and buildings etc.	Tokyo	70 Stores	18,403
		Kanagawa Pref.	39 Stores	
		Others (including U.S.)		
Stores (Superstores)	Land and buildings etc.	Fukushima Pref.	14 Stores	
		Saitama Pref.	5 Stores	
		Others	15 Stores	
Stores (Department stores)	Buildings and structures etc.	Osaka	1 Store	
		Kanagawa Pref.	1 Store	
Stores (Food services)	Land and buildings	Tokyo & others	130 Stores	
Other facility etc.	Buildings and software etc.	Osaka U. S. & others		1,627
Total				20,030

The Company and its domestic consolidated subsidiaries group their fixed assets by store, which is the minimum cash-generating unit. The book values of stores whose land had significantly declined in market prices or which incurred consecutive operating losses were reduced to recoverable amounts, and such deducted amount was recorded as impairment loss in special losses.

Breakdown of impairment loss are as follows:

(Millions of yen)

	Stores	Other facilities etc.	Total
Building and structures	10,304	12	10,317
Land	5,851	-	5,851
Software	0	1,573	1,574
Other	2,246	41	2,288
Total	18,403	1,627	20,030

In the case where net selling prices were used as recoverable amounts, relevant assets were evaluated based on real estate appraisal standards, and in the case where values in use were used as recoverable amounts, relevant assets were evaluated by discounting estimated future cash flows to which the 3.1% - 6.0% discount rates were applied.

For the fiscal year ended February 28, 2009, the Company and its consolidated subsidiaries recognized 39,372 million yen of impairment loss on the following group of assets.

(Millions of yen)

Description	Classification	Location		Amount
Stores (Convenience stores)	Land and buildings etc.	Tokyo	53 Stores	37,353
		Osaka	38 Stores	
		Others (including U.S.)		
Stores (Superstores)	Land and buildings etc.	Tokyo	5 Stores	
		Kanagawa Pref.	4 Stores	
		Others	20 Stores	
Stores (Department stores)	Land and buildings etc.	Tokyo	1 Store	
		Osaka & others	1 Store	
Stores (Food services)	Land and buildings etc.	Tokyo & others	214 Stores	
Other facility etc.	Land and buildings etc.	Osaka U. S. & others		
Total				39,372

The Company and its domestic consolidated subsidiaries group their fixed assets by store, which is the minimum cash-generating unit. The book values of stores whose land had significantly declined in market prices or which incurred consecutive operating losses were reduced to recoverable amounts, and such deducted amount was recorded as impairment loss in special losses.

Breakdown of impairment loss are as follows:

(Millions of yen)

	Stores	Other facilities etc.	Total
Building and structures	18,809	154	18,963
Land	15,878	133	16,012
Software	26	476	503
Other	2,638	1,254	3,892
Total	37,353	2,019	39,372

In the case where net selling prices were used as recoverable amounts, relevant assets were evaluated based on real estate appraisal standards, and in the case where values in use were used as recoverable amounts, relevant assets were evaluated by discounting estimated future cash flows to which the 2.9% - 6.0% discount rates were applied.

Consolidated Statement of changes in net assets (from March 1, 2007 to February 29, 2008);

1. Type and number of shares of outstanding and treasury stock

(1) Outstanding stock

(Thousands of shares)

	As of February 28, 2007	Number of shares increased	Number of shares decreased (Note)	As of February 29, 2008
Ordinary Share	967,770	-	11,329	956,441

(Note) 11,329 thousand shares have decreased due to the cancellation of treasury stock.

(2) Treasury stock

(Thousands of shares)

	As of February 28, 2007	Number of shares increased (Note 1)	Number of shares decreased (Note 2)	As of February 29, 2008
Ordinary Share	14,262	23	11,331	2,954

(Notes) (1) 23 thousand shares have increased mainly due to the acquisition of odd-lot shares.

(2) 11,329 thousand shares out of 11,331 thousand shares have decreased by the cancellation of treasury stock.

2. Deposit for subscriptions to shares and deposit for subscriptions to treasury stock

None

3. Matters related to dividends

(1) Dividend payments

Resolution	Type	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 24, 2007 Ordinary general meeting of shareholders	Ordinary Share	26,128 million yen	27.00 yen	Feb. 28, 2007	May 25, 2007
October 11, 2007 Board of directors' meeting	Ordinary Share	25,160 million yen	26.00 yen	Aug. 31, 2007	Nov. 15, 2007

(2) Dividends whose record date is within the fiscal year ended February 29, 2008 but to be effective after the fiscal year-end

Resolution	Type	Funds for dividends	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 22, 2008 Ordinary general meeting of shareholders	Ordinary Share	Retained earnings	26,778 million yen	28.00 yen	Feb. 29, 2008	May 23, 2008

Consolidated Statement of changes in net assets (from March 1, 2008 to February 28, 2009);

1. Type and number of shares of outstanding and treasury stock

(1) Outstanding stock

(Thousands of shares)

	As of February 29, 2008	Number of shares increased	Number of shares decreased (Note)	As of February 28, 2009
Ordinary Share	956,441	-	50,000	906,441

(Note) 50,000 thousand shares have decreased due to the cancellation of treasury stock.

(2) Treasury stock

(Thousands of shares)

	As of February 29, 2008	Number of shares increased (Note1)	Number of shares decreased (Note2)	As of February 28, 2009
Ordinary Share	2,954	50,039	50,011	2,982

(Notes) (1) 50,000 thousand shares out of 50,039 thousand shares have increased by the acquisition of treasury stock based on the approval of the Company's Board of Directors.

(2) 50,000 thousand shares out of 50,011 thousand shares have decreased by the cancellation of treasury stock.

2. Deposit for subscriptions to shares and deposit for subscriptions to treasury stock

Entity		The Company	Consolidated subsidiaries	
	Description of subscriptions	Subscriptions to shares as stock-linked compensation stock option	Subscriptions to shares as stock-linked compensation stock option	Total
	Type of shares to be issued upon excise of the rights	-	-	-
Number of shares to be issued upon the exercise of the rights (shares)	Number of shares at the end of February 29, 2008	-	-	-
	Number of shares increased	-	-	-
	Number of shares decreased	-	-	-
	Number of shares at the end of February 28, 2009	-	-	-
	Balance at the end of February 28, 2009 (millions of yen)	342	48	391

3. Matters related to dividends

(1) Dividend payments

Resolution	Type	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 22, 2008 Ordinary general meeting of shareholders	Ordinary Share	26,778 million yen	28.00 yen	Feb. 29, 2008	May 23, 2008
October 9, 2008 Board of directors' meeting	Ordinary Share	24,394 million yen	27.00 yen	Aug. 31, 2008	Nov. 14, 2008

(2) Dividends whose record date is within the fiscal year ended February 28, 2009, but to be effective after the fiscal year-end

Resolution	Type	Funds for dividends	Total amount of cash dividends	Dividend per share	Record date	Effective date
May 28, 2009 Ordinary general meeting of shareholders	Ordinary Share	Retained earnings	26,200 million yen	29.00 yen	Feb. 28, 2009	May 29, 2009

Consolidated Statements of Cash Flows

(For the fiscal year ended February 29, 2008)

1. Reconciliation of cash and cash equivalents of consolidated statements of cash flows and account balances of consolidated balance sheets

(Millions of yen)

	As of February 29, 2008
Cash and bank deposits	649,167
Negotiable certificates of deposits included in marketable securities	94,500
Time deposits and negotiable certificates of deposits with an original maturity of more than three months	(75,896)
Cash and cash equivalents	667,770

2. Summary of net assets (assets and liabilities) and acquisition costs of companies which became consolidated subsidiaries due to the acquisition of shares for current fiscal year

THE LOFT CO., LTD. (THE LOFT)

(Millions of yen)

	As of acquisition date
Current assets	10,096
Non-current assets	5,519
Goodwill	8,263
Current liabilities	(9,972)
Non-current liabilities	(752)
Minority interests	(1,431)
Sub-total	11,722
Carrying value of investment in THE LOFT under equity method at the time that the Company acquired majority of voting rights	(1,747)
Acquisition cost	9,975
Cash and cash equivalents of THE LOFT	(3,260)
Payment for acquisition of investments in THE LOFT	6,714

Akachan Honpo Co., Ltd. (Akachan Honpo)

(Millions of yen)

	As of acquisition date
Current assets	14,723
Non-current assets	23,783
Goodwill	(1,295)
Current liabilities	(25,406)
Non-current liabilities	(9,403)
Minority interests	(1,167)
Acquisition cost	1,235
Cash and cash equivalents of Akachan Honpo	(3,563)
Proceeds from acquisition of investments in Akachan Honpo	(2,328)

3. Major non-cash transactions

(Millions of yen)

	Fiscal year ended February 29, 2008
Finance lease obligations for property and equipment recorded in consolidated balance sheet for the current fiscal year	633

(For the fiscal year ended February 28, 2009)

1. Reconciliation of cash and cash equivalents of consolidated statements of cash flows and account balances of consolidated balance sheets

(Millions of yen)

	As of February 28, 2009
Cash and bank deposits	650,949
Negotiable certificates of deposits included in marketable securities	94,600
Time deposits and negotiable certificates of deposits with an original maturity of more than three months	(82,065)
Cash and cash equivalents	663,483

2. Summary of net assets (assets and liabilities) and acquisition costs of companies which became consolidated subsidiaries due to the acquisition of shares for current fiscal year

None

3. Major non-cash transactions

(Millions of yen)

	Fiscal year ended February 28, 2009
Finance lease obligations for property and equipment recorded in consolidated balance sheet for the current fiscal year	2,071

SEGMENT INFORMATION

1. Business Segments

Fiscal Year ended February 29, 2008 (From March 1, 2007 to February 29, 2008)

(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									
Revenues									
1. Customers	2,393,220	2,098,013	1,025,349	113,113	93,902	28,792	5,752,392	-	5,752,392
2. Intersegment	2,481	11,036	5	867	24,052	7,860	46,302	(46,302)	-
Total revenues	2,395,701	2,109,049	1,025,354	113,980	117,955	36,653	5,798,695	(46,302)	5,752,392
Operating expenses	2,194,669	2,074,990	999,590	118,211	96,883	34,164	5,518,510	(47,205)	5,471,304
Operating income (losses)	201,032	34,058	25,764	(4,231)	21,071	2,488	280,185	902	281,088
Assets, depreciation, impairment loss and capital expenditures									
Assets	1,295,164	1,129,181	781,267	69,204	916,729	16,580	4,208,128	(321,448)	3,886,680
Depreciation	74,065	26,452	20,154	2,903	19,773	271	143,620	21	143,642
Impairment loss	9,621	3,943	4,191	2,274	-	-	20,030	-	20,030
Capital expenditures	91,173	47,299	16,669	1,395	31,532	483	188,553	23	188,577

Fiscal Year ended February 28, 2009 (From March 1, 2008 to February 28, 2009)

(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									
Revenues									
1. Customers	2,306,711	2,121,860	993,816	101,529	98,608	27,423	5,649,948	-	5,649,948
2. Intersegment	1,979	3,169	60	1,181	26,257	7,656	40,305	(40,305)	-
Total revenues	2,308,690	2,125,029	993,877	102,711	124,866	35,079	5,690,254	(40,305)	5,649,948
Operating expenses	2,095,323	2,100,286	975,542	105,659	99,381	33,010	5,409,203	(41,120)	5,368,082
Operating income (losses)	213,367	24,742	18,335	(2,948)	25,485	2,069	281,051	814	281,865
Assets, depreciation, impairment loss and capital expenditures									
Assets	1,267,179	1,160,128	704,695	58,206	1,055,492	21,543	4,267,245	(540,184)	3,727,060
Depreciation	67,299	26,115	20,004	2,210	24,532	346	140,508	20	140,529
Impairment loss	7,851	15,665	10,848	3,993	1,014	-	39,372	-	39,372
Capital expenditures	85,464	40,460	11,754	1,046	23,801	843	163,371	9	163,381

Notes:

- The classification of business segments is made by the type of products and services and the type of sales.
- 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, specialty shop and others
 - Department store operations ----- Sogo Co., Ltd., THE SEIBU DEPARTMENT STORES, LTD. and other companies included in the department stores 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 ----- IT business and other services
- Unallocable operating expenses included in "Eliminations / Corporate" represent the Company's general and administrative expenses, and totaled 6,791 million yen for the fiscal year ended February 29, 2008 and 7,061 million yen for the fiscal year ended February 28, 2009.
- Corporate assets included in "Eliminations / Corporate" mainly represent Company's cash and bank deposits, and totaled 27,650 million yen for the fiscal year ended February 29, 2008 and 29,202 million yen for the fiscal year ended February 28, 2009.

2. Geographic area segments

Fiscal Year ended February 29, 2008 (From March 1, 2007 to February 29, 2008) (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues and operating income						
Revenues						
1. Customers	3,821,898	1,864,450	66,043	5,752,392	-	5,752,392
2. Intersegment	311	2,616	-	2,928	(2,928)	-
Total revenues	3,822,210	1,867,067	66,043	5,755,321	(2,928)	5,752,392
Operating expenses	3,574,937	1,835,484	63,815	5,474,237	(2,932)	5,471,304
Operating income	247,272	31,582	2,228	281,084	3	281,088
Assets	3,265,018	616,626	27,242	3,908,888	(22,207)	3,886,680

Fiscal Year ended February 28, 2009 (From March 1, 2008 to February 28, 2009) (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues and operating income						
Revenues						
1. Customers	3,806,371	1,763,175	80,401	5,649,948	-	5,649,948
2. Intersegment	346	2,993	-	3,339	(3,339)	-
Total revenues	3,806,717	1,766,169	80,401	5,653,288	(3,339)	5,649,948
Operating expenses	3,561,469	1,731,728	78,072	5,371,270	(3,187)	5,368,082
Operating income	245,248	34,441	2,328	282,017	(151)	281,865
Assets	3,220,265	487,289	29,326	3,736,880	(9,820)	3,727,060

Notes:

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

3. Overseas sales

Fiscal Year ended February 29, 2008 (From March 1, 2007 to February 29, 2008) (Millions of yen)

	North America	Others	Total
Overseas sales	1,864,450	66,043	1,930,494
Consolidated sales	-	-	5,752,392
Percentage of overseas sales to consolidated sales (%)	32.4	1.2	33.6

Fiscal Year ended February 28, 2009 (From March 1, 2008 to February 28, 2009) (Millions of yen)

	North America	Others	Total
Overseas sales	1,763,175	80,401	1,843,576
Consolidated sales	-	-	5,649,948
Percentage of overseas sales to consolidated sales (%)	31.2	1.4	32.6

Notes:

1. The classification of overseas sales area segments is made according to the 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.

Leases

1. Information for finance lease contracts other than those for which the ownership of the leased assets is to be transferred to lessee.

(1) As lessee

(a) Assumed amounts of acquisition cost, accumulated depreciation, impairment loss and net book value, including the interest portion, are summarized as follows:

Furniture, fixtures and equipment

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Acquisition cost	95,022	98,587
Accumulated depreciation	32,224	39,056
Accumulated impairment loss	102	329
Net book value	62,695	59,201

Software

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Acquisition cost	1,774	981
Accumulated depreciation	629	319
Net book value	1,145	661

(b) The future lease payments of finance leases, including the interest portion, are summarized as follows:

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Due within one year	17,801	18,675
Due over one year	46,142	41,518
Total	63,944	60,193
Balance of impairment loss account on leased assets included in the outstanding future lease payments	102	329

(c) Lease payments, reversal of allowance for impairment loss on lease assets, assumed amounts of depreciation expense and impairment loss are as follows:

(Millions of yen)

	Fiscal year ended February 29, 2008	Fiscal year ended February 28, 2009
Lease payments	17,849	17,854
Reversal of allowance for impairment loss on leased assets	90	123
Depreciation expense	17,939	17,978
Impairment loss	3	210

(d) Assumed amounts of depreciation expense are computed using the straight-line method over the lease term assuming no residual value.

(2) As lessor

(a) Acquisition cost, accumulated depreciation and net book value are summarized as follows:

Furniture, fixtures and equipment

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Acquisition cost	25,800	27,008
Accumulated depreciation	12,306	14,089
Net book value	13,494	12,918

(b) The future lease income of finance leases are summarized as follows:

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Due within one year	4,422	4,497
Due over one year	9,455	8,825
Total	13,877	13,323

(c) Lease income, depreciation expense and assumed amounts of interest income are as follows:

(Millions of yen)

	Fiscal year ended February 29, 2008	Fiscal year ended February 28, 2009
Lease income	4,605	4,938
Depreciation expense	4,243	4,546
Interest income	430	451

(d) Allocation of interest income to each period is computed using the interest method.

2. Operating leases

As lessee

The amounts of outstanding future lease payments under lease agreement other than finance leases, including the interest portion, are summarized as follows:

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Due within one year	66,483	59,651
Due over one year	422,874	379,812
Total	489,357	439,464

Related Parties Transactions

None

Deferred Income Taxes

1. The tax effects of temporary differences that give rise to the significant components of deferred tax assets and liabilities are as follows

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Deferred tax assets:		
Inventory reserve	2,615	2,170
Allowance for bonuses to employees	6,529	6,383
Allowance for sales promotion expenses	8,160	4,298
Accrued payroll	3,720	3,031
Allowance for retirement benefits to directors and corporate auditors	1,761	1,665
Allowance for accrued pension and severance costs	330	372
Allowance for loss on future collection of gift certificates	2,796	2,626
Depreciation and amortization	9,112	12,188
Tax loss carried forward	34,939	41,802
Valuation loss on available-for-sale securities	5,707	4,387
Allowance for doubtful accounts	3,167	4,225
Unrealized loss on property and equipment	12,174	12,654
Valuation loss on land and impairment loss on property and equipment	36,058	42,931
Accrued enterprise taxes and business office taxes	4,913	5,373
Accrued expenses	10,145	10,125
Other	10,251	12,719
Sub-total	152,384	166,957
Less: valuation allowance	(83,001)	(99,475)
Total	69,382	67,481
Deferred tax liabilities:		
Unrealized gains on property and equipment	(37,284)	(37,287)
Unrealized gains on royalties	(16,390)	(12,290)
Deferred gains on sales of property and equipment	(1,178)	(1,144)
Unrealized gains on available-for-sale securities	(5,515)	(878)
Prepaid pension cost	(4,983)	(6,577)
Other	(2,628)	(1,775)
Total	(67,980)	(59,953)
Net deferred tax assets	1,401	7,528

Net deferred tax assets are included in the following items of Consolidated Balance Sheets.

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Current assets - Deferred income taxes	35,730	28,656
Non-current assets - Deferred income taxes	28,114	22,966
Current liabilities - Other	(425)	-
Non-current liabilities - Deferred income taxes	(62,017)	(44,094)

2. Reconciliation between the statutory tax rate and the effective tax rate

(%)

	As of February 29, 2008	As of February 28, 2009
Statutory tax rate	40.7	40.7
Adjustments:		
Equity in earnings of affiliates	(0.2)	0.1
Non-deductible items such as entertainment expenses	0.3	0.2
Decrease in valuation allowance	(2.6)	7.9
Inhabitants taxes per capita	0.6	0.7
Amortization of goodwill	1.9	2.3
Gain on increase of the Company's interest in consolidated subsidiaries	(0.9)	-
Other	(1.0)	1.0
Effective tax rate	38.8	52.9

Securities Information

(As of February 29, 2008)

1. Held-to-maturity debt securities (fair value is available)

(Millions of yen)

	As of February 29, 2008		
	Book value	Fair value	Difference
Debt securities with fair value exceeding book value	605	606	1
Debt securities with fair value not exceeding book value	9	9	(0)
Total	614	616	1

2. Available-for-sale securities (fair value is available)

(Millions of yen)

	Description	As of February 29, 2008		
		Acquisition cost	Book value	Net unrealized gains (losses)
Securities with book value exceeding acquisition cost	Equity securities	9,340	17,782	8,441
	Debt securities	5,521	5,522	0
	Sub total	14,862	23,304	8,442
Securities with book value not exceeding acquisition cost	Equity securities	19,126	17,306	(1,820)
	Debt securities	92,019	91,996	(22)
	Sub total	111,145	109,302	(1,843)
Total		126,008	132,607	6,598

3. Available-for-sale securities sold during the fiscal year ended February 29, 2008

(Millions of yen)

	As of February 29, 2008
Sales amounts	23,785
Gain on sales of available-for-sale securities	99
Loss on sales of available-for-sale securities	(17,891)

4. Major securities which are not subject to revaluation

(Millions of yen)

	As of February 29, 2008	
	Book value	
Held-to-maturity debt		
-Bonds	203	
Available-for-sale securities		
-Unlisted securities	16,925	
-Unlisted foreign securities	3,041	
-Debt securities	24	
- Negotiable certificates of deposits	94,500	
Total	114,492	

5. Redemption schedule of available-for-sale securities with fixed maturities and held-to-maturity debt securities

(Millions of yen)

	As of February 29, 2008			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Government and municipal bonds	97,518	614	-	-
Corporate bonds	3	199	-	-
Debt securities	24	-	-	-
Negotiable certificates of deposits	94,500	-	-	-
Total	192,046	814	-	-

(As of February 28, 2009)

1. Held-to-maturity debt securities (fair value is available)

(Millions of yen)

	As of February 28, 2009		
	Book value	Fair value	Difference
Debt securities with fair value exceeding book value	614	617	3
Debt securities with fair value not exceeding book value	-	-	-
Total	614	617	3

2. Available-for-sale securities (fair value is available)

(Millions of yen)

	Description	As of February 28, 2009		
		Acquisition cost	Book value	Net unrealized gains (losses)
Securities with book value exceeding acquisition cost	Equity securities	9,910	11,725	1,814
	Debt securities	80,542	80,621	79
	Sub total	90,452	92,346	1,893
Securities with book value not exceeding acquisition cost	Equity securities	8,885	7,369	(1,515)
	Debt securities	10,993	10,993	(0)
	Sub total	19,878	18,362	(1,515)
Total		110,331	110,709	377

3. Available-for-sale securities sold during the fiscal year ended February 28, 2009

(Millions of yen)

	As of February 28, 2009
Sales amounts	39
Gain on sales of available-for-sale securities	18
Loss on sales of available-for-sale securities	(6)

4. Major securities which are not subject to revaluation

(Millions of yen)

	As of February 28, 2009
	Book value
Held-to-maturity debt	
-Bonds	202
Available-for-sale securities	
-Unlisted securities	18,809
-Unlisted foreign securities	3,021
-Debt securities	24
- Negotiable certificates of deposits	94,600
Total	116,455

5. Redemption schedule of available-for-sale securities with fixed maturities and held-to-maturity debt securities

(Millions of yen)

	As of February 28, 2009			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Government and municipal bonds	86,542	5,687	-	-
Corporate bonds	202	-	-	-
Debt securities	24	-	-	-
Negotiable certificates of deposits	94,600	-	-	-
Total	181,370	5,687	-	-

Derivative Transactions

Notional amounts, fair value and unrealized gain (loss) of derivative instruments

1. Currency-related transactions

(Millions of yen)

	As of February 29, 2008				As of February 28, 2009			
	Contract amount		Estimated amounts	Unrealized gains (losses)	Contract amount		Estimated amounts	Unrealized gains (losses)
	Total	Over one year			Total	Over one year		
Forward exchange contracts:								
Buy U.S. Dollar	4,774	-	4,497	(277)	5,377	-	5,677	299
Buy Euro	181	-	179	(2)	88	-	85	(3)
Foreign currency swap:								
Buy U.S. Dollar	24,502	12,684	2,413	2,413	12,684	866	1,907	1,907
Total	29,459	12,684	7,090	2,133	18,150	866	7,669	2,203

(Note) Fair values of forward exchange contracts and foreign currency swap are based on values prepared by financial institutions.

2. Interest-related transactions

(Millions of yen)

	As of February 29, 2008				As of February 28, 2009			
	Contract amount		Estimated amounts	Unrealized gains (losses)	Contract amount		Estimated amounts	Unrealized gains (losses)
	Total	Over one year			Total	Over one year		
Interest rate swap:								
Receive float / Pay fix	36,000	-	76	76	-	-	-	-
Receive fix / Pay float	10,000	10,000	(35)	(35)	10,000	10,000	(2)	(2)
Total	46,000	10,000	41	41	10,000	10,000	(2)	(2)

(Note) (1) Fair value of interest rate swap is based on values prepared by financial institutions.

(2) Derivative transaction to which hedge accounting has been applied are excluded from this disclosure.

Accounting for Retirement Benefits

1. Summary of the retirement benefit plans

The Company and its domestic consolidated subsidiaries have a corporate pension fund plan, which are the defined benefit pension plan and certain domestic subsidiaries have the defined contribution pension plan and the lump-sum severance payment plan. A premium on employees' retirement benefit may be added upon retirement of employee.

Consolidated subsidiaries in the United States have a defined contribution pension plan in addition to a defined benefit plan.

2. Projected retirement benefit obligations

(Millions of yen)

	Fiscal year ended February 29, 2008	Fiscal year ended February 28, 2009
Projected benefit obligations (Note)	(177,921)	(189,047)
Fair value of plan assets (including employee retirement benefit trust)	178,555	135,931
Funded status	633	(53,116)
Unrecognized actuarial differences	9,212	66,775
Unrecognized prior service costs	(1,466)	(684)
Prepaid pension cost, net of allowance for accrued pension and severance costs	8,379	12,975
Prepaid pension cost	12,727	16,486
Allowance for accrued pension and severance costs	(4,347)	(3,510)

(Note)

Fiscal year ended February 29, 2008	Fiscal year ended February 28, 2009
For some of the consolidated subsidiaries, the simplified method is employed in computing retirement benefit obligations.	For some of the consolidated subsidiaries, the simplified method is employed in computing retirement benefit obligations.

3. Net periodic benefit cost

(Millions of yen)

	Fiscal year ended February 29, 2008	Fiscal year ended February 28, 2009
Service cost (Notes 1)	10,869	11,286
Interest cost	4,407	4,507
Expected return on plan assets	(6,682)	(6,213)
Amortization of actuarial differences	(1,009)	1,270
Amortization of prior service costs	(751)	(750)
Premium on employees' retirement benefit	672	3,131
Net periodic benefit cost	7,505	13,232

(Notes)

Fiscal year ended February 29, 2008	Fiscal year ended February 28, 2009
1. Net periodic benefit cost of subsidiaries using the simplified method is included.	1. Net periodic benefit cost of subsidiaries using the simplified method is included.
2. Besides the above net periodic benefit cost, benefit cost related to the defined contribution plan employed by consolidated subsidiaries in the United States, amounting to 1,414 million yen, is included.	2. Besides the above net periodic benefit cost, benefit cost related to the defined contribution plan employed by consolidated subsidiaries in the United States, amounting to 1,117 million yen, is included.

4. Assumptions used in accounting for retirement benefit obligations

	Fiscal year ended February 29, 2008	Fiscal year ended February 28, 2009
Allocation method of estimated total retirement benefits	Point basis	Point basis
Discount rate	Mainly 2.5% A consolidated subsidiary in the United States 6.25%	Mainly 2.0% A consolidated subsidiary in the United States 6.5%
Expected rate of return on plan assets	Mainly 3.5%	Mainly 3.5%
Periods over which the prior service costs are amortized	5 years or 10 years	5 years or 10 years
Periods over which the actuarial differences are amortized	Unrecognized actuarial differences are amortized on a straight-line basis over the period of 10 years from the next year in which they arise which is shorter than the average remaining years of service of eligible employees. Consolidated subsidiaries in the United States adopt the corridor approach for the amortization of actuarial differences.	Unrecognized actuarial differences are amortized on a straight-line basis over the period of 10 years from the next year in which they arise which is shorter than the average remaining years of service of eligible employees. Consolidated subsidiaries in the United States adopt the corridor approach for the amortization of actuarial differences.

Stock Option

(From March 1, 2007 to February 29, 2008)

None

(From March 1, 2008 to February 28, 2009)

1. Expenses related to stock option of 391 million yen was included in Selling, general and administrative expenses.

2. Details about stock option which was granted for the year ended February 28, 2009.

The Company

(1) Outline of stock options

	First grant	Second grant
Grantees of the rights and number of grantees	Four directors of the Company	92-member of executive officers of the Company and, directors and executive officers of subsidiaries of the Company
Type and number of shares (Note)	15,900 ordinary shares	95,800 ordinary shares
Grant date	August 6, 2008	August 6, 2008
Exercise condition	Within 10 days from the day following the day that a subscription holder loses its position as a director or executive officer of the Company and subsidiaries	Within 10 days from the day following the day that a subscription holder loses its position as a director or executive officer of the Company and subsidiaries
Intended service period	-	-
Exercise period	From May 1, 2009 to August 6, 2028	From August 7, 2009 to August 6, 2038

(Note) Number of shares means total shares to be issued upon exercise of subscriptions to shares.

(2) Scale and changes in stock options.

The following describes scale and changes in stock options that existed during the year ended February 28, 2009. The number of stock options is translated into the number of shares.

(a) Number of stock options

	First grant	Second grant
Before vested		
As of February 29, 2008	-	-
Granted	15,900	95,800
Forfeited	-	1,300
Vested	-	-
Outstanding	15,900	94,500
After vested		
As of February 29, 2008	-	-
Vested	-	-
Exercised	-	-
Forfeited	-	-
Outstanding	-	-

(b) Price information

	First grant	Second grant
Exercise price (yen)	1 yen per share	1 yen per share
Average exercise price (yen)	-	-
Fair value at the grant date (yen) (Note)	307,000 yen per subscription to share	311,300 yen per subscription to share

(Note) The number of shares to be issued upon exercise of one subscription to shares shall be 100 ordinary shares of the Company.

Seven Bank, Ltd.

(1) Outline of stock options

	First grant-1	First grant-2
Grantees of the rights and number of grantees	Five directors of Seven Bank, Ltd.	Three executive officers of Seven Bank, Ltd.
Type and number of shares (Note)	184 ordinary shares	21 ordinary shares
Grant date	August 12, 2008	August 12, 2008
Exercise condition	Within 10 days from the day following the day that a subscription holder loses its position as a director of Seven Bank, Ltd.	Within 10 days from the day following the day that a subscription holder loses its position as a director or executive officer of Seven Bank, Ltd.
Intended service period	-	-
Exercise period	From August 13, 2008 to August 12, 2038	From August 13, 2008 to August 12, 2038

(Note) Number of shares means total shares to be issued upon exercise of subscriptions to shares

(2) Scale and changes in stock options

The following describes scale and changes in stock options that existed during the year ended February 28, 2009. The number of stock options is translated into the number of shares.

(a) Number of stock options

	First grant-1	First grant-2
Before vested		
As of February 29, 2008	-	-
Granted	184	21
Forfeited	-	-
Vested	184	21
Outstanding	-	-
After vested		
As of February 29, 2008	-	-
Vested	184	21
Exercised	-	-
Forfeited	-	-
Outstanding	184	21

(b) Price information

	First grant-1	First grant-2
Exercise price (yen)	1 yen per share	1 yen per share
Average exercise price (yen)	-	-
Fair value at the grant date (yen) (Note)	236,480 yen per subscription to share	236,480 yen per subscription to share

(Note) The number of shares to be issued upon exercise of one subscription to shares shall be 1 ordinary share of Seven Bank, Ltd.

3. Method for estimating per share fair value of stock options.

The Company

Valuation technique used for valuating fair value of First grant of subscriptions to shares and Second grant of subscriptions to shares during the year ended February 28, 2009 were as follows.

(a) Valuation method used

Black - Scholes option-pricing model

(b) Principal parameters and estimation method

	First grant	Second grant
Expected volatility (Note 1)	28.00%	28.00%
Average expected life (Note 2)	7 years and 1 month	6 years and 2 months
Expected dividends (Note 3)	54 yen per share	54 yen per share
Risk-free interest rate (Note 4)	1.198%	1.110%

(Notes)

1. Calculated based on the actual stock prices during the two years and eleven months from September 1, 2005 to August 6, 2008.
2. The average expected life of the option was estimated assuming that the options were exercised at the weighted average period from valuation dates to each director's expected retirement date, based upon the numbers of stock options allocated to each director, plus ten days of exercisable period.
3. Expected dividends are determined based on the actual dividends on common stock for the fiscal year ended February 29, 2008.
4. Japanese government bond yield corresponding to the average expected life.

Seven Bank, Ltd.

Valuation technique used for valuating fair value of First grant-1 of subscriptions to shares and First grant-2 of subscriptions to shares during the year ended February 28, 2009 were as follows.

(a) Valuation method used

Black- Scholes option-pricing model

(b) Principal parameters and estimation method

	First grant-1	First grant-2
Expected volatility (Note 1)	27.95%	27.95%
Average expected life (Note 2)	5 years and 6 months	5 years and 6 months
Expected dividends (Note 3)	4,200 yen per share	4,200 yen per share
Risk-free interest rate (Note 4)	1.076%	1.076%

(Notes)

1. Although shares of Seven Bank have been listed at Jasdaq Securities Exchange since February 29, 2008, there is not enough share price data to make a reasonable estimation of expected volatility of the share price. Therefore, the expected volatility was calculated based upon share price data of similar companies during the five years and six months from February 1, 2003 to August 12, 2008.
 2. The average expected life of the option was estimated assuming that the options were exercised at the average period from June 2008 to director's expected retirement date, based upon the numbers of stock options allocated to each director, plus ten days of exercisable period.
 3. Expected dividends are determined based on the actual dividends on common stock for the fiscal year ended February 29, 2008.
 4. Japanese government bond yield corresponding to the average expected life.
4. Estimation of the number of stock options vested
- Because it is difficult to reasonably estimate the number of options that will expire in the future, the number of options that have actually forfeited is reflected.

Business Combination

None

Special Purpose Corporation

(From March 1, 2008 to February 28, 2009)

1. Summaries of Special Purpose Corporation (“SPC”) and transactions with the SPC

The SEIBU DEPARTMENT STORES, LTD. (“SEIBU”), a consolidated subsidiary of the Company, established a real estate trust comprising of the land, land leasehold right and part of the buildings of a store and sold the beneficiary right of the trust to Asset Ikesei Corp., a SPC. Concurrently, SEIBU has entered into silent partnership arrangement with the SPC with a certain investment. Also, SEIBU leased back such store properties from the SPC who has the beneficiary right of the trust. Under these arrangements, the above noted investment is subordinated to all liabilities to other members of the silent partnership and third parties other than members of the silent partnership.

Total assets and liabilities of Asset Ikesei Corp. as of July 31, 2008 (the latest Year-end) were 125,502 million yen and 125,482 million yen, respectively.

In addition, the SEIBU neither owned voting rights relating to the investment nor dispatched any officer or employee.

2. A summary of transaction amounts with the SPC, etc., for the year ended February 28, 2009 is as follows:

(Millions of yen)

	Amount and balance of major transactions for the year ended February 28, 2009	Major items related to income or expenses	
		Description	Amount
Accounts receivable	4,375	Distribution of profit from the silent partnership	5,366
Amount of investment	5,850		
Rental transaction	-	Rental expenses for Ikebukuro flagship store (Note)	10,800

Note: SEIBU has entered into rental agreement with the trustee. Rental expenses means the amount which was paid to the trustee based on the rental agreement.

PER SHARE INFORMATION

(yen)

	Fiscal year ended February 29, 2008	Fiscal year ended February 28, 2009
Net assets per share	2,081.85	1,975.95
Net income per share	137.03	100.54
Diluted net income per share	-	100.54

Basis for calculation of net income per share and diluted net income per share is as follows.

(Millions of yen, except number of common stock)

	Fiscal year ended February 29, 2008	Fiscal year ended February 28, 2009
Net income	130,657	92,336
Amount not attributable to common stock	-	-
Net income attributable to common stock	130,657	92,336
Average number of common stock outstanding during the period (thousand of shares)	953,496	918,389
Net income after adjustment which is used for calculating diluted net income per share		
Minority interest	-	0
Net income after adjustment	-	0
Number of ordinary shares used for calculating the diluted net income per shares increase		
Subscriptions to shares (thousand of shares)	-	63
Number of ordinary shares increased (thousand of shares)	-	63

Basis for calculation of net assets per share is as follows.

(Millions of yen, except number of common stock)

	As of February 29, 2008	As of February 28, 2009
Total net assets	2,058,038	1,860,672
Amounts subtracted from total net assets:	73,020	75,483
Subscriptions to shares	-	391
Minority interest in consolidated subsidiaries	73,020	75,092
Net assets for common stock at the end of period	1,985,018	1,785,189
Number of common stock at the end of period used for calculating the amounts of net assets per share (thousand of shares)	953,487	903,459

Subsequent Event

None

NONCONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
ASSETS					
Current assets	22,006	1.2	21,069	1.2	(937)
Cash and bank deposits	10,443		8,273		
Prepaid expenses	258		262		
Accounts receivable, other	11,015		12,004		
Other	288		528		
Non-current assets	1,746,769	98.8	1,733,012	98.8	(13,756)
Property and equipment	63	0.0	55	0.0	(7)
Buildings and structures	52		48		
Furniture, fixtures and equipment	10		6		
Investments and other assets	1,746,706	98.8	1,732,957	98.8	(13,748)
Investments in securities	3,828		6,713		
Investments in subsidiaries	1,740,330		1,723,658		
Prepaid pension cost	201		259		
Long-term leasehold deposits	2,342		2,317		
Other	2		9		
Deferred assets	140	0.0	70	0.0	(70)
New organization costs	140		70		
TOTAL ASSETS	1,768,915	100.0	1,754,152	100.0	(14,763)

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
LIABILITIES					
Current liabilities	201,627	11.4	271,998	15.5	70,370
Short-term loans from a subsidiary	200,000		270,000		
Accounts payable, other	337		424		
Accrued expenses	312		692		
Income taxes payable	271		123		
Advance received	198		197		
Allowance for bonuses to employees	225		234		
Allowance for bonuses to directors and corporate auditors	73		55		
Other	208		269		
Non-current liabilities	1,944	0.1	101,940	5.8	99,996
Bonds	-		99,963		
Deferred income taxes	82		125		
Deposits received from tenants	1,861		1,851		
TOTAL LIABILITIES	203,571	11.5	373,938	21.3	170,366
NET ASSETS					
Shareholders' equity	1,566,520	88.6	1,379,842	78.7	(186,677)
Common stock	50,000		50,000		
Capital surplus	1,470,622		1,294,883		
Additional paid-in capital	1,175,496		875,496		
Other capital surplus	295,125		419,386		
Retained earnings	46,126		44,281		
Other retained earnings					
Retained earnings brought forward	46,126		44,281		
Treasury stock, at cost	(229)		(9,322)		
Accumulated gains (losses) from valuation and translation adjustments	(1,175)	(0.1)	28	0.0	1,204
Unrealized gains (losses) on available-for-sale securities, net of taxes	(1,175)		28		
Subscriptions to shares	-	-	342	0.0	342
TOTAL NET ASSETS	1,565,344	88.5	1,380,214	78.7	(185,130)
TOTAL LIABILITIES AND NET ASSETS	1,768,915	100.0	1,754,152	100.0	(14,763)

NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Year ended February 29, 2008		Year ended February 28, 2009		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenues from operations	58,734	100.0	62,683	100.0	3,949	106.7
Dividends income	51,654		55,567			
Management consulting fee income	3,984		4,097			
Commission fee income	3,095		3,018			
Selling, general and administrative expenses	6,791	11.6	7,061	11.3	269	104.0
Advertising expenses	202		240			
Salaries and wages	2,868		2,886			
Provision for bonuses to employees	225		234			
Legal welfare expenses	386		398			
Pension expenses	117		168			
Land and building rent	488		518			
Commission paid	1,202		952			
Other	1,301		1,661			
Operating income	51,943	88.4	55,622	88.7	3,679	107.1
Non-operating income	108	0.2	90	0.2	(17)	83.3
Interest income	26		27			
Dividends income	15		21			
Gain from assets held in trust	-		28			
Other	66		13			
Non-operating expenses	1,756	3.0	4,391	7.0	2,634	250.1
Interest expenses	1,674		2,775			
Interest on bonds	-		1,105			
Amortization of new organization costs	70		70			
Amortization of bond issue costs	-		335			
Other	12		103			
Ordinary income	50,294	85.6	51,321	81.9	1,027	102.0
Special gains	1,600	2.8	7	0.0	(1,592)	0.4
Gain on donations received	1,600		-			
Gain on sales of subsidiaries' stock	-		7			
Special losses	3,877	6.6	1,971	3.2	(1,906)	50.8
Loss on extinguishment of tie-in shares due to demerger	3,737		-			
Valuation loss on investments in securities	-		1,971			
Other	140		-			
Income before income taxes	48,016	81.8	49,357	78.7	1,341	102.8
Income taxes - current	74	0.1	7	0.0	(67)	9.5
Income taxes - deferred	42	0.1	23	0.0	(18)	54.8
Net income	47,899	81.6	49,327	78.7	1,427	103.0

STATEMENTS OF CHANGES IN NET ASSETS

Fiscal Year ended February 29, 2008 (from March 1, 2007 to February 29, 2008)

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock, at cost	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at February 28, 2007	50,000	1,175,496	327,756	1,503,253	49,515	49,515	(106)	1,602,661
Increase (decrease) for the year								
Cash dividends					(51,288)	(51,288)		(51,288)
Net income					47,899	47,899		47,899
Purchase of treasury stock							(32,760)	(32,760)
Sales of treasury stock			2	2			5	8
Cancellation of treasury stock			(32,632)	(32,632)			32,632	-
Increase (decrease) of items for the year except those included in shareholders' equity								
Net increase (decrease) for the year	-	-	(32,630)	(32,630)	(3,388)	(3,388)	(122)	(36,141)
Balance at February 29, 2008	50,000	1,175,496	295,125	1,470,622	46,126	46,126	(229)	1,566,520

	Accumulated gains (losses) from valuation and translation adjustments		TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Total accumulated gains (losses) from valuation and translation adjustments	
Balance at February 28, 2007	-	-	1,602,661
Increase (decrease) for the year			
Cash dividends			(51,288)
Net income			47,899
Purchase of treasury stock			(32,760)
Sales of treasury stock			8
Cancellation of treasury stock			-
Increase (decrease) of items for the year except those included in shareholders' equity		(1,175)	(1,175)
Net increase (decrease) for the year		(1,175)	(37,317)
Balance at February 29, 2008		(1,175)	1,565,344

Fiscal Year ended February 28, 2009 (from March 1, 2008 to February 28, 2009)

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock, at cost	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at February 29, 2008	50,000	1,175,496	295,125	1,470,622	46,126	46,126	(229)	1,566,520
Increase (decrease) for the year								
Cash dividends					(51,172)	(51,172)		(51,172)
Net income					49,327	49,327		49,327
Decrease by absorption-type demerger			(18,550)	(18,550)				(18,550)
Reversal of additional paid-in capital		(300,000)	300,000	-				-
Purchase of treasury stock							(166,318)	(166,318)
Sales of treasury stock			(0)	(0)			37	36
Cancellation of treasury stock			(157,188)	(157,188)			157,188	-
Increase (decrease) of items for the year except those included in shareholders' equity								
Net increase (decrease) for the year	-	(300,000)	124,260	(175,739)	(1,845)	(1,845)	(9,093)	(186,677)
Balance at February 28, 2009	50,000	875,496	419,386	1,294,883	44,281	44,281	(9,322)	1,379,842

	Accumulated gains (losses) from valuation and translation adjustments		Subscriptions to shares	TOTAL NET ASSETS
	Unrealized gains (losses) on available-for-sale securities, net of taxes	Total accumulated gains (losses) from valuation and translation adjustments		
Balance at February 29, 2008	(1,175)	(1,175)	-	1,565,344
Increase (decrease) for the year				
Cash dividends				(51,172)
Net income				49,327
Decrease by absorption-type demerger				(18,550)
Reversal of additional paid-in capital				-
Purchase of treasury stock				(166,318)
Sales of treasury stock				36
Cancellation of treasury stock				-
Increase (decrease) of items for the year except those included in shareholders' equity	1,204	1,204	342	1,547
Net increase (decrease) for the year	1,204	1,204	342	(185,130)
Balance at February 28, 2009	28	28	342	1,380,214

Doubts on the premise of going concern

None

Notes to Nonconsolidated Financial Statements

Nonconsolidated Balance Sheets;

1. Notes on outstanding balances with subsidiaries and affiliates

Major balances included in each account on the balance sheet, which are not separately shown.

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Accounts receivable, other	676	711
Current assets other	286	525
Accounts payable, other	130	238
Accrued expenses	169	222
Advance received	196	195
Deposits received from tenants	1,839	1,829

2. Guarantees

(Millions of yen)

	As of February 29, 2008	As of February 28, 2009
Loans of IY Card Service Co., Ltd.	10,000	10,000
Bonds issued by Ito-Yokado Co., Ltd.	70,000	70,000

Nonconsolidated Statements of Income;

Major transactions with subsidiaries and affiliates

(Millions of yen)

	For the year ended February 29, 2008	For the year ended February 28, 2009
Dividends income	51,654	55,567
Management consulting fee income	3,984	4,097
Commission fee income	3,094	3,017
Advertising expenses	27	15
Commission paid	845	542
Interest expense	1,674	2,520

Nonconsolidated Statement of changes in net assets

Type and number of shares of treasury stock (from March 1, 2007 to February 29, 2008)

(Thousands of shares)

	Number of shares at the end of February 28, 2007	Number of shares increased (Note 1)	Number of shares decreased (Note 2)	Number of shares at the end of February 29, 2008
Common stock	58	11,352	11,331	79

Notes) 1. 11,329 thousand shares out of 11,352 thousand shares have increased due to the acquisition of shares owned by Seven-Eleven Japan Co., Ltd.

2. 11,329 thousand shares out of 11,331 thousand shares have decreased by the cancellation of treasury stock.

Type and number of shares of treasury stock (from March 1, 2008 to February 28, 2009)

(Thousands of shares)

	Number of shares at the end of February 29, 2008	Number of shares increased (Note 1)	Number of shares decreased (Note 2)	Number of shares at the end of February 28, 2009
Common stock	79	52,898	50,011	2,966

(Notes) 1. 2,866 thousand shares out of 52,898 thousand shares have increased due to the acquisition of shares owed by SEVEN & i Life Design Institute Co., Ltd., York-Benimaru Co., Ltd. and Life Foods Co., Ltd.

50,000 thousand shares have increased due to the acquisition of treasury stock based on the approval of the Company's Board of director.

2. 50,000 thousand shares out of 50,011 thousand shares have decreased by the cancellation of treasury stock.

[Reference] Seven-Eleven Japan Co., Ltd.

NONCONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
ASSETS					
Current assets	418,229	34.4	503,989	39.1	85,759
Cash and bank deposits	155,373		174,781		
Accounts receivable due from franchised stores	9,821		11,115		
Marketable securities	10,000		199		
Inventories	3,543		3,119		
Prepaid expenses	9,129		8,401		
Deferred income taxes	5,765		5,722		
Short-term loans to subsidiaries and affiliates	-		11,818		
Deposits held by financial service company	215,000		275,000		
Accounts receivable, other	8,977		12,810		
Other	763		1,263		
Allowance for doubtful accounts	(144)		(243)		
Non-current assets	796,460	65.6	784,309	60.9	(12,150)
Property and equipment	243,377	20.0	247,940	19.2	4,563
Buildings	96,558		105,997		
Structures	18,028		19,833		
Furniture, fixtures and equipment	18,916		17,883		
Land	109,106		103,716		
Construction in progress	767		509		
Intangible assets	10,397	0.9	9,965	0.8	(432)
Rights of leasehold	5,246		5,916		
Software	5,107		4,013		
Other	43		35		
Investments and other assets	542,684	44.7	526,402	40.9	(16,282)
Investments in securities	12,180		8,296		
Investments in securities of subsidiaries and affiliates	38,727		37,116		
Investments in convertible bonds of an affiliate	33,307		33,307		
Investments in affiliates	299,806		300,591		
Long-term loans receivable	2,680		2,906		
Long-term loans to subsidiaries and affiliates	27,951		4,042		
Long-term prepaid expenses	15,982		17,892		
Long-term leasehold deposits	107,583		115,918		
Deferred income taxes	8,608		11,583		
Other	444		507		
Allowance for doubtful accounts	(4,588)		(5,760)		
TOTAL ASSETS	1,214,689	100.0	1,288,298	100.0	73,608

Seven-Eleven Japan Co., Ltd.

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
LIABILITIES					
Current liabilities	229,402	18.9	243,312	18.9	13,909
Accounts payable, trade	109,647		106,711		
Accounts payable due to franchised stores	4,164		4,034		
Accounts payable, other	15,246		15,854		
Accrued expenses	4,575		5,301		
Income taxes payable	31,927		34,352		
Consumption taxes withheld	1,869		2,265		
Deposits received	57,111		70,287		
Allowance for bonuses to employees	2,112		2,150		
Allowance for bonuses to directors and corporate auditors	69		61		
Allowance for sales promotion expenses	2,308		1,906		
Other	369		387		
Non-current liabilities	9,477	0.8	9,150	0.7	(326)
Guarantee deposits received from franchised stores	6,058		6,213		
Long-term deferred income	347		273		
Allowance for accrued pension and severance costs	306		-		
Allowance for retirement benefits to directors and corporate auditors	1,116		1,014		
Allowance for loss on guarantee	1,650		1,650		
TOTAL LIABILITIES	238,880	19.7	252,463	19.6	13,582
NET ASSETS					
Shareholder's equity	973,819	80.2	1,036,024	80.4	62,204
Common stock	17,200		17,200		
Capital surplus	24,565		24,565		
Additional paid-in capital	24,563		24,563		
Other capital surplus	1		1		
Retained earnings	932,053		994,258		
Legal reserve	4,300		4,300		
Other retained earnings					
General reserve	823,409		823,409		
Retained earnings brought forward	104,344		166,549		
Accumulated gains (losses) from valuation and translation adjustments	1,989	0.1	(189)	(0.0)	(2,178)
Unrealized gains (losses) on available-for-sale securities, net of taxes	1,989		(189)		
TOTAL NET ASSETS	975,809	80.3	1,035,835	80.4	60,026
TOTAL LIABILITIES AND NET ASSETS	1,214,689	100.0	1,288,298	100.0	73,608

NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Year ended February 29, 2008		Year ended February 28, 2009		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Operating income and expenses						
Revenues from operations	527,667	100.0	540,773	100.0	13,105	102.5
Franchise commission from franchised stores	369,466		394,863			
Net sales reported by franchised stores						
Year ended February 29, 2008: 2,421,352						
Year ended February 28, 2009: 2,621,567						
Total net sales (including net sales of corporate stores)						
Year ended February 29, 2008: 2,574,306						
Year ended February 28, 2009: 2,762,557						
Other operating revenues	5,247		4,919			
Net sales of corporate stores	152,953		140,989		(11,963)	92.2
Cost of sales	111,786	21.2	103,155	19.1	(8,631)	92.3
Gross profit from operations	415,881	78.8	437,618	80.9	21,737	105.2
Selling, general and administrative expenses	247,709	46.9	259,558	48.0	11,848	104.8
Land and building rent	57,535		64,260			
Salaries and wages	35,710		35,554			
Utility expenses	27,937		31,736			
Depreciation and amortization	22,379		24,405			
Advertising expenses	21,718		19,328			
Other	82,427		84,274			
Operating income	168,171	31.9	178,060	32.9	9,888	105.9
Non-operating income	8,697	1.6	11,284	2.1	2,586	129.7
Interest income	3,552		4,963			
Interest on securities	2,191		1,914			
Dividends income	2,346		2,141			
Other	605		2,265			
Non-operating expenses	403	0.1	1,346	0.2	943	333.8
Provision for doubtful accounts	-		1,271			
Provision for loss on guarantee	150		-			
Other	253		75			
Ordinary income	176,465	33.4	187,997	34.8	11,532	106.5
Special gains	908	0.2	341	0.0	(566)	37.6
Gain on sales of property and equipment	415		239			
Reversal of doubtful accounts	492		-			
Gain on sales of parent company's stock	-		102			
Special losses	12,683	2.4	8,211	1.5	(4,472)	64.7
Loss on sales of property and equipment	113		154			
Loss on disposals of property and equipment	2,302		1,202			
Impairment loss	7,904		6,754			
Loss on sales of parent company's stock	1,933		-			
Other	429		100			
Income before income taxes	164,690	31.2	180,127	33.3	15,437	109.4
Income taxes - current	65,590	12.4	74,374	13.8	8,784	113.4
Income taxes - deferred	(2,617)	(0.5)	(1,436)	(0.3)	1,180	-
Net income	101,717	19.3	107,189	19.8	5,472	105.4

[Reference] Ito-Yokado Co., Ltd.

NONCONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
ASSETS					
Current assets	324,493	36.4	351,988	39.1	27,494
Cash and bank deposits	81,670		77,389		
Accounts receivable, trade	20,528		20,851		
Marketable securities	115,000		132,000		
Inventories	73,745		77,826		
Supplies	80		65		
Advance paid	390		532		
Prepaid expenses	7,904		7,940		
Deferred income taxes	9,652		8,652		
Short-term loans to employees	44		39		
Short-term loans receivable	330		319		
Accounts receivable, other	4,312		10,711		
Short-term leasehold deposits	8,785		10,408		
Payments in advance	1,358		4,361		
Other	691		889		
Non-current assets	566,586	63.6	547,188	60.9	(19,398)
Property and equipment	247,647	27.8	231,836	25.8	(15,811)
Buildings	104,508		95,045		
Structures	8,492		7,584		
Vehicles	0		0		
Furniture, fixtures and equipment	7,995		6,553		
Land	93,780		88,506		
Construction in progress	32,870		34,145		
Intangible assets	3,159	0.4	2,694	0.3	(465)
Rights of leasehold	939		931		
Trademark	65		54		
Software	1,911		1,491		
Other	242		216		
Investments and other assets	315,778	35.4	312,657	34.8	(3,121)
Investments in securities	47,715		59,604		
Investments in securities of subsidiaries and affiliates	8,066		7,955		
Investments in capital	10		10		
Investments in affiliates	11,770		12,098		
Long-term loans receivable	10,667		10,321		
Long-term prepaid expenses	9,152		8,545		
Prepaid pension cost	8,711		11,226		
Long-term leasehold deposits	209,123		190,507		
Advances for store construction	10,752		12,625		
Receivable in bankruptcy	3,069		3,180		
Other	1,915		1,777		
Allowance for doubtful accounts	(5,177)		(5,198)		
Deferred assets	168	0.0	112	0.0	(56)
New organization costs	168		112		
TOTAL ASSETS	891,248	100.0	899,289	100.0	8,040

Ito-Yokado Co., Ltd.

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
LIABILITIES					
Current liabilities	126,475	14.2	175,466	19.5	48,990
Accounts payable, trade	70,022		68,766		
Short-term loans	1,790		-		
Current portion of long-term loans	675		675		
Current portion of bonds	-		50,000		
Accounts payable, other	14,834		18,414		
Income taxes payable	801		695		
Consumption taxes withheld	2,720		-		
Accrued expenses	10,676		11,856		
Advance received	496		511		
Deposits received	2,543		3,230		
Allowance for bonuses to employees	5,225		4,734		
Allowance for bonuses to directors and corporate auditors	50		49		
Allowance for sales promotion expenses	3,289		3,127		
Allowance for loss on future collection of gift certificates	2,229		1,746		
Notes payable for acquisition of property and equipment	-		7		
Gift tickets	9,935		10,429		
Other	1,185		1,221		
Non-current liabilities	133,639	15.0	90,130	10.0	(43,508)
Bonds	70,000		20,000		
Long-term loans	7,087		6,412		
Long-term accounts payable	1,120		1,024		
Allowance for retirement benefits to directors and corporate auditors	1,273		1,192		
Deposits received from tenants	49,356		47,594		
Allowance for loss on guarantee	278		2,761		
Deferred income taxes	4,524		11,145		
TOTAL LIABILITIES	260,114	29.2	265,596	29.5	5,482
NET ASSETS					
Shareholder's equity	613,610	68.8	607,411	67.6	(6,198)
Common stock	40,000		40,000		
Capital surplus	165,621		165,621		
Additional paid-in capital	165,621		165,621		
Retained earnings	407,989		401,790		
Legal reserve	11,700		11,700		
Other retained earnings					
Reserve for deferred gains on property and equipment	986		1,081		
Retained earnings brought forward	395,302		389,009		
Accumulated gains (losses) from valuation and translation adjustments	17,523	2.0	26,280	2.9	8,757
Unrealized gains (losses) on available-for-sale securities, net of taxes	17,523		26,280		
TOTAL NET ASSETS	631,133	70.8	633,692	70.5	2,558
TOTAL LIABILITIES AND NET ASSETS	891,248	100.0	899,289	100.0	8,040

NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Year ended February 29, 2008		Year ended February 28, 2009		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
[Revenues from operations]	[1,489,380]		[1,462,719]		[(26,661)]	[98.2]
Net sales	1,464,094	100.0	1,436,541	100.0	(27,552)	98.1
Cost of sales	1,087,298	74.3	1,068,855	74.4	(18,442)	98.3
Gross profit on sales	376,795	25.7	367,685	25.6	(9,109)	97.6
Other operating revenues	25,286	1.8	26,177	1.8	890	103.5
Rental income	19,505		20,137			
Other income	5,781		6,039			
Gross profit from operations	402,082	27.5	393,863	27.4	(8,218)	98.0
Selling, general and administrative expenses	384,955	26.3	384,280	26.7	(674)	99.8
Advertising and decoration expenses	44,229		42,437			
Salaries and wages	131,509		127,370			
Land and building rent	71,642		71,958			
Depreciation and amortization	16,694		15,696			
Other	120,879		126,817			
Operating income	17,126	1.2	9,582	0.7	(7,544)	55.9
Non-operating income	4,063	0.2	5,138	0.3	1,075	126.5
Interest income	1,366		1,167			
Interest on securities	556		1,009			
Dividends income	1,607		1,956			
Other	533		1,005			
Non-operating expenses	1,849	0.1	1,335	0.1	(513)	72.2
Interest expenses	278		237			
Interest on bonds	764		738			
Other	805		360			
Ordinary income	19,341	1.3	13,386	0.9	(5,955)	69.2
Special gains	10,101	0.7	1,076	0.1	(9,024)	10.7
Gain on sales of property and equipment	5,647		1,014			
Gain on sales of investments in securities	3,438		0			
Gain on sales of subsidiary's stock	-		61			
Other	1,015		-			
Special losses	10,566	0.7	12,821	0.9	2,255	121.3
Loss on sales of property and equipment	603		28			
Loss on disposals of property and equipment	789		687			
Impairment loss	3,348		3,371			
Provision for loss on future collection of gift certificates	2,549		-			
Valuation loss on investments in securities of subsidiaries and affiliates	1,770		110			
Provision for loss on guarantee	278		2,483			
Additional retirement benefit for early retirement	-		3,060			
Other	1,226		3,079			
Income before income taxes	18,876	1.3	1,640	0.1	(17,235)	8.7
Income taxes - current	3,451	0.2	1,589	0.1	(1,861)	46.1
Income taxes - deferred	4,336	0.3	972	0.1	(3,363)	22.4
Net income (loss)	11,088	0.8	(922)	(0.1)	(12,010)	-

[Reference] York-Benimaru Co., Ltd.

NONCONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
ASSETS					
Current assets	45,677	31.5	48,777	31.7	3,100
Cash and bank deposits	10,621		9,318		
Accounts receivable, trade	846		884		
Parent company's stock	1,800		-		
Marketable securities	2,500		2,600		
Inventories	7,188		7,558		
Supplies	4		23		
Prepaid expenses	811		803		
Deferred income taxes	961		1,655		
Short-term loans receivable	1,629		2,214		
Deposits held by financial service company	14,500		19,000		
Accounts receivable, other	3,729		3,804		
Payments in advance	72		42		
Other	1,010		871		
Non-current assets	99,553	68.5	105,298	68.3	5,745
Property and equipment	62,607	43.1	65,639	42.6	3,031
Buildings	25,213		25,729		
Structures	4,805		4,701		
Furniture, fixtures and equipment	1,415		1,199		
Land	30,025		32,225		
Construction in progress	1,147		1,783		
Intangible assets	3,165	2.2	2,704	1.7	(461)
Goodwill	2,220		2,009		
Rights of leasehold	90		-		
Software	816		658		
Other	38		36		
Investments and other assets	33,780	23.2	36,955	24.0	3,175
Investments in securities	9,567		14,403		
Investments in securities of subsidiaries	821		170		
Investments in capital	1		1		
Investments in an affiliate	256		207		
Long-term loans receivable	829		193		
Long-term prepaid expenses	2,961		2,689		
Prepaid pension cost	1,260		1,549		
Long-term leasehold deposits	18,272		18,333		
Advances for store construction	415		178		
Allowance for doubtful accounts	(606)		(771)		
TOTAL ASSETS	145,230	100.0	154,076	100.0	8,845

York-Benimaru Co., Ltd.

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
LIABILITIES					
Current liabilities	23,744	16.4	24,931	16.2	1,187
Accounts payable, trade	13,481		13,409		
Accounts payable, other	3,265		3,558		
Income taxes payable	2,475		3,310		
Accrued expenses	2,376		2,495		
Deposits received	429		426		
Deferred income	195		207		
Gift tickets	17		12		
Allowance for bonuses to employees	1,416		1,439		
Allowance for bonuses to directors and corporate auditors	34		28		
Allowance for loss on future collection of gift certificates	52		44		
Non-current liabilities	5,701	3.9	7,490	4.8	1,789
Allowance for retirement benefits to directors and corporate auditors	338		338		
Deferred income taxes	2,884		4,557		
Other	2,477		2,593		
TOTAL LIABILITIES	29,445	20.3	32,422	21.0	2,976
NET ASSETS					
Shareholder's equity	111,720	76.9	115,471	75.0	3,751
Common stock	9,927		9,927		
Capital surplus	12,605		12,605		
Additional paid-in capital	12,605		12,605		
Other capital surplus	0		0		
Retained earnings	89,186		92,938		
Legal reserve	2,186		2,186		
Other retained earnings					
General reserve	69,462		69,450		
Retained earnings brought forward	17,537		21,301		
Accumulated gains (losses) from valuation and translation adjustments	4,065	2.8	6,182	4.0	2,117
Unrealized gains (losses) on available-for-sale securities, net of taxes	4,065		6,182		
TOTAL NET ASSETS	115,785	79.7	121,654	79.0	5,868
TOTAL LIABILITIES AND NET ASSETS	145,230	100.0	154,076	100.0	8,845

NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Year ended February 29, 2008		Year ended February 28, 2009		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
[Revenues from operations]	[330,145]		[348,883]		[18,738]	[105.7]
Net sales	319,931	100.0	338,089	100.0	18,157	105.7
Cost of sales	241,977	75.6	255,777	75.7	13,799	105.7
Gross Profit on sales	77,953	24.4	82,311	24.3	4,357	105.6
Other operating revenues	10,213	3.2	10,794	3.2	580	105.7
Commission fee income	7,567		7,879			
Rental income	2,646		2,915			
Gross profit from operations	88,167	27.6	93,106	27.5	4,938	105.6
Selling, general and administrative expenses	76,940	24.1	81,399	24.0	4,459	105.8
Salaries and wages	30,331		32,416			
Provision for bonuses to employees	1,416		1,439			
Land and building rent	7,603		8,307			
Store maintenance and repair expenses	4,001		3,826			
Depreciation and amortization	4,959		5,090			
Utility expenses	4,823		5,355			
Delivery expenses	5,851		6,078			
Other	17,953		18,884			
Operating income	11,227	3.5	11,706	3.5	479	104.3
Non-operating income	1,341	0.4	1,371	0.4	30	102.3
Interest income	189		279			
Interest on securities	46		14			
Dividends income	1,023		1,040			
Other	81		36			
Non-operating expenses	42	0.0	12	0.0	(30)	29.0
Other	42		12			
Ordinary income	12,525	3.9	13,065	3.9	540	104.3
Special gains	2,865	0.9	1,573	0.4	(1,291)	54.9
Gain on sales of property and equipment	41		11			
Gain on sales of investments in securities	2		1			
Gain on sales of parent company's stock	-		1,508			
Reversal of retirement benefits to directors and corporate auditors	48		-			
Gain on extinguishment of tie-in shares due to demerger	2,773		-			
Receipt of stock option income	-		51			
Special losses	535	0.2	1,365	0.4	829	254.7
Loss on sales of property and equipment	0		-			
Loss on disposals of property and equipment	147		8			
Valuation loss on investments in securities	3		8			
Impairment loss	326		29			
Provision for loss on future collection of gift certificates	57		-			
Valuation loss on investments in securities of subsidiaries and affiliates	-		650			
Valuation loss on investments in affiliates	-		160			
Provision for doubtful accounts	-		165			
Amortization of leasehold	-		208			
Other	-		134			
Income before income taxes	14,854	4.6	13,273	3.9	(1,580)	89.4
Income taxes - current	4,672	1.4	5,679	1.6	1,007	121.6
Income taxes - deferred	1,032	0.3	(420)	(0.1)	(1,453)	-
Net income	9,150	2.9	8,015	2.4	(1,135)	87.6

[Reference] Millennium Retailing, Inc.

NONCONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
ASSETS					
Current assets	10,245	12.0	11,810	13.9	1,564
Cash and deposits	8,411		10,099		
Supplies	0		0		
Prepaid expenses	56		58		
Deferred income taxes	206		364		
Short-term loans to subsidiaries and affiliates	200		40		
Accounts receivable, other	1,369		1,244		
Other	2		3		
Non-current assets	74,807	88.0	73,207	86.1	(1,600)
Property and equipment	298	0.4	296	0.3	(1)
Buildings	254		255		
Furniture, fixtures and equipment	43		41		
Intangible assets	5,370	6.3	3,910	4.6	(1,459)
Software	5,299		3,791		
Other	70		119		
Investments and other assets	69,138	81.3	68,999	81.2	(138)
Investments in securities	1,321		1,164		
Investments in subsidiaries and affiliates	67,327		67,327		
Long-term leasehold deposits	457		457		
Deferred income taxes	1		20		
Other	30		30		
TOTAL ASSETS	85,053	100.0	85,017	100.0	(35)

Millennium Retailing, Inc.

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
LIABILITIES					
Current liabilities	1,537	1.8	1,663	1.9	125
Accounts payable, other	835		644		
Accrued expenses	91		99		
Income taxes payable	62		43		
Consumption taxes withheld	146		77		
Deposits received	14		11		
Allowance for bonuses to employees	379		423		
Reserve for relocation of Head Office	-		349		
Other	7		14		
Non-current liabilities	185	0.2	142	0.2	(43)
Long-term accounts payable, other	31		8		
Allowance for retirement benefits to directors and corporate auditors	154		133		
TOTAL LIABILITIES	1,723	2.0	1,805	2.1	82
NET ASSETS					
Shareholder's equity	83,332	98.0	83,211	97.9	(120)
Common stock	37,733		37,733		
Capital surplus	40,711		40,711		
Additional paid-in capital	38,817		38,817		
Other capital surplus	1,894		1,894		
Retained earnings	4,887		4,766		
Other retained earnings					
Retained earnings brought forward	4,887		4,766		
Accumulated gains (losses) from valuation and translation adjustments	(2)	(0.0)	-	-	2
Unrealized gains (losses) on available-for-sale securities, net of taxes	(2)		-		
TOTAL NET ASSETS	83,329	98.0	83,211	97.9	(117)
TOTAL LIABILITIES AND NET ASSETS	85,053	100.0	85,017	100.0	(35)

NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Year ended February 29, 2008		Year ended February 28, 2009		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenues from operations	14,789	100.0	14,134	100.0	(655)	95.6
Dividends income	4,770	32.2	4,122	29.2		
Management consulting fee income	9,282	62.8	9,317	65.9		
Royalty income	720	4.9	675	4.8		
Other operating revenues	16	0.1	19	0.1		
Gross profit from operations	14,789	100.0	14,134	100.0	(655)	95.6
Selling, general and administrative expenses	9,738	65.8	9,899	70.0	160	101.7
Salaries and wages	5,414		5,457			
Land and building rent	393		543			
Depreciation and amortization	1,841		1,952			
Utility expenses	18		19			
Other	2,070		1,928			
Operating income	5,050	34.2	4,234	30.0	(815)	83.8
Non-operating income	50	0.3	74	0.5	23	146.8
Interest and dividends income	48		55			
Other	2		19			
Non-operating expenses	40	0.3	86	0.6	46	215.7
Other	40		86			
Ordinary income	5,061	34.2	4,222	29.9	(838)	83.4
Special gains	12	0.1	-	-	(12)	-
Gain on sales of property and equipment	12		-			
Special losses	15	0.1	619	4.4	604	-
Unrealized loss on investment in securities	-		257			
Loss on relocation of Head Office	-		349			
Other	15		12			
Income before income taxes	5,058	34.2	3,602	25.5	(1,455)	71.2
Income taxes - current	112	0.8	50	0.4	(62)	44.2
Income taxes - deferred	57	0.4	(178)	(1.3)	(235)	-
Net income	4,887	33.0	3,730	26.4	(1,156)	76.3

[Reference] Sogo Co., Ltd.

NONCONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
ASSETS					
Current assets	60,523	20.9	41,992	16.4	(18,531)
Cash and bank deposits	23,406		6,977		
Notes receivable, trade	401		488		
Accounts receivable, trade	12,542		11,766		
Inventories	10,164		10,365		
Supplies	73		74		
Prepaid expenses	2,743		2,670		
Deferred income taxes	5,377		3,705		
Short-term loans receivable	1		1		
Accounts receivable, other	2,600		2,518		
Current portion of construction contribution	2,720		2,808		
Other	498		620		
Allowance for doubtful accounts	(7)		(5)		
Non-current assets	228,616	79.1	214,243	83.6	(14,372)
Property and equipment	148,048	51.2	137,817	53.8	(10,230)
Buildings	78,186		72,100		
Structures	1,419		1,329		
Machinery and equipment	529		471		
Furniture, fixtures and equipment	4,315		3,531		
Land	60,379		60,379		
Construction in progress	3,217		4		
Intangible assets	19,108	6.6	19,088	7.4	(20)
Rights of leasehold	19,068		19,068		
Other	40		20		
Investments and other assets	61,458	21.3	57,337	22.4	(4,121)
Investments in securities	793		750		
Investments in subsidiaries and affiliates	338		338		
Long-term loans receivable	12		10		
Long-term leasehold deposits	32,440		32,454		
Construction contribution	23,209		20,471		
Long-term accounts receivable, other	1,512		1,260		
Receivable in bankruptcy	2,027		1,746		
Other	1,726		1,257		
Allowance for doubtful accounts	(601)		(952)		
TOTAL ASSETS	289,139	100.0	256,235	100.0	(32,904)

Sogo Co., Ltd.

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
LIABILITIES					
Current liabilities	144,698	50.0	129,760	50.6	(14,937)
Accounts payable, trade	20,153		18,532		
Short-term loans	90,000		80,000		
Accounts payable, other	7,076		3,416		
Accrued expenses	2,309		2,068		
Income taxes payable	299		1,887		
Consumption taxes withheld	784		312		
Advance received	1,519		1,648		
Gift tickets	10,387		9,964		
Deposits received	3,302		3,869		
Allowance for bonuses to employees	1,899		1,894		
Allowance for sales promotion expenses	4,862		2,511		
Allowance for loss on future collection of gift certificates	1,936		1,814		
Allowance for store closing losses	-		1,668		
Other	166		170		
Non-current liabilities	91,013	31.5	71,206	27.8	(19,807)
Long-term loans	79,607		61,452		
Long-term accounts payable, other	422		251		
Deposits received from tenants	3,116		3,066		
Deferred income taxes	7,778		6,393		
Allowance for retirement benefits to directors and corporate auditors	88		42		
TOTAL LIABILITIES	235,712	81.5	200,966	78.4	(34,745)
NET ASSETS					
Shareholder's equity	53,390	18.5	55,258	21.6	1,868
Common stock	1,000		1,000		
Capital surplus	500		500		
Additional paid-in capital	500		500		
Retained earnings	51,890		53,758		
Other retained earnings					
Retained earnings brought forward	51,890		53,758		
Accumulated gains (losses) from valuation and translation adjustments	36	0.0	9	0.0	(27)
Unrealized gains (losses) on available-for-sale securities, net of taxes	36		9		
TOTAL NET ASSETS	53,427	18.5	55,268	21.6	1,841
TOTAL LIABILITIES AND NET ASSETS	289,139	100.0	256,235	100.0	(32,904)

NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Year ended February 29, 2008		Year ended February 28, 2009		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
[Revenues from operations]	[502,001]		[482,144]		[(19,857)]	[96.0]
Net sales	495,336	100.0	475,575	100.0	(19,761)	96.0
Cost of sales	375,561	75.8	361,940	76.1	(13,620)	96.4
Gross Profit	119,775	24.2	113,635	23.9	(6,140)	94.9
Other operating revenues	6,664	1.3	6,568	1.4	(96)	98.6
Gross profit from operations	126,440	25.5	120,203	25.3	(6,236)	95.1
Selling, general and administrative expenses	110,197	22.2	108,193	22.8	(2,003)	98.2
Advertising and decoration expenses	16,224		15,408			
Salaries and wages	26,901		26,308			
Land and building rent	23,612		23,383			
Depreciation and amortization	8,557		9,148			
Utility expenses	5,790		5,906			
Other	29,109		28,037			
Operating income	16,242	3.3	12,010	2.5	(4,232)	73.9
Non-operating income	1,016	0.2	915	0.2	(100)	90.1
Interest and dividends income	204		156			
Subsidy from renovation construction of sale area	222		326			
Gain on uncollected gift tickets	254		221			
Other	334		210			
Non-operating expenses	2,548	0.5	2,598	0.5	50	102.0
Interest expenses	2,267		2,003			
Provision for allowance for doubtful accounts	128		363			
Other	152		231			
Ordinary income	14,710	3.0	10,326	2.2	(4,383)	70.2
Special gains	511	0.1	8	0.0	(503)	1.7
Gain on sales of property and equipment	48		0			
Reversal of allowance for bad debt	8		8			
Other	454		0			
Special losses	4,053	0.9	4,467	0.9	414	110.2
Loss on disposals of property and equipment	1,602		690			
Impairment loss	-		2,108			
Provision for store closing losses	-		1,668			
Provision for loss on future collection of gift certificates	2,130		-			
Other	320		1			
Income before income taxes	11,169	2.2	5,868	1.3	(5,301)	52.5
Income taxes - current	75	0.0	1,826	0.4	1,751	-
Income taxes - deferred	4,941	1.0	301	0.1	(4,640)	6.1
Net income	6,151	1.2	3,739	0.8	(2,412)	60.8

[Reference] THE SEIBU DEPARTMENT STORES, LTD.

NONCONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
ASSETS					
Current assets	81,560	25.7	65,093	23.0	(16,466)
Cash and bank deposits	39,039		22,746		
Notes receivable, trade	476		910		
Accounts receivable, trade	14,950		15,120		
Inventories	9,267		10,135		
Real estate for sale	3,115		3,355		
Supplies	88		84		
Prepaid expenses	2,815		2,577		
Deferred income taxes	6,065		2,465		
Short-term loans receivable	11		9		
Accounts receivable, other	5,112		7,184		
Current portion of construction contribution	412		324		
Other	236		206		
Allowance for doubtful accounts	(30)		(27)		
Non-current assets	235,712	74.3	218,033	77.0	(17,678)
Property and equipment	165,231	52.1	159,468	56.3	(5,763)
Buildings	57,403		52,720		
Structures	815		784		
Machinery and equipment	250		223		
Furniture, fixtures and equipment	3,000		2,484		
Land	103,251		103,106		
Construction in progress	509		148		
Intangible assets	2,353	0.7	2,312	0.8	(41)
Rights of leasehold	2,178		2,178		
Other	175		133		
Investments and other assets	68,126	21.5	56,252	19.9	(11,874)
Investments in securities	18,705		9,198		
Investments in subsidiaries and affiliates	5,732		5,732		
Investments in partnership	5,850		5,850		
Long-term loans receivable	371		191		
Long-term leasehold deposits	32,730		31,326		
Construction contribution	3,460		3,151		
Receivable in bankruptcy	615		576		
Other	1,321		865		
Allowance for doubtful accounts	(660)		(639)		
TOTAL ASSETS	317,272	100.0	283,126	100.0	(34,145)

THE SEIBU DEPARTMENT STORES, LTD.

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
LIABILITIES					
Current liabilities	182,094	57.4	169,870	60.0	(12,223)
Notes payable, trade	2,409		1,738		
Accounts payable, trade	19,931		18,740		
Short-term loans	125,000		118,000		
Accounts payable, other	5,114		6,422		
Accrued expenses	2,613		2,223		
Income taxes payable	464		78		
Consumption taxes withheld	542		126		
Advance received	1,647		1,498		
Gift tickets	9,121		8,340		
Deposits received	3,097		3,153		
Notes payable for acquisition of property and equipment	3,038		2,704		
Allowance for bonuses to employees	1,747		1,722		
Allowance for sales promotion expenses	4,411		2,411		
Allowance for loss on future collection of gift certificates	2,585		2,342		
Other	368		367		
Non-current liabilities	90,457	28.5	81,852	28.9	(8,604)
Long-term loans	81,000		74,000		
Long-term accounts payable, other	1,233		1,134		
Deposits received from tenants	6,084		5,933		
Deferred income taxes	1,338		111		
Allowance for retirement benefits to directors and corporate auditors	89		27		
Other	710		645		
TOTAL LIABILITIES	272,551	85.9	251,723	88.9	(20,828)
NET ASSETS					
Shareholder's equity	43,447	13.7	31,861	11.3	(11,585)
Common stock	6,000		6,000		
Capital surplus	6,529		6,529		
Additional paid-in capital	6,529		6,529		
Retained earnings	30,918		19,332		
Other retained earnings					
Retained earnings brought forward	30,918		19,332		
Accumulated gains (losses) from valuation and translation adjustments	1,273	0.4	(458)	(0.2)	(1,732)
Unrealized gains (losses) on available-for-sale securities, net of taxes	1,950		162		
Unrealized gains (losses) on hedging derivatives, net of taxes	(676)		(620)		
TOTAL NET ASSETS	44,721	14.1	31,403	11.1	(13,317)
TOTAL LIABILITIES AND NET ASSETS	317,272	100.0	283,126	100.0	(34,145)

THE SEIBU DEPARTMENT STORES, LTD.

NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Year ended February 29, 2008		Year ended February 28, 2009		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
[Revenues from operations]	[468,063]		[450,698]		[(17,364)]	[96.3]
Net sales	461,079	100.0	444,058	100.0	(17,020)	96.3
Cost of sales	351,885	76.3	340,775	76.7	(11,109)	96.8
Gross profit on sales	109,193	23.7	103,282	23.3	(5,911)	94.6
Other operating revenues	6,983	1.5	6,640	1.5	(343)	95.1
Gross profit from revenues	116,177	25.2	109,923	24.8	(6,254)	94.6
Selling, general and administrative expenses	100,885	21.9	98,751	22.3	(2,134)	97.9
Advertising and decoration expenses	13,869		13,309			
Salaries and wages	25,970		25,455			
Land and building rent	22,610		22,574			
Depreciation and amortization	6,363		6,379			
Utility expenses	5,033		5,326			
Other	27,038		25,706			
Operating income	15,292	3.3	11,171	2.5	(4,120)	73.1
Non-operating income	2,211	0.5	1,185	0.3	(1,026)	53.6
Interest and dividends income	634		479			
Subsidy from renovation construction of sale area	1,031		225			
Gain on uncollected gift tickets	363		152			
Other	182		328			
Non-operating expenses	3,236	0.7	3,029	0.7	(207)	93.6
Interest expenses	2,930		2,841			
Other	306		187			
Ordinary income	14,267	3.1	9,328	2.1	(4,939)	65.4
Special gains	6,952	1.5	229	0.0	(6,722)	3.3
Gain on sales of investments in securities	6,873		14			
Other	78		215			
Special losses	8,718	1.9	15,500	3.5	6,782	177.8
Loss on disposals of property and equipment	1,864		2,694			
Impairment loss	4,191		5,859			
Unrealized loss on investment in securities	0		6,444			
Provision for loss on future collection of gift certificates	2,241		-			
Other	421		502			
Income before income taxes	12,501	2.7	(5,942)	(1.4)	(18,444)	-
Income taxes - current	79	0.0	64	0.0	(15)	81.1
Income taxes - deferred	(6,065)	(1.3)	3,599	0.8	9,664	-
Net income (loss)	18,486	4.0	(9,606)	(2.2)	(28,093)	-

[Reference] Seven & i Food Systems Co., Ltd.

NONCONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
ASSETS					
Current assets	40,935	62.3	37,474	66.2	(3,461)
Cash and bank deposits	8,883		8,098		
Accounts receivable, trade	526		491		
Marketable securities	15,000		-		
Inventories	157		111		
Materials	520		428		
Supplies	27		21		
Prepaid expenses	985		898		
Accounts receivable, other	1,138		931		
Deposits held by financial service company	13,200		26,000		
Short-term leasehold deposits	428		379		
Other	67		112		
Non-current assets	24,808	37.7	19,118	33.8	(5,690)
Property and equipment	12,102	18.4	7,621	13.5	(4,481)
Buildings	8,080		4,782		
Structures	941		482		
Vehicles	0		0		
Furniture, fixtures and equipment	1,382		753		
Land	1,686		1,591		
Construction in progress	11		12		
Intangible assets	388	0.6	423	0.7	35
Goodwill	28		18		
Rights of leasehold	89		89		
Software	238		283		
Utility rights of facilities	30		31		
Other	0		0		
Investments and other assets	12,317	18.7	11,073	19.6	(1,243)
Investments in securities	420		258		
Long-term prepaid expenses	283		247		
Prepaid pension cost	838		1,019		
Long-term leasehold deposits	10,600		9,454		
Allowance for doubtful accounts	(38)		(57)		
Other	212		151		
TOTAL ASSETS	65,743	100.0	56,592	100.0	(9,151)

Seven & i Food Systems Co., Ltd.

(Millions of yen)

	February 29, 2008		February 28, 2009		Increase (Decrease)
	Amount	%	Amount	%	
LIABILITIES					
Current liabilities	10,369	15.8	9,476	16.7	(892)
Accounts payable, trade	2,824		2,329		
Accounts payable, other	1,524		1,330		
Income taxes payable	287		372		
Consumption taxes withheld	253		350		
Accrued expenses	3,800		3,408		
Advance received	492		439		
Deposits received	123		147		
Allowance for bonuses to directors and corporate auditors	23		21		
Allowance for bonuses to employees	663		584		
Accounts payable for acquisition of property and equipment	111		72		
Short-term allowance for impairment loss on lease assets	141		305		
Other	122		113		
Non-current liabilities	803	1.2	938	1.7	135
Deferred income taxes	464		483		
Long-term allowance for impairment loss on lease assets	268		387		
Other	70		67		
TOTAL LIABILITIES	11,173	17.0	10,415	18.4	(757)
NET ASSETS					
Shareholder's equity	54,423	82.8	46,137	81.5	(8,285)
Common stock	3,000		3,000		
Capital surplus	56,321		55,975		
Additional paid-in capital	750		750		
Other capital surplus	55,571		55,225		
Retained earnings	(4,898)		(12,837)		
Other retained earnings					
Retained earnings brought forward	(4,898)		(12,837)		
Accumulated gains (losses) from valuation and translation adjustments	146	0.2	38	0.1	(108)
Unrealized gains (losses) on available-for-sale securities, net of taxes	146		38		
TOTAL NET ASSETS	54,570	83.0	46,176	81.6	(8,393)
TOTAL LIABILITIES AND NET ASSETS	65,743	100.0	56,592	100.0	(9,151)

Seven & i Food Systems Co., Ltd.

NONCONSOLIDATED STATEMENT OF INCOME

(Millions of yen)

	Year ended February 29, 2008		Year ended February 28, 2009		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
[Revenues from operations]	[54,958]		[102,711]		[47,752]	[186.9]
Net sales	54,702	100.0	102,109	100.0	47,406	186.7
Cost of sales	19,603	35.8	35,726	35.0	16,123	182.2
Gross profit on sales	35,099	64.2	66,382	65.0	31,283	189.1
Other operating revenues	255	0.5	601	0.6	345	235.1
Gross profit from operations	35,355	64.7	66,984	65.6	31,629	189.5
Selling, general and administrative expenses	38,278	70.0	70,063	68.6	31,784	183.0
Salaries and wages	19,441		34,995			
Land and building rent	6,128		11,407			
Utility expenses	3,230		6,163			
Depreciation and amortization	1,075		1,627			
Legal welfare expenses	1,395		2,675			
Other	7,007		13,194			
Operating loss	2,923	(5.3)	3,079	(3.0)	155	-
Non-operating income	219	0.4	484	0.5	265	221.0
Interest income	12		214			
Securities interest income	124		55			
Dividends income	1		5			
Income related to advertising media installation	38		62			
Miscellaneous income	42		146			
Non-operating expenses	57	0.1	75	0.1	18	132.9
Provision for doubtful accounts	-		19			
Miscellaneous expenses	57		56			
Ordinary loss	2,761	(5.0)	2,670	(2.6)	(90)	-
Special gains	610	1.1	356	0.3	(254)	58.3
Loss on extinguishment of tie-in shares due to demerger	603		-			
Compensation income for expropriation	-		273			
Other	7		82			
Special losses	2,394	4.4	5,240	5.1	2,846	218.9
Loss on sales of property and equipment	83		-			
Impairment loss	1,058		3,993			
Loss on cancellation of lease contracts	267		512			
Store-closing cost and removal expenses	689		525			
Other	294		210			
Loss before income taxes	4,545	(8.3)	7,555	(7.4)	3,009	-
Income taxes - current	157	0.3	310	0.3	153	197.6
Income taxes - deferred	195	0.3	73	0.1	(121)	37.6
Net loss	4,897	(8.9)	7,939	(7.8)	3,041	-